



**ANNUAL
REPORT
2017**

Year ended
31 August 2017

Great Clothes Can Change Our World

FAST RETAILING

is a global company operating multiple fashion brands including UNIQLO, GU and Theory. The world's third largest manufacturer and retailer of private label apparel, Fast Retailing offers high-quality, reasonably priced clothing by managing everything from design and production to retail sales. UNIQLO is our pillar brand—it boasts 1,920 stores in 18 countries and regions (FY2017), and is loved the world over for its high-quality, affordable basic casualwear. UNIQLO's heartfelt mission is to create ultimate-comfort LifeWear that enriches people's lives. The brand differentiates itself by offering clothing made from superior materials at reasonable prices, and developing products using original high-functioning fabrics such as HEATTECH and Ultra Light Down. The Group's main sources of UNIQLO-driven growth are moving beyond Japan to Greater China (Mainland China, Hong Kong, Taiwan) and Southeast Asia. GU, the Group's second pillar operation, continues to grow and solidify its position as a fun, low-priced fashion brand. In terms of corporate identity, Fast Retailing is working hard to reform its entire supply chain and transform itself into a "digital consumer retail company" that can effectively turn information into products, and swiftly respond to evolving customer needs. Fast Retailing is actively involved in social activities related directly to clothing, and it works to ensure responsible procurement by fostering manufacturing environments that respect human rights and have minimal impact on the environment. Fast Retailing is striving to become a corporate group that harnesses the power of clothing to help create a more sustainable society.

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杉本 吉
HAKUJU KUISEKO

Fast Retailing Group corporate philosophy:
Changing clothes. Changing conventional
wisdom. Change the world.
(Designed by calligrapher Hakuju Kuisseko)





BREAK NEW GROUND, CREATE NEW VALUE

HEATTECH is the epitome of advanced textile technology. With amazing warmth generation and retention properties, HEATTECH items are a must have for anyone making it through a cold winter. Launched in 2003, annual technological improvements have fueled total sales of over 1 billion items.

EVOLVING CLOTHES, EVERYDAY COMFORT

CONTENTS

06	MESSAGE FROM THE CEO	44	WHAT'S NEW AT UNIQLO
08	CEO INSIGHTS	46	GLOBAL BRANDS
18	FISCAL 2017 BUSINESS PERFORMANCE	50	SUSTAINABILITY
20	FISCAL 2017 FINANCIAL HIGHLIGHTS	60	FINANCIAL INFORMATION
22	CORPORATE GOVERNANCE	68	HISTORY
26	THE UNIQLO BUSINESS	70	INVESTOR INFORMATION
36	UNIQLO GLOBAL PRESENCE	71	CORPORATE INFORMATION





UNIQLO's form-fitting yet elastic Ultra Stretch Jeans make your legs look better than ever, with total freedom of movement. We are exploring new ideas with world-leading fabric and fiber manufacturers to create an even more advanced product. The evolution of jeans continues.



A NEW INDUSTRY, A NEW ERA

Now is a time for bold action. In today's world, information can be sent instantly to customers via the internet, and data can be instantly analyzed using artificial intelligence. Current business technology giants, such as Google and Amazon, are expanding and entering entirely new industries. Fast Retailing is moving decisively to gain a competitive edge over the next generation of entrants and thrive in this rapidly changing era. As the boundaries between industries and companies dissolve, we are transforming ourselves into a new type of “digital consumer retail company” that puts its customers first by turning information into superior products.

As part of this effort, we have launched the Ariake Project, which is designed to reform our business processes and revolutionize our supply chain so that we can rapidly respond to the needs of our customers. We will draw on the latest technology to create a new type of industry, one that is capable of delivering the world's best clothing and the world's best customer communication.

In the fiscal year ending August 31, 2017, UNIQLO achieved record success. Our operations in Greater China, South Korea and Southeast Asia & Oceania generated impressive profits, proving that economic development in the Pacific Rim region harbors great opportunity. The rapid expansion of UNIQLO International has been fueled by customers worldwide recognizing and appreciating UNIQLO LifeWear as the ultimate life-enhancing everyday clothing.

We remain committed to the creation of clothes that are perfectly attuned to people's daily needs and offer new value. We are also committed to the creation of a sustainable world. In the clothes-manufacturing process, we are working proactively on factory conditions, workers' rights, environmental protection, our All-Product Recycling Initiative, the advancement of women in the workplace, the employment of people with disabilities, and the support of refugees and other displaced persons. We are fully invested in the challenge of making the world a better place through clothes.

January 2018



Tadashi Yanai

Chairman, President and CEO

Driving Digital Transformation



A Supply Chain with Customers at the Center

Globalization and digitalization are happening at lightning speed. Intricate connections between people, things and bits of information are revolutionizing the concepts of borders, industries and companies. In the clothes-making business, traditional demarcations between apparel, retail and textile industries are disappearing. To ensure that Fast Retailing thrives in this era of radical change, I believe it is vitally important to create a new industry that can effectively turn information into commercial products.

Most of the world now has access to the internet and smartphones, and information can be transmitted at ultra-fast speeds. This enables us to continuously engage with customers online and reflect their feedback in our supply chain. We are already embracing these changes and proactively transforming ourselves into a “digital consumer retail company” that can quickly translate customer desires into better products and services.

Ariake Project Kickstarts Sweeping Change

To accelerate Fast Retailing’s transformation into a digital consumer retail company, we launched what we call the Ariake Project. The most important part of this transformation is to completely change the way our employees work. To that end, we constructed UNIQLO CITY TOKYO, a more than 16,500m² open-plan office on the sixth floor of our Ariake warehouse. We have created small, flat teams that communicate closely across corporate departments and rapidly execute business analysis, decision-making and the implementation of ideas.

The Ariake Project encompasses numerous



The bustling “main street”
at UNIQLO CITY TOKYO

concurrent initiatives, including the analysis of digital information to accurately forecast demand; closer communication with partner factories to achieve a flexible manufacturing structure; the creation of a speedy, highly efficient distribution system; the use of digital marketing to communicate directly with customers; an increase in the online shopping services we offer; and the establishment of systems that will support all these initiatives. The Ariake Project is already generating huge benefits.

The cooperation of our business partners is essential to the success of the Ariake Project. Our partner textile factories and distribution companies are working hard to achieve complementary transformations. We will not be shackled to old ways of thinking, and we will invest the necessary time, effort and resources. We are determined to embrace the technologies of the future and do whatever we can to turn ourselves into a digital consumer retail company.



UNIQLO International Powers Ahead

UNIQLO Passeig de Gràcia store, Spain

UNIQLO International Revenue to Surpass UNIQLO Japan's

We expect UNIQLO International revenue to overtake that of UNIQLO Japan for the first time in FY2018. Due to its high margins, UNIQLO International is also approaching UNIQLO Japan in terms of operating profit. I am delighted with this remarkable accomplishment. It has been almost 17 years since we opened the first UNIQLO store outside Japan in London, and I am so proud of how we have grown the Japan-born UNIQLO label into a thriving global brand that is loved by customers worldwide.

The Greater China, South Korea and Southeast Asia & Oceania operations produced truly spectacular performances this business year, serving as the key driver of Group growth. I am especially proud of the talented managers with strong leadership skills that we have nurtured in these three regions. This gives us confidence in future business expansion.

The apparel industry is embracing globalization at

such a rapid pace that we are entering an era in which only fully recognized global brands can survive. UNIQLO has achieved such strong growth in Greater China, South Korea and Southeast Asia precisely because it is recognized as a global brand. We have established a strong presence alongside other brands such as ZARA and H&M by opening flagship and large-format stores on prominent high streets in New York, Paris, London, Shanghai and other major world cities, and by earning the loyal support of customers worldwide. This highlights our leading position in global markets.

UNIQLO's LifeWear concept stems from a passion to create ultimate everyday wear: comfortable, high-quality, fashionable clothing at prices that everyone can afford. UNIQLO will continue to grow not as a maker of trend-chasing apparel, but as a brand that represents a new category of clothing, one that is part of the fabric of everyday living and that is committed to making people's lives richer and more comfortable.

A Solid Position in Greater China and Southeast Asia

UNIQLO International's key strength is its established brand position and firm management foundation in regions with strong potential for economic growth, such as Greater China and Southeast Asia. As their economies develop, Asian markets will undoubtedly witness explosive growth in middle-income populations. This presents a huge business opportunity for UNIQLO. While Japan has a total population of 120 million, Greater China and Southeast Asia are estimated to have over one billion white-collar workers alone. My focus is to ensure solid growth in Greater China and Southeast Asia, which have the potential to grow into markets 10-20 times the size of Japan's.

We have announced five-year targets of increasing revenue from the current ¥346.4 billion to ¥1 trillion in Greater China, and from ¥110 billion to ¥300 billion in Southeast Asia & Oceania. If we also continue to open stores in the United States and Europe, I believe we can expand UNIQLO International sales to over ¥2 trillion within the next few years.

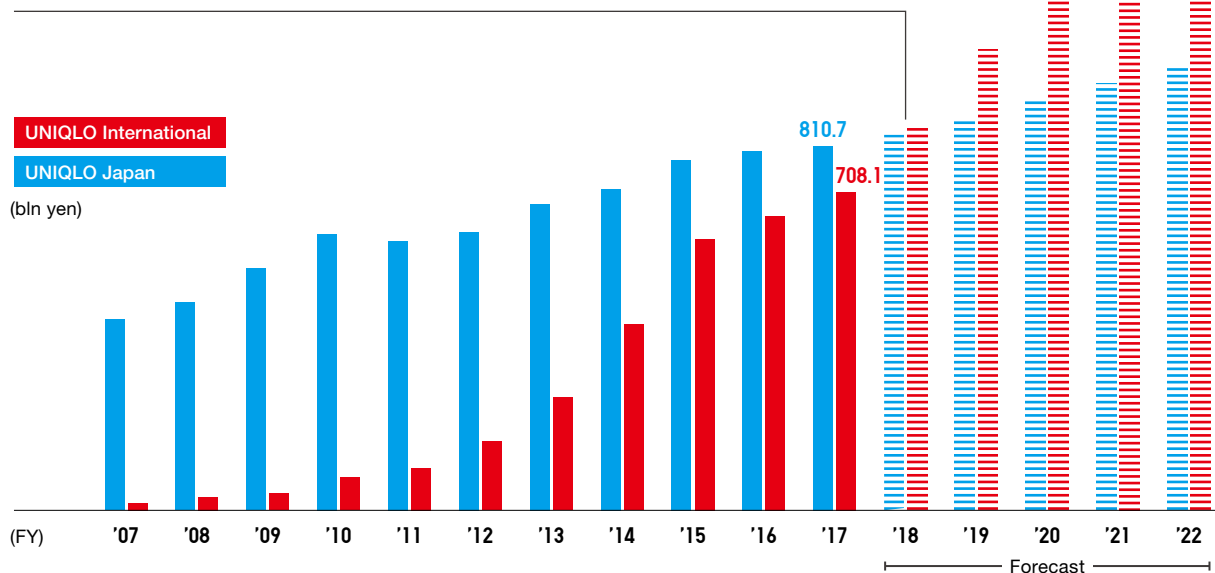
Global is Local, Local is Global

We aim to earn loyal customer support by offering everyday wear that suits local climates and cultures, while at the same time protecting UNIQLO's unique identity with regard to overall product ranges and mixes, store layouts, in-store services and store operations. Striking this balance can be harder than you think. We call this seemingly contradictory initiative "Global Is Local, Local Is Global."

Our aim is to ensure that people who want to buy everyday wear come to our stores first. For example, in Southeast Asia, a large range of warm-weather items that suit the tropical climate is available to customers year-round. This focused strategy has turned many people into UNIQLO fans. They recognize UNIQLO as a Japan-based brand that caters to all nationalities, cultures, climates and income levels.

Revenue Comparison

FY2018 A Big Year for UNIQLO International

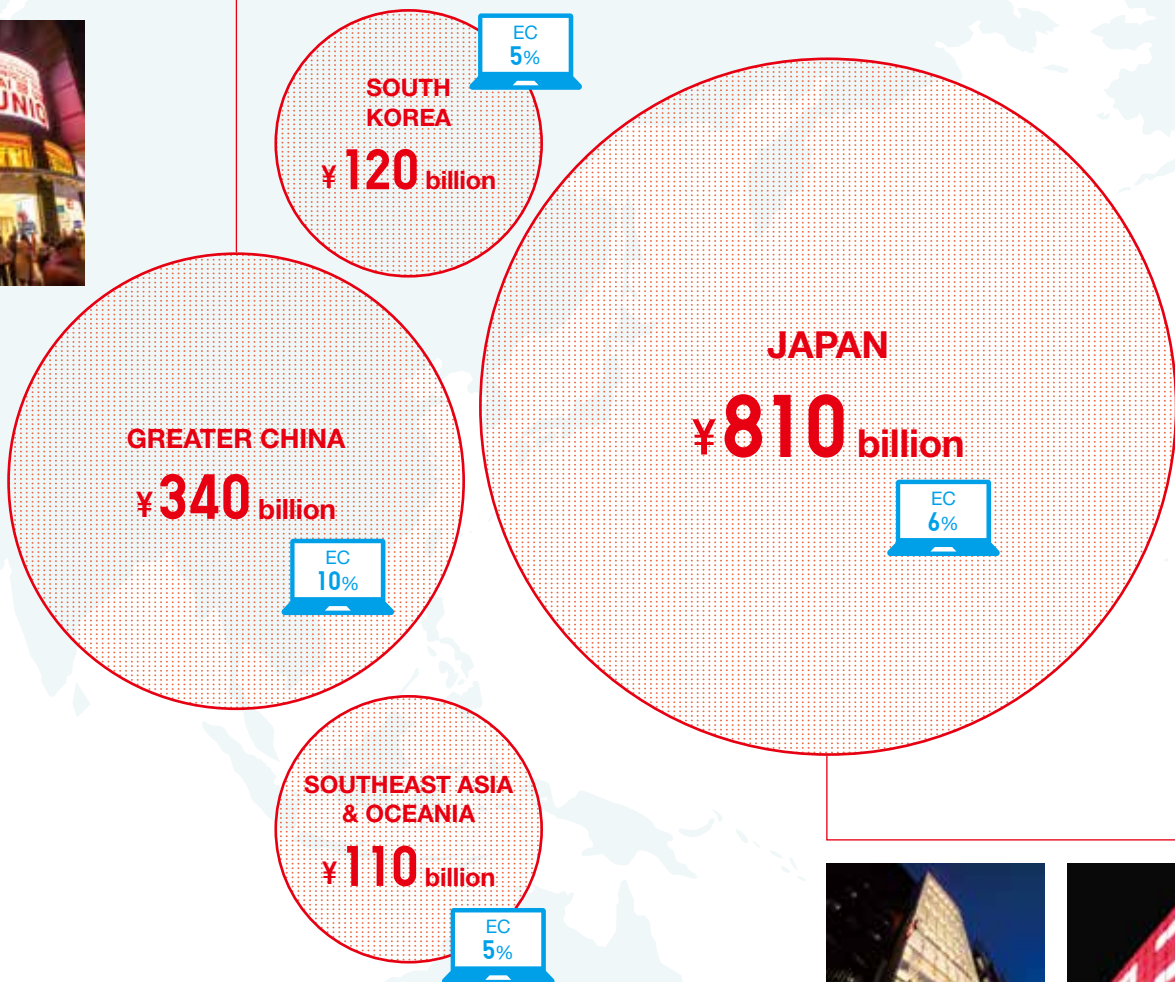


UNIQLO Revenue by Region (including e-commerce share) (FY2017)

GREATER CHINA



SHANGHAI



GINZA



SHINSAIBASHI

Expand Online Sales Worldwide

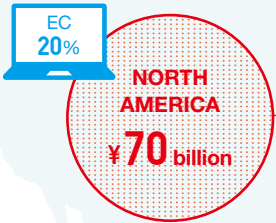
Expanding online sales and services is a vital element of our global business strategy. Our strategy focuses on cooperating with firms with superior technology in each region to expand operations. Digital communication via social media is well developed in Greater China and Southeast Asia, which provides us with strong

opportunities for online growth in these regions. Our online business in Mainland China is doing well. Progress there includes our recently launched online-to-offline (O2O) service aimed at further fusing our physical and online stores—it gives customers the option to pick up online purchases in-store.

UNIQLO USA Moving Forward

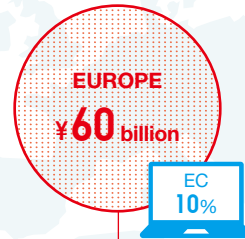
UNIQLO USA is now showing signs of a bright future. The operation successfully halved its operating loss in FY2017, thanks to a concerted effort by the local CEO and staff to create a strong leadership framework. We will increase brand visibility by opening stores in major cities and competitive shopping malls. In order to secure profitable operations, I also want to expand revenue from the current ¥70 billion to ¥100 billion over the next few years.

NORTH AMERICA



NEW YORK

EUROPE



PARIS



BARCELONA

JAPAN



SHINJUKU



OSAKA

Expanding Our Presence in Europe

UNIQLO Europe has strengthened its operational base. We accelerated store openings in France and Russia, two markets that have shown positive early growth. Our entry into Spain (Barcelona) in fall 2017 also proved a success. We plan to open our first store in Sweden (Stockholm) in fall 2018 and will continue expanding into major cities across Europe.



Optimizing Efficiency at UNIQLO Japan

UNIQLO Nagoya store

Promoting Local Store Management

Japan's shrinking and aging population translates into increasingly tough conditions in the apparel business. Despite that, UNIQLO Japan has seen customer numbers increase thanks to easily recognizable everyday prices, which were first introduced in spring 2016, as well as pacesetting price leadership.

Going forward, I want us to fully embrace "Koten Keiei" (local store management) principles in order to grow individual store sales while reducing costs and increasing efficiency. Experienced employees with intimate knowledge of local needs are vital to the success of community-centered stores. By delivering tailored product mixes and marketing strategies, we can offer LifeWear that perfectly suits local lifestyles. Koten Keiei is the best way to train all personnel to think like store managers and maximize the capabilities of each of our 10,000 locally-stationed full-time employees.

Fusing In-store and Online Shopping

As our online operations expand, we will seamlessly link them to our physical store network to offer customers an even more convenient shopping experience. To maintain our competitive edge, our stores need to offer ever better services and ever more capable staff. We must make it possible for customers to pick up their online purchases, or check their measurements in-store to facilitate purchasing semi-tailored clothing online.

Making it convenient for customers to pick up purchases will enable them to order special collaboration items (only available in large-format stores and online) and have them delivered to any store in Japan. These initiatives will significantly increase online sales. We are also improving the efficiency of store operations. Our new inventory management system, which was introduced in fall 2017 and uses radio-frequency identification (RFID), simplifies stocktaking and search tasks.

GU: New and On-Trend Fashion from Japan

Rising to Challenges

After several years of strong growth, our low-price GU casual fashion brand reported a sharp decline in profit in FY2017. The operation faced multiple challenges in arenas such as management structure, personnel training, organizational power, product development, production lead times and low-cost store management. I believe that challenges inspire positive change. The most pressing issue is how to redefine GU as a brand that can establish a solid position in global markets. Once we answer this question, we can pursue further rapid expansion of the GU business.

GU's strength lies in its ability to rapidly incorporate the latest fashions and offer them at amazingly low prices. The GU concept is different from UNIQLO, so the two brands do not compete. Going forward, I want to open more stores offering both brands under one roof to capture new synergies and better meet customer needs.

To promote further expansion, we need to establish GU's global brand position and expand its international presence. The GU store we opened in Hong Kong in March 2017 has enjoyed great success, and GU stores in Mainland China and Taiwan are coming into their own. I would also like to open GU stores in South Korea and Southeast Asia. We should use GU's modest FY2017 performance as a springboard to overhaul the entire supply chain—from product development to materials procurement—and to develop new production bases.

GU revenue currently stands at approximately ¥200 billion, but our target is to create a ¥1 trillion brand over the next decade. I am determined to grow GU into a successful fast moving brand from Japan and a second pillar operation for the Fast Retailing Group.



Managerial Thinking at Every Level

Encouraging All Staff to Think Like Managers

“Changing clothes. Changing conventional wisdom. Change the world.” Our corporate statement forms the basis for how Fast Retailing tries to be a truly good global citizen. We want employees to channel their individual creativity into promoting innovation and providing customers with great clothing and impeccable service.

It is important to inspire employees worldwide to work passionately under our “Zenin Keiei” and “Global One” principles. Zenin Keiei means all Fast Retailing staff, from in-store part-timers to top managers, are empowered to adopt a managerial mindset, taking initiative to offer customers the best possible products and services. This improves on traditional retail set-ups, where managers make decisions and in-store staff follow orders. Additionally, Global One encourages all Group businesses to share their success stories and global best practices with each other.



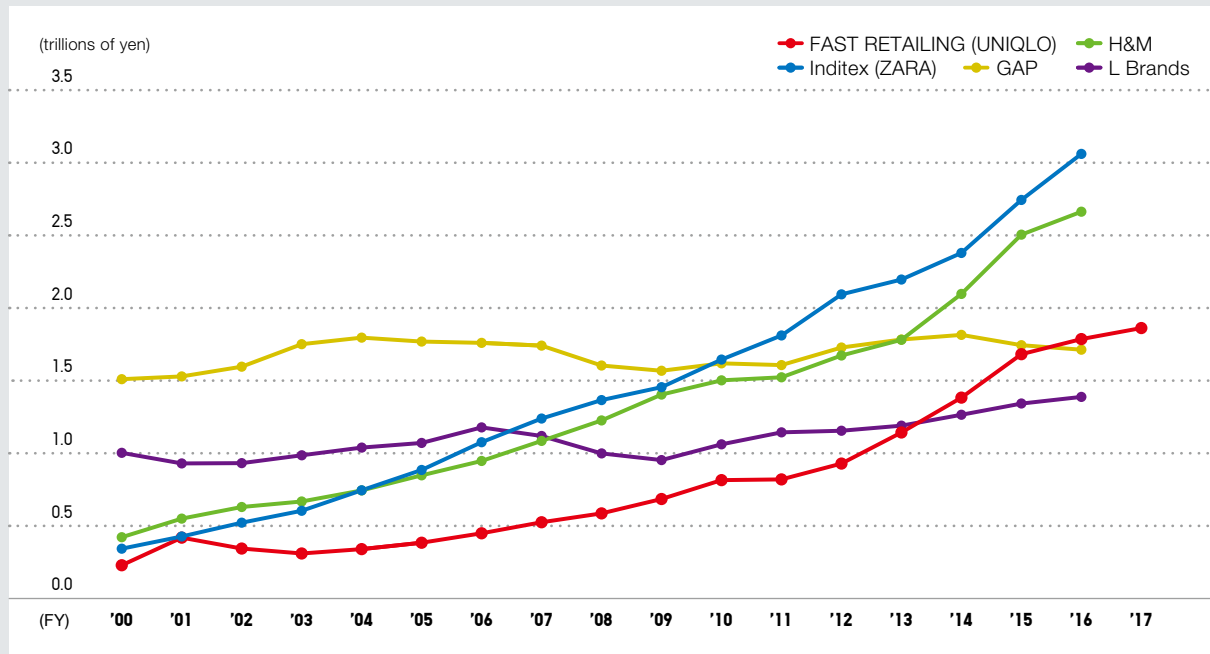
FAST RETAILING WAY (FR Group Corporate Philosophy)

**Changing clothes.
Changing conventional wisdom.
Change the world.**

GROUP MISSION

- To create truly great clothing with new and unique value, and to enable people all over the world to experience the joy, happiness and satisfaction of wearing such great clothes
- To enrich people’s lives through our unique corporate activities, and to seek to grow and develop our company in unity with society

Sales at Leading Apparel Retailers



*Compiled from individual annual report data and calculated using exchange rates as of end August 2017.

Aiming to Be Number One

I am passionate about transforming Fast Retailing into a digital consumer retail company and creating an entirely new business model to help establish our position as the world's number one apparel retailer. In 2000, Fast Retailing sales were just 20% of GAP's. By 2015, they were roughly the same. Today, Fast Retailing is the world's third largest apparel retailer in terms of sales, behind Inditex (the operator of the ZARA brand) and H&M. Like us, both of these companies are apparel retailers that successfully manage all processes from planning and design through production and retail.

However, UNIQLO's LifeWear concept of ultimate everyday clothes differentiates us from brands such as ZARA and H&M. In contrast to their focus on fast fashion, LifeWear stems from the conviction that clothes are meant to suit the values of the person wearing them—that individuality comes from the wearer, not the clothing. As the Ariake Project bears fruit, we are transforming our business model to better

incorporate customer preferences and respond to their needs. This will drive the evolution of LifeWear and will put customers at the center of the creation of their clothing.

Fast Retailing exists to enrich society and our customers' lives. We will uphold that commitment as we strive to make the world a better place.

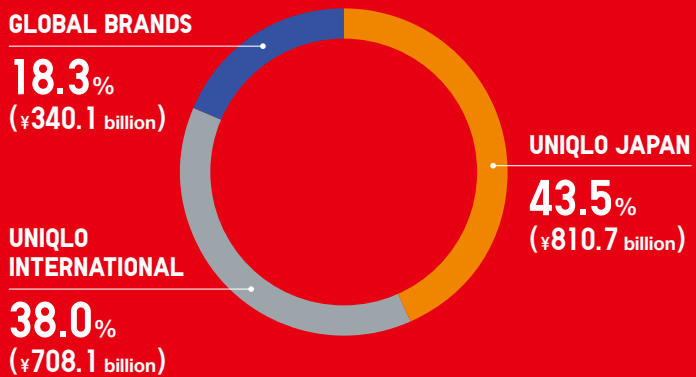
Strong Performance, Strong Dividends

Our policy is to offer high dividends that closely reflect business performance. We use profits to fund future growth, while retaining earnings to ensure healthy finances and provide good shareholder returns. In FY2017, we maintained our annual dividend at ¥350. Rewarding shareholders remains one of Fast Retailing's most important objectives.

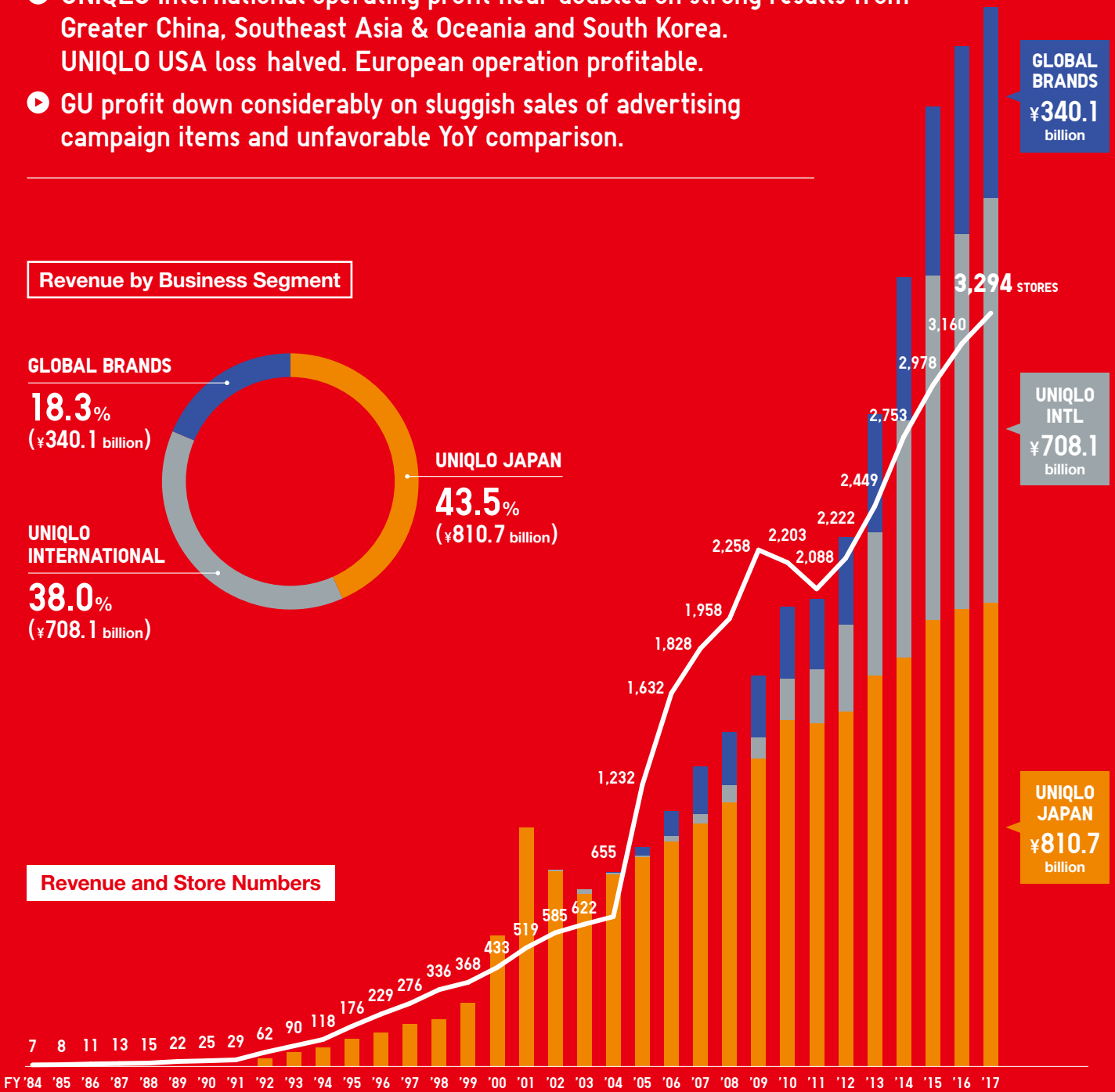
SNAPSHOT

- ▶ Achieved a record performance. Revenue: ¥1.8619 trillion (+4.2% YoY), operating profit: ¥176.4 billion (+38.6% YoY), profit attributable to owners of the parent: ¥119.2 billion (+148.2% YoY).
- ▶ UNIQLO International operating profit near doubled on strong results from Greater China, Southeast Asia & Oceania and South Korea. UNIQLO USA loss halved. European operation profitable.
- ▶ GU profit down considerably on sluggish sales of advertising campaign items and unfavorable YoY comparison.

Revenue by Business Segment



Revenue and Store Numbers



UNIQLO JAPAN

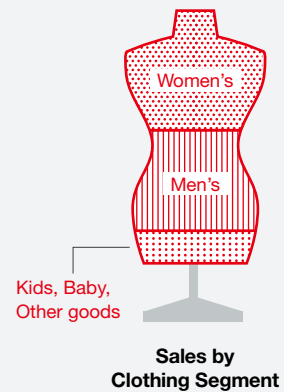
FY2017 Results

Revenue
¥ 810.7 billion YoY +1.4%

Operating profit
¥ 95.9 billion YoY -6.4%

Future Outlook

- ▶ Expect further same-store sales growth thanks to easily recognizable everyday price strategy and buoyant online sales. Achieve stable future growth through cost cutting and determined control of discounting.
- ▶ Pursue Ariake Project with the aim of increasing operating profit margin to 15% over the medium term, and tackle issues such as improving distribution efficiency, expanding e-commerce services, improving accuracy of demand forecasts and reducing production lead times.



UNIQLO INTERNATIONAL

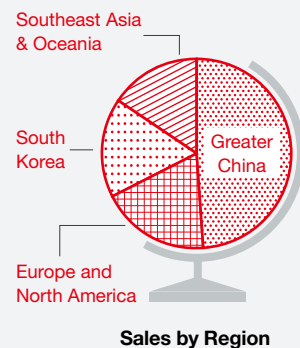
FY2017 Results

Revenue
¥ 708.1 billion YoY +8.1%

Operating profit
¥ 73.1 billion YoY +95.4%

Future Outlook

- ▶ Greater China, Southeast Asia & Oceania and South Korea to serve as medium-term drivers of UNIQLO International growth. UNIQLO International revenue expected to surpass UNIQLO Japan in FY2018.
- ▶ UNIQLO Greater China five-year targets: revenue ¥1 trillion, operating profit ¥200 billion. UNIQLO Southeast Asia & Oceania targeting 30% annual growth and revenue of ¥300 billion within five years.



GLOBAL BRANDS

FY2017 Results

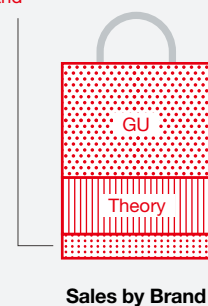
Revenue
¥ 340.1 billion YoY +3.5%

Operating profit
¥ 14.0 billion YoY +47.5%

Future Outlook


- ▶ Improve GU performance by strengthening product development, improving accuracy of initial production volumes and bolstering frameworks for swift additional production of strong-selling items. Plan to accelerate GU's global development and, in the medium term, develop GU as a second pillar brand with ¥1 trillion sales.
- ▶ Expect Theory to exhibit continued steady growth, and see strong potential for Theory's PLST label as a new reasonably priced brand.

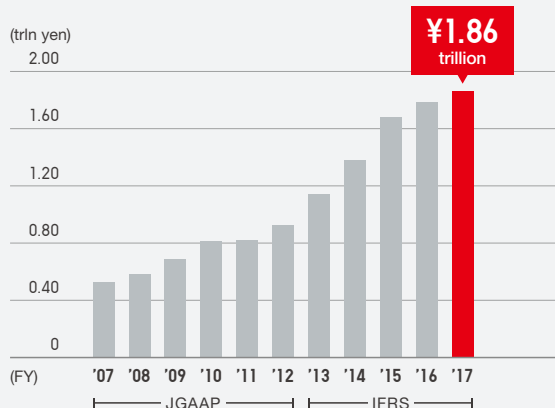
Comptoir des Cottonniers
 Princesse tam.tam
 J Brand



FISCAL 2017 FINANCIAL HIGHLIGHTS

Revenue

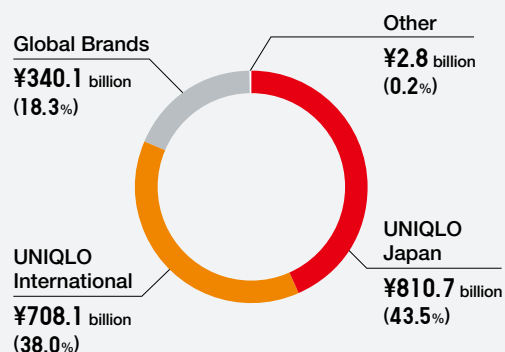
¥1.86 trillion **+4.2%** 



Consolidated revenue rose 4.2% year on year to ¥1.8619 trillion. Revenue increased in all three business segments, but UNIQLO International reported an especially robust ¥52.7 billion rise on aggressive store openings and strong same-store sales growth.


UNIQLO International's Contribution to Revenue

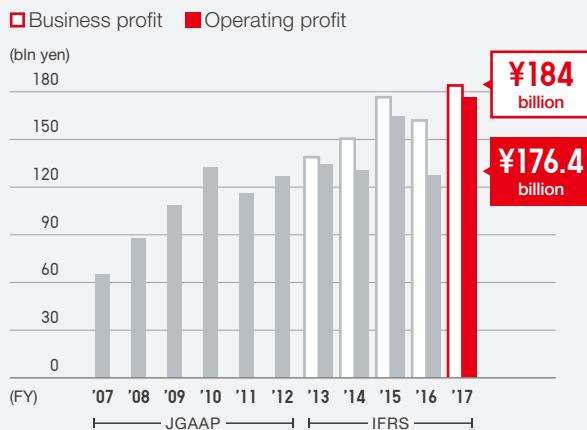
38.0% **+1.3pt** 



UNIQLO International's 38.0% contribution to total revenue is gradually approaching UNIQLO Japan's 43.5% contribution. Buoyant revenue gains at UNIQLO Greater China and UNIQLO Southeast Asia & Oceania were strong contributing factors.

Operating Profit

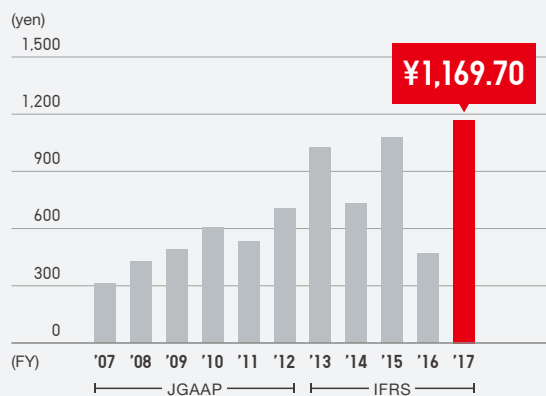
¥176.4 billion **+38.6%** 



Grew by an impressive 38.6% year on year to ¥176.4 billion, thanks to a near doubling in operating profit at UNIQLO International (+95.4% YoY). UNIQLO Japan operating profit down 6.4%, Global Brands operating profit up 47.5%.

Earnings per Share

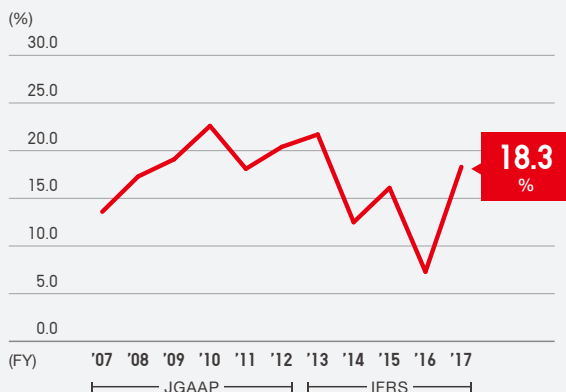
¥1,169.70 **+148.2%** 



Basic earnings per share increased almost 150% year on year to ¥1,169.70, thanks to higher operating profits, and a ¥16.9 billion gain recorded under finance income and costs after yen depreciation, which increased the value of long-term foreign-currency holdings in yen terms.

ROE

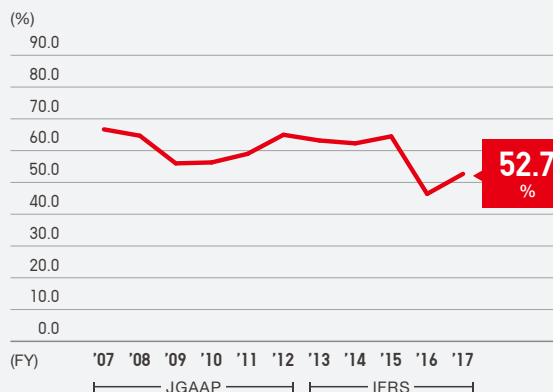
18.3% **+11.0pt** 



ROE rose 11.0 points to 18.3% after profit attributable to owners of the parent increased approximately 150% year on year.


Ratio of Equity Attributable to Owners of the Parent to Total Assets

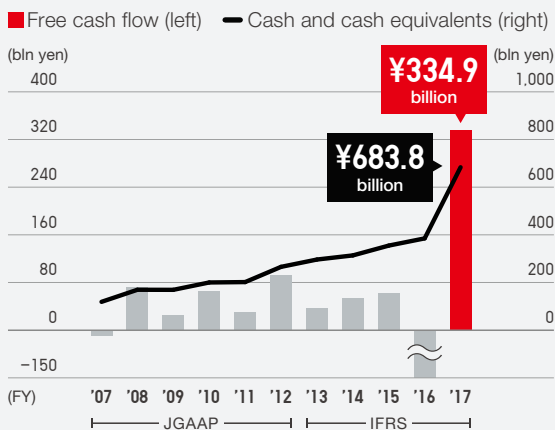
52.7% **+6.3pt** 



This ratio rose 6.3 points year on year to 52.7%. Total assets increased by ¥150.3 billion, while capital increased by ¥164.3 billion after yen depreciation triggered a rise in cash flow hedges.

Cash and Cash Equivalents

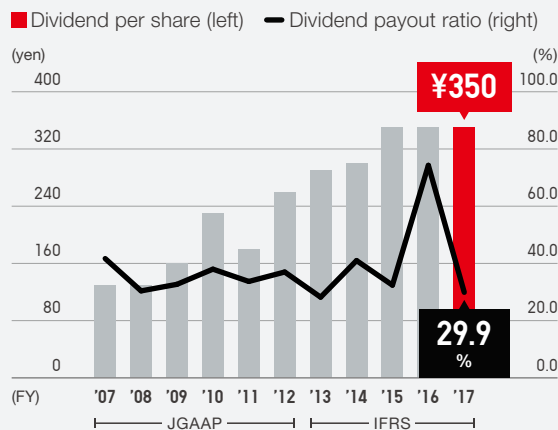
¥683.8 billion **+77.4%** 



Totaled ¥683.8 billion with free cash flow (FCF) reaching ¥334.9 billion. FCF included ¥212.1 billion in net cash from operating activities and ¥122.7 billion from investing activities.

Dividend per Share

¥350 **±¥0** 



Stood at ¥350. The FY2016 dividend payout ratio rose sharply after yen appreciation reduced the value of foreign-currency denominated assets in yen terms, generating a ¥37.0 billion finance cost. The FY2017 ratio returned to the traditionally recognizable level of approximately 30%.

* The negative FCF in FY2016 included a ¥186.5 billion investment in deposits with over three-month maturities.



DOING THINGS RIGHT, TOGETHER



Messages from Our External Directors



Toru Hambayashi

External Director

Independent Director

A Responsible, Accountable Public Company

Tadashi Yanai is a highly ethical businessman, but it is extremely important that the company transitions from a “my company” under Mr. Yanai, to a more public “your company.” As an external director, I closely monitor and evaluate Fast Retailing growth on behalf of company stakeholders to ensure all achievements are healthy and correct, and offer advice to aid Fast Retailing’s quest to become the world’s number one brand.

Appointed November 2005. Former president of Nichimen Corp. and chairman and co-CEO of Sojitz Holdings Corp. (currently Sojitz Corp.). Currently serving as an external director at UNITIKA LTD. and DAIKYO INCORPORATED and an adviser at MAEDA CORPORATION.



Nobumichi Hattori

External Director

Independent Director

Maximizing Corporate Value

As Fast Retailing enters a new phase of growth, the Board of Directors’ role as a key collective that consistently highlights and considers risk-side factors is more important than ever. I want to apply my experience at a major US investment bank to objectively judge how capital markets perceive Fast Retailing’s corporate value, and suggest how to best increase that value. I am committed to providing further broad support going forward.

Appointed November 2005. Formerly worked at Goldman Sachs. Currently an M&A research specialist. Visiting professor at Waseda Graduate School of Finance, Accounting and Law. External auditor at Frontier Management Inc. and external director at Hakuholdo DY Holdings Inc. Visiting professor at the Graduate School of Business Administration at Keio University.



Toru Murayama

External Director

Determined Development of Management Personnel

Fast Retailing is working hard to become a true global retailer, so it is important that management teams can transcend regional, operational and functional borders to communicate effectively and resolve issues swiftly. I am committed to actively nurturing management personnel, and encouraging employees all over the world to develop managerial mindsets. I intend to continue suggesting ideas and different perspectives.

Appointed November 2007. Previously representative director, chairman and president of Accenture Japan Ltd. Currently a visiting professor in the Faculty of Science and Engineering of Waseda University, specializing in management design. External director at Meiji Holdings Co., Ltd.



Masaaki Shintaku

External Director

Independent Director

Accelerating into a New Era

Fast Retailing has worked to form a cohesive corporate Group and promote globalization. Now, it is transforming itself into a digital consumer retail company, and making solid investments in new fields including distribution transformation and IT systems. Nurturing talented managers to act as dynamic drivers of growth is vital at this time, and the company is steadily attracting personnel who eagerly tackle new challenges. The Board must work as a unified team to help accelerate progress and future growth.

Appointed November 2009. Previously executive vice president of Oracle Corp. (US) and chairman of Oracle Corp. (Japan). Currently vice chairman of Special Olympics Nippon Foundation and an external director at Works Applications Co., LTD.



Takashi Nawa

External Director

Independent Director

Improving Social Value

As a growing global company, it is important that Fast Retailing continues to improve its social value alongside its business growth and operational value. Accordingly, the company is working to build a strong identity in terms of the value it brings to society, seeking fresh growth opportunities by tackling social problems from a broad perspective. As an external director, I offer objective advice and expertise on environment, social and governance (ESG) matters to help Fast Retailing progress in this area.

Appointed November 2012. Previously a director of McKinsey & Company. Currently a professor in the Graduate School of International Corporate Strategy at Hitotsubashi University, president at Genesys Partners and external director at NEC Capital Solutions Limited, DENSO CORPORATION and Ajinomoto Co., Inc.

Auditors

1 Takaharu Yasumoto

External Statutory Auditor

Independent Director

Appointed November 1993. Currently president of the Yasumoto CPA Office. Serves as an statutory auditor for UNIQLO CO., LTD. and LINK THEORY JAPAN CO., LTD. and external statutory auditor at ASKUL Corp. and FRONTTEO, Inc.

2 Akira Watanabe

External Statutory Auditor

Independent Director

Appointed November 2006. A lawyer, he serves as an external director for MAEDA CORP, MS & AD Insurance Group Holdings, Inc. and Dunlop Sports Co., Ltd. He is also a part-time director at ASIA PILE HOLDINGS CORPORATION and an external statutory auditor at KADOKAWA DWANGO CORPORATION.

3 Keiko Kaneko

External Statutory Auditor

Independent Director

Appointed November 2012. Currently a partner in the Anderson Mori & Tomotsune law firm. Also serves as statutory auditor at UNIQLO CO., LTD. and external statutory auditor at The Asahi Shimbun Company.

4 Akira Tanaka

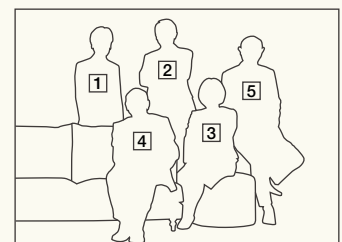
Internal Full-time Corporate Auditor

Appointed November 2006. Served as deputy president and advisor to McDonald's Co. (Japan), Ltd. (currently McDonald's Holdings Company (Japan) Ltd.).

5 Masaaki Shinjo

Internal Full-time Corporate Auditor

Appointed November 2012. Served as director of FR Group Auditing, FR Group Corporate Transformation and FR Corporate Management, internal auditor of G.U. CO., LTD. and director of Control Store Operations Support at UNIQLO CO., LTD.



THE UNIQLO BUSINESS

A photograph of a cyclist riding on a dirt road. The background is heavily blurred, showing a dirt path and some vegetation. The cyclist's hand on the handlebar and a portion of the front wheel are visible in the lower right corner.

UNIQLO,
PROPELLING
CLOTHING
INNOVATION



Our BLOCKTECH fleece with ultra-slim windproof coating is warm, easy to move around in and offers great protection against bitter winter winds. The boa fleece material has an airy texture similar to sheep's wool. This is the perfect winter sportswear.



HOW TO BE

The Secret to UNIQLO Success

UNIQLO is able to produce such an amazing number of unique products because our business model unifies the entire clothes-making process—from planning all the way through design, production and retail. UNIQLO's market share is expanding worldwide as it develops radical new materials together with the world's best fabric technology innovators and creates basic designs using superior natural materials. UNIQLO LifeWear is high-quality, innovative clothing that is universal in design and comfort—it is made for everyone, everywhere. UNIQLO leverages today's increasingly digital world to communicate directly with customers and quickly transform their desires into actual products.

UNIQLO'S CORE STRENGTHS

01 | Procuring the World's Best Materials

Only UNIQLO can offer world-class cashmere, supima cotton, merino wool and other quality fabrics at such reasonable prices. We do this by procuring the very best materials at the source. Our materials development team negotiates directly with natural materials manufacturers and fabric makers all over the world to secure a stable, high-quality and long-term supply. By placing larger, mass orders, UNIQLO also achieves much higher cost savings than other companies.

GREAT BECOMING WORLD NO.1

02 | Creating Fresh Demand with New Functional Materials

Our unique heat-generating HEATTECH material is now close to perfection thanks to a long partnership with leading synthetic materials manufacturer Toray Industries. Our cool-feel AIRism summer innerwear, our Ultra Light Down jackets (made of lightweight, fluff-free, high-density material) and our BLOCKTECH fleece (coated with an ultra-thin wind-proof film) are all products of the same essential inventiveness and ingenuity. Developing these innovative high-function materials and products has helped generate entirely new sources of demand.

03 | Simple, Elegant, Quality Clothing

Unlike many other apparel manufacturers, UNIQLO focuses on creating simple, everyday wear that can be worn by people of all ages. UNIQLO enjoys strong demand from a broad customer base. Our clothing is the epitome of simplicity, elegance and quality. UNIQLO has established a network of product development centers in Tokyo, New York, London, Paris, Shanghai and Los Angeles, which gather relevant fashion information from all corners of the globe and use it to fuel clothing research and design.

04 | Reassuring, High-quality Products

UNIQLO is proud of its high-quality products, which are based on the unrivaled traditional expertise of Japan's textile industry and UNIQLO's own "takumi" teams. Our takumi are highly skilled textile artisans who visit partner factories directly to impart technical expertise, build strong mutual trust, and ensure committed and thorough quality management. We also work together with partner factories to build working environments that comply with international standards. UNIQLO is committed to supplying consistently high-quality products at reasonable prices.

05 | Easy Shopping, In-store and Online

We consider everyone in the world a UNIQLO customer. Our vast range of men's, women's, and kids' and baby wear means that shopping at UNIQLO is a fun family event. Our well-organized displays make it easy to find what you want and customers appreciate our attentive in-store service. Our online shopping enables customers to select from a full range of special collaboration items, exclusive online ranges and semi-tailored clothing designed to satisfy every need. We are constantly expanding our products and services to make online shopping even more enjoyable and convenient.

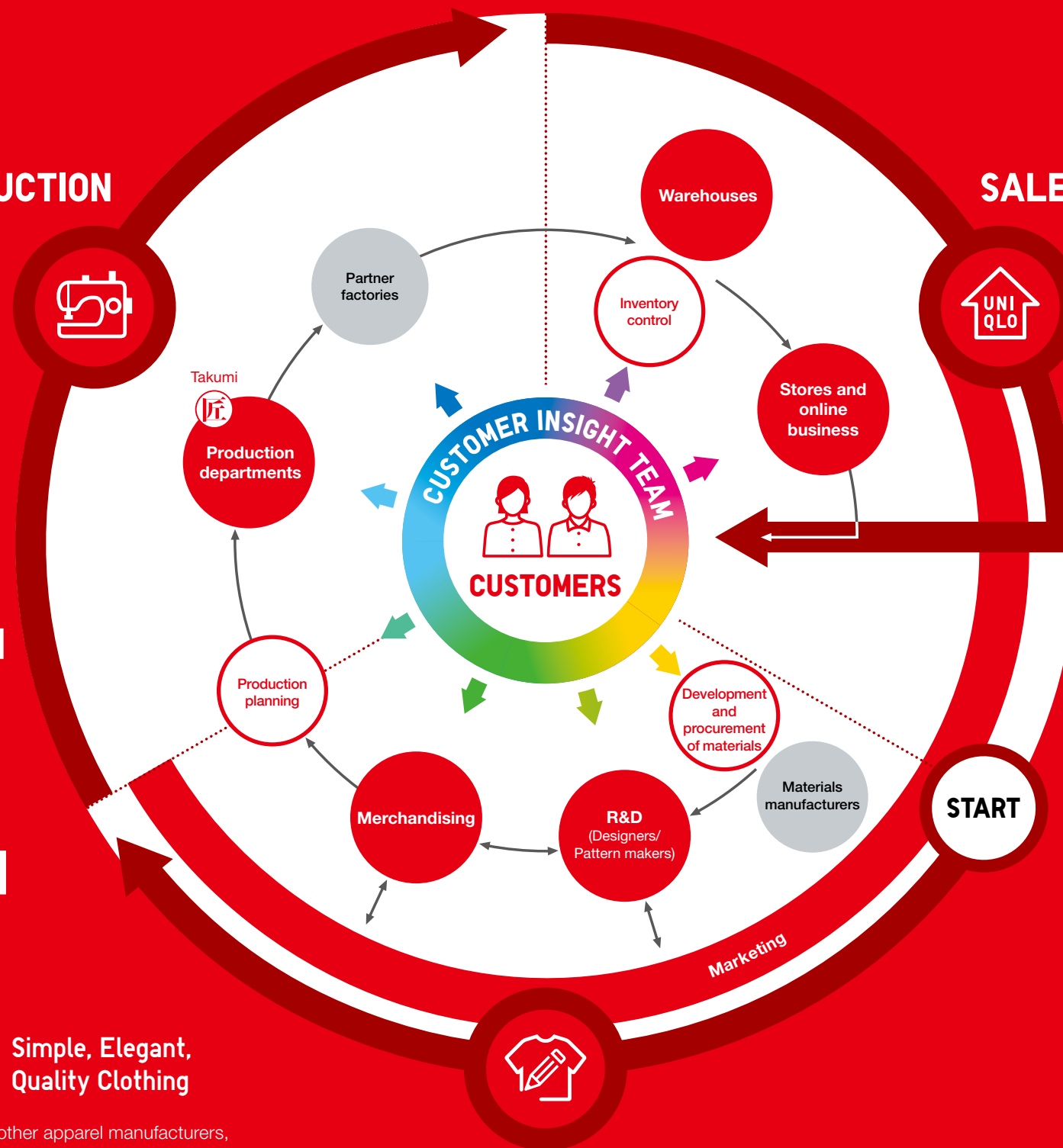
06 | A Business Model to Satisfy Every Customer Need

UNIQLO has a customer insight team. Its job is to ensure customer needs are incorporated directly into products. The team performs big data analysis of customer feedback, uniqlo.com browsing patterns and UNIQLO purchasing trends to rapidly understand the type of products customers are seeking. These insights are then incorporated into product development. This is helping us create a swift, sensitive business model that facilitates additional production of popular items and colors, and provides customers with exactly what they want, when and how they want it.

PRODUCTION

SALES

DESIGN

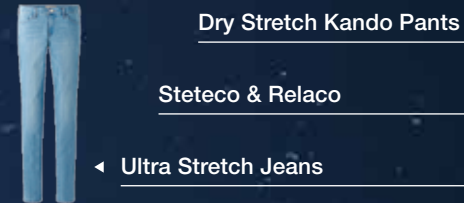


UNIQLO

UNIQLO
GROWTH THROUGH
MOST-LOVED
PRODUCTS

'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

Maternity



BLOCKTECH

Leggings Pants

UV Cut Cardigan

Danpan Warm Pants

Body Shaper

Ultra Light Down

Bra Top

AIRism

Skinny Jeans

Wireless Bra

Supima Cotton

Premium Linen

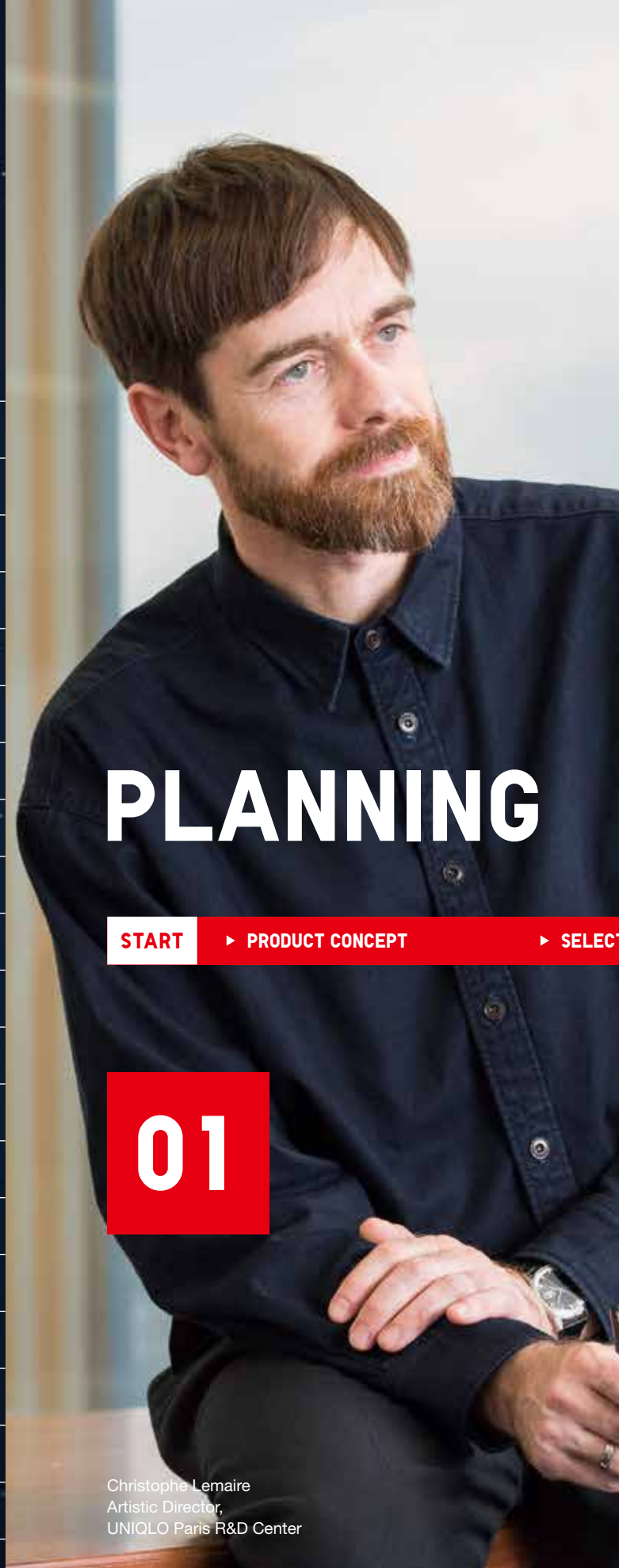
Extra Fine Merino

HEATTECH

Cashmere

UT (UNIQLO Printed T-shirt)

Fleece



PLANNING

START

▶ PRODUCT CONCEPT

▶ SELECT AND PROCURE MATERIALS

▶ DESIGN SAMPLES

01

Christophe Lemaire
Artistic Director,
UNIQLO Paris R&D Center

Research & Development (Designers/Pattern Makers)

UNIQLO's R&D centers continually research the latest new materials and the latest global fashions. Roughly one year before a product's intended launch, the R&D department holds a concept meeting with representatives from the merchandising, marketing and materials development teams to determine the right design concept. Designers then prepare designs and refine samples. Even after a design is decided, its color and silhouette can be refined multiple times before it is finalized.

Merchandising

Merchandisers play a vital role in the product creation process, from design through production. They communicate closely with many other departments before determining the planning, design, materials and marketing approaches required to satisfy pre-determined seasonal concepts. Merchandisers decide product lineups and production volumes for the fall, winter, spring and summer seasons. Many UNIQLO products are manufactured in mass lots of approximately one million items. Merchandisers also closely monitor sales levels and decide whether to increase or reduce production for particular items during a season.

Development and Procurement of Materials

UNIQLO can secure stable, high-volume supplies of top-quality materials at low cost by negotiating directly with materials manufacturers and placing large-volume orders. The materials used for our core items are particularly important.



Our in-depth research and experimentation generates multi-layered improvements in the functionality, feel, silhouette and texture of our clothes. For example, we work closely with the denim industry's reputed Kaihara Corporation to source denim of specific spinning standards and dyeing specifications. We also partner with Toray Industries, a world-leading synthetic fiber manufacturer, to create innovative high-function materials and products such as HEATTECH.



02

PRODUCTION

▶ FINALIZE DESIGNS

▶ SET PRODUCTION VOLUMES

▶ START PRODUCTION

Production Department

UNIQLO currently deploys about 450 production team staff and textile takumi (skilled artisans) to production offices in Shanghai, Ho Chi Minh City, Dhaka, Jakarta, Istanbul and Bangalore. Production teams visit partner factories each week to resolve outstanding production quality or management issues. Customer concerns regarding quality are communicated immediately to the production department, and improvements are made.



UNIQLO Takumi Teams

“By offering instruction on dyeing technology at UNIQLO’s partner factories, I can encourage workers to embrace a new production management philosophy and improve the factories they work in. Our cultures may be different, but our aim is the same—to make truly good products. I am proud to be passing on expert Japanese techniques to the next generation of technicians.”



Dyer Takumi
Kazuaki Iida



Production Network

As UNIQLO expands globally, we have formed business relationships with partner factories worldwide in countries such as China, Vietnam, Bangladesh and Indonesia. We are looking to expand our manufacturing base by developing relationships with factories closer to UNIQLO stores in Europe, the United States and elsewhere.

UNIQLO Production Offices





03

SALES

▶ SHIP TO INDIVIDUAL COUNTRIES

▶ START TV COMMERCIALS

▶ START ADDITIONAL PRODUCTION

Inventory Control

The inventory control department maintains the optimum level of store inventory. It does this by monitoring sales and stock on a weekly basis, and then dispatching necessary inventory and new products to fulfill orders. At the end of each season, merchandisers and the marketing department work together to coordinate the timing of any price changes to help ensure that inventory sells out.



Promotional flyer

Marketing

Each season, UNIQLO conducts promotional campaigns for core products such as fleece, Ultra Light Down jackets, AIRism and HEATTECH. During the campaigns, UNIQLO advertises the products' unique qualities and noteworthy features on TV and in other media. In Japan, for example, weekly flyers in the Friday edition of national newspapers, which are delivered to most households, announce week-long 20–30% off campaigns to promote new items.



TV commercial

Stores

UNIQLO Japan had 831 stores (including 41 franchise stores) at the end of August 2017. UNIQLO International has expanded to 1,089 stores, including 645 in Greater China (Mainland China, Hong Kong and Taiwan), 179 in South Korea, 163 in Southeast Asia & Oceania, 56 in Europe and 46 in North America. New store openings have been especially rapid in Greater China and Southeast Asia.



Roadside UNIQLO store

Online Sales

Online sales are increasingly important. In Mainland China and the United States, these sales account for over 10% and 20% of our total revenue, respectively. In Japan, online sales accounted for ¥48.7 billion, or 6.0% of the total, in FY2017. There, we have improved our online services by enabling customers to collect online purchases from nearby convenience stores or UNIQLO locations. We are looking to expand online sales worldwide by offering a fuller range of exclusive online products, special online sizes and semi-order-made goods.

**UNI
QLO**.com



▶ IN-STORE AND ONLINE SALES

CUSTOMERS

Customer Insight Team

Our customer insight team is growing in importance every year. It uses big data—including product comments, purchase trends and requests submitted to our Customer Center and made online—and analyzes this information to predict demand and make product improvements. UNIQLO production often continues into the selling season, and demand predictions help us make effective mid-season judgments and adjustments. The information gained through data analysis also helps us to create the products customers most desire.



UNIQLO GLOBAL PRESENCE

NEW YORK

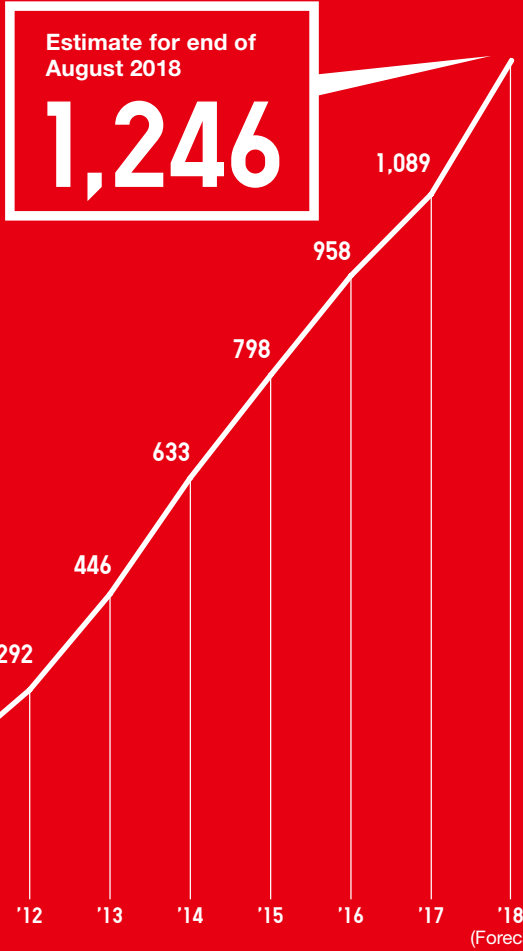
LONDON



SHARING THE JOY OF GREAT CLOTHES WORLDWIDE

BERLIN

SHANGHAI

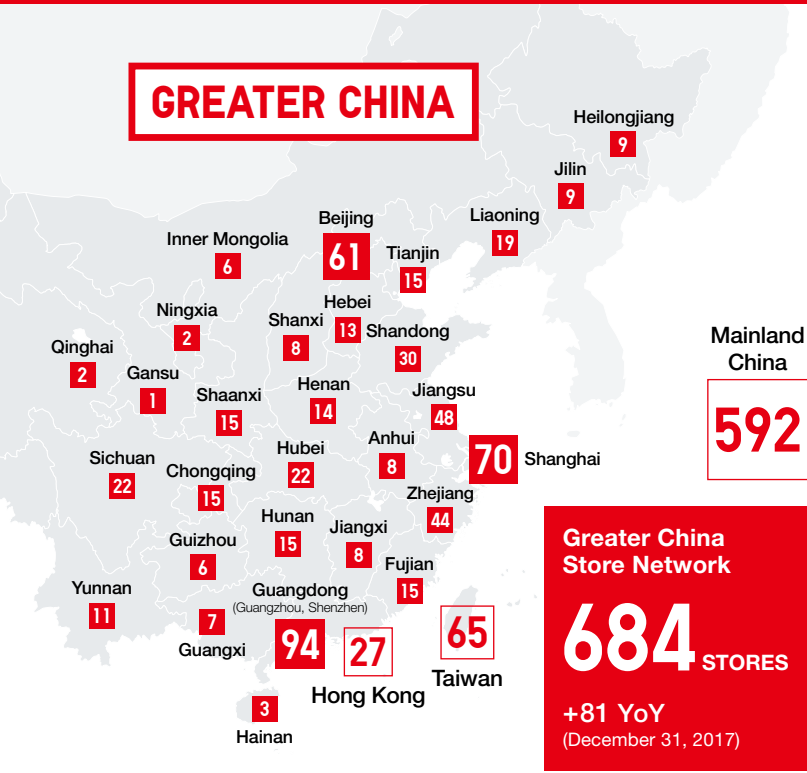




Greater China Five-Year Revenue Target: ¥1 Trillion

UNIQLO SHANGHAI store (global flagship store)

MAINLAND CHINA



UNIQLO Greater China, which refers to three markets—Mainland China, Hong Kong and Taiwan—generated record results in FY2017, with revenue of ¥346.4 billion (+4.1% YoY) and operating profit of ¥50.1 billion (+37.0%). The revenue gain is deceptively low due to exchange rate effects and below-target growth in Hong Kong and Taiwan amid sluggish economic conditions. However, UNIQLO continued to expand favorably in Mainland China, reporting a double-digit rise in sales in local currency terms.

Three main factors underpin our strong performance. First, customers fully appreciate the UNIQLO brand and LifeWear concept, thanks to effective digital marketing, including blogs and other social media. UNIQLO has been ranked the number one fashion retail brand in China Internet Weekly's digital marketing brand rankings for three consecutive years. Second, our local-store management policy has been effective. Mainland China is huge, so we encourage individual stores to create product mixes that suit local climates and needs, reducing



NING PAN

CEO, UNIQLO Greater China
Group Executive Vice President,
Fast Retailing Co., Ltd.

unnecessary inventory and improving profitability. Weekly meetings with stores help resolve issues and improve their business costs ratios. Third, we reduced costs through a project to review new-store negotiations and overhaul logistics.

The Greater China market has enormous potential and we have improved the operation's profit structure considerably over the past two years. With concerns about a Chinese economic slowdown now fading, we have decided to set challenging five-year growth targets of ¥1 trillion annual revenue and ¥200 billion annual operating profit.

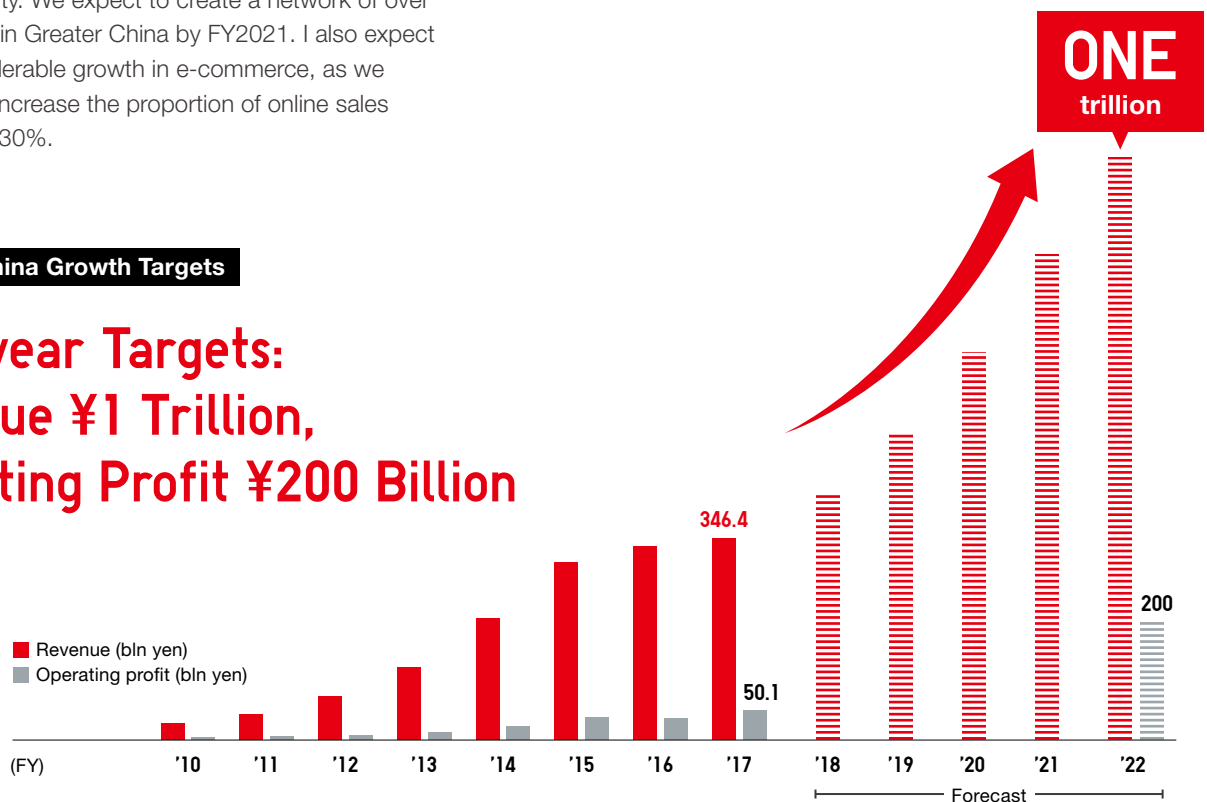
Key to this growth strategy will be the continued opening of approximately 100 high-quality new stores each year, and a focus on improving per-store sales and profitability. We expect to create a network of over 1,000 stores in Greater China by FY2021. I also expect to see considerable growth in e-commerce, as we endeavor to increase the proportion of online sales from 10% to 30%.

Developing the required human resources to support this high-growth strategy in Greater China is an important challenge for management. Ever since we began expanding the store network in 2008, I have been personally committed to training individual employees in the FR management philosophy through monthly discussions based on *FR: In Spirit and Action* and Mr. Yanai's own *Notes on Becoming a Business Leader*, among other topics. It is our strong corporate philosophy that earns customer support.

My job is to ensure UNIQLO maintains its position among over 1.4 billion consumers in Greater China as an essential brand for everyday living.

Greater China Growth Targets

**Five-year Targets:
Revenue ¥1 Trillion,
Operating Profit ¥200 Billion**



New Horizons for Southeast Asia & Oceania



Eight years after opening its first store in Singapore, UNIQLO Southeast Asia & Oceania now boasts 178 stores (Singapore: 25, Malaysia: 43, Thailand: 35, Philippines: 47, Indonesia: 14, Australia: 14). The UNIQLO Orchard Central Store, the region's first global flagship store, opened in fall 2016 in Singapore and has quickly become a beacon of UNIQLO's fashion and philosophy in Southeast Asia. Customer support is growing thanks to increased brand awareness and a deepening appreciation of UNIQLO's LifeWear concept.

In FY2017, UNIQLO Southeast Asia & Oceania sales grew to approximately ¥110 billion and operating profit doubled year on year to approximately ¥14.0 billion, helping to improve overall profit margins. Dramatic increases in per-store sales helped push the business onto a strong growth track.

Individual countries within the region exhibit vastly differing climates, cultures, religions and fashion tastes, so we created specialist design teams to compile product mixes that serve each area's needs. We secured a broader customer base by offering a wider range of essential everyday items for year-round hot climates, such as T-shirts, polo shirts, short pants and UT T-shirts. We also developed the HANA TAJIMA FOR UNIQLO collection with UK-born designer Hana Tajima for markets with large Muslim populations such as Malaysia and Indonesia. This collection and Baju Melayu for men are proving extremely popular.

A concerted effort to improve the efficiency of business processes in Southeast Asia & Oceania has resulted in higher profitability. As part of that effort, we transformed distribution structures, worked with

An exquisite mix of traditional values and modern design from fashion designer Hana Tajima. The HANA TAJIMA FOR UNIQLO collection offers the perfect LifeWear for women in the modern era.



SINGAPORE

UNIQLO Orchard Central store, Singapore (global flagship store)

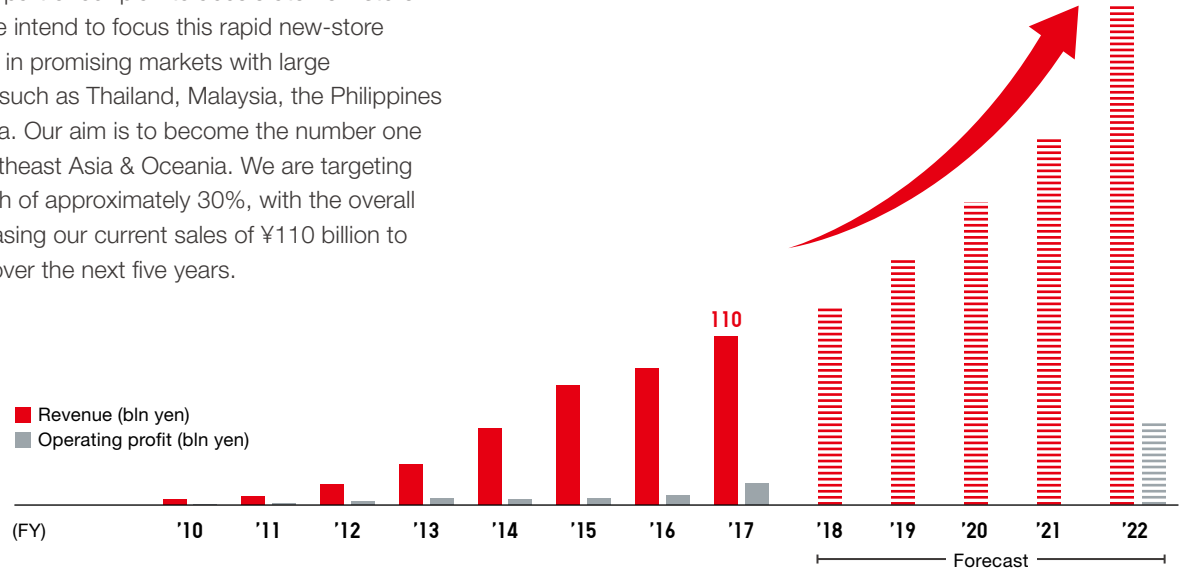
distribution companies to achieve additional efficiencies, reviewed in-store inventory levels and improved personnel cost ratios. We reviewed our new-store negotiating process in preparation for a future mass expansion and successfully reduced purchasing costs by increasing local production ratios.

We are working hard to train new management personnel as part of our plan to accelerate new store openings. We intend to focus this rapid new-store development in promising markets with large populations, such as Thailand, Malaysia, the Philippines and Indonesia. Our aim is to become the number one brand in Southeast Asia & Oceania. We are targeting annual growth of approximately 30%, with the overall goal of increasing our current sales of ¥110 billion to ¥300 billion over the next five years.

Southeast Asia & Oceania Growth Targets

**Revenue of
¥300 Billion
within Five Years**

**300
billion**



SPAIN

First Spanish store, UNIQLO Passeig de Gràcia, opened September 20, 2017 in Barcelona

Expand Urban Stores, Enter New Markets



UNIQLO Europe turned a profit in FY2017. Performance proved especially strong in France, the UK and Russia thanks to increasingly popular Ultra Light Down, UT T-shirt and HEATTECH ranges.

Our first Spanish store, opened in Barcelona in September 2017, got off to a very strong start. Rising three stories and adorned with stained glass windows and a traditional Catalonian chandelier, its open atrium represents the essence of the entire store. The stairway walls are lined with large screens featuring UNIQLO products and original movies about Japan. UNIQLO is showcased as a brand founded on aspects of Japanese culture, including pride in one's work, a serious approach to manufacturing, attentive selection of materials and refined, cool design. It is important to ensure that European customers, whose cultural and

historical backgrounds are different than those in Japan, understand the culture and concepts that underpin the UNIQLO brand.

In Europe, customer tastes differ between countries, and within countries as well. That's why it is so important to appoint staff to each store who understand local needs and can put together the most appropriate product mix. Joint collections with European designers like Ines de la Fressange and Jonathan William Anderson, as well as Uniqlo U designs by our Artistic Director Christophe Lemaire, are extremely popular and help draw many customers into UNIQLO stores.

Following stable performance, UNIQLO Europe is looking to grow. We will open more stores in major cities and expand UNIQLO's geographical reach by entering new markets, such as Sweden in fall 2018.



UNIQLO Montpellier store, France





JW ANDERSON



Jonathan William Anderson
Designer

Originally from Northern Ireland, JW Anderson became interested in theatrical clothing as an aspiring actor and launched the JW ANDERSON fashion house in 2008. His inventive style earns high praise from fashion critics and buyers worldwide. The winner of numerous British Fashion Awards, JW Anderson is considered to be one of London's most innovative young designers.

Ingenious London Brand Inspires UNIQLO

The UNIQLO and JW ANDERSON collection, designed in collaboration with London's most captivating fashion brand, has enjoyed huge success since its launch in fall 2017.

Designer JW Anderson himself explains: "UNIQLO and JW ANDERSON share the same passion for making exciting new clothes, and the same aesthetic desire to create a strong impact by shedding erroneous detail in order to accentuate fabric and silhouette."

JW Anderson has used vivid, bold colors and designs to create this glorious collection of traditional British trench coats, hunting jackets and Fair Isle sweaters. The collaboration has inspired a new side to UNIQLO—an exquisite combination of UNIQLO's LifeWear concept for ultimate comfort and high-quality everyday clothing with JW ANDERSON's energy and creativity.

GLOBAL BRANDS



OSAMU YUNOKI

Chief Executive Officer
G.U. CO., LTD.

GU



More Freedom with Fashion

In keeping with its brand concept of “more freedom with fashion,” GU is working hard to improve performance by reforming its supply chain, increasing the number of products it offers, digitalizing stores to make customer service better and growing its international brand presence.

GU increased its product ranges to maximize customer enjoyment, and popular products ended up flying off the shelves. In response to strong demand, we ordered additional production and created new on-trend designs mid-season. We increased the number of mannequins and dressed them in appealing outfits to showcase the latest fashion themes.

We drew on cutting-edge technology to pilot a “digital fashion store” at GU in Yokohama Northport Mall in September 2017. The store’s new smart cart shopping experience was an instant hit. Each style-smart cart is equipped with a monitor that can display images and information about 1,000 GU outfit combinations. The digital fashion store also features special beacons designed to enhance the shopping experience. When a customer approaches one, the monitor on the cart will display shopping recommendations. Additionally, the style-smart cart shows customer reviews and information on the colors and sizes in stock at the store. If an item is out of stock in-store but available online, it can be delivered to the customer’s home. Customers can also use self-service cash registers for speedy payment. GU is looking into

additional digital services that make in-store shopping more fun.

GU had 358 stores in Japan at the end of August 2017. We will continue expanding the GU Japan network and will increase the number of GU International stores from 14 to 50 in the near future. The GU store opened in Hong Kong in spring 2017 has performed especially well and performance is also picking up in Mainland China and Taiwan. We are determined to revolutionize operations and transform GU into a unique fast moving brand from Japan with targeted sales of ¥1 trillion.



Style-smart carts introduced at the Yokohama Northport Mall store

Theory

Theory **P L S T**

HELMUT LANG

Elegant Contemporary Fashion

Launched in New York in 1997, Theory is a leader in contemporary fashion that offers elegant style to modern women and men. The brand's acclaimed comfort stems from its perfectly fitting designs and superior materials. Other brands under Theory include HELMUT LANG and PLST, which originated in Japan. At the end of August 2017, Theory had 538 stores and sales of approximately ¥100 billion.



J Brand

J BRAND

The Innovative Premium Denim Label from L.A.

J Brand is a Los Angeles-based fashion brand that specializes in premium denim. J Brand products are recognized for their high-quality fabrics, beautiful silhouettes and perfect fit. J Brand is sold in well-known department stores and specialty boutiques in over 20 countries, with a large presence in the United States. UNIQLO is using J Brand technology to develop new denim fabrics in its Jeans Innovation Center.





Comptoir des Cotonniers

COMPTOIR DES
COTONNIERS

Refined, Timeless Fashion with French Esprit

Founded in 1995 with boutiques in Paris and Toulouse, the Comptoir des Cotonniers (CDC) women's fashion brand offers timeless collections full of French esprit that appeal to the modern city woman. A high-quality yet affordable luxury brand, CDC's naturally elegant clothing features quality fabrics and sharp silhouettes and is perfect for any occasion. At the end of August 2017, CDC had a total of 333 stores worldwide, with a large presence in France.

Princesse tam.tam

PRINCESSE tam • tam
PARIS

A Graceful French Brand that Values Individuality

Princesse tam.tam (PTT) is a French brand that offers lingerie, loungewear, swimwear and sportswear featuring original prints and bright colors. Its brand concept of "lingerie made by women for women" has resonated with customers everywhere. Benefiting from the skills of France's corsetry industry, PTT garments are finely crafted to the smallest detail. PTT items are sold in leading European department stores and boutiques, and an increasing number of stores worldwide.



SUSTAINABILITY





Unlocking the Power of Clothing

We believe we can turn the power of clothing into a force for good. By designing, making and selling good clothing, we can make the world a better place.

Good clothing means simple clothing, high in quality, and built to last. It's clothing that enriches the lives of people who wear it by giving them comfort, protection and pleasure. It is produced in a way that is harmonious with nature, without excessive burden on the environment.

Good clothing is made by people of diverse backgrounds working with energy and enthusiasm, under conditions where their health, safety and human rights are respected and upheld.

And we will extend this same spirit to our customers and all our stakeholders, working with them to aspire to a better society where we all thrive.

This is our promise: to always work toward a better, more sustainable society.



Strict Environmental Standards Across the Supply Chain

- ▶ Minimize environmental impact through supply chain processes
- ▶ Reduce water and energy use at materials factories
- ▶ Reduce emissions of harmful chemical substances to zero
- ▶ Reduce CO₂ emissions and energy use in stores
- ▶ Remove boundaries between companies for a united approach to sustainability
- ▶ Promote joint initiatives with industry organizations and NGOs

Reducing Harmful Chemical Emissions to Zero by 2020

Fast Retailing aims to reduce its emissions of harmful chemical substances to zero by 2020. It has already published a list of target chemicals on its website. As we work toward our goal, we ask partner factories to reduce their emissions and we conduct regular monitoring to evaluate progress. If we discover an issue, we immediately dispatch a takumi team of dyeing and materials manufacturing experts to offer support and carry out improvements.

In 2012, we added alkylphenol ethoxylates (APEOs), widely used as detergents in the textile industry, to our restricted substance list. We use strongly worded contracts and visit factories directly to emphasize the importance of stopping the use of APEOs. In 2016, we reduced the use of perfluorinated compound (PFC) durable water repellents to approximately 2% of retailed products. We ceased all PFC use from the 2017 Fall Winter season.





Reducing CO₂ Emissions at UNIQLO Stores

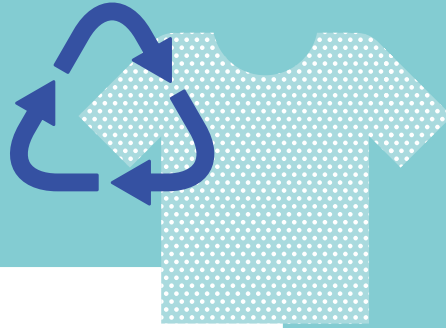


UNIQLO Japan has set a FY2020 target to reduce shop-floor area CO₂ emissions by 10% compared to levels from FY2013. To achieve this, we are providing training on how to reduce electricity usage in stores and working with manufacturers to develop smarter air conditioner controllers that better regulate in-store temperatures. We are switching all store signage to LEDs and aim to introduce LED lighting inside all our stores as well. We introduced a similar initiative at GU Japan and UNIQLO Mainland China stores in FY2015.



Cutting Environmental Impact of Major UNIQLO Materials Producers

Fast Retailing makes approximately 1.2 billion items of clothing each year, so we are serious about reducing the environmental impact of clothing manufacturers. In 2014, Fast Retailing joined the Sustainable Apparel Coalition (SAC). In 2015, FR introduced the SAC's Higg Index for environmental appraisal standards at major UNIQLO partner factories. The Higg Index evaluates environmental standards such as greenhouse gas emissions, waste water, energy use and level of chemical substances. We use the results to become better at helping partner factories minimize their environmental impact.



All-Product Recycling Initiative

The All-Product Recycling Initiative, launched in 2006, delivers clothing aid to refugees and displaced persons around the world through UNIQLO's global partnership with the UNHCR (the Office of the United Nations High Commissioner for Refugees) and other organizations. In November 2016, staff visited Myanmar to donate approximately 60,000 items. Conflict fueled by ethnic and religious differences in Myanmar has displaced many people, and forced them into terrible hardship. By the end of August 2017, we had donated 25.58 million items worldwide of secondhand clothing collected in UNIQLO and GU stores. We will continue using the All-Product Recycling Initiative to support refugees and displaced persons.



SOCIAL

Meaningful Initiatives with Business Partners, Employees and Local Communities

- ▶ Ensure partner factory environments are healthy, safe and respectful of worker rights
- ▶ Protect fundamental employee rights, respect all personnel and promote human resource training
- ▶ Promote work-life balance and high employee satisfaction
- ▶ Expand hiring of people with disabilities and support of refugees
- ▶ Donated 5.25 million items of clothing in FY2017 through our All-Product Recycling Initiative (25.58 million items to date)



Monitoring Working Environments Across the Supply Chain

Fast Retailing has an established Partner Factory Code of Conduct and it works with manufacturing partners to ensure that the places UNIQLO clothing is made are safe, appropriate working environments. UNIQLO began monitoring working conditions in primary partner garment factories in 2004. We extended the system in 2015 to include working conditions and environmental impacts at fabric suppliers, which constitute 70% of UNIQLO's production volume. Fast Retailing encourages partner factories to appoint specialized inspectors, and create proper inspection systems to improve the monitoring of working environments.



Monitoring Results (As of August 31, 2017)

Grade	Description	FR Group (UNIQLO)			
		FY2014	FY2015	FY2016	FY2017
A	No violations	1 (1)	5 (1)	55 (25)	67 (31)
B	One or more minor violations	175 (115)	202 (115)	239 (125)	250 (139)
C	One or more major violations	72 (32)	171 (73)	160 (65)	196 (84)
D	One or more severe violations	77 (17)	75 (28)	44 (14)	49 (13)
E	Highly unethical, serious offense (immediate review of contract)	7 (3)	19 (10)	13 (6)	14 (6)
Number of factories monitored		332 (168)	472 (227)	511 (235)	576 (273)

In FY2017, direct visits from Fast Retailing (FR) Sustainability Department experts and improved support increased the number of A-grade partner factories.

FR plans to offer stronger guidance after finding many D-grade partner factories were having trouble responding to changes in laws related to employee compensation and benefits.

We requested partner factories that received an E grade in FY2016 to improve the things stipulated during the monitoring process, and, at times, we either revised or ceased production orders following discussions by the business ethics committee. We are asking factories receiving E grades for FY2017 to make similar improvements.



Fostering Prompt, Transparent Management

GOVERNANCE

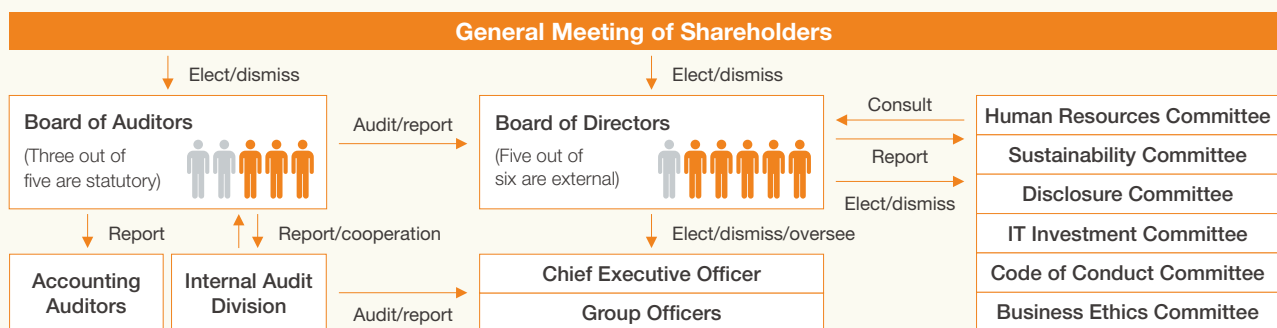
- ▶ Strengthen the Board’s independence and oversight ability by having a majority of directors from outside the company
- ▶ Promote swift, open debate and decision-making in the individual committees that support the Board
- ▶ Use a delegated authority system to ensure management decision-making and business execution are separate functions

■ Outline of Corporate Governance (Year ended August 31 2017)

Form of Organization	Corporate auditor governance model	
Chairman of the Board	Tadashi Yanai	
Number of Directors	6, including 5 external directors	
Number of Auditors	5, including 3 statutory auditors	
Board of Directors Meetings in Fiscal 2017	• Number of Meetings	13
	• Director Attendance*1	100%
	• Auditor Attendance*2	98.5%
	• Sample Agenda	Fiscal year budget, Approval of corporate results, Approval of executive appointments, UNIQLO USA business, Ariake Project
Board of Auditors Meetings in Fiscal 2017	• Number of Meetings	13
	• Auditor Attendance*2	96.9%
	• Sample Agenda	Auditing policy, Auditing planning, Discussion with Executive Board, Current distribution department challenges and issues, Key labor issues, Accounting compliance, Auditing of UNIQLO Japan and UNIQLO International stores
Main Meetings Requiring Auditor Attendance	Board of Directors meetings, Human Resources Committee, Sustainability Committee, Disclosure Committee, IT Investment Committee, Code of Conduct Committee, Business Ethics Committee	
Election of Independent Directors	4 external directors and 3 statutory auditors elected	
Determination of Individual Director Remuneration	Overall limit approved at the general shareholders’ meeting. Individual remuneration determined by the Executive Board to reflect occupational duties, responsibilities, actual performance and contributions. Fiscal 2017 compensation to the six directors totaled 290 million yen, including 50 million yen to external directors.	
Determination of Individual Auditor Remuneration	Overall limit determined at the general shareholders’ meeting. Individual compensation decided through mutual consultation between auditors. Fiscal 2017 compensation to the five auditors totaled 65 million yen, including 29 million yen to statutory auditors.	
Accounting Auditor	Ernst & Young ShinNihon LLC	

*1 Average attendance of each director *2 Average attendance of each auditor

■ Corporate Governance at Fast Retailing (As of August 31, 2017)



Our Approach to Corporate Governance

As we at Fast Retailing seek to become the world's number one digital consumer retail company, we undertake corporate governance to foster growth, proper management and a responsive and transparent corporate structure. We have implemented measures to ensure the independence and robust oversight powers of the Board.

Fast Retailing operates under a delegated authority system, in which the CEO and the Board delegate discretion over the execution of business administration to specific corporate officers. This is done to separate the decision-making and executive functions and encourage dynamic

management. The majority of directors on the Board are external, to heighten the Board's independence and its surveillance ability.

The Group has adopted the corporate auditor governance model, which assigns responsibility for the oversight of corporate governance to a Board of Auditors. Fast Retailing has separate governance committees which support the decision-making duties of the Board in the following areas: human resources, sustainability, disclosure, IT investment, our Code of Conduct and business ethics.



External Auditor Interview

Diverse Opinions Ensure Appropriate Management

Keiko Kaneko

External Statutory Auditor

Fast Retailing Encourages Forward-thinking Governance

Fast Retailing's governance is forward-thinking in several respects, including the fact that five out of the six Board members are external directors—the lone exception is Fast Retailing President Tadashi Yanai. In addition, three out of five auditors are external statutory auditors. These external directors and auditors have diverse professional backgrounds and expertise, so they are able to offer a wide range of opinions on proposals submitted to the Board.

Fast Retailing is still a relatively young company pursuing fast growth. It's no exaggeration to say that Mr. Yanai is a management genius, and I am often extremely impressed by his business judgments. However, when I think we need to apply the brakes and take time to review a situation, I make sure to voice my candid opinion. Improvements can cost money and hinder speedy management, but if they are necessary for the sake of the company, it is important that directors and auditors speak frankly to ensure these improvements are made smoothly.

Mr. Yanai may be the founder of the company, but he always asks directors and auditors for their honest opinions when weighing different options. There are directors and auditors who have served on the Board for a long time and have a deep understanding of company processes, and sometimes their views are diametrically opposed to Mr. Yanai's. However, we all enjoy a strong relationship of trust, and Mr. Yanai listens carefully to directors and auditors and considers all issues from multiple angles. Mr. Yanai also assesses his own management decisions in an unbiased way by asking what other companies are doing and checking if our company's actions are unusual. He is always objective about management and receptive to the opinions of others. These might seem like easy things to do, but they are exceptionally difficult.

I intend to continue working hard as an external auditor to strengthen Fast Retailing's governance.

Roles and Activities of the Committees

■ Human Resources Committee

The human resources committee, chaired by an external director, discusses important organizational changes and adjustments to human resource systems across the Group, and offers views and suggestions to the Board.

■ Sustainability Committee

Discusses and determines Fast Retailing's overall sustainability strategy, the compilation and publication of the annual sustainability report, environmental protection, social responsibility activities, compliance and diversity. The head of the sustainability department chairs the committee, which is also attended by external directors and auditors, as well as others.

■ Disclosure Committee

The disclosure committee, chaired by the individual in charge of disclosing information to the Tokyo Stock Exchange (TSE), boosts management transparency by disclosing information that is timely, accurate, fair and easy to understand. The committee is responsible for timely disclosure to the TSE and the Stock Exchange of Hong Kong as well as voluntary disclosure of information that may materially impact investor and shareholder investment decisions.

■ IT Investment Committee

This committee debates and advises on the IT investments that will best achieve the Group's digital innovation targets, deliberating on the efficacy of individual investments, and checking whether IT investment budgets submitted by external specialist organizations are reasonable and appropriate.

■ Code of Conduct Committee

The Code of Conduct committee considers how best to resolve any violations of the Fast Retailing Group Code of Conduct (CoC), and make improvements. It advises on educating executives and employees about the CoC and on operating the internal reporting system (hotline). The committee is chaired by the head of the legal and compliance department and committee members include a lawyer acting in the capacity of an external auditor.

■ Business Ethics Committee

This committee ensures the Group does not use an advantageous position to exert undue pressure on business counterparts such as partner factories and suppliers. The committee provides advice and counsel to departments based on external field inspections and partner company surveys. The committee is chaired by the head of the sustainability department and committee members include a lawyer acting in the capacity of an external auditor.

■ Composition of Committees (As of January 11, 2018)

●=Committee Member

		Human Resources Committee	Sustainability Committee	Disclosure Committee	IT Investment Committee	Code of Conduct Committee	Business Ethics Committee
Internal Director	Yanai	●	●	●	Chairperson		
	Hambayashi	Chairperson					
External Directors	Hattori						
	Murayama				Observer		
	Shintaku				Observer		
	Nawa	●	●				
Internal Full-time Auditors	Tanaka	●	●			●	Observer
	Shinjo			●	●		●
External Statutory Auditors	Yasumoto		●				●
	Watanabe						●
	Kaneko	●				●	
Number of Group Officers, External Experts, etc.		4	7	4	6	6	5

Notes:

The head of the sustainability department chairs both the sustainability committee and the business ethics committee.

The disclosure committee is chaired by the individual responsible for disclosing information to the Tokyo Stock Exchange.

The head of the legal and compliance department chairs the Code of Conduct committee.

The required notification pertaining to independent directors has been submitted to the Tokyo Stock Exchange for Toru Hambayashi, Nobumichi Hattori, Masaaki Shintaku, Takashi Nawa, Takaharu Yasumoto, Akira Watanabe and Keiko Kaneko.



Fast Retailing Head Office, Yamaguchi

Internal Control

Fast Retailing seeks to improve its corporate ethics and compliance through a number of internal controls designed to ensure strict adherence to Group policies and rules, including the Group's management principles, the Fast Retailing Way and the Fast Retailing Group Code of Conduct. Fast Retailing is committed to developing Group-wide

compliance systems and problem resolution mechanisms. The internal audit division oversees the Fast Retailing Group internal control system. The legal and compliance department deals with compliance issues, and the executive officer for legal affairs is responsible for overall compliance.

Fast Retailing Code of Conduct (CoC) for Officers and Employees

We teach the Fast Retailing Group CoC principles to all officers and employees through a mandatory online course and strongly encourage everyone to sign a written commitment to them. Anyone can report a potential violation of the CoC or discuss work concerns via our internal reporting system (hotline). Employees receive confidential advice pertaining to communication problems

with managers, sexual harassment, working hours and paid vacations, renewal of employment contracts, etc. In some cases, advice can be sought from external legal counsel. The Code of Conduct committee regularly monitors the compliance system and hotline operation and may offer advice or recommendations to relevant departments if necessary.

Guidelines to Prevent the Abuse of Superior Bargaining Power

Building equal and amicable relationships with our business partners is extremely important. The Fast Retailing Group is in a particularly strong position in terms of bargaining power given that it operates approximately 3,300 stores worldwide and has annual sales of ¥1.8619 trillion. As a preemptive measure, the business ethics committee established the

Guidelines to Prevent the Abuse of Superior Bargaining Power, which ensure that our partner factories and suppliers do not consider themselves under inappropriate pressure from us. The business ethics committee sends surveys to the Group's principal business partners on an annual basis, and advises the relevant departments if any issues arise.

Stronger Compliance Training for Officers and Employees

The legal and compliance department aims to cultivate stronger ethical values and crisis response capabilities among all Group officers and employees by offering online courses and other training opportunities. The courses offer detailed step-by-step advice on concrete considerations that

are likely to emerge in daily business activities. Online courses in FY2017 focused on a variety of topics including social media and information handling; insider trading regulations; information display guidelines; and subcontracting law and preventing abuse of a dominant bargaining position.

FINANCIAL INFORMATION

FINANCIAL SUMMARY

FAST RETAILING CO., LTD. and consolidated subsidiaries
Fiscal years ended August 31

	JGAAP			
	2008	2009	2010	2011
For the year				
Net sales/Revenue	¥ 586,451	¥ 685,043	¥ 814,811	¥ 820,349
Operating income/Operating profit	87,493	108,639	132,378	116,365
EBITDA *1	97,467	112,621	152,141	141,716
Income before income taxes and minority interests/ Profit before income taxes	81,994	95,487	116,867	93,881
Net income/Profit attributable to owners of the parent	43,529	49,797	61,681	54,354
Net cash provided by operating activities/ Net cash from operating activities	87,336	59,214	88,623	57,158
Net cash from/(used in) investing activities	(15,421)	(34,273)	(23,389)	(26,643)
Free cash flow *2	71,915	24,941	65,234	30,515
Net cash from/(used in) financing activities	(19,054)	(16,847)	(28,897)	(26,156)
Cash and cash equivalents *3	169,888	169,574	200,462	202,104
Depreciation and amortization	8,523	9,765	12,229	18,755
Capital expenditures *4	21,017	22,601	28,018	33,993
At year-end				
Total assets	¥ 404,720	¥ 463,285	¥ 507,287	¥ 533,777
Total net assets/Total equity	264,014	261,413	287,987	319,911
Interest-bearing debt	20,016	35,400	28,834	28,263
Reference indices				
Operating income margin/Operating profit margin (%)	14.9%	15.9%	16.2%	14.2%
ROE/Ratio of profit to equity attributable to owners of the parent (%)	17.3	19.1	22.6	18.1
Equity ratio/Ratio of equity attributable to owners of the parent to total assets (%)	64.7	56.0	56.3	59.0
Debt-equity ratio (%)	7.6	13.6	10.1	9.0
Dividend payout ratio (%)	30.4	32.7	38.0	33.7
Per share data (yen, dollar)				
Net income/Profit attributable to owners of the parent (EPS)	¥ 427.38	¥ 488.96	¥ 605.99	¥ 533.93
Net assets/Equity attributable to owners of the parent	2,572.09	2,550.86	2,804.34	3,091.17
Cash dividends	130.00	160.00	230.00	180.00
Other data (at fiscal year-end)				
Number of shares outstanding	106,073,656	106,073,656	106,073,656	106,073,656
Market capitalization (¥ billion, \$ million) *5	¥ 1,180.6	¥ 1,182.7	¥ 1,228.3	¥ 1,535.9
Number of subsidiaries	21	96	90	98
Total number of stores	1,958	2,258	2,203	2,088
Directly-operated stores in Japan	[1,310]	[1,454]	[1,370]	[1,213]
Directly-operated stores overseas	[294]	[397]	[474]	[491]
Franchise stores	[354]	[407]	[359]	[384]
Commercial complexes	4	4	4	4
Total sales floor space (m ²) *6	685,942m ²	740,489m ²	847,523m ²	938,896m ²
Number of full-time employees	8,054	11,037	11,596	14,612

*1 EBITDA (JGAAP) = Operating income + Depreciation and amortization + Amortization of goodwill

EBITDA (IFRS) = Operating profit + Depreciation and amortization

*2 Free cash flow = Net cash from operating activities + Net cash from/(used in) investing activities

*3 Cash and cash equivalents (JGAAP) includes cash, time deposits with maturities of generally three months or less and marketable securities.

Cash and cash equivalents (IFRS) includes cash, bank deposits with maturity over three months and marketable securities.

Millions of yen JGAAP	Millions of yen (except Per share data and Other data)					Thousands of U.S. dollars *5	
	2012	2013	2014	2015	2016	2017	YoY
¥ 928,669	¥1,142,971	¥1,382,935	¥1,681,781	¥1,786,473	¥1,861,917	+4.2%	\$16,862,141
126,450	134,101	130,402	164,463	127,292	176,414	+38.6	1,597,667
150,687	157,708	161,210	202,221	164,089	216,102	+31.7	1,957,096
123,390	155,732	135,470	180,676	90,237	193,398	+114.3	1,751,484
71,654	104,595	74,546	110,027	48,052	119,280	+148.2	1,080,240
127,643	99,474	110,595	134,931	98,755	212,168	+114.8	1,921,468
(35,313)	(62,584)	(56,323)	(73,145)	(245,939)	122,790	—	1,112,027
92,330	36,890	54,272	61,786	(147,184)	334,958	—	3,033,495
(29,056)	(24,226)	(44,060)	(41,784)	201,428	(50,836)	—	(460,389)
266,020	296,708	314,049	355,212	385,431	683,802	+77.4	6,192,741
18,573	23,607	30,808	37,758	36,797	39,688	+7.9	359,429
40,184	39,681	58,814	62,461	52,387	59,755	+14.1	541,165
¥ 595,102	¥ 901,208	¥ 992,307	¥1,163,706	¥1,238,119	¥1,388,486	+12.1%	\$12,574,594
394,892	589,726	636,041	774,804	597,661	762,043	+27.5	6,901,313
23,194	37,259	37,561	38,035	283,465	281,512	(0.7)	2,549,473
13.6%	11.7%	9.4%	9.8%	7.1%	9.5%	+2.4 pts.	9.5%
20.4	21.7	12.5	16.1	7.3	18.3	+11.0	18.3
65.0	63.3	62.3	64.5	46.4	52.7	+6.3	52.7
6.0	6.5	6.1	5.1	49.7	38.7	(11.0)	38.7
37.0	28.2	41.0	32.4	74.3	29.9	(44.4)	29.9
¥ 703.62	¥ 1,026.68	¥ 731.51	¥ 1,079.42	¥ 471.31	¥ 1,169.70	+148.2%	\$ 10.59
3,797.04	5,598.12	6,067.40	7,366.07	5,634.35	7,175.35	+27.3	64.98
260.00	290.00	300.00	350.00	350.00	350.00	—	3.17
106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	—	106,073,656
¥ 1,938.0	¥ 3,383.7	¥ 3,452.6	¥ 5,225.7	¥ 3,854.7	¥ 33,381	(13.4)%	\$ 30,231
91	102	112	119	120	121	+1	121
2,222	2,449	2,753	2,978	3,160	3,294	+134	3,294
[1,250]	[1,331]	[1,406]	[1,444]	[1,463]	[1,367]	([96])	[1,367]
[589]	[743]	[1,072]	[1,240]	[1,405]	[1,607]	+202	[1,607]
[383]	[375]	[275]	[294]	[292]	[320]	+28	[320]
4	4	4	4	4	4	—	4
1,170,353m ²	1,387,367m ²	1,835,095m ²	2,030,031m ²	2,188,688m ²	2,392,618m ²	+203,930m ²	2,392,618m ²
18,854	23,982	30,448	41,646	43,639	44,424	+785	44,424

*4 Finance leases is disclosed in the capital expenditure data from FY2017.

*5 Calculations are based on the closing share price of ¥31,470 at the end of August 2017 and an exchange rate of ¥110.42 to U.S.\$1.

*6 Total sales floor space includes only directly operated stores.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Group
Performance
in Fiscal 2017**

(Year to August 31, 2017)

- Achieves record result. Revenue: ¥1.8619 trillion (+4.2% YoY), operating profit: ¥176.4 billion (+38.6% YoY). UNIQLO International drives Group growth as operating profit nearly doubles.
- GU profit down from strong previous year on weak sales of featured campaign items.
- Basic earnings per share: ¥1,169.70 (+148.2% YoY) on a strong rise in operating profit and the recording of a foreign exchange gain following yen depreciation. Annual dividend per share steady at ¥350.

**1 Operating Environment and
Management Strategy**

While improvements in the employment and wage environment are fueling a gradual recovery in the Japanese economy, personal consumption remains cautious, and customers are increasingly discerning with their purchases. The global economy is on a gradual recovery track, and we note buoyancy in Greater China, Southeast Asia and the United States.

Our FY2017 operation reflected this broad economic pattern, with sluggish Japanese apparel consumption resulting in a decline in UNIQLO Japan operating profit (-¥6.5 billion) and buoyant international conditions fueling a near doubling of UNIQLO International operating profit (+¥35.7 billion). Global Brands' operating profit increased by ¥4.5 billion. As a result, consolidated revenue increased 4.2% to ¥1.8619 trillion and operating profit increased by 38.6% to ¥176.4 billion.

Several factors contributed to the impressive increase in operating profit, including continued significant profit gains from the Greater China region, a large improvement in profitability from UNIQLO Southeast Asia & Oceania, and a halving of operating losses at UNIQLO USA. While operating profit at GU contracted by ¥8.6 billion, impairment losses at J Brand declined, resulting in an operating profit gain for Global Brands overall. We recorded impairment losses of ¥9.3 billion on J Brand and systems, and store losses and losses on retirement of fixed assets of ¥2.7 billion relating to store closures. We reported a ¥16.9 billion net finance income in FY2017 (FY2016: ¥37.0 billion net cost), after a weakening in

■ Number of Stores by Group Operation

(Unit: Stores)

(FY)	2016	2017		
	End Aug.	End Aug.	Open	Close
UNIQLO Japan	837	831	23	29
Directly operated	798	790	21	29
Large-scale	205	209	10	6
Standard	593	581	11	23
Franchise	39	41	2	0
UNIQLO International	958	1,089	153	22
Mainland China	472	555	90	7
Hong Kong	25	25	0	0
Taiwan	63	65	3	1
South Korea	173	179	13	7
Singapore	24	24	1	1
Malaysia	35	41	6	0
Thailand	32	34	2	0
The Philippines	32	40	8	0
Indonesia	9	12	3	0
Australia	12	12	1	1
U.S.	45	44	4	5
Canada	0	2	2	0
U.K.	10	10	0	0
France	10	19	9	0
Russia	11	20	9	0
Germany	3	5	2	0
Belgium	2	2	0	0
Global Brands	1,365	1,374	81	72
GU	350	372	41	19
Theory*	530	538	30	22
Comptoir des Cotonniers*	348	333	8	23
Princesse tam.tam*	137	131	2	8
Total	3,160	3,294	257	123

* Including franchise stores

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

■ Performance by Group Operation

(FY)	2016			2017		
	Billions of yen	YoY change Billions of yen	% change	Billions of yen	YoY change Billions of yen	% change
UNIQLO Japan						
Revenue	¥799.8	¥19.6	+2.5	¥810.7	¥10.9	+1.4
Operating profit	102.4	(14.7)	(12.6)	95.9	(6.5)	(6.4)
UNIQLO International						
Revenue	655.4	51.7	+8.6	708.1	52.7	+8.1
Operating profit	37.4	(5.9)	(13.7)	73.1	35.7	+95.4
Global Brands*						
Revenue	328.5	33.2	+11.3	340.1	11.5	+3.5
Operating profit	9.5	(4.8)	(34.0)	14.0	4.5	+47.5

* Global Brands includes GU, Theory, CDC, PTT, J Brand.

Note: Consolidated revenue also includes items reported by the holding company, Fast Retailing Co., Ltd., such as real estate leasing.

Consolidated operating profit includes Fast Retailing operating profit.

the yen over the financial year increased the yen value of our foreign-currency denominated assets. As a result, profit attributable to owners of the parent increased by an impressive 148.2% to ¥119.2 billion.

In order to achieve the Group's medium-term vision of becoming the world's No.1 apparel retailer, we are focusing on expanding UNIQLO International and GU. To consolidate UNIQLO's position as a key global brand, we are opening more UNIQLO stores in each country where we already have a presence, and more global flagship stores and large-format stores in major cities worldwide. The Southeast Asia & Oceania region is developing into another pillar of UNIQLO International growth alongside Greater China and South Korea. We intend to open more GU Japan stores and develop GU's international presence in Greater China. As we transform the Fast Retailing Group into a digital consumer retail company, we are overhauling all our business practices and our entire supply chain, from planning, design and materials procurement through manufacturing, distribution and retail. That requires aggressive investment in various areas, including IT, logistics and digital marketing.

2 Revenue

Consolidated revenue rose 4.2% year on year to ¥1.8619 trillion, a ¥75.4 billion increase. This breaks down into ¥52.7 billion from UNIQLO International, ¥11.5 billion from Global Brands, and ¥10.9 billion from UNIQLO Japan. UNIQLO International revenue rose strongly as an additional 131 stores (Greater China: +85, Europe: +20, Southeast Asia & Oceania: +19, South Korea: +6, North America: +1) expanded the network to 1,089, and Greater China, Southeast Asia and all other areas reported growth in same-store sales. Within Global Brands, GU and Theory reported higher revenue. At UNIQLO Japan, full-year same-store sales grew 1.1% year on year, thanks to a successful November UNIQLO Anniversary Sale, and strong sales of talked-about items such as wireless bras and Dry Stretch Kando Pants.

Breakdown of SG&A Expenses

(FY)	2015			2016			2017		
	Millions of yen	YoY change Millions of yen	% change	Millions of yen	YoY change Millions of yen	% change	Millions of yen	YoY change Millions of yen	% change
Advertising and promotion	¥ 68,474	¥ 7,533	+12.4	¥ 71,611	¥ 3,136	+4.6	¥ 70,937	¥ (674)	(0.9)
Rental expenses	166,437	27,784	+20.0	171,356	4,918	+3.0	174,034	2,678	+1.6
Depreciation and amortization	37,758	6,949	+22.6	36,797	(961)	(2.5)	39,688	2,891	+7.9
Outsourcing	29,324	6,371	+27.8	33,602	4,277	+14.6	33,244	(358)	(1.1)
Salaries	230,815	45,950	+24.9	242,033	11,218	+4.9	252,520	10,487	+4.3
Others	139,053	28,077	+25.3	147,555	8,502	+6.1	154,790	7,235	+4.9
Total	¥671,863	¥122,668	+22.3	¥702,956	¥31,093	+4.6	¥725,215	¥22,259	+3.2

3 Gross Profit Margin

Gross profit rose 5.1% year on year to ¥909.2 billion. The gross profit margin expanded 0.4 point to 48.8% thanks to a 2.0 point improvement in gross profit margin at UNIQLO International, where all regions adopted a tighter discounting business model. UNIQLO Japan reported a mild 0.3 point improvement in its gross profit margin. While smaller weekend bargains and a continuation of affordable, easily recognizable everyday prices reduced overall discounting rates, procurement costs rose on the back of a weaker yen.

4 Selling, General and Administrative Expenses (SG&A)

SG&A expenses totaled ¥725.2 billion. The SG&A to net sales ratio declined 0.4 point year on year to 38.9%, following our Group-wide cost-cutting drive. UNIQLO International generated an especially successful 1.7 point reduction in its business cost ratio on the back of determined rationalization of distribution costs as well as various cost-cutting efforts in each region.

5 Other Income/Expenses

Other income and expenses totaled -¥7.6 billion in FY2017 (FY2016: -¥34.7 billion), including a ¥2.1 billion forex gain (FY2016: ¥11.0 billion loss) from temporary advances paid by overseas subsidiaries after the yen weakened against the US dollar from approximately ¥103 to ¥110. There was a ¥12.0 billion (FY2016: ¥24.7 billion) loss including: (i) ¥3.6 billion J Brand impairment loss, (ii) ¥3.5 billion impairment loss on systems, and (iii) impairment, retirement and store closure losses from UNIQLO USA stores and other locations.

6 Operating Profit

Operating profit increased 38.6% year on year to ¥176.4 billion. Operating profit margin improved 2.4 points to 9.5%.

7 Finance Income/Costs

Net finance income and costs totaled ¥16.9 billion in FY2017 (FY2016: -¥37.0 billion) after yen depreciation from ¥103 to ¥110 against the US dollar over the period increased the carrying amount of foreign-currency denominated assets.

8 Income Taxes and Other Taxes

Income taxes totaled ¥64.4 billion in FY2017. The effective corporate tax rate after tax effect accounting was 33.3%, 2.5 points higher than Japan's statutory 30.8% rate, largely due to our loss-making US operation, and the fact that tax effect accounting cannot be applied to J Brand impairment losses.

9 Profit Attributable to Owners of the Parent and Dividend

Profit attributable to owners of the parent totaled ¥119.2 billion (+148.2% YoY). Basic earnings per share increased ¥698.39 to ¥1,169.70. The annual dividend was maintained at ¥350 per share (dividend payout ratio 29.9%). The sharp rise in profit attributable to owners of the parent resulted in an 11.0 point increase in return on equity (ROE) to 18.3%.

10 Results by Business Segment

UNIQLO Japan UNIQLO Japan reported rising revenue but falling profit in FY2017. Revenue totaled ¥810.7 billion (+1.4%) and operating profit totaled ¥95.9 billion (-6.4%). Full-year same-store sales rose 1.1% year on year (1H: 0.1%, 2H: 2.4%). While the November UNIQLO Anniversary Sale fueled robust sales, unusually warm weather dampened sales in the traditionally busy month of December. The 2.4% rise in second-half same-store sales was driven by strong sales of talked-about items such as wireless bras, Dry Stretch Kando Pants, easy ankle pants and UT T-shirts, and also by rising customer visits. Full-year online sales rose 15.6% to constitute 6.0% of total revenue.

On the profit front, the gross profit margin rose by 0.3 point, but the SG&A ratio also rose 1.3 points, resulting in a contraction of operating profit. While we successfully cut costs and reduced advertising spend, standard personnel costs rose in some regions, and distribution costs rose temporarily as we transformed our logistics systems.

We opened 21 new directly operated stores and closed 29 stores, two of which reopened as employee franchise stores. UNIQLO Japan had 790 directly operated stores (and 41 franchise stores) at the end of FY2017.

UNIQLO International UNIQLO International reported rising revenue and profit. Revenue totaled ¥708.1 billion (+8.1%) and operating profit ¥73.1 billion (+95.4%). This near

doubling of operating profit was due to: (i) a sharp improvement in the gross profit margin as all regional operations shifted towards a tighter discounting business model, (ii) effective cost-cutting efforts, and (iii) a halving of operating losses at UNIQLO USA. UNIQLO operations in Greater China, South Korea and Southeast Asia & Oceania performed especially well.

Operating profit doubled at UNIQLO Southeast Asia & Oceania. Revenue rose to approximately ¥110.0 billion and operating profit rose to ¥14.0 billion. The gross profit margin improved markedly thanks to fuller ranges of polo shirts, DRY T-shirts and other core items, and strong sales of products tailored to suit Southeast Asian climates and cultures. Lower distribution and personnel costs also helped boost the business ratio.

UNIQLO Greater China reported large revenue and profit gains. Revenue reached ¥346.4 billion (+4.1%), operating profit rose to ¥50.1 billion (+37.0%), and the operating profit margin grew to 14.5%. Same-store sales continued to expand in Mainland China as timely advertising campaigns attracted more and more customers. We were able to improve the gross profit margin through strict discounting and improve the business ratio by actions such as reviewing distribution systems and rent negotiations. Same-store sales declined in Hong Kong and Taiwan, but profits rose on improved gross profit margins and lower business costs.

Following a management overhaul, UNIQLO South Korea same-store sales recovered in the second half and full-year operating profit rose sharply.

North America same-store sales increased thanks to efforts to tailor product mixes to different regional needs and a renewed focus on sales promotion. New management practices helped UNIQLO USA halve its operating loss by improving store operations and ensuring appropriate stock levels. UNIQLO opened its first store in Canada in September 2016, achieving consistently favorable sales.

UNIQLO Europe opened 20 new stores, mainly in Russia and France. Operating profit dipped slightly on higher new-store opening costs but stayed in the black.

The UNIQLO International network expanded by 131 stores, reaching 1,089 stores in FY2017. Additionally, UNIQLO opened its first store in Spain in September 2017.

Global Brands Global Brands reported rises in revenue and profit. Revenue increased 3.5% to ¥340.1 billion. Operating profit increased 47.5% to ¥14.0 billion on the back of a sharp rise in Theory profit and lower J Brand impairment losses.

GU reported a 6.0% rise in revenue to ¥199.1 billion but a sharp 39.0% decline in operating profit to ¥13.5 billion. Same-store sales declined as product shortages resulted in lost sales opportunities and some items didn't prove to be the hit products we expected. Lower-than-forecast sales resulted in a

decline in operating profit. The GU network increased by 22 stores, to total 372 (including 14 stores outside Japan). After opening stores in Shanghai and Taipei, GU opened its first store in Hong Kong in March 2017, which has been a big success.

Theory generated a large rise in profit thanks to a strong performance from the US Theory operation and to improved profitability at Theory's PLST label. Theory reported sales of about ¥100 billion from operations in the United States, Japan and Asia.

Comptoir des Cottonniers reported a decline in sales, but managed to reduce its operating loss through determined cost-cutting. Princesse tam.tam and J Brand reported losses, with an impairment loss of ¥3.6 billion at J Brand.

11 Balance Sheet

Total assets rose ¥150.3 billion to ¥1.3884 trillion. Current assets increased ¥153.0 billion to ¥1.0775 trillion (cash, cash equivalents and other current financial assets: +¥298.3 billion, inventory assets: +¥19.6 billion, deposits with maturities over three months and other short-term assets: -¥153.8 billion).

Inventory assets rose ¥19.6 billion to ¥289.6 billion (UNIQLO International: +¥22.7 billion, Global Brands: +¥0.9 billion, UNIQLO Japan: -¥4.0 billion). UNIQLO International inventory increased as the store network expanded, with the addition of 131 stores by the end of August 2017. UNIQLO Japan inventory declined following a successful digestion of

Consolidated Subsidiaries (At end of August 31, 2017)

Company name	Share ownership
Holding Companies	
FAST RETAILING CO., LTD.	100.0%
Main Consolidated Subsidiaries	
UNIQLO CO., LTD.	100.0%
FAST RETAILING (CHINA) TRADING CO., LTD.	100.0%
UNIQLO TRADING CO., LTD.	100.0%
FAST RETAILING (SHANGHAI) TRADING CO., LTD.	100.0%
FRL Korea Co., Ltd.	51.0%
FAST RETAILING (SINGAPORE) PTE. LTD.	100.0%
UNIQLO (THAILAND) COMPANY LIMITED	75.0%
PT. FAST RETAILING INDONESIA	75.0%
UNIQLO AUSTRALIA PTY LTD	100.0%
Fast Retailing USA, Inc.	100.0%
UNIQLO EUROPE LIMITED	100.0%
G.U. CO., LTD.	100.0%
FAST RETAILING FRANCE S.A.S.	100.0%
Theory LLC	100.0%
J Brand, Inc.	100.0%

* The Fast Retailing Group comprises FAST RETAILING CO., LTD., 121 consolidated subsidiaries and 2 affiliated companies by the equity-method

Spring/Summer stock.

Non-current assets decreased by ¥2.6 billion to ¥310.8 billion. This figure includes a ¥19.1 billion decrease in deferred tax assets and a ¥15.1 billion increase in property, plant and equipment.

Current liabilities decreased by ¥26.6 billion to ¥311.4 billion, due largely to a ¥66.3 billion decrease in derivative financial liabilities on the one hand and a ¥16.2 billion increase in income taxes payable on the other. The ¥66.3 billion decrease in derivative financial liabilities occurred after the average exchange rate on our forward currency contracts rose above the actual period-end exchange rate, turning some derivative financial liabilities into assets.

Non-current liabilities increased by ¥12.6 billion to ¥315.0 billion due primarily to a ¥4.7 billion increase in reserves and a ¥6.1 billion yen increase in deferred tax liabilities.

Total equity increased by ¥164.3 billion to ¥762.0 billion. This increase includes ¥119.2 billion in greater retained earnings on the back of higher profits (with a ¥38.6 billion dividend payout), and a ¥73.1 billion increase in other comprehensive income (including cash flow hedges). As a result, the ratio of equity attributable to owners of the parent to total assets rose 6.3 points to 52.7%.

12 Cash Flow Information

In FY2017, net cash received from operating activities totaled ¥212.1 billion, net cash gained from investing activities totaled ¥122.7 billion, and net cash used in financing activities totaled ¥50.8 billion. As a result, free cash flow (net cash received from operating activities + net cash gained from investing activities) totaled ¥334.9 billion. Overall, the balance of cash and cash equivalents increased by ¥298.3 billion to ¥683.8 billion.

The Group seeks to ensure consistent, steady growth by using retained earnings and free cash flow to make effective investments and loans that strengthen our operational base.

Net Cash from Operating Activities: ¥212.1 Billion

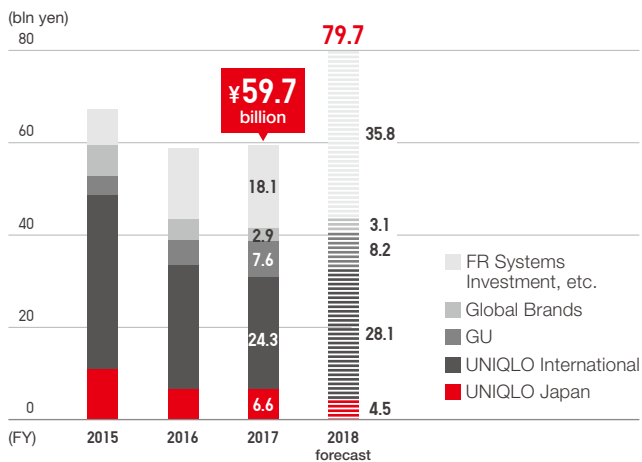
Net inflows included ¥193.3 billion in profit before income taxes, ¥39.6 billion in depreciation and amortization, and ¥9.3 billion in impairment losses. Working capital inflow (calculated from trade receivables, inventories and trade payables) totaled ¥2.5 billion. Net income taxes paid totaled ¥26.8 billion.

Net Cash from Investing Activities: ¥122.7 Billion

Includes a ¥168.3 billion increase in bank deposits with maturities over three months, ¥33.6 billion spent on acquiring property, plant and equipment to grow UNIQLO International and Global Brands store networks, and ¥12.2 billion spent on non-tangible assets such as systems investment.

Consolidated capital expenditure totaled ¥59.7 billion (UNIQLO Japan: ¥6.6 billion, UNIQLO International: ¥24.3

Capital Expenditure (Including Finance Leases)



billion, Global Brands including GU: ¥10.5 billion, Fast Retailing systems investment: ¥18.1 billion).

Net Cash used in Financing Activities: ¥50.8 Billion

Including ¥34.6 billion in cash dividend payments, ¥2.9 billion in long-term borrowing repayments and ¥6.0 billion in lease repayments.

13 Dividend Policy

Returning a portion of our profits to shareholders is a top priority. Our policy is to pay a high dividend after considering the funds required to expand Group operations, increase profits and maintain financial soundness. The Group paid an annual dividend of ¥350 per share in FY2017. This translates into an annual dividend payout ratio of 29.9%.

14 Outlook for FY2018 (As of January 11, 2018)

We forecast a record consolidated performance, with revenues of ¥2.0500 trillion (+10.1% YoY), operating profit of ¥200.0 billion (+13.4%), profit before income taxes of ¥200.0 billion (+3.4%) and net profit attributable to owners of the parent of ¥120.0 billion (+0.6%). We forecast net earnings per share (EPS) of ¥1,176.66 and a steady annual dividend per share of ¥350 (¥175 interim and year-end dividends).

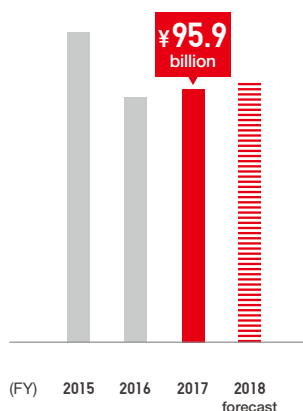
UNIQLO Japan is forecast to report slight rises in full-year revenue and profit. In the first quarter of FY2018, same-store sales far outstripped expectations, notching up double-digit growth after cold weather strengthened demand for HEATTECH, down, sweatshirts and sweatpants, merino sweaters and other Fall Winter ranges. Rising cost of sales on a weaker yen is forecast to dampen the gross profit margin slightly, but we expect to improve business cost ratios by cutting expenses and enhancing distribution and advertising efficiencies.

We forecast significant gains in UNIQLO International revenue and profit. We expect further sharp profit gains from Greater China and Southeast Asia & Oceania along with another halving of operating losses at North America (United States + Canada).

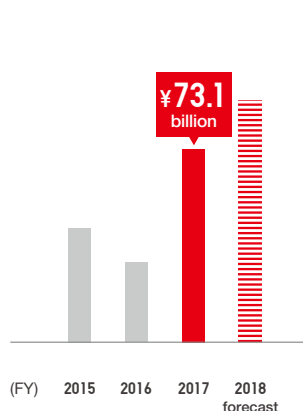
GU and Global Brands are both expected to report rising full-year revenue and profit. We are actively reviewing GU ranges to continually achieve the right product mix and create quintessentially GU products that customers of all ages will want to own. We are also working to eradicate lost sales opportunities resulting from product shortages by improving accuracy of initial production volumes and strengthening frameworks for swift additional production of strong-selling items.

Operating Profit by Business Segment

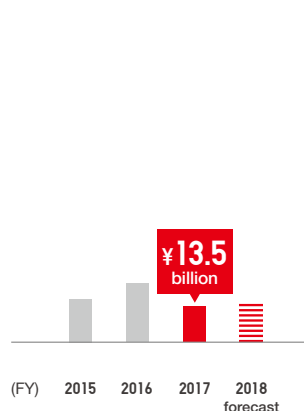
UNIQLO Japan



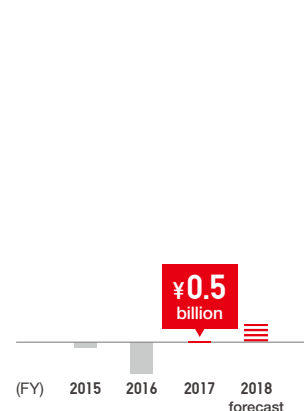
UNIQLO International



GU



Global Brands



15 Risk

Risk factors that investors may regard as potentially having a significant impact on the businesses of the Company and the Group are stated below. The Company, aware of the possibility that these risks may occur, has planned preventive actions and thoroughgoing administrative procedures and strives to take appropriate measures when they occur. Statements with regard to the future are based on management decisions and projections made by the Company based on information available at the time of the publication of the latest securities report (30 November 2017).

(1) Risks specific to management strategy

Risks specific to the management strategy of the Group are as follows:

i) Management personnel risk

Our Representative Director, Chairman and CEO Tadashi Yanai and the other members of the Group management team all play vital roles in the operational areas for which they are responsible. If any of our executives should become unable to perform his or her duties, or if they should become unable to play these vital roles, this could have a negative impact on the Group's earnings.

ii) Competitive risks

Our customers are ordinary consumers, who are keenly selective when it comes to products, services and prices, and we are engaged in intense competition with rivals both domestically and internationally. If our customers should choose to do business with our competitors, and if our business competitiveness wanes in relative terms, this may have a negative effect on earnings.

iii) Risk of dependency on production in specified geographic locations

If there is a dramatic political, economic, security, or legal change in countries where we produce, or a strike by factory personnel or dock workers, or an earthquake, flood or other major natural disaster, this could have an impact on supply of most products sold through Group companies. Also, if there is a sharp rise in prices for cotton and other raw materials, this could have a negative impact on our earnings.

iv) Risks of corporate acquisitions

One element of the Group's management strategy is to expand the business through M&A. If we are unable to achieve the expected revenue gains and positive benefits from target company synergies and business portfolios, this could have a negative impact on Group results.

v) Overseas business risks

As the Group steadily expands its presence overseas, our international business is expected to constitute a higher proportion of Group revenue. If the goods we sell do not match market needs in each country, or if there are economic fluctuations, social and political turmoil, changes in law, or major currency market volatility, or other factors that affect our ability to hire and train well-qualified management personnel and local staff, this could have a negative impact on earnings.

vi) Currency risks

Most product imports for UNIQLO Japan are denominated in US dollars. We hedge our currency risks for about three years ahead, using forward currency agreements to stabilize purchasing costs. If the yen continues to weaken further against the dollar going forward, this could have a negative impact on earnings at UNIQLO Japan, which is the Group's core business.

(2) General business risks

In management of the Group and operation of businesses, we are cognizant of risks in several categories:

i) Manufactured product liability risk

The Group's business is subject to a variety of national and regional legal regulations such as product liability laws and consumer protection laws. The Group endeavors to establish product management systems that fulfill the legal regulations of various countries and regions, but if gross quality defects are found in products, such as contamination by hazardous materials, this may require global product recalls, or compensation for harm to the health of customers, which may have a negative impact on earnings, as well as causing damage to customers' trust.

ii) Risk of leaks of business secrets, or customer personal information

In the course of doing business, the Group gathers information about customers, and handles trade secrets and other confidential information. We have established an Information Security Office to ensure management of confidential information held by the Group. We create and strengthen appropriate management systems for trade secrets and personal customer information, and conduct activities to raise awareness. In the event confidential information is lost, it may be necessary to take steps to recover the information, which may have a negative impact on earnings, as well as causing damage to customers' trust.

iii) Risk due to weather

Due to global warming and other weather conditions we may be unable to procure materials such as cotton and cashmere in a timely and appropriate manner, and may also reduce sales of products sold by the group, which could have a negative impact on earnings.

iv) Risk due to natural disaster

Natural disasters affecting factories that produce or stores that sell the Group's products, or their immediate vicinity, may have a negative impact on the Company's ability to supply or to sell its products.

v) Risks of disputes and litigation

In the event of disputes or litigation between the Group and people with whom it transacts, or customers, resolution of such disputes may cost large sums of money, which could have a negative impact on earnings.

vi) Risk of change in the business climate and consumer trends

Changes in the business climate or consumer trends in countries where the Group carries out business may have the effect of reducing product sales or increasing inventories, which could have a negative impact on earnings.

HISTORY

1949.3

Men's Shop Ogori Shoji is founded in Ube City, Yamaguchi Prefecture, Japan.

1963.5

Ogori Shoji Co., Ltd. is established with capital of 6 million yen.

1984.6

The first UNIQLO store opens in Hiroshima (closed in August 1991).

UNIQUE CLOTHING WAREHOUSE



1985.6

First UNIQLO roadside store opens.



1991.9

Company name is changed to FAST RETAILING CO., LTD.

1994.7

Company stock is listed on the Hiroshima Stock Exchange.

1998.2

Head office is constructed in Yamaguchi Prefecture, Japan.



1998.10

1,900-yen fleece campaign succeeds in attracting large public attention.



1998.11

First urban UNIQLO store opens in the fashionable Harajuku district of Tokyo (closed in 2012).



1999.2

Company stock is listed on the First Section of the Tokyo Stock Exchange.

1999.4

Shanghai office is established to further enhance production management.

2000.10

E-commerce business launches.

2001.9

First UNIQLO overseas store opens in London.



2002.4

UNIQLO Design Studio (current R&D Center) is established.



2002.9

First UNIQLO China store opens in Shanghai.

2002.11

SKIP brand food business starts (FR exits the business in April 2004).

2004.1

Fast Retailing invests in Link International Co., Ltd. (now LINK THEORY JAPAN CO., LTD.), developer of Theory brand apparel.



2004.9

UNIQLO makes Global Quality Declaration, and cashmere campaign generates high level of consumer interest.



2004.12

UNIQLO Design Studio, New York, Inc. is established.

2005.3

Footwear retail chain Onezone Corp. becomes a subsidiary (comes under UNIQLO CO., LTD. in April 2010).

2005.5

Comptoir des Cottonniers is acquired.

2005.9

First UNIQLO South Korea store opens in Seoul.

2005.9

First UNIQLO Hong Kong store opens in the Tsim Sha Tsui shopping district.

2005.11

Holding company structure is adopted at Fast Retailing.

2006.2

Princesse tam.tam is acquired.

2006.6

Strategic business partnership is established between UNIQLO and Toray Industries, Inc.

2006.9

UNIQLO All-Product Recycling Initiative commences.



2006.10

First GU store opens in Chiba Prefecture, Japan.

2006.11

First UNIQLO global flagship store opens in Soho, New York City.



2007.11

Global flagship store, UNIQLO 311 Oxford Street Store, opens in London.

2007.12

First UNIQLO France store opens in Paris.

2009.3

LINK THEORY JAPAN CO., LTD. becomes a subsidiary.

2009.4

First UNIQLO Singapore store opens.

2009.10

Global flagship store, Paris Opera Store, opens.



2010.4

First UNIQLO Russia store opens in Moscow.

2010.5

Global flagship store, UNIQLO West Nanjing Road Store, opens in Shanghai.



2010.10



Global flagship store, UNIQLO Shinsaibashi Store, opens in Osaka.

2010.10

First GU flagship store opens in Shinsaibashi, Osaka.

2010.10

First UNIQLO Taiwan store opens in Taipei.

2010.11

First UNIQLO Malaysia store opens in Kuala Lumpur.

2011.2

Global Partnership Agreement with UNHCR is established, reinforcing All-Product Recycling Initiative.

2011.9

First UNIQLO Thailand store opens in Bangkok.

2011.9

Global flagship store, UNIQLO Mingyao Department Store, opens in Taipei.

2011.10

Global flagship store, UNIQLO New York 5th Avenue Store, opens in New York City.



2011.11

Global flagship store, UNIQLO Myeongdong Central Store, opens in Seoul.

2012.3

Global flagship store, UNIQLO Ginza, opens in Tokyo.



2012.3

GU flagship store opens in Ginza, Tokyo.

2012.6

First UNIQLO Philippines store opens in Manila.

2012.9

Global hotspot store, BICQLO Shinjuku East Exit Store, opens in Tokyo.



2012.12

U.S.-based premium denim company J Brand Holdings, LLC is acquired.

2013.4

Global flagship store, UNIQLO Lee Theatre Store, opens in Hong Kong.

2013.6

First UNIQLO Indonesia store opens in Jakarta.

2013.9

First GU overseas store opens in Shanghai.

2013.9

Global flagship store, UNIQLO SHANGHAI, opens in China.



2014.3

Fast Retailing Hong Kong Depository Receipts (HDR) are listed on the Stock Exchange of Hong Kong.



2014.3



Global hotspot store, UNIQLO Ikebukuro Sunshine 60 Street Store, opens in Tokyo.

2014.4

First UNIQLO Australia store opens in Melbourne.

2014.4

First UNIQLO Germany store, Tauentzien global flagship, opens in Berlin.



2014.4

Global hotspot store, UNIQLO Okachimachi Store, opens in Tokyo.

2014.10

Global hotspot store, UNIQLO Kichijoji Store, opens in Tokyo.

2014.10

Global flagship store, UNIQLO OSAKA, opens in Osaka.

2015.4

ON HAND CO., LTD. is established to promote new distribution systems.

2015.10

First UNIQLO Belgium store opens in Antwerp.

2015.10

First store in the U.S. Midwest, the UNIQLO Michigan Avenue Store, opens in Chicago.



2016.3

The newly refurbished 311 Oxford Street global flagship store opens in London.



2016.4

Construction is completed on state-of-the-art distribution center in Ariake, Tokyo.



2016.9

UNIQLO Orchard Central Store opens as the first UNIQLO global flagship store in Southeast Asia.

2016.9

First UNIQLO Canada store opens in Toronto.

2017.2

UNIQLO CITY TOKYO Ariake Office opens. UNIQLO product and commercial functions moved from Roppongi Office to Ariake Office.



2017.3

Bigger and better UNIQLO Online Store opens in Japan.

2017.9

First UNIQLO Spain store opens in Barcelona.



INVESTOR INFORMATION (As of August 31, 2017)

Stock Exchange Listing

Tokyo Stock Exchange (First Section)
Securities Code: 9983

The Stock Exchange of Hong Kong (Main Board)
Securities Code: 6288

Stock Information

Number of shares authorized	300,000,000
Number of issued and outstanding shares (including treasury stock)	106,073,656
Number of shareholders (including holders of treasury stock)	13,749

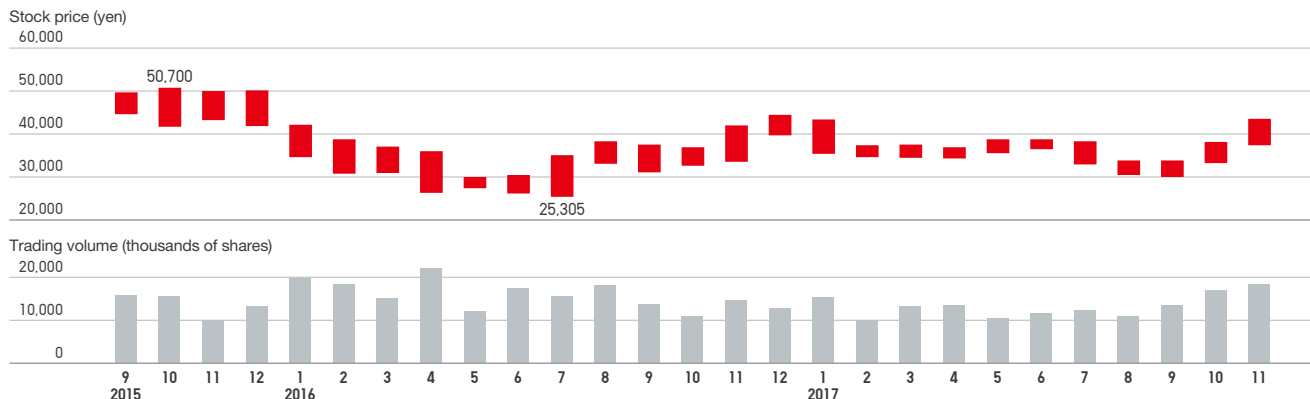
Distribution of Share Ownership



Principal Shareholders

	Number of shares	Percentage of total shares in issue (%)
Tadashi Yanai	22,987,284	21.67
The Master Trust Bank of Japan, Ltd.	17,940,600	16.91
Japan Trustee Services Bank, Ltd.	10,474,300	9.87
TTY Management B.V.	5,310,000	5.01
Kazumi Yanai	4,781,808	4.51
Koji Yanai	4,780,600	4.51
Fight & Step Co., Ltd.	4,750,000	4.48
Trust & Custody Services Bank, Ltd.	4,269,100	4.02
FAST RETAILING CO., LTD.	4,089,664	3.86
MASTERMIND Co., Ltd.	3,610,000	3.40

Stock Price and Trading Volume



Information Available in the Investor Relations (IR) Section of Our Website

- You can access materials and videos of our latest business results, meetings and press conferences.
- Monthly Retail Data** You can view monthly sales for UNIQLO Japan.
- IR Library** You can access the latest IR publications, including the Annual Report, Fact Book and Securities Report.
- IR Calendar** You can access the schedule for monthly announcements, business results meetings and other events.
- IR News** You can access the latest IR news and releases.
- CEO Message** You can access the latest message from the chairman of Fast Retailing.



fastretailing.com/eng/ir/

CORPORATE INFORMATION (As of December 31, 2017)

■ Corporate Data

Trade Name	FAST RETAILING CO., LTD.
Head Office	717-1 Sayama, Yamaguchi City Yamaguchi 754-0894, Japan
Roppongi Office	Midtown Tower, 9-7-1 Akasaka, Minato-ku Tokyo 107-6231, Japan
Ariake Office	6F UNIQLO CITY TOKYO, 1-6-7 Ariake, Koto-ku, Tokyo 135-0063, Japan
Established	May 1, 1963
Paid-in Capital	¥10,274 million
Line of Business	Control and management of overall Group activities as owner and holding company
Number of Full-time Employees (Consolidated)	44,424 (As of August 31, 2017)
Fiscal Year Ends	August 31
Annual Shareholders' Meeting	Late November
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation 1-4-5 Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan Telephone: 0120-232-711 (From Japan)
Number of Shares per Trading Unit	100 shares (Tokyo Stock Exchange) 300 HDR (The Stock Exchange of Hong Kong)

■ Board of Directors

Chairman, President & CEO	Tadashi Yanai
External Directors	Toru Hambayashi Nobumichi Hattori Toru Murayama Masaaki Shintaku Takashi Nawa
Internal Full-time Auditors	Akira Tanaka Masaaki Shinjo
External Statutory Auditors	Takaharu Yasumoto Akira Watanabe Keiko Kaneko

■ Main Group Companies



- 1 UNIQLO CO., LTD.
- 2 G.U. CO., LTD.
- 3 LINK THEORY JAPAN CO., LTD.
- 4 FAST RETAILING (CHINA) TRADING CO., LTD.
- 5 UNIQLO HONG KONG, LIMITED
- 6 UNIQLO TAIWAN LTD.
- 7 FRL Korea Co., Ltd.
- 8 UNIQLO (SINGAPORE) PTE. LTD.
- 9 UNIQLO (MALAYSIA) SDN. BHD.
- 10 UNIQLO (THAILAND) COMPANY LIMITED
- 11 FAST RETAILING PHILIPPINES, INC.
- 12 PT. FAST RETAILING INDONESIA
- 13 UNIQLO AUSTRALIA PTY LTD
- 14 Fast Retailing USA, Inc.
- 15 J Brand, Inc.
- 16 UNIQLO EUROPE LIMITED
- 17 FAST RETAILING FRANCE S.A.S.
- 18 LLC UNIQLO (RUS)

■ Contact Us

FAST RETAILING CO., LTD.
www.fastretailing.com/eng/
 Midtown Tower, 9-7-1 Akasaka, Minato-ku
 Tokyo 107-6231, Japan
 Telephone: +81-3-6865-0050
 9AM-4PM Monday-Friday (except national holidays)

■ Forward-looking Statements

Statements in this annual report with respect to the Company's plans, strategies, forecasts and other statements that are not historical facts are forward-looking statements that are based on management's judgment in light of currently available information. Factors that could cause actual results to differ materially from our earnings forecasts include, without limitation, global economic conditions, our response to market demand for and competitive pricing pressure on products and services and currency exchange rate fluctuations.

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FAST RETAILING WAY (FR Group Corporate Philosophy)

**CHANGING
CLOTHES.
CHANGING
CONVENTIONAL
WISDOM.
CHANGE THE
WORLD.**







FAST RETAILING

FAST RETAILING CO., LTD.
www.fastretailing.com