

Overview of results for 3 months to November 2007 and future business forecasts

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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 first quarter results for the three months to November 2007 and also our outlook for the year to end August 2008.

I. Overview - 3mths to Nov 07	P3 ~ 14
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[A note on the display of group operations in this documentation]

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

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

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

Japan Apparel: 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: Refers to non-UNIQLO brands already being developed globally or with global potential.

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



【Group】 Q1 - for 3 mths to Nov 07

Net sales : ¥160.4bln (+10.6% y/y)
Operating income : ¥28.1bln (+12.1% y/y)
Ordinary income : ¥28.3bln (+ 9.3% y/y)

	Yr to Aug 07 (3mths to Nov 06)	Yr to Aug 08 (3 mths to Nov 07)	
	Actual	Actual	y/y
Net sales	145.0	160.4	+10.6%
(To net sales)	100.0%	100.0%	
Gross profit	68.9	80.9	+17.3%
(To net sales)	47.5%	50.4%	+2.9p
SG&A expenses	43.8	52.7	+20.3%
(To net sales)	30.2%	32.9%	+2.7p
Operating income	25.0	28.1	+12.1%
(To net sales)	17.3%	17.5%	+0.2p
Ordinary income	25.8	28.3	+9.3%
(To net sales)	17.9%	17.6%	▲0.2p
Other gains/losses	▲ 0.1	▲ 0.8	-
(To net sales)	-	-	-
Net income	14.1	15.4	+8.7%
(To net sales)	9.8%	9.6%	▲0.2p

Goodwill amortization of ¥1.1bln for three months to November 2007

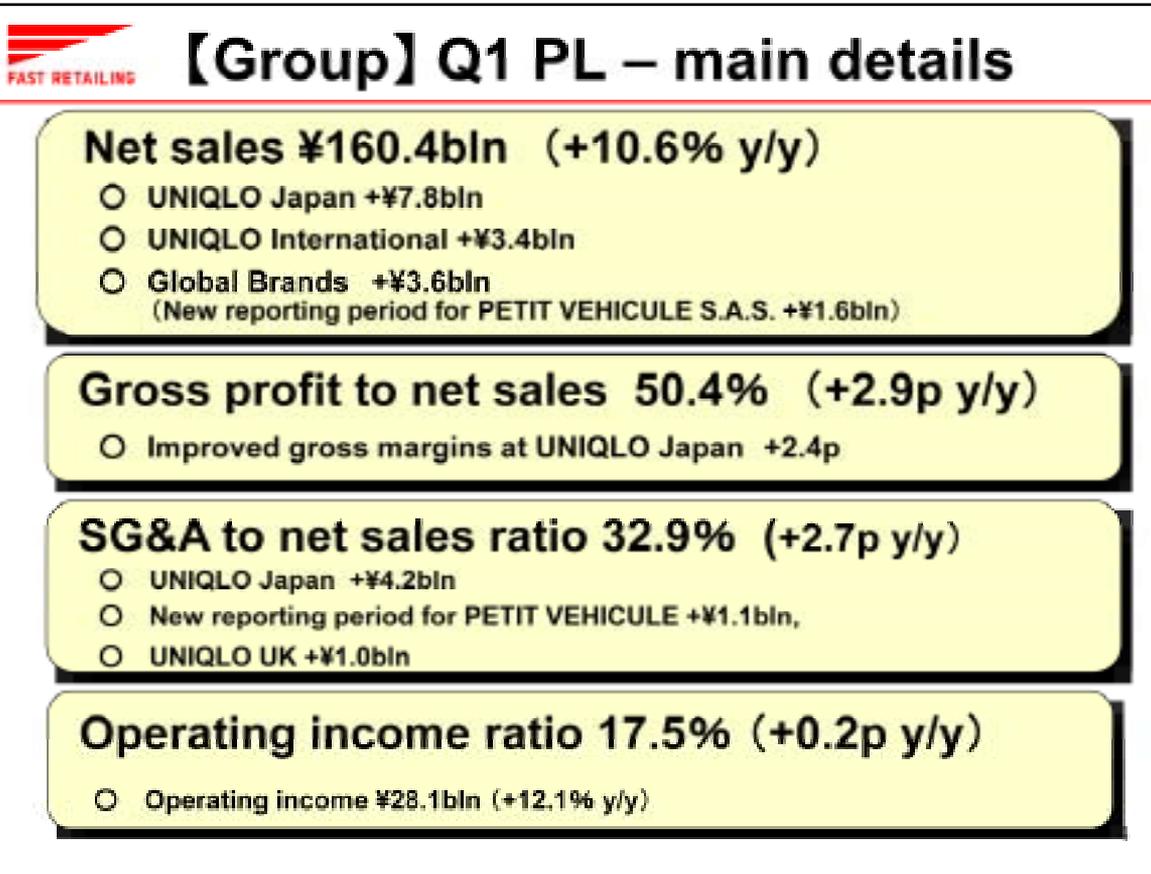
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First, let me take you through our consolidated performance for the first quarter to November 2007.

We achieved an increase in both revenue and profit.

Consolidated net sales rose 10.6% year on year to ¥160.4bln, operating income rose 12.1% to ¥28.1bln and ordinary income increased 9.3% to ¥28.3bln.

The next slide takes us through the individual factors underlying this strong performance.



First, overall net sales for the group increased ¥15.3bln or 10.6% year on year to ¥160.4bln.

Underlying factors at play here are an increase in revenue at UNIQLO Japan of ¥7.8bln, increased revenue of ¥3.4bln at UNIQLO International and an increase in revenue of ¥3.6bln from our Global Brand operations.

Within the Global Brand operations, due to a change in accounting period at our PETIT VEHICULE S.A.S. subsidiary (developer of the PRINCESSE TAM.TAM lingerie brand in France), we have accounted 5 months worth of results for PETIT VEHICULE into FAST RETAILING's consolidated results for the 3 months to November 2007.

Our gross profit to net sales ratio improved 2.9 points year on year.

This was due in the main to a 2.4 point improvement in gross margins at our mainstay UNIQLO Japan operation.

Our SG&A costs expanded by ¥8.9bln year on year in the first quarter.

Breaking down this increase, ¥4.2bln relates to increased expenditure at UNIQLO Japan, ¥1.1bln relates to the change in reporting period at PETIT VEHICULE, and ¥1.0bln relates to the opening of our new global flagship store in London, England.

Taken overall then, these factors resulted in a 12.1% increase in consolidated operating income to ¥28.1bln, and a 0.2% year-on-year improvement in the operating income ratio to 17.5%.



3mths to Nov 07 results by group

Billions of yen

		Yr to Aug 07 3 mths to Nov 06	Yr to Aug 08 3 mths to Nov 07	
		Actual	Actual	Y/y
UNIQLO Japan	Net sales	121.3	129.2	+6.4%
	Operating income/loss (to net sales)	23.6 19.5%	26.0 20.2%	+10.3% +0.7p
UNIQLO International	Net sales	3.6	7.0	+94.8%
	Operating income/loss (to net sales)	▲ 0.4 -	0.2 3.6%	- -
Japan Apparel	Net sales	11.3	11.6	+3.0%
	Operating income/loss (to net sales)	▲ 0.3 -	▲ 0.2 -	- -
Global Brands (※)	Net sales	8.5	12.2	+43.0%
	Operating income/loss (to net sales)	2.2 25.3%	2.4 20.3%	+12.4% ▲5.5p

※ Due to the change in reporting period at French subsidiary PETIT VEHICULE S.A.S., we have accounted 5 months of results for the firm in this first quarter period.

Applied exchange rate

Three months to Nov 2008 1USD=113.45 yen 1EUR=163.33 yen 1GBP=233.04 yen

Three months to Nov 2007 1USD=117.35 yen 1EUR=150.10 yen 1GBP=223.80 yen

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This slide shows the net sales and operating income position for each of our key group operations.

Taking UNIQLO Japan first, net sales increased 6.4% year on year and operating income rose 10.3%.

At UNIQLO International, net sales roughly doubled compared to the previous year, with operating income improving from a ¥0.4bln loss in the previous period to a ¥0.2bln gain in the three months to November 2007.

At our Japan Apparel operations, both net sales and operating loss held roughly flat year on year.

At our Global Brand operations, net sales rose 43.0% year on year and operating income increased 12.4% year on year.

Goodwill amortization in the three months to November 2007 totaled ¥1.1bln, up roughly ¥0.1bln from the previous year.



【UNIQLO Japan】 3 mths to Nov 07

Net sales : ¥129.2bln (+6.4% y/y)
Gross profit : ¥62.1bln (+12.0% y/y)
Operating income : ¥26.0bln (+10.3% y/y)

Billions of yen

	Yr to Aug 07 (3 mths to Nov 06)	Yr to Aug 08 (3 months to Nov 07)	
	Actual	Actual	Y/y
Net sales	121.3	129.2	+6.4%
(To net sales)	100.0%	100.0%	
Gross profit	55.4	62.1	+12.0%
(To net sales)	45.7%	48.5%	+2.8 p
SG&A expenses	31.8	36.0	+13.3%
(To net sales)	26.2%	27.8%	+1.6 p
Operating income	23.6	26.0	+10.3%
(To net sales)	19.5%	20.7%	+1.3 p

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Next, I would like to give a more detailed explanation of performance at our UNIQLO Japan operation.

Both revenue and profits rose at UNIQLO Japan in the first quarter. Net sales increased 6.4% year on year to ¥129.2bln, and operating income rose 10.3% year on year to ¥26.0bln.

That result outperformed the plan by ¥4.0bln on the sales front and ¥3.0bln in terms of operating income.

The following few slides explain each factor in more detail.

【UNIQLO Japan】 Net sales

Q1 net sales ¥129.2bln (+6.4% y/y)

- Increase of 25 direct-run UNIQLO stores y/y (739 stores at end Nov 07 ※)
- Existing store sales 0.0% y/y

Customer nos. ▲0.9% y/y

⇒ (Sep) knocked down by unusual weather

Average purchase price +0.9% y/y

⇒ (Nov) strong sales of promoted garments such as
“Heat-tech” inner wear and down jackets, etc.

Y/y change		Yr to Aug 2008					
		Sep.	Oct.	Nov.	Sep.-Nov.	Dec.	Sep.-Dec.
Existing stores	Net sales	▲12.9%	+4.2%	+3.2%	+0.0%	+6.4%	+2.0%
	Customer nos	▲11.2%	+5.6%	+0.0%	▲0.9%	+4.7%	+0.8%
	Average purchase	▲1.9%	▲1.4%	+3.2%	+0.9%	+1.6%	+1.2%

※ Excluding the 19 franchise stores

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An increase of 25 stores in our direct-run store total compared to end November 2006 was one factor contributing to the 6.4% increase in UNIQLO Japan sales. Meanwhile, existing store sales held roughly flat. Breaking that figure down, we experienced a 0.9% drop in customer numbers but an increase of 0.9% in average purchase price per customer.

September sales fell sharply following an 11.2% drop off in customer numbers during that month. The unusually high temperatures in September led to a delay in the launch of staple autumn garments.

However, existing store sales rose year on year in October thanks to a pickup in autumn/winter garment sales after the cold spell set in mid-month. Our sales promotion also helped boost sales of cashmere sweaters, fleece products and “Heat-tech” inner wear during the month.

November sales were particularly strong as “Heat-tech” inner wear, launched as focus campaign products this year for the first time, helped to attract customers. Our down jackets also proved popular, helping to boost the average purchase price per customer. December sales data have already been released logging an impressive 6.4% increase in existing store sales.

Q1 gross profit margin 48.1% (+2.4p y/y)

- Stronger control on discounting
- Limited discounting on winter products in November
- Control over limited sales thanks to strong performance of core winter products such as “Heat-tech” inner wear, down jackets, and sweaters

Gross profit to net sales at UNIQLO Japan improved 2.4 points year on year to 48.1%.

Our ability to better control the need for discount sales contributed to this improvement in gross profit margin.

In November, we refrained from the sort of strategic discounting that we conducted last year to attract customers. In addition, given the strong performance of winter garments this year, we are controlling limited sales of core winter products such as “Heat-tech” inner wear, down jackets and sweaters.

Q1 SG&A to net sales ratio 27.9% (+1.7p y/y)

○ **Personnel +0.5 points**

More graduate hires, more regional regular employees

○ **Advertising & promotion +0.3 points**

Electronic media higher with one additional campaign in Q1

○ **Store rents +0.6 points**

Rental ratio up as number of new stores in shopping centers and urban retail buildings increases.

SG&A costs at UNIQLO Japan increased ¥4.2bln to ¥36.0bln in the first quarter, with the SG&A to net sales ratio increasing 1.7 points year on year. SG&A costs exceeded initial plan by ¥1.0bln.

The personnel costs to net sales ratio increased 0.5 points year on year.

This was due to increased hiring of new graduates and a greater number of regional regular employees.

The advertising and promotion to sales ratio rose 0.3 points.

The electronic media component increased after we conducted our “Heat-tech” campaign during the first quarter. That meant one additional advertising campaign compared to the same period of the previous year.

The store rents to net sales ratio rose 0.6 points, but this was due to the increased number of new stores in shopping centers and urban retail buildings – store rents increasing on the back of rising sales.

UNIQLO International turned a profit

- USA New York global flagship store turned a profit
- UK Global flagship store opened in London
- Asia Favorable expansion in China, Hong Kong and South Korea
(27 stores at end August ⇒ 32 stores at end November)

Billions of yen

		Yr to Aug 07 3 mths to Nov 06 Actual	Yr to Aug 08 3 mths to Nov 07	
			Actual	Y/y
UNIQLO International	Net sales	3.6	7.0	+94.8%
	Operating income/loss	▲ 0.4	0.2	-
	(to net sales)	-	3.0%	-

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Our UNIQLO International segment posted a profit for the first time during the quarter to November 2007 with net sales roughly doubling from the previous year's level to ¥7.0bln.

Business performed favorably in the US with profitability improving considerably at our New York global flagship store opened back in November 2006.

Our UNIQLO UK operation posted a loss with higher new store costs linked to the opening of our global flagship store in London's Oxford Street in November 2007.

On the other hand, business continues to be strong in the Asian region of China, Hong Kong and South Korea.



【Japan Apparel】 3 mths to Nov 07

Continued restructuring, achieved targets

OCABIN - Net sales, operating profit on target

OG.U. - Women's fashion favorable, profitability improving to plan

OONEZONE - Sales pickup in Nov, higher proportion of original goods

Billions of yen

		Yr to Aug 07 3 mths to Nov 06	Yr to Aug 08 3 mths to Nov 07	
		Actual	Actual	Y/y
Japan Apparel	Net sales	11.3	11.6	+3.0%
	Operating income/loss (To net sales)	▲ 0.3 -	▲ 0.2 -	- -

※ We have accounted as investment income a non-operating loss of ¥0.01bln for the three month period from September to November 2007 generated by our equity method affiliate VIEWCOMPANY CO.,LTD.

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All companies in the Japan Apparel segment performed roughly as planned in the first quarter.

While poor weather weighed on sales at CABIN, and delayed product display in September, sales recovered sufficiently in October and November to produce a result on both sales and operating income roughly in line with target for the three months to November. On individual brands, the strongest performance was posted by elegance brand ZAZIE.

G.U. also produced results in line with expectations for the first quarter. Profitability improved with sales of women's fashion wear in particular doing well.

Performance at ONEZONE was also roughly in line with initial plan.

While things were slow to pick up in September, the fall of snow in November in the Northern island of Hokkaido and the north-eastern Tohoku region speeded up sales of rain boots generating an improvement in overall sales performance for the quarter. We were also able to increase the percentage of original footwear products on display at ONEZONE's stores.

Finally, we accounted as investment income a ¥0.01bln non-operating loss generated by our equity-method affiliate VIEWCOMPANY.



【Global Brands】 3 mths to Nov 07

COMPTOIR DES COTONNIERS revenue and profit rise

- Increase of 52 direct-run stores y/y (at end Nov 2007: 317 stores)
- Existing store sales flat
 - Prolonged strikes in France in Oct, Nov impacted customer numbers
 - Double-digit increases in existing store sales in Europe excl. France (Spain, Italy, etc.)

PRINCESSE TAM.TAM in line with the plan

		Billions of yen		
		Yr to Aug 07 3 mths to Nov 06	Yr to Aug 08 3 mths to Nov 07	
		Actual	Actual	Y/y
Global Brands	Net sales	8.5	12.2	+43.0%
	Operating income/loss	2.2	2.4	+12.4%
	(To net sales)	25.8%	20.3%	▲5.5p

※ We have accounted as investment income a non-operating loss of ¥0.44bln for the period from September to November 07 generated by our equity method affiliate LINK THEORY HOLDINGS CO., LTD..

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In the Global Brand operations, French casual wear brand COMPTOIR DES COTONNIERS achieved an increase in both revenue and profit in the first quarter in line with the plan. An increase of 52 direct-run stores mainly in Europe and Japan contributed to the increase in revenue there.

Existing store sales were roughly flat year on year.

While autumn garment sales got off to a good start in September, the prolonged strikes in Paris dampened customer numbers in October and November leaving overall existing store sales down 1% for the quarter.

Meanwhile CDC sales were strong in Spain and Italy, resulting in double-digit growth in existing store sales for Europe excluding France.

Performance at French lingerie developer PRINCESSE TAM.TAM was roughly in line with the plan.

Owing to a shift in reporting period from end June to end August, we accounted 5 months of PTT results from July through November into the FR consolidated results for this quarter.

The impact of this change in reporting period was net sales of ¥1.6bln and an operating loss of ¥0.2bln. If we strip out this influence however, revenue from our Global Brand operations actually increased by 25% with profit increasing by roughly 20%

We accounted as investment income a non-operating loss of ¥0.44bln generated by our equity-method affiliate LINK THEORY HOLDINGS LTD.

【Group】 Balance sheet at end Nov 07

Billions of yen

	End Aug 07	End Nov 07	Change
Total Assets	359.7	385.6	+25.8
Current Assets	217.9	241.4	+23.4
Fixed Assets	141.7	144.1	+2.3
Liabilities	116.4	150.7	+34.2
Net Assets	243.2	234.9	▲ 8.3

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Next, I would like to take you through the balance sheet as it stood at end November 2007.

Compared to August 2007, current assets increased ¥23.4bln, fixed asset also increased by ¥2.3bln boosting total assets up ¥25.8bln to ¥385.6bln.

The next slide runs through the key points on the balance sheet in more detail.



【Group】BS main points (vs end Aug 07)

Increase in cash, cash equivalents, marketable securities +¥6.4bln
(¥119.3bln ⇒ ¥125.8bln)

- 【UNIQLO Japan】 Increased cash flow +¥15.9bln
- 【FR】 Year end dividend ▲¥5.9bln

Increase in inventory assets +¥9.7bln (¥55.1bln ⇒ ¥64.9bln)

- 【UNIQLO Japan】 +¥7.1bln 【Japan Apparel】 +¥1.0bln
- 【Global Brands】 +¥1.0bln

Increase in tangible assets +¥2.0bln (¥37.3bln ⇒ ¥39.4bln)

- 【UNIQLO Japan】 +¥0.7bln 【UNIQLO International】 +¥0.7bln

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Taking current assets first, cash, cash equivalents and marketable securities increased by ¥6.4bln compared to end August 2007.

Breaking this figure down, increased cash flow at our UNIQLO Japan operation generated a ¥15.9bln increase, while FAST RETAILING expended ¥5.9bln in dividend payments.

Inventory assets increased by ¥9.7bln compared to end August 2007.

The increase breaks down into ¥7.1bln at UNIQLO Japan, ¥1.0bln at Japan Apparel and ¥1.0bln at Global Brands.

Tangible assets increased ¥2.0bln.

As we increased our number of store openings, tangible assets increased accordingly by ¥0.7bln at UNIQLO Japan and ¥0.7bln at UNIQLO International.



【Group】 Forecast for year to Aug 08

【UNCHANGED】

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 expenses	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 gain / loss	▲ 1.8	▲ 1.5	—
(To net sales)	—	—	—
Net income	31.7	38.8	+22.1%
(To net sales)	6.1%	6.8%	(+0.7p)

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

I would like to move on now to talk about our estimates for performance over the full year to August 2008.

We have not made any changes to our initial estimates for performance over the first half to February 2008 or for the full year to end August 2008.

Yr to Aug 08 outlook for each operation

[UNCHANGED]

Billions of yen

		Yr to Aug 07	Yr to Aug 08	
		Actual	Fcst	Y/y
UNIQLO Japan	Net sales	424.7	448.0	+5.5%
	Operating income/loss (to net sales)	64.0 15.1%	71.0 15.8%	+10.9% +0.7p
UNIQLO International	Net sales	16.9	30.0	+76.5%
	Operating income/loss (to net sales)	▲ 1.1	▲ 0.4	-
Japan Apparel	Net sales	46.0	47.0	+2.1%
	Operating income/loss (to net sales)	▲ 3.5	▲ 1.7	-
Global Brands	Net sales	36.7	43.0	+16.4%
	Operating income/loss (to net sales)	7.2 19.5%	7.4 17.3%	+3.2% ▲2.2p

Year to August 2008: Goodwill amortization ¥4.6bln.

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As you can see here again on this slide, our forecasts remain unchanged for the group's full year business forecasts broken down into operational groups.



【UNIQLO Japan】 Forecasts for yr to Aug 08

【UNCHANGED】

Billions of yen

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

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Taking business forecasts for the full year at UNIQLO Japan first, while sales and profits were strong in the first quarter and on through December, it is necessary to monitor sales cautiously through the changeover period from winter to spring garments during January and February. For that reason, we are not making any changes to our initial estimates for both mid-term and full year performance.

【UNIQLO Japan】 Assumptions

	Yr to Aug 07			Yr to Aug 08			y/y
	Actual			Forecast			
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	45.4%			45.0%			▲0.4p
Store nos. (direct run)	Open	Close	Net	Open	Close	Net	Yr-end total
Full year	75	48	+27	70	47	+23	753
(store type)							
Large-format	21	0	+21	25	0	+25	53
Standard-format	52	47	+5	40	47	▲7	685
Specialty stores	2	1	+1	5	0	+5	15
1H	38	28	+10	34	23	+11	741
Large-format	10	0	+10	10	0	+10	38
Standard-format	28	28	+0	20	23	▲3	689
Specialty stores	0	0	+0	4	0	+4	14
2H	37	20	+17	36	24	+12	753
Large-format	11	0	+11	15	0	+15	53
Standard-format	24	19	+5	20	24	▲4	685
Specialty stores	2	1	+1	1	0	+1	15

The small UNIQLO "ekinaka", "ekichika" booths-in and around stations are included in the standard 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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This slide lists the parameters upon which our forecasts for UNIQLO Japan are generated.

The one key change from our original forecasts is the reduced number of new large store openings from 30 to 15 stores for the second half to August 2008.

This is a result of the delay in new store openings located in newly constructed shopping centers, themselves held up by revisions to Japan's building standards law.

However, the impact of the reduced number of large-store openings on our business performance in the second half is estimated to be minimal.

UK: Boost brand visibility with new global flagship store

Store name: 311 Oxford Street store

Shop floor: approx. 2300sqm

Opened: November 2007

- Concentrate the very best of UNIQLO products, visual merchandising, store operation and service under one roof.
- A showcase to the world
- Spacious entrance with revolving mannequin box displays



London 311 Oxford Street store

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We will be continuing our strategy to open global flagship stores at UNIQLO International with the aim of boosting brand visibility.

We opened our first European global flagship store in the UK on London's Oxford Street in November 2007. The store boasts a shop floor of 2,300sqm and displays the very best of UNIQLO products, visual merchandising, store operation and service all under one roof.

This flagship store is located on London's Oxford Street, home to a whole host of the world's most competitive casual wear brands. It is the fashion capital, and by opening a global flagship here to act as a showcase to the world, we believe that UNIQLO can fight fair and square to best boost UNIQLO brand recognition and the appeal of UNIQLO products.

As you can see in this slide, the entrance to the store is very spacious. Four giant mannequin cylinders tower up through the first floor with our latest displays revolving inside.

France: Opened first UNIQLO store in outer Paris

Store name: La Defense Store

Shop floor: 200sqm

Opened: December 2007

- "Concept shop"
- Groundwork for a global flagship in Paris
 - Market research
 - Mastering store operations
- Gain a foothold in the Paris market



French La Defense Store

We also opened our first UNIQLO store in Paris in December 2007. The 200sqm store is located in a shopping mall in La Defense, outer Paris.

We opened this "concept shop" to convey our UNIQLO brand message, to spread a message from UNIQLO to the acutely fashion conscious people of Paris. In addition, we are looking to conduct market research and gain experience of store operations in preparation for the opening of our global flagship store in Paris.

Sales of cashmere and T-shirts have proved strongest since the store opened in December, gaining us a foothold in the Parisian market.

Aiming for a profit with efficient management

○ Strengthen 4 existing brands

- Concentrating on 4 main brands

- Elegance: ZAZIE (suburban), Real Riche (urban stores)

- Casual: enracine (suburban), eap (urban stores)

- Strengthen exhibitions, press activities

○ Product development

- Review merchandiser business

- Work with UNIQLO materials team



ZAZIE Kurashiki AEON Mall Store

○ Review planning, production, distribution and retail cycle

- Gather information at store level to reflect customer wishes

○ Review head office personnel numbers

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Next, I would like to talk about progress on restructuring at various companies within the Japan Apparel operations.

First of all, we conducted a TOB in October 2007 to make CABIN CO., LTD. a fully owned subsidiary of FAST RETAILING. As part of that process, we conducted a sweeping restructuring of the organization and operation and, in November 2007, we dispatched UNIQLO CO., LTD.'s operating officer for product development, Tetsuro Nakashima, to become CABIN president. The FR group continues to extend support for CABIN's business recovery, with a fresh dispatch of UNIQLO specialists in merchandising, materials, management and product development.

Our first intention is to focus on strengthening CABIN's existing brands, so we are working to clarify the individual concepts for CABIN's four mainstay brands, the elegance brands ZAZIE and Real Riche, and casual brands enracine and eap. We are also working to strengthen CABIN's exhibition presence and press exposure.

On the product front, we are working to strengthen CABIN's experience as an SPA retailer by reviewing the firm's merchandising business and pressing ahead with the hiring of new designers. In addition, the tie up with UNIQLO's materials team is now underway and we are working to develop new products of high quality material.

In addition, we are reviewing the planning, production, distribution and retail cycle at CABIN to channel information coming up through the stores into production adjustments more efficiently. That is to say, we are working towards a system whereby opinions from customers expressed in CABIN stores can be immediately reflected in the products on offer. We are also generating improvements in efficiency through a review of head office staff numbers.

Focus PR on group strength, minimize loss

- **Advertise our unique products on various media**
 - **Increase exposure in fashion magazines, TV CM in Kansai area**
 - **g.u.'s unique low cost brand appeal**
 - Fashion for legs: leggings, colored tights, etc.
 - Tunics, dresses that incorporate fashion trends
 - Provide wide range of standard basics
- **Product development focus**
 - **Continue to strengthen women's wear (60% of all garments)**
 - Comfortable clothes, clothes for the senior woman
 - **Develop "mode" goods to compliment standard men's denim**



At our low cost casual g.u. brand, we are planning to halve operating losses this business year by using our group strength to the full and developing more effective PR strategies.

We continued to advertise g.u.'s unique products through various media in the first quarter.

We have been working to boost g.u. brand visibility by increasing exposure in women's fashion magazines and running a TV commercial in the Kansai region of western Japan.

We have worked to consolidate our basic garment ranges and positioned these as the unique appeal of g.u. low cost clothing. Those garments include a wide variety of leggings and colored tights, tunics and dresses incorporating the latest fashion trends, pajamas, and our "room wear" range with free mix and match selection of tops and bottoms.

Our product development going forward will focus on a further strengthening of women's wear, and a more concentrated development of loose-fitting comfortable clothing for the elder customer. The focus for men's wear is to further consolidate our core basic products such as denim, and to develop "mode" products to compliment the basic lines for the future.

Improve profitability by renewing stores & stock

○ Review footwear ranges, open stores in new locations

• Urban roadside stores

FOOTPARK Kichijoji Sunroad Store performing well

○ Increased original content

• Greater emphasis on fashion

for women's shoes

Flat shoes, boots, etc.

(65% original products)

• Practical everyday men's shoes

to suit customer needs

(50% original products)



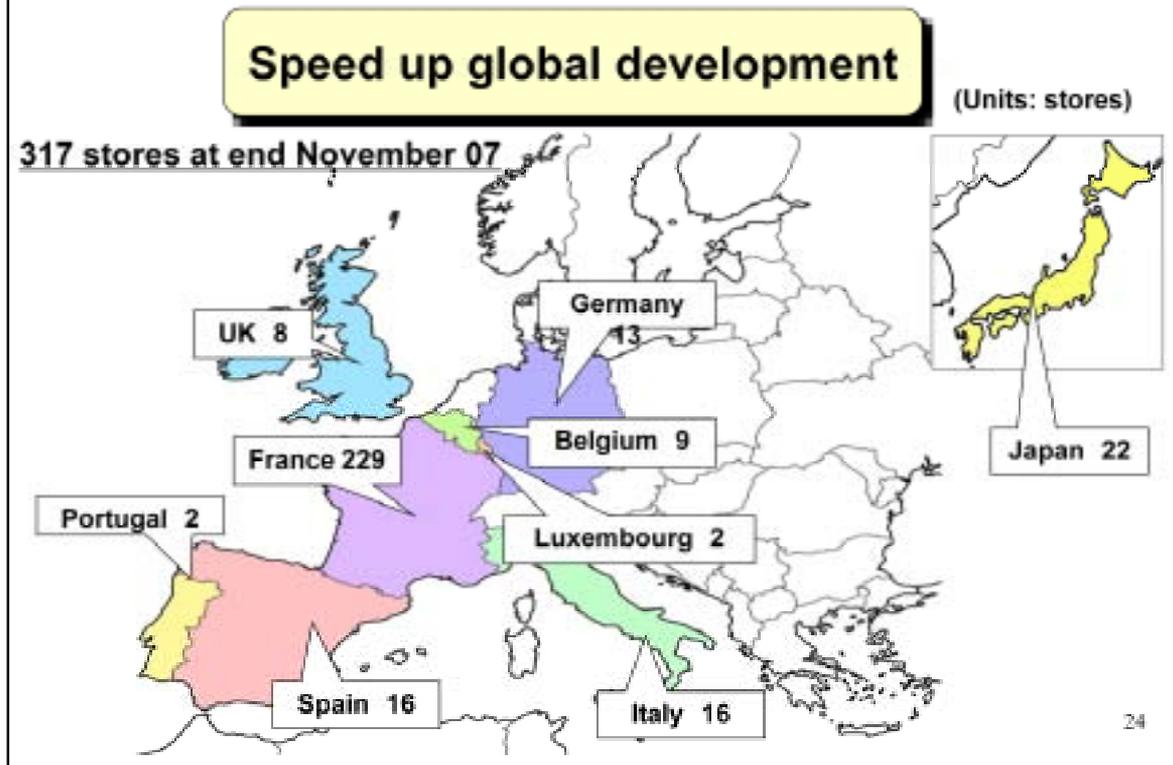
FOOTPARK Kichijoji Sunroad Store

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Despite the extremely tough environment in the industry, we are working to improve profitability at our footwear retailer ONEZONE by reviewing product ranges and pressing ahead with the renewal of our stores and stock.

One example of this is our FOOTPARK Kichijoji Sunroad Store, an urban roadside store opened in October 2007. This store is performing well and we mean to build on this success, and continue to work hard at new product development.

On the product front, we have managed to increase the proportion of original footwear to 65% for women's shoes and 50% for men's shoes. Sales of our flat shoes and boots for women proved strong over the autumn/winter season, and we are working to strengthen development of similar fashion items. For men, we are concentrating on developing original footwear suitable for everyday use.



In our Global Brand operations, we are aiming to maintain growth momentum by accelerating the global development of our COMPTOIR DES COTONNIERS brand.

At the end of November 2007, we had 229 COMPTOIR DES COTONNIERS stores in France and we are now concentrating our new store openings in other parts of Europe. We have 16 stores in Italy and Spain that are performing well. And this business year, we are beginning to open stores in Switzerland and the US.

For the year to August 2008, we expect to open 48 new COMPTOIR DES COTONNIERS stores outside of France including 35 stores in other European countries, 7 stores in Japan and 1 store in the US.

Yr to Aug 08: ¥130 annual dividend forecast

	Yr to Aug 07 (Actual)			Yr to Aug 08 (Fcst) ※		
		Mid-term	Yr-end		Mid-term	Yr-end
Dividend per share	130 yen	70 yen	60 yen	130 yen	65 yen	65 yen

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

We plan to maintain dividend payments at the same level as last year with an interim dividend of 65 yen and an annual dividend of 130 yen per share for the year to August 2008.

As announced in today's release, we decided to tender an offer for VIEWCOMPANY.

Finally, we have provided some additional slides for your reference.

These cover store opening plans at our consolidated subsidiaries, and interim business forecasts for the UNIQLO Japan and for the FR group as a whole.

That completes my explanation of our first quarter results and full year business outlook.

Thank you.

Consolidated subsidiaries store plans

Units: Stores	Aug 07 Yr end	Yr to Aug 08							
		3 mths to Nov 07				Full yr fcst			
		Open	Close	Change	End Nov	Open	Close	Change	End Aug
UNIQLO Operations	787	37	20	+17	804	93	50	+43	830
UNIQLO Japan:	748	30	20	+10	758	73	49	+24	772
Direct-run	730	29	20	+9	739	70	47	+23	753
Large-format	28	9	0	+9	37	25	0	+25	53
Standard-format	692	16	20	▲4	688	40	47	▲7	685
Specialty	10	4	0	+4	14	5	0	+5	15
Franchise	18	1	0	+1	19	3	2	+1	19
UNIQLO International:	39	7	0	+7	46	20	1	+19	58
UK:	11	2	0	+2	13	2	0	+2	13
China:	9	1	0	+1	10	6	1	+5	14
Hong Kong:	4	2	0	+2	6	3	0	+3	7
USA:	1	0	0	0	1	0	0	0	1
South Korea:	14	2	0	+2	16	8	0	+8	22
France:	0	0	0	0	0	1	0	+1	1
CABIN	211	4	2	+2	213	7	21	▲14	197
G.U.	50	5	0	+5	55	11	2	+9	59
ONEZONE	332	8	5	+3	335	18	40	▲22	310
ASPESI	12	0	1	▲1	11	0	1	▲1	11
CDC	305	12	0	+12	317	48	5	+43	348
PRINCESSE TAM.TAM	131	10	0	+10	141	27	0	+27	158
Total	1,826	76	28	48	1,876	204	119	+85	1,913

※ 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.



【UNIQLO Japan】 Outlook for 6 mths to Feb 08

【UNCHANGED】

Billions of yen

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

【Group】 Forecasts for 6 mths to Feb 08

【UNCHANGED】

Billions of yen

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