FAST RETAILING

Other items provided electronically for the 2024 General Meeting of Shareholders (Items Omitted from the hardcopy submission)

The items listed above are not included in the documents delivered to shareholders who have requested the hardcopies ,in accordance with laws and regulations and Article 15 of the Company’s Articles of Incorporation.
However, at the general meeting of shareholders, a document stating the items subject to the electronic provision measures, excluding the items listed above, will be sent to all shareholders regardless of whether it has been requested or not.

FAST RETAILING CO., LTD (the “Company”)

The Company and its consolidated subsidiaries (the “Group”)

Business report

1 Number of Stores by Business Segment

(Unit: Stores)

	FY2023	FY2024		
	End Aug.	Open	Close	End Aug.
UNIQLO Japan:※	800	37	40	797
Directly operated	790	37	40	787
Franchise	10	0	0	10
UNIQLO International:	1,634	144	80	1,698
Greater China	1,031	54	53	1,032
China	925	49	48	926
Hong Kong	33	1	0	34
Taiwan	73	4	5	72
South Korea	126	10	10	126
South, Southeast Asia and Oceania	342	54	16	380
Singapore	29	3	2	30
Malaysia	54	14	10	58
Thailand	62	7	1	68
The Philippines	71	7	2	76
Indonesia	64	9	1	72
Australia	33	5	0	38
Vietnam	19	6	0	25
India	10	3	0	13
USA	49	13	1	61
Canada	18	5	0	23
Europe	68	8	0	76
U.K.	17	2	0	19
France	25	3	0	28
Germany	10	0	0	10
Belgium	3	0	0	3
Spain	6	0	0	6
Sweden	3	0	0	3
the Netherlands	2	0	0	2
Denmark	1	0	0	1
Italy	1	2	0	3
Luxembourg	0	1	0	1
GU:	463	38	29	472
Global Brands:	681	46	99	628
Theory※	436	33	27	442
PLST	52	6	18	40
COMPTOIR DES COTONNIERS※	108	3	37	74
PRINCESSE TAM. TAM※	85	4	17	72
Total	3,578	265	248	3,595

※Including franchise stores

(Note) This table excludes mina (commercial facility business) and pop-up stores.

2 Employees (as at 31 August 2024)

(1) Employees of the Group

Name of segment	Number of employees		Change from Previous Consolidated Fiscal Year
UNIQLO Japan	12,374	(19,703)	-108
UNIQLO International	36,800	(19,498)	+1,134
GU	5,441	(12,375)	+22
Global Brands	3,138	(493)	-178
Total for reportable segments	57,753	(52,069)	+870
Others	1,100	(62)	-181
All companies (shared)	1,601	(14)	-106
Total	60,454	(52,145)	+583

(Notes) 1. The number of employees does not include operating officers, junior employees, or part-time workers.
2. The average number of registered personnel for junior employees and part-time workers for the year are shown in brackets ( ).
3. The number of employees given as “All companies (shared)” represents administrative employees who could not be categorized in a specific business segment.

(2) Employees of the Company

Number of Employees	Change from Previous Fiscal Year	Average Age	Average Years of Service
1,601	-106	38 years and 6 months	5 years and 5 months

(Notes) 1. The number of employees does not include operating officers, junior employees, part-time workers or temporary staff seconded from other companies.
2. When an employee is transferred from a subsidiary, the average years of service does not include the number of years spent at the subsidiary.

3 Principal Lenders (as at 31 August 2024)

There are no significant borrowings, and the information is omitted.

4 Shares (as at 31 August 2024)

(1) Total number of shares authorized for issue — 900,000,000 shares

(2) Total number of issued shares — 318,220,968 shares

(3) Number of shareholders — 19,779 shareholders

(4) Number of shares per trading unit — 100 shares

(5) Top 10 shareholders

Major Shareholder	Investment in the Company	
	Number of Shares Held	Percentage of Shares Held
The Master Trust Bank of Japan, Ltd. (Trust account)	66,701 thousand	21.75%
Tadashi Yanai	53,391 thousand	17.41%
Custody Bank of Japan, Ltd. (Trust account)	32,446 thousand	10.58%
TTY Management B.V.	15,930 thousand	5.19%
Kazumi Yanai	14,345 thousand	4.68%
Koji Yanai	14,344 thousand	4.68%
Fight & Step Co., Ltd.	14,250 thousand	4.65%
STATE STREET BANK AND TRUST COMPANY (Standing proxy Mizuho Bank, Ltd.)	10,946 thousand	3.57%
MASTERMIND Co., Ltd.	10,830 thousand	3.53%
JP MORGAN CHASE BANK (Standing proxy Mizuho Bank, Ltd.)	8,528 thousand	2.78%

(Note) The percentage of shares held is calculated excluding treasury stock (11,481,781 shares).

5 Items Relating to External Officers

(1) Relationship between the Company and companies where External Officers hold significant concurrent offices

As stated on P.46 2 1 (1) Directors and Audit & Supervisory Board Members (as at 31 August 2024) of the Business Report included in the AGM Notice (hardcopy submission).

(2) Principal Activities in the Fiscal Year Ended 31 August 2024

Position	Name	Attendance	Activities
Independent Non-Executive Director	Nobumichi Hattori	13 out of 13 Board of Directors' Meetings	We expect Nobumichi Hattori will always provide candid and accurate advice and suggestions from an independent standpoint based on his extensive knowledge and M&A expertise and other corporate strategies cultivated over several years he spent working at one of the world's leading investment banks as well as his deep knowledge of our company acquired through the years of service. During the fiscal period, he provided the said clear advice and recommendations not only in Board of Directors meetings, but also in the Risk Management Committee and the Nomination and Remuneration Advisory Committee.
Independent Non-Executive Director	Masaaki Shintaku	13 out of 13 Board of Directors' Meetings	We expect Masaaki Shintaku will always provide candid and accurate advice and suggestions from an independent standpoint based on his extensive knowledge and expertise of global corporate management cultivated during his time in management at one of the world's leading information systems companies as well as his deep knowledge of our company acquired through the years of service. During the fiscal period, he provided the said clear advice and recommendations not only in Board of Directors meetings, but also in the Human Resources Committee, the IT Investment Committee, and the Nomination and Remuneration Advisory Committee.
Independent Non-Executive Director	Naotake Ono	13 out of 13 Board of Directors' Meetings	We expect Naotake Ono will always provide candid and accurate advice and suggestions from an independent standpoint based on his extensive knowledge of corporate management and management training cultivated over the years of management experience at Japan's largest construction company. During the fiscal period, he provided the said clear advice and recommendations to the Board of Directors and the Nomination and Remuneration Advisory Committee.
Independent Non-Executive Director	Kathy Mitsuko Koll	13 out of 13 Board of Directors' Meetings	We expect Kathy Mitsuko Koll to offer advice and suggestions based on her extensive knowledge of global management and ESG challenges cultivated during her career in a leading global securities company and an ESG-focused global venture capital fund. During the fiscal period, she provided accurate advice and suggestions based on the aforementioned perspectives to the Board of Directors, the Sustainability Committee, the Human Rights Committee, and the Nomination and Remuneration Advisory Committee.
Independent Non-Executive Director	Joji Kurumado	13 out of 13 Board of Directors' Meetings	We expect Joji Kurumado to provide advice and suggestions based on his wide-reaching knowledge of store development, management, and overseas business obtained during his involvement over many years at a major general construction company. He offered appropriate advice and proposals during the business period in Board of Directors' Meetings and the Nomination and Remuneration Advisory Committee.

Independent Non-Executive Director	Yutaka Kyoya	13 out of 13 Board of Directors' Meetings	We expect Yutaka Kyoya to provide advice and suggestions based on his wide-reaching knowledge particularly in the field of consumer business obtained during his involvement over many years at a major general trading company. He offered appropriate advice and proposals during the business period in Board of Directors' Meetings, the Human Resources Committee, and the Nomination and Remuneration Advisory Committee.
Audit & Supervisory Board Member	Keiko Kaneko	13 out of 13 Board of Directors' Meetings 15 out of 15 Audit & Supervisory Boards' Meetings	We expect Keiko Kaneko to use her specialist knowledge and rich expertise as a lawyer involved in international corporate legal affairs to conduct audits from a broad and advanced perspective and to offer advice and suggestions to ensure fair and appropriate decision-making by the Board of Directors. During the fiscal period, she conducted appropriate audits from the above-mentioned perspectives and provided accurate advice and suggestions to the Board of Directors, the Human Resources Committee, the Code of Conduct Committee, and the Human Rights Committee.
Audit & Supervisory Board Member	Takao Kashitani	13 out of 13 Board of Directors' Meetings 14 out of 15 Audit & Supervisory Boards' Meetings	We expect Takao Kashitani to use his specialist knowledge and rich expertise as a certified public accountant to conduct audits from a broad and advanced perspective and to offer advice and suggestions to ensure fair and appropriate decision-making by the Board of Directors. During the fiscal period, he conducted appropriate audits from the above-mentioned perspectives and provided accurate advice and suggestions to the Board of Directors, the Business Ethics Committee, and the Nomination and Remuneration Advisory Committee.
Audit & Supervisory Board Member	Masakatsu Mori	13 out of 13 Board of Directors' Meetings 15 out of 15 Audit & Supervisory Boards' Meetings	We expect Masakatsu Mori to draw on his specialist knowledge in finance and accounting as a certified public accountant and his experience in senior management at an international consulting firm to conduct audits from a broad and advanced perspective and to offer advice and suggestions to ensure fair and appropriate decision-making by the Board of Directors. During the fiscal period, he conducted appropriate audits from the above-mentioned perspectives and provided accurate advice and suggestions to the Board of Directors and the Business Ethics Committee.

6 Independent Auditor

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Remuneration for the Independent Auditor for the Fiscal Year ended 31 August 2024

① Amount of remuneration, etc. for the Independent Auditor to be paid by the Company	299 million yen
② Total amount of cash and other economic benefits to be paid by the Company and consolidated subsidiaries	343 million yen

(Notes) The audit agreement between the Company and the Independent Auditor makes no distinction between the amount of remuneration for auditing under the Companies Act and the amount of remuneration for auditing under the Financial Instruments and Exchange Act. Since no real distinction can be made in practice, the amount of remuneration in (2) above to be paid for the fiscal year represents the total amount. Additionally, some subsidiaries are audited by certified public accountants or auditing firms other than the Company's accounting auditor (including those with qualifications equivalent to these qualifications in foreign countries).

(3) Audit & Supervisory Board Agree Independent Auditor's Remuneration

The Audit & Supervisory Board agreed to the remuneration of the independent auditor as stipulated in Article 399, Item 1 of the Companies Act, after checking auditing estimates versus actual performance in previous business years, including itemized auditing hours and remuneration, and investigating whether the estimates for the year ended 31 August 2024 were reasonable, based on the practical guidelines relating to independent auditor published by the Japan Audit & Supervisory Board Members Association.

(4) Non-auditing Services

Fast Retailing doesn't entrust its accounting auditor with any business other than the audit certification stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(5) Policy and reasons for selecting audit corporation

Based on the "Practical Guidelines for Auditors, etc. Concerning the Formulation of Evaluation and Selection Standards for Accounting Auditors" (Japan Audit & Supervisory Board Members Association; 21 December 2023), the Audit & Supervisory Board selected Deloitte Touche Tohmatsu LLC to be the independent auditor after comprehensively examining the like in accordance with the prescribed selection standards and evaluation standards for accounting auditors. Regarding the policy for determining the dismissal or non-reappointment of an independent auditor, in the event that it is acknowledged that an item prescribed in an item under Article 340-1 of the Companies Act is applicable, the Audit & Supervisory Board will pass a resolution to the effect that the Audit & Supervisory Board will dismiss the independent auditor based on the consent of all Audit & Supervisory Board Members, and in the event that it is acknowledged that it is difficult for the independent auditor to perform an appropriate audit due to an event arising that otherwise impairs the accounting auditor's competence or independence, the Audit & Supervisory Board will pass a resolution to the effect that the Audit & Supervisory Board will make a proposal to the General Meeting of Shareholders to dismiss or not reappoint the accounting auditor.

（6） Outline of Agreement for Limitation of Liability

The Company has entered into an agreement with Deloitte Touche Tohmatsu LLC based on provisions of Article 427, Paragraph 1 of the Companies Act, which limits its liabilities for damages provided for in Article 423, Paragraph 1 of the same act. Under this agreement, the limit of liabilities in damages shall be limited to the highest of the following amounts multiplied by two: the total economic benefit received or to be received from the Company as remuneration and payment received for performance of duties in each business year during its service as the Independent Auditor.

7 Share Subscription Rights (as at 31 August 2024)

(1) Delivery of share subscription rights as consideration for the execution of duties and held by the Company officers

Share subscription rights resolved by the Board of Directors on 9 October 2014

	Executive Director (excluding external executive directors)
Number of holders	1
Number of share subscription rights	652 rights
Type and number of shares to be issued upon exercise of share subscription rights	Common stock: 1,956 shares
Amount to be paid upon exercise of share subscription rights (Yen)	The total amount to be paid upon exercise of one share subscription rights shall be determined by multiplying the price to be paid per share that can be granted due to the exercise of share subscription rights, which shall be ¥1, by the number of shares granted
Exercise period of share subscription rights	From 14 November 2017 to 13 November 2024
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.

(Notes) Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. The number of shares to be issued upon exercise of share subscription rights is disclosed after conversion to the number of shares after the stock split.

(2) Delivery of share subscription rights to employees as consideration for the execution of duties during the year ended 31 August 2024

	14th Share subscription rights A type	
Date of resolution of the Board of Directors	21 December 2023	
Type and number of shares to be issued upon exercise of share subscription rights	Common stock: 16,643 shares	
Amount to be paid upon exercise of share subscription rights (Yen)	The total amount to be paid upon exercise of one share subscription rights shall be determined by multiplying the price to be paid per share that can be granted due to the exercise of share subscription rights, which shall be ¥1, by the number of shares granted	
Exercise period of share subscription rights	From 19 January 2027 to 18 January 2034	
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.	
Status of share subscription rights issued to employees	Executive officer of the Company	Number of share subscription rights 16,643 Number of underlying shares 16,643 Number of holders 37
Assignment of share subscription rights	The acquisition of share subscription rights by assignment shall be subject to the approval of the Board of Directors.	
Items relating to payment in lieu	—	

Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Notes)

(Notes)

Upon any reorganization of the Company (collectively referred to as "Reorganization") consisting of merger (limited to cases where the Company becomes extinct thereby), absorption-type company split or incorporation-type company split (in each event, limited to cases where the Company is the entity resulting from the Company split), or exchange or transfer of shares (in each event, limited to cases where the Company becomes a wholly-owned subsidiary), parties holding share subscription rights in existence immediately preceding the effective date of such Reorganization (hereinafter referred to as "Outstanding Share Subscription Rights") shall, in each applicable case, be issued share subscription rights for shares of the resulting company as prescribed in Article 236(1)viii of the Companies Act of Japan (hereinafter referred to as the "Company Resulting From Reorganization"). In such event, any Outstanding Share Subscription Rights shall lapse and the Company Resulting From Reorganization shall issue new share subscription rights; provided, however, that terms and conditions stipulating that the Company Resulting From Reorganization shall issue share subscription rights that prescribe the matters stated below shall be included in any absorption merger agreement, new merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or transfer of shares plan.

1. Number of share subscription rights to be issued by the Company Resulting From Reorganization: Each holder of Outstanding Share Subscription Rights shall be issued the same number thereof.
2. Type of shares of the Company Resulting From Reorganization underlying the share subscription rights: Common stock of the Company Resulting From Reorganization.
3. Number of shares of the Company Resulting From Reorganization underlying the share subscription rights:
   A proposal stating the conditions for Reorganization and the like shall include a finalized statement of the type and number of shares underlying the above-mentioned share subscription rights.
4. Value of property to be incorporated upon exercise of the share subscription rights:
   The value of property to be incorporated upon exercise of share subscription rights that are issued shall be the amount obtained by multiplying the exercise price after reorganization prescribed below by the number of shares of the Company Resulting From Reorganization underlying the share subscription rights that have been finalized as stated in No. 3. above. The exercise price after Reorganization shall be 1 yen per share of the Company Resulting From Reorganization that can be issued upon exercise of each share subscription rights that is issued.
5. Period during which share subscription rights can be exercised:
   The period from the later of either the first day of the period during which share subscription rights can be exercised as prescribed above or the day on which a Reorganization takes effect through the final day of the period during which share subscription rights can be exercised as prescribed above.
6. Matters pertaining to the increase of capital and capital reserve resulting from the issuance of shares upon exercise of the share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
7. Restrictions on acquisition of share subscription rights by transfer:
   Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors of the Company Resulting From Reorganization.
8. Terms and conditions for acquisition of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.
9. Conditions for exercise of share subscription rights:
   To be determined in order to align with the conditions applicable to the subject share subscription rights.

8 Ensuring Proper Business Operations (Corporate Governance)

（1） Our Approach to Corporate Governance

Fast Retailing is more determined than ever to pursue business expansion and sustainability initiatives in tandem as part of our aim to become a global No.1 brand that is essential to daily living and trusted by all customers around the world based on our corporate statement: Changing clothes. Changing conventional wisdom. Change the world.

To achieve these aims, we are working hard to establish an effective corporate governance structure. Fast Retailing is a company with an Audit & Supervisory Board. To enhance the independence of the Board of Directors and strengthen its surveillance ability, the majority of the directors on the Board are external directors. Fast Retailing has introduced a corporate officer system to separate decision-making and business-execution functions and facilitate fast management decisions and business implementation. In addition, the company has established a variety of committees to complement the effective functioning of the Board, including the Human Resources, Sustainability, Disclosure, IT Investment, Code of Conduct, Business Ethics, Risk Management, Nomination and Remuneration Advisory, and Human Rights committees. Each committee encourages prompt, open debate and decision-making to fulfill its designated purpose and responsibilities. We use these frameworks to help respond to the needs and demands of our customers, business partners, shareholders and all other stakeholders.

（2） Establishing Strong Internal Control Systems

The Company seeks to ensure its business operations are legitimate, fair and efficient by establishing a system of internal controls that covers the entire Fast Retailing Group (FR Group), which adheres strictly to the Group’s policies and rules, including the Group’s management principles, the Fast Retailing Way (FR Way) and the Fast Retailing Group Code of Conduct (FR Code of Conduct).

A. Ensuring FR Group Directors’ Duties Comply with Laws, Regulations and Articles of Incorporation

1. Directors and Group officers (collectively, Directors) of all FR Group companies comply faithfully with the Group’s management principles, the FR Way, the FR Code of Conduct, and other internal company rules and regulations, and promote strict adherence to corporate ethics and compliance across the Group as a whole. The Directors also ensure the effectiveness of the Company’s rules and principles by reviewing them regularly and revising them when necessary to reflect changes in society and company business activities, and the operation of the FR Code of Conduct.
2. The Company appoints either the Group officer overseeing the Legal Department or the head of the Legal Department as compliance officer, tasked with establishing Company and Group-wide compliance frameworks and resolving compliance-related issues.
3. The Company promotes fairness and transparency in senior management decision-making by appointing two or more External Directors to the Board of Directors. Audit & Supervisory Board Members for the Company or Group subsidiaries may attend the Board meetings of companies they audit and express timely opinions. Company or Group subsidiary Directors may engage external lawyers, certified public accountants, etc. to avoid potential violation of laws and implement preventive measures. If Company or Group subsidiary Directors discover another Director has acted illegally, they must report immediately to the Audit & Supervisory Board Members, the President, and the compliance officer.

B. Ensuring FR Group Employees' Duties Comply with Laws, Regulations and Articles of Incorporation

1. Company and Group subsidiary Directors are responsible for establishing a framework to ensure that all Group employees comply with the management principles, the FR Way, the FR Code of Conduct and other internal company rules. They are also responsible for training employees in compliance awareness.
2. The Company has an Internal Audit Department that supervises the FR Group's internal control systems, and a Legal Department that oversees compliance.
3. If Directors of the Company or Group subsidiaries discover a legal or compliance violation, they should report the matter immediately to other Directors. Any serious legal violation should be reported immediately to the Audit & Supervisory Board Members, the President and the compliance officer.
4. The Company has set up an internal reporting system (hotline) for Directors and employees of the Company or Group subsidiaries to report illegal actions or compliance violations.
5. The Code of Conduct Committee, which includes external specialists such as lawyers, conducts regular reviews of compliance maintenance and the hotline operation, and makes necessary improvements. If Directors of the Company or Group subsidiaries detect a problem with the hotline operation, they should apply to the Code of Conduct Committee and request improvements.

C. Data Storage and Management Relating to Execution of FR Group Directors' Duties

The documents listed below relating to Company and Group subsidiary Directors' duties are retained as proof of decision-making and business-execution processes, as stipulated by law, Articles of Incorporation, and Rules of Board of Directors and Company regulations and guidelines on document management and confidential information. These documents are stored and managed appropriately and can be easily retrieved for reference or inspection during the legally required storage period.

- Shareholders meeting minutes and relevant documentation
- Board meeting minutes and relevant documentation
- Minutes of important meetings held by Directors and relevant documentation
- Minutes of other meetings held by important employees and relevant documentation

D. Managing Risk of Losses to FR Group

1. The Company regularly analyzes risks relating to the Company and Group subsidiaries to identify risks that could, directly or indirectly, cause financial loss, interrupt or stop business, damage brand images or the credibility of the Company or FR Group, and manages any risks accordingly.
2. If unforeseen circumstances should arise, a task force headed by the President or a Director appointed by the President shall be established to prevent increase losses and minimize damage. For a faster response, the task force may organize an external advisory team including lawyers and certified public accountants.

E. Ensuring Efficient Execution of Directors' Duties

1. To ensure that the duties of Company and Group subsidiary Directors are performed efficiently, the Company holds regular monthly meetings of the Board of Directors, which includes a number of External Directors, and holds ad hoc meetings when necessary. Group subsidiaries which have their own Board of Directors also hold Board meetings as stipulated by law.
2. Important matters concerning Company and Group management policy and management strategy shall be discussed beforehand at the weekly management meeting (Monday Meeting) chaired by the President, and decisions taken after due deliberation.
3. The execution of decisions made by the Board of Directors shall be conducted efficiently and appropriately by the Group officers designated by the Board.

F. Ensuring Reliable FR Group Financial Reports

Systems have been established to ensure reliable financial reporting of Company and FR Group subsidiary activities, and the appropriate acquisition, holding and disposal of assets. These activities are closely monitored. The Company has also established a Disclosure Committee to ensure the Company and Group subsidiaries disclose information in a timely and appropriate manner.

G. Ensuring Proper Execution of Corporate Groups Formed by Company and FR Group Subsidiaries

1. To ensure appropriate operations of FR Group companies, all Group companies are required to uphold the management principles, the FR Way and the FR Code of Conduct. These principles also underpin the rules and regulations used when establishing entrusted individual Group companies. While respecting their autonomy, the Company oversees associated companies by determining their rules of business and requiring them to refer important items to the Company for consultation or final determination. The Company monitors associates if necessary. If Directors of Group subsidiaries discover any legal violations or serious compliance breaches, they should report them to the Audit & Supervisory Board Members, the President and compliance officer.
2. If Directors of Group subsidiaries consider the Company's management principles or guidelines violate the law, undermine corporate ethics in a specific country, or create a compliance problem, they shall report to the Internal Audit Department or the Legal Department. Those departments shall report swiftly to the Audit & Supervisory Board, the President and the compliance officer, and request appropriate improvements.

H. Employee Assistants Requested by Audit & Supervisory Board Members, and ensuring Their Independence and Effectiveness of Audit & Supervisory Board Members' Instruction Towards Employee Assistants

1. Upon receiving a request from the Audit & Supervisory Board, the Company shall establish rules to determine which employees assist the Audit & Supervisory Board Members with their duties, and assign appropriate internal personnel to the Audit & Supervisory Board Members or employ external lawyers or certified public accountants. To ensure assistants are independent of the Directors, their performance will be evaluated by Audit & Supervisory Board Members, and the Audit & Supervisory Board will approve decisions made by the Board of Directors on their assignment, dismissal, transfer and wages, etc.
2. Assistants shall report directly to the Audit & Supervisory Board Members and may not hold concurrent positions that involve the execution of Company's business.

I. Director and Employee Reporting to Audit & Supervisory Board Members, and Other Reports

1. Directors and employees of the Company and Group subsidiaries shall report any important matters that might impact the Company's operations or corporate performance to the Audit & Supervisory Board Members. Irrespective of these rules, the Audit & Supervisory Board Members may request reports from Directors or employees of the Company, or Directors, employees and Audit & Supervisory Board Members of Group subsidiaries if necessary.
2. The Company and Group subsidiaries shall uphold the Group's management principles, the FR Way and the FR Code of Conduct, and maintain frameworks for reporting legal violations or breaches of compliance rules to the Audit & Supervisory Board Members. If the Audit & Supervisory Board Members judge there is a problem with this framework, they can inform the Directors and the Board of Directors and request improvements.
3. The Company has made it widely known to Directors and employees across the entire FR Group that using reports submitted to Audit & Supervisory Board Members to penalize the submitter is forbidden. Submitted reports are protected by strict information management systems.
4. Audit & Supervisory Board Members communicate closely with the independent auditor, the Internal Audit Department, and Audit & Supervisory Board Members at Group companies through regular meetings and information exchange.

J. Policy on Prepayment or Reimbursement of Expenses for Audit & Supervisory Board Members

If Audit & Supervisory Board Members submit requests for prepayment or reimbursement of expenses incurred during the course of their duties, the Company shall pay invoices or settle debts swiftly, unless it proves the requested expenses or debt were not necessary to the performance of the Audit & Supervisory Board Member's duties.

K. Other Matters Ensuring Efficient Audits by Audit & Supervisory Board Members

1. Audit & Supervisory Board Members attend Board of Directors meetings and other important meetings to observe the reporting and discussion of significant issues. They may voice opinions if necessary.
2. The President meets regularly with Audit & Supervisory Board Members to consult on pressing issues, ensure appropriate auditing environments, and exchange views on significant issues highlighted in the auditing process.

L. Eliminating Anti-social Forces

The Company works to extinguish anti-social forces by incorporating the following content in the FR Code of Conduct, and informing all executives and employees of its uncompromising stance:

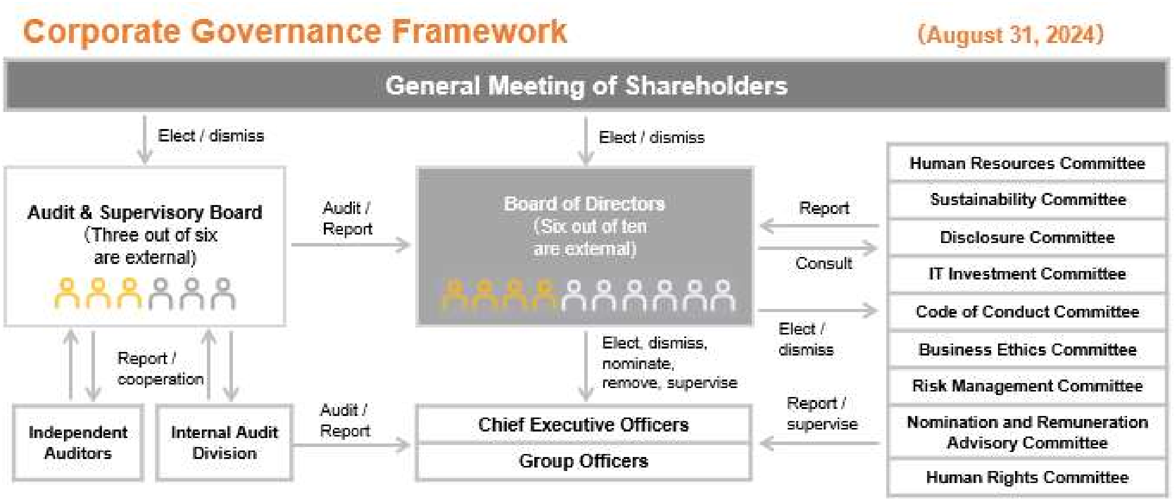
1. The Company adopts a firm stand against and refuses to engage with anti-social forces. The Company forbids the use of financial payments to resolve unreasonable claims from anti-social forces.
2. The Company forbids the use of anti-social forces for Company or individual gain.

（3） Fast Retailing's Fundamental Policies in Action

As the key decision-making body on management and business execution, the Board of Directors meets at least once a month to discuss and determine key issues. In addition, management strategies or business plans mandated by the Board can be swiftly revised at the weekly management meeting (Monday Meeting) chaired by the President. Six External Directors and three External Audit & Supervisory Board Members voice frank, timely views at Board meetings, and carefully supervise company management and business.

The Company has established several committees, which include External Directors and External Audit & Supervisory Board Members, to complement the functions of the Board of Directors. These committees meet regularly and encourage open discussion and swift decision-making.

Below is a diagram of our corporate governance systems.



Roles and activities of the committees are as follows.

- **Human Resources Committee**

The Human Resources Committee discusses important organizational changes and adjustments to human resource systems across the Group and offers views and suggestions to the Board. The committee met three times during FY2024.

- **Sustainability Committee**

The Sustainability Committee discusses and determines Fast Retailing's overall strategy on sustainability issues, environmental protection, social responsibility activities, human rights issues, diversity, and communication. The internal director of the Sustainability Department chairs the committee and committee members are made up of outside experts, Audit & Supervisory Board Members, and executive officers. The committee met four times during FY2024.

- **Disclosure Committee**

The Disclosure Committee, chaired by the Company official in charge of disclosing information to the Tokyo Stock Exchange (TSE), is tasked with boosting management transparency by “disclosing information that is timely accurate, fair and easy to understand.” The Committee is responsible for both timely and voluntary disclosures to the TSE and the Stock Exchange of Hong Kong regarding matters that may materially impact investor and shareholder investment decisions. The committee met twelve times during FY2024.

- **IT Investment Committee**

This Committee debates and advises on the IT investments that will best achieve our targets for sweeping changes to our information systems and business operations. That means deliberating the efficacy of each individual investment, and checking whether IT investment budgets submitted by external specialist organizations are reasonable and appropriate. The committee is chaired by the Company president. External experts, external directors, Audit & Supervisory Board Members, and corporate officers participate as committee members or observers. The committee met three times during FY2024.

- **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 when to make improvements to it. It offers guidance on educating executives and employees about the requirements of the CoC, and on operating the confidential hotline. The committee is chaired by the head of the Legal Department. Audit & Supervisory Board Members (including external Audit & Supervisory Board Members), corporate officers and others participate as committee members. The committee met thirteen times during FY2024.

- **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. Audit & Supervisory Board Members (including external Audit & Supervisory Board Members), corporate officers and others participate as committee members. The committee met eleven times during FY2024.

- **Risk Management Committee**

In order to identify latent risks in business activities on a regular basis and to strengthen systems for detecting and managing material risks, this committee analyzes and assesses the impact and frequency of risks on business, and discusses countermeasures for high-risk business areas to contain any risk before it occurs or ensure a swift response if a risk does materialize. The committee is chaired by the Group CFO and committee members include outside directors and executive officers. The committee met four times during FY2024.

Nomination and Remuneration Advisory Committee

With the aim of strengthening Fast Retailing governance, the committee discusses and advises the Board of Directors on important items relating to Fast Retailing corporate governance, such as the requirements and nomination policy regarding candidates for director and auditor positions, the policy for determining director remuneration, requirements relating to the Company's chief executive officer, and smooth management succession planning. The committee is chaired by an external director nominated by the Board. All the Company's independent external directors and some of the external Audit & Supervisory Board Members serve as committee members. We believe that Fast Retailing's corporate statement and corporate spirit represent vital sources of growth and that it is important to pass on those commitments and values. For that reason, the Company's representative director also serves on the committee. The committee met three times in FY2024, during which policies relating to the nomination of candidates for internal director and Audit & Supervisory Board member and the determination of remuneration for internal directors were discussed. All committee members attended both committee meetings.

Human Rights Committee

The Human Rights Committee is chaired by an external expert, and is tasked with discussing and offering advice on implementing human rights due diligence. The committee is responsible for ensuring human rights are upheld according to the 2018 Fast Retailing Group Human Rights Policy. It also advises those in charge of business execution to ensure business is conducted appropriately and fairly, and conducts various educational activities. As the body responsible for reporting and monitoring, the committee will also investigate any human rights violations and take remedial measures. The committee met seven times in FY2024.

Please refer to page 39 of the reference materials for the 2024 General Meeting of Shareholders (hardcopy submission) about Diagram of composition of directors and Audit & Supervisory Board Members for each committee.

Consolidated Statement of Changes in Equity (Year ended 31 August 2024)

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Other components of equity: Financial assets measured at fair value through other comprehensive income/(loss)	Other components of equity: Foreign currency translation reserve
As at 1 September 2023	10,273	28,531	1,498,348	(14,714)	28	146,031
Net changes during the year						
Profit for the year	-	-	371,999	-	-	-
Other comprehensive income/(loss)	-	-	-	-	(46)	(5,284)
Total comprehensive income	-	-	371,999	-	(46)	(5,284)
Acquisition of treasury stock	-	-	-	(5)	-	-
Disposal of treasury stock	-	1,233	-	90	-	-
Dividends	-	-	(104,274)	-	-	-
Share-based payments	-	(51)	-	-	-	-
Transfer to non-financial assets	-	-	-	-	-	-
Total transactions with the owners of the Parent	-	1,181	(104,274)	85	-	-
Total net changes during the year	-	1,181	267,725	85	(46)	(5,284)
As at 31 August 2024	10,273	29,712	1,766,073	(14,628)	(17)	140,747

	Other components of equity: Cash-flow hedge reserve	Other components of equity: Share of other comprehensive income of associates	Other components of equity: Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
As at 1 September 2023	152,602	302	298,965	1,821,405	51,955	1,873,360
Net changes during the year						
Profit for the year	-	-	-	371,999	21,605	393,605
Other comprehensive income/(loss)	47,868	2	42,540	42,540	(933)	41,607
Total comprehensive Income	47,868	2	42,540	414,540	20,672	435,212
Acquisition of treasury stock	-	-	-	(5)	-	(5)
Disposal of treasury stock	-	-	-	1,323	-	1,323
Dividends	-	-	-	(104,274)	(19,443)	(123,718)
Share-based Payments	-	-	-	(51)	-	(51)
Transfer to non-financial assets	(116,401)	-	(116,401)	(116,401)	(1,465)	(117,867)
Total transactions with the owners of the Parent	(116,401)	-	(116,401)	(219,409)	(20,909)	(240,318)
Total net changes during the year	(68,533)	2	(73,861)	195,130	(236)	194,893
As at 31 August 2024	84,069	305	225,104	2,016,535	51,718	2,068,254

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

Notes to the Consolidated Financial Statements

1 Significant Accounting Policies

(1) Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Company and its consolidated subsidiaries are prepared in accordance with IFRS Accounting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under IFRS Accounting Standards.

(2) Scope of consolidation

Status of consolidated subsidiaries

Number of consolidated subsidiaries

104

Names of main consolidated subsidiaries

UNIQLO CO., LTD.	FAST RETAILING (CHINA) TRADING CO., LTD. *
UNIQLO TRADING CO., LTD. *	FAST RETAILING (SHANGHAI) TRADING CO., LTD. *
FRL Korea Co., Ltd.	FAST RETAILING (SINGAPORE) PTE. LTD.
UNIQLO (THAILAND) COMPANY LIMITED	PT. FAST RETAILING INDONESIA
UNIQLO AUSTRALIA PTY LTD.	Fast Retailing USA, Inc.
UNIQLO EUROPE LTD	UNIQLO VIETNAM Co., Ltd.
UNIQLO INDIA PRIVATE LIMITED	G.U. CO., LTD.
GU (Shanghai) Trading Co.,Ltd.	FAST RETAILING FRANCE S.A.S.
Theory LLC	PLST CO., LTD.
COMPTOIR DES COTONNIERS S.A.S.	PRINCESSE TAM TAM S.A.S.
	Other consolidated subsidiaries (84 companies)

* The English names of all subsidiaries established in the People’s Republic of China (“PRC”) are translated for identification only.

(3) Scope of investments in associates

Status of associates

Number of associates

3

(4) Consolidated subsidiaries

The statutory fiscal year end dates for FAST RETAILING (CHINA) TRADING CO., LTD., UNIQLO TRADING CO., LTD., FAST RETAILING (SHANGHAI) TRADING CO., LTD., GU (Shanghai) Co., Ltd. and 11 other companies vary between 31 December, 31 March and 30 June.

Management prepares the financial statements of these subsidiaries as at the Group’s year-end solely for the Group’s consolidation purpose.

（5） Accounting Policies

A. Evaluation basis and method of financial assets and financial liabilities

(1) Non-derivative financial assets

1. Initial recognition and measurement

The Group classifies financial assets as “financial assets measured at fair value through Profit/Loss”; “financial assets measured at fair value through Other Comprehensive Income” or “financial assets measured at amortized cost”; and that classification is determined at the time of initial recognition.

The Group carries out initial recognition on the date of the transaction when it becomes party to the contract related to the financial asset(s).

All financial assets are measured by adding transaction costs directly attributable to fair value, except those in the category classified as “measured at fair value through Profit/Loss”.

Financial assets are classified as “financial assets measured at amortized cost”, if both of the following conditions are met:

・the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

・the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets other than “financial assets measured at amortized cost” are classified as “financial assets measured at fair value.”

Apart from equity instruments held for trading purposes, which must be measured at "fair value through Profit / Loss", other equity instruments measured at fair value are designated as either being "measured at fair value through Profit / Loss" or alternatively "measured at fair value through Other Comprehensive Income"; this is done for each individual equity instrument and the designation is continuously applied to the instrument thereafter.

2. Subsequent measurement

Measurement after the initial recognition of financial assets is carried out as below in accordance with the classification.

(a) Financial assets measured at amortized cost

“Financial assets measured at amortized cost” are measured at amortized cost using the effective interest method.

(b) Financial assets measured at fair value

The fluctuation in the fair value of “financial assets measured at fair value” is recognized as Profit/Loss.

However, any fluctuation in the fair value of equity financial instruments designated as instruments to be “measured at fair value through Other Comprehensive Income”, is recognized as Other Comprehensive Income; and if recognition is suspended or if the fair value significantly drops, then it will be transferred to Retained Earnings. Note that dividends from the financial assets are recognized as Profit/Loss as part of finance income.

3. Impairment of financial assets

For "financial assets measured at amortized cost", expected credit losses pertaining to the financial assets are recognized as Allowances for Doubtful Accounts.

On each reporting date, the credit risk pertaining to each financial asset is evaluated to see if it has increased significantly since initial recognition and, if it has, then the expected credit losses for the entire period will be recognized as an Allowance for Doubtful Accounts; whereas if it has not, then the expected credit losses for a 12-month period will be recognized as an Allowance for Doubtful Accounts.

At the time of an evaluation, in principle, if the contractual payment due date has passed, then it will be assumed that the credit risk has significantly increased. However, when the evaluation takes place, other information that can be reasonably used and used as support will be taken into account.

However, trade receivables, etc., that do not include any major financial elements are always recognized as being an amount equivalent to expected credit loss for the entire period.

If the issuer or debtor is in serious financial difficulties or is subject to a legal or formal business failure, then it will be judged that there has been a default on obligations. And if it is judged that there has been a default on obligations, then the assets will be treated as credit-impaired financial assets.

Irrespective of the above, if it is reasonably judged that all or part of financial assets cannot be collected due to our legal rights of claim being terminated or similar, then the book value of the financial assets will be directly amortized.

4. Derecognition of financial assets

The Group derecognizes a financial asset only if the contractual rights to the cash flows from the financial asset expire or if the Group has transferred almost all risks and rewards of ownership. If the Group maintains control of the transferred financial asset, it recognizes the asset and associated liabilities to the extent of its continuing involvement.

(2) Non-derivative financial liabilities

1. Initial recognition and measurement

Corporate bonds and loans, etc., are initially recognized by the Group on their effective date; and other financial liabilities are initially recognized on their transaction date. Financial liabilities are either classified as “financial liabilities measured at fair value through Profit/Loss” or “financial liabilities measured at amortized cost”, and this classification is determined at the time of initial recognition. All financial liabilities are initially measured at fair value, but “financial liabilities measured at amortized cost” are measured using the amount obtained after deducting directly attributable transaction costs.

2. Subsequent measurements

For measurements made after the initial recognition of a financial liability, any "financial liabilities measured at fair value through Profit/Loss" include financial liabilities held for trading purposes and financial liabilities specified at the time of initial recognition as "measured at fair value through Profit/Loss"; and when these liabilities are measured at fair value after initial recognition, any changes are recognized as Profit/Loss for the current period. Any "financial liabilities measured at amortized cost" are measured after initial recognition at amortized cost using the effective interest method. Any gains or losses made in the event of amortization using the effective interest method and the de-recognition of a liability are recognized as Profit/ Loss for the current period as part of finance expenses.

3. Derecognition of financial liabilities

The Group derecognizes a financial liability when it is extinguished, which is when the obligation specified in the contract is either discharged, cancelled, or expired.

B. Evaluation basis and method of derivatives

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

C. Inventories

Inventories are valued at the lower of cost or net realizable value; the weighted average method is principally used to determine cost. Net realizable value is based on the estimated selling price in the ordinary course of business less any estimated costs to be incurred to sell the goods.

D. Depreciation method of important depreciable assets

1. Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Assets other than land and construction in progress, are depreciated primarily using the straight-line method over the estimated useful lives shown below:

Buildings and structures	3-35 years
Machinery and equipment	10 years
Furniture, fixtures and vehicles	5 years

The useful lives, residual values, and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimates being accounted for on a prospective basis.

2. Intangible assets

Intangible assets are measured at cost, with any accumulated amortization and accumulated impairment losses deducted from the historical cost to arrive at the stated carrying amount. Intangible assets acquired separately are measured at cost at initial recognition, and the cost of intangible assets acquired in a business combination is measured as fair value at the acquisition date.

For internally generated intangible assets, the entire amount of the expenditure is recorded as an expense in the period in which it arises, except for development expenses that meet the requirements for capitalization.
Intangible assets with finite useful lives are amortized over their respective estimated useful lives using the straight-line method, and they are tested for impairment when there is an indication that they may be impaired. The estimated useful life and amortization method for an intangible asset with a finite useful life is reviewed at the end of each reporting period, and any changes are applied prospectively as a change in accounting estimate.
The estimated useful lives of the main intangible assets with finite useful lives are as follows:

Software for internal use	Length of time it is usable internally (3-5 years)

Intangible assets with indefinite useful lives and intangible assets that are not yet available for use are not amortized. They are tested for impairment annually or when there is an indication that they may be impaired, either individually or at the cash-generating unit ("CGU") level.

3. Right-of-use assets

Right-of-use assets are initially measured at cost at the commencement date of their lease. The cost includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, and any initial direct costs incurred.
After the initial measurement, right-of-use assets are depreciated over the lease term using the straight-line method. The lease term is determined as the non-cancellable period together with periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

E. Impairment

The carrying amounts of the Group's non-financial assets, excluding inventories and deferred tax assets, are reviewed to determine whether there is any indication of impairment at each reporting date. If there is any indication of impairment, the recoverable amount for the asset is estimated. For goodwill, intangible assets with indefinite useful lives, and intangible assets that are not yet available for use, the recoverable amount is estimated each year at the same time.
The recoverable amount for an asset or CGU is the higher of value-in-use and fair value less costs of disposal. The fair value less costs of disposal calculation is based on current market transactions. However, if the observable market transactions are not available, appropriate valuation model is used. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.
A CGU is the smallest identifiable group of assets which generates cash inflows from continuing use which are largely independent of the cash inflows from other assets or groups of assets.
The CGU (or group of CGUs) for goodwill is determined based on the unit by which the goodwill is monitored for internal management purposes and must not be larger than an operating segment before aggregation.
Because the corporate assets do not generate independent cash inflows, if there is an indication that corporate assets may be impaired, the recoverable amount is determined for the CGU to which the corporate assets belong.
If the carrying amount of an asset or a CGU exceeds the recoverable amount, an impairment loss is recognized in profit or loss for the period. Impairment losses recognized in relation to a CGU are first allocated to reduce the carrying amount of any goodwill allocated to the CGU and then allocated to the other assets of the CGU pro rata on the basis of their carrying amounts.
An impairment loss related to goodwill cannot be reversed in future periods. Previously recognized impairment losses on assets other than goodwill are reviewed at each reporting date to determine whether there is any indication that a loss has decreased or no longer exists. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

F. Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is used.
The lease payments included in the measurement of the lease liability comprise the fixed payments and payments of penalties for terminating the lease, if the lease term reflects the exercising an option to terminate the lease.
Subsequent to initial recognition, lease liabilities are measured at amortized cost using the effective interest method. Lease liabilities are remeasured if there is a change in future lease payments resulting from a change in an index or a

rate, or a change in the assessment of possibility of exercising a termination option. If a lease liability is remeasured, the amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset.

G. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recognized as the best estimate of the expenditure required to settle the present obligation (future cash flows), taking into account the risks and uncertainties surrounding the obligation at each reporting date.

If the time value of money is material, provisions are measured as the estimated future cash flows discounted to the present value using a pre-tax rate that reflects, when appropriate, the time value of money and the risks specific to the liability. When discounting is used, the increase due to the passage of time is recognized as a finance cost.

Each provision is described below:

Asset retirement obligations

The obligations to restore property to its original state under real estate leasing agreements for offices, such as corporate headquarters and stores, are estimated and recorded as a provision. The expected length of use is estimated as the time from acquisition to the end of useful life.

H. Goodwill

Goodwill is stated at the carrying amount, which is the acquisition cost after deducting accumulated impairment losses. Goodwill represents the excess amount of the historical cost of an interest acquired by the Group over the net amount of the fair value of the identifiable assets acquired and liabilities assumed.

Goodwill is not amortized but is allocated to identifiable cash-generating units based on the geographical region where business takes place and the type of business conducted, and then tested for impairment each year or when there is an indication that it may be impaired.

Impairment losses on goodwill are recognized in the consolidated statement of profit or loss and cannot be subsequently reversed in future period.

I. Revenue recognition

The Group recognizes revenue in accordance with IFRS 15 *Revenue from Contracts with Customer* (IFRS 15) by applying the following five-step approach (other than interest and dividend income based on IFRS 9 *Financial Instruments* ("IFRS 9") and lease income based on IFRS 16 *Leases* ("IFRS 16"):

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group, as a global clothing retailer, recognizes revenue when it satisfies its performance obligation by transferring the promised goods to the customer. An asset is transferred when the customer obtains control of that asset. In addition, the Group recognizes revenue at the amount of the promised consideration that the customer would pay in accordance with a contract, less the sum of discounts, rebates and refunds or credits. The Group receives payment within a short period of time after fulfilling the performance of obligations based on separately specified payment conditions. As the period from fulfillment of the performance obligations to receipt of consideration is normally within one year, the receivables are not adjusted as material financial elements using the convention method.

J. Foreign Currencies

1. Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at each reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss. Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non- monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

2. Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Japanese yen at the rate of exchange prevailing at each reporting date and their income statements are translated at average exchange rates during the period. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

K. Main Hedge Accounting Methods

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objectives and strategy for undertaking the hedge. The documentation includes identification of the specific hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument’s effectiveness in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. The Group has designated forward currency contracts as cash flow hedges and are accounted for as described below:

Cash flow hedges

For gains and losses on hedges, effective portions are recognized as Other Comprehensive Income on the Consolidated Statement of Comprehensive Income, and non-effective portions are immediately recognized as Net Profit/Loss on the Consolidated Statement of Income.

Amounts pertaining to hedges that are included as Other Comprehensive Income are transferred to Profit/Loss at the point in time when the hedged trades have an impact on profit/loss. If a transaction is planned that will generate recognition of hedged assets or liabilities of a non-financial nature, then the amount that is recognized as Other Comprehensive Income is processed as a correction of the initial book value for the non-financial asset/liability.

If the forecast transaction or firm commitment is no longer expected to occur, cumulative profit or loss amounts previously recognized in equity through other comprehensive income are reclassified as profits or losses. If the hedging instrument expires or is sold, is terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, the amounts previously recognized in equity through other comprehensive income are recorded as equity until the forecast transaction occurs or firm commitment is met.

L. Income taxes

Income taxes comprise current and deferred taxes and these are recognized in profit or loss, except taxes arising from items that are recognized as other comprehensive income.

Current taxes are measured at the amount expected to be paid to (or recovered from) taxation authorities on taxable income or loss for the current year, using the rates that have been enacted or substantively enacted by each reporting date in the countries where the Group operates and generates taxable income, with adjustments to tax payments in past periods.

Through the use of an asset and liability approach, deferred tax assets and liabilities are recorded for the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts of assets and liabilities for tax purposes. Deferred tax assets and liabilities are not recognized for temporary differences under any of the following circumstances:

•Temporary differences arising from goodwill;

•Temporary differences arising from the initial recognition of an asset / liability which, at the time of the transaction, does not affect either the accounting profit or the taxable income ; and does not give rise to equal taxable and deductible temporary differences (other than in a business combination); or

•Temporary differences associated with investments in subsidiaries, but only to the extent that it is possible to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

The group tax sharing system is applied for the Company and 100% owned subsidiaries in Japan.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the temporary difference is realized or settled, based on tax laws that have been enacted or substantively enacted by each reporting date.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when income taxes are levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.
Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

（6）Changes in accounting policies

Application of International accounting standard 12 (“IAS 12”) " Income Taxes" (Revised).
From the beginning of the current consolidated fiscal year, the Group has adopted the below standards.

Standard	Standard Name	Summary of New/Revised Content and Transitional Measures
IAS 12 (Revised)	Income Taxes	Deferred tax related to assets and liabilities arising from a single transaction.
IAS 12 (Revised)	Income Taxes	Disclosure of income taxes arising from tax laws enacted or substantially enacted to introduce the "International Tax Reform - Pillar Two Model Rules."

The application of IAS 12 (Revised) has no significant impact on the Group's Consolidated Financial Statement.

2 Notes to Revenue Recognition

（1） The breakdown of revenue

The Group performs global retail clothing operations through both physical stores and e-commerce channels. The following is a breakdown of total revenue by major regional market operation during the year ended 31 August 2024.

	Revenue (Millions of yen)	Percent of Total (%)
Japan	932,227	30.0
Greater China	677,063	21.8
South Korea, Southeast Asia, India & Australia	540,526	17.4
North America	217,715	7.0
Europe	276,528	8.9
UNIQLO (Note 1)	2,644,060	85.2
GU (Note 2)	319,162	10.3
Global Brands (Note 3)	138,837	4.5
Others (Note 4)	1,776	0.1
Total	3,103,836	100.0

(Note 1) Revenue is classified by nation or region based on customer location.

The designated countries and regions are classified as follows:

Greater China:	Mainland China, Hong Kong, Taiwan
South Korea, Southeast Asia, India & Australia:	South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia, Australia, Vietnam, India
North America:	United States of America, Canada
Europe:	United Kingdom, France, Germany, Belgium, Spain, Sweden, the Netherlands, Denmark, Italy, Poland and Luxembourg

(Note 2) Main national and regional market: Japan

(Note 3) Main national and regional markets: North America, Europe, Greater China, Japan

(Note 4) The “Others” category includes real estate leasing operations.

(2) Liabilities arising from contracts with customers

Liabilities arising from contracts with customers are as stated below.

	As at 31 August 2023	As at 31 August 2024
Contractual liabilities		
Advances received from customers	2,356 million yen	2,453 million yen
Refund liabilities	2,236 million yen	2,732 million yen

Consideration for anticipated refunds to customers is reasonably estimated and recognized as a refund liability.

In the consolidated statement of financial position, liabilities pertaining to advances received and refunds from customers are included in “Other current liabilities.”

(3) Transaction prices allocated to existing performance obligations

In the Group, there are no significant transactions for which the individual forecast contract period exceeds one year. Therefore, the practical short-cut method is used, and information related to remaining performance obligations is omitted. Furthermore, in the consideration arising from contracts with customers, there are no significant monetary amounts that are not included in the transaction price.

(4) Assets recognized from costs for acquiring or performing contracts with customers

In the Group, there are no assets recognized from costs for acquiring or performing contracts with customers.

3 Notes to Accounting Estimates

The followings are the items for which the amount was recorded in the consolidated financial statements for the current fiscal year based on the accounting estimates, and which may have a significant impact on the consolidated financial statements for the next consolidated fiscal year.

(1) Valuation of Financial Instrument

A. Amounts recorded in the consolidated financial statements for the current fiscal year

Accounts receivable and other short-term receivables	83,929 million yen
Other short-term financial assets	470,554million yen
Derivative financial assets	178,653 million yen
Long-term financial assets	336,302 million yen
Derivative financial liabilities	34,101 million yen

B. Information relating to the content of significant accounting estimates for the identified items

The valuation method for financial assets is described in the notes to the consolidated financial statements: 1 (5) Accounting Policies A, B, and K.

As there are uncertainties on the valuation of financial assets, the estimates relating to financial assets may be affected by the unexpected changes in assumptions etc., and it may have a significant impact on the valuation of financial assets in the consolidated financial statements for the next fiscal year.

（2） Valuation of Inventories

A. Amounts recorded in the consolidated financial statement for the current fiscal year

Inventories	474,460 million yen

B. Information relating to the content of important accounting estimates for the identified items

In the current consolidated fiscal year, the amount of write-down of the inventories to net realizable value was 8,964 million yen.

The valuation method for inventories is described in the notes to the consolidated financial statements: 1 (5) Accounting Policies C.

As the valuation of inventories may be affected by external environments such as economic conditions, weather or trends of competitors, if these factors may be differed from the estimates, it may have a significant impact on the valuation of financial assets in the consolidated financial statements for the next consolidated fiscal year.

（3） Valuation of Property, Plant and Equipment and Right-of-use Assets

A. Amounts recorded in the consolidated financial statement for the current fiscal year

Property, plant and equipment	245,742 million yen
Right-of-use assets	416,712 million yen
Impairment losses on above assets	2,037million yen
Reversal of impairment losses on above assets	4,079 million yen

B. Information relating to the content of important accounting estimates for the identified items

The valuation method for Property, plant and equipment and Right-of-use assets is described in the notes to the consolidated financial statements: 1 (5) Accounting Policies E.

The grouping of assets is based on the smallest identifiable CGU that independently generate cash inflow. In principle, each store, including flagship stores, is considered as an individual CGU and recoverable amounts thereon are calculated based on value in use.

The value in use for measurement of impairment losses is calculated based on the cash flow projections with estimates and growth rates approved by management, applying a discount rate of mainly 9.6%. Theoretically, the projected cash flows cover a five-year period, and do not use a growth rate that exceeds the long-term average market growth rate. The pre-tax discount rate calculation is based on the weighted-average cost of capital.

These assumptions are subject to considerable uncertainty and may have a significant impact on the Group’s valuation of property, plant, and equipment and right-of-use assets in the next consolidated fiscal year.

（4） Provisions

A. Amounts recorded in the consolidated financial statement for the current fiscal year

Provisions (current liabilities)	1,774 million yen
Provisions (Non-current liabilities)	52,652 million yen

B. Information relating to the content of important accounting estimates for the identified items

The method for calculating provisions is described in the notes to the consolidated financial statements: 1 (5) Item G pertaining to accounting policy.

The estimates of provisions may be affected by uncertain future operating conditions and changes in the external environment, and if expenses related to lease contracts of offices or stores are revised, it may be significantly affected in the consolidated financial statements for the coming consolidated fiscal year.

(5) Deferred Tax Assets and Liabilities

A. Amount recorded in the consolidated financial statement for the current fiscal year

Deferred tax assets	32,432 million yen

B. Information relating to the content of important accounting estimates for the identified items

The method for calculating deferred tax assets and liabilities is described in notes to the consolidated financial statements: 1 (5) Item L pertaining to accounting policy.

The calculation results may be affected by uncertain future economic conditions and other factors, and if the forecast of future taxable incomes is revised, the total amount of deferred tax assets and liabilities may be significantly affected in the consolidated financial statement for the next consolidated fiscal year.

4 Notes to the Consolidated Statements of Financial Position

(1) Accumulated depreciation of property, plant and equipment

377,726 million yen

Accumulated impairment losses are included in accumulated depreciation.

(2) Allowance for doubtful accounts directly deducted from trade and other receivables

777 million yen

5 Notes to the Consolidated Statement of Changes in Equity

(1) Types and number of shares outstanding

Class of shares	Number of shares at the end of the current consolidated fiscal year (shares)
Common stock	318,220,968

(2) Share subscription rights

Type and number of underlying shares for share subscription rights as at the end of the consolidated fiscal year (excluding those that have not reached the first day of their exercise period)

Common stock 240,768 shares

(3) Dividends

A. Dividend paid

1. Dividend approved at the Board of Directors' Meeting held on 6 November 2023:
   - Total dividends 50,600 million yen
   - Dividends per share 165 yen
   - Record date 31 August 2023
   - Effective date 10 November 2023

2. Dividend approved at the Board of Directors' Meeting held on 11 April 2024:
   - Total dividends 53,674 million yen
   - Dividends per share 175 yen
   - Record date 29 February 2024
   - Effective date 13 May 2024

B. Declaration date for dividend related to the year ended 31 August 2024 with an effective date in the following fiscal year

- Resolution date 7 November 2024
- Total dividends 69,016 million yen
- Dividends per share 225 yen
- Record date 31 August 2024
- Effective date 8 November 2024

6 Notes to Financial Instruments

(1) Matters relating to the management of financial instruments

A. Financial risk management

In relation to the cash management, the Group seeks to ensure effective utilization of group funds through the Group's Cash Management Service. The Group obtained credit facilities from financial institutions. Any temporary surplus funds are invested mainly in fixed interest rate-bearing instruments with minimal credit risk. The Group entered into foreign currency forward contracts to hedge risk arising from fluctuations in foreign currency exchange rates and did not conduct any speculative trading in derivatives.

B. Market risk management

1. Foreign currency risk

The Group conducts its business on a global scale, and is exposed to foreign currency risk in relation to purchases and sales transactions and financing denominated in currencies other than the local currencies of those countries in which the Group operates its business. In regard to operating obligations denominated in foreign currencies, the Group in principle hedges risk by using foreign currency forward contracts and other instruments for foreign currency risk assessed on a monthly basis.

2. Interest rate risk management

The Group's interest-bearing borrowings are mainly corporate bonds, but the Group maintains positions in cash and cash equivalents that exceed the outstanding balance of its interest-bearing borrowings. At present, the impact of interest payments on the Group is quite small. Consequently, the Group's current level of interest-rate risk is minor.

3. Risk management in equity instruments

The Group is exposed to the risk of price volatility in equity financial instruments. The Group holds no equity financial instruments for short-term trading purposes. The Group makes regular periodic checks of the fair value of the equity financial instruments it holds, as well as the financial health of the issuers.

4. Risk management in debt instruments

The Group does hold debt instruments, but all are held-to-maturity, and investments are restricted to bonds that either meet or exceed a fixed rating with the aim of mitigating risks arising from losses due to default or similar.

C. Credit risk management

When the Group initiates ongoing transactions where receivables will be generated on an ongoing basis, the finance department manages the Group's risk exposure by setting credit limits and credit periods, as needed. Accounts receivable encompasses many customers spanning a wide range of industries and geographic regions. The Group conducts regular credit checks of the companies it does business with, and takes appropriate protective measures as necessary, such as requiring collateral. The Group does not have excessively concentrated credit risk exposure to any single company or corporate group. As for deposits and guarantees, the Group mitigates risk by conducting regular monitoring of the companies with which it does business for early detection of any worsening of their financial health.

D. Liquidity risk management

The Group manages liquidity risk by formulating and revising its funding plans on a timely basis and maintains an appropriate level of liquidity on hand. The ultimate responsibility for management of liquidity risk lies with the CFO appointed by the Board of Directors. The finance department, under the direction of the CFO, performs the day-to-day aspects of liquidity risk management by maintaining appropriate levels of surplus funds and bank loans, and by monitoring budgets and cash flows.

(2) Matters relating to the fair value of financial instruments

The carrying amounts of financial instruments and their fair values as at 31 August 2024 are shown below. Financial instruments measured at fair value on recurring basis are not included in this list, because the fair values of those financial instruments are the same as respective carrying amounts.

(Millions of yen)

Financial assets	Carrying amount	Fair value
Bonds	443,338	444,647
Security deposits / guarantees	70,348	69,812
Total	513,687	514,459

(Millions of yen)

Financial liabilities	Carrying amount	Fair value
Corporate bonds	239,753	234,727
Total	239,753	234,727

(Notes) The above includes the outstanding balance of bonds and corporate bonds due within one year

Notes concerning financial assets and financial liabilities for which carrying amount approximates their fair value have been omitted.

The fair value of bonds is calculated with reference to publicly available market prices.

The fair value of security deposits / guarantees is measured by the present value of future cash flows and discounted by the current market rate.

The fair value of corporate bonds is calculated with reference to publicly available market prices.

The fair value measurements of bonds, deposits and guarantees, and corporate bonds are classified as Level 2.

(3) Measurement of fair value recognized in the consolidated statement of financial position

The following is an analysis of financial instruments measured at fair value after the initial recognition. Fair value is classified from Level 1 to Level 3.

Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

When multiple inputs are used to measure fair value, the fair value level is determined based on the input with the lowest level categorization in the overall fair value assessment.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	-	-	189	189
Financial assets measured at fair value through profit or loss	-	96	-	96
Financial assets and financial liabilities designated as hedging instruments — Fair value	-	144,455	-	144,455
Net amount	-	144,552	189	144,741

For the valuation of Level 2 derivative financial instruments, we use a valuation model that uses observable data on the measurement date using inputs such as interest rates, yield curves, currency rates, and volatility in comparable instruments.

Financial instruments classified as Level 3 consist of unlisted shares. The fair values of unlisted shares are measured by the division responsible in the Group according to the Group's accounting policy, etc., using the immediately preceding figures available for each quarter.

There were no significant changes due to the purchase, sale, issuance and settlement of Level 3 financial instruments, and no transfers between Levels 1, 2 and 3.

7 Per Share Information

Equity per share attributable to owners of the parent	6,574.11yen
Basic earnings per share for the year	1,212.88yen
Diluted earnings per share for the year	1,210.81yen

8 Notes to Significant Subsequent Events

Not applicable.

Balance Sheet (As at 31 August 2024)

(Millions of yen)

Item	As at 31 August 2023	As at 31 August 2024
Assets		
Current assets	635,557	853,526
Cash and deposits	498,193	699,243
Operating accounts receivable	42,579	108,854
Securities	20,000	20,000
Short-term loans receivable from subsidiaries and associates	35,961	2,509
Accounts receivable from subsidiaries and associates	6,608	8,079
Others	33,246	14,839
Allowance for doubtful accounts	(1,031)	-
Non-current assets	756,513	758,442
(Property, plant and equipment)	24,900	24,749
Buildings	17,179	17,899
Structures	158	365
Machinery, vehicles, furniture and fixtures	5,697	4,930
Land	1,123	1,123
Leased assets	48	26
Construction in progress	691	403
(Intangible assets)	68,377	74,493
Software	50,979	65,151
Software in progress	17,387	9,341
Others	9	0
(Investments and other assets)	663,235	659,199
Investment securities	143	143
Shares of subsidiaries and associates	622,796	628,946
Investments in capital of subsidiaries and associates	7,567	7,213
Long-term loans receivable from subsidiaries and associates	45,230	10,471
Leases and guarantee deposits	5,777	5,878
Deferred tax assets	4,680	5,477
Lease receivables	12,665	11,174
Others	1	134
Allowance for doubtful accounts	(35,628)	(10,239)
Total assets	1,392,070	1,611,968

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

Item	As at 31 August 2023	As at 31 August 2024
Liabilities		
Current liabilities	119,422	163,328
Current portion of corporate bonds	-	30,000
Accounts payable	10,187	8,592
Accrued expenses	5,660	6,448
Deposits received	96,582	110,588
Provision for bonuses	4,092	4,205
Income taxes payable	-	962
Others	2,898	2,530
Non-current liabilities	260,173	233,042
Corporate bonds payable	240,000	210,000
Lease obligations	12,694	11,097
Guarantee deposits received	3,337	3,398
Provision for loss on business of subsidiaries and associates	-	1,446
Others	4,141	7,100
Total liabilities	379,595	396,371
Net assets		
Shareholders' equity	1,005,644	1,208,817
Capital stock	10,273	10,273
Capital surplus	17,892	19,119
Legal capital surplus	4,578	4,578
Other capital surplus	13,313	14,540
Retained earnings	992,191	1,194,053
Legal retained earnings	818	818
Other retained earnings	991,373	1,193,234
General reserve	185,100	185,100
Retained earnings brought forward	806,273	1,008,134
Treasury stock	(14,714)	(14,628)
Share subscription rights	6,831	6,779
Total net assets	1,012,475	1,215,597
Total liabilities and net assets	1,392,070	1,611,968

Statement of Income (Year ended 31 August 2024)

(Millions of yen)

Item	Year ended 31 August 2023	Year ended 31 August 2024
Operating revenue	327,932	438,206
Operating expenses	102,014	114,612
Operating profit	225,918	323,593
Non-operating income	29,189	23,049
Interest income	10,218	22,912
Interest on securities	11	3
Foreign exchange gains	18,914	-
Others	45	132
Non-operating expenses	4,010	11,089
Interest expenses	3,948	5,877
Foreign exchange losses	-	5,018
Others	61	193
Ordinary profit	251,097	335,553
Extraordinary income	4,309	197
Gain on sale of investment securities	2,985	-
Reversal of provision for loss on business of subsidiaries and affiliates	1,324	-
Gain on reversal of allowance for doubtful accounts of affiliates	-	197
Extraordinary losses	29,604	19,290
Losses on retirement of non-current assets	17	10
Loss on valuation of shares of subsidiaries and associates	4,177	6,262
Provision of allowance for doubtful accounts for subsidiaries and associates	25,207	10,665
Provision for loss on business of subsidiaries and affiliates	-	1,446
Impairment losses	201	276
Advance pricing arrangement tax adjustment	-	629
Profit before income taxes	225,803	316,460
Income taxes – current	15,607	11,120
Income taxes – deferred	1,050	(796)
Profit	209,145	306,135

Statement of Changes in Net Assets (Year ended 31 August 2024)

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings
As at 1 September 2023	10,273	4,578	13,313	17,892	818	185,100	806,273	992,191
Changes during the year								
Dividends	-	-	-	-	-	-	(104,274)	(104,274)
Profit	-	-	-	-	-	-	306,135	306,135
Acquisition of treasury stock	-	-	-	-	-	-	-	-
Disposal of treasury stock	-	-	1,227	1,227	-	-	-	-
Net changes of items other than those in shareholders' equity	-	-	-	-	-	-	-	-
Net changes during the year	-	-	1,227	1,227	-	-	201,861	201,861
As at 31 August 2024	10,273	4,578	14,540	19,119	818	185,100	1,008,134	1,194,053

	Shareholders' equity		Share subscription rights	Total net assets
	Treasury stock	Total shareholders' equity		
As at 1 September 2023	(14,714)	1,005,644	6,831	1,012,475
Changes during the year				
Dividends	-	(104,274)	-	(104,274)
Profit	-	306,135	-	306,135
Acquisition of treasury stock	(5)	(5)	-	(5)
Disposal of treasury stock	90	1,317	-	1,317
Net changes of items other than those in shareholders' equity	-	-	(51)	(51)
Net changes during the year	85	203,173	(51)	203,121
As at 31 August 2024	(14,628)	1,208,817	6,779	1,215,597

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

Notes to Financial Statements

1 Significant Accounting Policies

(1) Valuation methods for securities

A. Shares of subsidiaries and associates

Cost determined by average method

B. Other securities

Listed securities:	Fair value method determined by the market price registered on the balance sheet date (31 August), reported as “unrealized gains/ (losses) on available-for-sale securities”, a separate component of net assets. The cost of securities sold is determined based on the moving average cost method.
Unlisted securities:	Cost determined by average method

(2) Depreciation method of non-current assets

A. Property, plant and equipment (other than leased assets)

Property, plant and equipment are depreciated using the straight-line method. The principal ranges of estimated useful lives are as follows:

Buildings & structures	5 to 35 years
Machinery, vehicles, furniture and fixtures	5 years

B. Intangible assets

Intangible assets except for leased assets are amortized using the straight-line method. Software for internal use is amortized using the straight-line method based on an estimated useful life of 5 years.

C. Leased assets

Finance lease transactions that do not relate to transfer of ownership.

The leased assets are amortized using the straight-line method over the lease terms at zero residual value.

(3) Deferred assets

Issuance expenses of corporate bonds

Issuance expenses of corporate bonds are expensed as incurred.

(4) Recognition and Measurement of Significant Provisions and Allowances

Allowance for doubtful accounts

Provision for potential bad debts, loan loss ratios are recorded for general accounts receivable. Specified doubtful accounts receivable are reviewed individually to determine their recoverability, and an estimate for the non-recoverable portion is recorded.

Provisions for bonuses

To prepare for the payment of bonuses to employees, the expected bonus payments are accrued on the balance sheet.

Allowances for Affiliated Company Operating Losses

To prepare for operating losses of affiliates, estimated losses are recorded, taking into account their financial positions.

(5) Basis of revenue and expense recognition

Service Fee Income

The Company has an obligation to provide administrative support services to its subsidiaries. As the performance obligation shall be satisfied by providing the services to its subsidiaries over time, revenue is recognized depending on providing the services.

(6) Application of group tax sharing system

The Company applied group tax sharing system. In compliance with the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ PITF No. 42, August 12, 2021), the accounting treatment for corporation taxes, local corporation taxes, and tax effect accounting related to those taxes has been applied.

2 Changes in accounting policies

Application of the Accounting Standard for Fair Value Measurement

Not applicable.

3 Notes to Balance Sheet

(1) Accumulated depreciation of property, plant and equipment

21,399 million yen
Accumulated impairment losses are included in accumulated depreciation.

(2) Payables and receivables for subsidiaries and associates

1. Short-term receivables	110,217 million yen
2. Short-term payables	113,208 million yen
3. Long-term receivables	11,308 million yen
4. Long-term payables	3,974 million yen

(3) Contingent liabilities

Guarantees has applied as follows to lease payments at affiliates and loans payable to financial institutions.

1. Guarantee for office and retail store leases	10,492 million yen
2. Guarantee on loans payable to financial institutions	5,663 million yen

4 Notes to Statement of Income

Transactions with subsidiaries and associates

Operating transactions	
Operating revenue	436,025 million yen
Operating expense	5,796 million yen
Non-operating transactions	6,492 million yen

(Note) Non-operating transactions for the current fiscal year include gains and losses of 629 million yen from transfer pricing adjustments made in previous years between the Company and South Korea subsidiary based on an agreement on advance pricing arrangement tax adjustment.

5 Notes to Statement of Changes in Net Assets

Types and number of shares of treasury stock as at 31 August 2024

Class of Shares	Number of shares as at 31 August 2024 (shares)
Common stock	11,481,781

6 Notes to Deferred Tax

Main breakdown of the causes of deferred tax assets and deferred tax liabilities

Deferred tax assets:

Provisions for bonuses	1,341 million yen
Depreciation	2,050 million yen
Loss on shares of subsidiaries and associates	71,280 million yen
Impairment losses	269 million yen
Allowance for doubtful accounts	3,135 million yen
Software	1,332 million yen
Asset retirement obligation	1,531 million yen
Others	7,921 million yen
Subtotal deferred tax assets	88,862 million yen
Valuation allowances pertaining to the sum total of future deductible temporary differences etc.	(80,452) million yen
Subtotal valuation allowance	(80,452) million yen
Total deferred tax assets	8,410 million yen

Deferred tax liabilities:

Temporary differences on shares of subsidiaries	1,893 million yen
Expenses for asset retirement obligation	1,010 million yen
Others	29 million yen
Total deferred tax liabilities	2,933 million yen
Net deferred tax assets	5,477 million yen

7 Notes to the Related Party Transactions

(1) Subsidiaries and associates

Type	Company name	Location	Capital stock or investment	Business details	Percentage of shares	Relationship with related parties	Contents of transactions	Amount of transaction	Account	Balance at 31 August 2024
			(Millions of yen)		(%)			(Millions of yen)		(Millions of yen)
Subsidiary	UNIQLO CO., LTD.	Yamaguchi City, Yamaguchi	1,000	Clothing-related business	100.0	Relation of service rendering, etc. Real estate leasing, etc. Deposition contract Interlocking directorates	Receipt of service fee etc. (Note 1)	37,469	Operating accounts receivables	18,035
							Receipt of lease payments (Note 2)	1,470	Current lease receivables	1,500
									Non-current lease receivables	11,174
							Collection of funds (Note 3)	27,578	-	-
							Paying out funds (Note 3)	977	Deposits received	87,944
							Payment of interest (Note 3)	4,231	-	-
Subsidiary	Fast Retailing USA,Inc.	New York, USA	833,612	Clothing-related business	100.0	Guarantee Relation of service rendering, etc. Interlocking directorates	Guarantee (Note 4)	8,008	-	-
Subsidiary	FAST RETAILNG FRANCE S.A.S.	Paris, France	279	Clothing-related business	100.0	Capital increase Financial assistance Guarantee Relation of service rendering, etc. Interlocking directorates	Capital increase (Note 5)	12,108	-	-
							Collection of funds (Note 3)	40,441	Long-term loans receivable from subsidiaries and associates	1,539
							Provision of allowance for doubtful accounts for subsidiaries and associates	4,525	Allowance for doubtful accounts (Note 5)	1,539
							Guarantee (Note 4)	3,945	-	-
Subsidiary	GU CO., LTD.	Yamaguchi City, Yamaguch	10	Clothing-related business	100.0	Relation of service rendering, etc. Interlocking directorates Deposition contract	Deposit of funds (Note 3)	8,527	Deposits received	16,135
							Payment of interest (Note 3)	265	-	-
Subsidiary	UNIQLO USA LLC	New York, USA	13,256	Clothing-related business	100.0	Guarantee Relation of service rendering Interlocking directorates	Guarantee (Note 4)	2,593	-	-
Subsidiary	FRL Korea Co., Ltd.	Seoul, Korea	2,926	Clothing-related business	51.0	Relation of service rendering Interlocking directorates	Advance pricing arrangement tax adjustment (Note 6)	629	Other non-current liabilities (Note 6)	1,434

Terms of business and how they are determined

(Notes)

1. FAST RETAILING CO., LTD. receives payments as service fee for system service, etc. service fee payments are based on a certain percentage of sales. The rate is determined using a reasonable and uniform standard across the entire group.
2. The receipt of lease payments is set at a reasonable lease payments with consideration of the property price etc.
3. The interest rate relating to the deposit of funds (Paying out funds and Lending of funds) based on the related contract are reasonably determined by considering the market rate. In addition, the deposit transaction amount and loan transaction amount from the deposit of funds are each given as the net amount of the amount deposited and the amount paid out.
4. The Company provides guarantees for loans payable to financial institutions and lease payments.
5. Capital increase means making a full additional capital contribution to FAST RETAILNG FRANCE S.A.S.
6. The Company has applied for advance confirmation regarding transfer pricing taxation nd has recorded adjustments and other non-current liabilities based on the advance confirmation application. The other non-current liabilities represented transfer pricing adjustment settlement between the Company and FRL Korea Co., Ltd., the Company's subsidiary.
7. Above transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(2) Directors and Major Individual Shareholders

Type	Name	Percentage of shares	Relationship with related parties	Contents of transactions	Amount of transaction	Account	Balance at 31 August 2024
		(%)			(Millions of yen)		(Millions of yen)
Director and major individual shareholder	Tadashi Yanai	17.41	Executive Director	Lease of aircraft	69		
Company whereof the majority of voting rights are owned by executive director and their immediate family members	TY Limited	- (Notes 2)	Interlocking directorates Employee secondment	Outsource of staff	93	Other current assets	8

Terms of business and how they are determined
(Notes)

1. The lease payment of jet is set at a reasonable rate with consideration of the same aircraft model with third partie.
2. Tadashi Yanai, the Company's Representative and Executive Director, posses 100% voting rights of TY Limited.
3. FAST RETAILING CO., LTD. provides human resources based on secondment agreements.
4. Above transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

8 Notes to Revenue Recognition

The information which forms the basis of our understanding of revenues arising from contracts with customers is described in "Notes to Financial Statements 1. Significant Accounting Policies (5) Basis of revenue and expense recognition."

9 Per Share Information

Net assets per share	3,940.87 yen
Earnings per share for the year	998.14 yen
Diluted earnings per share for the year	996.43 yen

10 Notes to Significant Subsequent Events

Not applicable.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

24 October 2024

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

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Hirofumi Otani

Designated Engagement Partner,
Certified Public Accountant:

Akira Kimotsuki

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements of FAST RETAILING CO., LTD. (the "Company"), namely, the balance sheet as at 31 August 2024, and the statement of income and the statement of changes in net assets for the 63rd fiscal year from 1 September 2023 to 31 August 2024, and notes to the financial statements and the accompanying supplemental schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 August 2024, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Other Information

Management is responsible for the other information. Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and Audit & Supervisory Board for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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

Notes to the Readers of Independent Auditor's Report

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

Report by the Audit & Supervisory Board

AUDIT REPORT

With respect to the directors' performance of their duties during the 63rd fiscal year (from 1 September 2023 to 31 August 2024), the Audit & Supervisory Board has prepared this audit report after deliberations based on the audit reports prepared by each Audit & Supervisory Board Member, and hereby reports as follows.

1. Method and Contents of Audit by Each Audit & Supervisory Board Member and the Audit & Supervisory Board

(1) The Audit & Supervisory Board has established the audit policies, assignment of duties, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors and the Accounting Auditor regarding the status of performance of their duties and requested explanations as necessary.

(2) In conformity with the Audit & Supervisory Board Members' auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies and assignment of duties, etc., each of the Audit & Supervisory Board Members endeavored to facilitate a mutual understanding with the Directors, the internal audit division, and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and has conducted audit by the following methods.

(a) Each Audit & Supervisory Board Member has attended Board of Directors meetings and other important meetings, received reports on the performance of duties from Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the corporate affairs and assets at the Company's head office and principal places. With respect to subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate mutual understanding and information exchange with the Directors and Audit & Supervisory Board Members of each subsidiary and received operational reports as necessary.

(b) In relation to (i) the contents of Board of Directors' resolutions regarding the system for ensuring Directors' performance of duties as described in the Business Report comply with all laws, regulations and Articles of Incorporation and also comply with any other systems deemed necessary under Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan for ensuring appropriate corporate affairs of a corporate entity comprising a joint stock company and its subsidiaries, and (ii) the systems (internal control systems) based on those regulations, each Audit & Supervisory Board Member has regularly received reports on the structure of that system and the status of its operation from Directors and other employees, requested explanations as necessary and expressed its opinion.

(c) Each Audit & Supervisory Board Member has monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the Accounting Auditor that it had established a "system to ensure that the performance of the duties of the Accounting Auditor was properly conducted" (the matters listed in the items of Article 131 of the Ordinance of Company Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005) and requested explanations as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the Business Report and its supplementary schedules, as well as the Financial Statements (the balance sheet, the statement of income, the statement of changes in net assets, and the notes to the financial statements) and its supplementary schedules, and the Consolidated Financial Statements (the consolidate statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the notes to the consolidated financial statements) for the fiscal year under consideration.

Based on the above-described methods, each Audit & Supervisory Board Member examined the Financial Statements (the balance sheet, the statement of income, the statement of changes in net assets, and the notes to the financial statements) and the supplementary schedules, and the Consolidated Financial Statements (the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the notes to the consolidated financial statements) for the fiscal year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

(i) We acknowledge that the Business Report and the supplementary schedules fairly present the status of the Company in conformity with the applicable laws, regulations, and the Articles of Incorporation.

(ii) We acknowledge that no misconduct or material fact constituting a violation of laws, regulations, or the Articles of Incorporation was found with respect to the Directors' performance of their duties.

(iii) We acknowledge that the Board of Director's resolutions with respect to the internal control systems are appropriate. We did not find any matter in the Business Report or the Directors' performance of their duties concerning the internal control systems that requiring mentioning.

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

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

(3) Results of Audit of the Consolidated Financial Statements

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

24 October 2024

The Audit & Supervisory Board of FAST RETAILING CO., LTD.

Standing Audit & Supervisory Board Member Masaaki Shinjo
Standing Audit & Supervisory Board Member Masumi Mizusawa
Standing Audit & Supervisory Board Member Tomohiro Tanaka
Audit & Supervisory Board Member Keiko Kaneko
Audit & Supervisory Board Member Takao Kashitani
Audit & Supervisory Board Member Masakatsu Mori