FAST RETAILING

FAST RETAILING CO., LTD.

迅 銷 有 限 公 司

Year-end Report 2025/26

2025.9.1–2026.8.31

Stock Code: 6288

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1. Corporate Information

Board of Directors
Representative Executive Director
Tadashi Yanai *(Chairman, President and CEO)*

Executive Directors
Takeshi Okazaki
Kazumi Yanai
Koji Yanai
Daisuke Tsukagoshi

Independent Non-Executive Directors
Masaaki Shintaku (External)
Naotake Ono (External)
Kathy Mitsuko Koll (aka Kathy Matsui) (External)
Joji Kurumado (External)
Yutaka Kyoya (External)
Takeshi Kunibe (External)

Audit & Supervisory Board
Tomohiro Tanaka
Masumi Mizusawa
Keiko Kaneko (External)
Takao Kashitani (External)
Masakatsu Mori (External)

Company Secretary
Shea Yee Man

Independent Auditor
Deloitte Touche Tohmatsu LLC

Principal Banks
Sumitomo Mitsui Banking Corporation
MUFG Bank, Ltd.
Mizuho Bank, Ltd.
The Hong Kong and Shanghai Banking Corporation Limited

Registered Office and Headquarters
10717-1 Sayama
Yamaguchi City
Yamaguchi 754-0894
Japan

Principal Place of Business in Japan
Midtown Tower 9-7-1
Akasaka, Minato-ku
Tokyo 107-6231
Japan

Principal Place of Business in Hong Kong
702–706, 7th Floor, Mira Place Tower A
No. 132 Nathan Road
Tsim Sha Tsui
Kowloon
Hong Kong

HDR Registrar and HDR Transfer Office
Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Stock Code
Hong Kong: 6288
Japan: 9983

Website Address
http://www.fastretailing.com

2. Financial Highlights

A. Consolidated Financial Summary

Term	International Financial Reporting Standards ("IFRS Accounting Standards")				
	61st Year	62nd Year	63rd Year	64th Year	65th Year
Accounting Period	Year ended 31 August 2022	Year ended 31 August 2023	Year ended 31 August 2024	Year ended 31 August 2025	Year ended 31 August 2026
Revenue (Millions of yen)	2,301,122	2,766,557	3,103,836	3,400,539	3,963,389
Operating profit (Millions of yen)	297,325	381,090	500,904	564,265	743,128
Profit before income taxes (Millions of yen)	413,584	437,918	557,201	650,574	802,505
Profit attributable to owners of the Parent (Millions of yen)	273,335	296,229	371,999	433,009	542,516
Comprehensive income attributable to owners of the Parent (Millions of yen)	554,833	423,601	414,540	482,937	831,976
Equity attributable to owners of the Parent (Millions of yen)	1,561,652	1,821,405	2,016,535	2,273,115	2,845,897
Total assets (Millions of yen)	3,183,762	3,303,694	3,587,565	3,859,353	4,549,464
Equity per share attributable to owners of the Parent (Yen)	5,093.97	5,939.33	6,574.11	7,408.65	9,274.27
Basic earnings per share for the year (Yen)	891.77	966.09	1,212.88	1,411.44	1,768.08
Diluted earnings per share for the year (Yen)	890.43	964.48	1,210.81	1,409.32	1,765.70
Ratio of equity attributable to owners of the Parent to total assets (%)	49.1	55.1	56.2	58.9	62.6
Ratio of profit to equity attributable to owners of the Parent (%)	20.4	17.5	19.4	20.2	21.2
Price earnings ratio (times)	30.6	34.7	38.5	33.0	41.0
Net cash generated by operating activities (Millions of yen)	430,817	463,216	651,521	580,618	788,587
Net cash (used in) / generated by investing activities (Millions of yen)	(212,226)	(574,402)	(82,231)	(578,922)	(316,889)
Net cash (used in) / generated by financing activities (Millions of yen)	(213,050)	(364,562)	(269,003)	(339,139)	(429,065)
Cash and cash equivalents at end of year (Millions of yen)	1,358,292	903,280	1,193,560	893,239	1,007,586
Number of employees:	57,576	59,871	60,454	59,522	60,935
(Separate, average number of temporary employees)	(56,113)	(54,349)	(52,145)	(50,468)	(50,055)

(Notes) 1. FAST RETAILING CO., LTD and its consolidated subsidiaries (the "Group") prepare the consolidated financial statements in accordance with IFRS Accounting Standards.

2. Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. Equity per share attributable to owners of the Parent, basic earnings per share, and diluted earnings per share have been calculated assuming this stock split was conducted at the beginning of 61st year.

B. Non-Consolidated Financial Summary

Term	61st Year	62nd Year	63rd Year	64th Year	65th Year
Accounting period	Year ended 31 August 2022	Year ended 31 August 2023	Year ended 31 August 2024	Year ended 31 August 2025	Year ended 31 August 2026
Operating revenue (Millions of yen)	283,165	327,932	438,206	505,053	469,650
Ordinary profit (Millions of yen)	295,957	251,097	335,553	424,463	343,213
Net income (Millions of yen)	258,203	209,145	306,135	377,566	344,920
Capital stock (Millions of yen)	10,273	10,273	10,273	10,273	10,273
Total number of shares issued (shares)	106,073,656	318,220,968	318,220,968	318,220,968	318,220,968
Total net assets (Millions of yen)	877,273	1,012,475	1,215,597	1,451,901	1,620,222
Total assets (Millions of yen)	1,362,278	1,392,070	1,611,968	1,818,592	1,955,109
Equity per share (Yen)	2,836.19	3,279.26	3,940.87	4,710.22	5,256.20
Dividends per share	206.67	290.00	400.00	500.00	850.00
(Figures in parentheses indicate interim dividends) (Yen)	(93.33)	(125.00)	(175.00)	(240.00)	(320.00)
Basic earnings per share (Yen)	842.40	682.08	998.14	1,230.71	1,124.10
Diluted earnings per share (Yen)	841.14	680.95	996.43	1,228.87	1,122.59
Equity ratio (%)	63.8	72.2	75.0	79.5	82.5
Earnings on equity (%)	33.8	22.3	27.6	28.5	22.6
Price earnings ratio (Times)	32.4	49.1	46.7	37.8	64.5
Dividend ratio (%)	24.5	42.5	40.1	40.6	75.6
Number of employees:	1,698	1,707	1,601	1,572	1,574
(Separate, average number of temporary employees) (Persons)	(12)	(13)	(14)	(15)	(13)
Total shareholder return (%)	113.9	140.6	196.7	198.2	309.0
(Compared with TOPIX Total Return Index) (%)	(102.5)	(125.2)	(148.9)	(173.1)	(239.3)
Highest share price (Yen)	88,230	37,550 (86,920)	48,040	55,310	88,690
Lowest share price (Yen)	54,310	26,410 (71,070)	31,140	41,650	44,380

(Notes) 1. The highest and lowest share prices were recorded on the Tokyo Stock Exchange (Prime Market).

2. Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. Equity per share, dividends per share (figures in parentheses indicate interim dividends), basic earnings per share, and diluted earnings per share have been calculated assuming this stock split was conducted at the beginning of 61st year. Highest and lowest share price of 62nd Year are after stock split, and the number in ( ) indicate highest and lowest share price before stock split.

3. Corporate Profile

A. History

In March 1949, Hitoshi Yanai, the father of our current Chairman, President, and CEO Tadashi Yanai, founded Men's Shop Ogori Shoji in Ube City, Yamaguchi Prefecture. To solidify the management foundation, the business later became incorporated in May 1963 under the name Ogori Shoji Co., Ltd.

In June 1984, the Fukuromachi Store, a store specializing in casual clothing, opened its doors in Hiroshima City, Hiroshima Prefecture as the first UNIQLO.

The Company's history:

Date	Summary
May 1963	Tadashi Yanai takes over the family business and transforms it into Ogori Shoji Co., Ltd., capitalized at 6 million yen, with headquarters at 63-147 Ogushi Village, Ube City, Yamaguchi Prefecture (now 2-12-12 Chuo-cho, Ube City, Yamaguchi Prefecture).
June 1984	UNIQLO's first location, the Fukuromachi Store, opens in Hiroshima (closed in 1991), marking the move into casual wear retailing with stores named UNIQLO.
September 1991	Ogori Shoji Co., Ltd. changes its name to FAST RETAILING CO., LTD., to embody its approach to business.
April 1992	The main Ogori Shoji store, selling menswear, is converted to the UNIQLO Onda store (closed in 2001). All the stores are completely renovated as casual clothing stores matching the UNIQLO brand.
April 1994	The number of UNIQLO stores in Japan rises above 100 (109 directly operated stores, 7 franchises).
July 1994	FAST RETAILING CO., LTD. lists its shares on the Hiroshima Stock Exchange.
April 1997	FAST RETAILING CO., LTD. lists its shares on the second section of the Tokyo Stock Exchange.
February 1998	Construction of the head office is finished (717-1 Sayama, Yamaguchi City, Yamaguchi Prefecture) to expand the Company's headquarters capacity.
November 1998	The first urban UNIQLO store opens in Shibuya-ku, Tokyo (UNIQLO Harajuku store, closed in 2007).
February 1999	FAST RETAILING CO., LTD. lists its shares on the first section of the Tokyo Stock Exchange.
April 1999	UNIQLO Shanghai office opens to further enhance production management.
April 2000	Tokyo head office opens in Shibuya-ku, Tokyo.
October 2000	Online store launches to open a new sales channel and make shopping easier for customers.
March 2001	Fast Retailing establishes the Social Contribution Office.
September 2001	FAST RETAILING (U.K) LTD. opens first four UNIQLO stores in London.
December 2001	Starts providing clothing support to Afghan refugees.
September 2002	Fast Retailing (Jiangsu) Apparel Co., Ltd. opens first two UNIQLO China stores in Shanghai.
January 2004	FAST RETAILING CO., LTD. invests in LINK HOLDINGS CO., LTD. (now LINK THEORY JAPAN CO., LTD.), the developer of Theory brand business apparel.
May 2004	Starts monitoring working environments at partner factories.

Date	Summary
August 2004	Capital reserves of 7 billion yen integrated into capital, increasing total capital to 10.273 billion yen.
November 2004	Establishment of UNIQLO USA, Inc.
March 2005	Establishment of UNIQLO HONG KONG, LIMITED.
April 2005	Establishment of FR FRANCE S.A.S. (now COMPTOIR DES COTONNIERS S.A.S.) and GLOBAL RETAILING FRANCE S.A.S. (now UNIQLO EUROPE LTD).
May 2005	Acquires management control of Nelson Finance S.A.S. (now CRÉATIONS NELSON S.A.S.), the developer of the COMPTOIR DES COTONNIERS brand, and makes it a subsidiary.
November 2005	Adopts a holding company structure to reinforce the UNIQLO brand and develop new business opportunities.
December 2005	Fast Retailing Establishes Group CSR Department.
February 2006	Makes equity investment in, and makes a subsidiary of, PETIT VEHICULE S.A.S. (now PRINCESSE TAM. TAM S.A.S.), developer of PRINCESSE TAM.TAM, a well-known brand of lingerie in France.
March 2006	Establishes G.U. CO., LTD. to manage a new brand of less expensive casual clothing to follow UNIQLO.
September 2006	Starts All-Product Recycling Campaign (which becomes RE.UNIQLO from 2020).
November 2006	UNIQLO Soho New York Store opens as the brand's first global flagship store.
November 2007	UNIQLO 311 Oxford Street Store opens in London as the brand's first global flagship store in Europe.
December 2007	First UNIQLO France store opens in the Paris suburbs La Defense.
March 2009	LINK THEORY HOLDINGS CO., LTD. (now LINK THEORY JAPAN CO., LTD.) becomes a subsidiary through a takeover bid.
April 2009	First UNIQLO Singapore store opens in the Tampines 1 Mall (closed in 2021).
October 2009	UNIQLO Paris Opera Store opens in France as a global flagship store.
March 2010	UNIQLO establishes a wholly owned subsidiary in Taiwan.
April 2010	First UNIQLO Russia store, UNIQLO Atrium, opens in Moscow (closed in 2023).
May 2010	UNIQLO Shanghai West Nanjing Road Store opens in China as a global flagship store.
October 2010	First UNIQLO Taiwan store opens in Taipei.
November 2010	First UNIQLO Malaysia store opens in Kuala Lumpur.
February 2011	Fast Retailing agrees to conclude a global partnership with the United Nations High Commissioner for Refugees (UNHCR) to strengthen All-Product Recycling Campaign and other activities.
September 2011	First UNIQLO Thailand store opens in Bangkok.
October 2011	UNIQLO Fifth Avenue Store opens in New York as a global flagship store.
November 2011	UNIQLO Myeongdong Jungang Store opens in Seoul, South Korea as a global flagship store (closed in 2021).
March 2012	UNIQLO Ginza Store opens in Tokyo as a global flagship store.
June 2012	First UNIQLO Philippines store opens in Manila.
April 2013	UNIQLO Lee Theatre opens in Hong Kong as a global flagship store.
June 2013	UNIQLO Lotte Shopping Avenue Store opens as the first UNIQLO Store in the Republic of Indonesia.
September 2013	UNIQLO global flagship store opens in Shanghai.
September 2013	First GU overseas store opens in Shanghai.
March 2014	HDRs (Hong Kong Depository Receipts) listed on the Main Board of The Stock Exchange of Hong Kong Limited.
April 2014	First UNIQLO Australia store opens in Melbourne.

Date	Summary
April 2014	First UNIQLO Germany store opens in Berlin, Tauenzienstrasse as a global flagship store.
July 2015	Fast Retailing joins the Fair Labor Association (FLA).
October 2015	First UNIQLO Belgium store opens in Antwerp.
December 2015	Fast Retailing issues 250 billion yen in unsecured straight bonds.
April 2016	Construction completed on state-of-the-art distribution center in Ariake, Tokyo.
September 2016	UNIQLO Orchard Road Store opens as the first UNIQLO global flagship store in Southeast Asia.
September 2016	First UNIQLO Canada store opens in Toronto.
November 2016	Changes the name of the CSR Department to the Sustainability Department
February 2017	UNIQLO CITY TOKYO Ariake Office opens. UNIQLO product and commercial functions moved from Roppongi Office to Ariake Office.
February 2017	Publishes a list of major garment factories.
September 2017	First UNIQLO Spain store opens in Barcelona.
June 2018	Issues 250 billion yen worth of unsecured straight bonds.
August 2018	Sweden's first UNIQLO store opens in Stockholm.
September 2018	The Netherlands' first UNIQLO store opens in Amsterdam.
October 2018	UNIQLO Manila Store, UNIQLO's global flagship store, opens in the Philippines.
October 2018	Fast Retailing entered into a logistics-related strategic global partnership with Daifuku Co., Ltd.
November 2018	Signs the United Nations Global Compact.
November 2018	Publishes a list of major materials factories.
April 2019	Denmark's first UNIQLO store opens in Copenhagen.
September 2019	Italy's first UNIQLO store opens in Milan.
October 2019	India's first UNIQLO store opens in New Delhi.
November 2019	Fast Retailing entered into a logistics-related strategic global partnership with MUJIN, Inc. and Exotec Solutions SAS.
December 2019	First UNIQLO Vietnam store opens in Ho Chi Minh City.
June 2020	Opening of UNIQLO TOKYO, Japan's largest global flagship store, in Ginza.
November 2021	UNIQLO global flagship store, UNIQLO Beijing Sanlitun, opens in Mainland China.
December 2021	Establishes FY 2030 sustainability targets and action plan.
April 2022	Company listing moves to the Tokyo Stock Exchange Prime Market.
April 2023	UNIQLO opens a new roadside store, the "UNIQLO Maebashi Minami Inter Store"
October 2023	UNIQLO opens its first store in Luxembourg.
September 2024	GU opens its first store in the United States, GU NY SOHO, in New York.
September 2024	The first UNIQLO Poland store opens in Warsaw.
October 2024	The UNIQLO Shinjuku HONTEN global flagship store opens in Tokyo.
October 2025	The UNIQLO UMEDA global flagship store opens in Osaka.
May 2026	The UNIQLO Myeongdong global flagship store opens in Seoul, South Korea.
October 2026	The UNIQLO SHANGHAI global flagship store opens in Mainland China.
November 2026	The UNIQLO KYOTO global flagship store opens in Kyoto.

B. Our Business

The Group consists of FAST RETAILING CO., LTD. (the "Company", the "Parent", or the "Reporting entity"), 64 consolidated subsidiaries, and 5 associates accounted for using the equity method.
Details of the Group's businesses as well as the positioning of the Company and its main associates relative to the businesses are as follows.
The segment categories in this section of the report are the same as the segment categories in the section headed "(6) Notes to the consolidated financial statements on D. Consolidated Financial Statements in 10. Financial Information."

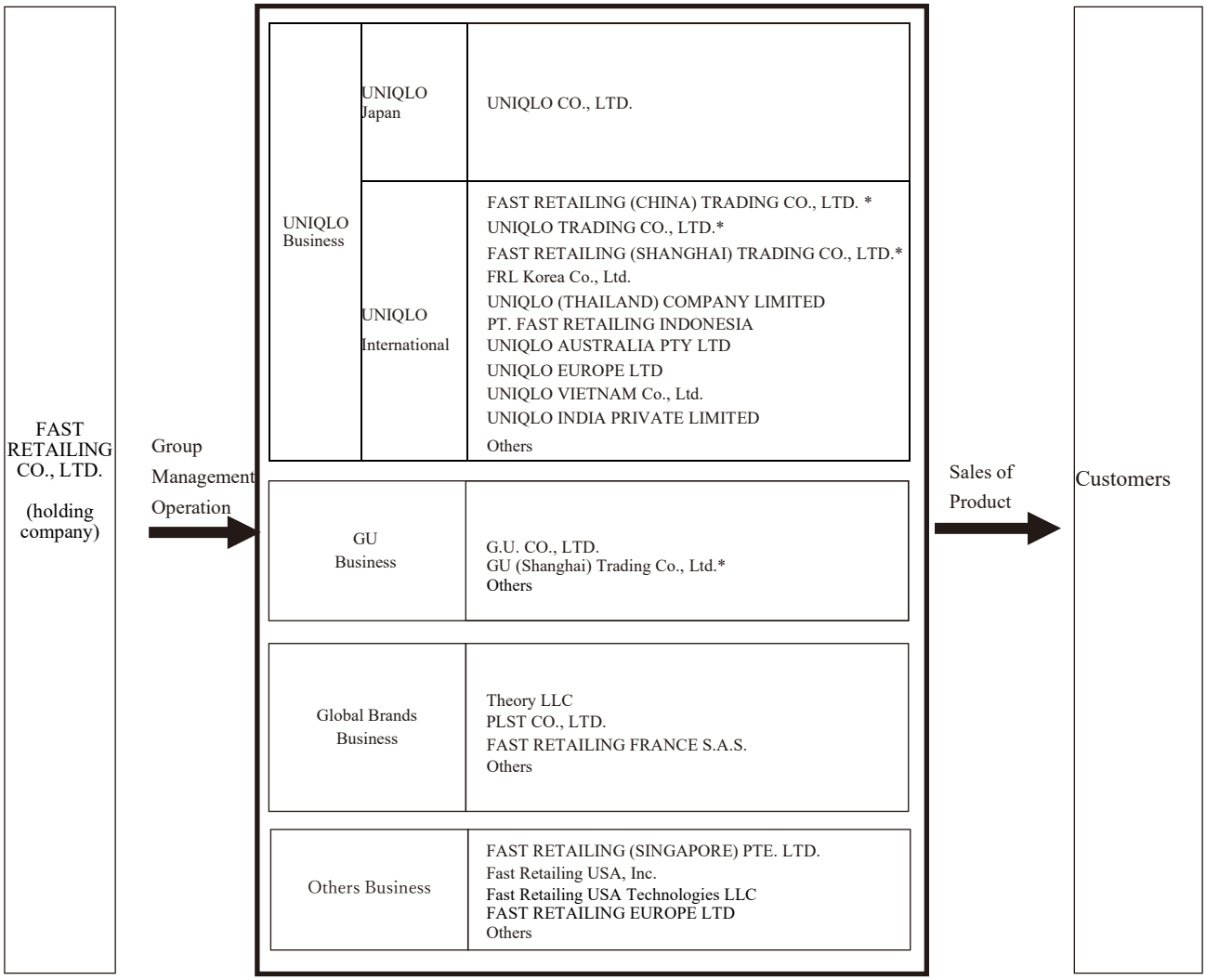
Category	Company name	Reportable Segment
Holding company	FAST RETAILING CO., LTD.	Others
Major Consolidated subsidiaries	UNIQLO CO., LTD.	UNIQLO Japan
	FAST RETAILING (CHINA) TRADING CO., LTD.*	UNIQLO International
	UNIQLO TRADING CO., LTD.*	UNIQLO International
	FAST RETAILING (SHANGHAI) TRADING CO., LTD.*	UNIQLO International
	FRL Korea Co., Ltd.	UNIQLO International
	FAST RETAILING (SINGAPORE) PTE. LTD.	Others
	UNIQLO (THAILAND) COMPANY LIMITED	UNIQLO International
	PT. FAST RETAILING INDONESIA	UNIQLO International
	UNIQLO AUSTRALIA PTY LTD	UNIQLO International
	Fast Retailing USA, Inc.	Others
	Fast Retailing USA Technologies LLC	Others
	FAST RETAILING EUROPE LTD	Others
	UNIQLO EUROPE LTD	UNIQLO International
	UNIQLO VIETNAM Co., Ltd.	UNIQLO International
	UNIQLO INDIA PRIVATE LIMITED	UNIQLO International
	G.U. CO., LTD.	GU
	GU (Shanghai) Trading Co., Ltd.*	GU
	FAST RETAILING FRANCE S.A.S.	Global Brands
	Theory LLC	Global Brands
	PLST CO., LTD.	Global Brands
	Other consolidated subsidiaries (44 companies)	UNIQLO International / GU / Global Brands / Others
Associates accounted for using the equity method	Associates accounted for using the equity-method (5 companies)	Others

* The English names of all subsidiaries established in the People's Republic of China ("PRC") are translated for identification only.

(Notes) 1. "UNIQLO" business means the retail business of UNIQLO brand casual apparel in Japan and overseas.
2. "GU" business means the retail business of GU brand casual apparel in Japan and overseas.
3. "Global Brands" business means the planning, retail, and manufacturing of apparel in Japan and overseas.
4. "Others" includes real estate leasing businesses.
5. The Company corresponds to a specified listed company, etc. as stipulated in Article 49-2 of the Cabinet Office Ordinance on Restrictions on Securities Transactions. As a result, assessment of the minimal standard for material facts under the insider trading regulations is based on the consolidated numerical data.

The organizational structure is as follows:

Business Structure



* The English names of all subsidiaries established in PRC are translated for identification only.

C. Subsidiaries and Associates

Name	Location	Nominal value of issued ordinary / registered share capital (Thousands)	Details of main businesses	Ownership ratio of voting rights	Relationship
(Consolidated subsidiaries) UNIQLO CO., LTD.	Yamaguchi City, Yamaguchi Prefecture	JPY1,000,000	UNIQLO Japan	100.0%	Concurrent directorships Lending and borrowing of funds Receipt of service fee etc. Receipt of lease payments
FAST RETAILING (CHINA) TRADING CO., LTD.*	Shanghai, PRC	USD20,000	UNIQLO International	100.0%	Concurrent directorships Receipt of service fee etc.
UNIQLO TRADING CO., LTD.*	Shanghai, PRC	USD30,000	UNIQLO International	100.0%	Concurrent directorships Receipt of service fee etc.
FAST RETAILING (SHANGHAI) TRADING CO., LTD.*	Shanghai, PRC	USD35,000	UNIQLO International	100.0%	Concurrent directorships Receipt of service fee etc.
FRL Korea Co., Ltd.	Seoul, South Korea	KRW24,000,000	UNIQLO International	51.0%	Concurrent directorships Receipt of service fee etc.
FAST RETAILING (SINGAPORE) PTE. LTD.	Republic of Singapore	SGD86,000	Others	100.0%	Concurrent directorships Receipt of service fee etc.
UNIQLO (THAILAND) COMPANY LIMITED	Bangkok, Kingdom of Thailand	THB1,820,000	UNIQLO International	75.0% (75.0%)	Receipt of service fee etc.
PT. FAST RETAILING INDONESIA	Jakarta, Republic of Indonesia	IDR115,236,000	UNIQLO International	75.0% (75.0%)	Concurrent directorships Receipt of service fee etc.
UNIQLO AUSTRALIA PTY LTD	Melbourne, Australia	AUD21,000	UNIQLO International	100.0% (100.0%)	Receipt of service fee etc.
Fast Retailing USA, Inc.	New York, United States of America	USD8,201,621	Others	100.0%	Concurrent directorships Receipt of service fee etc.
Fast Retailing USA Technologies LLC	Delaware, United States of America	USD100,000	Others	100.0% (100.0%)	Concurrent directorships
FAST RETAILING EUROPE LTD	London, United Kingdom	EUR1,401,002	Others	100.0%	Concurrent directorships Receipt of service fee etc.
UNIQLO EUROPE LTD	London, United Kingdom	GBP40,000	UNIQLO International	100.0% (100.0%)	Concurrent directorships Receipt of service fee etc.
UNIQLO VIETNAM Co., Ltd.	Ho Chi Minh, Vietnam	USD15,800	UNIQLO International	75.0% (75.0%)	Receipt of service fee etc.
UNIQLO INDIA PRIVATE LIMITED	New Delhi, Republic of India	INR2,000,000	UNIQLO International	100.0%	Receipt of service fee etc.
G.U. CO., LTD.	Yamaguchi City, Yamaguchi Prefecture	JPY10,000	GU	100.0%	Concurrent directorships Lending and borrowing of funds Receipt of service fee etc. Receipt of lease payments
GU (Shanghai) Trading Co., Ltd.*	Shanghai, PRC	USD62,090	GU	100.0%	Concurrent directorships Receipt of service fee etc.
FAST RETAILING FRANCE S.A.S.	Paris, France	EUR2,000	Global Brands	100.0%	Concurrent directorships Lending of funds Guarantees Receipt of service fee etc.
Theory LLC	New York, United States of America	USD1,101	Global Brands	100.0% (100.0%)	Concurrent directorships Receipt of service fee etc.
PLST CO., LTD.	Yamaguchi City, Yamaguchi Prefecture	JPY10,000	Global Brands	100.0%	Concurrent directorships Lending and borrowing of funds Receipt of service fee etc. Receipt of lease payments
Other consolidated subsidiaries (44 companies)	-	-	-	-	-
Associates accounted for using the equity method (5 companies)	-	-	-	-	-

* The English names of all subsidiaries established in the PRC are translated for identification only.

(Notes) 1. The information given in the “Details of main businesses” column is the name of the business segment.
2. UNIQLO CO., LTD., FAST RETAILING (CHINA) TRADING CO., LTD., UNIQLO TRADING CO., LTD., FAST RETAILING (SHANGHAI) TRADING CO., LTD., FRL Korea Co., Ltd., FAST RETAILING (SINGAPORE) PTE. LTD., UNIQLO (THAILAND) COMPANY LIMITED, PT. FAST RETAILING INDONESIA, UNIQLO AUSTRALIA PTY LTD, Fast Retailing USA, Inc., Fast Retailing USA Technologies LLC, FAST RETAILING EUROPE LTD, UNIQLO EUROPE LTD, UNIQLO VIETNAM Co., Ltd., UNIQLO INDIA PRIVATE LIMITED and GU (Shanghai) Trading Co., Ltd. are specified subsidiaries.
3. Figures in parentheses in the “Ownership ratio of voting rights” column indicate the ratio of voting rights held by a Group subsidiary.
4. Net sales (excluding internal sales between other member companies of the consolidated Group) of UNIQLO CO., LTD. FAST RETAILING (CHINA) TRADING CO., LTD. and UNIQLO EUROPE LTD are greater than 10% of consolidated revenue. Key elements of profit / loss and financial position for the fiscal year ended 31 August 2026 are as below.

UNIQLO CO., LTD.

(1) Revenue	1,084,843 million yen
(2) Profit before income taxes	269,132 million yen
(3) Profit for the year	189,077 million yen
(4) Total equity	285,305 million yen
(5) Total assets	908,775 million yen

FAST RETAILING (CHINA) TRADING CO., LTD.

(1) Revenue	513,450 million yen
(2) Profit before income taxes	87,682 million yen
(3) Profit for the year	66,080 million yen
(4) Total equity	107,359 million yen
(5) Total assets	238,978 million yen

UNIQLO EUROPE LTD

(1) Revenue	512,651 million yen
(2) Profit before income taxes	94,281 million yen
(3) Profit for the year	70,728 million yen
(4) Total equity	202,119 million yen
(5) Total assets	383,867 million yen

4. Management Discussion and Analysis

A. Business Policy and Environment

The statements with regard to the future are based on management decision and projections made by the Company based on information available at the time of the publication of this report (27 November 2026).

The Fast Retailing Group aims to provide all people worldwide with the joy, happiness, and satisfaction of wearing great clothes based on our corporate philosophy: Changing clothes. Changing conventional wisdom. Change the world.

LifeWear epitomizes our concept for simple, high-quality clothing that enriches people's lives and is carved from an earnest desire to satisfy everyday life needs. Global clothing standards are changing dramatically. Today, people only purchase essential clothes for comfortable everyday life, the clothes they truly need and want. It has become increasingly common for people to wear quality clothes for years that have been procured and produced using efficient, safe, and fair methods, and they expect those clothes to be recycled or reused. In light of these changing values, support for LifeWear is growing worldwide.

While geopolitical risks are rising globally, individuals are becoming increasingly connected and the global market increasingly integrated. AI-centered information technology is also evolving with increasing speed. By treating these changing business environments as growth opportunities and developing a proactive response, we aim to advance our evolution into a digital consumer retailing company and achieve a high level of sustained growth.

UNIQLO currently accounts for less than 1% of the apparel market in Europe and North America. Similarly, our market share in Southeast Asia, India and Australia and in the Greater China region is a mere few percent, so there is ample room for expansion. We also believe that GU, Theory, and our other global brands can become new growth pillars by enhancing their respective brand value based on LifeWear concepts. To that aim, we will focus management resources on the following issues and generate strong growth.

<Long-term Target>

As part of our aim to become an essential brand for everyday life that is trusted by customers worldwide, we will develop a leading global brand by expanding operations and improving the quality of our business and corporate culture. FY2023 marked the start of the fourth frontier, with an ultimate revenue target of 10 trillion yen. We are currently targeting interim sales of five trillion yen by FY2028, while strengthening our operational foundations.

<Issues We Need to Address>

(1) Training personnel to support global growth

We give all employees the opportunity to grow, conduct fair evaluations, and offer high compensation. We challenge employees through diverse career paths, conduct meritocracy-based evaluations, select candidates through repeated promotion and demotion, and get managers to nurture future managers. We will nurture employees with a managerial mindset who can implement their own ideas based on high standards and ideals, and develop an organization managed by elite teams.

(2) Pursuing a business model in which business development contributes to sustainability

We commit to only make the products that customers truly need, to protect the environment and human rights in the manufacture, transportation and retail of clothing, and establish a circular business that promotes after-sale product reuse and recycling. Our ultimate aim is to conduct ideal business activities in which the development of Fast Retailing also enriches societies and people's lives worldwide. We have determined 2030 targets for reducing greenhouse gases, establishing greater traceability, promoting product recycling and reuse and employee diversity, and pursuing social contribution activities, and are accelerating our efforts.

(3) Meeting customer needs and creating new customers

■Strengthen customer-oriented product manufacturing

We are accelerating efforts to develop products that customers truly desire and reflect changing lifestyles by collecting customer feedback through our global app and store network and incorporating findings into product development.

■Evolve independent store management

We will achieve greater customer satisfaction and productivity by improving product lineups tailored to regional demand and local store customers, enhancing SKU management, and refining information conveyance.

■Promote qualitative improvement of stores and e-commerce operations

We will expand our network by focusing on stores that showcase LifeWear and stores that serve as vital daily infrastructure. To integrate our physical and online shopping experience, we will review e-commerce operability and supply chain convenience and enhance the conveyance of pertinent information.

■Evolving the digital consumer retailing industry

Information technology advances are changing customer needs, lifestyles, and purchasing behavior. We will continue to focus on transforming our business using AI and other digital technologies to ensure we always meet customer needs and achieve high customer satisfaction.

(4) Diversifying Group and global earnings pillars

■Accelerate UNIQLO International growth

In North America and Europe, we will aim to generate high growth by expanding same-store sales and e-commerce sales and accelerating global flagship store and large-format store openings. We will build stronger management frameworks by enhancing local staff training and promotion. In Southeast Asia, India and Australia, we will continue to generate strong near-term growth and establish platforms for accelerating future growth in terms of store operations, product mixes, and human resource development. In the Greater China region, we will restore growth by promoting scrap and build and other structural reforms and by strengthening branding and local store management.

■UNIQLO Japan to lead business transformation and aim to generate continuous growth

We will aim to achieve stable sales and profit growth by building larger stores, turning stores into effective media channels, improving discounts, enhancing productivities, and pursuing other reforms.

■GU operation evolving into a new stage of growth

We will establish a solid brand position by creating unique GU brand value (No. 1 fashion among young people, amazing prices, and attractive styling), while thoroughly reviewing management fundamentals and providing the ultimate shopping experiences.

■Global Brands to propel structural reform

We will aim to improve management capabilities at each operation and establish a solid brand position in each market by leveraging UNIQLO business principles and digital consumer retailing industry platforms.

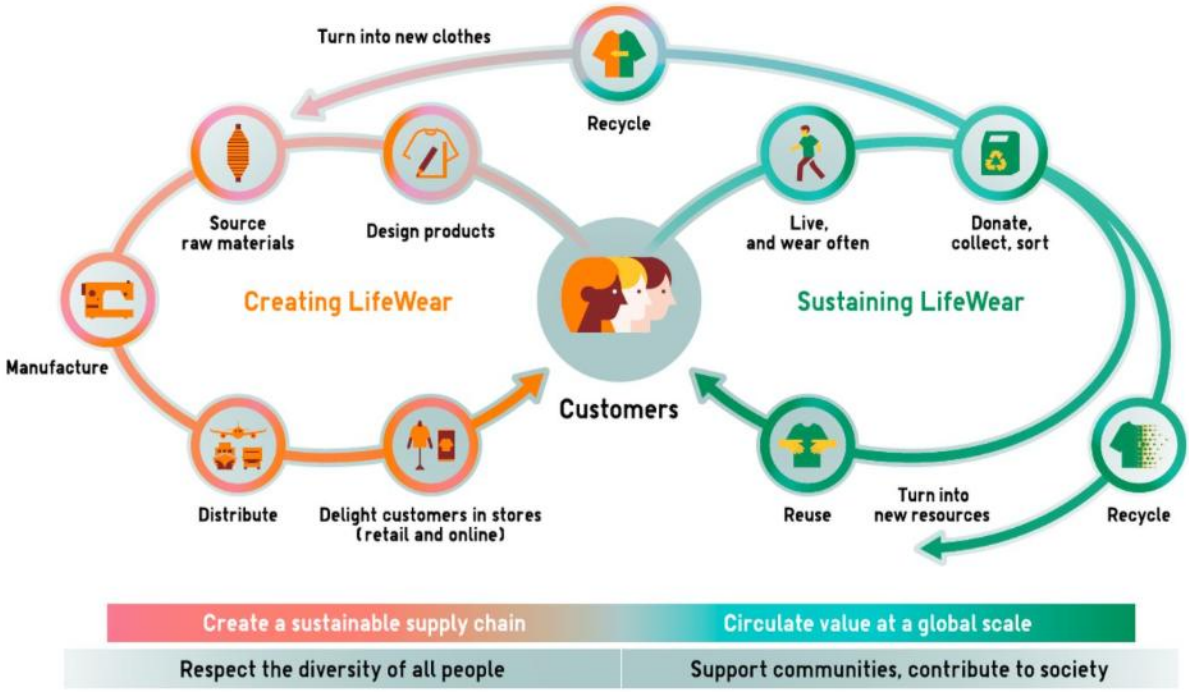
(5) Establishing earnings and cost structures to suit an inflationary era

We will seek to expand sales by offering greater product value at competitive prices to encourage greater customer support, while also striving to continuously improve productivity and maintain and improve profitability. In addition, we will eliminate waste, while promoting proactive future growth investment in human resources, IT, stores, and logistics and building a platform for sustainable growth.

B. Sustainability Approach and Initiative

Fast Retailing's corporate philosophy is to “Changing clothes, Changing conventional wisdom, Change the world.” We continue our business activities with the aim of changing the world for the better by creating and selling good clothing. When we say, “good clothing,” we mean clothes that are simple, high quality, long-lasting, and can enrich the lives of all people. This phrase also refers to clothes that are made using revolutionary technologies to facilitate our co-existence with the natural world and do not impose an undue burden on the Earth. These clothes are hand-made by a diverse array of people working energetically in environments that carefully protect their health, safety, and human rights. LifeWear is a brand that gives form to these ideas.

Fast Retailing has been engaged in a variety of sustainability activities for quite some time: in 2001 we established our Social Contributions Office (now the Sustainability Department) and started to provide support for refugees, in 2004 we implemented our Production Partner Code of Conduct as well as work environment monitoring, and in 2006 we expanded recycling activities to include all of our products. We believe that the LifeWear concept is sustainability itself, and we promote sustainability activities as an integral part of our business. Below is a diagram of our entire business model in this way.”



The LifeWear creation process seeks to reduce waste wherever possible by making and selling only the items that customers really need. We aim to establish a manufacturing framework with low environmental impact by reducing greenhouse gas emissions and waste in all processes, from production through transportation and retail. We are also strengthening our commitment to human rights throughout our supply chain, and we hope that doing so will bring our customers greater peace of mind. In addition, we take responsibility for clothes even after they are sold by donating clothing collected from customers to refugees, selling pre-owned clothes, and utilizing innovative services and technologies such as clothes-to-clothes recycling to ensure the LifeWear is continuously utilized over a long period. To help solve increasingly complex social issues, we will globally expand contributions to society through our clothing business and diversity initiatives. We intend to create a new industry through these initiatives that not only deals with clothing as products, but also manages the clothing manufacturing process, sales methods, and post-sale clothing projects. We intend to pursue tandem goals of contributing to a sustainable society and growing our business by presenting an unprecedented form of fashion to the world.

Matters concerning the future mentioned in this section are determined by the Group as at the end of the current fiscal year.

Below, we will be discussing the (i) governance, (ii) strategy, (iii) risk management, and (iv) metrics and targets associated with (1) sustainability in general, (2) climate change (Initiatives with Respect to TCFD Recommendations), and (3) human capital and diversity.

(1) Sustainability in general

(i) Governance

Fast Retailing has established a Sustainability Committee to promote sustainability activities in tandem with our business operations. Sustainability Committee meetings are attended by our Executive directors (including our representative director as the chairperson of the committee), non-executive directors, Audit & Supervisory Board members, external experts, and relevant executive officers, and involve discussions regarding various sustainability policies, measures plans, targets and issues and directions of individual activities from a variety of different perspectives, and also, based on progress reports on each area, including environment, human rights, and social contribution, serve as opportunities to provide advice, recommendations, and supervision to departments executing business operations. Meetings for the Sustainability Committee were held four times this fiscal year, and were host to discussions regarding sustainability activities pertaining to topics such as climate change, water resource management, social contribution, regulatory compliance, marketing and PR. The Sustainability Committee also discussed how best to communicate with customers and other stakeholders in order to solicit their participation in our social contribution activities.

We engage in debate, offer advice, and provide supervision regarding risks associated with key matters such as the environment and human rights during meetings of committees attended by internal and non-executive directors, Audit & Supervisory Board members, external experts, and executive officers, such as the Risk Management Committee, the Human Resources Committee, the Human Rights Committee, the Code of Conduct Committee, and the Corporate Transaction Ethics Committee. Furthermore, the Audit & Supervisory Board recognizes various issues pertaining to sustainability as risks, and requests reports from departments executing business operations as appropriate.

At Fast Retailing, the Company Chairman and President, who occupies the highest position of authority in terms of sustainability, appoints directors and executive officers in charge of sustainability. To enable them to evaluate and manage the impacts, risks, and opportunities presented by their specific areas of responsibility, those directors and executive officers supervise relevant departments, receive reports on a regular basis, and make management decisions. Additionally, evaluation standards of variable remuneration for directors and executive officers in charge of sustainability-related matters include the evaluation of results pertaining to quantitative and qualitative goals set for the matters for which they are responsible.

Managers of each operation and company play a central role in implementing initiatives in cooperation with the Sustainability Department in order to facilitate the steady and integrated pursuit of sustainability activities and business growth. For example, we have positioned sustainability activities as a priority issue within Fast Retailing's transformative Ariake Project*. Each department involved in supply chain management, including in-store and e-commerce sales, production, and distribution, appoints a person in charge of individual sustainability issues ranging from reducing greenhouse gas emissions, eliminating waste, developing products using recycled materials, and establishing traceability. Metrics and targets have been set, and various initiatives are being pursued.

*The Ariake Project is tasked with transforming Fast Retailing into a digital consumer retailing company that connects directly with its customers, turns customer feedback and global information into superior products, and delivers those products in the most efficient and effective way. The project also seeks to use digital and other technologies to change the structure of the supply chain and the way the Company and its

employees operate, and to expand global business while creating a business model that makes, transports, and sells only what is necessary, because we believe this is the way to improve customer satisfaction and solve sustainability issues, such as reducing environmental impact.

(ii) Strategy

As part of our management strategy, Fast Retailing has identified six priority areas (materialities) in our sustainability activities. To specify these priority areas, we identified key issues by referencing the Sustainable Development Goals (SDGs) announced by the United Nations as well as the indicators defined by evaluation organizations for Environment, Social and Governance (ESG), extracted the most critical factors in light of their importance to the Company, and the impact they would have on our customers and other stakeholders (as well as their expectations regarding those factors), and engaged in deliberations within the Sustainability Committee. These six priority areas (materialities) and their primary initiatives are as follows.

Priority Areas (Materialities)	Primary Initiatives
1. Creating new value through products and services	- Defining LifeWear as the concept underpinning our clothing production, we will pursue timeless designs from the design stage, and create finished clothing that is simple, high quality, highly functional, and will enjoy preferential use for a long period of time. - In addition to pursuing functionality and quality of clothing, we will work to resolve social issues and environmental problems, and create new values. - UNIQLO is promoting its RE.UNIQLO clothing repair and remake service to encourage the continuous utilization of clothing and help propel the transition to a circular society. It is also conducting REDUCE (offering clothing repair and remake and other services, REUSE (donating clothing and selling pre-owned clothes), and RECYCLE activities (developing products using recycling materials and other initiatives) to help customers experience the joy of wearing clothes for a long time and to reduce environmental impact.
2. Respecting human rights and working environments in our supply chain	- As we respect the human rights of all individuals who work in our supply chain, and believe that preparing proper working environments is a core responsibility of our company, we are working to both ensure traceability and enhance transparency. - We ask that our business partners observe our “Production Partner Code of Conduct” at their factories, and implement regular monitoring of their work environments in accordance with this Code. - We have also established a hotline for employees at our main sewing and material factories, and are working with our production partners to quickly identify and correct issues.

Priority Areas (Materialities)	Primary Initiatives
3. Respecting the environment	- We have set the following priority areas: “address climate change,” “improve energy efficiency,” “address biodiversity,” “manage water resources,” “manage chemical substances,” and “manage waste, maximize resource efficiency,” along with targets for each area, and are now engaged in relevant initiatives. - At our core garment factories and fabric mills, we utilize the Sustainable Apparel Coalition's environmental evaluation tool (the Higg Index) to measure environmental impacts and risks in seven areas, including energy, water, and waste, and use this information to work alongside these factories to reduce our impact on the environment. - For information on our climate change initiatives, please see “(2) Climate Change (Initiatives with Respect to TCFD Recommendations).” - We aim to achieve a net positive impact* on biodiversity over the long term. We are currently striving to avoid or minimize the impact of our business on biodiversity throughout our value chain and to promote the conservation and restoration of biodiversity
4. Coexisting and mutually prospering with communities	- We continue to provide support for people around the world placed in difficult situations, such as refugees, by donating clothes, providing employment, and supporting their efforts to become self-reliant. - We are donating all profits obtained through our “PEACE FOR ALL” charity t-shirt project to international humanitarian organizations. - We are providing educational and social advancement support in order to help empower the children and youth who will lead in the future.
5. Supporting employee fulfillment	- We are engaging in diversity and inclusion efforts at the global level, centered around gender equality, diversity of race, ethnicity, and nationality, promotion of active participation by people with disabilities, and promoting the understanding of sexual diversity (LGBTQ+). - We provide all of our employees with growth opportunities, and are engaged in efforts to develop personnel who are capable of playing an active role at the global stage. - Please see “A. Basic Policy on Human Resource Strategy in 9. Employees” for our human capital initiatives.
6. Managing correctly	- We are enhancing the independence and supervisory functions of the Board of Directors by ensuring that a majority of the directors are from outside the Company. - The Board of Directors is supported by various committees that supplement the functions of the Board, and these committees engage in open and vibrant deliberations. - Please see “7. Corporate Governance Report” for details.

*A state in which positive impact on biodiversity exceeds negative impact

(iii) Risk management

Fast Retailing has established a Risk Management Committee to regularly identify potential risks that may befall our business activities, identify important risks, and strengthen the systems intended to manage them. Please see “C. Risk” for details on risk management, including individual risks.

(iv) Metrics and targets

Fast Retailing has established fiscal 2030 targets and action plans for key sustainability areas. Our targets and the progress we have made on primary initiatives are as follows.

Items	Targets	Progress on primary initiatives
Making clothes that care for the environment		
Reducing greenhouse gas emissions	Our Company's areas: - Reduce greenhouse gas emissions by 90% compared to their fiscal 2019 levels by fiscal 2030 - Increase ratio of renewable energy used at our stores and main offices of Fast Retailing group to 100% by fiscal 2030	- Reduced greenhouse gas emissions by 90.3% compared to fiscal 2019, achieved our goal ahead of schedule. - In fiscal 2026 (preliminary), reduced by 93.3% compared to fiscal 2019, further reductions are underway. *1 - The renewable energy usage ratio stood at 93.5% in fiscal 2025 and at 95.4% in fiscal 2026 (preliminary).*1
	Supply chain areas: Reduce greenhouse gas emissions by 30% compared to their fiscal 2019 levels by fiscal 2030	- In fiscal 2025, reduced greenhouse gas emissions by 19.9% compared to fiscal 2019 (18.6% reduction in the previous year).*1
	Product areas: Increase the proportion of recycled materials and materials with low greenhouse gas emissions to approximately 50% by fiscal 2030	- Proportion of recycled materials and materials with low greenhouse gas emissions for all products has risen to 30.1% in fiscal 2026 (compared to 19.4% in the previous year). Recycled polyester accounts for 52.0% of all polyester usage (compared to 46.4% in the previous year).
Net positive impact on biodiversity	Achieve a net positive impact on biodiversity throughout the value chain over the long term by avoiding or minimizing the impact of our business on biodiversity and promoting the conservation and restoration of biodiversity	- Formulated and published our Biodiversity Conservation Policy in November 2023. - Conducted a risk assessment in the value chain and identified priority areas for response. - In raw material procurement, we define “recommended materials” as those whose adoption should be prioritized from the perspectives of biodiversity, water usage, human rights, and animal welfare, and we promote their sourcing. - In our production processes, we are working to reduce our impact on biodiversity through initiatives such as decreasing water intake, cutting emissions of hazardous chemical substances, and improving supply chain traceability.

Items	Targets	Progress on primary initiatives
Making clothes that care for the environment		
Reduced water use	Reduce per-unit water usage by 10% at the end of 2025 compared to 2020 levels at each of the major garment and materials factories accounting for 80% of the water used to make our products	- As at the end of December 2024, 65% of the target factories achieved their targets (51% in the previous year).[*2]
Waste reduction	Realize environmentally friendly manufacturing with minimal waste generation by reducing, replacing, reusing, and recycling materials used in the process of delivering clothes to our customers	- Made the reduction of single-use plastics a top priority. Began implementing internal guidelines for the procurement of plastic materials, including transport packaging bags and auxiliary materials in January 2025. We are working to reduce plastic bag usage for product transport, switch to single-material packaging, and promote collection and recycling. UNIQLO JAPAN and GU achieved a waste plastic recycling rate of 22.9% at stores and 84.2% at warehouses for the fiscal 2025. - Promoted the transition to alternative materials such as paper, recycled materials, and easily recyclable materials for items such as hangers and product packaging.
Elimination of hazardous chemical emissions	Eliminate emissions of hazardous chemicals in products and in production processes by the end of 2030	- As at the end of 2025, the ZDHC wastewater standard compliance rate for major sewing and fabric factories was 99.9 % (99.7% in the previous year).

Items	Targets	Progress on primary initiatives
Making clothes that care for people and society		
Improving transparency and traceability in the supply chain	- Enhance transparency in the supply chain and ensure traceability to the raw materials level - Identify and definitively address human rights, working environments, and environmental problems in the supply chain as a whole	- Continuously expanded the scope and detail of our supply chain disclosures regarding production partners. Disclosed on our Website all garment factories, with which we have ongoing transactions as at August 2026, subcontractors for a part of production processes and material plants that produce our product materials on an ongoing basis. - Enhanced supply chain traceability for UNIQLO and GU by continuously tracking logistics data and improving data accuracy. Specifically, conducted regular traceability audits for cotton materials and expanded this scope to 100% cashmere products starting with UNIQLO 2024 Fall/Winter collection, carrying out audits at washing factories and spinning mills. In addition, we will introduce pre-production audits for new factories before UNIQLO commences a business transaction. - Executed a Code of Conduct with major spinning mills in addition to garment factories and fabric mills, and advanced regular working environment audits. Launched a new audit program designed to identify human rights risks more effectively and enhance audit quality in fiscal 2025. This program evaluates risks specific to each country and factory, factory governance and management systems, and the reliability of information shared by factories. Implementation across all factories was completed in fiscal 2026. In addition, expanding the scope of audits beyond the production process to include areas such as logistics warehouses. - Promoted empowerment support for women working at our partner factories. In fiscal 2026, achieved the goal set for the end of 2025 for the career development support program for female employees at major partner garment factories in Bangladesh. A cumulative total of 4,119 individuals completed the training, and the proportion of female in supervisory and managerial roles at participating factories averaged 34.7%. - As a new initiative related to worker health and safety, undertaking the impact of heat stress caused by climate change on the health of workers in garment factories and implementing appropriate countermeasures. In fiscal 2026, we are conducting pilot surveys at factories in India and Vietnam, and are examining improvement

		measures, including the development of training programs.

Items	Targets	Progress on primary initiatives
Making clothes that care for people and society		
Procure raw materials in an ethical and responsible manner	Advance procurement of raw materials in an ethical and responsible manner by defining procurement policies for plant-based materials and animal-based materials	- Redefined “preferred materials” and established new guidelines for raw material procurement in order to give our customers peace of mind when purchasing our products. We establish criteria for items based on the characteristics of the material, such as greenhouse gas emissions, water usage, biodiversity, human rights, and animal welfare, and designate higher-priority options as “preferred materials.”
Global promotion of social contribution activities	- In collaboration with Fast Retailing, the Fast Retailing Foundation, and the Yanai Tadashi Foundation, further expand social contribution activities through clothing business on a global scale - Invest at a scale of 10 billion yen in social contribution activities in fiscal 2026. Implement community contribution activities at all stores around the globe to support 10 million refugees and other socially vulnerable people, people of the next generation, and those in the areas of culture, the arts, and sports. Expand clothing support to 10 million articles of clothing per year	- In fiscal 2026, we spent 11.5 billion yen[*3] on social contribution activities, and provided support in the form of 5.67 million[*4] articles of clothing. A total of 4.05 million people benefited from our efforts (Fiscal 2025 figures: 12.3 billion yen, 5.94 million items, and 4.85 million people respectively). - UNIQLO's proceeds from PEACE FOR ALL activities totaled 3,558 million yen from the start of June 2022 to fiscal 2026 (2,588 million yen in total at the end of the previous year).
Promotion of diversity and inclusion	- Increase the ratio of women in all management positions globally to 50% (30% executive officers) by fiscal 2030 - Increase the ratio of non-Japanese nationals to 80% of all managers across the Group including international operating companies (of which 40% of which are executive officers) and 50% of Global HQ (GHQ) function managers by fiscal 2030	- The ratio of women in management positions throughout the Group increased to 46.3% of which 9.1% are executive officers as at the end of August 2026, (45.5%, 9.3% in the previous year). - The ratio of non-Japanese managers reached 53.2% across the Group including international operating companies as at the end of August 2026 of which 20.0% are executive officers (53.6%, 16.7% in the previous year). The ratio of non-Japanese managers of GHQ functions stood at 33.7% (34.9% in the previous year). - Promoting global diversity and inclusion to create a workplace environment where diverse talent can thrive to the fullest and to realize our vision of “Global One and ZEN-IN KEIEI management principles.” In fiscal 2026, we held round-table discussions with executives and managers in each region where we operate. Through these sessions, we deepened a shared understanding of D&I and discussed the mindsets and behaviors necessary for members with

		diverse values and experiences to collaborate and drive results.

(Notes) 1 We plan to publish the actual results of the fiscal year ended August 2026 on the Company's Sustainability Website by April 2027.

2 We plan to publish the results as at December 2025 on the Company's Sustainability Website by around December 2026.
https://www.fastretailing.com/eng/sustainability/environment/

3 Includes activities by the FR Group, the FR Foundation, and the Tadashi Yanai Foundation, as well as activities by individuals.

4 Includes clothes collected from customers.

(2) Climate Change (Initiatives with Respect to TCFD Recommendations)

In order to reduce our impact on climate change, we are working to identify and reduce greenhouse gas emissions in our business activities across the board, including every stage from production to disposal of products. In promoting our initiatives, we respect the long-term goal (the Paris Agreement) of reducing greenhouse gas emissions by 2050, which was formulated based on the United Nations Framework Convention on Climate Change, and we set specific targets and promote activities geared toward achieving this goal.

(i) Governance and (iii) risk management

Please see "(i) Governance and (iii) Risk management in (1) Sustainability in general."

(ii) Strategy

In order to achieve the standards of the Paris Agreement, we are enhancing our initiatives to curb the rise in global average temperatures. We also understand the impact of climate-related risks and opportunities on our business, and are formulating and executing relevant strategies.

I Initiatives to Reduce Greenhouse Gas Emissions

Advancement of the Ariake Project	- By promoting the Ariake Project and executing it at a greater level, we will realize the goal of "neither creating, delivering, nor selling wasteful things," increase customer satisfaction, and reduce our impact on the environment. - We create products based on customer needs by analyzing a vast amount of information, including customer demands gathered through stores and e-commerce around the world.
Our Company's areas (Stores and Primary Offices)	- At our stores and primary offices, we are promoting energy conservation through initiatives such as the introduction of LED lighting and air conditioning operation control systems, improvements in the operation of lighting and air conditioning systems, and the design of highly energy-efficient stores. In order to achieve our target of using 100% renewable energy, we are, among other efforts, installing solar power generation facilities and utilizing both renewable energy menus provided by electric power companies and renewable energy certificates. Through these initiatives, we reduced greenhouse gas emissions by 90.3% in fiscal 2025 compared to fiscal 2019 and achieved the 2030 target ahead of schedule. In fiscal 2026, we further reduced emissions, achieving a 93.3% reduction (preliminary figure) compared to fiscal 2019. The renewable energy usage ratio stood at 93.5% in fiscal 2025 and 95.4% (preliminary figure) in fiscal 2026. Going forward, we will continue to reduce greenhouse gas emissions by further expanding the use of renewable energy, assessing the effectiveness of our initiatives by utilizing an energy and GHG data collection platform, and identifying further opportunities for emissions reductions.

Supply chain areas	- At UNIQLO and G.U.'s main plants, which account for approximately 90% of UNIQLO and G.U. production, we are promoting energy conservation, decarbonization, and the introduction of renewable energy by understanding individual issues that vary by country, region, and plant. We have formulated plans through 2030 to reduce greenhouse gas emissions at major factories and are confirming progress every three months and reviewing plans every year. We also provide support tailored to the needs of each factory, such as giving advice on introducing renewable energy and providing information on funding sources and high-efficiency equipment. Since May 2025, we have expanded energy-saving assessments to key material factories and key garment factories to support the formulation and implementation of their plans for measures such as phasing out coal use and upgrading equipment. Through these initiatives, we reduced greenhouse gas emissions in the target range by 19.9% in fiscal 2025 compared to fiscal 2019. As we are on track to achieve the original 2030 target of a 20% reduction ahead of schedule, we have raised the reduction target for fiscal 2030 to 30%. We are also working to increase the proportion of recycled materials and other materials with low greenhouse gas emissions to approximately 50% of all materials used, reduce coal use at factories by approximately 90%, switch at least 70% of the energy used to renewable energy, and improve energy efficiency by at least 50%.
Product areas	- We continue to transition to recycled materials and other materials with low greenhouse gas emissions. In particular, we are promoting the transition to recycled materials for synthetic fibers such as polyester because recycling technologies for these materials are being put into practical use. We are also advancing initiatives related to natural materials. For cotton, we are transitioning to cotton that is produced with consideration for water resources, soil, ecosystems, and the working environment of farmers, among other factors, and recognized by third-party certification bodies or similar organizations. For wool, we are conducting research and development together with our partner suppliers, including initiatives to adopt recycled wool. Our aim is to create materials that achieve the same quality and comfort as our existing products. Specifically, recycled polyester is used in UNIQLO's Dry-EX, AIRism, HEATTECH, and Furry Fleece product lines, while recycled nylon is used in the Round Mini Shoulder Bag. In addition, recycled cotton is used in some UT (graphic T-shirts) and jeans.

Advancement of RE.UNIQLO	- UNIQLO is promoting its RE.UNIQLO initiative, which aims to extend the life of clothing and ultimately recycle it as a resource. Through activities centered on REDUCE (reducing clothing waste), REUSE (promoting the reuse of still-wearable clothing), and RECYCLE (recycling unwearable clothing into new clothing and resources), we contribute to the realization of a circular society and the reduction of greenhouse gas emissions. - The REDUCE component involves providing clothing repair and remake services through RE.UNIQLO STUDIO, aiming to encourage customers to wear their favorite clothes longer. As of the end of August 2026, we offered RE.UNIQLO STUDIO services in 75 stores in 22 countries and regions. - REUSE activities focus on providing clothing aid to refugees and internally displaced persons and selling pre-owned clothes under the UNIQLO Pre-owned Clothes Project. In fiscal 2026, we began selling pre-owned clothes at UNIQLO Shinjuku 3-chome store. Currently, pre-owned clothes are available at three stores in Japan (UNIQLO Tenjin, UNIQLO Maebashi Minami Inter, and UNIQLO Shinjuku 3-chome stores). - The RECYCLE element involves initiatives to revive collected clothing items into new clothes and materials that we can then deliver back to our customers. For example, we extract the down and feathers from collected down jackets and use them as raw material for new down jackets. For the global sports event held in Italy in 2026, we provided the Swedish national team with official apparel, including hybrid down coats in which Pufftech and recycled down made entirely from down collected at UNIQLO stores were used selectively according to purpose.

II Scenario Analysis of Risks and Opportunities Related to Climate Change

At Fast Retailing, we believe that the key to ensuring sustainable business operations is anticipating, preventing, appropriately managing, and responding to existing and potential business risks. We evaluated the risks and opportunities that climate change poses to the Company and our supply chain, along with possible countermeasures, for scenarios where the average temperature increase by 2100 is under 2°C, and scenarios where the average temperature increase by 2100 is 4°C compared to pre-industrial levels, up to the year 2030.

-International Energy Agency (IEA) “Sustainable Development Scenario” and “Below 2°C Scenario (B2DS)”

-Intergovernmental Panel on Climate Change (IPCC) “Fifth Assessment Report (RCP8.5)”

III Risks and Opportunities Related to Climate Change

Risks	Below 2°C Scenario	Regulations	Carbon tax, carbon pricing, and regulations	The risk of cost increases in the supply chain caused by stronger carbon tax and other taxation systems or tighter regulations, which would result in higher production costs
				The risk of higher costs at Fast Retailing stores caused by stronger carbon tax and other taxation systems or tighter regulations
				The risk of an increase in distribution costs relating to EU fuel economy and emissions regulations, or a tightening in regulations in the markets where our production bases are located, such as China, Vietnam, Bangladesh, and Indonesia, or the markets where we retail clothing, such as Japan, Southeast Asia, and the EU
		Markets	Changing customer values	The risk of a decline in sales and reputation if Fast Retailing customers start to prefer materials, products, and services that have a low environmental impact and we are not able to meet those changing needs
	4°C Scenario	Acute and chronic	More frequent natural disasters	- The emergence of production stoppages or delays and distribution delays caused by the impact of natural disasters on raw materials production, damage to production facilities, or supply chain disruptions, resulting in a decrease in sales and rise in procurement costs - A decline in sales caused by the suspension of store operations in the wake of natural disaster
			Increasing temperatures	The risk of higher procurement costs due to the impact of changing weather patterns on raw material production
				The risk of decline in sales due to a product lineup that does not align with temperature changes
Opportunities	Below 2°C Scenario	Fast Retailing and supply chain		- Control cost rises in the supply chain by promoting energy conservation and introducing renewable energy, which would result in lower production costs - Control cost rises at Fast Retailing stores by introducing renewable energy and promoting energy conservation, which would result in lower costs - Improve brand image by improving reputation among customers
		Products and services		- Create new demand and improve our reputation among customers by developing new materials with low GHG emissions - Accelerate RE.UNIQLO activities to create fresh demand and improve our reputation among customers - Strengthen the communication of information on sustainability activities to improve our reputation among customers
	4°C Scenario	Products and services		- Create new demand with new functional materials - Boost demand for products designed to address environmental changes

IV Strategies for Addressing Risks and Opportunities Related to Climate Change

- While a certain level of demand is expected for our clothing, especially LifeWear, under both the less-than 2°C temperature increase scenario and the 4°C temperature increase scenario, customer needs are anticipated to change due to changes in temperatures and weather conditions, among other factors. Viewing these changes as business opportunities, we will develop materials with lower greenhouse gas emissions, recyclable products, and climate-friendly products (such as HEATTECH and AIRism) to further enhance the value of LifeWear, meet changing customer needs, and achieve sustainable business growth.

- If the below 2°C scenario is realized, we face risks of increase production and store prices, including increased taxes such as carbon taxes, tightened regulations, and increased electricity prices, but we can decrease these risks by promoting energy conservation and renewable energy use. Although there is a risk that logistics costs will rise if regulations such as fuel efficiency and exhaust gas regulations for automobiles and trucks are tightened in the European Union (EU) and other countries around the world, we can reduce these risks by promoting the transition to environmentally friendly vehicles such as hybrid vehicles and electric vehicles, and increasing logistics efficiency via the Ariake Project, among other efforts.

- If the 4°C scenario becomes a reality, the number of extreme weather events such as droughts and heavy rains, as well as physical risks such as water shortages may have an overwhelming impact on the overall supply chain for production, logistics, and sales. However, we can reduce these risks by diversifying suppliers such as raw materials suppliers and production factories, and engaging in long-term agreements and partnerships. With regard to logistics and stores, physical risks can be minimized through regional dispersion, location selection from a Business Continuity Plan (BCP) perspective, and disaster training. Furthermore, we can secure enough inventory of year-round staple products to enable us to respond flexibly to any sudden changes in temperature and prolonged hot summer weather.

- As Fast Retailing is an Specialty store retailer of Private label Apparel (SPA), we can flexibly address both potential and existing risks. We are implementing various responsive measures in anticipation of scenarios where temperature increase is not contained due to a failure to implement countermeasures against climate change, such as creating clothing that addresses changes to customer needs, dispersing suppliers of raw materials and production factories, diversifying transportation methods, and incorporating BCP perspectives in our selection of logistics bases and the locations of our existing stores.

- By engaging in appropriate information disclosures and holding discussions with our institutional investors and other stakeholders regarding the appropriateness of and our progress on these strategies, and addressing various ESG evaluation indicators, we believe we will be able to sustainably increase our corporate value.

(iv) Metrics and Targets

Fast Retailing Group has established the following FY 2030 targets and action plan with respect to climate change.

- 90% reduction (compared to fiscal 2019 levels) of greenhouse gas emissions stemming from energy use at our operating facilities, such as our stores ad primary offices (Scope 1 and Scope 2) by fiscal 2030
- 30% reduction (compared to fiscal 2019 levels) of greenhouse gas emissions stemming from raw materials production, materials production, and sewing associated with UNIQLO and G.U. products (Scope 3, Category 1) by fiscal 2030
- 100% of the electricity used at our self-operated facilities will be sourced from renewable energy by fiscal 2030

The international Science Based Targets initiative approved these goals as science-based targets (SBTs) — greenhouse-gas emissions reduction targets based on the targets set in the Paris Agreement. In addition, we will be strengthening our efforts toward realizing substantively zero greenhouse gas emissions by 2050.

The actual levels of greenhouse gas emissions and energy usage are as follows.

Scope 1, Scope 2, and energy usage data, as well as a part of Scope 3 emissions data for the fiscal 2025 have been granted limited assurance by a third-party organization to enhance reliability. See Sustainability Data Book on the following website.
https://www.fastretailing.com/eng/sustainability/report/data.html
Scope 1 and Scope 2 emissions and energy usage for fiscal 2026 are preliminary. The actual figures for Scope 1, Scope 2, and Scope 3 emissions and energy usage for fiscal 2026 are scheduled to be disclosed on our sustainability website by April 2027, following a limited assurance engagement by a third-party organization.
https://www.fastretailing.com/eng/sustainability/environment/climatechange.html

I Our Company (Stores, Offices, etc.)

Unit: t-CO2e, Range: Fast Retailing and its group companies

Scope		Fiscal 2019 (September 2018 to August 2019)	Fiscal 2024 (September 2023 to August 2024)	Fiscal 2025 (September 2024 to August 2025)	Fiscal 2026 (September 2025 to August 2026) (Preliminary)
Scope 1 (directly emitted by the Company)		12,295	8,760	9,301	7,719
Scope 2 (indirectly emitted by the Company)	By location	308,691	297,360	301,434	288,850
	By market	298,566	43,154	20,906	13,114
Comparison with fiscal 2019 (progress in reducing total Scope 1 and Scope 2 market-based values)		-	(83.3)%	(90.3)%	(93.3)%

Range: Fast Retailing and its group companies

Items		Unit	Fiscal 2019 (September 2018 to August 2019)	Fiscal 2024 (September 2023 to August 2024)	Fiscal 2025 (September 2024 to August 2025)	Fiscal 2026 (September 2025 to August 2026) (Preliminary*)
Energy usage	City gas usage	GJ	247,578	46,524	48,992	33,040
	LPG usage	GJ	138,759	108,231	113,665	100,931
	Electricity usage	kWh	561,629,357	610,359,495	626,516,342	615,067,538
Renewable energy procured		kWh	-	516,736,883	586,065,139	586,640,402
Ratio of renewable energy in electricity usage		%	-	84.7	93.5	95.4

* Scope 1 and Scope 2 emissions and energy usage for fiscal 2026 are preliminary. The actual figures are scheduled to be disclosed on our sustainability website by April 2027, following a limited assurance engagement by a third-party organization.

II Outside of Our Company (Supply Chain, etc.)

Unit: t-CO2e, Range: Fast Retailing and its group companies

Categories in Scope 3	Fiscal 2019 (September 2018 to August 2019)	Fiscal 2023 (September 2022 to August 2023)	Fiscal 2024 (September 2023 to August 2024)	Fiscal 2025 (September 2024 to August 2025)
1. Purchased Goods and Services	4,694,117	3,977,760	3,630,293	3,669,604
Category 1 emissions related to raw material production, material production, and sewing for products (UNIQLO and G.U., target range for fiscal 2030)	4,165,738	3,749,320	3,389,624	3,334,717
Compared to fiscal 2019	-	(10.0)%	(18.6)%	(19.9)%
2. Capital Goods (not applicable)	-	-	-	-
3. Fuel and Energy-related Activities (not included in Scope 1 or 2)	43,836	15,536	6,392	5,693
4. Upstream Transportation and Distribution	355,654	503,393	644,578	648,584
5. Waste Generated in Operations	120,006	97,879	87,429	84,948
6. Business Travel	6,655	14,891	14,680	14,340
7. Employee Commuting	61,120	54,809	54,031	52,779
8. Upstream Leased Assets	-	-	475	8,104
9. Downstream Transportation and Distribution (not applicable)	-	-	-	-
10. Processing of Sold Products (not applicable)	-	-	-	-
11. Use of Sold Products (not applicable)	-	-	-	-
12. End-of life Treatment of Sold Products	438,926	750,291	759,664	677,284
13. Downstream Leased Assets (not applicable)	-	-	-	-
14. Franchises	10,086	1,391	1,348	1,328
15. Investments (not applicable)	-	-	-	-

* Scope 3 emissions represent actual figures through fiscal 2025. The actual figures for the fiscal 2026 are scheduled to be disclosed by April 2027, following a limited assurance engagement by a third-party organization.

<Disclosure of Calculation Methodologies for Greenhouse Gas Emissions>

The Group calculates Scope 1 and Scope 2 greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (hereinafter referred to as the “GHG Protocol (2004)”). Scope 3 greenhouse gas emissions for the entire Group are calculated in accordance with the above-mentioned standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) (hereinafter referred to as the “GHG Protocol (2011)”).

(Approach to calculating greenhouse gas emissions)

To calculate greenhouse gas emissions in accordance with the GHG Protocol (2004), the Group adopts the operational control approach and includes in its reporting emissions from operations for which it has the authority to introduce and implement operating policies.

Scope 1 and Scope 2 cover stores, offices, warehouses, and factories managed and operated by the Group. In addition, a part of the electricity used for building-wide air conditioning and other systems centrally managed by facility operators is also included in the calculation of Scope 2 emissions.

Details of Scope 3 are described in “(C) Scope 3 greenhouse gas emissions.”

(Method of calculating greenhouse gas emissions)

The Group uses the following method to calculate greenhouse gas emissions.

If energy consumption data cannot be obtained from building operators or other relevant entities, emissions are estimated based on energy consumption per unit area.

(A) Scope 1 greenhouse gas emissions

The Group's calculation of Scope 1 greenhouse gas emissions mainly covers greenhouse gas emissions associated with the use of city gas and liquefied petroleum gas (LPG) in equipment at stores, offices, and other facilities managed and operated by the Group. Emissions are calculated based on an estimation method that multiplies city gas and LPG consumption during the current fiscal year by, in principle, emission factors published by government agencies available as of the end of that fiscal year.

City gas and LPG consumption for August is estimated based on actual consumption from September to July of the current fiscal year and consumption data from the previous fiscal year available as of the end of the reporting period.

(B) Scope 2 greenhouse gas emissions

The Group's calculation of Scope 2 greenhouse gas emissions mainly covers greenhouse gas emissions associated with the use of electricity at stores, offices, and other facilities. If electricity consumption for building-wide air conditioning and other systems centrally managed by facility operators cannot be separately identified from invoices or other documents, such consumption is included in the calculation of Scope 2 emissions.

- Location-based

Emissions are calculated based on an estimation method that multiplies electricity consumption at each site during the current fiscal year by emission factors from official information published by the government of each country or country-specific emission factors published by the IEA, available as of the end of that fiscal year.

- Market-based

Emissions are calculated based on an estimation method that multiplies electricity consumption for each electricity contract during the current fiscal year by, in principle, emission factors for each electricity contract during that fiscal year. If emission factors for each electricity contract are unavailable, emission factors from official information published by the government of each country or country-specific emission factors published by the IEA, available as of the end of that fiscal year, are used instead. Market-based emissions calculations reflect the environmental value of Power Purchase Agreements (PPA), renewable energy menus, non-fossil fuel energy certificates, Environmental Attribute Certificates, and other instruments.

For both location-based and market-based calculations, electricity consumption for August is estimated based on actual consumption from September to July of the current fiscal year and consumption data from the previous fiscal year available as of the end of the reporting period.

(C) Scope 3 greenhouse gas emissions

Emissions are calculated based on an estimation method that uses the following activity data and emission factors.

Category	Activity data, emission factors, and assumptions
Category 1: Purchased Goods and Services	- The calculation mainly covers emissions associated with raw material production, material production (including weaving, dyeing, and some spinning processes), and sewing in product manufacturing. It also includes emissions associated with advertising, store fixtures and materials, packaging, and auxiliary materials. - Emissions associated with raw material production are calculated by multiplying the weight of each material used in production [primary data] by the emission factor for each raw material in the Higg Materials Sustainability Index (MSI). The calculation covers spring/summer and fall/winter collections of the previous year. (For example, fiscal 2025 data cover spring/summer and fall/winter 2024 collections.) - For material production and sewing factories, emissions are calculated by adjusting energy consumption and other data obtained mainly from factories [primary data] according to the Group's procurement volume and multiplying the results by emission factors, primarily from the Higg Facility Environmental Module (FEM) and the IEA. - Energy consumption and other data provided by factories depend on the data management systems and accuracy levels of each factory and are subject to significant uncertainty regarding data availability and quality. Therefore, the Group uses the data verified by third parties in some cases and checks for abnormal values and other issues.
Category 3: Fuel- and Energy-related Activities (not included in Scope 1 or 2)	- Emissions are calculated by multiplying activity data for Scope 1 and Scope 2 that take into account renewable energy use [partly based on primary data] by emission factors in the Ministry of the Environment's Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains and IDEAv3.5.1 (IPCC 2021 without LULUCF, AR6) of the National Institute of Advanced Industrial Science and Technology.
Category 4: Upstream Transportation and Distribution	- The calculation mainly covers emissions associated with logistics in countries of production and sale and warehouses in countries of sale. - Emissions associated with logistics in countries of production are calculated based on the ton-kilometer method, mainly using transportation weight, mode, and distance data [primary data] obtained from logistics companies and in accordance with the Global Logistics Emissions Council (GLEC) Framework. - Emissions associated with logistics and warehouses in countries of sale are calculated using primary data when they can be obtained from logistics and other companies. If primary data are unavailable, emissions are calculated by multiplying costs, which are treated as activity data, by emission factors from sources such as the Ministry of the Environment's Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains.

Category	Activity data, emission factors, and assumptions
Category 5: Waste Generated in Operations	- For UNIQLO and GU, the main brands covered by the calculation, emissions are calculated by multiplying the total amount of waste generated at UNIQLO and GU, which is estimated based on the weight of waste by type generated at some UNIQLO and GU stores in Japan [primary data], by emission factors from sources such as the Ministry of the Environment's Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains and IDEAv3.5.1 (IPCC 2021 without LULUCF, AR6) of the National Institute of Advanced Industrial Science and Technology. - For brands without primary data, emissions are calculated by multiplying costs by the above-mentioned emission factors.
Category 6: Business Travel Category 7: Employee Commuting	- Emissions are calculated by multiplying the number of full-time employees, junior employees, part-time workers, and franchise employees [primary data] by emission factors in the Ministry of the Environment's Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains.
Category 8: Upstream Leased Assets	- The calculation mainly covers emissions from building-wide air conditioning systems over which the Group does not have operational control. - Conservatively assuming that building-wide air conditioning systems are used at all tenant stores, emissions are estimated based on gas consumption for building-wide air conditioning systems at some stores [primary data]. - The same emission factors as those for Scope 1 are used.
Category 12: End-of-life Treatment of Sold Products	- Emissions are calculated by multiplying the amount of materials used in manufactured products (raw material weight data obtained for Category 1) by emission factors in the Ministry of the Environment's Emission Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through Supply Chains and IDEAv3.5.1 (IPCC 2021 without LULUCF, AR6) of the National Institute of Advanced Industrial Science and Technology.
Category 14: Franchises	- The calculation mainly covers greenhouse gas emissions associated with electricity consumption at stores managed and operated by franchise owners. - The same emission factors and calculation method as those for Scope 2 are used.

The scope of the primary data used is described above. For data retrieved from the Group's accounting and HR systems, the Group has established an internal control system and uses verified data.

(3) Human capital and diversity

(i) Governance and (iii) Risk management

Please see "(i) Governance and (ii) Risk management in (1) Sustainability in general."

(ii) Strategy and (iv) Metrics and targets associated

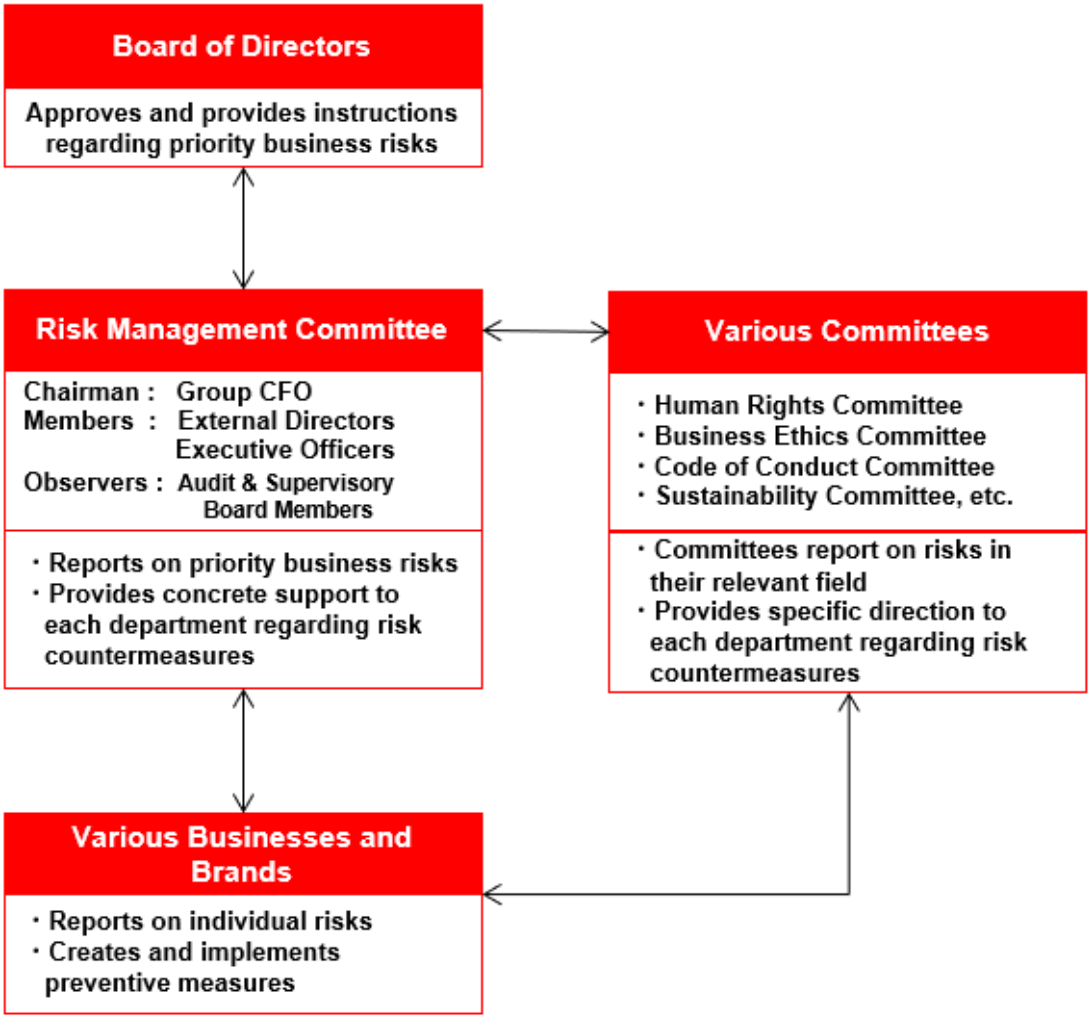
Please see "A. Basic Policy on Human Resource Strategy in 9. Employees."

C. Risk

(1) Policy

We believe that preventing and appropriately managing apparent and potential risks, in addition to anticipating unexpected risks such as large-scale disasters and leaks of customer information, is essential for sustainable business growth. Therefore, we regularly identify potential risks in our business activities, pinpoint critical risks, and constantly make improvements to our systems for managing those risks.

The Risk Management Committee has been established directly under the Board of Directors. Chaired by the Group CFO, the Risk Management Committee centrally manages risk for the entire Company. The Risk Management Committee analyzes and evaluates how much and how often a risk impacts on business, and discusses countermeasures, starting with the most significant risks and risks for which systems are not yet fully in place, with the aim of keeping those risks in check before they can occur. It also reports critical risks to the Board of Directors and provides concrete support to each department regarding risk countermeasures.



(2) Individual risks

Of the risks pertaining to the status of businesses and accounting as described in the year-end report, the following are the main risks that it is recognized would have a particularly large impact on the Group's operating results and financial situation. Future risks discussed in the descriptions below are based on the Group's assessment as at the date of publication of this document. In addition, the following list of risks is not exhaustive and may be affected in the future by risks that are unforeseeable or not perceived to be critical as at the date of publication of this document. Furthermore, risks that are not indicated to have "materialized" in the "Risks and their Effects" column have not yet resulted in material risks, and both the likelihood and timing of their materialization remains uncertain.

Risk Item	Risks and their Effects	Main Initiatives
Management personnel risk	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.	- 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 also 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	The Group's infrastructure for the production, supply, and sale of products 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, floods, and infectious diseases on a global scale.	- 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 establishing production management offices at our main production hubs to enable the timely monitoring of and quick response to local circumstances. - We have accounting, tax, and legal specialists stationed at Group companies' offices to ensure that we can provide quick and appropriate responses and communication in the event that 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.

Risk Item	Risks and their Effects	Main Initiatives
Environmental risks	- A delay in the Group's response to climate change by, for instance, reducing greenhouse gas emissions or switching to renewable energies, a delayed response to biodiversity, managing water resources, managing chemical substances, reducing waste emissions, and shifting to a circular business model, among other issues, or the failure to appropriately implement the above responses may result in losing the public trust in the Group brand. - There is the risk that the increase in extreme weather due to climate change may adversely affect our product supply systems and our business as a whole. - Environmental regulations relating to environmentally conscious product design, chemical substances, waste, and environmental labeling are becoming increasingly stringent, particularly in Europe. A delay in responding to such regulations may result in restrictions on the sale of products, additional costs, or a loss of trust in the Group brand.	- We continually implement concrete and highly effective initiatives under our Environmental Policy in six priority areas: addressing climate change, improving energy efficiency, addressing biodiversity, managing water resources, managing chemical substances, and improving waste management and resource efficiency. - In order to reduce our climate change impact, we will work to identify and reduce greenhouse gas emissions in our business activities across the board, including every stage from product production to disposal. We are also working to reduce the risks associated with abnormal weather events caused by climate change by dispersing suppliers of raw materials and production factories and incorporating BCP perspectives when selecting locations for our facilities. For more information on specific initiatives, please see "(ii) strategy on (2) Climate Change (Initiatives with Respect to TCFD Recommendations) in B. Sustainability Approach and Initiative." - We will strengthen our efforts based on our Biodiversity Conservation Policy in order to avoid or minimize any negative impact on biodiversity throughout our value chain and to conserve and restore biodiversity. - In order to comply with environmental regulations, we are strengthening reviews of legal and regulatory compliance and advertising and communications by our legal departments and external legal counsel. We also continuously monitor regulatory developments in each country and reflect them in our business processes as appropriate.

Risk Item	Risks and their Effects	Main Initiatives
Information security risks	- If sensitive information such as customer information (including personal information) and trade secrets, etc. were to be leaked or lost, we would need to respond by recovering the information, and apologizing and paying damages. This may adversely affect our business performance and lead to loss of trust among our customers. - 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. - If the systems of our Group or those of our business partners were to fall victim to ransomware or other cyberattacks, it could result in the suspension of certain system functions, making it difficult to continue business operations. Should such risks materialize, there is a possibility that our product supply system, sales operations, and business performance could be adversely affected.	- To ensure that confidential information and personal information is properly managed, we have established an Information Security Office under the direction of a Chief Security Officer (CSO), who oversees the entire group and works in cooperation with the IT and legal departments of each country and region in which we operate. - To address all possible scenarios, including external attacks, internal misconduct, and accidents, we are working to establish and strengthen appropriate management systems for our business operations, confidential information, and personal data. These efforts include the development and regular updating of internal regulations within each business division, enhancement of information management frameworks, infrastructure improvements, business process assessments, evaluations of outsourcing partners, incident management, periodic security enhancements for our business systems, and ongoing educational and awareness activities such as phishing training.

Risk Item	Risks and their Effects	Main Initiatives
Large-scale disaster risks	Large-scale disasters such as earthquakes, typhoons, volcanic eruptions, fires, storms and floods, explosions, and collapsed buildings can adversely affect our supply and 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.	Led by the Risk Management Committee, we are committed to establishing an infrastructure by which, in the event of an actual or potential major earthquake or other major disaster, we have an emergency command system prepared, run by the Emergency Response Headquarters to: ensure the safety of customers, employees, and related personnel; mitigate damage to business resources; prevent secondary disasters; develop system infrastructure and decentralized restoration bases for quickly restoring business; prepare crisis management manuals and promote the global implementation of those manuals.
Risks related to resource management and the procurement of raw materials	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.	We have established frameworks for sourcing reasonably priced raw materials at appropriate prices without having to rely on specific suppliers. We do this by diversifying our raw materials suppliers across regions and identifying excellent producers in each region. We are also developing alternative materials.

Risk Item	Risks and their Effects	Main Initiatives
Human rights risks	- Within the Group or its supply chain, deterioration in working environment or in health and safety, human rights violations such as forced labor, child labor, 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 may negatively impact the supply and sale of our products. In Europe, the United States, and other countries and regions, our response to tighter regulations and legislation aimed at protecting human rights in the supply chain may impact the production, transportation and sales frameworks for the Group's products.	- Based on our view that our most important responsibility is to respect the basic human rights of all people affected by the Group's 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 established the Fast Retailing Group Human Rights Policy. - We have established a Human Rights Committee as an advisory and supervisory function, and we prevent human rights violations through implementing human rights due diligence, human rights training, and points of contact for reporting. - Led by our Sustainability Department, we are committed to maintaining and improving suitable working environments with regard to our supply chain, through monitoring work environments at supplier factories, and operating hotlines for the employees of those factories. We are also promoting the procurement of raw materials for which the production processes have been confirmed to properly protect human rights and working conditions, in accordance with international standards. - Going forward, we will establish traceability down to the raw materials procurement level for all countries and regions, and we will build a system that allows us to confirm for ourselves that there are no issues with human rights or working conditions throughout the entire supply chain. In addition, we will make use of third-party certification to objectively verify that human rights and working conditions 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 as necessary, we also have in place a framework for providing mental healthcare for the victim.

Risk Item	Risks and their Effects	Main Initiatives
Risks originating from business partners	- There are 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 it could be difficult for us to adequately collect on receivables. These possibilities can have an adverse effect on our business performance, and 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. - There is also the risk that, for example, products may be lost, damaged, or stolen during transportation by transportation and delivery service providers or during storage by warehouse operators due to natural disasters, serious accidents, cyberattacks, logistics system failures, or other human-caused events, or that the Group may be unable to take delivery of products due to circumstances involving business partners or local laws and regulations. - In Japan, the Group is required to take measures to comply with laws and regulations such as the Act on Advancement of Efficiency of Distribution, which came into effect in 2025, and the Act on Ensuring Proper Transactions, which will come into effect in January 2026. If the Group's initiatives are deemed insufficient, the Group may be subject to administrative guidance. If such risks materialize, they may result in the Group losing the trust of customers and society.	- Each Group company conducts credit and background checks as necessary when commencing transactions with new business partners in order to prevent the commencement of business relationships with inappropriate business partners. - With the aim of building appropriate business relationships with all business partners, we have established the Business Partner Code of Conduct, and conduct business with partners who understand and comply with its provisions. - As measures to address risks associated with transactions with transportation and delivery service providers and warehouse operators, we have logistics personnel in each business who maintain constant communication with such business partners. If any problems arise in the transportation or storage of products, we have a system in place to promptly report them to local management and Global Logistics Headquarters and to quickly consider and implement appropriate responses. We have also standardized contracts with warehouse operators, requiring compliance with our Code of Conduct and cooperation with human rights audits, and have established a system for consistent implementation across all of our businesses globally. In addition, we regularly conduct audits by external specialist organizations of warehouse operators and their contractors, and are strengthening our systems and initiatives to prevent material risks from arising. To prepare for the risk of logistics disruptions caused by natural disasters, serious accidents, cyberattacks, logistics system failures, and other events, we are strengthening the BCP and resilience of our overall logistics network, including by securing alternative transportation routes, logistics facilities, and logistics service providers. We are also enhancing visibility across our logistics supply chain to continuously identify and manage risks related to safety, quality, human rights, and compliance. - In accordance with the requirements of the Act on Advancement of Efficiency of Distribution, we appoint a Chief Logistics Officer, and we conduct appropriate price negotiations in accordance with the Act on Ensuring Proper Transactions, among other measures, to maintain sound and stable logistics operations with our business partners.

Risk Item	Risks and their Effects	Main Initiatives
Intellectual property risks	- If the intellectual property rights relating to the Group's products and the latest technologies used in all kinds of areas, including product management, store operations, and e-commerce websites were found to be owned by an outside party, this could present difficulties regarding our use of these technologies or supplying products. - If our technologies, products, or advertisements infringe on the intellectual property rights of others, we may be subject to significant claims for damages or license fees, which could adversely affect our business performance. - If our trademarks or products are imitated and sold at lower prices by third parties, our business results may be negatively impacted.	- Our Group has established a specialized department for intellectual property, conducts prior checks during product development, technology introduction, and advertising, and provides training and awareness programs for employees to prevent infringement of others' intellectual property rights. - We actively seek to secure rights for newly developed technologies. We also monitor markets in countries and regions where we operate or plan to expand, and collect information on potential infringements through cooperation with local legal departments, law firms, and government agencies. - If infringement is confirmed or suspected, we promptly consider appropriate responses, including legal action, in collaboration with local legal departments, law firms, and government authorities.
Foreign currency risks	- As 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 the performance of each of our businesses in some countries or regions. - As 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 the Japanese yen, which is the functional currency of our domestic Group companies, can have a major impact on financial gains and losses.	- In order to mitigate foreign exchange volatility in our international businesses, we have forward exchange contracts based on our procurement forecasts regarding each country and regional business. 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 deliberates on the viability of the currencies in which our financial assets are held.
Impairment risks	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.	- We apply impairment accounting to quickly identify signs of impairment, quickly identify unprofitable stores, and to ensure proper accounting. - We identify the underlying causes of a store's drop in profitability, and develop fundamental profitability improvement plans for them.
Other risks arising from changes in the business environment	If changes in the business environment—such as adverse weather, climate change, or shifts in consumer trends—occur in the countries and regions where our Group operates, there is a possibility that decreased product sales or excess inventory may arise, which could negatively impact our business performance.	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.

D. Management's Discussion and Analysis of Consolidated Financial Condition, Results of Operations and Cash Flows

(1) Summary of Business Results

(a) Business Results

The Fast Retailing Group reported a large increase in revenue and profits in fiscal 2026, or the twelve months from 1 September 2025 to 31 August 2026, with revenue rising to 3.9633 trillion yen (+16.6% year-on-year) and business profit, which is calculated by subtracting cost of sales and selling, general and administrative expenses from consolidated revenue and is therefore an accurate measure of actual profit from business, totaling 718.4 billion yen (+30.4% year-on-year). This marks the fifth year of consecutive record performances. UNIQLO operations in all regions achieved year-on-year revenue and profit gains in fiscal 2026, as we continued to open high-quality stores that effectively convey the value of LifeWear, alongside strategically enhancing coordination between products, store displays, and customer communications. We recorded 59.3 billion yen in finance income net of costs, consisting of 52.2 billion yen in net interest income and 7.1 billion yen in foreign exchange gains on foreign-currency denominated assets. As a result, profit before income taxes increased to 802.5 billion yen (+23.4% year-on-year) and profit attributable to owners of the Parent expanded to 542.5 billion yen (+25.3% year-on-year) in the twelve months to 31 August 2026.

Capital expenditure totaled 112.7 billion yen in fiscal 2026, with 11.3 billion yen of that total being spent at UNIQLO Japan, 68.8 billion yen at UNIQLO International, 3.8 billion yen at GU, 1.8 billion yen at Global Brands, and 26.7 billion yen on systems, etc. We are conducting active growth investments in various areas including new store openings and automated warehouses in order to grow our operations on a global scale.

The Fast Retailing Group is focusing on a number of areas as part of our endeavor to become the global No.1 brand; an essential part of everyday life that is trusted by all customers around the world. These measures include (1) Training personnel to support global growth, (2) Pursuing a business model in which the development of business contributes to sustainability, (3) Meeting customer needs and creating new customers, (4) Diversifying Group and global earnings pillars, and (5) Establishing earnings and cost structures to suit an inflationary era. In particular, we aim to continue to open new high-quality stores and enhance product development and branding at UNIQLO International as the growth pillar of the Fast Retailing Group. We are also committed to creating LifeWear in order to help build a sustainable society. Our aim is to create high-quality clothing that lasts a long time, has a lower impact on the planet, is made in healthy and safe working environments, and ultimately can be recycled or reused.

UNIQLO Japan

UNIQLO Japan achieved a record performance in fiscal 2026, after reporting year-on-year revenue and profit gains. UNIQLO Japan revenue totaled 1.0848 trillion yen (+5.7% year-on-year) and business profit expanded to 196.0 billion yen (+8.1% year-on-year). Full-year same-store sales expanded by 5.1% year-on-year, with the buoyant sales performance being driven by highly functional ranges, such as Ultra Stretch Pants and UV Protection items, and products that reflected on-trend silhouettes, such as Barrel Pants. The gross profit margin contracted by 0.1 point year-on-year. In the first half from 1 September 2025 through 28 February 2026, the gross profit margin contracted by 0.2 points after a weakening in yen rates on forward exchange contracts used for procurement purposes inflated the cost of sales ratio. However, that was followed by a 0.3 point improvement in the gross profit margin in the second half of the year, from 1 March, 2026 through 31 August, 2026. While yen rates on the forward exchange contracts used for procurement purposes weakened during the second half, the volume of additional production orders decreased, reducing the impact of spot exchange rates and improving the cost of sales ratio. Meanwhile, the selling, general and administrative expense ratio improved by 0.4 points to 32.6%, due to lower personnel and store rent expense ratios primarily in the first half of the year.

UNIQLO International

UNIQLO International reported a record high performance in fiscal 2026 on the back of significant increases in both revenue and profit, with revenue rising to 2.4111 trillion yen (+26.2% year-on-year) and business profit expanding to 439.8 billion yen (+44.1% year-on-year). The business profit margin also improved following the reporting of double-digit revenue and profit growth across all regional operations.

Breaking down the UNIQLO International performance into individual regions and markets, the Greater China region reported revenue totaling 724.0 billion yen (+11.3% year-on-year) and business profit totaling 112.0 billion yen (+24.6% year-on-year). For the Mainland China market, fiscal 2026 was a year in which structural operational reforms made steady progress, with encouraging signs indicating a return to growth. In local currency terms, full-year revenue from that market increased by approximately 3% year-on-year, and business profit increased by roughly 18% year-on-year. The Hong Kong and Taiwan markets both reported increases in full-year revenue and profit in fiscal 2026.

South Korea and the Southeast Asia, India & Australia region reported combined revenue of 809.4 billion yen (+30.7% year-on-year) and business profit of 168.3 billion yen (+44.0% year-on-year). South Korea reported double-digit revenue and profit growth. That strong result was underpinned by further growth in local customer support for LifeWear, alongside a greater strategic coordination of products, store displays, and communication of information. The Southeast Asia, India & Australia region reported double-digit revenue and profit growth. In that region, consistent strong growth is being driven by improved product lineups and sales planning.

Meanwhile, North America’s revenue totaled 364.9 billion yen (+34.6% year-on-year) and business profit rose to 67.9 billion yen (+53.3% year-on-year), while Europe’s revenue totaled 512.6 billion yen (+38.7% year-on-year) and business profit expanded to 91.7 billion yen (+69.0% year-on-year). For the first time, combined sales from North America and Europe outperformed those of the Greater China region, and also outperformed those of the South Korea, the Southeast Asia, India & Australia region; proving that North America and Europe have grown into substantial pillars driving Group growth. Customer support for LifeWear in North America and Europe was boosted through the opening of flagship stores and effective brand communication, as well as through the release of new products that incorporated on-trend features, such as Barrel Pants and sweatshirts/pants, which helped to attract new customers. Both these factors contributed to continued strong growth in North America and Europe.

GU

GU reported an increase in revenue and a large expansion in profits in fiscal 2026, with revenue reaching 336.7 billion yen (+1.8% year-on-year) and business profit rising to 31.5 billion yen (+11.0% year-on-year). The fourth quarter from 1 June 2026 to 31 August 2026 represented a transition period as GU renewed its product lineup for Fall Winter 2026. However, some product lineup balance issues remained as we also sought to satisfy demand for Summer items while launching Fall Winter items. As a result, sales struggled in the fourth quarter. While GU's business transformation process is still ongoing, the overall quality of GU operations improved throughout the year as we tightened the number of products on offer to focus on strong-selling items, and enhanced the precision of sales plans.

Global Brands

In fiscal 2026, the Global Brands reported a decline in revenue but an increase in profit, with revenue falling to 128.5 billion yen (−2.3% year-on-year) while business profit expanded to 2.8 billion yen (+6.8% year-on-year). The Theory business experienced a transition period as global structural reforms progressed, resulting in a decline in full-year revenue and a roughly steady level of profits in local currency terms. The decline in Theory business revenue occurred primarily in the first half of the year, due not only to a decline in the global wholesale business, but also to the closure of the e-commerce outlet site in the United States. Our PLST business reported higher revenue and profit in fiscal 2026, with sales of men’s items proving strong and ecommerce sales also driving performance. The Comptoir des Cotonniers/Princesse tam.tam business reported

a decline in full-year revenue and a slight contraction in business losses in local currency terms. That was due to our decision to consolidate the store network and close unprofitable stores as part of the ongoing structural reform program, reducing the total number of stores from 98 stores at the end of August 2025 to 77 stores at the end of August 2026. Operating losses contracted significantly compared to the previous year, when an impairment loss was recorded.

Sustainability

Fast Retailing is advancing its LifeWear concept—the ultimate in everyday clothing, designed to make everyone's life better—to create apparel that emphasizes quality, design and price, as well as environmental, human rights, and social considerations. The main sustainability activities in the fourth quarter from June 2026 to August 2026 are as follows.

■ Collaboration with the Los Angeles Dodgers to drive community engagement initiatives
We consider coexistence and shared prosperity with the communities in which we operate to be one of our key management foundations. Through our partnership with the Los Angeles Dodgers, we work to provide learning opportunities, develop the next generation, and support local communities. In August 2026, we held an educational program at UNIQLO Field at Dodger Stadium for middle school students from Japan and Los Angeles to learn about the history of baseball, the sports business, sustainability, and other topics. We plan to continue the program, aiming to welcome 10,000 or more middle school students from Los Angeles over the next five years. We also provide opportunities for youth baseball players from Japan and the United States to interact through baseball, learn through sports, and deepen cross-cultural understanding. Furthermore, "The Heart of LifeWear", an initiative to deliver HEATTECH and AIRism to people in need around the world, has been expanded to the Los Angeles area. We invited high school students and their families from areas affected by the 2025 Los Angeles wildfires to a baseball game and donated AIRism T-shirts and other items to support the community. Going forward, we will continue to work with the Dodgers to support personal growth and community development through the power of sports and clothing, deepen our connection with customers and communities, and achieve sustainable growth in corporate value.

■ Disaster relief leveraging LifeWear and our global business network
As a company that manufactures and sells clothing, which is one of the basic needs of life, we provide clothing to people affected by disasters and donate relief funds in response to disasters in Japan and overseas. In coordination with our stores, business network, and relevant partners in each region, we identify conditions and needs in affected areas to quickly provide support. In the fourth quarter of fiscal 2026, we donated clothing and relief funds following disasters such as an earthquake in the Philippines, flooding in Guangxi Zhuang Autonomous Region China, wildfires in France, the 2026 Kumamoto Earthquake, a hurricane in Hawaii, the United States, and flooding in Nepal and China. The publicly announced donations totaled approximately 122,000 items of clothing. In addition to clothing donations, we donated a total of approximately 521 million yen* as relief funds. We will continue to work with businesses and partners in each region to quickly identify conditions and needs in affected areas and provide necessary support.
*Calculated based on the exchange rate at the time of each donation

Good Corporate Governance

To enable rapid and highly transparent management, we have a number of committees engaged in open and active discussions. The main company activities in the current fiscal year are as follows. In the Risk Management Committee, we continuously examine cybersecurity risks and countermeasures, and work to enhance our systems for preventing and detecting attacks, as well as for rapid response and recovery in the event of damage. In the Human Rights Committee, we reported the results of labor environment monitoring in our supply chain, shared findings from an employee human rights survey and information from our employee hotline, and discussed the respective challenges and our response policies. In the Nomination and Compensation Advisory Committee, we discussed candidates and the appropriate composition in preparation for the election of Directors and Audit & Supervisory Board members.

(b) Cash Flow Information

Cash and cash equivalents as at 31 August 2026 had increased by 114.3 billion yen from the end of the preceding fiscal year, to 1.0075 trillion yen.

(Cash Flows from Operating Activities)
Net cash generated by operating activities for the year ended 31 August 2026 was 788.5 billion yen (580.6 billion yen was generated during the year ended 31 August 2025). The principal factors were cash inflow from profit before income taxes for 802.5 billion yen, depreciation and amortization for 237.2 billion yen, and cash outflow from taxes paid for 239.1 billion yen.

(Cash Flows from Investing Activities)
Net cash used in investing activities for the year ended 31 August 2026 was 316.8 billion yen (578.9 billion yen was used during the year ended 31 August 2025). The principal factors were net increase of 277.4 billion yen in bank deposits with original maturities of three months or longer, a 79.9 billion yen in payments for acquisition of property, plant and equipment, and net proceeds of 69.9 billion yen for the acquisition, sale, and redemption of investments.

(Cash Flows from Financing Activities)
Net cash used in financing activities for the year ended 31 August 2026 was 429.0 billion yen (339.1 billion yen was used during the year ended 31 August 2025). The principal factors were 70.0 billion yen in redemption of corporate bonds, 177.9 billion yen in dividend payments, and 145.6 billion yen in repayments of lease liabilities.

(2) Summary of Revenue

(a) Revenue by division

Division	Year ended 31 August 2025 (From 1 September 2024 to 31 August 2025)		Year ended 31 August 2026 (From 1 September 2025 to 31 August 2026)	
	Revenue (Millions of yen)	Percentage of total (%)	Revenue (Millions of yen)	Percentage of total (%)
Men's clothing	471,342	13.9	502,646	12.7
Women's clothing	434,725	12.8	461,863	11.7
Children's & babies' clothing	69,166	2.0	69,467	1.8
Goods and other items	42,813	1.3	40,965	1.0
Other	8,049	0.2	9,899	0.2
Total UNIQLO Japan operations	1,026,096	30.2	1,084,843	27.4
Men's clothing	864,709	25.4	1,085,550	27.4
Women's clothing	825,300	24.3	1,065,683	26.9
Children's & babies' clothing	157,735	4.6	189,124	4.8
Goods and other items	60,595	1.8	68,705	1.7
Other	1,947	0.1	2,070	0.1
Total UNIQLO International operations	1,910,289	56.2	2,411,135	60.8
Total UNIQLO operations	2,936,385	86.4	3,495,978	88.2
GU operations	330,701	9.7	336,717	8.5
Global Brands operations	131,542	3.9	128,561	3.2
Other operations	1,910	0.1	2,131	0.1
Total	3,400,539	100.0	3,963,389	100.0

(Notes) 1. "Other" in UNIQLO Japan operations and UNIQLO International operations refers to Franchise-related income and Alteration charges. "Franchise-related income" refers to the proceeds from garment sales to franchise stores and royalty income. "Alteration charges" refers to income generated from embroidery prints and alterations to the length of pants.

2. "UNIQLO operations" covers the selling of UNIQLO brand casual clothing.

3. "GU operations" covers the selling of GU brand casual clothing.

4. "Global Brands operations" consists of Theory operations (selling of the Theory and other brands clothing), PLST operations (selling of the PLST and other brands clothing), COMPTOIR DES COTONNIERS operations (selling of the COMPTOIR DES COTONNIERS and other brands clothing), and PRINCESSE TAM. TAM operations (selling of the PRINCESSE TAM. TAM and other brands clothing).

5. "Other operations" includes the real estate leasing business, etc.

6. E-commerce revenue from UNIQLO Japan
Fiscal year ended 31 August 2025: 152,364 million yen;
Fiscal year ended 31 August 2026: 162,026 million yen.

7. E-commerce revenue from UNIQLO International
Fiscal year ended 31 August 2025: 306,429 million yen;
Fiscal year ended 31 August 2026: 409,445 million yen.

(b) Sales per unit

Summary		Year ended 31 August 2026 (From 1 September 2025 to 31 August 2026)	Year-on-year change (%)
Revenue		2,912,536 million yen	118.0
Sales per m^2	Sales floor area (average)	2,998,444 m^2	99.4
	Sales per m^2 (yearly)	971 thousand yen	118.7
Sales per employee	Number of employees (average)	86,975 persons	99.7
	Sales per employee (yearly)	33,487 thousand yen	118.3

(Notes) 1. These figures are solely for UNIQLO Japan operations and UNIQLO International operations.
2. Sales figures indicate store sales, and do not include internet sales, products supplied to franchise stores, management and administrative fees, or alteration charges.
3. “Sales floor area (average)” is the average number of the sales floor area as at current fiscal year end and previous year end.
4. “Number of employees (average)” includes junior employees, part-time workers, contract workers, or temporary staff seconded from other companies, but does not include operating officers. The number of junior employees and part-time workers is stated at the average number of registered personnel.

(3) Consideration of Performance Conditions on Management's Perspective

(a) Material policies and estimations

The Group's consolidated financial statements were prepared in accordance with IFRS Accounting Standards. Accounting estimates are necessary for the preparation of consolidated financial statements, so when judging the recoverability of impaired non-financial assets or deferred tax assets, etc., estimates are either made based on past performance, or based on assumptions that are judged to be reasonable under the circumstances. Please see "(6) Notes to the consolidated financial statements in 10. Financial Information" for details.

(b) Analysis of management performance for the fiscal year ended 31 August 2026

Please see "(1) Summary of Business Results on D. Management's Discussion and Analysis of Consolidated Financial Condition, Results of Operations and Cash Flows in 4. Management Discussion and Analysis" for analysis of management performance.

(c) Sources of funding and analysis of fund liquidity

(i) Basic Approach to Financial Strategy

For the Group, the guiding principle behind the financial strategy is to maximize free cash flow through the Group's business activities while maintaining a strong financial standing, and also to ensure investment capital for growth, and on-hand liquidity, while preserving a certain level of shareholder returns for each fiscal year.

In order to maintain a strong financial standing, we will ensure adequate on-hand liquidity to enable us to withstand the unexpected, such as inclement weather and infection, while continuing to adhere to the principle of funding investment capital through our operating cash flows. In addition, we will also ensure stable external funding.

(ii) Cash Flow and Liquidity Information

As a feature of apparel retailing industry, the Group is committed to ensuring on-hand liquidity of three to five months' worth of sales in order to prepare for unexpected circumstances on working capital or inclement weather. Cash and cash equivalents amount to 1.0075 trillion yen at the end of the consolidated fiscal year under review, against revenue of 3.9633 trillion yen for the consolidated fiscal year under review. We believe the current on-hand liquidity is adequate.

(iii) Key Details of Funding Needs

In terms of capital expenditure used in operating activities, the Group's funding needs include stock, logistics, advertising and

promotion, rental expenses (rent for stores, etc.), and labor costs.

In addition, capital expenditure for investment activities includes investing in logistics warehouses and IT investments (self-checkouts in-store, investments in e-commerce and supply-chain-related systems) in each countries, in addition to store-related investments (opening new stores and renovating existing stores).

(iv) Funding

In order to stably and swiftly secure the funds required to maintain and expand the Group's businesses, we are striving to maximize free cash flow through our business activities while also making effective use of internal and external funds.

To maintain a strong financial standing, we are funding investment capital through our operating cash flow in principle.

However, we also plan to diversify our funding and improve capital efficiency, and also make use of corporate bonds (past cumulative total of 500 billion yen) to raise capital. We will continue to consider procuring corporate bonds in a timely and appropriate manner, while also investing the funds into expansion of our overseas business and promotion of various projects.

Recognizing that sustaining and improving stable external funding is an important management issue, the Group has obtained

S&P (Standard & Poor's) and JCR (Japan Credit Rating Agency) ratings. At the time of publishing, our S&P rating is

“A+” (stable) and our JCR rating is “AA+” (stable). We also maintain good business relationships with key financial institutions.

During the consolidated fiscal year under review, sales and profits increased. We have been able to ensure sufficient liquidity without the need for additional external funding due to reduction of our costs and use of inventories.
Going forward, we will continue to maintain a strong financial standing and endeavor to sustain and improve stable external funding.

E. Major Contracts

Not applicable.

F. Research and Development

Not applicable.

5. Capital Expenditures

A. Capital Expenditures

UNIQLO Japan opened 22 new stores. UNIQLO International opened 24 stores in the Greater China, 13 in South Korea, 1 in Singapore, 2 in Malaysia, 4 in Thailand, 6 in the Philippines, 3 in Indonesia, 3 in Vietnam, 4 in India, 13 in United States of America, 7 in Canada, 3 in United Kingdom, 3 in France, 4 in Germany, 1 in Belgium, 1 in Netherlands and 1 in Poland. GU opened 16 new stores. In addition, Global Brands opened 22 new stores.

The Group's capital expenditure decreased by 59.1 billion yen year-on-year in fiscal 2026 to 112.7 billion yen.

That figure can be broken down into 11.3 billion yen for UNIQLO Japan, 68.8 billion for UNIQLO International, 3.8 billion yen for GU, 1.8 billion yen for Global Brands, and 26.7 billion yen for systems, etc. We are conducting active growth investments in various areas including new store openings and automated warehouses in order to grow our operations on a global scale.

The above figures do not include consumption tax, etc. In addition, the investments in right-of-use assets relating to lease payments are not included.

B. Important Facilities

As at 31 August 2026, the Group's important facilities were shown as below:

(1) Reporting Entity

Company name	Type of facility	Location	Area (m^2)	Capital expenditure (Millions of yen)						Number of employees
			Land	Land	Buildings	Right-of-use assets	Deposits / Guarantees	Others	Total	
FAST RETAILING CO., LTD.	Head office	Yamaguchi City, Yamaguchi Prefecture	95,255.83	1,047	663	–	–	83	1,795	32
	Commercial establishments	Chuo-ku, Fukuoka City, etc.	–	–	198	10,381	2,584	4,862	18,026	–
	Others		29,308.87	76	12,662	80,166	3,413	4,833	101,152	1,542

(2) Subsidiaries in Japan

Company name	Type of facility	Location	Area (m^2)	Capital expenditure (Millions of yen)						Number of employees
			Land	Land	Buildings	Right-of-use assets	Deposits / Guarantees	Others	Total	
UNIQLO CO., LTD.	Stores in Japan, etc.	Yamaguchi City, Yamaguchi Prefecture etc.	2,591.06	471	25,518	49,937	28,541	6,933	111,402	8,148
	UNIQLO Japan, others		19,960.76	130	3,974	23,580	138	20,834	48,658	3,679
	Total for UNIQLO Japan		22,551.82	602	29,493	73,518	28,679	27,767	160,060	11,827
G.U. CO., LTD.	Stores in Japan, etc.	Yamaguchi City, Yamaguchi Prefecture, etc.	–	–	12,980	29,394	10,335	3,080	55,791	4,810
LINK THEORY JAPAN CO., LTD.	Stores in Japan, etc.	Yamaguchi City, Yamaguchi Prefecture, etc.	–	–	253	585	216	200	1,255	846
PLST CO., LTD.	Stores in Japan, etc.	Yamaguchi City, Yamaguchi Prefecture, etc.	–	–	342	746	332	113	1,534	366

(3) Overseas subsidiaries

Company name	Type of facility	Location	Area (m^2)	Capital expenditure (Millions of yen)						Number of employees
			Land	Land	Buildings	Right-of-use assets	Deposits / Guarantees	Others	Total	
FAST RETAILING (CHINA) TRADING CO., LTD	UNIQLO International store, etc.	Shanghai, PRC	–	–	21,468	11,290	5,080	5,335	43,175	10,023
UNIQLO TRADING CO., LTD.	UNIQLO International store, etc.	Shanghai, PRC	–	–	1,021	865	501	178	2,566	570
FAST RETAILING (Shanghai) TRADING CO., LTD	UNIQLO International store, etc.	Shanghai, PRC	–	–	783	5,937	613	672	8,006	381
FRL Korea Co., Ltd.	UNIQLO International store, etc.	Seoul, South Korea	–	–	6,101	18,897	6,656	8,739	40,394	2,150
FAST RETAILING (SINGAPORE) PTE. Ltd.	Office, etc.	Republic of Singapore	–	–	–	49	7	–	57	7
UNIQLO (THAILAND) COMPANY LIMITED	UNIQLO International store, etc.	Bangkok, Kingdom of Thailand	–	–	2,277	1,863	2,115	1,667	7,925	1,818
PT. Fast Retailing Indonesia	UNIQLO International store, etc.	Jakarta, Indonesia	–	–	2,095	3,182	778	1,706	7,762	1,942
UNIQLO Australia Pty Ltd.	UNIQLO International store, etc.	Melbourne, Australia	–	–	4,156	23,800	11	7,401	35,370	1,136
Fast Retailing USA, Inc.	Office, etc.	New York, U.S.A.	1,227.25	2,544	77,073	117,310	647	20,447	218,023	3,613
FAST RETAILING EUROPE LTD	Office, etc.	London, United Kingdom	–	–	400	1,557	6	72	2,036	9
UNIQLO EUROPE LTD	UNIQLO International store	London, United Kingdom	1,007.00	11,037	37,579	69,694	1,978	23,386	143,676	5,986
UNIQLO VIETNAM CO., LTD.	UNIQLO International store, etc.	Ho Chi Minh, Vietnam	–	–	3,609	3,792	502	891	8,795	1,320
UNIQLO INDIA PRIVATE LIMITED	UNIQLO International store, etc.	New Delhi, Republic of India	–	–	1,795	1,336	508	1,073	4,714	841
GU (Shanghai) Trading Co., Ltd.	International store, etc.	Shanghai, PRC	–	–	29	91	9	12	143	21
Fast Retailing France S.A.S.	International store, etc.	Paris, France	–	–	576	1,102	343	258	2,281	242

(Notes) 1. When facilities are subleased within the Group, the accompanying documentation is included in the documentation disclosed to the sublessor.
2. Most items in the “Others” category for the reporting entity are Ariake head office (Koto-ku, Tokyo), Roppongi head office (Minato-ku, Tokyo), the old head office (Ube City, Yamaguchi), lands and buildings for store use subleased to UNIQLO CO., LTD. and G.U. CO., LTD. by the sublessor company (Chuo-ku, Tokyo) and logistics warehouses (Ibaraki City, Osaka), etc.
3. Monetary amounts are reported at book value.
4. The number of employees does not include operating officers, junior employees, or part-time workers.
5. Assets are not expressed as allocated among business segments.

C. Plans for new facility construction, old facility removal

The following are the important new facility construction and / or facility removal projects planned as at 31 August 2026. In addition, the investments in right-of-use assets relating to lease payments are not included.

(1) Important new facilities

The capital investment plans (new facility construction, expansion) for each segment for the year ending 31 August 2027 (1 September 2026 − 31 August 2027) are as follows.

Segment	Capital investment (Millions of yen)	Details of investment
UNIQLO Japan	12,000	New store openings (approx. 20 stores)
UNIQLO International	87,437	New store openings (approx. 105 stores) Construction of new automated warehouse
GU	4,059	New store openings (approx. 25 stores)
Global Brand Business	1,754	New store openings (approx. 25 stores)
Others	28,200	IT-related investments, etc.
Total	133,450	

(Notes) It is expected that the Group will be able to meet its funding needs from equity capital, corporate bonds, borrowings, etc.

Also, the main new facility plans to be completed within three months from August 2026 included in the plans described above are as follows.

Company name	Type of facility	Name of business	Location	Amount of planned investment		Construction commence	Construction completion	Planned sales floor area / occupied warehouse area (m^2)	Reference
				Total (Millions of yen)	Amount already disbursed (Millions of yen)				
UNIQLO CO., LTD.	UNIQLO Japan store	UNIQLO KYOTO	Kyoto Japan	1,125	388	September 2025	November 2026	3,024	Lease Hold
UNIQLO USA LLC	UNIQLO overseas store	UNIQLO World Trade Center	New York USA	1,373	1,214	February 2026	September 2026	1,998	Lease Hold
		UNIQLO Market Street	California USA	1,359	1,214	March 2026	October 2026	2,552	Lease Hold
		UNIQLO Aventura Mall	Florida USA	1,623	689	April 2026	November 2026	2,196	Lease Hold
FAST RETAILING (Shanghai) TRADING CO., LTD	UNIQLO overseas store	UNIQLO SHANGHAI	Shanghai PRC	785	389	May 2026	October 2026	2,852	Lease Hold
UNIQLO AUSTRALIA PTY LTD	UNIQLO overseas store	UNIQLO Queen Street Mall	Brisbane Australia	1,381	336	July 2026	November 2026	3,691	Lease Hold

(Notes) Assets are not allocated among business segments.

(2) Planned removals of important facilities

There were no planned removals of important facilities as at 31 August 2026.

6. Stock Information and Dividend Policy

A. Stock Information

(1) Number of Shares

(a) Total number of shares

Type	Total number of authorized shares (shares)
Common stock	900,000,000
Total	900,000,000

(b) Shares issued

Type	Shares issued as at 31 August 2026 (shares)	Number of shares issued as at submission date (shares) (27 November 2026)	Name of financial instrument exchange of listing or authorized financial instruments firms association	Details
Common stock	318,220,968	318,220,968	Prime Market of the Tokyo Stock Exchange and the Main board of The Stock Exchange of Hong Kong Limited (Note)	100 shares as one unit
Total	318,220,968	318,220,968	-	-

(Note) Hong Kong Depositary Receipts ("HDRs") are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

(2) Share Subscription Rights

(a) Details of the Stock Option Program

The Company has instituted a stock option program that grants rights to acquire new shares pursuant to the Companies Act of Japan. Matters stated below are details of the program current as at the final day of the current fiscal year (31 August 2026). Details of changes made during the period from the final day of the current fiscal year until the end of the previous month (31 October 2026) on the submission date are shown in brackets [ ]. In addition to the below-listed items, the Board of Directors resolved at its meetings held on 26 November 2026 to issue share subscription rights as share-based compensation stock options to 3 Company directors and 41 executive officers in accordance with the provisions stipulated in Articles 236, 238, and 240 of the Companies Act of Japan. The allotment date for the share subscription rights is scheduled for 18 December 2026.

(i) Share subscription rights A type

	7th	8th	9th
Resolution date	13 October 2016	12 October 2017	11 October 2018
Class and number of recipients	Employees of the Company: 16 Employees of the Group subsidiaries: 23	Employees of the Company: 19 Employees of the Group subsidiaries: 27	Employees of the Company: 17 Employees of the Group subsidiaries: 32
Number of stock options (Shares)	240 [－]	1,152 [1,011]	1,500 [1,320]
Type of shares to be issued upon exercise of share subscription rights	Common stock	Same as left	Same as left
Number of shares to be issued upon exercise of share subscription rights (Shares)	720 [－]	3,456 [3,033]	4,500 [3,960]
Amount to be paid upon exercise of share subscription rights (Yen)	Number of shares allocated times ¥1 exercise price per share for all shares to be obtained through exercise of the share subscription rights.	Same as left	Same as left
Exercise period of share subscription rights	From 11 November 2019 to 10 November 2026	From 10 November 2020 to 9 November 2027	From 9 November 2021 to 8 November 2028
Fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights (Yen)	Issue price: 11,561 Paid-in capital: 5,780	Issue price: 12,549 Paid-in capital: 6,274	Issue price: 19,425 Paid-in capital: 9,712
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.	Same as left	Same as left
Matters pertaining to transfer of share subscription rights	Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors.	Same as left	Same as left
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Note 1)	Same as left	Same as left

	10th	11th	12th
Resolution date	10 October 2019	15 October 2020	14 October 2021
Class and number of recipients	Employees of the Company: 11 Employees of the Group subsidiaries: 46	Employees of the Company: 18 Employees of the Group subsidiaries: 47	Employees of the Company: 19 Employees of the Group subsidiaries: 47
Number of stock options (Shares)	1,019 [929]	683 [616]	1,196 [1,100]
Type of shares to be issued upon exercise of share subscription rights	Common stock	Same as left	Same as left
Number of shares to be issued upon exercise of share subscription rights (Shares)	3,057 [2,787]	2,049 [1,848]	3,588 [3,300]
Amount to be paid upon exercise of share subscription rights (Yen)	Number of shares allocated times ¥1 exercise price per share for all shares to be obtained through exercise of the share subscription rights.	Same as left	Same as left
Exercise period of share subscription rights	From 8 November 2022 to 7 November 2029	From 13 November 2023 to 12 November 2030	From 12 November 2024 to 11 November 2031
Fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights (Yen)	Issue price: 22,019 Paid-in capital: 11,010	Issue price: 25,853 Paid-in capital: 12,926	Issue price: 24,391 Paid-in capital: 12,195
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.	Same as left	Same as left
Matters pertaining to transfer of share subscription rights	Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors.	Same as left	Same as left
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Note 1)	Same as left	Same as left

	13th	14th	15th
Resolution date	15 December 2022	21 December 2023	21 November 2024
Class and number of recipients	Officers of the Company: 37	Officers of the Company: 37	Officers of the Company: 40
Number of stock options (Shares)	4,377 [4,377]	14,508 [14,508]	13,226 [13,226]
Type of shares to be issued upon exercise of share subscription rights	Common stock	Same as left	Same as left
Number of shares to be issued upon exercise of share subscription rights (Shares)	13,131 [13,131]	14,508 [14,508]	13,226 [13,226]
Amount to be paid upon exercise of share subscription rights (Yen)	Number of shares allocated times ¥1 exercise price per share for all shares to be obtained through exercise of the share subscription rights.	Same as left	Same as left
Exercise period of share subscription rights	From 20 January 2026 to 19 January 2033	From 19 January 2027 to 18 January 2034	From 20 December 2027 to 19 December 2034
Fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights (Yen)	Issue price: 23,605 Paid-in capital: 11,803	Issue price: 36,888 Paid-in capital: 18,444	Issue price: 50,183 Paid-in capital: 25,092
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.	Same as left	Same as left
Matters pertaining to transfer of share subscription rights	Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors.	Same as left	Same as left
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Note 1)	Same as left	Same as left

	16th
Resolution date	27 November 2025
Class and number of recipients	Executive directors of the Company: 3 Officers of the Company: 40
Number of stock options (Shares)	8,828 [8,828]
Type of shares to be issued upon exercise of share subscription rights	Common stock
Number of shares to be issued upon exercise of share subscription rights (Shares)	8,828 [8,828]
Amount to be paid upon exercise of share subscription rights (Yen)	Number of shares allocated times ¥1 exercise price per share for all shares to be obtained through exercise of the share subscription rights.
Exercise period of share subscription rights	From 19 December 2028 to 18 December 2035
Fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights (Yen)	Issue price: 53,232 Paid-in capital: 26,616
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.
Matters pertaining to transfer of share subscription rights	Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors.
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Note 1)

(Note 1) Upon any reorganization of the Company (collectively referred to as "Reorganization") consisting of merger (limited to cases where the Company becomes extinct thereby), absorption-type company split or incorporation-type company split (in each event, limited to cases where the Company is the entity resulting from the company split), or exchange or transfer of shares (in each event, limited to cases where the Company becomes a wholly owned subsidiary), parties holding share subscription rights in existence immediately preceding the effective date of such Reorganization (hereinafter referred to as "Outstanding Share Subscription Rights") shall, in each applicable case, be issued share subscription rights for shares of the resulting company as prescribed in Article 236 (1) viii of the Companies Act of Japan (hereinafter referred to as the "Company Resulting From Reorganization"). In such event, any Outstanding Share Subscription Rights shall lapse and the Company Resulting From Reorganization shall issue new share subscription rights; provided, however, that terms and conditions stipulating that the Company Resulting From Reorganization shall issue share subscription rights that prescribe the matters stated below shall be included in any absorption merger agreement, new merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or transfer of shares plan.

1. Number of share subscription rights to be issued by the Company Resulting From Reorganization:
   Each holder of Outstanding Share Subscription Rights shall be issued the same number thereof.
2. Type of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   Common stock of the Company Resulting From Reorganization.
3. Number of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   To be decided based on the type and number of shares issued upon exercise of share subscription rights, and a proposal stating the conditions for Reorganization and the like.
4. Value of property to be incorporated upon exercise of the share subscription rights:
   The value of property to be incorporated upon exercise of share subscription rights that are issued shall be the amount obtained by multiplying the exercise price after reorganization prescribed below by the number of shares of the Company Resulting From Reorganization underlying the share subscription rights that have been finalized as stated in No. 3. above. The exercise price after Reorganization shall be 1 yen per share of the Company Resulting From Reorganization that can be issued upon exercise of each share subscription right that is issued.
5. Period during which share subscription rights can be exercised:
   The period from the later of either the first day of the period during which share subscription rights can be exercised as prescribed above or the day on which a Reorganization takes effect through the final day of the period during which share subscription rights can be exercised as prescribed above.
6. Matters pertaining to the increase of capital and capital reserve resulting from the issuance of shares upon exercise of the share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
7. Restrictions on acquisition of share subscription rights by transfer:
   Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors of the Company Resulting From Reorganization.
8. Terms and conditions for acquisition of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
9. Conditions for exercise of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.

(Note 2) Based on the resolution of the Board of Directors meeting held on 15 December 2022, our common stock has been split on a 3-to-1 basis, effective 1 March 2023. As a result, the number of shares to be issued upon exercise of share subscription rights, the fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights have been adjusted.

(ii) Share subscription rights B type

	7th	8th	9th
Resolution date	13 October 2016	12 October 2017	11 October 2018
Class and number of recipients	Employees of the Company: 339 Employees of the Group subsidiaries: 1,096	Employees of the Company: 395 Employees of the Group subsidiaries: 1,152	Employees of the Company: 419 Employees of the Group subsidiaries: 1,267
Number of stock options (Shares)	2,039 [554]	6,925 [6,202]	7,245 [6,649]
Type of shares to be issued upon exercise of share subscription rights	Common stock	Same as left	Same as left
Number of shares to be issued upon exercise of share subscription rights (Shares)	6,117 [1,662]	20,775 [18,606]	21,735 [19,947]
Amount to be paid upon exercise of share subscription rights (Yen)	Number of shares allocated times ¥1 exercise price per share for all shares to be obtained through exercise of the share subscription rights.	Same as left	Same as left
Exercise period of share subscription rights	From 11 December 2016 to 10 November 2026	From 10 December 2017 to 9 November 2027	From 9 December 2018 to 8 November 2028
Fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights (Yen)	Issue price: 11,722 Paid-in capital: 5,861	Issue price: 12,711 Paid-in capital: 6,355	Issue price: 19,630 Paid-in capital: 9,815
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.	Same as left	Same as left
Matters pertaining to transfer of share subscription rights	Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors.	Same as left	Same as left
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Note 1)	Same as left	Same as left

	10th	11th	12th
Resolution date	10 October 2019	15 October 2020	14 October 2021
Class and number of recipients	Employees of the Company: 528 Employees of the Group subsidiaries: 1,389	Employees of the Company: 694 Employees of the Group subsidiaries: 1,435	Employees of the Company: 736 Employees of the Group subsidiaries: 1,521
Number of stock options (Shares)	9,164 [8,769]	5,897 [5,706]	10,118 [9,785]
Type of shares to be issued upon exercise of share subscription rights	Common stock	Same as left	Same as left
Number of shares to be issued upon exercise of share subscription rights (Shares)	27,492 [26,307]	17,691 [17,118]	30,354 [29,355]
Amount to be paid upon exercise of share subscription rights (Yen)	Number of shares allocated times ¥1 exercise price per share for all shares to be obtained through exercise of the share subscription rights.	Same as left	Same as left
Exercise period of share subscription rights	From 8 December 2019 to 7 November 2029	From 13 December 2020 to 12 November 2030	From 12 December 2021 to 11 November 2031
Fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights (Yen)	Issue price: 22,244 Paid-in capital: 11,122	Issue price: 26,079 Paid-in capital: 13,039	Issue price: 24,616 Paid-in capital: 12,308
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.	Same as left	Same as left
Matters pertaining to transfer of share subscription rights	Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors.	Same as left	Same as left
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Note 1)	Same as left	Same as left

(Note 1) Upon any reorganization of the Company (collectively referred to as "Reorganization") consisting of merger (limited to cases where the Company becomes extinct thereby), absorption-type company split or incorporation-type company split (in each event, limited to cases where the Company is the entity resulting from the company split), or exchange or transfer of shares (in each event, limited to cases where the Company becomes a wholly owned subsidiary), parties holding share subscription rights in existence immediately preceding the effective date of such Reorganization (hereinafter referred to as "Outstanding Share Subscription Rights") shall, in each applicable case, be issued share subscription rights for shares of the resulting company as prescribed in Article 236 (1) viii of the Companies Act of Japan (hereinafter referred to as the "Company Resulting From Reorganization"). In such event, any Outstanding Share Subscription Rights shall lapse and the Company Resulting From Reorganization shall issue new share subscription rights; provided, however, that terms and conditions stipulating that the Company Resulting From Reorganization shall issue share subscription rights that prescribe the matters stated below shall be included in any absorption merger agreement, new merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or transfer of shares plan.

1. Number of share subscription rights to be issued by the Company Resulting From Reorganization:
   Each holder of Outstanding Share Subscription Rights shall be issued the same number thereof.
2. Type of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   Common stock of the Company Resulting From Reorganization.
3. Number of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   To be decided based on the type and number of shares issued upon exercise of share subscription rights, and a proposal stating the conditions for Reorganization and the like.
4. Value of property to be incorporated upon exercise of the share subscription rights:
   The value of property to be incorporated upon exercise of share subscription rights that are issued shall be the amount obtained by multiplying the exercise price after reorganization prescribed below by the number of shares of the Company Resulting From Reorganization underlying the share subscription rights that have been finalized as stated in No. 3. above. The exercise price after Reorganization shall be 1 yen per share of the Company Resulting From Reorganization that can be issued upon exercise of each share subscription right that is issued.
5. Period during which share subscription rights can be exercised:
   The period from the later of either the first day of the period during which share subscription rights can be exercised as prescribed above or the day on which a Reorganization takes effect through the final day of the period during which share subscription rights can be exercised as prescribed above.
6. Matters pertaining to the increase of capital and capital reserve resulting from the issuance of shares upon exercise of the share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
7. Restrictions on acquisition of share subscription rights by transfer:
   Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors of the Company Resulting From Reorganization.
8. Terms and conditions for acquisition of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
9. Conditions for exercise of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.

(Note 2) Based on the resolution of the Board of Directors meeting held on 15 December 2022, our common stock has been split on a 3-to-1 basis, effective 1 March 2023. As a result, the number of shares to be issued upon exercise of share subscription rights, the fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights have been adjusted.

(iii) 13th share subscription rights F type

Resolution date	15 December 2022
Class and number of recipients	Officers of the Company: 2
Number of stock options (Shares)	18,305 [18,305]
Type of shares to be issued upon exercise of share subscription rights	Common stock
Number of shares to be issued upon exercise of share subscription rights (Shares)	54,915 [54,915]
Amount to be paid upon exercise of share subscription rights (Yen)	Number of shares allocated times ¥1 exercise price per share for all shares to be obtained through exercise of the share subscription rights.
Exercise period of share subscription rights	From 20 January 2028 to 19 January 2033
Fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights (Yen)	Issue price: 23,410 Paid-in capital: 11,705
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.
Matters pertaining to transfer of share subscription rights	Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors.
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Note 1)

(Note 1) Upon any reorganization of the Company (collectively referred to as "Reorganization") consisting of merger (limited to cases where the Company becomes extinct thereby), absorption-type company split or incorporation-type company split (in each event, limited to cases where the Company is the entity resulting from the company split), or exchange or transfer of shares (in each event, limited to cases where the Company becomes a wholly owned subsidiary), parties holding share subscription rights in existence immediately preceding the effective date of such Reorganization (hereinafter referred to as "Outstanding Share Subscription Rights") shall, in each applicable case, be issued share subscription rights for shares of the resulting company as prescribed in Article 236 (1) viii of the Companies Act of Japan (hereinafter referred to as the "Company Resulting From Reorganization"). In such event, any Outstanding Share Subscription Rights shall lapse and the Company Resulting From Reorganization shall issue new share subscription rights; provided, however, that terms and conditions stipulating that the Company Resulting From Reorganization shall issue share subscription rights that prescribe the matters stated below shall be included in any absorption merger agreement, new merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or transfer of shares plan.

1. Number of share subscription rights to be issued by the Company Resulting From Reorganization:
   Each holder of Outstanding Share Subscription Rights shall be issued the same number thereof.
2. Type of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   Common stock of the Company Resulting From Reorganization.
3. Number of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   To be decided based on the type and number of shares issued upon exercise of share subscription rights, and a proposal stating the conditions for Reorganization and the like.
4. Value of property to be incorporated upon exercise of the share subscription rights:
   The value of property to be incorporated upon exercise of share subscription rights that are issued shall be the amount obtained by multiplying the exercise price after reorganization prescribed below by the number of shares of the Company Resulting From Reorganization underlying the share subscription rights that have been finalized as stated in No. 3. above. The exercise price after Reorganization shall be 1 yen per share of the Company Resulting From Reorganization that can be issued upon exercise of each share subscription right that is issued.
5. Period during which share subscription rights can be exercised:
   The period from the later of either the day on which share subscription rights can be exercised as prescribed above or the day on which a Reorganization takes effect.
6. Matters pertaining to the increase of capital and capital reserve resulting from the issuance of shares upon exercise of the share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
7. Restrictions on acquisition of share subscription rights by transfer:
   Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors of the Company Resulting From Reorganization.
8. Terms and conditions for acquisition of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
9. Conditions for exercise of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.

(Note 2) Based on the resolution of the Board of Directors meeting held on 15 December 2022, our common stock has been split on a 3-to-1 basis, effective 1 March 2023. As a result, the number of shares to be issued upon exercise of share subscription rights, the fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights have been adjusted.

(iv) 13th share subscription rights G type

Resolution date	15 December 2022
Class and number of recipients	Officers of the Company: 7
Number of stock options (Shares)	48,815 [48,815]
Type of shares to be issued upon exercise of share subscription rights	Common stock
Number of shares to be issued upon exercise of share subscription rights (Shares)	146,445 [146,445]
Amount to be paid upon exercise of share subscription rights (Yen)	Number of shares allocated times ¥1 exercise price per share for all shares to be obtained through exercise of the share subscription rights.
Exercise period of share subscription rights	From 20 January 2028 to 19 January 2063
Fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights (Yen)	Issue price: 20,670 Paid-in capital: 10,335
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.
Matters pertaining to transfer of share subscription rights	Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors.
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Note 1)

(Note 1) Upon any reorganization of the Company (collectively referred to as "Reorganization") consisting of merger (limited to cases where the Company becomes extinct thereby), absorption-type company split or incorporation-type company split (in each event, limited to cases where the Company is the entity resulting from the company split), or exchange or transfer of shares (in each event, limited to cases where the Company becomes a wholly owned subsidiary), parties holding share subscription rights in existence immediately preceding the effective date of such Reorganization (hereinafter referred to as "Outstanding Share Subscription Rights") shall, in each applicable case, be issued share subscription rights for shares of the resulting company as prescribed in Article 236 (1) viii of the Companies Act of Japan (hereinafter referred to as the "Company Resulting From Reorganization"). In such event, any Outstanding Share Subscription Rights shall lapse and the Company Resulting From Reorganization shall issue new share subscription rights; provided, however, that terms and conditions stipulating that the Company Resulting From Reorganization shall issue share subscription rights that prescribe the matters stated below shall be included in any absorption merger agreement, new merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or transfer of shares plan.

1. Number of share subscription rights to be issued by the Company Resulting From Reorganization:
   Each holder of Outstanding Share Subscription Rights shall be issued the same number thereof.
2. Type of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   Common stock of the Company Resulting From Reorganization.
3. Number of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   To be decided based on the type and number of shares issued upon exercise of share subscription rights, and a proposal stating the conditions for Reorganization and the like.
4. Value of property to be incorporated upon exercise of the share subscription rights:
   The value of property to be incorporated upon exercise of share subscription rights that are issued shall be the amount obtained by multiplying the exercise price after reorganization prescribed below by the number of shares of the Company Resulting From Reorganization underlying the share subscription rights that have been finalized as stated in No. 3. above. The exercise price after Reorganization shall be 1 yen per share of the Company Resulting From Reorganization that can be issued upon exercise of each share subscription right that is issued.
5. Period during which share subscription rights can be exercised:
   The period from the later of either the day on which share subscription rights can be exercised as prescribed above or the day on which a Reorganization takes effect.
6. Matters pertaining to the increase of capital and capital reserve resulting from the issuance of shares upon exercise of the share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
7. Restrictions on acquisition of share subscription rights by transfer:
   Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors of the Company Resulting From Reorganization.
8. Terms and conditions for acquisition of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
9. Conditions for exercise of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.

(Note 2) Based on the resolution of the Board of Directors meeting held on 15 December 2022, our common stock has been split on a 3-to-1 basis, effective 1 March 2023. As a result, the number of shares to be issued upon exercise of share subscription rights, the fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights have been adjusted.

(b) Content of Rights Plan

Not applicable.

(c) Other Share Subscription Rights

Not applicable.

(3) Exercise of convertible bonds with conditional permission for adjustment of exercise price

Not applicable.

(4) Change in Total Number of Shares Issued, Capital Stock

Date	Increase / decrease in total number of shares issued (Shares)	Balance of total number of shares issued (Shares)	Increase / decrease in capital stock (Millions of yen)	Balance of capital stock (Millions of yen)	Increase / decrease in capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
1 March 2023 (Note)	212,147,312	318,220,968	-	10,273	-	4,578

(Note) The increase in total number of shares issued is due to our common stock being split on a 3-to-1 basis on 1 March 2023 based on a resolution at the Board of Directors meeting held on 15 December 2022.

(5) Status by Type of Holder

As at 31 August 2025

Class	Shares (One unit = 100 shares)								Shares less than one unit (shares)
	Government, municipal entities	Financial institutions	Traders of financial products	Other corporations	Foreign corporations, etc.		Individuals & others	Total	
					Excl. individuals	Individuals			
Number of shareholders (persons)	–	71	47	234	1,218	57	9,311	10,938	–
Number of shares held (trading units)	–	900,358	69,684	271,533	1,011,963	122	926,258	3,179,918	229,168
Percentage of shares held (%)	–	28.31	2.19	8.54	31.83	0.00	29.13	100.00	–

(Notes) 1. The 11,361,403 shares of treasury stock are included in shares held by individuals and others by 113,614 units and Shares less than one unit (shares) by 3 shares.

2. Figures shown in the columns “Other corporations” and “Shares less than one unit” include 83 units of shares and 52 shares, respectively, in the name of Japan Securities Depository Center, Inc.

(6) Major Shareholders

As at 31 August 2026

Name or trade name	Address	Number of shares held (Thousand shares)	Percentage of total number of shares issued (%)
The Master Trust Bank of Japan, Ltd.	1-8-1 Akasaka, Minato-ku, Tokyo	60,555	19.73
Tadashi Yanai	Shibuya-ku, Tokyo	42,261	13.77
Custody Bank of Japan, Ltd.	1-8-12 Harumi, Chuo-ku, Tokyo	27,808	9.06
TTY Management B.V.	Prinsengracht 769A, 1017JZ Amsterdam, The Netherlands	15,930	5.19
STATE STREET BANK AND TRUST COMPANY (Standing proxy Mizuho Bank, Ltd.)	P.O. Box 351, Boston, Massachusetts, U.S.A., 02101 (2-15-1, Konan, Minato-ku, Tokyo)	15,929	5.19
Koji Yanai	Shibuya-ku, Tokyo	14,345	4.68
Kazumi Yanai	New York, U.S.A.	14,345	4.67
Fight & Step Co., Ltd.	1-4-3 Mita, Meguro-ku, Tokyo	14,250	4.64
MASTERMIND, LLC	1-4-3 Mita, Meguro-ku, Tokyo	10,830	3.53
JP MORGAN CHASE BANK (Standing proxy Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom (2-15-1, Konan, Minato-ku, Tokyo)	9,060	2.95
Total	-	225,317	73.43

(Notes) 1. “Number of shares held” is rounded down to the nearest unit of thousand shares.

2. The shares held by The Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. are all held in conjunction with trust business.

3. According to the report of large shareholdings (report of change of composition) submitted on 19 September 2025 by Sumitomo Mitsui Trust Asset Management Co., Ltd and Amova Asset Management Co., Ltd., which are all as joint holders, each party was holding the shares stated below as at 15 September 2025. However, since the Company has not been able to confirm the number of shares actually held as at 31 August 2026, of the end of the term, these shareholdings have not been included in the statement of principal shareholders above.

Name or trade name	Address	Number of shares held (Thousand shares)	Percentage of total number of shares issued (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1, Shibakoen, Minato-ku, Tokyo	4,848	1.52
Nikko Asset Management Co., Ltd. (Current Amova Asset Management Co., Ltd.)	9-7-1, Akasaka, Minato-ku, Tokyo	13,812	4.34

4. In addition to the above 11,361,403 shares of treasury stock are held by the Company.

(7) Voting Rights

(a) Shares issued

As at 31 August 2026

Class	Number of shares (Shares)	Number of voting rights (Number)	Details
Non-voting shares	-	-	-
Shares subject to restrictions on voting rights (treasury stock, etc.)	-	-	-
Shares subject to restrictions on voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	(Shares held as treasury stock) Common stock 11,361,400	-	-
Shares with full voting rights (others)	Common stock 306,630,400	3,066,304	(Note)
Shares less than one unit	Common stock 229,168	-	(Note)
Total number of shares issued	318,220,968	-	-
Total number of voting rights of all Shareholders	-	3,066,304	-

(Note) The columns for the number of shares of "Shares with full voting rights (others)" and "Shares less than one unit" include, 8,300 shares and 52 shares, respectively, held in the name of Japan Securities Depository Center, Inc.

(b) Treasury Stock

As at 31 August 2026

Name or trade name of Holder	Holder's address	Number of shares held in own name (Shares)	Number of shares held in other's name (Shares)	Total number of shares held (Shares)	Percentage of total number of shares issued (%)
FAST RETAILING CO., LTD.	10717-1 Sayama, Yamaguchi-City, Yamaguchi	11,361,400	—	11,361,400	3.57
Total	-	11,361,400	—	11,361,400	3.57

B. Treasury Stock Information

Type of Shares: Buybacks of common stock under Companies Act of Japan, Article 155-7

(1) Purchases approved by General Meeting of Shareholders

Not applicable.

(2) Purchases approved by Board of Directors

Not applicable.

(3) Details of items not based on General Meeting of Shareholders or Board of Directors' resolutions

Purchases of shares less than one unit pursuant to Companies Act of Japan, Article 192-1.

Class	Number of shares (Shares)	Total paid (Thousand yen)
Treasury stock purchased in the fiscal year ended 31 August 2026	27	1,851
Treasury stock purchased from 1 September 2026 to the submission date	–	–

(Note) "Treasury stock purchased from 1 September 2026 to the submission date" does not include shares of less than one unit purchased between 1 November 2026 and the submission date of this report.

(4) Status of treasury stock purchased

Class	Fiscal year ended 31 August 2026		From 1 September 2026 to the submission date	
	Number of shares (Shares)	Total disposal value (Thousands of yen)	Number of shares (Shares)	Total disposal value (Thousands of yen)
Treasury stock purchases for which subscribers were solicited	–	–	–	–
Treasury stock cancelled after purchase	–	–	–	–
Treasury stock transferred due to mergers, share exchange, share issuance, or company split	–	–	–	–
Other (Note)	40,413	51,502	12,771	16,276
Number of Treasury shares held	11,361,403	–	11,348,632	–

(Note) The breakdown of figures for the fiscal year ended 31 August 2026 reflects the exercise of 40,413 share subscription rights, a share disposal value of 51,502 thousand yen. The breakdown of figures for the current fiscal year reflects the exercise of share subscription rights, and does not include shares of less than one unit purchased between 1 November 2026 and the submission date of this report.

C. Dividend Policy

Seeking medium- to long-term business growth as its highest priority, the Company actively makes investments for future growth, such as opening flagship stores globally, strengthening its supply chains, developing human resources, and promoting digital transformation. At the same time, the Company regards the distribution of profits to all shareholders as an important management issue. Its basic policy is to achieve global business growth and to continually distribute profits in an appropriate manner based on performance.

In recent years, the Company has further solidified its foundation for global and sustainable growth and expanded its revenue base, resulting in stable profitability and enhanced cash generation capabilities. Accordingly, while continuing to place the highest priority on investments for growth, the Company aims to enhance shareholder returns with a dividend ratio of approximately 50% as a guideline.

Taking into account the above-mentioned policy and the consolidated financial results for the fiscal year, the Board of Directors resolved to set the year-end dividend at 530 yen per share. As a result, the annual dividend for the current fiscal year totaled 850 yen per share, including the interim dividend of 320 yen per share, an increase of 350 yen from the previous fiscal year.

The payment of an interim dividend under Article 454-5 of the Companies Act of Japan is stipulated by the Company's Articles of Incorporation.

Resolution date	Total dividends (Millions of yen)	Dividends per share (Yen)
Board of Directors resolution made at the meeting held on 9 April 2026	98,188	320
Board of Directors resolution made at the meeting held on 5 November 2026	162,635	530

D. Waiver from compliance with Rule 19B.21

The Hong Kong Stock Exchange has granted us, subject to certain conditions, a waiver from Rule 19B.21 of the Hong Kong Listing Rules regarding certain requirements for cancellation of HDRs upon a share repurchase. The Company has complied with the relevant conditions for the fiscal year ended 31 August 2026.

7. Corporate Governance Report

A. Basic Thinking on Corporate Governance

The Company is more determined than ever to pursue business expansion and sustainability initiatives in tandem as part of our aim to become a global No.1 brand that is essential to daily living and trusted by all customers around the world based on our corporate statement: Changing clothes. Changing conventional wisdom. Change the world.

To achieve these aims, we are working hard to establish an effective corporate governance structure. Fast Retailing is a company with an Audit & Supervisory Board. To enhance the independence of the Board of Directors and strengthen its surveillance ability, the majority of the directors on the Board are Non-Executive Directors. Fast Retailing has introduced a corporate officer system to separate decision-making and business-execution functions and facilitate fast management decisions and business implementation. In addition, the company has established a variety of committees to complement the effective functioning of the Board, including the Human Resources, Sustainability, Disclosure, IT Investment, Code of Conduct, Business Ethics, Risk Management, Nomination and Remuneration Advisory, and Human Rights committees. Each committee encourages prompt, open debate and decision-making to fulfill its designated purpose and responsibilities. We use these frameworks to help respond to the needs and demands of our customers, business partners, shareholders and all other stakeholders.

B. Details of Company organization and internal control systems

(1) Details of company organization

The Company has established a corporate governance framework centered on the Board of Directors, the Audit & Supervisory Board, and various committees. As part of efforts to strengthen this framework, the Company has adopted an Executive Officer system that delegates certain business execution authority from the Board of Directors and the Representative Director, thereby separating management decision-making from business execution and enabling more agile management.

The Board of Directors consists of 11 directors, including six Non-Executive Directors, and is chaired by the Chairman, President & CEO. Non-Executive Directors bring extensive knowledge and experience in corporate management and related fields. In accordance with internal regulations, the Board decides on management policies, important business matters, matters authorized by the General Meeting of Shareholders, and other items stipulated by laws and the Articles of Incorporation, and also receives reports on relevant topics. In the fiscal year ended August 2026, the Board passed resolutions on matters including the annual budget, approval of financial results, executive appointments, approval of funding plans and fund management policies, and remuneration systems for Directors, and discussed matters including issues relating to the businesses of subsidiaries and policies for addressing cybersecurity risks.

The Board of Directors meets at least once a month. In FY 2026, the Board met 13 times. The attendance rate of each director is listed below.

Name	Held	Attendance
Tadashi Yanai	13	13
Masaaki Shintaku	13	13
Naotake Ono	13	13
Kathy Mitsuko Koll	13	13
Joji Kurumado	13	13
Yutaka Kyoya	13	13
Takeshi Kunibe	10	10
Takeshi Okazaki	13	13
Kazumi Yanai	13	13
Koji Yanai	13	13
Daisuke Tsukagoshi	10	10
Nobumichi Hattori	3	3

(Note) Nobumichi Hattori retired from his position as Non-Executive Director upon the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended August 2025, held on 27 November, 2025.

The Audit & Supervisory Board consists of five Audit & Supervisory Board Members, including three External Audit & Supervisory Board Members, with a Full-time Audit & Supervisory Board Member acting as chairperson. The External Audit & Supervisory Board Members are fully independent and they have ample knowledge and experience as attorneys, certified public accountants, and corporate managers. Through their participation in the Board of Directors, the Audit & Supervisory Board Members are fully aware of the decision-making process of the Board of Directors and are able to fulfill their supervisory obligations. They also supervise the Directors' performance of their executive duties through regular conversations with the Directors, other executive officers, other employees, and auditors of subsidiary corporations. The Audit & Supervisory Board meets at least once a month to make decisions about audit policies and planning. It meets quarterly to receive briefings and reports from the Independent Auditor. In FY 2026, the Audit & Supervisory Board met 14 times. The attendance rate of each Audit & Supervisory Board Member is listed below.

Name of Audit & Supervisory Board Member	Number of Meetings	Number of Attendances
Tomohiro Tanaka	14	14
Masumi Mizusawa	14	14
Keiko Kaneko	14	14
Takao Kashitani	14	12
Masakatsu Mori	14	14

The various committees complement the work of the Board of Directors. The Non-Executive Directors and External Audit & Supervisory Board Members also serve as members of these committees. The name, purpose, authority, details of activities, and status of activities of each of the committees are shown below.

Human Resources Committee

The Human Resources Committee discusses important organizational changes and adjustments to human resource systems across the Group, and offers views and suggestions to the Board of Directors. The committee met two times during FY 2026.

Sustainability Committee

The Sustainability Committee discusses and determines Fast Retailing's overall strategy on sustainability issues, environmental protection, social contribution activities, diversity, regulatory compliance, and communication. The committee is chaired by the Executive Director in charge of Sustainability, and its members include external experts, Directors, Audit & Supervisory Board Members, and Executive Officers. The committee met four times during FY2026.

Disclosure Committee

The Disclosure Committee, chaired by the Company official in charge of disclosing information to the Tokyo Stock Exchange (TSE), is tasked with boosting management transparency by "disclosing information that is timely, accurate, fair, and easy to understand." The Committee is responsible for both timely and voluntary disclosures to the TSE and the Stock Exchange of Hong Kong regarding matters that may materially impact investor and shareholder investment decisions. The committee met 12 times during FY 2026.

IT Investment Committee

This committee debates and advises on the IT investments that will best achieve our targets for sweeping changes to our information systems and business operations. That means deliberating the efficacy of each individual investment, and checking whether IT investment budgets submitted by external specialist organizations are reasonable and appropriate. The committee is chaired by the Company president. External experts, Non-Executive Directors, Audit & Supervisory Board Members, and Executives Officers participate as committee members or observers. The committee met six times during FY2026.

Code of Conduct Committee

The Code of Conduct Committee considers how best to resolve any violations of the Fast Retailing Group Code of Conduct (CoC), and when to make improvements to it. It offers guidance on educating executives and employees about the requirements of the CoC, and on operating the confidential hotline. The committee is chaired by the head of the Legal Department. Audit & Supervisory Board Members (including External Audit & Supervisory Board Members), Executive Officers and others participate as committee members. The committee met 13 times during FY2026.

Business Ethics Committee

This committee ensures the Group does not use an advantageous position to exert undue pressure on business counterparts such as partner factories and suppliers. The committee provides advice and counsel to departments based on external field inspections and partner company surveys. The committee is chaired by the head of the Sustainability Department. Audit & Supervisory Board Members (including External Audit & Supervisory Board Members), Executive Officers and others participate as committee members. The committee met 11 times during FY2026.

Risk Management Committee

In order to identify latent risks in business activities on a regular basis and to strengthen systems for identifying and managing material risks, the Risk Management Committee analyzes and assesses risks based on factors such as their potential impact on business and frequency, and discusses countermeasures in order of risk level, with the aim of preventing risks from materializing and responding swiftly if they do materialize. The committee is chaired by the Group CFO, and its members include Directors (including Non-Executive Directors), Executive Officers, and others. The committee met four times during FY2026.

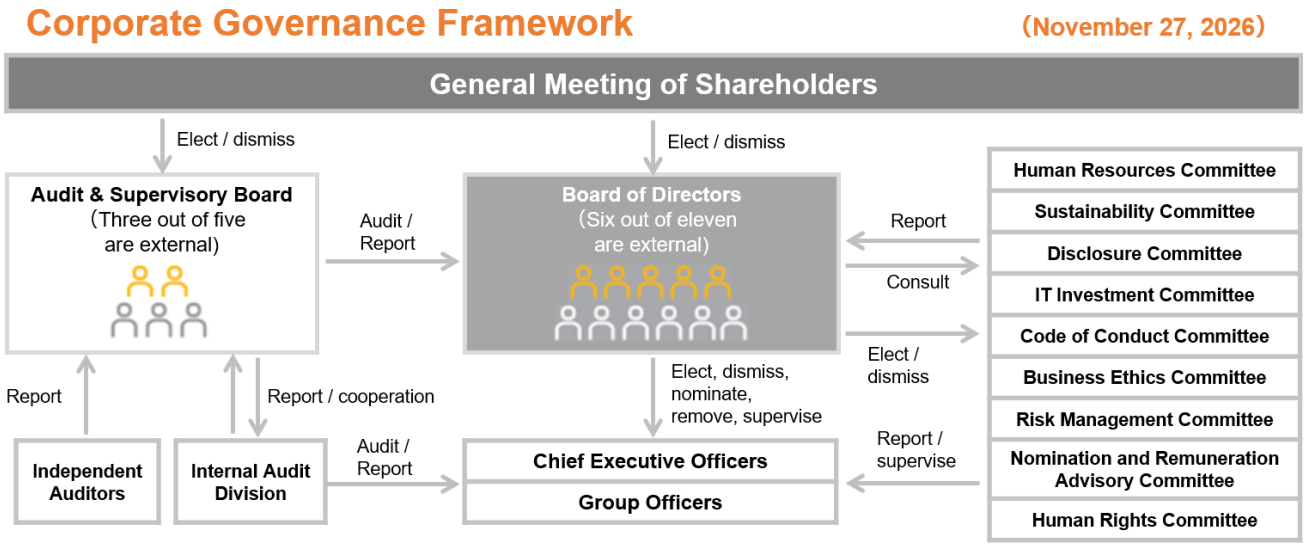
Nomination and Remuneration Advisory Committee

As a voluntary advisory body, the Nomination and Remuneration Advisory Committee discusses key governance matters at Fast Retailing and advises the Board of Directors on matters including the requirements and nomination policy for Director and Audit & Supervisory Board Member candidates, the policy for determining Director remuneration, the requirements for the Chief Executive Officer (CEO), and succession planning. The Committee is chaired by an external director appointed by the Board of Directors, and a majority of its members are independent external directors and independent external Audit & Supervisory Board members. In addition, as FAST RETAILING considers its corporate philosophy and spirit to be the source of its growth and believes it is important to carry them forward, the representative director also serves as a member of the Committee. In recognition of the importance of passing on Fast Retailing's corporate philosophy and spirit, which are the source of its growth, the Representative Director also serves as a committee member. In FY2026, the committee met four times and discussed and resolved matters including the nomination policy and proposals for the election of Director and Audit & Supervisory Board Member candidates, as well as the remuneration structure for Executive Directors. All committee members attended each meeting.

Human Rights Committee

Chaired by an outside expert, this committee deliberates and advises on the execution of human rights due diligence. The committee also provides counselling and conducts education and awareness-raising activities for departments involved in the execution of business to ensure that we fulfil our obligations to respect human rights under the Fast Retailing Group Human Rights Policy established in 2018, and conduct business operations appropriately. In addition, the committee is responsible for providing recommendations and supervision as well as conducting investigations and taking remedial measures when a human rights violation occurs. The committee met seven times during FY 2026.

Below is a diagram of our corporate governance system.



The members and chairs of the Board of Directors, Audit & Supervisory Board and other committees are as follows:

Title	Name	Board of Directors	Audit & Supervisory Board	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
Executive Directors	Tadashi Yanai	Chairman		Chair	○	○	Chair				○	
	Takeshi Okazaki	○		△	○	Chair	○			Chair		○
	Kazumi Yanai	○			○							
	Koji Yanai	○			Chair						○	
	Daisuke Tsukagoshi	○			○	○	△			○		○
Independent Non-Executive Directors	Masaaki Shintaku	○		○			△			○	Chair	
	Naotake Ono	○										
	Kathy Mitsuko Koll	○			○						○	○
	Joji Kurumado	○										
	Yutaka Kyoya	○		○								
	Takeshi Kunibe	○									○	
Audit & Supervisory Board Members	Tomohiro Tanaka	△	○				△		○	△		
	Masumi Mizusawa	△	○	○	○	△		○		△		○
External Audit & Supervisory Board Members	Keiko Kaneko	△	○	○				○				○
	Masakatsu Mori	△	○							△	○	
	Isao Ohno	△	○						○			
Senior Executive Officers	John C Jay			△	○							
	Noriaki Koyama	△		○	○			○		○		○
	Shuichi Nakajima				○				○	○		
	Takahiro Wakabayashi			○								
	Takahiro Kinoshita				○							
Executive Officers	Alisha											○
	Masanobu Kusaka									○		
	Takayuki Miki									○		
	Yukihiro Nitta				○			○	Chair	○		○
	Shimpei Otani						○					
	Serena Peck											○
	Tomohiko Sei									○		
	Takahiro Tambara						○					
	Dai Tanaka						○			○		
	Yasuyuki Terashi							○				
	Toshihisa Tokunaga									○		
	Xiaozhou Wang									○		
	Masahiro Yubisui								△			○
	Osamu Yunoki									○		

Title	Name	Board of Directors	Audit & Supervisory Board	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
Subsidiary Auditors	Toshiharu Ura							○				
	Miyuki Isozaki								○			
Chairpersons of Internal Committee	General Manager of Legal							Chair	○			○
	General Manager of Legal Dept.					○				△		
	General Manager of Production Division (GU)								△			
	General Manager of President's Office							△				
	General Manager of IR					○						
	General Manager of Public Relations Division					○						
External Experts	Kenji Shiratsuchi				△							
	Toru Murayama						△					
	Yoshinori Tomita											Chair

(Note) 1. ○: Member △: Non-member attendee (including observers)

2. As at 27 November 2026

(2) Outline of Agreements for Limitation of Liability

The Company has entered into agreements with the Non-Executive Directors and External Audit & Supervisory Board Members, and Independent Auditor based on provisions of Article 427, Paragraph 1 of the Companies Act, which limit liability for damages provided for in Article 423, Paragraph 1 of the same act. Under these agreements, the limited liability in damage for all Non-Executive Directors and External Audit & Supervisory Board Members shall be limited to higher amount of either 5 million yen or the amount stipulated by law. For Deloitte Touche Tohmatsu LLC, the limit of liabilities for damages shall be limited to the highest of the following amounts multiplied by two: the total economic benefits received or to be received from the Company as remuneration and payment received for performance of duties in each business year during its service as the Independent Auditor.

(3) Summary of Indemnity Liability Insurance Contract for Executive Officers, etc.

The Company forms an indemnity liability insurance contract for Executive and other Officers with an insurance company as prescribed in Article 430, Paragraph 3, Item 1 of the Companies Act. Any damages suffered through damage claims originating from action taken by insured parties based on his/her corporate position will be compensated under this aforementioned insurance contract, which is renewed on an annual basis. However, there are some exemptions to the contract that mean damages would not be compensated if the insured persons profited illegally or acquired some benefit or if the damages were caused by a criminal act, malpractice, or fraud, etc.

The insured persons under the insurance contract include Officers in charge of major business execution, such as Directors, Audit & Supervisory Board members, and Executive Officers of Fast Retailing and its subsidiary companies. The insured persons do not have to pay the insurance premiums. We plan to renew the insurance contract with the same content when it next comes up for renewal.

(4) Establishing internal control systems

The Company seeks to ensure its business operations are legitimate, fair, and efficient by establishing a system of internal controls that covers the entire Fast Retailing Group (FR Group) and which adheres strictly to the Group's policies and rules, including the Group's management principles, the Fast Retailing Way (FR Way), and the Fast Retailing Group Code of Conduct (FR Code of Conduct).

(a) Ensuring FR Group Directors' Duties Comply with Laws, Regulations, and Articles of Incorporation

1. Directors and Group officers (collectively, Directors) of all FR Group companies comply faithfully with the Group's management principles, the FR Way, the FR Code of Conduct, and other internal Company rules and regulations, and promote strict adherence to corporate ethics and compliance across the Group as a whole. The Directors also ensure the effectiveness of the Company's rules and principles by reviewing them regularly and revising them when necessary to reflect changes in society and Company business activities, and the operation of the FR Code of Conduct.
2. The Company appoints either the Group officer overseeing the Legal Department or the head of the Legal Department as the compliance officer, tasked with establishing Company and Group-wide compliance frameworks and resolving compliance-related issues.
3. The Company promotes fairness and transparency in senior management decision-making by appointing two or more External Directors to the Board of Directors. Audit & Supervisory Board Members for the Company or Group subsidiaries may attend the Board of Directors meetings of companies they audit and express timely opinions. Company or Group subsidiary Directors may engage external lawyers, certified public accountants, etc. to avoid potential violation of laws and implement preventive measures. If Company or Group subsidiary Directors discover another Director has acted illegally, they must report immediately to the Audit & Supervisory Board Members, the President, and the compliance officer.

(b) Ensuring FR Group Employees' Duties Comply with Laws, Regulations, and Articles of Incorporation

1. Company and Group subsidiary Directors are responsible for establishing a framework to ensure that all Group employees comply with the management principles, the FR Way, the FR Code of Conduct, and other internal company rules. They are also responsible for training employees in compliance awareness.
2. The Company has an Internal Audit Department that supervises the FR Group's internal control systems, and a Legal Department that oversees compliance.
3. If Directors of the Company or Group subsidiaries discover a legal or compliance violation, they should report the matter immediately to other Directors. Any serious legal violation should be reported immediately to the Audit & Supervisory Board Members, the President, and the compliance officer.

4. The Company has set up an internal reporting system (hotline) for Directors and employees of the Company or Group subsidiaries to report illegal actions or compliance violations.

5. The Code of Conduct Committee, which includes external specialists such as lawyers and certified public accountants, conducts regular reviews of compliance maintenance and hotline operation, and makes necessary improvements. If Directors of the Company or Group subsidiaries detect a problem with the hotline operation, they should apply to the Code of Conduct Committee and request improvements.

(c) Data Storage and Management Relating to Execution of FR Group Directors' Duties

The documents listed below relating to the Company and the Group subsidiary Directors' duties are retained as proof of decision making and business-execution processes, as stipulated by law, Articles of Incorporation, and Board of Directors and Company regulations and guidelines on document management and confidential information. These documents are stored and managed appropriately and can be easily retrieved for reference or inspection during the legally required storage period.

- Shareholders' meeting minutes and relevant documentation
- Board meeting minutes and relevant documentation
- Minutes of important meetings held by Directors and relevant documentation
- Minutes of meetings held by other important employees and relevant documentation

(d) Managing Risk of Losses to FR Group

1. The Company regularly analyzes risks relating to the Company and Group subsidiaries to identify risks that could, directly or indirectly, cause financial loss, interrupt or stop business, damage brand images or the credibility of the Company or FR Group, and manages any risks accordingly.

2. If unforeseen circumstances should arise, a task force headed by the President or a Director appointed by the President shall be established to prevent increased losses and minimize damage. For a faster response, the task force may organize an external advisory team including lawyers and certified public accountants.

(e) Ensuring Efficient Execution of Director Duties

1. To ensure that the duties of the Company and Group subsidiary Directors are performed efficiently, the Company holds regular monthly meetings of the Board of Directors, which includes a number of Non-Executive Directors, and holds ad hoc meetings when necessary. Group subsidiaries which have their own Board of Directors also hold Board meetings as stipulated by law.

2. Important matters concerning Company and Group management policy and management strategy shall be discussed beforehand at the weekly management meeting (Monday meeting) chaired by the President, and decisions made after due deliberation.

3. The execution of decisions made by the Board of Directors shall be conducted efficiently and appropriately by the operating officers designated by the Board.

(f) Ensuring Reliable FR Group Financial Reports

Systems have been established to ensure reliable financial reporting of Company and FR Group subsidiary activities, and the appropriate acquisition, holding, and disposal of assets. These activities are closely monitored. The Company has also established a Disclosure Committee to ensure the Company and Group subsidiaries disclose information in a timely and appropriate fashion.

(g) Ensuring Proper Execution of Corporate Groups Formed by Company and FR Group Subsidiaries

1. To ensure appropriate operations of FR Group companies, all Group companies are required to uphold the management principles, the FR Way, and the FR Code of Conduct. These principles also underpin the rules and regulations used when establishing entrusted individual Group companies. While respecting their autonomy, the Company oversees affiliated companies by determining their rules of business and requiring them to refer important items to the Company for consultation or final determination. The Company monitors affiliates if necessary. If Directors of Group subsidiaries discover any legal violations or serious compliance breaches, they should report them to the Audit & Supervisory Board Members, the President, and compliance officer.

2. If Directors of Group subsidiaries consider the Company's management principles or guidelines violate the law, undermine corporate ethics in a specific country, or create a compliance problem, they shall report to the Internal Audit Department or the Legal Department. Those departments shall report swiftly to the Audit & Supervisory Board, the President, and the compliance officer, and request appropriate improvements.

(h) Employee Assistants Requested by Audit & Supervisory Board Members and Ensuring the Independence and Effectiveness of Audit & Supervisory Board Members' Instructions to Employee Assistants

1. Upon receiving a request from the Audit & Supervisory Board, the Company shall establish rules to determine which employees assist the Audit & Supervisory Board Members with their duties, and assign appropriate internal personnel to the Audit & Supervisory Board Members or employ external lawyers or certified public accountants. To ensure assistants are independent of the Directors, their performance will be evaluated by Audit & Supervisory Board Members, and the Audit & Supervisory Board will approve decisions made by the Board of Directors on their assignment, dismissal, transfer, and wages, etc.

2. Assistants shall report directly to the Audit & Supervisory Board Members and may not hold concurrent positions that involve the execution of Company business.

(i) Director and Employee Reporting to Audit & Supervisory Board Members and Other Reports

1. Directors and employees of the Company and Group subsidiaries shall report any important matters that might impact the Company's operations or corporate performance to the Audit & Supervisory Board Members. Irrespective of these rules, the Audit & Supervisory Board Members may request reports from Directors or employees of the Company, or Directors, employees, and Audit & Supervisory Board Members of Group subsidiaries if necessary.

2. The Company and Group subsidiaries shall uphold the Group's management principles, the FR Way, and the FR Code of Conduct, and maintain frameworks for reporting legal violations or breaches of compliance rules to the Audit & Supervisory Board Members. If the Audit & Supervisory Board Members judge there is a problem with this framework, they can inform the Directors and the Board of Directors and request improvements.

3. The Company has made it widely known to Directors and employees across the entire FR Group that using reports submitted to Audit & Supervisory Board Members to penalize the submitter is forbidden. Submitted reports are protected by strict information management systems.

4. Audit & Supervisory Board Members communicate closely with the Independent Auditor, the Internal Audit Department, and Audit & Supervisory Board Members at Group companies through regular meetings and information exchange.

(j) Policy on Prepayment or Reimbursement of Expenses for Audit & Supervisory Board Members

If Audit & Supervisory Board Members submit requests for prepayment or reimbursement of expenses incurred during the course of their duties, the Company shall pay invoices or settle debts swiftly, unless it proves the requested expenses or debt were not necessary to the performance of the Audit & Supervisory Board Member's duties.

(k) Other Matters Ensuring Efficient Audits by Audit & Supervisory Board Members

1. Audit & Supervisory Board Members attend Board of Directors meetings and other important meetings to observe the reporting and discussion of significant issues. They may voice opinions if necessary.
2. The President meets regularly with Audit & Supervisory Board Members to consult on pressing issues, ensure appropriate auditing environments, and exchange views on significant issues highlighted in the auditing process.

(l) Eliminating Anti-social Forces

The Company works to extinguish anti-social forces by incorporating the following content in the FR Code of Conduct, and informing all executives and employees of its uncompromising stance:

1. The Company adopts a firm stance against and refuses to engage with anti-social forces. The Company forbids the use of financial payments to resolve unreasonable claims from anti-social forces.
2. The Company forbids the use of anti-social forces for Company or individual gain.

3 Other stipulations in the Company's articles of incorporation

① Number of directors

The Company's articles of incorporation stipulate that the number of directors shall be at least three but not more than fifteen.

② Election criteria for directors

The Company's articles of incorporation stipulate that the election of directors shall not be based on cumulative voting. Also, the articles of incorporation stipulate that elections shall be based on a majority vote by shareholders, with at least one-third of eligible shareholders participating.

③ Procedure for deciding dividends from surplus

Regarding the payment of dividends from surplus pursuant to the Companies Act, Article 459-1, the Company's articles of incorporation stipulate that dividends are decided by a resolution of the Board of Directors, and not by a resolution of the General Meeting of Shareholders, unless otherwise stipulated by law. The authority to decide payments of dividends from surplus is granted to the Board of Directors to give flexibility in the return of cash to shareholders.

④ Interim dividend

As part of the Company's efforts to be flexible in the return of cash to shareholders, and pursuant to the stipulations of Companies Act Article 454-5, and under the Company's articles of incorporation, an interim dividend may be paid at the end of February every year by a resolution of the Board of Directors.

⑤ Limitation of liabilities for Directors and Audit & Supervisory Board Members

Under the stipulations of the Company's Articles of Incorporation (Article 426-1 of the Companies Act), the Company may exempt, by decision of the Board of Directors, Directors (including former Directors) and Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liabilities for actions described in Article 423-1 of the Companies Act, to the extent allowed by law. The purpose of this action is to create an environment where Directors and Audit & Supervisory Board Members can perform their duties and pursue their expected roles to the full extent of their abilities.

⑥ Special resolutions of the General Meeting of Shareholders

Regarding extraordinary resolutions of the General Meeting of Shareholders based on the Companies Act, Article 309-2, the Company's articles of incorporation stipulate that these resolutions shall be passed by two-thirds vote of the shareholders, in which at least one-third of the eligible shareholders participate. This easing of the quorum rules for extraordinary resolutions by the General Meeting of Shareholders is meant to ensure the smooth functioning of the General Meeting of Shareholders.

8. Board of Directors

A. Board of Directors

Male: 13 persons Female: 3 persons (18.7% of officers are female)

Position	Responsibilities	Name	Date of birth	Brief biography		Term of office	Number of shares held (Thousand shares)
Executive Director (Representative)	CEO	Tadashi Yanai	7 February 1949	August 1972 September 1972 August 1973 September 1984 June 2001 November 2002 September 2005 November 2005 September 2008 June 2009 November 2011 November 2018 September 2023	Joined FAST RETAILING CO., LTD. Director, FAST RETAILING CO., LTD. Senior Managing Director, FAST RETAILING CO., LTD. President & CEO, FAST RETAILING CO., LTD. External Director, SOFTBANK GROUP CORP.（retired 31 Dec., 2019） Chairman and CEO, FAST RETAILING CO., LTD. Chairman, President, and CEO, FAST RETAILING CO., LTD. (current) Chairman, President, and CEO, UNIQLO CO., LTD. Director and Chairman, GOV RETAILING CO., LTD. (currently G.U. CO., LTD.) (current) External Director, Nippon Venture Capital Co., Ltd. (current) Director, LINK THEORY JAPAN CO., LTD. (current) Representative Director, the Fast Retailing Foundation (current) Chairman and CEO, UNIQLO CO., LTD. (current)	Note 4	42,261

Position	Responsibilities	Name	Date of birth	Brief biography		Term of office	Number of shares held (Thousand shares)
Non-Executive Director		Masaaki Shintaku	10 September 1954	April 1978 December 1991 August 2000 January 2001 April 2008 June 2008 November 2009 March 2019 June 2020 June 2021 April 2023	Joined IBM Japan, Ltd. Joined ORACLE CORPORATION JAPAN President & CEO, ORACLE CORPORATION JAPAN Executive Vice President, Oracle Corporation Vice Chairman, Special Olympics Nippon (currently Special Olympics Nippon Foundation) Chairman, ORACLE CORPORATION JAPAN (retired 31 Dec., 2008) External Director, FAST RETAILING CO., LTD. (current) Counselor, Special Olympics Nippon Foundation External Director, NTT DOCOMO, INC. External Director, NTT Communications Corporation (currently NTT DOCOMO BUSINESS, Inc.) (current) Member of External Audit Committee, Juntendo University School of Medicine Juntendo Clinic (current)	Note 4	—
Non-Executive Director		Naotake Ono	28 October 1948	April 1971 June 2000 April 2004 April 2007 April 2011 November 2017 June 2018 November 2018 April 2021 May 2021	Joined Daiwa House Industry Co., Ltd. Director, Daiwa House Industry Co., Ltd Senior Managing Director, Deputy Director, Sales Division, Daiwa House Industry Co., Ltd. Representative Director and Vice President, Director, Sales Division, Daiwa House Industry Co., Ltd. Representative Director and President, Daiwa House Industry Co., Ltd. Special Advisor, Daiwa House Industry Co., Ltd. (retired Mar. 2021) Part-time Director, Nomura Management School Foundation (current) External Director, FAST RETAILING CO., LTD. (current) Special Advisor, Asai Ken Architectural Research Inc. (current) Special Advisor, PATIENCE CAPITAL GROUP (current)	Note 4	—

Position	Responsibilities	Name	Date of birth	Brief biography		Term of office	Number of shares held (Thousand shares)
Non-Executive Director		Kathy Mitsuko Koll	2 February 1965	January 1990 March 1994 January 1998 January 2000 April 2015 November 2018 May 2021 July 2021 November 2021 November 2021 June 2025	Joined Barclays de Zoete Wedd, Limited (current Barclays Capital) Joined Goldman Sachs Japan Co., Ltd. Managing Director, Goldman Sachs Japan Co., Ltd. Partner, Goldman Sachs Japan Co., Ltd. Vice President, Goldman Sachs Japan Co., Ltd. (retired Dec. 2020) Director, Fast Retailing Foundation General Partner, MPower Partners Fund L.P. (current) External Director, Paidy Inc. (retired as at October 2021) Councilor, Fast Retailing Foundation (current) External Director, FAST RETAILING CO., LTD. (current) External Director, SHE, Inc. (current)	Note 4	—
Non-Executive Director		Joji Kurumado	23 April 1956	April 1981 January 1982 April 2012 April 2013 May 2014 April 2015 April 2017 April 2022 November 2022 July 2024 December 2025	Joined TAKENAKA CORPORATION Registered, First-Class Architect General Manager of Design Division, TAKENAKA CORPORATION Executive Officer and General Manager of Design Division, TAKENAKA CORPORATION Director, Architectural Institute of Japan (AIJ Building Committee) Executive Officer in charge of design, TAKENAKA CORPORATION Managing Executive Officer, TAKENAKA CORPORATION Advisor, TAKENAKA CORPORATION (retired 26 Mar. 2023) External Director, FAST RETAILING CO., LTD. (current) Executive Advisor, Pacific Century Hotel Co., Ltd (current) Advisor, MOUNT FUJI ARCHITECTS STUDIO (current)	Note 4	—

Position	Responsibilities	Name	Date of birth	Brief biography		Term of office	Number of shares held (Thousand shares)
Non-Executive Director		Yutaka Kyoya	7 January 1962	April 1984 April 2013 May 2013 April 2014 November 2015 April 2016 April 2019 June 2021 November 2022 September 2025 April 2026 May 2026	Joined Mitsubishi Corporation Division COO, Foods (Commodity) Division, Mitsubishi Corporation Director, Lawson, Inc. Executive Officer, Division COO, Living Essential Resources Division, Mitsubishi Corporation Director, OLAM INTERNATIONAL LIMITED Executive Vice President, Group CEO, Living Essential Group, Mitsubishi Corporation Executive Vice President, Group CEO, Consumer Industry Group, Mitsubishi Corporation (retired 31 Mar. 2021) Representative Director, President and CSO, Mitsubishi Shokuhin Co., Ltd. External Director, FAST RETAILING CO., LTD. (current) Representative Director, President, Officer in Charge of Next-generation Business, and CSO, Mitsubishi Shokuhin Co., Ltd. (current) Senior Advisor, Mitsubishi Shokuhin Co., Ltd. (current) Representative Director, Retail ISAC Japan (current)	Note 4	—

Position	Responsibilities	Name	Date of birth	Brief biography		Term of office	Number of shares held (Thousand shares)
Non-Executive Director		Takeshi Kunibe	8 March 1954	April 1976 June 2007 April 2011 April 2017 June 2017 April 2019 October 2021 June 2025 November 2025 March 2026	Joined, Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation) Director, Sumitomo Mitsui Financial Group, Inc. President and Chief Operating Officer, Sumitomo Mitsui Banking Corporation Representative Director and President, Sumitomo Mitsui Financial Group, Inc. Director, President and Representative Executive Officer, Sumitomo Mitsui Financial Group, Inc. Chairman, Sumitomo Mitsui Financial Group, Inc. (retired 27 Jun. 2025) Chairman, Sumitomo Mitsui Banking Corporation (retired 1 Apr. 2023) Special Advisor, Sumitomo Mitsui Financial Group, Inc. (retired 8 Mar. 2026) External Director, FAST RETAILING CO., LTD. (current) Honorary Advisor, Sumitomo Mitsui Financial Group, Inc. (current)	Note 4	—
Executive Director	CFO	Takeshi Okazaki	9 July 1965	April 1988 July 1998 January 2005 August 2011 August 2011 September 2012 November 2018 November 2018 June 2023	Joined Long Term Credit Bank of Japan, Limited Joined McKinsey & Company Partner, McKinsey & Company Joined FAST RETAILING Co., Ltd. Group Executive Officer & CFO, Group Senior Group Senior Executive Officer & CFO, FAST RETAILING Co., Ltd. (current) Councilor, Fast Retailing Foundation (current) Director, FAST RETAILING CO., LTD. (current) Representative Director, PLST CO., LTD. (current)	Note 4	5

Position	Responsibilities	Name	Date of birth	Brief biography		Term of office	Number of shares held (Thousand shares)
Executive Director		Kazumi Yanai	23 April 1974	September 1997 July 2004 September 2009 January 2012 November 2012 November 2013 November 2015 July 2017 November 2018 June 2020 August 2022	Joined the Goldman Sachs Group Inc. Joined Link Theory Holdings (US) Inc. (currently Theory LLC), Headquarters (New York) Joined FAST RETAILING Co., Ltd. Chairman, Theory LLC (current) Group Executive Officer, FAST RETAILING Co., Ltd. COO, UNIQLO USA LLC Chairman, UNIQLO USA LLC (current) CEO, Chairman and President, J BRAND HOLDINGS, LLC Director, FAST RETAILING CO., LTD (current) Group Senior Executive Officer, FAST RETAILING CO., LTD (current) Chairman, President, and CEO, LINK THEORY JAPAN CO., LTD. (current)	Note 4	14,345
Executive Director		Koji Yanai	19 May 1977	April 2001 September 2012 May 2013 September 2013 November 2018 June 2020	Joined Mitsubishi Corporation Joined FAST RETAILING Co., Ltd., to manage UNIQLO sports marketing General Manager, Global Marketing Division, UNIQLO CO., LTD. Group Executive Officer, FAST RETAILING Co., Ltd. Director, FAST RETAILING CO., LTD (current) Group Senior Executive Officer, FAST RETAILING CO., LTD (current)	Note 4	14,345

Position	Responsibilities	Name	Date of birth	Brief biography		Term of office	Number of shares held (Thousand shares)
Executive Director		Daisuke Tsukagoshi	11 November 1978	March 2002 June 2015 July 2015 December 2019 August 2020 July 2022 July 2022 November 2022 September 2023 November 2024 April 2025 November 2025	Joined FAST RETAILING CO., LTD. General Manager, FR-MIC (Fast Retailing Management and Innovation Center), FAST RETAILING CO., LTD. Group Executive Officer, FAST RETAILING CO., LTD. Group Senior Executive Officer, FAST RETAILING CO., LTD. (current) CEO, UNIQLO USA LLC (current) CEO, UNIQLO North America (current) CEO, UNIQLO CANADA INC. (current) Director, UNIQLO CO., LTD. President and COO, UNIQLO CO., LTD. (current) Director, G.U. CO., LTD. (current) COO, FAST RETAILING CO., LTD. (current) Director, FAST RETAILING CO., LTD. (current)	Note 4	1

Position	Responsibilities	Name	Date of birth	Brief biography		Term of office	Number of shares held (Thousand shares)
Standing Audit & Supervisory Board Member		Tomohiro Tanaka	13 March 1991	April 2013 September 2015 February 2017 July 2018 March 2020 November 2021 March 2023 November 2023 July 2024 November 2024	Joined Ernst & Young ShinNihon LLC Qualified as a Certified Public Accountants Joined PwC Advisory LLC Joined FAST RETAILING CO., LTD. Corporate Management and Control Dept. Manager, FAST RETAILING CO., LTD. Global Corporate Management and Control Consolidated Accounting General Manager, Finance department UNIQLO TAIWAN LLC CFO, UNIQLO TAIWAN Audit & Supervisory Board Member, FAST RETAILING CO., LTD. (current) Auditor of FR Health Insurance Organization (current) Audit & Supervisory Board Member, FAST RETAILING (CHINA) TRADING CO., LTD and other subsidiaries (current)	Note 5	—
Standing Audit & Supervisory Board Member		Masumi Mizusawa	22 July 1959	November 1981 March 1988 October 2001 February 2004 November 2019 November 2020	Joined the International Department of Yamaichi Securities Co., Ltd. Joined the Research Department of Kleinwort Benson Securities (the Tokyo branch of Dresdner Kleinwort Wasserstein (Japan) Ltd.) Joined the Investor Relations Department of FAST RETAILING CO., LTD. General Manager, Global Corporate Management and Control Investor Relations Division, FAST RETAILING CO., LTD. Audit & Supervisory Board Member, FAST RETAILING CO., LTD. (current) Audit & Supervisory Board Member, LINK THEORY JAPAN CO., LTD. (current)	Note 5	1

Position	Responsibilities	Name	Date of birth	Brief biography		Term of office	Number of shares held (Thousand shares)
Audit & Supervisory Board Member		Keiko Kaneko	11 November 1967	April 1991 April 1999 April 1999 January 2007 April 2007 November 2012 November 2012 June 2013 June 2019 March 2026 June 2019	Joined Mitsubishi Corporation Registered as a member of Japan Federation of Bar Associations Joined Anderson, Mori & Tomotsune LPC Partner, Anderson, Mori & Tomotsune LPC (current) Guest associate professor, Tokyo University Graduate School of Law External Audit & Supervisory Board Member, FAST RETAILING CO., LTD. (current) External Audit & Supervisory Board Member, UNIQLO CO., LTD. (current) Audit & Supervisory Board Member, The Asahi Shimbun Company External Director, Daifuku Co., Ltd. (retired 27 Mar. 2026) External Director, Shiseido Co., Ltd. (current) External Director, Mitsubishi Corporation (current)	Note 6	—
Audit & Supervisory Board Member		Masakatsu Mori	22 January 1947	May 1972 February 1989 December 1995 April 2003 September 2007 October 2009 June 2010 June 2013 November 2013 April 2018 March 2019 November 2020	Qualified as a certified public accountant Japan Country Manager, Anderson Consulting (currently Accenture Japan Ltd.) President, Anderson Consulting (currently Accenture Japan Ltd.) Chairman, Accenture Japan Ltd. Senior Advisor, Accenture Japan Ltd. President, International University of Japan (IUJ) External Director, Stanley Electric Co., Ltd. (retired 25 Jun. 2025) External Director, YAMATO HOLDINGS CO., LTD. (retired 23 Jun. 2022) Deputy Vice President, IUJ Special Advisor, IUJ (current) External Director, Kirin Holdings Company, Limited (retired 28 Mar. 2025) External Audit & Supervisory Board Member, FAST RETAILING CO., LTD. (current)	Note 6	0

Position	Responsibilities	Name	Date of birth	Brief biography		Term of office	Number of shares held (Thousand shares)
Audit & Supervisory Board Member		Isao Ohno	2 September 1962	April 1986 October 1988 July 2004 September 2006 July 2017 January 2018 July 2023 June 2024 November 2026	Joined Aoyama Audit Corporation Qualified as a Certified Public Accountant Qualified as a Certified Public Accountant Representative Partner, PricewaterhouseCoopers Aarata (currently PwC Japan LLC) (retired Jun. 2023) Executive Officer and Chief Quality Officer, PwC Aarata LLC (currently PwC Japan LLC) Senior Executive Officer and Chief Quality Officer, PwC Aarata LLC (currently PwC Japan LLC) President, Isao Ohno Certified Public Accountant Office (current) External Audit & Supervisory Board Member, Saibo Co., Ltd. (current) External Audit & Supervisory Board Member, FAST RETAILING CO., LTD. (current)	Note 7	—
Total							70,962

(Notes) 1. Directors Masaaki Shintaku, Naotake Ono, Kathy Mitsuko Koll, Joji Kurumado, Yutaka Kyoya and Takeshi Kunibe are External Directors as provided for in Article 2, Paragraph 15 of the Companies Act.

2. Directors Kazumi Yanai and Koji Yanai are relatives in the second degree of Tadashi Yanai, Representative Director, Chairman and President.

3. Audit & Supervisory Board Members Keiko Kaneko, Masakatsu Mori and Isao Ohno are External Audit & Supervisory Board Members as provided for in Article 2, Paragraph 16 of the Companies Act.

4. For a one-year term beginning at the conclusion of the Ordinary General Meeting of Shareholders on 26 November 2026.

5. For a four-year term beginning at the conclusion of the Ordinary General Meeting of Shareholders on 30 November 2023.

6. For a four-year term beginning at the conclusion of the Ordinary General Meeting of Shareholders on 28 November 2024.

7. For a four-year term beginning at the conclusion of the Ordinary General Meeting of Shareholders on 26 November 2026.

B. Non-Executive Directors and External Audit & Supervisory Board Members

(1) Functions, roles and selection of Non-Executive Directors and External Audit & Supervisory Board Members

It is the Company's expectation that the External Directors will keep an eye on the management monitoring function. From a business perspective, the advice of these individuals, with their abundance of experience and expertise, makes a major contribution to enhance the value of our enterprise.

It is also expected that External Audit & Supervisory Board Members will monitor the performance of the Board of Directors. The Company receives valuable advice based on their rich experience in a wide variety of fields.

Director Masaaki Shintaku serves as an External Director of NTT DOCOMO Business, Inc., and the Company and its group subsidiaries engage in transactions with that company related to the construction of office and warehouse networks.

Director Kathy Mitsuko Koll serves as a council member on the Fast Retailing Foundation. Fast Retailing has concluded a contract with the Foundation pertaining to the lease of office space, etc.

Aside from the above, there are no distinctive interests between the Company and other External Directors or External Audit & Supervisory Board Members.

The Non-Executive Directors and External Audit & Supervisory Board Members receive reports at the Board of Directors meeting regarding internal audits, the operation of internal controls, audits by Audit & Supervisory Board Members, and the results of accounting audits.

With regard to the selection of Non-Executive Directors and External Audit & Supervisory Board Members, the Company has no specific standards on independence from the Company, but it is the Company's responsibility to reflect their advice and counsel in its decision-making processes in an objective and independent fashion. For many years now, the Company has chosen many Non-Executive Directors with rich experience as corporate managers in industry, with broad-ranging expertise and discerning views. In addition, to incorporate wide range of stakeholders' views in the audits of our business activities, we value both the independence and the diversity of our External Audit & Supervisory Board Members in various fields.

(2) Independent Officers

Six of the eleven members of the Fast Retailing Board are Non-Executive Directors, and all of those six are recognized as Independent Officers in accordance with the rules of the Tokyo Stock Exchange. The majority of the Directors on the Board are Non-Executive in order to heighten the Board's independence and strengthen its supervisory function.

In addition to the independence criteria set by the Tokyo Stock Exchange, Fast Retailing has set the following independence standards and qualifications for External Officers, including Non-Executive Directors: A person shall not qualify as an Independent Officer of Fast Retailing, if:

(a) he/she is, or has been within the past three years, a Business Partner*1 or an Executive Officer*2 of a Business Partner*2 of the Fast Retailing Group, whose annual business dealings with Fast Retailing Group during the most recent business year constituted 2% or more of the Fast Retailing Group's consolidated revenue;

(b) he/she is, or has been within the past three years, a Business Partner*1 of the Fast Retailing Group or an Executive Officer of a Business Partner*2 of Fast Retailing, whose annual business dealings with the Fast Retailing Group during the most recent business year constituted 2% or more of the Business Partner's consolidated revenue;

(c) he/she is a consultant, an accountant, or an attorney who receives, or has received over the past three years, any monies or property equivalent to 10 million yen or more from the Fast Retailing Group, except for remuneration for a director or an auditor; or

(d) he/she is, or has been over the past three years, a partner, an associate, or an employee of an accounting auditor of Fast Retailing or its subsidiaries.

*1 "Business Partner" includes law firms, auditing firms, tax accounting firms, consultants, and any other organizations.

*2 "Executive Officer" means (i) for corporations, Executive Directors (as defined in the Companies Act of Japan), Executive Officers (shikko-yaku, as defined in the Companies Act of Japan), corporate officers, and employees, and (ii) for non-corporate entities (including general incorporated associations (shadan-hojin), general incorporated foundations (zaidan-hojin), and partnerships), directors with executive functions, officers, partners, associates, staff, and other employees.

(3) Supervision or auditing by External Directors or External Audit & Supervisory Board Members; mutual cooperation between internal auditing, Audit & Supervisory Board Member auditing, and accounting audits; and relationship with the Internal Control Department

At meetings of the Board of Directors, the Audit & Supervisory Board, and various committees, etc., Non-Executive Directors and External Audit & Supervisory Board Member receive reports about the operating status of internal auditing and internal control systems, the results of Audit & Supervisory Board Members audit and accounting audits, and other important matters, and they offer remarks and suggestions based on their respective areas of expertise, experience, and knowledge.

At meetings of the Board of Directors, the Audit & Supervisory Board, various committees, etc., Audit & Supervisory Board Members cooperate with external directors and External Audit & Supervisory Board Members in a timely manner and exchange opinions as well as share information necessary for the supervision and auditing of management.

For details regarding mutual cooperation between the External Audit & Supervisory Board Members, the Internal Audit Department, and the accounting auditor and the relationship with the Internal Control Department, please refer to "C. Status of Auditing in (1) Status of Auditor's Audit under."

C. Status of Auditing

(1) Status of Audit & Supervisory Board Members' Audit

Audit & Supervisory Board Members always attend Board of Directors meetings and audit the status of management execution. The Audit & Supervisory Board consists of two Internal Full-time Audit & Supervisory Board Members and three External Audit & Supervisory Board Members. Audit & Supervisory Board Members receive reports about important matters related to auditing on a regular and on-demand basis from the Internal Audit Department and accounting auditors, and they discuss those important matters and always maintain a state of cooperation. Both Audit & Supervisory Board Member Tomohiro Tanaka and Audit & Supervisory Board Member Isao Ohno hold the qualification of certified public accountant and Audit & Supervisory Board Member Masakatsu Mori holds the qualification to be certified public accountant. These members have substantial knowledge related to finance and accounting.

In FY2026, the Audit & Supervisory Board discussed matters including exchanges of views with the Group CFO and Group COO, the effectiveness of the global whistleblowing system, initiatives to strengthen the Group management framework, and the risk management and governance framework for the use of generative AI.

In addition, the role of Full-time Audit & Supervisory Board Members includes attending subsidiary company board meetings and other important meetings, hearing accounts from directors and executive officers on the status of execution of their duties, inspecting and confirming important documents, visiting overseas subsidiaries, visiting stores and warehouses, and attending briefings given by the Internal Audit Department.

(2) Status of internal auditing

The Company's Internal Audit Department conducts operational and management audits of the Company and its group companies based on internal regulations and audit plans. It also evaluates the development and operation of internal control systems and processes, including internal controls over financial reporting under the Financial Instruments and Exchange Act. In addition, the department provides audit findings to the audited organizations, requests corrective actions, and confirms their implementation.

Audits were conducted of operating companies and production offices in Southeast Asia, China, South Korea, North America, and Europe, as well as major functions in Japan.

The head of the internal audit department does not report to the Board of Directors, but reports audit results, details of corrective measures, and other matters to the Representative Director as necessary. The head of the internal audit department also reports on the progress of audits and other matters to the full-time Statutory Auditors on a monthly basis and to the Board of Statutory Auditors on a semiannual basis.

As at 31 August, 2026, the Internal Audit Department comprised 44 dedicated personnel across the Group.

(3) Accounting audits

(a) Name of audit firm

Deloitte Touche Tohmatsu LLC

(b) Continuous auditing period

Nine years

(c) Name of Certified Public Accountants

Yohei Masuda, Akira Kimotsuki

(d) Group of assistants to the independent auditor

Based on the audit plan formulated by Deloitte Touche Tohmatsu LLC, the group of assistants to the independent auditor consists of 22 CPAs, three successful Certified Public Accountant applicants and 102 others.

(e) Policy and reasons for selecting audit corporation

Based on the "Practical Guidelines for Auditors, etc. Concerning the Formulation of Evaluation and Selection Standards for Accounting Auditors" (Japan Audit & Supervisory Board Members Association; 21 December, 2023), the Audit & Supervisory Board selected Deloitte Touche Tohmatsu LLC to be the accounting auditor after comprehensively examining their quality control systems, audit team independence, communication systems, group audit systems, handling of fraud risks, and the like in accordance with the prescribed selection standards and evaluation standards for accounting auditors. Regarding the policy for determining the dismissal or non-reappointment of an accounting auditor, in the event that it is acknowledged that an item prescribed in an item under Article 340-1 of the Companies Act is applicable, the Audit & Supervisory Board will pass a resolution to the effect that the Audit & Supervisory Board will dismiss the accounting auditor based on the consent of all Audit & Supervisory Board Members, and in the event that it is acknowledged that it is difficult for the accounting auditor to perform an appropriate audit due to an event arising that otherwise impairs the accounting auditor's competence or independence, the Audit & Supervisory Board will pass a resolution to the effect that the Audit & Supervisory Board will make a proposal to the General Meeting of Shareholders to dismiss or not reappoint the accounting auditor.

(f) Evaluation of the accounting auditor by Audit & Supervisory Board Members and the Audit & Supervisory Board

In addition to auditing and examining the independence, quality-control status, suitability of the system for performing duties, and status of implementing accounting audits in the current fiscal year of the accounting auditor, the Audit & Supervisory Board conducts evaluations by receiving reports from the accounting auditor on the status of performing its duties and requesting explanations when necessary.

(4). Details of Independent Auditor's remuneration

(a) Details of remuneration for Independent Auditor

Class	Year ended 31 August 2025	Year ended 31 August 2026
	Remuneration for audit and certification duties (Millions of yen)	Remuneration for audit and certification duties (Millions of yen)
Reporting Entity	299	309
Consolidated subsidiaries	49	48
Total	348	357

(b) Details of remuneration for member firms of the Deloitte global network (except (a))

Class	Year ended 31 August 2025		Year ended 31 August 2026	
	Remuneration for audit and certification duties (Millions of yen)	Remuneration for duties other than audit (Millions of yen)	Remuneration for audit and certification duties (Millions of yen)	Remuneration for duties other than audit (Millions of yen)
Reporting Entity	－	178	－	244
Consolidated subsidiaries	440	63	453	221
Total	440	242	453	465

Year ended 31 August 2025 (1 September 2024 - 31 August 2025)

The non-audit services paid for by the Company and the Company's subsidiaries to organizations belonging to the same network as audit-certified public accountants, etc., comprise advisory services related to the e-commerce platform.

Year ended 31 August 2026 (1 September 2025 - 31 August 2026)

The non-audit services paid for by the Company and the Company's subsidiaries to organizations belonging to the same network as audit-certified public accountants, etc., comprise advisory services related to the e-commerce platform.

(c) Other important details regarding remuneration for audit and certification duties

Not applicable.

(d) Policies for determination of accounting audit remuneration

The Company's articles of incorporation stipulate that remuneration to independent auditor for audit services is determined by the representative director, with the consent of the Audit & Supervisory Board.

(e) Reasons for agreement of the Audit & Supervisory Board to the remuneration of the Independent Auditor

The Audit & Supervisory Board agreed to the remuneration of the independent auditor as stipulated in Article 399, Item 1 of the Companies Act, after checking auditing estimates versus actual performance in previous business years, including itemized auditing hours and remuneration, and investigating whether the estimates for the fiscal year ended 31 August 2026 were reasonable, based on the practical guidelines relating to independent auditor published by the Japan Audit & Supervisory Board Members Association.

D. Remuneration, etc. for Directors and Audit & Supervisory Board Members

(1) Overview of Remuneration, etc. for Directors and Audit & Supervisory Board Members

The compensation for each Executive Director of the Company (meaning a director other than a Non-Executive Director; the same applies hereinafter) consists of basic compensation and variable compensation (short-term variable compensation and long-term variable compensation). Long-term variable compensation consists of target long-term variable compensation, which is designed to enhance motivation and morale toward improving the Group's performance over the medium term, and long-term incentive compensation, which is designed to encourage initiatives aimed at enhancing the Group's corporate value over the longer term.

With respect to remuneration for Directors, at the 64th Annual General Meeting of Shareholders held on November 27, 2025, it was resolved that the total annual amount of remuneration for Directors shall be capped at 10 billion yen (including annual remuneration for Non-Executive Directors of up to 300 million yen), excluding salaries for employees who concurrently serve as Directors. In addition, under separate remuneration frameworks, stock subscription rights as stock options may be granted to Directors other than Non-Executive Directors as targeted long-term variable compensation up to an annual amount of 1 billion yen and as special long-term incentive compensation up to an annual amount of 3 billion yen. The resolution applies to eleven Directors, including six Non-Executive Directors.

At the 64th Annual General Meeting of Shareholders held on November 27, 2025, it was also resolved that the maximum annual amount of remuneration for Audit & Supervisory Board Members shall be 300 million yen. The resolution applies to five Audit & Supervisory Board Members.

(2) Policy and Process for Determining Remuneration, etc. of Officers

The Company determines its policy for deciding the content of remuneration, etc. for individual Directors by resolution of the Board of Directors. A summary of this policy is as follows.

The remuneration of each Executive Director is determined according to the relevant category of remuneration as described below. The grade of each Executive Director is determined by the Board of Directors based on discussions held by the Nomination and Remuneration Advisory Committee.

(a) Basic Remuneration

Basic remuneration for each Executive Director is calculated and determined based on a remuneration table established by the Board of Directors following discussions by the Nomination and Remuneration Advisory Committee. The applicable amount is determined according to the individual's grade, which is based on factors including the Director's duties, responsibilities, performance, and contribution to the Company.

(b) Short-Term Performance-related Remuneration

Short-term performance-related remuneration is determined under the target management system, pursuant to which performance targets are established based on business performance targets, organizational targets, and individual targets. Achievement of the previous fiscal year's targets is evaluated on a five-grade scale. Based on the evaluation result, a payment rate is determined in accordance with the Payment Standard Table set out below. The amount of remuneration is then calculated by multiplying the applicable rate by the target amount of short-term performance-related remuneration specified in the remuneration table. The final amount payable to each Executive Director is determined by Tadashi Yanai, Representative Director, Chairman, President and CEO, who has been entrusted by the Board of Directors, within the overall limits of remuneration approved by the General Meeting of Shareholders.

Grade	Definition	Percentage of Target Achieved
A	Targets greatly surpassed and many superb courses of action are evident	200%
AB	Targets achieved and superb courses of action are evident	150%
B	Targets achieved, or superb courses of action adequate for achieving target are evident	100%
BC	Targets not achieved, but it is acknowledged that efforts have been made that may lead to future developments	75%
C	Targets not achieved and the anticipated course of action was lacking	50%

(c) Targeted Long-term Variable Remuneration

Targeted long-term variable remuneration is determined based on the target amount of long-term performance-related remuneration calculated in accordance with the remuneration table. An amount equivalent to one-half of such target amount shall be granted, within the limits approved by the General Meeting of Shareholders, in the form of stock subscription rights as stock options or other similar instruments.

In addition, under the target management system, achievement of medium-term (three-year) targets is evaluated on a five-grade scale. Based on the evaluation result, a remuneration rate is determined in accordance with the Payment Standard Table set out below. The amount of remuneration is then calculated by multiplying an amount equivalent to one-half of the target amount of long-term performance-related remuneration by the applicable remuneration rate. The final amount of remuneration for each Executive Director is determined by Tadashi Yanai, Representative Director, Chairman, President and CEO, who has been entrusted by the Board of Directors, within the overall limits of remuneration approved by the General Meeting of Shareholders.

Grade	Definition	Percentage of Target Achieved
A	Targets greatly surpassed and many superb courses of action are evident	300% and more
AB	Targets achieved and superb courses of action are evident	200%
B	Targets achieved, or superb courses of action adequate for achieving target are evident	100%
BC	Targets not achieved, but it is acknowledged that efforts have been made that may lead to future developments	50%
C	Targets not achieved and the anticipated course of action was lacking	0%

(d) Special Long-Term Incentive Remuneration

Special long-term incentive remuneration shall be determined, as necessary, based on factors including each Executive Director's duties, responsibilities, performance, and contribution to the Company. The amount of remuneration for each Executive Director shall be determined by the Board of Directors upon approval by the Nomination and Remuneration Advisory Committee, and shall be granted, within the limits approved by the General Meeting of Shareholders, in the form of stock subscription rights as stock options or other similar instruments.

Remuneration for Non-Executive Directors shall consist solely of fixed remuneration, the amount of which shall be determined by the Board of Directors.

As described above, the Board of Directors has delegated to Tadashi Yanai, Representative Director, Chairman, President and CEO, the authority to determine the amount of individual compensation for internal directors with respect to a portion of short-term variable compensation and long-term variable compensation. This delegation is based on the judgment that Tadashi Yanai, as Representative Director, Chairman, President and CEO, is best suited to evaluate the responsibilities of each director while taking an overall view of the Company's performance. Individual compensation is determined based on deliberations by the Nomination and Compensation Advisory Committee, a majority of whose members are Independent Non-Executive Directors and independent external Audit & Supervisory Board members, and the Company therefore believes that the delegated authority is exercised appropriately.

The amount of remuneration, etc. for Audit & Supervisory Board Members shall be determined through consultation among the Audit & Supervisory Board Members, within the limit on remuneration, etc. for Audit & Supervisory Board Members approved by the General Meeting of Shareholders as described above.

(3) Total remuneration by category of officers of the Company, total amount by type of remuneration, and the number of officers subject to each category

Officer category	Entity category	Total amount of remuneration (Millions of yen)	Total amount of remuneration, by type (Millions of yen)			Number of executives (Persons)
			Basic Compensation	Short-term performance-linked remuneration	Long-term performance-linked remuneration	
Executive Directors (excluding Non-Executive Directors)	the Company	1,191	557	370	263	5
	the subsidiaries	650	327	170	152	
External Directors	the Company	90	90	－	－	7
Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members)	the Company	48	48	－	－	2
External Audit & Supervisory Board Members	the Company	45	45	－	－	3

(Notes)

1. The performance-related remuneration figures are provisional calculations made prior to the evaluation of results for the fiscal year ended 31 August, 2026 after accounting for costs. The actual amounts paid are calculated and decided based on performance evaluations of individual directors.
2. Remuneration for Executive directors who mainly serve as officers of consolidated subsidiaries is paid by the consolidated subsidiaries.
3. Remuneration for Non-Executive Directors is fixed at an annual amount of 15 million yen.
4. The Board of Directors judges whether the details of remuneration, etc. for directors in the current fiscal year is in line with the above-determined policy

(4) Total amount of consolidated remuneration, etc., for each officer: note that this is to be more than 100 million yen.

Name	Total amount of remuneration (Millions of yen)	Entity category	Total amount of remuneration, by type (Millions of yen)		
			Basic Remuneration	Short-term performance-linked remuneration (Note 1)	Long-term performance-linked remuneration (Note 2)
Executive Director Tadashi Yanai	600	the Company	360	240	－
Director Takeshi Okazaki	445	the Company	150	100	195
Director Kazumi Yanai	185	Theory LLC, etc.	130	40	14
Director Koji Yanai	200	UNIQLO CO., LTD.,	120	60	20
Director Daisuke Tsukagoshi	410	the Company	47	30	68
		UNIQLO CO., LTD.	77	70	117

(Notes)

1. As described in Sentence 2. (b) above, Short-term performance-related remuneration is calculated based on the previous year's performance.
2. Long-term variable remuneration is a sum paid at a future date that reflects the current value of the shares issued by the Company, and is paid to eligible directors when they satisfy the pre-determined conditions for exercising the variable remuneration program. At the current point in time, the monetary value of any future incentive is yet to be determined, so the amount allocated for the fiscal year under review is displayed here to represent the calculated remuneration based on the valuation unit price at the time of conferment. As at the end of the current fiscal year, the valuation of the amounts allocated on this occasion and cumulatively to date, calculated based on the share price as at that date, was 1,441 higher in aggregate for the eligible Directors than the valuation calculated based on the share price at the time of grant (1,102 million yen for Takeshi Okazaki, 22 million yen for Kazumi Yanai, 54 million yen for Koji Yanai, and 261 million yen for Daisuke Tsukagoshi).

(5) Salaries for key personnel serving concurrently as an employee and an officer

Not applicable.

E. Status of share holdings

(1) Criteria and approach to “investment share” categories

The Company categorizes shareholdings that are deemed to contribute to improving medium-to-long-term corporate value as “investment shares with a purpose other than net investment” and other shares as “investment shares for the purpose of net investment.”

(2) Investment shares for which the investment purpose is a purpose other than net investment

(a) In principle, the Group has a policy of not having any cross-holdings; however, on occasion these holdings may occur - but only in the minimum number of shares required. Each year, the Board of Directors verifies the economic rationality, etc., for any cross-holdings; this is done for each individual stock and includes any medium-to-long term trading relationships. The Board then makes a comprehensive judgment on the significance of the holdings. The specific contents of the verifications are not disclosed due to the trading relationships with the corporation(s) in which shares are held.

(b) Number of stocks and amounts included in the balance sheet

	Number of stocks	Amounts included in the balance sheet (Millions of yen)
Unlisted shares	3	216
Shares other than unlisted shares	—	—

(Stock for which the number of shares increased in the current business year)

No applicable matters

(Stocks for which the number of shares decreased in the current business year)

No applicable matters

(c) Information on the number of shares and balance sheet amounts for “specified investment shares” and “deemed shares”

Specified investment shares: Not applicable

Deemed Shares: Not applicable.

(3) Investment shares held for the investment purpose

Not applicable.

9. Employees

A. Basic Policy on Human Resource Strategy

Policy for human resource development, including ensuring diversity of human resources and policy for workplace environment improvement are as follows.

The Company operates under the Global One and ZEN-IN KEIEI management principles where all employees, regardless of attributes such as gender, nationality, religion, race, age, affiliation, and period of employment are provided growth opportunities. We also contribute more broadly to society by realizing our corporate philosophy of “Changing clothes. Changing conventional wisdom. Change the world” through the creation of a work environment that allows a diverse array of personnel to shine and make full use of their capabilities.

(1) Priority Areas for Securing and Developing Human Resources

Fast Retailing's growth is driven by employees who are active around the world. We believe that personnel who can think for themselves under high standards and ideals based on the common values of “trust, goodness, and beauty” and “customers first” are the people who will help us achieve our goal of becoming the most beloved brand among customers throughout the world by continuously challenging themselves, taking action, and realizing accomplishments. To this end, we will strengthen our efforts to acquire and develop human resources in the following three areas.

<In-store salespeople who meet the true needs of our customers>

In-store salespersons who think for themselves and provide truly pleasant service that best fit the realities of the community and the true needs of customers

<Global management personnel>

Global management personnel, including store managers, who exercise global leadership that transcends the boundaries of countries, communities, and business areas to achieve tangible results and contribute to society

<World-class, highly specialized human resources>

Personnel who, in addition to possessing world-class expertise in creative, global supply chain areas, digital and IT, among others, are capable of developing new functions and mechanisms at a global standard meant to forge the future without being restricted by existing concepts

(2) Initiatives to secure personnel

<Promotion of Diversity>

- To continue creating LifeWear that fits into the lifestyles of all people, we will promote the development of a diverse organization that unifies individuals with a rich array of unique characteristics and talents. We appoint employees who seek challenges and bring new ideas into management and key roles regardless of their nationality or age and proactively support their growth through appropriate evaluations and helping them as necessary.
- We are advancing various measures to ensure that diverse human resources can work with peace of mind.
  - Conducted a session for global executives to build a shared understanding of diversity and inclusion
  - Implemented human resource systems and measures that will allow all employees to choose work styles and form careers that fit their stage in life, such as babysitter subsidy systems and childcare support systems
  - Launched a caregiving support project to enable employees to continue their careers while facing caregiving responsibilities. This includes strengthening support systems by providing information on

caregiving, education for managers, improving workplace environments, and establishing individual consultation services.
- Established language utilization guidelines for meetings and internal documentation, alongside provided complimentary multilingual learning programs to ensure an inclusive environment where employees can maximize their potential and engage in decision-making, regardless of their native language
- Implemented mentoring systems to support the career development of foreign employees stationed at Tokyo head office
- To better respect diversity in sexual orientation and gender identity, formed a partner registration system in 2019, formed the LGBTQ+ network organization “Symphony,” and published an in-house magazine to promote understanding of LGBTQ+ issues

■ We are actively hiring employees with disabilities and seeking to ensure that, by working together with other employees, everyone can grow and help improve customer service, regardless of their degree of ability or disability.

- Promote the active employment of people with disabilities based on our commitment, started in 2001, to employ at least one person with disabilities at each UNIQLO store in Japan, and expand the approach globally
- Provide the required support to expand their scope of work so that employees with disabilities can tackle diverse tasks that best suit the nature of their disability, their aptitudes, and their experience
- Provide training programs designed to support workplace adaptation for employees with disabilities and training for employees to foster a deeper understanding of the significance of employing people with disabilities and the specific accommodations required.

<Advancement and Diversification of New Graduate Recruitment>

■ By changing our hiring system from systems that differed by brand or sales division to one that is uniform across the Group, we have secured the level of personnel demanded by the Company that transcend the boundaries of brands. We will also hire high-level professionals in creative, global supply chain management, digital, IT, and other positions from among new graduates, and train them regardless of nationality.

■ We promote the recruitment of talented personnel who are motivated to work at our stores on a global scale. We will deepen students' understanding of and identification with our business model and the essence of our trade by providing internships and workshops in collaboration with universities around the world. Through these measures, we will identify talented personnel who can play an active role in the field and develop them as candidates for management following thorough initial training and managerial training.

<Strengthening Mid-career Recruitment of Highly Skilled Professionals>

We will strengthen our recruitment of world-class, highly specialized human resources. We will hire administrative personnel from around the world who will lead the development of new functions and expansions of business in creative, global supply chain management areas, digital and IT, among others.

<Securing Talented In-store Salespeople>

We will work to secure talented sales personnel who can embody the “digital customer retailing industry” on-site, meaning that they strive to connect with customers, convert their opinions into products, and deliver those products in an optimal manner. By raising compensation levels to draw in superior and driven personnel, and preparing diverse career paths that match their capabilities and growth, we intend to retain a staff of superior personnel and build lean, high-performing teams globally.

<Offering Globally Competitive Remuneration>

We keep a constant eye on human resource markets and salary levels in many countries worldwide, and we review our remuneration frameworks to maintain a sufficient competitive advantage not only in the retail industry, but across all industries. This strategy helps us recruit and retain the above-mentioned talented in-store salespeople, global management talent, and world-class highly specialized personnel as part of our drive nurture a small number of elite human resources through a series of pertinent initiatives.

(3) Initiatives for Personnel Development and Fair Evaluation

<Providing Global Growth Opportunities, Optimizing Staffing, and Promoting Organizational Diversity>

■ Identification and development of executives on a global scale

There are numerous potential executive candidates globally who will lead the company over the next decade. For these potential executive candidates, in addition to direct training by top management and executive officers, initiatives that include global job rotations and selective appointments aim to nurture their talents and develop them into executives in the shortest possible time.

■ Global Job Rotation

Our goal is to enhance our management structures in each country by optimizing our allocation of administrative personnel at the global level. In addition, talented personnel in each country will be strategically provided with growth opportunities at a global scale that transcends the boundaries of their affiliated business operations and countries, and those who achieve results will be appointed to the administrative management of each country.

■ Global Internal Recruitment

The internal recruitment system, which was previously operating within each country, shall be expanded to the Group and global scale. We have established a global open recruitment system that clearly indicates the positions required at the Group and global scale in which employees can apply for positions regardless of the employee's brand, country, or department of affiliation. This system thus expands opportunities for employees to develop their careers at the global level.

■ Expanding Training Dispatches to Japan

Motivated and talented personnel overseas working at our stores throughout the world will be afforded opportunities to be dispatched to Japan for training after they are hired. This will help them gain a first-hand understanding of the standards of customer satisfaction achieved by Japanese store managers and salespeople, as well as the Fast Retailing philosophies and Japanese culture that underly those standards, thereby helping train them as management candidates for the Company at the global level.

<Dynamic and Fair Personnel Evaluations and Promotions>

The Company has adopted a grading system that defines the skills and requirements sought for each position level, and conducts evaluations and promotions every six months based on individual abilities, regardless of personal attributes. We will help bolster the growth of our employees by giving them significant promotions that may involve skipping grades depending on their growth as employees. Furthermore, in order to ensure the fairness and transparency of evaluations, evaluations will not just be conducted by direct supervisors to the employee in question, and will instead be conducted at a department-based evaluation meeting that will also include HR personnel, while evaluations of employees of certain grades and above will be conducted at a global evaluation meeting that is comprised of all executive officers of the Group.

<Training Salespeople and Preparing Diverse Career Paths>

Our salespeople are provided fair evaluations, and can take advantage of promotion systems and career paths that accommodate their capabilities. We also provide training essential to their growth as salespeople, such as “Fast Retailing Philosophy and Values Training” and “Training to Develop Product

Proposal Capabilities that Fit the Needs of Customers and Go Beyond Knowledge of Existing Products," at appropriate times in order to make sure that our employees can work in environments that foster growth and long careers. Furthermore, if an employee is sufficiently motivated and capable, they can advance their career from salesperson to store manager, and even into becoming management-level personnel. This availability of diverse career paths has been a strength of the Company since our founding, and our policy is to expand on this even further.

(4) Basic Policy on Determination of Compensation

In order to secure outstanding talent in the three areas (In-store salespeople who meet the true needs of our customers, Global management personnel, and World-class, highly specialized human resources) outlined in "(1) Priority Areas for Securing and Developing Human Resources" and to ensure that fair performance evaluations are appropriately reflected in compensation, the Company has established the following basic policy regarding our compensation determination.

- Continuously monitor global labor markets and compensation levels to maintain highly competitive compensation that stands out not only within the retail sector but across all industries
- Determine individual compensation based on job grades that correspond to each employee's capabilities and responsibilities
- Clearly reflect performance evaluations in the semi-annual bonuses to ensure that incentives for achieving corporate and individual goals and improving business performance function effectively
- In addition to the aforementioned bonus, based on the principle of Group Profit Sharing, which aims to share profits generated across the entire group with employees, a certain proportion of profits shall be distributed under management's discretion, commensurate with each employee's degree of contribution

(5) Bolstering Our Internal Environment

<FR Management & Innovation Center>

At the FR Management & Innovation Center, we promote the creation of an organization where diverse human resources understand Fast Retailing's management philosophy and business principles, and can demonstrate their abilities in day-to-day business activities based on these ideas. Specifically, Mr. Tadashi Yanai, Representative Director, Chairman, and President of the Company, conducted training sessions using "Notes for Becoming a Corporate Executive," "The Spirit and Execution of FR," and "What Has FR Changed?" In addition, we also offer opportunities for direct sessions with executive officers, such as the CEOs of each nation including Mr. Yanai himself, and various educational and training programs. Also, we are expanding our company-wide education platform, which aggregates management philosophy, management approach, product information, and exemplary practices in the form of short videos that can be used by all global employees in their daily work. In addition, we hold "FR Conventions" twice a year for all global store managers, headquarter employees, and talented store salespeople, in order to disseminate company-wide strategies and important management messages.

<Expanding Global Headquarters Functions>

By expanding Global Headquarters functions outside of Japan and into the United States and Europe, etc., among other locations, we will establish a system where a diverse array of personnel can work in optimal locations while connected to the Company's core functions and the world.

<Implementing Employee Engagement Surveys>

In order to promote the creation of an environment in which each and every employee can work enthusiastically and grow with urgency, we conduct an annual engagement survey of employees around the world. The survey results are analyzed by business unit and department, and are used for feedback to

managers and executive-level discussions, as well as to identify issues and drive initiatives for improvement.

<Creating Work Environments Where Each Employee Can Actively Contribute in a Healthy and Safe Manner>

■ Fast Retailing Group Health and Safety Declaration

We have renewed Fast Retailing Group Health and Safety Declaration and five basic health and safety policies and action guidelines in 2026, under the commitment "remain a company where all employees can work safely and healthily." Employees and management are working together as one to promote the creation of a safe and healthy workplace.

■ Occupational health and safety management system

We have established the Fast Retailing Wellness Center, and are globally promoting initiatives related to safety and health, health management, mental health, and well-being improvement with industrial physicians, public health nurses and industrial counselors. Under the responsibility of management, the Wellness Center and respective business units partner to solve health and safety issues and raise our standards of safety and health.

■ Reducing working hours

We keep comply with international standards and local laws and regulations regarding working hours, rest periods, and holidays, and advance work styles that presume there will be no overtime work. In addition to having managerial staff in each department oversee the monthly working hours of their employees, we are working to eliminate long working hours by enhancing cross-departmental management and supervision of working hours through the human resource departments of each country and each business.

(6) Metrics for the above policy

The main indicators to measure our progress on the above policies (targets and results for fiscal 2030) are as follows.

①Ratio of Women in Management Positions (as at the end of August 2026)

	Ratio of Women		Results Breakdown	
	Targets	Results	Total Number of Promotees	Of Which are Women
Management (Global) (Note)	50%	46.3%	2,201	1,020
Of Which are Executive Officers (Global)	30%	9.1%	55	5

(Note) Directors are excluded from the above count of executive officers if a director concurrently serves as an executive officer.
Management positions refer to block leaders, area managers and branch managers above a certain grade in the Sales Department, and executive officers, general managers and leaders at headquarters. To better reflect actual business operations, the scope of grades included in the aggregation for store managers has been expanded starting from fiscal 2025.

②Ratio of Non-Japanese Individuals in Management Positions (as at the end of August 2026)

	Ratio of Foreign Individuals		Results Breakdown	
	Targets	Results	Total Number of Promotees	Of Which are Non-Japanese Individuals
Management (Global) (Note)	80%	53.2%	2,201	1,170
Percentage of Global HQ function managers	50%	33.7%	683	230
Of Which are Executive Officers (Global)	40%	20.0%	55	11

(Note) Directors are excluded from the above count of executive officers if a director concurrently serves as an executive officer.
Management positions refer to block leaders, area managers and branch managers above a certain grade in the Sales Department, and executive officers, general managers and leaders at headquarters. To better reflect actual business operations, the scope of grades included in the aggregation for store managers has been expanded starting from fiscal 2025.

③Employment rate of people with disabilities

The employment rate of people with disabilities at the Fast Retailing Group reached 4.75% in Japan in 2026 (the ratio required by law in Japan is 2.7%). As at June 2026, the number of employees with disabilities is approximately 1,200. These employment efforts are currently expanding globally, including in Southeast Asia and Europe, and as at August 2026, roughly 1,700 employees across the Group (including those in Japan) are people with disabilities.

FR Group Engagement Survey Scores (for 2026)

Number of Eligible Potential Respondents	43,557
Number of Respondents	39,746
Response Rate	91%
Composite Index (Note)	74.9%

(Note) The percentage of employees who responded positively to engagement-related questions

B. Employees

(1) The Group

As at 31 August 2026

Name of segment	Number of employees	
UNIQLO Japan	11,827	[18,351]
UNIQLO International	38,063	[19,683]
GU	5,436	[11,561]
Global Brands	2,724	[392]
Total for reportable segments	58,050	[49,987]
Others	1,311	[55]
All companies (shared)	1,574	[13]
Total	60,935	[50,055]

(Notes) 1. The number of full-time employees consists of full-time employees, including regular employees (and includes employees of franchise stores).
2. The average number of non-full-time employees for the year is shown in brackets.
3. The number of employees given as "All companies (shared)" represents administrative employees who could not be categorized in a specific business segment.

(2) The Company

As at 31 August 2026

Number of employees	Average age	Average number of years with the Company	Average annual wages (thousands of yen)	Average annual wage changes compared to the previous fiscal year (%)
1,574 [13]	38 years and 6 months	6 years and 1 month	12,887	3.0

(Notes) 1. The number of employees is the number of full-time employees.
2. The average number of non-full-time employees for the year is shown in brackets.
3. Figures for average annual wages include bonuses and other non-standard payments.
4. All of the Company's employees are categorized as "All companies (shared)."
5. When an employee is transferred from a subsidiary, the average number of years with the company does not include the number of years spent at the subsidiary.

(3) Company with the largest number of employees

(a) Company with the largest number of employees during the fiscal year

UNIQLO CO., LTD.

As at 31 August 2026

Employee category	Number of employees	Average age	Average number of years with the Company	Average annual wages (thousands of yen)	Average annual wage changes compared to the previous fiscal year (%)
National employees	2,037	36 years and 0 month	8 years and 6 months	10,054	2.4
Regional regular employee	7,525	41 years and 10 months	14 years and 1 month	4,512	4.1

(Notes) 1. National employees are a category of regular employees who may be transferred to locations throughout Japan or overseas. UNIQLO CO., LTD. also adopts the “Regional Regular Employee System” through which it promotes part-time workers at its stores to regional regular employees and hires regional regular employees. Most regional regular employees are in-store salespeople because the system enables them to build long-term careers while remaining rooted in their preferred regions without the need to relocate for transfers. These differences in work structures, job duties, and the scope of responsibilities result in a gap in average annual wages between national employees and regional regular employees.

2. The number of employees consists of regular employees and does not include non-regular full-time and part-time employees. The average number of non-full-time employees for the year is 18,351. The number of employees is based on the average number of employees for the year.
3. Figures for average annual wages include bonuses and other non-standard payments.
4. All of UNIQLO CO., LTD.’s employees are categorized as “UNIQLO Japan” .
5. When an employee is transferred from a subsidiary, the average number of years with the company does not include the number of years spent at the subsidiary.

(b) Company with the second largest number of employees after the company described in (a) above

G.U. CO., LTD.

As at 31 August 2026

Employee category	Number of employees	Average age	Average number of years with the Company	Average annual wages (thousands of yen)	Average annual wage changes compared to the previous fiscal year (%)
National employees	1,045	31 years and 7 months	6 years and 6 months	8,469	4.6
Regional regular employee	1,510	32 years and 1 month	8 years and 5 months	4,827	3.4

(Notes) 1. National employees are a category of regular employees who may be transferred to locations throughout Japan or overseas. G.U. CO., LTD. also adopts the “Regional Regular Employee System” through which it promotes part-time workers at its stores to regional regular employees and hires regional regular employees. Most regional regular employees are in-store salespeople because the system enables them to build long-term careers while remaining rooted in their preferred regions without the need to relocate for transfers. These differences in work structures, job duties, and the scope of responsibilities result in a gap in average annual wages between national employees and regional regular employees.

2. The number of employees consists of regular employees and does not include non-regular full-time and part-time employees. The average number of non-full-time employees for the year is 10,725. The number of employees is based on the average number of employees for the year.
3. Figures for average annual wages include bonuses and other non-standard payments.
4. All of G.U. CO., LTD.'s employees are categorized as "GU" .
5. When an employee is transferred from a subsidiary, the average number of years with the company does not include the number of years spent at the subsidiary.

(4) Status of labor unions

There are no labor unions at the Company, but unions have been formed at some subsidiary companies. Management-labor relations have been smooth, and there are no special items to report.

(5) Details of Stock Acquisition Rights Granted Only to Employees, etc.

Please see "(a) Details of the Stock Option Program on (2) Share Subscription Rights in 6. Stock Information and Dividend Policy" for details.

(6) Diversity-related indicators

The diversity-related indicators for the current fiscal year are as follows.

	Percentage of female workers in management positions (%)	Percentage of male employees taking childcare leave, etc. (%)	Gender wage gap (%)		
			All workers	Full-time employment workers	Part-time and fixed-term workers
FAST RETAILING CO., LTD.	21.2	63.4	61.1	65.4	52.1

Subsidiaries

	Percentage of female workers in management positions (%)	Percentage of male employees taking childcare leave, etc. (%)	Gender wage gap (%)		
			All workers	Full-time employment workers	Part-time and fixed-term workers
UNIQLO CO., LTD.	35.7	72.8	82.6	66.5	107.5
G.U. CO., LTD.	34.0	87.8	88.8	79.4	115.2
LINK THEORY JAPAN CO., LTD.	53.8	50.0	77.7	79.2	76.2
PLST CO., LTD.	30.0	100.0	81.4	71.4	132.6
INNOVATION FACTORY CO., LTD.	0.0	－	87.6	108.8	90.8

(Notes)1. The percentage of female workers in management positions and the gender wage gap are calculated in accordance with the provisions of the "Act on Promotion of Women's Participation and Advancement in the Workplace" (Act No. 64 of 2015).
2. Management positions refer to block leaders, area managers and branch managers above a certain grade in the Sales Department, and executive officers (excluding directors), general managers and leaders at headquarters.

3. Full-time employment workers are executive officers (excluding directors), national employees and regional regular employees.
4. Part-time and fixed-term workers are associate employees, part-time employees, contract employees and temporary employees. The number of employees who work shorter hours is not converted and calculated based on working hours.
5. All workers include full-time employment workers and part-time and fixed-term workers.
6. The percentage of eligible male employees taking childcare leave, etc. is the ratio of the number of male employees who have taken childcare leave or who have taken paid vacation for childcare purposes to the number of male employees whose partner has given birth in the current period, calculated based on the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76 of 1991) and Article 71(6)(1) of the "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25 of 1991).
7. "-" indicates that there is no population.

<Supplementary explanation on differences>

1. Management position ratio

In order to realize an environment in which female employees can play a more active role, we are reforming our personnel system and conducting training for management and female management candidates to dispel unconscious bias.

2. Percentage of males taking childcare leave

In order to ensure that leave can be taken more flexibly by males who wish to take leave, we collect and provide examples of our own employees taking childcare leave and paternity leave after becoming parents, and also conduct training on childcare leave and paternity leave, etc.

3. Gender wage gap

Each group company has adopted a grading system that defines the skills and requirements sought for each position level, and conducts evaluations and promotions based on individual abilities, regardless of attributes such as gender. We apply a fair wage system in which the same wage is given to both males and females of the same grade; there are no gender-based differences in wages within the same grades. However, due to there being a large number of female local full-time employees who support store operations, as well as there being fewer females at the higher grades, there is a gender wage gap caused by differences in the proportion of males and females in each respective grade.

10. Financial Information

A. Preparation of consolidated financial statements

(1) The consolidated financial statements of the Group were prepared in accordance with IFRS Accounting Standards pursuant to Article 312 of the Rules Governing Term, Form and Preparation of Consolidated Financial Statements (Financial Ministerial Order 28, 1976) (hereinafter referred to as the "Rules on Consolidated Financial Statements").

(2) The financial statements of the Company were prepared in accordance with the Rules Governing Term, Form and Presentation of Non-consolidated Financial Statements (Financial Ministerial Order 59, 1963) (hereinafter referred to as the "Rules on Non-consolidated Financial Statements").

The non-consolidated financial statements are prepared in accordance with the provisions set out in Article 127 of the Rules on Non-Consolidated Financial Statements, etc., as the Company is categorized as a company that may be allowed to prepare its financial statements according to special provisions.

(3) In this report, amounts are rounded down to the nearest million yen.

B. Audit and certification

The Company's consolidated and non-consolidated financial statements for the fiscal year from 1 September 2025 to 31 August 2026 have been audited by Deloitte Touche Tohmatsu LLC in accordance with auditing standards generally accepted in Japan pursuant to Article 193-2-1 of the Financial Instruments and Exchange Act. Deloitte Touche Tohmatsu LLC also conducted the audit of consolidated financial statements of the Company in accordance with International Standards on Auditing (ISA).

C. Special measures for ensuring the accuracy of our consolidated financial statements and a framework for ensuring consolidated financial statements are appropriately prepared in accordance with IFRS Accounting Standards.

The Company has taken special measures to ensure the appropriateness of our consolidated financial statements and has established a framework to ensure our consolidated financial statements are appropriately prepared in accordance with IFRS Accounting Standards. Details of these are given below.

(1) To establish a framework capable of adapting appropriately to changes in accounting standards, the Company has made efforts to build specialist knowledge by appointing employees who are well versed in IFRS Accounting Standards, joining the Accounting Standards Board of Japan and similar organizations, and participating in training programs.

(2) To ensure that we appropriately prepared consolidated financial statements in accordance with IFRS Accounting Standards, we drafted the Group guidelines for accounting practices based on IFRS Accounting Standards and have been conducting accounting procedures based on these guidelines. We regularly obtain standards and press releases published by the International Accounting Standards Board ("IASB"), study the latest standards and their potential impact on our Company, and update our Group guidelines for accounting practices accordingly.

D. Consolidated Financial Statements

(1) Consolidated statement of financial position

(Millions of yen)

	Notes	As at 31 August 2025	As at 31 August 2026
ASSETS			
Current assets			
Cash and cash equivalents	8,30	893,239	1,007,586
Trade and other receivables	9,30	96,407	99,595
Other financial assets	11,30	899,701	1,137,106
Inventories	10	510,958	617,243
Derivative financial assets	30	94,803	115,949
Income taxes receivable		8,042	17,236
Other assets	12	24,662	25,627
Total current assets		2,527,815	3,020,345
Non-current assets			
Property, plant and equipment	13,15	332,351	377,465
Right-of-use assets	15,17	477,111	541,642
Goodwill	14	8,092	8,092
Intangible assets	14,15	91,606	89,283
Financial assets	11,30	312,438	372,224
Investments in associates accounted for using the equity method	16	31,361	36,456
Deferred tax assets	18	40,889	25,750
Derivative financial assets	30	33,882	72,648
Other assets	12,15	3,803	5,554
Total non-current assets		1,331,538	1,529,119
Total assets		3,859,353	4,549,464
Liabilities and equity			
LIABILITIES			
Current liabilities			
Trade and other payables	19,30	390,149	481,242
Other financial liabilities	11,28, 30	150,942	60,713
Derivative financial liabilities	30	19,250	12,646
Lease liabilities	17,28,30	126,830	135,305
Current tax liabilities		73,072	60,346
Provisions	20	1,651	1,569
Other liabilities	12	149,394	186,764
Total current liabilities		911,291	938,588
Non-current liabilities			
Financial liabilities	11,28,30	141,071	141,523
Lease liabilities	17,28,30	386,670	453,053
Provisions	20	55,711	61,361
Deferred tax liabilities	18	22,539	31,441
Derivative financial liabilities	30	12,110	9,083
Other liabilities	12	2,457	2,258
Total non-current liabilities		620,561	698,722
Total liabilities		1,531,852	1,637,311

(continued)

(Millions of yen)

	Notes	As at 31 August 2025	As at 31 August 2026
EQUITY			
Capital stock	21	10,273	10,273
Capital surplus	21	30,998	32,314
Retained earnings	21	2,056,437	2,420,992
Treasury stock, at cost	21	(14,529)	(14,480)
Other components of equity	21	189,936	396,797
Equity attributable to owners of the Parent		2,273,115	2,845,897
Non-controlling interests		54,385	66,256
Total equity		2,327,501	2,912,153
Total liabilities and equity		3,859,353	4,549,464

(2) Consolidated statement of profit or loss

(Millions of yen)

	Notes	Year ended 31 August 2025	Year ended 31 August 2026
Revenue	22	3,400,539	3,963,389
Cost of sales		(1,571,681)	(1,774,864)
Gross profit		1,828,858	2,188,524
Selling, general and administrative expenses	23	(1,277,701)	(1,470,025)
Other income	15,24	19,491	29,072
Other expenses	15,24	(8,087)	(5,224)
Share of profit of associates accounted for using the equity method	16	1,704	780
Operating profit		564,265	743,128
Finance income	25	99,143	74,460
Finance costs	25	(12,834)	(15,084)
Profit before income taxes		650,574	802,505
Income tax expense	18	(191,421)	(218,364)
Profit for the year		459,153	584,141
Profit for the year attributable to:			
Owners of the Parent		433,009	542,516
Non-controlling interests		26,143	41,624
Total		459,153	584,141
Earnings per share			
Basic (Yen)	27	1,411.44	1,768.08
Diluted (Yen)	27	1,409.32	1,765.70

(3) Consolidated statement of comprehensive income

(Millions of yen)

	Notes	Year ended 31 August 2025	Year ended 31 August 2026
Profit for the year		459,153	584,141
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Financial assets measured at fair value through other comprehensive income / (loss)	26	64	3
Total items that will not be reclassified subsequently to profit or loss		64	3
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	26	(4,609)	167,284
Cash flow hedges	26	54,901	127,051
Share of other comprehensive income of associates	26	163	246
Total items that may be reclassified subsequently to profit or loss		50,455	294,582
Other comprehensive income, net of income tax		50,520	294,585
Total comprehensive income for the year		509,673	878,726
Attributable to:			
Owners of the Parent		482,937	831,976
Non-controlling interests		26,736	46,750
Total comprehensive income for the year		509,673	878,726

(4) Consolidated statement of changes in equity

For the fiscal year ended 31 August 2025

(Millions of yen)

	Notes	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Other components of equity					Equity attributable to owners of the Parent	Non-controlling interests	Total equity
						Financial assets measured at fair value through other comprehensive income / (loss)	Exchange differences on translating foreign operations	Cash-flow hedge reserve	Share of other comprehensive income of associates	Total			
As at 1 September 2024		10,273	29,712	1,766,073	(14,628)	(17)	140,747	84,069	305	225,104	2,016,535	51,718	2,068,254
Net changes during the year													
Comprehensive income													
Profit for the year		—	—	433,009	—	—	—	—	—	—	433,009	26,143	459,153
Other comprehensive income / (loss)	26	—	—	—	—	64	(4,228)	53,926	163	49,927	49,927	592	50,520
Total comprehensive income / (loss)		—	—	433,009	—	64	(4,228)	53,926	163	49,927	482,937	26,736	509,673
Transactions with the owners of the Parent													
Acquisition of treasury stock	21	—	—	—	(2)	—	—	—	—	—	(2)	—	(2)
Disposal of treasury stock	21	—	1,348	—	102	—	—	—	—	—	1,450	—	1,450
Dividends	21	—	—	(142,646)	—	—	—	—	—	—	(142,646)	(23,872)	(166,518)
Share-based payments	21	—	(63)	—	—	—	—	—	—	—	(63)	—	(63)
Transfer to non-financial assets		—	—	—	—	—	—	(85,095)	—	(85,095)	(85,095)	(197)	(85,293)
Total transactions with the owners of the Parent		—	1,285	(142,646)	99	—	—	(85,095)	—	(85,095)	(226,357)	(24,069)	(250,427)
Total net changes during the year		—	1,285	290,363	99	64	(4,228)	(31,168)	163	(35,168)	256,579	2,666	259,246
As at 31 August 2025		10,273	30,998	2,056,437	(14,529)	47	136,519	52,900	469	189,936	2,273,115	54,385	2,327,501

For the fiscal year ended 31 August 2026

(Millions of yen)

	Notes	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Other components of equity					Equity attributable to owners of the Parent	Non-controlling interests	Total equity
						Financial assets measured at fair value through other comprehensive income / (loss)	Exchange differences on translating foreign operations	Cash-flow hedge reserve	Share of other comprehensive income of associates	Total			
As at 1 September 2025		10,273	30,998	2,056,437	(14,529)	47	136,519	52,900	469	189,936	2,273,115	54,385	2,327,501
Net changes during the year													
Comprehensive income													
Profit for the year		—	—	542,516	—	—	—	—	—	—	542,516	41,624	584,141
Other comprehensive income / (loss)	26	—	—	—	—	3	162,015	127,194	246	289,459	289,459	5,125	294,585
Total comprehensive income / (loss)		—	—	542,516	—	3	162,015	127,194	246	289,459	831,976	46,750	878,726
Transactions with the owners of the Parent													
Acquisition of treasury stock	21	—	—	—	(1)	—	—	—	—	—	(1)	—	(1)
Disposal of treasury stock	21	—	724	—	51	—	—	—	—	—	776	—	776
Dividends	21	—	—	(177,961)	—	—	—	—	—	—	(177,961)	(34,176)	(212,138)
Share-based payments	21	—	591	—	—	—	—	—	—	—	591	—	591
Transfer to non-financial assets		—	—	—	—	—	—	(82,599)	—	(82,599)	(82,599)	(715)	(83,314)
Payment from non-controlling shareholders		—	—	—	—	—	—	—	—	—	—	12	12
Total transactions with the owners of the Parent		—	1,316	(177,961)	49	—	—	(82,599)	—	(82,599)	(259,195)	(34,879)	(294,074)
Total net changes during the year		—	1,316	364,554	49	3	162,015	44,595	246	206,860	572,781	11,871	584,652
As at 31 August 2026		10,273	32,314	2,420,992	(14,480)	50	298,534	97,496	715	396,797	2,845,897	66,256	2,912,153

(5) Consolidated statement of cash flows

(Millions of yen)

	Notes	Year ended 31 August 2025	Year ended 31 August 2026
Cash flows from operating activities			
Profit before income taxes		650,574	802,505
Depreciation and amortization		216,492	237,251
Impairment losses / (Reversal of impairment losses)	15	598	904
Interest and dividend income		(65,317)	(67,292)
Interest expenses		12,834	15,084
Foreign exchange losses / (gains)		(33,826)	(7,168)
Share of (profit) / loss of associates accounted for using the equity method		(1,704)	(780)
Losses on retirement of property, plant and equipment		1,342	1,206
(Increase) / Decrease in trade and other receivables		(12,718)	4,821
(Increase) / Decrease in inventories		(29,855)	(75,719)
Increase / (Decrease) in trade and other payables		476	71,018
(Increase) / Decrease in other assets		(2,479)	(1,804)
Increase / (Decrease) in other liabilities		3,852	8,293
Others, net		(11,391)	(21,840)
Cash generated from operations		728,879	966,481
Interest and dividend income received		64,625	70,957
Interest paid		(12,869)	(15,192)
Income taxes paid		(202,242)	(239,154)
Income taxes refunded		2,225	5,495
Net cash generated by operating activities		580,618	788,587
Cash flows from investing activities			
Amounts deposited into bank deposits with original maturities of three months or longer		(1,008,113)	(2,015,159)
Amounts withdrawn from bank deposits with original maturities of three months or longer		798,490	1,737,672
Payments for property, plant and equipment		(135,535)	(79,910)
Payments for intangible assets		(27,329)	(24,976)
Payments for acquisition of right-of-use assets		(15,924)	(2,192)
Payments for acquisition of investments		(474,222)	(505,911)
Proceeds from sale and redemption of investments		289,149	575,858
Payments for lease and guarantee deposits		(6,113)	(5,660)
Proceeds from collection of lease and guarantee deposits		6,364	5,904
Investments in associates accounted for using the equity method		(13,087)	(3,952)
Others, net		7,399	1,438
Net cash used in investing activities		(578,922)	(316,889)

(continued)

(Millions of yen)

	Notes	Year ended 31 August 2025	Year ended 31 August 2026
Cash flows from financing activities			
Proceeds from short-term loans payable	28	566	2,417
Repayment of short-term loans payable	28	(226)	(3,747)
Redemption of corporate bonds	28	(30,000)	(70,000)
Dividends paid to owners of the Parent	21	(142,630)	(177,934)
Dividends paid to non-controlling interests		(26,428)	(34,176)
Repayments of lease liabilities	28	(140,483)	(145,650)
Others, net		63	26
Net cash used in financing activities		(339,139)	(429,065)
Effect of exchange rate changes on the balance of cash held in foreign currencies		37,122	71,714
Net increase / (decrease) in cash and cash equivalents		(300,320)	114,346
Cash and cash equivalents at the beginning of year	8	1,193,560	893,239
Cash and cash equivalents at the end of year	8	893,239	1,007,586

(6) Notes to the consolidated financial statements

1. Reporting Entity

FAST RETAILING CO., LTD. is a company incorporated in Japan. The locations of the registered headquarters and principal offices of the Company are disclosed at the Group's website (http://www.fastretailing.com/eng/).

The principal activities of the Group are the UNIQLO business (casual wear retail business operating under the "UNIQLO" brand in Japan and overseas), GU business (casual wear retail business operating under the "GU" brand in Japan and overseas) and Theory business (apparel designing and retail business in Japan and overseas), etc.

2. Basis of Preparation

A. Compliance with IFRS Accounting Standards

The consolidated financial statements of the Group have been prepared in compliance with IFRS Accounting Standards issued by the IASB.

The Group meets all criteria of a "specified company" defined under Article 1-2 of the Rules Governing Term, Form, and Preparation of Consolidated Financial Statements accordingly, applies Article 312 of the Rules Governing Term, Form, and Preparation of Consolidated Financial Statements.

B. Approval of the Consolidated Financial Statements

The consolidated financial statements were approved on 26 November 2026 by Tadashi Yanai, Chairman, President, and CEO, and Takeshi Okazaki, Group Senior Vice President and CFO.

C. Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, except for certain assets, liabilities, and financial instruments which are measured at fair value as indicated in "3. Material Accounting Policies."

D. Functional Currency and Presentation Currency

The presentation currency for the Group's consolidated financial statements is yen (in units of millions of yen), which is also the Company's functional currency. All values are rounded down to the nearest million yen, except when otherwise indicated.

E. Use of Estimates and Judgments

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effects of the review of accounting estimates are recognized in the accounting period in which the estimates were reviewed and in future accounting periods.

Information about important estimates and judgments that have significant effects on the amounts recognized in the consolidated financial statements is as follows:

- Valuation of inventories (3. Material accounting policies F. and Note 10)
- Valuation of property, plant and equipment, and right-of-use assets (3. Material accounting policies J. and Note 15)
- Recoverability of deferred tax assets (3. Material accounting policies N. and Note 18)
- Accounting treatment and valuation of provisions (3. Material accounting policies K. and Note 20)
- Fair value measurement of financial instruments (3. Material accounting policies D. and Note 30)

3. Material Accounting Policies

A. Basis of Consolidation

(1) Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. The Group controls enterprises when it is exposed, or has rights, to variable returns arising from its involvement in those enterprises or when the Group has rights to variable returns in those enterprises and is able to have an impact on said variable returns through its power over those enterprises. A subsidiary's financial statements are incorporated into the Group's consolidated financial statements from the date on which the Group obtains control until the date that control ceases.

The subsidiaries adopt accounting policies consistent with those of the Company in the preparation of their financial statements. All intra-group balances, transactions within the Group as well as unrealized profit and loss resulting from transactions within the Group are eliminated at the time of preparation of the consolidated financial statements.

The statutory fiscal year end dates for FAST RETAILING (CHINA) TRADING CO., LTD., UNIQLO TRADING CO., LTD., FAST RETAILING (SHANGHAI) TRADING CO., LTD., GU (Shanghai) Co., Ltd. and 11 other companies vary between 31 December, 31 March and 30 June.

Management prepares the financial statements of these subsidiaries as at the Group's year-end solely for the Group's consolidation purpose.

The financial statements of other subsidiaries are prepared using the same reporting period as the Parent company.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Any difference between the adjustment to the non-controlling interest and the fair value of the consideration received is recognized directly in equity as interests attributable to owners of the Parent.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The number of consolidated subsidiaries as at 31 August 2026 is 64.

(2) Investments in associates

An associate is an entity in which the Group has significant influence over the financial and operating policies.

If the Group holds 20% or more of the voting rights of another enterprise, it is presumed that the Group has a significant influence over the other enterprise. Investments in associates are accounted for applying the equity method and measured at historical cost at the time of acquisition.

Thereafter, the carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since acquisition date. The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income.

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The number of associates as at 31 August 2026 is 5.

B. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured at the aggregation of the acquisition date fair values of assets transferred, liabilities assumed, and equity interests issued by the Company in exchange for control of the acquired company.

If the cost of an acquisition exceeds the fair value of the identifiable assets and liabilities, the excess is recorded as goodwill on the consolidated statement of financial position. If it is below the fair value, the difference is immediately recorded as a gain on the consolidated statement of profit or loss.

Acquisition-related costs are expensed as incurred. Additional acquisitions of non-controlling interests are accounted for as equity transactions, and no goodwill is recognized.

Contingent liabilities of acquired companies are recognized in a business combination only if they are present obligations, were incurred as a result of a past event, and their fair value can be reliably measured.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

If the initial accounting for a business combination is incomplete by the reporting date of the fiscal year in which the business combination occurs, the items for which the acquisition accounting is incomplete are reported using provisional amounts. Those amounts provisionally recognized on the acquisition date are retrospectively adjusted to reflect new information as if the acquisitions took place during the measurement period, had facts and circumstances that existed at the acquisition date been known at that time, they would have affected the amounts recognized on that date. Additional assets and liabilities are recognized if new information results in the recognition of additional assets or liabilities. The measurement period should be within one year.

C. Foreign Currencies

(1) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising from settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

(2) Foreign Operations

Upon consolidation, the assets and liabilities of foreign operations are translated into yen at the rate of exchange prevailing at each reporting date and their statements of profit or loss are translated at average exchange rates during the period. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

D. Financial Instruments

(1) Non-derivative financial assets

(a) Initial recognition and measurement

The Group classifies financial assets as “financial assets measured at fair value through profit or loss,” “financial assets measured at fair value through other comprehensive income” or “financial assets measured at amortized cost,” and that classification is determined at the time of initial recognition.

The Group carries out initial recognition on the date of the transaction, when it becomes party to the contract related to the financial asset(s).

All financial assets are measured by adding directly linked transaction costs to fair value, except those in the category classified as measured at fair value through profit or loss.

Financial assets are classified as financial assets measured at amortized cost, if the following requirements are satisfied:

• Assets are held based on a business model that requires them to be held to collect contractual cash flow

• Cash flow, made up solely of payment of the principal and interest on the balance of principal, is generated on a specified day under the contractual terms of the financial asset.

Financial assets other than financial assets measured at amortized cost are classified as financial assets measured at fair value. Apart from equity instruments held for trading purposes, which must be measured at fair value through Profit or Loss, other equity instruments measured at fair value are designated as either being measured at fair value through Profit or Loss or alternatively measured at fair value through Other Comprehensive Income; this is done for each individual equity instrument and the designation is continuously applied to the instrument thereafter.

(b) Subsequent measurement

Measurement after the initial recognition of financial assets is carried out as follows in accordance with the classification

(i) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

(ii) Financial assets measured at fair value

The fluctuation in the fair value of financial assets measured at fair value is recognized as profit or loss. However, any fluctuation in the fair value of equity financial instruments designated as instruments to be measured at fair value through other comprehensive income, is recognized as other comprehensive income; and if recognition is suspended or if the fair value significantly drops, then it is transferred to Retained earnings. Note that dividends from the financial assets are recognized as profit or loss as part of finance income.

(c) Impairment of financial assets

For financial assets measured at amortized cost, expected credit losses pertaining to the financial assets are recognized as allowances for doubtful accounts.

On each reporting date, the credit risk pertaining to each financial asset is evaluated to see if it has increased significantly since initial recognition and, if it has, then the expected credit losses for the entire period are recognized as an allowance for doubtful accounts; whereas if it has not, then the expected credit losses for a 12-month period are recognized as an allowance for doubtful accounts.

In principle, if the contractual payment due date has passed at the time of an evaluation, it will be assumed that the credit risk has significantly increased. However, when the evaluation takes place, other information that is reasonably available and supportable is taken into account.

However, trade receivables, etc., that do not include any major financial elements are always recognized as being an amount equivalent to expected credit loss for the entire period. If the issuer or debtor is in serious financial difficulties or is subject to a legal or formal business failure, then it is judged that there has been a default on obligations. And if it is judged that there has been a default on obligations, then the assets are treated as credit-impaired financial assets.

Irrespective of the above, if it is reasonably judged that all or part of financial assets cannot be collected due to our legal rights of claim being terminated or similar, then the book value of the financial assets will be written off.

(d) Derecognition of financial assets

The Group derecognizes a financial asset only if the contractual rights to the cash flows from the financial asset expire or if the Group has transferred almost all risks and rewards of ownership. If the Group maintains control of the transferred financial asset, it recognizes the asset and associated liabilities to the extent of its continuing involvement.

(2) Non-derivative financial liabilities

(a) Initial recognition and measurement

Corporate bonds and loans, etc., are initially recognized by the Group on their effective date; and other financial liabilities are initially recognized on their transaction date. Financial liabilities are either classified as financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost, and this classification is determined at the time of initial recognition. All financial liabilities are initially measured at fair value, but financial liabilities measured at amortized cost are measured using the amount obtained after deducting directly attributable transaction costs.

(b) Subsequent measurements

For measurements made after the initial recognition of a financial liability, any financial liabilities measured at fair value through profit or loss include financial liabilities held for trading purposes and financial liabilities specified at the time of initial recognition as measured at fair value through profit or loss; and when these liabilities are measured at fair value after initial recognition, any changes are recognized as profit or loss for the current period. Any financial liabilities measured at amortized cost are measured after initial recognition at amortized cost using the effective interest method. Any gains or losses made in the event of amortization using the effective interest method and the de-recognition of a liability are recognized as profit or loss for the current period as part of financial cost.

(c) Derecognition of financial liabilities

The Group derecognizes a financial liability when it is extinguished, which is when the obligation specified in the contract is either discharged, cancelled, or expired.

(3) Presentation of financial assets and financial liabilities

The balance of financial assets and financial liabilities is offset on the consolidated statement of financial position and the net amount is presented only in cases in which the Group has the right to legally enforce offsetting the balances and also intends to settle the net amount, or realize assets and settle liabilities, at the same time.

(4) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as currency forward contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are

carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objectives and strategy for undertaking the hedge. The documentation includes identification of the specific hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are assessed on an ongoing basis to determine whether the hedge relationship is effective, taking into account the economic relationship between the hedged item and the hedging instrument, the effect of credit risk and the hedge ratio of the hedge relationship.

The Group has designated derivative financial instruments, such as currency forward contracts, as cash flow hedges and are accounted for as described below:

Cash flow hedges

For gains and losses on hedges, effective portions are recognized as other comprehensive income, and non-effective portions are immediately recognized as profit or loss on the consolidated statement of profit or loss.

Amounts pertaining to hedges that are included as other comprehensive income are transferred to profit or loss at the point in time when the hedged trades have an impact on profit or loss. If a transaction is planned that will generate recognition of hedged assets or liabilities of a non-financial nature, then the amount that is recognized as other comprehensive income is processed as a correction of the initial book value for the non-financial asset or liability.

The Group discontinues hedge accounting prospectively only when the hedge relationship ceases to meet the qualifying criteria, such as instances when the hedging instrument expires or is sold, terminated, or exercised.

When hedge accounting is discontinued, any related gains or losses included in accumulated other comprehensive income remains in equity and is reclassified to profit/loss when the forecast transaction is ultimately recognized in profit/loss.

When a forecast transaction is no longer expected to occur, any related gains or losses included in accumulated other comprehensive income is immediately reclassified to profit/loss.

E. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits available for withdrawal on demand, and short-term, highly liquid investments due with a maturity of three months of the acquisition date or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

F. Inventories

Inventories are valued at the lower of cost or net realizable value; the weighted average method is principally used to determine cost. Net realizable value is based on the estimated selling price in the ordinary course of business less any estimated costs to sell.

G. Property, plant and equipment

(1) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and

any directly attributable costs of bringing the asset to its working condition and location for its intended use, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

(2) Depreciation

Assets other than land and construction in progress are depreciated using the straight-line method over the estimated useful lives shown below:

Buildings and structures	3-60 years
Machinery and equipment	5-10 years
Furniture, fixtures and vehicles	5 years

The useful lives, residual values, and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimates being accounted for on a prospective basis.

H. Goodwill and intangible assets

(1) Goodwill

Goodwill is stated at the carrying amount, which is the acquisition cost after deducting accumulated impairment losses. Goodwill represents the excess amount of the historical cost of an interest acquired by the Group over the net amount of the fair value of the identifiable assets acquired and liabilities assumed.

Goodwill is not amortized but is allocated to identifiable cash-generating units (“CGU”) based on the geographical region where business takes place and the type of business conducted, and then tested for impairment each year or when there is an indication that it may be impaired. Impairment losses on goodwill are recognized in the consolidated statement of profit or loss and cannot be subsequently reversed in future periods.

(2) Intangible assets

Intangible assets are measured at cost, with any accumulated amortization and accumulated impairment losses deducted from the historical cost to arrive at the stated carrying amount.

Intangible assets acquired separately are measured at cost at initial recognition, and the cost of intangible assets acquired in a business combination is measured as fair value at the acquisition date.

For internally generated intangible assets, the entire amount of the expenditure is recorded as an expense in the period in which it arises, except for development expenses that meet the requirements for capitalization.

Intangible assets with finite useful lives are amortized over their respective estimated useful lives using the straight-line method, and they are tested for impairment when there is an indication that they may be impaired. The estimated useful life and amortization method for an intangible asset with a finite useful life is reviewed at the end of each reporting period, and any changes are applied prospectively as a change in accounting estimate.

The estimated useful lives of the main intangible assets with finite useful lives are as follows:

Software for internal use	Length of time it is usable internally (3 to 5 years)

Intangible assets with indefinite useful lives and intangible assets that are not yet available for use are not amortized. They are tested for impairment annually or when there is an indication that they may be impaired, either individually or at the CGU level.

I. Leases

(i) As Lessee

Right-of-use assets are initially measured at cost at the commencement date of their lease. The cost includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, and any initial direct costs incurred.

After the initial measurement, right-of-use assets are depreciated over the lease term using the straight-line method. The lease term is determined as the non-cancellable period together with periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is used.

The lease payments included in the measurement of the lease liability comprise the fixed payments and payments of penalties for terminating the lease if the lease term reflects the exercising an option to terminate the lease.

Subsequent to initial recognition, lease liabilities are measured at amortized cost using the effective interest method. Lease liabilities are remeasured if there is a change in future lease payments resulting from a change in an index or a rate, or a change in the assessment of possibility of exercising a termination option.

If a lease liability is remeasured, the amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset.

(ii) As Lessor

For leases where the Group is the lender, each lease is classified as either a finance lease or an operating lease at the time that the lease is agreed.

In classifying each lease, the Group comprehensively evaluates whether or not the risks and economic value associated with ownership of the underlying assets all transfer substantively. If they do transfer, the lease is classified as a finance lease; otherwise, it is classified as an operating lease.

Leases in which the Group acts as lender normally correspond to subleases in which the Group acts as an intermediate lender. Head leases and subleases are accounted separately. In its consolidated financial statement, the Group includes lender finance leases pertaining to relevant subleases in “other current financial assets” and “non-current financial assets.”

J. Impairment

The carrying amounts of the Group's non-financial assets, excluding inventories and deferred tax assets, are reviewed to determine whether there is any indication of impairment at each reporting date. If there is any indication of impairment, the recoverable amount for the asset is estimated. For goodwill, intangible assets with indefinite useful lives, and intangible assets that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount for an asset or CGU is the higher of value-in-use and fair value less costs of disposal. The fair value less costs of disposal calculation is based on current market transactions. However, if the observable market transactions are not available, appropriate valuation model is used. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

A CGU is the smallest identifiable group of assets which generates cash inflows from continuing use which are largely independent of the cash inflows from other assets or groups of assets.

The CGU (or group of CGUs) for goodwill is determined based on the unit by which goodwill is monitored for internal management purposes and must not be larger than an operating segment before aggregation.

Because the corporate assets do not generate independent cash inflows, if there is an indication that corporate assets may be impaired, the recoverable amount is determined for the CGU to which the corporate assets belong.

If the carrying amount of an asset or a CGU exceeds the recoverable amount, an impairment loss is recognized in profit or loss for the period. Impairment losses recognized in relation to a CGU are first allocated to reduce the carrying amount of any goodwill allocated to the CGU and then allocated to the other assets of the CGU pro rata on the basis of their carrying amounts.

An impairment loss related to goodwill cannot be reversed in future periods. Previously recognized impairment losses on assets other than goodwill are reviewed at each reporting date to determine whether there is any indication that a loss has decreased or no longer exists. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

K. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recognized as the best estimate of the expenditure required to settle the present obligation (future cash flows), taking into account the risks and uncertainties surrounding the obligation at each reporting date.

If the time value of money is material, provisions are measured as the estimated future cash flows discounted to the present value using a pre-tax rate that reflects, when appropriate, the time value of money and the risks specific to the liability. When discounting is used, the increase due to the passage of time is recognized as a finance cost.

Provision is described below:

Asset retirement obligations

The obligations to restore property to its original state under real estate leasing agreements for offices, such as corporate head offices and stores, are estimated and recorded as a provision. The expected length of use is estimated as the time from acquisition to the end of useful life.

L. Employee benefits

(1) Defined contribution system

We have adopted a defined contribution pension plan for employees of the Company and certain subsidiaries.

The defined contribution pension plan is a post-retirement benefit plan in which the employer contributes a certain amount of contributions to other independent companies and is not subject to legal or presumptive obligation on payment beyond those contributions.

Contributions to the defined contribution pension plan are charged to expense during the period in which employees provide services.

(2) Short-term employee benefits

For short-term employee benefits, no discount calculation is made and expenses are recorded when employees provide related services.

For bonuses and paid leave expenses, we have legal or presumptive obligations to pay them and recognize as liabilities the amount estimated to be paid based on those plans if reliable estimates are possible.

(3) Share-based payments

The Group grants share-based payments in the form of share subscription rights (stock options) to employees of the Company and its subsidiaries. In doing so, the Group aims to heighten morale and motivate employees to improve the Group's business performance, thereby increasing shareholder value by reinforcing business development that is focused on the interests of the shareholders. These share-based payments reward employees for their contributions to the Group's profits, and connect their interests to the Company's share price.

Stock options are measured at fair value based on the price of the Company's shares on the grant date. Fair value of stock options is further disclosed in "29. Share-based Payments."

The fair value of the stock options determined at the grant date is expensed, together with a corresponding increase in capital surplus in equity, over the vesting period on a straight-line basis, taking into consideration the Group's best estimates of the number of stock options that will ultimately vest.

M. Revenue recognition

The Group recognizes revenue in accordance with IFRS 15 *Revenue from Contracts with Customers* 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.

N. Income taxes

Income taxes comprise current and deferred taxes and these are recognized in profit or loss, except taxes arising from items that are recognized as other comprehensive income.

Current taxes are measured at the amount expected to be paid to (or recovered from) taxation authorities on taxable income or loss for the current fiscal year, using the rates that have been enacted or substantively enacted by each reporting date in the countries where the Group operates and generates taxable income, with adjustments to tax payments in past periods.

Through the use of an asset and liability approach, deferred tax assets and liabilities are recorded for the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts of assets and liabilities for tax purposes. Deferred tax assets and liabilities are not recognized for temporary differences under any of the following circumstances:

- Temporary differences arising from goodwill;
- Temporary differences arising from the initial recognition of an asset or liability which, at the time of the transaction, does not affect either the accounting profit or the taxable income; and does not give rise to equal taxable and deductible temporary differences (other than in a business combination); or
- Taxable temporary differences associated with investments in subsidiaries, but only to the extent that it is possible to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

The group tax sharing system is applied for the Company and 100% owned subsidiaries in Japan.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the temporary difference is realized or settled, based on tax laws that have been enacted or substantively enacted by each reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when income taxes are levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

O. Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to common shareholders of the Parent by the weighted-average number of common stocks outstanding during the period, adjusted for treasury stock. Diluted earnings per share is calculated by adjusting for all dilutive potential ordinary shares having a dilutive effect.

4. Newly applied standards and interpretation guidelines

Not applicable

5. Issued but not yet effective IFRS Accounting Standards, not-yet-applied new standards and interpretation guidelines

New standards and interpretations that are newly established or amended before the approval date of the consolidated financial statement which the Company has not yet applied as at 31 August, 2026 are as follows.

Standard	Standard name	Mandatory adoption date (year beginning on)	The Group's adoption date	Summary
International Financial Reporting Standard 7 ("IFRS 7") International Financial Reporting Standard 9 ("IFRS 9")	Financial Instruments: Disclosure Financial Instruments	1 January 2026	Fiscal year ending 31 August 2027	Clarification of accounting and disclosures related to contracts referencing nature-dependent electricity
International Financial Reporting Standard 18 ("IFRS 18")	Presentation and Disclosure in Financial Statements	1 January 2027	Fiscal year ending 31 August 2028	Standard for the presentation and disclosure of financial statements that provide transparent and comparable information about financial performance

The Company is in the process of assessing the impact of the adoption of the above standards on the Group's Consolidated Financial Statements.

6. Segment Information

A. Description of reportable segments

The Group's reportable segments are components for which discrete financial information is available and which are reviewed regularly by the Board of Directors (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 clothing business in Japan and overseas
Global Brands:	Theory, PLST, COMPTOIR DES COTONNIERS, and PRINCESSE TAM.TAM clothing operations

B. Method of accounting for segment revenue and results

The methods of accounting for the reportable segments are the same as those stated in "3. Material Accounting Policies."

The Group does not allocate assets and liabilities to individual reportable segments.

C. Segment information

Year ended 31 August 2025

(Millions of yen)

	Reportable segments					Others (Note1)	Adjustments (Note2)	Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands	Total			
Revenue	1,026,096	1,910,289	330,701	131,542	3,398,629	1,910	－	3,400,539
Operating profit	184,451	309,319	30,506	(950)	523,327	253	40,684	564,265
Segment income / (loss) (i.e., profit / (loss) before income taxes)	187,125	309,026	31,948	(1,487)	526,613	253	123,707	650,574
Other disclosure:								
Depreciation and amortization	51,913	99,192	19,999	8,954	180,060	452	35,980	216,492
Impairment losses (Note 3)	866	439	215	2,308	3,829	－	4	3,833
Reversal of impairment losses (Note 3)	(3,189)	(12)	－	(32)	(3,235)	－	－	(3,235)

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

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

(Note 3) Details on the impairment losses and reversal are stated in note "15. Impairment losses and reversal of impairment losses."

Year ended 31 August 2026

(Millions of yen)

	Reportable segments					Others (Note1)	Adjustments (Note2)	Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands	Total			
Revenue	1,084,843	2,411,135	336,717	128,561	3,961,257	2,131	－	3,963,389
Operating profit	196,652	448,124	32,884	4,454	682,116	143	60,869	743,128
Segment income (i.e., profit before income taxes)	201,163	451,206	32,813	4,004	689,187	143	113,174	802,505
Other disclosure:								
Depreciation and amortization	54,753	117,190	21,430	8,559	201,933	494	34,824	237,251
Impairment losses (Note 3)	216	169	107	503	997	－	160	1,158
Reversal of impairment losses (Note 3)	(26)	(138)	(24)	(64)	(253)	－	－	(253)

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

(Note 2) “Adjustments” primarily includes revenue and corporate expenses which are not allocated to individual reportable segments.

(Note 3) Details on the impairment losses and reversal are stated in note “15. Impairment losses and reversal of impairment losses.”

D. Geographic Information

Year ended 31 August 2025

(1) External revenue

(Millions of yen)

Japan	PRC	Overseas (Others)	Total
1,366,172	513,040	1,521,325	3,400,539

(2) Non-current assets (excluding financial assets, investments in associates accounted for using the equity method and deferred tax assets)

(Millions of yen)

Japan	United States of America	Overseas (Others)	Total
378,546	200,193	334,225	912,965

Year ended 31 August 2026

(1) External revenue

(Millions of yen)

Japan	PRC	Overseas (Others)	Total
1,426,468	571,116	1,965,804	3,963,389

(2) Non-current assets (excluding financial assets, investments in associates accounted for using the equity method and deferred tax assets)

(Millions of yen)

Japan	United States of America	Overseas (Others)	Total
360,552	237,676	423,811	1,022,040

7. Business Combination

In the Group, there are no significant transactions both individually and in the aggregate, and the information is omitted.

8. Cash and Cash Equivalents

The breakdown of cash and cash equivalents as at each year end is as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Cash and bank balances	708,384	831,207
Money market funds (MMF)	184,855	176,379
Total	893,239	1,007,586

(Note) Cash and Cash Equivalents is classified as financial assets measured at amortized cost.

9. Trade and Other Receivables

The breakdown of trade and other receivables as at each year end is as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Accounts receivable - trade	86,817	85,978
Other accounts receivable	9,155	14,370
Lease receivable	1,074	1,421
Allowance for doubtful accounts	(639)	(2,174)
Total	96,407	99,595

See Note “30. Financial Instruments” for credit risk management and the fair value of trade and other receivables.

The above classifications of financial assets are all financial assets measured at amortized cost.

The above Accounts receivable — trade is mainly recognized as revenue at the time of delivery of the clothing because the customer is deemed to have gained control of the clothing and the performance of obligations to have been fulfilled upon delivery. The Group receives payment within a short period of time after fulfilling the performance of obligations based on separately specified payment conditions. Because the period from fulfillment of the performance obligations to receipt of consideration is normally within one year, the receivables are not adjusted as material financial elements using the convention method.

10. Inventories

The breakdown of inventories as at each year end is as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Products	506,402	611,821
Materials and supplies	4,555	5,421
Total	510,958	617,243

(Note) As at 31 August 2025 and 31 August 2026, the Group had inventories attributable to UNIQLO Japan, UNIQLO International and GU aggregated to 486,185 million yen and 590,328 million yen, respectively. No inventories were pledged as collateral to secure debt.

Write-down of inventories to their net realizable values recognized in expenses is as follows:

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Write-down of inventories to net realizable value	8,594	7,758

(Note) As at 31 August 2025 and 31 August 2026, the Group had written down inventories to net realizable value for the amount of 7,914 million yen and 7,156 million yen, respectively, related to UNIQLO Japan, UNIQLO International and GU.

As the valuation of inventories may be affected by external environments such as economic conditions, weather or trends of competitors, if these factors differ from the estimates, they may have a significant impact on the valuation of inventories in the consolidated financial statements for the next consolidated fiscal year.

11. Other Financial Assets and Other Financial Liabilities

The breakdowns of other financial assets and other financial liabilities as at each year end are as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Other financial assets:		
Financial assets measured at amortized cost		
Bonds	637,050	611,426
Security deposits / guarantees	71,470	73,578
Bank deposits	492,145	809,827
Others	11,403	14,459
Allowance for doubtful accounts	(143)	(177)
Financial assets measured at fair value through other comprehensive income		
Stocks	212	216
Total	1,212,139	1,509,331
Other current financial assets total	899,701	1,137,106
Other non-current financial assets total	312,438	372,224

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Other financial liabilities:		
Financial liabilities measured at amortized cost		
Interest-bearing borrowings (Note)	211,328	140,062
Deposits	79,472	60,509
Security deposits / guarantees received	1,212	1,664
Total	292,013	202,236
Other current financial liabilities total	150,942	60,713
Other non-current financial liabilities total	141,071	141,523

(Note) Interest-bearing borrowings include corporate bonds and loans payable.

Stocks are principally held to strengthen medium-term relationships with strategic partners, and are therefore designated as financial assets at fair value through other comprehensive income and are not material in value.

12. Other Assets and Other Liabilities

The breakdowns of other assets and other liabilities as at each year end are as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Other assets:		
Prepayments	12,484	14,221
Accrued interest receivable	4,868	4,891
Accrued consumption tax receivable, etc.	2,758	1,757
Others	8,355	10,311
Total	28,466	31,182
Current	24,662	25,627
Non-current	3,803	5,554

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Other liabilities:		
Accruals	101,749	137,465
Employee benefits accruals	12,852	14,808
Accrued consumption tax payable, etc.	15,037	15,949
Others	22,213	20,799
Total	151,852	189,023
Current	149,394	186,764
Non-current	2,457	2,258

13. Property, Plant and Equipment

Increase / (decrease) in acquisition costs, accumulated depreciation and impairment of property, plant and equipment are as follows:

(Millions of yen)

Acquisition costs	Buildings and structures	Machinery and equipment	Furniture, fixtures and vehicles	Land	Construction in progress	Total
As at 1 September 2024	432,589	54,676	108,165	1,984	26,053	623,469
Additions	5,844	14	179	2,378	135,108	143,525
Disposals	(22,747)	(219)	(8,101)	－	(154)	(31,222)
Transfers	101,470	10,108	15,596	10,202	(137,378)	－
Effect of change in exchange rate	4,473	907	1,845	(42)	550	7,734
As at 31 August 2025	521,629	65,488	117,685	14,523	24,179	743,505
Additions	7,844	18	356	－	81,151	89,371
Disposals	(22,238)	(1,138)	(6,181)	－	(145)	(29,704)
Transfers	49,463	6,093	18,804	－	(74,361)	－
Effect of change in exchange rate	32,891	3,515	9,576	1,042	1,644	48,670
As at 31 August 2026	589,590	73,976	140,240	15,565	32,469	851,843

(Millions of yen)

Accumulated depreciation and impairment	Buildings and structures	Machinery and equipment	Furniture, fixtures and vehicles	Land	Construction in progress	Total
As at 1 September 2024	(285,480)	(14,768)	(77,442)	(34)	－	(377,726)
Depreciation	(34,860)	(6,223)	(11,522)	－	－	(52,606)
Impairment losses /(reversal of impairment losses)	(151)	(778)	(112)	(223)	－	(1,265)
Disposals	20,475	218	7,656	－	－	28,349
Effect of change in exchange rate	(5,937)	(234)	(1,734)	－	－	(7,905)
As at 31 August 2025	(305,955)	(21,786)	(83,155)	(258)	－	(411,154)
Depreciation	(41,506)	(7,395)	(13,175)	－	－	(62,077)
Impairment losses /(reversal of impairment losses)	(54)	(6)	(27)	－	－	(87)
Disposals	20,901	946	5,733	－	－	27,581
Effect of change in exchange rate	(19,534)	(1,489)	(7,614)	－	－	(28,639)
As at 31 August 2026	(346,148)	(29,730)	(98,239)	(258)	－	(474,377)

(Millions of yen)

Net carrying amount	Buildings and structures	Machinery and equipment	Furniture, fixtures and vehicles	Land	Construction in progress	Total
As at 31 August 2025	215,674	43,702	34,530	14,264	24,179	332,351
As at 31 August 2026	243,441	44,246	42,000	15,307	32,469	377,465

(Notes) 1. Property, plants and equipment mainly consists of store assets attributable to UNIQLO Japan, UNIQLO International and GU.

2. There are no restrictions on ownership rights and no pledges on the Group's property, plant and equipment.

14. Goodwill and Intangible Assets

A. The increase / (decrease) in acquisition costs, accumulated amortization, and impairment of goodwill and intangible assets are as follows:

(Millions of yen)

Acquisition costs	Goodwill	Intangible assets other than goodwill				Goodwill and Intangible assets total
		Software	Trademarks	Other intangible assets	Total	
As at 1 September 2024	15,885	218,812	11,869	9,536	240,218	256,103
External purchase	–	23,020	–	–	23,020	23,020
Internal development	–	4,329	–	–	4,329	4,329
Disposals	–	(177)	(1)	(700)	(879)	(879)
Effect of change in exchange rate	–	538	160	1,093	1,792	1,792
As at 31 August 2025	15,885	246,522	12,028	9,929	268,480	284,365
External purchase	–	20,294	–	–	20,294	20,294
Internal development	–	5,207	–	–	5,207	5,207
Disposals	–	(1,202)	(0)	(1,873)	(3,076)	(3,076)
Effect of change in exchange rate	–	1,691	1,021	(1,364)	1,347	1,347
As at 31 August 2026	15,885	272,514	13,049	6,690	292,254	308,139

(Millions of yen)

Accumulated amortization and impairment	Goodwill	Intangible assets other than goodwill				Goodwill and Intangible assets total
		Software	Trademarks	Other intangible assets	Total	
As at 1 September 2024	(7,792)	(140,764)	(3,561)	(3,323)	(147,649)	(155,441)
Amortization	—	(27,987)	—	(20)	(28,008)	(28,008)
Impairment losses	—	(156)	—	(1,076)	(1,232)	(1,232)
Disposals	—	173	1	386	561	561
Effect of change in exchange rate	—	(318)	(43)	(182)	(545)	(545)
As at 31 August 2025	(7,792)	(169,053)	(3,604)	(4,216)	(176,874)	(184,666)
Amortization	—	(26,829)	—	(12)	(26,841)	(26,841)
Impairment losses	—	(162)	—	—	(162)	(162)
Disposals	—	1,014	0	1,631	2,646	2,646
Effect of change in exchange rate	—	(1,133)	(273)	(332)	(1,739)	(1,739)
As at 31 August 2026	(7,792)	(196,163)	(3,877)	(2,929)	(202,970)	(210,762)

(Note) Amortization of intangible assets is included in “selling, general and administrative expenses” on the consolidated statement of profit or loss.

(Millions of yen)

Net carrying amount	Goodwill	Intangible assets other than goodwill				Goodwill and Intangible assets total
		Software	Trademarks	Other intangible assets	Total	
As at 31 August 2025	8,092	77,469	8,424	5,713	91,606	99,699
As at 31 August 2026	8,092	76,350	9,171	3,761	89,283	97,376

The book value of internally generated intangible assets included in intangible assets is as follows.

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Software	11,924	13,086

B. Goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets recorded in the consolidated statement of financial position are primarily for goodwill and trademarks related to the Theory business.

Trademarks and certain other intangible assets will continue to be used as long as the business remains viable; therefore, management estimated the useful lives as indefinite.

The carrying amount of goodwill and intangible assets with indefinite useful lives by CGU is as follows:

(Millions of yen)

Net carrying amount	Goodwill				Intangible assets with indefinite useful lives			
	UNIQLO Japan	UNIQLO Inter-national	GU	Global Brands	UNIQLO Japan	UNIQLO Inter-national	GU	Global Brands
As at 31 August 2025	–	–	–	8,092	–	–	–	12,163
As at 31 August 2026	–	–	–	8,092	–	–	–	12,821

15. Impairment Losses and reversal of impairment losses

The Group recognized impairment losses on certain store assets etc., due to reductions in profitability of the respective CGU. Vice versa, the Group recognized reversal of impairment losses upon revisits in profitability of the respective CGU with reference to improved market conditions.

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

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Buildings and structures	414	230
Machinery and equipment	778	6
Furniture, fixtures and vehicles	112	41
Land	223	－
Subtotal on property, plant and equipment	1,529	277
Software	156	162
Other intangible assets	1,076	－
Subtotal on intangible assets	1,232	162
Right-of-use assets	1,071	719
Total impairment losses	3,833	1,158

The Group's impairment losses are included in "Other expenses" on the consolidated statement of profit or loss.

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

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Buildings and structures	263	176
Furniture, fixtures and vehicles	－	13
Subtotal on property, plant and equipment	263	189
Right-of-use assets	2,963	64
Other non-current assets (long-term prepayments)	8	－
Total reversal for impairment losses	3,235	253

The Group's reversal for impairment losses is included in "Other income" on the consolidated statement of profit or loss.

Year ended 31 August 2025

Of the impairment losses amounting to 3,833 million yen, 34 million yen, 439 million yen, 43 million yen and 2,308 million yen for UNIQLO Japan, UNIQLO International, GU and Global Brands respectively represented impairment losses of the carrying amounts of store assets to the recoverable amounts, primarily due to a reduction in profitability of certain stores. In addition, as a result of reviewing the profitability of store assets in line with improved market conditions and other factors, reversals of impairment losses of 3,189 million yen, 12 million yen, and 32 million yen were recorded for the UNIQLO Japan, UNIQLO International, and Global Brands, respectively.

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

The value in use for measurement of impairment losses is calculated based on the cash flow projections with estimates and growth rates approved by management, applying a discount rate of 10.4 % (weighted-average rate). In principle, the projected cash flows cover a five-year period at most, 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 CGUs for which impairment losses were recorded are as follows:

Operating segment	CGU	Type
UNIQLO Japan	UNIQLO CO., LTD. idle assets, stores	Buildings and structures; Machinery and equipment; and Land
UNIQLO International	FAST RETAILING (CHINA) TRADING CO., LTD., etc., stores	Buildings and structures; Furniture, fixtures and vehicles, etc.
GU	G.U. CO., LTD. idle assets, stores	Buildings and structures; Machinery and equipment; and Furniture, fixtures and vehicles
Global Brands	FAST RETAILING FRANCE S.A.S., etc., stores	Other intangible assets; Right-of-use assets, etc.

The main CGUs for which reversal of impairment losses were recorded are as follows:

Operating segment	CGU	Type
UNIQLO Japan	UNIQLO CO., LTD. stores	Buildings and structures; Right-of-use assets, etc.
UNIQLO International	UNIQLO AUSTRALIA PTY LTD stores	Buildings and structures
Global Brands	Theory LLC stores	Right-of-use assets

(Note) The totals of property, plants and equipment and right-of-use assets associated with UNIQLO Japan stores, UNIQLO International stores, and GU stores for the fiscal year ended August 2025 are 115,011 million yen, 396,827 million yen, and 45,074 million yen, respectively.

Year ended 31 August 2026

Of the impairment losses amounting to 1,158 million yen, 209 million yen, 169 million yen, 107 million yen and 491 million yen for UNIQLO Japan, UNIQLO International, GU and Global Brands respectively represented impairment losses of the carrying amounts of store assets to the recoverable amounts, primarily due to a reduction in profitability of certain stores. In addition, as a result of reviewing the profitability of store assets in line with improved market conditions and other factors, reversals of impairment losses of 26 million yen, 138 million yen, 24 million yen, and 64 million yen were recorded for the UNIQLO Japan, UNIQLO International, GU, and Global Brands, respectively.

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

The value in use for measurement of impairment losses is calculated based on the cash flow projections with estimates and growth rates approved by management, applying a discount rate of 10.4 % (weighted-average rate). In principle, the projected cash flows cover a five-year period at most, 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 CGUs for which impairment losses were recorded are as follows:

Operating segment	CGU	Type
UNIQLO Japan	UNIQLO CO., LTD. stores, idle assets	Buildings and structures; Right-of-use assets; Furniture, fixtures and vehicles, etc.
UNIQLO International	UNIQLO TRADING CO., LTD. stores	Right-of-use assets, etc.
GU	GU Hong Kong Apparel LTD, etc. stores	Buildings and structures; Right-of-use assets; and Furniture, fixtures and vehicles
Global Brands	FAST RETAILING France S.A.S., etc. stores, warehouse, idle assets	Buildings and structures; Right-of-use assets, etc.

The main CGUs for which reversal of impairment losses were recorded are as follows:

Operating segment	CGU	Type
UNIQLO Japan	UNIQLO CO., LTD. idle assets	Buildings and structures
UNIQLO International	FRL Korea Co., Ltd., etc. stores	Buildings and structures; and Furniture, fixtures and vehicles
GU	G.U. CO., LTD. idle assets	Buildings and structures, etc.
Global Brands	Theory Westport LLC stores	Right-of-use assets

(Note) The totals of property, plants and equipment and right-of-use assets associated with UNIQLO Japan stores, UNIQLO International stores, and GU stores for the fiscal year ended August 2026 are 113,295 million yen, 517,632 million yen, and 46,555 million yen, respectively.

16. Investments in Associates Accounted for Using the Equity Method

A. Information on associates accounted for using the equity method

Information on associates accounted for using the equity method is as follows:

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Share of profit and loss of associates accounted for using the equity method	1,704	780
Share of other comprehensive income / (loss) of investments in associates accounted for using the equity method	163	246
Share of comprehensive income / (loss) of investments in associates accounted for using the equity method	1,868	1,027
Carrying amount of investments in associates	31,361	36,456

B. Financial information on significant associates

In June 2016, the Company invested in a domestic real estate investment trust aiming to own a distribution facility. The Company has significant influence over the financial and operating policy.

The Company's maximum exposure to losses due to its investments in the associates is limited to the amount of the investments by the Company and is included in the consolidated statement of financial position as "Investments in associates accounted for using the equity method," which amounted to 16,998 million yen as at 31 August 2025 and 16,894 million yen as at 31 August 2026. The Group's share of profit and comprehensive income of the associates was 827 million yen during the fiscal year ended 31 August 2025 and 781 million yen during the fiscal year ended 31 August 2026, which was included in the consolidated statement of profit or loss and consolidated statement of comprehensive income.

Total assets of the associates amounted 87,326 million yen as at 31 August 2025 and 85,518 million yen as at 31 August 2026 respectively, which mainly comprised non-current assets such as warehouse, etc.

The Company received dividends from the associates amounting to 883 million yen during the fiscal year ended 31 August 2025 and 886 million yen during the fiscal year ended 31 August 2026.

The Group has entered into lease contracts with one of the associates relating to warehouse rental, etc.

In November 2024, the Company invested in an overseas software developing company. The Company has significant influence over the financial and operating policy.

The Company's maximum exposure to losses due to its investments in the associates is limited to the amount of the investments by the Company and is included in the consolidated statement of financial position as "Investments in associates accounted for using the equity method," which amounted to 11,393 million yen as at 31 August 2025 and 11,426 million yen as at 31 August 2026. The Group's share of loss and comprehensive loss of the associates was 663 million yen during the fiscal year ended 31 August 2025 and 968 million yen during the fiscal year ended 31 August 2026, which was included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively.

Total assets of the associates amounted 12,499 million yen as at the fiscal year ended 31 August 2025 and 12,598 million yen as at 31 August 2026, which mainly comprised non-current assets such as software, etc.

17. Leases

(1) Lessee

As a lessee, the Group mainly leases real estate for store use (land, buildings and structures).

A. Lease liabilities

(Millions of yen)

	Year ended 31 August 2025		Year ended 31 August 2026	
	Remaining lease payments	Present value of remaining lease payments	Remaining lease payments	Present value of remaining lease payments
Lease liabilities				
Due within one year	130,705	126,830	138,466	135,305
Due after one year through two years	91,430	86,973	100,428	95,740
Due after two years through three years	69,044	64,108	84,164	79,004
Due after three years through four years	60,746	55,287	68,441	62,906
Due after four years through five years	49,382	43,711	60,421	54,810
Due after five years	163,581	136,590	198,380	160,591
Total	564,891	513,501	650,302	588,358

Interest expenses on lease liabilities

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Interest expenses on lease liabilities	8,464	11,420

Cash outflow for leases

Cash outflow for leases is as follows:

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Total Cash outflow for leases	279,529	310,178

B. Right-of-use assets

A breakdown of right-of-use assets is as follows:

(Millions of yen)

	Real estates	Machinery and equipment	Furniture, fixtures and vehicles	Total
As at 1 September 2024	393,831	17,170	5,710	416,712
Additions due to new lease contracts, reassessment of lease liabilities, etc.	192,869	5,959	50	198,879
Depreciation	(130,461)	(4,499)	(2,085)	(137,046)
Impairment losses / reversal of impairment losses	1,943	(47)	(3)	1,891
Expiration, cancellation, etc.	(8,372)	(16)	(28)	(8,417)
Others	4,427	(1,373)	2,039	5,093
As at 31 August 2025	454,236	17,193	5,682	477,111
Additions due to new lease contracts, reassessment of lease liabilities, etc.	187,284	－	428	187,712
Depreciation	(141,416)	(5,006)	(1,701)	(148,124)
Impairment losses / reversal of impairment losses	(649)	－	(5)	(655)
Expiration, cancellation, etc.	(1,536)	－	0	(1,536)
Others	27,202	(132)	65	27,134
As at 31 August 2026	525,119	12,053	4,469	541,642

C. Expenses relating to Leases

The breakdown of expenses relating to Leases is as follows:

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Expenses relating to variable lease payments not included in the measurement of lease liability	104,509	122,325
Expenses relating to short-term leases (excluding expenses relating to leases with lease term of no more than one month)	25,238	28,208
Expenses relating to leases of low value assets (excluding expenses relating to short-term leases)	198	294

(Note) Variable lease payments are linked to sales performance which mainly relates to store opening contracts.

D. Others

The future cash outflows to which the lessee is potentially exposed that are not yet commenced to which the lessee is committed during the fiscal years ended 31 August 2025 and August 2026 amounted to 36,534 million yen and 13,288 million yen, respectively.

The Group's leased properties are granted a termination option for the purposes of flexible decision-making regarding store closures. This is mainly in relation to store lease agreements, most of which have the option of early termination provided that written notice is given to the other party six months in advance. In light of the possibility for the termination option to be exercised, the lease term is determined by setting a non-cancellable lease term as a minimum and taking a target period for return on investment for each segment into consideration. We continually review this assessment, should any event arise that would impact this assessment, as well as any occurrence or situation that would cause significant changes.

(2) Lessor

The Group subleases some real estate as part of promoting its store-opening strategy. The Group receives security deposits from lessee to collateralize risks such as non-restitution of defaults on lease payments liabilities and non-implementation of asset retirement obligation.

A. Finance leases

The Group leases closed roadside stores or some spaces housed within commercial facilities as a lender through financing leases.

(i) Analysis of changes of lease receivables

An analysis of changes in lease receivables in relation to finance leases is as follows;

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Carrying amounts at the beginning of period	6,932	6,419
Increases due to finance lease contracts	708	5,478
Decreases due to repayments	(1,268)	(3,915)
Others	47	22
Carrying amounts at the end of period	6,419	8,005

(ii) Maturity analysis of the lease payments receivables to be reconciled to the net investment in the lease

A maturity analysis of lease payments receivables in relation to finance leases is as follows;

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Undiscounted lease payments to be received		
Due within one year	1,074	1,421
Due after one year through two years	753	1,584
Due after two years through three years	747	1,617
Due after three years through four years	745	1,112
Due after four years through five years	736	758
Due after five years	2,421	1,954
Total	6,477	8,449
Unearned finance income	58	443
Net investment in the lease	6,419	8,005

(iii) Amount pertaining to lease receivables recognized in the consolidated statement of profit or loss

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Finance income from net investment in the lease	45	75

B. Operating leases

The Group subleases property to its tenants under operating leases for each commercial establishment it operates.

(i) Lease income

A breakdown of income on operating leases is as follows;

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Income on variable lease payments	136	155
Income on fixed lease payments	1,110	948

(ii) Maturity analysis of lease payments to be received

A maturity analysis of lease payments to be received in relation to operating leases is as follows;

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Undiscounted lease payments to be received		
Due within one year	1,034	888
Due after one year through two years	820	883
Due after two years through three years	713	882
Due after three years through four years	608	877
Due after four years through five years	603	862
Due after five years	1,995	3,102
Total	5,776	7,496

18. Deferred Taxes and Income Taxes

A. Deferred taxes

The main factors in the increase (decrease) of deferred tax assets and deferred tax liabilities are listed below.

(Millions of yen)

	As at 1 September 2024	Recognized in profit or loss (Note)	Recognized in other comprehensive income	Recognized directly in equity	As at 31 August 2025
Temporary differences					
Accrued business tax	3,639	541	－	－	4,181
Accrued for bonuses	7,319	513	－	－	7,832
Allowance for doubtful accounts	177	(74)	－	－	102
Impairment losses on non-current assets	6,943	(392)	－	－	6,550
Unrealized gains / (losses) on available-for-sale securities	(6)	－	(14)	－	(20)
Depreciation	14,055	2,809	－	－	16,864
Net gains / (losses) on revaluation of cash flow hedges	(40,615)	－	(27,134)	39,765	(27,984)
Temporary differences on shares of subsidiaries	(1,893)	(55)	－	－	(1,949)
Right-of-use assets	(106,122)	(23,286)	－	－	(129,408)
Lease liabilities	119,120	14,969	－	－	134,090
Undistributed earnings of foreign subsidiaries	(33,193)	5,561	－	－	(27,631)
Others	20,683	10,975	－	－	31,659
Subtotal	(9,890)	11,562	(27,148)	39,765	14,288
Tax losses carried forward	10,426	(6,364)	－	－	4,062
Net deferred tax assets / (liabilities)	536	5,198	(27,148)	39,765	18,350

(Note) The difference between the total amount recognized in profit or loss and the amount of deferred tax is due to effect of change in exchange rate.

(Millions of yen)

	As at 1 September 2025	Recognized in profit or loss (Note)	Recognized in other comprehensive income	Recognized directly in equity	As at 31 August 2026
Temporary differences					
Accrued business tax	4,181	(264)	－	－	3,916
Accrued for bonuses	7,832	4,507	－	－	12,340
Allowance for doubtful accounts	102	433	－	－	535
Impairment losses on non-current assets	6,550	345	－	－	6,895
Unrealized gains / (losses) on available-for-sale securities	(20)	－	(1)	－	(22)
Depreciation	16,864	409	－	－	17,273
Net gains / (losses) on revaluation of cash flow hedges	(27,984)	－	(57,053)	39,238	(45,799)
Temporary differences on shares of subsidiaries	(1,949)	(0)	－	－	(1,949)
Right-of-use assets	(129,408)	(16,359)	－	－	(145,768)
Lease liabilities	134,090	18,933	－	－	153,024
Undistributed earnings of foreign subsidiaries	(27,631)	(8,740)	－	－	(36,371)
Others	31,659	(2,973)	－	－	28,686
Subtotal	14,288	(3,708)	(57,054)	39,238	(7,237)
Tax losses carried forward	4,062	(2,517)	－	－	1,545
Net deferred tax assets / (liabilities)	18,350	(6,226)	(57,054)	39,238	(5,691)

(Note) The difference between the total amount recognized in profit or loss and the amount of deferred tax is due to effect of change in exchange rate.

Tax effects of unrecognized tax losses carried forward and deductible temporary differences for which deferred tax assets were not recognized are as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Unrecognized tax losses carried forward	22,117	27,450
Deductible temporary differences	32,293	23,171
Total	54,411	50,622

Tax effects of unrecognized tax losses carried forward for which no deferred tax asset is recognized in the consolidated statement of financial position, if unutilized, will expire as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
First year	293	292
Second year	244	494
Third year	335	336
Fourth year	261	354
Fifth year and thereafter	20,983	25,972
Total	22,117	27,450

Differed tax assets may be affected by uncertain future economic conditions and other factors, and if the forecast of future taxable incomes is revised, the total amount of deferred tax assets may be significantly affected in the consolidated financial statement for the next fiscal year.

Temporary differences on shares of subsidiaries for which deferred tax liabilities were not recognized

The aggregate amounts of taxable temporary differences associated with undistributed retained earnings of subsidiaries for which deferred tax liabilities have not been recognized as at 31 August 2025 and 31 August 2026 were 448,772 million yen and 616,708 million yen, respectively.

Deferred tax liabilities are not recognized as the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse it in the foreseeable future.

B. Income taxes

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Current tax expense	194,983	210,473
Deferred tax expense	(3,561)	7,891
Total	191,421	218,364

Of the benefits arising from tax losses or temporary differences in prior periods that were previously unrecognized, the amount used to reduce current tax expense in the year ended 31 August 2025 and August 2026 were 6,272 million yen and 5,961 million yen, respectively, which are included in current tax expense.

Additionally, the amount used to reduce deferred tax expense was 411 million yen in the current consolidated fiscal year. There was no amount used to reduce deferred tax expense in the previous consolidated fiscal year. In the Group, these are included in deferred tax expense.

Reconciliations between the statutory tax rates and the effective tax rates are as follows. The effective tax rate shown is the corporate income tax rate applied to the Group's profit before income taxes.

	Year ended 31 August 2025	Year ended 31 August 2026
Statutory tax rate	30.6%	30.6%
Unrecognized deferred tax assets	0.9%	(0.5)%
Difference in statutory tax rates of subsidiaries	(4.4)%	(5.5)%
Undistributed earnings of foreign subsidiaries	(0.9)%	1.1%
Foreign withholding tax	3.5%	1.7%
Others	(0.3)%	(0.2)%
Effective tax rate	29.4%	27.2%

C. Global minimum tax

The Act for the Partial Revision of the Income Tax Act (Act No. 3 of 2023) was enacted on 28 March 2023 in Japan, where the Company is located, to facilitate the implementation of a global minimum tax system in accordance with international tax reform Pillar Two model rules. The new act has been applied to the Company accounts from the prior fiscal year starting 1 September 2024. Additionally, a global minimum taxation system has been enacted in some countries where the Group conducts business activities and has been applied for subsidiaries located in those countries. However, the impact on our income tax expense is not material.

Furthermore, the Group applied exceptions to the recognition and information disclosure requirements surrounding deferred tax assets and liabilities relating to income tax arising from any tax laws fully or substantially enacted in conjunction with the introduction of Pillar Two model rules.

19. Trade and Other Payables

The breakdown of trade and other payables as at each year end is as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Trade payables	327,871	406,084
Notes payables	26	9
Other payables	62,251	75,148
Total	390,149	481,242

Supplier Finance Arrangements

The Group has entered into supplier finance arrangements with third-party financial institutions. Based on contracts entered into with each supplier, payments are made to the third-party financial institutions. The supplier can receive early payments from the third-party financial institutions in accordance with the contract.

The carrying amount of financial liabilities related to supplier finance arrangements is as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Carrying amount of financial liabilities that are part of supplier finance arrangements Trade payables and other short-term liabilities	81,173	88,041
Of the above, amounts already paid to suppliers	75,272	79,213

The range of payment due dates related to supplier finance arrangements is as follows:

	As at 31 August 2025	As at 31 August 2026
Liabilities under supplier finance arrangements	Within 90 days from the shipment date	Within 90 days from the shipment date
Comparable operating liabilities not part of supplier finance arrangements	Within 90 days from the shipment date	Within 90 days from the shipment date

The supplier finance arrangements entered into by the Group do not result in a concentration of payment due dates compared to normal payments agreed with other suppliers not participating in such arrangements. Furthermore, the group does not face significant liquidity risk due to supplier finance arrangements.
During the year ended 31 August 2025 and the year ended 31 August 2026, there were no material non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

20. Provisions

The breakdown of provisions as at each year end is as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Asset retirement obligations	57,363	62,931
Total	57,363	62,931
Current liabilities	1,651	1,569
Non-current liabilities	55,711	61,361

The primary factors for the increase / (decrease) in provision are as follows:

(Millions of yen)

	Asset retirement obligations
Balances as at 31 August 2025	57,363
Additional provisions	5,758
Amounts utilized	(2,780)
Increase in discounted amounts arising from passage of time	1,057
Others	1,532
Balances as at 31 August 2026	62,931

Please refer to “K. Provisions in 3. Material Accounting Policies” for an explanation of respective provisions.

The estimates of provisions may be affected by uncertain future operating conditions and changes in the external environment, and if expenses related to lease contracts of offices or stores are revised, it may be significantly affected in the consolidated financial statements for the coming fiscal year.

21. Equity and Other Equity Items

A. Share Capital

	Number of authorized shares (Common stock with no par-value) (Shares)	Number of issued shares (Common stock with no par-value) (Shares)	Number of outstanding shares (Common stock with no par-value) (Shares)	Capital stock (Millions of yen)	Capital surplus (Millions of yen)
Balances as at 1 September 2024	900,000,000	318,220,968	306,739,187	10,273	29,712
Increase / (decrease) (Note)	-	-	79,992	-	1,285
Balances as at 31 August 2025	900,000,000	318,220,968	306,819,179	10,273	30,998
Increase / (decrease) (Note)	—	—	40,386	—	1,316
Balances as at 31 August 2026	900,000,000	318,220,968	306,859,565	10,273	32,314

(Notes) The primarily factors for the increase / (decrease) in number of outstanding shares in circulation were the increase / (decrease) in the number of treasury stock as indicated below.

B. Treasury Stock and Capital Surplus

(1) Treasury Stock

	Number of shares (Shares)	Amount (Millions of yen)
Balances as at 1 September 2024	11,481,781	14,628
Net increase of treasury stock less than one unit	66	2
Exercise of stock options	(80,058)	(102)
Balances as at 31 August 2025	11,401,789	14,529
Net increase of treasury stock less than one unit	27	1
Exercise of stock options	(40,413)	(51)
Balances as at 31 August 2026	11,361,403	14,480

(2) Capital surplus

(Millions of yen)

	Capital reserve	Gain / (loss) on disposal of treasury stock	Stock options	Others	Total
Balances as at 1 September 2024	4,578	14,790	6,784	3,559	29,712
Disposal of treasury stock	–	1,348	–	–	1,348
Increase / (decrease) by share-based payment transactions	–	–	(63)	–	(63)
Balances as at 31 August 2025	4,578	16,138	6,720	3,559	30,998
Disposal of treasury stock	–	724	–	–	724
Increase / (decrease) by share-based payment transactions	–	–	591	–	591
Balances as at 31 August 2026	4,578	16,863	7,312	3,559	32,314

Please refer to “29. Share-based Payments” for details of share-based payment transactions (stock options).

C. Other components of equity

The breakdown of other comprehensive income included in non-controlling interests is as follows:

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Exchange differences on translation of foreign operations	(381)	5,269
Cash flow hedges	974	(143)
Other comprehensive income	592	5,125

D. Dividends

The Company's basic policy is to pay dividends twice a year: an interim dividend; a year-end dividend. These dividends are decided by resolution of the Board, unless otherwise stipulated by laws and regulations.

The total amount of dividends paid was as follows:

Year ended 31 August 2025

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
Meeting of the Board on 7 November 2024	69,016	225
Meeting of the Board on 10 April 2025	73,629	240

Year ended 31 August 2026

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
Meeting of the Board on 6 November 2025	79,772	260
Meeting of the Board on 9 April 2026	98,188	320

Dividend effective in the next fiscal year is as follow:

Resolutions	Amount of dividends (Millions of yen)	Dividends per share (Yen)
Meeting of the Board on 5 November 2026	162,635	530

Regarding the proposed dividends per common stock, the Board has approved the proposal subsequent to the year-end date, and it is not recognized as a liability at year end.

22. Revenue

A. The breakdown of revenue for each year is as follows:

The Group conducts its global retail 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 2025

	Revenue (Millions of yen)	Percent of Total (%)
Japan	1,026,096	30.2
Greater China	650,232	19.1
South Korea, Southeast Asia, India & Australia	619,417	18.2
North America	271,130	8.0
Europe	369,509	10.9
UNIQLO (Note 1)	2,936,385	86.4
GU (Note 2)	330,701	9.7
Global Brands (Note 3)	131,542	3.9
Others (Note 4)	1,910	0.1
Total	3,400,539	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
South Korea, Southeast Asia, India & Australia:	South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia, Australia, Vietnam, India
North America:	United States of America, Canada
Europe:	United Kingdom, France, Germany, Belgium, Spain, Sweden, the Netherlands, Denmark, Italy, Poland, Luxembourg

(Note 2) Main national and regional market: Japan
(Note 3) Main national and regional markets: North America, Europe, Greater China, Japan
(Note 4) The “Others” category includes real estate leasing businesses, etc.

Year ended 31 August 2026

	Revenue (Millions of yen)	Percent of Total (%)
Japan	1,084,843	27.4
Greater China	724,033	18.3
South Korea, Southeast Asia, India & Australia	809,489	20.4
North America	364,961	9.2
Europe	512,651	12.9
UNIQLO (Note 1)	3,495,978	88.2
GU (Note 2)	336,717	8.5
Global Brands (Note 3)	128,561	3.2
Others (Note 4)	2,131	0.1
Total	3,963,389	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
South Korea, Southeast Asia, India & Australia:	South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia, Australia, Vietnam, India
North America:	United States of America, Canada
Europe:	United Kingdom, France, Germany, Belgium, Spain, Sweden, the Netherlands, Denmark, Italy, Poland, Luxembourg

(Note 2) Main national and regional market: Japan
(Note 3) Main national and regional markets: North America, Europe, Greater China, Japan
(Note 4) The “Others” category includes real estate leasing businesses, etc.

B. Liabilities arising from contracts with customers are as stated below.

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Contractual liabilities		
Advances received from customers	5,242	6,321
Refund liabilities	3,304	4,416

Consideration for anticipated refunds to customers is reasonably estimated and recognized as a refund liability.

In the consolidated statement of financial position, liabilities pertaining to advances received and refunds from customers are included in “Other current liabilities.”

C. Transaction prices allocated to existing performance obligations

In the Group, there are no significant transactions for which the individual forecast contract period exceeds one year.

Therefore, the convention method is used, and information related to remaining performance obligations is omitted.

Furthermore, in the consideration arising from contracts with customers, there are no significant monetary amounts that are not included in the transaction price.

D. Assets recognized from costs for acquiring or performing contracts with customers

In the Group, there are no assets recognized from costs for acquiring or performing contracts with customers.

23. 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 2025	Year ended 31 August 2026
Selling, general and administrative expenses		
Advertising and promotion	108,502	127,582
Rent expenses	126,499	145,623
Depreciation and amortization	214,425	234,631
Outsourcing	72,281	80,997
Salaries	469,897	550,403
Distribution	144,192	168,976
Others	141,903	161,809
Total	1,277,701	1,470,025

24. Other Income and Other Expenses

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

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Other income		
Foreign exchange gains (Note)	5,990	15,306
Reversal of impairment losses	3,235	253
Others	10,266	13,512
Total	19,491	29,072

(Note) Foreign exchange gains incurred in the course of operating transactions are included in “Other income.”

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Other expenses		
Losses on retirement of property, plant and equipment	1,342	1,206
Impairment losses	3,833	1,158
Others	2,910	2,859
Total	8,087	5,224

25. Finance Income and Finance Costs

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

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Finance income		
Foreign exchange gains (Note)	33,826	7,168
Interest income	65,312	67,288
Others	4	3
Total	99,143	74,460

(Note) Foreign exchange gains incurred in the course of non-operating transactions are included in “Finance income.”

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Finance costs		
Interest expenses	12,834	15,084
Total	12,834	15,084

26. Other Comprehensive Income

The breakdown of amounts recorded during the year, reclassification adjustments, and income tax effects generated by individual comprehensive income items included in “Other comprehensive income” for each year are as follows:

Year ended 31 August 2025

(Millions of yen)

	Amount recorded during the year	Reclassi-fication adjustment	Amount before income taxes	Income taxes	Amount after income taxes
Items that will not be reclassified subsequently to profit or loss					
Financial assets measured at fair value through other comprehensive income / (loss)	79	−	79	(14)	64
Total	79	−	79	(14)	64
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	(4,609)	−	(4,609)	−	(4,609)
Cash flow hedges	83,462	(1,426)	82,035	(27,134)	54,901
Share of other comprehensive income of associates	219	(55)	163	−	163
Total	79,072	(1,482)	77,589	(27,134)	50,455
Total comprehensive income for the year	79,151	(1,482)	77,669	(27,148)	50,520

(Note) The cash flow hedge reclassification adjustment of (1,426) million yen is the amount transferred to profit or loss after hedge accounting was suspended as a forecast transaction eligible for hedge accounting was no longer expected to occur.

Year ended 31 August 2026

(Millions of yen)

	Amount recorded during the year	Reclassi-fication adjustment	Amount before income taxes	Income taxes	Amount after income taxes
Items that will not be reclassified subsequently to profit or loss					
Financial assets measured at fair value through other comprehensive income / (loss)	4	−	4	(1)	3
Total	4	−	4	(1)	3
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	167,284	−	167,284	−	167,284
Cash flow hedges	184,663	(559)	184,104	(57,053)	127,051
Share of other comprehensive income of associates	246	−	246	−	246
Total	352,195	(559)	351,635	(57,053)	294,582
Total comprehensive income for the year	352,199	(559)	351,640	(57,054)	294,585

(Note) The cash flow hedge reclassification adjustment of (559) million yen is the amount transferred to profit or loss after hedge accounting was suspended as a forecast transaction eligible for hedge accounting was no longer expected to occur.

27. Earnings per Share

Year ended 31 August 2025		Year ended 31 August 2026	
Equity per share attributable to owners of the Parent (Yen)	7,408.65	Equity per share attributable to owners of the Parent (Yen)	9,274.27
Basic earnings per share for the year (Yen)	1,411.44	Basic earnings per share for the year (Yen)	1,768.08
Diluted earnings per share for the year (Yen)	1,409.32	Diluted earnings per share for the year (Yen)	1,765.70

(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 2025	Year ended 31 August 2026
Basic earnings per share for the year		
Profit attributable to owners of the Parent for the year (Millions of yen)	433,009	542,516
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to common shareholders (Millions of yen)	433,009	542,516
Average number of common stock during the year (Shares)	306,786,602	306,840,049
Diluted earnings per share for the year		
Adjustment to profit (Millions of yen)	—	—
Increase in number of common stock (Shares)	461,202	412,941
(Number of share subscription rights included in the increase)	(461,202)	(412,941)

28. Cash Flow Information

A. Liabilities of financing activities

Liabilities of financing activities are as follows:

Year ended 31 August 2025

(Millions of yen)

	Balances as at 1 September 2024	Variation with cash flow	Variation without cash flow			Balances as at 31 August 2025
			Foreign currency translation reserve	New lease contracts (Note)	Others	
Short-term borrowings	1,110	339	–	–	–	1,450
Corporate bonds	239,753	(30,000)	–	–	64	209,818
Lease liabilities	478,062	(140,483)	5,834	175,154	(5,067)	513,501
Total	718,926	(170,143)	5,834	175,154	(5,002)	724,769

(Note) “New lease contracts” above includes changes due to remeasurement of lease liabilities.

Year ended 31 August 2026

(Millions of yen)

	Balances as at 1 September 2025	Variation with cash flow	Variation without cash flow			Balances as at 31 August 2026
			Foreign currency translation reserve	New lease contracts (Note)	Others	
Short-term borrowings	1,450	(1,329)	83	–	–	203
Corporate bonds	209,818	(70,000)	–	–	40	139,858
Lease liabilities	513,501	(145,650)	28,765	189,450	2,291	588,358
Total	724,769	(216,980)	28,848	189,450	2,332	728,421

(Note) “New lease contracts” above includes changes due to remeasurement of lease liabilities.

B. Significant non-cash transactions

Year ended 31 August 2025

The amount of increase or decrease in right-of-use assets is listed in “17. Leases.”

Year ended 31 August 2026

The amount of increase or decrease in right-of-use assets is listed in “17. Leases.”

C. Information on corporate bonds as at 31 August 2025 and 2026 is as follows:

(Millions of yen)

Company name	Name of bonds	Date of issuance	As at 31 August 2025	As at 31 August 2026	Interest rate (%)	Date of maturity
FAST RETAILING CO., LTD.	4th non-collateralized corporate bonds	18 December 2015	69,995	－	0.749	18 December 2025
FAST RETAILING CO., LTD.	7th non-collateralized corporate bonds	6 June 2018	99,924	99,951	0.405	6 June 2028
FAST RETAILING CO., LTD.	8th non-collateralized corporate bonds	6 June 2018	39,898	39,906	0.880	4 June 2038
Total	-	-	209,818	139,858	-	-

29. Share-based Payments

The Group has a program for issuing share subscription rights as share-based compensation stock options for employees of the Company and its subsidiaries as a means of recognizing their contribution to the Group's profit. By linking the Company's stock price to the benefits received by personnel, this program aims to boost staff morale and motivation, improve Group performance, and enhance shareholder value by strengthening business development with a focus on shareholder return.

A. Details, scale, and changes in stock options

(1) Description of stock options

	5th share subscription rights A type	5th share subscription rights B type
Category and number of grantees	Employees of the Company: 36 Employees of Group subsidiaries: 16	Employees of the Company: 223 Employees of Group subsidiaries: 785
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 65,196 shares	Common stock: maximum 99,186 shares
Grant date	14 November 2014	14 November 2014
Vesting conditions	To serve continuously until the vesting date (13 November 2017) after the grant date (14 November 2014)	To serve continuously until the vesting date (13 December 2014) after the grant date (14 November 2014)
Eligible service period	From 14 November 2014 to 13 November 2017	From 14 November 2014 to 13 December 2014
Exercise period	From 14 November 2017 to 13 November 2024	From 14 December 2014 to 13 November 2024
Settlement	Equity settlement	Equity settlement

	6th share subscription rights A type	6th share subscription rights B type
Category and number of grantees	Employees of the Company: 15 Employees of Group subsidiaries: 19	Employees of the Company: 274 Employees of Group subsidiaries: 921
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 8,541 shares	Common stock: maximum 76,167 shares
Grant date	13 November 2015	13 November 2015
Vesting conditions	To serve continuously until the vesting date (12 November 2018) after the grant date (13 November 2015)	To serve continuously until the vesting date (12 December 2015) after the grant date (13 November 2015)
Eligible service period	From 13 November 2015 to 12 November 2018	From 13 November 2015 to 12 December 2015
Exercise period	From 13 November 2018 to 12 November 2025	From 13 December 2015 to 12 November 2025
Settlement	Equity settlement	Equity settlement

	7th share subscription rights A type	7th share subscription rights B type
Category and number of grantees	Employees of the Company: 16 Employees of Group subsidiaries: 23	Employees of the Company: 339 Employees of Group subsidiaries: 1,096
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 8,463 shares	Common stock: maximum 95,178 shares
Grant date	11 November 2016	11 November 2016
Vesting conditions	To serve continuously until the vesting date (10 November 2019) after the grant date (11 November 2016)	To serve continuously until the vesting date (10 December 2016) after the grant date (11 November 2016)
Eligible service period	From 11 November 2016 to 10 November 2019	From 11 November 2016 to 10 December 2016
Exercise period	From 11 November 2019 to 10 November 2026	From 11 December 2016 to 10 November 2026
Settlement	Equity settlement	Equity settlement

	8th share subscription rights A type	8th share subscription rights B type
Category and number of grantees	Employees of the Company: 19 Employees of Group subsidiaries: 27	Employees of the Company: 395 Employees of Group subsidiaries: 1,152
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 16,362 shares	Common stock: maximum 144,534 shares
Grant date	10 November 2017	10 November 2017
Vesting conditions	To serve continuously until the vesting date (9 November 2020) after the grant date (10 November 2017)	To serve continuously until the vesting date (9 December 2017) after the grant date (10 November 2017)
Eligible service period	From 10 November 2017 to 9 November 2020	From 10 November 2017 to 9 December 2017
Exercise period	From 10 November 2020 to 9 November 2027	From 10 December 2017 to 9 November 2027
Settlement	Equity settlement	Equity settlement

	9th share subscription rights A type	9th share subscription rights B type
Category and number of grantees	Employees of the Company: 17 Employees of Group subsidiaries: 32	Employees of the Company: 419 Employees of Group subsidiaries: 1,267
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 12,171 shares	Common stock: maximum 108,825 shares
Grant date	9 November 2018	9 November 2018
Vesting conditions	To serve continuously until the vesting date (8 November 2021) after the grant date (9 November 2018)	To serve continuously until the vesting date (8 December 2018) after the grant date (9 November 2018)
Eligible service period	From 9 November 2018 to 8 November 2021	From 9 November 2018 to 8 December 2018
Exercise period	From 9 November 2021 to 8 November 2028	From 9 December 2018 to 8 November 2028
Settlement	Equity settlement	Equity settlement

	10th share subscription rights A type	10th share subscription rights B type
Category and number of grantees	Employees of the Company: 11 Employees of Group subsidiaries: 46	Employees of the Company: 528 Employees of Group subsidiaries: 1,389
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 10,644 shares	Common stock: maximum 112,272 shares
Grant date	8 November 2019	8 November 2019
Vesting conditions	To serve continuously until the vesting date (7 November 2022) after the grant date (8 November 2019)	To serve continuously until the vesting date (7 December 2019) after the grant date (8 November 2019)
Eligible service period	From 8 November 2019 to 7 November 2022	From 8 November 2019 to 7 December 2019
Exercise period	From 8 November 2022 to 7 November 2029	From 8 December 2019 to 7 November 2029
Settlement	Equity settlement	Equity settlement

	11th share subscription rights A type	11th share subscription rights B type
Category and number of grantees	Employees of the Company: 18 Employees of Group subsidiaries: 47	Employees of the Company: 694 Employees of Group subsidiaries: 1,435
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 6,525 shares	Common stock: maximum 66,918 shares
Grant date	13 November 2020	13 November 2020
Vesting conditions	To serve continuously until the vesting date (12 November 2023) after the grant date (13 November 2020)	To serve continuously until the vesting date (12 December 2020) after the grant date (13 November 2020)
Eligible service period	From 13 November 2020 to 12 November 2023	From 13 November 2020 to 12 December 2020
Exercise period	From 13 November 2023 to 12 November 2030	From 13 December 2020 to 12 November 2030
Settlement	Equity settlement	Equity settlement

	12th share subscription rights A type	12th share subscription rights B type
Category and number of grantees	Employees of the Company: 19 Employees of Group subsidiaries: 47	Employees of the Company: 736 Employees of Group subsidiaries: 1,521
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 8,721 shares	Common stock: maximum 92,271 shares
Grant date	12 November 2021	12 November 2021
Vesting conditions	To serve continuously until the vesting date (11 November 2024) after the grant date (12 November 2021)	To serve continuously until the vesting date (11 December 2021) after the grant date (12 November 2021)
Eligible service period	From 12 November 2021 to 11 November 2024	From 12 November 2021 to 11 December 2021
Exercise period	From 12 November 2024 to 11 November 2031	From 12 December 2021 to 11 November 2031
Settlement	Equity settlement	Equity settlement

	12th share subscription rights C type	13th share subscription rights A type
Category and number of grantees	Officers of the Company: 39	Officers of the Company: 37
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 9,324 shares	Common stock: maximum 23,961 shares
Grant date	12 November 2021	20 January 2023
Vesting conditions	To serve continuously until the vesting date (11 November 2024) after the grant date (12 November 2021)	To serve continuously until the vesting date (19 January 2026) after the grant date (20 January 2023)
Eligible service period	From 12 November 2021 to 11 November 2024	From 20 January 2023 to 19 January 2026
Exercise period	12 November 2024	From 20 January 2026 to 19 January 2033
Settlement	Equity settlement	Equity settlement

	13th share subscription rights F type	13th share subscription rights G type
Category and number of grantees	Officers of the Company: 2	Officers of the Company: 7
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 54,915 shares	Common stock: maximum 146,445 shares
Grant date	20 January 2023	20 January 2023
Vesting conditions	To serve continuously until the vesting date (19 January 2028) after the grant date (20 January 2023)	To serve continuously until the vesting date (19 January 2028) after the grant date (20 January 2023)
Eligible service period	From 20 January 2023 to 19 January 2028	From 20 January 2023 to 19 January 2028
Exercise period	From 20 January 2028 to 19 January 2033	From 20 January 2028 to 19 January 2063
Settlement	Equity settlement	Equity settlement

	14th share subscription rights A type	15th share subscription rights A type
Category and number of grantees	Officers of the Company: 37	Officers of the Company: 40
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 16,643 shares	Common stock: maximum 14,931 shares
Grant date	19 January 2024	20 December 2024
Vesting conditions	To serve continuously until the vesting date (19 January 2027) after the grant date (19 January 2024)	To serve continuously until the vesting date (19 December 2027) after the grant date (20 December 2024)
Eligible service period	From 19 January 2024 to 19 January 2027	From 20 December 2024 to 19 December 2027
Exercise period	From 19 January 2027 to 18 January 2034	From 20 December 2027 to 19 December 2034
Settlement	Equity settlement	Equity settlement

	16th share subscription rights A type
Category and number of grantees	Executive directors of the Company 3 Officers of the Company: 40
Number of stock options by type of shares (Note 1, 2)	Common stock: maximum 9,128 shares
Grant date	19 December 2025
Vesting conditions	To serve continuously until the vesting date (18 December 2028) after the grant date (19 December 2025)
Eligible service period	From 19 December 2025 to 18 December 2028
Exercise period	From 19 December 2028 to 18 December 2035
Settlement	Equity settlement

(Note 1) The number of stock options is equivalent to the number of shares.
(Note 2) Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. The number of stock options by type of shares is disclosed after conversion to the number of shares after the stock split.

Expenses recognized as share-based payments are as follows:

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Expenses recognized		
Share-based payments	1,431	1,446

(2) Scale of stock options program and changes

Outstanding balance of stock options are converted into equivalent number of shares.

(a) Number and weighted average exercise prices of stock options

Stock options

	Year ended 31 August 2025	Year ended 31 August 2026
	Number of shares (Shares)	Number of shares (Shares)
Non-vested		
Non-vested at beginning of the year	255,557	252,911
Granted	14,931	9,128
Forfeited	(2,760)	(2,604)
Vested	(14,817)	(21,513)
Non-vested at end of the year	252,911	237,922

	Year ended 31 August 2025	Year ended 31 August 2026
	Number of shares (Shares)	Number of shares (Shares)
Vested		
Outstanding at beginning of the year	240,768	175,206
Vested	14,817	21,513
Exercised	(80,058)	(40,413)
Forfeited	(321)	(1,641)
Outstanding at end of the year	175,206	154,665

All stock options are granted with an exercise price of 1 yen per share.

(b) Stock price on exercise date

Stock options exercised during the fiscal year ended 31 August 2026 are as follows:

Type	Number of shares (Shares)	Weighted-average stock price on exercise date (Yen)
Stock options	40,413	64,331

(c) Expected life of stock options

The weighted-average expected life of outstanding stock options as at 31 August 2026 was 16.57 years.

In addition, the weighted-average expected life of outstanding stock options as at 31 August 2025 was 16.34 years.

B. Methods of estimating fair value of stock options, etc.

The methods of estimating fair value of 16th share subscription rights A type granted during the fiscal year ended 31 August 2026, were as follows:

(1) Valuation model: Black-Scholes model
(2) The following table lists the inputs to the model used:

	16th share subscription rights A type
Fair value	53,232 yen
Share price	56,390 yen
Exercise price	1 yen
Stock price volatility (Note 1)	29 %
Expected life of options (Note 2)	6.5 years
Expected dividends (Note 3)	500 yen / share
Risk-free interest rate (Note 4)	1.6140 %

Notes: 1. Stock price volatility is computed based on the actual results of 6.5 years for A type (from July 2019 to December 2025).
2. Expected life of options is estimated to be the reasonable period from the grant date until the exercise date.
3. Expected dividends are projected with reference to the historical actual dividends declared in prior years.
4. Risk-free interest rate refers to the yield of Japanese government bonds corresponding to the expected life of options.
5. The variables and assumptions used in computing the fair value of the share options are based on the Group's best estimate. The value of an option varies with different variables of certain subjective assumptions.

Also, the methods of estimating fair value of 15th share subscription rights A type granted during the fiscal year ended 31 August 2025, were as follows:

(1) Valuation model: Black-Scholes model
(2) The following table lists the inputs to the model used:

	15th share subscription rights A type
Fair value	50,183 yen
Share price	52,720 yen
Exercise price	1 yen
Stock price volatility (Note 1)	29 %
Expected life of options (Note 2)	6.5 years
Expected dividends (Note 3)	400 yen / share
Risk-free interest rate (Note 4)	0.7590 %

Notes: 1. Stock price volatility is computed based on the actual results of 6.5 years for A type (from July 2018 to December 2024).
2. Expected life of options is estimated to be the reasonable period from the grant date until the exercise date.
3. Expected dividends are projected with reference to the historical actual dividends declared in prior years.
4. Risk-free interest rate refers to the yield of Japanese government bonds corresponding to the expected life of options.
5. The variables and assumptions used in computing the fair value of the share options are based on the Group's best estimate. The value of an option varies with different variables of certain subjective assumptions.

C. Estimation method of the number of share subscription rights which have already been vested

Because it is difficult to reasonably estimate the number of options that will expire in the future, the method reflecting actual numbers of forfeiture is adopted.

30. Financial Instruments

A. Capital risk management

The Group engages in capital management to achieve continuous growth and maximize corporate value.

The ratio of the Group's net interest-bearing borrowings to equity is as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Interest-bearing borrowings	211,328	140,062
Lease liabilities	513,501	588,358
Cash and cash equivalents	893,239	1,007,586
Net interest-bearing borrowings	(168,409)	(279,165)
Equity	2,327,501	2,912,153

Interest-bearing borrowings include corporate bonds and loans payable. As at 31 August 2025 and 2026, the Group maintained a position where the carrying amount of cash and cash equivalents exceeded the total amounts of interest-bearing borrowings and lease liabilities.
As at 31 August 2026 the Group is not subject to any externally imposed capital requirement.

B. Material accounting policies

See Note "3. Material accounting policies" for material accounting policies regarding standards for recognizing financial assets, financial liabilities, equity financial instruments, as well as the fundamentals of measurement and recognition of profit or loss.

As there are uncertainties on the valuation of financial assets, the estimates relating to financial assets may be affected by the unexpected changes in assumptions etc., and it may have a significant impact on the valuation of financial assets in the consolidated financial statements for the next fiscal year.

C. Categories of financial instruments

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Financial assets		
Financial assets at amortized costs		
Trade and other receivables	96,407	99,595
Other current financial assets	899,701	1,137,106
Other non-current financial assets	312,225	372,007
Financial assets measured at fair value through other comprehensive income / (loss)	212	216
Derivatives		
Financial assets measured at fair value through profit or loss	934	981
Financial assets designated as hedging instruments	127,752	187,616
Financial liabilities		
Financial liabilities at amortized cost		
Trade and other payables	390,149	481,242
Other current financial liabilities	150,942	60,713
Current lease liabilities	126,830	135,305
Non-current financial liabilities	141,071	141,523
Non-current lease liabilities	386,670	453,053
Derivatives		
Financial liabilities measured at fair value through profit or loss	438	558
Financial liabilities designated as hedging instruments	30,923	21,171

No items in the above categories are included in discontinued operations or disposal groups held-for-sale. Also, there are no financial assets or liabilities valued using the fair value option to measure fair value.

On the consolidated statement of financial position, financial assets measured at fair value through other comprehensive income are included under “non-current financial assets.”

D. Financial risk management

In relation to cash management, the Group seeks to ensure effective utilization of Group funds through the Group’s Cash Management Service. The Group obtained credit facilities from financial institutions and issuance of bonds. Any temporary surplus funds are invested mainly in fixed interest rate-bearing instruments with minimal credit risk.

The Group enters into derivative financial instruments, such as currency forward contracts, to hedge risk arising from fluctuations in foreign currency exchange rates and did not conduct any speculative trading in derivatives.

E. Market risk management

The Group conducts its business on a global scale, and is therefore exposed to the price fluctuation risk of currencies and equity and debt financial instruments.

(1) Foreign currency risk

(a) Foreign currency risk management

The Group conducts its business on a global scale, and is exposed to foreign currency risk in relation to purchases and sales transactions and financing denominated in currencies other than the local currencies of those countries in which the Group operates its business.

In regard to forecast transactions denominated in foreign currencies, for foreign currency exchange fluctuation risk by currency and on a monthly basis, the Group in principle hedges risk by using derivative financial instruments, such as currency forward contracts.

For imports, the Group endeavors to stabilize purchasing costs by entering into foreign currency forward contracts and standardizing import exchange rates. If the yen should weaken significantly against the US dollar in the future and this situation continued for an extended period, it could have a negative impact on the Group's performance.

The Group enters into derivative transactions only with financial institutions evaluated as highly creditworthy by rating agencies to mitigate the counterparty risk.

The Group's notional amount of foreign currency forward contracts was 3,078,946 million yen as at 31 August 2026.

(b) Foreign currency sensitivity analysis

With respect to companies that use yen as the functional currency in each reporting period, below is an analysis of the impact an 1% increase in the yen against the Euro ("EUR") and the United States dollar ("USD") would have on the Group's profit before income taxes and other comprehensive income (before tax effects).

However, this analysis assumes that other variable factors are constant. Furthermore, this does not include the effect of conversion of financial instruments denominated in the functional currencies, and revenue, expenses, assets, and liabilities of overseas sales entities into presentation currency.

	Year ended 31 August 2025	Year ended 31 August 2026
Average exchange rate (Yen)		
USD	148.72	156.17
EUR	162.91	181.81
Impact on profit before income taxes (Millions of yen)		
USD	(229)	274
EUR	(286)	(147)
Impact on other comprehensive income (Millions of yen)		
USD	(17,288)	(19,536)
EUR	(79)	－

(c) Currency derivatives and hedges

The Group uses derivative financial instruments, such as currency forward contracts, contract transactions to hedge against the risk of future fluctuations in exchange rates in regard to foreign currency transactions and applies hedge accounting to transactions that meet hedge requirements, and does not conduct any speculative trading in derivatives.

Cash flow hedges

A cash flow hedge is a hedge designed to mitigate the risk of volatility in future cash flows. The Company uses derivative financial instruments, such as currency forward contracts, to hedge cash flow fluctuations relating to forecast transactions.

The monetary value of ineffective hedges is immaterial.

The details of foreign currency forward contract are as follows:

(i) Derivative transactions to which hedge accounting is not applied

	Average exchange		Contract amount (Millions of contract currency)		Contract principal (Millions of yen)		Fair value (Millions of yen)	
	31 August 2025	31 August 2026	31 August 2025	31 August 2026	31 August 2025	31 August 2026	31 August 2025	31 August 2026
Foreign currency forward contracts								
Over 1 year								
Buy USD (sell GBP)	0.77 (£/$)	– (£/$)	75	–	11,531	–	(377)	–
Buy USD (sell SEK)	10.32 (SEK/$)	– (SEK/$)	3	–	499	–	(55)	–
Buy GBP (sell USD)	1.30 ($/£)	– ($/£)	58	–	11,531	–	377	–
Buy SEK (sell USD)	0.10 ($/SEK)	– ($/SEK)	35	–	499	–	55	–
Within 1 year								
Buy USD (sell JPY)	116.35 (JPY/$)	158.12 (JPY/$)	15	258	1,768	40,904	471	397
Buy USD (sell SGD)	1.27 (SGD/$)	– (SGD/$)	3	–	436	–	3	–
Buy USD (sell HKD)	– (HKD/$)	7.83 (HKD/$)	–	4	–	689	–	(0)
Buy USD (sell IDR)	– (IDR/$)	17,993.29 (IDR/$)	–	0	–	100	–	(1)
Buy USD (sell VND)	– (VND/$)	26,282.50 (VND/$)	–	11	–	1,906	–	(0)
Buy USD (sell MYR)	– (MRY/$)	4.00 (MRY/$)	–	3	–	509	–	0
Buy JPY (sell USD)	0.01 ($/JPY)	0.00 ($/JPY)	2,246	104,335	2,246	104,335	20	(145)
Buy SGD (sell USD)	– ($/SGD)	0.78 ($/SGD)	–	22	–	2,850	–	(1)
Buy HKD (sell USD)	– ($/HKD)	0.12 ($/HKD)	–	1	–	37	–	0
Buy KRW (sell USD)	– ($/KRW)	0.00 ($/KRW)	–	12,608	–	1,465	–	41
Buy AUD (sell USD)	– ($/AUD)	0.70 ($/AUD)	–	66	–	7,610	–	118
Buy EUR (sell USD)	– ($/EUR)	1.15 ($/EUR)	–	21	–	4,057	–	18
Buy THB (sell USD)	– ($/THB)	0.03 ($/THB)	–	30	–	144	–	1
Buy CAD (sell USD)	– ($/CAD)	0.71 ($/CAD)	–	56	–	6,460	–	38

(ii) Derivative transactions to which hedge accounting is applied

	Average exchange rates		Contract amount (Millions of contract currency)		Contract principal (Millions of yen)		Fair value (Millions of yen)	
	31 August 2025	31 August 2026	31 August 2025	31 August 2026	31 August 2025	31 August 2026	31 August 2025	31 August 2026
Foreign currency forward contracts								
Over 1 year								
Buy USD (sell JPY)	135.40 (JPY/$)	141.90 (JPY/$)	7,325	6,639	991,891	942,226	27,323	68,220
Buy USD (sell EUR)	0.86 (EUR/$)	0.83 (EUR/$)	784	1,071	115,732	166,316	(3,510)	1,229
Buy USD (sell GBP)	0.77 (£/$)	0.75 (£/$)	119	22	17,528	3,648	(655)	(67)
Buy USD (sell KRW)	1,347.86 (KRW/$)	1,440.31 (KRW/$)	322	642	46,133	107,598	144	(5,343)
Buy USD (sell SGD)	1.27 (SGD/$)	1.23 (SGD/$)	74	100	10,779	15,594	(264)	(96)
Buy USD (sell THB)	31.90 (THB/$)	30.83 (THB/$)	146	265	21,174	39,468	(472)	1,183
Buy USD (sell MYR)	4.29 (MYR/$)	4.02 (MYR/$)	89	148	13,398	23,821	(397)	(373)
Buy USD (sell AUD)	1.54 (AUD/$)	1.47 (AUD/$)	160	256	23,741	43,250	(231)	(1,788)
Buy USD (sell CAD)	1.36 (CAD/$)	1.36 (CAD/$)	112	167	16,341	26,276	(73)	(39)
Buy USD (sell PHP)	57.88 (PHP/$)	61.96 (PHP/$)	50	23	7,467	3,790	(39)	25
Buy USD (sell HKD)	7.70 (HKD/$)	7.71 (HKD/$)	101	132	14,650	20,859	(15)	88
Buy USD (sell SEK)	10.36 (SEK/$)	10.28 (SEK/$)	6	0	927	3	(103)	(0)
Buy USD (sell IDR)	― (IDR/$)	18,275.57 (IDR/$)	―	14	―	2,302	―	(10)
Buy SEK (sell USD)	― ($/SEK)	0.09 ($/SEK)	―	0	―	3	―	0
Buy GBP (sell USD)	― ($/£)	1.32 ($/£)	―	17	―	3,721	―	67
Non-deliverable forward contracts (NDF)								
Over 1 year								
Buy USD$ (sell TWD)	29.20 (TWD/$)	30.91 (TWD/$)	192	234	27,132	36,688	99	514

	Average exchange rates		Contract amount (Millions of contract currency)		Contract principal (Millions of yen)		Fair value (Millions of yen)	
	31 August 2025	31 August 2026	31 August 2025	31 August 2026	31 August 2025	31 August 2026	31 August 2025	31 August 2026
Foreign currency forward contracts								
Within 1 year								
Buy USD (sell JPY)	128.56 (JPY/$)	139.43 (JPY/$)	5,649	5,725	726,266	798,261	88,758	104,034
Buy USD (sell EUR)	0.90 (EUR/$)	0.85 (EUR/$)	648	1,017	100,361	162,007	(5,814)	(567)
Buy USD (sell GBP)	0.79 (£/$)	0.77 (£/$)	216	192	31,767	30,832	(1,997)	(1,349)
Buy USD (sell KRW)	1,359.24 (KRW/$)	1,409.44 (KRW/$)	508	672	73,217	110,202	986	(2,785)
Buy USD (sell SGD)	1.30 (SGD/$)	1.26 (SGD/$)	108	136	16,169	21,635	(430)	(89)
Buy USD (sell THB)	33.52 (THB/$)	31.51 (THB/$)	281	252	42,833	38,381	(1,937)	1,630
Buy USD (sell MYR)	4.44 (MYR/$)	4.14 (MYR/$)	166	170	25,822	28,068	(1,466)	(987)
Buy USD (sell AUD)	1.52 (AUD/$)	1.50 (AUD/$)	195	228	28,525	39,563	148	(2,785)
Buy USD (sell CAD)	1.36 (CAD/$)	1.36 (CAD/$)	154	214	22,564	33,728	44	290
Buy USD (sell IDR)	16,447.22 (IDR/$)	17,449.57 (IDR/$)	202	288	29,988	45,307	(26)	1,263
Buy USD (sell PHP)	57.85 (PHP/$)	59.60 (PHP/$)	332	300	49,671	45,974	(556)	1,816
Buy USD (sell HKD)	7.74 (HKD/$)	7.71 (HKD/$)	164	164	23,923	25,861	60	280
Buy USD (sell SEK)	10.38 (SEK/$)	10.31 (SEK/$)	23	9	3,482	1,582	(354)	(128)
Buy USD (sell INR)	87.11 (INR/$)	93.51 (INR/$)	18	68	2,765	10,777	30	326
Buy EUR (sell USD)	1.18 ($/EUR)	– ($/EUR)	20	–	3,539	–	(14)	–
Buy GBP (sell USD)	1.36 ($/£)	1.31 ($/£)	5	94	993	20,411	(5)	535
Buy KRW (sell USD)	0.00 ($/KRW)	– ($/KRW)	146,201	–	15,497	–	(181)	–
Buy SGD (sell USD)	0.78 ($/SGD)	– ($/SGD)	6	–	708	–	1	–
Buy THB (sell USD)	0.03 ($/THB)	0.03 ($/THB)	1,236	217	5,615	1,048	(0)	(17)
Buy MYR (sell USD)	0.24 ($/MYR)	0.24 ($/MYR)	60	57	2,101	2,281	9	31
Buy AUD (sell USD)	0.65 ($/AUD)	– ($/AUD)	58	–	5,656	–	1	–
Buy CAD (sell USD)	0.73 ($/CAD)	– ($/CAD)	47	–	5,080	–	(22)	–

	Average exchange rates		Contract amount (Millions of contract currency)		Contract principal (Millions of yen)		Fair value (Millions of yen)	
	31 August 2025	31 August 2026	31 August 2025	31 August 2026	31 August 2025	31 August 2026	31 August 2025	31 August 2026
Buy IDR (sell USD)	― ($/IDR)	0.00 ($/IDR)	625,165	765,423	5,626	6,888	(61)	87
Buy PHP (sell USD)	0.02 ($/PHP)	0.01 ($/PHP)	5,227	2,007	13,486	5,159	213	(305)
Buy SEK (sell USD)	0.10 ($/SEK)	0.10 ($/SEK)	24	96	383	1,606	3	35
Buy CNY (sell KRW)	194.03 (KRW/CNY)	― (KRW/CNY)	98	―	2,024	―	16	―
Buy JPY (sell USD)	0.01 ($/JPY)	― ($/JPY)	159,926	―	159,926	―	(1,069)	―
Buy INR (sell USD)	― ($/INR)	0.01 ($/INR)	―	1,822	―	3,061	―	(137)
Non-deliverable forward contracts (NDF)								
Within 1 year								
Buy USD (sell TWD)	31.02 (TWD/$)	30.22 (TWD/$)	273	259	40,948	39,659	(1,276)	1,654

(2) Interest rate risk management

The Group's interest-bearing borrowings are mainly bonds with fixed interest rates, and the Group maintains positions in cash and cash equivalents that exceed the outstanding balance of its interest-bearing borrowings.

At present, the impact of interest payments on the Group is quite small. Consequently, the Group's current level of interest rate risk is minor, and the Group has not performed any interest rate sensitivity analysis.

(3) Price risk management in equity and debt instruments

The Group is exposed to the risk of price volatility in equity and debt financial instruments. The Group holds no equity and debt financial instruments for short-term trading purposes.

The Group makes regular periodic checks of the market value of the equity financial instruments it holds, as well as the financial health of the issuers.

(4) Price risk management in debt instruments

The Group holds debt instruments, which are held to collect contractual cash flows, and investments are restricted to bonds that either meet or exceed a fixed rating with the aim of mitigating risks arising from losses due to default or similar.

F. Credit risk management

When the Group initiates ongoing transactions where receivables are generated on an ongoing basis, the finance department manages the Group's risk exposure by setting credit limits and credit periods, as needed.

Trade receivables encompass many customers spanning a wide range of industries and geographic regions. The Group conducts regular credit checks of the companies it does business with, and when necessary, takes appropriate protective measures, such as requiring collateral.

The Group does not have excessively concentrated credit risk exposure to any single company or corporate group.

As for deposits and guarantees, the Group mitigates risk by conducting regular monitoring of the companies with which it does business for early detection of any worsening of their financial health.

Financial assets and other credit risk exposure

The carrying amounts after adjustment for impairment shown in the consolidated financial statements represent the Group's maximum exposure to credit risk before consideration of collateral assets.

(1) Credit risk exposure

Time-frame analysis for trade receivables and other financial assets is as stated below.

Year ended 31 August 2025

(Millions of yen)

Number of days elapsed after due date	Items recorded in an amount equivalent to 12 months of expected credit losses	Items measured in an amount equivalent to the expected credit losses for the entire period			Total
		Financial assets for which the allowance for doubtful accounts are always measured as an amount equivalent to expected losses for the whole period	Financial assets for which the credit risk has significantly increased since initial recognition	Credit-impaired financial assets	
Before due date has elapsed	578,239	91,225	138	24	669,627
Within 90 days	192	1,564	4	－	1,760
Over 90 days but within one year	62	50	0	0	114
Over one year	30	395	137	0	564
Balances as at 31 August 2025	578,523	93,236	280	25	672,066

Year ended 31 August 2026

(Millions of yen)

Number of days elapsed after due date	Items recorded in an amount equivalent to 12 months of expected credit losses	Items measured in an amount equivalent to the expected credit losses for the entire period			Total
		Financial assets for which the allowance for doubtful accounts are always measured as an amount equivalent to expected losses for the whole period	Financial assets for which the credit risk has significantly increased since initial recognition	Credit-impaired financial assets	
Before due date has elapsed	904,779	91,150	515	20	996,465
Within 90 days	105	818	4	0	927
Over 90 days but within one year	8	1,558	－	0	1,566
Over one year	4	456	74	138	674
Balances as at 31 August 2026	904,896	93,983	595	158	999,634

(2) Allowances for Doubtful Accounts

Changes in allowances for doubtful accounts for trade receivables and other financial assets are as stated below.

Year ended 31 August 2025

(Millions of yen)

Changes in allowances for doubtful accounts	Items recorded in an amount equivalent to 12 months of expected credit losses	Items measured in an amount equivalent to the expected credit losses for the entire period			Total
		Financial assets for which the allowance for doubtful accounts are always measured as an amount equivalent to expected losses for the whole period	Financial assets for which the credit risk has significantly increased since initial recognition	Credit-impaired financial assets	
Balances as at 1 September 2024	151	559	66	－	777
Increase during period	1	405	63	25	496
Decrease during period (intended use)	－	(292)	(2)	－	(294)
Decrease during period (reversals)	(25)	(201)	(0)	－	(227)
Other changes	4	27	(0)	(0)	31
Balances as at 31 August 2025	132	498	127	25	783

Year ended 31 August 2026

(Millions of yen)

Changes in allowances for doubtful accounts	Items recorded in an amount equivalent to 12 months of expected credit losses	Items measured in an amount equivalent to the expected credit losses for the entire period			Total
		Financial assets for which the allowance for doubtful accounts are always measured as an amount equivalent to expected losses for the whole period	Financial assets for which the credit risk has significantly increased since initial recognition	Credit-impaired financial assets	
Balances as at 1 September 2025	132	498	127	25	783
Increase during period	24	1,669	12	127	1,833
Decrease during period (intended use)	–	(121)	(0)	–	(122)
Decrease during period (reversals)	(103)	(59)	(0)	(5)	(168)
Other changes	6	81	(72)	11	26
Balances as at 31 August 2026	60	2,067	65	158	2,351

The Group continually monitors the credit standing of trading partners if there is a concern about recoverability, including receivables for which the due date has changed.

Based on the monitoring of the credit standing, the recoverability of accounts receivable, etc., is examined and the allowance for doubtful accounts is set.

In relation to the Group's global business expansion, there is little reliance on any specific trading partners and exposure is dispersed, so the impact of any sequential credit risk due to the poor credit standing of any specific trading partner is minimal.

As a result, we have no exposure to excessively concentrated credit risk.

With reference to bonds, we limit any investment in bonds to entities with a minimum specific credit rating in accordance with our internal management regulations, so any credit risk relating to bond investments is minimal and consequently is not included in the above table.

G. Liquidity risk management

The Group manages liquidity risk by formulating and revising its funding plans on a timely basis and maintains an appropriate level of liquidity on hand.

The ultimate responsibility for management of liquidity risk lies with the CFO appointed by the Board of Directors. The finance department, under the direction of the CFO, performs the day-to-day aspects of liquidity risk management by maintaining appropriate levels of surplus funds and bank loans, and by monitoring budgets and cash flows.

(Millions of yen)

	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	More than 2 years but within 3 years	More than 3 years but within 4 years	More than 4 years but within 5 years	Over 5 years
As at 31 August 2025								
Non-derivative financial liabilities								
Trade and other payables	390,149	390,149	390,149	–	–	–	–	–
Short-term borrowings	1,450	1,450	1,450	–	–	–	–	–
Corporate bonds	209,818	210,000	70,000	–	100,000	–	–	40,000
Long-term finance lease liabilities	386,670	434,185	–	91,430	69,044	60,746	49,382	163,581
Short-term finance lease liabilities	126,830	130,705	130,705	–	–	–	–	–
Deposits	79,472	79,472	79,472	–	–	–	–	–
Derivative financial liabilities								
Foreign currency forward contracts	31,361	31,361	19,250	10,730	1,372	7	–	–
Total	1,225,753	1,277,325	691,029	102,160	170,417	60,753	49,382	203,581
As at 31 August 2026								
Non-derivative financial liabilities								
Trade and other payables	481,242	481,242	481,242	–	–	–	–	–
Short-term borrowings	203	203	203	–	–	–	–	–
Corporate bonds	139,858	140,000	–	100,000	–	–	–	40,000
Long-term finance lease liabilities	453,053	511,835	–	100,428	84,164	68,441	60,421	198,380
Short-term finance lease liabilities	135,305	138,466	138,466	–	–	–	–	–
Deposits	60,509	60,509	60,509	–	–	–	–	–
Derivative financial liabilities								
Foreign currency forward contracts	21,730	21,730	12,646	7,381	1,694	7	–	–
Total	1,291,903	1,353,988	693,069	207,809	85,858	68,449	60,421	238,380

(Note) Guaranteed obligations are not included in the above, as the probability of having to act on those guarantees is remote.

H. Fair value of financial instruments

(Millions of yen)

	As at 31 August 2025		As at 31 August 2026	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Financial assets				
Bonds	527,050	527,558	601,426	599,878
Security deposits / guarantees	71,470	69,952	73,578	69,817
Total	598,521	597,511	675,004	669,695
Financial liabilities				
Corporate bonds	209,818	201,149	139,858	126,898
Total	209,818	201,149	139,858	126,898

(Note) The amount above includes the outstanding balance of bonds, security deposits / guarantees and corporate bonds due within one year.

Notes concerning financial assets and financial liabilities for which carrying amount approximates fair value have been omitted.

The fair value of bonds is calculated with reference to publicly available market prices.

The fair value of security deposits and guarantees is calculated on the basis of the present value, applying the current market interest rate.

The fair value of corporate bonds is calculated with reference to publicly available market prices.

The fair value measurements of bonds, security deposits / guarantees, and corporate bonds are classified as level 2.

I. Fair value hierarchy of financial instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

When multiple inputs are used to measure fair value, the fair value level is determined based on the input with the lowest level classification in the overall fair value assessment.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

(Millions of yen)

As at 31 August 2025	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	－	－	212	212
Net financial assets and financial liabilities measured at fair value through profit or loss	－	496	－	496
Net financial assets and financial liabilities designated as hedging instruments — Fair value	－	96,829	－	96,829
Net amount	－	97,325	212	97,537

(Millions of yen)

As at 31 August 2026	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	－	－	216	216
Net financial assets and financial liabilities measured at fair value through profit or loss	－	423	－	423
Net financial assets and financial liabilities designated as hedging instruments — Fair value	－	166,444	－	166,444
Net amount	－	166,867	216	167,084

For the valuation of Level 2 derivative financial instruments, we use a valuation model that uses observable data on the measurement date using inputs such as interest rates, yield curves, currency rates, and volatility in comparable instruments.

Financial instruments categorized as Level 3 consist of unlisted shares. The fair values of unlisted shares are measured by the division responsible in the Group's accounting policy, etc., using latest figures available for each quarter.

There were no significant changes due to the purchase, sale, issuance and settlement of Level 3 financial instruments, and no transfers between Levels 1, 2 and 3.

31. Related Party Disclosures

Remuneration of key management personnel

Remuneration of the Group's key management personnel is as below:

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Short-term employee benefits	1,172	1,515
Share-based payments	318	1,795
Total	1,491	3,311

Transactions with officers and major shareholders (individuals only), etc. of the reporting entity submitting these consolidated financial statements.

Previous consolidated accounting year (From 1 September 2024, through 31 August 2025)

Type	Name of Company, etc., or personal name	Location	Capital Stock or Money Invested (Millions of yen)	Business Content or Occupation	Percentage of voting right, etc. held (being held)	Relation with Associated Party	Transaction Details	Transaction Amount (millions of yen)	Item	Term-end Balance (millions of yen)
Company in which officers and close relatives hold a majority of voting rights	TTY Management B.V.	Amsterdam, Netherlands	71,826	Assets holdings, managing, etc.	5.2% are directly held	Rent of store properties by our subsidiary Serves concurrently as an officer	Store renting	1,937	Lease liabilities	15,931
Company in which officers and close relatives hold a majority of voting rights	546 Broadway, LLC	New York	-	Assets holdings, managing, etc.	-	Rent of store properties by our subsidiary Serves concurrently as an officer	Store renting	594	Lease liabilities	3,283

(Notes) 1. Of the above-mentioned amounts, any trade amounts do not include consumption taxes and the like.

2. Trading conditions and policy for determining trading conditions, etc.
Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

3. Chairman of the Board of Directors and President Tadashi Yanai holds a majority of the voting rights of both companies.

Current consolidated accounting year (From 1 September 2025, through 31 August 2026)

Type	Name of Company, etc., or personal name	Location	Capital Stock or Money Invested (Millions of yen)	Business Content or Occupation	Percentage of voting right, etc. held (being held)	Relation with Associated Party	Transaction Details	Transaction Amount (millions of yen)	Item	Term-end Balance (millions of yen)
Company in which officers and close relatives hold a majority of voting rights	TTY Management B.V.	Amsterdam, Netherlands	71,826	Assets holdings, managing, etc.	5.2% are directly held	Rent of store properties by our subsidiary Serves concurrently as an officer	Store and office renting	2,890	Lease liabilities	19,182
Company in which officers and close relatives hold a majority of voting rights	546 Broadway, LLC	New York	-	Assets holdings, managing, etc.	-	Rent of store properties by our subsidiary Serves concurrently as an officer	Store renting	624	Lease liabilities	2,968

(Notes) 1. Of the above-mentioned amounts, any trade amounts do not include consumption taxes and the like.

2. Trading conditions and policy for determining trading conditions, etc.
Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

3. Chairman of the Board of Directors and President Tadashi Yanai holds a majority of the voting rights of both companies.

32. Major Subsidiaries

The Group's major subsidiaries are as listed in "B. Our Business in 3. Corporate Profile".

33. Commitments for Expenditures

The Group had the following commitments at each reporting date:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Commitment for the acquisition of property, plant and equipment	28,097	80,409
Commitment for acquisition of intangible assets	2,168	1,857
Total	30,265	82,266

34. Contingent Liabilities

Year ended 31 August 2025
Not applicable

Year ended 31 August 2026
Not applicable

35. Subsequent Events

Not applicable

E. Others

Interim information for the fiscal year ended 31 August 2026

	Half-yearly period of Fiscal Year	Fiscal year
Revenue (Millions of yen)	2,055,227	3,963,389
Profit before income taxes (Millions of yen)	428,805	802,505
Profit for the period attributable to owners of the Parent (Millions of yen)	279,290	542,516
Basic earnings per share (Yen)	910.25	1,768.08

11. Non-Consolidated Financial Statements

(1) Balance Sheet

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
ASSETS		
Current assets		
Cash and deposits	264,603	334,268
Operating accounts receivable	*1 50,828	*1 72,233
Securities	185,000	10,000
Short-term loans receivable from subsidiaries and associates	23,801	37,307
Accounts receivable from subsidiaries and associates	8,642	24,525
Others	8,150	17,044
Allowance for doubtful accounts	(5)	(26)
Total current assets	541,020	495,353
Non-current assets		
Property, plant and equipment		
Buildings	36,851	35,655
Accumulated depreciation	*3 (20,040)	*3 (22,130)
Buildings, net	16,811	13,524
Structures	850	860
Accumulated depreciation	*3 (401)	*3 (462)
Structures, net	448	398
Machinery, vehicle, furniture and fixtures	8,607	8,402
Accumulated depreciation	*3 (4,246)	*3 (4,389)
Machinery, vehicle, furniture and fixtures, net	4,361	4,013
Land	1,123	1,123
Leased assets	138	13
Accumulated depreciation	*3 (130)	*3 (13)
Leased assets, net	7	—
Construction in progress	176	512
Total property, plant and equipment	22,929	19,572
Intangible assets		
Software	64,098	62,100
Software in progress	7,717	8,473
Others	0	0
Total intangible assets	71,815	70,573
Investments and other assets		
Investment securities	143	143
Shares of subsidiaries and associates	1,152,573	1,341,526
Investments in capital of subsidiaries and associates	7,625	7,621
Long-term loans receivable from subsidiaries and associates	14,715	9,431
Leases and guarantee deposits	5,650	5,789
Deferred tax assets	5,697	5,369
Lease receivables	9,664	8,133
Others	294	150
Allowance for doubtful accounts	(13,537)	(8,553)
Total investments and other assets	1,182,826	1,369,610
Total non-current assets	1,277,571	1,459,756
Total assets	1,818,592	1,955,109

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
LIABILITIES		
Current liabilities		
Current portion of corporate bonds	70,000	―
Accounts payable	15,256	12,263
Accrued expenses	3,801	5,447
Deposits received	※1 97,903	※1 150,552
Provision for bonuses	4,740	6,091
Income taxes payable	12,615	4
Others	2,906	2,715
Total current liabilities	207,224	177,074
Non-current liabilities		
Corporate bonds payable	140,000	140,000
Lease obligations	9,667	8,136
Guarantee deposits received	3,208	3,227
Provision for loss on business of subsidiaries and associates	859	1,745
Others	5,729	4,704
Total non-current liabilities	159,465	157,813
Total liabilities	366,690	334,887
NET ASSETS		
Shareholders' equity		
Capital stock	10,273	10,273
Capital surplus		
Legal capital surplus	4,578	4,578
Other capital surplus	15,889	16,610
Total capital surplus	20,468	21,189
Retained earnings		
Legal retained earnings	818	818
Other retained earnings		
General reserve	185,100	185,100
Retained earnings brought forward	1,243,055	1,410,013
Total retained earnings	1,428,973	1,595,932
Treasury stock	(14,529)	(14,480)
Total shareholders' equity	1,445,186	1,612,915
Share subscription rights	6,715	7,307
Total net assets	1,451,901	1,620,222
Total liabilities and net assets	1,818,592	1,955,109

(2) Statement of Income

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Operating revenue		
Management income from operating companies	※4 110,429	※4 122,870
Dividends income from subsidiaries and associates	※4 394,623	※4 346,779
Total operating revenue	505,053	469,650
Operating expenses		
Selling, general and administrative expenses		
Salaries	9,947	10,016
Bonuses	1,938	1,942
Allowance for bonuses	4,490	5,721
Rental expenses	10,210	9,983
Depreciation	30,071	28,576
Outsourcing expenses	46,525	51,500
Others	21,040	23,788
Total operating expenses	※4 124,225	※4 131,529
Operating profit / (loss)	380,827	338,121
Non-operating income		
Interest income	8,565	2,741
Interest on securities	108	282
Foreign exchange gains	35,813	4,464
Others	2,184	190
Total non-operating income	※4 46,671	※4 7,679
Non-operating expenses		
Interest expenses	3,014	2,573
Others	20	13
Total non-operating expenses	※4 3,035	※4 2,587
Ordinary profit / (loss)	424,463	343,213
Extraordinary income		
Reversal of provision of allowance for doubtful accounts for subsidiaries and associates	3,104	9
Reversal of provision for loss on business of subsidiaries and associates	640	－
Total extraordinary income	3,744	9
Extraordinary losses		
Losses on retirement of non-current assets	0	0
Loss on valuation of shares of subsidiaries and associates	9,781	952
Provision of allowance for doubtful accounts for subsidiaries and associates	6,402	3,206
Provision for loss on business of subsidiaries and associates	53	886
Impairment losses	4	160
Loss on waiver of receivables from subsidiaries and associates	－	3,280
Advance pricing arrangement tax adjustment	486	－
Total extraordinary losses	※4 16,727	※4 8,486
Income/(loss) before income taxes	411,481	334,735
Income taxes － current	34,134	(8,584)
Income taxes － deferred	(220)	327
Refund of income taxes	－	(1,927)
Total income taxes	33,914	(10,184)
Net income / (loss)	377,566	344,920

(3) Statement of changes in net assets

Year ended 31 August 2025

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at the beginning of year	10,273	4,578	14,540	19,119	818	185,100	1,008,134	1,194,053
Changes during the year								
Dividends	—	—	—	—	—	—	(142,646)	(142,646)
Net income	—	—	—	—	—	—	377,566	377,566
Acquisition of treasury stock	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	1,348	1,348	—	—	—	—
Net changes of items other than those in shareholders' equity	—	—	—	—	—	—	—	—
Net changes during the year	—	—	1,348	1,348	—	—	234,920	234,920
Balance at the end of year	10,273	4,578	15,889	20,468	818	185,100	1,243,055	1,428,973

	Shareholders' equity		Share subscription rights	Total net assets
	Treasury stock	Total shareholders' equity		
Balance at the beginning of year	(14,628)	1,208,817	6,779	1,215,597
Changes during the year				
Dividends	—	(142, 646)	—	(142, 646)
Net income	—	377,566	—	377,566
Acquisition of treasury stock	(2)	(2)	—	(2)
Disposal of treasury stock	102	1,450	—	1,450
Net changes of items other than those in shareholders' equity	—	—	(63)	(63)
Net changes during the year	99	236,368	(63)	236,304
Balance at the end of year	(14,529)	1,445,186	6,715	1,451,901

Year ended 31 August 2026

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at the beginning of year	10,273	4,578	15,889	20,468	818	185,100	1,243,055	1,428,973
Changes during the year								
Dividends	—	—	—	—	—	—	(177,961)	(177,961)
Net income	—	—	—	—	—	—	344,920	344,920
Acquisition of treasury stock	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	720	720	—	—	—	—
Net changes of items other than those in shareholders' equity	—	—	—	—	—	—	—	—
Net changes during the year	—	—	720	720	—	—	166,958	166,958
Balance at the end of year	10,273	4,578	16,610	21,189	818	185,100	1,410,013	1,595,932

	Shareholders' equity		Share subscription rights	Total net assets
	Treasury stock	Total shareholders' equity		
Balance at the beginning of year	(14,529)	1,445,186	6,715	1,451,901
Changes during the year				
Dividends	—	(177,961)	—	(177,961)
Net income	—	344,920	—	344,920
Acquisition of treasury stock	(1)	(1)	—	(1)
Disposal of treasury stock	51	772	—	772
Net changes of items other than those in shareholders' equity	—	—	591	591
Net changes during the year	49	167,729	591	168,320
Balance at the end of year	(14,480)	1,612,915	7,307	1,620,222

(4) Notes

(Material accounting policies)

1. Valuation methods for securities

(a) Investments in subsidiaries and associates:

The Company's investments in subsidiaries and associates are stated at cost. The cost of securities sold is determined by the average method.

(b) Available-for-sale securities:

(i) Listed securities:

Listed securities are stated at fair value, with fair value gains and losses, net of applicable taxes, reported as "unrealized gains/(losses) on available-for-sale securities," a separate component of net assets. The cost of securities sold is determined based on the moving-average cost method.

(ii) Unlisted securities:

Unlisted securities are stated at cost, which is determined by the average method.

2. Depreciation method for non-current assets

(a) Property, plant and equipment (other than leased assets)

Depreciation of property, plant and equipment is calculated using the straight-line method. The principal ranges of estimated useful lives are as follows:

Buildings and structures	5-35 years
Machinery, vehicle, furniture, and fixtures	3-5 years

(b) Intangible assets

Amortization of intangible assets is calculated using the straight-line method. The principal range of estimated useful life is as follows:

Software for internal use	5 years

(c) Leased assets

Assets held under capitalized finance leases are depreciated using the straight-line method over the lease terms at zero residual value.

3. Accounting for deferred assets

(a) Issuance expenses of corporate bonds

Issuance expenses of corporate bonds are expensed as incurred.

4. Provision basis for allowances

(a) Allowance for doubtful accounts

Provision for potential bad debts, loan loss ratios are recorded for general accounts receivable. Specified doubtful accounts receivable are reviewed individually to determine their recoverability, and an estimate for the non-recoverable portion is recorded.

(b) Provisions for bonuses

Bonuses to employees are accrued on the balance sheet date.

(c) Provision for loss on business of subsidiaries and associates

In order to prepare for losses pertaining to affiliated company operations, we take the financial position of our affiliated companies into consideration and list the estimate losses that may be incurred.

5. Basis of revenue and expense recognition

The Company applies the 'Accounting Standard for Revenue Recognition' (ASBJ Statement No. 29, March 31, 2020) and the 'Implementation Guidance on Accounting Standard for Revenue Recognition' (ASBJ Guidance No. 30, March 26, 2021). Revenue is recognized at the amount expected to be received in exchange for the promised goods or services when control of those goods or services is transferred to the customer. The nature of the Company’s principal performance obligations and the timing of revenue recognition are as follows.

Service Fee Income

The Company has an obligation to provide administrative support services to its subsidiaries. As the performance obligation shall be satisfied by providing the services to its subsidiaries over time, revenue is recognized depending on providing the services.

6. Application of tax effect accounting in connection with the transition from the consolidated taxation system to the group tax

sharing system.

The Company applies a group tax sharing system. The Company complies with the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ PITF No. 42, August 12, 2021) for corporate tax and local corporation tax accounting and related tax effect accounting.

(Changes in accounting policy)

Not applicable.

(Notes to balance sheet)

1. Breakdown of assets and liabilities related to subsidiaries and associates which were not separately presented are as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Trade accounts receivable	50,817	71,064
Deposits received	97,411	150,261

2. Contingent liabilities

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Guarantees for office and retail store leases	1,982	1,554
Guarantee on payables to business partners	385	－
Guarantees on loans payable to financial institutions	3,142	420

3. Accumulated depreciation includes accumulated impairment losses.

(Notes to statement of income)

4. Transactions related to the subsidiaries and associates are as follows:

(Millions of yen)

	Year ended 31 August 2025	Year ended 31 August 2026
Ordinary revenue:		
Management income from operating companies	108,101	120,666
Dividends income from subsidiaries and associates	394,623	346,779
Ordinary expense	8,652	9,296
Transactions other than operating transactions:		
Non-operating income	1,910	－
Non-operating expenses and Extraordinary losses	1,973	1,462

(Investment securities)

As at 31 August 2025

The fair values of the shares of subsidiaries and associates (subsidiaries 1,135,077 million yen and associates 17,495 million yen on the balance sheet) are not described as they do not have a market price.

As at 31 August 2026

The fair values of the shares of subsidiaries and associates (subsidiaries 1,320,156 million yen and associates 21,369 million yen on the balance sheet) are not described as they do not have a market price.

(Note) The impairment of the shares of subsidiaries and associates without market price is determined by comparing the cost with the net realizable value when the net realizable value is significantly lower than the cost.

(Deferred taxes)

1. The breakdown of causes of deferred tax assets and deferred tax liabilities is as follows:

(Millions of yen)

	As at 31 August 2025	As at 31 August 2026
Deferred tax assets:		
Provisions for bonuses	1,510	1,970
Depreciation	2,629	2,987
Loss on shares of subsidiaries and associates	76,422	58,056
Allowance for doubtful accounts	4,266	3,055
Unused tax losses carried forward	—	3,617
Software	1,353	752
Provision for loss on business of subsidiaries and associates	310	548
Asset retirement obligation	1,663	1,419
Share-based payments	758	1,250
Accrued donations	418	380
Others	7,923	7,924
Deferred tax assets subtotal	97,258	81,963
Valuation allowances for tax loss carryforwards	—	(3,617)
Valuation allowance pertaining to total of future deductible temporary difference (Note)	(88,625)	(70,041)
Valuation allowance subtotal	(88,625)	(73,659)
Total deferred tax assets	8,633	8,304
Deferred tax liabilities:		
Temporary differences on shares of subsidiaries	(1,949)	(1,949)
Expenses for asset retirement obligation	(957)	(564)
Others	(29)	(421)
Total deferred tax liabilities	(2,935)	(2,934)
Net deferred tax assets	5,697	5,369

(Note) The valuation allowance decreased from the end of the previous fiscal year mainly due to the impairment loss on shares of FAST RETAILING FRANCE S.A.S. becoming deductible for tax purposes.

2. The differences between the effective tax rate after applying tax effect and the statutory tax rate are as follows:

(Percentage)

	As at 31 August 2025	As at 31 August 2026
Statutory tax rate	30.6	30.6
(adjustments)		
Non-taxable dividend income	(28.4)	(30.8)
Increase/(decrease) in valuation allowance	2.0	(4.5)
Foreign withholding tax	4.8	2.8
Others	(0.8)	(1.1)
Effective tax rates after applying tax effect accounting	8.2	(3.0)

(Revenue recognition)

The information that forms the basis for understanding revenue generated from contracts with customers is as provided in Material accounting policies: 5. Basis of revenue and expense recognition.

(Business Combination)

Not applicable.

(Notes on Significant Subsequent Events)

Not applicable.

(5) Supplementary schedule

Details of fixed asset

(Millions of yen)

Types of assets	Balances as at 1 September 2025	Increase	Decrease	Depreciation, amortization during the year	Balances as at 31 August 2026	Accumulated depreciation or amortization as at 31 August 2026
Property, plant and equipment						
Buildings	16,811	384	825	2,845	13,524	22,130
Structures	448	10	－	60	398	462
Tools, furniture, and equipment	4,361	142	－	491	4,013	4,389
Land	1,123	－	－	－	1,123	－
Leased assets	7	0	－	8	－	13
(Impairments)	－	－	－	4	－	－
Construction in progress	176	847	511	－	512	－
Total property, plant and equipment	22,929	1,386	1,337	3,405	19,572	26,995
Intangible assets						
Software	64,098	23,176	－	25,174	62,100	－
Software in progress	7,717	24,088	23,332	－	8,473	－
(Impairments)	－	－	156	－	－	－
Others	0	－	0	－	0	－
Total intangible assets	71,815	47,265	23,332	25,174	70,573	－

(Notes) 1. The main factors listed as increase during the year are as follows:

Types of assets	Amount (Millions of yen)	Contents
Software	23,176	Construction cost for new system (Transferred from software in progress as the new system was launched)
Software in progress	24,088	Construction cost for new system

2. The main factors listed as decrease during the year are as follows:

Types of assets	Amount (Millions of yen)	Contents
Software in progress	23,332	Construction cost for new systems (Transferred to software as the new system was launched)

Details of provisions

(Millions of yen)

Categories	Balance as at 1 September 2025	Increase	Decrease	Balance as at 31 August 2026
Allowance for doubtful accounts (current)	5	26	5	26
Allowance for doubtful accounts (non-current)	13,537	5,684	10,667	8,553
Provision for bonuses	4,740	6,091	4,740	6,091
Allowances for Affiliated Company Operating Losses	859	886	－	1,745

(Notes) 1. The increase in the Allowance for doubtful accounts for the current fiscal year is mainly for affiliated companies.

2. The decrease in the Allowance for doubtful accounts for the current fiscal year is due to a waiver of receivables written off against FAST RETAILING FRANCE S.A.S. and a reversal resulting from the collection of loans to subsidiaries and associates.

(6) Main details of assets and liabilities

Omitted because the consolidated financial statements are prepared.

(7) Others

Not applicable.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of FAST RETAILING CO., LTD.:

Opinion

We have audited the consolidated financial statements of FAST RETAILING CO., LTD. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 August 2026, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 August 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Japan. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventories at the lower of cost or net realizable value	
Key Audit Matter Description	**How the Key Audit Matter Was Addressed in the Audit**
As disclosed in Note 10 to the consolidated financial statements, the Group's total inventories attributable to UNIQLO Japan, UNIQLO International and GU as at 31 August 2026 were JPY 590,328 million, in the aggregate, representing 13.0% of the Group's total assets. In addition, the amount of write-down of inventories to net realizable value was JPY 7,156 million for these segments. The sales pattern for inventories starts with establishing an initial price, and then subsequently adjusting the price based on the season, weather, and customer preferences and demand. Inventories are valued at the lower of cost or net realizable value. Selling price, a component of net realizable value, is frequently adjusted in response to fast-changing market conditions, economic conditions and fashion trends. The adjusted selling price is reflected and maintained in IT systems. Given the nature of the Group's businesses, changes to inventory, such as adjustments to selling prices, are frequently made to large volumes of inventory at a Stock Keeping Units ("SKUs") level. Therefore, inventory management is highly dependent on the IT systems. In addition, the accuracy of the inventory valuation reports is also dependent upon the IT systems. As such, due to the potential impact it may have on the accounting for the write-down of inventories to net realizable value, there are increased risks around the appropriateness of the system configurations (e.g., report logic, parameters, etc.), in addition to the overall maintenance of the IT systems. Given the material value of inventories, and the fact that the valuation of inventories is highly dependent on the IT systems, we identified the valuation of inventories at the lower of cost or net realizable value as a key audit matter.	Our audit procedures related to this key audit matter included the following, among others: • Evaluation of the cost measurement techniques and inventory valuation approaches established by management, including compliance with IFRS Accounting Standards. • Assessment of the design and operating effectiveness of relevant controls in place addressing the accuracy and completeness of inputs for selling price and cost of inventories. • Involvement of our professionals with expertise in information technology ("IT experts") to evaluate the accuracy and completeness of inventory valuation reports by testing the system interface controls, the report logic and input parameters, as well as general IT controls over the IT systems, including testing of user access controls, change management controls and IT operations controls. • Evaluation of the determination of net realizable value, the judgment regarding whether a write-down is required and the amount of write-down of inventories to net realizable value calculated within the inventory valuation report on a statistical sample basis.

Assessment of impairment or reversal of impairment indicators on store assets	
Key Audit Matter Description	**How the Key Audit Matter Was Addressed in the Audit**
As disclosed in Note 15 to the consolidated financial statements, the Group had store assets attributable to UNIQLO Japan, UNIQLO International and GU amounting to JPY 113,295 million, JPY 517,632 million and JPY 46,555 million, respectively, which in the aggregate represent 14.9% of the Group's total assets as at 31 August 2026. In addition, the impairment losses attributable to store assets for each segment were JPY 209 million, JPY 169 million and JPY 107 million, and the reversal of impairment losses were JPY 26 million, JPY 138 million and JPY 24 million, respectively, for the year ended 31 August 2026. Each segment operated 782, 1,717 and 481 stores as at 31 August 2026, respectively, and the performance results of each store are maintained in an IT system. In principle, each store is considered as an individual cash-generating unit ("CGU"). Management uses the performance results of stores (IT system-generated reports) as a key input when assessing whether there is any indication that store assets may be impaired, or impairment losses recognized in prior periods may no longer exist or may have decreased ("Impairment or Reversal of Impairment Indicators"). As such, due to the potential impact it may have on the assessment of the Impairment or Reversal of Impairment Indicators, there are increased risks around the appropriateness of the system configurations (e.g., report logic, parameters, etc.), in addition to the overall maintenance of the IT system. Given the material value of store assets, and the fact that the creation of information used in assessment of the Impairment or Reversal of Impairment Indicators is highly dependent on the IT system, we identified the assessment of Impairment or Reversal of Impairment Indicators on store assets as a key audit matter.	Our audit procedures related to this key audit matter included the following, among others: • Evaluation of management's assessment of Impairment or Reversal of Impairment Indicators, identification of CGUs and allocation method of relevant headquarter costs to each CGU used by management, including compliance with IFRS Accounting Standards. • Assessment of the design and operating effectiveness of relevant controls in place for assessing Impairment or Reversal of Impairment Indicators. • Involvement of our IT experts to evaluate the accuracy and completeness of the Impairment or Reversal of Impairment Indicators identification reports by testing source data of store performance results along with the report logic to allocate headquarter costs, report logic used to identify Impairment or Reversal of Impairment Indicators, and input parameters, as well as the general IT controls over the IT system, including testing of user access controls, change management controls and IT operations controls. • Examination of the Impairment or Reversal of Impairment Indicators identification report for the completeness of stores for proper inclusion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Year-end report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express

any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that gives a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditor's report are Yohei Masuda and Akira Kimotsuki.

Deloitte Touche Tohmatsu LLC
27 November 2026

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

27 November 2026

To the Board of Directors of
FAST RETAILING CO., LTD.:

Deloitte Touche Tohmatsu LLC

Tokyo office

Designated Engagement Partner,

Certified Public Accountant:

Yohei Masuda

Designated Engagement Partner,

Certified Public Accountant:

Akira Kimotsuki

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the nonconsolidated financial statements of FAST RETAILING CO., LTD. (the "Company") included in the Financial Section, namely, the nonconsolidated balance sheet as at 31 August 2026, and the nonconsolidated statement of income, and nonconsolidated statement of changes in net assets for the 65th fiscal year from 1 September 2025 to 31 August 2026, and a summary of significant accounting policies and other explanatory information, and the supplementary schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 August 2026, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, including the ethical requirements that are relevant to audits of the

financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the nonconsolidated financial statements of the current period. The matter was addressed in the context of our audit of the nonconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Valuation of the shares of subsidiaries and associates	
Key Audit Matter Description	**How the Key Audit Matter Was Addressed in the Audit**
The Fast Retailing group consists of 64 consolidated subsidiaries and 5 associates accounted for using the equity method. The shares of subsidiaries and associates were JPY 1,341,526 million, and represented 68.6% of the Company's total assets on the balance sheet as at 31 August 2026. The shares of subsidiaries and associates do not have a market price and the valuation method is described in "Notes (Investment securities)". The impairment of the shares of subsidiaries and associates without market price is determined by comparing the cost with the net realizable value calculated based on the net assets per share of respective subsidiaries and associates. An impairment loss is recognized if the net realizable value significantly decreases compared to the cost. We identified the valuation of shares of subsidiaries and associates as a key audit matter given that the value of the shares without market price is material on the balance sheet.	Our audit procedures related to this key audit matter included the following, among others: ▪ Evaluation of the valuation methodology determined by management for the shares of subsidiaries and associates including the compliance with the applicable accounting standards. ▪ Assessment of the design and operating effectiveness of the relevant controls that verify that the financial information of each subsidiary, which is used as a basis for calculating the net realizable value of shares in subsidiaries and associates, is appropriately prepared and approved in each subsidiary. ▪ Assessment of design and operating effectiveness of the relevant controls that ensure the reasonableness of calculation of the net realizable value of the shares in subsidiaries and associates. ▪ Testing of accuracy and completeness of the supporting documents used by management in calculating the net realizable value of the shares of subsidiaries and associates. ▪ Examination of the appropriateness of actual results of valuation of the shares of subsidiaries and associates by comparing the cost with the net realizable value of respective subsidiaries and associates.

Other Information

Management is responsible for the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Year-end Report, but does not include the nonconsolidated financial statements and our auditor's

report thereon.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the nonconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fee-related information is disclosed in independent auditor's report on the consolidated financial statements as of and for the year ended 31 August 2026.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.

The independent auditor’s report on Consolidated Financial Statements is not translated.

Internal Control Report

1. Basic framework of internal control in connection with financial reporting

Chairman, President and CEO Tadashi Yanai and Chief Financial Officer Takeshi Okazaki hold responsibility for the preparation and management of internal controls in connection with financial reporting for the Company, its consolidated subsidiaries and associates (hereinafter, the "Group"). The preparation and management of internal controls in connection with financial reporting are conducted in accordance with the basic framework of internal controls described in the "On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting - Council Opinions", published by the Business Accounting Council.

The basic elements of our internal controls are organically interconnected, and function as a single whole. Our aim is to achieve their purposes within a reasonable range. For this reason, these internal controls on financial reporting may not completely prevent or discover all misstatements in the financial reports.

2. Scope of evaluation, book-close dates, and evaluation procedures

The internal control evaluation of our financial reports was made on 31 August 2026, which was the last day of the fiscal year under review. This evaluation was made using generally accepted internal control evaluation standards for financial reports.

This evaluation was started with an evaluation of internal controls that have a significant influence on our consolidated financial reports as a whole (company-wide internal controls). The operational processes to be evaluated were selected on the basis of this evaluation. In the evaluation of these operational processes, the selected operational processes were analyzed, and the key points of internal controls that might have a significant influence on the credibility of financial reports were categorized. Then, the status of preparation and operation was evaluated in terms of these key points of internal controls to determine the effectiveness of the internal controls. The scope of internal control evaluation related to financial reporting was determined based on the necessary range from the perspective of the significance of its impact on the reliability of financial reporting for the Group.

The importance of the impact on the reliability of financial reporting should be considered by taking into account both the quantitative and qualitative significance of the impact on financial reporting, as well as the likelihood of its occurrence. The methods and procedures applied are:

Based on the principle that the operational procedures for the entire Company's internal controls, accounts, and financial reports should best be evaluated from a company-wide perspective, these evaluations are performed for the Group as a whole. However, because some consolidated subsidiaries and associates accounted for using the equity method are very small, both quantitatively and qualitatively, or respective likelihood of occurrence being remote, they are not included within the scope of the evaluation.

Given the main business of the Group is the retail of casual apparel, and since the business model and revenue structure are almost identical across operations, we have determined that revenue is the most appropriate indicator for measuring the scale of each location. Taking into account that the overall evaluation of company-wide internal controls is favorable, as an indicator of sales (adjusted to exclude intra-group sales) for each of our businesses in the fiscal year under review, those businesses that make up roughly two-thirds of consolidated sales in the fiscal year under review are designated "important businesses". Since we are engaged in the casual apparel retail business, and product sales and inventory management are key revenue-generating activities, selection of important businesses are evaluated in terms of broad indicators such as sales, accounts receivable, inventories and other operational procedures. Furthermore, for important businesses and other business units, taking into account their impact on financial reporting, we have expanded our evaluation scope to cover business processes related to significant accounts involving estimates or forecasts (such as impairment for fixed assets

and deferred tax accounting), as well as business processes associated with operations or transactions that carry high risk (such as forward currency contracts and investment securities).

3. Results of evaluation
Based on the evaluation results discussed above, it was determined that the Group's internal controls on financial reports were effective as at the end of the fiscal year under review.

4. Additional items
None

5. Special items
None

Confirmation Note

1. The Company's Chairman, President and CEO Tadashi Yanai and Chief Financial Officer Takeshi Okazaki have reviewed the contents of the financial reports for the Company's 65th fiscal year (1 September 2025 – 31 August 2026), and confirm they are true, based on the Financial Instruments and Exchange Law.

2. Special items
   None