

Fast Retailing Results for September to November 2023 and Estimates for FY2024

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

Today, I would like to talk to you about our consolidated business performance for the first quarter of FY2024, or the three months from September through November 2023, and to explain our estimates for the full business year through August 31, 2024.

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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.

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: FY2024 1Q Results

Large revenue and profit gains. Slightly below our business estimates

unit : billion of yen	Yr to Aug. 2023	Yr to Aug. 2024	
	(3 mths to Nov. 2022) Actual	(3 mths to Nov. 2023) Actual	y/y
Revenue	716.3	810.8	+13.2%
Gross profit (to revenue)	380.2 53.1%	442.8 54.6%	+16.4% +1.5p
SG&A (to revenue)	265.0 37.0%	301.4 37.2%	+13.7% +0.2p
Business profit (to revenue)	115.2 16.1%	141.4 17.4%	+22.7% +1.3p
Other income, expenses	1.8	5.2	+188.1%
Operating profit (to revenue)	117.0 16.3%	146.6 18.1%	+25.3% +1.8p
Finance income, costs	9.7	15.7	+62.2%
Profit before income taxes (to revenue)	126.8 17.7%	162.4 20.0%	+28.1% +2.3p
Profit attributable to owners of the parent (to revenue)	85.0 11.9%	107.8 13.3%	+26.7% +1.4p

In the first quarter of FY2024, the Fast Retailing Group reported significant increases in revenue and profit. Revenue increased to ¥810.8 billion (+13.2% year on year), operating profit expanded to ¥146.6 billion (+25.3%), and profit attributable to owners of the parent increased to ¥107.8 billion (+26.7%). These results exceeded our initial business estimates.

Group: FY2024 1Q Main Points

- Achieved **large revenue and profit gains**. Strong performance supported by:
 - ✓ **Large UNIQLO International revenue and profit gains**. Strong sales in North America and Europe on consistent branding enhancements and product development that reflected global customer needs.
 - ✓ While demand for Winter goods was being stifled by warm winter weather, we **controlled the gross profit margin and SG&A ratio** by adjusting orders to reflect sales trends and making flexible STOP&GO decisions on costs
- Purposely clarified operational issues. We intend to strengthen measures to further accelerate growth going forward, including the training of human resources who can progress:
 - ✓ The creation of product lineups that focus on the daily needs of customers in each individual region,
 - ✓ Inventory management by individual SKU, local store management.

We generated large increases in revenue and profit in the first quarter of fiscal 2024.

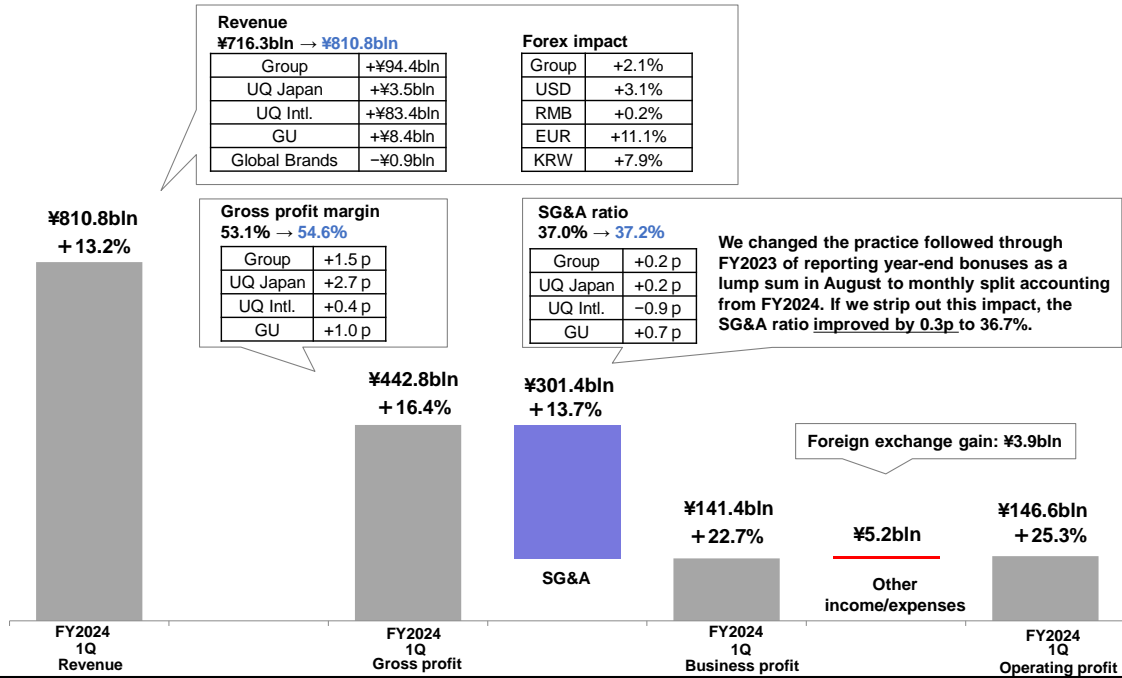
Today, I will focus on two main factors that underpinned this strong performance.

The first was the large increases in revenue and profit at UNIQLO International, with North America and Europe in particular reporting strong sales following consistent efforts to enhance branding and promote product development that reflected global customer needs.

Second, while demand for Winter goods was being stifled by warm winter weather, we successfully controlled the gross profit margin and the SG&A ratio by adjusting orders to reflect sales trends and making flexible “STOP & GO” judgements on expenditures.

While the first quarter performance was strong, it also helped clarify some clear operational issues. There is still plenty of room for us to improve product lineups to better suit customer needs in each region, and also to perfect our SKU inventory management and promote local store management. Going forward, we intend to train human resources who can fulfil these roles and strengthen measures to achieve these aims and help accelerate future growth.

Group: FY2024 1Q Operating Profit



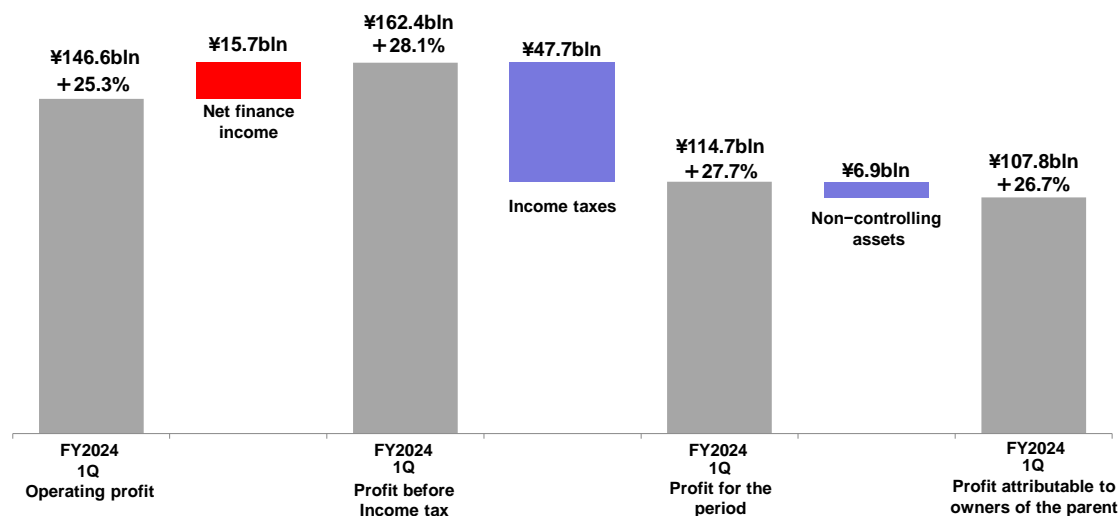
Looking now at the consolidated income statement, consolidated revenue increased by ¥94.4 billion to ¥810.8 billion in the first quarter. This was primarily due to an increase in revenue of ¥83.4 billion at UNIQLO International.

The consolidated gross profit margin rose by 1.5 points to 54.6% in the first quarter due primarily to an improvement in the gross profit margin at UNIQLO Japan.

The SG&A-to-revenue ratio rose 0.2 point to 37.2% following our decision to change the practice we have followed through FY2023 of recording year-end bonuses as a lump-sum item in August to monthly recording of year-end bonuses from FY2024. If we strip out this impact, the SG&A ratio improved by 0.3 point to 36.7%.

The net amount of other income/expenses stood at ¥5.2 billion. As a result of the above factors, first-quarter operating profit increased by an impressive 25.3% year on year to ¥146.6 billion and the operating profit margin improved by 1.8 points to 18.1%.

Interest income and expenses: ¥12.7bn
 Foreign exchange losses (gains) : ¥ 3.0bn
 (September 1, 2023: 1USD=146.2JPY, November 30, 2023: 1USD=147.1JPY)



One of the items under operating profit is net finance income.

This measure stood at ¥15.7 billion in the first quarter of FY2024, mainly comprising ¥12.7 billion in net interest income and expenses and a ¥3.0 billion foreign exchange gain on foreign-currency denominated assets.

As a result, profit before income taxes increased to ¥162.4 billion (+28.1%) and profit attributable to owners of the parent expanded to ¥107.8 billion (+26.7%) in the first quarter.

1Q Breakdown by Group Operation

unit : billion of yen		Yr to Aug. 2023	Yr to Aug. 2024	
		(3 mths to Nov.2022) Actual	(3 mths to Nov.2023) Actual	y/y
UNIQLO Japan	Revenue	240.9	244.4	+1.5%
	Business profit (to revenue)	39.2 16.3%	46.0 18.8%	+17.2% +2.5p
	Other income, expenses	0.2	0.5	+158.9%
	Operating profit (to revenue)	39.4 16.4%	46.5 19.0%	+18.0% +2.6p
UNIQLO International	Revenue	357.8	441.3	+23.3%
	Business profit (to revenue)	57.9 16.2%	76.9 17.4%	+32.8% +1.2p
	Other income, expenses	-0.6	0.8	-
	Operating profit (to revenue)	57.2 16.0%	77.8 17.6%	+35.8% +1.6p
GU	Revenue	79.3	87.8	+10.7%
	Business profit (to revenue)	10.3 13.0%	11.6 13.3%	+12.7% +0.3p
	Other income, expenses	0.2	0.7	+145.5%
	Operating profit (to revenue)	10.6 13.4%	12.3 14.1%	+16.4% +0.7p
Global Brands	Revenue	37.6	36.6	-2.4%
	Business profit (to revenue)	0.7 1.9%	0.2 0.7%	-66.5% -1.2p
	Other income, expenses	-0.0	0.1	-
	Operating profit (to revenue)	0.7 1.9%	0.3 1.1%	-43.9% -0.8p

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 FY2024 first-quarter performance by Group operation.

UNIQLO Japan: 1Q Overview

Higher revenue, sharp profit gain. Operating profit roughly as expected

• While sales fell slightly short of our business estimates, the gross profit margin improved more than expected, resulting in a level of operating profit that was roughly in line with our expectations.

unit : billion of yen	Yr to Aug. 2023	Yr to Aug. 2024	
	(3 mths to Nov.2022) Actual	(3 mths to Nov.2023) Actual	y/y
Revenue	240.9	244.4	+1.5%
Gross profit (to revenue)	119.2 49.5%	127.7 52.2%	+7.1% +2.7p
SG&A (to revenue)	80.0 33.2%	81.6 33.4%	+2.1% +0.2p
Business profit (to revenue)	39.2 16.3%	46.0 18.8%	+17.2% +2.5p
Other income, expenses	0.2	0.5	+158.9%
Operating profit (to revenue)	39.4 16.4%	46.5 19.0%	+18.0% +2.6p

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

UNIQLO Japan revenue increased 1.5% year on year to ¥244.4 billion and operating profit increased by an impressive 18.0% to ¥46.5 billion.

While the sales figures came in slightly short of our business estimates, the gross profit margin improved more than expected, resulting in a level of operating profit that was roughly in line with our expectations.

UNIQLO Japan: 1Q Revenue

1Q (Sep. to Nov.) same-store sales +0.2% y/y

- Revenue declined in September and October as unusually warm weather stifled demand for Fall Winter items.
- November witnessed a large increase in revenue on 1) strong sales of winter thermal ranges such as HEATTECH innerwear and fleece once the weather turned colder, 2) strong sales of collaboration items, and 3) a buoyant anniversary sale.
- 1Q e-commerce sales: ¥35.2bln (-10.1% y/y, 14.4% of total sales).
- December same-store sales: -15.4%. Sales of Winter ranges struggled in the face of persistent warm weather.

Same-store sales y/y	Yr to Aug.2024				
	Sep.	Oct.	Nov.	1 Q	Dec.
Net sales	-4.6%	-8.5%	+10.0%	+0.2%	-15.4%
Customer visits	-6.8%	-10.3%	+6.0%	-2.8%	-14.6%
Customer spend	+2.3%	+2.0%	+3.8%	+3.2%	-0.9%

UNIQLO Japan same-store sales increased by 0.2% year on year in the first quarter from September through November 2023.

Revenue declined in September and October as unusually warm weather stifled demand for Fall Winter items. However, sales increased significantly in November once the weather turned colder thanks to strong sales of winter thermal ranges such as HEATTECH innerwear and fleece, strong sales of collaboration items, and a buoyant UNIQLO anniversary sale.

December 2023 same-store sales decreased by 15.4% year on year as persistently warm weather throughout the month stifled sales of Winter ranges.

UNIQLO Japan: Gross Profit Margin, SG&A

Gross profit margin: 52.2% (up 2.7 points y/y)

- Improvement in gross profit margin due primarily to improved cost of sales.
- **Cost of sales:** Deteriorated considerably in FY2023 1Q due to sharp depreciation in yen spot rates used for additional production orders. Improved considerably in FY2024 1Q as better control over orders reduced additional production orders and, consequently, the impact of yen spot rates.
- **Discounting rate:** Rose slightly on stronger discount sales following sluggish September and October sales.

SG&A ratio: 33.4% (up 0.2 point y/y)

- Depreciation and personnel cost ratios rose slightly, but distribution ratio improved.
 - ✓ Depreciation up: Rose on launch of automated warehouses that were newly constructed last year.
 - ✓ Personnel up: Rose on change in year-end bonus reporting from lump-sum recording in August through FY2023 to monthly recording from FY2024. Ratio improved slightly if this impact is removed.
 - ✓ Distribution down: Warehouse costs declined as stronger control over orders improved inventory levels.
- If we strip out the factor relating to changes in the timing of recording year-end bonuses, the SG&A ratio improved by 0.1p to 33.1%.

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The first-quarter gross profit margin at UNIQLO Japan improved by 2.7 points year on year to 52.2% thanks primarily to an improvement in cost of sales.

In the first quarter of FY2023, cost of sales deteriorated considerably due to the sharp depreciation in yen spot rates used for additional production orders. In contrast, cost of sales improved considerably in the first quarter of FY2024 as better control over orders reduced additional production orders and, consequently, reduced the impact of yen spot rates.

The discounting rate rose slightly after sluggish sales in the months of September and October resulted in more discount sales.

Meanwhile, the SG&A ratio for UNIQLO Japan increased 0.2 point year on year to 33.4%. This was caused by increases in depreciation and personnel cost ratios and a decrease in the distribution cost ratio.

The depreciation cost ratio rose as automated warehouses that had been newly constructed last year came launched operations. The personnel cost ratio rose as a result of the change in year-end bonus reporting from lump-sum recording in August through FY2023 to monthly recording from FY2024. If we remove that factor, the personnel ratio would have improved slightly. Finally, the distribution cost ratio declined on the back of a fall in warehousing costs brought about by stronger control over orders and lower inventory levels.

If we strip out the factor relating to changes in the timing of year-end bonus recording, the first-quarter SG&A ratio improved by 0.1 point to 33.1%.

UNIQLO International: 1Q Overview

Achieved large revenue and profit gains. Slightly above forecast

- All markets reported significant revenue and profit gains.
- North America and Europe proved especially strong by reporting higher-than-expected, significant gains in revenue and profit. These regions further expanded their customer bases by enhancing product development that reflected global customer needs. Despite the sluggish demand for Winter items caused by unusually warm weather, these regions improved their gross profit margins and SG&A ratios and achieved strong overall performance through agile product ordering and thorough cost controls.
- Greater China region produced significant revenue and profit gains as expected. Southeast Asia, India & Australia generated large revenue and profit gains but fell slightly short of our business estimates.

unit : billion of yen	Yr to Aug. 2023	Yr to Aug. 2024	
	(3 mths to Nov.2022) Actual	(3 mths to Nov.2023) Actual	y/y
Revenue	357.8	441.3	+23.3%
Gross profit	200.1	248.3	+24.1%
(to revenue)	55.9%	56.3%	+0.4p
SG&A	142.2	171.3	+20.5%
(to revenue)	39.7%	38.8%	-0.9p
Business profit	57.9	76.9	+32.8%
(to revenue)	16.2%	17.4%	+1.2p
Other income, expenses	-0.6	0.8	-
Operating profit	57.2	77.8	+35.8%
(to revenue)	16.0%	17.6%	+1.6p

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I would now like to move on to talk about UNIQLO International performance in the first quarter of FY2024.

UNIQLO International reported a considerable increase in revenue and profit, with revenue climbing 23.3% year on year to ¥441.3 billion and operating profit expanding 35.8% to ¥77.8 billion.

First-quarter revenue and profit also rose significantly in local currency terms, outstripping our business estimates.

All markets in the UNIQLO International segment reported significant first-quarter revenue and profit gains.

The North America and Europe regions proved especially strong by reporting higher-than-expected, significant gains in revenue and profit. The two regions further expanded their customer bases by enhancing product development that reflected global customer needs. Despite the sluggish demand for Winter items caused by unusually warm weather, they also improved their gross profit margins and SG&A ratios and achieved strong overall performance by ensuring agile product ordering and thorough cost controls.

Meanwhile, the Greater China region generated significant first-quarter revenue and profit gains that were roughly in line with plan. Southeast Asia, India & Australia also reported large increases in revenue and profit, but this performance fell slightly short of our estimates.

This following five slides show a breakdown of the UNIQLO International revenue and profit figures by region in local currency terms.

Greater China region: Large increases in revenue and profit

Mainland China market: Reported large increases in revenue and profit

- The launch of Fall Winter ranges was somewhat hampered by the warm weather in September and October, but sales proved extremely strong in November as the weather turned colder and we strengthened marketing of fleece, knitwear, Ultra Light Down, and other core Winter ranges.
- 1Q same-store sales rose by approximately 20% y/y.
- Continued to strengthen branding with store staff communicating information over livestreaming. We also took part in the China International Import Expo and other marketing activities that enabled us to firmly capture demand during the actual demand period. Enjoyed significantly higher revenue around Singles' Day, securing the No.1 slot for apparel brands for the tenth consecutive year.
- SG&A ratio and operating profit margin improved on significantly higher sales and stronger cost controls.



◀ Introduced LifeWear product quality, functionality, and history at the China International Import Expo

▶ Offered a virtual service for customers to experience the UNIQLO exhibition during the Expo through special onsite livestreaming



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

Looking first at the Mainland China market, which reported large increases in revenue and profit. While the launch of Fall Winter ranges was somewhat hampered by the warm weather in the months of September and October, subsequent sales proved extremely strong in November as the weather turned colder and we strengthened our marketing of fleece, knitwear, Ultra Light Down, and other core Winter ranges. As a result, first-quarter same-store sales expanded by approximately 20% compared to the previous year.

We are seeking to continue to strengthen our branding by getting store staff to communicate information over livestreaming, participating in the China International Import Expo, and conducting other marketing activities. These initiatives enable us to firmly capture demand during the actual demand period. Indeed, we enjoyed significantly higher revenue during the Singles' Day period, securing the No.1 slot for apparel brands for the tenth consecutive year.

On the profit front, in addition to the large increase in revenue, the SG&A ratio improved on stronger cost controls, resulting in a higher operating profit margin.

Hong Kong market, Taiwan market:

- Both reported significant increases in revenue and profit.
- Sold goods that matched customer needs throughout the three months of the first quarter and generated strong results by strategically increasing stock of year-round products such as T-shirts, Bra Tops, and AIRism innerwear at the beginning of the period when the weather was persistently warm and putting out winter clothing when the weather turned colder from November onward.

South Korea: Revenue and profit both rise

- Maintained strong sales by launching Winter products such as HEATTECH innerwear and Warm-Lined Pants in November when the weather turned colder.

Both the Hong Kong market and Taiwan market reported significant increases in revenue and profit in the first quarter.

We achieved those strong results by selling goods that matched customer needs throughout the three-month period, strategically increasing stock of year-round products such as T-shirts, Bra Tops, and AIRism innerwear at the beginning of the period when the weather was persistently warm, and bringing out winter clothing when the weather turned colder from November onward.

South Korea reported higher first-quarter revenue and profit. We maintained a high level of sales by strengthening the launch of Winter products such as HEATTECH innerwear and Warm-Lined Pants in November when the weather turned colder.

Southeast Asia, India & Australia: Large revenue and profit gains

- Same-store sales rose on strong sales of HEATTECH innerwear, fleece, Ultra Light Down, and other core Winter ranges as well as KAWS and other collaboration items.
- The additional 45 stores y/y boosted revenue significantly.
- We didn't sufficiently prepare product lineups for eternal summer weather or adequately incorporate local customer needs. We also felt the economic slowdown that knocked consumer sentiment, resulting in a slighter lower-than-forecast overall performance.
- Indonesia, India, and Australia reported significant double-digit increases in revenue and profit.
- Malaysia, the Philippines, Thailand, and Vietnam reported higher revenue and profit.
- Singapore revenue rose but profit dipped. While strong sales of Winter items boosted revenue, the SG&A ratio rose and profit contracted on competitive salary increases and investment in warehouse capacity.
- In SE Asia, India & Australia, we used this 1Q to further clarify operational issues. Going forward, we will create product lineups designed specific for eternal summer weather, enhance human resource training, and accelerate efforts to strengthen our business platforms to support medium to long term growth.
- Operating profit margin help largely steady at previous year's level.
 - ✓ Gross profit margin improved: Reduced impact of Indonesia safeguards after boosting local production.
 - ✓ SG&A ratio increased: Primarily due to salary revisions and lower-than-expected corporate results.

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Our operations in the Southeast Asia, India & Australia region generated large increases in revenue and profit in the first quarter.

Same-store sales rose on strong sales of HEATTECH innerwear, fleece, Ultra Light Down, and other core Winter ranges as well as KAWS and other collaboration items. The addition of 45 new stores compared to the previous year also helped fuel the significant revenue gain.

However, both the revenue and profit figures came in slightly below our business estimates as we failed to sufficiently prepare product lineups for eternal summer weather or adequately incorporate local customer needs. Our performance was also impacted by the economic slowdown that dampened consumer sentiment.

Looking at individual operations, Indonesia, India, and Australia reported significant double-digit increases in first-quarter revenue and profit. Malaysia, the Philippines, Thailand, and Vietnam reported higher revenue and profit. However, Singapore revenue rose but profit dipped. While strong sales of Winter items boosted revenue, the SG&A ratio rose on competitive salary increases and investment to boost warehouse capacity, which resulted in a decline in profit.

Some issues relating to our business in the Southeast Asia, India & Australia region became increasingly apparent in this first quarter. Going forward, we will create product lineups designed specifically for eternal summer weather, enhance human resource training, and accelerate efforts to strengthen our business platforms to support medium- to long-term growth.

North America: Large revenue and profit increases

- **USA and Canada reported large revenue and profit gains.**
- **Achieved double-digit growth in same-store sales.**
- **Large first-quarter revenue increase was supported by 1) a successful expansion of the customer base following the launch of KAWS, UNIQLO:C and other collaboration products and newsworthy products, and 2) the preparation of sufficient stock and strategic selling of core items timed to coincide with Black Friday sales.**
- **Sales of Wide-Fit Pants, cashmere sweaters, and HEATTECH innerwear proved especially strong.**
- **On the profit front, the gross profit margin and SG&A ratio both improved, and the operating profit margin rose considerably as we made timely revisions to our sales plans to reflect sales trends and controlled orders and costs.**



UNIQLO New York Fifth Avenue global flagship store.
Fall Winter 2023 season based on a Modern Layering theme.
Proposing new vital fall/winter layered styles using a combination of colors, patterns, fabrics, and functionality.

UNIQLO North America reported significant increases in revenue in both the USA and Canada and achieved double-digit growth in same-store sales.

The large first-quarter increase in revenue was fueled by an expanding customer base attracted by 1) the launch of KAWS, UNIQLO:C and other collaboration products and newsworthy products, and 2) the preparation of sufficient stock and strategic selling of core items timed to coincide with Black Friday sales. Sales of Wide-Fit Pants, cashmere sweaters, and HEATTECH innerwear proved especially strong.

On the profit front, the gross profit margin and SG&A ratio both improved, and the operating profit margin rose considerably as we made timely revisions to our sales plans to reflect sales trends and controlled orders and costs.

Europe: Large increases in revenue and profit

- Large revenue and profit increases. Operating profit margin also improved.
- Strong sales of UNIQLO:C and other collaboration items, as well as items that captured the latest fashion trends such as Wide-Fit Pants and bags. Expanded new customer base particularly among young women.
- Achieved double-digit growth in same-store sales on extremely strong sales. Sales were buoyed by growing appreciation for the superior functionality and design features of our cashmere sweaters, HEATTECH innerwear, Souffle Yarn knitwear, etc.
- Our enhanced product development with a global perspective that we pursued since last year resulted in the steady release of items that capture the needs of US and European customer. (Washable Sweater, Round Mini Shoulder Bag made from corduroy fabric, etc.) This has helped generate strong results.

Right: UNIQLO Grand Rue store. Our first Luxembourg store opened in October 2023.

Left: HEATTECH® 20 Year Anniversary event held in Germany in November 2023. Positive focus on our thin but warm HEATTECH ranges is growing each year in Europe as well.



UNIQLO Europe reported significantly higher revenue and profit in the first quarter, and the operating profit margin also improved.

UNIQLO Europe generated strong sales of UNIQLO:C and other collaboration items as well as items that captured the latest fashion trends such as Wide-Fit Pants and bags, which all helped attract new customers particularly among young women. The double-digit growth in same-store sales was fuelled by the extremely strong sales performance, which was underpinned by a growing appreciation among European customers of the superior functionality and design features of our cashmere sweaters, HEATTECH innerwear, Souffle Yarn knitwear, and many other products.

We have been focusing on product development with a global perspective since last year. That focus has resulted in the steady development of items that perfectly capture the needs of US and European customers, such as our Washable Sweater, Round Mini Shoulder Bag made from corduroy fabric and helped generate strong results.

GU: 1Q Overview

Large revenue and profit gains. Roughly in line with forecasts

- While sales of Fall Winter items struggled during the unusually warm September and October months, sales proved strong in November once the weather turned colder as we successfully prepared sufficient inventory of top-selling Winter items. Sales of Heavy Weight Sweatshirts, Heat Padded outerwear, Parachute Cargo Pants, and other products that captured mass fashion trends proved especially strong.

- Operating profit margin improved 0.7p y/y. Improved production efficiency also helped improve cost of sales and generate a 1.0p rise in the gross profit margin.

- SG&A ratio rose 0.7p on strategic advertising spend. Personnel ratio also increased on revised timing of year-end bonus recording.

If we strip out the personnel impact, the SG&A ratio increased by a smaller 0.3p.

- E-commerce sales rose to constitute approx. 13% of total sales.

unit : billion of yen	Yr to Aug. 2023	Yr to Aug. 2024	
	(3 mths to Nov.2022) Actual	(3 mths to Nov.2023) Actual	y/y
Revenue	79.3	87.8	+10.7%
Gross profit	38.8	43.9	+13.0%
(to revenue)	49.0%	50.0%	+1.0p
SG&A	28.5	32.2	+13.1%
(to revenue)	36.0%	36.7%	+0.7p
Business profit	10.3	11.6	+12.7%
(to revenue)	13.0%	13.3%	+0.3p
Other income, expenses	0.2	0.7	+145.5%
Operating profit	10.6	12.3	+16.4%
(to revenue)	13.4%	14.1%	+0.7p

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Next, let me move onto our GU operation, which reported significant revenue and profit gains in the first quarter. GU revenue totaled ¥87.8 billion (+10.7%) and operating profit totaled ¥12.3 billion (+16.4%). This result was largely in line with our business estimates.

While sales of Fall Winter items struggled during the unusually warm September and October months, sales proved strong in November once the weather turned colder and we prepared sufficient inventory of top-selling Winter items. Sales of Heavy Weight Sweatshirts, Heat Padded outerwear, Parachute Cargo Pants, and other products that captured mass fashion trends proved especially strong.

The operating profit margin improved by 0.7 point year on year.

This was due to improvements in production efficiency that also helped improve cost of sales and generate a 1.0 point rise in the gross profit margin.

Global Brands: 1Q Overview

Revenue and profit both decline, come in below forecast

• Sales of all brands suffered due to the unusually warm weather. Increased personnel costs primarily at the Theory operation resulted in a higher SG&A ratio. Segment revenue and profit both declined as a result.

Theory: Revenue steady at previous year levels, operating profit contracts

• Warm weather stifled sales. Higher personnel costs at Theory USA boosted the SG&A ratio. Profit dipped.

PLST: Revenue and profit decline

• Broke even on the business profit level, but reported a slight operating loss caused by forex impact.

• Main reason for decline in revenue was the year-on-year reduction of 35 stores.

Comptoir des Cotonniers: Revenue dips but loss contracts on improved gross profit margin, SG&A ratio

• Same-store sales declined on sluggish consumer sentiment in European markets, unusually warm weather.

unit : billion of yen		Yr to Aug. 2023	Yr to Aug. 2024	
		(3 mths to Nov.2022) Actual	(3 mths to Nov.2023) Actual	y/y
Global Brands	Revenue	37.6	36.6	-2.4%
	Business profit (to revenue)	0.7 1.9%	0.2 0.7%	-66.5% -1.2p
	Other income, expenses	-0.0	0.1	-
	Operating profit (to revenue)	0.7 1.9%	0.3 1.1%	-43.9% -0.8p

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Our fourth and final business segment, Global Brands, fell short of expectations and reported a decline in revenue and profit in the first quarter of FY2024, with revenue contracting 2.4% year on year to ¥36.6 billion and operating profit declining by 43.9% to ¥0.3 billion.

The main reasons for this lower-than-expected performance was the unusually warm weather that stifled sales of all labels in the segment, and increased personnel costs primarily at the Theory operation that resulted in a higher SG&A ratio.

In terms of individual brands, first-quarter revenue from our Theory operation held steady at the previous year's level, but operating profit contracted. The warm weather stifled sales and higher personnel costs primarily at Theory USA boosted the SG&A ratio, resulting in a decline in profits.

Group: Balance Sheet (end Nov. 2023)

unit : billions of yen	End Nov. 2022	End Aug. 2023	End Nov. 2023	Change
Total Assets	3,196.8	3,303.6	3,434.9	+238.1
Current Assets	2,108.8	2,176.6	2,312.0	+203.2
Non-Current Assets	1,087.9	1,126.9	1,122.8	+34.9
Total Liabilities	1,579.0	1,430.3	1,498.5	-80.5
Total Equity	1,617.7	1,873.3	1,936.4	+318.6

Next, I would like to take you through our balance sheet as it stood at the end of November 2023.

Compared to the end of November 2022, total assets increased by ¥238.1 billion to ¥3.4349 trillion.

Total liabilities decreased by ¥80.5 billion to ¥1.4985 trillion.

Total equity increased by ¥318.6 billion to ¥1.9364 trillion.

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

Group: B/S Main Points vs. end Nov. 2022

Total equity: +¥238.1bln (¥3.1968trln⇒¥3.4349trln)

- **Highly liquid assets (cash and cash equivalents + other financial assets): +¥178.6bln (¥1.5495trln ⇒¥1.7281trln)**
 - ✓ **Other financial assets (short & long term): +¥205.3bln (¥635.4bln⇒¥840.8bln)**
 - ✓ **Cash and cash equivalents: -¥26.6bln (¥914.0bln⇒¥887.3bln)**
 - Used cash holdings to buy comparatively safe bonds, so investment securities rose and cash and cash equivalents fell.
- **Inventory assets: -¥84.5bln (¥570.3bln⇒¥485.7bln)**
 - 1) Large profit rise in Greater China, USA and Europe, 2) Large decrease in UNIQLO International and UNIQLO Japan inventory assets on stronger control of orders at all operations
 - UNIQLO Intl.:** -¥46.1bln: Inventory assets decline in Greater China region, Southeast Asia, India & Australia, Europe, and South Korea. N. America inventory held steady y/y
 - UNIQLO Japan:** -¥34.4bln: Reduced inventory assets thanks to stronger control of orders
 - GU:** +¥1.9bln: Increased in line with sales growth. **Global Brands:** -¥5.8bln
- **Property, plant and equipment: +¥31.7bln (¥201.0bln⇒¥232.7bln)**
 - Higher investment automated warehouses and store openings on a global scale.

Total liabilities: -¥80.5bln (¥1.5790trln→¥1.4985trln)

- **Derivative financial assets (short & long term): -¥155.3bln (¥474.1bln⇒¥318.8bln)**
- Repaid ¥130.0bln in corporate bonds (3rd tranche(Dec. 2022): -¥50.0bln, 5th tranche (Jun. 2023): -¥80.0bln)

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Let me first explain the main factors underlying the ¥238.1 billion increase in total assets.

Highly liquid assets (cash and cash equivalent and other financial assets) increased by ¥178.6 billion year on year to ¥1.7281 trillion at the end of November 2023.

Inventory assets decreased by ¥84.5 billion year on year to ¥485.7 billion.

This was primarily due to large increases in revenue in the Greater China region, the US, and Europe, and large decreases in inventory assets at UNIQLO International and UNIQLO Japan achieved through greater control over orders across the board.

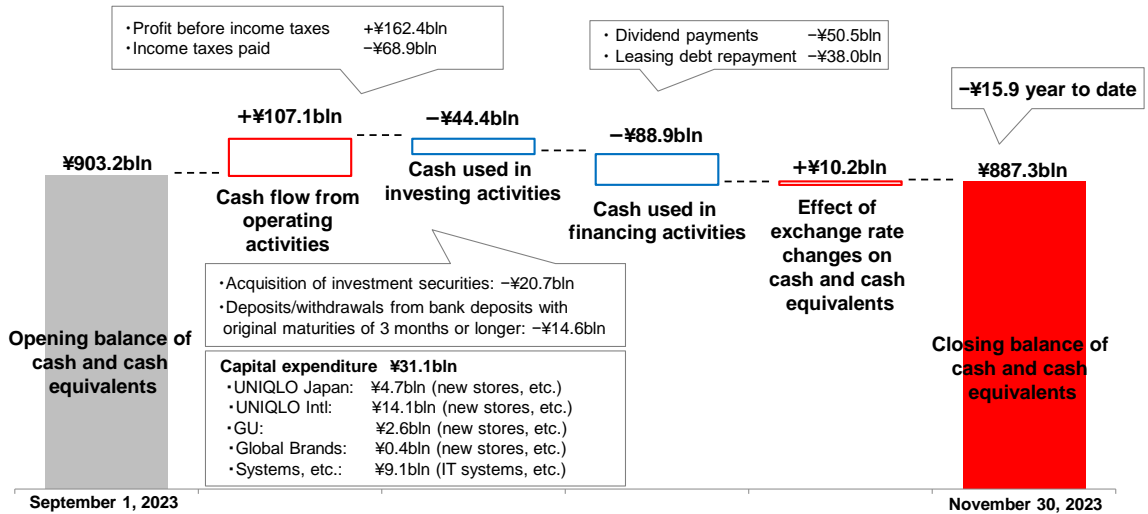
UNIQLO International inventory decreased by ¥46.1 billion as inventory assets declined in the Greater China region, Southeast Asia, India & Australia, Europe, and South Korea, while inventory in North America held steady compared to the previous year.

UNIQLO Japan inventory decreased by ¥34.4 billion.

Total liabilities decreased by ¥80.5 billion, primarily due to the repayment of ¥130.0 billion in corporate bonds.

Group: 1Q Cash Flow

• Much higher income taxes paid and dividend payments due to strong FY2023 performance. These were paid in the first quarter, resulting in a ¥15.9 billion decline in the closing balance of cash and cash equivalents at the end of November 2023 to ¥887.3 billion.



Applying IFRS 16 increased cash flow from operating activities by approx. ¥30.0bn 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 FY2024.

Cash flow from operating activities totalled ¥107.1 billion, cash used in investing activities totalled ¥44.4 billion, and cash used in financing activities totalled ¥88.9 billion.

Income taxes paid and dividend payments increased considerably following the strong FY2023 performance. These totals were paid in the first quarter, resulting in a ¥15.9 billion fall in the closing balance of cash and cash equivalents at the end of November 2023 to ¥887.3 billion.

Group: FY2024 Estimates

Unchanged from initial estimates. Expect large revenue and profit gains

- 1Q performance exceeded expectations but sales slowed in December due to the warm winter weather. However, we still expect to be able to achieve our business estimates for the first half of FY2024 overall.
- No revisions to segment forecasts at this point. Will consider any reviews after the Fall Winter season is over.
- No revisions to net finance income due to current large movements in foreign exchange rates.

unit : billion of yen	Yr to Aug.2023	Yr to Aug.2024		Yr to Aug.2024
	Actual	Estimates (as of Jan.11)	Y/Y	1Q Actual
Revenue	2,766.5	3,050.0	+10.2%	810.8
Business profit (to revenue)	381.9 13.8%	450.0 14.8%	+17.8% +1.0p	141.4 17.4%
Other income, expenses	-0.9	0.0	-	5.2
Operating profit (to revenue)	381.0 13.8%	450.0 14.8%	+18.1% +1.0p	146.6 18.1%
Finance income, costs	56.8	30.0	-	15.7
Profit before income taxes (to revenue)	437.9 15.8%	480.0 15.7%	+9.6% -0.1p	162.4 20.0%
Profit attributable to owners of the parent (to revenue)	296.2 10.7%	310.0 10.2%	+4.6% -0.5p	107.8 13.3%

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I would now like to explain our business forecasts for the full year through August 31, 2024.

We have made no changes to our initial full-year business estimates. While performance exceeded our expectations in the first quarter, sales slowed in December in the wake of the warm winter weather. However, we still expect to be able to achieve our business estimates for the first half of FY2024 overall.

Looking at individual business segments, UNIQLO International is currently trending slightly above forecast. UNIQLO Japan and GU operating profit is currently trending to plan, and Global Brands is trending below plan. However, we have decided not to make any revisions to segment forecasts at this point but instead to consider a potential revision after the Fall Winter sales period is over.

While we recorded a net finance income of ¥15.7 billion in the first quarter comprising interest income and foreign exchange gains, we have not revised our forecast for this component at this point due to recent large movements in foreign exchange rates.

FY2024 Estimates by Group Operation (1)

UNQLO International: Expect large rises in full-year revenue and profit

- UNIQLO International sales slowed somewhat in early December due to the warm winter weather, but sales primarily in North America and Europe started to recover from the second half of December, so we expect to generate large overall 1H revenue and profit increases that slightly exceed our forecasts. Also expect large increases in FY2024 revenue and profit.
- Greater China region: Expect 1H revenue and profit gains that are roughly in line with expectations. Predict significantly higher FY2024 revenue and profit.
- S. Korea: Forecast 1H and FY2024 revenue and profit growth in line with expectations.
- SE Asia, India & Australia: Expect 1H and FY2024 revenue and profit increases.
 - ✓ 1H results also expected to fall below expectations following lower-than-expected 1Q performance.
 - ✓ Expect our efforts to improve product lineups to better suit local needs and strong branding in Southeast Asia to start bearing fruit from the second half of FY2024.
 - ✓ People from our management team and global headquarters will visit SE Asia stores more often to solve local issues and focus on human resource training, so we can swiftly build firmer management platforms.
- Expect North America and Europe to exceed expectations in 1H by generating large revenue and profit gains. Also predict significantly higher FY2024 revenue and profit.

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Next, I would like to run through our business estimates by Group operation.

First, while UNIQLO International sales slowed somewhat in early December due to the warm winter weather, sales started to recover from the second half of December primarily in North America and Europe, so we expect to generate large overall first-half revenue and profit increases that would slightly exceed our forecasts. We also expect the segment to generate large increases in FY2024 revenue and profit.

Looking at individual regions and markets, we expect the Greater China region to generate first-half revenue and profit gains that are roughly in line with expectations, and significantly higher full-year revenue and profit.

We expect South Korea to report first-half and full-year revenue and profit growth that fall within our expected range.

We predict the Southeast Asia, India & Australia region will report increases in first-half and full-year revenue and profit. However, given that the first-quarter performance came in below expectations, we are also expecting the first-half results to fall short of target.

We do expect our efforts in Southeast Asia to compile product lineups that better suit local needs and strengthen branding to start bearing fruit from the second half of FY2024. Furthermore, we will ensure that people from our management team and global headquarters visit Southeast Asia stores frequently to solve local issues and promote human resource training so we can build more solid management platforms as soon as possible.

Finally, we forecast North America and Europe will exceed expectations in the first half by generating large revenue and profit gains. We also predict those two regions will generate significantly higher full-year revenue and profit.

FY2024 Estimates by Group Operation (2)

UNIQLO Japan: Expect slight increase in revenue and a rise in profits

- 1H sales set to decline slightly and fall short of target after warm December weather stifled sales of Winter items.
- Expect 1H gross profit margin to improve greatly on more accurate orders, reduced impact of yen spot rates on additional production, and improvement in cost of sales. Expect operating profit to rise roughly as planned on stronger cost cutting.
- Expect full-year revenue to increase slightly and full-year operating profit to rise.

GU: Expect higher full-year revenue and sharply higher full-year profit

- Proceeded largely in line with our estimates through December.
- Forecast higher revenue and significantly higher profit in 1H that is roughly in line with expectations. Also predict higher revenue and large profit gain in FY2024.

Global Brands: Expect a rise in revenue and move into the black

- Expect 1H revenue gain and a slight operating profit of similar magnitude to the previous year. Those results would be below our business estimates. Forecast a revenue gain and a move into the black in FY2024.
- Theory: 1H revenue seen rising slightly but profit falling. Expect higher FY2024 revenue and profit.
- PLST: Expect lower 1H revenue, steady operating loss on fewer stores. Expect lower FY2024 revenue but a smaller loss.
- Comptoir des Cotonniers: Expect slight revenue dip but smaller losses in 1H and FY2024.

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Next, I would like to move on to look at our forecasts for UNIQLO Japan.

We predict first-half sales will decline slightly and fall short of target after warm December weather stifled sales of Winter items.

Having said that, we also expect to see a considerable improvement in the UNIQLO Japan first-half gross profit margin thanks to more accurate ordering, a smaller impact from yen spot rates on additional production, and improved cost of sales. Meanwhile, we predict first-half operating profit will rise roughly as planned on the back of stronger cost cutting. As a result, we expect UNIQLO Japan will generate a slight rise in full-year revenue and an expansion in operating profit.

Performance at our GU segment has proceeded largely as expected through December, so we forecast a rise in revenue and a significant increase in profit in the first half that would be roughly in line with our business estimates. We also predict higher revenue and a large profit gain at GU over the full year ending August 31, 2024.

Finally, we predict our Global Brands segment will come in below our business estimates in the first half by generating higher revenue and a slight operating profit of similar magnitude to the previous year. We predict a rise in revenue and a move into the black for Global Brands in FY2024.

Within the Global Brands segment, our Theory label is expected to generate a slight increase in revenue but a decline in profit in the first half of FY2024. We then expect the Theory operation to report increases in both revenue and profit for the full year.

Let me close by giving you an update on our dividend policy.

We expect to offer an interim dividend of ¥165 per share and a year-end dividend of ¥165, resulting in a full-year dividend of ¥330 for FY2024. This forecast is unchanged from our initial estimate.

That completes my presentation on Fast Retailing's performance in the first quarter of FY2024 and our outlook for the coming business year to the end of August 2024.

The remaining four slides are provided for your reference.

Reference: Group Company Store Numbers (1)

unit: stores	FY2023	FY2024 1Q Result (Sep. - Nov.)				FY2024 Estimates (Sep. - Aug.)			
	Yr-end	Open	Close	Change	End Nov.	Open	Close	Change	End Aug.
UNIQLO Operations	2,434	89	35	+54	2,488	220	110	+110	2,544
UNIQLO Japan*	800	25	14	+11	811	40	40	0	800
Own stores	790	25	14	+11	801	-	-	-	-
Franchise stores	10	0	0	0	10	-	-	-	-
UNIQLO International	1,634	64	21	+43	1,677	180	70	+110	1,744
Greater China	1,031	24	16	+8	1,039	80	-	-	-
Mainland China	925	21	16	+5	930	-	-	-	-
Hong Kong	33	0	0	0	33	-	-	-	-
Taiwan	73	3	0	+3	76	-	-	-	-
Korea	126	7	2	+5	131	10	-	-	-
S/SE Asia & Oceania	342	25	3	+22	364	60	-	-	-
Singapore	29	1	0	+1	30	-	-	-	-
Malaysia	54	6	3	+3	57	-	-	-	-
Thailand	62	4	0	+4	66	-	-	-	-
Philippines	71	3	0	+3	74	-	-	-	-
Indonesia	64	3	0	+3	67	-	-	-	-
Australia	33	3	0	+3	36	-	-	-	-
Vietnam	19	3	0	+3	22	-	-	-	-
India	10	2	0	+2	12	-	-	-	-

(contd.)

Note: Excludes Mina (Commercial Facility Business) and pop-up stores.

* Includes franchise stores

Reference: Group Company Store Numbers (2)

unit: stores	FY2023 Yr-end	FY2024 1Q Result (Sep. - Nov.)				FY2024 Estimates (Sep. - Aug.)			
		Open	Close	Change	End Nov.	Open	Close	Change	End Aug.
UNIQLO International									
North America	67	5	0	+5	72	20	-	-	-
USA	49	4	0	+4	53	-	-	-	-
Canada	18	1	0	+1	19	-	-	-	-
Europe	68	3	0	+3	71	10	-	-	-
UK	17	0	0	0	17	-	-	-	-
France	25	2	0	+2	27	-	-	-	-
Germany	10	0	0	0	10	-	-	-	-
Belgium	3	0	0	0	3	-	-	-	-
Spain	6	0	0	0	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	-	-	-	-
Luxembourg	0	1	0	+1	1	-	-	-	-
GU	463	20	11	+9	472	37	20	+17	480
Global Brands	681	9	11	-2	679	37	91	-54	627
Theory*	436	7	3	+4	440	-	-	-	-
PLST	52	2	2	0	52	-	-	-	-
Comptoir des Cottonniers*	108	0	5	-5	103	-	-	-	-
Princesse tam.tam*	85	0	1	-1	84	-	-	-	-
Total	3,578	118	57	+61	3,639	294	221	+73	3,651

Note: Excludes Mina (Commercial Facility Business) and pop-up stores.

* Includes franchise stores

Reference: Foreign Exchange Rates

Exchange Rates Used in Consolidated Accounts

unit : yen	1USD	1EUR	1GBP	1RMB	100KRW
FY2023 1Q 3-month average to Nov. 2022	143.9	143.0	165.2	20.3	10.3
FY2024 1Q 3-month average to Nov. 2023	148.4	158.8	183.5	20.3	11.1
FY2023 12-month average to Aug. 2023	138.6	146.4	168.2	19.7	10.5
FY2024 (E) 12-month average to Aug. 2024	137.0	148.0	169.0	19.6	10.5

Exchange rates Used on Balance Sheet

unit : yen	1USD	1EUR	1GBP	1RMB	100KRW
FY2023 1Q Exchange rate at end Nov.2022	138.8	143.4	166.1	19.4	10.5
FY2024 1Q Exchange rate at end Nov.2023	147.1	161.6	186.9	20.6	11.4
FY2023 Exchange rate at end Aug. 2023	146.2	159.8	186.0	20.0	11.1
FY2024 (E) Exchange rate at end Aug. 2024	146.2	159.8	186.0	20.0	11.1

Capital Spending and Depreciation

unit : billion of yen		Capex						Depreciation
		UNIQLO Japan	UNIQLO Intl.	GU	Global Brands	Systems, etc	Total	
FY2023	1Q 3 months	2.8	10.1	2.7	0.3	6.7	23.0	46.7
FY2024	1Q 3 months	4.7	14.1	2.6	0.4	9.1	31.1	49.3
FY2023	Full-year 12 months	23.6	33.3	8.7	1.8	34.4	102.0	186.8
FY2024 (E)	Full-year 12 months	9.7	38.3	5.5	0.8	26.8	81.3	198.3