FAST RETAILING

October 15, 2020

Fast Retailing Results for FY2020 and Estimates for FY2021

Takeshi Okazaki

Fast Retailing Co., Ltd.

Group Senior Executive Officer & CFO

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

I would like to talk to you today about our consolidated business performance for FY2020, or the 12 months from September 2019 through August 2020, and to explain our estimates for the full business year through August 2021.

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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 (Sep. 2019 - Aug. 2020)

Full-year revenue, profit down on COVID-19 but far exceeded most recent estimates

Billions of Yen

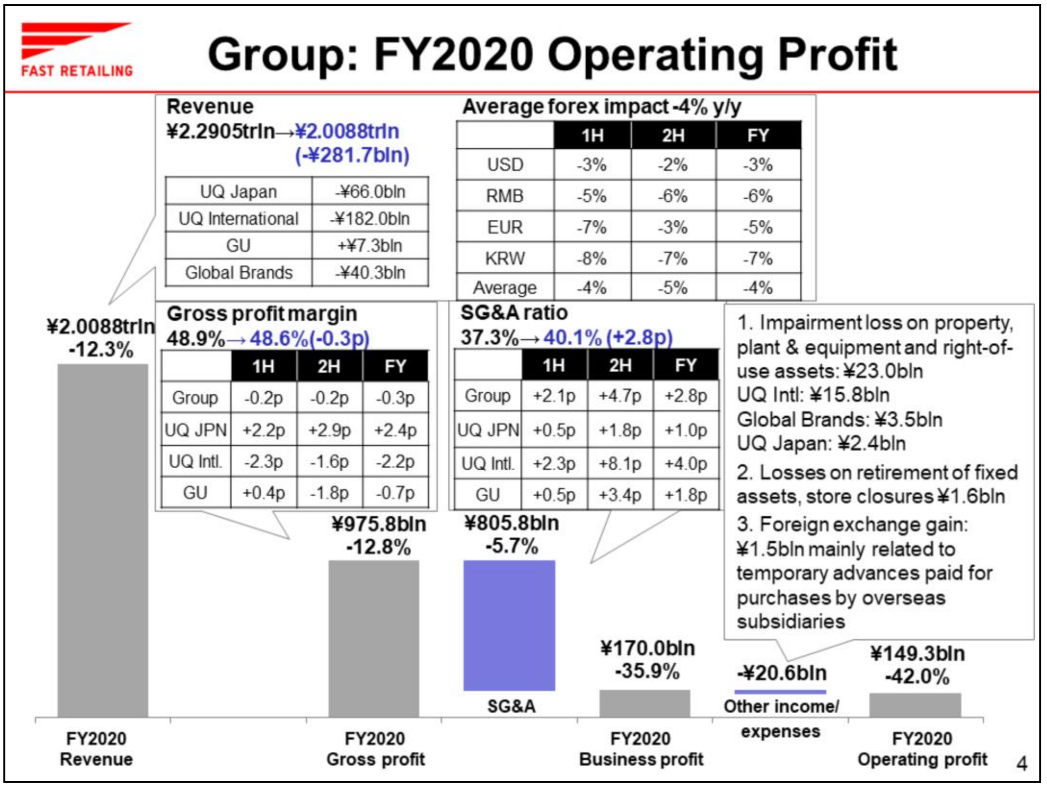
	Yr to Aug.2019	Yr to Aug.2020						
	Actual	1H Actual	y/y	2H Actual	y/y	Full Year Actual	y/y	Latest est. (Jul.9)
Revenue	2,290.5	**1,208.5**	-4.7%	**800.3**	-21.8%	**2,008.8**	-12.3%	1,990.0
(to revenue)	100.0%	100.0%	-	100.0%	-	100.0%	-	100.0%
Gross profit	1,119.5	**576.7**	-4.9%	**399.0**	-22.2%	**975.8**	-12.8%	-
(to revenue)	48.9%	47.7%	-0.2p	49.9%	-0.2p	48.6%	-0.3p	-
SG&A	854.3	**438.7**	+1.2%	**367.0**	-12.8%	**805.8**	-5.7%	-
(to revenue)	37.3%	36.3%	+2.1p	45.9%	+4.7p	40.1%	+2.8p	-
Business profit	265.1	**137.9**	-20.4%	**32.0**	-65.1%	**170.0**	-35.9%	150.0
(to revenue)	11.6%	11.4%	-2.3p	4.0%	-5.0p	8.5%	-3.1p	7.5%
Other income, expenses	-7.5	**-1.2**	-	**-19.4**	-	**-20.6**	-	-20.0
(to revenue)	-	-	-	-	-	-	-	-
Operating profit	257.6	**136.7**	-20.9%	**12.6**	-85.1%	**149.3**	-42.0%	130.0
(to revenue)	11.2%	11.3%	-2.3p	1.6%	-6.7p	7.4%	-3.8p	6.5%
Finance income, costs	-5.1	**14.1**	-	**-10.6**	-	**3.5**	-	0.0
(to revenue)	-	1.2%	+1.1p	-	-	0.2%	-	-
Profit before income taxes	252.4	**150.8**	-13.4%	**2.0**	-97.4%	**152.8**	-39.4%	130.0
(to revenue)	11.0%	12.5%	-1.2p	0.3%	-7.3p	7.6%	-3.4p	6.5%
Profit attributable to owners of the parent	162.5	**100.4**	-11.9%	**-10.1**	-	**90.3**	-44.4%	85.0
(to revenue)	7.1%	8.3%	-0.7p	-	-	4.5%	-2.6p	4.3%

*Adoption of IFRS 16 from FY2020: business profit up ¥8.1bln, operating profit down ¥9.0bln in FY2020.

Fast Retailing reported declines in both revenue and profit in FY2020. Consolidated revenue declined to ¥2.0088 trillion (down 12.3% year on year), business profit, which indicates fundamental business profitability, declined to ¥170.0 billion (down 35.9%), operating profit contracted to ¥149.3 billion (down 42.0%), and profit attributable to owners of the parent decreased to ¥90.3 billion (down 44.4%).

This weak performance was due primarily to the fact that many stores in every market had to be temporarily closed and people were encouraged to stay at home in the wake of COVID-19, which resulted in a large decline in both revenue and profit for the year. We also reported a ¥23.0 billion impairment loss, which resulted in a large decline in profit.

Having said that, consolidated sales and operating profit both far exceeded our latest estimates issued in July after our large-scale markets of Japan and Greater China (Mainland China, Hong Kong, and Taiwan) recovered at a faster pace than we had originally expected.



UQ Japan	-¥66.0bln
UQ International	-¥182.0bln
GU	+¥7.3bln
Global Brands	-¥40.3bln

	1H	2H	FY
USD	-3%	-2%	-3%
RMB	-5%	-6%	-6%
EUR	-7%	-3%	-5%
KRW	-8%	-7%	-7%
Average	-4%	-5%	-4%

	1H	2H	FY
Group	-0.2p	-0.2p	-0.3p
UQ JPN	+2.2p	+2.9p	+2.4p
UQ Intl.	-2.3p	-1.6p	-2.2p
GU	+0.4p	-1.8p	-0.7p

	1H	2H	FY
Group	+2.1p	+4.7p	+2.8p
UQ JPN	+0.5p	+1.8p	+1.0p
UQ Intl.	+2.3p	+8.1p	+4.0p
GU	+0.5p	+3.4p	+1.8p

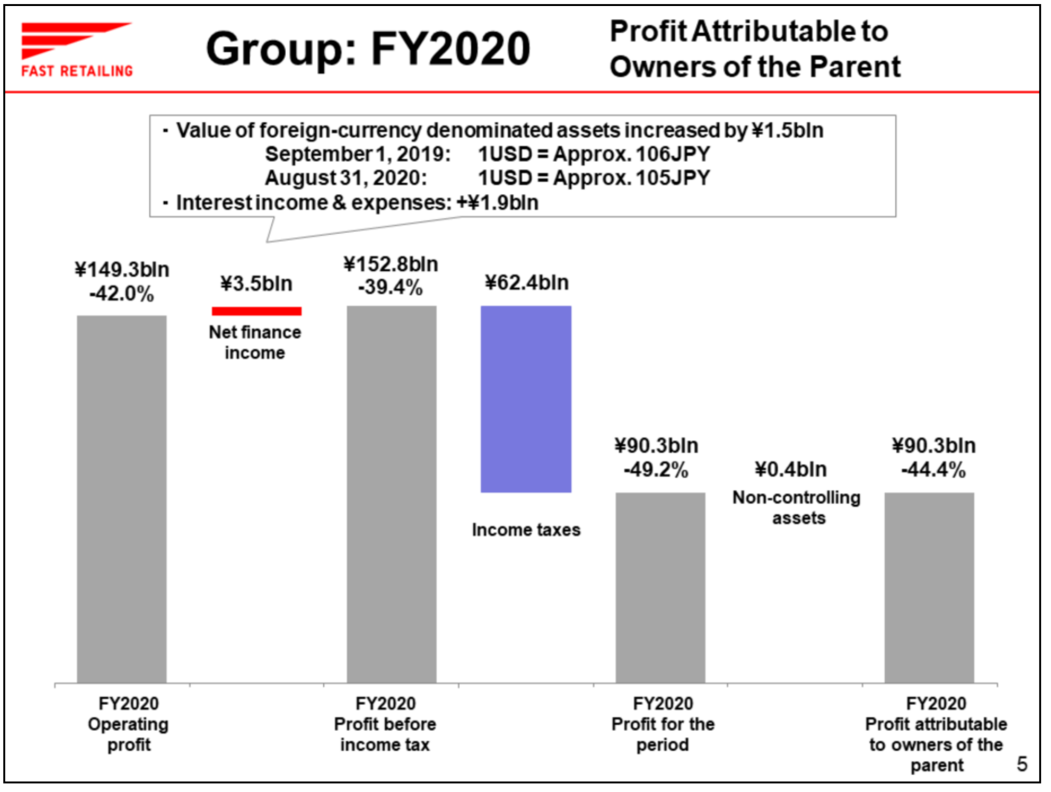
Looking first at the data on the Fast Retailing Group's income statement, consolidated revenue declined by ¥281.7 billion year on year to ¥2.0088 trillion in FY2020 due to a large fall in revenue of ¥182.0 billion at UNIQLO International, ¥66.0 billion at UNIQLO Japan, and ¥40.3 billion at Global Brands in the wake of COVID-19, and other factors.

The consolidated gross profit margin contracted 0.3 point to 48.6%. While the gross profit margin at UNIQLO Japan improved by a considerable 2.4 points year on year, the margin declined by 2.2 points at UNIQLO International and 0.7 point at GU.

The SG&A-to-revenue ratio rose by 2.8 points to 40.1% on the back of a large decline in sales in the second half of the business year from March through August 2020. However, SG&A expenses declined considerably year on year in monetary terms.

The net amount of other income/expenses stood at minus ¥20.6 billion, due mainly to the recording of ¥23.0 billion in impairment losses on plant, property and equipment at loss-making stores and right-of-use assets following the poor performance in the second half.

As a result of the above factors, operating profit decreased by 42.0% year on year to ¥149.3 billion in FY2020.



The net amount of finance income/costs stood at plus ¥3.5 billion in FY2020 on the back of a foreign exchange gain of ¥1.5 billion on our foreign-currency denominated assets and a net ¥1.9 billion in interest income and expenses.

As a result, profit before income taxes decreased by 39.4% to ¥152.8 billion, and profit attributable to the owners of the parent decreased by 44.4% to ¥90.3 billion.

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Group: FY2020 Impairment Losses

Right-of-use asset recording inflates impairment loss

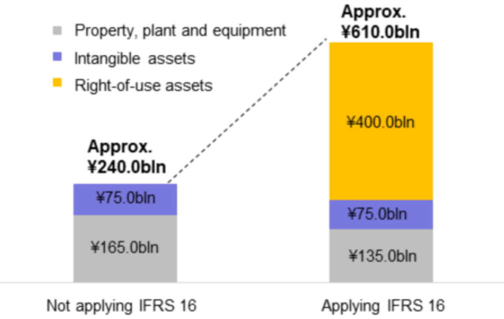
- Recorded a ¥23.0bln impairment loss in FY2020, up sharply from ¥3.4bln in FY2019.
- Primarily due to recording of right-of-use assets on balance sheet in FY2020 under IFRS 16, which generated impairment losses. ¥17.0bln of the total ¥23.0bln impairment loss was against right-of-use assets.
- Applying IFRS 16 includes right-of-use assets along with property, plant and equipment and intangible assets, bringing total FY2020 assets subject to impairment to approx. ¥610.0bln, an estimated 2.5 times the total without applying IFRS 16. If future impairment losses are recognized, impairment recording is likely to be higher than pre-IFRS 16 levels.

Impairment Loss by Business Segment (End Aug. 2020)

	Impairment Loss	Including Impairment Loss on Right-of-use Assets
UNIQLO Japan	¥2.4bln	¥2.1bln
UNIQLO International	¥15.8bln	¥12.6bln
GU	¥1.3bln	¥0.8bln
Global Brands	¥3.5bln	¥1.4bln
Total	¥23.0bln	¥17.0bln

*Right-of-use assets is a new account item created along with the introduction of IFRS 16 for recording future rents under lease contracts for stores, warehouses, offices, etc. as assets.

Total Assets for Impairment (end Aug. 2020)



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Next, in slide 6, I would like to give you some supplemental details on the impairment losses we recorded for the business year and why.

In FY2020, we recorded a ¥23.0 billion impairment loss. While this was sharply higher than the ¥3.4bln impairment loss recorded in FY2019, it was due primarily to the fact that we started to record right-of-use assets on our balance sheet in line with the introduction of IFRS 16 from FY2020, which generated impairment losses. Right-of-use assets is a new category created by the introduction of IFRS 16 accounting standards, which involves recording future rent for lease contracts on stores, warehouses, offices, and other buildings as assets. In fact, ¥17.0 billion of the total ¥23.0 billion impairment loss was recorded against right-of-use assets.

Applying IFRS 16 adds right-of-use assets to the current categories that are subject to impairment recording, namely property, plant and equipment and intangible assets. This brought the total amount of assets subject to impairment to approximately ¥610.0 billion at the end of August 2020. We estimate that total is approximately 2.5 times the total that would have been recorded if IFRS 16 had not been applied. For this reason, if impairment losses are recognized in future, the total impairment loss recorded is most likely to be higher than pre-IFRS 16 levels.

FY2020 Breakdown by Group Operation

Billions of Yen

		Yr to Aug. 2019	Yr to Aug. 2020					
		Actual	1H Actual	y/y	2H Actual	y/y	Full Year Actual	y/y
UNIQLO Japan	Revenue	872.9	463.5	-5.7%	343.3	-10.0%	806.8	-7.6%
	Business profit	103.2	71.0	+5.1%	35.7	+0.4%	106.8	+3.5%
	(to revenue)	11.8%	15.3%	+1.5p	10.4%	+1.1p	13.2%	+1.4p
	Other income, expenses	-0.7	0.5	+391.9%	-2.6	-	-2.1	-
	Operating profit	102.4	71.6	+5.7%	33.0	-4.8%	104.6	+2.2%
	(to revenue)	11.7%	15.5%	+1.7p	9.6%	+0.5p	13.0%	+1.3p
UNIQLO International	Revenue	1,026.0	541.2	-6.7%	302.6	-32.1%	843.9	-17.7%
	Business profit	140.3	58.0	-34.6%	5.5	-89.3%	63.5	-54.7%
	(to revenue)	13.7%	10.7%	-4.6p	1.8%	-9.8p	7.5%	-6.2p
	Other income, expenses	-1.4	-4.7	-	-8.5	-	-13.3	-
	Operating profit	138.9	53.2	-39.8%	-3.0	-	50.2	-63.8%
	(to revenue)	13.5%	9.8%	-5.5p	-	-	6.0%	-7.5p
GU	Revenue	238.7	132.2	+12.9%	113.7	-6.4%	246.0	+3.1%
	Business profit	28.1	15.6	+11.0%	7.1	-49.0%	22.8	-18.9%
	(to revenue)	11.8%	11.8%	-0.2p	6.3%	-5.3p	9.3%	-2.5p
	Other income, expenses	0.0	0.1	-	-1.1	-	-0.9	-
	Operating profit	28.1	15.8	+12.0%	6.0	-57.2%	21.8	-22.5%
	(to revenue)	11.8%	12.0%	-0.1p	5.3%	-6.3p	8.9%	-2.9p
Global Brands	Revenue	149.9	70.1	-9.8%	39.5	-45.2%	109.6	-26.9%
	Business profit	3.9	0.9	-70.4%	-10.3	-	-9.3	-
	(to revenue)	2.6%	1.4%	-2.8p	-	-	-	-
	Other income, expenses	-0.2	-0.2	-	-3.1	-	-3.3	-
	Operating profit	3.6	0.7	-76.3%	-13.4	-	-12.7	-
	(to revenue)	2.5%	1.1%	-2.9p	-	-	-	-

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

Slide 7 displays the breakdown of performance by Group operation.

UNIQLO Japan: FY2020 Performance

Full-year profit up, exceeds July estimate

- Having predicted a full-year profit decline in July, revenue and profit rose sharply on a much higher-than-expected recovery in Q4, resulting in a full-year profit gain.
- While full-year same-store sales fell 6.8% y/y on warm winter and COVID-19, 4Q same-store sales rose 20.2% on large recovery in sales.
- E-commerce rose sharply in 2H and recorded a firm 29.3% y/y full-year gain on stronger digital advertising and aggressive conveying of pertinent information.
- Operating profit up on improved gross profit margin, lower SG&A monetary totals.

Billions of Yen

	Yr to Aug. 2019	Yr to Aug. 2020					
	Actual	1H Actual	Prev. yr	2H Actual	Prev. yr	Full Year Actual	Prev. yr
Revenue	872.9	**463.5**	-5.7%	**343.3**	-10.0%	**806.8**	-7.6%
(to revenue)	100.0%	**100.0%**	-	**100.0%**	-	**100.0%**	-
Gross profit	407.4	**221.4**	-1.2%	**174.8**	-4.6%	**396.2**	-2.8%
(to revenue)	46.7%	**47.8%**	+2.2p	**50.9%**	+2.9p	**49.1%**	+2.4p
SG&A	304.2	**150.3**	-4.0%	**139.0**	-5.8%	**289.4**	-4.9%
(to revenue)	34.9%	**32.4%**	+0.5p	**40.5%**	+1.8p	**35.9%**	+1.0p
Business profit	103.2	**71.0**	+5.1%	**35.7**	+0.4%	**106.8**	+3.5%
(to revenue)	11.8%	**15.3%**	+1.5p	**10.4%**	+1.1p	**13.2%**	+1.4p
Other income, expenses	-0.7	**0.5**	+391.9%	**-2.6**	-	**-2.1**	-
(to revenue)	-	**0.1%**	+0.1p	-	-	-	-
Operating profit	102.4	**71.6**	+5.7%	**33.0**	-4.8%	**104.6**	+2.2%
(to revenue)	11.7%	**15.5%**	+1.7p	**9.6%**	+0.5p	**13.0%**	+1.3p

*Adoption of IFRS 16 from FY2020 boosted business profit by ¥3.0bln and operating profit by ¥1.2bln in FY2020.

Looking first at UNIQLO Japan. While that operation reported a fall in revenue of 7.6% year on year to ¥806.8 billion in FY2020, operating profit expanded by 2.2% to ¥104.6 billion in the same period. Having predicted a full-year profit decline when we announced our most recent business estimates in July, revenue and profit rose considerably on a much higher-than-expected recovery in the fourth quarter from June to August, which consequently resulted in a full-year profit gain.

Full-year same-store sales fell 6.8% year on year on the back of the warm winter weather and COVID-19, but fourth-quarter same-store sales rose 20.2% year on year thanks to a significant recovery in fourth-quarter sales.

E-commerce recorded a firm 29.3% year-on-year gain in FY2020 thanks to a large rise in revenue in the second half from March to August fueled by stronger digital advertising and aggressive conveying of pertinent information.

UNIQLO Japan’s full-year operating profit increased on the back of an improved gross profit margin and lower SG&A expenses in monetary terms.

UNIQLO Japan: FY2020 Revenue

Same-store sales: -6.8% (large 20.2% rise in Q4)

- **1H down 4.6% y/y as warm winter weather stifled sales of warm clothing.**
- **2H down 9.6% as temporary store closures or shorter hours and stay-at-home practices in 3Q knocked customer visits lower. However, same-store sales rebounded sharply in 4Q to rise 20.2% y/y after stores reopened for business.**
- **In 4Q AIRism innerwear, wireless bras, T-shirts and other core Summer ranges sold well and products that satisfied stay-at-home demand such as ultra stretch active jogger pants and skirt pants also sold well. AIRism masks also contributed to higher sales after their launch in June.**
- **FY2020 e-commerce sales rose 29.3% to ¥107.6bln. 2H 54.7% rise especially strong. Strengthened conveying of information using a new improved platform, digital advertising, and TV ads. New customers up sharply on new limited-period prices for registered app users. FY2020 e-commerce sales as proportion of total sales rose from 9.5% to 13.3%.**

Same-store sales	Yr to Aug. 2020										
y/y	**1H**	Mar.	Apr.	May	**3Q**	Jun.	Jul.	Aug.	**4Q**	**2H**	**Full Year**
Net sales	**-4.6%**	-27.8%	-56.5%	-18.1%	**-34.0%**	+26.2%	+4.4%	+29.8%	**+20.2%**	**-9.6%**	**-6.8%**
Customer visits	**-1.2%**	-32.4%	-60.6%	-31.3%	**-41.4%**	+13.9%	+2.5%	+26.0%	**+13.7%**	**-14.4%**	**-7.6%**
Customer spend	**-3.5%**	+6.9%	+10.4%	+19.1%	**+12.5%**	+10.8%	+1.9%	+3.0%	**+5.8%**	**+5.6%**	**+0.8%**

UNIQLO Japan same-store sales declined 6.8% year on year in FY2020. In the first-half, same-store sales declined 4.6% after the warm winter weather stifled sales of warm clothing ranges. Then in the second half, same-store sales declined by 9.6% after stores were forced to close their doors temporarily or to operate shorter opening hours and people were encouraged to stay at home, resulting in a decline in customer visits in the third quarter from March to May. However, once stores reopened for business, same-store sales rebounded sharply in the fourth quarter to rise 20.2% year on year.

FY2020 e-commerce sales at UNIQLO Japan rose 29.3% to ¥107.6 billion, with the operation reporting an especially strong year-on-year rise of 54.7% in the second half. We were able to strengthen the way we conveyed product information using new improved platforms, digital advertising, and TV ads. The number of new customers also increased significantly after we started offering new limited-period prices for our registered app users. All these factors helped FY2020 e-commerce sales rise as proportion of total sales rose from 9.5% to 13.3% in FY2020.

UNIQLO Japan: FY2020 Gross Profit Margin

FY2020 gross profit margin: 49.1% (+2.4p y/y) on improved cost of sales in 1H, discounting in 2H

- 1H gross profit margin rose 2.2p as cost of sales improved sharply on trending appreciation in yen exchange rates for merchandise purchasing.
- 2H margin rose 2.9p on greatly improved discounting rates after we discounted items that needed to be sold but resisted excessive discounts to draw customers.
- End-August inventories up ¥2.3bln y/y. Spring Summer inventory rose, but overall rise was tempered by stronger order progress management of Fall Winter items. Spring inventory slightly excessive but mainly core items so expect to normalize over Fall Winter season. Summer inventory not a problem following strong 4Q sales.

	Yr to Aug. 2019	Yr to Aug. 2020	
			y/y
Full year	46.7%	**49.1%**	+2.4p
1H	45.6%	**47.8%**	+2.2p
2H	48.0%	**50.9%**	+2.9p

Let's look next at the UNIQLO Japan gross profit margin which rose 2.4 points year on year to 49.1% in FY2020. That result was higher than we had recently predicted in July.

In the first half of FY2020, the gross profit margin rose 2.2 points thanks to an improvement in our cost of sales on the back of a continued appreciation of yen exchange rates for merchandise purchasing.

In the second half, the gross profit margin improved by 2.9 points on the back of greatly improved discounting rates. While we readily discounted items that needed to be sold, we resisted the temptation to offer excessive discounts to draw in customers.

At the end of August 2020, inventories had risen by ¥2.3 billion year on year. While Spring Summer inventory did increase, the rise in overall inventory was tempered by stronger management of order processing for Fall Winter items. At this point in time, Spring inventory is sitting at slightly excessive levels, but that inventory consists primarily of core items, so we expect to be able to bring it back down to normal levels over the current Fall Winter season. Meanwhile, Summer inventory is tracking at acceptable levels thanks to the strong sales performance in the fourth quarter.

UNIQLO Japan: FY2020 SG&A

Full-year SG&A ratio: 35.9%(+1.0p y/y)
Down in monetary terms and versus plan

- SG&A ratio rose 0.5p in 1H and 1.8p in 2H.
- IFRS 16 application sharply increased depreciation costs, reduced store rents.
- Excluding the IFRS 16 effect, advertising, store rents, store distribution, depreciation, and personnel expenses declined y/y in monetary terms.
  - Advertising costs down: Increased digital marketing in 2H but reduced flyers.
  - Store rents down as sales-linked rent decreased in line with lower sales.
  - Distribution costs: Store-related distribution costs fell sharply. Temporary store closures in 2H reduced distribution costs and distribution efficiencies improved following a review of delivery routes, frequencies, and loading efficacy. E-commerce delivery costs rose sharply in line with rising sales, but per-item delivery cost fell on improved efficiencies.
  - Depreciation costs declined as the impact of accelerated depreciation (shorter depreciation period) of some materials handling for the Ariake Warehouse in FY2019 disappeared.
  - Personnel costs fell on RFID usage and other improved store efficiencies over the business year. 2H costs down on decline in employees' regular working hours and overtime due primarily to temporary store closures.

The full-year UNIQLO Japan SG&A ratio declined by 1.0 point year on year to 35.9% in FY2020.

Breaking that figure down, the SG&A ratio rose by 0.5 point in the first half and 1.8 points in the second half. However, SG&A expenses declined year on year in monetary terms. We were also able to reduce SG&A further than we had most recently forecast in July both in ratio and monetary terms.

The application of IFRS 16 accounting sharply increased depreciation costs and reduced store rents. If we strip out the IFRS 16 effect, advertising, store rents, store distribution, depreciation, and personnel expenses declined year on year in monetary terms.

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UNIQLO International: FY2020 Overview

Large declines in revenue, profit due to COVID-19

- Exceeded latest estimates as Greater China recovered faster than expected.
- Greater China 4Q revenue recovering favorably in Mainland China and Taiwan.
- In S., SE Asia & Oceania, while the Philippines, Indonesia, and India were hard hit by COVID-19, Singapore, Malaysia, Thailand 4Q sales were on a recovery track.
- USA, Europe hit hard by COVID-19 and taking time to recover. 4Q sales sluggish.
- E-commerce sales strong in all markets. Rose approx. 20% on stronger conveying of information on stay-at-home products, and more e-commerce operations.
- Recorded ¥15.8bln impairment loss on stores mainly in USA and South Korea.

Billions of Yen

	Yr to Aug. 2019	Yr to Aug. 2020					
	Actual	1H Actual	Prev. yr	2H Actual	Prev. yr	Full Year Actual	Prev. yr
Revenue	1,026.0	541.2	-6.7%	302.6	-32.1%	843.9	-17.7%
(to revenue)	100.0%	100.0%	-	100.0%	-	100.0%	-
Gross profit	530.2	263.2	-10.8%	154.5	-34.3%	417.8	-21.2%
(to revenue)	51.7%	48.6%	-2.3p	51.1%	-1.6p	49.5%	-2.2p
SG&A	389.9	205.2	-0.6%	149.0	-18.8%	354.2	-9.2%
(to revenue)	38.0%	37.9%	+2.3p	49.2%	+8.1p	42.0%	+4.0p
Business profit	140.3	58.0	-34.6%	5.5	-89.3%	63.5	-54.7%
(to revenue)	13.7%	10.7%	-4.6p	1.8%	-9.8p	7.5%	-6.2p
Other income, expenses	-1.4	-4.7	-	-8.5	-	-13.3	-
(to revenue)	-	-	-	-	-	-	-
Operating profit	138.9	53.2	-39.8%	-3.0	-	50.2	-63.8%
(to revenue)	13.5%	9.8%	-5.5p	-	-	6.0%	-7.5p

*Adoption of IFRS 16 from FY2020: business profit up ¥3.5bln, operating profit down ¥9.7bln in FY2020.

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

That operation reported large declines in both revenue and profit in FY2020, with revenue declining 17.7% year on year to ¥843.9 billion and profit contracting 63.8% to ¥50.2 billion. This was due primarily to a significant decline in revenue and profit in the second half of the business year in the wake of COVID-19.

However, thanks to a faster-than-expected recovery in Greater China, the overall result was better than we had expected when we announced our most recent forecasts back in July.

In Greater China, fourth-quarter revenue recovered favorably mainly in Mainland China and Taiwan after the coronavirus outbreak was brought under control relatively swiftly. In South, Southeast Asia & Oceania, the Philippines, Indonesia, and India were hit hard by COVID-19, but sales started to show signs of a recovery in Singapore, Malaysia, and Thailand in the fourth quarter. Meanwhile, North America and Europe were hit hard by COVID-19 and fourth-quarter sales continued to prove sluggish with those regions taking more time to recover.

However, e-commerce sales were strong in all markets, rising by approximately 20% year on year on the back of a stronger conveying of relevant information about stay-at-home products, and the fact that we were able to expand the number of operations offering e-commerce services.

We recorded a ¥15.8 billion impairment loss on stores mainly in the USA and South Korea in FY2020.

I will give you a regional breakdown of UNIQLO International performance in the next few slides.

UNIQLO Intl.: FY2020 by Region (1)

Greater China: Revenue down, profit plummets
Revenue: ¥455.9bln (-9.3%), OP ¥65.6bln (-26.3%)

- Gross profit margin down 2.0p y/y on stronger discounting of products that needed to be sold off and higher cost of sales on stronger Chinese yuan rates. SG&A ratio up 1.3p y/y but down in monetary terms.
- Revenue, profit outperformed on faster recovery in Mainland China, Taiwan.

Mainland China: Recovers faster than plan despite revenue dip and profit slump

- Recovered at a faster pace than expected from March once COVID-19 had been brought under control thanks to a growing empathy for our LifeWear concept and support for UNIQLO as an essential everyday brand.
- In 4Q, same-store sales fell sharply in June on torrential rains and a resurgence in COVID-19 infections, but same-store sales began rising y/y mid-July on warmer weather and strong sales of Summer ranges and products designed to satisfy stay-at-home demand.
- Recovery continuing favorably with the 19 new stores opened in August all displaying stronger-than-expected performances.
- E-commerce sales rose approx. 20% y/y to constitute roughly 25% of total sales thanks to strong online-to-offline (O2O) benefits such as dispatching online orders from nearby physical stores.

Hong Kong: Large declines in revenue, profit. Same-store sales down sharply on demos and COVID-19

- 4Q same-store sales were also well below previous year's levels as border restrictions reduced tourist numbers.

Taiwan: Full-year revenue down slightly, operating profit higher

- Early control of COVID-19. Gross profit margin up on conservative discounting. Profit up on cost-cutting.
- Achieved especially impressive revenue gains and large profit rise in 4Q thanks to LifeWear branding, strengthening of methods for conveying information about products designed to satisfy stay-at-home demand, and government stimulus policies that helped reinvigorate demand.

In Greater China, revenue declined and profit plummeted in FY2020, with revenue falling 9.3% year on year to ¥455.9 billion and operating profit contracting by 26.3% to ¥65.6 billion.

The operation's gross profit margin improved 2.0 points following stronger discounting of items that needed to be sold off promptly and a decline in the cost of sales resulting from an appreciation in Chinese yuan exchange rates. The SG&A ratio also increased by 1.3 points year on year but declined in monetary terms. The full-year results for Greater China revenue and profit were better than we had expected back in July after Mainland China and Taiwan performance improved at a faster pace than we had initially predicted.

Within the Greater China region, Mainland China reported a decline in revenue and a large dip in profits in FY2020. However, the market recovered faster than we had expected from March onwards once COVID-19 had been brought under control thanks to a growing empathy for our LifeWear concept and solid support for UNIQLO as an essential everyday brand.

In the fourth quarter, Mainland China same-store sales declined sharply in June on the back of torrential rains and a resurgence in COVID-19 infections. However, same-store sales then began rising year on year mid-July on the back of warmer weather and strong sales of Summer ranges and products designed to satisfy stay-at-home demand. That recovery is continuing favorably with the 19 new stores opened in August all displaying stronger-than-expected performances.

Mainland China e-commerce sales rose by approximately 20% year on year in FY2020 to constitute roughly 25% of total sales thanks to strong online-to-offline (O2O) benefits such as the dispatching of goods purchased online from nearby physical stores.

UNIQLO Intl.: FY2020 by Region (2)

S. Korea: Large revenue fall and an operating loss

- Same-store sales down sharply on Japan-South Korea tensions and COVID-19.
- Operating loss due to impairment losses on stores on back of poor performance.

S., SE Asia & Oceania: Large revenue, profit falls Revenue down approx. ¥150.0bln, operating profit 40%

- Despite double-digit y/y growth in 1H, temporary store closures, stay-at-home practices, and stagnant travel demand in 2H resulted in a sharp full-year decline in revenue and a slight full-year operating loss.
- In the markets that offer e-commerce operations, Singapore, Malaysia, Thailand, and Australia, e-commerce sales rose by approx. 70% to constitute approx. 10% of total sales. E-commerce operation launched in the Philippines in June also generating higher-than-expected sales.
- While stores gradually reopened in the Philippines and Indonesia from June, continued heavy COVID-19 impact resulted in large revenue decline and an operating loss in 2H. India also reported a slight operating loss on COVID-19.
- While Singapore and Malaysia reported a large 3Q and full-year profit decline, revenue has been recovering gradually since June.
- After bringing COVID-19 under control comparatively quickly, Thailand and Vietnam generated stronger- than-expected performances. While Thailand reported falling full-year revenue and profit, 4Q same-store sales recovered to near previous year's levels. Vietnam posted a 2H profit on strong sales of Summer ranges.
- Australia reported a slight decline in revenue and a large decline in profit. Meanwhile, e-commerce sales doubled on higher stay-at-home demand and stronger digital marketing.

Moving onto South Korea. That market suffered a large decline in revenue and recorded an operating loss in FY2020. Same-store sales fell sharply on the back of continued tensions between Japan and South Korea and the impact of COVID-19. The operating loss was due to the recording of impairment losses on stores on back of the operation's overall poor performance.

Meanwhile, South, Southeast Asia & Oceania was hit hard by the COVID-19 virus, with revenue declining by approximately ¥150.0 billion, or roughly 13%, and operating profit declining by a considerable 40% year on year.

While the operation was able to achieve strong double-digit growth in revenue and profit in the first half, temporary store closures, stay-at-home practices, and stagnant travel demand in the second half resulted in a sharp full-year decline in revenue and a slight full-year operating loss. Having said that, e-commerce sales in the region proved strong. The markets that offer e-commerce operations (Singapore, Malaysia, Thailand, and Australia) saw e-commerce sales rise by approximately 70% year on year and the share of e-commerce sales rise to roughly 10% of total sales. The Philippines, which just launched its e-commerce operation in June, is also generating higher-than-expected online sales.

Within the region, stores gradually reopened in the Philippines and Indonesia from June, but the continued heavy impact of COVID-19 resulted in a large decline in revenue and an operating loss in second half. India, which opened its first stores in October 2019, also reported a slight full-year operating loss on the back of COVID-19.

By contrast, while Singapore and Malaysia both saw profits decline considerably over the full business year on the back of a sharp profit dip in the third quarter, revenue has been recovering gradually in those markets since June. Having brought COVID-19 under control comparatively quickly, Thailand and Vietnam have also been generating stronger-than-expected performances. Despite reporting falling full-year revenue and profit, fourth-quarter same-store sales in Thailand subsequently recovered to close to the previous year's level. Vietnam, which opened its first stores in December 2019, posted a profit in the second half thanks to strong sales of Summer ranges.

UNIQLO Intl.: FY2020 by Region (3)

N. America: Large revenue fall, much wider loss

USA: Performance worsens considerably on COVID-19

- 1H: Winter ranges struggled during warm winter. Recorded operating loss on more expansive discounting.
- 2H: Same-store sales fell sharply with nearly all stores temporarily closed from March to June. Customer numbers and same-store sales continued to decline from June onwards due to the changing social climate and a resurgence in COVID-19 infections.
- Operating loss widened significantly after gross profit margin and SG&A ratio both worsened and operation recorded an impairment loss on stores.
- E-commerce on recovery track. 4Q online sales rose approx. 70% on stronger digital markets, and stronger stay-at-home demand for loungewear, sweat wear, T-shirts and other garments. Full-year e-commerce sales rose approx. 20% y/y to constitute roughly 40% of total sales.

Canada: Large decline in revenue, reports an operating loss

Europe: Revenue down, slight operating loss

- Strong double-digit growth in 1H revenue and profit, but revenue and profit then slumped in 2H as COVID-19 hit hard with stores closed temporarily in all markets except Sweden, and tourist numbers declining.
- Despite that, Russia 4Q same-stores sales rose and online sales increased sharply on strong styling and conveyance of LifeWear-related information.
- Having opened its first store only in September 2019, UNIQLO Italy was hit hard by COVID-19 in 2H but recorded a profit in its very first year on strong 1H sales.
- FY2020 e-commerce sales for UNIQLO Europe as a whole rose approx. 50% to constitute 20% of total sales.

Looking next at performance in North America, that operation reported a large decline in full-year revenue and a much wider operating loss in FY2020 primarily on a considerable worsening in performance due to COVID-19.

In the first half, sales of Winter ranges in the United States struggled during the warm winter weather and subsequent expansive discounting resulted in the recording of an operating loss for the six-month period. In the second-half, same-store sales fell sharply after nearly all stores were forced to temporarily closed their doors from March to June. Customer numbers and same-store sales then continued to decline from June onwards amid changes in the social climate and a resurgence in COVID-19 infections.
On the profit front, the operating loss widened significantly year on year following a worsening in the gross profit margin and the SG&A ratio and the recording of an impairment loss on stores.

Meanwhile, the region's e-commerce operation is on a recovery track, with fourth-quarter online sales rising approximately 70% year on year on the back of stronger digital marketing and stronger stay-at-home demand for loungewear, sweat wear, T-shirts and other garments. For the year as a whole, e-commerce sales rose approximately 20% year on year to constitute roughly 40% of total sales.

In Europe, revenue declined, and the region generated a slight operating loss in FY2020.

UNIQLO Europe achieved strong double-digit growth in first-half revenue and profit, but revenue and profit then slumped in the second half of the business year due to the heavy impact of COVID-19, with stores being temporarily closed in all markets except Sweden, and tourist numbers declining. However, within the region, Russia did achieve a standout performance, with fourth-quarter same-stores sales rising and online sales increasing sharply on the back of strong styling and firm conveying of LifeWear-related information. E-commerce sales also rose strongly over the full business year. Having just opened its first store only in September 2019, UNIQLO Italy was hit hard by COVID-19 in the second half, but still managed to report a profit in its very first year of operation on the back of strong first-half sales.

Finally, FY2020 e-commerce sales for UNIQLO Europe as a whole rose approx. 50% to constitute 20% of total sales.

FAST RETAILING

GU: FY2020 Performance (1)

Full-year revenue gain, profit fall as expected

- Despite higher same-store sales in 1H on strong sales of knitwear that captured the latest mass fashion trend and lightweight outerwear, GU Japan's full-year revenue fell 5.2% on heavy 2H COVID-19 impact. However, same-store sales rose 2.2% in 4Q on a favorable sales recovery and especially strong sales of on-trend items and ranges designed to satisfy stay-at-home demand.
- Gross profit margin (-0.7p): Compared to strong previous year. Heavier discounting of Spring Summer ranges to actively rundown inventory.
- SG&A ratio (+1.8p): Up sharply mainly due to lower 2H sales on COVID-19.

Billions of Yen

	Yr to Aug. 2019	Yr to Aug. 2020					
	Actual	1H Actual	Prev. yr	2H Actual	Prev. yr	Full Year Actual	Prev. yr
Revenue	238.7	**132.2**	+12.9%	**113.7**	-6.4%	**246.0**	+3.1%
(to revenue)	100.0%	**100.0%**	-	**100.0%**	-	**100.0%**	-
Gross profit	116.9	**64.1**	+13.7%	**54.6**	-9.7%	**118.8**	+1.6%
(to revenue)	49.0%	**48.5%**	+0.4p	**48.0%**	-1.8p	**48.3%**	-0.7p
SG&A	88.8	**48.4**	+14.6%	**47.5**	+2.1%	**95.9**	+8.1%
(to revenue)	37.2%	**36.6%**	+0.5p	**41.7%**	+3.4p	**39.0%**	+1.8p
Business profit	28.1	**15.6**	+11.0%	**7.1**	-49.0%	**22.8**	-18.9%
(to revenue)	11.8%	**11.8%**	-0.2p	**6.3%**	-5.3p	**9.3%**	-2.5p
Other income, expenses	0.0	**0.1**	-	**-1.1**	-	**-0.9**	-
(to revenue)	0.0%	**0.1%**	+0.1p	**-**	-	**-**	-
Operating profit	28.1	**15.8**	+12.0%	**6.0**	-57.2%	**21.8**	-22.5%
(to revenue)	11.8%	**12.0%**	-0.1p	**5.3%**	-6.3p	**8.9%**	-2.9p

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*Adoption of IFRS 16 from FY2020: almost no impact on business profit, operating profit down ¥0.5bln in FY2020.

Let me now move on to our GU business segment which achieved a rise in revenue but a decline in profit in FY2020, with revenue rising 3.1% year on year to ¥246.0 billion and operating profit declining by 22.5% to ¥21.8 billion. This result was in line with our most recent estimates announced in July.

At GU Japan, while same-store sales rose in the first half on the back of strong sales of knitwear that was able to successfully capture the latest mass fashion trend and strong sales of lightweight outerwear, full-year revenue fell 5.2% due to the heavy impact of COVID-19 in the second half of the business year. Having said that, same-store sales did manage to increase by 2.2% in the fourth quarter thanks to a favorable recovery in sales and especially strong sales of on-trend items and ranges designed to satisfy stay-at-home demand.

On the profit front, the GU gross profit margin declined by 0.7 point in FY2020 compared to the particularly strong improvement in the margin in the previous year, and due to heavier discounting of Spring Summer ranges designed to aggressively rundown inventory.

The GU SG&A ratio increased 1.8 points year on year due to a sharp rise in the second-half ratio in the wake of COVID-19.

FAST RETAILING

GU: FY2020 Performance (2)

- Sales recovery based on launch of successful on-trend mass fashion items and products to satisfy stay-at-home demand, and stronger conveying of trendy and new product news.
- This Summer's trend was for comfortable clothing that gave a crisp impression so sheer-material shirts, elasticated waist colored slacks, and chef's pants for men all sold well. These products helped boost sales because they were marketed as offering versatile different looks for summer through fall and winter which appealed to more budget-conscious shoppers in the wake of COVID-19.
- Pajamas, loungewear designed to satisfy stay-at-home demand also sold well.
- E-commerce sales expanded roughly 60% y/y to constitute approx. 9% of total sales. In 2H, we successfully reduced online shortages of popular items, encouraged use of StyleHint app to discover new looks, displayed employee looks online, and strengthened information channeling.


Sheer oversized shirt ¥1,490


Belt tuck straight pants ¥1,990


Chef's pants ¥1,490


Pile pajamas ¥1,990

The GU sales recovery was fueled by the launch of successful on-trend mass fashion items and products designed to satisfy stay-at-home demand, along with much stronger conveying of information on trendy ranges and new products.

In summer 2020, the trend was for comfortable clothing that gave a crisp impression, and our sheer-material shirts, elasticated waist colored slacks, and chef's pants for men all sold well as a result.

Pajamas and loungewear designed to satisfy stay-at-home demand also sold well.

GU e-commerce sales expanded roughly 60% year on year in FY2020 to constitute approximately 9% of total sales as we successfully reduced online shortages of popular items in the second half, effectively boosted purchases of various products by posting pictures of staff modeling their own different looks on our StyleHint app for customers to view, and strengthened our ability to convey product-related information to customers.

FAST RETAILING

Global Brands: FY2020 Performance

Large revenue fall, operating loss below plan

USA and Europe hit hard by COVID-19, so Comptoir des Cotonniers, Princesse tam.tam, and J Brand all reported continued losses and Theory moved into the red.

Theory: Below plan, reports an operating loss

- **Large sales decline on temporary store closures and stay-at-home practices. Stronger discounting of Spring Summer ranges.**
- **Reported a loss for USA and Europe, and a lower profit in Japan. Operating profit flat y/y in Asia thanks to the recovery in sales in Mainland China.**

PLST: Revenue, profit down. Reports a slight operating loss

- **Large revenue decline on temporary store closures and stay-at-home practices.**
- **Stronger discounting of Spring Summer ranges.**

Comptoir des Cotonniers: Large revenue decline, continued operating loss

- **Europe stores temporarily closed for approximately 2 months.**

Billions of Yen

		Yr to Aug. 2019	Yr to Aug. 2020					
		Actual	1H Actual	y/y	2H Actual	y/y	Full Year Actual	y/y
Global Brands	Revenue	149.9	70.1	-9.8%	39.5	-45.2%	109.6	-26.9%
	Business profit	3.9	0.9	-70.4%	-10.3	-	-9.3	-
	(to revenue)	2.6%	1.4%	-2.8p	-	-	-	-
	Other income, expenses	-0.2	-0.2	-	-3.1	-	-3.3	-
	Operating profit	3.6	0.7	-76.3%	-13.4	-	-12.7	-
	(to revenue)	2.5%	1.1%	-2.9p	-	-	-	-

*Adoption of IFRS 16 from FY2020: business profit up ¥1.4bln, almost no impact on operating profit in FY2020. 18

Finally, let me talk briefly about our Global Brands business segment, which reported a decrease in revenue of 26.9% year on year to ¥109.6 billion, and a wider-than-planned operating loss of ¥12.7 billion.

This poor performance was caused primarily by the heavy impact of COVID-19 in the United States and Europe, which resulted in our France-based Comptoir des Cotonniers and Princesse tam.tam labels and US-based J Brand all reporting continued losses, and our Theory operation moving into the red.

The Theory operation came in below plan when it reported an operating loss for the full business year. Theory sales declined sharply following the temporary closure of stores and encouragement of stay-at-home practices for approximately three and a half months in the United States, approximately one month in Japan, and roughly two months in Europe. As a result, Theory had to conduct stronger discounting to address the excessive levels of Spring Summer inventories. By contrast, sales in Asia rose and operating profit came in flat year on year thanks to the early sales recovery in Mainland China.

Group: Balance Sheet (end August 2020)

Billions of Yen

	End Aug. 2019	End Aug. 2020	Change
Total Assets	2,010.5	**2,411.9**	+401.4
Current Assets	1,638.1	**1,655.1**	+17.0
Non-Current Assets	372.3	**756.7**	+384.4
Total Liabilities	1,027.0	**1,415.9**	+388.8
Total Equity	983.5	**996.0**	+12.5

*In relation to the adoption of IFRS 16 from FY2020, the total assets figure at the end of August 2020 included ¥399.9bln in right-of-use assets (a new category resulting from the introduction of IFRS 16 that estimates the value of rights involving leases).

Next, I would like to explain the state of our balance sheet at the end of August 2020.

Compared to the end of August 2019, total assets increased by ¥401.4 billion to ¥2.4119 trillion. Total liabilities increased by ¥388.8 billion to ¥1.4159 trillion, and total equity increased by ¥12.5 billion to ¥996.0 billion.

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

Group: B/S Main Points v. end Aug. 2020

FAST RETAILING

Current assets: +¥17.0bln (¥1.6381trln⇒¥1.6551trln)

・**Cash and cash equivalents: +¥7.0bln (¥1.0865trn⇒¥1.0935trn)**

UQ Japan centered recovery in Q4. Improved operating cash flow exceeded expenditure on investment and financing activities

・**Inventory assets: +¥7.0bln (¥410.5bln⇒ ¥417.5bln)**

UQ Japan: +¥2.3bln: Spring Summer inventory up but stronger management of Fall Winter order flow. Slight excess of Spring inventory but mainly core items so expect to normalize over Fall Winter season.

UQ Intl: +¥4.1bln: Greater China, South Korea Spring inventory slightly excessive but expect to normalize over Fall Winter season. Summer inventory already at acceptable level. S., SE Asia & Oceania, Europe, North America have excessive Spring Summer inventory, but mainly core items so expect to normalize in 2H FY2021.

GU: +¥0.3bln: Spring Summer inventory at appropriate levels following strong 4Q sales and stronger discounting. Global Brands: +¥0.3bln

Non-current assets: +¥384.4bln (¥372.3bln⇒¥756.7bln)

・**Right-of-use assets: +¥399.9bln (N/A⇒¥399.9bln)** On adoption of IFRS 16

Liabilities: +¥388.8bln (¥1.0270trln⇒¥1.4159trln)

・**Lease liabilities: +¥466.1bln (N/A⇒ ¥466.1bln)**

Recorded lease liabilities (short and long-term) following the adoption of IFRS 16.

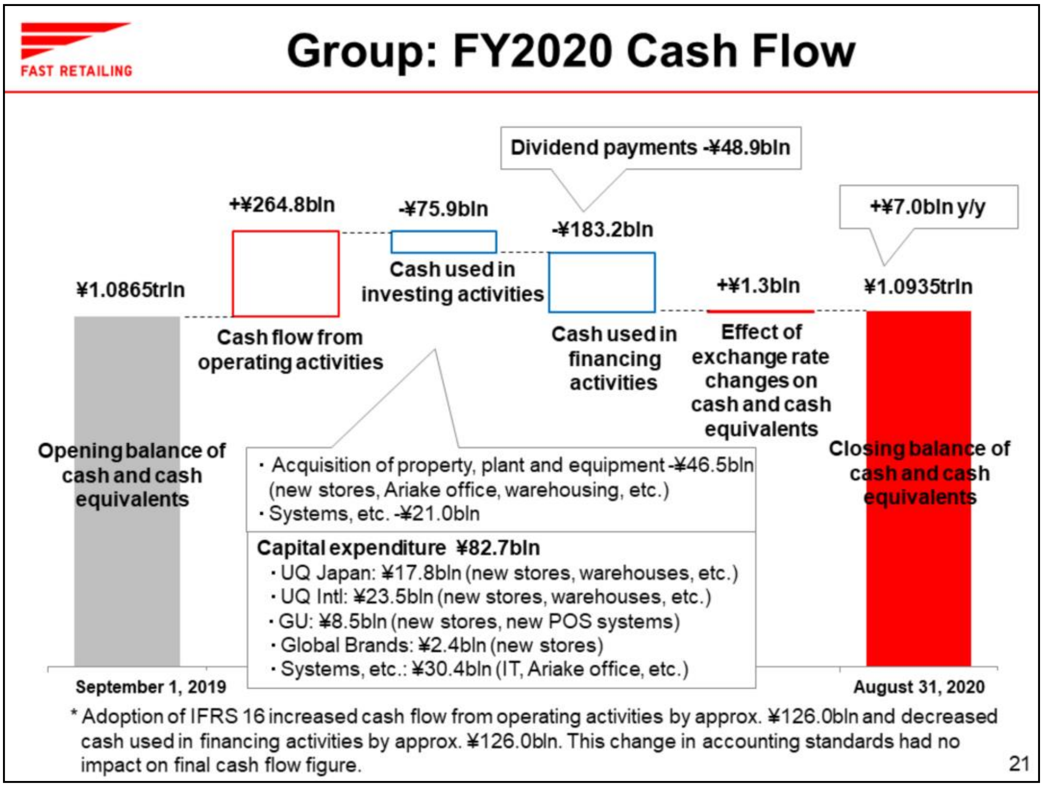
Now, let me explain the main factors underlying the ¥17.0 billion increase in current assets.

First, cash and cash equivalents increased by ¥7.0 billion year on year to ¥1.6551 trillion at the end of August 2020 after the recovery in performance centered around UNIQLO Japan in the fourth quarter from June to August 2020 resulted in an improvement in operating cash flow to a level that exceeded expenditure on investment and financing activities.

In terms of inventories, inventory assets increased by ¥7.0 billion year on year to ¥417.5 billion at the end of August, with inventories at UNIQLO japan increasing by ¥2.3 billion. However, while Spring inventory increased, stronger management of order flows for Fall Winter ranges helped check the overall inventory increase.

UNIQLO International inventory increased by ¥4.1 billion at the end of August 2020. Looking at individual markets within that segment, Greater China and South Korea Spring inventory was considered to be slightly excessive but we do expect to be able to normalize those levels over the Fall Winter season without any difficulty. Meanwhile, Summer inventory is already considered to be at an acceptable level. While South, Southeast Asia & Oceania, Europe, and North America are all exhibiting excessive inventory of Spring Summer ranges, the inventory consists mainly of core items, which we expect to be able to normalize in the second half of FY2021.

Finally, GU inventory increased by ¥0.3 billion at the end of August 2020, but Spring Summer inventory had already been reduced to an appropriate level.



Looking next at our FY2020 cash flow, we enjoyed a net cash inflow of ¥264.8 billion from operating activities. Cash used in investing activities totaled ¥75.9 billion, and cash used in financial activities totaled ¥183.2 billion.

As a result, the balance of cash and cash equivalents reached ¥1.0935 trillion at the end of August 2020.

Group: FY2021 Estimates

Expect to achieve a record level of profit

Revenue : ¥2.2000trln + 9.5% y/y
Business profit : ¥265.0bln + 55.9% y/y
Operating profit : ¥245.0bln + 64.0% y/y

Billions of Yen

	Yr to Aug. 2019 Actual	Yr to Aug. 2020 Actual	Yr to Aug. 2021 Estimates (as of Oct.15)	y/y
Revenue	2,290.5	2,008.8	2,200.0	+9.5%
(to revenue)	100.0%	100.0%	100.0%	-
Business profit	265.1	170.0	265.0	+55.9%
(to revenue)	11.6%	8.5%	12.0%	+3.5p
Other income, expenses	-7.5	-20.6	-20.0	-
Operating profit	257.6	149.3	245.0	+64.0%
(to revenue)	11.2%	7.4%	11.1%	+3.7p
Finance income, costs	-5.1	3.5	0.0	-
Profit before income taxes	252.4	152.8	245.0	+60.3%
(to revenue)	11.0%	7.6%	11.1%	+3.5p
Profit attributable to owners of the parent	162.5	90.3	165.0	+82.6%
(to revenue)	7.1%	4.5%	7.5%	+3.0p

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Let me now move on to talk about our business estimates for FY2021, or the twelve months from September 2020 through to the end of August 2021.

We estimate consolidated revenue will reach ¥2.2000 trillion (+9.5% year on year) and business profit will expand to ¥265.0 billion (+55.9%).

We forecast other income/expenses will total minus ¥20.0 billion in FY2021 after incorporating losses on the retirement of fixed assets and store-closure losses related to our scrap and build policy primarily at UNIQLO operations, and the risk of incurring impairment losses at large-format and global flagship stores. As a result, full-year operating profit is expected to increase by 64.0% year on year to ¥245.0 billion.

Based on a period-start exchange rate of 1USD = 105JPY, we have not incorporated any foreign-exchange gains on finance income and expenses. As a result, profit attributable to owners of the parent will expand by 82.6% to ¥165.0 billion.

We expect FY2021 will see performance recover to levels commensurate to FY2019 when we achieved a record level of profit. While the FY2021 results might look slightly weaker in yen terms compared to FY2019, we predict business profit will reach record levels in local currency terms.

In the first six months from September 2020 through February 2021, we forecast a decline in revenue compared to the previous year’s strong performance and based on the assumption that COVID-19 will continue to restrict movement and dampen travel demand in Southeast Asia, North America, and Europe.

Meanwhile, in the second half from March through August 2021, we expect all business segments will report a large increase in revenue and a considerable improvement in operating profit assuming COVID-19 has been brought under control by that point.

FY2021 Estimates by Group Operation (1)

UQ Intl: Large revenue rise, OP to more than double

- 1H: Expect slight drop in revenue with COVID-19 continuing to impact SE Asia, Europe and North America. Expect operating profit to surge on improved gross profit margin and lower SG&A ratio.
- 2H: Expect large revenue and profit gains assuming COVID-19 under control.

Greater China: Expect large 1H, 2H, full-year revenue and profit gains

- In addition to extending product ranges to suit customer lifestyles, we aim to expand revenue through stronger conveying of LifeWear concept, product value.
- Expect gross profit margin to improve on controlled discounting and SG&A ratio to improve on more efficient advertising, distribution, personnel costs.
- Expect double-digit growth in E-commerce sales in Mainland China, Hong Kong, and Taiwan.
- Forecast Mainland China will strengthen further thanks to strong O2O links between physical store and e-commerce services. Rate of e-commerce sales growth may slow a little compared to previous year. Expect to greatly improve profit margins by controlling discounting during major online bargain sales and appealing product value appeal and strengthening our branding.

South Korea: Expect revenue to decline in continued tough operating environment, but operating profit to break even on greatly improved gross profit margin and SG&A ratio

- Gross profit margin to improve greatly on more appropriate inventory levels.
- Expect SG&A expenses to decline y/y after closing 31 unprofitable stores and recording impairment losses in FY2020.

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Sides 23 through 26 offer a breakdown of our FY2021 estimates by business segment.

Looking at UNIQLO International first, we forecast that segment will generate a large rise in revenue and a more than doubling in operating profit in FY2021.
In the first half, we expect to see a slight drop in revenue as COVID-19 continues to exert a heavy impact on Southeast Asia, Europe and North America. However, we predict operating profit will surge improvements in the gross profit margin and SG&A ratio. Then in the second half, we expect to see large gains in both revenue and profit assuming COVID-19 has been brought under control by then.

To give a geographical breakdown of our UNIQLO International FY2021 estimates, we expect Greater China will achieve large first-half, second-half and full-year gains in revenue and profit. On the profit front, we expect the region's gross profit margin will improve on stricter discounting, and the SG&A ratio will improve on the back of more efficient advertising, distribution, and personnel costs.

We forecast double-digit growth in e-commerce sales in Mainland China, Hong Kong, and Taiwan. We expect Mainland China e-commerce sales will strengthen further thanks to strong O2O links between physical store and e-commerce services. While the rate of e-commerce sales growth may slow a little compared to previous year, we expect to greatly improve profit margins by controlling discounting during major online bargain sales and appealing product value appeal and strengthening our branding.

In South Korea, we expect revenue will decline in FY20201 given the continued tough operating environment. However, operating profit should break even on the back of a greatly improved gross profit margin and SG&A ratio.
UNIQLO South Korea's gross profit margin declined significantly as we were forced to strengthen discounting to address the excessive levels of Fall Winter inventory that resulted from the dramatic decline in sales in FY2020. However, we expect the gross profit margin will improve greatly in FY2021 on more appropriate inventory levels. We also forecast SG&A expenses will decline year on year in both ratio and monetary terms having closed 31 unprofitable stores and recorded impairment losses in FY2020.

FAST RETAILING

FY2021 Estimates by Group Operation (2)

S., SE Asia & Oceania: Expect large full-year revenue and profit gains

- 1H: Predict large falls in revenue and profit compared to strong previous year, and due to stagnant travel demand and the extremely harsh impact of COVID-19 in the Philippines and Indonesia.
- 2H: Expect a doubling in sales and a large improvement in operating profit compared to previous year's slight loss.
- Aim to expand sales by pressing ahead with multiple store openings (40 new stores set to open in FY2021) and expanding products to suit the local climate.
- Expect double-digit growth in e-commerce as more countries start to offer online retail operations, introduce new platforms, and expand our range of online products and services.
- Expect both the gross profit margin and SG&A ratio to improve.

North America: Expect full-year revenue gains and much smaller operating loss

- 1H: Expect revenue to fall and operating loss to expand slightly on continued COVID-19 impact, a changing social landscape, and other factors.
- 2H: Expect large revenue gain and much smaller losses assuming above factors have been brought under control.

Europe: Expect large full-year revenue gain and a move back into the black

- 1H: Predict large revenue and profit declines on continued COVID-19 impact.
- 2H: Forecast large revenue and profit gains.
- In addition to extending product ranges to suit local customer needs, we also aim to expand revenue by strengthening our branding and fostering greater empathy for our LifeWear clothing concept.
- See a great opportunity for e-commerce, which we expect to achieve double-digit growth in FY2021. We intend to strengthen the tailored information delivered to individual consumers and make delivery and payment options more convenient.

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In South, Southeast Asia & Oceania, we forecast large full-year revenue and profit gains for FY2021.

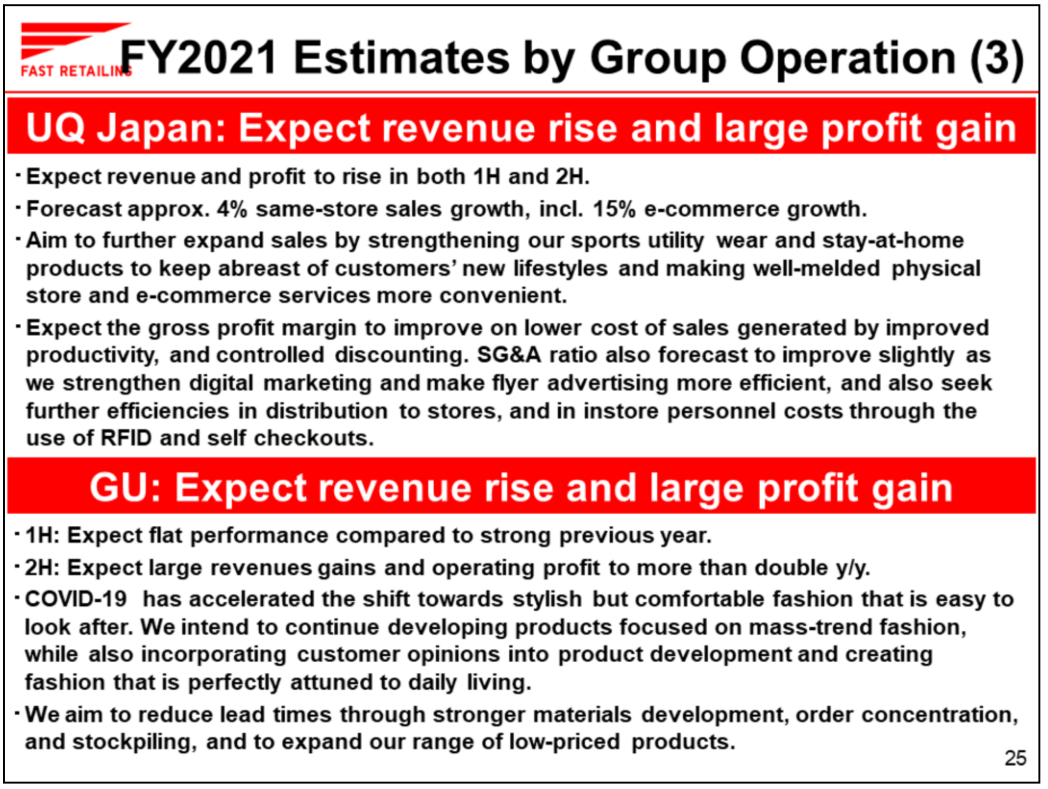
In the first half, we predict large falls in revenue and profit compared to the strong performance in the previous year and owing to stagnant travel demand and the extremely harsh impact of COVID-19 in the Philippines and Indonesia.

However, once into the second half, we expect to see a doubling in sales compared to the previous year, which was heavily impacted by COVID-19, and a large improvement in operating profit compared to the previous year's slight loss.

We aim to expand sales in the South, Southeast Asia & Oceania region by pressing ahead with multiple store openings (40 new stores set to open in FY2021) and expanding products to suit the local climate. We also expect to witness double-digit growth in e-commerce as more countries start to offer online retail operations, and we introduce new platforms and expand our range of online products and services.

In North America, we are forecasting a full-year revenue gain and a much smaller operating loss for FY2021. In the United States, we expect revenue to fall in the first half and the operating loss to expand slightly due to the continued impact of COVID-19, a changing social climate, and several other factors. However, once into the second half, we expect to see a large gain in revenue and a much smaller operating loss assuming the above factors have been brought under control.

In Europe, we expect to see a large full-year revenue gain and a move back into the black in FY2021. While we predict large revenue and profit declines in the first half on the continued impact of COVID-19, we are forecasting large revenue and profit gains in the second half. We see a great opportunity to expand our e-commerce operations here and expect to achieve double-digit growth in online sales in FY2021 as we seek to strengthen tailored information delivered to individual consumers and increase the convenience of our delivery and payment options.



Moving on next to our FY2021 expectations for UNIQLO Japan, we see that segment generating higher revenue and profit in both first and second halves of the year resulting in higher revenue and a large operating profit gain for the full year. We forecast approximately 4% growth in same-store sales, including 15% growth in e-commerce sales.

We predict the UNIQLO Japan gross profit margin will improve on lower cost of sales generated by improved productivity as well as stricter discounting. The operation's SG&A ratio is also forecast to improve slightly.

Our GU segment is expected to generate a rise in revenue and a large profit gain in FY2021. In the first half, we expect to see a flat performance compared to the strong previous year, but, in the second half, we forecast large revenues gains and expect to see operating profit more than double year on year.

FY2021 Estimates by Group Operation (4)

Global Brands: Revenue to rise, turn a profit

- Expect large 1H revenue and profit declines on hefty COVID-19 impact but forecast large 2H rise in revenue and a forceful 2H move into the black.

Theory: Expect large rise in revenue and an operating profit in FY2021

- Aim to expand sales of blouses, cut-and-sewn items, and pants that enjoy deep-rooted demand and strengthen product ranges to suit customer lifestyles by developing light haori-style jackets and loungewear.

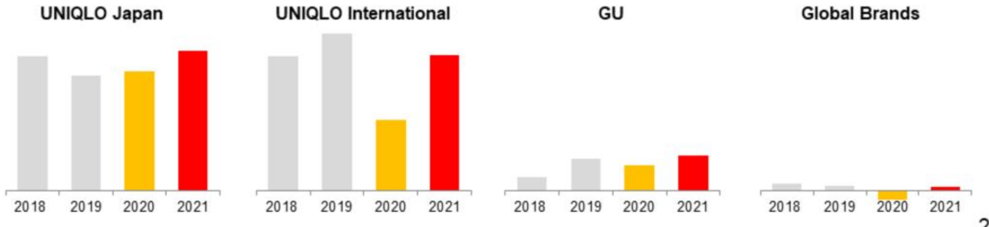
PLST: Expect revenue gains and an operating profit in FY2021

- Plan to expand easy-fit, comfortable clothing that also looks crisp and smart.

Comptoir des Cotonniers: Expect large revenue gain and smaller loss in FY2021

- Strengthen conveying of product information and branding, review store network, and expand e-commerce.

■ Envisaged Future Business Profit Trend by Business Segment



Our fourth business segment, Global Brands, is expected to report a full-year rise in revenue and to move into the black in FY2021.

Breaking that forecast down, we expect to witness large falls in revenue and profit in the first half on a continued heavy COVID-19 impact but then to see a large rise in revenue and a determined move into the black in the second half.

Our Theory operation is expected to generate a large rise in revenue and an operating profit in FY2021 as the brand aims to expand sales of items such as blouses, cut-and-sewn items, and pants that enjoy deep-rooted demand and to strengthen product ranges that suit customer lifestyles through the development of light haori-style jackets and loungewear.

Meanwhile, we predict our PLST brand will generate revenue gains and an operating profit in FY2021, while Comptoir des Cotonniers will achieve a large rise in revenue and a smaller loss for the full business year.

FAST RETAILING

FY2021 Dividend Estimates

Scheduled FY2020 dividend: ¥480
Expected FY2021 dividend: ¥480

	Dividend per share		
	Interim	Yr-end	Annual
Year to Aug. 2019	240yen	240yen	480yen
Year to Aug. 2020 *1	240yen	240yen	480yen
Year to Aug. 2021 (E) (as of Oct.15) *2	240yen	240yen	480yen
y/y	±0yen	±0yen	±0yen

*1 The final decision on the FY2020 year-end dividend will be taken at the Board meeting to be held on November 4, 2020.
*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 FY2020 year-end dividend of ¥240 as pledged in our latest estimates announced in July. That would result in an annual dividend for FY2020 of ¥480 per share.

In FY2021, we expect to pay the same annual dividend of ¥480 as in FY2020, to be split evenly between interim and year-end dividends of ¥240 each.

That completes my presentation on Fast Retailing's FY2020 performance and outlook for the coming business year through the end of August 2021.

The remaining three slides are provided for your reference.

Reference: Group Company Store Numbers

[Units: Stores]	FY2019	FY2020 Result (Sep. - Aug.)				FY2021 Estimates (Sep. - Aug.)			
	Yr-end	Open	Close	Change	End Aug.	Open	Close	Change	End Aug.
UNIQLO Operations	**2,196**	**161**	**105**	**+56**	**2,252**	**184**	**65**	**+119**	**2,371**
UNIQLO Japan ※	**817**	**36**	**40**	**-4**	**813**	**30**	**30**	**0**	**813**
Own stores	774	32	39	-7	**767**	-	-	-	-
Large-scale	230	18	9	+9	**239**	-	-	-	-
Standard and others	544	14	30	-16	**528**	-	-	-	-
Franchise stores	43	4	1	+3	**46**	-	-	-	-
UNIQLO International	**1,379**	**125**	**65**	**+60**	**1,439**	**154**	**35**	**+119**	**1,558**
Mainland China	711	71	15	+56	**767**		-	-	
Hong Kong	29	2	0	+2	**31**	100	-	-	-
Taiwan	67	3	2	+1	**68**		-	-	
Korea	188	6	31	-25	**163**	1	-	-	-
Singapore	28	0	3	-3	**25**		-	-	
Malaysia	49	3	2	+1	**50**		-	-	
Thailand	50	2	1	+1	**51**		-	-	
Philippines	58	3	1	+2	**60**	40	-	-	
Indonesia	26	9	3	+6	**32**		-	-	-
Australia	20	3	0	+3	**23**		-	-	
Vietnam	0	4	0	+4	**4**		-	-	
India	0	3	0	+3	**3**		-	-	
USA	51	2	3	-1	**50**	3	-	-	-
Canada	11	1	0	+1	**12**		-	-	
UK	13	2	0	+2	**15**		-	-	
France	24	1	3	-2	**22**		-	-	
Russia	37	6	1	+5	**42**		-	-	
Germany	9	0	0	0	**9**		-	-	
Belgium	3	0	0	0	**3**		-	-	
Spain	2	2	0	+2	**4**	10	-	-	-
Sweden	1	1	0	+1	**2**		-	-	
The Netherlands	1	0	0	0	**1**		-	-	
Denmark	1	0	0	0	**1**		-	-	
Italy	0	1	0	+1	**1**		-	-	
GU	**421**	**35**	**20**	**+15**	**436**	**18**	**9**	**+9**	**445**
Global Brands	**972**	**34**	**64**	**-30**	**942**	**29**	**62**	**-33**	**909**
Theory ※	451	23	14	+9	**460**	-	-	-	-
PLST ※	101	8	7	+1	**102**	-	-	-	-
Comptoir des Cotonniers ※	296	2	38	-36	**260**	-	-	-	-
Princesse tam.tam ※	124	0	5	-5	**119**	-	-	-	-
J Brand	0	1	0	+1	**1**	-	-	-	-
Total	**3,589**	**230**	**189**	**+41**	**3,630**	**231**	**136**	**+95**	**3,725**

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
FY 2019	Full-year 12-month average	110.9	125.9	142.3	16.2	9.7
FY 2020	Full-year 12-month average	108.0	120.1	136.7	15.3	9.0
FY 2021 (E)	Full-year 12-month average	107.0	116.0	133.0	15.1	8.8

Exchange rates used on balance sheet

Yen

		1USD	1EUR	1GBP	1RMB	100KRW
FY 2019	Term end exchange rate	106.4	117.6	129.6	14.8	8.8
FY 2020	Term end exchange rate	105.4	125.5	140.7	15.4	8.9
FY 2021 (E)	Term end exchange rate	105.4	125.5	140.7	15.4	8.9

FAST RETAILING

Reference: Capex, Depreciation

Capital Spending and Depreciation

Billions of Yen

		Capex						Depreciation
		UNIQLO Japan	UNIQLO Intl.	GU	Global Brands	Systems, etc	Total	
FY2018	Full-year 12 months	9.9	26.3	4.5	2.7	25.8	69.3	45.0
FY2019	Full-year 12 months	13.6	31.6	9.0	2.7	28.0	85.2	48.4
FY2020	Full-year 12 months	17.8	23.5	8.5	2.4	30.4	82.7	177.8
FY2021 (E)	Full-year 12 months	13.4	38.9	3.3	2.0	32.5	90.2	187.8

*We have incorporated depreciation costs of approximately ¥120.0bln following the adoption of IFRS 16 from FY2020. This approximate ¥120.0bln is recorded as depreciation costs relating to right-of-use assets.