

Overview of results for the nine months to May 2007 and full year forecasts

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My name is Masa Matsushita and I am an Executive Vice President at FAST RETAILING.

I would like to take you through our third quarter results, the figures for the nine months to May 2007.



【Group】 3Q PL – 9 mths to May 07

1Q~3Q
(9 months)

Net sales: ¥411.2bln (+18.8% y/y)

Operating income: ¥59.3bln (▲5.0% y/y)

Ordinary income: ¥59.5bln (▲7.2% y/y)

Billions of yen

	1Q~3Q (06/9~07/5)			3Q (07/3~07/5)		
	Actual	Prev.yr	Y/y	Actual	Prev.yr	Y/y
Net sales (to net sales)	411.2 100.0%	346.1 100.0%	+18.8%	127.0 100.0%	107.4 100.0%	+18.2%
Gross profit (to net sales)	195.0 47.4%	165.1 47.7%	+18.1% (▲0.3p)	63.4 49.9%	52.6 49.0%	+20.3% (+0.9p)
SG&A (to net sales)	135.7 33.0%	102.7 29.7%	+32.1% (+3.3p)	47.2 37.2%	35.7 33.3%	+32.0% (+3.9p)
Operating income (to net sales)	59.3 14.4%	62.4 18.0%	▲5.0% (▲3.6p)	16.1 12.7%	16.8 15.7%	▲4.3% (▲3.0p)
Ordinary income (to net sales)	59.5 14.5%	64.1 18.5%	▲7.2% (▲4.0p)	16.9 13.3%	16.9 15.8%	▲0.3% (▲2.5p)
Net income (to net sales)	31.6 7.7%	35.7 10.3%	▲11.5% (▲2.6p)	8.9 7.0%	9.1 8.5%	▲2.6% (▲1.5p)

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First, I would like to take you through FR's consolidated results for the third quarter, or nine months to May 2007.

Net sales in the nine months to May 2007 rose 18.8% to ¥411.2bln.

Operating income fell 5.0% to ¥59.3bln, ordinary income fell 7.2% to ¥59.5bln, and net income fell 11.5% to ¥31.6bln.

On the next page, I will give you some more detail on our consolidated profit and loss statement.



1Q~3Q
(9 months)

【Group】 PL - 9 months to May 07

Net sales ¥411.2bln (+18.8% y/y, +¥65.1bln)

- Domestic UNIQLO : ¥29.5bln sales increase from new and existing stores
- PETIT VEHICULE +¥6.4bln, COMPTOIR DES COTONNIERS +¥5.3bln
- Newly consolidated subsidiaries: CABIN +¥16.7bln, G.U. CO., LTD + ¥2.5bln

Gross profit on sales 47.4% (▲0.3p y/y)

- Fall in gross profit on sales at the domestic UNIQLO operation

SG&A to net sales ratio 33.0% (+3.3p y/y)

- +1.7p increase in SG&A ratio due to increase in consolidated subsidies
- +0.9p increase in SG&A ratio at domestic UNIQLO operation
- +¥2.7bln +0.7p goodwill amortization

Operating income ratio 14.4% (▲3.6p y/y)

Ordinary income ratio 14.5% (▲4.0p y/y)

First, let me take the ¥65.1bln increase in revenue producing a net sales total of ¥411.2bln.

The main reasons for the increase in revenue were an increase in sales of ¥29.5bln at our domestic UNIQLO operation, a ¥6.4bln increase in sales including a rise in revenue at the newly consolidated subsidiary at our French operation PETIT VEHICULE S.A.S., a ¥5.3bln sales increase at COMPTOIR DES COTONNIERS, and contributions from newly consolidated subsidiaries CABIN CO., LTD. and G.U. CO., LTD. of ¥16.7bln and ¥2.5bln respectively.

Our gross profit on sales slipped 0.3 points to 47.4%. This was due mainly to a fall in gross margin at the domestic UNIQLO operation in the first half of the business year.

The SG&A to net sales ratio increased 3.3 points year on year. Breaking this figure down, a 1.7 point rise was generated by an increased number of subsidiaries with comparatively high SG&A ratios. Costs at the domestic UNIQLO operation accounted for 0.9 points of the increase, and 0.7 points came from increased goodwill amortization in relation to last year's M&A activities.

Goodwill amortization rose ¥2.7bln compared to the previous year to a total of ¥3.1bln.

Taking all of the above together, the ordinary income ratio came in at 14.5%.



【UNIQLO Japan】 3Q to May 2007

UNIQLO CO., LTD.

**3Q Gross margin came in as planned,
sales fell short leading to a fall in profit**

Billions of yen

	1Q~3Q (06/9~07/5)			3Q (07/3~07/5)		
	Actual	Prev. yr	Y/y	Actual	Prev. yr	Y/y
Net sales (to net sales)	336.1 100.0%	306.5 100.0%	+9.6%	101.8 100.0%	91.9 100.0%	+10.8%
Gross profit (to net sales)	153.1 45.6%	143.9 47.0%	+6.4% (▲1.4p)	48.8 47.9%	44.0 47.9%	+10.8% (0.0p)
SG&A (to net sales)	96.8 28.8%	84.9 27.7%	+14.0% (+1.1p)	33.2 32.7%	28.3 30.8%	+17.5% (+1.9p)
Operating income (to net sales)	56.2 16.7%	58.9 19.2%	▲4.6% (▲2.5p)	15.5 15.3%	15.7 17.1%	▲1.3% (▲1.9p)

Note: From this business year, we are disclosing our domestic operation under the name of UNIQLO CO., LTD. For the purpose of comparison, for the year to August 2006, we have added actual results at the former FR parent company for September and October, and actual results from the new operator of the UNIQLO business, UNIQLO CO., LTD. from November 2005 onwards. (The internally generated figures for the domestic UNIQLO operation detailed in the 3Q results announced on July 13, 2006 include SG&A costs for the holding company FAST RETAILING CO., LTD. in order to facilitate a comparison with the year to August 2005.) Please refer to slide number 23 for more detailed figures on UNIQLO CO., LTD. performance in the year to August 2006.

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Next, I would like to talk about our domestic UNIQLO operation.

Net sales in the nine months to May 2007 rose 9.6% year on year to ¥336.1bn, while operating income fell 4.6% to ¥56.2bn.

In the three months to May 2007, we recorded an increase in revenue but a fall in profits. Net sales in the three months to May 2007 rose 10.8% year on year to ¥101.8bn, while operating income fell 1.3% to ¥15.5bn.

Gross profit in the three months to May 2007 came in roughly as planned, but given that net sales fell short of the plan by around ¥3.0bn, operating income actually fell 1.3% year on year.

3Q net sales: ¥101.8bln (+10.8% y/y)

- An increase of 32 directly-managed UNIQLO stores y/y (730 stores at end May 07) *

- Existing store sales 3Q +3.7% y/y (1Q~3Q: +3.1% y/y)

Customer Nos. +0.0% y/y

⇒ March jeans & April linen campaign products strong
Dampened by low temperatures late May

Average purchase price +3.7% y/y

⇒ Introduce high functionality, value-added products
Bottoms strong (comparatively expensive unit price)

Existing stores Y/Y change	Year to August 2007					
	1H total	March	April	May	3Q total	June
Net sales	+2.9%	+7.4%	+6.9%	▲2.1%	+3.7%	▲1.3%
Customer Nos.	+2.7%	+2.7%	+2.9%	▲4.9%	+0.0%	▲3.3%
Avg. purchase	+0.2%	+4.5%	+3.8%	+2.9%	+3.7%	+2.1%

※ Excluding the 18 franchise stores

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So, net sales at the domestic UNIQLO operation rose 10.8% in the three months to May 2007. A net increase of 32 UNIQLO stores nationwide, plus a 3.7% increase in existing store sales contributed to the gain.

In addition, we also opened 8 large-format stores in the third quarter, including two stores in our super 3,300sqm class.

The reason for the increase in existing store revenue was that, while customer numbers hovered at previous year's levels, the average purchase price per customer increased 3.7% year on year. Customer numbers had shown some increase in the early months thanks to the strong jeans campaign in March and linen campaign in April. However, cool weather set in late May and there was a delay in launching COOL BIZ environmentally conscious summer office clothing, leading to a flat result for customer numbers over the quarter as a whole.

The average purchase price per customer rose 3.7% year on year in the third quarter. Here, sales of high functionality, high value-added products of superior materials and design, were strong along with relatively expensive bottoms garments.

3Q gross profit margin : 47.9% (0.0p y/y)

- **Strengthened financial planning function**
- **Controlled manufacture, discounting**

Next, gross profit margin in the third quarter held flat year on year at 47.9%, roughly in line with expectations.

Following the fall in gross profit margin in the six months to February 2007, we worked to reform our organization in March and strengthen our financial planning function.

Thanks to this new system, we have now an even stricter control over manufacture and discounting, and this has enabled us to achieve a gross margin for the third quarter roughly in line with the plan.

3Q SG&A to net sales: 32.7% (+1.9p y/y)

- Personnel +1.1p: **Converting store staff permanent**
New graduates and recruitment costs, etc.
- Advertising +0.6p: **Increase in TV advertising, etc.**
- Rents ▲0.1p: **Increase in store rents +0.1p**
(new stores in urban buildings, shopping centers)
Fall in lease payments ▲0.2p
(Store equipment, etc.)

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Moving on next to the SG&A to net sales ratio, this increased 1.9 points, but fell below initial expectations in yen amount.

The 1.9 point increase in the ratio to net sales is due mainly to a 1.1 point increase in personnel costs. This was due to our decision to make store staff permanent, payment for new graduates and an increase in hiring.

Advertising and promotion costs rose 0.6 points on the back of an increase in TV advertising.

In addition, the overall rent to net sales ratio fell 0.1 points, as a 0.1 point rise in store rents was offset by a 0.2 point fall in lease payments.



1Q~3Q
(9 months)

【Group】 Q3 – Consolidated subsidiaries

Billions of yen

	G.U.		ONEZONE		FR FRANCE ※1	
		To net sales		To net sales	[France]	To net sales
Period	06/9~07/5		06/9~07/5		06/9~07/5	
Net sales	2.5	100.0%	15.0	100.0%	27.0	100.0%
Operating income	▲ 1.0	-	▲ 1.2	-	6.3	23.4%

	CABIN		ASPESI JAPAN		LTH	VIEWCOMPANY
		To net sales		To net sales	To net sales	To net sales
Period	06/9~07/5		06/9~07/5		06/9~07/5	06/12~07/5
Net sales	16.7	100.0%	0.5	100.0%	Equity-method Non-operating loss	Equity-method Non-operating loss
Operating income	0.1	1.1%	▲ 0.1	-	▲ 1.4 ※2	▲ 0.08 ※3

※1 COMPTOIR DES COTONNIERS, PRINCESSE TAM.TAM and other operations are included in the figures for FR FRANCE, the holding company for our French operation.

※2 We have accounted as investment income a non-operating loss of ¥1.43bln for the period of Sep 06 through May 07 generated by our equity-method affiliate LINK THEORY HOLDINGS CO., LTD.

※3 We have accounted as investment income a non-operating loss of ¥0.08bln for the six month period from Dec 06 to May 07 generated by our equity-method affiliate VIEWCOMPANY CO.,LTD.

(Breakdown: VIEWCOMPANY period PL ▲¥0.03bln, investment balance charge linked to VIEWCOMPANY stock purchase ▲ ¥ 0.05bln)

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Next, I would like to comment on performance at our major consolidated subsidiaries.

At G.U. CO., LTD. we opened 25 stores in the three months from March to May 2007 and completed our targeted 50 new store openings for the full year. However, net sales fell far short of initial projections, and the situation proved tough on the profit/loss side. While we have conducted various sales efforts such as increasing the proportion of women's garments, the g.u. brand and store visibility is still low and we have not yet been able to boost sales.

At our footwear retailer ONEZONE CORPORATION, we have continued to standardize store operations and improve business efficiency. However, although March was a strong demand period with the start of the new school year and new jobs across Japan, sales actually fell, and existing stores suffered a fall in revenue. The results was severe with ONEZONE posting an increased loss in the third quarter.

Next, moving onto performance at FR FRANCE which includes the COMPTOIR DES COTONNIERS and PRINCESSE TAM.TAM operations. Here, both sales and operating income outstripped the plan with both COMPTOIR DES COTONNIERS and PRINCESSE TAM.TAM continuing strong.

CABIN CO., LTD. disclosed first quarter results yesterday. Net sales during the nine months from September to May 2007 totaled ¥16.7bln, with an operating income of ¥0.17bln.

On our equity-method affiliates, LINK THEORY HOLDINGS conducted a one-time amortization of goodwill, etc. in the interim period related to the purchase of Schleicher Holding GmbH's Rosner brand. LINK THEORY's performance had been revised down significantly as a result, and so we have accounted an investment loss under the equity - method of ¥1.4bln. We also accounted an equity - method investment loss for ¥0.08bln at VIEWCOMPANY CO.,LTD.

Billions of yen

	UNIQLO (U.K.)		FRJS		UNIQLO USA		FRL Korea		UNIQLO H.K.	
	[UK]	To net sales	[China]	To net sales	[US]	To net sales	[Korea]	To net sales	[HK]	To net sales
Period	06/9~07/5		06/7~07/3		06/9~07/5		06/9~07/5		06/9~07/5	
Net sales	2.8	100.0%	1.9	100.0%	2.6	100.0%	3.4	100.0%	1.7	100.0%
Operating income	▲ 0.2	-	0.1	8.7%	▲ 1.1	-	0.2	8.0%	0.4	26.7%

※ In relation to our UNIQLO operation in China, we established FAST RETAILING(CHINA)TRADING CO., LTD. or FRCN in December 2006. During this business year, we have been steadily transferring our operation from the current FAST RETAILING (JIANGSU) APPAREL CO., LTD. or FRJS to the new FRCN. We plan to complete this transfer by end August 2007. The new firm FRCN results is reflected in FR consolidated results from the 3Q. The figures for our China UNIQLO operation above are the sum of performance at both FRJS and FRCN.

Next, I would like to take you through our international UNIQLO operations.

In the UK, third quarter performance came in below the plan on both the sales and profits fronts.

Our China and Hong Kong operations are both running smoothly in terms of both sales and profits, and we were able to achieve our targets.

At UNIQLO USA, Inc. sales at our global flagship store in Soho, New York continued favorably in the spring season as well, with the resultant sales and operating loss figures coming in within expectations.

Net sales at our South Korean operation rose significantly year on year, roughly in line with expectations.

Other income +¥1.9bln

- CABIN gain on sale of fixed assets +¥1.3bln
- Reversal of allowance for doubtful accounts on ONEZONE store deposits/guarantees + ¥0.2bln

Other loss ▲¥2.0bln

- Loss on sales of fixed assets, store closures (UNIQLO Japan, CABIN, etc.) ▲¥0.7bln
- Store asset impairment losses (ONEZONE, CABIN, UNIQLO USA) ▲¥0.9bln

On other income for the nine months to May 2007, we accounted an other income of ¥1.9bln and an other loss of ¥2.0bln.

The breakdown of the other income total includes a ¥1.3bln gain on the sale of fixed assets at CABIN CO., LTD., and a ¥0.2bln gain from the reversal of allowance for doubtful accounts on ONEZONE store deposits/guarantees.

The breakdown of the other loss total includes a ¥0.7bln loss on sales of fixed assets at UNIQLO Japan and CABIN related to store closure and refurbishment, and a ¥0.9bln loss due to impairment on store assets at ONEZONE, CABIN and UNIQLO USA.

	End Aug 06	End May 07	Change
Total assets	379.6	408.7	+29.0
Current assets	250.3	270.3	+20.0
Fixed assets	129.3	138.3	+9.0
Liabilities	139.1	137.9	▲1.1
Net assets	240.4	270.7	+30.2

Next, I will explain our consolidated balance sheet at the end of May 2007.

Compared to end August 2006, current assets rose ¥20.0bln, fixed assets rose ¥9.0bln, and total assets rose ¥29.0bln to ¥408.7bln.



【Group】BS main issues (v. end Aug 06)

Cash and equivalents, marketable securities ▲¥5.7bln (¥147.1bln⇒¥141.4bln)
– 【UNIQLO Japan etc.】 Store investment, dividend & corporate tax payment timing

Increase in inventory +¥8.6bln (¥42.8bln ⇒ ¥51.5bln)
– 【UNIQLO Japan】 +¥6.3bln (+¥8.0bln y/y) 【G.U.】 +¥0.7bln

Increase in tangible assets +¥6.4bln (¥29.8bln ⇒ ¥36.3bln)
– 【UNIQLO Japan】 +¥2.7bln 【UNIQLO USA】 +¥1.2bln 【G.U.】 +¥0.9bln

Increase in deposit and guarantees +¥3.1bln (¥29.6bln ⇒ ¥32.7bln)
– 【UNIQLO Japan】 +¥2.1bln

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First on current assets, total cash and equivalents and marketable securities fell ¥5.7bln compared to end August 2006. This resulted from a temporary dip in the pace of increase of operating cash flow resulting from store capital investment, due dividend payments, and the timing of corporate tax payments.

Next, inventory rose ¥8.6bln compared to end August 2006. Breaking this figure down, inventory at the domestic UNIQLO increased ¥6.3bln, and the new consolidation of the G.U. subsidiary boosted inventory by 0.7bln.

Inventory at domestic UNIQLO increased ¥8.0bln year on year. This is mainly due to the increase in the number of stores and addition of best-sellers among basic items, such as jeans.

Intangible assets increased ¥6.4bln compared to end August 2006. New store openings at the domestic UNIQLO generated a ¥2.7bln increase. Increased assets totaled ¥1.2bln; the increase resulted from the store openings in New York Soho store. And new store openings at G.U. boosted assets by ¥0.9bln.

Deposit and guarantees increased ¥3.1bln. Of this total, ¥2.1bln was related to domestic UNIQLO stores.



【UNIQLO Japan】 Forecast – 6 mths to Aug 07

UNIQLO CO., LTD. Fcst - 6 mths to Aug 07 (UNCHANGED)

Billions of yen

	Yr to Aug 06	Six mths to Aug 07	
	2H Actual	Fcst (4/12 Rev.)	Y/Y
Net sales (to net sales)	178.9 100.0%	201.2 100.0%	+12.5%
Gross profit (to net sales)	83.0 46.4%	94.9 47.2%	+14.3% (+0.7p)
SG&A (to net sales)	57.4 32.1%	64.4 32.0%	+12.2% (▲0.1p)
Operating income (to net sales)	25.6 14.3%	30.4 15.1%	+18.8% (+0.8p)

Note: From the year to August 2007, we are disclosing figures for UNIQLO CO., LTD. to represent the performance of the domestic UNIQLO operation. In order to facilitate comparisons, the actual results for the year to August 2006 are derived by combining two months of actual results from the former FAST RETAILING parent company (Sep – Oct 2005) with actual results from UNIQLO CO., LTD. from November 2005 onwards. Please refer to slide number 23 for more detailed figures on UNIQLO CO., LTD. performance in the year to August 2006. 13

Moving on, I would now like to talk about our business forecasts for the full year to August 2007.

For the six months to August 2007, we expect UNIQLO CO., LTD., our domestic UNIQLO operation, to generate net sales of ¥201.2bln, and operating income of ¥30.4bln.

In the three months to May 2007, sales and profits fell below forecast, but we were able to control gross margin roughly in line with forecast.

In the fourth quarter too, we will be focusing on gross margins, and plan to change over our seasonal ranges early starting with an early introduction of our autumn range.



【UNIQLO Japan】 Forecasts – yr to Aug 2007

UNIQLO CO., LTD. Fcst - Yr to Aug 07 (UNCHANGED)

Billions of yen

	Yr Aug 06	Yr to Aug 2007	
	Actual	Fcst. (4/12 Rev.)	Y/Y
Net sales (to net sales)	393.6 100.0%	435.5 100.0%	+10.7%
Gross income (to net sales)	182.9 46.5%	199.2 45.7%	+8.9% (▲0.8p)
SG&A (to net sales)	114.0 29.0%	128.0 29.4%	+12.2% (+0.4p)
Operating income (to net sales)	68.8 17.5%	71.2 16.3%	+3.4% (▲1.2p)

Note: From this business year, we are disclosing our domestic operation under the name of UNIQLO CO., LTD. For the purpose of comparison, for the year to August 2006, we have added actual results at the former FR parent company for September and October, and actual results from the new operator of the UNIQLO business, UNIQLO CO., LTD. from November 2005 onwards. (The internally generated figures for the domestic UNIQLO operation detailed in the 3Q results announced on July 13, 2006 include SG&A costs for the holding company FAST RETAILING CO., LTD. in order to facilitate a comparison with the year to August 2005.) Please refer to slide number 23 for detailed figures on UNIQLO CO., LTD. performance year to August 2006.

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Following on, forecasts for full year forecasts at UNIQLO CO., LTD. are unchanged from the announcement on April 12. We project net sales will rise 10.7% to ¥435.5bln and operating income will rise 3.4% year on year to ¥71.2bln.

【UNIQLO Japan】 Forecast assumptions

	Yr to Aug 06			Yr to Aug 07					
	Actual			Fcst			Y/Y		
Net sales	393.6 ¥ bln			435.5 ¥ bln			+10.7%		
Existing store growth	+0.7%			+3.3%			+2.6p		
Gross profit margin									
Full year	46.5%			45.7%			▲0.8p		
1H (Actual)	46.5%			44.5%			▲2.0p		
2H	46.4%			47.2%			+0.8p		
Store nos. (direct-run)	Open	Close	Net	Open	Close	Net	Open	Close	Net
Full year	84	45	+39	75	47	+28	▲9	+2	▲11
(Store type) Large-format	4	0	+4	21	0	+21	+17	0	+17
Standard-format	71	45	+26	52	47	+5	▲19	+2	▲21
Specialty stores	9	0	+9	2	0	+2	▲7	0	▲7
1H (Actual)	44	26	+18	38	28	+10	▲6	+2	▲8
Large-format	4	0	+4	10	0	+10	+6	0	+6
Standard-format	35	26	+9	28	28	0	▲7	+2	▲9
Specialty stores	5	0	+5	0	0	0	▲5	0	▲5
2H	40	19	+21	37	19	+18	▲3	0	▲3
Large-format	0	0	0	11	0	+11	+11	0	+11
Standard-format	36	19	+17	24	19	+5	▲12	0	▲12
Specialty stores	4	0	+4	2	0	+2	▲2	0	▲2

※The small UNIQLO "ekinaka", "ekichika" booths in and around stations are included in the regular category of new direct-run stores opened.
The specialty store category includes women's underwear BODY by UNIQLO stores, and UNIQLO KIDS.

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Please refer to this slide which lists the forecast assumptions underlying the domestic UNIQLO performance.

We have not changed forecasts for existing store sales growth, projected to rise 3.9% in the six months to August 2007 and 3.3% for the full year to August.

There is no change to forecasts for a net increase of 18 stores in the second half and 28 stores for the full year.

Large-format store openings are proceeding to plan, and we forecast 21 stores for the full year to August 2007.

New stores in shopping centers, city suburbs

- Aggressive store openings in shopping centers with strong customer attraction
 - Lazona Kawasaki store, LaLa Port Toyosu store, etc.
- Demand in suburban residential areas



UNIQLO Setagaya Chitosedai

- Opened 5/25
 - On the Tokyo Loop Line, with 200 car spaces
 - Located in a suburban residential area
 - Shop floor 3,000sqm on one floor
- ⇒ **Time spent in store and average purchase price much higher than regular stores**

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I would like to take some time to talk about progress on our large-format store strategy.

As part of our reform of the domestic UNIQLO operational structure, we have strategically placed large-format stores as the growth drivers for UNIQLO. We have reviewed their location and product mix in an effort to attract more customers, boost the average purchase price per customer and expand the customer base.

First of all, on location, we have developed business in a variety of locations in recent years focusing on new store openings in large shopping centers with strong customer attraction.

As a result, we have been able to attract a steady stream of customers to our large-format stores opened this business year in public shopping centers such as Lazona Kawasaki store and LaLa Port Toyosu store, etc.

In addition, we believe that there is a potential demand for UNIQLO products in residential areas of city suburbs as well.

We opened a super 3,000sqm store in the large suburban residential area of Setagaya on May 25, 2007.

This Setagaya Chitosedai store is producing favorable sales figures, and we are noting a trend for increased time spent per customer in the store, and a 50% increase in average purchase price compared to standard-format stores.

Focusing on women's wear, core products, VMD

- Expand women's garments
- Reducing lost sales opportunity by expanding core product colors & sizes
- Suggest styles with visual merchandising (VMD)

Setagaya Chitosedai store



Women's polo shirt section



VMD at sports section

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Next, I would like to talk about the products in our large-format stores. The women's wear component is even higher than in our standard-format stores, and we have been able to reduce lost sales opportunities by expanding the colors and sizes of core products on display. We also use visual merchandising to suggest styles.

We are moving ahead with the expansion of our women's wear products as we expand the shop floor in our large-format stores to between 2 and 3 times that of our standard-format stores. For example, at our Setagaya Chitosedai store, we have expanded the women's wear display from 40 to 50% compared to our standard-format stores. As a result, it is possible to offer more inner wear, more fashionable products, and office wear that we could not fully display in our standard-format stores.

As you can see from the photo of the women's polo shirt display on the left hand side of the slide, we can also offer a more substantial range of color and size on our core products in large-format stores.

Furthermore, by using visual merchandising to the best advantages in our spacious stores, it is easier to suggest styles for each product range from sports, print T-shirts, denim, office wear, etc.

The photo on the right hand side of the slide shows the sports corner at our Setagaya Chitosedai store. Here we suggest styles for our regular DRY basic items to suit the lifestyle scenes.



【Group】Yr to Aug 07 Fcst - Consolidated subsidiaries

Billions of yen

	G.U.		ONEZONE		FR FRANC ^{※1}	
		To net sales		To net sales	[France]	To net sales
Period	06/9~07/8		06/9~07/8		06/9~07/8	
Net sales	3.5	100.0%	20.3	100.0%	34.5	100.0%
Operating income	▲1.5	-	▲1.6	-	6.5	19.0%

	CABIN		ASPESI JAPAN		LTH	VIEWCOMPANY
		To net sales		To net sales	To net sales	To net sales
Period	06/9~07/8		06/9~07/8		06/9~07/8	06/12~07/8
Net sales	22.8	100.0%	0.9	100.0%	Equity-method Non-operating loss	Equity-method Non-operating loss
Operating income	0.3	1.4%	▲0.1	-	▲2.0 ^{※2}	▲0.2 ^{※3}

※1 COMPTOIR DES COTONNIERS and PRINCESSE TAM.TAM and other operations are included in the figures for FRANCE

※2 We are expecting to account as investment income a non-operating loss of ¥2.0bln for the period of Sep 06 through August 07 generated by our equity-method affiliate LINK THEORY HOLDINGS CO., LTD.

※3 We are expecting to account as investment income a non-operating loss of ¥0.22bln for the nine month period from Dec 06 to Aug 07 generated by our equity-method affiliate VIEWCOMPANY CO., LTD.
(Breakdown: VIEWCOMPANY period PL ▲¥0.15bln, investment balance charge linked to VIEWCOMPANY stock purchase ▲¥0.07bln)

※4 We project the total amount of goodwill amortization for the year to August 2007 to be ¥4.2bln.

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Next, I would like to comment on projected performance at our major consolidated subsidiaries.

Based on the third quarter performance, we have revised our forecasts for G.U. to sales of ¥3.5bln and an operating loss of ¥1.5bln.

Going forward, we want to strengthen women's fashion products to appeal to a broader age range, as well as develop advertising and press activities, and boost brand and store visibility.

We have revised our full year forecasts for ONEZONE CORPORATION in light of the third quarter performance.

With both COMPTOIR DES COTONNIERS and PRINCESSE TAM.TAM performing well, our full year forecasts for FR FRANCE remain unchanged. We project net sales of ¥34.5bln and operating income of ¥6.5bln.

As explained at the recent results announcement, we have not changed our forecasts for CABIN CO., LTD. We project net sales of ¥22.8bln and an operating income of ¥0.3bln.

We are expecting to account a non-operating loss of ¥2.0bln as an equity method investment loss on LINK THEORY HOLDINGS.

We will be accounting an investment loss of ¥0.2bln on our equity method affiliate VIEWCOMPANY CO., LTD. for the full year to August 2007. This reflects the period loss announced by VIEWCOMPANY on June 20, and the investment balance charge arising from the VIEWCOMPANY stock purchase.



[Group]Fcst Yr to Aug 07- Overseas UNIQLO operations

(UNCHANGED)

Billions of yen

Period	UNIQLO (U.K.)		FRJS+FRCN※		UNIQLO USA		FRL Korea		UNIQLO H.K.	
	[UK]	to net sales	[China]	to net sales	[US]	to net sales	[Korea]	to net sales	[HK]	to net sales
	06/9~07/8		06/7~07/6		06/9~07/8		06/9~07/8		06/9~07/8	
Net sales	4.4	100.0%	2.3	100.0%	3.3	100.0%	4.3	100.0%	2.2	100.0%
Operating income	▲0.4	-	0.1	5.1%	▲1.3	-	0.1	3.6%	0.4	21.6%

※ We are planning to transfer our UNIQLO operation in China during the year to August 2007 from the current FAST RETAILING (JIANGSU) APPAREL CO., LTD. or FRJS to FAST RETAILING(CHINA)TRADING CO., LTD. or FRCN. For the purpose of business forecasts, we display here the sum of business forecasts for both FRJS and FRCN.

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Since our overseas UNIQLO operations are proceeding roughly as planned, we have made no changes to our full year forecasts announced in April.

The forecast for our UK operation reflects opening costs for two large-format stores in the autumn.

We are projecting an operating loss of approximately ¥1.3bln at our US operation including opening costs for the New York Soho store.

There is an increasing possibility that our China and South Korean operations could exceed forecasts given their continued strong performance.

Billions of yen

	Yr Aug 06	Yr to Aug 07		Yr to Aug 2007		
	Actual	Former Fcst. (4/12 Rev.)	Y/y	Fcst. (7/12 Rev.)	Y/y	v. Former Fcst.
Net sales (to net sales)	448.8 100.0%	538.2 100.0%	+19.9%	535.1 100.0%	+19.2%	▲0.6%
Gross profit (to net sales)	212.4 47.3%	255.3 47.4%	+20.2% (+0.1p)	253.9 47.5%	+19.6% (+0.2p)	▲0.5% (+0.1p)
SG&A (to net sales)	142.0 31.7%	181.9 33.8%	+28.0% (+2.1p)	181.8 34.0%	+28.0% (+2.3p)	▲0.0% (+0.2p)
Operating income (to net sales)	70.3 15.7%	73.4 13.6%	+4.4% (▲2.0p)	72.1 13.5%	+2.6% (▲2.2p)	▲1.8% (▲0.1p)
Ordinary income (to net sales)	73.1 16.3%	72.1 13.4%	▲1.4% (▲2.9p)	70.7 13.2%	▲3.3% (▲3.1p)	▲1.9% (▲0.2p)
Other income (to net sales)	▲0.3 ▲0.1%	▲0.5 ▲0.1%	- (▲0.0p)	▲0.5 ▲0.1%	- (▲0.0p)	- (+0.0p)
Net income (to net sales)	40.4 9.0%	38.1 7.1%	▲5.6% (▲1.9p)	36.8 6.9%	▲8.8% (▲2.1p)	▲3.5% (▲0.2p)

Note: 【Group】 Yr to Aug 2006 Actual: Capex ¥16.2bln, depreciation ¥5.4bln
Yr to Aug 2007 Fcst: Capex ¥18.0bln, depreciation ¥6.0bln

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Given the changes to subsidiary forecasts that I have just outlined, our full year forecasts for the consolidated FR group are as follows:

Net sales to increase 19.2% to ¥535.1bln,

Operating income to rise 2.6% to ¥72.1bln,

Ordinary income to fall 3.3% to ¥70.7bln,

And net income to fall 8.8% to ¥36.8bln year on year.

Dividend

Year to Aug 2007 - Planned annual dividend ¥140

	Yr to August 2006 (Actual)			Yr to August 2007 (Fcst)		
		Interim	Yr-end		Interim (Actual)	Yr-end (Fcst) ※
Dividend per share	130 yen	65 yen	65 yen	140 yen	70 yen	70 yen

※ The dividend amount could change in the case of large fluctuations in business performance, access to funds.

There is no change to our projected annual dividend of 140 yen for the year to August 2007.



<Reference> Store numbers by subsidiary

【Unit: Stores】	2006 End Aug	2007 End Feb	Nine months to May 2007						Yr to Aug 2007				
			3Q (07/3~5)			1Q~3Q (06/9~07/5)			End	Full year forecasts			End
			Open	Close	Net	Open	Close	Net		Open	Close	Net	
Total UNIQLO stores	750	770	32	14	+18	82	44	+38	788	92	52	+40	790
UNIQLO Japan	720	731	29	12	+17	68	40	+28	748	76	47	+29	749
Direct-run※1	703	713	29	12	+17	67	40	+27	730	75	47	+28	731
Large-format	7	17	8	0	+8	18	0	+18	25	21	0	+21	28
Standard-format	687	687	19	12	+7	47	40	+7	694	52	47	+5	692
Specialty stores	9	9	2	0	+2	2	0	+2	11	2	0	+2	11
Franchise	17	18	0	0	0	1	0	+1	18	1	0	+1	18
UNIQLO Overseas	30	39	3	2	+1	14	4	+10	40	16	5	+11	41
UK	8	9	3	1	+2	4	1	+3	11	4	1	+3	11
China※2	7	9	0	0	0	2	0	+2	9	2	0	+2	9
USA	4	5	0	1	▲1	3	3	0	4	3	4	▲1	3
South Korea	10	14	0	0	0	4	0	+4	14	4	0	+4	14
Hong Kong	1	2	0	0	0	1	0	+1	2	3	0	+3	4
G.U. CO., LTD.	—	25	25	0	+25	50	0	+50	50	50	0	+50	50
ONEZONE CORPORATION	330	329	6	1	+5	20	16	+4	334	20	19	+1	331
COMPTOIR DES COTONNIER	244	274	22	0	+22	54	2	+52	296	59	2	+57	301
PRINCESSE TAM.TAM ※2	100	107	14	0	+14	23	2	+21	121	32	2	+30	130
CABIN CO., LTD.	201	213	7	3	+4	28	12	+16	217	28	13	+15	216
ASPESI	7	9	3	0	+3	5	0	+5	12	5	0	+5	12
TOTAL	1,632	1,727	109	18	+91	262	76	+186	1,818	286	88	+198	1,830

※1 The small UNIQLO "ekinaka", "ekichika" booths in and around stations are included in the standard category of new stores. And the specialty store category includes women's underwear BODY by UNIQLO stores, and uniqlo KIDS.

※2 Due to differing business year ends, the full year to August 2006 data equates to the end June figure for the UNIQLO China operation and PRINCESSE TAM.TAM, and the 3Q data equates to end March figure for the same two operations.

Finally, for reference, please see these slides detailing:

- new store openings across the FR group,
- UNIQLO CO., LTD. performance figures for the year to August 2006 compiled for each results announcement.

That completes this presentation on FAST RETAILING's results for the nine months to May 2007 and full year forecasts for the year to August 2007.

Thank you.



<Reference>

UNIQLO CO., LTD. year to Aug 06

Billions of yen

	UNIQLO CO., LTD. performance yr to Aug 2006			
	Q1	Interim	Q3	Full year
Net sales (to net sales)	109.4 100.0%	214.6 100.0%	91.9 100.0%	393.6 100.0%
Gross profit (to net sales)	51.7 47.3%	99.8 46.5%	44 47.9%	182.9 46.5%
SG&A (to net sales)	28.8 26.4%	56.6 26.4%	28.3 30.8%	114.0 29.0%
Operating income (to net sales)	22.9 21.0%	43.2 20.1%	15.7 17.1%	68.8 17.5%