FAST RETAILING

April 9, 2015

Fast Retailing Results for September 2014 to February 2015 and Estimates for Fiscal 2015

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Fast Retailing Co., Ltd.

Group Senior Vice President & CFO

I am Takeshi Okazaki, Group Senior Vice President and CFO at Fast Retailing.

I would like to talk to you today about our consolidated business performance for the first half of fiscal 2015, or the six months from September 2014 through February 2015, followed by our estimates for the full business year through August 2015.

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Contents

Disclosure of Corporate Performance

Having adopted International Financial Reporting Standards (IFRS) from the year ending August 31, 2014, the vast majority of data in this document is calculated using IFRS standards, unless otherwise stated.

Group Operations

UNIQLO Japan: UNIQLO Japan operations

UNIQLO International: All UNIQLO operations outside of Japan

Global Brands: Theory, Comptoir des Cotonniers, Princesse tam.tam, GU, 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.

Group: (1H) Sep. 2014 - Feb. 2015

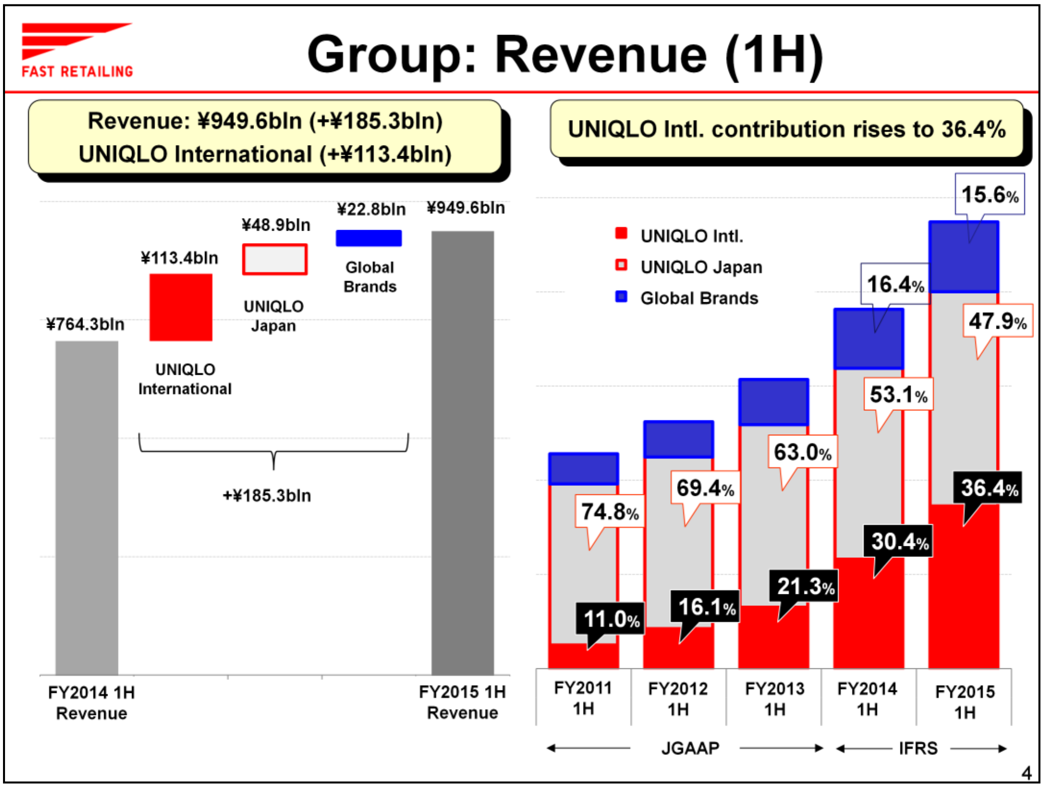
Revenue and profit gains outstrip plan

Billions of Yen

	Yr to Aug. 2014 (6 mths to Feb. 2014) Actual	Yr to Aug. 2015 (6 mths to Feb. 2014) Latest est. (Jan.8)	Actual	y/y
Revenue (to revenue)	764.3 100.0%	890.0 100.0%	**949.6** **100.0%**	+24.2%
Gross profit (to revenue)	377.4 49.4%	- -	**479.5** **50.5%**	+27.0% +1.1p
SG&A (to revenue)	272.5 35.7%	- -	**336.3** **35.4%**	+23.4% -0.3p
Business profit (to revenue)	104.9 13.7%	- -	**143.1** **15.1%**	+36.4% +1.4p
Other income, expenses (to revenue)	2.0 0.3%	- -	**6.8** **0.7%**	+236.1% +0.4p
Operating profit (to revenue)	107.0 14.0%	120.0 13.5%	**150.0** **15.8%**	+40.2% +1.8p
Profit before income taxes (to revenue)	110.5 14.5%	120.0 13.5%	**163.6** **17.2%**	+48.0% +2.7p
Profit attributable to owners of the parent (to revenue)	67.0 8.8%	67.0 7.5%	**104.7** **11.0%**	+56.2% +2.2p

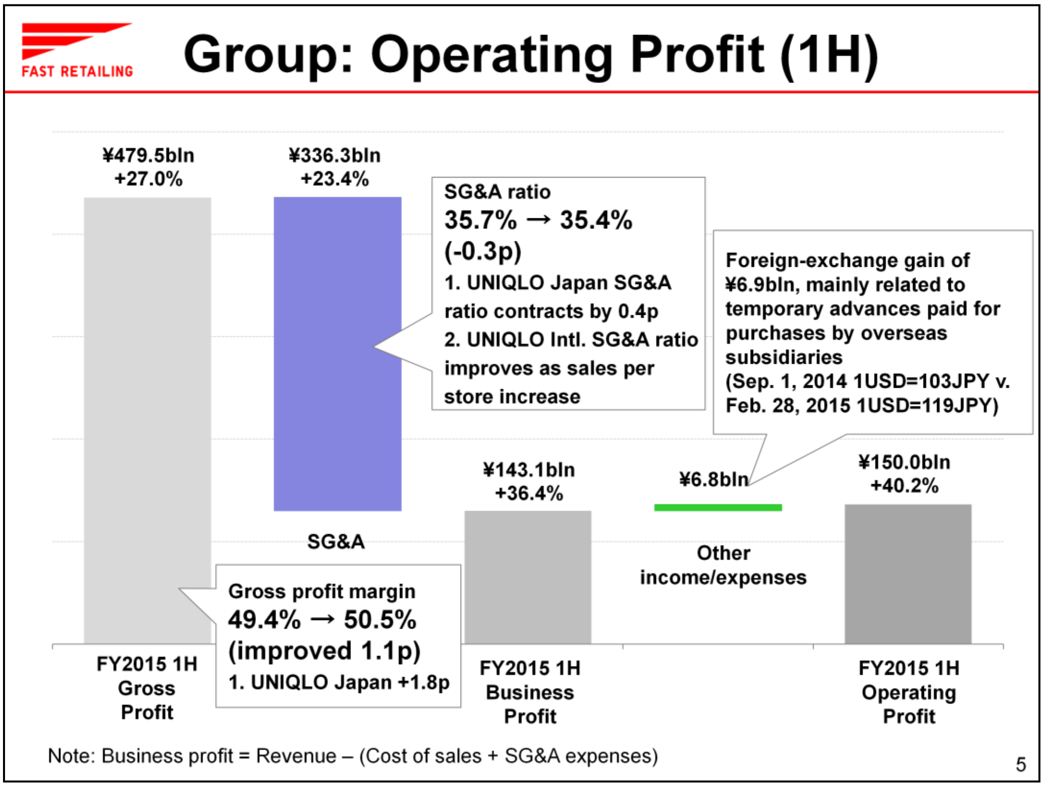
Note: Business profit = Revenue – (Cost of sales + SG&A expenses)

In the first half of fiscal 2015, the Fast Retailing Group generated revenue of ¥949.6 billion (up 24.2% year on year), operating profit of ¥150.0 billion (up 40.2%), profit before income taxes of ¥163.6 billion (up 48.0%) and profit attributable to owners of the parent of ¥104.7 billion (up 56.2%).



Looking first at the revenue data, Fast Retailing reported revenue of ¥949.6 billion in the first half of fiscal 2015. That represents an increase of 24.2%, or ¥185.3 billion, year on year. This figure breaks down into revenue increases of ¥113.4 billion at UNIQLO International, ¥48.9 billion at UNIQLO Japan and ¥22.8 billion at Global Brands.

As a result, UNIQLO International's contribution to overall sales in the first half of fiscal 2015 increased 6.0 points year on year to 36.4%, while UNIQLO Japan's contribution to sales fell below 50%.



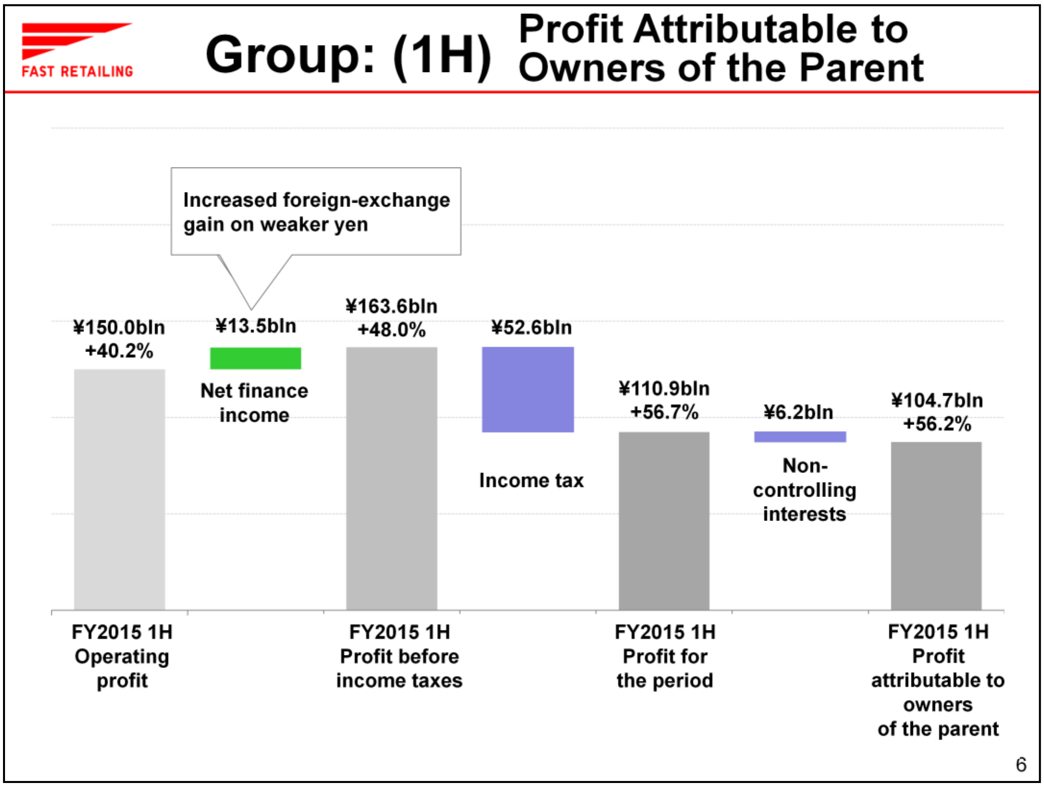
Gross profit expanded 27.0% year on year to ¥479.5 billion in the first half of fiscal 2015. The gross profit margin improved by 1.1 points year on year to 50.5%. Much of the improvement in the overall gross profit margin can be attributed to a 1.8 point rise in the gross profit margin at UNIQLO Japan.

Selling general and administration expenses rose 23.4% year on year to ¥336.3 billion. The SG&A to revenue ratio rose 0.3 point year-on-year to 35.4%. That was largely due to a 0.4 point contraction in the SG&A ratio at UNIQLO Japan, and the overall improvement in the SG&A ratio at UNIQLO International generated by rising sales per store.

Business profit (revenue minus cost of sales and SG&A expenses) increased 36.4% to ¥143.1 billion.

The net amount of other income/expenses increased ¥4.8 billion to ¥6.8 billion. That includes a ¥6.9 billion foreign-exchange gain, related mainly to temporary advances paid for purchases by overseas subsidiaries after the yen weakened from 103 to the US dollar at the beginning of September 2014, to 119 yen at the end of February 2015.

As a result of the above factors, first-half operating profit increased by 40.2% to ¥150.0 billion.



Moving on to net finance income, we reported a total net finance income of ¥13.5 billion in the first half, after the weakening of the Japanese yen over the six-month period boosted the value of our foreign-currency denominated assets in yen terms.

As a result, profit before income taxes expanded by 48.0% to ¥163.6 billion, and profit attributable to the owners of the parent increased by 56.2% to ¥104.7 billion.

Breakdown by Group Operation (1H)

		Yr to Aug. 2014 (6 mths to Feb. 2014) Actual	Yr to Aug. 2015 (6 mths to Feb. 2015) Actual	y/y
UNIQLO Japan	Revenue	405.5	**454.5**	+12.1%
	Business profit	69.9	**88.6**	+26.8%
	(to revenue)	17.2%	19.5%	+2.3p
	Other income, expenses	1.8	**0.8**	−54.5%
	Operating profit	71.7	**89.4**	+24.7%
	(to revenue)	17.7%	19.7%	+2.0p
UNIQLO International	Revenue	232.0	**345.5**	+48.9%
	Business profit	27.1	**43.1**	+59.0%
	(to revenue)	11.7%	12.5%	+0.8p
	Other income, expenses	-0.8	**-0.3**	-
	Operating profit	26.2	**42.8**	+63.2%
	(to revenue)	11.3%	12.4%	+1.1p
Global Brand	Revenue	125.3	**148.2**	+18.3%
	Business profit	9.2	**12.3**	+33.7%
	(to revenue)	7.4%	8.3%	+0.9p
	Other income, expenses	0.2	**-0.6**	-
	Operating profit	9.5	**11.7**	+23.4%
	(to revenue)	7.6%	7.9%	+0.3p

Billions of Yen

Consolidated results also include Fast Retailing Co., Ltd. performance and consolidated adjustments.
UNIQLO Japan data (excluding revenue) includes inter-Group transactions.
Business profit = Revenue – (Cost of sales + SG&A expenses).

This slide displays the breakdown of the first-half performance by Group operation.

All segments reported increases in revenue and profit, with UNIQLO Japan generating revenue of ¥454.5 billion and operating profit of ¥89.4 billion, UNIQLO International revenue of ¥345.5 billion and operating profit of ¥42.8 billion, and Global Brands revenue of ¥148.2 billion and operating profit of ¥11.7 billion.

UNIQLO Japan (1H)

Revenue and profit gains exceed plan

	Yr to Aug. 2014 (6 mths to Feb. 2014) Actual	Yr to Aug. 2015 (6 mths to Feb. 2015) Actual	y/y
Revenue (to revenue)	405.5 100.0%	**454.5** 100.0%	+12.1%
Gross profit (to revenue)	193.3 47.7%	**225.1** 49.5%	+16.4% +1.8p
SG&A (to revenue)	123.4 30.4%	**136.4** 30.0%	+10.6% −0.4p
Business profit (to revenue)	69.9 17.2%	**88.6** 19.5%	+26.8% +2.3p
Other income, expenses (to revenue)	1.8 0.4%	**0.8** 0.2%	−54.5% −0.2p
Operating profit (to revenue)	71.7 17.7%	**89.4** 19.7%	+24.7% +2.0p

Billions of Yen

UNIQLO Japan data (excluding revenue) includes inter-Group transactions.
Business profit = Revenue – (Cost of sales + SG&A expenses).

I would now like to go through each of our Group operations in turn.

Let's look first at UNIQLO Japan, which reported higher than expected gains in both revenue and profit in the first half.

UNIQLO Japan: Revenue (1H)

Revenue: ¥454.5bln (+12.1% y/y)

- Same-store sales: +8.4% (Customer spend +10.2%, customer visits -1.6%)
- "Scrap and build" strategy boosts average store size and sales per store

Sales trend
- In the second quarter, cold weather boosted sales of core Winter items such as HEATTECH Extra Warm, Ultra Light Down, and sweat shirts and pants.
- Booming New Year Sale created a buzz and attracted customers.

Customer spend
- Rise due to higher HEATTECH Extra Warm component of innerwear, and strong sales of other relatively expensive items in outerwear and bottoms.

Same-store sales	Yr to Aug. 2015						
	1Q	Dec.	Jan.	Feb.	2Q	1H Cum.	Mar.
Net sales	+7.5%	+10.2%	+8.9%	+7.7%	+9.4%	+8.4%	−3.0%
Customer visits	−2.2%	−1.4%	+0.5%	−3.0%	−1.1%	−1.6%	−10.5%
Customer spend	+9.9%	+11.7%	+8.4%	+11.1%	+10.6%	+10.2%	+8.4%

UNIQLO directly run stores at end February 2015: 814 (-18 stores y/y)
Franchise stores: 28 (+10 stores)

Revenue at UNIQLO Japan rose 12.1% year on year to ¥454.5 billion in the first half. This strong performance was due in part to a 8.4% 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.

The 8.4% year-on-year increase in same-store sales can be broken down into a 10.2% rise in customer spend and a 1.6% fall in customer visits.

Cold weather in the second quarter (December 2014 to February 2015) boosted sales of core Winter items such as HEATTECH Extra Warm, Ultra Light Down, and sweats shirts and pants. In addition, our booming New Year Sale also created a real buzz that helped attract customers.

As I mentioned, customer spend rose 10.2% in the first half of fiscal 2015, with HEATTECH Extra Warm constituting a higher component of sales in our innerwear category, and other relatively expensive items, such as wool jackets in our outerwear category and jeans in our bottom wear category, also performing well.

The number of UNIQLO Japan stores fell by 18 to 814 stores at the end of February 2015, compared to the end of February 2014. However, nine of the 18 stores didn't actually close, but changed from directly operated stores to franchise stores.

The latest disclosed data showed a 3.0% year on year fall in same-store sales for the month of March 2015.

UNIQLO Japan: Gross Margin (1H)

Gross profit margin: 49.5% (+1.8p y/y)

Slightly higher-than-expected year-on-year rise

- **1Q: Higher-than-expected year-on-year improvement**

  Fall Winter ranges got an early boost from cold weather in September - core winter items sold well.

- **2Q: Year-on-year rise slightly lower than forecast**

  Customers focused on discounted items in the New Year Sale

Turning now to business margins for UNIQLO Japan, the segment reported a 1.8 point improvement in its gross profit margin for the first half of fiscal 2015 to 49.5%. This improvement was slightly higher than forecast.

Breaking that figure down into the first and second quarters: The gross profit margin improved more than expected in the first quarter, with the cold weather in September boosting sales of Fall Winter ranges early on in the quarter, and core Winter items such as HEATTECH and Ultra Light Down proving strong throughout.

While the gross profit margin did improve in the second quarter compared to the previous year, the magnitude of the improvement was slightly less than expected. That was due largely to the fact that customers focused heavily on discounted items in January’s New Year Sale.

UNIQLO Japan: SG&A (1H)

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SG&A to revenue ratio: 30.0% (-0.4p y/y)

Billions of Yen

	Yr to Aug. 2014 (6 mths to Feb. 2014)		Yr to Aug. 2015 (6 mths to Feb. 2015)			
	Actual	(% sales)	Actual	(% sales)	y/y	(% sales)
SG&A Total	123.4	30.4%	136.4	30.0%	+13.0	−0.4p
Personnel costs	36.2	8.9%	41.0	9.0%	+4.7	+0.1p
A&P	18.1	4.5%	17.5	3.9%	−0.5	−0.6p
Rental Expenses	26.1	6.5%	28.5	6.3%	+2.3	−0.2p
Depreciation	3.6	0.9%	3.6	0.8%	+0.0	−0.1p
Others	39.1	9.7%	45.6	10.0%	+6.4	+0.3p

UNIQLO Japan's SG&A to revenue ratio fell 0.4 point year on year in the first half to 30.0%. That was roughly in line with target in monetary terms, and a slight improvement in percentage terms.

As for the key components of the SG&A ratio, the advertising and promotion ratio contracted 0.6 point year on year, store rent expenses fell 0.2 point and depreciation expenses contracted 0.1 point. Meanwhile, personnel cost ratio rose by 0.1 point and the other expenses ratio increased by 0.3 point.

The slight fall in the advertising and promotion ratio was part of our deliberate strategy to reduce overall business expenses, meaning that, in monetary terms, the component came in roughly on target.

Strong same-store sales boosted overall efficiency, which was responsible for the fall in the store-rent expense ratio.

Personnel costs rose on the back of increased costs for store staff.

The increase in other expenses was due largely to our decision to actively boost inventory of year round core items, which resulted in higher storage costs.

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UNIQLO International: (1H) (1)

Large revenue, profit gains outstrip plan

- Also outstrips plan in local currency terms
- Greater China, South Korea very strong, above plan
- Europe performs roughly to plan
- USA falls short of plan, reports fall in profit
- 716 stores at end February (+83, mainly in Asia & USA)

Billions of Yen

		Yr to Aug. 2014 (6 mths to Feb. 2014) Actual	Yr to Aug. 2015 (6 mths to Feb. 2015) Actual	y/y
UNIQLO International	Revenue	232.0	**345.5**	+48.9%
	Business profit	27.1	**43.1**	+59.0%
	(to revenue)	11.7%	12.5%	+0.8p
	Other income, expenses	-0.8	**-0.3**	-
	Operating profit	26.2	**42.8**	+63.2%
	(to revenue)	11.3%	12.4%	+1.1p

Note: Business profit = Revenue – (Cost of sales + SG&A expenses)

Moving on to UNIQLO International, which reported higher than forecast gains in revenue and profit in the first half. Revenue totalled ¥345.5 billion (+48.9% year on year) and operating profit ¥42.8 billion (+63.2%). UNIQLO International also outstripped our revenue and profit targets in local currency terms.

Within the UNIQLO International framework, UNIQLO Greater China and South Korea generated especially strong performances, reporting higher than expected gains in revenue and profit.

UNIQLO Europe performed roughly to plan, while UNIQLO USA fell short of target when it reported a decline in profits.

The UNIQLO International network expanded by a net 83 stores (92 opened, nine closed) in the first half to 716 stores at the end of February 2015. The bulk of the new stores were located in Asia and the United States.

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UNIQLO International: (1H) (2)

- **Greater China: Strong revenue, profit gains outstrip plan**
  Taiwan: Remains strong, with double-digit gains in same-store sales.
  China: Same-store sales rise on strong Chinese New Year sales and favorable sales of core winter items.
- **South Korea: Higher-than-expected large gains in revenue and profit on double-digit rise in same-store sales**
- **Southeast Asia: Sales and profit rise as planned**
- **Australia: Falls short of plan, profits down**
  Costs rise, with opening of 3 new stores in the first half.
  Weaker than expected sales for first Spring Summer season in that country.
- **USA: Sales and gross margin below plan, losses expand**
  Slow sales of Fall Winter ranges early in the season, same-store sales fell short of plan, sales at new stores also underperformed. Increased end-of-season discounting dampened gross profit margin. Costs rise, as store total expanded from 17 at end of Feb 2014 to 39 at end of Feb 2015.
- **Europe: Generates expected rises in revenue, profit**
  Same-store sales rise, profits exceed plan in UK and France. Germany underperforms.
  Russia: Business profits up, but currency crisis knocks operating profit below plan.

Let’s look at UNIQLO International region by region in the first half of fiscal 2015.

Greater China (Mainland China, Hong Kong, and Taiwan) outstripped forecasts, for significant gains in revenue and profit. UNIQLO Taiwan maintained especially strong performance, with double-digit gain in same-store sales. Same-store sales also rose in China, on sales of core Winter items and strong demand during the Chinese New Year. Total UNIQLO stores in Greater China increased to 415 (opened 48, closed seven) at the end of February 2015.

UNIQLO South Korea exceeded expectations, generating large gains in revenue and profit. The double-digit gain in same-store sales was even higher than the marked gain reported in the previous year. UNIQLO South Korea opened eight new stores and closed two, for 139 stores at the end of February 2015.

UNIQLO Southeast Asia (Singapore, Malaysia, Thailand, Philippines, and Indonesia) reported rises in revenue and profit roughly in line with expectations. UNIQLO added 16 stores, boosting the total to 95 at the end of February 2015.

UNIQLO Australia fell short of target, reporting a decline in profits, due partly to the cost of opening three new stores. Revenue fell short, on poor sales for our first Spring Summer season in the southern hemisphere.

UNIQLO USA reported an increased loss, as sales and gross profit margin fell short of target. Slow sales of Fall Winter items early in the season knocked same-store sales below target. New-store sales also underperformed. The operation was forced to increase discounting of excess inventory at the end of the season, dragging down the gross profit margin. The addition of 22 new stores also boosted costs and weighed on profits.

UNIQLO Europe (United Kingdom, France, Russia, Germany) generated the expected rises in revenue and profit. Same-store sales increased at UNIQLO UK and France, tipping profit above target. UNIQLO Germany fell short of target. While business profits increased at UNIQLO Russia, the temporary impact of the country’s currency crisis knocked operating profit below target.

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Global Brands (1H)

Revenue and profit rise, as planned

- **GU**: Higher-than-expected sales and profit gains
  - Strong sales of advertised ranges (skirts, knitwear, Winter outerwear)
  - Favorable sales of new "GU Basic" category.
  - Profit up on increase in same-stores sales and improved gross profit margin.
- **Theory**: Falls short of plan, profits down slightly
- **CDC**: Falls short of plan, profits down slightly
- **PTT**: Flat performance, as expected
- **J Brand**: Falls short of plan, losses increase slightly

Billions of Yen

		Yr to Aug. 2014 (6 mths to Feb. 2014) Actual	Yr to Aug. 2015 (6 mths to Feb. 2015) Actual	y/y
Global Brand	Revenue	125.3	148.2	+18.3%
	Business profit	9.2	12.3	+33.7%
	(to revenue)	7.4%	8.3%	+0.9p
	Other income, expenses	0.2	-0.6	-
	Operating profit	9.5	11.7	+23.4%
	(to revenue)	7.6%	7.9%	+0.3p

Note: Business profit = Revenue – (Cost of sales + SG&A expenses)

Now I would like to look at the performance of our Global Brands segment in the first half of fiscal 2015.

The segment reported gains in revenue and profit in the six months from September 2014 to February 2015. Revenue expanded 18.3% year on year to ¥148.2 billion, while operating profit expanded 23.4% to ¥11.7 billion. Both measures were roughly in line with expectations.

Our low-priced GU casualwear label reported higher than expected gains in both revenue and profit. Strong sales of heavily-advertised skirts, knitwear items, and winter outerwear, and favorable sales of items in our new "GU Basic" category both helped boost first-half sales at existing GU stores. GU operating profit also increased on the back of an improved gross profit margin. GU opened 28 new stores and closed nine stores in the first half, bringing the total number of stores to 295 at the end of February 2015.

Our Theory fashion label and France-based Comptoir des Cotonniers fashion label both fell short of plan, reporting a slight fall in profits. Meanwhile, our French corsetry, homewear, swimwear and sportswear brand, Princesse tam.tam, produced a flat year on year performance, as expected.

Finally, our US-based J Brand denim label fell short of expectations by reporting a slightly larger operating loss in the first half.

Group: Balance Sheet at end Feb. 2015

Billions of Yen

	End Feb. 2014	End Aug. 2014	End Feb. 2015	Change
Total Assets	970.3	992.3	1,276.2	+305.9
Current Assets	689.9	717.0	977.0	+287.0
Non-Current Assets	280.3	275.2	299.2	+18.8
Total Liabilities	319.1	356.2	471.3	+152.1
Total Equity	651.2	636.0	804.9	+153.7

Next, I would like to take you through our balance sheet as it stood at the end of February 2015.

Compared to end February 2014, total assets increased by ¥305.9 billion to ¥1.2762 trillion. This includes an increase of ¥287.0 billion in current assets and an increase of ¥18.8 billion in non-current assets. As a result, total equity increased by ¥153.7 billion to ¥804.9 billion.

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

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

Current assets +¥287.0bln (¥689.9bln⇒¥977.0bln)

- **Cash and cash equivalents +¥103.9bln (¥358.8bln⇒¥462.8bln)**
- **Inventories +¥42.4bln (¥168.5bln⇒¥210.9bln)**

UNIQLO Japan +¥7.4bln	Increase in number of core items sold year-round, early launch of spring items
UNIQLO Intl +¥30.1bln	End February store total up 182 stores y/y
Global Brands +¥4.8bln	Expansion of GU and Theory operations

- **Derivative financial assets +¥75.5bln (¥111.5bln⇒¥187.0bln)**

  Recorded assets of ¥187.0bln after end-February yen rate fell below the average rate of our forward contract holdings. The ¥75.5bln year-on-year increase was due to the widening gap between the contract and period-end exchange rates.

Non-current assets +¥18.8bln (¥280.3bln⇒¥299.2bln)

- **Tangible assets +¥25.2bln (¥105.5bln⇒¥130.8bln)**

  UNIQLO International: +182 stores y/y **Global Brands** +102 stores y/y
- **Intangible assets -¥13.8bln (¥91.8bln⇒¥78.0bln)**

  Global Brands J Brand impairment losses reported at end FY2014

Let’s look first at the ¥287.0 billion increase in current assets at the end of February 2015.

Cash and cash equivalents increased by ¥103.9 billion year on year to ¥462.8 billion at the end of February 2015, due to an increase in operating cash flow at our UNIQLO and other business operations. We also experienced an increase in trade payables due to the fact that the last day of the business period fell on a day when banks were closed.

Looking next at inventories, total inventory increased by ¥42.4 billion to ¥210.9 billion.

Inventory at UNIQLO Japan increased by ¥7.4 billion, largely as a result of our decision to expand the range of year round core items on offer, and our decision to introduce spring items earlier than usual. Inventory at UNIQLO International increased by ¥30.1 billion, mainly due to the expansion of UNIQLO’s international network by 182 stores compared to the previous year. Inventory levels increased by ¥4.8 billion at our Global Brands segment, as we continued to expand our GU and Theory operations.

Derivative financial assets totalled ¥187.0 billion at the end of February 2015. UNIQLO Japan takes out forward exchange contracts as part of its long-term strategy to hedge against future movements in foreign exchange rates. The ¥75.5 billion increase in derivative financial assets was due to the fact that the end-February yen exchange rate fell below the average rates on our forward contract holdings, and the gap between the contract and period-end exchange rates widened. Please note, however, that this item is considered under hedge accounting and does not impact our profit and loss position.

Non-current assets increased by ¥18.8 billion year on year. This included a ¥25.2 billion increase in tangible assets linked to the opening of 182 new stores at UNIQLO International and 102 new stores at Global Brands.

Meanwhile, intangible assets decreased by ¥13.8 billion following the reporting of impairment losses at J Brand at the end of fiscal 2014 on August 31, 2014.

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Group: 1H Cash Flow

Billions of Yen

	Yr to Aug. 2014 1H cumulative	Yr to Aug. 2015 1H cumulative	Comment
Net cash from operating activities	+102.9	+224.0	
Profit before income taxes	+110.6	+163.6	Profit contribution from UNIQLO and other operations
Depreciation and amortization	+13.9	+17.7	
Working capital	−1.0	+79.3	Trade payables up as financial period ends on a holiday Reduction in inventory assets
Payment/refund of income taxes	−19.0	−26.4	
Net cash used in investing activities	−24.4	−74.0	
Decrease/(increase) in bank deposits with maturity over 3 months	-	−45.8	Temporary increase in bank deposits with maturity over 3 months
Purchases of property, plant and equipment	−19.2	−21.6	Expansion of store network
Purchases of intangible assets	−2.9	−3.4	Systems investment, etc
Net cash used in financing activities	−20.6	−22.3	
Cash dividends paid	−15.1	−15.2	FY2014 year-end dividend payment of ¥150 per share
Effect of exchange rate changes on cash and cash equivalents	4.3	21.1	
Increase in cash & equivalents	62.1	148.8	
Cash & equivalents at beginning of period	296.7	314.0	
Cash & equivalents at end of period	358.8	462.8	

Next, I will explain our cash flow position for the first half of fiscal 2015.

We enjoyed a net cash inflow of ¥224.0 billion from operating activities. UNIQLO and other Group operations contributed profits of ¥163.6 billion, and we recorded a ¥79.3 billion inflow of working capital. This was due to an increase in trade payables, resulting from the fact that the financial period ended on a holiday when banks were closed, and also to a reduction in inventory assets compared to the end of August 2014.

Net cash used in investing activities totalled ¥74.0 billion in the first half. Of this total, ¥45.8 billion related to a temporary increase in bank deposits with maturities over three months, ¥21.6 billion was spent on purchases of property, plants, and equipment, and ¥3.4 billion was spent on purchases of intangible assets, such as systems investment.

The temporary increase in bank deposits that I just mentioned boosted the total net cash used in investing activities considerably. While this component totaled ¥45.8 billion, the underlying assets are actually considered to be very liquid.

Capital expenditure for the Fast Retailing Group totalled ¥30.6 billion. Of this total, ¥5.2 billion was invested in UNIQLO Japan, ¥17.6 billion in UNIQLO International, ¥4.3 billion in Global Brands, and ¥3.4 billion was spent on systems investment, etc.

Net cash used in financing activities totalled ¥22.3 billion. Of that total, ¥15.2 billion represented cash dividends paid.

As a result, the balance of cash and cash equivalents stood at ¥462.8 billion at the end of February 2015.

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Group: FY2015 Estimates

Full-year estimates revised upwards
Revenue: ¥1.65 trillion (revised up ¥50.0bln)
Operating profit: ¥200 billion (rev. up ¥20.0bln)

- **Full year net finance income of ¥ 115 billion, on a slight strengthening of the yen (Estimate for end Aug. 2015: 1$= approx. ¥118, 1€= approx. ¥132)**

Billions of Yen

	Yr to Aug. 2014 Actual	Yr to Aug. 2015 Latest est. (Jan. 8)	y/y	Yr to Aug. 2015 Revised est. (Apr. 9)	y/y
Revenue	1,382.9	1,600.0	+15.7%	**1,650.0**	**+19.3%**
(to revenue)	100.0%	100.0%		100.0%	
Operating profit	130.4	180.0	+38.0%	**200.0**	**+53.4%**
(to revenue)	9.4%	11.3%	+1.9p	12.1%	+2.7p
Profit before income taxes	135.4	180.0	+32.9%	**211.5**	**+56.1%**
(to revenue)	9.8%	11.3%	+1.5p	12.8%	+3.0p
Profit for the year	79.3	108.0	+36.1%	**130.0**	**+63.9%**
(to revenue)	5.7%	6.8%	+1.1p	7.9%	+2.2p
Profit attributable to owners of the parent	74.5	100.0	+34.1%	**120.0**	**+61.0%**
(to revenue)	5.4%	6.3%	+0.9p	7.3%	+1.9p

I will move on now to our consolidated business estimates for fiscal 2015, or the 12 months ending August 31, 2015.

We have revised up our full-year forecast for Group revenue by ¥50.0 billion to ¥1.65 trillion, and we have revised up our forecast for Group operating profit by ¥20.0 billion to ¥200.0 billion.

We made the decision to revise up our full-year forecasts because both UNIQLO Japan and UNIQLO International outstripped our expectations in the first half, and also because of the foreign exchange gains, which resulted from the depreciation in the Japanese yen over the six months to February 28, 2015.

In terms of net finance income, we recorded appraisal gains on foreign-currency denominated assets of ¥12.7 billion in the first half as the yen weakened to 119 against the US dollar and 134 against the euro. However, we are assuming that the yen will strengthen slightly to 118 against the dollar and 132 against the euro by the end of August 2015. As a result, our full-year forecast for net finance income stands at ¥11.5 billion.

In light of the first-half results, we have revised our forecasts for non-controlling interests and taxes. As a result, our new fiscal 2015 forecast for profit attributable to owners of the parent stands at ¥120.0 billion.

Group: 2H Operating Profit Estimates

1H OP exceeded target by ¥30bln, but FY2015 OP revised up by just ¥20bln

■Revisions to initial 2H operating profit estimates

UNIQLO Japan: Slight downward revision

- Costs increased after yen weakened further than expected

UNIQLO Intl.: Slight downward revision

- Due to under performance at UNIQLO USA

Global Brands: Slight downward revision

- Due to shortfalls at J Brand and others

Others, adjustments: Downward revision

- Expect to report a foreign exchange appraisal loss on the back of an assumed slight strengthening in the yen.
- Expect higher personnel and other costs at FR parent

In the first half of fiscal 2015, operating profit outperformed our target by ¥30.0 billion. However, we decided to revise up our full-year forecast for operating profit by just ¥20.0 billion.

The main reason for this decision was that the greater than expected weakening of the yen has been pushing up costs at UNIQLO Japan, and this has pushed down our second-half operating profit forecast slightly.

In addition, we have revised down our second-half forecast for operating profit at UNIQLO International slightly to take into account expected shortfalls at UNIQLO USA in the second half.

We have also revised down our second-half forecast for operating profit from the Global Brands segment slightly, to take into account expected shortfalls at J Brand and some other labels.

Finally, we also expect to report a bigger shortfall in miscellaneous items and adjustments than originally forecast.

While we reported an increase in miscellaneous items and adjustments of ¥5.9 billion in the first half, we have revised down our expectations for second-half performance there. That is because the increase in the first half was due mainly to foreign-exchange gains generated by a weaker yen in relation to advances paid for purchases by overseas subsidiaries. However, once into the second half, our assumptions are for a slight strengthening in the yen, and, as a consequence, we expect to report a foreign exchange appraisal loss during the six months to August 2015. We also expect the FR parent will report higher personnel and other costs in the second half.

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FY2015 Estimates by Group Operation

UNIQLO Japan: Rise in revenue and profit

- Expansion in same-store sales (Full-year: +5.5% y/y, 2H: +1.5% y/y)
- Expect flat operating profit y/y in 2H due to increased cost of goods

UNIQLO International: Large gains in revenue and profit

- Greater China, S. Korea expected to maintain strong business performance – large gains in revenue and profit
- Increased losses expected at UNIQLO USA
- Expect to open 200 new stores in fiscal 2015

Global Brands: Rise in revenue and profit

- GU revenue and profit set to rise, OP margin also expected to improve
- Expect flat performance from Theory and other brands

Approx. new UNIQLO Intl. store openings	
Greater China	100
South Korea	30
Southeast Asia and Oceania	45
United States	20
Europe	5
Total	200

Approx. new Global Brands store openings	
GU	50
Theory	45
CDC	5
Total	100

Let's look more closely at our estimates for fiscal 2015 for individual business segments.

We expect UNIQLO Japan to report rises in both revenue and profit in fiscal 2015. We forecast same-store sales will increase by 1.5% in the second half, generating a full-year rise of approximately 5.5%. However, we do expect the gross profit margin to contract year on year in the second half due to the rising cost of goods, and, as a result, operating profit will hold flat year on year in the second half.

I will move on to UNIQLO International, where we expect large gains in revenue and profit in fiscal 2015. UNIQLO operations in Greater China and South Korea are expected to continue to perform strongly and generate large gains in revenue and profit. However, we also expect losses to expand at UNIQLO USA. We plan to open 200 new stores across UNIQLO International operations in fiscal 2015.

We estimate the Global Brands segment will generate increases in revenue and profit in fiscal 2015, thanks primarily to rises in revenue and profit and an improvement in the operating profit margin at GU. Theory and other labels in the Global Brands segment are expected to generate steady performances in fiscal 2015.

FY2015 Dividend Estimates

Expected interim dividend: ¥175
Scheduled annual dividend:¥350

	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 (Latest est.)	160yen	160yen	320yen
Year to Aug. 2015 (Revised est.) ※	**175yen**	**175yen**	**350yen**
Increase in dividend	25yen	25yen	50yen

※ The FY2015 interim dividend was determined at the Board meeting held on April 9, 2015.
※ The year-end dividend total may be adjusted in the event of large fluctuations in business performance or access to funds.

Next, I would like to talk about dividend payments for fiscal 2015. At its meeting on April 9, 2015, the Fast Retailing Board decided to set an interim dividend of ¥175 per share. That represents a year on year increase of ¥25.

We also plan to pay a year-end dividend of ¥175 per share. The interim and year-end dividends taken together would generate a scheduled annual dividend of ¥350 per share for fiscal 2015.

Reference

Pricing Strategy for UNIQLO Japan

2015 Fall Winter ranges
Revise prices on 20% of items
Raise overall average unit prices by 10%

■Reasons for increasing prices

✓ **Weaker yen pushing costs up**
Even with long-term forward foreign exchange contracts, the yen rate we adopt is gradually weakening

✓ **Long-term increase in raw material prices**
Procuring higher-quality merino wool, cashmere, denim, etc.
The long-term trend is for rising procurement costs

✓ **Rising personnel cost in manufacturing countries**
Ongoing rises in personnel costs in countries like China are exerting increasing upward pressure on production costs

Striving to satisfy customers by offering even higher value-added products at unbeatable prices

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Finally, I would ask you to look at part of the information that we have provided for your reference. Slide 22 lays out some details of our pricing strategy for UNIQLO Japan, the effects of which will begin to show through in the second half of fiscal 2015.

We expect to increase prices on roughly 20% of our 2015 Fall Winter ranges. There are several factors underlying this, including higher costs caused by the weaker yen, the long-term increase in raw material prices, and rising personnel costs in the countries where we manufacture our clothing.

While we did increase prices on our 2014 Fall Winter ranges by an average of 5%, this was not sufficient to absorb the increase in costs that we faced from a further weakening of the yen. As a result, we are now having to review the prices of certain items. Taking into account the fact that the price of some items will not be increased, we expect the average price of our goods will rise by 10%.

The weaker yen has pushed up costs for our business. While we do conduct long-term hedging measures against fluctuations in the currency through forward exchange contracts, the yen rate that we adopt is gradually weakening, and this is inevitably pushing up costs.

We are definitely experiencing a long-term increase in raw materials prices, and the long-term procurement costs of our highest quality materials such as merino wool, cashmere, and denim are on an upward trend, particularly in the long-term.

Personnel costs in countries like China, where we manufacture UNIQLO goods, are rising every year, and this is exerting increasing upward pressure on production costs.

We will continue to try to address these upward cost pressures through internal cost-cutting, but we believe we have no choice but to increase our prices in order to ensure we can continue to offer the high-quality and high value-added products that our customers expect of us. Furthermore, we will strive to satisfy our customers by offering even higher value-added products at unbeatable prices.

Reference

Store Numbers by Group Company

[Units: Stores]	FY2014 Yr-end	FY2015 1H Result (Sep. - Feb.) Open	Close	Change	End Feb.
UNIQLO Operations	**1,485**	**119**	**46**	**+73**	**1,558**
UNIQLO Japan	**852**	**27**	**37**	**−10**	**842**
Directly-run stores	831	20	37	−17	814
Large-scale	199	10	6	+4	203
Standard and others	632	10	31	−21	611
Franchise stores	21	7	0	+7	28
UNIQLO International	**633**	**92**	**9**	**+83**	**716**
China	306	40	6	+34	**340**
Hong Kong	22	3	1	+2	**24**
Taiwan	46	5	0	+5	**51**
Korea	133	8	2	+6	**139**
Singapore	18	4	0	+4	**22**
Malaysia	21	3	0	+3	**24**
Thailand	20	1	0	+1	**21**
Philippines	16	6	0	+6	**22**
Indonesia	4	2	0	+2	**6**
Australia	1	3	0	+3	**4**
USA	25	14	0	+14	**39**
UK	10	0	0	+0	**10**
France	6	2	0	+2	**8**
Russia	4	1	0	+1	**5**
Germany	1	0	0	+0	**1**
Global Brands	**1268**	**69**	**23**	**+46**	**1,314**
GU	276	28	9	+19	**295**
Theory ※	460	36	7	+29	**489**
Comptoir des Cotonniers ※	374	5	4	+1	**375**
Princesse tam.tam ※	152	0	1	−1	**151**
J Brand	6	0	2	−2	**4**
Total	**2,753**	**188**	**69**	**+119**	**2,872**

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

That completes this presentation on the Fast Retailing Group's performance for the first half of fiscal 2015, from September 2014 through February 2015, and the full business year through August 31, 2015.

The remaining three slides are provided as reference materials.

Thank you.

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Reference

FY2015 Store Plans by Group Operation

[Unit: Stores]	FY2014 Yr-end	FY2015 Estimate Open	Close	Change	Yr-end
UNIQLO Operations	1,485	247	70	＋177	1,662
UNIQLO Japan	852	47	55	−8	844
Directly operated 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	30	＋70	1,338
Total	2,753	347	100	＋247	3,000

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

※Includes franchise stores

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Reference

Forex, Capex, Depreciation

Applicable Exchange Rates

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
Yr to Aug. 2015 6 mths average to Feb. 2015	113.3	140.2	179.3	18.3	10.6
Yr to Aug. 2014 6 mths average to Feb. 2014	100.9	136.9	163.2	16.6	9.4
Yr to Aug. 2015 Exchange rate full year to Aug. 2015 (Estimate)	118.0	132.0	185.5	19.2	10.7
Yr to Aug. 2014 Exchange rate full year to Aug. 2014 (Actual)	101.5	138.2	167.5	16.5	9.6

Capex and Depreciation

Billions of Yen

	Capital spending	Depreciation
Yr to Aug. 2015 6 mths to Feb. 2015 (Actual)	30.6	17.7
Yr to Aug. 2014 6 mths to Feb. 2014 (Actual)	26.5	13.9
Yr to Aug. 2015 Full year (Estimate)	61.7	32.1
Yr to Aug. 2014 Full year (Actual)	58.8	30.8

Breakdown of capital expenditure

FY2014 1H: UNIQLO Japan: ¥3.4bln, UNIQLO Intl.: ¥15.8bln, Global Brands: ¥2.9bln, Systems: ¥2.3bln

FY2015 1H UNIQLO Japan: ¥5.2bln, UNIQLO Intl.: ¥17.4bln, Global Brands: ¥4.3bln, Systems: ¥3.3bln

FY2015(E): UNIQLO Japan: ¥5.5bln, UNIQLO Intl.: ¥31.2bln, Global Brands: ¥10.6bln, Systems: ¥14.4bln