

Fast Retailing Results for September 2015 to May 2016 and Estimates for Fiscal 2016

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**Group Executive Vice President &
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I am Takeshi Okazaki, Group Executive Vice President and CFO at Fast Retailing.

I would like to talk to you today about our consolidated business performance for the first to third quarter of fiscal 2016, or the nine months from September 2015 through May 2016, and our estimates for the full business year through August 2016.

| | |
|--|----------------|
| I. Results Sep 2015–May 2016 (3Q) | P3~P22 |
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Disclosure of Corporate Performance

Following the Group's adoption of International Financial Reporting Standards (IFRS) from the year ending August 31, 2014, all data in this document are calculated using IFRS standards.

Business profit = Revenue – (Cost of sales + SG&A expenses)

Group Operations:

UNIQLO Japan: UNIQLO Japan operations

UNIQLO International: All UNIQLO operations outside of Japan

Global Brands: GU, Theory, Comptoir des Cottonniers, Princesse tam.tam, J Brand

Consolidated results also include Fast Retailing Co., Ltd. performance and consolidated adjustments.

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.

Revenue, profit rise in 3Q quarter Revenue in line with plan, OP exceeds plan

Billions of Yen

| | Nine months to May 2016 (Sep. 2015 - May 2016) | | | Three months to May 2016 (Mar. 2016 - May 2016) | | |
|--|---|-------------------|-----------------|--|-----------------|-----------------|
| | Actual | Prev. yr | y/y | Actual | Prev. yr | y/y |
| Revenue (to revenue) | 1,434.6 100.0% | 1,348.1 100.0% | +6.4% | 422.9 100.0% | 398.4 100.0% | +6.2% |
| Gross profit (to revenue) | 694.3 48.4% | 686.4 50.9% | +1.2% -2.5p | 217.4 51.4% | 206.9 51.9% | +5.1% -0.5p |
| SG&A (to revenue) | 540.4 37.7% | 502.8 37.3% | +7.5% +0.4p | 169.7 40.1% | 166.4 41.8% | +2.0% -1.7p |
| Business profit (to revenue) | 153.8 10.7% | 183.6 13.6% | -16.2% -2.9p | 47.6 11.3% | 40.4 10.2% | +17.8% +1.1p |
| Other income, expenses (to revenue) | -8.0 - | 5.6 0.4% | - | -1.2 - | -1.2 - | - |
| Operating profit (to revenue) | 145.8 10.2% | 189.2 14.0% | -23.0% -3.8p | 46.4 11.0% | 39.1 9.8% | +18.6% +1.2p |
| Finance income, costs (to revenue) | -23.7 - | 21.0 1.6% | - | -6.4 - | 7.4 1.9% | - |
| Profit before income taxes (to revenue) | 122.0 8.5% | 210.2 15.6% | -41.9% -7.1p | 40.0 9.5% | 46.6 11.7% | -14.1% -2.2p |
| Profit attributable to owners of the parent (to revenue) | 71.0 4.9% | 132.3 9.8% | -46.4% -4.9p | 23.9 5.7% | 27.6 6.9% | -13.2% -1.2p |

Note: Business profit = Revenue – (Cost of sales + SG&A expenses)

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In the first nine months of fiscal 2016, from September 2015 through May 2016, the Fast Retailing Group reported a rise in revenue but a fall in profit. Consolidated revenue rose to ¥1.4346 trillion (up 6.4% year on year), while business profit declined to ¥153.8 billion (down 16.2%) and operating profit contracted to ¥145.8 billion (down 23.0%).

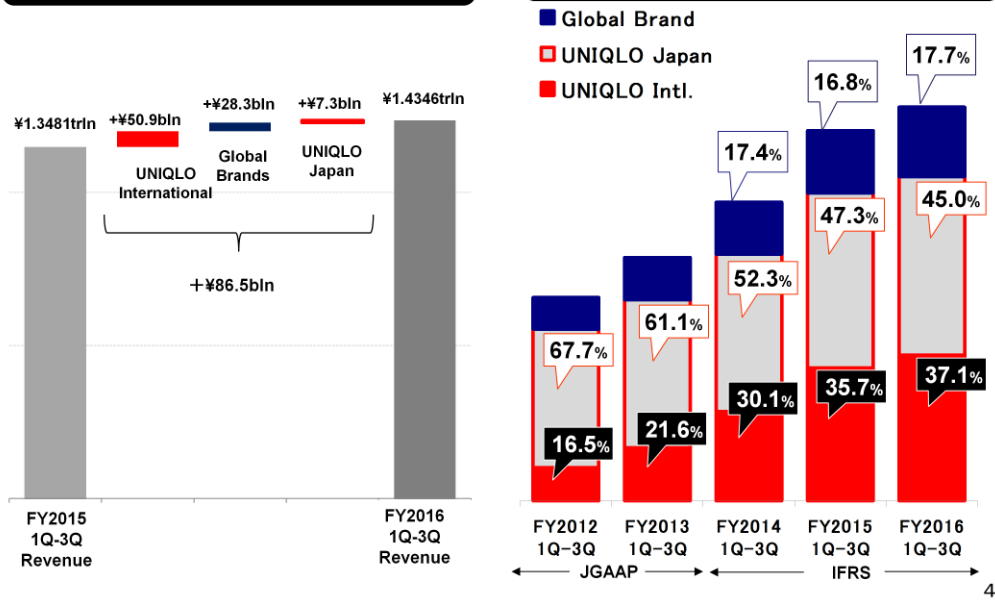
The total recorded under finance income/costs turned sharply negative, falling from a net income of ¥21.0 billion in the first nine months of fiscal 2015 to a net loss of ¥23.7 billion in the first nine months of fiscal 2016. As a result, profit before income taxes contracted 41.9% year on year.

However, consolidated performance did recover considerably in the third quarter alone (March to May 2016), to generate a rise in both third-quarter revenue and profit. Third-quarter revenue rose 6.2% year on year, which was roughly in line with plan, while profits exceeded plan, with business profit rising 17.8% and operating profit rising 18.6% year on year.

Group: Revenue (1Q-3Q)

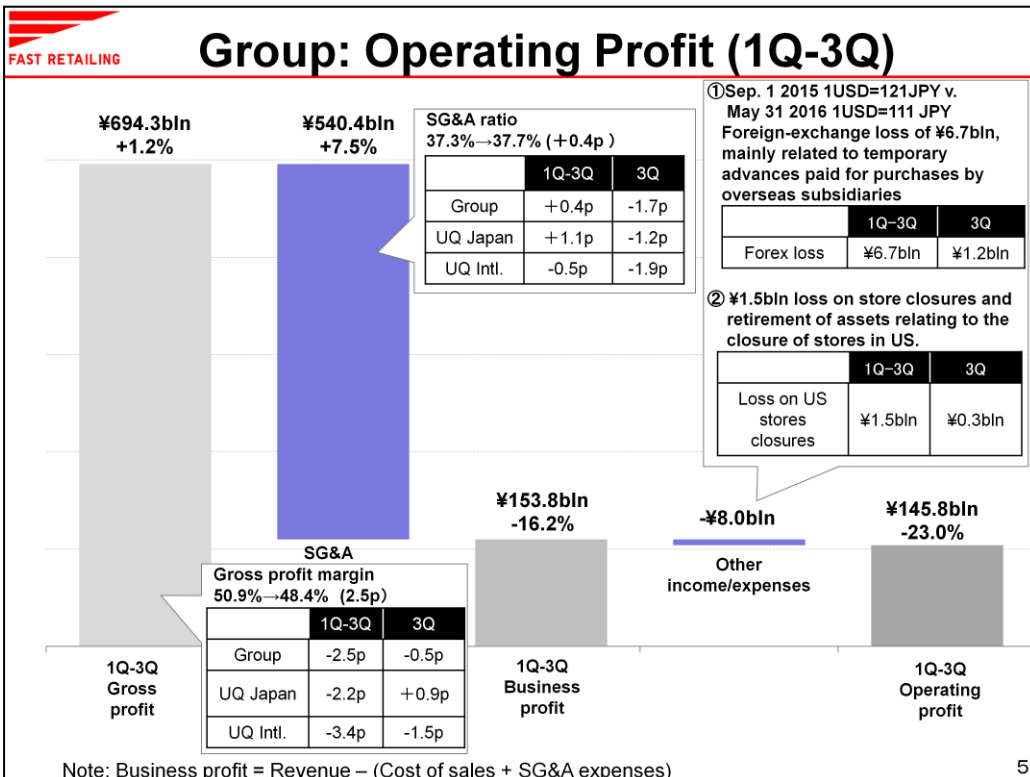
Revenue: ¥1.4346trln (+¥86.5bln)
 UNIQLO International (+¥50.9bln)

UNIQLO Intl. contribution rises to 37.1%



Taking revenue first, the Fast Retailing Group reported revenue of ¥1.4346 trillion in the first nine months of fiscal 2016. That represents an increase of 6.4%, or ¥86.5 billion, compared to the previous year. Breaking this measure down by business segment, revenue at UNIQLO International increased by ¥50.9 billion, revenue for Global Brands increased by ¥28.3 billion, and revenue for UNIQLO Japan expanded by ¥7.3 billion.

As a result, UNIQLO International's contribution to overall sales rose 1.4 points year on year to 37.1%.



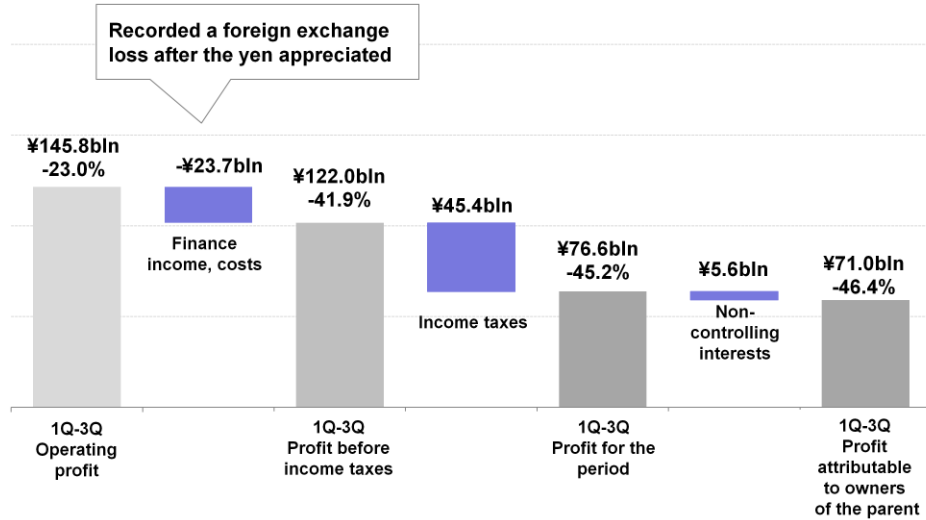
While consolidated gross profit expanded 1.2% year on year to ¥694.3 billion in the first nine months of fiscal 2016, the gross profit margin contracted 2.5 points year on year to 48.4%. This decline can be attributed to contractions in gross profit margins at both UNIQLO Japan and UNIQLO International. However for the March-May quarter alone, the gross profit margin at UNIQLO Japan improved 0.9 point year on year.

Selling, general and administration expenses rose 7.5% year on year in the first nine months to ¥540.4 billion. The SG&A to revenue ratio rose 0.4 point to 37.7%. That was largely due to a 1.1 point rise in the SG&A ratio at UNIQLO Japan. However, for the March-May quarter alone, UNIQLO Japan's SG&A ratio declined 1.2 points year on year.

Meanwhile, business profit (revenue minus cost of sales and SG&A expenses) decreased 16.2% to ¥153.8 billion in the nine months to May 2016.

Net other income/expenses stood at -¥8.0 billion. That total includes a foreign exchange loss of ¥6.7 billion, mainly related to temporary advances paid for purchases by overseas subsidiaries after the yen appreciated from 1USD=121JPY at the beginning of September 2015 to 1USD = 111JPY at the end of May 2016. It also includes a ¥1.5bn loss on store closures and retirement of assets, relating to the closure of some stores in the United States.

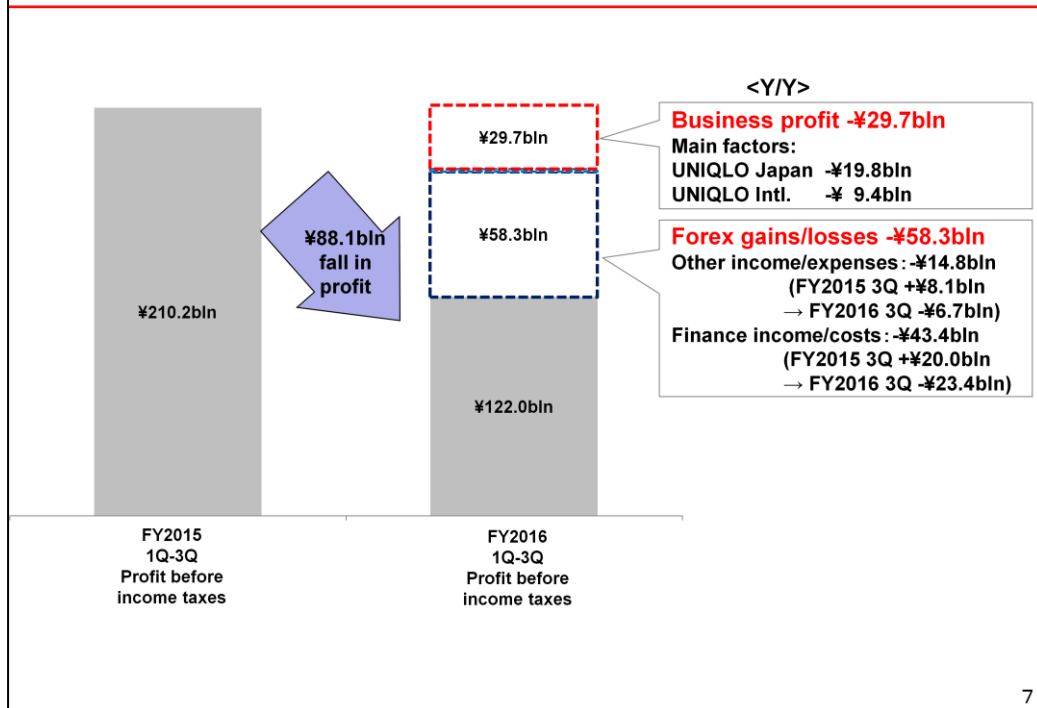
As a result of the above factors, 1Q-3Q operating profit decreased by 23.0% to ¥145.8 billion.



Moving onto finance income/costs, we reported a net finance income/costs of ¥23.7 billion in the first nine months of fiscal 2016, after the appreciation in the Japanese yen reduced the value of our foreign-currency denominated assets in yen terms.

As a result, profit before income taxes decreased by 41.9% to ¥122.0 billion, and profit attributable to the owners of the parent decreased by 46.4% to ¥71.0 billion.

Group: Reasons for 1Q-3Q Profit Fall



Profit before income taxes declined by a considerable ¥88.1 billion year on year in the first nine months of fiscal 2016. That decline can be broken down into a ¥29.7 billion contraction in overall business profit, and a net reduction in forex gains/losses of ¥58.3 billion.

This shift from a forex gain to a forex loss was caused by a ¥14.8 billion net reduction in forex gains/losses under other income/expenses, and a ¥43.4 billion reduction in the yen value of foreign-currency denominated assets, etc. under net finance income/costs.

1Q-3Q Breakdown by Group Operation

Billions of Yen

| | | Nine months to May 2016 (Sep. 2015 - May 2016) | | | Three months to May 2016 (Mar. 2016 - May 2016) | | |
|-------------------------|--|---|----------------|-----------------|--|---------------|-----------------|
| | | Actual | Prev. yr | y/y | Actual | Prev. yr | y/y |
| UNIQLO Japan | Revenue | 645.4 | 638.1 | +1.1% | 191.7 | 183.6 | +4.4% |
| | Business profit <small>(to revenue)</small> | 92.8 14.4% | 112.7 17.7% | -17.6% -3.3p | 29.2 15.2% | 24.1 13.1% | +21.3% +2.1p |
| | Other income, expenses | 0.3 | 1.0 | -64.0% | -0.1 | 0.2 | - |
| | Operating profit <small>(to revenue)</small> | 93.2 14.4% | 113.7 17.8% | -18.1% -3.4p | 29.1 15.2% | 24.3 13.2% | +19.7% +2.0p |
| UNIQLO International | Revenue | 532.8 | 481.8 | +10.6% | 143.5 | 136.3 | +5.3% |
| | Business profit <small>(to revenue)</small> | 44.5 8.4% | 54.0 11.2% | -17.6% -2.8p | 12.0 8.4% | 10.8 7.9% | +10.8% +0.5p |
| | Other income, expenses | -2.3 | -2.0 | - | 0.8 | -1.7 | - |
| | Operating profit <small>(to revenue)</small> | 42.2 7.9% | 51.9 10.8% | -18.7% -2.9p | 12.8 8.9% | 9.0 6.7% | +41.1% +2.2p |
| Global Brand | Revenue | 254.3 | 225.9 | +12.6% | 87.0 | 77.7 | +12.0% |
| | Business profit <small>(to revenue)</small> | 23.4 9.2% | 20.8 9.2% | +12.7% 0.0p | 9.2 10.6% | 8.4 10.9% | +9.0% -0.3p |
| | Other income, expenses | -0.4 | -1.0 | - | -0.4 | -0.3 | - |
| | Operating profit <small>(to revenue)</small> | 23.0 9.1% | 19.7 8.8% | +16.5% +0.3p | 8.7 10.0% | 8.0 10.4% | +8.7% -0.4p |

Notes: Consolidated results also include Fast Retailing Co., Ltd. performance and consolidated adjustments.
 All UNIQLO Japan data (except revenue) include inter-Group transactions.
 Business profit = Revenue – (Cost of sales + SG&A expenses)

This slide displays the breakdown of performance by Group operation.

UNIQLO Japan and UNIQLO International reported higher revenue and lower profit in the first nine months of fiscal 2016 but both operations reported higher revenue and higher profit in the third quarter alone from March to May 2016. Global Brands reported higher revenue and profit for both periods.

UNIQLO Japan (March-May 2016)

Revenue and profit up in 3Q
Revenue in line with plan, OP exceeds plan

Billions of Yen

| | Nine months to May 2016 (Sep. 2015 - May 2016) | | | Three months to May 2016 (Mar. 2016 - May 2016) | | |
|---|---|-----------------|-----------------|--|-----------------|-----------------|
| | Actual | Prev. yr | y/y | Actual | Prev. yr | y/y |
| Revenue (to revenue) | 645.4 100.0% | 638.1 100.0% | +1.1% | 191.7 100.0% | 183.6 100.0% | +4.4% |
| Gross profit (to revenue) | 306.1 47.4% | 316.6 49.6% | -3.3% -2.2p | 97.2 50.7% | 91.4 49.8% | +6.3% +0.9p |
| SG&A (to revenue) | 213.2 33.0% | 203.8 31.9% | +4.6% +1.1p | 68.0 35.5% | 67.3 36.7% | +1.0% -1.2p |
| Business profit (to revenue) | 92.8 14.4% | 112.7 17.7% | -17.6% -3.3p | 29.2 15.2% | 24.1 13.1% | +21.3% +2.1p |
| Other income, expenses (to revenue) | 0.3 0.1% | 1.0 0.2% | -64.0% -0.1p | -0.1 - | 0.2 0.1% | - - |
| Operating profit (to revenue) | 93.2 14.4% | 113.7 17.8% | -18.1% -3.4p | 29.1 15.2% | 24.3 13.2% | +19.7% +2.0p |

All UNIQLO Japan data (except revenue) include inter-Group transactions.
 Business profit = Revenue – (Cost of sales + SG&A expenses)

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Using Slide 9 onwards, I would like to look in more detail at individual business segment performance in the third-quarter from March to May 2016.

Taking UNIQLO Japan first, UNIQLO Japan reported a 4.4% year-on-year rise in revenue and a 19.7% rise in operating profit. UNIQLO Japan did report falls in both revenue and profit in the first half from September 2015 through February 2016, but the segment's performance began to recover in the third quarter.

Comparing this third-quarter performance with our latest estimate announced on April 7, 2016, revenue came in on target, while operating profit exceeded expectations.

UNIQLO Japan: 3Q Revenue

3Q Revenue ¥191.7bln (+4.4% y/y)
(March -May) • Same-store sales +2.8% y/y (Customer nos. -6.1%, customer spend +9.4%)
 • E-commerce sales ¥10.5bln (+40.6% y/y, up from 4.1% to 5.5% total sales)

- Same-store sales up y/y on favorable launch of spring ranges (bottoms, knitwear and cut & sew items) in March, as well as strong sales of trendy jogger pants and skants, and AIRism and DRY sportswear campaign items in April and May
- Customer numbers declined, but some gradual improvement noted in increased weekday visits, etc.
- Customer spend up on improved discounting rate, and strong sales of comparatively expensive items such as jogger pants and skants, etc.

| Same-store sales | Yr to Aug. 2016 | | | | | |
|------------------|-----------------|-------|-------|-------|-------|-------|
| | 1H | Mar | Apr | May | 3Q | Jun |
| Net sales | -1.9% | -0.3% | +1.3% | +5.9% | +2.8% | +4.5% |
| Customer visits | -6.3% | -8.6% | -7.2% | -3.6% | -6.1% | -3.6% |
| Customer spend | +4.7% | +9.1% | +9.1% | +9.9% | +9.4% | +8.5% |

End May 2016 UNIQLO directly run stores: 807 (-7 stores y/y)
Franchise stores: 39 (+9 stores y/y)

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In the March-May quarter, UNIQLO Japan reported a 4.4% year-on-year rise in revenue on the back of a 2.8% rise in same-store sales, and a significant 40.6% rise in e-commerce sales to ¥10.5 billion. The contribution of e-commerce to overall sales rose from 4.1% in Q3 fiscal 2015 to 5.5% in Q3 fiscal 2016.

While new spring range such as bottoms, knitwear and cut & sew items got off to a favorable start, same-store sales stayed close to the previous year's level in March. Then, strong sales of trendy jogger pants and skants, and AIRism and DRY sportswear campaign items generated higher same-store sales in April and May compared to the previous year.

The 2.8% increase in same-store sales breaks down into a 6.1% fall in customer visits on the one hand, and a 9.4% increase in customer spend on the other. Customer numbers continued to fall in the third quarter, but we did note some positive underlying factors, such as a rising trend for customer visits on weekdays. The rise in customer spend can be explained by an improved discounting rate, and strong sales of comparatively expensive items such as jogger pants and skants, etc.

The number of UNIQLO Japan directly run stores fell by 7 to 807 stores at the end of May 2016 compared to the end of May 2015. The number of franchise stores increased by 9 to 39 stores. Eight of those nine stores switched from directly run stores to franchise outlets.

Trendy Spring Summer Wear Items



Jogger pants

Skants



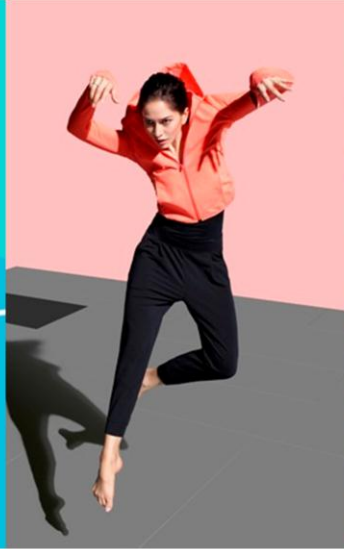
Pleated skirts

Slide 11 shows some of our popular garment ranges for Spring Summer 2016 such as jogger pants, skants and pleated skirts. They illustrate how we are successfully expanding sales with targeted trendy items.

FAST RETAILING Spring Summer 2016 Sports Campaign



DRY-EX polo shirt



AIRism UV cut mesh zip-up hoodie



DRY stretch pants

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Slide 12 shows popular items from our Spring Summer 2016 Sports Campaign. The DRY-EX polo shirt was a particular hit, along with our AIRism UV cut mesh zip-up hoodie for women, and our super-stretchy, quick-dry DRY stretch pants. We intend to further strengthen our UNIQLO Sports range by improving sports-related garment choices and styling.

3Q
(March
-May)

Gross profit margin: 50.7% (+0.9p y/y)

Gross profit margin improves y/y and v. plan

- Discounting rate improved on a simple pricing strategy, including fewer week-end limited-period sales
- A small portion of mid-period production was settled at a spot yen rate that was higher than our internal rate, boosting the gross profit margin slightly

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Turning now to business margins for UNIQLO Japan, the gross profit margin exceeded our forecast, improving by 0.9 point year on year in the March-May quarter to 50.7%.

The primary factor underlying the increase in gross profit margin, both year on year and compared to plan, was an improvement in our discounting rate. The discounting rate improved following the introduction of a simple pricing strategy, including fewer weekend limited-period sales.

The gross profit margin also got a small boost after a portion of mid-period production was settled at the spot yen rate, which had appreciated above our internal rate.

UNIQLO Japan: 3Q SG&A

3Q
(March
-May)

SG&A to revenue ratio 35.5% (-1.2p y/y)

Distribution costs up, but reduction in overall SG&A expenses was faster than expected

| | |
|------------------------------------|------------------|
| Distribution | +0.9p y/y |
| Advertising & promotion | -0.9p |
| Store rent | -0.2p |
| Personnel | -0.1p |
| Depreciation costs | -0.1p |
| Other expenses | -0.9p |

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UNIQLO Japan's SG&A to revenue ratio fell 1.2 points year on year to 35.5% in the March-May quarter. While distribution costs increased, we were able to reduce overall business expenses faster than we initially expected.

Contributing to lower overall business costs, advertising and promotion contracted 0.9 point, store rent costs declined 0.1 point, depreciation costs declined 0.1 point and other expenses, which includes outsourcing and supplies, fell 0.9 point year on year.

The fall in advertising and promotion expenses was due to a reduction in the number of paper flyers and newspaper advertisements.

The store rent ratio declined on the back of higher same-store sales.

Our cost-cutting drive helped reduce other expenses for outsourcing, supplies and utilities, etc.

Distribution costs did rise however due to the launch of our Ariake warehouse in April and some temporary increased outlays related to the overhaul of our distribution systems. This increase in distribution costs is likely to continue in the fourth quarter from June to August 2016.

UNIQLO International: (3Q) ①

3Q
(March
-May)

Revenue and profit rise as planned

- Greater China profit turns up again
- S.E. Asia & Oceania, Europe revenue and profit up
- S. Korea revenue and profit continues to fall
- USA loss shrinks. Closed the fifth store in June
- End-May network: 928 stores (+38 y/y)

| | | Nine months to May 2016 (Sep. 2015 - May 2016) | | | Three months to May 2016 (Mar. 2016 - May 2016) | | |
|-------------------------|------------------------|---|----------|--------|--|----------|--------|
| | | Actual | Prev. yr | y/y | Actual | Prev. yr | y/y |
| UNIQLO International | Revenue | 532.8 | 481.8 | +10.6% | 143.5 | 136.3 | +5.3% |
| | Business profit | 44.5 | 54.0 | -17.6% | 12.0 | 10.8 | +10.8% |
| | (to revenue) | 8.4% | 11.2% | -2.8p | 8.4% | 7.9% | +0.5p |
| | Other income, expenses | -2.3 | -2.0 | - | 0.8 | -1.7 | - |
| | Operating profit | 42.2 | 51.9 | -18.7% | 12.8 | 9.0 | +41.1% |
| (to revenue) | 7.9% | 10.8% | -2.9p | 8.9% | 6.7% | +2.2p | |

Business profit = Revenue – (Cost of sales + SG&A expenses)

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Moving onto UNIQLO International performance in the March-May quarter, revenue rose 5.3% year on year to ¥143.5 billion and operating profit expanded 41.1% to ¥12.8 billion. Both figures were roughly in line with our expectations.

Profits recovered in Greater China, while UNIQLO operations in Southeast Asia & Oceania, and Europe reported continued gains in revenue and profit. Revenue and profit continued to slip in South Korea.

Operating losses in the United States shrank in the third quarter. UNIQLO USA reported a ¥0.3 billion loss on store closures for the third quarter, after closing a fifth store in June.

On new store activities, we opened a net 38 stores (opened 39 stores, closed 1 store) in the third quarter, mainly in the Greater China and southeast Asia region. That brought the total UNIQLO International network to 928 stores at the end of May 2016.

UNIQLO International: (3Q) ②

- **Greater China: Revenue, profit gains exceed plan**
 - Revenue, profit up in mainland China, with strong sales of UT T-shirts and other core Spring Summer items generating a rise in same-store sales
 - Revenue and profit continue to fall in Hong Kong and Taiwan on economic slowdown, but managed to reduce extend of profit decline as planned
- **S. Korea: Falls short of plan, revenue and profit down**
 - Same-store sales down as sales adversely affected by economic slowdown, and increasingly fierce competition
- **SE Asia & Oceania: Revenue and profit up, to plan**
 - UNIQLO Australia business expanding favorably with opening of 11th store
- **USA: Operating loss shrinks in line with plan**
 - Sales steady year on year as expected
 - Gross profit margin improves on full inventory adjustment, SG&A ratio improves on cost-cutting drive
- **Europe: Revenue, profit gains exceed plan**
 - The opening of our newly refurbished 311 Oxford Street global flagship store in London helped boost visibility. Same-store sales up in Europe, with marked improvements in profitability in UK, Russia and Germany

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Next, let me break up the UNIQLO International third-quarter performance region by region.

UNIQLO Greater China, encompassing the region spanning mainland China, Hong Kong and Taiwan, exceeded our expectations by reporting a renewed rise in revenue and profit. In mainland China, strong sales of UT T-shirts and other core Spring Summer items helped boost same-store sales, generating higher-than-expected gains in both revenue and profit in the March-May quarter. Continued sluggish economic conditions in Hong Kong and Taiwan drove revenue and profit lower, but the result was within expectations. We opened 18 new stores and closed 1 store in Greater China in the third quarter, bringing the total number of stores in that region to 537 at the end of May 2016.

South Korea fell short of target by reporting falls in both revenue and profit. Same-store sales declined with overall sales struggling in the face of sluggish economic conditions and increasingly fierce competition. UNIQLO South Korea opened 8 new stores in the third quarter, bringing the total number of stores to 171 at the end of May 2016.

UNIQLO Southeast Asia & Oceania, spanning Singapore, Malaysia, Thailand, the Philippines, Indonesia and Australia, reported rises in revenue and profit that were roughly within expectations. UNIQLO Australia continued to steadily expand operations, opening its eleventh store in the third quarter. UNIQLO Southeast Asia & Oceania opened 8 new stores in the third quarter, bringing the total number of stores to 140 at the end of May 2016.

UNIQLO USA curtailed operating losses as expected in the third quarter. Sales held steady at the previous year's level. The gross profit margin improved on full-cycle inventory adjustments, and the SG&A ratio also improved on cost-cutting initiatives. UNIQLO USA recorded store-closure related costs of approximately ¥0.3 billion for the third quarter as a whole, after closing a fifth store in June, . The total number of UNIQLO stores in the United States stood at 44 at the end of May 2016.

UNIQLO Europe generated rises in revenue and profit in the third quarter as expected. The opening of our newly refurbished 311 Oxford Street global flagship store in London helped boost brand visibility and European same-store sales. We also noted marked improvements in profitability in UK, Russia and Germany. The total number of UNIQLO Europe stores stood at 36 at the end of May 2016.

UNIQLO's International Store News

Grand opening of refurbished 311 Oxford Street global flagship store in London in March , 2016



Disney Springs Store to open in Florida, USA in July, 2016



Global flagship store to open on Singapore's Orchard Road in fall 2016



First Canadian store to open in Toronto in fall 2016



I would like to take a moment now to introduce some exciting developments about our international UNIQLO store network.

In March, we opened our refurbished 311 Oxford Street global flagship store in London. The new and exciting beacon store helped boost UNIQLO brand awareness across Europe, and invigorate same-store sales in other European countries as well.

Looking ahead, in July, we plan to open our UNIQLO Disney Springs Store inside the Walt Disney resort in Orlando, Florida

In fiscal 2017, we will open a number of impressive regional beacon stores around the world, starting in fall 2016 with a standout global flagship store on Singapore's Orchard Road and the first UNIQLO store in Canada, in Toronto.

**Christophe Lemaire appointed artistic director
of new UNIQLO R&D center in Paris.
To launch new Uniqlo U line in fall 2016**



Christophe Lemaire and the UNIQLO Paris R&D Center team

In spring 2016, we launched a new UNIQLO R&D center in Paris, with Christophe Lemaire as artistic director.

The Lemaire-led R&D center is designing a new Uniqlo U line for launch in UNIQLO stores around the world from fall 2016. Uniqlo U will develop basic garments using original materials, color and designs, that complement our LifeWear clothing concept.

Global Brands: (3Q)

3Q
(March
-May)

Revenue, profit rise as planned

- **GU: Revenue, profit gains exceed expectations**
Double-digit gains in same-store sales on strong sales of advertising campaign items such as skants and long T-shirts. 352 stores (end May)
- **Theory: Slight profit gain in line with plan**
- **Comptoir des Cottonniers: Below plan, loss expanded**
- **Princesse tam.tam: Continued loss in line with plan**
- **J Brand: Continued loss in line with plan**

Billions of Yen

| Global Brand | | Nine months to May 2016 (Sep. 2015 - May 2016) | | | Three months to May 2016 (Mar. 2016 - May 2016) | | |
|----------------------------------|------|---|----------|-------|--|----------|-------|
| | | Actual | Prev. yr | y/y | Actual | Prev. yr | y/y |
| | | Revenue | 254.3 | 225.9 | +12.6% | 87.0 | 77.7 |
| Business profit (to revenue) | 23.4 | 20.8 | +12.7% | 9.2 | 8.4 | +9.0% | |
| Other income, expenses | -0.4 | -1.0 | - | -0.4 | -0.3 | - | |
| Operating profit (to revenue) | 23.0 | 19.7 | +16.5% | 8.7 | 8.0 | +8.7% | |
| | | 9.1% | 8.8% | +0.3p | 10.0% | 10.4% | -0.4p |

Business profit = Revenue – (Cost of sales + SG&A expenses)

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Let's now turn to performance at Global Brands in March-May quarter.

Global Brands reported gains in revenue and profit in the third quarter, with revenue rising 12.0% year on year to ¥87.0 billion and operating profit expanding 8.7% to ¥8.7 billion. Both measures were roughly in line with our latest estimates.

Our low-priced GU casual fashion brand achieved higher revenue and profit in the third quarter. Strong sales of advertising campaign items such as skants and long T-shirts helped generate double-digit growth in same-store sales. We opened 21 stores and closed 8 stores in the third quarter, bringing the total number of GU stores to 352 at the end of May 2016.

Our Theory fashion brand reported a small increase in profit as expected.

Poor sales of 2016 Spring Summer items adversely affected sales at our France-based fashion brand Comptoir des Cottonniers, resulting in an expanded operating loss in the third quarter, which was below target.

Princesse tam.tam and J Brand reported further losses in the third quarter as expected.

Group: Balance Sheet (end May 2016)

Billions of Yen

| | End May 2015 | End Aug. 2015 | End May 2016 | Change |
|---------------------------|-----------------|------------------|-----------------|---------|
| Total Assets | 1,270.6 | 1,163.7 | 1,272.7 | + 2.1 |
| Current Assets | 960.5 | 874.3 | 977.4 | + 16.9 |
| Non-Current Assets | 310.0 | 289.3 | 295.2 | - 14.8 |
| Total Liabilities | 423.6 | 388.9 | 579.1 | + 155.4 |
| Total Equity | 846.9 | 774.8 | 693.5 | - 153.3 |

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Next, I would like to take you through our balance sheet as it stood at the end of May 2016.

Compared to the end of May 2015, total assets increased by ¥2.1 billion to ¥1.2727 trillion. This includes an increase of ¥16.9 billion in current assets and a decrease of ¥14.8 billion in non-current assets.

Liabilities increased by ¥155.4 billion to ¥579.1 billion due to our corporate bond issue in December 2015 and a reduction in deferred tax liabilities.

Total equity declined by ¥153.3 billion to ¥693.5 billion, mainly due to lower valuations on derivative financial assets.

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

Group: B/S Main Points v. end May 2015

Current Assets +¥16.9bln (¥960.5bln⇒ ¥977.4bln)

- Cash and cash equivalents +¥29.8bln (¥424.0bln⇒¥453.9bln)
- Other current financial assets +¥168.8bln (¥30.2bln⇒¥199.0bln)

Increased cash reserves following December 2015 bond issue, higher operating cash flow. With the last day of May 2016 landing on a weekday, trade payables were settled, reducing cash balance by ¥13.0bln

- Inventories +¥17.6bln (¥200.1bln⇒ ¥217.8bln)

UNIQLO Japan +¥2.7bln UNIQLO International +¥8.1bln (+161 stores)
Global Brands +¥6.7bln (Expansion of GU operation)

- Derivative financial assets -¥199.8bln(¥213.7bln⇒¥13.8bln)

The yen appreciated at the end of May and the average rate of forward currency contracts weakened, narrowing the gap between the two considerably.
Hedge accounting so no impact on P&L .

Non-current assets -¥14.8bln (¥310.0bln⇒¥295.2bln)

- Intangible assets -¥13.4bln (¥80.1bln⇒¥66.7bln)

Impairment losses at J Brand, etc.

Liabilities +¥155.4bln (¥423.6bln⇒¥579.1bln)

- December 2015: ¥250.0bln corporate bond issue
- Deferred tax liabilities down ¥68.3bln

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First, let's explore the factors underlying the ¥16.9 billion increase in current assets at the end of May 2016.

Cash and cash equivalents increased by ¥29.8 billion year on year to ¥453.9 billion at the end of May 2016 compared to the end of May 2015. Other current financial assets, including highly liquid bank deposits with maturities over three months, also increased by ¥168.8 billion to ¥199.0 billion. This was due to an increase in cash reserves following the Company's corporate bond issue in December 2015 as well as an increase in operating cash flow. On the other hand, more trade payables were settled because the last day of the period fell on a weekday, resulting in a ¥13.0 billion reduction in the cash balance.

Looking next at inventories, total inventory increased by ¥17.6 billion to ¥217.8 billion.

Inventory at UNIQLO Japan increased by ¥2.7 billion, but still stays at a comfortable level. Inventory at UNIQLO International expanded by ¥8.1 billion, mainly due to the expansion of UNIQLO's international network by 161 stores compared to the previous year. Finally, inventory levels increased by ¥6.7 billion at our Global Brands segment as we continued to expand our GU operation.

UNIQLO Japan and some of our other operations take out forward exchange contracts as part of their long-term strategy to hedge against future movements in foreign exchange rates. Total derivative financial assets decreased by ¥199.8 billion to ¥13.8 billion at the end of May 2016. This was due to a considerable narrowing of the gap between prevailing yen exchange rates and our currency contracts after the actual yen exchange rate at the end of May 2016 appreciated and the average yen rate on our currency contracts weakened.

Please note, however, that this item is considered under hedge accounting and does not impact our profit and loss position.

Non-current assets decreased by ¥14.8 billion year on year. The reporting of impairment losses at the end of fiscal 2015 in relation, among other things, to a poor performance from J Brand shaved ¥13.4 billion off the end-May total for intangible assets.

Liabilities increased by ¥155.4 billion at the end of May 2016. This figure includes the ¥250bln issuance of unsecured straight bonds in December 2015, as well as a ¥68.3 billion reduction in deferred tax liabilities.

Group: 1Q-3Q Cash Flow

Billions of Yen

| | Yr. to Aug 2015 3Q cumulative | Yr. to Aug 2016 3Q cumulative | Comment |
|---|----------------------------------|----------------------------------|---|
| Net cash from operating activities | + 181.1 | + 132.4 | |
| Profit before income taxes | + 210.2 | + 122.0 | Profit contribution from UNIQLO and other operations |
| Depreciation and amortization | + 27.5 | + 27.7 | |
| Working capital | + 1.9 | + 11.4 | Decrease in inventories and Increase in trade payables |
| Payment/refund of income taxes | - 52.6 | - 50.3 | |
| Net cash used in investing activities | - 60.8 | - 218.9 | |
| Decrease/(increase) in bank deposits with maturity over 3 months | - 17.3 | - 182.3 | Temporary increase in bank deposits with maturity over 3 months |
| Purchases of property, plant and equipment | - 32.4 | - 26.9 | Expansion of store network |
| Purchases of intangible assets | - 5.7 | - 6.8 | Systems investment, etc |
| Net cash used in financing activities | - 41.1 | + 203.2 | |
| Cash dividends paid | - 33.1 | - 36.6 | FY2015 year-end dividend payment of ¥175 per share FY2016 interim dividend payment of ¥185 per share |
| Proceeds from issuance of bonds | - | + 249.3 | Issuance of bonds in December 2015 |
| Effect of exchange rate changes on cash and cash equivalents | + 30.8 | - 18.0 | |
| Increase in cash & equivalents | + 110.0 | + 98.7 | |
| Cash & equivalents at beginning of period | 314.0 | 355.2 | |
| Cash & equivalents at end of period | 424.0 | 453.9 | |

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Next, I will explain our cash flow position for the first nine months of fiscal 2016.

We enjoyed a net cash inflow of ¥132.4 billion from operating activities, thanks to a ¥122.0 profit contribution from UNIQLO Japan and other Group operations.

Net cash used in investing activities totalled ¥218.9 billion in the nine months to May 2016. That figure includes a ¥182.3 billion increase in bank deposits with maturity over three months, ¥26.9 billion spent on property, plant and equipment, and ¥6.8 billion spent on acquiring intangible assets such as systems investment.

Time deposits increased by ¥182.3 billion after the Company decided to place a portion of the funds procured through its December 2015 corporate bond issue and a portion of its surplus funds into bank deposits with maturity over three months. The balance of time deposits did increase significantly compared to the previous year but these financial assets of ¥182.3 billion are considered highly liquid in practical terms.

Capital expenditure for the Fast Retailing Group totalled ¥41.7 billion in the first nine months of fiscal 2016. Of that total, ¥3.8 billion was invested in UNIQLO Japan, ¥21.0 billion was invested in UNIQLO International, ¥6.8 billion was invested in Global Brands and ¥9.9 billion was spent on systems investment, etc.

Net cash used in financing activities totalled ¥203.2 billion. This total includes ¥36.6 billion in cash dividend payments, and a net inflow of ¥249.3 billion from the 2015 corporate bond issue.

As a result, the balance of cash and cash equivalents stood at ¥453.9 billion at the end of May 2016, and, after adding time deposits of ¥199.0 billion, highly liquid financial assets totalled ¥653.0 billion.

Group: FY2016 Estimates

Revenue and operating profit unchanged

Profit attributable to owners of the parent

revised down to ¥45.0bln, due to strong yen

- Incorporates a ¥37.0bln foreign exchange loss under finance income/costs, based on end-June exchange rate of USD1 = JPY103
- Profit attributable to owners of the parent revised from ¥60.0bln to ¥45.0bln

| | Yr.to Aug 2015 | Yr.to Aug 2016 | | Yr.to Aug 2016 | | |
|--|----------------|---------------------------|--------|----------------------------|---------------|----------------|
| | Actual | Estimate (as of Apr.7) | y/y | Estimate (as of Jul.14) | y/y | v. Latest est. |
| Revenue | 1,681.7 | 1,800.0 | +7.0% | 1,800.0 | +7.0% | - |
| (to revenue) | 100.0% | 100.0% | | 100.0% | | |
| Business profit | 176.6 | 150.0 | -15.1% | 150.0 | -15.1% | - |
| (to revenue) | 10.5% | 8.3% | -2.2 p | 8.3% | -2.2 p | |
| Operating profit | 164.4 | 120.0 | -27.0% | 120.0 | -27.0% | - |
| (to revenue) | 9.8% | 6.7% | -3.1 p | 6.7% | -3.1 p | |
| Finance Income, costs | 16.2 | -17.5 | - | -37.0 | - | -19.5 |
| Profit before income taxes | 180.6 | 102.5 | -43.3% | 83.0 | -54.1% | -19.5 |
| (to revenue) | 10.7% | 5.7% | -5.0 p | 4.6% | -6.1 p | |
| Profit attributable to owners of the parent | 110.0 | 60.0 | -45.5% | 45.0 | -59.1% | -15.0 |
| (to revenue) | 6.5% | 3.3% | -3.2 p | 2.5% | -4.0 p | |

Billions of Yen

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I would now like to explain our consolidated business estimates for fiscal 2016, or the 12 months ending August 31, 2016.

Consolidated business performance over the nine months to May 2016 was better than expected thanks to a stronger-than-expected improvement at UNIQLO Japan. UNIQLO International and Global Brands performed to plan. However, we have decided not to change our most recent forecasts for full-year consolidated revenue, business profit and operating profit.

However, we have revised up the expected full-year foreign exchange loss recorded under finance income/costs to ¥37.0 billion, based on the end June exchange rate of 1USD=103JPY.

As a result, we have revised down our full-year forecast for profit attributable to owners of the parent from the most recent estimate of ¥60.0 billion to ¥45.0 billion.

FY2016 Estimates by Operation

UNIQLO Japan: 2H OP to rise, full-year OP to contract

- 3Q strong on higher-than-expected gross profit margin and cost cuts
- Despite expected impairment loss on stores of approx. ¥2.0bln in 4Q, 2H OP expected to rise on improved gross profit margin and SG&A ratios
- Given large 1H profit fall, expect full-year revenue to rise and profit to fall

UNIQLO Intl.: 2H revenue and OP up, full-year revenue up, OP down

- Expect favorable conditions to continue in 4Q, with profit gains in Greater China, SE Asia & Oceania, and Europe. Expect UNIQLO USA loss to shrink despite approx. ¥4.0bln impairment loss on stores
- Expect continued severe business conditions in South Korea
- Given large 1H profit fall, expect full-year revenue to rise and profit to fall

Global Brands: Business profit set to rise on GU strength, but OP expected to fall on reporting of impairment losses

- GU: To continue strong and report significant full-year revenue and OP gains
- Theory: 4Q OP expected to rise. Full-year revenue and profit both set to rise
- Comptoir des Cotonniers: Expect heavier 4Q loss, and a full-year loss
- Princesse tam.tam: Expect another full-year loss in line with previous year
- J Brand: 4Q loss to swell full-year loss. To report ¥15.0bln impairment loss

Next, I would like to run through our expectations for fiscal 2016 business trends by group operation.

At UNIQLO Japan, we noted a stronger-than-expected improvement in the gross profit margin and business cost ratios in the three months from March to May 2016. While we are scheduled to report store-related impairment losses of ¥2.0 billion in the fourth quarter from June to August 2016, we expect continued improvements in gross profit margins and business cost ratios will generate a rise in operating profit in the second half of fiscal 2016. However, in light of the significant profit decline in the first half, we expect full-year revenue of UNIQLO Japan to expand and operating profit to contract.

We expect further improvements in fourth-quarter performance at UNIQLO International will generate year-on-year revenue and profit gains for the second half. In the fourth quarter, we forecast profits will rise at UNIQLO Greater China, Southeast Asia & Oceania, and Europe. While we do plan to record an impairment loss of ¥4.0 billion related to store closures in the United States, we also expect losses at UNIQLO USA will continue to shrink in the fourth quarter. Meanwhile, we expect business conditions will continue to be severe in South Korea. Given the sharp profit decline in the first half, we expect UNIQLO International will report rising revenue and falling profit for the full business year through end August 2016.

Looking finally at our Global Brands segment, We expect business profit will rise in fiscal 2016 on continued GU strength, but operating profit is expected to decline on the back of growing losses at Comptoir des Cotonniers and impairment losses of ¥15.0 billion at J Brand. We expect a continued strong fourth-quarter performance from our GU brand will generate significant revenue and profit gains for the label in fiscal 2016. Our Theory label is expected to generate a rise in profit in the fourth quarter, and rises in both revenue and profit for the full fiscal year. Our France-based Comptoir des Cotonniers label is expected to suffer growing losses in the fourth quarter, generating a loss for the full business year as well. Princesse tam.tam is expected to post a steady loss, in line with the previous year's level. Our J Brand premium denim label is expected to post further losses in the fourth quarter, and a wider loss for the fiscal year as a whole, including ¥15.0 billion in impairment losses.

FY2016 Group Estimates: 2H & Full-year

| | 2H Estimates | | | Full-year Estimates | |
|-----------------------------|-----------------|-------------------------------|------------------|---------------------|------------------|
| | Business profit | Impairment Losses | Operating profit | Business profit | Operating profit |
| UNIQLO Japan | Rise | Stores Approx. ¥2.0bln | Rise | Fall | Fall |
| UNIQLO International | Rise | USA stores Approx. ¥4.0bln | Rise | Fall | Fall |
| Global Brand | Rise | J Brand Approx. ¥15.0bln | Fall | Rise | Fall |

| UNIQLO Intl. approx. store openings | |
|-------------------------------------|------------|
| Greater China | 100 |
| South Korea | 20 |
| Southeast Asia and Oceania | 40 |
| USA | 7 |
| Europe | 10 |
| Total | 177 |

| Global Brands store openings | |
|------------------------------|-----------|
| GU | 50 |
| Theory | 28 |
| CDC | 7 |
| PTT | 3 |
| Total | 88 |

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Slide 25 shows our second half and full-year forecasts and store-opening plans for fiscal 2016 by Group operation.

As for our dividend policy, in addition to the ¥185 interim dividend payment that has already been settled, we intend to pay a year-end dividend of ¥165 per share, bringing the scheduled fiscal 2016 annual dividend to ¥350.

10 Millions Ways to Help Project

Collected 12.81 million items by June 2016

10
MILLION
THANKS



Grandmother with grandson
Kyrgyzstan

Finally, I would like to tell you about a significant achievement in our social activities.

We set a target to collect 10 million items of used clothing in time for Global Refugee Day on June 20, 2016, as part of our 10 Million Ways to Help project to deliver clothing aid to refugees and displaced persons around the world. We are happy to announce that we had actually collected 12.81 million items by the end of June 2016.

We are truly grateful to all who helped achieve this target, from customers, who brought their second-hand UNIQLO and GU clothing into our stores for recycling, to business partners and educational institutions, who organized their own clothing drives in support of our project.

On that note, I'd like to end this presentation on the Fast Retailing Group's performance in the first nine months of fiscal 2016, and estimates for the full business year through August 31, 2016. The remaining three slides are provided for your reference. Thank you.

Reference Store Numbers by Group Company

| [Units: Stores] | FY2015 Yr-end | FY2016 3Q Result (Sep. - May) | | | |
|-----------------------------|------------------|-------------------------------|------------|-------------|--------------|
| | | Open | Close | Change | End May |
| UNIQLO Operations | 1,639 | 179 | 44 | +135 | 1,774 |
| UNIQLO Japan | 841 | 36 | 31 | 5 | 846 |
| Own stores | 811 | 27 | 31 | -4 | 807 |
| Large-scale | 208 | 7 | 9 | -2 | 206 |
| Standard and others | 603 | 20 | 22 | -2 | 601 |
| Franchise stores | 30 | 9 | 0 | +9 | 39 |
| UNIQLO International | 798 | 143 | 13 | +130 | 928 |
| China | 387 | 68 | 6 | +62 | 449 |
| Hong Kong | 25 | 0 | 0 | 0 | 25 |
| Taiwan | 55 | 8 | 0 | +8 | 63 |
| Korea | 155 | 18 | 2 | +16 | 171 |
| Singapore | 23 | 1 | 0 | +1 | 24 |
| Malaysia | 25 | 9 | 0 | +9 | 34 |
| Thailand | 23 | 9 | 0 | +9 | 32 |
| Philippines | 23 | 7 | 0 | +7 | 30 |
| Indonesia | 8 | 1 | 0 | +1 | 9 |
| Australia | 6 | 5 | 0 | +5 | 11 |
| USA | 42 | 6 | 4 | +2 | 44 |
| UK | 9 | 1 | 0 | +1 | 10 |
| France | 8 | 2 | 0 | +2 | 10 |
| Russia | 8 | 4 | 1 | +3 | 11 |
| Germany | 1 | 2 | 0 | +2 | 3 |
| Belgium | 0 | 2 | 0 | +2 | 2 |
| Global Brands | 1,339 | 87 | 60 | +27 | 1,366 |
| GU | 319 | 49 | 16 | +33 | 352 |
| Theory ※ | 504 | 28 | 10 | +18 | 522 |
| Comptoir des Cotonniers ※ | 368 | 7 | 22 | -15 | 353 |
| Princesse tam.tam ※ | 145 | 3 | 10 | -7 | 138 |
| J Brand | 3 | 0 | 2 | -2 | 1 |
| Total | 2,978 | 266 | 104 | +162 | 3,140 |

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

Reference
FY2016 Store Plans by Group Operation

| [Unit: Stores] | FY2015 Yr-end | FY2016 Estimate | | | |
|--------------------------|------------------|-----------------|------------|-------------|--------------|
| | | Open | Close | Change | Yr-end |
| UNIQLO Operations | 1,639 | 217 | 50 | +167 | 1,806 |
| UNIQLO Japan ※ | 841 | 40 | 35 | +5 | 846 |
| UNIQLO International | 798 | 177 | 15 | +162 | 960 |
| Global Brands ※ | 1,339 | 88 | 70 | +18 | 1,357 |
| Total | 2,978 | 305 | 120 | +185 | 3,163 |

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

※Includes franchise stores

Forex, Capex, Depreciation

Exchange Rates used in Consolidated Accounts

Yen

| | 1USD | 1EUR | 1GBP | 1RMB | 100KRW |
|--|-------|-------|-------|------|--------|
| Yr to Aug. 2016 9 mths average to May 2016 | 118.0 | 130.3 | 174.4 | 18.2 | 10.0 |
| Yr to Aug. 2015 9 mths average to May 2015 | 115.3 | 137.5 | 180.2 | 18.6 | 10.7 |
| Yr to Aug. 2016 Exchange rate full year Avg. to Aug. 2016 (Est.) | 114.3 | 126.3 | 165.4 | 17.5 | 9.8 |
| Yr to Aug. 2015 Exchange rate full year Avg. to Aug. 2015 (Actual) | 117.3 | 137.1 | 183.1 | 18.9 | 10.7 |

Capex and Depreciation

Billions of Yen

| | Capital spending | Depreciation |
|---|------------------|--------------|
| Yr to Aug. 2016 9 mths to May 2016 (Actual) | 41.7 | 27.7 |
| Yr to Aug. 2016 9 mths to May 2015 (Actual) | 48.0 | 27.5 |
| Yr to Aug. 2016 Full year (Estimate) | 64.0 | 40.3 |
| Yr to Aug. 2015 Full year (Actual) | 62.4 | 37.7 |

Breakdown of capital expenditure

FY2015 1Q-3Q: UNIQLO Japan: ¥7.8bln, UNIQLO Intl.: ¥26.8, Global Brands: ¥7.6bln, Systems: ¥5.7bln

FY2016 1Q-3Q: UNIQLO Japan: ¥3.8bln, UNIQLO Intl.: ¥21.0, Global Brands: ¥6.8bln, Systems: ¥9.9bln

FY2016(E): UNIQLO Japan: ¥4.2bln, UNIQLO Intl.: ¥36.7bln, Global Brands: ¥11.8bln, Systems: ¥11.3bln