

# **Business results for the first quarter Sep-Nov 2009 & estimates for year to August 2010**

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Thank you for joining us. My name is Toshihisa Tokunaga and I am Director of Corporate Management & Control at FAST RETAILING.

Today, I would like to take you through our consolidated results for the first quarter from September through November 2009, and also our business estimates for the business year through August 2010.

<b>I . 1Q Results Sep-Nov 09</b>	<b>P3 ~ P18</b>
<b>II . Estimates for Yr to Aug 10</b>	<b>P19 ~ P24</b>
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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 China, HK, S. Korea, Singapore, UK, USA, France & Russia.

Japan Apparel: Non-UNIQLO apparel retailers developed mainly for the Japanese market.  
This includes GOV RETAILING. and CABIN.

Global Brands: Refers to non-UNIQLO brands already being developed globally or with global potential.  
This includes theory, COMPTOIRS DES COTONNIERS and PRINCESSE TAM.TAM.

**[A note on future business estimates]**

When compiling business estimates, plans and target figures in this document, the figures that are not historical facts are forward looking statements that are based on management's judgment in light of currently available information.

These business estimates, plans and target figures may vary materially from the actual business results depending on the economic environment, our response to market demand and price competition, and changes in exchange rates.



## 【Group】 Results for 1Q Sep-Nov 2009

**Net sales: ¥263.4bln (+39.8% y/y)**  
**Operating income: ¥61.0bln (+49.1% y/y)**  
**Ordinary income: ¥58.6bln (+58.2% y/y)**

	Yr to Aug 09 (3mths to Nov 08)	Yr to Aug 10 (3mths to Nov 09)	
	Actual	Actual	y/y
<b>Net sales</b> (to net sales)	188.5 100.0%	<b>263.4</b> 100.0%	+ 39.8%
<b>Gross profit</b> (to net sales)	96.1 51.0%	<b>138.0</b> 52.4%	+ 43.6% ( + 1.4p)
<b>SG&amp;A</b> (to net sales)	55.1 29.3%	<b>77.0</b> 29.2%	+ 39.5% ( - 0.1p)
<b>Operating income</b> (to net sales)	40.9 21.7%	<b>61.0</b> 23.2%	+ 49.1% ( + 1.5p)
<b>Ordinary income</b> (to net sales)	37.0 19.7%	<b>58.6</b> 22.3%	+ 58.2% ( + 2.6p)
<b>Special Loss</b> (to net sales)	0.1	<b>0.1</b>	-
<b>Net income</b> (to net sales)	22.1 11.8%	<b>34.8</b> 13.2%	+ 57.2% ( + 1.4p)

Billions of yen

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Goodwill Amortization: 1Q(Sep-Nov 09):¥1.8bln 1Q (Sep-Nov 08): ¥1.1bln

First of all, I would like to run through our consolidated business results for the first quarter from September through November 2009.

Both revenue and income rose significantly over the quarter with net sales rising 39.8% year on year to ¥263.4bln, operating income rising 49.1% year on year to ¥61.0bln, and ordinary income rising 58.2% year on year to ¥58.6bln.

The next slide displays the main factors underlying the quarter's strong performance.

## [Group] 1Q rise in sales & profit

**Net sales ¥263.4bln (+39.8% y/y)**

- UNIQLO Japan +¥47.5bln    - UNIQLO Intl +¥11.6bln
- Global Brands +¥14.9bln

**Gross profit to net sales ratio 52.4% (+1.4p y/y)**

- Improvement at UNIQLO Japan +1.1p

**SG&A to net sales ratio 29.2% ( 0.1p y/y)**

- Improvement at UNIQLO Japan 1.3p

**Operating income ratio 23.2% (+1.5p y/y)**

**Ordinary income ratio 22.3% (+2.6p y/y)**

- Loss on FX generated by yen strengthening ¥2.3bln

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Taking net sales first of all. Overall net sales rose 39.8% year on year during the first quarter, or ¥74.9bln, to ¥263.4bln.

There were three main factors underlying this strong performance: a ¥47.5bln increase in revenue at UNIQLO Japan where sales were strong, a ¥11.6bln increase in revenue at UNIQLO International, and a ¥14.9bln increase in revenue at our Global Brands boosted by the newly incorporated theory operation as a consolidated subsidiary from the third quarter (March-May) 2009.

Our gross profit to net sales ratio improved 1.4 points year on year. This was due mainly to a 1.1 point improvement in gross margin at our mainstay UNIQLO Japan operation.

SG&A costs increased ¥21.8bln year on year but the SG&A to net sales ratio improved by 0.1 point. The SG&A ratio actually improved by 1.3 points at UNIQLO Japan thanks to strong sales, but the overall improvement was capped at just 0.1 points by the newly consolidated theory operation with its typically high SG&A ratio.

As a result, operating income rose 49.1% year on year to ¥61.0bln, and the operating income margin improved 1.5 points to 23.2%.

Ordinary income rose 58.2% year on year to ¥58.6bln, and the ordinary income ratio improved 2.6 points to 22.3%.

In terms of non-operating income, the largest item was a ¥2.3bln foreign exchange loss evaluated on loans to overseas subsidiaries. However, this total has less than in the previous year.

# 1Q breakdown by group operation

Billions of yen

		Yr to Aug 09 (3mths to Nov 08)	Yr to Aug 10 (3mths to Nov 09)	
		Actual	Actual	y/y
UNIQLO Japan	Net sales	157.3	204.9	+ 30.2%
	OP (to net sales)	39.3 25.0%	56.2 27.5%	+ 42.9% + 2.5p
UNIQLO International	Net sales	9.0	20.7	+ 129.1%
	OP (to net sales)	0.7 7.9%	3.1 15.3%	+ 344.4% + 7.4p
Japan Apparel	Net sales	13.6	14.4	+ 6.2%
	OP (to net sales)	0.2 2.2%	0.0 0.3%	- 1.9p
Global Brands	Net sales	7.9	22.8	+ 189.4%
	OP (to net sales)	1.0 12.8%	2.6 11.8%	+ 167.4% 1.0p

Applied exchange rate

1Q Sep-Nov 2009: 1USD= ¥89.45 1EUR= ¥132.43 1GBP= ¥146.23 1RMB= ¥13.37 100KRW= ¥7.60

1Q Sep-Nov 2008: 1USD= ¥99.20 1EUR= ¥132.68 1GBP= ¥164.77 1RMB= ¥15.67 100KRW= ¥7.58

This slide shows overall net sales and operating income for FAST RETAILING broken down by group operation. I will explain this breakdown in more detail in subsequent slides.

## Revenue & income up on strong sales

Billions of yen

	Yr to Aug 09 (3mths to Nov 08)	Yr to Aug 10 (3mths to Nov 09)	
		Actual	y/y
<b>Net sales</b> (to net sales)	157.3 100.0%	<b>204.9</b> 100.0%	+ 30.2%
<b>Gross profit</b> (to net sales)	77.9 49.6%	<b>103.9</b> 50.7%	+ 33.2% ( + 1.1p)
<b>SG&amp;A</b> (to net sales)	38.5 24.5%	<b>47.6</b> 23.2%	+ 23.4% ( - 1.3p)
<b>Operating income</b> (to net sales)	39.3 25.0%	<b>56.2</b> 27.5%	+ 42.9% ( + 2.5p)

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Taking our UNIQLO Japan operation first, both revenue and income rose sharply in the first quarter with net sales rising 30.2% year on year to ¥204.9bln and operating income rising 42.9% year on year to ¥56.2bln.

Compared to our initial estimate, overall net sales at UNIQLO Japan outperformed by ¥20.0bln and operating income outperformed by ¥10.0bln.

I would like to explain the individual components separately in subsequent slides.



## [UNIQLO Japan] Overall net sales

**1 Q Net sales ¥204.9bln (+30.2% y/y)**

**Same store sales +20.8% y/y** (Customer nos. +16.1%, average purchase +4.1%)

- New autumn season goods sold well (outerwear such as neo-leather)
- Plenty of news with Paris global flagship opening (Oct 1), worldwide launch of +J collection, and opening of refurbished Ginza store (Oct 2).
- Conducted campaign to celebrate FR's 60<sup>th</sup> anniversary (Nov 21 ~ Dec 31)
- Revenue boost from higher volumes of HEATTECH item sales

**25 store increase in UNIQLO direct-run stores** (772 stores end Nov 09 )

Same Stores y/y %	Year to August 10				
	Sept	Oct	Nov	Q1	Dec
<b>Net sales</b>	+31.6%	+35.7%	+7.9%	<b>+20.8%</b>	+11.5%
<b>Customer nos.</b>	+22.8%	+24.6%	+7.3%	<b>+16.1%</b>	+13.4%
<b>Avg. purchase</b>	+7.2%	+8.9%	+0.6%	<b>+4.1%</b>	1.7%

Excluding 20 franchise stores

The main factor underlying the 30.2% increase in first quarter net sales at UNIQLO Japan was the 20.8% growth in same store sales.

Breaking that figure down further, customer numbers increased by 16.1%, while the average purchase price per customer rose 4.1% year on year.

Outerwear such as our neo-leather jackets and other new fashionable autumn goods sold well in the autumn season.

We were also able to boost customer numbers considerably with UNIQLO frequently in the news, be it the opening of the Paris global flagship on October 1, or the worldwide launch of our +J collection created in collaboration with fashion designer Ms. Sander, or the reopening of our bigger, better Ginza store. And with our campaign to celebrate FAST RETAILING's 60<sup>th</sup> anniversary, we were even able to further extend sales in November, a month that had already enjoyed a large increase in sales the previous year.

A sharp increase in the number of HEATTECH items sold also boosted first quarter revenue.

Then, as already announced, same store sales grew a further 11.5% in the month of December.

In the three months from September through November 2009, we opened 33 new stores and closed 11 stores, resulting in a 22 store increase compared to end August 2009, or a 25 store year-on-year increase to 772 stores.

**1Q gross margin 50.7% (+1.1p y/y)**

### **Strong sales of new autumn goods**

- strong sales of popular products such as neo-leather jackets

### **Strong sales of HEATTECH items**

- Units sold up year on year (27 mln units    47mln units)

**Consistent strong performance from season launch**

### **Early introduction of seasonal goods**

- Summer inventory offload completed within Yr to Aug 09

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UNIQLO Japan's gross profit to net sales ratio rose 1.1 points to 50.7% in the first quarter through November 2009.

The main reason behind this improvement was the strong sales of new autumn products. Sales of autumn goods were favorable with fashionable outerwear such as our neo-leather items proving particularly strong.

HEATTECH sales continued on from last year's buoyant performance. We increased our Japan target for HEATTECH sales volume sharply from last year's 27 million units to 47 million units. HEATTECH has been selling well since the launch of the autumn season and has contributed to the improvement in gross margin.

Another factor that contributed to the improved gross margin was the decision to introduce new seasonal goods early. The decision to start offloading summer inventory early did knock down gross margin in the fourth quarter to August 2009. However, it also helped boost the margin in the first quarter September through November 2009.



**1 Q SG&A to net sales 23.2% ( 1.3p y/y)**

**Personnel 0.4p**

**Efficiency gains on strong sales**

**Advertising & Promotion 0.1p**

**Efficiency gains on strong sales**

**Store rents 0.4p**

**Improved efficiency at fixed rent stores**

SG&A costs at UNIQLO Japan did increase by ¥9.0bln year on year in line with the increased revenue. However, this was mainly due to increased business costs linked to rising sales, and the SG&A to net sales ratio actually improved 1.3 points.

The personnel to net sales ratio improved 0.4 points year on year on the back of strong sales.

The advertising and promotion cost ratio improved by 0.1 points on the back of strong sales.

The store rent ratio improved 0.4 points.

Approximately 60% of our stores are roadside stores, the majority of which operate on fixed rents. Their efficiency was therefore improved as same store sales expanded.



# [UNIQLO Intl] 1Q Sep-Nov 2009

## Significant gains in sales & profit

### Asia favorable expansion (Stores: 76 (09/8) 99 (09/11))

**China** Sales & profits up: consolidated 5 months on accounting period change, 10 new stores, double digit same store sales growth.

**Hong Kong** Sales & profits up: same store sales strong as +J impresses, economy picks up.

**S. Korea** Sales & profits up: successful aggressive marketing boosts brand visibility.

### US & Europe Paris flagship open (Stores: 16 (09/8) 17( 09/11))

**UK** Significant pickup as Paris flagship & +J boosts brand awareness.

**US** Profit expansion on considerable rise in revenue & +J effect.

**France** Sales at global flagship far outstrip forecast.

		Year to Aug 09 (3mths to Nov 08)	Year to Aug 10 (3mths to Nov 09)		Billions of yen
		Actual	Actual	y/y	
UNIQLO International	Net sales	9.0	20.7	129.1%	10
	OP (to net sales)	0.7 7.9%	3.1 15.3%	344.4% + 7.4p	

Moving onto UNIQLO international where both net sales and operating income exceeded target, with net sales doubling to ¥20.7bln and operating income expanding significantly to ¥3.1bln.

First to China where we consolidated five months worth of activity owing to a change in business year end from June to August. Performance during the five months was strong in China with 10 new stores opening and same store sales growth expanding into double figures.

Both revenue and income rose significantly in Hong Kong. The operation enjoyed double-digit same store sales growth boosted by the launch of +J, and a recovery in economic activity.

Sales and profits also rose in South Korea in the first quarter where we further boosted UNIQLO brand visibility by opening 8 stores simultaneously in September and airing our first TV commercial in that country.

Moving onto Europe and the US, we opened our global flagship in Paris on October 1 achieving sales far beyond our initial estimate.

In the UK too, performance improved sharply as news of the success of the Paris global flagship store and the launch of our +J collection boosted awareness of the UNIQLO brand. The +J collection was well received, on sale in three stores including the Oxford Street flagship store.

The +J effect also helped tip sales growth at our US operation into double digits, and expanded the margin of operating profit.



## [Japan Apparel] 1Q Sep-Nov 2009

### **g.u. strong, more FOOTPARK stores close**

#### **GOV RETAILING performs to plan**

**g.u.** Outperforms with significant gains in both sales & profit

Favorable store expansion at pace of 50 stores per year

**Footwear** Expanded loss owing to impact of closing down sales

#### **CABIN Sales declines in depressed apparel industry**

		Year to Aug 09 (3mths to Nov 08)	Year to Aug 10 (3mths to Nov 09)	
		Actual	Actual	y/y
<b>Japan Apparel</b>	Net sales	<b>13.6</b>	<b>14.4</b>	6.2%
	OP (to net sales)	<b>0.2</b> 2.2%	<b>0.0</b> 0.3%	- 1.9p

Billions of yen

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Moving on now to our Japan Apparel operation, overall net sales increased 6.2% year on year to ¥14.4bln. We made an operating profit but the figure was less than in the previous year. And the figures also fell slightly below our expectation for the quarter.

Our low-cost casual g.u. brand outperformed in the first quarter generating considerable gains in both sales and profit. Sales at g.u. really took off with the launch of the ¥990 Jeans series launched March 2009, and that strong sales trend continued through the first quarter to November. New store openings proceeded favorably at the predicted pace of 50 stores per year.

Conversely, at our footwear operation, we continued to close FOOTPARK stores, with closing down sales expanding losses. We closed 123 shoe stores in the three months from September to November 2009.

However, GOV RETAILING still performed roughly to plan in the first quarter.

CABIN fell short of target with same store sales continuing to fall below previous year levels in a generally depressed fashion apparel industry environment.

## Sales & profits rise on theory consolidation

theory sales perform to plan

profits exceed target with strong inventory control

& cheaper procurement costs as yen strengthens

COMPTOIR DES COTONNIERS same store sales rise as planned

PRINCESSE TAM.TAM performs to plan

		Year to Aug 09 (3mths to Nov 08)	Year to Aug 10 (3mths to Nov 09)		Billions of yen
		Actual	Actual	y/y	
Global Brands	Net sales	7.9	22.8	189.4%	12
	OP (to net sales)	1.0 12.8%	2.6 11.8%	167.4% 1.0p	

Our Global Brands operation exceeded target in the first quarter generating sharp increases in both sales and profit. Net sales reached ¥22.8bln and operating income ¥2.6bln in the first quarter thanks mainly to the contribution from the newly consolidated theory operation.

The theory operation generated sales in line with our expectations. Strong inventory control and a reduction in procurement costs on the back of a stronger yen boosted operating profit beyond our initial estimate.

COMPTOIR DES COTONNIERS performed as expected. This autumn's collection was extremely well received regaining some growth for same store sales.

At PRINCESSE TAM.TAM sales at direct-run stores actually outperformed target, but wholesale activity was more sluggish. Overall, the operation performed to plan.



## **[Group] Balance sheet at end Nov 2009**

Billions of yen

	<b>End Aug 09</b>	<b>End Nov 09</b>	<b>Change</b>
<b>Total Assets</b>	463.2	<b>536.1</b>	72.9
<b>Current Assets</b>	298.1	<b>370.6</b>	72.4
<b>Fixed Assets</b>	165.1	<b>165.5</b>	0.4
<b>Liabilities</b>	201.8	<b>259.6</b>	57.7
<b>Net Assets</b>	261.4	<b>276.5</b>	15.1

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Next, I would like to explain our balance sheet at end November 2009.

Compared to end August 2009, current assets increased ¥72.4bln, fixed assets increased ¥0.4bln and total assets increased by ¥72.9bln to ¥536.1bln.

The next slide lists the main points concerning the balance sheet.



## **[Group] B/S main points (v. end Aug 09)**

**Increase in cash & equivalents, marketable securities +¥32.4bln**  
(¥169.7bln ¥202.1bln) [UNIQLO Japan] Operating cash flow +¥41.9bln  
[FR] Payment of year-end dividend, etc. ¥7.9bln

**Increase in inventory assets +¥2.1bln (¥74.5bln ¥76.7bln)**  
[UNIQLO Japan] Balance at end Nov ¥52.1bln (+¥8.6bln y/y)  
More and larger stores +¥4.0bln, higher warehouse inventory on strong sales

**Increase in tangible assets +¥2.8bln (¥45.9bln ¥48.7bln)**  
[UNIQLO Japan] +¥3.0bln

**Increased FX contracts (liabilities) +¥14.5bln (¥40.8bln ¥55.4bln)**  
[UNIQLO Japan] Stronger yen trend. No impact on PL

Taking current assets first, cash & equivalents and marketable securities at end November 2009 increased by ¥32.4bln versus end August to ¥202.1bln. This category included a ¥41.9bln operating cash inflow from UNIQLO Japan on the one hand and a ¥7.9bln year-end dividend payout on the other.

Inventory assets increased by ¥2.1bln compared to end August 2009.

End November inventory assets at UNIQLO Japan increased by ¥8.6bln year on year to ¥52.1bln.

¥4.0bln was due to the larger number of stores, and also an increase in the size of the stores themselves. The remainder was due to a preemptive buildup in warehouse inventory in anticipation of orders in the strong sales environment.

Tangible assets increased ¥2.8bln versus end August 2009 with the majority of that gain, ¥3.0bln, attributable to new store openings at UNIQLO Japan.

Foreign exchange forward contracts increased by ¥14.5bln in the liabilities side. However, this is part of a hedging mechanism related to the strong yen and has no impact on the PL.



## [UNIQLO Japan] Yr to Aug 2010 forecast

**Revised up sales by ¥20.0bln, OP by ¥10.0bln**

Units: Billions of yen

	Yr to Aug 09 Actual	Yr to Aug 10		Yr to Aug 10		
		Latest est. (10/8)	y/y	Revised est.(1/8)	y/y	v. Latest est.
<b>Net sales</b> <small>(to net sales)</small>	538.1 <small>100.0%</small>	<b>595.0</b> <small>100.0%</small>	+ 10.6%	<b>615.0</b> <small>100.0%</small>	+ 14.3%	+ 3.4%
<b>Gross profit</b> <small>(to net sales)</small>	259.0 <small>48.1%</small>	<b>287.2</b> <small>48.3%</small>	+ 10.9% <small>(+ 0.2p)</small>	<b>298.5</b> <small>48.5%</small>	+ 15.2% <small>(+ 0.4p)</small>	+ 3.9% <small>(+ 0.2p)</small>
<b>SG&amp;A</b> <small>(to net sales)</small>	148.2 <small>27.6%</small>	<b>167.2</b> <small>28.1%</small>	+ 12.8% <small>(+ 0.5p)</small>	<b>168.5</b> <small>27.4%</small>	+ 13.6% <small>( 0.2p)</small>	+ 0.8% <small>( 0.7p)</small>
<b>Operating income</b> <small>(to net sales)</small>	110.7 <small>20.6%</small>	<b>120.0</b> <small>20.2%</small>	+ 8.3% <small>( 0.4p)</small>	<b>130.0</b> <small>21.1%</small>	+ 17.4% <small>(+ 0.5p)</small>	+ 8.3% <small>(+ 0.9p)</small>

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First, we have revised up our full year estimates for UNIQLO Japan to reflect the strong performance in the first quarter from September through November 2009. Our estimate for UNIQLO Japan net sales has been increased by ¥20.0bln and operating income by ¥10.0bln.

This would generate an estimated 14.3% year-on-year increase in full-year net sales to ¥615.0bln and a 17.4% increase in operating income to ¥130.0bln.

UNIQLO Japan revenue and income both outperformed in December with same store sales rising a strong 11.5% year on year. However, given that we experienced some stock shortages of winter goods in January, we have not included this stronger than expected performance in December in the upward revision to our full-year forecast.

## [UNIQLO Japan] Forecast assumptions

	Yr to Aug 09	Yr to Aug 10		
	Actual	Latest est. (10/8)	Revised est. (1/8)	y/y
Net sales	538.1 ¥bIn	<b>595.0 ¥bIn</b>	<b>615.0 ¥bIn</b>	+ 14.3%
Same store growth (Full year)	<b>+ 11.3%</b>	<b>+ 3.0%</b>	<b>+ 6.2%</b>	5.1p
1H	+ 12.9%	<b>+ 5.4%</b>	<b>+ 11.2%</b>	1.7p
2H	+ 9.3%	<b>+ 0.0%</b>	<b>+ 0.0%</b>	9.3p
Store increase (Full year)	10	<b>34</b>	<b>34</b>	24
1H	6	<b>16</b>	<b>16</b>	10
2H	4	<b>18</b>	<b>18</b>	14
Gross margin (Full year)	48.1%	<b>48.3%</b>	<b>48.5%</b>	+ 0.4p
1H	48.5%	<b>48.5%</b>	<b>49.0%</b>	+ 0.5p
2H	47.7%	<b>48.0%</b>	<b>48.0%</b>	+ 0.3p
SG&A ratio (Full year)	27.6%	<b>28.1%</b>	<b>27.4%</b>	0.2p
1H	25.3%	<b>25.5%</b>	<b>24.4%</b>	0.9p
2H	30.3%	<b>31.4%</b>	<b>31.4%</b>	1.1p

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We have revised our forecast assumptions for UNIQLO Japan as shown in this slide to reflect the strong performance in the September to November quarter.

We have revised up our estimate for same store sales growth over the year to August 2010 from the original 3.0% to 6.2% year on year. We have also revised up the forecast for full-year gross margin from 48.3% to 48.5%.





## [UNIQLO Intl] Yr to Aug 2010 revised Fcst

### Strong performance in US, Europe & China

- France** Revised up net sales & OP estimates as sales at the global flagship exceed forecast
- UK, USA** Brand image improvements boost performance with Paris global flagship & +J collection launch
- China** Estimates revised up on strong sales

Billions of yen

		Year to Aug 09	Year to Aug 10		Year to Aug 10		
		Actual	Latest est. (10/8)	y/y	Revised est. (1/8)	y/y	v. Latest est.
<b>UNIQLO International</b>	Net sales	<b>37.7</b>	<b>65.0</b>	72.0%	<b>70.0</b>	85.2%	7.7%
	OP	<b>1.6</b>	<b>4.5</b>	177.8%	<b>6.0</b>	270.4%	33.3%
	(to net sales)	4.3%	6.9%	+ 2.6p	8.6%	+ 4.3p	+ 1.7p

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Moving onto our forecasts for UNIQLO international for the year through August 2010, strong performances at each national operation has led us to revise up our initial estimate for full-year sales from ¥65.0bln to ¥70.0bln and operating income from the original ¥4.5bln forecast to ¥6.0bln.

We have revised up forecasts for both revenue and profit from UNIQLO France as initial sales at our global flagship opened in October 2009 far outstripped our estimate and current sales continue buoyant.

We have also revised up our forecasts for performance at our UNIQLO UK and USA operations. Revenue and income are performing well in both countries on the back of improvements in brand image generated by the opening of the Paris global flagship and the launch of the +J collection.

Consistently strong sales in China have led us to revise up sales and profit forecasts there too.

Business is expanding favorably in our newest market, Singapore, with strong sales at our 1,000sqm Somerset Store opened in December.

We also plan to open our first store in Moscow in Spring 2010.



## [Japan Apparel] Yr to Aug 2010 revised Fcst

### Estimates cut on CABIN downturn

**CABIN** Underperforming in depressed fashion apparel market, sales & OP estimates revised down. Plan to focus on product development.

**GOV RETAILING** Overall estimates unchanged. Losses from FOOTPARK closing down sales seen continuing through second quarter, but g.u. continues to perform well.

Billions of yen

		Year to Aug 09 Actual	Year to Aug 10		Year to Aug 10		
			Latest est. (10/8)	y/y	Revised est. (1/8)	y/y	v. Latest est.
Japan Apparel	Net sales	51.5	50.0	-2.9%	47.0	-8.8%	-6.0%
	OP (to net sales)	0.5	0.3	0.6%	0.7	-	-

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Next, I would like to run through our estimates for the Japan Apparel operation. With performance at CABIN falling short of plan, we are revising down our estimates for net sales from the initial ¥50.0bln to ¥47.0bln, and for operating income from the initial profit of ¥0.3bln to a forecast loss of ¥0.7bln.

Same store sales at CABIN continue to fall short of previous year levels with the operation hit by sluggish conditions in the fashion apparel industry. We have therefore revised down our estimates for both full-year net sales and operating income at CABIN.

Going forward we shall be looking to boost visibility for CABIN's ZAZIE and enraciné brands and to strengthen product development of fashionable but reasonably priced clothing.

At GOV RETAILING, we envisage the negative impact from FOOTPARK store closing down sales will continue through the second quarter to February 2010. But this is being offset by a strong performance at our low-price g.u. brand that continues to exceed initial estimates. As a result, our forecasts for GOV RETAILING as a whole remain unchanged.



## Yr to Aug 2010 forecasts by operation

**UNIQLO Japan :** Revised up  
**UNIQLO International :** Revised up  
**Japan Apparel :** Revised down  
**Global Brands :** Unchanged

Billions of yen

		Yr to Aug 09	Yr to Aug 10		Yr to Aug 10		
		Actual	Latest est. (10/8)	y/y	Revised est.(1/8)	y/y	v. Latest est
UNIQLO Japan	Net sales	538.1	595.0	+ 10.6%	615.0	+ 14.3%	+ 3.4%
	OP (to net sales)	110.7 20.6%	120.0 20.2%	+ 8.3% 0.4p	130.0 21.1%	+ 17.4% + 0.5p	+ 8.3% + 0.9p
UNIQLO International	Net sales	37.7	65.0	+ 72.0%	70.0	+ 85.2%	+ 7.7%
	OP (to net sales)	1.6 4.3%	4.5 6.9%	+ 177.8% + 2.6p	6.0 8.6%	+ 270.4% + 4.3p	+ 33.3% + 1.7p
Japan Apparel	Net sales	51.5	50.0	2.9%	47.0	8.8%	6.0%
	OP (to net sales)	0.5 -	0.3 0.6%	+ 0.0% -	0.7 0.6%	- -	- -
Global Brands	Net sales	55.5	85.0	+ 52.9%	85.0	+ 52.9%	+ 0.0%
	OP (to net sales)	3.6 6.6%	4.5 5.3%	+ 22.7% 1.3p	4.5 5.3%	+ 22.7% 1.3p	+ 0.0% + 0.0p

Goodwill amortization: Yr to Aug 2010 Estimate: ¥7.5bln Yr to Aug 2009 Actual: ¥6.4bln

Yr to Aug 2010 FX rate est.: 1USD= ¥90.0 1EUR=¥130.0 1GBP=¥140.0 1RMB=¥13.00 100KRW= ¥7.5

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Our business estimates for the year to August 2010 by group operation are as shown in this slide.

Estimates for our Global Brands operation remain unchanged.

There is also no change to our estimated ¥200 annual dividend per share for the year through August 2010 split into a ¥100 interim dividend and ¥100 yen year-end dividend payment.

Finally, we have attached for your reference consolidated estimates and estimates for the UNIQLO Japan operation for the six months through February 2010. The other slide shows a table of new store opening plans.

That completes this presentation.

Thank you.

# Store plans by group company

[Units: Stores]	Yr 09 Actual Yr-end	Year to Aug 10				Year to Aug 10			
		Q1(Sep - Dec) Actual			End Aug	Forecast			End Aug
		Open	Close	Change		Open	Close	Change	
<b>UNIQLO Operations</b>	<b>862</b>	<b>58</b>	<b>12</b>	<b>+ 46</b>	<b>908</b>	<b>119</b>	<b>29</b>	<b>+ 90</b>	<b>952</b>
UNIQLO Japan	770	33	11	+ 22	792	60	26	+ 34	804
Own stores	750	33	11	+ 22	772	60	26	+ 34	784
Large-format	71	10	0	+ 10	81	25	0	+ 25	96
Standard-format	679	23	11	+ 12	691	35	26	+ 9	688
FC	20	0	0	+ 0	20	0	0	+ 0	20
UNIQLO International	92	25	1	+ 24	116	59	3	+ 56	148
China	33	10	1	+ 9	42	30	1	+ 29	62
Hong Kong	11	1	0	+ 1	12	2	0	+ 2	13
Korea	30	13	0	+ 13	43	24	0	+ 24	54
Singapore	2	0	0	0	2	1	0	+ 1	3
UK	14	0	0	+ 0	14	0	2	2	12
USA	1	0	0	0	1	0	0	0	1
France	1	1	0	1	2	1	0	1	2
Russia	-	0	0	0	0	1	0	1	1
<b>GOV RETAILING</b>	<b>351</b>	<b>22</b>	<b>123</b>	<b>101</b>	<b>250</b>	<b>52</b>	<b>191</b>	<b>139</b>	<b>212</b>
g.u.	72	22	0	+ 22	94	50	3	+ 47	119
Shoes	279	0	123	123	156	2	188	189	93
<b>CABIN</b>	<b>205</b>	<b>13</b>	<b>9</b>	<b>+ 4</b>	<b>209</b>	<b>22</b>	<b>13</b>	<b>+ 9</b>	<b>214</b>
theory	306	17	2	+ 15	321	23	9	+ 14	320
<b>COMPTOIR DES COTONNIERS</b>	<b>368</b>	<b>8</b>	<b>4</b>	<b>+ 4</b>	<b>372</b>	<b>27</b>	<b>1</b>	<b>+ 26</b>	<b>394</b>
<b>PRINCESSE TAM.TAM</b>	<b>166</b>	<b>1</b>	<b>0</b>	<b>+ 1</b>	<b>167</b>	<b>1</b>	<b>7</b>	<b>6</b>	<b>160</b>
<b>Total</b>	<b>2,258</b>	<b>119</b>	<b>150</b>	<b>31</b>	<b>2,227</b>	<b>244</b>	<b>250</b>	<b>6</b>	<b>2,252</b>

Including franchise stores



## [Group] Forecast for 6 mths to Feb 10

Billions of Yen

	Six mo to Aug 09	Six mo to Aug 10		Six mo to Aug 10		
	Actual	Latest est. (10/8)	y/y	Revised est. (1/8)	y/y	v. Latest est.
<b>Net sales</b> (to net sales)	357.4 100.0%	<b>437.5</b> 0.0%	+ 22.4%	<b>459.5</b> 100.0%	+ 28.6%	+ 5.0%
<b>Gross profit</b> (to net sales)	178.0 49.8%	<b>220.0</b> 50.3%	+ 23.6% ( + 0.5p)	<b>233.5</b> 50.8%	+ 31.1% ( + 1.0p)	+ 6.1% ( + 0.5p)
<b>SG&amp;A</b> (to net sales)	108.1 30.3%	<b>141.5</b> 32.3%	+ 30.8% ( + 2.0p)	<b>144.5</b> 31.4%	+ 33.6% ( + 1.1p)	+ 2.1% ( - 0.9p)
<b>Operating income</b> (to net sales)	69.8 19.5%	<b>78.5</b> 17.9%	+ 12.4% ( - 1.6p)	<b>89.0</b> 19.4%	+ 27.4% ( - 0.1p)	+ 13.4% ( + 1.5p)
<b>Ordinary income</b> (to net sales)	63.1 17.7%	<b>76.0</b> 17.4%	+ 20.3% ( - 0.3p)	<b>86.5</b> 18.8%	+ 37.0% ( + 1.1p)	+ 13.8% ( + 1.4p)
<b>Net income</b> (to net sales)	35.5 9.9%	<b>42.5</b> 9.7%	+ 19.5% ( - 0.2p)	<b>48.0</b> 10.4%	+ 35.0% ( + 0.5p)	+ 12.9% ( + 0.7p)



# [UNIQLO Japan] Forecast for 6 mths to Feb 10

Billions of Yen

	Six mo to Aug 09	Six mo to Aug 10		Six mo to Aug 10		
	Actual	Latest est. (10/8)	y/y	Revised est. (1/8)	y/y	v. Latest est.
<b>Net sales</b> (to net sales)	296.2 100.0%	<b>333.0</b> 100.0%	+ 12.4%	<b>353.0</b> 100.0%	+ 19.2%	+ 6.0%
<b>Gross profit</b> (to net sales)	143.7 48.5%	<b>161.5</b> 48.5%	+ 12.3% ( + 0.0p)	<b>172.8</b> 49.0%	+ 20.2% ( + 0.5p)	+ 7.0% ( + 0.5p)
<b>SG&amp;A</b> (to net sales)	74.9 25.3%	<b>85.0</b> 25.5%	+ 13.4% ( + 0.2p)	<b>86.3</b> 24.4%	+ 15.2% ( - 0.9p)	+ 1.5% ( - 1.1p)
<b>Operating income</b> (to net sales)	68.8 23.2%	<b>76.5</b> 23.0%	+ 11.1% ( - 0.2p)	<b>86.5</b> 24.5%	+ 25.7% ( + 1.3p)	+ 13.1% ( + 1.5p)