

Business results March to May 2008 and outlook for year to August 2008

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My name is Makoto Yoshitaka and I am the CFO of FAST RETAILING.

I would like to take this opportunity to run through our third quarter results for the three months to May 2008 and update you on our full year forecasts for the year to end August 2008.

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[A note on the display of group operations in this documentation]

1 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 CO., LTD., and 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

07/9 – Net sales: ¥458.1bln (+11.4% y/y)
08/5 Operating income: ¥75.7bln (+27.7% y/y)
Ordinary income: ¥74.8bln (+25.6% y/y)

Billions of yen

	1Q ~ 3Q (07/9 ~ 08/5)			3Q (08/3 ~ 08/5)		
	Actual	Prev.Yr	Y/y	Actual	Prev.Yr	Y/y
Net Sales	458.1	411.2	+ 11.4%	141.7	127.0	+ 11.5%
(To net sales)	100.0%	100.0%	(+ 0.0p)	100.0%	100.0%	(+ 0.0p)
Gross profit	230.4	195.0	+ 18.2%	73.5	63.4	+ 15.9%
(To net sales)	50.3%	47.4%	(+ 2.9p)	51.9%	49.9%	(+ 2.0p)
SG&A	154.6	135.7	+ 14.0%	52.0	47.2	+ 10.1%
(To net sales)	33.8%	33.0%	(+ 0.8p)	36.7%	37.2%	(- 0.5p)
Operating income	75.7	59.3	+ 27.7%	21.5	16.1	+ 33.0%
(To net sales)	16.5%	14.4%	(+ 2.1p)	15.2%	12.7%	(+ 2.5p)
Ordinary income	74.8	59.5	+ 25.6%	21.3	16.9	+ 26.3%
(To net sales)	16.3%	14.5%	(+ 1.8p)	15.1%	13.3%	(+ 1.8p)
Net income	40.0	31.6	+ 26.8%	11.4	8.9	+ 27.9%
(To net sales)	8.7%	7.7%	(+ 1.1p)	8.1%	7.0%	(+ 1.0p)

Goodwill amortization for period 07/9 – 08/5: ¥4.1bln

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First, I would like to take you through our consolidated business performance for the third quarter.

We achieved an increase in both cumulative revenue and profit in the third quarter with net sales rising 11.4% year on year to ¥458.1bln, operating income rising 27.7% to ¥75.7bln and ordinary income gaining 25.6% to ¥74.8bln.

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



[Group] 1Q-3Q rise in revenue & profit

Net sales ¥458.1bln (+11.4% y/y)

UNIQLO Japan +¥28.2bln UNIQLO Int'l +¥ 10.1bln
Global Brands +¥6.2bln

Gross profit to net sales 50.3% (+2.9p y/y)

UNIQLO Japan gross margin improved +2.9p

SG&A to net sales ratio 33.8% (+0.8p y/y)

Increased sales of subsidiaries with high SG&A rates +0.6p
Increased goodwill amortization (+¥0.9bln) +0.2p

Operating income ratio 16.5% (+2.1p y/y)

Operating income ¥75.7bln (+27.7% y/y)

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Net sales increased by ¥46.8bln, or 11.4% year on year to ¥458.1bln in the nine months from September 2007 to May 2008.

UNIQLO Japan contributed ¥28.2bln, UNIQLO International contributed ¥10.1bln and our Global Brands operation contributed ¥6.2bln to this increase in revenue.

Our gross profit to net sales margin improved 2.9 points year on year to 50.3%. That was due in the main to a 2.9 point improvement in gross margin at our UNIQLO Japan operation.

SG&A costs increased ¥18.9bln or 0.8 points as a ratio to net sales.

The main influences here were: a 0.6 point increase arising from the increased sales of comparatively high SG&A ratio subsidiaries, and a 0.2 point increase arising from an additional ¥0.9bln in goodwill amortization compared to last year.

Goodwill amortization rose ¥0.9bln year on year to ¥4.1bln. The main reason for this is the one-off amortization of ¥0.5bln accounted in the third quarter as VIEWCOMPANY was incorporated as a fully owned subsidiary.

As a result of the above, cumulative operating income increased 27.7% to ¥75.7bln and the operating income to net sales ratio improved 2.1 points year on year to 16.5%.

3Q Results by operation

Billions of yen

		1Q ~ 3Q (07/9 ~ 08/5)			3Q (08/3 ~ 08/5)		
		Actual	Prev.Yr	Y/y	Actual	Prev.Yr	Y/y
UNIQLO Japan	Net sales	364.3	336.1	+ 8.4%	111.0	101.8	+ 9.1%
	OP	71.7	56.2	+ 27.5%	21.1	15.5	+ 36.3%
	(To net sales)	19.7%	16.7%	+ 3.0p	19.1%	15.3%	+ 3.8p
UNIQLO Intl	Net sales	22.7	12.6	+ 79.7%	6.9	4.0	+ 71.8%
	OP	0.8	0.6	-	0.0	0.0	-
	(To net sales)	3.7%	-	-	1.0%	-	-
Japan Apparel	Net sales	36.8	34.9	+ 5.4%	14.0	11.8	+ 18.1%
	OP	1.1	2.2	-	0.0	0.7	-
	(To net sales)	-	-	-	0.1%	-	-
Global Brands 1	Net sales	33.2	27.0	+ 23.1%	9.1	9.1	+ 0.3%
	OP	6.7	6.4	+ 5.2%	1.5	1.9	20.3%
	(To net sales)	20.4%	23.9%	3.5p	16.6%	20.9%	4.3p

Due to the change in reporting period at French subsidiary PETIT VEHICULE S.A., we have accounted 11 months of results for the firm (07/07-08/05) in this interim period.

Applied exchange rate

Q3 2008: 1USD=108.42 yen 1EUR=162.16 yen 1GBP=217.90 yen

Q3 2007: 1USD=118.85 yen 1EUR=157.93 yen 1GBP=233.22 yen

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This slide shows group performance broken down into our four main operations.

First of all, at UNIQLO Japan, cumulative net sales rose 8.4% in the third quarter and operating income increased by 27.5%.

UNIQLO International posted an operating profit of ¥0.8bln on the back of a 79.7% rise in net sales.

Japan Apparel generated a 5.4% increase in net sales and an operating loss of ¥1.1bln in the nine months to May.

Our Global Brands produced a 23.1% gain in net sales and a 5.2% increase in operating income.

On an additional note, due to a change in business year reporting at PRINCESSE TAM.TAM developer PETIT VEHICULE S.A., the cumulative consolidated third quarter data actually accounts 11 months of performance from that subsidiary.

Net sales & profit achieve target

3 Q (Mar-May)	Net sales :	¥111.0bln	(+9.1% y/y)
	Gross margin :	¥55.9bln	(+14.5% y/y)
	Operating income :	¥21.1bln	(+36.3% y/y)

Billions of yen

	1 Q ~ 3 Q (07/9 ~ 08/5)			3 Q (08/3 ~ 08/5)		
	Actual	Prev. Yr	Y/y	Actual	Prev. Yr	Y/y
Net Sales	364.3	336.1	+ 8.4%	111.0	101.8	+ 9.1%
(To net sales)	100.0%	100.0%		100.0%	100.0%	
Gross profit	176.5	153.1	+ 15.3%	55.9	48.8	+ 14.5%
(To net sales)	48.5%	45.6%	(+ 2.9p)	50.3%	47.9%	(+ 2.4p)
SG&A	104.8	96.8	+ 8.2%	34.7	33.2	+ 4.3%
(To net sales)	28.8%	28.8%	(0.1p)	31.2%	32.7%	(1.4p)
Operating income	71.7	56.2	+ 27.5%	21.1	15.5	+ 36.3%
(To net sales)	19.7%	16.7%	(+ 3.0p)	19.1%	15.3%	(+ 3.8p)

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Next, I would like to take you through performance at UNIQLO Japan in more detail, where we enjoyed an increase in both revenue and profit in the three months to May 2008.

During that period, net sales at UNIQLO Japan rose 9.1% year on year to ¥111.0bln, and operating income rose 36.3% year on year to ¥21.1bln.

While net sales in the third quarter performed close to target, we generated a larger than expected improvement in gross margin. As a result, operating income outperformed by approximately ¥3.0bln.

The following slides will take us through each element in detail.

[UNIQLO Japan] Net sales

3Q (Mar-May) Net sales ¥111.0bln (+9.1% y/y)

Increase of 11 direct-run stores (741 stores as of end May 08)

Existing store sales +4.2% y/y

Customer nos. +2.2% y/y Successful promotion campaigns

Average purchase price +1.9% y/y Reduced discounting,
popularity of higher unit priced garments

Existing stores	Year to August 2008					
	Y/y change	1H total	March	April	May	3Q total
Net sales	+1.5%	+8.1%	2.8%	+7.9%	+4.2%	+0.7%
Customer Nos.	0.9%	+5.3%	4.2%	+6.0%	+2.2%	1.3%
Avg.purchase	+2.5%	+2.7%	+1.5%	+1.8%	+1.9%	+2.1%

Excluding 18 franchise stores

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The 9.1% rise in net sales at UNIQLO Japan was due in part to sales contributions from the 11 new stores added to our total network during the quarter, but also to a 4.2% rise in existing store sales.

The rise in existing store sales can be broken down into two elements: a 2.2% increase in customer numbers, and a 1.9% increase in the average purchase price per customer.

We also feel that the success of our New Shapely Leg Bottoms Campaign in March boosted the sale of jeans and pants, and helped to generate a large increase in existing store revenue during that month.

However, in April, unusual weather patterns and a greater number of rainy days dampened existing store sales in that month.

Once into May, the sale of standard items for women such as cotton T-shirts proved strong. The promotion of Mothers' Day gifts also boosted demand, and that, along with our strong print T-shirt campaign, helped produce a strong performance over the traditional Golden Week holiday.

In addition to the factors mentioned above, our Bra Top Campaign launched mid-May also grabbed much attention, helping boost existing store sales in May by a strong 7.9% year on year.

Greater public appreciation of UNIQLO materials & products

Stronger core basic products

Increased store inventory of core products (cotton T-shirts, tank tops, denim, etc.), clearer displays for easy purchase.

Successful promotion campaigns attracted customers

Boosted women's wear image in New Shapely Leg Bottoms

Campaign by featuring Japanese beauty queen Norika Fujiwara and Bra Top Campaign by Japanese actress Kazue Fukiishi.

However, we feel that the most significant factor underlying the strong performance on revenue in the third quarter is the increase in public awareness and appreciation of UNIQLO products overall. Of particular note, is the increased awareness of UNIQLO's high quality products including our denim and our sweater ranges, and also the high functionality of materials used in our HEATTECH range for instance.

Secondly, we feel that a stronger display of basic products in our stores also helped boost revenue. By increasing in-store inventory of core products such as cotton T-shirts, tank tops and denim products, we were able to create much clearer displays for easy purchase.

A number of successful promotion campaigns during the quarter also served to attract customers in greater numbers.

We managed to boost the image of our women's wear through campaigns that emphasized special feminine features such as our New Shapely Leg Bottoms Campaign by Japanese beauty queen Norika Fujiwara and our Bra Top Campaign by Kazue Fukiishi.

3Q (Mar-May) Gross profit margin 50.3% (+2.4p y/y)

Stronger control over discounting

Concentrated on profit maximization
Incorporated store views in production figures,
controlled discounting and limited-period sales

On-target sales meant less offloading of inventory

Early display of summer season garments

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UNIQLO Japan's gross profit margin improved 2.4 points in the three months to May 2008 to 50.3%.

Following on from the first six months, UNIQLO Japan has continued to focus attention on maximizing profit in the areas of merchandising, sales and management. We also ensured that production numbers reflected views on the ground from in-store personnel thereby strengthening control over discounting and limited-period sales.

With sales of campaign products coming in on target, we were able to minimize discounting to offload inventory, and this also contributed to the improvement in gross margin.

The early display of summer season goods also contributed to improved margins.

3Q (Mar-May) SG&A ratio 31.2% (1.4p y/y)

Personnel 1.1p

Reduced working hours in stores

Regional permanent employee system reduced hiring and training time

Improved in-store operational efficiency

Advertising & promotion 0.4p

Airtime costs down on fewer campaigns

Store rents + 0.3p

Increased new store openings in shopping centers, urban commercial buildings, etc.

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SG&A costs at our UNIQLO Japan operation were in line with target rising ¥1.4bln to ¥34.7bln in the third quarter from March to May 2008. The SG&A to net sales ratio improved 1.4 points year on year to 31.2%.

The fall in personnel and advertising and promotion cost ratios is the main factor behind this improvement in the SG&A ratio.

UNIQLO Japan's personnel ratio improved 1.1 points year on year as the number of hours worked in stores was reduced.

The introduction of our regional permanent employee system helped reduce the amount of time spent hiring and training personnel; also, store operational efficiency has been improved.

The advertising and promotion ratio improved by 0.4 points year on year. We were able to reduce airtime costs with one less campaign during the quarter compared to last year.

The store rent ratio increased 0.3 points but this was due mainly to the fact that we have opened more stores in shopping centers and urban commercial facilities.

3Q (Mar-May) Improved operating income

Asia (Store numbers: 35 (end May 08) v. 27 (end Aug 07))

China & HK: Favorable expansion as sales & profit outperform

S. Korea: Store numbers & business continue to expand

Europe (Store numbers: 15 (end May 08) v. 12 (end Aug 07))

US: Global flagship store continues to perform strongly

UK: Continued operating loss as sales fall short of target

Billions of yen

		1Q ~ 3Q (07/9 ~ 08/5)			3Q (08/3 ~ 08/5)		
		Actual	Prev.Yr	Y/y	Actual	Prev.Yr	Y/y
UNIQLO Intl	Net sales	22.7	12.6	+ 79.7%	6.9	4.0	+ 71.8%
	OP (To net sales)	0.8 3.7%	0.6 -	- -	0.0 1.0%	0.0 -	- -

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Let me now move onto our UNIQLO International operation where net sales gained 71.8% year on year in the three months to May 2008 to ¥6.9bln, generating a small operating profit for the quarter.

Business in the Asian region including China, Hong Kong and South Korea continued to expand favorably with both revenue and profit exceeding target. We were also able to boost revenue significantly at our USA operation.

We continued to suffer an operating loss at our UK operation given the opening costs of our global flagship store and overall sales falling below target.

3Q (Mar-May) Continued reform, 3 firms to merge

CABIN Profit outperforms on back of cost reductions

G.U. Performed roughly to plan

ONEZONE Improved profitability over the quarter

VIEWCOMPANY Under-performed (Consolidated from 3Q)

Billions of yen

		1Q ~ 3Q (07/9 ~ 08/5)			3Q (08/3 ~ 08/5)		
		Actual	Prev.Yr	Y/y	Actual	Prev.Yr	Y/y
Japan Apparel	Net sales	36.8	34.9	+ 5.4%	14.0	11.8	+ 18.1%
	OP	1.1	2.2	-	0.0	0.7	-
	(To net sales)	-	-	-	0.1%	-	-

Our former equity method affiliate VIEWCOMPANY CO., LTD. became a consolidated subsidiary from end February 2008. Therefore, its results are included from 3Q onwards

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Moving onto our Japan Apparel operation, we did generate a small profit in the third quarter thanks to an 18.1% rise in net sales to ¥14.0bln.

Profit at women's fashion retailer CABIN outperformed as cost cuts bore fruit.

Low-cost casual wear brand developer G.U. performed in line with expectations.

Of our footwear retailing subsidiaries, ONEZONE saw profitability improve on the back of favorable sales in this traditional buoyant quarter. Meanwhile, VIEWCOMPANY performance came in below expectations.

In addition, we have decided today to conduct a merger between the three Japan Apparel subsidiaries G.U., ONEZONE and VIEWCOMPANY. I'll go over this in more detail later on.

3Q (Mar-May) Missed target, but revenue rose 8%, operating income flat (adjusted for differing business periods)

COMPTOIR DES COTONNIERS: Revenue & profit rose but sales missed target due to slumping consumption in Europe

PRINCESSE TAM.TAM: Revenue up, income down slightly y/y

		1Q ~ 3Q (07/9 ~ 08/5)			3Q (08/3 ~ 08/5)		
		Actual	Prev.Yr	Y/y	Actual	Prev.Yr	Y/y
Global Brands	Net sales	33.2	27.0	+23.1%	9.1	9.1	+0.3%
	OP	6.7	6.4	+5.2%	1.5	1.9	20.3%
	(To net sales)	20.4%	23.9%	3.5p	16.6%	20.9%	4.3p

1 We have accounted as investment income a non-operating loss of ¥0.27bln for the period from September 2007 to May 2008 generated by our equity method affiliate LINK THEORY HOLDINGS CO., LTD..

2 Owing to the change in business year end at PRINCESSE TAM.TAM, please note the following:
 Cumulative: Current business yr: 07/7 – 08/5 (11 months), Same period last year: 07/7 – 08/3 (9 months)
 3Q : Current business yr: 08/3 – 08/5 (3 months), Same period last year: 08/1 – 08/3 (3 months)

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While performance at our Global Brands operation fell below target in the three months to May, when viewed on an actual basis adjusted for the change in business periods, the operation generated an 8% rise in revenue and maintained its level of operating income.

COMPTOIR DES COTONNIERS continued to generate a rise in both revenue and profit, although it fell short of its sales target for the quarter as the consumption environment deteriorated in Europe.

Results for our French PRINCESSE TAM.TAM brand in the third quarter shows a big drop in profit due to a change in reporting period. Last year we included January to March period into the consolidated accounts, whereas this year we accounted March to May period resulting in a significant drop in profit. However, if you compare March to May data for the two years, PRINCESSE TAM.TAM actually generated a rise in revenue and only a slight fall in profit during the third quarter.

As a result, as you can see here, our Global Brands operation overall actually suffered a 20.3% fall in operating profit in the three months to May. However, if you adjust the reporting period for PRINCESSE TAM.TAM to one comparable to the previous year, the overall segment actually generated an 8% rise in net sales and maintained operating income at a similar level to last year. If you make the same adjustment on the cumulative performance from September 2007 through May 2008, our Global Brands segment generated a 15% rise in revenue and a 4% rise in operating income over the nine month period.

Billions of yen

	End Aug 07	End May 07	Change
Total assets	359.7	406.1	+ 46.3
Current assets	217.9	263.3	+ 45.3
Fixed assets	141.7	142.7	+ 1.0
Liabilities	116.4	161.9	+ 45.4
Net assets	243.2	244.2	+ 0.9

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Next, I would like to explain our consolidated balance sheet at end May 2008.

Compared to end August 2007, current assets increased by ¥45.3bln and fixed assets increased by ¥1.0bln. This boosted total assets by ¥46.3bln to ¥406.1bln.

The following slide takes us through the main points on the balance sheet in more detail.



[Group] Main points (v. end Aug 2007)

Increase in cash, cash equivalents, marketable securities +¥36.8bn
(¥119.3bn ¥156.1bn) [UNIQLO Japan] Increased operating cash flow, etc.

Reduced inventory assets ¥0.3bn (¥55.1bn ¥54.8bn)
[UNIQLO Japan] ¥3.0bn [New consolidations] +¥1.4bn (VIEWCOMPANY)
(Ref:) UNIQLO Japan ¥36.8bn (¥0.5bn y/y)
(Winter inventory: ¥3.0bn, More stores: +¥1.0bn Autumn inventory stock)

Increase in tangible assets +¥3.4bn (¥37.3bn ¥40.8bn)
[UNIQLO Japan] New stores +¥1.2bn, [FR] Commercial facilities +¥1.1bn
[New consolidations] VIEWCOMPANY +¥0.5bn

Reduction in forward exchange contracts ¥36.8bn
(Assets ¥17.5bn Liabilities ¥19.2bn)
[UNIQLO Japan] Stronger yen trend. No impact on PL.
Accounted on both liability a/c (exchange rate forward contracts) and
equity a/c (net deferred unrealized hedge gain)

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Looking first at the current assets category, total cash & equivalents and marketable securities rose ¥36.8bn compared to end August 2007. This was due to the increased operating cash flow at our UNIQLO Japan operation.

Inventory assets fell ¥0.3bn compared to end August 2007.

Inventory assets at UNIQLO Japan fell ¥3.0bn compared to end August 2007, while the incorporation of VIEWCOMPANY in February as a fully owned consolidated subsidiary added ¥1.4bn to the inventory asset total.

Also of interest, inventory assets at UNIQLO Japan totaled ¥36.8bn at end May 2008, a reduction of ¥0.5bn compared to end May 2007. Breaking this figure down further, inventory of winter garments fell ¥3.0bn, while the increase in total store numbers boosted inventory by roughly ¥1.0bn. We also stockpiled autumn inventory to facilitate an early launch of the season's products.

Tangible assets rose by ¥3.4bn at end May 2008 compared to end August 2007. ¥1.2bn of this total was generated by the increased number of total stores at UNIQLO Japan. ¥1.1bn was generated by investment in commercial facilities by the FR holding company, and ¥0.5bn was due to the inclusion of newly consolidated subsidiary VIEWCOMPANY in the consolidated accounts.

Our forward exchange contracts fell by ¥36.8bn. However, this is a hedge accounting due to the stronger yen trend. It has no impact on our PL position.

[Group] Forecasts for yr to Aug 08

(UNCHANGED)

Billions of yen

	Yr Aug 07	Yr Aug 08	
	Actual	Fcst	Y/y
Net Sales (To net sales)	525.2 100.0%	585.5 100.0%	+ 11.5%
Gross profit (To net sales)	248.3 47.3%	287.1 49.0%	+ 15.6% (+ 1.7p)
SG&A (To net sales)	183.4 34.9%	207.0 35.4%	+ 12.9% (+ 0.4p)
Operating income (To net sales)	64.9 12.4%	80.1 13.7%	+ 23.4% (+ 1.3p)
Ordinary income (To net sales)	64.6 12.3%	79.1 13.5%	+ 22.4% (+ 1.2p)
Net income (To net sales)	31.7 6.1%	41.0 7.0%	+ 29.3% (+ 1.0p)

[Group] Yr to Aug 2008 Estimate: Capex ¥20.0bln, Depreciation ¥8.0bln
Yr to Aug 2007 Actual: Capex ¥26.4bln, Depreciation ¥6.5bln

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Now I would like to move on to explain our outlook for the full year to end August 2008.

We estimate that consolidated net sales will total ¥585.5bln, operating income will reach ¥80.1bln and ordinary income will reach ¥79.1bln. These forecasts remain unchanged from those announced along with our interim results on April 10 this year.

Yr to Aug 08 by operation

(UNCHANGED)

Billions of yen

		Yr Aug 07	Yr Aug 08	
		Actual	Fcst	Y/y
UNIQLO Japan	Net sales	424.7	459.2	+ 8.1%
	OP (To net sales)	64.0 15.1%	79.2 17.3%	+ 23.9% + 2.2p
UNIQLO Intl	Net sales	16.9	30.0	+ 76.5%
	OP (To net sales)	1.1 -	0.4 -	- -
Japan Apparel	Net sales	46.0	50.8	+ 10.4%
	OP (To net sales)	3.5 -	2.7 -	- -
Global Brands 1	Net sales	36.7	43.0	+ 17.0%
	OP (To net sales)	7.2 19.6%	7.4 17.3%	+ 3.2% 2.3p

1 We plan to account 14 months of business results for French subsidiary PETIT VEHICULE S.A. due to a change in the firm's reporting period.

2 We anticipate goodwill amortization of ¥5.2bln for the full year to August 2008 (Yr to Aug 07: 4.6bln)

3 We are expecting to account as investment income a non-operating loss of ¥0.32bln for the period from September 2007 to August 2008 generated by our equity method affiliate LINK THEORY HOLDINGS CO., LTD.

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Our forecasts also remain unchanged for full year performance broken down by group operation.

Net sales +8.1% y/y
operating income +23.9% y/y

(UNCHANGED)

Billions of yen

	Yr Aug 07	Yr Aug 08	
	Actual	Fcst	Y/y
Net Sales (To net sales)	424.7 100.0%	459.2 100.0%	+ 8.1%
Gross profit (To net sales)	192.6 45.4%	216.6 47.2%	+ 12.5% (+ 1.8p)
SG&A (To net sales)	128.6 30.3%	137.4 29.9%	+ 6.8% (0.4p)
Operating income (To net sales)	64.0 15.1%	79.2 17.3%	+ 23.9% (+ 2.2p)

Our full year forecasts for UNIQLO Japan also remain unchanged. We are expecting a rise in both revenue and profit with net sales predicted to rise 8.1% year on year and operating income to rise 23.9%.

[UNIQLO Japan] Assumptions

	Yr to Aug 07			2 Yr to Aug 08			
	Actual			Fcst			Y/y
Net sales	424.7 ¥ bln			459.2 ¥ bln			+8.1%
Existing store growth							
Full year	+ 1.4%			+ 2.1%			+ 0.7p
1H (Actual)	+ 2.9%			+ 1.5%			1.4p
2H (Fcst)	0.6%			+ 2.9%			+ 3.5p
Gross profit margin							
Full year	45.4%			47.2%			+ 1.8p
1H (Actual)	44.5%			47.6%			+ 3.1p
2H (Fcst)	46.4%			46.6%			+ 0.2p
Store nos. (direct-run)	Open	Close	Net	Open	Close	Net	Yr-end total
Full year	75	48	+27	58	46	+12	742
Large-format	21	0	+21	22	0	+22	50
Standard-format	52	47	+5	34	46	12	680
Specialty stores	2	1	+1	2	0	+2	12
1H (Actual)	38	28	+10	33	25	+8	738
Large-format	10	0	+10	10	0	+10	38
Standard-format	28	28	0	21	25	4	688
Specialty stores	0	0	0	2	0	+2	12
2H (Fcst)	37	20	+17	25	21	+4	742
Large-format	11	0	11	12	0	+12	50
Standard-format	24	19	+5	13	21	8	680
Specialty stores	2	1	+1	0	0	0	12

The small UNIQLO *ekinaka*, *ekichika* booths in 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. 19

Taking into account the strong performance of existing store sales in the third quarter, we have decided to increase our forecast for UNIQLO Japan existing store net sales in the six months to August 2008 from the original rise of 1.9% year on year to a 2.9% rise. This generates a full year estimate for a 2.1% rise in existing store sales at UNIQLO Japan.

G.U., ONEZONE & VIEWCOMPANY to merge (Effective September 1, 2008)

1. Future direction

Shoes: Create a new style shoe business

Low-cost clothing: Offer the cheapest market price

2. Management rationalization

Merge common functions (Sales, manufacture, products, marketing, supervision, management planning)

3. Impact on FR results: Special loss ¥1.8bln

Office transfer as common functions merge: ¥0.5bln

Closure of unprofitable stores, impairment loss: ¥1.3bln

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As announced today, we have decided to merge three of our subsidiary firms in the Japan Apparel segment (G.U., ONEZONE and VIEWCOMPANY) currently scheduled to take effect September 1, 2008.

In terms of future direction, we will be aiming to create a new style shoes business in the footwear industry and to offer the cheapest prices in the low-cost clothing markets.

By combining common functions such as sales, manufacturing, products, marketing, supervision and management planning, etc. we will be looking to rationalize management and boost the new company's operational efficiency.

We estimate the impact of this merger on FR consolidated performance in the current business year will be a special loss of roughly ¥1.8bln.

[Dividend]

Yr to Aug 08: ¥130 annual dividend forecast

	Yr to Aug 07 (Actual)		Yr to Aug 08 (Fsc't)			
	Interim	Yr-end	Interim (Actual)	Yr-end (Fsc't)		
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.

Finally, we are forecasting a year end dividend of 65 yen per share, and an annual dividend in line with last year's figure of 130 yen.

To end, let me draw your attention to the materials included for your reference. They detail our estimates for performance at our mainstay UNIQLO Japan operation in the six months to end August 2008, and a table on store opening and closure plans at our consolidated subsidiaries.

That completes my presentation. Thank you.

(UNCHANGED)

Billions of yen

	Yr to Aug 07	Yr to Aug 08	
	2H Actual	Fcst	Y/y
Net Sales (To net sales)	190.4 100.0%	206.0 100.0%	+ 8.2%
Gross profit (To net sales)	88.2 46.4%	96.0 46.6%	+ 8.8% (+ 0.2p)
SG&A (To net sales)	65.0 34.2%	67.3 32.7%	+ 3.5% (- 1.5p)
Operating income (To net sales)	23.2 12.2%	28.7 13.9%	+ 23.4% (+ 1.7p)

Consolidated subsidiaries store plans

[Unit: Stores]	2007 End Aug	Yr to Aug 2208											
		1Q ~ 3Q (07/9 ~ 08/5)				3Q (08/3 ~ 5)				Full year forecasts			
		Open	Close	Net	End	Open	Close	Net	End	Open	Close	Net	End
UNIQLO operations	787	70	48	+22	809	25	20	+5	809	81	51	+30	817
UNIQLO Japan	748	55	44	+11	759	21	19	+2	759	62	48	+14	762
Direct-run 1	730	53	42	+11	741	20	17	+3	741	58	46	+12	742
Large-format	28	18	0	+18	46	8	0	+8	46	22	0	+22	50
Standard-format	692	33	42	9	683	12	17	5	683	34	46	12	680
Specialty stores	10	2	0	2	12	0	0	0	12	2	0	+2	12
Franchise	18	2	2	+0	18	1	2	1	18	4	2	+2	20
UNIQLO Overseas	39	15	4	+11	50	4	1	+3	50	19	3	+16	55
UK	11	2	0	+2	13	0	0	+0	13	2	0	+2	13
China	9	3	1	+2	11	1	0	+1	11	6	1	+5	14
USA	1	0	0	0	1	0	0	0	1	0	0	0	1
South Korea	14	6	3	+3	17	3	1	+2	17	7	2	+5	19
Hong Kong	4	3	0	+3	7	0	0	+0	7	3	0	+3	7
France	0	1	0	+1	1	0	0	+0	1	1	0	+1	1
G.U.	50	10	4	+6	56	2	2	+0	56	11	4	+7	57
ONEZONE	332	14	34	20	312	4	13	9	312	15	51	36	296
VIEWCOMPANY .	-	4	2	+2	108	4	2	+2	108	5	5	0	106
COMPTOIR DES COTONNIER	305	37	4	+33	338	14	1	+13	338	42	4	+38	343
PRINCESSE TAM.TAM 2	131	18	1	+17	148	7	1	+6	148	25	0	+25	156
CABIN	211	9	22	13	198	4	1	+3	198	9	24	15	196
ASPESI	12	0	1	1	11	0	0	+0	11	-	-	-	-
TOTAL	1,828	158	114	44	1,980	56	38	18	1,980	188	139	+49	1,971

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. The specialty store category includes women's underwear BODY by UNIQLO stores, and UNIQLO KIDS.