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**FAST RETAILING**  
**FAST RETAILING CO., LTD.**  
**迅銷有限公司**  
*(Incorporated in Japan with limited liability)*  
 (Stock Code: 6288)

**ANNUAL RESULTS ANNOUNCEMENT  
 FOR THE YEAR ENDED 31 AUGUST 2019  
 AND  
 RESUMPTION OF TRADING**

The board of directors (the "Board") of FAST RETAILING CO., LTD. (the "Company" or "Parent") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 August 2019 together with the comparative figures for the year ended 31 August 2018.

At the request of the Company, trading in its Hong Kong depository receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 10 October 2019, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depository receipts with effect from 9:00 a.m. on Friday, 11 October 2019.

(Amounts are rounded down to the nearest million Japanese yen unless otherwise stated.)

**1. CONSOLIDATED FINANCIAL RESULTS**

The consolidated financial results were prepared in accordance with International Financial Reporting Standards ("IFRS").

**(1) Consolidated Operating Results (1 September 2018 to 31 August 2019)**

*(Percentages represent year-on-year changes)*

	Revenue		Operating profit		Profit before income taxes		Profit for the year	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 31 August 2019	2,290,548	7.5	257,636	9.1	252,447	4.0	178,046	5.1
Year ended 31 August 2018	2,130,060	14.4	236,212	33.9	242,678	25.5	169,373	31.4

	Profit attributable to owners of the Parent		Total comprehensive income for the year		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%		
Year ended 31 August 2019	162,578	5.0	155,049	(14.3)	1,593.20	1,590.55
Year ended 31 August 2018	154,811	29.8	180,858	(10.5)	1,517.71	1,515.23

	Ratio of profit to equity attributable to owners of the Parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
	%	%	%
Year ended 31 August 2019	18.0	12.7	11.2
Year ended 31 August 2018	19.4	14.5	11.1

(References) Share of profits and losses of associates Year ended 31 August 2019: 562 million yen

Year ended 31 August 2018: 611 million yen

## (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to total assets	Equity per share attributable to owners of the Parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As at 31 August 2019	2,010,558	983,534	938,621	46.7	9,196.61
As at 31 August 2018	1,953,466	902,777	862,936	44.2	8,458.52

## (3) Consolidated Cash Flows

	Net cash generated by operating activities	Net cash used in investing activities	Net cash generated by/(used in) financing activities	Cash and cash equivalents at the end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended 31 August 2019	300,505	(78,756)	(102,429)	1,086,519
Year ended 31 August 2018	176,403	(57,180)	198,217	999,697

## 2. DIVIDENDS

	Dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of the Parent (consolidated)
	First quarter period end	Second quarter period end	Third quarter period end	Year-end	Full year			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Year ended 31 August 2018	—	200.0	—	240.0	440.0	44,886	29.0	5.6
Year ended 31 August 2019	—	240.0	—	240.0	480.0	48,987	30.1	5.4
Year ending 31 August 2020 (forecast)	—	250.0	—	250.0	500.0		29.2	

**3. CONSOLIDATED BUSINESS RESULTS PROJECTION FOR YEAR ENDING 31 AUGUST 2020 (1 SEPTEMBER 2019 TO 31 AUGUST 2020)**

*(% shows rate of increase/decrease from previous year)*

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the Parent		Basic earnings per share attributable to owners of the Parent
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending 31 August 2020	2,400,000	4.8	275,000	6.7	275,000	8.9	175,000	7.6	1,714.65

**\* Notes**

- (1) Changes in principal subsidiaries (i.e., changes in specified subsidiaries): None
- (2) Changes in accounting policies and accounting estimates:
- (i) Changes in accounting policies to conform with IFRS: Yes
  - (ii) Other changes in accounting policies: None
  - (iii) Change in accounting estimates: None

**(3) Total number of shares outstanding (common stock)**

(i)	Number of shares outstanding (including treasury stock)	As at 31 August 2019	106,073,656 shares	As at 31 August 2018	106,073,656 shares
(ii)	Number of treasury stock	As at 31 August 2019	4,011,921 shares	As at 31 August 2018	4,053,872 shares
(iii)	Average number of shares outstanding	For the year ended 31 August 2019	102,045,645 shares	For the year ended 31 August 2018	102,002,997 shares

**(REFERENCE INFORMATION)****NON-CONSOLIDATED FINANCIAL RESULTS**

The non-consolidated financial results were prepared in accordance with generally accepted accounting principles in Japan.

**(1) Non-consolidated Operating Results (1 September 2018 to 31 August 2019)**

*(Percentages represent year-on-year changes)*

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 31 August 2019	184,935	(4.2)	119,090	(12.8)	106,666	(23.6)	106,780	(12.6)
Year ended 31 August 2018	193,044	38.0	136,519	45.3	139,660	20.9	122,158	90.1

	Net income per share		Diluted net income per share	
	Yen		Yen	
Year ended 31 August 2019	1,046.40		1,044.66	
Year ended 31 August 2018	1,197.59		1,195.63	

**(2) Non-consolidated Financial Position**

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As at 31 August 2019	1,059,021	522,372	48.8	5,059.60
As at 31 August 2018	993,413	463,229	46.1	4,489.50

(References) Shareholders' equity As at 31 August 2019: 516,391 million yen  
As at 31 August 2018: 458,017 million yen

\* This annual results announcement is not subject to auditing procedures pursuant to the Financial Instruments and Exchange Act of Japan.

\* Explanation and other notes concerning proper use of consolidated business results projection:

Statements made in these materials pertaining to future matters including business projections are based on information currently available to the Company and certain assumptions determined to be reasonable. Actual business results may vary substantially depending on a variety of factors.

## 1. Business Results

### (1) Analysis of Business Results for the year ended 31 August 2019

The Fast Retailing Group achieved record levels of revenue and profit in fiscal 2019, or the twelve months from 1 September 2018 to 31 August 2019. Consolidated revenue totaled 2.2905 trillion yen (+7.5% year-on-year) and operating profit reached 257.6 billion yen (+9.1% year-on-year). This impressive performance was due largely to strong results from UNIQLO International, and significant increases in both revenue and profit of our GU casual fashion brand. The consolidated gross profit margin declined by 0.4 points year-on-year in fiscal 2019, and the selling, general and administrative expense ratio improved by 0.1 points. In addition, a net foreign-exchange loss of 13.1 billion yen was recorded under finance income/costs as the appreciation in the yen currency over the financial year reduced the equivalent yen value of our long-term holdings of foreign-currency denominated assets. As a result, profit before income taxes of fiscal 2019 expanded to 252.4 billion yen (+4.0% year-on-year) and profit attributable to owners of the Parent increased to 162.5 billion yen (+5.0% year-on-year).

Capital expenditure increased by 15.8 billion yen year-on-year in fiscal 2019 to 85.2 billion yen (including finance leases). Breaking down the capital expenditure figure: 13.6 billion yen was invested at UNIQLO Japan, 31.6 billion yen at UNIQLO International, 9.0 billion yen at GU, 2.7 billion yen at Global Brands, and 28.0 billion yen in systems, etc. In addition to investing in new UNIQLO International and GU stores, more funding was channeled into IT investment under our Groupwide transformative Ariake Project, and installing self-checkouts at UNIQLO stores.

The Group's medium-term vision is to become the world's number one apparel retailer. In pursuit of this aim, we are focusing our efforts on expanding UNIQLO International, as well as our GU brand and our global e-commerce operation. We continue to increase UNIQLO store numbers in each market and area in which we operate, and open global flagship stores and large-format stores in major cities around the world to instill deeper and more widespread empathy for UNIQLO's LifeWear concept. Within the UNIQLO International segment, Greater China (Mainland China, Hong Kong and Taiwan) and Southeast Asia are generating growth as the key pillars of our Group's business. In terms of our GU operation, in addition to expanding the GU store network primarily in Japan, we are working to establish GU's position as the brand that offers fun fashion at amazingly low prices. We are also aiming to further expand our e-commerce operation, after global online sales rose to 258.3 billion yen in fiscal 2019, 11.6% of total sales.

#### UNIQLO Japan

UNIQLO Japan reported rise in revenue and fall of profit in fiscal 2019, with revenue totaling 872.9 billion yen (+0.9 % year-on-year) and operating profit totaling 102.4 billion yen (-13.9% year-on-year). Full-year same-store sales, including online sales, expanded by 1.0% year-on-year. In the first half of the fiscal year from 1 September 2018 through 28 February 2019, same-store sales contracted by 0.9% year-on-year on the back of sluggish sales of Winter ranges during the warm winter weather. However, same-store sales picked up by 3.5% year-on-year in the second half from 1 March 2019 to 31 August 2019 on the back of strong sales of Summer items such as T-shirts, UT graphic T-shirts, UV-cut parkas and Kando pants. Full-year online sales increased by 32.0% year-on-year to 83.2 billion yen, and the online sales proportion of total revenue rose from 7.3% to 9.5%. On the profit front, the gross profit margin contracted by 1.7 points year-on-year, adversely affected by the warm winter and an early rundown of excess Spring Summer inventories. However, as a result of that early rundown, total inventories was greatly reduced at the end of August 2019 compared to the previous year. Meanwhile, the full-year selling, general and administrative expense ratio increased by 0.4 points year-on-year. Breaking that figure down into first and second-half performance, increased inventories resulted in a higher distribution cost ratio in the first half. However, the efficiencies gained through using RFID IC tags helped reduce in-store personnel costs and outsourcing costs in the second half, resulting in improvement in the second-half selling, general and administrative expense ratio.

#### UNIQLO International

In fiscal 2019, revenue from the UNIQLO International segment topped 1 trillion yen for the first time, and the segment reported a consistently high operating profit margin of 13.5 %. Overall, UNIQLO International revenue and profit both increased significantly over the fiscal year, with revenue totaling 1.0260 trillion yen (+14.5% year-on-year) and operating profit increasing to 138.9 billion yen (+16.8% year-on-year).

Breaking down the strong UNIQLO International performance into individual markets, UNIQLO Greater China reported strong gains in both revenue and profit, with revenue expanding by 14.3% year-on-year to 502.5 billion yen and operating profit rising by 20.8% year-on-year to 89.0 billion yen. The region's same-store sales continued to rise as local support for the UNIQLO LifeWear clothing concept grew, and UNIQLO successfully established its position as the region's No.1 apparel brand. The region's online sales also expanded by a buoyant 30% year-on-year in fiscal 2019. Both revenue and profit of UNIQLO Southeast Asia & Oceania expanded by approximately 20% year-on-year in fiscal 2019, with revenue reaching the 170 billion yen. However, both revenue and profit declined at UNIQLO South Korea. Elsewhere, UNIQLO USA managed to significantly reduce its operating loss in fiscal 2019. UNIQLO Europe achieved rising revenue and profit, with sales reaching the 100 billion yen, and the Russian operation continuing to generate especially strong revenue and profit gains.

In terms of new-store activity, UNIQLO International opened its first store in the Netherlands in Amsterdam in September 2018, followed by a first store in Denmark in Copenhagen in April 2019, a first store in Italy in Milan in September 2019, and a first store in India in Delhi in October 2019. All these new stores got off to a strong start.

## **GU**

The GU business segment achieved a record performance in fiscal 2019, with revenue climbing to 238.7 billion yen (+12.7% year-on-year) and operating profit more than doubling to 28.1 billion yen (+139.2% year-on-year). Full-year same-store sales increased on the back of our decisions to switch the focus of GU's product mix to mass fashion trends and to strengthen GU marketing. The label's trendy oversized sweatshirts, knitwear, and T-shirts proved standout hit products recording sales of several million units each. GU's full-year gross profit margin improved significantly on the back of narrower discounting, and a lower cost of sales resulting from early submission of orders and aggregate purchasing of raw materials. GU's operating profit margin also improved by a considerable 6.2 points year-on-year to 11.8%.

## **Global Brands**

Global Brands revenue declined but profit increased in fiscal 2019. While revenue declined to 149.9 billion yen (-2.9% year-on-year), the segment reported an operating profit of 3.6 billion yen, compared to a 4.1 billion yen operating loss reported in the previous year following the recording of 9.9 billion yen in impairments losses on Comptoir des Cottonniers and other labels. The Theory fashion operation reported a rise in both revenue and profit on the back of stable growth. While our Japan-based PLST brand reported a rise in revenue, operating profit came in flat due to the higher costs of increased new store openings. Comptoir des Cottonniers, Princesse tam tam and J Brand reported continued losses for the fiscal year ended 31 August, 2019.

## **Sustainability**

In keeping with our key sustainability message "Unlocking the power of clothing," Fast Retailing aims to develop commercial operations that contribute to the sustainable development of the environment and global society through our core clothing business. Fast Retailing's sustainability activities seek to promote human rights, environmental protection, and broader social contributions across six clear material areas. In October 2018, Fast Retailing signed the United Nations Global Compact outlining the principles that corporations should adhere to in the fields of human rights, working standards, environment, and anti-corruption advocated by the UN. Then, in May 2019, Fast Retailing formed a global partnership with UN Women to help improving the status of women within the apparel industry.

■ **Material Area 1: Create new value through products and services** – Fast Retailing Group's Jean's Innovation Center, which is responsible for jeans-related research and development, has developed the technology to greatly reduce the amount of water used in jeans processing. We intend to apply this technology to all jeans produced and sold under all Group brands by 2020, and to expand our production of jeans.

■ **Material Area 2: Respect human rights in our supply chain** – Fast Retailing set up a Human Rights Committee in July 2018 to address human rights issues across our entire supply chain spanning not only Fast Retailing, but all our production partner bases as well. We seek to resolve any significant issues reported by partner factory employees via our hotline, such as wage-related problems or sexual harassment, by asking partner factories to make improvements, working together with local NGOs, or exploring other means of action.

■ **Material Area 3: Respect the environment** – In February 2019, we publicly committed to establish science-based targets (SBT) to help achieve long-term reductions in greenhouse gas emissions based on targets laid out in the Paris Agreement on climate change. In July 2019, we announced our intention to reduce shopping bags and product packaging volumes, and to switch to more environment-conscious alternatives. Our current aim is to reduce the amount of single-use plastic used in our shopping bags and product packaging across all Group companies worldwide by approximately 7,800 tons (85% of the total) in 2020.

■ **Material Area 4: Strengthen communities** – In October 2018, we distributed approximately 18,000 items of clothing aid to victims of the Hokkaido Eastern Iburi earthquake. In November 2018, we donated approximately 90,000 items of clothing to refugees and displaced persons from Venezuela in Columbia through our All-Product Recycling Initiative. In addition, UNIQLO and GU store managers and employees continue to serve as instructors of our school outreach program that seeks to help children deepen their understanding of international issues, and was presented with the award for excellence at the Career Education Awards sponsored by Japan's Ministry of Economy, Trade and Industry.

■ **Material Area 5: Support employee fulfillment** – We continue to support the active participation of female employees in the workplace, setting up a diversity promotion team in June 2019, and working to reform our human resources systems and implement empowering training programs. We have also introduced a partnership system as part of our LGBT support initiatives and broader drive to respect employee diversity and build a comfortable working environment.

■ Material Area 6: Corporate governance – In December 2018, we disclosed our fundamental policy on tax affairs along with initiatives to prevent compliance-related corruption on our governance webpage. In August 2019, we established a Nomination and Remuneration Advisory Committee to discuss and advise the Board of Directors on important items relating to Fast Retailing corporate governance, such as the requirements and policy relating to nomination of candidates for director and auditor, requirements relating to the Company's chief executive officer, and smooth management succession planning.

## (2) Financial Positions

Total assets as at 31 August 2019 were ¥2.0105 trillion, which was an increase of ¥57 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥86.8 billion in cash and cash equivalents, an increase of ¥9.1 billion in Other financial assets, a decrease of ¥54.2 billion in inventories, and an increase of ¥14.1 billion in intangible assets.

Total liabilities as at 31 August 2019 were ¥1.027 trillion, which was a decrease of ¥23.6 billion relative to the end of the preceding consolidated fiscal year. The principal factors were a decrease of ¥22.7 billion in trade and other payables, a decrease of ¥12.8 billion in other current financial liabilities, an increase of ¥9.3 billion in other current liabilities.

Total net assets as at 31 August 2019 were ¥983.5 billion, which was an increase of ¥80.7 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥113.6 billion in retained earnings and a decrease of ¥40.4 billion in other components of equity.

## (3) Cash Flows Information

Cash and cash equivalents as at 31 August 2019 had increased by ¥86.8 billion from the end of the preceding consolidated fiscal year, to ¥1.0865 trillion.

### (Operating Cash Flows)

Net cash generated by operating activities for the year ended 31 August 2019 was ¥300.5 billion, which was an increase of ¥124.1 billion (+70.4 % year-on-year) from the year ended 31 August 2018.

The principal factors were ¥13.1 billion of net foreign exchange (an increase of ¥15.2 billion from the year ended 31 August 2018), a decrease of ¥38.1 billion in inventories (an increase of ¥217.6 billion from the year ended 31 August 2018), a decrease of ¥16.4 billion in trade and other payables (a decrease of ¥26.1 billion from the year ended 31 August 2018), a decrease of ¥2.9 billion in other assets (an increase of ¥15.9 billion from the year ended 31 August 2018), an increase of ¥36.8 in other liabilities (a decrease of 109.9 billion from the year ended 31 August 2018) and income taxes paid ¥74.2 billion (an increase of ¥12.4 billion from the year ended 31 August 2018).

### (Investing Cash Flows)

Net cash used in investing activities for the year ended 31 August 2019 was ¥78.7 billion, which was an increase of ¥21.5 billion (+37.7 % year-on-year) from the year ended 31 August 2018. The principal factors were an increase of ¥11.3 billion in amounts withdrawn from bank deposits with original maturity over three months or longer, net of amounts deposited (an increase of ¥7 billion from the year ended 31 August 2018), payments for property, plant and equipment of ¥41.5 billion (an increase of ¥9.6 billion from the year ended 31 August 2018), and payments for intangible assets ¥24.1 billion (an increase of ¥7.6 billion from the year ended 31 August 2018).

### (Financing Cash Flows)

Net cash used in financing activities for the year ended 31 August 2019 was ¥102.4 billion, which was an increase of ¥300.6 billion from the year ended 31 August 2018. The principal factors were ¥249.3 billion proceeds from issuance of corporate bonds in last fiscal year, ¥30 billion in proceeds from repayment of redemption of bonds (an increase of ¥30 billion from the year ended 31 August 2018), dividends paid to owners of the Parent was ¥48.9 billion (an increase of ¥10.7 billion from the year ended 31 August 2018) and repayments of lease obligations was ¥11.3 billion (an increase of ¥5.4 billion from the year ended 31 August 2018).

## (4) Outlook for the Coming Year

In fiscal 2020, the Fast Retailing Group expects to achieve consolidated revenue of ¥2.4 trillion (+4.8% year-on-year), operating profit of ¥ 275.0 billion (+6.7% year-on-year), profit before income taxes of ¥275.0 billion (+8.9% year-on-year) and profit attributable to owners of the Parent of ¥175.0 billion (+7.6% year-on-year). Incidentally, based on applying IFRS 16, the forecast for operating profit included a boost effect of approximately 3%.

All of the Fast Retailing Group's four business segments are expected to generate increases in both revenue and profit in fiscal 2020. We forecast the overall Fast Retailing Group network will expand to a total 3,745 stores by the end of August 2020: 817 stores (including franchise stores) at UNIQLO Japan, 1,520 stores at UNIQLO International, 445 stores at GU and 963 stores at Global Brands.

## 2. Basic Concept Regarding Selection of Accounting Standards

The Group has adopted IFRS to the Group's consolidated financial statements since the year ended 31 August 2014.

### 3. Consolidated Financial Statements

#### (1) Consolidated Statement of Financial Position

(Millions of yen)

	Notes	As at 31 August 2018	As at 31 August 2019
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		999,697	1,086,519
Trade and other receivables		52,677	60,398
Other financial assets		35,359	44,473
Inventories		464,788	410,526
Derivative financial assets		35,519	14,787
Income taxes receivable		1,702	1,492
Other assets	7	28,353	19,975
Total current assets		1,618,097	1,638,174
Non-current assets			
Property, plant and equipment	7	155,077	162,092
Goodwill	7	8,092	8,092
Intangible assets	7	46,002	60,117
Financial assets		79,476	77,026
Investments in associates accounted for using the equity method		14,649	14,587
Deferred tax assets		26,378	33,163
Derivative financial assets		—	9,442
Other assets	7	5,691	7,861
Total non-current assets		335,368	372,384
Total assets		1,953,466	2,010,558
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables		214,542	191,769
Other financial liabilities		171,854	159,006
Derivative financial liabilities		6,917	2,985
Current tax liabilities		21,503	27,451
Provisions		11,868	13,340
Other liabilities		72,722	82,103
Total current liabilities		499,410	476,658
Non-current liabilities			
Financial liabilities		502,671	499,948
Provisions		18,912	20,474
Deferred tax liabilities		13,003	8,822
Derivative financial liabilities		—	3,838
Other liabilities		16,690	17,281
Total non-current liabilities		551,277	550,365
Total liabilities		1,050,688	1,027,024
<b>EQUITY</b>			
Capital stock		10,273	10,273
Capital surplus		18,275	20,603
Retained earnings		815,146	928,748
Treasury stock, at cost		(15,429)	(15,271)
Other components of equity		34,669	(5,732)
Equity attributable to owners of the Parent		862,936	938,621
Non-controlling interests		39,841	44,913
Total equity		902,777	983,534
Total liabilities and equity		1,953,466	2,010,558



**(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income**

## Consolidated statement of profit or loss

*(Millions of yen)*

	Notes	Year ended 31 August 2018	Year ended 31 August 2019
Revenue	3	2,130,060	2,290,548
Cost of sales		(1,080,123)	(1,170,987)
Gross profit		1,049,936	1,119,561
Selling, general and administrative expenses	4	(797,476)	(854,394)
Other income	5	3,385	4,533
Other expenses	5,7	(20,244)	(12,626)
Share of profit and loss of associates accounted for using the equity method		611	562
Operating profit		236,212	257,636
Finance income	6	9,693	12,293
Finance costs	6	(3,228)	(17,481)
Profit/(loss) before income taxes		242,678	252,447
Income taxes		(73,304)	(74,400)
Profit for the year		169,373	178,046
Profit/(loss) for the year attributable to:			
Owners of the Parent		154,811	162,578
Non-controlling interests		14,562	15,467
		169,373	178,046
Earnings per share			
Basic (yen per share)	8	1,517.71	1,593.20
Diluted (yen per share)	8	1,515.23	1,590.55

## Consolidated statement of comprehensive income

*(Millions of yen)*

	Year ended 31 August 2018	Year ended 31 August 2019
Profit for the year	169,373	178,046
Other comprehensive income/(loss), net of income taxes		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income/(loss)	—	(734)
Total items that will not be reclassified subsequently to profit or loss	—	(734)
Items that may be reclassified subsequently to profit or loss		
Net fair value gain/(loss) on available-for-sales financial assets during the year	34	—
Exchange differences on translation of foreign operations	(6,285)	(33,649)
Cash flow hedges	17,735	11,398
Share of other comprehensive income of associates	—	(11)
Total items that may be reclassified subsequently to profit or loss	11,484	(22,262)
Total other comprehensive income/(loss), net of income taxes	11,484	(22,997)
Total comprehensive income for the year	180,858	155,049
Attributable to:		
Owners of the Parent	165,378	140,900
Non-controlling interests	15,480	14,148
Total comprehensive income for the year	180,858	155,049

**(3) Consolidated Statement of Changes in Equity**

For the year ended 31 August 2018

*(Millions of yen)*

	Other components of equity											Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve	Share of other comprehensive income of associates	Total	Equity		
										attributable to owners of the Parent	Non-controlling interests	
As at 1 September 2017	10,273	14,373	698,584	(15,563)	2	21,806	2,293	—	24,102	731,770	30,272	762,043
Net changes during the year												
Comprehensive income/(loss)												
Profit/(loss) for the year	—	—	154,811	—	—	—	—	—	—	154,811	14,562	169,373
Other comprehensive income/(loss)	—	—	—	—	34	(6,376)	16,909	—	10,567	10,567	917	11,484
Total comprehensive income/(loss)	—	—	154,811	—	34	(6,376)	16,909	—	10,567	165,378	15,480	180,858
Transactions with the owners of the Parent												
Acquisition of treasury stock	—	—	—	(1)	—	—	—	—	—	(1)	—	(1)
Disposal of treasury stock	—	1,169	—	136	—	—	—	—	—	1,306	—	1,306
Dividends	—	—	(38,248)	—	—	—	—	—	—	(38,248)	(7,840)	(46,088)
Share-based payments	—	857	—	—	—	—	—	—	—	857	—	857
Increase in equity due to capital increase by consolidated subsidiary	—	—	—	—	—	—	—	—	—	—	173	173
Changes in ownership interests in subsidiaries without losing control	—	1,874	—	—	—	—	—	—	—	1,874	1,754	3,629
Total transactions with the owners of the Parent	—	3,901	(38,248)	134	—	—	—	—	—	(34,212)	(5,911)	(40,124)
Total net changes during the year	—	3,901	116,562	134	34	(6,376)	16,909	—	10,567	131,165	9,568	140,734
As at 31 August 2018	10,273	18,275	815,146	(15,429)	37	15,429	19,202	—	34,669	862,936	39,841	902,777

For the year ended 31 August 2019

*(Millions of yen)*

	Other components of equity											Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Financial assets measured at fair value through other comprehensive income/(loss)	Foreign currency translation reserve	Cash-flow hedge reserve	Share of other comprehensive income of associates	Total	Equity		
										attributable to owners of the Parent	Non-controlling interests	
As at 1 September 2018	10,273	18,275	815,146	(15,429)	37	15,429	19,202	—	34,669	862,936	39,841	902,777
Net changes during the year												
Comprehensive income/(loss)												
Profit/(loss) for the year	—	—	162,578	—	—	—	—	—	—	162,578	15,467	178,046
Other comprehensive income/(loss)	—	—	—	—	(734)	(29,359)	8,427	(11)	(21,678)	(21,678)	(1,318)	(22,997)
Total comprehensive income/(loss)	—	—	162,578	—	(734)	(29,359)	8,427	(11)	(21,678)	140,900	14,148	155,049
Transactions with the owners of the Parent												
Acquisition of treasury stock	—	—	—	(2)	—	—	—	—	—	(2)	—	(2)
Disposal of treasury stock	—	1,558	—	159	—	—	—	—	—	1,718	—	1,718
Dividends	—	—	(48,976)	—	—	—	—	—	—	(48,976)	(9,218)	(58,195)
Share-based payments	—	769	—	—	—	—	—	—	—	769	—	769
Incorporation of a new subsidiary	—	—	—	—	—	—	—	—	—	—	239	239
Changes in ownership interests in subsidiaries without losing control	—	—	—	—	—	—	—	—	—	—	353	353
Transfer to non-financial assets	—	—	—	—	—	—	(18,723)	—	(18,723)	(18,723)	(451)	(19,175)
Total transactions with the owners of the Parent	—	2,328	(48,976)	157	—	—	(18,723)	—	(18,723)	(65,215)	(9,076)	(74,292)
Total net changes during the year	—	2,328	113,602	157	(734)	(29,359)	(10,296)	(11)	(40,402)	75,685	5,071	80,757
As at 31 August 2019	10,273	20,603	928,748	(15,271)	(697)	(13,929)	8,906	(11)	(5,732)	938,621	44,913	983,534

**(4) Consolidated Statement of Cash Flows***(Millions of yen)*

	Note	Year ended 31 August 2018	Year ended 31 August 2019
<b>Cash flows from operating activities</b>			
Profit before income taxes		242,678	252,447
Depreciation and amortization		45,055	48,476
Impairment losses	7	12,376	3,444
Interest and dividends income		(7,560)	(12,293)
Interest expenses		3,169	4,369
Net foreign exchange (gain)/loss		(2,132)	13,107
Share of profit and loss of associates accounted for using the equity method		(611)	(562)
Losses on disposal of property, plant and equipment		1,176	650
Increase in trade and other receivables		(2,852)	(6,302)
(Increase)/Decrease in inventories		(179,469)	38,145
Increase/(Decrease) in trade and other payables		9,758	(16,426)
(Increase)/Decrease in other assets		(13,053)	2,932
Increase in other liabilities		146,867	36,881
Others, net		1,819	1,719
Cash generated from operations		257,220	366,589
Interest and dividends income received		7,409	10,533
Interest paid		(2,393)	(3,848)
Income taxes paid		(86,725)	(74,263)
Income taxes refunded		892	1,493
Net cash generated by operating activities		176,403	300,505
<b>Cash flows from investing activities</b>			
Amounts deposited into bank deposits with original maturities of three months or longer		(63,490)	(103,619)
Amounts withdrawn from bank deposits with original maturities of three months or longer		59,185	92,252
Payments for property, plant and equipment		(31,962)	(41,567)
Payments for intangible assets		(16,532)	(24,177)
Payments for lease and guarantee deposits		(4,773)	(7,490)
Proceeds from collection of lease and guarantee deposits		3,064	4,304
Others, net		(2,671)	1,541
Net cash generated used in investing activities		(57,180)	(78,756)

*(continued)*

(Millions of yen)

	Year ended 31 August 2018	Year ended 31 August 2019
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans payable	1,767	17,145
Repayment of short-term loans payable	(1,596)	(16,789)
Repayment of long-term loans payable	(3,308)	(4,433)
Proceeds from issuance of corporate bonds	249,319	—
Payment for redemption of corporate bonds	—	(30,000)
Dividends paid to owners of the Parent	(38,244)	(48,975)
Capital contributions from non-controlling interests	3,803	592
Dividends paid to non-controlling interests	(7,827)	(8,773)
Repayments of lease obligations	(5,918)	(11,377)
Others, net	224	182
Net cash generated by/(used in) financing activities	198,217	(102,429)
Effect of exchange rate changes on the balance of cash held in foreign currencies	(1,545)	(32,496)
Net increase in cash and cash equivalents	315,894	86,822
Cash and cash equivalents at the beginning of year	683,802	999,697
Cash and cash equivalents at the end of year	999,697	1,086,519

## **(5) Notes regarding Going Concern Assumptions**

Not applicable.

## **(6) Notes to the Consolidated Financial Statements**

### *1. Changes in Accounting Policies*

#### **(1) Application of IFRS 9: Financial instruments**

##### **(i) Financial instruments: Classification and measurement**

The Group began classifying equity instruments that previously were classified as “Available-for-sale financial assets” as “Financial assets measured at fair value through other comprehensive income” from the beginning of the consolidated fiscal year ended 31 August 2019. The Group has chosen not to apply the full retrospective application of IFRS 9 on the consolidated financial statements for the consolidated fiscal year ended 31 August 2018 in accordance with the transition provisions set out in IFRS 9.

##### **(ii) Financial instruments: Impairment**

The Group has changed the recognition of impairment of financial assets measured at amortized cost to recognize a loss allowance for expected credit losses on those financial assets.

##### **(iii) Financial instruments: Hedge accounting**

The Group applies IFRS 9 hedge accounting standards and considers the fulfillment of specific hedge accounting requirements under IAS 39, Financial Instruments: Recognition and Measurement, and IFRS 9 as incremental parts of a consistent hedge accounting policy.

The application of IFRS 9 has no significant impact on the financial position and financial performance of the Group during the year ended 31 August 2019.

#### **(2) Application of IFRS 15: Revenue from contracts with customers**

The Group recognizes revenue in accordance with IFRS 15 by applying the following five-step approach:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group, as a global clothing retailer, recognizes revenue when it satisfies its performance obligation by transferring the promised goods to the customer. An asset is transferred when the customer obtains control of that asset. In addition, the Group recognizes revenue at the amount of the promised consideration that the customer would pay in accordance with a contract, less the sum of discounts, rebates and refunds or credits.

The application of IFRS 15 has no significant impact on the financial position and financial performance of the Group during the year ended 31 August 2019.

## 2. Segment Information

### (1) Description of reportable segments

The Group's reportable segments are components for which discrete financial information is available and is reviewed regularly by the Board to make decisions about the allocation of resources and to assess performance.

The Group's main retail clothing business is divided into four reportable operating segments: UNIQLO Japan, UNIQLO International, GU and Global Brands, each of which is used to frame and form the Group's strategy.

The main businesses covered by each reportable segment are as follows:

UNIQLO Japan : UNIQLO clothing business within Japan

UNIQLO International : UNIQLO clothing business outside of Japan

GU : GU brand clothing business in Japan and overseas

Global Brands : Theory, PLST, COMPTOIR DES COTONNIERS, PRINCESSE TAM.TAM and J Brand clothing operations

### (2) Segment revenue and results

Year ended 31 August 2018

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	864,778	896,321	211,831	154,464	2,127,395	2,664	—	2,130,060
Operating profit/(losses)	119,040	118,897	11,774	(4,115)	245,596	240	(9,624)	236,212
Segment income/ (losses) (i.e., profit before income taxes)	119,685	119,172	11,572	(4,248)	246,182	250	(3,755)	242,678
Other disclosure:								
Depreciation and amortization	9,448	18,693	5,463	3,137	36,744	12	8,298	45,055
Impairment losses (Note 3)	415	944	268	9,962	11,590	—	785	12,376

(Note 1) "Others" includes the real estate leasing business, etc.

(Note 2) "Adjustments" mainly includes revenue and corporate expenses which are not allocated to individual reportable segments.

(Note 3) For details on Impairment losses, please refer to Note "7. Impairment Losses."

Year ended 31 August 2019

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	872,957	1,026,032	238,741	149,939	2,287,671	2,877	—	2,290,548
Operating profit/(losses)	102,474	138,904	28,164	3,685	273,228	122	(15,715)	257,636
Segment income/ (losses) (i.e., profit before income taxes)	101,393	139,624	27,968	3,570	272,557	123	(20,233)	252,447
Other disclosure:								
Depreciation and amortization	10,357	19,861	5,432	2,525	38,177	11	10,287	48,476
Impairment losses (Note 3)	574	1,979	364	302	3,220	—	223	3,444

(Note 1) "Others" includes the real estate leasing business, etc.

(Note 2) "Adjustments" mainly includes revenue and corporate expenses which are not allocated to individual reportable segments.

(Note 3) For details on Impairment losses, please refer to Note "7. Impairment Losses."

### 3. Revenue

The Group performs global retail clothing operations through both physical stores and e-commerce channels. The following is a breakdown of total revenue by major regional market operation.

Year ended 31 August 2019

	Revenue (Millions of yen)	Percent of Total (%)
Japan	872,957	38.1
Greater China	502,565	21.9
Other parts of Asia & Oceania	306,510	13.4
North America & Europe	216,956	9.5
UNIQLO (Note 1)	1,898,990	82.9
GU (Note 2)	238,741	10.4
Global Brands (Note 3)	149,939	6.5
Others (Note 4)	2,877	0.1
Total	2,290,548	100.0

(Note 1) Revenue is classified by nation or region based on customer location.

The designated countries and regions are classified as follows:

Greater China: Mainland China, Hong Kong, Taiwan

Other parts of Asia & Oceania: South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia, Australia

North America & Europe: United States of America, Canada, United Kingdom, France, Russia, Germany, Belgium, Spain, Sweden, the Netherlands, Denmark

(Note 2) Main national and regional market: Japan

(Note 3) Main national and regional markets: North America, Europe, Japan

(Note 4) The "Others" category includes real estate leasing operations.

### 4. Selling, General and Administrative expenses

The breakdown of selling, general and administrative expenses for each year is as follows:

(Millions of yen)

	Year ended 31 August 2018	Year ended 31 August 2019
Selling, general and administrative expenses		
Advertising and promotions	70,310	74,436
Rental expenses	191,813	197,840
Depreciation and amortization	45,055	48,476
Outsourcing	41,005	46,197
Salaries	285,105	301,456
Others	164,186	185,987
Total	797,476	854,394

### 5. Other Income and Other Expenses

The breakdowns of other income and other expenses for each year are as follows:

(Millions of yen)

	Year ended 31 August 2018	Year ended 31 August 2019
Other income		
Others	3,385	4,533
Total	3,385	4,533

(Millions of yen)

	Year ended 31 August 2018	Year ended 31 August 2019
Other expenses		
Foreign exchange losses (Note)	1,450	6,020
Losses on retirement of property, plant and equipment	1,176	650
Impairment losses	12,376	3,444
Others	5,241	2,510
Total	20,244	12,626

(Note) Currency adjustments incurred in the course of operating transactions are included in “other expenses”.

#### 6. Finance Income and Finance Costs

The breakdowns of finance income and finance costs for each year are as follows:

(Millions of yen)

	Year ended 31 August 2018	Year ended 31 August 2019
Finance income		
Foreign exchange gains (Note)	2,132	—
Interest income	7,545	12,202
Others	15	90
Total	9,693	12,293

(Millions of yen)

	Year ended 31 August 2018	Year ended 31 August 2019
Finance costs		
Foreign exchange losses (Note)	—	13,107
Interest expenses	3,169	4,369
Others	58	4
Total	3,228	17,481

(Note) Currency adjustments incurred in the course of non-operating transactions are included in “finance income” or “finance costs”.



## 7. Impairment Losses

During the year ended 31 August 2019, the Group recognized impairment losses on certain store assets and goodwill, etc., due to reductions in profitability of the respective cash-generating units.

The breakdown of impairment losses by asset type is as follows:

(Millions of yen)

	Year ended 31 August 2018	Year ended 31 August 2019
Buildings and structures	2,029	2,375
Furniture and equipment	205	271
Leased assets (Note 1)	99	501
Subtotal impairment losses on property, plant and equipment	2,335	3,148
Software	174	239
Goodwill	7,792	—
Trademark	(Note 2) 1,657	—
Other intangible assets	415	55
Subtotal impairment losses on goodwill and other intangible assets	10,039	295
Other current assets (short-term prepayments)	0	—
Other non-current assets (long-term prepayments)	0	0
Total impairment losses	12,376	3,444

(Note 1) Leased assets include furniture, equipment and carrier.

(Note 2) 1,657 million yen represented impairment losses on trademark of the Helmut Lang brand.

The Group's impairment losses during the year ended 31 August 2019 amounted to 3,444 million yen, compared with 12,376 million yen during the year ended 31 August 2018, and are included in "other expenses" on the consolidated statement of profit or loss.

Year ended 31 August 2018

### (1) Property, plant and equipment

Out of total impairment losses amounting to 12,376 million yen, 1,725 million yen represented write downs of the carrying amounts of store assets to the recoverable amounts, mainly due to a reduction in profitability of certain stores, including flagship stores.

The grouping of assets is based on the smallest cash-generating unit that independently generates cash inflow. In principle, each store, including flagship stores, is considered as an individual cash-generating unit and recoverable amounts thereof are calculated based on value in use.

The value in use is calculated based on cash flow projections with estimates and growth rates compiled by management at a discount rate of 7.5%. Theoretically, the projected cash flows cover a five-year period, and do not use a growth rate that exceeds the long-term average market growth rate. The pre-tax discount rate calculation is based on the weighted-average cost of capital.

The main cash-generating units for which impairment losses were recorded are as follows:

Operating segment	Cash-generating unit	Type
UNIQLO Japan	UNIQLO CO., LTD. stores	Buildings and structures
UNIQLO International	UNIQLO EUROPE LTD., etc., stores	Buildings and structures
GU	G.U. CO., LTD., etc., stores	Buildings and structures
Global Brands	COMPTOIR DES COTONNIERS S.A.S, etc., stores	Buildings and structures

## (2) Goodwill

### Impairment losses related to the COMPTOIR DES COTONNIERS business

Out of the total impairment losses amounting to 12,376 million yen, 7,792 million yen represented impairment losses on goodwill of the COMPTOIR DES COTONNIERS business. The carrying amounts of goodwill of the cash-generating units related to the COMPTOIR DES COTONNIERS business after recognition of the impairment losses were written down to zero yen.

The recoverable amounts from goodwill related to the COMPTOIR DES COTONNIERS business were calculated based on fair value less costs of disposal.

Fair value less costs of disposal is determined by taking into account the following two approaches:

The terminal value of the business plus the 3-year discounted cash flow projections were based on plans approved by management. The fair value measurement is calculated based on the post-tax discount rate. The post-tax discount rate is calculated at 13.6% based on the weighted-average cost of capital of the cash-generating units (income approach).

In addition, deviation from the amount of future cash flows or predictions about implementation timing is primarily reflected in the discount rate. Furthermore, the cash flows beyond the 10-year period are extrapolated using a 1% growth rate taking into account the long-term average market growth rate.

### Year ended 31 August 2019

#### (1) Property, plant and equipment

Out of total impairment losses amounting to 3,444 million yen, 3,148 million yen represented write downs of the carrying amounts of store assets to the recoverable amounts, mainly due to a reduction in profitability of certain stores, including flagship stores.

The grouping of assets is based on the smallest cash-generating unit that independently generates cash inflow. In principle, each store, including flagship stores, is considered as an individual cash-generating unit and recoverable amounts thereof are calculated based on value in use.

The value in use is calculated based on cash flow projections with estimates and growth rates compiled by management at a discount rate of 15.9. Theoretically, the projected cash flows cover a five-year period, and do not use a growth rate that exceeds the long-term average market growth rate. The pre-tax discount rate calculation is based on the weighted-average cost of capital.

The main cash-generating units for which impairment losses were recorded are as follows:

Operating segment	Cash-generating unit	Type
UNIQLO Japan	UNIQLO CO., LTD. stores	Buildings and structures
UNIQLO International	UNIQLO EUROPE LTD., etc., stores	Buildings and structures
GU	G.U. CO., LTD., etc., stores	Buildings and structures
Global Brands	COMPTOIR DES COTONNIERS S.A.S, etc., stores	Buildings and structures

#### (2) Goodwill

Not applicable.

## 8. Earnings per share

Year ended 31 August 2018		Year ended 31 August 2019	
Equity per share attributable to owners of the Parent (Yen)	8,458.52	Equity per share attributable to owners of the Parent (Yen)	9,196.61
Basic earnings per share for the year (Yen)	1,517.71	Basic earnings per share for the year (Yen)	1,593.20
Diluted earnings per share for the year (Yen)	1,515.23	Diluted earnings per share for the year (Yen)	1,590.55

(Note) The basis for calculation of basic earnings per share and diluted earnings per share for the year is as follows:

	Year ended 31 August 2018	Year ended 31 August 2019
Basic earnings per share for the year		
Profit attributable to owners of the Parent for the year (Millions of yen)	154,811	162,578
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to common shareholders (Millions of yen)	154,811	162,578
Average number of common stock outstanding during the year (Shares)	102,002,997	102,045,645
Diluted earnings per share for the year		
Adjustment to profit (Millions of yen)	—	—
Increase in number of common stock (Shares)	167,434	169,956
(Number of share subscription rights included in the increase)	(167,434)	(169,956)

## 9. Subsequent Events

Not applicable.

## 4. Others

### Changes in officers

#### (1) Change in representative

Not applicable.

#### (2) Other changes in executives scheduled for 28 November 2019

Changes in directors assume approval by the General Meeting of Shareholders for the 58<sup>th</sup> fiscal term, scheduled to be held on 28 November 2019.

##### (i) Candidates for reappointment as directors

Director	Tadashi Yanai	(current Chairman, President, and Chief Executive Officer)
Director	Toru Hambayashi	(current Director)
Director	Nobumichi Hattori	(current Director)
Director	Masaaki Shintaku	(current Director)
Director	Takashi Nawa	(current Director)
Director	Naotake Ohno	(current Director)
Director	Takeshi Okazaki	(current Director)
Director	Kazumi Yanai	(current Director)
Director	Koji Yanai	(current Director)

Note: Tadashi Yanai is expected to be reappointed Chairman, President, and Chief Executive Officer after re-election by the General Meeting of Shareholders scheduled for 28 November 2019.

Toru Hambayashi, Nobumichi Hattori, Masaaki Shintaku, Takashi Nawa, and Naotake Ohno are External Directors as stipulated in Article 2-15 of the Companies Act.

##### (ii) Candidate for new appointment as statutory auditor

Statutory Auditor Masumi Mizusawa

## **5. Resumption of Trading**

At the request of the Company, trading in its Hong Kong depositary receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 10 October 2019 pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Friday, 11 October 2019.

On Behalf of the Board  
**FAST RETAILING CO., LTD.**  
**Tadashi Yanai**  
*Chairman, President and Chief Executive Officer*

Japan, 10 October 2019

As at the date of this announcement, the Executive Director is Tadashi Yanai, the Non-executive Directors are Takeshi Okazaki, Kazumi Yanai and Koji Yanai, the Independent Non-executive Directors are Toru Hambayashi, Nobumichi Hattori, Masaaki Shintaku, Takashi Nawa and Naotake Ohno.