FAST RETAILING and UNIQLO operations continue to grow by offering high-quality casual wear at reasonable prices. This was achieved by establishing a SPA (Specialty store retailer of Private label Apparel) model that enabled us to control all stages of the supply process. We opened the first UNIQLO store in 1984 in Japan, sparking a nationwide boom with our fleece campaign in 1998. Thereafter, we experienced a period of falling revenue and shrinking income, but quickly boosted our performance by expanding our lineup of women’s wear.

Our expansion into international markets began in 2001 in the United Kingdom and later China, including Hong Kong, South Korea, the United States, France and Singapore. As of the end of August 2009, we had 770 stores in Japan and 92 stores globally. To diversify our operational base and create a group of companies, we began acquisitions in 2005, purchasing the French women’s fashion developer COMPTOIR DES COTONNIERS, French lingerie brand PRINCESSE TAM.TAM, Japanese footwear operations, Japanese women’s fashion developer CABIN and LINK THEORY HOLDINGS.

UNIQLO Japan today boasts nearly 800 stores nationwide. We saw revenue and profits soar during fiscal 2009 as our expanded range of women’s wear and our HEATTECH and BRA TOP hit products attracted even more customers to our stores. We have also been developing our 1,600m² large-format stores over the past few years. Our newly opened large-format urban stores have attracted particular attention, including the Shinjuku West Exit Store, the refurbished Ginza Store and the Nagoya Sakae Store. We will be speeding up the opening of large-format stores across Japan with 25 such store openings planned for fiscal 2010.

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Sales of women’s items rose 17.1% year on year.

Our low-priced clothing developer G.U. attracted much attention with the launch of its ¥990 Jeans series in March 2009, and both overall sales and profitability have improved greatly since. We launched our new footwear brand UNIQLO SHOES in September 2009, with the aim of changing our footwear operations into a UNIQLO-style SPA business model.

At CABIN, we are now working to open approximately 200 women’s fashion specialty stores nationwide, with brands such as ZAZIE and enraciné, which offer reasonably priced fashions with broad customer appeal. We are aiming to enhance management efficiency at CABIN by drawing on UNIQLO’s experience in manufacturing, marketing, inventory control and other areas.
Sales and Stores of FAST RETAILING Group

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</thead>
<tbody>
<tr>
<td>Sales (Billions of yen)</td>
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<td>100</td>
<td>200</td>
<td>300</td>
<td>400</td>
<td>500</td>
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<td>2,100</td>
<td>2,200</td>
<td>2,300</td>
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<tr>
<td>Stores (Including franchise stores)</td>
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<td>10</td>
<td>20</td>
<td>30</td>
<td>40</td>
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<td>220</td>
<td>230</td>
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</table>

Note: On a consolidated basis from fiscal 2002.

**UNIQLO International (United Kingdom, China, Hong Kong, South Korea, the United States, France and Singapore)**

UNIQLO’s international store network is expanding to include the United Kingdom, China, Hong Kong, South Korea, the United States, France and Singapore. We have opened global flagship stores in the major U.S. and European fashion cities of New York, London and Paris with the aim of boosting UNIQLO brand awareness. We are also pushing ahead in earnest with new store openings in Asia. Looking ahead, our aim is to open stores in all of the world’s major cities. UNIQLO International has generated a profit since fiscal 2008 and established a profitable business model.

**Theory**

The Theory brand was created in New York in 1997 for contemporary women. Theory’s high-quality Italian stretch fabrics offer second-to-none comfort as well as a sophisticated silhouette. Today, the combined annual sales base in the United States and Japan totals almost ¥40 billion.

**COMPTOIR DES COTONNIERS**


**PRINCESSE TAM.TAM**

Born in Paris in 1985, PRINCESSE TAM.TAM is renowned for its creative free spirit, characteristic prints and fresh colors. The brand focuses on three areas: lingerie, homewear and swimwear. Its sales network, centering around department and specialty stores in Europe, has expanded to 40 countries worldwide.

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UNIQLO International (Plan)

Year Ended August 2009

<table>
<thead>
<tr>
<th>Breakdown of Net Sales</th>
<th>Number of Stores</th>
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</thead>
<tbody>
<tr>
<td><strong>Year Ended August 2009</strong></td>
<td><strong>Billions of Yen</strong></td>
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<tr>
<td>Net sales</td>
<td>37.7</td>
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<tr>
<td>Operating income/loss</td>
<td>1.6</td>
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<tr>
<td>Directly-operated stores</td>
<td>92</td>
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</tbody>
</table>

**20 new stores opened in China.**

LTH became a wholly owned subsidiary.

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Global Brand Operations

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