

**Results Summary for FY2019 (September 1, 2018 to August 31, 2019)**

**Consolidated Business Performance**

(Billions of Yen)

	Year to Aug 2018	Year to Aug 2019						Year to Aug 2020	
	Full Year Actual (2017/9~2018/8)	1H Actual		2H Actual		Full Year Actual		Full Year Estimate	
		(2018/9~2019/2)	y/y	(2019/3~2019/8)	y/y	(2018/9~2019/8)	y/y	(2019/9~2020/8)	y/y
<b>Revenue</b>	<b>2,130.0</b>	<b>1,267.6</b>	+6.8%	<b>1,022.8</b>	+8.4%	<b>2,290.5</b>	+7.5%	<b>2,400.0</b>	+4.8%
<b>Gross Profit</b> (to revenue)	<b>1,049.9</b> 49.3%	<b>606.7</b> 47.9%	+3.6% -1.4p	<b>512.7</b> 50.1%	+10.4% +0.9p	<b>1,119.5</b> 48.9%	+6.6% -0.4p	-	-
<b>SG&amp;A Expenses</b> (to revenue)	<b>797.4</b> 37.4%	<b>433.4</b> 34.2%	+7.4% +0.2p	<b>420.9</b> 41.2%	+6.9% -0.6p	<b>854.3</b> 37.3%	+7.1% -0.1p	-	-
<b>Business profit</b> (to revenue)	<b>252.4</b> 11.9%	<b>173.3</b> 13.7%	-4.8% -1.6p	<b>91.8</b> 9.0%	+30.4% +1.5p	<b>265.1</b> 11.6%	+5.0% -0.3p	<b>280.0</b> 11.7%	+5.6% +0.1p
<b>Operating profit</b> (to revenue)	<b>236.2</b> 11.1%	<b>172.9</b> 13.6%	+1.4% -0.8p	<b>84.6</b> 8.3%	+28.9% +1.3p	<b>257.6</b> 11.2%	+9.1% +0.1p	<b>275.0</b> 11.5%	+6.7% +0.3p
<b>Finance income/cost</b> (to revenue)	<b>6.4</b> 0.3%	<b>1.2</b> 0.1%	-	<b>-6.4</b> -	-	<b>-5.1</b> -	-	<b>0.0</b> -	-
<b>Profit before income taxes</b> (to revenue)	<b>242.6</b> 11.4%	<b>174.2</b> 13.7%	+5.5% -0.2p	<b>78.2</b> 7.6%	+1.0% -0.6p	<b>252.4</b> 11.0%	+4.0% -0.4p	<b>275.0</b> 11.5%	+8.9% +0.5p
<b>Profit attributable to owners of the parent</b> (to revenue)	<b>154.8</b> 7.3%	<b>114.0</b> 9.0%	+9.5% +0.2p	<b>48.5</b> 4.7%	-4.2% -0.7p	<b>162.5</b> 7.1%	+5.0% -0.2p	<b>175.0</b> 7.3%	+7.6% +0.2p

Note: The exchange rate used to calculate our full-year estimates for finance income/costs is the August 31, 2019 closing rate of 1USD=106.4JPY.

Note: Our FY2020 operating profit estimate incorporates an approximate 3% upward push from the application of the new IFRS 16 leases standard.

**Performance by Group Operation**

(Billions of Yen)

		Year to Aug 2018	Year to Aug 2019					
		Full Year Actual (2017/9~2018/8)	1H Actual		2H Actual		Full Year Actual	
			(2018/9~2019/2)	y/y	(2019/3~2019/8)	y/y	(2018/9~2019/8)	y/y
<b>UNIQLO Japan</b>	<b>Revenue</b>	<b>864.7</b>	<b>491.3</b>	-0.5%	<b>381.6</b>	+2.8%	<b>872.9</b>	+0.9%
	<b>Business profit</b> (to revenue)	<b>120.1</b> 13.9%	<b>67.6</b> 13.8%	-23.9% -4.2p	<b>35.5</b> 9.3%	+13.9% +0.9p	<b>103.2</b> 11.8%	-14.1% -2.1p
	<b>Operating profit</b> (to revenue)	<b>119.0</b> 13.8%	<b>67.7</b> 13.8%	-23.7% -4.2p	<b>34.7</b> 9.1%	+14.6% +0.9p	<b>102.4</b> 11.7%	-13.9% -2.1p
<b>UNIQLO International</b>	<b>Revenue</b>	<b>896.3</b>	<b>580.0</b>	+14.3%	<b>446.0</b>	+14.7%	<b>1,026.0</b>	+14.5%
	<b>Business profit</b> (to revenue)	<b>120.6</b> 13.5%	<b>88.6</b> 15.3%	+9.6% -0.6p	<b>51.6</b> 11.6%	+29.8% +1.4p	<b>140.3</b> 13.7%	+16.3% +0.2p
	<b>Operating profit</b> (to revenue)	<b>118.8</b> 13.3%	<b>88.4</b> 15.3%	+9.6% -0.6p	<b>50.4</b> 11.3%	+32.2% +1.5p	<b>138.9</b> 13.5%	+16.8% +0.2p
<b>GU</b>	<b>Revenue</b>	<b>211.8</b>	<b>117.1</b>	+10.7%	<b>121.5</b>	+14.7%	<b>238.7</b>	+12.7%
	<b>Business profit</b> (to revenue)	<b>11.9</b> 5.6%	<b>14.1</b> 12.0%	+56.1% +3.5p	<b>14.0</b> 11.6%	+381.1% +8.8p	<b>28.1</b> 11.8%	+135.4% +6.2p
	<b>Operating profit</b> (to revenue)	<b>11.7</b> 5.6%	<b>14.1</b> 12.1%	+54.3% +3.5p	<b>14.0</b> 11.6%	+436.4% +9.1p	<b>28.1</b> 11.8%	+139.2% +6.2p
<b>Global Brands</b>	<b>Revenue</b>	<b>154.4</b>	<b>77.7</b>	-0.9%	<b>72.1</b>	-5.0%	<b>149.9</b>	-2.9%
	<b>Business profit</b> (to revenue)	<b>6.2</b> 4.1%	<b>3.2</b> 4.2%	-2.3% -	<b>0.7</b> 1.0%	-75.7% -2.9p	<b>3.9</b> 2.6%	-36.6% -1.5p
	<b>Operating profit</b> (to revenue)	<b>-4.1</b> -	<b>3.1</b> 4.0%	-	<b>0.5</b> 0.8%	-63.6% -1.2p	<b>3.6</b> 2.5%	-

**FY2019 Highlights**

■ **Consolidated results: Fast Retailing achieved a record performance on strong UNIQLO International and GU growth**

• Achieved a record performance in the twelve months to August 2019. Revenue: ¥2.2905 trillion (+7.5% year-on-year), operating profit: ¥257.6 billion (+9.1%). Especially large profit contributions from UNIQLO International and GU.

• Profit attributable to owners of the parent rose 5.0% to ¥162.5 billion.

• Scheduled to offer a year-end dividend payment of ¥240 per share. That would generate a scheduled annual dividend of ¥480 per share in FY2019, up ¥40 yen compared to the previous year.

**■UNIQLO Japan: Full-year revenue up, profit down on warm winter, but 2H recovery produces a double-digit rise in profit**

- Revenue rose but profit fell, with revenue totaling ¥872.9 billion (+0.9%) and operating profit declining to ¥102.4 billion (-13.9%). While the warm winter effect knocked profit considerably lower in the first half, UNIQLO Japan operating profit then recovered to report a double-digit year-on-year gain in the second half.
- Full-year same-store sales expanded 0.1%. Same-store sales contracted in the first half, but rose 3.5% in the second half on strong sales of Summer ranges. Meanwhile, full-year e-commerce sales expanded significantly.
- Gross profit margin declined on the warm winter impact and an early rundown of Spring Summer inventory. However, as a result, end-August inventory levels were significantly lower.

**■UNIQLO International: Large revenue, profit gains. Revenue exceeds 1 trillion yen for first time**

- Revenue exceeded 1 trillion yen for the first time. Revenue: ¥1.0260 trillion (+14.5%), operating profit ¥138.9 billion (+16.8%).
- In terms of regional FY2019 performance, UNIQLO Greater China and UNIQLO Southeast Asia & Oceania reported further strong results characterized by double-digit rises in both revenue and profit. UNIQLO South Korea reported a decline in revenue and profit. UNIQLO USA greatly reduced its operating loss. UNIQLO Europe reported rising revenue and profit, supported primarily by a strong performance from Russia.

**■GU: Revenue and profit gains propel GU to its best performance ever**

- Achieved a record full-year performance. Revenue: ¥238.7 billion (+12.7%), operating profit ¥28.1 billion (+139.2%).
- Oversized sweat wear, knitwear, and T-shirts became hit products boasting sales of several million units.
- The gross profit margin improved considerably on improved cost of sales generated by the early submission of orders and aggregate purchasing of materials, as well as lower discounting rates.

**■Global Brands: Operating profit back in black compared to FY2018 impairment losses**

- Revenue declined 2.9% to ¥149.9 billion. Operating profit moved back into the black to the tune of ¥3.6 billion, compared to a ¥4.1 billion loss in FY2018 following the reporting of a ¥9.9 billion impairment loss.
- Theory reported rising revenue and profit. PLST reported a flat year-on-year operating profit caused by the increased expense of new store openings.
- Comptoir des Cottonniers, Princesse tam.tam, and J Brand reported continued losses.

**■ FY2020 consolidated estimates: Expect to achieve a record performance**

- FY2020 estimates for consolidated revenue: ¥2.4000 trillion (+4.8%), consolidated operating profit: ¥275.0 billion (+6.7%), and profit attributable to owners of the parent: ¥175.0 billion (+7.6%).
- We forecast an annual dividend per share in FY2020 of ¥500, up ¥20 on the previous year.
- All business segments are forecast to generate revenue and profit gains. At UNIQLO International, the Greater China and Southeast Asia & Oceania regions are expected to expand further. UNIQLO Japan is predicted to report a double-digit rise in full-year operating profit.

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## **FY2019 Performance in Focus**

### **■UNIQLO Japan: Full-year revenue up, profit down on warm winter, but 2H recovery produces a double-digit rise in profit**

UNIQLO Japan reported a rise in revenue but a fall in profit in FY2019, with revenue totaling 872.9 billion yen (+0.9 % year-on-year) and operating profit totaling 102.4 billion yen (-13.9% year-on-year). Full-year same-store sales, including online sales, expanded by 1.0% year-on-year. In the first half of the fiscal year from 1 September 2018 through 28 February 2019, same-store sales contracted by 0.9% year-on-year on the back of sluggish sales of Winter ranges during the warm winter weather. However, same-store sales picked up by 3.5% year-on-year in the second half from 1 March 2019 to 31 August 2019 on the back of strong sales of Summer items such as T-shirts, UT graphic T-shirts, UV-cut parkas and Kando pants. Full-year online sales increased by 32.0% year-on-year to 83.2 billion yen, and the online sales proportion of total revenue rose from 7.3% to 9.5%. On the profit front, the gross profit margin contracted by 1.7 points year-on-year, adversely affected by the warm winter and an early rundown of excess Spring Summer inventories. However, as a result of that early rundown, total inventories was greatly reduced at the end of August 2019 compared to the previous year. Meanwhile, the full-year selling, general and administrative expense ratio increased by 0.4 point year-on-year. Breaking that figure down into first and second-half performance, increased inventories resulted in a higher distribution cost ratio in the first half. However, the efficiencies gained through using RFID IC tags helped reduce in-store personnel costs and outsourcing costs in the second half, resulting in an improvement in the second-half selling, general and administrative expense ratio.

### **■UNIQLO International: Large revenue, profit gains. Revenue exceeds 1 trillion yen for first time**

In FY2019, revenue from the UNIQLO International segment topped 1 trillion yen for the first time, and the segment reported a consistently high operating profit margin of 13.5%. Overall, UNIQLO International revenue and profit both increased significantly over the fiscal year, with revenue totaling 1.0260 trillion yen (+14.5% year-on-year) and operating profit increasing to 138.9 billion yen (+16.8% year-on-year).

Breaking down the strong UNIQLO International performance into individual markets, UNIQLO Greater China reported strong gains in both revenue and profit, with revenue expanding by 14.3% year-on-year to 502.5 billion yen and operating profit rising by 20.8% year-on-year to 89.0 billion yen. The region's same-store sales continued to rise as local support for the UNIQLO LifeWear clothing concept grew, and UNIQLO successfully established its position as the region's No.1 apparel brand. The region's online sales also expanded by a buoyant 30% year-on-year in FY2019. Both revenue and profit of UNIQLO Southeast Asia & Oceania expanded by approximately 20% year-on-year in FY2019, with revenue reaching the 170 billion yen. However, both revenue and profit declined at UNIQLO South Korea. Elsewhere, UNIQLO USA managed to significantly reduce its operating loss in FY2019. UNIQLO Europe achieved rising revenue and profit, with sales reaching the 100 billion yen, and the Russian operation continuing to generate especially strong revenue and profit gains.

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

### **■GU: Revenue and profit gains propel GU to its best performance ever**

The GU business segment achieved a record performance in FY2019, with revenue climbing to 238.7 billion yen (+12.7% year-on-year) and operating profit more than doubling to 28.1 billion yen (+139.2% year-on-year). Full-year same-store sales increased on the back of our decisions to switch the focus of

GU's product mix to mass fashion trends and to strengthen GU marketing. The label's trendy oversized sweatshirts, knitwear, and T-shirts proved standout hit products recording sales of several million units each. GU's full-year gross profit margin improved significantly on the back of narrower discounting, and a lower cost of sales resulting from early submission of orders and aggregate purchasing of raw materials. GU's operating profit margin also improved by a considerable 6.2 points year-on-year to 11.8%.

#### ■ Global Brands: Operating profit back in black compared to FY2018 impairment losses

Global Brands revenue declined but profit increased in FY2019. While revenue declined to 149.9 billion yen (-2.9% year-on-year), the segment reported an operating profit of 3.6 billion yen, compared to a 4.1 billion yen operating loss reported in the previous year following the recording of 9.9 billion yen in impairments losses on Comptoir des Cotonniers and other labels. The Theory fashion operation reported a rise in both revenue and profit on the back of stable growth. While our Japan-based PLST brand reported a rise in revenue, operating profit came in flat due to the higher costs of increased new store openings. Comptoir des Cotonniers, Princesse tam.tam and J Brand reported continued losses for the fiscal year ended 31 August 2019.

#### ■ FY2020 consolidated estimates: Expect to achieve a record performance

Fast Retailing expects to achieve another record performance in the financial year ending August 31, 2020. We forecast consolidated revenue will expand to ¥2.4000 trillion (+4.8% year-on-year), consolidated operating profit will reach ¥275.0 billion (+6.7% year-on-year), profit attributable to owners of the parent will increase to ¥175.0 billion (+7.6% year-on-year), resulting in earnings per share of ¥1,714.65 yen. These estimates assume all four business segments will report rising revenue and profit for the year. Furthermore, we expect our annual dividend per share in FY2020 will increase by ¥20 year on year to ¥500, split evenly between interim and year-end dividends of ¥250 each.

Looking at each individual business segment in turn, UNIQLO International is expected to report a favorable expansion in performance. We predict the appreciation in the yen currency will exert a downward pressure of approximately 5% on performance, but revenue gains are expected to maintain a similar pace to the previous year when the foreign exchange impact is stripped out. In terms of individual markets, Greater China is expected to continue strong, generating double-digit rises in both revenue and profit (excluding the foreign exchange impact). Southeast Asia & Oceania is forecast to produce continued large gains in both revenue and profit. South Korea will likely report large declines in revenue and profit, while Europe looks set to achieve higher revenue and profit, and USA to turn its first full-year profit. Meanwhile, UNIQLO Japan is expected to report slight improvements in both its gross profit margin and SG&A ratio, which would contribute to a double-digit rise in UNIQLO Japan operating profit. GU is forecast to achieve higher revenue and profit in FY2020. Global Brands is predicted to achieve higher revenue and profit thanks to stable growth at our Theory operation, and reduced losses at Comptoir des Cotonniers.

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/>.