

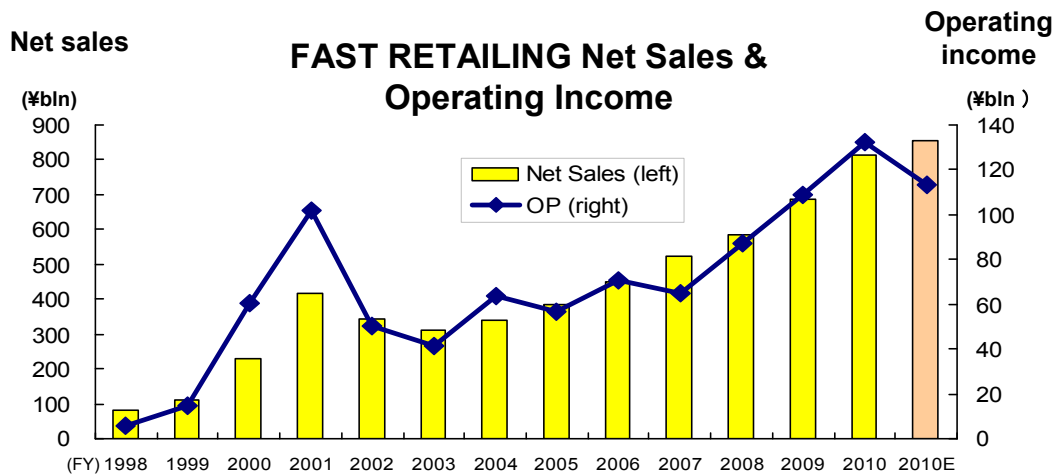
Overview of Year to August 2010 and Future Outlook

Tadashi Yanai

**FAST RETAILING CO., LTD.
Chairman, President & CEO**

FY2010 Gains in Sales & Income

Net sales **¥814.8bln (+18.9% y/y)**
Operating income **¥132.3bln (+21.9% y/y)**
Net income **¥ 61.6bln (+23.9% y/y)**



My name is Tadashi Yanai, and I am the president, chairman and CEO of FAST RETAILING CO., LTD.

First of all, I would like to give an overview of the year through August 2010. And then I would like to talk about the future direction of our company.

During the year to August 2010, FAST RETAILING achieved strong gains in sales and operating income.

Net sales increased 18.9% year on year to ¥814.8bln, operating income rose 21.9% year on year to ¥132.3bln and net income increased by 23.9% to ¥61.6bln.

Large 1H Income Gain, 2H Income Fall

FY2010	1H (Sep-Feb)	2H (Mar-Aug)
Net sales	¥470.9bln (+31.8% y/y)	¥343.8bln (+5.0% y/y)
Operating income	¥99.8bln (+43.0% y/y)	¥32.4bln (▲ 16.2% y/y)

- **2009 fall/winter: UNIQLO at its best**
 Significant rise in awareness of UNIQLO as a global brand
 HEATTECH line a big hit
 Success of global flagship and large-format stores
 Strong reception of +J collection worldwide
- **2010 spring/summer: UNIQLO Japan weak**
 Shortages of core products, poor spring/summer marketing
 Insufficient product planning and production planning
 Lack of coordination on product design, production and sales
 Unseasonable weather

3

Looking more closely at the results for the business year through August 2010, operating income increased significantly during the first six months from September 2009 through February 2010, before falling off in the second half, from March through August 2010.

UNIQLO did extremely well with its 2009 fall/winter season lines. This success was due to a considerable increase in awareness of UNIQLO as a global brand, our HEATTECH line proving a big hit, and the success of our global flagship stores and large-format stores. In addition, the +J collection, launched in collaboration with fashion designer Ms. Jil Sander, was well received worldwide.

However, our UNIQLO operation performed poorly in the second half of the business year, particularly our mainstay UNIQLO Japan operation. The operation suffered from shortages in basic core items, and poor marketing of the spring/summer lines. Oversights in product planning and production planning left stores without a sufficient range of colors and sizes. The operation also suffered from a lack of smooth coordination between product design, production and sales.

I think that our strong performance in the first half of the year led us to be careless in the second half.

Unseasonable weather also impacted our performance.

- 1 . Enhance product development to revive sales**
- 2 . UNIQLO branding**
- 3 . Global One – Zenin Keiei**
- 4 . Social business**
- 5 . Further expansion of UNIQLO International**

This slide lists the areas which we will be focusing on in the current business year through August 2011.

Enhance Product Development

Enhance product development to boost sales

- **Further strengthen UNIQLO's core basic items**
 - ⇒ **Develop & improve core items**
 - ⇒ **Review product lineup**
- **Coordination of product planning, design, merchandising and production structure**
 - ⇒ **New merchandising framework**

Looking first at our plan to strengthen our product development capabilities and generate a recovery in sales. We will be focusing on strengthening the core basic items in which UNIQLO has traditionally excelled by further developing and improving core product ranges.

We will also review our product mix in order to focus more on high quality while reducing our focus on the superficial elements of fashion.

In order to improve coordination between product planning, design, merchandising and production, I have appointed the president of g.u. to head UNIQLO's merchandising department and the president of CABIN to head the women's merchandising department. We will make further improvements under the new merchandising framework.

What kind of company are we and how should we seek to expand globally?

- We want to create truly great clothing for all to wear, putting forth new propositions to meet people's everyday needs and change lifestyles.
- We will convey our brand through our global operations and flagship stores.



**We will be a global buzz-generating SPA
(manufacturer and retailer)**

6

Looking next at UNIQLO branding: when we expand our business around the world, we are asked what kind of company we are.

I want to provide truly good clothing for all to wear, and offer new propositions that fulfill people's everyday needs and even change lifestyles.

We will build and broadcast our brand through our worldwide operations and our global flagship stores.

I want us to become a buzz-generating SPA (global manufacturer and retailer) that creates value by first developing products that fulfill the latent needs of customers, then promotes that value through advertising and marketing resulting in customers deciding to buy our products.

- **Personnel hiring and development, training of business managers**
- **Introduce globally consistent personnel and incentive structure**
- **Establish a G1 business information system**
- **Build a global and fully functional management structure**

We are determined to expand our business globally with our Global One and Zenin Keiei approaches.

First, the hiring and development of global personnel, and the training of business managers is paramount.

At the same time, I want to introduce and then ensure the smooth operation of a unified global personnel and incentive system.

The new profit-sharing system that I announced today, and which was up until now only applicable to UNIQLO Japan employees, will now apply to all group employees and managers. With stock options as an incentive, I want to ensure that our company growth is reflected in benefits to our employees.

With Global One, I want to establish a business information system that befits a global company.

I want to use these plans to build a genuine and fully functional global management structure.

Social Business

Ameliorate social problems, including poverty, sanitation & education through design, production and sale of clothing.

**FR to launch social business
JV with GRAMEEN Bank group,
Bangladesh in October 2010.**

- Establish a complete clothing business model spanning material procurement, production, distribution and sale.
- Improve daily lives of the poor (health, education opportunities, etc.) by selling clothing at affordable prices.
- Create employment opportunities that help poor people lead independent lives as entrepreneurs.



GRAMEEN ladies conduct their UNIQLO clothing business in rural Bangladesh

Moving on next to our social business, I want to establish a social business in Bangladesh through a joint venture with the GRAMEEN Bank group.

Bangladesh is currently a developing country, but given that its biggest national industry is textiles, I believe the country has the potential to become a second China.

Among the world's global companies, I believe the only ones that can survive long term are the firms that are genuinely good for the country in which they are operating, and, by extension, for the world at large.

We want to launch our social business initially in Bangladesh. I want us to create a company which provides clothes--a part of life's necessary infrastructure of food, clothing and shelter. And then, through our social business, I want to help poor people become independent and sustain themselves.

Further Expansion of UNIQLO Intl

- **FY2010: Net sales double, OP quadruples**
Asia: large gains in sales & income
- **Become the dominant number one in Asia**
May 2010: Global flagship opens in Shanghai
October 7, 2010: First store opens in Taiwan
November 4, 2010: First store to open in Malaysia
Accelerate opening of stores in Southeast Asia including Vietnam, Thailand, Indonesia and The Philippines.
- **Open flagship and large-format stores in major American and European cities**
Fall 2011: Open global flagship on Fifth Avenue, NY
Accelerate store openings in New York, Paris and other major American and European cities.

Next, I would like to talk about our intention to further expand UNIQLO International.

In the year through August 2010, UNIQLO International saw net sales double and operating income quadruple, with Asia in particular generating large increases in sales and income.

Moving forward, we will be looking to become the dominant “number one” in Asia. Both the recent opening of our global flagship store in Shanghai, and the opening of our first store in Taiwan have proven more successful than any past store opening. I think that in the Taiwan market, in the near future we will be able to achieve a store density level similar to what we have in Japan.

Next, we plan to open our first store in Kuala Lumpur, Malaysia this November.

After that, we will be looking to open stores in succession in other parts of Southeast Asia, including Vietnam, Thailand, Indonesia and the Philippines.

In the US and Europe, I want to open flagship stores and large-format stores in major cities. Next year, we will open a global flagship store on New York’s Fifth Avenue, and I will be looking to expand our store network in both New York and Paris to between 5 and 10 stores as soon as possible.

In addition, I want to open stores in other major American and European cities, particularly in Germany and Spain.

**Providing truly great clothing for
everyone the world over.**

**Delivering the joy of wearing truly
great clothing to people
worldwide.**

The FAST RETAILING slogan for the business year through August 2011 is MADE FOR ALL.

Up until now, we have sought to provide truly great clothing for people all across Japan. But in the future we want to provide truly great clothing to people the world over.

We want to enable people around the world to experience the joy of wearing truly great clothes.

Taiwan

First store opened October 7, 2010

A record of some 2,500 people stand in line.

The store is flooded with customers on its opening day.



UNIQLO Uni-President Hankyu Department Store
Chung Hsiao E. Rd, Taipei, Taiwan,
Uni-President Hankyu Department Store, B1F
Sales floor: 1,450 square meters

Yesterday, we opened our first store in Taiwan, and it was a roaring success.

The market is extremely promising and I want to create a multi-store network there as rapidly as possible.

First store to open November 4, 2010



UNIQLO Fahrenheit 88 Store

Bukit Bintang, Kuala Lumpur

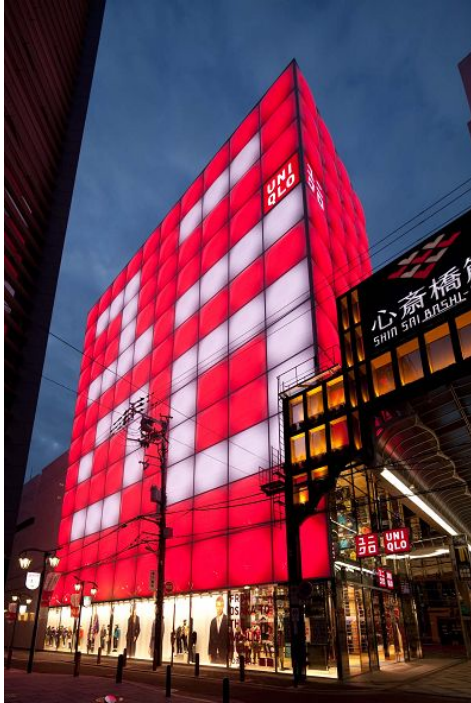
Sales floor: 2,140 square meters

Following on from Taiwan, we plan to enter the Malaysian market with the opening of a large-format store in Kuala Lumpur's Bukit Bintang district, the city's busiest shopping area.

I believe we will be able to open between 5 and 10 stores in Kuala Lumpur as well.

Global Flagship in Shinsaibashi, Japan

Store opened October 1, 2010



Next, I want to talk about the global flagship store which we opened in the commercial district of Shinsaibashi, Osaka in October. In comparison to our other global flagship stores to date in New York, Paris and London, I think Shinsaibashi is an extremely good store in terms of store design and merchandising mix.

**A major breakthrough on the horizon:
the establishment of a new, low-priced
clothing business.**

**FY2010: Sales and income soar, network expands
to 115 stores.**

**FY2011: Flagship store to open in Shinsaibashi,
Osaka on October 22, 2010.**

FY2013 target: Net sales ¥50bln, 200 stores.

As for our g.u. business, I believe we are now on the brink of a major breakthrough in establishing a new, low-priced clothing business.

In the year through August 2010, g.u. posted significant gains in both sales and income, with store numbers expanding beyond 100 stores. We plan to open a g.u. flagship store in Shinsaibashi, Osaka on October 22, 2010.

Looking ahead, I want to create a g.u. network of 200 stores generating net sales of ¥50bln by fiscal 2013.

- **Theory & CDC global brand framework**
Synergy between Theory & CDC
Theory: European expansion,
Full-scale China development
CDC: Open stores in US
- **Utilize CABIN staff in group companies**
Deploy staff to PLST, CDC Japan and
UNIQLO Japan stores
- **Establish footwear operation**
Merged footwear brands under CANDISH name
September 2010

Let us look next at our Global Brands category. Here, I want to create a global brand business framework for Theory and COMPTOIR DES COTONNIERS.

I want to start expanding Theory in Europe utilizing our established COMPTOIR DES COTONNIERS platform. I also want to develop the COMPTOIR DES COTONNIERS label throughout America in the future utilizing the existing Theory platform in the same way.

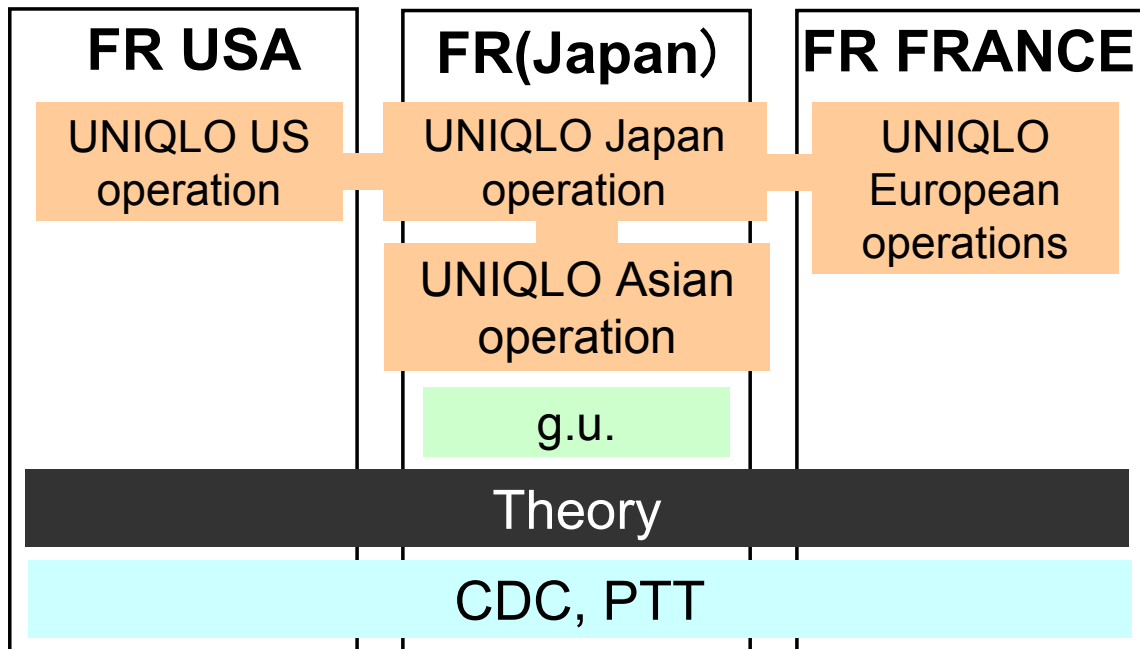
We are also working to facilitate a full-scale development of the CDC label in China.

I want to utilize CABIN personnel in group companies, deploying CABIN employees to PLST and CDC operations and UNIQLO stores.

We are gradually establishing our Footwear operation, merging specialty shoe stores under the CANDISH name, and strengthening the footwear business under the UNIQLO umbrella.

FR Business Development

Maximize group synergies while ensuring a strong presence at the local level.



16

This slide illustrates operational development within the FAST RETAILING Group.

FR Japan is in the center. FR USA and FR FRANCE operate the US and European UNIQLO businesses along with the Theory, COMPTOIR DES COTONNIERS and PRINCESEE TAM.TAM labels.

I am looking to create an environment that enables us our firms to grow with extremely strong roots in the local markets of New York and Paris. In addition, I want to make UNIQLO, Theory and COMPTOIR DES COTONNIERS into global brands.

Why adopt English as our official language?

Next, I would like to touch upon our decision to make English our official company language, a decision which has drawn much attention of late.

At FAST RETAILING we aspire to become a global operation catering to the needs of a world of six billion people. Unfortunately, the common language of world business is English, not Japanese.

We expect the scale of our business outside of Japan to surpass that of our Japan operation by approximately 2014 or 2015. By then, the number of non-Japanese employees and business managers will exceed their Japanese counterparts.

At that time, I see our base of operations not being Japan or Asia, but the world.

FAST RETAILING: A new, Japanese global company.

I want FAST RETAILING to become a new, global Japanese company.

That completes my presentation.

Thank you.