

Overview of Fiscal 2013 First-half Results and Future Outlook

Tadashi Yanai

Fast Retailing Co., Ltd.

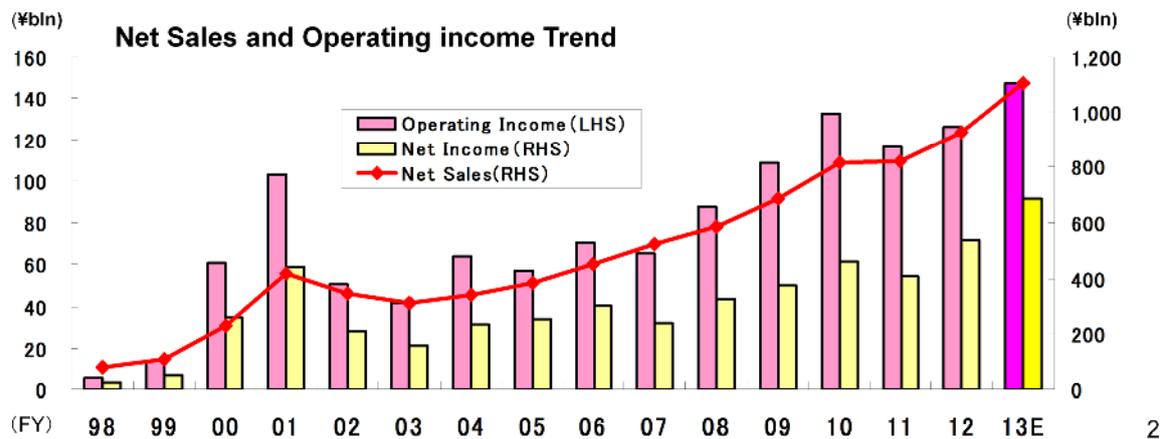
President, Chairman & CEO

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My name is Tadashi Yanai and, as the President, Chairman and CEO of Fast Retailing, I will take a brief look back at our performance during the first half of fiscal 2013 (September 2012 through February 2013) and discuss our future strategy and the outlook for the full 2013 fiscal year (September 2012 through August 2013).

1H Rise in Sales and Income

1H Actual:	Net sales	¥614.8bln (+17.0% y/y)
	Operating income	¥96.6bln (+5.3% y/y)
	Net income	¥65.4bln (+13.2% y/y)
FY2013E :	Net sales	¥1,103.0bln (+18.8% y/y)
	Operating income	¥147.5bln (+16.6% y/y)
	Net income	¥91.5bln (+27.7% y/y)



As you have just heard from our CFO, Mr. Takeshi Okazaki, the Fast Retailing Group generated gains in both sales and income in the first half of fiscal 2013 from September 2012 through February 2013.

Consolidated sales totaled ¥614.8bln, operating income ¥96.6bln and net income ¥65.4bln in the first half.

We estimate that Fast Retailing Group will generate gains in both sales and income for the full fiscal year to the end of August 2013. Our latest consolidated estimates for fiscal 2013 are for sales of ¥1,103.0bln, operating income of ¥147.5bln and net income of ¥91.5bln.

○1H rise in sales and income

- UNIQLO Intl expansion driving strong Group performance
- Dramatic leap in UNIQLO brand recognition in China, Taiwan, South Korea and other parts of Asia
- Profits expand in Asia on strong same-store sales growth and mass new store openings

○Popular UNIQLO items in Asia, U.S. & Europe

- Core garment sales especially strong - HEATTECH, Ultra Light Down, Ultra Stretch Jeans, Leggings Pants, *danpan* warm pants, etc.
- HEATTECH global sales total 123 million units

○Dramatic development in the United States

- Confirmed huge market potential when first West Coast store opened in October 2012

○Strong GU performance continues

○Acquisition of J Brand (premium denim)

First of all, let me take a look back at Group performance in the first half from September 2012 through February 2013.

UNIQLO International was the main driving force behind the strong Group performance. It is clear that UNIQLO has enjoyed a dramatic leap in brand recognition in China, Taiwan, South Korea and other parts of Asia. Group profits expanded in the first half, thanks mainly to increased same-store sales and mass new store openings in the Asian region.

However, UNIQLO products are developing an increasingly loyal following not only in Asia, but also in the United States and Europe, with sales of core ranges such as HEATTECH, Ultra Light Down, Ultra Stretch Jeans, Leggings Pants and *danpan* warm pants proving especially strong in the first half. The total number of HEATTECH items sold globally reached 123 million units.

UNIQLO USA has embarked on a new stage of growth. The San Francisco store, opened in October 2012, is doing extremely well, and I feel that there is considerable potential for UNIQLO expansion on both the East and the West Coasts.

Our low-priced GU casualwear brand continues to perform strongly.

We also successfully completed the acquisition of premium denim label J Brand, which became a consolidated subsidiary of the Fast Retailing Group in December 2012.

Fiscal 2013 - 2H Forecasts

○ Expand UNIQLO core products

- Sell 53 million units of AIRism underwear worldwide
- Sell more Leggings pants, Steteco and Relaco clothing
- Promote UNIQLO's LIFE WEAR concept worldwide

○ Continue mass store openings in Asia

- April 26: Open UNIQLO Lee Theatre Store in Hong Kong
- June: Open first store in Jakarta, Indonesia

○ UNIQLO USA: Two new stores in New York

- Begin to form a dominant position on the East Coast

○ A new-look logo for g.u.

- For greater affinity with UNIQLO logo



○ Future synergy benefits for Theory and J Brand

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In terms of our plans for the second half of the business year from March through August 2013, I want to expand the number of core UNIQLO products even further.

I will talk about this in some detail later on, but we are planning to boost sales of our AIRism Global Strategic Brand to 53 million units worldwide. I want to sell more of our new major ranges such as Steteco and Relaco (Relax+Comfort). We also plan to promote UNIQLO's new "LifeWear" concept globally.

Going forward, we plan to continue opening mass numbers of new stores in Asia.

In addition, on the 26th of this month, we are scheduled to open a global hotspot store, the UNIQLO Lee Theatre Store, in Hong Kong. Then, we plan to open our first store in Indonesia in June.

UNIQLO USA plans to open two new stores in New York to help build a dominant position on the East Coast.

We have created a new-look logo for GU in preparation for a global launch of the GU brand and to ensure greater affinity with the UNIQLO logo.

I also believe we will generate considerable synergies between the Theory and J Brand operations going forward.

To transform UNIQLO into a truly global brand

We want people all over the world to come to know UNIQLO as a brand that can offer the exact clothes and services they desire from day one

Our ultimate aim is to transform UNIQLO into a truly global brand.

We want people all over the world to know and love UNIQLO as the brand that offers the very clothes and services they desire.

- 1. Become the absolute number one brand in Asia**
- 2. Open global flagship, hotspot stores and megastores in major world cities, and pursue expansion in the U.S. & Europe**
- 3. Develop truly global marketing, to ensure people worldwide understand the unique quality of the UNIQLO brand and UNIQLO clothes.**

But, in order to transform UNIQLO into a truly global brand, we must first become the number one brand in Asia.

We also need to open global flagship stores, hotspot stores and megastores in major cities around the world, and pursue opportunities for the further expansion of the UNIQLO brand in the United States and Europe.

In addition, we are conducting global marketing to ensure that people all over the world are aware of the unique quality of the UNIQLO brand and UNIQLO clothing.

Become Number One in Asia

UNIQLO brand value increasing worldwide

“Asia’s No.1 Retail Brand”
(Best Retail Brands 2013, Interbrand)

“Most Popular Fast-Fashion Brand in China”
(Chinese business publication: CBN Weekly, October 8, 2012)

“Second Most Popular Clothes Brand in France”
(The Huffington Post 2012 news website, French Edition)

“Most Influential Brand on Future Design”
(U.S. magazine for business leaders: Fast Company, 2012 selection)

Fast Fashion Popularity Rankings

2013 Ranking	Brand Name	2012 Ranking
1	UNIQLO Japan	2
2	ZARA Spain	1
3	H&M Sweden	3
4	Metersbonwe China	—
5	Jack & Jones Denmark	—
6	Vero Moda Denmark	—
7	GAP USA	9
8	Esprit USA/Germany/HK	7
9	GIORDANO HK	5
10	C&A Belgium, Germany	10

(UNIQLO ranked the number one fast fashion brand in China)

To become a truly global brand, we must begin as the absolute number one brand in Asia, and UNIQLO’s brand value has increased considerably in the Asian region and beyond.

UNIQLO has received a number of prominent accolades. For example, UNIQLO was voted Asia’s No.1 Retail Brand in Interbrand’s Best Retail Brands 2013. UNIQLO was selected by the Chinese business publication, CBN Weekly, as the most popular fast-fashion brand in China, ahead of H&M and ZARA.

In Europe, UNIQLO was named the second most popular clothing brand among the French public.

UNIQLO was also selected as the one of the best brands with the greatest potential to influence future design by America’s “Fast Company” magazine for business leaders.

Become Number One in Asia

Mass store openings, broader presence

Mass store openings

- **144** new stores set to open in Asia (ex. Japan) in fiscal 2013, **419** total stores at end August 2013
- Aim to open **100** stores/year in China to create a **1,000**-store network
- Aim to open **100** stores/year in Asia (ex. China & Japan) to create a **1,000**-store network



(Customers queue outside a Taiwan store on opening day. Broad customer support has helped UNIQLO Taiwan expand favorably to 27 stores at end August 2013.)

Expand geographical presence

- **2012 June: 1st store in Philippines**
- **2013 June: Plan 1st store in Indonesia**
- **2014: Plan 1st store in Melbourne, Australia**
- **Already begun studying entry into India**

In order to fulfill our aspirations in Asia, we are opening multiple new stores in quick succession and are working to expand our geographical presence in the region.

We expect to increase total stores in Asia by 144 to 419 in fiscal 2013. Going forward, the aim is to open 100 new stores in China each year and eventually create a network of 1,000 stores in that nation. I also want to open 100 new stores each year and create another 1,000-store network in Asia ex-China and Japan.

In terms of expanding our geographical presence, we opened our first store in the Philippines in 2012, and we now plan to open our first store in Indonesia in June 2013. Further, we plan to enter the Australian market in 2014 by opening a store in Melbourne. We continue to explore the optimum means of penetrating the Indian market.

Global hotspot UNIQLO Lee Theatre Store to open in Hong Kong April 26



Global flagship UNIQLO Lee Theatre Store to open in Hong Kong's Causeway Bay on April 26



Plans for our largest ever global flagship store in Shanghai in fall 2013

Future store opening plans

2013 fall: Largest global flagship store to open in Shanghai

2014 spring: Plan global hotspot stores for Tokyo's Ikebukuro and Ueno

Next, I want to talk about our strategy for opening global flagship and global hotspot stores around the world.

On April 26, we are scheduled to open the global hotspot UNIQLO Lee Theatre Store in Hong Kong's Causeway Bay.

Then, in fall 2013, we plan to open our biggest ever global flagship store in Shanghai.

In spring 2014, we are scheduled to open global hotspot stores in Tokyo's vibrant shopping districts of Ikebukuro and Ueno.

Expanding UNIQLO USA

Develop full-fledged store networks on both East and West Coast

Pursue the active expansion of UNIQLO USA under new COO Larry Meyer

○ **Opened 1st West Coast store**

○ **Began opening stores in malls**

2012.9.28 Garden State Plaza Store (NJ)

2013.3.15 Palisades Center Store (NY)

2013.4.19 Ridge Hill Store (NY)



Queues outside San Francisco store

○ **Open 10-20 stores/year mainly in malls from fiscal 2014, build dominant chains of 20-30 stores in and around the cities of New York and San Francisco**

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In terms of our expansion strategy for UNIQLO USA, we plan to develop full-fledged store networks on both the East and West Coast. As I mentioned earlier, we opened our first store on the West Coast in San Francisco last year, and we also opened a store in the Garden State Plaza Mall in fall 2012. This year, we opened the UNIQLO Palisades Center Store on March 15 and plan to open the UNIQLO Ridge Hill Store on April 19.

From fiscal 2014, we plan to open between 10 and 20 new stores in shopping malls in the United States, and we are also looking to develop dominant store networks of between 20 and 30 stores in central and suburban New York and San Francisco.

Expanding UNIQLO Europe

Open stores in Europe's major cities

Pursue the active expansion of UNIQLO USA under new CEO Berndt Hauptkorn

Enter Berlin, Milan, Barcelona, develop chain networks in London, Paris, Moscow



Next, I would like to talk about our expansion strategy in Europe. We are pursuing expansion opportunities under UNIQLO Europe's new CEO, Berndt Hauptkorn, and plan to begin developing chain networks in and around the cities of London, Paris and Moscow.

Another aim is to open stores in the major European cities of Berlin, Milan and Barcelona.

Delivers “comfort unlimited” for any season, any person, anywhere



AIRism
comfort unlimited

■ **World No. 1 tennis player and world-class ballerina endorse AIRism comfort**

Novak Djokovic

UNIQLO Global Brand Ambassador since 2012. The world's No.1 men's professional tennis player won the 2013 Australian Open (4th victory, 3rd consecutive win)

Polina Semionova

A star of Germany's Berlin State Opera Ballet for ten years, Ms. Semionova is now a principal dancer for the American Ballet Theater in New York.

Next, I would like to explain our global marketing drive.

We plan to implement a global brand strategy for UNIQLO AIRism as a new type of innerwear that delivers “comfort unlimited” for any season, any person, anywhere.

For instance, the world's number one professional male tennis player and UNIQLO Global Brand Ambassador Novak Djokovic features in our TV commercial explaining how great AIRism for men is to wear.

World-acclaimed ballerina Polina Semionova endorses AIRism for women in our TV commercial. A star of Germany's Berlin State Opera Ballet for ten years, Ms. Semionova is now a principal dancer for the American Ballet Theater in New York.

Revolutionary products born out of Japanese sophisticated fiber technology and customer-focused product development. Market globally with true Japanese commitment to attentive service

Customer Desires

Japan's High Fiber Technology

UNIQLO AIRism

Men:

Innerwear that alleviates concern over sweaty, sweat-stained clothes

UNIQLO and Toray Industries developed special microfibers with ultra-fine cationic dyeable polymers for quick absorption and a silky, dry feel

Men's:

"So smooth you forget you are wearing it"



Women:

Innerwear that doesn't stick to the skin when damp from sweat, cause chill in air-conditioned environments

Combines Asahi Kasei's unique natural fiber, Cupro, (derived from cotton linter- the silky fibers that stick to cotton seeds) with Toray's dry-function Micro Nylon. Cupro's high moisture retention creates a soft feel

Women's:

"Women with sensitive skin who feel the cold can feel comfortable anytime, anywhere"

I would describe AIRism as a revolutionary range of products born out of sophisticated Japanese fiber technology and customer-focused product development. We want to market this brand globally, with the real commitment to service for which the Japanese retail industry is renowned.

So how did we go about perfecting AIRism highly functional innerwear? Our male customers asked for innerwear that alleviates concerns over damp, sweat-stained clothes. So we got together with Toray Industries to develop special microfibers with ultra-fine cationic dyeable polymers to create innerwear that offers quick absorption of perspiration and a silky, dry feel.

We were able to achieve an AIRism product range for men that feels so smooth you could even forget you are wearing it.

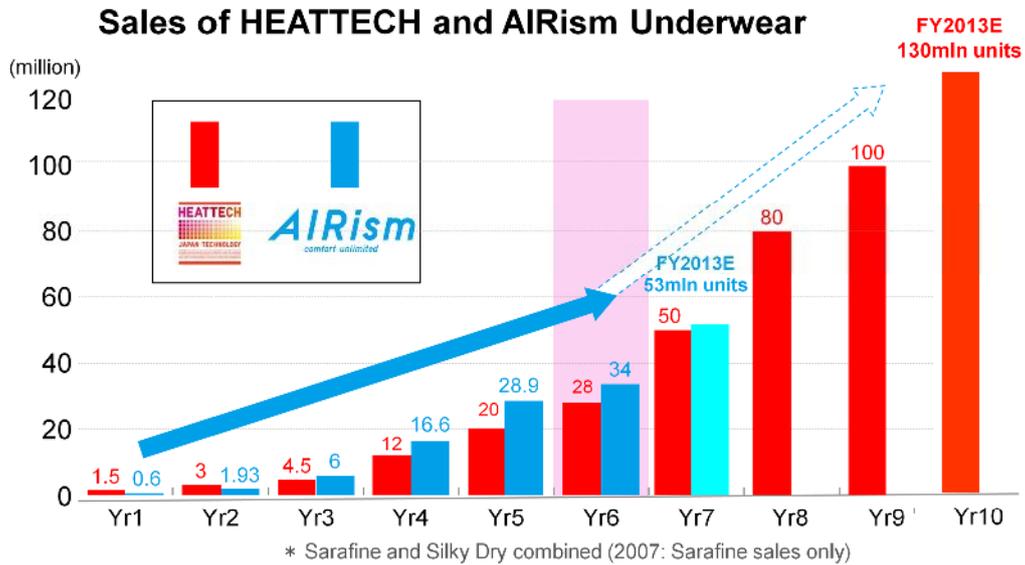
On AIRism for women, our female customers asked for innerwear that doesn't stick to the skin when damp from sweat and make them feel chilly in air-conditioned environments. So we developed innerwear using a composite fiber made from Asahi Kasei's unique natural fiber, Cupro (derived from cotton linter- the silky fibers that stick to cotton seeds) and Toray's quick-dry Micro Nylon. Cupro has a high moisture retention which makes for a soft, silky feel.

We have been able to develop the world's first innerwear that ensures women who have sensitive skin and women who feel the cold can be comfortable anytime, anywhere.

AIRism Sales Volume

AIRism potential

- Likely popularity in hot, humid Asia markets
- Promote in U.S./Europe as “new-concept underwear”



I believe that AIRism has a greater market potential, in terms of sales volumes, than even our highly successful HEATTECH range of winter functional innerwear.

First, given the hot, humid climate in many Asian markets, I believe that individual customers could potentially buy several AIRism items each.

Number one tennis pro Novak Djokovic now wears AIRism innerwear during his actual matches. Up until now, sportsmen didn't tend to wear anything under their shirts during matches, but that is changing as active sportsmen and women find it more comfortable to wear AIRism innerwear than nothing, thanks to its smooth, silky feel and quick-dry, anti-perspiration function.

In Europe and the United States, people aren't used to wearing extra under garments in summer, but I believe that we can carve new demand for a technologically superior range such as AIRism.

Open largest UT store, UT POP-UP! TYO, on a vacant plot in Tokyu Toyoko Line Shibuya station

Huge display of over 1,000 styles and 12,000 T-shirts



UT POP-UP! TYO store ran from March 28 – April 7, at a vacant plot near the Tokyu Toyoko Line in Shibuya station

I would like to mention the huge response from customers at the opening of our largest UT store in the world, the UT POP-UP ! TYO store. The store was built on a vacant plot near the Tokyu Toyoko Line in Shibuya station, Tokyo.

As you can see in the photo, the huge store named “ekiato” proved extremely popular, with over 1,000 different styles and 12,000 individual T-shirts on display.

Simultaneous Store Development

Tokyo New York London Paris Singapore Taipei Manila

UT CAMERA Video App



Send a UT-clad “moving portrait” from UNIQLO’s homepage anywhere in the world



Following the opening of the Shibuya station UT POP-UP store, we are planning to open similar UT POP-UP stores around the world, in New York, London, Paris, Singapore, Taipei and Manila.

The UT CAMERA video app that we developed for the UT store has also proven extremely popular.

UNIQLO signs Global Brand Ambassador agreement with pro golfer Adam Scott

Our ambassador agreements aim to improve the lives of people the world over, and we plan to provide our ambassadors with sportswear and work together on a variety of social activities

- Mr Scott will wear UNIQLO apparel in all competitions, commencing with the 2013 Masters Golf Tournament from April 8-14 in Augusta, Georgia
- To promote the UNIQLO brand, he will take part in the global UNIQLO polo shirt campaign from mid-April



Profile

As of March 2013, Mr. Scott is ranked seventh in the world. Starting with a victory in the Tour Championship in November 2006, Adam boasts 8 PGA Tour victories and 6 European Tour victories. He is one of the most notable young male pro golfers, famous for his gentlemanlike play. Since setting up the Adam Scott Foundation in 2005, he has worked to help educate children and adolescents. He was born in Australia in 1980.

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Next, I would like to tell you about the new Global Brand Ambassador agreement that we signed with Australian pro golfer Adam Scott.

Our Global Brand Ambassador agreements are based on a commitment to help improve the lives of people around the world, so, in the future, we plan not only to supply their individual sportswear, but also to work together on a variety of projects to give back to society.

Mr. Scott will wear UNIQLO apparel in all competitions, commencing with the 2013 Masters Golf Tournament that is currently underway in Augusta, Georgia.

He will also promote the UNIQLO brand by wearing a UNIQLO polo shirt in the polo shirt TV commercial that will air from mid-April.

Mr. Scott is currently ranked the number seven male professional golfer in the world. Starting with his first Tour Championship title in November 2006, Adam boasts eight PGA Tour victories and six European Tour victories. He is one of the most notable young male pro golfers, famous for his gentlemanlike play. His nickname is "the Tall Gentleman." He set up the Adam Scott Foundation in 2005, and we plan to work together going forward on education for children and adolescents, and other social projects.

Expanding favorably

- Theory, Theory Luxe strong in department stores
- PLST sales expanding
- Theyskens' Theory collection wins global acclaim



PLST: Tie up with women's fashion magazine proves popular



theyskens' theory 2013 fall/winter collection popular around the world

Moving on now to our Theory operation, where performance has been expanding favorably.

Both the Theory and the Theory Luxe brands are selling extremely well in department stores. The PLST brand, positioned between Theory and UNIQLO, is also selling extremely well and I fully expect to see a large expansion of that operation going forward.

The Theyskens' Theory collection, created by Theory designer Olivier Theyskens, has won strong acclaim around the world. Theyskens was originally a designer of haute-couture fashion.

Acquired in December 2012

J Brand - a premium denim retailing company

Make J Brand a global brand - build a firm presence in Europe & Asia

Potential synergy benefits with Theory in Affordable Luxury

Potential support for UNIQLO expansion on U.S. West Coast

Strengthen denim garment prowess at UNIQLO and other Group brands

J BRAND



J Brand, sold in 2,000 department stores and select shops in 20 countries, is extremely popular with actresses, top models and stylists for its classic, sophisticated silhouettes and fit.

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Next, I would like to talk about J Brand.

J Brand is a retailing company for premium denim clothing. I want to nurture J Brand into a global brand by extending its reach within the United States and also launching the label in European and Asian markets.

I think we can create considerable synergies between J Brand and the Theory operation in the Affordable Luxury category.

Our new J Brand subsidiary should help smooth the expansion of UNIQLO operations on the West Coast of the United States.

We also expect that J Brand's prowess in the development of denim products can help strengthen denim ranges across the Group brands.

Expanding GU



New-look GU logo boosts affinity with UNIQLO as a global brand

Quintessentially Japanese, simple, cute “Fast Fashion from Japan”

Create multiple 990-yen items for spring/summer 2013

Continue preparations for expansion beyond Japan



Kyary Pamyu Pamyu, the unique and globally popular model and recording artist, is the GU brand model for spring/summer 2013

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Moving onto our GU operation, which continues to expand strongly.

As I mentioned earlier, we have launched a new-look GU logo in preparation for its global launch and to boost affinity with the UNIQLO brand.

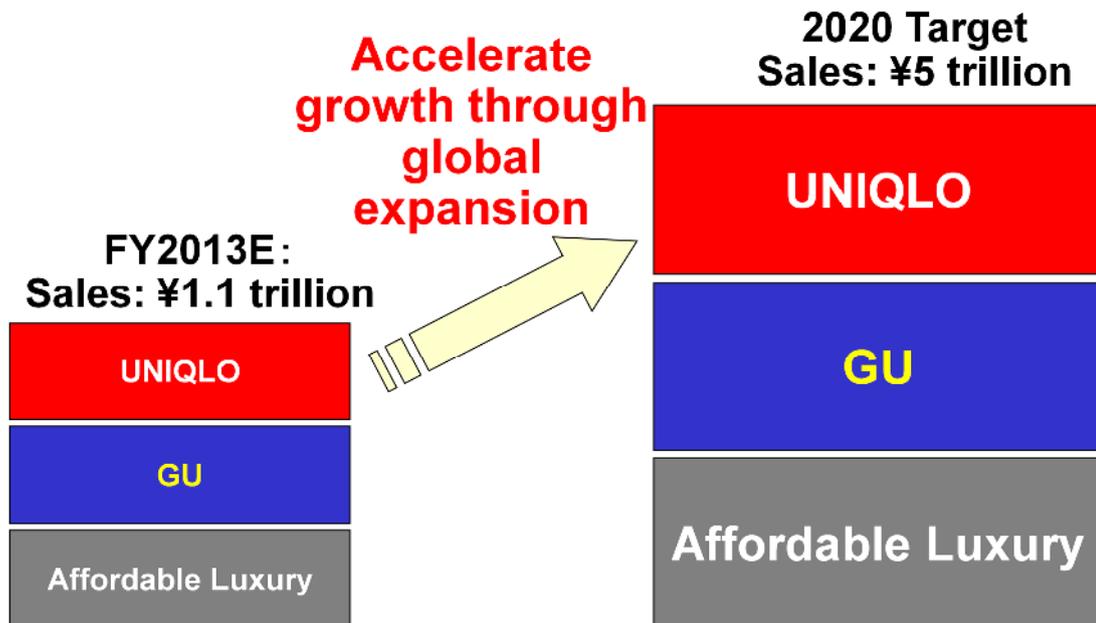
We will be looking to develop the brand as simple, cute “fast fashion from Japan.”

We plan to boost the range of 990-yen items on offer from the 2013 spring/summer season.

Preparations for the brand’s launch outside of Japan are also underway.

Fast Retailing's Three Pillars

UNIQLO, GU, Affordable Luxury



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The Fast Retailing Group has three main pillars of operation: UNIQLO, GU and Affordable Luxury.

I want to see these three pillars achieve sales of ¥5 trillion and ordinary profit of ¥1 trillion by the year 2020.



The Importance of CSR Activities

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

Buy our clothes, and corporate spirit, to show support for what we stand for

**Clothes for Smiles Program
UNIQLO Recovery Assistance Project
All-Product Recycling Campaign
Social Business
Employing People with Disabilities
Monitor Labor Conditions at Partner Factories
Environmental Protection Activities**

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Finally, I would like to talk about our CSR activities.

The underlying concept of our CSR activities is to use the design, manufacture and retail of clothing to make the world a better place. We want customers to buy our clothes but also to buy our corporate spirit as a sign of loyal support for all that we stand for. I believe that commitment is equally, if not more, important than our actual business performance. Our CSR activities are also an integral part of our quest to transform UNIQLO into a global brand.

Our current CSR activities include our Clothes for Smiles Program, the UNIQLO Recovery Assistance Project, the All-Product Recycling Campaign, social business, our commitment to employ people with disabilities, the monitoring of labor conditions at partner factories and our projects to help protect the environment.

“Clothes for Smiles” Program

The Clothes for Smiles program, a \$10 million fund established by UNIQLO and UNIQLO Global Brand Ambassador Novak Djokovic, embarks on its first projects to help improve children’s lives

Panel Selects Eight Ideas From the Public

- Building UNIQLO Dream Walls in public spaces for children to practice and improve their ball skills
- Sports, art, music and engineering taught by professionals to under-privileged children
- A chance for displaced children in Serbian refugee centers to enjoy shopping for new clothes
- Lessons on DVD to help reduce educational inequality in developing countries
- Special libraries to raise literacy rates in parts of Asia
- A hospice for children with life-threatening diseases or disabilities and their families to spend their remaining time together in comfort
- Job training and business incubation centers for destitute young people in the Philippines
- Establishing girls' soccer teams to help girls in developing countries gain confidence and independence



One of our major CSR activities is the Clothes for Smiles program. This is a \$10 million fund established by UNIQLO and UNIQLO Global Brand Ambassador Novak Djokovic to help create a bright future for children around the world. Clothes for Smiles is now embarking on its first projects.

This slide lists eight ideas that were selected from a wealth of suggestions submitted by the public. These eight ideas will form the core of our first activities to help improve children’s lives.

Fast Retailing

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

Before closing, I would like to remind you of the Fast Retailing corporate statement:

“Changing clothes. Changing conventional wisdom. Change the world.”

I believe this motto applies each day, in every way, as we conduct our daily business and seek to grow our business influence.