Stock Code: 9983
November 5, 2013

To our Shareholders,

Tadashi Yanai, Chairman, President & CEO
Fast Retailing Co., Ltd.
717-1 Sayama, Yamaguchi City, Yamaguchi 754-0894, Japan

Notice of 2013 Annual General Meeting of Shareholders

Notice is hereby given that Fast Retailing Co., Ltd. will hold the Annual General Meeting (AGM) for the 52nd business year of operation (September 1, 2012 – August 31, 2013) on November 21, 2013.

You are cordially invited to attend the AGM. However, if you are unable to attend on the designated day, you can still ensure your shares are represented at the meeting by submitting a proxy vote in writing. If you wish to do so, please read the enclosed documentation relating to the annual shareholders' meeting and return the completed voting form to us. Please ensure the form reaches us no later than 6p.m. on Wednesday, November 20, 2013.

1. Time and Date: 10 a.m., Thursday, November 21, 2013
2. Location: The conference hall at the Fast Retailing Yamaguchi head office, 717-1 Sayama, Yamaguchi City, Yamaguchi 754-0894, Japan
3. Order of Business:
   Reporting: Presentation and explanation of the business report, consolidated financial statements and other financial documents for the 52nd year of operation, or the year ended August 31, 2013.
   Proposals for Resolution
   Proposal: The election of 6 company directors

◎We would ask shareholders attending the AGM to submit their voting form at the reception desk.
◎Fast Retailing Co., Ltd. publishes this notice of the AGM on the company website (http://www.fastretailing.com/eng/ir/stockinfo/meeting.html). Any revisions to the shareholders' meeting reference materials, business report, consolidated financial statements or other financial documents will be published on the company website.

On behalf of the Board of Directors, I would like to express our appreciation for your continued investment in Fast Retailing. I look forward to greeting as many of our shareholders as possible.

Sincerely,

(sign)
Tadashi Yanai

Business Report

Fiscal 2013, or 52nd business year of operation, for the year ending August 31, 2013

1. Fast Retailing Group Operations

(1) Fiscal 2013 Operational Environment

① Operational Performance and Progress

During the current consolidated accounting period spanning September 1, 2012 through August 31, 2013 (fiscal 2013), the Fast Retailing Group managed to achieve gains in both revenue and income with consolidated sales reaching ¥1.1430 trillion (+23.1% y/y), operating income reaching ¥132.9 billion (+5.1%), ordinary income climbing to ¥148.9 billion (+19.0%) and net income expanding to ¥90.3 billion (+26.1%). This performance was generated mainly by strong gains in both sales and income at the Group's UNIQLO International and Global Brands segments. On the other hand, the gross profit to net sales margin at our mainstay UNIQLO Japan operation contracted in fiscal 2013, leading to a fall in profit for that segment. We reported a significant foreign-exchange gain of ¥15.5bln on foreign-currency denominated assets following the comparative weakening of the Japanese currency in fiscal 2013. This factor fuelled the sharp rise in ordinary income for the Fast Retailing Group in fiscal 2013.

Our mid-term vision is to become the world's number one apparel retailer. To this aim, the Fast Retailing Group is continuing its drive to "promote globalization, strengthen Group management and refocus on entrepreneurial values." In particular, we are channeling considerable effort into the expansion of UNIQLO's global operations by accelerating the number of international new store openings. The opening of global flagship stores in major cities worldwide is helping to strengthen UNIQLO's operational base, and we are also seeking to aggressively expand our GU and Theory operations. In addition, we acquired J Brand, the leading U.S.-based premium denim label, as a fully-owned subsidiary in December 2012.

<u>UNIQLO Japan</u>

UNIQLO Japan reported a rise in revenue and a fall in income in fiscal 2013, with sales expanding to ¥683.3 billion (+10.2% y/y) while operating income contracted to ¥96.8 billion (-5.4%). We focused our attention during the business year on how to boost the number of customer visits to our stores. Our aggressive promotion of core ranges (our highly-functional HEATTECH winter innerwear, Ultra Light Down, Ultra Stretch Jeans, AIRism summer innerwear, and our Steteco and Relaco light-weight ranges) through TV commercials and paper fliers successfully boosted customer visits by a significant 12.0% year on year in fiscal 2013, and same-store sales consequently increased by 7.3% year on year. However, on the income side, our gross profit to net sales margin suffered as a result of the increased advertising activity, contracting 1.8 points year on year. Operating income also contracted 5.4% year on year in fiscal 2013. Sales of heavily discounted ranges increased as price-sensitive customers directed their buying power towards these items, and we also had to cut prices at the end of the season in order to sell off excess stock. Both of these factors weighed on the gross profit margin. In addition, the SG&A to net sales ratio increased by 0.6 point at UNIQLO Japan. However, this was due mainly to one-off expenses linked to the upgrade of our in-store fixtures and fittings, and also to the introduction of a new bonus payment system for store managers from April 2013. At the end of August 2013, the total number of UNIQLO Japan stores (excluding the 19 franchise stores) stood at 834 stores, a net increase of 10 stores compared to end August 2012.

<u>UNIQLO International</u>

The UNIQLO International segment generated significant gains in both revenue and income in fiscal 2013, with sales rising to ¥251.1 billion (+64.0% y/y) and operating income reaching ¥18.3 billion (+66.8%). The total number of UNIQLO International stores had increased by 154 stores to 446 stores at the end of August 2013. Performance was particularly strong in the region encompassing China, Hong Kong and Taiwan, with 102 new store numbers opening for business. This area generated sales of ¥125.0 billion and operating income of ¥13.5 billion. The performance of UNIQLO operations in Southeast Asia (Singapore, Malaysia, Thailand, the Philippines and Indonesia) exceeded our expectations, with 22 new stores opening for business during the business year. This included the opening of our first UNIQLO store in Indonesia in June. Elsewhere, UNIQLO Europe (U.K., France and Russia) performed to plan by breaking roughly even in fiscal 2013. UNIQLO USA opened a further four stores in shopping malls. However, the operating loss remained stubbornly close to the previous year's level, as unseasonal weather in the second half of the fiscal year adversely affected sales, and the operation also incurred additional upfront costs relating to the scheduled opening of 10 new stores in fall 2013.

Global Brands

The Global Brands segment generated gains in both sales and income in fiscal 2013, with sales totaling ¥206.2 billion (+34.8% y/y) and operating income reaching ¥17.4 billion (+20.1%). Our GU low-priced, fashionable casualwear brand generated particularly strong growth over the business year. Multiple new store openings and double-digit growth in same-store sales boosted overall sales for the GU brand to ¥83.7 billion and operating income to ¥7.6 billion. Our stylish Theory fashion brand also generated gains in both sales and income, reporting another record profit in fiscal 2013. Our France-based women's fashion brand, Comptoir des Cotonniers, reported the expected rise in income in fiscal 2013, but fell short of expectations on the profit front, reporting a contraction in operating income. J Brand, the U.S.-based premium denim label acquired by the Fast Retailing Group in December 2012, generated the expected level of sales in fiscal 2013, but fell short of target in terms of operating income.

Corporate Social Responsibility (CSR) Activities

The Fast Retailing Group is heavily involved in global and regional CSR initiatives which seek to fulfil our fundamental commitments to: 1) fulfil our social responsibility, 2) contribute to society, and 3) resolve social problems and create new value.

As part of our activities to fulfil our social responsibility, we appoint external inspectors to regularly monitor working conditions at our partner factories around Asia. We seek to ensure working environments are consistently safe, appropriate and healthy by eradicating any incidences of child labor or unpaid wages, and also introducing schemes to reduce environmental pollution. In addition, in August 2013, we signed the Accord on Fire and Building Safety in Bangladesh to which many international organizations also adhere. We are cooperating with over 80 other commercial brands to protect workers in Bangladesh from fire or the potential collapse of factory buildings. We are also working independently to strengthen the fire and safety procedures adopted by all of our partner factories in Bangladesh.

The Fast Retailing Group also operates a social business in Bangladesh which is designed to help address social problems such as poverty, sanitation, education and gender inequality by planning, producing and selling clothing locally. Conducted jointly with Grameen Bank, the social business opened two Grameen UNIQLO stores in July in the capital of Dhaka (the New Elephant Road store and the Banasree store). We hope to further contribute to the local economy by expanding employment opportunities and offering high-quality products at prices that local people can afford.

In terms of contributing to local society, our All-Product Recycling Campaign encourages UNIQLO and GU customers to bring any wearable items that they no longer need into our stores. We then distribute these clothes to people who have a greater need for them, including refugees and other displaced persons worldwide. As of August 31, 2013, we had collected 24.8 million items from stores in 10 countries, and we had donated 7.3 million items to 34 countries and regions.

② Capital Expenditure

Capital expenditure for the Fast Retailing Group totaled ¥39.6 billion in fiscal 2013, with ¥31.7 billion spent on buildings, ¥5.2 billion spent on lease deposits for stores and ¥2.7 billion spent on financial assistance for construction projects.

③ Procurement of Funds

No relevant items to report.

④ Transfer of Operations, Absorption-type & Incorporation-type Company Splits

No relevant items to report.

⑤ Acquisition of Other Companies

No relevant items to report.

⑥ Assumption of Rights and Obligations Relating to Non-Group Companies through Absorption or Absorption-type Company Splits

No relevant items to report.

⑦ Acquisition or Disposal of Stock or Other Equity Interests, Share Warrants in Other Companies

No relevant items to report.

(2) Company Assets, Profit & Loss Statistics over the Past Three Accounting Periods

Millions of yen

	FY2010	FY2011	FY2012	FY2013
Net Sales	814,811	820,349	928,669	1,143,003
Net income	61,681	54,354	71,654	90,377
Earnings per share	605.99	533.93	703.62	887.12
Total assets	507,287	533,777	595,102	885,800
Net assets	287,987	319,911	394,892	579,591
Net assets per share	2,804.34	3,091.17	3,797.04	5,489.86

(3) Major Subsidiary Firms of the Fast Retailing Group

Company name	Paid-in capital	% of total right to vote	Category	Location
UNIQLO CO.,LTD.	¥1,000,000,000	100.00%	UNIQLO Japan	Japan
UNIQLO (U.K.) LIMITED	GBP20,000,000	100.00%	UNIQLO International	U.K.
FAST RETAILING(CHINA) TRADING CO.,LTD.	US$20,000,000	100.00%	UNIQLO International	China
Fast Retailing USA, Inc.	US$30,000,000	100.00%	UNIQLO International / Global Brands	U.S.A.
FRL Korea Co., Ltd.	KRW24,000,000,000	51.00%	UNIQLO International	Korea
UNIQLO HONG KONG, LIMITED	HK$11,000,000	100.00%	UNIQLO International	Hong Kong
UNIQLO FRANCE S.A.S.	EUR244,000	100.00% (100.00%)	UNIQLO International	France
G.U.CO.,LTD.	¥10,000,000	100.00%	Global Brands	Japan
FAST RETAILING FRANCE S.A.S.	EUR161,025,000	100.00%	UNIQLO International / Global Brands	France
CREATIONS NELSON S.A.S.	EUR2,600,000	100.00% (100.00%)	Global Brands	France
PETIT VEHICULE S.A.S.	EUR2,000,000	100.00% (100.00%)	Global Brands	France
LINK THEORY JAPAN CO.,LTD.	¥10,000,000	100.00%	Global Brands	Japan
FAST RETAILING (SINGAPORE) PTE. LTD.	SG$66,000,000	100.00%	UNIQLO International	Singapore
UNIQLO (SINGAPORE) PTE. LTD.	SG$6,500,000	51.00% (51.00%)	UNIQLO International	Singapore
LLC UNIQLO (RUS)	RUB510,010,000	100.00%	UNIQLO International	Russia Federation
UNIQLO TRADING CO., LTD. (China)	US$30,000,000	100.00%	UNIQLO International	China
UNIQLO TAIWAN LTD.	NT$150,000,000	100.00%	UNIQLO International	Taiwan
UNIQLO (MALAYSIA) SDN. BHD.	MYR18,800,000	55.00% (55.00%)	UNIQLO International	Malaysia
FAST RETAILING (SHANGHAI) TRADING CO., LTD.	US$35,000,000	100.0%	UNIQLO International	China
J Brand, Inc.	US$394,248,000	80.76% 80.76%	Global Brands	U.S.A.

Notes:

1. The newly established FAST RETAILING (SHANGHAI) TRADING CO., LTD. and the newly acquired J Brand, Inc. have both been included in the Group’s scope of consolidation from fiscal 2013.
2. In the column listing the ratio of voting rights, the figure in parentheses denotes the ratio of voting rights held by the Group subsidiary.

(4) Current Challenges Facing the Fast Retailing Group

① Promote the Group’s Global One Management Platform

Strengthen the functioning of individual regional headquarters based in Tokyo, New York, Paris, Shanghai and Singapore and improve systems in order to promote the Group’s Global One management platform across all UNIQLO and non-UNIQLO operations

② Global Development of the UNIQLO Brand

・Expand store numbers in Asian markets, including China and Hong Kong, Taiwan, South Korea, Singapore, Malaysia, Thailand , the Philippines and Indonesia.

・Open global flagship stores and global hotspot stores in major cities around the world

・Open large-format stores in major cities across Japan

・Nurture global personnel in line with the globalization of UNIQLO operations

・Develop highly functional, value-added products

・Cultivate vibrant women’s wear product development for stronger ranges

・Forge global marketing that unites UNIQLO operations worldwide

③ Expand Other Group Brands

・Cultivate operational management expertise in the design, manufacture, and store planning of low-priced apparel to benefit and strengthen the g.u. brand

・Boost operational efficiency and broaden potential store coverage areas by pursuing synergies among Theory, Comptoir des Cotonniers ,Princesse tam.tam and J Brand operations

・Seek M&A opportunities worldwide to acquire new apparel brands with global brand potential

④ Promote Effective CSR Activities

Fast Retailing’s basic CSR stance is to seek to make the world a better place through the design, manufacture and retail of clothing, and we are currently pursuing this aim through:

・the running of a social business in Bangladesh

・the dramatic expansion of the number of items of clothing collected through our All-Product Recycling Campaign and distributed to refugee camps around the world

・Continued consistent monitoring of working conditions and environmental pollution at partner factories

・Efforts to design environmentally-friendly products and stores

(5) Major Business Activities (as of August 31, 2013)

The Fast Retailing Group comprises Fast Retailing Co., Ltd., 98 consolidated subsidiary firms and eight non-consolidated subsidiary firms, all involved principally in operation associated with the apparel industry.

(6) Location of Major Operations (as of August 31, 2013)

Company name	Location	Own stores	Franchise stores
FAST RETAILING CO., LTD.	Head office：Yamaguchi-city Yamguchi Head quarter：Minato-ku Tokyo	4	—
UNIQLO CO., LTD.	Head office：Yamaguchi-city Yamguchi Head quarter：Minato-ku Tokyo	834	19
UNIQLO (U.K.) LIMITED	Head office：London UK	10	—
FAST RETAILING(CHINA)TRADING CO., LTD.	Head office：Shanghai China	206	—
UNIQLO TRADING CO., LTD. (China)	Head office：Shanghai China	19	—
Fast Retailing USA, Inc.	Head office：New York, USA	53	—
FRL Korea Co., Ltd.	Head office：Seoul, Republic of Korea	105	—
UNIQLO HONG KONG, LIMITED	Head office：Hong Kong	18	—
UNIQLO FRANCE S.A.S.	Head office：Paris, France	3	—
UNIQLO (SINGAPORE) PTE. LTD.	Head office：Singapore	12	—
LLC UNIQLO (RUS)	Head office：Moscow, Russian Federation	2	—
G.U.CO.,LTD.	Head office：Yamaguchi-city Yamguchi Head quarter：Minato-ku Tokyo	214	—
CREATIONS NELSON S.A.S.	Head office：Paris, France	169	198
PETIT VEHICULE S.A.S.	Head office：Paris, France	104	46
LINK THEORY JAPAN CO.,LTD.	Head office：Yamaguchi-city Yamguchi Head quarter：Minato-ku Tokyo	261	112
UNIQLO TAIWAN LTD.	Head office：Taipei, Taiwan	37	—
UNIQLO (MALAYSIA) SDN. BHD.	Head office：Kuala Lumpur, Malaysia	10	—
UNIQLO (THAILAND) COMPANY LIMITED	Head office：Bangkok, Kingdom of Thailand	10	—
FAST RETAILING PHILIPPINES, INC.	Head office：Pasay, Republic of the Philippines	6	—
PT. FAST RETAILING INDONESIA	Head office：Jakarta, Indonesia	1	—

※Breakdown of store numbers for Fast Retailing USA, Inc.:
UNIQLO: 7 stores
Link Theory: 38 stores
Comptoir Des Cotonners: 8 stores

(7) Group Employment (as of August 31, 2013)

① Employees of the Fast Retailing Group

Number of Employees	Change v. end August 2012
23, 982	+5,128

Note: The number of employees does not include entrusted operating officers, junior employees, part-time workers or temporary staff seconded from other companies.

② Employees of Fast Retailing Co., Ltd.

Number of Employees	Change v. end August 2012	Average Age	Average Years of Service
924	+143	37 years 2 months	5 years 3 months

Note: The number of employees does not include entrusted operating officers, junior employees, part-time workers or temporary staff seconded from other companies.

(8) Major lenders to the Fast Retailing Group (as of August 31, 2013)

Lender	Total Borrowings
Sumitomo Mitsui Financial Group	17,576 million yen
Mizuho Financial Group, Inc.	3,125 million yen

(9) Miscellaneous Significant Items Relating to the Fast Retailing Group

No relevant items to report.

２. Company Review

(1) Shareholdings (As of August 31, 2013)

①	Number of shares authorized	300,000,000
②	Number of issued shares	106,073,656
③	Number of shareholders	8,833
④	Number of shares per trading unit	100
⑤	Principal shareholders	

Name	Principal Shareholders	
	Number of shares	% of total shares in issue
Tadashi Yanai	22,987 thousand shares	22.56%
The Master Trust Bank of Japan, Ltd. (Trust account)	10,009 thousand shares	9.82%
Japan Trustee Services Bank, Ltd. (Trust account)	8,998 thousand shares	8.83%
TTY Management B.V.	5,310 thousand shares	5.21%
Kazumi Yanai	4,781 thousand shares	4.69%
Koji Yanai	4,780 thousand shares	4.69%
Fight & Step Co., Ltd.	4,750 thousand shares	4.66%
MASTERMIND Co., Ltd.	3,610 thousand shares	3.54%
Trust&Custody Services Bank, LTD.	2,620 thousand shares	2.57%
Teruyo Yanai	2,327 thousand shares	2.28%

Note: The investment ratio is calculated following the deduction of treasury stock (4,177,164 shares).

(2) Stock Options (Share Warrants) (As of August 31, 2013)

① Stock-based Compensation for Directors
No relevant items to report.

② Stock-based Compensation for Employees in Fiscal 2013
Third Issuance of Type A Stock Options (Share Warrants)

Resolution date	October 11, 2012	
Type & number of stock used for stock options	Common stock 10,793 shares	
Amount to be paid in on exercise of stock options (yen)	One yen per share issued through the exercise of stock options multiplied by the total number of shares granted	
Exercise period	From November 13, 2015 through November 12, 2022	
Items relating to the exercise of stock options	If the holder of share warrants waives their holdings, then the said share warrants will no longer be exercisable and will be dissolved	
Type & number of Recipients	Employees of Fast Retailing Co., Ltd.	Number of share warrants: 8,868 Number of target shares: 8,868 Number of recipients: 18
	Employees of Fast Retailing Co., Ltd. subsidiary firms	Number of share warrants: 1,925 Number of target shares: 1,925 Number of recipients: 8
Assignment of stock options	The holding of stock options through the assignment of share warrants must be approved the by Fast Retailing Board of Directors	
Items relating to the tender of other monies in lieu of the Amount to Paid in	—	

Third Issuance of Type B Stock Options (Share Warrants)

Date of resolution	October 11, 2012	
Type & number of stock used for stock options	Common stock 39,673 shares	
Number of shares	51,422 shares maximum	
Amount to be paid in on exercise of stock options (yen)	One yen per share issued through the exercise of stock options multiplied by the total number of shares granted	
Exercise period	From December 13, 2012 through November 12, 2022	
Items relating to the exercise of stock options	If the holder of share warrants waives their holdings, then the said share warrants will no longer be exercisable and will be dissolved	
Type & number of Recipients	Employees of Fast Retailing Co., Ltd.	Number of share warrants: 7,371 Number of target shares: 7,371 Number of recipients: 136
	Employees of Fast Retailing Co., Ltd. subsidiary firms	Number of share warrants: 32,302 Number of target shares: 32,302 Number of recipients: 615
Assignment of stock options	The holding of stock options through the assignment of share warrants must be approved the by Fast Retailing Board of Directors	
Items relating to the tender of other monies in lieu of the Amount to Paid in	—	

(3) Corporate Executive Officers

① Company Directors and Statutory Auditors (as of August 31, 2013)

Position	Name	Responsibilities and important concurrent positions at other organizations
Chairman, President and CEO	Tadashi Yanai	Chairman, President and CEO, UNIQLO CO., LTD. and director of 17 other Fast Retailing Group subsidiaries External Director, SOFTBANK CORP. External Director, Nippon Venture Capital Co., Ltd.
External Director	Toru Hambayashi	Director, MAEDA CORPORATION Outside Director, DAIKYO INCORPORATED Auditor, UNITIKA Ltd.
External Director	Nobumichi Hattori	External Director, Miraca Holdings Inc.
External Director	Toru Murayama	Advisor, Microsoft Japan Co., Ltd. President, Office Murayama
External Director	Masaaki Shintaku	Advisory Board Member, NTT DOCOMO, INC. External Director, COOKPAD Inc.
External Director	Takashi Nawa	President, Genesis Partners External Director, NEC Capital Solutions
Full-time Corporate Auditor	Akira Tanaka	—
Full-time Corporate Auditor	Masaaki Shinjo	Auditor, Fast Retailing (China) Trading Co., Ltd. and five other FR subsidiaries
Statutory Auditor	Takaharu Yasumoto	Statutory Auditor, UNIQLO CO., LTD. Statutory Auditor, LINK THEORY JAPAN CO., LTD. Statutory Auditor, ASKUL Corporation President, Yasumoto CPA Office Statutory Auditor, UBIC, Inc.
Statutory Auditor	Akira Watanabe	Representative, Seiwa Meitetsu Law Office External Director, JAPAN PILE CORPORATION External Director, MAEDA CORPORATION External Director, MS&AD Insurance Group Holdings, Inc. Statutory Auditor, KADOKAWA GROUP HOLDINGS, INC. External Director, Dunlop Sports Co., Ltd.
Statutory Auditor	Keiko Kaneko	Statutory Auditor, UNIQLO CO., LTD. Partner, Anderson, Mori & Tomotsune Statutory Auditor, The Asahi Shinbun

Notes:
1. Toru Hambayashi, Nobumichi Hattori, Toru Murayama, Masaaki Shintaku and Takashi Nawa serve as external directors as stipulated in Article 2, Section 15 of the Companies Act. Toru Hambayashi, Nobumichi Hattori and Masaaki Shintaku are registered at the Tokyo Stock Exchange as independent directors.
2. Director Toru Murayama is the president of Office Murayama. Fast Retailing Co., Ltd. currently has a consulting subcontract with Office Murayama relating to the training of management personnel.
3. Takaharu Yasumoto, Akira Watanabe and Keiko Kaneko are external auditors as stipulated under Article 2, Section 15 of the Companies Act and are registered with the Tokyo Stock Exchange to serve as independent directors.
4. Statutory auditor Takaharu Yasumoto is a certified accountant with considerable knowledge of financial affairs and accounting.
5. UNIQLO Co., Ltd. and Link Theory Japan Co., Ltd. are fully-owned subsidiaries of Fast Retailing Co., Ltd.
6. There are no specific interests between Fast Retailing Co., Ltd. and any of the other companies at which directors hold concurrent posts.

② Total Remuneration to Company Directors and Auditors

	Number	Payment (¥ mln)	Remarks
Company Directors (including external directors)	6 (5)	447 (47)	Maximum annual remuneration total of 1,000 million yen determined at the AGM held November 24, 2006
Auditors (including external auditors)	6 (4)	61 (31)	Maximum annual remuneration total of 100 million yen determined at the AGM held November 26, 2003
Total (including external executives)	12 (9)	508 (78)	

Notes: 1. In fiscal 2012, the total remuneration received by external directors holding concurrent directorships at subsidiary firms was ¥10 million.
2. The total remuneration offered to company auditors includes the amount paid to one company auditor who resigned from his post at the close of the Fiscal 2012 Annual General Meeting of Shareholders held on November 22, 2012. The number of company directors in fiscal 2013 totals four directors and five auditors.

③ Items Relating to External Directors

a. Relationship between Fast Retailing and Companies Where External Directors Hold Concurrent Posts
As stated in the previous segment entitled: ① Company Directors and Statutory Auditors

b. Main Activities During Fiscal 2013

Position	Name	Activities
Director	Toru Hambayashi	Attended all 13 Board of Directors' meetings where he voiced opinions on the meeting agenda from a corporate management standpoint, and offered guidance and suggestions to ensure the Board's decision-making was both reasonable and appropriate.
Director	Nobumichi Hattori	Attended all 13 Board of Directors' meetings where he voiced opinions based upon his expertise in M&A research, and offered guidance and suggestions to ensure the Board's decision-making was both reasonable and appropriate.
Director	Toru Murayama	Attended all 13 Board of Directors' meetings where he voiced opinions from a management consulting standpoint, and offered guidance and suggestions to ensure the Board's decision-making was both reasonable and appropriate.
Director	Masaaki Shintaku	Attended all 13 Board of Directors' meetings where he voiced opinions from a corporate management standpoint, and offered guidance and suggestions to ensure the Board's decision-making was both reasonable and appropriate.
Director	Takashi Nawa	Following his appointment on November 22, 2012, he has attended all 10 Board of Directors' meetings where he voiced opinions from a management consulting standpoint, and offered guidance and suggestions to ensure the Board's decision-making was both reasonable and appropriate.

Position	Name	Activities
Auditor	Takaharu Yasumoto	Attended all of the 13 Board of Directors' meetings and 14 Board of Auditors' meetings. He commented on proceedings at the Board of Directors' meetings as a certified accountant to ensure the Board's decision-making was both reasonable and appropriate. He also made relevant and necessary comments on Company and Group auditing at the Board of Auditors' meetings.
Auditor	Akira Watanabe	Attended 12 of the 13 Board of Directors' and Attended 11 of the 14 Board of Auditors' meetings. He commented on proceedings at the Board of Directors' meetings from a specialist legal standpoint, thus helping to ensure the Board's decision-making was both reasonable and appropriate. He also made relevant and necessary comments on Company and Group auditing at the Board of Auditors' meetings.
Auditor	Keiko Kaneko	Following her appointment on November 22, 2012, she has attended all 10 Board of Directors' meetings and all 11 Board of Auditors' meetings. She commented on proceedings at the Board of Directors' meetings from a legal standpoint, thus helping to ensure the Board's decision-making was both reasonable and appropriate. She also made relevant and necessary comments on Company and Group auditing at the Board of Auditors' meetings.

c. Outline of External Directors' Limited Liability Contract

Fast Retailing Co., Ltd. has signed a limited liability contract with external directors and statutory auditors based upon the provisions of Article 427, paragraph 1 of the Companies Act which limit liability for damages as stipulated in Article 423, paragraph 1 of the Companies Act.

The contract states that liability for damages for all external directors and auditors will be limited to the higher of two figures: either 5 million yen or the amount stipulated by law.

(4) Corporate Auditors

a. Appointed Accounting Auditor Ernst & Young ShinNihon LLC

b. Total Fees Paid to the Accounting Auditor in Fiscal 2012

(1) Fees to be paid to the accounting auditor by the Company	¥107 million
(2) Monies and other property benefits to be paid to the accounting auditor by the Company and consolidated subsidiaries	¥168 million

※1 The audit contracted agreed between Fast Retailing Co., Ltd. and Ernest & Young ShinNihon LLC does not distinguish between fees due to the auditor based on auditing rules stipulated in the Companies Act and those stipulated in the Financial Instruments & Exchange Act. Since it is not possible to distinguish these two sets of fees in any practical way, remuneration paid to the auditor in fiscal 2012 represents the total amount of fees stipulated by the two Acts.

※2 Nineteen major subsidiaries of the Company have appointed different auditors, including audits required by law in locations outside of Japan and which correspond to the Japanese Companies Act or the Financial Instruments & Exchange Act.

c. Non-audit Services

In addition to the services stipulated in Article 2, paragraph 1 of the Certified Public Accounts Act, the Company also pays fees to the auditor for non-audit services such as advisory services.

d. Company Policy on Dismissal or Refusal to Reappoint an Auditor

The Board of Auditors can dismiss an accounting auditor if they unanimously agree that there has been a breach of service that corresponds to the items listed in Article 340, paragraph 1 of the Companies Act. In such an event, a designated member of the Board of Auditors will report the reasons for the dismissal of the accounting auditor at the next annual general meeting of shareholders.

In the event that the accounting auditor is unable to fully execute its designated duties, if the Board of Directors deems it necessary, it can seek the agreement of the Board of Auditors or ask the Board of Auditors to submit a request to dismiss or refuse to reappoint an accounting auditor to the annual general meeting of shareholders.

e. Outline of Limited Liability Contract

Fast Retailing Co., Ltd. has signed a limited liability contract with the auditor Ernst & Young ShinNihon LLC based upon the provisions of Article 427, paragraph 1 of the Companies Act which limit liability for damages as stipulated in Article 423, paragraph 1 of the Companies Act. The contract states that liability for damages will be limited to the higher of two figures (either the total remuneration for audit and non-audit services since appointment or the total benefits to be received on properties each fiscal year) multiplied by two.

(5) Framework for Ensuring Proper Operation of Business

① Ensuring Directors' Actions Comply with the Law and Articles of Incorporation

a. The Directors and Entrusted Operating Officers at Fast Retailing (hereafter referred to collectively as 'Directors') are committed to consistently improving corporate ethics and compliance across the Fast Retailing Group by putting in place a number of internal controls and ensuring strict adherence to the Group's policies and rules, including the Group's management principles, the Fast Retailing Way (FR Way) and the Fast Retailing Group Code of Conduct (FR Code of Conduct). The Directors make regular revisions to these internal controls to reflect social or operational changes or the latest management of the FR Code of Conduct, and then ensure the new controls are properly activated.

b. Fast Retailing puts the entrusted operating officer responsible for legal affairs or the Head of the Legal Department (hereafter referred to collectively as 'officers responsible for legal affairs') in charge of compliance. The officers responsible for legal affairs are tasked with maintaining and improving the Group-wide compliance framework and resolving any issues that arise.

c. A number of external directors serve on the Fast Retailing Board of Directors in order to ensure that the Board's decision-making process is both fair and transparent. External auditors are also able attend the Board of Directors' meetings to ensure that all relevant opinions are voiced in a timely manner. In addition, when the need arises, Directors can seek the opinion of external experts including lawyers and certified accountants to avoid any potentially illegal action and to ascertain whether any measures are required to ensure actions or circumstances comply with the law. If the Directors discover that an action taken by one or more of the Directors is in fact illegal, they will immediately report the fact to the auditors, the president and the officer responsible for legal affairs.

② Ensuring Employees' Actions Comply with the Law and Articles of Incorporation

a. The Directors are responsible for establishing a framework to ensure that all Group employees comply with the management's corporate principles, the FR Way, the FR Code of Conduct and any other internal rules and policies. The Directors are also responsible for instructing and enlightening each individual employee of the Fast Retailing Group on the principles of compliance and ensuring that those employees follow and fulfill those principles in their daily work.

b. The Company's Internal Audit Department, which is entirely separate from Group business activities, and the Legal Department, which oversees compliance issues, work to ensure the smooth operation of this system.

c. If one or more Directors become aware of any action or situation within the Company that is illegal or raises compliance issues, they will report the fact immediately to the other Directors. Any serious legal infraction will be reported immediately to the Board of Auditors, the president of the Company and the officer responsible for legal affairs.

d. Fast Retailing has set up an internal system for the reporting of illegal actions or other compliance violations (hotline), with all information channeled directly to external lawyers or independent institutions.

e. External specialists from various backgrounds including lawyers and certified accountants serve on the Fast Retailing Code of Conduct Committee. The Code of Conduct Committee conducts regular reviews of the operation of the Company's compliance procedures and the Compliance Hotline and instigates any necessary improvements. When the Board of Directors recognizes a problem with the operation of the Compliance Hotline, it can convey its opinion to the Code of Conduct Committee and request the formulation of plans for improvement.

③ Storage and Management of Information Relating to Board of Directors' Operations

Documents relating to operations under the jurisdiction of Directors will be kept as proof of the Company's decision-making and implementation processes according to regulations on document management and guidelines on the treatment of confidential material. Documentation will be stored and managed through a medium which enables easy retrieval in an appropriate and accurate fashion, and facilitates easy inspection at any time during the legally-required retention period.

・Minutes of the Annual General Meeting of Shareholders and related documentation
・Minutes of Board of Directors' meetings and related documentation
・Minutes of important meetings attended by Directors and related documentation
・Minutes of important meetings attended by other designated senior employees and related documentation

④ Rules and Frameworks For Reducing Risk of Loss

a. Fast Retailing has established a management framework for the regular analysis and review of potential risks to which the Company or Group may be exposed, including events that may result in financial loss either directly or indirectly, the temporary or permanent cessation of operations, events which may prejudice the creditability or tarnish the brand image of the Company or the Group.

b. When an unforeseen event occurs, the president of the Company or one of the Directors designated by the president will head the taskforce established to prevent the expansion of any loss incurred and minimize any damage caused. If deemed necessary, the head of the taskforce may organize an external advisory team including lawyers and certified accountants in order to facilitate a rapid response.

⑤ Ensuring Efficient Operation of Business by Directors

a. Multiple external directors serve on the Fast Retailing Board of Directors to ensure the efficient operation of the Board. Regular Board meetings are held monthly with additional ad hoc meetings called when required. Any important items relating to the management policy or management strategy of the Company or the Group will be reported in advance to the president of the Company at the Weekly Management Meeting (Monday Meeting) chaired by the president. Relevant items will be deliberated on and determined in the Monday Meeting.

b. The Company will assign the person responsible for the implementation of any decisions taken by the Board of Directors, the scope of that responsibility and any significant procedural detail.

⑥ Ensuring the Appropriate Operation of Corporate Groups Constituting Fast Retailing and Any New Companies or Subsidiary Firms

a. In order to ensure the appropriate operation of each company within the Fast Retailing Group, we uphold our management principles, the FR Way and FR Code of Conduct as the points of reference for all behavior guidelines across the entire Group. Individual Group companies are entrusted to put in place a number of internal rules based upon these Group principles.

Fast Retailing supervises the operational management of affiliated companies by determining their rules of management, maintaining the final authority over all management decisions and establishing clear reporting channels. If necessary, the Company will also monitor the activities of an affiliated company.

Directors are expected to report any significant legal infractions or violations of compliance rules at Group companies to the Board of Auditors, the president of the Company and the officer responsible for legal affairs.

b. If the Directors of a Group company judge that any part of the Company's management principles or management guidelines represents a violation of the law, poses a problem in relation to the corporate ethics of a particular country, or in terms of compliance, they will report the issue to the Internal Audit Department or the Legal Department. The recipient department will then report the issue swiftly to the Board of Auditors, the president of the Company and the officer responsible for legal affairs. The recipient department may also convey an opinion regarding any appropriate action required.

c. Fast Retailing has established the necessary measures for ensuring the reliability and consistent monitoring of its financial reporting including the Group's consolidated financial statements, and the necessary framework for ensuring the appropriate acquisition, maintenance and disposal of assets held by Group companies. The Company has also established a Disclosure Committee to ensure the timely and fair disclosure of simply stated information.

⑦ Ensuring the Independence of Employees Assigned to Assist the Board of Auditors

a. On receiving a request from the Board of Auditors, the Company will determine which employees should assist the statutory auditors and will assign suitable employees as Assistant to the Statutory Auditor from among its own staff or otherwise employ external lawyers or certified accountants. Assistants to the Statutory Auditor will be evaluated by the auditors but decisions on their assignment, dismissal, transfer and remuneration will be taken by the Board of Directors with the approval of the Board of Auditors, thus ensuring the independence of any assistants from the Directors.

b. Assistants to the Statutory Auditor will not hold any concurrent positions which involve the execution of company business.

⑧ Ensuring Effective Auditing Functions and Clear Reporting Channels to the Board of Auditors by the Directors, Employees and Other Persons

a. The Company determines the rules regarding items to be reported by Directors and employees to the statutory auditors and the timing of such reporting. Using these rules as a base, Directors and employees will report important items that might impact the Company's operations or corporate performance to the auditors on a case-by-case basis. Irrespective of these rules, the auditors may request a report from the Directors or employees whenever they deem it necessary.

b. In order to uphold the Group's management principles, the FR Way and the FR Code of Conduct, the Company ensures the existence of an appropriate framework for reporting any legal infractions or violation of compliance rules to the auditors. If the auditors judge that there is a problem with this system, they can convey their opinions to the Directors and the Board of Directors and request some appropriate measures for improvement.

(6) Policy Regarding the Determination of Dividends on Retained Earnings, etc.

Fast Retailing considers the returning of profits to shareholders to be one of the most important considerations for management. The Company's policy is to offer high dividends that closely reflect business performance.

The Company's fundamental stance is to use profits to fund the future business expansion of the Group, to retain earnings to ensure healthy finances, and to provide shareholder returns.

In line with the policy outlined above and the Group's consolidated performance, the Board of Directors decided to pay a year-end dividend of 150 yen per share in fiscal 2013. In conjunction with the interim dividend of 140 yen per share already paid, the annual cash dividend totaled 290 yen per share for fiscal 2012.

Consolidated Balance Sheet

(as of August 31, 2013)

Millions of yen

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	**640,109**	**Current liabilities**	**253,966**
Cash and deposits	147,429	Notes and account payable-trade	121,951
Notes and accounts receivable-trade	34,187	Short-term loans payable	1,862
Short term investment securities	148,215	Current portion of long-term loans payable	3,632
Inventories	166,654	Income taxes payable	26,005
Deferred tax assets	4,002	Deferred tax liability	38,494
Income taxes receivable	8,980	Provision	10,081
Forward exchange contract	113,641	Other	51,937
Other	17,486	**Non current liabilities**	**52,243**
Allowance for doubtful account	−488	Long-term loans payable	21,926
Non current assets	**245,690**	Deferred tax liability	10,371
（Tangible assets）	(90,405)	Provision	75
Building and structures	62,339	Other	19,868
Furniture and equipment	10,932	**Total liabilities**	**306,209**
Land	3,879	**Net assets**	
Leased assets	9,040	**Net assets**	**482,495**
Construction in progress	4,214	Capital stock	10,273
（Intangible assets）	(78,115)	Capital surplus	5,963
Good will	31,691	Retained earnings	482,109
Other	46,423	Treasury stock	-15,851
（Investments and other assets）	(77,170)	**Accumulated other comprehensive income**	**76,901**
Investment securities	470	Valuation difference on available-for-sale securities	-6,978
Deferred tax assets	9,498	Deferred gains or losses on hedges	71,005
Lease and guarantee deposit	47,997	Foreign currency translation adjustment	12,875
Construction assistance fund receivables	15,280	**Subscription rights to shares**	**1,170**
Other	4,002	**Minority interests**	**19,024**
Allowance for doubtful accounts	-78	**Total net assets**	**579,591**
Total assets	**885,800**	**Total liabilities and net assets**	**885,800**

Note: The figures displayed here have been rounded down to the nearest million yen

Consolidated Income Statement

(September 1, 2012 – August 31, 2013)

Millions of yen

Account	Amount	
Net sales		1,143,003
Cost of sales		578,992
Gross profit		**564,011**
Selling, general and administrative expenses		431,091
Operating income		**132,920**
Non operating income		
Interest and dividends income	598	
Foreign exchange income	15,580	
Additional interest refund	433	
Penalty income	65	
Other income	951	17,628
Non operating expenses		
Interest expenses	633	
Other expenses	936	1,569
Ordinary income		**148,979**
Extraordinary gain		
Gain on sales of noncurrent assets	390	390
Extraordinary loss		
Loss on retirement of noncurrent assets	504	
Impairment loss	5,068	
Acquisition-related expenses	759	
Other loss	1,512	7,845
Income before income taxes and minority interests		**141,525**
Income taxes current	**54,486**	
Income taxes deferred	**-6,218**	**48,268**
Income before minority interests		**93,256**
Minority interests		**2,879**
Net income		**90,377**

Note: The figures displayed here have been rounded down to the nearest million yen

Consolidated Statements of Changes in Net Assets

(September 1, 2012 – August 31, 2013)

Millions of yen

	Net assets				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total net assets
Balance at September 1, 2012	10,273	5,541	419,093	-16,003	418,905
Net change during the year					
Dividends from surplus			-27,504		-27,504
Net income			90,377		90,377
Issuance of new shares （Exchange of subscription rights of shares）		421			421
Increase in treasury stock				-9	-9
Decrease in treasury stock				161	161
Change of scope of consolidation			143		143
Other net change during the year					
Total net change during the year	—	421	63,016	152	63,590
Balance at August 31, 2012	10,273	5,963	482,109	-15,851	482,495

	Accumulated other comprehensive income				Subscription rights to shares	Minority interest	Total net asset
	Valuation difference on available-for sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total Accumulated other comprehensive income			
Balance at September 1, 2012	-16,434	-14,532	-1,193	-32,160	755	7,392	394,892
Net change during the year							
Dividends from surplus							-27,504
Net income							90,377
Issuance of new shares （Exchange of subscription rights of shares）							421
Increase in treasury stock							-9
Decrease in treasury stock							161
Change of scope of consolidation							143
Other net change during the year	9,455	85,538	14,068	109,062	414	11,631	121,108
Total net change during the year	9,455	85,538	14,068	109,062	414	11,631	184,698
Balance at August 31, 2013	-6,978	71,005	12,875	76,901	1,170	19,024	579,591

Note: The figures displayed here have been rounded down to the nearest million yen

Notes to the Group Financial Statements

1. Important Points Relating to the Compiling of Consolidated Financial Statements

(1) Scope of Consolidation

① Consolidated Subsidiaries

Number of consolidated subsidiaries 98 companies

Name of the key subsidiary companies

UNIQLO CO.,LTD.
UNIQLO (U.K.) LIMITED
Fast Retailing USA, Inc.
FRL Korea Co., Ltd.
UNIQLO HONG KONG, LIMITED
G.U.CO.,LTD.
FAST RETAILING FRANCE S.A.S.
CREATIONS NELSON S.A.S.
UNIQLO FRANCE S.A.S.
PETIT VEHICULE S.A.S.
FAST RETAILING(CHINA) TRADING CO.,LTD.
LINK THEORY JAPAN CO.,LTD.
UNIQLO (SINGAPORE) PTE. LTD.
LLC UNIQLO (RUS)
UNIQLO TRADING CO., LTD(China)
Other 83 companies

② Non-Consolidated Subsidiaries

Major non-consolidated firms:

GRAMEEN UNIQLO LTD.
UNIQLO (Germany) GmbH
Helmut Lang 32 Gansevoort LLC
UNIQLO Design Studio,NewYork,Inc
UNIQLO AUSTRALIA PTY LTD
GU (Shanghai) Trading Co.,Ltd.
Comptoir des Cotonniers (Shanghai) Trading Co.,Ltd.
PRINCESSE TAM.TAM (SHANGHAI) TRADING CO., LTD.

UNIQLO AUSTRALIA PTY LTD, GU (Shanghai) Trading Co.,Ltd., Comptoir des Cotonniers (Shanghai) Trading Co.,Ltd., PRINCESSE TAM.TAM (SHANGHAI) TRADING CO., LTD. are all new companies established in the current consolidated accounting period.

Reason for Exclusion from Consolidated Accounts

Owing to the small scale of operations at these non-consolidated subsidiaries, their total assets, sales, current-term net income and retained earnings exert little impact on the consolidated financial statements and so the companies have been excluded from the consolidated accounts.

(2) Equity Method Application

① Equity Method Non-Consolidated Subsidiaries and Affiliated Companies

Number of equity method non-consolidated subsidiaries and affiliates

None

② Non-Equity Method Non-Consolidated Subsidiaries and Affiliated Companies

Names of major companies:

Non-consolidated subsidiaries:
GRAMEEN UNIQLO LTD.
UNIQLO (Germany) GmbH
Helmut Lang 32 Gansevoort LLC
UNIQLO Design Studio,NewYork,Inc
UNIQLO AUSTRALIA PTY LTD
GU (Shanghai) Trading Co.,Ltd.
Comptoir des Cotonniers (Shanghai) Trading Co.,Ltd.
PRINCESSE TAM.TAM (SHANGHAI) TRADING CO., LTD.

UNIQLO AUSTRALIA PTY LTD, GU (Shanghai) Trading Co.,Ltd. Comptoir des Cotonniers (Shanghai) Trading Co.,Ltd.PRINCESSE TAM.TAM (SHANGHAI) TRADING CO., LTD. are all new companies established in the current consolidated accounting period.

Affiliated companies: None

Reason for Not Applying Equity Method Accounting

Equity method accounting is not applied to consolidated subsidiaries whose overall importance is low in terms of the amount of current-term net profit and retained earnings commensurate with the equity method and where the impact on the consolidated financial statements of excluding that subsidiary from the equity method would be slight.

(3) Changes to Scope of Consolidation and Equity Method Application

① Companies Subject to Changes in Scope of Consolidation

UNIQLO USA LLC, UNIQLO California LLC, UNIQLO New Jersey LLC were treated as a non-consolidated company through fiscal 2012, but having launched operations in fiscal 2013, the company is now considered to have increased in importance and consequently has been included in the consolidated accounts.

FAST RETAILING (SHANGHAI) TRADING CO.,LTD. ,PT. FASTRETAILING INDONESIA ,UNIQLO Connecticut LLC are new companies established in fiscal 2013 and so they are included in the consolidated accounts.

J Brand Holdings, LLC ,JB Intermediate Holdings, Inc., J Brand, Inc. are new companies acquired in fiscal 2013 and so they are included in the consolidated accounts.

Theory SCP, Inc., KOOKAI LINGERIE S.A. have been removed from the consolidated accounts owing to their liquidation in fiscal 2013.

② Companies Subject to Changes in Equity Method Application

No relevant companies.

(4) Financial Year Reporting of Consolidated Subsidiaries

The financial years at Fast Retailing (China) Trading Co., Ltd., Theory Shanghai International Trading Co., Ltd.、UNIQLO TRADING CO., LTD. (China) , FAST RETAILING (SHANGHAI) ENTERPRISE MANAGEMENT CONSULTING CO.,LTD , FAST RETAIL ING (SHANGHAI) TRADING CO.,LTD. and LLC UNIQLO(RUS) end on December 31 and so results for these firms' annual financial performance are based on a temporary set of business results generated to coincide with the Company's business year-end date of August 31.

(5) Accounting Standards

① Appraisal Standards and Evaluation Methods for Important Assets

a.	Shares of subsidiary firms and affiliates	Cost method based on gross average method
b.	Other marketable securities	With a market price: Market value method based on the market value registered on August 31, the Company's financial year end. (The valuation difference of marketable securities is reported directly on the income statement, while the cost price of products sold is calculated according to the moving average method.) With no market price: Mainly calculated using the gross average cost method
c.	Derivatives	Market value method
d.	Inventory assets	Products: Mainly treated under the identified cost method. (The balance sheet value is calculated by assessing the depreciation of the asset's book value based on reduced yield.) Inventory stock: Mainly calculated using the last cost method. (The balance sheet value is calculated by assessing the depreciation of the asset's book value based on reduced yield.)

② Depreciation of Depreciable Assets

a. Tangible fixed assets (excluding leased assets)	: Straight line method Expected serviceable life of major assets: Building & other structures: 3～50 years Equipment, fixtures and vehicles: 5 years
b. Intangible fixed assets (excluding leased assets)	: Straight line method. Software for internal corporate use calculated using the straight line method based on an estimated serviceable life of 3 to 5 years.
c. Leased assets	: Straight line method with the number of serviceable years set to coincide with the lease period and the residual value set at zero. Of the finance lease transactions that do not relate to transfer of ownership, lease transactions conducted by the Company and its Japan-based consolidated subsidiaries with a start-up date on or preceding August 31, 2008 are processed under normal lease accounting methods.

③ Recording of Significant Reserve Totals

Bad-debt reserves	: As provision for potential bad debts, loan loss ratios are recorded for general accounts receivable. Specified doubtful accounts receivable are reviewed individually to determine collectability and then an estimate for the non-recoverable portion is recorded.
Bonus payment reserves	: A portion of total estimated bonuses liable for payment in the current consolidated accounting period is recorded as provision for bonus payments to Company and Group employees.

④ Main Hedge Accounting Methods

The Company conducts some derivatives trading on forward exchange contracts in order to manage and hedge against the risk of exchange rate fluctuations linked with operations, and these transactions are processed using deferred hedge accounting. The foreign-currency financial assets and financial liabilities are created by the forward contracts are recorded under the appropriate headings on the balance sheet.

⑤ Method and Period of Goodwill Amortization

When goodwill is generated, each subsidiary firm is assessed individually, and, unless the monetary amount is extremely low, the goodwill is amortized using the straight line method with an appropriate amortization period (within 20 years of initial reporting) set according to the subsidiary’s current status.

⑥ Other Items Related to the Compilation of Consolidated Financial Statements

Accounting of Sales tax, etc.

The before-tax method is used.

(6) Changes to Methods of Presentation

The ‘Deferred Tax Liability’ component of the ‘Others’ column in ‘Current Liabilities’ increased in significance in monetary terms in fiscal 2012 and so it has been displayed under a separate heading from fiscal 2013. The deferred tax liability totalled ¥33.0 million in fiscal 2012.

The ‘Deferred Tax Liability’ component of the ‘Others’ column in ‘Fixed Liabilities’ increased in significance in monetary terms in fiscal 2012 and so it has been displayed under a separate heading from fiscal 2013. The deferred tax liability totalled ¥2,553 million in fiscal 2012.

(7) Changes to Accounting Estimates

In the past, we have depreciated the tangible assets held by our consolidated subsidiaries by setting the serviceable life of building constructions and fixtures at between 3 and 10 years depending on the number of years that each asset is actually used. However from fiscal 2013, we have made adjustments to the serviceable lifespan of a portion of the tangible assets which could clearly be used for a longer period than the original serviceable life suggests. However, adjustments have been kept within the original timeframe of 3 to 10 years, and so the impact on consolidated operating income, ordinary income and net income before taxes and other adjustments is minimal.

２. Notes on the Consolidated Balance Sheet

(1) Cumulative depreciation on tangible fixed assets

¥85,840mln

This total for cumulative depreciation includes accumulated impairment losses.

(2) Contingent Liabilities

Guarantee obligations on loans from financial institutions ¥8mln

３. Notes on Consolidated Statements of Changes in Net Assets

(1) Total Number of Shares Issued

Type of Stock	Number of Shares (as of end August 2012)
Common Stock	106,073,656

(2) Share Warrants

Number of Shares and Type of Stock For the Purpose of Share Warrants (Within the Exercise Period)
Common stock: 55,809 shares

(3) Dividends on Retained Earnings

① Dividend Payments

a. Dividend determined at the Board of Directors' meeting on November 5, 2012

- Total dividend payment 13,241,048,000 yen
- Dividend per share 130 yen
- Record date August 31, 2012
- Effective day November 26, 2012

b. Dividend determined at the Board of Directors' meeting on April 11, 2013

- Total dividend payment 14,263,548,000 yen
- Dividend per share 140 yen
- Record date February 28, 2013
- Effective day May 13, 2013

② Dividends with Fiscal 2013 Record Date and Fiscal 2014 Effective Day

The Board of Directors decided the following at its meeting on November 4, 2013:

- Total dividend payment 15,284,473,000 yen
- Dividend per share 150 yen
- Record date August 31, 2013
- Effective day November 22, 2013

４. Financial Instruments

(1) Items Relating to Current Financial Instruments

① Company Policy on Financial Instruments

In terms of the procurement of funds, the Fast Retailing Group works to ensure the effective utilization of group funds through the Group’s Cash Management Service (CMS) and also borrows funds from financial institutions. Any temporary surplus funds are invested at a fixed rate mainly in financial products with an extremely low risk of loss on the principal. The Company does not conduct speculative trading. Any trading of derivatives is restricted to forward contracts designed to reduce the risk of foreign exchange rate fluctuations.

②Financial Instruments: Components and Their Inherent Risk

Marketable securities are mainly held in money market funds (MMF) and so are exposed to fluctuations in market prices.

Rental and guarantee deposits are usually held under a lease agreement and so are exposed to the credit risk associated with the lessor.

Operating payables such as bills payable and accounts payable have a payment deadline of less than one year.

③ Risk Management System for Financial Instruments

a. Credit Risk Management (including the risk of default of contract, etc.)

Regarding rental and guarantee deposits, the Group seeks to minimize the risk of default by monitoring the financial health of counterparties regularly so that it can obtain an early understanding of any deterioration in financial conditions.

b. Market Risk Management (including the risk of fluctuations in exchange rates and interest rates, etc.)

Regarding operating payables denominated in foreign currencies, as a general rule the Company hedges against the risk of fluctuations in exchanges rates in individual currencies on a monthly basis using forward contracts and other instruments.

Regarding marketable securities, the Company monitors market prices regularly as well as the financial status of the issuer or counterparty company.

c. Managing Liquidity Risk of Fund Procurement (including inability to pay liabilities on their due date)

The Company manages its liquidity risk by compiling and revising cash management plans on a timely basis and by keeping ready money available at all times.

④ Supplementary Explanation on Current Value of Financial Instruments and Other Items

The current values of financial instruments are generally based on market price, but, in the absence of a market price, they are based on a rational estimation of value. The calculation of these estimated values can involve some variable factors and so the estimated values may change if different parameters are used.

(2) The Current Value of Financial Instruments

Amounts recorded on the consolidated balance sheet, their current value and the difference (August 31, 2013):

	Amount on the consolidated balance sheets	Market value	Difference
Cash and deposits	¥147,429 million	¥147,429 million	−¥million
Marketable securities	148,215	148,215	—
Derivatives Trading	113,641	113,641	—
Lease and guarantee deposits	47,997	47,057	-939
Notes and accounts payable-trade	(121,951)	(121,951)	—
Income taxes payable	(26,005)	(26,005)	—

(*) Items recorded as liabilities are displayed in parentheses.

Note: Method for calculating current value of financial instruments plus items on marketable securities and derivatives trading

Assets

Cash and Deposits

Given the fact that these are short-term instruments, the current value is very close to the book value and so the book value is recorded on the balance sheet.

Marketable Securities

The price of shares quoted on the stock exchange is recorded as the current value.

Given the fact that MMF and negotiable deposits are short-term instruments, the current value is very close to the book value and so the book value is recorded on the balance sheet.

Derivatives Trading

The calculation of current value is based on prices presented by financial institutions with which the Company does business.

Rental and Guarantee Deposits

The current value of deposits scheduled to be recovered at the end of a fixed period is calculated at the present value discounted over the period of the contract by the government bond yield closest to the expiry date of that contract.

Liabilities

Bills, Accounts and Income Tax Payables

Given the fact that these are short-term items, the current value is very close to the book value and so the book value is recorded on the balance sheet.

５. Notes on Asset Retirement Obligations

Asset Retirement Obligations Recorded on the Consolidated Balance Sheet

(1)Outline of These Asset Retirement Obligations

These obligations relate to the requirement stipulated in property lease agreements for the head office, other offices and stores to return any rented space to its original condition at the expiry of the lease period.

(2)Total Amount and Method of Calculating These Asset Retirement Obligations

The amount of asset retirement obligations is calculated using an estimate for the service life of the expected tenancy of generally six years from the day of acquisition, and a discount rate of 0.37%.

(3)Change in Amount of Asset Retirement Obligations in Fiscal 2013

Balance at beginning of fiscal 2013	¥6,196mln
Increase related to acquisition of tangible assets	¥1,679mln
Adjustment over time	¥87mln
Reduction resulting from redemption	- ¥226mln
Other changes	¥444mln
Balance at end of fiscal 2012	¥8,182mln

６. Notes on Business Acquisitions and Combinations

(1) The following information includes: the name and area of business of the acquired company; the main reason for the business acquisition; the date of acquisition; the legal form of acquisition; the name of the acquired company post acquisition; and the basis upon which the voting rights proportions and the acquiring company were determined.

① Name and Area of Business of the Acquired Company

Acquired Company: J Brand Holdings,LLC

Area of Business: Manufacture and retail of apparel

② Main Reasons for the Acquisition

・To expand the Fast Retailing Group’s portfolio of affordable luxury brands

・By acquiring J Brand Holdings as a Group company, the entire Group can benefit from J Brand’s expertise and knowledge of premium denim products in order to improve and develop their own denim ranges.

・To strengthen the Fast Retailing Group’s presence in the United States through the acquisition of a brand from Los Angeles, one of America’ core fashion bases.

③ Date of Acquisition
December 20, 2012

④ Legal Form of Acquisition
Acquisition of shares through cash purchases

⑤ Name of Company Post Acquisition
J Brand Holdings,LLC

⑥ Acquired Voting Rights
80.76%

⑦ Basis for Determining the Acquiring Company
To facilitate the cash purchase of the acquired company stock by a consolidated subsidiary of Fast Retailing Co., Ltd.

(2) Period of Performance of Acquired Company Included in the Consolidated Financial Statement December 21, 2012 through August 31, 2013

(3) Total Amount and Breakdown of Assets and Liabilities Acquired on the day of Purchase (Millions of yen)

Current Assets	4,673
Fixed Assets	38,506
Total Assets	43,180
Current Liabilities	1,423
Fixed Liabilities	8,255
Total Liabilities	9,679

(4) The Cost of Purchasing the Acquired Company plus Breakdown of those Costs (Millions of yen)

Cost of Acquisition	Money for Stock Purchases	26,834
Acquisition Cost		26,834

(5) Total Amount, Source, Method and Period of Amortization of Goodwill Related to the Acquisition

① Goodwill Related to the Acquisition: ¥18,737 million

② Source of Goodwill

Goodwill was generated when the price which the consolidated subsidiary of Fast Retailing Co., Ltd. was to pay for the acquisition of J Brand Holdings, LLC exceeded the market value of the net assets of J Brand Holdings, LLC at the point of acquisition. This includes the tax effect realized when the acquisition cost was allocated.

③ Method and Period of Goodwill Amortization
Straight-line amortization over a 10-year period

(6) Estimated Effect on the Consolidated Income Statement when Acquisition is Assumed to be Completed by the First Day of Fiscal 2013

The item has not been detailed since the impact of the acquisition is considered to be minimal.

7. Notes on Information Displayed Per Share

Net assets per share	5,489.86 yen
Net income per share in fiscal 2012	887.12 yen
Net income per share fully diluted	886.31 yen

８. Notes on Significant Subsequent Events

The Issue of Stock-based Compensation Stock Options (Share Warrants)

Based on Articles 236, 238 and 240 of the Companies Act and on the decision taken by the Board of Directors at its meeting held on October 10, 2013, the Company decided to issue share warrants as stock-based compensation stock options for the purpose of rewarding employees of the Company and Group subsidiaries for their contribution to Group profit. By linking the Company's share price more closely to the benefits received by highly productive personnel, the stock option program is designed both to boost staff morale and their motivation to improve group performance and to boost shareholder value by strengthening business development with a focus on shareholder return.

(1) Third Issuance of Type A Share Warrants by Fast Retailing Co., Ltd.

① Total Number of Share Warrants
13,500 (maximum)

② Type and Number of Shares Used for Share Warrants
Fast Retailing Co., Ltd. common stock: 13,500 shares (maximum)

③ Amount Paid in Share Warrants
The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted and rounded up to the nearest yen.

④ Exercise Period for Share Warrants
November 12, 2016 through November 11, 2026

⑤ Allocation of Share Warrants by Person and Operation
19 employees of Fast Retailing Co., Ltd.
11 employees of Fast Retailing Group subsidiaries

⑥ Share Warrants Allocation Date
November 12, 2013

(2) Third Issuance of Type B Share Warrants by Fast Retailing Co., Ltd.

① Total Number of Share Warrants
30,000 (maximum)

②Type and Number of Stock Used for Share Warrants
Fast Retailing Co., Ltd. Common stock: 30,000 shares (maximum)

③Amount Paid in Share Warrants
The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted and rounded up to the nearest yen.

④ Exercise Period for Share Warrants
December 12, 2013 through November 11, 2023

⑤ Allocation of Share Warrants by Person and Operation
180 employees of Fast Retailing Co., Ltd.
730 employees of Fast Retailing Group subsidiaries

⑥ Share Warrants Allocation Date
November 12, 2013

Balance Sheet

(as of August 31, 2013)

Millions of yen

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	**235,594**	**Current liabilities**	**30,308**
Cash and deposits	41,589	Account payable	3,728
Accounts receivable	16,448	Accrued expenses	882
Short term investment securities	138,156	Deposit received	22,876
Short term loan to affiliated company	20,922	Accrued bonus	827
Income tax refund receivable	8,458	Other	1,992
Accounts receivable to affiliated company	9,162	**Non current liabilities**	**4,047**
Other	858	Deposit payable	1,109
Allowance for doubtful account	−2	Deferred tax liabilities	2,440
Non current assets	**134,515**	Other	497
（Intangible assets）	-3,555	**Total liabilities**	**34,356**
Non current assets	2,124		
Structures	95	**Net assets**	
Furniture and equipment	168	**Net assets**	**341,838**
Land	1,158	Capital stock	10,273
Leased assets	8	Capital surplus	5,963
（Investments and other assets）	-15,247	Additional paid-in capital	4,578
Software	12,549	Other capital surplus	1,384
Software in progress	2,603	Retained earnings	341,452
Other	95	Legal retained earnings	818
(Investment and other assets）	-115,712	Other retained earnings	340,634
Investment securities	403	Special reserve	185,100
Stocks of subsidiaries and affiliates	85,561	Retained earnings-carried over	155,534
Investment in affiliates	9,992	Treasury stock	−15,851
Long term loan to affiliated company	18,244	**Valuation and translation adjustments**	**−6,980**
Lease and guarantee deposit	3,957	Valuation difference on available- for-sale securities	−6,980
Other	700	**Subscription rights to shares**	**896**
Allowance for doubtful accounts	−3,146	**Total net assets**	**335,754**
Total assets	**370,110**	**Total liabilities and net assets**	**370,110**

Consolidated Statements of Income

(September 1, 2012 – August 31, 2013)

Millions of yen

Account	Amount	
Operating revenue		91,570
Operating expenses		25,165
Operating income		**66,404**
Non operating income		
Interest income	34	
Interest on securities	148	
Foreign exchange income	9,904	
Other	151	10,239
Non operating expenses		
Interest expenses	39	
Other	35	74
Ordinary income		**76,569**
Extraordinary loss		
Loss on retirement of noncurrent assets	58	
provision of allowance for doubtful accounts	857	916
Income before income taxes		**75,653**
Income taxes current	**5,233**	
Income taxes deferred	**1,643**	**6,877**
Net income		**68,776**

Note: Amounts have been rounded down to the nearest million yen.

Consolidated Statements of Changes in Net Assets

(September 1, 2012 – August 31, 2013)

Millions of yen

	Net assets									
	Capital stock	Capital surplus			Retained earnings				Treasury stock	Total net assets
		Capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						Special reserve	Retained earnings-carried over			
Balance at September 1, 2011	10,273	4,578	962	5,541	818	185,100	114,262	300,180	-16,003	299,992
Net change during the year										
Dividends from surplus							-27,504	-27,504		-27,504
Net income							68,776	68,776		68,776
Increase in treasury stock									-9	-9
Decrease in treasury stock									161	161
Issuance of new shares （Exchange of subscription rights of shares）			421	421						421
Other net change during the year										
Total net change during the year	―	―	421	421	―	―	41,271	41,271	152	41,845
Balance at August 31, 2012	10,273	4,578	1,384	5,963	818	185,100	155,534	341,452	-15,851	341,838

	Valuation and translation adjustments		Subscription rights to shares	Total net asset
	Valuation difference on available-for sale securities	Total valuation and translation adjustments		
Balance at September 1, 2011	-16,433	-16,433	755	284,314
Net change during the year				
Dividends from surplus				-27,504
Net income				68,776
Increase in treasury stock				-9
Decrease in treasury stock				161
Issuance of new shares （Exchange of subscription rights of shares）				421
Other net change during the year	9,453	9,453	140	9,594
Total net change during the year	9,453	9,453	140	51,439
Balance at August 31, 2012	-6,980	-6,980	896	335,754

Notes to the Company Financial Statements

１. Important Accounting Policy

(1)Appraisal Standards and Evaluation Method for Marketable Securities

① Shares of subsidiary firms and affiliates	Cost method based on gross average method
② Other marketable Securities	With a market price: Market value method based on the market value registered on August 31, the Company's financial year end. (The valuation difference of marketable securities is reported directly on the income statement, while the cost price of products sold is calculated according to the moving average method.) With no market price: Mainly calculated using the gross average cost method

(2)Depreciation of Fixed Assets

① Tangible fixed assets (excluding leased assets)	: Straight line method Expected serviceable life of major assets: Building & other structures: 5～10 years Equipment and fixtures: 5 years
② Intangible fixed assets (excluding leased assets)	Straight line method. Software for internal corporate use calculated using the straight line method based on an estimated serviceable life of 5 years.
③ Leased assets	: Straight line method with the number of serviceable years set to coincide with the lease period and the residual value set at zero. Of the finance lease transactions that do not relate to transfer of ownership, lease transactions with a start-up date on or preceding August 31, 2008 are processed under normal lease accounting methods.

(3)Recording of Reserves

Bad debt reserves	: As provision for potential bad debts, loan loss ratios are recorded for general accounts receivable. Specified doubtful accounts receivable are reviewed individually to determine collectability and then an estimate for the non-recoverable portion is recorded.
Bonus payment reserves	: A portion of total estimated bonuses liable for payment in the current business year is recorded as provision for bonus payments to employees.

(4) Accounting of Sales Tax, etc.

The before-tax method is used.

２. Notes on the Balance Sheet

(1) Accumulated depreciation for tangible fixed assets ¥4,849 millions

(2) Monetary claim and debt for affiliates

① Short term monetary claim	¥16,371 millions
② Short term monetary debt	¥24,991 millions
③ Long term monetary claim	¥227 millions

(3) The payables to directors

Short term monetary claim	¥1 millions

(4) Contingent liabilities

① Guarantee obligation for rent	¥41,579 millions
② Guarantee obligation for duty delayed payment	¥76 millions
③ Guarantee obligation for loan	¥25,526 millions

３. Notes on the Income Statement

Business turnover with affiliates companies

Business turnover	¥89,263 millions
Non-business turnover	¥37 millions

４. Notes on the Statement of Changes in Net Assets

The number of the kind of treasury stock and stocks

Kind of shares	Number of shares at the end of August 2013（shares）
Common shares	4,177,164

５. Notes on Tax-Effect Accounting

Main breakdown by the cause of the deferred tax assets and the deferred tax liabilities

Deferred tax assets		Millions of yen
Accrued bonus	339	
Over depreciation amount	409	
Devaluation amount for stocks of affiliates	16,400	
Provision for bad debt allowance	1,122	
Valuation difference on available-for sale securities	2,509	
Other	3,075	
Subtotal deferred tax assets	23,858	
Valuation reserve amount	-23,858	
Total deferred tax assets	1,663	
Deferred tax liabilities		Millions of yen
Asset retirement obligation	53	
Deemed transfer loss for the stocks of affiliates	2,203	
Other	183	
Total deferred tax liabilities	2,440	
Net deferred tax assets	-2,440	Millions of yen

６. Notes on the Financial Relationship with Specific Group Firms

	Name of the companies	Location	Capital stock or investment (Millions of yen)	Contents of the business	% of shares	Relations with the associated person concerned	Contents of the transaction	Amount of transaction (Millions of yen)	Account	Balance at August 31,2012 (Millions of yen)
Consolidated subsidiary	UNIQLO CO., LTD.	Yamaguchi-city Yamguchi	1,000	Clothing related business	100	Relation of trademark use agreement Concurrently serve as directors	Receipt of royalty etc. (Note:1)	22,064	Account receivables	9,341
							Advance payment for the recharge expenses	5,545	Account receivables from affiliates	7,383
							Custody of the fund by the deposition contract （Note:2）	9,790	Deposit received	10,418
Consolidated subsidiary	FAST RETAILING USA,Inc.	New York, USA	3,494	Clothing related business	100	Relation of service rendering Concurrently serve as directors	Loan of funds （Note:2）	5,299	Short-term loan receivable with interest for affiliate	5,249
							Undertaking of the increase of capital （Note:3）	12,642	Long-term loan receivable with interest for affiliate	11,029
							Loan guarantee （Note:4）	58,206	－	－
Consolidated subsidiary	FAST RETAILNG FRANCE S.A.S.	Paris, France	22,563	Clothing related business	100	Concurrently serve as directors	Loan of funds （Note:2）	6,301	Short-term loan receivable with interest for affiliate	11,189
									Long-term loan receivable with interest for affiliate	3,511
							Loan guarantee （Note:4）	7,813	－	－
Consolidated subsidiary	UNIQLO(U.K.)LTD.	London UK	4,201	Clothing related business	100	Relation of service rendering Concurrently serve as directors	Loan of funds （Note:2）	190	Short-term loan receivable with interest for affiliate	1,312
									Long-term loan receivable with interest for affiliate	3,875
									allowance for doubtful accounts	3,146
									provision of allowance for doubtful accounts	857
Consolidated subsidiary	G.U.CO.,LTD.	Yamaguchi-city Yamguchi	10	Clothing related business	100	Relation of service rendering Concurrently serve as directors	Custody of the fund by the deposition contract （Note:2）	4,503	Deposit received	11,223

Terms of business and how they are determined

Notes 1: Fast Retailing Co., Ltd. receives payments including royalties for the use of the UNIQLO brand. Royalty payments equal a fixed proportion of sales. The rate is determined using a reasonable and uniform standard across the entire corporate group.

2: The rate of interest on loans or deposits is set at a reasonable rate with due consideration of current market rates. In addition, the transaction amount of any fund deposit is listed as the net balance of monies deposited and withdrawn.

3: The underwriting of increased capital relates to the monetary guarantee provided when Fast Retailing USA, Inc increased its capital stock.

4: The Company provides debt guarantees for borrowing and rental payments.

(2)Directors and Major Individual Shareholders

Type	Name of Company or Individual	Location	Capital or Investment (Millions of yen)	Business type or profession	Percentage of voting rights	Relationship with The Company	Nature of Business	Monetary Value of Business (Millions of yen)	Item	Period-end Balance (Millions of yen)
Director	Toru Murayama	—	—	Director of Fast Retailing Co., Ltd.	0.0	Subcontractor	Consulting contract for the training of management personnel (Note 1)	11	Outstanding unpaid amount	1

Conditions of business and how they are determined

Notes 1: The remuneration for the consulting contract is determined by negotiating partners after considering the current market price for the work conducted.

2: The monetary value of business conductions is exclusive of sales tax.

7 . Notes on Leased Fixed Assets

The Company uses financing lease contracts that do not involve the transfer of ownership for fixed assets recorded on the balance sheet and some business support systems.

(1)Equivalent acquisition costs on leased property, cumulative depreciation and fiscal year-end balance

Acquisition of leased property	—
Cumulative depreciation	—
Balance at fiscal year-end	—

(2)Balance of unexpired leases at the end of fiscal 2013

1 year or less	—
More than one year	—
Total	—

(3)Lease payments, depreciation and interest expense equivalents

Lease payments	¥1mln
Depreciation	—
Interest expense	¥0mln

(4)Calculation of depreciation

Straight line method with the number of serviceable years equal to the lease period and the residual value set at zero.

(5)Calculation of interest

The interest equivalent is set as the difference between the total cost of the lease and the cost of acquiring leased property, and the interest method is used to calculate the proportion to be allocated to each financial period.

８. Notes on Asset Retirement Obligations

Asset Retirement Obligations Recorded on the Balance Sheet

(1)Outline of These Asset Retirement Obligations

These obligations relate to the requirement stipulated in property lease agreements for the head office, other offices and stores to return any rented space to its original condition at the expiry of the lease period.

(2) Total Amount and Method of Calculating These Asset Retirement Obligations

The amount of asset retirement obligations is calculated using an estimate for the service life of the expected tenancy of generally five years from the day of acquisition, and a discount rate of 0.27%.

(3) Change in Amount of Asset Retirement Obligations in Fiscal 2013

Balance at beginning of fiscal 2012	¥469mln
Increase related to acquisition of tangible assets	-
Adjustment over time	¥2mln
Redemption	-
Other changes	-
Balance at end of fiscal 2012	¥469mln

９. Notes on Information Displayed Per Share

Net assets per share	3,286.26 yen
Net income per share	675.09 yen
Net income per share fully diluted	674.48 yen

10. Notes on Significant Subsequent Events

The Issue of Stock-based Compensation Stock Options (Share Warrants)

Based on Articles 236, 238 and 240 of the Companies Act and on the decision taken by the Board of Directors at its meeting held on October 10, 2013, the Company decided to issue share warrants as stock-based compensation stock options for the purpose of rewarding employees of the Company and Group subsidiaries for their contribution to Group profit. By linking the Company's share price more closely to the benefits received by highly productive personnel, the stock option program is designed both to boost staff morale and their motivation to improve group performance and to boost shareholder value by strengthening business development with a focus on shareholder return.

(1) Third Issuance of Type A Share Warrants by Fast Retailing Co., Ltd.

① Total Number of Share Warrants
13,500 (maximum)

② Type and Number of Shares Used for Share Warrants
Fast Retailing Co., Ltd. common stock: 13,500 shares (maximum)

③ Amount Paid in Share Warrants
The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted and rounded up to the nearest yen.

④ Exercise Period for Share Warrants
November 12, 2016 through November 11, 2026

⑤ Allocation of Share Warrants by Person and Operation
19 employees of Fast Retailing Co., Ltd.
11 employees of Fast Retailing Group subsidiaries

⑥ Share Warrants Allocation Date
November 12, 2013

(2) Third Issuance of Type B Share Warrants by Fast Retailing Co., Ltd.

① Total Number of Share Warrants
30,000 (maximum)

②Type and Number of Stock Used for Share Warrants
Fast Retailing Co., Ltd. Common stock: 30,000 shares (maximum)

③Amount Paid in Share Warrants
The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted and rounded up to the nearest yen.

④ Exercise Period for Share Warrants
December 12, 2013 through November 11, 2023

⑤ Allocation of Share Warrants by Person and Operation
180 employees of Fast Retailing Co., Ltd.
730 employees of Fast Retailing Group subsidiaries

⑥ Share Warrants Allocation Date
November 12, 2013

Annual General Meeting Reference Materials

Proposal: The Election of Six Company Directors

The term of service for six company directors (the entire Board of Directors) expires at the conclusion of this Annual General Meeting. So we seek your approval for the election of the following six candidates as company directors.

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)		Shareholding in Fast Retailing Co., Ltd.
1	Tadashi Yanai (February 7, 1949)	Aug. 1972	Joined FAST RETAILING CO., LTD.	22,987,284 shares
		Sep. 1972	Director, FAST RETAILING CO., LTD.	
		Aug. 1973	Senior Managing Director, FAST RETAILING CO., LTD.	
		Sep. 1984	President & CEO, FAST RETAILING CO., LTD.	
		Jun. 2001	External Director, SOFTBANK CORP. (current)	
		Nov. 2002	Chairman and CEO, FAST RETAILING CO., LTD. (currently Chairman, President and CEO)	
		Feb. 2004	Chairman, LINK HOLDINGS CO., LTD. (currently LINK THEORY JAPAN CO., LTD.)	
		Nov. 2004	Chairman, UNIQLO USA, Inc. (currently FAST RETAILING USA, Inc.)	
		Mar. 2005	Chairman, ONEZONE CORPORATION (currently G.U. CO., LTD.)	
		Apr. 2005	Director Chairman, LINK THEORY HOLDINGS CO., LTD. (currently LINK THEORY JAPAN CO., LTD.)	
		Apr. 2005	Chairman, FR FRANCE S.A.S. (currently FAST RETAILING FRANCE S.A.S.)	
		Apr. 2005	Chairman, GLOBAL RETAILING FRANCE S.A.S. (currently UNIQLO FRANCE S.A.S.)	
		Jun. 2005	External Director, SPARX Asset Management Co., Ltd. (current SPARX Group Co., Ltd.)	
		Sep. 2005	Chairman, President and CEO, FAST RETAILING CO., LTD. (current)	
		Nov. 2005	Chairman, President and CEO, UNIQLO CO., LTD. (current)	
		Nov. 2005	Chairman, UNIQLO (U.K.) LTD.	
		Sep. 2008	Chairman, GOV RETAILING CO., LTD. (currently G.U. CO., LTD.) (current)	
		Sep. 2008	Chairman & CEO, FR FRANCE S.A.S. (currently FAST RETAILING FRANCE S.A.S.)	
		Jun. 2009	External Director, Nippon Venture Capital Co., Ltd. (current)	
		Sep. 2011	Chairman, G.U. CO., LTD. (current)	
		Nov.2011	Chairman, LINK THEORY JAPAN CO., LTD. (current)	

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)		Shareholding in Fast Retailing Co., Ltd.
2	Toru Hambayashi (January 7, 1937)	Apr. 1959	Joined Nichimen Company Limited (currently Sojitz Corporation)	0 Share
		Oct. 2000	President, Nichimen Corporation (currently Sojitz Corporation)	
		May 2002	International Senior Economic Consultant, The People's Government of Shaanxi Province (P.R. China) (current)	
		Apr. 2003	Chairman and Representative Director, Sojitz Holdings Corporation (currently Sojitz Corporation)	
		Jun. 2004	Auditor, UNITIKA Ltd. (current)	
		Nov. 2005	External Director, FAST RETAILING CO., LTD. (current)	
		Jun. 2007	External Director, MAEDA CORPORATION (current)	
		Apr. 2009	Adviser, The Association for the Promotion of International Trade, Japan(current)	
		Jun. 2011	External Director, DAIKYO INCORPORATED (current)	

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)		Shareholding in Fast Retailing Co., Ltd.
3	Nobumichi Hattori (December 25, 1957)	Apr. 1981	Joined Nissan Motor Co., Ltd.	0 Share
		May.1989	Finished Master's Degree Program at Massachusetts Institute of Technology Sloan School of Management	
		Jun. 1989	Joined Goldman Sachs and Company, Headquarters (New York)	
		Nov. 1998	Managing Director, M&A Advisory, Goldman Sachs (Japan) Ltd.	
		Oct. 2003	Visiting Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University	
		Jun. 2005	External Director, Miraca Holdings Inc. (current)	
		Nov. 2005	External Director, FAST RETAILING CO., LTD. (current)	
		Oct. 2006	Visiting Professor, Graduate School of International Corporate Strategy, Hitotsubashi University (current)	
		Apr. 2009	Visiting Professor, Waseda Graduate School of Finance, Accounting and Law (current)	

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)		Shareholding in Fast Retailing Co., Ltd.
4	Toru Murayama (June 11, 1954)	Apr. 1980	Joined Arthur Andersen & Co. (currently Accenture Japan Ltd.)	500 Shares
		Apr. 1998	Part-time Lecturer, Undergraduate School of Science and Engineering, Waseda University	
		Apr. 2001	Special Invited Professor, Undergraduate School of Commerce, Meiji University	
		Apr. 2003	Representative Director and President, Accenture Japan Ltd	
		Apr. 2005	Visiting Professor, Undergraduate School of Science and Engineering, Waseda University	
		Apr. 2006	Director and Vice Chairman, Accenture Japan Ltd.	
		Jun. 2006	External Director, SPARX Asset Management Co., Ltd. (currently SPARX Group Co., Ltd.)	
		Sep. 2007	Director and Chairman, Accenture Japan Ltd.	
		Nov. 2007	External Director, FAST RETAILING CO., LTD. (current)	
		Apr. 2008	Visiting Professor, Comprehensive Research Organization, Waseda University	
		Apr. 2009	Advisor, Waseda University	
		Sep. 2009	Corporate Advisor, Accenture Japan Ltd.	
		Apr. 2010	Professor, Faculty of Science and Engineering, Waseda University (current)	
		Oct.2011	Advisor, Microsoft Japan Co., Ltd. (current)	
		Jan.2013	President, Office Murayama(current)	

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)	Shareholding in Fast Retailing Co., Ltd.
5	Masaaki Shintaku (September 10, 1954)	Apr. 1978 Joined IBM Japan, Ltd. Dec. 1991 Joined Oracle Corporation Japan Aug. 1994 Director, Oracle Corporation Japan Aug. 1998 Managing Director, Oracle Corporation Japan Aug. 2000 President & CEO, Oracle Corporation Japan Jan. 2001 Executive Vice President, Oracle Corporation Apr. 2008 Vice Chairman, Special Olympics Nippon (currently Special Olympics Nippon Foundation) (current) Jun. 2008 Chairman, Oracle Corporation Japan Aug. 2008 Executive Advisor, Oracle Corporation Japan Mar. 2009 Advisor, FAST RETAILING CO., LTD. May. 2009 Advisory Board Member, NTT DOCOMO, INC. (current) Nov. 2009 External Director, FAST RETAILING CO., LTD. (current) Jul. 2011 External Director, COOKPAD Inc. (current)	0 Share

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)	Shareholding in Fast Retailing Co., Ltd.
6	Takashi Nawa (June 8, 1957)	Apr. 1980 Joined Mitsubishi Corporation Apr. 1991 Joined McKinsey & Company Jun. 2010 Appointed professor of The Graduate School of International Corporate Strategy (ICS), Hitotsubashi University (current) Jun. 2010 Appointed president of Genesis Partners (current) Sep. 2010 Senior advisor to Boston Consulting Group (current) Jun. 2011 Appointed external director at NEC Capital Solutions (current) Sep. 2010 Appointed president of Next Smart Lean Co., Ltd. (current) Nov. 2012 External Director, FAST RETAILING CO., LTD. (current)	0 Share

1. Toru Hambayashi, Nobumichi Hattori, Toru Murayama, Masaaki Shintaku and Takashi Nawa are all candidates for external director. The Tokyo Stock Exchange has been notified that Toru Hambayashi, Nobumichi Hattori and Masaaki Shintaku serve as independent directors.
2. Director Toru Murayama is the president of Office Murayama. Fast Retailing Co., Ltd. currently has a consulting subcontract with Office Murayama relating to the training of management personnel.
3. Fast Retailing Co., Ltd. has no specific interests or agreements with any of the other candidates for director.
4. Notes on the candidates for external company director

(1) Reasons for selection as candidates for external company director:

① Toru Hambayashi is considered a suitable candidate for external director with many years of top management experience at a large trading company. His knowledge of the apparel retailing industry is also valuable to Fast Retailing as the company seeks to expand its apparel-related operations.

② Nobumichi Hattori is considered a suitable candidate for external director because of his career background at a large American investment bank. Currently an M&A specialist, his experience is also to Fast Retailing as the company seeks to expand its operations through mergers and acquisitions.

③ Toru Murayama is considered a suitable candidate for external director because his broad and deep knowledge of management principles and first-hand experience in senior management at an American consulting firm has proved valuable in steering the expansion of Fast Retailing Group operations.

④ Masaaki Shintaku is considered a suitable candidate for external director because his broad and deep knowledge of management principles and first-hand experience in senior management at an American information systems company has proved valuable in helping steer the expansion of Fast Retailing Group operations.

⑤ Takashi Nawa is considered a suitable candidate for external director because of his experience working in an American consulting firm and as professor of The Graduate School of International Corporate Strategy (ICS) at Hitotsubashi University. His rich knowledge and experience of international corporate strategy would be valuable in helping steer the expansion of Fast Retailing Group operations.

(2) Length of service of external directors

At the conclusion of this Annual General Meeting, Toru Hambayashi and Nobumichi Hattori will have served as external directors at Fast Retailing Co., Ltd. for a period of eight years, Toru Murayama for a period of six years, Masaaki Shintaku for a period of four years, Takashi Nawa for a period of one year.

(3) Outline of external directors' limited liability contract

In order to enable external directors to fulfil their roles to the best of their ability and meet the expectations of the Board and shareholders, Fast Retailing Co., Ltd. has signed a limited liability contract with Toru Hambayashi, Nobumichi Hattori, Toru Murayama, Masaaki Shintaku, and Takashi Nawa limiting liability for damages as stipulated in Article 423, paragraph 1 of the Companies Act. This contract will be extended in the event that these five persons are re-elected as external directors. An outline of the said contract is detailed below.

The said contract is based on the provisions in Article 427, paragraph 1 of the Companies Act which limit the liability for damages as stipulated in Item 1, Article 423 of the Companies Act. The contract states that liability for damages will be limited to the higher of two figures: either 5 million yen or the amount stipulated by law.