

Fast Retailing Results for Fiscal 2012 and Estimates for Fiscal 2013

Takeshi Okazaki

Fast Retailing Co., Ltd.

Group Senior Vice President & CFO

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My name is Takeshi Okazaki and I am group senior vice president and CFO at Fast Retailing.

I would like to run through the Fast Retailing Group's business performance over the fiscal year ending August 31, 2012 and our estimates for the fiscal year ending August 31, 2013.

I. Results for Year to August 2012	P 3~P15
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Group operations as displayed in this documentation

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

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: Fiscal 2012

Net sales : ¥928.6bln (+13.2% y/y)
Operating income : ¥126.4bln (+ 8.7% y/y)
Ordinary income : ¥125.2bln (+16.9% y/y)
Net income : ¥ 71.6bln (+31.8% y/y)

Billions of Yen

	Yr to Aug. 2011	Yr to Aug. 2012			
	Actual	Latest est. (July 6)	Actual	y/y	v.latest est.
Net sales (to net sales)	820.3 100.0%	929.5 100.0%	928.6 100.0%	+13.2%	-0.1%
Gross profit (to net sales)	425.7 51.9%	476.5 51.3%	475.4 51.2%	+11.7% -0.7p	-0.2% -0.1p
SG&A (to net sales)	309.4 37.7%	345.0 37.1%	349.0 37.6%	+12.8% -0.1p	+1.2% +0.5p
Operating income (to net sales)	116.3 14.2%	131.5 14.1%	126.4 13.6%	+8.7% -0.6p	-3.8% -0.5p
Ordinary income (to net sales)	107.0 13.1%	131.0 14.1%	125.2 13.5%	+16.9% +0.4p	-4.4% -0.6p
Net income (to net sales)	54.3 6.6%	79.0 8.5%	71.6 7.7%	+31.8% +1.1p	-9.3% -0.8p

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Looking first at the consolidated performance of the Fast Retailing Group over the 12 months through August 2012, the Group achieved gains in both sales and income with consolidated sales increasing 13.2% year on year to ¥928.6bln, operating income rising 8.7% to ¥126.4bln, ordinary income expanding 16.9% to ¥125.2bln and net income increasing 31.8% to ¥71.6bln.

The next slide runs through the main factors underlying this performance.



Group: FY2012 Rise in Sales, Income

Net sales ¥928.6bln (+13.2% or ¥108.3bln y/y)

- UNIQLO Intl. +¥59.4bln
- Global Brands +¥28.9bln
- UNIQLO Japan +¥19.9bln

Gross profit to net sales ratio 51.2% (-0.7p y/y)

- UNIQLO Japan -0.8p

SG&A to net sales 37.6%(-0.1p y/y)

- Cost-cutting measures at all Fast Retailing group companies

**Operating income ¥126.4bln,
operating income margin 13.6% (-0.6p y/y)**

**Ordinary income ¥125.2bln,
ordinary income margin 13.5% (+0.4p y/y)**

- ¥8.1bln year-on-year fall in non-operating expenditure due to reduced foreign currency losses

Net income ¥71.6bln, up 31.8% y/y

- v. 2011 with ¥9.6bln extraordinary loss related to accounting changes
- Reversal of deferred tax credit following losses at U.S. subsidiary
– cash flow unaffected

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Looking again at consolidated sales for the Fast Retailing Group in fiscal 2012, which rose 13.2% year on year or ¥108.3bln to ¥928.6bln, this figure breaks down into a ¥59.4bln increase in sales at UNIQLO International, a ¥28.9bln increase in sales from our Global Brands segment and a ¥19.9bln increase in sales from UNIQLO Japan.

The gross profit to net sales ratio dipped 0.7 point year on year to 51.2%. The main reason for this fall was a 0.8 point contraction in the gross margin at UNIQLO Japan.

The SG&A to net sales ratio improved 0.1 point year on year to 37.6%, as each individual group operation endeavored to keep expenses in check.

These elements taken in total helped generate operating income of ¥126.4bln and an operating income margin of 13.6%, down 0.6 point year on year.

Consolidated ordinary income for fiscal 2012 totaled ¥125.2bln, generating an ordinary income margin of 13.5%, up 0.4 point year on year. This improvement was due to a ¥8.0bln reduction in non-operating expenditure, as foreign exchange valuations shrank significantly from a ¥8.3bln loss in the year through August 2011 to a much smaller ¥1.1bln loss in the year through August 2012.

Net income increased by 31.8% year on year to ¥71.6bln. This considerable increase compares with the previous year when an extraordinary loss of ¥9.6bln was reported in relation to changes in accounting practice. Despite this large increase, the net income total fell short of target in fiscal 2012. However, this does not imply any adverse impact on cash flow, given that it relates to losses at UNIQLO USA in the fourth quarter from June through August 2012 and the subsequent reversal of some deferred tax assets.



FY2012 Results by Group Operation

Billions of Yen

		Yr to Aug. 2011		Yr to Aug. 2012		
		Actual	Latest est. (July 6)	Actual	y/y	v.latest est.
UNIQLO Japan	Net sales	600.1	621.5	620.0	+3.3%	-0.2%
	Operating income (to net sales)	106.2 17.7%	104.5 16.8%	102.3 16.5%	-3.6% -1.2p	-2.1% -0.3p
UNIQLO International	Net sales	93.7	157.0	153.1	+63.4%	-2.4%
	Operating income (to net sales)	8.9 9.6%	16.0 10.2%	10.9 7.2%	+22.9% -2.4p	-31.3% -3.0p
Global Brands	Net sales	124.0	148.0	153.0	+23.3%	+3.4%
	Operating income (to net sales)	8.7 7.1%	14.5 9.8%	14.5 9.5%	+65.4% +2.4p	+0.3% -0.3p

Note: In addition to the categories listed above, the consolidated results also include sales, operating income and goodwill amortization generated by the holding company, Fast Retailing Co., Ltd.

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Slide number 5 displays the breakdown of net sales and operating income for the year through August 2012 by group operation.

UNIQLO Japan sales totaled ¥620.0bln, and operating income ¥102.3bln. UNIQLO International reported sales of ¥153.1bln and operating income of ¥10.9bln. Global Brands generated sales of ¥153.0bln and operating income of ¥14.5bln.

Sales rise, income falls

Sales : ¥620.0bln (+3.3% y/y)

Operating income : ¥102.3bln (-3.6% y/y)

Billions of Yen

	Yr to Aug. 2011	Yr to Aug. 2012			
	Actual	Latest est. (July 6)	Actual	y/y	v.latest est.
Net sales (to net sales)	600.1 100.0%	621.5 100.0%	620.0 100.0%	+3.3%	-0.2%
Gross profit (to net sales)	294.9 49.1%	302.1 48.6%	299.5 48.3%	+1.6% -0.8p	-0.9% -0.3p
SG&A (to net sales)	188.6 31.4%	197.6 31.8%	197.1 31.8%	+4.5% +0.4p	-0.2% +0.0p
Operating income (to net sales)	106.2 17.7%	104.5 16.8%	102.3 16.5%	-3.6% -1.2p	-2.1% -0.3p

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I would now like to run through each of our group operations in turn, and I will look first at UNIQLO Japan.

The UNIQLO Japan operation reported a rise in sales but a fall in income in the year through August 2012. Over the year, sales increased 3.3% year on year to ¥620.0bln and operating income fell 3.6% year on year to ¥102.3bln.

This full-year performance at UNIQLO Japan fell short of our July estimates by ¥1.5bln in terms of sales and ¥2.2bln in terms of operating income.

I will explain these individual factors in more detail in the subsequent slides.

UNIQLO Japan: Overall Sales

FY2012: Sales ¥620.0bln (+3.3% y/y)

○Active increase in store size boosted sales per store

Large-format stores: +20, small/regular stores: -20

Overall sales floor area at end August 2012 up 4.8% year on year

Directly run stores: 824 (excluding 21 franchise stores) , net increase of 2 stores after 24 new stores opened and 22 stores closed

○Same-store sales down 0.5% y/y

(customer numbers -5.3%, average customer spending +5.1%)

March-May sales of spring items adversely affected by narrow inventory

Persistent cool weather through mid July delayed sales of summer items

Same store sales	Yr to Aug. 2012							Sept.
	1H	3Q	June	July	Aug.	2H	Full year	
Net sales	+2.3%	-5.4%	-7.0%	-2.0%	+2.0%	-4.3%	-0.5%	-2.4%
Customer no.	-4.9%	-7.5%	-8.1%	-4.6%	+2.5%	-5.8%	-5.3%	+0.2%
Avg. purchase	+7.6%	+2.2%	+1.3%	+2.7%	-0.6%	+1.6%	+5.1%	-2.6%

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Sales at UNIQLO Japan increased 3.3% in fiscal 2012 to ¥620.0bln as we successfully boosted our sales per store. We did this by opening 20 new large-format stores, while closing 20 smaller regular-sized stores.

By the end of August 2012, we had expanded our total sales floor space by 4.8% year on year and boosted the total number of UNIQLO Japan stores by a net two stores to 824 stores.

However, same-store sales actually contracted 0.5% year on year in fiscal 2012. While same store sales expanded 2.3% in the first six months from September 2011 through February 2012, same store sales then contracted 4.3% in the second half from March through August 2012. With hindsight, several factors contributed to the fall in same store sales in the second half, including an overly zealous restriction of spring inventory which adversely impacted inter-season sales of spring clothing in March through May, and persistently cool weather through mid July which delayed sales of summer garments. In addition, while we offered excellent products within our AIRism brand of summer innerwear such as Silky Dry Steteco (long trunks) garments for men and Sarafine bra tops for women, our ranges lacked fresh newsworthy items to spark customer interest and spur fresh demand.

FY2012: Gross profit margin 48.3% (-0.8p y/y)

1H: -1.3p y/y

- Cost of sales increase on back of higher cotton and other raw material prices and higher factory processing fees
- Attract customers with more HEATTECH limited-period sales

2H: -0.2p y/y

- Following wider offloading of excess summer inventory

		Yr to Aug. 2011	Yr to Aug. 2012	
				y/y
	Full year	49.1%	48.3%	-0.8p
	1H	49.5%	48.2%	-1.3p
	2H	48.6%	48.4%	-0.2p

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Moving on to discuss business margins now, UNIQLO Japan generated a gross profit margin of 48.3% in fiscal 2012, down 0.8 point year on year.

The UNIQLO Japan gross margin contracted 1.3 points year on year in the first six months through February 2012, on the back of rising cost of sales as cotton and other raw material prices increased along with factory processing fees. We also sought to attract more customers by increasing the number of limited period sales on our HEATTECH winter innerwear.

In the second half from March through August 2012, the gross margin contracted by a lesser degree, 0.2 point year on year, as we intensified our efforts to offload excess summer inventory in the fourth quarter.

SG&A ratio 31.8% (+0.4p y/y)

Personnel	- 0.6p y/y
Advertising & Promotion	+0.2p y/y
Store rents	+0.2p y/y
Depreciation	+0.1p y/y
Other costs	+0.6p y/y

Billions of Yen

	Yr to Aug. 2011		Yr to Aug. 2012		Change	
	Actual	(% sales)	Actual	(% sales)		(% sales)
SG&A Total	188.6	31.4%	197.1	31.8%	+8.4	+0.4p
Personal	58.9	9.8%	57.3	9.2%	-1.5	-0.6p
A&P	26.5	4.4%	28.2	4.6%	+1.7	+0.2p
Store rents	41.6	6.9%	43.9	7.1%	+2.2	+0.2p
Depreciation	6.2	1.0%	7.1	1.1%	+0.9	+0.1p
Other	55.3	9.2%	60.5	9.8%	+5.1	+0.6p

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The UNIQLO Japan SG&A to net sales ratio increased 0.4 point year on year in fiscal 2012 to 31.8%.

This was due mainly to our decision to boost advertising, which led to an increase in advertising and promotion costs. Our strategy of opening large format stores in urban locations such as the UNIQLO Ginza Store along with our quest to gradually increase the average size of our store stock resulted in higher store rents and depreciation expenses. The other costs ratio also expanded in fiscal 2012, following a rise in service fees to the Fast Retailing holding company.

On the other hand, the personnel ratio improved year on year thanks to lower in-store personnel costs. Our decision to transfer some personnel from the Production Department to China from this business year has also reduced total personnel costs for UNIQLO Japan, but please note that a comparable amount has been transferred to the other costs column as outsourcing expenses.

Rise in sales & income

Asian sales & income continue to climb

Same store sales continue to rise in Asia, further multiple store openings in China, Taiwan and South Korea, UNIQLO USA reports a loss

Performance falls short of latest estimates

at UNIQLO USA, UK, China and South Korea

Billions of Yen

		Yr to Aug. 2011		Yr to Aug. 2012		
		Actual	Latest est. (July 6)	Actual	y/y	v.latest est.
UNIQLO International	Net sales	93.7	157.0	153.1	+63.4%	-2.4%
	Operating income (to net sales)	8.9	16.0	10.9	+22.9%	-31.3%
		9.6%	10.2%	7.2%	-2.4p	-3.0p

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Let me move on now to our UNIQLO International operation which generated gains in both sales and income in fiscal 2012. UNIQLO International sales expanded by an impressive 63.4% year on year to ¥153.1bln and operating income rose 22.9% to ¥10.9bln.

This continued strong performance on sales and income at UNIQLO International was fueled mainly by consistent gains in same store sales in Asia and also to our persistent drive to open multiple new stores in China, Hong Kong, Taiwan and South Korea.

On the other hand, while the opening of the new global flagship store and the megastore in New York has greatly expanded revenue in the United States, it also pushed UNIQLO USA further into the red in fiscal 2012.

Operating income at UNIQLO International for the full fiscal 2012 fell short of our latest estimate published in July, after profit generated by UNIQLO operations in the U.S., U.K., China and South Korea fell below expected levels in the fourth quarter.

I will provide more detail on performance at individual UNIQLO International operations in the next slide.

- **China & Hong Kong:** Continued growth in sales & income as same store sales expand and 66 new stores open
UNIQLO China underperformed in 4Q as summer inventory offloaded early in response to the economic slowdown
- **Taiwan:** Sales and income expand to plan with 16 new stores opened
- **South Korea:** Sales & income expand with 18 new stores opened
Full-year OP falls short of target as economic slowdown impacts same store sales in 4Q
- **Singapore & Malaysia:** Sales, income expand to plan, 5 new stores
- **Thailand:** 4 new stores open as strong sales trend continues
- **Philippines:** Strong as sales at first store outstrip expectations
- **USA:** Posted a considerable loss. Underperformed in 2H on sluggish sales at 3 NY flagship stores and leading brand building investment
- **France:** To plan although expansion of La Defense store knocks OP
- **UK:** Underperforms as 1H fall in OP continues in 2H, loss expands following sluggish sales in 4Q and aggressive inventory offloading
- **Russia:** Turns the planned profit on back of improved profitability

Let us now take a look at each UNIQLO International operation.

Firstly, UNIQLO China and Hong Kong generated further gains in both sales and income in fiscal 2012 as same store sales continued to grow and 66 new stores opened. However, our decision to offload excess summer inventory early in China, in response to the economic slowdown, knocked operating income below target in the fourth quarter.

UNIQLO Taiwan generated the expected gains in both sales and income with 16 new stores opening during fiscal 2012.

UNIQLO South Korea achieved further growth in both sales and income with 18 new stores opening in fiscal 2012. However, operating income fell short of target in the fourth quarter as same store sales contracted year on year following the slowdown in the South Korean economy.

UNIQLO Singapore and Malaysia achieved the expected gains in both sales and income with five new stores opening in fiscal 2012. UNIQLO Thailand also generated further strong sales growth as planned with four new stores opening. The first store, that opened in the Philippines proved a huge success with sales outstripping the initial target.

UNIQLO USA fell short of target in the second half of the business year from March to August 2012, as sales at the three New York flagship stores failed to pick up. In addition, we channeled significant leading investment into the New York Fifth Avenue flagship store in particular for the purpose of brand building and, as a result, the UNIQLO operation in the United States posted a considerable loss in fiscal 2012 as a whole.

UNIQLO France performed to target in fiscal 2012 but profit dipped slightly following the expansion and refurbishment of the La Defense store in suburban Paris. The fall in profit experienced by UNIQLO UK in the first half continued into the second half. In addition, the slump in sales in the fourth quarter forced us to aggressively sell off excess inventory and resulted in a larger than expected loss from the UK operation for fiscal 2012 as a whole.

Global Brands: Fiscal 2012

Large gains in sales and income

g.u.: Sales (¥58.0bln), income (OP: approx. ¥5.0bln) exceed target

Same store sales up 35% thanks to successful TV ads and hit products such as loose pants, maxi-length dresses

35 new stores brought total to 176 stores at end August 2012

Theory: Attains a new record profit as Japan operation proves especially strong with same-store sales continuing to rise and PLST label beginning to take off

Comptoir des Cotonniers: Sales & income rise as spring/summer collection generates a recovery in sales

Princesse tam.tam: Sales and income flat as expected

		Billions of Yen				
		Yr to Aug. 2011	Yr to Aug. 2012			
		Actual	Latest est. (July 6)	Actual	y/y	v.latest est.
Global Brands	Net sales	124.0	148.0	153.0	+23.3%	+3.4%
	Operating income	8.7	14.5	14.5	+65.4%	+0.3%
	(to net sales)	7.1%	9.8%	9.5%	+2.4p	-0.3p

Our Global Brands segment achieved significant growth in both sales and income in fiscal 2012, with sales rising 23.3% year on year to ¥153.0bln and operating income rising an impressive 65.4% to ¥14.5bln.

Our low-priced g.u. casual label reported a dramatic leap in both sales and income, with sales totaling ¥58.0bln and operating income ¥5.0bln. Thirty-five new g.u. stores opened in fiscal 2012. Strong sales of hit products such as loose pants and maxi-length dresses, along with effective TV commercials featuring popular celebrities, contributed strongly to the sales success, boosting same-store sales by 35% year on year. By the end of August 2012, the g.u. network had expanded to 176 stores in Japan.

Our Theory operation reported yet another record level of income in fiscal 2012, with the Japan operation proving especially strong. In addition to the continued strong same store sales growth from the Theory brand in Japan, the PLST label also began contributing to profit.

Regarding our France-based labels, women's fashion brand Comptoir des Cotonniers generated the expected gain in both sales and income after the spring/summer collection helped fuel a recovery in sales. Corsetry, lounge wear and swimwear brand Princesse tam.tam reported a flat performance in line with expectations.

Billions of Yen

	End Aug.2011	End Aug.2012	Change
Total Assets	533.7	595.1	61.3
Current Assets	369.9	424.5	54.5
Fixed Assets	163.8	170.5	6.7
Liabilities	213.8	200.2	-13.6
Net Assets	319.9	394.8	74.9

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Next, I would like to take you through our balance sheet at the end of August 2012.

Compared to end August 2011, current assets increased by ¥54.5bln and fixed assets increased by ¥6.7bln, generating an increase in total assets of ¥61.3bln to ¥595.1bln.

I will discuss the main components of the balance sheet in the next slide.



Group: B/S Main Points v. end Aug. 2011

Increase in cash, equivalents & marketable securities
+¥63.9bln (¥202.1bln ⇒ ¥266.0bln)

Increase in inventory assets +¥6.2bln (¥92.7bln ⇒ ¥98.9bln)

UNIQLO Japan - ¥4.6bln (¥53.4bln ⇒ ¥48.8bln)

Reduction in spring inventory: - ¥5.2bln

Reduction in summer inventory: - ¥0.6bln

Increase in size of stores and total store numbers +¥1.0bln

UNIQLO International + ¥7.8bln

Increase of 111 stores (including 3 global flagship stores) v. end August 2011

Global Brands + ¥3.5bln

Expansion of g.u. and Theory operations

Increase in tangible assets + ¥11.2bln (¥58.0bln ⇒ ¥69.2bln)

215 stores across the Group incl. 4 global flagship stores and g.u. Ginza flagship

Fall in forward exchange contract liability

¥37.0bln (59.6bln ⇒ ¥22.6bln)

UNIQLO Japan Smaller spread between forward contract and period-end exchange rate. Hedge accounting, so does not impact P&L

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Cash, cash equivalents and marketable securities increased by ¥63.9bln year on year to ¥266.0bln at end August 2012. This was due to an increase in operating cash flow at UNIQLO Japan and our other business segments.

Total inventory increased by ¥6.2bln to ¥98.9bln at end August 2012. Inventory at UNIQLO Japan decreased by ¥4.6bln to ¥48.8bln at the end of August 2012 compared to end August 2011. This breaks down into a ¥5.2bln reduction in spring inventory, a ¥0.6bln reduction in summer inventory and a ¥1.0bln increase in inventory, resulting from our aggressive strategy to open new stores and increase the average size of our existing store stock. Inventory levels rose at UNIQLO International by ¥7.8bln with the total number of stores, including three global flagship stores, increasing by 111 stores compared to end August 2011. Inventory levels also increased at our Global Brands segment by ¥3.5bln, as g.u. and Theory continued to expand operations and consequently inventory.

Tangible assets increased by ¥11.2bln year on year at end August 2012, with the Fast Retailing Group as a whole opening 215 new stores over the 12-month period since end August 2011. This included the opening of four UNIQLO global flagship stores (New York, Taipei, Seoul and Ginza, Tokyo) along with the opening of the g.u. Ginza flagship store.

Furthermore, the liability on forward exchange contracts fell by ¥37.0bln to ¥22.6bln. Forward exchange contracts are employed as a long-term hedging measure designed to minimize foreign exchange risk at the UNIQLO Japan operation. However, the spread between the foreign exchange spot rate and the average contract rate on our forward contract holdings has narrowed considerably of late, leading to a sharp contraction of our forward exchange contract account. Please note, this item is subject to hedge accounting and therefore has no impact on the profit and loss position.

Group: FY2012 Cash Flow

Billions of Yen

	Yr. to Aug 2011 Actual	Yr. to Aug 2012 Actual	Comment
Net cash provided by operating activities	+57.1	+127.6	
Net income before taxes and other adjustments	+93.8	+123.3	Profit gain/loss by Uniqlo Japan and other operations
Depreciation allowance, goodwill amortization	+26.1	+24.3	
Working capital	-17.3	+2.4	Change in total accounts receivable, inventory assets & accounts payable
Payment/refund of corporation tax, etc	-55.9	-32.6	
Net cash used in investment activities	-26.6	-35.3	
Expenditure on acquisition of tangible assets	-18.7	-23.7	Related to new store openings including flagship stores
Expenditure on acquisition of intangible assets	-6.4	-7.4	Systems investment
Net cash used in financing activities	-26.1	-29.0	
Dividend payment	-21.3	-22.1	FY2011 year-end dividend of 85 yen per share, FY2012 interim dividend 130 yen per share
Increase in cash & equivalents	1.7	63.9	¥0.5bln due to new additions to the consolidated accounts
Cash & equivalents period start	200.4	202.1	
Cash & equivalents period end	202.1	266.0	

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I would now like to explain our cash flow position for fiscal 2012 or the 12 months through end August 2012.

We enjoyed a net cash inflow of ¥127.6bln from operating activities, thanks to the profit contribution from UNIQLO operations and other business segments.

Outlays on investment activities totalled ¥35.3bln in fiscal 2012. Of this total, ¥23.7bln was spent on the acquisition of tangible assets and ¥7.4bln was spent on the acquisition of intangible assets such as systems investment.

Capital expenditure for fiscal 2012 totalled ¥40.1bln. Of this total, ¥10.0bln was invested in UNIQLO Japan, ¥16.7bln in UNIQLO International, ¥5.5bln in Global Brands and ¥7.6bln was spent on systems investment.

Spending on financing activities totalled ¥29.0bln in fiscal 2012, ¥22.1bln of which was used for dividend payments.

As a result of the above, the balance of cash and cash equivalents stood at ¥266.0bln at end August 2012.

Group: FY2013 Forecasts

Net sales : ¥1,056bln (+13.7% y/y)
Operating income : ¥143.5bln (+13.5% y/y)
Ordinary income : ¥142.5bln (+13.8% y/y)
Net income : ¥ 84.5bln (+17.9% y/y)

	Yr to Aug. 2012	Yr to Aug. 2013	
	Actual	Estimate	y/y
Net sales (to net sales)	928.6 100.0%	1,056.0 100.0%	+ 13.7%
Gross profit (to net sales)	475.4 51.2%	540.0 51.1%	+ 13.6% ▲0.1p
SG&A (to net sales)	349.0 37.6%	396.5 37.5%	+ 13.6% ▲0.1p
Operating income (to net sales)	126.4 13.6%	143.5 13.6%	+ 13.5% +0.0p
Ordinary income (to net sales)	125.2 13.5%	142.5 13.5%	+ 13.8% +0.0p
Extraordinary gain or loss	-1.8	-4.0	-
Net income (to net sales)	71.6 7.7%	84.5 8.0%	+ 17.9% +0.3p

Billions of Yen

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I would now like to turn to the consolidated forecasts for the Fast Retailing Group for fiscal 2013, or the 12 months from September 2012 through end August 2013.

Both consolidated sales and income are predicted to rise in fiscal 2013. Consolidated sales are expected to increase 13.7% year on year to ¥1,056 bln, operating income is expected to expand 13.5% to ¥143.5bln, ordinary income to expand 13.8% to ¥142.5bln and net income to increase 17.9% to ¥84.5bln.

UNIQLO Japan: FY2013 Forecasts

Net sales : ¥653.0bln (+5.3% y/y)
Operating income: ¥109.0bln (+6.5% y/y)

Billions of Yen

	Yr to Aug. 2012	Yr to Aug. 2013	
	Actual	Estimate	y/y
Net sales (to net sales)	620.0 100.0%	653.0 100.0%	+ 5.3%
Gross profit (to net sales)	299.5 48.3%	317.5 48.6%	+ 6.0% +0.3p
SG&A (to net sales)	197.1 31.8%	208.5 31.9%	+ 5.8% +0.1p
Operating income (to net sales)	102.3 16.5%	109.0 16.7%	+ 6.5% +0.2p

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I will now look at fiscal 2013 estimates for each of our business segments.

Taking UNIQLO Japan first, this segment is expected to generate gains in both sales and income in fiscal 2013, with net sales expanding 5.3% year on year to ¥653.0bln and operating income rising 6.5% to ¥109.0bln.

1H: Sales rise, income falls
2H: Sales and income rise

Billions of Yen

	Six month to Feb. 2012	Six month to Feb. 2013		Six month to Aug. 2012	Six month to Aug. 2013	
	Actual	Estimate	y/y	Actual	Estimate	y/y
Net sales (to net sales)	364.5 100.0%	378.5 100.0%	+3.8%	255.4 100.0%	274.5 100.0%	+7.4%
Gross profit (to net sales)	175.8 48.2%	182.0 48.1%	+3.5% -0.1p	123.7 48.4%	135.5 49.4%	+9.5% +1.0p
SG&A (to net sales)	103.5 28.4%	110.0 29.1%	+6.2% +0.7p	93.6 36.6%	98.5 35.9%	+5.2% +0.7p
Operating income (to net sales)	72.2 19.8%	72.0 19.0%	-0.3% -0.8p	30.0 11.8%	37.0 13.5%	+22.9% +1.7p

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This slide breaks down the estimated performance for UNIQLO Japan in fiscal 2013 into the first half (September 2012 through February 2013) and second half (March through August 2013).

While operating income is expected to slip slightly in the first half, income is expected to expand in the second half, generating a gain across the business year as a whole.

	Yr to Aug. 2012	Yr to Aug. 2013	
	Actual	Estimate	y/y
Net sales	620.0 bln	653.0 bln	+5.3%
Same store sales growth	-0.5%	+0.9%	-
1H	+2.3%	+0.0%	-
2H	-4.3%	+2.4%	-
Store increase (Full year)	2 stores	9 stores	+7 stores
1H	6 stores	7 stores	+1 stores
2H	-4 stores	2 stores	+6 stores
Gross profit (Full year)	48.3%	48.6%	+0.3p
1H	48.2%	48.1%	-0.1p
2H	48.4%	49.4%	+1.0p
SG&A ratio (Full year)	31.8%	31.9%	+0.1p
1H	28.4%	29.1%	+0.7p
2H	36.6%	35.9%	-0.7p

Looking in more detail at the assumptions underlying these forecasts for the UNIQLO Japan segment, we expect same store sales to hold flat in the first half and expand 2.4% in the second half, generating a 0.9% rise year on year for fiscal 2013 as a whole.

Total store numbers are expected to expand by a net seven stores in the first half and two stores in the second half, bringing the total number of directly run stores to 854 by the end of August 2013.

The gross profit margin is forecast to hold flat year on year in the first half at 48.1% and then to improve 1.0 point year on year to 49.4% in the second half. That would generate a gross profit margin of 48.6% for fiscal 2013, up 0.3 point year on year.

The SG&A ratio is expected to hold fairly flat in fiscal 2013 at 31.9%.

Asia: Continued growth in sales and income

China and Hong Kong: Gains in sales and income to continue

- In view of sluggish economic conditions, boost income by paying close attention to sales, costs and gross margin
- Continue store openings with 82 new stores planned

South Korea: OP likely to hold flat on slower economic activity

- Plan to open 25 new stores and close 2 stores

Taiwan: Open 20 stores, total stores 37 by end August 2013

Singapore & Malaysia: Open 7 stores, 19 stores by Aug. 2013

Thailand: Open 5 new stores, total stores 9 by end Aug. 2013

Philippines: Open 5 new stores in FY2013

		Billions of Yen		
		Yr to Aug. 2012	Yr to Aug. 2013	
		Actual	Estimate	y/y
UNIQLO International	Net sales	153.1	216.0	+41.0%
	Operating income	10.9	16.0	+45.5%
	(to net sales)	7.2%	7.4%	+0.2p

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Turning now to forecasts for UNIQLO International in fiscal 2013, sales are forecast to expand an impressive 41.0% year on year to ¥216.0bln, and operating income is seen expanding an equally impressive 45.4% to ¥16.0bln. Underlying these forecasts are expectations for continued growth in the Asian region and improved profitability at UNIQLO USA and UNIQLO UK.

Economic conditions began to slowdown in China and Hong Kong in spring 2012, and while we expect the pace of sales growth to slow somewhat in the short-term, we still expect to be able to boost profits in fiscal 2013 by assuming a cautious sales forecast and by working to boost gross margin and control business expenses. We will press ahead with our plans to open multiple new stores in China and Hong Kong, targeting 82 new stores in fiscal 2013 compared to 66 stores in fiscal 2012.

In South Korea, we predict operating income will hold flat year on year in fiscal 2013, as comparative weakness in the won leads to a slight deterioration in the gross margin. We plan to open 25 new stores and close two stores over the business year.

In Taiwan, we expect to continue expanding operations opening 20 new stores over the fiscal year to bring the total number of stores at end August 2013 to 37 stores.

We expect to open seven new stores in Singapore and Malaysia combined, boosting the total number of stores in that area up to 19 stores by the end of August 2013.

We plan to expand the store network in Thailand to nine stores by end August 2013, by opening five new stores there during the fiscal year.

Building on the huge success enjoyed by the first store opened in the Philippines in June, we plan to open five new stores in that country in fiscal 2013.

Taking these plans in total, we expect to open 144 new stores and close two stores across Asia in fiscal 2013.

Boost profitability at UNIQLO USA & UK

Expect to greatly reduce losses at UNIQLO USA

- Garden State Plaza store in New Jersey and San Francisco Union Square store are off to a strong start
- Launch online sales within fiscal 2013
- Improve profitability at our 3 stores in New York City

Improve efficiencies and profitability at UNIQLO UK and other European operations by merging management functions

OP at UNIQLO France to hold flat as new store opens in Paris

OP at UNIQLO Russia expected to hold firm year on year

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Looking next at UNIQLO USA, we estimate profitability will improve greatly in fiscal 2013 and losses from that operation will be greatly reduced.

UNIQLO's expansion strategy in the United States is off to a good start with the September opening of the Garden State Plaza Store in a New Jersey shopping mall and the October opening of the first West Coast store, the San Francisco Union Square Store.

We expect contributions from these new stores, including the launch of online sales and improved profitability at the three flagship stores in New York will all help boost profitability at UNIQLO USA in fiscal 2013.

We are also looking to improve profitability at UNIQLO UK by merging management functions across Europe to boost operational efficiency. Operating income at UNIQLO France is likely to hold flat year on year, as that operation moves ahead with plans to open a new store in central Paris in fall 2012. Operating income is also expected to hold flat year on year at UNIQLO Russia.

In aggregate, we plan to open three new stores in Europe and the United States in fiscal 2013, bringing the total number of UNIQLO International stores to 437 stores by the end of August 2013.

Double-digit profit gains for g.u., Theory

g.u.: Same store sales growth plus 60 new stores to generate double-digit profit gain. Sales target ¥80.0bln

Theory: Continued strong sales in Japan and expansion of PLST store network to generate significant sales growth and double-digit gain in operating income

Comptoir des Cotonniers:
Expect gains in sales and income after the spring/summer collection helped generate a recovery in sales

Princesse tam.tam: Expect performance to be flat

		Yr to Aug. 2012	Yr to Aug. 2013	
		Actual	Estimate	y/y
Global Brands	Net sales	153.0	185.0	+20.9%
	Operating income	14.5	18.5	+27.2%
	(to net sales)	9.5%	10.0%	+0.5p

Billions of Yen

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Moving on now to our fiscal 2013 forecasts for the Global Brands segment. Sales are expected to expand 20.9% year on year to ¥185.0bln and operating income is estimated to expand 27.2% to ¥18.5bln.

Our low-priced g.u. casualwear brand is expected to generate gains in both sales and income in fiscal 2013. Continued growth in same store sales, and the addition of 60 new stores, should help boost overall sales to approximately ¥80.0bln and generate a double-digit gain in operating income for the full business year through August 2013.

Our Theory label is expected to generate significant sales growth and a double-digit gain in operating income fiscal 2013, as sales at Theory stores continue to expand and more PLST stores are opened in Japan.

Comptoir des Cotonniers is expected to generate further gains in both sales and income in fiscal 2013, after a strong spring/summer collection helped fuel a recovery in sales. Performance at Princesse tam.tam is expected to hold steady compared to the previous year.



FY2013 Forecast by Group Operation

Billions of Yen

		Yr to Aug. 2012	Yr to Aug. 2013	
		Actual	Estimate	y/y
UNIQLO Japan	Net sales	620.0	653.0	+5.3%
	Operating income (to net sales)	102.3 16.5%	109.0 16.7%	+6.5% +0.2p
UNIQLO International	Net sales	153.1	216.0	+41.0%
	Operating income (to net sales)	10.9 7.2%	16.0 7.4%	+45.5% +0.2p
Global Brands	Net sales	153.0	185.0	+20.9%
	Operating income (to net sales)	14.5 9.5%	18.5 10.0%	+27.2% +0.5p

Note: In addition to the categories listed above, the consolidated results also include sales, operating income and goodwill amortization generated by the holding company, Fast Retailing Co., Ltd.

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Slide 23 displays the estimates for fiscal 2013 broken down into individual group operations.

Dividend Estimates

FY2012: Expected annual dividend 260 yen
FY2013: Forecast annual dividend 280 yen

	Dividend per share		
	Mid-term	Yr-end	Annual
Year to Aug. 2011	95yen	85yen	180yen
Year to Aug. 2012 ※1	130yen	130yen	260yen
Year to Aug. 2013(Estimated) ※2	140yen	140yen	280yen

※1 The fiscal 2012 year-end dividend is subject to approval at the executive board meeting on November 5.

※2 Dividend totals may change in the event of large fluctuations in business performance or access to funds.

Finally, I would like to explain our latest stance on shareholder dividends.

We currently expect to offer an annual dividend of 260 yen per share for the year through end August 2012, including a year-end dividend of 130 yen.

We are forecasting an annual dividend of 280 yen per share for the year through end August 2013, split equally between an interim dividend of 140 yen and a year-end dividend of 140 yen.

That completes this presentation on the Fast Retailing Group's performance in fiscal 2012, or the 12 months through August 2012, and our business estimates for fiscal 2013, or the 12 months through August 2013. The remaining four slides are provided for your reference.

Thank you.



Reference Store Plans by Group Company

[Units: Stores]	Yr 2011	Yr to Aug. 2012			Yr to Aug. 2013 Estimate				
	Yr-end	Open	Close	Change	Yr-end	Open	Close	Change	Yr-end
UNIQLO Operations	1024	140	27	+113	1,137	199	45	+154	1,291
UNIQLO Japan	843	25	23	+2	845	52	43	+9	854
Own stores	822	24	22	+2	824	51	40	+11	835
Large-scale	129	20	2	+18	147	33	1	+32	179
Standard and others	693	4	20	-16	677	18	39	-21	656
Franchise stores	21	1	1	0	21	1	3	-2	19
UNIQLO International	181	115	4	+111	292	147	2	+145	437
China	80	65	0	+65	145	80	0	+80	225
Hong Kong	15	1	0	+1	16	2	0	+2	18
Taiwan	1	16	0	+16	17	20	0	+20	37
Korea	62	18	0	+18	80	25	2	+23	103
Singapore	5	2	0	+2	7	4	0	+4	11
Malaysia	2	3	0	+3	5	3	0	+3	8
Thailand	-	4	0	+4	4	5	0	+5	9
Philippines	-	1	0	+1	1	5	0	+5	6
UK	11	2	3	-1	10	0	0	0	10
USA	1	2	0	+2	3	2	0	+2	5
France	1	1	0	+1	2	1	0	+1	3
Russia	3	0	1	-1	2	0	0	0	2
g.u.	148	35	7	+28	176	60	20	+40	216
Theory ※	371	27	25	+2	373	40	1	+39	412
Comptoir des Cottonniers ※	386	12	15	-3	383	15	8	+7	390
Princesse tam.tam ※	159	2	8	-6	153	7	5	+2	155
Total	2,088	216	82	+134	2,222	321	79	+242	2,464

※Including franchise stores

Reference
Group: FY2013 1H Forecasts

Billions of Yen

	Six months to Feb. 2012	Six months to Feb. 2013	
	Actual	Estimate	y/y
Net sales (to net sales)	525.5 100.0%	585.5 100.0%	+11.4%
Gross profit (to net sales)	268.4 51.1%	298.0 50.9%	+11.0% -0.2p
SG&A (to net sales)	176.7 33.6%	205.0 35.0%	+16.0% +1.4p
Operating income (to net sales)	91.7 17.5%	93.0 15.9%	+1.4% -1.6p
Ordinary income (to net sales)	93.5 17.8%	92.5 15.8%	-1.1% -2.0p
Net income (to net sales)	57.7 11.0%	55.5 9.5%	-4.0% -1.5p



Reference

Forex, Capex, Depreciation, Goodwill Amortization

Applicable exchange rates

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
Yr to Aug. 2011 Exchange rate full year to Aug. 2011 (Actual)	82.0	113.2	131.1	12.4	7.0
Yr to Aug. 2012 Exchange rate full year to Aug. 2012 (Actual)	78.6	103.9	124.3	12.4	6.9
Yr to Aug. 2013 Exchange rate full year to Aug. 2013 (Estimate)	80.0	100.0	125.0	12.5	7.0

Capex, depreciation and goodwill

Billions of Yen

	Capitalspending	Depreciation	Goodwill amortization
Yr to Aug. 2011 Full year (Actual)	33.9	18.7	6.5
Yr to Aug. 2012 Full year (Actual)	40.1	18.5	5.6
Yr to Aug. 2013 Full year (Estimate)	34.0	18.6	4.0

※ A one-time depreciation of ¥4.0bln for fixed assets is included in the actual depreciation allowances for the full year to August 31, 2011.

Group: Fiscal 2011 Extraordinary Losses

¥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)

Asset retirement obligations **¥2.9bln**

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

¥3.8bln other extraordinary losses

Disaster-related loss **¥1.0bln**

Related to March 11 earthquake in Northeast Japan

Impairment loss **¥0.8bln**

Including ¥0.5bln impairment of goodwill at Princesse tam.tam

Business closure loss provisioning **¥0.8bln**

Related to closure of footwear specialty stores