

Fast Retailing Results for September to November 2011 and Estimates for Fiscal 2012

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My name is Takeshi Okazaki and I am group senior vice president and CFO of Fast Retailing.

I would like to take you through our consolidated business performance for first quarter of fiscal 2012, or the three months from September through November 2011, and our estimates for the full business year through August 2012.

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A note on the display of group operations in this documentation
Group operations are outlined below

Starting from the business year ending August 2012

UNIQLO Japan: UNIQLO Co., Ltd.

UNIQLO International: All UNIQLO operations outside of Japan

Global Brands: Includes Theory, Comptoir des Cottonniers, Princesse tam.tam., and g.u.

Through the business year ending August 2011

UNIQLO Japan: UNIQLO Co., Ltd. (including footwear)

UNIQLO International: All UNIQLO operations outside of Japan

Global Brands: Includes Theory, Comptoir des Cottonniers, Princesse tam.tam., g.u. and Cabin

A note on business forecasts

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

Net Sales: ¥272.6bln (+ 8.6% y/y)
Operating Income: ¥48.4bln (-2.8% y/y)
Ordinary Income: ¥48.4bln(+0.5% y/y)

	Yr to Aug. 2011 (3 mths to Nov. 2010)	Yr to Aug. 2012 (3 mths to Nov. 2011)	
	Actual	Actual	y/y
Net sales (to net sales)	250.9 100.0%	272.6 100.0%	+8.6%
Gross profit (to net sales)	133.4 53.2%	141.1 51.8%	+5.8% -1.4 p
SG&A (to net sales)	83.5 33.3%	92.7 34.0%	+11.0% +0.7 p
Operating income (to net sales)	49.8 19.9%	48.4 17.8%	-2.8% -2.1 p
Ordinary income (to net sales)	48.1 19.2%	48.4 17.8%	+0.5% -1.4 p
Net income (to net sales)	22.7 9.0%	31.1 11.4%	+37.2% +2.4 p

Billions of yen

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First, I would like to explain our consolidated business performance for the first quarter from September through November 2011.

Consolidated sales increased 8.6% year on year to ¥272.6bln, while operating income for the Group contracted 2.8% year on year to ¥48.4bln. Ordinary income rose 0.5% to ¥48.4bln and net income increased 37.2% to ¥31.1bln.

Slide 4 lists the main factors underlying this performance.



Group: 1Q Sales Rise, Profit Fall

Net sales ¥272.6bln (+8.6% y/y)

• UNIQLO Intl: + ¥15.8bln • Global Brands + ¥5.4bln • UNIQLO Japan + ¥0.3bln

Gross profit to net sales 51.8% (-1.4p y/y)

• UNIQLO Japan -2.4p

SG&A to net sales 34.0% (+0.7p y/y)

• Increased contribution from UNIQLO Intl with comparatively high SG&A costs

**Operating income ¥48.4bln,
operating income margin 17.8% (-2.1p y/y)**

**Ordinary income ¥48.4bln,
ordinary income margin 17.8%(-1.4p y/y)**

• Foreign exchange loss greatly reduce thanks to lull in yen strengthening

Net Income ¥31.1bln, up 37.2% y/y

• Compared to previous year when ¥9.6bln extraordinary losses accounted for changes to accounting practices.

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I am going to talk first about consolidated sales for the Fast Retailing Group which expanded ¥21.7bln to ¥272.6bln.

This consolidated sales total breaks down into an increase in sales at UNIQLO International of ¥15.8bln, a rise in sales from the Global Brands category of ¥5.4bln and an increase in sales at UNIQLO Japan of ¥0.3bln.

The consolidated gross profit margin declined 1.4 points year on year to 51.8% in the first quarter. This decline can be attributed primarily to a 2.4-point decline in the gross margin at UNIQLO Japan.

SG&A expenses increased ¥9.1bln year on year, pushing the SG&A to net sales ratio up 0.7 point to 34.0%. This was due to the growing contribution to sales from the UNIQLO International segment where SG&A expenses are comparatively high.

As a result of the above, operating income totaled ¥48.4bln in the first quarter and the operating income margin dipped 2.1 points year on year to 17.8%.

In addition, ordinary income totaled ¥48.4bln, and the ordinary income margin shrank 1.4 points to 17.8%.

In terms of non-operating income, we recorded a foreign exchange loss of ¥1.6bln in the Sep.-Nov. 2011 quarter due to a strengthening in the yen. However, the lull in the yen's rise in the first quarter reduced the foreign exchange loss considerably, and reduced non-operating income close to zero.

Net income totaled ¥31.1bln in the first quarter. This represents a 37.2% increase over the previous year when we accounted extraordinary losses of ¥9.6bln related to changes in accounting practices.

1Q Breakdown by Group Operation

Billions of yen

		Yr to Aug. 2011	Yr to Aug. 2012	
		(3 mths to Nov. 2010)	(3 mths to Nov. 2011)	y/y
		Actual	Actual	
UNIQLO Japan ※1	Net sales	189.7	190.0	+0.2%
	Operating income (to net sales)	42.0 22.1%	37.6 19.8%	-10.3% -2.3p
UNIQLO International	Net sales	26.8	42.6	+59.1%
	Operating income (to net sales)	4.8 18.0%	5.4 12.8%	+13.3% -5.2p
Global Brands	Net sales	33.7	39.2	+16.3%
	Operating income (to net sales)	3.9 11.8%	5.3 13.7%	+35.2% +1.9p

※1 UNIQLO Japan: Sales of ¥1.7bln and an operating loss of ¥0.3bln from the footwear operation are included in the Sep.-Nov. 2011 quarter. All specialty footwear stores were closed by end August 2011.

※2 In addition to the categories listed above, consolidated sales also includes sales generated by the holding company, Fast Retailing Co., Ltd. and consolidated operating income also includes operating income and goodwill amortization generated by Fast Retailing Co., Ltd

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Slide number 5 displays the breakdown of net sales and operating income for the three months to November 2011 by group operation.

UNIQLO Japan sales totaled ¥190.0bln, and operating income ¥37.6bln. UNIQLO International posted sales of ¥42.6bln and operating income of ¥5.4bln. Global Brands generated sales of ¥39.2bln and operating income of ¥5.3bln.

As you can see, the contribution to consolidated performance from UNIQLO International continues to increase.

1Q sales rise, income falls **Sales ¥17.9bln, OP ¥5.3bln below initial target**

Billions of yen

	Yr to Aug. 2011 (3 mths to Nov. 2010)	Yr to Aug. 2012 (3 mths to Nov. 2011)	
	Actual	Actual	y/y
Net sales (to net sales)	189.7 100.0%	190.0 100.0%	+0.2%
Gross profit (to net sales)	96.4 50.8%	92.0 48.4%	-4.5% -2.4 p
SG&A (to net sales)	54.4 28.7%	54.4 28.6%	-0.0% -0.1 p
Operating income (to net sales)	42.0 22.1%	37.6 19.8%	-10.3% -2.3 p

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Taking UNIQLO Japan first, this operation reported a rise in sales but a fall in income in the first quarter. Sales expanded 0.2% year on year to ¥190.0bln and operating income fell 10.3% year on year to ¥37.6bln.

The sales and income figures came in below our initial estimate issued in October 2011 by ¥17.9bln and ¥5.3bln respectively.

However, discounting was kept under strict control and so the gross profit margin outstripped our initial estimate by 0.3 point, and SG&A expenses came in ¥2.7bln lower than forecast.

I will explain each of these elements in more detail in the following slide.

UNIQLO Japan: Overall Sales

1 Q sales ¥190.0bln (+0.2% y/y)

UNIQLO directly run stores 831 (excluding 22 franchise stores) at end November 2011 (net increase of 28 stores v. end Nov. 2010)

Same-store sales -4.0% y/y

(customer numbers -9.6%, average customer spending +6.2%)

• Warm temperatures delayed demand for winter goods

• Average customer spending up on strong sales of comparatively more expensive Ultra Light Down items

Same-store sales y/y	Yr to Aug. 2012				
	Sep.	Oct.	Nov.	3 mths to Nov. 2011	Dec.
Net sales	-10.7%	-4.0%	-1.0%	-4.0%	+14.2%
Customer nos.	-12.7%	-8.4%	-9.0%	-9.6%	+2.4%
Avg. purchase	+2.3%	+4.7%	+8.8%	+6.2%	+11.6%

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Looking at UNIQLO Japan's overall sales picture first. While same-store sales contracted 4.0% year on year in the first quarter, a net increase of 28 stores meant that sales at directly-operated stores actually increased by 0.2% compared to the previous year. In addition, the previous year's first quarter data included ¥1.7bln in sales generated by specialty shoe stores, so, if you remove this element, the actual increase in overall sales at UNIQLO Japan would have been ¥2.0bln in real terms.

In the first quarter, same-store sales contracted 4.0% year on year. This breaks down into a 9.6% contraction in customer numbers but a 6.2% increase in the average customer spending.

The heat wave in September knocked sales sharply lower. The persistent warm weather in October dampened demand for HEATTECH and other winter items, and warm weather also knocked November sales below target.

The average customer spending increased thanks to strong sales of items with a comparatively high unit price such as Ultra Light Down garments. Furthermore, we expanded production of Ultra Light Down by 2.5 times this fall/winter season compared to the previous year.

As you know, same-store sales rebounded sharply in December, expanding 14.2% year on year. Several factors were at play here including strong sales of winter essentials following the sharp drop in temperature. In addition, strong sales of comparatively expensive items such as warm pants, micro fleece lounge sets and Ultra Light Down boosted the average customer spending.

1 Q gross profit margin 48.4% (-2.4p y/y)

But exceeds initial estimate by 0.3p

Gross profit margin outperforms initial estimate

- Focus on core product sales helped control discounting
- Less than expected discounts on strong-selling Ultra Light Down

Gross profit margin falls year on year

- Higher cotton and raw materials costs, factory processing fees
- Sought to draw customers with more HEATTECH limited-period sales

Next, I would like to move onto UNIQLO Japan's gross profit margin for the first quarter which contracted 2.4 points year on year to 48.4%.

In the three months from September through November 2011, sales did fall ¥17.9bln below target, but our decision to focus on core product sales meant less discounting, particularly on strong-selling items such as Ultra Light Down. As a result, the gross profit margin result was actually higher than our initial estimate for the first quarter.

As for the 2.4% year-on-year contraction in the gross profit margin, we had been expecting the cost of sales ratio to increase on the back of rising cotton and other raw materials prices, and we had expected increases in factory processing fees. However, our decision to attract customers with more concerted limited-period sales on our HEATTECH range also knocked the gross margin lower.

1 Q SG&A ratio 28.6%(-0.1p y/y)

SG&A expenses down ¥2.7bln v. initial estimate

SG&A ratio improved 0.1p

- Personnel -0.5p y/y
- Advertising & promotion -0.1p y/y
- Store rents flat y/y
- Other business expenses +0.5p y/y

SG&A expenses down ¥2.7bln v. initial est.

- Reduction in sales-linked costs, incl. store personnel & rents

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The SG&A to net sales ratio improved 0.1 point to 28.6% in the first quarter, and total SG&A expenses actually came in ¥2.7bln below our initial forecast.

Breaking this first quarter SG&A ratio down, the personnel ratio improved 0.5 point, the advertising and promotion ratio improved 0.1 point, while the store rents ratio remained flat.

On the other hand, the other business expenses ratio deteriorated by 0.5 point. From fiscal 2012, we have begun dispatching personnel from the Production Department to Chinese subsidiaries. While personnel outlays were reduced as a result, outsourcing expenses (included in the Other Business Expenses category) actually increased by approximately the same amount.

Total SG&A expenses came in lower than expected because the larger-than-expected fall in overall sales also reduced sales-linked business expenses such as store personnel costs and rental expenses.

Sales up 60% with faster store openings

Asia: significant gains in sales & income, 37 new stores

- China & Hong Kong: Outperforms with large gain in sales and income, 25 new stores and continued double-digit growth for same-store sales
- Taiwan: 6 new stores, strong new global Mingyao Department store flagship
- South Korea: Outperforms with large gain in sales and income, continued double-digit growth in same-store sales, strong Myeongdong global flagship
- Singapore & Malaysia: Performed favorably and to plan
- Thailand: Strong sales from first store opened September 2011

Billions of yen

		Yr to Aug. 2011	Yr to Aug. 2012	
		(3 mths to Nov. 2010)	(3 mths to Nov. 2011)	y/y
		Actual	Actual	
UNIQLO International	Net sales	26.8	42.6	+59.1%
	Operating income	4.8	5.4	+13.3%
	(to net sales)	18.0%	12.8%	-5.2 p

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Next, I would like to move onto UNIQLO International which achieved significant gains in both sales and income for the three months from September through November 2011. Sales for the segment expanded an impressive 59.1% to ¥42.6bln and operating income expanded 13.3% to ¥5.4bln.

Of particular note was the considerable gain in both sales and income in the Asian region where 37 new stores came on line in the first quarter.

The China and Hong Kong operation continued to outperform. The operation generated strong gains in both sales and income, with 25 new stores opening for business in the first quarter and same-store sales continuing to post double-digit year-on-year growth.

In Taiwan, we opened six new stores in the first quarter and the nation's first global flagship store, opened in the Mingyao Department store in September, generated strong sales.

In South Korea, the operation exceeded our initial plan generating significant gains in both sales and income. Same-store sales continued to post double-digit growth and our new global flagship store, opened in Myeongdong, Seoul in November, generated strong sales.

In Singapore and Malaysia, UNIQLO operations performed favorably and to plan.

Our first store in Thailand opened in September to a wonderful reception with many customers queuing outside the store on opening day. The store is already generating strong sales.

U.S. & Europe: UNIQLO brand visibility Soars on opening of global flagship store

- **U.S.:** UNIQLO brand awareness improves greatly with talk focused on the New York Fifth Avenue global flagship and 34th Street mega store
Small loss forecast for fiscal 2012 as 34th Street store sales fall below target
- **France:** Performs to plan. New, larger La Defense store opened October 2011
- **U.K.:** Underperforms on both sales and income
- **Russia:** Outperforms marginally, profitability improves

In the United States, awareness of the UNIQLO brand soared on the opening of our New York Fifth Avenue global flagship store on October 14, and the opening of our New York 34th Street mega store a week later.

The New York Fifth Avenue store attracted much attention with a long queue of customers awaiting the opening. The Fifth Avenue store is now generating favorable sales, while sales at the 34th Street store fell slightly below target.

As a result, we now expect the United States operation to report a small loss in fiscal 2012 as opposed to the small profit which we had initially expected.

In France, the bigger, better La Defense store reopened in October and the operation as a whole performed to plan.

In the UK, the operation fell short of target on both sales and income in the first quarter.

Meanwhile, UNIQLO Russia outperformed marginally on both sales and income, and profitability improved.



New York Fifth Avenue Global Flagship

Store name: UNIQLO New York Fifth Avenue Store
Sales floor: Approx. 4,600sqm (the largest UNIQLO store in the world)
Opened: Friday, October 14, 2011



Cutting the ribbon on opening day
(LtoR) New York Fifth Avenue Store manager Kusaka, New York City Mayor Michael Bloomberg, Fast Retailing Chairman & CEO Tadashi Yanai

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In this segment, I would like to introduce the global flagship stores that we opened in the three months from September through November 2011.

First, our UNIQLO New York Fifth Avenue Store opened on October 14, 2011. With a sales floor of approximately 4,600 square meters, this is currently the biggest UNIQLO store in the world.

Located on New York's prestigious Fifth Avenue, the store is hugely valuable as a showcase from which to transmit the UNIQLO brand concept across the United States and even across the entire globe.



The central escalator towers up to the 3F



Customer Service Counter in the New York Fifth Avenue Store



The "HEATTECH Tunnel" on 3F

This next photo shows the store just after it opened.

The store opening was a roaring success with a long queue of eager shoppers waiting for the doors to open.



UNIQLO Mingyao Department Store, Taipei

Store name: UNIQLO Mingyao Department Store

Sales floor: Approx. 3,600sqm (Mingyao department store 1~3F)

Opened: Friday, September 23, 2011



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This next slides shows our global flagship store in Taipei, the UNIQLO Mingyao Department Store, opened on Friday, September 23, 2011. The store is housed on the first three floors of this long-established department store on Taipei's renowned shopping street.



UNIQLO Myeongdong Central Store, Seoul

Store name: UNIQLO Myeongdong Central Store

Sales floor : Approx. 4,000sqm (1~4F)

Opened : Friday, November 11, 2011



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Finally, this is a picture of our global flagship store in Seoul, the UNIQLO Myeongdong Central Store, opened on November 11, 2011.

The store broke the record for the highest total one-day sales in South Korea's apparel retailer industry.

Large income gains for Theory & g.u.

- **Theory:** Significant gains in income exceed target, same-store sales continue to grow in both Japan and the U.S.
- **g.u.:** Achieves large gains in both sales and income as same-store sales expand by over 20% and profit margin improves
- **Comptoir des Cotonniers, Princesse tam.tam:** Produce a flat performance as expected

Billions of yen

		Yr to Aug. 2011	Yr to Aug. 2012	
		(3 mths to Nov. 2010)	(3 mths to Nov. 2011)	y/y
		Actual	Actual	
Global Brands	Net sales	33.7	39.2	+16.3%
	Operating income (to net sales)	3.9 11.8%	5.3 13.7%	+35.2% +1.9 p

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Looking at slide 16, our Global Brands category generated double-digit gains in both sales and income, with sales expanding 16.3% to ¥39.2bln and operating income expanding 35.2% to ¥5.3bln. Both totals exceeded our initial estimates.

At our Theory operation, both sales and income increased considerably beyond our initial estimate, with same-store sales continuing to expand in Japan and the United States.

At our low-priced g.u. casualwear operation, sales and income both rose considerably in the first quarter. An expansion of more than 20% in same-store sales boosted overall sales, and improvements in management efficiency boosted the operating income figure.

Our French women's fashion label, Comptoir des Cotonniers, and our French lingerie label, Princesse tam.tam generated a flat performance on both sales and income in the first quarter as expected.



Group: Balance Sheet at end Nov. 2011

Billions of yen

	End Nov. 2010	End Aug. 2011	End Nov. 2011	Change
Total assets	558.6	533.7	616.8	+58.1
Current assets	394.5	369.9	446.3	+51.8
Fixed assets	164.1	163.8	170.5	+6.3
Liabilities	253.2	213.8	263.0	+9.7
Net assets	305.4	319.9	353.7	+48.3

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Next, I would like to take you through our balance sheet as it stood at end November 2011.

Compared to end November 2010, current assets increased by ¥51.8bln and fixed assets increased by ¥6.3bln, generating an increase in total assets of ¥58.1bln to ¥616.8bln.

I will run through the main details on the balance sheet in the next slide.

Increase in current assets

Increase in cash, equivalents & marketable securities

+¥20.5bln (¥214.3bln ⇒ ¥234.8bln)

Increase in operating cash flow

Increase in inventory + ¥21.2bln (¥80.3bln ⇒ ¥101.6bln)

UNIQLO Japan +¥6.7bln

Increase of 28 new stores +¥3.0bln

Build up of winter inventory +¥3.7bln

UNIQLO International +¥13.4bln

Increased store openings, higher sales per store, opening of global flagship and large-scale stores

Global Brands +¥0.8bln

Expansion of g.u. and Theory operations

Let me discuss the reasons for the increase in current assets first.

Cash, cash equivalents and marketable securities increased by ¥20.5bln year on year to ¥234.8bln at end November 2011. This was due to an increase in operating cash flow at UNIQLO Japan and our other business segments.

Total inventory increased by ¥21.2bln to ¥101.6bln at end November 2011.

Inventory at UNIQLO Japan increased by ¥6.7bln to ¥53.4bln at the end of November 2011 compared to end November 2010. An increase of 28 new stores boosted UNIQLO Japan inventory by ¥3.0bln and an early accumulation of winter inventory added approximately ¥3.7bln.

Inventory levels rose at UNIQLO International by ¥13.4bln due to an increase in the number of UNIQLO International stores and an expansion in sales per store. Of particular note in the September through November period was the increase in inventory resulting from the opening of a number of global flagship stores in New York, Taipei and Seoul, and multiple large-scale stores elsewhere.

Inventory levels also increased at our Global Brands segment by ¥0.8bln as the g.u. and Theory operations continued to expand.

Billions of yen

	Yr. to Aug. 2011 1Q	Yr. to Aug. 2012 1Q	Comment
Net cash provided by operating activities	+35.3	+50.4	
Net income before taxes and other adjustments	+37.4	+47.9	UNIQLO Japan profit gain/loss
Depreciation allowance, goodwill amortization	+9.1	+5.7	
Working capital	13.2	+9.2	Change in total accounts receivable, inventory assets & accounts payable
Payment/refund of corporation tax, etc	-30.5	-12.3	
Net cash used in investment activities	-9.1	-11.2	
Expenditure on acquisition of tangible assets	-5.5	-8.9	Related to new store openings
Expenditure on acquisition of intangible assets	-4.1	-1.0	System investment
Net cash used in financing activities	-13.1	-7.1	
Dividend payout	-11.4	-8.5	FY2010 year-end dividend of 115 yen per share, FY2011 interim dividend 95 yen per share
Increase in cash & equivalents	134.0	321.0	
Cash & equivalents period start	200.4	202.1	
Cash & equivalents period end	214.3	234.8	

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I would now like to explain our cash flow position for the three months from September through November 2011.

We enjoyed a net cash inflow of ¥50.4bln from operating activities thanks to the profit contribution from UNIQLO Japan.

Outlays on investment activities totalled ¥11.2bln in the first quarter. Of this total, ¥8.9bln was spent on acquisition of tangible assets and ¥1.0bln was spent on acquisition of intangible assets such as systems investment.

Consolidated capital expenditure totaled ¥12.5bln in the first quarter. Capital expenditure for UNIQLO accounted for ¥4.4bln of that total, UNIQLO International ¥6.0bln, Global Brands ¥0.9bln and the Fast Retailing holding company ¥1.2bln.

Spending on financing activities totaled ¥7.1bln in the first quarter, ¥8.5bln of which was used for dividend payments.

As a result of the above, the balance of cash and cash equivalents stood at ¥234.8bln at end November 2011.

Group: FY2012 Forecast

Sales ¥28.0bln, OP ¥5.0bln, ordinary income ¥2.0bln, net income ¥1.0bln below initial estimate

Billions of yen

	Yr to Aug. 2011	Yr to Aug. 2012		Yr to Aug. 2012	
	Actual	Latest est. (Oct. 12)	y/y	Revised est. (Jan. 12)	y/y
Net sales (to net sales)	820.3 100.0%	965.0 100.0%	+ 17.6%	937.0 100.0%	+ 14.2%
Gross profit (to net sales)	425.7 51.9%	492.0 51.0%	+ 15.6% -0.9 p	478.5 51.1%	+ 12.4% -0.8 p
SG&A (to net sales)	309.4 37.7%	356.5 36.9%	+ 15.2% -0.8 p	348.0 37.1%	+ 12.5% -0.6 p
Operating income (to net sales)	116.3 14.2%	135.5 14.0%	+ 16.4% -0.2 p	130.5 13.9%	+ 12.1% -0.3 p
Ordinary income (to net sales)	107.0 13.1%	127.5 13.2%	+ 19.1% + 0.1 p	125.5 13.4%	+ 17.2% + 0.3 p
Extraordinary gain or loss (to net sales)	-13.2 0.0%	-4.0 0.0%	-	-4.0 0.0%	-
Net income (to net sales)	54.3 6.6%	71.0 7.4%	+ 30.6% + 0.8 p	70.0 7.5%	+ 28.8% + 0.9 p

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From here, I would like to talk about our business estimates for fiscal 2012, or the full year through end August 2012.

Fast Retailing has revised down its estimates for full-year consolidated sales by ¥28.0bln, from ¥965.0bln to ¥937.0bln.

We have also revised down our full-year forecast for consolidated operating income by ¥5.0bln, from ¥135.5bln to ¥130.5bln.

We have revised down our forecasted foreign exchange loss by ¥3.0bln due the recent lull in the strengthening of the yen.

Taking that factor into account, we have decided to revise down our forecast for consolidated ordinary income by ¥2.0bln, from ¥127.5bln to ¥125.5bln.

In addition, we have revised down our forecast for consolidated net income by ¥1.0bln, from ¥71.0bln to ¥70.0bln.

1H initial estimate for OP revised down ¥3.5bln

- Sales revised down ¥17.0bln
Same-store sales revised down from initial +5.0% ⇒ +0.2%
- 2Q profit margin revised down 0.3p
- SG&A expenses revised down ¥4.5bln

2H initial estimate for OP revised down ¥1.5bln

- Sales revised down ¥11.0bln
Same-store sales revised down from initial +5.0% ⇒ +1.3%
- SG&A expenses revised down ¥4.0bln

Revisions to Initial estimate	Yr. To Aug. 2012				
	1Q	2Q	1H	2H	Full Year
Net Sales	-17.9 ¥bln	+0.9 ¥bln	-17.0 ¥bln	-11.0 ¥bln	-28.0 ¥bln
Gross Profit	+0.3p	-0.3p	±0.0p	±0.0p	±0.0p
SG&A	-2.7 ¥bln	-1.8 ¥bln	-4.5 ¥bln	-4.0 ¥bln	-8.5 ¥bln
Operating income	-5.3 ¥bln	+1.8 ¥bln	-3.5 ¥bln	-1.5 ¥bln	-5.0 ¥bln

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I would now like to move on to explain the revisions to our forecasts for the UNIQLO Japan operation.

Looking first at our forecasts for the first half of fiscal 2012, or the six months from September 2011 through February 2012.

In view of the fact that sales fell ¥17.9bln short of target in the first quarter but picked up strongly in December, we have decided to revise down our initial interim sales forecast by ¥17.0bln to ¥360.0bln, and we now expect same-store sales to expand by 0.2% year on year in the first half.

We expect winter items to constitute a larger portion of the product lineup in the second quarter from December 2011 through February 2012 and so we have revised down our forecast for the second quarter gross profit margin by 0.3 point. However, given that the gross profit margin outperformed our initial target in the first quarter by 0.3 point, we have made no change to our initial estimate for a gross margin of 47.9% in the first-half.

Thanks to the continued drive to cut costs, we have revised down our forecast for SG&A expenses in the second quarter by ¥1.8bln. In conjunction with the ¥2.7bln saving compared to our initial target in the first quarter, we have revised down our interim forecast for SG&A expenses by ¥4.5bln.

As a result, have revised down our first-half forecast for operating income to ¥68.0bln, ¥3.5bln lower than our initial estimate.

Let's look now at our forecasts for UNIQLO Japan in the second half of the fiscal year, or the six months from March through August 2012.

Given the sales trend in the first half, we have revised down our forecast for same-store sales growth for the second half from 5.0% year on year to 1.3%. We now expect to open 12 new stores and close 11 existing ones in the second half, resulting in a net increase of just one store. Taking that factor also into consideration, we have decided to revise down our initial estimate for UNIQLO Japan sales in the second half by ¥11.0bln.

As for SG&A expenses, we expect to be able to shave another ¥4.0bln off our initial estimate in the second half thanks to our continued cost-cutting drive.

As a result, our initial estimate for operating income in the second half has been revised down ¥1.5bln to ¥38.5bln.

UNIQLO Japan: FY2012 Forecast

Sales: ¥629.0bln (+4.8% y/y)

Operating income: ¥106.5bln(+0.3% y/y)

Billions of yen

	Yr to Aug. 2011	Yr to Aug. 2012		Yr to Aug. 2012	
	Actual	Latest est. (Oct. 12)	y/y	Revised est. (Jan. 12)	y/y
Net sales (to net sales)	600.1 100.0%	657.0 100.0%	+9.5%	629.0 100.0%	+4.8%
Gross profit (to net sales)	294.9 49.1%	318.5 48.5%	+8.0% -0.6 p	305.0 48.5%	+3.4% -0.6 p
SG&A (to net sales)	188.6 31.4%	207.0 31.5%	+9.7% +0.1 p	198.5 31.6%	+5.2% +0.2 p
Operating income (to net sales)	106.2 17.7%	111.5 17.0%	+5.0% -0.7 p	106.5 16.9%	+0.3% -0.8 p

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As a result of the individual revisions discussed in the previous slide, we have decided to revise down our fiscal 2012 forecast for UNIQLO Japan sales by ¥28.0bln to ¥629.0bln (up 4.8% year on year), and our fiscal 2012 forecast for operating income by ¥5.0bln to ¥106.5bln (up 0.3%).



FY2012 Forecast by Group Operation

UNIQLO Japan : Revised down
UNIQLO Intl : unchanged
Global Brands : unchanged

Billions of yen

		Yr to Aug. 2011	Yr to Aug. 2012		Yr to Aug. 2012	
		Actual	Latest est. (Oct. 12)	y/y	Revised est. (Jan. 12)	y/y
UNIQLO Japan ※1	Net sales	600.1	657.0	+9.5%	629.0	+4.8%
	Operating income (to net sales)	106.2 17.7%	111.5 17.0%	+5.0% -0.7p	106.5 16.9%	+0.3% -0.8p
UNIQLO International	Net sales	93.7	160.0	+70.7%	160.0	+70.7%
	Operating income (to net sales)	8.9 9.6%	17.0 10.6%	+89.9% +1.0p	17.0 10.6%	+89.9% +1.0p
Global Brands	Net sales	124.0	145.0	+16.9%	145.0	+16.9%
	Operating income (to net sales)	8.7 7.1%	13.5 9.3%	+53.6% +2.2p	13.5 9.3%	+53.6% +2.2p

※1 UNIQLO Japan: Sales of ¥4.2bln and an operating loss of ¥1.4bln from the footwear operation are included in the fiscal 2011. All specialty footwear stores were closed by end August 2011.

※2 In addition to the categories listed above, consolidated sales includes sales generated by the holding company, Fast Retailing Co., Ltd. and consolidated operating income includes operating income and goodwill amortization generated by Fast Retailing Co., Ltd

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This slide shows the actual and estimated levels of sales and income by group operation.

While we have revised down our initial forecasts for the UNIQLO Japan operation, our initial forecasts for UNIQLO International and Global Brands remain unchanged.

Finally, I would like to touch upon our planned dividend payout for the year to end August 2012. We have made no change to our initial plan for an annual dividend payment of 230 yen, divided into an interim dividend of 115 yen and a year-end dividend of 115 yen.

That completes this presentation on Fast Retailing's performance in the first quarter from September through November 2011 and its business estimates for the full year through August 2012.

Thank you.

	Yr to Aug. 2011	Yr to Aug. 2012		
	Actual	Latest est(10/12)	Revised est(1/12)	y/y
Net sales	600.1 bln	657.0 bln	629.0 bln	+4.8%
Same-store sales growth	-6.0%	+5.0%	+0.7%	-
1H	-9.9%	+5.0%	+0.2%	-
2H	+0.4%	+5.0%	+1.3%	-
Store increase (Full year)	34 stores	24 stores	8 stores	-26 stores
1H	16 stores	9 stores	7 stores	-9 stores
2H	18 stores	15 stores	1 stores	-17 stores
Gross profit (Full year)	49.1%	48.5%	48.5%	-0.6p
1H	49.5%	47.9%	47.9%	-1.6p
2H	48.6%	49.3%	49.3%	+0.7p
SG&A ratio (Full year)	31.4%	31.5%	31.6%	+0.2p
1H	29.0%	28.9%	29.0%	±0.0p
2H	34.7%	35.0%	34.9%	+0.2p

Store Plans by Group Company

[Units: Stores]	Yr 2011 Actual Yr-end	Yr to Aug. 2012							
		Q1 (Sep. - Nov.) Actual				Forecast			
		Open	Close	Change	End Nov	Open	Close	Change	End Aug
UNIQLO Operations	1024	59	7	+52	1,076	138	23	+115	1,139
UNIQLO Japan	843	17	7	+10	853	30	22	+8	851
Own stores	822	16	7	+9	831	29	21	+8	830
Large-scale	129	14	0	+14	143	20	1	+19	148
Standard and others	693	2	7	-5	688	9	20	-11	682
Franchise stores	21	1	0	+1	22	1	1	0	21
UNIQLO International	181	42	0	+42	223	108	1	+107	288
China	80	25	0	+25	105	60	1	+59	139
Hong Kong	15	0	0	0	15	1	0	+1	16
Taiwan	1	6	0	+6	7	16	0	+16	17
Korea	62	3	0	+3	65	20	0	+20	82
Singapore	5	0	0	0	5	0	0	0	5
Malaysia	2	1	0	+1	3	1	0	+1	3
Thailand	-	2	0	+2	2	4	0	+4	4
Phillipine	-	0	0	0	-	1	0	+1	1
UK	11	2	0	+2	13	2	0	+2	13
USA	1	2	0	+2	3	2	0	+2	3
France	1	1	0	+1	2	1	0	+1	2
Russia	3	0	0	0	3	0	0	0	3
g.u.	148	18	0	+18	166	34	8	+26	174
Theory	371	13	7	+6	377	18	19	-1	370
Comptoir des Cotonniers	386	4	1	+3	389	15	10	+5	391
Princesse tam.tam	159	0	0	0	159	0	0	0	159
Total	2,088	94	15	+79	2,167	205	60	+145	2,233

※Including
franchise
stores



Reference

Group: Forecast for Six Months to Feb. 2012

Billions of yen

	Six mths to Feb. 2011 Actual	Six mths to Feb. 2012		Six mths to Feb. 2012	
		Latest est. (Oct. 12)	y/y	Revised est. (Jan. 12)	y/y
Net sales (to net sales)	457.3 100.0%	538.0 100.0%	+17.6%	521.0 100.0%	+13.9%
Gross profit (to net sales)	238.4 52.1%	270.0 50.2%	+13.2% -1.9 p	262.0 50.3%	+9.9% -1.8 p
SG&A (to net sales)	156.3 34.2%	184.0 34.2%	+17.7% +0.0 p	179.5 34.5%	+14.8% +0.3 p
Operating income (to net sales)	82.0 17.9%	86.0 16.0%	+4.8% -1.9 p	82.5 15.8%	+0.5% -2.1 p
Ordinary income (to net sales)	77.6 17.0%	82.0 15.2%	+5.6% -1.8 p	80.0 15.4%	+3.0% -1.6 p
Net income (to net sales)	41.6 9.1%	46.5 8.6%	+11.6% -0.5 p	45.5 8.7%	+9.2% -0.4 p



Reference

UNIQLO Japan: Fcst for Six Months to Feb.2012

Billions of yen

	Six mths to Feb. Actual	Six mths to Feb. 2012		Six mths to Feb. 2012	
		Latest est. (Oct. 12)	y/y	Revised est. (Jan. 12)	y/y
Net sales (to net sales)	342.1 100.0%	377.0 100.0%	+ 10.2%	360.0 100.0%	+ 5.2%
Gross profit (to net sales)	169.5 49.5%	180.5 47.9%	+ 6.5% -1.6p	172.5 47.9%	+ 1.8% -1.6p
SG&A (to net sales)	99.1 29.0%	109.0 28.9%	+ 10.0% -0.1p	104.5 29.0%	+ 5.4% + 0.0p
Operating income (to net sales)	70.3 20.6%	71.5 19.0%	+ 1.6% -1.6p	68.0 18.9%	-3.4% -1.7p

※ UNIQLO Japan: Sales of ¥2.7bln and an operating loss of ¥0.8bln from the footwear operation are included in the six months from September 2010 through February 2011.
All specialty footwear stores were closed by end August 2011.



Reference

Forex, Capex, Depreciation, Goodwill Amortization

Applicable exchange rates

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
Yr to Aug. 2012 3 mths average to Nov. 2012	77.0	108.1	123.4	12.1	6.9
Yr to Aug. 2011 3 mths average to Nov. 2011	83.1	111.2	130.8	12.3	7.2
Yr to Aug. 2012 Exchange rate full year to Aug. 2012 (Estimate)	80.0	105.0	120.0	12.0	7.0
Yr to Aug. 2011 Exchange rate full year to Aug. 2011 (Actual)	82.0	113.2	131.1	12.4	7.0

Capex, depreciation and goodwill amortization

Billions of yen

	Capital spending	Depreciation	Goodwill amortization
Yr to Aug. 2012 3 mths to Nov. 2012 (Actual)	12.5	4.2	1.5
Yr to Aug. 2011 3 mths to Nov. 2011 (Actual)	11.9	7.5	1.6
Yr to Aug. 2012 Full year (Estimate)	36.0	16.0	5.6
Yr to Aug. 2011 Full year (Actual)	33.9	18.7	6.5

※ A one-time depreciation of ¥4.0bln for fixed assets is included in the actual depreciation allowances for the September to November 2010 quarter and full year to August 31, 2011.



Reference

Group: Fiscal 2011 Extraordinary Losses

¥9.6bln in lump-sum losses due to changes in accounting procedure including:

Logistic costs **¥2.6bln**
Amount equivalent to distribution and product storage cost accounted as inventory expenses as of end August 2010. (To unify accounting procedure for distribution and product storage costs)

Fixed asset depreciation allowance **¥4.0bln**
The total to date. (To unify accounting procedure)

Asset retirement obligations **¥2.9bln**
The total to date. (In accordance with accounting standards introduced)

¥3.8bln other extraordinary losses

Disaster-related loss **¥1.0bln**
Related to March 11 earthquake in Northeast Japan

Impairment loss **¥0.8bln**
Including ¥0.5bln impairment of goodwill at Princesse tam.tam

Business closure loss provisioning **¥0.8bln**
Related to closure of footwear specialty stores



Reference

FR Operations by Business Category

Group business categories through
FY2010

Segment	Operation
UNIQLO Japan	UNIQLO operation in Japan
UNIQLO International	UNIQLO operations outside Japan
Japan Apparel	G.U.
	Footwear
	CABIN
Global Brands	Theory
	COMPTOIR DES COTONNIERS
	PRINCESSE TAM.TAM

Group business categories from
FY2011

Segment	Operation
UNIQLO Japan	UNIQLO operation in Japan
	Footwear ★
UNIQLO International	UNIQLO operations outside Japan
Global Brands	Theory
	COMPTOIR DES COTONNIERS
	PRINCESSE TAM.TAM
	G.U. ★

- ※ Cabin Co., Ltd. merged with Link Theory Japan Co., Ltd. effective September 1, 2010, and all Cabin-operated brands were discontinued by end February 2011. A number of stores transferred to PLST.
- ※ Our footwear operation merged with UNIQLO Co., Ltd. on April 1, 2010, and all specialty shoe stores were closed by end August 2011.
- ★ Indicates operations that have changed category