

FR Results for the Three Months to November 2010 & Estimates for Fiscal 2011

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My name is Hidetsugu Onishi and I am group senior vice president and CFO of Fast Retailing.

I would like to take you through our consolidated business performance for the first quarter of fiscal 2011, the three months from September through November 2010, as well as our estimates for the full business year through the end of August 2011.

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A note on the display of group operations in this documentation

Group operations are outlined below.

(Starting from the year ended August 2011)

UNIQLO Japan: UNIQLO Co., Ltd. (including footwear)
UNIQLO International: All UNIQLO operations outside of Japan
Global Brands: Includes Theory, Comptoir des Cottonniers, Princesse tam.tam, g.u. and Cabin

(Through the year ended August 2010)

UNIQLO Japan: Figures for the UNIQLO operation in Japan are displayed
UNIQLO International: All UNIQLO operations overseas
Japan Apparel: Includes g.u., footwear and CABIN operations
Global Brands: Includes Theory, Comptoir des Cottonniers, Princesse tam.tam brands.

A note on business forecasts

When compiling business estimates, plans and target figures in this document, the figures that are not historical facts are forward looking statements based on management's judgment in light of currently available information.

These business forecasts, plans and target figures may vary materially from the actual business results depending on the economic environment, our response to market demand and price competition, and changes in exchange rates.

Net sales: ¥250.9bln (- 4.7% y/y)

Operating income: ¥49.8bln (-18.4% y/y)

	Yr to Aug. 2010 (3 mths to Nov. 2009)	Yr to Aug. 2011 (3 mths to Nov. 2010)	
	Actual	Actual	y/y
Net sales (to net sales)	263.4 100.0%	250.9 100.0%	-4.7%
Gross profit (to net sales)	138.0 52.4%	133.4 53.2%	-3.4% +0.8p
SG&A (to net sales)	77.0 29.2%	83.5 33.3%	+8.5% +4.1p
Operating income (to net sales)	61.0 23.2%	49.8 19.9%	-18.4% -3.3p
Ordinary income (to net sales)	58.6 22.3%	48.1 19.2%	-17.9% -3.1p
Special loss (to net sales)	-0.1 -	-10.6 -	- -
Net income (to net sales)	34.8 13.2%	22.7 9.0%	-34.9% -4.2p

Billions of yen

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Let me first run through our business performance for the first quarter of fiscal 2011, or the three months from September through November 2011.

Fast Retailing experienced a fall in both net sales and operating income during this period, with net sales decreasing 4.7% year on year to ¥250.9bln, operating income falling 18.4% year on year to ¥49.8bln and ordinary income contracting 17.9% to ¥48.1bln.

The next slide lists the main reasons behind this dip in performance.



Group: 1Q Fall in Sales and Profit

Sales ¥250.9bln (-4.7% y/y)

- UNIQLO Japan - ¥20.0bln
- UNIQLO International + ¥6.0bln
- Global Brands + ¥1.3bln

Gross profit to net sales ratio 53.2% (+0.8p y/y)

- UNIQLO Japan +0.9p (+2.7p from accounting practice changes)

SG&A to net sales ratio 33.3% (+4.1p y/y)

- UNIQLO Japan +5.2p (+2.7p from accounting practice changes)
- Expansion in high SG&A ratio operations: UNIQLO Intl & Global Brands

Operating income ratio 19.9% (-3.3p y/y)

Ordinary income ratio 19.2% (-3.1p y/y)

- Foreign exchange loss generated by yen strengthening ¥1.6bln

Let us look first at the 4.7% or ¥12.4bln fall in consolidated sales for the FR Group to ¥250.9bln.

The main reason for this decrease in consolidated sales was a ¥20.0bln decline in sales at UNIQLO Japan. On the other hand, UNIQLO International sales rose ¥6.0bln, and sales from the Global Brands segment increased by ¥1.3bln.

The gross profit to net sales ratio rose 0.8 point year on year to 53.2% in the first quarter, thanks mainly to a 0.9-point improvement in the gross profit margin at UNIQLO Japan.

SG&A expenses rose by ¥6.5bln in the first quarter, boosting the SG&A to net sales ratio 4.1 points higher. This was due mainly to a 5.2-point increase in the SG&A ratio at UNIQLO Japan. In addition, the proportion of our business being generated by UNIQLO International and our Global Brands segment is increasing, and these segments tend to have comparatively high SG&A ratios. As a result of this, operating income shrank 18.4% in the first quarter to ¥49.8bln and the operating income ratio fell 3.3 points to 19.9%.

In addition, ordinary income shrank 17.9% to ¥48.1bln, and the ordinary income ratio fell 3.1 points to 19.2%.

In terms of non-operating income, we recorded a foreign exchange loss of ¥1.6bln resulting from a strengthening in the yen, and related mainly to losses evaluated on advances extended by UNIQLO Co., Ltd. to overseas UNIQLO operations.

1Q Breakdown by Operation

Billions of yen

		Yr to Aug. 2010	Yr to Aug. 2011	
		(3 mths to Nov. 2009) Actual	(3 mths to Nov. 2010) Actual	y/y
UNIQLO Japan	Net sales	209.7	189.7	-9.6%
	Operating income (to net sales)	55.5 26.5%	42.0 22.1%	-24.4% -4.4p
UNIQLO International	Net sales	20.7	26.8	+29.3%
	Operating income (to net sales)	3.1 15.3%	4.8 18.0%	+52.5% +2.7p
Global Brands	Net sales	32.4	33.7	+4.1%
	Operating income (to net sales)	3.5 10.8%	3.9 11.8%	+13.4% +1.0p

*FY2010 data have been included in new categories in this slide.

*The group segments are as follows:

UNIQLO Japan: UNIQLO Co., Ltd. (including footwear)

UNIQLO International: All UNIQLO operations outside of Japan

Global Brands: Theory, Comptoir des Cotonniers, Pricesse tam.tam, g.u. and Cabin

This slide shows a breakdown in our net sales and operating income for the first quarter from September through November 2010 by Group operation.

From fiscal 2011, ending August 2011, our footwear operation is being included in the UNIQLO Japan category, while our low-priced casual g.u. brand and women's fashion operator Cabin has been brought into the Global Brands segment.

Data for fiscal 2010 have been adjusted to suit the new categorization in this slide.

1Q Fall in Sales and Income

Billions of yen

	Yr to Aug. 2010 (3 mths to Nov. 2009)	Yr to Aug. 2011 (3 mths to Nov. 2010)	
	Actual	Actual	y/y
Net sales (to net sales)	209.7 100.0%	189.7 100.0%	-9.6%
Gross profit (to net sales)	104.7 49.9%	96.4 50.8%	-7.9% +0.9p
SG&A (to net sales)	49.2 23.5%	54.4 28.7%	+10.6% +5.2p
Operating income (to net sales)	55.5 26.5%	42.0 22.1%	-24.4% -4.4p

*Fiscal 2010 data have been included in new categories in this slide.

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Now, I would like to talk about the fall in net sales and operating income at UNIQLO Japan in the first quarter, when sales contracted 9.6% to ¥189.7bln, and operating income fell 24.4% to ¥42.0bln.

However, when compared to our initial business estimates announced in October, net sales actually outstripped the forecast to the tune of ¥5.0bln, and the gross profit margin also outperformed slightly. In addition, we were able to reduce SG&A expenses by just under ¥2.0bln.

As a result of the above data, operating income exceeded our initial estimate by ¥5.0bln.

I will use the subsequent slides to explain the individual factors at play here.

UNIQLO Japan: Overall Net Sales

1Q Sales ¥189.7bln (-9.6% y/y)

- UNIQLO directly-run stores 803 (excluding 20 franchise stores) end Nov 10 (net 31 store increase y/y)
- 1Q same-store sales down 12.3% y/y (customer no. down 6.6%, average customer spending down 6.0%)
 - Fall in customer numbers: Continued hot weather through September combined with sales falling in November compared to the exceedingly strong results of the previous two years.
 - Fall in average customer spending: More discounts on fall items in September, more limited-offer sales of HEATTECH in November.

Same-store sales y/y	Yr to Aug. 2011				
	Sep.	Oct.	Nov.	3 mths to Nov. 2010	Dec.
Net sales	-24.7%	-1.1%	-14.5%	-12.3%	-15.5%
Customer nos.	-14.9%	-0.2%	-7.0%	-6.6%	-10.0%
Avg. purchase	-11.4%	-0.9%	-8.1%	-6.0%	-6.1%

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Overall sales at UNIQLO shrank 9.6% year on year in the first quarter. While 31 new stores opened for business, same-store sales contracted 12.3% year on year.

One of the reasons for this double-digit fall in same-store sales was a fall in customer numbers as hot summer continued through September. In addition, this first quarter figure was being compared to extremely strong sales for the same period in the previous two years, with a notable same-store sales increase of 20.8% for the same period fiscal 2010.

Average customer spending also fell year on year. This was due to a range of factors including the hot September weather which stifled sales of fall clothing and necessitated greater subsequent discounting. In November, we conducted more limited-offer sales for our HEATTECH range compared to the previous year when product shortages restricted such promotional sales.



UNIQLO Japan: Gross Profit Margin

**1Q: Gross profit margin 50.8% (+0.9p y/y)
(48.1%:-1.8p under old accounting method) ***

○ **Reasons for fall (under former accounting)**

- **More discounts to shift inventory of fall goods.**
Sales of fall goods struggled as hot weather persisted in September.
- **More HEATTECH limited-offer sales**
Japan HEATTECH sales rose from 4.7mln units last year to 6.5mln units this year. Last year, product shortages meant fewer limited-offer sales. This year the such sales were held as planned.

○ **Reason for rise above initial forecast**

- **Strong sales of Ultra Light Down and fleece items**

*The portion of product storage and warehouse-to-store costs previously accounted under cost of sales has been standardized as an SG&A expense from fiscal 2011.

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Next, I would like to look at our gross profit margin for the first quarter which shrank 1.8 points year on year. Having said that, this level was slightly higher than we had initially estimated.

The first main reason why the gross profit margin fell on a year-on-year basis was the need for greater discounting to offload inventory of fall items. Sales of fall items were sluggish as the hot weather persisted into the quarter and inventory was aggressively sold.

Another factor behind the fall in the gross profit margin was the increase in limited-offer sales for our HEATTECH range of functional innerwear.

We increased our estimate for HEATTECH sales from 4.7 million units in fall/winter 2009 to 6.5 million units in fall/winter 2010. This enabled us to promote HEATTECH items through limited-offer sales this year, something we couldn't do last year due to shortages in some HEATTECH products.

Strong sales of Ultra Light Down and fleece garments in November helped the gross profit margin nudge above our initial estimate for the first quarter.

**1Q: SG&A ratio 28.7% (+5.2p y/y)
(26.0%:+2.5p under old accounting method)***

○ **SG&A ratio increase compared to extremely efficient previous period.**

• Personnel ratio	+0.5p y/y
• Advertising & Promotion ratio	+0.6p y/y
• Store rent ratio	+0.7p y/y

○ **Fall of nearly ¥2.0bln v. initial estimate**

• **Reduced store personnel and advertising costs**

*The portion of product storage and warehouse-to-store costs previously accounted under cost of sales has been standardized as a SG&A expense from fiscal 2011.

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The SG&A to net sales ratio increased 2.5 points year on year using the same accounting procedure.

Net sales increased at an extremely strong rate of 20.8% year on year in the first quarter September to November 2009 boosting efficiencies on business costs. Conversely, in the first quarter from September to November 2010, business cost ratios increased across the board including personnel, advertising and promotion and store rents.

However, we predict the SG&A ratio for the full year will come in under 30% using our former accounting procedure and, therefore, we still consider this first quarter margin level to be appropriate.

Furthermore, our cost-cutting drive initiated at the beginning of the business year has already shaved just under ¥2.0bln off SG&A expenses in the first quarter compared to our initial estimate.

Savings were made mainly in store personnel costs, and advertising and promotion expenditure.

Operating income rises 50% as forecast.

Asia: Sales and income soar across the region

Stores: 118 (End Aug. 2010) ⇒ 129 (End Nov. 2010)

- 1Q: 11 new stores (China:5, Korea: 4, Taiwan:1, Malaysia:1)
- China, Hong Kong and Korea contributed the most
- 1st Taiwan store (Oct. 7) sales soared beyond target.
- Strong sales from first Malaysian store opened Nov. 4

Billions of yen

		Yr to Aug. 2010	Yr to Aug. 2011	
		(3 mths to Nov. 2009)	(3 mths to Nov. 2009)	y/y
		Actual	Actual	
UNIQLO International	Net sales	20.7	26.8	+29.3%
	Operating income	3.1	4.8	+52.5%
	(to net sales)	15.3%	18.0%	+2.7p

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Next, I would like to move onto UNIQLO International which generated significant gains in both net sales and operating income over the first quarter. Sales increased 29.3% to ¥26.8bln and operating income expanded an impressive 52.5% to ¥4.8bln. Note both the sales and income figures were roughly in line with our initial estimate.

The Asian region generated considerable gains in both sales and income with 11 new stores opening in the first quarter, and same-store sales continuing their healthy expansion.

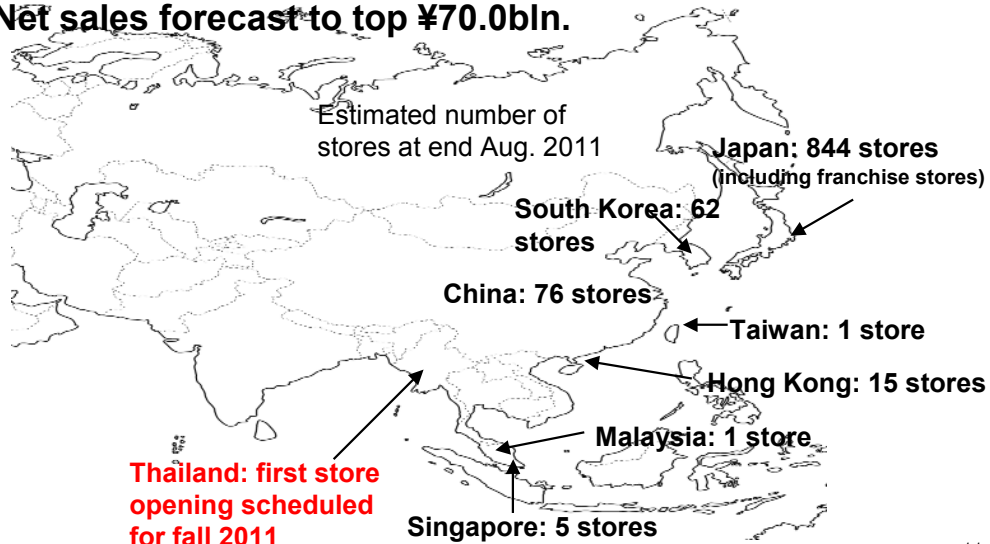
UNIQLO's performance in China, Hong Kong and South Korea was especially strong, while profitability improved in Singapore.

UNIQLO opened its first store in Taiwan on October 7, 2010. Anticipation built up ahead of the opening with approximately 2,500 people lining up outside the store, and sales have subsequently soared well beyond initial expectations.

Sales also proved extremely buoyant at our first Malaysian store, with roughly 2,000 people lining up outside the store prior to its opening on November 4.

UNIQLO Intl Development in Asia

- Expand to 160 stores across Asia by end Aug. 2011.
- Strong sales at large-scale UNIQLO outlets within department stores attracts customers to host store.
- Net sales forecast to top ¥70.0bln.



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By end August 2011, we expect to expand our store network in the Asian region by 42 stores to 160 stores.

Our stores located within local departments are proving specially successful. For instance, our first store in Taiwan, located within the Uni-President Hankyu department store, has generated strong sales, as have new stores in South Korea housed within LOTTE department stores. As a core tenant, UNIQLO serves to attract more customers into the department store as a whole. We plan to push ahead with the opening of more new outlets within established department stores.

We also predict that UNIQLO sales in Asia will top ¥70.0bln during the year to August 2011.

We are planning to open our first store in Bangkok, Thailand this fall. With the Asian region set to become a key driver of future UNIQLO growth, we plan to further accelerate store openings in Asia in the future.

U.S. & Europe: Sales & income rise as planned (excl. rent on NY 5th Avenue global flagship site)

Stores: 18 (End Aug. 2010) ⇒ 19 (End Nov. 2010)

- **Fall/winter +J collection well received with NY Soho flagship posting record one-day sales on launch day.**
- **Paris flagship sales continue strong, profit improves**
- **Same-store sales continue to rise in U.K.**
- **Second store opens in Russia, but opening costs tip operation into the red in 1Q.**

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UNIQLO operations in Europe and the United States generated gains in both net sales and operating income after stripping out the rental obligation on the property for the future New York Fifth Avenue global flagship store.

The fall and winter +J collection was well received, earning record one-day sales for the New York Soho global flagship when the collection launched October 15, 2010.

Our Paris global flagship, opened October 2009, continues to produce strong sales and income levels are improving.

Same-store sales continue to rise at the UNIQLO operation in the U.K.

We opened our second store in Russia on November 26, 2010. However, pre-opening costs left the operation in the red at the end of the first quarter.



Global Brands: Three Months to Nov. 2010

Strong Theory operation achieves targets

Theory strong in U.S./Japan, exceeds U.S. targets

U.S.: Income outstrips target on double-digit rise in same-store sales.

Japan: Same-store sales continue to grow, boosting income as planned.

Comptoir des Cotonniers below target

Profit dips as same-store sales fall short of initial plan.

Princesse tam.tam performs to plan

Sales contract as wholesale business reduced, income flat but to plan.

g.u. performs to plan

1Q sales increased as expected, income flat as hot September stifles sales.

Billions of yen

		Yr to Aug. 2010	Yr to Aug. 2011	
		(3 mths to Nov. 2009)	(3 mths to Nov. 2009)	y/y
		Actual	Actual	
Global Brands	Net sales	32.4	33.7	+4.1%
	Operating income	3.5	3.9	+13.4%
	(to net sales)	10.8%	11.8%	+1.0p

*FY2010 data have been included in new categories in this slide.

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As expected, our Global Brands segment achieved gains in both net sales and operating income in the first quarter, with sales rising 4.1% year on year to ¥33.7bln, and operating income rising 13.4% to ¥3.9bln.

Profits continued to expand at our Theory operations on both sides of the Pacific. In particular, our Theory operation in the U.S. outstripped expectations on the profit side with same-store sales continuing to record double-digit growth. Budding designer Olivier Theyskens, who began developing new Theory styles from the 2011 spring and summer collection, captured the attention of the fashion world with his Capsule Collection. Theyskens, as artistic director, will be responsible for the design of the entire Theory range beginning with the 2011 fall and winter collection. Fashion watchers appear to be eagerly awaiting the collection after the appointment was reported in *Vogue* magazine.

Our Theory operation in Japan also generated higher income as same-store sales continued to expand.

Revenue contracted at our French women's fashion label Comptoir des Cotonniers in the first quarter. Same-store sales dipped lower, leaving both sales and income somewhat short of target.

Revenue from our French lingerie brand Princesse tam.tam declined as the wholesale arm of the business was further reduced. However, income performed roughly to plan, holding flat on a year-on-year basis.

Our low-price casual g.u. brand generated increased revenue in the first quarter as expected. Following a sluggish performance in the unseasonably hot September month, sales began to recover from late October. Having paid for the opening of the g.u. Shinsaibashi flagship

Group: 1Q Extraordinary Losses

Extraordinary losses ¥10.7bln

¥9.6bln in lump-sum losses due to changes in accounting procedure including:

Logistic costs **¥2.6bln**

Amount equivalent to distribution and product storage cost accounted as inventory expenses as of end August 2010. (To unify accounting procedure for distribution and product storage costs)

Fixed asset depreciation allowance **¥4.0bln**

The total to date. (To unify accounting procedure at group level)

Asset retirement obligations **¥2.9bln**

The total to date. (In accordance with accounting standards introduced)

Other extraordinary losses

Business closure loss provisioning **¥0.8bln**

Related to closure of footwear specialty stores

Next, I would like to run through the extraordinary losses accounted during the first quarter from September to November 2010.

In order to unify accounting procedure, we accounted a total one-time extraordinary loss of ¥9.6bln. This figure included a ¥2.6bln lump-sum for logistic costs relating to product distribution and storage costs, a ¥4.0bln lump sum allowance for fixed asset depreciation, and a ¥2.9bln lump-sum loss to cover total asset retirement obligations to date.

In addition to these lump-sum extraordinary losses, we also posted an additional extraordinary loss of ¥0.8bln to provision against losses on business closures. This followed the decision to close 90 specialty footwear stores most likely within the current business year to end August 2011.

We plan to continue developing our footwear operation by retailing shoes as part of our UNIQLO operation.

Billions of yen

	End Aug. 2010	End Nov. 2010	Change
Total assets	507.2	558.6	+51.3
Current assets	345.6	394.5	+48.8
Fixed assets	161.6	164.1	+2.5
Liabilities	219.3	253.2	+33.9
Net assets	287.9	305.4	+17.4

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Next, I would like to take you through our balance sheet as it stood at the end of November 2010.

Compared to the end of fiscal 2010, current assets increased by ¥48.8bln, fixed assets rose by ¥2.5bln and total assets rose ¥51.3bln to ¥558.6bln.

The next slide covers the balance sheet in more detail.

**Increase in cash, equivalents & marketable securities
+ ¥12.3bln (¥201.9bln⇒¥214.3bln)**

UNIQLO Japan: Increased operating cash flow

Increase in inventory assets + ¥6.3bln (¥74.0bln⇒¥80.3bln)

UNIQLO Japan: Balance at end Nov. 2010: ¥55.0bln (+¥2.9bln v. end Nov. 2009) as stores expand in both number and size

Increase in tangible assets + ¥1.0bln (¥50.1bln⇒¥51.1bln)

UNIQLO International: Increase related to new store openings

Decreased forward contract liabilities -¥7.8bln (¥58.2bln⇒¥50.3bln)

UNIQLO Japan: Hedge accounting applies, so no impact on P/L.

Taking first current assets, cash, cash equivalents and marketable securities at the end of November 2010 increased by ¥12.3bln versus the end of fiscal 2010 to ¥214.3bln. This rise was due mainly to an increase in operating cash flow from UNIQLO Japan.

At the end of November 2010, total inventory assets stood at ¥80.0bln, up ¥6.3bln from end August. Inventory at UNIQLO Japan increased ¥2.9bln year on year to ¥55.0bln at end November 2010. The increase in UNIQLO Japan inventory assets was due both to the increased number and increased size of UNIQLO Japan stores.

Tangible assets increased ¥1.0bln by the end of November versus the end of August 2010. The majority of that gain can be attributed to new store openings at UNIQLO International.

Foreign exchange forward contracts decreased by ¥7.8bln to ¥50.3bln on the liabilities side. UNIQLO Japan trades foreign currency forward contracts in order to minimize the risk of currency fluctuations. Such transactions are applicable under hedge accounting and therefore have no impact on the P/L.

Group: FY2011 Forecasts

Downward revisions: sales ¥10.0bln, gross profit ¥7.0bln, SG&A ¥7.0bln, income unchanged

Billions of yen

	Yr to Aug. 2010 Actual	Yr to Aug. 2011 Latest est. (Oct. 8)		Yr to Aug. 2011 Revised est. (Jan. 13)		
			y/y	y/y	y/y	v. latest est
Net sales (to net sales)	814.8 100.0%	856.0 100.0%	+5.1%	846.0 100.0%	+3.8%	-1.2%
Gross profit (to net sales)	420.8 51.7%	440.0 51.4%	+4.5% -0.3p	433.0 51.2%	+2.9% -0.5p	-1.6% -0.2p
SG&A (to net sales)	288.5 35.4%	326.5 38.1%	+13.2% +2.7p	319.5 37.8%	+10.7% +2.4p	-2.1% -0.3p
Operating income (to net sales)	132.3 16.2%	113.5 13.3%	-14.3% -2.9p	113.5 13.4%	-14.3% -2.8p	+0.0% +0.1p
Ordinary income (to net sales)	123.7 15.2%	108.5 12.7%	-12.3% -2.5p	108.5 12.8%	-12.3% -2.4p	+0.0% +0.1p
Net income (to net sales)	61.6 7.6%	51.0 6.0%	-17.3% -1.6p	51.0 -0.3%	-17.3% -1.6p	+0.0% +1.0p

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Now, I would like to talk about our business estimates for the full year through end August 2011.

We have revised down our full-year forecast for consolidated sales by ¥10.0bln, from an initial estimate of ¥856.0bln to ¥846.0bln.

We have revised our forecast for gross profit margin down 0.2 point from 51.4% to 51.2%. This translates into a downward revision of ¥7.0bln for gross profit from an initial estimate of ¥440.0bln to a current estimate of ¥433.0bln.

However, we have also revised down our full-year forecast for SG&A expenses by ¥7.0bln and, as a result, we are still expecting to achieve our initial forecast for operating income of ¥113.5bln.



UNIQLO Japan: Forecast Assumptions

	Yr to Aug. 2010 Actual (Former standard)	Yr to Aug. 2011 (Former standard)			Yr to Aug. 2011 (New standard)		
		Latest est. (Oct. 8)	Revised est. (Jan. 8)	y/y	Latest est. (Oct. 8)	Revised est. (Jan. 13)	y/y
Net sales	615.1 ¥bIn				628.0 ¥bIn	618.0 ¥bIn	+0.5%
Same-store growth (Full year, Only UNIQLO)	+4.7%				-4.7%	-5.7%	-10.4p
1H	+13.1%				-9.8%	-11.4%	-24.5p
2H	-6.4%				+3.0%	+3.0%	+9.4p
Gross margin (Full year)	49.2%	46.0%	45.6%	-3.6p	49.0%	48.6%	-0.6p
1H	50.4%	46.2%	46.1%	-4.3p	49.0%	48.9%	-1.8p
2H	47.5%	45.8%	45.1%	-2.4p	48.9%	48.2%	+0.7p
SG&A ratio (Full year)	28.4%	29.2%	28.5%	+0.2p	32.2%	31.6%	+3.2p
1H	25.2%	27.5%	26.9%	+1.7p	30.4%	29.7%	+4.5p
2H	33.3%	31.4%	30.7%	-2.6p	34.5%	33.8%	+0.5p

*The portion of product storage and warehouse-to-store costs previously accounted under cost of sales has been standardized as a SG&A expense from fiscal 2011.

This slide shows you the assumptions underlying our business forecast for UNIQLO Japan. The next slide takes us through these assumptions in more detail.



UNIQLO Japan: FY2011 Forecast Changes

○ Revisions to 1H forecasts

- Net sales revised down ¥10.0bln
Initial forecast for 9.8% fall in same-store sales revised to a reduction of 11.4%
- Gross profit margin forecast revised down 0.1p to 46.1%
- SG&A expenses expected to fall ¥5.0bln
- Operating income forecast unchanged at ¥66.0bln (-28.6% y/y)

○ Revisions to 2H forecasts

- Net sales estimate unchanged (same-store sales +3.0%)
- Gross profit margin revised down 0.7p to 45.1%
Predict greater discounts on winter, spring goods following dip in December overall net sales
- SG&A expenses expected to fall ¥2.0bln
- Operating income forecast at ¥39.5bln (+12.3% y/y)

⇒ Full-year operating income estimate unchanged

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Taking first the assumptions for the first half, or the six months from September 2010 through February 2011.

We are now predicting a steeper decline in same-store sales of 11.4% year on year, compared to the initial prediction for a 9.8% fall. This follows the larger-than-expected fall in December sales which forced us to revise down our sales estimate for the second quarter. However, bear in mind that sales actually exceeded the initial plan in the first quarter. Taken as a whole, we decided to revise down our initial estimate for interim UNIQLO Japan sales by ¥10.0bln.

Moving onto the gross profit margin, we have revised downward our interim forecast by 0.1 point from 46.2% to 46.1%.

Conversely, we expect to be able to reduce SG&A expenses by ¥5.0bln over the first six months to February 2011.

Therefore, our interim forecast for operating income remains unchanged at ¥66.0bln (down 28.6% year on year).

Moving on now to the assumptions for the second half performance at UNIQLO Japan from March through August 2011.

We still expect same-store sales to rise 3.0% year on year. This compares to the second half from March to August 2010 when same-store sales dipped 6.3% for the six months overall, and fell more than 10% in the months of March and April. We also expect our marketing and product strategies to bear fruit as we concentrate on strengthening a plentiful range of core, basic products.

We revised our gross profit margin forecast for the second half down 0.7 point from 45.8% to 45.1% even though we also expect to reduce SG&A expenses ¥2.0bln below our initial estimate. The decision to cut the gross profit margin estimate followed the large dip in sales in December. We judged this fall in December sales would increase the need for discounting on both winter and spring garments.

The reduction in business costs predicted for the second half is smaller than in the first half. However, this also reflects the expected upturn in same-store sales in the second half.

UNIQLO Japan: FY2011 Forecast

Full-year business estimates

Net sales: ¥618.0bln (+0.5% y/y)

Operating income: ¥105.5bln (-17.4% y/y)

Billions of yen

	Yr to Aug. 2010	Yr to Aug. 2011		Yr to Aug. 2011		
	Actual	Latest est. (Oct. 8)	y/y	Revised est. (Jan. 13)	y/y	v. Latest est.
Net sales	615.1	628.0	+2.1%	618.0	+0.5%	-1.6%
(to net sales)	100.0%	100.0%		100.0%		
Gross profit	302.6	307.5	+1.6%	300.5	-0.7%	-2.3%
(to net sales)	49.2%	49.0%	(-0.2p)	48.6%	(-0.6p)	(-0.4p)
SG&A	174.9	202.0	+15.5%	195.0	+11.5%	-3.5%
(to net sales)	28.4%	32.2%	(+3.8p)	31.6%	(+3.2p)	(-0.6p)
Operating income	127.7	105.5	-17.4%	105.5	-17.4%	+0.0%
(to net sales)	20.8%	16.8%	(-4.0p)	17.1%	(-3.7p)	(+0.3p)

*Fiscal 2010 data have been included in new categories in this slide.

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Taking all of these factors into account, our current estimates for UNIQLO Japan for fiscal 2011 are as follows:

We have revised downward our net sales forecast by ¥10.0bln to ¥618.0bln, up 0.5% year on year. However, our forecast for operating income remains unchanged at ¥105.5bln, down 17.4% year on year.

FY2011 Forecast by Group Operation

UNIQLO Japan: Net sales revised downward
UNIQLO Intl.: Unchanged
Global Brands: Unchanged

Billions of yen

		Yr to Aug. 2010	Yr to Aug. 2011		Yr to Aug. 2011		
		Actual	Latest est. (Oct. 8)	y/y	Revised est. (Jan. 13)	y/y	v. Latest est.
UNIQLO Japan	Net sales	615.1	628.0	+2.1%	618.0	+0.5%	-1.6%
	Operating income (to net sales)	127.7 20.8%	105.5 16.8%	-17.4% -4.0p	105.5 17.1%	-17.4% -3.7p	+0.0% +0.3p
UNIQLO International	Net sales	72.7	100.0	+37.4%	100.0	+37.4%	+0.0%
	Operating income (to net sales)	6.3 8.7%	8.5 8.5%	+33.5% -0.2p	8.5 8.5%	+33.5% -0.2p	+0.0% +0.0p
Global Brands	Net sales	125.2	125.0	-0.2%	125.0	-0.2%	+0.0%
	Operating income (to net sales)	7.8 6.3%	8.5 6.8%	+8.3% +0.5p	8.5 6.8%	+8.3% +0.5p	+0.0% +0.0p

*Fiscal 2010 data have been included in new categories in this slide

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This slides shows the fiscal 2011 forecasts for net sales and operating income by Group operation.

Our sales and operating income forecasts for UNIQLO Japan and Global Brands remain unchanged.

Finally, I would like to point out that our dividend predictions remain unchanged. We estimate an annual dividend per share of 170 yen for the year through end August 2011, split into an 85-yen interim dividend and an 85-yen year-end dividend.

That completes this presentation on the Fast Retailing Group's performance in the first quarter of fiscal 2011 and revisions to business estimates for the year through August 2011. The subsequent slides are provided for your reference.

Thank you.

Store Plans by Group Company

[Units: Stores]	Yr 2010 Actual Yr-end	Yr to Aug. 2011							
		Q1 (Sep. - Nov.) Actual				Forecast			
		Open	Close	Change	End Nov	Open	Close	Change	End Aug
UNIQLO Operations	944	37	10	+27	971	108	28	+80	1,024
UNIQLO Japan	808	23	8	+15	823	60	24	+36	844
Own stores	788	23	8	+15	803	60	24	+36	824
Large-scale	102	9	0	+9	111	30	0	+30	132
Standard and others	686	14	8	+6	692	30	24	+6	692
Franchise stores	20	0	0	+0	20	0	0	0	20
UNIQLO International	136	14	2	+12	148	48	4	+44	180
China	54	5	0	+5	59	23	1	+22	76
Hong Kong	13	1	1	+0	13	3	1	+2	15
Taiwan	-	1	0	1	1	1	0	+1	1
Korea	48	4	0	+4	52	14	0	+14	62
Singapore	3	0	0	+0	3	2	0	+2	5
Malaysia	-	1	0	1	1	1	0	+1	1
UK	14	1	1	0	14	2	2	0	14
USA	1	0	0	0	1	0	0	0	1
France	2	0	0	+0	2	0	0	0	2
Russia	1	1	0	+1	2	2	0	+2	3
Footwear	90	0	0	+0	90	0	90	-90	0
g.u.	115	15	1	+14	129	40	3	+37	152
Cabin	197	0	3	-3	194	0	197	-197	0
Theory	326	17	4	+13	339	83	10	+73	399
Comptoir des Cotonniers	371	7	1	+6	377	51	6	+45	416
Princesse tam.tam	160	0	2	-2	158	2	6	-4	156
Total	2,203	76	21	+55	2,258	284	340	-56	2,147

*Including
franchise
stores

We plan to close 194 Cabin stores in the second quarter (Dec. 2010 to Feb. 2011). Twenty-two Cabin stores will be converted to stores for the Theory-operated PLST brand, and 8 stores to Comptoir des Cotonniers.



Reference

Group: Forecast for Six Months to Feb. 2011

Billions of yen

	Six mths to Feb. 2010 Actual	Six mths to Feb. 2011		Six mths to Feb. 2011		
		Latest est. (Oct. 8)	y/y	Revised est. (Jan. 13)	y/y	v. Latest est.
Net sales (to net sales)	470.9 100.0%	473.0 100.0%	+0.4%	463.0 100.0%	-1.7%	-2.1%
Gross profit (to net sales)	246.3 52.3%	241.5 51.1%	-2.0% (-1.2p)	236.5 51.1%	-4.0% (-1.2p)	-2.1% (+0.0p)
SG&A (to net sales)	146.4 31.1%	170.0 35.9%	+16.1% (+4.8p)	165.0 35.6%	+12.7% (+4.5p)	-2.9% (-0.3p)
Operating income (to net sales)	99.8 21.2%	71.5 15.1%	-28.4% (-6.1p)	71.5 15.4%	-28.4% (-5.8p)	+0.0% (+0.3p)
Ordinary income (to net sales)	96.5 20.5%	69.0 14.6%	-28.5% (-5.9p)	69.0 14.9%	-28.5% (-5.6p)	+0.0% (+0.3p)
Net income (to net sales)	55.3 11.8%	30.0 6.3%	-45.8% (-5.4p)	30.0 6.5%	-45.8% (-5.3p)	+0.0% (+0.2p)

*Fiscal 2010 data have been included in new categories in this slide.



Reference

UNIQLO Japan: Fcst for Six Months to Feb. 2011

Billions of yen

	Six mths to Feb. Actual	Six mths to Feb. 2011		Six mths to Feb. 2011		
		Latest est. (Oct. 8)	y/y	Revised est. (Jan. 13)	y/y	v. Latest est.
Net sales (to net sales)	366.9 100.0%	354.0 100.0%	-3.5%	344.0 100.0%	-6.2%	-2.8%
Gross profit (to net sales)	184.7 50.4%	173.5 49.0%	-6.1% -1.3p	168.5 48.9%	-8.8% -1.5p	-2.9% -0.1p
SG&A (to net sales)	92.3 25.2%	107.5 30.4%	+16.4% +5.2p	102.5 29.7%	+11.0% +4.5p	-4.7% -0.7p
Operating income (to net sales)	92.4 25.2%	66.0 18.6%	-28.6% -6.5p	66.0 19.2%	-28.6% -6.0p	+0.0% +0.6p

*Fiscal 2010 data have been included in new categories in this slide.



Reference

Forex, capex, depreciation, goodwill amortization**Applicable exchange rates**

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
Yr to Aug. 2011 3 mths average to Nov. 2011	83.1	111.2	130.8	12.3	7.2
Yr to Aug. 2010 3 mths average to Nov. 2010	89.5	132.4	146.2	13.4	7.6
Yr to Aug. 2011 Exchange rate full year to Aug. 2011 (Estimate)	85.0	110.0	130.0	13.0	8.0
Yr to Aug. 2010 Exchange rate full year to Aug. 2010 (Actual)	89.8	122.1	140.2	13.2	7.7

Capex, depreciation, goodwill amortization

Billions of yen

	Capital spending	Depreciation	Goodwill amortization
Yr to Aug. 2011 3 mths to Nov. 2011 (Actual)	11.9	3.4	1.6
Yr to Aug. 2010 3 mths to Nov. 2010 (Actual)	7.3	2.7	1.8
Yr to Aug. 2011 Full year (Estimate)	28.0	15.0	7
Yr to Aug. 2010 Full year (Actual)	28.0	12.2	7.5

FR Operations by Business Category

Group operation segments
through Yr to Aug. 2010

Segment	Operation
UNIQLO Japan	UNIQLO operation in Japan
UNIQLO International	UNIQLO operations outside Japan
Japan Apparel	G.U.
	Footwear
	CABIN
Global Brands	Theory
	COMPTOIR DES COTONNIERS
	PRINCESSE TAM.TAM

Group operation segments
from Yr to Aug. 2011

Segment	Operation
UNIQLO Japan	UNIQLO operation in Japan
	Footwear ★
UNIQLO International	UNIQLO operations outside Japan
Global Brands	Theory
	COMPTOIR DES COTONNIERS
	PRINCESSE TAM.TAM
	G.U.★

* Cabin Co., Ltd. merged with Link Theory Japan Co., Ltd. effective September 1, 2010.

Cabin operations from fiscal 2011 will be included in the Global Brands category.

* Our footwear operation merged with UNIQLO Co., Ltd. on April 1, 2010.

★ Marks operations that have changed segment.