

Overview of Year to August 2011 and Future Outlook

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Fast Retailing Co., Ltd.

President, Chairman & CEO

1

My name is Tadashi Yanai and, as the President, Chairman and CEO of Fast Retailing, I would like to take a look back at our performance for fiscal 2011 (the year through the end of August 2011), while also looking ahead to fiscal 2012 (the year through the end of August 2012).

FY2011 Business Performance

Year to August 2011 (Actual)

Sales: ¥820.3bln (+0.7% y/y)

Operating income: ¥116.3bln (-12.1%y/y)

2H rise in both sales and income

Sales: ¥363.0bln (+5.6% y/y)

Operating income: ¥34.3bln (+5.6% y/y)

Year to August 2012 (Estimate)

Sales: ¥965.0bln (+17.6% y/y)

Operating income: ¥135.5bln (+16.4% y/y)

Billions of yen

	FY to August 2011				FY to August 2012			
	1H(Actual)	y/y	2H(Actual)	y/y	FY(Actual)	y/y	FY(Estimate)	y/y
Sales	457.3	-2.9%	363.0	+5.6%	820.3	+0.7%	965.0	+17.6%
Operating Income	82.0	-17.8%	34.3	+5.6%	116.3	-12.1%	135.5	+16.4%
Ordinary Income	77.6	-19.5%	29.4	+8.0%	107.0	-13.5%	127.5	+19.1%
Net Income	41.6	-24.7%	12.7	+100.6%	54.3	-11.9%	71.0	+30.6%

In the year to end August 2011, consolidated sales increased 0.7% year on year to ¥820.3bln, while operating income contracted 12.1% year on year to ¥116.3bln.

However, note that we did achieve gains in both sales and income in the second half of the business year from March to August 2011. In that second half, sales increased 5.6% year on year to ¥363.0bln and operating income also rose by 5.6% to ¥34.3bln.

In addition, we are predicting further gains in both sales and income in the fiscal year ending August 2012 with sales estimated to rise 17.6% year on year to ¥965.0bln and operating income to jump 16.4% to ¥135.5bln.

1H (September 2010 – February 2011)

- **UNIQLO: Strong sales of HEATTECH, Ultra Light Down**
- **UNIQLO: Shortages of some core products**
- **UNIQLO Intl: Successful openings in two new countries/regions (Taiwan and Malaysia)**

2H (March – August 2011)

- **UNIQLO: Sales of functional innerwear including Silky Dry and Sarafine (Dry Luxe) doubled**
- **UNIQLO Intl: Preparations to open multiple new stores in China, Taiwan, South Korea and ASEAN nations underway**
- **Theory: Large income gains in Japan and U.S.**
- **g.u.: Brand recognition improves dramatically**

Next, I would like to continue reviewing our actual performance in fiscal 2011.

At UNIQLO, HEATTECH and Ultra Light Down garments generated strong sales in the first six months from September 2010 to February 2011. However, sales dipped from the middle of the season as shortages began to emerge in some core products. At UNIQLO International, new store openings in two new regions (Taiwan and Malaysia) proved a success.

In the second half of the business year from March through August 2011, sales of functional innerwear, including Silky Dry and Sarafine (Dry Luxe) doubled compared to the previous year. As for international operations, preparations to open multiple new stores in China, Taiwan, South Korea and ASEAN nations are underway. Elsewhere, our Theory label generated strong gains in profit both the US and Japan, and our low-priced g.u. casualwear experienced a significant increase in brand recognition.

UNIQLO Operations

Strengthen product appeal and increase production locations

Shift focus of growth to outside Japan

Significantly expand operations in Asian markets

Renew strategy for the Japanese market

Begin full-fledged expansion of US operations

Change organizational structure of operations in Europe

Establish a global HQ and regional HQs

Increase communications globally

Development of Global Brands

New stage of development for g.u.

I would now like to talk about the outlook for fiscal 2012, or the year to end August 2012.

Strengthen product appeal

Closer coordination between merchandising, R&D, planning, marketing, production and retail outlets for more comprehensive product planning



First, I would like to talk about our plans to strengthen the appeal of UNIQLO products.

We will look to do this by further improving coordination between merchandising, R&D, planning, marketing, production, sales operations and stores.

As we globalize our operations, we will be producing items in several countries, which will then be sold around the world. As we do so, we will be making sure that all products and systems are globally unified in the true spirit of Global One and ZEN-IN KEIEI (everyone with a business owner's mindset).

The Essence of UNIQLO

UNIQLO is...

...the **elements** of style.

...a **toolbox** for living.

...clothes that suit **your values**.

...how the **future** dresses.

...**beauty** in hyperpracticality.

...clothing in the **absolute**.

UNIQLO MADE FOR ALL



Next, I would like to redefine the essence of UNIQLO clothing. Like the FR WAY and the management principles, the “Essence of UNIQLO” both defines our clothing, while also serving as the ultimate aim for our entire business management.

The Essence of UNIQLO:

UNIQLO is the elements of style in that they are highly finished parts that facilitate an overall look.

UNIQLO is a toolbox for living to help individuals create their own lifestyles.

UNIQLO is clothes that suit your values, not the creator’s.

UNIQLO is how the future dresses because it continually progresses and transforms clothing concepts and the clothing industry.

UNIQLO is beauty in hyperpracticality achieved by creating ultra rational clothes designed to look good.

UNIQLO is made for all.

This “UNIQLO: Made for All” motto will be shared by all employees and will be communicated to people around the world.

UNIQLO INNOVATION PROJECT

Revolutionary functionality & universal design
UNIQLO designing the future of clothing

Functionality + Universality
It's how the future dresses.

UNIQLO
MADE FOR ALL

UNIQLO INNOVATION PROJECT

As the first step toward achieving this ultimate in clothing, the UNIQLO Innovation Project has been launched. This new line couples revolutionary functionality with universal designs to create clothes for the future. Moving forward, we hope to collaborate with designers, both in and outside Japan, to keep bringing innovation to people around the world through the UNIQLO Innovation Project.

Increase production locations

A global production base for global operations

Develop large-scale production bases outside of China in Bangladesh, Vietnam, Indonesia, Cambodia, etc.

Aim to manufacture and retail in India



Looking next at our plans to increase production locations. We are currently in the process of opening branch offices in countries such as Bangladesh, Vietnam, Indonesia and Cambodia as part of our move to develop an extensive production base outside of China.

Shift focus to markets outside Japan

- Open 200 to 300 stores each year and train 1,500 store managers
- Become the top brand in Asia to become the world's number one brand
- Enhanced global marketing & PR
- Approach to Japan: open global flagship and mega stores in major cities



¥5 trillion sales, ¥1 trillion ordinary income by 2020

9

Moving forward, UNIQLO operations will be undergoing great expansion outside Japan. As part of this move, we plan to open 200 to 300 new stores and train 1,500 new store managers each year.

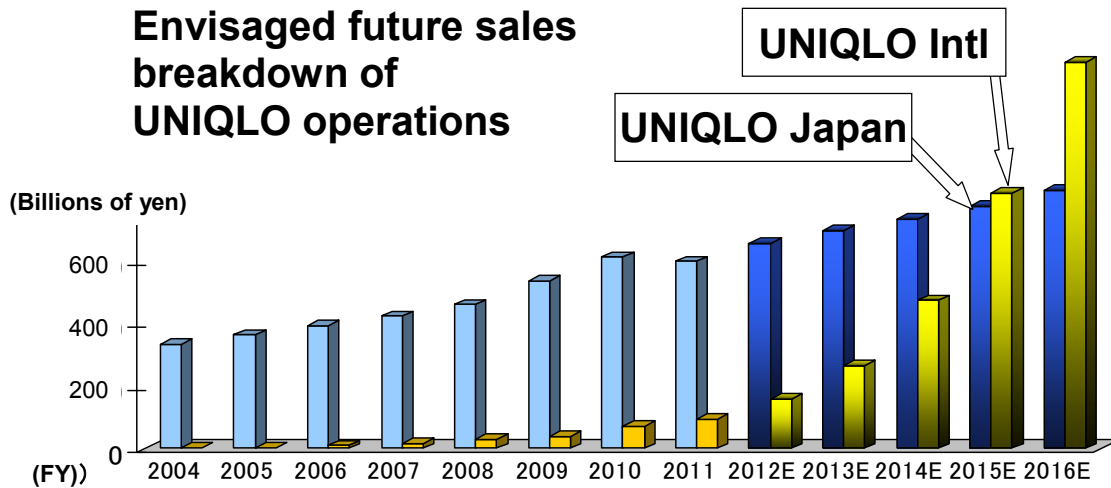
By becoming the top brand in Asia, we will pave the way to becoming the world's leading brand. In order to do so, our marketing and PR activities will become increasingly global in nature.

At the same time, we will be renewing our strategy in Japan and will be opening more large-scale stores, in addition to building flagship stores in major Japanese cities.

We will work to achieve our goal for 2020 of ¥5 trillion in sales and ¥1 trillion in ordinary income.

UNIQLO Intl sales to overtake UNIQLO Japan in FY2015

Envisaged future sales breakdown of UNIQLO operations



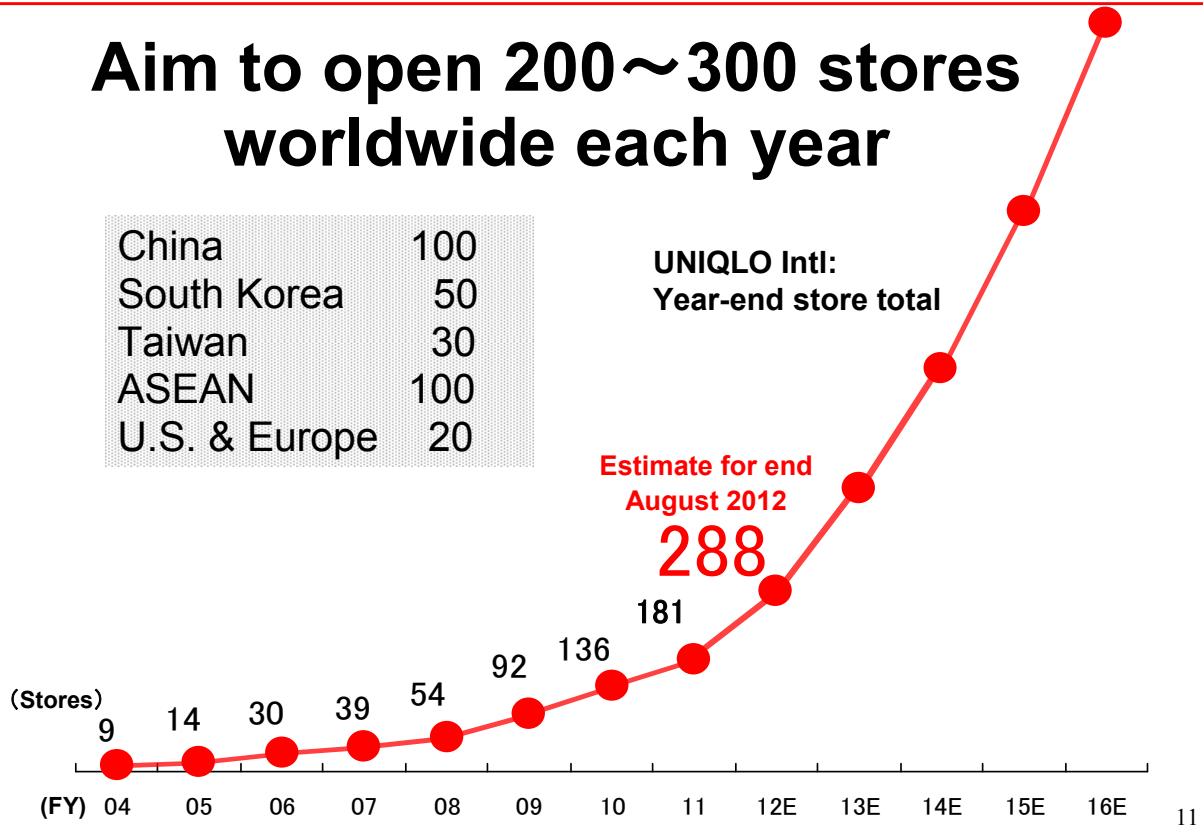
We currently believe that sales of UNIQLO International will overtake that of UNIQLO Japan in fiscal 2015.

Multiple New Stores Worldwide

Aim to open 200~300 stores worldwide each year

China	100
South Korea	50
Taiwan	30
ASEAN	100
U.S. & Europe	20

UNIQLO Intl:
Year-end store total



In order to achieve the sales shown on the previous slide, we will be opening numerous stores around the world. Ideally, we would like to open between 200 and 300 new stores annually.

A general idea of new store numbers for each region are shown in this slide.

For fiscal 2012, we have announced a target for a net increase of 107 new stores, but we will be opening as many new stores as we can, possibly even beyond that target.



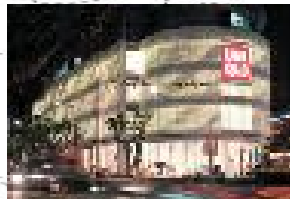
Significantly expand operations in Asia

Global flagship stores to open in Taipei and Seoul in fall 2011

First Thai store opens Sep. 2011



BANGKOK
First store opened
Sep. 9, 2011



Shanghai
Opened May 15,
2010

SEOUL
Planned
opening:
Nov. 11, 2011



TAIPEI
Opened Sep. 23,
2011

As part of our expansion in Asia, global flagship stores will open this fall in Seoul and Taipei. The flagship store in Taipei, which opened on Sept. 23, is performing extremely well. Sales at new stores following this Taipei opening have also been steady.

In Thailand, the new store opening generated unprecedented numbers in terms of sales and customer numbers, and has kept up momentum since the initial opening.

The Asian region from China to India currently holds the greatest potential for growth in the world

Sales targets by region:

China & Hong Kong, Taiwan ¥1 trillion

Other parts of Asia (excluding Japan) ¥1 trillion

Deliver strong profitability with operating profit margin of at least 15%

Secure human resources from this area to run operations worldwide

13

Staying on the topic of significant expansion in Asian markets, we believe Asia, spanning China to India, holds the greatest growth potential in the world.

Our ultimate target is to achieve sales of ¥1 trillion in Greater China and ¥1 trillion from other parts of Asia (excluding Japan).

In addition, we are determined to realize high profitability from that region with an operating profit margin of 15% or more.

At the same time, we hope to secure effective human resources from this area to run operations around the world.

2H 2012: First store in The Philippines
Joint venture with SM Retail

Set up regional HQ in Singapore

Expansion into Vietnam, Indonesia, India, Australia and New Zealand under consideration



14

We believe that ASEAN nations and the Oceania area also harbor similar market potential to China.

As we announced today, we are looking to open our first store in The Philippines in spring 2012 through a joint venture with SM Retail.

We are also preparing to establish a regional HQ in Singapore to facilitate expansion of operations into ASEAN nations.

Going forward, we will be considering store openings in Vietnam, Indonesia, India, Australia and New Zealand.



Renew strategy for the Japanese market

Open new global flagship stores in Ginza in spring 2012 and Shinjuku in fall 2012

Ginza Global Flagship

1F-12F, Ginza Komatsu Bldg
Sales floor approx. 5,000 sq. meters

Launch planned March 2012

Shinjuku Global Flagship

1F-3F, Shinjuku Mitsukoshi Alcott Bldg
Sales floor approx. 4,100 sq. meters

Launch planned fall 2012

Consider opening global flagship stores in key Tokyo locations including Shibuya, Harajuku, Ueno, Ikebukuro

15

While expanding operations in Asia, we will also be looking to renew our strategy in the Japanese market.

We will open global flagship stores in Ginza and Shinjuku in spring 2012 and fall 2012 respectively. These stores will be unlike any other store that we have ever opened in Japan and will rival the new global flagship store located on Fifth Avenue of New York in terms of design.

Moving forward, we will also be looking to open global flagship stores in key shopping districts in Tokyo like Shibuya, Harajuku, Ueno and Ikebukuro. At the same time, we are also planning to open mega stores with shop floors in excess of 3,300 square meters in major cities throughout Japan.



Full-fledged expansion of US operations

Biggest showcase in the world in New York

New York Fifth Avenue global flagship (4,600 sqm) opens Oct. 14, New York 34th Street mega store (4,300 sqm) opens Oct. 21

Full-fledged expansion in the US

Plans to open stores in major U.S. cities including central and suburban New York, Los Angeles, San Francisco, Chicago

16

As part of our plans to significantly expand our operations in the United States, the New York Fifth Avenue Store will open on Oct. 14 as the biggest showcase of our brand in the world. The opening of the mega store on 34th Street will follow a week later on Oct. 21.

After these store openings, we will begin our full-fledged expansion within New York and its outskirts, along with the introduction of stores in other major cities including Los Angeles, San Francisco and Chicago.

Merging of management for the UK and France

UK Operation:

- Rebuilding of stores in London, primarily renewals into large-scale stores
- New Westfield Stratford City Store opened next to the London Olympic Park
- Regent Street Store reopening with increased store space (760⇒1,300 sq. meters reopens Oct. 13)

France operation:

- Full-fledged large-scale store development in Paris
- La Defense store reopening with increase store space (200⇒1,500 sq. meters reopens Oct. 27)

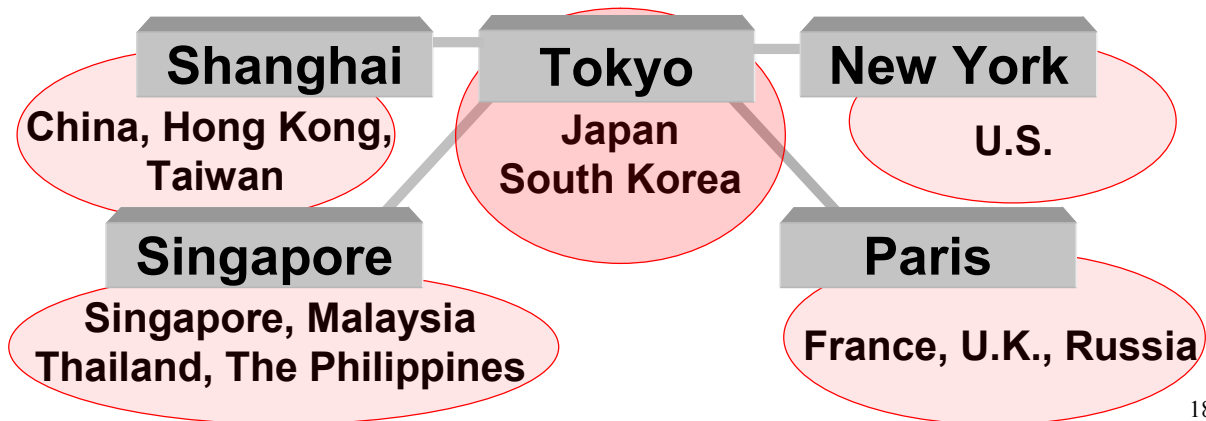
Moving on to operations in Europe, we are planning to manage operations in the UK and France under one management in Paris.

In the UK, we will focus development on large-scale stores mainly in central London and create an even larger flagship store in the city. As part of that strategy, we opened a new store in Westfield Stratford City adjacent to the London Olympic Park. So far the store has proven a great success. We are also planning to open an even bigger store on London's Regent Street by expanding the current store space to 1,320 square meters.

In France, we will also be pressing ahead with the development of large-scale stores in Paris. As part of that development, we will expand the La Defense Store to 1,580 square meters. The new, refurbished store is scheduled to open on Oct. 27, 2011.

Tokyo Global HQ and 4 regional HQs

- Regional HQs will operate UNIQLO and other brands
- Each HQ will house a branch of FRMIC and UNIQLO University
- Mass numbers of managers and staff hiring and intensive training



As the business expands, we will establish a global HQ in Tokyo along with regional HQs in Shanghai, Singapore, New York and Paris.

We plan to install a branch of FRMIC (FR Management and Innovation Center) and UNIQLO University in each of the new regional HQs in order to accelerate the training of the mass number of new employees, including business managers, that will be hired.

Global marketing, PR and other communications

- **Communicate the strengths of UNIQLO products to everyone around the world**
- **Promote our corporate stance**
- **Branding through all corporate activities**
- **Gain long-term support as a company**

We will be enhancing our marketing and PR to communicate our company message globally. While we will continue to communicate the strengths of UNIQLO products, we will also be promoting our corporate stance. We will conduct branding through all our corporate activities in order to gain long-term support from our customers.

Global Brands

**Management of affordable luxury labels
Theory, Comptoir des Cottonniers,
Princesse tam.tam will be merged to create
synergy among brands in each region**

**Theory: Target sales of ¥100bln
Full-fledged expansion into Europe & Asia**

**Comptoir des Cottonniers, Princesse tam.tam:
Create a foundation for expanding operations
across Europe, with a focus on France**

Next, I would like to talk about the expansion of our Global Brands business category. We will merge the management of Theory, Comptoir des Cottonniers and Princesse tam.tam within a single framework, thus enabling individual brands to benefit from the synergies generated by building an integrated presence in each region.

For the Theory operation, we want to expand the brand extensively in Europe and Asia in order to achieve our sales goal of ¥100bln.

For Comptoir des Cottonniers and Princesse tam.tam, we will be prioritizing the creation of a foundation to expand operations across Europe, with a focus on France.

Flagship stores propel g.u. into a new stage of growth.

- **g.u. Ginza flagship store to open on site of current UNIQLO Ginza Store in Spring 2012**

Previously opened flagship stores:

Shinsaibashi (Oct. 2010)

Ikebukuro Station East Exit (April 2011)

- **Sales target: To top ¥50bln in FY 2012**
- **Flagship stores and TV ads to dramatically improve brand recognition**
- **Continue to offer stylish fashion at low prices**
- **Aim to open 50 stores per year**
- **Look to expand overseas in near future**

21

Regarding our low-priced g.u. casualwear brand, we plan to open a new g.u. flagship store on the site of the current UNIQLO Ginza Store in spring 2012.

Along with TV commercials, we expect the new g.u. Ginza flagship store to boost visibility of the g.u. brand even more than the previously opened flagship stores in Shinshaibashi and Ikebukuro Station East Exit.

We are looking for sales to top ¥50.0bln in the year ending August 2012.

We also need to further strengthen the elements that differentiate the g.u. brand from the mainstay UNIQLO operation by offering fashionable clothing at extremely low prices.

Going forward, we will continue opening new g.u. stores at a pace of approximately 50 new stores per year and are thinking about expanding the g.u. brand in countries outside of Japan in the near future.

The ideal company is one that is needed by the world

Fast Retailing will continue to work to make the world a better place through its business

Corporate social responsibility is certain to become increasingly important as we seek to further develop our global operations. In order to succeed globally and become a true global brand, we need to carry out CSR initiatives alongside our business operations.

Ideally, we need to become a company that is genuinely needed by the world.

Unless we can clearly demonstrate the company's intentions and essence, including the goals and contributions the company plans to make, we cannot evolve into a true global brand.

UNIQLO is a new kind of Japanese company that enables people all over the world to experience the joy, happiness and satisfaction of wearing truly great clothing.

The UNIQLO brand message is...

“UNIQLO is a new kind of Japanese company that creates truly great clothing to enable people all over the world to experience the joy, happiness and satisfaction of wearing such great clothing.”

**Changing clothes.
Changing conventional wisdom.
Change the world.**

Finally, I would like to close with the UNIQLO corporate statement which will continue to govern our business along with the previous brand message:
“Changing clothes. Changing conventional wisdom. Change the world.”

That completes my presentation. Thank you very much.