FAST RETAILING

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FR Results for the Six Months through February 2011 & Estimates for Fiscal 2011

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Group Executive Vice President

My name is Nobuo Domae and I am a Group executive vice president at Fast Retailing.

I would like to take you through our consolidated business performance for the first half of fiscal 2011, the six months from September 2010 through February 2011, as well as our estimates for the business year through August 2011.

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Contents

A note on the display of group operations in this documentation

Group operations are outlined below.

Starting from the business year ending August 2011

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

Through the business 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 Cotonniers, 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.

Group: Six Months Through Feb. 2011

Net sales: ¥457.3bln (-2.9% y/y)
Operating income: ¥82.0bln (-17.8% y/y)

Billions of yen

	Six months to Feb. 2010	Six months to Feb. 2011			
		Latest est. (Jan.13)	Actual	y/y	v. latest est
Net sales	470.9	463.0	**457.3**	-2.9%	-1.2%
(to net sales)	100.0%	100.0%	**100.0%**		
Gross profit	246.3	236.5	**238.4**	-3.2%	+0.8%
(to net sales)	52.3%	51.1%	**52.1%**	(-0.2p)	(+1.1p)
SG&A	146.4	165.0	**156.3**	+6.8%	-5.2%
(to net sales)	31.1%	35.6%	**34.2%**	(+3.1p)	(-1.4p)
Operating income	99.8	71.5	**82.0**	-17.8%	+14.8%
(to net sales)	21.2%	15.4%	**17.9%**	(-3.3p)	(+2.5p)
Ordinary income	96.5	69.0	**77.6**	+19.5%	+12.5%
(to net sales)	20.5%	14.9%	**17.0%**	(-3.5p)	(+2.1p)
Net income	55.3	30.0	**41.6**	-24.7%	+38.9%
(to net sales)	11.8%	6.5%	**9.1%**	(-2.6p)	(+2.6p)

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

Let me first run through our business performance for the first half of fiscal 2011, the six months from September 2010 through February 2011.

Fast Retailing experienced a fall in both sales and operating income during this period, with net sales decreasing 2.9% year on year to ¥457.3bln, operating income falling 17.8% year on year to ¥82.0bln, ordinary income contracting 19.5% to ¥77.6bln and net income falling 24.7% to ¥41.6bln.

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

Group: 1H Fall in Sales and Income

Sales ¥457.3bln (-2.9% y/y)
- UNIQLO Japan - ¥24.7bln
- UNIQLO International +¥9.7bln
- Global Brands +¥0.7bln

Gross profit to net sales ratio 52.1% (-0.2p y/y)
- Impact of accounting practice changes (-2.2p on real-term basis)
- UNIQLO Japan (-3.4p on real-term basis)

SG&A to net sales ratio 34.2% (+3.1p y/y)
- Impact of accounting practice changes (+0.9p on real-term basis)
- UNIQLO Japan (+1.1p on real-term basis)

Operating income ¥82.0bln, Operating income ratio 17.9% (-3.3p y/y)

Ordinary income ¥77.6bln, Ordinary income ratio 17.0% (-3.5p y/y)
- Foreign exchange loss generated by yen strengthening ¥3.8bln.

Net income ¥41.6bln (¥11.6bln above latest business estimate)
- Ordinary income exceeded recent estimate, tax effect of Cabin merger with Link Theory Japan, increased profit contribution from overseas subsidiaries which are subject to lower tax rates.

Let us look first at consolidated sales, which fell ¥13.6bln year on year to ¥457.3bln, for the FR Group.
The main reason for this decrease in consolidated sales was a ¥24.7bln decline in sales at UNIQLO Japan. At the same time, UNIQLO International sales rose ¥9.7bln, and sales from the Global Brands segment increased by ¥0.7bln.
The gross profit to net sales ratio declined 0.2 point in the first half. However, if you take into account changes in accounting practice, the ratio actually dipped 2.2 points year on year in real terms. This real decline of 2.2 points in the overall gross margin ratio can be attributed primarily to a 3.4-point decline in the real gross margin ratio at UNIQLO Japan.

SG&A expenses increased ¥9.9bln year on year in the first half, nudging the SG&A to net sales ratio up 3.1 points. However, when changes in accounting practice are taken into consideration, the ratio rose only 0.9 point year on year in real terms. Persistent cost-cutting efforts successfully tempered the rise in SG&A expenses at UNIQLO Japan, resulting in a mere 1.1-point rise in the SG&A ratio in the first half.

As a result of the above, operating income totaled ¥82.0bln in the six months through February 2011, and the operating income ratio dipped 3.3 points year on year to 17.9%.
In addition, ordinary income shrank 17.0% to ¥77.6bln, and the ordinary income ratio fell 3.5 points to 17.0%.
In terms of non-operating income, we recorded a foreign exchange loss of ¥3.8bln resulting from a strengthening in the yen, and related mainly to losses evaluated on advances extended by UNIQLO Co., Ltd. to overseas UNIQLO operations.
Finally, net income totaled ¥41.6bln in the first half, exceeding our most January 13 recent estimate by ¥11.6bln.
Several factors were at play here including: ordinary income which exceeded our most recent estimate by ¥8.6bln, the tax effect resulting from the merger of Cabin Co., Ltd. with Link Theory Japan Co., Ltd., and the larger contribution to overall profit made by overseas subsidiaries subject to lower tax rates.

1H Breakdown by Operation

Billions of yen

		Six months to Feb. 2010	Six months to Feb. 2011 Actual	Six months to Feb. 2011 y/y
UNIQLO Japan	Net sales	366.9	342.1	-6.8%
	Operating income	92.4	70.3	-23.9%
	(to net sales)	25.2%	20.6%	-4.6p
UNIQLO International	Net sales	40.5	50.2	+24.0%
	Operating income	5.8	7.8	+33.9%
	(to net sales)	14.6%	15.7%	+1.1p
Global Brands	Net sales	63.0	63.7	+1.2%
	Operating income	4.6	5.1	+10.3%
	(to net sales)	7.4%	8.1%	+0.7p

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

*Group business categories are as follows:

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

UNIQLO International: All UNIQLO operations outside of Japan

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

This slide displays the breakdown of our net sales and operating income for the first half from September 2010 through February 2011 by Group operation.

UNIQLO Japan: Sep. 2010 to Feb. 2011

1H Fall in Sales and Income

Billions of yen

	Six months to Feb. 2010	Six months to Feb. 2011: Latest est. (Jan. 8)	Six months to Feb. 2011: Actual	y/y	v. latest est.
Net sales	366.9	344.0	**342.1**	-6.8%	-0.5%
(to net sales)	100.0%	100.0%	**100.0%**		
Gross profit	184.7	168.5	**169.5**	-8.3%	+0.6%
(to net sales)	50.4%	48.9%	**49.5%**	(-0.9p)	(+0.6p)
SG&A	92.3	102.5	**99.1**	+7.3%	-3.3%
(to net sales)	25.2%	29.7%	**29.0%**	(+3.8p)	(−0.7p)
Oparating income	92.4	66.0	**70.3**	-23.9%	+6.6%
(to net sales)	25.2%	19.2%	**20.6%**	(-4.6p)	(+14.0p)

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

Now, I would like to talk about the fall in sales and operating income at UNIQLO Japan in the first half, when sales contracted 6.8% to ¥342.1bln, and operating income fell 23.9% to ¥70.3bln.

However, compared to our most recent business estimates announced January 13, although net sales came in approximately ¥2.0bln below our forecast, the gross profit margin ratio outperformed the estimate. In addition, we were able to reduce SG&A expenses by ¥3.0bln.

As a result of the above, operating income exceeded our most recent estimate by more than ¥4.0bln.

Even though sales began to deteriorate from the final week of November onward, we were able to successfully reduce SG&A expenses for the first half of the fiscal year by controlling the number of temporary employees in December and January.

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

UNIQLO Japan: Overall Net Sales

1H Sales ¥342.1bln (-6.8% y/y)

- **UNIQLO directly run stores 804 (excluding 20 franchise stores) end Feb. 2011 (net 33 store increase y/y)**
- **Same-store sales -9.9% y/y (customer numbers -5.0%, average customer spending -5.2%)**

Dec. 2010: Unseasonably warm weather stifled sales, with potential sales lost due to shortages in popular core items.

Jan. 2011: Strong HEATTECH sales. Colder temperatures boosted sales of winter goods.

Feb. 2011: Cold temperatures toward the end of the month knocked overall sales lower despite the strong start of sales of spring promotional items, including chino and cargo pants, Sarafine and Silky Dry products.

y/y change		Yr to Aug. 2011						
		1Q	Dec	Jan	Feb	**2Q**	**1H Cum.**	Mar
Same stores	Net sales	+20.8%	+11.5%	-7.2%	+1.8%	+4.4%	+13.1%	-16.4%
	Customer nos.	+16.1%	+13.4%	-2.3%	+5.6%	+6.9%	+11.7%	-10.7%
	Avg. purchase	+4.1%	-1.7%	-5.0%	-3.7%	-2.4%	+1.3%	-6.4%

*Excluding 20 franchise stores

Overall sales at UNIQLO shrank 6.8% year on year in the first half. While a net increase of 33 new stores opened for business, same-store sales contracted 9.9% year on year.

The hefty dip in sales was due in part to the unseasonably warm weather in December, and also to shortages in popular core products. However, sales rebounded in January as cold weather boosted sales of winter items, and the HEATTECH line sold well. Spring campaign items released in February such as the new chino and cargo pants line, Sarafine and Silky Dry are all performing well.

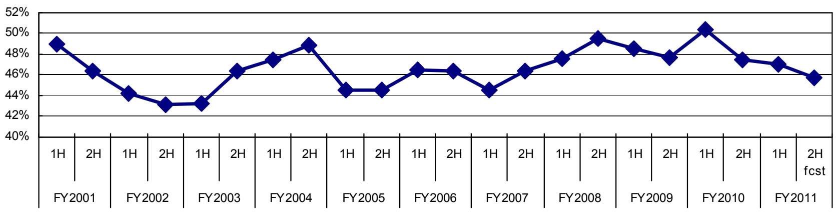
UNIQLO Japan: Gross Profit Margin

1H Gross profit margin 49.5% (-0.9p y/y)

Down 3.4p in real terms excl. impact of accounting practice change

- **More discounts to liquidate inventory of fall goods**
- **More HEATTECH limited-offer promotions**
- **Reduced benefit from additional product purchases at spot foreign exchange rates**

Gross Profit Margin (using former accounting method)



*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.

Next, I would like to look at our gross profit margin for the first half which shrank 3.4 points year on year in real terms after excluding the impact of changes in accounting practice.

The first reason why the gross profit margin fell on a year-on-year basis was the need for greater discounting to liquidate the inventory of fall items.

Another factor behind the fall in the gross profit margin was the comparative increase in limited-offer promotions for our HEATTECH range of functional innerwear. Last year, product shortages restricted such promotional sales, but this year production levels were increased and the limited-offer promotions were conducted as planned.

In addition, the gross profit margin fell significantly in the second quarter from December 2010 through February 2011 compared to the previous year when the purchase of additional product at the spot foreign exchange rate produced an unscheduled benefit of approximately ¥3.0bln due to a stronger yen.

UNIQLO Japan: SG&A

1H SG&A ratio 29.0% (+3.8p y/y)

Up 1.1p in real terms excl. impact of accounting practice change

- **Rise in SG&A to net sales ratio compared to extremely efficient previous year**
- **Business costs down ¥8.4bln v. initial estimate**

	Six months to Feb. 2010		Six months to Feb. 2011					
	Actual	(% sales)	Actual Old standard	(% sales)	y/y	(% sales)	Actual New standard	(% sales)
SG&A Total	92.3	25.2%	89.9	29.0%	-2.4	+1.1p	99.1	29.0%
Personnel	31.1	8.5%	29.8	8.7%	-1.3	+0.2p	3.1	8.7%
A&P	15.4	4.2%	14.6	4.3%	-0.7	+0.1p	1.5	4.3%
Store rents	20.9	5.7%	21.3	6.2%	+0.4	+0.5p	2.1	6.2%
Depreciation	1.8	0.5%	2.5	0.7%	+0.6	+0.2p	0.2	0.9%
Other	22.9	6.2%	21.5	6.3%	-1.3	+0.1p	2.3	8.9%

*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.

The SG&A to net sales ratio increased 1.1 points year on year in real terms after excluding the impact of changes to accounting procedure.

Same-store sales increased at an extremely strong rate of 13.1% year on year in the first half of fiscal 2010 boosting efficiencies on business costs. Conversely, in the first half of fiscal 2011, same-store sales contracted 9.9% year on year and business cost ratios increased across the board, including in the areas of personnel, advertising and promotion, and store rents.

However, the cost-cutting drive initiated at the beginning of the business year has shaved an impressive ¥8.4bln of SG&A expenses in the first half compared to our initial estimate.

In particular, we were able to reap substantial benefits from the cost-curbing initiatives by successfully controlling advertising and promotion expenditures, personnel costs and distribution costs during the 2010 year-end sales period.

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UNIQLO Intl: Sep. 2010 to Feb. 2011

Asia business expands, NY remains strong

- China, Hong Kong & S. Korea: Double-digit growth in same-store sales
- South Korea: Double-digit same-store sales growth as TV advertising boosts brand recognition
- Taiwan: Sales at first store significantly exceed target
- Singapore & Malaysia: Favorable business expansion as planned
- U.S.: New York global flagship store remains strong, boosting profit
- France: Business expanding favorably as planned
- U.K., Russia: Marginally underperformed

Billions of yen

		Six months to Feb. 2010	Six months to Feb. 2011 Actual	y/y
UNIQLO Internationa	Net sales	40.5	50.2	+24.0%
	Operating income	5.8	7.8	+33.9%
	(to net sales)	14.6%	15.7%	+1.1p

Next, I would like to move onto UNIQLO International which generated significant gains in both sales and operating income over the first half. Sales increased 24.0% to ¥50.2bln and operating income expanded 33.9% to ¥7.8bln. Note while the sales figure was roughly in line with our initial plan, the operating income result outperformed to the tune of approximately ¥1.5bln.

The markets of China and Hong Kong generated considerable gains in both sales and operating income with six new stores opening in the first half, and same-store sales posting double-digit growth.

Our UNIQLO operation in South Korea also produced large gains in both sales and operating income, as well as double-digit growth in same-store sales with six new stores opening in the first half, and our first TV advertising in the market dramatically boosting awareness of the UNIQLO brand.

Sales at our first UNIQLO Taiwan store, opened in October 2010, soared beyond target. UNIQLO sales are expanding favorably in Singapore while our first Malaysia store, which opened in November 2010, is also performing to plan.

In the United States, the New York Soho global flagship store continued to generate double-digit growth in sales, and operating income at the American operation expanded when rental obligations are excluded on properties for the New York Fifth Avenue global flagship store and New York 34th Street megastore, both of which are scheduled to open in the fall.

Our French operation achieved expected increases in both sales and operating income, while operations in the U.K. and Russia came in marginally below their respective targets.

Global Brands: Sep. 2010 to Feb. 2011

Theory operation remains strong

- Theory operating income exceeds target in U.S. & Japan
- Comptoir des Cotonniers dips slightly below target
- Princesse tam.tam performs to plan
- Opening of flagship store knocks g.u. profit lower

Billions of yen

		Six months to Feb. 2010	Six months to Feb. 2011 Actual	y/y
Global Brands	Net sales	63.0	63.7	+1.2%
	Operating income	4.6	5.1	+10.3%
	(to net sales)	7.4%	8.1%	+0.7p

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

As expected, our Global Brands category achieved gains in both sales and operating income in the first half, with sales rising 1.2% year on year to ¥63.7bln, and operating income rising 10.3% to ¥5.1bln.

Sales and operating income continued to expand at our Theory operations on both sides of the Pacific. On the profit side, operating income outpaced our initial estimate to post a strong year-on-year gain.

Same-store sales at our French women’s fashion label Comptoir des Cotonniers contracted marginally in the first half with operating income falling slightly short of target and slightly below the previous year’s level.

Sales at our French lingerie brand Princesse tam.tam contracted as the wholesale arm of the business was scaled back, with the decline in operating income generally in line with expectations.

Business expanded favorably at our low-priced g.u. casual brand operation in the first half, but operating income declined as the operation absorbed costs associated with the October 2010 opening of the Shinsaibashi flagship store.

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Group: Balance Sheet at end Feb. 2011

Billions of yen

	End Feb. 2010	End Aug. 2010	End Feb. 2011	Change
Total assets	563.4	507.2	**550.3**	-13.0
Current assets	399.8	345.6	**388.4**	-11.3
Fixed assets	163.5	161.6	**161.8**	-1.7
Liabilities	256.3	219.3	**227.0**	-29.2
Net assets	307.0	287.9	**323.2**	+16.1

Next, I would like to take you through our balance sheet as it stood at the end of February 2011.

Compared to a year before, current assets decreased by ¥11.3bln, fixed assets fell by ¥1.7bln and total assets decreased by ¥13.0bln to ¥550.3bln.

The next slide runs through the balance sheet in more detail.

Group: B/S Main Points v. end Feb. 2010

Decrease in cash, equivalents & marketable securities:
- ¥25.4bln (¥276.9bln ⇒¥251.4bln)

UNIQLO Japan: +¥7.1bln in real terms, excl. the ¥32.5bln increase in accounts payable in Feb. 2010 when the last day of the month fell on a holiday

Increase in inventory assets +¥4.3bln (¥70.5bln⇒¥74.9bln)

UNIQLO Japan: - ¥1.1bln (¥50.1bln⇒¥49.0bln)

Change in accounting practices: - ¥2.3bln

Appropriate control of inventory of spring products

UNIQLO International & Global Brands

+¥5.5bln increase related to new store openings and expanding sales

Decrease in fixed assets - ¥1.7bln (¥163.5bln⇒¥161.8bln)

Intangible assets down ¥5.3bln

Taking current assets first, total cash, cash equivalents and marketable securities at the end of February 2011 decreased by ¥25.4bln year on year to ¥251.4bln. However, the balance actually rose ¥7.1bln in real terms if you exclude the ¥32.5bln increase in accounts payable in the previous year resulting from the final day of February falling on a holiday.

At the end of February 2011, total inventory assets stood at ¥74.9bln, up ¥4.3bln compared to the end of February 2010.

Total inventory at UNIQLO Japan decreased ¥1.1bln year on year to ¥49.0bln at the end of February 2011. While the net addition of 33 new stores boosted inventory, changes to accounting practices shaved ¥2.3bln off the overall inventory total, and control of spring inventory also played a role in reducing overall inventory at UNIQLO Japan.

Inventory levels at UNIQLO International and Global Brands rose as both categories opened more new stores and generated expanding sales.

Fixed assets declined ¥1.7bln year on year to ¥161.8bln at the end of February 2011 as a steady amortization of goodwill reduced the intangible asset total by ¥5.3bln.

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Group: 1H Cash Flow

	Yr. to Aug. 2010 1H cumulative	Yr. to Aug. 2011 1H cumulative	Differ.	Factors underlying change
Net cash provided by operating activities	＋133.3	＋78.5	▲54.7	
Net income before taxes and other adjustments	＋95.5	＋66.7	▲28.7	UNIQLO Japan profit loss
Change in accounts payable	＋49.3	＋16.3	▲32.9	Impact of holiday on the last day of February 2010
Net cash used in investment activities	−9.4	▲12.3	▲2.8	
Expenditure on acquisition of intangible assets	−1.3	▲5.9	▲4.5	Increased system investment (G1)
Net cash used in financing activities	−14.7	▲15.1	▲0.3	
Increase in cash & equivalents	106.9	50.9	▲56.0	
Cash & equivalents at period start	169.5	200.4	＋30.8	
Cash & equivalents at period end	276.5	251.4	▲25.1	

I would now like to talk through this slide which details our cash flow position.

Our net cash inflow from operating activities declined ¥54.7bln, from ¥133.3bln to ¥78.5bln. The main factors responsible for this decline on the income side were the ¥28.8bln contraction in net income before tax at UNIQLO Japan, and a ¥32.5bln decline in accounts payable. The differential in accounts payable is in comparison to the end of February 2010 when the final day of the month fell on a holiday, resulting in an additional ¥32.5bln in the accounts payable item for that period.

Outlays on investment activities rose ¥2.8bln from ¥9.4bln over the first half of fiscal 2010 to ¥12.3bln over the first half of fiscal 2011. This rise was due primarily to a ¥4.5bln increase in systems investment.

Spending on financing activities also increased by ¥0.3bln from ¥14.7bln over the first half of fiscal 2010 to ¥15.1bln over the first half of fiscal 2011.

As a result, the balance of cash and cash equivalents increased by ¥50.9bln as of the end of February 2011 compared to the start of the business year in September 2010.

Group: FY2011 Forecasts

Estimates revised

Billions of yen

	Yr to Aug. 2010 Actual	Yr to Aug. 2011 Latest est. (Jan. 13)	y/y	Yr to Aug. 2011 Revised est. (Apr. 7)	y/y	v. latest est
Net sales	814.8	846.0	+3.8%	836.0	+2.6%	−1.2%
(to net sales)	100.0%	100.0%		100.0%		
Gross profit	420.8	433.0	+2.9%	432.5	+2.8%	−0.1%
(to net sales)	51.7%	51.4%	▲0.5p	51.7%	+0.0p	+0.5p
SG&A	288.5	319.5	+10.7%	311.0	+7.8%	−2.7%
(to net sales)	35.4%	38.1%	+2.4p	37.2%	+1.8p	−0.6p
Operating income	132.3	113.5	▲14.3%	121.5	−8.2%	+7.0%
(to net sales)	16.2%	13.3%	▲2.8p	14.5%	−1.7p	+1.1p
Ordinary income	123.7	108.5	▲12.3%	116.5	−5.9%	+7.4%
(to net sales)	15.2%	12.7%	▲2.4p	13.9%	−1.3p	+1.1p
Net income	61.6	51.0	▲17.3%	60.0	−2.6%	+17.6%
(to net sales)	7.6%	6.0%	▲1.6p	7.2%	−0.4p	+1.2p

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

We have revised downward our most recent consolidated sales full-year forecast, announced on January 13, by ¥10.0bln, from ¥846.0bln to ¥836.0bln.

We have revised upward our most recent forecast for gross profit margin from 51.2% to 51.7%.

We have revised downward our full-year forecast for SG&A expenses by ¥8.5bln, from ¥319.5bln to ¥311.0bln.

As a result of the above, we have revised upward our forecast for operating income by ¥8.0bln, from ¥113.5bln to ¥121.5bln.

In addition, we expect the impact on our business from the devastating earthquake and tsunami that hit northeastern Japan on March 11 will lead us to post an extraordinary loss of approximately ¥1.0bln in the second half of fiscal 2011. Combined with the ¥10.9bln extraordinary loss in the first half, the total extraordinary loss for the full business year through August 2011 is estimated at ¥12.0bln.

Our full-year estimate for net income has been revised upward ¥9.0bln, from ¥51.0bln to ¥60.0bln.

UNIQLO Japan: 2H Revisions

2H forecast revisions v. January 13 estimates

- **Sales revised down ¥8.0bln (+3.0% y/y same-stores sales unchanged)**
  - **Following Mar. 11 quake, impact due to store closings approx. ¥3.0bln, fewer new store openings approx. ¥2.0bln**
  - **New store sales down approx. ¥1.5bln, footwear sales down ¥1.5bln**
- **Gross profit to net sales ratio +0.7p**
- **SG&A expenses expected to fall approximately ¥1.0bln**

	Yr to Aug. 2010 2H Actual	Yr to Aug. 2011 2H Latest est. (Jan. 13)		Yr to Aug. 2011 2H Revised est. (Apr. 7)		
			y/y		y/y	v. Latest est.
Net sales	248.2	**274.0**	+10.4%	**265.8**	+7.1%	−3.0%
(to net sales)	100.0%	100.0%		100.0%		
Gross profit	117.8	**132.0**	+12.0%	**129.9**	+10.3%	−1.5%
(to net sales)	47.5%	48.2%	(+0.7p)	48.9%	(+1.4p)	(+0.7p)
SG&A	82.5	**92.5**	+12.0%	**91.3**	+10.7%	−1.2%
(to net sales)	33.3%	33.8%	(+0.5p)	34.4%	(+1.1p)	(+0.6p)
Operating income	35.2	**39.5**	+12.0%	**38.6**	+9.5%	−2.2%
(to net sales)	14.2%	14.4%	(+0.2p)	14.5%	(+0.3p)	(+0.1p)

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

Now let me run through our estimates for UNIQLO Japan for the second half from March through August 2011.

First, we have revised downward our January 13 estimate for UNIQLO Japan sales in the second half by ¥8.0bln.

The elements driving this downward revision are as follows: a ¥3.0bln impact from stores forced to closed in the wake of the March 11 earthquake and ¥2.0bln due to the resulting reduction in new store openings, ¥1.5bln in revisions to sales forecasts for new stores and a ¥1.5bln revision for footwear specialty stores.

Nonetheless, our most recent estimate of a 3.0% year-on-year increase in same-store sales at UNIQLO Japan in the second half remains unchanged. Following the March 11 earthquake, same-store sales fell below the previous year’s level in March, contracting 10.5% year on year, but subsequently sales have begun to rebound gradually and we expect same-store sales to increase from April onward.

In view of the trend set in the first half, we have revised upward our most recent estimate for gross profit margin in the second half by 0.7 point.

We also expect to be able to shave at least ¥1.0bln off our most recent estimate for SG&A expenses in the second half.

As a result of the above revisions, we now estimate operating income will increase 9.5% year on year in the second half to ¥38.6bln.

UNIQLO Japan: FY2011 Forecast

Full-year business estimates
Net sales: ¥608.0bln (-1.2% y/y)
Operating income: ¥109.0bln (-14.6% y/y)

Billions of yen

	Yr to Aug. 2010 Actual	Yr to Aug. 2011 Latest est. (Jan. 13)	y/y	Yr to Aug. 2011 Revised est. (Apr. 7)	y/y	v. Latest est.
Net sales	615.1	**618.0**	+0.5%	**608.0**	−1.2%	−1.6%
(to net sales)	100.0%	100.0%		100.0%		
Gross profit	302.6	**300.5**	▲0.7%	**299.5**	−1.0%	−0.3%
(to net sales)	49.2%	48.6%	(▲0.6p)	49.3%	(+0.1p)	(+0.7p)
SG&A	174.9	**195.0**	+11.5%	**190.5**	+8.9%	−2.3%
(to net sales)	28.4%	31.6%	(+3.1p)	31.3%	(+2.9p)	(−0.3p)
Operating income	127.7	**105.5**	▲17.4%	**109.0**	−14.6%	+3.3%
(to net sales)	20.8%	17.1%	(▲3.7p)	17.9%	(−2.9p)	(+0.8p)

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

Taking all of these factors into account, we now estimate that over the full year to August 2011, sales at UNIQLO Japan will decline 1.2% year on year to ¥608.0bln and operating income will fall 14.6% year on year to ¥109.0bln.

FY2011 Forecast by Group Operation

UNIQLO Japan: Estimates revised
UNIQLO Intl.: Operating income revised up
Global Brands: Unchanged

Billions of yen

		Yr to Aug. 2010 Actual	Yr to Aug. 2011 Revised est. (Jan. 13)	y/y	Yr to Aug. 2011 Revised est. (Apr. 7)	y/y	v. Latest est.
UNIQLO Japan	Net sales	615.1	618.0	+0.5%	608.0	-1.2%	-1.6%
	Operating income	127.7	105.5	-17.4%	109.0	-14.6%	+3.3%
	(to net sales)	20.8%	17.1%	-3.7p	17.9%	-2.9p	+0.8p
UNIQLO International	Net sales	72.7	100.0	+37.4%	100.0	+37.4%	+0.0%
	Operating income	6.3	8.5	+33.5%	10.0	+57.1%	+17.6%
	(to net sales)	8.7%	8.5%	-0.2p	10.0%	+1.3p	+1.5p
Global Brands	Net sales	125.2	125.0	-0.2%	125.0	-0.2%	+0.0%
	Operating income	7.8	8.5	+8.3%	85.0	+8.3%	+0.0%
	(to net sales)	6.3%	6.8%	+0.5p	6.8%	+0.5p	+0.0p

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

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

We have made revisions to our full-year estimates for UNIQLO Japan as detailed earlier.

We have revised upward our estimate for operating income at UNIQLO International by ¥1.5bln after the business posted operating income outperforming estimates in the first half.

Our sales and income estimates for the Global Brands category remain unchanged.

FAST RETAILING

FY2011 Dividend Estimates

FY2011 dividend estimate revised upward to 180 yen

	Dividend per share		
	Mid-term	Yr-end	Annual
Year to Aug. 2009	75 yen	75 yen	160 yen
Year to Aug. 2010	115 yen	115 yen	230 yen
Yr to August 2011 (recent estimate)	85 yen	85 yen	170 yen
Yr to August 2011 (revised estimate)	95 yen	85 yen	180 yen
Change in divedend forecast	+10 yen	-	+10 yen

*The new interim dividend for FY2011 was determined at the FR Executive Board meeting on April 7, 2011.

Dividend totals are subject to change in the case of large fluctuations in business performance or access to funds.

Finally, I would like to talk about our dividend policy. At its meeting held today, the FR Executive Board decided to increase the interim dividend estimate announced on October 8, 2010 by 10 yen to 95 yen per share. The decision to increase the interim dividend was taken in light of the fact that current net income in the six months through February 2011 exceeded our most recent estimate by ¥10.0bln.

However, our most recent estimate for a year-end dividend of 85 yen remains unchanged.

Taken together, we expect to offer a full-year dividend of 180 yen per share.

That completes this presentation on the Fast Retailing Group's performance in the first half from September 2010 through February 2011, and revisions to business estimates for the year through August 2011. The subsequent slides are provided for your reference.

Thank you.

Reference

Store Plans by Group Company

[Units: Stores]	Yr 2010 Actual Yr-end	Yr to Aug. 2011 1H (Sep. - Feb.) Actual Open	Close	Change	End Nov	Forecast 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

FAST RETAILING

Reference

Forex, Capex, Depreciation, Goodwill Amortization

Applicable exchange rates

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
Yr to Aug. 2011 6 mths average to Feb. 2011	82.3	111.3	130.1	12.4	7.1
Yr to Aug. 2010 6 mths average to Feb. 2010	89.9	129.2	144.4	13.3	7.7
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 and goodwill amortization

Billions of yen

	Capital spending	Depreciation	Goodwill amortization
Yr to Aug. 2011 6 mths to Feb. 2011 (Actual)	16.2	6.9	3.2
Yr to Aug. 2010 6 mths to Feb. 2010 (Actual)	11.4	5.6	3.7
Yr to Aug. 2011 Full year (Estimate)	28.0	15.0	6.5
Yr to Aug. 2010 Full year (Actual)	28.0	12.2	7.5

Reference

FR Operations by Business Category

Group business categories through FY2010

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 business categories from FY2011

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.

★Indicates operations that have changed category.

Reference

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. (Jan. 13)	Revised est. (Apr. 7)	y/y
Net sales	**615.1** ¥bln				**618.0** ¥bln	**608.0** ¥bln	−1.2%
Same-store growth (Full year, Only UNIQLO)	**+4.7%**				-4.7%	-5.7%	−
1H	+13.1%				-9.8%	-11.4%	−
2H	-6.4%				+3.0%	+3.0%	−
Gross margin (Full year)	**49.2%**	**46.0%**	**45.6%**	**−3.6p**	**49.0%**	**48.6%**	+0.1p
1H	50.4%	46.2%	46.1%	−4.3p	49.0%	48.9%	−0.9p
2H	47.5%	45.8%	45.1%	−2.4p	48.9%	48.2%	+1.4p
SG&A ratio (Full year)	**28.4%**	**29.2%**	**28.5%**	**+0.2p**	**32.2%**	**31.6%**	+2.9p
1H	25.2%	27.5%	26.9%	+1.7p	30.4%	29.7%	+3.8p
2H	33.3%	31.4%	30.7%	−2.6p	34.5%	33.8%	1.1p

*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.

Reference

Group: 1H Extraordinary Losses

Extraordinary losses ¥10.9bln

¥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