

# **Fast Retailing Results for September to November 2022 and Estimates for FY2023**

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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 FY2023, or the three months from September through November 2022, and to explain our estimates for the full business year through August 2023.

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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 Cottonniers, Princesse tam.tam

Consolidated results also include Fast Retailing Co., Ltd. performance and consolidated adjustments.

From the first quarter of fiscal 2023, performance from the Royalties Division, which used to be displayed under the UNIQLO Japan reportable segment, will be included under Adjustments as companywide income/expenses.

## 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: FY2023 1Q Results

## Large rise in revenue, slight contraction in profit

unit: billion of yen	Yr to Aug. 2022		Yr to Aug. 2023	
	(3 mths to Nov. 2021) Actual	(3 mths to Nov. 2022) Actual	y/y	
<b>Revenue</b>	627.3	<b>716.3</b>	+14.2%	
(to revenue)	100.0%	100.0%		-
<b>Gross profit</b>	338.6	<b>380.2</b>	+12.3%	
(to revenue)	54.0%	53.1%		-0.9p
<b>SG&amp;A</b>	222.4	<b>265.0</b>	+19.1%	
(to revenue)	35.5%	37.0%		+1.5p
<b>Business profit</b>	116.1	<b>115.2</b>	-0.8%	
(to revenue)	18.5%	16.1%		-2.4p
<b>Other income, expenses</b>	3.2	<b>1.8</b>	-43.5%	
(to revenue)	0.5%	0.3%		-0.2p
<b>Operating profit</b>	119.4	<b>117.0</b>	-2.0%	
(to revenue)	19.0%	16.3%		-2.7p
<b>Finance income, costs</b>	14.8	<b>9.7</b>	-34.2%	
(to revenue)	2.4%	1.4%		-1.0p
<b>Profit before income taxes</b>	134.2	<b>126.8</b>	-5.5%	
(to revenue)	21.4%	17.7%		-3.7p
<b>Profit attributable to owners of the parent</b>	93.5	<b>85.0</b>	-9.1%	
(to revenue)	14.9%	11.9%		-3.0p

In the first quarter of FY2023, Fast Retailing Group revenue increased to ¥716.3 billion (+14.2% year on year), while operating profit decreased slightly to ¥117.0 billion (-2.0%).

## Group: FY2023 1Q Main Points

- Revenue: ¥716.3bln (+14.2% y/y), operating profit: ¥117.0bln (-2.0% y/y). Profit from UNIQLO Mainland China declined sharply on **COVID-19 restrictions**. UNIQLO Japan sales struggled, and profit dipped due to warm November weather, but sales picked up sharply in December and performance is recovering.
- Except for Greater China region and Japan, **UNIQLO reported large revenue, profit gains in all markets**. Record results for SE Asia, N. America, Europe (ex. Russia).
- GU reported large revenue and profit gains. **Back on an expansive growth track**.
- Decline in consolidated profit was small thanks to **diversified earnings pillars**.
- In a global inflationary environment, **LifeWear** sold well in all markets as high-quality everyday wear offered at affordable prices for a wide range of customers. **Now in a position to further expand sales**.
- 1Q below target. Large revenue gains (**double-digit same-store sales growth**) for UNIQLO in all markets except Mainland China and for GU in December **above plan**.
- **Expect to achieve** consolidated forecasts for FY2023 first half and full year.

In the first quarter of FY2023, consolidated revenue increased significantly while operating profit contracted slightly. This was due primarily to a sharp contraction in profit from UNIQLO Mainland China due to COVID-19 restrictions. UNIQLO Japan sales struggled, and profit dipped due to warm November weather, but sales picked up markedly in December and performance is now recovering.

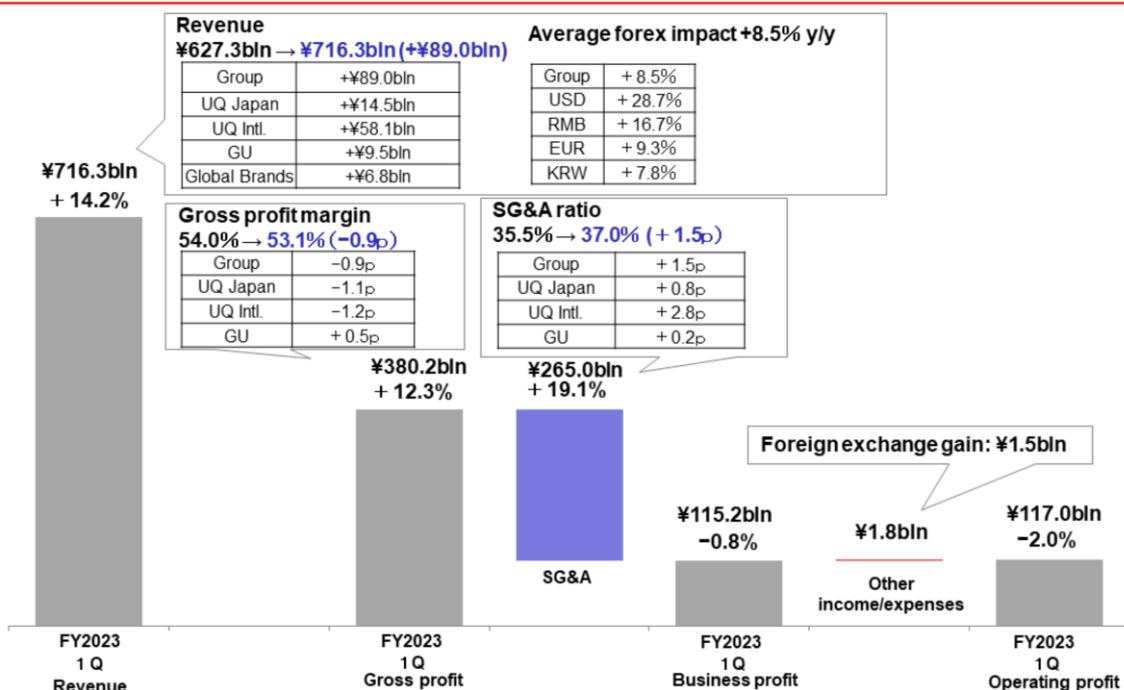
With the exception of the Greater China region and Japan, all other UNIQLO operations reported large revenue and profit gains in the first quarter and Southeast Asia, North America, and Europe (ex. Russia) even achieved record high results.

In addition, GU reported large revenue and profit gains and is now moving back onto an expansive growth track. This diversification of our earnings pillars has helped keep any decline in consolidated profit within a very small level.

LifeWear sold well in all markets in this global inflationary environment because it offers high-quality everyday wear at affordable prices to a wide range of customers. Indeed, we feel we are now in a position to further expand sales going forward.

Despite the fact that consolidated performance came in below target in the first quarter, the double-digit growth in same-store sales and large revenue gains in December for UNIQLO operations in all markets except Mainland China and for GU exceeded our expectations. As a result, we expect to be able to achieve our consolidated forecasts for both the first half and the full year of FY2023.

# Group: FY2023 1Q Operating Profit



Looking first at the consolidated income statement, consolidated revenue increased by ¥89.0 billion to ¥716.3 billion in the first quarter. This was due to increases in revenue of ¥58.1 billion at UNIQLO International and ¥14.5 billion at UNIQLO Japan.

The consolidated gross profit margin contracted by 0.9 point to 53.1% in the first quarter due primarily to lower margins at UNIQLO International and UNIQLO Japan.

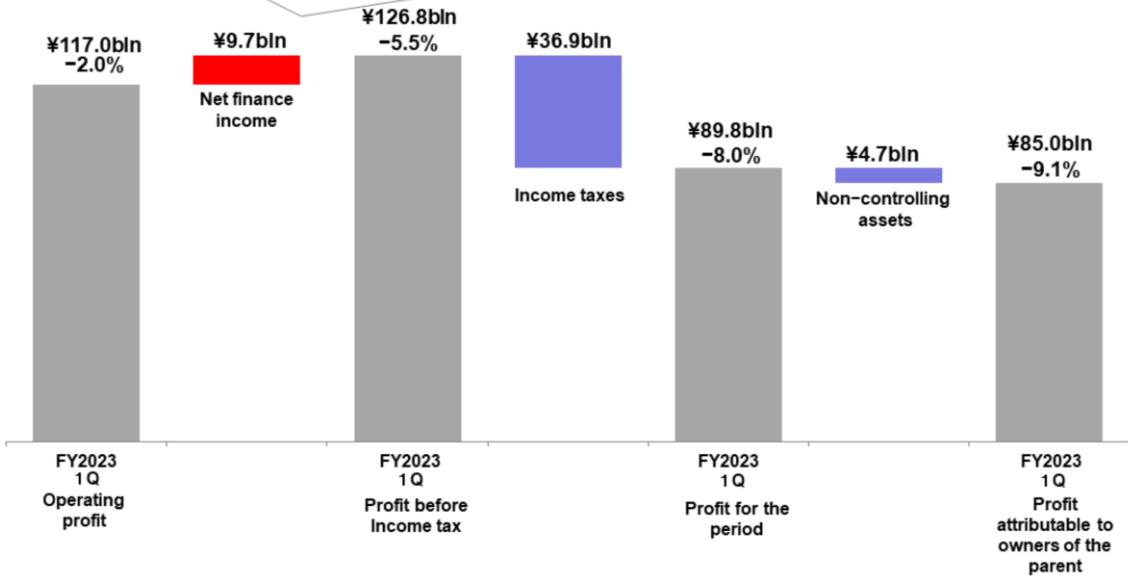
The SG&A-to-revenue ratio rose 1.5 points to 37.0% primarily on the back of a large decline in sales in the Mainland China market.

The net amount of other income/expenses stood at ¥1.8 billion.

As a result of the above factors, first-quarter operating profit declined slightly to ¥117.0 billion (-2.0%).

# Group: FY2023 1Q Profit Attributable to Owners of the Parent

Interest: ¥8.3bln  
 Foreign exchange gains: ¥3.9bln  
 (September 1, 2022: 1USD=138.7JPY, November 30, 2022: 1USD= 138.8JPY)



We recorded ¥9.7 billion under the finance income net of costs component of operating profit. This was due primarily to an increase in interest associated with higher volumes of bonds under management, and to foreign exchange gains. Our bond portfolio consists of relatively short, highly safe bonds.

As a result, profit before income taxes decreased by 5.5% to ¥126.8 billion.

Profit attributable to the owners of the parent decreased by 9.1% to ¥85.0 billion in the first quarter.

# 1Q Breakdown by Group Operation

unit : billion of yen		Yr to Aug. 2022		Yr to Aug. 2023	
		(3 mths to Nov.2022)		(3 mths to Nov.2023) Actual	y/y
UNIQLO Japan	Revenue	226.4	240.9	+6.4%	
	Business profit (to revenue)	41.2 18.2%	39.2 16.3%	-4.8% -1.9p	
	Other income, expenses	0.5	0.2	-63.5%	
	Operating profit (to revenue)	41.8 18.5%	39.4 16.4%	-5.6% -2.1p	
UNIQLO International	Revenue	299.7	357.8	+19.4%	
	Business profit (to revenue)	60.7 20.3%	57.9 16.2%	-4.5% -4.1p	
	Other income, expenses	-0.7	-0.6	-	
	Operating profit (to revenue)	59.9 20.0%	57.2 16.0%	-4.4% -4.0p	
GU	Revenue	69.8	79.3	+13.6%	
	Business profit (to revenue)	8.8 12.7%	10.3 13.0%	+16.3% +0.3p	
	Other income, expenses	0.0	0.2	-	
	Operating profit (to revenue)	8.9 12.8%	10.6 13.4%	+19.3% +0.6p	
Global Brands	Revenue	30.7	37.6	+22.4%	
	Business profit (to revenue)	1.4 4.6%	0.7 1.9%	-48.1% -2.7p	
	Other income, expenses	1.1	-0.0	-	
	Operating profit (to revenue)	2.5 8.3%	0.7 1.9%	-72.1% -6.4p	

Note: In addition to the above, the consolidated results also include Fast Retailing's real estate leasing business as well as adjustment amounts that are not attributable to any of the four reporting segments.

Slide 7 displays the breakdown of FY2023 first-quarter performance by Group operation.

# UNIQLO Japan: 1Q Overview

## Revenue rises, profit falls

- Revenue rose on strong September and October sales, but gross profit margin and operating profit dipped after warm weather in bumper trading month of November stifled sales. Result was slightly below forecast.
- December sales reached record high levels. Revenue and profit rose year on year for the four months in total.

unit : billion of yen	Yr to Aug. 2022	Yr to Aug. 2023	
	(3 mths to Nov.2022)	(3 mths to Nov.2023)	y/y
<b>Revenue</b>	226.4	<b>240.9</b>	+6.4%
(to revenue)	100.0%	100.0%	-
<b>Gross profit</b>	114.6	<b>119.2</b>	+4.1%
(to revenue)	50.6%	49.5%	-1.1p
<b>SG&amp;A</b>	73.3	<b>80.0</b>	+9.0%
(to revenue)	32.4%	33.2%	+0.8p
<b>Business profit</b>	41.2	<b>39.2</b>	-4.8%
(to revenue)	18.2%	16.3%	-1.9p
<b>Other income, expenses</b>	0.5	<b>0.2</b>	-63.5%
(to revenue)	0.3%	0.1%	-0.2p
<b>Operating profit</b>	41.8	<b>39.4</b>	-5.6%
(to revenue)	18.5%	16.4%	-2.1p

Let me first explain the first-quarter performance for our UNIQLO Japan segment.

UNIQLO Japan revenue increased 6.4% year on year to ¥240.9 billion, while operating profit contracted by 5.6% to ¥39.4 billion.

Segment revenue rose year on year in September and October on the back of strong sales. However, persistently warm weather in the bumper trading month of November stifled sales, resulting in an overall decline in the first-quarter gross profit margin and a contraction in first-quarter operating profit. That overall result fell slightly short of our business estimates.

Having said that, sales reached record high levels in the month of December, so, if we take the four months from September to December in total, revenue and profit both increased year on year.

# UNIQLO Japan: 1Q Revenue

## 1Q (Sep. to Nov.) same-store sales +4.7% y/y

- Colder-than-usual weather in September and October resulted in strong sales of jackets, souffle yarn knitwear, cashmere, HEATTECH, and other Fall Winter ranges. On-trend tucked wide-leg pants also sold well.
  - Revenue dipped in November on warm weather and lack of new collaborative products such as +J.
  - Revised prices of some Fall Winter items, but those sold well overall. Strong sales of HEATTECH T-shirts (extra warm), wireless bras, and other products designed to satisfy specific customer demands. Products whose product value had been updated in terms of functionality, materials, and design also sold strongly.
  - Average purchase price: +9.5% y/y. (1) strong sales of outerwear and bottoms, (2) price increases on some items, (3) lower discounting rates.
  - 1Q e-commerce sales: ¥39.2bln (+6.8% y/y), ratio of total sales: 16.3%
  - December same-store sales +16.9% y/y. Highest ever level of sales for a single month.
- (1) Strong sales of HEATTECH, outerwear, and other warm clothes as weather remained cold throughout December, (2) Strong year-end bargain sales.

Same-store sales y/y	Yr to Aug.2023				
	Sep.	Oct.	Nov.	1Q	Dec.
Net sales	+11.0%	+12.8%	-3.8%	+4.7%	+16.9%
Customer visits	-2.9%	+1.4%	-9.7%	-4.4%	+1.8%
Customer spend	+14.4%	+11.3%	+6.5%	+9.5%	+14.8%

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UNIQLO Japan same-store sales increased by 4.7% year on year in the first quarter from September through November 2022.

Colder-than-usual weather in September and October generated strong sales of jackets, souffle yarn knitwear, cashmere, HEATTECH, and other Fall Winter ranges. On-trend tucked wide-leg pants also sold well. However, revenue then dipped in November due to the warm weather and a lack of new +J or other collaborative products this year compared to last year.

Despite having revised the prices of some Fall Winter items, those items sold well overall. Sales of HEATTECH T-shirts (extra warm), wireless bras, and other products designed to satisfy specific customer demands proved strong, as did sales of products with updated product value generated by improvements in functionality, materials, and design, etc.

The average purchase price in the first quarter increased by 9.5% year on year. That was due to strong sales of comparatively expensive outerwear and bottoms, price increases on some items, and lower discounting rates.

As I have already mentioned, same-store sales expanded by an impressive 16.9% year on year in December to their highest level ever for the month. That strong performance was supported by buoyant sales of HEATTECH, outerwear, and other warm clothes during a consistently cold month as well as strong year-end bargain sales.

## UNIQLO Japan: Gross Profit Margin, SG&A

**Gross profit margin: 49.5% (down 1.1 points y/y)**

- Procurement costs and cost of sales increased on rapid yen depreciation.
- Took out long-term forward exchange contracts on a large portion of planned sales for UNIQLO Japan to reduce the impact of recent sharp fluctuations in exchange rates.
- Some orders not covered by the forward contracts and orders that exceeded our plans were purchased using spot exchange rates and procurements costs rose as a result of the rapid depreciation in the yen.
- Discounting rates improved on stronger efforts to control discounting.

**SG&A ratio: 33.2% (up 0.8 point y/y)**

- Roughly in line with plan in monetary terms.
- Main higher SG&A ratios were personnel costs and advertising and promotion expenses.
- ✓ Personnel ratio: Increased hourly wages for part-time and temporary staff. Productivity expected to improve in the medium term as we work hard to boost efficiency of store operations and reduce workloads. Personnel ratio expected to improve as a result.
- ✓ A&P: More TV ads, stronger efforts to appeal the value of our products.

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Let's look next at the UNIQLO Japan gross profit margin which declined by 1.1 points in the first quarter to 49.5%.

That decline was due partly to an increase in procurement costs and cost of sales in the wake of the rapid depreciation in the Japanese yen. We did put long-term forward exchange contracts in place for a large portion of our planned sales for UNIQLO Japan to try and help reduce the impact of recent sharp exchange rate movements. However, some orders that were not covered by the forward contracts as well as some additional orders that resulted from higher-than-expected activity were purchased using spot exchange rates and procurements costs on those orders rose as a result of the rapid depreciation in the yen. Meanwhile, discounting rates declined as we worked hard to control discounts.

UNIQLO Japan's first-quarter SG&A ratio increased by 0.8 point year on year to 33.2%. SG&A expenses were roughly in line with our plan in monetary terms. The SG&A components ratios that increased in the first quarter were personnel expenses and advertising and promotion.

The personnel ratio rose on the back of our decision to strategically increase hourly wages for part-time and temporary staff. We are currently pursuing initiatives designed to boost the efficiency of our store operations and reduce workloads, which we expect will help improve productivity and consequently the personnel ratio in the medium term.

Meanwhile, expenditure on advertising and promotion rose as we increased the number of TV commercials and enhanced our efforts to advertise the value that our products offer.

# UNIQLO International: 1Q Overview

## Record results: S/SE Asia & Oceania, N. America, Europe (ex. Russia)

- Profit down as COVID-19 restrictions impact Mainland China and suspended Russia operation generates a loss.
- S/SE Asia & Oceania, N. America, and Europe (ex. Russia) strong. Large revenue, profit gains outstrip plan.
- UNIQLO Intl. sales and operating profit fall short of plan on lower-than-expected Greater China region results.

unit : billion of yen	Yr to Aug. 2022	Yr to Aug. 2023	
	(3 mths to Nov.2022)	(3 mths to Nov.2023)	y/y
<b>Revenue</b>	299.7	<b>357.8</b>	+19.4%
(to revenue)	100.0%	100.0%	-
<b>Gross profit</b>	171.2	<b>200.1</b>	+16.9%
(to revenue)	57.1%	55.9%	-1.2p
<b>SG&amp;A</b>	110.5	<b>142.2</b>	+28.6%
(to revenue)	36.9%	39.7%	+2.8p
<b>Business profit</b>	60.7	<b>57.9</b>	-4.5%
(to revenue)	20.3%	16.2%	-4.1p
<b>Other income, expenses</b>	-0.7	<b>-0.6</b>	-
(to revenue)	-	-	-
<b>Operating profit</b>	59.9	<b>57.2</b>	-4.4%
(to revenue)	20.0%	16.0%	-4.0p

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I would now like to move on to talk about UNIQLO International performance in the first quarter of FY2023.

UNIQLO International reported a considerable increase in revenue, which climbed 19.4% to ¥357.8 billion. However, that was accompanied by a decline in operating profit of 4.4% to ¥57.2 billion.

The lower profit figure was due to a significant decline in profit from the Mainland China market after that operation was severely impacted by COVID-19 restrictions on movement, as well as the ongoing suspension of our Russia operation, which resulted in a loss.

On the other hand, the South Asia, Southeast Asia & Oceania, North America, and Europe (ex. Russia) regions all performed strongly, producing large increases in revenue and profit that went beyond our expectations and achieving record high results.

For the UNIQLO International segment as a whole, sales and operating profit both fell short of plan due to the lower-than-expected results from the Greater China region.

I will give a more detailed regional breakdown of UNIQLO International's first-quarter performances in the next few slides. I will explain all the regional results in local currency terms to give you a more accurate understanding of the actual situation in each area.

## Greater China region: Large declines in revenue and profit

### Mainland China market: Large declines in revenue and profit

- 1Q sales struggled as consumer appetite declined due to COVID-19 restrictions and we had to temporarily close up to 247 stores in Beijing and Guangzhou.
- Gross profit margin dipped slightly after cost of sales rose on weaker yuan and soaring raw materials prices.
- SG&A ratio rose in line with lower sales and as a result of strategic decisions to increase competitive wages to ensure medium- to long-term growth and to increase systems investment to make stores more efficient.
- December sales recovered temporarily as COVID-19 restrictions were eased but then dipped again from mid-month as more people voluntarily refrained from going out across the Mainland China market.
- Sales recovering sharply in early January. COVID-19 infections are settling down.
- Our employees in Mainland China market: Many employees were infected with COVID-19 during the December peak, nearly all with mild symptoms and no serious cases. The majority have now recovered and are back at work. Number of infections in January has dropped sharply compared to the December peak.
- Latest same-store sales show double-digit growth. We believe we can get back on a growth track once people get used to with-COVID living.

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The Greater China region reported considerable declines in both revenue and profit in the first quarter.

Let me look first at the Mainland China market, which reported a large contraction in revenue and profit. First-quarter sales struggled as consumer appetite for clothing declined in the wake of COVID-19 restrictions and we were forced to temporarily close as many as 247 stores primarily in Beijing and Guangzhou.

The gross profit margin the Mainland China market dipped slightly after cost of sales rose on the back of a weaker yuan and soaring raw materials prices. The SG&A ratio increased, due partly to the decline in sales and partly to our strategic decisions to increase competitive wages to ensure medium- to long-term growth and to increase systems investment to make stores more efficient.

Sales recovered temporarily once into December as COVID-19 restrictions were eased. However, sales then dipped again from mid-month as more people voluntarily refrained from going out across the Mainland China market. Having said that, the latest data show a sharp recovery in sales in early January, and recent COVID-19 infections do seem to be settling down. Taking our own employees as an example, while many employees were infected with COVID-19 during the December peak, nearly all those employees suffered only mild symptoms and there were no serious cases. The majority of our employees have now recovered and are back at work.

In January, the number of infections among Fast Retailing employees has been declining significantly compared to the December peak.

The latest data show double-digit growth in same-store sales, so we believe we will be able to move back onto a growth track once people grow more accustomed to with-COVID living.

## Hong Kong market: Revenue dips, profit declines sharply.

- Revenue down as warmer-than-usual weather from mid-October through November stifled sales of fleece, Ultra Light Down, and other Winter ranges.
- Gross profit margin down on higher discount sales. SG&A ratio rose primarily on lower revenue, but also due to higher distribution costs.

## Taiwan market: Large declines in revenue and profit

- 1Q revenue down: September, October sales revenue rose on favorable sales, but record high average temperatures in November stifled sales of Winter items.
- Gross profit margin declined as foreign exchange movements inflated cost of sales.
- SG&A ratio rose on lower revenue, but also stronger marketing and strategic wage increases.
- Sales recovered sharply in both Hong Kong market and Taiwan market after weather turned colder in December.

## South Korea: Revenue and profit both rise

- Sales proved strong and same-store sales rose on stronger promotion of casual outerwear and knitwear items from the start of the season.
- Operating profit margin improved on lower SG&A ratio.

In the Hong Kong market, revenue declined in the first quarter and profit contracted sharply. The decline in revenue can be put down to the warmer-than-usual weather from mid-October through November, which stifled sales of fleece, Ultra Light Down, and other Winter ranges.

The Taiwan market reported significant declines in both revenue and profit in the first quarter. While revenue increased in September and October on the back of favorable sales, record high average temperatures in November stifled sales of Winter items, resulting in a decline in first-quarter revenue overall.

However, sales have been recovering sharply in both the Hong Kong market and the Taiwan market since the weather turned colder in December.

UNIQLO South Korea reported higher revenue and profit in the first quarter. Stronger efforts to promote casual outerwear and knitwear items from the start of the season resulted in buoyant sales and an increase in same-store sales. South Korea's operating profit margin also improved on the back of a lower SG&A ratio.

## South Asia, Southeast Asia & Oceania: Large revenue and profit gains

- Revenue rises sharply on double-digit growth in same-store sales.
- Very strong performance and significant revenue and profit gains in all markets except Indonesia which was impacted by import quotas.
- Consumer appetite and travel-related demand recovered. Customer support for our products rose even further as we continued to convey pertinent information primarily about our core ranges.
- UNIQLO anniversary sale proved strong. Strong sales in newly opened stores also exceeded expectations.
- Sales of staple core items such as T-shirts, polo shirts, and wireless bras proved strong. Winter items such as HEATTECH and souffle yarn knitwear also sold well thanks to a recovery in international travel demand.
- Operating profit margin improved year on year thanks to a lower SG&A ratio.
- E-commerce sales rose by approximately 40% year on year.
- In Indonesia alone, revenue rose but operating profit declined sharply.
  - ✓ Import quota regulations on clothing introduced in January 2022 resulted in delays in product transportation, lost sales opportunities, and below-plan 1Q sales.
  - ✓ Safeguards on clothing (emergency import restrictions) that came into effect in November 2021 resulted in additional tariffs on product imports, which greatly reduced the gross profit margin.
  - ✓ We are currently dramatically increasing the ratio of local production in Indonesia so expect to gradually reduce this impact from the second half of FY2023.

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The South Asia, Southeast Asia & Oceania region reported significantly higher revenue and profit in the first quarter along with double-digit growth in same-store sales.

Breaking down the region's performance into individual operations, all markets produced a strong performance and significant revenue and profit gains, with the exception of Indonesia, which was impacted by import quotas. Consumer appetite and travel-related demand recovered across the region and customer support for our products grew even stronger as we persisted with our efforts to convey pertinent information primarily about our core ranges. Sales also proved strong during the UNIQLO anniversary sale and buoyant sales at newly opened stores also exceeded expectations. In terms of products, sales of staple core items such as T-shirts, polo shirts, and wireless bras proved strong, and Winter items such as HEATTECH and souffle yarn knitwear also sold well thanks to that recovery in international travel demand.

In Indonesia, while revenue increased, operating profit did decline sharply. In January 2022, import quota regulations were introduced for clothing items. That led to subsequent delays in product transportation and lost sales opportunities, which resulted in lower-than-expected first-quarter sales. Furthermore, safeguards on clothing (emergency import restrictions) that came into effect in November 2021 resulted in additional tariffs on product imports, which significantly reduced our gross profit margin. We are currently striving to dramatically increase the proportion of local production in Indonesia, and we expect to be able to gradually reduce this negative factor from the second half of FY2023.

## North America: Large revenue and profit gains

- Large increase in revenue with double-digit growth in same-store sales in both the USA and Canada

### USA

- In addition to consistent efforts to convey pertinent information for branding purposes, we also strengthened marketing of core Winter ranges, which resulted in strong sales throughout the first quarter.
- Much higher sales of products with enhanced seasonal launches, such as HEATTECH and down outerwear.
- Much higher, strong sales of year-round products such as AIRism Cotton Oversized T-shirts, rayon blouses, and wireless bras.
- Gross profit margin dipped slightly. Used air transport more aggressively than in the previous year to satisfy customer demand as much as possible and stay abreast of strong sales.
- SG&A ratio improved on more efficient warehouse operations and other improvements.

### Canada

- Strong sales of HEATTECH, Ultra Light Down, fleece, and other ranges after we strengthened information about core Winter products.

Looking next at the North America region, UNIQLO North America maintained its strong performance by reporting large increases in both revenue and profit in the first quarter of FY2023. That large increase in revenue was fueled by double-digit growth in same-store sales in both the United States and Canada.

In the United States, we continued our efforts to convey pertinent information for branding purposes and strengthened our marketing of core Winter ranges, which resulted in strong sales throughout the first quarter. Products that had benefitted from enhanced seasonal launches, such as HEATTECH and down outerwear, generated much higher sales. The market also witnessed much higher and much stronger sales of year-round products such as AIRism Cotton Oversized T-shirts, rayon blouses, and wireless bras.

The UNIQLO USA gross profit margin did decline slightly in the first quarter mainly due to our decision to utilize air transportation more aggressively than in the previous year in order to satisfy customer demand as much as possible and stay abreast of strong sales. However, the SG&A ratio improved on more efficient warehouse operations and other enhancements.

In Canada, HEATTECH, Ultra Light Down, fleece, and other ranges generated strong sales after we scaled up our efforts to convey pertinent information about core Winter products.

## Europe (ex. Russia): Large revenue rise. Profit expands

- Achieved large rise in 1Q revenue and double-digit growth in same-store sales.
- Sales of HEATTECH and Danpan Warm Pants proved especially strong in September when the weather turned sharply colder.
- HEATTECH sales proved especially strong. Our efforts to convey stronger product information helped customers understand the functionality and value of our products better. New customers also started buying HEATTECH on the recommendation of existing customers.
- The gross profit margin declined on the back of the sharp depreciation of the Euro.
- The SG&A ratio rose slightly on higher personnel costs due to our decision to raise wages and a temporary increase in distribution expenses.
- Our Russia operation has remained closed since March 2022, resulting in an operating loss.

UNIQLO Europe (ex. Russia) reported significantly higher revenue and an increase in profit in the first quarter of FY2023.

The region achieved a large increase in first-quarter revenue on the back of double-digit growth in same-store sales. Sales of HEATTECH and Danpan Warm Pants proved especially strong in September when the weather turned sharply colder.

In fact, HEATTECH generated extremely buoyant sales as our drive to convey stronger product information proved successful in terms of helping customers understand the functionality and value of our products more clearly. New customers also started buying HEATTECH on the recommendation of existing customers.

The region's gross profit margin declined on the back of the sharp depreciation of the Euro, and the SG&A ratio rose slightly on higher personnel costs following our decision to raise wages and a temporary increase in distribution expenses.

# GU: 1Q Overview

## Large revenue and profit gains. Outstrips forecasts

- 1Q same-stores sales increased. Strong sales on tighter number of product types and sufficient volumes of products that captured the mass fashion trends.
- Distribution returned to normal, facilitating agile additional orders of strong-selling items. Colder weather in October also boosted sales.
- Heavyweight sweat wear, wide-leg pants, and heat padded outerwear sold especially well.
- The gross profit margin rose on lower discounting rates and the operating profit margin also improved.
- E-commerce sales rose considerably y/y to constitute approximately 13% of total sales.

unit : billion of yen	Yr to Aug. 2022	Yr to Aug. 2023	
	(3 mths to Nov.2022)	(3 mths to Nov.2023)	y/y
<b>Revenue</b>	<b>69.8</b>	<b>79.3</b>	<b>+13.6%</b>
(to revenue)	100.0%	100.0%	-
<b>Gross profit</b>	<b>33.8</b>	<b>38.8</b>	<b>+14.8%</b>
(to revenue)	48.5%	49.0%	+0.5p
<b>SG&amp;A</b>	<b>24.9</b>	<b>28.5</b>	<b>+14.2%</b>
(to revenue)	35.8%	36.0%	+0.2p
<b>Business profit</b>	<b>8.8</b>	<b>10.3</b>	<b>+16.3%</b>
(to revenue)	12.7%	13.0%	+0.3p
<b>Other income, expenses</b>	<b>0.0</b>	<b>0.2</b>	<b>-</b>
(to revenue)	0.0%	0.4%	+0.4p
<b>Operating profit</b>	<b>8.9</b>	<b>10.6</b>	<b>+19.3%</b>
(to revenue)	12.8%	13.4%	+0.6p

Next, let me move onto our GU operation, which reported higher-than-expected results and significant revenue and profit gains in the first quarter. GU revenue totaled ¥79.3 billion (+13.6%) and operating profit totaled ¥10.6 billion (+19.3%).

First-quarter same-stores sales increased year on year. Those strong sales were generated by tightening the number of product types on offer and ensuring a sufficient volume of products that captured mass fashion trends. Distribution channels returned to normal, enabling us to submit additional orders of strong-selling items in a more agile and flexible manner, and colder weather in October also helped boost sales.

On the product front, heavyweight sweat wear, wide-leg pants, and heat padded outerwear were the standout best sellers.

On the profit front, the gross profit margin rose on lower discounting rates and the operating profit margin also improved.

# Global Brands: 1Q Overview

## Profit declines despite large revenue increase

**Theory:** Revenue rises sharply but profit dips on lower profits from US and Asia (primarily Greater China)

-US: Large revenue gain but stronger discounting resulted in lower GPM, higher SG&A ratio, and lower profit.

-Asia: Sales held steady but operating profit declined after up to roughly 50% of stores had to close temporarily due to COVID-19.

-Japan: Revenue and profit rose thanks to the recovery in department store customer visits and our strategic increases in inventory of strong-selling items.

**PLST:** Slightly higher revenue and profit

-Strong sales of light haori jackets and mainstay Stick Pants resulted in higher same-stores sales.

**Comptoir des Cottonniers:** Revenue down, business loss steady y/y, operating loss slightly wider.

-Despite strong Fall Winter launches in a cold September, sales struggled overall due to warmer weather from October and lackluster customer appetite in the face of rising inflation.

unit: billion of yen		Yr to Aug. 2022	Yr to Aug. 2023	
		(3 mths to Nov.2022)	(3 mths to Nov.2023) Actual	y/y
Global Brands	Revenue	30.7	37.6	+22.4%
	Business profit	1.4	0.7	-48.1%
	(to revenue)	4.6%	1.9%	-2.7p
	Other income, expenses	1.1	-0.0	-
	Operating profit	2.5	0.7	-72.1%
	(to revenue)	8.3%	1.9%	-6.4p

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Our fourth and final business segment, Global Brands, reported a 22.4% increase in revenue to ¥37.6 billion but a 72.1% decrease in operating profit to ¥0.7 billion. Both the sales and the operating profit figures fell short of our business estimates.

Our Theory label generated sharply higher revenue, but a smaller operating profit. This was due primarily to a decline in profits from the US operation as well as the Asian operation, which focuses primarily on the Greater China region.

Theory USA reported a large increase in revenue. However, stronger discounting knocked the gross profit margin lower and the SG&A ratio higher, resulting in a decline in profits.

Theory Asia generated steady sales year on year. However, operating profit declined after up to roughly 50% of stores had to close temporarily due to COVID-19.

On the other hand, Theory Japan generated both higher revenue and profit thanks to a recovery in department store customer visits and our decision to strategically increase inventory of strong-selling items.

Meanwhile, PLST reported slightly higher revenue and profit in the first quarter as strong sales of light haori jackets and mainstay Stick Pants generated higher same-stores sales.

Finally, our Comptoir des Cottonniers brand reported a decline in revenue, a steady loss under business profit/loss, and a slightly wider operating loss in the first quarter. Despite strong launches of Fall Winter ranges after the weather turned colder in September in Europe, warmer weather from October and lackluster customer appetite in the face of rising inflation resulted in sluggish overall sales for the quarter.

## Group: Balance Sheet (end Nov. 2022)

unit : billion of yen	End Nov. 2021	End Aug. 2022	End Nov. 2022	Change
Total Assets	2,658.7	3,183.7	<b>3,196.8</b>	+538.0
Current Assets	1,854.2	2,178.8	<b>2,108.8</b>	+254.6
Non-Current Assets	804.4	1,004.9	<b>1,087.9</b>	+283.4
Total Liabilities	1,393.8	1,568.3	<b>1,579.0</b>	+185.2
Total Equity	1,264.8	1,615.4	<b>1,617.7</b>	+352.8

Next, I would like to take you through our balance sheet as it stood at the end of November 2022.

Compared to the end of November 2021, total assets increased by ¥538.0 billion to ¥3.1968 trillion.

Total liabilities increased by ¥185.2 billion to ¥1.5790 trillion.

Total equity increased by ¥352.8 billion to ¥1.6177 trillion.

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

**Total equity: +¥538.0bln (¥2.6587trln⇒¥3.1968trln)**

• **Other financial assets (short & long term): +¥507.9bln (¥127.5bln⇒¥635.5bln)**

• **Cash and cash equivalents: -¥290.1bln (¥1.2041trln⇒¥914.0bln)**

Used cash holdings to buy comparatively short-term, highly safe bonds, so investment securities rose and cash and cash equivalents declined. Exclude the bond purchases and cash would have increased ¥120.0bln.

• **Inventory assets: +¥165.2bln (¥405.1bln⇒¥570.3bln)**

Increased considerably compared to low inventory in previous year on delivery delays and due to higher inventory totals in yen terms as a result of the weaker yen.

**UQ Intl: +¥94.0bln:** Rose primarily in SE Asia, Europe, N. America. Increased purchase totals in line with rising sales so inventory is at an acceptable level. Greater China region inventory rose marginally to a slightly excessive level. Mainly core products so plan to run down through the next fiscal year.

**UQ Japan: +¥47.9bln:** (1) Warm weather during the bumper month of November resulted in lower-than-expected sales, (2) Costs rose y/y. Strong sales from December as temperatures fell, so expect end February inventory to be at an appropriate level.

**GU: +¥10.8bln:** Rose in line with rising sales, **Global Brands: +¥11.8bln:** Higher inventory mainly at Theory.

• **Derivative financial assets (short & long term): +¥136.1bln (¥71.4bln⇒¥207.5bln)**

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 considerably. Hedge accounting so no impact on P&L.

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Let me explain the factors underlying the ¥538.0 billion increase in total assets.

Other financial assets increased by ¥507.9 billion. This was primarily due to our decision to use cash holdings to buy more comparatively short-term, highly safe bonds, which led to an increase in investment securities. As a result, cash and cash equivalents decreased by ¥290.1 billion year on year to ¥914.0 billion at the end of November 2022. However, if we strip out those bond purchases, cash and cash equivalents would have increased by ¥120.0 billion.

Total inventories rose by ¥165.2 billion to ¥570.3 billion. That larger increase in inventories was due partly to the fact that the figure was being compared to the previous year when delivery delays kept inventory artificially low, and partly because the monetary totals for inventories increased in yen terms as a result of the weaker yen.

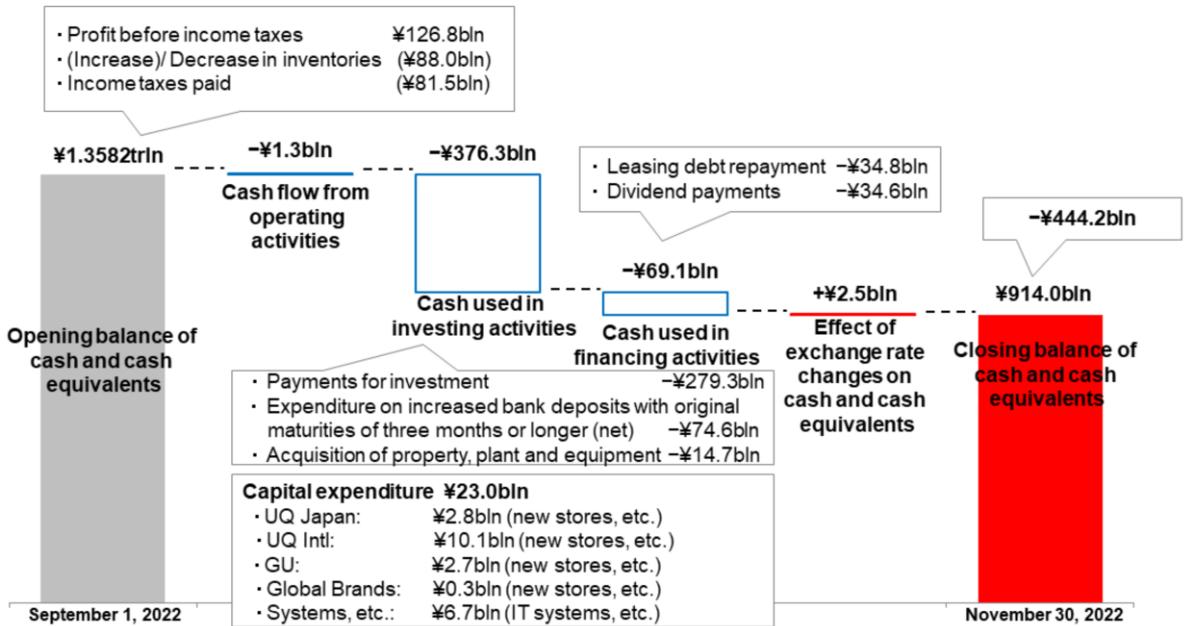
Breaking the inventory figure down by business segment, inventory at UNIQLO international increased by ¥94.0 billion and inventory at UNIQLO Japan increased by ¥47.9 billion.

UNIQLO International inventory rose primarily in Southeast Asia, Europe and North America, but this was due to higher purchase totals in line with rising sales, so we do not feel that the current inventory level is a problem. Inventory from the Greater China region expanded marginally and is currently sitting at a slightly excessive level. However, that inventory consists mainly of core products, which we plan to run down through FY2024.

UNIQLO Japan inventory rose on the back of warm weather during the bumper sales month of November, which resulted in lower-than-expected sales. Inventories also rose in monetary terms on the

back of rising costs compared to the previous year. Given that sales subsequently strengthened from December onwards once the weather turned colder, we expect inventory will return to an appropriate level by the end of February.

# Group: 1Q Cash Flow



\* Applying IFRS 16 increased cash flow from operating activities by approx. ¥30.0trln and decreased cash used in financing activities by the same amount. This change had no impact on final cash flow figure.

Looking next at our cash flow position for the first quarter of FY2023, which is displayed here on slide 21. The balance of cash and cash equivalents had decreased by ¥444.2 billion year on year to ¥914.0 billion at the end of November 2022 compared to the beginning of the period.

Cash used in investing activities accounted for ¥376.3 billion of that ¥444.2 billion decrease. Of that, we used ¥279.3 billion on acquiring investment securities as part of our drive to diversify some of our cash holdings into highly secure investments and ¥74.6 billion on increasing bank deposits with original maturities of three months or longer.

Meanwhile, cash flow from operating activities totalled -¥1.3 billion. Expenditures included ¥88.0 billion in increased inventory assets and ¥81.5 billion in income tax paid.

Inventory assets increased partly on the back of efforts to build up inventory in preparation for our renewed aggressive business expansion and partly due to sluggish sales in the face of persistently throughout the bumper sales month of November.

Income tax paid increased significantly compared to previous years due to the strong business performance in the first quarter of FY2022.

## Group: FY2023 Estimates

### Expect big full-year revenue, profit gains. No change to initial estimates

- Strong sales in all UNIQLO markets except Mainland China and at GU outstripping plans from December.
- We expect revenue and profit increases to be in line with our forecasts for the first half as a whole.
- Mainland China business is fluid due to COVID-19 but still believe 2H estimates are achievable at this stage.
- Current exchange rates are fluctuating widely, so have not changed our initial exchange rate assumptions.

unit : Billion of Yen	Yr to Aug.2022	Yr to Aug.2023		Yr to Aug.2023
	Actual	Estimates (as of Jan.12)	y/y	1Q Actual
<b>Revenue</b> (to revenue)	2,301.1 100.0%	<b>2,650.0</b> 100.0%	<b>+15.2%</b> -	716.3 100.0%
<b>Business profit</b> (to revenue)	306.7 13.3%	<b>350.0</b> 13.2%	<b>+14.1%</b> -0.1p	115.2 16.1%
<b>Other income, expenses</b>	-9.3	<b>0</b>	-	1.8
<b>Operating profit</b> (to revenue)	297.3 12.9%	<b>350.0</b> 13.2%	<b>+17.7%</b> +0.3p	117.0 16.3%
<b>Finance income, costs</b>	116.2	<b>0</b>	-	9.7
<b>[rofit before income taxes</b> (to revenue)	413.5 18.0%	<b>350.0</b> 13.2%	<b>-15.4%</b> -4.8p	126.8 17.7%
<b>Profit attributable to owners of the parent</b> (to revenue)	273.3 11.9%	<b>230.0</b> 8.7%	<b>-15.9%</b> -3.2p	85.0 11.9%

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I would now like to explain our business forecasts for the full year to August 31, 2023.

Our FY2023 business forecasts remain unchanged from our initial estimates despite the lower-than-expected first-quarter performance.

We expect revenue and profit will increase as expected for the first half overall based on stronger-than-expected sales in December in all UNIQLO markets except Mainland China and a stronger-than-expected performance from GU.

While business in the Mainland China market remains fluid due to COVID-19, we still believe it is possible to achieve our second-half estimates at this stage.

Right now, we are seeing some strengthening in the Japanese yen, but exchange rates have been fluctuating considerably of late, so we have decided not to change the initial exchange rate assumptions upon which our business estimates are based.

# Preparing to Implement Our Growth Strategies

- Mainland China market temporarily weak, but earnings pillars diversifying across SE Asia, N. America, and Europe, so achieving steady results
- Accelerate **global headquarters transformation** and **store openings** to further strengthen earnings pillars
  - ✓ US global headquarters will start primarily with product manufacturing and fully incorporate products from Fall Winter 2023.
  - ✓ Strengthen global marketing primarily of core UNIQLO products and further promote business that encourages appreciation of the product value we offer.
  - ✓ Aim to renew UNIQLO Paris Opera global flagship by the fall, open multiple stores in major Europe cities.
  - ✓ Plan to further increase the number of new stores opened in North America next fiscal year.
- Strengthen **human resources training** and investment in human capital
  - ✓ Invigorate inter-region personnel transfers, increase opportunities for talented employees to play an active global role, nurture future executives.
- **Significantly revise remuneration tables in Japan** in addition to overseas markets and **transform organizational work styles**
  - ✓ Based on revised remuneration tables, individual remuneration will increase by between a few percent and as much as 40% depending on an employee's desire to drive growth and achievements.
  - ✓ We expect total personnel costs to increase by roughly 15% year on year in Japan.
  - ✓ Extend opportunities and higher pay to employees who can work on the global stage in stores and HQs.
  - ✓ Promote flat, agile organizational structures and a corporate culture that encourages all employees to identify, raise, and solve issues from a customer-centric perspective.
  - ✓ Aim for corporate management where employee growth strengthens corporate competitiveness, and employees can be further rewarded as a result.
  - ✓ Measures will likely have a big impact on operational growth and business efficiency. While personnel costs will rise temporarily, cost ratios will improve swiftly.

While performance in the Mainland China market remains temporarily weak, we are starting to see some steady benefits from the continued diversification of our earnings pillars across Southeast Asia, North America, and Europe.

In order to further strengthen those earnings pillars, we intend to accelerate the transformation of our global headquarters structure and speed up new store openings. Already, our US global headquarters is starting to take charge of product manufacturing functions and is scheduled to start taking over fundamental product development from Fall Winter 2023. We also intend to strengthen global marketing primarily of core UNIQLO products and promote commercial initiatives designed to inspire a deeper appreciation of the different value our products offer. On the store opening front, we aim to open a string of new stores in major cities across Europe starting with the renewal of our UNIQLO Paris Opera global flagship scheduled for this fall. We also plan to increase the number of new stores to be opened in North America next fiscal year.

We are enhancing our human resources training and investment in human capital to help implement these growth strategies and reap the subsequent benefits. That will involve invigorating inter-region personnel transfers, increasing opportunities for talented employees to play an active role on the global stage, and nurturing future executives.

We have already increased wages in all our business locations around the world in order to strengthen our global competitiveness and potential growth. We recently announced our decision to significantly revised remuneration tables in Japan as well. Based on the revised remuneration tables, individual remuneration will increase by between a few percent up to as much as 40% depending on an employee's desire to drive growth and achievements. We expect personnel costs for our various Japan-based operations and our global headquarters to increase by approximately 15% year on year following various revisions to our remuneration practices last year, including increases in the hourly wage for temporary and part-time staff. We will continue to provide professional growth opportunities in our stores and headquarters for employees who are able to work on the global stage, and to compensate them accordingly.

At the same time, we are pressing ahead with efforts to transform the way we work by promoting flat and agile organizational structures and building a corporate culture that encourages all employees to identify, discuss, and solve issues from a customer-centric perspective. Our aim is to pursue a corporate management style whereby employee growth strengthens corporate competitiveness, and employees can be further rewarded as a result.

We believe these measures will have a big impact on our operational growth and business efficiency. While we do expect personnel costs will rise temporarily as a result, we will work hard to improve the SG&A ratio as swiftly as possible.

## UNIQLO Intl.: Expected higher first-half revenue and profit

- 1Q results fell short of our performance estimates.
- Since December, all markets, with the exception of Mainland China, have generated large revenue gains and strong sales, with double-digit growth in same-store sales.
- Expect to be able to achieve revenue and profit gains that are roughly in line with our business estimates.
- All first-half regional performance estimates are calculated in local currency terms.
- Performance for the Greater China region is expected to fall short of plan with revenue declining and profit falling sharply on the dampened performance in the Mainland China market.
- Mainland China market did start to recover rapidly once into January, with double-digit growth in the latest same-store sales. We expect that market to resume its growth track from 2H onwards as people grow accustomed to living with COVID.
- Expect South Korea to generate higher revenue and profit as planned.
- Expect S/SE Asia & Oceania, N. America, and Europe (ex. Russia) to exceed plan and report significant rises in both revenue and profit.

I would now like to move on to provide a breakdown of our estimates for the first half of FY2023 by business segment.

Taking UNIQLO International first, while the first-quarter results did fall short of our business estimates, since December, all markets except Mainland China have generated large revenue gains on the back of double-digit growth in same-store sales. Given this growing strength in sales, we do expect to be able to achieve first-half revenue and profit gains that are roughly in line with our estimates.

I will explain all our first-half regional performance estimates in local currency terms.

First-half performance in the Greater China region is expected to fall short of plan with revenue declining and profit falling sharply on sluggish performance in the Mainland China market. Having said that, the Mainland China market did start to recover rapidly in January, with the latest data showing double-digit growth in same-store sales. For that reason, we expect the Mainland China market will resume its growth track from the second half of FY2023 onwards as people grow accustomed to living with COVID.

Elsewhere, we expect UNIQLO South Korea will generate the expected first-half increases in both revenue and profit. We also predict South Asia, Southeast Asia & Oceania, North America, and Europe (ex. Russia) will exceed our business estimates in the first half by reporting significant rises in both revenue and profit.

## FY2023 Estimates by Group Operation (2)

### UNIQLO Japan: Expect higher 1H revenue, roughly flat OP

- 1Q results fell short of our performance estimates.
- December sales were strong, with same-store sales rising 16.9% y/y. Expect higher revenue and roughly flat operating profit for 1H overall. This would be slightly lower than initially expected.
- Expect 1H gross profit margin to decline as sharply weaker yen boosts cost of sales. However, 1H decline likely to be similar to that experienced in 1Q. Predict a slight rise in the SG&A ratio.

### GU: Expect significant gains in 1H revenue and profit

- 1Q results exceeded expectations.
- Sales have proved stronger since December, so we expect GU will produce even stronger revenue and profit gains in 1H than originally predicted.

### Global Brands: Expect higher revenue but lower profit in 1H

- 1Q results fell short of plan, so we expect 1H performance will also fall short of plan. Forecast 1H revenue will rise but profit will contract.
- Expect revenue to rise but profit to shrink at Theory, a steady y/y performance from Comptoir des Cotonniers, and higher revenue and profit from PLST.

Let me now move on to UNIQLO Japan, which reported a lower-than-expected performance in the first quarter.

However, given the considerably stronger sales and 16.9% increase in same-store sales in December, we do expect revenue will increase and operating profit will remain largely steady year on year for the first half overall. That result would be slightly lower than initially expected.

We predict the UNIQLO Japan first-half gross profit margin will decline as the sharply weaker yen boosts cost of sales. However, we expect any first-half decline to be similar to that experienced in first-quarter. We also forecast a slight rise in the SG&A ratio.

Meanwhile, given the higher-than-expected first-quarter results and continued strong sales since December, we expect the GU segment will produce even stronger revenue and profit gains in the first half than we originally predicted.

Finally, in view of the lower-than-expected first-quarter results, we expect the Global Brands segment will also fall short of plan in the first half by reporting an increase in revenue but a decline in profit. As for the individual operations within that segment, while we expect our Theory label will generate a large increase in revenue, Theory operating profit is forecast to contract. We predict a steady year-on-year performance for Comptoir des Cotonniers, and higher revenue and profit from PLST.

## FY2023 Dividend Estimates

### Expect ¥115 interim dividend, ¥230 FY2023 dividend (after 3-for-1 stock split)

- Plan to offer three shares for each common stock in a stock split with effective date March 1, 2023. Taking the stock split into account, we now expect to offer an interim dividend of ¥115 per share and a year-end dividend of ¥115, resulting in a full-year dividend of ¥230.
- Calculated using pre-stock split parameters, that would translate into interim and year-end dividends of ¥345 and an annual dividend of ¥690, which is ¥10 higher than the expected FY2023 dividend announced in October.
- We plan to offer an interim dividend of ¥345 per share based on the number of shares held prior to the stock split because the date for allotting those rights falls on February 28, 2023.

	Dividend per share		
	Interim	Yr-end	Annual
Year to Aug. 2021	80.0yen	80.0yen	160.0yen
Year to Aug. 2022	93.3yen	113.3yen	206.7yen
Year to Aug. 2023 (E) (as of Oct.13)	113.3yen	113.3yen	226.7yen
Year to Aug. 2023 (revised E) (as of Dec.15) *	115.0yen	115.0yen	230.0yen
Increase in dividend	+21.7yen	+1.7yen	+23.3yen

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

Note: Previous year dividends have also been adjusted to reflect the recent stock split.

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Finally, I would like to give you an update on our dividend policy.

We have already announced plans to conduct a stock split with an effective date of March 1, 2023, when three shares will be offered for each common stock. Taking the stock split into account, we now expect to offer an interim dividend of ¥115 per share and a year-end dividend of ¥115, resulting in a full-year dividend of ¥230 for FY2023.

If we recalculate these latest dividend forecasts using pre-stock split parameters, that will translate into interim and year-end dividends of ¥345 each and an annual dividend of ¥690, which is ¥10 higher than the expected FY2023 dividend that we announced back in October.

Please note, we plan to offer an interim dividend of ¥345 per share based on the number of shares held prior to the stock split because the date for allotting those rights falls on February 28, 2023.

That completes my presentation on Fast Retailing's performance in the first quarter of FY2023 and our outlook for the coming business year to the end of August 2023.

The remaining three slides are provided for your reference.

## Reference: Group Company Store Numbers

unit. stores	FY2022 Yr-end	FY2023 1Q Result (Sep. - Nov.)				FY2023 Estimates (Sep. - Aug.)			
		Open	Close	Change	End Nov.	Open	Close	Change	End Aug.
<b>UNIQLO Operations</b>	<b>2,394</b>	<b>85</b>	<b>28</b>	<b>+57</b>	<b>2,451</b>	<b>235</b>	<b>90</b>	<b>+145</b>	<b>2,539</b>
<b>UNIQLO Japan ※</b>	<b>809</b>	<b>14</b>	<b>9</b>	<b>+5</b>	<b>814</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>809</b>
Own stores	799	14	9	+5	804	-	-	-	-
Franchise stores	10	0	0	0	10	-	-	-	-
<b>UNIQLO International</b>	<b>1,585</b>	<b>71</b>	<b>19</b>	<b>+52</b>	<b>1,637</b>	<b>195</b>	<b>50</b>	<b>+145</b>	<b>1,730</b>
Mainland China	897	28	8	+20	917	-	-	-	-
Hong Kong	30	2	0	+2	32	100	-	-	-
Taiwan	69	1	0	+1	70	-	-	-	-
Korea	122	5	1	+4	126	10	-	-	-
Singapore	27	3	3	0	27	-	-	-	-
Malaysia	51	1	0	+1	52	-	-	-	-
Thailand	56	6	1	+5	61	-	-	-	-
Philippines	65	6	1	+5	70	70	-	-	-
Indonesia	49	6	0	+6	55	-	-	-	-
Australia	26	4	0	+4	30	-	-	-	-
Vietnam	12	3	0	+3	15	-	-	-	-
India	7	2	0	+2	9	-	-	-	-
USA	43	2	0	+2	45	10	-	-	-
Canada	16	0	0	0	16	-	-	-	-
UK	15	1	0	+1	16	-	-	-	-
France	26	0	0	0	26	-	-	-	-
Russia	49	0	5	-5	44	-	-	-	-
Germany	10	0	0	0	10	-	-	-	-
Belgium	3	0	0	0	3	5	-	-	-
Spain	5	1	0	+1	6	-	-	-	-
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	-	-	-	-
<b>GU</b>	<b>449</b>	<b>24</b>	<b>14</b>	<b>+10</b>	<b>459</b>	<b>50</b>	<b>30</b>	<b>+20</b>	<b>469</b>
<b>Global Brands</b>	<b>719</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>719</b>	<b>25</b>	<b>34</b>	<b>-9</b>	<b>710</b>
Theory ※	437	3	3	0	437	-	-	-	-
PLST ※	88	1	2	-1	87	-	-	-	-
Comptoir des Cottonniers ※	111	4	4	0	111	-	-	-	-
Princesse tam.tam ※	83	2	1	+1	84	-	-	-	-
<b>Total</b>	<b>3,562</b>	<b>119</b>	<b>52</b>	<b>+67</b>	<b>3,629</b>	<b>310</b>	<b>154</b>	<b>+156</b>	<b>3,718</b>

Note: Excludes Mina (Commercial Facility Business), Grameen UNIQLO stores and Pop-up stores  
\*Includes franchise stores

## Reference: Foreign Exchange Rates

### Exchange rates used in consolidated accounts

unit : yen	1USD	1EUR	1GBP	1RMB	100KRW
FY2022 1Q 3-month average to Nov. 2021	111.8	130.8	152.9	17.4	9.5
FY2023 1Q 3-month average to Nov. 2022	143.9	143.0	165.2	20.3	10.3
FY2022 12-month average to Aug. 2022	120.5	133.3	157.4	18.6	9.9
FY2023 (E) 12-month average to Aug. 2023	138.7	139.0	161.8	20.0	10.3

### Exchange rates Used on Balance Sheet

unit : yen	1USD	1EUR	1GBP	1RMB	100KRW
FY2022 1Q Exchange rate at end Nov.2021	113.8	128.5	151.6	17.8	9.6
FY2023 1Q Exchange rate at end Nov.2022	138.8	143.4	166.1	19.4	10.5
FY2022 Exchange rate at end Aug. 2022	138.7	139.0	161.8	20.0	10.3
FY2023 (E) Exchange rate at end Aug. 2023	138.7	139.0	161.8	20.0	10.3

## Capital Spending and Depreciation

unit : billion of yen		Capex						Depreciation
		UNIQLO Japan	UNIQLO Intl.	GU	Global Brands	Systems, etc	Total	
FY2022	1Q 3 months	6.5	6.5	0.8	0.2	7.5	21.8	43.9
FY2023	1Q 3 months	2.8	10.1	2.7	0.3	6.7	23.0	46.7
FY2022	Full-year 12 months	21.5	24.6	4.8	1.3	34.2	86.5	180.2
FY2023 (E)	Full-year 12 months	21.9	34.8	6.3	1.7	30.5	95.3	189.4