Stock Code: 9983
November 6, 2012

To our Shareholders,

Tadashi Yanai, Chairman, President & CEO
Fast Retailing Co., Ltd.
717-1 Sayama, Yamaguchi City, Yamaguchi 754-0894, Japan

Notice of 2012 Annual General Meeting of Shareholders

Notice is hereby given that Fast Retailing Co., Ltd. will hold the Annual General Meeting (AGM) for the 51st business year of operation (September 1, 2011 – August 31, 2012) on November 22, 2012.

You are cordially invited to attend the AGM. However, if you are unable to attend on the designated day, you can still ensure your shares are represented at the meeting by submitting a proxy vote in writing. If you wish to do so, please read the enclosed documentation relating to the annual shareholders' meeting and return the completed voting form to us. Please ensure the form reaches us no later than 6p.m. on Wednesday, November 21, 2012.

1.	Time and Date:	10 a.m., Thursday, November 22, 2012
2.	Location:	The conference hall at the Fast Retailing Yamaguchi head office, 717-1 Sayama, Yamaguchi City, Yamaguchi 754-0894, Japan
3.	Order of Business:	
	Reporting:	Presentation and explanation of the business report, consolidated financial statements and other financial documents for the 51st year of operation, or the year ended August 31, 2012.
	Proposals for Resolution	
	Proposal 1:	The election of 6 company directors
	Proposal 2:	The appointment of 3 Statutory auditors

◎We would ask shareholders attending the AGM to submit their voting form at the reception desk.
◎Fast Retailing Co., Ltd. publishes this notice of the AGM on the company website (http://www.fastretailing.com/eng/ir/stockinfo/meeting.html). Any revisions to the shareholders' meeting reference materials, business report, consolidated financial statements or other financial documents will be published on the company website.

On behalf of the Board of Directors, I would like to express our appreciation for your continued investment in Fast Retailing. I look forward to greeting as many of our shareholders as possible.

Sincerely,

(sign)
Tadashi Yanai

Business Report

Fiscal 2012, or 51st business year of operation, for the year ending August 31, 2012

１. Current State of Operations at the Fast Retailing Group

(1) Fiscal 2012 Operational Environment

① Operational Performance and Progress

During the current consolidated accounting period spanning September 1, 2011 through August 31, 2012 (fiscal 2012), the Japanese economy has continued to recover gradually despite persistently severe conditions stemming mainly from the continued impact of the major earthquake and tsunami that hit Northeast Japan on March 11, 2011. However, many uncertainties remain including the risk of a further downturn in the global economy sparked by the European debt crisis and concern that the strength of the Japanese yen will lead to a slowdown in the domestic economy. In addition, the environment in which the Fast Retailing Group operates continues to pose some tough challenges, including the increased cost of apparel manufacture in China. However, despite this uncertain environment, the Fast Retailing Group managed to achieve gains in both revenue and income in fiscal 2012 with consolidated sales reaching ¥928.6 billion (+13.2% y/y), operating income reaching ¥126.4 billion (+8.7%), ordinary income climbing to ¥125.2 billion and net income expanding to ¥71.6 billion (+31.8%). These impressive gains in both sales and income were generated mainly by the Group's UNIQLO International and Global Brands segments. In fiscal 2012, sales from UNIQLO International reached ¥153.1 billion (+63.4% y/y) and operating income expanded to ¥10.9 billion (+22.9%), while sales from Global Brands totaled ¥153.0 billion (+23.3%) and operating income expanded to ¥14.5 billion (+65.4%). On the other hand, the mainstay UNIQLO Japan operation reported a slight fall in profit in fiscal 2012. While sales expanded to ¥620.0 billion (+3.3% y/y), operating income contracted to ¥102.3 billion (-3.6%). In the first six months of fiscal 2012 from September 2011 through February 2012, same-store sales at UNIQLO Japan expanded and operating income also increased year on year. However, in the second half of fiscal 2012 from March through August 2012, same-store sales contracted as sales of spring garments proved sluggish and unseasonal weather delayed the sale of summer items. The resultant offloading of excess summer inventory also contributed to the fall in operating income at UNIQLO Japan for fiscal 2012 as a whole.

Aiming to become the world's number one apparel retailer, the Fast Retailing Group is continuing its drive to "promote globalization, strengthen Group management and refocus on entrepreneurial values." In particular, we are channeling considerable effort into the expansion of UNIQLO's global operations by opening new stores in Asia, principally in China and Hong Kong, South Korea, Singapore, Taiwan, Malaysia, Thailand, and the Philippines. The opening of global flagship stores in major cities worldwide is also helping to strengthen UNIQLO's operational base and we are now seeking to expand our Theory and g.u. operations.

UNIQLO Japan

UNIQLO Japan reported a rise in revenue and a fall in income in fiscal 2012 with sales expanding to ¥620.0 billion (+3.3% y/y) while operating income contracted slightly to ¥102.3 billion (-3.6%). The number of UNIQLO Japan stores at the end of August 2012 increased by 2 stores compared to end August 2011 to a total of 845 stores, including 21 franchise stores. However, the drive to increase average store size by opening more large-format stores and closing smaller or regular-sized stores boosted the sales-per-store figures and helped boost overall sales for UNIQLO Japan by 3.3% year on year. Same-store sales contracted 0.5% year on year at UNIQLO Japan. Sales of fall/winter items proved sluggish in the period from September through November 2011, but strong sales of core winter items such as HEATTECH functional innerwear, Ultra Light Down ranges and warm pants from December onwards boosted same-store sales by 2.3% year on year in the first half of fiscal 2012 (September 2011 through February 2012). Conversely, same-store sales shrank 4.3% year on year in the second half (March through August 2012) as sales of spring clothing proved sluggish and unseasonal cool weather through mid-July delayed any enthusiastic demand for summer clothes.

In terms of profit performance, conditions in the first half were tough with the gross profit margin contracting on the back of higher raw material prices. Despite that, UNIQLO Japan was able to secure a year-on-year increase in operating income in the first half thanks the recovery in sales from December and a determined drive to control costs. However, income contracted year on year in the second half as same-store sales continued to fall and a broader offloading of excess summer inventory knocked the gross profit margin lower. As a result, operating income from UNIQLO Japan for fiscal 2012 as a whole contracted 3.6% year on year.

Looking at new store openings at UNIQLO Japan, the operation has built on its previous successes with the opening of its largest global flagship store, the UNIQLO Ginza Store, in March 2012. In addition, large-format stores were also opened in the Tokyo capital, and the cities of Osaka and Fukuoka during fiscal 2012. Total store numbers expanded to 845 stores with 24 new directly-run stores opened and 22 existing stores closed. Of that total, 147 stores are large-format stores.

UNIQLO Japan consistently seeks to strengthen its joint product development system with prominent materials manufacturers in order to fulfill customer needs. The operation sought to expand overall demand by developing highly functional, top-quality products such as HEATTECH innerwear, Ultra Light Down and warm pants in the fall/winter season, and Sarafine or Silky Dry innerwear, bra tops and East Exercise innerwear for the spring/summer season. In fiscal 2012, worldwide HEATTECH sales reached 100 million units.

UNIQLO International

The UNIQLO International segment generated significant gains in both revenue and income in fiscal 2012 with sales rising to ¥153.1 billion (+63.4% y/y) and operating income reaching ¥10.9 billion (+22.9%). Performance was particularly strong in the Asian region where we have been pursuing an aggressive policy of new store openings. The total number of stores at the end of August 2012 had increased by 111 stores to 292 stores. In particular, our policy of mass new store openings in China, Hong Kong, South Korea and Taiwan boosted UNIQLO's store network in that sub-region of Asia to 100 stores. UNIQLO's reach in Asia has also expanded into new markets with the opening of the first UNIQLO store in Thailand in September 2011and the first store in the Philippines in June 2012. UNIQLO stores have enjoyed increasing success in each new Asian market. In addition, the opening of global flagship stores in Seoul and Taipei in fall 2011 has helped UNIQLO to further strengthen its operational base in Asia.

In the United States, October 2011 saw the opening of two stores in prominent New York locations: the New York Fifth Avenue global flagship store and the New York 34th Street megastore. The opening of these stores has not only markedly boosted visibility of the UNIQLO brand in the United States, but also reverberated around the world. However, UNIQLO USA posted a loss in fiscal 2012 as sales momentum at the three flagship stores in New York proved somewhat soft and some leading investment was channeled into the Fifth Avenue flagship store for the purpose of building the UNIQLO brand.

Plans to restructure operations in Europe are being instigated with the merger of management functions at UNIQLO UK, UNIQLO France and UNIQLO Russia. However, UNIQLO UK posted a loss in fiscal 2012 and operating profit contracted slightly at UNIQLO France. UNIQLO Russia however managed to generate a profit thanks to improvements in operational profitability.

Global Brands

The Global Brands segment generated gains in both sales and income in fiscal 2012 with sales totaling ¥153.0 billion (+23.3% y/y) and operating income reaching ¥14.5 billion (+65.4%). The particularly strong rise in operating income can be attributed to a strong performance at the low-priced g.u. casualwear brand which generated sales of ¥58.0 billion and operating income of ¥5.0 billion. The significant increases in sales and income at g.u. were due in part to a dramatic leap in brand awareness in the wake of the opening of the label's Ginza flagship store in March and some effective TV advertising featuring popular celebrities. Same-store sales expanded by 35% year on year in fiscal 2012 and by the end of August 2012, the g.u. network had increased by 28 outlets to 176 stores. The Theory label also performed strongly in fiscal 2012, reporting a record level of profit on the back of continued firm same-store sales growth in Japan and a nascent contribution to profit by Theory's PLST label. The France-based women's fashion brand Comptoir des Cotonners reported a rise in both sales and income in fiscal 2012. Having struggled in the first half of the business year, the label enjoyed a recovery in sales from the second half onwards following a successful launch of the spring/summer collection. Meanwhile, France-based corsetry, loungewear and swimwear brand Princesse.tam.tam performed to plan and reported a flat performance in fiscal 2012.

Corporate Social Responsibility (CSR) Activities

The Fast Retailing Group has been focusing on the following CSR activities: the All-Product Recycling Campaign, Social Business, Disabled Personnel Employment, the Monitoring of Labor Conditions at Partner Factories and Environmental Protection.

The All-Product Recycling Campaign involves encouraging customers to bring any items of UNIQLO or g.u. clothing that they no longer wear into stores so that they can be redistributed to people who have a greater need for them. In response to a call for clothing aid from the United Nations, Fast Retailing conducted a 'Three Million Items Needed' campaign in June through its UNIQLO stores, newspaper advertising, corporate website and Facebook appealing to customers to donate items. Over the three-month period to the end of August 2012, customers donated 2.3 million items, bringing the total number of items collected since the clothing recycling initiative was launched in 2001 to over 16 million. These latest items are scheduled to be distributed to refugee camps around the world through the United Nations High Commissioner for Refugees (UNHCR).

Fast Retailing's social business activities in Bangladesh involve establishing a complete local business structure covering the manufacture and the retail of clothing in an attempt to tackle and alleviate social problems such as poverty, hygiene and education. We are currently focusing on expanding sales volumes by extending the social business' sales network. At the same time, we are also looking to cooperate with partner factories to further boost job creation.

Fast Retailing is actively encouraging UNIQLO stores in Japan and other places around the world to promote the employment of disabled personnel.

Another of the Fast Retailing aims is to create and maintain an appropriate working environment by committing to monitor labor conditions at partner factories closely. Specialist monitors from independent inspection organizations are brought in at regular intervals to prevent the use of child labor, to ensure workers are not subjected to excessive working hours and receive their designated wage. They also monitor levels of environmental pollution at partner factories. The dyeing processes employed by fabric manufacturers can be especially detrimental to the environment, so we seek to help these manufacturers reduce environmental pollution by inspecting facilities and teaching factories how to improve these processes through regular seminars and lectures.

Fast Retailing continues to support recovery efforts in the regions of Northeast Japan affected by the March 2011 earthquake and tsunami. The recently-established Fast Retailing Recovery Assistance Fund provides monetary support to five accredited non-government organizations (NGOs) working to promote the rebuilding of communities and job creation. Group personnel are also dispatched as volunteers to assist local NGO activities.

② Capital Expenditure

Capital expenditure for the Fast Retailing Group totaled ¥40.1 billion in fiscal 2012, with ¥31.4 billion spent on buildings, ¥7.9 billion spent on lease deposits for stores and ¥0.8 billion spent on financial assistance for construction projects.

③ Procurement of Funds

No relevant items to report.

④ Transfer of Operations, Absorption-type & Incorporation-type Company Splits

No relevant items to report.

⑤ Acquisition of Other Companies

No relevant items to report.

⑥ Assumption of Rights and Obligations Relating to Non-Group Companies through Absorption or Absorption-type Company Splits

No relevant items to report.

⑦ Acquisition or Disposal of Stock or Other Equity Interests, Share Warrants in Other Companies

No relevant items to report.

(2) Company Assets, Profit & Loss Statistics over the Past Three Accounting Periods

Millions of yen

	FY2009	FY2010	FY2011	FY2012
Net Sales	685,043	814,811	820,349	928,669
Net income	49,797	61,681	54,354	71,654
Earnings per share	488.96	605.99	533.93	703.62
Total assets	463,285	507,287	533,777	595,102
Net assets	261,413	287,987	319,911	394,892
Net assets per share	2,550.86	2,804.34	3,091.17	3,797.04

(3) Major Subsidiary Firms of the Fast Retailing Group

Company name	Paid-in capital	% of total right to vote	Category	Location
UNIQLO CO.,LTD.	¥1,000,000,000	100.00%	UNIQLO Japan	Japan
UNIQLO (U.K.) LIMITED	GBP20,000,000	100.00%	UNIQLO International	U.K.
FAST RETAILING(CHINA) TRADING CO.,LTD.	US$20,000,000	100.00%	UNIQLO International	China
Fast Retailing USA, Inc.	US$30,000,000	100.00%	UNIQLO International / Global Brands	U.S.A.
FRL Korea Co., Ltd.	KRW24,000,000,000	51.00%	UNIQLO International	Korea
UNIQLO HONG KONG, LIMITED	HK$11,000,000	100.00%	UNIQLO International	Hong Kong
UNIQLO FRANCE S.A.S.	EUR244,000	100.00% (100.00%)	UNIQLO International	France
G.U.CO.,LTD.	¥10,000,000	100.00%	Global Brands	Japan
FAST RETAILING FRANCE S.A.S.	EUR161,025,000	100.00%	UNIQLO International / Global Brands	France
CREATIONS NELSON S.A.S.	EUR2,600,000	100.00% (100.00%)	Global Brands	France
PETIT VEHICULE S.A.S.	EUR2,000,000	100.00% (100.00%)	Global Brands	France
LINK THEORY JAPAN CO.,LTD.	¥10,000,000	100.00%	Global Brands	Japan
FAST RETAILING (SINGAPORE) PTE. LTD.	SG$32,000,000	100.00%	UNIQLO International	Singapore
UNIQLO (SINGAPORE) PTE. LTD.	SG$6,500,000	51.00% (51.00%)	UNIQLO International	Singapore
LLC UNIQLO (RUS)	RUB510,010,000	100.00%	UNIQLO International	Russia Federation
UNIQLO TRADING CO., LTD. (China)	US$30,000,000	100.00%	UNIQLO International	China
UNIQLO TAIWAN LTD.	NT$150,000,000	100.00%	UNIQLO International	Taiwan
UNIQLO (MALAYSIA) SDN. BHD.	MYR18,800,000	55.00% (55.00%)	UNIQLO International	Malaysia

Notes:

1. Incorporated into the consolidated accounts from the current consolidated accounting period, FAST RETAILING (SINGAPORE) PTE. LTD. is reflected in consolidated performance.
2. In the column listing the ratio of voting rights, the figure in parentheses denotes the ratio of voting rights held by the Group subsidiary.
3. GOV RETAILING CO., LTD. changed its name to G.U. CO., LTD. during the current consolidated accounting period.

(4) Current Challenges Facing the Fast Retailing Group

① Promote the Group's Global One Management Platform

Strengthen the functioning of individual regional headquarters based in Tokyo, New York, Paris, Shanghai and Singapore and improve systems in order to promote the Group's Global One management platform across all UNIQLO and non-UNIQLO operations

② Global Development of the UNIQLO Brand

・Expand store numbers in Asian markets, including China and Hong Kong, Taiwan, South Korea, Singapore, Malaysia, Thailand and the Philippines
・Open global flagship stores, global hotspot stores and megastores in major cities around the world
・Open large-format stores in major cities across Japan
・Nurture global personnel in line with the globalization of UNIQLO operations
・Develop highly functional, value-added products
・Cultivate vibrant women's wear product development for stronger ranges
・Forge global marketing that unites UNIQLO operations worldwide
・Seek M&A opportunities that could facilitate the expansion of the UNIQLO brand in European markets and in the United States

③ Expand Other Group Brands

・Cultivate operational management expertise in the design, manufacture, and store planning of low-priced apparel to benefit and strengthen the g.u. brand
・Boost operational efficiency and broaden potential store coverage areas by pursuing synergies among Theory, Comptoir des Cotonniers and Princesse tam.tam operations
・Seek M&A opportunities worldwide to acquire new apparel brands with global brand potential

④ Promote Effective CSR Activities

Fast Retailing's basic CSR stance is to seek to make the world a better place through the design, manufacture and retail of clothing, and we are currently pursuing this aim through:
・the establishment and running of a social business in Bangladesh
・the dramatic expansion of the number of items of clothing collected through our All-Product Recycling Campaign and distributed to refugee camps around the world
・Continued consistent monitoring of working conditions and environmental pollution at partner factories
・Efforts to design environmentally-friendly products and stores

⑤ Expand Production Bases Outside of China

・To increase and expand production bases for UNIQLO clothing with the aim of manufacturing one third of all garments outside of China by 2015.

(5) Major Business Activities (as of August 31, 2012)

The Fast Retailing Group comprises Fast Retailing Co., Ltd., 91 consolidated subsidiary firms and six non-consolidated subsidiary firms, all involved principally in operation associated with the apparel industry.

(6) Location of Major Operations (as of August 31, 2012)

Company name	Location	Own stores	Franchise stores
FAST RETAILING CO., LTD.	Head office：Yamaguchi-city Yamguchi Head quarter：Minato-ku Tokyo	4	—
UNIQLO CO., LTD.	Head office：Yamaguchi-city Yamguchi Head quarter：Minato-ku Tokyo	824	21
UNIQLO (U.K.) LIMITED	Head office：London UK	10	—
FAST RETAILING(CHINA)TRADING CO., LTD.	Head office：Shanghai China	132	—
UNIQLO TRADING CO., LTD. (China)	Head office：Shanghai China	13	—
Fast Retailing USA, Inc.	Head office：New York, USA	47	—
FRL Korea Co., Ltd.	Head office：Seoul, Republic of Korea	80	—
UNIQLO HONG KONG, LIMITED	Head office：Hong Kong	16	—
UNIQLO FRANCE S.A.S.	Head office：Paris, France	2	—
UNIQLO (SINGAPORE) PTE. LTD.	Head office：Singapore	7	—
LLC UNIQLO (RUS)	Head office：Moscow, Russian Federation	2	—
G.U.CO.,LTD.	Head office：Yamaguchi-city Yamguchi Head quarter：Minato-ku Tokyo	176	—
CREATIONS NELSON S.A.S.	Head office：Paris, France	173	202
PETIT VEHICULE S.A.S.	Head office：Paris, France	105	48
LINK THEORY JAPAN CO.,LTD.	Head office：Yamaguchi-city Yamguchi Head quarter：Minato-ku Tokyo	225	112
UNIQLO TAIWAN LTD.	Head office：Taipei, Taiwan	17	—
UNIQLO (MALAYSIA) SDN. BHD.	Head office：Kuala Lumpur, Malaysia	5	—
UNIQLO (THAILAND) COMPANY LIMITED	Head office：Bangkok, Kingdom of Thailand	4	—
FAST RETAILING PHILIPPINES, INC.	Head office：Pasay, Republic of the Philippines	1	—

(7) Group Employment (as of August 31, 2012)

① Employees of the Fast Retailing Group

Number of Employees	Change v. end August 2011
18, 854	+4,242

Note: The number of employees does not include entrusted operating officers, junior employees, part-time workers or temporary staff seconded from other companies.

② Employees of Fast Retailing Co., Ltd.

Number of Employees	Change v. end August 2011	Average Age	Average Years of Service
781	+71	37 years 3 months	5 years 6 months

Note: The number of employees does not include entrusted operating officers, junior employees, part-time workers or temporary staff seconded from other companies.

(8) Major lenders to the Fast Retailing Group (as of August 31, 2012)

Lender	Total Borrowings
Sumitomo Mitsui Financial Group	9,008 million yen
Mizuho Financial Group, Inc.	5,711 million yen

(9) Miscellaneous Significant Items Relating to the Fast Retailing Group

No relevant items to report.

２. Company Review

(1) Shareholdings (As of August 31, 2012)

①	Number of shares authorized	300,000,000
②	Number of issued shares	106,073,656
③	Number of shareholders	8,146
④	Number of shares per trading unit	100
⑤	Principal shareholders	

Name	Principal Shareholders	
	Number of shares	% of total shares in issue
Tadashi Yanai	22,987 thousand shares	22.57%
The Master Trust Bank of Japan,Ltd. (Trust account)	9,088 thousand shares	8.92%
Japan Trustee Services Bank,Ltd. (Trust account)	8,250 thousand shares	8.10%
TTY Management B.V.	5,310 thousand shares	5.21%
Kazumi Yanai	4,781 thousand shares	4.69%
Koji Yanai	4,780 thousand shares	4.69%
Fight & Step Co., Ltd.	4,750 thousand shares	4.66%
MASTERMIND Co., Ltd.	3,610 thousand shares	3.54%
Trust&Custody Services Bank,LTD.	2,861 thousand shares	2.81%
Teruyo Yanai	2,327 thousand shares	2.29%

Note: The investment ratio is calculated following the deduction of treasury stock (4,219,434 shares).

(2) Stock Options (Share Warrants) (As of August 31, 2012)

① Stock-based Compensation for Directors

No relevant items to report.

② Stock-based Compensation for Employees in Fiscal 2012

Second Issuance of Type A Stock Options (Share Warrants)

Resolution date	October 12, 2011
Type & number of Recipients	14 Employees of Fast Retailing Co., Ltd. 4 Employees of Fast Retailing Co., Ltd. subsidiary firms
Type of stock used for stock options	Common stock
Number of shares	13,894 shares maximum
Amount to be paid in on exercise of stock options (yen)	One yen per share issued through the exercise of stock options multiplied by the total number of shares granted
Exercise period	From November 15, 2014 through November 14, 2021
Items relating to the exercise of stock options	If the holder of share warrants waives their holdings, then the said share warrants will no longer be exercisable and will be dissolved
Assignment of stock options	The holding of stock options through the assignment of share warrants must be approved the by Fast Retailing Board of Directors
Items relating to the tender of other monies in lieu of the Amount to Paid in	―

Second Issuance of Type B Stock Options (Share Warrants)

Date of resolution	October 12, 2011
Type & number of Recipients	139 employees of Fast Retailing Co., Ltd. 584 employees of Fast Retailing Co., Ltd. subsidiary firms
Type of stock used for stock options	Common stock
Number of shares	51,422 shares maximum
Amount to be paid in on exercise of stock options (yen)	One yen per share issued through the exercise of stock options multiplied by the total number of shares granted
Exercise period	From December 15, 2011 through November 14, 2021
Items relating to the exercise of stock options	If the holder of share warrants waives their holdings, then the said share warrants will no longer be exercisable and will be dissolved
Assignment of stock options	The holding of stock options through the assignment of share warrants must be approved the by Fast Retailing Board of Directors
Items relating to the tender of other monies in lieu of the Amount to Paid in	—

(3) Corporate Executive Officers

① Company Directors and Statutory Auditors (as of August 31, 2012)

Position	Name	Responsibilities and important concurrent positions at other organizations
Chairman, President and CEO	Tadashi Yanai	Chairman, President and CEO, UNIQLO CO., LTD. and director of 14 other Fast Retailing Group subsidiaries External Director, SOFTBANK CORP. External Director, Nippon Venture Capital Co., Ltd.
External Director	Toru Hambayashi	Director, MAEDA CORPORATION Outside Director, DAIKYO INCORPORATED Auditor, UNITIKA Ltd.
External Director	Nobumichi Hattori	External Director, Miraca Holdings Inc.
External Director	Toru Murayama	Professor, Faculty of Science and Engineering, Waseda University Advisor, Microsoft Japan Co., Ltd.
External Director	Masaaki Shintaku	Advisory Board Member, NTT DOCOMO, INC. External Director, COOKPAD Inc.
Full-time Corporate Auditor	Akira Tanaka	—
Statutory Auditor	Takaharu Yasumoto	Statutory Auditor, UNIQLO CO., LTD. Statutory Auditor, LINK THEORY JAPAN CO., LTD. Statutory Auditor, ASKUL Corporation President, Yasumoto CPA Office Statutory Auditor, UBIC, Inc.
Statutory Auditor	Norihiko Shimizu	Statutory Auditor, UNIQLO CO., LTD. Statutory Auditor, Yamaha Motor Co., Ltd.
Statutory Auditor	Akira Watanabe	Representative, Seiwa Meitetsu Law Office External Director, JAPAN PILE CORPORATION External Director, MAEDA CORPORATION External Director, MS&AD Insurance Group Holdings, Inc. Statutory Auditor, KADOKAWA GROUP HOLDINGS, INC.

Notes: 1. Toru Hambayashi, Nobumichi Hattori, Toru Murayama and Masaaki Shintaku serve as external directors as stipulated in Article 2, Section 15 of the Companies Act. Toru Hambayashi, Nobumichi Hattori and Masaaki Shintaku are registered at the Tokyo Stock Exchange as independent directors.

2. Fast Retailing Co., Ltd. currently has a consulting subcontract with executive director Toru Murayama relating to the training of management personnel.
3. Takaharu Yasumoto, Norihiko Shimizu and Akira Watanabe are external auditors as stipulated under Article 2, Section 15 of the Companies Act and are registered with the Tokyo Stock Exchange to serve as independent directors.
4. Statutory auditor Tadaharu Yasumoto is a certified accountant with considerable knowledge of financial affairs and accounting.
5. UNIQLO Co., Ltd. and Link Theory Japan Co., Ltd. are fully-owned subsidiaries of Fast Retailing Co., Ltd.
6. There are no specific interests between Fast Retailing Co., Ltd. and any of the other companies at which directors hold concurrent posts.

② Total Remuneration to Company Directors and Auditors

	Number	Payment (¥ mln)	Remarks
Company Directors (including external directors)	5 (4)	395 (40)	Maximum annual remuneration total of 1,000 million yen determined at the AGM held November 24, 2006
Auditors (including external auditors)	4 (3)	45 (30)	Maximum annual remuneration total of 100 million yen determined at the AGM held November 26, 2003
Total (including external executives)	9 (7)	440 (70)	

Note: In fiscal 2012, the total remuneration received by external directors holding concurrent directorships at subsidiary firms was ¥12 million.

③ Items Relating to External Directors

a. Relationship between Fast Retailing and Companies Where External Directors Hold Concurrent Posts

As stated in the previous segment entitled: ① Company Directors and Statutory Auditors

b. Main Activities During Fiscal 2012

Position	Name	Activities
Director	Toru Hambayashi	Attended 12 out of 13 Board of Directors' meetings where he voiced opinions on the meeting agenda from a corporate management standpoint, and offered guidance and suggestions to ensure the Board's decision-making was both reasonable and appropriate.
Director	Nobumichi Hattori	Attended all 13 Board of Directors' meetings where he voiced opinions based upon his expertise in M&A research, and offered guidance and suggestions to ensure the Board's decision-making was both reasonable and appropriate.
Director	Toru Murayama	Attended all 13 Board of Directors' meetings where he voiced opinions from a management consulting standpoint, and offered guidance and suggestions to ensure the Board's decision-making was both reasonable and appropriate.
Director	Masaaki Shintaku	Attended all 13 Board of Directors' meetings where he voiced opinions from a corporate management standpoint, and offered guidance and suggestions to ensure the Board's decision-making was both reasonable and appropriate.

Position	Name	Activities
Auditor	Takaharu Yasumoto	Attended all of the 13 Board of Directors' meetings and 13 Board of Auditors' meetings. He commented on proceedings at the Board of Directors' meetings as a certified accountant to ensure the Board's decision-making was both reasonable and appropriate. He also made relevant and necessary comments on Company and Group auditing at the Board of Auditors' meetings.
Auditor	Norihiko Shimizu	Attended all of the 13 Board of Directors' meetings and 13 Board of Auditors' meetings. At the Board of Directors' meetings, his comments reflected his experience in corporate governance research and helped ensure the Board's decision-making was both reasonable and appropriate. He also made relevant and necessary comments on Company and Group auditing at the Board of Auditors' meetings,
Auditor	Akira Watanabe	Attended 12 of the 13 Board of Directors' and Board of Auditors' meetings. He commented on proceedings at the Board of Directors' meetings from a specialist legal standpoint, thus helping to ensure the Board's decision-making was both reasonable and appropriate. He also made relevant and necessary comments on Company and Group auditing at the Board of Auditors' meetings.

b. Outline of External Directors' Limited Liability Contract

Fast Retailing Co., Ltd. has signed a limited liability contract with external directors and statutory auditors based upon the provisions of Article 427, paragraph 1 of the Companies Act which limit liability for damages as stipulated in Article 423, paragraph 1 of the Companies Act.

The contract states that liability for damages for all external directors and auditors will be limited to the higher of two figures: either 5 million yen or the amount stipulated by law.

(4) Corporate Auditors

a. Appointed Accounting Auditor Ernst & Young ShinNihon LLC

b. Total Fees Paid to the Accounting Auditor in Fiscal 2012

(1) Fees to be paid to the accounting auditor by the Company	¥93 million
(2) Monies and other property benefits to be paid to the accounting auditor by the Company and consolidated subsidiaries	¥130 million

※1 The audit contracted agreed between Fast Retailing Co., Ltd. and Ernest & Young ShinNihon LLC does not distinguish between fees due to the auditor based on auditing rules stipulated in the Companies Act and those stipulated in the Financial Instruments & Exchange Act. Since it is not possible to distinguish these two sets of fees in any practical way, remuneration paid to the auditor in fiscal 2012 represents the total amount of fees stipulated by the two Acts.

※2 Nineteen major subsidiaries of the Company have appointed different auditors, including audits required by law in locations outside of Japan and which correspond to the Japanese Companies Act or the Financial Instruments & Exchange Act.

c. Non-audit Services

In addition to the services stipulated in Article 2, paragraph 1 of the Certified Public Accounts Act, the Company also pays fees to the auditor for non-audit services such as advisory services.

d. Company Policy on Dismissal or Refusal to Reappoint an Auditor

The Board of Auditors can dismiss an accounting auditor if they unanimously agree that there has been a breach of service that corresponds to the items listed in Article 340, paragraph 1 of the Companies Act. In such an event, a designated member of the Board of Auditors will report the reasons for the dismissal of the accounting auditor at the next annual general meeting of shareholders.

In the event that the accounting auditor is unable to fully execute its designated duties, if the Board of Directors deems it necessary, it can seek the agreement of the Board of Auditors or ask the Board of Auditors to submit a request to dismiss or refuse to reappoint an accounting auditor to the annual general meeting of shareholders.

e. Outline of Limited Liability Contract

Fast Retailing Co., Ltd. has signed a limited liability contract with the auditor Ernst & Young ShinNihon LLC based upon the provisions of Article 427, paragraph 1 of the Companies Act which limit liability for damages as stipulated in Article 423, paragraph 1 of the Companies Act. The contract states that liability for damages will be limited to the higher of two figures (either the total remuneration for audit and non-audit services since appointment or the total benefits to be received on properties each fiscal year) multiplied by two.

(5) Framework for Ensuring Proper Operation of Business

① Ensuring Directors' Actions Comply with the Law and Articles of Incorporation

a. The Directors and Entrusted Operating Officers at Fast Retailing (hereafter referred to collectively as 'Directors') are committed to consistently improving corporate ethics and compliance across the Fast Retailing Group by putting in place a number of internal controls and ensuring strict adherence to the Group's policies and rules, including the Group's management principles, the Fast Retailing Way (FR Way) and the Fast Retailing Group Code of Conduct (FR Code of Conduct). The Directors make regular revisions to these internal controls to reflect social or operational changes or the latest management of the FR Code of Conduct, and then ensure the new controls are properly activated.

b. Fast Retailing puts the entrusted operating officer responsible for legal affairs or the Head of the Legal Department (hereafter referred to collectively as 'officers responsible for legal affairs') in charge of compliance. The officers responsible for legal affairs are tasked with maintaining and improving the Group-wide compliance framework and resolving any issues that arise.

c. A number of external directors serve on the Fast Retailing Board of Directors in order to ensure that the Board's decision-making process is both fair and transparent. External auditors are also able attend the Board of Directors' meetings to ensure that all relevant opinions are voiced in a timely manner. In addition, when the need arises, Directors can seek the opinion of external experts including lawyers and certified accountants to avoid any potentially illegal action and to ascertain whether any measures are required to ensure actions or circumstances comply with the law. If the Directors discover that an action taken by one or more of the Directors is in fact illegal, they will immediately report the fact to the auditors, the president and the officer responsible for legal affairs.

② Ensuring Employees' Actions Comply with the Law and Articles of Incorporation

a. The Directors are responsible for establishing a framework to ensure that all Group employees comply with the management's corporate principles, the FR Way, the FR Code of Conduct and any other internal rules and policies. The Directors are also responsible for instructing and enlightening each individual employee of the Fast Retailing Group on the principles of compliance and ensuring that those employees follow and fulfill those principles in their daily work.

b. The Company's Internal Audit Department, which is entirely separate from Group business activities, and the Legal Department, which oversees compliance issues, work to ensure the smooth operation of this system.

c. If one or more Directors become aware of any action or situation within the Company that is illegal or raises compliance issues, they will report the fact immediately to the other Directors. Any serious legal infraction will be reported immediately to the Board of Auditors, the president of the Company and the officer responsible for legal affairs.

d. Fast Retailing has set up an internal system for the reporting of illegal actions or other compliance violations (hotline), with all information channeled directly to external lawyers or independent institutions.

e. External specialists from various backgrounds including lawyers and certified accountants serve on the Fast Retailing Code of Conduct Committee. The Code of Conduct Committee conducts regular reviews of the operation of the Company's compliance procedures and the Compliance Hotline and instigates any necessary improvements. When the Board of Directors recognizes a problem with the operation of the Compliance Hotline, it can convey its opinion to the Code of Conduct Committee and request the formulation of plans for improvement.

③ Storage and Management of Information Relating to Board of Directors' Operations

Documents relating to operations under the jurisdiction of Directors will be kept as proof of the Company's decision-making and implementation processes according to regulations on document management and guidelines on the treatment of confidential material. Documentation will be stored and managed through a medium which enables easy retrieval in an appropriate and accurate fashion, and facilitates easy inspection at any time during the legally-required retention period.

・Minutes of the Annual General Meeting of Shareholders and related documentation
・Minutes of Board of Directors' meetings and related documentation
・Minutes of important meetings attended by Directors and related documentation
・Minutes of important meetings attended by other designated senior employees and related documentation

④ Rules and Frameworks For Reducing Risk of Loss

a. Fast Retailing has established a management framework for the regular analysis and review of potential risks to which the Company or Group may be exposed, including events that may result in financial loss either directly or indirectly, the temporary or permanent cessation of operations, events which may prejudice the creditability or tarnish the brand image of the Company or the Group.

b. When an unforeseen event occurs, the president of the Company or one of the Directors designated by the president will head the taskforce established to prevent the expansion of any loss incurred and minimize any damage caused. If deemed necessary, the head of the taskforce may organize an external advisory team including lawyers and certified accountants in order to facilitate a rapid response.

⑤ Ensuring Efficient Operation of Business by Directors

a. Multiple external directors serve on the Fast Retailing Board of Directors to ensure the efficient operation of the Board. Regular Board meetings are held monthly with additional ad hoc meetings called when required. Any important items relating to the management policy or management strategy of the Company or the Group will be reported in advance to the president of the Company at the Weekly Management Meeting (Monday Meeting) chaired by the president. Relevant items will be deliberated on and determined in the Monday Meeting.

b. The Company will assign the person responsible for the implementation of any decisions taken by the Board of Directors, the scope of that responsibility and any significant procedural detail.

⑥ Ensuring the Appropriate Operation of Corporate Groups Constituting Fast Retailing and Any New Companies or Subsidiary Firms

a. In order to ensure the appropriate operation of each company within the Fast Retailing Group, we uphold our management principles, the FR Way and FR Code of Conduct as the points of reference for all behavior guidelines across the entire Group. Individual Group companies are entrusted to put in place a number of internal rules based upon these Group principles.

Fast Retailing supervises the operational management of affiliated companies by determining their rules of management, maintaining the final authority over all management decisions and establishing clear reporting channels. If necessary, the Company will also monitor the activities of an affiliated company.

Directors are expected to report any significant legal infractions or violations of compliance rules at Group companies to the Board of Auditors, the president of the Company and the officer responsible for legal affairs.

b. If the Directors of a Group company judge that any part of the Company's management principles or management guidelines represents a violation of the law, poses a problem in relation to the corporate ethics of a particular country, or in terms of compliance, they will report the issue to the Internal Audit Department or the Legal Department. The recipient department will then report the issue swiftly to the Board of Auditors, the president of the Company and the officer responsible for legal affairs. The recipient department may also convey an opinion regarding any appropriate action required.

c. Fast Retailing has established the necessary measures for ensuring the reliability and consistent monitoring of its financial reporting including the Group's consolidated financial statements, and the necessary framework for ensuring the appropriate acquisition, maintenance and disposal of assets held by Group companies. The Company has also established a Disclosure Committee to ensure the timely and fair disclosure of simply stated information.

⑦ Ensuring the Independence of Employees Assigned to Assist the Board of Auditors

a. On receiving a request from the Board of Auditors, the Company will determine which employees should assist the statutory auditors and will assign suitable employees as Assistant to the Statutory Auditor from among its own staff or otherwise employ external lawyers or certified accountants. Assistants to the Statutory Auditor will be evaluated by the auditors but decisions on their assignment, dismissal, transfer and remuneration will be taken by the Board of Directors with the approval of the Board of Auditors, thus ensuring the independence of any assistants from the Directors.

b. Assistants to the Statutory Auditor will not hold any concurrent positions which involve the execution of company business.

⑧ Ensuring Effective Auditing Functions and Clear Reporting Channels to the Board of Auditors by the Directors, Employees and Other Persons

a. The Company determines the rules regarding items to be reported by Directors and employees to the statutory auditors and the timing of such reporting. Using these rules as a base, Directors and employees will report important items that might impact the Company's operations or corporate performance to the auditors on a case-by-case basis. Irrespective of these rules, the auditors may request a report from the Directors or employees whenever they deem it necessary.

b. In order to uphold the Group's management principles, the FR Way and the FR Code of Conduct, the Company ensures the existence of an appropriate framework for reporting any legal infractions or violation of compliance rules to the auditors. If the auditors judge that there is a problem with this system, they can convey their opinions to the Directors and the Board of Directors and request some appropriate measures for improvement.

(6) Policy Regarding the Determination of Dividends on Retained Earnings, etc.

Fast Retailing considers the returning of profits to shareholders to be one of the most important considerations for management. The Company's policy is to offer high dividends that closely reflect business performance.

The Company's fundamental stance is to use profits to fund the future business expansion of the Group, to retain earnings to ensure healthy finances, and to provide shareholder returns.

In line with the policy outlined above and the Group's consolidated performance, the Board of Directors decided to pay a year-end dividend of 130 yen per share in fiscal 2012. In conjunction with the interim dividend of 130 yen per share already paid, the annual cash dividend totaled 260 yen per share for fiscal 2012.

Consolidated Balance Sheet

(as of August 31, 2012)

Millions of yen

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	**424,516**	**Current liabilities**	**173,378**
Cash and deposits	132,238	Notes and account payable-trade	71,142
Notes and accounts receivable-trade	19,920	Short-term loans payable	2,505
Short term investment securities	133,788	Current portion of long-term loans payable	3,410
Inventories	98,963	Forward exchange contract	22,625
Deferred tax assets	16,987	Income taxes payable	27,738
Income taxes receivable	10,628	Provision	8,430
Other	12,256	Other	37,525
Allowance for doubtful account	−268	**Non current liabilities**	**26,831**
Non current assets	**170,586**	Long-term loans payable	9,129
（Tangible assets）	-69,222	Provision	64
Building and structures	48,245	Other	17,638
Furniture and equipment	8,101	**Total liabilities**	**200,210**
Land	3,879	**Net assets**	
Leased assets	7,048	**Net assets**	**418,905**
Construction in progress	1,947	Capital stock	10,273
（Intangible assets）	-38,216	Capital surplus	5,541
Good will	15,992	Retained earnings	419,093
Other	22,224	Treasury stock	-16,003
（Investments and other assets）	-63,146	Accumulated other comprehensive income	**-32,160**
Investment securities	354	Valuation difference on available-for-sale securities	-16,434
Deferred tax assets	4,057	Deferred gains or losses on hedges	-14,532
Lease and guarantee deposit	42,883	Foreign currency translation adjustment	-1,193
Construction assistance fund receivables	14,232	**Subscription rights to shsres**	**755**
Other	2,456	**Minority interests**	**7,392**
Allowance for doubtful accounts	-837	**Total net assets**	**394,892**
Total assets	**595,102**	**Total liabilities and net assets**	**595,102**

Note: The figures displayed here have been rounded down to the nearest million yen

Consolidated Income Statement

(September 1, 2011 – August 31, 2012)

Millions of yen

Account	Amount	
Net sales		928,669
Cost of sales		453,202
Gross profit		**475,466**
Selling, general and administrative expenses		349,016
Operating income		**126,450**
Non operating income		
Interest and dividends income	690	
Additional interest refund	525	
Penalty income	79	
Other income	826	2,121
Non operating expenses		
Interest expenses	568	
Foreign exchange loss	1,148	
Other expenses	1,642	3,359
Ordinary income		**125,212**
Extraordinary gain		
Gain on sales of noncurrent assets	327	327
Extraordinary loss		
Loss on retirement of noncurrent assets	1,028	
Impairment loss	116	
Loss on valuation of investment securities	281	
Other loss	722	2,149
Income before income taxes and minority interests		**123,390**
Income taxes current	**45,879**	
Income taxes deferred	**3,084**	**48,964**
Income before minority interests		**74,426**
Minority interests		**2,771**
Net income		**71,654**

Note: The figures displayed here have been rounded down to the nearest million yen

Consolidated Statements of Changes in Net Assets

(September 1, 2011 – August 31, 2012)

Millions of yen

	Net assets				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total net assets
Balance at September 1, 2011	10,273	5,223	369,717	-16,144	369,070
Net change during the year					
Dividends from surplus			-21,893		-21,893
Net income			71,654		71,654
Issuance of new shares (Exchange of subscription rights of shares)		317			317
Increase in treasury stock				-5	-5
Decrease in treasury stock				146	146
Change of scope of consolidation			-384		-384
Other net change during the year					
Total net change during the year	—	317	49,376	140	49,834
Balance at August 31, 2012	10,273	5,541	419,093	-16,003	418,905

	Accumulated other comprehensive income				Subscription rights to shares	Minority interest	Total net asset
	Valuation difference on available-for sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total Accumulated other comprehensive income			
Balance at September 1, 2011	-16,541	-35,583	-2,215	-54,339	510	4,670	319,911
Net change during the year							
Dividends from surplus							-21,893
Net income							71,654
Issuance of new shares (Exchange of subscription rights of shares)							317
Increase in treasury stock							-5
Decrease in treasury stock							146
Change of scope of consolidation							-384
Other net change during the year	106	21,050	1,022	22,179	244	2,722	25,145
Total net change during the year	106	21,050	1,022	22,179	244	2,722	74,981
Balance at August 31, 2012	-16,434	-14,532	-1,193	-32,160	755	7,392	394,892

Note: The figures displayed here have been rounded down to the nearest million yen

Notes to the Group Financial Statements

1. Important Points Relating to the Compiling of Consolidated Financial Statements

(1) Scope of Consolidation

① Consolidated Subsidiaries

Number of consolidated subsidiaries 91 companies

Name of the key subsidiary companies

UNIQLO CO.,LTD.
UNIQLO (U.K.) LIMITED
Fast Retailing USA, Inc.
FRL Korea Co., Ltd.
UNIQLO HONG KONG, LIMITED
G.U.CO.,LTD.
FAST RETAILING FRANCE S.A.S.
CREATIONS NELSON S.A.S.
UNIQLO FRANCE S.A.S.
PETIT VEHICULE S.A.S.
FAST RETAILING(CHINA) TRADING CO.,LTD.
LINK THEORY JAPAN CO.,LTD.
UNIQLO (SINGAPORE) PTE. LTD.
LLC UNIQLO (RUS)
UNIQLO TRADING CO., LTD(China)
Other 76 companies

② Non-Consolidated Subsidiaries

Major non-consolidated firms:

GRAMEEN UNIQLO LTD.
UNIQLO (Germany) GmbH
Helmut Lang 32 Gansevoort LLC
UNIQLO USA LLC
UNIQLO California LLC
UNIQLO New Jersey LLC

Helmut Lang 32 Gansevoort LLC,UNIQLO USA LLC, UNIQLO California LLC, UNIQLO New Jersey LLC are all new companies established in the current consolidated accounting period.

Reason for Exclusion from Consolidated Accounts

Owing to the small scale of operations at these non-consolidated subsidiaries, their total assets, sales, current-term net income and retained earnings exert little impact on the consolidated financial statements and so the companies have been excluded from the consolidated accounts.

(2) Equity Method Application

① Equity Method Non-Consolidated Subsidiaries and Affiliated Companies

Number of equity method non-consolidated subsidiaries and affiliates

None

② Non-Equity Method Non-Consolidated Subsidiaries and Affiliated Companies

Names of major companies:

Non-consolidated subsidiaries:	GRAMEEN UNIQLO LTD.
	UNIQLO (Germany) GmbH
	Helmut Lang 32 Gansevoort LLC
	UNIQLO USA LLC
	UNIQLO California LLC
	UNIQLO New Jersey LLC

Helmut Lang 32 Gansevoort LLC,UNIQLO USA LLC, UNIQLO California LLC, UNIQLO New Jersey LLC are all new companies established in the current consolidated accounting period.

Affiliated companies:	None

Reason for Not Applying Equity Method Accounting

Equity method accounting is not applied to consolidated subsidiaries whose overall importance is low in terms of the amount of current-term net profit and retained earnings commensurate with the equity method and where the impact on the consolidated financial statements of excluding that subsidiary from the equity method would be slight.

(3) Changes to Scope of Consolidation and Equity Method Application

① Companies Subject to Changes in Scope of Consolidation

UNIQLO (Thailand) Company Ltd. was treated as a non-consolidated company through fiscal 2011, but having launched operations in fiscal 2012, the company is now considered to have increased in importance and consequently has been included in the consolidated accounts.

Fast Retailing Philippines, Inc. and Fast Retailing (Singapore) PTE. Ltd. are new companies established in fiscal 2012 and so they are included in the consolidated accounts.

Theory Europe GmbH & Co. KG was absorbed by Theory Europe Management GmbH, and UNIQLO Studio GmbH was absorbed by Link Theory Holdings (Europe) GmbH in fiscal 2012 so they have been removed from the consolidated accounts.

Theory Round Rock LLC, UNIQLO Design Studio, New York, Inc., DECLIC S.A.S. and five other companies have been removed from the consolidated accounts owing to their liquidation in fiscal 2012.

② Companies Subject to Changes in Equity Method Application

No relevant companies.

(4) Financial Year Reporting of Consolidated Subsidiaries

The financial years at Fast Retailing (China) Trading Co., Ltd., Theory Shanghai International Trading Co., Ltd.、UNIQLO TRADING CO., LTD. (China) and FAST RETAILING (SHANGHAI) ENTERPRISE MANAGEMENT CONSULTING CO.,LTD end on December 31 and so results for these firms' annual financial performance are based on a temporary set of business results generated to coincide with the Company's business year-end date of August 31.

(5) Accounting Standards

① Appraisal Standards and Evaluation Methods for Important Assets

a. Shares of subsidiary firms and affiliates	Cost method based on gross average method
b. Other marketable securities	With a market price: Market value method based on the market value registered on August 31, the Company's financial year end. (The valuation difference of marketable securities is reported directly on the income statement, while the cost price of products sold is calculated according to the moving average method.) With no market price: Mainly calculated using the gross average cost method
c. Derivatives	Market value method
d. Inventory assets	Products: Mainly treated under the identified cost method. (The balance sheet value is calculated by assessing the depreciation of the asset's book value based on reduced yield.) Inventory stock: Mainly calculated using the last cost method. (The balance sheet value is calculated by assessing the depreciation of the asset's book value based on reduced yield.)

② Depreciation of Depreciable Assets

a. Tangible fixed assets (excluding leased assets) : Straight line method
Expected serviceable life of major assets:
Building & other structures: 3～50 years
Equipment, fixtures and vehicles: 5 years

b. Intangible fixed assets (excluding leased assets) : Straight line method. Software for internal corporate use calculated using the straight line method based on an estimated serviceable life of 3 to 5 years.

c. Leased assets : Straight line method with the number of serviceable years set to coincide with the lease period and the residual value set at zero. Of the finance lease transactions that do not relate to transfer of ownership, lease transactions conducted by the Company and its Japan-based consolidated subsidiaries with a start-up date on or preceding August 31, 2008 are processed under normal lease accounting methods.

③ Recording of Significant Reserve Totals

Bad-debt reserves : As provision for potential bad debts, loan loss ratios are recorded for general accounts receivable. Specified doubtful accounts receivable are reviewed individually to determine collectability and then an estimate for the non-recoverable portion is recorded.

Bonus payment reserves : A portion of total estimated bonuses liable for payment in the current consolidated accounting period is recorded as provision for bonus payments to Company and Group employees.

④ Main Hedge Accounting Methods

The Company conducts some derivatives trading on forward exchange contracts in order to manage and hedge against the risk of exchange rate fluctuations linked with operations, and these transactions are processed using deferred hedge accounting. The foreign-currency financial assets and financial liabilities are created by the forward contracts are recorded under the appropriate headings on the balance sheet.

⑤ Method and Period of Goodwill Amortization

When goodwill is generated, each subsidiary firm is assessed individually, and, unless the monetary amount is extremely low, the goodwill is amortized using the straight line method with an appropriate amortization period (within 20 years of initial reporting) set according to the subsidiary's current status.

⑥ Other Items Related to the Compilation of Consolidated Financial Statements

Accounting of Sales tax, etc.

The before-tax method is used.

(6) Changes to Methods of Presentation

The 'Interest on Refunds' component of the 'Others' column in 'Non-operating Income' increased in significance in monetary terms in fiscal 2011 and so it has been displayed under a separate heading from fiscal 2012. Interest on refunds totalled ￥72 million in fiscal 2011.

(7) Additional Information

Applying Accounting Standards For Accounting Changes and Error Corrections

The Accounting Standard for Accounting Changes and Error Corrections (The Accounting Standards Board of Japan (ASBJ) Statement No.24, December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, December 4, 2009) is applied to all accounting changes and corrections of past errors from the beginning of fiscal 2012.

２. Notes on the Consolidated Balance Sheet

(1) Collateral Assets

Intangible fixed assets	¥109mln
Liabilities corresponding to the above	
Current portion of long-term debt	¥79mln
Long-term debt	¥30mln
Total	¥109mln

(2) Cumulative Depreciation of Tangible Assets

¥60,197mln

The accumulated impairment loss amount is included in the cumulative depreciation of tangible assets.

(3) Contingent Liabilities

Guarantee obligations on loans from financial institutions	¥12mln

３. Notes on Consolidated Statements of Changes in Net Assets

(1) Total Number of Shares Issued

Type of Stock	Number of Shares (as of end August 2012)
Common Stock	106,073,656

（2) Share Warrants

Number of Shares and Type of Stock For the Purpose of Share Warrants (Within the Exercise Period)
Common stock: 58,769 shares

(3) Dividends on Retained Earnings

① Dividend Payments

a. Dividend determined at the Board of Directors’ meeting on November 7, 2011

・Total dividend payment 8,654,361,000 yen
・Dividend per share 85 yen
・Record date August 31, 2011
・Effective day November 25, 2011

b. Dividend determined at the Board of Directors’ meeting on April 12, 2012

・Total dividend payment 13,239,572,000 yen
・Dividend per share 130 yen
・Record date February 29, 2012
・Effective day May 14, 2012

② Dividends with Fiscal 2012 Record Date and Fiscal 2013 Effective Day

The Board of Directors decided the following at its meeting on November 5, 2012:

・Total dividend payment 13,241,048,000 yen
・Dividend per share 130 yen
・Record date August 31, 2012
・Effective day November 26, 2012

４. Financial Instruments

(1) Items Relating to Current Financial Instruments

① Company Policy on Financial Instruments

In terms of the procurement of funds, the Fast Retailing Group works to ensure the effective utilization of group funds through the Group's Cash Management Service (CMS) and also borrows funds from financial institutions. Any temporary surplus funds are invested at a fixed rate mainly in financial products with an extremely low risk of loss on the principal. The Company does not conduct speculative trading. Any trading of derivatives is restricted to forward contracts designed to reduce the risk of foreign exchange rate fluctuations.

②Financial Instruments: Components and Their Inherent Risk

Marketable securities are mainly held in money market funds (MMF) and so are exposed to fluctuations in market prices. Rental and guarantee deposits are usually held under a lease agreement and so are exposed to the credit risk associated with the lessor.Operating payables such as bills payable and accounts payable have a payment deadline of less than one year.

③ Risk Management System for Financial Instruments

a. Credit Risk Management (including the risk of default of contract, etc.)

Regarding rental and guarantee deposits, the Group seeks to minimize the risk of default by monitoring the financial health of counterparties regularly so that it can obtain an early understanding of any deterioration in financial conditions.

b. Market Risk Management (including the risk of fluctuations in exchange rates and interest rates, etc.)

Regarding operating payables denominated in foreign currencies, as a general rule the Company hedges against the risk of fluctuations in exchanges rates in individual currencies on a monthly basis using forward contracts and other instruments. Regarding marketable securities, the Company monitors market prices regularly as well as the financial status of the issuer or counterparty company.

c. Managing Liquidity Risk of Fund Procurement (including inability to pay liabilities on their due date)

The Company manages its liquidity risk by compiling and revising cash management plans on a timely basis and by keeping ready money available at all times.

④ Supplementary Explanation on Current Value of Financial Instruments and Other Items

The current values of financial instruments are generally based on market price, but, in the absence of a market price, they are based on a rational estimation of value. The calculation of these estimated values can involve some variable factors and so the estimated values may change if different parameters are used.

(2) The Current Value of Financial Instruments

Amounts recorded on the consolidated balance sheet, their current value and the difference (August 31, 2012):

	Amount on the consolidated balance sheets	Market value	Difference
Cash and deposits	¥132,238 million	¥132,238 million	−¥million
Marketable securities	133,788	133,788	―
Lease and guarantee deposits	42,883	42,073	-809
Notes and accounts payable-trade	(71,142)	(71,142)	―
Income taxes payable	(27,738)	(27,738)	―
Derivatives Trading	(22,625)	(22,625)	―

(*) Items recorded as liabilities are displayed in parentheses.

Note: Method for calculating current value of financial instruments plus items on marketable securities and derivatives trading

Assets

Cash and Deposits

Given the fact that these are short-term instruments, the current value is very close to the book value and so the book value is recorded on the balance sheet.

Marketable Securities

The price of shares quoted on the stock exchange is recorded as the current value.

Given the fact that MMF and negotiable deposits are short-term instruments, the current value is very close to the book value and so the book value is recorded on the balance sheet.

Rental and Guarantee Deposits

The current value of deposits scheduled to be recovered at the end of a fixed period is calculated at the present value discounted over the period of the contract by the government bond yield closest to the expiry date of that contract.

Liabilities

Bills, Accounts and Income Tax Payables

Given the fact that these are short-term items, the current value is very close to the book value and so the book value is recorded on the balance sheet.

Derivatives Trading

The calculation of current value is based on prices presented by financial institutions with which the Company does business.

５. Notes on Asset Retirement Obligations

Asset Retirement Obligations Recorded on the Consolidated Balance Sheet

(1)Outline of These Asset Retirement Obligations

These obligations relate to the requirement stipulated in property lease agreements for the head office, other offices and stores to return any rented space to its original condition at the expiry of the lease period.

(2)Total Amount and Method of Calculating These Asset Retirement Obligations

The amount of asset retirement obligations is calculated using an estimate for the service life of the expected tenancy of generally six years from the day of acquisition, and a discount rate of 0.37%.

(3)Change in Amount of Asset Retirement Obligations in Fiscal 2012

Balance at beginning of fiscal 2012	¥5,722mln
Increase related to acquisition of tangible assets	¥682mln
Adjustment over time	¥26mln
Reduction resulting from redemption	- ¥205mln
Other changes	- ¥29mln
Balance at end of fiscal 2012	¥6,196mln

６. Notes on Information Displayed Per Share

Net assets per share	3,797.04 yen
Net income per share in fiscal 2012	703.62 yen
Net income per share fully diluted	703.06 yen

7 . Notes on Significant Subsequent Events

The Issue of Stock-based Compensation Stock Options (Share Warrants)

Based on Articles 236, 238 and 240 of the Companies Act and on the decision taken by the Board of Directors at its meeting held on October 11, 2012, the Company decided to issue share warrants as stock-based compensation stock options for the purpose of rewarding employees of the Company and Group subsidiaries for their contribution to Group profit. By linking the Company’s share price more closely to the benefits received by highly productive personnel, the stock option program is designed both to boost staff morale and their motivation to improve group performance and to boost shareholder value by strengthening business development with a focus on shareholder return.

（1） Third Issuance of Type A Share Warrants by Fast Retailing Co., Ltd.

① Total Number of Share Warrants

13,700 (maximum）

② Type and Number of Shares Used for Share Warrants

Fast Retailing Co., Ltd. common stock: 13,700 shares (maximum)

③ Amount Paid in Share Warrants

The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted and rounded up to the nearest yen.

④ Exercise Period for Share Warrants

November 13, 2015 through November 12, 2025

⑤ Allocation of Share Warrants by Person and Operation

19 employees of Fast Retailing Co., Ltd.

7 employees of Fast Retailing Group subsidiaries

⑥ Share Warrants Allocation Date

November 13, 2012

（2） Third Issuance of Type B Share Warrants by Fast Retailing Co., Ltd.

① Total Number of Share Warrants

42,000 (maximum)

②Type and Number of Stock Used for Share Warrants

Fast Retailing Co., Ltd. Common stock: 42,000 shares (maximum)

③Amount Paid in Share Warrants

The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted and rounded up to the nearest yen.

④ Exercise Period for Share Warrants

December 13, 2012 through November 12, 2022

⑤ Allocation of Share Warrants by Person and Operation

170 employees of Fast Retailing Co., Ltd.

600 employees of Fast Retailing Group subsidiaries

⑥ Share Warrants Allocation Date

November 13, 2012

Balance Sheet

(as of August 31, 2012)

Millions of yen

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	**214,135**		
Cash and deposits	48,938		
Accounts receivable	11,217	**Current liabilities**	**34,190**
Short term investment securities	123,732		
Deferred tax assets	1,663	Account payable	2,407
Short term loan to affiliated company	9,667	Accrued expenses	930
Income tax refund receivable	10,038	Deposit received	29,489
Accounts receivable to affiliated company	8,029	Accrued bonus	750
Other	974	Other	612
Allowance for doubtful account	−126	**Non current liabilities**	**4,085**
Non current assets	**108,453**	Deposit payable	1,148
（Intangible assets）	-4,092	Deferred tax liabilities	2,426
Non current assets	2,586	Other	509
Structures	101	**Total liabilities**	**38,275**
Furniture and equipment	237	**Net assets**	
Land	1,158	**Net assets**	**299,992**
Leased assets	7	Capital stock	10,273
（Investments and other assets）	-14,613	Capital surplus	5,541
Software	9,258	Additional paid-in capital	4,578
Software in progress	5,211	Other capital surplus	962
Other	143	Retained earnings	300,180
(Investment and other assets）	-89,747	Legal retained earnings	818
Investment securities	306	Other retained earnings	299,362
Stocks of subsidiaries and affiliates	70,358	Special reserve	185,100
Investment in affiliates	5,712	Retained earnings-carried over	114,262
Long term loan to affiliated company	11,638	Treasury stock	△16,003
Lease and guarantee deposit	3,885	**Valuation and translation adjustments**	**△16,433**
Other	136	Valuation difference on available- for-sale securities	△16,433
Allowance for doubtful accounts	−2,289	**Subscription rights to shares**	**755**
		Total net assets	**284,314**
Total assets	**322,589**	**Total liabilities and net assets**	**322,589**

Consolidated Statements of Income

(September 1, 2011 – August 31, 2012)

Millions of yen

Account	Amount	
Operating revenue		78,454
Operating expenses		22,634
Operating income		**55,820**
Non operating income		
Interest income	4	
Interest on securities	220	
Other	105	330
Non operating expenses		
Interest expenses	37	
Foreign exchange loss	825	
Other	305	1,169
Ordinary income		**54,982**
Extraordinary loss		
Loss on retirement of noncurrent assets	335	
Loss on valuation of investment securities	281	616
Income before income taxes		**54,365**
Income taxes current	**276**	
Income taxes deferred	**-1,867**	**-1,591**
Net income		**55,956**

Note: Amounts have been rounded down to the nearest million yen.

Consolidated Statements of Changes in Net Assets

(September 1, 2011 – August 31, 2012)

Millions of yen

	Net assets									
		Capital surplus			Retained earnings					
						Other retained earnings				
	Capital stock	Capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Special reserve	Retained earnings-carried over	Total retained earnings	Treasury stock	Total net assets
Balance at September 1, 2011	10,273	4,578	644	5,223	818	185,100	80,199	266,117	-16,144	265,471
Net change during the year										
Dividends from surplus							-21,893	-21,893		-21,893
Net income							55,956	55,956		55,956
Increase in treasury stock									-5	-5
Decrease in treasury stock									146	146
Issuance of new shares (Exchange of subscription rights of shares)			317	317						317
Other net change during the year										
Total net change during the year	―	―	317	317	―	―	34,062	34,062	140	34,521
Balance at August 31, 2012	10,273	4,578	962	5,541	818	185,100	114,262	300,180	-16,003	299,992

	Valuation and translation adjustments		Subscription rights to shares	Total net asset
	Valuation difference on available-for sale securities	Total valuation and translation adjustments		
Balance at September 1, 2011	-16,540	-16,540	510	249,441
Net change during the year				
Dividends from surplus				-21,893
Net income				55,956
Increase in treasury stock				-5
Decrease in treasury stock				146
Issuance of new shares (Exchange of subscription rights of shares)				317
Other net change during the year	106	106	244	351
Total net change during the year	106	106	244	34,872
Balance at August 31, 2012	-16,433	-16,433	755	284,314

Notes to the Company Financial Statements

1. Important Accounting Policy

(1)Appraisal Standards and Evaluation Method for Marketable Securities

① Shares of subsidiary firms and affiliates	Cost method based on gross average method
② Other marketable securities	With a market price: Market value method based on the market value registered on August 31, the Company's financial year end. (The valuation difference of marketable securities is reported directly on the income statement, while the cost price of products sold is calculated according to the moving average method.) With no market price: Mainly calculated using the gross average cost method

(2)Depreciation of Fixed Assets

① Tangible fixed assets (excluding leased assets)	: Straight line method Expected serviceable life of major assets: Building & other structures: 5～10 years Equipment and fixtures: 5 years
② Intangible fixed assets (excluding leased assets)	Straight line method. Software for internal corporate use calculated using the straight line method based on an estimated serviceable life of 5 years.
③ Leased assets	: Straight line method with the number of serviceable years set to coincide with the lease period and the residual value set at zero. Of the finance lease transactions that do not relate to transfer of ownership, lease transactions with a start-up date on or preceding August 31, 2008 are processed under normal lease accounting methods.

(3)Recording of Reserves

Bad debt reserves	: As provision for potential bad debts, loan loss ratios are recorded for general accounts receivable. Specified doubtful accounts receivable are reviewed individually to determine collectability and then an estimate for the non-recoverable portion is recorded.
Bonus payment reserves	: A portion of total estimated bonuses liable for payment in the current business year is recorded as provision for bonus payments to employees.

(4) Accounting of Sales Tax, etc.

The before-tax method is used.

(5) Additional Information

Applying Accounting Standards For Accounting Changes and Error Corrections

The Accounting Standard for Accounting Changes and Error Corrections (The Accounting Standards Board of Japan (ASBJ) Statement No.24, December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, December 4, 2009) is applied to all accounting changes and corrections of past errors from the beginning of fiscal 2012.

2. Notes on the Balance Sheet

(1) Accumulated depreciation for tangible fixed assets ¥4,225 millions

Accumulated depreciation amount including accumulated loss of mpairment amount

(2) Monetary claim and debt for affiliates

①	Short term monetary claim	¥11,140 millions
②	Short term monetary debt	¥30,659 millions
③	Long term monetary claim	¥227 millions

(3) Contingent liabilities

①	Guarantee obligation for rent	¥35,986 millions
②	Guarantee obligation for duty delayed payment	¥372 millions
③	Guarantee obligation for loan	¥12,443 millions

3. Notes on the Income Statement

Business turnover with affiliates companies

Business turnover	¥76,179 millions
Non-business turnover	¥35 millions

4. Notes on the Statement of Changes in Net Assets

The number of the kind of treasury stock and stocks

Kind of shares	Number of shares at the end of August 2012（shares）
Common shares	4,219,434

5. Notes on Tax-Effect Accounting

Main breakdown by the cause of the deferred tax assets and the deferred tax liabilities

Deferred tax assets		Millions of yen
Accrued bonus	306	
Overdepreciation amount	725	
Devaluation amount for stocks of affiliates	16, 301	
Provision for bad debt allowance	855	
Valuation difference on available-for sale securities	5, 822	
Loss carried forward	1, 961	
Other	3, 266	
Subtotal deferred tax assets	29, 239	
Valuation reserve amount	−27, 576	
Total deferred tax assets	1, 663	
Deferred tax liabilities		Millions of yen
Asset retirement obligation	82	
Deemed transfer loss for the stocks of affiliates	2, 190	
Other	153	
Total deferred tax liabilities	2, 426	
Net deferred tax assets	−762	Millions of yen

６. Notes on the Financial Relationship with Specific Group Firms

	Name of the companies	Location	Capital stock or investment (Millions of yen)	Contents of the business	% of shares	Relations with the associated person concerned	Contents of the transaction	Amount of transaction (Millions of yen)	Account	Balance at August 31, 2012 (Millions of yen)
Consolidated subsidiary	UNIQLO CO., LTD.	Yamaguchi-city Yamguchi	1,000	Clothing related business	100	Relation of trademark use agreement Concurrently serve as directors	Receipt of royalty etc. (Note:1)	20,624	Account receivables	8,060
							Advance payment for the recharge expenses	4,920	Account receivables from affiliates	6,408
							Custody of the fund by the deposition contract (Note:2)	15,000	Deposit received	20,178
Consolidated subsidiary	FAST RETAILING USA, Inc.	New York, USA	3,494	Clothing related business	100	Relation of service rendering Concurrently serve as directors	Loan of funds (Note:2)	11,515	Short-term loan receivable with interest for affiliate	3,222
							Undertaking of the increase of capital (Note:3)	7,931	Long-term loan receivable with interest for affiliate	6,130
							Loan guarantee (Note:4)	34,896	—	—
Consolidated subsidiary	FAST RETAILNG FRANCE S.A.S.	Paris, France	22,563	Clothing related business	100	Concurrently serve as directors	Loan of funds (Note:2)	5,377	Short-term loan receivable with interest for affiliate	4,757
									Long-term loan receivable with interest for affiliate	2,094
							Loan guarantee (Note:4)	7,865	—	—
Consolidated subsidiary	UNIQLO(U.K.)LTD.	London UK	4,201	Clothing related business	100	Relation of service rendering Concurrently serve as directors	Loan of funds (Note:2)	1,007	Short-term loan receivable with interest for affiliate	620
									Long-term loan receivable with interest for affiliate	3,413
Consolidated subsidiary	LINK THEORY JAPAN CO., LTD.	Yamaguchi-city Yamguchi	10	Clothing related business	100	Relation of service rendering Concurrently serve as directors	Loan guarantee (Note:4)	4,565	—	—
Consolidated subsidiary	G.U.CO.,LTD.	Yamaguchi-city Yamguchi	10	Clothing related business	100	Relation of service rendering Concurrently serve as directors	Custody of the fund by the deposition contract (Note:2)	7,769	Deposit received	6,712

Terms of business and how they are determined

Note 1: Fast Retailing Co., Ltd. receives payments including royalties for the use of the UNIQLO brand. Royalty payments equal a fixed proportion of sales. The rate is determined using a reasonable and uniform standard across the entire corporate group.

Note 2: The rate of interest on loans or deposits is set at a reasonable rate with due consideration of current market rates. In addition, the transaction amount of any fund deposit is listed as the net balance of monies deposited and withdrawn.

Note 3: Investments in kind using debt-equity swaps

Note 4: The Company provides debt guarantees for borrowing and rental payments.

７. Notes on Leased Fixed Assets

The Company uses financing lease contracts that do not involve the transfer of ownership for fixed assets recorded on the balance sheet and some business support systems.

(1)Equivalent acquisition costs on leased property, cumulative depreciation and fiscal year-end balance

Acquisition of leased property	¥18mln
Cumulative depreciation	¥16mln
Balance at fiscal year-end	¥1mln

(2)Balance of unexpired leases at the end of fiscal 2012

1 year or less	¥1mln
More than one year	―
Total	¥1mln

(3)Lease payments, depreciation and interest expense equivalents

Lease payments	¥165mln
Depreciation	¥117mln
Interest expense	¥0mln

(4)Calculation of depreciation

Straight line method with the number of serviceable years equal to the lease period and the residual value set at zero.

(5)Calculation of interest

The interest equivalent is set as the difference between the total cost of the lease and the cost of acquiring leased property, and the interest method is used to calculate the proportion to be allocated to each financial period.

８. Notes on Asset Retirement Obligations

Asset Retirement Obligations Recorded on the Balance Sheet

(1)Outline of These Asset Retirement Obligations

These obligations relate to the requirement stipulated in property lease agreements for the head office, other offices and stores to return any rented space to its original condition at the expiry of the lease period.

(2) Total Amount and Method of Calculating These Asset Retirement Obligations

The amount of asset retirement obligations is calculated using an estimate for the service life of the expected tenancy of generally five years from the day of acquisition, and a discount rate of 0.27%.

(3) Change in Amount of Asset Retirement Obligations in Fiscal 2012

Balance at beginning of fiscal 2012	¥467mln
Increase related to acquisition of tangible assets	-
Adjustment over time	¥2mln
Redemption	-
Other changes	-
Balance at end of fiscal 2012	¥469mln

９. Notes on Information Displayed Per Share

Net assets per share	2,783.97 yen
Net income per share	549.48 yen
Net income per share fully diluted	549.04 yen

10. Notes on Significant Subsequent Events

The Issue of Stock-based Compensation Stock Options (Share Warrants)

Based on Articles 236, 238 and 240 of the Companies Act and on the decision taken by the Board of Directors at its meeting held on October 11, 2012, the Company decided to issue share warrants as stock-based compensation stock options for the purpose of rewarding employees of the Company and Group subsidiaries for their contribution to Group profit. By linking the Company's share price more closely to the benefits received by highly productive personnel, the stock option program is designed both to boost staff morale and their motivation to improve group performance and to boost shareholder value by strengthening business development with a focus on shareholder return.

（1） Third Issuance of Type A Share Warrants by Fast Retailing Co., Ltd.

① Total Number of Share Warrants

13,700 (maximum）

② Type and Number of Shares Used for Share Warrants

Fast Retailing Co., Ltd. common stock: 13,700 shares (maximum)

③ Amount Paid in Share Warrants

The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted and rounded up to the nearest yen.

④ Exercise Period for Share Warrants

November 13, 2015 through November 12, 2025

⑤ Allocation of Share Warrants by Person and Operation

19 employees of Fast Retailing Co., Ltd.

7 employees of Fast Retailing Group subsidiaries

⑥ Share Warrants Allocation Date

November 13, 2012

（2） Third Issuance of Type B Share Warrants by Fast Retailing Co., Ltd.

① Total Number of Share Warrants

42,000 (maximum)

②Type and Number of Stock Used for Share Warrants

Fast Retailing Co., Ltd. Common stock: 42,000 shares (maximum)

③Amount Paid in Share Warrants

The option price per share is calculated according to the Black-Scholes model multiplied by the number of shares granted and rounded up to the nearest yen.

④ Exercise Period for Share Warrants

December 13, 2012 through November 12, 2022

⑤ Allocation of Share Warrants by Person and Operation

170 employees of Fast Retailing Co., Ltd.

600 employees of Fast Retailing Group subsidiaries

⑥ Share Warrants Allocation Date

November 13, 2012

Annual General Meeting Reference Materials

Proposal 1: The Election of Six Company Directors

The term of service for five company directors (the entire Board of Directors) expires at the conclusion of this Annual General Meeting. In order to strengthen the operational base of Fast Retailing Co., Ltd., we would like to add an additional member to the Board of Directors, and so we seek your approval for the election of the following six candidates as company directors.

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)	Shareholding in Fast Retailing Co., Ltd.
1	Tadashi Yanai (February 7, 1949)	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 CORP. (current) Nov. 2002 Chairman and CEO, FAST RETAILING CO., LTD. (currently Chairman, President and CEO) Feb. 2004 Chairman, LINK HOLDINGS CO., LTD. (currently LINK THEORY JAPAN CO., LTD.) Nov. 2004 Chairman, UNIQLO USA, Inc. (currently FAST RETAILING USA, Inc.) Mar. 2005 Chairman, ONEZONE CORPORATION (currently G.U. CO., LTD.) Apr. 2005 Director Chairman, LINK THEORY HOLDINGS CO., LTD. (currently LINK THEORY JAPAN CO., LTD.) Apr. 2005 Chairman, FR FRANCE S.A.S. (currently FAST RETAILING FRANCE S.A.S.) Apr. 2005 Chairman, GLOBAL RETAILING FRANCE S.A.S. (currently UNIQLO FRANCE S.A.S.) Jun. 2005 External Director, SPARX Asset Management Co., Ltd. (current SPARX Group Co., Ltd.) Sep. 2005 Chairman, President and CEO, FAST RETAILING CO., LTD. (current) Nov. 2005 Chairman, President and CEO, UNIQLO CO., LTD. (current) Nov. 2005 Chairman, UNIQLO (U.K.) LTD. Sep. 2008 Chairman, GOV RETAILING CO., LTD. (currently G.U. CO., LTD.) (current) Sep. 2008 Chairman & CEO, FR FRANCE S.A.S. (currently FAST RETAILING FRANCE S.A.S.) Jun. 2009 External Director, Nippon Venture Capital Co., Ltd. (current) Sep. 2011 Chairman, G.U. CO., LTD. (current) Nov.2011 Chairman, LINK THEORY JAPAN CO., LTD. (current)	22,987,284 shares

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)	Shareholding in Fast Retailing Co., Ltd.
2	Toru Hambayashi (January 7, 1937)	Apr. 1959 Joined Nichimen Company Limited (currently Sojitz Corporation) Oct. 2000 President, Nichimen Corporation (currently Sojitz Corporation) May 2002 International Senior Economic Consultant, The People's Government of Shaanxi Province (P.R. China) (current) Apr. 2003 Chairman and Representative Director, Sojitz Holdings Corporation (currently Sojitz Corporation) Jun. 2004 Economic Advisor, Heilongjiang Province, China (current) Jun. 2004 Auditor, UNITIKA Ltd. (current) Nov. 2005 External Director, FAST RETAILING CO., LTD. (current) Jun. 2007 External Director, MAEDA CORPORATION (current) Apr. 2009 Adviser, The Association for the Promotion of International Trade, Japan(current) Jun. 2011 External Director, DAIKYO INCORPORATED (current)	0 Share

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)	Shareholding in Fast Retailing Co., Ltd.
3	Nobumichi Hattori (December 25, 1957)	Apr. 1981 Joined Nissan Motor Co., Ltd. May.1989 Finished Master's Degree Program at Massachusetts Institute of Technology Sloan School of Management Jun. 1989 Joined Goldman Sachs and Company, Headquarters (New York) Nov. 1998 Managing Director, M&A Advisory, Goldman Sachs (Japan) Ltd. Oct. 2003 Visiting Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University Jun. 2005 External Director, Miraca Holdings Inc. (current) Nov. 2005 External Director, FAST RETAILING CO., LTD. (current) Oct. 2006 Visiting Professor, Graduate School of International Corporate Strategy, Hitotsubashi University (current) Apr. 2009 Visiting Professor, Waseda Graduate School of Finance, Accounting and Law (current)	0 Share

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)	Shareholding in Fast Retailing Co., Ltd.
4	Toru Murayama (June 11, 1954)	Apr. 1980 Joined Arthur Andersen & Co. (currently Accenture Japan Ltd.) Apr. 1998 Part-time Lecturer, Undergraduate School of Science and Engineering, Waseda University Apr. 2001 Special Invited Professor, Undergraduate School of Commerce, Meiji University Apr. 2003 Representative Director and President, Accenture Japan Ltd Apr. 2005 Visiting Professor, Undergraduate School of Science and Engineering, Waseda University Apr. 2006 Director and Vice Chairman, Accenture Japan Ltd. Jun. 2006 External Director, SPARX Asset Management Co., Ltd. (currently SPARX Group Co., Ltd.) Sep. 2007 Director and Chairman, Accenture Japan Ltd. Nov. 2007 External Director, FAST RETAILING CO., LTD. (current) Apr. 2008 Visiting Professor, Comprehensive Research Organization, Waseda University Apr. 2009 Advisor, Waseda University Sep. 2009 Corporate Advisor, Accenture Japan Ltd. Apr. 2010 Professor, Faculty of Science and Engineering, Waseda University (current) Oct.2011 Advisor, Microsoft Japan Co., Ltd. (current)	500 Shares

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)	Shareholding in Fast Retailing Co., Ltd.
5	Masaaki Shintaku (September 10, 1954)	Apr. 1978 Joined IBM Japan, Ltd. Dec. 1991 Joined Oracle Corporation Japan Aug. 1994 Director, Oracle Corporation Japan Aug. 1998 Managing Director, 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) (current) Jun. 2008 Chairman, Oracle Corporation Japan Aug. 2008 Executive Advisor, Oracle Corporation Japan Mar. 2009 Advisor, FAST RETAILING CO., LTD. May. 2009 Advisory Board Member, NTT DOCOMO, INC. (current) Nov. 2009 External Director, FAST RETAILING CO., LTD. (current) Jul. 2011 External Director, COOKPAD Inc. (current)	0 Share

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)	Shareholding in Fast Retailing Co., Ltd.
6 New Appointment	Takashi Nawa (June 8, 1957)	Apr. 1980 Joined Mitsubishi Corporation Apr. 1991 Joined McKinsey & Company Jun. 2010 Appointed professor of The Graduate School of International Corporate Strategy (ICS), Hitotsubashi University (current) Jun. 2010 Appointed president of Genesis Partners (current) Sep. 2010 Senior advisor to Boston Consulting Group (current) Jun. 2011 Appointed external director at NEC Capital Solutions (current) Sep. 2010 Appointed president of Next Smart Lean Co.,Ltd. (current)	0 Share

1. Takashi Nawa is a new candidate for company director.
2. Toru Hambayashi, Nobumichi Hattori, Toru Murayama, Masaaki Shintaku and Takashi Nawa are all candidates for external director. The Tokyo Stock Exchange has been notified that Toru Hambayashi, Nobumichi Hattori and Masaaki Shintaku serve as independent directors.
3. Fast Retailing Co., Ltd. currently has a consulting contract with candidate for director Toru Murayama for the training of management personnel.
4. Candidate for director Takashi Nawa is the president of Genesis Partners. Fast Retailing Co., Ltd. currently has a consulting contract with that firm for the training of management personnel.
5. Fast Retailing Co., Ltd. has no specific interests or agreements with any of the other candidates for director.
6. Notes on the candidates for external company director

(1) Reasons for selection as candidates for external company director:

① Toru Hambayashi is considered a suitable candidate for external director with many years of top management experience at a large trading company. His knowledge of the apparel retailing industry is also valuable to Fast Retailing as the company seeks to expand its apparel-related operations.

② Nobumichi Hattori is considered a suitable candidate for external director because of his career background at a large American investment bank. Currently an M&A specialist, his experience is also to Fast Retailing as the company seeks to expand its operations through mergers and acquisitions.

③ Toru Murayama is considered a suitable candidate for external director because his broad and deep knowledge of management principles and first-hand experience in senior management at an American consulting firm has proved valuable in steering the expansion of Fast Retailing Group operations.

④ Masaaki Shintaku is considered a suitable candidate for external director because his broad and deep knowledge of management principles and first-hand experience in senior management at an American information systems company has proved valuable in helping steer the expansion of Fast Retailing Group operations.

⑤ Takashi Nawa is considered a suitable candidate for external director because of his experience working in an American consulting firm and as professor of The Graduate School of International Corporate Strategy (ICS) at Hitotsubashi University. His rich knowledge and experience of international corporate strategy would be valuable in helping steer the expansion of Fast Retailing Group operations.

(2) Length of service of external directors

At the conclusion of this Annual General Meeting, Toru Hambayashi and Nobumichi Hattori will have served as external directors at Fast Retailing Co., Ltd. for a period of seven years, Toru Murayama for a period of five years and Masaaki Shintaku for a period of three years.

(3) Outline of external directors' limited liability contract

In order to enable external directors to fulfil their roles to the best of their ability and meet the expectations of the Board and shareholders, Fast Retailing Co., Ltd. has signed a limited liability contract with Toru Hambayashi, Nobumichi Hattori, Toru Murayama and Masaaki Shintaku limiting liability for damages as stipulated in Article 423, paragraph 1 of the Companies Act. This contract will be extended in the event that these four persons are re-elected as external directors. A similar contract is due to be signed with the new candidate for external director, Takashi Nawa, if his appointment is approved. An outline of the said contract is detailed below.

The said contract is based on the provisions in Article 427, paragraph 1 of the Companies Act which limit the liability for damages as stipulated in Item 1, Article 423 of the Companies Act. The contract states that liability for damages will be limited to the higher of two figures: either 5 million yen or the amount stipulated by law.

Proposal 2: The Appointment of Three Statutory Auditors

The term of service for two of the three current statutory auditors expires at the conclusion of this Annual General Meeting and the third statutory auditor, Norihiko Shimizu, intends to retire from his position at the close of this meeting. Therefore, we would ask you to appoint three new statutory auditors at this time. The Board of Auditors supports this motion which lists the following three candidates for the three positions of statutory auditor.

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)	Shareholding in Fast Retailing Co., Ltd.
1	Takaharu Yasumoto (March 10, 1954)	Nov. 1978 Joined Asahi & Co.(currently KPMG AZSA LLC) Aug. 1982 Registered as a member of Japanese Institute of Certified Public Accountants Apr. 1992 President, Yasumoto CPA Office (current) Nov. 1993 Statutory Auditor, FAST RETAILING CO., LTD. (current) Aug. 2001 Statutory Auditor, ASKUL Corporation (current) Jun. 2003 Statutory Auditor, LINK INTERNATIONAL CO., LTD. (currently LINK THEORY JAPAN CO., LTD.) (current) Nov. 2005 Statutory Auditor, UNIQLO CO., LTD. (current) Apr. 2007 Guest Professor, Chuo Graduate School of International Accounting (current) Jun. 2010 Statutory Auditor, UBIC, Inc.(current)	8,000 Shares

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)	Shareholding in Fast Retailing Co., Ltd.
2 New Appointment	Keiko Kaneko (November 11, 1967)	Apr.1991 Joined Mitsubishi Corporation Apr.1999 Registered as a lawyer Apr.1999 Joined Anderson, Mori & Tomotsune (AM&T) law firm Jan.2007 Became partner at AM&T (current) Apr.2007 Appointed guest associate professor at Tokyo University Graduate School of Law	0 Share

Candidate number	Name (Date of Birth)	Corporate Experience (Positions, Responsibilities, Concurrent Posts, etc.)	Shareholding in Fast Retailing Co., Ltd.
3 New Appointment	Masaaki Shinjo (January 28, 1956)	Apr.1983 Joined Asahipen Corp Feb.1994 Joined FAST RETAILING CO., LTD. Sep.1998 Manager of entrusted operating officer administration Apr.2004 General Manager, Legal Department, Link Theory Holdings (currently Link Theory Japan) Sep.2005 General Manager, FR Group Auditing Sep.2006 Manager of entrusted operating officer administration, G.U. CO., LTD. Jan.2008 General Manager, FR Group Corporate Transformation Jan.2008 Director, ONEZONE CORPORATION (currently G.U. CO., LTD.) Mar.2009 General Manager, FR Corporate Administration Sep.2009 Statutory Auditor, GOV RETAILING (currently G.U. CO., LTD.) Jan.2010 General Manager, Sales Support, UNIQLO CO., LTD. Mar.2011 General Manager, FR Planning Management (current) Sep.2012 Auditor, Fast Retailing (China) Trading Co., Ltd. (current)	0 Share

1. Keiko Kaneko and Masaaki Shinjo are both new candidates for the position of statutory auditor.
2. Fast Retailing Co., Ltd. has no specific interests or agreements with any of the candidates for statutory auditor.
3. Takaharu Yasumoto and Keiko Kaneko are candidates for external auditor. Takaharu Yasumoto is registered at the The Tokyo Stock Exchange to serve as an independent director.
4. Notes on the candidates for external auditor

(1) Reasons for selection as candidates for external auditor

① Takaharu Yasumoto is considered a suitable candidate for external auditor because of his rich experience and expertise as a certified public accountant and also because of his exemplary performance to date as an external auditor for Fast Retailing Co., Ltd.

② Keiko Kaneko is considered a suitable candidate for external auditor because of her rich experience and expertise as a registered lawyer.

(2) Length of service of external auditors

At the conclusion of this Annual General Meeting, Takaharu Yasumoto will have served as a statutory auditor at Fast Retailing Co., Ltd.for a period of 19 years.

(3) Outline of external auditors limited liability contract

In order to enable external auditors to fulfil their role to the best of their ability and meet the expectations of the Board and company shareholders, Fast Retailing Co., Ltd. has signed a limited liability contract with Takaharu Yasumoto limiting liability for damages as stipulated in Article 423, paragraph 1 of the Companies Act. This contract will be extended if he is re-elected as an external auditor. A similar contract would also be entered into with the new candidate for external auditor, Keiko Kaneko, if her appointment is approved. An outline of the said contract is detailed below.

The said contract is based on the provisions in Article 427, paragraph 1 of the Companies Act which limit the liability for damages as stipulated in Article 423, paragraph 1 of the Companies Act. The contract states that liability for damages will be limited to the higher of two figures: either 5 million yen or the amount stipulated by law.