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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)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 31 MAY 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 nine months ended 31 May 2022.

At the request of the Company, trading in its Hong Kong depository receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 14 July 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 depository receipts with effect from 9:00 a.m. on Friday, 15 July 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 31 May 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	%
Nine months ended 31 May 2022	1,765,106	3.9	271,084	19.0	349,255	42.2	247,541	57.8
Nine months ended 31 May 2021	1,698,082	9.9	227,897	72.1	245,654	72.5	156,876	71.5

	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
Nine months ended 31 May 2022	237,836	57.1	418,754	92.3	2,327.96	2,324.44
Nine months ended 31 May 2021	151,351	67.0	217,748	82.3	1,482.08	1,479.65

(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 31 May 2022	2,859,574	1,490,323	1,440,495	50.4	14,097.38
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)				340.00	620.00

(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	2,250,000	5.5	290,000	16.5	368,100	38.4	250,000	47.2

	Basic earnings per share attributable to owners of the Parent
Year ending 31 August 2022	Yen 2,447.02

(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 31 May 2022	106,073,656 Shares	As at 31 August 2021	106,073,656 shares
(ii)	Number of treasury stock	As at 31 May 2022	3,891,824 shares	As at 31 August 2021	3,928,985 shares
(iii)	Average number of issued shares	For the nine months ended 31 May 2022	102,165,068 shares	For the nine months ended 31 May 2021	102,121,062 shares

* This third quarterly 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.7 “(3) Qualitative Information Concerning Consolidated Business Results Projection”.

1. Business Results

(1) Results of Operations

The Fast Retailing Group's revenue increased and profit rose significantly in the first nine months of fiscal 2022 from 1 September 2021 to 31 May 2022, with consolidated revenue rising to 1.7651 trillion yen (+3.9% year-on-year) and operating profit rising to 271.0 billion yen (+19.0% year-on-year). We also recorded finance income net of costs of 78.1 billion yen. This was due to the recording of a 77.8 billion yen foreign-exchange gain on foreign-currency denominated assets and other items after the yen depreciated by approximately 18 yen over the period from a rate of 1 USD = 109.9 JPY at the start of the period to 1 USD = 128.2 JPY at the end of May 2022. As a result, profit before income taxes rose to 349.2 billion yen (+42.2% year-on-year) and profit attributable to owners of the parent rose to 237.8 billion yen (+57.1% year-on-year). The progressive depreciation of the yen did boost performance in yen terms, but, even if we strip out the foreign exchange effect, profit still reached a record high in the nine months ended 31 May 2022.

As a united Group, we are strengthening 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 declines in both revenue and profit in the first nine months of fiscal 2022, with revenue contracting to 640.9 billion yen (-5.1% year-on-year) and operating profit dipping to 119.0 billion yen (-0.4% year-on-year). First-half revenue and profit declined significantly compared to a strong performance in the previous year and due to lost sales opportunities as shortages in strong-selling items emerged.

However, in the third quarter from March to May 2022, performance proved strong, with revenue increasing by 8.7% year-on-year and operating profit expanding by 76.2% year-on-year. As the spread of COVID-19 is being brought under control, same-store sales expanded by 7.8% year-on-year in the third quarter thanks to strong sales of Kando jackets and Kando pants and blouses as well a strong performance during the Golden Week sales and the UNIQLO anniversary sale. The third-quarter gross profit margin improved 3.9 points year-on-year thanks to a lower discounting rate linked to our efforts to restrict discount sales. In addition, the selling, general and administrative expense ratio improved by 1.4 points year-on-year as we further boosted operational efficiency primarily in the areas of personnel and distribution expenses.

UNIQLO International

UNIQLO International reported large increases in both revenue and profit in the first nine months of fiscal 2022, with revenue rising to 841.2 billion yen (+13.7% year-on-year) and operating profit increasing to 132.7 billion yen (+35.8% year-on-year). While the depreciation of the Japanese yen boosted sales and operating profit in yen terms, the segment also achieved a record performance in local currency terms thanks primarily to significant revenue and profit increases from the South Asia, Southeast Asia & Oceania region and the North America and Europe (excluding Russia) regions. The Greater China region reported large declines in revenue and profit as the region was adversely impacted by restrictions on general movement put in place to address the spread of COVID-19 infections.

In the third quarter from March to May 2022, performance continued strong in S/SE Asia & Oceania, and North America and Europe (excluding Russia). Breaking down the UNIQLO International performance into individual regions and markets (in local currency terms), the Greater China region generated much lower revenue and profit. Sales slumped in the face of COVID-19-related restrictions on movement as we had to temporarily close a maximum of 169 stores mainly in Shanghai over the March-to-May period. However, sales increased and performance started to recover in June once restrictions were eased. Revenue and

profit increased significantly in S/SE Asia & Oceania, with consumers' desire to go out recovering nicely as COVID-19 restrictions were eased. Performances from Malaysia, the Philippines, Indonesia, and Singapore proved especially strong. UNIQLO North America generated a large increase in revenue and moved into the black in the third quarter, with the operation's continued strong performance being underpinned by solid support from North American customers for T-shirts, tank tops, short pants, and other core products. Meanwhile, UNIQLO Europe (excluding Russia) generated a large increase in revenue and moved into the black in the third quarter as our efforts to successfully instill our LifeWear concept and expand our customer base along with increasingly energetic tourist demand provided a favorable tailwind.

GU

Our GU operation reported a decline in revenue and a large contraction in profit in the nine months ended May 2022, with revenue falling to 190.5 billion yen (-5.1% year-on-year) and operating profit shrinking to 17.8 billion yen (-26.7% year-on-year). Those declines were caused by lost sales opportunities after delays in manufacturing and distribution meant that we were not able to introduce our featured campaign products in a timely way.

In the third quarter from March to May 2022, GU revenue declined slightly, while operating profit held steady year-on-year. Sales of popular trendy items such as color slacks and sweat wear-style T-shirts proved strong, but delays on product delivery meant we were not able to sufficiently expand sales. The third-quarter GU gross profit margin improved by 1.5 points year-on-year. This was due to deliberate restrictions on discount sales and also the fact that we were not able to introduce our campaign products in a timely manner or promote them as planned due to delays in production and distribution. On the other hand, the selling, general administrative and expense ratio rose by 0.8 point year-on-year as we sought to improve the level of service by strategically increasing the number of staff in stores.

Global Brands

Global Brands revenue increased sharply and the segment moved into the black in the first nine months of fiscal 2022, with revenue rising to 90.0 billion yen (+11.8% year-on-year) and operating profit totaling 0.7 billion yen (compared to an operating loss of 8.9 billion yen in fiscal 2021).

In the third quarter from March to May 2022, the Theory operation reported higher revenue but lower profit. This was due primarily to a decline in revenue and profit from Theory Asia centered on Mainland China in the wake of the Shanghai lockdown. As for our PLST operation, while sales of blouses, pants, and dresses proved strong, we were not able to sufficiently expand sales as delays in production and distribution resulted in product shortages. As a result PLST sales hovered at previous-year levels and operating profit increased only marginally. At our France-based Comptoir des Cotonniers operation, revenue increased and the operating loss shrank significantly as we managed to greatly improve cost efficiencies by determinedly closing unprofitable stores and pursuing other structural reforms.

Sustainability

Fast Retailing is advancing its LifeWear concept-the ultimate in everyday clothing, designed to make everyone's life better-to create apparel that not only emphasizes quality, design, and price, but also meets the definition of "good clothing" from the standpoint of the environment, people, and society. The entire Fast Retailing Group, based on the LifeWear concept, will accelerate its transition to a new business model encompassing both sustainability and business growth. Our six materialities are: 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 three months ended 31 May 2022 involved:

- Respecting human rights in our supply chain: We are continuing to implement initiatives to improve our supply chain transparency. In March 2022, we updated our list of production partners (including factories with whom we expect to continue business relationships) and published it on our website. We also published lists of fabric mills that have been continuously producing materials for our products, and factories entrusted with processing steps (such as washing and printing).
- Respecting the environment: To solve the water environment issues facing local communities, we are striving to prevent and reduce water pollution, and to reduce the amount of water we use. In June 2022, based on the results of the water risk assessment conducted in 2021, we set targets for the garment factories and fabric mills that account for the top 80% of water consumption, with a focus on areas faced with high water supply risks and factories with high levels of water consumption. We also announced our goal to reduce water consumption by 10% (compared to 2020) at each factory by the end of 2025.

■ **Strengthening communities:** Following an appeal by the United Nations High Commissioner for Refugees (UNHCR), Fast Retailing has donated USD 10 million (approx. JPY 1.15 billion) toward emergency humanitarian aid in Ukraine and surrounding regions. We are also donating some 100,000 clothing items, including UNIQLO HEATTECH blankets and HEATTECH innerwear, as well as approximately 100,000 items of reclaimed winter clothing, etc. collected at UNIQLO stores in Japan. In addition, UNIQLO in the EU has teamed up with local NGOs to support garment recycling, including UNIQLO products and winter clothing reclaimed in stores, as well as in-store and online fundraising activities. UNIQLO has also launched employment programs for Ukrainian refugees in Germany and the Netherlands.

■ **Supporting employee fulfillment:** In order to achieve 50% female representation in management positions across our organization, we are continuing to implement initiatives that promote the activities of women. In March 2022, Fast Retailing held two sessions for employees of the Japan headquarters to learn about women's health, as part of our goal to create an environment in which female employees can truly flourish. More than 250 male and female employees participated in the sessions, which helped foster a deeper understanding of infertility treatment and health issues particular to women.

(2) Financial Positions and Cash Flows Information

(i) Financial Positions

Total assets as at 31 May 2022 were 2.8595 trillion yen, which was an increase of 349.5 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 191.1 billion yen in cash and cash equivalents, an increase of 34.7 billion yen in trade and other receivables, an increase of 38.9 billion yen in other current financial assets, a decrease of 43.1 billion yen in inventories, an increase of 117.8 billion yen in derivative financial assets, an increase of 21.6 billion yen in property, plant and equipment, and a decrease of 25.0 billion yen in deferred tax assets.

Total liabilities as at 31 May 2022 were 1.3692 trillion yen, which was an increase of 21.5 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 5.2 billion yen in trade and other payables, an increase of 10.7 billion yen in other current financial liabilities, an increase of 24.8 billion yen in current tax liabilities, a decrease of 49.9 billion yen in non-current financial liabilities, an increase of 15.5 billion yen in lease liabilities, an increase of 6.3 billion yen in provisions, and an increase of 11.3 billion yen in deferred tax liabilities.

Total net assets as at 31 May 2022 were 1.4903 trillion yen, which was an increase of 328.0 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 184.7 billion yen in retained earnings, and an increase of 136.6 billion yen in other components of equity.

(ii) Cash Flows Information

Cash and cash equivalents as at 31 May 2022 had increased by 191.1 billion yen from the end of the preceding fiscal year, to 1.3689 trillion yen.

(Operating Cash Flows)

Net cash generated by operating activities for the nine months ended 31 May 2022 was 338.6 billion yen (367.2 billion yen was generated during the nine months ended 31 May 2021). The principal factors were cash inflow from profit before tax for 349.2 billion yen, depreciation and amortization for 134.5 billion yen and decrease in inventories for 67.8 billion yen, and cash outflow from foreign exchange gains for 77.8 billion yen and income taxes paid for 81.4 billion yen.

(Investing Cash Flows)

Net cash used in investing activities for the nine months ended 31 May 2022 was 90.7 billion yen (65.7 billion yen was used during the nine months ended 31 May 2021). The principal factors were a net increase of 28.3 billion yen in bank deposits with original maturities of three months or longer, and 42.8 billion yen in payments for property, plant and equipment.

(Financing Cash Flows)

Net cash used in financing activities for the nine months ended 31 May 2022 was 174.8 billion yen (262.7 billion yen was used during the nine months ended 31 May 2021). The principal factors were 53.0 billion yen in dividends paid to owners of the Parent, and 98.7 billion yen in repayments of lease liabilities.

(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 to take into account the third quarter results and subsequent business performance as well as the continued depreciation of the Japanese yen.

Below are the differences of the consolidated business results projections for the year ending 31 August 2022 as reported in the “Interim Results Announcement for the Six Months Ended 28 February 2022 and Resumption of Trading” released on 14 April 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	293,200	190,000	1,859.85
New forecast (B)	2,250,000	290,000	368,100	250,000	2,447.02
Difference (B–A)	50,000	20,000	74,900	60,000	-
Change (%)	2.3	7.4	25.5	31.6	-
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 31 May 2022
ASSETS			
Current assets			
Cash and cash equivalents		1,177,736	1,368,912
Trade and other receivables		50,546	85,332
Other financial assets		56,157	95,076
Inventories		394,868	351,718
Derivative financial assets		27,103	79,822
Income taxes receivable		2,992	2,133
Other assets		15,270	17,632
Total current assets		1,724,674	2,000,627
Non-current assets			
Property, plant and equipment	6	168,177	189,808
Right-of-use assets	6	390,537	396,379
Goodwill		8,092	8,092
Intangible assets	6	66,939	73,081
Financial assets		67,122	69,436
Investments in associates accounted for using the equity method		18,236	18,415
Deferred tax assets		37,125	12,054
Derivative financial assets		22,552	87,702
Other assets	6	6,520	3,975
Total non-current assets		785,302	858,946
Total assets		2,509,976	2,859,574
Liabilities and equity			
LIABILITIES			
Current liabilities			
Trade and other payables		220,057	225,332
Other financial liabilities		104,969	115,746
Derivative financial liabilities		2,493	994
Lease liabilities		117,083	121,215
Current tax liabilities		38,606	63,500
Provisions		2,149	2,156
Other liabilities		95,652	95,269
Total current liabilities		581,012	624,215
Non-current liabilities			
Financial liabilities		370,799	320,888
Lease liabilities		343,574	355,038
Provisions		39,046	45,398
Deferred tax liabilities		9,860	21,245
Derivative financial liabilities		1,042	67
Other liabilities		2,342	2,396
Total non-current liabilities		766,665	745,034
Total liabilities		1,347,678	1,369,250
EQUITY			
Capital stock		10,273	10,273
Capital surplus		25,360	27,787
Retained earnings		1,054,791	1,239,578
Treasury stock, at cost		(14,973)	(14,834)
Other components of equity		41,031	177,690
Equity attributable to owners of the Parent		1,116,484	1,440,495
Non-controlling interests		45,813	49,828
Total equity		1,162,298	1,490,323
Total liabilities and equity		2,509,976	2,859,574

(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	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Revenue	2	1,698,082	1,765,106
Cost of sales		(839,246)	(837,146)
Gross profit		858,836	927,959
Selling, general and administrative expenses	3	(615,730)	(655,536)
Other income	4	7,855	15,194
Other expenses	4,6	(23,646)	(17,477)
Share of profit and loss of associates accounted for using the equity method		581	943
Operating profit		227,897	271,084
Finance income	5	23,014	83,311
Finance costs	5	(5,256)	(5,139)
Profit before income taxes		245,654	349,255
Income tax expense		(88,777)	(101,714)
Profit for the period		156,876	247,541
Profit for the period attributable to:			
Owners of the Parent		151,351	237,836
Non-controlling interests		5,525	9,704
Total		156,876	247,541
Earnings per share			
Basic (yen)	7	1,482.08	2,327.96
Diluted (yen)	7	1,479.65	2,324.44

Interim Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Notes	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Profit for the period		156,876	247,541
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)		410	(1)
Total items that will not be reclassified subsequently to profit or loss		410	(1)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		36,225	63,273
Cash flow hedges		24,136	107,850
Share of other comprehensive income of associates		98	90
Total items that may be reclassified subsequently to profit or loss		60,460	171,214
Other comprehensive income / (loss), net of income tax		60,871	171,212
Total comprehensive income for the period		217,748	418,754
Attributable to:			
Owners of the Parent		209,635	402,431
Non-controlling interests		8,112	16,322
Total comprehensive income for the period		217,748	418,754

(3) Interim Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 May 2021

(Millions of yen)

Notes	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	-	-	151,351	-	-	-	-	-	-	151,351	5,525	156,876	
Other comprehensive income / (loss)	-	-	-	-	410	32,940	24,834	98	58,284	58,284	2,587	60,871	
Total comprehensive income	-	-	151,351	-	410	32,940	24,834	98	58,284	209,635	8,112	217,748	
Transactions with the owners of the Parent													
Acquisition of treasury stock	-	-	-	(5)	-	-	-	-	-	(5)	-	(5)	
Disposal of treasury stock	-	1,567	-	140	-	-	-	-	-	1,708	-	1,708	
Dividends	-	-	(49,015)	-	-	-	-	-	-	(49,015)	(1,867)	(50,882)	
Share-based payments	-	369	-	-	-	-	-	-	-	369	-	369	
Transfer to non-financial assets	-	-	-	-	-	-	(5,608)	-	(5,608)	(5,608)	(68)	(5,677)	
Transfer to retained earnings	-	-	433	-	(433)	-	-	-	(433)	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	262	262	
Total transactions with the owners of the Parent	-	1,936	(48,582)	134	(433)	-	(5,608)	-	(6,041)	(52,552)	(1,673)	(54,226)	
Total net changes during the period	-	1,936	102,769	134	(22)	32,940	19,225	98	52,242	157,083	6,438	163,521	
As at 31 May 2021	10,273	25,301	1,036,072	(14,994)	363	24,450	32,130	46	56,991	1,113,646	45,955	1,159,601	

For the nine months ended 31 May 2022

(Millions of yen)

Notes	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	-	-	237,836	-	-	-	-	-	-	237,836	9,704	247,541	
Other comprehensive income / (loss)	-	-	-	-	(1)	57,317	107,189	90	164,595	164,595	6,617	171,212	
Total comprehensive income	-	-	237,836	-	(1)	57,317	107,189	90	164,595	402,431	16,322	418,754	
Transactions with the owners of the Parent													
Acquisition of treasury stock	-	-	-	(3)	-	-	-	-	-	(3)	-	(3)	
Disposal of treasury stock	-	1,725	-	141	-	-	-	-	-	1,867	-	1,867	
Dividends	-	-	(53,123)	-	-	-	-	-	-	(53,123)	(12,554)	(65,678)	
Share-based payments	-	701	-	-	-	-	-	-	-	701	-	701	
Transfer to non-financial assets	-	-	-	-	-	-	(27,862)	-	(27,862)	(27,862)	(155)	(28,017)	
Transfer to retained earnings	-	-	74	-	(74)	-	-	-	(74)	-	-	-	
Changes in ownership interests in subsidiaries without losing control	-	-	-	-	-	-	-	-	-	-	402	402	
Total transactions with the owners of the Parent	-	2,426	(53,049)	138	(74)	-	(27,862)	-	(27,936)	(78,420)	(12,307)	(90,728)	
Total net changes during the period	-	2,426	184,787	138	(75)	57,317	79,326	90	136,658	324,011	4,014	328,025	
As at 31 May 2022	10,273	27,787	1,239,578	(14,834)	195	67,172	110,217	104	177,690	1,440,495	49,828	1,490,323	

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

	Notes	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Cash flows from operating activities			
Profit before income taxes		245,654	349,255
Depreciation and amortization		132,576	134,536
Impairment losses	6	17,577	14,927
Interest and dividend income		(3,473)	(5,399)
Interest expenses		5,249	5,092
Foreign exchange losses / (gains)		(19,532)	(77,863)
Share of profit and loss of associates accounted for using the equity method		(581)	(943)
Losses on disposal of property, plant and equipment		757	900
(Increase) / Decrease in trade and other receivables		(7,826)	(29,567)
(Increase) / Decrease in inventories		87,475	67,838
Increase / (Decrease) in trade and other payables		(39,652)	(2,525)
(Increase) / Decrease in other assets		1,463	(2,936)
Increase / (Decrease) in other liabilities		6,517	(35,620)
Others, net		2,346	(4,271)
Cash generated from operations		428,549	413,422
Interest and dividends income received		3,110	4,623
Interest paid		(4,336)	(4,682)
Income taxes paid		(61,928)	(81,407)
Income taxes refunded		1,818	6,674
Net cash generated by operating activities		367,214	338,630
Cash flows from investing activities			
Amounts deposited into bank deposits with original maturities of three months or longer		(78,518)	(117,719)
Amounts withdrawn from bank deposits with original maturities of three months or longer		71,683	89,385
Payments for property, plant and equipment		(41,952)	(42,811)
Payments for intangible assets		(13,815)	(19,091)
Payments for acquisition of right-of-use assets		(807)	(553)
Payments for lease and guarantee deposits		(2,859)	(3,895)
Proceeds from collection of lease and guarantee deposits		3,129	3,592
Payments for acquisition of investments in associates		(4,232)	-
Others, net		1,605	329
Net cash generated by / (used in) investing activities		(65,768)	(90,764)

(Millions of yen)

	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Cash flows from financing activities		
Proceeds from short-term loans payable	43,425	13,111
Repayment of short-term loans payable	(43,843)	(24,996)
Repayment of redemption of bonds	(100,000)	-
Dividends paid to owners of the Parent	(48,993)	(53,091)
Dividends paid to non-controlling interests	(1,867)	(11,623)
Repayments of lease liabilities	(111,638)	(98,748)
Others, net	134	541
Net cash generated by / (used in) financing activities	(262,782)	(174,808)
Effect of exchange rate changes on the balance of cash held in foreign currencies	44,965	118,118
Net increase in cash and cash equivalents	83,627	191,176
Cash and cash equivalents at the beginning of period	1,093,531	1,177,736
Cash and cash equivalents at the end of period	1,177,159	1,368,912

(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 nine months ended 31 May 2021, the corporate liquidation proceedings has been completed on 5 August 2021.

(ii) Segment revenue and results

For the nine months ended 31 May 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	675,102	739,609	200,858	80,576	1,696,146	1,936	-	1,698,082
Operating profit / (loss)	119,518	97,781	24,353	(8,983)	232,670	110	(4,883)	227,897
Segment income /(loss) (i.e., profit / loss before income taxes)	121,920	96,412	24,300	(9,343)	233,290	111	12,253	245,654
Other disclosure: Impairment losses (Note 3)	3,155	11,103	1,095	2,222	17,577	-	-	17,577

(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 nine months ended 31 May 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	640,972	841,274	190,545	90,084	1,762,877	2,229	-	1,765,106
Operating profit / (loss)	119,067	132,793	17,852	720	270,433	(319)	970	271,084
Segment income /(loss) (i.e., profit / loss before income taxes)	124,335	132,374	18,816	430	275,956	(374)	73,673	349,255
Other disclosure: Impairment losses (Note 3)	-	12,114	1,457	560	14,132	794	-	14,927

(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.

Nine months ended 31 May 2021

	Revenue (Millions of yen)	Percent of Total (%)
Japan	675,102	39.8
Greater China	431,502	25.4
Other parts of Asia & Oceania	165,255	9.7
North America & Europe	142,851	8.4
UNIQLO (Note 1)	1,414,711	83.3
GU (Note 2)	200,858	11.8
Global Brands (Note 3)	80,576	4.7
Others (Note 4)	1,936	0.1
Total	1,698,082	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.

Nine months ended 31 May 2022

	Revenue (Millions of yen)	Percent of Total (%)
Japan	640,972	36.3
Greater China	410,769	23.3
Other parts of Asia & Oceania	219,748	12.4
North America & Europe	210,756	11.9
UNIQLO (Note 1)	1,482,247	84.0
GU (Note 2)	190,545	10.8
Global Brands (Note 3)	90,084	5.1
Others (Note 4)	2,229	0.1
Total	1,765,106	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)

	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Selling, general and administrative expenses		
Advertising and promotion	51,603	60,771
Lease expenses	49,857	58,880
Depreciation and amortization	132,576	134,536
Outsourcing	37,458	40,735
Salaries	210,503	223,285
Distribution	71,543	71,098
Others	62,186	66,228
Total	615,730	655,536

4. Other income and other expenses

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

(Millions of yen)

	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Other income		
Foreign exchange gains (Note)	4,201	6,996
Others	3,653	8,197
Total	7,855	15,194

(Millions of yen)

	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Other expenses		
Loss on retirement of property, plant and equipment	757	900
Impairment losses	17,577	14,927
Others	5,310	1,649
Total	23,646	17,477

(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)

	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Finance income		
Foreign exchange gains (Note)	19,532	77,863
Interest income	3,461	5,385
Others	20	61
Total	23,014	83,311

(Millions of yen)

	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Finance costs		
Interest expenses	5,249	5,092
Others	7	47
Total	5,256	5,139

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

6. Impairment losses

During the nine months ended 31 May 2022, the Group recognized impairment losses on certain store assets etc., due to reductions in profitability of the respective cash-generating unit (“CGU”).

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

(Millions of yen)

	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Buildings and structures	1,495	3,418
Furniture, equipment and vehicles	374	1,350
Construction in progress	-	718
Subtotal on property, plant and equipment	1,869	5,487
Software	108	258
Other intangible assets	7	66
Subtotal on intangible assets	116	325
Right-of-use assets	15,588	9,112
Other non-current assets (long-term prepayments)	2	2
Total impairment losses	17,577	14,927

The Group’s impairment losses during the nine months ended 31 May 2022 amounted to 14,927 million yen, compared with 17,577 million yen during the nine months ended 31 May 2021, and are included in “Other expenses” on the Interim condensed consolidated statement of profit or loss.

For the nine months ended 31 May 2021

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

Impairment losses amounting to 17,577 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 8.7%. 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 etc.
UNIQLO International	UNIQLO USA LLC, UNIQLO EUROPE LIMITED 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.

For the nine months ended 31 May 2022

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

Impairment losses amounting to 14,927 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. We made accounting estimates involving the assumption that the impact of the global spread of COVID-19 will continue to recover for most countries and regions, including Japan. For other countries and regions, the impact may continue for mid to long term.

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 weighted-average discount rate of 19.4%. 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

Nine months ended 31 May 2021		Nine months ended 31 May 2022	
Equity per share attributable to owners of the Parent (Yen)	10,903.41	Equity per share attributable to owners of the Parent (Yen)	14,097.38
Basic earnings per share (Yen)	1,482.08	Basic earnings per share (Yen)	2,327.96
Diluted earnings per share (Yen)	1,479.65	Diluted earnings per share (Yen)	2,324.44

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

	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	151,351	237,836
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders (Millions of yen)	151,351	237,836
Average number of common stock outstanding during the period (Shares)	102,121,062	102,165,068
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	167,579	154,808
(Number of share subscription rights included in increase)	(167,579)	(154,808)

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 July 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 Friday, 15 July 2022.

On behalf of the Board

FAST RETAILING CO., LTD.

Tadashi Yanai

Chairman, President and Chief Executive Officer

Japan, 14 July 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).