

NOTICE OF 2021 General Meeting of Shareholders

(Year from 1 September 2020 to 31 August 2021)

Date and time

11:00 JST,
Thursday, 25 November, 2021

Location

Main Conference Room, Head Office
Conference Building, 10717-1 Sayama,
Yamaguchi City, Yamaguchi, Japan

Matters for Resolution

Proposal 1: Election of Nine Directors

Proposal 2: Revision of Director
Remuneration



FAST RETAILING CO., LTD.

Stock Code
Tokyo Stock Exchange: 9983
Hong Kong Stock Exchange (Main Board): 6288





A New Era Has Begun

Fast Retailing revenue increased and profit rose sharply in fiscal 2021, with our UNIQLO operations primarily fueling the recovery in performance. Economies are starting to come back to life as more people around the world are getting vaccinated and COVID-19 infections are being brought under control. We are now even more determined than ever to press ahead with our global development and aim to become the No.1 brand around the world.

On September 16, 2021, we opened our UNIQLO RIVOLI Store on the Rue de Rivoli in Paris with a focus on bringing together apparel and art. Rue de Rivoli, home to the Louvre Museum and the Hôtel de Ville City Hall, is one of the most impressive streets in Paris. On October 8, we opened our newly refurbished UNIQLO TAIPEI global flagship store in Taipei and we are now poised to open our first global flagship store in Beijing in November. Beyond that, we are preparing to open a new joint UNIQLO and Theory large-format store on London's Regent Street in spring 2022. We opened our very first UNIQLO International store in the United Kingdom and I believe this store will come to represent the start of a new chapter in our corporate history.

Our LifeWear (ultimate everyday wear) is the concrete expression of our commitment to reduce the environmental impact of our daily business activities as much as possible so we can help achieve sustainable growth for society and make the world a better place through our business and products. That commitment includes addressing human rights issues. From very early on, we made it extremely clear that we would not tolerate any form of human rights abuse and we have determinedly built frameworks and taken steady action to prevent such violations. We require all our partner factories to adhere to the Code of Conduct for Production Partners that we compiled ourselves based on standards laid out by the International Labour Organization (ILO). We not only ask partner factories to stamp out any human rights violations, but we also conduct regular monitoring of working environments by third-party organizations. If a problem is discovered, we strongly urge factory management to make improvements and provide support to ensure those improvements are achieved. We take stringent action in the extremely rare event of the child labor, forced labor or other serious human rights abuses, including ceasing all business with the offending factory.

We also place great emphasis on cooperating with various external organizations around the world. In addition to our partnership with the ILO, we are members of various initiatives including the Better Work joint program run by the World Bank Group and the ILO, and the Fair Labor Association (FLA), the global NGO that seeks to improve working environments. Since 2019, we have also been working to develop and progress career support programs for women working in textile factories through our partnership with UN Women. These Fast Retailing initiatives are highly valued by international organizations and other stakeholders. Having said that, I recognize that our initiatives still need to be improved. I want to ensure an even higher level of traceability by checking conditions firsthand at the raw materials procurement stage, including the areas that produce those materials.

Fast Retailing is a company with the mission: Changing clothes. Changing conventional wisdom. Change the world. We intend to continue developing our global business to transcend national borders. I am keen to build frameworks for sustainable growth by joining forces with aspirational individuals and companies worldwide. I want to create an even more open world based on the unique global concept of LifeWear.

November 2021

Tadashi Yanai

Chairman, President and CEO

NOTICE OF 2021 GENERAL MEETING OF SHAREHOLDERS

Date and time: 11:00 JST, Thursday, 25 November, 2021

Location: Main Conference Room, Head Office
Conference Building 10717-1 Sayama,
Yamaguchi City, Yamaguchi, Japan

Items to be dealt with at the Meeting:

Matters for Reporting	<ol style="list-style-type: none"> 1. Reports on the business report, consolidated financial statements and financial statements for the fiscal 2021 (1 September 2020 to 31 August 2021) 2. Results of the audit of the consolidated financial statements by the Independent Auditors and the Board of Statutory Auditors for fiscal 2021 (1 September 2020 to 31 August 2021)
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Matters for Resolution	Proposal 1: Election of Nine Directors
	Proposal 2: Revision of Director Remuneration

Information Disclosed Online

- Amendments to AGM reference materials, the business report, consolidated financial statements and financial statements will be displayed on the Fast Retailing company website.
- As stipulated by law and article 15 of the articles of incorporation, the following documents are not included in this notice because they are already displayed on the Fast Retailing company website:

Business report

Number of Stores by Business Segment, Employees, Principal Lenders, Shares, items relating to external officers, the independent auditors, share subscription rights and ensuring proper business operations (corporate governance)

Consolidated financial statements

Consolidated statement of changes in equity, notes to consolidated financial statements

Financial statements

Statement of changes in net assets, notes to financial statements

Documents displayed on the company website relating to the Board of Statutory Auditors and the Independent Auditor are all subject to audit.

Fast Retailing website <https://www.fastretailing.com/eng/ir/stockinfo/meeting.html>

MEMO

THE REFERENCE MATERIALS FOR THE 2021 GENERAL MEETING OF SHAREHOLDERS

Proposal 1 Election of Nine Directors

The term of office of all nine current Directors expires as of the conclusion of this General Meeting of Shareholders, so the Company is seeking the election of nine Directors at this meeting.

Candidate number	Name		Position	No. of years as a board director	Board of directors' meeting attendance
1	Tadashi Yanai (72 years old)	Reappointment	Representative Director; Chairman, President & CEO	49 years	100% (13 of 13)
2	Nobumichi Hattori (63 years old)	Reappointment External Director Independent Officer	Director	16 years	100% (13 of 13)
3	Masaaki Shintaku (67 years old)	Reappointment External Director Independent Officer	Director	12 years	100% (13 of 13)
4	Takashi Nawa (64 years old)	Reappointment External Director Independent Officer	Director	9 years	92.3% (12 of 13)
5	Naotake Ono (73 years old)	Reappointment External Director Independent Officer	Director	3 years	100% (13 of 13)
6	Kathy Matsui (56 years old)	New appointment External Director Independent Officer	—	—	—
7	Takeshi Okazaki (56 years old)	Reappointment	Director	3 years	100% (13 of 13)
8	Kazumi Yanai (47 years old)	Reappointment	Director	3 years	100% (13 of 13)
9	Koji Yanai (44 years old)	Reappointment	Director	3 years	100% (13 of 13)

1 Tadashi Yanai

Reappointment



■ **DOB:** 7 February 1949

■ **No. of years as a Board Director:**
49 (at the conclusion of current AGM)

■ **Board of Directors' meeting attendance:**
100% (13 of 13)

■ **No. of Fast Retailing shares held:**
22,037,284 shares

■ Career profile and Fast Retailing positions held:

Aug. 1972 Joined FAST RETAILING CO., LTD.
 Sep. 1972 Director, FAST RETAILING CO., LTD.
 Aug. 1973 Senior Managing Director, FAST RETAILING CO., LTD.
 Sep. 1984 President & CEO, FAST RETAILING CO., LTD.
 Jun. 2001 External Director, SOFTBANK GROUP CORP.
 Nov. 2002 Chairman and CEO, FAST RETAILING CO., LTD.
 Sep. 2005 Chairman, President and CEO, FAST RETAILING CO., LTD. (current)
 Nov. 2005 Chairman, President and CEO, UNIQLO CO., LTD. (current)
 Sep. 2008 Director and Chairman, GOV RETAILING CO., LTD. (currently G.U. CO., LTD.) (current)
 Jun. 2009 External Director, Nippon Venture Capital Co., Ltd. (current)
 Nov. 2011 Director, LINK THEORY JAPAN CO., LTD. (current)
 Nov. 2018 Chairman, Fast Retailing Foundation (current)

■ Major concurrent offices:

External Director, Nippon Venture Capital Co., Ltd.
 Chairman, Fast Retailing Foundation
 Chairman, President and CEO, UNIQLO CO., LTD. and director or executive officer at 17 other subsidiaries of the Company

Selection for Chairman, President and CEO

Since being appointed President and CEO in 1984, Tadashi Yanai has spent 37 years leading the management team and expanding the Group into one of the world's leading Specialty store retailers of Private-label Apparel. As the founder of Fast Retailing, his impressive management experience, broad operational knowledge, and consistent commitment to improving corporate value are vital to the Group's continued growth. We highly recommend Mr. Yanai's as a candidate for director.

Candidate Message

I strive to realize transparent management based on our corporate statement: Changing clothes. Changing conventional wisdom. Change the world, in order to help realize a sustainable society. We deliver clothing happiness and joy to people worldwide through our LifeWear (ultimate everyday clothing). I intend to grow us into an even better company by pursuing sweeping corporate transformation through our Ariake Project.

2 Nobumichi Hattori

Reappointment External Director Independent Officer



- **DOB:** 25 December 1957
- **No. of years as a Board Director:**
16 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**

Apr. 1981 Joined Nissan Motor Co., Ltd.
 Jun. 1989 Joined Goldman Sachs and Company, Headquarters (New York)
 Nov. 1998 Managing Director and M&A Advisory of Japan for Goldman Sachs and Company Headquarters (New York)
 Oct. 2003 Visiting Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
 Jun. 2005 External Director, Miraca Holdings Inc. (Currently H.U. Group Holdings, Inc.)
 Nov. 2005 External Director, FAST RETAILING CO., LTD. (current)
 Oct. 2006 Visiting Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
 Apr. 2009 Visiting Professor, Waseda Business School (Graduate School of Business and Finance) (current)
 Mar. 2015 External Statutory Auditor, Frontier Management Inc. (current)
 Jun. 2015 External Director, Hakuhodo DY Holdings Inc. (current)
 Jul. 2016 Visiting Professor, Graduate School of Business Administration, Keio University (current)

■ Major concurrent offices:

Visiting Professor, Waseda Business School (Graduate School of Business and Finance)
 External Statutory Auditor, Frontier Management Inc.
 External Director, Hakuhodo DY Holdings Inc.
 Visiting Professor, Graduate School of Business Administration, Keio University

Selection for External Director and Overview of Expected Role

Nobumichi Hattori has experience presiding over M&A advisory projects in Japan in the major US bank Goldman Sachs & Co. and is well versed in how companies operate in capital markets. He also currently researches M&A and corporate valuation at the graduate school of Waseda university in Tokyo. We consider his knowledge and experience to be extremely beneficial to our company and his presence to be irreplaceable because his long service renders him familiar with the company and his direct and precise comments from an independent standpoint serve as a valuable guide for management. We expect him to help improve our corporate value in global markets.

Candidate Message

I consider the best way to increase shareholder value is by objectively judging how capital markets perceive Fast Retailing's corporate value. I intend to consider global risk management factors and offer advice from a broad range of perspectives in order to ensure Fast Retailing continues to fulfill markets expectations as a well-respected company that is expected to continue to grow strongly in the future.

3 Masaaki Shintaku

Reappointment External Director Independent Officer



- **DOB:** 10 September 1954
- **No. of years as a Board Director:**
12 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**

Apr. 1978 Joined IBM Japan, Ltd.
 Dec. 1991 Joined Oracle Corporation Japan
 Aug. 2000 President & CEO, Oracle Corporation Japan
 Jan. 2001 Executive Vice President, Oracle Corporation
 Apr. 2008 Vice Chairman, Special Olympics Nippon (currently Special Olympics Nippon Foundation)
 Jun. 2008 Chairman, Oracle Corporation Japan (Retired Dec. 31, 2008)
 Nov. 2009 External Director, FAST RETAILING CO., LTD. (current)
 Mar. 2019 Counselor, Special Olympics Nippon Foundation (current)
 Jun. 2020 External Director, NTT DOCOMO, INC. (current)
 Jun. 2021 External Director, NTT Communications Corporation (current)

■ Major concurrent offices:

Counselor, Special Olympics Nippon Foundation
 External Director, NTT DOCOMO, INC.
 External Director, NTT Communications Corporation

Selection for External Director and Overview of Expected Role

Having amassed rich management expertise and experience as the leader of US information systems company Oracle Corp. in Japan, Masaaki Shintaku is now involved in a wide range of activities, including serving as vice chairman of the non-profit organization Special Olympics Nippon Foundation, UNIQLO's official partner in the field of sports for people with disabilities. We consider his knowledge and experience to be extremely beneficial to our company and his presence to be irreplaceable because his long service renders him familiar with the company and his direct and precise comments from an independent standpoint serve as a valuable guide for management. We expect him to contribute to the fields of IT, digital, and ESG activities.

Candidate Message

After investing efficiently in transforming its IT systems, those IT systems are now supporting Fast Retailing operations, and the company has earned a strong reputation for successfully utilizing IT. The company is proceeding with its transformation into a digital consumer retailing company and is accelerating its efforts to analyze data to acquire wisdom. The company is attracting more highly talented employees and is aiming for the next stage of growth with challenging spirit. The Board of Directors also strive to advance this trajectory.

4 Takashi Nawa

Reappointment External Director Independent Officer



- **DOB:** 8 June 1957
- **No. of years as a Board Director:**
9 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
92.3% (12 of 13)
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**

Apr. 1980 Joined Mitsubishi Corporation
 Apr. 1991 Joined McKinsey & Company
 Jun. 2010 Professor, The Graduate School of International Corporate Strategy, Hitotsubashi University
 Jun. 2010 President, Genesys Partners (current)
 Jun. 2011 External Director, NEC Capital Solutions Limited (current)
 Nov. 2012 External Director, FAST RETAILING CO., LTD. (current)
 Jun. 2014 External Director, DENSO CORPORATION
 Jun. 2015 External Director, Ajinomoto Co., Inc. (current)
 Apr. 2019 Visiting Professor, Hitotsubashi ICS (current)
 Jun. 2020 External Director, Somp Holdings, Inc. (current)
 Apr. 2021 Visiting Professor, Kyoto University of Advanced Science (current)

■ Major concurrent offices:

Visiting Professor, Hitotsubashi ICS
 President, Genesys Partners
 External Director, NEC Capital Solutions Limited
 External Director, Ajinomoto Co., Inc.
 External Director, Somp Holdings, Inc.
 Visiting Professor, Kyoto University of Advanced Science

Selection for External Director and Overview of Expected Role

Takashi Nawa has amassed a wealth of knowledge and insight into international corporate strategy and ESG activities over his career as director of the American multinational management consultant firm McKinsey & Company, and as professor at The Hitotsubashi ICS. This knowledge and experience is extremely valuable to our company. We expect Mr. Nawa to contribute to FR's drive to globalize operations and promote ESG and diverse management and so we nominate him for external director.

Candidate Message

Helping create a sustainable society is a common global goal that can help increase corporate value. It is my job to help Fast Retailing address ESG challenges and problems more proactively and earn a reputation as a global industrial leader. I want to help FR grow into an even better company by ensuring my comments always champion diversity.

5 Naotake Ono

Reappointment External Director Independent Officer



- **DOB:** 28 October 1948
- **No. of years as a Board Director:**
3 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**

Apr. 1971 Joined Daiwa House Industry Co., Ltd.
 Jun. 2000 Director, Daiwa House Industry Co., Ltd.
 Apr. 2004 Senior Managing Executive Officer, Deputy Head of Marketing Division, Daiwa House Industry Co., Ltd.
 Apr. 2007 Executive Vice President, Head of Marketing, Daiwa House Industry Co., Ltd.
 Apr. 2011 President & COO, Daiwa House Industry Co., Ltd.
 Nov. 2017 Special Advisor, Daiwa House Industry Co., Ltd. (Retired Mar. 31, 2021)
 Nov. 2018 External Director, FAST RETAILING CO., LTD. (current)

Selection for External Director and Overview of Expected Role

Naotake Ono has amassed a wealth of management knowledge and experience as President & COO of Daiwa House Industry Co., Ltd., a major construction company in Japan. We believe Mr. Ono's experience and expertise as an outstanding manager is useful and vital to FR's drive to accelerate UNIQLO and GU store openings in global markets. We expect him to contribute to the company's store-opening strategy, logistics and other areas, and so we nominate him for external director.

Candidate Message

When I was in senior management, I expected external directors to voice direct opinions from a broad range of perspectives. Developing a broad perspective by following other industries as well as your own is vital to good management. Mr. Yanai is a manager who is open to ideas, so I intend to voice frank opinions and fulfill my role as an external director to ensure management transparency and manage risk.

6 Kathy Matsui (legal name Kathy Mitsuko Koll)

New appointment External Director Independent Officer



- **DOB:** 2 February 1965
- **No. of years as a Board Director:** —
- **Board of Directors' meeting attendance:** —
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**

Jan. 1990 Joined, Barclays de Zoete Wedd, Limited (current Barclays Capital)
 Mar. 1994 Joined, Goldman Sachs Japan Co., Ltd.
 Jan. 1998 Managing Director, Goldman Sachs Japan Co., Ltd.
 Jan. 2000 Partner, Goldman Sachs Japan Co., Ltd.
 Apr. 2015 Vice Chairman, Goldman Sachs Japan Co., Ltd. (retired Dec. 2020)
 Nov. 2018 Director, Fast Retailing Foundation (current)
 May. 2021 General Partner, MPower Partners Fund L.P. (current)
 Jul. 2021 External Director, Paidy Inc.

- **Major concurrent offices:**
 Director, Fast Retailing Foundation
 General Partner, MPower Partners Fund L.P.

Selection for External Director and Overview of Expected Role

Kathy Matsui has extensive experience in investment and ESG challenges having served as Managing director and vice chair of U.S. brokerage firm Goldman Sachs Securities before becoming general manager of Japan's ESG-focused global venture capital fund MPower Partners Fund L.P. Announced in 1999, her concept of "womenomics" resonated deeply with people the world over and her analysis of diversity and sustainability from the perspective of economic rationality has influenced many companies and investors. We expect her to contribute to our company's global management, diversity management, and ESG challenges and so we nominate her for external director.

Candidate Message

As Fast Retailing's first female external director and first director of foreign nationality, I want to make proposals from a variety of perspectives. I have particular expertise and experience in ESG matters and I agree with Mr. Yanai's view that diversity is the driver of growth. I would like to help create the organizational frameworks to achieve this and focusing on building role models that promote womenomics is part of that.

7 Takeshi Okazaki

Reappointment



- **DOB:** 9 July 1965
- **No. of years as a Board Director:**
 3 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
 100% (13 of 13)
- **No. of Fast Retailing shares held:** 545 shares
- **Career profile and Fast Retailing positions held:**
 Apr. 1988 Joined the Long-Term Credit Bank of Japan
 Jul. 1998 Joined McKinsey & Company
 Jan. 2005 Partner, McKinsey & Company
 Aug. 2011 Joined FAST RETAILING CO., LTD.
 Aug. 2011 Group Executive Officer & CFO, FAST RETAILING CO., LTD.
 Sep. 2012 Group Senior Executive Officer & CFO, FAST RETAILING CO., LTD. (current)
 Nov. 2018 Councilor, Fast Retailing Foundation (current)
 Nov. 2018 Director, FAST RETAILING CO., LTD. (current)

- **Major concurrent offices:**
 Councilor, Fast Retailing Foundation
 Chairman, FAST RETAILING (CHINA) TRADING CO., LTD
 President, FAST RETAILING FRANCE SAS
 CEO, Fast Retailing USA, Inc.
 Director of UNIQLO Co., Ltd., and director or executive officer at 22 other subsidiaries of the Company

Selection for Director

Since entering the company in 2011 as Group CFO, Takeshi Okazaki has helped create a global framework in the management fields of accounting and financial affairs, management planning, and purchasing, etc. He also demonstrated leadership across our operations as one of the core drivers of the Ariake Project. As Group CFO, Mr. Okazaki is expected to maintain a deep awareness of the most important issues for the overall Group and speedily solve problems through strong leadership, so he has been nominated as a candidate for director.

Candidate Message

I believe my role as Group senior executive officer and CFO is to supervise and execute management. To that end, I like to convey the actual on-the-ground situation to the Board of Directors to help guide realistic and deeper discussions. In accordance with the policy of the Board, I will also make every effort to regulate our business executors, including myself, from the perspective of our customers and other stakeholders, and strive to ensure fair and correct management.

8 Kazumi Yanai

Reappointment



- **DOB:** 23 April 1974
- **No. of years as a Board Director:**
3 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:**
4,781,808 shares
- **Career profile and Fast Retailing positions held:**
 - Sep. 1997 Joined The Goldman Sachs Group, Inc.
 - Jul. 2004 Joined Link Theory Holdings (US) Inc. (currently Theory LLC) New York HQ
 - Sep. 2009 Joined FAST RETAILING CO., LTD.
 - Jan. 2012 Chairman, Theory LLC (current)
 - Nov. 2012 Group Executive Officer, FAST RETAILING CO., LTD.
 - Nov. 2013 COO, UNIQLO USA LLC
 - Nov. 2015 Chairman, UNIQLO USA LLC (current)
 - Jul. 2017 CEO, Chairman and President, J BRAND HOLDINGS, LLC
 - Nov. 2018 Director, FAST RETAILING CO., LTD. (current)
 - Jun. 2020 Group Senior Executive Officer, FAST RETAILING CO., LTD. (current)
- **Major concurrent offices:**
 - Director, LINK THEORY JAPAN CO., LTD.
 - Chairman, Theory LLC
 - Chairman, UNIQLO USA LLC, and director or executive officer at 15 other subsidiaries of the Company

Selection for Director

Kazumi Yanai started work at a FR subsidiary company in 2004 after gaining experience in the US global investment bank Goldman Sachs. He has developed a rich international business management perspective through his firsthand management experience at our US Theory operation and UNIQLO USA. Kazumi Yanai's experience is necessary to the further growth of the Group as we seek to expand our global operations so he was selected as a candidate for director.

Candidate Message

I intend to help create a strong fundamental base for continued growth by upholding our corporate culture, strengthening our governance, and prizing our social contribution. As a member of the founding family, it is my responsibility to take a long-term perspective and aim to bolster Fast Retailing's global growth. As a senior executive officer, my job is to progress our business transformation and work together with employees and management teams to create our ideal company.

9 Koji Yanai

Reappointment



- **DOB:** 19 May 1977
- **No. of years as a Board Director:**
3 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:**
4,781,145 shares
- **Career profile and Fast Retailing positions held:**
 - Apr. 2001 Joined Mitsubishi Corporation
 - Apr. 2009 Seconded to Mitsubishi Corporation's food subsidiary Princes Limited in the UK
 - Sep. 2012 Joined FAST RETAILING CO., LTD. to manage UNIQLO sports marketing
 - May 2013 General Manager, Global Marketing Division, UNIQLO CO., LTD.
 - Sep. 2013 Group Executive Officer, FAST RETAILING CO., LTD.
 - Nov. 2018 Director, FAST RETAILING CO., LTD. (current)
 - Jun. 2020 Group Senior Executive Officer, FAST RETAILING CO., LTD. (current)

Selection for Director

Having amassed experience at a major Japanese trading company before entering the company in 2012, Koji Yanai has become an increasingly important director candidate for our corporate group as we seek to expand our global operations. He has primarily exhibited leadership in the field of global and sports marketing at the UNIQLO operation. In recent years, he helped formulate the main partner and official closing partner agreement with the Swedish Olympic Committee. His marketing knowledge and experience is necessary for improving the Group's brand value and promoting further growth of global operations, so he has been nominated as a candidate for director.

Candidate Message

Since being appointed as an executive officer and gaining practical experience, I have gained a keen sense of the importance of management styles that value people. As a director and member of the founding family, I believe it is my responsibility to pursue economic rationality while also steering fair and correct management that appropriately reflects the importance of social significance. I want to contribute to the sustainable growth of all our stakeholders.

- Outline of Non-executive Directors limited liability agreement
To enable Non-executive Directors to fulfill their roles to the best of their ability and meet expectations, Article 29 of the Company Articles of Incorporation stipulates that the Company may enter into agreements with Non-executive Directors to limit their liability to compensate for damages suffered due to negligence in the execution of their duties. Accordingly, the Company signed limited liability agreements with Nobumichi Hattori, Masaaki Shintaku, Takashi Nawa and Naotake Ono. These agreements shall be extended in the event that these four persons are re-elected as non-executive directors. A similar agreement to limit liability will be formed between the Company and Kathy Matsui if she is elected as a new external director. This agreement is outlined below:
The limited liability agreement is based on provisions in Article 427, Paragraph 1 of the Companies Act, and limits the liability for damages under Article 423, Paragraph 1 of the Companies Act. The agreement state that liability for damages shall be limited to either 5,000,000 yen or the amount stipulated by law, whichever represents the higher figure.
- Outline of Indemnity Liability Insurance Contract for Executive Officers, etc.
Fast Retailing 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 Company's 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. Each candidate will become an insured person under the aforementioned contract if they are elected to the position of director.
- Kathy Matsui is a newly appointed candidate for director.
- The Tokyo Stock Exchange has been notified that Nobumichi Hattori, Masaaki Shintaku, Takashi Nawa and Naotake Ono serve as independent officers, and we will notify the Exchange if their reappointment is approved. Furthermore, if the appointment of Kathy Matsui is approved, we plan to also submit a notification for her to serve as an independent officer to the Tokyo Stock Exchange.
- Three candidates for Director: Tadashi Yanai, Takeshi Okazaki and Kazumi Yanai serve as directors on the Boards of UNIQLO Co., Ltd. or other Fast Retailing Group subsidiary companies. Fast Retailing has contracts with all of these companies regarding the use of the brand and other pertinent items.
- Candidates for Director Tadashi Yanai, Takeshi Okazaki and Kathy Matsui serve as Chairman, Councilor and Director respectively on the Fast Retailing Foundation. Fast Retailing has concluded a contract with the Foundation pertaining to the lease of office space, etc.
- FAST RETAILING CO., LTD. has no specific interests or agreements with any of the other candidates for director.

■ Standards for Evaluating the Independence of External Directors and External Statutory Auditors

A person shall not qualify as an independent director or statutory auditor of Fast Retailing, if:

- (1) 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;
- (2) 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;
- (3) 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 as a director or an auditor; or
- (4) 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, executive officers, 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.

Proposal 2 Revision of Director Remuneration

The maximum annual remuneration for directors has been capped at the "2,000 million yen (including an annual maximum allocation of 60 million yen for external directors)" determined by shareholder resolution at the 58th annual general meeting of shareholders held on November 28, 2019.

Taking into account subsequent changes in the economic climate and other factors, we propose that the maximum annual amount of remuneration for external directors be revised, and that the maximum annual amount of remuneration for directors be set at "2,000 million yen including an annual maximum allocation of 200 million yen for external directors)". Furthermore, we would continue the current condition that states the maximum allocation for director remuneration does not include the regular salaries of employees who also serve as directors.

Please note, if Proposal 1: Election of Nine Directors is approved as submitted, there would be a total of nine directors (including five external directors) on the Fast Retailing Board of Directors.

Reference Candidates for Director: Fields of Expertise

Fast Retailing expects candidates for director to have a high level of knowledge and experience particularly in Corporate Management and Global Business. We also believe that any advice or recommendations based on knowledge and experience in the specialist fields of IT & Digital, Store Development & Logistics, Treasury, Accounting & Finance will be useful to our business management. We have listed the specialist areas below to which we expect each candidate for director will make a special contribution. This list is by no means an exhaustive representation of the candidates' expertise.

Tadashi Yanai: Corporate Management, Global Business, IT & Digital, Store Development & Logistics, Treasury, Accounting & Finance

Nobumichi Hattori: Corporate Management, Global Business, Treasury, Accounting & Finance

Masaaki Shintaku: Corporate Management, Global Business, IT & Digital

Takashi Nawa: Corporate Management, Global Business, IT & Digital

Naotake Ono: Corporate Management, Global Business, Store Development & Logistics

Kathy Matsui: Corporate Management, Global Business, Treasury, Accounting & Finance

Takeshi Okazaki: Corporate Management, Global Business, IT & Digital, Treasury, Accounting & Finance

Kazumi Yanai: Corporate Management, Global Business

Koji Yanai: Corporate Management, Global Business

Additional Materials

Business Report

Fiscal 2021 Performance by Business Segment

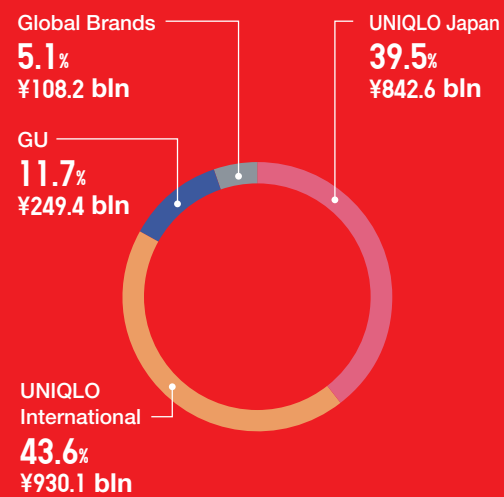
Revenue

2.1329 trillion yen

Operating profit

249.0 billion yen

Revenue by Business Segment



■ Revenue
— Operating profit

FY '84 '85 '86 '87 '88 '89 '90 '91 '92 '93 '94 '95 '96 '97 '98 '99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21



The +J joint collection from UNIQLO and Jil Sander

1. Fast Retailing Group Business Performance

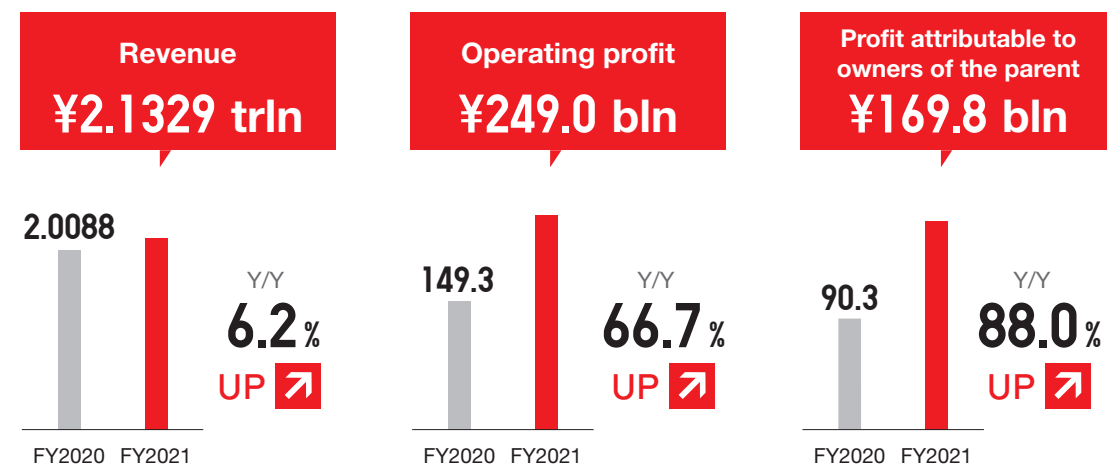
1 Fiscal 2021 Business Performance (Year to 31 August 2021)

The Fast Retailing Group's revenue increased and profit expanded significantly in fiscal 2021, or the twelve months from 1 September 2020 to 31 August 2021. Consolidated revenue totaled 2.1329 trillion yen (+6.2% year-on-year) and operating profit totaled 249.0 billion yen (+66.7% year-on-year). Business performance recovered primarily at UNIQLO operations in fiscal 2021 compared to the previous year when performance declined dramatically under the heavy impact of the COVID-19 pandemic. We reported an impairment loss of 16.9 billion yen mainly on UNIQLO International operations and a gain of 8.7 billion yen from the liquidation of J Brand, Inc., resulting in a net cost of 6.5 billion yen under other income/expenses. When we liquidated J Brand, Inc. in August 2021, we recorded a liquidation gain on foreign exchange movements following a subsequent weakening in the Japanese yen compared to the exchange rate at the time of acquisition. We also recorded 16.8 billion yen in finance income net of costs, mainly comprising a 19.2 billion yen foreign exchange gain on foreign-currency denominated assets and other items. As a result, profit before income taxes increased to 265.8 billion yen (+73.9% year-on-year) and profit attributable to owners of the Parent expanded to 169.8 billion yen (+88.0% year-on-year) in the twelve months to 31 August 2021. Fast Retailing paid a year-end dividend of 480 yen per share in fiscal 2021 (split equally between interim and year-end dividends of 240 yen each), the same level as in fiscal 2020.

Capital expenditure increased by 17.9 billion yen year-on-year in fiscal 2021 to 100.6 billion yen. That figure can be broken down into 15.7 billion yen for UNIQLO Japan, 38.5 billion for UNIQLO International, 3.8 billion yen for GU, 1.8 billion yen for Global Brands, and 40.7 billion yen for systems, etc. While investment in new store openings declined compared to the previous year in which we opened many global flagship stores and large-format stores, we did increase our investment in global automated warehousing as part of our transformative Ariake Project.

As a united Group, we are determined to strengthen initiatives designed to expand our business operations and promote sustainability as part of our quest to become a global No.1 brand. We work hard to ensure our LifeWear ultimate everyday wear is produced and sold in working environments that are healthy, safe, and environment-conscious, and strive to help solve a variety of social issues. We are currently channeling our efforts into expanding our e-commerce, UNIQLO International, and GU businesses as key pillars of operational growth. With regards to e-commerce, we are accelerating the building of a framework that will promote our main business by melding online and physical stores so we can offer as many of the products and information that customers want, when they want them. We are already pressing ahead with reforms that will enable us to offer more services that combine the strengths of our physical store and e-commerce network and unify inventory management. Regarding UNIQLO International, we are accelerating the opening of new stores in all markets and areas in which we operate, and seeking to instill deeper and more widespread empathy for UNIQLO's LifeWear concept by opening global flagship stores and large-format stores in the world's major cities. In terms of our GU segment, we are working to strengthen GU's position as a brand that offers fun fashion at amazingly low prices and seeking to expand the GU store network primarily in Japan.

Financial Highlights



NEWS FLASH September 2020 – August 2021

2020.9

- UNIQLO launched Re.UNIQLO, which promotes clothing support for refugees and displaced persons (REUSE) and circular recycling that turns collected clothing items into fresh, new clothes (RECYCLE) as a way of cutting unnecessary waste and resource usage (REDUCE).



2020.12

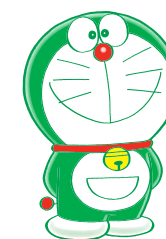
- Fast Retailing included in the CDP water security A list, the highest ranking international indicator for measures to protect water resources.

2021.3

- UNIQLO and GU Japan changed to one single tax-inclusive price display from March 12, absorbing the tax portion and determining the original main price as the full tax-inclusive price to make shopping even easier for customers.

2021.3

- Doraemon is appointed as UNIQLO's global sustainability ambassador to tell the world about UNIQLO's sustainability activities in a simple, fun, and bright way.



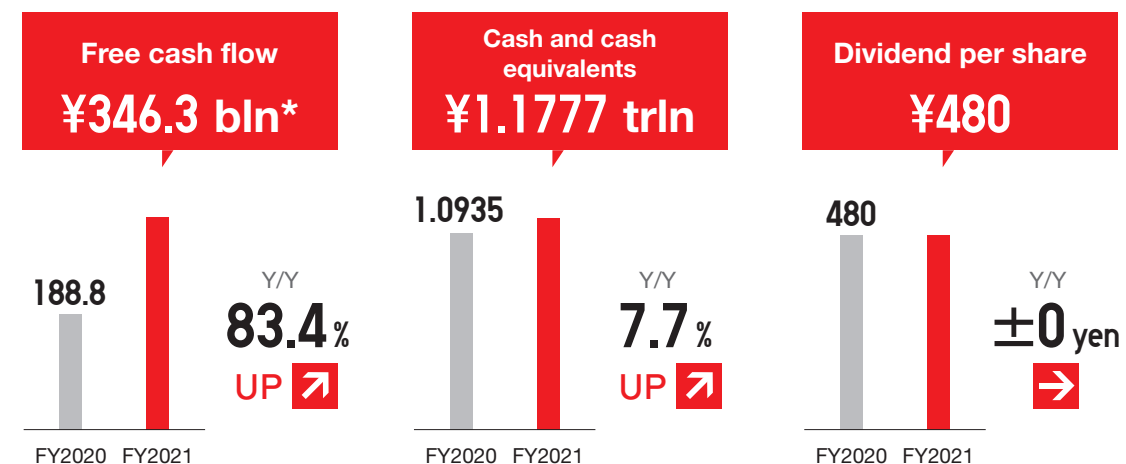
Doraemon
Sustainability Mode
©Fujiko-Pro



THE POWER OF CLOTHING

2021.4

- Developed Japan's largest inhouse photography studio, a new customer center, and a UNIQLO virtual store in our Ariake HQ. Strengthens our system for getting customer opinions delivered directly to our head office and incorporated into product and service development in real time.



*Free cash flow = Net cash from operating activities + Net cash used in investing activities



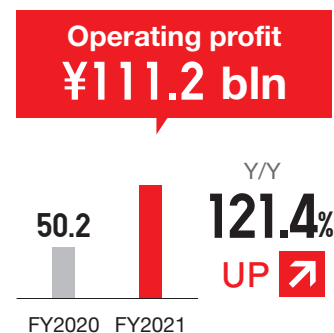
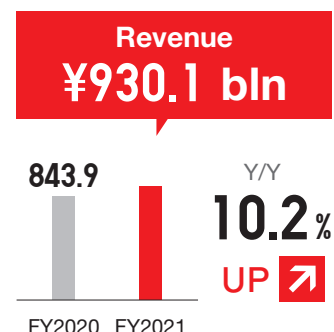
UNIQLO Kungsträdgården Store (Sweden)



UNIQLO Asakusa Store (Japan)

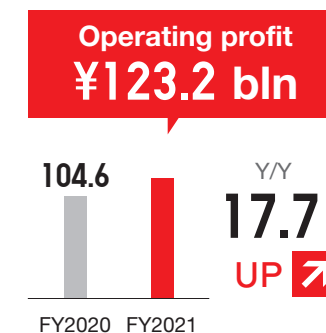
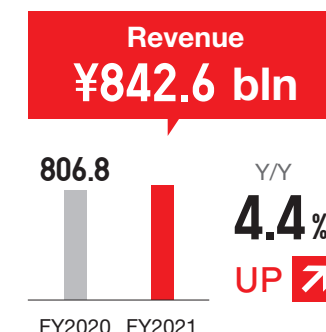
UNIQLO International

- UNIQLO International reported large revenue and profit gains in FY2021 with revenue rising 10.2% year on year to ¥930.1 billion and operating profit expanding 121.4% to ¥111.2 billion.
- FY2021 e-commerce sales expanded favorably, rising approximately 20% year on year to constitute roughly 20% of total sales.
- The Greater China region reported a record performance after generating significant increases in revenue and profit. Revenue rose 16.7% to ¥532.2 billion and operating profit rose 52.7% to ¥100.2 billion. The Mainland China market reported large rises in both revenue and profit.
- South Asia, Southeast Asia & Oceania was hit hard by COVID-19 throughout the year, resulting in a slight fall in revenue and a large decline in profit. However, needs for UNIQLO clothing remain strong in the region, as proven by the sharp sales recovery in areas where the virus was more contained or during periods when we were able to reopen for business.
- Sales recovered sharply in the United States and Europe when Covid restrictions were eased. Our United States operation reported a halving in full-year losses and turned a profit in the second half for the first time. UNIQLO Europe reported a sharp rise in revenue and a move back into the black for the full year. Of particular note, e-commerce sales proved strong, expanding by 70% year on year, and operating profit from our Russia operation more than doubled.
- We aim to shift to profitable frameworks in the US and Europe and further improve profitability through determined reforms of earnings structures.



UNIQLO Japan

- Large full-year revenue and profit gains. FY2021 revenue: 842.6 billion yen (+4.4%), operating profit: 123.2 billion yen (+17.7%) in fiscal 2021. Strong sales, an improved gross profit margin, and more efficient spending helped generate a large profit rise in the first half. Profit declined in the second half however compared to a robust previous year and due to stronger season-end inventory rundowns.
- Full-year same-store sales up 3.6%. Strong sales of core Fall Winter ranges, loungewear and other items in the first half and Uniqlo U T-shirts and KANDO pants in the second half.
- E-commerce sales expanded favorably, rising 17.9% to 126.9 billion yen. E-commerce sales ratio rose from 13.3 to 15.1%.
- Gross profit margin improved 1.4 points on restricted discounting and improved cost of sales. The SG&A ratio improved 0.4 point primarily on lower distribution and advertising and promotion costs.
- From 12 March 2021, we started displaying one tax-inclusive price but kept prices the same by absorbing the consumption-tax component. This move had very little impact on the gross margin thanks to simultaneous efforts with partner factories to improve cost of sales by encouraging the use of common materials, controlling product items, etc.



INTERVIEW

Customer-centric E-commerce

Head of Group Digital Commerce

Masanobu Kusaka

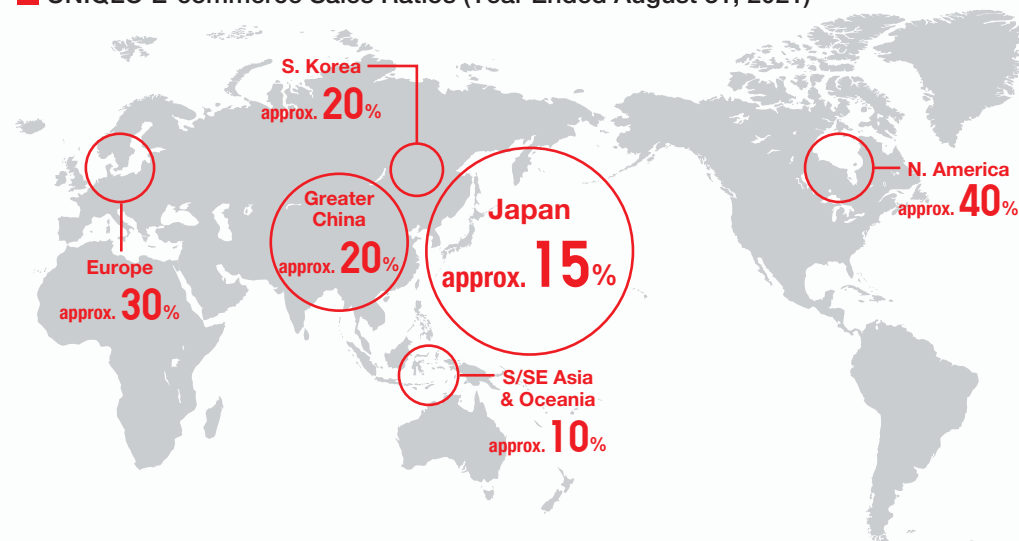


Making E-commerce Our Main Business: A UNIQLO-driven Industrial Revolution

When I was general manager in charge of the launch of UNIQLO's New York Fifth Avenue Store, we were competing with multiple global apparel brands in the vicinity, but I also witnessed the rapid progress of digitalization in the United States and the incessant drive to overturn conventional industrial frameworks. I felt a sense of panic wondering if our opponents or the rules of commerce would change. At that point, our CEO, Mr. Tadashi Yanai, set out his vision for making e-commerce our main business, and I was put in charge of this project when I returned to Japan. I determined to drastically change the positioning of our sales channels at the end of our supply chain and create a business framework that was driven by customers for customers. I didn't just want to sell things. I wanted to create a UNIQLO-propelled, customer-centric industrial revolution that would provide customers with all the products and information they wanted, when they wanted them.

We currently have e-commerce operations in 21 markets that account for approximately 18% of total sales, but we are only just past the starting line and I want to expand the e-commerce sales ratio to roughly 30% as soon as possible.

■ UNIQLO E-commerce Sales Ratios (Year Ended August 31, 2021)



Comprehensive End-to-end E-commerce Service

We used to rely on outsourcing firms for many of our e-commerce functions, but after deciding to operate and manage everything in-house, we are currently transforming our procedures so we can realize our goals quicker. We introduced automated warehouses and moved our warehousing operation in-house. Then, in July 2020, we launched our new proprietary e-commerce platform (system). We have already introduced this platform into 50% of our operations, including Japan, and are making steady progress towards unifying platforms globally. UNIQLO boasts strong product appeal and a global physical store network, so we are utilizing these strengths to create systems that will allow customers worldwide to easily purchase UNIQLO products anytime, anywhere.

In my view, e-commerce is all about marketing. It not only enables us to directly link with individual customers and provide them with tailored optimal information but also to receive feedback and information from customers. Pressing ahead with this shift to a customer-centric e-commerce model will help us understand exactly what our customers are looking for. The decision to create a photography studio on the fourth floor of our Ariake headquarters in 2021 is related to our decision to operate an end-to-end* e-commerce operation ourselves. By positioning the studio on the same floor next to the customer center, we are able to directly reflect opinions from customers and stores in the photographing of our products. Employing our own inhouse camera operators and stylists has enabled us to eradicate lost communication time and do high-quality work quickly. I feel that we are already starting to make a great contribution in terms of boosting customer satisfaction.

There are still many things that we have to do in order to reach our target goal of providing a full end-to-end e-commerce service ourselves. However, we are firmly committed to reforming our systems so we can control all the processes ourselves from product planning through production, distribution, retail, and product delivery. We have a global store network and strong brand power, and I believe our physical store and e-commerce business will truly become one if we can achieve this end-to-end Groupwide transformation.

Our ultimate goal is to become a key piece of vital infrastructure that provides essential clothes for daily living through the pursuit of customer-centric e-commerce. We definitely have the potential to do that. If we don't achieve this goal, we won't be able to become the world's number one brand, or even survive as a company. We are determined to press ahead, fueled by that strong conviction.



Top-class inhouse photography studio in Japan



*Here, end-to-end refers to the entire process from product planning and design through production, distribution, retail, and delivery to customers.

Our Souffle Yarn, Born from Customer Opinion, is Extremely Popular

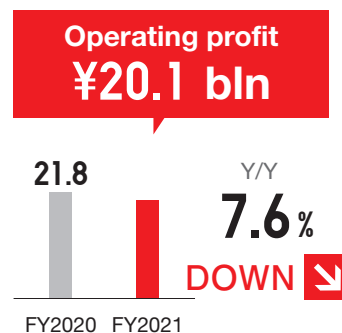
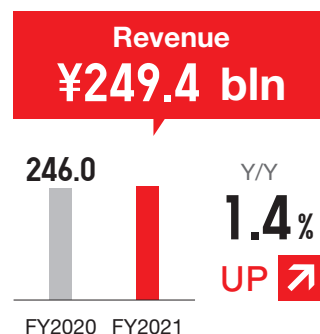
We developed UNIQLO souffle yarn after hearing from customers that they struggled with the general scratchy feel of knitwear. We use a special nap-raising technique that involves brushing at the yarn stage to maintain a soft texture and avoid yarn ends touching the skin, thus creating new knitwear products that are much smoother on the skin. On top of that, the stretchy yarn envelops the wearer for a super cozy, relaxing fit. Not only does souffle yarn feel as soft as a fluffy souffle cake, but it is also renowned for its warmth. With our women's souffle knitwear series proving so popular, we decided to create a souffle yarn series for men too from the 2021 Fall Winter season.





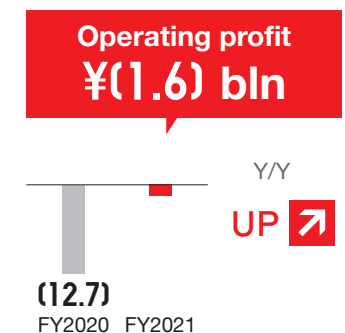
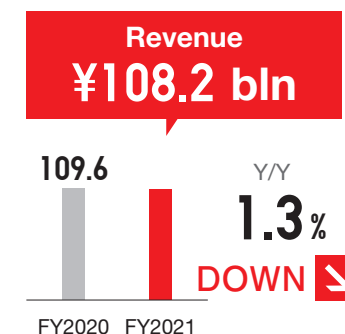
GU

- Full-year revenue rose but profit declined. Revenue: 249.4 billion yen (+1.4%), operating profit: 20.1 billion yen (-7.6%).
- Full-year same-store sales declined slightly. While items such as chef's pants and sweatshirt-like sweaters sold well in the first half, second-half sales fell short of expectations on the adverse impact of Japan's state of emergency, lost sales opportunities caused by shortages of strong-selling items, and some products that did not fully grasp the prevailing fashion trend.
- Gross profit margin declined 0.9 point on stronger season-end inventory rundowns after Spring Summer sales fell short of plan.
- E-commerce sales rose on the back of stronger conveyance of pertinent information to constitute approximately 11% of total sales.
- GU wants people of all ages to be able to enjoy fashion fun, so, in spring 2021, we launched a new collection of baby clothes with the perfect balance of fashion and practicality, as well as new body care products and absorbent feminine hygiene pants developed with female-specific health issues in mind.



Global Brands

- Revenue declined 1.3% to 108.2 billion yen but operating losses contracted markedly from 12.7 billion yen in the previous year to 1.6 billion yen in FY2021 thanks primarily to the recording of a profit from the liquidation of J Brand, Inc. (8.7 billion) and an improved performance from our Theory operation.
- We liquidated J Brand, Inc. in August 2021 and recorded a liquidation profit linked to the weakening of the Japanese yen since the acquisition. The J Brand label will continue to be owned by the Fast Retailing Group and sold through Group brands.
- Theory reported higher revenue and a move back into the black thanks to smaller losses from Theory US, and a strong performance from Theory Asia which reported significant rises in both revenue and profit. Theory Japan revenue and profit declined.
- PLST reported a fall in revenue and an operating loss of similar magnitude to the previous year after the operation struggled to attract customers, especially to urban stores, in the wake of COVID-19.
- Comptoir des Cotonniers revenue declined and operating losses widened due to the adverse impact of prolonged temporary store closures mainly in France.



Creating a Better Future with LifeWear

Fast Retailing Aims to Help Create a Sustainable Society

We seek to use the clothing business to help build a better society. Our LifeWear clothing is the concrete representation of this corporate stance. We deliver high-quality clothing that can be worn for a long time. Clothing that strives to reduce the burden on our planet. Clothing that is made in safe, healthy working environments that firmly uphold human rights.

To contribute to sustainable society development, we aim to coexist prosperously with local communities in all the nations and regions in which we operate, and to help solve social issues. We channel our energies into creating circular societies, maximizing resource efficiency, and building working environments that empower active and enthusiastic employee participation.

We use recycled polyester, which includes 30% recycled PET bottles, in our fluffy fleece products. The soft, warm feel of the fluffy yarn was so popular that we decided to follow up the original men's range with new ranges for women and kids as well.



Environment

Material Area 1 Create New Value Through Products and Services **Material Area 3** Respect the Environment

Seeking to Reduce Environmental Impact Across Our Business

- We have publicly committed to fiscal 2030 targets to reduce greenhouse gas emissions by 90% compared to fiscal 2019 levels in our own stores and major offices and by 20% in the broader raw materials, materials, and sewing production processes for UNIQLO and GU products. These targets have been recognized by international organizations as Science Based Targets (SBT) designed to reduce greenhouse gas emissions in accordance with the Paris Agreement objectives.
- We use the Sustainable Apparel Coalition's environmental assessment index (Higg Index) to assess environmental performance at our main sewing and fabric manufacturing partners in seven areas, including energy, water, and waste, and we work together with factories to reduce environmental impact.
- We are accelerating the development of socially and environmentally friendly products. This includes the development of products using recycled materials and jeans-production technology that greatly reduces the amount of water used during the finishing process.

Environment-conscious Global Store Building

Fast Retailing recognizes the Paris Agreement targets to reduce greenhouse gas emissions by 2050. In 2021, we declared our intention to reduce greenhouse gas emissions at our global stores and major offices by 90% compared to fiscal 2019 levels by 2030 and have been promoting sustainable store creation. We are pressing ahead with the installation of solar panels at roadside UNIQLO and GU stores in Japan. By the end of August 2021, UNIQLO International had completed the switch to renewable energy at all 64 of our European stores in nine countries, and we intend to gradually introduce renewable energy at stores and offices in every country in which we operate from fiscal 2022 onwards.

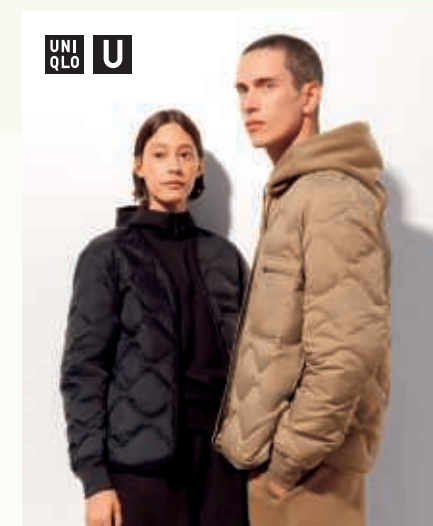
UNIQLO is also working to reduce environmental impact through our store designs and operations. Our use of high-efficiency air conditioners, the introduction of LED lighting, and other energy-saving measures as well as our initiatives on waste separation management have earned high praise. Eight UNIQLO Japan stores obtained LEED Gold® certification status for existing building operation and maintenance issued by the international Leadership in Energy and Environmental Design (LEED®) system for evaluating the environment performance of buildings and site use. We will continue to reduce the environmental impact of our stores going forward by applying the knowledge gained through these initiatives to other stores.

Environment-conscious Product Creation

Fast Retailing works hard to create sustainable, high-quality products. For example, we have been developing recycling-oriented products that make effective use of resources, such as our Dry-EX Polo Shirt and Fluffy Yarn Fleece Full-zip Jacket made partly from polyester recycled from recovered PET bottles, our Recycled Down Jacket that uses 100% down and feathers recycled from collected UNIQLO down products, and our Single-strap Backpack made from 30% recycled nylon produced from yarn discarded during factory manufacturing processes. We are also working to reduce environmental impact by developing 3D knitwear, which produces very little waste yarn because the garment is knitted from a single thread. We have also developed our Blue Cycle innovative jeans production technology that significantly reduces the volume of water used.

Uniqlo U Recycled Down Jacket

We collect UNIQLO down products that customers no longer need in our UNIQLO stores. We then extract the down and feathers using a down separation system developed by Toray Industries, clean them, and reuse them as clothing materials. Since 2019, we have collected approximately 840,000 items of down clothing from 25 countries and regions around the world. Our recycled down jackets made from 100% recycled down and feathers, which we began selling in 2020, have delighted many customers. In 2021, we started using approximately 40% recycled nylon for the jacket's exterior fabric. Using recycled down and feathers enables us to reduce CO2 emissions from the down and feather manufacturing process by approximately 20%.



BLUE CYCLE JEANS

BlueCycle is the name of the technology that was developed at our Jeans Innovation Center in Los Angeles, California to reduce the amount of water used in jeans-finishing processes by up to 99%*. Creating that naturally faded, worn jeans look used to require large volumes of water and hours of manual labor, but we have been able to greatly reduce the burden on the environment and workers. We finished introducing BlueCycle technology into all brands in the Fast Retailing Group in 2020 and are currently expanding production.

*For the 2018 model UNIQLO Men's Regular Fit Jeans, compared to the same products from 2017. The water reduction percentages may differ depending on the product.

Social

- Material Area 1** Create New Value Through Products and Services
- Material Area 2** Respect Human Rights in Our Supply Chain
- Material Area 4** Strengthen Communities
- Material Area 5** Support Employee Fulfillment

Improvements to Help Solve Diverse Social Issues

- We provide concrete support to COVID-19 pandemic countermeasures worldwide.
- We respect the human rights of all people working across our supply chain and support the creation of safe and fair working environments. We conduct audits of human rights violations and working environments at our sewing and fabric partner factories and work with factories to solve any detected issues.
- We encourage diversity and inclusion primarily by promoting gender equality, a diversity of races, ethnicities, and nationalities, and the active participation of people with disabilities, as well as promoting understanding of diverse sexual orientations (LGBTQ+).
- We promote clothing support activities that involve collecting unwanted clothes from customers and donating them to refugees and displaced persons around the world.







Continued Global Support to Combat COVID-19

With the COVID-19 pandemic continuing to pose a major threat to people around the world, Fast Retailing remains committed to helping people facing difficulties or crises, regardless of whether we have stores in the area or not.

We continue to provide proactive clothing support, agreeing with the United Nations Refugee Agency (UNHCR) to donate approximately 1 million items to refugees and international displaced persons in South America and the Middle East (Argentina, Iraq, Egypt, Chile, and Bolivia) at the end of February 2021 and to donate 2 million UNIQLO AIRism masks to children living in refugee situations in Asia (Afghanistan, Iraq, Bangladesh, Pakistan, and Myanmar) on World Refugee Day on June 20. In May 2021, we donated a total of 100 million rupees (approximately 150 million yen) to two non-profit organizations operating in India, where COVID-19 infections were spreading rapidly. This money was used to swiftly provide hospitals with oxygen concentrators and to provide food support to low-income individuals whose lives had been heavily impacted by the virus. Furthermore, we also donated approximately 600,000 UNIQLO AIRism masks to India for distribution to frontline infectious disease response teams

Current Level of Global Support (Since March 2020)

(July 31, 2021)

					
Masks	AIRism masks	Isolation gowns	AIRism innerwear	Essential wear	Financial support
Around 17.7 million	Around 4.5 million	Around 1.4 million	Around 470,000	Around 820,000	USD 3.13 million

Factory Monitoring Protects Human Rights and Working Environments Across Whole Supply Chain

At Fast Retailing, we consider it one of our most important responsibilities to protect the human rights and ensure the mental and physical health, safety, and security of all those who are involved in our business, including our company employees and all workers across our supply chain. In 2018, we established our Human Rights Committee. Since then, we have striven to develop human rights due diligence frameworks (to specify and appraise the risk of human rights abuse across our business activities, implement improvement measures, and promote awareness), identify human rights risks in our company and supply chain, preempt problems, and respond to any issues that arise.

To protect human rights and working environments along our supply chain, we require our partner factories to uphold the Fast Retailing Code of Conduct for Production Partners and we conduct factory monitoring based on that code. As part of our monitoring of working environments, we ask independent organizations to conduct regular inspections with particular reference to items such as human rights violations, working environments, and environmental protection. We ask factory managers to improve any issues that are discovered and provide support to ensure those improvements can be achieved. If we discover an extremely serious offence (E grade), such as child labor or forced labor, we immediately review our business relationship, including a potential cessation of orders, after discussing the offending factory's management and employment conditions in our Business Ethics Committee. We then agree measures with factory managers to eliminate the violation and prevent a reoccurrence. No factory was assigned an E grade in FY2021. A larger number of factories did receive a C grade however owing to stricter checks of occupational health and safety training and work-related disease risk assessments as part of our drive to strengthen risk prevention frameworks. Even during the COVID-19 pandemic, we have continued to offer guidance to factories remotely and work to encourage appropriate improvements.

Fast Retailing has also set up hotlines to enable factory employees to anonymously seek direct advice and to help us fully grasp and eradicate any human rights issues or problems with working environments. Of all the issues brought to our attention through the hotlines in FY2021, 95 were judged to be in violation of the Code of Conduct for Production Partners primarily in relation to wages, working hours, and harassment. Ninety of those cases were fully dealt with within the business year. In addition to these efforts, we also published a list of the major sewing factories for all Fast Retailing brands and the major materials manufacturers for UNIQLO and GU on our website as part of our commitment to promote aggressive disclosure and increase supply chain transparency.

Working environment monitoring results (Evaluation of partner factories)

Grade	Description	FR Group (UNIQLO)		
		FY2019	FY2020	FY2021
A	Zero notable violations	40 (21)	52 (27)	46 (25)
B	Relatively low-risk violations	234 (143)	257 (162)	210 (137)
C	Potential violations of human rights or local occupational health and safety laws (e.g. masks, gloves, or other protective equipment not provided to workers as needed)	239 (103)	237 (84)	261 (101)
D	Major violations of human rights, occupational health and safety, or wage and benefit matters (e.g. locked emergency exits, errors in wage calculations)	71 (18)	66 (12)	65 (28)
E	Major violations, including child labor, forced labor, or other human rights violations; significant violations of occupational health and safety	1 (1)	1 (1)	0 (0)
Numbers of factories monitored		585 (286)	613 (286)	582 (291)

Governance

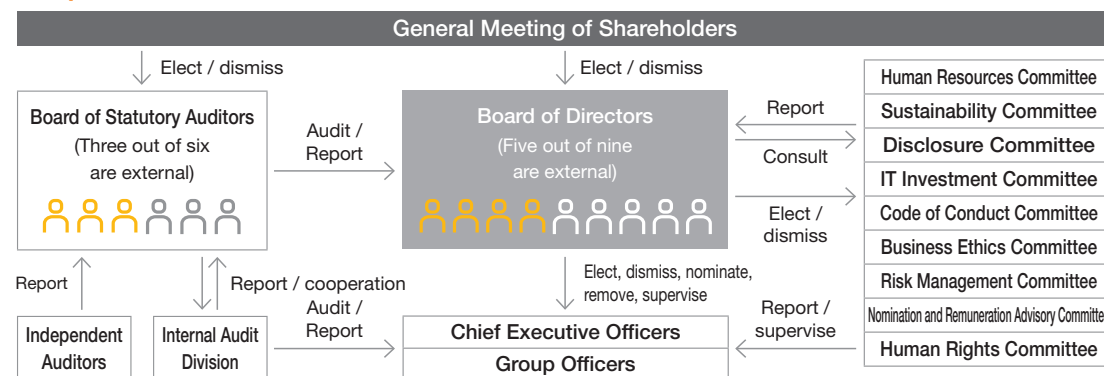
Material Area 6 Corporate Governance

Fast, Highly Transparent Management

- Appointing a majority of external directors to the Board of Directors enhances the independence of the Board and strengthens its supervisory function.
- We established various committees to complement the functioning of the Board and pursue open and active discussions.
- Our Human Rights Committee promotes debate to further strengthen our human rights initiatives.

Corporate Governance Framework

(August 31, 2021)



Composition of Committees

(As at 31 August, 2021)

● Committee Member

		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
Internal Director	Tadashi Yanai	●	●	●	Chairman				Chairman	
	Okazaki	Observer	●	Chairman	●			Chairman		●
	Kazumi Yanai		●							
	Koji Yanai		●							
External Director	Hambayashi	Chairman							●	
	Hattori									
	Shintaku				Observer					
	Nawa	●	●					●		●
Standing Statutory Auditor	Ono								●	
	Tanaka	●	●			●	Observer		●	●
	Shinjo			Observer	Observer		●			
	Mizusawa		●	Observer				Observer		●
External Statutory Auditor	Kaneko	●				●				●
	Kashitani						●		●	
	Mori						Observer			
Number of Group Officers, External Specialists, etc.		2	6	3	5	5	9	9	1	6

Note: The head of the Sustainability Department chairs the Sustainability and the Business Ethics Committees, the head of the Legal Department chairs the Code of Conduct Committee, and an external expert chairs the Human Rights Committee. External Director and Statutory Auditors offer opinions based on their individual areas of expertise.

External Auditor Interview



High-standard Corporate Governance

Keiko Kaneko
External Statutory Auditor

Human Rights Due Diligence Initiatives

In 2011, the United Nations approved its Guiding Principles on Business and Human Rights and asked individual countries to formulate their own action plans accordingly. The move to legislate human rights due diligence has intensified in the United States and Europe as a result. Human rights due diligence refers to the identification, mitigation, and prevention of human rights risks such as discrimination, forced labor, or harassment while conducting business activities (procurement, production, transportation, retail, product disposal, etc.). Through fiscal 2020, Fast Retailing also conducted its own human rights due diligence with our partner factories. Identifying and assessing potential human rights risks and evaluating the impact and likelihood of risks helps us formulate preventative measures and respond appropriately to any risks that do occur. Our Human Rights Committee, of which I am a member, is chaired by an external human rights expert, and is currently pursuing discussions on how to further strengthen our efforts on upholding human rights.

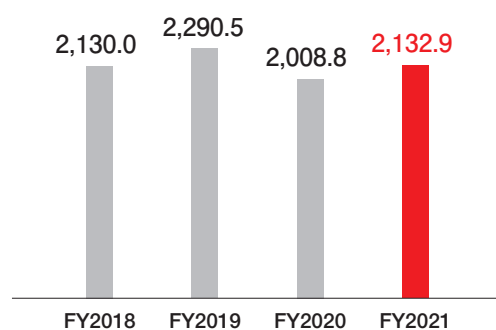
You often hear that modern governance is all about constructing systems, and we do consider what kind of systems to use and how to assign people in the countries and areas in which we operate to achieve the best possible outcome. This process needs to be constantly reviewed, reshaped, and reinforced. Fast Retailing management is always keen to listen to surrounding opinions and advice and switch to even better initiatives. Now that our company enjoys extremely strong brand recognition around the world, I think it is very important to ensure highly transparent governance.

The Importance of Multiple Human Rights Perspectives

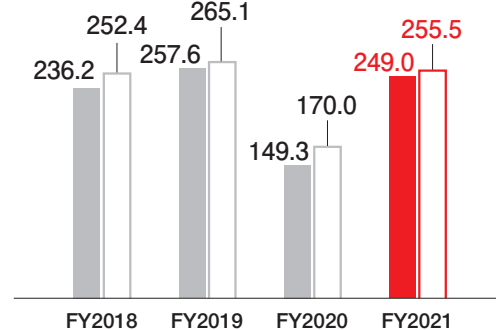
American and European companies often select promising human resources for responsible management experience. Fast Retailing does something similar as a rapidly growing company. The Human Resources Committee, of which I am also a member, discusses the appointment of employees at executive officer level and above before referring them to the Board. While the Human Resources Committee does make some exceptional promotions, we generally select executive officers based on highly objective and transparent human resource evaluations. Human resources are fundamental to FR's business, so I want to strive to make personnel decisions more open, with reference to our management strategy and long-term policy measures.

2 Financial Summary (International Financial Reporting Standards)

■ Revenue (billions of yen)

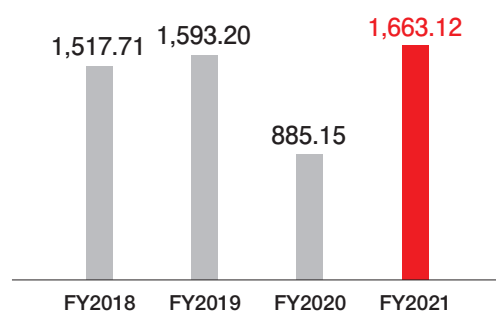


■ Operating profit (billions of yen) □ Business profit (billions of yen)



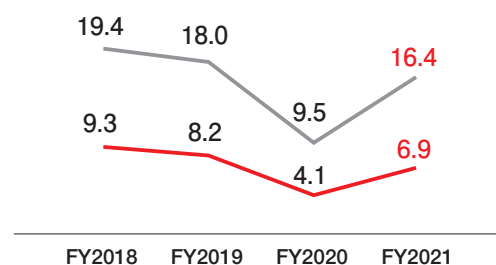
Business profit is calculated by subtracting cost of sales, and selling, general and administrative expenses from revenue.

■ Earning per share (EPS) (Yen)



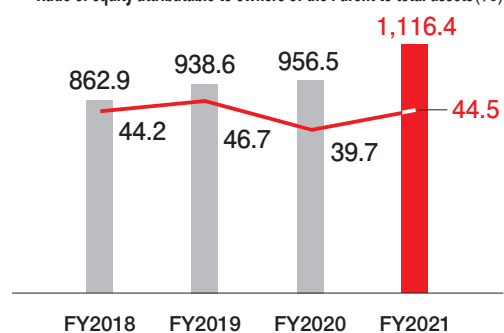
— ROA/Ratio of profit to total assets (%)

— ROE/Ratio of profit to equity attributable to owners of the Parent (%)

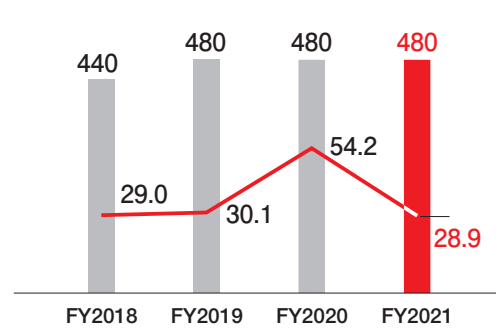


■ Equity attributable to owners of the Parent (billions of yen)

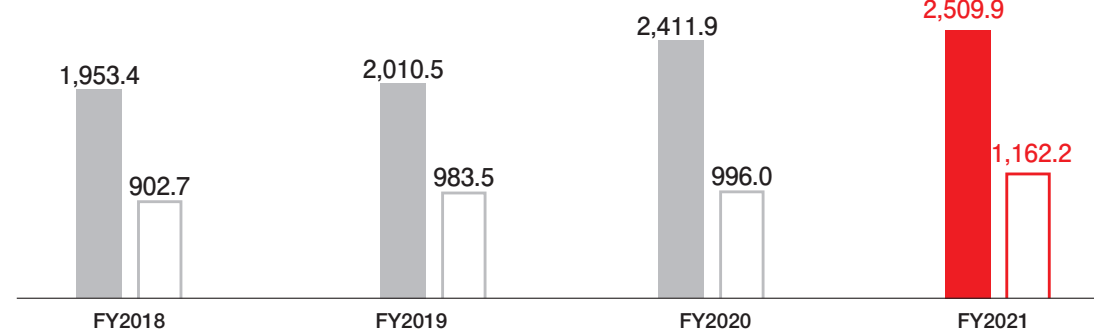
— Ratio of equity attributable to owners of the Parent to total assets (%)



■ Dividend per share (Yen) — Payout ratio (consolidated) (%)



■ Total assets (billions of yen) □ Equity (billions of yen)

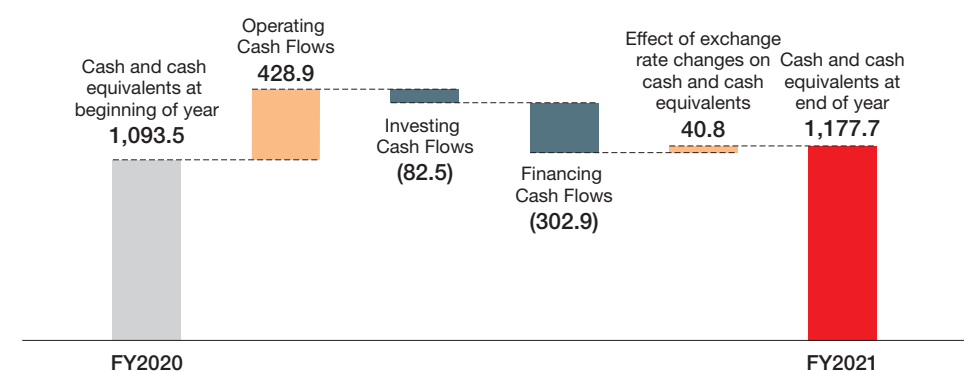


Point of view

Total assets at the end of August 2021 increased by ¥97.9 billion year on year to ¥2,509.9 billion. The principal factors were an increase of 84.2 billion yen in cash and cash equivalents, a decrease of 16.5 billion yen in trade and other receivables, a decrease of 22.6 billion yen in inventories, an increase of 24.2 billion yen in derivative financial assets, an increase of 32.0 billion yen in property, plant and equipment, a decrease of 9.4 billion yen in right-of-use assets, a decrease of 8.3 billion yen in deferred tax assets, and an increase of 6.2 billion yen in other current financial assets.

Equity increased by ¥166.2 billion year on year to ¥1,162.2 billion yen. The principal factors were an increase of 121.4 billion yen in retained earnings, and an increase of 36.2 billion yen in other components of equity.

Cash Flows Information (billions of yen)



Point of view

The balance of cash and cash equivalents expanded ¥84.2 billion to ¥1,177.7 billion. Cash from operating activities stood at ¥428.9 billion thanks to profit contributions from UNIQLO and GU business segments. Cash used in investing activities totaled ¥82.5 billion, which was spent on acquiring property, plant and equipment, and intangible fixed assets. Cash used in financing activities totaled ¥302.9 billion spent on redemption of bonds, lease liabilities repayments and dividend payments.

3 Management Strategy, Business Environment, and Immediate Challenges

Business Policy and Environment

Based on our corporate philosophy: Changing Clothes. Changing common sense. Change the world, Fast Retailing seeks to deliver the joy, happiness, and satisfaction of wearing truly great clothes to all people worldwide.

Our LifeWear (ultimate everyday clothing) epitomizes our clothes creation concept for simple, high-quality clothing that enriches people's lives and is carved from a desire to satisfy everyday life needs. Lifestyles are changing in the wake of the COVID-19 pandemic, and the way that people choose clothes is also changing. We see more customers demanding good-fitting, comfortable clothes and clothes that don't waste precious resources. These changes we are witnessing globally are inspiring greater empathy among many different people with our ultimate LifeWear values. In addition to UNIQLO, other Fast Retailing Group operations such as GU are also developing their own LifeWear ranges to meet their individual customer needs.

The Fast Retailing Group aims to achieve further growth by focusing on expanding our e-commerce business and our UNIQLO International and GU operations. By melding online and physical stores in our main business, we are accelerating the building of a framework that can provide customers with as many products and information when they want them. We have already reformed our business to offer combined physical and online store services and unified inventory management. Our UNIQLO International business segment is accelerating new store openings in each market and, at the same time, opening global flagship and large-format stores in major cities worldwide to encourage deeper understanding of our LifeWear concept. We see particularly strong potential in the region spanning Greater China, Southeast Asia and India as the growth center of the global economy. GU has established a position as the provider of fashion fun at amazingly low prices, and is currently expanding its business primarily in Japan.

The most important thing for us is that our business growth also leads to the sustainable social and environmental development. The world is facing many serious problems, such as the COVID-19 pandemic, widening income gaps, refugee problems, racism, and climate change. The spread of COVID-19 and the enormous impact of climate change on people's lives and economic activity are especially significant issues requiring a swift response. Human rights are also one of the most important issues. We take our commitment to help create a better society and a better future through our business activities very seriously.

We are focusing particularly on the following issues:

Issues We Need to Address

(1) Combatting COVID-19

Our highest priority is to protect the health and livelihoods of our customers, employees, production partners, and local communities. As such, we have introduced measures at our stores and head offices to prevent the spread of COVID-19 and are supporting partner factories. We are also donating medical masks, isolation gowns, AIRISM and HEATTECH products to support people in need or facing crisis around the world, and we intend to continue doing whatever we can to help through our clothing business.

(2) Promoting Sustainability Activities

We are working to achieve our goals in each of our priority areas in order to help create a sustainable world through our business activities. We have determined and are currently working to achieve our CO2 reduction targets for 2030 to help combat climate change. We are also strengthening our initiatives regarding human rights violations along the supply chain, working environments, and environmental conservation issues. In addition to our current regular auditing of sewing factories and fabric producers, we are seeking to establish greater traceability right back to the initial raw materials stage.

(3) Progressing our Transformative Ariake Project

We are pursuing our transformative Ariake Project to help transform ourselves into a true digital consumer retailing company that understands exactly what customers want right now and instantly turns those desires into products for speedy delivery. We intend to develop products spurred by customer opinion, achieve more accurate demand forecasting and inventory control, shorten lead times on additional production orders, and progress supply chain reform of our logistical systems through the introduction of automated warehouses. At the same time, we are working to expand our e-commerce operations by successfully merging our physical and e-commerce store networks and offering more extensive services.

(4) Making E-commerce Our Pillar Business

We are seeking to meld e-commerce and physical store services in our main business to help expand online sales. In addition to strengthening two-way communication with customers, we are working on measures to make shopping more convenient, such as building a new framework that integrates physical and online stores and unifying inventory. We are also progressing with the introduction of automated warehouses and proprietary e-commerce platforms and are establishing systems to further expand sales.

(5) Advancing our LifeWear Ultimate Everyday Clothing

We intend to continue creating world-class LifeWear to meet the everyday needs of customers of all ages worldwide. We not only use fashion-related information collected worldwide, but also customer opinions voiced in our stores and via our e-commerce operations to improve products and develop new products. We intend to strengthen our ability to develop LifeWear that meets customer needs not only at UNIQLO, but at GU and other Group brands as well.

(6) Further Expansion of UNIQLO International

UNIQLO International is the key driver of Group growth. We intend to continue the segment's high growth by accelerating new store openings in the Greater China and Southeast Asia & Oceania regions. Thanks to cost structure reforms, we now have a system in place for encouraging an early move into the black for our North American UNIQLO operation and improved profitability in Europe. We intend to expand our business in North America and Europe by compiling product ranges that meet local customer needs and seeking to expand e-commerce operations.

(7) Further Growth for UNIQLO Japan

UNIQLO Japan is seeking to promote further growth by developing products to suit changing lifestyles and creating new forms of customer contact that better combine physical and online store offerings. We are looking to deploy our scrap and build policy of replacing less profitable stores with better located ones so we can build a store network that is better suited to today's new ways of living. We also intend to provide a better shopping experience by deepening local store management with steadfast community roots and developing product ranges and services that fully satisfy local demand.

(8) Expanding GU Operation

GU's strength lies in low-priced fun fashion, but we are aiming to polish its ability to develop products that perfectly capture mass fashion trends, improve the accuracy of product planning, and establish a production system that boasts shorter lead times. We are also working to strengthen GU's development of even more competitive low-priced products by reforming the operation's materials procurement and production processes. We plan to continue opening more GU stores in Japan and press ahead with store openings in Greater China and other international markets.

(9) Promote management framework driven by Global One and Zen-in Kei principles

We have been actively promoting Global One and Zen-in Keiei management principles, which encourage the use of the best available global methods and a self-motivated, united global approach to any challenge, to strengthen UNIQLO, GU, Theory and other Group brands worldwide. In order to instill these management principles while also unifying business processes across the Group, we are strengthening employee training in the Fast Retailing spirit and approach to business execution. We are also working to actively recruit talented human resources and nurture resources from around the world in order to nurture future managers and leaders.

4 Major Subsidiaries (as at 31 August 2021)

Name	Nominal value of issued ordinary / registered share capital (thousands)	Ownership Ratio of Voting Rights	Details of Main Business	Location
UNIQLO CO., LTD.	JPY1,000,000	100.0%	UNIQLO Japan	Yamaguchi/ Tokyo
FAST RETAILING (CHINA) TRADING CO., LTD.*	USD20,000	100.0%	UNIQLO International	People's Republic of China ("PRC")
UNIQLO TRADING CO., LTD.*	USD30,000	100.0%	UNIQLO International	PRC
FAST RETAILING (SHANGHAI) TRADING CO., LTD. *	USD35,000	100.0%	UNIQLO International	PRC
FRL Korea Co., Ltd.	KRW24,000,000	51.0%	UNIQLO International/GU	South Korea
FAST RETAILING (SINGAPORE) PTE. LTD.	SGD86,000	100.0%	UNIQLO International	Singapore
UNIQLO (THAILAND) COMPANY LIMITED	THB1,200,000	75.0% (75.0%)	UNIQLO International	Thailand
PT. FAST RETAILING INDONESIA	IDR115,236,000	75.0% (75.0%)	UNIQLO International	Indonesia
UNIQLO AUSTRALIA PTY LTD	AUD21,000	100.0% (100.0%)	UNIQLO International	Australia
Fast Retailing USA, Inc.	USD1,681,621	100.0%	UNIQLO International /Global Brands	United States of America ("USA")
UNIQLO EUROPE LTD	GBP40,000	100.0%	UNIQLO International	United Kingdom
UNIQLO VIETNAM Co., Ltd	USD15,800	75.0% (75.0%)	UNIQLO International	Vietnam
UNIQLO INDIA PRIVATE LIMITED	INR2,000,000	100.0%	UNIQLO International	India
G.U. CO., LTD.	JPY10,000	100.0%	GU	Yamaguchi/ Tokyo
GU (SHANGHAI) TRADING Co.,LTD.	USD20,000	100.0%	GU	PRC
FAST RETAILING FRANCE S.A.S.	EUR101,715	100.0%	Global Brands	France
Theory LLC	USD116,275	100.0% (100.0%)	Global Brands	USA
PLST CO., LTD.	JPY10,000	100.0%	Global Brands	Yamaguchi/ Tokyo
COMPTOIR DES COTONNIERS S.A.S.	EUR24,593	100.0% (100.0%)	Global Brands	France
PRINCESSE TAM TAM S.A.S.	EUR20,464	100.0% (100.0%)	Global Brands	France

(Note) The figure in parentheses in the "Ownership Ratio of Voting Rights" column indicates the ratio of voting rights held by the Group subsidiary.

J Brand Inc. has been excluded from the Fast Retailing Group consolidated scope following the completion of corporate liquidation proceedings on August 5, 2021.

● Main facilities of the Company (FAST RETAILING CO., LTD.) are located in Yamaguchi and Tokyo.

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

5 Capital Expenditures

(billions of yen)

	UNIQLO Japan	UNIQLO International	GU	Global Brands	System etc.	Total
Capital Expenditures	15.7	38.5	3.8	1.8	40.7	100.6

2. COMPANY

1 COMPANY OFFICERS

(1) Directors and Statutory Auditors (as at 31 August 2021)

Position and Responsibilities	Name	Other Significant Concurrent Offices Held
Representative Director; Chairman, President & CEO	Tadashi Yanai	External Director, Nippon Venture Capital Co., Ltd. Chairman, Fast Retailing Foundation Chairman, President and CEO, UNIQLO CO., LTD. and director or executive officer at 17 other subsidiaries of the Company
Director	Toru Hambayashi	Advisor, The Association for the Promotion of International Trade, Japan
Director	Nobumichi Hattori	Visiting Professor, Waseda Business School (Graduate School of Business and Finance) External Statutory Auditor, Frontier Management Inc. External Director, Hakuhodo DY Holdings Inc. Visiting Professor, Graduate School of Business Administration, Keio University
Director	Masaaki Shintaku	Counselor, Special Olympics Nippon Foundation External Director, NTT DOCOMO, INC. External Director, NTT Communications Corporation
Director	Takashi Nawa	Visiting Professor, Hitotsubashi ICS President, Genesys Partners External Director, NEC Capital Solutions Limited External Director, Ajinomoto Co., Inc. External Director, Sompo Holdings, Inc. Visiting Professor, Kyoto University of Advanced Science
Director	Naotake Ono	
Director	Takeshi Okazaki	Councilor, Fast Retailing Foundation Chairman, FAST RETAILING (CHINA) TRADING CO., LTD President, FAST RETAILING FRANCE SAS CEO, Fast Retailing USA, Inc. Director of UNIQLO Co., Ltd., and director or executive officer at 22 other subsidiaries of the Company
Director	Kazumi Yanai	Director of LINK THEORY JAPAN CO., LTD. Chairman of Theory LLC Chairman of UNIQLO USA LLC and director or executive officer at 15 other subsidiaries of the Company
Director	Koji Yanai	
Standing Statutory Auditor	Akira Tanaka	Councilor, Special Olympics Nippon Foundation Councilor, Fast Retailing Foundation
Standing Statutory Auditor	Masaaki Shinjo	Auditor, FAST RETAILING (CHINA) TRADING CO., LTD. and 4 other subsidiaries of the Company
Standing Statutory Auditor	Masumi Mizusawa	Statutory Auditor, LINK THEORY JAPAN CO., LTD.
Statutory Auditor	Keiko Kaneko	Partner, Anderson Mori & Tomotsune LPC Statutory Auditor, UNIQLO CO., LTD. External Statutory Auditor, The Asahi Shimbun Company External Director, Daifuku Co., Ltd.
Statutory Auditor	Takao Kashitani	Director, Brain Group (Kashitani Accounting Office) President, Brain Core Co., Ltd. President, FP Brain Co., Ltd. External Director, Japan Freight Railway Company
Statutory Auditor	Masakatsu Mori	Special Advisor, International University of Japan External Director, YAMATO HOLDINGS CO., LTD. External Director, Kirin Holdings Company, Limited External Director, Stanley Electric Co., Ltd.

(Notes)

1. Directors Toru Hambayashi, Nobumichi Hattori, Masaaki Shintaku, Takashi Nawa, and Naotake Ono are External Directors as provided for in Article 2, Paragraph 15 of the Companies Act, and are registered at the Tokyo Stock Exchange to serve as independent officers.
2. Representative Director Tadashi Yanai and Directors Takeshi Okazaki and Kazumi Yanai serve as directors of UNIQLO CO., LTD. and other Group subsidiary firms, and the Company has signed contracts with each of these companies regarding the use of their brands, etc.
3. Directors Tadashi Yanai and Takeshi Okazaki serve as Chairman and Councilor respectively on the Fast Retailing Foundation. Fast Retailing has concluded a contract with the Foundation pertaining to the lease of office space, etc.
4. Statutory Auditors Keiko Kaneko, Takao Kashitani and Masakatsu Mori are External Statutory Auditors as provided for in Article 2, Paragraph 16 of the Companies Act, and are registered with the Tokyo Stock Exchange to serve as independent officers.
5. Statutory Auditors Takao Kashitani and Masakatsu Mori are certified public accountants with considerable knowledge in financial matters and accounting.
6. External Statutory Auditor Keiko Kaneko also serves as External Director for Daifuku Co., Ltd. with which the Company and Group subsidiary conduct business relating to warehouse automation equipment.
7. UNIQLO CO., LTD., LINK THEORY JAPAN CO., LTD., and FAST RETAILING (CHINA) TRADING CO., LTD. are wholly owned subsidiaries of the Company.
8. There are no special interests between the Company and any of the other companies at which the above Directors and Statutory Auditors hold concurrent positions.

(2) Outline of the Agreements for Limitation of Liability

The Company has entered into agreements with the External Directors and External Statutory Auditors 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 limit of liability in damages for all External Directors and External Statutory Auditors shall be limited to the higher amount of either 5,000,000 yen or the amount stipulated by law.

(3) Total Amount of Remuneration for Directors and Statutory Auditors for Fiscal Year Ended August 31, 2021

1. Policy and Process for Determining Director Remuneration

The maximum annual remuneration for directors has been capped at the 2,000 million yen figure (including an annual figure of 60 million yen for external directors) determined by shareholder resolution at the 58th annual general meeting of shareholders held on November 28, 2019 (the resolution covers nine directors of which five are external directors). Meanwhile, the maximum annual remuneration for statutory auditors is capped at 100 million yen as determined by shareholder resolution at the 42nd annual general meeting of shareholders held on November 26, 2003 (the resolution covers five statutory auditors).

The Company, with reference to the appropriate shareholder resolutions, determines the composition of individual directors' compensation at Board of Directors' meetings according to the policy detailed below.

Remuneration for internal directors (i.e. directors who are not external directors) is made up of a basic compensation component, which is a fixed sum, and a performance-related compensation component, which takes into account the performance of the director in question as well as other factors.

The basic remuneration component is calculated according to a predefined compensation table based on each individual's grade within the company determined with reference to various factors including the internal director's job description, level of responsibility, performance, and contribution to the company. The individual grade for each internal director is discussed in the Nomination and Remuneration Advisory Committee, which is made up primarily of external directors and external statutory auditors, and then decided by the Board of Directors.

The performance-related remuneration component consists of short-term and long-term performance-related compensation elements. Each element is calculated according to a predefined table based on an evaluation of each internal director's performance during a set period and is debated by the above-mentioned Nomination and Remuneration Advisory Committee. The final decision on remuneration is then made by company president, CEO and chairman Tadashi Yanai, who has the confidence of the Board of Directors, within the predetermined overall remuneration limits approved by the annual general meeting of shareholders.

External director remuneration is fixed at an annual figure of 10 million yen. The fixed amount is decided by company president, CEO and chairman Tadashi Yanai, who has the confidence of

the Board of Directors regarding the determination of individual director remuneration totals within the predetermined overall remuneration limits approved by the annual general meeting of shareholders.

As stated above, the Board of Directors delegates the determination of individual director remuneration, etc. to company president, CEO and chairman Tadashi Yanai. We believe that authority is appropriately exercised when determining remuneration etc. for individual directors given the fact that all decisions are made following discussions in the Nomination and Remuneration Advisory Committee, which comprises mainly external directors and external statutory auditors.

Individual director remuneration for the fiscal year ended August 31, 2021 was determined in accordance with the above-mentioned process. In addition, the Board of Directors judged the composition of director remuneration, etc. for the said fiscal year to have been determined according to the above-mentioned policy.

Remuneration for internal directors whose principal duties are to serve as officers of the Company's consolidated subsidiaries is paid by the relevant consolidated subsidiaries.

2. Total Remuneration Including Compensation for Each Director Classification at the Company, Remuneration by Type, and Number of Recipient Directors

Director Classification	Company Classification	Total Remuneration, etc. (Millions of Yen)	Total Amount of Remuneration, etc. by Category (Millions of Yen)			Number of Recipient Directors
			Basic Remuneration	Short-term Performance Component	Long-term Performance Component	
Directors (Excluding External Directors)	Parent	612	379	220	13	4
	Subsidiary	206	139	48	18	
External Directors	Parent	50	50	—	—	5
Statutory Auditors (Excluding External Statutory Auditors)	Parent	50	50	—	—	3
External Statutory Auditors	Parent	31	31	—	—	4
	Subsidiary	4	4	—	—	

① The performance-related remuneration figures are provisional calculations made prior to the evaluation of results for the fiscal year ended August 31, 2021 after accounting for costs. The actual amounts paid are calculated and decided based on performance evaluations of individual directors.

② Consolidated Remuneration for Individual Directors Totalling 100 Million Yen or Above

Name	Total Remuneration (Millions of Yen)	Total Amount of Remuneration, etc. by Category (Millions of Yen)		
		Basic Remuneration	Short-term Performance Component	Long-term Performance Component
Representative Director, Tadashi Yanai	400	240	160	—
Director, Takeshi Okazaki	202	129	60	13
Director, Kazumi Yanai	115	90	18	6
Director, Koji Yanai	100	59	30	11

(Note) As described in Sentence 4 below, Short-term performance-related remuneration is calculated based on the previous year's performance.

3. Major Employee Salary for Employees Who Also Serve as Directors

Non applicable

4. Details of Methods for Determining Director Remuneration Amounts

- (1) Remuneration for statutory auditors is calculated within the total amount approved by the general meeting of shareholders as explained above and then discussed and decided by statutory auditors.
- (2) The company president, CEO and chairman Tadashi Yanai decides a fixed annual remuneration for external directors within the above-mentioned total amount approved by the general meeting of shareholders.
- (3) Remuneration for internal directors consists of two elements: (1) basic remuneration and (2) performance-related remuneration (short-term and long-term performance-related remuneration) as detailed below. Individual remuneration amounts are based on the totals calculated using the method detailed below and discussed in the Nomination and Remuneration Advisory Committee before being finally decided by the company president, CEO and chairman Tadashi Yanai within the above-mentioned total amount approved by the general meeting of shareholders.

(Basic remuneration)

Calculated using a predefined remuneration table based on the employment grade of each individual internal director and paid in even monthly installments.

(Short-term performance-related remuneration)

The targeted short-term performance-related remuneration amount is determined according to a table of short-term performance-related remuneration by employee grade. It is calculated according to the following payment standard table after selecting a ranking from five available levels generated by our target management system to reflect the degree of target achievement during the previous fiscal period. The target management system determines targets based on corporate performance, organizational, and individual director targets.

Evaluation	Definition	Rate v. Target
A	Far exceeded targets and showed many excellent courses of action	200%
AB	Achieved targets and showed excellent course of action	150%
B	Achieved targets or displayed excellent course of action tantamount to achieving targets	100%
BC	Did not achieve target but displayed efforts to progress to the next level	75%
C	Did not achieve target and took insufficient anticipated action	50%

(Long-term performance-related remuneration)

The targeted long-term performance-related remuneration amount is determined according to a table of short-term performance-related remuneration per employee grade.

- A. A total equivalent to one third of the long-term performance-related remuneration amount is considered to relate to Fast Retailing's corporate value and is therefore allocated in phantom stock which are tied to the company's spot share price. Phantom stocks are a cash-based remuneration linked to the company share price, which are automatically executed three years after they were granted as a cash payment based on the company's share price on the day of execution. The company does not pay dividends or dividend-equivalent amounts.
- B. A total equivalent to two thirds of the long-term performance-related remuneration amount is paid in cash as an incentive to improve strategy and performance at the particular operational unit for which an individual director is responsible. The total is calculated based on a performance evaluation of the operational units directed by the individual three years after the initial target setting.
 - B-1: 50% of the cash payment is based on quantitative targets. The total is determined by multiplying the targeted amount by an operational coefficient calculated based on a predefined table of standards that indicates the rate of attainment of planned operating profit totals over the preceding three years at each operational unit, and the unit's operating profit margin.
 - B-2: 50% of the cash payment is based on qualitative targets. The total is calculated based on the below table of payment standards after evaluating the degree of attainment of medium-term (three-year) targets set out in the year the long-term performance-related remuneration was granted.

Evaluation	Definition	Rate v. Target
A	Far exceeded targets and showed many excellent courses of action	200%
AB	Achieved targets and showed excellent course of action	150%
B	Achieved targets or displayed excellent course of action tantamount to achieving targets	100%
BC	Did not achieve target but displayed efforts to progress to the next level	75%
C	Did not achieve target and took insufficient anticipated action	50%

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

Fast Retailing 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 Company's 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.

2 Policy on Determination of Dividends from Surplus

Fast Retailing considers the return of a portion of profits to shareholders to be a top priority and pursues a fundamental policy of ensuring constant improvements in corporate performance and offering a consistent and appropriate shareholder dividend commensurate to that performance. We consistently pay a high dividend after considering the funds required to expand Group operations, increase profits, and maintain financial soundness.

Having considered the company's corporate performance over the past year in line with the above policy and obtained approval at the Board of Directors meeting, Fast Retailing paid a year-end dividend of 240 yen per share in FY2021. That combined with an interim dividend of 240 yen per share generated an annual dividend for FY2021 of 480 yen per share, the same level as in FY2020.

Consolidated Financial Statements (IFRS)

Consolidated Statement of Financial Position (As at 31 August 2021)

(Millions of yen)

Item	As at 31 August 2020	As at 31 August 2021	Item	As at 31 August 2020	As at 31 August 2021
Assets			Liabilities		
Current assets	1,655,191	1,724,674	Current liabilities	647,455	581,012
Cash and cash equivalents	1,093,531	1,177,736	Trade and other payables	210,747	220,057
Trade and other receivables	67,069	50,546	Other financial liabilities	213,301	104,969
Other financial assets	49,890	56,157	Derivative financial liabilities	2,763	2,493
Inventories	417,529	394,868	Lease liabilities	114,652	117,083
Derivative financial assets	14,413	27,103	Current tax liabilities	22,602	38,606
Income taxes receivable	2,126	2,992	Provisions	752	2,149
Other assets	10,629	15,270	Other liabilities	82,636	95,652
Non-current assets	756,799	785,302	Non-current liabilities	768,455	766,665
Property, plant and equipment	136,123	168,177	Financial liabilities	370,780	370,799
Right-of-use assets	399,944	390,537	Lease liabilities	351,526	343,574
Goodwill	8,092	8,092	Provisions	32,658	39,046
Intangible assets	66,833	66,939	Deferred tax liabilities	7,760	9,860
Financial assets	67,770	67,122	Derivative financial liabilities	3,205	1,042
Investments in associates accounted for using the equity method	14,221	18,236	Other liabilities	2,524	2,342
Deferred tax assets	45,447	37,125	Total liabilities	1,415,910	1,347,678
Derivative financial assets	10,983	22,552	Equity	996,079	1,162,298
Other assets	7,383	6,520	Equity attributable to owners of the Parent	956,562	1,116,484
			Capital stock	10,273	10,273
			Capital surplus	23,365	25,360
			Retained earnings	933,303	1,054,791
			Treasury stock, at cost	(15,129)	(14,973)
			Other components of equity	4,749	41,031
			Non-controlling interests	39,516	45,813
Total assets	2,411,990	2,509,976	Total liabilities and equity	2,411,990	2,509,976

(Note) Amounts are rounded down to the nearest million Japanese Yen.

Consolidated Statement of Profit or Loss (Year ended 31 August 2021)

(Millions of yen)

Item	Year ended 31 August 2020	Year ended 31 August 2021
Revenue	2,008,846	2,132,992
Cost of sales	(1,033,000)	(1,059,036)
Gross profit	975,845	1,073,955
Selling, general and administrative expenses	(805,821)	(818,427)
Other income	7,954	18,238
Other expenses	(28,952)	(25,315)
Share of profit and loss of associates accounted for using the equity method	321	561
Operating profit	149,347	249,011
Finance income	11,228	23,859
Finance costs	(7,707)	(6,998)
Profit before income taxes	152,868	265,872
Income taxes	(62,470)	(90,188)
Profit for the year	90,398	175,684
Profit for the year attributable to:		
Owners of the Parent	90,357	169,847
Non-controlling interests	40	5,836
Total	90,398	175,684

(Note) Amounts are rounded down to the nearest million Japanese Yen.

Financial Statements

Balance Sheet (As at 31 August 2021)

			(Millions of yen)		
Item	As at 31 August 2020	As at 31 August 2021	Item	As at 31 August 2020	As at 31 August 2021
Assets			Liabilities		
Current assets	828,625	841,061	Current liabilities	147,652	39,295
Cash and deposits	569,322	589,833	Current portion of corporate bonds	100,000	—
Operating accounts receivable	30,174	40,936	Accounts payable	10,290	6,335
Securities	145,965	146,449	Accrued expenses	2,005	5,463
Short-term loans receiv- able from subsidiaries and associates	58,624	38,039	Deposits received	22,919	21,156
Accounts receivable from subsidiaries and associates	18,863	24,778	Provision for bonuses	2,621	3,193
Others	5,677	5,772	Income taxes payable	8,597	598
Allowance for doubtful accounts	(1)	(4,747)	Others	1,217	2,548
Non-current assets	234,731	259,336	Non-current liabilities	376,749	393,532
Property, plant and equip- ment	19,104	22,779	Corporate bonds payable	370,000	370,000
Buildings	12,928	20,154	Lease obligations	588	15,680
Structures	108	102	Guarantee deposits received	3,385	3,395
Furniture, fixtures, and vehicles	948	1,174	Provision for loss on guarantees	394	435
Land	1,123	1,123	Provision for loss on business of subsidiaries and associates	466	341
Leased assets	878	219	Others	1,913	3,679
Construction in progress	3,116	5	Total liabilities	524,402	432,828
Intangible assets	49,126	50,291	Net assets		
Software	45,959	47,174	Shareholders' equity	532,279	660,507
Software in progress	3,153	3,106	Capital stock	10,273	10,273
Others	14	10	Capital surplus	12,364	14,166
Investments and other assets	166,500	186,265	Legal capital surplus	4,578	4,578
Investment securities	1,318	969	Other capital surplus	7,786	9,587
Shares of subsidiaries and associates	131,482	140,848	Retained earnings	524,769	651,040
Investments in capital of subsidiaries and associates	9,251	9,251	Legal retained earnings	818	818
Long-term loans receiv- able from subsidiaries and associates	18,414	14,779	Other retained earnings	523,951	650,222
Leases and guarantee deposits	6,300	6,202	General reserve	185,100	185,100
Deferred tax assets	3,460	4,847	Retained earnings brought forward	338,851	465,122
Lease receivables	—	15,587	Treasury stock	(15,129)	(14,973)
Others	407	46	Valuation and translation adjustments	(566)	(338)
Allowance for doubtful accounts	(4,134)	(6,265)	Valuation differences on available-for-sale securities	(566)	(338)
Total assets	1,063,356	1,100,398	Share subscription rights	7,241	7,400
			Total net assets	538,954	667,569
			Total liabilities and net assets	1,063,356	1,100,398

(Note) Amounts are rounded down to the nearest million Japanese Yen.

Statement of Income (Year ended 31 August 2021)

			(Millions of yen)	
Item	Year ended 31 August 2020	Year ended 31 August 2021		
Operating revenue	156,356	278,605		
Operating expenses	81,039	87,162		
Operating profit	75,316	191,442		
Non-operating income	4,975	18,776		
Interest income	4,592	1,054		
Interest on securities	92	16		
Foreign exchange gains	93	17,590		
Others	196	115		
Non-operating expenses	2,079	1,997		
Interest expenses	2,022	1,951		
Others	57	46		
Ordinary profit	78,211	208,221		
Extraordinary income	43	864		
Gain on sale of investment securities	—	739		
Reversal of provision for loss on business of subsidiaries and affiliates	43	125		
Extraordinary losses	13,159	26,684		
Losses on retirement of non-current assets	316	4		
Loss on valuation of shares of subsidiaries and associates	6,688	19,432		
Provision of allowance for doubtful accounts for subsidiaries and associates	3,083	6,876		
Loss on valuation of investment securities	1,713	330		
Impairment losses	13	—		
Transfer pricing adjustment	1,065	—		
Others	278	40		
Profit before income taxes	65,096	182,401		
Income taxes – current	3,066	8,540		
Income taxes – deferred	(392)	(1,424)		
Profit	62,422	175,286		

(Note) Amounts are rounded down to the nearest million Japanese Yen.

INDEPENDENT AUDITOR'S REPORT	
25 October, 2021	
To the Board of Directors of FAST RETAILING CO., LTD.:	
Deloitte Touche Tohmatsu LLC Tokyo office	
Designated Engagement Partner, Certified Public Accountant:	Koichi Okubo
Designated Engagement Partner, Certified Public Accountant:	Hirofumi Otani
<p>Opinion</p> <p>Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of FAST RETAILING CO., LTD. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as at 31 August 2021, and the consolidated statement of profit or loss and consolidated statement of changes in equity for the fiscal year from 1 September 2020 to 31 August 2021, and the related notes.</p> <p>In our opinion, the accompanying consolidated financial statements, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the consolidated financial position of the Group as at 31 August 2021, and its consolidated financial performance for the year then ended.</p> <p>Basis for Opinion</p> <p>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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, 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.</p> <p>Responsibilities of Management and Statutory Auditors and the Board of Statutory Auditors for the Consolidated Financial Statements</p> <p>Management is responsible for the preparation and fair presentation of the consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, 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.</p> <p>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 pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards.</p> <p>Statutory Auditors and the Board of Statutory Auditors are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.</p> <p>Auditor's Responsibilities for the Audit of the Consolidated Financial Statements</p> <p>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. 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.</p> <p>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:</p> <ul style="list-style-type: none">• 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. 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 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 whether the overall presentation and disclosures of the consolidated financial statements are pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, as well as 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.• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. <p>We communicate with Statutory Auditors and the Board of Statutory Auditors 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.</p> <p>We also provide Statutory Auditors and the Board of Statutory Auditors 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, related safeguards.</p> <p>Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan</p> <p>Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.</p> <p>Notes to the Readers of Independent Auditor's Report</p> <p>This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.</p>	

INDEPENDENT AUDITOR'S REPORT	
25 October, 2021	
To the Board of Directors of FAST RETAILING CO., LTD.:	
Deloitte Touche Tohmatsu LLC Tokyo office	
Designated Engagement Partner, Certified Public Accountant:	Koichi Okubo
Designated Engagement Partner, Certified Public Accountant:	Hirofumi Otani
<p>Opinion</p> <p>Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements of FAST RETAILING CO., LTD. (the "Company"), namely, the balance sheet as at 31 August 2021, and the statement of income and the statement of changes in net assets for the 60th fiscal year from 1 September 2020 to 31 August 2021, and notes to the financial statements and the accompanying supplemental schedules.</p> <p>In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 August 2021, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.</p> <p>Basis for Opinion</p> <p>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 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, 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.</p> <p>Responsibilities of Management and Statutory Auditors and the Board of Statutory Auditors for the Financial Statements</p> <p>Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the 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.</p> <p>Statutory Auditors and the Board of Statutory Auditors 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.</p> <p>Auditor's Responsibilities for the Audit of the Financial Statements</p> <p>Our objectives are to obtain reasonable assurance about whether the 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 financial statements.</p> <p>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:</p> <ul style="list-style-type: none">• Identify and assess the risks of material misstatement of the 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 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 financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. <p>We communicate with Statutory Auditors and the Board of Statutory Auditors 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.</p> <p>We also provide Statutory Auditors and the Board of Statutory Auditors 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, related safeguards.</p> <p>Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan</p> <p>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.</p> <p>Notes to the Readers of Independent Auditor's Report</p> <p>This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.</p>	

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Report by the Board of Statutory Auditors

AUDIT REPORT

With respect to the directors' performance of their duties during the 60th fiscal year (from 1 September 2020 to 31 August 2021), the Board of Statutory Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Statutory Auditor, and hereby reports as follows.

1. Method and Contents of Audit by Each Statutory Auditor and the Board of Statutory Auditors

- (1) The Board of Statutory Auditors has established the audit policies, assignment of duties, etc. and received a report from each Statutory Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Statutory Auditors has received reports from the Directors and the Accounting Auditor regarding the status of performance of their duties, and requested explanations as necessary.
- (2) In conformity with the Statutory Auditors' auditing standards established by the Board of Statutory Auditors, and in accordance with the audit policies and assignment of duties, etc., each of the Statutory Auditors endeavored to facilitate a mutual understanding with the Directors, the internal audit division, and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and has conducted audit by the following methods.
 - (a) Each Statutory Auditor has attended Board of Directors meetings and other important meetings, received reports on the performance of duties from Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the corporate affairs and assets at the Company's head office and principal places. With respect to subsidiaries, each Statutory Auditor endeavored to facilitate mutual understanding and information exchange with the Directors and Statutory Auditors of each subsidiary, and received operational reports as necessary.
 - (b) In relation to (i) the contents of Board of Directors' resolutions regarding the system for ensuring Directors' performance of duties as described in the Business Report comply with all laws, regulations and Articles of Incorporation and also comply with any other systems deemed necessary under Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan for ensuring appropriate corporate affairs of a corporate entity comprising a joint stock company and its subsidiaries, and (ii) the systems (internal control systems) based on those regulations, each Statutory Auditor has regularly received reports on the structure of that system and the status of its operation from Directors and other employees, requested explanations as necessary and expressed its opinion.
 - (c) Each Statutory Auditor has monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of its performance of duties, and requested explanations as necessary. Each Statutory Auditor was notified by the Accounting Auditor that it had established a "system to ensure that the performance of the duties of the Accounting Auditor was properly conducted" (the matters listed in the items of Article 131 of the Ordinance of Company Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary.

Based on the above-described methods, each Statutory Auditor examined the Business Report and its supplementary schedules, as well as the Financial Statements (the balance sheet, the statement of income, the statement of changes in net assets, and the notes to the financial statements) and its supplementary schedules, and the Consolidated Financial Statements (the consolidate statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the notes to the consolidated financial statements) for the fiscal year under consideration.

Based on the above-described methods, each Statutory Auditor examined the Financial Statements (the balance sheet, the statement of income, the statement of changes in net assets, and the notes to the financial statements) and the supplementary schedules, and the Consolidated Financial Statements (the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the notes to the consolidated financial statements) for the fiscal year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the Business Report and the supplementary schedules fairly present the status of the Company in conformity with the applicable laws, regulations, and the Articles of Incorporation.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of laws, regulations, or the Articles of Incorporation was found with respect to the Directors' performance of their duties.
- (iii) We acknowledge that the Board of Director's resolutions with respect to the internal control systems are appropriate. We did not find any matter in the Business Report or the Directors' performance of their duties concerning the internal control systems that requiring mentioning.

(2) Results of Audit of the Financial Statements and the Supplementary Schedules

We acknowledge that the methods and results of audit performed by the Independent Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Independent Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

25 October 2021

The Board of Statutory Auditors of FAST RETAILING CO., LTD.

Standing Statutory Auditor	Akira Tanaka	■
Standing Statutory Auditor	Masaaki Shinjo	■
Standing Statutory Auditor	Masumi Mizusawa	■
Statutory Auditor	Keiko Kaneko	■
Statutory Auditor	Takao Kashitani	■
Statutory Auditor	Masakatsu Mori	■

Company Data

Trade Name	FAST RETAILING CO., LTD.
Head Office	10717-1 Sayama, Yamaguchi City, Yamaguchi 754-0894, Japan
Roppongi Office	Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6231, Japan
Ariake Office	1-6-7 Ariake, Koto-ku, Tokyo 135-0063, Japan
Established	May 1, 1963
Paid-in Capital	10,273 million
Line of Business	Control and management of overall Group activities as owner and holding company
Number of Full-time Employees (Consolidated)	55,589

Investor Information

Stock Exchange Listing	Tokyo Stock Exchange, 1st Section (Stock Code 9983)
	Hong Kong Stock Exchange, Main Board (Stock Code 6288)
Number of shares per trading unit	100 shares (Tokyo Stock Exchange) 300 HDR (Hong Kong Stock Exchange)
Fiscal Year	1 September to 31 August
General meeting of shareholders	Late November

Vesting date to receive a year-end dividend The last day of August

Vesting date to receive an interim dividend The last day of February

For HDR holders, please refer to our press release which will be announced in August and February.

Shares listed on Tokyo Stock Exchange
Transfer Agent
The Mitsubishi UFJ Trust and Banking Corporation

Shin-Tokyo Post Office
post office box No.29
137-8081, Japan

Telephone: **0120-232-711**
toll free, Monday to Friday 9:00 - 17:00 JST
(From Japan)

Hong Kong Depositary Receipt
Depositary Bank
JPMorgan Chase Bank, N.A.
HDR Registrar and HDR Transfer Office
Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Tel: **852-2862-8555**

E-mail: hkinfo@computershare.com.hk

A skateboarder with dreadlocks, wearing a green t-shirt and tan pants, is captured mid-air while performing a trick on a concrete ledge. The skateboarder is positioned on the left side of the frame, with their body angled towards the right. The background is a vibrant blue sky filled with scattered white clouds. The concrete ledge is a light gray color and runs diagonally across the frame.

FAST RETAILING WAY
(FR Group Corporate Philosophy)

Changing clothes.
Changing conventional
wisdom.
Change the world.

Ayumu Hirano, UNIQLO global ambassador and
professional snowboarder/skateboarder



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Front cover: Shingo Kunieda, UNIQLO global ambassador, gold medal winner for men's wheelchair tennis at the Tokyo Paralympic Games, and winner of men's singles at the US Open Tennis Championships 2021.