FAST RETAILING

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Business results for the year to August 2007 and forecasts for year to August 2008

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Hello, my name is Makoto Yoshitaka and I am Senior Vice President and CFO of FAST RETAILING.

I would like to take you through the full year results through end August 2007, and also our outlook for the year to end August 2008.

Contents

【 Notes on the display of group operations in this documentation 】

※ The structure of each group operation is as outlined below.

UNIQLO Japan operation: Figures for UNIQLO CO., LTD. are displayed.

UNIQLO International operation: Includes UNIQLO operations in UK, USA, China, Hong Kong, South Korea & France.

Japan Apparel operation: Refers to non-UNIQLO apparel retailers developed mainly for the Japanese market.

This includes G.U. CO., LTD., ONEZONE CORPORATION, CABIN CO., LTD., ASPESI JAPAN, and equity method affiliate VIEWCOMPANY CO., LTD.

Global Brands operation: Refers to non-UNIQLO brands already being developed globally or with the potential for global development.

This includes FR FRANCE (COMPTOIRS DES COTONNIERS, PRINCESSE TAM.TAM), and equity method affiliate LINK THEORY HOLDINGS CO., LTD.

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【Group】 Results for the yr to Aug 2007

Net sales: ¥525.2bln (+17.0% y/y)
Operating income: ¥64.9bln (▲7.7% y/y)
Ordinary income: ¥64.6bln (▲11.7% y/y)

Billions of yen

	Yr to Aug 06	Yr to Aug 2007			
	Actual	Latest est. (7/12 Rev.)	Actual	y/y	v. Latest fcst
Net sales	448.8	535.1	**525.2**	+17.0%	▲1.9%
(to net sales)	100.0%	100.0%	**100.0%**		
Gross profit	212.4	253.9	**248.3**	+16.9%	▲2.2%
(to net sales)	47.3%	47.5%	**47.3%**	▲0.0p	
SG&A	142.0	181.8	**183.4**	+29.1%	+0.9%
(to net sales)	31.7%	34.0%	**34.9%**	+3.2p	
Operating income	70.3	72.1	**64.9**	▲7.7%	▲10.0%
(to net sales)	15.7%	13.5%	**12.4%**	▲3.3p	
Ordinary income	73.1	70.7	**64.6**	▲11.7%	▲8.7%
(to net sales)	16.3%	13.2%	**12.3%**	▲4.0p	
Net income	40.4	36.8	**31.7**	▲21.4%	▲13.7%
(to net sales)	9.0%	6.9%	**6.1%**	▲2.9p	

First of all, I would like to explain FAST RETAILING's consolidated results for the year to end August 2007.

For the full year, net sales rose 17.0% year on year to ¥525.2 billion, but operating income fell 7.7% to ¥64.9 billion, and ordinary income fell 11.7% to ¥64.6 billion.

The next slide will take us through the factors underlying this performance.

【Group】 Why revenue up but profit down?

Net sales ¥525.2bln（＋17.0% year on year）

- **UNIQLO Japan** Due mainly to the increase in the number of stores ＋¥31.1bln
- **Increase in consolidated subsidiaries** CABIN ＋¥21.7bln, G.U. ＋¥3.5bln
- **International UNIQLO operation** ＋¥8.2bln
- **Global brands** ＋¥13.9bln

Gross profit on net sales 47.3%（0.0p y/y）

- Dip in gross profit to net sales ratio at UNIQLO Japan ▲1.1p
- Contribution from group companies with higher margin such as global brands

SG&A to net sales ratio 34.9%（＋3.2p y/y）

- **UNIQLO Japan**＋¥14.5bln **Increase in consolidated subsidiaries**＋¥17.8bln
- **Goodwill amortization** ＋¥3.1bln

Operating income ratio 12.4%（▲3.3p y/y）

Ordinary income ratio 12.3%（▲4.0p y/y）

First, our net sales increased ¥76.3bln to ¥525.2bln. That is an increase of 17.0% year on year.

The main factors behind this increase in revenue were:

-an increase in revenue of ¥31.1bln at UNIQLO Japan operation,

-a contribution of ¥21.7bln and ¥3.5bln yen from CABIN CO., LTD. and G.U. CO., LTD. respectively, both newly consolidated from this business year.

-An increase in revenue of ¥8.2bln from our UNIQLO International operation, and

-A ¥13.9bln contribution from our Global Brands operation.

The gross income to net sales ratio slipped 1.1 points year on year at the UNIQLO Japan operation. However, when you take into consideration the contribution from relatively high margin companies such as Global Brands, the group's overall gross margin held flat year on year at 47.3%.

SG&A costs rose ¥41.3bln year on year.

¥14.5bln of this total was due to increased costs at UNIQLO Japan, and ¥17.8bln arose from the increased number of consolidated subsidiaries in the group including CABIN and G.U..

Goodwill amortization rose ¥3.1bln year on year to ¥4.2bln.

As a result, operating income fell 7.7% or ¥5.3bln, and the operating income ratio dipped 3.3 points year on year to 12.4%.

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Yr to Aug 07 results by group

Billions of yen

		Yr to Aug 06	Yr to Aug 07			
		Actual	Latest est. (7/12Rev.)	Actual	y/y	v. Latest est
UNIQLO Japan	Net sales	393.6	435.5	**424.7**	+7.9%	▲2.5%
	Operating income/loss	68.8	71.2	**64.0**	▲7.1%	▲10.1%
	(to net sales)	17.5%	16.3%	**15.1%**	▲2.4p	
UNIQLO International	Net sales	8.7	16.7	**16.9**	+94.5%	+1.8%
	Operating income/loss	▲ 1.4	▲ 1.0	**▲ 1.1**	-	-
	(to net sales)					
Japan Apparel	Net sales	22.2	47.6	**46.0**	+107.0%	▲3.2%
	Operating income/loss	▲ 0.8	▲ 3.0	**▲ 3.5**	-	-
	(to net sales)					
Global Brands	Net sales	22.8	34.5	**36.7**	+60.6%	+6.5%
	Operating income/loss	4.6	6.6	**7.2**	+55.0%	+9.2%
	(to net sales)	20.3%	19.1%	**19.6%**	▲0.7p	

This slide shows total net sales and operating income broken down by individual group operation.

Taking our UNIQLO Japan operation first, net sales rose 7.9% year on year but operating income fell 7.1%.

Our UNIQLO International operation saw net sales roughly double, and the amount of red ink reduced.

Results from CABIN, G.U., ONEZONE, and ASPESI JAPAN are included in the figures for the Japan Apparel operation.

CABIN and G.U. were newly incorporated into the consolidated accounts and net sales there doubled. However, we also witnessed an expansion in operating losses.

Our Global Brands operation includes the COMPTOIRS DES COTONNIERS and PRINCESSE TAM.TAM brands.

The Global Brands produced an increase in revenue and income with the consolidation of PRINCESSE TAM.TAM in the full year accounts, and a favorable performance by the COMPTOIR DES COTONNIERS brand.

【UNIQLO Japan】 Yr to Aug 07 results

Billions of yen

	Yr to Aug 06 Actual	Latest estimate (7/12rev.)	Yr to Aug 07 Actual	Y/y	v. recent est.
Net sales	393.6	435.5	**424.7**	+7.9%	▲2.5%
(to net sales)	100.0%	100.0%	**100.0%**		
Gross profit	182.9	199.2	**192.6**	+5.3%	▲3.3%
(to net sales)	46.5%	45.7%	**45.4%**	▲1.1p	
SG&A	114.0	128.0	**128.6**	+12.7%	+0.4%
(to net sales)	29.0%	29.4%	**30.3%**	+1.3p	
Operating income	68.8	71.2	**64.0**	▲7.1%	▲10.1%
(to net sales)	17.5%	16.3%	**15.1%**	▲2.4p	

Note: From this business year, we can disclose 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 figures for the domestic UNIQLO operation detailed in the results slides announced on October 12, 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 28 in this document for more detailed figures on UNIQLO CO., LTD. performance in the year to August 2006.

Next, I would like to talk in more detail about our UNIQLO Japan operation.

As we have mentioned, the operation generated a rise in revenue but a fall in income, with net sales increasing 7.9% year on year to ¥424.7bln but operating income falling 7.1% year on year to ¥64.0bln.

The fall in profit was due to the fall in the gross income to net sales ratio in the first six months to February 07.

In the second half, we managed to achieve net sales and profit figures roughly in line with forecast in the three months to May thanks to greater control over gross margins. However, unseasonable weather patterns in the three months through August meant we were unable to fulfill our sales targets, and this resulted in a fall in overall income for the business year as a whole.

【UNIQLO Japan】 Net sales

Net sales ¥424.7bln (+7.9% y/y)

- **An increase of 27 direct-run UNIQLO stores y/y** (730 stores at end Aug 07)※
- **Existing store sales ＋1.4% y/y** (Yr to Aug 06 ＋0.7% y/y)

Customer nos ▲0.2% y/y ⇒ Disappointing summer sales due to unseasonable weather

Average purchase price ＋1.5% y/y ⇒ Favorable sales of relatively expensive bottom garments

Y/y change		Yr to Aug 07		
		1H	2H	Full year
Existing stores	Net sales	+2.9%	▲0.6%	+1.4%
	Customer Nos	+2.7%	▲3.5%	▲0.2%
	Average purchase	+0.2%	+3.0%	+1.5%

※ Excluding 18 franchise stores

Net sales at our UNIQLO Japan operation rose 7.9% year on year.

The reasons for this rise in sales were an increase in the total number of direct-run UNIQLO stores of 27 stores, and a 1.4% increase in existing store sales.

Breaking down the 1.4% rise in existing store sales, customer numbers fell 0.2%, but the average purchase per customer rose 1.5% year on year.

The total number of direct-run stores stood at 730 at the end of August 2007, a net increase of 27 stores. This total reflects 75 new stores openings (including 21 large-format stores), and 48 store closures.

The fall off in customer numbers was due in the main to unseasonable weather and a disappointing summer sale season from July onwards.

The average purchase price per customer rose 1.5% year on year. This was due to the increased purchase of relatively expensive items during the full business year including our jeans and other bottom garments.

【UNIQLO Japan】Gross profit margin

Gross profit margin 45.4% （▲1.1p y/y）

		Yr to Aug 06	Yr to Aug 07	
				Y/y
Full year		46.5%	45.4%	▲1.1p
	1H	46.5%	44.5%	▲2.0p
	2H	46.4%	46.4%	+0.0p

Our gross profit margin fell 1.1 points year on year for the full year to August 2007.

However, we believe this was affected greatly by the 2.0 point year on year fall in gross margin in the first six months through February 2007 when the warm winter resulted in increased offloading of winter inventory.

Given this experience in the first half, we tightened our control over gross profit margin in the second half by strengthening our numerical management function to better adjust the balance between production and sales.

As a result, our gross margin in the third quarter was indeed in line with expectations.

However, once into the fourth quarter, sales over the summer particularly from July onwards were weaker than expected, and we went on to offload summer inventory in August, delaying the launch of our autumn garments. In addition, there was a last minute dash to use point cards in August before the cards were finally withdrawn. These factors resulted in a fall in second half gross profit margin of roughly 1 point versus initial expectations, and a flat result compared to the same period last year.

【UNIQLO Japan】SG&A expenses

SG&A to net sales ratio 30.3% （+1.3p y/y）

- Personnel ＋0.7p：Expanded hiring, recruiting costs, increase in local permanent staff
- Advertising ＋0.2p：Increase in advertising flyers and electronic media
- Rents ＋0.2p：Higher new store rents in shopping centers & urban buildings

Billions of yen

	Yr to Aug 06 Actual	(to net sales)	Yr to Aug 07 Actual	(to net sales)	Change	(to net sales)
SG&A Total	114.0	29.0%	128.6	30.3%	+145	＋1.3p
Personnel	41.5	10.6%	47.8	11.3%	+62	＋0.7p
Advertising	18.9	4.8%	21.0	5.0%	+21	＋0.2p
Rents	29.0	7.4%	32.0	7.6%	+30	＋0.2p
Depreciation	1.9	0.5%	2.1	0.5%	+2	＋0.0p
Others	22.5	5.7%	25.4	6.0%	+28	＋0.3p

Note: The actual figures for UNIQLO CO., LTD. for the year to August 2006 are compiled using two months of figures from the former FAST RETAILING parent company (September – October 2005), and actual UNIQLO CO., LTD. figures for the remaining ten months from November onwards. The figures for the domestic UNIQLO operation displayed in the results slides announced on October 12, 2006 include SG&A costs for the FAST RETAILING CO., LTD. holding company to facilitate comparison with the previous year through end August 2005.)

SG&A costs at UNIQLO Japan increased ¥14.5bln year on year to ¥128.6bln. This result was roughly in line with initial expectations.

However, given that net sales in the second half fell short of expectations by ¥10.8bln, the SG&A to net sales ratio increased 1.3 points year on year.

Personnel costs to net sales rose 0.7 points year on year.
That increase was due to an expansion in hiring, increased recruiting costs, and the introduction of the local permanent staff system in the second half.

Our advertising & promotion costs to net sales ratio increased 0.2 points.
This was due to an increase in advertising flyers and electronic media.

The SG&A expenses were a few hundred million yen higher than the plan following the decision to make our advertising pamphlets bigger, etc. during the fourth quarter.

The rent to net sales ratio increased 0.2 points. This was affected by the larger number of new stores opened in shopping centers and urban buildings.

The other cost ratio also increased due to the extension of the period for royalty payments to the holding company from ten to twelve months.

【UNIQLO International】Yr to Aug 2007

Strengthening brand power with flagships

- ○ **USA - Success of New York global flagship store**
- ○ **UK - Anticipated costs for global flagship store set to open Nov 07**
- ○ **Asia - Favorable expansion in China, Hong Kong, and South Korea**

Billions of yen

		Yr to Aug 06	Yr to Aug 07			
		Actual	Latest est. (7/12 Rev.)	Actual	Y/y	v. Latest est.
UNIQLO International	Net sales	8.7	16.7	**16.9**	+94.5%	+1.8%
	Operating loss (to net sales)	▲ 1.4	▲ 1.0	**▲ 1.1**	-	-

※ The UNIQLO International operation includes figures from UNIQLO operations in UK, USA, China, Hong Kong, South Korea and France.

Net sales for UNIQLO International increased significantly from ¥8.7bln to ¥16.9bln, and the operating loss was also reduced.

Both the US and the UK operations ended in the red due to costs related to the opening of flagship stores. However, all operations in Asia turned a profit with sales doubling.

Please see slide number 24 for results by subsidiaries.

Taking our UNIQLO USA operation, sales at the global flagship store first opened in November 2006 continued favorable through the spring and summer season, and we boosted UNIQLO branding power effectively.

Performance for the year to August 2007 was roughly in line with expectations.

We are however closing the three stores opened in shopping malls in New Jersey by the end of the period.

At our UK operation, we experienced an expanded loss compared to the previous year due mainly to frontloading of costs related to the planned opening of our global flagship store in Oxford Street in November 2007.

Our operations in China, South Korea and Hong Kong all performed well.

Not only were we able to double our sales in each country, but we were also able to turn a profit.

Performance in Hong Kong continues to be particularly strong, generating a profit of ¥0.7bln for the full business year.

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【Japan Apparel】Yr to Aug 07

Further business restructuring

- ○ CABIN - Capitalizing UNIQLO's strengths to aid business restructuring
- ○ G.U. - Opened 50 stores, strengthening women' wear
- ○ ONEZONE - Standardized store operation, stronger in house designs

Billions of yen

		Yr to Aug 06 Actual	Latest est. (7/12 Rev.)	Actual	Y/y	v. Latest est.
Japan Apparel	Net sales	22.2	47.6	**46.0**	+107.0%	▲3.2%
	Operating loss (To net sales)	▲ 0.8	▲ 3.0	**▲ 3.5**	-	-

※1 Net sales and operating income data for the Japan Apparel operation includes figures for CABIN CO., LTD., G.U. CO., LTD., ONEZONE CORPORATION, and ASPESI JAPAN CO., LTD..

※2 We have accounted as investment income a non-operating loss of ¥0.17bln for the nine month period from Dec 06 to August 07 generated by our equity method affiliate VIEWCOMPANY CO., LTD.

Moving onto our Japan Apparel operation, while net sales doubled, losses also expanded.

We pressed ahead with our management restructuring at CABIN introducing many of UNIQLO's strengths as an SPA, or company in control of the entire process from manufacturing through retail.
A disappointing performance in the summer bargain season produced a small loss at CABIN for the year to August 2007.

We opened 50 stores for our new g.u. operation and are now looking to create a firm operational base.
In the second half we reviewed our product line up boosting the women's wear component, and we also cut costs in the areas of personnel, etc.
However, recognition of the g.u. brand remained low. Sales per store failed to take off generating an operating loss of ¥1.4bln for the year.

We standardized store operations at ONEZONE and continued to strengthen in-house design footwear. We regret that this failed to generate a recovery in sales in the second half and the subsidiary continues to make a loss.

【Global Brands】Yr to Aug 2007

Accelerate new European & Asian stores

- ○ COMPTOIRS DES COTONNIERS achieved over 30% rise in revenue
  - ・ Direct-run stores +61 y/y （305 stores at end Aug 07）
  - ・ Existing store sales +13% y/y
- ○ PRINCESSE TAM.TAM revenue up over 10%, favorable expansion

Billions of yen

		Yr to Aug 06	Yr to Aug 07			
		Actual	Latest est. (7/12 Rev.)	Actual	Y/y	v. Latest est.
Global Brands	Net sales	22.8	34.5	**36.7**	+60.6%	+6.5%
	Operating gain	4.6	6.6	**7.2**	+55.0%	+9.2%
	(to net sales)	20.3%	19.1%	**19.6%**	▲0.7p	+0.5p

※1 Net sales and operating income data for the Global Brands operation include figures for FR FRANCE S.A.S. (COMPTOIRS DES COTONNIERS, PRINCESSE TAM.TAM brands, etc.).

※2 We have accounted as investment loss a non-operating loss of ¥1.9bln for the period from September 06 to August 07 generated by our equity method affiliate LINK THEORY HOLDINGS CO., LTD..

Our Global Brands operation continues to expand favorably.

Revenue at our COMPTOIR DES COTONNIERS operation expanded over 30% year on year, with net sales and profits outstripping initial expectations.

Having increased the number of direct-run stores by 61 stores, the rate of increase in existing store revenue continues to expand, working out around 13% on a euro basis for the full business year.

Existing store sales at PRINCESSE TAM.TAM also increased by 11% year on year.

【Group】Yr to Aug 07 other income

Other income ＋¥1.9bln

- ○ Sale of CABIN fixed assets ＋¥1.4bln
- ○ Reversal of allowance for doubtful accounts on ONEZONE store deposits/guarantees ＋¥0.2bln

Other losses ▲¥3.7bln

- ○ Loss on sales of fixed assets, store closures (UNIQLO Japan, CABIN, etc.） ▲¥1.1bln
- ○ Store asset impairment losses (ONEZONE, CABIN, UNIQLO USA Inc) ▲¥1.4bln
- ○ One-time amortization of goodwill related to VIEWCOMPANY impaired stock ▲¥0.6bln

In our other income category for the year to August 2007, we accounted an other income of ¥1.9bln and an other loss of ¥3.7bln.

Breaking down the other income, ¥1.4bln of this was generated by the sale of fixed assets at CABIN, and ¥0.2bln was from the reversal of allowance for doubtful accounts on ONEZONE store deposits/guarantees.

Breaking down the other loss, store closures and store refurbishment at UNIQLO and CABIN resulted in a loss of ¥1.1bln, store asset impairment losses at ONEZONE, CABIN, and UNIQLO USA totaled ¥1.4bln, and we accounted a one-time amortization of goodwill related to VIEWCOMPANY impaired stock of ¥0.6bln.

【Group】 Balance sheet at end Aug 07

Billions of yen

	End Aug 06	End Aug 07	Change
Total assets	379.6	**359.7**	▲19.8
Current assets	250.3	**217.9**	▲32.3
Fixed assets	129.3	**141.7**	+12.4
Liabilities	139.1	**116.4**	▲22.6
Net assets	240.4	**243.2**	+2.8

Next, I would like to go through our consolidated balance sheet.

Compared to end August 2006, current assets fell ¥32.3bln, and fixed assets rose ¥12.4bln. As a result, total assets fell by ¥19.8bln to ¥359.7bln.

I will explain this position in more detail using the next slide.

【Group】 BS main points (v. end Aug 06)

Decrease in cash, cash equivalents, marketable securities
▲¥27.8bln（147.1bln ⇒ ¥119.3bln）

－【FR】Investment in CABIN ▲¥13.1bln, VIEWCOMPANY ▲¥2.2bln
－ Increased corporate tax payments, etc. ▲¥18.8bln

Increase in Inventory assets ＋¥12.3bln（¥42.8bln ⇒ ¥55.1bln）
－【UNIQLO Japan】 ＋¥8.9bln 【UNIQLO International】 ＋¥2.3bln
－【G.U.】 Newly consolidated ＋¥0.7bln

Increase in tangible assets ＋¥7.4bln（¥29.8bln ⇒ ¥37.3bln）
－Store increases【UNIQLO Japan】＋¥2.6bln 【UNIQLO International】＋¥3.7bln

Cash, cash equivalents and marketable securities fell ¥27.8bln compared to end August 2006.

The main factors here were a ¥13.1bln investment in CABIN stock, a ¥2.2bln of VIEWCOMPANY stock, and a ¥18.8bln increase in corporate tax payments, etc.

Inventory assets increased ¥12.3bln compared to end August 2006.

Inventory assets at UNIQLO Japan increased ¥8.9bln, inventory assets at UNIQLO International (mainly the UK and US operations) increased ¥2.3bln, and the incorporation of the G.U. subsidiary into the consolidated accounts also boosted the inventory asset total.

Tangible assets increased ¥7.4bln compared to end August 2006.

The increase in new stores at UNIQLO Japan boosted tangible assets by ¥2.6bln, with the increase in new stores at UNIQLO International also generating a rise in tangible assets of ¥3.7bln. The UK operation accounted for ¥2.2bln, and the US operation accounted for ¥1.0bln of this increase.

【Group】Forecasts for yr to Aug 08

Billions of yen

	Yr to Aug 07	Yr to Aug 08	
	Actual	Forecast	Y/y
Net sales	525.2	**570.0**	＋8.5%
(to net sales)	100.0%	100.0%	
Gross profit	248.3	**273.6**	＋10.2%
(to net sales)	47.3%	48.0%	(＋0.7p)
SG&A	183.4	**200.8**	＋9.5%
(to net sales)	34.9%	35.2%	(＋0.3p)
Operating income	64.9	**72.8**	＋12.1%
(to net sales)	12.4%	12.8%	(＋0.4p)
Ordinary income	64.6	**72.8**	＋12.8%
(to net sales)	12.3%	12.8%	(＋0.5p)
Other income	▲ 1.8	**▲1.5**	-
(to net sales)	-	-	-
Net income	31.7	**38.8**	＋22.1%
(to net sales)	6.1%	6.8%	(＋0.7p)

（Note）【Group】 Forecast for year to Aug 08: Capex ¥20.0bln, Depreciation ¥8.0bln

I would now like to move on to talk about our outlook for the full year to end August 2008.

Consolidated full year sales are expected to rise 8.5% to ¥570.0bln, ordinary profit is forecast to increase 12.8% year on year to ¥72.8bln, and net profit is expected to rise 22.1% to ¥38.8bln.

Yr to Aug 08 outlook for each operation

Billions of yen

		Yr to Aug 07 Actual	Yr to Aug 08 Fcst	Y/y
UNIQLO Japan	Net sales	424.7	**448.0**	+5.5%
	Operating income/loss	64.0	**71.0**	+10.9%
	(to net sales)	15.1%	**15.8%**	+0.7p
UNIQLO International	Net sales	16.9	**30.0**	+76.5%
	Operating income/loss	▲ 1.1	**▲ 0.4**	-
	(to net sales)			
Japan Apparel	Net sales	46.0	**47.0**	+2.1%
	Operating income/loss	▲ 3.5	**▲ 1.7**	-
	(to net sales)			
Global Brands	Net sales	36.7	**430.0**	+16.4%
	Operating income/loss	7.2	**7.4**	+3.2%
	(to net sales)	19.5%	**17.3%**	▲2.2p

Next, I would like to talk about business forecasts for each of the individual operational groups within the FR group.

As we continue to promote our group management, we are now managing performance by group operation. Going forward, with the increased number of group subsidiaries, we will issue forecasts and actual performance results by group operation rather than individual subsidiaries.

We forecast both revenue and income to increase at our UNIQLO Japan operation.

We are expecting an increase in revenue of over 70% year on year, and a reduced operating loss at our UNIQLO International operation.

We are predicting a reduced loss at our Japan Apparel operation as we aim to improve profitability at each individual subsidiary.

We are predicting a continued increase in revenue and income for our Global Brands operation.

Goodwill amortization is expected to total ¥4.6bln for the full business year, an increase of ¥0.4bln as CABIN becomes a 100% FR group subsidiary.

【UNIQLO Japan】Forecasts for yr to Aug 08

Controlling gross profit margin & SG&A

Billions of yen

	Yr to Aug 07 Actual	Yr to Aug 08 Forecast	Yr to Aug 08 Y/y
Net sales	424.7	**448.0**	＋5.5%
(to net sales)	100.0%	100.0%	
Gross profit	192.6	**204.8**	＋6.3%
(to net sales)	45.4%	45.7%	(＋0.3p)
SG&A	128.6	**133.8**	＋4.0%
(to net sales)	30.3%	29.9%	(▲0.4p)
Operating income	64.0	**71.0**	＋10.9%
(to net sales)	15.1%	15.8%	(＋0.7p)

※ The figures are the figures for UNIQLO CO., LTD.

At UNIQLO Japan, we are forecasting sales for the full year to rise 5.5% year on year to ¥448.0bln, and operating income to rise 10.9% to ¥71.0bln.

We plan to generate this increase in both revenue and income by improving gross margins and SG&A expenses.

【UNIQLO Japan】 Assumptions

	Yr to Aug 07			Yr to Aug 08					
	Actual			Fcst			Y/y		
Net Sales	424.7 ¥bln			448.0 ¥bln			+5.5%		
Existing store growth									
Full year	+1.4%			▲1.0%			▲2.4p		
1H	+2.9%			▲1.9%			▲4.8p		
2H	▲0.6%			+0.2%			+0.8p		
Gross profit margin									
Full year	45.4%			45.7%			+0.3p		
1H	44.5%			45.5%			+1.0p		
2H	46.4%			46.0%			▲0.4p		
Store nos.(direct-run)	Open	Close	Net	Open	Close	Net	Open	Close	Net
Full year	75	48	+27	84	47	+37	+9	▲1	+10
(Store type) Large-format	21	0	+21	40	0	+40	+19	0	+19
Standard-format etc.	52	47	+5	40	47	▲7	▲12	0	▲12
Specialty stores	2	1	+1	4	0	+4	+2	▲1	+3
1H	38	28	+10	32	22	+10	▲6	▲6	0
Large-format	10	0	+10	10	0	+10	+0	0	0
Standard-format etc.	28	28	+0	20	22	▲2	▲8	▲6	▲2
Specialty stores	0	0	+0	2	0	+2	+2	0	+2
2H	37	20	+17	52	25	+27	+15	+5	+10
Large-format	11	0	11	30	0	+30	+19	0	+19
Standard-format etc.	24	19	+5	20	25	▲5	▲4	+6	▲10
Specialty stores	2	1	+1	2	0	+2	0	▲1	+1

※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.

As parameters for the business forecasts at our UNIQLO Japan operation, the rate of change in existing store sales is expected to be minus 1.0% for the full year, with a minus 1.9% year-on-year prediction for the first six months to February 2008 (compared to the high 2.9% increase in the first six months to February 2007), and a 0.2% increase predicted for the remaining six months to August 2008.

We are predicting an increase in total direct-run stores of 37 stores.

We will continue to increase the size of our individual stores through scrap and build, with new store openings focusing on the large-format type mainly within commercial shopping facilities.

We are predicting a gross profit margin of 45.7% for the full business year, a 0.3 point improvement compared to the previous year.

We are forecasting an improvement of 1.0 point year on year in the first six months to February 2008 on the back of better coordination between sales and production, and greater control over discounting.

We are predicting a 0.4 point year-on-year fall in gross margin in the six months to August 2008 as an appropriate level on balance with the level of sales. That prediction reflects the squeeze on sales generated by the severe management of gross margin in the second half of the year to August 2007.

【UNIQLO International】Yr to Aug 08 outlook

Continue flagship store strategy

- ○UK - Boost brand visibility by opening global flagship store
- ○USA - Make a profit at New York global flagship store
- ○China, Hong Kong - Maintain trend for rising revenue, rising income
- ○South Korea - Double sales through aggressive store opening, maintain operating income at previous years levels

Billions of yen

		Yr to Aug 07 Actual	Yr to Aug 08 Forecast	Y/y
UNIQLO International	Net sales	16.9	30.0	+76.5%
	Operating income (to net sales)	▲ 1.1	▲ 0.4	－

※ The UNIQLO International operation includes figures from UNIQLO operations in UK, USA, China, Hong Kong, South Korea and France.

We are predicting net sales to increase 76% year on year to ¥30.0bln at our UNIQLO International operation. And the operating loss is expected to shrink from ¥1.1bln to ¥0.4bln.

Our aim is to increase brand visibility with the scheduled opening of our global flagship store in the UK on November 7, 2007.
We expect net sales at the UNIQLO UK operation to roughly double along with the consecutive opening of a global flagship store and a large-format store on Oxford Street. But the operating loss is expected to expand marginally due to new store opening costs.

At UNIQLO USA, we are planning to make our New York SOHO global flagship store profitable on a single store basis within this year, but the operation as a whole is expected to post a loss of a few hundred million yen when head office maintenance costs are taken into account.

At our China UNIQLO operation, we are planning to open 6 stores in Beijing and Shanghai area, and 3 stores in Hong Kong. We are looking to use the large-format stores to strengthen our brand recognition in the Beijing and Shanghai areas. And at the same time, we are planning to use the successful Hong Kong model to boost the appeal of the UNIQLO brand for Chinese customers with their big consumer appetite.

We are planning to open 6 stores (including some large-format stores) in South Korea. Net sales are expected to roughly double, but store opening costs are expected to cap operating income at roughly the same level as the previous year.

We are planning to open an antenna shop in La Defense, Paris in early December, and we are beginning preparations to open a global flagship store in Paris.

【Japan Apparel】Outlook for yr to Aug 08

Need swift improvement in profitability

- CABIN - Aim to turn a profit through high efficiency management
- G.U. - Reduce operating loss with FR group-backed PR
- ONEZONE - Continue scrap & build to improve profitability

Billions of yen

		Yr to Aug 07 Actual	Yr to Aug 08 Forecast	Yr to Aug 08 Y/y
Japan Apparel	Net sales	46.0	47.0	+2.1%
	Operating loss (to net sales)	▲ 3.5	▲ 1.7	−

※1 Net sales and operating income data for the Japan Apparel operation includes figures for CABIN CO., LTD., G.U. CO., LTD., ONEZONE CORPORATION, and ASPESI JAPAN CO., LTD..

※2 We are expecting to account as investment income a non-operating income of ¥0.00bln for the period from Sep 07 to August 08 generated by our equity method affiliate VIEWCOMPANY CO., LTD.

We are forecasting net sales at the Japan Apparel operation of ¥47.0bln, and an operating loss of ¥1.7bln.

We are expecting to complete the radical transformation of CABIN CO., LTD. begun last year, including a reorganizing of the brands. And we are aiming to take that subsidiary into the black this business year.

We are looking to maintain the 50-store network at G.U., conducting PR to boost store visibility and expand sales per store.

We expect the operating loss generated in the year to August 2007 to reduce by half in this business year.

We are looking to improve profitability at ONEZONE CORPORATION by slimming down the head office, and proceeding to restructure and relocate less profitable stores.

【Global Brands】Outlook for yr to Aug 08

Further accelerate globalization

- Open 40 COMPTOIRS DES COTONNIERS stores in EU
- Strengthen base for PRINCESSE TAM.TAM in French market

Billions of yen

		Yr to Aug 07 Actual	Yr to Aug 08 Forecast	Y/y
Global brands	Net sales	36.7	43.0	+16.4%
	Operating income	7.2	7.4	+3.2%
	(to net sales)	19.5%	17.3%	▲2.2p

※1 Net sales and operating income data for the Global Brands operation include figures for the COMPTOIRS DES COTONNIERS and PRINCESSE TAM.TAM brands.

※2 We expect to account as investment income a non-operating gain of ¥0.02bln for the period from September 07 to August 08 generated by our equity method affiliate LINK THEORY HOLDINGS CO., LTD..

At our Global Brands operation, we are planning to expand revenue by roughly 10% from our COMPTOIR DES COTONNIERS brand, with 40 new stores set to open in EU countries including Spain, UK, Italy and Belgium.

We are predicting favorable sales at our PRINCESSE TAM.TAM operation as we work to further strengthen the brand's base in the French market.

We are expecting to account a non-operating gain of ¥0.02bln from our equity method affiliate LINK THEORY HOLDINGS CO., LTD.

FAST RETAILING

【Dividend】

Scheduled 130 yen annual dividend for yr to Aug 07

Estimated 130 yen annual dividend for yr to Aug 08

	Yr to Aug 07			Yr to Aug 08 (Estimate)		
		Interim	Yr-end ※1		Interim	Yr-end
Dividend per share	130 yen	70 yen	60 yen	**130 yen**	**65 yen**	**65 yen**

※1 The annual dividend for the year to end August 2007 is subject to approval by the FR executive board meeting scheduled to be held on November 5, 2007.

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

Finally, I would like to explain about our annual dividend.

The year end dividend for the year to August 2007 is scheduled at 60 yen. This would generate an annual dividend of 130 yen, the same level as the previous year.

As far as the dividend for the year to end August 2008 is concerned, we are planning to set an annual dividend of 130 yen, based on our ongoing policy of returning roughly one third of consolidated net profit to shareholders in the form of dividends.

The remaining slides are for your reference, and include:

-information on performance at each individual group company

-interim business forecasts for the six months to February 2008,

-and a table on store openings and closures at our consolidated subsidiaries.

FAST RETAILING

<Reference>

Profit & Loss per group operation

Billions of yen

	UNIQLO Japan						UNIQLO Japan total		
	2006	2007					2006	2007	2008 est.
Net sales	393.6	424.7					393.6	424.7	448.0
Operating income/loss	68.8	64.0					68.8	64.0	71.0
	UNIQLO(U.K.)		UNIQLO USA		UNIQLO FRANCE		UNIQLO International total		
	2006	2007	2006	2007		2007	2006	2007	2008 est.
Net sale	2.7	3.8	0.7	3.4		0	8.7	16.9	30.0
Operating income/loss	▲ 0.1	▲ 0.6	▲ 1.3	▲ 1.4		▲ 0.1	▲ 1.4	▲ 1.1	▲ 0.4
	FRJS+FRCN		UNIQLO H.K.		FRL Korea				
	2006	2007	2006	2007	2006	2007			
Net sales	15	26	11	27	24	43			
Operating income/loss	▲0	1	2	7	▲1	2			
	CABIN		G.U.		ONEZONE		Japan Apparel total		
		2007		2007	2006	2007	2006	2007	2008 est.
Net sales		21.7		3.5	21.4	20.0	22.2	46.0	47.0
Operating income/loss		▲ 0.2		▲ 1.4	▲ 0.7	▲ 1.6	▲ 0.8	▲ 3.5	▲ 1.7
	FR FRANCE						Global Brands total		
	2006	2007					2006	2007	2008 est.
Net sales	22.8	36.7					22.8	36.7	43.0
Operating income/loss	4.6	7.2					4.6	7.2	7.4

※Exchange rate	Yr to Aug 06	1USD = 117.33 yen	1 EURO = 150.51 yen	1 GBP = 223.49 yen
	Yr to Aug 07	1USD = 119.10 yen	1 EURO = 157.85 yen	1 GBP = 234.11 yen
	Yr to Aug 08 Fcst	1USD = 115 yen	1 EURO = 160 yen	1 GBP = 240 yen

※We account income generated by equity-method affiliates as a non-operating consolidated profit/loss

LINK THEORY HD	Yr to Aug 2007	▲1.90 bln yen	Yr to Aug 08 fcst	0.02bln yen
VIEWCOMPANY	Yr to Aug 2007	▲0.17. bln yen	Yr to Aug 08 fcst	0.00bln yen

<Reference>

【Group】Forecasts for 6 mths to Feb 08

Billions of yen

	6 mths to Feb 07	6 mths to Feb 08	
	Interim results	Interim fcst	Y/y
Net sales (to net sales)	284.1 100.0%	**304.3** 100.0%	＋7.1%
Gross profit (to net sales)	131.6 46.3%	**145.0** 47.7%	＋10.2% ＋1.3p
SG&A (to net sales)	88.4 31.1%	**99.1** 32.6%	＋12.0% ＋1.4p
Operating income (to net sales)	43.1 15.2%	**45.9** 15.1%	＋6.4% ▲0.1p
Ordinary income (to net sales)	42.6 15.0%	**46.0** 15.1%	＋8.0% ＋0.1p
Other income (to net sales)	0 ＋0.0%	**▲1.0** －	－ －
Net income (to net sales)	22.6 8.0%	**24.8** 8.2%	＋9.5% ＋0.2p

＜Reference＞
【UNIQLO Japan】Outlook for 6 mths to Feb 08

Billions of yen

	6 mths to Feb 07 Interim actual	6 mths to Feb 08 Forecast	Y/y
Net sales	234.2	**243.0**	＋3.7%
(to net sales)	100.0%	100.0%	
Gross profit	104.3	**110.5**	＋5.9%
(to net sales)	44.5%	45.5%	＋0.9p
SG&A	63.5	**68.2**	＋7.2%
(to net sales)	27.1%	28.1%	＋0.9p
Operating income	40.7	**42.3**	＋3.8%
(to net sales)	17.4%	17.4%	＋0.0p

※ These are the figures for UNIQLO CO., LTD.

＜Reference＞

Consolidated subsidiaries store plans

【Unit: stores】	Aug-07	Full year to Aug 07 Actual				Full year to Aug 08 Forecast			
	Yr end	Open	Close	Change	Yr end	Open	Close	Change	Yr end
UNIQLO operation total	**750**	**92**	**55**	**+37**	**787**	**103**	**48**	**+55**	**842**
UNIQLO Japan:	720	76	48	+28	748	85	47	+38	786
Direst-run※	703	75	48	+27	730	84	47	+37	767
Large format	7	21	0	+21	28	40	0	+40	68
Standard format	687	52	47	+5	692	40	47	▲7	685
Specialty stores	9	2	1	+1	10	4	0	+4	14
FC	17	1	0	+1	18	1	0	+1	19
UNIQLO International:	30	16	7	+9	39	18	1	+17	56
UK:	8	4	1	+3	11	2	0	+2	13
China:	7	2	0	+2	9	6	1	+5	14
US:	4	3	6	▲3	1	0	0	0	1
South Korea:	10	4	0	+4	14	6	0	+6	20
Hong Kong:	1	3	0	+3	4	3	0	+3	7
France:	—	—	—	—	—	1	0	+1	1
G.U.	**—**	**50**	**0**	**+50**	**50**	**7**	**0**	**+7**	**57**
ONEZONE	**330**	**21**	**19**	**+2**	**332**	**20**	**30**	**▲10**	**322**
COMPTOIR DES COTONNIERS	**244**	**64**	**3**	**+61**	**305**	**49**	**3**	**+46**	**351**
PRINCESSE TAM.TAM	**100**	**33**	**2**	**+31**	**131**	**22**	**0**	**+22**	**153**
CABIN	**201**	**28**	**18**	**+10**	**211**	**10**	**10**	**0**	**211**
ASPESI	**7**	**5**	**0**	**+5**	**12**	**0**	**1**	**▲1**	**11**
TOTAL	**1,632**	**293**	**97**	**+196**	**1,828**	**211**	**92**	**+119**	**1,947**

※ Within the UNIQLO direct-run store section, 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.

＜Reference＞

UNIQLO CO., LTD. Results in yr to Aug 06

Billions of yen

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