FAST RETAILING

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Fast Retailing Results for September to November 2020 and Estimates for FY2021

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Group Senior Executive Officer & CFO

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

I would like to talk to you today about our consolidated business performance for the first quarter of FY2021, or the three months from September through November 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.

Group: FY2021 1Q Results

Sharp rise in operating profit higher than expected
Strong UNIQLO Japan, Greater China, GU

Billions of Yen

	Yr to Aug. 2020 (3 mths to Nov. 2019) Actual	Yr to Aug. 2021 (3 mths to Nov. 2020) Actual	y/y
Revenue	623.4	**619.7**	-0.6%
(to revenue)	100.0%	100.0%	-
Gross profit	312.9	**324.8**	+3.8%
(to revenue)	50.2%	52.4%	+2.2p
SG&A	224.0	**213.2**	-4.8%
(to revenue)	35.9%	34.4%	-1.5p
Business profit	88.8	**111.5**	+25.6%
(to revenue)	14.2%	18.0%	+3.8p
Other income, expenses	2.8	**1.5**	-47.0%
(to revenue)	0.5%	0.2%	-0.3p
Operating profit	91.6	**113.0**	+23.3%
(to revenue)	14.7%	18.2%	+3.5p
Finance income, costs	10.3	**-5.9**	-
(to revenue)	1.7%	-	-
Profit before income taxes	102.0	**107.1**	+5.0%
(to revenue)	16.4%	17.3%	+0.9p
Profit attributable to owners of the parent	70.9	**70.3**	-0.7%
(to revenue)	11.4%	11.4%	-

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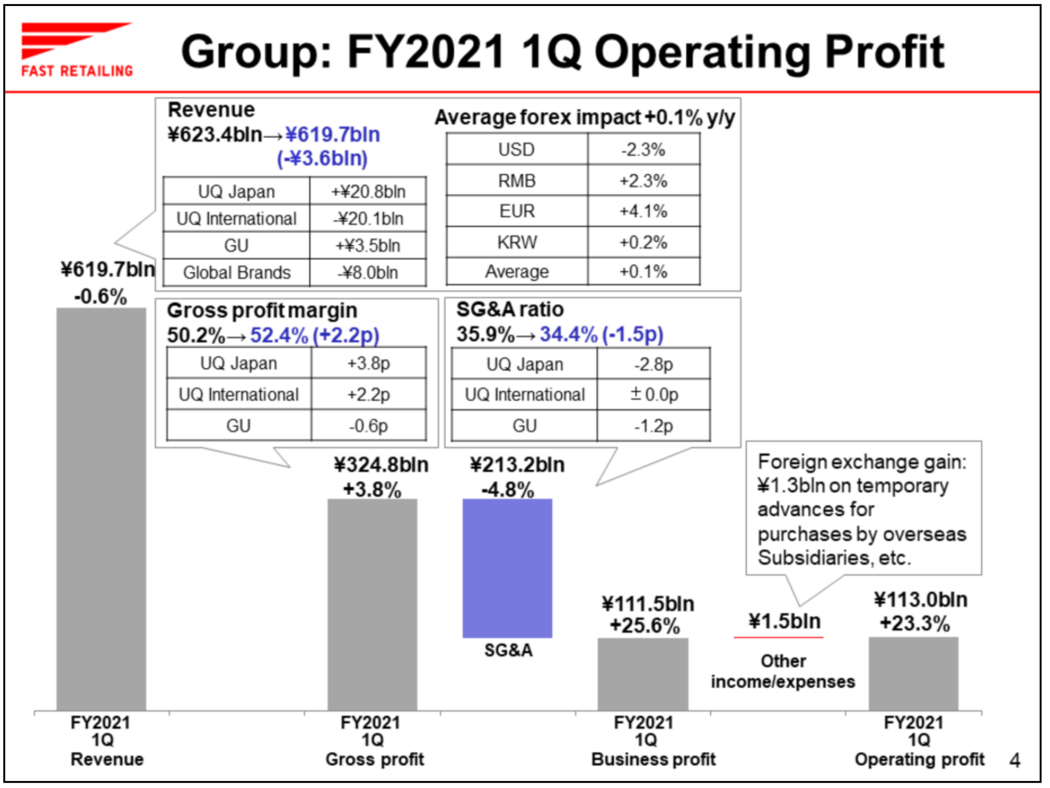
In the first quarter of FY2021, Fast Retailing Group revenue declined 0.6% year on year to ¥619.7 billion. On the profit side, business profit, which is a good indicator of fundamental business profitability, rose 25.6% to ¥111.5 billion. Operating profit expanded by an impressive 23.3% to ¥113.0 billion.

The reason why first-quarter revenue declined was because it was being compared to a high level in the previous year prior to the emergence of COVID-19.

Both consolidated revenue and operating profit exceeded our expectations in the first quarter.

However, due to an appreciation in the yen currency over the first quarter, we recorded foreign exchange losses on foreign-currency denominated assets and other items under finance income net of costs. In addition, the tax burden rate calculated for accounting purposes increased after performance worsened at loss-making operations. As a result, profit attributable to owners of the parent declined by 0.7% to ¥70.3 billion.

Breaking down the first-quarter performance within Group operations, UNIQLO Japan, UNIQLO Greater China, and GU reported strong performances that outstripped our expectations. By contrast, UNIQLO South Asia, Southeast Asia & Oceania, UNIQLO North America, and UNIQLO Europe came in below plan due primarily to the fact that those markets were hit harder than expected by COVID-19.



To take a more in-depth look at performance, let me start first with the main factors affecting first-quarter consolidated profit.

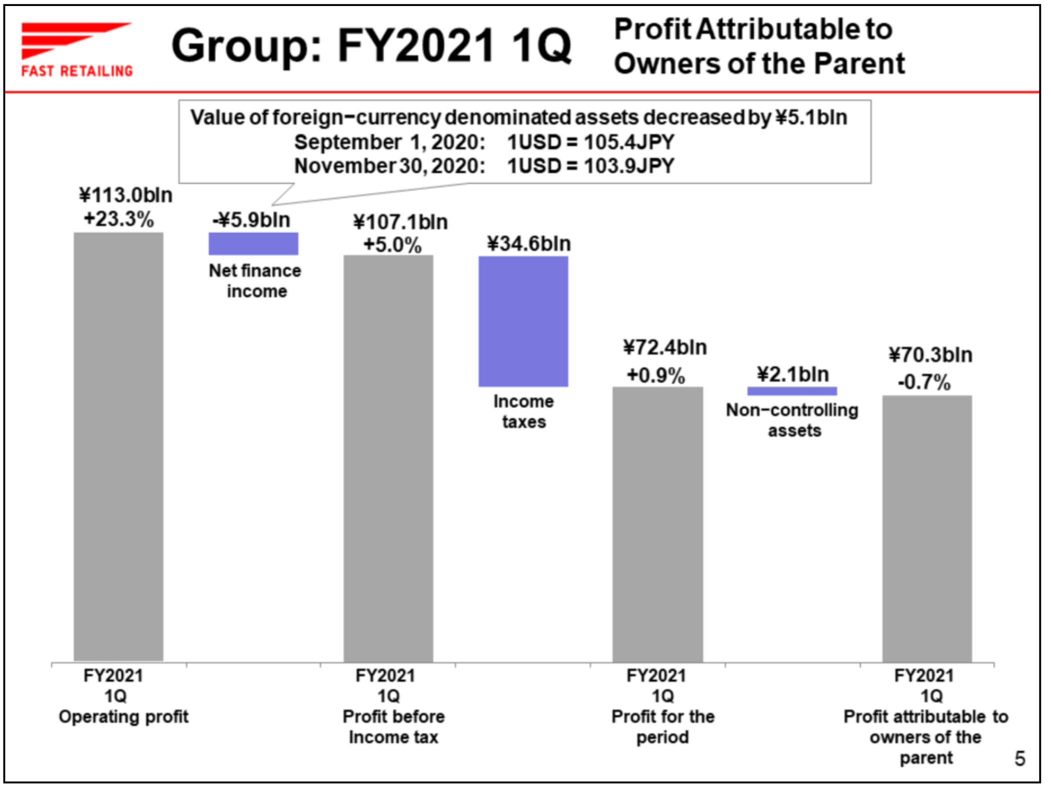
Consolidated revenue declined by ¥3.6 billion to ¥619.7 billion in the first quarter. While revenue increased by ¥20.8 billion at UNIQLO Japan and ¥3.5 billion at GU, revenue declined by ¥20.1 billion at UNIQLO International and ¥8.0 billion at Global Brands.

The consolidated gross profit margin improved 2.2 points to 52.4% in the first quarter thanks primarily to large improvements in the margins reported by UNIQLO Japan and UNIQLO International.

The SG&A-to-revenue ratio declined by 1.5 points to 34.4% thanks primarily to improved SG&A ratios reported by UNIQLO Japan and GU.

The net amount of other income/expenses stood at ¥1.5 billion. That total included a foreign-exchange gain of ¥1.3 billion mainly related to temporary advances paid for purchases by overseas subsidiaries.

As a result of the above factors, first-quarter operating profit rose by a considerable 23.3% to ¥113.0 billion.



Next, we entered a figure of minus ¥5.9 billion under finance income net of costs due primarily to the recording of a ¥5.1 billion foreign-exchange loss on the value of our foreign-currency denominated assets in yen terms.

As a result, profit before income taxes increased by 5.0% to ¥107.1 billion.

Profit attributable to the owners of the parent declined by 0.7% to ¥70.3 billion in the first quarter but this was due primarily to an increase in the tax burden rate for accounting purposes after performance worsened at loss-making operations that cannot record deferred tax assets.

1Q Breakdown by Group Operation

Billions of Yen

		Yr to Aug. 2020 (3 mths to Nov.2019) Actual	Yr to Aug. 2021 (3 mths to Nov.2020) Actual	y/y
UNIQLO Japan	Revenue	233.0	**253.8**	+8.9%
	Business profit	38.8	**58.9**	+51.6%
	(to revenue)	16.7%	23.2%	+6.5p
	Other income, expenses	-0.3	**1.1**	-
	Operating profit	38.5	**60.0**	+55.8%
	(to revenue)	16.5%	23.7%	+7.2p
UNIQLO International	Revenue	280.7	**260.6**	-7.2%
	Business profit	38.2	**41.3**	+8.2%
	(to revenue)	13.6%	15.9%	+2.3p
	Other income, expenses	-0.4	**0.0**	-
	Operating profit	37.8	**41.4**	+9.5%
	(to revenue)	13.5%	15.9%	+2.4p
GU	Revenue	72.9	**76.5**	+4.9%
	Business profit	12.4	**13.4**	+8.5%
	(to revenue)	17.0%	17.6%	+0.6p
	Other income, expenses	-0.0	**0.1**	-
	Operating profit	12.3	**13.6**	+9.9%
	(to revenue)	17.0%	17.8%	+0.8p
Global Brands	Revenue	36.1	**28.0**	-22.3%
	Business profit	1.9	**-0.3**	-
	(to revenue)	5.3%	-	-
	Other income, expenses	-0.0	**0.1**	-
	Operating profit	1.8	**-0.2**	-
	(to revenue)	5.2%	-	-

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

Slide 6 displays the breakdown of performance by Group operation. I will explain the factors affecting each individual business segment in more detail in the subsequent slides.

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UNIQLO Japan: 1Q Overview

Revenue up, sharp OP gain greatly exceeds plan

- Store and e−commerce revenue exceeded plan thanks to strong sales of items designed to satisfy stay−at−home demand and core Fall Winter ranges and our successful e-commerce 20−year anniversary campaign.
- Large operating profit gain on considerable improvements in gross profit margin and SG&A ratio.

Billions of Yen

	Yr to Aug. 2020 (3 mths to Nov.2019)	Yr to Aug. 2021 (3 mths to Nov.2020)	Yr to Aug. 2021 y/y
Revenue	233.0	253.8	+8.9%
(to revenue)	100.0%	100.0%	-
Gross profit	116.5	136.5	+17.1%
(to revenue)	50.0%	53.8%	+3.8p
SG&A	77.6	77.5	-0.2%
(to revenue)	33.3%	30.5%	-2.8p
Business profit	38.8	58.9	+51.6%
(to revenue)	16.7%	23.2%	+6.5p
Other income, expenses	-0.3	1.1	-
(to revenue)	-	0.4%	-
Operating profit	38.5	60.0	+55.8%
(to revenue)	16.5%	23.7%	+7.2p

Looking first at UNIQLO Japan, that operation reported a rise in revenue and a sharp increase in operating profit in the first quarter, with revenue rising 8.9% year on year to ¥253.8 billion and operating profit increasingly by an impressive 55.8% to ¥60.0 billion. This level far outstripped our expectations.

In the first quarter, revenues from our physical stores and e−commerce operation both exceeded expectations thanks to strong sales of items designed to satisfy stay-at-home demand and core Fall Winter ranges as well as a successful e-commerce 20−year anniversary campaign. In addition, considerable improvements in the gross profit margin and SG&A ratio resulted in a large rise in operating profit.

UNIQLO Japan: 1Q Revenue

Same-store sales rise 7.3% y/y

- Strong selling items: loungewear, HEATTECH blankets and other products that satisfied stay-at-home demand as people refrained from going out and spent more time at home; ultra stretch active jogger pants and other sports utility wear; haori-style jackets, smart ankle pants and other core Fall Winter items.
- New +J collection with designer Ms. Jil Sander and collaborative Peanuts Products, both launched in November, and AIRism masks contributed to sales.
- Average purchase price rose 6.8% y/y thanks to e-commerce 20-year anniversary campaign in October and strong sales of comparatively higher-priced +J items.
- E-commerce sales rose to ¥36.7bln (+48.3%) or 14.5% of total sales.
- December same-store sales rose 6.2%. Colder weather from mid-month boosted sales of fleece, HEATTECH bottoms and other warm clothing that can be worn around the house, as well as HEATTECH blankets, loungewear and other products that satisfy customers' stay-at-home needs.

Same-store sales	Yr to Aug. 2021				
y/y	Sep.	Oct.	Nov.	**3 mths to Nov. 2020**	Dec.
Net sales	+10.0%	+16.2%	+0.5%	**+7.3%**	+6.2%
Customer visits	+8.5%	+0.9%	-4.2%	**+0.5%**	+0.3%
Customer spend	+1.4%	+15.1%	+4.9%	**+6.8%**	+5.9%

UNIQLO Japan same-store sales rose by 7.3% year on year in the first quarter from September through November 2020.

We witnessed strong sales of loungewear, HEATTECH blankets and other products designed to fulfill expanding stay-at-home demand as people refrained from going out and spent more time at home. Sports utility wear such as ultra stretch active jogger pants, and core Fall Winter items such as haori-style jackets and smart ankle pants also sold well.

Buoyant sales of our new +J collection with designer Ms. Jil Sander and collaborative Peanuts products, both of which were launched in November, as well as AIRism masks contributed to sales.

The average purchase price rose 6.8% year on year thanks to our successful e-commerce 20-year anniversary campaign in October and strong sales of comparatively higher-priced +J items.

E-commerce sales rose markedly to ¥36.7bln (+48.3%) or 14.5% of total sales.

Looking beyond the first-quarter, December same-store sales also rose by 6.2% as colder weather from the middle of the month onwards boosted sales of fleece, HEATTECH bottoms, and other warm clothing that can be worn around the house, as well as HEATTECH blankets, loungewear and other products that satisfy customers' stay-at-home needs.

UNIQLO Japan: 1Q Gross Profit Margin, SG&A

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Gross profit margin: 53.8% (+3.8p y/y)
Exceeds plan

- Up primarily on higher sales and lower discounting rates as we resisted excessive discounts to draw customers, and lower cost of sales on the back of concentrated purchasing of materials, tighter product ranges, greater accuracy of production planning and other production efficiencies.
- End-November inventories +¥0.6bln y/y. Fall inventory slightly bloated. Plan to achieve appropriate Fall inventory by boosting discounting through spring 2021.

SG&A ratio: 30.5% (−2.8p y/y)
Ratio improved more than expected

- Roughly in line with plan in monetary terms. SG&A ratio exceeded plan thanks to higher-than-expected sales.
- Distribution and advertising and promotion costs down y/y in monetary terms.
- Distribution costs down on review of store delivery frequency and more efficient warehouse operations. Distribution-to-revenue ratio also improved sharply. E-commerce distribution costs rose slightly in monetary terms in line with higher sales, but per-item distribution costs continued to decline on further efficiencies.
- Advertising and promotion fell after we scrutinized cost-effectiveness and reviewed flyer size and number of TV ads.

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Let’s look next at the UNIQLO Japan gross profit margin which increased by 3.8 points in the first quarter to 53.8%. That result was higher than expected.

The strong increase in the gross profit margin was due primarily to higher sales and lower discounting rates as we refused to offer excessive discounts simply to draw in customers. The gross profit margin was also boosted by the lower cost of sales achieved through the concentrated purchasing of materials, tighter product ranges, greater accuracy of production planning and other production efficiencies.

Inventory levels at the end of November 2020 had risen by ¥0.6 billion year on year due to a slightly bloating in Fall inventory. We intend to reduce Fall inventory to an appropriate level by strengthening discounting through spring 2021.

UNIQLO Japan’s first-quarter SG&A ratio declined by 2.8 points year on year to 30.5%. In monetary terms, this result was roughly in line with our plan, while the improvement in the SG&A ratio on the back of higher-than-expected sales outstripped our plan.

Looking at individual SG&A ratio components, distribution and advertising and promotion costs declined year on year in monetary terms.

Distribution costs declined following a review of the frequency of store deliveries and the achievement of more efficient warehouse operations. The distribution-to-revenue ratio also improved sharply. While e-commerce distribution costs rose slightly in monetary terms in line with higher sales, per-item distribution costs continued to decline as the operation became more efficient.

Advertising and promotion costs declined after we scrutinized the cost-effectiveness of our advertising channels and reviewed the size of our advertising flyers and the number of TV commercials we commission.

UNIQLO International: 1Q Overview

Revenue down. Operating profit gain as expected

- Greater China revenue rose and operating profit increased sharply on strong performance from Mainland China and Taiwan.
- S/SE Asia & Oceania, North America, Europe revenue and profit down sharply as regions hit hard by growing COVID-19 pandemic.
- UNIQLO International revenue slightly below plan, but operating profit roughly in line with plan on improved gross profit margin and strong cost controls.

Billions of Yen

	Yr to Aug. 2020	Yr to Aug. 2021	
	(3 mths to Nov.2019)	(3 mths to Nov.2020)	y/y
Revenue	280.7	260.6	-7.2%
(to revenue)	100.0%	100.0%	-
Gross profit	143.9	139.4	-3.1%
(to revenue)	51.3%	53.5%	+2.2p
SG&A	105.6	98.0	-7.2%
(to revenue)	37.6%	37.6%	-
Business profit	38.2	41.3	+8.2%
(to revenue)	13.6%	15.9%	+2.3p
Other income, expenses	-0.4	0.0	-
(to revenue)	-	0.0%	-
Operating profit	37.8	41.4	+9.5%
(to revenue)	13.5%	15.9%	+2.4p

I would now like to move on to talk about UNIQLO International performance in the first quarter of FY2021.

UNIQLO International reported a decline in revenue but a rise in operating profit, with revenue declining 7.2% to ¥260.6 billion and operating profit expanding by 9.5% to ¥41.4 billion.

Breaking that performance down into geographical regions, Greater China revenue rose, and operating profit increased sharply thanks to strong performances from Mainland China and Taiwan. Meanwhile, revenue and profit from South Asia, Southeast Asia & Oceania, North America, and Europe declined sharply as all regions were hit hard by the expanding COVID-19 pandemic.

While UNIQLO International's first-quarter revenue came in slightly below plan, the segment's operating profit result came in roughly in line with our expectations following an improvement in the gross profit margin and some determined cost controls.

I will give a more detailed regional breakdown of UNIQLO International's first-quarter performances in more detail in the next three slides.

UNIQLO International: 1Q by Region (1)

Greater China: Revenue up. Large profit gain Exceeds plan

- Strong sales of warm clothing in Mainland China and Taiwan. Buoyant October holiday sale.
- Gross profit margin improved 3.0 points and SG&A ratio improved 1.7 points y/y.

Mainland China: Revenue up. Large profit gain. Far exceeds plan

- Same-store sales up on strong sales of wool coats, fleece and other warm clothing, loungewear, T-shirts and other items that fulfilled stay-at-home demand.
- Gross profit margin and SG&A ratio both improved.
  - ✓Gross profit margin: Pressed ahead with strategy to control discounting, appeal on product value, and strengthen branding.
  - ✓SG&A ratio: More efficient store operations, lower personnel costs, effective use of digital marketing, more cost-effective advertising and promotion costs.
- E-commerce sales rose as planned. Achieved No.1 apparel sales on Singles' Day for 5th consecutive year. Profitability up sharply on restricted discount sales.
- Selected as a Top Brand for 9th consecutive year in YiMagazine's Top Brands list.

Hong Kong: Revenue down. Turns an operating profit. Falls short of plan

- Revenue down on COVID-19. Moved back into the black on improved GPM and SG&A ratio.

Taiwan: Reports higher revenue and large profit gain. Roughly in line with plan

- 1Q same-store sales rose on strong sales during long October holiday.
- OP rose sharply as stricter discounting boosted the GPM and the operation cut costs.

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Greater China exceeded expectations by reporting higher revenue and a large rise in profit. The rise in revenue was generated by strong sales of warm clothing in Mainland China and Taiwan and a buoyant October holiday sale. The region's gross profit margin improved 3.0 points and the SG&A ratio improved 1.7 points year on year.

Mainland China far exceeded expectations by reporting a rise in revenue and a sharp rise in profit. Same-store sales rose in the first quarter thanks to strong sales of wool coats, fleece and other warm clothing as well as loungewear, T-shirts and other items that fulfilled customers' stay-at-home needs.

On the profit front, the gross profit margin and the SG&A ratio both improved. The improvement in the gross profit margin was achieved by pressing ahead with our strategy to control discounting and focus instead on boosting product value appeal and strengthening branding. The improvement in the SG&A ratio can be credited to more efficient store operations, lower personnel costs, the effective use of digital marketing and more cost-effective advertising and promotion.

Greater China e-commerce sales increased in line with expectations as UNIQLO filled the number one slot for apparel sales on Singles' Day for the fifth consecutive year. Profitability also rose sharply on restricted discount sales. Furthermore, UNIQLO was selected as a Top Brand for ninth consecutive year in YiMagazine's Top Brands list.

Hong Kong revenue declined in the face of further COVID-19 impacts. As a result, operating profit fell short of plan. However, despite that, the operation was able to move back into the black following the previous year's loss thanks to improvements in the gross profit margin and SG&A ratio.

Taiwan came in roughly in line with plan by reporting higher revenue and a large profit gain in the first quarter. First-quarter same store sales rose on strong sales during the long October holiday. Stricter discounting improved the gross profit margin, which, along with some cost-cutting, helped generate a sharp rise in operating profit.

UNIQLO International: 1Q by Region (2)

S. Korea: Large revenue fall. Slight operating profit to plan

- Gross profit margin and SG&A ratio both improved.
  - ✓GPM: Declined sharply in FY2020 1Q as dramatically falling sales prompted stronger discounting of Fall Winter items. Improved in FY2021 1Q after achieving appropriate inventory levels.
  - ✓SG&A ratio: Improved on stronger cost controls with the closure of unprofitable stores resulting primarily in a reduction in store rents.

S/SE Asia & Oceania: Large revenue, profit fall below plan

- E-commerce sales expand by approx. 50% y/y thanks to strong sales of loungewear that satisfied stay-at-home demand, sports utility wear, T-shirts and other Summer items.
- Customer visits plummeted, and revenue and profit declined sharply in the Philippines and Malaysia, which were hit hardest by COVID-19.
- While Singapore, Thailand, and Indonesia showed signs of recovering between September and November, revenue and profit declined sharply on consumer decisions to stay at home and the loss of overseas travel demand affected operations more than expected.
- Vietnam reported above-plan, strong sales. Smart ankle pants, parkas, flannel shirts and other Fall Winter items sold well because COVID-19 was brought under control and the weather stayed consistently cold.
- Australia reported lower revenue and an operating loss. Revenue plummeted as 8 stores were forced to close temporarily from September through early November. However, e-commerce sales continued strong with revenue roughly doubling y/y.
- India reported higher revenue and an operating loss. End-November store numbers: 5 (+3 y/y) resulted in higher revenue, but sales and OP were hit hard by COVID-19 and came in below plan.

While South Korea reported a large decline in revenue, it achieved the slight operating profit we had forecast thanks to improvements in the gross profit margin and SG&A ratio.

In the first quarter of FY2020, South Korea's gross profit margin declined sharply after a dramatic drop in sales prompted stronger discounting of Fall Winter items. However, the margin increased in the first quarter of FY2021 after achieving appropriate inventory levels. The SG&A ratio also improved on the back of a reduction on store rents generated primarily by the closure of unprofitable stores, and stronger cost controls.

South Asia, Southeast Asia & Oceania fell short of plan by reporting large declines in revenue and profit after being hit hard by COVID-19. However, e-commerce sales expanded by approximately 50% year on year thanks to strong sales of loungewear that satisfied stay-at-home demand, as well as sports utility wear, T-shirts and other Summer items.

Looking at individual markets, customer visits plummeted, and revenue and profit declined sharply in the Philippines and Malaysia, which were hit hardest by COVID-19.

While Singapore, Thailand, and Indonesia showed signs of recovery between September and November, revenue and profit declined sharply as consumers decided to stay at home and the loss of overseas travel demand affected operations more than expected.

By contrast, Vietnam reported strong sales that outstripped our forecasts. Smart ankle pants, parkas, flannel shirts and other Fall Winter items sold well with COVID-19 having been brought under control and the weather staying consistently cold.

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UNIQLO International: 1Q by Region (3)

N. America: Large revenue drop, operating loss

USA: Below plan. Reports a large decline in revenue and an operating loss

- Same-store sales fell sharply with customer visits slumping as our 5 stores on the West Coast were forced to close temporarily through early October and stores that were able to operate were adversely affected by restricted store entry and restricted movement outside the home.
- On the profit front, stronger discounting knocked the GPM lower and resulted in an operating loss.
- E-commerce sales rose approx. 20% y/y on stronger digital marketing and strong sales of items that satisfied stay-at-home demand, such as loungewear, sweat wear, T-shirts, bottoms made from cut & sew materials, and other items.

Canada: Large revenue decline. Operating profit down. Slightly below plan

- Same-store sales plummeted on lower customer visits due to COVID-19, but EC sales rose sharply.

Europe: Large revenue, profit declines. Below plan

- On a recovery trend and achieving near previous year sales through October, but a resurgence of COVID-19 forced all stores in the UK, France, Belgium, and Italy to close for roughly one month during the bumper sales month of November and resulted in a sharp worsening in performance.
- Russia performed strongly. Generated large rises in revenue and profit in local currency terms. Reported double-digit growth in same-store sales on strong sales of down, knitwear and other Winter items, as well as sweat wear, loungewear and other items that fulfilled customers' stay-at-home needs.
- E-commerce sales in Europe rose by approx. 80% on stronger digital marketing.

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Looking next at North America, that region reported a large decline in revenue and an operating loss due to the ongoing negative impact of COVID-19.

UNIQLO USA fell short of plan by reporting a large decline in revenue and an operating loss for the first quarter. Same-store sales fell sharply with customer visits slumping as our five stores on the West Coast were forced to close temporarily through to the beginning of October and the stores that were able to operate were adversely affected by restrictions on the number of customers permitted to enter stores and restrictions on people's broader movement outside the home. On the profit front, stronger discounting knocked the gross profit margin lower and resulted in an operating loss.

Meanwhile, UNIQLO USA e-commerce sales rose approximately 20% year on year thanks to stronger digital marketing and buoyant sales of items that satisfied stay-at-home demand, such as loungewear, sweat wear, T-shirts, bottoms made from cut & sew materials, and other items.

UNIQLO Europe fell short of plan by reporting a large decline in first-quarter revenue and profit.

While the region was tracking a recovery trend through October and achieving a similar level of sales to the previous year, the subsequent resurgence in COVID-19 infections forced all stores in the UK, France, Belgium, and Italy to close for roughly one month during the bumper sales month of November, which resulted in a sharp worsening in performance.

Having said that, Russia performed strongly by generating large rises in revenue and profit in local currency terms and reporting double-digit growth in same-store sales on the back of buoyant sales of down, knitwear and other Winter items, as well as sweat wear, loungewear and other items that fulfilled customers' stay-at-home needs.

However, e-commerce sales for Europe as a whole rose by approximately 80% year on year in the first quarter thanks to stronger digital marketing.

GU: 1Q Overview (1)

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Revenue and profit rise. Slightly above plan

- Same−store sales rose on strong sales of products that either featured in TV ads, successfully captured mass fashion trends, or satisfied stay−at−home demand.
- Gross profit margin declined 0.6 point y/y, but this was roughly in line with plan because it was being compared to a strong improvement in previous year.
- SG&A ratio improved by the planned 1.2 points with personnel declining on more efficient store operations, and advertising declining on stronger cost controls.

Billions of Yen

	Yr to Aug. 2020 (3 mths to Nov.2019)	Yr to Aug. 2021 (3 mths to Nov.2020)	
			y/y
Revenue	72.9	76.5	+4.9%
(to revenue)	100.0%	100.0%	-
Gross profit	37.0	38.4	+3.5%
(to revenue)	50.8%	50.2%	-0.6p
SG&A	24.6	24.9	+1.1%
(to revenue)	33.8%	32.6%	-1.2p
Business profit	12.4	13.4	+8.5%
(to revenue)	17.0%	17.6%	+0.6p
Other income, expenses	-0.0	0.1	-
(to revenue)	-	0.2%	-
Operating profit	12.3	13.6	+9.9%
(to revenue)	17.0%	17.8%	+0.8p

Next, let me move onto our GU operation. GU slightly exceeded our expectations by reporting rises in both revenue and profit in the first quarter, with revenue rising 4.9% year on year to ¥76.5 billion and operating profit increasing by 9.9% to ¥13.6 billion.

In the first quarter, same−store sales rose on strong sales of the items that we featured in our TV commercials, products that successfully captured mass fashion trends and ranges that satisfied growing stay−at−home demand.

The gross profit margin declined 0.6 point year on year, but this was roughly in line with plan given the fact that it was being compared to a strong improvement in previous year.

The SG&A ratio improved by 1.2 points as we had planned, with the personnel ratio declining on the back of more efficient store operations and the advertising and promotion ratio declining on stronger cost controls.

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GU: 1Q Overview (2)

- Launched TV ads for sweat-style knitwear and generated strong sales of new-feel knitwear items that combine the relaxing comfort of stretchable sweat wear with the high-quality feel of knitwear.
- Double-faced sweatshirts and chef's pants that successfully captured mass fashion trends, and loungewear that fulfilled stay-at-home needs also sold well.
- E-commerce sales up approx. 40% y/y on buoyant O2O (online-to-offline) services that fuse physical stores and e-commerce, such as instore pickup of online purchases, and stronger conveyance of appealing GU information via apps.

Sweat-style High-neck Sweater ¥1,990 (excluding tax) | Double-faced Pullover Parka ¥1,990 (excluding tax) | Chef's Pants ¥1,690 (excluding tax) | Marshmallow Feel Lounge Set ¥2,490 (excluding tax)

In the first quarter, we launched a TV commercial featuring sweat-style knitwear, which spurred strong sales of our new-feel knitwear items that combine the relaxing comfort of stretchable sweat wear with the high-quality feel of knitwear.

In addition, GU enjoyed buoyant sales of products that successfully captured mass fashion trends, such as double-faced sweatshirts and chef's pants, and items that fulfilled customers' stay-at-home needs, such as loungewear.

E-commerce sales rose approximately 40% year on year, fueled by strong O2O (online-to-offline) services that fuse our physical stores and e-commerce operation, such as the option to pick up online purchases from a nearby store, and by the stronger conveyance of appealing GU information using mobile apps.

FAST RETAILING

Global Brands: 1Q Overview

Large revenue drop. Slight operating loss. Below plan

Primarily due to the large decline in Theory revenue and profit and wider Comptoir des Cotonniers loss caused by the continued heavy impact of COVID-19 in the US and Europe.

Theory: Falls short of plan to report large declines in revenue and profit

- Customer visits, mainly to department stores, declined due to COVID-19 and sales fell sharply in the US, Europe, and Japan. Gross profit margin declined on stronger discounting of Fall Winter items, resulting in losses from the US, Europe, and a lower profit level from Japan.
- Strong sales, primarily in Mainland China, resulted in higher revenue and profit from Asia.

PLST: Revenue and profit down. Slightly below plan

- Sales regained near previous year levels in September and October but slowed from mid-November following a resurgence of COVID-19.
- Operating profit declined on a stronger rundown of Fall Winter inventory.

Comptoir des Cotonniers: Below plan. Large revenue fall, wider operating loss

- All stores were closed temporarily for approximately 1 month from end-October in France, where approx. 70% of the brand's stores are located.

		Yr to Aug. 2020 (3 mths to Nov.2019) Actual	Yr to Aug. 2021 (3 mths to Nov.2020) Actual	y/y
Global Brands	Revenue	36.1	28.0	-22.3%
	Business profit	1.9	-0.3	-
	(to revenue)	5.3%	-	-
	Other income, expenses	-0.0	0.1	-
	Operating profit	1.8	-0.2	-
	(to revenue)	5.2%	-	-

Billions of Yen

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Our fourth and final business segment, Global Brands, fell short of plan in the first quarter by reporting a 22.3% decline in revenue to ¥28.0 billion and an operating loss of ¥0.6 billion.

This was due primarily to a large decline in revenue and profit for our Theory brand and a wider operating loss for our Comptoir des Cotonniers label caused by the continued heavy impact of COVID-19 in the United States and Europe.

Our Theory operation fell short of plan to report a large decline in first-quarter revenue and profit, with customer visits, mainly to department stores, declining in the wake of COVID-19 and sales falling sharply in the United States, Europe, and Japan. The gross profit margin declined on stronger discounting of Fall Winter items, resulting in losses from the United States and Europe, and a lower profit level from Japan. At the same time, strong sales, primarily in Mainland China, resulted in a higher revenue and profit contribution from Asia.

PLST fell slightly below plan in the first-quarter by reporting declines in both revenue and profit. While PLST sales recovered close to the previous year's level in September and October, sales subsequently slowed again from the middle of November following a resurgence in COVID-19 infections. PLST operating profit also declined due to a stronger rundown of Fall Winter inventory.

Our France-based Comptoir des Cotonniers brand fell short of plan in the first quarter by reporting a large decline in revenue and a widening in its operating loss. This was due primarily to the temporary closure of all stores for approximately one month from late October in France, where approximately 70% of the brand's stores are located.

Group: Balance Sheet (end Nov. 2020)

Billions of Yen

	End Nov. 2019	End Aug. 2020	End Nov. 2020	Change
Total Assets	2,528.2	2,411.9	**2,539.4**	+11.1
Current Assets	1,776.0	1,655.1	**1,763.3**	-12.6
Non-Current Assets	752.2	756.7	**776.0**	+23.8
Total Liabilities	1,494.0	1,415.9	**1,500.4**	+6.3
Total Equity	1,034.2	996.0	**1,039.0**	+4.8

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

Compared to the end of November 2019, total assets increased by ¥11.1 billion to ¥2.5394 trillion.

Total liabilities increased by ¥6.3 billion to ¥1.5004 trillion.

Total equity increased by ¥4.8 billion to ¥1.0390 trillion.

I will discuss the main components of the balance sheet in the next slide.

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

Current assets: −¥12.6bln (¥1.7760trln⇒¥1.7633trln)

- **Inventory assets: −¥20.5bln (¥424.6bln⇒¥404.1bln)**
  - UQ Japan: +¥0.6bln: Inventory of Fall items increased.
  - UQ Intl: −¥20.4bln:
    - ✓Greater China: Large drop as strong sales helped run down inventory.
    - ✓S. Korea: Large drop on restricted stock orders.
    - ✓N. America: Lower but feel excessive given current sales trends. Normalize through 2021 Fall Winter.
    - ✓S/SE Asia & Oceania, Europe: Up. Expect to achieve appropriate level by 2021 Fall Winter.
  - GU: +¥0.5bln: Winter inventory fell but Fall and other inventories rose slightly.
  - Global Brands: −¥1.3bln
- **Derivative financial assets: −¥8.4bln (¥16.9bln⇒¥8.5bln)**
  While the average yen rate on our forward contract holdings and the end-November yen spot rate both appreciated, the gap between the two shrank, resulting in a ¥30.7bln decline in derivative financial assets. Hedge accounting so no impact on P&L.
- **Cash and cash equivalents: +¥39.5bln (¥1.1150trln⇒¥1.1546trln)**
  Increased operating cash flow from UNIQLO and other business segments.

Non-current assets: +¥23.8bln (¥752.2bln⇒¥776.0bln)

- **Right-of-use assets: +¥19.5bln (¥389.8bln⇒¥409.3bln)**
  Higher right-of-use assets on global flagship stores and distribution warehouses.
- **Derivative financial assets: −¥22.3bln (¥26.1bln⇒¥3.8bln)**

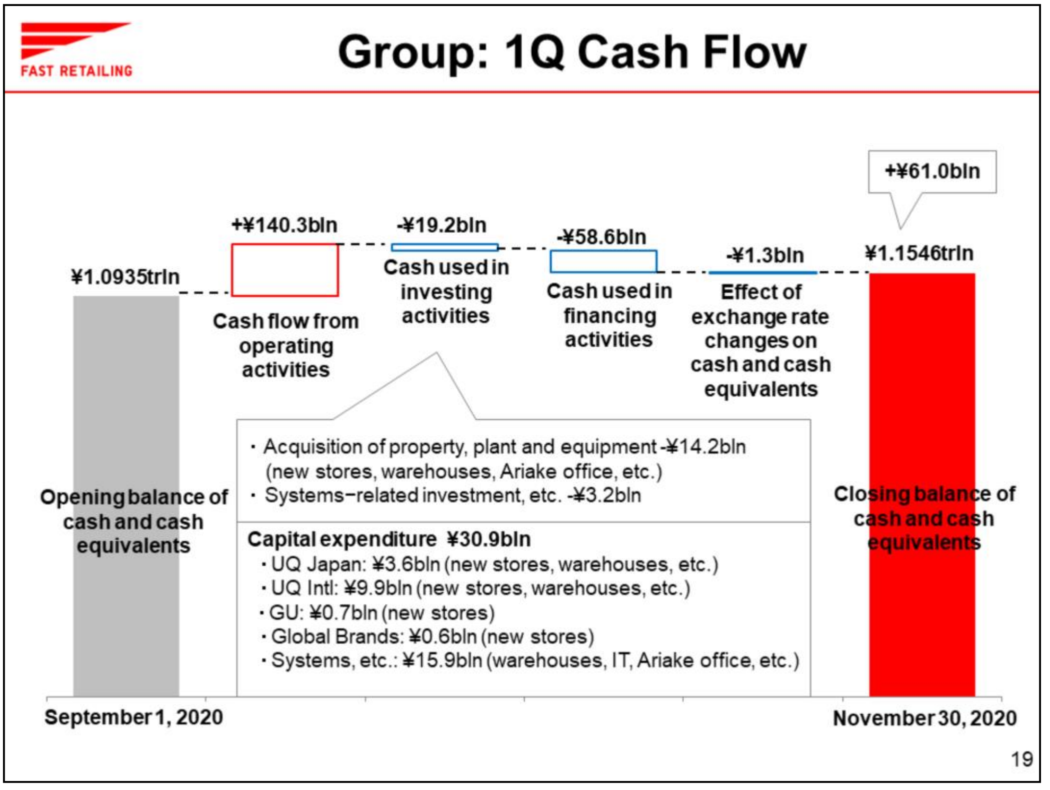
Let me explain the factors underlying the ¥12.6 billion decline in current assets.

Total inventories decreased by ¥20.5 billion to ¥404.1 billion. Breaking that figure down, UNIQLO Japan inventories rose by ¥0.6 billion on the back of an increase in inventory of Fall items.

UNIQLO International inventories declined by ¥20.4 billion. Greater China inventory declined sharply as strong sales helped rundown inventories. South Korea reported a large decline in inventories on the back of restricted ordering of new stock. North America inventories declined but we still judge them to be excessive based on current sales trends, and we plan to continue normalizing inventories through the end of the 2021 Fall Winter season. South Asia, Southeast Asia & Oceania and Europe inventories both rose as sales fell short of expectations, but we expected to be able to reduce that inventory to a more appropriate level by the 2021 Fall Winter season.

Cash and cash equivalents increased by ¥39.5 billion year on year to ¥1.1546 trillion at the end of November 2020 on the back of higher operating cash flow from UNIQLO and other business segments.

Non-current assets increased by ¥23.8 billion following the recording of a ¥19.5 billion increase in right-of-use assets relating to global flagship stores and distribution warehouses.



Looking next at our cash flow position for the first quarter of FY2021, we reported a net cash inflow of ¥140.3 billion from operating activities, while cash used in investing activities totalled ¥19.2 billion, and cash used in financing activities totalled ¥58.6 billion. As a result, the balance of cash and cash equivalents stood at ¥1.1546 trillion at the end of November 2020.

Group: FY2021 Estimates

Unchanged from initial estimates

Higher-than-expected 1Q results means 1H performance currently tracking higher than planned

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 Jan.14)	Yr to Aug. 2021 y/y	Yr to Aug. 2021 1Q Actual
Revenue	2,290.5	2,008.8	**2,200.0**	+9.5%	619.7
(to revenue)	100.0%	100.0%	100.0%	-	100.0%
Business profit	265.1	170.0	**265.0**	+55.9%	111.5
(to revenue)	11.6%	8.5%	12.0%	+3.5p	18.0%
Other income, expenses	-7.5	-20.6	**-20.0**	-	1.5
Operating profit	257.6	149.3	**245.0**	+64.0%	113.0
(to revenue)	11.2%	7.4%	11.1%	+3.7p	18.2%
Finance income, costs	-5.1	3.5	**0.0**	-	-5.9
Profit before income taxes	252.4	152.8	**245.0**	+60.3%	107.1
(to revenue)	11.0%	7.6%	11.1%	+3.5p	17.3%
Profit attributable to owners of the parent	162.5	90.3	**165.0**	+82.6%	70.3
(to revenue)	7.1%	4.5%	7.5%	+3.0p	11.4%

Due to the difficulties involved in estimating corporate performance during the COVID-19 pandemic, we have decided to maintain our initial forecasts for FY2021, which we announced in October 2020.

Despite the rapid expansion of the COVID-19 pandemic since November, thanks to those higher-than-expected first-quarter results, our first-half consolidated performance is currently trending above plan.

Breaking down those forecasts by region, UNIQLO operations in East Asia, including Japan, and our GU are currently trending above plan.

However, regions that have been hit harder than expected by COVID-19, such as North America, Europe, and Southeast Asia are expected to experience a significant slowdown in sales, resulting in lower-than-expected first-half performances from our UNIQLO International and Global Brands segments.

As regards our full-year estimates for FY2021, we believe we are currently well on track to achieve those forecasts at the current point in time, but things could change dramatically depending on what happens with COVID-19.

While the yen is currently trending higher than the assumed 1USD = 105.4JPY exchange rate upon which our finance income net of costs total is calculated, foreign-exchange trends are especially hard to predict right now, so we have decided to maintain the same foreign-exchange rates that we announced with our initial full-year business estimates.

FY2021 1H Estimates by Group Operation(1)

UNIQLO Intl.: Expect 1H revenue fall. Below plan despite expected large rise in operating profit

1Q: Slight downturn in revenue, operating profit largely in line with plan.
2Q: Revenue and operating profit are trending below plan on COVID-19 spread.

Greater China
- **December revenue up and largely to plan. Predict higher-than-expected 1H revenue gain and large profit rise.**

South Korea
- **1H revenue forecast to fall, but operating profit still expected to move back into the black on improved gross profit margin and SG&A ratio.**

South Asia, Southeast Asia & Oceania
- **Just under 20% of stores, primarily in Malaysia, have been temporarily closed since December, so revenue and profit are both trending below plan. Expect large 1H declines in revenue and profit and the operation to fall far short of plan.**
- **Still, Vietnam remains strong. December sales continue to outstrip estimates.**

North America
- **Further below-plan performance on severe COVID-19 situation in the US and temporary closure of roughly half our stores from end-November to early February. Expect larger-than-planned 1H loss.**

Europe
- **Strong year-on-year sales gains in France and Russia from December.**
- **Below-plan performance in UK, Germany, Spain, the Netherlands, Denmark, and Italy, with nearly all stores temporarily closed from late December through January or even February.**
- **Expect region to fall short of plan by reporting large 1H revenue and profit falls.**

I would now like to break down our FY2021 estimates by business segment.

Starting with UNIQLO International, while the segment reported a slight downturn in first-quarter revenue and an operating profit that was largely in line with our plan, both revenue and operating profit are currently trending below plan in the second quarter due to the spread of COVID-19 infections. As a result, we expect UNIQLO International revenue will decline in the first half and the operation will report a lower-than-expected performance despite a large predicted rise in operating profit.

Looking at regional UNIQLO International operations, Greater China revenue rose again in December and the region is currently performing broadly in line with our expectations, so we predict we will see higher-than-expected revenue gains and a large rise in profit in the first half of FY2021.
For South Korea, while first-half revenue is forecast to decline, we still expect the operation will move back into the black in terms of operating profit on the back of improvements in both the gross profit margin and the SG&A ratio.
In South Asia, Southeast Asia & Oceania, the impact of COVID-19 has been more severe than we had expected and just under 20% of our stores, primarily in Malaysia, have been temporarily closed since December. As a result, revenue and profit are both currently trending below plan and we are forecasting large declines in revenue and profit and a much lower-than-expected overall performance in the first half. That said, Vietnam is still performing strongly with sales from December onwards continuing to outstrip our estimates.
In North America, performance has continued to trend below plan due to the worsening COVID-19 pandemic in the United States and our decision to temporarily close approximately half of our stores in the United States and Canada from the end of November through to early February. As a result, we expect this region will report a larger-than-planned first-half loss.
In Europe, we have seen strong year-on-year sales gains in France and Russia from December, while the UK, Germany, Spain, the Netherlands, Denmark, and Italy have been performing below plan following our decision to temporarily close nearly all stores in those markets from late December through January or even February. As a result, we expect Europe will fall short of plan by reporting large declines in first-half revenue and profit.

FY2021 1H Estimates by Group Operation(2)

UNIQLO Japan: Expect 1H to exceed plan on revenue rise and sharp profit gain

- 1Q far exceeded expectations. Operation continuing roughly to plan from December. 1H expected to outperform and report rising revenue, large profit gain.
- 2Q gross profit margin expected to fall short of plan on stronger discounting of excess inventory, but 1H gross profit margin expected to improve y/y as planned.
- Expect 1H SG&A to improve more than planned as sales continue to outperform.

GU: Expect a steady 1H performance y/y as planned

- 1Q performance was slightly higher than expected.
- While performance from December has been roughly in line with plan, 1H performance expected to be steady y/y as planned on a stronger rundown of inventory at the end of the season.

Global Brands: Expect to fall below plan by reporting large revenue and profit declines

- 1Q fell short of plan. 2Q performance at Theory, Comptoir des Cotonniers and other brands trending below plan on spreading COVID-19 pandemic.

Turning next to our forecasts for UNIQLO Japan, where performance far exceeded expectations in the first quarter. Performance has been continuing roughly to plan from December, so we expect UNIQLO Japan will outperform in the first half by reporting rising revenue and a large profit gain.

On the profit front, the second-quarter gross profit margin is expected to fall short of plan on the back of stronger discounting of excess inventory, but the first-half gross profit margin is expected to improve year on year as planned. We also expect the first-half SG&A ratio to improve more than planned as sales continue to outperform.

GU first-quarter performance was slightly higher than expected. Performance has managed to stay largely on plan since December, but we expect GU will generate a similar performance to the previous year in the first-half in view of the stronger inventory rundown anticipated at the end of the season.

Finally, Global Brands fell short of plan in the first quarter and second-quarter performance at Theory, Comptoir des Cotonniers and other labels have been trending below plan in the space of spreading COVID-19 infections. As a result, we expect the Global Brands segment will fall below plan by reporting large revenue and profit declines in the first half.

Let me end with a comment on our dividend policy, our forecasts for the FY2021 dividend remain unchanged and we are still scheduled to pay an annual dividend of ¥480 yen per share, to be split evenly between interim and year-end dividends of ¥240 each.

That completes my presentation on Fast Retailing's performance for the first quarter of FY2021 and our estimates for the full business year through the end of August 2021. Thank you.

FAST RETAILING

Reference: Group Company Store Numbers

[Units: Stores]	FY2020	FY2021 1Q Result (Sep. - Nov.)				FY2021 Estimates (Sep. - Aug.)			
	Yr-end	Open	Close	Change	End Nov.	Open	Close	Change	End Aug.
UNIQLO Operations	**2,252**	**59**	**13**	**+46**	**2,298**	**185**	**90**	**+95**	**2,347**
UNIQLO Japan ※	**813**	**7**	**5**	**+2**	**815**	**30**	**30**	**0**	**813**
Own stores	767	5	5	0	**767**	-	-	-	-
Franchise stores	46	2	0	+2	**48**	-	-	-	-
UNIQLO International	**1,439**	**52**	**8**	**+44**	**1,483**	**155**	**60**	**+95**	**1,534**
Mainland China	767	28	4	+24	**791**	100	-	-	-
Hong Kong	31	1	1	0	**31**		-	-	
Taiwan	68	2	0	+2	**70**		-	-	
Korea	163	2	1	+1	**164**	2	-	-	-
Singapore	25	2	1	+1	**26**	40	-	-	-
Malaysia	50	1	0	+1	**51**		-	-	
Thailand	51	2	1	+1	**52**		-	-	
Philippines	60	1	0	+1	**61**		-	-	
Indonesia	32	3	0	+3	**35**		-	-	
Australia	23	2	0	+2	**25**		-	-	
Vietnam	4	2	0	+2	**6**		-	-	
India	3	2	0	+2	**5**		-	-	
USA	50	1	0	+1	**51**	3	-	-	-
Canada	12	1	0	+1	**13**		-	-	
UK	15	0	0	0	**15**	10	-	-	-
France	22	0	0	0	**22**		-	-	
Russia	42	0	0	0	**42**		-	-	
Germany	9	1	0	+1	**10**		-	-	
Belgium	3	0	0	0	**3**		-	-	
Spain	4	0	0	0	**4**		-	-	
Sweden	2	0	0	0	**2**		-	-	
The Netherlands	1	1	0	+1	**2**		-	-	
Denmark	1	0	0	0	**1**		-	-	
Italy	1	0	0	0	**1**		-	-	
GU	**436**	**6**	**6**	**0**	**436**	**22**	**11**	**+11**	**447**
Global Brands	**942**	**11**	**6**	**+5**	**947**	**28**	**74**	**-46**	**896**
Theory ※	460	5	1	+4	**464**	-	-	-	-
PLST ※	102	3	2	+1	**103**	-	-	-	-
Comptoir des Cotonniers ※	260	1	1	0	**260**	-	-	-	-
Princesse tam.tam ※	119	2	2	0	**119**	-	-	-	-
J Brand	1	0	0	0	**1**	-	-	-	-
Total	**3,630**	**76**	**25**	**+51**	**3,681**	**235**	**175**	**+60**	**3,690**

Note: Excludes Mina (Commercial Facility Business) and Grameen UNIQLO stores.

※ Includes franchise stores

Reference: Foreign Exchange Rates

Exchange rates used in consolidated accounts

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
FY2020 1Q 3-month average to Nov. 2019	107.8	119.0	134.3	15.2	9.1
FY2021 1Q 3-month average to Nov. 2020	105.3	123.9	137.3	15.5	9.1
FY2020 12-month average to Aug. 2020	108.0	120.1	136.7	15.3	9.0
FY2021 (E) 12-month average to Aug. 2021	107.0	116.0	133.0	15.1	8.8

Exchange rates used on balance sheet

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
FY2020 1Q Exchange rate at end Nov.2019	109.6	120.6	141.5	15.6	9.3
FY2021 1Q Exchange rate at end Nov.2020	103.9	124.4	138.5	15.8	9.4
FY2020 Exchange rate at end Aug. 2020	105.4	125.5	140.7	15.4	8.9
FY2021 (E) Exchange rate at end Aug. 2021	105.4	125.5	140.7	15.4	8.9

FAST RETAILING

Reference: Capex, Depreciation

Capex and Depreciation

Billions of Yen

		Capex						Depreciation
		UNIQLO Japan	UNIQLO Intl.	GU	Global Brands	Systems, etc	Total	
FY2020	1Q 3 months	3.7	7.9	2.0	0.5	9.4	23.6	43.0
FY2021	1Q 3 months	3.6	9.9	0.7	0.6	15.9	30.9	44.5
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