

Results summary for three months to November 2008

Consolidated results

(billions of yen)

	Year to Aug 2008	Year to Aug 2009			
	1Q Actual	1Q Actual	(y/y)	Full-year Est.	(y/y)
Net Sales	160.4	188.5	(+17.5%)	627.0	(+6.9%)
Gross Profit	80.9	96.1	(+18.8%)	313.0	(+6.6%)
(to net sales)	50.4%	51.0%	(+ 0.6p)	49.9%	
SG&A Expenses	52.7	55.1	(+4.5%)	214.0	(+3.8%)
(to net sales)	32.9%	29.3%	(3.6p)	34.1%	
Operating Income	28.1	40.9	(+45.6%)	99.0	(+13.2%)
(to net sales)	17.5%	21.7%	(+ 4.2p)	15.8%	
Ordinary Income	28.3	37.0	(+31.0%)	95.0	(+10.9%)
(to net sales)	17.6%	19.7%	(+ 2.1p)	15.2%	
Net Income	15.4	22.1	(+43.6%)	50.0	(+14.9%)
(to net sales)	9.6%	11.8%	(+ 2.2p)	8.0%	

【Summary】 FR revenue and income soar in 3 months to November 2008

Consolidated revenue and income soared at the FAST RETAILING group in the first quarter or three months to November 2008. Overall net sales rose 17.5% year on year to ¥188.5bln, operating income leapt an impressive 45.6% year on year to ¥40.9bln and net income soared 43.6% year on year to ¥22.1bln.

At the mainstay UNIQLO Japan operation, existing store revenue increased by an impressive 17.7% for the first quarter, boosting operating income considerably. We were able to expand profits at UNIQLO International as planned. International business in the Asian region spanning China, Hong Kong and South Korea continued to expand favorably, and we also managed to reduce losses at our UK operation. The domestic Japan Apparel operation performed in line with expectations. Improved business management at the newly formed GOV RETAILING subsidiary helped the Japan Apparel operation post an operating profit in the three months to November 2008. However, the economic slowdown in Europe and the weakening of the Euro resulted in significant reductions in both revenue and income at our Global Brands operation.

We have revised up our consolidated business forecasts for the year to end August 2009 to reflect our increased revenue forecast for UNIQLO Japan, the reduced revenue estimate for Global Brands and a ¥4.0bln foreign exchange loss generated in the first quarter and accounted as a non-operating cost. Our revised figures for the year to end August 2009 estimate consolidated net sales will increase 6.9% year on year to ¥627.0bln, operating income will increase 13.2% year on year to ¥99.0bln and ordinary income will increase 10.9% year on year to ¥95.0bln. We have revised up our income per share estimate to 490.92 yen. However, our initial estimate for dividend per share for the year to August 2009 remains unchanged. We continue to predict a full-year dividend payment of 150 yen per share including an interim payment of 75 yen.

UNIQLO Japan

UNIQLO Japan accounts for approximately 80% of total consolidated net sales for the FAST RETAILING group. The segment generated hefty gains in both revenue and income during the first quarter to November 2008. Net sales at UNIQLO Japan rose 21.8% year on year to ¥157.3bln, while operating income jumped 51.2% year on year to ¥39.3bln. Net sales outperformed initial targets for the first quarter by ¥20.0bln and operating income by approximately ¥10.0bln. One of the key factors

underlying this stellar performance on revenue was the 17.7% increase in revenue generated by existing stores. Customer numbers increased considerably during the quarter thanks to a range of factors. Customer appreciation of UNIQLO products is certainly improving widely. Efforts to make our store displays clearer for ease of purchase proved extremely successful thanks to a greater range of in-store inventory of core basic garments. Our seasonal advertising campaigns also proved effective. Of particular note were the extremely strong sales of our revolutionary HEATTECH Innerwear range.

Factors underlying the significant increase in income at UNIQLO Japan include; increased revenue and improved gross margins (up 1.5 points year on year), and improved cost ratios (3.4 points over the same period). Building on the success of the previous quarter, we continued to strengthen control over discount sales. An early launch of autumn and winter garments also helped boost gross margins. Strong sales and improved operational efficiencies at our stores generated improvements across the board for the personnel to net sales, advertising and promotion to net sales, and store rent to net sales ratios.

Net sales continue strong into the second quarter with existing store sales in December up 10.3% year on year, and our strong first quarter performance has led us to revise up our financial estimates for UNIQLO Japan for the full business year to end August 2009. We now estimate net sales to rise 8.6% year on year to ¥502.0bln, and operating income to rise 15.7% year on year to ¥100.0bln.

New store openings were conducted according to plan with a net increase of 8 direct-run stores to 747 stores(767 stores including franchise outlets) at end November 2008 compared to end November 2007. We continue with our strategy to open new 1,600sqm+ large-format stores, and we plan to open 24 of these during the full business year to end August 2009. We do foresee a further worsening in the Japanese consumer environment going forward. However, we plan to press on with the development of more groundbreaking products, and further strengthen our sales activities focusing on advertising campaigns that have proved so successful to date.

UNIQLO International

Overall net sales at UNIQLO International rose 27.6% year on year to ¥9.0bln during the first quarter to November 2008. UNIQLO operations in Asia, including China, Hong Kong and South Korea, continue to expand favorably. Losses at the UK UNIQLO operation were further reined in. This helped generate a ¥0.5bln year-on-year improvement in UNIQLO International's operating income to ¥0.7bln.

For the full business year to August 2009 at UNIQLO International, we are predicting net sales to increase 39.7% year on year to 41.0bln and operating income of ¥1.0bln, a ¥0.3bln improvement year on year. We continue to open new stores aggressively in the Asian region including China, Hong Kong and South Korea. As announced today, we are planning to open our first UNIQLO store in Singapore in April 2009, and we are set to double the number of UNIQLO stores in Asia to 78 by the end of August 2009. We are also planning to open the UNIQLO global flagship store in Opera, Paris in autumn 2009.

Japan Apparel

Net sales at our Japan Apparel operation rose 16.9% year on year in the first quarter to ¥13.6bln. Operating income improved ¥0.4bln year on year to generate a 0.2bln operating profit. While the worsening consumer environment left women's fashion developer CABIN CO., LTD. falling somewhat short of target, performance at the newly formed GOV RETAILING subsidiary was favorable helping the Japan Apparel operation come in roughly on target for the segment as a whole. Our low-cost

casual wear G.U. brand performed strongly buoyed by the tailwind of more frugal consumer spending habits and benefiting from improved internal product development skills. G.U. enjoyed a double-digit gain in existing store sales in the first quarter through November 2008. Profitability improved at FOOTPARK footwear as the merger of operational functions generated cost savings and the ratio of in-house design shoes was increased. However, our VIEW footwear operation continues to fall short of its sales targets.

For the full year to August 2009, we estimate Japan Apparel will post net sales of ¥50.0bln (up 1.0% year on year), and an operating loss of ¥1.0bln compared to an operating loss of ¥2.8bln in the year through end August 2008. We plan to improve efficiencies at CABIN by focusing management resources on the mainstay ZAZIE and enracine brands. We continue to generate improved management efficiencies initiated by the merger of management functions under GOV RETAILING from September 1, 2008 of the three separate domestic subsidiaries G.U., ONEZONE, AND VIEWCOMPANY. We are aiming to reduce losses under GOV RETAILING for the full year through August 2009 by pressing ahead with the merger of head office functions for the three subsidiaries and reducing prime costs by unifying production and procurement under the FR group.

Global Brands

During the three months to November 2008, net sales at our Global Brands operation fell 35.5% year on year to ¥7.9bln and operating income fell 59.4% to ¥1.0bln. The operation under performed as the economic slowdown in Europe took hold and changes in the exchange rate eroded profits. Even after stripping out the effect of foreign exchange and the change in business yearend at our French lingerie PRINCESSE TAM.TAM brand, net sales at the Global Brands segment came in flat and operating income fell approximately 30% in the first quarter to November. In consideration of the tough economic environment, we have revised down our full year business forecasts for the Global Brands operation. Overall net sales for the year to August 2009 are now seen shrinking 29.1% year on year to ¥31.0bln and operating income falling 61.3% year on year to ¥3.0bln.

Revision to consolidated business estimates for year to August 2009

We have revised up our consolidated business forecasts for the year to end August 2009 to reflect an increased revenue forecast for UNIQLO Japan, a reduced revenue estimate for Global Brands and a ¥4.0bln foreign exchange loss in the first quarter accounted as a non-operating cost. Our revised figures for the year to end August 2009 estimate consolidated net sales to rise 6.9% year on year to ¥627.0bln, operating income to rise 13.2% year on year to ¥99.0bln and ordinary income to rise 10.9% year on year to ¥95.0bln. We have revised our income per share estimate to 490.92 yen. However, our initial estimate for dividend per share for the year to August 2009 remains unchanged. We continue to predict a full-year dividend payment of 150 yen per share including an interim payment of 75 yen.

Note: FAST RETAILING discloses data on its business results and offers a variety of press releases on its IR website <http://www.fastretailing.com/eng/ir/>.