

Fast Retailing Results for FY2019 and Estimates for FY2020

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My name is Takeshi Okazaki and I am Group Executive Vice President and CFO at Fast Retailing.

I would like to talk to you today about our consolidated business performance for FY2019, or the 12 months from September 2018 through August 2019, and to explain our estimates for the full business year through August 2020.

I. Results for FY2019	P3 ~ P19
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Disclosure of Corporate Performance

- Following the Group's adoption of International Financial Reporting Standards (IFRS) from the year ending August 31, 2014, all data in this document are calculated using IFRS standards.
- Business profit = Revenue – (Cost of sales + SG&A expenses)
- Group Operations:
 - UNIQLO Japan: All UNIQLO operations within Japan
 - UNIQLO International: All UNIQLO operations outside of Japan
 - GU: All GU operations inside and outside Japan
 - Global Brands: Theory, PLST, Comptoir des Cotonniers, Princesse tam.tam, J Brand
- Consolidated results also include Fast Retailing Co., Ltd. performance and consolidated adjustments.

A Note on Business Forecasts

When compiling business estimates, plans and target figures in this document, the figures that are not historical facts are forward looking statements based on management's judgment in light of currently available information. These business forecasts, plans and target figures may vary materially from the actual business results depending on the economic environment, our response to market demand and price competition, and changes in exchange rates.

Achieves a record performance Operating profit rises 9.1% y/y

Billions of Yen

	Yr to Aug. 2018	Yr to Aug. 2019						Latest est. (Jul.11)
	Actual	1H Actual	y/y	2H Actual	y/y	Full Year Actual	y/y	
Revenue (to revenue)	2,130.0 100.0%	1,267.6 100.0%	+6.8%	1,022.8 100.0%	+8.4%	2,290.5 100.0%	+7.5%	2,300.0 100.0%
Gross profit (to revenue)	1,049.9 49.3%	606.7 47.9%	+3.6% -1.4p	512.7 50.1%	+10.4% +0.9p	1,119.5 48.9%	+6.6% -0.4p	-
SG&A (to revenue)	797.4 37.4%	433.4 34.2%	+7.4% +0.2p	420.9 41.2%	+6.9% -0.6p	854.3 37.3%	+7.1% -0.1p	-
Business profit (to revenue)	252.4 11.9%	173.3 13.7%	-4.8% -1.6p	91.8 9.0%	+30.4% +1.5p	265.1 11.6%	+5.0% -0.3p	265.0 11.5%
Other income, expenses (to revenue)	-16.2 -	-0.3 -	-	-7.1 -	-	-7.5 -	-	-5.0 -
Operating profit (to revenue)	236.2 11.1%	172.9 13.6%	+1.4% -0.8p	84.6 8.3%	+28.9% +1.3p	257.6 11.2%	+9.1% +0.1p	260.0 11.3%
Finance income, costs (to revenue)	6.4 0.3%	1.2 0.1%	-	-6.4 -	-	-5.1 -	-	0.0 -
Profit before income taxes (to revenue)	242.6 11.4%	174.2 13.7%	+5.5% -0.2p	78.2 7.6%	+1.0% -0.6p	252.4 11.0%	+4.0% -0.4p	260.0 11.3%
Profit attributable to owners of the parent (to revenue)	154.8 7.3%	114.0 9.0%	+9.5% +0.2p	48.5 4.7%	-4.2% -0.7p	162.5 7.1%	+5.0% -0.2p	165.0 7.2%

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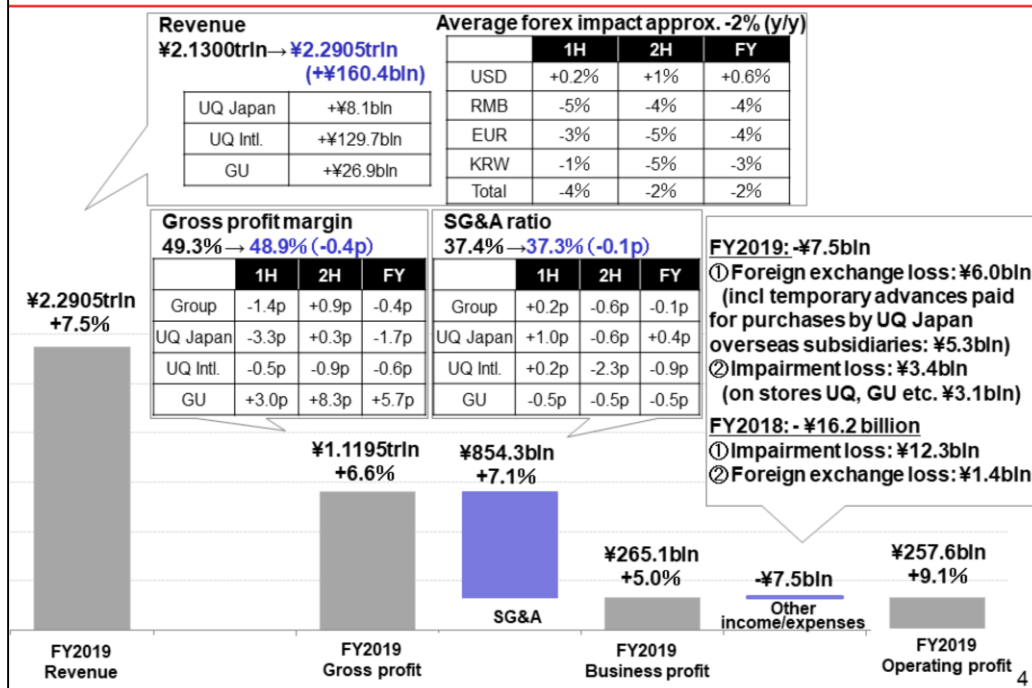
Fast Retailing reported rises in both revenue and profit to achieve a record performance in FY2019.

Consolidated revenue rose to ¥2.2905 trillion (up 7.5% year on year), business profit, which indicates fundamental business profitability, expanded to ¥265.1 billion (up 5.0%), operating profit increased to ¥257.6 billion (up 9.1%), and profit attributable to owners of the parent increased to ¥162.5 billion (up 5.0%).

The revenue result fell slightly short of our latest estimates, but business profit was roughly in line with forecast.

Operating profit fell slightly short of our latest full-year estimate of ¥260.0 billion following the recording of a minus ¥7.5 million net total under other income/expenses.

Group: FY2019 Operating Profit



Looking first at the data on the Fast Retailing Group's income statement, consolidated revenue increased by ¥160.4 billion year on year to ¥2.2905 trillion in FY2019 thanks primarily to large rises in revenue of ¥129.7 billion at UNIQLO International and ¥26.9 billion at our low-priced GU casual wear brand.

The consolidated gross profit margin contracted 0.4 point to 48.9% on the back of lower gross profit margins at UNIQLO Japan and UNIQLO International.

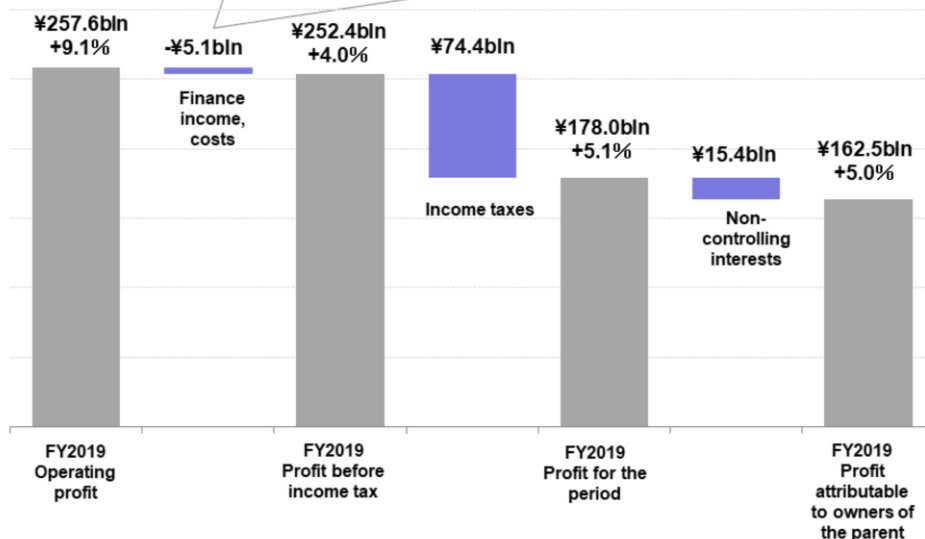
The SG&A to revenue ratio improved by 0.1 point to 37.3% on the back of improved cost ratios at UNIQLO International and GU.

Business profit expanded 5.0% year on year to ¥265.1 billion.

The net amount of other income/expenses stood at minus ¥7.5 billion, due largely to the recording of foreign exchange losses and impairment losses on UNIQLO stores.

As a result of the above factors, operating profit increased by 9.1% year on year to ¥257.6 billion in FY2019.

- Decrease in value of foreign-currency denominated assets: ¥13.1bln
September. 1, 2018 : 1USD=111JPY
August 31, 2019 : 1USD=106JPY
- Interest income & expenses: +¥7.8bln



The net amount of finance income/costs stood at minus ¥5.1 billion in FY2019. While we recorded a net ¥7.8 billion in interest income and expenses on the one hand, we also recorded a foreign exchange loss of ¥13.1 billion relating to a decrease in the yen value of our foreign-currency denominated assets.

As a result, profit before income taxes increased by 4.0% to ¥252.4 billion, and profit attributable to the owners of the parent increased by 5.0% to ¥162.5 billion.

FY2019 Breakdown by Group Operation

Billions of Yen

		Yr to Aug. 2018	Yr to Aug. 2019					
		Actual	1H Actual		2H Actual		Full Year Actual	
			y/y		y/y		y/y	
UNIQLO Japan	Revenue	864.7	491.3	-0.5%	381.6	+2.8%	872.9	+0.9%
	Business profit	120.1	67.6	-23.9%	35.5	+13.9%	103.2	-14.1%
	(to revenue)	13.9%	13.8%	-4.2p	9.3%	+0.9p	11.8%	-2.1p
	Other income, expenses	-1.0	0.1	-	-0.8	-	-0.7	-
	Operating profit	119.0	67.7	-23.7%	34.7	+14.6%	102.4	-13.9%
	(to revenue)	13.8%	13.8%	-4.2p	9.1%	+0.9p	11.7%	-2.1p
UNIQLO International	Revenue	896.3	580.0	+14.3%	446.0	+14.7%	1,026.0	+14.5%
	Business profit	120.6	88.6	+9.6%	51.6	+29.8%	140.3	+16.3%
	(to revenue)	13.5%	15.3%	-0.6p	11.6%	+1.4p	13.7%	+0.2p
	Other income, expenses	-1.7	-0.1	-	-1.2	-	-1.4	-
	Operating profit	118.8	88.4	+9.6%	50.4	+32.2%	138.9	+16.8%
	(to revenue)	13.3%	15.3%	-0.6p	11.3%	+1.5p	13.5%	+0.2p
GU	Revenue	211.8	117.1	+10.7%	121.5	+14.7%	238.7	+12.7%
	Business profit	11.9	14.1	+56.1%	14.0	+381.1%	28.1	+135.4%
	(to revenue)	5.6%	12.0%	+3.5p	11.6%	+8.8p	11.8%	+6.2p
	Other income, expenses	-0.1	0.0	-95.5%	0.0	-	0.0	-
	Operating profit	11.7	14.1	+54.3%	14.0	+436.4%	28.1	+139.2%
	(to revenue)	5.6%	12.1%	+3.5p	11.6%	+9.1p	11.8%	+6.2p
Global Brands	Revenue	154.4	77.7	-0.9%	72.1	-5.0%	149.9	-2.9%
	Business profit	6.2	3.2	-2.3%	0.7	-75.7%	3.9	-36.6%
	(to revenue)	4.1%	4.2%	-	1.0%	-2.9p	2.6%	-1.5p
	Other income, expenses	-10.3	-0.1	-	-0.1	-	-0.2	-
	Operating profit	-4.1	3.1	-	0.5	-63.6%	3.6	-
	(to revenue)	-	4.0%	-	0.8%	-1.2p	2.5%	-

Note: All UNIQLO Japan data (except revenue) include inter-Group transactions.

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Slide 6 displays the breakdown of performance by Group operation.

UNIQLO Japan FY2019

FY2019 profit down, but 2H OP recovers

- FY operating profit result slightly lower than expected.
- Same-store sales +1.0% y/y. E-commerce sales continued strong.
- FY gross profit margin down 1.7p but improved in 2H on lower cost of sales.
- FY SG&A ratio up 0.4p but improved in 2H on efficient cost-cutting.

Billions of Yen

	Yr to Aug. 2018	Yr to Aug. 2019					
	Actual	1H Actual	y/y	2H Actual	y/y	Full Year Actual	y/y
Revenue	864.7	491.3	-0.5%	381.6	+2.8%	872.9	+0.9%
(to revenue)	100.0%	100.0%		100.0%		100.0%	
Gross profit	418.5	224.1	-7.2%	183.2	+3.5%	407.4	-2.7%
(to revenue)	48.4%	45.6%	-3.3p	48.0%	+0.3p	46.7%	-1.7p
SG&A	298.4	156.5	+2.5%	147.7	+1.3%	304.2	+1.9%
(to revenue)	34.5%	31.9%	+1.0p	38.7%	-0.6p	34.9%	+0.4p
Business profit	120.1	67.6	-23.9%	35.5	+13.9%	103.2	-14.1%
(to revenue)	13.9%	13.8%	-4.2p	9.3%	+0.9p	11.8%	-2.1p
Other income, expenses	-1.0	0.1	-	-0.8	-	-0.7	-
(to revenue)	-	0.0%	-	-	-	-	-
Operating profit	119.0	67.7	-23.7%	34.7	+14.6%	102.4	-13.9%
(to revenue)	13.8%	13.8%	-4.2p	9.1%	+0.9p	11.7%	-2.1p

Note: All UNIQLO Japan data (except revenue) include inter-Group transactions.

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Looking first at UNIQLO Japan, that operation reported a rise revenue but a fall in profit in FY2019, with revenue expanding 0.9% year on year to ¥872.9 billion and operating profit contracting 13.9% to ¥102.4 billion. That operating profit result was slightly below plan.

However, while the full-year operating profit figure declined year on year, operating profit did pick up year on year in the second half from March to August 2019.

Full-year UNIQLO Japan same-store sales rose 1.0% year on year thanks to a consistently strong e-commerce contribution.

While the full-year gross profit margin contracted 1.7 points year on year, we did start to see an improvement in the second half on the back of lower cost of sales.

Again, while the full-year SG&A ratio increased 0.4 point in FY2019, we did see an improvement in the second-half ratio on the back of stronger cost-cutting measures.

UNIQLO Japan: FY2019 Revenue

Same-store sales: +1.0% y/y (1H: -0.9%, 2H: +3.5%)
2H revenue result slightly above plan

- Same-store sales down 0.9% y/y in 1H on warm winter. Picked up 3.5% in 2H.
- Strong 2H sales of Summer ranges (UT T-shirts, T-shirts, UV-cut mesh parkas, Kando pants, wide pants, etc.) resulted in slightly above-plan 2H revenue.
- E-commerce sales expanding favorably. FY2019 revenue ¥83.2bln (+32.0% y/y). Proportion of total sales rose from 7.3% to 9.5%.

Same-store sales	Yr to Aug. 2019								
	1H	Mar.	Apr.	May	Jun.	Jul.	Aug.	2H	Full year
Net sales	-0.9%	+4.5%	-1.7%	-1.8%	+27.3%	-10.0%	+9.9%	+3.5%	+1.0%
Customer visits	+0.4%	+10.1%	+0.7%	+1.3%	+25.6%	-5.8%	+13.5%	+6.6%	+3.3%
Customer spend	-1.3%	-5.1%	-2.4%	-3.1%	+1.4%	-4.5%	-3.2%	-2.9%	-2.2%

UNIQLO Japan same-store sales declined 0.9% year on year in the first half from September 2018 through February 2019 due to the warm winter effect, but then recovered to post a 3.5% year-on-year gain in the second half from March to August 2019.

Within that second half, sales of Summer ranges such as UT T-shirts, regular T-shirts, UV-cut mesh parkas, Kando pants, and wide pants all proved strong, resulting in a slightly above-plan result for second-half revenue.

In addition, e-commerce sales expanded favorably in FY2019, rising 32.0% year on year to ¥83.2 billion. The overall contribution of e-commerce sales to total sales rose from 7.3% to 9.5%.



UNIQLO Japan: FY2019 Gross Profit Margin

**FY2019 gross profit margin: 46.7% (-1.7p y/y)
2H +0.3p on improved cost of sales**

- 1H gross profit margin down 3.3p on stronger discounting due to warm winter.
- Internal yen rate started appreciating in 2H, resulting in lower cost of sales.
- However, further efforts to achieve appropriate inventory levels from the spring, and early inventory rundown of slow-selling items resulted in above-plan 2H discounting rates. 2H +0.3p rise in gross profit margin slightly below plan.
- End-August inventory healthy. Sharp y/y reduction in monetary terms as well.

	Yr to Aug. 2018	Yr to Aug. 2019	
			y/y
Full year	48.4%	46.7%	-1.7p
1H	48.9%	45.6%	-3.3p
2H	47.7%	48.0%	+0.3p

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Let's look next at the UNIQLO Japan gross profit margin which contracted 1.7 points year on year to 46.7% in FY2019.

The gross profit margin declined considerably, shedding 3.3 points year on year in the first half after we strengthened discounting in the wake of the warm winter season.

In the second half, the cost of sales improved after our internal yen exchange rates started to appreciate. By contrast, our increased determination to achieve more appropriate inventory levels from the spring and our decision to conduct an early inventory rundown of slow-selling items resulted in wider-than-expected discounting in the second half. As a result, the 0.3 point improvement in the second-half gross profit margin was slightly smaller than we had expected.

On the flip side, we were able to achieve a much healthier level of end-August inventories, and a large year-on-year inventory reduction in monetary terms as well.

UNIQLO Japan: FY2019 SG&A

FY2019 SG&A: 34.9% (+0.4p y/y)
2H improves 0.6p

- **Personnel:** Use of RFID, etc. improved store administration and productivity.
- **Store rents:** E-commerce proportion of total sales up, stores proportion down.
- **Distribution:** 1H: Warehousing, delivery costs up on higher Winter inventory.
2H: Further e-commerce distribution reform tempered the ratio's rise.
- **Advertising and promotion:** More flyers, TV ads in 2H, strategic marketing push.
- **Other expenses:** 1H: ratio up on Ariake Project IT investment.
2H: decline in outsourcing costs for store stocktaking.
- **Depreciation:** Ratio up on Ariake warehouse automation, shorter depreciation period for some former materials handling.

	Full Year To revenue (y/y)	1H To revenue (y/y)	2H To revenue (y/y)
SG&A Total	+0.4p	+1.0p	-0.6p
Distribution	+0.4p	+0.5p	+0.1p
Advertising & Promotion	+0.2p	+0.0p	+0.3p
Depreciation	+0.1p	+0.2p	+0.0p
Other expenses	+0.1p	+0.4p	-0.3p
Personnel	-0.2p	-0.1p	-0.5p
Store rents	-0.2p	+0.0p	-0.3p

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Next, the full-year UNIQLO Japan SG&A ratio rose by 0.4 point year on year to 34.9%.

While the first-half SG&A ratio increased by 1.0 point year on year, the second-half SG&A ratio declined 0.6 point as a result of strong cost-cutting measures.

Personnel and store rents were the two component cost ratios that improved over the full business year.

The full-year personnel-to-revenue ratio improved 0.2 point year on year as the increased use of RFID tags and other processes helped improve store administration and productivity.

Meanwhile, the full-year store rent-to-revenue ratio also improved 0.2 point year on year as the e-commerce proportion of sales continued to rise, and the physical store proportion of sales declined.

Component cost ratios that rose year on year were distribution, advertising and promotion, other expenses, and depreciation costs.

The distribution ratio increased 0.4 point in FY2019. The distribution cost-to-revenue ratio increased 0.5 point in the first half as higher levels of Winter inventory resulted in increased warehousing and delivery costs. However, further progress on e-commerce distribution reform tempered the rise in the second-half distribution cost ratio to a much smaller 0.1 point year on year.

The advertising and promotion ratio increased 0.2 point in FY2019 following our strategic efforts to strengthen marketing in the second half by increasing the number of flyers distributed and the number of TV commercials aired.

Finally, the other expenses ratio increased 0.1 point in FY2019. The ratio rose 0.4 point in the first half on IT investment relating to our transformative Ariake Project, but the ratio subsequently declined 0.3 point year on year in the second half following a decline in outsourcing costs for stocktaking at stores, and other factors.

Revenue tops 1 trillion yen for the first time Double-digit rise in operating profit slightly above plan

- Consistent strong growth in Greater China (Mainland China, Hong Kong, Taiwan), and y/y rises of over 20% for both revenue and profit in SE Asia & Oceania underpinned strong overall segment performance.
- Gross profit margin down 0.6p on stronger inventory control in all markets, and wider discounting.
- SG&A ratio improved 0.9p on stronger cost controls at Greater China and SE Asia & Oceania, and measures to improve instore productivity.
- Europe profit up on strong performance from Russia.
- USA reduced losses significantly but fell short of plan.
- South Korea profit declined.

Billions of Yen

		Yr to Aug. 2018 Actual	Yr to Aug. 2019					
			1H Actual		2H Actual		Full Year Actual	
				y/y		y/y		y/y
UNIQLO International	Revenue	896.3	580.0	+14.3%	446.0	+14.7%	1,026.0	+14.5%
	Business profit (to revenue)	120.6 13.5%	88.6 15.3%	+9.6% -0.6p	51.6 11.6%	+29.8% +1.4p	140.3 13.7%	+16.3% +0.2p
	Other income, expenses	-1.7	-0.1	-	-1.2	-	-1.4	-
	Operating profit (to revenue)	118.8 13.3%	88.4 15.3%	+9.6% -0.6p	50.4 11.3%	+32.2% +1.5p	138.9 13.5%	+16.8% +0.2p

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I would now like to move on to our UNIQLO International operation.

UNIQLO International generated significant rises in both revenue and profit in FY2019, with revenue expanding by 14.5% year on year to ¥1.0260 trillion, and operating profit expanding by 16.8% to ¥138.9 billion. That performance was slightly higher than planned, and, as a result, UNIQLO International revenue broke through the 1 trillion yen mark for the first time.

Consistent strong growth in Greater China (Mainland China, Hong Kong, Taiwan), and year-on-year rises of over 20% in both revenue and profit from Southeast Asia & Oceania helped drive strong UNIQLO International growth.

The UNIQLO International gross profit margin declined 0.6 point on stronger inventory control across all markets, and wider product discounting.

Meanwhile, the segment's SG&A ratio improved 0.9 point on stronger cost controls at Greater China and Southeast Asia & Oceania and measures to improve instore productivity.

Looking at other UNIQLO International markets, UNIQLO Europe reported an increase in profit on the back of a strong performance from Russia.

UNIQLO USA reported a significant reduction in operating losses, but the operation fell short of plan overall.

And finally, UNIQLO South Korea reported a decline in profit in the second half, and consequently the full business year as well.

UNIQLO Intl.: FY2019 by Region (1)

Greater China: Double-digit revenue, profit gains
FY2019 revenue ¥502.5bln (+14.3%), OP ¥89.0bln (+20.8%)

Mainland China: Full-year OP rises over 30% y/y, strong growth continues

- UNIQLO LifeWear concept embraced, established as No.1 apparel brand.
- 1H: Despite warm winter impact, sales of Winter item sales rose strongly once temperature cooled from December onwards.
- 2H: Strong overall sales thanks to early launch of Spring Summer ranges.
- E-commerce continued strong, rising approx. 30% y/y (20% of total sales).
- Gross profit margin improved slightly on more accurate sales planning.
- SG&A ratio improved sharply on lower advertising, store rents, personnel cost ratios.

Hong Kong, Taiwan: Operating profit declines

- HK: Same-store sales and OP down on unseasonal weather and local protests.
- Taiwan: Full-year OP down, but 2H OP up on higher same-store sales, and improved manhour productivity following introduction of RFID.

South Korea: Revenue and profit both dip

- 1H revenue, profit up. 2H revenue, profit down. 2H sales fell sharply on sluggish sales of Spring ranges during cool season, and boycotts in July, August.

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Next, I would like to look in more detail at individual market performance trends within the UNIQLO International business segment.

UNIQLO Greater China achieved double-digit gains in both revenue and profit in FY2019, with revenue expanding by 14.3% year on year to ¥502.5 billion and operating profit expanding by 20.8% to ¥89.0 billion. The region's operating profit margin improved by 0.9 point to 17.7%.

Within the Greater China operation, Mainland China continued to exhibit strong growth by generating a full-year rise in operating profit of over 30%. This strong performance was underpinned by the enthusiastic embracing of the UNIQLO LifeWear concept by local customers, and the firm positioning of UNIQLO as the market's No.1 apparel brand.

In the first half of FY2019, the operation was effected by the warm winter, but saw sales of Winter items recover strongly once the temperature started to cool from December onwards. Subsequent overall sales continued strong in the second half thanks to an early launch of Spring Summer ranges. E-commerce sales also continued strong upward trend, expanding by approximately 30% year on year, and pushing the proportion of e-commerce sales to roughly 20% of total sales.

On the profit front, the Mainland China gross profit margin improved slightly on more accurate sales planning. The SG&A ratio also improved sharply on lower advertising and promotion, store rents, and personnel ratios.

In Hong Kong, operating profit declined on the back of weaker same-store sales, which were adversely affected by unseasonal weather and local political demonstrations.

In Taiwan, while the local UNIQLO operation reported a decline in full-year operating profit, operating profit did increase in the second half thanks to higher same-store sales and the introduction of RFID, which improved manhour productivity.

Looking next at business performance in South Korea, that operation reported declines in both revenue and profit in FY2019. After rising in the first half, revenue and profit subsequently declined in the second half on the back of a sharp fall in sales caused primarily by consistently cool weather, which dampened sales of Spring ranges, and the adverse impact of local consumer boycotts of Japanese products in July and August.

UNIQLO Intl.: FY2019 by Region (2)

**SE Asia & Oceania: Revenue, profit rise over 20% y/y
FY2019 sales reach ¥170bln mark, OP margin approx. 16%**

Southeast Asia: Large revenue, profit gains

- UNIQLO presence further strengthened by Manila global flagship (opened October 2018) and multiple store openings.
- Indonesia, the Philippines, and Thailand especially strong.
- Gross profit margin down on stronger inventory control, greater discounting.
- Business cost efficiency improved on higher sales per store.
- First store in India opened October 4, 2019.
- First store is scheduled to open in Vietnam this year.



First store in India opens in the popular Ambience Mall shopping center in the Delhi metropolitan area on October 4, 2019.

Australia: Consistent revenue, profit gains

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UNIQLO Southeast Asia & Oceania continued to display a strong performance trend in FY2019, with both revenue and profit expanding by over 20% year on year, and full-year sales reaching the 170 billion yen mark. Another point of note is the fact that, despite the increased cost of opening first stores in new markets such as India and Vietnam, UNIQLO Southeast Asia & Oceania managed to maintain an impressively high operating profit margin in the region of 16%.

The UNIQLO brand was able to further strengthen its presence in Southeast Asia thanks to the opening of the Manila global flagship and the opening of multiple new stores (32 stores) across the region over the year.

In terms of individual markets, Indonesia, the Philippines, and Thailand achieved especially strong results.

UNIQLO Southeast Asia's gross profit margin declined on the back of stronger control of inventory levels, and greater product discounting. Having said that, business cost efficiency improved on the rise in sales per store.

I would also like to mention that the opening of our first store in India on October 4, 2019 attracted many customers. We are now set to open our first store in Vietnam later this year.

UNIQLO Intl.: FY2019 by Region (3)

North America: Sharp reduction in operating losses

USA: Sharp reduction in operating loss

- 1H: Turned a profit. Favorably improved business performance by reviewing product mixes for each region and improving sales planning accuracy.
- 2H: Sales of Spring Summer ranges struggled due to unseasonal weather.
- The improved full-year profit picture was not as strong as predicted.
- E-commerce sales continued strong, rising approx. 30% y/y (25% of total sales).

Canada: Revenue up, but profit down slightly on increased store openings.

Europe: Revenue, profit rise

- European sales rose 20% y/y to top the ¥100bln mark.
- Russia continued strong, large profit gain.
- E-commerce sales strong (20% of total sales).
- Performance from new Sweden, Netherlands, Denmark stores growing favorably.
- First store in Italy (Milan), opened September 2019, got off to a strong start.



1,200 people queued for the opening of the first UNIQLO Piazza Cordusio store, in Milan, Italy on September 13.

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Looking next at North America (United States and Canada), UNIQLO USA significantly reduced its operating loss in FY2019. In the first half, UNIQLO USA performance improved favorably and moved into the black after the operation reviewed its product mixes for each region and improved the accuracy of its sales planning. However, sales of Spring Summer ranges struggled in the second half due to the unseasonal weather. The net result was an improvement in full-year revenue that was less prominent than we had predicted. At the same time however, UNIQLO USA e-commerce sales continued to grow strongly in FY2019, rising by roughly 30% year on year and increasing their proportion of total sales to approximately 25%.

Moving onto the European region, UNIQLO Europe reported higher revenue and profit in FY2019, with revenue expanding by 20% year on year to surpass the 100 billion yen mark. Russia reported another large profit gain, and e-commerce sales also continued their strong growth, increasing the proportion of e-commerce sales to approximately 20% of total sales.

I am delighted to say that our new stores in Sweden, the Netherlands, and Denmark are displaying favorable growth, and our first store in Italy, which we opened in Milan in September 2019, got off to a strong start with roughly 1,200 people queuing outside the store on opening day.

Achieves a record performance Operating profit exceeds plan, doubles y/y

- **Strong 4.0% rise in full-year same-store sales after concentrating the number of product items, focusing on mass fashion trends, and strengthening TV ads and other marketing.**
- **Fall Winter oversized sweat and knitwear and Spring Summer oversized T-shirts and smooth T-shirts proved large-ticket items with sales of several million units, driving overall GU growth. Trendy cut & sew dresses and marshmallow court shoes also sold well.**
- **Gross profit margin +5.7p. (Cost of sales down on early orders and aggregate materials purchasing; discounting down on early launch of seasonal ranges and fast-response additional production). 2H gross profit margin +8.3p.**
- **End-August inventory down y/y on early stock rundown of slow-selling items.**
- **SG&A ratio improved 0.5p. Personnel cost ratio down on more efficient store operations. Other expenses down on cost-cutting projects.**

		Yr to Aug. 2018	Yr to Aug. 2019						Billions of Yen
		Actual	1H Actual	y/y	2H Actual	y/y	Full Year Actual	y/y	
GU	Revenue	211.8	117.1	+10.7%	121.5	+14.7%	238.7	+12.7%	
	Business profit (to revenue)	11.9	14.1	+56.1%	14.0	+381.1%	28.1	+135.4%	
	Other income, expenses	-0.1	0.0	+3.5p	0.0	+8.8p	0.0	+6.2p	
	Operating profit (to revenue)	11.7	14.1	+95.5%	14.0	-	28.1	-	
		5.6%	12.1%	+54.3%	11.6%	+436.4%	11.8%	+139.2%	

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Our GU business segment achieved a record result in FY2019, with revenue rising 12.7% year on year to ¥238.7 billion and operating profit expanding by an impressive 139.2% to ¥28.1 billion. The year-on-year doubling in GU operating profit was higher than expected.

GU reported a strong 4.0% rise in full-year same-store sales thanks to our decision to concentrate the number of product items, focus on mass fashion trends, and strengthen TV commercials and other marketing campaigns.

Sales of Fall Winter oversized sweat and knitwear and Spring Summer oversized T-shirts and smooth T-shirts proved key drivers of GU performance, achieving sales of several million units. In addition to these items, GU's trendy cut & sew dresses and marshmallow court shoes also sold well.

On the profit front, the GU full-year gross profit margin improved by 5.7 points year on year. Several factors contributed to this large rise, including: a significant decline in the cost of sales achieved by submitting orders early and purchasing materials in aggregate, and; lower discounting achieved through an early launch of seasonal ranges, and fast-response processing of additional production for strong-selling items that helped reduce production lead times and ensure on-trend items were delivered to customers at the right moment. The rise in the second-half gross profit margin was particularly marked at 8.3 points year on year, thanks to lower discounting. Meanwhile, GU was able to successfully reduce its end-August inventory levels compared to the previous year by conducting an early rundown of slow-selling products.

Finally, the GU SG&A ratio improved 0.5 point in FY2019, thanks to a decline in the personnel ratio on more efficient store operations, and a decline in other expenses on the back of our cost-cutting project.

Global Brands: FY2019

Business profit comes in below plan

- Above-plan losses primarily from Comptoir des Cottonniers.
- Returned an operating profit of ¥3.6bln (owing to the reporting of a ¥9.9bln impairment loss in FY2018)

Theory: Revenue and profit both higher

- Stable growth for the Theory brand.

PLST: Revenue up, operating profit steady

- Increased SG&A expenses due to opening of 21 new stores over the year.

Comptoir des Cottonniers: The loss recorded under business profit expands

- Starting to significantly strengthen management systems from 2H and are proceeding with structural reform, but, at this point, sales continue sluggish, and discounting is growing as we seek to achieve healthy inventory levels.

Billions of Yen

		Yr to Aug. 2018 Actual	Yr to Aug. 2019					
			1H Actual		2H Actual		Full Year Actual	
				y/y		y/y		y/y
Global Brands	Revenue	154.4	77.7	-0.9%	72.1	-5.0%	149.9	-2.9%
	Business profit	6.2	3.2	-2.3%	0.7	-75.7%	3.9	-36.6%
	(to revenue)	4.1%	4.2%	-	1.0%	-2.9p	2.6%	-1.5p
	Other income, expenses	-10.3	-0.1	-	-0.1	-	-0.2	-
	Operating profit	-4.1	3.1	-	0.5	-63.6%	3.6	-
	(to revenue)	-	4.0%	-	0.8%	-1.2p	2.5%	-

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Finally, our Global Brands segment reported a decrease in revenue of 2.9% year on year to ¥149.9 billion, and a 36.6% decline in business profit to ¥3.9 billion. That business profit result came in short of plan due primarily to higher-than-expected losses from our France-based Comptoir des Cottonniers fashion label.

Global Brands operating profit moved back into the black, reporting a ¥3.6 billion profit in FY2019 following the recording of a ¥9.9 billion impairment loss in FY2018.

Our Theory operation generated higher revenue and profit in FY2019 from stable growth for the brand.

PLST reported higher revenue. However, higher SG&A expenses relating to the opening of 21 new stores over the year resulted in a flat year-on-year operating profit result.

Finally, Comptoir des Cottonniers reported widening losses under business profit. While we began significantly strengthening the brand's business framework from the second half, and have been proceeding with structural reforms, at this point in time, Comptoir des Cottonniers sales continue to display a sluggish performance, and discounting has been further increased to achieve healthier inventory levels.

Group: Balance Sheet (end August 2019)

Billions of Yen

	End Aug. 2018	End Aug. 2019	Change
Total Assets	1,953.4	2,010.5	+57.0
Current Assets	1,618.0	1,638.1	+20.0
Non-Current Assets	335.3	372.3	+37.0
Total Liabilities	1,050.6	1,027.0	-23.6
Total Equity	902.7	983.5	+80.7

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This slide, number 17, shows the condition of our balance sheet as it stood at the end of August 2019.

I will go through a detailed rundown of that content in the next slide.



Group: B/S Main Points v. end Aug. 2018

Current assets: +¥20.0bln (¥1.6180trln⇒¥1.6381trln)

• **Cash and cash equivalents: +¥86.8bln (¥999.6bln⇒¥1.0865trln)**

• **Inventory assets: -¥54.2bln (¥464.7bln⇒¥410.5bln)**

Early rundown of stock of slow-selling Spring Summer products

Sought to strengthen order progress management, and achieve appropriate inventory

UNIQLO Japan: -¥30.2bln UNIQLO Intl.: -¥18.0bln GU: -¥2.7bln Global Brands: -¥3.3bln

• **Derivative financial assets: -¥20.7bln (¥35.5bln⇒¥14.7bln)**

The average yen rate on our forward contract holdings was higher than the end-August spot rate, but the gap between the two shrank, resulting in a ¥11.2bln decline in derivative financial assets. Hedge accounting so no impact on P/L.

Non-current assets: +¥37.0bln (¥335.3bln⇒¥372.3bln)

• **Derivative financial assets: +¥9.4bln (¥0.0bln⇒¥9.4bln)**

• **Intangible assets: +¥14.1bln (¥46.0bln⇒¥60.1bln)**

Ariake Project IT Investment

Liabilities: -¥23.6bln (¥1.0506trln⇒¥1.0270trln)

• **Trade and other payables: -¥22.7bln (¥214.5bln⇒¥191.7bln)**

Trade payables declined on back of lower inventory levels

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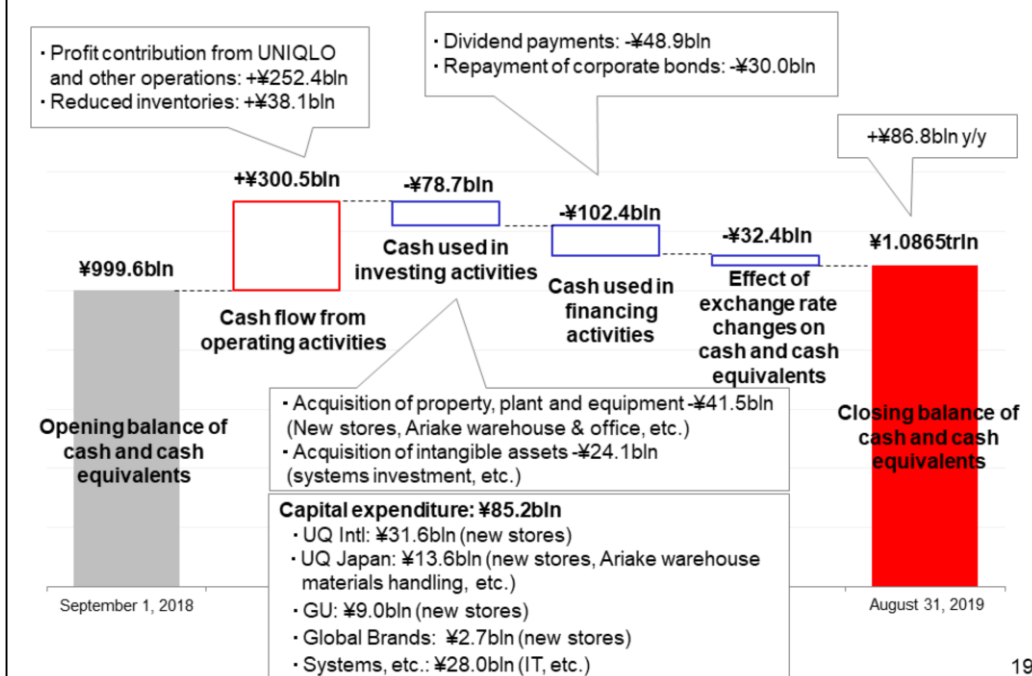
Let me list here the factors underlying the ¥20.0 billion increase in current assets, which constitutes the majority of total assets.

First, cash and cash equivalents increased by ¥86.8 billion year on year. This increase was generated by a higher operating cash flow primarily from UNIQLO International.

Next, total inventory assets decreased by ¥54.2 billion year on year after we conducted an early rundown of inventory of Spring Summer products exhibiting sluggish sales during the season and sought to strengthen our order progression management and attain more appropriate inventory levels.

One final point here was the fact that the end-August spot rate closed below the average yen rate on our forward contract holdings, shrinking the gap between the two rates, and resulting in a ¥11.2bln year on year decline in derivative financial assets.

Group: FY2019 Cash Flow



Looking next at our FY2019 cash flow, we enjoyed a net cash inflow of ¥300.5 billion from operating activities. Cash used in investing activities totaled ¥78.7 billion, and cash used in financial activities totaled ¥102.4 billion.

As a result, the balance of cash and cash equivalents reached ¥1.0865 trillion at the end of August 2019.

Our total capital expenditure increased by ¥15.8 billion from ¥69.3 billion in FY2018 to ¥85.2 billion in FY2019. That investment included ¥31.6 billion in UNIQLO International, and ¥28.0 billion in systems investment, etc.

Group: FY2020 Estimates

Forecast a record full-year performance

Revenue : ¥2.4000trln + 4.8% y/y
Business profit : ¥280.0bln + 5.6% y/y
Operating profit : ¥275.0bln + 6.7% y/y

	Yr to Aug. 2019 Actual	Yr to Aug. 2020 Estimates (as of Oct.10)		Billions of Yen
			y/y	
Revenue	2,290.5	2,400.0	+4.8%	
(to revenue)	100.0%	100.0%		
Business profit	265.1	280.0	+5.6%	
(to revenue)	11.6%	11.7%	+0.1p	
Other income, expenses	-7.5	-5.0	-	
Operating profit	257.6	275.0	+6.7%	
(to revenue)	11.2%	11.5%	+0.3p	
Finance income, costs	-5.1	0.0	-	
Profit before income taxes	252.4	275.0	+8.9%	
(to revenue)	11.0%	11.5%	+0.5p	
Profit attributable to owners of the parent	162.5	175.0	+7.6%	
(to revenue)	7.1%	7.3%	+0.2p	

Note: We have incorporated an approximate 3% upward push factor in our FY2020 operating profit estimate relating to the application of the new IFRS 16 leases standard.

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Let me now move on to talk about our business estimates for FY2020, or the twelve months from September 2019 through to the end of August 2020.

We expect to achieve a record performance in FY2020.

We estimate consolidated revenue will reach ¥2.4000 trillion (+4.8% year on year) and business profit will expand to ¥280.0 billion (+5.6%).

We forecast minus ¥5.0 billion under other income/costs, which incorporates predicted retirement losses and store-closure losses resulting from the closure of stores at UNIQLO International under our scrap and build policy of proactively replacing smaller or less profitable stores with larger ones.

As a result, full-year operating profit is expected to increase by 6.7% year on year to ¥275.0 billion.

Our FY2020 estimates for finance income/costs are calculated using the period-start exchange rate of 1USD=106.4JPY, and do not incorporate any foreign exchange gain or loss.

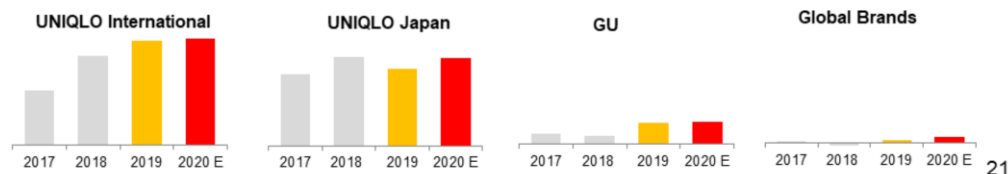
As a result, profit attributable to owners of the parent is estimated to increase by 7.6% year on year to ¥175.0 billion in FY2020.

FY2020 Estimates by Group Operation (1)

UNIQLO Intl: Expect continued favorable expansion

- Yen appreciation seen exerting a 5% downward impact on results. After stripping out that impact, we expect the same pace of revenue gains as the previous year.
- Gross profit margin to dip slightly, SG&A ratio to improve slightly.
- Greater China expected to continue to report strong results. In light of recent forex movements, we assume an approximate 8% yuan depreciation over the full-year. Strip out that factor, and we expect double-digit gains in FY2020 revenue and profit.
- SE Asia & Oceania expected to generate further significant revenue, profit gains.
- S. Korea forecast to report large falls in revenue and profit. Europe to report revenue and profit gains. USA seen turning a full-year profit.
- UNIQLO International expected to open 168 new stores (incl. approx. 100 stores in Greater China, and approx. 40 stores in SE Asia & Oceania per year).

• Envisaged Future Operating Profit Trend by Business Segment



I would just like to take a few minutes to break down our FY2020 estimates by business segment.

Starting with UNIQLO International, we expect that operation will achieve a continued favorable expansion in business performance. An appreciation in the yen currency is expected to exert a 5% downward impact on performance. For that reason, we are predicting a single-digit year-on-year rise in UNIQLO International revenue in FY2020. However, if you strip out that downward forex pressure, our forecasts assume the same pace of revenue growth as in the previous year. On the profit front, we forecast the gross profit margin will dip slightly, and the SG&A ratio will improve slightly.

Looking at individual regions, Greater China is expected to continue to report strong results. In light of recent forex movements, we are assuming an approximate 8% depreciation in the yuan currency over the full business year. Stripping out that factor, we expect double-digit gains in Greater China FY2020 revenue and profit.

Southeast Asia & Oceania is expected to generate further significant revenue and profit growth in FY2020. South Korea is forecast to report large falls in revenue and profit, while Europe is seen reporting rises in both revenue and profit gains, and UNIQLO USA is expected to turn a full-year profit.

In terms of our new store opening strategy, UNIQLO International is forecast to open 168 new stores, as we continue with our policy of opening approximately 100 new stores in Greater China, and approximately 40 stores in Southeast Asia & Oceania each year.

UNIQLO Japan: Expect double-digit profit rise

- Forecast 1H and 2H rises in revenue and profit, and double-digit FY profit rise.
- Expect same-store sales to rise 2.5% y/y, incl. approx. 30% rise in e-commerce sales (proportion of total sales expected to exceed 11%).
- Expect gross profit margin to improve slightly on lower cost of sales and controlled discounting.
- Expect a slight improvement in the SG&A ratio as more appropriate inventory levels improve distribution ratio, and the introduction of RFID and self-checkouts boost efficiency of store operations and reduce personnel cost ratio.

GU: Revenue, profit forecast to rise

- Aim to expand sales by continuing focus on mass fashion trends.
- Planning to further strengthen GU's reputation for fashion at amazingly low prices by expanding fashion items and low-priced product lineups.
- Predict steady gross profit margin and SG&A ratio.

Global Brands: Revenue, profit forecast to rise

- Expect stable growth for the Theory brand.
- Expect favorable expansion of PLST operational scale.
- Forecast smaller loss from Comptoir des Cotonniers as structural reform continues.

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Looking next at UNIQLO Japan, we forecast this operation will generate rising revenue and profit in both the first and the second halves of the financial year and achieve a double-digit rise in full-year profit. Same-store sales are predicted to rise 2.5% year on year. That includes an approximately 30% year-on-year rise in e-commerce sales, which would nudge the proportion of e-commerce sales to above 11% of total sales.

We expect the UNIQLO Japan gross profit margin will improve slightly in FY2020 on lower cost of sales and controlled discounting. We are also forecasting a slight improvement in the SG&A ratio, with the distribution ratio improving on the back of more appropriate inventory levels, and the personnel cost ratio improving as the introduction of RFID and self-checkouts increase the efficiency of store operations.

Moving onto our GU operation, we expect GU will generate rises in both full-year revenue and profit in FY2020. We aim to expand sales by continuing to focus on mass fashion trends. At the same time, we plan to bolster GU's reputation as the brand that offers "fashion at amazingly low prices" by expanding its range of fashion items and low-priced products. Meanwhile, we expect GU to achieve a steady gross profit margin and SG&A ratio.

Finally, looking at our Global Brands segment, we expect that segment will generate rising revenue and profit in FY2020. That performance is expected to be underpinned by predicted stable growth for our Theory operation and a favorable expansion of the PLST's operational reach. We forecast a smaller loss will be reported by our France-based Comptoir des Cotonniers label as we press ahead with measures to reform the brand's structure.

FY2020 Dividend Estimates

Scheduled FY2019 dividend: ¥480

Expected FY2020 dividend: ¥500

	Dividend per share		
	Interim	Yr-end	Annual
Year to Aug. 2018	200yen	240yen	440yen
Year to Aug. 2019 *1	240yen	240yen	480yen
Year to Aug. 2020 (E) (as of Oct.10) *2	250yen	250yen	500yen
Increase in dividend	+10yen	+10yen	+20yen

*1 The final decision on the FY2019 year-end dividend will be taken at the Board meeting to be held on November 5, 2019.

*2 The year-end dividend total may be adjusted in the event of large fluctuations in business performance or access to funds

Finally, I would like to talk about dividend policy.

We are scheduled to pay a FY2019 year-end dividend of ¥240 as pledged in our latest estimates announced in April. That would result in an annual dividend for FY2019 of ¥480 per share.

In FY2020, we expect to increase our annual dividend by ¥20 to ¥500 yen per share, to be split evenly between interim and year-end dividends of ¥250 each.

That completes my presentation on Fast Retailing's FY2019 performance and outlook for the coming business year through the end of August 2020.

The remaining three slides are provided for your reference.

Reference: Group Company Store Numbers

[Units: Stores]	FY2018 Yr-end	FY2019 Result (Sep. - Aug.)				FY2020 Estimates (Sep. - Aug.)			
		Open	Close	Change	End Aug.	Open	Close	Change	End Aug.
UNIQLO Operations	2,068	200	72	+128	2,196	198	57	+141	2,337
UNIQLO Japan ※	827	34	44	-10	817	30	30	0	817
Own stores	784	30	40	-10	774	-	-	-	-
Large-scale	215	19	4	+15	230	-	-	-	-
Standard and others	569	11	36	-25	544	-	-	-	-
Franchise stores	43	4	4	0	43	-	-	-	-
UNIQLO International	1,241	166	28	+138	1,379	168	27	+141	1,520
Mainland China	633	86	8	+78	711	-	-	-	-
Hong Kong	28	1	0	+1	29	100	-	-	-
Taiwan	65	4	2	+2	67	-	-	-	-
Korea	186	10	8	+2	188	7	-	-	-
Singapore	26	4	2	+2	28	-	-	-	-
Malaysia	48	2	1	+1	49	-	-	-	-
Thailand	40	10	0	+10	50	-	-	-	-
Philippines	51	8	1	+7	58	40	-	-	-
Indonesia	18	8	0	+8	26	-	-	-	-
Australia	15	5	0	+5	20	-	-	-	-
Vietnam	0	0	0	0	0	-	-	-	-
India	0	0	0	0	0	-	-	-	-
USA	48	5	2	+3	51	6	-	-	-
Canada	5	6	0	+6	11	-	-	-	-
UK	11	2	0	+2	13	-	-	-	-
France	25	2	3	-1	24	-	-	-	-
Russia	31	7	1	+6	37	-	-	-	-
Germany	5	4	0	+4	9	-	-	-	-
Belgium	3	0	0	0	3	15	-	-	-
Spain	2	0	0	0	2	-	-	-	-
Sweden	1	0	0	0	1	-	-	-	-
The Netherlands	0	1	0	+1	1	-	-	-	-
Denmark	0	1	0	+1	1	-	-	-	-
Italy	0	0	0	0	0	-	-	-	-
GU	393	44	16	+28	421	36	12	+24	445
Global Brands	984	58	70	-12	972	39	48	-9	963
Theory ※	450	30	29	+1	451	-	-	-	-
PLST ※	87	21	7	+14	101	-	-	-	-
Comptoir des Cottonniers ※	320	7	31	-24	296	-	-	-	-
Princesse tam tam ※	127	0	3	-3	124	-	-	-	-
Total	3,445	302	158	+144	3,589	273	117	+156	3,745

Note: Excludes Mina
(Commercial Facility Business)
and Grameen UNIQLO stores
※ Includes franchise stores

Reference: Foreign Exchange Rates

Exchange rates used in consolidated accounts (12-month moving average)

Yen

		1USD	1EUR	1GBP	1RMB	100KRW
FY 2018	Full-year 12-month average	110.3	131.5	148.8	16.9	10.1
FY 2019	Full-year 12-month average	110.9	125.9	142.3	16.2	9.7
FY 2020 (E)	Full-year 12-month average	109.0	123.0	143.0	14.8	9.6

Exchange rates used on balance sheet

Yen

		1USD	1EUR	1GBP	1RMB	100KRW
FY 2018	Term-end exchange rate	111.1	129.5	144.6	16.2	9.9
FY 2019	Term-end exchange rate	106.4	117.6	129.6	14.8	8.8
FY 2020 (E)	Term-end exchange rate	106.4	117.6	129.6	14.8	8.8

Capital Spending (incl. finance leases) and Depreciation

Billions of Yen

		Capitalspending						Depreciation
		UNIQLO Japan	UNIQLO International	GU	Global Brand	Systems, etc	Total	
FY 2017	Full-year 12 months	6.6	24.3	7.6	2.9	18.1	59.7	39.6
FY 2018	Full-year 12 months	9.9	26.3	4.5	2.7	25.8	69.3	45.0
FY 2019	Full-year 12 months	13.6	31.6	9.0	2.7	28.0	85.2	48.4
FY 2020 (E)	Full-year 12 months	7.8	35.1	7.4	3.5	46.3	100.1	54.3

- Finance leases have been disclosed in the capital expenditure data from FY2017 onwards.
- While we are planning to apply IFRS 16 Leases from FY2020 onwards, the financial effect of that change is not included in the FY2020 full-year forecast for depreciation.