



FAST RETAILING

FAST RETAILING CO., LTD.

迅銷有限公司

First Quarterly Report 2022/23

2022.9.1-2022.11.30

Stock Code: 6288

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1. Corporate Profile

Board of Directors

Chairman

Tadashi Yanai (*President and CEO*)

Executive Directors

Takeshi Okazaki

Kazumi Yanai

Koji Yanai

Independent Non-executive Directors

Nobumichi Hattori (External)

Masaaki Shintaku (External)

Naotake Ono (External)

Kathy Mitsuko Koll (aka Kathy Matsui) (External)

Joji Kurumado (External)

Yutaka Kyoya (External)

Board of Statutory Auditors

Masaaki Shinjo

Masumi Mizusawa

Keiko Kaneko (External)

Takao Kashitani (External)

Masakatsu Mori (External)

Company Secretary

Shea Yee Man

Independent Accountants

Deloitte Touche Tohmatsu LLC

Principal Banks

Sumitomo Mitsui Banking Corporation

MUFG Bank, Ltd.

Mizuho Bank, Ltd.

The Hong Kong and Shanghai Banking Corporation Limited

Registered Office and Headquarters

10717-1 Sayama

Yamaguchi City

Yamaguchi 754-0894

Japan

Principal Place of Business in Japan

Midtown Tower 9-7-1

Akasaka, Minato-ku

Tokyo 107-6231

Japan

Principal Place of Business in Hong Kong

702-706, 7th Floor, Mira Place Tower A

No. 132 Nathan Road

Tsim Sha Tsui

Kowloon

Hong Kong

HDR Registrar and HDR Transfer Office

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

Stock Code

Hong Kong: 6288

Japan: 9983

Website Address

<https://www.fastretailing.com>

2. Financial Highlights

Consolidated Financial Summary

Term	First Quarter of 61st Fiscal Year	First Quarter of 62nd Fiscal Year	61st Fiscal Year
Accounting period	Three months ended 30 November 2021	Three months ended 30 November 2022	Year ended 31 August 2022
Revenue (Millions of yen)	627,391	716,393	2,301,122
Operating profit (Millions of yen)	119,406	117,077	297,325
Profit before income taxes (Millions of yen)	134,208	126,812	413,584
Profit for the period attributable to owners of the Parent (Millions of yen)	93,592	85,074	273,335
Comprehensive income attributable to owners of the Parent (Millions of yen)	127,152	73,981	554,833
Equity attributable to owners of the Parent (Millions of yen)	1,217,757	1,565,335	1,561,652
Total assets (Millions of yen)	2,658,723	3,196,819	3,183,762
Basic earnings per share (Yen)	916.21	832.47	2,675.30
Diluted earnings per share (Yen)	914.87	831.32	2,671.29
Ratio of equity attributable to owners of the Parent to total assets (%)	45.8	49.0	49.1
Net cash generated by operating activities (Millions of yen)	84,419	(1,309)	430,817
Net cash (used in) / generated by investing activities (Millions of yen)	(21,838)	(376,354)	(212,226)
Net cash (used in) / generated by financing activities (Millions of yen)	(65,157)	(69,141)	(213,050)
Cash and cash equivalents at end of the period (year) (Millions of yen)	1,204,173	914,041	1,358,292

(Notes) 1. FAST RETAILING CO., LTD. (the “Company”, the “Parent” or the “Reporting entity”) prepared interim condensed consolidated financial statements, and therefore has not included the non-consolidated financial summary of the Reporting entity.

2. The financial figures are sourced from the interim condensed consolidated financial statements or consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).

Business Description

There were no significant changes in the nature of the business engaged by the Company and its subsidiaries (collectively, the “Group”) during the three months ended 30 November 2022.

In addition, there were no significant changes in the organizational structure of the Group, including the major subsidiaries, during the three months ended 30 November 2022.

3. Management Discussion and Analysis

Business Review

1. Business and Operational Risks

No new business-related risks have arisen during the three months ended 30 November 2022.

There have been no significant changes concerning business-related risks as stated in the annual report for the preceding fiscal year.

2. Financial Analysis

(1) Financial Position and Results of Operations

(i) Results of Operations

The Fast Retailing Group's revenue increased but profit contracted in the first quarter of fiscal 2023, or the three months from 1 September 2022 to 30 November 2022. Consolidated revenue totaled 716.3 billion yen (+14.2% year-on-year), while operating profit totaled 117.0 billion yen (-2.0% year-on-year). That result was due primarily to a large decline in profits at our UNIQLO operation in the Mainland China market caused by COVID-19 restrictions on movement. Having said that, UNIQLO operations in all markets, with the exception of Greater China and Japan, performed strongly and reported considerable increases in both revenue and profit. Our GU operation also started expanding once again after generating strong rises in both first-quarter revenue and profit. Fast Retailing's consolidated gross profit margin declined by 0.9 point year-on-year to 53.1%. Meanwhile, the selling, general and administrative expense ratio increased by 1.5 points year-on-year to 37.0%. In addition, we recorded 9.7 billion yen under finance income net of costs resulting from higher interest income generated from the higher number of bonds under management and from the recording of translated foreign exchange gains on foreign-currency denominated assets. As a result, first-quarter profit before income taxes contracted to 126.8 billion yen (-5.5% year-on-year) and profit attributable to owners of the Parent decreased to 85.0 billion yen (-9.1% year-on-year).

The Fast Retailing Group is determined to strengthen initiatives designed to expand our business operations and promote sustainability in order to become a global No.1 brand by focusing on: (1) creating customer-oriented products, (2) accelerating global store openings, (3) building purchasing experiences that fuse physical stores and e-commerce, and (4) helping to solve various environmental and social issues. We are working especially hard at UNIQLO International, as the pillar operation of the Fast Retailing Group, to accelerate new store openings in all markets and to strengthen our e-commerce operations. We aim to continue to expand our operations in the Greater China region (Mainland China market, Hong Kong market, and Taiwan market) and the South Asia, Southeast Asia & Oceania region (Southeast Asia, Australia, and India), where we hope to further strengthen our already established brand position. Now that we have firmly established profitable business structures in North America and Europe, we are aiming to further expand the scale of our business by strengthening our marketing, promoting deeper understanding and loyalty towards our LifeWear ultimate everyday clothing, and accelerating new store openings. We also intend to create clothes that prize LifeWear concepts in order to build a sustainable society. We will continue to pursue our ultimate goals of creating high-quality, long-lasting clothes, clothes with a low environmental impact that are produced in healthy and safe working environments, and clothes that can be further circulated, even after purchase, through recycling and reuse.

UNIQLO Japan

UNIQLO Japan reported higher revenue but lower profit in the first quarter of fiscal 2023, with revenue totaling 240.9 billion yen (+6.4% year-on-year) and operating profit totaling 39.4 billion yen (-5.6% year-on-year). First-quarter same-store sales increased by 4.7% year-on-year. Cooler-than-usual temperatures in September and October helped generate strong sales of Fall Winter items, such as jackets, souffle yarn knitwear, cashmere, and HEATTECH items. Sales of on-trend items such as our tucked wide-leg pants also sold well. However, on the profit front, the gross profit margin declined by 1.1 points year-on-year as procurement costs rose on the back of the sharp depreciation in the Japanese yen. The selling, general and administrative expense ratio increased by 0.8 point year-on-year as personnel costs rose on the back of higher wages for part-time and temporary workers and we decided to strategically increase outlays for advertising and promotion.

UNIQLO International

UNIQLO International reported a significant increase in revenue but a decline in profit in the first quarter of fiscal 2023, with revenue rising to 357.8 billion yen (+19.4% year-on-year) and operating profit contracting to 57.2 billion yen (-4.4% year-on-year). The two factors that sparked the decline in first-quarter profit were the impact of COVID-19 restrictions on movement in Mainland China, which resulted in a large contraction in profit there, and the temporary suspension of operations in Russia, which resulted in a first-quarter loss. However, the South Asia, Southeast Asia & Oceania region, North America, and Europe (excluding Russia) all achieved record first-quarter performances, generating impressively strong increases in revenue and profits that outstripped our expectations.

Breaking down the UNIQLO International performance into individual regions and markets (in local-currency terms), the Mainland China market was heavily impacted by COVID-19 restrictions on movement and a decline in consumer appetite. At the same time, a maximum of 247 stores were forced to temporarily close their doors over the period, all of which resulted in a large decline in both revenue and profit in the Mainland China market. The weather was warmer than usual in the normally bumper month of November in the Hong Kong and Taiwan markets, which resulted in a fall in revenue and a large decline in profits. UNIQLO South Korea reported higher revenue and profit in the first quarter, thanks to particularly strong sales of casualwear items and knitwear. Meanwhile, revenue and profit both rose considerably in S/SE Asia & Oceania, where we witnessed a recovery in consumer appetite and travel demand. Customer support for UNIQLO products had also grown even stronger following our efforts to continuously convey pertinent information about our core items. UNIQLO North America reported significantly higher revenue and profit in the first quarter, with sales proving strong after we conveyed information to improve our branding and strengthened our marketing of core Winter items. Europe (excluding Russia) reported much higher revenue in the first quarter and profit also increased, with sales proving especially strong in September after the weather turned sharply colder.

GU

The GU business segment reported large increases in both revenue and profit in the first quarter of fiscal 2023, with revenue rising to 79.3 billion yen (+13.6% year-on-year) and operating profit totaling 10.6 billion yen (+19.3% year-on-year). GU was able to generate strong first-quarter sales by narrowing down the number of product numbers on offer and ensuring a sufficient supply of mass-trend products. The return of more normal distribution operations, an increased ability to respond flexibly to requirements for additional production of strong-selling items, and falling temperatures in October all helped boost GU performance. Sales of heavyweight sweatshirts, wide pants, and heat padded outerwear proved especially strong.

Global Brands

The Global Brands segment reported a large rise in revenue but a decline in profit in the first quarter of fiscal 2023, with revenue rising to 37.6 billion (+22.4% year-on-year) and an operating profit contracting to 0.7 billion yen (-72.1% year-on-year). While our Theory brand generated much higher revenue, it also reported a decline in first-quarter profit. This was due to a decline in profitability and a consequent contraction in profits at Theory's United States operation following a decision to strengthen discount sales and also to falling profits from Theory's Asian operation, which is concentrated primarily in Greater China, due to COVID-19. Meanwhile, our PLST brand generated slightly higher revenue and profit in the first quarter on the back of strong sales of lightweight haori jackets and stick pants. Finally, our France-based Comptoir des Cotonniers brand reported a decline in revenue on the back of the warmer weather in Europe from October onwards as well as declining consumer appetite in an inflationary environment, and, as a result, the brand recorded a slightly larger operating loss than in the previous year.

Royalty Department performance that had previously been presented under "UNIQLO Japan" is now included in the "Adjustments". Please see "5. Financial Section, 1. Interim Condensed Consolidated Financial Statements, Notes to the Interim Condensed Consolidated Financial Statements, 5. Segment Information" for details. The segment information for the three months ended 30 November 2021 is based on the revised segmentation.

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. Our sustainability activities focus on six priority material areas: Creating new value through products and services; Respecting human rights and labor environment in our supply chain; Respecting the environment; Strengthening communities; Supporting employee fulfillment and Implementing good corporate governance. In November 2022, we held the "LifeWear=Sustainability" Second Annual Sustainability Briefing. Directed mainly at investors and the media, we explained our progress in major initiatives, such as greenhouse gas emissions reduction, efforts to ensure traceability and diversity and inclusion, and engaged in a two-way communication through Q&As. Please see our website for more details: <https://www.fastretailing.com/eng/ir/library/presentation.html>

■ **Creating new value through products and services:** In the PEACE FOR ALL project launched by UNIQLO in June 2022, we collaborated with world-famous celebrities who are committed to taking action to achieve peace for all and volunteering to help sell UTs (graphic T-shirts) with designs that convey a desire for peace. All profits from sales were donated (equivalent to 20% of the sales price of each T-shirt) to organizations that provide humanitarian aid to those affected by poverty, discrimination, violence and conflict. We received great support for the project and the T-shirt sales revenue generated by PEACE FOR ALL activities totaled 145 million yen as of the end of August 2022.

■ **Respecting human rights and labor environment in our supply chain:** We are also continually improving our efforts to address human rights and labor issues throughout our entire supply chain. At garment factories and fabric mills, we are performing clear checks on the labor environment and other conditions by ourselves or through third-party organizations. In addition, we aim to also conclude a code of conduct with spinning mills, which are upstream of the supply chain, and conduct regular labor environment audits and traceability information checks by Spring of 2023.

■ **Respecting the environment:** The use ratio of materials with ultra-low greenhouse gas emissions was approximately 5% in fiscal 2022, an increase of about 4 points over the year. We are aiming to raise the ratio to 50% by fiscal 2030. We develop and sell products made from recycled materials, including the DRY-EX Crew Neck T-Shirts (27% to 80% recycled polyester), Furry Yarn Fleece Full-zip Jackets (100% recycled polyester as body material) and Recycled Down Jackets (100% down or feather extracted from down products collected through RE.UNIQLO), which have been highly popular among customers. We also believe that long-lasting clothes will reduce our impact on the environment. RE.UNIQLO STUDIO, a repair and customization service that has been well received in UNIQLO stores in Germany and the UK, also launched a trial service at the Setagaya Chitosedai store in Japan in October. We will seek to continue collecting customer feedback to improve our service and expand it further, both in Japan and overseas.

■ **Strengthening communities:** Together with the United Nations High Commissioner for Refugees (UNHCR), we have launched a project supporting independence for Rohingya refugee women in Cox's Bazar refugee camp in Bangladesh, which is the largest in the world. With support from Fast Retailing Group's production partners, we provide training on sewing daily necessities that are always required in a refugee camp, such as reusable fabric sanitary towels. We aim to train 1,000 people by 2025.

■ **Supporting employee fulfillment:** We are implementing various initiatives to meet our target of increasing the ratio of female managers to 50% by the end of fiscal 2030. As of fiscal 2022, the ratio of women in managerial positions reached 43.7%. We will continue to improve our development plans and medium-to-long-term career plans for female management candidates, and provide support in skill improvement and other areas.

(ii) Financial Position

Total assets as at 30 November 2022 were 3.1968 trillion yen, which was an increase of 13.0 billion yen relative to the end of the preceding fiscal year. The principal factors were a decrease of 444.2 billion yen in cash and cash equivalents, an increase of 60.6 billion yen in trade and other receivables, an increase of 243.5 billion yen in other current financial assets, an increase of 84.3 billion yen in inventories, a decrease of 51.2 billion yen in derivative financial assets, an increase of 3.9 billion yen in other current assets, an increase of 5.7 billion yen in property, plant and equipment, an increase of 1.6 billion yen in right-of-use assets, an increase of 2.3 billion yen in intangible assets, an increase of 104.1 billion yen in non-current financial assets, and an increase of 1.2 billion yen in deferred tax assets.

Total liabilities as at 30 November 2022 were 1.579 trillion yen, which was an increase of 10.6 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 40.7 billion yen in trade and other payables, an increase of 24.1 billion yen in other current financial liabilities, an increase of 9.7 billion yen in derivative financial liabilities, a decrease of 37.9 billion yen in current tax liabilities, a decrease of 5.7 billion yen in other current liabilities, and a decrease of 20.5 billion yen in deferred tax liabilities.

Total net assets as at 30 November 2022 were 1.6177 trillion yen, which was an increase of 2.3 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 50.3 billion yen in retained earnings, a decrease of 46.7 billion yen in other components of equity, and a decrease of 1.3 billion yen in non-controlling interests.

(2) Cash Flows Information

Cash and cash equivalents as at 30 November 2022 had decreased by 444.2 billion yen from the end of the preceding fiscal year, to 914.0 billion yen.

(Operating Cash Flows)

Net cash used in operating activities for the three months ended 30 November 2022 was 1.3 billion yen (84.4 billion yen was generated during the three months ended 30 November 2021). The principal factors were cash inflow from profit before tax for 126.8 billion yen and increase in trade and other payables for 38.3 billion yen, and cash outflow from increase in trade and other receivables for 64.3 billion yen, increase in inventories for 88.0 billion yen, and income taxes paid for 81.5 billion yen.

(Investing Cash Flows)

Net cash used in investing activities for the three months ended 30 November 2022 was 376.3 billion yen (21.8 billion yen was used during the three months ended 30 November 2021). The principal factors were net increase in time deposit for 74.6 billion yen and 279.3 billion yen in payments for investment securities.

(Financing Cash Flows)

Net cash used in financing activities for the three months ended 30 November 2022 was 69.1 billion yen (65.1 billion yen was used during the three months ended 30 November 2021). The principal factors were 34.6 billion yen in dividends paid to owners of the Parent, and 34.8 billion yen in repayments of lease liabilities.

(3) Estimates and Assumptions Used for Those Estimates in the Accounting

For the first-quarter consolidated accounting period, there are no significant changes to the estimates or the assumptions used for those estimates.

(4) Operational and Financial Challenges to Address as Priority

There have been no significant challenges during the three months ended 30 November 2022 that must be addressed by the Group.

(5) Research and Development

Not applicable.

(6) Significant Facilities

The following are the significant facilities that were newly completed during the three months ended 30 November 2022.

<Subsidiaries in Japan>

Company name	Type of facility	Name of business	Location	Completion date
UNIQLO CO., LTD.	UNIQLO Japan warehouses	Ichikawashiohama DC Warehouses	Japan Chiba	September 2022

<Overseas Subsidiaries>

Not applicable.

The following are the significant facilities that were newly planned during the three months ended 30 November 2022.

<Subsidiaries in Japan>

Company name	Type of facility	Name of business	Location	Completion date
G.U. CO., LTD.	GU Japan warehouses	Ibarakikita DC Warehouses	Japan Osaka	January 2023

<Overseas Subsidiaries>

Not applicable.

3. Significant Contracts in Business Operation

None.

4. Information about the Reporting Entity

1. Stock Information

(1) Number of Shares

(i) Total number of shares

Type	Total number of authorized shares (shares)
Common stock	300,000,000
Total	300,000,000

(ii) Shares Issued

Type	Number of shares issued as at 30 November 2022 (shares)	Number of shares issued as at submission date (shares) (As at 13 January 2023)	Name of financial instrument exchange of listing, or authorized financial instruments firms association	Remarks
Common stock	106,073,656	106,073,656	Prime market of the Tokyo Stock Exchange and the Main Board of the Stock Exchange of Hong Kong Limited (Note)	100 shares as one unit
Total	106,073,656	106,073,656	-	-

(Note) Hong Kong Depositary Receipts are listed on the Main Board of the Stock Exchange of Hong Kong Limited.

(2) Share Subscription Rights

1. Details of the Stock Option Program

Not applicable.

2. Other Share Subscription Rights

Not applicable.

(3) Exercise of convertible bonds with conditional permission for adjustment of exercise price

Not applicable.

(4) Change in Total Number of Shares Issued, Capital Stock, Etc.

Date	Increase/ (decrease) of total number of shares issued (shares)	Balance of total number of shares issued (shares)	Increase/ (decrease) of capital stock (Millions of yen)	Balance of capital stock (Millions of yen)	Increase/ (decrease) of capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
1 September 2022 to 30 November 2022	-	106,073,656	-	10,273	-	4,578

(Note) There was no change in the total number of shares issued, capital stock or capital reserve during the three months ended 30 November 2022.

(5) Major Shareholders

There are no items to disclose, as the accounting period under review is the first quarter accounting period.

(6) Voting Rights

Concerning “Voting Rights” as at the end of the three months ended 30 November 2022, it has not been possible to confirm and state the details entered in the register of shareholders. Therefore, the stated details are based on the register of shareholders as at the immediately preceding record date (31 August 2022).

(i) Shares issued

As at 30 November 2022

Class	Number of shares (shares)	Number of voting rights	Remarks
Non-voting shares	-	-	-
Shares subject to restrictions on voting rights (i.e., treasury stock, etc.)	-	-	-
Shares subject to restrictions on voting rights (i.e., other than treasury stock)	-	-	-
Shares with full voting rights (i.e., treasury stock, etc.)	(Shares held as treasury stock) Common stock 3,883,900	-	-
Shares with full voting rights (i.e., other than treasury stock)	Common stock 102,094,400	1,020,944	(Note) 1
Shares less than one unit	Common stock 95,356	-	(Notes) 1, 2
Total number of shares issued	106,073,656	-	-
Total number of voting rights of all shareholders	-	1,020,944	-

(Notes) 1. The columns for the number of shares of “Shares with full voting rights (i.e., other than treasury stock)” and “Shares less than one unit” include 2,700 shares and 84 shares, respectively, held in the name of Japan Securities Depository Center, Inc.

2. Common stock in the “Shares less than one unit” row includes 73 shares of treasury stock held by the Company.

(ii) Treasury Stock

As at 30 November 2022

Name or trade name of holder	Holder’s address	Number of shares held in own name (shares)	Number of shares held in other’s name (shares)	Total number of shares held (shares)	Percentage of total number of shares issued (%)
FAST RETAILING CO., LTD.	10717-1 Sayama Yamaguchi-shi Yamaguchi	3,883,900	-	3,883,900	3.66
Total	-	3,883,900	-	3,883,900	3.66

2. Directors

Since the submission of the year-end report for the preceding fiscal year, there has been no change of directors during the three months ended 30 November 2022.

5. Financial Section

1. Preparation of Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements of the Group, namely, the interim condensed consolidated statement of financial position as at 30 November 2022, the interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month period then ended, the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended, and the related notes (collectively, the “interim condensed consolidated financial statements”) were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”), pursuant to Article 93 of the “Rules Governing Term, Form and Preparation of Consolidated Quarterly Financial Statements” (Cabinet Office Ordinance No. 64 of 2007, hereinafter referred to as “Consolidated Quarterly Financial Statements Rules”).

2. Review Report

Pursuant to the first clause of Article 193-2 of the Financial Instruments and Exchange Act, the interim condensed consolidated financial statements have been reviewed by Deloitte Touche Tohmatsu LLC.

(Amounts are stated in millions of yen and are rounded down to the nearest million unless otherwise stated)

1. Interim Condensed Consolidated Financial Statements

(1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	Notes	As at 31 August 2022	As at 30 November 2022
ASSETS			
Current assets			
Cash and cash equivalents		1,358,292	914,041
Trade and other receivables		60,184	120,785
Other financial assets	14	123,446	366,958
Inventories	6	485,928	570,314
Derivative financial assets	14	124,551	106,318
Income taxes receivable		2,612	2,652
Other assets		23,835	27,801
Total current assets		2,178,851	2,108,872
Non-current assets			
Property, plant and equipment	7	195,226	201,012
Right-of-use assets		395,634	397,283
Goodwill		8,092	8,092
Intangible assets		76,621	78,931
Financial assets	14	164,340	268,531
Investments in associates accounted for using the equity method		18,557	18,592
Deferred tax assets		8,506	9,730
Derivative financial assets	14	134,240	101,193
Other assets		3,690	4,578
Total non-current assets		1,004,911	1,087,947
Total assets		3,183,762	3,196,819
Liabilities and equity			
LIABILITIES			
Current liabilities			
Trade and other payables		350,294	391,022
Other financial liabilities	14	209,286	233,456
Derivative financial liabilities	14	1,513	3,432
Lease liabilities		123,885	126,094
Current tax liabilities		77,162	39,180
Provisions		2,581	2,372
Other liabilities		111,519	105,755
Total current liabilities		876,242	901,314
Non-current liabilities			
Financial liabilities	14	241,022	240,739
Lease liabilities		356,840	354,152
Provisions		47,780	49,023
Deferred tax liabilities		44,258	23,756
Derivative financial liabilities	14	44	7,905
Other liabilities		2,171	2,167
Total non-current liabilities		692,117	677,744
Total liabilities		1,568,360	1,579,059

(Millions of yen)

	Notes	As at 31 August 2022	As at 30 November 2022
EQUITY			
Capital stock		10,273	10,273
Capital surplus		27,834	27,823
Retained earnings		1,275,102	1,325,451
Treasury stock, at cost		(14,813)	(14,764)
Other components of equity		263,255	216,551
Equity attributable to owners of the Parent		1,561,652	1,565,335
Non-controlling interests		53,750	52,424
Total equity		1,615,402	1,617,760
Total liabilities and equity		3,183,762	3,196,819

(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
Three months ended 30 November 2022

(Millions of yen)

	Notes	Three months ended 30 November 2021	Three months ended 30 November 2022
Revenue	9	627,391	716,393
Cost of sales		(288,765)	(336,109)
Gross profit		338,626	380,283
Selling, general and administrative expenses	10	(222,451)	(265,033)
Other income	11	3,687	2,436
Other expenses	11	(887)	(1,057)
Share of profit and loss of associates accounted for using the equity method		432	449
Operating profit		119,406	117,077
Finance income	12	16,522	12,322
Finance costs	12	(1,721)	(2,588)
Profit before income taxes		134,208	126,812
Income tax expense		(36,588)	(36,981)
Profit for the period		97,619	89,830
Profit for the period attributable to:			
Owners of the Parent		93,592	85,074
Non-controlling interests		4,027	4,756
Total		97,619	89,830
Earnings per share			
Basic (yen)	13	916.21	832.47
Diluted (yen)	13	914.87	831.32

Interim Condensed Consolidated Statement of Comprehensive Income
Three months ended 30 November 2022

(Millions of yen)

	Notes	Three months ended 30 November 2021	Three months ended 30 November 2022
Profit for the period		97,619	89,830
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)		(58)	(23)
Total items that will not be reclassified subsequently to profit or loss		(58)	(23)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		16,022	(9,208)
Cash flow hedges		18,713	(2,873)
Share of other comprehensive income of associates		2	19
Total items that may be reclassified subsequently to profit or loss		34,738	(12,062)
Other comprehensive income / (loss), net of income tax		34,679	(12,086)
Total comprehensive income for the period		132,299	77,744
Attributable to:			
Owners of the Parent		127,152	73,981
Non-controlling interests		5,147	3,763
Total comprehensive income for the period		132,299	77,744

(3) Interim Condensed Consolidated Statement of Changes in Equity
For the three months ended 30 November 2021

(Millions of yen)

Note	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 / (loss)	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	-	-	93,592	-	-	-	-	-	-	93,592	4,027	97,619
Other comprehensive income/ (loss)	-	-	-	-	(58)	15,203	18,412	2	33,560	33,560	1,119	34,679
Total comprehensive income	-	-	93,592	-	(58)	15,203	18,412	2	33,560	127,152	5,147	132,299
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(3)	-	-	-	-	-	(3)	-	(3)
Disposal of treasury stock	-	568	-	59	-	-	-	-	-	627	-	627
Dividends	8	-	(24,514)	-	-	-	-	-	-	(24,514)	(4,282)	(28,796)
Share-based payments	-	1,738	-	-	-	-	-	-	-	1,738	-	1,738
Transfer to non-financial assets	-	-	-	-	-	-	(3,727)	-	(3,727)	(3,727)	34	(3,693)
Transfer to retained earnings	-	-	30	-	(30)	-	-	-	(30)	-	-	-
Changes in ownership interests in subsidiaries without losing control	-	-	-	-	-	-	-	-	-	-	402	402
Total transactions with the owners of the Parent	-	2,306	(24,483)	56	(30)	-	(3,727)	-	(3,758)	(25,879)	(3,845)	(29,724)
Total net changes during the period	-	2,306	69,108	56	(89)	15,203	14,684	2	29,801	101,272	1,302	102,574
As at 30 November 2021	10,273	27,667	1,123,899	(14,917)	182	25,059	45,575	16	70,833	1,217,757	47,116	1,264,873

For the three months ended 30 November 2022

(Millions of yen)

Note	Other components of equity								Total	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Financial assets measured at fair value through other comprehensive income / (loss)	Foreign currency translation reserve	Cash flow hedge reserve	Share of other comprehensive income of associates				
As at 1 September 2022	10,273	27,834	1,275,102	(14,813)	131	100,587	162,407	129	263,255	1,561,652	53,750	1,615,402
Net changes during the period												
Comprehensive income												
Profit for the period	-	-	85,074	-	-	-	-	-	-	85,074	4,756	89,830
Other comprehensive income/ (loss)	-	-	-	-	(23)	(9,503)	(1,585)	19	(11,092)	(11,092)	(993)	(12,086)
Total comprehensive income	-	-	85,074	-	(23)	(9,503)	(1,585)	19	(11,092)	73,981	3,763	77,744
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(2)	-	-	-	-	-	(2)	-	(2)
Disposal of treasury stock	-	604	-	52	-	-	-	-	-	657	-	657
Dividends	8	-	(34,744)	-	-	-	-	-	-	(34,744)	(4,590)	(39,335)
Share-based payments	-	(616)	-	-	-	-	-	-	-	(616)	-	(616)
Transfer to non-financial assets	-	-	-	-	-	-	(35,591)	-	(35,591)	(35,591)	(497)	(36,089)
Transfer to retained earnings	-	-	20	-	(20)	-	-	-	(20)	-	-	-
Changes in ownership interests in subsidiaries without losing control	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with the owners of the Parent	-	(11)	(34,724)	49	(20)	-	(35,591)	-	(35,611)	(70,298)	(5,088)	(75,386)
Total net changes during the period	-	(11)	50,349	49	(43)	(9,503)	(37,176)	19	(46,704)	3,683	(1,325)	2,357
As at 30 November 2022	10,273	27,823	1,325,451	(14,764)	88	91,083	125,230	149	216,551	1,565,335	52,424	1,617,760

(4) Interim Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Note	Three months ended 30 November 2021	Three months ended 30 November 2022
Cash flows from operating activities			
Profit before income taxes		134,208	126,812
Depreciation and amortization		43,920	46,743
Impairment losses		98	62
Interest and dividend income		(1,221)	(8,385)
Interest expenses		1,673	2,588
Foreign exchange losses / (gains)		(15,252)	(3,936)
Share of profit and loss of associates accounted for using the equity method		(432)	(449)
Losses on disposal of property, plant and equipment		247	83
(Increase) / Decrease in trade and other receivables		(70,202)	(64,396)
(Increase) / Decrease in inventories		(4,103)	(88,050)
Increase / (Decrease) in trade and other payables		30,473	38,315
(Increase) / Decrease in other assets		(9,597)	(3,396)
Increase / (Decrease) in other liabilities		17,180	17,243
Others, net		(147)	12,834
Cash generated from operations		126,844	76,067
Interest and dividends income received		1,085	6,349
Interest paid		(1,043)	(2,134)
Income taxes paid		(42,467)	(81,591)
Net cash generated by / (used in) operating activities		84,419	(1,309)
Cash flows from investing activities			
Amounts deposited into bank deposits with original maturities of three months or longer		(30,033)	(126,306)
Amounts withdrawn from bank deposits with original maturities of three months or longer		28,175	51,620
Payments for property, plant and equipment		(14,174)	(14,761)
Payments for intangible assets		(5,832)	(6,798)
Payments for acquisition of right-of-use assets		(232)	(434)
Payments for acquisition of investment securities		-	(279,335)
Payments for lease and guarantee deposits		(1,163)	(968)
Proceeds from collection of lease and guarantee deposits		1,508	1,567
Others, net		(86)	(935)
Net cash generated by / (used in) investing activities		(21,838)	(376,354)

(Millions of yen)

	Note	Three months ended 30 November 2021	Three months ended 30 November 2022
Cash flows from financing activities			
Proceeds from short-term loans payable		7,699	1,118
Repayment of short-term loans payable		(14,113)	(736)
Dividends paid to owners of the Parent	8	(24,515)	(34,697)
Repayments of lease liabilities		(34,707)	(34,875)
Others, net		479	49
Net cash generated by / (used in) financing activities		(65,157)	(69,141)
Effect of exchange rate changes on the balance of cash held in foreign currencies		29,013	2,554
Net increase / (decrease) in cash and cash equivalents		26,437	(444,250)
Cash and cash equivalents at the beginning of period		1,177,736	1,358,292
Cash and cash equivalents at the end of period		1,204,173	914,041

Notes to the Interim Condensed Consolidated Financial Statements

1. Reporting Entity

FAST RETAILING CO., LTD. is a company incorporated in Japan. The locations of the registered headquarters and principal offices of the Company are disclosed on the Group's website (<http://www.fastretailing.com/eng/>).

The principal activities of the Company and its consolidated subsidiaries are the operations of the UNIQLO business (i.e., casual clothing retail business operating under the "UNIQLO" brand in Japan and overseas), GU business (i.e., casual clothing retail business operating under the "GU" brand in Japan and overseas) and Theory business (i.e., apparel design and retail business in Japan and overseas), etc.

2. Basis of Preparation

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34. The Group meets all of the criteria of a "specified company" defined under Article 1-2 of the Consolidated Quarterly Financial Statements Rules, and accordingly applies Article 93 of the Consolidated Quarterly Financial Statements Rules. Since the interim condensed consolidated financial statements do not include all the information and disclosures required for consolidated financial statements, they should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 August 2022.

The interim condensed consolidated financial statements were approved on 12 January 2023 by Tadashi Yanai, Chairman, President and CEO, and Takeshi Okazaki, Group Executive Vice President and CFO.

3. Significant Accounting Policies

The accounting policies presented in the consolidated financial statements for the year ended 31 August 2022 are applied consistently in the preparation of these interim condensed consolidated financial statements.

4. Use of Estimates and Judgments

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effects of the review of accounting estimates are recognized in the accounting period in which the estimates were reviewed and in future accounting periods.

The Company 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.

In principle, estimates and judgments that have significant effects on the amounts recognized in the interim condensed consolidated financial statements are the same as those in the preceding fiscal year.

5. 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

(Changes to classification of reportable segment)

For the three months ended 30 November 2022, in accordance with the partial review of the performance management segmentation, Royalty Department performance that had previously been presented under "UNIQLO Japan" is now included in the "Adjustments".

This is due to the increase in sales of UNIQLO International including Europe and United States and the accompanying increase in royalty revenue, which has resulted in a change in positioning of the Royalty Division to a corporate division.

The segment information for the three months ended 30 November 2021 is based on the revised segmentation.

(ii) Segment revenue and results

For the three months ended 30 November 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	226,449	299,723	69,837	30,721	626,731	660	-	627,391
Operating profit / (loss)	41,828	59,909	8,910	2,540	113,188	18	6,199	119,406
Segment income / (loss) (i.e., profit / (loss) before income taxes)	42,800	59,834	9,093	2,443	114,171	0	20,035	134,208

(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.

For the three months ended 30 November 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	240,949	357,896	79,364	37,604	715,815	577	-	716,393
Operating profit / (loss)	39,472	57,293	10,631	708	108,105	(25)	8,997	117,077
Segment income / (loss) (i.e., profit / (loss) before income taxes)	39,684	57,427	10,661	501	108,275	(43)	18,580	126,812

(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.

6. Inventories

Write-down of inventories to their net realizable values recognized in expenses is as follows:

(Millions of yen)

	Three months ended 30 November 2021	Three months ended 30 November 2022
Write-down of inventories to net realizable value	2,273	2,186

7. Property, Plant and Equipment

The breakdown of the carrying amount of property, plant and equipment at each reporting date is as follows:

(Millions of yen)

	As at 31 August 2022	As at 30 November 2022
Buildings and structures	125,947	131,260
Machinery and equipment	29,710	28,928
Furniture, fixtures and vehicles	26,064	27,359
Land	1,927	1,927
Construction in progress	11,575	11,535
Total	195,226	201,012

8. Dividends

The total amount of dividends paid was as follows:

For the three months ended 30 November 2021

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
Meeting of the Board on 2 November 2021	24,514	240

Dividends were declared on 2 November 2021 and paid on 5 November 2021. The effective date of the dividend was for shareholders as at 31 August 2021.

For the three months ended 30 November 2022

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
Meeting of the Board on 1 November 2022	34,744	340

Dividends were declared on 1 November 2022 and paid on 4 November 2022. The effective date of the dividend was for shareholders as at 31 August 2022.

9. 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.

Three months ended 30 November 2021

	Revenue (Millions of yen)	Percentage of Total (%)
Japan	226,449	36.1
Greater China	151,644	24.2
Other parts of Asia & Oceania	64,844	10.3
North America & Europe	83,234	13.3
UNIQLO (Note 1)	526,172	83.9
GU (Note 2)	69,837	11.1
Global Brands (Note 3)	30,721	4.9
Others (Note 4)	660	0.1
Total	627,391	100.0

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

The designated regions and countries 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.

Three months ended 30 November 2022

	Revenue (Millions of yen)	Percentage of Total (%)
Japan	240,949	33.6
Greater China	146,718	20.5
Other parts of Asia & Oceania	110,323	15.4
North America & Europe	100,854	14.1
UNIQLO (Note 1)	598,846	83.6
GU (Note 2)	79,364	11.1
Global Brands (Note 3)	37,604	5.2
Others (Note 4)	577	0.1
Total	716,393	100.0

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

The designated regions and countries 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, Poland

(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.

10. Selling, General and Administrative Expenses

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

(Millions of yen)

	Three months ended 30 November 2021	Three months ended 30 November 2022
Selling, general and administrative expenses		
Advertising and promotion	21,863	26,555
Lease expenses	20,100	25,618
Depreciation and amortization	43,920	46,743
Outsourcing	13,594	15,265
Salaries	73,847	91,005
Distribution	26,272	30,771
Others	22,853	29,075
Total	222,451	265,033

11. Other Income and Other Expenses

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

(Millions of yen)

	Three months ended 30 November 2021	Three months ended 30 November 2022
Other income		
Foreign exchange gains (Note)	1,396	1,542
Others	2,291	893
Total	3,687	2,436

(Millions of yen)

	Three months ended 30 November 2021	Three months ended 30 November 2022
Other expenses		
Loss on retirement of property, plant and equipment	247	83
Impairment losses	98	62
Others	541	912
Total	887	1,057

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

12. Finance Income and Finance Costs

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

(Millions of yen)

	Three months ended 30 November 2021	Three months ended 30 November 2022
Finance income		
Foreign exchange gains (Note)	15,252	3,936
Interest income	1,211	8,380
Others	58	5
Total	16,522	12,322

(Millions of yen)

	Three months ended 30 November 2021	Three months ended 30 November 2022
Finance costs		
Interest expenses	1,673	2,588
Others	48	-
Total	1,721	2,588

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

13. Earnings per Share

Three months ended 30 November 2021		Three months ended 30 November 2022	
Equity per share attributable to owners of the Parent (Yen)	11,920.08	Equity per share attributable to owners of the Parent (Yen)	15,315.90
Basic earnings per share for the period (Yen)	916.21	Basic earnings per share for the period (Yen)	832.47
Diluted earnings per share for the period (Yen)	914.87	Diluted earnings per share for the period (Yen)	831.32

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

	Three months ended 30 November 2021	Three months ended 30 November 2022
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	93,592	85,074
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders (Millions of yen)	93,592	85,074
Average number of common stock outstanding during the period (Shares)	102,151,077	102,195,460
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	149,595	141,054
(Number of share subscription rights included in increase)	(149,595)	(141,054)

14. Fair Value of Financial Instruments

Information about the carrying amount and fair value of financial instruments is as follows:

(Millions of yen)

	As at 31 August 2022		As at 30 November 2022	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Financial assets				
Bonds	135,214	134,264	406,839	403,214
Security deposits and guarantees	68,626	69,093	68,071	67,991
Total	203,840	203,357	474,910	471,206
Financial liabilities				
Corporate bonds	369,589	370,513	369,619	368,564
Total	369,589	370,513	369,619	368,564

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

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

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

The fair value of security deposits and guarantees is calculated on the basis of the present value, applying the current market interest rate.

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

The fair value measurements of bonds, security deposits / guarantees, and corporate bonds are categorized as level 2.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments. All assets and liabilities for which fair value is measured or disclosed in the interim condensed financial statements are categorized within the fair value hierarchy based on the following characteristics:

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

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

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

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

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

(Millions of yen)

As at 31 August 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	301	-	189	490
Net financial assets and financial liabilities measured at fair value through profit or loss	-	(1,109)	-	(1,109)
Net financial assets and financial liabilities designated as hedging instruments - Fair value	-	258,344	-	258,344
Fair value	301	257,234	189	257,725

(Millions of yen)

As at 30 November 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	197	-	189	387
Net financial assets and financial liabilities measured at fair value through profit or loss	-	(480)	-	(480)
Net financial assets and financial liabilities designated as hedging instruments - Fair value	-	196,654	-	196,654
Fair value	197	196,174	189	196,561

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

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

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

15. Commitments for Expenditures

The Group had the following commitments at each reporting date:

(Millions of yen)

	As at 31 August 2022	As at 30 November 2022
Commitment for the acquisition of property, plant and equipment	32,926	28,493
Commitment for the acquisition of intangible assets	2,202	3,785
Total	35,128	32,279

16. Subsequent Events

(Stock Split, Corresponding Changes in The Articles of Incorporation)

At the meeting of the Board of Directors held on 15 December 2022, the Company decided to conduct a stock split and made the corresponding changes to the Articles of Incorporation.

1. Purpose of the Stock Split

This stock split is designed to reduce the level of investment units as part of our aim to further increase the liquidity of the Company's shares and expand the range of investors who hold the Company's shares.

2. Overview of the Stock Split

(1) Stock Split Method

Based on the record date of 28 February 2023, the Company will conduct a three-for-one split for each common share owned by shareholders listed or recorded on the final register of shareholders on the record date.

(2) Increase in Number of Shares as a Result of the Stock Split

Total number of issued shares prior to stock split	106,073,656 shares
Increase in number of shares as a result of the stock split	212,147,312 shares
Total number of issued shares after the stock split	318,220,968 shares
Total number of issuable shares after the stock split	900,000,000 shares

(3) Stock Split Schedule

Date of publication of record date: 13 February 2023

Record date: 28 February 2023

Effective date: 1 March 2023

(4) Impact on per share data

Per share data assuming that the applicable stock split was conducted at the beginning of the previous consolidated fiscal year is as follows:

	Three months ended 30 November 2021	Three months ended 30 November 2022
Equity per share attributable to owners of the Parent (Yen)	3,973.36	5,105.30
Basic earnings per share for the period (Yen)	305.40	277.49
Diluted earnings per share for the period (Yen)	304.96	277.11

3. Corresponding Changes in The Articles of Incorporation

(1) Reason for change

In view of this share split, in accordance with Article 184 No. 2 of the Japanese Companies Law, the change in the total number of issuable shares listed in Article 6 of the Company's Articles of Incorporation will take effect on 1 March 2023.

(2) Outline of changes

A summary of the changes is as follows:

(Underlined segments Indicate amended items)

Current Articles of Incorporation	After Changes
(Total number of Issuable Shares)	(Total number of Issuable Shares)
Article 6 The total number of issuable shares of the Company is <u>300,000,000</u> shares.	Article 6 The total number of issuable shares of the Company is <u>900,000,000</u> shares.

(3) Schedule change

Board resolution date: 15 December 2022

Effective date: 1 March 2023

2. Others

Dividends

The Company resolved to pay dividends from retained earnings at the meeting of the Board convened on 1 November 2022. The total amount of dividends paid and the amount per share are stated under “Financial Section 1. Interim Condensed Consolidated Financial Statements, Notes to the Interim Condensed Consolidated Financial Statements 8. Dividends”.

(TRANSLATION)

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

13 January, 2023

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

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Hirofumi Otani

Designated Engagement Partner,
Certified Public Accountant:

Akira Kimotsuki

Accountant's Conclusion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have reviewed the interim condensed consolidated financial statements of FAST RETAILING CO., LTD. and its consolidated subsidiaries (the "Group") included in the Financial Section, namely, the interim condensed consolidated statement of financial position as at 30 November 2022, the interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month period then ended, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three-month period then ended, and the related notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at 30 November 2022, and its consolidated financial performance for the three-month period then ended and its consolidated cash flows for the three-month period then ended in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" ("IAS 34"), pursuant to Article 93 of the "Rules Governing Term, Form and Preparation of Consolidated Quarterly Financial Statements".

Basis for Accountant's Conclusion

We conducted our review in accordance with quarterly review standards generally accepted in Japan. Our responsibility under those standards is further described in the Accountant's Responsibility for the Review of the Interim Condensed Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as accountants. We believe that we have obtained the evidence to provide a basis for our review conclusion.

Responsibilities of Management and Statutory Auditors and the Board of Statutory Auditors for the Interim Condensed Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the interim condensed consolidated financial statements in accordance with IAS 34, and for such internal control as management determines is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim condensed consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with paragraph 4 of IAS 1 "Presentation of Financial Statements" ("IAS 1").

Statutory Auditors and the Board of Statutory Auditors are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Accountant's Responsibility for the Review of the Interim Condensed Consolidated Financial Statements

Our objective is to issue an accountant's report that includes our conclusion.

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

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other quarterly review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude whether nothing has come to our attention, based on the evidence obtained, related to going concern that causes us to believe that the interim condensed consolidated financial statements are not fairly presented, in all material respects, in accordance with paragraph 4 of IAS 1, if we conclude that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our accountant's report to the related disclosures in the interim condensed consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our accountant's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether nothing has come to our attention that causes us to believe that the overall presentation and disclosures of the interim condensed consolidated financial statements are not in accordance with IAS 34, as well as the overall presentation, structure and content of the interim condensed consolidated financial statements, including the disclosures, and whether nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain evidence regarding the financial information of the entities or business activities within the Group to express a conclusion on the interim condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the review of the interim condensed consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with Statutory Auditors and the Board of Statutory Auditors regarding the planned scope and timing of the review and significant findings that we identify during our review.

We also provide Statutory Auditors and the Board of Statutory Auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

Notes to the Readers of Independent Accountant's Review Report

This is an English translation of the independent accountant's review report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.