

Results Summary for the Three Months to November 30, 2014

Consolidated Business Performance <IFRS>

(Billions of Yen)

	Year to Aug 2014	Year to Aug 2015			
	1Q Actual	1Q Actual	y/y	Full-year Est.	y/y
Revenue	389.0	479.5	+23.3%	1,600.0	+15.7%
Gross Profit	198.8	253.2	+27.4%	-	-
(to revenue)	51.1%	52.8%	(+1.7p)	-	-
SG&A Expenses	135.4	168.0	+24.0%	-	-
(to revenue)	34.8%	35.0%	(+0.2p)	-	-
Operating profit	65.3	91.3	+39.9%	180.0	+38.0%
(to revenue)	16.8%	19.1%	(+2.3p)	11.3%	
Profit before income taxes	69.4	106.7	+53.6%	180.0	+32.9%
(to revenue)	17.9%	22.3%	(+4.4p)	11.3%	
Profit attributable to owners of the parent	41.9	68.8	+63.9%	100.0	+34.1%
(to revenue)	10.8%	14.4%	(+3.6p)	6.3%	

Performance by Group Operation <IFRS>

(Billions of Yen)

		Yr to August 2014	Yr to August 2015	
		1Q Actual	1Q Actual	y/y
UNIQLO Japan	Revenue	208.4	232.6	+11.6%
	Operating profit	42.1	51.1	+21.3%
	(to revenue)	20.2%	22.0%	(+1.8p)
UNIQLO International	Revenue	114.0	168.0	+47.3%
	Operating profit	15.4	24.3	+57.2%
	(to revenue)	13.6%	14.5%	(+0.9p)
Global Brands	Revenue	65.9	78.1	+18.6%
	Operating profit	7.3	9.5	+30.4%
	(to revenue)	11.1%	12.2%	(+1.1p)

FY2015 First Quarter Highlights: Fast Retailing Revenue and Profit Rise

■ **Gains reported across the board**

The Fast Retailing Group achieved gains in both revenue and profit in the first quarter of fiscal 2015, or the three months from September to November 2014. Revenue rose 23.3% year-on-year to JP¥479.5 billion, and operating profit expanded 39.9% to ¥91.3 billion. All three business segments reported gains in both revenue and profit, with a standout performance from UNIQLO International. Profit attributable to owners of the parent expanded a very strong 63.9% year-on-year to ¥68.8 billion. This was due to increased translation adjustments on foreign currency denominated assets on the back of further yen weakness, and resulted in net finance income of ¥15.3 billion for the quarter.

■ **UNIQLO Japan: Outstripped expectations on higher revenue and improved gross margin**

Same store sales expanded 7.5% year-on-year. Sales of Fall, Winter ranges got an early boost when the weather turned cooler in September, with strong sales of core Winter items: HEATTECH, Ultra Light Down, and Extra Fine Merino. Operating profit increased more than expected on the back of a 2.4 point improvement in the gross profit margin.

■ **UNIQLO International: Significant revenue and profit gains. Greater China, Korea strong**

UNIQLO International reported impressive gains in revenue and profit, thanks to stronger than expected performances from Greater China (Mainland China, Hong Kong, and Taiwan) and South Korea. The network of UNIQLO international expanded by a net 62 stores, to 695 stores at the end of November 2014.

■ **Global Brands: Generated expected gains in revenue and profit on GU, Theory strength**

Global Brands reported rising revenue and profit in the first quarter, as expected. GU performed to plan, generating double digit rises in both revenue and profit, while Theory reported slightly higher than expected gains in both measures.

■ **FY2015 consolidated estimates**

FY 2015 estimates remain unchanged. Group revenue: ¥1.6 trillion (+15.7% year-on-year), operating profit: ¥180.0 billion (+38.0% year-on-year), profit attributable to the owners of the parent: ¥100.0 billion (+34.1% year-on-year). While our business performed better than expected in the first quarter, we decided to wait for a clearer picture of individual segment performance and foreign exchange trends before possibly revising forecasts. Scheduled FY2015 annual dividend: ¥320 per share.

FY2015 First Quarter Performance in Focus

■ **UNIQLO Japan: Large profit gain on higher revenue and improved gross margin**

UNIQLO Japan achieved higher than expected gains in revenue and profit in the three months from September to November 2014. Revenue rose to ¥232.6 billion (+11.6% year-on-year), and operating profit expanded to ¥51.1 billion (+21.3% year-on-year). Operating profit rose strongly on the back of a 7.5% increase in same store sales, and higher gross profit margins. The gross profit to net sales margin improved by 2.4 points in the first quarter thanks to the strong overall sales trend. Sales of Fall, Winter ranges got an early boost when the weather turned cooler in September, and the subsequent strong performance of core Winter item ranges, such as HEATTECH, Ultra Light Down, and Extra Fine Merino, helped boost the gross profit margin. UNIQLO Japan opened the global hotspot store, UNIQLO Kichijoji, on October 3, 2014 and the global flagship store, UNIQLO OSAKA, on October 31, 2014. Both of these important new community-focused stores have proved extremely successful so far. The number of directly run UNIQLO Japan stores, excluding 28 franchise outlets, totaled 824 stores at the end of November 2014. While that is a net decrease of 14 stores year-on-year, nine of these stores were converted from directly run stores to employee franchise outlets.

■ **UNIQLO International: Large gains in revenue and profit thanks to continued strong performance from Greater China and South Korea**

UNIQLO International performed extremely well in the three months from September to November 2014, reporting higher than expected gains in both revenue and profit. Revenue expanded considerably to ¥168.0 billion (+47.3% year-on-year), and operating profit rose to ¥24.3 billion (+57.2% year-on-year). Furthermore, the segment's gains in revenue and profit still exceeded

expectations in local currency terms, after stripping out any foreign currency effect. With a net addition of 62 stores in the first quarter, the total number of UNIQLO International stores expanded to 695 stores at the end of November 2014. That represents an increase of 183 stores compared to the end of November 2013.

Within the UNIQLO International framework, Greater China (Mainland China, Hong Kong, and Taiwan) and South Korea reported higher than expected, strong gains in revenue and profit. UNIQLO Southeast Asia and Oceania generated rising revenue and profit in line with our expectations, while UNIQLO USA fell short of plan, to report a contraction in profit. UNIQLO Europe, including operations in the United Kingdom, France, Russia, and Germany, reported slightly lower than expected gains in revenue and profit, with profit at the same level year-on-year.

■ **Global Brands: Revenue and profit rose as planned, GU and Theory strong**

Global Brands reported rises in revenue and profit in the first quarter, in line with expectations. Revenue expanded 18.6% year-on-year to ¥78.1 billion and operating profit expanded 30.4% year-on-year to ¥9.5 billion. Our low priced GU fashion casual wear brand reported double digit gains in both revenue and profit as expected, with strong performances from heavily advertised skirts and knitwear items boosting same store sales. Our Theory fashion brand reported slightly higher than expected gains in revenue and profit. Our France based women's fashion brand, Comptoir des Cotonniers, fell short of plan, reporting a slight contraction in profit. Meanwhile, our France based Princesse tam.tam brand, offering corsetry, homewear, swimwear and sportswear, and our U.S. based J Brand premium denim label both performed to plan, generating flat year-on-year performances in the three months to November 2014.

■ **FY2015 consolidated estimates**

Our consolidated business estimates for fiscal 2015, or the year ending August 31, 2015, remain unchanged from the original forecasts announced on October 9, 2014. We expect Group revenue will increase by 15.7% to ¥1.6 trillion and operating profit will expand by 38.0% to ¥180.0 billion. Profit before income taxes will expand by 32.9%, to ¥180.0 billion. Profit for the year is expected to expand by 36.1% to ¥108.0 billion, and profit attributable to the owners of the parent to rise 34.1% to ¥100.0 billion. Basic earnings per share are estimated at ¥981.18. While the business performed better than expected in the first quarter, we have decided not to make any revisions to our estimates at this stage, until we can get a clearer picture of individual segment performance and foreign exchange rates, after the close of the 2014 Fall, Winter season. We expect to deliver an annual dividend per share in fiscal 2015 of ¥320, split evenly into interim and year end dividends of ¥160 each.

Fast Retailing Co., Ltd. discloses business results data and offers a variety of press releases on its IR website
<http://www.fastretailing.com/eng/ir/>.