FAST RETAILING

FAST RETAILING CO., LTD.

迅銷有限公司*

(Incorporated in Japan with limited liability)

(Stock Code: 6288)

CONVOCATION NOTICE
FOR THE 53RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

The following set out the Convocation Notice for the 53rd Ordinary General Meeting of Shareholders of FAST RETAILING CO., LTD. (the "Company") to be held as detailed hereinafter, and your attendance is cordially requested.

As the Hong Kong Depositary Receipts ("HDRs") holders of the Company are entitled to instruct the Depositary or its nominee to attend and vote at the 53rd Ordinary General Meeting of Shareholders, extracted version of this Convocation Notice together with the proxy form for the 53rd Ordinary General Meeting of Shareholders will be sent to them by post.

By order of the Board
FAST RETAILING CO., LTD.
Mitsuru Ohki
Joint Company Secretary

Japan, 4 November 2014

As at the date of this announcement, our executive director is Tadashi Yanai, our non-executive directors are Toru Murayama and Takashi Nawa and our independent non-executive directors are Toru Hambayashi, Nobumichi Hattori and Masaaki Shintaku.

** For Identification Purpose Only*

Notes:

(1) This Notice is made for the holders of shares in FAST RETAILING CO., LTD. on 31 August 2014 and is translated from the Japanese Convocation Notice.

(2) The record date for determining the list of eligible Shareholders entitled to attend and vote at our ordinary general meeting of shareholders is 31 August each year under our Articles of Incorporation. Therefore our shareholders who have acquired our shares after the record date of 31 August 2014 are not entitled to attend and vote at "THE 53RD ORDINARY GENERAL MEETING OF SHAREHOLDERS". HDR holders who have acquired our HDRs after the record date of 31 August 2014 are not entitled to instruct the Depositary or its nominee to attend and vote at "THE 53RD ORDINARY GENERAL MEETING OF SHAREHOLDERS" under the terms of the Depositary Agreement.

Securities Code: 9983
4 November 2014
Tadashi Yanai
Chairman, President and Chief Executive Officer

FAST RETAILING CO., LTD.
717-1 Sayama, Yamaguchi City, Yamaguchi 754-0894, Japan

CONVOCATION NOTICE
FOR THE 53RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

Notice is hereby given that the 53rd Ordinary General Meeting of Shareholders of FAST RETAILING CO., LTD. (the "Company") will be held as detailed hereinafter, and your attendance is cordially requested.

In the event that you are unable to attend the meeting, you may exercise your voting rights using the method below. To do so, we kindly ask that you first examine "THE REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS" set out later in this document, and then exercise your voting rights by the closure of the Company's business (6:00 p.m., Japan time) on Wednesday, 19 November 2014.

Exercise of Voting Rights in Writing

Please indicate on the Voting Rights Exercise Form enclosed herewith your approval or disapproval of the proposals and return the form. The form must reach the Company by the above-mentioned deadline.

Particulars

1. Date and time: Thursday, 20 November 2014 at 10 a.m., Japan time

2. Location: Main Conference Room, Head Office Conference Building
717-1 Sayama, Yamaguchi City, Yamaguchi, Japan

3. Matters to be dealt with at the Meeting:

Matters for Reporting

1. Reports on the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 53rd fiscal year (from 1 September 2013 to 31 August 2014)
2. Report on results of the audit of the Consolidated Financial Statements by the Accounting Auditors and the Board of Statutory Auditors for the 53rd fiscal year (from 1 September 2013 to 31 August 2014)

Matters for Resolution

First Item of Business Election of Six (6) Directors

Second Item of Business Election of Two (2) Statutory Auditors

– End of convocation notice –

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* Attendees are kindly requested to submit the enclosed Voting Rights Exercise Form at the reception desk at the entrance of the meeting room.
* The Convocation Notice can be found on the Company's website on the Internet (http://www.fastretailing.com/jp/ir). In the event any changes are made to "THE REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS" or to the "Business Report", the "Consolidated Financial Statements", or the "Non-Consolidated Financial Statements", those matters as changed shall be posted on the Company's website.
* For the purpose of reducing resource consumption, we will not send notices of resolutions and other notices after the Ordinary General Meeting of Shareholders and will post such notices on the Company's website (http://www.fastretailing.com/jp/ir) for this meeting and future meetings. Thank you for your understanding.

(Attachment)

Business Report

53rd Consolidated Fiscal Year

(1 September 2013 to 31 August 2014)

1. Group

(1) Business in the Consolidated Fiscal Year Ended 31 August 2014

The Group decided to apply new financial reporting standards starting from the year ended 31 August 2014, changing from generally accepted accounting principles in Japan ("JGAAP") to International Financial Reporting Standards ("IFRS"). Comparative information for the year ended 31 August 2013 have been recalculated using IFRS in order to facilitate comparative analysis of the Group's performance and financial conditions.

(i) Progress of Business and Results

The Group reported the following consolidated results for the full financial year spanning 1 September 2013 to 31 August 2014: consolidated revenue of ¥1.383 trillion (+21.0% year-on-year), consolidated operating profit of ¥130.4 billion (-2.8% year-on-year), consolidated profit for the year of ¥79.3 billion (-26.2% year-on-year), and profit for the year attributable to owners of the parent of ¥74.5 billion (-28.7% year-on-year). The recent sharp fall in consolidated operating profit was due in the main to the recording of a ¥19.3 billion impairment loss in our J Brand premium denim operation, along with ¥4.6 billion impairment losses on stores. Profit for the year also contracted considerably on the back of a significant fall in finance income from ¥22.2 billion in the year ended 31 August 2013 to ¥6.0 billion in the year ended 31 August 2014.

Both the UNIQLO Japan and UNIQLO International business segments reported gains in sales and profit for the full business year, with performance at UNIQLO International proving particularly strong. However, the Global Brands segment reported a fall in profit, after recording an impairment loss on the J Brand premium denim label.

The Group's medium-term vision is to become the world's number one apparel manufacturer and retailer. In pursuit of this aim, we are committed to promoting globalization, strengthening our overall Group management, and reigniting our entrepreneurial spirit. We have focused much of our efforts on building up our global UNIQLO operations, by accelerating the pace of new store openings outside of Japan. We have also opened global flagship stores, hotspot stores, and large-format stores in major cities around the world, in order to boost the awareness and visibility of the UNIQLO brand, and to strengthen our global operational base. Within our Global Brands segment, we have been actively expanding our GU casualwear brand and our Theory fashion label.

UNIQLO Japan

UNIQLO Japan achieved rising sales and profit in the full business year ended 31 August 2014. Revenue rose to ¥715.6 billion (+4.7% year-on-year), and operating profit expanded to ¥106.3 billion (+11.6% year-on-year). This strong performance was due in part to a 1.9% rise in sales in existing stores, and in part to a rise in total sales per store. The latter was achieved through our "scrap and build" strategy of gradually increasing the size of our store stock by replacing smaller, less efficient stores with large-scale outlets. The number of UNIQLO Japan stores, excluding 21 franchise outlets, totaled 831 stores at the end of August 2014. The 1.9% rise in sales in existing stores can be broken down into a 2.4% reduction in customer visits and a 4.5% increase in the average customer spending. The gross profit margin improved by 2.6%, thanks to strong sales of core spring and summer ranges, and new products. However, the selling, general and administrative expenses to net sales ratio increased 1.8%. This was due mainly to higher in-store personnel costs for part time and temporary workers, and higher distribution and warehousing costs related to the Company’s decision to boost inventory of basic year-round items.

UNIQLO International

UNIQLO International reported significant gains in both sales and profit in the full business year ended 31 August 2014. Revenue expanded considerably to ¥413.6 billion (+64.7% year-on-year), and operating profit rose to an impressive ¥32.9 billion (+165.1% year on-year). Various regions within the UNIQLO International framework reported especially strong gains in sales and profit, including Greater China (Mainland China, Hong Kong, and Taiwan), South Korea, and Europe. Continued buoyant growth in sales in existing stores underpinned the strong performance reported by each of these operations. The total number of UNIQLO International stores expanded by 187 to 633 stores at the end of August 2014.

As mentioned above, UNIQLO Greater China achieved strong gains in both sales and profit over the full business year, with the total number of UNIQLO stores in that region expanded to 374 at the end of August. Thanks to strong gains in sales in existing stores, the full year performance from UNIQLO South Korea outstripped the Company’s estimates. By the end of August 2014, UNIQLO South Korea had boosted its store total to 133 stores. UNIQLO Southeast Asia and Oceania reported increase in sales and profit, and boasted a total network of 80 stores at the end of August. The first UNIQLO store in Australia opened in Melbourne in April 2014, and it continues to perform well.

UNIQLO USA generated a strong performance in the first half of the business year from September 2013 to February 2014. However, the cool summer had an adverse impact on sales in the second half from March to August 2014. Taking that into account, along with some additional costs incurred in relation to the early opening of a few new stores, the operating loss for the US operations remained roughly at the same level as the previous year. UNIQLO Europe, including the United Kingdom, France, Russia, and Germany, reported gains in both sales and profit over the full business year ended 31 August 2014. The global flagship store opened in Berlin in April 2014 was the first UNIQLO outlet to be opened in Germany. It also continues to generate favorable sales.

Global Brands

Revenue in Global Brands in the full business year ended 31 August 2014 expanded 21.8% year-on-year to ¥251.2 billion. However, Global Brands reported an operating loss of ¥4.1 billion, after continued losses in the J Brand business obliged the segment to record an impairment loss of ¥19.3 billion.

As for the other labels in the Global Brands segment, our GU fashion casualwear brand reported a rise in sales but a contraction in profit for the full business year ended 31 August 2014. GU was forced to scale up discounts on surplus inventory, following a sluggish sales period in the second half. Our Theory fashion brand reported rising sales and a slight contraction in operating profit. Our France-based women’s fashion brand Comptoir des Cotonniers reported rising sales and profit, while our Princesse tam.tam reported rising sales and a fall in profit for the full business year ended 31 August 2014.

Corporate Social Responsibility ("CSR") Activities

The basic policy underlying the Group's CSR activities consists of fulfilling our social responsibility, contributing to society, solving social issues and creating new value, both globally and locally.

To ensure responsible purchasing practices, we carefully monitor working conditions at our partner factories. We employ third party professionals to inspect partner factories on a regular basis in an ongoing effort to ensure a fair and safe workplace environment, with no child labor, unpaid wages, or unsafe conditions. The Company has worked hard to strengthen its ties to production departments to ensure that buildings are safe, and that the risk of fire and other hazards are minimized.

Through our All-Product Recycling Initiative, in which UNIQLO and GU products are collected from customers and delivered to people who are in need of clothing, we have collected more than 32,130,000 items cumulatively at stores in 12 countries, and have donated 14,160,000 articles of clothing to 48 countries (as at 31 August 2014). From April to July 2014, the Company conducted a campaign at all UNIQLO stores in Japan encouraging customers to write messages on cards shaped as a heart, which were sent together with clothing to refugee camps. The number of cards has exceeded 10,000.

The Power of Clothing Project was created in 2009 as a way to extend the All-Product Recycling Initiative to reach school children across Japan. FR staff visit schools to introduce The Power of Clothing Project. Thanks to such partnerships and the enthusiastic response from schools and communities across Japan, more than 16,100 students at 120 schools will participate in The Power of Clothing Project events from April 2014 to March 2015. We will continue forging close ties between our stores and surrounding communities as we continue to enhance our social contribution programs.

On July 11, Grameen UNIQLO opened a new store in Jamuna Future Park, a popular shopping mall in Dhaka, Bangladesh, as a part of our Social Business goals to combat poverty, unemployment and other social issues. As at the end of August 2014, there are nine Grameen UNIQLO stores in Bangladesh.

(ii) Capital Expenditure

Capital expenditure for the consolidated fiscal year ended 31 August 2014 was ¥58.8 billion. This amount mainly resulted from capital expenditure of ¥41.4 billion for buildings, ¥6.9 billion for lease deposits for stores, ¥2.8 billion for financial assistance for construction projects, and ¥7.5 billion for intangible assets.

(iii) Financing

Not applicable.

(iv) Transfer of Operations, Absorption-type and Incorporation-type Company Splits

Not applicable.

(v) Transfer of Business from Other Companies

Not applicable.

(vi) Assumption of Rights and Obligations Relating to Non-group Companies through Absorption or Absorption-type Splits

Not applicable.

(vii) Acquisition or Disposal of Other Companies' Equity Including Shares and Share Options

Not applicable.

(2) Group Assets and Gains/(Losses) over the Past Three Accounting Periods

Classification	50th consolidated fiscal year (1 September 2010 – 31 August 2011)	51st consolidated fiscal year (1 September 2011 – 31 August 2012)	52nd consolidated fiscal year (1 September 2012 – 31 August 2013)		53rd consolidated fiscal year (1 September 2013 – 31 August 2014)
	JGAAP	JGAAP	JGAAP	IFRS	IFRS
Net sales/Revenue *(Millions of yen)*	820,349	928,669	1,143,003	1,142,971	1,382,935
Net income/Profit for the year attributable to owners of the parent *(Millions of yen)*	54,354	71,654	90,377	104,595	74,546
Net income per share/ Basic earnings per share*(Yen)*	533.93	703.62	887.12	1,026.68	731.51
Net assets/Equity *(Millions of yen)*	319,911	394,892	579,591	589,726	636,041
Net assets per share/ Equity per share attributable to owners of the parent *(Yen)*	3,091.17	3,797.04	5,489.86	5,598.12	6,067.40
Total assets *(Millions of yen)*	533,777	595,102	885,800	901,208	992,307

(Note) The consolidated financial statements were prepared in accordance with IFRS from the 53rd consolidated fiscal year.

(3) Major Subsidiaries

Name	Nominal value of issued ordinary / registered share capital (thousands)	Ownership Ratio of Voting Rights	Details of Main Business	Location
UNIQLO CO., LTD.	JPY1,000,000	100.0%	UNIQLO Japan	Japan
UNIQLO EUROPE LIMITED	GBP40,000	100.0%	UNIQLO International	United Kingdom ("UK")
FAST RETAILING (CHINA) TRADING CO., LTD.*	USD20,000	100.0%	UNIQLO International	People's Republic of China ("PRC")
FRL Korea Co., Ltd.	KRW24,000,000	51.0%	UNIQLO International	South Korea
LLC UNIQLO (RUS)	RUB510,010	100.0%	UNIQLO International	Russia
UNIQLO TRADING CO., LTD.*	USD30,000	100.0%	UNIQLO International	PRC
FAST RETAILING (SINGAPORE) PTE. LTD.	SGD80,000	100.0%	UNIQLO International	Singapore
UNIQLO (THAILAND) COMPANY LIMITED	THB500,000	75.0% (75.0%)	UNIQLO International	Thailand
PT. FAST RETAILING INDONESIA	IDR115,236,000	75.0% (75.0%)	UNIQLO International	Indonesia
UNIQLO AUSTRALIA PTY LTD	AUD21,000	100.0% (100.0%)	UNIQLO International	Australia
FAST RETAILING (SHANGHAI) TRADING CO., LTD. *	USD35,000	100.0%	UNIQLO International	PRC
FAST RETAILING FRANCE S.A.S.	EUR161,025	100.0%	Global Brands	France
Fast Retailing USA, Inc.	USD30,000	100.0%	UNIQLO International /Global Brands	United States of America ("USA")
J Brand, Inc.	USD394,248	100.0% (100.0%)	Global Brands	USA
J BRAND Japan Co., LTD.	JPY10,000	100.0%	Global Brands	Japan
G.U. CO., LTD.	JPY10,000	100.0%	Global Brands	Japan
LINK THEORY JAPAN CO., LTD.	JPY10,000	100.0%	Global Brands	Japan
COMPTOIR DES COTONNIERS JAPAN CO., LTD.	JPY33,775	100.0% (100.0%)	Global Brands	Japan

(Notes) 1. The figure in parentheses in the "Ownership Ratio of Voting Rights" column indicates the ratio of voting rights held by the Group subsidiary.

2. UNIQLO (U.K.) LIMITED changed its name to UNIQLO EUROPE LIMITED during the year ended 31 August 2014.

* The English names of all subsidiaries established in the PRC are translated for identification only.

(4) Current Challenges Facing the FAST RETAILING Group

i) Promotion of a “Global One” management system

Strengthen the functions of each division in Tokyo, New York, Paris, Shanghai and Singapore in order to promote a “Global One” management system for integrating UNIQLO business and all other businesses.

ii) Accelerate UNIQLO’s global development

- Our goal for the UNIQLO brand is to build the global marketing operation to gain the recognition and support of customers over the world as “high-quality, fashionable basic wear sold at reasonable prices”.
- Our top priority in the global strategy of the UNIQLO business is to accelerate the pace of new store openings and become the unrivaled No. 1 brand in Asia, the market with the most promising growth opportunities, particularly in Greater China (China, Hong Kong, Taiwan).
- In the U.S. market, we hope to quickly build up a chain of 100 stores on both the West Coast and the East Coast.
- We are actively promoting our presence through our global flagship stores, global hotspot stores and megastores in major cities around the world.
- To further advance the high quality and functionality of UNIQLO products, we are strengthening the full set of our basic skills as an apparel manufacturer and retailer, from materials purchasing and product development, to production and distribution.
- We have built up our Research & Development Center in New York, and we are strengthening our focus on products for women, children and babies.
- We are also building new systems for internet sales, in the interest of our global development.
- Following the globalization of UNIQLO’s business, we are hiring and training more global personnel.

iii) Strengthen sales skills at all stores in the UNIQLO Japan business

- We are working to further improve our brand image, and we are engaged in a scrap-and-build program which aims at increasing average sales floor area per store.
- In the medium-term, it is our goal that half of our store sales personnel be full-time and regular employees, and to tailor our product offerings and marketing to meet the needs of customers in specific geographical areas.

iv) Expand the global brand business

- Develop and produce inexpensive apparel, open new stores, and build on expertise in low-cost management for the GU business.
- Pursue synergies among Theory, Comptoir des Cotonniers, Princesse tam.tam and J Brand, to build global business for each brand.
- Pursue M&A investment to acquire global brands that can be promoted across the world.

v) Promotion of CSR (Corporate Social Responsibility)

Our CSR motto is: “Making the world a better place.” It is our goal to enrich society and the lives of people through our business activities.

- Ongoing monitoring of working conditions at contractor factories.
- Constantly striving to lessen the burden on the environment brought by our business, for example by monitoring conditions at factories that supply the materials we use.
- Taking an active interest to make things better for our employees by promoting diversity, and supporting efforts to maintain a proper work-life balance.
- Continuing efforts to employ persons with disabilities in Japan and around the world.
- In countries around the world, supporting recycling of all our products. Accepting returns of products for recycling purposes, and donating clothing to the needy.
- Operating social business in Bangladesh.

(5) Principal Business Description of the Group (as at 31 August 2014)

The Group consists of the Company and 112 consolidated subsidiaries. All are principally involved in operations associated with the apparel industry.

(6) Principal Places of Business of the Group (as at 31 August 2014)

Name	Location	Directly-operated stores	Number of Franchise Stores
FAST RETAILING CO., LTD.	Head office: Yamaguchi City, Yamaguchi Headquarter: Minato-ku, Tokyo	4	—
UNIQLO CO., LTD.	Head office: Yamaguchi City, Yamaguchi Headquarter: Minato-ku, Tokyo	831	21
UNIQLO EUROPE LIMITED	Head office: London, United Kingdom	17	—
FAST RETAILING (CHINA) TRADING CO., LTD.**	Head office: Shanghai, PRC	204	—
UNIQLO TRADING CO., LTD.**	Head office: Shanghai, PRC	22	—
FAST RETAILING (SHANGHAI) TRADING CO., LTD. **	Head office: Shanghai, PRC	80	—
Fast Retailing USA, Inc.	Head Office: New York, United States of America	76	—
FRL Korea Co., Ltd.	Head office: Seoul Special City, South Korea	133	—
UNIQLO HONG KONG, LIMITED	Head office: Hong Kong Special Administrative Region of the PRC	22	—
UNIQLO TAIWAN LTD.**	Head office: Taipei, Taiwan	46	—
FAST RETAILING (SINGAPORE) PTE. LTD.	Head office: Republic of Singapore	18	—
LLC UNIQLO (RUS)	Head office: Moscow, Russian Federation	4	—
UNIQLO (MALAYSIA) SDN. BHD.	Head office: Kuala Lumpur, Malaysia	21	—
UNIQLO (THAILAND) COMPANY LIMITED	Head office: Bangkok, Kingdom of Thailand	20	—
FAST RETAILING PHILIPPINES, INC.	Head office: Pasay, Republic of the Philippines	16	—
UNIQLO AUSTRALIA PTY LTD	Head office: Melbourne, Australia	1	—
PT. FAST RETAILING INDONESIA	Head office: Jakarta, Republic of Indonesia	4	—
G.U. CO., LTD.	Head office: Yamaguchi City, Yamaguchi Headquarters: Minato-ku, Tokyo	275	—
CREATIONS NELSON S.A.S	Head office: Paris, France	251	72
PETIT VEHICULE S.A.S	Head office: Paris, France	105	46
LINK THEORY JAPAN CO., LTD.	Head office: Yamaguchi City, Yamaguchi Headquarter: Minato-ku, Tokyo	265	35
COMPTOIR DES COTONNIERS JAPAN CO., LTD.	Head office: Yamaguchi City, Yamaguchi Headquarter: Minato-ku, Tokyo	29	13
J BRAND Japan Co., LTD.	Head office: Yamaguchi City, Yamaguchi Headquarter: Minato-ku, Tokyo	6	—

* Breakdown of stores for Fast Retailing USA, Inc. is as follows:

UNIQLO: 25 stores

Link Theory: 43 stores

Comptoir des Cotonniers: 8 stores

** The English names of all subsidiaries established in the PRC and Taiwan are translated for identification only.

(7) Employees (as at 31 August 2014)

(i) Employees of the Group

Number of Employees	Change from Previous Consolidated Fiscal Year
30,448	+6,466

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

(ii) Employees of the Company

Number of Employees	Change from Previous Fiscal Year	Average Age	Average Years of Service
1,088	+164	36 years and 6 months	5 years and 2 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) Principal Lenders (as at 31 August 2014)

Lender	Loan Balance
Sumitomo Mitsui Financial Group, Inc.	15,768 million yen
Mitsubishi UFJ Financial Group, Inc.	6,589 million yen
Mizuho Financial Group, Inc.	2,187 million yen

(9) Miscellaneous Significant Items Relating to the Group

Not applicable.

2. COMPANY

(1) Shares (as at 31 August 2014)

1) Total number of shares authorized for issue 300,000,000 shares
2) Total number of shares outstanding 106,073,656 shares
3) Number of shareholders 9,339 shareholders
4) Number of shares per trading unit 100 shares
5) Major shareholders with the 10 highest ratios of number of shares outstanding

Major Shareholder	Investment in the Company	
	Number of Shares Held	Percentage of Shares Held
Tadashi Yanai	22,987 thousand	22.55%
The Master Trust Bank of Japan, Ltd. (Trust account)	11,500 thousand	11.28%
Japan Trustee Services Bank, Ltd. (Trust account)	8,693 thousand	8.53%
TTY Management B.V.	5,310 thousand	5.21%
Kazumi Yanai	4,781 thousand	4.69%
Koji Yanai	4,780 thousand	4.69%
Fight & Step Co., Ltd.	4,750 thousand	4.66%
BNP Paribas Securities (Japan) Limited	3,642 thousand	3.57%
MASTERMIND Co., Ltd.	3,610 thousand	3.54%
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	3,351 thousand	3.29%

(Note) The investment ratio is calculated excluding treasury stock (4,155,045 shares).

(2) Share options (as at 31 August 2014)

1) Delivery of share options as consideration for the execution of duties and held by the Company officers
Not applicable.

2) Delivery of share options to employees as consideration for the execution of duties during the year ended 31 August 2014.

(i) 4th Share subscription rights A type

Date of resolution of the board of directors	10 October 2013		
Type and number of shares to be issued upon exercise of share subscription rights	Common stock: 7,564 shares		
Amount to be paid upon exercise of share subscription rights (yen)	The total amount to be paid upon exercise of one share subscription rights shall be determined by multiplying the price to be paid per share that can be granted due to the exercise of share subscription rights, which shall be ¥1, by the number of shares granted		
Exercise period of share subscription rights	From 3 December 2016 to 2 December 2023		
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.		
Status of share subscription rights issued to employees	Employees of the Company	Number of share subscription rights	5,762
		Number of underlying shares	5,762
		Number of holders	19
	Employees of subsidiaries	Number of share subscription rights	1,802
		Number of underlying shares	1,802
		Number of holders	11
Assignment of share subscription rights	The acquisition of share subscription rights by assignment shall be subject to the approval of the Board of Directors.		
Items relating to payment in lieu	—		
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Notes)		

(Notes)

Upon any reorganization of the Company (collectively referred to as "Reorganization") consisting of merger (limited to cases where the Company becomes extinct thereby), absorption-type company split or incorporation-type company split (in each event, limited to cases where the Company is the entity resulting from the company split), or exchange or transfer of shares (in each event, limited to cases where the Company becomes a wholly-owned subsidiary), parties holding share subscription rights in existence immediately preceding the effective date of such Reorganization (hereinafter referred to as "Outstanding Share Subscription Rights") shall, in each applicable case, be issued share subscription rights for shares of the resulting company as prescribed in subparagraphs (a)-(e) of Article 236(1)viii of the Companies Act of Japan (hereinafter referred to as the "Company Resulting From Reorganization"). In such event, any Outstanding Share Subscription Rights shall lapse and the Company Resulting From Reorganization shall issue new share subscription rights; provided, however, that terms and conditions stipulating that the Company Resulting From Reorganization shall issue share subscription rights that prescribe the matters stated below shall be included in any absorption merger agreement, new merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or transfer of shares plan.

1. Number of share subscription rights to be issued by the Company Resulting From Reorganization:
   Each holder of Outstanding Share Subscription Rights shall be issued the same number thereof.
2. Type of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   Common stock of the Company Resulting From Reorganization.
3. Number of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   A proposal stating the conditions for Reorganization and the like shall include a finalized statement of the type and number of shares underlying the above-mentioned share subscription rights.
4. Value of property to be incorporated upon exercise of the share subscription rights:
   The value of property to be incorporated upon exercise of share subscription rights that are issued shall be the amount obtained by multiplying the exercise price after reorganization prescribed below by the number of shares of the Company Resulting From Reorganization underlying the share subscription rights that have been finalized as stated in No. 3. above. The exercise price after Reorganization shall be 1 yen per share of the Company Resulting From Reorganization that can be issued upon exercise of each share subscription rights that is issued.
5. Period during which share subscription rights can be exercised:
   The period from the earlier of either the first day of the period during which share subscription rights can be exercised as prescribed above or the day on which a Reorganization takes effect through the final day of the period during which share subscription rights can be exercised as prescribed above.
6. Matters pertaining to the increase of capital and capital reserve resulting from the issuance of shares upon exercise of the share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
7. Restrictions on acquisition of share subscription rights by transfer:
   Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors of the Company Resulting From Reorganization.
8. Terms and conditions for acquisition of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
9. Conditions for exercise of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.

(ii) 4th Share subscription rights B type

Date of resolution of the board of directors	10 October 2013	
Type and number of shares to be issued upon exercise of share subscription rights	Common stock: 29,803 shares	
Amount to be paid upon exercise of share subscription rights (yen)	The total amount to be paid upon exercise of one share subscription rights shall be determined by multiplying the price to be paid per share that can be granted due to the exercise of share subscription rights, which shall be ¥1, by the number of shares granted	
Exercise period of share subscription rights	From 3 January 2014 to 2 December 2023	
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.	
Status of share options issued to employees	Employees of the Company	Number of share subscription rights 6,839 Number of underlying shares 6,839 Number of holders 180
	Employees of subsidiaries	Number of share subscription rights 22,964 Number of underlying shares 22,964 Number of holders 706
Assignment of share subscription rights	The acquisition of share subscription rights by assignment shall be subject to the approval of the Board of Directors.	
Items relating to payment in lieu	—	
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Notes)	

(Notes)
Upon any Reorganization consisting of merger (limited to cases where the Company becomes extinct thereby), absorption-type company split or incorporation-type company split (in each event, limited to cases where the Company is the entity resulting from the company split), or exchange or transfer of shares (in each event, limited to cases where the Company becomes a wholly-owned subsidiary), parties holding Outstanding Share Subscription Rights shall, in each applicable case, be issued share subscription rights for shares of the Company Resulting From Reorganization. In such event, any Outstanding Share Subscription Rights shall lapse and the Company Resulting From Reorganization shall issue new share subscription rights; provided, however, that terms and conditions stipulating that the Company Resulting From Reorganization shall issue share subscription rights that prescribe the matters stated below shall be included in any absorption merger agreement, new merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or transfer of shares plan.

1. Number of share subscription rights to be issued by the Company Resulting From Reorganization:
   Each holder of Outstanding Share Subscription Rights shall be issued the same number thereof.
2. Type of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   Common stock of the Company Resulting From Reorganization.
3. Number of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   A proposal stating the conditions for Reorganization and the like shall include a finalized statement of the type and number of shares underlying the above-mentioned share subscription rights.
4. Value of property to be incorporated upon exercise of the share subscription rights:
   The value of property to be incorporated upon exercise of share subscription rights that are issued shall be the amount obtained by multiplying the exercise price after reorganization prescribed below by the number of shares of the Company Resulting From Reorganization underlying the share subscription rights that have been finalized as stated in No. 3. above. The exercise price after Reorganization shall be 1 yen per share of the Company Resulting From Reorganization that can be issued upon exercise of each share subscription rights that is issued.
5. Period during which share subscription rights can be exercised:
   The period from the earlier of either the first day of the period during which share subscription rights can be exercised as prescribed above or the day on which a Reorganization takes effect through the final day of the period during which share subscription rights can be exercised as prescribed above.
6. Matters pertaining to the increase of capital and capital reserve resulting from the issuance of shares upon exercise of the share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
7. Restrictions on acquisition of share subscription rights by transfer:
   Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors of the Company Resulting From Reorganization.
8. Terms and conditions for acquisition of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
9. Conditions for exercise of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.

(3) COMPANY OFFICERS

(i) Directors and Statutory Auditors (as at 31 August 2014)

Position and Responsibilities	Name	Other Significant Concurrent Offices Held
Chairman, President & CEO	Tadashi Yanai	Chairman, President and CEO of UNIQLO CO., LTD. Director of 16 other subsidiaries of the Company External Director, Softbank Corp. External Director, Nippon Venture Capital Co., Ltd.
Director	Toru Hambayashi	External Director, MAEDA CORPORATION External Director, DAIKYO INCORPORATED External Statutory Auditor, UNITIKA LTD.
Director	Nobumichi Hattori	External Director, Miraca Holdings Inc.
Director	Toru Murayama	Advisor, Microsoft Japan Co., Ltd. President, Office Murayama
Director	Masaaki Shintaku	Advisory Board Member, NTT DOCOMO, INC. External Director, COOKPAD Inc.
Director	Takashi Nawa	President, Genesys Partners, Inc. External Director, NEC Capital Solutions Limited External Director, DENSO CORPORATION
Standing Statutory Auditor	Akira Tanaka	Representative Director, FR Health Insurance Organization
Standing Statutory Auditor	Masaaki Shinjo	Auditor, FAST RETAILING (CHINA) TRADING CO., LTD. and 4 other subsidiaries of the Company
Statutory Auditor	Takaharu Yasumoto	External Statutory Auditor, UNIQLO CO., LTD. Statutory Auditor, LINK THEORY JAPAN CO., LTD. President, Yasumoto CPA Office External Statutory Auditor, ASKUL Corporation External Statutory Auditor, UBIC, Inc.
Statutory Auditor	Akira Watanabe	Non-Executive Director, JAPAN PILE CORPORATION External Director, MAEDA CORPORATION External Director, MS&AD Insurance Group Holdings, Inc. External Statutory Auditor, KADOKAWA CORPORATION External Director, Dunlop Sports Co. Ltd.
Statutory Auditor	Keiko Kaneko	External Statutory Auditor, UNIQLO CO., LTD. Partner, Anderson Mori, & Tomotsune External Statutory Auditor, The Asahi Shimbun Company

(Notes)

1. Directors Toru Hambayashi, Nobumichi Hattori, Toru Murayama, Masaaki Shintaku, and Takashi Nawa are External Directors as provided for in Article 2, Paragraph 15 of the Companies Act, and Toru Hambayashi, Nobumichi Hattori, and Masaaki Shintaku are registered at the Tokyo Stock Exchange to serve as independent officers.
2. Director Toru Murayama is the president of Office Murayama, and the Company has entered into a consulting business outsourcing agreement regarding management human resources development, etc. with that company.
3. Takaharu Yasumoto, Akira Watanabe, and Keiko Kaneko are External Statutory Auditors as provided for in Article 2, Paragraph 16 of the Companies Act, and are registered with the Tokyo Stock Exchange to serve as independent officers.
4. Statutory Auditor Takaharu Yasumoto is a certified public accountant and has considerable knowledge in financial matters and accounting.
5. UNIQLO CO., LTD., LINK THEORY JAPAN CO., LTD., and FAST RETAILING (CHINA) TRADING CO., LTD. are wholly owned subsidiaries of the Company.
6. There are no special interests between the Company and any of the other companies at which the above Directors and Statutory Auditors hold concurrent positions.

(ii) Total Amount of Remuneration for the Directors and Statutory Auditors for the fiscal year ended 31 August 2014

Classification	Number of Officers	Amount of Paid Remuneration	Summary
Directors (External Directors included)	6 (5)	290 million yen (50 million yen)	Maximum annual remuneration of 1,000 million yen determined by resolution of the annual general meeting of shareholders (24 November 2006)
Statutory Auditors (External Statutory Auditors included)	5 (3)	65 million yen (30 million yen)	Maximum annual remuneration of 100 million yen determined by resolution of the annual general meeting of shareholders (26 November 2003)
Total (External Directors and External Statutory Auditors included)	11 (8)	355 million yen (80 million yen)	

(Note)
1. The total amount of remuneration received by External Directors and External Statutory Auditors holding concurrent directorships at subsidiary firms in the current fiscal year was 9 million yen.
2. The number of directors as at 31 August 2014 is 6 directors and 5 statutory auditors.

(iii) Matters Regarding External Officers

1) Relationship between the Company and companies for which the External Officers hold significant concurrent offices

As stated in the above segment "(i) Directors and Statutory Auditors (as at 31 August 2014)".

2) Principal Activities in the Fiscal Year Ended 31 August 2014

Position	Name	Activities
Director	Toru Hambayashi	Attended 13 of the 13 Board of Directors' meetings held during the fiscal year, and offered suggestions and opinions for ensuring the propriety and appropriateness of decisions of the Board of Directors, including opinions expressed from his viewpoint as a person with expertise and experience in business management.
Director	Nobumichi Hattori	Attended 13 of the 13 Board of Directors' meeting held during the fiscal year, and offered suggestions and opinions for ensuring the propriety and appropriateness of decisions of the Board of Directors, including opinions expressed from the viewpoint of M&A research.
Director	Toru Murayama	Attended 13 of the 13 Board of Directors' meetings held during the fiscal year, and offered suggestions and opinions for ensuring the propriety and appropriateness of decisions of the Board of Directors, including opinions expressed from the viewpoint of management consulting.
Director	Masaaki Shintaku	Attended 12 of the 13 Board of Directors' meetings held during the fiscal year, and offered suggestions and opinions for ensuring the propriety and appropriateness of decisions of the Board of Directors, including opinions expressed from his viewpoint as a person with expertise and experience in business management.
Director	Takashi Nawa	Attended 11 of the 13 Board of Directors' meetings held during the fiscal year, and offered suggestions and opinions for ensuring the propriety and appropriateness of decisions of the Board of Directors, including opinions expressed from the viewpoint of management consulting.

Position	Name	Activities
Statutory Auditor	Takaharu Yasumoto	Attended 13 of the 13 Board of Directors’ meetings and 13 of the 13 Board of Statutory Auditors meetings held during the fiscal year, and offered suggestions and opinions from the professional viewpoint of a certified public accountant for ensuring the propriety and appropriateness of decisions of the Board of Directors; also made appropriate, necessary statements concerning the auditing of the Company and Group companies at the Board of Statutory Auditors meetings
Statutory Auditor	Akira Watanabe	Attended 12 of the 13 Board of Directors’ meetings and 11 of the 13 Board of Statutory Auditors meetings held during the fiscal year, and offered suggestions and opinions from the professional viewpoint of a lawyer for ensuring the propriety and appropriateness of decisions of the Board of Directors; also made appropriate, necessary statements concerning the auditing of the Company and Group companies at the Board of Statutory Auditors meetings
Statutory Auditor	Keiko Kaneko	Attended 13 of the 13 Board of Directors’ meetings and 13 of the 13 Board of Statutory Auditors meetings held during the fiscal year, and offered suggestions and opinions from the professional viewpoint of a lawyer for ensuring the propriety and appropriateness of decisions of the Board of Directors; also made appropriate, necessary statements concerning the auditing of the Company and Group companies at the Board of Statutory Auditors meetings.

3) Outline of the Agreements for Limitation of Liability

The Company has entered into agreements with the External Directors and External Statutory Auditors based on provisions of Article 427, Paragraph 1 of the Companies Act, which limit liability for damages provided for in Article 423, Paragraph 1 of the same act.

Under these agreements, the limit of liability in damages for all External Directors and External Statutory Auditors shall be limited to the higher amount of either 5,000,000 yen or the amount stipulated by law.

(4) Accounting Auditors

1) Name of Accounting Auditors Ernst & Young ShinNihon LLC

2) Remuneration for the Accounting Auditors for the Fiscal Year ended 31 August 2014

(1) Amount of remuneration, etc. for the Accounting Auditors to be paid by the Company	133 million yen
(2) Total amount of cash and other economic benefits to be paid by the Company and consolidated subsidiaries	214 million yen

Notes
1. The audit agreement between the Company and the Accounting Auditors makes no distinction between the amount of remuneration for auditing under the Companies Act and the amount of remuneration for auditing under the Financial Instruments and Exchange Act. Since no real distinction can be made in practice, the amount of remuneration to be paid for the fiscal year represents the total of both these amounts.
2. Of the subsidiaries of the Company, 25 consolidated subsidiaries undergo auditing (inclusive of requirements stipulated by laws and regulations in foreign countries equivalent to the Companies Act and the Financial Instruments and Exchange Act) by an auditing firm other than the Accounting Auditors.

3) Non-auditing Services

In addition to services provided for in Article 2, Paragraph 1 of the Certified Public Accountants Act, the Company pays the Accounting Auditors consideration for the provision of advisory and other services concerning accounting matters.

4) Policy on Determination of Removal or Disapproval of Reappointment of the Accounting Auditors

When any item in Article 340, Paragraph 1 of the Companies Act is deemed to apply to the Accounting Auditors, the Company's Board of Statutory Auditors may dismiss the Accounting Auditors with the unanimous approval of the Statutory Auditors. In such case, a Statutory Auditor appointed by the Board of Statutory Auditors shall present details and reasons for the dismissal of the Accounting Auditors at the first annual shareholders meeting held after the dismissal.

Furthermore, upon obtaining the approval of the Board of Statutory Auditors or at the request of the Board of Statutory Auditors, the Board of Directors shall make the dismissal or non-reappointment of the Accounting Auditors the purpose of a general meeting of shareholders if the Board of Directors deems it necessary in cases where there is a problem in the Accounting Auditors' execution of duties.

5) Outline of Agreement for Limitation of Liability

The Company has entered into an agreement with Ernst & Young ShinNihon LLC based on provisions of Article 427, Paragraph 1 of the Companies Act, which limits its liabilities for damages provided for in Article 423, Paragraph 1 of the same act. Under this agreement, the limit of liabilities in damages shall be limited to the highest of the following amounts multiplied by two: the total economic benefit received or to be received from the Company as remuneration and payment received for performance of duties in each business year during its service as the Accounting Auditors.

(5) Framework for Ensuring Proper Operation of Business

(i) Framework for Ensuring Execution of Directors' Duties are in Compliance with Laws, Regulations and Articles of Incorporation

1) The Company's Directors and executive officers (hereafter referred to collectively as "Directors") themselves take the initiative and set good examples in complying with the Group's management principles, the Fast Retailing Way ("FR Way"), the Fast Retailing Group Code of Conduct ("FR Code of Conduct"), and other internal company rules and regulations, and promote strict adherence to corporate ethics and compliance in the Group as a whole. The Directors also ensure the effectiveness of the Company's rules and principles by reviewing them regularly and revising them as necessary to reflect changes in society, changes in the Company's business activities, and the operation of the FR Code of Conduct.

2) The Company appoints the officer entrusted with the responsibility of the Legal Department or the head of the Legal Department (hereafter referred to collectively the "officers responsible for legal affairs") as the officer in charge of compliance. These officers responsible for legal affairs work to establish a Company- and Group-wide compliance framework and to resolve any problems relating to compliance.

3) The Company promotes fairness and transparency in decisions of the Board of Directors by appointing a number of External Directors to comprise the Board of Directors. Statutory Auditors are allowed to attend meetings of the Board of Directors to express opinions to the Directors in a timely manner. The Directors may also engage the services of specialists such as external lawyers and certified public accountants as necessary to avoid any potential violation of laws and to implement preventive measures. If Directors discover that an illegal action has been taken by another Director, the Directors shall immediately report the matter to the Statutory Auditors, the President, and the officers responsible for legal affairs.

(ii) Framework for Ensuring Execution of Employee Duties are in Compliance with Laws, Regulations and Articles of Incorporation

1) The Directors are responsible for establishing a framework to ensure that all employees comply with the management principles, the FR Way, the FR Code of Conduct and other internal company rules and also conduct employee training and raise employee awareness in compliance.

2) The Company has an Internal Audit Department that is completely independent from business operations departments and a Legal Department that oversees compliance.

3) If one or more Directors discover a violation of law or other issues concerning compliance, they shall immediately report the matter to the other Directors. Any serious violation of law shall immediately be reported to the Statutory Auditors, the President and the officers responsible for legal compliance.

4) The Company has set up an internal reporting system (hotline) for reporting illegal actions and other compliance violations. Information received via the hotline is directly channeled to external lawyers or independent institutions.

5) The Code of Conduct Committee, which includes external specialists such as lawyers and certified public accountants among its members, conducts regular reviews of the Company's framework for maintaining compliance and the operation of the hotline, and makes improvements as necessary. If the Directors believe a problem exists in regard to the operation of the hotline, they shall express their views to the Code of Conduct Committee and may request the formulation of improvement measures.

(iii) Framework for Data Storage and Management Relating to Execution of Duties by Directors

According to the Company's regulations on document management and guidelines for the treatment of confidential information, the following documents relating to the execution of the duties of the Directors are retained as proof of the decision-making processes and the processes for executing business. These documents are stored and managed in an appropriate manner to a storage medium that enables easy retrieval as well as access for inspection during the legally required storage period.

- Minutes of Ordinary General Meetings of Shareholders and relevant documentation
- Minutes of meetings of the Board of Directors and relevant documentation
- Minutes of important meetings held by Directors and relevant documentation
- Minutes of other important meetings held by other important employees and relevant documentation

(iv) Regulations for Managing Risk of Loss and Other Similar Frameworks

1) The Company analyzes and reviews risks of the Company and the Group companies on a regular basis to identify any risk that could either directly or indirectly cause financial loss, interruption or cessation in the continuation of business, damage to the brand image, or detriment to the credibility of the Company or Group companies and establish a management framework for such risks identified.

2) If unforeseen circumstances should arise, a task force headed by the President or a Director appointed by the President shall be established to prevent the expansion of any loss and to keep damages to a minimum. To respond rapidly, the head of the task force may organize an external advisory team including lawyers and certified public accountants as necessary.

(v) Framework for Ensuring the Efficient Execution of Duties by Directors

1) To ensure that the duties of Directors are performed efficiently, the Company holds regular monthly meetings of the Board of Directors, which includes a number of External Directors, and holds ad hoc meetings when necessary. Important matters concerning the Company and the Group management policy and management strategy shall be discussed beforehand at the weekly management meeting (Monday Meeting) chaired by the President, and decisions shall then be made following deliberation.
2) To execute business based on decisions of the Board of Directors, the Company shall decide which persons shall be in charge, their responsibilities and details of procedures to be followed.

(vi) Framework for Ensuring Proper Execution of Business Operations in Corporate Group Consisting of the Company and Subsidiaries

1) To ensure appropriate operations in every company within the Group, all Group companies are required to uphold the management principles, the FR Way and the FR Code of Conduct, which serve as guidelines for conduct across the entire Group. These principles also form the foundation of rules and regulations when establishing entrusted individual Group companies.
   The Company also oversees the business management of affiliated companies by determining their rules of business management and through a system of reporting to the Company, whereby the Company makes the final decisions. The Company shall also monitor the affiliates as necessary.
   A Director who discovers any violation of law or serious breach of compliance rules at a Group company shall report the matter to the Statutory Auditors, the President, and the officer responsible for legal affairs.
2) If the Directors of a Group company consider that any part of the Company’s management principles or management guidelines represents a violation of law or poses a problem in relation to the corporate ethics of a particular country or in terms of compliance, they shall report the issue to the Internal Audit Department or the Legal Department. The department that receives the report shall then promptly report the matter to the Board of Statutory Auditors, the President of the Company and the officer responsible for legal affairs. The receiving department may also convey an opinion regarding any appropriate action required.
3) The Company also establishes necessary measures for ensuring the reliability and ongoing monitoring of its financial reporting including the Group’s consolidated financial statements, and the necessary framework for ensuring appropriate acquisition, maintenance and disposal of assets held by Group companies. The Company has also established a Disclosure Committee to ensure the timely and appropriate disclosure of information.

(vii) Matters Relating to Employees Assisting Duties of Statutory Auditors When Appointment of Those Employees is Requested by Statutory Auditors and Matters Relating to Independence from Directors of Those Employees

1) Upon receiving a request from the Board of Statutory Auditors, the Company shall establish rules to determine which employees are to assist the Statutory Auditors in performing their duties and shall assign appropriate personnel as assistants to the Statutory Auditors from among the Company’s staff or otherwise employ external lawyers or certified public accountants. Independence of the assistants to the Statutory Auditors from the Directors is ensured by having evaluation of the assistants performed by the Statutory Auditors and decisions on their assignment, dismissal, transfer and revision of wages, etc. made by the Board of Directors with the approval of the Board of Statutory Auditors.
2) The assistants of Statutory Auditors shall not hold a concurrent appointment that involves the execution of business.

(viii) Frameworks for Reporting by Directors and Employees to Statutory Auditors, Framework for Other Types of Reporting to Statutory Auditors, and Framework for Ensuring Auditing is Implemented Efficiently

1) The Company establishes rules regarding matters to be reported by Directors and employees to the Statutory Auditors and the timing of such reporting. Based on these rules, Directors and employees shall report important matters that might have an impact on the Company's operations or corporate performance to the Statutory Auditors as they arise. Irrespective of these rules, the Statutory Auditors may request reports from the Directors or employees as they consider necessary.
2) 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 violation or breach of compliance rules to the Statutory Auditors. If the Statutory Auditors judge that there is a problem with this framework, they can convey their opinions to the Directors and the Board of Directors and request appropriate measures for improvement.

(6) Policy on Determination of Dividends from Surplus

The Company regards the distribution of profits to shareholders as one of its most important considerations. Our basic policy is to constantly increase earnings and to provide ongoing, appropriate profit distribution based on performance.

Our policy is to pay dividends that reflect business performance after taking into consideration funds needed to expand business, improve revenues, and ensure the financial soundness of the Group.

Based on the policy outlined above and the earnings of the fiscal year ended 31 August 2014, we plan to pay a year end dividend of ¥150 per share with decision of the Board of Directors. Together with the ¥150 interim dividend per share, this will bring the total annual dividend for the current fiscal year to ¥300.

Consolidated Statement of Financial Position

(As at 31 August 2014)

(Millions of Yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	717,037	Current liabilities	273,196
Cash and cash equivalents	314,049	Trade and other payables	185,119
Trade and other receivables	47,428	Derivative financial liabilities	1,012
Other current financial assets	9,119	Other current financial liabilities	12,696
Inventories	223,223	Income taxes payable	32,750
Derivative financial assets	99,125	Provisions	16,154
Income taxes receivable	11,951	Others	25,462
Others	12,139		
		Non-current liabilities	83,069
Non-current assets	275,270	Non-current financial liabilities	27,604
Property, plant and equipment	114,398	Provisions	7,694
Goodwill	26,715	Deferred tax liabilities	37,387
Other intangible assets	46,968	Others	10,383
Non-current financial assets	71,293	Total liabilities	356,265
Deferred tax assets	11,257	Equity	
Others	4,636	Equity attributable to owners of the parent	618,381
		Capital stock	10,273
		Capital surplus	9,803
		Retained earnings	525,722
		Treasury stock, at cost	(15,790)
		Other components of equity	88,371
		Non-controlling interests	17,660
		Total equity	636,041
Total assets	992,307	Total liabilities and equity	992,307

(Note) Amounts are rounded down to the nearest million Japanese Yen.

Consolidated Statement of Profit or Loss

(Year ended 31 August 2014)

(Millions of Yen)

Item	Amount
Revenue	1,382,935
Cost of sales	(683,161)
Gross profit	699,773
Selling, general and administrative expenses	(549,195)
Other income	7,025
Other expenses	(27,200)
Operating profit	130,402
Finance income	6,001
Finance costs	(933)
Profit before income taxes	135,470
Income taxes	(56,133)
Profit for the year	79,337
Attributable to:	
Owners of the parent	74,546
Non-controlling interests	4,790
Total	79,337

(Note) Amounts are rounded down to the nearest million Japanese Yen.

Consolidated Statement of Changes in Equity

(Year ended 31 August 2014)

(Millions of Yen)

	Capital stock	Capital Surplus	Retained earnings	Treasury stock, at cost	Total
As at 1 September 2013	10,273	6,859	481,746	(15,851)	483,028
Net change during the year					
Profit for the year	-	-	74,546	-	74,546
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	74,546	-	74,546
Acquisition of treasury stock	-	-	-	(25)	(25)
Disposal of treasury stock	-	471	-	86	558
Dividends	-	-	(30,571)	-	(30,571)
Share-based payments	-	746	-	-	746
Acquisition of non-controlling interests	-	1,726	-	-	1,726
Others	-	-	-	-	-
Total net changes during the year	-	2,944	43,975	60	46,981
As at 31 August 2014	10,273	9,803	525,722	(15,790)	530,010

	Other components of equity				Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve	Total			
As at 1 September 2013	731	16,452	70,215	87,399	570,428	19,298	589,726
Net change during the year							
Profit for the year	-	-	-	-	74,546	4,790	79,337
Other comprehensive income	66	6,583	(5,679)	971	971	1,724	2,695
Total comprehensive income	66	6,583	(5,679)	971	75,517	6,515	82,033
Acquisition of treasury stock	-	-	-	-	(25)	-	(25)
Disposal of treasury stock	-	-	-	-	558	-	558
Dividends	-	-	-	-	(30,571)	(633)	(31,204)
Share-based payments	-	-	-	-	746	-	746
Acquisition of non-controlling interests	-	-	-	-	1,726	(7,813)	(6,086)
Others	-	-	-	-	-	293	293
Total net changes during the year	66	6,583	(5,679)	971	47,952	(1,637)	46,314
As at 31 August 2014	798	23,035	64,536	88,371	618,381	17,660	636,041

(Note) Amounts are rounded down to the nearest million Japanese Yen.

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies

(1) Basis of preparation of the consolidated financial statements

Starting from the current consolidated fiscal year, the consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (“IFRS”) pursuant to Paragraph 1 of Article 120 of the Ordinance for Company Accounting. Some items for disclosure required under IFRS are omitted from these consolidated financial statements pursuant to provisions of the latter part of the same paragraph.

(2) Status of consolidated subsidiaries

Number of consolidated subsidiaries 112

Names of main consolidated subsidiaries

UNIQLO CO., LTD.
UNIQLO EUROPE 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
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. *
Other consolidated subsidiaries (98 companies)

* The English names of these subsidiaries established in the PRC are translated for identification only.

(3) Application of equity method of accounting

Status of associates accounted for using equity method of accounting

Number of associates accounted for using equity method of accounting

None

(4) Consolidated subsidiaries

The reporting date for FAST RETAILING (CHINA) TRADING CO., LTD., Theory Shanghai International Trading Co., Ltd., UNIQLO TRADING CO., LTD., Fast Retailing (Shanghai) Business Management Consulting Co., Ltd., FAST RETAILING (SHANGHAI) TRADING CO., LTD., GU (Shanghai) Trading Co., Ltd., Comptoir des Cotonniers (Shanghai) Trading Co., Ltd., PRINCESSE TAM.TAM (SHANGHAI) TRADING CO., LTD. and LLC UNIQLO (RUS) is December 31. The management accounts of these subsidiaries are used for the Group's consolidation purpose.

(5) Standard of accounting treatment

(1) Evaluation basis and method of financial assets

(i) Initial recognition and measurement

All purchases and sales of financial assets that take place through ordinary methods (purchase or sale of a financial asset requiring delivery within the time frame established by market regulation or convention) are recognized or derecognized, and measured at the initial fair value plus transaction costs, on the trade date.

Financial assets are classified, at initial recognition, into the following three categories:

• Financial assets at fair value through profit or loss
• Loans and receivables
• Available-for-sale financial assets

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(ii) Measurement after initial recognition

• Financial assets at fair value through profit or loss

"Financial assets at fair value through profit or loss" are carried in the consolidated statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the consolidated statement of profit or loss. Recognized profits or losses, including the above, are recognized in the consolidated statement of profit or loss as dividend income, interest income or gain or loss on changes in fair value.

• Loans and receivables

"Loans and receivables" are subsequently measured at amortized cost using the effective interest rate ("EIR") method, less impairment. The EIR amortization is included in finance income in the statement of profit or loss.

•Available-for-sale financial assets

Available-for-sale listed equity securities that are traded on a market are measured using quoted market prices. Unlisted equity securities are measured at fair value using reasonable methods. Profits or losses arising from changes in fair value are recognized as other comprehensive income. Impairment losses or foreign currency gains or losses associated with monetary assets are treated as exceptions and recognized in profit or loss.

(iii) Derecognition of financial assets

The Group derecognizes a financial asset only if the contractual rights to the cash flows from the financial asset expire or if the Group has transferred almost all risks and rewards of ownership. If the Group maintains control of the transferred financial asset, it recognizes the asset and associated liabilities to the extent of its continuing involvement.

(iv) Impairment of financial assets

Those financial assets other than "financial assets at fair value through profit or loss", which are measured at amortized cost at each reporting date pursuant to IAS 39, are evaluated to determine whether there is objective evidence of impairment. If there is objective evidence that one or more events having a negative impact on the estimated future cash flows has occurred subsequent to the initial recognition of the financial asset, an impairment loss is recognized.

For listed and unlisted equity securities classified as “available-for-sale financial assets”, a significant or prolonged decline in the fair value of the investment below its historical cost is considered to be objective evidence of impairment. For all other financial assets, including redeemable securities and finance lease receivables classified as available-for-sale financial assets, objective evidence of impairment may include the following:

(a) Significant deterioration in the financial condition of the issuer or counterparty;

(b) Default or delinquency in interest or principal payments; or

(c) Probability that the issuer will enter bankruptcy or financial reorganization.

Certain categories of financial assets, such as trade receivables, are assessed for impairment on a collective basis even if they are not impaired individually. Objective evidence of impairment for a portfolio of receivables could include changes in national or local economic conditions that correlate with default on receivables or an increase in the number of delinquent payments in the portfolio past the average credit period.

For financial assets carried at amortized cost, the amount of the impairment loss is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original EIR. An asset’s carrying amount is reduced directly by the impairment loss amount, with the exception of trade receivables where the impairment loss is posted by using the allowance for doubtful accounts. An allowance for doubtful accounts is established when it is determined that receivables are uncollectable, including receivables for which the due date has been changed, and the allowance for doubtful accounts is reduced if the receivables are subsequently abandoned or collected. Changes in the allowance for doubtful accounts are recognized in profit or loss except for decreases due to use. Except for available-for-sale financial assets, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment after reversing the impairment loss does not exceed what the amortized cost would have been had the impairment not been recognized.

(2) Evaluation basis and method of derivatives

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

(3) Inventories

Inventories are valued at the lower of cost and net realizable value; the weighted average method is principally used to determine cost. Net realizable value is based on the estimated selling price in the ordinary course of business less any estimated costs to be incurred to sell the goods.

(4) Depreciation method of important depreciable assets

(i) Property, Plant and Equipment (other than leased assets)

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Assets other than land and construction in progress, are depreciated primarily using the straight-line method over the estimated useful lives shown below:

Buildings and structures	3-50 years
Furniture, equipment and vehicles	5 years

The useful lives, residual values, and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimates being accounted for on a prospective basis.

(ii) Intangible assets (other than leased assets)

Intangible assets are measured at cost, with any accumulated amortization and accumulated impairment losses deducted from the historical cost to arrive at the stated carrying amount. Intangible assets acquired separately are measured at cost at initial recognition, and the cost of intangible assets acquired in a business combination is measured as fair value at the acquisition date.

For internally generated intangible assets, the entire amount of the expenditure is recorded as an expense in the period in which it arises, except for development expenses that meet the requirements for capitalization.

Intangible assets with finite useful lives are amortized over their respective estimated useful lives using the straight-line method, and they are tested for impairment when there is an indication that they may be impaired. The estimated useful life and amortization method for an intangible asset with a finite useful life is reviewed at the end of each reporting period, and any changes are applied prospectively as a change in accounting estimate.

The estimated useful lives of the main intangible assets with finite useful lives are as follows:

Software for internal use	Length of time it is usable internally (3-5 years)

Intangible assets with indefinite useful lives and intangible assets that are not yet available for use are not amortized. They are tested for impairment annually or when there is an indication that they may be impaired, either individually or at the cash-generating unit level.

(iii) Leases

If the lease agreement substantially conveys the risks and rewards of the ownership of the asset to the lessee, the lease is classified as a finance lease. Leases other than finance leases are classified as operating leases.

Finance leases are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss. A leased asset is depreciated over the shorter of the estimated useful life of the asset and the lease term on a straight-line basis.

Operating lease payments as lessee are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Operating lease income as lessor are recognized as an operating revenue in the statement of profit or loss on a straight-line basis over the lease term.

(5) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recognized as the best estimate of the expenditure required to settle the present obligation (future cash flows), taking into account the risks and uncertainties surrounding the obligation at each reporting date.

If the time value of money is material, provisions are measured as the estimated future cash flows discounted to the present value using a pre-tax rate that reflects, when appropriate, the time value of money and the risks specific to the liability. When discounting is used, the increase due to the passage of time is recognized as a finance cost.

Each provision is described below:

(i) Allowance for bonuses

The amount expected to be borne as bonuses in the current reporting period is recorded as a provision for the payment of bonuses to employees of the Group.

(ii) Asset retirement obligations

The obligations to restore property to its original state under real estate leasing agreements for offices, such as corporate headquarters and stores, are estimated and recorded as a provision. The expected length of use is estimated as the time from acquisition to the end of the useful life and 0.37–0.99% is generally used as the discount rate in calculations.

(6) Goodwill

Goodwill is stated at the carrying amount, which is the acquisition cost after deducting accumulated impairment losses. Goodwill represents the excess amount of the historical cost of an interest acquired by the Group over the net amount of the fair value of the identifiable assets acquired and liabilities assumed.

Goodwill is not amortized but is allocated to identifiable cash-generating units based on the geographical region where business takes place and the type of business conducted, and then tested for impairment each year or when there is an indication that it may be impaired.

Impairment losses on goodwill are recognized in the consolidated statement of profit or loss and cannot be subsequently reversed in future period.

(7) Foreign Currencies

(i) Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at each reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

(ii) Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Japanese yen at the rate of exchange prevailing at each reporting date and their income statements are translated at average exchange rates during the period. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

(8) Main Hedge Accounting Methods

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objectives and strategy for undertaking the hedge. The documentation includes identification of the specific hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. The Group has designated forward currency contracts as cash flow hedges and are accounted for as described below:

Cash flow hedges

When derivatives are designated as a hedging instrument to hedge the exposure to variability in cash flows that are attributable to a particular risk associated with recognized assets or liabilities or highly probable forecast transactions which could affect profit or loss, the effective portion of changes in the fair value of the derivatives is recognized in other comprehensive income and included in "Cash flow hedges" in other components of equity. The balances of cash flow hedges are subtracted from "other comprehensive income" on the consolidated statement of comprehensive income for the same period when the hedged cash flows would affect cash flow profit or loss, and reclassified as profit or loss in the same line items as the hedging instruments. The gain or loss relating to the ineffective portion of changes in the fair value of the derivatives is recognized immediately in profit or loss. When a hedged item gives rise to the recognition of a non-financial asset or non-financial liability, the amount recognized as other comprehensive income is treated as an adjustment to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, cumulative profit or loss amounts previously recognized in equity through other comprehensive income are reclassified as profits or losses. If the hedging instrument expires or is sold, is terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, the amounts previously recognized in equity through other comprehensive income are recorded as equity until the forecast transaction occurs or firm commitment is met.

(9) Accounting treatment of consumption tax

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

2. Notes to the Consolidated Statement of Financial Position

(1) Accumulated depreciation of property, plant and equipment 109,741 million yen

Accumulated impairment losses are included in accumulated depreciation.

(2) Allowance for doubtful accounts directly deducted from trade and other receivables 588 million yen

(3) Contingent liabilities

Guarantees on loans payable to financial institutions 7 million yen

3. Notes to the Consolidated Statement of Changes in Equity

(1) Types and number of shares outstanding

Class of shares	Number of shares at the end of the consolidated fiscal year (shares)
Common stock	106,073,656

(2) Share subscription rights

Type and number of underlying shares for share subscription rights as at the end of the consolidated fiscal year (excluding those that have not reached the first day of their exercise period)

Common stock 64,774 shares

(3) Dividends

(i) Dividend paid

a. Dividend approved by Board of Directors' Meeting held on 4 November 2013:

・Total dividends	15,284,473 thousand yen
・Dividends per share	150 yen
・Record date	31 August 2013
・Effective date	22 November 2013

b. Dividend approved at the Board of Directors' Meeting held on 10 April 2014:

・Total dividends	15,286,676 thousand yen
・Dividends per share	150 yen
・Record date	28 February 2014
・Effective date	12 May 2014

(ii) Declaration date for dividend related to the year ended 31 August 2014 with an effective date in the following year

Approved as follows by the Board of Directors on 3 November 2014:

・Total dividends	15,287,791 thousand yen
・Dividends per share	150 yen
・Record date	31 August 2014
・Effective date	21 November 2014

4. Notes to Financial Instruments

(1) Matters relating to the management of financial instruments

(i) Financial risk management

In relation to the cash management, the Group seeks to ensure effective utilization of group funds through the Group's Cash Management Service ("CMS"). The Group obtained credit facilities from financial institutions. Any temporary surplus funds are invested mainly in fixed interest rate-bearing instruments with minimal credit risk. The Group entered into foreign currency forward contracts to hedge risk arising from fluctuations in foreign currency exchange rates and did not conduct any speculative trading in derivatives.

(ii) Market risk management

a. Foreign currency risk

The Group conducts its business on a global scale, and is exposed to foreign currency risk in relation to purchases and sales transactions and financing denominated in currencies other than the local currencies of those countries in which the Group operates its business. In regard to operating obligations denominated in foreign currencies, the Group in principle hedges risk by using foreign currency forward contracts and other instruments for foreign currency risk determined by denomination on a semi-annual basis.

b. Interest rate risk management

The Group's interest-bearing borrowings are mainly loans with variable interest rates, but the Group maintains positions in cash and cash equivalents that exceed the outstanding balance of its interest-bearing borrowings. At present, the impact of interest payments on the Group is quite small. Consequently, the Group's current level of interest-rate risk is minor.

c. Price risk management in equity instruments

The Group is exposed to the risk of price volatility in equity financial instruments. The Group holds no equity financial instruments for short-term trading purposes. The Group makes regular periodic checks of the market value of the equity financial instruments it holds, as well as the financial health of the issuers.

(iii) Credit risk management

When the Group initiates ongoing transactions where receivables will be generated on an ongoing basis, the finance department manages the Group's risk exposure by setting credit limits and credit periods, as needed. Accounts receivable encompasses many customers spanning a wide range of industries and geographic regions. The Group conducts regular credit checks of the companies it does business with, and when necessary takes appropriate protective measures, such as requiring collateral.

(iv) Liquidity risk management

The Group manages liquidity risk by formulating and revising its funding plans on a timely basis and maintains an appropriate level of liquidity on hand. The ultimate responsibility for management of liquidity risk lies with the CFO appointed by the Board of Directors. The finance department, under the direction of the CFO, performs the day-to-day aspects of liquidity risk management by maintaining appropriate levels of surplus funds and bank loans, and by monitoring budgets and cash flows.

(2) Matters relating to the fair value of financial instruments

The carrying amounts of financial instruments and their fair values as at 31 August 2014 are shown below. Financial instruments measured at fair value on recurring basis are not included in this list, because the fair values of those financial instruments are the same as respective carrying amounts.

(Millions of yen)

	Carrying amount	Fair value
Short-term borrowings	2,857	2,857
Long-term borrowings (Note)	23,104	22,065
Lease obligation (Note)	11,599	11,379
Total	37,561	36,302

(Note) The above includes the outstanding balance of borrowings due within 1 year.

The fair values of short-term financial assets, short-term financial liabilities, long-term financial assets and long-term financial liabilities, which are measured by amortized cost, approximate to their carrying amounts.

The fair values of long-term borrowings and lease obligations are classified by term, and are calculated on the basis of the current value applying a discount rate that takes into account time remaining to maturity and credit risk.

5. Notes to Per Share Information

Equity per share attributable to owners of the parent	6,067.40 yen
Basic earnings per share for the year	731.51 yen
Diluted earnings per share for the year	730.81 yen

6. Notes to Significant Subsequent Events

The Issue of Stock-based Compensation Stock Options (Share Subscription Rights)

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 9 October 2014, the Company decided to issue share subscription rights as stock-based compensation stock options for the purpose of rewarding employees of the Company and its subsidiaries for their contribution to the Group’s profit. By linking the Company’s stock price more closely to the benefits received by highly productive personnel, the share subscription rights 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) 5th share subscription rights A type by FAST RETAILING CO., LTD.
(i) Number of share subscription rights
31,000 shares (maximum)
(ii) Type and number of shares to be issued upon exercise of share subscription rights
FAST RETAILING CO., LTD. common stock 31,000 shares (maximum)
(iii) The amount to be recorded upon allotment of share subscription rights
The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted (rounded to the nearest yen).
(iv) Exercise period of the share subscription rights
From 14 November 2017 to 13 November 2024
(v) Number of persons allotted share options and breakdown

Employees of the Company	50 persons
Employees of the Group subsidiaries	30 persons

(vi) Date of allotment of share subscription rights
14 November 2014

(2) 5th share subscription rights B type by FAST RETAILING CO., LTD.
(i) Number of share subscription rights
40,000 shares (maximum)
(ii) Type and number of shares to be issued upon exercise of share subscription rights
FAST RETAILING CO., LTD. common stock 40,000 shares (maximum)
(iii) The amount to be recorded upon allotment of share subscription rights
The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted (rounded to the nearest yen).
(iv) Exercise period of the share subscription rights
From 14 December 2014 to 13 November 2024
(v) Number of persons allotted share options and breakdown

Employees of the Company	260 persons
Employees of the Group subsidiaries	920 persons

(vi) Date of allotment of share subscription rights
14 November 2014

Balance Sheet

(as at 31 August 2014)

(Millions of yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	**247,570**	**Current liabilities**	**48,231**
Cash and deposits	46,673	Account payable	3,178
Trade accounts receivable	12,679	Accruals	1,173
Short-term investment securities	131,622	Deposits received	42,435
Short-term loans receivable from subsidiaries and affiliates	34,275	Allowance for bonuses	1,283
Income taxes receivable	11,481	Others	160
Accounts receivable from subsidiaries and affiliates	8,962	**Non-current liabilities**	**4,625**
Others	1,877	Guarantee deposits received	1,127
Allowance for doubtful accounts	(1)	Deferred tax liabilities	3,012
Non-current assets	**137,542**	Others	486
Property, plant and equipment	**3,116**		
Buildings	1,745	**Total liabilities**	**52,857**
Structures	91	**Net assets**	
Tools, furniture and equipment	116	**Shareholders' equity**	**335,136**
Land	1,158	Capital stock	10,273
Leased assets	4	Capital surplus	6,435
Intangible assets	**17,333**	Capital reserve	4,578
Software	11,849	Other capital surplus	1,856
Software in progress	5,403	Retained earnings	334,217
Others	80	Legal reserve	818
Investments and other assets	**117,092**	Other retained earnings	333,399
Investment securities	439	Special reserve fund	185,100
Investments in subsidiaries and affiliates	74,922	Retained earnings carried forward	148,299
Investments in capital of subsidiaries and affiliates	11,069	Treasury stock	(15,790)
Long-term loans receivable from subsidiaries and affiliates	24,034	**Valuation and translation adjustments**	**(4,515)**
Leases and guarantee deposits	5,314	Unrealized gains/(losses) on available-for-sale securities	(4,515)
Others	1,310	**Share subscription rights**	**1,634**
Allowance for doubtful accounts	(0)	**Total net assets**	**332,255**
Total assets	**385,113**	**Total liabilities and net assets**	**385,113**

(Note) Amounts are rounded down to the nearest million Japanese Yen.

Statement of Income

(Year ended 31 August 2014)

(Millions of yen)

Operating revenue		77,438
Operating expenses		33,961
Operating income		**43,477**
Non-operating income		
Interest income	62	
Interest income from investment securities	86	
Foreign exchange gains	3,508	
Others	96	3,753
Non-operating expenses		
Interest expenses	14	
Others	294	308
Ordinary income		**46,921**
Extraordinary income		
Gain from discharge of indebtedness	427	427
Extraordinary losses		
Impairment losses of investments in subsidiaries and affiliates	23,499	23,499
Income before income taxes		**23,849**
Income taxes - current	(91)	
Income taxes - deferred	**605**	**513**
Net income		**23,336**

(Note) Amounts are rounded down to the nearest million Japanese Yen.

Statement of Changes in Net Assets

(Year ended 31 August 2014)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings		Total retained earnings		
						Special reserve fund	Retained earnings carried forward			
As at 1 September 2013	10,273	4,578	1,384	5,963	818	185,100	155,534	341,452	(15,851)	341,838
Changes of items during the year										
Dividends							(30,571)	(30,571)		(30,571)
Net income							23,336	23,336		23,336
Acquisition of treasury stock									(25)	(25)
Disposal of treasury stock									86	86
Exercise of share subscription rights			471	471						471
Net changes of items other than those in shareholders' equity										
Total changes during the year	-	-	471	471	-	-	(7,234)	(7,234)	60	(6,701)
As at 31 August 2014	10,273	4,578	1,856	6,435	818	185,100	148,299	334,217	(15,790)	335,136

	Valuation and translation adjustments		Share subscription rights	Total net assets
	Unrealized gains/ (losses) on available-for-sale securities	Total valuation and translation adjustments		
As at 1 September 2013	(6,980)	(6,980)	896	335,754
Changes of items during the year				
Dividends				(30,571)
Net income				23,336
Acquisition of treasury stock				(25)
Disposal of treasury stock				86
Exercise of share subscription rights				471
Net changes of items other than those in shareholders' equity	2,464	2,464	738	3,203
Total changes during the year	2,464	2,464	738	(3,498)
As at 31 August 2014	(4,515)	(4,515)	1,634	332,255

(Note) Amounts are rounded down to the nearest million Japanese Yen.

Notes to Financial Statements

1. Significant Accounting Policies

(1) Valuation methods for securities

(i) Investments in subsidiaries and affiliates	Cost determined by average method
(ii) Other securities	Listed securities: Fair value method determined by the market value registered on the balance sheet date (31 August), reported as “unrealized gains/ (losses) on available-for-sale securities”, a separate component of net assets. The cost of securities sold is determined based on the moving average cost method. Unlisted securities: Cost determined by average method

(2) Depreciation method of non-current assets

(i) Property, plant and equipment (other than leased assets)	Property, plant and equipment are depreciated using the straight-line method. The principal ranges of estimated useful lives are as follows: Buildings & structures 5 to 10 years Tools, furniture and equipment 5 years
(ii) Intangible assets (other than leased assets)	Intangible assets except for leased assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method based on an estimated useful life of 5 years.
(iii) Leased assets	Finance lease transactions that do not relate to transfer of ownership. The leased assets are amortized using the straight-line method over the lease terms at zero residual value.

(3) Recognition and Measurement of Significant Reserves and Allowances

Allowance for doubtful accounts	Provision for potential bad debts, loan loss ratios are recorded for general accounts receivable. Specified doubtful accounts receivable are reviewed individually to determine their recoverability, and an estimate for the non-recoverable portion is recorded.
Allowance for bonuses	Bonuses to employees are accrued on the balance sheet date.

(4) Accounting for consumption tax

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

2. Notes to Balance Sheet

(1) Accumulated depreciation of property, plant and equipment	5,503 million yen
(2) Payables and receivables for subsidiaries and affiliates	
(i) Short-term receivables	12,600 million yen
(ii) Short-term payables	43,151 million yen
(iii) Long-term payables	227 million yen
(3) Payables to Directors	
Short-term payables	1 million yen
(4) Contingent liabilities	
(i) Guarantee for office and retail store leases	65,700 million yen
(ii) Guarantee on loans payable to financial institutions	23,132 million yen

3. Notes to Statement of Income

Transactions with subsidiaries and affiliates

Operating transactions	75,147 million yen
Non-operating transactions	13 million yen

4. Notes to Statement of Changes in Net Assets

Types and number of shares of treasury stock as at 31 August 2014

Class of Shares	Number of shares as at 31 August 2014 (shares)
Common stock	4,155,045

5. Notes to Deferred Tax

Breakdown of the causes of deferred tax assets and deferred tax liabilities are as follows:

Deferred tax assets:		Millions of yen
Allowance for bonus	508	
Depreciation	338	
Write-down of shares in subsidiaries and affiliates	25,898	
Provision of allowance for doubtful accounts	0	
Unrealized gains/ (losses) on available-for-sale securities	1,641	
Unused tax losses carried forward	1,173	
Others	2,827	
Subtotal deferred tax assets	32,387	
Valuation allowance	(32,387)	
Total deferred tax assets	-	
Deferred tax liabilities:		Millions of yen
Asset retirement obligations	24	
Temporary differences on shares of subsidiaries	2,203	
Enterprise tax receivable	225	
Foreign exchange gain on long-term foreign currency receivables	559	
Total deferred tax liabilities	3,012	
Net deferred tax assets	(3,012)	Millions of yen

6. Notes to the Related Party Transactions

(1) Subsidiaries and affiliates

	Company name	Location	Capital stock or investment (Millions of yen)	Business details	Percentage of shares (%)	Relationship with related parties	Contents of transactions	Amount of transaction (Millions of yen)	Account	Balance at 31 August 2014 (Millions of yen)
Subsidiary	UNIQLO CO., LTD.	Yamaguchi City, Yamaguchi	1,000	Clothing-related business	100.0	Relation of trademark use agreement Interlocking directors	Receipt of royalty etc. (Note 1) Advance payment of expenses Paying out funds based on the deposition contract (Note 2)	15,745 6,140 15,217	Trade accounts receivables Account receivables from subsidiaries and affiliates Deposits received	8,416 7,325 25,636
Subsidiary	Fast Retailing USA, Inc.	New York, USA	3,494	Clothing-related business	100.0	Relation of service rendering	Lending of funds (Note 2) Undertaking of the increase of capital (Note 3) Loan guarantee (Note 5)	10,237 7,884 81,874	Short-term loans receivable from subsidiaries and affiliates Long-term loans receivable from subsidiaries and affiliates	8,760 17,171
Subsidiary	FAST RETAILING FRANCE S.A.S.	Paris, France	22,563	Clothing-related business	100.0	Interlocking directors	Lending of funds (Note 2) Loan guarantee (Note 5)	8,288 5,469	Short-term loans receivable from subsidiaries and r affiliates Long-term loans receivable from subsidiaries and affiliates	16,109 5,342
Subsidiary	G.U. CO., LTD.	Yamaguchi City, Yamaguchi	10	Clothing-related business	100.0	Relation of service rendering Interlocking directors	Custody of funds by deposition contract (Note 2)	4,077	Deposit received	15,300
Subsidiary	UNIQLO EUROPE LIMITED	London, U.K.	7,418	Clothing-related business	100.0	Relation of service rendering Interlocking directors	Undertaking of the increase of capital (Note 4)	6,764	-	-
Subsidiary	FAST RETAILING (SINGAPORE) PTE. LTD.	Republic of Singapore	5,645	Clothing-related business	100.0	Relation of service rendering	Lending of funds (Note 2)	7,112	Short-term loans receivable from subsidiaries and affiliates Long-term loans receivable from subsidiaries and affiliates	8,128 1,261

Terms of business and how they are determined

Notes:

1. FAST RETAILING CO., LTD. receives payments as management fee for system service, etc. Management fee payments are based on a certain percentage 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. The transaction amount of any fund deposit is listed as the net balance of monies deposited and withdrawn.
3. The undertaking of the capital increase relates to the monetary guarantee provided when Fast Retailing USA, Inc. increased its capital stock.
4. The undertaking of the capital increase is done by debt equity swap. With this, allowance for doubtful accounts is allocated to loans receivable.
5: The Company provides loan guarantees for borrowing and rental payments.

(2) Directors and Major Individual Shareholders

Type	Name of Company or Individual	Location	Capita stock or Investment (Millions of yen)	Business details or profession	Percentage of shares (%)	Relationship with related parties	Contents of transaction	Amount of transaction (Millions of yen)	Account	Balance as at 31 August 2014 (Millions of yen)
Director	Toru Murayama	―	―	Non-executive Director	0.0	Outsourcing	Consulting and advisory agreements about training of management personnel (Note 1)	18	Accounts payable	1

Terms of business and how they are determined

Notes:

1. Transaction amounts were determined based on the negotiation with the related party considering market prices.
2. Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

7. Notes to Asset Retirement Obligations

Asset Retirements Recorded in the Balance Sheet

(1) Overview of the Asset Retirement Obligations

These obligations relate to the requirement stipulated in real estate lease agreements of the head office, other offices and stores to restore any rented space to their original states at the expiry of the lease period.

(2) Amount and Method of Calculating the Asset Retirement Obligations

Calculation of the amount of asset retirement obligation is based on estimates of the potential use (primarily 5 years) from the date of acquisition to the end of the useful life and 0.27% is generally used as the discount rate in calculations.

(3) Changes in balance of Asset Retirement Obligations for Year Ended 31 August 2014

Balance at the beginning of year	471 million yen
Increase due to acquisition of property, plant and equipment	- million yen
Accretion adjustment	2 million yen
Decrease due to settlement of asset retirement obligations	- million yen
Others	- million yen
Balance at the end of year	473 million yen

8. Notes concerning per share information

Net assets per share	3,243.97 yen
Net income per share for the year	228.99 yen
Diluted net income per share for the year	228.77 yen

9. Notes to Significant Subsequent Events

The Issue of Stock-based Compensation Stock Options (Share Subscription Rights)

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 9 October 2014, the Company decided to issue share subscription rights as stock-based compensation stock options for the purpose of rewarding employees of the Company and its subsidiaries for their contribution to the Group's profit. By linking the Company's stock price more closely to the benefits received by highly productive personnel, the share subscription rights 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) 5th share subscription rights A type by FAST RETAILING CO., LTD.

(i) Number of share subscription rights
31,000 shares (maximum)

(ii) Type and number of shares to be issued upon exercise of share subscription rights
FAST RETAILING CO., LTD. common stock 31,000 shares (maximum)

(iii) The amount to be recorded upon allotment of share subscription rights
The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted (rounded to the nearest yen).

(iv) Exercise period of the share subscription rights
From 14 November 2017 to 13 November 2024

(v) Number of persons allotted share options and breakdown

Employees of the Company	50 persons
Employees of the Group subsidiaries	30 persons

(vi) Date of allotment of share subscription rights
14 November 2014

(2) 5th share subscription rights B type by FAST RETAILING CO., LTD.

(i) Number of share subscription rights
40,000 shares (maximum)

(ii) Type and number of shares to be issued upon exercise of share subscription rights
FAST RETAILING CO., LTD. common stock 40,000 shares (maximum)

(iii) The amount to be recorded upon allotment of share subscription rights
The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted (rounded to the nearest yen).

(iv) Exercise period of the share subscription rights
From 14 December 2014 to 13 November 2024

(v) Number of persons allotted share options and breakdown

Employees of the Company	260 persons
Employees of the Group subsidiaries	920 persons

(vi) Date of allotment of share subscription rights
14 November 2014

(TRANSLATION)
Auditors' Report on Consolidated Financial Statements

Independent Auditors' Report

21 October 2014

The Board of Directors
FAST RETAILING CO., LTD.

Ernst & Young ShinNihon LLC

Certified Public Accountant Designated and Engagement Partner	Shigeyuki Amimoto
Certified Public Accountant Designated and Engagement Partner	Shuji Kaneko
Certified Public Accountant Designated and Engagement Partner	Yoshihisa Shibayama

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to the consolidated financial statements of FAST RETAILING CO., LTD. (the "Company") applicable to the fiscal year from 1 September 2013 through 31 August 2014.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Ordinance for Company Accounting, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditors consider internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements prepared in accordance with International Financial Reporting Standards with certain disclosure items omitted pursuant to the latter part of paragraph 1, Article 120 of the Ordinance for Company Accounting referred to above present fairly, in all material respects, the financial position and results of operations of FAST RETAILING CO., LTD. and its consolidated subsidiaries, applicable to the fiscal year ended 31 August 2014.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Note)

This is an English translation of the Japanese language Independent Auditors' Report issued by Ernst & Young ShinNihon LLC in connection with the audit of the consolidated financial statements of the Company prepared in Japanese, for the year ended 31 August 2014. Ernst & Young ShinNihon LLC have not audited the English language version of the consolidated financial statements for the above-mentioned year.

(TRANSLATION)
Auditors' Report on Financial Statements

Independent Auditors' Report

21 October 2014

The Board of Directors

FAST RETAILING CO., LTD.

Ernst & Young ShinNihon LLC

Certified Public Accountant Designated and Engagement Partner	Shigeyuki Amimoto
Certified Public Accountant Designated and Engagement Partner	Shuji Kaneko
Certified Public Accountant Designated and Engagement Partner	Yoshihisa Shibayama

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of FAST RETAILING CO., LTD. (the "Company") applicable to the 53rd fiscal year from 1 September 2013 through 31 August 2014.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with generally accepted accounting principles in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of FAST RETAILING CO., LTD. applicable to the 53rd fiscal year ended 31 August 2014 in conformity with generally accepted accounting principles in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Note)
This is an English translation of the Japanese language Independent Auditors' Report issued by Ernst & Young ShinNihon LLC in connection with the audit of the financial statements of the Company prepared in Japanese, for the year ended 31 August 2014. Ernst & Young ShinNihon LLC have not audited the English language version of the financial statements for the above-mentioned year.

Report by the Board of Statutory Auditors

AUDIT REPORT

With respect to the Directors' performance of their duties during the 53rd fiscal year (from 1 September 2013 to 31 August 2014), the Board of Statutory Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Statutory Auditor, and hereby reports as follows.

1. Method and Contents of Audit by Each Statutory Auditor and the Board of Statutory Auditors

The Board of Statutory Auditors has established the audit policies, assignment of duties, etc. and received a report from each Statutory Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Statutory Auditors has received reports from the Directors and the Accounting Auditor regarding the status of performance of their duties, and requested explanations as necessary.

In conformity with the Statutory Auditors' auditing standards established by the Board of Statutory Auditors, and in accordance with the audit policies and assignment of duties, etc., each of the Statutory Auditors endeavored to facilitate a mutual understanding with the Directors, the internal audit division, and other employees, etc., endeavored to collect information and maintain and improve the audit environment, has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the Company's head office and principal places.

Also, in relation to (i) the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties described in the Business Report complied with all laws, regulations, and the Articles of Incorporation and other systems set out in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company (kabushiki kaisha), and (ii) the systems (internal control systems) based on those resolutions, each Statutory Auditor has regularly received reports on the structure of that system and status of operation from Directors and other employees, requested explanations as necessary, and expressed its opinion.

With respect to subsidiaries, each Statutory Auditor endeavored to facilitate a mutual understanding and exchanged information with the Directors and Statutory Auditors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary. Based on the above-described methods, each Statutory Auditor examined the Business Report and the supplementary statements for the relevant fiscal year under consideration.

In addition, each Statutory Auditor monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of their performance of duties, and requested explanations as necessary. Each Statutory Auditor was notified by the Accounting Auditor that it had established a "system to ensure that the performance of the duties of the Accounting Auditor was properly conducted" (the matters listed in the items of Article 131 of the Ordinance of Company Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary.

Based on the above-described methods, each Statutory Auditor examined the Non-Consolidated Financial Statements (the balance sheet, the statement of income, the statement of changes in net assets, and the notes to the financial statements) and the supplementary schedules, and the Consolidated Financial Statements (the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the notes to the consolidated financial statements) for the fiscal year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

(i) We acknowledge that the Business Report and the supplementary schedules fairly present the status of the Company in conformity with the applicable laws, regulations, and the Articles of Incorporation.

(ii) We acknowledge that no misconduct or material fact constituting a violation of laws, regulations, or the Articles of Incorporation was found with respect to the Directors' performance of their duties.

(iii) We acknowledge that the Board of Director's resolutions with respect to the internal control systems are appropriate. We did not find any matter in the Business Report or the Directors' performance of their duties concerning the internal control systems that requiring mentioning.

(2) Results of Audit of the Non-Consolidated Financial Statements and the Supplementary Schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

23 October 2014

The Board of Statutory Auditors of FAST RETAILING CO., LTD.

Standing Statutory Auditor	Akira Tanaka	▪
Standing Statutory Auditor	Masaaki Shinjo	▪
Statutory Auditor	Takaharu Yasumoto	▪
Statutory Auditor	Akira Watanabe	▪
Statutory Auditor	Keiko Kaneko	▪

THE REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

First Item of Business: Election of Six (6) Directors

The term of office of all six (6) current Directors expires as of the end of this Ordinary General Meeting of Shareholders, so the Company proposes that six (6) Directors be elected.

The candidates for Directors are as follows.

Candidate number	Name (Date of Birth)	Career Summary (Position, Responsibilities and Other Significant Concurrent Offices Held)	Shareholding in FAST RETAILING CO., LTD.
1	Tadashi Yanai (7 February, 1949)	Aug. 1972 Joined FAST RETAILING CO., LTD. Sep. 1972 Director, FAST RETAILING CO., LTD. Aug. 1973 Executive Managing Director, FAST RETAILING CO., LTD. Sep. 1984 President & CEO, FAST RETAILING CO., LTD. Jun. 2001 External Director, Softbank Corp. (current) Nov. 2002 Representative Director and Chairman, FAST RETAILING CO., LTD. Feb. 2004 Representative Director and Chairman, LINK HOLDINGS CO., LTD. (currently LINK THEORY JAPAN CO., LTD.) Nov. 2004 Chairman, UNIQLO USA, Inc. (currently Fast Retailing USA, Inc.) Mar. 2005 Representative Director and Chairman, Onezone Corp. (currently G.U. CO., LTD.) Apr. 2005 Director and 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 EUROPE LIMITED) Jun. 2005 External Director, SPARX Asset Management Co., Ltd. (currently 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.) LIMITED (currently UNIQLO EUROPE LIMITED) Sep. 2008 Director and Chairman, GOV RETAILING CO., LTD. (currently G.U. CO., LTD.) 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) Nov. 2011 Director, LINK THEORY JAPAN CO., LTD. (current)	22,987,284 shares

Candidate Number	Name (Date of Birth)	Career Summary (Position, Responsibilities and Other Significant Concurrent Offices Held)	Shareholding in FAST RETAILING CO., LTD.
2	Toru Hambayashi (7 January, 1937)	Apr. 1959 Joined Nichimen Company Limited (currently Sojitz Corporation) Oct. 2000 President, Nichimen Corporation (currently Sojitz Corporation) Apr. 2003 Chairman and Representative Director, Sojitz Holdings Corporation (currently Sojitz Corporation) Jun. 2004 External 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)	Career Summary (Position, Responsibilities and Other Significant Concurrent Offices Held)	Shareholding in FAST RETAILING CO., LTD.
3	Nobumichi Hattori (25 December, 1957)	Apr. 1981 Joined NISSAN MOTOR CO.,LTD. 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 of Goldman Sachs and Company, Headquarters (New York), and M&A Advisory of Goldman Sachs Japan Co., 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)	Career Summary (Position, Responsibilities and Other Significant Concurrent Offices Held)		Shareholding in FAST RETAILING CO., LTD.
4	Toru Murayama (11 June, 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	Guest 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)	Career Summary (Position, Responsibilities and Other Significant Concurrent Offices Held)	Shareholding in FAST RETAILING CO., LTD.
5	Masaaki Shintaku (10 September, 1954)	Apr. 1978 Joined IBM Japan, Ltd. Dec. 1991 Joined Oracle Corporation Japan Aug. 1994 Director, Oracle Corporation Japan Aug. 1996 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) May. 2013 Specialized Member, the Central Council for Education in the Ministry of Education, Culture, Sports, Science and Technology (current)	-

Candidate number	Name (Date of Birth)	Career Summary (Position, Responsibilities and Other Significant Concurrent Offices Held)	Shareholding in FAST RETAILING CO., LTD.
6	Takashi Nawa (8 June, 1957)	Apr. 1980 Joined Mitsubishi Corporation Apr. 1991 Joined McKinsey & Company Jun. 2010 Professor, The Graduate School of International Corporate Strategy (ICS), Hitotsubashi University (current) Jun. 2010 President, Genesys Partners (current) Sep. 2010 Senior Advisor, Boston Consulting Group (current) Jun. 2011 External Director, NEC Capital Solutions Limited(current) Sep. 2012 President, Next Smart Lean Co., Ltd. (current) Nov. 2012 External Director, FAST RETAILING CO., LTD. (current) Jun. 2014 External Director, DENSO CORPORATION (current)	-

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 officers.
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 to the candidates for External Director

   (1) Reasons for selection as candidates for External Director:

   (i) Toru Hambayashi is considered a suitable candidate for External Director with many years' experience in top management at a large trading company. His knowledge on apparel retailing industry is also valuable to Fast Retailing as the Company seeks to expand its apparel-related operations.

   (ii) 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 valuable to Fast Retailing as the Company seeks to expand its operations strongly all around the world.

   (iii) Toru Murayama is considered a suitable candidate for External Director because his broad and deep knowledge of management principles and first-hand experience in top management at an American consulting firm has proved to be valuable in steering the expansion of Fast Retailing Group operations.

   (iv) Masaaki Shintaku is considered a suitable candidate for External Director because his broad and deep knowledge of management principles and first-hand experience in top management at an American information systems company has proved to be valuable in helping steer the expansion of Fast Retailing Group operations.

   (v) 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). 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 Ordinary General Meeting of Shareholders, Toru Hambayashi and Nobumichi Hattori shall have served as External Directors at FAST RETAILING CO., LTD. for a period of nine years, Toru Murayama for a period of seven years, Masaaki Shintaku for a period of five years, and Takashi Nawa for a period of two years.

   (3) Outline of External Director s' limited liability agreement

   To enable External Directors to fulfill their roles to the best of their ability and meet the expectations of the Board and shareholders, Article 29 of the Company's Articles of Incorporation stipulates that the Company may enter into agreements with External Directors to limit their liabilities to compensate for damages suffered due to their negligence in the execution of duties. Accordingly, the Company signed limited liability agreements with Toru Hambayashi, Nobumichi Hattori, Toru Murayama, Masaaki Shintaku, and Takashi Nawa. These agreements shall be extended in the event these five persons are re-elected as External Directors. An outline of the said agreement is detailed below. The limited liabilities agreement is based on provisions in Article 427, Paragraph 1 of the Companies Act, which limits the liabilities for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The agreement states that liabilities for damages shall be limited to the higher amount of either 5,000,000 yen or the amount stipulated by law.

Second Item of Business: Election of Two (2) Statutory Auditors

The term of office of two (2) current Statutory Auditors expires as of the end of this Ordinary General Meeting of Shareholders, so the Company proposes that two (2) Statutory Auditors be elected.

The candidates for Statutory Auditors are as follows.

Candidate number	Name (Date of Birth)	Career Summary (Position, Responsibilities and Other Significant Concurrent Offices Held)	Shareholding in FAST RETAILING CO., LTD.
1	Akira Tanaka (26 June, 1942)	Apr. 1966 Joined The Taisei Fire and Marine Insurance Company Limited (currently Sompo Japan Nipponkoa Insurance Inc.) Sep. 1972 Joined McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan), Ltd.) Mar. 1993 Director, McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan), Ltd.) Apr. 1997 Deputy President and Director, McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan), Ltd.) Mar. 2003 Advisor, McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan), Ltd.) Aug. 2003 Advisor, FAST RETAILING CO., LTD. Nov. 2003 Managing Director, FAST RETAILING CO., LTD. Nov. 2005 Senior Vice President, UNIQLO CO., LTD. Mar. 2006 Senior Vice President, FAST RETAILING CO., LTD. Nov. 2006 Standing Statutory Auditor, FAST RETAILING CO., LTD. (current) Apr. 2011 Representative director of FR Health Insurance Organization (current)	3,000 shares

Candidate number	Name (Date of Birth)	Career Summary (Position, Responsibilities and Other Significant Concurrent Offices Held)	Shareholding in FAST RETAILING CO., LTD.
2	Akira Watanabe (16 February, 1947)	Apr. 1973 Registered as a member of Japan Federation of Bar Associations (Dai-Ichi Tokyo Bar Association) May 1991 Chairman, Legislative Council of the Ministry of Justice Jun. 1995 Vice Chairman, Committee for revision of the bankruptcy code, Japan Federation of Bar Associations Apr. 1998 Chairman, Yamaichi Securities Co., Ltd. Legal Responsibility judging Panel Sep. 2002 Corporate reorganization trustee, K.K. Meguro Gajoen Mar. 2004 Corporate reorganization trustee, Togo Co., Ltd. Jun. 2006 Non-Executive Director, JAPAN PILE CORPORATION (current) Nov. 2006 External Statutory Auditor, FAST RETAILING CO., LTD. (current) Jun. 2007 External Director, MAEDA CORPORATION (current) Apr. 2008 Representative, Seiwa Meitetsu Law Office (current) Apr. 2010 External Director, MS&AD Insurance Group Holdings, Inc. (current) Mar. 2013 External Director, DUNLOP SPORTS CO. LTD. (current) Oct. 2014 External Statutory Auditor, KADOKAWA DWANGO CORPORATION (current)	-

1. Akira Watanabe is a candidate for External Statutory Auditor, and his name has been reported to the Tokyo Stock Exchange as an independent officers.
2. The Company has no specific interests or agreements with either of the candidates for statutory auditor.
3. Notes on the candidates for External Statutory Auditor

(1) Reasons for selection as candidates for External Statutory Auditor:
Akira Watanabe is considered a suitable candidate for External Statutory Auditor because he has duly fulfilled his responsibilities as the Company's External Statutory Auditor, and because of his wealth of experience and specialized knowledge as an attorney.

(2) Length of service of External Statutory Auditor
At the conclusion of this Ordinary General Meeting of Shareholders, Akira Watanabe shall have served as External Statutory Auditor at the Company for a period of eight years.

(3) Outline of External Statutory Auditors' limited liability agreement

To enable External Statutory Auditors to fulfill their roles to the best of their ability and meet the expectations of the Board and shareholders, Article 38 of the Company's Articles of Incorporation stipulates that the Company may enter into agreements with External Statutory Auditors to limit their liability to compensate for damages suffered due to their negligence in the execution of duties. Accordingly, the Company signed a limited liability agreement with Akira Watanabe. This agreement shall be extended in the event Akira Watanabe is re-elected as an External Statutory Auditor. An outline of the said agreement is detailed below.

The limited liability agreement is based on provisions in Article 427, Paragraph 1 of the Companies Act, which limits the liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The agreement states that liability for damages shall be limited to the higher amount of either 5,000,000 yen or the amount stipulated by law.

How to Exercise Voting Rights

Our shareholders may exercise their voting rights in writing (by using the Voting Rights Exercise Form). Please find details below for this method of exercising voting rights.

If a shareholder intends to attend the Ordinary General Meeting of Shareholders, it is not necessary for the shareholder to carry out the procedures for exercising voting rights in writing that are set out below.

Exercising Voting Rights in Writing (using the Voting Rights Exercise Form)
Please indicate on the Voting Rights Exercise Form enclosed herewith your approval or disapproval of the proposals and return the form. The form must reach the Company by the close of the Company's business (6:00 p.m., Japan time) on Wednesday, 19 November, 2014.

Supplementary information – Adoption of International Financial Reporting Standards ("IFRS")

The Group provides its services of production and retail throughout the world, mainly in UNIQLO business, and the revenue outside of Japan exceeds 30% of the consolidated revenue. Also, we continue to maintain steady growth as a truly globalized company, such as the listing of Hong Kong depositary receipts (HDRs) of the Company on the Main Board of The Stock Exchange of Hong Kong Limited in March 2014. With these backgrounds, the Group decided to apply IFRS starting from the consolidated fiscal year ended 31 August 2014, to increase international comparability of the Group's financial information.

Key changes brought by adoption of IFRS

1. Consolidated Financial Statements have been changed as follows:

※Non-consolidated Financial Statements of FAST RETAILING CO., LTD. were prepared in accordance with JGAAP as in the past years.

(*) Please refer to Annual Results Announcement for Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows（※）.

JGAAP		IFRS
Consolidated Balance Sheet		Consolidated Statement of Financial Position
Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	➡	Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income(*)
Consolidated Statement of Changes in Net Assets		Consolidated Statement of Changes in Equity
Consolidated Statement of Cash Flows		Consolidated Statement of Cash Flows(*)
Footnotes		Footnotes

2. Consolidated Statement of Profit or Loss has been changed as follows:

Components of operating profit are different between JGAAP and IFRS.

Under IFRS, there are neither concept of "Ordinary Income" nor classification of "Extraordinary Gains/Losses"

"Profit for the Year" under IFRS corresponds to "Income before Minority Interests" under JGAAP. "Profit for the Year attributable to the Owners of the Parent" corresponds to "Net Income" under JGAAP.

JGAAP		IFRS
Net Sales		Revenue
Gross Profit		Gross Profit
Operating Income		Operating Profit
Ordinary Income		Profit before Income Taxes
Extraordinary Gains/Losses	➡	Profit for the Year
Income before Income Taxes and Minority Interests		(Attributable to)
Income before Minority Interests		Owners of the Parent
Net Income		Non-controlling interests

(Components of Operating Profit)

(*) Foreign Exchange Gains/Losses arising from operating transactions. Etc.

<table>
<tr><th colspan="2">JGAAP</th></tr>
<tr><td rowspan="3">Net Sales</td><td>Cost of Sales</td></tr>
<tr><td>Selling, General and Administrative Expenses</td></tr>
<tr><td>Operating Income</td></tr>
</table>

<table>
<tr><th colspan="2">IFRS</th></tr>
<tr><td rowspan="3">Revenue</td><td>Cost of Sales</td></tr>
<tr><td>Selling, General and Administrative Expenses</td></tr>
<tr><td>Other Expenses (*)</td></tr>
<tr><td>Other Income (*)</td><td>Operating Profit</td></tr>
</table>

3. Key changes which have effects on the profit for the year:

Amortization and impairment of goodwill

Under JGAAP, goodwill was amortized over an estimated amortization period. Under IFRS, this amortization ceased on the transition date to IFRS. On the other hand, rules for impairment test of goodwill are stricter under IFRS. When the recoverable amount is decreased, impairment losses are recognized immediately. With this, the fair value of goodwill is reflected in the financial statements more appropriately.

Adjustment to exchange differences on monetary financial instruments denominated in foreign currencies

Under JGAAP, foreign exchange translation differences on monetary financial Instruments denominated in foreign currencies are recorded as unrealized gains or losses on available-for-sale securities under net assets. Under IFRS, these exchange differences are treated as foreign exchange gains or losses (finance income or costs).

END