

FAST RETAILING business strategy ~ This year's performance & future prospects ~

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1

UNIQLO Japan –The year's topics

Rapid expansion of large-scale stores
September 2007 – 28 large stores

Opening 3,300sqm stores
Kobe HARBORLAND, Setagaya Chitosedai(Tokyo)

Skinny jeans hit product – 4mln (annual sales amounts)

Strategic tie-up with Toray Industries, Inc.

Full on operation of New York R&D Center

UT STORE HARAJUKU. opens

2



UNIQLO Overseas operation

- The year's topics

Global flagship stores: Opened SOHO New York store

London: accelerate store opening (11 stores end Aug 07)

Shanghai: Open first large store
in Shanghai Super Brand Mall

Hong Kong: develop multi-store network
(4 stores end Aug 07)

South Korea: Expand store network
(14 stores end Aug 07)

3



Japan apparel operation

- The year's topics

Opened 50 stores for low-priced casual
clothing g.u. chain

Making CABIN CO., LTD. a 100% subsidiary

Capital injections for women's footwear chain,
VIEWCOMPANY CO.,LTD.

Begin developing unique in-house shoes at
ONEZONE CORPORATION

Japan apparel operation refers to non-UNIQLO apparel retail operations developed mainly for the domestic Japanese market.

4



Global brands operation – The year's topics

COMPTOIR DES COTONNIERS operation

Stores	305 stores (end August 2007)
Net sales	¥22.5bln (Fcst for yr to end Aug 07)
OP	¥5.2bln (Fcst for yr to end Aug 07)

- Including 30 COMPTOIR DES COTONNIER Japan stores (end August 2007)

PRINCESSE TAM.TAM operation

Stores	131 stores (end August 2007)
Net sales	¥12.0bln (Fcst for yr to end Aug 07)
OP	¥1.5bln (Fcst for yr to end Aug 07)

Global brands operation refer to non-UNIQLO operation brands either currently being developed in parts of the world or brands with global market potential.

5



UNIQLO Japan – The year ahead

Open 40 large-scale stores per year

Fundamentally strengthen our women's wear

Expand jeans

(wide-leg, original basic premium, etc.)

Strengthen & expand revolutionary functional material clothing

Strengthen & expand women's innerwear

(casual innerwear, functional material innerwear, room wear)

Strengthen & expand home furnishings

(towels, bathrobes, sheets & bedcovers, toiletries, etc.)

6



UNIQLO Overseas operation

– The year ahead

Open a global flagship and large stores in London
Open two stores on Oxford Street simultaneously

Open first (antenna shop) in Paris, decision to
open flagship store

Open large stores in Beijing

Strengthen position in Shanghai, Hong Kong,
Beijing with a view to mass production for the
Chinese market

Open large stores in Seoul & Myongdong

7



Japan apparel – The year ahead

Revitalizing operations at CABIN,
ONEZONE, g.u., VIEWCOMPANY

Aim for early improvement in profitability
by better matching UNIQLO operational
infrastructure and business development.

8

Further accelerate global brands

Open 40 COMPTOIR DES COTONNIERS stores across Europe.

Begin full development in Japanese market

Consolidate PRINCESSE TAM.TAM position in the French market

Reconstruct Theory operation in Europe

Targets, aims

A return from the investment itself and growth potential of the business

Expand FR group brand & operational portfolio
= Enter new markets and new fields, diversify risk

Gain a platform to help grow individual FR group companies and the group as a whole

Acquire management & personnel resources

Promote globalization of the overall FR group

FR corporate branding

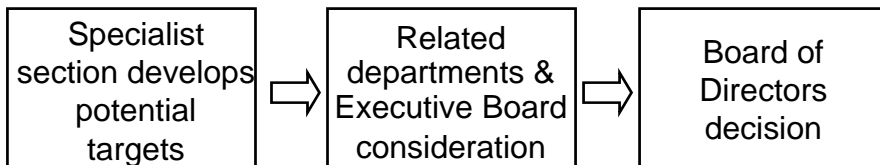
Synergy benefits

Strengthen business process through mutual exchange of knowledge, information and personnel (product planning & development, merchandising, production, store development, store operation, sales, etc.)

Sharing of operational infrastructure (manufacturing, distribution, procurement & purchasing, R&D, sales, information systems, management & accounting infrastructure)

11

Investment decision process



Investment decision metrics

Investigate and confirm corporate value & return on investment

(Analysis of DCF, IRR, growth potential, business model, products, risks, etc.)

Investigate & confirm investment objectives

Investigate & confirm synergy benefits

12

Future M&A strategy

Transform a predominately Japan mass market portfolio

European brands with global market potential

Companies that can provide a platform for UNIQLO and other global brand operations

Participate in new high profit, high growth markets

Invest another ¥300 – 400bln to these aims

13

Original aim of Barney's takeover proposal

Investment return

- Growth potential of sales and profit at Barneys New York & Barneys CO-OP
- Potential for global development of the Barneys concept

Portfolio management, risk diversification

- Penetrate the luxury market
- Penetrate the US market
- Strengthen commitment to affordable luxury market

Synergy effects with existing affordable luxury brands (theory, CDC, PTT)

Globalization of the FR group

Become a fashion industry “insider”

14

The FAST RETAILING Vision

To become a global company that develops global business for UNIQLO and other multiple brands.

To become a top class world apparel company with sales of 1 trillion yen and ordinary income of 150 billion yen by 2010