

Overview of Six Months to February 2012 and Future Outlook

Tadashi Yanai

Fast Retailing Co., Ltd.

Chairman, President & CEO

My name is Tadashi Yanai and, as Chairman, President and CEO of Fast Retailing, I will briefly review our performance for first half of fiscal 2012 (September 2011 through February 2012) and then discuss our future strategy and outlook for fiscal 2012 (the year through the end of August 2012).

First Half Rise in Sales and Income

1H Actual Sales: ¥525.5bln (+14.9% y/y)
 Operating income: ¥91.7bln (+11.8% y/y)

Fiscal 2012: Forecasting record income

Sales: ¥941.5bln (+14.8% y/y)
 Operating income: ¥138.0bln (+18.6% y/y)
 Net income: ¥81.5bln (+49.9% y/y)

Billions of yen

	FY to August 2011		FY to August 2012			
	FY(Actual)	y/y	1H(Actual)	y/y	FY(Estimate)	y/y
Sales	820.3	+0.7%	525.5	+14.9%	941.5	+14.8%
Operating Income	116.3	-12.1%	91.7	+11.8%	138.0	+18.6%
Ordinary Income	107.0	-13.5%	93.5	+20.5%	137.5	+28.4%
Net Income	54.3	-11.9%	57.7	+38.7%	81.5	+49.9%

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The Fast Retailing Group achieved gains in both sales and income in the first half of fiscal 2012, with consolidated sales rising 14.9% year on year to ¥525.5bln, and operating income rising 11.8% to ¥91.7bln.

We are now forecasting that income will hit a new record for the full year through August 2012, with consolidated sales rising 14.8% to ¥941.5bln, operating income rising 18.6% to ¥138.0bln, and net income increasing 49.9% to ¥81.5bln.

Right now, Fast Retailing is aiming to...

Transform UNIQLO into a truly global brand

We want everyone in the world to know about UNIQLO, and we seek to offer clothing and a standard of service that will delight customers from day one.

Fast Retailing is aiming to transform UNIQLO into a truly global brand.

Indeed, we want everyone in the world to know about UNIQLO and we seek to offer clothing and a standard of service that will delight customers from day one.

Transform UNIQLO into a Global Brand by...

Opening the New York global flagship store

Aiming to become the most respected brand in Asia with mass store openings in the region

Making English our official business language

Establishing our global HQ in Tokyo and four regional HQ in cities worldwide

In our quest to transform UNIQLO into a global brand, we opened the New York global flagship store.

Another aspect of our global strategy is to focus on mass store openings in Asia which would, in turn, enable us to become a strong global brand with an already established leading presence in Asia.

Other measures that form a vital part of our global strategy is our move to make English our official business language from this March, and to establish a strong global headquarters in Tokyo with four regional headquarters based around the world in the cities of Paris, New York, Shanghai and Singapore.

Review – Six Months to Feb. 2012

- **UNIQLO Japan:** Sales and income rise in 1H following sales recovery in 2Q and effective cost-cutting measures
- **UNIQLO:** Strong sales of core items such as HEATTECH, Ultra Light Down, warm pants
- **UNIQLO International:**
 - Global flagship stores open in New York, Taipei and Seoul
 - Worldwide boost for UNIQLO brand visibility
 - UNIQLO Intl. 1H profit up over 40%
 - Mass store openings in China, Taiwan, Korea
- **g.u.:** Poised for a breakthrough
- **Theory:** Profit rises strongly in Japan and the U.S.

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Looking back in more detail at Fast Retailing's performance over the six months to February 2012, the Group reported growth in both sales and income, thanks to the recovery in sales at UNIQLO Japan in the December 2011 through February 2012 quarter(2Q), and effective cost-cutting measures.

Core items such as HEATTECH, Ultra Light Down and warm pants sold well in the first half.

At UNIQLO International, the opening of three global flagship stores in quick succession in New York, Taipei and Seoul served to greatly boost the visibility of the UNIQLO brand throughout the world.

In addition, UNIQLO International achieved income growth in excess of 40% in the first half, with the mass new store openings in China, Taipei and South Korea proving particularly profitable.

We have started to see signs of a strong breakthrough at our low-price g.u. casualwear label.

Our Theory brand generated significant profit gains in both the United States and Japan.

- **UNIQLO Ginza global flagship store opened in March**
- **UNIQLO x UNDERCOVER (UU) collaboration launch**
- **A dazzling array of fresh UNIQLO garments with new designs to mark the 10th anniversary of UT T-shirt brand, AIRism (global product brand for Silky Dry and Sarafine spring/summer innerwear) , Color Bottoms, UV-Cut garments, Cool-Biz clothing**
- **UNIQLO International:
Further mass-store openings in Asia**
- **g.u.: flagship store opened in March**

Looking now at the second half of fiscal 2012 or the six months from February through August 2012, the opening of the global flagship UNIQLO Ginza Store on March 16 was extremely successful. We launched our new UNIQLO x UNDERCOVER (UU) collaborative design products with the cult-hit Undercover fashion label, and we expanded the array of designs to mark the 10th anniversary of our UT UNIQLO print T-shirt range.

I will be looking to expand sales of AIRism products, the global brand name given to our newly combined Silky Dry and Sarafine spring/summer innerwear.

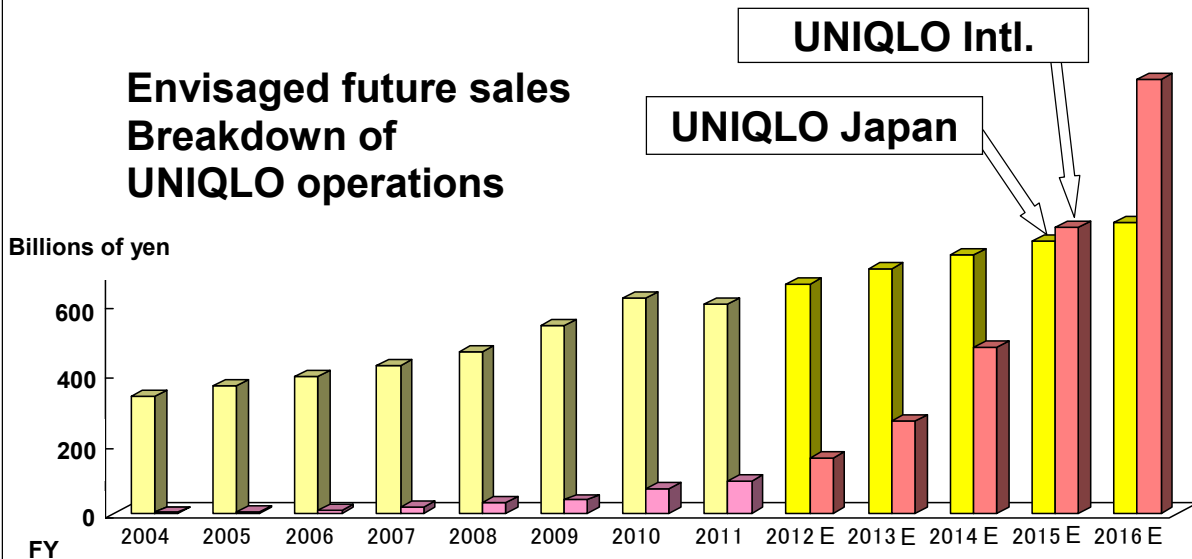
We also expect our Color Bottoms, UV-Cut garments and Cool-Biz clothing to sell well this year.

We will continue our policy of mass new store openings in the Asian region which should fuel further growth in UNIQLO International business.

In addition, the new g.u. Ginza flagship store opened in March to great success.

UNIQLO Intl sales to overtake UNIQLO Japan in FY2015

Envisaged future sales
Breakdown of
UNIQLO operations



In terms of our future strategy, we are looking to shift the focus of future growth outside of Japan onto UNIQLO International operations.

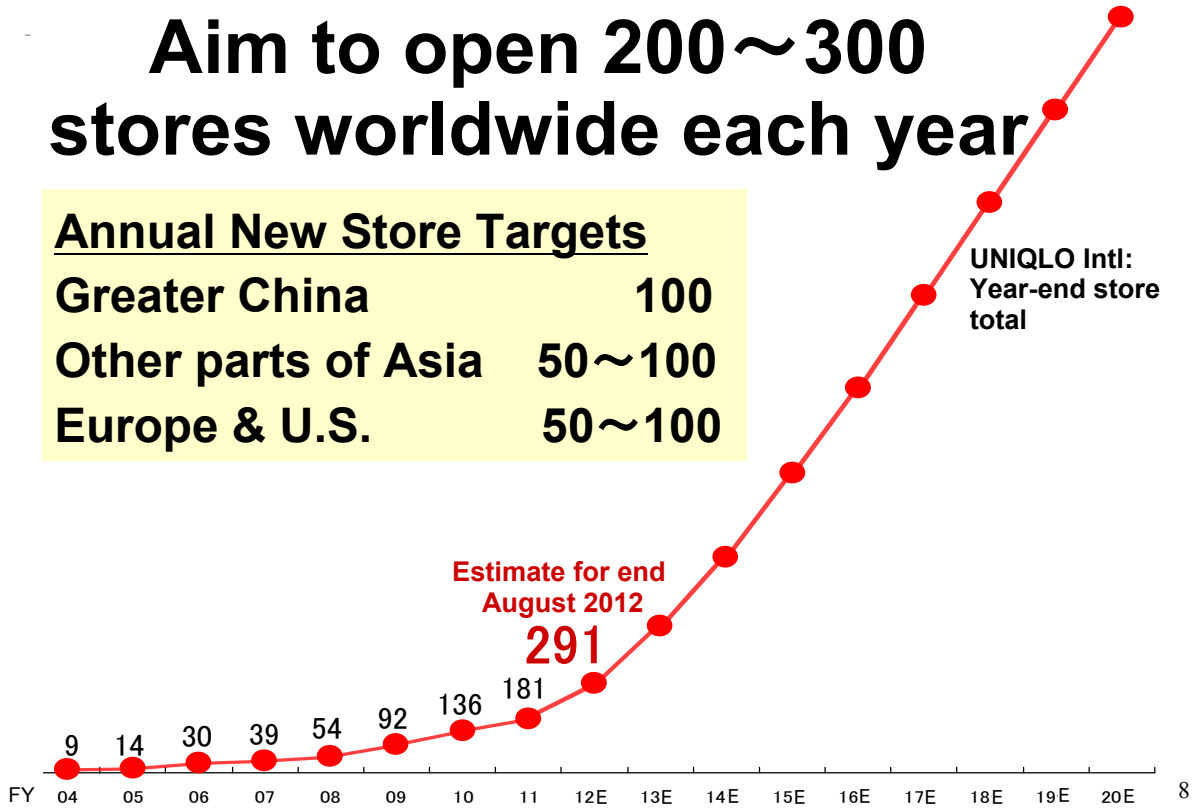
We forecast that UNIQLO International sales will overtake UNIQLO Japan sales in fiscal 2015.

Multiple New Stores in Worldwide

Aim to open 200~300 stores worldwide each year

Annual New Store Targets

Greater China	100
Other parts of Asia	50~100
Europe & U.S.	50~100



To this aim, we plan to open more stores worldwide, focusing mainly on Asia.

As far as possible, I want us to target the opening of between 200 and 300 new stores each year.

This target breaks down into 100 new stores each year in Greater China (China, Hong Kong and Taiwan), between 50 and 100 new stores in other parts of Asia and between 50 and 100 stores in Europe and the United States combined.

Significant expansion in Asia

- Opened global flagship stores in Taipei (Sep. 2011) and Seoul (Nov.)
- New markets: Thailand (Sep. 2011), Philippines (June 2012)



Taipei, Mingyao Department Store
Opened September 23, 2011



Seoul, Myeongdong Central Store
Opened November 11, 2011

- Truly global marketing
TV ads for HEATTECH and Ultra Light Down aired in China, Hong Kong, Taiwan and Korea in 1H

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Focusing first on Asia, UNIQLO International opened global flagship stores in Taipei in September and Seoul in November. Both stores were well received and are performing strongly.

In terms of new market penetration, we opened our first store in Thailand in September 2011 and we plan to open our first store in The Philippines in June 2012.

Along with these new stores openings, we have launched some genuinely global marketing activities.

In the first half, our HEATTECH and Ultra Light Down TV commercials, aired in China, Hong Kong, Taiwan and South Korea, were both extremely popular and effective.

Outlook - Asian Markets

- **Greater China (China, Hong Kong & Taiwan), ASEAN nations and India offer greatest growth potential**
- **Potential middle-class population explosion**
- **10-year store opening targets:**
 - Greater China ⇒ over 1,000 stores**
 - Asia (excl. Greater China) ⇒ over 1,000 stores**
- **Targeting Operating income margin target above 15%**

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Looking ahead to potential development in Asia, we believe that China, Hong Kong and Taiwan, along with ASEAN nations and India hold the greatest potential for future UNIQLO growth.

With a combined population of four billion, these markets are likely to experience an explosion in middle-class consumers.

Over the next 10 years, I want to set our sights on opening over 1,000 new stores in Greater China and another 1,000 stores in other parts of Asia.

We should also aim to boost our operating income margin above 15%.

Expansion in Greater China

Network of 136 stores by end Feb. 2012 in or near Shanghai & Beijing

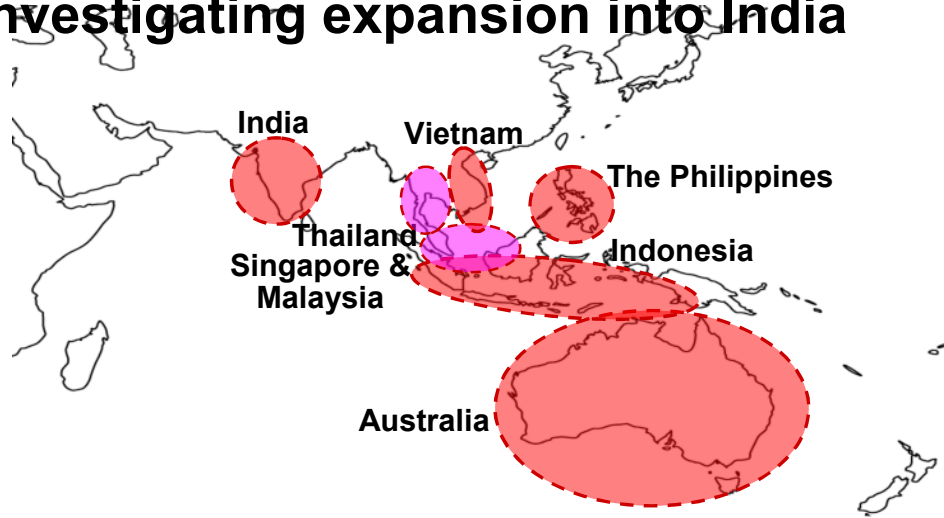


This slide shows our business presence in China, Hong Kong and Taiwan at present time. As you can see, we have concentrated new store openings in and around Shanghai and Beijing. The total number of stores in Greater China was 136 at end February.

I want us to accelerate new store openings aggressively in Greater China going forward.

Expansion in ASEAN & India

- **June 2012: Open first store in The Philippines**
- **2013 onward: Consider expanding into Indonesia, Australia and Vietnam**
- **Start investigating expansion into India**



Let me look now at our plans for expansion in ASEAN nations and India. Our first UNIQLO store is scheduled to open in The Philippines in June 2012, and then, from 2013 onward, we are planning to expand operations into Indonesia, Australia and Vietnam. We are also beginning to consider options for a UNIQLO expansion into India.

UNIQLO U.S. Expansion Strategy

- **Opened New York Fifth Avenue global flagship and 34th Street megastore in October 2011**
- **UNIQLO attracts worldwide attention as a global brand**



New York Fifth Avenue global flagship store



New York 34th Street megastore

Turning now to our expansion strategy in the United States, following the opening of the global flagship New York Fifth Avenue Store and the New York 34th Street megastore in October 2011, I feel that UNIQLO now attracts worldwide attention as a global retail brand.

First store on U.S. West Coast

Scheduled to open fall 2012

- **UNIQLO Powell Street Store (temporary name) in central San Francisco, California**
- **Also plan to open a store in a shopping mall in New Jersey**

Future expansion strategy

- **20~30 stores in central and suburban New York**
- **20~30 stores in San Francisco and L.A.**

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And now, we are looking to extend our presence in the United States geographically with the opening of our first store on the U.S. West Coast.

We will open our first store in San Francisco, California in fall 2012, and we will begin expanding our reach in the New York area with the opening of a megastore in a shopping mall in New Jersey.

In future, I would like to expand our store network in central and suburban New York to between 20 and 30 stores and also between 20 and 30 stores in San Francisco and Los Angeles.

Stores for all major European cities

Fiscal 2012 & 2013 plans

- **Restructure U.K. operation by focusing on large-format stores in London**
- **Accelerate new stores openings in the Paris suburbs from fall 2012**

Future expansion strategy

- **Open stores in major European cities such as Berlin, Milan, Barcelona, Moscow**

Looking next at future expansion in Europe, I want to open new stores in major European cities.

We are restructuring the UNIQLO operation in the U.K. by scrapping older, smaller stores and replacing them with newer, large-format stores in central London.

In France, we plan to accelerate the opening of new stores in the Paris suburbs from this fall.

Further expansions strategy in Europe will include the opening of stores in the major European cities such as Berlin, Milan and Barcelona, while expanding our existing presence in Moscow.

New Ginza global flagship store (opened March 16, 5,000sqm, 12 floors)

- Target ¥10.0bln annual sales
- Concierge service and handle customers in 6 languages
- UU and UT very popular



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In the Japanese market, we are working hard to renew our UNIQLO Japan operation.

We opened the global flagship UNIQLO Ginza Store in March—the biggest and best UNIQLO store in the world with a shop floor space of 5,000 square meters spanning an impressive 12 floors. We will be looking to expand annual sales at the store to ¥10.0bln.

Some of the new services on offer at the store include a concierge service and the ability to handle customers in six languages to fully attend to their needs.

The new store opening also marked the launch of the extremely popular UNIQLO x UNDERCOVER (UU) collaborative line with acclaimed designer Jun Takahashi and his cult-hit Undercover fashion label. The store's expanded array of designs marking the 10th anniversary of UNIQLO UT T-shirts also proved extremely popular with customers.

New Store Strategy in Japan

Open global flagship stores in major cities and create 3,300sqm roadside megastores

■ Global flagship stores

- Open global flagship in Shinjuku in fall 2012
- Consider opening global flagships in Harajuku, Shibuya, Ikebukuro, Ueno, Osaka, Nagoya, Sapporo, Fukuoka, Sendai

■ 3,300sqm roadside megastores

- Open roadside megastores in Tokyo suburbs
- Create roadside stores with annual sales of ¥3.0~5.0bln

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In terms of our new store strategy for the Japanese market going forward, we will be looking to open global flagship stores in major Japanese cities and also create 3,300 square meter roadside megastores.

Following the opening of the global flagship UNIQLO Ginza Store in March, we plan to open another global flagship store this time in Shinjuku in fall 2012.

Then, we will look at opening global flagship stores in the major commercial districts such as Harajuku, Shibuya, Ikebukuro, Ueno, Osaka, Nagoya, Fukuoka and Sendai.

Another part of our Japanese new store strategy is the opening of roadside megastores in the metropolitan Tokyo area with shop floor space of 3,300 square meters. We would expect such stores to generate annual sales of between ¥3 and ¥5 billion.

- **UNIQLO clothes: MADE FOR ALL**
Highly-finished elements of style in clothes that suit your values wherever you live in the world

- **UNIQLO stores & service**

Aesthetically pleasing but ultra-rational store displays that suggest new coordinates and way of wearing clothes



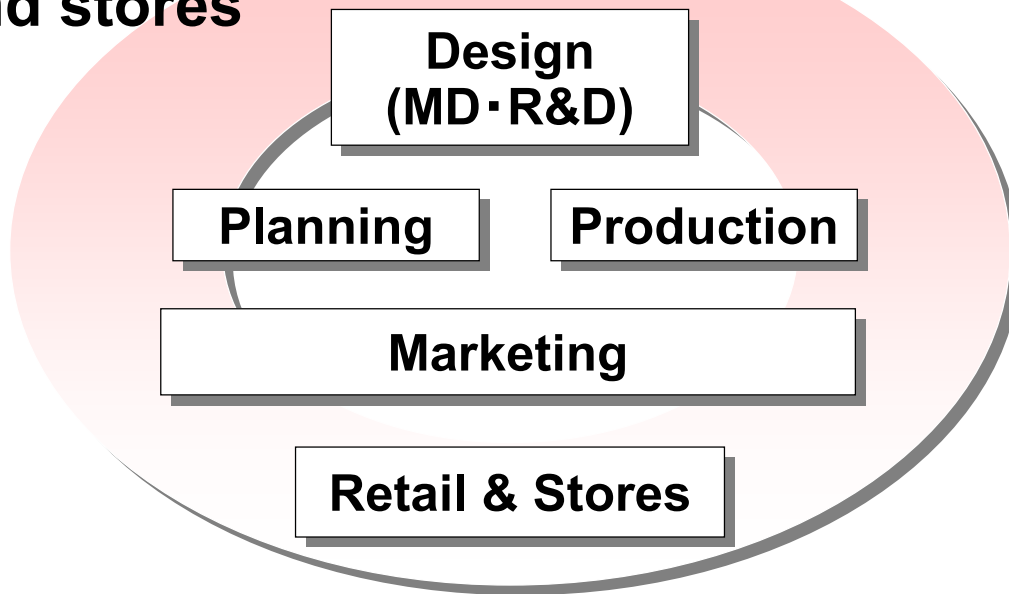
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UNIQLO clothes are MADE FOR ALL—highly-finished elements of style in clothes that suit your values wherever you happen to live in the world.

In addition, we believe UNIQLO store displays and service should be aesthetically pleasing as well as ultra-rational in order to highlight suggested styles and new ways of wearing clothes.

Strengthening our Product Power

Stronger coordination between product design (merchandising, R&D), product planning, marketing, production, retail and stores



I want to further strengthen our product power as a manufacturer and retailer of private label apparel. In order to do this, I want to further strengthen coordination within our renowned system spanning product design, merchandising, R&D, product planning, marketing, production, retail and store operation.

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

Theory: Full-fledged expansion into Europe & Asia

**Comptoir des Cotonniers, Princesse tam.tam:
Create a foundation for expanding
operations across France and
other parts of Europe**

Next, I would like to talk about the expansion of our affordable luxury brands. By merging and refining the management of Theory, Comptoir des Cotonniers and Princesse tam.tam within a single framework, we can build an integrated presence in each region and maximize the synergy benefits available to individual brands.

For the Theory operation, we want to expand the brand extensively in Europe and Asia.

We can already harness greater synergy benefits for brands within the Fast Retailing Group using regional headquarters established in Europe (Paris), Asia (Shanghai and Singapore), Japan and the United States.

For Comptoir des Cotonniers and Princesse tam.tam, we are currently focusing on developing these labels mainly in France but also in other parts of Europe. However, I would like to start thinking about introducing the brands into Asia and the United States.

Growing the g.u. Brand

New Ginza flagship store

Opened March 30
(1,500sqm, 5 floors)

The g.u. Ginza Store on opening day



- **Expect strong expansion as a brand offering fashion at amazingly low prices**
- **New flagship store and TV ads dramatically boost brand visibility**
- **Sales seen topping ¥50bln in FY2012**
- **Aim to open over 50 stores per year from FY2013**
- **Start thinking about global expansion**

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Moving onto our low-price g.u. casual brand. I believe this operation has an extremely bright future ahead.

Having recently opened a flagship store in Ginza, we expect the g.u. operation will expand strongly as a brand offering fashion at amazingly low prices.

The new flagship store and TV commercials have boosted visibility of the g.u. brand dramatically and we now believe sales will top ¥50bln in the year through August 2012.

We will also begin thinking about potentially opening g.u. stores outside Japan.

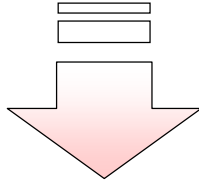
Using the design, manufacture and retail of clothing to make the world a better place

UNIQLO Recovery Assistance Project
All-Product Recycling Campaign
Social Business
Disabled Personnel Employment
Monitor Labor Conditions at Partner Factories
Environmental Protection Activities

We seek to make our business operations successful while, at the same time, forging ahead with our activities in the area of corporate social responsibility. Here, our particular aim is to use the design, manufacture and retail of clothing to make the world a better place.

I want us to focus positively on various CSR activities including the UNIQLO Recovery Assistance Project for, the All-Product Recycling campaign, our social business, our program for the employment of personnel with disabilities, as well as the monitoring of labor conditions at our partner factories and environmental protection.

Our aim is to become a truly global brand



‘Brand’ encompasses our entire business: customers, products, stores, personnel, our company and its managers and activities

We wish people to be buying our corporate spirit when they buy our clothes as a pledge of eternal support for our company and what we stand for

Our ultimate aim is to become a truly global brand.

The word ‘brand’ encompasses all elements of our business from our customers, products, and personnel to our company and its managers and activities. We wish people to be buying our corporate spirit when they buy our clothes, as a pledge of eternal support for our company and what we stand for.

Aiming for World Number One

**2020 targets:
Annual sales ¥5 trillion
Ordinary income ¥1 trillion**

Our aim at Fast Retailing is to become the number one brand in the world.

With this in mind, we have set ourselves high goals: to achieve annual sales of ¥5 trillion and ordinary income of ¥1 trillion by 2020.

**UNIQLO is a new kind of
Japanese company
that brings affordable,
truly good casual clothing
to people all over the world.**

The UNIQLO brand message is...

“UNIQLO is a new kind of Japanese company that brings affordable, truly good casual clothing to people all over the world

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

Finally, I would like to close with the Fast Retailing group statement which, as a daily motto, should permeate our entire day-to-day business:
“Changing clothes. Changing conventional wisdom. Change the world.”

That completes my presentation. Thank you very much.