

Integrated Report 2021

LifeWear, Changing the World







This light, warm blanket features padding with a voluminous feel and a soft fleece lining. Despite its impressive 170 cm x 90 cm size, it fits neatly into its accompanying travel bag, making it perfect for outdoor use.

Fast Retailing Integrated Report 2021

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A Better Future

LifeWear = Sustainability

Fast Retailing is working to develop a sustainable society through the power of clothing, so that we can deliver a better future to the children of today and tomorrow. We deliver the joy, happiness, and satisfaction of wearing truly great clothing to all people, everywhere.

These children are sporting fluffy yarn fleece full-zip jackets that envelop the wearer in cozy warmth. Since 2021, these jackets for women and kids contain 30% recycled material from used plastic bottles. This builds on the success of our menswear jacket in this line, launched previously.

Caring for Our Planet

LifeWear = Sustainability

Fast Retailing makes high-quality, long-lasting clothing. We seek to eliminate all forms of waste, using resources efficiently to minimize the impacts of our business on the environment and to help create a circular society.

UNIQLO offers a full range of jeans, from relaxed-fit to leg-hugging styles. To lighten the load on the environment, we use our BlueCycle technology, which reduces the amount of water used in the finishing process by as much as 99%.*

*Comparing 2018 men's regular fit jeans with similar products from 2017. The amount of water reduction varies by product.





Fast Retailing, the One and Only LifeWear Company

Fast Retailing is, in terms of sales, the world's third-largest manufacturer and retailer of private-label apparel, operating multiple fashion brands including UNIQLO, GU, and Theory. Our LifeWear concept for ultimate everyday clothing focuses on creating simple, high-quality clothes that meet daily needs and enrich people's lives everywhere. UNIQLO, the Group's pillar brand, generated ¥1.7727 trillion in annual sales from 2,312 stores in 25 countries and regions in the year ending August 31, 2021 (FY2021). UNIQLO can offer unique products made from high-quality, highly functional materials at reasonable prices because it manages everything from procurement and design to production and retail sales. Big engines of UNIQLO growth can now be found outside Japan, in the Greater China region (Mainland China market, Hong Kong market, and Taiwan market), the Southeast Asia region, and the Europe and North America regions. Meanwhile, our fun, low-priced GU fashion brand generated annual sales of ¥249.4 billion, primarily in Japan.

In terms of our broader strategy, the entire Fast Retailing Group is currently pressing ahead with the Ariake Project, which is driving our transformation into a new digital consumer retailing company. We are leveraging advanced technologies to engage with customers and to connect our partner factories, warehouses, stores, and e-commerce operations worldwide in a seamless supply chain. This boosts customer satisfaction by offering products with impeccable timing. We are also minimizing the environmental impacts of our business activities, building a supply chain that protects human rights and worker health and safety, developing circular products, and proactively addressing social issues.

Fast Retailing is contributing to a more sustainable society based on our corporate philosophy: Changing clothes. Changing conventional wisdom. Change the world. We do that by creating LifeWear that offers people everywhere the joy, happiness, and satisfaction of wearing truly great clothes.





Our ultra warm hybrid down coat boasts a triple-layer structure: an aluminum lining, down, and insulation padding. This locks in body heat to create the warmest outerwear item in our women's down range. And the clean, vertical silhouette is very stylish.

MESSAGE FROM OUR CEO

A middle-aged man with short grey hair and glasses is smiling warmly. He is wearing a dark blue crewneck sweater over a light-colored checkered shirt. His right hand is raised, palm facing forward, with fingers slightly spread. He is sitting on a blue textured couch. The background is dark and out of focus, featuring several warm, glowing bokeh lights.

A New

With global economic activity recovering, we have resumed our quest to become the No.1 brand around the world. On September 16, 2021, we opened our UNIQLO RIVOLI store on the Rue de Rivoli in Paris with a focus on bringing together apparel and art. Then on October 8, 2021, we opened our newly refurbished global flagship store in Taipei. In November 2021, we were reminded of our customers' great expectations when over 1,000 customers gathered ahead of the opening of our first Beijing global flagship store. We plan to open a new, large-format joint UNIQLO and Theory store on London's Regent Street in spring 2022. I look forward to even more new stores opening worldwide than ever before.

Economies and people have grown insular during the COVID-19 pandemic, but we have the power to brighten customer mood by conducting our business with energy and enthusiasm. Opened in September 2021, our newly refurbished UNIQLO GINZA Japanese global flagship store epitomizes this idea by making every effort to ensure that customers have fun shopping.

Our LifeWear philosophy is to enrich the lives of people everywhere with simple, high-quality clothing. LifeWear is the concrete expression of our commitment to reduce the environmental impact of our daily business activities, to help achieve sustainable growth for society, and to make the world a better place through our business and products. As society and lifestyles evolve, affinity and support for LifeWear is growing everywhere.

The unique concept of LifeWear is the foundation on which we continue to expand our business internationally as we pursue our corporate commitment: Changing clothes. Changing conventional wisdom. Change the world. I am keen to join forces with enterprising individuals and companies worldwide to build frameworks for sustainable growth.

January 2022

Tadashi Yanai

Chairman, President and CEO



Era Has Begun

Reaccelerate Growth

Growth Fueled by Quest to Become Global No.1 Brand

Despite COVID-19, business performance recovered in FY2021, primarily at our UNIQLO operations, and profits rose considerably as operating profit expanded approximately 66%. The Greater China region (including the Mainland China market, Hong Kong market, Taiwan market) achieved a record performance, and sales recovered sharply in the United States and European regions once lockdowns and store entry restrictions were eased from May 2021.

With more people now vaccinated, we are seeing determined efforts worldwide to reinvigorate economic growth while keeping the virus under control. We are more determined than ever to pursue global development and accelerate growth as we aim to become the No.1 brand around the world. We expect continued high growth from the Greater China and Southeast Asia regions. We plan to accelerate store openings across Mainland China, Southeast Asia and India—markets that we position as the growth center for the global economy. We can also significantly expand our operations in the United States and Europe. Consumer activity has recovered as vaccination rates have increased. During the pandemic, we have transformed our earnings structure by closing

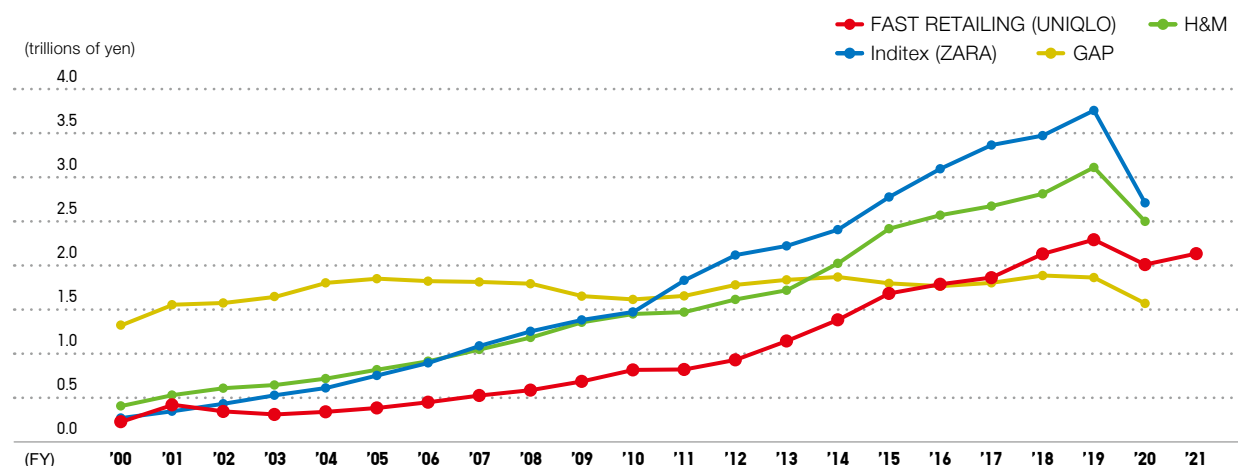
unprofitable stores and restoring appropriate inventory levels. We expect that UNIQLO North America will turn a profit in FY2022, and that UNIQLO Europe earnings will expand considerably. We also expect to see greater profitability in more regions than before.

Our best-selling UNIQLO stores are the New York Fifth Avenue and Soho stores in the United States, followed by the Paris Opera store. The opening of our UNIQLO RIVOLI store in Paris in September 2021 was a great success. Higher-than-expected customer visits on and since opening day suggest a growing affinity for LifeWear and an enthusiastic response to our business. The Rivoli store has an amazing location inside a rejuvenated department store building that was constructed in 1870. The arrival of UNIQLO here generated a lot of excitement.

We are entering a period of accelerated growth. We will keep opening 100 stores annually in the Greater China region, and will double annual openings to at least 60 in the South Asia, Southeast Asia & Oceania. There is considerable room for new stores in North America and Europe, so we will open an unprecedented 20 stores in each region each year. After preparation in FY2022, we will advance this plan in earnest from FY2023.

MESSAGE FROM OUR CEO

Sales of Major Global Apparel Retailers



*Compiled from individual annual report data and calculated using exchange rates as of end of October 2021.



UNIQLO RIVOLI

We opened our UNIQLO RIVOLI large-format store on September 16, 2021 on the Rue de Rivoli. This is an exciting area in Paris that is home to the Louvre Museum and the Tuileries Garden. The approximately 2,000 m² store offers spaces to experience LifeWear and art based on the store's theme of bringing together fashion and culture.

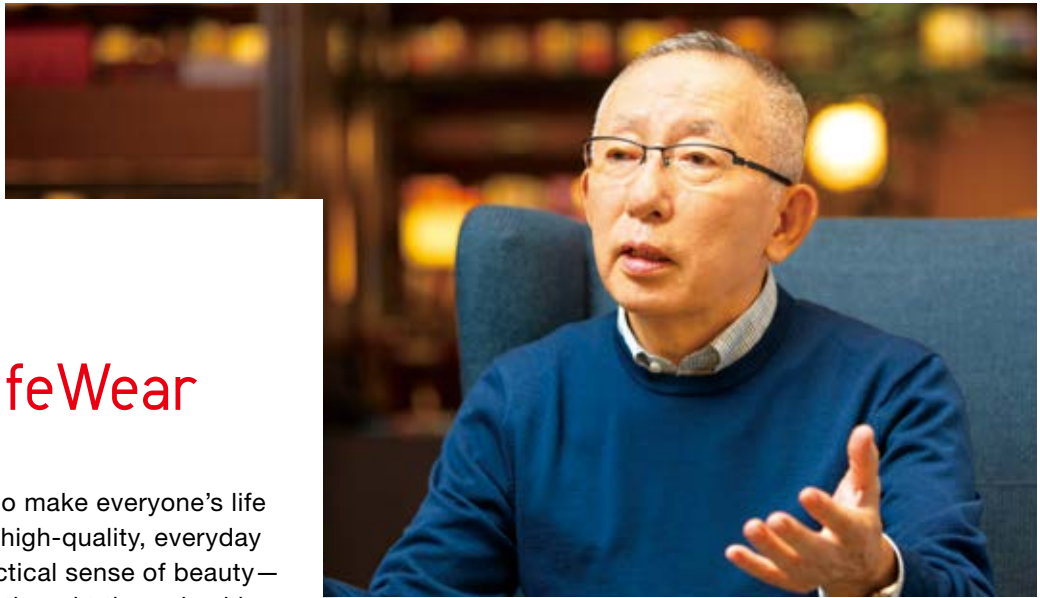
Pursuing a Higher Level of Sustainability

MESSAGE FROM OUR CEO



This is LifeWear

LifeWear is clothing designed to make everyone's life better. It is simple, high-quality, everyday clothing with a practical sense of beauty—ingenious in detail, thought through with life's needs in mind, and always evolving.



Supporting Sustainability Through LifeWear

Ethical consumption is increasingly important in the apparel industry. Fast Retailing sought to achieve sustainable product creation well before sustainability became a widespread imperative. For instance, we spent seven years developing the recycled down jackets that were launched in Fall Winter 2020. Through our collaboration with Toray Industries, we now create new down jackets using 100% recycled down and feathers. We have noted strong customer desire for sustainable products like this.

Circular products present several challenges, however. They are expensive to produce, they don't lend themselves to mass production, and it is difficult to maintain quality. Having overcome these issues, we can now offer consistently high-quality recycled down jackets at the same price as regular items. We also

produce polo shirts and jeans in eco-conscious ways. In addition, we work to reduce environmental impact and to protect human rights during manufacturing. As a business that controls the whole clothes-creation process from planning through manufacture and retail, we recognize the importance of working to solve social issues. We do this by, for instance, avoiding excess production and gaining clear awareness of environmental issues at factories.

That means, as we continue to pursue business activities, we must perfect our philosophy of creating a better society through the apparel business. We will not survive if our brand does not contribute to society, and so we will continue to proactively develop products that promote sustainability.

Active Involvement in Global Human Rights, Environmental Initiatives

Based on our commitment to create a better society through the apparel business, we have always sought to lead our industry by tackling important issues and pioneering necessary improvements. Early on, we made it clear that we would not tolerate any human rights abuses in our business, and we have built frameworks and taken concrete action to prevent such violations. We negotiate persistently with factories and local authorities and request improvements in all sites worldwide when we find issues that do not meet our standards. I believe these efforts have generated positive results.

More concretely, we require partner factories to adhere to the Code of Conduct for Production Partners that we compiled in 2004 based on standards laid out by the International Labour Organization (ILO), the United Nations agency that specializes in labor issues. We ask our employees and third-party entities to conduct regular monitoring of working environments at partner factories. We then share the results with the factories, work together to devise solutions to any issues, and urge swift improvements. In the extremely rare event of child labor, forced labor, or other serious human rights abuses, we take stringent action, including terminating business with the offending factory.

We assign employees from our production department, which is responsible for product quality

and production process management, to regional production offices in Shanghai, Ho Chi Minh City, Dhaka, Jakarta and Bengaluru. We have set up specialist teams in our major offices to work exclusively on monitoring working environments and offering guidance to partner factories regarding improvements. These teams visit assigned partner factories weekly to check on-the-ground conditions and help develop proper production processes.

We also emphasize cooperating with various external organizations worldwide. In addition to our partnership with the ILO, we are members of various initiatives including Better Work, a joint program run by the World Bank Group and the ILO, and the Fair Labor Association (FLA), a global NGO that seeks to improve working environments. Since 2019, we have been working with UN Women to develop career support programs for women employed in textile factories. These Fast Retailing initiatives are highly valued by international organizations and other stakeholders, and they are unparalleled even from a global industry perspective.

However, we recognize there is always room for improvement. We are working on achieving greater traceability down to the raw materials level and implementing improved processes.

We have developed a career-support program for female employees at partner factories through our partnership with UN Women. In Bangladesh, we conduct training in leadership skills and occupational health and safety, and women's health to help women working in sewing factories achieve their dreams.



LifeWear Evolution

Respond to Customer Requests, Create New Customers

We seek to guarantee that we have the clothes that customers truly want at the right place and the right time for immediate purchase. The essence of LifeWear is responding to customer requests and creating new customers. We started the Ariake Project for that reason, so that we can design and plan products based on customer opinion, and produce only the necessary amount of a given product at the most appropriate timing. We work to ensure all our employees are fully on board with executing this plan in accordance with ever-changing commercial conditions.

We have 140 million registered app users worldwide, and we can achieve customer-driven clothes creation by engaging directly with our

customers and promoting two-way communication. In short, we are able to commercialize information and create the products that customers really want.

Our LifeWear is ultimate everyday clothing shaped by customers' needs in daily life, and we are creating more and more customer-driven products every year. Great examples include our AIRism masks, front-opening innerwear for people who find it difficult to put clothing over their heads, and feminine health items including AIRism absorbent sanitary underwear (launched in 2021). We have received many messages from delighted customers about products that eliminate the inconveniences that they experience in their lives.

MESSAGE FROM OUR CEO



“ I'd love to enjoy the same **HEATTECH** warmth, but with a cotton feel. (Female customer, 30) ”

UNIQLO UPDATE captures customer requests and comments that enable us to develop and improve products. The model's HEATTECH cotton crew neck T-shirt is 100% cotton on the inside, comfortable even for those with sensitive skin. It was improved based on customer feedback.

UNIQLO UPDATE

www.uniqlo.com/us/en/page/update.html





3D-knit machine displayed in UNIQLO TOKYO store. Knits a garment in 30 to 40 minutes.

We upload UNIQLO UPDATE content to our e-commerce site, featuring multiple products that have been improved based on customer opinions. Many customers love our soft souffle yarn sweaters created for customers who find most knitwear itchy. Through UNIQLO UPDATE, we have developed and improved more than 50 products over the past year.

In April 2021, we opened a 3D-knit factory in Shinonome, very close to our Ariake headquarters in Tokyo. This world-leading Japanese 3D-knit technology is a source of pride. It enables us to knit a seamless garment. The Shinonome plant will serve as a “mother factory” and model for 3D-knit production systems and technologies when we expand and set up factories outside Japan.

Before moving toward mass production in Japan, we always eliminate waste and defects in the production process. This enables us to transfer the same process to mass-production factories in Vietnam and other locations.

The SHIMA SEIKI MFG., LTD. seamless Whole Garment® knitting machines and equipment at the Shinonome factory are also used in our knitwear atelier at the Ariake headquarters. Having a nearby factory and atelier use the same machines reduces the number of sample adjustments and greatly decreases the lead time from planning 3D-knit products to undertaking mass production. This puts us one step closer to our goal of ensuring we have the products that customers really want right when the customers want them.



UNIQLO GINZA

New LifeWear Experiences

UNIQLO GINZA, a Vision of the Future

Our UNIQLO Ginza global flagship store celebrated its 10th year in 2021. We marked the occasion by rebranding the store as UNIQLO GINZA, which is now a global flagship store for experiencing LifeWear firsthand. The store's concept is New Life, New Wear, New GINZA.

Although e-commerce expanded considerably when physical stores were temporarily closed due to COVID-19, our physical stores are as important as ever. These days, customers tend to use a smartphone to search for items that they want. After checking

product information online, they will come to a store to look at the product in person. For many people, shopping is also a social activity, something to enjoy with family and friends. I believe customers want both online and in-store shopping experiences, not one or the other.

Our global physical store network is a key strength. A customer who has examined a product in a store feels more confident buying it online. When we say we are making e-commerce our main business, we mean that we are actively exploring and growing e-commerce



A pendulum art installation featuring cashmere sweaters in 20 different colors greets customers as they enter (left). The first UNIQLO COFFEE features an exclusive original coffee blend (top right). Seasonal flowers from our UNIQLO FLOWER booth bring color to everyday life (bottom right).

so that we can pursue e-commerce and physical store operations in tandem.

At UNIQLO Japan, approximately 40% of customers pick up online purchases from a nearby store, where they will often stop to browse and buy something else. We are finding that customers who buy both online and in-store tend to spend more than twice as much per year as customers who use only one channel. This is one of the main reasons why we see extremely good synergies between e-commerce and physical stores.

As noted above, customers are now more likely to purchase products after researching them online. In other words, our e-commerce site is itself a form of marketing. We capitalized on this by creating our own photography studio at our Ariake headquarters in Tokyo, in order to share, through our own channels, the type of visual content you would normally see in newspapers and on TV.

We share and edit product information, and analyze customer responses. E-commerce livestreams on our UNIQLO LIVE STATION channel encourage customers to purchase items that draw their attention, and periodically we showcase products in store displays at UNIQLO GINZA and in other locations. As staff introduce a product's features or recommend how to coordinate outfits, customers can send questions or comments in real time.

Our goal is to merge physical-store and e-commerce operations to create a new industry format. The recently refurbished UNIQLO GINZA embodies this vision. Beyond just selling products, the store increasingly showcases the appeal of our brand, as well as broadening and deepening understanding of our different initiatives.

The all-new UNIQLO GINZA is a tremendous advertisement for the LifeWear concept. We have prepared many different spaces, on 12 floors, to enable customers to enter the world of LifeWear. This is one feature of a unique experience-based store format.

UNIQLO clothes are now increasingly well-known worldwide. However, many of the people wearing our popular regular products know very little about how they are created. It would be wonderful if customers could learn more about our sustainability initiatives as well as our clothes.

I would love them to learn why HEATTECH and Ultra Light Down are so warm yet feel so light, how we reduce environmental impact when we manufacture jeans, and how we make the recycled polyester fabric used in our DRY-EX polo shirts and other garments.

Our in-store installations present information in clever and creative ways that I feel sure shoppers will enjoy as they browse each floor wondering what they will find next, as if they were visiting an art gallery or museum. Shopping like this is a really fun experience! Our first in-store café, UNIQLO COFFEE, is a space both to relax and to enjoy shopping on the twelfth floor of UNIQLO GINZA.

I want to see a rapid increase in the number of global flagship stores and regular stores that offer a similar experience. Our stores are our core medium of expression, places where we can engage with our customers by constantly offering them the information they need. We will keep introducing new seamless shopping experiences at our online and physical stores.

Changing the World with Clothing

Enterprising Individuals and Companies Drive Global Progress

Fast Retailing seeks to change clothes, change conventional wisdom, and change the world. Transforming conventional thinking about clothing generates a social impact, and that is how we change the world via the medium of clothing. Global economic structures and what people value have evolved dramatically over the past two years. That's exactly why we want to challenge the status quo even more aggressively and create a more open world.

The world is already intrinsically interconnected. Information and finance transcend borders regardless of national differences. No nation's economy can operate in isolation. If globalization stops, so will the

development of individual countries. Companies are entities that should contribute to people's lives from a global perspective. Of course, any cross-border business must benefit all sides. If countries profit and grow together, they can build peaceful and stable

THE FAST RETAILING WAY – FR Group Corporate Philosophy

**Changing clothes.
Changing conventional wisdom.
Change the world.**

GROUP MISSION

- To create truly great clothing with new and unique value, and to enable people all over the world to experience the joy, happiness and satisfaction of wearing such great clothes
- To enrich people's lives through our unique corporate activities, and to seek to grow and develop our company in unity with society



SHINGO KUNIEDA

UNIQLO global brand ambassador and world No.1 men's wheelchair tennis player*. Gold medalist in men's singles wheelchair tennis at the 2020 Tokyo Paralympic Games. Winner of the wheelchair men's singles title at the 2021 US Open. Received the Japanese Medal of Honor with Purple Ribbon in 2021.



*Men's wheelchair tennis singles rankings
(As of December 2021)

relationships. That is the true significance of commerce.

I believe strongly in the idea of the “independent merchant.” That means charting your own course, nurturing an entrepreneurial spirit, being confident, and taking pride in yourself and your work. I want all employees to embrace our ZEN'IN KEIEI principle of adopting a managerial mindset and implementing best global practices. Wheelchair tennis champion Shingo Kunieda, a UNIQLO global brand ambassador, is an outstanding athlete who focuses single-mindedly on being the best. One person like that is enough to drive any group forward to success. It's the same in a company. Maintaining networks inside and outside an organization and producing results are essential qualities for any professional.

I encourage employees in Japan to experience global business and form diverse teams with people from different backgrounds. Japanese people and companies can build sustainable frameworks for growth by joining forces with enterprising individuals

and companies around the world. The only way to develop human resources who can manage global business is to create opportunities for people to gain management experience, as members of executive teams in a global context. I want talented people to explore their potential, and if they make a mistake, to learn from it and move forward.

We should tackle commerce with strong convictions and a clear mission, always willing to get back to basics to consider what the current world requires, and what principles should shape our work. I recently spoke with French economist Jacques Attali, and he argued that we should all aim to serve as the grandparents of humankind, even those yet to be born, and pursue work that benefits future generations. I think that is exactly right. I believe we can improve the world by pursuing business that is useful to the world and to our customers. I am determined to continue to work for society, fueled by my belief in the customer and the values that commerce generates.

SUSTAINABILITY

LifeWear II New Industry

By cherishing our LifeWear concept of ultimate everyday clothing, we will contribute to a sustainable society and fuel business growth. This is a core Fast Retailing belief. We will enhance the sustainability of society by creating a new industry that looks beyond the point of sale. Instead, we will stay closely involved in the whole process: how clothes are made, how they are sold, and the post-sale lifecycle. In this way, we will pioneer a completely new form of sustainable apparel on the global stage.

Our four promises and six key areas for creating a sustainable society

FOUR PROMISES

1. Completely overhaul the supply chain to further increase the value of LifeWear.
2. LifeWear must continue to respect the individuality and diversity of all people around the world.
3. Contribute to the stability and sustainable development of society on a global scale by further utilizing the unique power of LifeWear to make the world a better place that we have believed in for over 20 years.
4. Develop and provide new services and technologies that allow LifeWear to be worn for even longer.

SIX 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

LIFEWEAR RESPECT FOR EVERY LIFE FOREVER

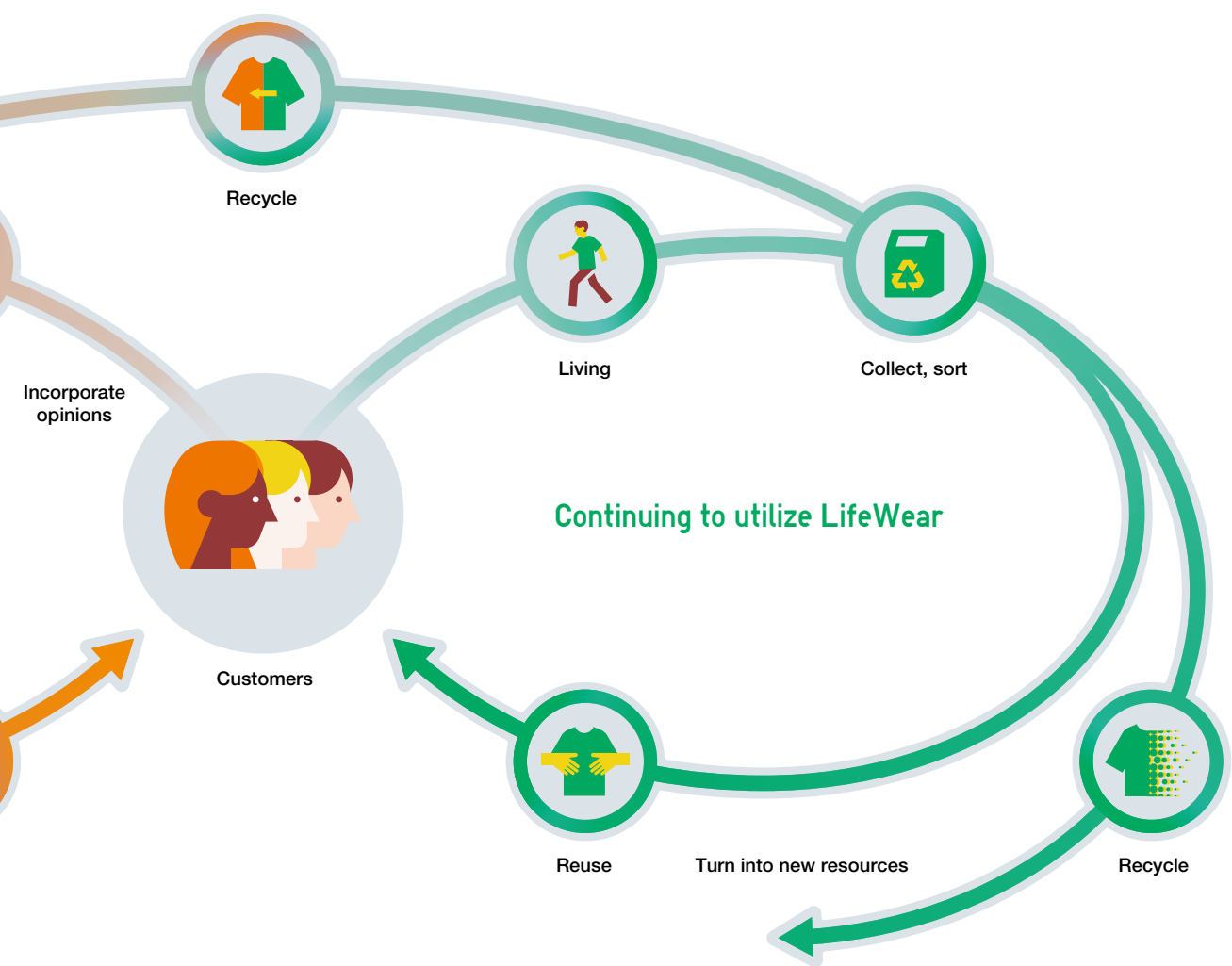
Our Ariake Project goals are to make and sell only the products that customers really need. **Creating LifeWear** takes this activity to the next level, and tackles two other challenges. One is manufacturing that reduces environmental impact by eliminating greenhouse gas emissions and waste across all processes from production through transport and retail in order to minimize environmental impact. The other is a supply chain that customers can be sure upholds human rights. Our responsibility for clothing does not end at the point of sale. In terms of **Continuing to utilize LifeWear**, we are developing new services and technologies to advance reuse and recycling. Also, in order to address increasingly complex social issues, through our clothing business we will contribute to society and harness diversity on a global scale.



Creating a sustainable supply

Respecting the diversity of all peo

FAST RETAILING'S
NEW CLOTHING BUSINESS MODEL



y chain

Circulating value on a global scale

people

Supporting communities, contributing to society

Create New Value Through Products and Services

- ▶ Pursue timeless design all the way from the planning stage based on our LifeWear clothing concept. Create simple, high-quality, highly functional clothing that can be lovingly worn for a long time.
- ▶ Accelerate the development of socially and environmentally conscious clothing, such as products using recycled materials, as well as jeans that require much less water during the finishing process.
- ▶ In addition to improving clothing functionality and quality, also aim to solve social, environmental, and other issues, thereby creating new demand.



Sustainable jeans production using BlueCycle technology

Creating Clothes That Minimize Impact on the Global Environment

Fast Retailing strives to reduce environmental impacts during product manufacturing and create high-quality circular clothing. For instance, our DRY-EX polo shirts and fluffy yarn fleece full-zip jackets are made partly from polyester produced from used plastic bottles. In addition, our 100% recycled down jackets utilize down and feathers from old UNIQLO down items. Also, our single-strap backpacks are made from 30% recycled nylon produced from yarn waste

generated during factory manufacturing processes.

We have also introduced BlueCycle technology into jeans processing for all Fast Retailing Group brands. Developed in our Los Angeles-based Jeans Innovation Center, BlueCycle technology helps reduce the volume of water used in the finishing process by up to 99%.* Creating jeans with a natural worn look previously required large amounts of water and manual labor, but BlueCycle technology greatly reduces the burden on the environment and on workers.

*Comparing 2018 men's regular fit jeans with similar products from 2017. The amount of water reduction varies by product.

Innerwear That Supports Every Stage of Life

UNIQLO offers comfortable innerwear that empowers all people to live life on their own terms. We seek to address the bodily changes associated with women's unique biorhythms and attentively meet hygiene needs at all stages of life, from a first period through puberty, menstruation, maternity, post-childbirth, illness, and more.



AIrism absorbent
sanitary underwear

01

Next-generation Absorbent Sanitary Underwear

AIrism absorbent sanitary underwear, released in September 2021, is a next-generation clothing item created with UNIQLO-exclusive technology. The triple-layer gusset has deodorizing qualities, can absorb approximately 30 to 40 ml of fluid, and boasts waterproof functionality to prevent leakage. Made from smooth, highly elastic AIrism fabric, this sanitary underwear stays cool and comfortable even when you sweat. A waterproof layer sewn into the back of the pants up to the waistline prevents leakage, so the wearer is free to enjoy everyday life to the fullest. The underwear is sustainable, as it can be washed at home and used repeatedly.

02

Wireless Bras for Comfort Every Day

We started selling wireless bras in 2011. They offer both a light, comfortable fit and a beautiful silhouette. Ever since, we have consistently refined these products, listening to our customers and improving the comfort and fit. For instance, our 3D hold wireless bra features patented radial incision flexible cups that fit comfortably and create a natural, beautiful shape. The material both stretches and contracts to fit each individual's bust. We strive to accommodate diverse lifestyles and changes in wearers' bodies by offering a range of relaxed fit and shape-lifting designs.



3D hold wireless bra

MATERIAL AREA 2

Respect Human Rights in Our Supply Chain

- ▶ Respect human rights and support the creation of safe and secure working environments. Conduct environmental audits of our sewing and fabric partner factories, and help factories solve any problems.
- ▶ Perform due diligence regarding human rights across the whole supply chain, identify human rights risks, pre-empt any problems and address any issues.
- ▶ Introduce tools for identifying issues that fall outside the audits, for example by establishing hotlines for factory employees.

Monitoring That Improves Work Environments Across Our Supply Chain

To protect human rights and work environments along our supply chain, we require partner factories to uphold the Fast Retailing Code of Conduct for Production Partners. As part of our monitoring activities, we ask independent organizations to conduct regular inspections with particular reference to items such as human rights violations, general work conditions, and environmental protection. We ask factories to improve any identified issues and support measures to achieve those improvements.

If we discover an extremely serious offense (E grade), such as child labor or forced labor, we immediately begin a

review of our business relationship with the offending factory, which may result in a termination of orders. After discussing the offending factory's management and employment conditions within our Business Ethics Committee, we consider measures that must be taken to correct the violation and prevent reoccurrences.

No factory was assigned an E grade in FY2021. However, this year saw a larger number of factories receive a C grade. This is because we strengthened our risk prevention frameworks by conducting stricter checks on occupational health and safety training as well as work-related disease risk assessments. During the COVID-19 pandemic, we have continued to offer guidance to factories remotely as part of our work to encourage improvements.

Working Environment Monitoring Results (Evaluation of Partner Factories)

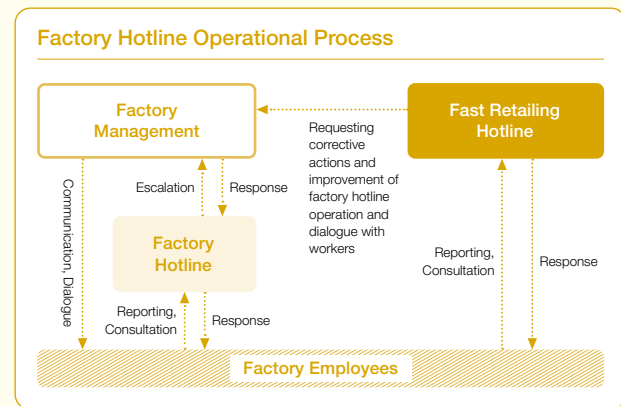
Grade	Description	FR Group (UNIQLO)		
		FY2019	FY2020	FY2021
A	Zero notable violations	40 (21)	52 (27)	46 (25)
B	Relatively low-risk violations	234 (143)	257 (162)	210 (137)
C	Potential violations of human rights or local occupational health and safety laws (e.g. masks, gloves, or other protective equipment not provided to workers as needed)	239 (103)	237 (84)	261 (101)
D	Major violations of human rights, occupational health and safety, or wage and benefit matters (e.g. locked emergency exits, errors in wage calculations)	71 (18)	66 (12)	65 (28)
E	Major violations, including child labor, forced labor, or other human rights violations; significant violations of occupational health and safety	1 (1)	1 (1)	0 (0)
Total		585 (286)	613 (286)	582 (291)

Fast Retailing Hotlines for Partner Factory Employees

Based on our strong relationships with partner factories, we have been able to set up hotlines that enable factory employees to consult directly with Fast Retailing. These hotlines enable us to strengthen our ability to identify and correct any human rights issues or problems relating to work environments. These hotlines have been set up in locations including Shanghai, Ho Chi Minh City, Jakarta, Dhaka and Tokyo. Employees and representatives from our main sewing and fabric partner factories can seek advice anonymously in local languages. All consultations are treated confidentially. We fiercely protect the privacy of the workers who contact us, and we strictly prohibit any retaliation or disadvantageous treatment.

Factories employ migrant workers, and so we have introduced systems that use a combination of smartphone messages and translation services to enable workers to consult with us in their own language. Of all the issues reported through the hotlines in FY2021, 95 were judged to be in violation of the Code of Conduct for Production

Partners, primarily in relation to wages, working hours, and harassment. Ninety of those cases were confirmed to have been fully addressed within the business year. We ask factories to display posters about the hotline in easily visible places and educate employees about how to use the system. Fast Retailing also checks that the systems are being implemented correctly. We are always considering ways to improve hotline operations by soliciting opinions from employee representatives and other labor union members.



Systems to Promote Responsible Supply Chain Procurement

Responsible procurement includes appropriate work environments and production processes. Fast Retailing and our partner factories must work together to realize responsible procurement. Fast Retailing has formulated a procurement policy and guidelines relating to our specific business content, and we conduct regular training for employees in production and procurement roles.



Employees at a UNIQLO partner factory

We assign production department employees responsible for quality and progress management to our production offices in Shanghai, Ho Chi Minh City, Dhaka, Jakarta and Bengaluru. These employees visit partner factories each week to gain a firsthand understanding of on-the-ground conditions and provide guidance on appropriate processes. We have also established sustainability teams in our production offices. These teams advise how to manage and improve the monitoring of working environments at partner factories and offer on-site guidance regarding improvements. We provide regular training for employees who manage production at partner factories. Training centers on the Fast Retailing Code of Conduct for Production Partners as well as local laws and regulations, apparel industry issues, and production-related sustainability issues. Representatives from the sustainability department use practical examples to explain these issues at each production office.

We are strengthening traceability throughout the supply chain, starting from procurement of raw materials. Through our own site visits, audits by third party organizations, and third-party certifications, we will correct any human rights or labor environment issues.

MATERIAL AREA 3

Respect the Environment

- ▶ Set targets and accelerate initiatives in priority areas: responding to climate change, improving energy efficiency, managing water resources, improving waste management and resource efficiency, and managing chemical substances.
- ▶ Use the Sustainable Apparel Coalition's environmental assessment index (Higg Index) to fully understand the environmental impacts and risks at our main sewing and fabric manufacturing partners across seven priority areas, including energy, water and waste. Work with factories to reduce environmental impact.

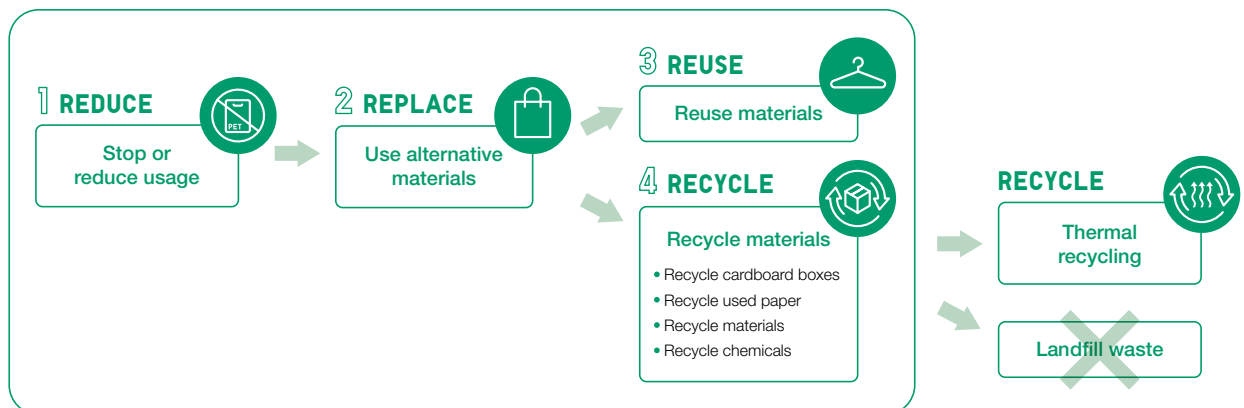
Aiming to Eliminate Waste Through Four Action Items

Various materials are used in product delivery, including packaging, cardboard boxes and hangers. As part of our group wide drive to eliminate waste, we are implementing four actions to identify single-use materials used for delivery and to ultimately reduce landfill waste to zero. First: **reduce** our actual use of the materials themselves. Seventy percent of customers support this action when they decline the offer of a shopping bag with their purchase. Second: **replace** what we can with greener materials. We are replacing the paper used in our offices and stores with FSC-certified or recycled paper and pressing ahead with the switch to a single type of product packaging material that can be more easily recycled. Third: **reuse** materials. GU reuses hangers by collecting them at checkout and returning them to the factory. Fourth: **recycle** materials. We started pilot projects in some regions of instore sorting, collection and recycling processes. The goal is to help recycle packaging materials. We intend to accelerate these initiatives to realize a sustainable society.



(back) Recycled paper bag. ¥10
(front) Reusable bag (available in two sizes). ¥190

Our Approach to Zero Landfill Waste



Strengthening Efforts to Reduce Greenhouse Gas Emissions

Fast Retailing has established targets for reducing greenhouse gas (GHG) emissions by FY2030. These have been recognized as science based targets (SBT) by the SBT Initiative, in accordance with the Paris Agreement. As compared to FY2019 levels, our certified targets include reducing Scope 1 and 2 emissions (derived from energy

used at our own stores and major offices) by 90% and reducing Scope 3 emissions (from the production of raw materials for products, fabric production and garment manufacturing*) by 20% by FY2030. We will also further strengthen our efforts to achieve net zero GHG emissions by 2050.

*For UNIQLO and GU brands only

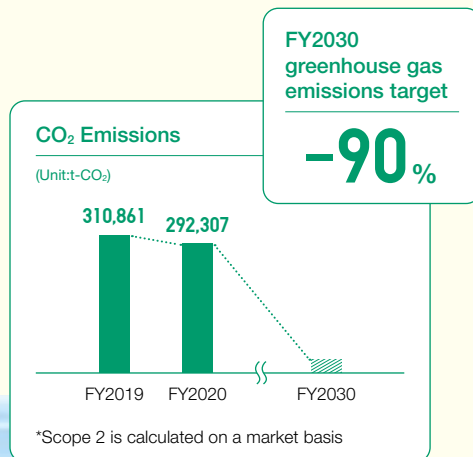


Creating Greener Stores

UNIQLO Japan's efforts to build sustainable stores—including the introduction of highly efficient air conditioners and LED lighting, the separation of waste, and the use of water-saving toilets—have been widely acclaimed. As of September 2021, eight UNIQLO stores had acquired gold-level certification (LEED Gold®) for Operations and Maintenance of Existing Buildings under the Leadership in Energy & Environmental Design (LEED®) international system for environmental building and site use. In 2023, we plan to introduce a new type of store that focuses on energy efficiency from the design stage. By December 2021, we completed the switchover to renewable energy in 67 of our Europe stores, which are located across nine countries. We are working toward procuring all electricity used in our activities from 100% renewable sources.

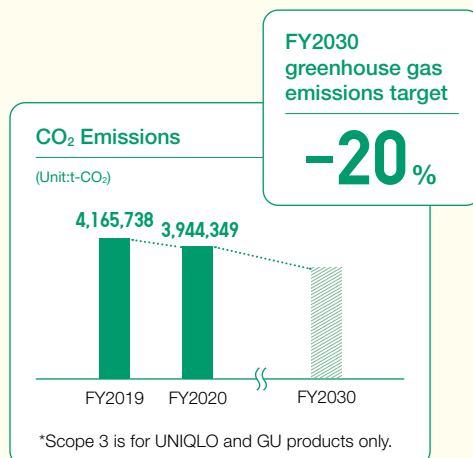


UNIQLO PARK
Yokohama Bayside
store acquires LEED
Gold® certification



Earnestly Reducing Supply Chain Emissions

We cannot reduce supply chain GHG emissions without the cooperation of partner factories. Fast Retailing utilizes our longstanding relationships with partner factories to address climate change and emissions targets together. After gaining a clear understanding of the issues and circumstances at each factory, we have laid out GHG emissions reduction plans. They incorporate the introduction of energy-saving measures, the elimination of coal, and implementing renewable energy measures at major factories that account for 90% of UNIQLO and GU production. We will create more concrete plans and ensure their implementation while providing support.



MATERIAL AREA 4

Strengthen Communities

- ▶ Help combat COVID-19 worldwide.
- ▶ Actively pursue support activities in which we collect secondhand clothing from customers for donation to refugees, internally displaced and socially vulnerable people worldwide. We aim to donate 10 million items of clothing annually by the end of FY2025.
- ▶ Empower children and the young leaders of tomorrow through educational support and social engagement programs.
- ▶ Actively employ refugees. Aim to provide employment opportunities for 200 refugees each year.



UNIQLO donates 12,000 AIRISM masks to Russian charity

Current level of COVID-19 support (March 1, 2020 – August 31, 2021)

	Masks	Approx. 17.74 million units
	AIRISM masks	Approx. 4.56 million units
	Isolation gowns	Approx. 1.43 million units
	AIRISM innerwear	Approx. 500,000 units
	Essential wear	Approx. 1.34 million units
	Financial support	Approx. USD 3.15 million

Continuing Global Support to Combat COVID-19

COVID-19 continues to pose a major global threat, and Fast Retailing remains committed to helping people everywhere who are facing difficulties or crises.

Through our partnership with the Office of the United Nations High Commissioner for Refugees (UNHCR) we donated approximately 1 million AIRISM masks to refugees and internally displaced people in Argentina, Iraq, Egypt, Chile, and Bolivia beginning in late February 2021. We

also donated approximately 2 million masks to people in Afghanistan, Iraq, Bangladesh, Pakistan, and Myanmar on World Refugee Day on June 20.

In May, we donated a total of 100 million rupees to two non profit organizations operating in India, where COVID-19 was spreading rapidly. This money helped provide oxygen concentrators to hospitals as well as food to low-income individuals heavily impacted by the virus. We also donated approximately 600,000 AIRISM masks to India for distribution to frontline response teams. We intend to continue providing as much vital COVID-19 support as possible worldwide.

Donating Clothes to Refugees Worldwide

Since 2006, with the cooperation of the UNHCR, UNIQLO has been collecting gently used clothing from customers in stores and donating this clothing to refugees and internally displaced people around the world. GU joined this initiative in 2010 and we expanded our collection activities to 23 countries and regions. As of August 2021, we have collected a total of 46.19 million items from 79 countries and regions worldwide.

Fast Retailing and UNHCR also conduct Power of Clothing learning programs for elementary, junior high and high school students. UNIQLO and GU employees conduct outreach lessons, then students ask for clothing donations from people in their communities. The items are then delivered to people in need of clothing, such as refugees and displaced people. The program helps students realize that they can make a difference through taking initiative. In FY2021, 625 schools participated in the program in Japan.



Refugee camp
in Malawi

Total clothing donations
(as of August 2021)

46.19 million
items
from **79** countries and
regions

Hiring Refugees in Stores Through Our RISE Program

Through the RISE Program, UNIQLO hires refugees as store staff. Providing employment opportunities is one thing that companies can do to help refugees lead a stable life in a new place. UNIQLO offers language training and instore training that helps to create comfortable working environments for these refugees. We also provide training for managers and staff working in stores that employ refugee staff. UNIQLO has already developed a deep-rooted culture of cooperation among staff in our stores, regardless of where they are from.

As of April 30, 2021, 120 refugees were working at UNIQLO stores in eight countries. Having refugees work as staff members aligns with our philosophy of promoting diversity across UNIQLO operations. We believe the RISE Program brings stability and opportunity to refugees' lives, and also energizes and revitalizes our UNIQLO stores.



Number of refugee employees
(as of April 2021)

120 in eight
countries

Mekonnen from Ethiopia
in his fifth year at UNIQLO

Support Employee Fulfillment

- ▶ Promote diversity and inclusion, in particular gender equality, racial, ethnic and national diversity. Encourage active participation of people with disabilities as well as greater understanding of sexual orientations and gender identities (LGBTQ+). Promote workstyles to suit the life stages of all employees. Boost ratio of female managers to 50%.
- ▶ Provide a wide range of educational programs. Develop skilled employees who can play an active role on the global stage.
- ▶ Create working environments worthy of our aim to become the world's safest and healthiest company.



Promoting Diversity and Inclusion

Respecting diversity is one of the principles that Fast Retailing values most. We create work environments that value the individual differences of employees around the world and that provide equal opportunities for all people to explore new challenges and possibilities. Our diversity and inclusion team leads efforts to understand the relevant issues and implement effective measures for instance, by including diversity-related questions in our employee satisfaction surveys and employee evaluations. In 2020, we established a global diversity leadership team staffed by an international group of executive officers, department heads, and diversity and inclusion team members. This global team implements locally tailored initiatives, including activities and training, to raise awareness across our global operations.

Global employees
(as of August 2021)

118,725 employees across

27 countries and regions

Building Careers, Respecting Work-life Balance

To ensure all employees can select the work style that best suits them and still build a great career, Fast Retailing offers a wide range of human resource systems. These include child care and nursing care leave, shortened working hours, flextime, and baby-sitting assistance systems. We actively conduct trainings related to these issues. For instance, we hold sessions in which female executives share and exchange opinions on their experiences and the opportunities and issues they have faced during their careers. We also offer training programs for female managerial candidates and conduct training sessions to dispel unconscious bias toward female managerial candidates.

In FY2021, the percentage of women in managerial roles* across the Fast Retailing Group stood at 42.6%, and we intend to increase that to 50% by FY2030. We analyze the ratio of men to women by job title, department, and promotion opportunities. We also introduce programs tailored to individual circumstances in different countries and regions, and help each individual employee build a career by providing ample opportunities for new job roles and assignments in new departments.

*Managerial roles include block leaders and area managers in our sales department, store managers above a certain grade, and head office leaders, department managers and executive officers.



Kathy Matsui
presenting
to managers

The ratio of women
in all Fast Retailing Group
operations (as of August 2021)

69.8%

The ratio of women
in all managerial roles*

August 2021 **42.6%**

↓
August 2030 **50.0%**



Jason is in his 10th year as
an employee at UNIQLO
Singapore Ion Orchard store.

Ratio of people with
disabilities at Fast Retailing
Group in Japan (as of June 2021)

4.6%

Creating Opportunities for People With Disabilities

Fast Retailing provides training on hiring people with disabilities and ensuring they can broaden their horizons. We have been proactively employing people with disabilities in UNIQLO Japan stores since 2001 and have largely achieved our aim of employing at least one person with disabilities at each store. As of June 2021, 4.6% of Fast Retailing staff in Japan had a registered disability, which far exceeds the 2.3% legal requirement for Japanese companies. Having expanded our initiatives, we now have approximately 1,500 people with disabilities working with us worldwide.

Respecting LGBTQ+ in the Workplace

In Japan, the Fast Retailing Group has introduced a Partnership Registration System that enables employees with same-sex partners to receive benefits including congratulatory leave and condolence leave.

In December 2018, we also created the Symphony LGBTQ+ networking organization, run by volunteer employees from different departments, to raise internal awareness of LGBTQ+ issues and reflect employee insights in our products and our HR systems.

Fast Retailing respects diversity of sexual orientation and gender identity and strives to create a work environment where all people feel comfortable being themselves.

MATERIAL AREA

6

Ensure Proper Corporate Governance

- ▶ Appoint mainly external directors to the Board of Directors' independence and strengthen its surveillance ability.
- ▶ Promote swift, open debate and decision-making in individual committees that support the Board.
- ▶ Promote debate the Human Rights Committee to further strengthen human rights initiatives.

External Statutory Auditor Interview

Continuing Initiatives for Human Rights Due Diligence

Keiko Kaneko

External Statutory Auditor



In 2011, the United Nations approved its Guiding Principles on Business and Human Rights and asked individual countries to formulate action plans accordingly. Legislation related to human rights due diligence has moved forward in the United States and Europe as a result. Human rights due diligence refers to the identification, mitigation, and prevention of human rights risks, such as discrimination, forced labor, or harassment while conducting business activities (e.g., procurement, production, transportation, retail).

Through FY2020, Fast Retailing conducted human rights due diligence with our partner factories. Identifying potential human rights risks and evaluating the impact and likelihood of these risks helps us formulate measures to prevent human rights abuses and respond appropriately if violations occur. Our Human Rights Committee, of which I am a member, is chaired by an external expert. We discuss how to further

strengthen our efforts to uphold human rights.

We consider what systems to use and how to assign people in the markets in which we operate to achieve the best possible outcome, and these initiatives must be constantly reviewed, reshaped, and reinforced. The Fast Retailing Board and executive officers are always keen to implement changes by listening attentively to opinions and advice from relevant parties, and switching to better ideas whenever possible. Now that our company has grown and enjoys extremely strong brand recognition worldwide, ensuring highly transparent governance is more important than ever.

I will do everything in my power to protect work environments that promote open discussion between external and internal directors, auditors and all our employees, in the hope of further strengthening our corporate governance.

Board of Directors, Board of Auditors

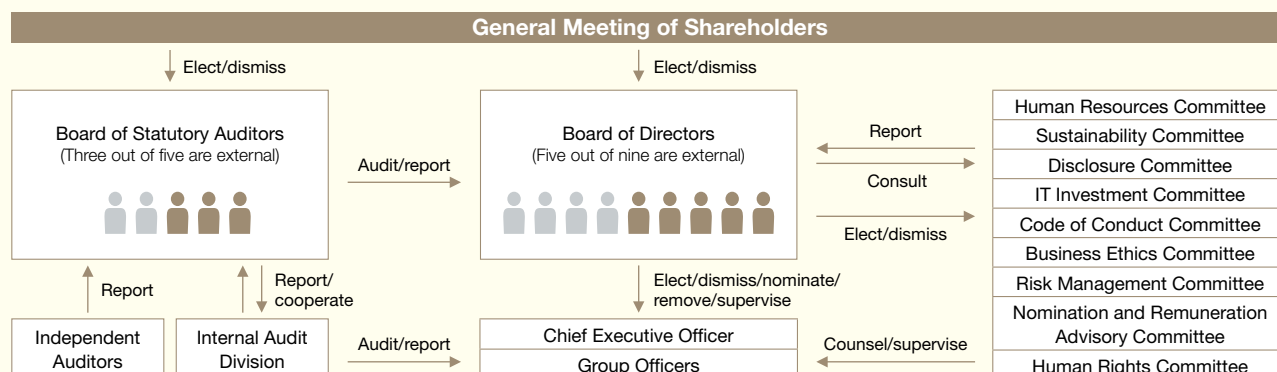
Having a majority of external directors on the Board strengthens supervision of decision-making by CEO and other executive officers. External directors, as former senior managers of global companies or leading specialists in fields such as M&A and financial management, boast diverse and superior expertise. They offer objective opinions that are reflected in important decisions. In FY2021, the Board discussed various topics including supply chain management, budget, and our strategy for Global Brands. The Board met 13 times in FY2021. The attendance rate was 99.1% for directors and 97.4% 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 specialized, objective discussions of relevant issues. The Board of Auditors met 12 times in FY2021 (98.6% 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 so that anyone can report or discuss potential compliance violations or concerns.

At the same time, our Risk Management Committee works to strengthen business-related risk management systems. The committee debates our preparedness and responses to various issues. Examples include COVID-19 and vaccination; the risks of major natural disasters, such as a big earthquake near Tokyo; and risks relating to international relations and conditions.

Corporate Governance at Fast Retailing (As of December 27, 2021)



Composition of Committees (December 27, 2021)

● = 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				Chairperson	
	Takeshi Okazaki	Observer	●	Chairperson	●			Chairperson		●
	Kazumi Yanai		●							
	Koji Yanai		Chairperson							
External Directors	Nobumichi Hattori							●		
	Masaaki Shintaku	●			Observer				●	
	Takashi Nawa	●	●					●		●
	Naotake Ono								●	
Standing Statutory Auditors	Kathy Mitsuko Koll		●							
	Masaaki Shinjo	●		Observer	Observer		●		●	
External Statutory Auditors	Masumi Mizusawa		●	Observer		●		Observer		●
	Keiko Kaneko	●				●				●
	Takao Kashitani						●		●	
Group Officers and Other External Professionals		3	6	3	5	5	9	9	0	6

Note: The head of the Legal Department chairs the Code of Conduct Committee, the head of the Sustainability Department chairs the Business Ethics Committee, and an external expert chairs the Human Rights Committee. External directors and statutory auditors offer opinions based on their individual areas of expertise.

Messages from Our Directors



Tadashi Yanai

A More Sustainable Society Through LifeWear

In order to help realize a sustainable society, I strive for transparent management based on our corporate statement: Changing clothes. Changing conventional wisdom. Change the world. Our LifeWear apparel delivers happiness and joy to people worldwide. I want us to grow into an even better company by pursuing the sweeping corporate transformation laid out in our Ariake Project.

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.



Nobumichi Hattori

External Director

Independent Director

Increase Corporate Value by Focusing on Global Risk Management

I believe the best way to increase shareholder value is objectively judging how capital markets perceive Fast Retailing's corporate value. I consider global risk management factors and offer advice from a broad range of perspectives, and in this way ensure Fast Retailing continues to fulfill market expectations as a well-respected company that is anticipated to keep growing strongly in the future.

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



Masaaki Shintaku

External Director

Independent Director

Promote Our Digital Consumer Retailing Company and Support Further Advancement

We have invested efficiently in transforming IT systems that now support Fast Retailing's operations. This has earned the company a strong reputation for the successful utilization of IT. Fast Retailing is proceeding with its evolution into a digital consumer retailing company and accelerating its efforts to analyze data and acquire knowledge. The company is attracting more exceptionally talented employees as we embrace the challenge of the next stage of growth. The Board of Directors is contributing in every way it can.

Appointed November 2009. Previously Executive Vice President of Oracle Corp. (US) and Chairman of Oracle Corp. (Japan). Currently Counselor of Special Olympics Nippon Foundation, External Director of NTT DOCOMO, INC. and NTT Communications Corporation.



Takashi Nawa

External Director

Independent Director

Support Growth as a Company That Values Diverse Perspectives

Helping create a sustainable society is a common global goal that can increase corporate value. It is my job to help Fast Retailing address ESG issues more proactively and secure a reputation as a global industry leader. I want to help us grow into an even better company by ensuring my ideas and actions always champion diversity.

Appointed November 2012. Previously a director of McKinsey & Company and External Director at DENSO CORPORATION. Currently a Visiting Professor at the Hitotsubashi ICS, President of Genesys Partners, and External Director at NEC Capital Solutions Limited, Ajinomoto Co., Inc., and Sampo Holdings, Inc. and a Visiting Professor at the Kyoto University of Advanced Science.



Naotake Ono

External Director

Independent Director

Ensure Transparent Management and Strengthen Risk Management

When I was in senior management, I expected external directors to voice direct opinions that took into account a wide range of perspectives. Developing a broad outlook by studying other industries as well as your own is vital to good management. Mr. Yanai is a leader who is open to ideas, so I intend to voice frank opinions and fulfill the external director's duty to ensure management transparency and to manage risk.

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



Kathy Mitsuko Koll (Kathy Matsui)

External Director

Independent Director

Create an Organization With Diversity as a Key Growth Driver

As Fast Retailing's first female external director and first director who is not a Japanese national, I intend to make proposals from a variety of perspectives. I have particular expertise and experience in ESG matters. I agree with Mr. Yanai's view that diversity is the driver of growth and I want to help create the organizational frameworks to achieve this. Nurturing role models who can promote "womenomics" is part of that effort.

Appointed November 2021. Worked as a partner and then Vice Chairperson at Goldman Sachs Japan Co., Ltd. Currently serves as Councilor of the Fast Retailing Foundation and General Partner of MPower Partners Fund L.P.



Takeshi Okazaki

Promote Deep, Realistic Discussion Based on Actual Frontline Conditions

My role as Group senior executive officer and CFO is to supervise and engage with management. To that end, I like to convey the actual on-the-ground situation to the Board to help guide deeper, more realistic discussions. In line with Board policy, I will strive to shape the activities of the Board, including my own, from the perspective of our customers and other stakeholders, and to ensure fair and correct management.

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. Main current positions: Director, UNIQLO CO., LTD and G.U. CO. LTD.; Group Senior Executive Officer & CFO, Fast Retailing Co., Ltd.



Kazumi Yanai

Create the Foundation for Continuous Growth by Valuing Long-term Perspectives

I am helping to create a strong foundation for continued growth by upholding our corporate culture, strengthening governance and prizing our social contributions. As a member of the founding family, I take a long-term perspective and aim to bolster Fast Retailing's global growth. As a senior executive officer, my job is to advance our business transformation and work together with employees and management teams to create our ideal company.

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). Main positions: Chairman, Theory LLC and UNIQLO USA LLC; Group Senior Executive Officer, Fast Retailing Co., Ltd.



Koji Yanai

Focus on Our People, Strive for Correct Management and Sustainable Growth

Since being appointed as an executive officer, and gaining the practical experience that came with the post, I have become keenly aware of the importance of a management style that values people. As a director and a member of the founding family, it is my responsibility to pursue rational economic objectives as well as fair and correct management that reflects our commitment to society. I also hope to contribute to sustainable growth for all our stakeholders.

Appointed in November 2018. Joined Fast Retailing in September 2012 after working at Mitsubishi Corporation's food subsidiary Princes Limited, UK. Currently Group Senior Executive Officer, Fast Retailing Co., Ltd.

Auditors



Keiko Kaneko

External Statutory Auditor

Independent Director

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



Masaaki Shinjo

Standing Statutory Auditor

Appointed November 2012. Joined Fast Retailing in February 1994; served as General Manager of Group Auditing, Statutory Auditor at G.U. CO., LTD., General Manager of Sales Support Management Division at UNIQLO CO., LTD. Concurrent positions: Auditor, FAST RETAILING (CHINA) TRADING 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.



Masumi Mizusawa

Standing Statutory Auditor

Appointed November 2019. Joined Fast Retailing in October 2001. Served as General Manager of Investor Relations, Global Corporate Management and Control. Concurrent positions: Auditor, LINK THEORY JAPAN CO., LTD.



Masakatsu Mori

External Statutory Auditor

Independent Director

Appointed November 2020. Currently serves as Special Advisor to the International University of Japan and External Director at Stanley Electric Company, Ltd., YAMATO HOLDINGS CO., LTD., and Kirin Holdings Company, Limited.

UNIQLO

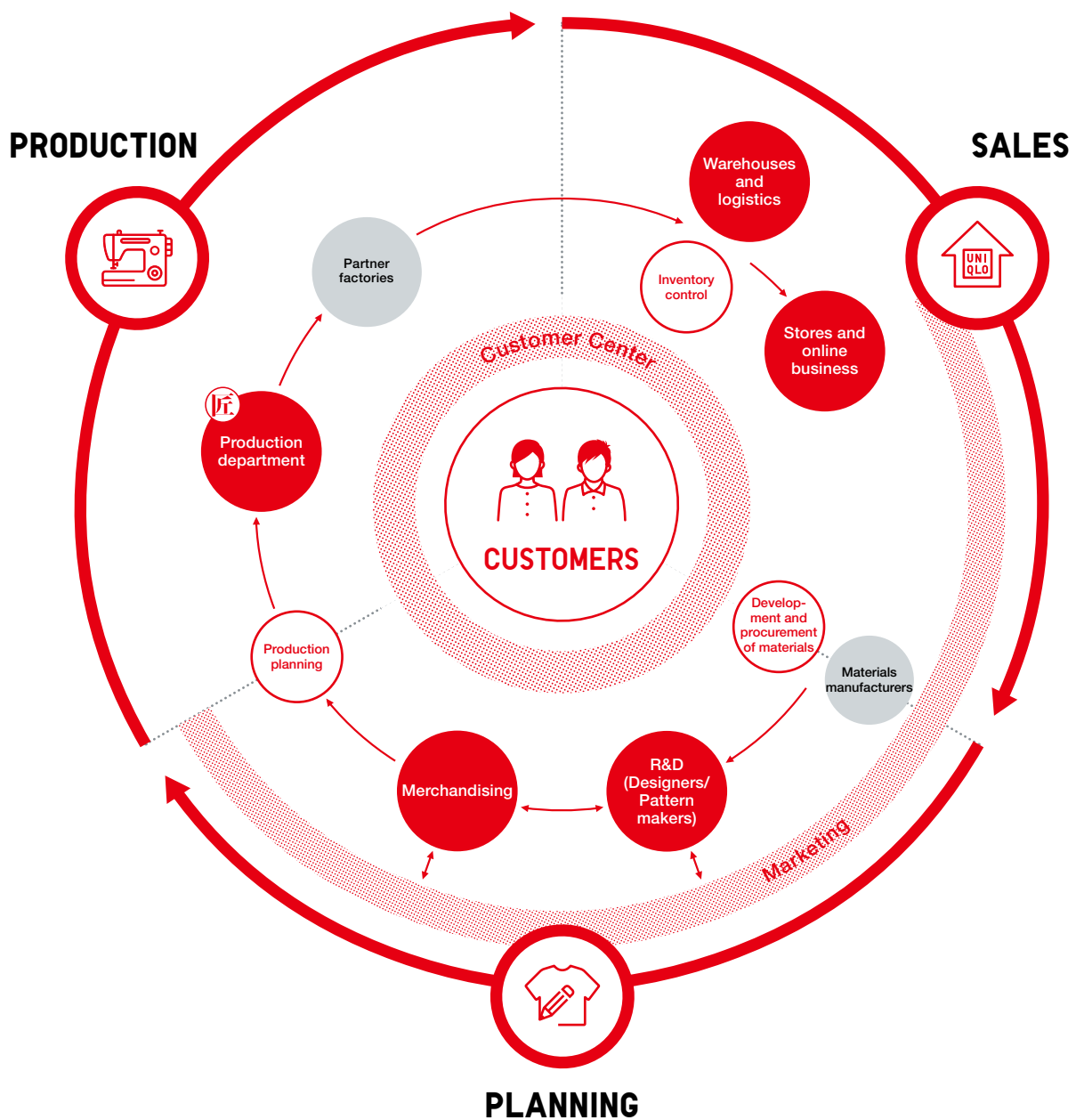
UNIQLO, Driving Clothing Innovation

Tennis champion Roger Federer is sporting an Ultra Light Down vest, amazingly light, but extremely warm. We have increased the voluminous feel of the down and updated the fit to a relaxed silhouette.





UNIQLO BUSINESS MODEL



THE SECRET TO UNIQLO SUCCESS

01

LifeWear Resonates Worldwide

UNIQLO LifeWear is simple, high-quality, everyday clothing that appeals to people of all ages, everywhere. When we create LifeWear, we always start with our customers. By reflecting customer insights from e-commerce and stores into our products, we can perfect the details of our core ranges, achieve a more comfortable fit, and swiftly develop clothes to satisfy new and changing lifestyles. LifeWear is always evolving and winning new support worldwide because it fulfills ever-changing customer needs.

02

Create New Demand With New Functional Materials

Working with world-leading fiber manufacturer, Toray Industries, UNIQLO has created many highly advanced, functional products. These include our warmth retaining and generating HEATTECH range, and our Ultra Light Down garments, made with high-density material to keep down inside. Other innovations include our versatile, cool-feel AIRism range and BLOCKTECH garments with windproof coating. We spent years perfecting our advanced materials, which cannot be replicated by competitors. Developing clothes with new functionality creates lifestyle flexibility and fresh demand.

03

World-class Materials and High Quality at Reasonable Prices

UNIQLO's strength lies in offering great value clothing made with high-quality materials. We negotiate directly with global producers and place long-term orders for superior materials such as Supima® cotton, merino wool and premium linen. Such economies of scale enable us to secure a more favorable supply than our competitors, at greatly reduced costs. The high quality of UNIQLO LifeWear is also underpinned by strong trust, built over many years with our partner factories. Our production department and factories communicate closely so we can immediately address any quality-related requests from customers and make improvements.

04

Creating Shopping Synergy and Convenience in Stores and Online

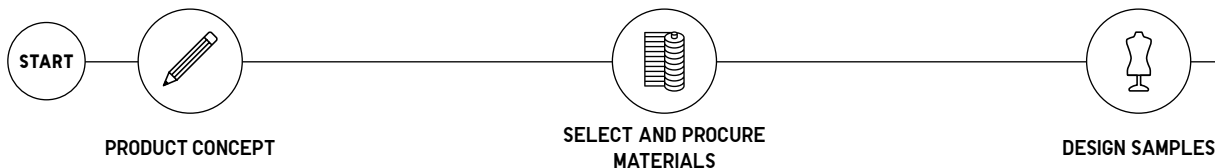
Our e-commerce operation offers a full range of LifeWear products and sizes to meet the diverse needs of our customers. We are integrating our retail store and e-commerce operations to increase convenience, enabling customers to collect online orders from nearby stores, or to order online any item out of stock at their local store, for delivery anywhere. In addition, we review the convenience of our stores for customers, and open new stores in optimally-convenient locations and formats. For a brand like UNIQLO with such a strong store network, online-to-offline (O2O) serves as an additional engine of growth.

01

PLANNING



A product planning meeting at our Ariake headquarters



Research & Development (Designers/Pattern Makers)

An important part of R&D at UNIQLO is to develop products that respond to customer requests, while also identifying new and emerging needs. Accordingly, our R&D centers constantly research global fashion trends and new materials, working to anticipate future shifts in the lifestyles and needs of our customers. One year before a product's intended launch, the R&D department holds a concept meeting with a diverse range of representatives from the merchandising and marketing and materials-development teams to determine the right design concept for the season. Our designers then begin the process of preparing designs and refining samples. Even after a design is decided, its color and silhouette can be refined multiple times before the design is ready to be finalized.

Merchandising (Product Planning)

The merchandising team plays a vital role in the product creation process, from planning through production. Deciding product lineups and volumes throughout the year is an important aspect of the department's job. To do this, merchandisers communicate closely with R&D, the production department, and other divisions to determine the designs and materials required for each season's products. They also manage the launches of our strategic products in close cooperation with other key departments. Many UNIQLO products are manufactured in lots of approximately 1 million units, and the merchandising department monitors the latest sales conditions, issuing instructions to either increase or decrease production during the season—another key responsibility of the team.

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. Utilizing our economies of scale enables us to achieve more favorable terms than any other manufacturer. The materials used for our core items are particularly important. Our in-depth research and experimentation generate 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 world-leading synthetic fiber manufacturer, Toray Industries, to create innovative new fibers and materials such as the ones found in our HEATTECH range.

PRODUCTION

02



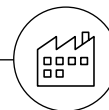
UNIQLO partner jeans factory



FINALIZE DESIGNS



SET PRODUCTION
VOLUMES



START PRODUCTION

Production Network

UNIQLO does not own any factories. Instead, we outsource the production of almost all our products to factories around Asia. We have built strong relationships of trust with our partner factories over many years, and hold annual conventions to promote dialogue with factory managers. We conduct monitoring programs at our sewing factories and major fabric suppliers to prevent human rights violations, to ensure good working environments, and to protect the environment when our products are being made. As required, we help factories implement improvements. UNIQLO continues to produce high-quality products by maintaining a win-win relationship with partner factories. As we expand globally, we continue to grow our partner factory network in countries like Vietnam, Bangladesh, Indonesia and India.

Production Department

We assign production department members, who manage product quality and production progress, and Takumi (skilled artisans), to production offices in Shanghai, Ho Chi Minh City, Dhaka, Jakarta and Bengaluru. Production office representatives visit partner factories weekly to resolve any issues. The production department swiftly addresses any quality concerns raised by customers and implements improvements if required.

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



03

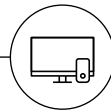
SALES



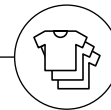
UNIQLO Kungsträdgården store (Sweden)



SHIP TO INDIVIDUAL COUNTRIES



AIR TV COMMERCIALS



START ADDITIONAL PRODUCTION

Inventory Control

The inventory control department maintains ideal store inventory levels. It does this by monitoring sales and stock on a weekly basis, and then dispatching inventory and new products to fulfill orders. At the end of each season, merchandisers and the marketing department work together, coordinating sales promotions to help reduce residual inventory.



Promotional flyer

Marketing

Each season, UNIQLO conducts promotional campaigns for core products such as HEATTECH, Ultra Light Down, AIRism and Bratops. During these campaigns, UNIQLO emphasizes each product's unique features and benefits on TV and in other media. In Japan, we use UNIQLO apps, email, social media, and flyers delivered with national newspapers to notify customers about limited-period discounts, typically of 20% to 30%, on new seasonal ranges.



TV commercial

Stores

UNIQLO Japan had 810 stores (including 30 franchise stores) across Japan as of the end of August 2021. UNIQLO International expanded to 1,502 stores, including 932 stores in the Greater China region, 134 in South Korea, 270 in South Asia, Southeast Asia & Oceania, 109 in Europe and 57 in North America. We have been accelerating new store openings, primarily in the Greater China region and Southeast Asia.



UNIQLO roadside store



UNIQLO Asakusa store (Japan)



IN-STORE SALES AND
E-COMMERCE CUSTOMERS



CUSTOMERS

E-commerce

The importance of our e-commerce operation is growing as more customers enjoy shopping both online and in stores. In FY2021, online sales accounted for approximately 18% of total sales. Geographically, online sales accounted for roughly 20% of total sales in the Greater China region, 10% in South Asia, Southeast Asia & Oceania, 30% in Europe, and 40% in North America. We will further enhance combined e-commerce and retail store services and build systems that enable customers to shop conveniently at times and places that suit them.

UNIQLO.com



Customer Centers

Our customer centers analyze huge volumes of customer requests. Customer feedback helps us improve core products, and to develop new products, such as front-opening innerwear and highly-absorbent sanitary underwear. In April 2021, we added a new customer center at our Ariake headquarters in Tokyo to complement our existing Yamaguchi center. This enables us to connect customer insights directly to management, and to apply them to product and service development in real time.

UNIQLO EXPANDS GLOBALLY

UNIQLO delivers LifeWear (ultimate everyday clothing) to all people worldwide. UNIQLO boasted a global network of 2,312 stores as of August 2021. UNIQLO International accounted for 1,502 of those stores, or 65% of the total network.



25 countries
and regions

JAPAN

810 STORES

GREATER CHINA

932 STORES

SOUTH KOREA

134 STORES

SOUTH ASIA, SOUTHEAST ASIA & OCEANIA

270 STORES

NORTH AMERICA

57 STORES

EUROPE

109 STORES



ASIA & OCEANIA

Further Growth, a Stronger Brand

6
India

Mainland China

832

Hong Kong

69

31

Taiwan

Thailand

54

Vietnam

8

Malaysia

48

Philippines

63

26

Singapore

40

Indonesia

25

Australia

UNIQLO UNIQLO EXPANDS GLOBALLY



UNIQLO BEIJING SANLITUN global flagship store

First Beijing Flagship Store a Fresh Catalyst for Greater China Region

We opened Beijing's first global flagship store in the famous Sanlitun fashion area on November 6, 2021. The store, which boasts a 2,400 m² shop floor, houses our first fresh-flower booth in Mainland China and a space that presents some of UNIQLO's sustainability activities. UNIQLO participated in the China International Import Export (CIIE), which was held the day before the new store opening, as an important part of our activities to showcase LifeWear and the UNIQLO brand to the world.

Even amid COVID-19 uncertainty, we expect UNIQLO's share in the Greater China region (Mainland China market, Hong Kong market and Taiwan market) will increase as we aim to open 100 new stores each year. Our All-store Profit Improvement Project in Mainland China helps secure profits even when the external environment deteriorates. We do this by confirming and analyzing profit conditions at each store, working with store managers to refine sales plans, and extending support where needed. This scheme has enabled us to increase individual store profitability. Revenue and profit increased significantly in the Greater China region in FY2021 (revenue: ¥532.2 billion (+16.7%), operating profit: ¥100.2 billion (+52.7%)). Our future targets are ¥1 trillion revenue and ¥200 billion operating profit.



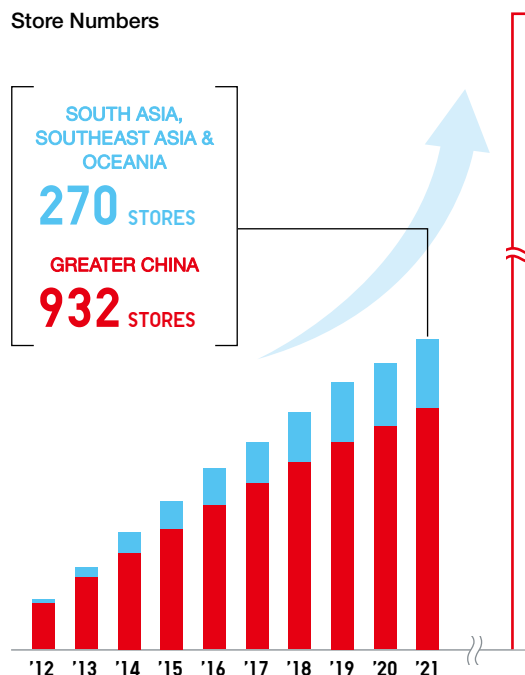
Expand Stores and E-commerce, Become No.1 in Southeast Asia

The region's performance was impacted by restrictions and temporary store closures due to the spread of COVID-19, but when case numbers eased and stores reopened, sales expanded strongly, proving the growing local support for LifeWear.

Meanwhile, the temporary closure of our physical stores greatly boosted e-commerce sales. While e-commerce accounted for approximately 10% of total sales in FY2021, we now expect that ratio to increase to 30% very quickly. After having launched e-commerce sales in Indonesia in September and Vietnam in November, we now offer online shopping across our entire Southeast Asian market. We are currently strengthening our e-commerce organizational structure and platforms to ensure greater customer satisfaction regarding payment and delivery. Attention-grabbing new products sell well online, so we want to achieve our target by simultaneously strengthening digital marketing.

New store development in shopping malls and roadside retail locations will further accelerate the pace of store openings from FY2023 onward. We intend to offer products that meet customer needs and further expand operations to become the No.1 apparel brand in Southeast Asia.

Store Numbers





UNIQLO RIVOLI store

EUROPE

A Clear Path to Future Expansion

In FY2021, UNIQLO Europe increased revenue and turned a profit. While business conditions remained tough as COVID-19 infections rose, sales recovered sharply after lockdowns were eased in May 2021, when many customers were able to return to our stores.

Despite such difficult times, we have seen e-commerce sales expand by approximately 250% over the past two years to become a key pillar of UNIQLO Europe operations. Improving our e-commerce services and proactively seeking new customers has encouraged people who have never visited a physical UNIQLO store to buy our products.

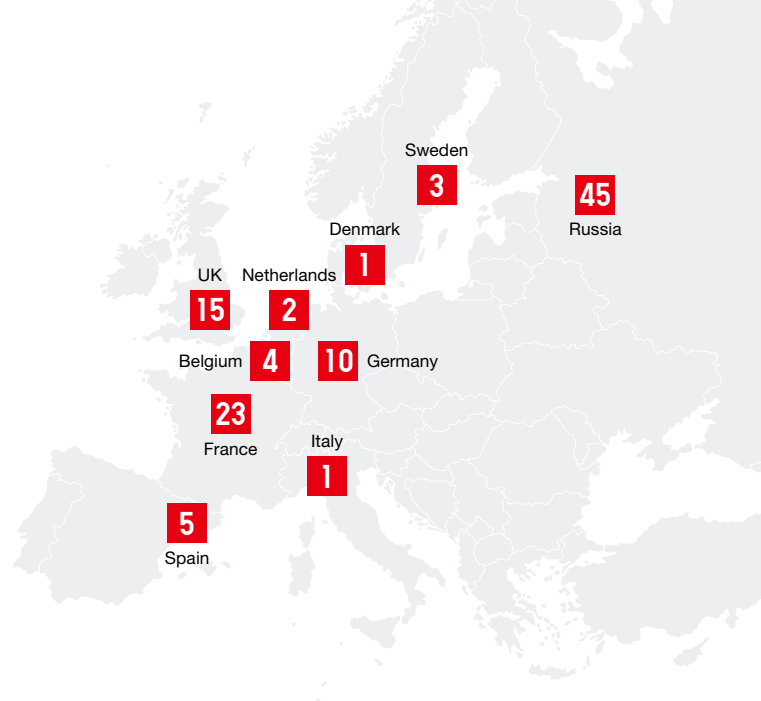
Our cashmere, bottoms, down and other outerwear sell particularly well in Europe, and UNIQLO's merino wool sweaters are especially popular among those with an eye for fashion. When I hear local customers say they like the high quality and refined silhouettes of our clothing, I sense a true affinity with our LifeWear concept.

I have noticed some other positive trends, with customers buying more innerwear and T-shirts as working from home becomes increasingly mainstream.

In September 2021, we opened our UNIQLO RIVOLI store on the Rue de Rivoli in Paris, where many museums, including the Louvre, are located. Our concept was to bring together apparel and art.

We also plan to open a new and improved global flagship store on London's Regent Street in spring 2022. In the 20 years since we opened our first store in the UK in 2001, UNIQLO has grown into a global brand. By opening large-format stores in the best locations in Europe's major cities, we want to show the world how strong our brand has become.

The potential locations for new stores have greatly increased since we started reforming our cost structure and improving our earnings structure. I want to continue providing attentive Japanese-style service and expanding into more cities to help the UNIQLO brand become a vital part of European life.



Taku Morikawa

CEO, UNIQLO Europe,
Group Senior Executive Officer,
Fast Retailing Co., Ltd.



Joint UT (graphic T-shirt) collection with
the Louvre Museum

GLOBAL E-COMMERCE

Customer-centric Online Sales

Masanobu Kusaka

Head of Group Digital Commerce
Group Executive Officer,
Fast Retailing Co., Ltd.



Making E-commerce Our Main Business: A UNIQLO-driven Industrial Revolution

When I was general manager in charge of the launch of UNIQLO's New York Fifth Avenue store, I thought we were competing mainly with other global apparel brands. But at that time in the USA, we were also witnessing a surge in disruptive industry innovation made possible by a rapid shift to digital. Just as I was reflecting on these issues—Would our competitors change? Would the very rules of commerce change?—Tadashi Yanai, our CEO, set out his vision for making e-commerce our main business, and I was put in charge of bringing this vision to life when I returned to Japan. I was determined to create a customer-centric business framework. I didn't just want to sell things online. My aim was to create a UNIQLO-driven, customer-centric industrial revolution that would provide products and product information to customers when and where they needed it. We did this by

encouraging cooperation between physical stores and e-commerce, and by merging our inventory and sales network. At the end of August 2021, we had e-commerce operations in 21 markets, which accounted for approximately 18% of total sales. I want to increase that proportion to 30% as soon as possible.

Previously we relied on outside firms for many e-commerce functions. Now we have decided to operate and manage everything in-house and are transforming procedures to speed up the transition. We have introduced automated warehouses, moved warehousing operation in-house, and launched a new proprietary e-commerce platform. We have already introduced this platform into 50% of our operations, including Japan, and are making steady progress toward unifying platforms globally. UNIQLO enjoys strong product appeal and a global physical store network. We are harnessing these strengths to enable customers worldwide to easily purchase UNIQLO products anytime, anywhere.

All E-commerce Operations In-house, End-to-end Customer Connections

In my view, e-commerce is all about marketing. Marketing not only enables us to link directly with individual customers and provide them with tailored information, but also to receive feedback and information from them. Pursuing our shift to a customer-centric e-commerce model will help us understand exactly what our customers are seeking.

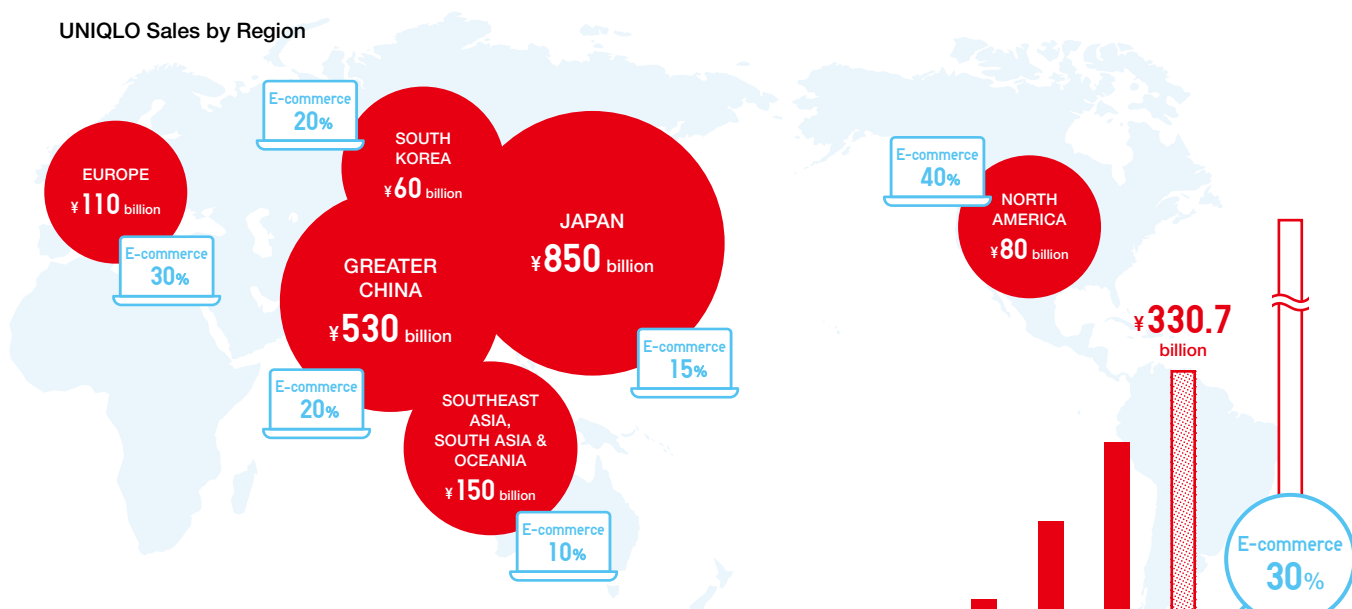
The creation of a photography studio at our Ariake headquarters in 2021 is related to our decision to operate an end-to-end e-commerce operation entirely by ourselves, from product planning through production, distribution, retail and customer delivery. Locating the studio next to the customer center enables us to directly reflect insights from customers and store personnel in how we photograph our products. Employing our own in-house camera operators and stylists enables us to produce high-quality work quickly. I feel these moves are already starting to greatly boost customer satisfaction. There is still much to do to reach our goal of managing a full end-to-end e-commerce service, but we are committed to getting there.

We have a global store network and strong brand power, and I believe that if we can achieve this end-to-end Groupwide transformation, our physical-store and e-commerce businesses will truly become one. And developing customer-centric e-commerce will allow us to become a key part of the infrastructure for providing daily clothing essentials. If we don't achieve this goal, we won't become a global No.1 brand, or even survive as a company. That conviction fuels the industrial revolution we have embarked upon.

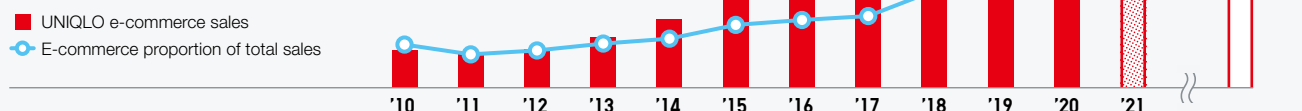


The studio at our Ariake headquarters is one of the largest in-house facilities of its kind in Japan. Fully equipped for video shoots and natural light photography.

UNIQLO Sales by Region



UNIQLO E-commerce Sales and Ratio Trends



TOPICS

LifeWear

Simple made better.

LifeWear is clothing designed to make everyone's life better. It is simple, high-quality, everyday clothing with a practical sense of beauty ingenious in detail, thought through with life's needs in mind, and always evolving.

UNIQLO TOPICS



Evolving Tradition with Modern Techniques

Our stretch selvedge slim-fit jeans offer attractive texture and vintage denim style. The red ear selvedge seams pay homage to the popular jeans of the good old days. UNIQLO has taken denim made on traditional shuttle looms and carefully crafted by expert artisans, adding stretchability developed with world-renowned denim manufacturer Kaihara Corporation to create a modern fit and feel.

01

Stretch selvedge
slim-fit jeans



Functionality for Perfect Comfort

We have evolved our advanced HEATTECH material, which generates heat and maintains warmth. We also extended the HEATTECH lineup beyond innerwear to include outerwear and accessories. Our HEATTECH scoop neck T-shirt is incredibly thin but packed with features: quick-drying, stretchable, retains its heat and shape, absorbs and releases moisture, and prevents bacteria and odor.*

*Exact functionality differs by product.

02

HEATTECH scoop neck
long-sleeve T-shirt





Maintaining Texture for Longer

Our extra fine merino wool knitwear is high quality, stylish and machine washable. We developed special processing to reduce potential shrinkage during washing and to prevent the formation of pills or bobbles for easy care. Thanks to their great color development and excellent ability to regulate moisture and temperature inside clothes, our merino wool items are versatile and durable—a more sustainable option.

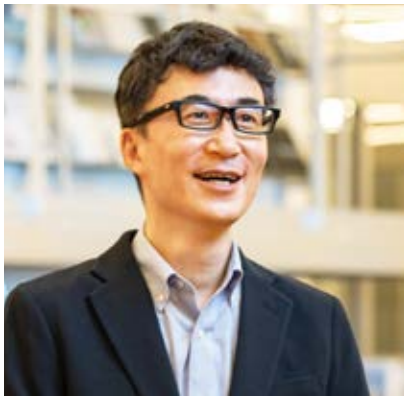
03

Extra fine merino
wool sweater





Great Advances in Low-priced Fashion, Fun for Everyone



Osamu Yunoki

CEO, G.U. CO., LTD.
Group Senior Executive Officer,
Fast Retailing Co., Ltd.

Our customers' desire to enjoy fashion has not changed during the COVID-19 pandemic. We are witnessing a growing need not only for good design, but also for greater comfort. I believe GU was able to boost sales in FY2021 by adjusting ranges to suit changing lifestyles, expanding loungewear that balances GU-style fashion, cuteness, low prices, and comfortable fit, and by developing feminine care products that thoughtfully consider health. Also popular is GU Baby, which seeks to create clothes that facilitate babies' and young children's development and spark an interest in good clothing.

Increasingly diverse lifestyles and customer insights led us to launch our "ageless" and "genderless" concepts in Fall Winter 2021. As the names suggest, we want all customers to enjoy fashion irrespective of age, gender, or body shape. We use a diverse group of models in our TV

commercials and web advertisements to convey the fun of our ageless and genderless styles. While we do make the items as men's or women's products, our shopfloor displays enable customers to easily mix and match items and create their own unique styles.

In the past, fashion from global collections became trendy when published in magazines and other media, but now fashion originates with people in the street. Everyone enjoys the freedom to find their own style and share it on social media. People of different ages, genders, and body shapes can create unique styles with our items, all of which offer an appealing combination of fashion, practicality, and low price. By meeting the latest needs, we launch hit products.

However, there is still much to do. We must improve our inventory control systems, and we are developing frameworks to enable more timely production adjustments by pressing ahead with supply chain reforms. We are now better able to create hit products because we collect and analyze opinions from customers and store staff as part of our transformative Ariake Project.

To make shopping easier for customers, we are considering opening new stores in locations including Japanese shopping malls, roadside retail locations, and commercial buildings, and increasing the number of combined UNIQLO GU stores, which achieve some great synergies for us. We are further enhancing our fusion of physical store and online services for greater shopping convenience and a better e-commerce operation. I have deep respect for GU's YOUR FREEDOM concept, which seeks to give people the freedom to be themselves, or to find out who they are. That is how we can bring happiness to even more customers.



GLOBAL BRANDS



Misty Copeland
Ballerina, Philanthropist

Theory

Theory

Innovative and Stylish Fashion

Theory is a contemporary fashion brand launched in New York in 1997. The Theory brand offers unfailingly elegant style. Its acclaimed comfort stems from perfectly fitting designs and superior materials. At the end of August 2021, Theory boasted 431 stores worldwide.

PLST

P L S T

Top-quality Clothing for Comfortable Everyday Living

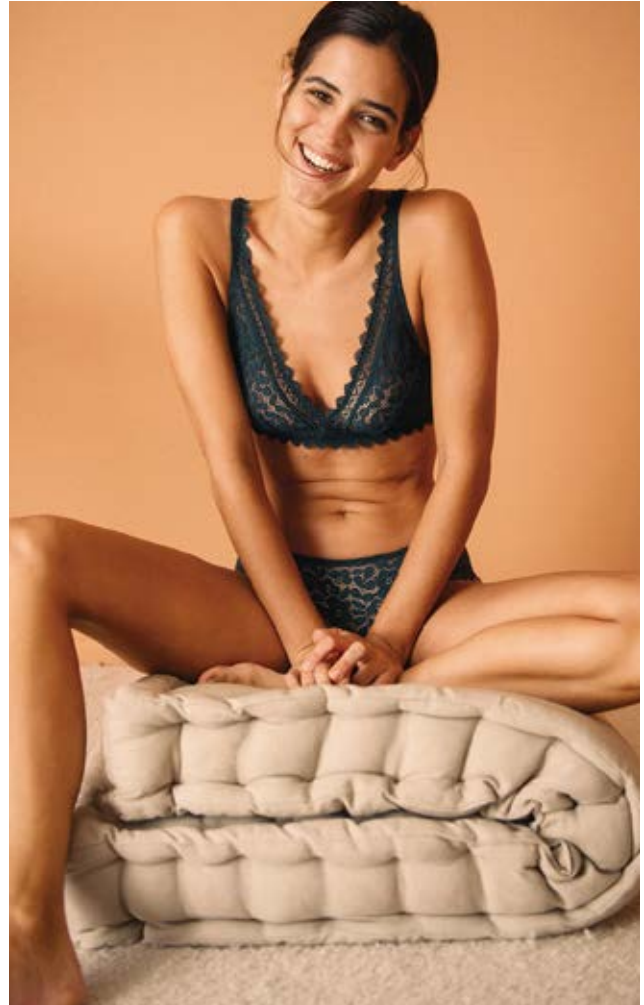
The PLST brand offers top-quality everyday clothing made with careful attention to fabrics, textures, and styles to suit any occasion. PLST is popular with consumers of all ages who enjoy the brand's reasonable prices and versatile designs. PLST has 98 stores in Japan (as of August 2021).

Princesse tam.tam

PRINCESSE tam•tam
PARIS

A Graceful Women's Brand From France That Celebrates You

Princesse tam.tam (PTT) is a French lingerie brand whose “lingerie that lets your own personality shine through” resonates with countless women. It is known for comfort, femininity, original prints and vibrant colors. PTT offers a wide range of lines including lingerie, loungewear and swimwear.



Comptoir des Cotonniers

COMPTOIR DES
COTONNIERS

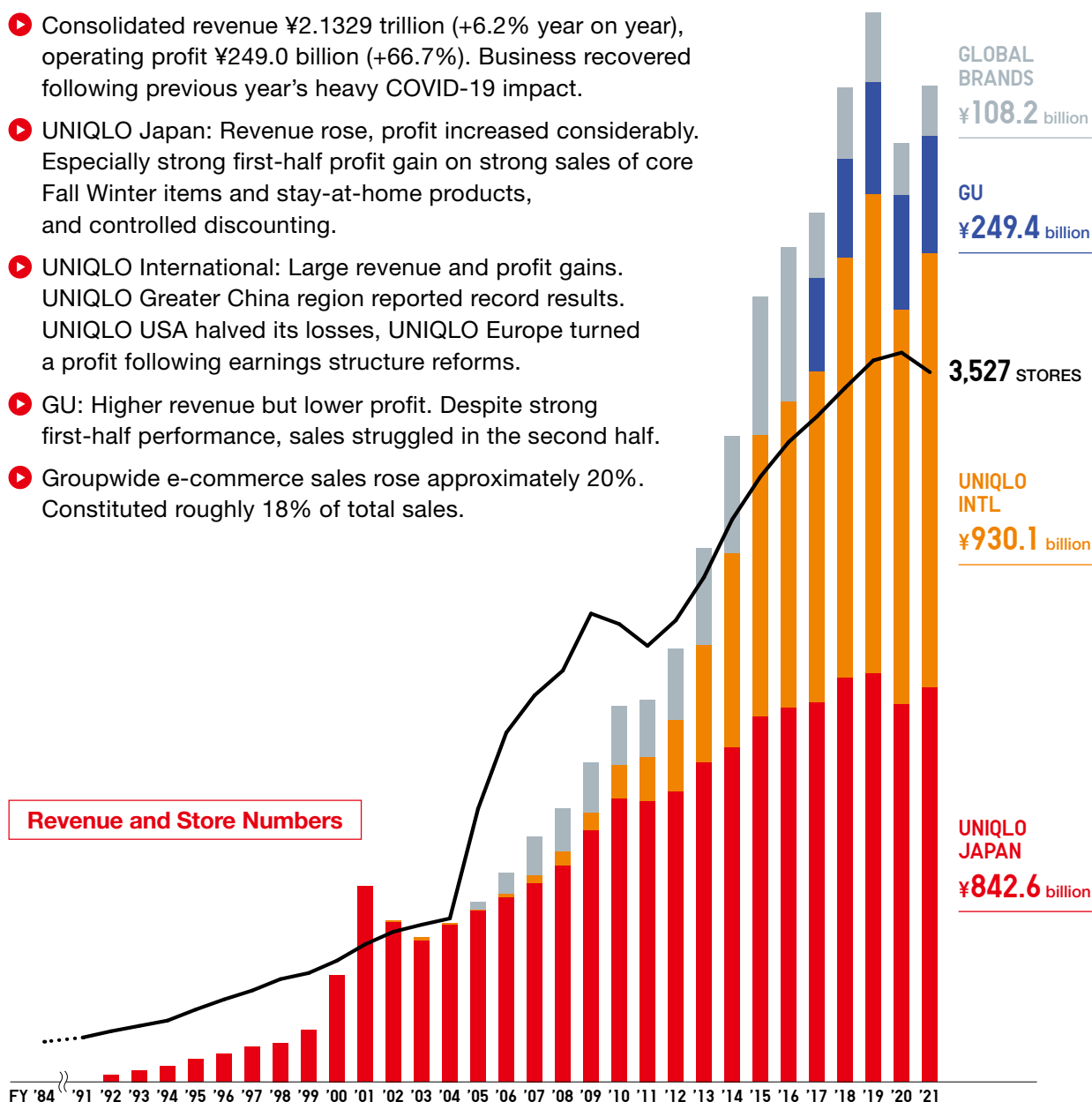
The Allure of French Esprit

Comptoir des Cotonniers (CDC) is an affordable luxury brand founded in 1995 in France acclaimed for its high-quality natural materials and simple designs. The sophisticated attention to detail for which Paris is renowned is on full display through CDC. Its refined collections enable diverse women around the world to express themselves, whatever the occasion.

FY2021 BUSINESS PERFORMANCE

SNAPSHOT

- ▶ Consolidated revenue ¥2.1329 trillion (+6.2% year on year), operating profit ¥249.0 billion (+66.7%). Business recovered following previous year's heavy COVID-19 impact.
- ▶ UNIQLO Japan: Revenue rose, profit increased considerably. Especially strong first-half profit gain on strong sales of core Fall Winter items and stay-at-home products, and controlled discounting.
- ▶ UNIQLO International: Large revenue and profit gains. UNIQLO Greater China region reported record results. UNIQLO USA halved its losses, UNIQLO Europe turned a profit following earnings structure reforms.
- ▶ GU: Higher revenue but lower profit. Despite strong first-half performance, sales struggled in the second half.
- ▶ Groupwide e-commerce sales rose approximately 20%. Constituted roughly 18% of total sales.



*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

FY2021 Results

Revenue | ￥842.6 billion  YoY + 4.4%

Operating profit | ￥123.2 billion  YoY +17.7%

Future Outlook

- ▶ Boost growth: Develop products that suit customer needs, create new contact points by unifying physical stores and e-commerce operations, rebuild our store network to suit new lifestyles, pursue community-focused local store management.
- ▶ Progress Ariake Project to achieve stable 15% OP margin. Raise profitability: Improve demand forecasting and planning accuracy, minimize shortages of strong-selling items, restrict excess inventory. Reform supply chain: Timely production increases, more efficient distribution and store management.

UNIQLO INTERNATIONAL

FY2021 Results

Revenue | ￥930.1 billion  YoY + 10.2%


Operating profit | ￥111.2 billion  YoY +121.4%

Future Outlook

- ▶ Diversify global earnings pillars. Expect continued high growth from Greater China and Asia & Oceania regions as consistent growth drivers. Plan to continue opening 100 stores in Greater China and accelerate store openings in Asia & Oceania to 40 stores each year.
- ▶ Earnings structure reforms facilitated the right frameworks for a swift move into the black for North America and improved profitability in Europe. Aim to expand operations by ensuring product mixes satisfy local customer needs and expanding e-commerce operations.

GU

FY2021 Results

Revenue | ￥249.4 billion  YoY + 1.4%

Operating profit | ￥20.1 billion  YoY - 7.6%

Future Outlook

- ▶ Strengthen GU's unique ability to offer fun fashion at amazingly low prices. Focus on developing masstrend fashion products and reduce lead times by strengthening our development, concentrate buying and stockpiling of raw materials so we can expand our range of low-priced items.
- ▶ As part of the Ariake Project, we will strengthen supply chain functions to help grasp and analyze fashion trends early and reflect them in product design and volume planning.

GLOBAL BRANDS

FY2021 Results

Revenue | ￥108.2 billion  YoY - 1.3%

Operating profit | ￥-1.6 billion  YoY — %

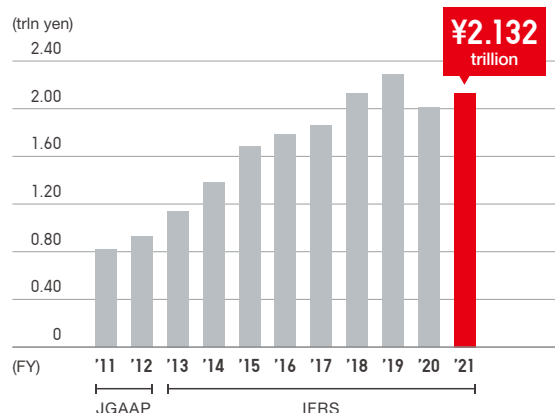
Future Outlook

- ▶ Expand Theory profits by offering a wider range of highly finished lightweight items that are also comfortable as everyday wear and reviewing the pricing of some products to make them more affordable while maintaining the same superior quality.
- ▶ Put PLST back on a firm growth track by sharpening its image as a brand offering top-quality everyday wear at reasonable prices.
- ▶ Aim to improve profitability by implementing structural reforms at Comptoir des Cottonniers and Princesse tam.tam operations.

FY2021 FINANCIAL OVERVIEW

Revenue

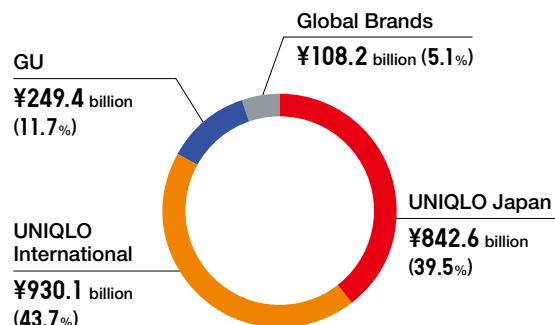
¥2.132 trillion | **+6.2%** 



Consolidated revenue rose 6.2% year on year to ¥2.132 trillion. Performance recovered primarily at UNIQLO operations following the previous year's heavy COVID-19 impact. Groupwide e-commerce sales were strong, rising approximately 20%.

UNIQLO International's Contribution to Revenue

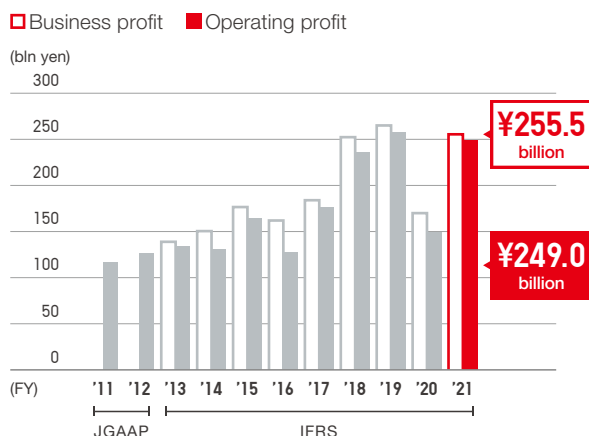
43.7% | **+1.7 pt** 



UNIQLO International's contribution to total revenue rose by 1.7 points to 43.7%. Significantly higher revenue from Greater China drove overall performance. North America and Europe sales recovered sharply from May 2021 onward.

Operating Profit

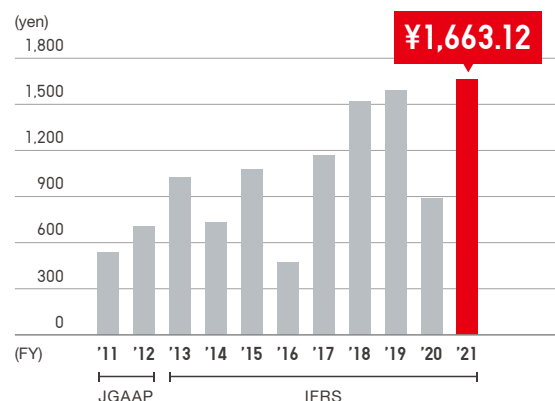
¥249.0 billion | **+66.7%** 



Increased 66.7% year on year to ¥249.0 billion. Witnessed significant profit gains primarily at UNIQLO operations, with UNIQLO International profit jumping 121.4% and UNIQLO Japan profit rising 17.7%.

Earnings per Share


¥1,663.12 | **+87.9%** 

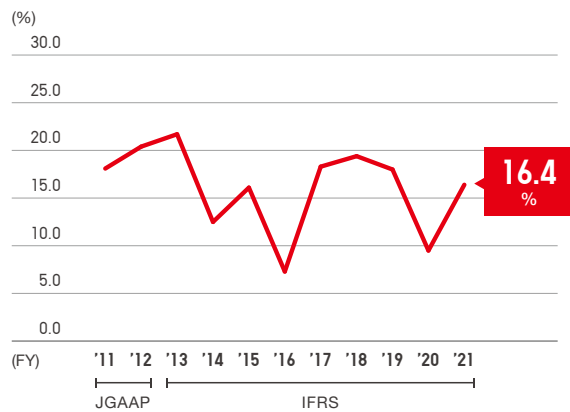


Our basic earnings per share (EPS) increased 87.9% to ¥1,663.12 thanks to the significantly higher operating profit and a net finance income of ¥16.8 billion including foreign exchange gains on foreign-currency denominated assets, etc.

ROE

16.4%


+6.9pt 

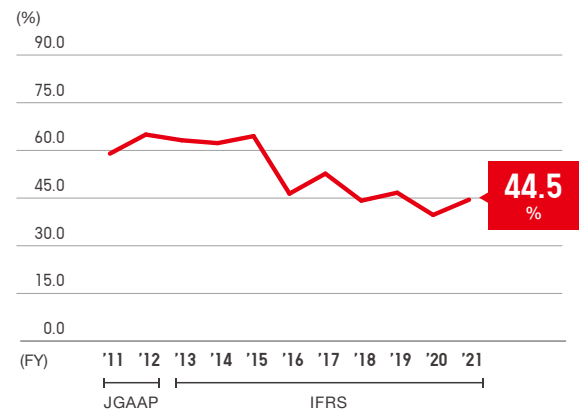


ROE rose 6.9 points year on year to 16.4% following an impressive 88.0% increase in net profit attributable to owners of the Parent.

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

44.5%


+4.8pt 

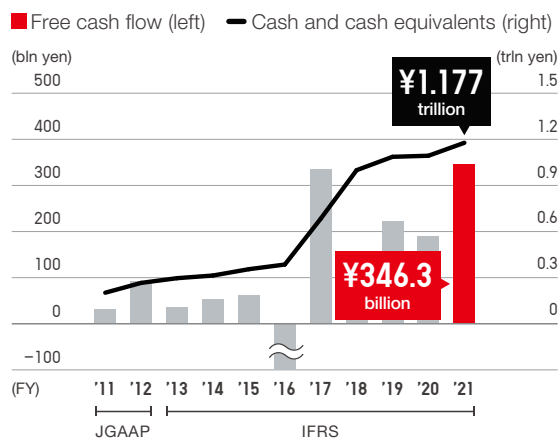


Increased by 4.8 points to 44.5% following a ¥159.9 billion increase in equity attributable to owners of the Parent (shareholders' equity) and the repayment of ¥100.0 billion in corporate bonds.

Cash and Cash Equivalents

¥1.177 trillion

+7.7pt 



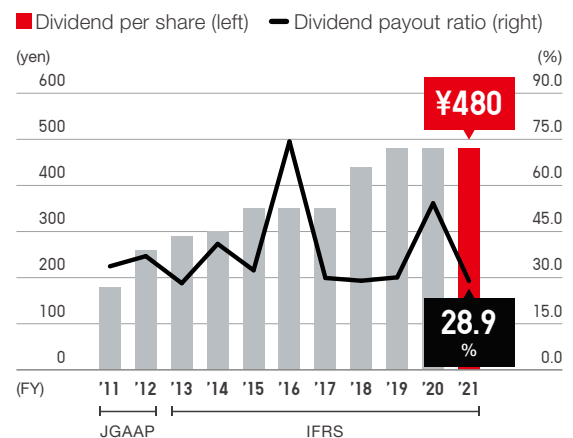
Cash and Cash Equivalents totaled ¥1.177 trillion. Free cash flow (FCF) totaled ¥346.3 billion (¥428.9 billion generated by operating activities minus ¥82.5 billion used in investing activities). Cash spent on financial activities totaled ¥302.9 billion.

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

Dividend per Share

¥480

±0 



The dividend per share stood at ¥480. The dividend payout ratio stood at a fairly typical 28.9%.

*The high FY2016 dividend payout ratio was caused by yen appreciation, which resulted in the recording of minus ¥37.0 billion under finance income net of costs and a sharp decline in EPS.

*The high FY2020 dividend payout ratio resulted from our decision to maintain dividends at the same level as FY2019 despite the large COVID-19-induced profit decline after considering medium to long-term operational growth and near-term cash flow.

FINANCIAL INFORMATION

FINANCIAL SUMMARY

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

Millions of yen

	JGAAP			
	2012	2013	2014	2015
For the year				
Net sales/Revenue	¥ 928,669	¥1,142,971	¥1,382,935	¥1,681,781
Operating income/Operating profit	126,450	134,101	130,402	164,463
EBITDA* ¹	150,687	157,708	161,210	202,221
Income before income taxes and minority interests/ Profit before income taxes	123,390	155,732	135,470	180,676
Net income/Profit attributable to owners of the Parent	71,654	104,595	74,546	110,027
Net cash generated by operating activities	127,643	99,474	110,595	134,931
Net cash (used in)/generated by investing activities	(35,313)	(62,584)	(56,323)	(73,145)
Free cash flow* ²	92,330	36,890	54,272	61,786
Net cash (used in)/generated by financing activities	(29,056)	(24,226)	(44,060)	(41,784)
Cash and cash equivalents* ³	266,020	296,708	314,049	355,212
Depreciation and amortization	18,573	23,607	30,808	37,758
Capital expenditures	40,184	39,681	58,814	62,461
At year-end				
Total assets	¥ 595,102	¥ 901,208	¥ 992,307	¥1,163,706
Total net assets/Total equity	394,892	589,726	636,041	774,804
Interest-bearing debt	23,194	37,259	37,561	38,035
Reference indices				
Operating income margin/Operating profit margin (%)	13.6%	11.7%	9.4%	9.8%
ROE/Ratio of profit to equity attributable to owners of the Parent (%)	20.4	21.7	12.5	16.1
Equity ratio/Ratio of equity attributable to owners of the Parent to total assets (%)	65.0	63.3	62.3	64.5
Debt-equity ratio (%)	6.0	6.5	6.1	5.1
Dividend payout ratio (%)	37.0	28.2	41.0	32.4
Per share data (actual yen, dollar amount)				
Net income/Profit attributable to owners of the Parent (EPS)	¥ 703.62	¥ 1,026.68	¥ 731.51	¥ 1,079.42
Net assets/Equity attributable to owners of the Parent	3,797.04	5,598.12	6,067.40	7,366.07
Cash dividends	260.00	290.00	300.00	350.00
Other data (at fiscal year-end)				
Number of shares outstanding	106,073,656	106,073,656	106,073,656	106,073,656
Market capitalization (¥ billion, \$ million)* ⁴	¥ 1,938.0	¥ 3,383.7	¥ 3,452.6	¥ 5,225.7
Number of subsidiaries	91	102	112	119
Total number of stores	2,222	2,449	2,753	2,978
Total sales floor space (m ²)* ⁵	1,170,353	1,387,367	1,835,095	2,030,031
Number of full-time employees* ⁶	18,854	23,982	30,448	41,646

*1 EBITDA (JGAAP) = Operating income + Depreciation and amortization + Amortization of goodwill
EBITDA (IFRS) = Operating profit + Depreciation and amortization. Depreciation and amortization of right-of-use assets has been included in the depreciation and amortization total from the year ending August 31, 2020 following the application of IFRS 16.

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

Millions of yen

Thousands of
U.S. dollars*4

IFRS							
2016	2017	2018	2019	2020	2021	YoY	2021
¥1,786,473	¥1,861,917	¥2,130,060	¥2,290,548	¥2,008,846	¥2,132,992	+6.2%	\$19,408,484
127,292	176,414	236,212	257,636	149,347	249,011	+66.7	2,265,802
164,089	216,102	281,267	306,112	327,195	426,922	+30.5	3,884,646
90,237	193,398	242,678	252,447	152,868	265,872	+73.9	2,419,222
48,052	119,280	154,811	162,578	90,357	169,847	+88.0	1,545,471
98,755	212,168	176,403	300,505	264,868	428,968	+62.0	3,903,265
(245,939)	122,790	(57,180)	(78,756)	(75,981)	(82,597)	+8.7	(751,573)
(147,184)	334,958	119,223	221,748	188,887	346,370	+83.4	3,151,691
201,428	(50,836)	198,217	(102,429)	(183,268)	(302,985)	+65.3	(2,756,916)
385,431	683,802	999,697	1,086,519	1,093,531	1,177,736	+7.7	10,716,433
36,797	39,688	45,055	48,476	177,848	177,910	—	1,618,843
52,387	59,755	69,380	85,201	82,736	100,653	+21.7	915,866
¥1,238,119	¥1,388,486	¥1,953,466	¥2,010,558	¥2,411,990	¥2,509,976	+4.1%	\$22,838,734
597,661	762,043	902,777	983,534	996,079	1,162,298	+16.7	10,575,964
283,465	281,512	544,502	513,405	484,496	382,634	(21.0)	3,481,663
7.1%	9.5%	11.1%	11.2%	7.4%	11.7%	+4.2pts.	11.7%
7.3	18.3	19.4	18.0	9.5	16.4	+6.9	16.4
46.4	52.7	44.2	46.7	39.7	44.5	+4.8	44.5
49.3	38.5	63.1	54.7	51.0	34.5	(16.5)	34.5
74.3	29.9	29.0	30.1	54.2	28.9	(25.3)	28.9
¥ 471.31	¥ 1,169.70	¥ 1,517.71	¥ 1,593.20	¥ 885.15	¥ 1,663.12	+87.9%	\$ 15.13
5,634.35	7,175.35	8,458.52	9,196.61	9,368.83	10,930.42	+16.7	99.46
350.00	350.00	440.00	480.00	480.00	480.00	—	4.37
106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	—	106,073,656
¥ 3,854.7	¥ 3,338.1	¥ 5,495.6	¥ 6,602.0	¥ 6,712.3	¥ 7,692.5	+14.6%	\$ 69,995
120	121	130	133	134	130	(4)	130
3,160	3,294	3,445	3,589	3,630	3,527	(103)	3,527
2,188,688	2,392,618	2,671,629	2,881,485	3,047,360	3,207,524	+160,164	3,207,524
43,639	44,424	52,839	56,523	57,727	55,589	(2,138)	55,589

*3 Cash and cash equivalents = cash and bank deposits + term deposits of less than 3 months + securities

*4 Calculations are based on the closing share price of ¥72,520 at the end of August 2021 and an exchange rate of ¥109.90 to US \$1.

*5 Total sales floor space includes only directly operated stores.

*6 The total number of employees does not include operating officers, junior employees, part-time workers, or temporary staff seconded from other companies.

CFO MESSAGE

**Takeshi Okazaki**

Director
Group Senior Executive Officer and CFO
Fast Retailing Co., Ltd.

Promote Business Expansion and Sustainability, Maintain Strong Financial Base

Business Performance Review and Outlook

Fast Retailing generated higher revenue and significantly higher profits in FY2021. Revenue totaled ¥2.1329 trillion (+6.2% year on year) and operating profit totaled ¥249.0 billion (+66.7%) thanks primarily to a recovery in UNIQLO operations following the previous year's heavy COVID-19 impact. Profit attributable to owners of the Parent reached a record ¥169.8 billion (+88.0%).

UNIQLO International reported considerable revenue and profit gains, with revenue rising to ¥930.1 billion (+10.2%) and operating profit reaching ¥111.2 billion (+121.4%). Within that segment, the Greater China region drove the recovery by reporting record revenue of ¥532.2 billion (+16.7%) and operating profit of ¥100.2 billion (+52.7%). North America and Europe, both hard hit by COVID-19, witnessed a sharp recovery in revenue from May 2021 as the rate of new infections slowed. Even during the pandemic, we pressed ahead with earnings structure reforms by closing unprofitable stores and normalizing inventory, etc. That helped North America halve its operating loss and Europe turn a profit. It has also created a firm framework for future expansion. UNIQLO Japan revenue rose to ¥842.6 billion (+4.4%), and operating profit rose significantly to ¥123.2 billion (+17.7%) thanks to especially strong first-half sales. GU revenue rose to ¥249.4 billion (+1.4%) but operating

Performance by Group Operation

(FY)		2020			2021		
		Billions of yen	YoY change Billions of yen	% change	Billions of yen	YoY change Billions of yen	% change
UNIQLO Japan	Revenue	¥806.8	¥ (66.0)	(7.6)	¥842.6	+¥35.7	+4.4
	Operating profit	104.6	+2.2	+2.2	123.2	+18.6	+17.7
UNIQLO International	Revenue	843.9	(182.0)	(17.7)	930.1	+86.2	+10.2
	Operating profit	50.2	(88.6)	(63.8)	111.2	+60.9	+121.4
GU	Revenue	246.0	+7.3	+3.1	249.4	+3.3	+1.4
	Operating profit	21.8	(6.3)	(22.5)	20.1	(1.6)	(7.6)
Global Brands*	Revenue	109.6	(40.3)	(26.9)	108.2	(1.4)	(1.3)
	Operating profit	(12.7)	(16.4)	—	(1.6)	+11.1	—

*Global Brands includes Theory, PLST, Comptoir des Cottonniers, 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.

profit declined to ¥20.1 billion (−7.6%). While first-half sales were strong, second-half sales were impacted by another state of emergency in Japan and various other issues including some product shortages and lost sales opportunities.

Our FY2022 consolidated forecasts (as of January 13, 2022) include revenue of ¥2.2000 trillion (+3.1%), operating profit of ¥270.0 billion (+8.4%), profit before income taxes of ¥270.0 billion (+1.6%), and profit attributable to owners of the Parent of ¥175.0 billion (+3.0%).

We expect revenue and profit will decline in the first half as COVID-19 restrictions and temporary store closures continue to some degree. We have incorporated some production and transportation delays. However, assuming restrictions are eased and business can proceed smoothly, we expect considerable revenue and profit gains in the second half. We forecast FY2022 net earnings per share (EPS) of ¥1,713.26, and expect to increase our dividend by ¥40 year on year to ¥520 per share (¥260 interim and year-end dividends).

Strengthen Business Expansion and Sustainability Initiatives in Tandem

The Group is strengthening our business expansion and sustainability initiatives in tandem as we aim to become the global No.1 brand.

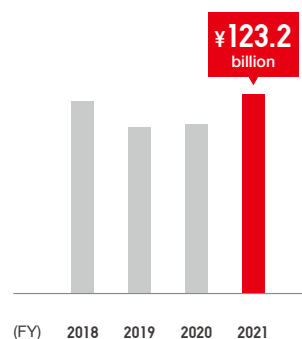
We are focusing on four initiatives in FY2022 as the year for accelerating our transformation into a digital consumer retailing company: 1) Transform our earnings structure through high-quality sales. That means offering products that meet customer needs and strengthening the marketing appeal of our product and brand value in order to move away from a discounting-reliant model. Promoting no-waste business processes with a tighter and more appropriate range of product colors and sizes,

with appropriate inventory levels for each; 2) Accelerate e-commerce expansion as the foundation of a digital consumer retailing company. That means expanding systems and services that meld e-commerce and physical store operations so customers worldwide can buy products anytime, anywhere. E-commerce will drive groupwide expansion because e-commerce enables us to communicate directly with customers, convey personalized information, and incorporate customer insight into product development; 3) Diversify our global earnings pillars. We intend to expand earnings in the Greater China region and Southeast Asia, and also in North America and Europe. We are actively developing new stores to pave the way for a faster opening of multiple stores worldwide from FY2023; 4) Accelerate sustainability initiatives in tandem with business expansion as a medium to long-term growth strategy. That means building a supply chain—from planning through production and retail—that reduces environmental impact and protects the human rights, health, and safety of its workers, while also pursuing further initiatives to develop circular products and help solve social issues. We will accelerate our business expansion by further promoting our transformative Ariake Project, focusing on these initiatives, while improving profitability.

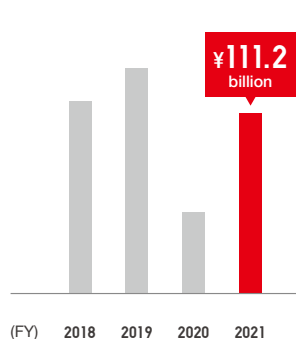
We will also continue to pursue our low-cost management philosophy to maintain strong competitiveness. We are succeeding in efforts to reduce distribution costs through inventory efficiency, to improve productivity in stores, to improve operational productivity by streamlining, standardizing, and digitalizing business processes, and to improve cost effectiveness through strengthened purchasing practices. We are speeding these initiatives up and striving to improve SG&A ratios groupwide, reviewing unprofitable operations and stores and realizing steady benefits from our investments.

Operating Profit by Group Operation

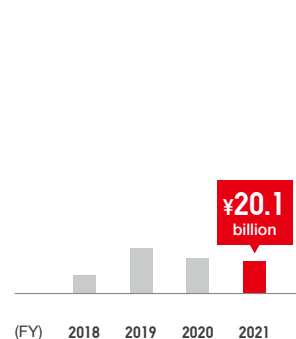
UNIQLO Japan



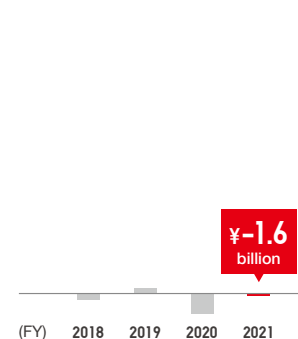
UNIQLO International



GU



Global Brands



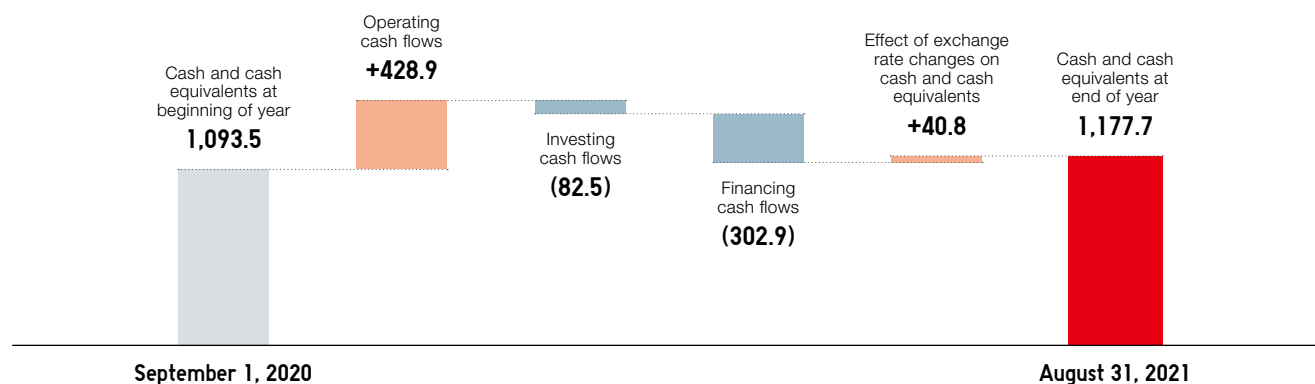
Increase Cash-generation Capabilities for Shareholder Returns, Growth Investment, and Ready Liquidity

Fast Retailing's financial strategy focuses on maintaining financial soundness, maximizing free cash flow and effectively utilizing that cash to secure shareholder returns, growth investment funds, and liquidity in hand. We strive to hold three to five months' worth of monthly sales as working capital and risk capital funds to deal with any unforeseen circumstances.

Despite repaying ¥100.0 billion in corporate bonds during the period, our balance of cash and cash equivalents stood at ¥1.1777 trillion at the end of August 2021, an appropriate level that equates to roughly four to five months of our ¥3 trillion medium-term annual sales target.

Shareholder returns are a top priority. We pay consistent and appropriate dividends that reflect corporate performance and consider operational funding requirements and financial soundness. We paid a dividend of ¥480 per share in FY2021 (28.9% dividend payout ratio).

Cash Flow Information (billions of yen)



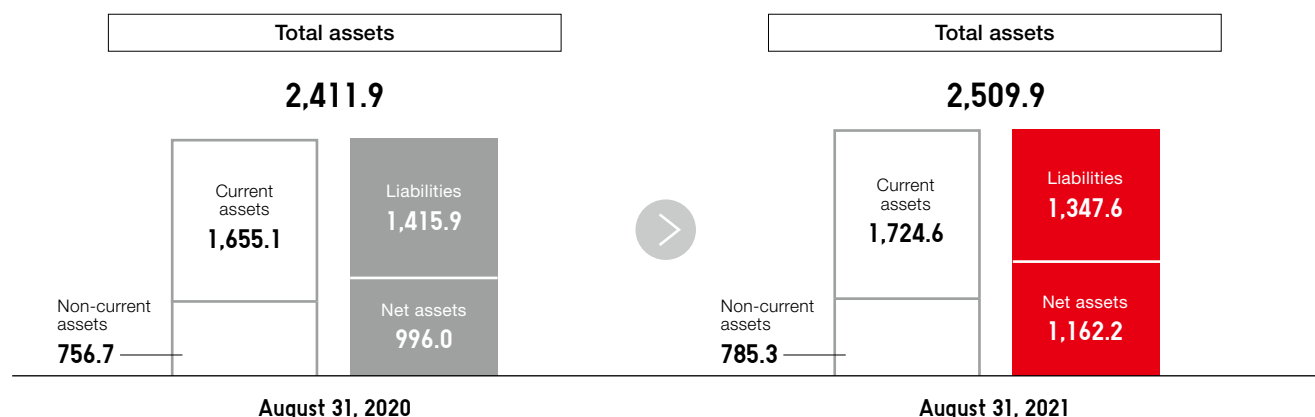
A Solid Balance Sheet to Support Sustainable Growth

Total assets increased ¥97.9 billion to ¥2.5099 trillion at the end of August 2021 due primarily to a ¥84.2 billion increase in cash and cash equivalents and a ¥32.0 billion increase in property, plant and equipment from automated warehousing investment, etc. Total liabilities decreased ¥68.2 billion to ¥1.3476 trillion, due to a ¥108.3 billion decline in other financial liabilities. Total

equity increased ¥166.2 billion to ¥1.1622 trillion, due to a ¥121.4 billion increase in retained earnings and a ¥36.2 billion increase in other components of equity.

The ratio of equity attributable to owners of the Parent to total assets (shareholders' equity ratio) increased 4.8 points to 44.5%. We aim to boost the medium to long-term ratio to roughly 50.0% by steadily accumulating profits through business activities. ROE increased 6.9 points to 16.4%. We will continue to maintain ROE between 15.0 and 20.0% going forward.

Balance Sheet (billions of yen)



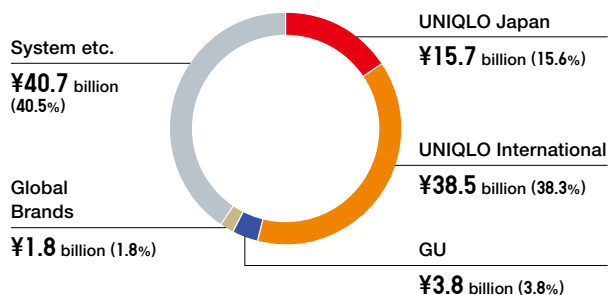
Continue Proactive Investment to Expand Operations

While seeking to expand our global store network, Fast Retailing also invests aggressively in systems to help progress Ariake Project objectives and in other areas to help expand operations.

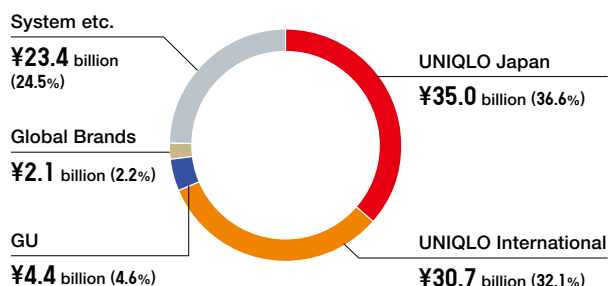
Capital expenditure increased by ¥17.9 billion to ¥100.6 billion in FY2021. That figure breaks down into ¥15.7 billion for UNIQLO Japan, ¥38.5 billion for UNIQLO International, ¥3.8 billion for GU, ¥1.8 billion for Global Brands, and ¥40.7 billion for systems, etc. We increased investment in automated warehouses in Japan, the United States, Mainland China, and Australia, and we plan to automate our warehouses globally going forward. Also, in April 2021, we created one of Japan's largest photographic studios and customer centers on the fourth floor of our Ariake headquarters.

In FY2022, we expect capital expenditure will decrease by ¥4.7 billion to ¥95.9 billion. ¥34.3 billion of that is earmarked for planned new store investment (UNIQLO International: 170 stores, UNIQLO Japan: 30 stores, Global Brands: 40 stores, GU: 36 stores) and ¥61.7 billion for Ariake Project-related investment as we plan to invest in new e-commerce platforms, supply chain systems, and automated warehouses.

FY2021 Capital Expenditures



FY2022 Capital Expenditures (forecast)

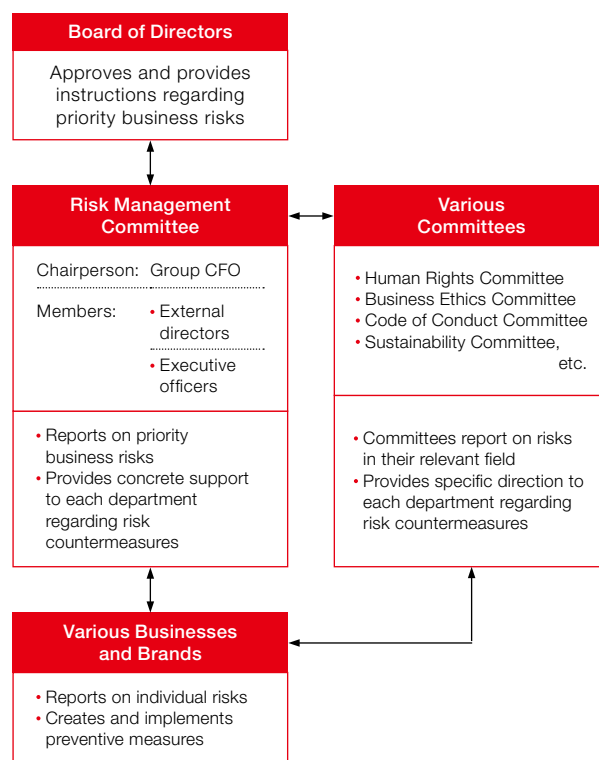


Firm Risk Management System to Clarify Risks and Strengthen Our Response

Fast Retailing's Risk Management Committee reports directly to the Board and works to regularly identify latent risks in business activities and to establish and strengthen frameworks to detect and manage material risks. The committee, which is chaired by myself as Group CFO, unifies the management of risk across Fast Retailing, analyzing and assessing the frequency and impact of risks to business, prioritizing high-risk areas in countermeasure discussions to prevent these risks from occurring, or to ensure a speedy response should they eventuate. The committee also submits reports on significant risks to the Board and offers concrete support to departments required to deal with identified risks.

The committee met four times in FY2021 to discuss risks relating to the COVID-19 pandemic, a Tokyo near-field earthquake and other large-scale disasters, and international circumstances.

Risk Management Framework



RISK FACTORS

The following is a list of the main potential risks which would have an especially large impact on the Group's operating results and financial situation. Future-related items in the descriptions below are assessed by the Group on the date of submission of the Year-end Report (November 26, 2021). This list of risks is not exhaustive, which means that the Group may be affected in the

future by risks it had not foreseen or did not recognize as significant at the time of compiling the report. If there are no details of risks already having materialized under the Risk Description and Effects on the Group column, then that risk has not yet surfaced and the timing or likelihood of whether it will indeed materialize at some point in the future is uncertain.

Risk Item	Risk Description and Effects on the Group	Main Group Initiatives
Risk of the large-scale, global spread of infectious diseases (including COVID-19)	<ul style="list-style-type: none"> The large-scale, global spread of infectious diseases such as COVID-19 may cause difficulties in the production and supply of products to stores due to infection among employees of the Group and its partners, as well as due to measures enacted to prevent the spread of the disease. The global spread of COVID-19 has had a negative impact on the entire Group, including restricted operations at production factories, logistical delays, and in-store operational restrictions. 	<ul style="list-style-type: none"> Led by the Company-wide Emergency Response Headquarters established by the Risk Management Committee, the Group develops medical evidence-based infection prevention measures aided by advice received from experts, and implements such measures at all Group offices and stores while ensuring all Group employees fully understand them. We provide partner factories with guidelines for improving hygiene management to prevent infection at factories and for employee subsidies during temporary factory shutdowns. We encourage our employees, their families or anyone residing in the same household to get vaccinated to reduce the risk of infection across the Group.
Management personnel risk	<ul style="list-style-type: none"> Members of the Group's management team, led by Chairman, President and CEO Tadashi Yanai, play a major role in their respective areas of responsibility. If any officer becomes unable to fulfill his or her duties and the Group is unable to find any personnel who can take on those important responsibilities, this could have an adverse impact on business performance. 	<ul style="list-style-type: none"> In each of the Group's businesses, we have established a team-based executive management structure to ensure that decision-making and execution of duties are not dependent on specific management personnel. In each business, the managers themselves personally train the management personnel who will be their successors in those positions. We actively recruit globally active management talent on an ongoing basis, and we have established dedicated educational institutions to educate and train our hired talent into managers.
Country risks and risks pertaining to international affairs	<ul style="list-style-type: none"> The Group's product production, supply, and sale infrastructure may be adversely impacted by events in countries and regions in which we manufacture products and conduct business, due to factors including changes in political or economic conditions, social disorder or deterioration of public safety due to terrorism or conflicts, changes in legal or tax systems, or the occurrence of large-scale natural disasters such as earthquakes, strong winds, or water disasters. 	<ul style="list-style-type: none"> The Group is moving forward with establishing a supply chain that can respond flexibly to changes in international conditions. This includes dispersing production sites across multiple countries and regions, as well as establishing production management offices at our main production hubs to enable the timely monitoring of and quick response to local circumstances. We have assigned accounting, tax, and legal specialists to Group companies' offices to ensure we can respond and communicate quickly and appropriately if a risk materializes. With respect to cross-border tensions and deteriorating racial relations in specific countries and regions, the Group as a global company aims to contribute to the resolution of social issues in countries and regions in which we operate, and to achieve a lasting peaceful co-existence and co-prosperity in the communities within each region and country.
Environmental risks	<ul style="list-style-type: none"> We risk weakening public trust in Group brands if our climate change response is slow, such as delays in reducing greenhouse gas emissions or transitioning to renewable energy sources, or if we do not appropriately implement initiatives to reduce waste emissions, circulate resources, manage chemical substances, etc. Increasingly prevalent extreme weather conditions caused by climate change could adversely affect our product supply systems and our business as a whole. 	<ul style="list-style-type: none"> We strive to fully understand and reduce greenhouse gas emissions across all our business activities from product manufacture through disposal, to minimize our impact on climate change and biodiversity. Our initiatives include a commitment to uphold the Paris Agreement target to reduce greenhouse gas emissions by 2050, based on the United Framework Convention on Climate Change. Meanwhile, we also set our own specific targets and implement activities to achieve those targets. We consistently determine and implement concrete initiatives based on our Environmental Policy and led by our Sustainability Committee in five priority areas: addressing climate change, improving energy efficiency, managing water resources, improving waste management and resource efficiency, and managing chemical substances. In June 2021, we expressed support for Task Force on Climate-related Financial Disclosures (TCFD) recommendations and are working to ensure TCFD-compliant disclosure.
Large-scale disaster risks	<ul style="list-style-type: none"> Large-scale disasters such as earthquakes, typhoons, volcanic eruptions, fires, storms and floods, explosions, and collapsed buildings can adversely affect our product production, product supply systems, product sales systems, and also our management infrastructure in areas where there are head offices, retail stores, and production plants for products sold by the Group. 	<ul style="list-style-type: none"> Led by our Risk Management Committee, we are establishing system infrastructure that, in the event of a major earthquake or other major disaster, enables our Emergency Response headquarters to operate a fully prepared emergency command system to ensure the safety of customers, employees, and related personnel, mitigate damage to business resources, prevent secondary disasters, and quickly restore business. We are also establishing dispersed recovery bases, and preparing and promoting the global use of crisis management manuals, etc.
Risks related to resource management and the procurement of raw materials	<ul style="list-style-type: none"> Disasters, climate change, and other factors may cause escalating prices or difficulty in procuring the raw materials (such as cotton, cashmere, down, etc.) used in the products sold by the Group's businesses. If these risks materialize, the Group's product supply systems and performance may be adversely affected. 	<ul style="list-style-type: none"> We have entered into procurement agreements with multiple suppliers so that we are able to source reasonably priced raw materials, without having to rely on a specific supplier for a specific raw material.
Information security risks	<ul style="list-style-type: none"> If customer information (including personal information), trade secrets, and other confidential information were to be leaked or lost, we would need to respond by recovering the information and possibly paying damages to customers, which could adversely affect our business performance and reduce customer trust. If a government were to determine that we are in violation of legal regulations that restrict the transfer of personal information between countries and regions, such as the EU's General Data Protection Regulation (GDPR), we may lose customers' trust and be subject to significant fines that would negatively impact our business performance. 	<ul style="list-style-type: none"> In order to ensure that confidential information held by the Group is properly managed, we have established an Information Security Office under the direction of a Chief Security Officer (CSO) who oversees the entire Group. Working in cooperation with the IT and legal departments of each country and region in which we operate, the Information Security Office builds and improves the infrastructure needed to properly manage sensitive information (especially customers' personal information) in anticipation of external attacks, internal fraud and various other incidents. This is done by putting in place infrastructure, evaluating our administrative processes and our contractors, establishing and standardizing internal rules, and conducting regular educational and awareness activities in each business division.

Intellectual property risks	<ul style="list-style-type: none"> Intellectual property rights apply in relation to the Group's products and the latest technologies used in all kinds of areas, including product management, store operations, and e-commerce websites. These rights not being licensed to us by their owners would present difficulties in our use of these technologies or in supplying products. If these technologies or products were to infringe on the intellectual property rights of others, we may be liable to pay substantial damages or license fees that may adversely affect our business performance. If the Group's products were to be copied by third parties and sold at low prices, this may negatively impact our business performance. 	<ul style="list-style-type: none"> In order to address these intellectual property risks, the Group has a dedicated department in place dealing with intellectual property. This department investigates infringements during product development and during the implementation of technologies, and in an effort to prevent infringements of intellectual property rights also runs educational and awareness activities for Group employees. We actively take steps to acquire the rights to new technologies that we develop. Furthermore, we monitor markets in the countries and regions in which we operate or plan to expand, and cooperate with local legal departments, local law firms, and government agencies to gather information about counterfeit products and other intellectual property infringements. In the event that infringement can be confirmed or if we fear such an infringement may have occurred, we work with local legal departments and local law firms to quickly consider our course of action, including a legal response.
Human rights risks	<ul style="list-style-type: none"> All of the Group's businesses operate an SPA business model which integrates all stages of the business process, from products being designed by each business, to them being directly procured from factories and then delivered to customers. The supply chain involved in this SPA business model includes many of our business partners' employees, as well as those of the Group. Within the business system, deterioration in working environment or in health and safety, human rights violations such as harassment or discriminatory behavior, or other such acts that significantly infringe on the human rights of those affected may result in the Group losing the trust of our customers and suppliers, and consequently may negatively impact the supply and sale of our products. The introduction of stricter regulations or new legislation in the United States, Europe or other regions to protect human rights, etc. across the supply chain may adversely impact the production, transportation, or retail of Group products. 	<ul style="list-style-type: none"> Our supply chain policy is based on our view that our most important responsibility is to respect the basic human rights of all people working in the supply chain of Group businesses, whether they are employees of the Group or of our business partners, and to ensure those employees' physical and mental health, safety, and peace of mind. We have developed human rights guidelines, provide Code of Conduct (COC) training, operate an employee hotline, and conduct regular reviews in order prevent human rights violations from occurring. Our Sustainability Department works to ensure good workplaces and to drive improvements by monitoring work environments at supplier factories and operating hotlines for factory employees. We also promote the procurement of raw materials that meet recognized international standards for protecting human rights and working environments during the production process. Going forward, we intend to build frameworks for establishing traceability right back to the raw materials stage in all countries and regions, and to enable us to check directly whether any human rights or working environment-related issues exist. We will also use third-party certifications to objectively verify human rights and working environments are being properly protected. In the event that a human rights violation does occur, in addition to the Human Rights Committee investigating and deliberating on the matter, we also have in place a framework for providing mental healthcare for the victim.
Risks originating from business partners	<ul style="list-style-type: none"> The Group conducts business with many suppliers and business partners, which presents a variety of risks associated with business partners involved in product planning, production, transportation, and sales. These risks include the possibility that our partners may not share the values and principles of the Group, which may lead to a drop in business efficiency, or the possibility that a partners financial status may make it difficult for us to adequately collect on receivables. These possibilities can have an adverse effect on our business performance, and furthermore may result in our unintentionally engaging in business with anti-social organizations (e.g. criminal groups and individuals) or violations of laws on the part of our partners. If these risks were to materialize, they may lead to a loss of trust in the Group among our customers and society. In addition, for example during the transportation of products by delivery operators or while products are being stored at a warehouse, products may be destroyed, damaged, or stolen as a result of a natural disaster or human behavior, or it may not be possible to complete a transaction due to a problem arising with our partner or with local laws and regulations. 	<ul style="list-style-type: none"> In order to avoid entering into business relationships with inappropriate partners, all Group companies carry out credit checks as necessary when entering into a transaction with a new business partner. In order to build appropriate business relationships with all of our partners, the Group has established Business Partner Conduct Guidelines and conducts business only with those partners who agree to and comply with those guidelines. In response to the risks associated with dealing with delivery operators and warehouse operators, each of our businesses has logistics personnel in place who are in constant communication with our delivery and warehouse-operating business partners. These personnel are on-hand to promptly report any problems that arise in product shipping or storage to local management and the Global Logistics Headquarters, a system which enables them to promptly consider and action a response.
Impairment risks	<ul style="list-style-type: none"> As a general rule, the Group considers each store as a small unit that generates an independent cash flow. We apply impairment accounting on that basis to determine the likelihood of a return on investment in a timely manner. If profitability decreases due to changes in the business environment, impairment losses may be recorded under property, plant, and equipment and right-of-use assets, among others. 	<ul style="list-style-type: none"> We apply impairment accounting to quickly identify signs of impairment, quickly identify unprofitable stores, and to ensure proper accounting. We strive to understand the underlying cause of a store's drop in profitability, and develop fundamental profitability improvement plans for them.
Foreign currency risks	<ul style="list-style-type: none"> Many of the products handled by each of the Group's businesses are imported from overseas production plants. Fluctuations in the currencies of settlement may have an adverse effect on our performance of each business. The Group as a whole has financial assets in a variety of currencies in line with where we operate our businesses. Fluctuations in exchange rates against yen, which is the Group's functional currency, can have a major impact on financial gains and losses. 	<ul style="list-style-type: none"> In order to mitigate foreign exchange volatility in our international businesses, we have forward exchange contracts that extend several years into the future based on our procurement forecasts. In this process, the Group Board of Directors discusses and approves specific hedging policies such as hedge ratios, time periods, and other aspects, taking into account their contribution to our financial security. The Board of Directors discusses the viability of the currencies in which our financial assets are held.
Risks arising from changes in the business environment	<ul style="list-style-type: none"> In each country and region in which the Group's businesses operates, changes in the business environment, such as inclement weather and changes in consumption trends, may result in drops in product sales and the accumulation of excess inventory, negatively impacting our business performance. 	<ul style="list-style-type: none"> We collect timely information on the products required by customers in the countries and regions in which the Group's businesses operate. We have the infrastructure in place to immediately commercialize those products as well as to produce and sell the quantity required, responding to changes in the business environment as flexibly as possible.

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 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 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 store in Mainland China 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 (closed in 2021).

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 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. (UNIQLO TAIPEI store refurbished in 2021)

2011.10

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



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.

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 Mainland 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, Taentzien 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.

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.

2017.9

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 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.



2019.11

Forms a global partnership agreement for supply chain transformation with Daifuku Co., Ltd., MUJIN, Inc, and Exotec Solutions SAS.

2019.12

First UNIQLO Vietnam store opens in Ho Chi Minh City.

2020.4

Opens UNIQLO PARK Yokohama Bayside store, our new-style large-format stores offering fun for all the family.

2020.6

Opens UNIQLO Harajuku, our latest store embodying the perfect mix of real and virtual shopping.

2020.6

Opens UNIQLO TOKYO in Ginza, our LifeWear showcase global flagship store.



2020.6

Fast Retailing selected for the MSCI Japan ESG Select Leaders Index.

2020.9

UNIQLO launches Re.UNIQLO to promote the recycling of collected secondhand clothing into new clothing products.



2021.11

UNIQLO BEIJING SANLITUN global flagship store opens in Mainland China.



INVESTOR INFORMATION (As of August 31, 2021)

■ Stock Exchange Listing

Tokyo Stock Exchange (First Section)
Securities Code: 9983

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

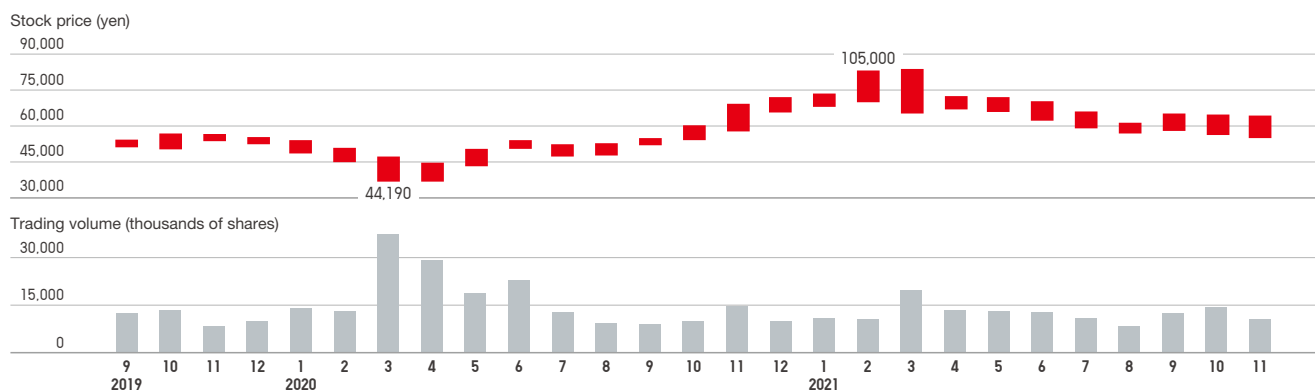
■ Stock Information

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)	11,925

■ Distribution of Share Ownership*



■ Stock Price and Trading Volume*



■ 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	21.57
The Master Trust Bank of Japan, Ltd. (Trust account)	21,262,400	20.82
Custody Bank of Japan, Ltd. (Trust account)	13,808,500	13.52
TTY Management B.V.	5,310,000	5.20
Kazumi Yanai	4,781,808	4.68
Koji Yanai	4,781,145	4.68
Fight & Step Co., Ltd.	4,750,000	4.65
MASTERMIND Co., Ltd.	3,610,000	3.53
Teruyo Yanai	2,327,848	2.28
JP MORGAN CHASE BANK	2,190,727	2.14

*In addition to the above, the Company holds 3,928,985 shares of treasury stock.



www.fastretailing.com/eng/ir/

CORPORATE INFORMATION (As of December 31, 2021)

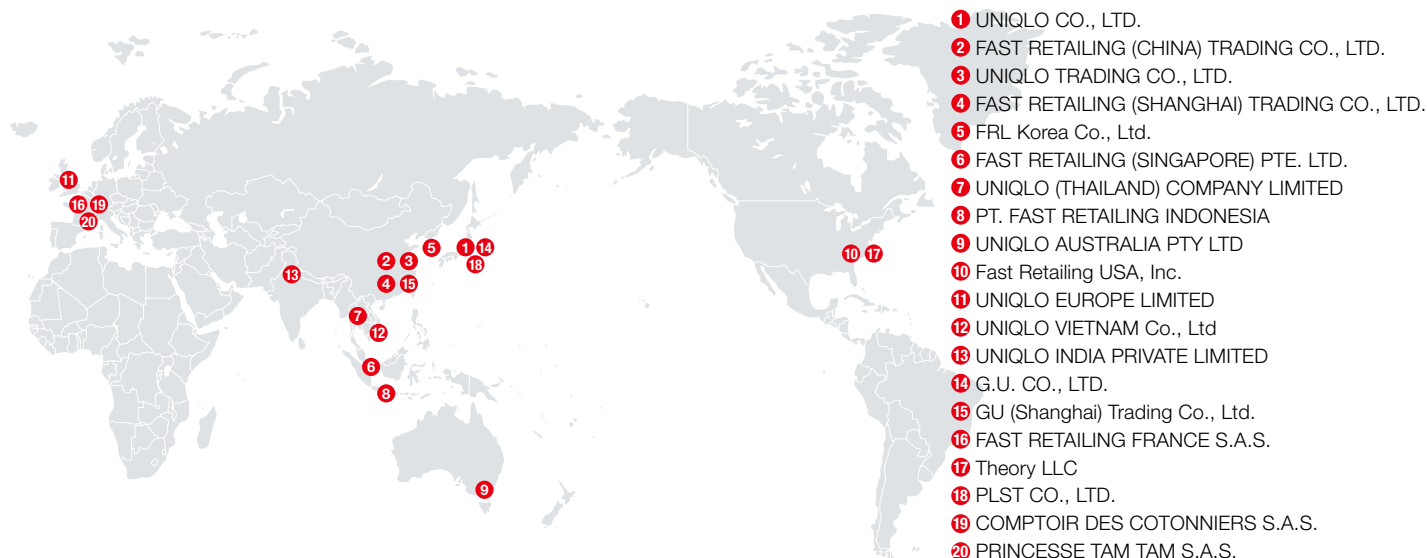
■ Corporate Data

Trade Name	FAST RETAILING CO., LTD.
Head Office	10717-1 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	¥10,273 million
Line of Business	Control and management of overall Group activities as owner and holding company
Number of Full-time Employees (Consolidated)	55,589 (As of August 31, 2021)
Fiscal Year Ends	August 31
Annual Shareholders' Meeting	Late November
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation Shin- TOKYO Post Office post office box No. 29 137-8081, 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	Nobumichi Hattori Masaaki Shintaku Takashi Nawa Naotake Ono Kathy Mitsuko Koll
Internal Directors	Takeshi Okazaki Kazumi Yanai Koji Yanai
Standing Statutory Auditors	Masaaki Shinjo Masumi Mizusawa
External Statutory Auditors	Keiko Kaneko Takao Kashitani Masakatsu Mori

■ Main Group Companies



■ Contact Us

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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.**

Shingo Kunieda, UNIQLO global ambassador, gold medal winner for men's wheelchair tennis at the Tokyo Paralympic Games, and winner of men's singles at the US Open Tennis Championships 2021.

