

January 8, 2026

FAST RETAILING CO., LTD.

### **Q&A Session on Business Results for Fiscal 2026 First Quarter (September to November 2025)**

Below are questions from our analysts' meeting concerning business results for the first quarter of FY2026, or the three months through November 30, 2025. The answers have been edited for clarity.

**Q: You have revised up your full-year forecasts for business profit and operating profit by 40 billion yen each. How much did these measures outperform your original estimates in the first quarter?**

Takeshi Okazaki, Group Senior Executive Officer & CFO: These upward revisions to our earnings forecasts were prompted mainly by the higher-than-expected performance in the first quarter of FY2026. The move reflects higher-than-planned performances from UNIQLO International, particularly in Europe and the USA, and from UNIQLO Japan as well. In addition, the Greater China markets performed to plan. With regard to the second quarter, we have already started to offload inventory to some extent at UNIQLO Japan and UNIQLO China after sales struggled to gain momentum in December due to the warm weather and, after factoring in that element, we forecast second-quarter consolidated performance will fall slightly below plan. Having said that, all the other operations in the UNIQLO International segment are performing strongly, so we do not expect overall consolidated performance for the second quarter to veer significantly from our original estimates.

**Q: UNIQLO Greater China revenue increased by 7.0% year on year in the first quarter in yen terms and by approximately 6% in local currency terms. Is that correct?**

CFO Okazaki: Yes, that is broadly correct.

**Q: Were emerging benefits from ongoing structural reforms the main reason for the increase in revenue in the Mainland China market? Are any other new elements starting to show through?**

CFO Okazaki: We feel that we are indeed starting to see the benefits of our new business approach. We are continuing to pursue structural reforms centered around our declared four pillars: (1) Realizing business that creates value; (2) Developing business that is attentively tailored to local needs by promoting independent store management; (3) Improving store quality; (4) Strengthening management talent. These efforts are still ongoing, but we feel it is the right way to proceed. In terms of realizing business that creates value, our marketing is starting to work effectively. We are employing global marketing assets alongside our efforts to convey localized messages on social media, and we feel that

strategy is progressing well. Our scrap and build policy is also progressing smoothly. Independent store management aspires to high-level ideal principles of locally rooted community-focused stores so that is still a work in progress, but the accuracy of daily business at each store is improving so I think the benefits of this management approach are starting to show through. A strong result from our e-commerce operation following the launch of our collaborative venture with JD.com also contributed to the increase in revenue.

**Q: With performance in the Mainland China market on a recovery trend, are you starting to ease off on your scrap and build policy for stores? Also, are stores that have undergone the scrap and build process still helping to boost sales?**

CFO Okazaki: Our scrap and build policy is progressing well and at a steady pace. Sales at stores that have undergone the scrap and build process have increased roughly 1.5 times, so we feel this is proving effective.

**Q: UNIQLO USA is being impacted by additional tariffs but was the improvement in the UNIQLO International gross profit margin higher than planned?**

CFO Okazaki: Yes, it did come in higher than planned. Gross profit margins from all operations within the UNIQLO International segment improved on the back of strong sales and consequent controlled discounting. The UNIQLO USA gross profit margin only contracted slightly but the SG&A ratio improved, resulting in a slight improvement in the business profit margin.

**Q: When you consider the future growth potential in Europe and the USA, are you focusing on any particular business opportunities or concerns in terms of the external environment?**

CFO Okazaki: I think our current strong performance reflects the fact that people appreciate our intrinsic brand value. In other words, people really appreciate our clothing concept whereby we offer LifeWear (ultimate everyday clothing) at affordable prices that supports everyday life and serves as clothing parts that can be coordinated to suit individual tastes and lifestyles. Consumer understanding and awareness of LifeWear is rapidly increasing in Europe and the USA and we are starting to attract many more new customers. These new consumers spread information about UNIQLO products through word of mouth and social media, expanding interest and attracting even more new customers. This is creating a virtuous cycle that is also increasing the number of repeat customers.

On the risk front, as sales expand significantly, we must always be aware of the need to determinedly fulfill customer expectations and ensure all our customers are satisfied. We must improve the degree of accuracy of our store operations and supply chain management as our business grows in order to create

shop floors that offer a high level of service and do not suffer product shortages. Satisfying our customers and fulfilling their expectations is our biggest focus.

**Q: Your Southeast Asia operation is performing strongly. What progress have you made on perfecting product lineups and other elements that you pinpointed as being issues in the past?**

CFO Okazaki: We must consider sales of Winter items that satisfy traveler demand and product mixes that incorporate local everyday needs. There are still some challenges that we have to overcome, but things are gradually starting to come together, and we are doing well. We are currently focusing on more active new store development. However, this is not something that can be achieved instantly, so the benefits of these new store openings will emerge gradually.

**Q: While we are seeing some positive structural changes, the upward revisions to your full-year business estimates are based primarily on the higher-than-expected first-quarter performance. What were the reasons behind this and why have you not revised your estimates from the second quarter onward?**

CFO Okazaki: The first quarter spans the months of September, October, and November, which is basically the inter-season period, so business can be tricky. However, we managed to generate strong global sales of year-round products such as sweatshirts/pants and casual outerwear by incorporating on-trend fresh designs and new materials right through until late November, when our Winter products are launched. As for the second quarter from December through February, if we consider situation in Japan and the Mainland China market in December together with the expected sales picture in January and February, there is no cause to be particularly bearish, so we are looking to achieve results that are in line with our initial expectations.

**Q: What encouraged you to appoint Francesco Risso as GU Creative Director?**

CFO Okazaki: There are two main pillars to our restructuring efforts at GU. The first involves improving the accuracy of business processes and operational management. Here, we can draw on our UNIQLO expertise. The second pillar involves establishing a position for GU as a brand that offers fashion fun and freedom. GU is a fashion brand that aims to create LifeWear fashion, so we must rethink the label's products and store displays. We think that the benefits of the first reform pillar are already showing through, as illustrated by the improvement in the first-quarter business profit margin. However, we have not yet done enough on the second pillar in terms of improving the image concepts of GU's sales floors and incorporating fresh, new elements into GU products. Francesco Risso will be responsible for the overall direction of GU products and will help reshape GU products and drive the establishment of a

globally recognized brand position. We are looking to spark a fresh chemical reaction by having Francesco Risso work together with Fast Retailing and GU product development and merchandising staff. I think this is an important step in establishing GU's ideal position as the No.1 fashion brand among young people that offers fashion fun and freedom at amazing low prices.