FAST RETAILING

January 11, 2018

Fast Retailing Results for September to November 2017 and Estimates for Fiscal 2018

Takeshi Okazaki

Fast Retailing Co., Ltd.

Group Executive Vice President & CFO

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

I would like to talk to you today about our consolidated business performance for the first quarter of fiscal 2018, or the three months from September through November 2017, and our estimates for the full business year through August 2018.

FAST RETAILING

Contents

Disclosure of Corporate Performance

Following the Group's adoption of International Financial Reporting Standards (IFRS) from the year ending August 31, 2014, all data in this document are calculated using IFRS standards.

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

Group Operations:

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

Consolidated results also include Fast Retailing Co., Ltd. performance and consolidated adjustments.

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: (1Q) Sep.-Nov. 2017

Higher-than-expected rise in revenue, profit

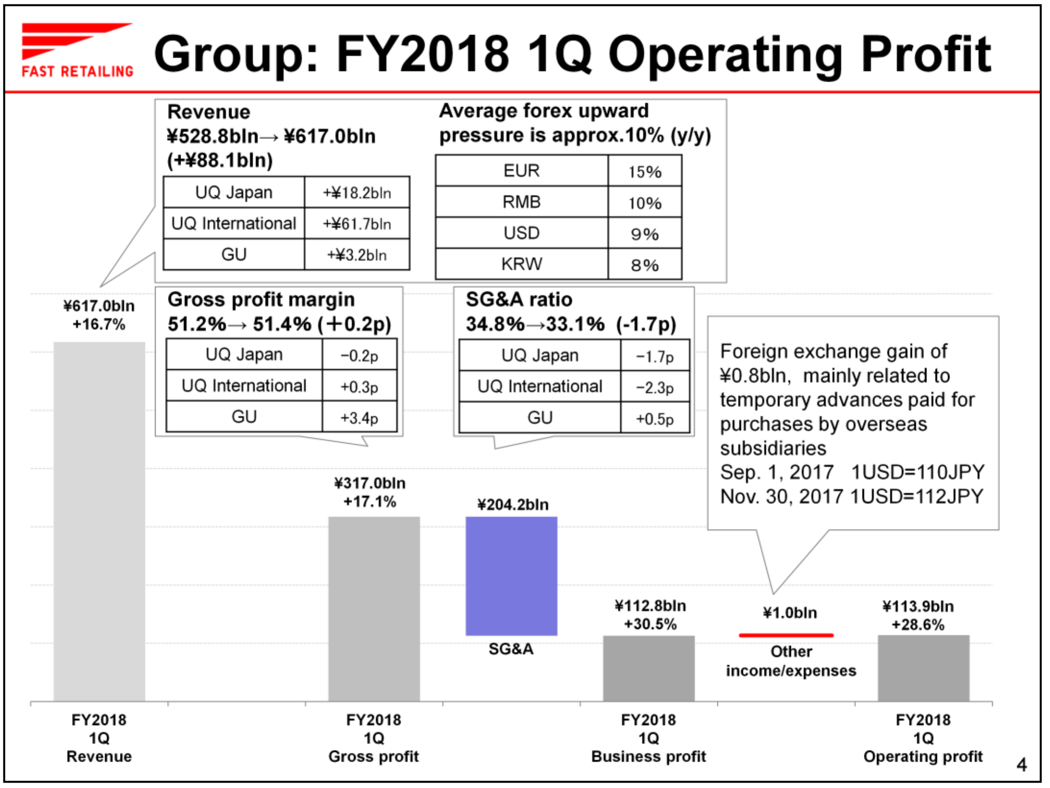
Billions of Yen

	Yr to Aug. 2017 (3 mths to Nov. 2016) Actual	Yr to Aug. 2018 (3 mths to Nov. 2017) Actual	y/y
Revenue (to revenue)	528.8 100.0%	**617.0** **100.0%**	+16.7%
Gross profit (to revenue)	270.6 51.2%	**317.0** **51.4%**	+17.1% +0.2 p
SG&A (to revenue)	184.1 34.8%	**204.2** **33.1%**	+10.9% -1.7 p
Business profit (to revenue)	86.4 16.4%	**112.8** **18.3%**	+30.5% +1.9 p
Other income, expenses (to revenue)	2.0 0.4%	**1.0** **0.2%**	-49.3% -0.2 p
Operating profit (to revenue)	88.5 16.8%	**113.9** **18.5%**	+28.6% +1.7 p
Finance income, costs (to revenue)	15.6 3.0%	**3.9** **0.6%**	-74.8% -2.4 p
Profit before income taxes (to revenue)	104.2 19.7%	**117.8** **19.1%**	+13.1% -0.6 p
Profit attributable to owners of the parent (to revenue)	69.6 13.2%	**78.5** **12.7%**	+12.7% -0.5 p

3

In the first quarter of fiscal 2018, the Fast Retailing Group reported a higher-than-expected year-on-year rise in both revenue and profit.

Revenue totalled ¥617.0 billion (up 16.7% year on year). On the profit side, business profit (revenue minus cost of sales and SG&A expenses), which is a good indicator of fundamental business profitability, rose 30.5% to ¥112.8 billion. Operating profit rose 28.6% to ¥113.9 billion, profit before income taxes expanded 13.1% to ¥117.8 billion, and profit attributable to owners of the parent expanded 12.7% to ¥78.5 billion.



I would like to look in more detail at the main factors affecting first-quarter consolidated profit. Given its increasing impact on consolidated results, our low-priced GU casual fashion brand has been separated into its own individual business segment from FY2018.

Consolidated revenue expanded by ¥88.1 billion to ¥617.0 billion in the first quarter. Revenue at all four business segments increased, but the impressive ¥61.7 billion revenue gain at UNIQLO International provided the strongest contribution.

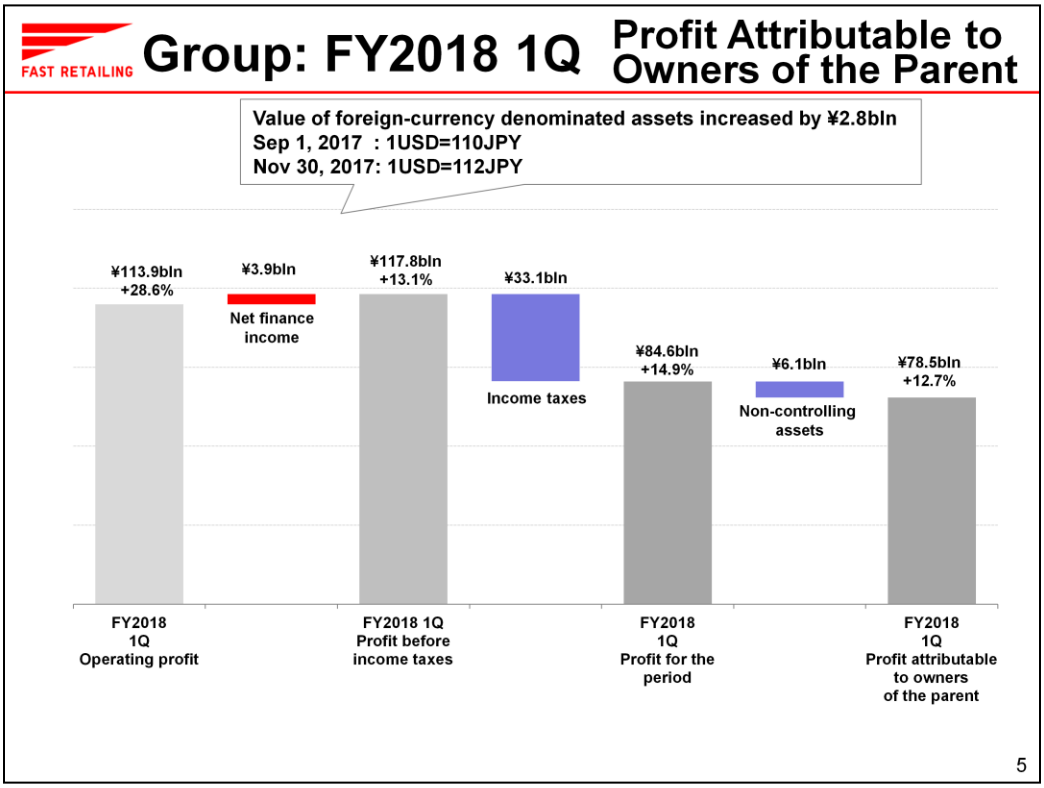
The gross profit margin increased 0.2 point to 51.4% in the first quarter, thanks to improved gross profit margins at both GU and UNIQLO International.

The SG&A to revenue ratio declined 1.7 points to 33.1%. That was largely due to contractions in the SG&A ratio at UNIQLO International and UNIQLO Japan.

Meanwhile, business profit expanded 30.5% to ¥112.8 billion.

The net amount of other income/expenses stood at ¥1.0 billion. That total includes a foreign-exchange gain of ¥0.8 billion on temporary advances paid for purchases by overseas subsidiaries after the spot yen rate weakened over the quarter.

As a result of the above factors, first-quarter operating profit increased by 28.6% to ¥113.9 billion.



Moving on to finance income and costs, we reported a net finance income of ¥3.9 billion in the first quarter of fiscal 2018 after the weaker Japanese yen rate at the end of November inflated the value of our foreign-currency denominated assets in yen terms.

As a result, profit before income taxes increased by 13.1% to ¥117.8 billion, and profit attributable to the owners of the parent increased by 12.7% to ¥78.5 billion in the first quarter.

1Q Breakdown by Group Operation

FAST RETAILING

Billions of Yen

		Yr to Aug. 2017 (3 mths to Nov. 2016) Actual	Yr to Aug. 2018 (3 mths to Nov. 2017) Actual	y/y
UNIQLO Japan	Revenue	238.8	**257.0**	+7.6%
	Business profit	46.1	**53.4**	+15.8%
	(to revenue)	19.3%	20.8%	+1.5p
	Other income, expenses	-0.5	**0.6**	-
	Operating profit	45.6	**54.1**	+18.6%
	(to revenue)	19.1%	21.1%	+2.0p
UNIQLO International	Revenue	196.5	**258.2**	+31.4%
	Business profit	30.6	**46.7**	+52.7%
	(to revenue)	15.6%	18.1%	+2.5p
	Other income, expenses	-0.4	**-0.0**	-
	Operating profit	30.1	**46.6**	+54.7%
	(to revenue)	15.3%	18.1%	+2.8p
GU	Revenue	57.5	**60.8**	+5.6%
	Business profit	6.8	**8.9**	+32.0%
	(to revenue)	11.8%	14.8%	+3.0p
	Other income, expenses	0.0	**0.0**	-2.9%
	Operating profit	6.8	**9.0**	+31.8%
	(to revenue)	11.9%	14.8%	+2.9p
Global Brands	Revenue	35.2	**40.0**	+13.8%
	Business profit	2.8	**3.1**	+9.5%
	(to revenue)	8.2%	7.9%	-0.3p
	Other income, expenses	-0.1	**-0.1**	-
	Operating profit	2.7	**3.0**	+10.4%
	(to revenue)	7.8%	7.6%	-0.2p

Notes: All UNIQLO Japan data (except revenue) include inter-Group transactions.

6

Slide 6 displays the breakdown of performance by Group operation. I will explain factors affecting each individual business segment in more detail in the subsequent slides.

UNIQLO Japan: Sep.- Nov. 2017 (1Q)

Sales strong, OP gain far exceeds plan

Billions of Yen

	Yr to Aug. 2017 (3 mths to Nov. 2016)	Yr to Aug. 2018 (3 mths to Nov. 2017)	y/y
Revenue	238.8	**257.0**	+7.6%
(to revenue)	100.0%	**100.0%**	
Gross profit	122.0	**130.7**	+7.1%
(to revenue)	51.1%	**50.9%**	-0.2p
SG&A	75.9	**77.2**	+1.8%
(to revenue)	31.8%	**30.1%**	-1.7p
Business profit	46.1	**53.4**	+15.8%
(to revenue)	19.3%	**20.8%**	+1.5p
Other income, expenses	-0.5	**0.6**	-
(to revenue)	-	**0.2%**	-
Operating profit	45.6	**54.1**	+18.6%
(to revenue)	19.1%	**21.1%**	+2.0p

Notes: All UNIQLO Japan data (except revenue) include inter-Group transactions.

UNIQLO Japan reported considerably higher-than-expected year-on-year gains in both revenue and profit in the first quarter. Revenue increased by 7.6% to ¥257.0 billion and operating profit expanded by 18.6% to ¥54.1 billion.

FAST RETAILING

UNIQLO Japan: Revenue (1Q)

Revenue ¥257.0bln (+7.6% y/y)
Same-store sales (incl. EC) expand 8.4% y/y. Far exceeds plan

- **Strong sales and ample inventory of UNIQLO flagship Fall Winter ranges such as HEATTECH, down coats, sweat wear and merino sweaters**
- **Benefited from colder than usual weather**
- **Record monthly sales figure in November on bumper UNIQLO anniversary sale**
- **Customers visits and customer spend rose y/y all three months of the quarter**
  - ✓ **Customer visits: Strong campaign items, new JW ANDERSON joint collection and new maternity ranges attracted attention, and customers**
  - ✓ **Customer spend: Up on strong sales of higher-priced outerwear and bottoms**
- **Online sales rise 25.6% y/y, contribution to total sales rises from 6.0% to 7.0%**
  - ✓ **November online sales growth capped at 20% y/y. Surge in online orders during UNIQLO anniversary sale pushed some dispatches into December. Online orders up over 40% y/y**

Same-store sales	Yr to Aug. 2018				
	Sep.	Oct.	Nov.	**3 mths to Nov. 2017**	Dec.
Net sales	+6.3%	+8.9%	+8.9%	**+8.4%**	+18.1%
Customer visits	+3.9%	+5.0%	+4.6%	**+4.5%**	+13.5%
Customer spend	+2.3%	+3.8%	+4.2%	**+3.7%**	+4.0%

At UNIQLO Japan, same-store sales, including online sales, rose 8.4% year on year in the first quarter, which was well above plan. This strong performance was thanks to firm demand and ample inventory of UNIQLO flagship Fall Winter ranges such as HEATTECH, down coats, sweat wear and merino sweaters. The unusually cold weather during the Fall Winter season also contributed to the strong first-quarter performance. The UNIQLO Anniversary Sale in November generated far higher-than-expected sales, resulting in the highest sales on record for a single month.

Breaking down the first-quarter same-store sales data, customers visits and average customer spend increased in all three months of the first quarter. The strong appeal of featured campaign items contributed to higher customer visits, and the new JW ANDERSON joint collection and new maternity ranges also attracted general attention and more customers to our stores. Meanwhile, customer spend rose on strong sales of comparatively higher-priced items such as outerwear and bottom wear.

E-commerce sales increased 25.6% year on year in the first quarter, and constituted 7.0% of total sales. The number of customers seeking to access our online site during the November Anniversary Sale far exceeded expectations, resulting in a temporary shutdown in the system, and inconvenience for our customers. Online sales growth in November was subdued at just under 20% year on year as a portion of the flood of online orders received during the UNIQLO Anniversary Sale were not dispatched until December. Looking at the data in order terms, orders expanded by over 40% year on year in November.

Recently announced December sales data shows a consistently strong sales trend, with same-store sales expanding 18.1% year on year.

UNIQLO Japan: Gross Profit Margin (1Q)

Gross profit margin: 50.9% (-0.2p y/y)

Gross profit margin down slightly y/y but in line with plan

- **Down slightly y/y as continued weakening trend in internal yen exchange rates increases cost of sales**
- **Reduced discounting y/y. Continued to control discounting through easily recognizable everyday pricing strategy. Strong sales reduced the need to discount excess inventory**

Turning now to business margins for UNIQLO Japan, the gross profit to revenue ratio, or gross profit margin, decreased by 0.2 point year on year in the first quarter of fiscal 2018 to 50.9%. That result was roughly in line with target.

This contraction in the gross profit margin was due largely to rising cost of sales on the back of the weakening trend in internal yen exchange rates.

However, we also successfully reduced discounting in the first quarter. Our easily recognizable everyday pricing strategy helped keep discounting under tight control, and strong sales reduced any discounting loss from the rundown of excess inventory.

FAST RETAILING

UNIQLO Japan: SG&A (1Q)

SG&A to revenue ratio: 30.1% (-1.7p y/y)

Costs reduced below plan in monetary terms thanks to large cuts in advertising, distribution expenses

- Advertising & Promotion: More efficient flyer adverts and in-store promotions
- Distribution: Store-related distribution costs down sharply on more efficient operation, and reduction in buffer warehousing, but e-commerce distribution costs rose on higher online sales
- Other expenses: Lower expenditure on store fixtures, etc.
- Personnel: More generous hourly pay, bonuses offset by higher productivity

A&P	− 0.7p y/y
Distribution	− 0.7p
Other expenses	− 0.3p
Personnel	± 0.0p
Depreciation	± 0.0p
Store rents	± 0.0p

UNIQLO Japan's selling, general and administrative expenses ratio contracted 1.7 points year on year to 30.1% in the first quarter of fiscal 2018. Despite higher-than-expected sales levels, we were able to reduce expenses by a greater extent than originally forecast in monetary terms as well.

The most significant year-on-year reductions were in advertising and promotion expenses and distribution costs.

Advertising and promotion expenditure contracted by 0.7 point year on year thanks to more efficient flyer advertising and in-store promotions.

The distribution costs to revenue ratio improved by 0.7 point, thanks to a sharp decline in store-related distribution costs achieved through more efficient overall operations and a reduction in additional buffer warehousing. However, e-commerce distribution costs rose as online sales expanded.

Other expenses contracted by 0.3 point year on year on the back of lower expenditure on store fixtures, etc.

Finally, personnel expenses held steady year on year. Improvements in employee treatment, such as higher hourly pay rates and bonuses, swelled personnel expenses in monetary terms, but improved profitability enabled the personnel expense ratio to hold close to the previous year's level.

UNIQLO International: (1Q)

FAST RETAILING

Large revenue, profit gains exceed plan

- UNIQLO International revenue overtakes UNIQLO Japan in 1Q for the first time
- Firmer profit structure: Improved gross profit margin, cost ratios
- Greater China, S. Korea, SE Asia & Oceania report further strong gains in revenue and profit
- Previously loss-making US operation posts a profit in 1Q

Billions of Yen

		Yr to Aug. 2017 (3 mths to Nov. 2016) Actual	Yr to Aug. 2018 (3 mths to Nov. 2017) Actual	y/y
UNIQLO International	Revenue	196.5	258.2	+31.4%
	Business profit	30.6	46.7	+52.7%
	(to revenue)	15.6%	18.1%	+2.5p
	Other income, expenses	-0.4	-0.0	-
	Operating profit	30.1	46.6	+54.7%
	(to revenue)	15.3%	18.1%	+2.8p

I would now like to move on to explain the first-quarter results for UNIQLO's global operations. The UNIQLO International segment exceeded expectations, reporting significant gains in both revenue and profit. UNIQLO International revenue rose 31.4% year on year to ¥258.2 billion and operating profit increased by an impressive 54.7% to ¥46.6 billion.

The UNIQLO International segment has been gradually expanding, to the extent that revenue overtook that of UNIQLO Japan for the first time in this first quarter.

The gross profit margin and business cost ratios also improved, as we sought to strengthen the operation's overall profit structure.

Within the segment, UNIQLO Greater China, UNIQLO South Korea and UNIQLO Southeast Asia & Oceania continued to generate especially strong revenue and profit gains, and serve as the key drivers of UNIQLO International growth.

Also of note, UNIQLO USA turned persistent losses into a profit in the first quarter.

UNIQLO International: 1Q by Region ①

Greater China: Large profit gains exceed plan
Mainland China large profit gain to plan, Taiwan exceeds plan
S. Korea: large revenue, profit gains exceed plan

Mainland China: Reports large profit gain as expected
- Especially strong sales of Winter items on unusually cold Fall Winter season Same-store sales rose to plan on stronger product mixes tailored to North, East and South China
- Gross profit margin steady y/y as expected on tight discounting control
- Improved cost ratios also contributed to the expected large profit gain
- Online sales: Continued double-digit growth in online sales

Hong Kong: Stable OP in line with plan
- Same-store sales down on lower tourist numbers. OP steady on cost cuts

Taiwan: OP far exceeds plan, large profit gain
- Successful inventory adjustment, upturn in same-store sales, large improvement in gross profit margin, business expenses down

S. Korea: Large revenue and profit gain exceeds plan
- Double-digit same-store sales gain on strong sales of warm clothing during cold Fall Winter season
- Gross profit margin and cost ratios improved on shift away from discounting model

Next, I would like to look at business trends for individual regions within the UNIQLO International segment.

Greater China, which spans the region encompassing Mainland China, Hong Kong and Taiwan, reported significant gains in both revenue and profit in the first quarter. While the rise in revenue was roughly in line with expectations, the expansion in operating profit was higher than expected.

In Mainland China, sales of Winter items proved especially strong due to a much colder Fall Winter season than the previous year. Same-store sales increased as planned thanks to stronger product mixes, which had been tailored to suit regional needs in North, East and South China. The gross profit margin held steady year on year as forecast, thanks to tight control over discounting. Improved business cost ratios also helped achieve the planned significant rise in operating profit. Meanwhile, online sales continued to achieve double-digit growth.

In Hong Kong, same-store sales declined on the back of lower tourist numbers. However, cost-cutting helped maintain a steady level of operating profit, as expected.

In Taiwan, same-store sales turned upwards following a successful round of inventory adjustment, and the gross profit margin improved considerably. UNIQLO Taiwan achieved a strong rise in operating profit that was well above forecast, thanks mainly to lower distribution and other business expenses.

UNIQLO South Korea outperformed expectations by reporting a large gain in both revenue and profit in the first quarter. The operation reported double-digit growth in same-store sales as the much colder Fall Winter season helped generate strong sales of flagship UNIQLO warm clothing ranges such as HEATTECH and Ultra Light Down. The operation also benefited from a general shift away from a business model that relied on discounting to promote sales, and the gross profit margin improved significantly as a result. Business cost ratios also improved.

UNIQLO International: 1Q by Region ②

SE Asia & Oceania: Large revenue, profit gains exceed plan
North America: USA exceeds plan, reports a profit
Europe: In line with plan, OP up sharply

Southeast Asia & Oceania: Large revenue, profit gains exceed plan

- SE Asia sales continue strong to achieve double-digit same-store sales growth
- Strong sales of Summer items for year-round hot weather, and buoyant overseas traveller demand for Winter items (HEATTECH, Ultra Light Down)
- OP up sharply on improved gross profit margin and business cost ratios
- Standout performances from Indonesia and Thailand

North America (USA & Canada): USA OP above plan, reports a profit in 1Q

- USA same-store sales slightly above plan on strong sales of core Ultra Light Down, fleece, BLOCKTECH, jeans ranges and KAWSxPEANUTS joint collection
- USA online sales strong after resolving product shortage issues
- Strong sales generated sharp improvements in gross profit margin and cost ratios

Europe: In line with plan, OP up sharply

- Same-store sales up. France, Russia especially buoyant
- Continued success of first Spanish store, opened in September 2017

UNIQLO Southeast Asia & Oceania exceeded expectations to report large gains in both revenue and profit in the first quarter of FY2018. The Southeast Asian region reported especially strong sales, and achieved double-digit growth in same-store sales. Sales of Summer items proved strong in the year-round hot climate, and strong demand from overseas travelers for Winter items such as HEATTECH and Ultra Light Down also contributed to overall revenue growth. On the profit front, both the gross profit margin and business cost ratios improved, resulting in a significant increase in operating profit. Within the Southeast Asian region, Indonesia and Thailand performed especially well.

In the United States, operating profit exceeded expectations to post a profit in the first quarter. Same-store sales growth came in slightly above plan thanks to strong sales of Ultra Light Down, fleece, BLOCKTECH, jeans and other core products, as well as the KAWSxPEANUTS joint collection. Fewer product shortages buoyed USA online sales. On the profit front, strong sales helped generate a solid improvement in the gross profit margin and business cost ratios. As a result, operating profit exceeded expectations, turning persistent losses into a profit in the first quarter.

Finally, UNIQLO Europe performed roughly to plan in the first quarter by reporting a large rise in operating profit. Same-store sales expanded. Within the region, France and Russia performed especially well, while the first UNIQLO store in Spain, which was opened in September 2017, continued to build on its extremely successful launch.

FAST RETAILING

GU: Sep.- Nov. 2017 (1Q)

Revenue and profit rise

- Revenue fell short of target, but OP exceeded plan
- GU Japan same-store sales fell short of plan to post a decline
  - ✓September sales up on favorable sales trendy items such as Chino bottoms, glen check and faux fur items
  - ✓Sales from October fell short of target on shortages in trendy items, and lack of warm clothing ranges such as thick knitwear and jackets/coats
- Significant y/y improvement in gross profit margin
  - ✓Tighter discounting compared to more volatile pricing in previous year
- Costs below plan in monetary terms on lower advertising, distribution spend
- GU International revenue, profit up. 1 new Shanghai store. 15 stores (end Nov.)

Billions of Yen

		Yr to Aug. 2017 (3 mths to Nov. 2016) Actual	Yr to Aug. 2018 (3 mths to Nov. 2017) Actual	y/y
GU	Revenue	57.5	60.8	+5.6%
	Business profit	6.8	8.9	+32.0%
	(to revenue)	11.8%	14.8%	+3.0p
	Other income, expenses	0.0	0.0	-2.9%
	Operating profit	6.8	9.0	+31.8%
	(to revenue)	11.9%	14.8%	+2.9p

Moving onto the GU segment, GU reported a rise in both revenue and profit in the first quarter, with revenue increasing by 5.6% to ¥60.8 billion, and operating profit expanding by 31.8% to ¥9.0 billion. While revenue fell short of target, the operating profit figure was higher than expected.

Breaking down this performance in more detail, GU Japan same-store sales fell short of target in the first quarter to report a year-on-year decline. In terms of monthly performance, September same-store sales increased year on year on the back of favorable sales of trendy items such as Chino bottoms, glen check and faux fur items. However, from October onwards, sales fell short of target on shortages in trendy items, and insufficient warm-clothing ranges, such as thick knitwear and outerwear, that customers were looking for this season.

Meanwhile, GU's gross profit margin improved significantly in the first quarter. The gross profit margin declined significantly in the first quarter of FY2017 due to significant price discounting. However, persistent tight control over discounting in the first quarter of FY2018 resulted in a greatly improved gross profit margin. We also achieved lower-than-forecast first-quarter business expenses in monetary terms thanks to reduced advertising spend and lower distribution costs.

GU International reported gains in both revenue and profit. The opening of one further store in Shanghai brought the total number of GU International stores to 15 at the end of November 2017.

FAST RETAILING

Global Brands: Sep.- Nov. 2017 (1Q)

Revenue, profit rises to plan

- **Theory: Revenue and profit gains slightly above plan**
  - ✓ Theory label generates stable growth as expected
  - ✓ PLST brand gross profit margin up on strong sales. Cost cuts. Large profit gain
- **Comptoir des Cotonniers: OP down, falls short of plan**
- **Princesse tam.tam, J Brand: Continue to post a loss**

Billions of Yen

		Yr to Aug. 2017 (3 mths to Nov. 2016) Actual	Yr to Aug. 2018 (3 mths to Nov. 2017) Actual	y/y
Global Brands	Revenue	35.2	40.0	+13.8%
	Business profit	2.8	3.1	+9.5%
	(to revenue)	8.2%	7.9%	-0.3p
	Other income, expenses	- 0.1	- 0.1	-
	Operating profit	2.7	3.0	+10.4%
	(to revenue)	7.8%	7.6%	-0.2p

15

Moving on next to our Global Brands operation, which reported rising revenue and profit in the first quarter.
Revenue expanded by 13.8% year on year to ¥40.0 billion and operating profit increased by 10.4% to ¥3.0 billion. Both the revenue and profit figures were roughly in line with expectations.

Our Theory operation generated a slightly higher-than-expected rise in profit. The main Theory label reported steady growth as expected, while Theory's PLST brand reported a sharp profit rise on the back of strong sales, which improved the gross profit margin, and lower expenses.

Our France-based Comptoir des Cotonniers fashion brand reported a decline in year-on-year profit. The result was lower than expected as the brand performance continues to struggle.

Our French corsetry, homewear and swimwear brand Princesse tam.tam and our US-based J Brand premium denim label both reported further losses in line with the previous year, as expected.

FAST RETAILING

Group: Balance Sheet (end Nov. 2017)

Billions of Yen

	End Nov. 2016	End Aug. 2017	**End Nov. 2017**	Change
Total Assets	1,410.9	1,388.4	**1,633.0**	+222.1
Current Assets	1,114.5	1,077.5	**1,314.1**	+199.6
Non-Current Assets	296.3	310.8	**318.8**	+22.5
Total Liabilities	672.0	626.4	**790.0**	+117.9
Total Equity	738.8	762.0	**842.9**	+104.1

Next, I would like to take you through our balance sheet as it stood at the end of November 2017.

Compared to the end of November 2016, total assets increased by ¥222.1 billion to ¥1.6330 trillion.

Total liabilities increased by ¥117.9 billion to ¥790.0 billion.

Total equity increased by ¥104.1 billion to ¥842.9 billion.

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

Group: B/S Main Points v. end Nov. 2016

Current Assets: +¥199.6bln (¥1.1145trln⇒¥1.3141trln)

・**Cash and cash equivalents: +¥323.2bln (¥465.6bln ⇒ ¥788.8bln)**
Increased operating cash flow, drawdown of deposits over three-months maturity

・**Other short-term financial assets: -¥183.2bln (¥207.0bln ⇒ ¥23.7bln)**
Drawdown of deposits over three-months maturity

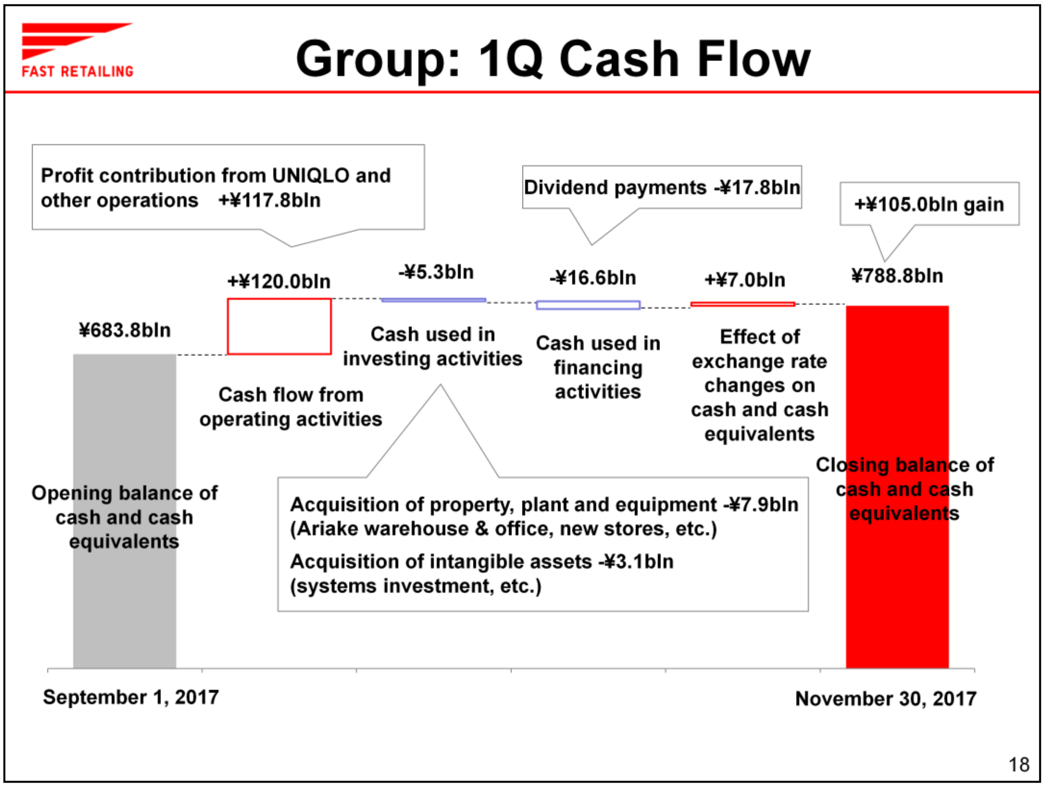
・**Inventory assets: +¥27.5bln (¥273.6bln ⇒ ¥301.1bln)**
UNIQLO Japan: +¥3.3bln, UNIQLO International: +¥22.5bln (increase of 132 stores)
GU: +¥0.9bln, Global Brands: +¥0.8bln

・**Derivative financial assets: -¥8.5bln (¥23.1bln⇒ ¥14.6bln)**
The gap between our average forward currency contract exchange rate and the end -November rate narrowed year on year after the forward currency contract rate weakened below the November 30, 2017 exchange rate.
Hedge accounting so no impact on P&L

Let's look first at the ¥199.6 billion increase in current assets at the end of November 2017. The balance of cash and cash equivalents increased by ¥323.2 billion year on year to ¥788.8 billion, due to an increase in operating cash flow and drawdown in deposits of over three months maturity. Other short-term financial assets declined by ¥183.2 billion as more deposits with over three months to maturity were liquidated.

Looking next at inventories, total inventory increased by ¥27.5 billion to ¥301.1 billion at the end of November 2017, as the expansion in UNIQLO International operations resulted in higher inventory levels.

Total derivative financial assets decreased by ¥8.5 billion to ¥14.6 billion at the end of November 2017. We reported derivative financial assets after the average yen rate on our forward currency contracts weakened to a level below the end-November yen spot rate. The shrinking of the gap between the two rates compared to the previous year resulted in a year-on-year decrease in derivative financial assets.



Looking briefly at our cash flow position for the first quarter of fiscal 2018.

We enjoyed a significant net cash inflow of ¥120.0 billion from operating activities.
As a result, the balance of cash and cash equivalents stood at ¥788.8 billion at the end of November 2017.

Group: FY2018 Estimates

Forecasts unchanged

Revenue : ¥2.0500trln + 10.1% y/y

Operating profit : ¥200.0bln + 13.4% y/y

Profit attributable to owners of the parent : ¥120.0bln + 0.6% y/y

Billions of Yen

	Yr to Aug. 2017 Actual	Yr to Aug. 2018 Estimates (as of Jan.11)	Yr to Aug. 2018 y/y	Yr to Aug. 2018 1Q Actual
Revenue	1,861.9	2,050.0	+10.1%	617.0
(to revenue)	100.0%	100.0%		100.0%
Business profit	184.0	205.0	+11.4%	112.8
(to revenue)	9.9%	10.0%	+0.1p	18.3%
Other income, expenses	-7.6	-5.0	-	1.0
Operating profit	176.4	200.0	+13.4%	113.9
(to revenue)	9.5%	9.8%	+0.3p	18.5%
Finance income, costs	16.9	0.0	-	3.9
Profit before income taxes	193.3	200.0	+3.4%	117.8
(to revenue)	10.4%	9.8%	-0.6p	19.1%
Profit attributable to owners of the parent	119.2	120.0	+0.6%	78.5
(to revenue)	6.4%	5.9%	-0.5p	12.7%

Slide 19 explains our estimates for Fast Retailing Group performance for the 2018 financial year, or the twelve months to August 2018.

Consolidated performance exceeded expectations in the first quarter from September to November 2017 thanks to strong results from both UNIQLO Japan and UNIQLO International.

However, given that the Fall Winter season has not yet finished, we have decided not to make any changes to our initial business estimates for full-year Group performance at this stage.

FY2018 Estimates by Group Operation(1)

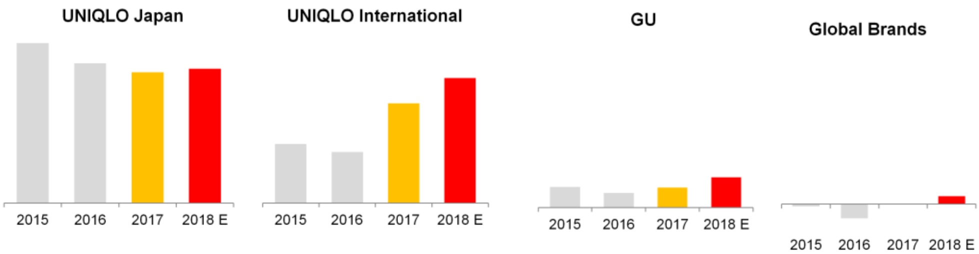
UNIQLO Intl: Expect large rises in revenue and profit

- Following higher-than-forecast 1Q revenue and profit result
- Expect further sharp revenue, profit gains from Greater China, SE Asia & Oceania
- S. Korea, Europe revenue, OP to rise. UNIQLO NA (USA & Canada) to halve loss

UNIQLO Japan: Expect slight rises in revenue and profit

- 1Q revenue, OP much higher than expected. December sales continue strong
- Gross profit margin set to contract slightly on higher cost of sales
- More efficient distribution and advertising spend to support firm cost reduction

Envisaged Future Operating Profit Trend by Business Segment



I would like to go over expected FY2018 performance by Group operation.

Looking at UNIQLO International first. UNIQLO International's performance in the first quarter was stronger than expected in terms of both revenue and profit gains. We maintain our forecast for large gains in UNIQLO International revenue and profit in FY2018. Within the UNIQLO International segment, UNIQLO Greater China and UNIQLO Southeast Asia & Oceania are expected to generate further significant rises in both revenue and profit and serve as the key drivers of segment growth. UNIQLO South Korea and UNIQLO Europe are also expected to report gains in revenue and profit. While UNIQLO USA reported a profit in the first quarter, that was thanks to large sales volumes and a favorable environment for generating profit. The operation is not expected to generate a profit for the full business year. Instead, the UNIQLO North America operation in the USA & Canada is expected to halve its full-year operating loss.

UNIQLO Japan far exceeded targets on both revenue and operating profit in the first quarter, and went on to report a strong subsequent 18.1% increase in December same-store sales, thanks to an extremely buoyant sales trend. Given that the Fall Winter season is not yet over, we have decided to maintain our initial forecast for a slight increase in revenue and profit from UNIQLO Japan in FY2018. We do expect the full-year gross profit margin will contract slightly on higher cost of sales. However, we forecast efficiency gains in distribution costs and advertising spend will help generate further reductions in business expenses.

FAST RETAILING FY2018 Estimates by Group Operation (2)

GU: Expect rises in full-year revenue and profit

- While 1Q revenue dipped below plan, OP exceeded plan
- Expect to achieve initial full-year estimates by controlling discounts and costs
- December same-store sales up slightly year on year
- Strategy for encouraging recovery in GU performance:
  - ✓Press ahead with review of ultimate product mix. Create GU-style fun-fashion products that customers of all ages will want to own
  - ✓More accurate production volume forecasts to eradicate lost sales chances
  - ✓Strengthen additional production framework for strong-selling items. Review production locations, secure material reserves and textile manufacturing capacity

Global Brands: Expect rises in full-year revenue, profit

- 1Q results roughly in line with plan
- Theory expected to generate large gains in revenue and profit
- Aim to reduce losses at Comptoir des Cotonniers, Princesse tam.tam, J Brand
  - ✓Personnel from Fast Retailing global headquarters to address specific management issues, and work with individual CEOs to get back on track

GU generated lower-than-expected revenue but higher-than-expected operating profit in the first quarter of FY2018. However, we expect to achieve our initial forecasts for a rise in full-year revenue and profit by controlling discounting and cutting business expenses. Of note, GU December same-store sales increased slightly year on year.

We are currently instigating various strategies to encourage a recovery in GU performance. First, we are actively reviewing our clothing ranges to achieve the right product mix. That means creating quintessential GU-style fun-fashion products that customers of all ages will want to own. We are also working to improve the accuracy of production volumes to eradicate lost sales opportunities resulting from product shortages. In addition, we are developing a stronger framework to facilitate swift additional production of strong-selling items. That involves reviewing production locations, and ensuring sufficient reserves of key materials and textile manufacturing capacity.

Our Global Brands segment performed roughly as expected in the first quarter, and we have maintained our initial FY2018 forecasts for rising full-year revenue and profit. In terms of individual brands, we expect Theory to generate large gains in both revenue and profit in FY2018, and we expect Comptoir des Cotonniers, Princesse tam.tam and J Brand to reduce operating losses. Personnel from Fast Retailing's global headquarters will seek to address and resolve specific management issues, and work earnestly with the CEOs of each operation to encourage a recovery in performance.

Finally, I would like to talk about dividend payments. In FY2018, we expect to maintain an annual dividend per share of ¥350, split evenly between interim and year-end dividends of ¥175 each.

That completes my presentation on Fast Retailing's first-quarter performance and outlook for the coming business year through August 2018. The remaining three slides are provided for your reference.
Thank you.

FAST RETAILING

Reference: Group Company Store Numbers

[Units: Stores]	FY2017	FY2018 1Q Result (Sep. - Nov.)				FY2018 Estimates (Sep. - Aug.)			
	Yr-end	Open	Close	Change	End Nov.	Open	Close	Change	End Aug.
UNIQLO Operations	**1,920**	**66**	**12**	**+54**	**1,974**	**207**	**50**	**+157**	**2,077**
UNIQLO Japan ※	**831**	**8**	**6**	**+2**	**833**	**30**	**30**	**0**	**831**
Own stores	790	7	6	+1	791	–	–	–	–
Large-scale	209	6	1	+5	214	–	–	–	–
Standard and others	581	1	5	−4	577	–	–	–	–
Franchise stores	41	1	0	+1	42	–	–	–	–
UNIQLO International	**1,089**	**58**	**6**	**+52**	**1,141**	**177**	**20**	**+157**	**1,246**
Mainland China	555	26	5	+21	**576**	100	–	–	–
Hong Kong	25	2	0	+2	**27**		–	–	
Taiwan	65	0	0	0	**65**		–	–	
Korea	179	3	1	+2	**181**	7	–	–	–
Singapore	24	1	0	+1	**25**	40	–	–	–
Malaysia	41	2	0	+2	**43**		–	–	
Thailand	34	1	0	+1	**35**		–	–	
Philippines	40	5	0	+5	**45**		–	–	
Indonesia	12	2	0	+2	**14**		–	–	
Australia	12	1	0	+1	**13**		–	–	
USA	44	2	0	+2	**46**	10	–	–	–
Canada	2	1	0	+1	**3**		–	–	
UK	10	1	0	+1	**11**	20	–	–	–
France	19	3	0	+3	**22**		–	–	
Russia	20	5	0	+5	**25**		–	–	
Germany	5	0	0	0	**5**		–	–	
Belgium	2	1	0	+1	**3**		–	–	
Spain	0	2	0	+2	**2**		–	–	
GU	**372**	**13**	**2**	**+11**	**383**	**49**	**14**	**+35**	**407**
Global Brands	**1,002**	**15**	**8**	**+7**	**1,009**	**33**	**16**	**+17**	**1,019**
Theory ※	538	11	4	+7	**545**	25	–	–	–
Comptoir des Cotonniers ※	333	2	3	−1	**332**	6	–	–	–
Princesse tam.tam ※	131	2	1	+1	**132**	2	–	–	–
Total	**3,294**	**94**	**22**	+72	**3,366**	**289**	**80**	+209	**3,503**

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

FAST RETAILING

Reference: Foreign Exchange Rates

Exchange rates used in consolidated accounts

Yen

		1USD	1EUR	1GBP	1RMB	100KRW
FY2017 1Q	3-month average to Nov. 2016	103.0	114.4	131.2	15.3	9.2
FY2018 1Q	3-month average to Nov. 2017	112.1	131.9	147.8	16.9	9.9
FY2017	12-month average to Aug. 2017	110.1	120.7	139.7	16.1	9.7
FY2018（E）	12-month average to Aug. 2018	110.0	120.0	142.0	16.1	9.9

Exchange rates used on balance sheet

Yen

		1USD	1EUR	1GBP	1RMB	100KRW
FY2017 1Q	Exchange rate at end Nov. 2016	112.4	119.7	140.4	16.3	9.6
FY2018 1Q	Exchange rate at end Nov. 2017	112.1	132.8	150.3	16.9	10.4
FY2017	Exchange rate at end Aug. 2017	110.4	131.3	142.7	16.7	9.8
FY2018（E）	Exchange rate at end Aug. 2018	110.4	131.3	142.7	16.7	9.8

FAST RETAILING

Reference: Capital Expenditure, Depreciation

Capex (Incl. Finance Leases) and Depreciation

Billions of Yen

	Capital spending						Depreciation
	UNIQLO Japan	UNIQLO Intl.	GU	Global Brands	Systems, etc	Total	
FY2017 1Q 3 months	2.2	4.5	1.3	0.5	6.1	14.8	8.5
FY2018 1Q 3 months	2.2	5.4	2.8	0.6	3.7	14.9	9.9
FY2017 Full-year 12 months	6.6	24.3	7.6	2.9	18.1	59.7	39.6
FY2018（E） Full-year 12 months	4.5	28.1	8.2	3.1	35.8	79.7	43.2