FAST RETAILING

July 9, 2020

Fast Retailing Results for September 2019 to May 2020 and Estimates for FY2020

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I am Takeshi Okazaki, Group Senior Executive Officer and CFO at Fast Retailing.

Today, I would like to run through our consolidated business performance for the third quarter of FY2020 and our estimates for the full business year through to the end of August 2020.

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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:	UNIQLO Japan operations
UNIQLO International:	All UNIQLO operations outside of Japan
GU:	All GU operations inside and outside Japan
Global Brands:	Theory, PLST, Comptoir des Cotonniers, Princesse tam.tam, 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.

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Group: FY2020 Third Quarter Results

1Q-3Q and 3Q revenue, profit down y/y and v. plan on large COVID-19 impact

Billions of Yen

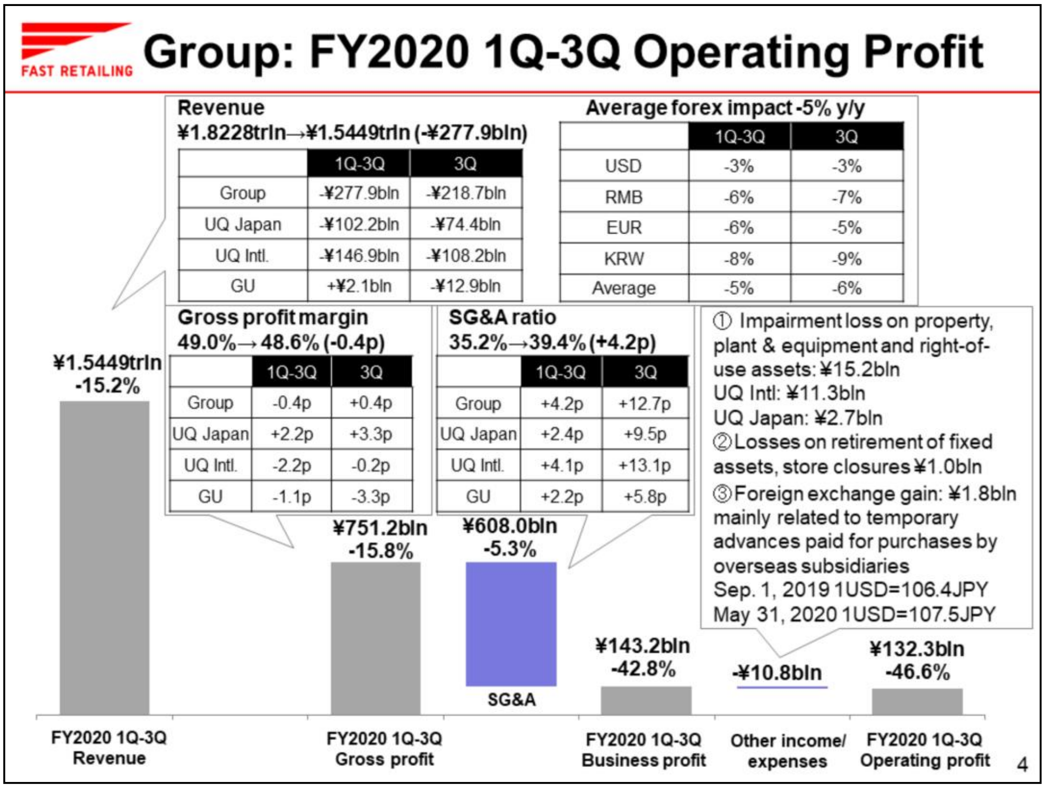
	Nine months to May 2020 (Sep. 2019 - May 2020)			Three months to May 2020 (Mar. 2020 - May 2020)		
	Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
Revenue	1,544.9	1,822.8	-15.2%	336.4	555.1	-39.4%
(to revenue)	100.0%	100.0%	-	100.0%	100.0%	-
Gross profit	751.2	892.6	-15.8%	174.4	285.9	-39.0%
(to revenue)	48.6%	49.0%	-0.4p	51.9%	51.5%	+0.4p
SG&A	608.0	642.0	-5.3%	169.2	208.6	-18.9%
(to revenue)	39.4%	35.2%	+4.2p	50.3%	37.6%	+12.7p
Business profit	143.2	250.5	-42.8%	5.2	77.2	-93.2%
(to revenue)	9.3%	13.7%	-4.4p	1.6%	13.9%	-12.3p
Other income, expenses	-10.8	-2.8	-	-9.6	-2.5	-
(to revenue)	-	-	-	-	-	-
Operating profit	132.3	247.6	-46.6%	-4.3	74.7	-
(to revenue)	8.6%	13.6%	-5.0p	-	13.5%	-
Finance income, costs	10.0	-0.4	-	-4.0	-1.7	-
(to revenue)	0.6%	-	-	-	-	-
Profit before income taxes	142.4	247.2	-42.4%	-8.4	72.9	-
(to revenue)	9.2%	13.6%	-4.4p	-	13.1%	-
Profit attributable to owners of the parent	90.6	158.6	-42.9%	-9.8	44.6	-
(to revenue)	5.9%	8.7%	-2.8p	-	8.0%	-

*Adoption of IFRS16 from FY2020: business profit up ¥5.1bln, operating profit down ¥5.8bln in 1Q-3Q.

In the third quarter of FY2020, or the three months from March to May 2020, Fast Retailing Group revenue declined 39.4% year on year to ¥336.4 billion. Business profit, which is a good indicator of fundamental business profitability, declined 93.2% to ¥5.2 billion. The Group posted an operating loss of ¥4.3 billion in the third quarter after recording impairment losses of ¥9.8 billion under other income/expenses.

The significant declines in third-quarter revenue and profit were caused by performance at all four business segments falling far short of plan due to the need to temporarily close stores or shorten opening hours across all our operations around the world as a result of new coronavirus disease (COVID-19).

In the first nine months of FY2020 (September 2019 through May 2020), the Fast Retailing Group reported heavy falls in both revenue and profit, with revenue declining 15.2% year on year to ¥1.5449 trillion and operating profit contracting 46.6% to ¥132.3 billion.



Let me start by explaining the key points on our consolidated balance sheet for the nine months to May 2020.

Consolidated revenue declined by ¥277.9 billion to ¥1.5449 trillion in the first nine months of FY2020. This was caused by a large total decline in revenue of ¥218.7 billion across all four business in the third quarter from March to May due primarily to COVID-19.

The consolidated gross profit margin fell 0.4 point to 48.6% in the first nine months due primarily to declines in the gross profit margin at UNIQLO International and GU. However, the gross profit margin improved 0.4 point year on year in the third quarter from March to May on the back of a healthy 3.3 point rise in the margin at UNIQLO Japan.

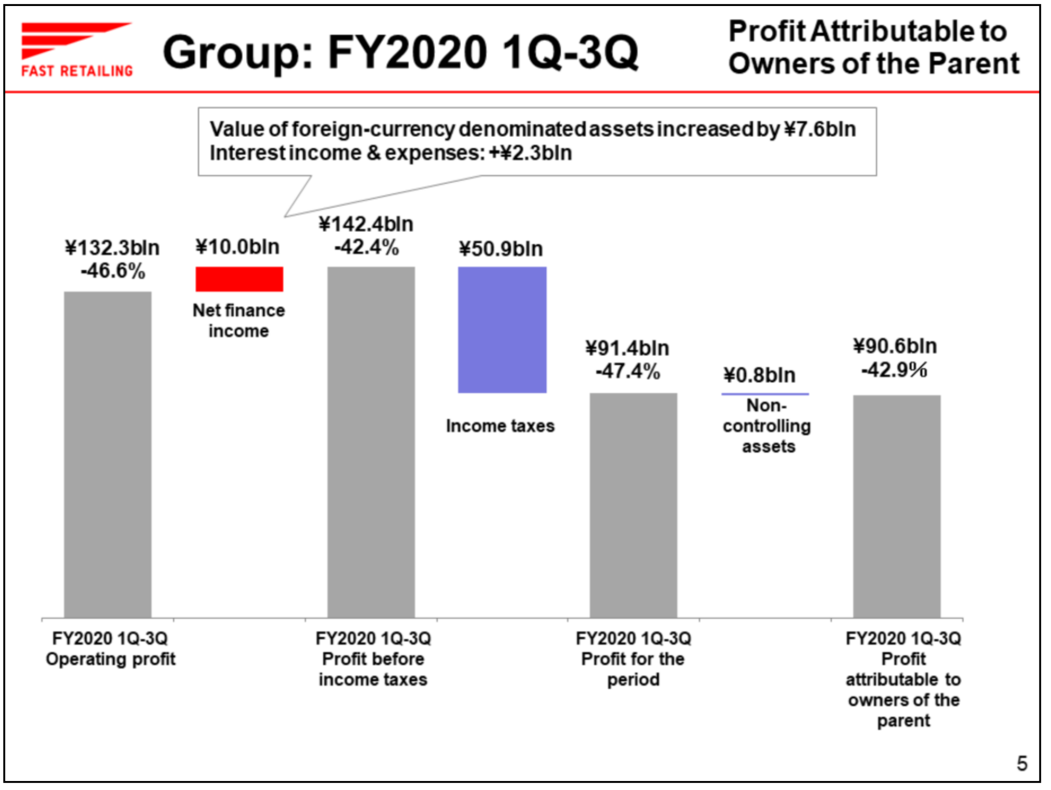
The SG&A to revenue ratio increased by a considerable 4.2 points to 39.4% for the first nine months. That was largely due to a 12.7 point increase in the third-quarter ratio on the back of the heavy decline in revenue.

Meanwhile, business profit fell 42.8% to ¥143.2 billion in the first nine months.

The net amount of other income/expenses stood at minus ¥10.8 billion for the first nine months following the recording of impairment losses of ¥15.2 billion on property, plant and equipment at loss-making stores and right-of-use assets as performance worsened in the face of COVID-19. Those impairment losses can be broken down primarily into ¥11.3 billion for UNIQLO International and ¥2.7 billion for UNIQLO Japan.

As you can see, the reason why impairment losses expanded to this extent is because we are now recording right-of-use assets on the balance sheet following the adoption of IFRS16 from FY2020, and these assets are generating impairment losses. Of the total ¥15.2 billion impairment loss reported for the first nine months, ¥11.7 billion was recorded on right-of-use assets.

As a result of the above factors, operating profit declined by 46.6% to ¥132.3 billion in the nine months to May 2020.



Moving on to finance income/costs, we reported a net finance income of ¥10.0 billion in the first nine months of FY2020. This consisted primarily of a ¥7.6 billion foreign-exchange gain on the value of our foreign-currency denominated assets in yen terms.

As a result, profit before income taxes decreased by 42.4% to ¥142.4 billion and profit attributable to the owners of the parent declined by 42.9% to ¥90.6 billion in the nine months to May.

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1Q-3Q Breakdown by Group Operation

Billions of Yen

		Nine months to May 2020 (Sep. 2019 - May 2020)			Three months to May 2020 (Mar. 2020 - May 2020)		
		Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
UNIQLO Japan	Revenue	**598.8**	701.0	-14.6%	**135.2**	209.7	-35.5%
	Business profit	**81.4**	96.7	-15.8%	**10.4**	29.1	-64.2%
	(to revenue)	13.6%	13.8%	-0.2p	7.7%	13.9%	-6.2p
	Other income, expenses	**-2.3**	-0.0	-	**-2.8**	-0.1	-
	Operating profit	**79.1**	96.7	-18.1%	**7.5**	28.9	-74.0%
	(to revenue)	13.2%	13.8%	-0.6p	5.6%	13.8%	-8.2p
UNIQLO International	Revenue	**673.5**	820.5	-17.9%	**132.2**	240.5	-45.0%
	Business profit	**60.3**	125.0	-51.7%	**2.3**	36.3	-93.6%
	(to revenue)	9.0%	15.2%	-6.2p	1.7%	15.1%	-13.4p
	Other income, expenses	**-8.5**	-0.2	-	**-3.7**	-0.0	-
	Operating profit	**51.8**	124.8	-58.5%	**-1.4**	36.3	-
	(to revenue)	7.7%	15.2%	-7.5p	-	15.1%	-
GU	Revenue	**187.4**	185.3	+1.1%	**55.1**	68.1	-19.0%
	Business profit	**20.4**	26.2	-22.3%	**4.7**	12.1	-60.8%
	(to revenue)	10.9%	14.2%	-3.3p	8.6%	17.8%	-9.2p
	Other income, expenses	**0.0**	0.0	+47.1%	**-0.1**	0.0	-
	Operating profit	**20.4**	26.3	-22.2%	**4.6**	12.1	-61.8%
	(to revenue)	10.9%	14.2%	-3.3p	8.4%	17.9%	-9.5p
Global Brands	Revenue	**83.3**	113.6	-26.7%	**13.2**	35.9	-63.2%
	Business profit	**-5.3**	4.8	-	**-6.3**	1.6	-
	(to revenue)	-	4.3%	-	-	4.5%	-
	Other income, expenses	**-0.6**	-0.2	-	**-0.4**	-0.1	-
	Operating profit	**-6.0**	4.6	-	**-6.7**	1.4	-
	(to revenue)	-	4.1%	-	-	4.2%	-

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

Slide 6 displays the breakdown of performance over the March-to-May quarter by Group operation.

I will explain the factors affecting each individual business segment over this third quarter in more detail in the next few slides.

UNIQLO Japan: 3Q Overview

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Revenue, profit down sharply on COVID-19 impact

- Revenue down sharply, with same-store sales dropping 34.0% y/y as many stores temporarily closed from late March through the bumper May Golden Week period.
- Below plan as hadn't incorporated state of emergency declaration in April plan.
- Sales recovered as stores reopened from mid May. June same-store sales +26.2%.
- Recorded impairment losses on continued loss-making stores of ¥2.1bln in 3Q.

Billions of Yen

	Nine months to May 2020 (Sep. 2019 - May 2020)			Three months to May 2020 (Mar. 2020 - May 2020)		
	Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
Revenue	**598.8**	701.0	-14.6%	**135.2**	209.7	-35.5%
(to revenue)	100.0%	100.0%	-	100.0%	100.0%	-
Gross profit	**292.0**	326.7	-10.6%	**70.6**	102.5	-31.2%
(to revenue)	48.8%	46.6%	+2.2p	52.2%	48.9%	+3.3p
SG&A	**210.5**	229.9	-8.5%	**60.1**	73.4	-18.1%
(to revenue)	35.2%	32.8%	+2.4p	44.5%	35.0%	+9.5p
Business profit	**81.4**	96.7	-15.8%	**10.4**	29.1	-64.2%
(to revenue)	13.6%	13.8%	-0.2p	7.7%	13.9%	-6.2p
Other income, expenses	**-2.3**	-0.0	-	**-2.8**	-0.1	-
(to revenue)	-	-	-	-	-	-
Operating profit	**79.1**	96.7	-18.1%	**7.5**	28.9	-74.0%
(to revenue)	13.2%	13.8%	-0.6p	5.6%	13.8%	-8.2p

*Adoption of IFRS16 from FY2020 boosted business profit by ¥1.9bln and decreased operating profit by ¥0.2bln in 1Q-3Q.

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Looking first at UNIQLO Japan. That segment reported a large decline in both revenue and profit in the third quarter, with revenue declining 35.5% year on year to ¥135.2 billion and operating profit contracting 74.0% to ¥7.5 billion.

The heavy decline in revenue was due primarily to a 34.0% year-on-year decline in third-quarter same-store sales resulting from the temporary closure of many stores due to COVID-19 from late March through the May Golden Week holiday, one of our busiest sales periods of the year.

UNIQLO Japan third-quarter performance also came in below plan because we didn't incorporate the declaration of a state of emergency in Japan in our latest business estimates announced in April.

However, sales have been showing increasing strength since the middle of May, with the reopening of stores and a gradual recovery in sales helping to generate a year-on-year gain of 26.2% in same-store sales for the month of June.

Finally, we did record impairment losses in the third quarter of ¥2.1 billion on stores that continued to report persistent losses.

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UNIQLO Japan: 3Q Revenue

Same-store sales -34.0% y/y

- Same-stores sales down by a large 34.0% y/y due to COVID-19 as temporary store closures/shorter store hours, stay-at-home appeals knocked customer visits.
- Revenue plummeted with a maximum 311 stores closed from late March through May Golden Week. Revenue rose at many reopened stores and sales recovered on higher demand for Summer items as temperatures rose from mid May onwards.
- Demand for basic UNIQLO items increased as people spent more time at home during voluntary isolation. Especially strong sports utility wear campaign, strong sales of ultra stretch active jogger pants, AIRism cotton oversized T-shirts.
- Trendy items (new washer satin skirt pants, crepe jersey T-shirts, etc.) sold well.
- 3Q EC sales strong (¥28.1bln, +47.7% y/y). Used digital marketing and TV ads to strengthen online store appeal, started fixed-period special prices for app users, new online customers rose sharply.
- June same-store sales +26.2%. All stores reopened (except 6 airport stores). AIRism innerwear, BRATOP, T-shirts and other core Summer ranges drove sales. Much longer than usual 15-day June anniversary sale greatly contributed to sales.

Same-store sales	Yr to Aug. 2020						
y/y	1H	Mar.	Apr.	May	3Q	1Q-3Q	Jun.
Net sales	-4.6%	-27.8%	-56.5%	-18.1%	-34.0%	-13.4%	+26.2%
Customer visits	-1.2%	-32.4%	-60.6%	-31.3%	-41.4%	-14.0%	+13.9%
Customer spend	-3.5%	+6.9%	+10.4%	+19.1%	+12.5%	+0.8%	+10.8%

UNIQLO Japan third-quarter same-stores sales declined by a considerable 34.0% year on year after the spread of COVID-19 forced either the temporary closure or a reduction in opening hours at many stores, and customer numbers declined amid appeals for people to stay at home.

Revenue fell dramatically due primarily to the fact that a maximum of 311 stores were temporarily closed from late March through to the end of the May Golden Week holiday. However, revenue subsequently started to recover from mid May as stores reopened for business and demand for Summer ranges increased in line with the hotter weather, and many reopened stores recorded higher sales than in the previous year.

Demand for basic UNIQLO items increased over the three-month period as people refrained from going out and the amount of time spent at home increased. In response to those changes, we were able to run an especially successful sports utility wear campaign and generate strong sales of products such as our ultra stretch active jogger pants and AIRism cotton oversized T-shirts. We also enjoyed strong sales of trendy items such as our new washer satin skirt pants and crepe jersey T-shirts.

While sales at physical stores declined, e-commerce sales expanded robustly in the third quarter, rising 47.7% year on year to ¥28.1 billion. The number of new online customers increased as we used digital marketing and TV ads to successfully strengthen the appeal of our online store and launched temporary special prices for member users of our online app.

Of note, same-store sales subsequently rose by an impressive 26.2% year on year in June. In that month, all stores (except 6 airport stores) reopened for business and a strong performance from AIRism innerwear, BRATOP, T-shirts and other core Summer ranges drove sales sharply higher. We also greatly extended the length of our annual UNIQLO anniversary sale in June to 15 days, which greatly contributed to sales.

UNIQLO Japan: 3Q Revenue

Yokohama, Harajuku, TOKYO stores a huge success

- **This spring, we improved existing stores and opened new concept stores in Yokohama, Harajuku, and Ginza not just for shopping but to experience LifeWear philosophy and products.**
- **Each store used ingenious methods to attract customers, and all 3 stores got off to a strong start, attracting lots of visitors on and after opening day.**

UNIQLO PARK Yokohama Bayside Store

Joint UNIQLO & GU store. With its rooftop garden park, the store offers families a place not only to enjoy shopping but also to spend time together.

UNIQLO Harajuku Store

This store conveys new fashion and new culture with the world's largest array of UT graphic-design T-shirts, along with clothing displays linked with our digital StyleHint app to help customers discover new looks.

UNIQLO TOKYO

Opened Japan's largest global flagship store in Marronnier Gate Ginza. The LifeWear Square high-function clothing display is just one of the store's ingenious ways to help visitors get to know and enjoy UNIQLO.

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This spring, we improved existing stores and we opened three new concept stores in Yokohama, Harajuku, and Ginza designed to enable customers not only to enjoy excellent shopping but also to gain a real experience of our LifeWear philosophy and products.

Each store devised their own ingenious displays and ideas to attract customers, with the UNIQLO Park Yokohama Bayside Store boasting a seamless rooftop garden park, the UNIQLO Harajuku Store mounting clothing displays linked with our digital StyleHint app to help customers discover new looks, and UNIQLO TOKYO creating standout displays of high-function clothing. All three stores got off to a strong start and attracted large numbers of visitors on and after opening day.

UNIQLO Japan: 3Q Gross Profit Margin

Gross profit margin 52.2% (+3.3p y/y)
Above plan

- Discounting rate improved greatly as applied necessary discounting to rundown inventories but controlled excessive discounting simply to draw in customers.
- Cost of sales continued to improve on further appreciation in yen exchange rates for merchandise purchasing.
- End-May inventories rose ¥21.6bln y/y as temporary store closures resulted in much lower-than-expected sales in March and April. Inventories are currently higher than usual but intend to increase discounts of products that need to be sold by end August and to gradually sell off staple products without heavy discounting over the coming business year.

	Yr to Aug. 2019	Yr to Aug. 2020	
			y/y
1H	45.6%	**47.8%**	+2.2p
3Q	48.9%	**52.2%**	+3.3p
1Q-3Q	46.6%	**48.8%**	+2.2p

Moving on to the UNIQLO Japan gross profit margin, which increased by 3.3 points year on year to 52.2% in the third quarter from March to May 2020. That result was better than expected.

Our discounting rate improved markedly. While we applied the necessary discounts to rundown inventories, we also successfully controlled the temptation to offer excessive discounts simply to draw in customers. In addition, our cost of sales continued to improve on a further appreciation in yen exchange rates for merchandise purchasing.

End-May inventory levels increased by ¥21.6 billion year on year after temporary store closures resulted in much lower-than-expected sales in March and April. Our inventories are currently running higher than usual. However, while we intend to increase discounts on products that need to be sold off by the end of the business year in August 2020, we don’t plan to heavily discount staple recurring product inventory but, instead, to sell it off gradually over the coming business year through August 2021.

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UNIQLO Japan: 3Q SG&A

SG&A ratio 44.5% (+9.5p y/y)
SG&A down y/y and v. plan in monetary terms

- **Depreciation expenses sharply higher but store rents considerably lower following adoption of IFRS16.**
- **Stripping out the IFRS16 effect, SG&A expenses dropped sharply y/y in monetary terms due to temporary store closures. Especially marked declines in store distribution, advertising & promotion, store rents, and personnel costs.**
  - **Store-related distribution costs down sharply on temporary store closures. EC delivery costs rose in line with rising sales but per-item delivery cost down on improved efficiencies.**
  - **Advertising costs declined. While strengthened digital marketing, we posted fewer fliers and TV ads during the state of emergency period.**
  - **Store rents down as sales-linked rent decreased in line with lower sales.**
  - **Personnel costs down on decline in employees' regular working hours and overtime due to temporary store closures.**
  - **Depreciation costs declined as a ratio to net sales as the impact of accelerated depreciation (shorter depreciation period) of some materials handling for the Ariake Warehouse in FY2019 disappeared.**

UNIQLO Japan's third-quarter SG&A ratio rose by a hefty 9.5 points year on year to 44.5%. However, in monetary terms, we were able to significantly reduce SG&A expenses both year on year and compared to our plan.

Following the adoption of IFRS16, depreciation expenses rose sharply in the third quarter of FY2020, while store rents declined considerably. If we strip out the IFRS16 effect, SG&A expenses dropped sharply year on year in monetary terms due to the temporary store closures, and we saw especially marked declines in store distribution, advertising & promotion, store rents, and personnel costs.

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UNIQLO International: 3Q Overview

Large revenue fall, operating loss, far below plan

- Large revenue, profit declines in all markets due to COVID-19 impact.
- Fell far short of plan as stores reopened later than first assumed.
- Greater China revenue and profit rose in May, recovering at a favorable pace.
- 3Q EC sales rose on stronger digital marketing and wider free delivery, etc.
- As performance worsened, we recorded a ¥6.9bln impairment loss in 3Q mainly on loss-making stores in the United States and South Korea.

Billions of Yen

	Nine months to May 2020 (Sep. 2019 - May 2020)			Three months to May 2020 (Mar. 2020 - May 2020)		
	Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
Revenue	**673.5**	820.5	-17.9%	**132.2**	240.5	-45.0%
(to revenue)	100.0%	100.0%	-	100.0%	100.0%	-
Gross profit	**334.4**	425.0	-21.3%	**71.1**	129.8	-45.2%
(to revenue)	49.6%	51.8%	-2.2p	53.8%	54.0%	-0.2p
SG&A	**274.0**	299.9	-8.6%	**68.8**	93.5	-26.4%
(to revenue)	40.7%	36.6%	+4.1p	52.0%	38.9%	+13.1p
Business profit	**60.3**	125.0	-51.7%	**2.3**	36.3	-93.6%
(to revenue)	9.0%	15.2%	-6.2p	1.7%	15.1%	-13.4p
Other income, expenses	**-8.5**	-0.2	-	**-3.7**	-0.0	-
(to revenue)	-	-	-	-	-	-
Operating profit	**51.8**	124.8	-58.5%	**-1.4**	36.3	-
(to revenue)	7.7%	15.2%	-7.5p	-	15.1%	-

*Adoption of IFRS16 from FY2020: business profit up ¥2.0bln, operating profit down ¥6.4bln in 1Q-3Q.

Let me now move on to talk about UNIQLO International performance in the third quarter of FY2020 from March to May 2020.

UNIQLO International revenue declined by 45.0% to ¥132.2 billion and the segment reported an operating loss of ¥1.4 billion. This was due to large declines in both revenue and profit in all individual markets as a result of COVID-19. Revenue also fell far short of plan after stores reopened for business later than we had assumed.

Having said that, UNIQLO Greater China (Mainland China, Hong Kong, and Taiwan) is recovering at a favorable pace, with that operation recording year-on-year rises in both revenue and profit in the month of May. Meanwhile, third quarter e-commerce sales increased strongly in the third quarter as we strengthened our digital marketing efforts and broadened our free delivery service.

However, given the worsening in performance over the quarter, we decided to record a third-quarter impairment loss of ¥6.9 billion primarily on loss-making stores in the United States and South Korea.

I will now run through each individual UNIQLO International operation in turn in the next few slides.

UNIQLO International: 3Q by Region (1)

Greater China: Large revenue, profit decline but both recovering faster than planned

- 3Q same-store sales down sharply but recovered more each month. Sales in Mainland China and Taiwan increased y/y in May.
- Gross profit margin down 0.9p y/y due to higher cost of sales.
- SG&A sharply lower in monetary terms, contained rise in SG&A ratio at 2.7p y/y.

Mainland China: Revenue, profit down sharply but recovering faster than planned

- Sales recovering favorably. Reopened nearly all stores from late March after COVID-19 brought under control, conveyed information on core Spring Summer items and new UT contents, strengthened LifeWear branding.
- Customer visits rose markedly after the May Labor Day holidays. May same-store sales and profit increased.
- Persistent stay-at-home mood boosted online-to-offline sales (O2O) where products are ordered online and dispatched from stores. 3Q EC sales (including O2O) rose firmly.

Hong Kong: Large decline in revenue, slight operating loss

- Sales recovered strongly on successful marking of May Labor Day holidays and Mothers Day but still down y/y as border restrictions dampened tourist numbers.

Taiwan: Revenue and profit down

- March, April sales, profit declined sharply. Spending recovered markedly around Mothers Day in May. That and stronger digital marketing helped achieve double-digit growth in same-store sales and higher operating profit in May.

While UNIQLO Greater China reported a large fall in both revenue and profit in the third quarter, both the sales and profit figures did come in above plan and the operation is currently recovering at a faster pace than we predicted it would back in April. Third-quarter same-store sales declined sharply overall, but the trend has been one of gradual recovery each month, with sales in Mainland China and Taiwan increasing year on year in May.

UNIQLO Greater China's gross profit margin contracted by 0.9 point year on year in the third quarter, but this was due primarily to a rise in cost of sales caused by a weakening in the Chinese yuan. SG&A expenses decreased sharply in monetary terms in the third quarter and we were able to contain the rise in the SG&A ratio at 2.7 points year on year.

In Mainland China, both revenue and profit declined sharply in the third quarter, but the market is recovering faster than we had expected. Sales have been recovering favorably since we reopened nearly all stores from late March once COVID-19 had been brought largely under control. We also successfully conveyed information on core Spring Summer items and new UT contents and strengthened our LifeWear branding. Same-store sales increased and operating profit rose in May thanks to a large recovery in customer visits that started around the time of the Labor Day holidays at the beginning of the month. Meanwhile, a persistent reluctance among consumers to leave the house boosted online-to-offline (O2O) sales in which products are ordered online and dispatched from stores. As a result, third-quarter e-commerce sales (including O2O) continued their strong upward trend.

Hong Kong reported a large decline in revenue and a slight operating loss in the third quarter. Sales recovered strongly as we successfully timed marketing initiatives to coincide with celebrations such as the Labor Day holidays and Mothers Day in May. However, sales have continued to fall short of previous year levels as tight border restrictions dampen tourist numbers.

In Taiwan, third-quarter revenue and profit both declined year on year. Sales and profit contracted sharply in March and April in the face of COVID-19. However, spending started to recover markedly around the time of Mothers Day in May, which, along with some stronger digital marketing, helped generate double-digit growth in same-store sales and a higher operating profit in May.

UNIQLO South Korea reported a sharp fall in revenue and an operating loss in the third quarter. This was due to the impact of ongoing Japan-Korea tensions and COVID-19, which knocked customers visits lower and resulted in a large decline in same-store sales. These factors, along with the recording of impairment losses on stores, resulted in a wider operating loss for the quarter.

UNIQLO South, Southeast Asia & Oceania (Southeast Asia, Australia, and India) underperformed considerably in the third quarter by reporting a large decline in revenue and an operating loss. This disappointing performance was due to the fact that stores were temporarily closed in mid March and didn't reopen until later than expected from early May through June. Having come out of lockdown relatively early, Vietnam has recovered favorably but it will take more time for other markets to recover owing to the ongoing impact of COVID-19 and lower customer numbers.

Since reopening on April 24, Vietnam has recorded strong sales of polo shirts and AIRism UV-cut mesh parkas. Vietnam is now generating a stronger-than-expected performance following the opening of its third store in May and fourth store in June in Ho Chi Minh City.

Even though stores gradually began reopening their doors from May in Indonesia, the Philippines, Malaysia, and Thailand, sales in urban areas were dampened by a continued reluctance among the general public to go outdoors, ongoing restrictions on activities, and lower tourist numbers. Prolonged lockdowns in Singapore and India prevented stores from reopening for business through the end of May. However, e-commerce operations continued as usual throughout the third quarter in Singapore and Thailand, resulting in an approximate doubling of sales year on year. E-commerce sales also doubled in Malaysia in May once stores reopened for business.

Elsewhere in the region, all 22 stores in Australia remained temporarily closed from April 2 through to May 11, resulting in a sharp drop in third-quarter revenue and a small operating loss. Meanwhile, third-quarter e-commerce sales in Australia roughly tripled year on year.

UNIQLO International: 3Q by Region (3)

N. America: Large revenue fall, wider loss v. plan

North America: Same-store sales contract heavily

- All 50 stores temporarily closed from March 17 due to COVID-19. Only one store had reopened by the end of May.
- Increase in EC sales was not strong enough to push overall results higher.

Canada: Revenue falls sharply, generates small operating loss

- All 12 stores closed temporarily from March 17. Only 5 stores reopened on May 21, resulting in a large decline in 3Q same-store sales.
- EC sales were strong, roughly doubling y/y.

Europe: Well below plan, revenue down sharply, operating loss widens

- Nearly all stores were temporarily closed from mid March, and 60% of stores had still not reopened for business by the end of May.
- Strong online demand boosted EC sales by approximately 50% y/y.
- 3Q performance dropped dramatically on the back of a sharp profit decline as most stores in the large markets of UK, France, and Russia remained closed.

Turning next to North America, which reported a large decline in revenue and a larger-than-expected operating loss in the third quarter.

In the United States, same-store sales contracted heavily as all 50 stores were temporarily closed on March 17 due to COVID-19, and only one store had reopened for business by the end of May.

E-commerce sales increased year on year in the March-to-May quarter, but this wasn’t strong enough to nudge overall performance higher.

UNIQLO Europe fell short of plan to report a sharp decline in revenue and a wider operating loss. Nearly all stores were temporarily closed from mid March and roughly 60% of stores were still closed at the end of May. Against that backdrop, demand for online shopping strengthened, resulting in a 50% year-on-year increase in e-commerce sales. However, overall performance for the quarter worsened dramatically on the back of a sharp decline in profit caused by the continued closure of most stores in the region’s largest markets of the United Kingdom, France, and Russia.

FAST RETAILING

GU: 3Q Overview

Large revenue, profit declines due to COVID-19

- **Below plan. State of emergency not included in estimates announced in April.**
- **3Q same-store sales down 27.0% y/y with a maximum of 192 stores temporarily closed from late March through May Golden Week holiday.**
- **April performance fell sharply with many stores temporarily closed. Same-store sales regained previous year levels from May. June same-store sales rose 16.4%, recovering faster than expected on strong demand for mass trend items, innerwear and stay-at-home loungewear.**
- **Gross profit margin (-3.3p): v. strong 3Q FY2019. Spring Summer discounting.**
- **SG&A ratio (+5.8p): But SG&A down y/y and v. plan in monetary terms.**

Billions of Yen

	Nine months to May 2020 (Sep. 2019 - May 2020)			Three months to May 2020 (Mar. 2020 - May 2020)		
	Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
Revenue	**187.4**	185.3	+1.1%	**55.1**	68.1	-19.0%
(to revenue)	100.0%	100.0%	-	100.0%	100.0%	-
Gross profit	**91.0**	91.8	-0.9%	**26.8**	35.4	-24.2%
(to revenue)	48.5%	49.6%	-1.1p	48.7%	52.0%	-3.3p
SG&A	**70.5**	65.5	+7.6%	**22.1**	23.2	-5.1%
(to revenue)	37.6%	35.4%	+2.2p	40.0%	34.2%	+5.8p
Business profit	**20.4**	26.2	-22.3%	**4.7**	12.1	-60.8%
(to revenue)	10.9%	14.2%	-3.3p	8.6%	17.8%	-9.2p
Other income, expenses	**0.0**	0.0	+47.1%	**-0.1**	0.0	-
(to revenue)	0.0%	0.0%	+0.0p	-	0.0%	-
Operating profit	**20.4**	26.3	-22.2%	**4.6**	12.1	-61.8%
(to revenue)	10.9%	14.2%	-3.3p	8.4%	17.9%	-9.5p

*Very little impact from the adoption of IFRS16 from FY2020.

Next, our fun, low-priced GU fashion brand reported a large fall in both revenue and profit in the third quarter, with revenue declining 19.0% year on year to ¥55.1 billion and operating profit shrinking by 61.8% to ¥4.6 billion. That third-quarter performance came in below plan as we had not incorporated the declaration of a state of emergency in Japan in our latest estimates announced in April.

GU Japan same-store sales declined 27.0% year on year in the third quarter, with a maximum of 192 stores temporarily closed from late March through the May Golden Week holiday due to COVID-19.

Performance plummeted in April when many stores were temporarily closed for business, but same-store sales managed to claw back to previous year levels in May and then achieve a 16.4% year-on-year rise in June. That recovery in June sales was faster than expected thanks especially to strong sales of on-point mass-trend items, innerwear and loungewear that catered to a growing demand for stay-at-home clothing.

GU's gross profit margin contracted 3.3 points in the third quarter partly because the figure was being compared to an extremely strong period in the previous year, and partly because we implemented vigorous discounting of Spring Summer ranges.

The GU SG&A ratio increased 5.8 points year on year in the third quarter. However, SG&A expenses declined year on year in monetary terms and compared to our plan.

FAST RETAILING

GU: 3Q Overview

- **Strong 3Q sales of mass-trend fashion, low-priced items, stay-at-home clothing.**
- **Spring Summer: Trend towards comfortable, easy-to-wear fashion. Dresses, sheer, transparent tops, stretch tapered pants, men's chef pants sold very well.**
- **Changes in living environments and demand post COVID-19 pushed need for low-priced items, innerwear, and loungewear to unprecedented levels. ¥990 dress sales soared, driving overall sales higher as customers appreciated the opportunity to enjoy fashion trends at a low price.**
- **3Q EC sales rose sharply to double y/y. Successfully reduced online shortages of popular items, encouraged use of StyleHint app to discover new looks, displayed employee looks online, strengthened information channeling.**


Sheer long shirt ¥1,990


Chef pants ¥1,490


A-line dress ¥990


Satin pajamas ¥1,990

GU enjoyed strong sales of mass-trend fashion items, low-priced items, and stay-at-home clothing in the third quarter.

The 2020 Spring Summer trend has leaned towards comfortable, easy-to-wear fashion, and, as a result, GU dresses, sheer, transparent tops, stretch tapered pants, and men's chef pants all clocked up strong sales.

Some marked changes in living environments and demand in the wake of COVID-19 have pushed the need for low-priced items, innerwear, and loungewear to unprecedented levels. That helped sales of GU's ¥990 dresses soar and ultimately drive overall sales higher as customers appreciated the opportunity to enjoy fashion trends at a low price.

Meanwhile, e-commerce sales continued to rise sharply. GU recorded a doubling in third-quarter online sales after we managed to successfully reduce online shortages of popular items, encouraged customers to use our StyleHint app to discover new looks, displayed different looks from our employees online, and strengthened the way GU conveys information.

FAST RETAILING

Global Brands: 3Q Overview

Large revenue fall, operating loss below plan

Theory: Fell far short of plan. Revenue down, reports an operating loss

- Nearly all stores closed in Japan from late April through mid May. All stores in US closed from mid March through end May.
- Asian stores gradually reopened from February 16. Sales strengthened each month and achieved a year-on-year rise in May.
- All stores reopened from June 1 in Japan and June 26 in the US.

PLST: Far short of plan. Revenue down, reports an operating loss

- 102 out of 104 stores closed in April. Stores gradually reopened from May until only 25 stores were still closed in the final week. While sales at reopened stores did recover, that was not enough to offset the sharp falls in March and April.
- All stores reopened from June 1.

Comptoir des Cotonniers: Reports a wider loss

- Nearly all stores in Europe were temporarily closed from mid March to mid May.
- All stores reopened from June 15.

		Nine months to May 2020 (Sep. 2019 - May 2020)			Three months to May 2020 (Mar. 2020 - May 2020)		
		Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
Global Brands	Revenue	83.3	113.6	-26.7%	13.2	35.9	-63.2%
	Business profit	-5.3	4.8	-	-6.3	1.6	-
	(to revenue)	-	4.3%	-	-	4.5%	-
	Other income, expenses	-0.6	-0.2	-	-0.4	-0.1	-
	Operating profit	-6.0	4.6	-	-6.7	1.4	-
	(to revenue)	-	4.1%	-	-	4.2%	-

Billions of Yen

*Adoption of IFRS16 from FY2020 boosted business profit by ¥1.0bln and operating profit by ¥0.7bln in 1Q-3Q.

Let me turn now to our final business segment: Global Brands.

Global Brands reported a 63.2% year-on-year decline in third-quarter revenue to ¥13.2 billion and an operating loss of ¥6.7 billion. Both sales and operating profit fell far short of our latest plan.

Our Theory fashion label came in considerably below plan when it reported a reduction in revenue and an operating loss for the third quarter. The poor performance was due to the fact that nearly all stores in Japan were temporarily closed from late April through mid May and all stores in the United States were closed from mid March through to the end of May. Theory Asia, which operates primarily in markets such as Mainland China and Hong Kong, was able to gradually reopen stores from February 16 and see sales recover little by little each month and surpass the previous year level in May. Note, all Theory stores had reopened for business by June 1 in Japan and June 26 in the United States.

PLST fell far short of plan to report a decline in revenue and an operating loss in the third quarter. Out of a total 104 stores, 102 stores were temporarily closed in April. Stores gradually started to reopen from May with only 25 stores remaining closed in the final week of the quarter. While sales did recover at the stores that had reopened for business in May, that was not enough to offset the sharp falls in March and April sales, resulting in a third-quarter loss for the brand. Note, all stores had reopened for business by June 1.

Finally, our France-based Comptoir des Cotonniers fashion brand reported a wider loss in the third quarter after nearly all stores in Europe were temporarily closed from mid March through mid May. All stores have subsequently reopened for business from June 15.

FAST RETAILING

Initiatives to Combat COVID-19

Supporting global medical institutions at the forefront of the fight against COVID-19

- **Since March, we've donated 15 million masks, 1.2 million isolation gowns, 430,000 AIRism items, 80,000 inner and outerwear, and over US$250,000 in funds to medical institutions and care facilities in 26 countries and regions worldwide.**
- **We also expanded support for Japanese medical institutions at the request of Shinya Yamanaka, director of the Center for iPS Cell Research and Application at Kyoto University, donating 1 million isolation gowns to medical institutions for infectious diseases and university hospitals receiving critical patients. We set up a mask-support service desk and donated a total of 4.67 million masks to medical institutions to meet every one of over 16,000 requests received.**
- **Donated 150,000 AIRism items to delivery company and trash collection staff.**

One of the medical institutions we supported in the US

One of the medical institutions we supported in Taiwan

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Before I move onto our balance sheet, I would like to take a few minutes to explain the concerted initiatives we have implemented to help combat COVID-19 over the March-to-May quarter.

We have worked hard to prevent the spread of COVID-19 infections during this global crisis, but we also feel it is important to help maintain economic activity and employment and do whatever little we can to prevent the collapse of our healthcare systems.

With those aims in mind, since March, we have donated 15 million masks, 1.2 million isolation gowns, 430,000 AIRism items, 80,000 inner and outerwear items, and over US$250,000 in monetary funds to medical institutions and care facilities in 26 countries and regions worldwide.

One of our initiatives has focused on expanding support for Japanese medical institutions. In response to a call for action from Shinya Yamanaka, director of the Center for iPS Cell Research and Application at Kyoto University, we donated one million isolation gowns to medical institutions for infectious diseases and university hospitals receiving critical patients. For masks, we set up a mask-support service desk and donated a total of 4.67 million masks to medical institutions to meet every one of over 16,000 requests received.

We also donated 150,000 AIRism items to delivery-company and trash-collection staff who work to maintain the infrastructure that supports daily life in Japan.

We intend to continue cooperating with groups and companies across all regions and industries, to think carefully about what we can do to support our society as a company in the clothing business and turn those thoughts in to actions.

FAST RETAILING

Group: Balance Sheet (end May 2020)

Billions of Yen

	End May. 2019	End Aug. 2019	End May. 2020	Change
Total Assets	1,974.4	2,010.5	**2,337.7**	+363.2
Current Assets	1,621.6	1,638.1	**1,607.6**	-14.0
Non-Current Assets	352.8	372.3	**730.1**	+377.2
Total Liabilities	964.3	1,027.0	**1,328.1**	+363.8
Total Equity	1,010.1	983.5	**1,009.5**	-0.5

*In relation to the adoption of IFRS16 from FY2020, the total assets figure at the end of May 2020 included ¥373.1bln in right-of-use assets (a new category resulting from the introduction of IFRS16 that estimates the value of rights involving leases).

Next, I would like to take you through our balance sheet as it stood at the end of May 2020.

Compared to the end of May 2019, total assets increased by ¥363.2 billion to ¥2.3377 trillion. Total liabilities increased by ¥363.8 billion to ¥1.3281 trillion, and total equity decreased by ¥0.5 billion to ¥1.0095 trillion.

I will give you more details of our balance sheet position in the next slide.

Group: B/S Main Points v. end May 2019

FAST RETAILING

Current assets: -¥14.0bln (¥1.6216trln⇒¥1.6076trln)

- **Cash and cash equivalents: -¥59.3bln (¥1.1050trln⇒¥1.0457trln)**

  Lower operating cash flow on reduced profit from all business segments

- **Inventory assets: +¥65.1bln (¥315.5bln⇒ ¥380.6bln)**

  Many stores closed temporarily due to COVID-19, mainly Spring Summer inventory rose at all segments.

  UQ Japan: +¥21.6bln. Fall Winter inventory down on stricter ordering, Spring Summer inventory sharply higher. UQ Intl.: +¥39.1bln. Inventory up in all regions but gains higher in S. SE Asia & Oceania, N. America, Europe, where stores were closed longer than expected. GU: +¥3.7bln Global Brands: +¥0.1bln

- **Derivative financial assets: -¥16.7bln (¥38.2bln⇒¥21.4bln)**

  Average yen rate on our forward contracts and end-May yen spot rate both appreciated but the gap between them expanded, resulting in ¥8.1bln increase in derivative financial assets.

Non-current assets: +¥377.2bln (¥352.8bln⇒¥730.1bln)

- **Right-of-use assets: +¥373.1bln (―⇒ ¥373.1bln)** Adoption of IFRS16.
- **Derivative financial assets: +¥24.9bln (―⇒¥24.9bln)**

Liabilities: +¥363.8bln (¥964.3bln⇒¥1.3281trln)

- **Lease liabilities: +¥436.2bln (―⇒ ¥436.2bln)**

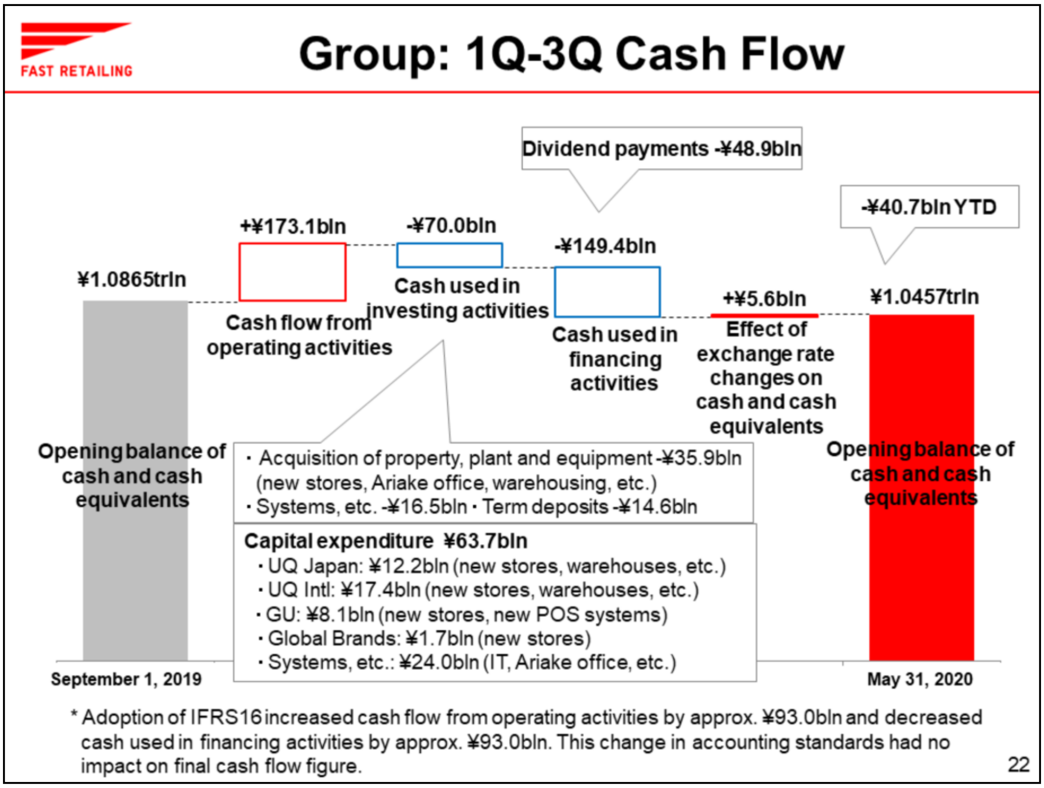
  Recorded lease liabilities (short and long-term) following the adoption of IFRS16.

To explain the main factors underlying the ¥14.0 billion decrease in current assets.

First, cash and cash equivalents decreased by ¥59.3 billion year on year to ¥1.0457 trillion at the end of May 2020 on the back of lower operating cash flow from reduced profits at all four business segments.

In terms of inventories, inventory assets increased by ¥65.1 billion year on year to ¥380.6 billion at the end of May. This was due primarily to the temporary closure of many stores due to COVID-19 and an increase in Spring Summer inventory across all four business segments.

Breaking down the inventory assets total, inventories at UNIQLO Japan increased ¥21.6 billion year on year. Fall Winter inventory had started to shrink as we introduced stricter ordering, but Spring Summer inventory has risen sharply.
Meanwhile, inventories at UNIQLO International increased ¥39.1 billion as stocks accumulated across all regions, but especially strongly in South, Southeast Asia & Oceania, N. America, and Europe, where stores were closed for a longer period than initially expected. GU inventories, which consisted primarily of Spring items, expanded by ¥3.7 billion.



Looking at our cash flow position for the first nine months of FY2020.

Over that period, we reported a net cash inflow of ¥173.1 billion from operating activities, while cash used in investing activities totaled ¥70.0 billion, and cash used in financing activities totaled ¥149.4 billion.

As a result, the balance of cash and cash equivalents stood at ¥1.0457 trillion at the end of May 2020.

Group: FY2020 Estimates

Business profit forecast unchanged, operating profit revised down ¥15.0bln on impairment losses

- **Maintain latest forecast for FY2020 business profit. Controlled any excessive global discounting to attract customers, strengthened cost-cutting. UNIQLO Japan, GU, UNIQLO Greater China all recovering at a faster pace than expected.**
- **Revised latest operating profit forecast down by ¥15.0bln due to recording of 1Q-3Q impairment losses of ¥15.2bln, and the possibility of a further approx. ¥5.0bln impairment loss in the 4Q mainly at UNIQLO International.**

Billions of Yen

	Yr to Aug. 2019 Actual	Yr to Aug. 2020 Estimates (As of Apr.9)	y/y	Yr to Aug. 2020 Estimates (As of Jul.9)	y/y	Yr to Aug. 2020 1Q-3Q Actual
Revenue	2,290.5	2,090.0	-8.8%	**1,990.0**	**-13.1%**	1,544.9
(to revenue)	100.0%	100.0%		**100.0%**		100.0%
Business profit	265.1	150.0	-43.4%	**150.0**	**-43.4%**	143.2
(to revenue)	11.6%	7.2%	-4.4p	**7.5%**	**-4.1p**	9.3%
Other income, expenses	-7.5	-5.0	-	**-20.0**	**-**	-10.8
Operating proft	257.6	145.0	-43.7%	**130.0**	**-49.5%**	132.3
(to revenue)	11.2%	6.9%	-4.3p	**6.5%**	**-4.7p**	8.6%
Finance income, costs	-5.1	0.0	-	**0.0**	-	10.0
Profit before income, taxes	252.4	145.0	-42.6%	**130.0**	**-48.5%**	142.4
(to revenue)	11.0%	6.9%	-4.1p	**6.5%**	**-4.5p**	9.2%
Profit attributable to owners of the parent	162.5	100.0	-38.5%	**85.0**	**-47.7%**	90.6
(to revenue)	7.1%	4.8%	-2.3p	**4.3%**	**-2.8p**	5.9%

*Includes an approximate 4.5% boost to business profit and an approximate 3.0% decline in operating profit resulting from the adoption of IFRS16 from FY2020

I would now like to take some time to explain our business forecasts for the full year to end August 2020.

First, in terms of revenue, all four business segments produced a lower-than-expected performance in the third quarter, with the impact of the state of emergency declaration not having been incorporated into our April forecasts for Japan and stores remaining closed for longer than we had predicted due to COVID-19 in operations outside Japan as well.

Against that backdrop, we have decided to revise down our latest FY2020 consolidated revenue estimate announced in April by ¥100.0 billion yen to ¥1.9900 trillion (−13.1% year on year).

We have not, however, made any change to our latest forecast for FY2020 business profit, which remains at ¥150.0 billion (−43.4%). We believe business profit is on track to achieve this April forecast level since we have managed to successfully control the global temptation to excessively discount prices just to attract customers, we have strengthened our cost-cutting efforts, and UNIQLO Japan, GU, and UNIQLO Greater China are all recovering at a faster pace than expected.

We did revise down our latest operating profit forecast by ¥15.0 billion following the recording of impairment losses of ¥15.2 billion in the first nine months to end May and to reflect the risk of further impairment losses of approximately ¥5.0 billion being recorded in the fourth quarter from June to August mainly at UNIQLO International.

As a result, we have revised down our estimate for FY2020 profit attributable to owners of the parent by ¥15.0 billion to ¥85.0 billion (−47.7%).

These forecasts assume that stores in all our markets will be operating as usual in the fourth quarter from June to August 2020. We may revise these business estimates again if COVID-19 spreads further or circumstances change.

FY2020 4Q Revenue Estimates

FAST RETAILING

- Calculated on the assumption that COVID-19 will be kept under control in Japan and Greater China from June and stores will be able to operate as normal.
- We are assuming that even if nearly all stores in other markets reopen for business as usual, performance will continue to be affected by self-imposed restrictions on activities and lower tourist numbers.

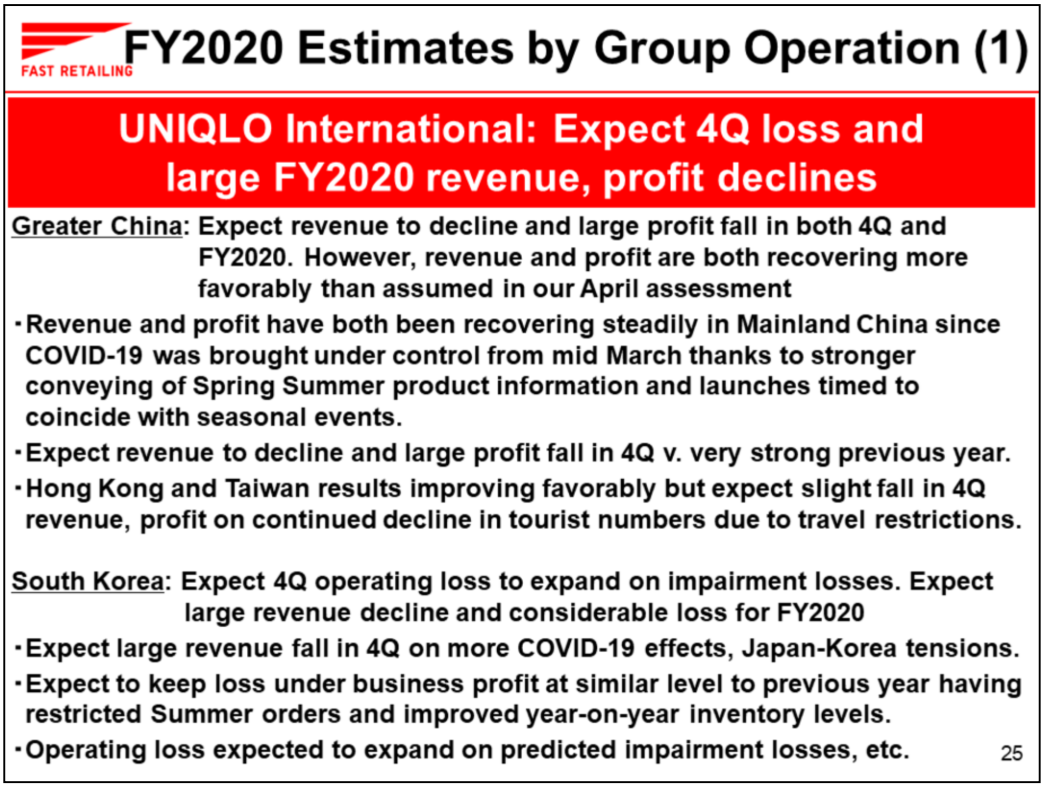
■ Table of Year-on-year Revenue Changes

		Estimates (As of Jul.9)		Estimates (As of Apr.9)		
		Actual	Assumption	Actual	Assumption	
		3Q	Jun. ~ Aug.	Mar.	Apr. ~ May	Jun. ~ Aug.
UNIQLO Japan	Japan	-35.5%	±0% ~ +25%	-28%	-30% ~ -10%	-10% ~ -5%
UNIQLO International	Greater China	-23.1%	-15% ~ ±0%	-40%	-40% ~ -10%	-10% ~ ±0%
	South Korea, South, Southeast Asia & Oceania	-66.6%	-40% ~ -10%	-50%	-70% ~ -40%	-40% ~ ±0%
	North America, Europe	-67.1%	-50% ~ -10%	-50%	-70% ~ -50%	-40% ~ ±0%
GU	Japan	-19.2%	±0% ~ +25%	-1%	-5% ~ ±0%	-5% ~ +5%
Global Brands	Theory	-62.4%	-30% ~ -10%	-55%	-90% ~ -50%	-30% ~ -5%

Slide 24 shows a table of assumed year-on-year revenue changes for the fourth quarter of FY2020 from June to August 2020 based on latest circumstances.

Japan and Greater China: These calculations assume COVID-19 is being kept under control from June and that stores will be able to continue operating regular opening hours.

All other operations: These calculations assume that even if nearly all stores reopen for business as usual, performance will continue to be affected by self-imposed restrictions on outings and lower tourist numbers.



Slide 25 and the subsequent few slides illustrate a break down of our full-year estimates by Group operation.

Looking first at UNIQLO International, we expect the segment will report a decline in revenue and an operating loss in the fourth quarter from June to August 2020.

In the Greater China region, we expect revenue will decline and profit will fall sharply in the fourth quarter and in FY2020. Having said that, we are seeing both revenue and profit recover more favorably than we had predicted back in April.

Within the Greater China region, revenue and profit have both been recovering steadily in Mainland China since COVID-19 was brought largely under control from mid March. Performance has been supported by the stronger conveying of Spring Summer product information and successful initiatives timed to coincide with seasonal events. That said, we expect revenue to decline and profit to contract considerably in the fourth quarter compared to the very strong period in the previous year.

In Hong Kong and Taiwan, performance has been improving favorably, but we expect to see a slight fall in fourth-quarter revenue and profit as travel restrictions continue to dampen tourist numbers.

In South Korea, we expect revenue will decline sharply in the fourth quarter due to the continued impact of COVID-19 and ongoing Japan-Korea tensions. However, we do expect to keep the loss recorded under business profit at a similar level to the previous year thanks to our efforts to restrict the ordering of Summer products and improve year-on-year inventory levels. We forecast a wider operating loss in the fourth quarter in relation to predicted impairment losses and some other factors. For the full business year through August 2020, we forecast UNIQLO South Korea will report a large decline in revenue and a considerable operating loss.

FY2020 Estimates by Group Operation (2)

South, Southeast Asia & Oceania: Expect large revenue, profit fall in 4Q, FY2020

- **Earliest recovery seen in Vietnam, which exited lockdown in late April. Expect 4Q strong sales trend. First store opened Dec. 2019, set to turn a profit in 2H FY2020.**
- **Thailand, Malaysia (exited lockdown mid May) sales also recovering. Expect 4Q sales to be able to recover to just 20% below previous year levels.**
- **Singapore, Philippines, Indonesia will take a little time to recover. Assume 4Q sales will be down approx. 50% y/y.**
  - ✓ **Singapore: Mid June store re-openings relatively late, tourist numbers down**
  - ✓ **Philippines, Indonesia: Extremely large COVID-19 impact**
- **Australia: Expect 4Q sales to regain previous year levels on strong EC sales.**

North America: Expect large revenue fall and much larger operating loss in 4Q on assumed impairment loss. Expect large revenue fall and large loss for FY2020

- **USA operation will take time to recover. Expect continued large revenue falls in 4Q on comparatively late restarting of business (roughly 50% of stores closed through mid June).**

Europe: Expect large revenue fall and an operating loss in 4Q. Expect large declines in FY2020 revenue and profit

- **Despite slight uptick in sales, expect operation will take time to recover as urban stores struggle to adjust to lower tourist numbers.**

Moving onto South, Southeast Asia & Oceania, we forecast large falls in both revenue and profit in the fourth quarter and the full business year through August 2020.

In Southeast Asia, we have noted large variations in local conditions, but Vietnam, which came out of lockdown in late April, has displayed the earliest recovery and we expect that operation will be able to maintain its strong sales trend in the fourth quarter. Vietnam only opened its first store in December 2019, but the operation is already on track to post its first operating profit in the second half of FY2020.

Sales have been recovering in Thailand and Malaysia since both of those markets came out of lockdown in the middle of May, and we expect sales there could recover to just 20% below previous year levels in the fourth quarter.

However, Singapore, the Philippines and Indonesia will probably take a little more time to recover, so we are assuming fourth-quarter sales will come in at approximately 50% of the previous year level. Singapore’s performance will be dampened by the fact that stores didn’t reopen until the middle of June, which was later than other markets, and the fact that tourist numbers have been depleted. A sales recovery in the Philippines and Indonesia will take more time because the impact of COVID-19 has been extremely large in those countries.

In Australia, we expect fourth-quarter sales will recover to previous year levels on the back of a strong e-commerce operation.

In North America, we forecast a large revenue fall and a much wider operating loss in the fourth quarter caused primarily by assumption for further impairment losses over the period. As a result, the region is likely to post a large fall in revenue and a significant operating loss for the full business year as well.

We expect our operation in the United States will take time to recover. We are predicting a further large decline in revenue in the fourth quarter since the reopening of stores has been comparatively late with roughly 50% of stores remaining closed through the middle of June.

We expect UNIQLO Europe will report a large decline in revenue and an operating loss in the fourth quarter, and we are predicting large declines in both revenue and profit for the full business year. While we have seen sales start to recover somewhat, urban stores have been struggling to adjust to the lower number of tourists and so the operation is likely to take some time to recover.

FY2020 Estimates by Group Operation (3)

UNIQLO Japan: Expect big 4Q revenue, profit gains, single-digit FY2020 revenue, profit declines

- Sales have been recovering at a faster pace than expected since the Golden Week holidays at the beginning of May.
- Sales far exceeded previous year levels in June (+26.2% y/y). Expect sales will achieve previous year levels in July and August.
- We expect only single-digit percentage declines in full-year revenue and profit.

GU: Expect large 4Q revenue, profit gains, slight rise in FY2020 revenue, fall in operating profit

- Given the large profit fall in 3Q, we expect to report a slight increase in FY2020 revenue and a decline in FY2020 operating profit.
- GU Japan recovery has been especially strong with robust overall sales illustrated by a 16.4% y/y rise in June same-store sales.
- We predict sales will recover to previous year levels in July and August.

Next, I would like to move onto a more detailed look at our forecasts for the UNIQLO Japan segment, which we expect will report a large rise in both revenue and profit in the fourth quarter.

UNIQLO Japan sales have been recovering at a faster pace than expected since the Golden Week holidays at the beginning of May and sales soared by an impressive 26.2% year on year in June. For the remaining two months of the quarter, July and August, we expect sales will recover to previous year levels. As a result, we predict only single-digit percentage declines in full-year revenue and profit.

Moving onto our GU operation, we expect GU will report large rises in revenue and profit in the fourth quarter of FY2020. However, in light of the large profit decline recorded in the third quarter, we predict the segment will report a slight gain in revenue and a decline in profit for the full business year.

We expect GU Japan will recover strongly on the back of robust sales, starting with the 16.4% year-on-year rise in June same-store sales. We forecast sales will recover to previous year levels in July and August.

FY2020 Estimates by Group Operation (4)

Global Brands: Expect large FY2020 operating loss

- Expect large fall in revenue, impairment losses on loss-making stores and intangible assets, and a significant widening in operating losses in 4Q. We also predict a loss for FY2020 as a whole.

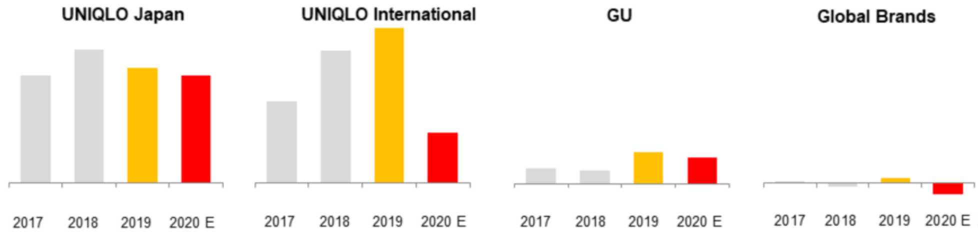
Theory: Expect further large revenue, profit declines in 4Q

- While performance gradually improved in Asia and Japan from May, we expect a sales recovery in the US, which accounts for half of Theory sales, will take more time given the fact that stores were not able to reopen until the end of June.

Comptoir des Cotonniers: Expect 4Q revenue to fall and operating loss to expand

- Lockdowns were lifted in European countries in May and June, but people remain reluctant to go outside, there are still few people on the streets, and demand for clothing remains weak, so we expect this severe sales environment to continue.

■ Envisaged Future Operating Profit Trend by Business Segment



Our FY2020 forecasts for our fourth business segment, Global Brands, are as follows.

We expect Global Brands will report a large decline in revenue in the fourth quarter of FY2020. We also expect the segment to report a significant widening in operating losses for the same period owing to our decision to incorporate additional impairment losses on loss-making stores and intangible assets. As a result, we expect Global Brands will report an operating loss for the segment as a whole in FY2020.

Within the Global Brands category, we expect our Theory label will report further large declines in revenue and profit in the fourth quarter. While performance has been gradually improving in Asia and Japan since May, we expect it will take more time for Theory sales to recover in the United States, which accounts for half of Theory sales, owing to the fact that stores were not able to reopen by the end of June.

Comptoir des Cotonniers is expected to report a fall in revenue and a wider operating loss in the fourth quarter. Even though lockdowns were lifted in European countries in May and June, many people are still generally reluctant to go outside, the streets are not busy, and demand for clothing remains weak, so we expect the sales environment will continue to be severe for the time being.

Inventory Forecasts (end August 2020)

Sense of excess Spring Summer inventory to be resolved gradually over next business year

- Spring Summer inventories higher than usual as we were unable to conduct regular store operations due to COVID-19 with many stores temporarily closed or operating shorter opening hours from February through May.
- We intend to strengthen discounting primarily of fashion-trend items in order to rundown products we need to offload within the current business year. We will not aggressively discount core items that can maintain their value but continue to retail them through FY2021 instead.
- Excessive UNIQLO Japan, S. Korea, and Greater China Spring inventories consist mainly of core items, so we expect to be able to normalize inventory over the coming business year. Recent strong sales of Summer items should enable us to reduce Summer inventory to reasonable levels by the end of the season.
- Intend to gradually rundown excess Spring and Summer inventory over the coming business year at UNIQLO Southeast Asia, North America, and Europe.
- Slightly bloated GU Spring inventory consists mainly of basic innerwear and T-shirts so not a big problem. Expect to normalize Summer inventory by end August thanks to strong recent sales trend.
- Plan to gradually rundown excess Spring and Summer inventory at Global Brands over the coming business year but could take some time to normalize.

Before I close today, I would look at one final set of predictions, namely our inventory forecasts for end August 2020.

Our inventory of Spring Summer ranges has been rising more than usual since we have been unable to conduct regular store operations due to COVID-19 and many stores were temporarily closed or operated shorter opening hours during the months of February through May.

In terms of specific inventories, we intend to strengthen discounting primarily of fashion-trend items in order to rundown the products we need to offload within the current business year. However, we don’t intend to aggressively discount core items that can maintain their value over time but to sell off those items steadily now and over the coming business year through August 2021.

In terms of specific regions, excess Spring inventory at UNIQLO Japan, South Korea, and Greater China consists mainly of core items, so we expect to be able to normalize that inventory over the coming business year. Recent strong sales of Summer items should enable us to reduce Summer inventory to reasonable levels by the end of the season.

However, we are experiencing excess inventory of both Spring and Summer ranges at UNIQLO Southeast Asia, North America, and Europe, so we intend to gradually rundown inventory at these operations over the coming business year.

GU’s slightly bloated Spring inventory consists mainly of basic innerwear and T-shirts, so we do not consider it to be a big problem. We expect to be able to normalize Summer inventory by the end of August thanks to the operation’s strong recent sales trend.

At Global Brands, we plan to gradually rundown excess Spring and Summer inventory over the coming business year, but we expect it could take some time to achieve normal inventory levels.

One final note on our dividend policy for FY2020, which remains unchanged. We have already paid an interim dividend of ¥240 per share and intend to combine that with a year-end dividend of ¥240 per share. That would bring the expected annual dividend for FY2020 to ¥480, the same level as for FY2019.

That completes this presentation on Fast Retailing’s third-quarter performance and outlook for the coming business year through August 2020. Thank you.

Reference: Store Operating Status (1)

■Ratio of Stores in Operation

		Mar.	Apr.	May	Jun.
UNIQLO Japan	Japan	90%	70%	80%	100%
UNIQLO International	Greater China	90%	100%	100%	100%
	South Korea	100%	100%	100%	100%
	South, Southeast Asia & Oceania	60%	10%	50%	80%
	North America	60%	0%	0%	40%
	Europe	60%	0%	30%	60%
GU	Japan	100%	70%	70%	100%
Global Brands	Theory	90%	30%	40%	100%

*All store operating ratios are rounded figures.
*Operating store totals include stores operating shorter opening hours.

Reference: Store Operating Status (2)

[Units: Stores]	As of Jun. 30, 2020 Total store numbers	As of Jul. 7, 2020 Temporarily closed store numbers
UNIQLO Operations	**2,243**	**36**
UNIQLO Japan:	**813**	**10**
UNIQLO International:	**1,430**	**26**
Mainland China	752	0
Hong Kong	31	0
Taiwan	69	0
Korea	173	0
Singapore	27	1
Malaysia	49	0
Thailand	50	0
Philippines	60	3
Indonesia	31	0
Australia	22	1
Vietnam	4	0
India	3	0
USA	50	7
Canada	12	0
UK	15	0
France	22	0
Russia	40	14
Germany	9	0
Belgium	3	0
Spain	4	0
Sweden	1	0
The Netherlands	1	0
Denmark	1	0
Italy	1	0

Reference: Group Company Store Numbers

[Units: Stores]	FY2019	FY2020 1Q-3Q Result (Sep. - May)				FY2020 Estimates (Sep. - Aug.)			
	Yr-end	Open	Close	Change	End May	Open	Close	Change	End Aug.
UNIQLO Operations	**2,196**	**117**	**79**	**+38**	**2,234**	**162**	**91**	**+71**	**2,267**
UNIQLO Japan ※	**817**	**30**	**34**	**-4**	**813**	**33**	**37**	**-4**	**813**
Own stores	774	26	33	-7	**767**	-	-	-	-
Large-scale	230	16	9	+7	**237**	-	-	-	-
Standard and others	544	10	24	-14	**530**	-	-	-	-
Franchise stores	43	4	1	+3	**46**	-	-	-	-
UNIQLO International	**1,379**	**87**	**45**	**+42**	**1,421**	**129**	**54**	**+75**	**1,454**
Mainland China	711	44	10	+34	**745**	77	-	-	-
Hong Kong	29	2	0	+2	**31**		-	-	
Taiwan	67	2	1	+1	**68**		-	-	
Korea	188	6	19	-13	**175**	6	-	-	-
Singapore	28	0	1	-1	**27**	30	-	-	-
Malaysia	49	2	2	0	**49**		-	-	
Thailand	50	1	1	0	**50**		-	-	
Philippines	58	3	1	+2	**60**		-	-	
Indonesia	26	7	3	+4	**30**		-	-	
Australia	20	2	0	+2	**22**		-	-	
Vietnam	0	3	0	+3	**3**		-	-	
India	0	3	0	+3	**3**		-	-	
USA	51	2	3	-1	**50**	4	-	-	-
Canada	11	1	0	+1	**12**		-	-	
UK	13	2	0	+2	**15**	12	-	-	-
France	24	0	3	-3	**21**		-	-	
Russia	37	4	1	+3	**40**		-	-	
Germany	9	0	0	0	**9**		-	-	
Belgium	3	0	0	0	**3**		-	-	
Spain	2	2	0	+2	**4**		-	-	
Sweden	1	0	0	0	**1**		-	-	
The Netherlands	1	0	0	0	**1**		-	-	
Denmark	1	0	0	0	**1**		-	-	
Italy	0	1	0	+1	**1**		-	-	
GU	**421**	**34**	**14**	**+20**	**441**	**35**	**17**	**+18**	**439**
Global Brands	**972**	**32**	**45**	**-13**	**959**	**36**	**57**	**-21**	**951**
Theory ※	451	21	11	+10	**461**	-	-	-	-
PLST ※	101	8	5	+3	**104**	-	-	-	-
Comptoir des Cotonniers ※	296	2	25	-23	**273**	-	-	-	-
Princesse tam.tam ※	124	0	4	-4	**120**	-	-	-	-
J Brand	0	1	0	+1	**1**	-	-	-	-
Total	**3,589**	**183**	**138**	**+45**	**3,634**	**233**	**165**	**+68**	**3,657**

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

FAST RETAILING

Reference: Foreign Exchange Rates

Exchange Rates Used in Consolidated Accounts

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
FY2019 3Q 9-month average to May. 2019	111.7	127.4	144.7	16.4	9.9
FY2020 3Q 9-month average to May. 2020	108.5	119.6	137.6	15.4	9.1
FY2019 12-month average to Aug. 2019	110.9	125.9	142.3	16.2	9.7
FY2020 (E) 12-month average to Aug. 2020	109.0	121.4	140.6	15.2	9.4

Exchange Rates Used on Balance Sheet

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
FY2019 3Q Exchange rate at end May.2019	109.4	121.7	137.9	15.8	9.2
FY2020 3Q Exchange rate at end May.2020	107.5	119.1	132.5	15.0	8.7
FY2019 Exchange rate at end Aug. 2019	106.4	117.6	129.6	14.8	8.8
FY2020 (E) Exchange rate at end Aug. 2020	106.4	117.6	129.6	14.8	8.8

Reference: Capex, Depreciation

Capex (Incl. Finance Leases) and Depreciation

Billions of Yen

		Capex						Depreciation
		UNIQLO Japan	UNIQLO Intl.	GU	Global Brands	Systems, etc	Total	
FY2019	3Q 9 months	10.2	24.9	7.7	2.3	19.9	65.2	36.6
FY2020	3Q 9 months	12.2	17.4	8.1	1.7	24.0	63.7	131.1
FY2019	Full-year 12 months	13.6	31.6	9.0	2.7	28.0	85.2	48.4
FY2020 (E)	Full-year 12 months	14.7	30.2	8.4	2.4	26.6	82.3	165.1

*We have incorporated depreciation costs of approximately ¥110.0bln following the adoption of IFRS16 from FY2020. This approximate ¥110.0bln is recorded as depreciation costs relating to right-of-use assets.