



**ANNUAL  
REPORT  
2019**

Year ended  
31 August 2019



**LifeWear,  
Changing the World**



# Fast Retailing, the New LifeWear Company

Fast Retailing is a global company that operates multiple fashion brands including UNIQLO, GU, and Theory. As the world's third-largest manufacturer and retailer of private-label apparel, the Fast Retailing Group offers high-quality, reasonably-priced clothing by managing everything from procurement, design, and production to retail sales. UNIQLO, our pillar brand, generates approximately ¥1.9 trillion in annual sales from approximately 2,200 stores in 22 countries and regions (FY2019). UNIQLO, with its LifeWear concept of ultimate everyday comfort, seeks to differentiate itself by offering unique products made from high-quality and high-functioning materials. The Group's main sources of UNIQLO-driven growth are gradually expanding beyond Japan to Greater China (Mainland China, Hong Kong, and Taiwan) and Southeast Asia. Meanwhile, our fun, low-priced GU fashion brand, primarily in Japan, is generating sales of approximately ¥240 billion. In terms of broad operational strategy and future direction, Fast Retailing is making progress on its Ariake Project, which aims to transform the apparel retail industry into a new digital consumer retail industry. We are working to build a supply chain that uses advanced information technology to create seamless links between Fast Retailing and its partner factories, warehouses, and stores worldwide. This transformation will minimize the environmental impact of our business, create a manufacturing environment that upholds human rights, and ensures highly responsible procurement. Fast Retailing strives to harness the power of clothing to enrich the lives of people around the world and to create a more sustainable society.





This 3D KNIT dress features revolutionary Japanese WHOLEGARMENT® technology, which can create seamless garments from a single thread.



# LifeWear, Making Life Better

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# LifeWear, for Sustainability







# LifeWear is Changing

The values underpinning LifeWear are shared by people worldwide, and more and more people are embracing these values. LifeWear is simple, quality clothing designed to enrich daily lives through the thoughtful consideration of everyday needs. LifeWear is meant to evolve as people's lives change. We also want LifeWear to contribute to a sustainable society. UNIQLO and GU clothes are not designed to be worn a few times and then thrown away. Designed to be worn for years, our everyday items embody high quality and superior functionality. People all over the world identify with and support this LifeWear concept.

In order to create true LifeWear, I want to create a fundamental business format that strips out all unnecessary processes at all stages—from product design right through volume planning, manufacturing, distribution, and retail. This format will always have exactly what customers desire. To that aim, Fast Retailing is earnestly pursuing the Ariake Project, which seeks to reform our entire supply chain and the way we all work. Our whole global team is getting behind our drive to produce, transport, and sell only what is necessary.

Fast Retailing achieved a record performance in FY2019 thanks primarily to expanding UNIQLO operations in Greater China and Southeast Asia & Oceania. We want Fast Retailing to become one of the world's most essential companies, and we will do our utmost to ensure that our continued growth helps make the world a better place.

January 2020

**Tadashi Yanai**

Chairman, President and CEO



# Our World

# LifeWear = Sustainability Reflecting Our Values

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## LifeWear to Achieve a Sustainable Society

I want to build a new digital consumer retailing industry to enable us to continue creating LifeWear clothing. Ideal LifeWear clothing helps people shed unnecessary items and create their own unique, high-quality lifestyle.

UNIQLO continues its strong growth all over the world because global customers relate keenly to this LifeWear philosophy. LifeWear clothing is reasonably priced, but it is designed for long-term wear. It is not clothing you only wear once or twice. LifeWear offers simple, highly finished designs, high-quality materials, and carefully detailed items.

Our customers are not only interested in the quality of our clothing itself, but also in whether our materials procurement and manufacturing processes are responsible. As a result, our LifeWear concept, which epitomizes our corporate commitment to achieving a sustainable society, has received acclaim across the globe.

## Ariake Project Producing Clear Results

The Ariake Project epitomizes our group-wide commitment to corporate reform that will enable us to consistently create better LifeWear. In February 2017, we moved UNIQLO headquarters to our Ariake Office and we began to overhaul our working styles. In September 2019, we then also moved our GU and PLST teams to Ariake. I have no doubt the Ariake Project will spur flexible, group-wide reform efforts.

I want us to become the first company to create a business platform that enables us to always have exactly what the customer desires. To do that, we have to reform all our operational processes starting from product design through to volume planning, production, distribution, and retail. We use leading digital technologies to collect and analyze pertinent information that helps us to develop products that customers truly desire. All our reforms stem from this huge treasure trove of global customer insights.

For companies like us that manufacture products







UNIQLO's LifeWear magazine, first published in August 2019, is a free publication outlining our LifeWear concept. We intend to publish twice a year and place it in UNIQLO stores worldwide.

in lots of several million units, accurate volume planning and the ability to increase production of strong-selling items are increasingly important. The Ariake Project is improving the accuracy and sophistication of our demand forecasting. Timely inventory control is also very important. We have significantly reduced our costs over the past year by achieving more appropriate global inventory levels and are now working to control our inventories at the SKU level (different product colors and sizes).

Building on the successful automation of our Ariake warehouse, we have recently started investing in warehouse automation on a global scale. We now plan to build automated warehouses in Western Japan, followed by the U.S., China, and Europe to ensure we can get products to customers more quickly. We already affix radio-frequency

identification (RFID) tags to all UNIQLO and GU, and other Group brand products worldwide. This has greatly boosted the efficiency of store operations, and we are further improving efficiency by introducing self-checkout machines.

Fast Retailing seeks to attract various leading companies, extremely talented designers, and ambitious personnel to help us further accelerate Ariake Project initiatives. I believe the key requisites for business are a clear sense of purpose and strong will. We want people who look for meaning in their work—people who strive to work for the benefit of society, for the community, and for customers. Always committing to high, challenging goals is the way to better ourselves, and I believe it is also the most effective way to grow in tandem with customers and society. The Ariake Project's real test begins now.

# E-commerce as the Core of Our Business

## Growing E-commerce to Create a New Business Format

Today, people increasingly expect to be able to buy whatever they want, whenever they want, without visiting a physical store. Building a global e-commerce platform will enable us to expand operations not only for UNIQLO, but for GU and other Group brands as well. This isn't simply a question of building e-commerce systems. It involves reforming entire business processes and transforming various frameworks to fit today's digital society. For that reason, in fall 2019 we transformed our e-commerce

approach into one that would enable us to operate as a single united global group.

Looking ahead, we aim to increase Group e-commerce sales to 30% of total revenue. In FY2019, Group e-commerce sales rose to ¥258.3 billion, or 11.6% of total sales. We are also establishing an operational platform that will enable us to target consistent growth in e-commerce profitability, at a similar level to our physical stores. Within UNIQLO, e-commerce operations currently constitute approximately 10% of total sales in Japan compared to approximately 25% in the geographically large market of the U.S., and approximately 20% in both China and Europe.

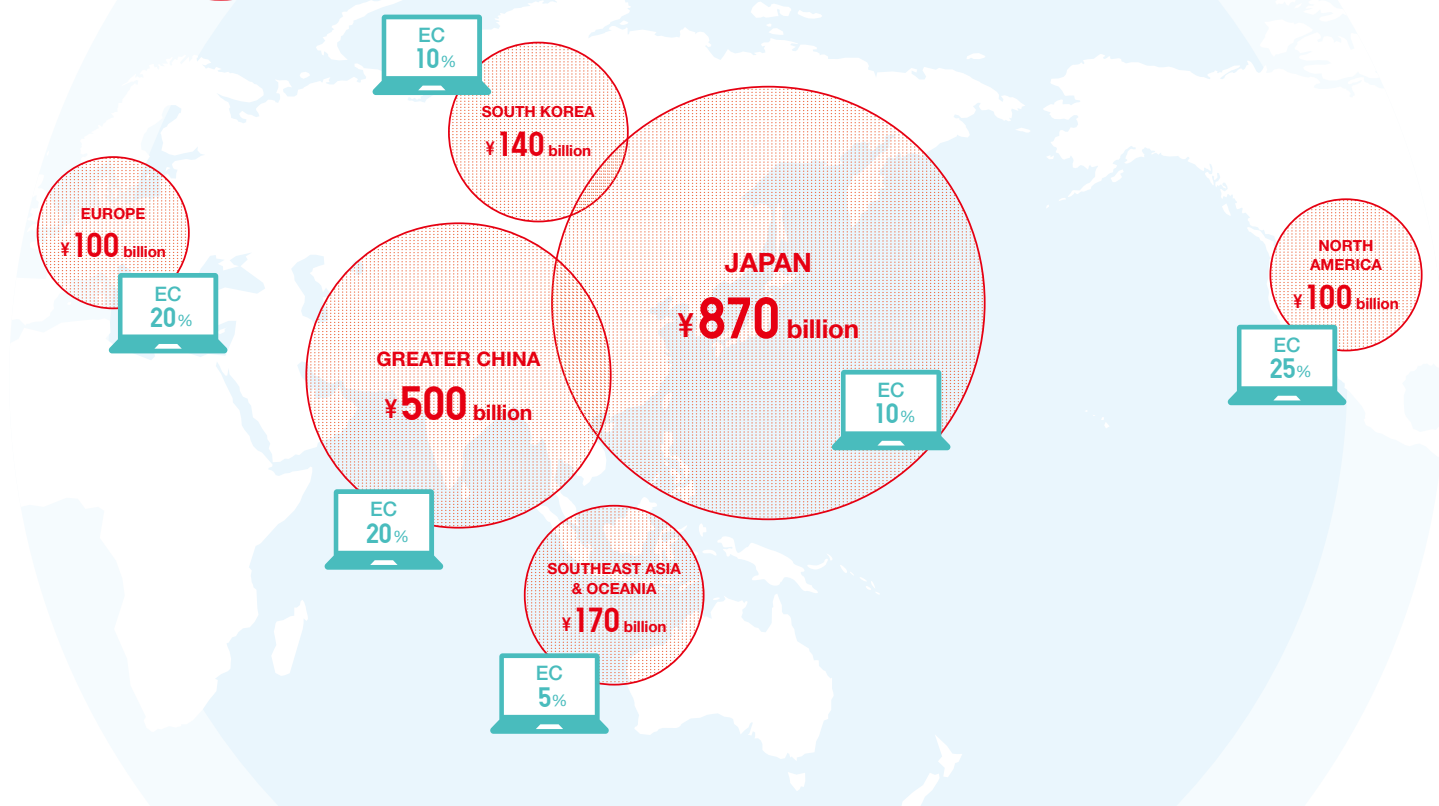
## Giving Customers a Better E-commerce Experience

We have already started fusing our e-commerce and physical store operations. One of the achievements of our Ariake Project is our new ability to use AI to analyze customer product search and purchase history, and offer product information that is a perfect fit for each and every customer.

UNIQLO and GU recently introduced the highly popular StyleHint app, which enables customers to check out different looks from around the world and collect new style ideas through image searching. We then use image analysis technology to select and suggest UNIQLO or GU products of similar design to what customers liked on StyleHint. We intend to use the information acquired through StyleHint to drive sales online and in our stores.



**FY2019  
UNIQLO  
Revenue &  
E-commerce Sales  
Figures**



## Harnessing E-commerce and Store Synergies to Advance

Many people think e-commerce and physical stores compete against each other, but we see more potential synergies than competition. We have noticed that the more our e-commerce services expand, the more often customers tend to purchase items from our physical stores. For example, rather than go to stores to search, our Chinese customers tend to select products they think sound most attractive based on information they found online. When we launch a new UNIQLO product, customers actively share information about the product on social media, spurring sales both online and in our stores.

The importance of e-commerce will increase going forward, but we also definitely need stores, because checking the fit and feeling the material with your own

hands are important when buying clothes. You can't run a thriving business with either physical stores or e-commerce alone, and I don't believe the retail industry has a future unless we generate clear synergies between both.

Our Ariake Project is pursuing cross-department reforms to maximize e-commerce and store synergies. To do this, we are building a new platform to improve e-commerce efficiency and transforming our distribution system to ensure swift delivery of online purchases. We are also working to avoid product shortages by unifying e-commerce and store inventories, and enabling additional production of strong-selling items with a shorter lead time.

I encourage our whole team to view e-commerce as a core part of our business, because I want to create the world's most advanced retail industry format that intelligently fuses online and physical store operations.





UNIQLO Piazza Cordusio Store (Italy)

# Major Advances for UNIQLO International

## Greater China and Southeast Asia Drive UNIQLO International Growth

In FY2019, UNIQLO International revenue topped ¥1 trillion for the first time, reaching ¥1.026 trillion (+14.5% year on year) on the back of rapidly advancing operations. UNIQLO International continues to expand and consistently generates a stable level of high profitability with a 13.5% operating margin and operating profit reaching ¥138.9 billion (+16.8%) in FY2019. The reason for this success is the strong support among customers worldwide of our LifeWear concept and the essential role of

ultimate everyday clothes in our lives.

Greater China (Mainland China, Hong Kong, and Taiwan) and Southeast Asia & Oceania are the two clear drivers of UNIQLO International's strong growth. In FY2019, UNIQLO Greater China achieved revenue of ¥502.5 billion (+14.3%) and operating profit of ¥89 billion (+20.8%). Thanks to persistent brand building efforts from the outset, consumers in Mainland China consistently rank UNIQLO as their No.1 apparel brand. Mainland Chinese customers value the UNIQLO brand for its high-quality everyday wear. UT graphic T-shirts, fleece, cashmere, HEATTECH, Ultra Light Down, jeans, and Kando pants are especially popular.

## China, Southeast Asia, India: The World's Global Economic Growth Centers

Greater China and Southeast Asia will likely continue to drive UNIQLO International growth. I expect these regions will exhibit continued economic development and an explosion in middle-income populations. Each operation within UNIQLO Southeast Asia currently generates annual sales of ¥20 to ¥40 billion, but I believe sales at individual operations will top ¥100 billion in the near future. In Mainland China, young consumers in what are known in China as “second-tier” and “third-tier” cities have the power to fuel further consumption growth, and we intend to focus new store openings in the most popular regional shopping malls.

UNIQLO successfully launched in India in October

and Vietnam in December 2019. These new markets have different cultures, and, consequently, different clothing needs. Traditional loose kurta shirts are popular in India, so we sought to meet local needs by developing a joint kurta collection with Indian designer Rina Singh. Thanks to UNIQLO's strong reputation, thousands of excited customers greeted the opening of our first store in Ho Chi Minh City, Vietnam.

We intend to open multiple new stores in China, Southeast Asia, and India, which we consider the world's global economic growth centers. With our well-established business platform in Asia, we are much better positioned than our competitors to generate strong future growth here. Japan's overall population totals 120 million, while the middle-income population totals several hundred million in Greater China, and over one billion in Asia as a whole. I want to consolidate our growth in this region, which is more than 10 times the size of Japan.

## Brand Loyalty Rising in Europe, E-commerce the Key to U.S. Growth

We cannot advance to the next level without successfully building the UNIQLO brand in Europe, the birthplace of Western-style clothing. Over the past two years, we have focused on building a more solid brand presence by opening large-format stores in prime urban locations. As a result, our first store in Italy (Milan) and our first store in Madrid, Spain (both opened in September 2019) generated extremely strong sales. We have significantly increased UNIQLO visibility across Europe by opening stores in new areas in quick succession, including first stores in Sweden (Stockholm) in August 2018, the Netherlands (Amsterdam), in September 2018, and Denmark (Copenhagen) in April 2019.

European consumers don't buy products simply because they are good. They are also extremely sensitive to sustainability issues. Therefore, it is up to us to conduct brand marketing that helps consumers understand our LifeWear concept, and convey our corporate aim to create a sustainable society.

In North America, UNIQLO is enjoying stable operational management, and sales in excess of ¥100

billion. In a geographically large market such as the U.S., it is important not just to open new stores, but to expand e-commerce and physical store networks in tandem. With the popularity of malls waning rapidly, we can't build a successful operation by opening more stores in malls where apparel brands compete fiercely on price alone. UNIQLO USA's e-commerce operation currently constitutes over 30% of total sales, and continues to increase favorably. E-commerce is the key to future growth in the U.S.



Greeting customers at the UNIQLO Ambience Mall Vasant Kunj Store (India).



# UNIQLO Japan Delivers Stable Profitability

## Realizing True Koten Keiei: More Efficient Store Operations

The Japanese apparel market remains tough as demand shrinks due to the country's declining and aging population, and linked to this, more discerning consumer purchase behavior. UNIQLO stores are working hard to optimize operations through "Koten Keiei" (local store management) and compiling product mixes that better suit local customer needs.

UNIQLO Japan suffered a decline in profit in the first half of FY2019 due to a warm winter, but profits recovered markedly in the second half of FY2019 after

a determined reduction in inventories from spring 2019 helped slice distribution and personnel costs. We are optimizing store operations with the introduction of radio-frequency identification (RFID) tags. These RFID tags enable us to instantly grasp which product SKUs (color, size, etc.) are in short supply by running an RFID reader over the store shelves, greatly simplifying stocktaking procedures. Additionally, the introduction of self-checkout machines in all UNIQLO Japan stores in fall 2019 has enabled customers to purchase products without waiting. Introducing self-checkout machines solves problems facing Japan's retail industry, including a chronic labor shortage and rising personnel costs.

## A New Retail Industry that Fuses Physical Stores and E-commerce

The scale of UNIQLO Japan's e-commerce operation is expanding every year as part of our global drive to strengthen online sales. Approximately 40% of online purchasers select UNIQLO's store pick-up service, which enables them to collect online orders from a local UNIQLO store. Consumers often make additional in-store purchases when they come to pick up their order.

Customers also enjoy ordering online because of a wider variety of items, a complete range of our product sizes, and collaborative collections that are generally only available in large-format stores. Basically, we are seeking to create a new retail industry format that affords customers a more convenient, fun shopping experience, regardless of whether they shop in-store or online. The demands on large-format stores will increase as this fusion of physical and e-commerce operations progresses, and so we are opening bigger, better-positioned stores through our policy of replacing smaller, less profitable stores with larger ones.



UNIQLO collaboration with popular London-based label JW ANDERSON.





# GU Harbors Even Greater Growth Potential than UNIQLO

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## A Record Performance and a Virtuous Business Cycle

GU achieved record results in FY2019 with revenue reaching ¥238.7 billion and operating profit doubling year on year to ¥28.1 billion. I believe GU will continue to generate strong and consistent growth going forward.

In the past, I think GU's product concept was blurred by the chasing of fashion trends and the creation of too many different fashion items. Having corrected that error, we were subsequently able to achieve record results by focusing on popular fashion items appropriate for the GU core price point. We have also nurtured a diverse team, led by CEO Osamu Yunoki to manage the GU operation.

There are many things we must do, however, to ensure this strong business growth continues. The GU brand concept is based on fun fashion at amazingly low prices and for this reason, GU appeals to people

of all ages. To fully maximize customer enjoyment, we are aiming to create even more on-trend products that we can offer at even lower prices. To do that, it is important to pursue Ariake Project ideals at GU. I believe GU can achieve an even more advantageous brand position by effectively utilizing advanced digital systems to collect and analyze global fashion information.

You won't find another apparel company in the world that strives to improve and evolve as earnestly as we do, and the Ariake Project exemplifies that. I think we can build GU into a leading global fashion brand by capitalizing on successful Ariake Project-driven reforms. There is greater demand for on-trend fashion items (as opposed to basic items) in the apparel industry, which suggests that GU could ultimately develop into an even greater brand than UNIQLO in the future.

I am really excited about GU's future prospects. It is a Fast Retailing Group brand with great growth potential.

# Making the World a Better Place for Everybody

## What It Really Means to Become the World's No.1

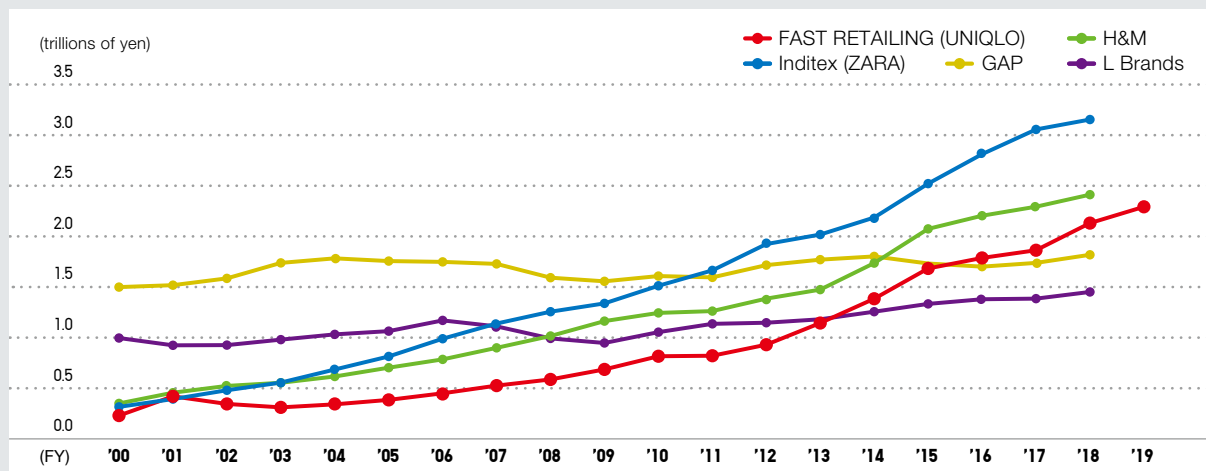
Fast Retailing is currently the world's third-largest apparel manufacturer and retailer, after Inditex (the owner of Zara) and H&M. Zara and H&M are primarily fashion brands, while we offer perfected basic clothing based on our LifeWear (ultimate everyday wear) concept. LifeWear continues to receive a great response from our growing base of fans and customers all over the world.

Our business seeks to enrich the lives of our customers and to improve our society. Ensuring sustainability is the most important thing for any business to do because ultimately companies cannot succeed if societies can't develop sustainably. We strive each day to expand stable business operations and become the global leader in terms of both sales and profit, but there is no point to any of

that if our efforts do not also contribute to a more sustainable society.

I want to continue creating simple, high-quality everyday clothing that people everywhere can wear for many years. LifeWear was born out of traditional Japanese artisanship, and Japan's long history of superior-quality manufacturing and careful attention to detail. Manufacturing and selling 1.3 billion items each year, the Fast Retailing Group exerts a considerable impact on our planet's environmental resources and on people's lives. Accordingly, we need to consider ways of maintaining sustainable social frameworks to ensure our product-manufacturing processes do not, for example, adversely impact the environment, or infringe upon the working environments or human rights of the people who work in our partner factories. I want us to be a genuine corporate leader in the apparel industry, and to strive effectively to make the world a better place.

### Sales at Leading Apparel Retailers



\*Compiled from individual annual report data and calculated using end November 2019 exchange rates.





UNIQLO global brand ambassadors attending a charity match at the Ariake Tennis Park. L to R: Professional tennis players Shingo Kunieda, Kei Nishikori, and Roger Federer, professional golfer Adam Scott, professional snowboarder Ayumu Hirano, and professional tennis player Gordon Reid.

## Making the World a Better Place Through Leadership and ESG

I turn 71 this year. I believe that the founder of a company never truly retires, and my passion for business remains as strong as ever. Having said that, my most important job is to nurture the next generation of leaders. I want to cultivate executives and management team members who can ensure continued stable expansion of Fast Retailing operations.

People who can work proactively with communities to expand business locally will be ideal managers on the global stage. They embrace new challenges with a flexible approach, analyze past mistakes, and improve outcomes. We can't enjoy lasting success by chasing industry trends. I want to ensure a solid operational platform by nurturing management teams who can anticipate global change and evolve our business.

Today, investors scrutinize companies strictly on their environmental, social, and governance (ESG) record. At Fast Retailing, we strive to fulfill the expectations of all stakeholders, including our customers, business partners, shareholders, and employees by pursuing proactive ESG activities. We have managed to significantly improve the assessments issued by global ESG evaluators in all categories.

In the environmental field, we are working to reduce the environmental impact of our fabric suppliers. We also stopped issuing single-use plastic bags to customers in our stores.

In terms of social measures, we aim to ensure safe working environments at partner factories, uphold human rights, and interact harmoniously with local communities. We install hotlines at partner factories so that workers can contact Fast Retailing directly, and encourage improvements based on the feedback we receive.

On the governance front, Fast Retailing has adopted a method in which the majority of Fast Retailing Board members are independent external directors. We have also introduced a system that clearly separates daily business activities from the Board's supervisory functions, as well as expedites our decision-making. In recent years, we have strengthened our governance framework by establishing a Nomination and Remuneration Advisory Committee, and formulating policies on anti-corruption and tax practices.

We have formed partnerships with outstanding global athletes who help convey Fast Retailing's LifeWear concept and corporate philosophy worldwide. Together with these global brand ambassadors, who are always pushing themselves to new heights, we commit to continue our challenge to make the world a better place through clothes.

# SUSTAINABILITY

## Building a Sustainable Society

Fast Retailing's overriding aim is to make the world a better place through clothes. The Fast Retailing sustainability statement concentrates on "unlocking the power of clothing." We have determined six material areas in which to focus our core sustainability efforts, and are now working tirelessly to achieve our goals in those areas.





## Our Six Key Areas of Focus (Material Areas)

- 1 Create New Value Through Products and Services
- 2 Respect Human Rights in Our Supply Chain
- 3 Respect the Environment
- 4 Strengthen Communities
- 5 Support Employee Fulfillment
- 6 Corporate Governance



# ENVIRONMENT

Material area 1

Material area 3

## Alleviate Environmental Impact Across the Supply Chain

- Commissioning independent environmental investigations at partner garment factories and fabric suppliers. Working with partner factories to reduce environmental impact of manufacturing processes.
- Committed in February 2019 to formulate science based targets (SBT) within two years to reduce greenhouse gas emissions in accordance with the Paris Agreement.
- Striving to prevent water contamination and reduce water and energy consumption in materials procurement and manufacturing.
- Targeting reductions in major fabric mills' water consumption by 15% and energy consumption by 10%.
- Aiming to eliminate the emission of hazardous chemicals in production.
- Gradually eliminating plastic in in-store shopping bags and product packaging.



### Conserving Energy in Stores, Reducing Greenhouse Gases

To reduce climate change and impacts on biodiversity, Fast Retailing seeks to fully understand and reduce greenhouse gas emissions across all operational processes from product manufacturing through disposal. Our aim is to reduce greenhouse gas emissions at UNIQLO Japan stores by 10% per unit area by the end of FY2020 (compared to FY2013 levels). The introduction of LED lighting had already cut emissions by approximately 19% by FY2018. At the end of FY2019, 92.2% of UNIQLO Japan stores had switched to LED lighting.

In October 2019, our UNIQLO Kawagoe Store received an Industry Pioneer award from the U.S. NGO Green Building Council for its pace-setting initiatives to reduce environmental impacts. The store was the first retail outlet in Japan to receive the Council's Gold Level Leadership in Energy and Environmental Design (LEED) certification in the Building Operations & Maintenance (O+M) category.





## Leading the Apparel Industry's ESG Response

As a leading player in the global apparel industry, Fast Retailing resolutely engages with ESG challenges. Since 2018, the Board, led by CEO Tadashi Yanai, has been firmly focused on pursuing effective ESG initiatives. In FY2019, we made great progress on environmental initiatives. In September, UNIQLO and GU took significant steps toward reducing single-use plastics by stopping the distribution of plastic shopping bags to customers at all stores worldwide and starting to reduce the amount of plastic used in product packaging.

While Fast Retailing doesn't own any factories, it does proactively encourage environmentally conscious activities at primary and secondary partner factories. I believe Fast Retailing is capable of changing conventional wisdom in the apparel industry by advancing its ongoing environmental initiatives in earnest. I intend to continue offering advice and support in my position as an external director to ensure Fast Retailing keeps moving firmly in the direction of helping to make the world a better place.



**Takashi Nawa**  
External Director

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### Eliminating Plastic Shopping Bags

The Fast Retailing Group decided to stop issuing plastic shopping bags to customers in its stores worldwide, switching these plastic shopping bags to paper bags, and starting to sell reusable eco-friendly cotton bags.



2

### Eliminating Plastic Product Packaging Using Alternative Materials

We stopped using plastic packaging for some products, such as UNIQLO room shoes, beginning in the 2019 fall/winter season.



# SOCIAL

Material area 1

Material area 2

Material area 4

Material area 5

## Work Closely with Business Partners, Employees, and Local Communities

- We aim to create new value by helping solve social and environmental issues through clothes, pursuing revolutionary environmentally conscious production processes, and ethical materials procurement.
- We respect human rights across our supply chain and create safe, fair working environments.
- As a global company, we seek to contribute to local communities and ensure co-existence and mutual prosperity.
- We seek to ensure that all employees can play an active role through their work.
- We seek to expand employment opportunities for people with disabilities, and for refugees.



### All-Product Recycling Initiative: 36.57 Million Items Donated

Under our All-Product Recycling Initiative, UNIQLO and GU stores in 22 markets worldwide accept clothes that customers no longer wear for delivery to people in need. The clothing is then sorted, with the wearable items (approximately 80%) being delivered through the Office of the United Nations High Commissioner for Refugees (UNHCR) and other organizations to refugees, displaced persons, and other people in need. By the end of August 2019, we had donated a total of 36.57 million items. The remaining 20% of the clothing is shredded. After any metal is removed, it is compressed together with paper and plastics for reuse as recycled paper and plastic fuel (RPF). RPF is an alternative to coal and fossil fuels, used in special boilers operated by major paper manufacturers.







## Employees Participate in Social Responsibility Worldwide

Fast Retailing employees go to refugee camps and disaster zones to deliver secondhand clothing donated by customers through our All-Product Recycling Initiative.

UNIQLO and GU employees also conduct a Power of Clothing outreach program to teach schoolkids about refugee issues. For example, in FY2019, UNIQLO and GU store managers visited 442 local schools across Japan to teach children about the All-Product Recycling Initiative. The children get to hear what life is like for refugees and how donated clothing can make a difference. By setting up their own clothing drives, the children experience the joy of doing something to help others around the world, and deepen their understanding of international issues.



## Monitoring Improves Working Environments Across the Supply Chain

Based on our Code of Conduct for Production Partners, Fast Retailing asks independent organizations to conduct regular inspections of human rights violations, working environments, and environmental safety at our partner sewing factories and main fabric suppliers. Each factory is informed of the inspection result. If required, Fast Retailing members visit factories and work with factory staff to implement appropriate improvement measures.



### ■ Partner Factory Monitoring Results

Grade	Description	FR Group (UNIQLO)			
		FY2016	FY2017	FY2018	FY2019
A	No specific violations	55 (25)	67 (31)	61 (33)	40 (21)
B	Relatively minor violations	239 (125)	250 (139)	233 (135)	234 (143)
C	Risk of human rights or worker safety and health violations (e.g. inadequate provision of masks, gloves, and other protective gear)	160 (65)	196 (84)	229 (97)	239 (103)
D	Significant violation of human rights, safety and health, remuneration or welfare benefits (e.g. inadequate emergency exit locking, wage calculations, etc.)	44 (14)	49 (13)	84 (34)	71 (18)
E	Serious human rights violations (child or forced labor) or extremely serious safety and health violations	13 (6)	14 (6)	5 (1)	1 (1)
Number of factories monitored		511 (235)	576 (273)	612 (300)	585 (286)

In FY2019, we requested D-grade factories displaying significant code violations to make improvements within three months, conducted follow-up monitoring, and reduced volumes at factories that had not instigated sufficient improvements. In our Business Ethics Committee, we discussed factory management and employment conditions at E-grade partner factories, and reduced production orders.

# GOVERNANCE

Material area 6

## Enhance Swift and Transparent Management

- Appoint mainly external directors to heighten the Board of Directors' independence and strengthen its surveillance ability.
- Promote swift, open debate and decision-making in individual committees that support the Board.
- In August 2019, established a Nomination and Remuneration Advisory Committee to debate important governance-related issues.



### Board of Directors, Board of Auditors

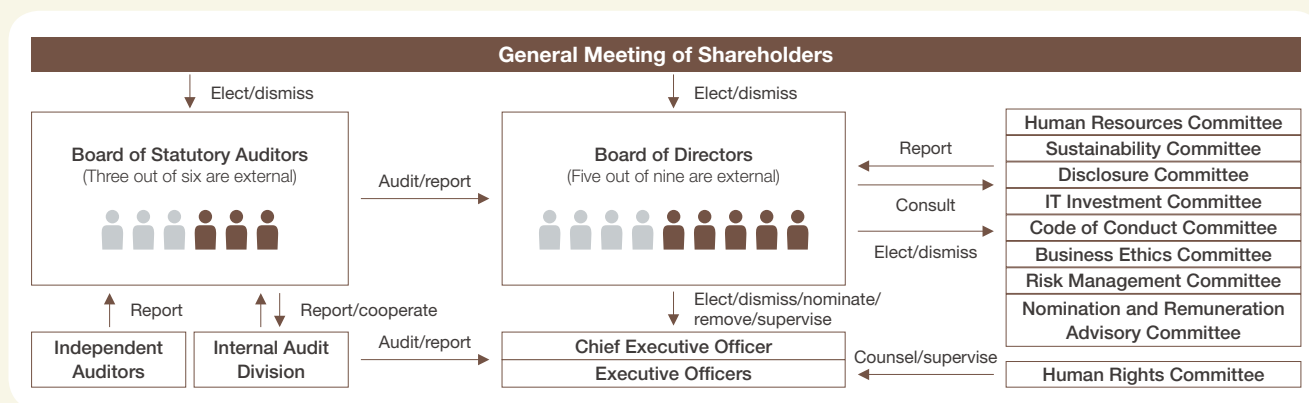
Having a majority of external directors on the Board strengthens supervision of decision-making by our CEO and other executive officers. Our external directors boast diverse superior expertise as former senior managers of global companies or as leading specialists in fields such as M&A and financial management. They offer objective opinions that are reflected in important management decisions. In FY2019, the Board discussed various topics including the fiscal year budget, approval of corporate results, UNIQLO USA business, and the Ariake Project. The Board met 13 times in FY2019. The attendance rate was 99.1% for directors and 100% for auditors. External statutory auditors with certified accounting or legal backgrounds constitute half the Board of Auditors. The auditors ensure transparent auditing and participate in specialist and objective debates. The Board of Auditors met 12 times in FY2019 (100% attendance).

### Internal Control

We aim to establish internal control systems wherever we operate by promoting full compliance, building risk management frameworks, protecting confidential information, and pursuing thorough internal auditing. We seek to nurture a deep understanding of and respect for our Fast Retailing Group Code of Conduct by requiring all employees to take an annual online refresher course. We have also set up internal hotlines to enable anyone to report or discuss potential compliance violations.

At the same time, our Risk Management Committee works to strengthen our business-related risk management systems by debating various topics including how to counter information security risks, how to contain natural disaster or geopolitical risks, and how to establish the most effective global risk management frameworks.

### ■ Corporate Governance at Fast Retailing (As of November 29, 2019)



## Human Rights Committee

### Initiatives to Uphold Human Rights

Fast Retailing established its Human Rights Committee in July 2018 to promote initiatives designed to uphold human rights according to the 2018 Fast Retailing Group human rights policy. Chaired by external professional Yoshinori Tomita (former chief judge of the Tokyo High Court), the committee is managed from an objective perspective. The committee met eight times in FY2019.

One proposal considered in the committee meetings was Upholding Human Rights in Marketing. The committee debate addressed the prevention of discriminatory expressions relating to ethnicity, nationality, age, religion, and gender. It also covered the consideration of model working hours and working environments, the impact of marketing on children, and the upholding of the rights of children. The committee is



currently compiling appropriate internal marketing guidelines.

Another proposal was Problems with Partner Factory Hotlines and Appropriate Countermeasures. Hotline complaints may include insufficient explanation of changes to remuneration systems, inappropriate treatment of pregnant women, abuse of power, and sexual harassment. If necessary, our Sustainability Department will confirm the facts with the relevant partner factory, and request improvements.

## Nomination and Remuneration Advisory Committee

### Strengthening Our Corporate Governance

We launched our discretionary Nomination and Remuneration Advisory Committee in August 2019 to strengthen Fast Retailing governance. The committee advises the Board of Directors on important items relating to Fast Retailing corporate governance, such as

the requirements and nomination policy regarding candidates for director and statutory auditor positions, determining director remuneration, requirements regarding the company's CEO, and smooth management succession planning. To ensure objective and rational debate, the committee is chaired by a director nominated by the Board, and the majority of committee members are independent external directors or statutory auditors.

## Composition of Committees (As of November 29, 2019)

● = Committee Member

		Human Resources Committee	Sustainability Committee	Disclosure Committee	IT Investment Committee	Code of Conduct Committee	Business Ethics Committee	Risk Management Committee	Nomination and Remuneration Advisory Committee	Human Rights Committee
Internal Directors	Tadashi Yanai	●	●	●	Chairperson				Chairperson	
	Takeshi Okazaki	Observer	●	Chairperson	●			Chairperson		●
	Kazumi Yanai									
	Koji Yanai									
External Directors	Toru Hambayashi	Chairperson							●	
	Nobumichi Hattori									
	Masaaki Shintaku				Observer					
	Takashi Nawa	●	●					●		●
	Naotake Ono								●	
Standing Statutory Auditors	Akira Tanaka	●	●			●	Observer		●	●
	Masaaki Shinjo			Observer	Observer		●			
	Masumi Mizusawa		●	Observer				Observer		●
External Statutory Auditors	Takaharu Yasumoto						●			
	Keiko Kaneko	●				●				●
	Takao Kashitani						●		●	
Group Officers and Other External Professionals		2	6	3	5	5	5	10	0	6



## Messages from Our Directors



**Tadashi Yanai**

### Grow as a Company that Contributes to a Sustainable Society

I seek to drive our Ariake Project forward and promote our transformation into a new digital consumer retail company. True to our corporate statement—“Changing clothes. Changing conventional wisdom. Change the world”—I strive to implement transparent management, contribute to a sustainable society, and pursue growth that delivers the joy of great clothes by providing LifeWear to people worldwide.

Appointed President and CEO in September 1984, and his current position of Chairman, President & CEO in September 2005. Main concurrent positions: Chairman, President & CEO of UNIQLO CO., LTD.; Director & Chairman of G.U. CO., LTD.; Director of LINK THEORY JAPAN CO., LTD.; External Director at Nippon Venture Capital Co., Ltd.



**Toru Hambayashi**

External Director

Independent Director

### Emphasize Transparent Management and Healthy Corporate Structure

Tadashi Yanai is an extremely talented business leader and Fast Retailing benefits greatly from his strong sense of ethics. However, as Fast Retailing expands the scale and global reach of its operations, management transparency will become increasingly important. My job is to strictly evaluate the process of realizing business growth within a healthy corporate structure and offer candid advice to aid Fast Retailing's quest to become the world's No.1 brand.

Appointed November 2005. Former President of Nichimen Corp.; Chairman of Sojitz Holdings Corp. (currently Sojitz Corp.); External Director at UNITIKA LTD. and at DAIKYO INCORPORATED. Currently serving as Advisor to MAEDA CORP. and to The Association for the Promotion of International Trade, Japan.



**Nobumichi Hattori**

External Director

Independent Director

### Wide-ranging Advice to Increase Corporate Value

From a management strategy perspective, it is extremely important to objectively judge how capital markets perceive Fast Retailing's corporate value. My job is to offer suggestions on how to best increase that value. The Board of Directors' role as a key collective that consistently highlights and considers risk-side factors is growing in significance every year. I am committed to providing appropriate advice from a range of perspectives.

Appointed November 2005. Formerly of Goldman Sachs. Currently a research specialist in M&A and corporate value evaluation. Also serves as Visiting Professor at Waseda Graduate School of Finance, Accounting and Law, and at Keio University Graduate School of Business Administration; External Auditor at Frontier Management Inc.; External Director at Hakuholdo DY Holdings Inc.



**Masaaki Shintaku**

External Director

Independent Director

## Accelerate Corporate Evolution, Contribute to Growth

Fast Retailing is investing in transforming its distribution and IT systems and, having now created a cohesive global corporate Group, is moving onto its next growth scenario as a digital consumer retail company. Fast Retailing is nurturing talented managers to dynamically drive growth as its operations transform, and it enjoys an expanding and diverse workforce ready to take on new challenges. The Board of Directors is working to accelerate company progress and future success.

Appointed November 2009. Previously Executive Vice President of Oracle Corp. (US) and Chairman of Oracle Corp. (Japan). Currently Vice Chairman of Special Olympics Nippon Foundation.



**Takashi Nawa**

External Director

Independent Director

## Champion Sustainability and Diversity

I believe consistently contributing to a sustainable society helps improve corporate value. My role is to help Fast Retailing address ESG issues more actively, thereby earning a reputation as a global industry leader in this arena. I always ensure the comments I make to the Board are firmly focused on prizing and upholding diversity as we pursue fully global operations.

Appointed November 2012. Previously a director of McKinsey & Company and External Director at DENSO CORPORATION. Currently works as a visiting professor at Hitotsubashi University Business School and serves as President of Genesys Partners, and as External Director at NEC Capital Solutions Limited and at Ajinomoto Co., Inc.



**Naotake Ono**

External Director

Independent Director

## Develop a Broad Management Perspective

Good management requires developing a broad perspective through reference to other industries. When I was in senior management, I expected external directors to offer direct opinions based on that kind of perspective. Tadashi Yanai is open to new ideas, so I voice frank opinions to ensure management transparency and appropriate risk management. I intend to continue fulfilling my role as external director in this manner.

Appointed November 2018. Formerly Director, Senior Managing Executive Officer, Deputy President, Head of Marketing, and President & COO of Daiwa House Industry Co., Ltd. Became Special Advisor to Daiwa House in November 2017.



**Takeshi Okazaki**

## A Frontline View Fuels Deep, Practical Debate

As Group Executive Vice President and CFO, my role involves implementing and supervising corporate management policies. I am perfectly positioned to explain what is actually happening within our company to fuel deeper debate about the practical issues in Board meetings. I adhere to the policy of the Board, guide Fast Retailing's management team, of which I am a member, and ensure appropriate management from the perspective of our customers and other stakeholders.

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Appointed November 2018. Worked at the Long-Term Credit Bank of Japan and as a partner at McKinsey & Company. Joined Fast Retailing in August 2011. Currently Director of UNIQLO CO., LTD and of G.U. CO. LTD., and Group Executive Vice President & CFO of Fast Retailing Co., Ltd.



**Kazumi Yanai**

## Create a Platform to Support Sustainable Corporate Growth

As a member of Fast Retailing's founding family, I seek to bolster global growth from a long-term perspective. I work to create a strong fundamental basis for continued growth by upholding our corporate culture, strengthening our governance, and placing importance on our social contributions. As a senior vice president, my aim is to advance our business transformation, and work together with employees and management to forge our ideal company.

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Appointed November 2018. Joined Fast Retailing in September 2009 after working at Goldman Sachs Group, Inc. and Link Theory Holdings (US) Inc. (currently Theory LLC). Currently Chairman of Theory LLC and of UNIQLO USA LLC; CEO of J BRAND HOLDINGS, LLC; Executive Officer at Fast Retailing Co., Ltd.



**Koji Yanai**

## Compassionate Management, Stronger Governance

I have gained much first-hand experience working in global marketing, PR, and the Ariake Project. My experience on the front lines at Fast Retailing has shown me the ultimate importance of developing business from the customer's perspective, and valuing all stakeholders including employees and partner companies. As a Director and member of Fast Retailing's founding family, I want to contribute to continued corporate growth.

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Appointed in November 2018. Joined Fast Retailing in September 2012 after working at Mitsubishi Corporation's food subsidiary Princes Limited, UK. Currently Assistant General Manager, Global Product Development and Merchandising, UNIQLO CO., LTD., and Executive Officer at Fast Retailing Co., Ltd.



## Auditors



**Takaharu Yasumoto**

External Statutory Auditor

Independent Director

Appointed November 1993. Currently President of Yasumoto CPA Office; Internal Auditor at UNIQLO CO., LTD. and at LINK THEORY JAPAN CO., LTD.; External Statutory Auditor at ASKUL Corp. and at FRONTEO, Inc.



**Keiko Kaneko**

External Statutory Auditor

Independent Director

Appointed November 2012. Partner at Anderson Mori & Tomotsune law firm; Statutory Auditor at UNIQLO CO., LTD.; External Statutory Auditor at The Asahi Shimbun Company and at Daifuku Co., Ltd.



**Takao Kashitani**

External Statutory Auditor

Independent Director

Appointed November 2018. Director of Brain Group (Kashitani Accounting Office); President of Brain Core Co., Ltd. and of FP Brain Co., Ltd.; External Director at Japan Freight Railway Company.



**Akira Tanaka**

Standing Statutory Auditor

Appointed November 2006. Served as Deputy President of McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan) Ltd.). Formerly Managing Director of Fast Retailing Co., Ltd. Currently Councilor at Special Olympics Nippon Foundation.



**Masaaki Shinjo**

Standing Statutory Auditor

Appointed November 2012. Joined Fast Retailing in February 1994; served as Director of Auditing and Group Auditing. Also served as Internal Auditor at G.U. CO., LTD., and as Director of Control Store Operations Support at UNIQLO CO., LTD.



**Masumi Mizusawa**

Standing Statutory Auditor

Appointed November 2019. Formerly of Yamaichi Securities Co., Ltd. and Kleinwort Benson Securities Research. Joined Fast Retailing in October 2001. Served as General Manager of Investor Relations.

# ARIAKE PROJECT 2019



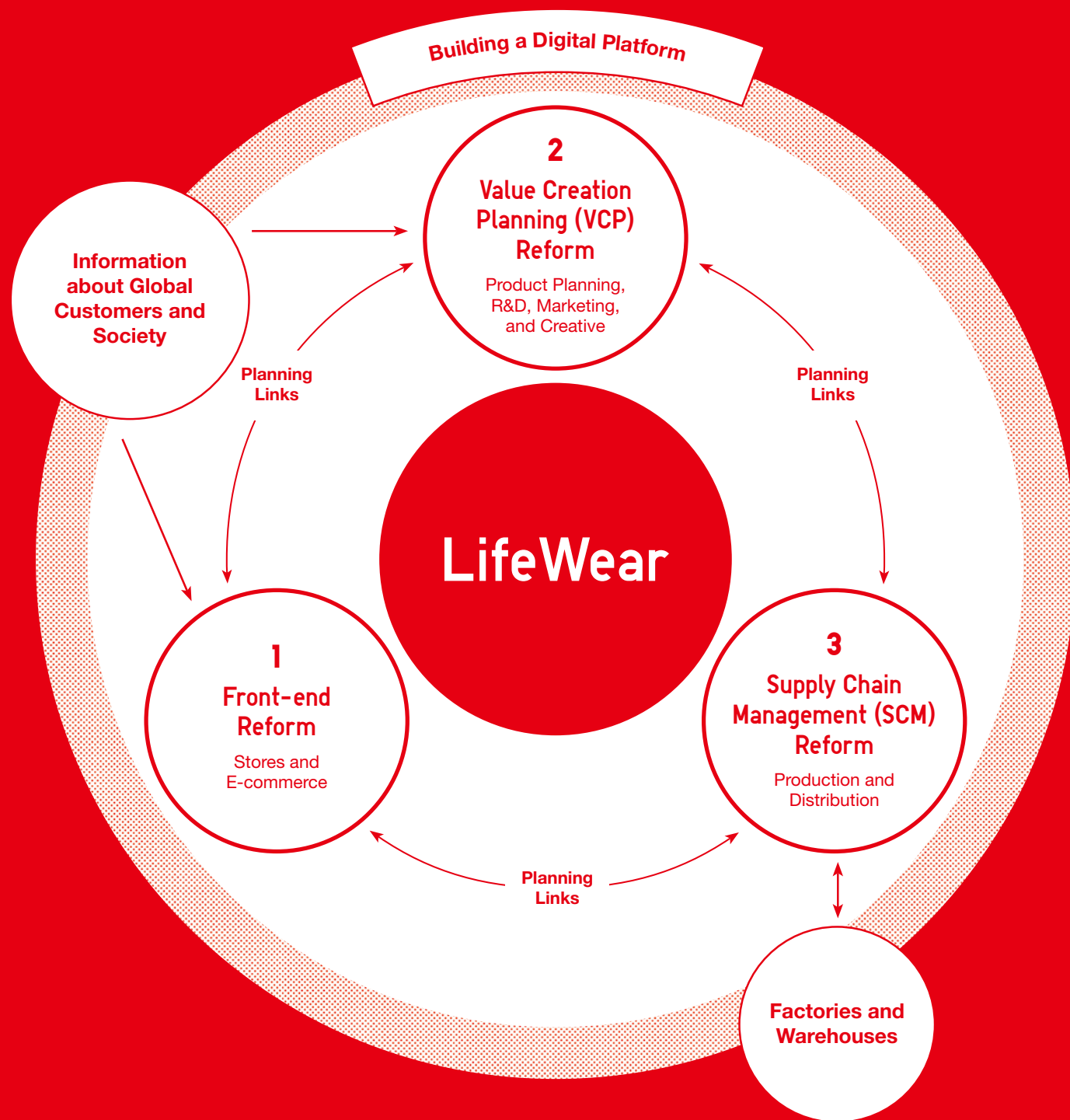
**The Ariake Project  
steers the creation of  
LifeWear.**

**Tadashi Yanai**

To continue creating great LifeWear, the Ariake Project pursues reforms designed to turn information into products by understanding exactly what customers want and promptly creating and delivering those desired products. We use AI technology to analyze huge volumes of information containing customer preferences and insights collected worldwide by store employees, which helps us develop revolutionary new products and improve existing items. We have also started using this analysis to formulate more accurate demand predictions. Through the Ariake Project, our ultimate aim is to make Fast Retailing one of the world's most important companies in the eyes of our customers.

# Ariake Project Overview

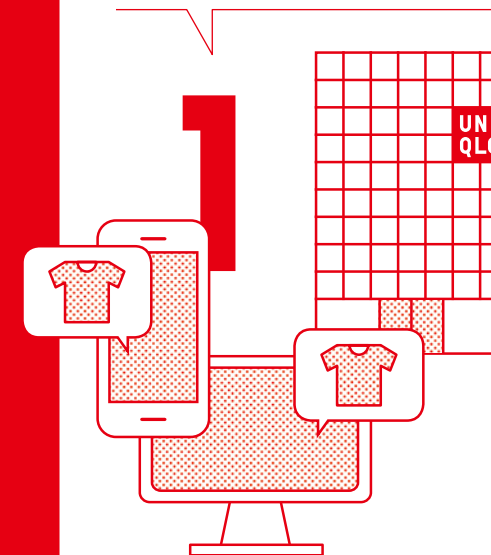
## Three Major Areas of Reform



## Front-end Reform

### Stores and E-commerce

The creation of LifeWear starts with an understanding of what customers really need in their everyday lives. Central to that endeavor are our stores and e-commerce operations, because they interact with customers daily. We collect customer insights from physical stores and e-commerce interactions worldwide, and these are sent in real time to head-office departments. They are the true starting point of product creation, and at the forefront of the Ariake Project.



## Value Creation Planning (VCP) Reform

### Product Planning, R&D, Marketing, and Creative

VCP is how we use the huge volumes of information collected from stores, e-commerce, and various other global information sources to create products. Our customers lead diverse lives in different parts of the globe. Their circumstances and opinions are always changing. We seek to sense those changes, listen carefully to their thoughts, and create the clothes that they really want to wear. We deliver LifeWear that offers more new value than customers imagined possible, and our marketing strives to convey the thinking and aim behind each product.



## Supply Chain Management (SCM) Reform

### Production and Distribution

SCM involves producing and delivering products to stores worldwide. We are working to reduce overall SCM lead times so products are always available at exactly the time and place customers decide they want them. We store advance reserves of fabric for core products at factories to expedite materials procurement and promote automated sewing processes at partner factories. To reduce transportation lead times, we are adopting flexible frameworks that include transporting urgent products by air, and pursuing various projects including the simplification of trade documentation.







A woman with dark hair is standing in the center-right of the frame, looking towards the camera. She is wearing a beige, long-sleeved, high-necked knit top and a matching knee-length skirt. The fabric appears to be a soft, textured knit. She is holding a dark green garment in her left hand. The background is a busy city street with blurred figures of people walking. The architecture features stone walls and large windows. The lighting is warm, suggesting late afternoon or early morning. The overall mood is relaxed and sophisticated.

UNIQLO

# UNIQLO, Driving LifeWear Innovation

Loose-fitting, souffle-yarn knitwear,  
new for fall/winter 2019. The light,  
soft fit evokes a relaxed, everyday style.



# PLANNING

## START

### ▶ PRODUCT CONCEPT

### ▶ SELECT AND PROCURE MATERIALS

### ▶ DESIGN SAMPLES

## Research & Development (Designers/Pattern Makers)

UNIQLO's R&D centers constantly research the latest in new materials and global fashions in addition to developing products to satisfy future customer needs. In fact, identifying those very needs is an important part of the R&D job.

One year before a product's intended launch, the R&D department holds a concept meeting with representatives from the merchandising, marketing, and materials development teams to determine the right design concept for each season. Designers then prepare designs and refine samples. Even after a design is decided, its color and silhouette can be refined multiple times before the final design is approved.

## Merchandising

Merchandisers play a vital role in the product creation process, from design through production. Merchandisers communicate closely with all departments before determining the designs and materials required for each season's products. Merchandisers also decide how to market our strategic product launches in close cooperation with the appropriate departments. Deciding product lineups and volumes throughout the year is another important part of the merchandiser's role.

Many UNIQLO products are manufactured in huge batches of approximately one million units. Closely monitoring sales levels and adjusting production volumes during any one season is another key role.

## Development and Procurement of Materials

UNIQLO can secure stable, high-volume supplies of top-quality materials at low cost by negotiating directly with materials manufacturers worldwide and placing large-volume orders to achieve the most favorable terms.

The materials used for our core items are particularly important. Our in-depth research and experimentation generates improvements in the functionality, feel, silhouette, and texture of our clothes. For example, we work closely with Kaihara Corporation to source denim to specific spinning standards and dyeing specifications. We also partner with Toray Industries, a world-leading synthetic fiber manufacturer, to create innovative materials resulting in unprecedented high-function materials such as HEATTECH.



# PRODUCTION

► FINALIZE DESIGNS

► SET PRODUCTION VOLUMES

► START PRODUCTION

## Production Network

UNIQLO does not own any factories. We outsource all production to partner factories, many of which are in China. We have built relationships of strong trust with our partner factories over many years, and hold annual conventions to promote dialogue with factory managers. We monitor working and environmental conditions at textile manufacturers and major fabric suppliers, and help factories implement improvements as needed. Maintaining a win-win relationship with partner factories ensures the production of high-quality products.

As UNIQLO expands globally, we have formed business relationships with partner factories not only in China, but also in countries including Vietnam, Bangladesh, Indonesia, and India.

## Production Department

UNIQLO currently has production team staff and textile takumi (skilled artisans) in Shanghai, Ho Chi Minh City, Dhaka, Jakarta, Istanbul, and Bengaluru. Production teams that monitor and resolve quality and management challenges visit partner factories each week. The production department also swiftly addresses customer concerns regarding quality.

### ■ UNIQLO Production Offices



## UNIQLO Takumi Teams

“By offering instruction on dyeing technology at UNIQLO’s partner factories, I can encourage workers to embrace a new production management philosophy and improve the factories they work in. Our cultures may be different, but our aim is the same—to make truly good products. I am proud to be passing on expert Japanese techniques to the next generation of technicians.”



Dyer Takumi  
**Kazuaki Iida**



# SALES

► SHIP TO INDIVIDUAL COUNTRIES

► AIR TV COMMERCIALS

► START ADDITIONAL PRODUCTION

## Inventory Control

The inventory control department maintains the optimum level of store inventory. It does this by monitoring sales and stock on a weekly basis, and then dispatching necessary products to fulfill orders.

At the end of each season, merchandisers and the marketing department work together to coordinate the timing of any price changes to help ensure that inventory sells out.

## Marketing

Each season, UNIQLO conducts promotional campaigns for core products such as HEATTECH, Ultra Light Down, AIRism, and Bratops. During the campaigns, UNIQLO advertises the products' unique qualities and noteworthy features on TV and in other media. In Japan, we use email, social media, and weekly flyers in the Friday editions of national newspapers to notify customers about limited-period discounts, typically of 20–30%, on key ranges.

## Stores

UNIQLO Japan had 817 stores (including 43 franchise stores) at the end of August 2019. UNIQLO International expanded to 1,379 stores, including 807 in Greater China (Mainland China, Hong Kong, and Taiwan), 188 in South Korea, 231 in Southeast Asia & Oceania, 91 in Europe, and 62 in North America. New store openings have been especially rapid in Greater China and Southeast Asia.



Promotional flyer



TV commercial



UNIQLO Roadside store





## ▶ IN-STORE SALES AND E-COMMERCE

## CUSTOMERS

### E-commerce

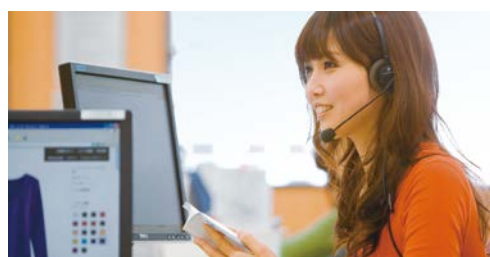
Online sales are increasingly important, accounting for approximately 11% of total sales in FY2019. In the geographically large markets of Greater China and the U.S., online sales account for approximately 20% and 25% of total sales respectively. In Japan, that ratio is only 9.5% (¥83.2 billion), but we aim to increase it by targeting 30% annual growth in online sales.



**UNI QLO.com**

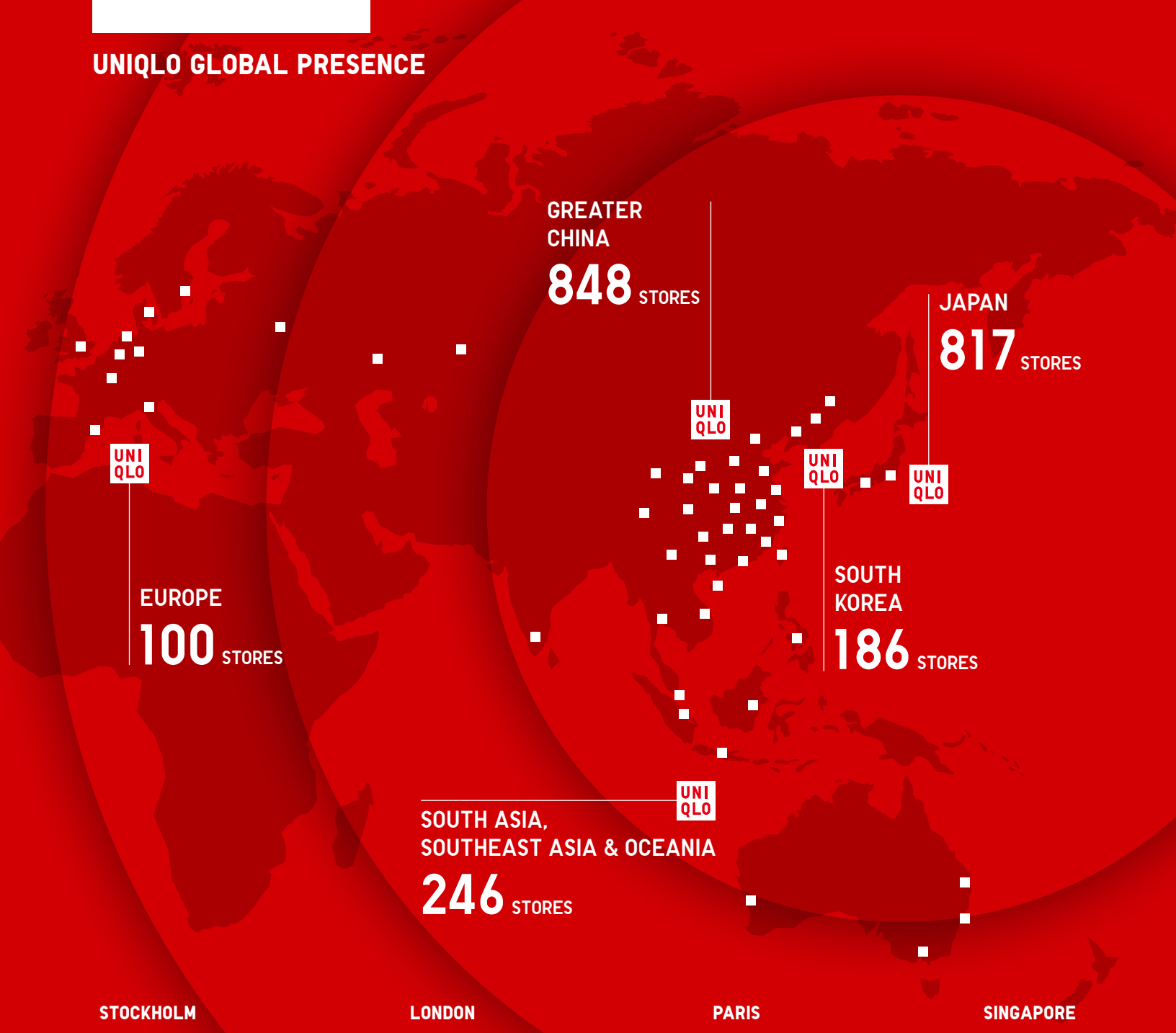
### Customer Center

Our customer center is vital to our effort to improve core ranges. It analyzes huge volumes of requests and comments from customers. Already, this analysis has helped improve many core ranges such as Ultra Light Down, fleece full-zip jackets, boa fleece outerwear, warm EZY Pants, and cashmere knitwear. Going forward, we will seek to improve our customer information collection and analysis capabilities. In FY2019, our customer center responses rose from 420,000 to 700,000. This included an increase in responses via traditional in-store routes, telephone, and online chat tools.





## UNIQLO GLOBAL PRESENCE



NORTH  
AMERICA

63 STORES

UNI  
QLO

UNI  
QLO

Global Total

2,260

STORES

(As of December 31, 2019)

# LifeWear, Joy for the Globe

SHANGHAI

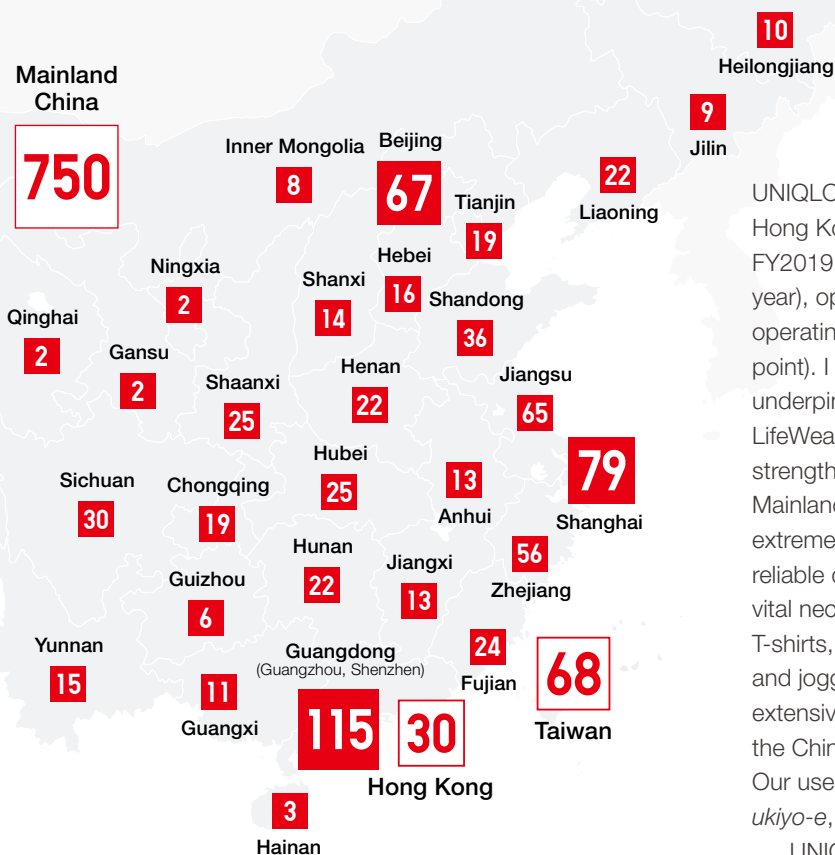
OSAKA

TOKYO

NEW YORK



# Rapid Growth as Greater China's No.1 Apparel Brand



UNIQLO Greater China, spanning Mainland China, Hong Kong, and Taiwan, achieved record results in FY2019 with revenue of ¥502.5 billion (+14.3% year on year), operating profit of ¥89.0 billion (+20.8%) and an operating profit margin that improved to 17.7% (+1.0 point). I believe this impressive performance was underpinned by a deepening affinity for UNIQLO's LifeWear ultimate everyday clothing, and UNIQLO's strengthening position as the top apparel brand in Mainland China. Our highly functional products are extremely popular with customers, who trust UNIQLO's reliable quality and firmly embrace UNIQLO clothes as vital necessities for daily living. Our fleeces, UT graphic T-shirts, HEATTECH, Ultra Light Down, UV-cut parkas, and jogging pants are proving especially popular. Our extensive UT marketing campaign conducted during the Chinese New Year, in February resonated strongly. Our use of quintessentially Japanese culture (manga, *ukiyo-e*, etc.) in our items has also proved popular.

UNIQLO's Greater China operation enjoys a virtuous marketing cycle. UNIQLO fans tend to post information about new products and events on social media, often with video, which encourages other people to start purchasing UNIQLO products. This positive online posting is especially vigorous among fashion-sensitive young consumers.

Greater China's e-commerce sales expanded 30% in FY2019 to constitute approximately 20% of total sales. That proportion will likely continue to rise as online-to-offline (O2O) services, such as the pick-up of online purchases from a nearby physical store, extend across Mainland China. In a geographically vast market, our physical stores also serve as e-commerce

Greater China  
Store Network

**848** STORES

+80 YoY  
(December 31, 2019)





UNIQLO Shanghai global flagship store



# SHANGHAI

warehouses that ensure the quickest possible delivery of online purchases to customers. We are aiming to develop an apparel manufacture and retail industry with growth powered equally by stores and online operations for ultimate customer convenience.

Regarding new store strategy, we plan to continue opening stores in what China colloquially refers to as its “first-tier” cities (Beijing, Shanghai, Guangzhou, and Shenzhen) and proactively opening stores in “second-tier” cities such as Hangzhou, Nanjing, Wuhan, Zhengzhou, Kunming, Xi’an, Chengdu, and Chongqing. Thanks to Mainland China’s remarkable economic development, urban consumers there are becoming increasingly interested in fashion and their purchasing power is likely to continue to strengthen considerably.

In the near future, UNIQLO Greater China revenue is expected to surpass that of UNIQLO Japan and top the ¥1 trillion mark. Going forward, UNIQLO will do everything to ensure Greater China’s 1.4 billion people experience the joy of LifeWear as we strive to become Asia’s No.1 global brand.

## Ning Pan

CEO, UNIQLO Greater China  
Group Executive Vice President  
Fast Retailing Co., Ltd.





UNIQLO GLOBAL PRESENCE

# Great Strides in South and Southeast Asia

**NEW DELHI**



UNIQLO Ambience Mall Vasant Kunj Store (India)

In 2019, we expanded our network in South Asia and Southeast Asia by opening our first UNIQLO store in India (October) and in Vietnam (December). Owing to differing climates, cultures, and religions, we compiled product mixes that met local customer needs while maintaining UNIQLO's universal brand image. In India, for example, our joint collection with Indian designer Rina Singh offering traditional kurta everyday wear is extremely popular.

UNIQLO Southeast Asia & Oceania (Singapore, Thailand, Indonesia, Malaysia, the Philippines, and Australia) performed extremely strongly in FY2019 with both revenue and profit increasing by over 20% year on year. It has developed into a ¥170 billion operation, with the populous nations of Indonesia, the Philippines, and Thailand generating especially strong results. This performance is underpinned by a growing affinity for UNIQLO among families with rising incomes, who are impressed by the quality and comfort of UNIQLO clothes.

With South and Southeast Asia enjoying year-round summer weather, consumers love core UNIQLO items such as polo shirts, short pants, and UT graphic T-shirts, but fall/winter items such as flannel shirts, soft-touch T-shirts, Ultra Light Down, and rayon blouses also sell well. We put together product ranges that meet specific local needs, offering clothes for people riding bicycles on cooler days, people who feel cold in air-conditioned offices, and so on. To keep our store displays looking fresh, we introduce items that

emphasize our new product and color ranges.

New store openings are driving growth in the region as we open more stores in large commercial facilities, such as our global flagship store opened in Manila (October 2018). We are scheduling 40 to 50 new store openings each year and are also working to expand e-commerce sales. While online sales currently account for only approximately 5% of total sales, we see considerable e-commerce growth potential going forward.

Our biggest challenge in South and Southeast Asia is training high-quality personnel. If we successfully nurture future CEOs and senior managers in each market, we believe we will enjoy a consistent and stable expansion similar to UNIQLO Greater China. We are committed to solving issues decisively and expanding operations in our quest to become the No.1 apparel brand in each market.

South and  
Southeast Asia &  
Oceania Stores  
**246** STORES  
+33 YoY  
(December 31, 2019)



Store display featuring joint kurta collection with Indian designer Rina Singh





**NEW YORK**

UNIQLO New York 5th Avenue global flagship store

# North America Tops ¥100 Billion



**Hiroshi Taki**

CEO, UNIQLO USA  
Group Senior Vice President  
Fast Retailing Co., Ltd.

UNIQLO North America (USA and Canada) expanded favorably in FY2019 with sales topping the ¥100 billion mark. Our e-commerce business grew 30% year on year to constitute approximately 25% of total revenue. We fully expect this proportion will rise above 30% in the future. We have successfully secured loyal customers by expanding the range of special sizes, semi-order-made items, and other products that are only available online. E-commerce is being supported by a deepening affinity for UNIQLO's LifeWear concept, and, owing to its high profit margin, the e-commerce contribution to UNIQLO USA profit is now expanding every year.

The North American market remains highly competitive with many apparel brands constantly opening and closing their retail stores. Given the high rents and considerable changes in commercial shopping environments across the region, we take great care when selecting new locations and negotiating store rents. We want to create a virtuous



## Norihide Shindo

Co-CEO,  
UNIQLO USA  
Fast Retailing Co., Ltd.



cycle in which we can attract new UNIQLO fans in new store location areas, who will then also start purchasing UNIQLO items online. To do that, we must offer services and products that satisfy customer needs completely.

In the United States, the climate, culture, and type of products that consumers desire differ on the east and west coasts. We have been able to determine more accurate regional product ranges since opening a new regional headquarters in Los Angeles in spring 2019 to complement our existing New York headquarters. Even on the west coast, climatic differences exist. Los Angeles enjoys warm winters, while San Francisco winters are cold, and Seattle's are even colder still. We adjust our product ranges accordingly by offering shorts in Los Angeles even in winter, by increasing our fleece displays in San Francisco, and by focusing on down outerwear in Seattle. We have boosted per-store sales as a result. The introduction of RFID technology has improved efficiency of product management, cash register, and other in-store processes. This means staff can now spend more time with customers and to create more attractive store displays.

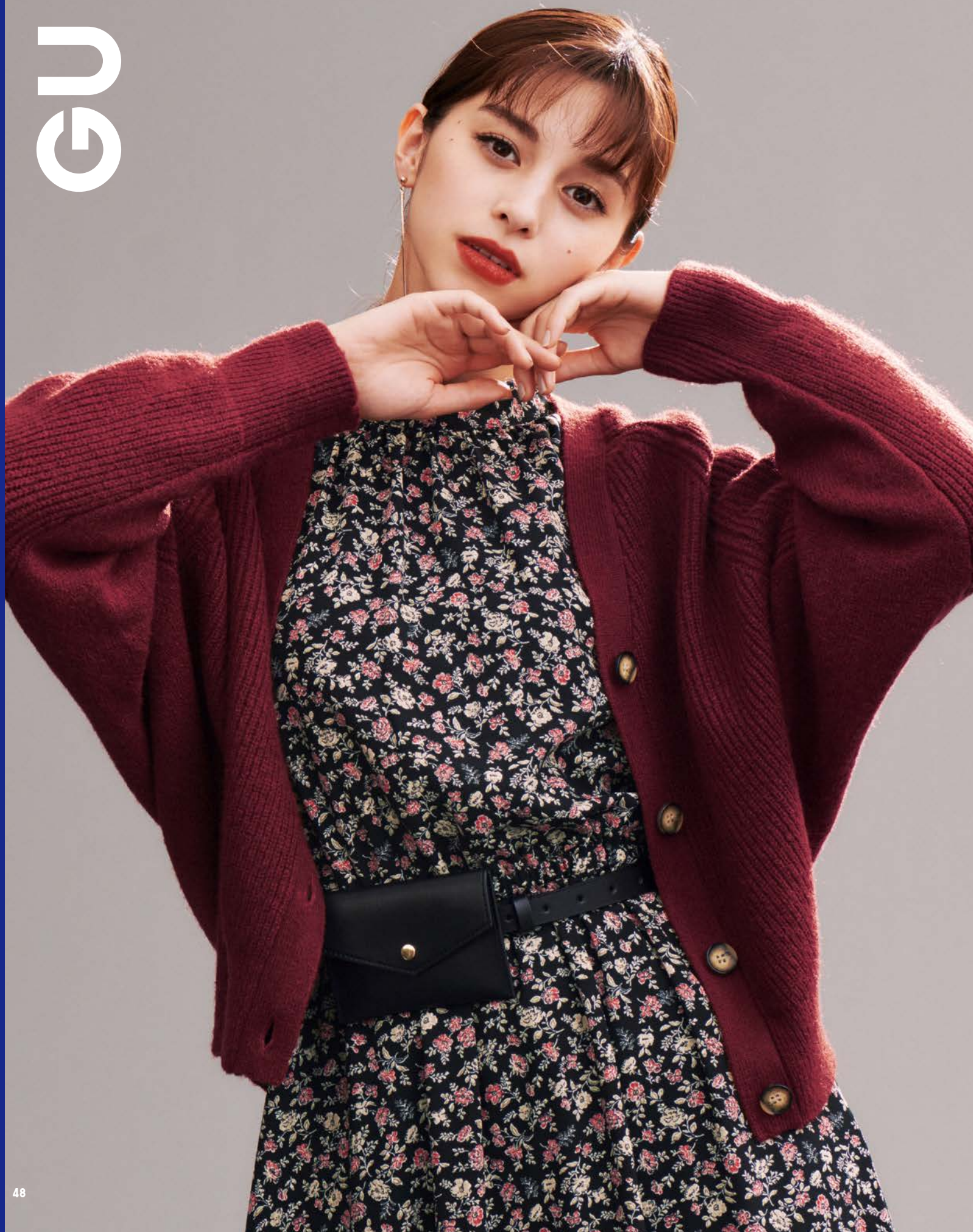
UNIQLO develops products to suit changing lifestyles based on our LifeWear concept. These days, many people use our AIRism leggings as yoga pants. It is also quite common now to wear casual outfits to the office rather than suits. We have successfully been able to grow sales by responding to such evolving demands. UNIQLO strives to be an essential brand in people's lives.



Eye-catching illustration adorns the 5th Avenue store from joint UT graphic T-shirt collection with NY-based modern artist KAWS.



UD





# Greater Fashion, Better Prices

Our fun, low-priced GU fashion brand achieved record results in FY2019, generating revenue of ¥238.7 billion (+12.7% year on year) and operating profit of ¥28.1 billion (+139.2%). Having surpassed the ¥200 billion mark, GU is now on par with Japan's other large apparel companies, and can concentrate on building business momentum. Underlying this strong performance is the GU brand concept, which has been embraced by a wide range of customers. It advocates the free enjoyment of fashion and the exploration of new forms of self-expression through clothing. We have successfully fostered hit mass-trend products that sold several hundred million units, such as oversized sweatshirts, sweatpants, and knitwear. We have also managed to greatly reduce costs by astutely adapting business practices, including aggregating our materials purchases and submitting our orders early.

I see strong potential in satisfying untapped demand for the low-priced fashion that typifies GU. Naturally, we will continue to pursue fashion, but we will also work to attain overwhelming price competitiveness. To uphold and improve product quality and achieve amazingly low prices, we must overcome various challenges. That means working constantly to maintain win-win relationships with our production partners and to reduce costs by rationalizing production processes

## Osamu Yunoki

CEO, G.U. CO., LTD.  
Group Executive  
Vice President,  
Fast Retailing Co., Ltd.



and stockpiling key materials. It is moreover important to develop clothes-making processes that are considerate of the environment.

In September 2019, GU moved its headquarters to the Ariake head office to help with the thorough implementation of transformative Ariake Project practices. We are collecting and analyzing real customer opinions to discover cutting-edge trends and latent needs, and to enhance product development. We seek to offer a variety of styles to satisfy a broad range of customer lifestyles, and evolve GU into a brand that excites and delights customers more than ever before.

In Japan, we intend to open primarily large-format stores and stores neighboring UNIQLO stores. These stores have generated strong sales, and customers like them because they offer UNIQLO basics and GU fashion side-by-side. In fall 2019, our newly opened GU global flagship stores in Shanghai and Guangzhou enjoyed strong launches. As a fashion brand from Japan, GU will continue to deliver clothes that allow people to seize the day.



GU is next to UNIQLO at the AEON Mall Musashimurayama Store

# GLOBAL BRANDS



## Theory

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**Theory**    **HELMUT LANG**

**Consistently Elegant  
Contemporary Fashion**

Launched in New York in 1997, Theory is a contemporary fashion brand for the modern consumer. The brand's acclaimed comfort and unfailingly elegant style stem from perfectly fitting designs and superior materials. At the end of August 2019, Theory boasted 451 stores and sales of ¥90 billion.

## PLST

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P L S T

## A Top-quality Everyday Clothing Brand for All Occasions

PLST offers everyday clothes of superlative quality that are designed with careful attention to fabric, texture, and style to suit any occasion. A reasonably priced brand, PLST is popular with fashion-sensitive consumers of all ages.

## J Brand

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J B R A N D

## Innovative Premium Denim from L.A.

J Brand is a Los Angeles-based premium denim that is recognized for its high-quality fabrics, beautiful silhouettes, and perfect fit. J Brand products are sold in well-known department stores and specialty boutiques in the U.S. and worldwide.

## Princesse tam.tam

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PRINCESSE tam•tam  
P A R I S

## A Graceful French Brand that Celebrates Individuality

Princesse tam.tam (PTT) is a French brand renowned for its original prints and bright colors, and the PTT brand concept of “lingerie that lets your own personality shine through” resonates with many women. PTT boasts a wide range of lines spanning lingerie, swimwear, loungewear, and sportswear.



## Comptoir des Cotonniers

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COMPTOIR DES  
COTONNIERS

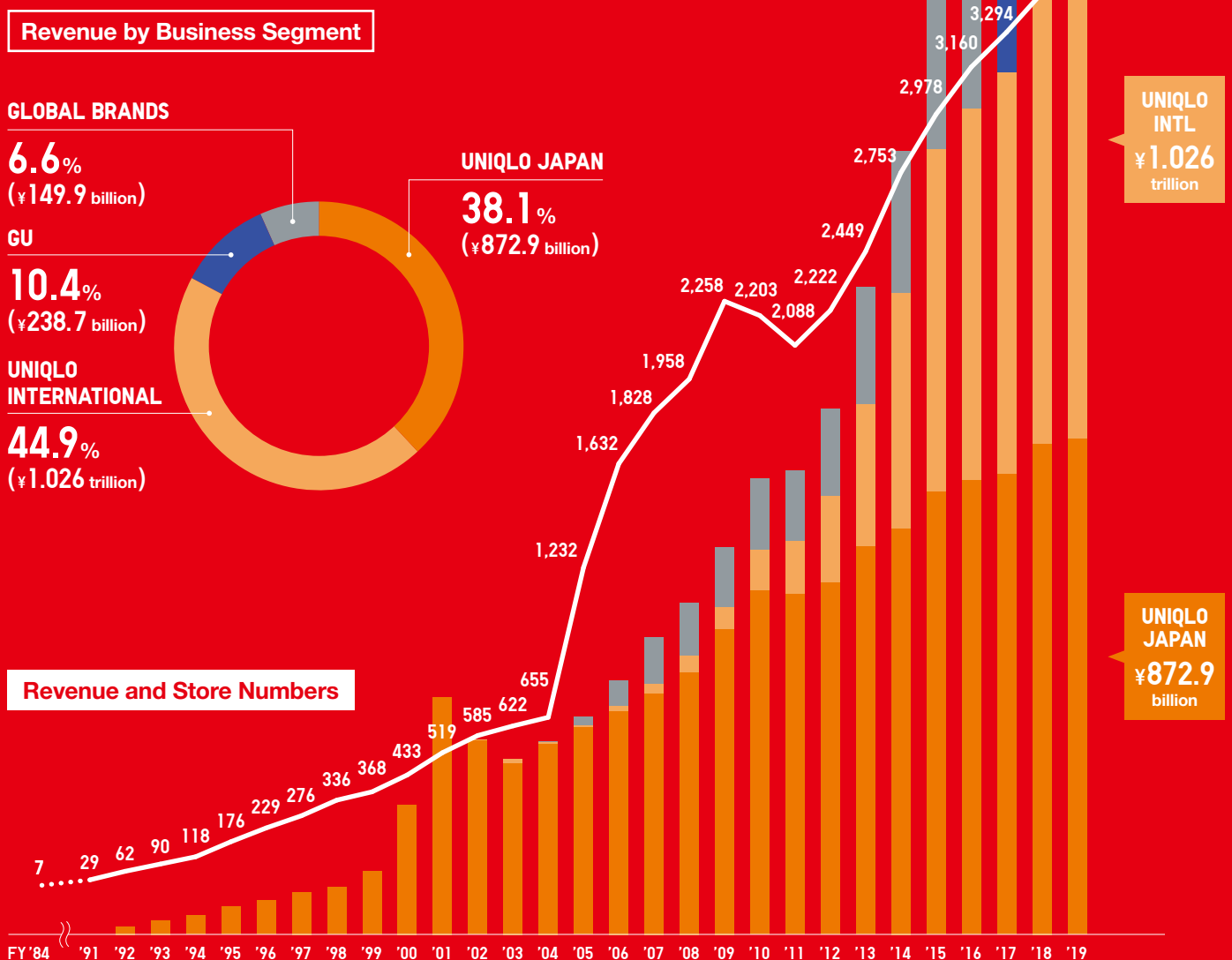
## Refined, Natural Fashion Full of French Esprit

Founded in 1995 in France, Comptoir des Cotonniers (CDC) is an affordable luxury brand loved by countless women. Known for its high quality and minute attention to detail, CDC clothing offers natural, unadorned French fashion, lifestyle, and esprit.



# SNAPSHOT

- Achieved another record performance. Revenue: ¥2.2905 trillion (+7.5% YoY), operating profit: ¥257.6 billion (+9.1%), profit attributable to owners of the Parent: ¥162.5 billion (+5.0%).
- UNIQLO International revenue exceeded ¥1 trillion for the first time. Maintained a strong 13.5% operating profit margin.
- GU operating profit doubled. Profitability improved markedly on the back of strong sales, early submission of orders, and aggregate purchasing of materials.
- UNIQLO Japan operating profit dipped on the warm winter impact.



\*GU was reported under the Global Brands business segment through FY2016. In FY2017, we began disclosing GU performance as a separate independent business segment.

## UNIQLO JAPAN

### FY2019 Results

Revenue      ¥ **872.9** billion  YoY **+0.9%**

Operating profit      ¥ **102.4** billion  YoY **-13.9%**

### Future Outlook

- ▶ Same-store sales to increase on strong online sales growth. Aim to create a new retail industry, seamlessly linking physical and online store operations with attractive services (in-store pickup of online purchases, more clothing sizes online, etc.).
- ▶ Pursue Ariake Project and operating profit margin of 15%. Actively transform entire supply chain to improve accuracy of demand forecasts and sales plans, facilitate timely production increases, improve distribution efficiency, and raise store efficiency with new IC tags and self-checkouts.

## UNIQLO INTERNATIONAL

### FY2019 Results

Revenue      ¥ **1.026** trillion  YoY **+14.5%**

Operating profit      ¥ **138.9** billion  YoY **+16.8%**

### Future Outlook

- ▶ Having established firm brand positions, we expect Greater China and Southeast Asia & Oceania to achieve high growth and drive higher segment performance. Plan to open 100 stores in Greater China and 40 stores in Southeast Asia & Oceania annually.
- ▶ Boost UNIQLO brand visibility by encouraging LifeWear loyalty worldwide and aggressively opening stores in prime locations in major global cities. Opened first UNIQLO stores in India in October and Vietnam in December 2019.

## GU

### FY2019 Results

Revenue      ¥ **238.7** billion  YoY **+12.7%**

Operating profit      ¥ **28.1** billion  YoY **+139.2%**

### Future Outlook

- ▶ We intend to further enhance GU's unique strength as a fun, low-priced fashion brand. We are aiming to expand GU's low-priced product range by polishing our fashion garment development prowess, submitting production orders early, and pursuing more concentrated purchasing of materials.
- ▶ We intend to apply the Ariake Project to GU to help build a new supply chain that is able to swiftly identify, analyze, and reflect the latest trends in product design and volume planning.

## GLOBAL BRANDS

### FY2019 Results

Revenue      ¥ **149.9** billion  YoY **-2.9%**

Operating profit      ¥ **3.6** billion  YoY **— %**

### Future Outlook

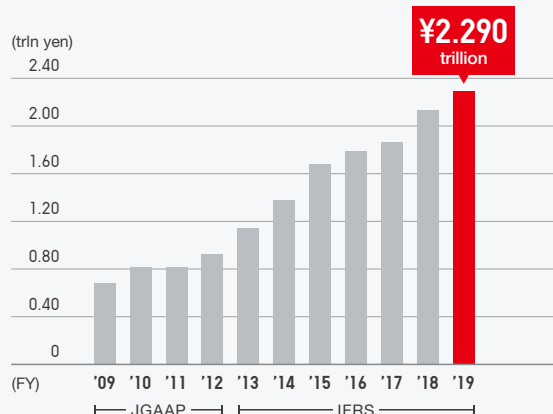
- ▶ We expect to see continued stable growth for the Theory brand in both the U.S. and Japan.
- ▶ We believe we can continue to grow our PLST operation as a reasonably priced brand. We intend to expand PLST by consistently opening new stores in Japan and strengthening e-commerce.
- ▶ We intend to progress structural reforms at Comptoir des Cotonniers, Princesse tam.tam, and J Brand to ameliorate the profit outlook for those brands.



# FY2019 FINANCIAL HIGHLIGHTS

## Revenue

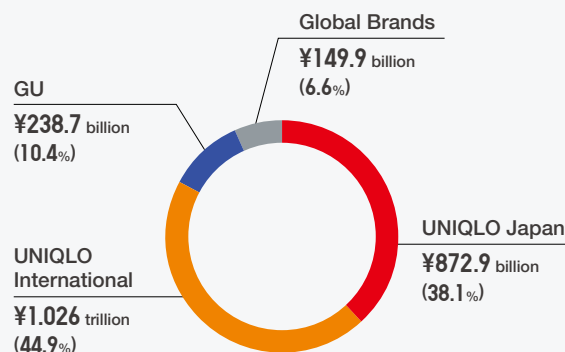
**¥2.290 trillion** | **+7.5%** 



Consolidated revenue rose 7.5% year on year to ¥2.290 trillion. UNIQLO International reported a strong ¥129.7 billion rise on aggressive store openings and strong same-store sales growth. GU reported a ¥26.9 billion increase after successfully reviewing its product lineup.

## UNIQLO International's Contribution to Revenue

**44.9%** | **+2.8pt** 

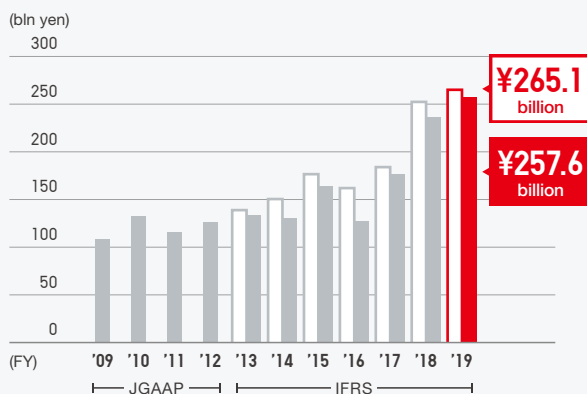


UNIQLO International revenue topped ¥1 trillion, and contributed 44.9% of total revenue. Especially buoyant revenue gains in the Greater China and Southeast Asia & Oceania regions proved strong drivers of overall UNIQLO International growth.

## Operating Profit

**¥257.6 billion** | **+9.1%** 

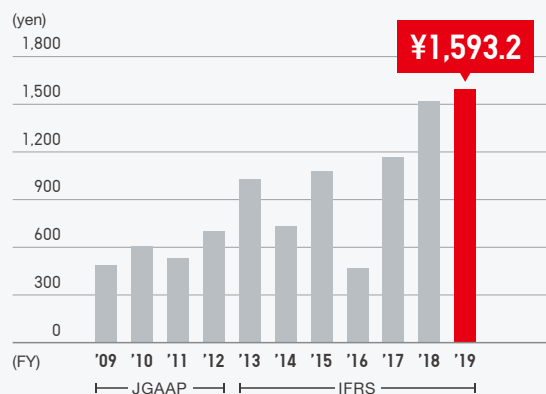
□ Business profit ■ Operating profit



Operating Profit expanded 9.1% year on year to ¥257.6 billion. Profit increased 16.8% at UNIQLO International, and a better gross profit margin helped GU achieve an impressive 139.2% profit gain. However, UNIQLO Japan profit contracted 13.9% on the warm winter effect.

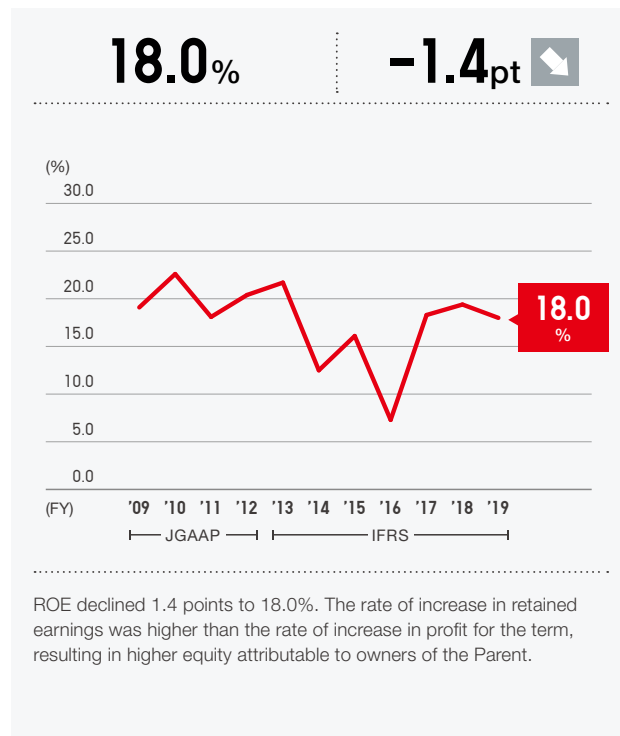
## Earnings per Share

**¥1,593.2** | **+5.0%** 

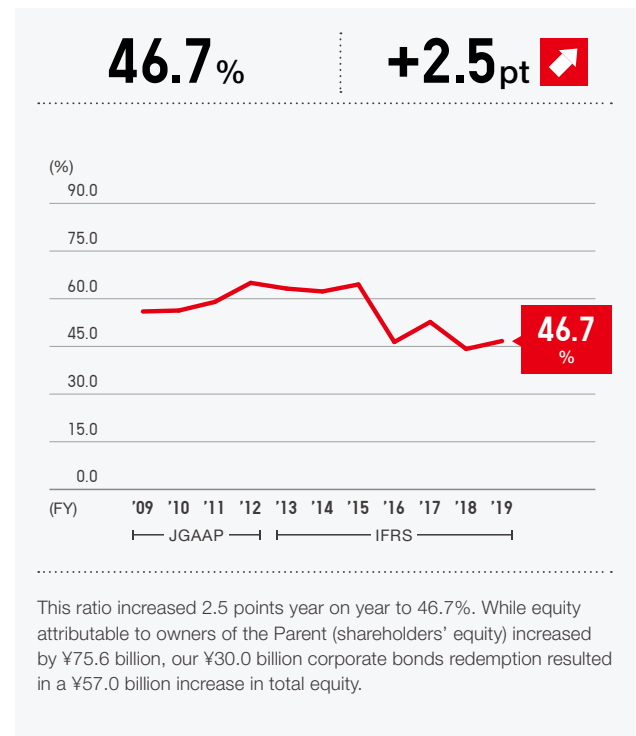


Our basic earnings per share (EPS) reached a record high level in FY2019, increasing by 5.0% to ¥1,593.2 on the back of the large rise in operating profit.

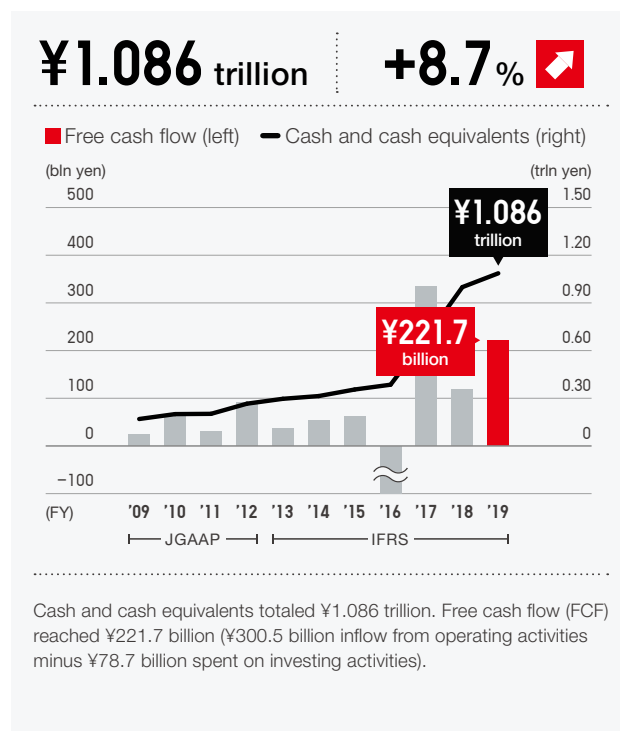
## Ratio of Profit to Equity Attributable to Owners of the Parent



## Ratio of Equity Attributable to Owners of the Parent to Total Assets

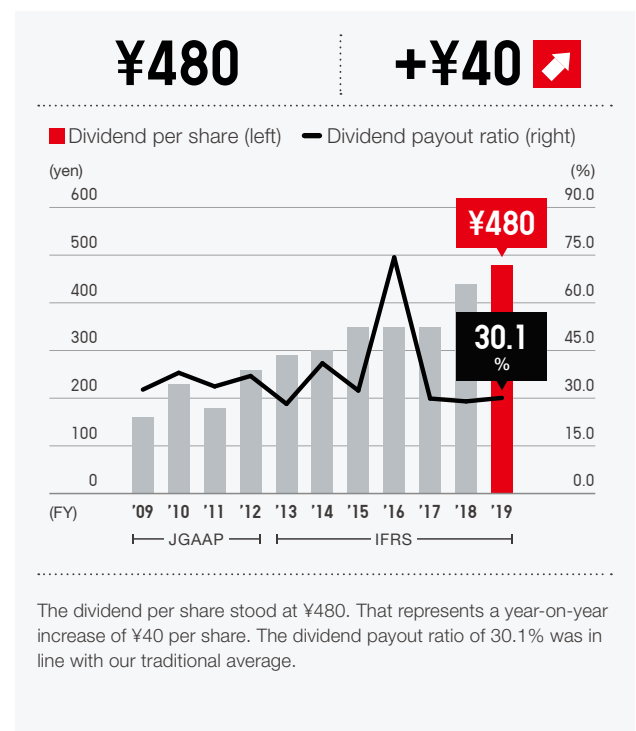


## Cash and Cash Equivalents



\*The negative FCF in FY2016 included a ¥186.5 billion investment in deposits with over three-month maturities.

## Cash Dividends



\*The unusually high FY2016 dividend payout ratio was caused by an appreciation in the yen, which generated a net ¥37.0 billion finance cost and a sharp decline in EPS.



# FINANCIAL INFORMATION

## FINANCIAL SUMMARY

FAST RETAILING CO., LTD. and consolidated subsidiaries  
Fiscal years ended August 31

Millions of yen

	JGAAP			
	2010	2011	2012	2013
<b>For the year</b>				
Net sales/Revenue	¥ 814,811	¥ 820,349	¥ 928,669	¥1,142,971
Operating income/Operating profit	132,378	116,365	126,450	134,101
EBITDA*1	152,141	141,716	150,687	157,708
Income before income taxes and minority interests/ Profit before income taxes	116,867	93,881	123,390	155,732
Net income/Profit attributable to owners of the Parent	61,681	54,354	71,654	104,595
Net cash generated by operating activities	88,623	57,158	127,643	99,474
Net cash (used in)/generated by investing activities	(23,389)	(26,643)	(35,313)	(62,584)
Free cash flow*2	65,234	30,515	92,330	36,890
Net cash (used in)/generated by financing activities	(28,897)	(26,156)	(29,056)	(24,226)
Cash and cash equivalents*3	200,462	202,104	266,020	296,708
Depreciation and amortization	12,229	18,755	18,573	23,607
Capital expenditures*4	28,018	33,993	40,184	39,681
<b>At year-end</b>				
Total assets	¥ 507,287	¥ 533,777	¥ 595,102	¥ 901,208
Total net assets/Total equity	287,987	319,911	394,892	589,726
Interest-bearing debt	28,834	28,263	23,194	37,259
<b>Reference indices</b>				
Operating income margin/Operating profit margin (%)	16.2%	14.2%	13.6%	11.7%
ROE/Ratio of profit to equity attributable to owners of the Parent (%)	22.6	18.1	20.4	21.7
Equity ratio/Ratio of equity attributable to owners of the Parent to total assets (%)	56.3	59.0	65.0	63.3
Debt-equity ratio (%)	10.1	9.0	6.0	6.5
Dividend payout ratio (%)	38.0	33.7	37.0	28.2
<b>Per share data (actual yen, dollar amount)</b>				
Net income/Profit attributable to owners of the Parent (EPS)	¥ 605.99	¥ 533.93	¥ 703.62	¥ 1,026.68
Net assets/Equity attributable to owners of the Parent	2,804.34	3,091.17	3,797.04	5,598.12
Cash dividends	230.00	180.00	260.00	290.00
<b>Other data (at fiscal year-end)</b>				
Number of shares outstanding	106,073,656	106,073,656	106,073,656	106,073,656
Market capitalization (¥ billion, \$ million)*5	¥ 1,228.3	¥ 1,535.9	¥ 1,938.0	¥ 3,383.7
Number of subsidiaries	90	98	91	102
Total number of stores	2,203	2,088	2,222	2,449
Directly-operated stores in Japan	[1,370]	[1,213]	[1,250]	[1,331]
Directly-operated stores overseas	[474]	[491]	[589]	[743]
Franchise stores	[359]	[384]	[383]	[375]
Commercial complexes	4	4	4	4
Total sales floor space (m <sup>2</sup> )*6	847,523m <sup>2</sup>	938,896m <sup>2</sup>	1,170,353m <sup>2</sup>	1,387,367m <sup>2</sup>
Number of full-time employees*7	11,596	14,612	18,854	23,982

\*1 EBITDA (JGAAP) = Operating income + Depreciation and amortization + Amortization of goodwill

EBITDA (IFRS) = Operating profit + Depreciation and amortization

\*2 Free cash flow = Net cash generated by operating activities + Net cash (used in)/generated by investing activities

\*3 Cash and cash equivalents include cash on hand, demand deposit, term deposits with less than three months maturity, and short-term investments with a maturity of three months or less from the date of acquisition.

Millions of yen

Thousands of  
U.S. dollars\*5

IFRS								
	2014	2015	2016	2017	2018	2019	YoY	2019
	¥1,382,935	¥1,681,781	¥1,786,473	¥1,861,917	¥2,130,060	¥2,290,548	+7.5%	\$21,513,560
	130,402	164,463	127,292	176,414	236,212	257,636	+9.1	2,419,800
	161,210	202,221	164,089	216,102	281,267	306,112	+8.8	2,875,105
	135,470	180,676	90,237	193,398	242,678	252,447	+4.0	2,371,063
	74,546	110,027	48,052	119,280	154,811	162,578	+5.0	1,526,993
	110,595	134,931	98,755	212,168	176,403	300,505	+70.4	2,822,438
	(56,323)	(73,145)	(245,939)	122,790	(57,180)	(78,756)	—	(739,704)
	54,272	61,786	(147,184)	334,958	119,223	221,748	+86.0	2,082,734
	(44,060)	(41,784)	201,428	(50,836)	198,217	(102,429)	—	(962,050)
	314,049	355,212	385,431	683,802	999,697	1,086,519	+8.7	10,204,939
	30,808	37,758	36,797	39,688	45,055	48,476	+7.6	455,305
	58,814	62,461	52,387	59,755	69,380	85,201	+22.8	800,241
	¥ 992,307	¥1,163,706	¥1,238,119	¥1,388,486	¥1,953,466	¥2,010,558	+2.9%	\$18,883,804
	636,041	774,804	597,661	762,043	902,777	983,534	+8.9	9,237,668
	37,561	38,035	283,465	281,512	544,502	513,405	(5.7)	4,822,065
	9.4%	9.8%	7.1%	9.5%	11.1%	11.2%	0.1 pts.	11.2%
	12.5	16.1	7.3	18.3	19.4	18.0	(1.4)	18.0
	62.3	64.5	46.4	52.7	44.2	46.7	+2.5	46.7
	6.1	5.1	49.3	38.5	63.1	54.7	(8.4)	54.7
	41.0	32.4	74.3	29.9	29.0	30.1	+1.1	30.1
	¥ 731.51	¥ 1,079.42	¥ 471.31	¥ 1,169.70	¥ 1,517.71	¥ 1,593.20	+5.0%	\$ 14.96
	6,067.40	7,366.07	5,634.35	7,175.35	8,458.52	9,196.61	+8.7	86.38
	300.00	350.00	350.00	350.00	440.00	480.00	+9.1	4.51
	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	—	106,073,656
	¥ 3,452.6	¥ 5,225.7	¥ 3,854.7	¥ 3,338.1	¥ 5,495.6	¥ 6,602.0	+20.1%	\$ 62,008
	112	119	120	121	130	133	+3	133
	2,753	2,978	3,160	3,294	3,445	3,589	+144	3,589
	[1,406]	[1,444]	[1,463]	[1,367]	[1,376]	[1,484]	+108	[1,484]
	[1,072]	[1,240]	[1,405]	[1,607]	[1,715]	[1,787]	+72	[1,787]
	[275]	[294]	[292]	[320]	[354]	[318]	(36)	[318]
	4	4	4	4	4	4	—	4
	1,835,095m <sup>2</sup>	2,030,031m <sup>2</sup>	2,188,688m <sup>2</sup>	2,392,618m <sup>2</sup>	2,671,629m <sup>2</sup>	2,881,485m <sup>2</sup>	+209,856m <sup>2</sup>	2,881,485m <sup>2</sup>
	30,448	41,646	43,639	44,424	52,839	56,523	+3,684	56,523

\*4 Assets held under finance leases have been included in the capital expenditures disclosure starting in FY2017.

\*5 Calculations are based on the closing share price of ¥62,240 at the end of August 2019 and an exchange rate of ¥106.47 to US \$1.

\*6 Total sales floor space includes only directly operated stores.

\*7 From FY2018, total number of employees includes permanent staff and contract employees with legally stipulated working hours. The total does not include executive officers.



## MANAGEMENT DISCUSSION AND ANALYSIS

**Group  
Performance  
in FY2019**  
(Year to August 31, 2019)

- Achieved record result. Revenue: ¥2.2905 trillion (+7.5% YoY), operating profit: ¥257.6 billion (+9.1%). Strong UNIQLO International revenue and profit gains. GU operating profit doubled.
- UNIQLO International revenue topped ¥1 trillion for the first time, with the scale of UNIQLO Greater China and UNIQLO Southeast Asia & Oceania businesses expanding favorably.
- Annual dividend per share increased ¥40 YoY to ¥480.

**1 Operating Environment and  
Management Strategy**

The Japanese retail business environment remains severe as the declining population and consequent tight labor conditions pushed personnel and distribution costs higher, and customers became even more discerning following the October sales tax increase. Meanwhile, international trade tensions and political concerns clouded the outlook for the global economy.

However, the Fast Retailing Group flourished under these broad economic conditions to achieve a record performance in FY2019. Consolidated revenue reached ¥2.2905 trillion (+7.5%) and consolidated operating profit expanded to ¥257.6 billion (+9.1%) thanks to especially strong contributions from UNIQLO International and GU.

UNIQLO International reported double-digit growth in revenue and profit, with revenue topping ¥1 trillion for the first time as growing worldwide affinity for UNIQLO's LifeWear brand concept fueled further strong growth. UNIQLO International's operating profit margin rose to an impressive 13.5% after stronger cost controls and higher in-store productivity improved business cost ratios. Looking at individual regions, Greater China and Southeast Asia & Oceania both generated double-digit growth in revenue and profit as key drivers of segment growth. Meanwhile, GU reported a record performance, including a doubling in operating profit. GU same-store sales rose considerably following a product mix review and decision to focus more on mass fashion trends. GU's operating profit margin also improved markedly following efforts to reduce cost of sales by submitting orders early and aggregating materials purchasing.

**■ Number of Stores by Group Operation**

(store)

(FY)	2018		2019	
	End Aug.	End Aug.	Opened	Closed
<b>UNIQLO Japan</b>	827	817	34	44
Directly operated	784	774	30	40
Franchise	43	43	4	4
<b>UNIQLO International</b>	1,241	1,379	166	28
Mainland China	633	711	86	8
Hong Kong	28	29	1	0
Taiwan	65	67	4	2
South Korea	186	188	10	8
Singapore	26	28	4	2
Malaysia	48	49	2	1
Thailand	40	50	10	0
The Philippines	51	58	8	1
Indonesia	18	26	8	0
Australia	15	20	5	0
U.S.	48	51	5	2
Canada	5	11	6	0
U.K.	11	13	2	0
France	25	24	2	3
Russia	31	37	7	1
Germany	5	9	4	0
Belgium	3	3	0	0
Spain	2	2	0	0
Sweden	1	1	0	0
Netherlands	0	1	1	0
Denmark	0	1	1	0
<b>GU</b>	393	421	44	16
<b>Global Brands</b>	984	972	58	70
Theory*	450	451	30	29
PLST*	87	101	21	7
Comptoir des Cotonniers*	320	296	7	31
Princesse tam.tam*	127	124	0	3
<b>Total</b>	3,445	3,589	302	158

\*Including franchise stores

Note: This table excludes Mina mall and GRAMEEN UNIQLO stores.

**■ Performance by Group Operation**

(FY)		2018			2019		
		Billions of yen	YoY change Billions of yen	% change	Billions of yen	YoY change Billions of yen	% change
<b>UNIQLO Japan</b>	Revenue	¥864.7	¥ 54.0	+6.7	¥ 872.9	¥ 8.1	+0.9
	Operating profit	119.0	23.1	+24.1	102.4	(16.5)	(13.9)
<b>UNIQLO International</b>	Revenue	896.3	188.1	+26.6	1,026.0	129.7	+14.5
	Operating profit	118.8	45.7	+62.6	138.9	20.0	+16.8
<b>GU</b>	Revenue	211.8	12.6	+6.4	238.7	26.9	+12.7
	Operating profit	11.7	(1.7)	(13.1)	28.1	16.3	+139.2
<b>Global Brands*</b>	Revenue	154.4	13.4	+9.5	149.9	(4.5)	(2.9)
	Operating profit	(4.1)	(4.6)	—	3.6	7.8	—

\*Global Brands includes Theory, PLST, Comptoir des Cotonniers, Princesse tam.tam, and J Brand.

Note: Consolidated revenue also includes items reported by Fast Retailing Co., Ltd., the Parent company, such as real estate leasing.

Consolidated operating profit includes Fast Retailing operating profit.

UNIQLO Japan full-year profit declined. However, while first-half profit contracted sharply as a result of the warm winter, the segment generated a double-digit rebound in second-half profit.

Under other income/expenses, we recorded a ¥6.0 billion foreign exchange loss on temporary advances paid for purchases by overseas subsidiaries and ¥3.4 billion impairment losses on UNIQLO and GU stores. We recorded a net finance cost of ¥5.1 billion, including a foreign exchange loss on foreign-currency denominated assets, and a net income from interest earned and paid. Consequently, profit attributable to owners of the Parent increased 5.0% to ¥162.5 billion.

In order to achieve the Group's medium-term vision as a digital consumer retailing company to become the world's No.1 apparel retailer, we are focusing on expanding our UNIQLO International, GU, and e-commerce operations. We seek to deepen the affinity for our LifeWear clothing concept by opening new UNIQLO stores in all markets and opening global flagship stores and large-format stores in major cities worldwide. Greater China and Southeast Asia & Oceania now serve as key pillars of UNIQLO International growth. We are opening more GU stores in Japan to help establish GU as the brand offering fun fashion at low prices. Finally, we will continue to expand our global e-commerce operation, which reached ¥258.3 billion (11.6% of total sales) in FY2019.

## 2 Revenue

Consolidated revenue rose 7.5%, or ¥160.4 billion, year on year to ¥2.2905 trillion. This increase breaks down into ¥129.7 billion from UNIQLO International, ¥26.9 billion from GU, and ¥8.1 billion from UNIQLO Japan. UNIQLO International revenue rose strongly as an additional 138 stores (Greater China: +81, Southeast Asia & Oceania: +33, Europe: +13, North America: +9, South Korea: +2) expanded the network to 1,379 stores, and Greater China, Southeast Asia, and other regions reported higher same-store sales. GU same-store sales also increased following the switch to a product mix focused on mass fashion trends, and a more determined approach to TV ads and other marketing tools. Meanwhile, struggling sales at Comptoir des Cotonniers was largely responsible for declining revenue at Global Brands.

## 3 Gross Profit Margin

Gross profit rose 6.6% to ¥1.1195 trillion. The gross profit margin contracted 0.4 point to 48.9% as efforts to normalize inventories and early rundowns of excess inventory knocked the gross profit margin down 1.7 points at UNIQLO Japan and 0.6 point at UNIQLO International, respectively. GU's gross profit margin expanded an impressive 5.7 points thanks to improved cost of sales generated by early submission of orders and aggregate materials purchasing, and lower discounting rates resulting from nimble additional production of strong-selling products.

## 4 Selling, General and Administrative Expenses (SG&A)

SG&A expenses totaled ¥854.3 billion. The SG&A ratio improved 0.1 point year on year to 37.3%. Thanks to a determined global drive to control expenses, more efficient store operations and a normalization of inventories, the SG&A ratio improved by 0.9 point at UNIQLO International and 0.5 point at GU, respectively. The UNIQLO Japan SG&A ratio deteriorated 0.4 point as the warm winter inflated inventory of winter stock in the first half, and distribution and other expense components increased.

## 5 Other Income/Expenses

The other expenses net of other income stood at ¥7.5 billion in FY2019 (FY2018: -¥16.2 billion). This was due to the recording of a ¥6.0 billion foreign exchange loss (FY2018: ¥1.4 billion loss) on temporary advances paid for purchases by overseas subsidiaries after the yen/U.S. dollar rate appreciated from ¥111 to ¥106 over the period. We also recorded a ¥3.4 billion impairment losses on UNIQLO and GU stores (FY2018: ¥12.3 billion impairment losses primarily on Global Brands).

## 6 Operating Profit

Operating profit increased 9.1% year on year to ¥257.6 billion. The operating profit margin improved 0.1 point to 11.2%.

## 7 Finance Income/Costs

The finance income net of finance cost stood at ¥5.1 billion in FY2019 (FY2018: ¥6.4 billion). This included a ¥13.1 billion foreign exchange loss after the appreciation in the yen from ¥111 to ¥106 against the U.S. dollar over the period decreased the carrying amount of foreign-currency denominated assets, and ¥7.8 billion net interest income.

## 8 Income Taxes and Other Taxes

Income taxes totaled ¥74.4 billion. The effective corporate tax rate after tax-effect accounting was 29.5% (1.1 points below Japan's statutory 30.6% rate) due to a growing contribution from UNIQLO International, which is subject to comparatively lower tax rates.

## 9 Profit Attributable to Owners of the Parent and Dividend

Profit attributable to owners of the Parent totaled ¥162.5 billion (+5.0%). Basic earnings per share increased ¥75.49 to ¥1,593.20. The annual dividend increased by ¥40 to ¥480 per share (dividend payout ratio 30.1%). Return on equity (ROE) declined 1.4 points year on year to 18.0%.



## 10 Results by Business Segment

### UNIQLO International

UNIQLO International reported significant revenue and profit gains in FY2019. Revenue exceeded ¥1 trillion for the first time (Revenue: ¥1.0260 trillion (+14.5%), operating profit: ¥138.9 billion (+16.8%)). Strong performances in Greater China and Southeast Asia & Oceania proved key drivers of segment growth. UNIQLO International operating profit margin remained high at 13.5%. While the gross profit margin declined 0.6 point on firmer inventory control, the SG&A ratio improved 0.9 point on the back of higher in-store productivity, and lower distribution costs resulting from normalizing inventories.

Looking at individual regions, UNIQLO Greater China reported significant revenue and profit gains. Revenue rose to ¥502.5 billion (+14.3%), and operating profit to ¥89.0 billion (+20.8%). Mainland China maintained especially firm growth, with operating profit increasing approximately 30%. Strong support for UNIQLO's LifeWear clothing concept and UNIQLO's position as the nation's No. 1 apparel brand contributed considerably to this strong performance. Mainland China e-commerce also expanded favorably with online sales rising approximately 30% to constitute roughly 20% of total revenue.

UNIQLO Southeast Asia & Oceania has developed into a flourishing ¥170 billion operation, with both revenue and profit expanding by approximately 20% in FY2019. The region also maintained a high operating profit margin of approximately 16%. UNIQLO's regional brand presence has continued to grow since the opening of the first global flagship store in the Philippines in October 2018. UNIQLO opened its first store in India in New Delhi in October 2019, and its first store in Vietnam, in Ho Chi Minh City. UNIQLO has enjoyed a strong start in both locations.

UNIQLO South Korea currently boasts a ¥140 billion operation. However, lower second-half revenue and profit resulted in full-year declines for both revenue and profit.

UNIQLO North America revenue reached the ¥100 billion mark in FY2019. UNIQLO USA reduced losses considerably following the development of local product mixes for East and West Coast consumers, and more accurate sales planning.

UNIQLO Europe revenue and profit increased in FY2019, with revenue topping the ¥100 billion mark. Russia generated further significant revenue and profit gains. We continued to build the UNIQLO brand in Europe by opening prime-location stores in major cities, including our first store in the Netherlands (Amsterdam) in September 2018, Denmark (Copenhagen) in April 2019, and Italy (Milan) in September 2019.

The UNIQLO International network boasted 1,379 stores (+138) at the end of FY2019.

### UNIQLO Japan

UNIQLO Japan revenue rose but profit declined in FY2019 (Revenue: ¥872.9 billion (+0.9%), operating profit: ¥102.4 billion (-13.9%)). Full-year same-store sales, including e-commerce, increased 1.0% (1H: -0.9%, 2H: +3.5%). While warm winter weather stifled sales of winter products in the first half, summer ranges such as T-shirts, UT graphic T-shirts, UV-cut parkas and Kando pants sold well in the second half. E-commerce sales continued to expand favorably, reaching ¥83.2 billion (+32.0%). The ratio of online-to-total sales rose from 7.3% to 9.5%.

The gross profit margin declined 1.7 points on the warm winter and an early rundown of spring/summer inventory. As a result, we successfully achieved a healthier inventory level, with end-August inventories recording a much lower level than the previous fiscal year end. Meanwhile, the SG&A ratio increased 0.4 point. While the distribution ratio rose in the first half on higher inventories and expanding e-commerce sales, the personnel and outsourcing ratios declined in the second half as the use of IC tags (RFID) boosted operational efficiency.

We opened 30 directly operated stores and closed 40 stores (three became franchise stores) bringing the UNIQLO Japan network to 774 stores (excluding 43 franchise stores) at the end of FY2019.

### GU

GU achieved a record performance in FY2019 (Revenue: ¥238.7 billion (+12.7%), operating profit: ¥28.1 billion (+139.2%)). Full-year same-store sales rose on the back of astute moves to switch the focus of GU's product mix to mass fashion trend items and to strengthen marketing. Oversized sweat wear, knitwear, and T-shirts became hit products with sales of several hundred million units. On the profit front, GU's gross profit margin improved markedly on lower cost of sales achieved through early submission of orders and aggregate purchasing of materials, and lower discounting. As a result, the operating profit margin improved considerably to 11.8% (+6.2 points). The GU network increased by 28 to 421 stores (including 30 international stores) in FY2019.

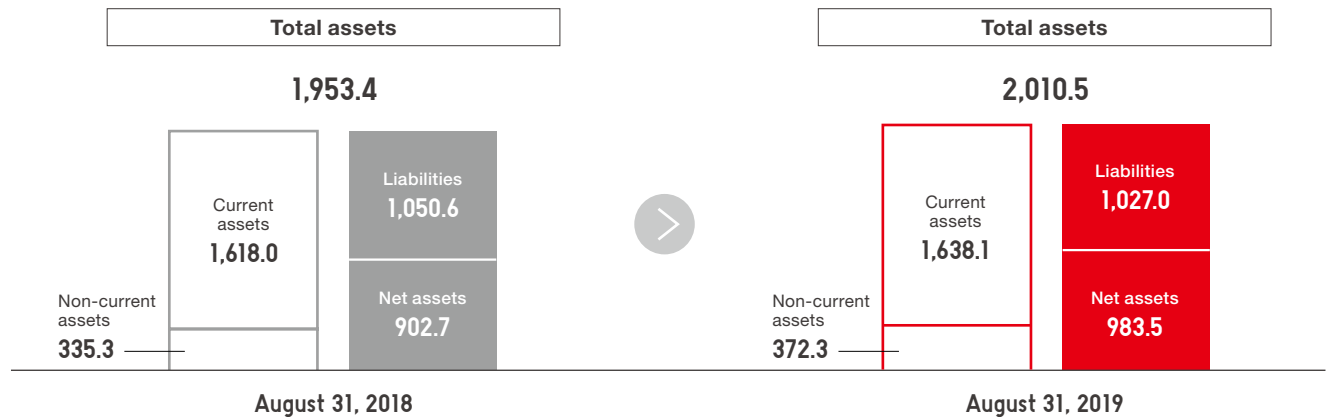
### Global Brands

Global Brands revenue declined but profit rose in FY2019 (Revenue: ¥149.9 billion (-2.9%), operating profit: ¥3.6 billion compared to a ¥4.1 billion loss in FY2018). The year-on-year rise in operating profit was due to the recording of a ¥9.9 impairment loss primarily on Comptoir des Cotonniers in the previous fiscal year.

Our Theory operation grew steadily to report higher revenue and profit. PLST reported higher revenue, but increased store opening costs resulted in a flat operating profit result. Meanwhile, Comptoir des Cotonniers, Princesse tam.tam, and J Brand reported losses.

## 11 Balance Sheet

(billions of yen)

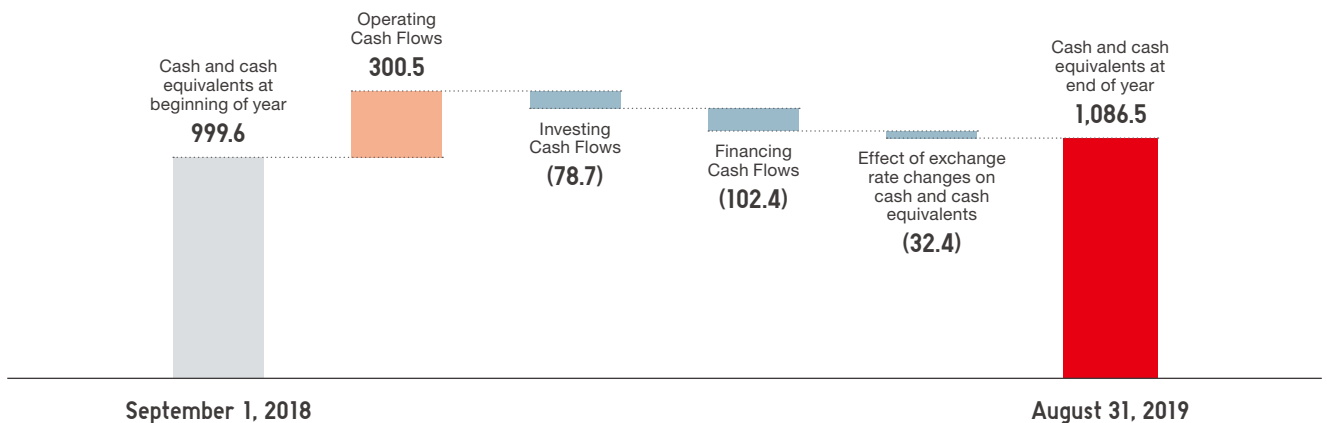


Total assets increased ¥57.0 billion year on year to ¥2.0105 trillion, including a ¥86.8 billion increase in cash and cash equivalents and a ¥54.2 billion decrease in inventories. Liabilities decreased ¥23.6 billion to ¥1.0270 trillion following a ¥22.7 billion decrease in trade and other payables. Equity increased ¥80.7 billion as rising profits

expanded retained earnings and a decrease in currency translation adjustments shrank the other components of equity. As a result, the ratio of equity attributable to owners of the Parent to total assets (shareholders' equity ratio) increased by 2.5 points to 46.7%.

## 12 Cash Flow Information

(billions of yen)



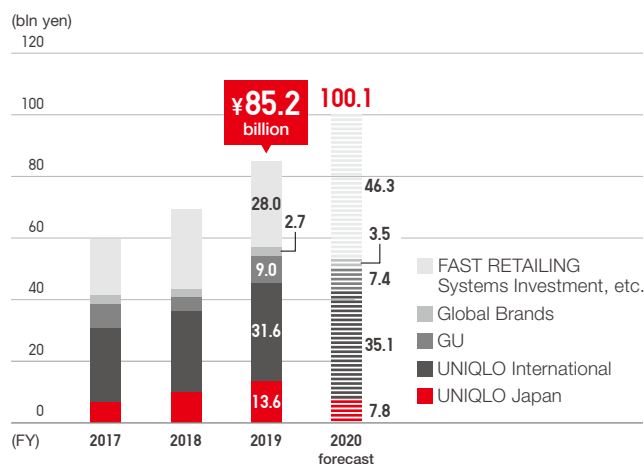
The balance of cash and cash equivalents expanded by ¥86.8 billion to ¥1.0865 trillion. Cash from operating activities stood at ¥300.5 billion thanks to profit contributions from UNIQLO and other operations. Cash used in investing activities totaled ¥78.7

billion, which was spent on acquiring property, plant and equipment, and intangible fixed assets. Cash used in financing activities totaled ¥102.4 billion spent on corporate bond redemptions and dividend payments.

### 13 Dividend Policy

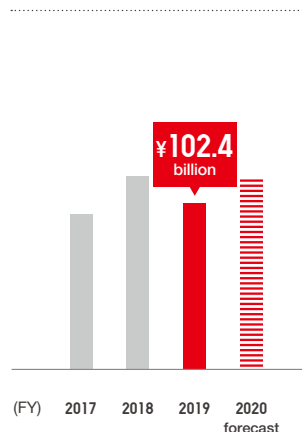
Returning a portion of our profits to shareholders is a top priority. Our policy is to consistently pay a high dividend after considering the funds required to expand Group operations, increase profits and maintain financial soundness. The Group paid an annual dividend of ¥480 per share (+¥40 YoY) in FY2019, which translates into an annual dividend payout ratio of 30.1%.

### Capital Expenditure (including finance leases)

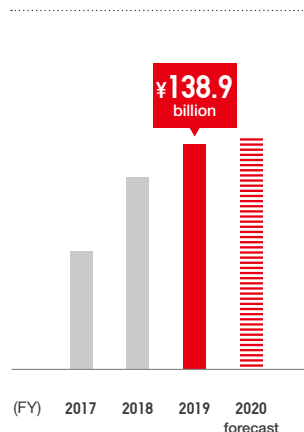


### Operating Profit by Group Operation

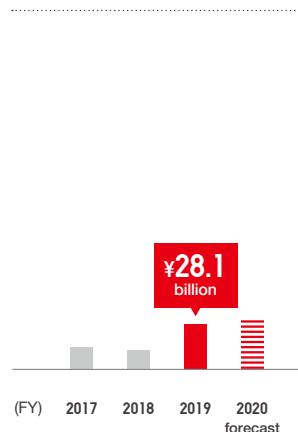
#### UNIQLO Japan



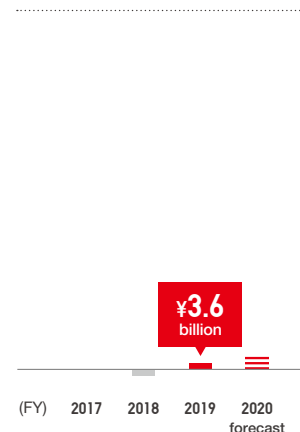
#### UNIQLO International



#### GU



#### Global Brands



### 14 Outlook for FY2020 (as of January 9, 2020)

We predict consolidated revenue will reach ¥2.3400 trillion (+2.2% YoY), operating profit ¥245.0 billion (-4.9%), profit before income taxes ¥245.0 billion (-2.9%), net profit attributable to owners of the Parent of ¥165.0 billion (+1.5%), net earnings per share (EPS) of ¥1,616.54, and a ¥20 increase in the annual dividend to ¥500 per share (¥250 interim and year-end dividends).

We forecast higher revenue but lower profit for UNIQLO International on sharp revenue and profit contractions from South Korea and Hong Kong. UNIQLO Greater China (Mainland China, Hong Kong, Taiwan) is expected to generate higher revenue, but slightly lower profit. However, Mainland China and Taiwan are expected to report further favorable revenue and profit gains. South Asia, Southeast Asia & Oceania is expected to achieve double-digit growth in revenue and profit. South Korea is forecast to report an operating loss. Europe is expected to generate higher revenue and profit, and UNIQLO USA is forecast to become profitable. We intend to open approximately 100 stores annually in Greater China and approximately 40 in South Asia and Southeast Asia & Oceania.

We forecast rises in full-year revenue and profit at UNIQLO Japan. Despite the warm winter, the gross profit margin improved slightly on lower cost of sales and a stricter discounting rate. The SG&A ratio is expected to improve slightly as greater efficiencies in distribution and in-store operations reduce personnel costs. We predict GU will report higher revenue and profit. GU plans to continue focusing on mass-trend fashion and to strengthen its fashion and low-priced ranges. Global Brands is expected to report higher revenue and profit on revenue and profit gains from Theory and PLST, and a lower operating loss from Comptoir des Cottonniers.



## 15 Risk

Risk factors that investors may regard as potentially having a significant impact on the businesses of the Company and the Group are stated below. The Company, aware of the possibility that these risks may occur, has planned preventive actions and thoroughgoing administrative procedures and strives to take appropriate measures when they occur. The statements with regard to the future are based on management decisions and projections made by the Company based on information available at the time of the publication of this report (November 29, 2019).

### (1) Risks specific to management strategy

Risks specific to the management strategy of the Group are as follows:

**i) Management personnel risk** Our Representative Director, Chairman and CEO Tadashi Yanai and the other members of the Group management team all play vital roles in the operational areas for which they are responsible. If any of our executives should become unable to perform his or her duties, or if they should become unable to play these vital roles, this could have a negative impact on the Group's earnings.

**ii) Competitive risks** In all the Group's businesses, our customers are ordinary consumers, who are keenly selective when it comes to products, services, and prices, and we are engaged in intense competition with rivals both domestically and internationally. If our customers should choose to do business with our competitors, and if our business competitiveness wanes in relative terms, this may have a negative effect on earnings.

**iii) Risk of dependency on production in specified geographic locations** Most products sold through Group companies are manufactured in China and other Asian countries. For this reason, if there is a dramatic political, economic, security, or legal change in countries where we produce, or a strike by factory personnel or dock workers, or an earthquake, flood, or other major natural disaster, this could have an impact on supply of our products. Also, if there is a sharp rise in prices for cotton, cashmere, down, or other raw materials, this could have a negative impact on our earnings.

**iv) Risks of corporate acquisitions** One element of the Group's management strategy is to expand the business through M&A. Our aim is to maximize the enterprise value of the Group by pursuing synergies with target companies and businesses, and striving for optimization of our business portfolio, but there is a possibility of negative impact on results if we are unable to achieve anticipated revenues and effects.

**v) Overseas business risks** As the Group expands its business through M&A, we are steadily enhancing the Group's presence overseas. As we open more stores in countries across the world, overseas sales are accounting for a higher proportion of the Group's sales. In this business environment, if there are changes in laws or changes in taxation systems that have an adverse impact, unanticipated political developments, social turmoil due to terrorism, conflict or other disturbance, or significant fluctuations in exchange rates, or if the goods we sell do not match the market needs in those countries, or if the hiring and training of well-qualified management personnel and local staff who can smoothly manage our business in each country do not go according to plan, this could have a negative impact on earnings.

**vi) Currency risks** Most products sold through the UNIQLO business, which is the Group's core business, are denominated in U.S. dollars. For products to be imported to Japan, we stabilize our purchasing costs by

entering into forward currency agreements for about three years ahead to equalize exchange rates. If the dollar rises sharply against the key currencies of each country going forward, this could have a medium- to long-term negative impact on earnings of the UNIQLO business.

### (2) General business risks

In management of the Group and operation of businesses, we are cognizant of risks in several categories:

**i) Manufactured product liability risk** The Group's business is subject to a variety of legal regulations in Japan and abroad such as product liability laws, pharmaceutical laws, consumer protection laws, and labeling laws. The Group endeavors to establish product management systems for planning and production of products in accordance with the Group's own quality control standards covering the legal regulations of various countries, but if gross quality defects are found in products sold by the Group, such as contamination by hazardous materials or dyes containing toxins, this may require global product recalls, or compensation for harm to the health of customers, which may have a negative impact on earnings, as well as causing damage to customers' trust.

**ii) Risk of leaks of business secrets or customer's personal information** In the course of doing business such as mail order sales, the Group gathers information (including personal information) about customers, and it also handles trade secrets and other confidential information. We are fully aware of the impact of personal information leaks on the Company's management and trust, and have established an Information Security Office to ensure management of confidential information held by the Group by working with the IT divisions and legal divisions in each country, while creating and strengthening appropriate management systems for trade secrets and information (particularly personal information) about customers, and periodically conducting activities to raise awareness, but in the event confidential information is lost, it may be necessary to take steps to recover the information, apologize to customers, and pay of compensation for damages, which may have a negative impact on earnings, as well as causing damage to customers' trust. Furthermore, if the Group is deemed by an administrative authority to have violated legal regulations restricting the transfer of personal information between countries and regions such as the EU General Data Protection Regulation (GDPR), this could lead to a decline in the trust of our customers, and the imposition of a hefty fine could have an adverse effect on earnings.

**iii) Risk due to weather** Global warming may cause a trend toward warmer winter weather, which may result in being unable to procure materials such as cotton and cashmere in a timely and appropriate manner, and may also reduce sales of products sold by the Group, which could have a negative impact on earnings.

**iv) Risk due to natural disaster** Earthquakes, volcanic eruptions, fires, floods, explosions, building collapse, or other disasters affecting factories that produce or stores that sell the Group's products, or in their immediate vicinity, may have a negative impact on the Company's ability to supply or to sell its products.

**v) Risks of disputes and litigation** In the event of disputes or litigation between the Group and tenants of its stores or others with whom it transacts, or customers, resolution of such disputes may cost large sums of money, which could have a negative impact on earnings.

**vi) Risk of change in the business climate and consumer trends** Changes in the business climate or consumer trends in countries where the Group carries out business may have the effect of reducing product sales or increasing inventories, which could have a negative impact on earnings.

# HISTORY

## 1949.3

Men's Shop Ogori Shoji is founded in Ube City, Yamaguchi Prefecture, Japan.

## 1963.5

Ogori Shoji Co., Ltd. is established with capital of 6 million yen.

## 1984.6

The first UNIQLO store opens in Hiroshima (closed in August 1991).



## 1985.6

First UNIQLO roadside store opens.



## 1991.9

Company name is changed to FAST RETAILING CO., LTD.

## 1994.7

Company stock is listed on the Hiroshima Stock Exchange.



## 1998.10

1,900-yen fleece campaign succeeds in attracting large public attention.



## 1998.11

First urban UNIQLO store opens in the fashionable Harajuku district of Tokyo (closed in 2012).



## 1999.2

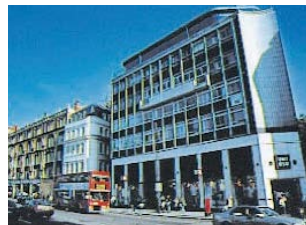
Company stock is listed on the First Section of the Tokyo Stock Exchange.

## 2000.10

E-commerce business launches.

## 2001.9

First UNIQLO outside Japan store opens in London.



## 2002.4

UNIQLO Design Studio (current R&D Center) is established.



## 2002.9

First UNIQLO China store opens in Shanghai.

## 2004.1

Fast Retailing invests in Link International Co., Ltd. (now LINK THEORY JAPAN CO., LTD.), developer of Theory brand apparel.



## 2004.9

UNIQLO makes Global Quality Declaration, and cashmere campaign generates high level of consumer interest.



## 2004.12

UNIQLO Design Studio, New York, Inc. is established.

## 2005.9

First UNIQLO South Korea store opens in Seoul.

## 2005.9

First UNIQLO Hong Kong store opens in the Tsim Sha Tsui shopping district.

## 2005.11

Holding company structure is adopted at Fast Retailing.

## 2006.6

Strategic business partnership is established between UNIQLO and Toray Industries, Inc.

## 2006.9

UNIQLO All-Product Recycling Initiative commences.



## 2006.10

First GU store opens in Chiba Prefecture, Japan.

## 2006.11

First UNIQLO global flagship store opens in Soho, New York City.



## 2007.11

Global flagship store, UNIQLO 311 Oxford Street Store, opens in London.

## 2007.12

First UNIQLO France store opens in Paris.

## 2009.3

LINK THEORY JAPAN CO., LTD. becomes a subsidiary.

## 2009.4

First UNIQLO Singapore store opens.

## 2009.10

Global flagship store, Paris Opera Store, opens.



## 2010.4

First UNIQLO Russia store opens in Moscow.

## 2010.5

Global flagship store, UNIQLO West Nanjing Road Store, opens in Shanghai.



## 2010.10

Global flagship store, UNIQLO Shinsaibashi Store, opens in Osaka.



## 2010.10

First GU flagship store opens in Shinsaibashi, Osaka.

## 2010.10

First UNIQLO Taiwan store opens in Taipei.



## 2010.11

First UNIQLO Malaysia store opens in Kuala Lumpur.

## 2011.2

Global Partnership Agreement with UNHCR is established, reinforcing All-Product Recycling Initiative.

## 2011.9

First UNIQLO Thailand store opens in Bangkok.

## 2011.9

Global flagship store, UNIQLO Mingyao Department Store, opens in Taipei.

## 2011.10

Global flagship store, UNIQLO New York 5th Avenue Store, opens in New York City.



## 2011.11

Global flagship store, UNIQLO Myeongdong Central Store, opens in Seoul.

## 2012.3

Global flagship store, UNIQLO Ginza, opens in Tokyo.



## 2012.3

GU flagship store opens in Ginza, Tokyo.

## 2012.6

First UNIQLO Philippines store opens in Manila.

## 2012.9

Global hotspot store, BICQLO Shinjuku East Exit Store, opens in Tokyo.

## 2012.12

U.S.-based premium denim company J Brand Holdings, LLC is acquired.

## 2013.4

Global flagship store, UNIQLO Lee Theatre Store, opens in Hong Kong.

## 2013.6

First UNIQLO Indonesia store opens in Jakarta.

## 2013.9

First GU outside Japan store opens in Shanghai.

## 2013.9

Global flagship store, UNIQLO SHANGHAI, opens in China.



## 2014.3

Fast Retailing Hong Kong Depository Receipts (HDR) are listed on the Stock Exchange of Hong Kong.



## 2014.3

Global hotspot store, UNIQLO Ikebukuro Sunshine 60 Street Store, opens in Tokyo.

## 2014.4

First UNIQLO Australia store opens in Melbourne.

## 2014.4

First UNIQLO Germany store, Tauentzien global flagship, opens in Berlin.

## 2014.4

Global hotspot store, UNIQLO Okachimachi Store, opens in Tokyo.

## 2014.10

Global hotspot store, UNIQLO Kichijoji Store, opens in Tokyo.

## 2014.10

Global flagship store, UNIQLO OSAKA, opens in Osaka.

## 2015.10

First UNIQLO Belgium store opens in Antwerp.

## 2015.10

First store in the U.S. Midwest, the UNIQLO Michigan Avenue Store, opens in Chicago.



## 2016.4

Construction is completed on state-of-the-art distribution center in Ariake, Tokyo.



## 2016.9

UNIQLO Orchard Central Store opens as the first UNIQLO global flagship store in Southeast Asia.

## 2016.9

First UNIQLO Canada store opens in Toronto.

## 2017.2

UNIQLO CITY TOKYO Ariake Office opens. UNIQLO product and commercial functions moved from Midtown Office to Ariake Office.

## 2017.9

First UNIQLO Spain store opens in Barcelona.



## 2018.6

Included in FTSE 4Good Index Series and FTSE Blossom Japan Index for responsible social investment.

## 2018.8

First UNIQLO Sweden store opens in Stockholm.

## 2018.9

First GU Korea store opens in Lotte World Mall, Seoul.

## 2018.9

First UNIQLO Netherlands store opens in Amsterdam.

## 2018.10

Global flagship store, UNIQLO Manila store, opens in the Philippines.



## 2018.10

Fast Retailing forms a logistics-related strategic global partnership with materials handling equipment firm Daifuku Co., Ltd.

## 2018.10

The Ariake distribution center starts operating as a fully automated dedicated online sales warehouse.

## 2019.4

First UNIQLO Denmark store opens in Copenhagen.



## 2019.9

First UNIQLO Italy store opens in Milan.



## 2019.10

First UNIQLO India store opens in New Delhi.



## 2019.12

First UNIQLO Vietnam store opens in Ho Chi Minh City.



# INVESTOR INFORMATION (As of August 31, 2019)

## ■ Stock Exchange Listing

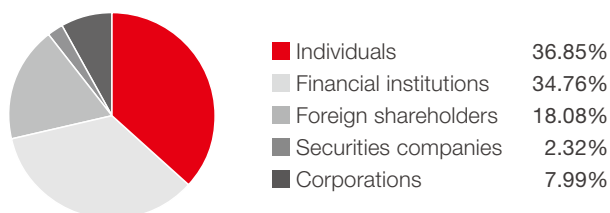
Tokyo Stock Exchange (First Section)  
Securities Code: 9983

The Stock Exchange of Hong Kong (Main Board)  
Securities Code: 6288

## ■ Stock Information

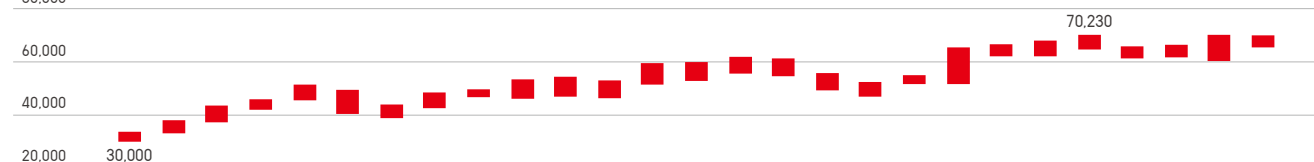
Number of shares authorized	300,000,000
Number of issued and outstanding shares (including treasury stock)	106,073,656
Number of shareholders (including holders of treasury stock)	6,692

## ■ Distribution of Share Ownership

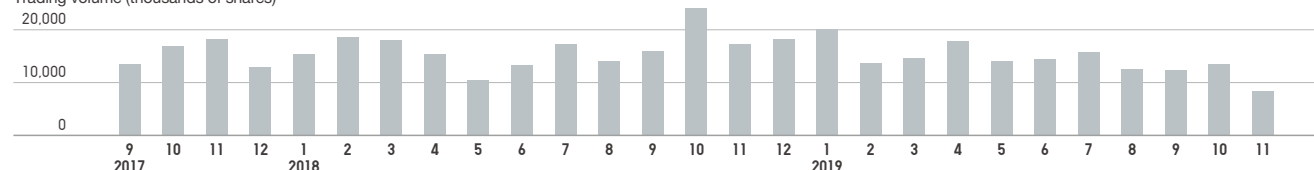


## ■ Stock Price and Trading Volume

Stock price (yen)  
80,000



Trading volume (thousands of shares)  
20,000



## ■ Information Available in the Investor Relations (IR) Section of Our Website

You can access materials and videos of our latest business results, meetings, and press conferences.

### Monthly Retail Data

You can view monthly sales for UNIQLO Japan.

### IR Library

You can access the latest IR publications, including the Annual Report, Fact Book, and Securities Report.

### IR Calendar

You can access the schedule for monthly announcements, business results meetings, and other events.

### IR News

You can access the latest IR news and releases.

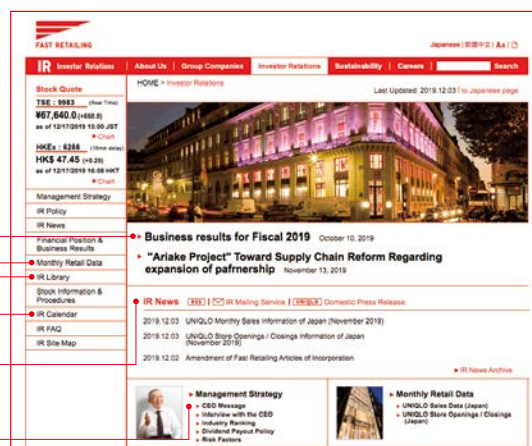
### CEO Message

You can access the latest message from the chairman of Fast Retailing.

## ■ Principal Shareholders

	Number of shares	Percentage* of total shares in issue (%)
Tadashi Yanai	22,037,284	21.59
The Master Trust Bank of Japan, Ltd.	21,012,600	20.59
Japan Trustee Services Bank, Ltd.	11,430,944	11.20
TTY Management B.V.	5,310,000	5.20
Kazumi Yanai	4,781,808	4.69
Koji Yanai	4,780,737	4.68
Fight & Step Co., Ltd.	4,750,000	4.65
Trust & Custody Services Bank, Ltd.	3,800,200	3.72
MASTERMIND Co., Ltd.	3,610,000	3.54
Teruyo Yanai	2,327,848	2.28

\*In addition to the above, the Company holds 4,011,921 shares of treasury stock.



[www.fastretailing.com/eng/ir/](http://www.fastretailing.com/eng/ir/)

# CORPORATE INFORMATION (As of December 31, 2019)

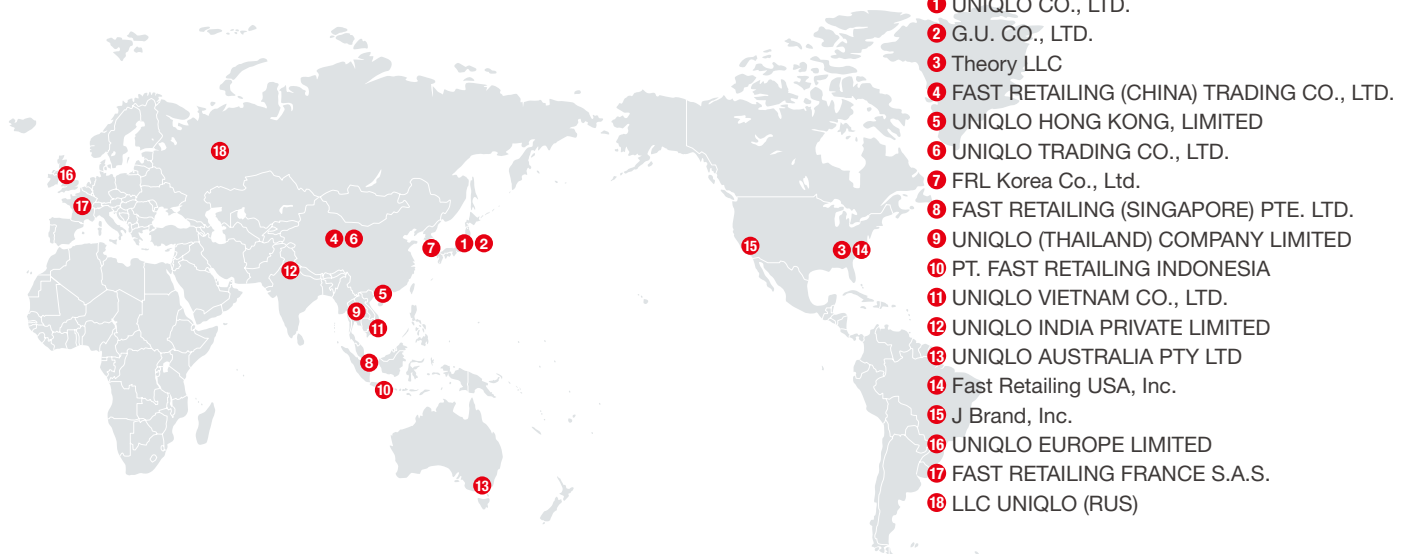
## ■ Corporate Data

Trade Name	FAST RETAILING CO., LTD.
Head Office	717-1 Sayama, Yamaguchi City Yamaguchi 754-0894, Japan
Roppongi Office	Midtown Tower, 9-7-1 Akasaka, Minato-ku Tokyo 107-6231, Japan
Ariake Office	6F UNIQLO CITY TOKYO, 1-6-7 Ariake, Koto-ku, Tokyo 135-0063, Japan
Established	May 1, 1963
Paid-in Capital	¥10,274 million
Line of Business	Control and management of overall Group activities as owner and holding company
Number of Full-time Employees (Consolidated)	56,523 (As of August 31, 2019)
Fiscal Year Ends	August 31
Annual Shareholders' Meeting	Late November
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikkocho, Fuchu, Tokyo 183-0044, Japan Telephone: 0120-232-711 (From Japan)
Number of Shares per Trading Unit	100 shares (Tokyo Stock Exchange) 300 HDR (The Stock Exchange of Hong Kong)

## ■ Board of Directors

Chairman, President & CEO	Tadashi Yanai
External Directors	Toru Hambayashi Nobumichi Hattori Masaaki Shintaku Takashi Nawa Naotake Ono
Internal Directors	Takeshi Okazaki Kazumi Yanai Koji Yanai
Standing Statutory Auditors	Akira Tanaka Masaaki Shinjo Masumi Mizusawa
External Statutory Auditors	Takaharu Yasumoto Keiko Kaneko Takao Kashitani

## ■ Main Group Companies



## ■ Contact Us

**FAST RETAILING CO., LTD.**  
[www.fastretailing.com/eng/](http://www.fastretailing.com/eng/)  
 Midtown Tower, 9-7-1 Akasaka, Minato-ku  
 Tokyo 107-6231, Japan  
 Telephone: +81-3-6865-0050  
 9AM-4PM (JST) Monday-Friday (except national holidays)

## ■ Forward-looking Statements

Statements in this annual report with respect to the Company's plans, strategies, forecasts, and other statements that are not historical facts are forward-looking statements that are based on management's judgment in light of currently available information. Factors that could cause actual results to differ materially from our earnings forecasts include, without limitation, global economic conditions, our response to market demand for and competitive pricing pressure on products and services, and currency exchange rate fluctuations.

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**THE FAST RETAILING WAY**—FR Group Corporate Philosophy

**CHANGING  
CLOTHES.  
CHANGING  
CONVENTIONAL  
WISDOM.  
CHANGE THE  
WORLD.**





Professional tennis player Roger Federer  
(UNIQLO Global Brand Ambassador)



**FAST RETAILING**

**FAST RETAILING CO., LTD.**  
**[www.fastretailing.com](http://www.fastretailing.com)**

Cover photo:  
HEATTECH, co-developed with leading synthetic fiber manufacturer Toray Industries,  
boasts total global sales of over one billion units. It achieves its light, warm feel by  
absorbing body moisture and converting this to heat through special fabric technology.