

Results Summary for FY2021 (September 1, 2020 to August 31, 2021)

Consolidated Business Performance

(Billions of Yen)

	Year to Aug. 2020	Year to Aug 2021						Year to Aug. 2022	
	Full Year Actual (19/9~20/8)	1H Actual		2H Actual		Full Year Actual		Full Year Estimate	
		(20/9~21/2)	(y/y)	(21/3~21/8)	(y/y)	(20/9~21/8)	(y/y)	(21/9~22/8)	(y/y)
Revenue	2,008.8 100.0%	1,202.8 100.0%	-0.5% -	930.1 100.0%	+16.2% -	2,132.9 100.0%	+6.2% -	2,200.0 100.0%	+3.1% -
Gross Profit (to revenue)	975.8 48.6%	600.4 49.9%	+4.1% +2.2p	473.5 50.9%	+18.7% +1.0p	1,073.9 50.3%	+10.1% +1.7p	- -	- -
SG&A Expenses (to revenue)	805.8 40.1%	420.7 35.0%	-4.1% -1.3p	397.6 42.8%	+8.4% -3.1p	818.4 38.4%	+1.6% -1.7p	- -	- -
Business profit (to revenue)	170.0 8.5%	179.7 14.9%	+30.2% +3.5p	75.8 8.2%	+136.7% +4.2p	255.5 12.0%	+50.3% +3.5p	280.0 12.7%	+9.6% +0.7p
Other income, expenses (to revenue)	-20.6 -	-11.7 -	- -	5.2 0.6%	- -	-6.5 -	- -	-10.0 -	- -
Operating profit (to revenue)	149.3 7.4%	167.9 14.0%	+22.9% +2.7p	81.0 8.7%	+542.6% +7.1p	249.0 11.7%	+66.7% +4.3p	270.0 12.2%	+8.4% +0.6p
Finance income/costs (to revenue)	3.5 0.2%	3.4 0.3%	-75.2% -0.9p	13.3 1.4%	- -	16.8 0.8%	+378.8% +0.6p	0.0 0.0%	- -
Profit before income taxes (to revenue)	152.8 7.6%	171.4 14.3%	+13.7% +1.8p	94.3 10.1%	- +9.8p	265.8 12.5%	+73.9% +4.9p	270.0 12.2%	+1.6% -0.2p
Profit attributable to owners of the parent (to revenue)	90.3 4.5%	105.8 8.8%	+5.4% 0.5p	63.9 6.9%	- -	169.8 8.0%	+88.0% +3.5p	175.0 7.9%	+3.0% -

Performance by Group Operation

(Billions of Yen)

		Year to Aug. 2020	Year to Aug 2021					
		Actual	1H Actual		2H Actual		Full Year Actual	
			Actual	(y/y)	Actual	(y/y)	Actual	(y/y)
UNIQLO Japan	Revenue	806.8	492.5	+6.2%	350.1	+2.0%	842.6	+4.4%
	Business profit (to revenue)	106.8 13.2%	97.3 19.8%	+36.9% +4.5p	29.3 8.4%	-18.0% -2.0p	126.6 15.0%	+18.5% +1.8p
	Operating profit (to revenue)	104.6 13.0%	97.8 19.9%	+36.6% +4.4p	25.3 7.2%	-23.3% -2.4p	123.2 14.6%	+17.7% +1.6p
UNIQLO International	Revenue	843.9	521.8	-3.6%	408.3	+34.9%	930.1	+10.2%
	Business profit (to revenue)	63.5 7.5%	75.8 14.5%	+30.7% +3.8p	42.3 10.4%	+668.8% +8.6p	118.2 12.7%	+86.1% +5.2p
	Operating profit (to revenue)	50.2 6.0%	67.0 12.9%	+25.9% +3.1p	44.1 10.8%	- -	111.2 12.0%	+121.4% +6.0p
GU	Revenue	246.0	132.6	+0.3%	116.7	+2.6%	249.4	+1.4%
	Business profit (to revenue)	22.8 9.3%	16.4 12.4%	+4.9% +0.6p	5.2 4.5%	-27.0% -1.8p	21.6 8.7%	-5.2% -0.6p
	Operating profit (to revenue)	21.8 8.9%	15.8 12.0%	+0.4% -	4.2 3.7%	-28.7% -1.6p	20.1 8.1%	-7.6% -0.8p
Global Brands	Revenue	109.6	54.5	-22.2%	53.6	+35.7%	108.2	-1.3%
	Business profit (to revenue)	-9.3 -	-4.5 -	- -	-1.3 -	- -	-5.8 -	- -
	Operating profit (to revenue)	-12.7 -	-8.1 -	- -	6.5 12.2%	- -	-1.6 -	- -

FY2021 Highlights

■ Consolidated results: Fast Retailing reports higher revenue and a sharp increase in profit in FY2021 with operating profit coming in roughly on target

- Full-year consolidated revenue: 2.1329 trillion yen (+6.2% year-on-year). Achieved large increases in profits, with operating profit reaching 249.0 billion yen (+66.7%) and profit attributable to owners of the parent rising to 169.8 billion yen (+88.0%)
- Overall recovery in performance compared to previous year's heavy COVID-19 impact. Recovery generated primarily by UNIQLO operations.
- Scheduled to offer a year-end dividend of 240 yen per share to generate a scheduled annual dividend of 480 yen.

■UNIQLO Japan : Large full-year profit increase, but performance slightly below plan

- Large rise in 1H profit on the back of strong sales as well as an improved gross profit margin and greater cost efficiencies.
- 2H profit declined. While 3Q profit rose, we saw stronger inventory rundowns and a sharp decline in profits in 4Q on lower-than-expected sales in the face of COVID-19-related temporary store closures and restrictions on general movement.
- The gross profit margin improved 1.4 points on controlled discounting and improved cost of sales. The selling, general and administrative expense ratio improved by 0.4 point thanks to more efficient distribution and advertising and promotion spending.

■UNIQLO International : Reports large revenue and profit gains. Performance slightly above plan

- FY2021 revenue: 930.1 billion yen (+10.2%), operating profit: 111.2 billion yen (+121.4%).
- E-commerce sales expanded favorably, rising approx. 20% year-on-year to approx. 20% of total sales.
- Greater China region reported a record performance on the back of large rises in both revenue and profit.
- Sales recovered rapidly in North America and Europe from May onward as restrictions on general movement and the number of customers permitted to enter our stores at one time were eased. Progress on profit structure reforms helped UNIQLO North America halve its full-year operating loss and UNIQLO Europe move back into the black.
- South Asia, Southeast Asia & Oceania reported a decline in revenue and a large drop in profits, with COVID-19 exerting a persistently large adverse impact on performance throughout the year.

■GU : Full-year revenue up, profit down. Performance slightly below plan

- FY2021 revenue: 249.4 billion yen (+1.4%), operating profit: 20.1 billion yen (-7.6%).
- Full-year same-store sales declined slightly. Strong sales of chef's pants and other items in 1H. 2H sales sluggish on announcement of another state of emergency, some shortages in strong-selling items, and a failure to grasp prevailing fashion trends for some products.
- The gross profit margin declined 0.9 point on stronger season-end inventory rundowns.

■Global Brands : Full-year revenue declines, but operating loss contracts sharply. Roughly in line with plan

- FY2021 revenue: 108.2 billion yen (-1.3%), operating loss: 1.6 billion yen.
- Marked contraction in operating loss on J Brand, Inc. liquidation gain and improved performance from Theory operation.
- Liquidated J Brand, Inc. in August but scheduled to continue offering J Brand products as a Group brand.
- Theory operation reported higher revenue and a move back into the black. Theory US operating loss shrank and Theory Asia generated large increases in revenue and profit.

■FY2022 consolidated estimates : Expect higher revenue and profits in FY2022

- FY2022 estimates for consolidated revenue: 2.2 trillion yen (+3.1%), consolidated operating profit: 270.0 billion yen (+8.4%), and profit attributable to owners of the parent: 175.0 billion yen (+3.0%).
- We forecast an annual dividend per share in FY2022 of 520 yen, split equally between interim and year-end dividends of 260 yen each.
- We predict revenue will decline and operating profit will contract sharply in 1H based on assumptions that the impact of COVID-19 restrictions on general movement and temporary store closures that we are seeing right now will continue to a certain extent and on our decision to incorporate some negative impact from production and transportation delays.
- We forecast large 2H revenue and profit increases based on assumptions that Covid restrictions will be eased and business will be able to continue broadly uninterrupted.

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FY2021 Performance in Focus

■UNIQLO Japan : Large full-year profit increase, but performance slightly below plan

UNIQLO Japan reported revenue of 842.6 billion yen (+4.4% year-on-year) and a large increase in operating profit to 123.2 billion yen (+17.7% year-on-year) in fiscal 2021. Full-year same-store sales (including e-commerce) increased 3.6% year-on-year. In the first half from 1 September 2020 through 28 February 2021, same-store sales rose 5.6% year-on-year on the back of strong sales of products that fulfilled customer demand for stay-at-home items as well as core Fall Winter ranges. However, same-store sales increased by a much lesser 0.9% year-on-year in the second half from 1 March through 31 August 2021 as sales were adversely impacted by the declaration of a state of emergency and unfavorable weather. Meanwhile, full-year e-commerce sales are expanding favorably, rising 17.9% year-on-year to 126.9 billion yen in fiscal 2021 to constitute a 15.1% proportion of total revenue.

The UNIQLO Japan gross profit margin improved 1.4 points year-on-year in fiscal 2021 thanks to efforts to improve cost of sales and our decision to curb discounting of products. From 12 March 2021, we made our products easier for customers to purchase by changing our product price displays in Japan to show just one tax-inclusive price and keeping prices the same by absorbing the consumption-tax component ourselves. We have been able to maintain cost percentages close to regular levels by working successfully with partner factories to improve cost of sales by encouraging the use of common materials, controlling the number of product items, and minimizing fabric wastage. The selling, general and administrative expense ratio also improved by 0.4 point year-on-year thanks to more efficient distribution and advertising and promotion spending.

■UNIQLO International : Reports large revenue and profit gains. Performance slightly above plan

UNIQLO International recorded significant increases in both revenue and profit in fiscal 2021, with revenue rising to 930.1 billion yen (+10.2% year-on-year) and operating profit expanding to 111.2 billion yen (+121.4% year-on-year). While segment performance is still being heavily impacted by COVID-19, performance has recovered strongly in regions and during periods when infections were contained.

Breaking down the UNIQLO International performance into individual regions and markets, the Greater China region (Mainland China market, Hong Kong market, and Taiwan market), which was not impacted as heavily by COVID-19, performed strongly by achieving a large increase in profit. In fact, the Greater China region reported record results, with revenue rising 16.7% year-on-year to 532.2 billion yen and operating profit expanding by 52.7% year-on-year to 100.2 billion yen. The region's operating profit margin also improved significantly to

18.8% thanks to improvements in the gross profit margin and selling, general and administrative expense ratio. While UNIQLO South Korea reported a slight decrease in full-year revenue, the operation did manage to move back into the black. In contrast, UNIQLO South Asia, Southeast Asia & Oceania (Southeast Asia, Australia, and India) reported an approximate 15% year-on-year decline in operating profit in fiscal 2021 after suffering the heavy impact of the COVID-19 pandemic throughout the period. Within that region, the nations that were hit hardest by COVID-19, Malaysia, Thailand, and the Philippines, reported declines in both revenue and profit, while revenue and profit increased in Singapore, Indonesia, India, and Australia, and Vietnam reported a large rise in revenue and turned a profit for the year. Despite the particularly heavy COVID-19 impact in S/SE Asia and Oceania region, sales did prove strong during the periods when stores were able to reopen for business. Sales recovered sharply in North America once COVID-19 restrictions were eased from May onward, helping the North American operation report a profit in the second half of the year and halve its full-year loss. UNIQLO Europe reported a large rise in revenue and a positive operating profit thanks to strong e-commerce sales and a strong performance from our Russia operation. Despite the pandemic, we have been able to greatly improve profitability in line with the recoveries in sales in North America and Europe thanks to some determined reforms of earnings structures that focused on improving gross profit margins, closing unprofitable stores, reducing fixed costs, and normalizing inventory levels.

■GU : Full-year revenue up, profit down. Performance slightly below plan

Our GU segment recorded an increase in revenue but a decline in profit in fiscal 2021, with revenue reaching 249.4 billion yen (+1.4% year-on-year) and operating profit totaling 20.1 billion yen (-7.6% year-on-year). In the first half, items such as chef's pants and sweat-style knitwear sold well. However, in the second half, sales fell short of expectations after GU was impacted by the declared state of emergency, suffered lost sales opportunities caused by shortages of strong-selling items, and produced some products that did not fully grasp the prevailing fashion trend. As a result, full-year GU same-store sales declined slightly compared to the previous year. GU's gross profit margin declined 0.9 point year-on-year on the back of stronger season-end inventory rundowns. GU e-commerce sales rose on the back of stronger conveyance of pertinent information, expanding approximately 50% compared to fiscal 2019 levels and constituting approximately 11% of total sales.

■Global Brands : Full-year revenue declines, but operating loss contracts sharply. Roughly in line with plan

In fiscal 2021, the Global Brands segment reported a decline in revenue to 108.2 billion yen (-1.3% year-on-year) and an operating loss of 1.6 billion yen compared to a 12.7 billion yen operating loss in the previous year. This considerable reduction in operating loss was facilitated by the recording of a gain from the liquidation of J Brand, Inc. and an improved performance from our Theory operation. Indeed, the Theory operation reported an increase in revenue and a return to the black thanks to smaller losses from Theory in the US and a strong performance from Theory in Asia (Mainland China market and Hong Kong market), which reported significant rises in both revenue and profit. Our PLST label reported a decline in revenue and an operating loss of similar magnitude to the previous year. Comptoir des Cotonniers reported a decline in revenue and a wider operating loss due primarily to the adverse impact of prolonged temporary store closures mainly in France through May. Finally, while we have liquidated J Brand, Inc. the J Brand label will continue to be owned by the Fast Retailing Group and offer products as a Group brand.

■FY2022 consolidated estimates : Expect higher revenue and profits in FY2022

In fiscal 2022, the Fast Retailing Group expects to achieve consolidated revenue of 2.2 trillion yen (+3.1% year-on-year), operating profit of 270.0 billion yen (+8.4% year-on-year), profit before income taxes of 270.0

billion yen (+1.6% year-on-year) and profit attributable to owners of the Parent of 175.0 billion yen (+3.0% year-on-year).

We predict revenue and profit will decline in the first half from 1 September 2021 to 28 February 2022 based primarily on assumptions that COVID-19 restrictions and temporary store closures will continue to a certain extent and our decision to incorporate some negative impact from production or transportation delays. However, we expect revenue to rise and profits to expand significantly in the second half from 1 March to 31 August 2022, assuming COVID-19 restrictions have been eased and business is able to continue broadly uninterrupted.

We intend to focus on the following four areas in fiscal 2022 as the year in which we accelerate our transformation into a digital consumer retailing company:

1. Transforming our earnings structure through high-quality sales. This will involve breaking free from our former reliance on discounting and instead promoting our product and brand value while reducing the number of product items, and pursuing a lean business with no unnecessary use of resources.
2. Accelerating the expansion of e-commerce business as the foundation of our digital consumer retailing company. E-commerce enables us to connect directly with customers, so expanding e-commerce should help increase overall sales.
3. Diversifying earnings pillars on a global scale. We intend to increase profits not only in the Greater China and South East Asia regions, but also in North America and Europe.
4. Pursuing a medium to long-term growth strategy that accelerates the integral linking of our business and sustainability initiatives.

Looking at our individual business segments, we expect UNIQLO Japan will report lower revenue and profit in fiscal 2022 on the back of a temporary decline in business performance while structural reforms of the business, such as normalizing inventory and restricting discounting, are being carried out. We expect GU revenue will contract slightly and operating profit will hold steady year-on-year. In the first half of the fiscal year, GU performance will be compared to a strong period in the previous year and we have also incorporated an adverse impact from possible production delays. In the second half, GU performance is expected to recover sharply. UNIQLO International is expected to generate considerable increases in full-year revenue and profit, while Global Brands is expected to report a large increase in revenue and a move into the black.

There is a possibility that these business estimates for the year to 31 August 2022 may need to be revised if stores are unable to operate regular business for a longer period than we have anticipated due to COVID-19 infections, or if other circumstances change.

Finally, we are forecasting an annual dividend per share for fiscal 2022 of 520 yen, split equally between interim and year-end dividends of 260 yen each.

Fast Retailing Co., Ltd. discloses business results data and offers a variety of press releases on its IR website
<https://www.fastretailing.com/eng/ir/>.