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Fast Retailing First−half Results for September 2023 to February 2024, and Estimates for FY2024

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Group Senior Executive Officer & CFO

My name is Takeshi Okazaki and I am a Group Senior Executive Officer and CFO at Fast Retailing.

I would like to talk to you today about our consolidated business performance for the first half of FY2024, the six months from September 2023 through February 2024, and to explain our estimates for the full business year through August 2024.

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, PLST, Comptoir des Cotonniers, Princesse tam.tam

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: FY2024 1H Results

Revenue up, significant profit gain. Operating profit in line with plan

unit : billion of yen	Yr to Aug. 2023	Yr to Aug. 2024	
	(6 mths to Feb.2023) Actual	(6 mths to Feb.2024) Actual	y/y
Revenue	1,467.3	**1,598.9**	+9.0%
Gross profit	741.5	**845.2**	+14.0%
(to revenue)	50.5%	**52.9%**	+2.4p
SG&A	524.2	**594.0**	+13.3%
(to revenue)	35.7%	**37.2%**	+1.5p
Business profit	217.3	**251.1**	+15.6%
(to revenue)	14.8%	**15.7%**	+0.9p
Other income, expenses	2.9	**5.9**	+100.3%
Operating profit	220.2	**257.0**	+16.7%
(to revenue)	15.0%	**16.1%**	+1.1p
Finance income, costs	10.2	**42.3**	+313.4%
Profit before income taxes	230.4	**299.3**	+29.9%
(to revenue)	15.7%	**18.7%**	+3.0p
Profit attributable to owners of the parent	153.3	**195.9**	+27.7%
(to revenue)	10.5%	**12.3%**	+1.8p

In the first half of FY2024, the Fast Retailing Group reported a year-on-year rise in revenue and a significant increase in profit, with consolidated revenue increasing by 9.0% year on year to ¥1.5989 trillion and operating profit rising by 16.7% to ¥257.0 billion. Profit attributable to owners of the parent increased by 27.7% to ¥195.9 billion.

The revenue performance fell short of expectations, but the operating profit result was roughly in line with our plan.

I would like to run through the highlights of the first-half performance in the next slide.

FY2024 1H Results: Main Points

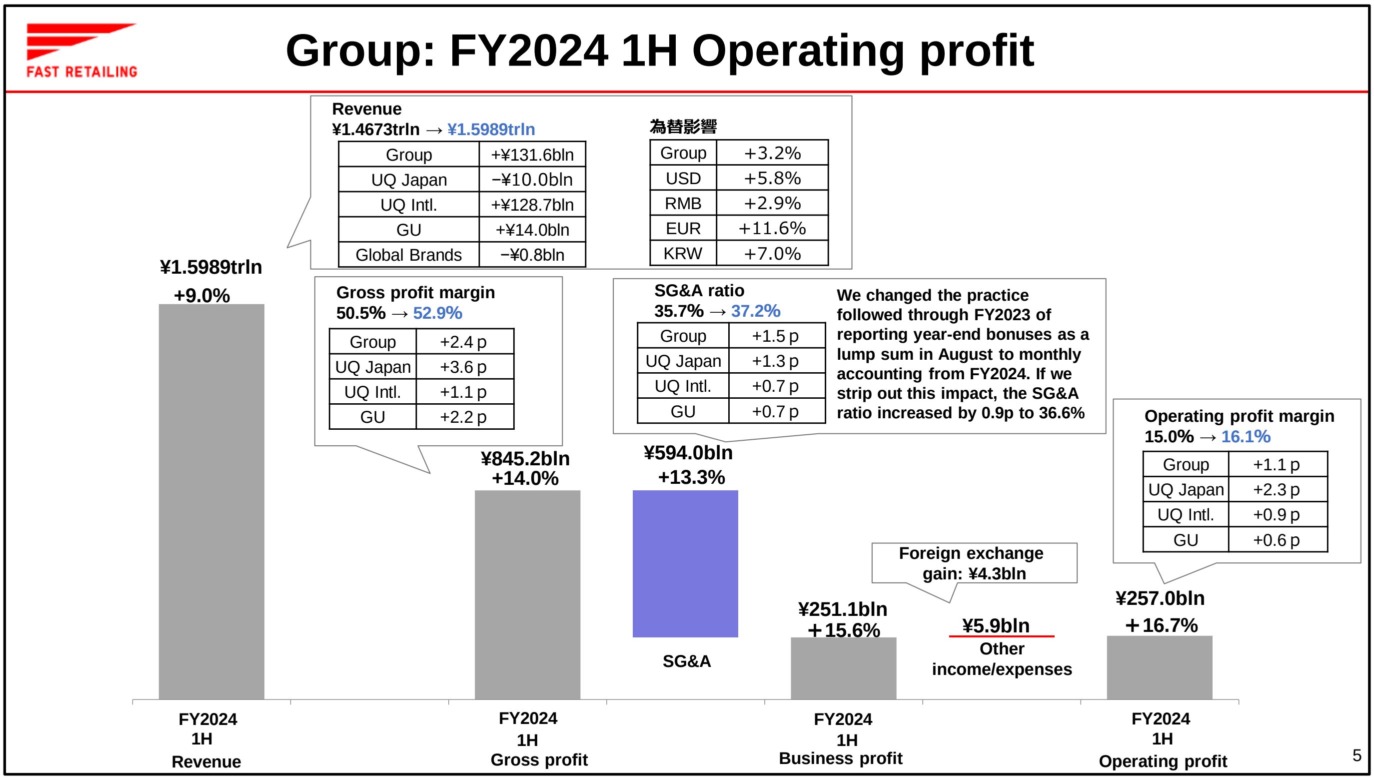
- **UNIQLO N. America, Europe, and SE Asia, along with GU, generated large profit gains as key growth pillars. Helped drive Group expansion and achieve a record performance.**
- **N. America and Europe enters a virtuous growth cycle on the back of rising affinity toward LifeWear, expanding customer bases, and accelerated opening of new stores.**
- **Operating profit from the Greater China region, another growth pillar, was unable to climb above the previous year's level due to unseasonable weather and a decline in consumer appetite for apparel.**
- **Made thorough STOP&GO decisions on ordering to match sales trends. Gross margins improved at UNIQLO Japan and all other segments. Consolidated operating margin also rose.**

UNIQLO North America, Europe, and Southeast Asia, which are all pillar growth areas for the Group as a whole, generated large increases in profit in the first half of FY2024. They proved the key drivers of overall Group growth during the period and helped us achieve a new record performance.

Of particular note, UNIQLO operations in North America and Europe are entering a virtuous operational growth cycle sparked partly by rising affinity toward LifeWear, expanding customer bases, and accelerated opening of new stores.

The Greater China region is another pillar operation within the Fast Retailing Group. However, that region was only able to generate operating profit of the same level as last year in the face of unseasonal weather and a decline in consumer appetite for apparel.

The gross profit margin improved at UNIQLO Japan and all other business segments as we made thorough STOP&GO decisions on product ordering to ensure close alignment with the latest sales trends. The consolidated operating profit margin also rose year on year in the first half.



Moving on to look at our consolidated income statement, consolidated revenue increased by ¥131.6 billion to ¥1.5989 trillion in the first half. This was due primarily to an increase in revenue of ¥128.7 billion at UNIQLO International.

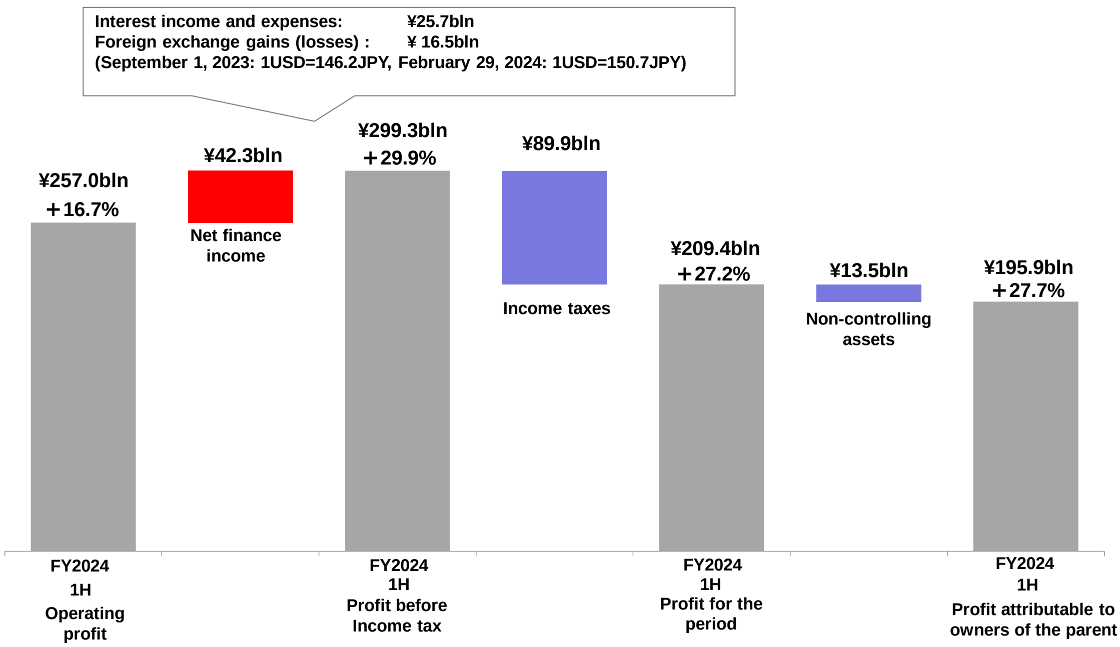
The consolidated gross profit margin improved by 2.4 points to 52.9% in the first half. This was thanks largely to an improved gross profit margin at UNIQLO Japan.

The SG&A-to-revenue ratio rose by 1.5 points to 37.2% largely due to a higher SG&A ratio at UNIQLO Japan following the shortfall in first-half sales. We took the global decision to change the practice we had followed through FY2023 of recording year-end bonuses as a lump-sum item in August to recording year-end bonuses on a monthly basis from FY2024. If we strip out this impact, the consolidated SG&A ratio increased by 0.9 point to 36.6%.

The net amount of other income/expenses stood at ¥5.9 billion.

As a result of the above factors, first-half operating profit rose by a considerable 16.7% to ¥257.0 billion, and the operating profit margin improved by 1.1 points to 16.1%.

Group: FY2024 1H Profit Attributable to Owners of the Parent



One of the components of operating profit is net finance income.

This measure stood at ¥42.3 billion in the first half of FY2024, mainly comprising ¥25.7 billion in net interest income and expenses and ¥16.5 billion in foreign exchange gains on foreign-currency denominated assets.

As a result, profit before income taxes increased to ¥299.3 billion (+29.9%) and profit attributable to owners of the parent expanded to ¥195.9 billion (+27.7%) in the first half.

1H Breakdown by Group Operation

unit : billion of yen		Yr to Aug. 2023 (6 mths to Feb.2023) Actual	Yr to Aug. 2024 (6 mths to Feb.2024)	y/y
UNIQLO Japan	Revenue	495.1	**485.1**	-2.0%
	Business profit	66.9	**76.4**	+14.2%
	(to revenue)	13.5%	15.8%	+2.3p
	Other income, expenses	0.4	**0.8**	+75.8%
	Operating profit	67.3	**77.2**	+14.7%
	(to revenue)	13.6%	15.9%	+2.3p
UNIQLO International	Revenue	755.2	**883.9**	+17.0%
	Business profit	124.9	**150.0**	+20.1%
	(to revenue)	16.5%	17.0%	+0.5p
	Other income, expenses	-2.2	**0.8**	-
	Operating profit	122.6	**150.9**	+23.0%
	(to revenue)	16.2%	17.1%	+0.9p
GU	Revenue	145.5	**159.5**	+9.6%
	Business profit	11.7	**15.1**	+28.7%
	(to revenue)	8.1%	9.5%	+1.4p
	Other income, expenses	1.2	**0.1**	-85.0%
	Operating profit	13.0	**15.3**	+17.5%
	(to revenue)	9.0%	9.6%	+0.6p
Global Brands	Revenue	70.2	**69.4**	-1.2%
	Business profit	-0.4	**-1.7**	-
	(to revenue)	-	-	-
	Other income, expenses	0.5	**-0.0**	-
	Operating profit	0.1	**-1.7**	-
	(to revenue)	0.2%	-	-

Note: In addition to the above, the consolidated results also include Fast Retailing's real estate leasing business as well as adjustment amounts that are not attributable to any of the four reporting segments.

Slide 7 displays the breakdown of FY2024 first-half performance by Group operation.

UNIQLO Japan: 1H Overview

Revenue down but sharp profit gain. Operating profit exceeds plan

- **While revenue fell short of our recent estimates, operating profit exceeded expectations thanks to more successful control over ordering, which boosted the gross profit margin, and a bigger-than-planned reduction in SG&A expenses.**

unit : billion of yen	Yr to Aug. 2023	Yr to Aug. 2024	
	(6 mths to Feb.2023)	(6 mths to Feb.2024	y/y
Revenue	495.1	**485.1**	-2.0%
Gross profit	226.2	**239.0**	+5.7%
(to revenue)	45.7%	**49.3%**	+3.6p
SG&A	159.3	**162.6**	+2.1%
(to revenue)	32.2%	**33.5%**	+1.3p
Business profit	66.9	**76.4**	+14.2%
(to revenue)	13.5%	**15.8%**	+2.3p
Other income, expenses	0.4	**0.8**	+75.8%
Operating profit	67.3	**77.2**	+14.7%
(to revenue)	13.6%	**15.9%**	+2.3p

Let me first explain the first-half performance for our UNIQLO Japan segment, which reported a decline in revenue but a large increase in profit.

UNIQLO Japan revenue decreased by 2.0% year on year to ¥485.1 billion, while operating profit increased by an impressive 14.7% to ¥77.2 billion.

While revenue fell short of our recent estimates, operating profit outstripped our plan thanks to a higher-than-expected improvement in the gross profit margin achieved through more successful control over product orders, and a bigger-than-planned reduction in SG&A expenses.

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UNIQLO Japan: 1H Revenue

1H same-store sales −3.4% y/y (1Q: +0.2%, 2Q: −6.8%)

- **1H sales declined overall as unusually warm weather at the beginning of the season in September and October and the bumper month of December stifled demand for Winter goods and we failed to compile enough suitable products for warm winter weather or convey enough product-related information.**
- **Strong revenue gains in November and February when product launches matched the prevailing weather conditions. Strong sales of HEATTECH innerwear, fleece T-shirts, and wide pants drove overall performance.**
- **Having clarified the issues, we started (1) increasing the proportion of products that are not so easily impacted by the weather, (2) developing newsworthy products, and (3) strengthening communication by clearly ascertaining which products should be strategically marketed.**
- **e-commerce sales: ¥74.3bln (−6.3% y/y, 15.3% of total sales)**
- **March same-store sales: −1.5% y/y. Sales of Spring items dampened by cold weather throughout the month.**

Same-store sales y/y	Yr to Aug.2024									
	Sep.	Oct.	Nov.	1Q	Dec.	Jan.	Feb.	2Q	1H	Mar.
Net sales	-4.6%	-8.5%	+10.0%	**+0.2%**	-15.4%	+0.4%	+7.2%	**-6.8%**	**-3.4%**	-1.5%
Customer visits	-6.8%	-10.3%	+6.0%	**-2.8%**	-14.6%	-1.3%	+2.6%	**-7.1%**	**-5.0%**	-7.7%
Customer spend	+2.3%	+2.0%	+3.8%	**+3.2%**	-0.9%	+1.8%	+4.4%	**+0.3%**	**+1.8%**	+6.7%

UNIQLO Japan first-half sales declined by 3.4% year on year. There were several reasons for this decline in sales over the first half as a whole, including unusually warm weather at the beginning of the season in September and October as well as the bumper month of December, which stifled demand for Winter goods, an insufficient lineup of suitable products for warm winter weather, and insufficient communication of relevant product-related information.

Having noted the clear issues with our product lineups and communication, we are now starting to increase the proportion of items that are not so easily influenced by prevailing weather conditions. We are also developing more products that capture the attention of influencers and newsmakers and strengthening the communication of information on products that have been clearly earmarked for more strategic marketing.

UNIQLO Japan: Gross Profit Margin, SG&A Ratio

Gross profit margin: 49.3% (improved +3.6p y/y)

・**Gross profit margin improved primarily on the back of improved cost of sales.**

・**Cost of sales: Rose in FY2023 1H due to sharp depreciation in yen spot rates used for additional production orders. Improved considerably in FY2024 1H as greater ordering accuracy reduced additional production orders and, consequently, the impact of yen spot rates.**

・**Discounting rate: Rose slightly y/y on efforts to attract customers and rundown inventory. End-February inventory was sitting at an appropriate level.**

SG&A ratio: 33.5% (Rose +1.3p y/y)

・**SG&A ratio rose on higher personnel costs and depreciation ratios in the face of lower sales.**

Personnel: Rose y/y in monetary terms due to the change in year-end bonus reporting from lump-sum recording in August through FY2023 to monthly recording from FY2024. The ratio declined slightly when this impact was removed. Productivity and sales per employee were improved by reducing inventory levels, improving store operations, and utilizing digital technology.

Depreciation: Rose y/y on the first recording of depreciation expenses following the launch of automated warehouses that were newly constructed last year.

・**If we strip out the factor relating to changes in the timing of recording year-end bonuses, the SG&A ratio improved by 1.0p to 33.2%.**

The UNIQLO Japan gross profit margin improved by an impressive 3.6 points year on year to 49.3% in the first half thanks primarily to an improvement in cost of sales.

Cost of sales increased in the first half of FY2023 following a sharp depreciation in yen spot rates used for additional production orders. In comparison, cost of sales improved considerably in the first half of FY2024 as we attained a greater degree of accuracy in the product ordering process, which reduced the need for additional production orders and, consequently, the impact of yen spot rates.

Meanwhile, the UNIQLO Japan SG&A ratio rose by 1.3 points year on year to 33.5% in the first half. This was due primarily to the decline in first-half revenue, which inflated the personnel cost and depreciation ratios.

Personnel expenses rose year on year in monetary terms due to our decision to revise our practice of recording year-end bonuses as a single lump-sum in August that we had followed though FY2023 to split accounting of year-end bonuses on a monthly basis from FY2024. If we strip out this impact, the personnel expenses actually declined slightly year on year. Furthermore, net sales per employee improved as lower inventory levels, improved store operations, and the broader use of digital technology all helped boost employee productivity.

UNIQLO International: 1H Overview

Reported large revenue and profit gains. Roughly in line with plan

- North America and Europe reported large revenue and profit gains that were higher than expected. Extremely strong performance was supported by continued growth in customer bases and rising local affinity for LifeWear.
- Southeast Asia, India & Australia also reported strong revenue and profit gains that were roughly to plan.
- The Greater China region fell short of expectations, reporting higher revenue and a flat operating profit.

unit : billion of yen	Yr to Aug. 2023	Yr to Aug. 2024	
	(6 mths to Feb.2023)	(6 mths to Feb.2024	y/y
Revenue	755.2	**883.9**	+17.0%
Gross profit	407.4	**486.8**	+19.5%
(to revenue)	54.0%	**55.1%**	+1.1p
SG&A	282.5	**336.7**	+19.2%
(to revenue)	37.4%	**38.1%**	+0.7p
Business profit	124.9	**150.0**	+20.1%
(to revenue)	16.5%	**17.0%**	+0.5p
Other income, expenses	-2.2	**0.8**	-
Operating profit	122.6	**150.9**	+23.0%
(to revenue)	16.2%	**17.1%**	+0.9p

Moving on to UNIQLO International performance in the first half of FY2024.

UNIQLO International reported large increases in both revenue and profit. Revenue increased by 17.0% to ¥883.9 billion and operating profit expanded by 23.0% to ¥150.9 billion. This result was roughly in line with our expectations.

Breaking the results down into geographical location and looking at performance in local currency terms, UNIQLO operations in North America and Europe reported large increases in revenue and profit that exceeded our expectations. The extremely strong performance from these two regions was buoyed by a continued expansion in customer bases as well as rising affinity for LifeWear among local customers.

UNIQLO Southeast Asia, India & Australia also reported strong revenue and profit gains that were roughly to plan. Meanwhile, our UNIQLO operations in the Greater China region fell short of expectations by reporting higher revenue but very little operating profit growth compared with the previous year.

UNIQLO International: 1H by Region (1)

Local currency terms

Greater China region: Revenue up, operating profit flat y/y

Mainland China market

- **Revenue up, profit down slightly. However, profit rose slightly if you strip out the revised timing of year-end bonus recording.**
- **1Q same-store sales rose by approx. 20% y/y on strong sales of Winter items, resulting in higher 1H revenue.**
- **2Q same-store sales declined slightly. Sales struggled due to our inability to sufficiently alter our business to match demand in the face of warm winter weather and volatile temperatures, and due to a slowdown in consumer appetite.**
- **Gross profit margin fell on weaker yuan, which boosted cost of sales. Operating profit margin also dipped.**

Hong Kong market, Taiwan market

- **Hong Kong reported higher revenue and sales. Taiwan reported higher sales and flat operating profit.**
- **1H same-store expanded in Hong Kong and Taiwan on strong 1Q sales and efforts to strengthen the promotion of core products around the Christmas and Lunar New Year periods.**

Our UNIQLO operations in the Greater China region reported an increase in revenue and a steady operating profit level compared with the previous year.

Our UNIQLO operation in the Mainland China market reported an increase in revenue and a slight decline in profits in the first half of FY2024. Having said that, operating profit did increase marginally if we strip out the impact of those revisions in the timing for recording year-end bonuses introduced this business year.

First-quarter same-store sales rose by approximately 20% year on year in Mainland China thanks to strong sales of winter items, which helped generate an overall year-on-year increase in first-half revenue.

However, second-quarter same-store sales declined slightly year on year. During that period, sales struggled to gain any momentum primarily because we didn't adjust our commercial activities sufficiently to align with prevailing demand during a period of warm winter weather and inconsistent temperatures. Lackluster consumer appetite for apparel was another factor that weighed on second-quarter sales.

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UNIQLO International: 1H by Region (2)

Local currency terms

South Korea: Revenue and profits rise

- Strong release of Winter ranges coincided with falling temperatures. Captured demand, boosted revenue.
- Gross profit margin improved on lower cost of sales. Operating profit margin also improved.

Southeast Asia, India & Australia: Large revenue and profit gains

- 1H same-store sales rose on strong sales of HEATTECH innerwear, fleece, and other Winter items, the early launch of Spring Summer displays from December, and more earnest marketing of core ranges (including T-shirts, UV-cut items) and new products (including Spring outerwear, wide pants).
- SE Asia, India & Australia performance continued to expand but our inability to fully address the need for product lineups designed specifically for year-round summer weather and capture the broad needs of local customers is an issue. We are already reviewing product mixes in each country, and we aim to further expand operations by developing local community-focused businesses in each market.
- Operating profit margin rose slightly on improvements in the gross profit margin, generated primarily by a higher local production ratio in Indonesia and lesser impact from safeguards.
- The Philippines, Indonesia, India, and Australia reported larger revenue and profit gains.
- Revenue and profit rose in Malaysia and Vietnam. Thailand reported higher revenue, steady operating profit.
- Singapore revenue dipped slightly, and profit contracted sharply. Sales struggled on lackluster consumer appetite for apparel and product lineups that did not sufficiently match the needs of local customers. Profit fell sharply on a lower gross profit margin and higher SG&A ratio.

UNIQLO South Korea reported year-on-year increases in revenue and profit in the first half of FY2024. Our more earnest efforts to align the launch of winter ranges with the precise onset of colder weather proved successful in terms of capturing demand and boosting revenue.

UNIQLO Southeast Asia, India & Australia reported significantly higher revenue and profit level in the first half of FY2024.

Same-stores sales expanded year on year thanks to strong sales of HEATTECH innerwear, fleece, and other Winter items, the early launch of Spring/Summer displays from December, and stronger efforts to promote new core ranges such as T-shirts and UV-cut items and new products such as Spring outerwear and wide pants.

While the Southeast Asia, India & Australia region did continue to report an expansion in performance, we felt that our efforts to meet the broader needs of local customers by providing product lineups designed specifically for year-round summer were not sufficient, and that issue needed to be addressed. With that in mind, we have already started reviewing our product mixes and marketing strategies in each country. Going forward, we will aim to further expand the region’s operations by developing individual businesses that focus firmly on local needs and are deeply rooted in the local communities that they serve.

UNIQLO International: 1H by Region (3)

Local currency terms

North America: Large revenue and profit gains

- **USA and Canada reported large revenue and profit gains.**
- **Operating profit increased on improvements in both the gross profit margin and SG&A ratio.**

USA

- **Strong sales. Double-digit same-store sales growth in 1H.**
- **Strong Black Friday sales in November. Good balance in 2Q between hard sales of Winter items and the introduction of Spring Summer displays resulted in strong sales of T-shirts, Bra Tops, jeans, and other core items, and a significant increase in revenue.**
- **The release of newsworthy items in 1H helped expand our new customer base. Repeat customers also increased sharply as we continued to convey information tailored to the needs of each individual customer.**

Canada

- **Reported large revenue and profit gains thanks to the aggressive launch of core Winter items when the temperature dropped, which generated strong sales.**

Europe: Large revenue and profit gains

- **Reported large revenue and profit gains on a consistently expanding customer base.**
- **Operating profit rose after the stronger Euro reduced cost of sales and boosted the gross profit margin.**

Our UNIQLO North America operation reported significantly higher revenue and profit in the first half in both the United States and Canada. The region's operating profit margin increased on the back of improvements in both the gross profit margin and SG&A ratio.

UNIQLO USA reported a strong sales performance fueled by double-digit growth in same-store sales. The operation enjoyed especially strong sales during the November Black Friday sale. It also struck a good balance in the second half between hard sales of winter items and the introduction of Spring Summer displays, which led to strong sales of T-shirts, Bra Top, jeans, and other core items, and a significant increase in revenue.

In addition, the release of newsworthy items helped expand our new customer base in the first half. We also witnessed a sharp increase in the number of repeat customers thanks to our efforts to convey information that had been specifically tailored to the needs of each individual customer.

Meanwhile, the customer base in UNIQLO Europe continued to expand, which helped fuel considerable increases in first-half revenue and profit and an improvement in the operating profit margin.

We will be hearing more about the situation on the ground in Europe later from our UNIQLO CEO Taku Morikawa and COO of the Sweden and Denmark markets Nicolina Johnston.

GU: 1H Overview

Revenue up, large profit increase. Performed roughly in line with plan

・1H same-stores sales rose as we prepared ample stock of items that captured mass fashion trends and strengthened sales, resulting in strong sales of Heavy Weight Sweat Shirts, Heat Padded outerwear, Cargo Pants, Wide Jeans, and other items.

・Operating profit margin improved 0.6p. Cost of sales improved on higher production efficiency, etc., resulting in an increase of 2.2p in the gross profit margin.

・SG&A ratio increased 0.7p on a higher personnel ratio caused by salary hikes and new timing for the recording of year-end bonuses. If we remove the impact of new bonus recording timings, the SG&A ratio increased by 0.3p y/y.

・e-commerce sales increased significantly to constitute approx. 13% of total sales.

unit : billion of yen	Yr to Aug. 2023	Yr to Aug. 2024	
	(6 mths to Feb.2023)	(6 mths to Feb.2024	y/y
Revenue	145.5	**159.5**	+9.6%
Gross profit	67.4	**77.4**	+14.8%
(to revenue)	46.3%	**48.5%**	+2.2p
SG&A	55.6	**62.2**	+11.8%
(to revenue)	38.3%	**39.0%**	+0.7p
Business profit	11.7	**15.1**	+28.7%
(to revenue)	8.1%	**9.5%**	+1.4p
Other income, expenses	1.2	**0.1**	-85.0%
Operating profit	13.0	**15.3**	+17.5%
(to revenue)	9.0%	**9.6%**	+0.6p

Next, let me move on to our GU operation, which reported higher revenue and a significant increase in profits in the first half, with revenue totaling ¥159.5 billion (+9.6%) and operating profit climbing to ¥15.3 billion (+17.5%). This result was roughly in line with our expectations.

First-half same-stores sales increased year on year as we prepared ample stocks of products that captured mass fashion trends and worked hard to strengthen sales. These efforts helped generate strong sales of Heavy Weight Sweat Shirts, Heat Padded outerwear, Cargo Pants, Wide Jeans, and other items.

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Global Brands: 1H Overview

Decline in revenue and an operating loss, falling short of plan

・**Profit declined due to lower revenue from PLST and Comptoir des Cotonniers following store closures, and higher SG&A ratios, primarily at the Theory operation.**

Theory: Revenue up, profit down

・**Revenue boosted by buoyant sales in Japan and Asia. Profit down as salary hikes resulted in higher personnel costs and a higher SG&A ratio.**

PLST: Revenue down. Slight operating loss, but business profit moved into the black

・**Revenue down after store numbers were cut by approx. 60% as part of overall structural reforms.**

・**Strong sales from existing stores, especially urban stores that had adopted the new business model. Aim to inspire a recovery in performance by increasing the number of these stores going forward.**

Comptoir des Cotonniers: Revenue down, operating loss held steady at previous year's level

・**Store numbers were reduced by approx. 10% as part of structural reforms. Also, struggled to attract customers due to shortages of key Winter items.**

unit : billion of yen		Yr to Aug. 2023	Yr to Aug. 2024	
		(6 mths to Feb.2023) Actual	(6 mths to Feb.2024	y/y
Global Brands	Revenue	70.2	**69.4**	-1.2%
	Business profit	-0.4	**-1.7**	-
	(to revenue)	-	-	-
	Other income, expenses	0.5	**-0.0**	-
	Operating profit	0.1	**-1.7**	-
	(to revenue)	0.2%	-	-

Next, I will explain the first-half performance for our Global Brands segment.

Global Brands reported a 1.2% decrease in revenue to ¥69.4 billion and an operating loss of ¥1.7 billion. This performance fell short of our business estimates.

The lower-than-expected overall performance was due primarily to a fall in revenue from our PLST and Comptoir des Cotonniers brands following multiple store closures, as well as a rise in SG&A ratios at Theory and other operations. This resulted in a decline in profits.

Group: Balance Sheet (end Feb. 2024)

unit : billions of yen	End Feb. 2023	End Aug. 2023	End Feb. 2024	Change
Total Assets	3,015.6	3,303.6	**3,495.8**	+480.2
Current Assets	1,948.8	2,176.6	**2,257.9**	+309.1
Non-Current Assets	1,066.7	1,126.9	**1,237.8**	+171.0
Total Liabilities	1,357.6	1,430.3	**1,428.1**	+70.5
Total Equity	1,657.9	1,873.3	**2,067.6**	+409.6

Next, I would like to take you through our balance sheet as it stood at the end of February 2024.

Compared with the end of February 2023, total assets increased by ¥480.2 billion to ¥3.4958 trillion. Total liabilities increased by ¥70.5 billion to ¥1.4281 trillion. Total equity increased by ¥409.6 billion to ¥2.0676 trillion.

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

Group: B/S Main Points vs. end Feb. 2023

Total equity: +¥480.2bln (¥3.0156trln→¥3.4958trln)

・Highly liquid assets (cash and cash equivalents + other financial assets): +¥332.6bln (¥1.5861trln ⇒¥1.9188trln)

✓ Cash and cash equivalents: +¥177.2bln (¥888.6bln⇒¥1.0658trln)

✓ Other financial assets (short & long term): +¥155.4bln (¥697.5bln⇒¥852.9bln)

Rose primarily on the back of increased operating cash flow at UNIQLO operations

・Inventory assets: −¥23.2bln (¥437.6bln⇒¥414.4bln)

・ (UNIQLO Japan: −¥20.6bln, UNIQLO Intl.: −¥5.3bln)

✓ UNIQLO Japan: Inventories decreased on lower Fall Winter inventory levels y/y and continuous ordering of Spring Summer items during the sales period

✓ UNIQLO Intl.: All markets reported appropriate inventory levels.
Inventory assets declined in Greater China region, South Korea, and Southeast Asia, India & Australia.
Inventory assets increased in North America and Europe as operations expanded, but at an appropriate level

✓ GU: +¥5.8bln: Increased in line with strong performance

✓ Global Brands: −¥2.9bln

・Derivative financial assets (short & long term): +¥102.9bln (¥169.5bln⇒¥272.4bln)

Due to the fact that, while the average yen rate on our forward contract holdings and the end-February yen spot rate both depreciated, the gap between the two expanded. Hedge accounting so no impact on P&L.

Let me first explain the main factors underlying the ¥480.2 billion increase in total assets.

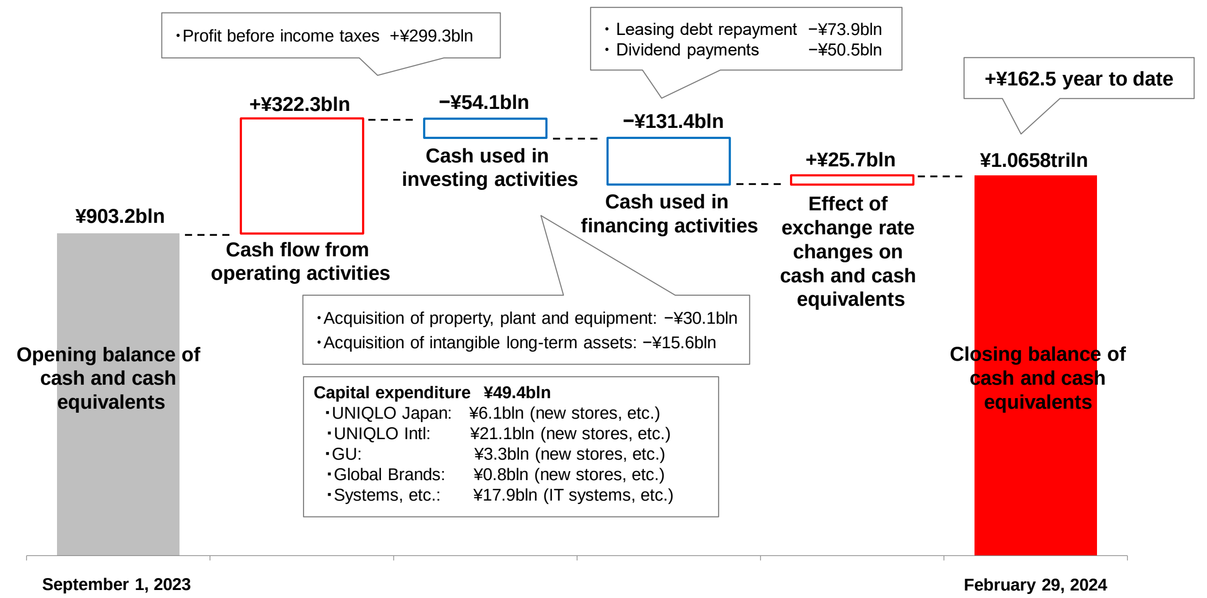
Highly liquid assets (cash and cash equivalent and other financial assets) increased by ¥332.6 billion year on year to ¥1.9188 trillion at the end of February 2024. This was due primarily to an increase in operating cash flow mainly at our UNIQLO operations.

Inventory assets decreased by ¥23.2 billion year on year to ¥414.4 billion. This was primarily due to a ¥20.6 billion decrease in inventory at UNIQLO Japan and a ¥5.3 billion decrease in inventory at UNIQLO International.

UNIQLO Japan inventory decreased due a decline in Fall Winter stock, and the ordering of Spring Summer items during the actual sales period.

All operations within the UNIQLO International segment reported appropriate inventory levels. Inventory assets declined in the Greater China region, South Korea, and Southeast Asia, India & Australia. Meanwhile, inventory assets increased in North America and Europe but remained at an appropriate level in view of the expansion of those operations.

Group: 1H Cash Flow



Applying IFRS 16 increased cash flow from operating activities by approx. ¥60.0bln and decreased cash used in financing activities by the same amount. This change had no impact on final cash flow figure.

Looking next at our cash flow position for the first half of FY2024. Cash flow from operating activities totaled ¥322.3 billion, cash used in investing activities totaled ¥54.1 billion, and cash used in financing activities totaled ¥131.4 billion.

As a result, the closing balance of cash and cash equivalents had risen by ¥162.5 billion at the end of February 2024 to ¥1.0658 trillion.

Group: FY2024 Estimates

Expect to achieve a new record performance

- **Revenue revised down by ¥20.0 billion to reflect shortfall in 1H. Business profit and operating profit forecasts unchanged from most recent estimates.**
- **Expect to record ¥50.0 billion under finance income net of costs from interest income and expenses.**
- **Foreign exchange gains or losses have not been projected at this time due to the uncertain nature of current foreign exchange trends.**

unit : billion of yen	Yr to Aug.2023	Yr to Aug.2024		Yr to Aug.2024		Yr to Aug.2024
	Actual	Estimates (as of Jan.11)	y/y	Estimates (as of Apr.11)	y/y	2Q Actual
Revenue	2,766.5	3,050.0	+10.2%	3,030.0	+9.5%	1,598.9
Business profit	381.9	450.0	+17.8%	450.0	+17.8%	251.1
(to revenue)	13.8%	14.8%	+1.0p	14.9%	+1.1p	15.7%
Other income, expenses	-0.9	0.0	-	0.0	-	5.9
Operating profit	381.0	450.0	+18.1%	450.0	+18.1%	257.0
(to revenue)	13.8%	14.8%	+1.0p	14.9%	+1.1p	16.1%
Finance income, costs	56.8	30.0	-47.2%	50.0	-12.0%	42.3
Profit before income taxes	437.9	480.0	+9.6%	500.0	+14.2%	299.3
(to revenue)	15.8%	15.7%	-0.1p	16.5%	+0.7p	18.7%
Profit attributable to owners of the parent	296.2	310.0	+4.6%	320.0	+8.0%	195.9
(to revenue)	10.7%	10.2%	-0.5p	10.6%	-0.1p	12.3%

I would now like to explain our business forecasts for the full year ending August 31, 2024.

We are predicting full-year consolidated revenue of ¥3.0300 trillion (+9.5%), business profit of ¥450.0 (+17.8%), and operating profit of ¥450.0 billion (+18.1%).

We decided to revised down our estimates for consolidated revenue by ¥20.0 billion to reflect the shortfall in first-half sales. However, given the fact that first-half business profit and operating profit came in roughly in line with expectations, our forecasts for these two measures remain unchanged from our most recent estimates of ¥450.0 billion each.

In addition, we expect to record a net ¥50.0 billion in interest income and expenses under finance income net of costs. We have not incorporated any foreign exchanges gains or losses at this point in time owing to the current opaque nature of foreign exchange trends.

As a result of the above, we are now predicting a 8.0% increase in profit attributable to owners of the parent in FY2024 to ¥320.0 billion.

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Group: FY2024 2H Operational Policy (1)

Focus on five priority issues to accelerate diversification of Group earnings pillars

・Continued focus in 2H on five priority issues that we clarified at the beginning of FY2024.

(1) Pursuing global optimum product development and enhance branding globally (2) Strengthening the opening of high-quality stores (3) Implementing management that focuses on SKU and the needs of individual stores (4) Strengthening all brands by leveraging UNIQLO experience (5) Transforming our management to operate from a global perspective

・There is still plenty of room for improvement on developing product lineups closely tailored to the everyday needs of customers in different countries and regions, inventory management by SKU, and local store management. We will continue to work hard in these areas.

- ✓ In Southeast Asia, we are already working on developing products that better suit year-round summer weather and local customer needs and we plan to expand our range of Summer and year-round products.
- ✓ In Japan, we aim to identify specific items that enjoy year-round demand and expand our product mixes so we can better address warm winter weather. We also plan to focus more strongly on developing the new products that customers want and updating existing products, and on instigating major changes in our marketing activities.
- ✓ We expect these product changes to start to become evident in FY2024 2H and generate positive results in FY2025 1H.
- ✓ We will continue to implement more detailed inventory management and improve the standard of local store management by reducing SKU numbers, making thorough STOP&GO decisions on production by SKU, and using automated warehouses in the delivery of SKU.

In the second half of FY2024, we intend to continue to focus on the five priority areas that we first explained at the beginning of the period, and which are designed to accelerate the diversification of Group earnings pillars. Those five areas are:

(1) Pursuing global optimum product development and enhance branding globally,
(2) Strengthening the opening of high-quality stores,
(3) Implementing management that focuses on stock keeping units (SKU) and the needs of individual stores,
(4) Strengthening all brands by leveraging UNIQLO experience, and
(5) Transforming our management to operate from a global perspective.

There is still plenty of room to improve the way in which we develop product lineups to ensure they align more closely with the everyday needs of customers in different markets. We can also improve the way we manage inventory by individual SKU and promote local store management, and we will continue to work hard in these areas.

In Southeast Asia, we are already working on developing products that suit local weather conditions and customer needs and we plan to expand our range of summer and year-round products.

In Japan, we aim to identify specific items that enjoy year-round demand and expand our product mixes so we can respond better to warm winter weather. We also plan to focus more strongly on developing the new products that customers want and updating existing products, and on transforming our marketing strategies. We expect these changes will become more evident in the second half of FY2024 and will start to yield positive results in the first half of FY2025.

Furthermore, we will continue to implement more detailed inventory management and improve the standard of local store management by reducing the number of SKU, making thorough STOP&GO decisions on production by SKU, and using automated warehouses for SKU delivery.

Group: FY2024 2H Operational Policy (2)

Proceed with structural reforms in Mainland China market

- **Improve sales per store by reviewing our store network. Strengthen branding activities.**
  - ✓ **Some stores have low monthly sales due to market and customer lifestyle changes. Going forward, we will open regional flagship stores that embody our LifeWear values in each major city and strengthen branding. Plan to significantly increase sales per store by using our scrap and build strategy for stores with low monthly sales and opening new stores in better locations.**
- **Merge e-commerce and physical store operations by strengthening new purchasing channels.**
  - ✓ **Expand both e-commerce and store sales by strengthening marketing through social media and getting staff to do live commerce broadcasts from stores. In 1H, sales generated through our live commerce channel increased by approx. 25% and e-commerce rose to approx. 20% of total e-commerce sales. Further strengthening these initiatives will help expand both store and e-commerce sales.**
- **Strengthen the development and marketing of pillar products in the Mainland China market.**
  - ✓ **Accelerate the development of products that match customer needs in Mainland China and will also sell globally. Enhance the way we convey product value and use the power of our products to clearly differentiate our brand.**
- **Further strengthen human resources and distribution investment to support better local store management.**
  - ✓ **Focus on recruiting and training talented store managers and staff and building viable distribution networks so we can provide products and services that meet the needs of customers in different regions.**
- **Aim for continued double-digit growth in annual sales to create a ¥1 trillion Greater China operation in FY2028.**

We are already implementing measures to improve short-term performance in the Mainland China market after seeing that operation struggle in the first half. However, we also think it is important to proceed with some structural reforms from a medium- to long-term perspective based on the market's future growth potential.

Broadly speaking, these structural reforms will focus on four areas:

(1) Improving sales per store by reviewing our store network and strengthening branding activities.
Our Mainland China store network had expanded to 922 stores at the end of February 2024. However, monthly sales at some of those stores had dropped to low levels due to changes in the market and customer lifestyles. Going forward, we will strengthen our branding by opening regional flagship stores in each major city that enable people to experience LifeWear values firsthand. At the same time, we plan to significantly increase sales per store by implementing scrap and build tactics at stores that are experiencing low monthly sales and opening new stores in better locations.

(2) Fusing our e-commerce and physical store operations by enhancing new purchasing channels.
We will expand sales not only via e-commerce channels but also at physical stores by getting staff to do live commerce broadcasts from stores and strengthening our marketing through social media. We witnessed an approximate 25% increase in sales generated through our live commerce channel in the first half, which helped boost the proportion of e-commerce sales to roughly 20% of total sales. We believe we can expand physical store and e-commerce sales by putting even more effort into these kinds of initiatives going forward.

(3) Strengthening the development and marketing of pillar products in the Mainland China market.
Here, we will be looking to accelerate the development of products that match the needs of Mainland China customers and will also sell globally, while also striving to enhance the way we appeal product value and use the power of our products to clearly differentiate our brand.

(4) Further strengthening investment in human resources and distribution networks to support local store management.
We will focus on recruiting and training talented store managers and staff and building viable distribution networks so we can provide products and services that fulfil customers needs in different regions.

Going forward, we aim to continue to generate double-digit annual sales growth by actively implementing these strategies, and to create a one-trillion-yen Greater China operation in FY2028.

FY2024 Estimates by Group Operation (1)

UNIQLO Intl.: Expect significant FY2024 revenue and profit gains

- **Expect large 2H and FY2024 revenue and profit gains from UNIQLO International.**
- **Forecast higher revenue and slightly higher profit from the Greater China region in 2H and FY2024. Operating profit margin will likely contract slightly on higher cost of sales.**
  - ✓ **Expect the Mainland China market will generate higher revenue and a steady operating profit in 2H and FY2024. Forecast 2H and FY2024 revenue and profit increases from Hong Kong and Taiwan markets.**
- **South Korea expected to generate higher 2H and FY2024 revenue and profit.**
- **Southeast Asia, India & Australia expected to generate large 2H and FY2024 revenue and profit gains.**
  - ✓ **We are already working with global headquarters on developing product mixes that meet the needs of local customers and marketing, and we expect this impact to become more apparent from 2H.**
- **Anticipate North America and Europe will be able to achieve record performances by reporting large 2H and FY2024 revenue and profit gains. Also expect operating profit margins to improve y/y.**

I would now like to explain our FY2024 business estimates by Group operation.

Looking first at UNIQLO International, we expect that segment will generate large revenue and profit gains in the second half and FY2024.

The following geographical breakdowns of the UNIQLO International forecasts are explained in local currency terms.

We anticipate the Greater China market will generate higher revenue and a slight increase in profit in the second half and full business year. However, the operating profit margin will likely contract slightly on higher cost of sales. Within the region, we expect the Mainland China market will generate higher revenue and a comparable operating profit to the previous year in both in the second half and FY2024. Meanwhile, the Hong Kong market and Taiwan market are forecast to generate higher revenue and profit in the second half and for the full business year.

Elsewhere, UNIQLO South Korea is expected to generate higher second-half and FY2024 revenue and profit.

UNIQLO Southeast Asia, India & Australia is predicted to generate large second-half and FY2024 revenue and profit gains. We are already working with global headquarters on ways to improve the development of product lineups that better meet the needs of local customers, and our marketing. We expect the positive impact of these efforts will start to show through from the second half of the business year.

Meanwhile, we expect UNIQLO operations in North America and Europe will achieve record performances by reporting large second-half and FY2024 revenue and profit gains. The operating profit margins are also expected to improve compared with the previous year.

FY2024 Estimates by Group Operation (2)

UNIQLO Japan: Expect slight revenue gain and large operating profit rise

- Expect higher revenue and large profit gain in 2H, slight revenue gain and large operating profit rise in FY2024.
- Predict an approximate 3% expansion in 2H same-store sales.
- Forecast a slight improvement in the gross profit margin as we convey the value of LifeWear and control discounting rates. Expect the SG&A ratio to improve slightly on higher productivity and stronger cost controls.

GU: Expect revenue to rise and operating profit to increase sharply

- Forecast higher revenue and much stronger profit levels in 2H and FY2024.
- Aim to accelerate GU's global development. Plan to continue to develop mass-trend items that would prove popular anywhere in the world, transform product mixes, and strengthen marketing.

Moving on to our outlook for UNIQLO Japan, we expect that segment will report higher revenue and a large increase in profit in the second half of FY2024. This will help generate slightly higher revenue and a large increase in operating profit for the business year as a whole.

We predict an approximate 3% expansion in second-half UNIQLO Japan same-store sales. We also anticipate that the gross profit margin will improve slightly as we communicate the value of LifeWear and control discounting rates. Meanwhile, the SG&A ratio is expected to improve slightly thanks to productivity improvements and stronger cost controls.

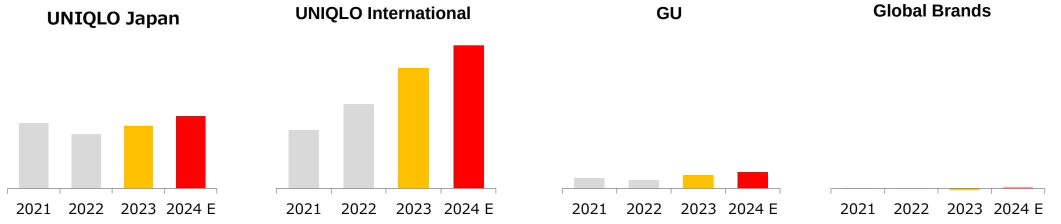
Our GU business segment is expected to generate higher revenue and a significant increase in profit in both the second half of FY2024 and the full business year. As part of our endeavor to accelerate GU's global development, we plan to continue developing items that capture mass fashion trends and would prove popular anywhere in the world, and to transform our product mixes and strengthen our marketing.

FY2024 Estimates by Group Operation (3)

Global Brands: Expect slight revenue gain and a move into the black

- **Expect the segment to generate slightly higher 2H and FY2024 revenue and move into the black.**
- **Theory: Expect slightly higher revenue and flat operating profit in 2H. While full-year revenue is expected to rise slightly, operating profit is forecast to decline due to the significant 1H profit fall.**
- **PLST: While revenue is expected to decline in 2H and FY2024 due to the reduction in store numbers, we are predicting the brand will turn a slight operating profit.**
- **Comptoir des Cotonniers: Expect a slight rise in revenue and a small decline in operating losses in 2H. Expect revenue to hold steady and operating losses to decline slightly in FY2024.**

■ Expected Future Business Profit Trend by Business Segment



Our Global Brands segment is expected to report slightly higher revenue and move into the black in both the second half of FY2024 and for the full business year.

FY2024 Dividend Estimates

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Scheduled interim dividend: ¥175, Expected year-end dividend: ¥350

	Dividend per share		
	Interim	Yr-end	Annual
Year to Aug. 2022	93.3yen	113.3yen	206.7yen
Year to Aug. 2023	125.0yen	165.0yen	290.0yen
Year to Aug. 2024 (E) (as of Jan.11)	165.0yen	165.0yen	330.0yen
Year to Aug. 2024 (revised E) (as of Apr.11) *	175.0yen	175.0yen	350.0yen
y/y	+50.0yen	+10.0yen	+60.0yen

*The final decision on the FY2024 interim dividend was made at the board meeting on April 11, 2024.
The dividend may be adjusted in the event of large fluctuations in business performance or access to funds.

Note: Fast Retailing Co., Ltd. conducted a three-for-one stock split for each common share with an effective date of March 1, 2023. The dividends for previous business years have also been adjusted to reflect the recent stock split.

Finally, I would like to explain about our dividend policy for FY2024.

At our meeting held today, the Board confirmed a scheduled interim dividend of ¥175 per share. This represents a ¥50 increase compared with the previous year.

In addition, we expect to pay a year-end dividend of ¥175 per share. That would result in an expected annual dividend for FY2024 of ¥350, an increase of ¥60 compared with FY2023.

This completes my presentation on Fast Retailing’s first-half performance and outlook for the business year through August 2024.

The remaining four slides are provided for your reference.

Thank you.

Reference: Group Company Store Numbers (1)

unit: stores	FY2023 Yr-end	FY2024 2Q Result (Sep. - Feb.) Open	Close	Change	End Feb.	FY2024 Estimates (Sep. - Aug.) Open	Close	Change	End Aug.
UNIQLO Operations	**2,434**	**101**	**66**	**+35**	**2,469**	**185**	**110**	**+75**	**2,509**
UNIQLO Japan*	**800**	**25**	**25**	**0**	**800**	**40**	**40**	**0**	**800**
Own stores	790	25	25	0	**790**	-	-	-	**-**
Franchise stores	10	0	0	0	**10**	-	-	-	**-**
UNIQLO International	**1,634**	**76**	**41**	**+35**	**1,669**	**145**	**70**	**+75**	**1,709**
Greater China	1,031	30	33	-3	**1,028**	55	-	-	**-**
Mainland China	925	27	30	-3	**922**	-	-	-	**-**
Hong Kong	33	0	0	0	**33**	-	-	-	**-**
Taiwan	73	3	3	0	**73**	-	-	-	**-**
Korea	126	7	2	+5	**131**	10	-	-	**-**
S/SE Asia & Oceania	342	31	6	+25	**367**	50	-	-	**-**
Singapore	29	1	0	+1	**30**	-	-	-	**-**
Malaysia	54	10	5	+5	**59**	-	-	-	**-**
Thailand	62	5	1	+4	**66**	-	-	-	**-**
Philippines	71	3	0	+3	**74**	-	-	-	**-**
Indonesia	64	3	0	+3	**67**	-	-	-	**-**
Australia	33	3	0	+3	**36**	-	-	-	**-**
Vietnam	19	3	0	+3	**22**	-	-	-	**-**
India	10	3	0	+3	**13**	-	-	-	**-**

(contd.)

Note: Excludes Mina (Commercial Facility Business) stores and pop-up stores.
*Includes franchise stores

Reference: Group Company Store Numbers (2)

unit: stores	FY2023	FY2024 2Q Result (Sep. - Feb.)				FY2024 Estimates (Sep. - Aug.)			
	Yr-end	Open	Close	Change	End Feb.	Open	Close	Change	End Aug.
UNIQLO International									
North America	67	5	0	+5	**72**	20	-	-	**-**
USA	49	4	0	+4	**53**	-	-	-	**-**
Canada	18	1	0	+1	**19**	-	-	-	**-**
Europe	68	3	0	+3	**71**	10	-	-	**-**
UK	17	0	0	0	**17**	-	-	-	**-**
France	25	2	0	+2	**27**	-	-	-	**-**
Germany	10	0	0	0	**10**	-	-	-	**-**
Belgium	3	0	0	0	**3**	-	-	-	**-**
Spain	6	0	0	0	**6**	-	-	-	**-**
Sweden	3	0	0	0	**3**	-	-	-	**-**
The Netherlands	2	0	0	0	**2**	-	-	-	**-**
Denmark	1	0	0	0	**1**	-	-	-	**-**
Italy	1	0	0	0	**1**	-	-	-	**-**
Luxembourg	0	1	0	+1	**1**	-	-	-	**-**
GU	**463**	**20**	**15**	**+5**	**468**	**38**	**24**	**+14**	**477**
Global Brands	**681**	**20**	**47**	**-27**	**654**	**37**	**95**	**-58**	**623**
Theory*	436	17	11	+6	**442**	-	-	-	**-**
PLST	52	3	18	-15	**37**	-	-	-	**-**
Comptoir des Cotonniers*	108	0	13	-13	**95**	-	-	-	**-**
Princesse tam.tam*	85	0	5	-5	**80**	-	-	-	**-**
Total	**3,578**	**141**	**128**	**+13**	**3,591**	**260**	**229**	**+31**	**3,609**

Note: Excludes Mina (Commercial Facility Business) and pop-up stores.
*Includes franchise stores

Reference: Foreign Exchange Rates

Exchange rates used in consolidated accounts

unit : yen	1USD	1EUR	1GBP	1RMB	100KRW
FY2023 2Q 6-month average to Feb. 2023	139.0	142.6	163.8	19.8	10.4
FY2024 2Q 6-month average to Feb. 2024	147.0	159.2	184.2	20.3	11.1
FY2023 12-month average to Aug. 2023	138.6	146.4	168.2	19.7	10.5
FY2024 (E) 12-month average to Aug. 2024	137.0	148.0	169.0	19.6	10.5

Exchange rates used on balance sheet

unit : yen	1USD	1EUR	1GBP	1RMB	100KRW
FY2023 2Q Exchange rate at end Feb.2023	136.3	144.6	164.5	19.6	10.4
FY2024 2Q Exchange rate at end Feb.2024	150.7	163.3	190.8	20.9	11.3
FY2023 Exchange rate at end Aug. 2023	146.2	159.8	186.0	20.0	11.1
FY2024 (E) Exchange rate at end Aug. 2024	146.2	159.8	186.0	20.0	11.1

Reference: Capex, Depreciation

Capex and Depreciation

unit : billions of yen		Capex						Depreciation
		UNIQLO Japan	UNIQLO Intl.	GU	Global Brands	Systems, etc	Total	
FY2023	2Q 6 months	18.7	16.7	4.0	0.9	16.5	57.0	93.2
FY2024	2Q 6 months	6.1	21.1	3.3	0.8	17.9	49.4	98.9
FY2023	Full-year 12 months	23.6	33.3	8.7	1.8	34.4	102.0	186.8
FY2024 (E)	Full-year 12 months	10.0	46.4	4.9	1.9	31.4	94.6	197.0