

**Fast Retailing Co., Ltd. Results Summary for the Three Months to November 2017)**

**Consolidated Business Performance (Billions of Yen)**

	Year to Aug 2017	Year to Aug 2018			
	1Q Actual	1Q Actual		Full Year Estimate	
	(2016/9~2016/11)	(2017/9~2017/11)	y/y	(2017/9~2018/8)	y/y
<b>Revenue</b>	<b>528.8</b>	<b>617.0</b>	+16.7%	<b>2,050.0</b>	+10.1%
<b>Gross Profit</b> (to revenue)	<b>270.6</b> 51.2%	<b>317.0</b> 51.4%	+17.1% +0.2p	-	-
<b>SG&amp;A Expenses</b> (to revenue)	<b>184.1</b> 34.8%	<b>204.2</b> 33.1%	+10.9% -1.7p	-	-
<b>Business profit</b> (to revenue)	<b>86.4</b> 16.4%	<b>112.8</b> 18.3%	+30.5% +1.9p	<b>205.0</b> 10.0%	+11.4% +0.1p
<b>Operating profit</b> (to revenue)	<b>88.5</b> 16.8%	<b>113.9</b> 18.5%	+28.6% +1.7p	<b>200.0</b> 9.8%	+13.4% +0.3p
<b>Finance income/cost</b> (to revenue)	<b>15.6</b> 3.0%	<b>3.9</b> 0.6%	-74.8% -2.4p	<b>0.0</b> -	-
<b>Profit before income taxes</b> (to revenue)	<b>104.2</b> 19.7%	<b>117.8</b> 19.1%	+13.1% -0.6p	<b>200.0</b> 9.8%	+3.4% -0.6p
<b>Profit attributable to owners of the parent</b> (to revenue)	<b>69.6</b> 13.2%	<b>78.5</b> 12.7%	+12.7% -0.5p	<b>120.0</b> 5.9%	+0.6% -0.5p

**Performance by Group Operation (Billions of Yen)**

		Year to Aug 2017	Year to Aug 2018	
		1Q Actual	1Q Actual	
		(2016/9~2016/11)	(2017/9~2017/11)	y/y
<b>UNIQLO Japan</b>	<b>Revenue</b>	<b>238.8</b>	<b>257.0</b>	<b>+7.6%</b>
	<b>Business profit</b> (to revenue)	<b>46.1</b> 19.3%	<b>53.4</b> 20.8%	<b>+15.8%</b> 1.5p
	<b>Operating profit</b> (to revenue)	<b>45.6</b> 19.1%	<b>54.1</b> 21.1%	<b>+18.6%</b> +2.0p
<b>UNIQLO International</b>	<b>Revenue</b>	<b>196.5</b>	<b>258.2</b>	<b>+31.4%</b>
	<b>Business profit</b> (to revenue)	<b>30.6</b> 15.6%	<b>46.7</b> 18.1%	<b>+52.7%</b> +2.5p
	<b>Operating profit</b> (to revenue)	<b>30.1</b> 15.3%	<b>46.6</b> 18.1%	<b>+54.7%</b> +2.8p
<b>GU</b>	<b>Revenue</b>	<b>57.5</b>	<b>60.8</b>	<b>+5.6%</b>
	<b>Business profit</b> (to revenue)	<b>6.8</b> 11.8%	<b>8.9</b> 14.8%	<b>+32.0%</b> +3.0p
	<b>Operating profit</b> (to revenue)	<b>6.8</b> 11.9%	<b>9.0</b> 14.8%	<b>+31.8%</b> +2.9p
<b>Global Brands</b>	<b>Revenue</b>	<b>35.2</b>	<b>40.0</b>	<b>+13.8%</b>
	<b>Business profit</b> (to revenue)	<b>2.8</b> 8.2%	<b>3.1</b> 7.9%	<b>+9.5%</b> -0.3p
	<b>Operating profit</b> (to revenue)	<b>2.7</b> 7.8%	<b>3.0</b> 7.6%	<b>+10.4%</b> -0.2p

**FY2018 1Q Highlights**

**■ Consolidated results: Fast Retailing 1Q revenue and profit gains exceed plan**

• Fast Retailing reported first-quarter revenue and profit gains. Consolidated revenue ¥617.0 billion (+16.7% year on year), operating profit ¥113.9 billion (+28.6%).

• A ¥3.9 billion foreign exchange gain under finance income contributed to 1Q profit before income taxes of ¥117.8 billion (+13.1%), and profit attributable to owners of the parent of ¥78.5 billion (+12.7%).

**■ UNIQLO Japan: Profit gain far exceeds plan on buoyant Fall Winter demand, strong sales**

- UNIQLO Japan first-quarter revenue and profit up. Revenue ¥257.0 billion (+7.6%), operating profit ¥54.1 billion (+18.6%).
- Same-store sales rise 8.4% year-on-year. Buoyant demand for HEATTECH, down, sweat wear and merino sweater ranges supported strong overall 1Q sales.
- Extremely popular November UNIQLO Anniversary Sale generated the highest level of monthly sales on record.

**■ UNIQLO International: Higher-than-forecast sharp profit gain, revenue overtakes UNIQLO Japan for the first time**

- Achieves significant rises in both revenue and profit. Revenue ¥258.2 billion (+31.4%), operating profit ¥46.6 billion (+54.7%). First-quarter revenue exceeds that of UNIQLO Japan for the first time.
- UNIQLO operations in Greater China, South Korea, and Southeast Asia & Oceania generate further sharp gains in both revenue and profit. UNIQLO USA posts a profit in the first quarter.

**■ GU: Same-store sales down but operating profit rise exceeds plan**

- First-quarter revenue and profit up. Revenue ¥60.8 billion (+5.6%), operating profit ¥9.0 billion (+31.8%).
- Same-store sales dipped in the first quarter owing to a distinct lack of the type of warm clothing ranges that consumers were looking for.

**■ Global Brands: Achieves expected rises in both revenue and profit**

- First-quarter revenue and profit up. Revenue ¥40.0 billion (+13.8%), operating profit ¥3.0 billion (+10.4%).
- Theory revenue and profit up. Comptoir des Cotonniers operation falls short of plan to report a decline in profits.

**■ FY2018 consolidated estimates: Unchanged from initial estimates**

- FY2018 estimates unchanged from initial estimates. Consolidated revenue: ¥2.0500 trillion (+10.1%), consolidated operating profit: ¥200.0 billion (+13.4%) and profit attributable to owners of the parent: ¥120.0 billion (+0.6%).
- Forecasting an annual dividend per share in FY2018 of ¥350.

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**Fiscal 2018 1Q Performance in Focus**

**■ UNIQLO Japan: Profit gain far exceeds plan on buoyant Fall Winter demand, strong sales**

UNIQLO Japan reported a rise in revenue and profit in the first quarter of fiscal 2018, with revenue totaling ¥257.0 billion (+7.6% year-on-year) and operating profit totaling ¥54.1 billion (+18.6% year-on-year). In the three months to 30 November 2017, same-store sales, including online sales, expanded by 8.4% year-on-year.

Buoyant demand and ample inventory of flagship UNIQLO Fall Winter ranges such as HEATTECH, down coats, sweat wear and merino sweaters resulted in strong sales. The November UNIQLO Anniversary Sale also generated considerably higher-than-expected sales, resulting in the highest monthly sales figure for November on record. Online sales expanded 25.6% year-on-year in the first quarter to constitute 7.0% of overall sales. The cost of sales continued to rise on persistent weakening in internal yen exchange rates. However, the decline in the gross profit margin was contained at 0.2 point year-on-year thanks to lower discounting. Meanwhile, the selling, general and administrative expense ratio improved by 1.7 points year-on-year on the back of significant reductions in advertising and promotion expenses, and

distribution costs.

### ■ UNIQLO International: Higher-than-forecast sharp profit gain, revenue overtakes UNIQLO Japan for the first time

UNIQLO International revenue and profit rose significantly in the first quarter of fiscal 2018, with revenue totaling ¥258.2 billion (+31.4% year-on-year) and operating profit rising to an impressive ¥46.6 billion (+54.7% year-on-year). Thanks to the continued steady expansion of global UNIQLO operations, UNIQLO International revenue exceeded that of UNIQLO Japan for the first time in this September to November quarter. Greater China, South Korea, and Southeast Asia & Oceania continued to drive segment growth by generating significant increases in revenue and profit. Thermal clothing sold especially well in Greater China and South Korea after the Fall Winter season proved colder than the previous year. Southeast Asia & Oceania contributed to the rise in UNIQLO International revenue thanks to strong sales of summer items designed for year-round hot weather and buoyant demand for winter items from overseas travelers. In addition, after suffering persistent losses, UNIQLO USA reported a profit in the first quarter of fiscal 2018. UNIQLO Europe reported a strong increase in profit on the back of solid performances from France and Russia. The first UNIQLO store opened in Barcelona, Spain in September 2017 went from strength to strength.

### ■ GU: Same-store sales down but operating profit rise exceeds plan

The new GU business segment reported increases in both revenue and profit in the first quarter of fiscal 2018, with revenue totaling ¥60.8 billion (+5.6% year-on-year) and operating profit reaching ¥9.0 billion (+31.8% year-on-year). While the September launch of trendy items proved favorable, a lack of sought-after thermal items dampened sales from October onwards, resulting in an overall decline in first-quarter same-store sales. Meanwhile, operating profit increased on restricted discounts and active cost-cutting effort.

### ■ Global Brands: Achieves expected rises in both revenue and profit

The Global Brands segment generated increases in both revenue and profit in the first quarter of fiscal 2018, with revenue rising to ¥40.0 billion (+13.8% year-on-year) and operating income expanding to ¥3.0 billion (+10.4% year-on-year). The Theory fashion label generated rising revenue and profit. France-based Comptoir des Cotonniers reported a decline in profits, while France-based Princesse tam.tam and US-based J Brand reported losses of a similar magnitude to the previous year.

### ■ FY2018 consolidated estimates: Unchanged from initial estimates

Fast Retailing's business estimates for the financial year ending August 31, 2018 remain unchanged from the original forecasts issued at the start of the period. We predict consolidated revenue will expand to ¥2.0500 trillion (+10.1% year-on-year), consolidated operating profit will reach ¥200.0 billion (+13.4%), profit before taxes will increase to ¥200.0 billion (+3.4%), and profit attributable to owners of the parent will increase to ¥120.0 billion (+0.6%), resulting in earnings per share of ¥1,176.66 yen.

As initially predicted, we expect all four business segments will generate gains in both revenue and profit in the full year through August 2018. UNIQLO Japan is expected to achieve slightly higher revenue and profit. The UNIQLO Japan gross profit margin is expected to contract somewhat on persistent increases in the cost of sales, but we plan to continue efforts to reduce business costs, with a particular focus on improving the efficiency of distribution and advertising spend. UNIQLO International is expected to generate considerably higher full-year revenue and profit, based on continued healthy revenue and profit gains from regional operations in Greater China, and Southeast Asia & Oceania, and a halving of losses at

the UNIQLO operation in North America, which includes the USA and Canada. GU is expected to report higher full-year revenue and profit. The Global Brands business segment is also seen reporting gains in revenue and profit, thanks to an expected strong performance from the Theory brand. In terms of store numbers, we expect the total store network to expand to 3,503 stores worldwide at the end of August 2018, with 831 stores (including franchise outlets) at UNIQLO Japan, 1,246 stores at UNIQLO International, 407 stores at GU, and 1,019 stores at Global Brands.

Finally, we expect to offer the same ¥350 annual dividend per share for FY2018 as in FY2017. This will be split equally between interim and year-end dividends of ¥175 each.

Fast Retailing Co., Ltd. discloses business results data and offers a variety of press releases on its IR website <http://www.fastretailing.com/eng/ir/>.