



NOTICE OF 2020 General Meeting of Shareholders
(Year from 1 September 2019 to 31 August 2020)

Date and time

11:00 JST,
Thursday, 26 November, 2020

Location

Main Conference Room, Head Office
Conference Building, 10717-1 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 Three Statutory Auditors

Ultimate LifeWear Infrastructure for Society

COVID-19 is greatly impacting many areas of our lives worldwide and my heart goes out to all those who are suffering from the virus. We have determined to prioritize the safety and security of our customers, all our employees, our business partners, and their families, and to respond earnestly to requests from broader society. We have provided clothing to support people in need or facing crisis around the world, primarily in the form of donations of medical masks, isolation gowns, and AIRism and HEATTECH clothing items.

The spread of COVID-19 has spurred a change in values and encouraged us to scrutinize the way that we live. The meaning of clothes is also changing as we witness a strong shift away from clothes worn to beautify or emphasize the wearer's social status to clothes designed to last and enhance comfortable everyday living. We continue to evolve clothes based on our LifeWear concept for simple, quality clothing carved from a quest to fully satisfy daily life needs and to enrich all people's lives everywhere. We manage the entire clothes-making process from planning through manufacture, distribution, instore and online retail, and recycling to make sure we uphold LifeWear's distinct ideology. We are forging an efficient cycle that enables us to ascertain customer needs from the information we gather through our daily operations and turn that into new products and services. Becoming the key infrastructure that supports society in the clothing realm. That is our mission. Our reason for being.

Conditions are growing increasingly severe in many societies and economies around the world, not just in Japan, and mounting political tensions between nations are also starting to impact local business conditions. Having said that, we cannot stop the flow of globalization in an era when people can instantly access and transmit all kinds of information. With a network of 3,630 stores in 26 markets worldwide, Fast Retailing currently boasts a widespread presence in North America, Europe, Asia, and Oceania. I want us to exploit our global platforms, work together with talented individuals and companies worldwide, and take proactive steps to turn this crisis into an opportunity to realize a better society.

In future, customers will only purchase products from companies that have proven themselves useful to society. It is important to develop as a company that is essential to society and to contribute to a sustainable society. For us, that means pressing ahead with business operations fueled by our fundamental commitment to make the world a better place through clothes.

November 2020

Tadashi Yanai

Chairman, President and CEO



THE REFERENCE MATERIALS FOR THE 2020 GENERAL MEETING OF SHAREHOLDERS

Proposal 1 Partial Amendment of Articles of Incorporation

1. Reason for Amendment

Fast Retailing wishes to amend a portion of the current articles of incorporation. The reason for the amendment is to ensure our business purpose fully reflects current circumstances as the operations of Fast Retailing subsidiary firms and the products they handle continue to expand.

2. Contents of Amendment

The following amendments have been made:

(Underlined segments indicate amended items)

Current Articles of Incorporation	Proposed Amendment
(Purpose) Article 2 The purpose of the Company shall be to engage in the following business activities: (i) Owning the shares or an interest in the companies and foreign companies engaging in the following business activities, thereby managing and controlling such companies' business activities. (1) Importing, planning, manufacture, and sales of clothing and clothing accessories. (Omission) (16) All business which are incidental to or related to those set forth in preceding items	(Purpose) Article 2 The purpose of the Company shall be to engage in the following business activities: (i) Owning the shares or an interest in the companies and foreign companies engaging in the following business activities, thereby managing and controlling such companies' business activities. (1) Importing, planning, manufacture, and sales of clothing and clothing accessories (Omission) (16) <u>Warehousing business and warehouse management business</u> (17) <u>Forwarding business</u> (18) <u>Sales of fresh flowers, house plants and other vegetation, and artificial flowers.</u> (19) <u>Planning and sales of magazines, books and other printed materials, stationery, daily necessities and miscellaneous goods.</u> (20) <u>Exporting and importing, planning, manufacture and sales of medical supplies, hygiene products, and other items.</u> (21) All business which are incidental to or related to those set forth in preceding items
(ii) Licenses for computer software and computer network system. (Omission) (ix) All business that are incidental to or related to those set forth in preceding items	(ii) Licenses for computer software and computer network system. (Omission) (ix) All business that are incidental to or to those set forth in preceding items

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 (71 years old)	Reappointment	Representative Director; Chairman, President & CEO	48 years	100% (13 of 13)
2	Toru Hambayashi (83 years old)	Reappointment External Director Independent Officer	Director	15 years	100% (13 of 13)
3	Nobumichi Hattori (62 years old)	Reappointment External Director Independent Officer	Director	15 years	100% (13 of 13)
4	Masaaki Shintaku (66 years old)	Reappointment External Director Independent Officer	Director	11 years	100% (13 of 13)
5	Takashi Nawa (63 years old)	Reappointment External Director Independent Officer	Director	8 years	92.3% (12 of 13)
6	Naotake Ono (72 years old)	Reappointment External Director Independent Officer	Director	2 years	100% (13 of 13)
7	Takeshi Okazaki (55 years old)	Reappointment	Director	2 years	100% (13 of 13)
8	Kazumi Yanai (46 years old)	Reappointment	Director	2 years	100% (13 of 13)
9	Koji Yanai (43 years old)	Reappointment	Director	2 years	100% (13 of 13)

1 Tadashi Yanai

Reappointment



- **DOB:** 7 February 1949
- **No. of years as a Board Director:**
48 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:**
22,037,284 shares
- **Career profile and Fast Retailing positions held:**
 - Aug. 1972 Joined FAST RETAILING CO., LTD.
 - Sep. 1972 Director, FAST RETAILING CO., LTD.
 - Aug. 1973 Senior Managing Director, FAST RETAILING CO., LTD.
 - Sep. 1984 President & CEO, FAST RETAILING CO., LTD.
 - Jun. 2001 External Director, SOFTBANK GROUP CORP.
 - Nov. 2002 Chairman and CEO, FAST RETAILING CO., LTD.
 - Sep. 2005 Chairman, President and CEO, FAST RETAILING CO., LTD. (current)
 - Nov. 2005 Chairman, President and CEO, UNIQLO CO., LTD. (current)
 - Sep. 2008 Director and Chairman, GOV RETAILING CO., LTD. (currently G.U. CO., LTD.) (current)
 - Jun. 2009 External Director, Nippon Venture Capital Co., Ltd. (current)
 - Nov. 2011 Director, LINK THEORY JAPAN CO., LTD. (current)
- **Major concurrent offices:**
 - 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

Since being appointed President and CEO in 1984, Tadashi Yanai has spent 36 years leading the management team and expanding the Group into one of the world's leading Specialty store retailers of Private-label Apparel. As the founder of Fast Retailing, his impressive management experience, broad operational knowledge, and consistent commitment to improving corporate value are vital to the Group's continued growth. We highly recommend Mr. Yanai's as a candidate for director.

Candidate Message

I strive to realize transparent management based on our corporate statement: Changing clothes. Changing conventional wisdom. Change the world, and to contribute to a sustainable society. The way to continue providing ultimate everyday LifeWear is to press ahead with sweeping Ariake Project corporate transformation. I will continue to pursue growth as a company delivering clothing joy and happiness to people worldwide through LifeWear.

2 Toru Hambayashi

Reappointment

External Director

Independent Officer



- **DOB:** 7 January 1937
- **No. of years as a Board Director:**
15 (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
- **Major concurrent offices:**
 - Adviser, The Association for the Promotion of International Trade, Japan

*The amount of business conducted between Fast Retailing and Sojitz Corporation meets the standards for evaluating the independence of external directors listed on P16.

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 and then as chairman and co-CEO of Nissho Iwai-Nichimen Holdings Corp. (both currently Sojitz Corp.). His rich global perspective and superior management experience and knowledge is extremely precious to FR. Regardless of the length of his appointment, he contributes to FR decision-making by voicing direct and precise opinions from an independent standpoint. We believe 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, the further Fast Retailing expands its global reach, the more important management transparency becomes. I strictly evaluate this process to ensure we realize corporate growth within a healthy business framework. I will continue to follow processes closely 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:** 15 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:** 100% (13 of 13)
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**

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

Selection for External Director

Nobumichi Hattori presided over M&A advisory projects in Japan as managing director of major US bank Goldman Sachs' New York head office. Well versed in how companies operate in capital markets, he currently researches M&A and corporate valuation and serves as visiting professor at the graduate schools of Waseda and Keio universities in Tokyo. We believe Mr. Hattori's knowledge and experience is beneficial for our company. Irrespective of the length of his appointment, he contributes to FR decision-making by voicing direct and precise opinions from an independent standpoint and we highly recommend him as a candidate for external director.

Candidate Message

It is my job to offer multifaceted suggestions on how best to increase corporate value. From a management strategy perspective, it is extremely important to objectively judge how capital markets perceive Fast Retailing's corporate value. The Board of Directors' role as a key collective that evaluates corporate risk and offers advice when necessary is growing in significance every year. I am committed to providing appropriate advice from a broad perspective to contribute to FR growth.

4 Masaaki Shintaku

Reappointment External Director Independent Officer



- **DOB:** 10 September 1954
- **No. of years as a Board Director:** 11 (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)
- Jun. 2020 External Director, NTT DOCOMO, INC. (current)

■ **Major concurrent offices:**

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

Selection for External Director

Having worked in senior management at US information systems company Oracle Corp., Masaaki Shintaku now serves as vice chairman of the non-profit organization Special Olympics Nippon Foundation and is involved in a wide range of activities. He has a wealth of experience and knowledge of corporate management and offers objective advice regarding Fast Retailing's future growth strategy. His in-depth knowledge of sports for people with disabilities (for which UNIQLO is an official partner) is of great value to FR. Irrespective of the length of his appointment, he contributes actively to FR decision-making by voicing direct and precise opinions from an independent standpoint and we recommend his reappointment as external director.

Candidate Message

Fast Retailing is efficiently investing in transforming its distribution and IT systems, etc. and steadily working to create a new digital consumer retailing industry. We are starting to see the benefits of FR's determination to nurture truly talented managers to serve as dynamic drivers of growth in periods of huge operational change, and it reassures me to see more diverse personnel ready to take on new challenges. The Board of Directors helps accelerate FR's progress and contribute to future growth.

5 Takashi Nawa

Reappointment External Director Independent Officer



- **DOB:** 8 June 1957
- **No. of years as a Board Director:** 8 (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)
 Jun. 2020 External Director, Sampo Holdings, 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.
 External Director, Sampo Holdings, 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 at The Graduate School of International Corporate Strategy at Hitotsubashi University. His deep ESG-related knowledge ensures he contributes considerably as a member of the Sustainability Committee. Going forward, his overall experience will be 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 provide the support FR needs to address ESG issues and problems more actively and earn a reputation as a global industry leader in this field. Consistently contributing to sustainable society helps improve corporate value. I want to help FR grow as a better company by ensuring my comments always prize diversity in the pursuit of global operations.

6 Naotake Ono

Reappointment External Director Independent Officer



- **DOB:** 28 October 1948
- **No. of years as a Board Director:** 2 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:** 100% (13 of 13)
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**

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

■ Major concurrent offices:

Special Advisor, Daiwa House Industry Co., Ltd.

*The amount of business conducted between Fast Retailing and Daiwa House Industry Co., Ltd. meets the standards for evaluating the independence of external directors listed on P16.

Selection for External Director

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

Candidate Message

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

7 Takeshi Okazaki

Reappointment



- **DOB:** 9 July 1965
- **No. of years as a Board Director:**
2 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:** 326 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 Executive Officer & CFO, FAST RETAILING CO., LTD.
 Sep. 2012 Group Senior Executive Officer & 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, and purchasing, 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 maintain a deep awareness of the most important issues for the overall Group and speedily solve problems through strong leadership. We highly recommend him as a candidate for director.

Candidate Message

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

8 Kazumi Yanai

Reappointment



- **DOB:** 23 April 1974
- **No. of years as a Board Director:**
2 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:**
4,781,808 shares
- **Career profile and Fast Retailing positions held:**

Sep. 1997 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 Group Executive Officer, FAST RETAILING CO., LTD.
 Nov. 2013 COO, UNIQLO USA LLC
 Nov. 2015 Chairman, UNIQLO USA LLC (current)
 Jul. 2017 CEO, Chairman and President, J BRAND HOLDINGS, LLC (current)
 Nov. 2018 Director, FAST RETAILING CO., LTD. (current)
 Jun. 2020 Group Senior Executive Officer, FAST RETAILING CO., LTD. (current)

■ **Major concurrent offices:**

Director, LINK THEORY JAPAN CO., LTD.
 Chairman, Theory LLC
 Chairman, UNIQLO USA LLC
 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. Through his primary experience in the management of the US Theory operation and UNIQLO USA, he has developed a rich international business management perspective. Kazumi Yanai's experience is necessary to the further growth of the Group as it seeks to expand its global operations and we highly recommend him as a candidate for director.

Candidate Message

As a member of the founding family, it is my responsibility to take a long-term perspective and aim to bolster Fast Retailing's global growth. 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 executive officer, my job is to progress our business transformation and work together with employees and management teams to create our ideal company.

9 Koji Yanai

Reappointment



- **DOB:** 19 May 1977
- **No. of years as a Board Director:**
2 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **No. of Fast Retailing shares held:**
4,780,926 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 Executive Officer, FAST RETAILING CO., LTD.
- Nov. 2018 Director, FAST RETAILING CO., LTD. (current)
- Jun. 2020 Group Senior Executive Officer, FAST RETAILING CO., LTD. (current)

Selection for Director

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. In recent years, he has helped promote the appointment of Roger Federer as a UNIQLO global brand ambassador. The candidate's marketing knowledge and experience is necessary to the further growth of the Group as we seek to expand our operations as a digital consumer retailing company. We highly recommend him as a candidate for director.

Candidate Message

I have amassed a good deal of experience working in global marketing, the Ariake Project, human resources, and other areas. As a senior executive officer with experience in the field, I feel the most important lesson in management is to value your people. As a Director and member of the founding, I want to contribute to FR's continued corporate growth and further strengthen our governance systems.

- 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 and External Statutory Auditors

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

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

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

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

Proposal 3 Election of Three Statutory Auditors

The terms of office of Masaki Shinjo, Takaharu Yasumoto, and Keiko Kaneko expire as of the conclusion of this General Meeting of Shareholders, so the Company is seeking the election of three statutory auditors at this meeting.

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

Candidate number	Name		Position	No. of years as a statutory auditors	Board of meeting attendance
1	Masaaki Shinjo (64 years old)	Reappointment	Statutory Auditor	8 years	Directors' meeting 100% Auditors' meeting 100%
2	Keiko Kaneko (53 years old)	Reappointment External Statutory Auditor Independent Officer	Statutory Auditor	8 years	Directors' meeting 100% Auditors' meeting 100%
3	Masakatsu Mori (73 years old)	New appointment External Statutory Auditor Independent Officer	—	—	—

- Outline of External Statutory Auditors' limited liability agreement
To ensure external statutory auditors are able to fulfill their roles to the best of their ability and meet expectations, the Company signed a limited liability agreement with Keiko Kaneko limiting liability for damages under Article 423, Paragraph 1 of the Companies Act. If her reappointment is approved at this meeting, the Company will continue the said agreement with Keiko Kaneko. In addition, if the appointment of Masakatsu Mori is also approved, the Company intends to sign a similar limited liability agreement with Mr. Mori. The limited liability agreement is based on provisions in Article 427, Paragraph 1 of the Companies Act, which limits the liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The agreement states that liability for damages shall be limited to the higher amount of either 5,000,000 yen or the amount stipulated by law.
- Masakatsu Mori is a new candidate for statutory auditor.
- The Tokyo Stock Exchange has been notified that Keiko Kaneko serves as an independent officer and we intend to submit a fresh notification to the Exchange stating Keiko Kaneko and Masakatsu Mori are serving as independent officers if their appointments are approved.
- Candidate for 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.
- Candidate for statutory auditor Masakatsu Mori also serves as an outside director for YAMATO HOLDINGS CO., LTD., a company with which Fast Retailing Co., Ltd. and Group subsidiaries conduct business relating to the delivery of e-commerce products.
- FAST RETAILING CO., LTD. has no specific interests or agreements with any of the other candidates for Statutory Auditor.

1 Masaaki Shinjo

Reappointment



- **DOB:** 28 January 1956
- **No. of years as a Board Auditor:** 8 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:** 100% (13 of 13)
- **Board of Statutory Auditors' meeting attendance:** 100% (12 of 12)
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**
 - Apr. 1983 Joined ASAHIPEN CORPORATION
 - Feb. 1994 Joined FAST RETAILING CO., LTD.
 - Sep. 1998 Entrusted operating officer, manager of administration, FAST RETAILING CO., LTD.
 - Sep. 2005 General Manager, Group Auditing, FAST RETAILING CO., LTD.
 - Jan. 2008 Director, Onezone Corp (currently G.U. CO., LTD.)
 - Mar. 2009 General Manager, Corporate Administration, FAST RETAILING CO., LTD.
 - Sep. 2009 Statutory Auditor, GOV Retailing Co., Ltd. (currently G.U. CO., LTD.)
 - Jan. 2010 General Manager, Sales Support Management Division, UNIQLO CO., LTD.
 - Mar. 2011 General Manager, Corporate Planning & Management, FAST RETAILING CO., LTD.
 - Nov. 2012 Standing Statutory Auditor, FAST RETAILING CO., LTD. (current)
- **Major concurrent offices:** Auditor, FAST RETAILING (CHINA) TRADING CO., LTD. and 4 other subsidiaries of the Company

Selection for Statutory Auditor

Masaaki Shinjo has managed the administration of Fast Retailing companies over many years since joining the company in 1994. His experience is extensive and his track record excellent. We know we can rely on him to use his sharp judgement and detailed experience of Fast Retailing Group business practices when conducting audits. Appointed internal auditor in 2012, Mr. Shinjo, he has attended Business Ethics Committee and other committee meetings and Group company board meetings offering practice advise and support. We judge his continued participation will be beneficial to the Fast Retailing Group and highly recommend him as a standing statutory auditor.

Candidate Message

I am able to use my diverse business experience at Fast Retailing to offer proactive advice on a range of issues not limited to my own field of expertise. As a standing statutory auditor, my job is to extend an antenna over a wide and deep range to detect any risks or issues relating to individual FR operations. Naturally, I am in full contact with our external auditors, our corporate auditor and internal auditing department and want to firmly support FR going forward.

2 Keiko Kaneko

Reappointment External Statutory Auditor Independent Officer



- **DOB:** 11 November 1967
- **No. of years as a Board Auditor:**
8 (at the conclusion of current AGM)
- **Board of Directors' meeting attendance:**
100% (13 of 13)
- **Board of Statutory Auditors' meeting attendance:** 100% (12 of 12)
- **No. of Fast Retailing shares held:** — shares
- **Career profile and Fast Retailing positions held:**

Apr. 1991 Joined Mitsubishi Corporation
 Apr. 1999 Registered as a member of Japan Federation of Bar Associations
 Apr. 1999 Joined Anderson, Mori & Tomotsune (AM&T) law firm
 Jan. 2007 Partner, AM&T (current)
 Apr. 2007 Guest associate professor, Tokyo University Graduate School of Law
 Nov. 2012 Statutory Auditor, UNIQLO CO., LTD. (current)
 Nov. 2012 External Statutory Auditor, FAST RETAILING CO., LTD. (current)
 Jun. 2013 External Statutory Auditor, The Asahi Shimbun Company (current)
 Jun. 2019 External Director, Daifuku Co., Ltd. (current)

■ Major concurrent offices:

Partner, Anderson Mori, & Tomotsune
 Statutory Auditor, UNIQLO CO., LTD.
 External Statutory Auditor, The Asahi Shimbun Company
 External Director, Daifuku Co., Ltd.

*The amount of business conducted between Fast Retailing and Daifuku Co., Ltd. meets the standards for evaluating the independence of external directors listed on P16.

Selection for External Statutory Auditor

Keiko Kaneko is a vastly experienced, exceptional lawyer with outstanding expertise. Her achievements and insights are widely recognized and the Fast Retailing Board of Auditors, Human Resources, and Code of Conduct committees have all benefited from her lively opinion and sharp insight, especially in relation to governance. We judge the Fast Retailing Group would benefit greatly from her continued expertise and independent comment and highly recommend her for the role of external statutory auditor.

Candidate Message

Fast Retailing often faces unforeseen issues and challenges in its international operations. It is important that statutory auditors of a swift, effective company such as Fast Retailing support the company's growth opportunities while also offering advice from various standpoints to avoid risk. The best way I can help Fast Retailing is to be vigilant and consistent in supporting the creation of solid systems and procedures.

3 Masakatsu Mori

New appointment External Statutory Auditor Independent Officer



- **DOB:** 22 January 1947
- **No. of years as a Board Auditor:**
—
- **Board of Directors' meeting attendance:**
—
- **Board of Statutory Auditors' meeting attendance:** —
- **No. of Fast Retailing shares held:**
—

■ Career profile and Fast Retailing positions held:

May 1972 Acquired qualification as a certified public accountant
 Feb. 1989 Japan Country Manager, Anderson Consulting (currently Accenture)
 Dec. 1995 President, Anderson Consulting (currently Accenture)
 Apr. 2003 Chairman, Accenture
 Sep. 2007 Senior Advisor, Accenture
 Oct. 2009 President, International University of Japan (IUJ)
 Jun. 2010 External Director, Stanley Electric Co., Ltd. (current)
 Jun. 2013 External Director, YAMATO HOLDINGS CO., LTD. (current)
 Nov. 2013 Deputy Vice President, IUJ
 Apr. 2018 Special Advisor, IUJ (current)
 Mar. 2019 External Director, Kirin Holdings Company, Limited (current)

■ Major concurrent offices:

External Director, YAMATO HOLDINGS CO., LTD.
 External Director, Kirin Holdings Company, Limited
 External Director, Stanley Electric Co., Ltd.

*The amount of business conducted between Fast Retailing and Accenture meets the standards for evaluating the independence of external directors listed on P16.

Selection for External Statutory Auditor

In addition to amassing experience in top management at Accenture, Masakatsu Mori has been actively involved in a wide range of fields including his current position as special advisor to the International University of Japan. He has a strong perception of corporate management based on expert financial and accounting knowledge. We believe that experience and knowledge would be beneficial for FR given our strong focus on sustainable growth and accounting compliance, and so we judge Masakatsu Mori to be a suitable candidate for external statutory auditor.

Candidate Message

As an auditor, I want to help Fast Retailing in its mission to use good clothes to make people happy and grow as a company in harmony with society. Are appropriate processes being used in the decision-making process? Is the company's economic and social value being consistently improved? Are there any risks that could hinder the realization of the company's business plan? I want to keep a firm eye on these issues and strengthen global-standard governance.

Additional Materials

Business Report

Fiscal 2020 Performance by Business Segment

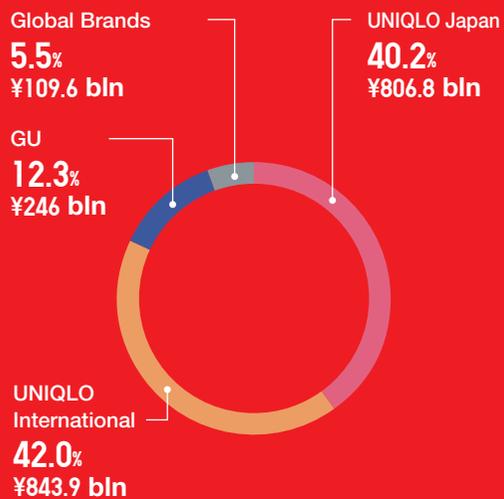
Revenue

2.0088 trillion yen

Operating profit

149.3 billion yen

Revenue by Business Segment



■ Revenue
— Operating profit

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



1. Fast Retailing Group Business Performance

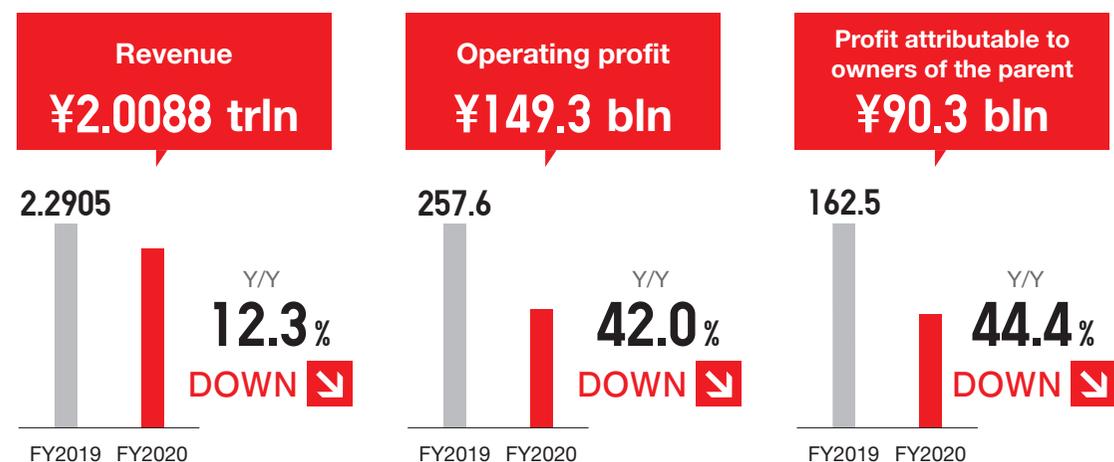
1 Fiscal 2020 Business Performance (Year to 31 August 2020)

The Fast Retailing Group's revenue and profit declined in fiscal 2020, or the twelve months from 1 September 2019 to 31 August 2020. Consolidated revenue totaled 2.0088 trillion yen (-12.3% year-on-year) and operating profit totaled 149.3 billion yen (-42.0% year-on-year). This weak performance was caused primarily by large falls in both revenue and profit in the second half from 1 March to 31 August 2020 due to COVID-19, which prompted us to temporarily close stores in markets worldwide over a period of a few months and knocked customer visits lower as people refrained from going out. This worsening in business performance also prompted the recording of impairment losses on stores and others of 23.0 billion yen for the full business year. The consolidated gross profit margin declined by 0.3 point year-on-year in fiscal 2020 and the selling, general and administrative expense ratio rose by 2.8 points year-on-year. We recorded a net 3.5 billion yen from foreign-exchange gains, finance income, and other items under finance income net of costs. As a result, profit before income taxes declined to 152.8 billion yen (-39.4% year-on-year) and profit attributable to owners of the Parent declined to 90.3 billion yen (-44.4% year-on-year) in the twelve months to 31 August 2020. That combined with an interim dividend of ¥240 per share generated an annual dividend for FY2020 of ¥480 per share, the same level as in FY2019.

Capital expenditure declined by 2.4 billion yen year-on-year in fiscal 2020 to 82.7 billion yen. That figure can be broken down into 17.8 billion yen for UNIQLO Japan, 23.5 billion for UNIQLO International, 8.5 billion yen for GU, 2.4 billion yen for Global Brands, and 30.4 billion yen for systems, etc. While we increased our investment in IT system and warehousing as part of our Groupwide transformative Ariake Project and invested more heavily in global flagship stores and large-format stores at UNIQLO Japan, the overall capital expenditure figure declined slightly year-on-year due to a reduction in new stores openings primarily at UNIQLO International.

The Group's medium-term vision is to become the world's number one apparel retailer. In pursuit of this aim, we focus our efforts on expanding UNIQLO International, as well as our GU brand and our global e-commerce operation. We continue to increase UNIQLO store numbers in all markets and areas in which we operate, and open global flagship stores and large-format stores in major cities around the world to instill deeper and more widespread empathy for UNIQLO's LifeWear concept of ultimate everyday wear. While COVID-19 continues to impact our business performance in all markets, we continue to expand our operations while prioritizing the safety and health of all our customers, employees, and business partners.

Financial Highlights



NEWS FLASH September 2019 – August 2020

2019.9

- Opened first UNIQLO Italy store in Milan.



2019.12

- Opened first UNIQLO Vietnam stores in Ho Chi Minh City.



2019.10

- Opened first UNIQLO India stores in New Delhi.



2019.11

- Formed a supply chain-related global partnership with Daifuku Co., Ltd., MUJIN, Inc, and Exotec Solutions SAS to automate our warehouses and revolutionize our distribution system.

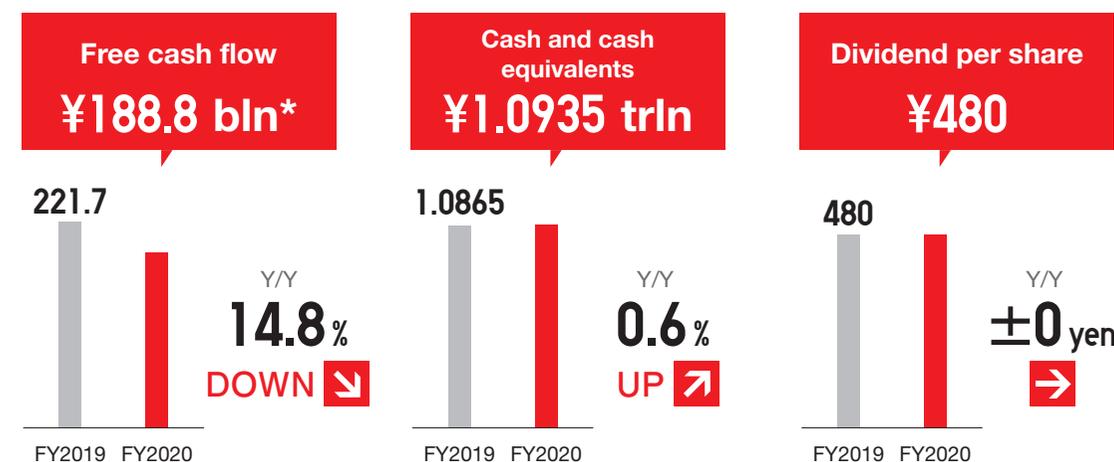


2020.3

- Started providing COVID-19 support. Had donated approximately 150 million masks to medical institutions worldwide, 1.2 million isolation gowns to Japanese medical facilities, and 5.2 million UNIQLO clothing by the end of July, 2020 such as AIRism, HEATTECH, and ultra light down to organizations supporting socially vulnerable people and medical facilities.

2020.4-6

- Opened three new stores for experiencing LifeWear in Yokohama in April, and in Harajuku and Ginza in June.



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



UNIQLO TOKYO (global flagship store)

UNIQLO Japan

- UNIQLO Japan revenue declined 7.6% year on year to ¥806.8 billion in FY2020 but operating profit rose 2.2% to ¥104.6 billion. While the warm winter and COVID-19 resulted in falling revenue, both revenue and sales rebounded sharply in the fourth quarter as performance recovered, generating in a full-year profit gain.
- FY2020 same-store sales fell 6.8%. First-half same-stores sales fell 4.6% as warm winter weather stifled sales of Winter ranges. Second-half same-store sales dropped 9.6% as we either temporarily closed or operated shorter hours at many stores due to COVID-19. However, sales recovered from June after we reopened stores, resulting in an impressive 20.2% revenue gain in the fourth quarter. Sales of Summer ranges such as T-shirts, AIRism, products designed to satisfy stay-at-home demand, and AIRism masks proved strong.
- E-commerce sales rose 29.3% to ¥107.6 billion, boosting the proportion of total sales from 9.5% to 13.3%. The second-half e-commerce sales rise of 54.7% was especially strong.
- FY2020 gross profit margin improved 2.4 points. Along with reduced discounting, we also saw an improved cost of sales thanks to a continued appreciation in internal yen exchange rates.
- While the FY2020 SG&A ratio rose 1.0 points, SG&A expenses declined in monetary terms, particularly in advertising and promotion, store rents, and store-distribution costs.



UNIQLO Harajuku

New-style Store Gives the UNIQLO Brand a Fresh Shine

This year, UNIQLO opened three new unique stores. The UNIQLO PARK Yokohama Bayside Store, opened in the Yokohama bay area on 13 April 2020, incorporates a rooftop park where families can enjoy some relaxed fun. UNIQLO Harajuku, opened on June 5 in the multi-purpose WITH HARAJUKU facility directly opposite the JR Harajuku Station, serves as a base from which to convey information on a unique blend of pop culture that melds the real and the virtual (physical stores and e-commerce). The store boasts an extremely popular floor dedicated exclusively to UNIQLO's largest global display of UT graphic print T-shirts.

UNIQLO TOKYO, opened on June 19, is Japan's largest global flagship store spanning approximately 4,500sqm over four floors (1F-4F) of the Marronnier Gate Ginza 2 building in Yurakucho. UNIQLO TOKYO embodies the LifeWear experience. The store's interior was designed by well-known Japanese creative director Kashiwa Sato and globally acclaimed Swiss architectural firm Herzog & de Meuron. The store's powerfully piercing central atrium is a standout feature that soars up through all four floors, with products illustrating the latest in LifeWear displayed on each floor. Each floor also has a sustainability display space where we can crisply convey UNIQLO's sustainability activities to customers.

These three new-style stores are having a positive impact on Japan's existing stores. 2020 has been dominated by the COVID-19, which has changed people's lives considerably. We believe the development of LifeWear that incorporates these changes, the expansion of e-commerce services, and the strengthening of individual store management with a deep-rooted focus on local everyday needs will prove the key drivers of renewed UNIQLO Japan growth.



UNIQLO Shanghai Store (global flagship)

UNIQLO International

- UNIQLO International revenue fell 17.7% year on year to ¥843.9 billion and operating profit dropped 63.8% to ¥50.2 billion. Large revenue and profit falls were due to reduced opening hours or temporary closure of stores in all markets due to COVID-19.
- FY2020 e-commerce sales expanded approximately 20% year on year on successful strengthening of information conveyance, service expansion, and increase in number of countries offering e-commerce operations.
- Greater China revenue declined 9.3% to ¥455.9 billion in FY2020 and operating profit dropped 26.3% to ¥65.6 billion. While full-year revenue and profit in Mainland China fell sharply, performance recovered at a stronger pace than expected from March onwards as local customers recognized the UNIQLO brand as an essential part of daily living. Full-year e-commerce sales proved strong, expanding approximately 20% year on year.
- Revenue and profit from South, Southeast Asia & Oceania declined in FY2020, but sales started to recover favorably in Singapore, Malaysia, Thailand, and Australia from the fourth quarter.
- Europe and the United States were hit hard by COVID-19, resulting in a large expansion in full-year operating losses at UNIQLO USA and a move into the red for UNIQLO Europe.
- We opened our first stores in Italy in September, India in October, and Vietnam in December 2019. UNIQLO Italy posted a profit in its first business year.

Revenue
¥843.9 bln



Operating profit
¥50.2 bln



INTERVIEW

Turning Crisis into Opportunity Further Growth for Greater China

“Greater China (Mainland China, Hong Kong, and Taiwan) was heavily impacted by COVID-19 in FY2020, but the market was able to recover strongly once the virus was brought under control. Mr. Yanai is always saying how we should turn adversity into opportunity. Having shared that thought with all my staff, we set about strengthening our customer service, and sending a strong recovery message by donating warm clothing and making other social contributions.

While the global economy will have to grapple with multiple uncertainties going forward, I believe demand in Greater China will continue to expand. The market’s growth potential is rising on the back of an expanding middle-income population with a strong propensity to purchase apparel. This presents a great opportunity for UNIQLO, which already enjoys strong support as a provider of essential goods for daily living, to further expand our business. I am convinced the popularity of UNIQLO LifeWear ultimate everyday clothing will increase further because it enables people to spend a comfortable, more enjoyable day at home even in today’s with-corona era.

We also continue to expand our online-to-offline (O2O) services to help meld our physical store and e-commerce network. Customers might choose to pick up online purchases at a nearby UNIQLO store. Alternatively, if a store doesn’t have the product a customer wants when they visit, our instore staff will help the customer purchase the desired item online and decide the best delivery method. These two-way services are helping to boost sales. Going forward, I want to tackle various challenges to ensure enjoyable shopping experiences from the customer’s perspective, and double the e-commerce portion of total sales from the current 20% to 40%.

Greater China generated sales of 455.9 billion yen in the year to August 2020. We plan to extend sales above 1 trillion yen as soon as possible. Our aim is to consolidate UNIQLO’s position as the number one apparel brand in Greater China, and help it become number one on a global scale as well. I intend to work hard together with all Greater China stores to continue to propose LifeWear that delights our customers.”

Greater China Store Numbers



Pan Ning
CEO, UNIQLO Greater China

PAN NING





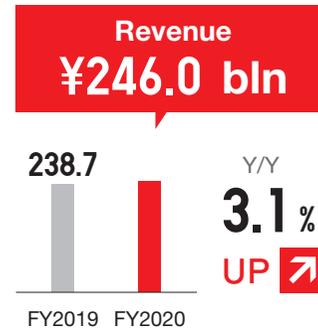
Theory



COMPTOIR DES COTONNIERS

GU

- GU reported rising revenue but falling profit in FY2020, with revenue rising 3.1% year on year to ¥246.0 billion and operating revenue falling 22.5% to ¥21.8 billion. While first-half revenue and profit rose on strong sales of knitwear and lightweight outerwear, second-half revenue fell and profit plummeted in the wake of COVID-19.
- Full-year same-store sales declined 5.2%, hit hard by the temporary closure or shorter operating hours for many stores from late March through early May.
- Fourth-quarter same-store sales rose 2.2% as sales started to recover on strong performances by products designed to satisfy stay-at-home demand such as pajamas and loungewear, and on-target mass fashion trend items such as sheer-feel shirts and chef's pants for men.
- FY2020 gross profit margin fell 0.7 point. While the first-half margin improved 0.4 point, the second-half margin declined 1.8 points compared to a strong previous-year performance and stronger discounting of Spring Summer ranges in the wake of COVID-19.
- GU store numbers at the end of August 2020 stood at 405 Japan stores and 31 international stores (Mainland China, Hong Kong, Taiwan, and South Korea).



Global Brands

- Global Brands revenue declined 26.9% year on year to ¥109.6 billion and operating profit declined from a ¥3.6 billion profit in FY2019 to a ¥12.7 billion yen loss in FY2020. All operations posted a loss on temporary store closures and voluntary stay-at-home practices in the wake of COVID-19.
- Theory reported a large drop in revenue and an operating loss for FY2020. The United States and Europe, which were hit hard by COVID-19, both reported losses. Asian operations in Mainland China and Hong Kong, which reopened for business earlier than other markets, reported higher revenue and flat operating profit.
- PLST revenue fell and the label posted a slight operating loss on stronger discounting of Spring Summer ranges.
- Comptoir des Cotonniers and Princesse tam.tam reported a sharp decline in revenue and continued operating losses after stores were temporarily closed for a period of approximately two months. J Brand reported another operating loss.





3D KNIT

Tailoring My Own Silhouette

UNIQLO's seamless 3D knitwear offers an entirely new level of value. Unlike regular knitwear that is made up of several sewn pieces for the back, front, and sleeves, UNIQLO's 3D knitwear is made from a single thread, which is knit into a three-dimensional, comfortable-fitting garment that doesn't pick up lines on the body creates a beautifully refined silhouette. Free from seams, UNIQLO's 3D knitwear offers a stress-free, itch-free clothing feel.

Fast Retailing has been proactively developing 3D knitted garments that use the most advanced innovation since 2016 when we formed a strategic partnership with SHIMA SEIKI MFG., LTD., the owner of revolutionary seamless, horizontal knit WHOLEGARMENT® technology. UNIQLO intends to continue developing many new, attractive 3D knitwear designs.



3D Knit Cotton Balloon Sleeved Dress
¥4,990+sales tax

SUSTAINABILITY

Aiming to Create a Sustainable Society

Fast Retailing aims to become the world's number one apparel manufacturer and retailer and, at the same time, help solve social issues and environmental problems by building sustainable operations not just within our own company but across our entire supply chain. We have ascertained six material issues to help guide our sustainability activities, determined concrete commitments and targets in each major area, and are currently pursuing proactive activities to achieve those goals.

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 Fulfilment
6. Corporate Governance

Environment

materiality 1 Create New Value Through Products and Services

materiality 3 Respect the Environment

Reducing Environmental Impact Across our Operations

- Fast Retailing commissions independent environmental audits of our partner garment factories and fabric suppliers and strives to help improve the management of factory wastewater, the handling of factory waste, and other issues.
- We have committed to targets for reducing greenhouse gasses by 2050 in the Paris Agreement and are currently pressing ahead with initiatives to reduce greenhouse gas emissions from our stores and across our supply chain.
- We strive to prevent contamination of water and reduce water and energy consumption in our raw materials procurement and manufacturing 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 all our products and production processes.
- We are reducing the use of plastics in shopping bags and product packaging by 85% or approximately 7,800 tons (2020 target).



Cut Greenhouse Gas Emissions Across Entire Operation

We are working to gain a clear understanding and to reduce the emission of greenhouse gases across all our business activities from product manufacture through to product disposal in order to alleviate the impact of our operations on climate change and biodiversity. Upholding the commitment in the Paris Agreement to reduce greenhouse gas emissions by 2050, we had initially aimed to reduce emissions by the end of FY2020 at UNIQLO Japan stores by 10% per unit area compared to FY2013 levels. However, the introduction of LED lighting and other measures already enabled us to reduce emissions by 31.6% by the end of FY2019. At the end of August 2019, we had introduced LED lighting into 92.2% of UNIQLO Japan stores, and we are currently working on introducing LED in GU Japan and UNIQLO International stores.

Apparel fabric manufacturers use large amounts of water and energy in their production processes so UNIQLO set a target for major fabric mill partners to reduce energy consumption by 10% by the end of 2020 compared to 2016 levels. We implemented measures at factories considered to have ample room to reduce energy consumption, bringing in external experts to help pinpoint potential on-the-ground improvements such as replacing boilers, introducing inverters, and other equipment upgrades and operations. At the end of 2019, they had managed to reduce energy consumption by 6.0%. We are also working with distribution partners to reduce greenhouse gas emissions with intensive deliveries and better loading ratios.



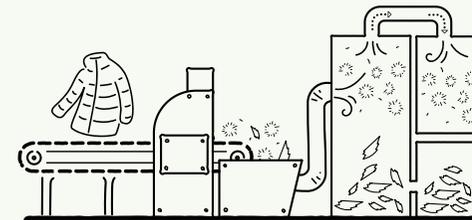
Recycled Down: Effective Use of Valuable Resources

UNIQLO started recycling UNIQLO down products in September 2019 as a new environment-conscious initiative in Japan. We collect down products that customers no longer wear and transform them into new down products. At the end of February 2020, we had collected approximately 620,000 items of down clothing.

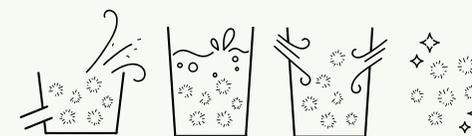
In the past, the down features had to be separated from the fabric by hand before they could be recycled. When UNIQLO started recycling down feathers, we used a newly developed, fully automated down feather and fabric separating system developed by Toray Industries. Not only can the system handle 50 times the amount of feathers previously separated by hand, but it also improves working environments by eliminating the need to work in a dusty environment with down feathers dancing around in the air. The down feathers extracted through the separation system are cleaned, washed and reused as materials for new down products. In Fall Winter 2020, we launched a recycled down jacket made from 100% recycled down feathers.

We believe initiatives designed to maximize the value of clothes such as collecting and recycling products after customers have finished using them can help realize a sustainable society. In FY2021, we intend to expand this initiative to 21 countries and regions worldwide. The recycled down jacket is a new step forward in clothes-making for UNIQLO as a company that believes in the importance of improving our sustainability record. In addition to creating simple, high-functioning, high-quality LifeWear, UNIQLO also wants to delivery fresh value worldwide by recycling and circulating resources.

1 Automating the separation of down feathers and fabric previously done by hand improves working environments.



2 The down feathers are washed after removing any dust.



3 We use clean, restored down feathers to make safe, comfortable down jackets.



UNIQLO U recycled down jacket
¥7,990+sales tax

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 to Solve Social Issues in Local Communities

- We are offering global support to help combat COVID-19.
- We seek to create new value by solving social and environmental issues through clothes. We collect clothes that customers no longer wear and ensure every ounce of use is gotten out of them through our All-Product Recycling Initiative.
- We respect the human rights of all workers across our supply chain and help create safe and fair working environments.
- We seek to offer each and every employee the opportunity to shine and play an active role through his/her work.
- We strive to expand employment opportunities for people with disabilities and refugees.



Factory Monitoring Improves Working Environments Across Our Supply Chain

Fast Retailing asks independent organizations to conduct regular inspections of partner garment factories and major fabric suppliers based on our Partner Factory Code of Conduct with particular reference to items such as human rights violations, working environments, and environmental safety. Each factory is informed of the inspection result and if any improvements need to be made, employees from Fast Retailing will visit the factory directly and work with local staff to implement improvement measures.

Working environment monitoring results (Evaluation of partner factories)

Grade	Description	FR Group (UNIQLO)			
		FY2017	FY2018	FY2019	FY2020
A	No violations	67 (31)	61 (33)	40 (21)	52 (27)
B	One or more minor violations	250 (139)	233 (135)	234 (143)	257 (162)
C	One or more major violations	196 (84)	229 (97)	239 (103)	237 (84)
D	One or more severe violations	49 (13)	84 (34)	71 (18)	66 (12)
E	Highly unethical, serious offense (immediate review of contract)	14 (6)	5 (1)	1 (1)	1 (1)
Number of factories monitored		576 (273)	612 (300)	585 (286)	613 (286)

In FY2020, Fast Retailing asked serious-offending factories with a D grade to make improvements within three months, conducted follow-up monitoring, and reduced the volume of business with factories that did not improve. We reduced business with extremely serious-offender companies that were assigned an E grade after debating their management and employment situation in our Business Ethics Committee.

TOPICS

Extending Worldwide Support to Combat COVID-19

With the spread of COVID-19 menacing communities across the globe, Fast Retailing wants to fulfil its responsibility as a global citizen by prioritizing the need to protect the health and daily lives of local communities. We have been listening attentively to demands from broader society and working to help support people in need and facing crisis worldwide.

Since launching our support activities in March this year, we have been donating masks and isolation gowns to medical institutions and care facilities that didn't have enough medical supplies, and also donating UNIQLO's functional AIRism garments, innerwear and outerwear and other essential clothing as well as offering financial aid.

We expanded support for Japanese medical institutions at the request of Shinya Yamanaka, director of the Center for iPS Cell Research and Application at Kyoto University. We sourced the quality isolation gowns that medical institutions for infectious diseases required with the help of our own partner factories and delivered them to medical institutions with the greatest needs. We also set up a mask-support service desk to ascertain needs to ensure masks got to the medical institutions and care facilities that needed them most. As a result, we donated 1.20 million isolation gowns and 5.76 million masks to medical institutions in Japan.

We need to provide continuous support to curtail the spread of COVID-19 infections and maintain our medical systems in the face of this unprecedented global crisis. Fast Retailing intends to continue providing as much necessary clothing aid as we can to the essential workers who are supporting our medical institutions, testing centers, care facilities, and daily infrastructure.

(July 21, 2020)

Global Support



Approx. **15** million
Masks



1.20 million
Isolation gowns



433,973 items
AIRism innerwear



82,734 items
Essential wear



\$257,000
Financial support



We received messages from staff at Osaka's Saisei Nakatsu Hospital saying that "the peace of mind that comes from knowing we have a stock of masks and isolation gowns is great emotional support."

Governance

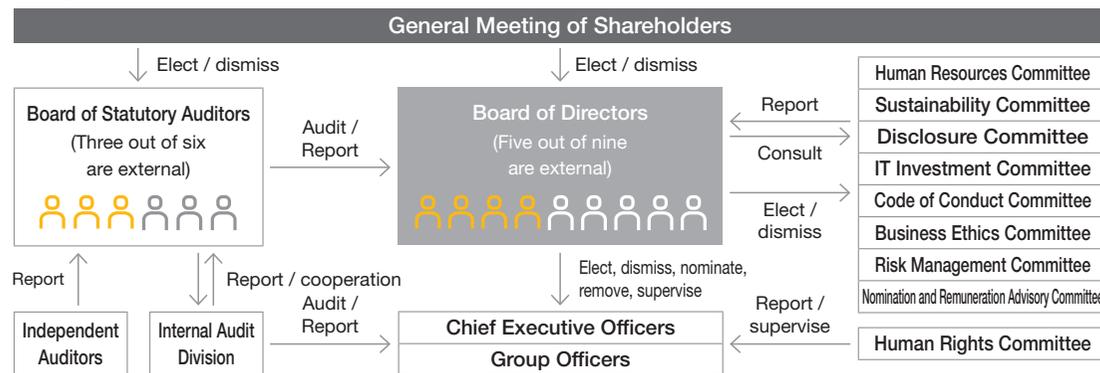
materiality 6 Corporate Governance

Achieving Swift, Transparent Management

- We appoint a majority of external directors on the Board to heighten the Board's independence and strengthen its surveillance ability.
- We promote swift, open debate and decision-making in individual committees to support the Board.
- We debate important governance-related issues in the Nomination and Remuneration Advisory Committee and advise the Board.

Corporate Governance Framework

(August 31, 2020)



Composition of Committees

(As at 31 August, 2020)

● 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		●							
External Director	Koji Yanai		●							
	Hambayashi	Chairman						●		
	Hattori									
	Shintaku				Observer					
Standing Statutory Auditor	Nawa	●	●				●		●	
	Ono							●		
	Tanaka	●	●			●	Observer	●	●	
	Shinjo			Observer	Observer					
External Statutory Auditor	Mizusawa		●	Observer			Observer		●	
	Yasumoto									
	Kaneko	●				●			●	
	Kashitani					●		●		
Number of Group Officers, External Specialists, etc.		2	6	3	5	5	7	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

External Statutory Auditor Interview

Strengthen Governance through Repeated Practical Debate

Takao Kashitani

External Statutory Auditor



Prizing Fast Retailing Standards

“Yanai-san never hides anything when he make a comment, so you don't have to wonder if there is another meaning or motivation behind what he is saying. That enables we statutory auditors and directors to say freely what needs to be said and fuel frank debate, so I think governance at Fast Retailing is extremely effective.”

I have been consulting on corporate regeneration for over 30 years. The most important thing is to look carefully at your business model and pursue the most appropriate structural reforms. You need to ensure that not only business operations, but also employees, senior management, and the company can develop win-win relationships. I call it the new birth of an entirely new structure rather than a regeneration because the company is being transformed.

Fast Retailing is always moving ahead in a positive direction and continually refashioning itself. People are a vital element. Given Fast Retailing's global expansion, promoting diversity through the more active participation of female employees and appointment of more female executives is key. We can forge ahead with growing the company in the right way by selecting powerful, talented people based on underlying global standards and Fast Retailing's own exacting standards.”

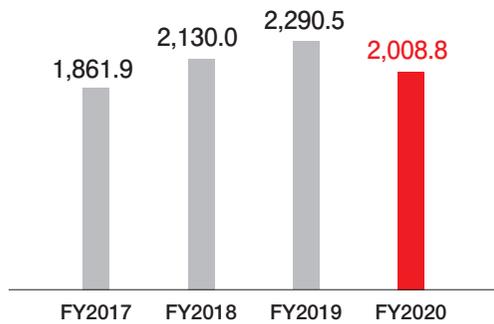
The Significance of Setting up the Nomination and Remuneration Advisory Committee

“I serve on the Nomination and Remuneration Advisory Committee that was launched in August 2019. To enable strong practical debate in the meetings, it is important to have a clear idea of the path Fast Retailing will be taking five or ten years from now. Why? Because if the path is clear, it is possible to evaluate business execution and supervisory capabilities based on whether individuals are the most appropriate choice for a particular job.”

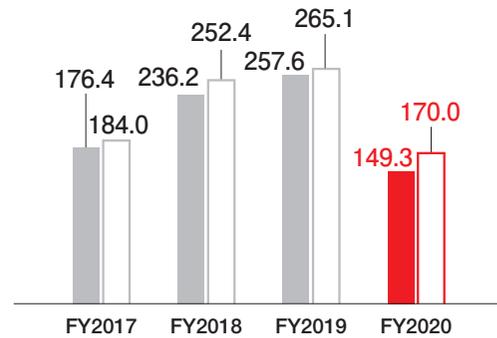
We need to be looking ahead and engaging in repeated debate on Fast Retailing's succession planning. Here, it is important to take our time and voice our true opinions. I hope to concentrate on fueling even more substantive debate on this issue, not least because it will also help further strengthen the company's corporate governance.”

2 Financial Summary (International Financial Reporting Standards)

■ Revenue (billions of yen)

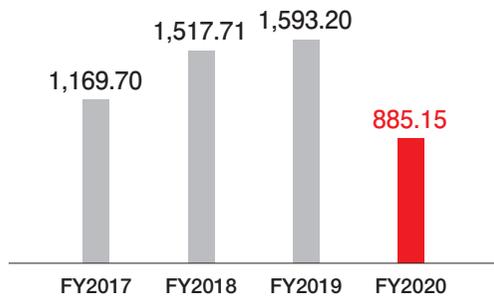


■ Operating profit (billions of yen) □ Business profit (billions of yen)



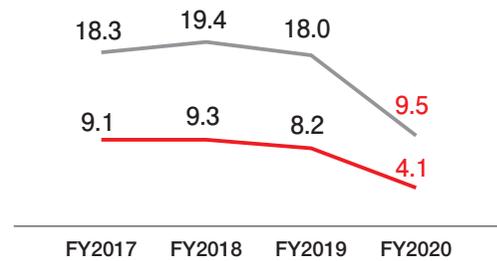
Business profit is calculated by subtracting cost of sales, and selling, general and administrative expenses from revenue.

■ Earning per share (EPS) (Yen)



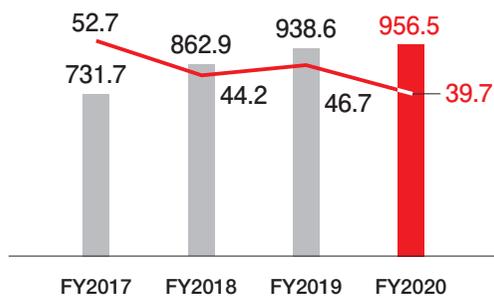
— ROA/Ratio of profit to total assets (%)

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

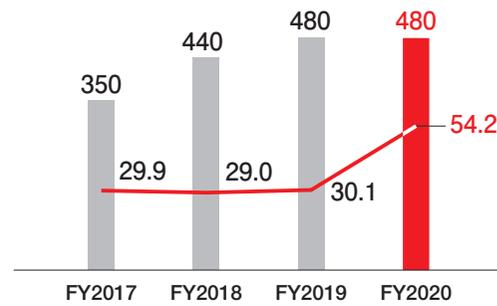


■ Equity attributable to owners of the Parent (billions of yen)

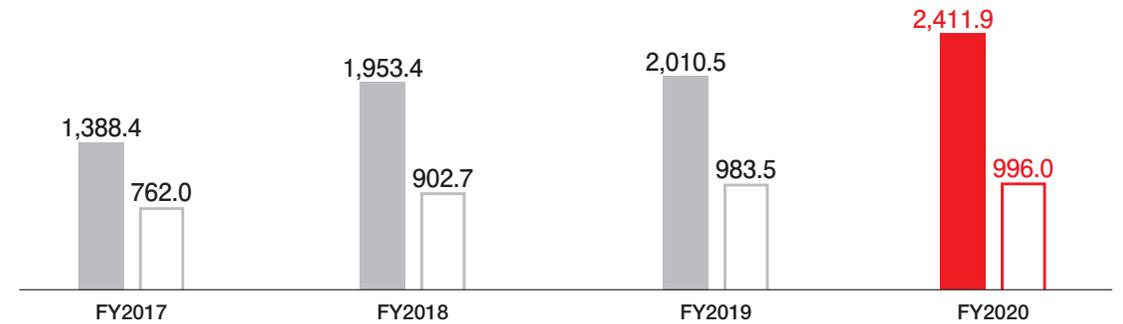
— Ratio of equity attributable to owners of the Parent to total assets (%)



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



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



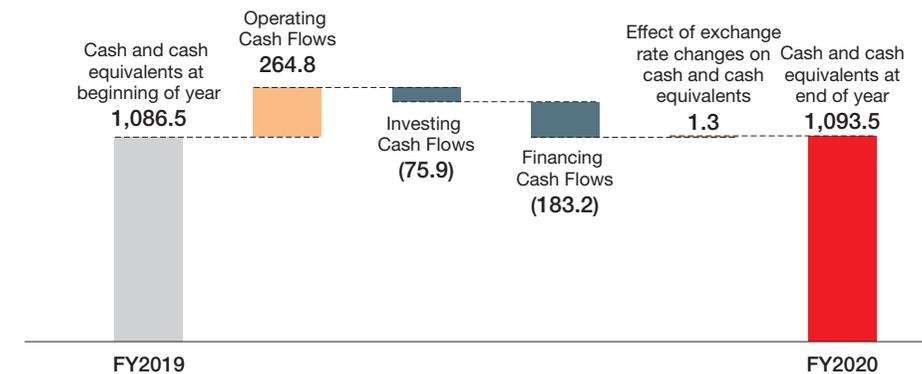
Point of view

Total assets at the end of August 2020 increased by ¥401.4 billion year on year to ¥2.4119 trillion, which included a ¥399.9 billion increase in right-of-use assets, a ¥25.9 billion decrease in property, plant and equipment and a ¥12.2 billion increase in deferred tax assets.

Equity increased by ¥12.5 billion year on year to ¥996.0 billion which included a ¥10.4 billion increase in other components of total equity, a ¥5.3 billion decrease in non-controlling interests, a ¥4.5 billion increase in retained earnings and a ¥2.7 billion increase in capital surplus.

The increase of right-of-use assets and accompanying increase of lease liabilities are due to the application of IFRS16 Leases.

Cash Flows Information (billions of yen)



Point of view

The balance of cash and cash equivalents expanded ¥7.0 billion to ¥1.0935 trillion. Cash from operating activities stood at ¥264.8 billion thanks to profit contributions from UNIQLO and GU business segments. Cash used in investing activities totaled ¥75.9 billion, which was spent on acquiring property, plant and equipment, and intangible fixed assets. Cash used in financing activities totaled ¥183.2 billion spent on lease liabilities repayments and dividend payments.



NEW YORK



LONDON



PARIS



TOKYO

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



INDIA



SHANGHAI



THEORY



GU

3 Fast Retailing Management Strategy and Immediate Challenges

1. Initiatives to Combat COVID-19

We conduct operational activities in such a way as to prioritize and protect the health and daily living of customers, employees, business partners, and local communities. We have taken several measures to prevent the spread of COVID-19 in our stores and head office by introducing the wearing of masks, the measurement of body temperature, entry restrictions during congested periods, and working from home. We are helping partner factories provide working environments where factory employees can feel safe and comfortable. We are also donating medical masks, isolation gowns, AIRISM and HEATTECH products to support people in need or facing crisis around the world, and we intend to continue doing whatever we can to help through our clothing business.



2. 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.



3. Advancing our LifeWear Ultimate Everyday Clothing

We intend to continue creating world-class LifeWear to meet the everyday needs of customers of all ages worldwide. We not only incorporate fashion-related information collected worldwide into our R&D, but also seek to improve products and develop new products based on customer opinions voiced in our stores and via our e-commerce operations. We intend to exploit our ability to instantly develop the products that customers desire not only at UNIQLO, but at GU and other Group brands as well.



4. Progressing our Transformative Ariake Project

In order to continue creating truly amazing LifeWear, we are pursuing a bold Groupwide transformation through our Ariake Project, which aims to understand exactly what customers want right now and instantly turn those desires into products for speedy delivery. We intend to achieve faster product development spurred by customer opinion, more accurate demand forecasting and inventory control, quicker lead times on additional production orders, sweeping distribution reform through the introduction of automated warehouses, initiatives that successfully merge our physical and e-commerce store networks, and more expansive services.



5. Further Expansion of UNIQLO International

UNIQLO International is the key driver of Group growth. We intend to further expand operations by continuing to open large numbers of new stores particularly in the Greater China and Southeast Asia & Oceania regions. We aim to move our UNIQLO operation in the United States into the black at the earliest possible opportunity, open more large-format stores in major European cities in order to strengthen our brand power, and improve profitability by expanding e-commerce operations. We will work on brand-building measures to nurture a deeper empathy for UNIQLO's LifeWear concept among customers worldwide.



6. Further Growth for UNIQLO Japan

UNIQLO Japan has established a position for LifeWear and is approaching a new stage of growth. We aim to achieve further growth by developing products to match people's changing everyday lifestyles, and creating new points of communication with customers by better melding our physical store and e-commerce operations. In addition to expanding e-commerce services, we will also be looking to deploy our scrap and build policy of replacing less profitable stores with larger ones so we can build a Japan store network that is better suited to today's new ways of living. We also intend to deepen local store management with steadfast community roots so we can better develop product ranges and services that fully satisfy local demand.



7. Growing GU

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



8. 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 2020)

Name	Nominal value of issued ordinary / registered share capital (thousands)	Ownership Ratio of Voting Rights	Details of Main Business	Location
UNIQLO CO., LTD.	JPY1,000,000	100.0%	UNIQLO Japan	Yamaguchi/ Tokyo
FAST RETAILING (CHINA) TRADING CO., LTD.*	USD20,000	100.0%	UNIQLO International	People's Republic of China ("PRC")
UNIQLO TRADING CO., LTD.*	USD30,000	100.0%	UNIQLO International	PRC
FAST RETAILING (SHANGHAI) TRADING CO., LTD.*	USD35,000	100.0%	UNIQLO International	PRC
FRL Korea Co., Ltd.	KRW24,000,000	51.0%	UNIQLO International/GU	South Korea
FAST RETAILING (SINGAPORE) PTE. LTD.	SGD86,000	100.0%	UNIQLO International	Singapore
UNIQLO (THAILAND) COMPANY LIMITED	THB1,200,000	75.0% (75.0%)	UNIQLO International	Thailand
PT. FAST RETAILING INDONESIA	IDR115,236,000	75.0% (75.0%)	UNIQLO International	Indonesia
UNIQLO AUSTRALIA PTY LTD	AUD21,000	100.0% (100.0%)	UNIQLO International	Australia
Fast Retailing USA, Inc.	USD1,441,621	100.0%	UNIQLO International /Global Brands	United States of America ("USA")
UNIQLO EUROPE LTD	GBP40,000	100.0%	UNIQLO International	United Kingdom
UNIQLO VIETNAM Co., Ltd	USD15,800	75.0% (75.0%)	UNIQLO International	Vietnam
UNIQLO INDIA PRIVATE LIMITED	INR2,000,000	100.0%	UNIQLO International	India
G.U. CO., LTD.	JPY10,000	100.0%	GU	Yamaguchi/ Tokyo
GU (SHANGHAI) TRADING Co.,LTD.	USD20,000	100.0%	GU	PRC
FAST RETAILING FRANCE S.A.S.	EUR101,715	100.0%	Global Brands	France
Theory LLC	USD116,275	100.0% (100.0%)	Global Brands	USA
PLST CO., LTD.	JPY10,000	100.0%	Global Brands	Yamaguchi/ Tokyo
COMPTOIR DES COTONNIERS S.A.S.	EUR24,593	100.0% (100.0%)	Global Brands	France
PRINCESSE TAM TAM S.A.S.	EUR20,464	100.0% (100.0%)	Global Brands	France
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 Capital Expenditures

(billions of yen)

	UNIQLO Japan	UNIQLO International	GU	Global Brands	System etc.	Total
Capital Expenditures	17.8	23.5	8.5	2.4	30.4	82.7

2. COMPANY

1 COMPANY OFFICERS

(1) Directors and Statutory Auditors (as at 31 August 2020)

Position and Responsibilities	Name	Other Significant Concurrent Offices Held
Representative Director; Chairman, President & CEO	Tadashi Yanai	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, 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, Hakuodo DY Holdings Inc. Visiting Professor, Graduate School of Business Administration, Keio University
Director	Masaaki Shintaku	Counselor, Special Olympics Nippon Foundation External Director, NTT DOCOMO, INC.
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. External Director, Sampo Holdings, 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
Standing Statutory Auditor	Masumi Mizusawa	
Statutory Auditor	Takaharu Yasumoto	President, Yasumoto CPA Office Statutory Auditor, UNIQLO CO., LTD. Statutory Auditor, LINK THEORY JAPAN CO., LTD. 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

(Notes)

- 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.
- 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.
- 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.
- 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.
- Statutory Auditors Takaharu Yasumoto and Takao Kashitani are certified public accountants with considerable knowledge in financial matters and accounting.
- 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.
- UNIQLO CO., LTD., LINK THEORY JAPAN CO., LTD., and FAST RETAILING (CHINA) TRADING CO., LTD. are wholly owned subsidiaries of the Company.
- There are no special interests between the Company and any of the other companies at which the above Directors and Statutory Auditors hold concurrent positions.

(2) Outline of the Agreements for Limitation of Liability

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

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

(3) Total Amount of Remuneration for Directors and Statutory Auditors for Fiscal Year Ended August 31, 2020

1. Policy and Process for Determining Director Remuneration

The maximum annual remuneration for directors has been capped at the 2.0 billion yen figure (including an annual figure of 60 million yen for external directors) determined by shareholder resolution at the 58th annual general meeting of shareholders held on November 28, 2019 (Fast Retailing's articles of incorporation limit the number of directors to a maximum of 10 persons). Meanwhile, the maximum annual remuneration for statutory auditors is capped at 100 million yen as determined by shareholder resolution at the 42nd annual general meeting of shareholders held on November 26, 2003 (Fast Retailing's articles of incorporation limit the number of statutory auditors to a maximum of seven persons).

Remuneration for internal directors (i.e. directors who are not external directors) is made up of a basic compensation component and a corporate performance-linked element as detailed below.

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

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

External director remuneration is fixed at an annual figure of 10 million yen. The fixed amount is decided by company president Tadashi Yanai, who has the confidence of the Board of Directors as regards determining individual director remuneration totals, within the predetermined overall remuneration limits approved by the annual general meeting of shareholders.

Remuneration for statutory auditors is debated and determined by statutory auditors.

Remuneration for internal directors whose main task is to serve as directors of consolidated subsidiary companies is paid by the relevant subsidiary firms.

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

Director Classification	Company Classification	Total Remuneration, etc. (Millions of Yen)	Total Amount of Remuneration, etc. by Category (Millions of Yen)			Number of Recipient Directors
			Basic Remuneration	Short-term Performance Component	Long-term Performance Component	
Directors (Excluding External Directors)	Parent	584	360	218	5	4
	Subsidiary	165	131	25	8	
External Directors	Parent	50	50			5
Statutory Auditors (Excluding External Statutory Auditors)	Parent	47	47			3
External Statutory Auditors	Parent	27	27			3
	Subsidiary	11	11			

① The performance-related remuneration figures are provisional calculations made prior to the evaluation of results for the fiscal year ended August 31, 2020 after accounting for costs. The actual amounts paid are calculated and decided based on performance evaluations of individual directors.

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

Name	Total Remuneration (Millions of Yen)	Total Amount of Remuneration, etc. by Category (Millions of Yen)		
		Basic Remuneration	Short-term Performance Component	Long-term Performance Component
Representative Director, Tadashi Yanai	400	240	160	—
Director, Takeshi Okazaki	185	120	60	5

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

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

Non applicable

4. Details of Methods for Determining Director Remuneration Amounts

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

(Basic remuneration)

Calculated using a predefined remuneration table based on the employment grade of each individual internal director.

Consolidated Financial Statements

(Short-term performance-related remuneration)

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

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

(Long-term performance-related remuneration)

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

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

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

2 Policy on Determination of Dividends from Surplus

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

Having considered the company's corporate performance over the past year in line with the above policy and obtained approval at the Board of Directors meeting, Fast Retailing paid a year-end dividend of ¥240 per share in FY2020. That combined with an interim dividend of ¥240 per share generated an annual dividend for FY2020 of ¥480 per share, the same level as in FY2019.



UNIQLO global brand ambassador and professional wheelchair tennis player Shingo Kunieda.

Consolidated Financial Statements (IFRS)

Consolidated Statement of Financial Position (As at 31 August 2020)

(Millions of yen)

Item	As at 31 August 2019	As at 31 August 2020	Item	As at 31 August 2019	As at 31 August 2020
Assets			Liabilities		
Current assets	1,638,174	1,655,191	Current liabilities	476,658	647,455
Cash and cash equivalents	1,086,519	1,093,531	Trade and other payables	191,769	210,747
Trade and other receivables	60,398	67,069	Other financial liabilities	159,006	213,301
Other financial assets	44,473	49,890	Derivative financial liabilities	2,985	2,763
Inventories	410,526	417,529	Lease liabilities	—	114,652
Derivative financial assets	14,787	14,413	Current tax liabilities	27,451	22,602
Income taxes receivable	1,492	2,126	Provisions	13,340	752
Other assets	19,975	10,629	Other liabilities	82,103	82,636
Non-current assets	372,384	756,799	Non-current liabilities	550,365	768,455
Property, plant and equipment	162,092	136,123	Financial liabilities	499,948	370,780
Right-of-use assets	—	399,944	Lease liabilities	—	351,526
Goodwill	8,092	8,092	Provisions	20,474	32,658
Intangible assets	60,117	66,833	Deferred tax liabilities	8,822	7,760
Financial assets	77,026	67,770	Derivative financial liabilities	3,838	3,205
Investments in associates accounted for using the equity method	14,587	14,221	Other liabilities	17,281	2,524
Deferred tax assets	33,163	45,447	Total liabilities	1,027,024	1,415,910
Derivative financial assets	9,442	10,983	Equity	983,534	996,079
Other assets	7,861	7,383	Equity attributable to owners of the Parent	938,621	956,562
Total assets	2,010,558	2,411,990	Capital stock	10,273	10,273
			Capital surplus	20,603	23,365
			Retained earnings	928,748	933,303
			Treasury stock, at cost	(15,271)	(15,129)
			Other components of equity	(5,732)	4,749
			Non-controlling interests	44,913	39,516
			Total liabilities and equity	2,010,558	2,411,990

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

Consolidated Statement of Profit or Loss (Year ended 31 August 2020)

(Millions of yen)

Item	Year ended 31 August 2019	Year ended 31 August 2020
Revenue	2,290,548	2,008,846
Cost of sales	(1,170,987)	(1,033,000)
Gross profit	1,119,561	975,845
Selling, general and administrative expenses	(854,394)	(805,821)
Other income	4,533	7,954
Other expenses	(12,626)	(28,952)
Share of profit and loss of associates accounted for using the equity method	562	321
Operating profit	257,636	149,347
Finance income	12,293	11,228
Finance costs	(17,481)	(7,707)
Profit before income taxes	252,447	152,868
Income taxes	(74,400)	(62,470)
Profit for the year	178,046	90,398
Profit for the year attributable to:		
Owners of the Parent	162,578	90,357
Non-controlling interests	15,467	40
Total	178,046	90,398

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

Financial Statements

Balance Sheet (As at 31 August 2020)

Item	(Millions of yen)		Item	(Millions of yen)	
	As at 31 August 2019	As at 31 August 2020		As at 31 August 2019	As at 31 August 2020
Assets			Liabilities		
Current assets	870,786	828,625	Current liabilities	56,914	147,652
Cash and deposits	551,376	569,322	Current portion of corporate bonds	—	100,000
Operating accounts receivable	48,268	30,174	Accounts payable	11,032	10,290
Securities	146,000	145,965	Accrued expenses	1,813	2,005
Short-term loans receivable from subsidiaries and associates	103,198	58,624	Deposits received	33,581	22,919
Accounts receivable from subsidiaries and associates	17,271	18,863	Provision for bonuses	2,676	2,621
Others	4,670	5,677	Income taxes payable	5,836	8,597
Allowance for doubtful accounts	(0)	(1)	Others	1,973	1,217
Non-current assets	183,971	234,731	Non-current liabilities	476,137	376,749
Property, plant and equipment	13,914	19,104	Corporate bonds payable	470,000	370,000
Buildings	7,313	12,928	Guarantee deposits received	2,247	3,385
Structures	118	108	Provision for loss on guarantees	204	394
Furniture, fixtures, and vehicles	272	948	Provision for loss on business of subsidiaries and associates	422	466
Land	1,123	1,123	Others	3,262	2,502
Leased assets	652	878	Total liabilities	533,051	524,402
Construction in progress	4,432	3,116	Net assets		
Intangible assets	42,914	49,126	Shareholders' equity	517,258	532,279
Software	29,039	45,959	Capital stock	10,273	10,273
Software in progress	13,814	3,153	Capital surplus	10,914	12,364
Others	60	14	Legal capital surplus	4,578	4,578
Investments and other assets	127,142	166,500	Other capital surplus	6,335	7,786
Investment securities	1,633	1,318	Retained earnings	511,341	524,769
Shares of subsidiaries and associates	87,002	131,482	Legal retained earnings	818	818
Investments in capital of subsidiaries and associates	10,406	9,251	Other retained earnings	510,523	523,951
Long-term loans receivable from subsidiaries and associates	17,261	18,414	General reserve	185,100	185,100
Leases and guarantee deposits	7,714	6,300	Retained earnings brought forward	325,423	338,851
Deferred tax assets	3,384	3,460	Treasury stock	(15,271)	(15,129)
Others	792	407	Valuation and translation adjustments	(1,533)	(566)
Allowance for doubtful accounts	(1,051)	(4,134)	Valuation differences on available-for-sale securities	(1,533)	(566)
Total assets	1,054,758	1,063,356	Share subscription rights	5,981	7,241
			Total net assets	521,706	538,954
			Total liabilities and net assets	1,054,758	1,063,356

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

Statement of Income (Year ended 31 August 2020)

Item	(Millions of yen)	
	Year ended 31 August 2019	Year ended 31 August 2020
Operating revenue	184,910	156,356
Operating expenses	65,808	81,039
Operating profit	119,101	75,316
Non-operating income	5,997	4,975
Interest income	5,233	4,592
Interest on securities	201	92
Foreign exchange gains	—	93
Others	562	196
Non-operating expenses	19,098	2,079
Interest expenses	1,968	2,022
Foreign exchange losses	17,103	—
Others	26	57
Ordinary profit	106,000	78,211
Extraordinary income	—	43
Reversal of provision for loss on business of subsidiaries and affiliates	—	43
Extraordinary losses	2,507	13,159
Losses on retirement of non-current assets	44	316
Loss on valuation of shares of subsidiaries and associates	1,341	6,688
Provision of allowance for doubtful accounts for subsidiaries and associates	583	3,083
Loss on valuation of investment securities	—	1,713
Impairment losses	243	13
Transfer pricing adjustment	—	1,065
Others	296	278
Profit before income taxes	103,492	65,096
Income taxes – current	(1,608)	3,066
Income taxes – deferred	(1,013)	(392)
Profit	106,113	62,422

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

Auditors' Report

(Translation) Auditors' Report on Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

23 October, 2020

To the Board of Directors of
FAST RETAILING CO., LTD.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant: Koichi Okubo

Designated Engagement Partner,
Certified Public Accountant: Hirofumi Otani

Designated Engagement Partner,
Certified Public Accountant: Yohei Masuda

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of FAST RETAILING CO., LTD. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as at 31 August, 2020, and the consolidated statement of profit or loss and consolidated statement of changes in equity for the fiscal year from 1 September, 2019 to 31 August, 2020, and the related notes.

In our opinion, the accompanying consolidated financial statements, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the consolidated financial position of the Group as at 31 August, 2020, and its consolidated financial performance for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Statutory Auditors and the Board of Statutory Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards.

Statutory Auditors and the Board of Statutory Auditors are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Statutory Auditors and the Board of Statutory Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Statutory Auditors and the Board of Statutory Auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

(Translation) Auditors' Report on Financial Statements

INDEPENDENT AUDITOR'S REPORT

23 October, 2020

To the Board of Directors of
FAST RETAILING CO., LTD.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant: Koichi Okubo

Designated Engagement Partner,
Certified Public Accountant: Hirofumi Otani

Designated Engagement Partner,
Certified Public Accountant: Yohei Masuda

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements of FAST RETAILING CO., LTD. (the "Company"), namely, the balance sheet as at 31 August, 2020, and the statement of income and statement of changes in net assets for the 59th fiscal year from 1 September, 2019 to 31 August, 2020, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 August, 2020, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Statutory Auditors and the Board of Statutory Auditors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Statutory Auditors and the Board of Statutory Auditors are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Statutory Auditors and the Board of Statutory Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Statutory Auditors and the Board of Statutory Auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

Report by the Board of Statutory Auditors

AUDIT REPORT

With respect to the directors' performance of their duties during the 59th fiscal year (from 1 September 2019 to 31 August 2020), 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 Director's resolutions with respect to the internal control systems are appropriate. We did not find any matter in the Business Report or the Directors' performance of their duties concerning the internal control systems that requiring mentioning.

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

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

(3) Results of Audit of the Consolidated Financial Statements

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

23 October 2020

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

Standing Statutory Auditor	Akira Tanaka ■
Standing Statutory Auditor	Masaaki Shinjo ■
Standing Statutory Auditor	Masumi Mizusawa ■
Statutory Auditor	Takaharu Yasumoto ■
Statutory Auditor	Keiko Kaneko ■
Statutory Auditor	Takao Kashitani ■

Company Data

Trade Name	FAST RETAILING CO., LTD.
Head Office	10717-1 Sayama, Yamaguchi City, Yamaguchi 754-0894, Japan
Roppongi Office	Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6231, Japan
Ariake Office	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)	57,727

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

Unlocking the Power of Clothing

As a responsible global citizen, Fast Retailing considers it a priority to help protect the health and daily living of regional societies in the face of COVID-19, and is providing vital support to 26 countries and regions.

We will continue to seriously consider demands from broader society and provide the necessary support to help conquer COVID-19 as soon as possible.



Top row (left to right): Japan, the United States, Germany
Middle row: Hong Kong, Mainland China, Malaysia
Bottom row: Taiwan, Japan, Japan



FAST RETAILING

FAST RETAILING CO., LTD.

www.fastretailing.com