

Everyday Essentials to Global Scale

- Beat, then raised, then beat again – 1H FY26 revenue grew 14.8%, business profit 28.3%
- Management has raised full-year profit guidance twice this year
- Maintain BUY; TP THB20.50; ~13% price upside plus a small dividend yield

From Proof of Concept to Proof of Scale

UNIQLO International's expansion is no longer just a thesis – it is now being proven at scale. 1H FY26 revenue reached ¥2.06tr (+14.8%) with business profit of ¥386.9b (+28.3%), while 'International' revenue grew +22.4% and profit rose +37.4%. Management has raised FY business profit guidance twice in six months, from ¥610b to ¥690b, suggesting momentum is ahead of internal expectations.

Growth that's getting higher quality, not just bigger

The more interesting story sits beneath headline numbers. Gross margin is expected to expand from 53.8% in FY25A to 55.8% in FY26E, while SG&A stays broadly flat at 37.8%. This suggests margin improvement is coming from better full-price sell-through, less discounting, and a richer mix toward higher-margin markets — not just cost leverage. With UNIQLO still investing in US and European expansion, operating leverage remains largely ahead, making current margin expansion higher quality than the market appreciates.

Two speeds inside "International"

International remains the key long-term growth engine, with its share of group business profit expected to rise from 55.6% in FY25A to 68.3% by FY30E. Greater China is recovering, supported by independent store management and double-digit 1H FY26 profit growth, while South Korea remains mature and cash-generative. The bigger runway is North America and Europe, where store density is still low versus Japan's nearly 800 stores; over the next three years, North America is expected to grow from 106 to 176 stores and Europe from 48 to 80, implying roughly 20% CAGR in both markets.

Currency does some of the heavy lifting

A weak yen isn't neutral to the growth story — it inflates it. 'International' sales in USD and EUR translate into more JPY revenue, flattering 'International' growth (+23.5% FY26E) even where constant-currency demand is more modest. The same weak yen pulls in tourist spending — UNIQLO Japan's same-store sales rose +6.5% 1H FY26, +7% FY26E. Some of that growth is currency, not customers.

Maintain BUY; TP THB20.50 (¥100,000, JPY/THB at 0.205)

We maintain a BUY at TP of ¥100,000, equivalent to DR THB20.50. Our valuation is based on FY27E EPS of ¥1,911 and a 52.3x forward P/E, a premium to the current market-implied forward multiple (46.0x), reflecting International's rising share of group profits. This implies c.13% price upside, plus dividend yield, for a total return near 14%.

Analyst

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BUY

Target Price 12M (THB)	20.50
VS. BB Consensus TP (%)	+22.9%
Share Price (THB)	18.20
Upside/Downside	+12.6%
Conversion Ratio (DR : Underlying)	1,000 : 1

Underlying Share Data

Company Name	Fast Retailing (9983.T)
Market Cap (JPY tr)	26.67
Free Float (%)	57.16
Issued Shares (m shares)	307

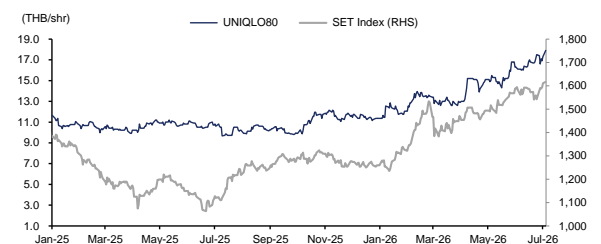
Financial forecast – Underlying share

YE Aug (JPY b)	2025	2026E	2027E	2028E
Revenue	3,401	3,935	4,335	4,740
Net profit	433	523	586	653
Core net profit	433	523	586	653
vs Consensus (%)		4.6	5.1	3.3
Net profit growth (%)	16.4	20.7	12.2	11.3
Core net profit growth (%)	16.4	20.7	12.2	11.3
EPS (THB)	1,411	1,703	1,911	2,126
Core EPS (THB)	1,411	1,703	1,911	2,126
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	500	604	677	753
P/E (x)	40.35	51.60	46.00	41.34
P/BV (x)	7.69	10.50	9.20	8.07
ROE (%)	20.19	20.83	19.46	18.26
Dividend yield (%)	0.88	0.69	0.78	0.87

Source: Financial Statement and Globlex securities

DR Share Price Performance (%)

	1M	3M	6M	YTD
Stock	9.9	34.1	51.3	55.3
Market	n/a	n/a	n/a	n/a
12M High/Low (THB)	18.20 / 9.60			



Major Shareholders (%) as of 28 Feb 2026

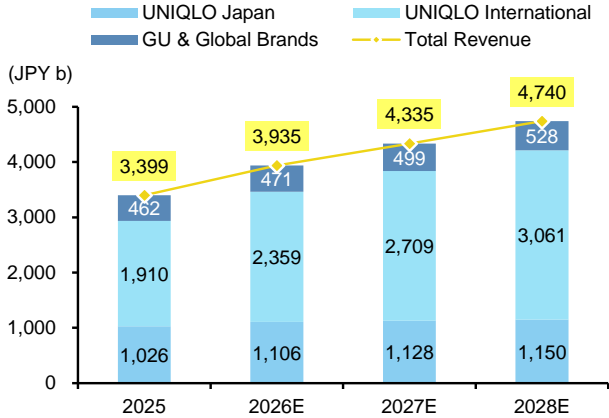
The Master Trust Bank of Japan, Ltd.	19.79
Tadashi Yanai	15.85
Custody Bank of Japan, Ltd.	9.13

Company Profile

Fast Retailing Co., Ltd. designs, manufactures, and retails its own line of clothing. The company offers men's casual clothing, women's casual clothing, children's casual clothing, and other products. Fast Retailing also provides leasing of real estate.

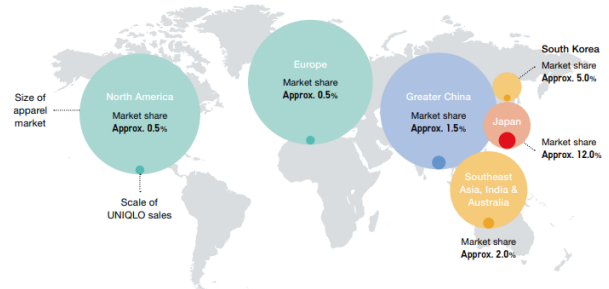
Source: Bloomberg

Exhibit 1: Fast Retailing Revenue by Segment



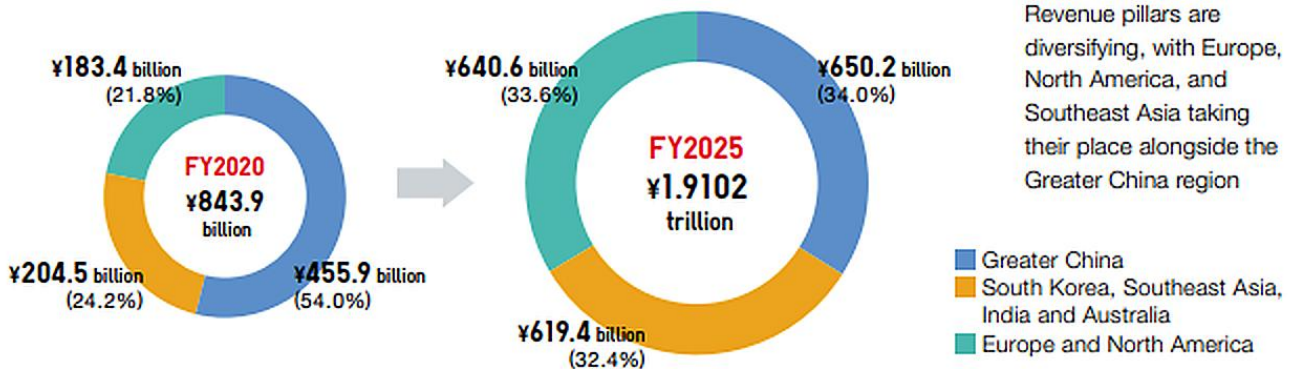
Sources: Fast Retailing; Globlex Research

Exhibit 2: UNIQLO Market Share and Growth Potential



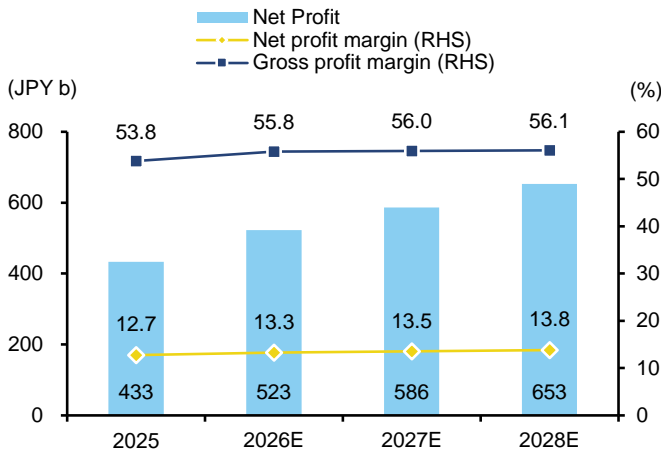
Sources: Fast Retailing

Exhibit 3: UNIQLO International Sales by Region



Sources: Fast Retailing

Exhibit 4: Fast Retailing Net Profit, NPM, and GRM



Sources: Fast Retailing, Globlex Research

Exhibit 5: P/E Share Price Sensitivity Table

P/E (x)	EPS (THB/share)		
	2026E	2027E	2028E
	0.35	0.39	0.44
50	17.5	19.6	21.8
51	17.8	20.0	22.2
52	18.3	20.5	22.8
53	18.5	20.8	23.1
54	18.9	21.2	23.5
55	19.2	21.5	24.0

Sources: Globlex Research

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.