



FAST RETAILING

NOTICE OF 2018 General Meeting of Shareholders

(Year from 1 September 2017 to 31 August 2018)

Date and time

11.00 JST,
Thursday, 29 November, 2018

Location

Main Conference Room, Head Office
Conference Building, 717-1 Sayama,
Yamaguchi City, Yamaguchi, Japan

Matters for Resolution

Proposal 1: Election of nine Directors

Proposal 2: Election of two Statutory Auditors

FAST RETAILING CO., LTD.

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

Go back to zero, change everything

Everything is now in place to further accelerate our Ariake Project and transform Fast Retailing into a digital consumer retail company. The Ariake Project discards all former ideas and concepts, and fundamentally reforms our entire supply chain from planning through production, distribution and retail. The project transforms every aspect of the way that all of our employees work, gathering information from around the world, and working with people worldwide to create new products.

The opening of UNIQLO's first Swedish store in Stockholm in August 2018 was a busy and exciting occasion. I attended the opening ceremony myself, and was deeply struck by people's approach to life in this top-class, refined culture. The customers in this relaxed, mature country are genuinely interested in clothes, and the nation's working style is perfectly attuned to creating a high level of added value with a small population. UNIQLO's LifeWear concept, which offers the ultimate in everyday clothing, has much in common with the Swedish culture and preference for simple, practical life. We believe Europe, the cradle of western clothing culture, is an important market for future Fast Retailing Group strategy. We are proactively expanding our store network in Europe, with the opening of our first UNIQLO store in Amsterdam, the Netherlands in September 2018, and our first UNIQLO store in Copenhagen, Denmark in spring 2019.

In terms of the world's economic growth centers, I believe the Asian region spanning Greater China, South Korea, Southeast Asia & Oceania, and India will prove a crucial region for future UNIQLO and GU growth. We intend to open our first UNIQLO store in Delhi, India in fall 2019. India is a huge nation with a unique culture. To be successful in that market, we must form strong partnerships with superior Indian companies, go right back to the beginning, and build entirely new methods of doing business. UNIQLO can't become the world's No.1 brand without successful operations in India.

Fast Retailing achieved another record of business performance in FY2018. We intend to continue reforming our business going forward to ensure continued strong growth. Our quest to create a new digital consumer retailing industry and become the world's No.1 brand focuses not only on expanding our business, but also continuing our strong commitment and contribution to sustainable society. Within the clothes-manufacturing process, we work ardently to address issues relating to factory working conditions, upholding human rights and improving the environment. We remain determined to help transform society and make the world a better place through clothes.

November 2018

Tadashi Yanai

Chairman, President and CEO

NOTICE OF 2018 GENERAL MEETING OF SHAREHOLDERS

Date and time: 11:00 JST, Thursday, 29 November, 2018

Location: Main Conference Room, Head Office
Conference Building 717-1 Sayama,
Yamaguchi City, Yamaguchi, Japan

Items to be dealt with at the Meeting:

Matters for Reporting	<ol style="list-style-type: none"> 1. Reports on the business report, consolidated financial statements and financial statements for the fiscal 2018 (1 September 2017 to 31 August 2018) 2. Results of the audit of the consolidated financial statements by the Independent Auditors and the Board of Statutory Auditors for fiscal 2018 (1 September 2017 to 31 August 2018)
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Matters for Resolution	Proposal 1: Election of nine Directors
	Proposal 2: Election of two Statutory Auditors

Information Disclosed Online

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

Business report

Employees, Principal Lenders, items relating to external officers, the independent auditors, share subscription rights and ensuring proper business operations (corporate governance)

Consolidated financial statements

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

Financial statements

Statement of changes in net assets, notes to financial statements

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

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

MEMO

THE REFERENCE MATERIALS FOR THE 2018 GENERAL MEETING OF SHAREHOLDERS

Proposal 1 Election of Nine Directors

The term of office of all six current directors expires at the end of this Ordinary General Meeting of Shareholders, so with the aim of strengthening management structures, the Company proposes to increase the total number of directors by three, thus seeking the election of nine directors at this meeting. The candidates for director are as follows.

Candidate number	Name		Position	No. of years as a board director	Board of directors' meeting attendance
1	Tadashi Yanai (69 years old)	Reappointment	Representative Director; Chairman, President & CEO	46 years	100% (13 of 13)
2	Toru Hambayashi (81 years old)	Reappointment External Director Independent Officer	Director	13 years	100% (13 of 13)
3	Nobumichi Hattori (60 years old)	Reappointment External Director Independent Officer	Director	13 years	100% (13 of 13)
4	Masaaki Shintaku (64 years old)	Reappointment External Director Independent Officer	Director	9 years	100% (13 of 13)
5	Takashi Nawa (61 years old)	Reappointment External Director Independent Officer	Director	6 years	92.3% (12 of 13)
6	Naotake Ono (70 years old)	New appointment External Director Independent Officer	—	—	—
7	Takeshi Okazaki (53 years old)	New appointment	—	—	—
8	Kazumi Yanai (44 years old)	New appointment	—	—	—
9	Koji Yanai (41 years old)	New appointment	—	—	—

1 Tadashi Yanai

Reappointment



- **DOB:** 7 February 1949
- **No. of years as a Board Director:**
46 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:**
22,987,284 shares
- **Career profile and Fast Retailing positions held:**
 - Aug. 1972 Joined FAST RETAILING CO., LTD.
 - Sep. 1972 Director, FAST RETAILING CO., LTD.
 - Aug. 1973 Senior Managing Director, FAST RETAILING CO., LTD.
 - Sep. 1984 President & CEO, FAST RETAILING CO., LTD.
 - Jun. 2001 External Director, SOFTBANK GROUP CORP. (current)
 - Nov. 2002 Chairman and CEO, FAST RETAILING CO., LTD.
 - Sep. 2005 Chairman, President and CEO, FAST RETAILING CO., LTD. (current)
 - Nov. 2005 Chairman, President and CEO, UNIQLO CO., LTD. (current)
 - Sep. 2008 Director and Chairman, GOV RETAILING CO., LTD. (currently G.U. CO., LTD.) (current)
 - Jun. 2009 External Director, Nippon Venture Capital Co., Ltd. (current)
 - Nov. 2011 Director, LINK THEORY JAPAN CO., LTD. (current)
- **Major concurrent offices:**
 - External Director, SOFTBANK GROUP CORP.
 - Chairman, President and CEO of UNIQLO CO., LTD.
 - Director of 17 other subsidiaries of the Company
 - External Director, Nippon Venture Capital Co., Ltd.

Selection for Chairman, President and CEO

Tadashi Yanai founded and built Fast Retailing into the successful corporate group that it is today. Appointed President and CEO in 1984, he has steered the company's management team for 34 years, and expanded the Group into one of the world's leading specialty store retailers of private-label apparel by developing UNIQLO's global operations and acquiring different apparel brands. His impressive management experience, broad operational knowledge and focus on increasing sustainable corporate value is vital to the Group's continued growth. We highly recommend Mr. Yanai's reappointment.

Candidate Message

We are actively creating a new industry fueled by our quest to become a digital consumer retailing company. Driven by our corporate mission "Changing clothes. Changing conventional wisdom. Change the world," I want to increase our corporate value even further and realize speedier, transparent management. To fundamentally enrich people's lives, we intend to pursue initiatives that help realize a sustainable society, and grow as a company that delivers joy and happiness to people all over the world.

2 Toru Hambayashi

Reappointment External Director Independent Officer



- **DOB:** 7 January 1937
- **No. of years as a Board Director:**
13 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**

Apr. 1959 Joined Nichimen Company Limited (currently Sojitz Corporation)
 Oct. 2000 President, Nichimen Corporation (currently Sojitz Corporation)
 Apr. 2003 Chairman and Representative Director, Sojitz Holdings Corporation (currently Sojitz Corporation)
 Jun. 2004 External Auditor, UNITIKA LTD.
 Nov. 2005 External Director, FAST RETAILING CO., LTD. (current)
 Jun. 2007 External Director, MAEDA CORPORATION
 Apr. 2009 Adviser, The Association for the Promotion of International Trade, Japan (current)
 Jun. 2011 External Director, DAIKYO INCORPORATED (current)
 Jun. 2015 External Director, UNITIKA Ltd. (current)
 Jun. 2017 Advisor, Maeda Corporation (current)

■ Major concurrent offices:

External Director, UNITIKA LTD.
 Adviser, MAEDA CORPORATION
 Adviser, The Association for the Promotion of International Trade, Japan
 External Director, DAIKYO INCORPORATED

Selection for External Director

Toru Hambayashi is well versed in overall trends in the apparel industry having worked for many years in senior management first as president of Nichimen Corp. general trading company (currently Sojitz Corp.) and then as chairman and co-CEO of Nissho Iwai-Nichimen Holdings Corp. (currently Sojitz Corp.). His global perspective and superior management experience has been extremely useful to the Company as we have sought to expand our apparel-related operations. We highly recommend Mr. Hambayashi is an appropriate candidate for external director.

Candidate Message

Tadashi Yanai has a strong sense of morality, but it is extremely important that the company transitions from a 'my company' under Mr. Yanai, to a more public 'your company.' It is my job to strictly evaluate on behalf of company shareholders whether the company is growing sustainably within a healthy and correct framework. I want to continue closing monitoring and supporting FR in its quest to become the world's No.1 brand.

3 Nobumichi Hattori

Reappointment External Director Independent Officer



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

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

■ Major concurrent offices:

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

Selection for External Director

Nobumichi Hattori presided over M&A projects in Japan as managing director of major US bank Goldman Sachs' New York head office. He currently researches M&A and corporate valuation. Well versed in how companies operate in capital markets, he also serves as visiting professor at graduate schools of Waseda and Keio universities in Tokyo. We believe Mr. Hattori's knowledge and experience is valuable to our company, and we highly recommend him as a candidate for external director.

Candidate Message

As Fast Retailing continues to challenge new phases and stages of its corporate development, the role of the Board of Directors as a key collective that consistently reminds management of risk-side factors grows increasingly important as the years go by. I want to apply my experience at a major US investment bank to objectively judge how capital markets perceive Fast Retailing's corporate value, and suggest how to best increase that value. I am keen to provide further broad support going forward.

4 Masaaki Shintaku

Reappointment External Director Independent Officer



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

Apr. 1978 Joined IBM Japan, Ltd.
Dec. 1991 Joined Oracle Corporation Japan
Aug. 2000 President & CEO, Oracle Corporation Japan
Jan. 2001 Executive Vice President, Oracle Corporation
Apr. 2008 Vice Chairman, Special Olympics Nippon (currently Special Olympics Nippon Foundation) (current)
Jun. 2008 Chairman, Oracle Corporation Japan
May 2009 Advisory Board Member, NTT DOCOMO, INC.
Nov. 2009 External Director, FAST RETAILING CO., LTD. (current)
Jul. 2011 External Director, COOKPAD Inc.
Dec. 2015 External Director, Works Applications CO., LTD. (current)

- **Major concurrent offices:**
Vice Chairman, Special Olympics Nippon Foundation
External Director, Works Applications CO., LTD.

Selection for External Director

Having worked in senior management at US information systems company Oracle Corp., Masaaki Shintaku has amassed a wealth of experience and knowledge in the field of corporate management. As vice chairman of the non-profit organization Special Olympics Nippon Foundation, he is involved in a wider range of activities. His objective advice regarding Fast Retailing future growth strategy, and his valuable in-depth knowledge of sponsored athletes and sports for people with disabilities makes him an appropriate candidate for external director.

Candidate Message

Fast Retailing has formed a cohesive corporate Group, globalized its operations, and is now determinedly investing in transforming its logistics and IT systems as it starts its own transformative journey to become a digital consumer retailing company. In such periods of operational change, it is important to nurture truly talented managers who can serve as the dynamic drivers of growth. It is heartening to see the company steadily expanding personnel who exhibit a strong desire to take on new challenges. Fast Retailing's Board of Directors should also work as a unified team to help accelerate the company's progress, and contribute to future growth.

5 Takashi Nawa

Reappointment External Director Independent Officer



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

Apr. 1980 Joined Mitsubishi Corporation
Apr. 1991 Joined McKinsey & Company
Jun. 2010 Professor, The Graduate School of International Corporate Strategy, Hitotsubashi University (current)
Jun. 2010 President, Genesys Partners (current)
Sep. 2010 Senior Advisor, Boston Consulting Group
Jun. 2011 External director, NEC Capital Solutions Limited (current)
Nov. 2012 External Director, FAST RETAILING CO., LTD. (current)
Jun. 2014 External Director, DENSO CORPORATION (current)
Jun. 2015 External Director, Ajinomoto Co., Inc. (current)

- **Major concurrent offices:**
Professor, The Graduate School of International Corporate Strategy, Hitotsubashi University
President, Genesys Partners
External director, NEC Capital Solutions Limited
External Director, DENSO Corporation
External Director, Ajinomoto Co., Inc.

Selection for External Director

Takashi Nawa has amassed a wealth of knowledge and insight into international corporate strategy over his career as director of the American multinational management consultant firm McKinsey & Company, and as professor of The Graduate School of International Corporate Strategy at Hitotsubashi University. His deep knowledge of ESG-related items equips him to make a large contribution as a member of the Sustainability Committee. His experience should also prove extremely in promoting global business and diverse management, and we highly recommend him as a candidate for external director.

Candidate Message

I always try to express opinions in management discussions that promote diversity. I try to consider how a director from a country other than Japan would view a particular point and then inject that perspective into the Fast Retailing management debate. As an external director, I want to firmly support future growth by pointing out problems with any policy direction, and offering objective, appropriate advice regarding new business areas.

6 Naotake Ono

New appointment External Director Independent Officer



- **DOB:** 28 October 1948
- **No. of years as a Board Director:** —
- **Board of Directors' meeting attendance:** —
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**

Apr. 1971 Joined Daiwa House Industry Co., Ltd.
 Jun. 2000 Director, Daiwa House Industry Co., Ltd.
 Apr. 2004 Senior Managing Executive Officer, Deputy Head of Marketing Division, Daiwa House Industry Co., Ltd.
 Apr. 2007 Executive Vice President, Head of Marketing, Daiwa House Industry Co., Ltd.
 Apr. 2011 President & COO, Daiwa House Industry Co., Ltd.
 Nov. 2017 Special Advisor, Daiwa House Industry Co., Ltd. (current)

- **Major concurrent offices:**
 Special Advisor, Daiwa House Industry Co., Ltd.

Selection for External Director

Naotake Ono has amassed a wealth of management knowledge and experience as President & COO of Daiwa House Industry Co., Ltd., a major construction company in Japan. We believe Mr. Ono's experience and expertise as an outstanding manager will be useful for accelerating UNIQLO and GU store openings in global markets, and we highly recommend him as an appropriate candidate for external director.

Candidate Message

When I myself was in senior management, I wanted to do implement the things that external directors suggested. Mr. Yanai is a manager who is open to ideas. Developing a broad perspective by showing interest not only in what is going on in your own industry, but in other industries as well is vital to good management. In that sense, I intend to voice my opinions frankly and directly to Mr. Yanai, and I want to fulfill my role fully as an external director focused on risk management and ensuring management transparency.

7 Takeshi Okazaki

New appointment



- **DOB:** 9 July 1965
- **No. of years as a Board Director:** —
- **Board of Directors' meeting attendance:** —
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**

Apr. 1988 Joined the Long-Term Credit Bank of Japan
 Jul. 1998 Entered McKinsey & Company
 Jan. 2005 Became partner of McKinsey & Company
 Aug. 2011 Joined FAST RETAILING CO., LTD.
 Aug. 2011 Group Senior Vice President & CFO, FAST RETAILING CO., LTD.
 Sep. 2012 Group Executive Vice President & CFO, FAST RETAILING CO., LTD. (current)

- **Major concurrent offices:**
 Chairman, FAST RETAILING (CHINA) TRADING CO., LTD
 President, FAST RETAILING FRANCE SAS
 CEO, Fast Retailing USA, Inc.
 Director of UNIQLO Co., Ltd., and director or executive officer at 23 other subsidiaries of the Company

Selection for Director

Since entering the company in 2011, as Group CFO, Takeshi Okazaki has helped create a global framework in the management fields of accounting and financial affairs, management planning, purchasing, etc. At the same time, he exhibited leadership for overall operations as one of the core drivers of the Ariake Project. He can be expected to continue as CFO to maintain an awareness of the most important issues for the company as a whole and apply his strong leadership to solving problem. We highly recommend Mr. Okazaki as a candidate for director.

Candidate Message

As one of the Group's Executive Vice Presidents, I want to fulfill the responsibility of both executing and supervising corporate management to the very best of my ability. As Group CFO, I think I can contribute to an even more realistic and deeper debate in the Board by conveying actual situations first hand. I want to offer comment that helps direct the management group, including myself, and ensures proper management from the perspective of our customers and other diverse stakeholders.

8 Kazumi Yanai

New appointment



- **DOB:** 23 April 1974
- **No. of years as a Board Director:** —
- **Board of Directors' meeting attendance:** —
- **No. of Fast Retailing shares held:**

4,781,818 shares

■ Career profile and Fast Retailing positions held:

- Sep. 1997 Entered The Goldman Sachs Group, Inc.
- Jul. 2004 Entered Link Theory Holdings (US) Inc. (currently Theory LLC) New York HQ
- Sep. 2009 Entered FAST RETAILING CO., LTD.
- Jan. 2012 Chairman, Theory LLC (current)
- Nov. 2012 Executive Officer, Fast Retailing Group (current)
- Nov. 2013 COO, UNIQLO USA LLC
- Nov. 2015 Chairman, UNIQLO USA LLC (current)
- Jul. 2017 CEO, Chairman and President, J BRAND HOLDINGS, LLC (current)

■ Major concurrent offices:

- Director of LINK THEORY JAPAN CO., LTD.
- Chairman of Theory LLC
- Chairman of UNIQLO USA LLC
- CEO, Chairman and President of J BRAND HOLDINGS, LLC and Director of 14 other subsidiaries of the Company

Selection for Director

Kazumi Yanai entered the Company in 2004 after gaining experience in US investment bank. Having been mainly involved in the management of the US Theory operation and UNIQLO USA, he has developed a rich of international business management perspective. The candidate's experience is necessary to the further growth of the Group as it expands its global operations and we highly recommend him as a candidate for director.

Candidate Message

I want to help create a strong fundamental basis for continued Company growth by upholding the Fast Retailing corporate culture, strengthening our governance, and valuing our social contribution. As a member of the founding family, I believe my responsibility is to take a long-term perspective and aim to bolster the Company's global growth. As a company director, my job is not only to voice opinions, but also to implement them, and I want to work together with our employees and management team to create our ideal Company.

9 Koji Yanai

New appointment



- **DOB:** 19 May 1977
- **No. of years as a Board Director:** —
- **Board of Directors' meeting attendance:** —
- **No. of Fast Retailing shares held:**

4,780,600 shares

■ Career profile and Fast Retailing positions held:

- Apr. 2001 Entered Mitsubishi Corporation
- Apr. 2009 Seconded to Mitsubishi Corporation's food subsidiary Princes Limited in the UK
- Sep. 2012 Entered FAST RETAILING CO., LTD. to manage UNIQLO sports marketing
- May 2013 General Manager, Global Marketing Division, UNIQLO CO., LTD.
- Sep. 2013 Group Senior Vice President, FAST RETAILING CO., LTD. (current)

Selection for Director

Koji Yanai entered the Company in 2012 with a wealth of experience at a major Japanese trading company. He has primarily exhibited leadership in the field of global marketing at the UNIQLO operation and recently helped secure the appointment of Roger Federer as a global brand ambassador. The candidate's marketing knowledge and experience is necessary to the further growth of the Group as it expands operations as a digital consumer retailing company. We highly recommend him as a candidate for director.

Candidate Message

I have learned much about the Company's culture across a broad range of fields from global marketing, to the Ariake Project, and human resource development. Having gained an understanding of on-the-ground reality through my experience as an executive officer, I believe the most important thing is to develop a management style that values and nurtures people. I repeatedly quiz myself about the reasons why I should become a Director as a member of the founding family. I want to contribute to sustainable corporate growth and strong governance frameworks.

- Outline of Non-executive Directors limited liability agreement
To enable Non-executive Directors to fulfill their roles to the best of their ability and meet expectations, Article 29 of the Company Articles of Incorporation stipulates that the Company may enter into agreements with Non-executive Directors to limit their liability to compensate for damages suffered due to negligence in the execution of their duties. Accordingly, the Company signed limited liability agreements with Toru Hambayashi, Nobumichi Hattori, Masaaki Shintaku and Takashi Nawa. These agreements shall be extended in the event that these four persons are re-elected as non-executive directors. A similar agreement to limit liability will be formed between the Company and Naotake Ono if he is elected as a new external director. This agreement is outlined below:
The limited liability agreement is based on provisions in Article 427, Paragraph 1 of the Companies Act, and limits the liability for damages under Article 423, Paragraph 1 of the Companies Act. The agreement state that liability for damages shall be limited to be limited to either 5,000,000 yen or the amount stipulated by law, whichever represents the higher figure.
- Naotake Ono, Takeshi Okazaki, Kazumi Yanai and Koji Yanai are candidates for new director.
- The Tokyo Stock Exchange has been notified that Toru Hambayashi, Nobumichi Hattori, Masaaki Shintaku and Takashi Nawa serve as independent officers, and we will notify the Exchange if their reappointment is approved. We also intend to notify the Tokyo Stock Exchange that Naotake Ono serves as an independent officer if his appointment is approved.
- Three candidates for Director: Tadashi Yanai, Takeshi Okazaki and Kazumi Yanai serve as directors on the Boards of UNIQLO Co., Ltd. or other Fast Retailing Group subsidiary companies. Fast Retailing has contracts with all of these companies regarding the use of the brand and other pertinent items.
- Candidate for director Naotake Ono serves as a special advisor to Daiwa House Industry Co., Ltd., a company with which Fast Retailing conducts office lease-related business dealings.
- FAST RETAILING CO., LTD. has no specific interests or agreements with any of the other candidates for director.

■ Standards for Evaluating the Independence of External Directors

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

- (1) he/she is, or has been within the past three years, a Business Partner*¹ or an Executive Officer*² of a Business Partner*² of the Fast Retailing Group, whose annual business dealings with Fast Retailing Group during the most recent business year constituted 2% or more of the Fast Retailing Group's consolidated revenue;
- (2) he/she is, or has been within the past three years, a Business Partner*¹ of the Fast Retailing Group or an Executive Officer of a Business Partner*² of Fast Retailing, whose annual business dealings with the Fast Retailing Group during the most recent business year constituted 2% or more of the Business Partner's consolidated revenue;
- (3) he/she is a consultant, an accountant or an attorney who receives, or has received over the past three years, any monies or property equivalent to 10 million yen or more from the Fast Retailing Group, except for remuneration as a director or an auditor; or
- (4) he/she is, or has been over the past three years, a partner, an associate or an employee of an accounting auditor of Fast Retailing or its subsidiaries.

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

*2 "Executive Officer" means (i) for corporations, executive directors, executive officers, corporate officers and employees, and (ii) for non-corporate entities (including general incorporated associations (shadan-hojin), general incorporated foundations (zaidan-hojin), and partnerships), directors with executive functions, officers, partners, associates, staff and other employees.

Proposal 2 Election of two Statutory Auditors

The term of office of Standing Statutory Auditor Akira Tanaka and External Statutory Auditor Akira Watanabe expires at the end of this Ordinary General Meeting of Shareholders, so the Company seeks the election of two statutory auditors at this meeting. The Board of Statutory Auditors have agreed to this proposal. The candidates for Statutory Auditor are as follows.

Candidate number	Name		Position	Years as Statutory Auditor	Board of meeting attendance
1	Akira Tanaka (76 years old)	Reappointment	Statutory Auditor	12 (at the conclusion of current AGM)	Directors' meeting 100% Auditors' meeting 100%
2	Takao Kashitani (70 years old)	New appointment External Statutory Auditor Independent Officer	—	—	—

- Outline of External Statutory Auditors limited liability agreement

To enable External Statutory Auditors to fulfill their roles to the best of their ability and meet expectations, the Company forms limited liability agreements with the External Statutory Auditors which limits their liability for damages under Article 423, Paragraph 1 of the Companies Act. A similar agreement to limit liability is scheduled to be formed between the Company and Takao Kashitani if his candidacy for External Statutory Auditor is approved. This agreement is outlined below:

The limited liability agreement is based on provisions in Article 427, Paragraph 1 of the Companies Act, and limits the liability for damages under Article 423, Paragraph 1 of the Companies Act. The agreement state that liability for damages shall be limited to be limited to either 5,000,000 yen or the amount stipulated by law, whichever represents the higher figure.

- Takao Kashitani is a new candidate for External Statutory Auditor.
- If his appointment is approved, we plan to notify the Tokyo Stock Exchange that Takao Kashitani serves as an Independent Officer.
- The candidates and Fast Retailing have no mutual special interest to report.

1 Akira Tanaka

Reappointment



- **DOB:** 26 June 1942
- **No. of years as a Statutory Auditor:**
12 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **Board of Statutory Auditors' meeting attendance:**
100% (14 of 14)
- **No. of Fast Retailing shares held:**
3,000 shares
- **Career profile and Fast Retailing positions held:**
 - Apr. 1966 Joined The Taisei Fire and Marine Insurance Company, Limited (currently Sampo Japan Insurance Inc.)
 - Sep. 1972 Joined McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan), Ltd.)
 - Mar. 1993 Director, McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan), Ltd.)
 - Apr. 1997 Deputy President and Director, McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan), Ltd.)
 - Aug. 2003 Advisor, FAST RETAILING CO., LTD.
 - Nov. 2003 Managing Director, FAST RETAILING CO., LTD.
 - Mar. 2006 Senior Vice President, FAST RETAILING CO., LTD.
 - Nov. 2006 Standing Statutory Auditor, FAST RETAILING CO., LTD. (current)
 - Apr. 2011 Board Chairman, FR Health Insurance Organization (current)
 - Oct. 2011 Councilor, Special Olympics Nippon Foundation (current)
- **Major concurrent offices:**
 - Board Chairman, FR Health Insurance Organization
 - Councilor, Special Olympics Nippon Foundation

Selection for Standing Statutory Auditor

Akira Tanaka joined Fast Retailing after serving as the Deputy President and Director of McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan), Ltd.). As Managing Director,, he monitored UNIQLO and GU retail operations, and franchise operations. Since being appointed Company's Standing Statutory Auditor in 2006, he has focused on overseeing employee working patterns as a member of the Code of Conduct, the Human Resources and the Sustainability committees. We judge his ample experience is extremely useful to the Fast Retailing Group and highly recommend him as a candidate for Standing Statutory Auditor.

Candidate Message

Our stores are the most important part of FR business, so I always make a point of visiting stores and listening attentively to what store managers and staff have to say. I want to help FR become the best company it can be. To that aim, I will continue to offer proactive advice on such issues as personnel training to promote company growth and maximize employee satisfaction.

2 Takao Kashitani

New appointment

External Statutory Auditor

Independent Officer



- **DOB:** 7 November 1948
- **No. of years as a Statutory Auditor:** —
- **Board of Directors' meeting attendance:** —
- **Board of Statutory Auditors' meeting attendance:** —
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**
 - Feb. 1975 Director, Brain Group (Kashitani Accounting Office) (current)
 - Jan. 1986 Representative Partner, Century Audit Company (currently Ernst & Young ShinNihon LLC)
 - Apr. 1986 President, Brain Core Co., Ltd. (current)
 - Mar. 1989 President, FP Brain Co., Ltd. (current)
 - Apr. 2002 Specially Appointed Professor, Professional Graduate School International Accounting Course, Chuo University
 - Jun. 2012 External Director, Tokyo Electric Power Company Holdings, Inc.
 - Jun. 2012 External Director, Japan Freight Railway Company (current)
- **Major concurrent offices:**
 - Director, Brain Group (Kashitani Accounting Office)
 - President, Brain Core Co., Ltd.
 - President, FP Brain Co., Ltd.
 - External Director, Japan Freight Railway Company

Selection for External Statutory Auditor

Takao Kashitani applies his rich, in-depth expertise as a public certified accountant and tax accountant to a broad range of roles, including external director of private companies and member of government-related committees. We believe his broad experience and knowledge will be extremely valuable to FR, which focuses simultaneously on achieving sustainable growth of operations and strict accounting compliance. We highly recommend him as a suitable candidate for external statutory auditor.

Candidate Message

I have worked in accounts auditing and revitalization projects in the private sector, and as a member of government committees on administrative reform, regulatory reform and policy assessment in the public sector. I want to apply that experience to fulfill the heavy responsibility that comes with the role of external statutory auditor. Mr. Yanai displays a wonderful approach and creativity in his corporate management, but he is also willing to listen positively to those who point out pertinent problems, so I don't intend to confine my comments entirely to the jurisdiction of external statutory auditors, but to offer candid views on a broad range of issues.

Additional Materials

Business Report

Fiscal 2018 Performance by Business Segment

Consolidated revenue and operating profit hit a new record high

Revenue

2.1300 trillion yen

Operating profit

236.2 billion yen

■ Revenue
— Operating profit

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



UNIQLO Kungsträdgården store (Sweden)

1. Fast Retailing Group Business Performance

1 Fiscal 2018 Business Performance (Year to 31 August 2018)

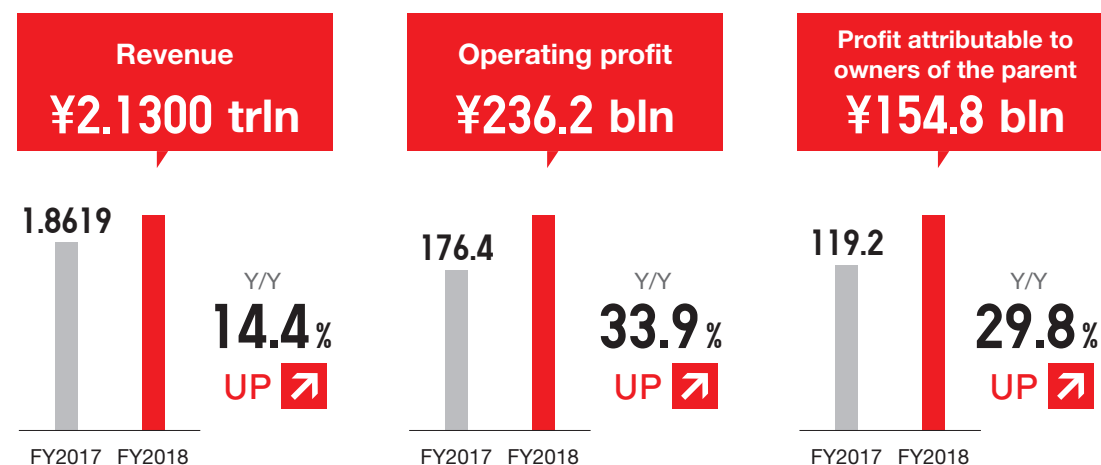
The Fast Retailing Group achieved record levels of revenue and profit in fiscal 2018, or the twelve months from 1 September 2017 to 31 August 2018. Consolidated revenue totaled ¥2.1300 trillion (+14.4% year-on-year) and operating profit reached ¥236.2 billion (+33.9% year-on-year). This strong performance was due largely to a significant revenue and profit increase at UNIQLO International, and stable revenue and profit growth at UNIQLO Japan. The consolidated gross profit margin improved by 0.5 points year-on-year in fiscal 2018 and the selling, general and administrative expense ratio improved by 1.5 points. Under other expenses, the Group recorded ¥12.3 billion in impairment losses on France-based COMPTOIR DES COTONNIERS and other labels and on store revaluations. A gain of ¥6.4 billion was recorded under finance income/costs resulting from a balance of ¥4.3 billion in interest income net of interest expense. As a result, fiscal 2018 profit before income taxes expanded to ¥242.6 billion (+25.5% year-on-year) and profit attributable to owners of the Parent increased to ¥154.8 billion (+29.8% year-on-year).

Capital expenditures increased by ¥9.6 billion year-on-year to ¥69.3 billion (including finance leases). Breaking down that capital expenditure figure: ¥9.9 billion was invested at UNIQLO Japan, ¥26.3 billion at UNIQLO International, ¥4.5 billion at GU, ¥2.7 billion at Global Brands, and ¥25.8 billion in systems, etc. In addition to investing in new UNIQLO and GU stores, more funding was channeled into IT investment and warehouse automation, two key elements of the Groupwide Ariake Project.

The Group's medium-term vision is to become the world's number one apparel retailer. In pursuit of this aim, we are focusing our efforts on expanding UNIQLO International and our GU casual fashion brand. We continue to increase UNIQLO store numbers in each country where we operate, and open global flagship stores and large-format stores in major cities around the world to help consolidate UNIQLO's position as a key global brand. Within the UNIQLO International segment, Greater China (Mainland China, Hong Kong and Taiwan) and Southeast Asia are entering a new stage of growth as key drivers of operational growth for the Fast Retailing Group. In addition, UNIQLO USA was able to significantly reduce operating losses, and is working solidly towards turning a profit in fiscal 2019. In terms of the GU operation, we plan to open more GU stores in Japan, while expanding the brand's international presence, primarily in Greater China and South Korea.

The FY2018 dividend increased by ¥90 year on year to ¥440 yen per share, split between an interim dividend of ¥200, and a year-end dividend of ¥240 per share.

Financial Highlights



NEWS FLASH September 2017 – August 2018

2017.9

We opened our first Spanish UNIQLO store in Barcelona.



2017.9

UNIQLO launched its joint collection with JW ANDERSON.



2018.4

UNIQLO and GU launched their complimentary service for in-store pickup of online purchases.

2018.6

Fast Retailing issued 250.0 billion yen unsecured straight bonds.

2018.6

Fast Retailing was selected for inclusion in the FTSE4Good Index Series and FTSE Blossom Japan Index.

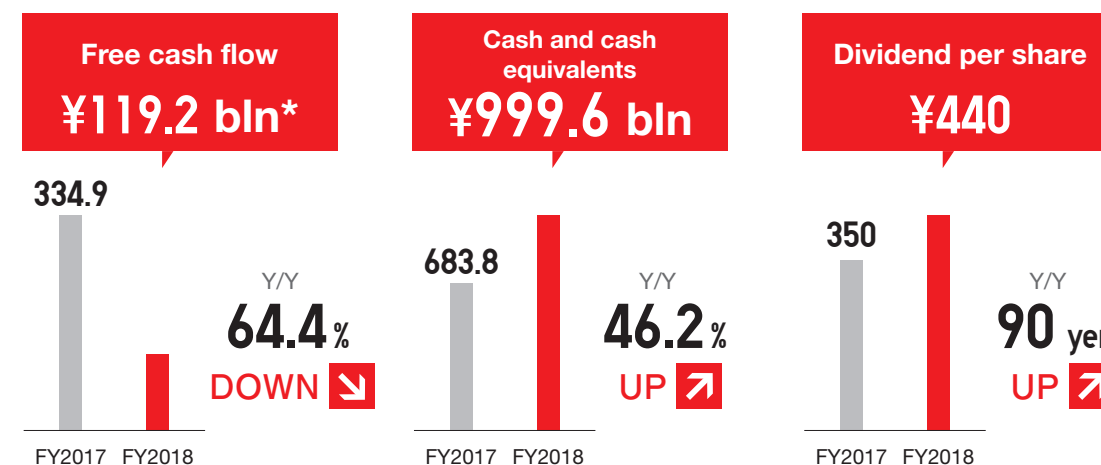
2018.7

Professional tennis player Roger Federer was appointed as UNIQLO Global Brand Ambassador.



2018.8

We opened our first Swedish UNIQLO store in Stockholm.



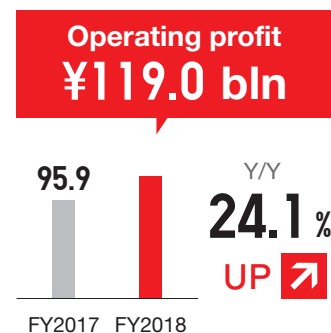
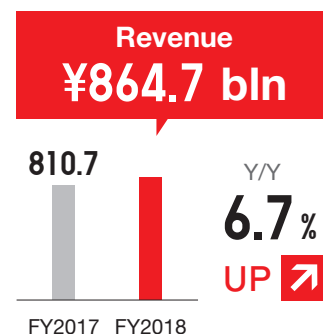
*Free cash flow = Net cash from operating activities + Net cash used in investing activities



UNIQLO Ginza store (global flagship store)

UNIQLO Japan

- Achieved a large profit gain. Full-year revenue: ¥864.7 billion (+6.7% year on year), operating profit: ¥119.0 billion (+24.1%).
- Full-year same-store sales rose 6.2% on increased customer visits. First-half same-store sales growth was extremely strong at 8.4% on the back of a very cold winter and timely production increases of strong-selling items. Second-half same-store sales expanded 3.3% on strong sales of Summer ranges.
- Online sales: ¥63.0 billion (+29.4%), proportion of total sales rose to 7.3%.
- Gross profit margin increased 0.4 point on reduced discounting.
- SG&A ratio improved 1.6 points on considerably lower advertising & promotion, distribution, and personnel expenses.



TOPICS



Super-comfortable new standard for menswear: Kando pants in business

Our Kando pants, designed together with professional golfer and UNIQLO global brand ambassador Adam Scott, are enjoying huge popularity in UNIQLO stores worldwide. We applied Adam Scott's advice to develop stylish-silhouette pants for men with stretch, comfort and quick-dry qualities that make them the perfect wear for sports as well. Sales of Kando pants have risen dramatically since their launch, with more and more customers coming back each season to buy a second or a third pair.

UNIQLO put a great deal of effort into the material development and, together with synthetic fiber manufacturer Toray Industries, devised a 100% polyester high-functioning material that can be machine-washed without getting creased. Kando pants, made from four types of materials including two ultra-light fabrics (cotton-like and wool-like) and two soft-touch fabrics (cotton-like and wool-like), are being developed into must-have clothing items not only for business and private-life, but also for sports. The appeal of the ultra light range is its amazing light feel, which, when matched with Kando jackets in the same material, creates the ultimate comfortable but smart outfit for business. Our ultra light wool-like range is especially popular because it looks just like wool but with superior stretch. Adam Scott wears Kando pants when playing in professional golf tournaments. UNIQLO will continue making truly good clothes to delight customers around the world.



Golfer: Adam Scott



UNIQLO Kungsträdgården store (Sweden)

UNIQLO International

- Achieved significant revenue and profit gains. Revenue: ¥896.3 billion (+26.6%), operating profit ¥118.8 billion (+62.6%).
- For the first time, UNIQLO International revenue surpassed UNIQLO Japan and operating profit matched UNIQLO Japan.
- UNIQLO Greater China generated significant revenue and profit gains in FY2018. Sales totaled ¥439.8 billion (+26.9%) and operating profit expanded to ¥73.7 billion (+47.1%). Same-store sales continued to grow throughout the year as consumers embraced the UNIQLO LifeWear concept, and regional product mixes proved successful. Greater China also reported strong, double-digit growth in online sales.
- South Korea reported strong profit gains on buoyant sales and an improved gross profit margin.
- Southeast Asia & Oceania reported continued double-digit growth in same-store sales. Sales expanded to approximately ¥140.0 billion.
- UNIQLO USA halved its operating losses on new regionally tailored product mixes and more accurate sales planning.
- UNIQLO Europe operating profit doubled on strong performances from Russia, France and the UK. We opened first UNIQLO stores in Spain, Sweden, and the Netherlands.



TOPICS

First Swedish store a roaring success Treasure European culture, grow our business

UNIQLO opened its first store in Northern Europe in the Swedish capital of Stockholm in August 2018. The UNIQLO Kungsträdgården store is a 1,580m² large-format store located next to King's Garden park, a much-loved public recreation area and prominent historical Stockholm landmark in the center of the city. Designed by the leading Swedish architect of modernist architecture, Sven Gottfried Markelius, the store building is a representative example of modern architecture built in 1969. The store interior carries on the architect's modernist spirit, and uses the original building plans to create a space where customers can relax and enjoy the shopping experience.

From the very first day, the store has proved a huge success, attracting more customers than we had expected. UNIQLO's high-quality basic clothes, inspired by our LifeWear concept, have captured the hearts of simplicity-loving Swedish people. The H&M global fashion brand originated in Sweden. While many customers are extremely style-conscious, there is an underlying culture that craves the basic everyday wear that UNIQLO has to offer. This successful experience with our first store in Northern Europe gave us the confidence we needed to develop a more extensive UNIQLO store network in the region. Our first store in the Netherlands, opened in Amsterdam in September 2018, was also greeted with great enthusiasm, and we are now planning to open our first store in Copenhagen, Denmark in spring 2019.

The success of the Stockholm and Amsterdam stores is symbolic of UNIQLO's rising sales trend across Europe. We intend to establish a strong operational base in Europe by further increasing UNIQLO's brand visibility. The key to successful development here is to expand our store network by opening global flagship-grade stores that prize and preserve local culture and tradition in the best districts of all major European cities. Our ultimate aim is to convey the attraction of UNIQLO as a brand from Japan, and nurture a lasting affection towards the UNIQLO brand in the hearts of European consumers.

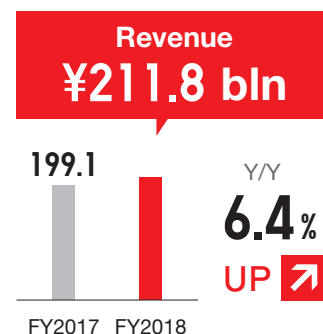




J BRAND
PRINCESSE tam•tam
PARIS

GU

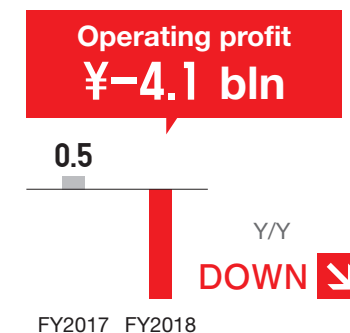
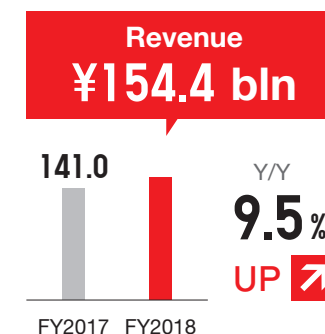
- Reported a rise in revenue but a fall in profit. Revenue: ¥211.8 billion (+6.4%), operating profit: ¥11.7 billion (-13.1%).
- Same-store sales contracted on issues with product lineups and volume planning. In the first-half, the operation suffered from a lack of cold-weather ranges. In the second half, the operation faced lower-than-expected sales of campaign-featured items and shortages of strong-selling products.
- The gross profit margin contracted as sluggish sales resulted in sharper discounting, and operating profit declined 13.1% year on year on the back of a higher SG&A ratio.



Global Brands

- Revenue expanded but profit shrank. Revenue: ¥154.4 billion (+9.5%), operating loss: ¥4.1 billion. Business profit* (which does not include impairment losses): ¥6.2 billion (+49.2%).
- The operating loss was caused by the recording of ¥9.9 billion impairment losses on the Comptoir des Cotonniers and other labels.
- The Theory operation reported higher revenue and profits. Theory brand achieved stable growth in the US and Japan. The Japan-based PLST brand also expanded favorably, with store numbers rising to 87 at the end of August 2018.
- Comptoir des Cotonniers, Princesse tam.tam, and J Brand reported continued operating losses.

* Business profit = Revenue - (Cost of sales + SG&A expenses)





TOPICS

Eagerly awaited INES DE LA FRESSANGE kid's line

The UNIQLO / INES DE LA FRESSANGE joint collection, launched in 2014 Spring Summer, marked its tenth season in 2018 Fall/Winter by offering parents and children all over the world the chance to enjoy Ines' French chic with the launch of her much-awaited kid's range. A great deal of care was taken to create special outfits that children would cherish as their opportunity to enjoy pure fashion.

This season's theme was the iconic Montmartre in Paris. The famous Parisian downtown area was the center of Parisian culture in the 1920s when rural-loving artists took up residence to enjoy the atmosphere of abundant freedom and creativity. The 2018 Fall/Winter lineup, with an abundance of tweed, cashmere and corduroy, offers quintessential everyday wear for the chic Parisian woman. The kid's line offers a rich range of items including pea coats, tailored jackets, dresses and cardigans, all made with the same quality materials, design and finish as the women's collection, so kids can enjoy fashion as much as adults. The range represents the birth of a new style for the precocious "petit Parisian".

Ines incorporates a timeless Parisian essence to suit all eras and generations into her collaborative UNIQLO line, creating comfortable, stylish clothes that women will want to wear over and over again. Many families have already become dedicated fans of this season's collection launched in UNIQLO stores worldwide.



INES DE LA FRESSANGE PARIS



INES DE LA FRESSANGE

Ines de la Fressange grew up in the south of France before starting a career as an international top model in 1975, and becoming the much-loved muse of the world-famous designer. Today, Ines is an active designer, businesswoman and journalist. In 2013, she re-launched her own brand. As the label's creative director, Ines continues to embody the world of modern Parisian chic fashion.

UNIQLO International overtakes UNIQLO Japan

UNIQLO opened its first store outside Japan in London in September 2001. Back then, UNIQLO was a little-known brand in Europe, America and Asia. Today, UNIQLO boasts stores in 21 countries and regions and recognition as a global brand loved by many people around the world. The UNIQLO brand from Japan has earned strong customer support worldwide for its unique new category of LifeWear clothing. UNIQLO aims to provide the ultimate everyday wear to enrich people's lives by offering extremely comfortable, genuinely good clothes that are both high quality and fashionable.

Today, UNIQLO International has developed into an operation that is driving drastic change in the profit structure of the entire Fast Retailing Group. UNIQLO's growth has proved especially remarkable in the Greater China (spanning Mainland China, Hong Kong and Taiwan) and Southeast Asian regions. In FY2018, UNIQLO Greater China achieved revenue of over 400.0 billion yen, and UNIQLO Southeast Asia & Oceania achieved revenue of approximately 140.0 billion yen. With these markets continuing to generate strong growth and secure high profit margins, UNIQLO International revenue surpassed that of UNIQLO Japan in FY2018, and operating profit expanded to the same level as UNIQLO Japan.

UNIQLO is scheduled to enter the Indian market in fall 2019, a market that is predicted to grow into a giant consumer nation with a dramatically expanding middle-income population. UNIQLO has amassed valuable experience from building a firm operational base in markets that are continuing to expand such as Greater China and Southeast Asia. UNIQLO intends to capitalize on that experience to further expand its operations into areas such as India, and become the world's No.1 apparel manufacturer/retailer.

UNIQLO International

¥896.3 bln 42.1%

UNIQLO Japan
¥864.7 bln 40.6%

Revenue
¥2.1300 trln

Global Brands

¥154.4 bln 7.3%

GU

¥211.8 bln 10.0%

UNIQLO International

¥118.8 bln 48.4%

UNIQLO Japan
¥119.0 bln 48.5%

Operating profit
¥236.2 bln

Global Brands

¥-4.1 bln

GU

¥11.7 bln 4.8%

Note: In addition to the items listed above, the consolidated results also include Fast Retailing performance and consolidated adjustment.



UNIQLO Shanghai store (global flagship store)



UNLOCKING THE POWER OF CLOTHING

SUSTAINABILITY

Six areas of materiality

E nvironment

materiality 1 Create New Value Through Products and Services

materiality 3 Respect the Environment

Alleviate environmental impact across the supply chain

- Fast Retailing commissions independent environmental investigations at its partner garment factories and fabric suppliers, and works together with partner factories to reduce the environmental impact of their manufacturing processes.
- We are also working to prevent or reduce water pollution across the product lifecycle from raw material procurement and production through the final product stage.
- We aim to completely eliminate the emission of hazardous chemicals in production processes by 2020.
- We also aim to reduce water usage by 15% and energy usage by 10% at all our major fabric suppliers.
- We are working to reduce greenhouse gas emissions and energy usage at UNIQLO and GU stores.

Alleviate environmental impact by slashing water usage in jeans manufacturing



A concentrated group of jeans development specialists at the JEANS INNOVATION CENTER (JIC) has established a revolutionary new technology for manufacturing jeans. Creating a washed or distressed look for jeans requires large volumes of water. Jeans used to be soaked and washed in water, but this newly-developed, revolutionary technology can create the same look and reduce the amount of water used by over 90%* on average. The new technique was created by combining a washing equipment that washes jeans using nanobubbles and ozone molecules with superior specialist jeans technology. In the 2018 Fall Winter season, UNIQLO started producing and selling men's regular fit jeans made using this advanced technology. In 2019, we intend to produce 10 million items, or approximately one third of Fast Retailing's total jeans production, using this technology. We will continue to reduce environmental impacts as part of our drive to contribute to a sustainable society.



A washing equipment developed by JIC

* Production of men's regular fit jeans in 2018 compared to 2017.

Save energy, reduce greenhouse gas emissions at stores and offices



We are working to reduce greenhouse gas emissions at UNIQLO Japan stores by 10% per unit area by FY2020 (compared to FY2013 levels). By the end of FY2017, we have reduced emissions by 7%. By August 2018, we had introduced LED lighting into 88.8% or 734 out of a total 827 stores. Our UNIQLO SHENZHEN Wanxiang Tiandi store, opened in March 2018, is equipped with enough electricity-generating solar panels on the roof to generate 14% of its annual energy needs.

We intend to make energy usage in our stores and offices even more efficient, so we can further reduce greenhouse gas emissions.

HIGG index monitors environmental impact of fabric suppliers



Fast Retailing is a member of the not-for-profit Sustainable Apparel Coalition (SAC), and introduced SAC's self-assessment tool for environmental and social sustainability, the HIGG Index, into UNIQLO's major fabric manufacturing partner factories in 2015. We investigate and evaluate each factory's environmental impact and work with them to pinpoint possible improvements. The HIGG Index uses seven environmental themes for its evaluations.

- Environmental management systems
- Energy usage, greenhouse gas emissions
- Water use
- Wastewater effluent
- Emissions to air
- Waste management
- Chemicals



Social

materiality 1 Create New Value Through Products and Services

materiality 2 Respect Human Rights in Our Supply Chain

materiality 4 Strengthen Communities

materiality 5 Support Employee Fulfillment

Work closely with business partners, employees, local communities

- We aim to create new value by resolving social and environmental issues through clothes. Our clothes-creation process focuses on revolutionary environment-conscious production processes and ethical materials procurement.
- We respect the human rights of all workers across our entire supply chain and create safe and fair working environments.
- As a global company, we seek to contribute to local communities and ensure co-existence and co-prosperity.
- We try to offer each and every employee the chance to shine and play an active role through his/her work.
- We look to increase employment opportunities for people with disabilities, and expand refugee support.

All-Product Recycling Initiative 30.29 million items donated to date



Our All-Product Recycling Initiative, launched in 2006, delivers clothing aid to refugees and displaced persons worldwide through UNIQLO's global partnership with the UN Office for Refugees (UNHCR), and other organizations. By the end of August 2018, UNIQLO and GU stores had donated a total of 30.29 million items of quality second-hand clothing collected from customers who no longer need them.

In FY2017, we worked with UNHCR to create a new management framework. By separating donations to locations requiring long-term support and locations requiring emergency support, we have been able to increase donations to refugees and displaced persons in South Sudan, Afghanistan and Colombia.

Protect factory employees' human rights Establishing a hotline



We have set up Worker Advice Program hotlines in Shanghai, Ho Chi Minh, Dhaka, Jakarta, Tokyo and other locations so employees at major partner factories to get in touch with Fast Retailing directly, and we can gain a clear understanding of any issues relating to working environments across the supply chain and seek to rectify them. We receive communications from factory employees about changes in agreed terms such as possible wage cuts, protests about other employees who are continuing work after clocking out and receiving higher productivity bonuses, etc. Fast Retailing discusses legitimate issues with the factories concerned, and works out a way to prevent a similar occurrence.

Monitoring improves working environments across the supply chain



Fast Retailing asks independent organizations to conduct regular inspections of its partner garment factories and main fabric suppliers based on the Partner Factory Code of Conduct pertaining to such items as human rights violations, working environments, and environmental safety. Each factory is informed of the inspection result. If improvements are required, members of Fast Retailing will visit the factory directly and work with factory staff to implement appropriate improvement measures.

Working environment monitoring results (Evaluation of partner factories)

Grade	Description	FR Group (UNIQLO)			
		FY2015	FY2016	FY2017	FY2018
A	No violations	5 (1)	55 (25)	67 (31)	61 (33)
B	One or more minor violations	202 (115)	239 (125)	250 (139)	233 (135)
C	One or more major violations	171 (73)	160 (65)	196 (84)	229 (97)
D	One or more severe violations	75 (28)	44 (14)	49 (13)	84 (34)
E	Highly unethical, serious offense (immediate review of contract)	19 (10)	13 (6)	14 (6)	5 (1)
Number of factories monitored		472 (227)	511 (235)	576 (273)	612 (300)

In FY2018, Fast Retailing demanded serious-offending factories with a D grade to rectify the situation within three months, conducted follow-up monitoring, and cutback orders to factories that had not improved. We either revised or ceased business with E-grade factories that had committed extremely serious offences after deliberating their management and employment conditions in our Business Ethics Committee, and confirming their intention to make improvements.



Governance

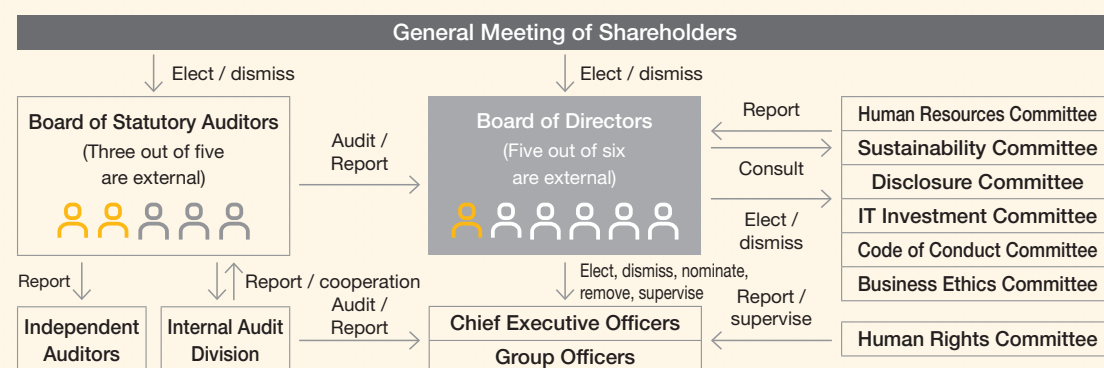
materiality 6 Corporate Governance

Swift, transparent management

- Appoint mainly external directors to heighten the Board's independence and strengthen its surveillance ability
- Promote swift, open debate and decision-making in individual committees that support the Board
- Operate under a delegated authority system to ensure separate management decision-making and business execution functions

Corporate Governance at Fast Retailing

(As at 31 August, 2018)



Composition of Committees

(As at 31 August, 2018)

● Committee Member

		Human Resources Committee	Sustainability Committee	Disclosure Committee	IT Investment Committee	Code of Conduct Committee	Business Ethics Committee	Human Rights Committee
Internal Director	Yanai	●	●	●	Chairman			
	Hambayashi	Chairman						
External Director	Hattori							
	Murayama				Observer			
	Shintaku				Observer			
Standing Statutory Auditor	Nawa	●	●					●
	Tanaka	●	●			●	Observer	●
External Statutory Auditor	Shinjo			Observer	Observer		●	
	Yasumoto						●	
	Watanabe						●	
	Kaneko	●				●		●
	Number of Group Officers, External Specialists, etc.	4	6	3	3	4	3	7

Note: The head of the Sustainability Department chairs the Sustainability and the Business Ethics Committees, the person responsible for disclosing information to the Tokyo Stock Exchange chairs the Disclosure Committee, the head of the Legal Department chairs the Code of Conduct Committee, and an external expert chairs the Human Rights Committee. Directors and Statutory auditors of each company offer opinions based on their individual areas of expertise

External Director Interview

World-leading company actively tackles sustainability challenges

Takashi Nawa

External Director



Company president participates in lively Sustainability Committee debates

We are witnessing a rising global tendency to evaluate companies from an ESG perspective. E stands for environment, S for social, and G for governance, and I consider there to be four levels of implementation. The first refers to companies that have not implemented ESG measures, the second to companies who will do it if the cost is right, the third to companies who do it because they feel it is their duty as a global citizen, and the fourth to companies that implement ESG on a world-class level. I think Fast Retailing itself would qualify for level 4, but if you extend the consideration to its suppliers and secondary business partners, then it would undoubtedly unearth some issues the company was not yet aware of.

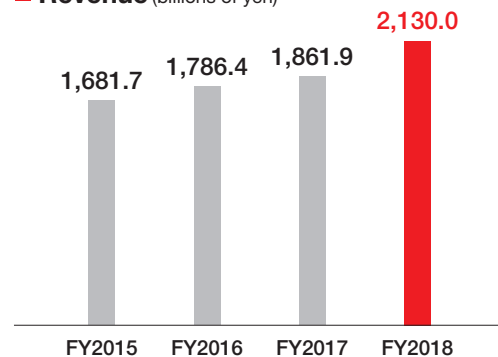
As a member of the Sustainability Committee, I get to see company president Tadashi Yanai, energetically state his own view. If top management is personally invested in sustainability issues, then problems can be solved speedily. While FR has conducted many genuine activities to date, it is becoming more actively involved in ESG issues. Today, companies are expected to aspire to sustainability on a global scale, so it is important for all employees to get behind ESG practice and pursuit. FR is expanding its global operations, so we can expect it act as an industry leader and pursue bold initiatives.

Encouraging highly satisfying, self-fulfilled work

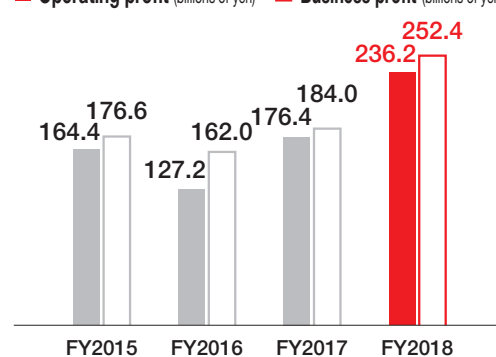
I always say that Work in Life is better than Work Life Balance. We spend the majority of our life working, so, ideally, we want to work in a place that encourages self-fulfillment. If employees think their company does good things for society, pursues meaningful operations, and brings happiness to people worldwide, that breeds pride and genuine employee work power. That's what we mean when we say that ESG effects corporate performance. As an external director and a Sustainability Committee member, I want to increase FR's corporate value by continuing to offer the advice and support the company needs to nurture a highly satisfied workforce.

2 Financial Summary (Applied International Financial Reporting Standards)

■ Revenue (billions of yen)

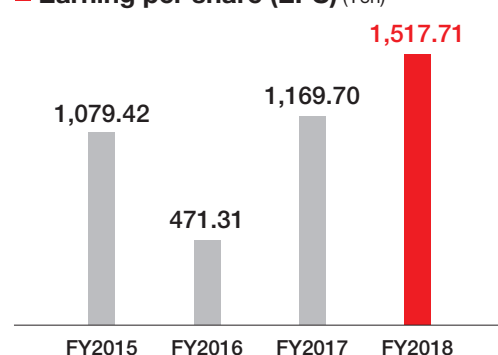


■ Operating profit (billions of yen) □ Business profit (billions of yen)

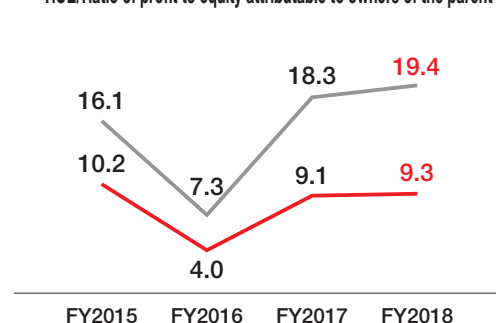


Business profit is calculated by subtracting cost of sales, and selling, general and administrative expenses from revenue.

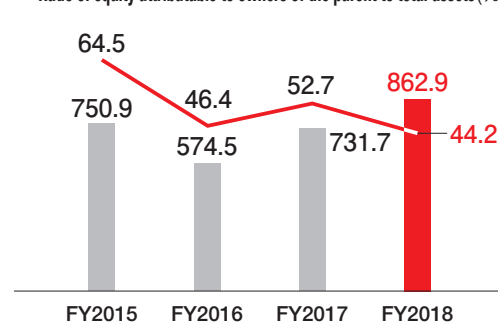
■ Earning per share (EPS) (Yen)



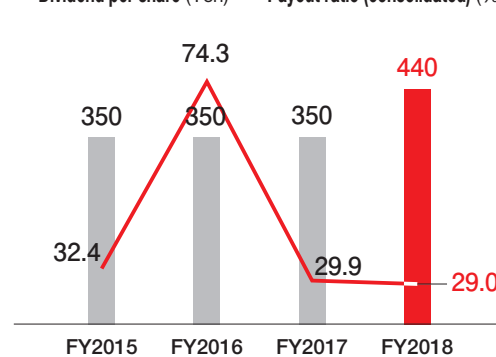
— ROA/Ratio of profit to total assets (%) — ROE/Ratio of profit to equity attributable to owners of the parent



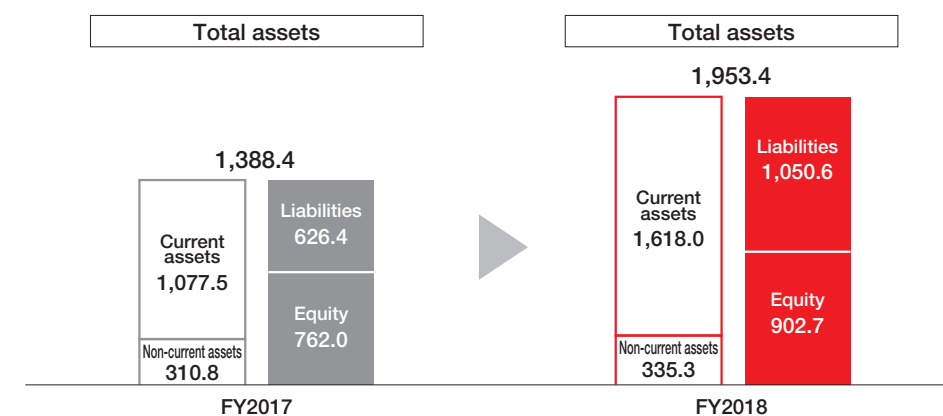
■ Equity attributable to owners of the parent (billions of yen) — Ratio of equity attributable to owners of the parent to total assets (%)



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



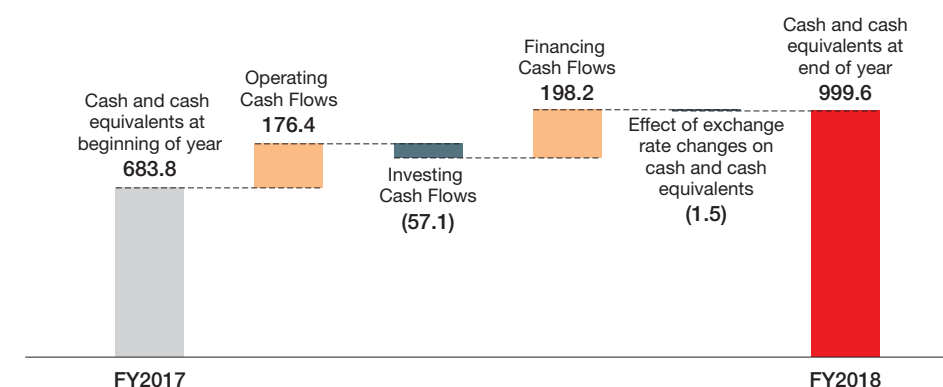
Financial Positions (billions of yen)



Point of view

Total assets at the end of August 2018 increased by ¥564.9 billion year on year to ¥1.9534 trillion on the back of a ¥315.8 billion increase in cash and cash equivalents, and a ¥175.1 billion increase in inventories. Liabilities increased by ¥424.2 billion on the back of a ¥160.0 year-on-year increase in other current financial liabilities, and the FY2018 ¥250.0 billion corporate bond issuance. Equity increased by ¥140.7 billion. Rising profits expanded our retained earnings, and higher cash flow hedges expanded the other components of total equity. As a result, the ratio of equity attributable to owners of the Parent to total assets (ratio of shareholders' equity to total assets) decreased 8.5 points to 44.2%.

Cash Flows Information (billions of yen)



Point of view

The balance of cash and cash equivalents expanded ¥315.8 billion to ¥999.6 billion. Cash flow from operating activities stood at ¥176.4 billion. Cash flow used in investing activities totaled ¥57.1 billion, but this was due to depositing more cash to bank deposits with maturities over three months. Cash flows from financing activities stood at ¥198.2 billion following the June 2018 corporate bond issue.



NEW YORK



LONDON

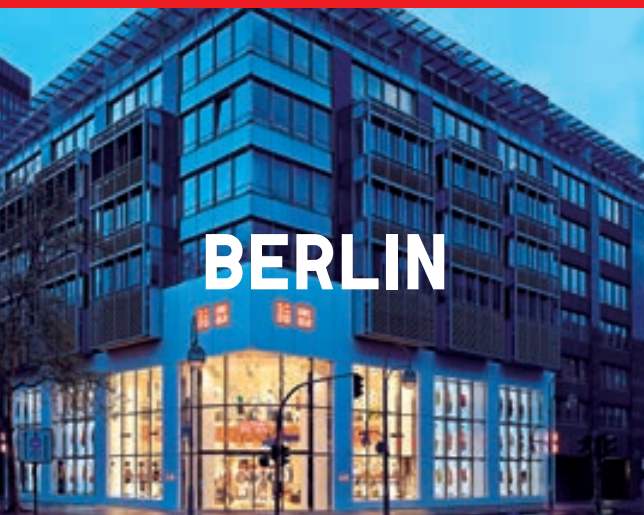


PARIS



TOKYO

**Become the
world's No.1
Digital Consumer Retail Company**



BERLIN



SHANGHAI



THEORY



GU

3 Fast Retailing Management Strategy and Immediate Challenges



1. Promote Global One Management Principles

We have been actively promoting Global One and Zen-in Keiei management principles to unify UNIQLO, GU, Theory and other Group brands worldwide, encouraging employees to use the best available global methods and pursue a self-motivated, united global approach to any challenge. Our deep-rooted management principles focus on introducing Groupwide, global business processes, while respecting local culture, values and history. Our FR Management Innovation Center (FR-MIC) is also working hard to nurture future managers and corporate leaders.



2. Accelerate UNIQLO's Global Development

As the driver of Group growth, we intend to expand UNIQLO International operations even further, accelerating store openings and expanding operations in Greater China, and Southeast Asia & Oceania, and also venturing into new markets such as India and Vietnam. UNIQLO USA is aiming to turn a profit. UNIQLO Europe is working to improve profitability and expand new store openings in Spain, Sweden, the Netherlands, Denmark and other areas. We will strive to open global flagship stores around the world to improve UNIQLO brand visibility.



3. Strengthen Development of Superior World-class Products

We collect a vast array of clothes-related information in our R&D centers around the world, and channel that information into the development of world-class products. While we prize the UNIQLO LifeWear concept and strive to achieve ever more finished products, we are always looking to invent fresh UNIQLO styles by collaborating with designers and creators worldwide. We will apply our ability to develop and instantly commercialize customer desires to the GU brand as well, and seek to enhance our ability to develop more fashion-focused products going forward.

4. Major Supply Chain Reforms

We will speed up progress on creating a new supply chain under our transformative Ariake Project drive. By reforming all our business processes from materials procurement through planning, design, production, distribution and retail, we seek to transform ourselves into a new digital consumer retail company that is capable of instantly commercializing customer desires and proactively conveying ideas and information. We are also aggressively pursuing our Ariake Project aims at GU. In addition, the successful automation of our Ariake warehouse represents the logistics reform portion of the Ariake Project. We intend to expand automated warehousing across all UNIQLO and GU operations worldwide, and reform business processes across the entire Fast Retailing Group.

5. Promote Stable Growth at UNIQLO Japan

UNIQLO Japan intends expand the average size of its stores through its scrap-and-build policy, and maintain high levels of efficiency. We will seek to achieve further stable growth by implementing community-rooted local store management that can tailor product mixes and services to best suit local needs. We are transforming UNIQLO Japan into a new, unique retail format through the fusing of real (stores) and virtual (e-commerce) operations. We will continue active digital, IT and logistics investment to help expand the e-commerce operation.

6. Grow our GU Brand

GU is great at offering fashion at low prices, but we want to actively introduce Ariake Project reforms, and strengthen the operation's product development prowess and product volume accuracy. By reforming materials procurement and manufacturing processes, we hope to achieve more competitive, low-priced products. We intend to continue opening large numbers of new GU stores in Japan, and, at the same time, nurture nascent GU store networks in international markets such as Greater China and South Korea as part of a broader future plan to develop a GU brand presence in Asian countries.

7. Promoting sustainability-focused activities

Fast Retailing remains committed to helping realize a sustainable society through multiple clothing-manufacture related initiatives, including monitoring factory working environments, upholding human rights, and protecting the environment. We promote various activities to enrich people's lives, including providing clothing aid to refugees and displaced persons through our All-Product Recycling Initiative, operating a social business in Bangladesh, supporting employees by promoting diversity, female participation in the workforce and a healthy work-life balance, and employing people with disabilities.



4 Major Subsidiaries (as at 31 August 2018)

Name	Nominal value of issued ordinary / registered share capital (thousands)	Ownership Ratio of Voting Rights	Details of Main Business	Location
UNIQLO CO., LTD.	JPY1,000,000	100.0%	UNIQLO Japan	Yamaguchi/ Tokyo
FAST RETAILING (CHINA) TRADING CO., LTD.*	USD20,000	100.0%	UNIQLO International	People's Republic of China ("PRC")
UNIQLO TRADING CO., LTD.*	USD30,000	100.0%	UNIQLO International	PRC
FAST RETAILING (SHANGHAI) TRADING CO., LTD. *	USD35,000	100.0%	UNIQLO International	PRC
FRL Korea Co., Ltd.	KRW24,000,000	51.0%	UNIQLO International/GU	South Korea
FAST RETAILING (SINGAPORE) PTE. LTD.	SGD86,000	100.0%	UNIQLO International	Singapore
UNIQLO (THAILAND) COMPANY LIMITED	THB1,000,000	75.0% (75.0%)	UNIQLO International	Thailand
PT. FAST RETAILING INDONESIA	IDR115,236,000	75.0% (75.0%)	UNIQLO International	Indonesia
UNIQLO AUSTRALIA PTY LTD	AUD21,000	100.0% (100.0%)	UNIQLO International	Australia
Fast Retailing USA, Inc.	USD981,621	100.0%	UNIQLO International /Global Brands	United States of America ("USA")
UNIQLO EUROPE LTD	GBP40,000	100.0%	UNIQLO International	United Kingdom
G.U. CO., LTD.	JPY10,000	100.0%	GU	Yamaguchi/ Tokyo
FAST RETAILING FRANCE S.A.S.	EUR84,762	100.0%	Global Brands	France
Theory LLC	USD116,275	100.0% (100.0%)	Global Brands	USA
COMPTOIR DES COTONNIERS S.A.S.	EUR2,000	100.0% (100.0%)	Global Brands	France
PRINCESSE TAM TAM S.A.S.	EUR2,000	100.0% (100.0%)	Global Brands	France
J Brand, Inc.	USD396,340	100.0% (100.0%)	Global Brands	USA

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

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

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

5 Financing

In the consolidated current fiscal year, the Company issued unsecured straight bonds totaling 250 billion yen. Issuance, interest rate, maturity are as follows.

(Millions of yen)

Name of bonds	Date of Issuance	Amount to be issued	Interest Rate (%)	Date of maturity
5th non-collateralized corporate bonds	6 June 2018	80,000	0.110	6 June 2023
6th non-collateralized corporate bonds	6 June 2018	30,000	0.220	6 June 2025
7th non-collateralized corporate bonds	6 June 2018	100,000	0.405	6 June 2028
8th non-collateralized corporate bonds	6 June 2018	40,000	0.880	4 June 2038

6 Number of Stores by Business Segment

(Unit: Stores)

	FY2017	FY2018		
	End Aug.	Open	Close	End Aug.
UNIQLO Japan:	831	18	22	827
Directly operated	790	15	21	784
Large-scale	209	9	3	215
Standard	581	6	18	569
Franchise	41	3	1	43
UNIQLO International:	1,089	167	15	1,241
Greater China	645	94	13	726
China	555	89	11	633
Hong Kong	25	3	0	28
Taiwan	65	2	2	65
South Korea	179	8	1	186
Southeast Asia and Oceania	163	35	0	198
Singapore	24	2	0	26
Malaysia	41	7	0	48
Thailand	34	6	0	40
The Philippines	40	11	0	51
Indonesia	12	6	0	18
Australia	12	3	0	15
USA	44	5	1	48
Canada	2	3	0	5
Europe	56	22	0	78
U.K.	10	1	0	11
France	19	6	0	25
Russia	20	11	0	31
Germany	5	0	0	5
Belgium	2	1	0	3
Spain	0	2	0	2
Sweden	0	1	0	1
GU:	372	30	9	393
Global Brands:	1,002	42	60	984
Theory*	538	32	33	537
Comptoir des Cotonniers*	333	8	21	320
Princesse tam.tam.*	131	2	6	127
Total	3,294	257	106	3,445

* including franchise stores

Note: This table does not include mina or Grameen UNIQLO.

7 Capital Expenditures

(billions of yen)

	UNIQLO Japan	UNIQLO International	GU	Global Brands	System etc.	Total
Capital Expenditures	99	263	45	27	258	693

2. COMPANY

1 Shares (as at 31 August 2018)

(1) Total number of shares authorized for issue	300,000,000 shares
(2) Total number of shares outstanding	106,073,656 shares
(3) Number of shareholders	7,410 shareholders
(4) Number of shares per trading unit	100 shares

(5) Major shareholders with the 10 highest ratios of number of shares outstanding

Major Shareholder	Investment in the Company	
	Number of Shares Held	Percentage of Shares Held
Tadashi Yanai	22,987 thousand	22.53%
The Master Trust Bank of Japan, Ltd. (Trust account)	19,153 thousand	18.77%
Japan Trustee Services Bank, Ltd. (Trust account)	11,111 thousand	10.89%
TTY Management B.V.	5,310 thousand	5.20%
Kazumi Yanai	4,781 thousand	4.69%
Koji Yanai	4,780 thousand	4.69%
Fight & Step Co., Ltd.	4,750 thousand	4.66%
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	3,680 thousand	3.61%
MASTERMIND Co., Ltd.	3,610 thousand	3.54%
Teruyo Yanai	2,327 thousand	2.28%

(Note) The investment ratio is calculated excluding treasury stock (4,053,872 shares).

2 COMPANY OFFICERS

(1) Directors and Statutory Auditors (as at 31 August 2018)

Position and Responsibilities	Name	Other Significant Concurrent Offices Held
Representative Director; Chairman, President & CEO	Tadashi Yanai	External Director, Softbank Group Corp. Chairman, President and CEO of UNIQLO CO., LTD. Director of 17 other subsidiaries of the Company External Director, Nippon Venture Capital Co., Ltd.
Director	Toru Hambayashi	Advisor, MAEDA CORPORATION Advisor, The Association for the Promotion of International Trade, Japan External Director, DAIKYO INCORPORATED External Director, UNITIKA LTD.
Director	Nobumichi Hattori	Visiting Professor, Waseda Business School (Graduate School of Business and Finance) External Statutory Auditor, Frontier Management Inc. External Director, Hakuhodo DY Holdings Inc. Visiting Professor, Graduate School of Business Administration, Keio University
Director	Toru Murayama	Visiting Professor, Faculty of Science and Engineering, Waseda University President, Office Murayama External Director, Meiji Holdings Co., Ltd.
Director	Masaaki Shintaku	Vice Chairman, Special Olympics Nippon Foundation External Director, Works Applications CO., LTD.
Director	Takashi Nawa	Professor, The Graduate School of International Corporate Strategy, Hitotsubashi University President, Genesys Partners External Director, NEC Capital Solutions Limited External Director, DENSO CORPORATION External Director, Ajinomoto Co., Inc.
Standing Statutory Auditor	Akira Tanaka	Representative Director, FR Health Insurance Organization Councilor, Special Olympics Nippon Foundation
Standing Statutory Auditor	Masaaki Shinjo	Auditor, FAST RETAILING (CHINA) TRADING CO., LTD. and 4 other subsidiaries of the Company
Statutory Auditor	Takaharu Yasumoto	President, Yasumoto CPA Office Statutory Auditor, UNIQLO CO., LTD. Statutory Auditor, LINK THEORY JAPAN CO., LTD. External Statutory Auditor, ASKUL Corporation External Statutory Auditor, FRONTEO, Inc.
Statutory Auditor	Akira Watanabe	Non-Executive Director, ASIA PILE HOLDINGS CORPORATION External Director, MAEDA CORPORATION External Statutory Auditor, KADOKAWA DWANGO CORPORATION
Statutory Auditor	Keiko Kaneko	Partner, Anderson Mori, & Tomotsune Statutory Auditor, UNIQLO CO., LTD. External Statutory Auditor, The Asahi Shimbun Company

(Notes)

1. Directors Toru Hambayashi, Nobumichi Hattori, Toru Murayama, Masaaki Shintaku, and Takashi Nawa are External Directors as provided for in Article 2, Paragraph 15 of the Companies Act, and Toru Hambayashi, Nobumichi Hattori, Masaaki Shintaku and Takashi Nawa are registered at the Tokyo Stock Exchange to serve as independent officers.
2. Director Toru Murayama is the president of Office Murayama, and the Company has entered into a consulting business outsourcing agreement regarding management human resources development, etc. with that company.
3. Takaharu Yasumoto, Akira Watanabe, and Keiko Kaneko are External Statutory Auditors as provided for in Article 2, Paragraph 16 of the Companies Act, and are registered with the Tokyo Stock Exchange to serve as independent officers.
4. Statutory Auditor Takaharu Yasumoto is a certified public accountant and has considerable knowledge in financial matters and accounting.
5. UNIQLO CO., LTD., FAST RETAILING (CHINA) TRADING CO., LTD., and LINK THEORY JAPAN CO., LTD. are wholly owned subsidiaries of the Company.
6. There are no special interests between the Company and any of the other companies at which the above Directors and Statutory Auditors hold concurrent positions.

(2) Outline of the Agreements for Limitation of Liability

The Company has entered into agreements with the External Directors and External Statutory Auditors based on provisions of Article 427, Paragraph 1 of the Companies Act, which limit liability for damages provided for in Article 423, Paragraph 1 of the same act.

Under these agreements, the limit of liability in damages for all External Directors and External Statutory Auditors shall be limited to the higher amount of either 5,000,000 yen or the amount stipulated by law.

(3) Total Amount of Remuneration for the Directors and Statutory Auditors for the fiscal year ended 31 August 2018

Classification	Number of Officers	Amount of Paid Remuneration	Summary
Directors (External Directors included)	6 (5)	450 million yen (50 million yen)	Maximum annual remuneration of 1,000 million yen determined by resolution of the annual general meeting of shareholders (24 November 2006)
Statutory Auditors (External Statutory Auditors included)	5 (3)	67 million yen (32 million yen)	Maximum annual remuneration of 100 million yen determined by resolution of the annual general meeting of shareholders (26 November 2003)
Total (External Directors and External Statutory Auditors included)	11 (8)	517 million yen (82 million yen)	

(Notes)

1. The total amount of remuneration received by External Directors and External Statutory Auditors holding concurrent directorships at subsidiary firms in the current fiscal year was 6 million yen.
2. The number of directors as at 31 August 2018 is 6 directors and 5 statutory auditors.

3 Policy on Determination of Dividends from Surplus

The Company regards the distribution of profits to shareholders as one of its most important considerations. Our basic policy is to constantly increase earnings and to provide ongoing, appropriate profit distribution based on performance.

Our policy is to pay dividends that reflect business performance after taking into consideration funds needed to expand business, improve revenues, and ensure the financial soundness of the Group.

Based on the policy outlined above and the earnings of the fiscal year ended 31 August 2018, we plan to pay a year end dividend of ¥240 per share with decision of the Board of Directors. Together with the ¥200 interim dividend per share, this will bring the total annual dividend for the current fiscal year to ¥440.

Consolidated Financial Statements



Shingo Kunieda (UNIQLO Global Brand Ambassador)

Consolidated Financial Statements (IFRS)

Consolidated Statement of Financial Position (As at 31 August 2018)

(Millions of yen)

Item	As at 31 August 2017	As at 31 August 2018	Item	As at 31 August 2017	As at 31 August 2018
Assets			Liabilities		
Current assets	1,077,598	1,618,097	Current liabilities	311,421	499,410
Cash and cash equivalents	683,802	999,697	Trade and other payables	204,008	214,542
Trade and other receivables	48,598	52,677	Other financial liabilities	11,844	171,854
Other financial assets	30,426	35,359	Derivative financial liabilities	6,083	6,917
Inventories	289,675	464,788	Current tax liabilities	25,864	21,503
Derivative financial assets	6,269	35,519	Provisions	8,780	11,868
Income taxes receivable	1,518	1,702	Other liabilities	54,840	72,722
Other assets	17,307	28,353	Non-current liabilities	315,022	551,277
Non-current assets	310,888	335,368	Financial liabilities	273,467	502,671
Property, plant and equipment	136,979	155,077	Provisions	15,409	18,912
Goodwill	15,885	8,092	Deferred tax liabilities	10,000	13,003
Intangible assets	36,895	46,002	Other liabilities	16,144	16,690
Financial assets	77,608	79,476	Total liabilities	626,443	1,050,688
Investments in associates accounted for using the equity method	13,473	14,649	Equity	762,043	902,777
Deferred tax assets	25,303	26,378	Equity attributable to owners of the Parent	731,770	862,936
Other assets	4,742	5,691	Capital stock	10,273	10,273
			Capital surplus	14,373	18,275
			Retained earnings	698,584	815,146
			Treasury stock, at cost	(15,563)	(15,429)
			Other components of equity	24,102	34,669
			Non-controlling interests	30,272	39,841
Total assets	1,388,486	1,953,466	Total liabilities and equity	1,388,486	1,953,466

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

Consolidated Statement of Profit or Loss (Year ended 31 August 2018)

(Millions of yen)

Item	Year ended 31 August 2017	Year ended 31 August 2018
Revenue	1,861,917	2,130,060
Cost of sales	(952,667)	(1,080,123)
Gross profit	909,249	1,049,936
Selling, general and administrative expenses	(725,215)	(797,476)
Other income	6,321	3,385
Other expenses	(14,567)	(20,244)
Share of profit and loss of associates accounted for using the equity method	625	611
Operating profit	176,414	236,212
Finance income	19,917	9,693
Finance costs	(2,932)	(3,228)
Profit before income taxes	193,398	242,678
Income taxes	(64,488)	(73,304)
Profit for the year	128,910	169,373
Profit for the year attributable to:		
Owners of the Parent	119,280	154,811
Non-controlling interests	9,630	14,562
Total	128,910	169,373

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

Financial Statements

Balance Sheet (As at 31 August 2018)

			(Millions of yen)		
Item	As at 31 August 2017	As at 31 August 2018	Item	As at 31 August 2017	As at 31 August 2018
Assets			Liabilities		
Current assets	478,018	851,168	Current liabilities	39,411	55,058
Cash and deposits	256,687	536,837	Current portion of corporate bonds	—	29,986
Operating accounts receivable	13,470	19,946	Accounts payable	5,294	10,964
Securities	121,134	146,304	Accrued expenses	780	1,297
Short-term loans receivable from subsidiaries and associates	68,055	120,886	Deposits received	20,245	8,162
Accounts receivable from subsidiaries and associates	15,211	22,305	Provision for bonuses	2,026	2,440
Deferred tax assets	1,014	1,018	Income taxes payable	10,291	749
Others	2,443	3,902	Others	772	1,457
Allowance for doubtful accounts	(0)	(32)	Non-current liabilities	253,596	475,125
Non-current assets	192,093	142,245	Corporate bonds payable	250,000	470,013
Property, plant and equipment	9,774	8,899	Guarantee deposits received	1,089	2,277
Buildings	7,236	6,221	Deferred tax liabilities	5	—
Structures	134	127	Provision for loss on guarantees	—	330
Tools, furniture and fixtures	117	184	Others	2,501	2,503
Land	1,123	1,123	Total liabilities	293,008	530,184
Leased assets	1,155	890	Net assets		
Construction in progress	7	351	Shareholders' equity	373,251	458,445
Intangible assets	19,087	29,371	Capital stock	10,273	10,273
Software	13,533	25,343	Capital surplus	8,245	9,395
Software in progress	5,494	3,966	Legal capital surplus	4,578	4,578
Others	60	61	Other capital surplus	3,666	4,816
Investments and other assets	163,231	103,974	Retained earnings	370,295	454,204
Investment securities	284	2,656	Legal retained earnings	818	818
Shares of subsidiaries and associates	76,392	70,579	Other retained earnings	369,477	453,386
Investments in capital of subsidiaries and associates	10,181	9,936	General reserve	185,100	185,100
Long-term loans receivable from subsidiaries and associates	69,092	17,740	Retained earnings brought forward	184,377	268,286
Leases and guarantee deposits	5,066	6,383	Treasury stock	(15,563)	(15,429)
Deferred tax assets	—	961	Valuation and translation adjustments	(502)	(427)
Others	2,212	1,777	Valuation differences on available-for-sale securities	(502)	(427)
Allowance for doubtful accounts	—	(6,061)	Share subscription rights	4,354	5,211
Total assets	670,111	993,413	Total net assets	377,103	463,229
			Total liabilities and net assets	670,111	993,413

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

Statement of Income (Year ended 31 August 2018)

			(Millions of yen)		
Item	Year ended 31 August 2017	Year ended 31 August 2018	Item	Year ended 31 August 2017	Year ended 31 August 2018
Operating revenue	139,871	193,044	Operating revenue	139,871	193,044
Operating expenses	45,936	56,524	Operating expenses	45,936	56,524
Operating profit	93,934	136,519	Operating profit	93,934	136,519
Non-operating income	22,730	5,258	Non-operating income	22,730	5,258
Interest income	2,736	3,451	Interest income	2,736	3,451
Interest on securities	66	128	Interest on securities	66	128
Foreign exchange gains	19,546	1,557	Foreign exchange gains	19,546	1,557
Others	380	120	Others	380	120
Non-operating expenses	1,175	2,118	Non-operating expenses	1,175	2,118
Interest expenses	1,095	1,318	Interest expenses	1,095	1,318
Others	80	799	Others	80	799
Ordinary profit	115,488	139,660	Ordinary profit	115,488	139,660
Extraordinary income	474	—	Extraordinary income	474	—
Gain on sales of securities	474	—	Gain on sales of securities	474	—
Extraordinary losses	47,338	15,894	Extraordinary losses	47,338	15,894
Losses on retirement of non-current assets	24	641	Losses on retirement of non-current assets	24	641
Loss on valuation of shares of subsidiaries and associates	44,169	7,486	Loss on valuation of shares of subsidiaries and associates	44,169	7,486
Provision of allowance for doubtful accounts for subsidiaries and associates	—	6,061	Provision of allowance for doubtful accounts for subsidiaries and associates	—	6,061
Impairment losses	3,145	—	Impairment losses	3,145	—
Others	—	1,704	Others	—	1,704
Income /(loss) before income taxes	68,624	123,766	Income /(loss) before income taxes	68,624	123,766
Income taxes – current	3,911	2,694	Income taxes – current	3,911	2,694
Income taxes – deferred	447	(1,086)	Income taxes – deferred	447	(1,086)
Profit	64,264	122,158	Profit	64,264	122,158

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

INDEPENDENT AUDITOR'S REPORT	
24 October 2018	
To the Board of Directors of FAST RETAILING CO., LTD.:	
Deloitte Touche Tohmatsu LLC	
Designated Unlimited Liability Partner, Engagement Partner, Certified Public Accountant:	Koichi Okubo
Designated Unlimited Liability Partner, Engagement Partner, Certified Public Accountant:	Hirofumi Otani
Designated Unlimited Liability Partner, Engagement Partner, Certified Public Accountant:	Emiko Minowa
<p>Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as at 31 August 2018 of FAST RETAILING CO., LTD. (the "Company") and its consolidated subsidiaries, and the related consolidated statements of profit or loss and changes in equity for the fiscal year from 1 September 2017 to 31 August 2018, and the related notes.</p> <p>Management's Responsibility for the Consolidated Financial Statements Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of paragraph 1, Article 120 of the Ordinance on Company Accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>Auditor's Responsibility Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p> <p>Audit Opinion In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of FAST RETAILING CO., LTD. and its consolidated subsidiaries as at 31 August 2018, and the results of their operations for the year then ended in accordance with International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of paragraph 1, Article 120 of the Ordinance on Company Accounting.</p> <p>Interest Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.</p> <p>The above represents a translation, for convenience only, of the original report issued in the Japanese language.</p>	

INDEPENDENT AUDITOR'S REPORT	
24 October 2018	
To the Board of Directors of FAST RETAILING CO., LTD.:	
Deloitte Touche Tohmatsu LLC	
Designated Unlimited Liability Partner, Engagement Partner, Certified Public Accountant:	Koichi Okubo
Designated Unlimited Liability Partner, Engagement Partner, Certified Public Accountant:	Hirofumi Otani
Designated Unlimited Liability Partner, Engagement Partner, Certified Public Accountant:	Emiko Minowa
<p>Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as at 31 August 2018 of FAST RETAILING CO., LTD. (the "Company"), and the related statements of income and changes in net assets for the 57th fiscal year from 1 September 2017 to 31 August 2018, and the related notes and the accompanying supplemental schedules.</p> <p>Management's Responsibility for the Financial Statements Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.</p> <p>Auditor's Responsibility Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p> <p>Audit Opinion In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of FAST RETAILING CO., LTD. as at 31 August 2018, and the results of its operations for the fiscal year then ended in accordance with accounting principles generally accepted in Japan.</p> <p>Interest Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.</p> <p>The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the "Items stipulated for internet disclosure in conjunction with the Notice of 2018 General Meeting of Shareholders" uploaded on the Fast Retailing company website.</p>	

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Report by the Board of Statutory Auditors

AUDIT REPORT

With respect to the directors' performance of their duties during the 57th fiscal year (from 1 September 2017 to 31 August 2018), the Board of Statutory Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Statutory Auditor, and hereby reports as follows.

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

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

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

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

2. Results of Audit

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

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

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

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

(3) Results of Audit of the Consolidated Financial Statements

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

24 October 2018

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

Standing Statutory Auditor	Akira Tanaka	■
Standing Statutory Auditor	Masaaki Shinjo	■
Statutory Auditor	Takaharu Yasumoto	■
Statutory Auditor	Akira Watanabe	■
Statutory Auditor	Keiko Kaneko	■

Company Data

Trade Name	FAST RETAILING CO., LTD.
Head Office	717-1 Sayama, Yamaguchi City, Yamaguchi 754-0894, Japan
Roppongi Office	Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6231, Japan
Ariake Office	6F UNIQLO CITY TOKYO, 1-6-7 Ariake, Koto-ku, Tokyo 135-0063, Japan
Established	May 1, 1963
Paid-in Capital	10,274 million
Line of Business	Control and management of overall Group activities as owner and holding company
Number of Full-time Employees (Consolidated)	52,839

Investor Information

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

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

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

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

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

1-1 Nikkocho,
Fuchu, Tokyo
183-0044, Japan

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

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

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

Tel: 852-2862-8555
E-mail: hkinfo@computershare.com.hk

FAST RETAILING WAY
(FR Group Corporate Philosophy)

Changing clothes.

Changing conventional wisdom.

Change the world.



UNIQLO launched 3D KNIT in fall 2018. 3D KNIT was developed from advanced Japanese whole garment® technology that made it possible to sew seamless garments three-dimensionally. The dress in the photo can be made to suit customers' body shapes and style in one of three possible lengths. Customers no longer have to select clothes that fit their body type, but can instead get clothes molded to their shape. A new beauty and a new comfort, all from a single thread.





FAST RETAILING

FAST RETAILING CO., LTD.

www.fastretailing.com