

For complete details, please see the volume
*Fast Retailing Co., Ltd. Consolidated
Financial Statements for the year ended
August 31, 2015.*

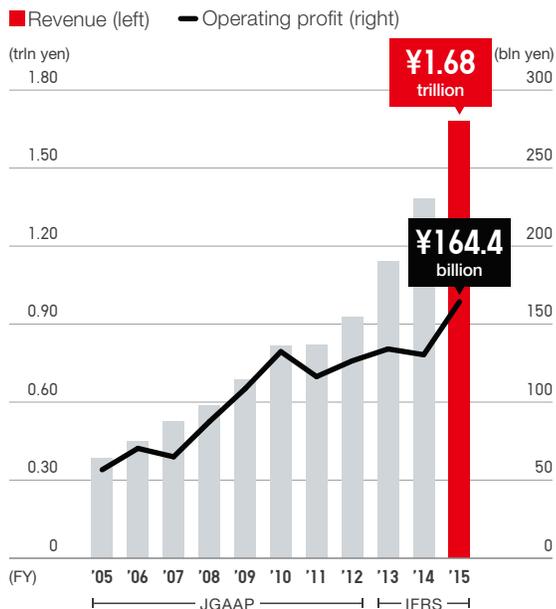
World No.1 men's singles tennis player Novak Djokovic is a UNIQLO Global Brand Ambassador.



FISCAL 2015 FINANCIAL HIGHLIGHTS

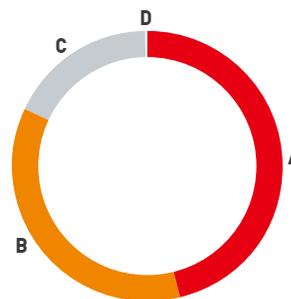
Revenue

¥1.68 trillion **21.6%**



UNIQLO International's Contribution to Revenue

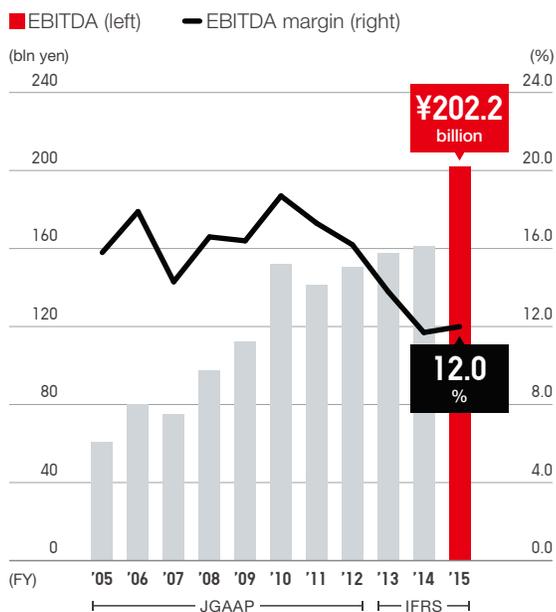
35.9% **6.0pt**



		Billions of yen	%
A	UNIQLO Japan	780.1	46.4
B	UNIQLO International	603.6	35.9
C	Global Brands	295.3	17.6
D	Other	2.6	0.1

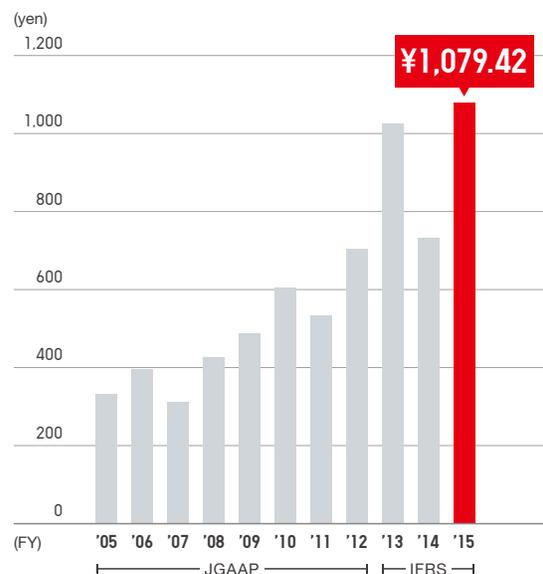
EBITDA Margin

12.0% **0.4pt**



Earnings per Share

¥1,079.42 **47.6%**



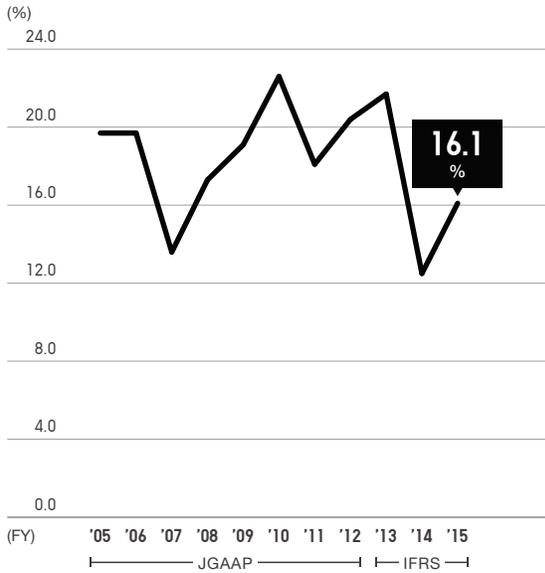
EBITDA (JGAAP) = Operating income + Depreciation and amortization + Amortization of goodwill

EBITDA (IFRS) = Operating profit + Depreciation and amortization

➤ ROE

16.1%

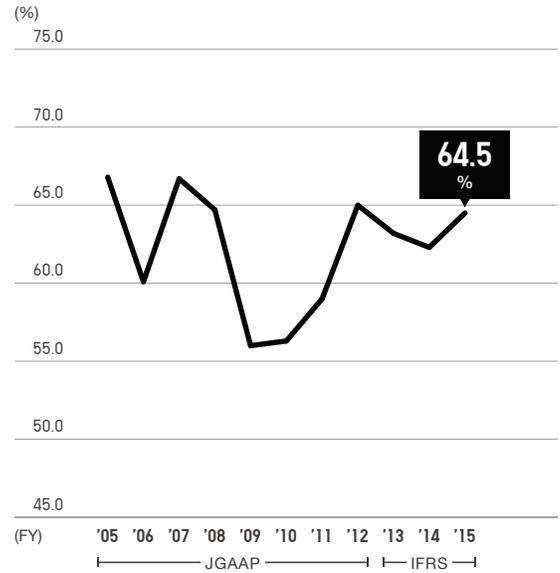
3.6pt 



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

64.5%

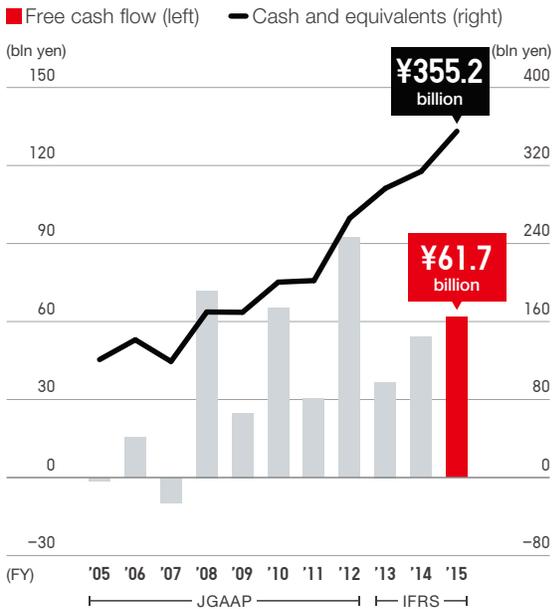
2.2pt 



➤ Cash and Equivalents

¥355.2 billion

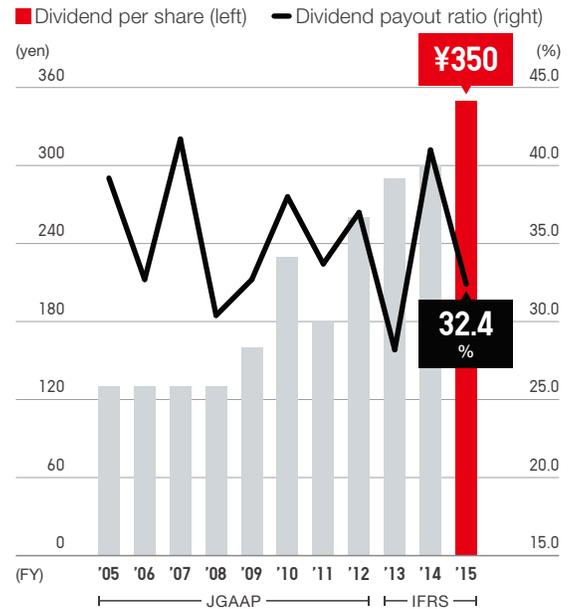
13.1% 



➤ Dividend per Share

¥350

¥50 



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

FINANCIAL SUMMARY

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

	JGAAP			
	2006	2007	2008	2009
For the year				
Net sales/Revenue	¥ 448,819	¥ 525,203	¥ 586,451	¥ 685,043
Operating income/Operating profit	70,355	64,963	87,493	108,639
EBITDA *1	80,166	75,310	97,467	112,621
Income before income taxes and minority interests/ Profit before income taxes	72,752	62,713	81,994	95,487
Net income/Profit attributable to owners of the parent	40,437	31,775	43,529	49,797
Net cash provided by operating activities/ Net cash from operating activities	57,477	18,847	87,336	59,214
Net cash used in investing activities	(41,907)	(28,783)	(15,421)	(34,273)
Free cash flow *2	15,570	(9,936)	71,915	24,941
Net cash used in financing activities	1,932	(12,759)	(19,054)	(16,847)
Cash and cash equivalents *3	141,404	119,216	169,888	169,574
Depreciation and amortization	5,364	6,567	8,523	9,765
Capital expenditures	16,261	26,441	21,017	22,601
At year-end				
Total assets	¥ 379,655	¥ 359,770	¥ 404,720	¥ 463,285
Total net assets/Total equity	240,479	243,283	264,014	261,413
Interest-bearing debt	22,774	24,429	20,016	35,400
Reference indices				
Operating income margin/Operating profit margin (%)	15.7%	12.4%	14.9%	15.9%
ROE/Ratio of profit to equity attributable to owners of the parent (%)	19.7	13.6	17.3	19.1
Equity ratio/Ratio of equity attributable to owners of the parent to total assets (%)	60.1	66.7	64.7	56.0
Debt-equity ratio (%)	9.5	10.1	7.6	13.6
Dividend payout ratio (%)	32.7	41.7	30.4	32.7
Per share data (yen, dollar)				
Net income/Profit attributable to owners of the parent (EPS)	¥ 397.38	¥ 311.98	¥ 427.38	¥ 488.96
Net assets/Equity attributable to owners of the parent	2,240.77	2,357.79	2,572.09	2,550.86
Cash dividends	130.00	130.00	130.00	160.00
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) *4				¥ 1,182.7
Number of subsidiaries	19	21	21	96
Total number of stores	1,632	1,828	1,958	2,258
Directly-operated stores in Japan	[1,093]	[1,233]	[1,310]	[1,454]
Directly-operated stores overseas	[196]	[247]	[294]	[397]
Franchise stores	[343]	[348]	[354]	[407]
Commercial complexes	—	1	4	4
Total sales floor space (m ²) *5	536,473m ²	626,998m ²	685,942m ²	740,489m ²
Number of full-time employees	3,990	6,514	8,054	11,037

*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 used in investing activities

*3 Cash and cash equivalents (JGAAP) include cash, time deposits with maturities of generally three months or less and marketable securities.
Cash and cash equivalents (IFRS) include cash, bank deposits with maturity over three months and marketable securities.

Millions of yen			Millions of yen (except per share data and other data)				Thousands of U.S. dollars *4
JGAAP			IFRS *6				
2010	2011	2012	2013	2014	2015	YoY	2015
¥ 814,811	¥ 820,349	¥ 928,669	¥1,142,971	¥1,382,935	¥1,681,781	+21.6%	\$13,878,379
132,378	116,365	126,450	134,101	130,402	164,463	+26.1	1,357,187
152,141	141,716	150,687	157,708	161,210	202,221	+25.4	1,668,775
116,867	93,881	123,390	155,732	135,470	180,676	+33.4	1,490,978
61,681	54,354	71,654	104,595	74,546	110,027	+47.6	907,970
88,623	57,158	127,643	99,474	110,595	134,931	+22.0	1,113,481
(23,389)	(26,643)	(35,313)	(62,584)	(56,323)	(73,145)	+29.9	(603,613)
65,234	30,515	92,330	36,890	54,272	61,786	+13.8	509,868
(28,897)	(26,156)	(29,056)	(24,226)	(44,060)	(41,784)	(5.2)	(344,817)
200,462	202,104	266,020	296,708	314,049	355,212	+13.1	2,931,280
12,229	18,755	18,573	23,607	30,808	37,758	+22.6	311,588
28,018	33,993	40,184	39,681	58,814	62,461	+6.2	515,445
¥ 507,287	¥ 533,777	¥ 595,102	¥ 901,208	¥ 992,307	¥1,163,706	+17.3%	\$ 9,603,119
287,987	319,911	394,892	589,726	636,041	774,804	+21.8	6,393,835
28,834	28,263	23,194	37,259	37,561	38,035	+1.3	313,880
16.2%	14.2%	13.6%	11.7%	9.4%	9.8%	+0.4pts.	9.8%
22.6	18.1	20.4	21.7	12.5	16.1	+3.6	16.1
56.3	59.0	65.0	63.3	62.3	64.5	+2.2	64.5
10.1	9.0	6.0	6.5	6.1	5.1	(1.0)	5.1
38.0	33.7	37.0	28.2	41.0	32.4	(8.6)	32.4
¥ 605.99	¥ 533.93	¥ 703.62	¥ 1,026.68	¥ 731.51	¥ 1,079.42	+47.6%	\$ 8.91
2,804.34	3,091.17	3,797.04	5,598.12	6,067.40	7,366.07	+21.4	60.79
230.00	180.00	260.00	290.00	300.00	350.00	+16.7	2.89
106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	—	106,073,656
¥ 1,228.3	¥ 1,535.9	¥ 1,938.0	¥ 3,383.7	¥ 3,452.6	¥ 5,225.7	+51.4%	\$ 43,123
90	98	91	102	112	119	+7	119
2,203	2,088	2,222	2,449	2,753	2,978	+225	2,978
[1,370]	[1,213]	[1,250]	[1,331]	[1,406]	[1,444]	+38	[1,444]
[474]	[491]	[589]	[743]	[1,072]	[1,240]	+168	[1,240]
[359]	[384]	[383]	[375]	[275]	[294]	+19	[294]
4	4	4	4	4	4	—	4
847,523m ²	938,896m ²	1,170,353m ²	1,387,367m ²	1,835,095m ²	2,030,031m ²	+194,936m ²	2,030,031m ²
11,596	14,612	18,854	23,982	30,448	41,646	+11,198	41,646

*4 Calculations are based on the closing share price of ¥49,265 at the end of August 2015 and an exchange rate of ¥121.18 to U.S.\$1.

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

*6 Fast Retailing adopted IFRS from Fiscal 2014. Fiscal 2013 data recalculated using IFRS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Group Highlights in Fiscal 2015

(Year to August 31, 2015)

- Achieved a record performance. Revenue: ¥1.6817 trillion (+21.6% YoY) and operating profit: ¥164.4 billion (+26.1% YoY).
- Basic earnings per share: ¥1,079.42 (+47.6% YoY).
- Annual dividend per share: ¥350 (up ¥50 YoY), dividend payout ratio 32.4%.

1 Operating Environment and Management Strategy

Signs of a tentative recovery in the broader Japanese economy and gradual improvement in personal consumption supported the retail industry, but customers became increasingly selective. Fear of a potentially sharp economic downturn in China clouded the outlook for the global economy. We faced some difficult operational challenges, as rising raw materials prices and a weaker yen raised the cost of apparel manufacture. Japanese personnel costs also increased.

Despite this, Fast Retailing achieved record results in fiscal 2015, with consolidated revenue reaching ¥1.6817 trillion (+21.6% YoY) and operating profit ¥164.4 billion (+26.1%). Significant gains in revenue and profit at UNIQLO International proved the main driver of Group growth, with continued robust same-store sales growth generating especially strong performances from Greater China (Mainland China, Hong Kong and Taiwan) and South Korea. Strong sales of core Fall Winter items increased revenue and profit at UNIQLO Japan. Global Brands reported considerable gains in both revenue and profit, with operating profit at our low-priced GU casualwear brand almost tripling. However, we reported impairment losses of ¥16.1 billion, relating to the J Brand operation, systems, and UNIQLO USA stores, and a ¥1.8 billion loss on the retirement of property, plant and equipment linked to the refurbishment of global flagship stores in London and Shanghai.

Yen weakness over the period boosted the carrying amount on foreign-currency assets, generating a ¥16.2

■ Number of Stores by Group Operation (Unit: Stores)

(FY)	2014	2015	
	End Aug.	End Aug.	Open / Close
UNIQLO Japan	852	841	45 / 56
Directly operated	831	811	36 / 56
Large-scale	199	208	15 / 6
Standard	632	603	21 / 50
Franchise	21	30	9 / 0
UNIQLO International	633	798	182 / 17
China	306	387	91 / 10
Hong Kong	22	25	4 / 1
Taiwan	46	55	9 / 0
South Korea	133	155	26 / 4
Singapore	18	23	5 / 0
Malaysia	21	25	4 / 0
Thailand	20	23	4 / 1
The Philippines	16	23	7 / 0
Indonesia	4	8	4 / 0
Australia	1	6	5 / 0
U.S.	25	42	17 / 0
U.K.	10	9	0 / 1
France	6	8	2 / 0
Russia	4	8	4 / 0
Germany	1	1	0 / 0
Global Brands	1,268	1,339	132 / 61
GU	276	319	60 / 17
Theory*	460	504	63 / 19
Comptoir des Cotonniers*	374	368	9 / 15
Princesse tam.tam*	152	145	0 / 7
J Brand	6	3	0 / 3
Total	2,753	2,978	359 / 134

* Including franchise stores

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

■ Performance by Group Operation

(FY)	2014			2015		
	Billions of yen	YoY change Billions of yen	% change	Billions of yen	YoY change Billions of yen	% change
UNIQLO Japan						
Revenue	¥715.6	¥ 32.3	+4.7	¥780.1	¥ 64.4	+9.0
Operating profit	106.3	11.0	+11.6	117.2	10.9	+10.3
UNIQLO International						
Revenue	413.6	162.4	+64.7	603.6	190.0	+45.9
Operating profit	32.9	20.5	+165.1	43.3	10.4	+31.6
Global Brands*						
Revenue	251.2	45.0	+21.8	295.3	44.0	+17.6
Operating profit	(4.1)	(20.8)	—	14.4	18.6	—

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

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

billion rise in net finance income, compared to a ¥5.0 billion rise in fiscal 2014. As a result, profit attributable to owners of the parent rose 47.6% to ¥110.0 billion.

The Group's medium-term vision is to become the world's No.1 apparel manufacturer and retailer. We have focused on expanding UNIQLO International by increasing overall store numbers and opening more global flagship stores in major cities, both to increase awareness of the UNIQLO brand and strengthen our global operational base. We are actively promoting the development of GU as a second pillar brand for the Group by accelerating new store openings in Japan and launching the label in Greater China.

2 Revenue

Consolidated revenue rose 21.6% year on year to ¥1.6817 trillion. That ¥298.8 billion increase breaks down into ¥190.0 billion from UNIQLO International, ¥64.4 billion from UNIQLO Japan, and ¥44.0 billion from Global Brands. UNIQLO International's sales network expanded by 165 stores, from 633 in fiscal 2014 to 798 in fiscal 2015. Performance was especially strong at UNIQLO Greater China and UNIQLO South Korea. Same-store sales expanded at UNIQLO Japan by 6.2%, thanks to consistently strong sales of core winter items such as HEATTECH, Ultra Light Down, wool sweaters, and the newer HEATTECH Extra Warm range. Revenue also increased significantly at Global Brands thanks to an extremely strong performance from GU.

3 Gross Profit Margin

Gross profit rose 21.3% year on year to ¥848.5 billion. The gross profit to net revenue ratio (gross profit margin) shrank 0.1 point to 50.5% on the back of a 0.2 point contraction in the gross margin at UNIQLO Japan. In the second half, the UNIQLO Japan gross margin shrank by a hefty 2.7 points after our decision to procure a percentage of Spring Summer items at spot exchange rates inflated the sales cost

ratio. We also discounted heavily in the fourth quarter to sell off stock.

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

SG&A expenses totaled ¥671.8 billion. The SG&A to net revenue ratio increased 0.2 point year on year to 39.9%, fueled by a 0.1 point increase in the SG&A ratio at UNIQLO Japan, which incurred higher personnel costs as the number of local store employees grew, as well as higher distribution and outsourcing expenses.

5 Other Income/Expenses

The balance of other income and expenses totaled -¥12.2 billion in fiscal 2015, compared to -¥20.1 billion in fiscal 2014. This includes: a ¥5.8 billion foreign exchange gain mainly related to temporary advances paid by overseas subsidiaries on purchases; impairment losses of ¥6.5 billion on systems, ¥5.1 billion on J Brand, ¥3.3 billion on UNIQLO USA stores, and ¥1.1 billion on other stores; and a ¥1.8 billion loss on property, plant and equipment relating to the refurbishment of our London and Shanghai global flagship stores.

6 Operating Profit

Operating profit increased 26.1% year on year to ¥164.4 billion. The operating income margin improved 0.4 point to 9.8%.

7 Finance Income/Cost

The balance of finance income and cost totaled ¥16.2 billion at the end of August 2015 (¥5.0 billion at the end of August 2014), after the weakening of the Japanese yen increased the carrying amount on foreign-currency denominated assets.

Breakdown of SG&A Expenses

(FY)	2013			2014			2015		
	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	¥ 52,693	—	—	¥ 60,941	¥ 8,247	+15.7	¥ 68,474	¥ 7,533	+12.4
Rental expenses	111,276	—	—	138,652	27,376	+24.6	166,437	27,784	+20.0
Depreciation and amortization	23,607	—	—	30,808	7,200	+30.5	37,758	6,949	+22.6
Outsourcing	17,185	—	—	22,953	5,768	+33.6	29,324	6,371	+27.8
Salaries	140,111	—	—	184,864	44,752	+31.9	230,815	45,950	+24.9
Others	81,303	—	—	110,975	29,671	+36.5	139,053	28,077	+25.3
Total	¥426,177	—	—	¥549,195	¥123,017	+28.9	¥671,863	¥122,668	+22.3

8 Income Taxes and Other Taxes

Income taxes totaled ¥63.2 billion in fiscal 2015. Our effective corporate tax rate after applying tax effect accounting was 35.0%, 0.6 point lower than Japan's statutory tax rate of 35.6%. This is due primarily to the growing contribution to Group profits made by operations outside Japan, mainly in Asia, where effective tax rates are low.

9 Profit Attributable to Owners of the Parent and Dividend

Profit attributable to owners of the parent totaled ¥110.0 billion (+47.6% YoY). Basic earnings per share rose ¥347.91 to ¥1,079.42. The annual dividend rose ¥50 to ¥350 per share, resulting in a dividend payout ratio of 32.4%. Return on equity (ROE) improved 3.6 points to 16.1%.

10 Results by Business Segment

UNIQLO Japan

UNIQLO Japan achieved record results in fiscal 2015, with revenue increasing 9.0% year on year to ¥780.1 billion and operating profit increasing 10.3% to ¥117.2 billion. Same-store sales increased by 6.2%.

In 2015 Fall Winter, core ranges such as HEATTECH and Ultra Light Down generated sales much stronger than expected. Customers especially loved our HEATTECH Extra Warm range, which is 50% warmer than original HEATTECH items. Our spring ranges got off to a good start, but unseasonal weather during the rainy season from June dampened sales of summer items. The gross profit margin contracted 0.2 point to 49.1% in fiscal 2015, due mainly to heavy discounting and proactive inventory offloading in the fourth quarter. The SG&A to net sales ratio increased 0.1 point to 34.3%, with higher numbers of local store employees raising personnel costs, and distribution and outsourcing costs also rising.

In fiscal 2015, we opened 36 stores, while 56 stores were closed or converted to employee franchise stores, resulting in a total of 811 stores (excluding 30 employee franchise stores). We actively increased the average size of UNIQLO Japan stores through our "scrap and build" policy of replacing small stores with large-scale stores of 1,600m² or more. The number of large-scale outlets increased by nine to 208 stores.

Customers were impressed by the community-focused management style of our UNIQLO OSAKA global flagship store and UNIQLO Kichijoji global hotspot store, helping both build a strong customer following since their opening in October 2014.

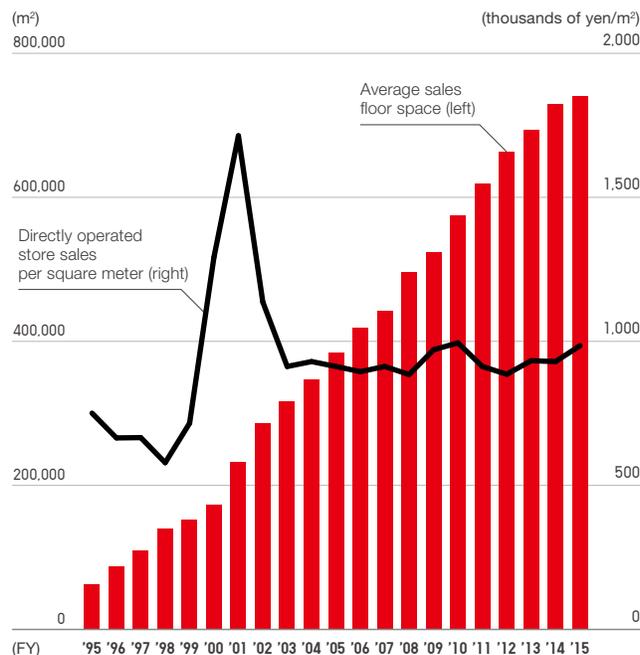
UNIQLO International

UNIQLO International also achieved a record performance, with revenue increasing 45.9% year on year to ¥603.6 billion and operating profit increasing 31.6% to ¥43.3 billion. UNIQLO operations in Greater China and South Korea performed especially well, proving to be the main driver of Group growth.

UNIQLO Greater China reported considerable growth, with revenue increasing 46.3% to ¥304.4 billion and operating profit increasing by 66.1% to ¥38.6 billion. Continued growth in same-store sales fueled significant gains at UNIQLO South Korea. UNIQLO Southeast Asia (Singapore, Malaysia, Thailand, the Philippines and Indonesia) discounted spring stock following lackluster sales, resulting in a flat operating profit. In Australia, sales of Fall Winter ranges were favorable and slightly above target, facilitating a reduction in operating losses. Operating profit contracted at UNIQLO Europe (U.K., France, Russia and Germany) following a loss on the retirement of property, plant and equipment linked to the renovation of our global flagship store in London. Sales fell short of target and operating losses expanded at UNIQLO USA, due partly to the rapid opening of new stores, and the fact that the UNIQLO brand is still comparatively new and not yet widely recognized.

In fiscal 2015, UNIQLO International added a net 165 stores (opened 182 and closed 17) for a final total of 798 stores. That represents a net increase of 93 stores in Greater China, 22 in South Korea, 23 in Southeast Asia, 5 in Australia, 5 in Europe and 17 in the United States.

UNIQLO Japan: Sales Floor Space and Sales per Square Meter



Global Brands

Global Brands reported significant gains in revenue and profit. Revenue expanded 17.6% to ¥295.3 billion. Operating profit totaled ¥14.4 billion, compared to a ¥4.1 billion loss in fiscal 2014. Significant increases in revenue and profit at our low-priced GU fashion casualwear brand drove segment growth. Meanwhile, the segment reported a ¥5.1 billion impairment loss following continued losses at J Brand.

GU revenue reached ¥141.5 billion (+31.6% YoY) and operating profit totaled ¥16.4 billion (+174.9%). This strong performance was underpinned by GU's ability to attract customers of all ages with products that capture the latest fashion trends, such as gaucho pants, and also the brand's capacity to flexibly increase production when required. At the end of August 2015, we had 314 GU stores in Japan and five stores outside of Japan. Meanwhile, lackluster demand for luxury fashion in the United States knocked Theory's operating profit lower. Our French fashion brand Comptoir des Cotonniers also reported a fall in operating profit. J Brand reported continued operating losses following a downturn in the U.S. premium denim market.

11 Balance Sheet

Total assets rose ¥171.3 billion year on year to ¥1.1637 trillion. Current assets increased ¥157.3 billion to ¥874.3 billion, mainly on increases in derivative financial assets, cash and cash equivalents, and inventory assets. Derivative financial assets increased by ¥58.3 billion to ¥157.4 billion after yen weakness widened the margin between the actual exchange rate at the end of August 2015 and the average rate of the Company's forward currency contracts. Higher operating cash flows increased cash and cash equivalents by ¥41.1 billion to ¥355.2 billion. Inventory assets rose ¥36.7 billion to ¥260.0 billion (UNIQLO Japan: -¥5.6 billion, UNIQLO International: +¥34.1 billion, Global Brands: +¥8.2 billion). The net addition of 165 new stores led to increased inventory at UNIQLO International, while the targeted expansion of the GU and Theory brands increased inventory at Global Brands.

Non-current assets increased by ¥14.0 billion to ¥289.3 billion. This increase was largely due to a ¥14.9 billion increase in property, plant and equipment related to the addition of 165 UNIQLO International stores and 71 Global Brands stores.

Current liabilities increased by ¥19.0 billion to ¥292.2 billion on the back of a ¥6.4 billion increase in provisions and a ¥4.0 billion increase in income taxes payable.

Non-current liabilities increased by ¥13.5 billion to ¥96.6 billion following a ¥9.8 billion rise in deferred tax liabilities to ¥47.2 billion.

Total equity increased by ¥138.7 billion to ¥774.8 billion, including a ¥117.3 billion increase in net profit for the year, a ¥34.3 billion decrease in dividend payments on retained earnings and a ¥53.7 billion increase in other comprehensive income (including cash flow hedges). The ratio of equity attributable to owners of the parents to total assets increased 2.2 points to 64.5%.

■ Consolidated Subsidiaries (at end of August 31, 2015)

Company name	Share ownership
Holding Companies	
FAST RETAILING CO., LTD.	—
FAST RETAILING (SINGAPORE) PTE. LTD.	100.0%
FAST RETAILING FRANCE S.A.S.	100.0%
Fast Retailing USA, Inc.	100.0%
UNIQLO Business	
UNIQLO CO., LTD.	100.0%
UNIQLO EUROPE LIMITED	100.0%
FAST RETAILING (CHINA) TRADING CO., LTD.	100.0%
FRL Korea Co., Ltd.	51.0%
LLC UNIQLO (RUS)	100.0%
UNIQLO TRADING CO., LTD.	100.0%
UNIQLO (THAILAND) COMPANY LIMITED	75.0%
PT. FAST RETAILING INDONESIA	75.0%
UNIQLO AUSTRALIA PTY LTD	100.0%
FAST RETAILING (SHANGHAI) TRADING CO., LTD.	100.0%
Global Brands	
J Brand, Inc.	100.0%
J BRAND Japan Co., Ltd.	100.0%
G.U. CO., LTD.	100.0%
LINK THEORY JAPAN CO., LTD.	100.0%
COMPTOIR DES COTONNIERS JAPAN CO., LTD.	100.0%

* The Fast Retailing Group comprises 119 consolidated subsidiaries.

12 Cash Flow Information

In fiscal 2015, net cash from operating activities totaled ¥134.9 billion, net cash used in investing activities totaled ¥73.1 billion and net cash used in financing activities totaled ¥41.7 billion. As a result, total free cash flow from both operating and investing activities totaled ¥61.7 billion, and the balance of cash and cash equivalents increased by ¥41.1 billion to ¥355.2 billion at the end of fiscal 2015.

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

Net Cash from Operating Activities: ¥134.9 Billion

Net Inflows included ¥180.6 billion in profit before income taxes, ¥37.7 billion in depreciation and amortization and ¥16.1 billion in impairment losses. Working capital outflows, calculated from trade receivables, inventories and trade payables, totaled ¥43.9 billion. Net income taxes paid amounted to ¥70.8 billion.

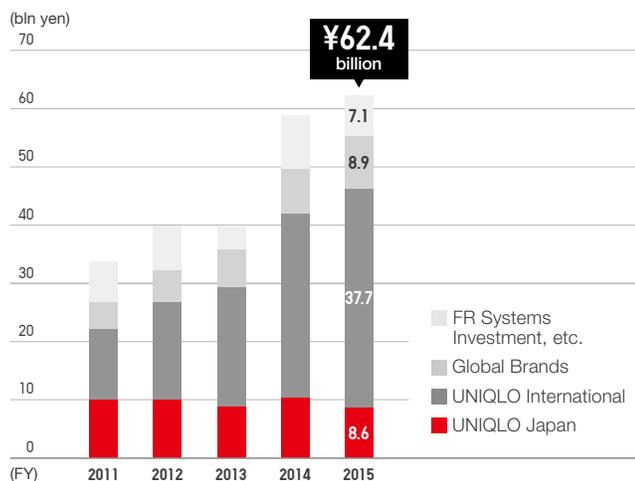
Net Cash Used in Investing Activities: ¥73.1 Billion

This includes ¥44.6 billion in acquisitions of property, plant and equipment, which helped to expand UNIQLO International and Global Brands store networks, and ¥6.5 billion for the acquisition of non-tangible assets such as systems investment. Consolidated capital expenditure totaled ¥62.4 billion (UNIQLO Japan: ¥8.6 billion, UNIQLO International: ¥37.7 billion, Global Brands: ¥8.9 billion, Fast Retailing systems investment, etc.: ¥7.1 billion).

Net Cash Used in Financing Activities: ¥41.7 Billion

This includes ¥33.1 billion in cash dividend payments, ¥5.0 billion for the repayment of long-term debt, and ¥4.5 billion for the repayment of lease obligations.

Capital Expenditure



13 Dividend Policy

Returning a portion of our profits to shareholders is a top priority. Our policy is to pay an appropriate dividend, closely linked to performance, 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 fiscal 2015. This translates into an annual dividend payout ratio of 32.4%.

14 Outlook for Fiscal 2016 (as of January 7, 2016)

We forecast rises in consolidated revenue and profit, with revenue reaching ¥1.800 trillion (+7.0% YoY), operating profit ¥180.0 billion (+9.4%) and net profit attributable to owners of the parent reaching ¥110.0 billion (-0.0%). We forecast net earnings per share (EPS) of ¥1,079.01, and an annual dividend per share of ¥370 (¥185 interim and year-end dividends).

At UNIQLO Japan, we expect flat same-store sales. We plan to open 40 stores and close 35 stores, bringing the total number of UNIQLO directly operated and franchise stores combined to 846 stores at the end of August 2016.

UNIQLO International is expected to expand to 960 stores, with 100 new stores scheduled to open in the Greater China region, 20 in South Korea, 40 in Southeast Asia and Oceania, 7 in the United States and 10 in Europe. We expect Global Brands will expand to 1,369 stores, including 50 additional stores for GU, 25 for Theory and 5 for Comptoir des Cottonniers. Overall, the Fast Retailing Group store network should expand by 197 stores, for a total of 3,175 stores in fiscal 2016.

Store Openings by Segment

(Unit: Stores)

(FY)	2015	2016			
	End Aug.	Open	Close	Net	End Aug.
UNIQLO	1,639	217	50	+167	1,806
UNIQLO Japan	841	40	35	+5	846
UNIQLO International	798	177	15	+162	960
Global Brands*	1,339	80	50	+30	1,369
Total	2,978	297	100	+197	3,175

* Including franchise stores
Note: This table does not include mina or Grameen UNIQLO.

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.

The 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 this report (November 27, 2015).

(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

In all the Group's businesses, 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

Most products sold through Group companies are manufactured in China, other Asian countries and Turkey. For this reason, 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 our products. Also, if there is a sharp rise in prices for cotton, cashmere, down or 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. Our aim is to maximize the enterprise value of the Group by pursuing synergies with target companies and businesses, and striving for optimization of our business portfolio, but there is a possibility of negative impact on results if we are unable to achieve anticipated revenues and effects.

v) Overseas business risks

As the Group expands its business through M&A, we are steadily expanding our presence overseas. As we open more stores in more countries, it is expected that our overseas business will make up a higher portion of the Group's total revenues. If the goods we sell do not match the market needs and product trends in each country, or

if there are economic fluctuations, social and political turmoil, changes in law, major currency market volatility, or other factors that affect our ability to hire and train well-qualified management personnel and local staff who can smoothly manage our business in each country, this could have a negative impact on earnings.

vi) Currency risks

Most products sold through the UNIQLO business, which is the Group's core business, are denominated in US dollars. For products to be imported to Japan, we hedge our currency risks for about three years ahead, using forward currency agreements to equalize our exchange rate exposure for imported products and stabilize our 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 UNIQLO'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

If gross quality defects are found in products sold by the Group, such as contamination by hazardous materials or toxins, 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 (including personal information) about customers, and it also handles trade secrets and other confidential information. Leaks or losses of customer information or confidential information may require that the information be recovered, necessitating apologies to customers, and possible payment of compensation for damages, which may have a negative impact on earnings, as well as causing damage to customers' trust.

iii) Risk due to weather

Global warming may cause a trend toward warmer winter weather, which may reduce sales of products sold by the Group, which could have a negative impact on earnings.

iv) Risk due to natural disaster

Fires, floods, explosions, building collapse, or other disasters affecting factories that produce or stores that sell the Group's products, or disasters in their immediate vicinity, may have a negative impact on the Company's ability to supply or to sell its products.

v) Risk of disputes and litigation

In the event of disputes or litigation between the Group and lessors of property, others 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.