

NOTICE OF 2019 General Meeting of Shareholders

(Year from 1 September 2018 to 31 August 2019)

Date and time

11:00 JST,
Thursday, 28 November, 2019

Location

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

Matters for Resolution

Proposal 1: Partial Amendment of Articles of
Incorporation

Proposal 2: Election of Nine Directors

Proposal 3: Election of One Statutory Auditor

Proposal 4: Revision of Director Remuneration



LifeWear is changing our world

I'm really proud of Fast Retailing's achievement of yet another record performance in FY2019. I believe the key factor fueling these buoyant results is the strong affinity consumers worldwide feel for our simple but ingenious, high-quality LifeWear everyday clothing that is designed to make all our lives better. This is especially true in the Asian markets of Japan, Greater China (Mainland China, Hong Kong and Taiwan) and Southeast Asia & Oceania, where UNIQLO has established an overwhelmingly strong brand position. And now, the UNIQLO brand is also gaining wider support among customers in Europe and North America as well.

Where is this growing global support for our LifeWear values coming from? I believe it stems from growing doubts and a general malaise towards mass-consumption models of society. Today, as many events bring the lasting prosperity of the human race into question, people are demanding a better solution and a new style of everyday living. With apparel too, people are growing more aware of the problems associated with buying clothes to wear just a few times, and are increasingly interested in simple, high-quality, high-functioning everyday clothing. UNIQLO LifeWear epitomizes the ultimate everyday clothing that this emerging society craves by striving to satisfy carefully considered essential everyday life needs.

We have also made great progress on our Ariake Project to reform our entire supply chain and change our employee working patterns, and we are starting to see the benefits of our campaign slogan to "make, distribute and sell only what is necessary." I believe pursuing our Ariake Project is the surest way to contribute to the realization of a sustainable society, to which we, as a Group, are wholeheartedly committed.

In today's era, every single company and every single individual must change the way they think and act to focus on developing sustainable practices. We at Fast Retailing intend to do everything we can to join forces with like-minded companies and individuals to help create a new and better society.

November 2019

Tadashi Yanai

Chairman, President and CEO

NOTICE OF 2019 GENERAL MEETING OF SHAREHOLDERS

Date and time: 11:00 JST, Thursday, 28 November, 2019

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 2019 (1 September 2018 to 31 August 2019) 2. Results of the audit of the consolidated financial statements by the Independent Auditors and the Board of Statutory Auditors for fiscal 2019 (1 September 2018 to 31 August 2019)
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Matters for Resolution	Proposal 1:	Partial Amendment of Articles of Incorporation
	Proposal 2:	Election of Nine Directors
	Proposal 3:	Election of One Statutory Auditor
	Proposal 4:	Revision of Director Remuneration

Information Disclosed Online

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

Business report

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 2019 GENERAL MEETING OF SHAREHOLDERS

Proposal 1 Partial Amendment of Articles of Incorporation

Fast Retailing wishes to amend a portion of the current articles of incorporation. The reason for the amendment is to increase the maximum allowed number of statutory auditors as determined in the current Article 30 of the articles of incorporation in order to further strengthen and enrich our auditing framework.

Content of amendment

The concrete proposed change is indicated below: (The text of the proposed amendment is underlined)

Current articles of incorporation	Proposed change
(Number of Statutory Auditors) Article 30: The Company shall appoint no less than three (3) and no more than <u>five (5)</u> Statutory Auditors.	(Number of Statutory Auditors) Article 30: The Company shall appoint no less than three (3) and no more than <u>seven (7)</u> Statutory Auditors.

Proposal 2 Election of Nine Directors

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

Candidate number	Name		Position	No. of years as a board director	Board of directors' meeting attendance
1	Tadashi Yanai (70 years old)	Reappointment	Representative Director; Chairman, President & CEO	47 years	100% (13 of 13)
2	Toru Hambayashi (82 years old)	Reappointment External Director Independent Officer	Director	14 years	100% (13 of 13)
3	Nobumichi Hattori (61 years old)	Reappointment External Director Independent Officer	Director	14 years	100% (13 of 13)
4	Masaaki Shintaku (65 years old)	Reappointment External Director Independent Officer	Director	10 years	100% (13 of 13)
5	Takashi Nawa (62 years old)	Reappointment External Director Independent Officer	Director	7 years	92.3% (12 of 13)
6	Naotake Ono (71 years old)	Reappointment External Director Independent Officer	Director	1 year	100% (11 of 11)
7	Takeshi Okazaki (54 years old)	Reappointment	Director	1 year	100% (11 of 11)
8	Kazumi Yanai (45 years old)	Reappointment	Director	1 year	100% (11 of 11)
9	Koji Yanai (42 years old)	Reappointment	Director	1 year	100% (11 of 11)

1 Tadashi Yanai

Reappointment



- **DOB:** 7 February 1949
- **No. of years as a Board Director:**
47 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:**
22,037,284 shares
- **Career profile and Fast Retailing positions held:**
 - Aug. 1972 Joined FAST RETAILING CO., LTD.
 - Sep. 1972 Director, FAST RETAILING CO., LTD.
 - Aug. 1973 Senior Managing Director, FAST RETAILING CO., LTD.
 - Sep. 1984 President & CEO, FAST RETAILING CO., LTD.
 - Jun. 2001 External Director, SOFTBANK GROUP CORP. (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.
 - External Director, Nippon Venture Capital Co., Ltd.
 - Chairman, President and CEO of UNIQLO CO., LTD.
 - Director of 18 other subsidiaries of the Company

Selection for Chairman, President and CEO

Tadashi Yanai founded and built Fast Retailing into a successful corporate Group. Appointed President and CEO in 1984, he has spent the last 35 years leading the management team and expanding the Group into one of the world's leading Specialty store retailers of Private-label Apparel. His impressive management experience, broad operational knowledge and consistent commitment to improving corporate value is vital to the Group's continued growth. We highly recommend Mr. Yanai's reappointment.

Candidate Message

I seek to drive our Ariake Project forward and promote our transformation into a new digital consumer retail company. True to our corporate statement: Changing clothes. Changing conventional wisdom. Change the world, I will continue to strive to realize transparent management, contribute to a sustainable society, and pursue growth as a company that delivers the joy and happiness of great clothes by providing LifeWear ultimate everyday clothing to people worldwide.

2 Toru Hambayashi

Reappointment

External Director

Independent Officer



- **DOB:** 7 January 1937
- **No. of years as a Board Director:**
14 (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
 - Jun. 2015 External Director, UNITIKA Ltd.
 - Jun. 2017 Advisor, Maeda Corporation (current)
- **Major concurrent offices:**
 - Adviser, MAEDA CORPORATION
 - Adviser, The Association for the Promotion of International Trade, Japan

Selection for External Director

Toru Hambayashi is well versed in overall trends in the apparel industry having worked 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 rich global perspective and superior management experience and knowledge is extremely precious to FR. We highly recommend Mr. Hambayashi is an appropriate candidate for external director.

Candidate Message

Tadashi Yanai has a strong sense of morality and is an extremely talented business leader. However, as Fast Retailing expanded the scale and global reach of its operations, management transparency will become increasingly important. My job is to strictly evaluate the process of realizing corporate growth within a healthy business framework and offer candid advice to aid FR's 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:**
14 (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 serves as visiting professor at graduate schools of Waseda and Keio universities in Tokyo. We believe Mr. Hattori's knowledge and experience is beneficial for our company, and we highly recommend him as a candidate for external director.

Candidate Message

From a management strategy perspective, it is extremely important to objectively judge how capital markets perceive Fast Retailing's corporate value, and it is my job to offer multifaceted suggestions on how to best increase that value. The Board of Directors' role as a key collective that consistently highlights and considers risk-side factors is growing in significance every year, so I am committed to providing appropriate advice from a broad perspective.

4 Masaaki Shintaku

Reappointment External Director Independent Officer



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

Apr. 1978 Joined IBM Japan, Ltd.
 Dec. 1991 Joined Oracle Corporation Japan
 Aug. 2000 President & CEO, Oracle Corporation Japan
 Jan. 2001 Executive Vice President, Oracle Corporation
 Apr. 2008 Vice Chairman, Special Olympics Nippon (currently Special Olympics Nippon Foundation)
 Jun. 2008 Chairman, Oracle Corporation Japan
 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)
 Mar. 2019 Counselor, Special Olympics Nippon Foundation (current)

■ Major concurrent offices:

Counselor, 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 counselor of Special Olympics Nippon Foundation, he is involved in a wider range of activities. His objective advice regarding Fast Retailing future growth strategy, and his in-depth knowledge of sports for people with disabilities for which UNIQLO is an official partner renders him an appropriate and invaluable candidate for external director.

Candidate Message

Fast Retailing's is steadily implementing measures to invest in transforming its distribution and IT systems, and moving along its destined path from creating a cohesive corporate Group, to globalization, and now to becoming a new digital consumer retailing company. We are starting to see the benefits of FR's determination nurture truly talented managers to serve as the dynamic growth drivers in periods of huge operational change, and it reassures me to see a growing diverse personnel ready to take on new challenges. Fast Retailing's Board of Directors helps accelerate the company's progression, and contribute to future growth.

5 Takashi Nawa

Reappointment External Director Independent Officer



- **DOB:** 8 June 1957
- **No. of years as a Board Director:**
7 (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
 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, 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 ESG-related knowledge makes him a high-contributing member of the Sustainability Committee. His overall experience is invaluable to FR's drive to globalize operations and promote diverse management, and we highly recommend him as a candidate for external director.

Candidate Message

I believe consistently contributing to sustainable society helps improve corporate value. My role is to help FR address ESG issues and problems more actively, and help FR earn a reputation as a global industry leader in this field. My comments always focus on ensuring we prize diversity with our pursuit for global operations.

6 Naotake Ono

Reappointment External Director Independent Officer



- **DOB:** 28 October 1948
- **No. of years as a Board Director:**
1 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (11 of 11)
- **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)
 Nov. 2018 External Director, FAST RETAILING 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

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

7 Takeshi Okazaki

Reappointment



- **DOB:** 9 July 1965
- **No. of years as a Board Director:**
1 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (11 of 11)
- **No. of Fast Retailing shares held:** 137 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)
 Nov. 2018 Director, 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 26 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, IR, etc. He also exhibited leadership for overall operations as one of the core drivers of the Ariake Project launched in 2017. As Group CFO, Mr. Okazaki will continue to maintain an awareness of the most important issues for the overall company and speedily solved problems, so we highly recommend him as a candidate for director.

Candidate Message

Both executing and supervising corporate management to the very best of my ability is my role as Group Executive Vice President and CFO. I believe I can guide increasingly realistic and deep debate in the Board by directly conveying actual situations. My job is to follow the direction agreed by the Board, and help direct the management group, including myself, to ensure proper management from our customer and other stakeholder perspectives.

8 Kazumi Yanai

Reappointment



- **DOB:** 23 April 1974
- **No. of years as a Board Director:**
1 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (11 of 11)
- **No. of Fast Retailing shares held:**
4,781,808 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)
 Nov. 2018 Director, FAST RETAILING CO., LTD. (current)

■ Major concurrent offices:

Director, LINK THEORY JAPAN CO., LTD.
 Chairman, Theory LLC
 Chairman, UNIQLO USA LLC
 CEO, Chairman and President, J BRAND HOLDINGS, LLC and Director of 17 other subsidiaries of the Company

Selection for Director

Kazumi Yanai entered the Company in 2004 after gaining experience in the Goldman Sachs Group 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 seeks to expands its global operations and we highly recommend him as a candidate for director.

Candidate Message

As a member of the founding family, I believe my responsibility is to take a long-term perspective and aim to bolster Fast Retailing's global growth. I want to help create a strong fundamental basis for continued FR growth by upholding our corporate culture, strengthening our governance, and valuing our social contribution. As a senior vice president, my job is to progress our business transformation and work together with our employees and management team to create our ideal company.

9 Koji Yanai

Reappointment



- **DOB:** 19 May 1977
- **No. of years as a Board Director:**
1 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (11 of 11)
- **No. of Fast Retailing shares held:**
4,780,737 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)
 Nov. 2018 Director, FAST RETAILING CO., LTD. (current)

Selection for Director

Koji Yanai entered the Company in 2012 after amassing experience at the major Japanese trading company Mitsubishi Corporation. He has primarily exhibited leadership in the field of global marketing at the UNIQLO operation and in recent years has helped promote the appointment of professional tennis player Roger Federer as a UNIQLO global brand ambassador. The candidate's marketing knowledge and experience is necessary to the further growth of the Group. We highly recommend him as a candidate for director.

Candidate Message

I have amassed a good deal of experience working in global marketing, PR, the Ariake Project, etc. My experience as a senior vice president has taught me that the most important thing is to value all people from those who work to realize front-end goals based on customer perspective to original internal partner companies. As a Director and member of the founding, I want to contribute to FR's sustainable corporate growth.

- **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, Takashi Nawa and Naotake Ono. These agreements shall be extended in the event that these five persons are re-elected as non-executive directors. This agreement is outlined below:
 The limited liability agreement is based on provisions in Article 427, Paragraph 1 of the Companies Act, and limits the liability for damages under Article 423, Paragraph 1 of the Companies Act. The agreement state that liability for damages shall be limited to either 5,000,000 yen or the amount stipulated by law, whichever represents the higher figure.
- The Tokyo Stock Exchange has been notified that Toru Hambayashi, Nobumichi Hattori, Masaaki Shintaku, Takashi Nawa and Naotake Ono serve as independent officers, and we will notify the Exchange if their reappointment 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 3 Election of One Statutory Auditor

We wish to appoint one additional Statutory Auditor in order to help strengthen and enrich our auditing framework on the condition that Proposal 1: Partial Amendment of Articles of Incorporation is approved and passed. The resolution on Proposal 3 will only yield an effect if Proposal 1: Partial Amendment of Articles of Incorporation is approved as submitted and the amendment of the articles of incorporation permitted by that approval comes into effect.

The Company has the agreement of the Board of Directors to seek the increase in statutory auditor numbers as detailed in Proposal 3.

Name	Position	Years as Statutory Auditor	Board of meeting attendance
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Masumi Mizusawa

(60 years old)

New appointment

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- Masumi Mizusawa is our candidate for newly appointed statutory auditor.
- There are no special interests between the candidate and the Company.

Masumi Mizusawa

New appointment

■ **DOB:** 22 July 1959

■ **No. of years as a Statutory Auditor:** —

■ **Board of Directors' meeting attendance:** —

■ **Board of Statutory Auditors' meeting attendance:** —

■ **No. of Fast Retailing shares held:** 366 shares

■ **Career profile and Fast Retailing positions held:**

- Nov. 1981 Joined the International Department of Yamaichi Securities Co., Ltd.
- Mar. 1988 Joined the Research Department of Kleinwort Benson Securities (the Tokyo branch of Dresdner Kleinwort Wasserstein (Japan) Ltd)
- Oct. 2001 Joined the Investor Relations Department of FAST RETAILING CO., LTD.
- Feb. 2004 General Manager, Global Corporate Management and Control Investor Relations Division, FAST RETAILING CO., LTD. (current)



Selection for Standing Statutory Auditor

Since entering Fast Retailing in 2001, Masumi Mizusawa has served as the director of investor relations for 18 years, working hard in recent years to actively improve the company's ESG evaluation and the Fast Retailing Group corporate value. Her achievements and experience are highly valued by the company. We believe she will be able to further increase our corporate value in a way that will be beneficial to the Fast Retailing Group by applying her knowledge and experience to the auditing and analysis of overall Group business activities, and highly recommend her as a candidate for statutory auditor.

Candidate Message

As an increasingly global business operator, Fast Retailing will be expected to pursue highly disciplined governance. As a full-time statutory auditor who has developed an expert knowledge of the issues each internal business segment faces during my long investor relations directorship, I will provide proactive suggestions and support on compliance issues and risks. I intend to keep a close eye on our practices and make every effort to further improve the transparency and integrity of the Fast Retailing decision-making process.

Proposal 4

The maximum annual remuneration for directors has been capped at the 1,000 million yen determined by shareholder resolution at the 45th annual general meeting of shareholders held on November 24, 2006.

Taking into consideration the subsequent changes in economic conditions, the increase in the number of directors, and various other factors, we propose to revise the maximum annual director remuneration to 2,000 million yen, including a maximum annual allocation for external directors of 60 million yen. Furthermore, we would continue the current condition that states the maximum allocation for director remuneration does not include the regular salaries of employees who also serve as directors.

Please note, if Proposal 2: Election of Nine Directors is approved as submitted, there would be a total of nine directors on the Fast Retailing Board of Directors, five of whom would be external directors.

MEMO

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Business Report

Fiscal 2019 Performance by Business Segment

Consolidated revenue and operating profit hit a new record high

Revenue

2.2905 trillion yen

Operating profit

257.6 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 '19



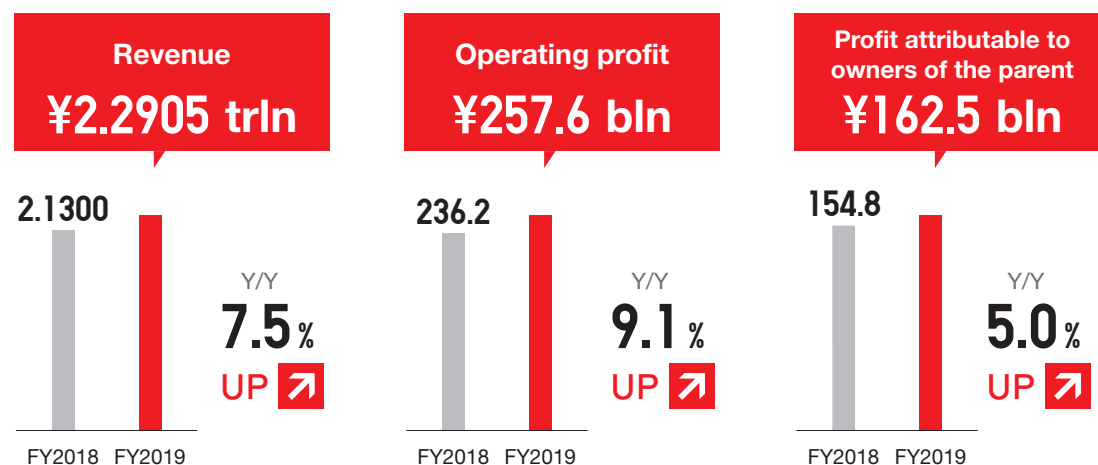
Eye-catching characters from UT collab with well-known NY artist KAWS adorn the UNIQLO 5th Ave store

1. Fast Retailing Group Business Performance

1 Fiscal 2019 Business Performance (Year to 31 August 2019)

- Fast Retailing achieved another record performance on the back of strong results from UNIQLO International and considerable rises in revenue and profit at GU. Consolidated revenue: ¥2.2905 trillion (+7.5% year on year), operating profit ¥257.6 billion (+9.1%).
- Profit attributable to owners of the parent reached ¥162.5 billion (+5.0%) after recording a ¥13.1 billion foreign exchange loss under finance income/costs caused by an appreciation in the business year-end yen rate compared to the period-start rate.
- UNIQLO International revenue exceeded 1 trillion yen for the first time. The segment reported large revenue and profit gains on the back of fast-expanding operations in Greater China (Mainland China, Hong Kong and Taiwan) and Southeast Asia & Oceania.
- UNIQLO Japan profit dipped sharply in the first half on the warm winter, but profit recovered to post a year-on-year gain in the second half.
- GU achieved a record performance. Sales recovered following our decision to create a GU product lineup that focused on mass fashion trends. Operating profit doubled year on year on lower cost of sales and improved discounting.
- Global Brands moved back into the black for the full year, supported primarily by stable growth at the Theory brand.
- Capital expenditure totaled ¥85.2 billion (+¥15.8 billion) due to higher new store investment at UNIQLO International and GU, Ariake Project-related IT investment, and self-checkout installations, etc.
- FY2019 dividend per share rose ¥40 year on year to ¥480, divided equally between interim and year-end dividends of ¥240 yen each.

Financial Highlights



NEWS FLASH September 2018 – August 2019

2018.9

- We opened our first Netherlands UNIQLO store in Amsterdam.



2018.10

- We opened our UNIQLO Manila global flagship store in the Philippines.
- Fast Retailing forms a logistics-related strategic global partnership with materials handling equipment firm Daifuku Co., Ltd.



2018.11

- Professional snowboarder Ayumu Hirano was appointed as UNIQLO Global Brand Ambassador.

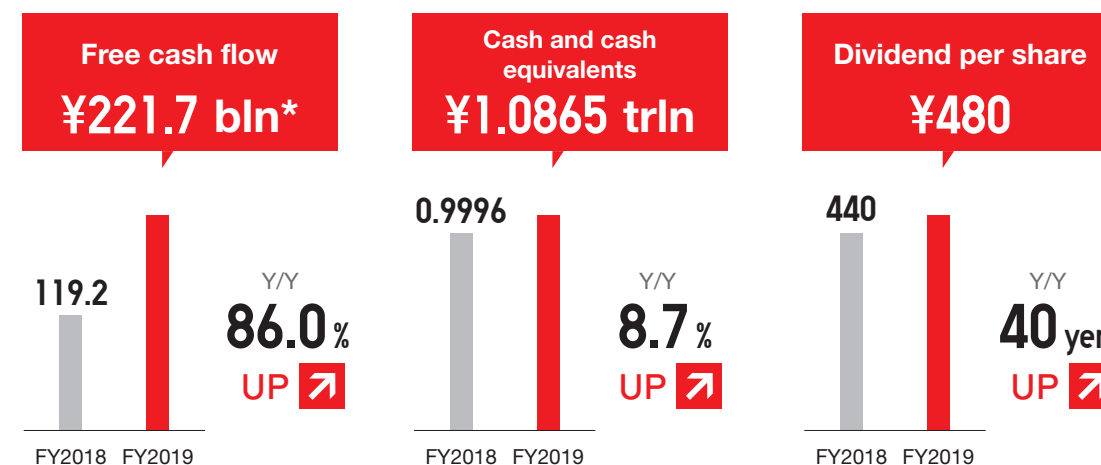
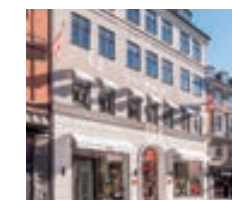


- Fast Retailing became a UN Global Compact participant.



2019.4

- We opened our first UNIQLO store in Denmark in Copenhagen.



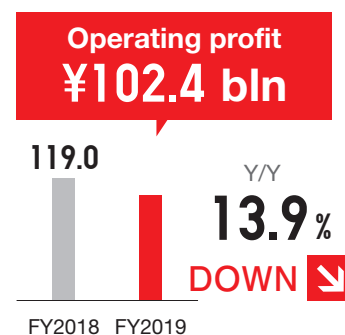
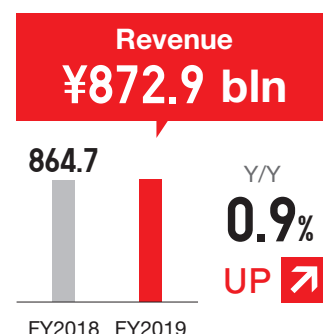
*Free cash flow = Net cash from operating activities + Net cash used in investing activities



UNIQLO global brand ambassador
Ayumu Hirano (professional
snowboarder and skateboarder)
sporting the new hybrid down parka

UNIQLO Japan

- UNIQLO Japan FY2019 revenue rose but profit fell. Revenue: ¥872.9 billion (+0.9% year on year), operating profit ¥102.4 billion (-13.9%). While warm winter knocked first-half profit considerably lower, second-half profit recovered to report a double-digit gain.
- Full-year same-store sales rose 1.0%. First-half same-store sales declined 0.9% as the warm winter dampened sales of Winter ranges. Same-store sales posted a healthy 3.5% rise in the second half on strong sales of T-shirts, UT graphic T-shirts, UV-cut parkas, Kando pants and other Summer ranges.
- E-commerce sales expanded 32.0% to ¥83.2 billion. The proportion of e-commerce sales to total sales rose from 7.3% to 9.5%.
- The full-year gross profit margin declined 1.7 points on the back of the warm winter and an early rundown of excess Spring Summer inventory. However, this move helped achieve a much lower level of end-August inventories.
- The full-year SG&A ratio rose 0.4 point. In the first half, the distribution cost ratio increased on the back of higher inventories. In the second half, greater handling efficiencies gained from using IC tags (RFID) helped reduce personnel and outsourcing costs.



TOPICS



New hybrid down outerwear inspired by professional athlete

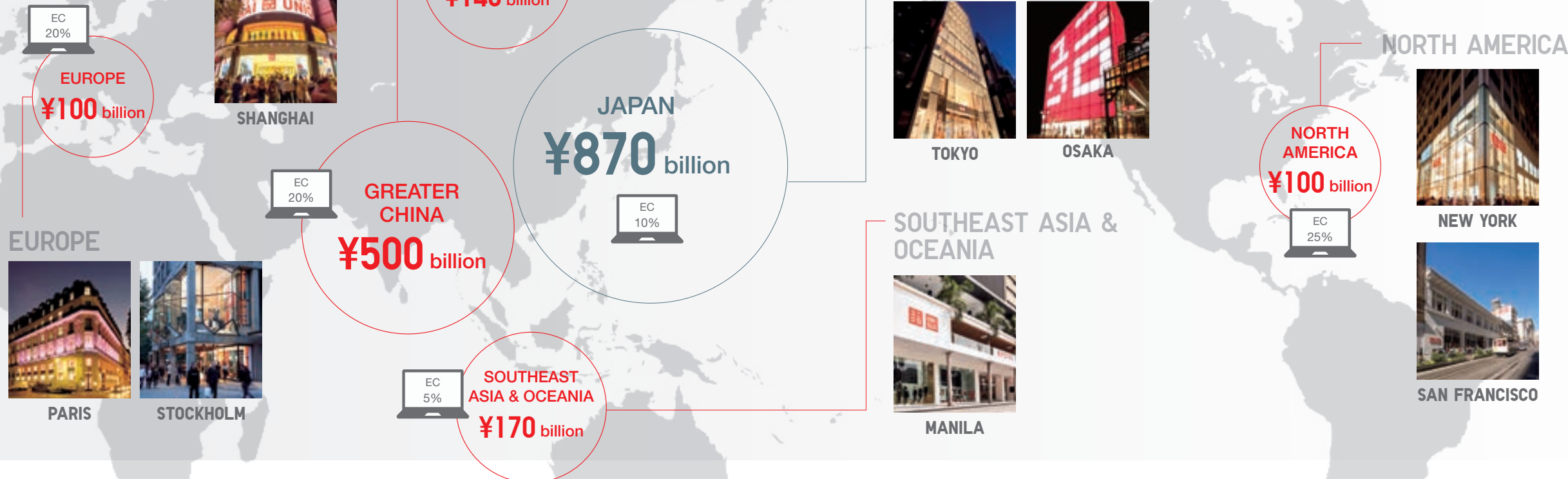
UNIQLO has developed its next-generation hybrid down outerwear that combines warmth and style as its main new product for the Winter season. We gleaned some hints for the new product design from developing competition wear for professional Japanese snowboarder and UNIQLO global brand ambassador Ayumu Hirano. We started by carefully analyzing the professional athlete's need for light, easy-to-move, streamline-silhouette clothing, and then developed a new material. The hybrid down outerwear represents a new page in the history of UNIQLO down wear.

Ayumu Hirano became a UNIQLO global brand ambassador in 2018. This latest UNIQLO product development was inspired by the tailored detail channeled into creating his competitive sportswear. We worked with world-leading synthetic fiber manufacturer Toray Industries to develop a moisture-absorbing thermal padding made from a clever combination of rayon and polyester. This new padding is used in the portions of the garment that are subjected to the most movement in everyday life, such as the shoulders, sides, sleeves and hems. The padding transforms body heat into thermal energy that is then trapped to maintain warmth, and facilitates energetic physical movement by reducing the sense of voluminous clothing. We managed to retain significant warmth by using premium down (90% down, 10% feathers) for the back and front sections of the parka. The new hybrid down outerwear dispels the old image of down wear as lumpy and unstylish, and is attracting fashion-conscious customers as a new-feel piece of stylish everyday wear.

HYBRID DOWN PARKA

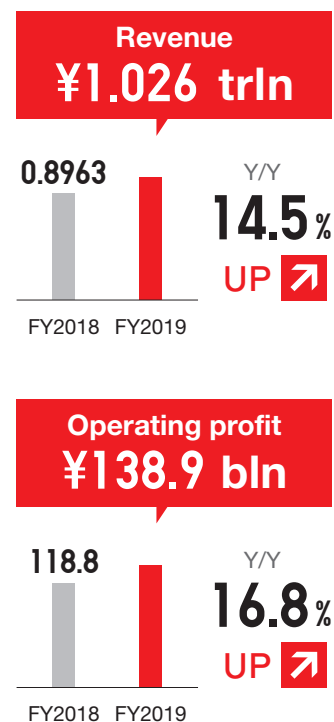
Next-generation outerwear offers moisture-absorbing thermal padding and premium down





UNIQLO International

- UNIQLO International revenue exceeded 1 trillion yen for the first time in FY2019 after reporting large full-year revenue and profit gains. Revenue: ¥1.0260 trillion (+14.5% year on year), operating profit ¥138.9 billion (+16.8%). The operating profit margin maintained a high level of 13.5%.
- Greater China reported large full-year revenue and profit gains, with revenue reaching ¥502.5 billion (+14.3%) and operating profit ¥89.0 billion (+20.8%). In Mainland China, local customers embraced our LifeWear concept and confirmed UNIQLO's position as the market's No.1 apparel brand. E-commerce sales continued strong, rising approximately 30% year on year.
- Southeast Asia & Oceania business expanded with revenue topping the 170 billion yen mark. The operation achieved a strong result with both revenue and profit increasing by approximately 20% year on year.
- UNIQLO USA reported a significantly narrower full-year loss.
- Europe revenue reached the 100 billion yen mark on full-year revenue and profit growth. Russia continued to achieve considerably higher revenue and profit.
- Expanded geographical reach with new stores in the Netherlands (September 2018), Denmark (April 2019), Italy (September 2019), and India (October 2019).



TOPICS

UNIQLO International revenue tops 1 trillion yen LifeWear earns deep-rooted worldwide support

UNIQLO took its first step into international markets in September 2001. Now, 18 years later, UNIQLO International revenue has topped 1 trillion yen for the first time, rising 14.5% over the year to 1.0260 trillion. That strong revenue performance for UNIQLO International far outstrips the 872.9 billion yen (+0.9% year on year) revenue result from UNIQLO Japan. Furthermore, UNIQLO International's 13.5% operating-profit-to-sales margin proves that operation is also securing a high level of profitability. UNIQLO Greater China, which spans Mainland China, Hong Kong, and Taiwan, and UNIQLO Southeast Asia & Oceania have proved the two main drivers of this buoyant UNIQLO International performance.

Exhibiting remarkable growth, the Greater China area generated revenue of 502.5 billion yen (+14.3%) and operating profit of 89.0 billion yen (+20.8%) in FY2019. Since first entering the Mainland Chinese market, we have maintained a concerted focus on brand building. Thanks in part to that determined drive, UNIQLO has been ranked the number one apparel brand by Mainland Chinese consumers for the past eight years. Customers in Greater China greatly appreciate UNIQLO LifeWear as high-quality everyday clothing that is essential to daily living, with UT graphic T-shirts, fleece, cashmere, HEATTECH, ultra light down, jeans, and Kando pants among the brand's most popular ranges. UNIQLO Greater China also enjoys a virtuous cycle with the proactive advertising by Chinese customers on social media of new UNIQLO product launches helping to secure large numbers of new young customers.

UNIQLO also enjoyed great success with its first stores opened in Italy and India in fall 2019. We expect UNIQLO International to exhibit further strong growth as we continue to actively expand its geographical reach, and open approximately 100 new stores in Greater China and roughly 40 new stores in Southeast Asia & Oceania each year.



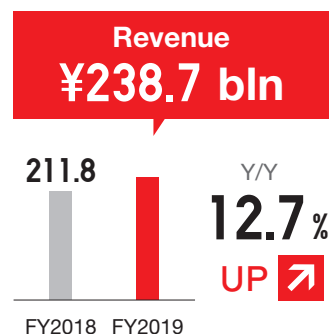
Theory



COMPTOIR DES
COTONNIERS

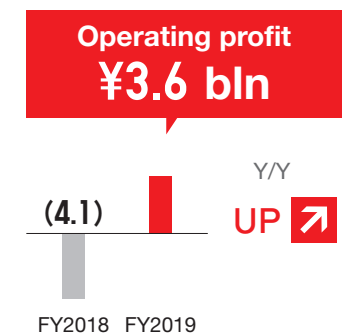
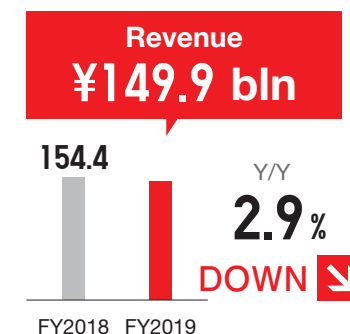
GU

- GU achieved record results in FY2019 with revenue rising to ¥238.7 billion (+12.7% year on year) and operating profit increasing by an impressive 139.2% to ¥28.1 billion.
- Same-store sales increased on our decisions to switch the focus of GU product lineups to mass fashion trends and to strengthen GU marketing. Trendy oversized sweat wear, knitwear, and T-shirts proved hit products boasting sales of several million units.
- The gross profit margin improved considerably after early submission of orders and aggregate purchasing of materials helped lower the cost of sales, and the amount of discounting was reduced. The operating profit margin improved by an impressive 6.2 points to 11.8%.
- Store numbers increased to 391 GU Japan stores and 30 GU International stores (Mainland China, Hong Kong, Taiwan, South Korea).



Global Brands

- Global Brands reported a 2.9% year-on-year decline in revenue to ¥149.9 billion in FY2019 but operating profit moved back into the black to the tune of ¥3.6 billion (compared to a ¥4.1 billion loss in FY2018 after recording impairment losses on Comptoir des Cotonniers and other operations).
- The Theory operation reported higher revenue and profit on stable Theory brand growth.
- The PLST operation reported higher revenue, but a flat operating profit on higher new-store opening costs.
- Comptoir des Cotonniers, Princesse tam.tam and J Brand operations recorded wider losses under business profit. Business profit is a good indicator of fundamental business profitability calculated by subtracting the sum of cost of sales and SG&A expenses from the revenue total.



Pursuing our Ariake Project for a true digital consumer retail company

Fast Retailing is transforming itself into a digital consumer retail company that enables customers to purchase LifeWear ultimate everyday clothing instantly at any time. To that aim, Fast Retailing's 130,000 employees worldwide are getting behind our transformative Ariake Project.

Over the past two years, we have been using customer information to forecast demand, and have been introducing frameworks to refine our inventory control processes, reducing factory lead times, reforming our distribution systems by launching automated warehousing, installing new technology for e-commerce, and generally building frameworks that merge our physical store and e-commerce operations.



INTERVIEW

Ariake Project: The ongoing pursuit of customer satisfaction

Group Executive Vice President

Takuya Jimbo

Fast Retailing clothes creation is inspired by our LifeWear philosophy. Adhering to such a superior and attentive philosophy when producing clothes in mass volumes inevitably results in longer lead times in a supply chain that spans clothes planning, production, distribution and retail. Shortening these lead times and instantly translating customer demands into commercial products will bring us much closer to our ultimate goal of creating a new digital consumer retail industry.

My first Ariake Project task was to transform our distribution system. We joined forces with Japan's leading materials handling system manufacturer Daifuku to start automating our Ariake warehouse. Today, the almost totally unmanned Ariake warehouse offers more efficient delivery services, and we are actively planning to build more automated warehouses worldwide.

However even with successful new distribution systems, products won't be displayed at the appropriate time in stores if they are not brought out swiftly. While controlling distribution costs, it is also vital for departments to coordinate closely to fulfil multiple goals including boosting instore process efficiency, and working to reduce product shortages. There is also room for improvement at the very start of our supply chain, namely product planning, where we can reduce the time required to create samples by introducing advanced technology. We must also watch demand trends during actual retail periods and nimbly adjust production volumes accordingly. We still have much to do, from securing ample factory capacity to transforming the way we procure materials. I'm here to drive steady progress.

My role in the Ariake Project is not to optimize portions of the supply chain, but to guide chainwide optimization, exert determined leadership and direct every ounce of effort into attaining ongoing success. While the Ariake Project had a clear beginning, it has no clear end. In fact, this extremely exciting revolutionary journey, in which every Fast Retailing employee participates, has only just begun.



Ariake Project Meeting

SUSTAINABILITY

BUILDING A SUSTAINABLE SOCIETY THROUGH CLOTHES

Six areas of materiality

1. Create New Value Through Products and Services
2. Respect Human Rights in Our Supply Chain
3. Respect the Environment
4. Strengthen Communities
5. Support Employee Fulfillment
6. Corporate Governance

As part of our quest to become the world's number one apparel manufacturer and retailer, Fast Retailing strives to help solve social and environmental problems by creating sustainable operations not just within our own company but across our entire supply chain. We have established six materialities to guide our sustainability activities, determined concrete targets and commitments in each material area, and are pursuing proactive activities to achieve these targets.



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.
- In February 2019, we committed to formulate Science Based Targets (SBT) within two years designed to reduce greenhouse gas emissions according to the 2016 Paris Agreement.
- We strive to prevent water contamination and reduce water and energy consumption in our materials procurement and production processes. We have set targets for major fabric mill partners to reduce water consumption by 15% and energy consumption by 10%.
- We aim to completely eliminate the emission of hazardous chemicals in production processes by 2020.
- We are gradually eliminating the use of plastics in our instore shopping bags and product packaging.



1 Eliminating the use of plastic shopping bags

We have stopped issuing plastic shopping bags to customers in our stores.

The Fast Retailing Group started switching to paper shopping bags from September 2019, and began selling cotton eco bags.



2 Eliminating plastic product packaging or switching to alternative materials

We stopped using plastic packaging for a portion of our products such as UNIQLO room shoes from the 2019 Fall Winter season.



before



after

External Director Interview

Lead apparel sustainability solutions to create a better world

Takashi Nawa
External Director



Solve ESG issues as an industry leader

Fast Retailing works resolutely to help solve ESG issues as a leading player in the global apparel industry. Since 2018, the Board, led by CEO Tadashi Yanai, has been firmly focused on pursuing effective ESG initiatives. We start by confirming the issues we should prioritize as a company and considering the necessary costs, innovation and processes required to drive progress, before taking firm action. The period of time between decision and execution is extremely short at Fast Retailing, so we are already witnessing clear results over the past year.

First step towards reducing single-use plastics

In FY2019, we made great strides on our environmental initiatives. Previously, I felt our environmental initiatives were little slow, so, as a member of the Sustainability Committee, I submitted a proposal on the importance of reducing plastics. From September 2019, UNIQLO and GU made some headway on reducing single-use plastics by stopping handing out plastic shopping bags to customers at all stores worldwide, and starting efforts to radically reduce the amount of plastic used in product packaging. I think these efforts will encourage the apparel industry to change its practices.

Many UNIQLO and GU clothes are made from synthetic fiber materials, so, in the broad sense of the term, they are also plastic goods. The high cost of developing environment-conscious materials and biodegradable plastics makes it difficult to achieve in practice, but I think we can do more in this field. From a shared economy perspective, I see a growing need to promote clothing reuse. If Fast Retailing puts its operational might behind any move, it can lead action across the whole industry.

Fast Retailing doesn't own its own factories, but it does proactively encourage environment-conscious initiatives at its primary and secondary partner factories. I believe Fast Retailing has the drive to change conventional wisdom in the apparel industry by firmly regularizing its existing initiatives. I intend to continue offering advice and support in my position as an external director to ensure Fast Retailing keeps moving firmly in the right direction to help make the world a better place.

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 are seeking to expand the employment of people with disabilities and refugees.



Our global partnership with UN Women on career-building for women

Fast Retailing signed a global partnership agreement with UN Women - the United Nations Entity for Gender Equality and the Empowerment of Women. Working with UN Women, we are developing a unique program to support career-building among women working in our partner sewing factories, which are located primarily in Asia.

We have also implemented a joint training program together with UN Women to further empower women across the Fast Retailing Group. CEO Tadashi Yanai explained his fundamental passion for the program by saying, "We believe Japanese society will fall into decline sooner or later if women don't seek to rise up the professional ladder and progress to managerial positions, so we have committed to increase our number of female managers worldwide."



(R) UN Women Executive Director Phumzile Mlambo-Ngcuka

(L) Fast Retailing CEO Tadashi Yanai



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)			
		FY2016	FY2017	FY2018	FY2019
A	No violations	55 (25)	67 (31)	61 (33)	40 (21)
B	One or more minor violations	239 (125)	250 (139)	233 (135)	234 (143)
C	One or more major violations	160 (65)	196 (84)	229 (97)	239 (103)
D	One or more severe violations	44 (14)	49 (13)	84 (34)	71 (18)
E	Highly unethical, serious offense (immediate review of contract)	13 (6)	14 (6)	5 (1)	1 (1)
Number of factories monitored		511 (235)	576 (273)	612 (300)	585 (286)

In FY2019, 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 reduced business with E-grade factories that had committed extremely serious offences after discussing their management and employment in our Business Ethics Committee.



Governance

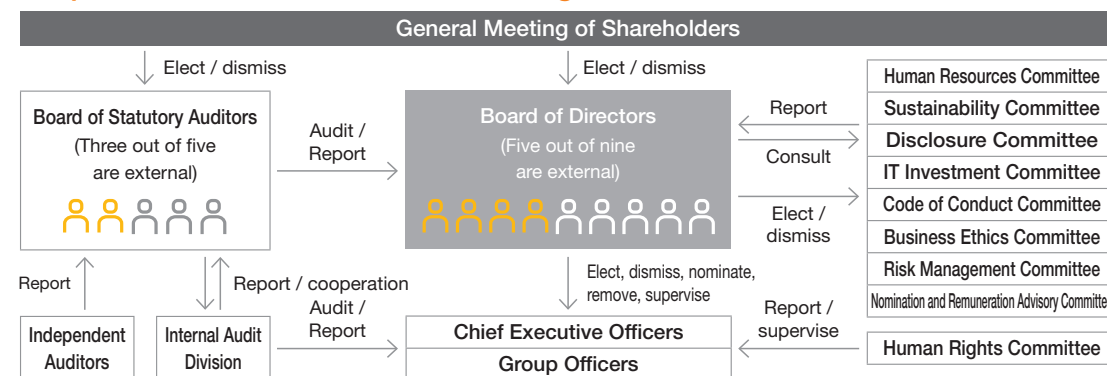
materiality 6 Corporate Governance

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
- We established a Nomination and Remuneration Advisory Committee to debate important governance-related issues.

Corporate Governance at Fast Retailing

(As at 31 August, 2019)



Composition of Committees

(As at 31 August, 2019)

● Committee Member

		Human Resources Committee	Sustainability Committee	Disclosure Committee	IT Investment Committee	Code of Conduct Committee	Business Ethics Committee	Risk Management Committee	Nomination and Remuneration Advisory Committee	Human Rights Committee
Internal Director	Tadashi Yanai	●	●	●	Chairman				Chairman	
	Okazaki	Observer	●	Chairman	●			Chairman		●
	Kazumi Yanai									
	Koji Yanai									
External Director	Hambayashi	Chairman							●	
	Hattori									
	Shintaku				Observer					
	Nawa	●	●					●		●
Standing Statutory Auditor	Ono								●	
	Tanaka	●	●			●	Observer	Observer	●	●
	Shinjo			Observer	Observer		●	Observer		
External Statutory Auditor	Yasumoto						●			
	Kaneko	●				●				●
	Kashitani						●		●	
Number of Group Officers, External Specialists, etc.		2	6	3	5	5	5	9	0	6

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

Human Rights Committee

Promoting initiatives to uphold human rights



Fast Retailing established its Human Rights Committee in July 2018 to promote initiatives designed to uphold human rights according to the 2018 Fast Retailing Group human rights policy. Chaired by external professional Yoshinori Tomita (former chief judge of the Tokyo High Court), the committee is managed from an objective perspective. The committee met eight times in FY2019 to consider main proposals such as Upholding Human Rights in Marketing, or Problems with Partner Factory Hotlines and Appropriate Countermeasures. The committee debate on marketing and human rights covered the prevention of discriminatory expressions relating to ethnicity, nationality, age, religion or gender, the consideration of model working hours and working environments, the impact of marketing on children and the upholding of the rights of children. The committee is currently compiling applicable marketing guidelines. Also, under our Problems with Partner Factory Hotlines and Appropriate Countermeasures initiative, if any complaints received directly from employees at partner factories through the hotlines include significant problems such as insufficient explanation of changes to remuneration systems, inappropriate treatment of pregnant women, power harassment or sexual harassment, members of our Sustainability Department may confirm the facts with the relevant partner factory, and request improvements.

FY2019 main proposals from the Human Rights Committee



- Upholding human rights in marketing
- Problems with partner factory hotlines and appropriate countermeasures
- Progress on employee hotline initiatives
- How to progress human rights education
- Employee diversity and future direction

Nomination and Remuneration Advisory Committee

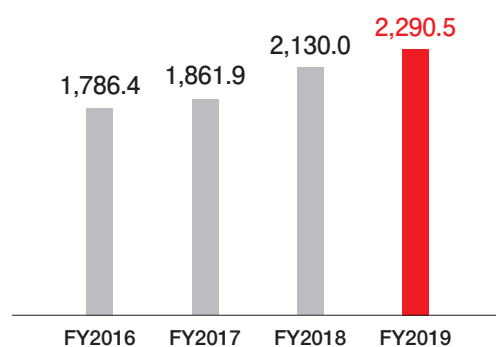
To further strengthen corporate governance



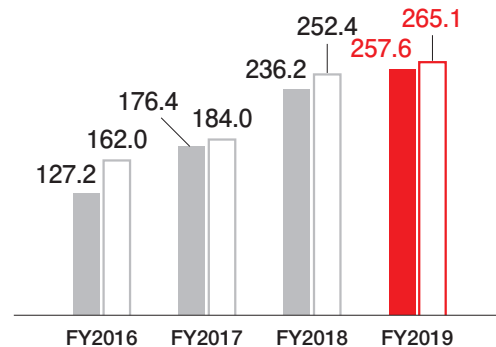
The Nomination and Remuneration Advisory Committee was launched in August 2019 with the aim of strengthening Fast Retailing governance. The committee discusses and advises the Board of Directors on important items relating to Fast Retailing corporate governance, such as the requirements and nomination policy regarding candidates for Director and Statutory Auditor positions, the policy for determining director remuneration, requirements relating to the company's chief executive officer, and smooth management succession planning. In order to further strengthen the objectivity and rationality of governance debate, the committee is chaired by a director nominated by the Board, and the majority of committee members are independent external executives (both external directors and external statutory auditors).

2 Financial Summary (International Financial Reporting Standards)

■ Revenue (billions of yen)

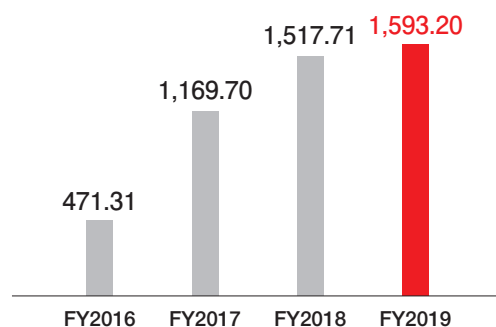


■ Operating profit (billions of yen) □ Business profit (billions of yen)



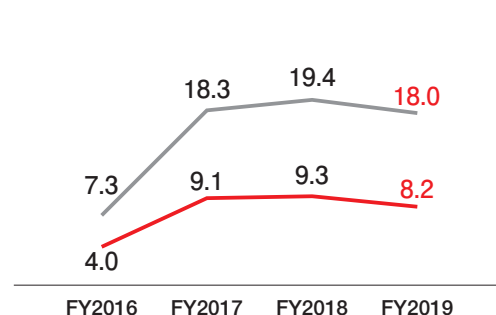
Business profit is calculated by subtracting cost of sales, and selling, general and administrative expenses from revenue.

■ Earning per share (EPS) (Yen)



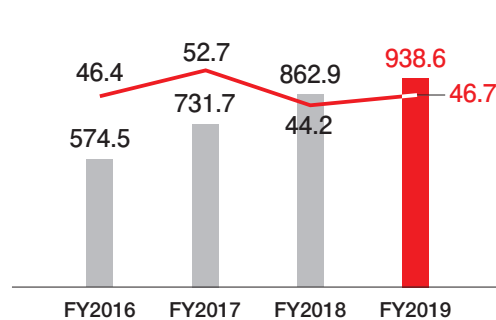
— ROA/Ratio of profit to total assets (%)

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

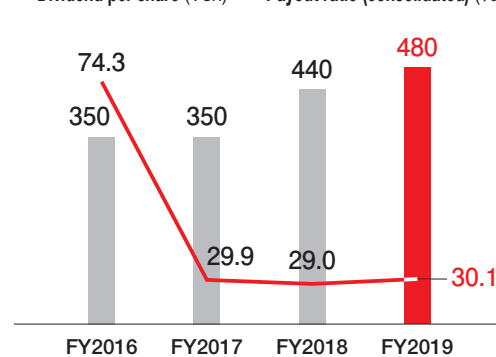


■ Equity attributable to owners of the Parent (billions of yen)

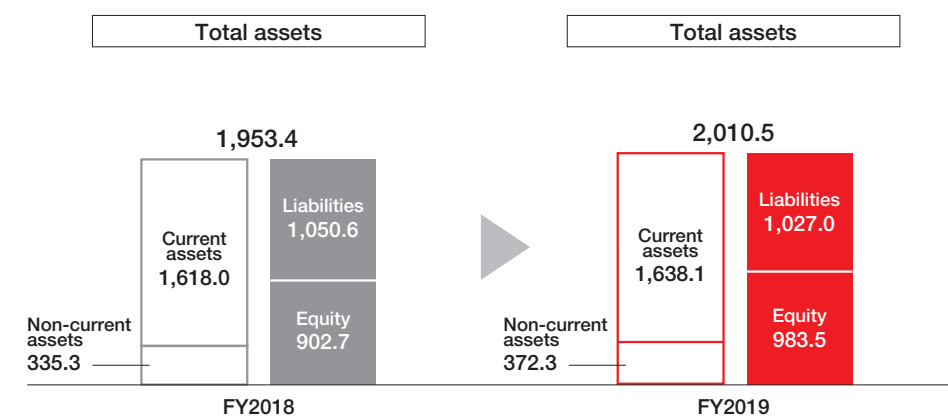
— Ratio of equity attributable to owners of the Parent to total assets (%)



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



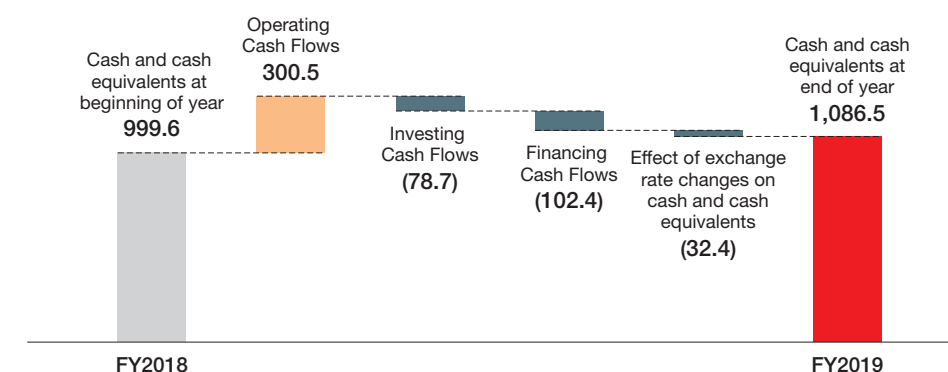
Financial Positions (billions of yen)



Point of view

Total assets at the end of August 2019 increased by ¥57.0 billion year on year to ¥2.0105 trillion, which included a ¥86.8 billion increase in cash and cash equivalents and a ¥54.2 billion decrease in inventories. Liabilities decreased by ¥23.6 billion year on year to ¥1.0270 trillion on the back of a ¥22.7 billion year-on-year decrease in trade and other payables. Equity increased by ¥80.7 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) increased 2.5 points to 46.7%.

Cash Flows Information (billions of yen)



Point of view

The balance of cash and cash equivalents expanded ¥86.8 billion to ¥1.0865 trillion. Cash from operating activities stood at ¥300.5 billion thanks to lower inventories and other factors. Cash used in investing activities totaled ¥78.7 billion, which was spent on acquiring property, plant and equipment, and intangible fixed assets. Cash used in financing activities totaled ¥102.4 billion spent on corporate bond redemptions and dividend payments.



NEW YORK



LONDON



PARIS



TOKYO

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



STOCKHOLM



SHANGHAI



THEORY



GU

3 Fast Retailing Management Strategy and Immediate Challenges



1. Promote management framework driven by Global One and Zen-in Kei principles

We have been actively promoting Global One and Zen-in Keiei management principles 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. Drive Ariake Project forward

We are pressing ahead with our transformative Ariake Project to help us transform into a new digital consumer retail industry that can instantly translate customer demands into commercial products, and actively transmit relevant information. That involves accelerating various measures, including developing a system for refining demand forecasting and inventory control, reducing factory lead times, revolutionizing distribution by introducing automated warehousing, adopting new e-commerce technology, and building a framework to help merge our physical and e-commerce stores.



3. Develop superior world-class products

Our R&D centers collect a huge variety of information to help develop superior world-class products. UNIQLO seeks to create more advanced finished products by pursuing fashion and functionality while staying true to our LifeWear concept for ultimate everyday clothes. We intend to apply the ability to instantly develop products that customer want and the power to collect information not only to UNIQLO but to other Group brands as well.

4. Further expand UNIQLO International

UNIQLO International is the driver of Group growth, and we intend to further expand this business segment by continuing to open multiple stores in the Greater China and Southeast Asia & Oceania regions. We aim to move UNIQLO USA into the black as soon as possible, and expand the geographical reach of our European operation and improve its profitability. We are also actively building our brand to encourage customers around the world to embrace our UNIQLO LifeWear clothing concept.



5. Secure stable growth for UNIQLO Japan

We want to expand UNIQLO Japan's per-store sales floor area by replacing smaller stores with larger ones through our scrap and build policy so we can maintain a high level of efficiency. We want to secure consistent stable growth by consolidating community-rooted local store management that is well positioned to develop product ranges and services that best suit local needs. We are pursuing active digital, IT and logistics investment in order to expand e-commerce sales, and turn UNIQLO Japan into a new type of manufacturer and retailer.



6. Grow our GU operation

GU is great at offering fashion at amazingly low prices, but we want to improve the accuracy of mass fashion trend product development and production planning by introducing some aggressive Ariake Project reforms. We also plan to develop more competitive products by transforming GU's material procurement and manufacturing processes. We will continue opening new GU stores in Japan, and opening more stores in international markets such as Greater China and South Korea.



7. Pursue initiatives to solve sustainability issues

Befitting our position as a leading global apparel brand, Fast Retailing strives to help solve ESG issues in order to realize a sustainable society. We pursue multiple initiatives to help monitor and regulate the manufacture of clothing, including improving factory working environments, upholding human rights, protecting the environment, promoting diversity, and strengthening governance. We also work proactively to achieve concrete targets and commitments defined under our six specific materialities.



4 Major Subsidiaries (as at 31 August 2019)

Name	Nominal value of issued ordinary / registered share capital (thousands)	Ownership Ratio of Voting Rights	Details of Main Business	Location
UNIQLO CO., LTD.	JPY1,000,000	100.0%	UNIQLO Japan	Yamaguchi/ Tokyo
FAST RETAILING (CHINA) TRADING CO., LTD.*	USD20,000	100.0%	UNIQLO International	People's Republic of China ("PRC")
UNIQLO TRADING CO., LTD.*	USD30,000	100.0%	UNIQLO International	PRC
FAST RETAILING (SHANGHAI) TRADING CO., LTD.*	USD35,000	100.0%	UNIQLO International	PRC
FRL Korea Co., Ltd.	KRW24,000,000	51.0%	UNIQLO International/GU	South Korea
FAST RETAILING (SINGAPORE) PTE. LTD.	SGD86,000	100.0%	UNIQLO International	Singapore
UNIQLO (THAILAND) COMPANY LIMITED	THB1,200,000	75.0% (75.0%)	UNIQLO International	Thailand
PT. FAST RETAILING INDONESIA	IDR115,236,000	75.0% (75.0%)	UNIQLO International	Indonesia
UNIQLO AUSTRALIA PTY LTD	AUD21,000	100.0% (100.0%)	UNIQLO International	Australia
Fast Retailing USA, Inc.	USD981,621	100.0%	UNIQLO International /Global Brands	United States of America ("USA")
UNIQLO EUROPE LTD	GBP40,000	100.0%	UNIQLO International	United Kingdom
UNIQLO INDIA PRIVATE LIMITED	INR2,000,000	100.0%	UNIQLO International	India
UNIQLO VIETNAM Co., Ltd	USD15,800	75.0% (75.0%)	UNIQLO International	Vietnam
G.U. CO., LTD.	JPY10,000	100.0%	GU	Yamaguchi/ Tokyo
GU (SHANGHAI) TRADING Co.,LTD.	USD20,000	100.0%	GU	PRC
FAST RETAILING FRANCE S.A.S.	EUR101,715	100.0%	Global Brands	France
Theory LLC	USD116,275	100.0% (100.0%)	Global Brands	USA
PLST CO., LTD.	JPY10,000	100.0%	Global Brands	Yamaguchi/ Tokyo
COMPTOIR DES COTONNIERS S.A.S.	EUR24,593	100.0% (100.0%)	Global Brands	France
PRINCESSE TAM TAM S.A.S.	EUR20,464	100.0% (100.0%)	Global Brands	France
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 Number of Stores by Business Segment

(Unit: Stores)

	FY2018	FY2019		
	End Aug.	Open	Close	End Aug.
UNIQLO Japan:	827	34	44	817
Directly operated	784	30	40	774
Large-scale	215	19	4	230
Standard	569	11	36	544
Franchise	43	4	4	43
UNIQLO International:	1,241	166	28	1,379
Greater China	726	91	10	807
China	633	86	8	711
Hong Kong	28	1	0	29
Taiwan	65	4	2	67
South Korea	186	10	8	188
Southeast Asia and Oceania	198	37	4	231
Singapore	26	4	2	28
Malaysia	48	2	1	49
Thailand	40	10	0	50
the Philippines	51	8	1	58
Indonesia	18	8	0	26
Australia	15	5	0	20
USA	48	5	2	51
Canada	5	6	0	11
Europe	78	17	4	91
U.K.	11	2	0	13
France	25	2	3	24
Russia	31	7	1	37
Germany	5	4	0	9
Belgium	3	0	0	3
Spain	2	0	0	2
Sweden	1	0	0	1
the Netherlands	0	1	0	1
Denmark	0	1	0	1
GU:	393	44	16	421
Global Brands:	984	58	70	972
Theory*	450	30	29	451
PLST*	87	21	7	101
Comptoir des Cotonniers*	320	7	31	296
Princesse tam.tam.*	127	0	3	124
Total	3,445	302	158	3,589

* including franchise stores

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

6 Capital Expenditures

(billions of yen)

	UNIQLO Japan	UNIQLO International	GU	Global Brands	System etc.	Total
Capital Expenditures	13.6	31.6	9.0	2.7	28.0	85.2

2. COMPANY

1 Shares (as at 31 August 2019)

- (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** 6,692 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	22,037 thousand	21.59%
The Master Trust Bank of Japan, Ltd. (Trust account)	21,012 thousand	20.59%
Japan Trustee Services Bank, Ltd. (Trust account)	11,430 thousand	11.20%
TTY Management B.V.	5,310 thousand	5.20%
Kazumi Yanai	4,781 thousand	4.69%
Koji Yanai	4,780 thousand	4.68%
Fight & Step Co., Ltd.	4,750 thousand	4.65%
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	3,800 thousand	3.72%
MASTERMIND Co., Ltd.	3,610 thousand	3.54%
Teruyo Yanai	2,327 thousand	2.28%

(Note) The investment ratio is calculated excluding treasury stock (4,011,921 shares).

2 COMPANY OFFICERS

(1) Directors and Statutory Auditors (as at 31 August 2019)

Position and Responsibilities	Name	Other Significant Concurrent Offices Held
Representative Director; Chairman, President & CEO	Tadashi Yanai	External Director, Softbank Group Corp. External Director, Nippon Venture Capital Co., Ltd. Chairman, President and CEO of UNIQLO CO., LTD. Director of 18 other subsidiaries of the Company
Director	Toru Hambayashi	Advisor, MAEDA CORPORATION Advisor, The Association for the Promotion of International Trade, Japan
Director	Nobumichi Hattori	Visiting Professor, Waseda Business School (Graduate School of Business and Finance) External Statutory Auditor, Frontier Management Inc. External Director, Hakuhodo DY Holdings Inc. Visiting Professor, Graduate School of Business Administration, Keio University
Director	Masaaki Shintaku	Counselor, Special Olympics Nippon Foundation External Director, 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, Ajinomoto Co., Inc.
Director	Naotake Ono	Special Advisor, Daiwa House Industry Co., Ltd.
Director	Takeshi Okazaki	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 26 other subsidiaries of the Company
Director	Kazumi Yanai	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 17 other subsidiaries of the Company
Director	Koji Yanai	
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	Keiko Kaneko	Partner, Anderson Mori, & Tomotsune Statutory Auditor, UNIQLO CO., LTD. External Statutory Auditor, The Asahi Shimbun Company External Director, Daifuku Co., Ltd.
Statutory Auditor	Takao Kashitani	Director, Brain Group (Kashitani Accounting Office) President, Brain Core Co., Ltd. President, FP Brain Co., Ltd. External Director, Japan Freight Railway Company

Consolidated Financial Statements

(Notes)

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

(2) Outline of the Agreements for Limitation of Liability

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

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

(3) Total Amount of Remuneration for the Directors and Statutory Auditors for the fiscal year ended 31 August 2019

Classification	Number of Officers	Amount of Paid Remuneration	Summary
Directors (External Directors included)	10 (6)	592 million yen (51 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)	6 (4)	66 million yen (31 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)	16 (10)	659 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 2019 is 9 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 need 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 2019, we paid an annual dividend per share of ¥480 (up ¥40 year on year), split equally between interim and year-end dividends of ¥240 each.



UNIQLO global brand ambassador
Shingo Kunieda
(professional wheelchair tennis player)

Consolidated Financial Statements (IFRS)

Consolidated Statement of Financial Position (As at 31 August 2019)

(Millions of yen)

Item	As at 31 August 2018	As at 31 August 2019	Item	As at 31 August 2018	As at 31 August 2019
Assets			Liabilities		
Current assets	1,618,097	1,638,174	Current liabilities	499,410	476,658
Cash and cash equivalents	999,697	1,086,519	Trade and other payables	214,542	191,769
Trade and other receivables	52,677	60,398	Other financial liabilities	171,854	159,006
Other financial assets	35,359	44,473	Derivative financial liabilities	6,917	2,985
Inventories	464,788	410,526	Current tax liabilities	21,503	27,451
Derivative financial assets	35,519	14,787	Provisions	11,868	13,340
Income taxes receivable	1,702	1,492	Other liabilities	72,722	82,103
Other assets	28,353	19,975	Non-current liabilities	551,277	550,365
Non-current assets	335,368	372,384	Financial liabilities	502,671	499,948
Property, plant and equipment	155,077	162,092	Provisions	18,912	20,474
Goodwill	8,092	8,092	Deferred tax liabilities	13,003	8,822
Intangible assets	46,002	60,117	Derivative financial liabilities	—	3,838
Financial assets	79,476	77,026	Other liabilities	16,690	17,281
Investments in associates accounted for using the equity method	14,649	14,587	Total liabilities	1,050,688	1,027,024
Deferred tax assets	26,378	33,163	Equity	902,777	983,534
Derivative financial assets	—	9,442	Equity attributable to owners of the Parent	862,936	938,621
Other assets	5,691	7,861	Capital stock	10,273	10,273
			Capital surplus	18,275	20,603
			Retained earnings	815,146	928,748
			Treasury stock, at cost	(15,429)	(15,271)
			Other components of equity	34,669	(5,732)
			Non-controlling interests	39,841	44,913
Total assets	1,953,466	2,010,558	Total liabilities and equity	1,953,466	2,010,558

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

Consolidated Statement of Profit or Loss (Year ended 31 August 2019)

(Millions of yen)

Item	Year ended 31 August 2018	Year ended 31 August 2019
Revenue	2,130,060	2,290,548
Cost of sales	(1,080,123)	(1,170,987)
Gross profit	1,049,936	1,119,561
Selling, general and administrative expenses	(797,476)	(854,394)
Other income	3,385	4,533
Other expenses	(20,244)	(12,626)
Share of profit and loss of associates accounted for using the equity method	611	562
Operating profit	236,212	257,636
Finance income	9,693	12,293
Finance costs	(3,228)	(17,481)
Profit before income taxes	242,678	252,447
Income taxes	(73,304)	(74,400)
Profit for the year	169,373	178,046
Profit for the year attributable to:		
Owners of the Parent	154,811	162,578
Non-controlling interests	14,562	15,467
Total	169,373	178,046

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

Financial Statements

Balance Sheet (As at 31 August 2019)

			(Millions of yen)		
Item	As at 31 August 2018	As at 31 August 2019	Item	As at 31 August 2018	As at 31 August 2019
Assets			Liabilities		
Current assets	851,168	870,786	Current liabilities	55,058	56,914
Cash and deposits	536,837	551,376	Current portion of corporate bonds	29,986	—
Operating accounts receivable	19,946	48,268	Accounts payable	10,964	11,032
Securities	146,304	146,000	Accrued expenses	1,297	1,813
Short-term loans receivable from subsidiaries and associates	120,886	103,198	Deposits received	8,162	33,581
Accounts receivable from subsidiaries and associates	22,305	17,271	Provision for bonuses	2,440	2,676
Deferred tax assets	1,018	—	Income taxes payable	749	5,836
Others	3,902	4,670	Others	1,457	1,973
Allowance for doubtful accounts	(32)	(0)	Non-current liabilities	475,125	476,137
Non-current assets	142,245	183,971	Corporate bonds payable	470,013	470,000
Property, plant and equipment	8,899	13,914	Guarantee deposits received	2,277	2,247
Buildings	6,221	7,313	Provision for loss on guarantees	330	204
Structures	127	118	Allowances for Affiliated Company Operating Losses	—	422
Tools, furniture and fixtures	184	272	Others	2,503	3,262
Land	1,123	1,123	Total liabilities	530,184	533,051
Leased assets	890	652	Net assets		
Construction in progress	351	4,432	Shareholders' equity	458,445	517,258
Intangible assets	29,371	42,914	Capital stock	10,273	10,273
Software	25,343	29,039	Capital surplus	9,395	10,914
Software in progress	3,966	13,814	Legal capital surplus	4,578	4,578
Others	61	60	Other capital surplus	4,816	6,335
Investments and other assets	103,974	127,142	Retained earnings	454,204	511,341
Investment securities	2,656	1,633	Legal retained earnings	818	818
Shares of subsidiaries and associates	70,579	87,002	Other retained earnings	453,386	510,523
Investments in capital of subsidiaries and associates	9,936	10,406	General reserve	185,100	185,100
Long-term loans receivable from subsidiaries and associates	17,740	17,261	Retained earnings brought forward	268,286	325,423
Leases and guarantee deposits	6,383	7,714	Treasury stock	(15,429)	(15,271)
Deferred tax assets	961	3,384	Valuation and translation adjustments	(427)	(1,533)
Others	1,777	792	Valuation differences on available-for-sale securities	(427)	(1,533)
Allowance for doubtful accounts	(6,061)	(1,051)	Share subscription rights	5,211	5,981
Total assets	993,413	1,054,758	Total net assets	463,229	521,706
			Total liabilities and net assets	993,413	1,054,758

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

Statement of Income (Year ended 31 August 2019)

			(Millions of yen)		
Item	Year ended 31 August 2018	Year ended 31 August 2019	Item	Year ended 31 August 2018	Year ended 31 August 2019
Operating revenue	193,044	184,910			
Operating expenses	56,524	65,808			
Operating profit	136,519	119,101			
Non-operating income	5,258	5,997			
Interest income	3,451	5,233			
Interest on securities	128	201			
Foreign exchange gains	1,557	—			
Others	120	562			
Non-operating expenses	2,118	19,098			
Interest expenses	1,318	1,968			
Foreign exchange losses	—	17,103			
Others	799	26			
Ordinary profit	139,660	106,000			
Extraordinary losses	15,894	2,507			
Losses on retirement of non-current assets	641	44			
Loss on valuation of shares of subsidiaries and associates	7,486	1,341			
Provision of allowance for doubtful accounts for subsidiaries and associates	6,061	583			
Impairment losses	—	243			
Others	1,704	296			
Income /(loss) before income taxes	123,766	103,492			
Income taxes – current	2,694	(1,608)			
Income taxes – deferred	(1,086)	(1,013)			
Profit	122,158	106,113			

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

INDEPENDENT AUDITOR'S REPORT	
25 October 2019	
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:	Yohei Masuda
<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 2019 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 2018 to 31 August 2019, 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 2019, 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	
25 October 2019	
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:	Yohei Masuda
<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 2019 of FAST RETAILING CO., LTD. (the "Company"), and the related statements of income and changes in net assets for the 58th fiscal year from 1 September 2018 to 31 August 2019, 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 2019, and the results of its operations for the 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 2019 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 58th fiscal year (from 1 September 2018 to 31 August 2019), 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.

25 October 2019

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	Keiko Kaneko	■
Statutory Auditor	Takao Kashitani	■

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)	56,523

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.



FAST RETAILING

FAST RETAILING CO., LTD.

www.fastretailing.com