October 9, 2014

Fast Retailing Results for the Year to August 31, 2014 and Estimates for the Year to August 31, 2015

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Fast Retailing Co., Ltd.

Group Senior Vice President & CFO

I am Takeshi Okazaki, Group Senior Vice President and Chief Financial Officer (CFO) at Fast Retailing.

I would like to explain our consolidated business performance for the full business year through August 31, 2014, and then look at our consolidated estimates for the current business year, ending August 31, 2015.

FAST RETAILING

Contents

Compilation of Group Operations

Current structure (since fiscal 2013, or year ending August 31, 2013):

UNIQLO Japan:	UNIQLO Co., Ltd.
UNIQLO International:	All UNIQLO operations outside of Japan
Global Brands:	Includes Theory, Comptoir des Cotonniers, Princesse tam.tam, GU and J Brand

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.

FAST RETAILING

From JGAAP to IFRS

The Fast Retailing Group decided to switch from the Japanese generally accepted accounting principles (JGAAP) to the International Financial Reporting Standards (IFRS) from the year ended August 31, 2014.

Our Results Announcement only discloses IFRS data, but our Securities Report displays JGAAP and IFRS data.

For today's presentation, to ensure consistency with past data and easy comparisons with former business estimates, the PL figures are explained mainly using JGAAP standards. The balance sheet and cash flow charts display IFRS data only, in keeping with the Results Announcement.

We have already mentioned several times that Fast Retailing decided to switch from the Japanese Generally Accepted Accounting Principles (JGAAP) to the International Financial Reporting Standards (IFRS) from the year ended August 31, 2014.

Our Results Announcement only discloses IFRS data, but our Securities Report displays JGAAP and IFRS data side by side.

To ensure consistency with past data and easy comparisons with former business estimates, the PL figures in this document are explained using JGAAP. The balance sheet and cash flow charts display IFRS data only, in keeping with the Results Announcement.

FAST RETAILING

Group: Year to August 31, 2014

JGAAP

Performance in line with plan
Net sales: ¥1.3829 trillion (+21.0% y/y)
Operating income: ¥148.6 billion (+11.8% y/y)
Net income: ¥78.1 billion (-13.6% y/y)

Billions of Yen

	Yr to Aug. 2013 Actual	Yr to Aug. 2014 Latest est. (Jul.10)	Yr to Aug. 2014 Actual	y/y	v.latest est.
Net sales (to net sales)	1,143.0 100.0%	**1,370.0** **100.0%**	**1,382.9** **100.0%**	+21.0%	+0.9%
Gross profit (to net sales)	564.0 49.3%	**686.5** **50.1%**	**701.8** **50.8%**	+24.4% +1.5p	+2.2% +0.7p
SG&A (to net sales)	431.0 37.7%	**541.0** **39.5%**	**553.1** **40.0%**	+28.3% +2.3p	+2.3% +0.5p
Operating income (to net sales)	132.9 11.6%	**145.5** **10.6%**	**148.6** **10.7%**	+11.8% -0.9p	+2.2% +0.1p
Ordinary income (to net sales)	148.9 13.0%	**149.5** **10.9%**	**156.8** **11.3%**	+5.3% -1.7p	+4.9% +0.4p
Net income (to net sales)	90.3 7.9%	**78.0** **5.7%**	**78.1** **5.6%**	-13.6% -2.3p	+0.2% -0.1p

I would first like to look at our consolidated business performance for fiscal 2014, or the 12 months through August 2014, as calculated under JGAAP, which we have been using to date.

JGAAP data shows the Fast Retailing Group performed roughly in line with expectations in fiscal 2014. Consolidated sales increased 21.0% year on year to ¥1.3829 trillion, operating income increased 11.8% to ¥148.6 billion, ordinary income increased 5.3% to ¥156.8 billion, and net income decreased by 13.6% to ¥78.1 billion.

The subsequent slides give more detail on these individual results.

FAST RETAILING

Group: FY2014 - Main Features

JGAAP

Net sales ¥1.3829 trillion (+21.0% or ¥239.9 billion y/y)

- UNIQLO International +¥162.4 billion
- Global Brands +¥44.9 billion
- UNIQLO Japan +¥32.3 billion

Gross profit to net sales ratio 50.8% (+1.5p y/y)

- UNIQLO Japan +3.0p

SG&A to net sales ratio 40.0% (+2.3p y/y)

- UNIQLO Japan +1.7p
- Expansion of UNIQLO International

Operating income ¥148.6 billion, +11.8% y/y

Ordinary income ¥156.8 billion, +5.3% y/y

- Foreign exchange gains down from ¥15.5 billion last year to ¥8.1 billion

Net income ¥78.1 billion, -13.6% y/y

- ¥12.7 billion impairment loss at J Brand premium denim label.
- ¥4.6 billion store impairment loss.

Consolidated sales expanded by 21.0%, or ¥239.9 billion, year on year to ¥1.3829 trillion in fiscal 2014. That figure breaks down into sales increases of ¥162.4 billion at UNIQLO International, ¥44.9 billion at Global Brands, and ¥32.3 billion at UNIQLO Japan.

The gross profit to net sales ratio improved by 1.5 points year on year to 50.8%. Much of the improvement in the overall gross profit margin can be attributed to a 3.0-point rise in the gross margin at UNIQLO Japan.

The SG&A to net sales ratio rose 2.3 points year on year to 40.0%, due mainly to a 1.7-point increase in the SG&A ratio at UNIQLO Japan. UNIQLO International's expansion, which generally shows a higher SG&A to net sales ratio, also contributed.

These elements taken together resulted in a 11.8% rise in operating income in fiscal 2014, to total ¥148.6 billion.

However, consolidated ordinary income increased by a lesser margin of 5.3% to ¥156.8 billion. This was due to a fall in foreign exchange gains for the Group, from ¥15.5 billion in fiscal 2013 to just ¥8.1 billion in fiscal 2014.

Net income contracted 13.6% year on year to ¥78.1 billion, following the recording of a ¥12.7 billion impairment loss on the J Brand premium denim operation, and a ¥4.6 billion impairment loss on stores.

FAST RETAILING

Breakdown by Group Operation

JGAAP

		Yr to Aug. 2013	Yr to Aug. 2014			
		Actual	Latest est. (Jul.10)	Actual	y/y	v.latest est.
UNIQLO Japan	**Net sales**	683.3	715.0	**715.6**	**+4.7%**	**+0.1%**
	Operating income	96.8	100.0	**110.6**	**+14.2%**	**+10.6%**
	(to net sales)	14.2%	14.0%	15.5%	+1.3p	+1.5p
UNIQLO International	**Net sales**	251.1	400.0	**413.6**	**+64.7%**	**+3.4%**
	Operating income	18.3	35.0	**34.7**	**+89.5%**	**-0.6%**
	(to net sales)	7.3%	8.8%	8.4%	+1.1p	-0.4p
Global Brands	**Net sales**	206.2	253.0	**251.2**	**+21.8%**	**-0.7%**
	Operating income	17.4	21.0	**16.3**	**-6.6%**	**-22.3%**
	(to net sales)	8.5%	8.3%	6.5%	-2.0p	-1.8p

Note: In addition to the categories listed above, the consolidated results also include sales, operating income and goodwill amortization generated by the holding company, Fast Retailing Co., Ltd.
Internal transactions are not included in the sales data.

This slide displays the breakdown of net sales and operating income for fiscal 2014 by Group operation.

UNIQLO Japan and UNIQLO International achieved gains in both sales and income, while Global Brands reported a rise in sales and a fall in income.

UNIQLO Japan sales totaled ¥715.6 billion and operating income ¥110.6 billion. UNIQLO International reported sales of ¥413.6 billion and operating income of ¥34.7 billion. Global Brands generated sales of ¥251.2 billion and operating income of ¥16.3 billion.

FAST RETAILING

UNIQLO Japan: FY2014

JGAAP

Achieves gains in sales and income

Billions of Yen

	Yr to Aug. 2013	Yr to Aug. 2014			
	Actual	Latest est. (Jul.10)	Actual	y/y	v.latest est.
Net sales	683.3	**715.0**	**715.6**	**+4.7%**	+0.1%
(to net sales)	100.0%	100.0%	100.0%		
Gross profit	318.0	**343.0**	**354.5**	**+11.5%**	+3.4%
(to net sales)	46.5%	48.0%	49.5%	+3.0p	+1.5p
SG&A	221.1	**243.0**	**243.9**	**+10.3%**	+0.4%
(to net sales)	32.4%	34.0%	34.1%	+1.7p	+0.1p
Operating income	96.8	**100.0**	**110.6**	**+14.2%**	+10.6%
(to net sales)	14.2%	14.0%	15.5%	+1.3p	+1.5p

Note: Internal transactions are not included in the sales data.

I would now like to go through each of our Group operations in turn, starting with UNIQLO Japan.

UNIQLO Japan reported gains in sales and operating income in fiscal 2014, which outstripped our most recent estimates.

FAST RETAILING

UNIQLO Japan: FY2014 Sales

JGAAP

Net sales: ¥715.6 billion (+4.7% y/y)

- Same-store sales +1.9% y/y (customer visits -2.4%, customer spend +4.5%)
- "Scrap and build" strategy boosts average store size and sales per store

Sales trend	Strong year-round sales of core items such as HEATTECH, Ultra Light Down, AIRism. Sales of new ranges of skirts, dresses and blouses also strong.
Customer spend	Up 4.5% y/y. Strong HEATTECH and AIRism sales boosted no. of items sold. Strong sales of jeans, smart-style pants boosted average price per item.
Customer visits	Down 2.4% y/y, compared to an especially strong gain of 12.0% y/y in the previous business year.

Same-store sales	Yr to Aug. 2014							
	1H	3Q	June	July	Aug	2H	Full year	Sep
Net sales	+2.2%	+2.8%	+2.6%	-4.8%	+3.8%	+1.6%	+1.9%	+19.7%
Customer nos.	+0.5%	-2.7%	-3.8%	-12.0%	-9.9%	-5.7%	-2.4%	+1.9%
Avg. purchase	+1.7%	+5.6%	+6.7%	+8.2%	+15.1%	+7.7%	+4.5%	+17.4%

831 UNIQLO directly-run stores at end August 2014 (Excludes 21 franchise stores)
Directly run stores down 3, year on year.

UNIQLO Japan sales rose 4.7% year on year to ¥715.6 billion. This strong performance was due in part to a 1.9% rise in same-store sales, and also to a rise in total sales per store. The latter was achieved through our "scrap and build" strategy of gradually increasing the size of our sales floors, by replacing smaller, less efficient stores with large-scale outlets.

Same-store sales rose strongly thanks to buoyant sales of key core items throughout the year, including HEATTECH, Ultra Light Down and AIRism. New ranges of skirts, dresses, and blouses also sold well.

The average customer spend rose 4.5% year on year in fiscal 2014, with strong performance from our HEATTECH and AIRism ranges boosting the number of items sold. In addition, strong sales of comparatively more expensive items, such as jeans, smart-style pants, and DRY range pants helped boost the average price per item sold.

Customer visits did fall 2.4% year on year in fiscal 2014. However, this figure was being compared to a particularly strong year in fiscal 2013, when customer visits expanded by an aggressive 12.0% year on year.

The number of directly run UNIQLO Japan stores fell by three to 831 stores at the end of August 2014, compared to end August 2013. However, the number of franchise outlets increased by two to 21 stores.

We have already announced a subsequent strong gain in same-store sales in September 2014. During that month, cooler weather fueled strong sales of Fall items, boosting same-store sales 19.7% higher than the previous year.

FAST RETAILING

UNIQLO Japan: Gross Profit Margin

JGAAP

FY2014: Gross profit margin 49.5% (+3.0p y/y)

Greatly improved v. plan and previous year

- **Gross profit margin (excluding internal transactions)**
  Year to August 31, 2014: +1.6p y/y
  March to August 2014: +4.3p y/y
- **Strong sales of core spring/summer items (AIRism, BRATOP, Steteco & Relaco) and new ranges (skirts and dresses).**

	Yr to Aug. 2013	Yr to Aug. 2014	
			y/y
Full year	46.5%	**49.5%**	+3.0p
1H	46.7%	**47.5%**	+0.8p
2H	46.3%	**52.2%**	+5.9p

Turning now to business margins, UNIQLO Japan generated a gross profit margin of 49.5% in fiscal 2014, up 3.0 points year on year. That buoyant performance was even more evident in the second half of the business year, from March through August 2014, when the gross profit margin outstripped our estimates, rising 5.9 points year on year to 52.2%.

Even if we extract the impact of internal transactions, the gross profit margin improved 1.6 points year on year in fiscal 2014, and 4.3 points in the second half.

This rise in the second-half profit margin was extremely strong, both in terms of year-on-year comparisons and comparisons with our company estimates. This impressive performance was underpinned by strong sales of key Spring, Summer core ranges, such as AIRism, BRATOP, and Steteco and Relaco, and new product ranges such as skirts and blouses.

FAST RETAILING

UNIQLO Japan: SG&A

JGAAP

FY2014: SG&A to net sales ratio 34.1% (+1.7p y/y)

Monetary totals and ratios in line with plan

- Personnel +0.9p: Higher in-store part-time, temporary staff costs.
- Store rents +0.2p: Relatively expensive large-format urban stores and in-mall stores contributed greater proportion of total sales.
- Other expenses +0.5p: Higher distribution and warehousing costs.

Billions of Yen

	Yr to Aug. 2013		Yr to Aug. 2014		Change	
	Actual	(% sales)	Actual	(% sales)		(% sales)
SG&A Total	221.1	32.4%	243.9	34.1%	+22.7	+1.7p
Personal	64.7	9.5%	74.2	10.4%	+9.4	+0.9p
A&P	32.2	4.7%	33.9	4.7%	+1.6	+0.0p
Store rents	47.7	7.0%	51.3	7.2%	+3.5	+0.2p
Depreciation	6.9	1.0%	8.6	1.2%	+1.6	+0.2p
Other	69.3	10.1%	75.8	10.6%	+6.4	+0.5p

The SG&A to net sales ratio rose 1.7 points year on year in fiscal 2014 to 34.1%. However, SG&A expenses were roughly in line with target, both in monetary terms and the ratio to net sales.

The 1.7-point rise in the SG&A ratio breaks down into a 0.9-point rise in personnel expenses, a 0.2-point rise in store rents, and a 0.5-point rise in other business expenses.

Personnel costs rose on the back of increased hourly wages for part-time and temporary staff in our stores.

Meanwhile, store rents have been increasing, as comparatively expensive large-format urban stores and stores located in shopping malls continue to contribute a growing proportion of total net sales.

The increase in other expenses was due largely to the general rise in distribution costs. Our decision to actively boost inventory of year-round core items has also resulted in higher distribution and storage costs.

FAST RETAILING

UNIQLO International: FY2014 ①

JGAAP

Achieved expected strong gains in sales, income

- Greater China, Korea, Europe performance outstrips plan, with gains in both sales and income.
- Southeast Asia, Oceania sales, income gain just below plan.
- USA: Operating loss at same level as last year, after cool summer dampened sales in 2H, and early new store openings boosted costs.
- Store network at end August: 633 stores (+187 y/y).

Billions of Yen

		Yr to Aug. 2013	Yr to Aug. 2014			
		Actual	Latest est. (Jul.10)	Actual	y/y	v.latest est.
UNIQLO International	Net sales	251.1	400.0	**413.6**	+64.7%	+3.4%
	Operating income	18.3	35.0	**34.7**	+89.5%	-0.6%
	(to net sales)	7.3%	8.8%	8.4%	+1.1p	-0.4p

Moving on to UNIQLO operations outside of Japan, UNIQLO Greater China, South Korea, and Europe generated higher than expected gains in sales and income on the back of strong growth in same-store sales.

UNIQLO Southeast Asia and Oceania reported gains in sales and income, but the gains were slightly below target.

The cool Summer had an adverse impact on UNIQLO USA sales in the second half, from March through August 2014. Taking that into account, along with some additional costs incurred in relation to the early opening of new stores, the US operation was unable to reduce its operating loss in fiscal 2014.

The total number of UNIQLO International stores expanded by 187, to 633 stores at the end of August 2014.

UNIQLO International: FY2014 ②

JGAAP

- **Greater China: Large gains in sales, income outstrip plan**
  Net sales ¥208.1bln (+66.5%), OP ¥24.8bln (+83.0%)
  China, Taiwan: Favorable new store openings, continued double-digit same-store sales growth. Greater China network: 374 stores.
- **South Korea: Large gains in sales, income outstrip plan**
  Rising same-store sales. 133 stores at end August 2014.
- **Southeast Asia, Oceania: Gains in sales, income slightly below plan**
  Spring/summer sales fell short of plan, pushing full-year performance slightly below plan.
  New stores opened in Melbourne (April, September): Favorable sales exceed plan.
  Network expanded to 80 stores at end August 2014.
- **USA: Operating loss at same level as previous year, on cool summer, higher costs**
  Although H1 performance was strong, cool summer and extra store opening costs in H2 led to operating loss persisting at previous year level. 25 stores at end August 2014.
- **Europe: Achieves higher than expected sales, income**
  Successful selection of products to suit climate and lifestyles generated double-digit same-store sales growth. 1st store opened in Berlin, Germany (global flagship) in April performing well.

Looking at business trends for UNIQLO International's regional operations in fiscal 2014, the Greater China region, encompassing Mainland China, Hong Kong, and Taiwan, outstripped our expectations, to report significant gains in both sales and income. Net sales for UNIQLO Greater China expanded by 66.5% year on year to ¥208.1 billion and operating income rose 83.0% to ¥24.8 billion. New store openings in China proceeded favorably. Strong sales of Ultra Light Down, HEATTECH, and UT graphic T-shirts all helped fuel further double-digit growth in same-store sales. New store openings proceeded favorably in Taiwan, and that operation also achieved double-digit growth in same-store sales. The total number of UNIQLO stores located in the Greater China region reached 374 at the end of August 2014.

UNIQLO South Korea far exceeded our expectations in fiscal 2014, generating significant gains in both sales and income on the back of continued growth in same-store sales. UNIQLO South Korea boasted 133 stores at the end of August 2014.

UNIQLO Southeast Asia and Oceania, which incorporates Singapore, Malaysia, Thailand, the Philippines, Indonesia, and Australia, also reported rising sales and operating income. However, those gains fell slightly short of target following weaker-than-expected sales of Spring and Summer items. UNIQLO's first two stores in Australia, opened in Melbourne in April and September 2014, have exceeded our expectations in terms of sales. UNIQLO added 41 stores in Southeast Asia and Oceania in fiscal 2014, boosting that region's total to 80 stores at the end of August 2014.

UNIQLO USA generated a strong performance in the first half of the business year from September 2013 through February 2014. However, the cool Summer had an adverse impact on sales in the second half from March through August 2014. Taking that into account, along with some additional costs incurred in relation to the early opening of new stores, the US operation was unable to reduce its full-year operating loss below the previous year's level. UNIQLO USA boasted 25 stores at the end of August 2014, up 18 stores compared to the end of August 2013.

UNIQLO Europe, including the United Kingdom, France, Russia, and Germany, reported higher-than-expected gains in both sales and income in fiscal 2014. UNIQLO Europe effectively responded to local customer's needs, for a localized sales strategy that fuelled double-digit growth in same-store sales, with ranges adjusted and displayed in a timely way to better suit European weather patterns and local lifestyles. The display of Fall, Winter Ultra Light Down items during the Summer season was just one example of this effective sales strategy. The Global Flagship Store opened in Berlin in April 2014 was the first UNIQLO outlet to be opened in Germany. It continues to generate favorable sales, raising brand awareness in the Europe region.

FAST RETAILING

Global Brands: FY2014

JGAAP

Sales gain falls short of plan, income down

- **GU**: Falls short of plan: Sales up, income down
  Net sales: ¥107.5bln (+28.4%), OP ¥6.8bln (-10.8%)
  Sluggish H2 sales prompted stronger discounts on excess stock.
  Close review of fall/winter ranges resulting in stronger recent sales performance.
- **Theory**: Sales gain slightly below plan, income dipped
- **CDC**: Gains in sales and income both outstrip target
- **PTT**: Income down. Cool weather stunts swimwear sales
- **J Brand**: Impairment loss on back of persistent losses

Billions of Yen

		Yr to Aug. 2013	Yr to Aug. 2014			
		Actual	Latest est. (Jul.10)	Actual	y/y	v.latest est.
Global Brands	Net sales	206.2	253.0	**251.2**	+21.8%	-0.7%
	Operating income	17.4	21.0	**16.3**	-6.6%	-22.3%
	(to net sales)	8.5%	8.3%	6.5%	-2.0p	-1.8p

Our Global Brands reported a gain in sales but a fall in income in fiscal 2014. Sales expanded 21.8% year on year to ¥251.2 billion, while operating income contracted 6.6% to ¥16.3 billion. Both the net sales figure and the operating income result came in slightly below target.

Our low-priced GU casualwear label reported a 28.4% rise in sales, to ¥107.5 billion, but a 10.8% fall in operating income to ¥6.8 billion.

GU performed strongly in the first half, boosting the operation's sales and income levels. However, the brand's strong focus on young people's fashion in the second half ran into trouble in early Spring, when sluggish sales prompted stronger discounts to offload leftover stock. Subsequent close reviews of the 2014 Fall, Winter product mix have resulted in stronger recent sales performance.

Our Theory fashion brand fell short of target, reporting a rise in sales but a slight contraction in income.

Our France-based women's fashion brand, Comptoir des Cotonniers, outstripped the company's forecasts, reporting rising sales and income in fiscal 2014.

Our French corsetry, homewear, and swimwear brand, Princesse tam.tam, reported a larger-than-expected fall in income, after cool Summer weather dampened swimwear sales.

Continued losses at J Brand obliged the segment to record impairment losses at the end of fiscal 2014.

FAST RETAILING

Group: Year to August 31, 2014

IFRS

Revenue: ¥1.3829 trillion (+21.0% y/y)
Operating profit: ¥130.4 billion (-2.8%)
Profit attributable to owners of the parent: ¥74.5 billion (-28.7%)

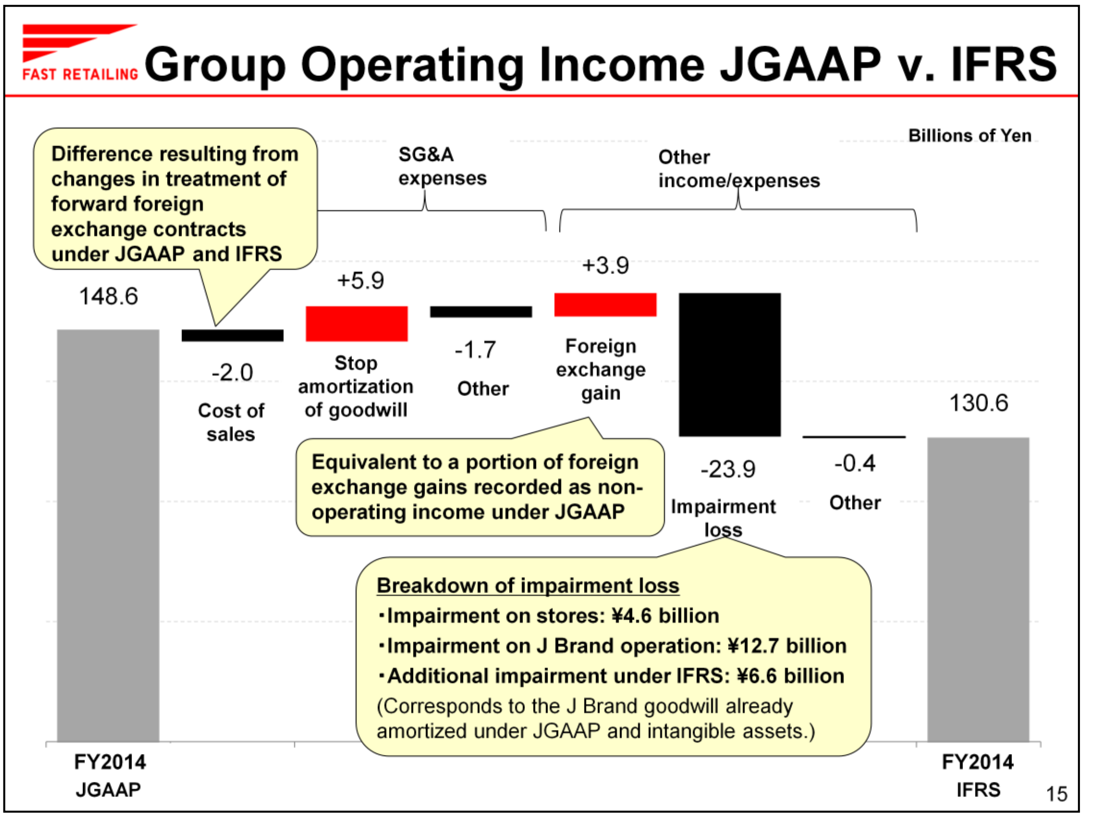
Billions of Yen

	IFRS			JGAAP	
	Yr to Aug. 2013	Yr to Aug. 2014		Yr to Aug. 2014	
	Actual	Actual	y/y	Actual	y/y
Revenue	1,142.9	**1,382.9**	+21.0%	**1,382.9**	+21.0%
(to revenue)	100.0%	**100.0%**		**100.0%**	
Gross profit	565.1	**699.7**	+23.8%	**701.8**	+24.4%
(to revenue)	49.4%	**50.6%**	+1.2p	**50.8%**	+1.5p
SG&A	426.1	**549.1**	+28.9%	**553.1**	+28.3%
(to revenue)	37.3%	**39.7%**	+2.4p	**40.0%**	+2.3p
Operating profit	134.1	**130.4**	-2.8%	**148.6**	+11.8%
(to revenue)	11.7%	**9.4%**	-2.3p	**10.7%**	-0.9p
Profit for the year	107.4	**79.3**	-26.2%	**156.8**	+5.3%
(to revenue)	9.4%	**5.7%**	-3.7p	**11.3%**	-1.7p
Profit attributable to owners	104.5	**74.5**	-28.7%	**78.1**	-13.6%
(to revenue)	9.2%	**5.4%**	-3.8p	**5.6%**	-2.3p

I would now like to look at our consolidated business performance for fiscal 2014, as calculated using the International Financial Reporting Standards, or IFRS.

Using IFRS, the Fast Retailing Group generated revenue of ¥1.3829 trillion (up 21.0% year on year), operating profit of ¥130.4 billion (down 2.8%), profit for the year of ¥79.3 billion (down 26.2%), and profit attributable to the owners of the parent of ¥74.5 billion (down 28.7%).

I will explain the differences between the JGAAP and IFRS figures in the next few slides.



Consolidated operating income under JGAAP totaled ¥148.6 billion. That was ¥18.2 billion higher than the ¥130.4 billion figure recorded under IFRS.

Various factors contributed to this differential. Under JGAAP, the ¥12.7 billion impairment loss at J Brand and the ¥4.6 billion impairment loss on stores were reported as a special loss, whereas, under IFRS, those figures were subtracted from the operating profit total. In addition, under IFRS, ¥6.6 billion in J Brand intangible assets, and goodwill which had already been amortized under JGAAP, was recorded as an additional impairment loss, and consequently also subtracted from the operating profit total.

Conversely, a ¥3.9 billion portion of the foreign exchange gains reported as non-operating income under JGAAP was added to the operating profit total under IFRS. The removal of the ¥5.9 billion in depreciation of goodwill recorded under JGAAP also boosted the IFRS operating profit total.

Taken together, consolidated operating income for the Fast Retailing Group rose year on year using JGAAP, but contracted year on year using IFRS.

IFRS

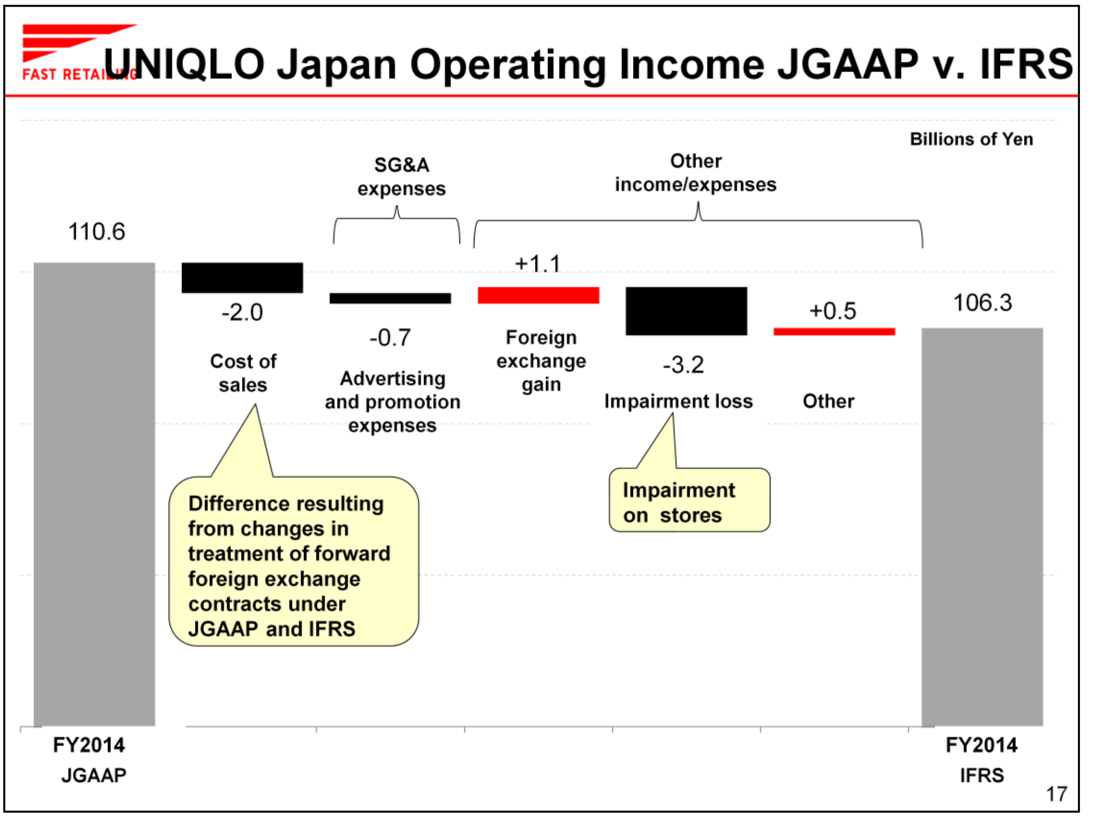
FAST RETAILING FY2014 Results by Group Operation

Billions of Yen

		IFRS			JGAAP	
		Yr to Aug. 2013	Yr to Aug. 2014		Yr to Aug. 2014	
		Actual	Actual	y/y	Actual	y/y
UNIQLO Japan	Revenue	683.3	**715.6**	**+4.7%**	**715.6**	**+4.7%**
	Operating profit	95.2	**106.3**	**+11.6%**	**110.6**	**+14.2%**
	(to revenue)	13.9%	14.9%	+1.0p	15.5%	+1.3p
UNIQLO International	Revenue	251.1	**413.6**	**+64.7%**	**413.6**	**+64.7%**
	Operating profit	12.4	**32.9**	**+165.1%**	**34.7**	**+89.5%**
	(to revenue)	4.9%	8.0%	+3.1p	8.4%	+1.1p
Global Brands	Revenue	206.2	**251.2**	**+21.8%**	**251.2**	**+21.8%**
	Operating profit	16.6	**-4.1**	**-**	**16.3**	**-6.6%**
	(to revenue)	8.1%	-	-	6.5%	-2.0p

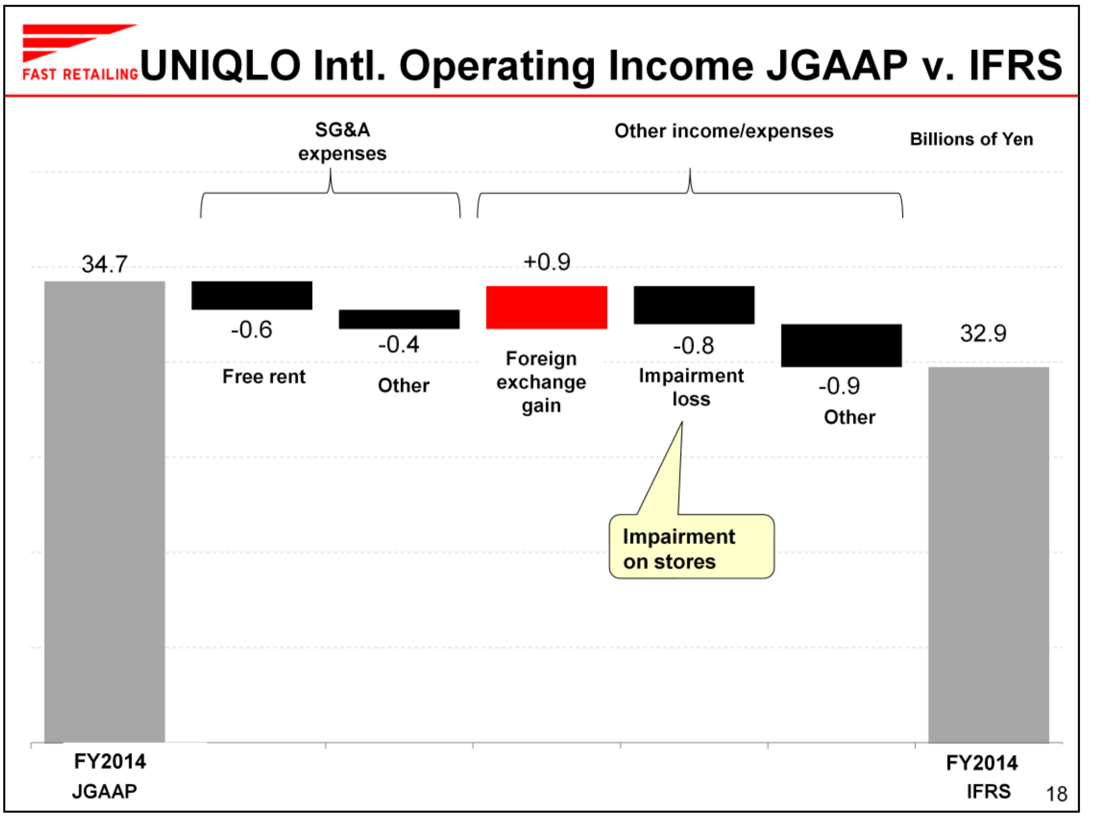
Note: In addition to the categories listed above, the consolidated results also include sales, operating income and goodwill amortization generated by the holding company, Fast Retailing Co., Ltd.
Internal transactions are not included in the sales data.

This slides shows a breakdown of fiscal 2014 performance by Group operation calculated using IFRS.

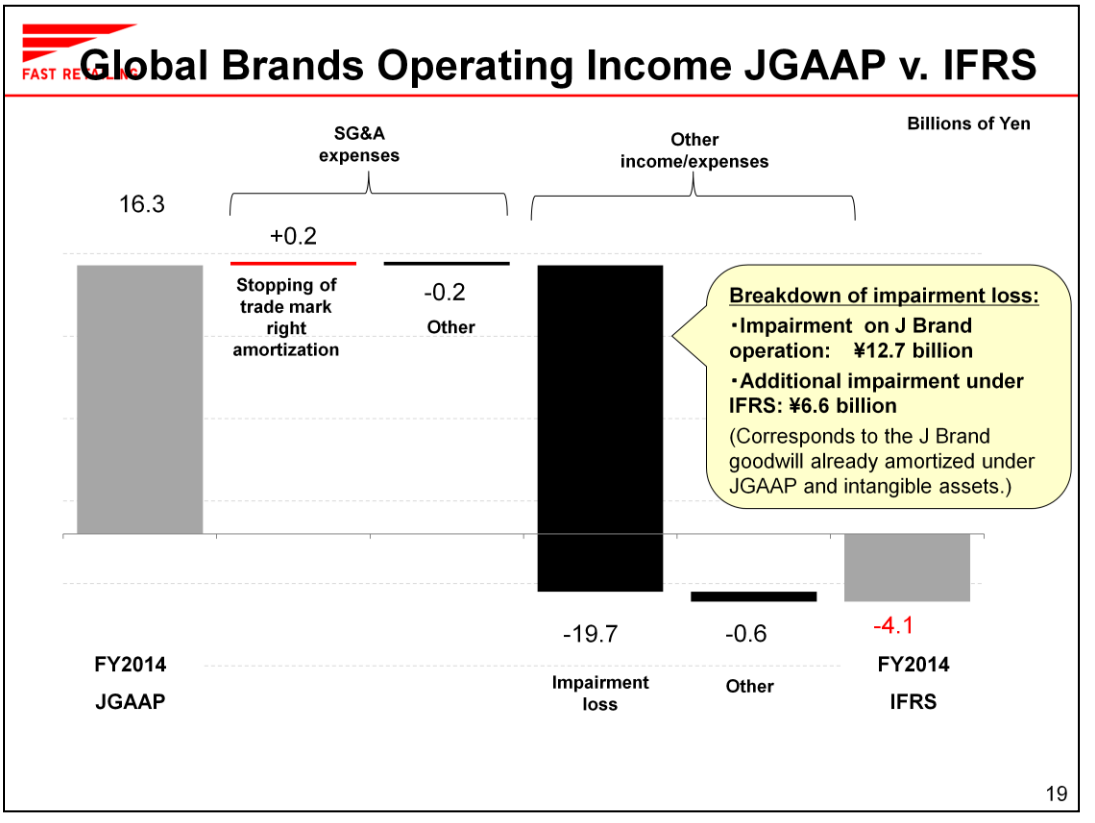


Let me explain the difference between the JGAAP and IFRS calculations here.

A ¥3.2 billion impairment loss on stores constituted the majority of the ¥4.3 billion difference between the JGAAP and IFRS calculations on operating profit for the UNIQLO Japan operation.



The ¥1.8 billion differential between the JGAAP and IFRS calculations for operating income at UNIQLO International was due mainly to the free-rent component of SG&A expenses, and impairment on stores.



Operating profit for the Global Brands segment showed a loss of ¥4.1 billion under IFRS. That is ¥20.4 billion less than the same operating income figure calculated using JGAAP.

Under JGAAP, the ¥12.7 billion impairment loss at J Brand and the ¥4.6 billion impairment loss on stores were reported as a special loss, whereas, under IFRS, those figures were subtracted from the operating profit total. In addition, under IFRS, ¥6.6 billion in J Brand intangible assets, and goodwill which had already been amortized under JGAAP, was recorded as an additional impairment loss, and consequently also subtracted from the operating profit total.

Group: Balance Sheet (end August 2014)

IFRS

Billions of Yen

	End Aug.2013	End Aug.2014	Change
Total Assets	901.2	**992.3**	+91.0
Current Assets	637.5	**717.0**	+79.5
Non-Current Assets	263.6	**275.2**	+11.6
Total Liabilities	311.4	**356.2**	+44.7
Total Equity	589.7	**636.0**	+46.3

Next, I would like to take you through our balance sheet, as it stood at the end of August 2014.

Compared to end August 2013, total assets increased by ¥91.0 billion to ¥992.3 billion. This includes an increase of ¥79.5 billion in current assets and an increase of ¥11.6 billion in non-current assets.

I will discuss the main components of the balance sheet in the next slide.

FAST RETAILING

Group: B/S Main Points v. end August 2014

IFRS

Current assets +¥79.5bln (¥637.5bln ⇒ ¥717.0bln)

- **Cash and cash equivalents +¥17.3bln (¥296.7bln ⇒ ¥314.0bln)**
- **Inventories +¥55.7bln (¥167.5bln ⇒ ¥223.2bln)**

UNIQLO Japan +¥15.5bln Increase in number of core items sold year-round
UNIQLO International +¥33.6bln End August store total up 187 stores y/y
Global Brands +¥5.1bln Expansion of GU and Theory operations

- **Derivative financial assets -¥14.5bln (¥113.6bln ⇒¥99.1bln)**

UNIQLO Japan Balance of foreign exchange forward contracts fell year on year
No impact on P&L, from hedge accounting

Non-current assets +¥11.6bln (¥263.6bln ⇒ ¥275.2bln)

- **Tangible assets +¥23.0bln (¥91.3bln ⇒ ¥114.3bln)**

UNIQLO International End August store total up 187 stores year on year
Global Brands End August store total up 118 stores year on year

Let’s first analyze the increase in current assets of ¥79.5 billion.

Cash and cash equivalents increased by ¥17.3 billion year on year to ¥314.0 billion at the end of August 2014. This was due to an increase in operating cash flow at UNIQLO International and other business segments.

Moving on, total inventory increased by ¥55.7 billion to ¥223.2 billion at the end of August 2014 compared to end August 2013.

Inventory at UNIQLO Japan increased by ¥15.5 billion, largely as a result of our decision to expand the range of year-round core items on offer.

Inventory at UNIQLO International increased by ¥33.6 billion, mainly due to the expansion of UNIQLO’s international network by 187 stores compared to the previous year, and also to the opening of the Global Flagship Store in Berlin, Germany.

Inventory levels increased by ¥5.1 billion at our Global Brands segment, as we continued to expand our GU and Theory operations.

Derivative financial assets shrank ¥14.5 billion at the end of August 2014 to ¥99.1 billion, due mainly to a year on year fall in the balance of foreign exchange forward contracts. This item is considered under hedge accounting and so it does not impact our profit and loss position.

Non-current assets increased by ¥11.6 billion year on year at the end of August 2014. This included a ¥23.0 billion increase in tangible assets linked to the opening of 187 new stores at UNIQLO International and 118 new stores at Global Brands.

FAST RETAILING

Group: FY2014 Cash Flow

IFRS

Billions of Yen

	Yr. to Aug 2013 Actual	Yr. to Aug 2014 Actual	Comment
Net cash from operating activities	+99.4	+110.5	
Profit before income taxes	+155.7	+135.4	Profit contribution from UNQILO and other operations
Depreciation and amortization	+23.6	+30.8	
Impairment losses	+5.0	+23.9	¥23.9bln impairment loss on J Brand operation and stores
Working capital	-15.5	-42.6	Trade payables ¥46.9bln increase →¥10.4bln increase
Corporate tax payment/refund	-55.4	-55.5	
Net cash used in investing activities	-62.5	-56.3	
Expenditure on acquisition of tangible assets	-27.3	-40.0	Expansion of store network, opening of new global flagship stores
Expenditure on acquisition of intangible assets	-4.0	-7.5	Systems investment, etc
Acquisitions of a subsidiary, net of cash acquired	-26.7	-	Costs related to J Brand acquisition
Net cash used in financing activities	-24.2	-44	
Additions to long-term loans payable	+16.6	-	Borrowing related to J Brand acquisition
Cash dividends paid	-28.3	-31.2	FY2013 year-end dividend of 150 yen per share, FY2014 interim dividend 150 yen per share
Increase in cash & equivalents	30.6	17.3	
Cash & equivalents period start	266.0	296.7	
Cash & equivalents period end	296.7	314.0	

I would now like to explain our cash flow activities for fiscal 2014.

We enjoyed a net cash inflow of ¥110.5 billion from operating activities. UNIQLO and other Group operations contributed inflows of ¥135.4 billion. However, expenditure on operating activities also increased, with a ¥55.5 billion outflow for corporate tax payments and a ¥42.6 billion outflow for working capital.

The year on year increase in working capital expenditure was due to sharp differences in year on year increases in trade payable. Trade payable increased by just ¥10.4 billion at the end of August 2014, compared to an increase of ¥46.9 billion at the end of August 2013. This difference was caused by the last day of the period falling on a bank holiday.

Outlays on investment activities totalled ¥56.3 billion in fiscal 2014. Of this total, ¥40.0 billion was spent on the acquisition of tangible assets, and ¥7.5 billion was spent on the acquisition of intangible assets, such as systems investment.

Capital expenditure for the Fast Retailing Group totalled ¥58.8 billion in fiscal 2014. Of this total, ¥10.3 billion was invested in UNIQLO Japan, ¥31.4 billion in UNIQLO International, ¥7.7 billion in Global Brands, and ¥8.7 billion was spent by the Fast Retailing parent company on systems investment, etc.

Net spending on financing activities totaled ¥44.0 billion, with ¥31.2 billion of that total spent on dividend payments.

As a result, the balance of cash and cash equivalents stood at ¥314.0 billion at the end of August 2014.

FAST RETAILING

Group: FY2015 Estimates

IFRS

Revenue : ¥1.600 trillion (+15.7% y/y)
Operating profit : ¥180.0 billion (+38.0% y/y)
Profit for the year : ¥108.0 billion (+36.1% y/y)
Profit attributable to the owners of the parent : ¥100.0 billion (+34.1% y/y)

Billions of Yen

	Yr to Aug. 2014 Actual	Yr to Aug. 2015 Estimate	y/y
Revenue	1,382.9	1,600.0	+15.7%
(to revenue)	100.0%	100.0%	
Operating profit	130.4	180.0	+38.0%
(to revenue)	9.4%	11.3%	+1.9p
Profit before income taxes	135.4	180.0	+32.9%
(to revenue)	9.8%	11.3%	+1.5p
Profit for the year	79.3	108.0	+36.1%
(to revenue)	5.7%	6.8%	+1.1p
Profit attributable to owners of the parent	74.5	100.0	+34.1%
(to revenue)	5.4%	6.3%	+0.9p

Looking ahead to fiscal 2015, or the 12 months ending August 31, 2015, our business estimates calculated using IFRS are as follows:

In fiscal 2015, we expect the Fast Retailing Group will generate revenue of ¥1.600 trillion (up 15.7% year on year), operating profit of ¥180.0 billion (down 38.0%), profit for the year of ¥108.0 billion (up 36.1%), and profit attributable to the owners of the parent of ¥100.0 billion (up 34.1%).

IFRS

FY2015 Estimates by Group operation

UNIQLO Japan: Rise in revenue and income

- Revenue gains expected, same-store sales to increase approx. 3.5% y/y.
- Operating margin set to improve slightly, boosting operating income.

UNIQLO International: Large gains expected

- Expect to open 200 new stores.
  Approximate breakdown: Greater China (100) South Korea (30)
  Southeast Asia & Oceania (45), USA (20), Europe (5)
- Expect operating margin to improve, significant rise in operating income.

Global Brands: Rise in revenue and income

- Expect to open 100 new stores.
  Approximate breakdown: GU (50), Theory (45), Comptoir des Cotonniers (5)
- GU, Theory, Comptoir des Cotonniers, Princesse tam.tam, and J Brand all expected to generate gains in revenue and income.
- No impairment losses forecast for J Brand - expect significant rise in income.

It is difficult to compile precise forecasts for each individual business segment, so from this business year, we plan to offer qualitative forecasts only. We will continue to disclose the actual revenue and operating profit figures for each Group operation, just as we have done in the past.

We expect UNIQLO Japan to generate gains in revenue and profit in fiscal 2015. We expect same-store sales will increase by approximately 3.5% year on year, and this is expected to boost overall revenue. We predict the gross profit margin will hold steady, and that this will boost operating profit for the business year.

We expect UNIQLO International will report strong gains in both revenue and profit in fiscal 2015. We plan to open approximately 200 new stores over the year: 100 in Greater China, 30 in South Korea, 45 in Southeast Asia and Oceania, 20 in USA, and 5 in Europe. We predict the operating profit margin will improve slightly at UNIQLO International, and this will contribute to the expected large gains in operating profit for the year.

We expect the Global Brands segment to generate rising revenue and profit in fiscal 2015. We plan to open approximately 100 new stores: 50 GU stores, 45 Theory stores, and 5 Comptoir des Cotonniers stores.

We expect all the operations within the Global Brands segment will generate gains in revenue and profit in fiscal 2015. That includes GU, Theory, Comptoir des Cotonniers, Princesse tam.tam, and J Brand.

We are not planning to report another impairment loss at J Brand in fiscal 2015, so we expect to see a sharp increase in the Global Brands' operating profit over the business year.

Fiscal 2015 Estimated Dividend

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Expected FY2014 annual dividend: ¥300
Scheduled FY2015 annual dividend: ¥320

	Dividend per share		
	Mid-term	Yr-end	Annual
Year to Aug. 2013	140yen	150yen	290yen
Year to Aug. 2014	150yen	150yen	300yen
Year to Aug. 2015 (Estimate)	160yen	160yen	320yen

※ The fiscal 2014 year end dividend is subject to approval at the executive board meeting on November 3.
※ The year-end dividend total may be adjusted in the event of large fluctuations in business performance or access to funds.

Finally, let me say a few words about our scheduled dividend payments. We expect to pay a fiscal 2014 annual dividend of ¥300 per share, which includes a year-end dividend of ¥150 per share.

We have scheduled an annual dividend of ¥320 per share for fiscal 2015, split equally between interim and year-end dividends per share of ¥160 each.

That completes this presentation on the Fast Retailing Group's performance for fiscal 2014, and also our business estimates for fiscal 2015.

The remaining three slides are provided as reference materials.

Thank you.

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Reference
Store Numbers by Group Company

[Units: Stores]	Yr 2013 Yr-end	Yr to Aug. 2014 Open	Close	Change	Yr-end
UNIQLO Operations	**1,299**	**247**	**61**	**+186**	**1,485**
UNIQLO Japan	**853**	**54**	**55**	**-1**	**852**
Own stores	834	51	54	-3	**831**
Large-scale	177	26	4	22	**199**
Standard and others	657	25	50	-25	**632**
Franchise stores	19	3	1	+2	**21**
UNIQLO International	**446**	**193**	**6**	**+187**	**633**
China	225	83	2	+81	**306**
Hong Kong	18	5	1	+4	**22**
Taiwan	37	9	0	+9	**46**
Korea	105	31	3	+28	**133**
Singapore	12	6	0	+6	**18**
Malaysia	10	11	0	+11	**21**
Thailand	10	10	0	+10	**20**
Philippines	6	10	0	+10	**16**
Indonesia	1	3	0	+3	**4**
Australia	0	1	0	+1	**1**
USA	7	18	0	+18	**25**
UK	10	0	0	+0	**10**
France	3	3	0	+3	**6**
Russia	2	2	0	+2	**4**
Germany	0	1	0	+1	**1**
Global Brands	**1150**	**152**	**34**	**+118**	**1,268**
GU	214	77	15	+62	**276**
Theory ※	411	58	9	+49	**460**
Comptoir des Cotonniers ※	375	8	9	-1	**374**
Princesse tam.tam ※	150	3	1	+2	**152**
J Brand	0	6	0	6	**6**
Total	**2,449**	**399**	**95**	**+304**	**2,753**

Note: Excludes Mina (Commercial Facility Business) and Grameen UNIQLO stores
※Includes franchise stores

FAST RETAILING

Reference

FY2015 Store Plans by Group Operation

[Units: Stores]	Yr 2014 Yr-end	Yr to Aug. 2015 Estimate Open	Close	Change	Yr-end
UNIQLO Operations	1,485	247	70	+177	1,662
UNIQLO Japan	852	47	55	−8	844
Own stores	831	37	54	−17	814
Large-scale	199	16	5	11	210
Standard and others	632	21	49	−28	604
Franchise stores	21	10	1	+9	30
UNIQLO International	633	200	15	+185	818
Global Brands ※	1268	100	15	+85	1,353
Total	2,753	347	85	262	3,015

Note: Excludes Mina (Commercial Facility Business) and Grameen UNIQLO stores ※Includes franchise stores

FAST RETAILING

Reference

Forex, Capex, Depreciation

Applicable Exchange Rates

Yen

		1USD	1EUR	1GBP	1RMB	100KRW
Yr to Aug. 2013	Exchange rate full year to Aug. 2013 (Actual)	89.8	117.3	140.2	14.5	8.1
Yr to Aug. 2014	Exchange rate full year to Aug. 2014 (Actual)	101.5	138.2	167.5	16.5	9.6
Yr to Aug. 2015	Exchange rate full year to Aug. 2015 (Estimate)	102.5	141.5	172.0	16.4	10.0

Capex and Depreciation

Billions of Yen

	Capital spending	Depreciation
Yr to Aug. 2013 Full year (Actual)	39.6	23.6
Yr to Aug. 2014 Full year (Actual)	58.8	30.8
Yr to Aug. 2015 Full year (Estimate)	61.7	32.1

Breakdown of capital expenditure:
FY2014 Actual: UNIQLO Japan: ¥10.3bln, UNIQLO Intl.: ¥31.4bln, Global Brands: ¥7.7bln, Systems: ¥8.7bln
FY2015 Estimate: UNIQLO Japan: ¥5.5bln, UNIQLO Intl.: ¥31.2bln, Global Brands: ¥10.6bln, Systems: ¥14.4bln