

## About Fast Retailing

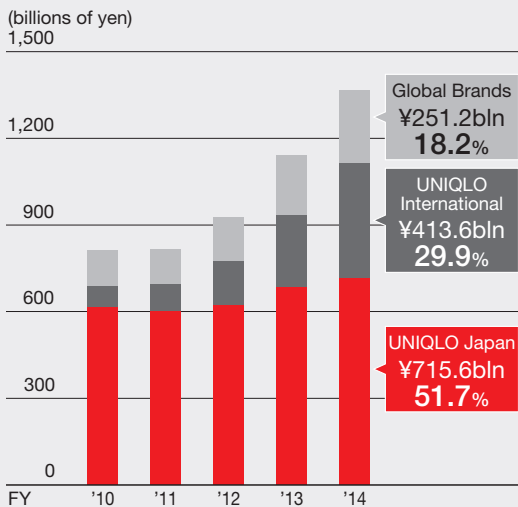
- Fast Retailing owns brands including UNIQLO, GU, Theory, Comptoir des Cotonniers and J Brand. UNIQLO International is currently driving Group growth by opening approximately 200 new UNIQLO stores each year in various countries outside Japan. UNIQLO operations in Asia—Greater China (China, Hong Kong and Taiwan), South Korea, and Southeast Asia and Oceania—have proved the strongest. We launched our low-priced GU casualwear fashion brand in 2006, and have since built it into a 100 billion yen business. We are currently positioning GU as a second mainstay for the Group alongside UNIQLO.
- We opened our first UNIQLO store in 1984. From there, we built a chain of suburban roadside stores and shopping mall outlets. Our 1998 fleece campaign ignited a UNIQLO boom across Japan and instantly transformed the brand into a household name. Today, UNIQLO is Japan's No.1 apparel brand. As an SPA (Specialty store retailer of Private label Apparel) controlling the entire clothes-making process from design through manufacture and retail, UNIQLO is able to offer high-quality casualwear at reasonable prices and unique items made from new superior functional materials such as HEATTECH and Ultra Light Down. UNIQLO accounts for 6.5%\*1 of the Japanese apparel market (menswear: 10.2%, womenswear: 5.0%).

\*1 Japan's department store, supermarket and apparel retail sales totaled ¥10.7 trillion in 2010 (Ministry of Economy, Trade and Industry).

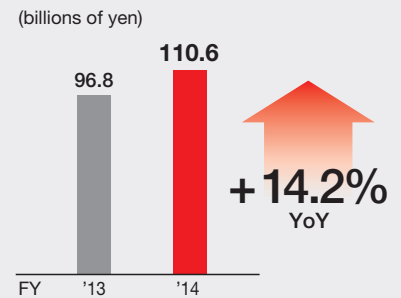
\*2 See p.65 for changes in accounting standards. For continuity, data in this section is calculated using Japanese Generally Accepted Accounting Principles (JGAAP).

## Fiscal 2014 Performance by Business Segment (JGAAP\*2)

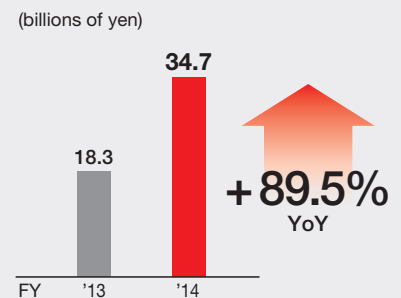
### Contribution to Group Sales



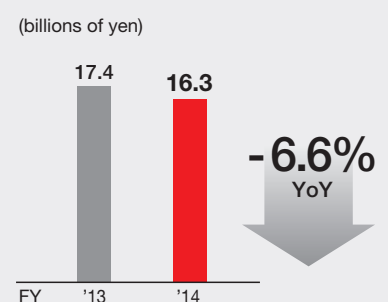
### Operating Income



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t h e o r y

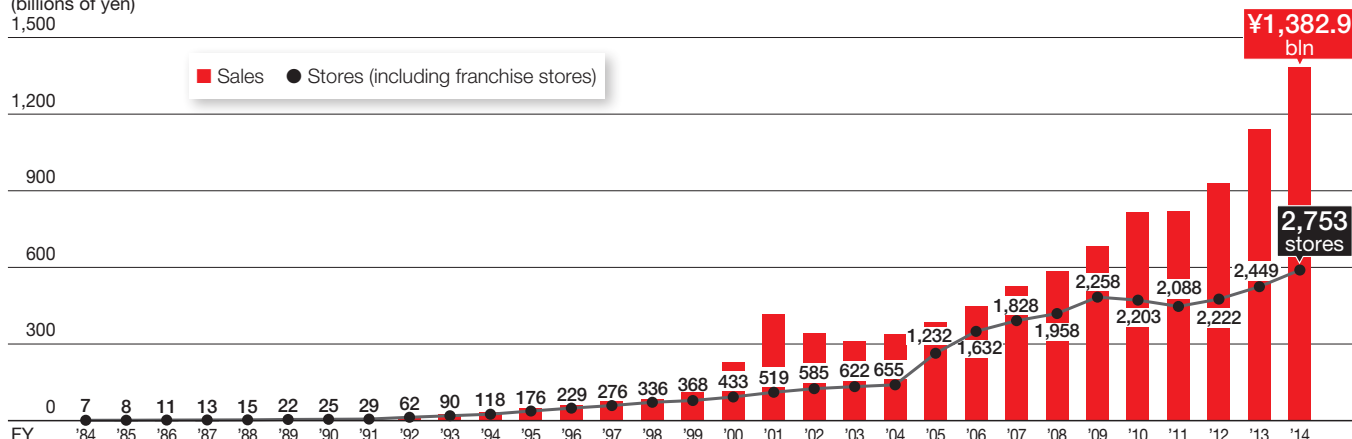
J B R A N D

COMPTOIR DES COTONNIERS

PRINCESSE tam•tam PARIS

## ■ Sales and Stores of Fast Retailing Group (JGAAP\*2)

(billions of yen)  
1,500



### FY2014 Overview

- Strong sales of core items (HEATTECH, Ultra Light Down, AIRism, sweatshirts and sweatpants, jeans).
- Improved gross profit margin helped generate higher-than-expected operating income.
- New global hotspot stores in Ikebukuro (opened in March) and Okachimachi (opened in April) helped boost urban market share and UNIQLO's brand image.

### Growth Initiatives

- Boost sales per store by promoting a store management approach focused on the local community: more regional employees; adapt product mix and marketing to suit local needs.
- Maintain growth by expanding the average sales floor area per store through "scrap and build" strategy.
- Expand market share by strengthening development of women's, kids and baby wear.

- The addition of 187 new stores helped fuel significant gains in sales and income. Greater China: 94, South Korea: 28, Southeast Asia & Oceania: 41, U.S.: 18, Europe: 6.
- UNIQLO Greater China performed especially well. Sales: ¥208.1 billion (+66.5% YoY), operating income: ¥24.8 billion (+83.0%).
- Successful opening of first UNIQLO stores in Germany and Australia in April.

- Open 200 stores in FY2015. Greater China: 100, South Korea: 30, Southeast Asia & Oceania: 45, U.S.: 20, Europe: 5.
- Boost UNIQLO visibility by opening global flagship stores in major global centers and hotspot beacons for individual regions.
- Develop marketing worldwide to promote LifeWear.
- Establish a new global system to promote online sales.
- Bring UNIQLO USA swiftly into the black. Develop 100-store networks on East and West Coasts.

- GU sales ¥107.5 billion (+28.4%), operating income ¥6.8 billion (-10.8%). Overemphasis on fashion for younger customers dampened sales and undermined profit.
- Theory reported rising sales but a slight contraction in profit.
- Comptoir des Cotonniers achieved higher-than-expected gains in sales and income.
- J Brand reported an impairment loss due to continued operational losses.

- Target GU revenue of ¥300 billion, operating profit of ¥30 billion over the medium term. Strengthen low-cost management to boost profit margins.
- Open 50 GU stores annually in Japan. Expand GU in Asia and other global markets.
- Achieve stable growth for the Theory brand in Japanese and U.S. markets.
- Expand operations and boost efficiency by harnessing synergies across Group labels.