I am Tadashi Yanai, Chairman, President and CEO of Fast Retailing Co, Ltd.

I would first like to review Fast Retailing’s performance for fiscal 2014, or the twelve months to August 2014. I will then look at our future business outlook and talk a little about some of our specific strategies and focal points.
Using Japanese Generally Accepted Accounting Principles, or JGAAP, consolidated operating income and sales for the Fast Retailing Group increased year on year in fiscal 2014.

Of particular note in fiscal 2014 was the impressive improvement in gross profit margins at UNIQLO Japan, which also helped boost overall income for the segment. In addition, UNIQLO International reported sharp gains in both sales and income. However, consolidated net income contracted year on year, due to the recording of impairment losses at our J Brand premium denim label.
Let’s look ahead to our business forecasts for fiscal 2015, or the year ending August 31, 2015. All of these forecasts are calculated using International Financial Reporting Standards (IFRS). We expect revenue to increase 15.7% year on year to ¥1.600 trillion, operating profit to increase by 38.0% to ¥180.0 billion, and profit attributable to the owners of the parent to increase by 34.1% to ¥100.0 billion.

As you can see from this slide, we expect each segment to report increases in operating profit in fiscal 2015.
Our immediate priorities going forward are to ensure stable growth at UNIQLO Japan, accelerate the pace of growth at UNIQLO International, and restructure the Global Brands operation.
It might be appropriate at this stage to say a few words about the essence of the UNIQLO brand.

Our aim is to develop UNIQLO into the world’s only LifeWear brand.

LifeWear is the ultimate in everyday clothing – a necessity for comfortable living.

LifeWear is reasonably priced, high-quality clothing that offers superior functionality, sophisticated design, and innovation, with a message that resonates in modern society.
At UNIQLO International, we are looking to develop full-fledged, efficient operations in each individual market or region in which we operate.

In the Greater China region, we are looking to open 100 stores each year in order to expand the network to 1,000 stores.

We are working hard to become the best-loved brand in South Korea, and we expect growth there to continue to be buoyant.

We aim to expand our geographical reach in Southeast Asia in order to become one of the region’s truly representative brands. To do that, we have to first become the number one brand in each individual country.

We will be looking to turn a profit at UNIQLO USA as soon as possible, so that we can begin working towards becoming one of that country’s leading brands as well.

Our first goal is to open 30 stores each year, towards a powerful chain network mainly focused on the East and West Coasts of the United States. We also want to as quickly as possible develop a system that can support the opening of 100 stores in the United States each year.

In Europe, we are looking to accelerate the pace of new store openings in order to build a strong UNIQLO brand presence in major European cities. The initial aim is to open 10 new stores each year, building that up to between 20 and 30 new stores each year as soon as we can.

In fiscal 2014, we opened our first stores in Germany and Australia. Both of those operations are already enjoying considerable success. We are also considering how to best penetrate the Indian market.
Sales at our low-priced GU casualwear brand topped ¥100 billion in fiscal 2014. We are now targeting revenue of ¥300 billion and operating profit of ¥30 billion.

In addition to its business in the United States and Japan, I think we can do better to further strengthen our Theory fashion label’s presence in Europe, and parts of Asia outside Japan. I want to develop Theory into a truly global brand, with revenue in excess of US$1 billion.

I want to refine and perfect our France-based labels, Comptoir des Cotonniers and Princesse tam.tam, in their home nation. We will then use Fast Retailing’s extensive business platform to help transform those two labels into global brands.

I also want to develop J Brand as a leading denim company, and help it grow into a new global brand.
We have set ourselves a medium-term internal goal to expand the Fast Retailing Group’s revenue to ¥5 trillion yen and operating profit to ¥1 trillion, and become World’s No. 1 brand by fiscal 2020. To keep us firmly on track, we also have a three-year interim revenue goal of ¥2.5 trillion.
To help attain our three-year goal, we are looking to ensure our Global One and Zenin Keiei management principles are fully implemented across the Group. These principles involve encouraging all staff to adopt the mindset of managers, and to seek the best available global methods in whatever they do.

I also want to empower strategically-located global headquarter functions with the task of managing global business networks, and attracting the best talent worldwide.

I want to create a new, revolutionary industry that combines real and virtual markets.

I want to develop our stores into a network of locally-managed, community-sensitive units, where the store staff are the main players.

Finally, I want to insist that the entire Group pursues low-cost operations in order to boost operating margins to 15% across all of our brands.
Strategies – Three-year Horizon

1. Strategic global centers of expertise
   > Design HQ in NY, E-commerce HQ in San Francisco, Cultural Information Promotion HQ in Paris & London

2. Create top-class global direct business

3. Build top-class global supply chain
   > Best strategically-located global factory network
   > Optimize all business systems from product design through distribution and retail

4. Embrace varied ways of working to maximize employee satisfaction and experience.

5. Attract top-class global personnel

I believe, over the next three years, we should develop global centers of expertise in the best strategic locations.

For example, a design headquarters located in New York; a next-generation headquarters in San Francisco, that would encompass our approach to e-commerce worldwide.; and another headquarters in the traditional European fashion centers of Paris and London, to support dissemination of local cultural information that resonates globally, in parallel with our fashion and clothing messages.

At the same time, we also need to create a top-class global direct sales business.

Furthermore, we need to build a top-class global supply chain. This will involve establishing a strategically-located global manufacturing network. We will also need to optimize all of our business systems, from product design through distribution and retail.

Also of vital importance is the need to embrace a variety of different working styles in order to maximize employee satisfaction and help our staff develop their professional skills and experience.

We must always seek to attract the best caliber of personnel around the world.
In order to develop UNIQLO as a truly global brand, we need to build full-fledged product R&D centers in several major global cities. Indeed, establishing powerful R&D centers in New York, Paris, London, and Tokyo should help boost our product development capability considerably.

I also want to develop broader and deeper collaboration projects with global businesses and organizations. We already have successful collaborative relationships with partners such as Toray Industries and MOMA, and I would like to explore further exciting potential innovations by expanding and advancing this type of strategic collaboration.

We must strive to create core UNIQLO ranges that are prized worldwide by perfecting our core ranges, such as HEATTECH, Ultra Light Down, AIRism, cashmere sweaters, jeans, shirts, pants, and dresses.
Going forward, we plan to continue to open Global Flagship Stores that effectively serve as symbols of UNIQLO’s global status.

We plan to expand across the world’s major cities, increasing our store presence in existing locations and challenging new markets – Sydney, Berlin, Boston, Philadelphia, Los Angeles, Chicago, Osaka – and many more.

I am also keen to establish links that facilitate two-way digital communication with customers worldwide.
Currently, Fast Retailing sponsors four top athletes who serve as UNIQLO Global Brand Ambassadors.

In early October, one of our ambassadors, Kei Nishikori, won the Japan Open, while another, Novak Djokovic, won the China Open. Nishikori and Djokovic were pitched against each other in the semi-final of the 2014 US Open in New York in September. Following victory in that match, Nishikori went on to become the first Asian man to reach the Grand Slam final, for men’s singles.

Such a performance is hard to beat, but I think Shingo Kunieda might have managed it with his victory in the 2014 US Open men’s wheelchair tennis singles and doubles championships. Kunieda is now the proud victor of all four 2014 Grand Slam championships.

Adam Scott, winner of the 2013 US Masters, is currently ranked second in the world, in golf.

We have high expectations for all four of our Global Brand Ambassadors, in their future victories. They constitute a major part of UNIQLO’s global marketing activities, and so I want us to work even more closely together in the future, in promoting the UNIQLO brand.
While on the subject of building the UNIQLO brand, I believe this slide illustrates how UNIQLO is fast becoming the number one brand in East Asia.

For instance, UNIQLO was ranked number two in Interbrand’s 2014 Best Retail Brands for the Asia Pacific.

In September 2014, UNIQLO was selected by CBN Weekly as China’s golden brand for the 3rd year running, and the UNIQLO brand was ranked number one by BrandStock, in South Korea’s fashion and general merchandise category.
Fast Retailing also won the fiscal 2014 Retailer of the Year award from the World Retail Congress, an accolade awarded to the retailer who achieved exceptional, world-class results over the year. I believe this illustrates just how highly Fast Retailing’s potential and new clothing concepts are evaluated.
Next, I would like to talk briefly about growth potential in Southeast Asia and Oceania. I want to open Global Flagship Stores to act as beacons from which to transmit the UNIQLO message across the region, and also to accelerate new store openings to over 50 stores each year. I think the Australian market in particular is a perfect place to rapidly boost our store presence.

We also need to develop unique products for each local market, in order to maximize UNIQLO’s competitive position in the overall region.
Moving onto our Global Brands business segment, we are seeking to position GU as Asia’s number one global brand from Japan, offering “fashion fun at low prices.”

>Strong expansion potential in Asia. First store opened in Taiwan in September 2014 a huge success.

Emphasize unique features of each affordable luxury brand. Use FR and UNIQLO platforms to rapidly build a 1 billion dollar business.

Moving onto our Global Brands business segment, we are seeking to position GU as Asia’s number one global brand from Japan, offering “fashion fun at low prices.”

The first GU store in Taiwan, opened in September 2014, proved a huge success. I believe this proves there is plenty of potential to develop the GU brand in Asia.

We are also actively seeking potential growth opportunities for our other brands. We need to emphasize the unique features of each of our affordable luxury labels, and employ Fast Retailing and UNIQLO platforms to rapidly expand these brands into individual operations worth 1 billion dollars each.
I would now like to talk briefly about our intention to revolutionize the way we manage our stores at UNIQLO Japan. We are looking to shift from a chain of centrally-directed retail stores to a group of local stores managed by empowered local employees. We believe this will not only benefit our local staff, but will also help maximize revenue and profit for individual stores, and, by extension, the UNIQLO Japan segment as a whole.

There are many things that we could do here. First and foremost, we need to ensure that the Fast Retailing company, and all of our employees and managers, share the same vision, mission, values, and corporate culture. We also need to embrace many different ways of working, including placing more women in core business positions and offering all employees valuable opportunities for professional development.

We need to train our store managers and other managers to become servant leaders.

We should also encourage individual advancement by expanding responsibilities, in accordance with what suits the particular experience and skill sets of our store managers, sales, and other in-store staff.

We need to create a local store-manager and employee system that is attentive to community needs and aims to boost local appreciation and affection for the UNIQLO brand.
I also want to aggressively pursue low-cost operations by eradicating unnecessary expenses across the FR Group, and focusing on high cost-benefit expenses and investment.

We need to emphasize and fully instil our renowned company-wide culture for low-cost operations. This determined drive to maintain low costs should include rigorous central purchasing, and a commitment to source materials and necessary items from the best possible locations worldwide. This is the best way to ensure the procurement of top-quality materials at the lowest possible cost.

We also need to review our cost structures at UNIQLO International and Global Brands, in particular in order to boost the Group’s operating profit margin above 15% as soon as possible.
Fast Retailing pursues its Corporate Social Responsibility (CSR) activities with the same vigor as its regular business operations. We believe the two activities should run in tandem, like the two wheels on a bicycle. As a company, we are committed to using clothes to make the world a better place.

Three of our major CSR activities include our All-product Recycling Campaign, our disaster relief activities, and our three-year title sponsorship of the International Wheelchair Tennis Tour.
Recent CSR Activities

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<th>Graduate scholarship program</th>
<th>Social business</th>
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<td>US$1.2 million scholarship program for 6 Japanese students to attend Harvard graduate schools for 3 years. Other scholarship programs at Stanford Graduate School of Business, Fashion Institute of Technology (FIT) State University of New York, and Parsons the NEW School for Design.</td>
<td>Opened the 9th Grameen UNIQLO store in Bangladesh in July, as part of UNIQLO’s Bangladesh social business aimed at alleviating social problems, such as poverty and limited employment opportunities.</td>
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<th>Safety initiatives at sewing factories</th>
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<td>Strengthening safety measures at partner factories in Bangladesh by conducting independent fire and safety inspections and signing the Accord on Fire and Building Safety.</td>
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**Clothes for Smiles**: A fund established by UNIQLO and UNIQLO Global Brand Ambassador Novak Djokovic, supports eight projects to improve children’s lives worldwide.

- Events for displaced children in Serbian refugee centers to enjoy clothes shopping with their family (November 2013).
- Girls’ Soccer Project - Financial and clothing support for girls’ soccer teams and tournaments in Bangladesh, Zimbabwe and Ghana, to help girls gain confidence and independence.
- UNIQLO DREAM WALL Project - A playground for children in Ishinomaki, Miyagi, an area badly hit by the 2011 earthquake and tsunami (August 2014).

Other CSR activities include our graduate scholarship programs, social business, safety initiatives for sewing factories in Bangladesh, and the Clothes for Smiles fund, which seeks to help improve children’s lives worldwide.
We have several other CSR projects of which we are very proud. Our “Power of Clothing” initiative involves dispatching UNIQLO staff to schools and other educational institutions to teach children about the importance of recycling second-hand clothes. We then commit to redistribute any clothes collected by the children to refugees and people in need around the world.

UNIQLO also places money boxes at its stores in Japan to solicit donations for the Setouchi Olive Foundation. By amassing donations sometimes as small as 1 or 10 yen, we have been able to help fund the planting of 150,000 trees on the islands in Japan's Inland Sea.

Fast Retailing was the first Japanese company to sign a global alliance with UNICEF to help improve learning environments for children in countries where a need was identified.

UNIQLO is involved in various support activities in its capacity as official partner for the Special Olympics Nippon.

Fast Retailing has an extremely strong record regarding the employment of people with disabilities, but I want to do more in this field.

Fast Retailing is committed to conducting CSR activities, not only in Japan but wherever in the world we can make the most difference.
UNIQLO

is a new type of global company from Japan, providing truly great casualwear to all people worldwide.

This definition of UNIQLO was confirmed back in 1999: UNIQLO is a new type of global company from Japan which provides truly great casualwear to all people worldwide.

Today, we remain as true to that original pioneering idea as ever.

We continue to aspire to that mission and embrace the responsibility which it entails. I firmly believe we can help change the world for the better.

I would like to leave you with that thought.

Thank you.
Statement

Mission
- To create truly great clothing with new and unique value, and to enable people all over the world to experience the joy, happiness and satisfaction of wearing such great clothes
- To enrich people’s lives through our unique corporate activities, and to seek to grow and develop our company in unity with society

Value
- Approaching issues from the customer perspective
- Embracing innovation & challenge
- Respecting and supporting individuals to foster both corporate and personal growth
- Committing to ethical standards and correctness
1. Meet the needs of our customers and create new customers.
2. Put good ideas into practice, move the world, change society, and contribute to society.
3. Stay autonomous and independent without becoming subordinated to any company.
4. Look at reality straight into the eye, adapt to changing times, and proactively change yourself.
5. Ensure that each and every one of the employees is self-sufficient and self-reflective. Respect each and every employee and emphasize teamwork within a flexible organization.
6. Utilize skills from around the world. Establish your own unique corporate identity. Become truly global by developing products and business categories that receive the No. 1 support from youths.
7. Be product-focused and store-focused, recognizing deep inside that the product and the store are the only direct contact points with customers.
8. All employees and all departments work together hand in hand for what is best for the entire company.
11. To attain high efficiency and high returns to all stakeholders, improve the quality of management capability, eliminate waste thoroughly, and always think of profitability.
12. Analyze specific successes and failures in depth, store that information, and put them to use for the future.
13. Actively challenge. Do not shy away from difficulties and avoid competition.
14. Put your heart and soul into becoming a professional and win the game by delivering results.
15. All employees should share a consistent long-term vision. Endeavor to practice what is right, what is small, what is fundamental. Look into the right direction and follow through till the end with persistence.
16. Our customers are buying our corporate stance, not just our products. Have a sharp sensitivity and pursue the essence of matters, not what is on the surface.
17. Always think positively, invest up-front, have hope for the future, and invigorate those around you.
18. The entire company, each team, and each individual should have a clear-cut goal, purpose, and concept.
19. Demand the highest level of ethics in your business and work.
20. Be the toughest critic to yourself. Change your behavior and approach to self-renew yourself.
21. Eradicate all discrimination, including race, nationality, age and gender.
22. Develop new businesses that can attain synergy and become No. 1 in the field.
23. Eliminate silos and be project-based in order to understand from the bottom of the heart that an organization exists to get the job done and that employees and business partners exist to meet the needs of our customers.
You feel it as you slip them on.

So comfortable, so right, so you—
clothes that are who you are
and where you are going.

LifeWear. Clothes for a better life
for everyone, every day.
UNIQLO is...

...the elements of style.
...a toolbox for living.
...clothes that suit your values.
...how the future dresses.
...beauty in hyperpracticality.
...clothing in the absolute.

UNIQLO MADE FOR ALL