

Fast Retailing Results for the Six Months to February 2014 and Estimates for Fiscal 2014

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**Fast Retailing Co., Ltd.
Group Senior Vice President & CFO**

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I am Takeshi Okazaki, Group Senior Vice President and CFO at Fast Retailing.

I would like to take you through our consolidated business performance for first half of fiscal 2014, or the six months from September 2013 through end February 2014, and also look at our latest estimates for the full business year to August 31, 2014.

I. Results Sep. 2013–Feb. 2014(1H)	P3~P16
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III. Reference Materials	P23~P24

Compilation of Group Operations

Current structure (since fiscal 2013, or year ending August 31, 2013):

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

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.

Net sales: ¥764.3bln (+24.3% y/y)
Operating income: ¥103.2bln (+6.8% y/y)
Ordinary income: ¥107.5bln (-0.2% y/y)

Billions of Yen

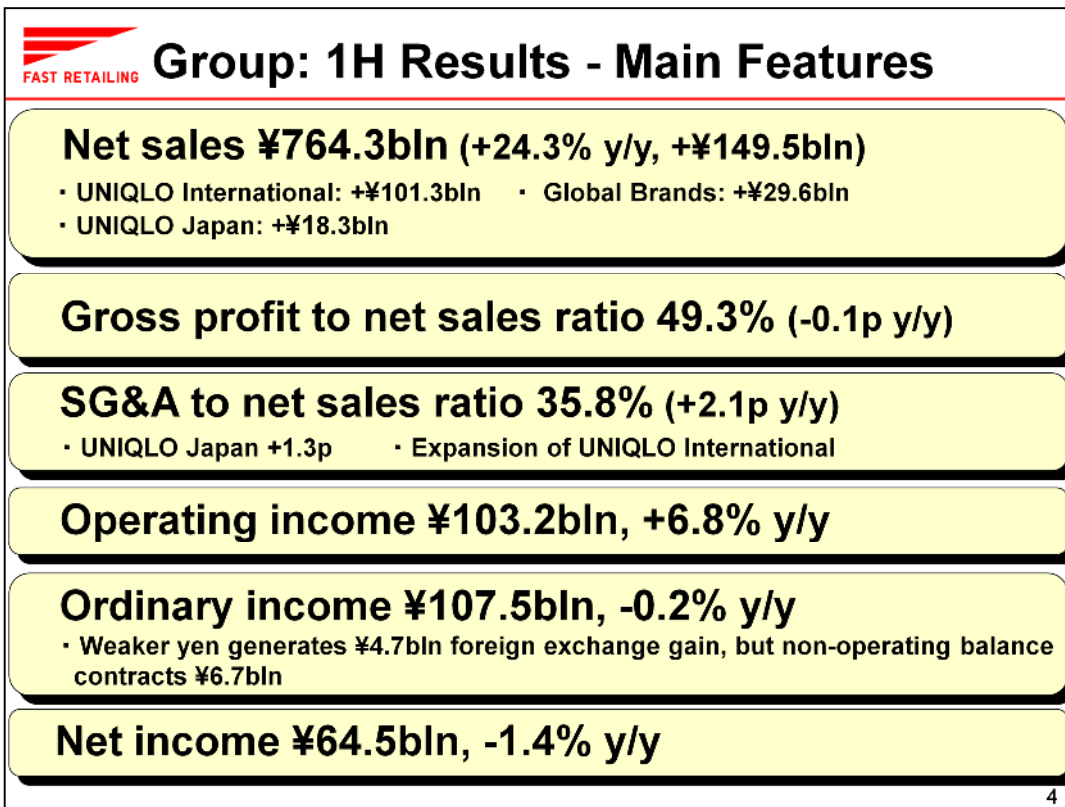
	Yr to Aug. 2013 (6 mths to Feb. 2013)		Yr to Aug. 2014 (6 mths to Feb. 2014)		
	Actual	Latest est. (Jan.9)	Actual		
				y/y	v.latest est.
Net sales	614.8	728.5	764.3	+24.3%	+4.9%
(to net sales)	100.0%	100.0%	100.0%		
Gross profit	303.9	370.5	376.7	+24.0%	+1.7%
(to net sales)	49.4%	50.9%	49.3%	-0.1p	-1.6p
SG&A	207.3	266.5	273.5	+32.0%	+2.7%
(to net sales)	33.7%	36.6%	35.8%	+2.1p	-0.8p
Operating income	96.6	104.0	103.2	+6.8%	-0.8%
(to net sales)	15.7%	14.3%	13.5%	-2.2p	-0.8p
Ordinary income	107.7	103.5	107.5	-0.2%	+3.9%
(to net sales)	17.5%	14.2%	14.1%	-3.4p	-0.1p
Net income	65.4	63.5	64.5	-1.4%	+1.7%
(to net sales)	10.6%	8.7%	8.4%	-2.2p	-0.3p

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First, we will look at our consolidated business performance for the first half of fiscal 2014, from September 2013 through February 2014.

Consolidated sales increased 24.3% year on year to ¥764.3bln, operating income increased 6.8% to ¥103.2bln, ordinary income fell 0.2% to ¥107.5bln and net income decreased 1.4% to ¥64.5bln.

I will explain these results in more detail in the subsequent slides.



First, consolidated sales expanded by 24.3%, or ¥149.5bln, year on year to ¥764.3bln in the first half. That figure breaks down into sales increases of ¥101.3bln at UNIQLO International, ¥29.6bln at Global Brands and ¥18.3bln at UNIQLO Japan.

The gross profit to net sales ratio contracted by 0.1 point year on year to 49.3%.

The SG&A to net sales ratio rose 2.1 points to 35.8%, due mainly to a 1.3-point increase in the SG&A ratio at UNIQLO Japan and increasing Group sales contributed by UNIQLO's international operations, where SG&A ratios tend to be higher.

These elements taken together resulted in a 6.8% rise in operating income to ¥103.2bln in the first half.

Consolidated ordinary income contracted by 0.2% in the first half, to ¥107.5bln. The Group reported a foreign exchange gain of ¥4.7bln in the first half of fiscal 2014 after the yen depreciated slightly against the dollar, from approximately ¥98 yen at the end of August 2013 to ¥102 at the end of February 2014. However, this foreign exchange gain was considerably lower than the ¥11.1bln reported in the previous year, resulting in a year-on-year contraction in non-operating balance of ¥6.7bln in the first half, and a fall in overall consolidated income.

Net income also contracted by 1.4% year on year to ¥64.5bln in the first half.

The considerable contraction in non-operating foreign exchange gains knocked both ordinary and net income lower in the first half, as expected. However, thanks to strong performance by our UNIQLO International segment, the Group was able to report an increase in income at the operating level.



1H Breakdown by Group Operation

Billions of Yen

		Yr to Aug. 2013 (6 mths to Feb. 2013)	Yr to Aug. 2014 (6 mths to Feb. 2014)	
		Actual	Actual	y/y
UNIQLO Japan	Net sales	387.2	405.5	+4.7%
	Operating income (to net sales)	68.9 17.8%	70.2 17.3%	+1.8% -0.5p
UNIQLO International	Net sales	130.6	232.0	+77.6%
	Operating income (to net sales)	16.0 12.3%	28.0 12.1%	+75.1% -0.2p
Global Brands	Net sales	95.7	125.3	+31.0%
	Operating income (to net sales)	8.5 9.0%	9.2 7.4%	+7.7% -1.6p

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. Internal transactions are not included in the sales data.

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This slide displays the breakdown of net sales and operating income for the first half of fiscal 2014 by Group operation.

All three Group operations generated gains in both sales and income. UNIQLO Japan sales totaled ¥405.5bln and operating income ¥70.2bln. UNIQLO International reported sales of ¥232.0bln and operating income of ¥28.0bln. Global Brands generated sales of ¥125.3bln and operating income of ¥9.2bln.

Sales and income rise, but fall short of 1H target

Billions of Yen

	Yr to Aug. 2013 (6 mths to Feb. 2013)	Yr to Aug. 2014 (6 mths to Feb. 2014)				
		Actual	Latest est. (Jan.9)	Actual		
					y/y	v.latest est.
Net sales (to net sales)	387.2 100.0%	411.0 100.0%	405.5 100.0%	+4.7%	-1.3%	
Gross profit (to net sales)	180.9 46.7%	199.5 48.5%	192.6 47.5%	+6.5% +0.8p	-3.4% -1.0p	
SG&A (to net sales)	111.9 28.9%	123.5 30.0%	122.4 30.2%	+9.4% +1.3p	-0.9% +0.2p	
Operating profit (to net sales)	68.9 17.8%	76.0 18.5%	70.2 17.3%	+1.8% -0.5p	-7.6% -1.2p	

Note: The sales data does not include internal transactions.

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I would now like to go through each of our Group operations in turn, starting with UNIQLO Japan.

As I already mentioned, our UNIQLO Japan operation reported gains in both sales and income in the first half, with sales expanding 4.7% year on year to ¥405.5bln and operating profit expanding 1.8% to ¥70.2bln.

However, both these measures fell short of our most recent forecasts announced on January 9, 2014.

The next few slides will allow us to analyze this performance in more detail.

UNIQLO Japan: 1H Net Sales

Net sales ¥405.5bln (+4.7% y/y)

- Same-store sales +2.2% (Customer numbers +0.5% y/y, Average purchase price +1.7%)
- “Scrap and build” strategy boosts average store size
- 831 stores at end February 2014 (+3 stores y/y)

- **Sales trends:** Cold weather from late December boosted sales of Ultra Light Down, HEATTECH, fleece and other core winter items. End-of-year sales proved especially strong. Same-store sales up sharply in January.
- **Average purchase price:** Strong HEATTECH sales, more items sold.

Same-store sales	Yr to Aug. 2014						
	1Q	Dec.	Jan.	Feb.	2Q	1H Cum.	Mar.
Net sales	-0.3%	+1.1%	+15.0%	+0.8%	+5.0%	+2.2%	+0.6%
Customer nos.	-0.8%	-1.0%	+9.9%	-4.2%	+1.8%	+0.5%	-6.4%
Avg. purchase	+0.5%	+2.1%	+4.6%	+5.2%	+3.2%	+1.7%	+7.5%

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Several factors contributed to the 4.7% increase in UNIQLO Japan sales in the first half of fiscal 2014. Same-store sales expanded by 2.2% year on year. We expanded the average size of our sales floor through our “scrap and build” policy of opening new large-format stores and closing smaller and regular-sized stores. And finally, the number of directly run UNIQLO Japan stores expanded by three to 831 at the end of February 2014.

The 2.2% increase in same-store sales breaks down into a 0.5% expansion in the number of customer visits to our stores, and a 1.7% increase in the average purchase price per customer.

Sales of Ultra Light Down, HEATTECH, fleece garments and other core winter items picked up after the weather turned colder in late December. Same-store sales for the month of January rose sharply thanks to especially buoyant end-of-year sales.

The average customer spend increased 1.7% year on year in the first half, with strong HEATTECH sales helping to boost the overall number of items purchased.

As already announced, sales continued to expand in the month of March, with same-store sales rising 0.6% year on year after warmer weather encouraged more customers to buy spring ranges towards the end of the month.

Gross profit margin 47.5% (+0.8p y/y)

- **Gross profit margin (excluding internal transactions) fell short of target, deteriorating 0.5p y/y.**
- **Concerted discounting from end December to offload excess inventory at end of winter season.**

Moving on to business margins, UNIQLO Japan generated a gross profit margin of 47.5% in the first half, up 0.8 point year on year.

However, if we extract the impact of internal transactions, the gross profit margin actually fell short of target, contracting 0.5 point year on year.

In the first quarter from September through November 2013, discounting was kept under firm control and the gross profit margin nudged higher. However, we had to boost discounts from end December onwards in order to offload excess winter inventory, leading to the fall in the gross margin across the six-month period as a whole.

SG&A to net sales ratio 30.2% (+1.3p y/y)

Billions of Yen

	Yr to Aug. 2013 (6 mths to Feb. 2013)		Yr to Aug. 2014 (6 mths to Feb. 2014)			
	Actual	(% sales)	Actual	(% sales)	y/y	(% sales)
SG&A Total	+111.9	28.9%	+ 122.4	30.2%	+10.4	+1.3p
Personal	+31.5	8.1%	+ 35.9	8.9%	+4.4	+0.8p
A&P	+16.2	4.2%	+ 17.7	4.4%	+1.5	+0.2p
Store rents	+24.6	6.4%	+ 26.4	6.5%	+1.7	+0.1p
Depreciation	+3.3	0.9%	+ 3.6	0.9%	+0.2	+0.0p
Other	+36.0	9.3%	+ 38.5	9.5%	+2.4	+0.2p

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SG&A expenses at UNIQLO Japan increased by ¥10.4bln, to total ¥122.4bln in the first half. Net sales at UNIQLO Japan fell approximately ¥1.0bln short of target over the same period.

These two factors resulted in a 1.3 point increase in the SG&A to net sales ratio in the first half to 30.2%. The personnel ratio rose 0.8 point, the advertising and promotion ratio increased by 0.2 point, store rents increased by 0.1 point and the other business expenses ratio expanded by 0.2 point.

Increased hiring of in-store part-time and temporary staff was responsible for the rise in personnel costs, while recent aggressive marketing activity nudged the advertising and promotion ratio higher. The increase in the other expenses was due largely to higher distribution and storage costs following the company's decision to actively boost inventory for year-round basic items.



UNIQLO Intl: (1H) Sep.2013–Feb. 2014 (1)

Sharp sales and income gains exceed plan

- Sales and income gains outstrip forecasts in Greater China, South Korea, U.S. and Europe.
- Southeast Asia performs well and to plan.
- 534 stores at end Feb. (91 openings, 3 closures).

Billions of Yen

		Yr to Aug. 2013 (6 mths to Feb. 2013)	Yr to Aug. 2014 (6 mths to Feb. 2014)	
		Actual	Actual	y/y
UNIQLO International	Net sales	130.6	232.0	+77.6%
	Operating income	16.0	28.0	+75.1%
	(to net sales)	12.3%	12.1%	-0.2p

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UNIQLO International reported significant gains in both sales and income in the first half, exceeding recent estimates. Sales expanded by an impressive 77.6% year on year to ¥232.0bln and operating income expanded by 75.1% to ¥28.0bln.

UNIQLO operations in Greater China (Mainland China, Hong Kong and Taiwan), South Korea, the United States and Europe all contributed higher than expected gains in sales and income. Southeast Asian operations also reported a solid performance, broadly in line with our expectations.

UNIQLO International opened 91 new stores and closed three stores over the six-month period, bringing the total number of UNIQLO International stores to 534 at the end of February 2014.



UNIQLO Intl: (1H) Sep.2013–Feb. 2014 (2)

- **Greater China: Sharp gains in sales & income exceed plan**

Continued strong performance in Mainland China - favorable new store openings and double-digit growth in same-store sales. Taiwan reports rising sales and income, on the back of the performance of multiple new stores. 325 stores at end Feb. (46 openings and 1 closure).

- **South Korea: Sharp sales and income gains exceed plan**

Strong sales of knitwear, fleece, HEATTECH, Ultra Light Down and other winter items, double-digit same-store sales growth. 116 stores (end Feb.).

- **Southeast Asia: Sales and income rise as planned**

Opened 19 stores in 1H, bringing store total to 58 at end Feb.

- **USA: Losses contract sharply**

Three New York feature stores generate double-digit sales growth. 10 in-mall stores opened in fall 2013 perform favorably.

- **Europe: Sales and income gains exceed plan**

Double-digit same-store sales growth in U.K., France and Russia.

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Looking at business trends for UNIQLO International's regional operations in the first half, the Greater China region, encompassing Mainland China, Hong Kong and Taiwan, outstripped our expectations to report significant gains in both sales and income. The smooth and persistent expansion in store numbers, along with double-digit growth in same-store sales, helped support this continued strong performance from China. UNIQLO Taiwan reported gains in sales and income, with the large number of newly opened stores performing strongly overall.

We opened 46 new stores and closed one store in Greater China in the first half, bringing the total number of stores in that region to 325 at the end of February.

UNIQLO South Korea exceeded our expectations in the first half by generating significant gains in both sales and income. Strong sales of core winter basics, such as knitwear, fleece, HEATTECH and Ultra Light Down, helped fuel double-digit growth in same-store sales over the six months to February. We opened 13 new stores and closed two stores in the first half, bringing the total number of stores at UNIQLO South Korea to 116 by the end of February 2014.

UNIQLO operations in Southeast Asia (Singapore, Malaysia, Thailand, the Philippines and Indonesia) generated the expected growth in sales and income. We opened 19 new stores in the first half, bringing the total number of stores in Southeast Asia to 58 at the end of February.

Losses at UNIQLO USA contracted sharply in the first half, helped in part by double-digit sales from our three New York feature stores, and also by a solid performance from the 10 in-mall stores opened in fall 2013.

UNIQLO Europe also generated higher-than-expected gains in sales and income in the first half, along with double-digit growth in same-store sales in each of the European markets. UNIQLO Europe opened three new stores in the first half, bringing the total number of stores to 18 at the end of February 2014.

Hong Kong Depository Receipts (HDR) list on HKEx



FR Chairman and CEO, Tadashi Yanai, hits the gong at 9.30am on March 5, 2014 to mark the launch of trading for Fast Retailing HDRs on the Hong Kong Stock Exchange



Presenting HKEEx Chief Executive, Charles Li, with a beckoning cat at the listing ceremony to welcome in good luck.

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As you know, Fast Retailing gained a secondary listing for its shares on March 5, 2014 by listing Hong Kong Depository Receipts on the Hong Kong Stock Exchange.

We expect the Hong Kong listing to boost recognition of UNIQLO and other Fast Retailing Group brands, and also consolidate a firm presence for these brands in the rapidly-growing regions of Greater China and Southeast Asia. We are also looking to expand our investor base in line with the global expansion of our physical business. And finally, we plan to use the Hong Kong listing as an opportunity to further improve the quality of our corporate management by increasing the transparency of our financial management and management practices.

Operating income slightly below target

- **GU: Rises in sales and income just miss target.**
1H same-store sales rise, but sales of the advertised outerwear items fall short of target leading to heavy discounting of end-of-season stock.
- **Theory: Operating income down, below target.**
Poor economic conditions in the U.S. dampened department store sales, business expenses rise in both Japan and U.S.
- **J Brand: Falls short of target.**
- **Comptoir des Cottonniers increases sales and income, exceeding plan.**
- **Princesse tam.tam performs to plan.**

		Yr to Aug. 2013 (6 mths to Feb. 2013)	Yr to Aug. 2014 (6 mths to Feb. 2014)		Billions of Yen
		Actual	Actual	y/y	
Global Brands	Net sales	95.7	125.3	+31.0%	13
	Operating income (to net sales)	8.5 9.0%	9.2 7.4%	+7.7% -1.6p	

Our Global Brands segment reported gains in both sales and income in the first half, with sales rising 31.0% year on year to ¥125.3bln and operating income rising 7.7% to ¥9.2bln. The net sales figure was within expectations, but the operating income result came in slightly below target.

GU did report rising sales and income, but both measures came in slightly short of target. GU same-store sales expanded in the first half. However, operating income failed to meet target by a slight margin, after sales of outerwear garments featured in our latest advertising campaigns fell short of target and resulted in some heavy discounting of excess stock. GU opened 40 new stores and closed four stores in the first half, bringing the total GU network to 250 stores at the end of February 2014.

Theory reported sales gains in the first half, but operating income contracted and was slightly short of target. Poor economic conditions in the United States dampened department stores sales there, while marketing and personnel expenses edged higher at Theory operations in Japan and the United States.

Sluggishness in the U.S. economy also adversely affected our premium denim J Brand label, which reported a lower-than-expected performance in the first half.

Comptoir des Cottonniers reported higher-than-expected gains in both sales and income for the first quarter, while Princesse tam.tam, performed to plan.

Billions of Yen

	End Feb.2013	End Aug.2013	End Feb.2014	Change
Total Assets	806.4	885.8	948.5	+142.0
Current Assets	577.4	640.1	690.3	+112.8
Fixed Assets	229.0	245.6	258.1	+29.1
Liabilities	266.0	306.2	311.0	+44.9
Net Assets	540.4	579.5	637.4	+97.0

Next, I would like to take you through our balance sheet as of the end of February 2014.

Compared to end February 2013, total assets increased by ¥142.0bln to ¥948.5bln. This includes an increase of ¥112.8bln in current assets and 29.1bln in fixed assets. As a result, net assets expanded by ¥97.0bln.

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

Current assets: +¥112.8bln (¥577.4bln ⇒ ¥690.3bln)

- **Cash, equivalents & securities: +¥16.4bln (¥342.1bln ⇒ ¥358.6bln)**
- **Inventory assets: +¥53.8bln (¥109.6bln ⇒ ¥163.5bln)**
 - UNIQLO Japan +¥19.3bln**
Upgrade of store fittings, increase in number of basic items sold year-round.
 - UNIQLO International +¥28.3bln** End February store total up 175 stores y/y.
 - Global Brands +¥2.8bln**
Expansion of GU and Theory operations.
- **Forward contract balance: +¥29.5bln (¥80.9bln ⇒ ¥110.5bln)**
 - UNIQLO Japan** End-February yen rate fell below the average forward contract exchange rate. Hedge accounting so no impact on P&L.

Fixed assets: +¥29.1bln (¥229.0bln ⇒ ¥258.1bln)

Tangible assets: +¥21.8bln (¥82.6bln ⇒ ¥104.4bln)

UNIQLO International: +175 stores y/y Global Brands: +91 stores y/y

Let's first analyze the increase in current assets of ¥112.8bln.

Cash, cash equivalents and marketable securities increased by ¥16.4bln year on year to ¥358.6bln at the end of February 2014. This was due to an increase in operating cash flow at UNIQLO International and other business segments.

Total inventory increased by ¥53.8bln to ¥163.5bln at the end of February 2014 compared to end February 2013.

Inventory at UNIQLO Japan increased by ¥19.3bln at end February 2014. Levels of in-store inventory have been rising in line with the installation of superior store fittings and interior displays. Inventory levels at UNIQLO Japan have also swelled as a result of our decision to expand the range of year-round basic items on offer.

Inventory at UNIQLO International increased by ¥28.3bln, mainly due to the expansion of UNIQLO's international network by 175 stores compared to the previous year.

Inventory levels increased by ¥2.8bln at our Global Brands segment as we continued the aggressive expansion of our GU and Theory operations.

The balance of forward exchange contracts recorded assets worth ¥110.5bln at the end of February 2014, an increase of ¥29.5bln compared to end February 2013. We use forward exchange contracts as a long-term hedging tool to minimize foreign exchange risk at our UNIQLO Japan and other operations. In this instance, the actual yen/dollar exchange rate on February 28, 2014 fell below the average exchange rate on our forward contract holdings, thus boosting the balance of forward exchange contracts. This item is considered under hedge accounting and so it does not impact our profit and loss position.

Fixed assets increased by ¥29.1bln year on year at the end of February 2014. This includes a ¥21.8bln increase in tangible assets linked to the opening of 175 new stores at UNIQLO International, and 91 new stores at Global Brands.

Group: 1H Cash Flow

Billions of Yen

	Yr. to Aug 2013 1H cumulative	Yr. to Aug 2014 1H cumulative	Comment
Net cash provided by operating activities	+ 112.0	+ 103.6	
Net income before taxes and other adjustments	+ 106.5	+ 108.1	Profit contribution from UNIQLO and other operations
Depreciation allowance, goodwill amortization	+ 12.6	+ 16.9	
Working capital	+ 12.4	+ 1.2	Change in total accounts receivable, inventory assets & accounts payable
Payment/refund of corporation tax, etc	- 16.6	- 19.0	
Net cash used in investment activities	-41.7	-25.2	
Expenditure on acquisition of tangible assets	- 10.7	- 18.8	Related to new store openings
Expenditure on acquisition of intangible assets	- 2.7	- 2.9	System investment
Change to scope of consolidation Purchase of Subsidiary firm's shares	- 26.7	-	Relating to the acquisition of J Brand in fiscal 2013
Net cash used in financing activities	- 8.1	- 20.6	
Income from Long-term borrowing	+ 14.8	-	Relating to the acquisition of J brand in fiscal 2013
Dividend payment	- 13.2	- 15.1	FY2013 year-end dividend of 150 yen per share
Increase in cash & equivalents	76.1	62.1	
Cash & equivalents period start	266.0	295.6	
Cash & equivalents period end	342.1	358.4	

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I would now like to explain our cash flow position for the first half of fiscal 2014 from September 2013 to February 2014.

We enjoyed a net cash inflow of ¥103.6bln from operating activities. UNIQLO and other Group operations contributed inflows of ¥108.1bln, while expenditure on corporate taxes increased to ¥19.0bln.

Outlays on investment activities totalled ¥25.2bln in the first half of fiscal 2014. Of this total, ¥18.8bln was spent on the acquisition of tangible assets and ¥2.9bln was spent on the acquisition of intangible assets such as systems investment.

Capital expenditure for the Fast Retailing Group totalled ¥26.1bln in the first half. Of this total, ¥3.4bln was invested in UNIQLO Japan, ¥15.8bln in UNIQLO International, ¥3.8bln in Global Brands and ¥2.8bln in systems investment, etc. at the Fast Retailing holding company (See Slide 24).

Net spending on financing activities totalled ¥20.6bln, with ¥15.1bln of that total spent on dividend payments.

As a result, the balance of cash and cash equivalents stood at ¥358.4bln at the end of February 2014.



FY2014 Forecast by Group Operation

Billions of Yen

		Yr to Aug. 2013	Yr to Aug. 2014	Yr to Aug. 2014	
		Actual	Latest estimate (Jan 9th)	Revised estimate (Apr 10th)	y/y
UNIQLO Japan	Net sales	683.3	720.0	715.0	+4.6%
	Operating income	96.8	114.5	100.0	+3.3%
	(to net sales)	14.2%	15.9%	14.0%	-0.2p
UNIQLO International	Net sales	251.1	350.0	400.0	+59.2%
	Operating income	18.3	28.0	35.0	+90.7%
	(to net sales)	7.3%	8.0%	8.8%	+1.5p
Global Brands	Net sales	206.2	250.0	253.0	+22.7%
	Operating income	17.4	24.0	21.0	+20.3%
	(to net sales)	8.5%	9.6%	8.3%	-0.2p

Note: In addition to the categories listed above, the consolidated results also include sales, operating income and goodwill amortization generated by the holding company. Internal transactions are not included in the sales data.

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I would now like to turn to our consolidated forecasts for the Fast Retailing Group for fiscal 2014, or the 12 months from September 2013 through end August 2014.

Let's first look at our revised forecasts for each individual business segment.

We now estimate UNIQLO Japan will generate net sales of ¥715.0bln and operating income of ¥100.0bln.

We forecast UNIQLO International will generate net sales of ¥400.0bln and operating income of ¥35.0bln.

We expect our Global Brands segment to generate net sales of ¥253.0bln and operating of ¥21.0bln.



UNIQLO Japan: Fiscal 2014 Forecast

Expect sales and income to rise

Net sales: ¥715.0bln (+4.6% y/y)

Operating income: ¥100.0bln (+3.3% y/y)

Billions of Yen

	Yr to Aug. 2013	Yr to Aug. 2014		Yr to Aug. 2014	
	Actual	Latest estimate (Jan 9th)	y/y	Revised estimate (Apr 10th)	y/y
Net sales (to net sales)	683.3 100.0%	720.0 100.0%	+ 5.4%	715.0 100.0%	+ 4.6%
Gross profit (to net sales)	318.0 46.5%	350.0 48.6%	+ 10.1% (+ 2.1p)	343.0 48.0%	+ 7.9% (+ 1.5p)
SG&A (to net sales)	221.1 32.4%	235.5 32.7%	+ 6.5% (+ 0.3p)	243.0 34.0%	+ 9.9% (+ 1.6p)
Operating income (to net sales)	96.8 14.2%	114.5 15.9%	+ 18.2% (+ 1.7p)	100.0 14.0%	+ 3.3% (-0.2p)

Note: Internal transactions are not included in the sales data.

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Studying the forecast for UNIQLO Japan in more detail, we expect operating income to increase by 3.3% year on year to ¥100.0bln. This latest estimate incorporates the shortfall in sales in the first half, as well as the expected increases in personnel, distribution and warehousing costs in the second half of fiscal 2014.

We predict same-store sales will expand by a further 0.5% in the second half, generating same-store sales growth of 1.5% year on year for fiscal 2014 as a whole.

We plan to add four new stores to the UNIQLO Japan store network, bringing the total number of stores, including franchise outlets, to 857 stores at the end of August 2014.

Expect further strong growth

Net sales: ¥400.0bln(+59.2% y/y)

Operating income: ¥35.0bln (+90.7% y/y)

- Strong growth expected to continue in Greater China, South Korea and Southeast Asia.
- Losses at UNIQLO USA set to contract.
- UNIQLO Europe profit level expected to hold steady at the breakeven point even after costs related to the opening of our German global flagship store taken into account.
- Store total set to increase by 186 to 632 stores at end August 2014.

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Turning now to our forecasts for UNIQLO International in fiscal 2014, we expect the current strong growth trend to continue in the second half of the business year.

In the second half from March to August 2014, strong growth is expected to continue in Greater China, South Korea and Southeast Asia, while losses are seen contracting further at UNIQLO USA. For the full fiscal year, UNIQLO Europe is expected to continue to break even on the profit front, even after incorporating the additional costs related to the scheduled opening of our first German global flagship store in April.

UNIQLO International stores are set to expand by 186 year on year to 632 stores at the end of August 2014.

Approx. 20% gain in sales and income

Net sales: ¥253.0bln (+22.7% y/y)

Operating income: ¥21.0bln (+20.3% y/y)

GU fiscal 2014 sales expected to top ¥100 billion 277 GU stores at end August

- Strengthened women's wear planning and design from 2014 spring/summer season and introduced the Monthly Trend Collection.
- Promoting GU as a prominent fashion brand by featuring Japanese trendsetter Rola in recent TV commercials.



Rola appearing in our latest TV commercials
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Next, I would like to move onto our fiscal 2014 estimates for the Global Brands segment. Taking the strong first half performance into account, we now expect the Global Brands segment to generate over 20% growth in both sales and income in fiscal 2014.

We expect sales at GU to top ¥100.0bln in fiscal 2014. With new store openings proceeding favorably, we expect the number of GU stores to rise by 63 year on year to 277 stores at the end of August 2014.

From the outset of the 2014 spring/summer season, we have been working hard to strengthen GU's planning and design processes for women's wear in particular. We have also launched our "Monthly Trend Collection" featuring a new theme each month.

As part of our continued promotion of GU as a prominent fashion brand, our latest TV commercials now feature the highly popular Japanese model Rola.

Group: FY2014 Forecast

Net sales: ¥1.370trln (+19.9% y/y)
Operating income: ¥145.5bln (+9.5% y/y)
Ordinary income: ¥149.5bln (+0.3% y/y)

Billions of Yen

	Yr to Aug. 2013	Yr to Aug. 2014		Yr to Aug. 2014	
	Actual	Latest estimate		Revised estimate	
		(Jan 9th)	y/y	(Apr 10th)	y/y
Net sales	1,143.0	1,322.0	+ 15.7%	1,370.0	+ 19.9%
(to net sales)	100.0%	100.0%		100.0%	
Gross profit	564.0	675.5	+ 19.8%	686.5	+ 21.7%
(to net sales)	49.3%	51.1%	+ 1.8 _p	50.1%	+ 0.8 _p
SG&A	431.0	519.5	+ 20.5%	541.0	+ 25.5%
(to net sales)	37.7%	39.3%	+ 1.6 _p	39.5%	+ 1.8 _p
Operating income	132.9	156.0	+ 17.4%	145.5	+ 9.5%
(to net sales)	11.6%	11.8%	+ 0.2 _p	10.6%	-1.0 _p
Ordinary income	148.9	155.0	+ 4.0%	149.5	+ 0.3%
(to net sales)	13.0%	11.7%	-1.3 _p	10.9%	-2.1 _p
Extraordinary gain or loss	-7.4	-6.0	-	-6.0	-
Net income	90.3	92.0	+ 1.8%	88.0	-2.6%
(to net sales)	7.9%	7.0%	-0.9 _p	6.4%	-1.5 _p

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Adding these forecasts for our three business segments together produces the following revised consolidated estimates for fiscal 2014:

Consolidated sales are now expected to increase 19.9% year on year to ¥1.37trln and operating income is expected to expand 9.5% to ¥145.5bln. Taking into account our predictions for non-operating income based on February 28 assumed exchange rates, we now expect consolidated ordinary income will expand 0.3% to ¥149.5bln and net income will decrease by 2.6% to ¥88.0bln.

Fiscal 2014 Dividend Estimates

Expected interim dividend: ¥150

Expected annual dividend: ¥300

	Dividend per share		
	Mid-term	Yr-end	Annual
Year to Aug. 2012	130yen	130yen	260yen
Year to Aug. 2013	140yen	150yen	290yen
Year to Aug. 2014 ※	150yen	150yen	300yen

※1 The fiscal 2014 interim dividend was approved at the executive board meeting held on April 10

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

Finally, I would like to run through our fiscal 2014 estimates for shareholder dividends.

At its meeting held today, the executive board approved the payment of an interim dividend per share of ¥150 as planned.

Our plans to payout a year-end dividend of ¥150 per share also remain unchanged. This would generate an expected fiscal 2014 annual dividend of ¥300 per share.

That completes this presentation on the Fast Retailing Group's performance for the first half of fiscal 2014, and also our revised business estimates for fiscal 2014 as a whole. The remaining two slides are provided for reference.

Thank you.



Reference FY2014 Store Plans by Group Company

[Units: Stores]	Yr 2013 Actual Yr-end	Yr to Aug. 2014							
		1H (Sep. - Feb.) Actual				Forecast			
		Open	Close	Change	End Nov	Open	Close	Change	End Aug
UNIQLO Operations	1,299	116	32	+84	1,383	244	54	+190	1,489
UNIQLO Japan ※	853	25	29	-4	849	53	49	+4	857
Own stores	834	25	28	-3	831	51	48	+3	837
Large-scale	177	15	1	+14	191	26	2	+24	201
Standard and others	657	10	27	-17	640	25	46	-21	636
Franchise stores	19	0	1	-1	18	2	1	+1	20
UNIQLO International	446	91	3	+88	534	191	5	+186	632
China	225	36	1	+35	260	82	2	+80	305
Hong Kong	18	4	0	+4	22	5	1	+4	22
Taiwan	37	6	0	+6	43	10	0	+10	47
Korea	105	13	2	+11	116	30	2	+28	133
Singapore	12	4	0	+4	16	6	0	+6	18
Malaysia	10	4	0	+4	14	11	0	+11	21
Thailand	10	4	0	+4	14	10	0	+10	20
Philippines	6	5	0	+5	11	11	0	+11	17
Indonesia	1	2	0	+2	3	3	0	+3	4
Australia	0	0	0	0	0	1	0	+1	1
UK	10	0	0	0	10	0	0	0	10
USA	7	10	0	+10	17	16	0	+16	23
France	3	1	0	+1	4	3	0	+3	6
Russia	2	2	0	+2	4	2	0	+2	4
Germany	0	0	0	0	0	1	0	+1	1
GU	214	40	4	+36	250	77	14	+63	277
Theory ※	411	28	4	+24	435	47	5	+42	453
Comptoir des Cottonniers ※	375	4	5	-1	374	8	10	-2	373
Princesse tam.tam ※	150	3	2	+1	151	4	2	+2	152
J Brand	0	2	0	+2	2	6	0	+6	6
Total	2,449	193	47	+146	2,595	386	85	+301	2,750

Note: Excludes Mina
(Commercial Facility
Business) and Grameen
UNIQLO stores

※Includes franchise stores



Reference

Forex, Capex, Depreciation, Goodwill Amortization

Applicable Exchange Rates

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
Yr to Aug. 2014 6 mth average to Feb. 2014 (Actual)	100.9	136.9	163.2	16.6	9.4
Yr to Aug. 2013 6 mth average to Feb. 2013 (Actual)	82.6	107.8	132.2	13.2	7.5
Yr to Aug. 2014 Full year average to Aug. 2014 (Estimate)	98.5	135.0	158.0	16.0	9.3
Yr to Aug. 2013 Full year average to Aug. 2013 (Actual)	89.8	117.3	140.2	14.5	8.1

Capex, Depreciation and Goodwill

Billions of Yen

	Capital spending	Depreciation	Goodwill amortization
Yr to Aug. 2014 6 mths to Feb. 2014 (Actual)	26.1	13.8	3.0
Yr to Aug. 2013 6 mths to Feb. 2013 (Actual)	16.9	10.3	2.3
Yr to Aug. 2014 Full year (Estimate)	58.4	26.2	6.0
Yr to Aug. 2013 Full year (Actual)	39.6	23.6	5.2

Breakdown of capital expenditure:

FY2013 1H Actual: UNIQLO Japan: ¥4.5bln, UNIQLO Intl.: ¥6.9bln, Global Brands: ¥2.9bln, Systems, etc.: ¥2.3bln

FY2014 1H Actual: UNIQLO Japan: ¥3.4bln, UNIQLO Intl.: ¥15.8bln, Global Brands: ¥3.8bln, Systems: ¥2.8bln

FY2014 Estimate: UNIQLO Japan: ¥9.8bln, UNIQLO Intl.: ¥32.0bln, Global Brands: ¥10.3bln, Systems: ¥5.7bln