

What’s Hot Today:

► **Fast Retailing (6288 HK, HK\$24.22, HK\$101bn) Strong in USA and Europe, while Greater China remained weak**

Profits beat by robust overseas momentum. Fast Retailing who owns UNIQLO released its FY8/25 results, with revenue up 10% YoY to JPY3.4tn. Net profit grew by 16% YoY to JPY433bn, with NPM of 12.7%. The topline figure was largely in line with previous guidance, but net profit exceeded expectations by 6%, mainly due to better-than-expected performance in South Korea, SE Asia, India and Australia. Operating profit rose a robust 13% YoY. Both UNIQLO Japan and the overall UNIQLO International business achieved record-breaking revenue and profit. However, Greater China and the GU segment posted LDD OP declines.

4Q25 inline. Revenue in 4Q25 reached JPY784bn with the quarter’s YoY growth rate further narrowing to 6%, a slowdown from the 10%, 14%, and 8% growth recorded FY25Q1-3. Although UNIQLO Greater China saw an accelerated YoY decline, revenue expanded slightly in August and September, which may partly ease market concerns. Meanwhile, UNIQLO Japan and GU business delivered solid HSD growth, and other overseas market maintained a strong momentum. GPM improved slightly by 0.2ppts YoY to 53.6%. Net profit increased by 59% YoY to JPY94bn, thanks to higher exchange gains.

Fig 1. 4Q25 Financial Review

	4Q24		4Q25		Results comments
	JPY mn	% of Rev	JPY mn	% of Rev YoY chg	
Revenue	737,336		783,831	6%	Strong in USA and Europe, Greater China remained weak
Cost of sales	(343,239)		(363,505)	6%	
Gross profit	394,098	53.4%	420,326	53.6%	7%
Selling, general and administrative expenses	(301,842)	-40.9%	(312,715)	-39.9%	4%
Other income	9,558		10,452		9%
Other expenses	(2,753)		(4,226)		54%
Share of profit of associates accounted for using the equity method	39		(524)	-1444%	
Operating profit	99,102	13.4%	113,313	14.5%	14%
Finance income	(16,417)		20,123	-223%	
Finance costs	(3,250)		(3,367)		4%
Profit before income taxes	79,435		130,068		64%
Income tax expense	(17,768)		(30,523)		72%
Net profit	59,162	8.0%	93,910	12.0%	59%
					Thanks to higher exchange gains

Source: Company Data, Sunwah Kingsway Research

FY26 guidance: improved earnings in key segments. Looking ahead, the company expects FY8/26 revenue of JPY3.75tn and net profit of JPY 435bn, up 10.3% and 10.7% YoY, respectively. In its core Japan market, it expects both revenue and profit to maintain solid momentum. For the Greater China market and the GU segment, management aims to return to growth through strategic restructuring and new business initiatives. In North America, profit is expected to see only single-digit growth in H1, followed by large revenue and profit gains in 2H as diversified approaches such as revising product price and reducing discount rate to offset tariff impacts may pay off.

China & HK Indices	CLOSE	1D	YTD
HSI	26,752	-0.3%	33.4%
HSCXI	9,530	0.1%	30.7%
HSCCI	4,011	1.7%	6.1%
CSI300	4,709	1.5%	19.7%
Shanghai A	4,124	1.3%	-2.5%
Shanghai B	260	-0.3%	-2.5%
Shenzhen A	2,667	1.2%	30.3%
Shenzhen B	1,354	0.2%	11.6%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	46,358	-0.5%	9.0%
S&P 500	6,735	-0.3%	14.5%
Nasdaq	23,024	-0.1%	19.2%
Nikkei Index	48,388	-0.4%	21.3%
FTSE Index	9,509	-0.4%	16.4%
CAC Index	8,041	-0.2%	9.0%
DAX Index	24,611	0.1%	23.6%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,976	-1.6%	52.1%
STEEL (US\$/oz.)	2,254	1.2%	26.2%
SILVER (US\$/oz.)	49	0.8%	71.5%
CRUDE OIL (US\$/bbl)	61	-1.7%	-14.1%
COPPER (US\$/oz.)	10,867	1.0%	23.9%
ALUMINIUM (US\$/oz.)	2,798	2.1%	9.7%
PLATINUM (US\$/oz.)	1,625	-2.0%	79.8%
ZINC (US\$/oz.)	3,010	-1.2%	1.1%
WHEAT (US\$/bu)	506	-0.1%	-8.0%
CORN (US\$/bu)	418	-0.9%	-5.6%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	1,022	-0.7%	-0.3%
PVC (US\$/t.)	N/A	N/A	-12.2%
CRB	299	-0.6%	3.0%
BDI			96.9%

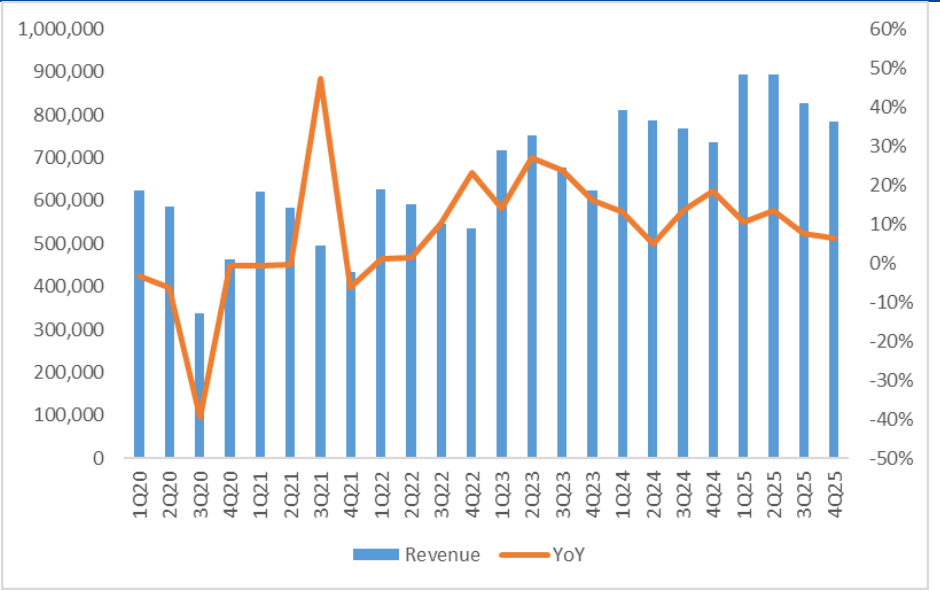
Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.782	0.865	153.070	0.806	7.130
HKD	0.129		0.111	19.667	10.361	0.916
EUR	1.156	8.999		177.000	1.072	8.233
JPY	0.007	5.084	0.565		0.527	0.047
CHF	1.240	9.651	1.072	189.839		8.838
RMB	0.140	1.091	0.121	21.486	0.113	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	16	-1.2%

Source: Bloomberg

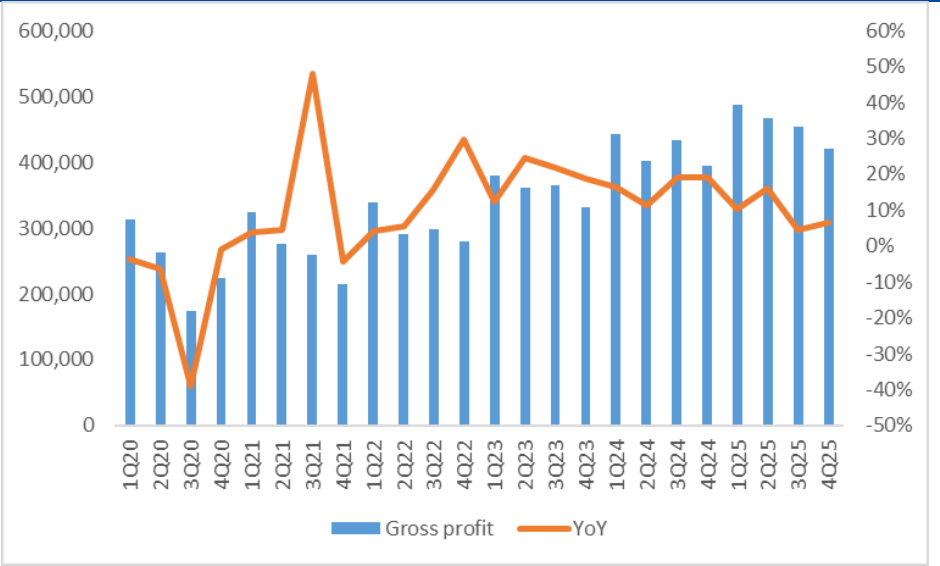
Our view: The FY26 guidance paints a more positive picture for the Greater China market and the GU segment, as ongoing reforms is progressing on track and the Mgt expects to see profit growth in 1H26. We also believe the strong momentum in North America and European markets could help offset the weak demand in Greater China. Meanwhile, US tariffs may have limited impact no Fast Retailing as it moves quickly to mitigate the impact through flexible price adjustments even though it may face some pressure in 1H26. However, the counter is trading at 35.8x FY26E P/E, which is quite rich in valuation. As to gauge the performance of textile companies, the overall sentiment seems to be quite constructive.

Fig 2: Revenue (JPY mn) and YoY



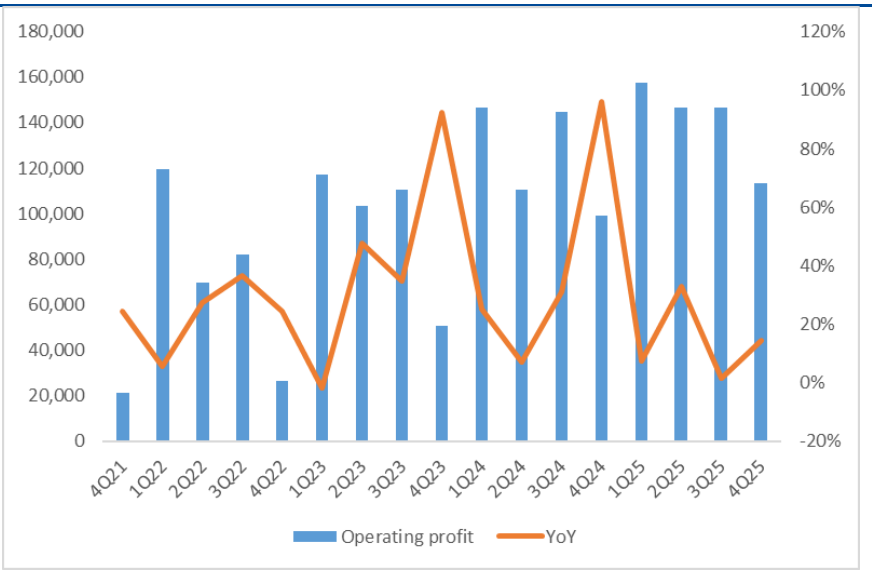
Source: Company Data, Sunwah Kingsway Research

Fig 3: Gross profit (JPY mn) and YoY



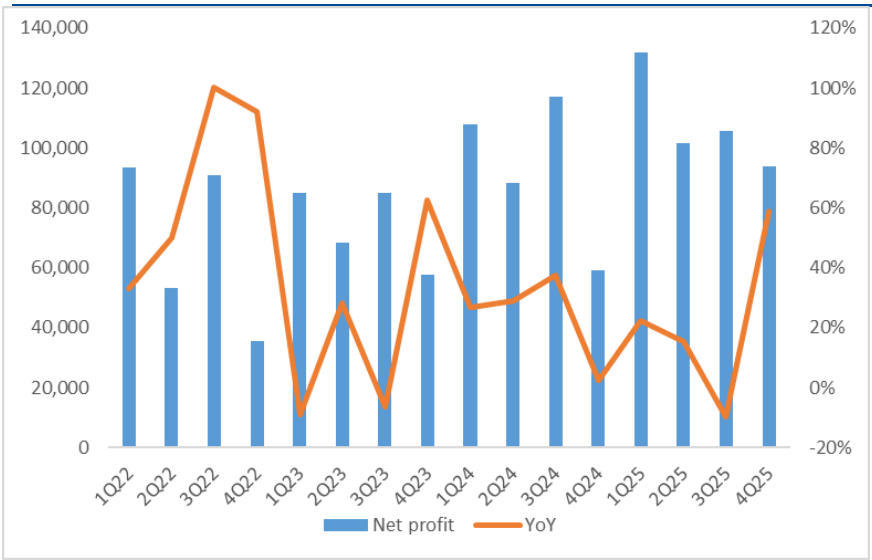
Source: Company Data, Sunwah Kingsway Research

Fig 4: Operating profit (JPY mn) and YoY



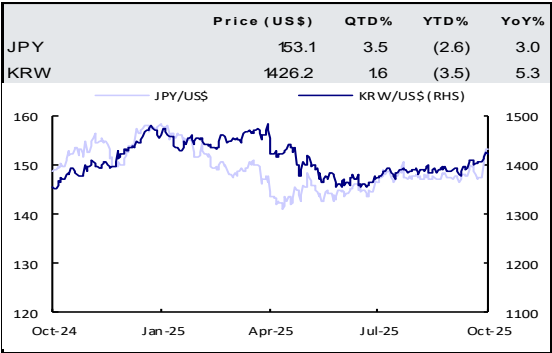
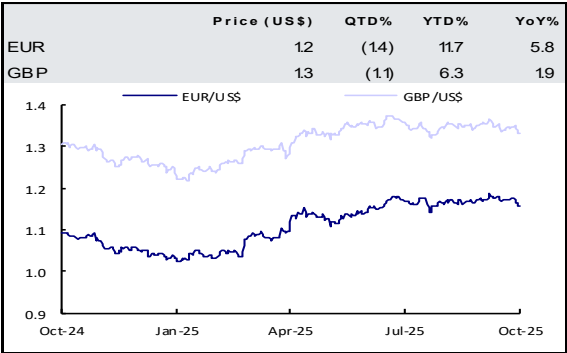
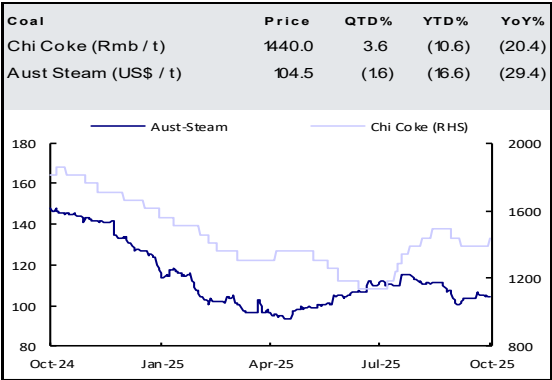
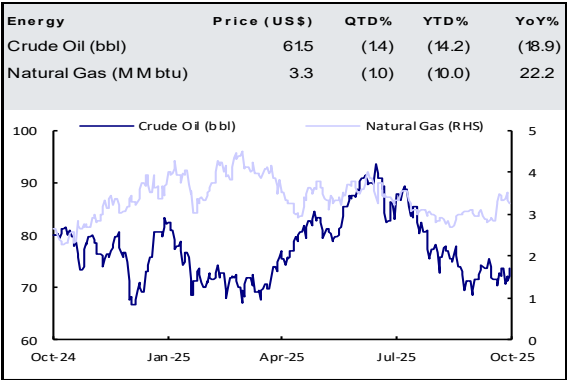
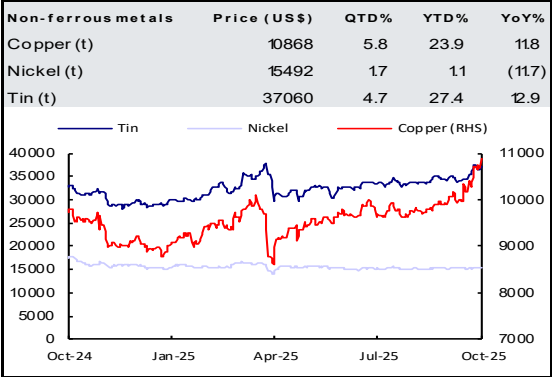
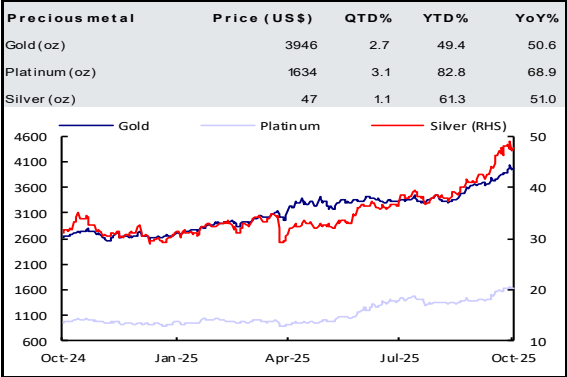
Source: Company Data, Sunwah Kingsway Research

Fig 5: Net profit (JPY mn) and YoY



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
CPI	MoM		15-Oct-25
Initial Jobless Claims	WoW		16-Oct-25
PPI	MoM		16-Oct-25
Business Inventories	MoM		16-Oct-25
Retail Sales	MoM		16-Oct-25
Industrial Production	MoM		17-Oct-25
Housing Starts / Building Permits	MoM		17-Oct-25
Existing Home Sales	MoM		23-Oct-25
New home Sales	MoM		24-Oct-25
Durable Goods Orders	MoM		27-Oct-25
Consumer Confidence	MoM		28-Oct-25
Wholesale Inventories	MoM		29-Oct-25
GDP	QoQ		30-Oct-25
Personal Income & Spending	MoM		31-Oct-25
ISM Manufacturing PMI	MoM		3-Nov-25
Trade Balance	MoM		4-Nov-25
Factory Orders	MoM		4-Nov-25
Employment Report	MoM		7-Nov-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		10-Oct-25
Trade Balance	MoM		13-Oct-25
PPI	MoM		15-Oct-25
CPI	MoM		15-Oct-25
Retail Sales	MoM		20-Oct-25
Industrial Production	MoM		20-Oct-25
GDP	YoY		20-Oct-25
PMI Manufacturing	MoM		31-Oct-25
Foreign Exchange Reserves	QoQ		7-Nov-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Unemployment Rate	MoM		20-Oct-25
CPI	MoM		23-Oct-25
Trade Balance	MoM		27-Oct-25
GDP	QoQ		31-Oct-25
Money Supply - M2	MoM		31-Oct-25
Retail Sales	MoM		31-Oct-25
PMI	MoM		5-Nov-25
Foreign Currency Reserve	MoM		7-Nov-25
Producer Prices Index	QoQ		15-Dec-25
Industrial Production	QoQ		15-Dec-25
Composite Interest Rate	MoM		

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