

Fast Retailing Results for September to November 2021 and Estimates for FY2022

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

I would like to talk to you today about our consolidated business performance for the first quarter of FY2022, or the three months from September through November 2021, and to explain our estimates for the full business year through August 2022.

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II . Estimates for Fiscal 2022	P21~23
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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: FY2022 1Q Results

**Revenue and profit rise. Results far exceeds plan.
S/SE Asia & Oceania, N. America, Europe strong.
Increasingly diverse earnings pillars**

	Yr to Aug. 2021	Yr to Aug. 2022		Billions of Yen
	(3 mths to Nov. 2020) Actual	(3 mths to Nov. 2021) Actual	y/y	
Revenue	619.7	627.3	+1.2%	
(to revenue)	100.0%	100.0%	-	
Gross profit	324.8	338.6	+4.3%	
(to revenue)	52.4%	54.0%	+1.6p	
SG&A	213.2	222.4	+4.3%	
(to revenue)	34.4%	35.5%	+1.1p	
Business profit	111.5	116.1	+4.1%	
(to revenue)	18.0%	18.5%	+0.5p	
Other income, expenses	1.5	3.2	+112.9%	
(to revenue)	0.2%	0.5%	+0.3p	
Operating profit	113.0	119.4	+5.6%	
(to revenue)	18.2%	19.0%	+0.8p	
Finance income, costs	-5.9	14.8	-	
(to revenue)	-	2.4%	-	
Profit before income taxes	107.1	134.2	+25.2%	
(to revenue)	17.3%	21.4%	+4.1p	
Profit attributable to owners of the parent	70.3	93.5	+33.0%	
(to revenue)	11.4%	14.9%	+3.5p	

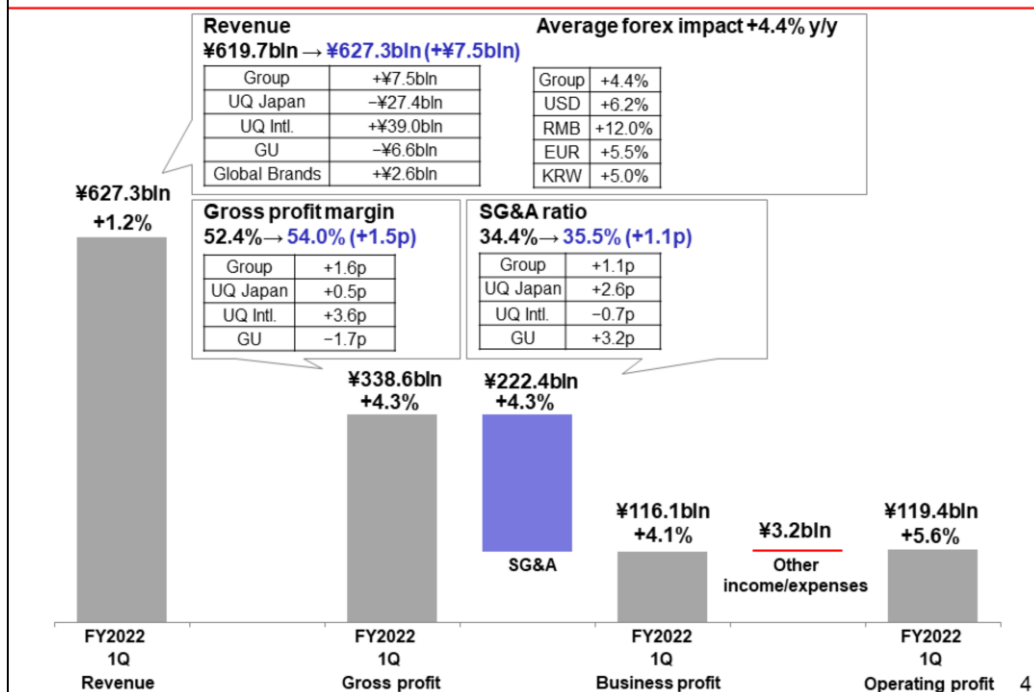
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In the first quarter of FY2022, Fast Retailing Group revenue and profit both increased year on year, and consolidated performance was far higher than we had expected. Revenue increased 1.2% year on year to ¥627.3 billion, business profit, which is a good indicator of fundamental business profitability, rose 4.1% to ¥116.1 billion, and operating profit expanded by 5.6% to ¥119.4 billion.

UNIQLO operations in the South Asia, Southeast Asia & Oceania, North America, and Europe regions performed especially strongly and generated large increases in both revenue and profit. Our North America and Europe operations strengthened branding activities and witnessed a widening of their customer bases. Earnings structures at both operations also improved considerably thanks to more restricted discounting and stronger cost controls.

While revenue declined and profit fell sharply at UNIQLO operations in Japan and the Greater China region and at our GU business segment, overall consolidated performance was able to exceed our initial plan thanks to a growing diversification of global earnings pillars.

Group: FY2022 1Q Operating Profit



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

Consolidated revenue increased by ¥7.5 billion to ¥627.3 billion in the first quarter. This was due to increases in revenue of ¥39.0 billion at UNIQLO International and ¥2.6 billion at Global Brands. Meanwhile, revenue decreased by ¥27.4 billion at UNIQLO Japan and ¥6.6 billion at GU.

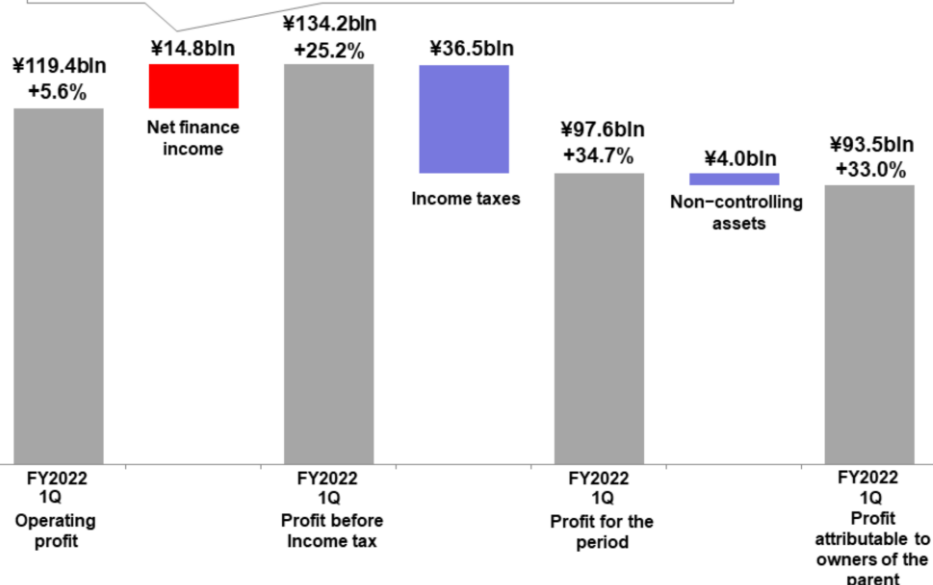
The consolidated gross profit margin improved 1.6 points to 54.0% in the first quarter thanks primarily to improved margins at UNIQLO International and UNIQLO Japan.

The 1.1 point increase in the SG&A-to-revenue ratio to 35.5% was fueled primarily by higher SG&A ratios at UNIQLO Japan and GU.

The net amount of other income/expenses stood at ¥3.2 billion.

As a result of the above factors, first-quarter operating profit rose by 5.6% to ¥119.4 billion.

Value of foreign-currency denominated assets increased by ¥15.2bln
 September 1, 2021: 1 USD = 109.9 JPY
 November 30, 2021: 1 USD = 113.8 JPY



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Next, we recorded ¥14.8 billion under finance income net of costs due primarily to the recording of a ¥15.2 billion foreign-exchange gain on the value of our foreign-currency denominated assets in yen terms.

As a result, profit before income taxes increased by 25.2% to ¥134.2 billion. Profit attributable to the owners of the parent increased by 33.0% to ¥93.5 billion in the first quarter.

1Q Breakdown by Group Operation

Billions of Yen

		Yr to Aug. 2021	Yr to Aug. 2022	
		(3 mths to Nov.2020) Actual	(3 mths to Nov.2021) Actual	y/y
UNIQLO Japan	Revenue	253.8	226.4	-10.8%
	Business profit	58.9	48.0	-18.6%
	(to revenue)	23.2%	21.2%	-2.0p
	Other income, expenses	1.1	0.7	-29.3%
UNIQLO International	Operating profit	60.0	48.7	-18.8%
	(to revenue)	23.7%	21.5%	-2.2p
	Revenue	260.6	299.7	+15.0%
	Business profit	41.3	60.7	+46.7%
GU	(to revenue)	15.9%	20.3%	+4.4p
	Other income, expenses	0.0	-0.7	-
	Operating profit	41.4	59.9	+44.6%
	(to revenue)	15.9%	20.0%	+4.1p
Global Brands	Revenue	76.5	69.8	-8.7%
	Business profit	13.4	8.8	-34.1%
	(to revenue)	17.6%	12.7%	-4.9p
	Other income, expenses	0.1	0.0	-78.6%
	Operating profit	13.6	8.9	-34.5%
	(to revenue)	17.8%	12.8%	-5.0p
	Revenue	28.0	30.7	+9.5%
	Business profit	-0.3	1.4	-
	(to revenue)	-	4.6%	-
	Other income, expenses	0.1	1.1	+657.0%
	Operating profit	-0.2	2.5	-
	(to revenue)	-	8.3%	-

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

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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.

UNIQLO Japan: 1Q Overview

Exceeds plan despite large dip in revenue, profit

- 1Q revenue and profit declined y/y because they were being compared to strong results in previous year which enjoyed buoyant stay-at-home demand and AIRism mask sales.
- Performance was stronger than initially planned.

	Yr to Aug. 2021 (3 mths to Nov.2020)	Yr to Aug. 2022		Billions of Yen
		(3 mths to Nov.2021)	y/y	
Revenue (to revenue)	253.8 100.0%	226.4 100.0%	-10.8%	-
Gross profit (to revenue)	136.5 53.8%	122.8 54.3%	-10.0%	+0.5p
SG&A (to revenue)	77.5 30.5%	74.8 33.1%	-3.4%	+2.6p
Business profit (to revenue)	58.9 23.2%	48.0 21.2%	-18.6%	-2.0p
Other income, expenses (to revenue)	1.1 0.4%	0.7 0.3%	-29.3%	-0.1p
Operating profit (to revenue)	60.0 23.7%	48.7 21.5%	-18.8%	-2.2p

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Looking first at UNIQLO Japan, revenue fell 10.8% year on year to ¥226.4 billion and operating profit contracted by 18.8% to ¥48.7 billion in the first quarter.

First-quarter revenue and profit declined year on year because they were being compared to a strong results period in previous year when stay-at-home demand was buoyant and AIRism mask sales strong. Having said that, the overall first-quarter performance was stronger than we had initially planned.

UNIQLO Japan: 1Q Revenue

Same-store sales contract 7.7% y/y

- 1Q same-store sales fell 7.7% y/y, but outstripped plan on higher-than-forecasts sales in October and November.
- Sales of Fall Winter ranges struggled with multiple warm-weather days from September through early October. Sales of warm clothing strengthened after weather turned much colder from mid-October. UNIQLO anniversary sale also generated buoyant sales in November.
- E-commerce sales: ¥36.6bln. Down 0.2% v. FY2021 1Q sharp rise and sudden expansion, but up approx. 50% v. FY2020 1Q. Constituted 16.2% of total sales.

Same-store sales y/y	Yr to Aug. 2022				
	Sep.	Oct.	Nov.	3 mths to Nov. 2021	Dec.
Net sales	-19.1%	-4.8%	-4.6%	-7.7%	-11.1%
Customer visits	-19.0%	-4.5%	+0.9%	-6.0%	-5.2%
Customer spend	-0.1%	-0.3%	-5.5%	-1.8%	-6.3%

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UNIQLO Japan same-store sales declined by 7.7% year on year in the first quarter from September through November 2021. However, that overall result was better than expected thanks primarily to higher-than-planned sales in October and November.

Sales of Fall Winter ranges struggled in the face of so many warm-weather days during the month of September and early October. However, sales of warm clothing then strengthened after the weather turned much colder from mid-October. In November, sales from our UNIQLO anniversary sale, which was held in the latter part of the month, proved strong.

Meanwhile, e-commerce sales contracted 0.2% in the first quarter of FY2022 to ¥36.6 billion compared to the first quarter of FY2021 when revenue and profit both rose, and the operation expanded rapidly. Compared to the first quarter of FY2020, e-commerce sales expanded by approximately 50% to constitute 16.2% of total sales.



UNIQLO Japan: Gross Profit Margin, SG&A

Gross profit margin: 54.3% (+0.5p y/y)
Exceeds plan

- Discounting rates improved as temptation to sharply lower prices to attract customers was curbed. Royalty income increased in line with sharp sales recovery in N. America, Europe, and other UNIQLO International operations.
- Cost of sales increasing on back of recent rise in raw materials prices and sharp rise in transportation costs. 1Q was impacted by this trend, but only slightly.

SG&A ratio: 33.1% (+2.6p y/y)
SG&A roughly in line with plan in monetary terms

- SG&A expenses roughly in line with plan in monetary terms.
- In addition to the decline in revenue, advertising and promotion costs rose on stronger branding for the medium to long term. Distribution costs also rose temporarily due to determined investment in warehouse automation.
- Store personnel costs declined in monetary terms as improved store productivity enabled us to reduce the number of person hours required.

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Let's look next at the UNIQLO Japan gross profit margin which improved by 0.5 point in the first quarter to 54.3%. That result was higher than expected.

The strong increase in the gross profit margin was due primarily to lower discounting rates after we resisted the temptation to sharply lower prices to attract customers. In addition, royalty income increased in line with the sharp recovery in sales in North America, Europe, and other UNIQLO International operations.

The cost of sales has been increasing on the back of recent rises in raw materials prices and the sharp rise in transportation costs. However, while the first-quarter performance was impacted by this trend, the impact was only slight.

UNIQLO Japan's first-quarter SG&A ratio increased by 2.6 points year on year to 33.1%. In monetary terms, this result was roughly in line with our plan.

The increase in the SG&A was due primarily to the decline in sales as well as higher advertising and promotion costs relating to efforts to strengthen our branding over the medium to long term. Distribution costs also rose temporarily as we continued to determinedly invest in warehouse automation.

Meanwhile, store personnel costs declined in monetary terms as improvements in store productivity enabled us to reduce the number of required person hours.

UNIQLO International: 1Q Overview

Large revenue, profit gains. Far exceeds plan

- S/SE Asia & Oceania, N. America, and Europe regions all enjoyed strong sales and reported large rises in 1Q revenue and profit.
- Greater China region revenue dipped slightly, and profit contracted considerably.
- UNIQLO International reported record 1Q results on diverse earnings pillars.

	Yr to Aug. 2021 (3 mths to Nov. 2020)	Yr to Aug. 2022		Billions of Yen
		(3 mths to Nov. 2021)	y/y	
Revenue (to revenue)	260.6 100.0%	299.7 100.0%	+15.0%	-
Gross profit (to revenue)	139.4 53.5%	171.2 57.1%	+22.8%	+3.6p
SG&A (to revenue)	98.0 37.6%	110.5 36.9%	+12.7%	-0.7p
Business profit (to revenue)	41.3 15.9%	60.7 20.3%	+46.7%	+4.4p
Other income, expenses (to revenue)	0.0 0.0%	-0.7 -	-	-
Operating profit (to revenue)	41.4 15.9%	59.9 20.0%	+44.6%	+4.1p

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I would now like to move on to talk about UNIQLO International performance in the first quarter of FY2022.

UNIQLO International reported considerable increases in both revenue and profit, with revenue climbing 15.0% to ¥299.7 billion and operating profit expanding by 44.6% to ¥59.9 billion. This result was much stronger than we had expected.

Breaking that performance down into geographical regions, the S/SE Asia & Oceania, North America, and Europe regions all enjoyed strong sales and reported large rises in first-quarter revenue and profit. Meanwhile, the Greater China region reported slightly lower revenue and a considerable contraction in profits. Taken overall however, UNIQLO International was able to achieve a record result in the first quarter thanks to a growing diversification of pillar earnings.

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

Greater China region: Slight revenue dip, sharp profit decline roughly in line with plan

Mainland China market: Revenue down, large profit decline

- Weaker consumer appetite for apparel due to continued implementation of tough COVID-19 restrictions. Comparison with strong sales in previous year.
- While temperatures dropped temporarily in mid-October, generally warm temperatures across the 1Q also stifled sales of Winter ranges.
- E-commerce sales also declined.
- SG&A ratio rose on the decline in sales, but also on continued investment to strengthen branding, achieve more competitive pay levels, boost IT and other investment, and generally promote medium to long-term operational growth.
- When consumer appetite is low, revenue tends to be generated during large sales periods, but UNIQLO restricted discount sales and focused on conveying product value. We also avoided relying on excessive discounting on Singles' Day and secured the No.1 slot for apparel for the 8th consecutive year.
- Chosen as a Top Brand for 10th consecutive year in YiMagazine's Top Brand List.

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The Greater China region reported a slight decline in revenue and a sharp fall in profit in the first quarter. This was due however to the year-on-year decline in performance in the Mainland China market that we had predicted at the beginning of the period, so the overall result was broadly in line with expectations.

Revenue from the Mainland China market declined, and profit contracted sharply in the first quarter. This was due to weaker consumer appetite for apparel following the continued implementation of tough restrictions to curb COVID-19 infections, and the fact that the performance was being compared to a strong sales period in the previous year. In addition, while temperatures dropped temporarily in mid-October, broadly warmer temperatures throughout the first quarter also stifled sales of Winter ranges. E-commerce sales also declined in the first quarter.

The SG&A ratio rose on the decline in sales, but also on continued investment designed to strengthen branding, ensure more competitive wage levels, boost IT and other investment, and generally promote medium to long-term operational growth.

In the Mainland China market, when consumer appetite is low, revenue tends to be generated during large sales periods. However, UNIQLO decided to continue restricting discount sales and focusing instead on conveying product value. We also avoided relying on excessive discounting during the Singles' Day sales in November and secured the overall No.1 slot for apparel for the eighth consecutive year. UNIQLO was also selected as a Top Brand for the tenth consecutive year in the Top Brands List issued by the well-known YiMagazine publication.



UNIQLO International: 1Q by Region (2)

Hong Kong market, Taiwan market: Large revenue, profit gains. Exceed plan

- Sales in Hong Kong market strengthened from mid-October when the temperature dropped on stronger branding of fleece, sweat wear, and other Fall Winter ranges and a spot-on response to outdoor clothing needs.
- Sales of HEATTECH, fleece, Ultra Light Down and other Winter ranges proved strong in the Taiwan market after temperatures plummeted in late October and thanks to the government's policy to stimulate consumption from October.
- Large profit gains in both markets on the back of strong sales and improved gross profit margins and SG&A ratios.

South Korea: Revenue, profit up. Performs to plan

- Revenue rose after large drop in temperature boosted sales of Winter ranges that responded to actual demand.
- Gross profit margin improved on lower discounting.
- SG&A ratio improved on higher revenue per store.

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Both revenue and profit increased considerably in the Hong Kong market and the Taiwan market in the first quarter. This performance was stronger than expected.

Sales in the Hong Kong market strengthened from mid-October, when the weather turned colder. Stronger marketing of fleece, sweat wear, and other Fall Winter ranges and a clear grasp of outdoor clothing needs also helped boost sales.

In the Taiwan market, sales of HEATTECH, fleece, Ultra Light Down and other Winter ranges proved strong after temperatures plummeted in the second half of October and thanks to the government's decision to stimulate consumption from October.

Thanks to the strong sales performances, both the Hong Kong and Taiwan markets reported improved gross profit margins and SG&A ratios, and, consequently, a significant expansion in profits.

UNIQLO South Korea reported higher first-quarter revenue and profit as expected.

Revenue rose once the sharp drop in temperatures boosted sales of Winter ranges which were able to respond to actual on-the-ground demand. The operation's gross profit margin also improved on lower discounting and the SG&A ratio improved on higher sales per store.



UNIQLO International: 1Q by Region (3)

South Asia, Southeast Asia & Oceania: Large revenue, profit gains. Greatly exceeds plan

- Sales and profit returned to the pre-Covid levels attained two years ago.
- Sales recovered on gradual easing of Covid restrictions.
- Gross profit margin improved on strictly controlled discounting. SG&A ratio improved on stronger cost controls.
- Revenue, profit up in Singapore, Malaysia, Philippines, Indonesia, India, Australia
- Malaysia and Indonesia proved especially strong thanks to eased restrictions as well as strong sales and customer support for DRY-EX, jogger pants, and other products that satisfied specific outdoor and sports-related demand and core UNIQLO products, such as T-shirts, flannel shirts, and bottoms.
- Thailand revenue dipped slightly on shorter opening hours through October, but profit rose on improved gross margins. Recent sales recovering y/y.
- Vietnam revenue, profit down with stores closed and people remaining at home through mid-October. Conditions remain tough as Covid infections rise.
- Overall e-commerce sales remained strong, rising approx. 60% y/y in 1Q.
- E-commerce now offered regionwide following 1Q launch in Indonesia, Vietnam.

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The South Asia, Southeast Asia & Oceania region reported significantly higher revenue and profit in the first quarter, with both sales and profit regaining the levels from two years ago before the outbreak of COVID-19. This performance was considerably stronger than expected.

Performance in the first quarter of FY2021 was hit hard by COVID-19, but sales recovered in the first quarter of FY2022 following a gradual easing of restrictions relating to leaving the home and general activities. On the profit front, the gross profit margin improved primarily thanks to strictly controlled discounting. The SG&A ratio improved on stronger cost controls.

Breaking the region down geographically, first-quarter revenue and profit increased in Singapore, Malaysia, the Philippines, Indonesia, India, and Australia. Performance was especially strong in Malaysia and Indonesia and sales proved particularly buoyant after restrictions on going out of the house were eased from the beginning of the period and thanks to strong customer support for DRY-EX, jogger pants, and other products that satisfied specific outdoor and sports-related demand and core UNIQLO products, such as T-shirts, flannel shirts, and bottoms.

In Thailand, revenue dipped slightly on shorter store opening hours from September through October, but an improved gross profit margin helped boost profits. More recently, sales have been recovering and exceeding previous year levels.

In Vietnam, both revenue and profit declined as stores remained temporarily closed and people stayed at home through the middle of October. Tough conditions are continuing in the wake of rising COVID-19 infections.

E-commerce sales for the whole S/SE Asia & Oceania region continued strong in the first quarter, rising approximately 60% year on year. After launching e-commerce operations in Indonesia and Vietnam in the first quarter, online sales and services are now available across the whole region.

North America: Revenue up sharply, turns a profit. Greatly exceeds plan

USA: Large rise in revenue, operation turns a profit

- Revenue dipped sharply in FY2021 1Q on temporary store closures and restrictions on general movement. By contrast, in FY2022 1Q, sales proved strong thanks to regular store operating hours and a partial recovery in travel demand.
- Sales far exceeded previous year levels thanks to continued attentive marketing, including conveying information to strengthen branding, information on the special features of our core products, and news on our new products.
- Especially strong sales of outerwear, fleece, and other core ranges.
- Gross profit margin improved sharply on controlled discounting. Operating profit moved into the black.

Canada: Large rise in revenue and profit. Roughly in line with plan

- Sales recovered on strong sales primarily of shirts, bottoms, and outerwear.

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Looking next at the North America region, UNIQLO North America reported a large increase in revenue and the operation moved into the black in the first quarter. This performance was much higher than expected.

UNIQLO USA reported a large rise in revenue and a move into the black. Revenue contracted sharply in the first quarter of FY2021 due to Covid-related temporary store closures and restrictions on general movement. By comparison, in the first quarter of FY2022, regular store operating hours and a partial recovery in travel demand generated in healthy year-on-year revenue gains.

Another reason why sales far outstripped the previous year's level was thanks to continued attentive marketing, which included conveying information to strengthen UNIQLO branding, transmitting information about specific features of our core ranges, and broadcasting news about our new products. Sales of outerwear, fleece, and other core ranges proved especially strong.

Meanwhile UNIQLO USA's gross profit margin improved sharply on controlled discounting, and the operation generated a positive operating profit.



UNIQLO International: 1Q by Region (5)

Europe region: Large revenue, profit gains far exceed plan

- Same-store sales recovered to pre-Covid levels recorded two years ago.
- Commercial environment was positive this year thanks to efforts to revitalize economic activity and a subsequent increase in consumer appetite, and lower-than-usual temperatures.
- Successfully expanded customer support for UNIQLO and boosted new customers over the past year by boosting the number of e-commerce app members during COVID-19 and strengthening brand recognition initiatives.
- Revenue increased greatly in this 1Q when outerwear needs increased as more people ventured outside or traveled domestically, and we firmly conveyed the appeal of our seamless down and other outerwear and our HEATTECH innerwear.
- Operating profit rose markedly on an improved gross profit margin, SG&A ratio.
 - ✓ Gross profit margin: Improved primarily on stricter control of discounting
 - ✓ SG&A ratio: Improved on stronger sales and continued cost controls

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UNIQLO Europe also reported significant increases in revenue and profit in a much stronger-than-expected first-quarter performance. Same-store sales recovered to the levels recorded two years ago before the outbreak of COVID-19.

We have seen some positive improvements in the general commercial environment this year thanks to efforts to revitalize economic activity and the subsequent increase in consumer appetite, along with lower-than-average temperatures for the time of year.

We have also managed to successfully expand customer support for UNIQLO and have seen new customer numbers expand over the past year thanks to our efforts to increase the number of e-commerce app members during COVID-19 and strengthen brand recognition.

Revenue increased considerably in this first quarter as outerwear needs increased once more people started to venture outside or travel domestically. We firmly conveyed the appeal of our seamless down and other outerwear and our HEATTECH innerwear during the period.

UNIQLO Europe's first-quarter operating profit increased markedly on an improved gross profit margin and SG&A ratio. The gross profit margin improved primarily on stricter control of discounting and the SG&A ratio improved on stronger sales and continued cost controls.

GU: 1Q Overview

Revenue dips, profit down sharply. Roughly to plan

- 1Q same-stores sales down compared to strong previous year. Warm temperatures from September through mid-October stifled sales of Fall items and production and distribution delays resulted in a later launch of Winter ranges.
- Gross profit margin: -1.7p. Increased discounting to offload Fall inventory following a lackluster launch of Fall ranges. Slight increase in cost of sales on increased raw materials prices and sharp rise in transportation costs.
- SG&A ratio: +3.2p. Temporarily higher distribution costs on launch of automated warehouses. Stronger branding.
- E-commerce sales rise v. FY2021 (up approx. 40% v. FY2020) to approx. 13% of total sales.

	Yr to Aug. 2021 (3 mths to Nov.2020)	Yr to Aug. 2022		Billions of Yen
		(3 mths to Nov.2021)	y/y	
Revenue	76.5	69.8	-8.7%	
(to revenue)	100.0%	100.0%		
Gross profit	38.4	33.8	-11.8%	
(to revenue)	50.2%	48.5%	-1.7p	
SG&A	24.9	24.9	+0.3%	
(to revenue)	32.6%	35.8%	+3.2p	
Business profit	13.4	8.8	-34.1%	
(to revenue)	17.6%	12.7%	-4.9p	
Other income, expenses	0.1	0.0	-78.6%	
(to revenue)	0.2%	0.0%	-0.2p	
Operating profit	13.6	8.9	-34.5%	
(to revenue)	17.8%	12.8%	-5.0p	

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Next, let me move onto our GU operation. GU revenue declined and profit contracted sharply in the first quarter, but this performance was roughly in line with our expectations. First quarter revenue totaled ¥69.8 billion (-8.7%) and operating profit totaled ¥8.9 billion (-34.5%).

In the first quarter, same-store sales contracted compared to strong previous year. In addition to the warm weather from September through mid-October, which stifled sales of Fall items, delays in production and distribution resulted in a later launch of Winter ranges.

GU's gross profit margin contracted 1.7 points in the first quarter. This was due primarily to increased discounting to offload Fall inventory following a lackluster launch of Fall ranges, and a slight increase in cost of sales caused by higher raw materials prices and a sharp rise in transportation costs.

GU's SG&A ratio increased 3.2 points due primarily to a temporary increase in distribution costs related to the launch of automated warehousing in Western Japan designed to help expand our e-commerce operations, and stronger marketing to help boost our branding.

Finally, GU e-commerce sales increased compared to first quarter of FY2021 and expanded by approximately 40% compared to the first quarter of FY2020. By the end of the quarter, e-commerce accounted for approximately 13% of GU total sales.

Global Brands: 1Q Overview

Revenue up. Moves into the black. Roughly to plan

Theory: Large revenue and profit increases

- Theory USA turned a profit as stores operated regular hours, restrictions on movement were eased, and consumer appetite increased. Strong sales, especially around Black Friday in November.

PLST: Revenue and profit both decline

- Struggled to attract customers due to state of emergency and warm weather.

Comptoir des Cotonniers: Revenue rises sharply, business loss shrinks

- Enjoyed regular store operating hours and improved cost efficiencies following structural reforms focused on the closure of unprofitable stores.

		Yr to Aug. 2021 (3 mths to Nov.2020) Actual	Yr to Aug. 2022 (3 mths to Nov.2021) Actual		Billions of Yen
				y/y	
Global Brands	Revenue	28.0	30.7	+9.5%	
	Business profit (to revenue)	-0.3	1.4	-	
		-	4.6%	-	
	Other income, expenses	0.1	1.1	+657.0%	
	Operating profit (to revenue)	-0.2	2.5	-	
		-	8.3%	-	

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Our fourth and final business segment, Global Brands reported an 9.5% increase in revenue to ¥30.7 billion and moved back into the black to report an operating profit of ¥2.5 billion and it was in line with expectations.

Our Theory operation reported large increases in first-quarter revenue and profit thanks primarily to a recovery in performance and a move back into the black at Theory USA. Theory USA generated strong sales after stores were able to operate regular hours free from Covid restrictions. The gradual easing of restrictions on general activities and the subsequent improvement in consumer appetite also helped improve sales, which proved especially strong around the Black Friday sales in November. Theory is also broadening its customer base with strong sales of items priced at levels that are more accessible to a broader range of people.

PLST revenue and profit both declined in the first quarter as the state of emergency and persistent warm weather in September made it difficult to entice customers into PLST stores.

Our France-based Comptoir des Cotonniers brand reported higher revenue and a smaller loss under business profit/loss in the first quarter. In the first quarter of FY2021, Comptoir des Cotonniers reported a considerable decline in revenue after stores in France were temporarily closed due to COVID-19. This year, the brand was able to operate under regular store opening hours and enjoyed improved cost efficiencies generated by determined structural reforms that focused on the closure of unprofitable stores.

Group: Balance Sheet (end Nov. 2021)

Billions of Yen

	End Nov. 2020	End Aug. 2021	End Nov. 2021	Change
Total Assets	2,539.4	2,509.9	2,658.7	+119.2
Current Assets	1,763.3	1,724.6	1,854.2	+90.8
Non-Current Assets	776.0	785.3	804.4	+28.3
Total Liabilities	1,500.4	1,347.6	1,393.8	-106.5
Total Equity	1,039.0	1,162.2	1,264.8	+225.8

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Next, I would like to take you through our balance sheet as it stood at the end of November 2021.

Compared to the end of November 2020, total assets increased by ¥119.2 billion to ¥2.6587 trillion.

Total liabilities decreased by ¥106.5 billion to ¥1.3938 trillion.

Total equity increased by ¥225.8 billion to ¥1.2648 trillion.

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

Total equity: +¥119.2bln (¥2.5394trln⇒¥2.6587trln)

- **Cash and cash equivalents: +¥49.5bln (¥1.1546trln⇒¥1.2041trln)**
Increased operating cash flow from UNIQLO and other business segments.
- **Inventory assets: +¥0.9bln (¥404.1bln⇒¥405.1bln)**
 - UQ Japan: -¥14.8bln:** Fall Winter and other inventory down on stronger inventory control. Delayed entry of stock.
 - UQ Intl: +¥13.9bln:** Largely due to increased yen-based monetary totals in the Mainland China market following sharp depreciation in the yen against the yuan. Inventory from other regions declined thanks to strong sales and delayed entry of stock.
 - GU: +¥4.5bln:** Continued sluggish sales. Slightly excessive levels of Summer, Fall inventory. Plan to normalize these levels through FY2022 2H.
 - Global Brands: -¥2.0bln:** Following the liquidation of our J Brand operation.
- **Derivative financial assets (long & short-term): +¥59.1bln (¥12.3bln⇒¥71.4bln)**
While the average yen rate on our forward contract holdings and the end-November yen spot rate both depreciated, the gap between the two expanded, resulting in a ¥59.1bln increase in derivative financial assets. Hedge accounting so no impact on P&L.
- **Property, plant and equipment: +¥31.1bln (¥143.5bln⇒¥174.7bln)**
Increased investment into automated warehousing in Japan, the Mainland China market, Australia, and the United States, as well as the creation of a top-class Japanese photography studio and a new customer center in Ariake headquarters (4F) in April 2021.

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Let me explain the factors underlying the ¥119.2 billion increase in total assets.

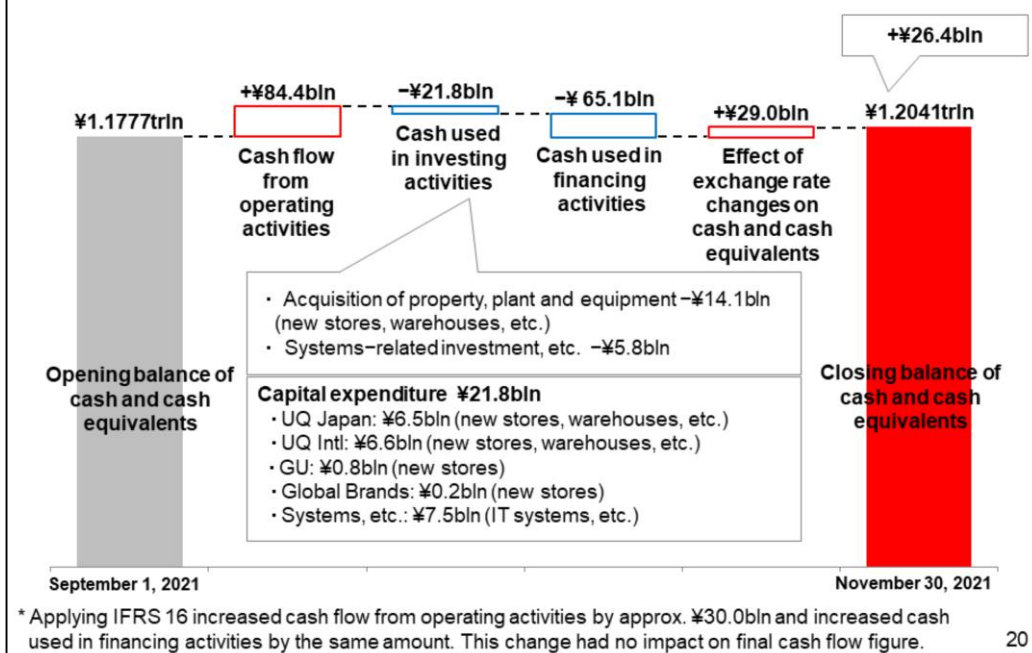
Cash and cash equivalents increased by ¥49.5 billion year on year to ¥1.2041 trillion at the end of November 2021 on the back of higher operating cash flow primarily from UNIQLO operations.

Total inventories remained broadly steady, rising by just ¥0.9 billion to ¥405.1 billion. Breaking that figure down, UNIQLO Japan inventories declined by ¥14.8 billion due to stronger inventory controls and a decline in primarily Fall Winter stock caused by distribution disruptions and the delayed entry of stock.

UNIQLO International inventories increased by ¥13.9 billion. This was due primarily to increased yen-based monetary totals for inventory in the Mainland China market following the sharp depreciation in the Japanese yen against the Chinese yuan. Inventory from other regions declined thanks to strong sales and the delayed delivery of some stock.

GU inventories increased by ¥4.5 billion. This was due to continued sluggish sales and we feel that inventory of Summer and Fall ranges is now slightly excessive, so we plan to normalize those levels through the second half of FY2022.

Group: 1Q Cash Flow



Looking next at our cash flow position for the first quarter of FY2022, we reported a net cash inflow of ¥84.4 billion from operating activities, while cash used in investing activities totalled ¥21.8 billion, and cash used in financing activities totalled ¥65.1 billion.

As a result, the balance of cash and cash equivalents had increased by ¥26.4 billion year on year to ¥1.2041 trillion at the end of November 2021.

Group: FY2022 Estimates

**Business forecasts unchanged from initial estimates.
Expect higher revenue and profit**

Revenue : ¥2.2000trln +3.1% y/y
Business profit : ¥280.0bln +9.6% y/y
Operating profit : ¥270.0bln +8.4% y/y

	Yr to Aug. 2021	Yr to Aug. 2022		Yr to Aug. 2022	Billions of Yen
	Actual	Estimates (as of Jan.13)	y/y	1Q Actual	
Revenue	2,132.9	2,200.0	+3.1%	627.3	
(to revenue)	100.0%	100.0%	-	100.0%	
Business profit	255.5	280.0	+9.6%	116.1	
(to revenue)	12.0%	12.7%	+0.7p	18.5%	
Other income, expenses	-6.5	-10.0	-	3.2	
Operating profit	249.0	270.0	+8.4%	119.4	
(to revenue)	11.7%	12.3%	+0.6p	19.0%	
Finance income, costs	16.8	0.0	-	14.8	
Profit before income taxes	265.8	270.0	+1.6%	134.2	
(to revenue)	12.5%	12.3%	-0.2p	21.4%	
Profit attributable to owners of the parent	169.8	175.0	+3.0%	93.5	
(to revenue)	8.0%	8.0%	-	14.9%	

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I would now like to refer to our business forecasts for the full year to August 31, 2022.

Our FY2022 business forecasts remain unchanged from our initial estimates in which we expect to achieve higher consolidated revenue and profit.

Both revenue and operating profit far exceeded our expectations in the first quarter, and these measures continue to perform favorably at this point in time following the year-end and new year sales.

While it is difficult to predict future conditions as the Omicron variant of COVID-19 spreads around the globe, at this point in time, we feel our full-year forecasts are achievable.

While the yen has currently depreciated below the 1 USD=109.9 JPY assumption used for calculating finance income/costs, foreign exchange trends remain difficult to predict, so we have decided not to revise our initial exchange rate assumptions used in the full-year business estimates either.



FY2022 Estimates by Group Operation (1)

UNIQLO Intl.: Expect large 1H revenue, profit gains

- December performance fell short of plan in the Mainland China market on sluggish apparel consumption in the face of continued tight restrictions on movement related to COVID-19.
- Forecast higher-than-expected, strong sales primarily in S/SE Asia & Oceania, North America, and Europe regions.
- Expect to achieve large, stronger-than-expected revenue and profit gains in 1H.

Greater China Region: 1H to fall short of plan on revenue dip, sharp profit fall

South Korea: Expect revenue, profit gains in 1H as planned

South Asia, Southeast Asia & Oceania: Expect 1H revenue, profit to rise considerably and operation to regain level achieved two years ago before the outbreak of COVID-19

North America: Expect large revenue gain and a move into the black in 1H

Europe: Expect large 1H revenue and profit gains

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I would now like to move on to provide a breakdown of our FY2022 estimates by business segment.

Looking first at UNIQLO International, that segment's first-quarter performance far exceeded our expectations.

Then, in December, sales fell short of our initial plan in the Mainland China market on the back of sluggish appetite for apparel in the face of continued tight restrictions on general movement due to COVID-19. However, we are forecasting higher-than-expected, strong sales primarily in S/SE Asia & Oceania, North America, and Europe regions. As a result, we expect UNIQLO International will outstrip expectations and report considerably increases in revenue and profit gains in the first half of FY2022.

Looking at individual operations within the UNIQLO International segment, we expect the Greater China region will fall short of plan in the first half by reporting lower revenue and a sharp decline in profits. UNIQLO South Korea is expected to generate higher revenue and profit as planned. The S/SE Asia & Oceania region is expected to generate considerably higher revenue and profit in the first half of FY2022. We also expect this region will regain the level of performance achieved two years ago before the outbreak of COVID-19. Meanwhile, the North America region is expected to generate considerably higher revenue and to move into the black in terms of operating profit in the first half. Finally, the Europe region is expected to generate large increases in revenue and profit in the first half of FY2022.



FY2022 Estimates by Group Operation (2)

UNIQLO Japan: 1H revenue dip, sharp profit decline

- 1Q exceeded plan. December 11.1% fall in same-store sales was largely to plan.
- Strengthening discounts through season-end to offload inventory after stock of some delayed products arrived in 2Q, later than originally scheduled. Predict 2Q gross profit margin will come in lower than initially expected.
- Expect revenue dip and sharp profit fall in 1H, but to perform slightly above plan.

GU: 1H revenue dip, sharp profit decline

- 1Q and December performances were roughly in line with plan.
- Expect revenue dip and sharp profit fall in 1H compared to strong previous year.

Global Brands: Large 1H revenue gain, turn a profit

- 1Q proceeded to plan. Expect large revenue gain and a move into the black in 1H as originally planned.
- Expect large 1H revenue and profit gains from our Theory operation.
- Expect Comptoir des Cotonniers revenue to rise sharply and loss to shrink.

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Moving on next to our expectations for UNIQLO Japan. This segment performed better than expected in the first quarter of FY2022 and the 11.1% decline in December same-store sales was roughly in line with our plan.

However, we are needing to strengthen discounts through the end of the season in order to offload inventory because some items were delivered later than originally scheduled in the second quarter. As a result, we predict the gross profit margin for the second quarter from December 2021 through February 2022 will come in lower than initially expected. Overall, we expect UNIQLO Japan revenue will decline and profit will fall sharply in the first half of FY2022, but we do expect the segment will be able to achieve a level of performance that is slightly above plan.

GU performed roughly to plan in the first quarter and the month of December. As a result, we expect revenue will decline and profit will contract sharply in the first half compared to the period of strong sales in the previous year.

Our Global Brands segment performed to plan in the first quarter, so we expect to see large revenue gains and a move into the black in the first half as originally predicted. In terms of individual operations within the segment, we expect Theory will generate large first-half revenue and profit gains, and Comptoir des Cotonniers will report considerably higher revenue and a smaller loss.

Finally, in relation to our dividend policy, we intend to pay an annual dividend of ¥520 per share in FY2022, to be split evenly between interim and year-end dividends of ¥260 each.

That completes my presentation on Fast Retailing's performance for the first quarter of FY2022 and our estimates for the full business year through the end of August 2022. Thank you.

Reference: Group Company Store Numbers

[Units: Stores]	FY2021 Yr-end	FY2022 1Q Result (Sep. - Nov.)				FY2022 Estimates (Sep. - Aug.)			
		Open	Close	Change	End Nov.	Open	Close	Change	End Aug.
UNIQLO Operations	2,312	74	28	+46	2,358	200	70	+130	2,442
UNIQLO Japan ※	810	13	12	+1	811	30	30	0	810
Own stores	780	12	11	+1	781	-	-	-	-
Franchise stores	30	1	1	0	30	-	-	-	-
UNIQLO International	1,502	61	16	+45	1,547	170	40	+130	1,632
Mainland China	832	40	8	+32	864	100	-	-	-
Hong Kong	31	0	0	0	31		-	-	-
Taiwan	69	1	0	+1	70		-	-	-
Korea	134	2	2	0	134		-	-	-
Singapore	26	0	0	0	26	40	-	-	-
Malaysia	48	0	1	-1	47		-	-	-
Thailand	54	3	2	+1	55		-	-	-
Philippines	63	2	2	0	63		-	-	-
Indonesia	40	5	0	+5	45		-	-	-
Australia	25	0	0	0	25		-	-	-
Vietnam	8	1	0	+1	9		-	-	-
India	6	0	0	0	6		-	-	-
USA	43	0	0	0	43		-	-	-
Canada	14	0	0	0	14		-	-	-
UK	15	0	0	0	15	15	-	-	-
France	23	3	0	+3	26		-	-	-
Russia	45	4	1	+3	48		-	-	-
Germany	10	0	0	0	10		-	-	-
Belgium	4	0	0	0	4		-	-	-
Spain	5	0	0	0	5		-	-	-
Sweden	3	0	0	0	3		-	-	-
The Netherlands	2	0	0	0	2		-	-	-
Denmark	1	0	0	0	1	-	-	-	-
Italy	1	0	0	0	1	-	-	-	-
GU	439	8	4	+4	443	36	16	+20	459
Global Brands	776	7	16	-9	767	39	51	-12	764
Theory ※	431	4	5	-1	430	-	-	-	-
PLST	98	1	2	-1	97	-	-	-	-
Comptoir des Cottonniers ※	153	2	4	-2	151	-	-	-	-
Princesse tam.tam ※	94	0	5	-5	89	-	-	-	-
Total	3,527	89	48	+41	3,568	275	137	+138	3,665

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

Reference: Foreign Exchange Rates

Exchange rate used in consolidated accounts

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
FY2021 1Q 3-month average to Nov. 2020	105.3	123.9	137.3	15.5	9.1
FY2022 1Q 3-month average to Nov. 2021	111.8	130.8	152.9	17.4	9.5
FY2021 12-month average to Aug. 2021	107.0	128.0	145.7	16.3	9.5
FY2022 (E) 12-month average to Aug. 2022	106.0	126.0	143.0	16.8	9.5

Exchange rate used on balance sheet

Yen

	1USD	1EUR	1GBP	1RMB	100KRW
FY2021 1Q Exchange rate at end Nov.2020	103.9	124.4	138.5	15.8	9.4
FY2022 1Q Exchange rate at end Nov.2021	113.8	128.5	151.6	17.8	9.6
FY2021 Exchange rate at end Aug. 2021	109.9	129.7	151.3	17.0	9.4
FY2022 (E) Exchange rate at end Aug. 2022	109.9	129.7	151.3	17.0	9.4

Reference: Capex, Depreciation

Billions of Yen

		Capex						Depreciation
		UNIQLO Japan	UNIQLO Intl.	GU	Global Brands	Systems, etc	Total	
FY2021	1Q 3 months	3.6	9.9	0.7	0.6	15.9	30.9	44.5
FY2022	1Q 3 months	6.5	6.6	0.8	0.2	7.5	21.8	43.9
FY2021	Full-year 12 months	15.7	38.5	3.8	1.8	40.7	100.6	177.9
FY2022 (E)	Full-year 12 months	35.0	30.7	4.4	2.1	23.4	95.9	180.9