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FAST RETAILING

FAST RETAILING CO., LTD.

迅銷有限公司

(Incorporated in Japan with limited liability)

(Stock Code:6288)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2022
AND
RESUMPTION OF TRADING**

The board of directors (the “Board”) of FAST RETAILING CO., LTD. (the “Parent” or “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 28 February 2022.

At the request of the Company, trading in its Hong Kong depositary receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 14 April 2022, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Tuesday, 19 April 2022.

(Amounts are rounded down to the nearest million yen unless otherwise stated)

1. CONSOLIDATED RESULTS

The consolidated financial results were prepared in accordance with International Financial Reporting Standards (“IFRS”).

(1) Consolidated Operating Results (1 September 2021 to 28 February 2022)

(Percentages represent year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended 28 February 2022	1,218,977	1.3	189,278	12.7	212,566	24.0	154,382	41.3
Six months ended 28 February 2021	1,202,864	(0.5)	167,982	22.9	171,482	13.7	109,255	5.6

	Profit attributable to owners of the Parent		Total comprehensive income for the period		Basic earnings per share for the period	Diluted earnings per share for the period
	Millions of yen	%	Millions of yen	%	Yen	Yen
Six months ended 28 February 2022	146,844	38.7	201,856	52.3	1,437.41	1,435.21
Six months ended 28 February 2021	105,868	5.4	132,534	(7.6)	1,036.76	1,035.04

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to total assets	Equity per share attributable to owners of the Parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As at 28 February 2022	2,641,596	1,321,841	1,274,093	48.2	12,469.85
As at 31 August 2021	2,509,976	1,162,298	1,116,484	44.5	10,930.42

2. DIVIDENDS

(Declaration date)	Dividend per share				
	First quarter period end	Second quarter period end	Third quarter period end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended 31 August 2021	-	240.00	-	240.00	480.00
Year ending 31 August 2022	-	280.00			
Year ending 31 August 2022 (forecast)			-	280.00	560.00

(Note) Revisions during this quarter of dividends forecast for fiscal year: Yes

3. CONSOLIDATED BUSINESS RESULTS PROJECTION FOR YEAR ENDING 31 AUGUST 2022 (1 SEPTEMBER 2021 TO 31 AUGUST 2022)

(% shows rate of increase/decrease from previous period)

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ending 31 August 2022	2,200,000	3.1	270,000	8.4	293,200	10.3	190,000	11.9

	Basic earnings per share attributable to owners of the Parent
	Yen
Year ending 31 August 2022	1,859.85

(Note) Revisions during this quarter of previously disclosed consolidated business results projection for the year ending 31 August 2022: Yes

* Notes

- (1) Changes of principal subsidiaries in the period: None
- (2) Changes in accounting policies and changes in accounting estimates:
- (i) Changes in accounting policies to conform with IFRS: None
- (ii) Other changes in accounting policies: None
- (iii) Changes in accounting estimates: None
- (3) Total number of issued shares (Common stock)

(i)	Number of issued shares (including treasury stock)	As at 28 February 2022	106,073,656 shares	As at 31 August 2021	106,073,656 shares
(ii)	Number of treasury stock	As at 28 February 2022	3,899,687 shares	As at 31 August 2021	3,928,985 shares
(iii)	Average number of issued shares	For the six months ended 28 February 2022	102,158,795 shares	For the six months ended 28 February 2021	102,114,907 shares

* This interim results announcement is not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act of Japan.

* Explanation and other notes concerning proper use of the consolidated business results projection:

Statements made in these materials, such as those pertaining to future matters, including business projections, are based on information presently available to the Company and certain assumptions determined to be reasonable. Actual business results may vary materially depending on a variety of factors. For the background, assumptions and other matters regarding the business results projection, please refer to P.8 “(3) Qualitative Information Concerning Consolidated Business Results Projection”.

1. Business Results

(1) Results of Operations

The Fast Retailing Group reported an increase in revenue and a large rise in profits in the first half of fiscal 2022, or the six months from 1 September 2021 to 28 February 2022, with consolidated revenue totaling 1.2189 trillion yen (+1.3% year-on-year) and operating profit rising to 189.2 billion yen (+12.7% year-on-year). That firm result can be attributed primarily to an expansion in our business operations, with strong performances reported by UNIQLO operations in the South Asia, Southeast Asia & Oceania, North America, and Europe regions. Meanwhile, UNIQLO operations in Japan and the Greater China region as well as our GU business segment reported declines in first-half revenue and profit. Fast Retailing's consolidated gross profit margin improved by 1.7 points year-on-year to 51.6% and the selling, general and administrative expense ratio increased by 1.0 points year-on-year to 36.0%. In addition, under finance income net of costs, we recorded a 23.2 billion yen foreign exchange gain on foreign-currency denominated assets and other items due to a depreciation in yen exchange rates over the six-month period. As a result, first-half profit before income taxes rose to 212.5 billion yen (+24.0% year-on-year) and profit attributable to owners of the parent increased to 146.8 billion yen (+38.7% year-on-year). Thanks to the growing diversification of our global earnings pillars, Fast Retailing achieved a record consolidated performance in the first half of fiscal 2022.

As a united Group, we are determined to strengthen initiatives designed to expand our business operations and promote sustainability as part of our quest to become a global No.1 brand. We work hard to ensure our LifeWear ultimate everyday clothing is produced in working environments that are healthy, safe, and environment conscious, and strive to help solve a variety of social issues. We are currently channeling our efforts into expanding our e-commerce, UNIQLO International, and GU businesses as key pillars of operational growth. With regards to e-commerce, we are accelerating the building of a framework that will promote our main business by melding online and physical stores so we can offer as many of the products and information that customers want, whenever they want them. We are already pressing ahead with reforms that will enable us to offer more services that combine the strengths of our physical store and e-commerce network and unify inventory management.

Regarding UNIQLO International, we are accelerating the opening of new stores in all markets and areas in which we operate, and seeking to instill deeper and more widespread empathy for UNIQLO's LifeWear concept by opening global flagship stores and large-format stores in the world's major cities. In terms of our GU segment, we are working to strengthen GU's position as a brand that offers fun fashion at amazingly low prices and seeking to expand the GU store network primarily in Japan.

UNIQLO Japan

UNIQLO Japan reported significant declines in revenue and profit in the first half of fiscal 2022, with revenue totaling 442.5 billion yen (-10.2% year-on-year) and operating profit totaling 80.9 billion yen (-17.3% year-on-year). First-half same-store sales declined by 9.0% year-on-year. This performance was being compared to a strong result in the previous year when sales of ranges such as loungewear that satisfied stay-at-home demand as well as AIRism masks proved particularly buoyant. In addition, shortages of strong-selling Winter ranges resulted in lost sales opportunities. E-commerce sales declined slightly compared to the first half of fiscal 2021 with online sales totaling 72.4 billion yen (-1.9% year-on-year). However, this figure represented an approximate 40% increase compared to the first half of fiscal 2020, so e-commerce is still trending on a favorable expansion track. UNIQLO Japan's gross profit margin improved by 0.9 point as our strategy of restricting discount sales improved discounting rates. The selling, general and administrative expense ratio increased by 2.6 points following the decline in sales.

UNIQLO International

UNIQLO International reported a significant increase in both revenue and profit in the first half of fiscal 2022, with revenue rising to 593.2 billion yen (+13.7% year-on-year) and operating profit expanding to 100.3 billion yen (+49.7% year-on-year). This impressive UNIQLO International performance was fueled primarily by large increases in both revenue and profit at UNIQLO operations in the S/SE Asia & Oceania, North America, and Europe regions. Operating profit generated by the North America and Europe regions constituted approximately 20% of the total for UNIQLO International overall. This constitutes one more earnings pillar following on from the Greater China region, which accounts for approximately 55% of the segment's operating profit. Breaking down the UNIQLO International performance into individual regions and markets, revenue declined and profit contracted significantly in the Mainland China market. This was due to weaker consumer appetite for apparel following the implementation of restrictions to control rising COVID-19 infections. Meanwhile, the Hong Kong and Taiwan markets and UNIQLO South Korea reported rises in both revenue and profit. S/SE Asia & Oceania reported significant year-on-year rises in revenue and profit. Within that region, UNIQLO operations in Malaysia and Indonesia generated particularly strong results as the easing of COVID-19 restrictions as well as stronger digital and in-store marketing helped attract customers. UNIQLO North America reported a significant rise in revenue and moved into the black in the first half. Sales expanded as we focused on conveying pertinent information to strengthen UNIQLO branding and marketing core products. The region's gross profit margin and selling, general and administrative expense ratio improved significantly on the back of restricted discount sales and an

overhaul of the operation's cost structures. UNIQLO Europe achieved significant increases in both revenue and profit as stronger marketing targeting new customers successfully broadened the customer base and the region was able to secure sufficient inventory of strong-selling core Winter ranges.

We are pursuing more determined new store openings on a global scale. We opened the UNIQLO RIVOLI Store in Paris in September 2021 and our first global flagship store in Beijing, the UNIQLO BEIJING SANLITUN Store, in November 2021. We are set to open our new UNIQLO Regent Street Store in London in April 2022. We intend to showcase the UNIQLO brand to the world from prime locations in major global cities.

GU

The GU business segment reported a decline in revenue and a considerable contraction in profit in the first half of fiscal 2022, with revenue falling to 122.8 billion yen (-7.4% year-on-year) and operating profit contracting to 9.3 billion yen (-40.9% year-on-year). First-half sales declined as persistently warm weather early on in the season stifled sales of Fall items and, despite strong sales of knitwear, bottoms, and other Winter items, delays in production and distribution prevented us from procuring strong-selling items in a timely manner and resulted in lost sales opportunities. GU's gross profit margin declined by 0.4 point as the sharp rises in raw materials prices and shipping costs resulted in a slightly higher cost of sales. GU's selling, general and administrative expense ratio increased by 3.6 points. However, this was due to a temporary increase in distribution costs linked to the launch of automated warehousing in Western Japan to help expand e-commerce operations as well as stronger marketing to boost brand recognition.

Global Brands

The Global Brands segment reported a rise in revenue and a move back into the black in the first half of fiscal 2022. The segment generated revenue of 58.9 billion yen (+8.1% year-on-year) and an operating profit of 1.0 billion yen (compared to an 8.1 billion yen loss recorded in the first half of fiscal 2021). Our Theory operation generated strong increases in both revenue and profit thanks primarily to a recovery in performance and a move back into the black for Theory in the United States. PLST reported a decline in revenue and a wider operating loss as the operation was adversely impacted by Japan's COVID-19-related state of emergency and semi-state of emergency measures and was unable to release products and convey product news that would attract customers. Our France-based Comptoir des Cotonniers operation reported higher revenue and a considerably lower operating loss in the first half as customer numbers in France recovered compared to the previous year, which was hit hard by rising COVID-19 infections. Meanwhile, the permanent closure of unprofitable stores and other structural reforms improved cost efficiencies.

Sustainability

In keeping with our key sustainability message, "Unlocking the power of clothing," the Group pursues sustainability activities through our core clothing business focused on six clear material areas: Creating new value through products and services; Respecting human rights in our supply chain; Respecting the environment; Strengthening communities; Supporting employee fulfillment and Implementing good corporate governance. Our main activities for the current period involved:

■ Respecting human rights in our supply chain: In order to improve the quality of life of the people working in our supply chain, in December 2021 we not only guaranteed our workers a minimum wage, but also announced targets and initiatives aimed at providing a living wage (a level of pay that meets a person's fundamental needs such as clothing, shelter and food, and allows them to lead a reasonable social life). Please see our website for more details:

https://www.fastretailing.com/jp/about/frway/pdf/LivingWageCommitment_jp.pdf

■ Consideration for the environment: For the second year running, we have been selected as a Supplier Engagement Leader by CDP, an international non-profit organization that provides a platform for the disclosure of environmental information. Supplier Engagement Leader is the highest rank given by the Supplier Engagement Rating, which assesses how effectively companies work with their suppliers to combat climate change. It was only awarded to the top 8% of companies surveyed globally in 2021. Fast Retailing was recognized for incorporating our climate response into our business strategy and working on reducing greenhouse gas emissions in our supply chain (<https://www.fastretailing.com/jp/sustainability/news/2202161500.html>).

■ Strengthening communities: The Power of Clothing Project received the METI Minister's Awards Grand Prix, the top prize in the large-enterprise category of the Japanese Ministry of Economy, Trade and Industry's 11th Career Education Awards. It also received the Judges' Commendation in the 9th Awards for Companies Promoting Experience-based Learning Activities for Young People, held by the Japanese Ministry of Education, Culture, Sports, Science and Technology. The Power of Clothing Project is a hands-on learning program for elementary, junior and high-school students, organized by Fast Retailing in partnership with the UN Refugee Agency. This year marks the project's tenth anniversary. In fiscal 2021, around 73,000 students from 625 schools took part (<https://www.fastretailing.com/jp/sustainability/news/2202281500.html>).

Following an appeal by the UN Refugee Agency, we have also made a donation of USD 10 million (approx. JPY 1.15 billion) toward their work providing emergency humanitarian aid in Ukraine and the surrounding regions. This donation will be used for urgent work to protect people in danger, including the establishment of emergency shelters, distribution of emergency supplies, and children's mental health care. We will also provide 100,000 clothing items, including UNIQLO HEATTECH blankets, HEATTECH innerwear and AIRism face masks, as well as 100,000 items of reclaimed winter clothing, etc. collected at UNIQLO stores in Japan, to refugees in regions such as Poland according to the needs of the UN Refugee Agency (<https://www.fastretailing.com/jp/ir/news/2203101800.html>).

■ Implementing good corporate governance: To enable rapid and transparent management, each committee is engaged in open and active discussion. The Nomination and Remuneration Advisory Committee has been restructured to further improve the committee's transparency and independence. The Board of Directors will nominate an external director to serve as the chairperson, and all independent external directors and some independent external auditors will participate as committee members. Furthermore, the Group's philosophy and spirit are the source of our growth, and we believe it is important that these are passed on, so the President will also participate as a committee member. The Human Rights Committee are discussing an action plan for an initiative to ensure that human rights are respected in the future, based on monitoring of manufacturing partners' working environments, and the findings of their factory hotlines.

(2) Financial Positions and Cash Flows Information

(i) Financial Positions

Total assets as at 28 February 2022 were 2.6415 trillion yen, which was an increase of 131.6 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 119.7 billion yen in cash and cash equivalents, an increase of 39.1 billion yen in other current financial assets, a decrease of 44.5 billion yen in inventories, an increase of 19.9 billion yen in derivative financial assets, an increase of 7.8 billion yen in property, plant and equipment, a decrease of 13.3 billion yen in right-of-use assets, and a decrease of 5.4 billion yen in deferred tax assets.

Total liabilities as at 28 February 2022 were 1.3197 trillion yen, which was a decrease of 27.9 billion yen relative to the end of the preceding fiscal year. The principal factors were a decrease of 12.0 billion yen in trade and other payables, an increase of 48.9 billion yen in other current financial liabilities, a decrease of 2.3 billion yen in derivative financial liabilities, an increase of 9.1 billion yen in current tax liabilities, a decrease of 7.9 billion yen in other current liabilities, a decrease of 49.8 billion yen in non-current financial liabilities, a decrease of 14.5 billion yen in lease liabilities, and an increase of 1.9 billion yen in provisions.

Total net assets as at 28 February 2022 were 1.3218 trillion yen, which was an increase of 159.5 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 122.3 billion yen in retained earnings, and an increase of 32.7 billion yen in other components of equity.

(ii) Cash Flows Information

Cash and cash equivalents as at 28 February 2022 had increased by 119.7 billion yen from the end of the preceding fiscal year, to 1.2974 trillion yen.

(Operating Cash Flows)

Net cash generated by operating activities for the six months ended 28 February 2022 was 264.6 billion yen (352.1 billion yen was generated during the six months ended 28 February 2021). The principal factors were cash inflow from profit before tax for 212.5 billion yen, depreciation and amortization for 88.2 billion yen and decrease in inventories for 50.1 billion yen, and cash outflow from income taxes paid for 55.4 billion yen and foreign exchange gains for 23.5 billion yen.

(Investing Cash Flows)

Net cash used in investing activities for the six months ended 28 February 2022 was 74.2 billion yen (41.0 billion yen was used during the six months ended 28 February 2021). The principal factors were a net increase of 35.4 billion yen in bank deposits with original maturities of three months or longer, and 26.9 billion yen in payments for property, plant and equipment.

(Financing Cash Flows)

Net cash used in financing activities for the six months ended 28 February 2022 was 108.0 billion yen (201.3 billion yen was used during the six months ended 28 February 2021). The principal factors were 66.9 billion yen in repayments of lease liabilities, and 24.4 billion yen in dividends paid to owners of the Parent.

(3) Qualitative Information Concerning Consolidated Business Results Projection

Regarding our estimates for the full business year ending 31 August 2022, we have revised up our forecasts for profit before income taxes and profit attributable to owners of the parent. These revised estimates assume further increases in finance income net of costs in line with the continued depreciation of the Japanese yen. Our estimates for full-year revenue and operating profit remain unchanged from the latest forecasts announced in January 2022.

Below are the differences of the consolidated business results projections for the year ending 31 August 2022 as reported in the “First Quarterly Results Announcement for the Three Months Ended 30 November 2021 and Resumption of Trading” released on 13 January 2022.

(Full financial year)

	Revenue	Operating profit	Profit before income taxes	Profit attributable to owners of the Parent	Basic earnings per share attributable to owners of the Parent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	2,200,000	270,000	270,000	175,000	1,713.26
New forecast (B)	2,200,000	270,000	293,200	190,000	1,859.85
Difference (B–A)	-	-	23,200	15,000	-
Change (%)	-	-	8.6	8.6	-
Previous results	2,132,992	249,011	265,872	169,847	1,663.12

2. Interim Condensed Consolidated Financial Statements and Accompanying Material Notes

(1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	Notes	As at 31 August 2021	As at 28 February 2022
ASSETS			
Current assets			
Cash and cash equivalents		1,177,736	1,297,451
Trade and other receivables		50,546	55,861
Other financial assets		56,157	95,275
Inventories		394,868	350,348
Derivative financial assets		27,103	40,151
Income taxes receivable		2,992	1,391
Other assets		15,270	20,342
Total current assets		1,724,674	1,860,823
Non-current assets			
Property, plant and equipment	6	168,177	176,033
Right-of-use assets	6	390,537	377,152
Goodwill		8,092	8,092
Intangible assets	6	66,939	70,605
Financial assets		67,122	65,074
Investments in associates accounted for using the equity method		18,236	18,392
Deferred tax assets		37,125	31,645
Derivative financial assets		22,552	29,460
Other assets	6	6,520	4,317
Total non-current assets		785,302	780,772
Total assets		2,509,976	2,641,596
Liabilities and equity			
LIABILITIES			
Current liabilities			
Trade and other payables		220,057	208,009
Other financial liabilities		104,969	153,916
Derivative financial liabilities		2,493	764
Lease liabilities		117,083	114,532
Current tax liabilities		38,606	47,726
Provisions		2,149	2,201
Other liabilities		95,652	87,736
Total current liabilities		581,012	614,887
Non-current liabilities			
Financial liabilities		370,799	320,947
Lease liabilities		343,574	331,531
Provisions		39,046	40,923
Deferred tax liabilities		9,860	8,644
Derivative financial liabilities		1,042	397
Other liabilities		2,342	2,422
Total non-current liabilities		766,665	704,866
Total liabilities		1,347,678	1,319,754
EQUITY			
Capital stock		10,273	10,273
Capital surplus		25,360	27,713
Retained earnings		1,054,791	1,177,178
Treasury stock, at cost		(14,973)	(14,864)
Other components of equity		41,031	73,791
Equity attributable to owners of the Parent		1,116,484	1,274,093
Non-controlling interests		45,813	47,747
Total equity		1,162,298	1,321,841
Total liabilities and equity		2,509,976	2,641,596

(2) *Interim Condensed Consolidated Statement of Profit or Loss and Interim Condensed Consolidated Statement of Comprehensive Income*

Interim Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	Notes	Six months ended 28 February 2021	Six months ended 28 February 2022
Revenue	2	1,202,864	1,218,977
Cost of sales		(602,413)	(589,891)
Gross profit		600,451	629,085
Selling, general and administrative expenses	3	(420,750)	(439,265)
Other income	4	4,446	6,652
Other expenses	4,6	(16,512)	(7,770)
Share of profit and loss of associates accounted for using the equity method		347	576
Operating profit		167,982	189,278
Finance income	5	7,059	26,694
Finance costs	5	(3,559)	(3,407)
Profit before income taxes		171,482	212,566
Income tax expense		(62,227)	(58,183)
Profit for the period		109,255	154,382
Profit for the period attributable to:			
Owners of the Parent		105,868	146,844
Non-controlling interests		3,387	7,537
Total		109,255	154,382
Earnings per share			
Basic (yen)	7	1,036.76	1,437.41
Diluted (yen)	7	1,035.04	1,435.21

Interim Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Notes	Six months ended 28 February 2021	Six months ended 28 February 2022
Profit for the period		109,255	154,382
Other comprehensive income / (loss), net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Financial assets measured at fair value through other comprehensive income / (loss)		369	(57)
Total items that will not be reclassified subsequently to profit or loss		369	(57)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		18,269	16,961
Cash flow hedges		4,584	30,561
Share of other comprehensive income of associates		55	7
Total items that may be reclassified subsequently to profit or loss		22,909	47,531
Other comprehensive income / (loss), net of income tax		23,279	47,473
Total comprehensive income for the period		132,534	201,856
Attributable to:			
Owners of the Parent		127,401	194,448
Non-controlling interests		5,133	7,407
Total comprehensive income for the period		132,534	201,856

(3) Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 28 February 2021

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Other components of equity				Total	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
					Financial assets measured at fair value through other comprehensive income	Foreign currency translation reserve	Cash flow hedge reserve	Share of other comprehensive income of associates				
As at 1 September 2020	10,273	23,365	933,303	(15,129)	385	(8,489)	12,905	(51)	4,749	956,562	39,516	996,079
Net changes during the period												
Comprehensive income												
Profit for the period	-	-	105,868	-	-	-	-	-	-	105,868	3,387	109,255
Other comprehensive income / (loss)	-	-	-	-	369	16,389	4,717	55	21,533	21,533	1,746	23,279
Total comprehensive income / (loss)	-	-	105,868	-	369	16,389	4,717	55	21,533	127,401	5,133	132,534
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(4)	-	-	-	-	-	(4)	-	(4)
Disposal of treasury stock	-	1,215	-	111	-	-	-	-	-	1,327	-	1,327
Dividends	-	-	(24,504)	-	-	-	-	-	-	(24,504)	(1,367)	(25,871)
Share-based payments	-	639	-	-	-	-	-	-	-	639	-	639
Transfer to non-financial assets	-	-	-	-	-	-	(5,193)	-	(5,193)	(5,193)	(691)	(5,884)
Transfer to retained earnings	-	-	581	-	(581)	-	-	-	(581)	-	-	-
Total transactions with the owners of the Parent	-	1,855	(23,923)	106	(581)	-	(5,193)	-	(5,774)	(27,735)	(2,058)	(29,794)
Total net changes during the period	-	1,855	81,945	106	(211)	16,389	(475)	55	15,758	99,665	3,074	102,740
As at 28 February 2021	10,273	25,220	1,015,248	(15,022)	173	7,900	12,429	4	20,507	1,056,228	42,590	1,098,819

For the six months ended 28 February 2022

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Other components of equity				Total	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
					Financial assets measured at fair value through other comprehensive income	Foreign currency translation reserve	Cash flow hedge reserve	Share of other comprehensive income of associates				
As at 1 September 2021	10,273	25,360	1,054,791	(14,973)	271	9,855	30,890	13	41,031	1,116,484	45,813	1,162,298
Net changes during the period												
Comprehensive income												
Profit for the period	-	-	146,844	-	-	-	-	-	-	146,844	7,537	154,382
Other comprehensive income / (loss)	-	-	-	-	(57)	17,514	30,138	7	47,603	47,603	(130)	47,473
Total comprehensive income / (loss)	-	-	146,844	-	(57)	17,514	30,138	7	47,603	194,448	7,407	201,856
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(3)	-	-	-	-	-	(3)	-	(3)
Disposal of treasury stock	-	1,322	-	111	-	-	-	-	-	1,434	-	1,434
Dividends	-	-	(24,514)	-	-	-	-	-	-	(24,514)	(5,850)	(30,364)
Share-based payments	-	1,030	-	-	-	-	-	-	-	1,030	-	1,030
Transfer to non-financial assets	-	-	-	-	-	-	(14,786)	-	(14,786)	(14,786)	(26)	(14,812)
Transfer to retained earnings	-	-	57	-	(57)	-	-	-	(57)	-	-	-
Changes in ownership interests in subsidiaries without losing control	-	-	-	-	-	-	-	-	-	-	402	402
Total transactions with the owners of the Parent	-	2,352	(24,457)	108	(57)	-	(14,786)	-	(14,843)	(36,839)	(5,473)	(42,312)
Total net changes during the period	-	2,352	122,387	108	(115)	17,514	15,352	7	32,760	157,608	1,934	159,543
As at 28 February 2022	10,273	27,713	1,177,178	(14,864)	156	27,370	46,243	21	73,791	1,274,093	47,747	1,321,841

(4) Interim Condensed Consolidated Statement of Cash Flows*(Millions of yen)*

	Notes	Six months ended 28 February 2021	Six months ended 28 February 2022
Cash flows from operating activities			
Profit before income taxes		171,482	212,566
Depreciation and amortization		89,004	88,254
Impairment losses	6	11,696	6,086
Interest and dividend income		(2,310)	(3,069)
Interest expenses		3,551	3,359
Foreign exchange losses / (gains)		(4,740)	(23,576)
Share of profit and loss of associates accounted for using the equity method		(347)	(576)
Losses on disposal of property, plant and equipment		609	663
(Increase) / Decrease in trade and other receivables		(420)	(4,471)
(Increase) / Decrease in inventories		70,197	50,108
Increase / (Decrease) in trade and other payables		(12,402)	(14,429)
(Increase) / Decrease in other assets		(764)	(4,364)
Increase / (Decrease) in other liabilities		60,132	1,168
Others, net		2,278	2,442
Cash generated from operations		387,964	314,159
Interest and dividends income received		2,099	2,594
Interest paid		(3,114)	(2,889)
Income taxes paid		(36,036)	(55,461)
Income taxes refunded		1,212	6,251
Net cash generated by operating activities		352,125	264,654
Cash flows from investing activities			
Amounts deposited into bank deposits with original maturities of three months or longer		(47,286)	(96,317)
Amounts withdrawn from bank deposits with original maturities of three months or longer		46,738	60,902
Payments for property, plant and equipment		(28,359)	(26,926)
Payments for intangible assets		(8,083)	(12,181)
Payments for acquisition of right-of-use assets		(666)	(382)
Payments for lease and guarantee deposits		(1,825)	(2,005)
Proceeds from collection of lease and guarantee deposits		2,057	2,511
Payments for acquisition of investments in associates		(4,232)	-
Others, net		620	183
Net cash generated by / (used in) investing activities		(41,037)	(74,216)

(Millions of yen)

	Six months ended 28 February 2021	Six months ended 28 February 2022
Cash flows from financing activities		
Proceeds from short-term loans payable	32,618	9,816
Repayment of short-term loans payable	(37,453)	(21,738)
Repayment of redemption of bonds	(100,000)	-
Dividends paid to owners of the Parent	(24,504)	(24,456)
Dividends paid to non-controlling interests	(1,367)	(5,250)
Repayments of lease liabilities	(70,733)	(66,907)
Others, net	106	511
Net cash generated by / (used in) financing activities	(201,334)	(108,025)
Effect of exchange rate changes on the balance of cash held in foreign currencies	17,570	37,302
Net increase in cash and cash equivalents	127,323	119,715
Cash and cash equivalents at the beginning of period	1,093,531	1,177,736
Cash and cash equivalents at the end of period	1,220,854	1,297,451

(5) Notes to assumption of going concern

Not applicable.

(6) Notes to the Interim Condensed Consolidated Financial Statements

1. Segment Information

(i) Description of reportable segments

The Group's reportable segments are components for which discrete financial information is available and which are reviewed regularly by the Board of Directors (the "Board") to make decisions about the allocation of resources and to assess performance.

The Group's main retail clothing business is divided into four reportable operating segments: UNIQLO Japan, UNIQLO International, GU and Global Brands, each of which is used to frame and form the Group's strategy.

The main businesses covered by each reportable segment are as follows:

UNIQLO Japan: UNIQLO clothing business within Japan

UNIQLO International: UNIQLO clothing business outside of Japan

GU: GU clothing business in Japan and overseas

Global Brands: Theory, PLST, COMPTOIR DES COTONNIERS, and PRINCESSE TAM.TAM clothing business

For J Brand Inc, which had been included in Global Brands operations for the six months ended 28 February 2021, the corporate liquidation proceedings has been completed on 5 August 2021.

(ii) Segment revenue and results

For the six months ended 28 February 2021

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	492,519	521,826	132,671	54,561	1,201,579	1,284	-	1,202,864
Operating profit / (loss)	97,870	67,070	15,888	(8,188)	172,641	44	(4,703)	167,982
Segment income /(loss) (i.e., profit / loss before income taxes)	98,499	65,995	15,811	(8,436)	171,870	45	(432)	171,482
Other disclosure: Impairment losses (Note 3)	839	9,035	434	1,386	11,696	-	-	11,696

(Note 1) "Others" includes the real estate leasing business, etc.

(Note 2) "Adjustments" mainly includes revenue and corporate expenses which are not allocated to individual reportable segments.

(Note 3) Details on the Impairment losses are stated in note "6. Impairment losses".

For the six months ended 28 February 2022

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	442,513	593,263	122,824	58,994	1,217,595	1,381	-	1,218,977
Operating profit / (loss)	80,926	100,373	9,385	1,044	191,729	(511)	(1,939)	189,278
Segment income /(loss) (i.e., profit / loss before income taxes)	82,648	101,072	9,534	865	194,120	(545)	18,990	212,566
Other disclosure: Impairment losses (Note 3)	-	3,580	1,186	524	5,292	794	-	6,086

(Note 1) "Others" includes the real estate leasing business, etc.

(Note 2) "Adjustments" mainly includes revenue and corporate expenses which are not allocated to individual reportable segments.

(Note 3) Details on the Impairment losses are stated in note "6. Impairment losses".

2. Revenue

The Group conducts its global clothing retail operations through both physical stores and e-commerce channels. The following is a breakdown of total revenue by major regional market operation.

Six months ended 28 February 2021

	Revenue (Millions of yen)	Percent of Total (%)
Japan	492,519	40.9
Greater China	310,807	25.8
Other parts of Asia & Oceania	110,032	9.1
North America & Europe	100,986	8.4
UNIQLO (Note 1)	1,014,346	84.3
GU (Note 2)	132,671	11.0
Global Brands (Note 3)	54,561	4.5
Others (Note 4)	1,284	0.1
Total	1,202,864	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

Other parts of Asia & Oceania: South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia, Australia, Vietnam, India

North America & Europe: United States of America, Canada, United Kingdom, France, Russia, Germany, Belgium, Spain, Sweden, the Netherlands, Denmark, Italy

(Note 2) Main national and regional market: Japan

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

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

Six months ended 28 February 2022

	Revenue (Millions of yen)	Percent of Total (%)
Japan	442,513	36.3
Greater China	306,773	25.2
Other parts of Asia & Oceania	136,891	11.2
North America & Europe	149,598	12.3
UNIQLO (Note 1)	1,035,777	85.0
GU (Note 2)	122,824	10.1
Global Brands (Note 3)	58,994	4.8
Others (Note 4)	1,381	0.1
Total	1,218,977	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

Other parts of Asia & Oceania: South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia, Australia, Vietnam, India

North America & Europe: United States of America, Canada, United Kingdom, France, Russia, Germany, Belgium, Spain, Sweden, the Netherlands, Denmark, Italy

(Note 2) Main national and regional market: Japan

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

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

3. Selling, general and administrative expenses

The breakdown of selling, general and administrative expenses for each reporting period is as follows:

(Millions of yen)

	Six months ended 28 February 2021	Six months ended 28 February 2022
Selling, general and administrative expenses		
Advertising and promotion	36,170	41,719
Lease expenses	35,456	40,172
Depreciation and amortization	89,004	88,254
Outsourcing	25,177	27,230
Salaries	141,353	146,464
Distribution	50,295	49,995
Others	43,292	45,427
Total	420,750	439,265

4. Other income and other expenses

The breakdown of other income and other expenses for each reporting period is as follows:

(Millions of yen)

	Six months ended 28 February 2021	Six months ended 28 February 2022
Other income		
Foreign exchange gains (Note)	2,366	2,197
Others	2,079	4,454
Total	4,446	6,652

(Millions of yen)

	Six months ended 28 February 2021	Six months ended 28 February 2022
Other expenses		
Loss on retirement of property, plant and equipment	609	663
Impairment losses	11,696	6,086
Others	4,207	1,020
Total	16,512	7,770

(Note) Currency adjustments incurred in the course of operating transactions are included in "Other income".

5. Finance income and finance costs

The breakdown of finance income and finance costs for each reporting period is as follows:

(Millions of yen)

	Six months ended 28 February 2021	Six months ended 28 February 2022
Finance income		
Foreign exchange gains (Note)	4,740	23,576
Interest income	2,301	3,059
Others	16	58
Total	7,059	26,694

(Millions of yen)

	Six months ended 28 February 2021	Six months ended 28 February 2022
Finance costs		
Interest expenses	3,551	3,359
Others	7	48
Total	3,559	3,407

(Note) Currency adjustments incurred in the course of non-operating transactions are included in "Finance income".

6. Impairment losses

During the six months ended 28 February 2022, the Group recognized impairment losses on certain store assets, etc., due to reductions in profitability of the respective cash-generating units ("CGU").

The breakdown of impairment losses by asset type is as follows:

(Millions of yen)

	Six months ended 28 February 2021	Six months ended 28 February 2022
Buildings and structures	1,439	2,047
Furniture, equipment and vehicles	374	44
Subtotal on property, plant and equipment	1,814	2,092
Software	106	-
Other intangible assets	7	13
Subtotal on intangible assets	113	13
Right-of-use assets	9,765	3,978
Other non-current assets (long-term prepayments)	2	2
Total impairment losses	11,696	6,086

The Group's impairment losses during the six months ended 28 February 2022 amounted to 6,086 million yen, compared with 11,696 million yen during the six months ended 28 February 2021, and are included in "Other expenses" on the consolidated statement of profit or loss.

Six months ended 28 February 2021

Property, plant and equipment and Right-of-use assets

Impairment losses amounting to 11,696 million yen represented write downs of the carrying amounts of store assets to the recoverable amounts, primarily due to a reduction in profitability of certain stores, including flagship stores. With the global spread of COVID-19, the Group's performance has been adversely affected due to temporarily closing of the stores, etc. Although the timing for the situation subsiding differs from region to region and on a case-by-case basis, we made accounting estimates involving the assumption that the impact will last until the end of February 2022 for most countries and regions including Japan. For stores in other certain countries and regions, it may take longer for the situation to get under control.

The grouping of assets is based on the smallest identifiable CGU that independently generates 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 is calculated based on the cash flow projections with estimates and growth rates approved by management, applying a discount rate of mainly 8.1 %. 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.

The main CGUs for which impairment losses were recorded are as follows:

Operating segment	CGU	Type
UNIQLO Japan	UNIQLO CO., LTD. stores	Buildings, structures and Right-of-use assets
UNIQLO International	UNIQLO USA LLC, UNIQLO EUROPE LIMITED etc., stores	Buildings, structures and Right-of-use assets
GU	GU (Shanghai) Trading Co., Ltd. stores	Buildings, structures and Right-of-use assets
Global Brands	COMPTOIR DES COTONNIERS S.A.S., etc., stores	Buildings, structures and Right-of-use assets

Six months ended 28 February 2022

Property, plant and equipment and Right-of-use assets

Impairment losses amounting to 6,086 million yen represented write downs of the carrying amounts of store assets to the recoverable amounts, primarily due to a reduction in profitability of certain stores, including flagship stores. With the global spread of COVID-19, the Group's performance has been adversely affected due to temporarily closing of the stores, etc. Although the timing for the situation subsiding differs from region to region and on a case-by-case basis, we made accounting estimates involving the assumption that the impact will last for the fiscal year ending August 2022 for most countries and regions including Japan. For stores in other certain countries and regions, it may take longer for the situation to get under control.

The grouping of assets is based on the smallest identifiable CGU that independently generates 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 is calculated based on the cash flow projections with estimates and growth rates approved by management, applying a discount rate of mainly 11.8 %. 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.

The main CGUs for which impairment losses were recorded are as follows:

Operating segment	CGU	Type
UNIQLO International	FAST RETAILING (CHINA) TRADING CO., LTD., LLC UNIQLO (RUS), UNIQLO USA LLC, etc., stores	Buildings, structures and Right-of-use assets etc.
GU	G.U. CO., LTD., etc., stores	Buildings, structures and Right-of-use assets etc.
Global Brands	COMPTOIR DES COTONNIERS S.A.S., etc., stores	Buildings, structures and Right-of-use assets etc.

7. Earnings per share

Six months ended 28 February 2021		Six months ended 28 February 2022	
Equity per share attributable to owners of the Parent (Yen)	10,342.04	Equity per share attributable to owners of the Parent (Yen)	12,469.85
Basic earnings per share (Yen)	1,036.76	Basic earnings per share (Yen)	1,437.41
Diluted earnings per share (Yen)	1,035.04	Diluted earnings per share (Yen)	1,435.21

(Note) The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Six months ended 28 February 2021	Six months ended 28 February 2022
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	105,868	146,844
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders (Millions of yen)	105,868	146,844
Average number of common stock outstanding during the period (Shares)	102,114,907	102,158,795
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	169,788	156,763
(Number of share subscription rights included in increase)	(169,788)	(156,763)

8. Subsequent events

Not applicable.

3. Resumption of Trading

At the request of the Company, trading in its Hong Kong depositary receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 14 April 2022, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Tuesday, 19 April 2022.

On behalf of the Board
FAST RETAILING CO., LTD.

Tadashi Yanai

*Chairman, President and Chief Executive
Officer*

Japan, 14 April 2022

As at the date of this announcement, the Chairman is Tadashi Yanai, the Executive Directors are Takeshi Okazaki, Kazumi Yanai and Koji Yanai, the Independent Non-executive Directors are Nobumichi Hattori, Masaaki Shintaku, Takashi Nawa, Naotake Ono and Kathy Mitsuko Koll (aka Kathy Matsui).