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**FAST RETAILING**

**FAST RETAILING CO., LTD.**

迅銷有限公司

(Incorporated in Japan with limited liability)

(Stock Code:6288)

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2023  
AND  
RESUMPTION OF TRADING**

The board of directors (the “Board”) of FAST RETAILING CO., LTD. (the “Parent” or “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 28 February 2023.

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, 13 April 2023, 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, 14 April 2023.

(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 2022 to 28 February 2023)**

(Percentages represent year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended 28 February 2023	1,467,350	20.4	220,263	16.4	230,499	8.4	164,631	6.6
Six months ended 28 February 2022	1,218,977	1.3	189,278	12.7	212,566	24.0	154,382	41.3

	Profit attributable to owners of the Parent		Total comprehensive income for the period		Basic earnings per share for the period	Diluted earnings per share for the period
	Millions of yen	%	Millions of yen	%	Yen	Yen
Six months ended 28 February 2023	153,392	4.5	133,950	(33.6)	500.29	499.56
Six months ended 28 February 2022	146,844	38.7	201,856	52.3	479.14	478.40

(Note) Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. Basic earnings per share for the period and diluted earnings per share for the period have been calculated assuming this stock split was conducted at the beginning of the previous fiscal year.

**(2) Consolidated Financial Position**

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to total assets	Equity per share attributable to owners of the Parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As at 28 February 2023	3,015,617	1,657,969	1,602,173	53.1	5,224.90
As at 31 August 2022	3,183,762	1,615,402	1,561,652	49.1	5,093.97

(Note) Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. Equity per share attributable to owners of the Parent has been calculated assuming this stock split was conducted at the beginning of the previous fiscal year.

**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 2022	-	280.00	-	340.00	620.00
Year ending 31 August 2023	-	125.00			
Year ending 31 August 2023 (forecast)			-	125.00	250.00

(Note) 1. Revisions during this quarter of dividends forecast for fiscal year: Yes

2. The annual dividend per share for the previous fiscal year would have been 206.67 yen if the below stock split had been implemented at the beginning of the same fiscal year.

3. Our common stock has been split on a 3-to-1 basis, effective 1 March 2023.

The amounts listed for dividends at the end of Q2 of the fiscal period ending August 2023, as well as year-end dividends, take into consideration this stock split. Note that, due to the vesting date being 28 February 2023, dividends at the end of Q2 will be paid at a rate of 375 yen per share, based on the number of shares prior to the stock split.

**3. CONSOLIDATED BUSINESS RESULTS PROJECTION FOR YEAR ENDING 31 AUGUST 2023 (1 SEPTEMBER 2022 TO 31 AUGUST 2023)**

(% 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 2023	2,680,000	16.5	360,000	21.1	370,200	(10.5)	240,000	(12.2)

	Basic earnings per share attributable to owners of the Parent
	Yen
Year ending 31 August 2023	782.76

(Note) 1. Revisions during this quarter of previously disclosed consolidated business results projection for the year ending 31 August 2023: Yes

2. Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. Basic earnings per share in the consolidated earnings forecast for the fiscal period ending August 2023 have taken into consideration the impact of this stock split.

\* Notes

- (1) Changes of principal subsidiaries in the period: None
- (2) Changes in accounting policies and changes in accounting estimates:
- (i) Changes in accounting policies to conform with IFRS: None
- (ii) Other changes in accounting policies: None
- (iii) Changes in accounting estimates: None

(3) Total number of issued shares (Common stock)

(i)	Number of issued shares (including treasury stock)	As at 28 February 2023	318,220,968 shares	As at 31 August 2022	318,220,968 Shares
(ii)	Number of treasury stock	As at 28 February 2023	11,578,965 shares	As at 31 August 2022	11,651,919 Shares
(iii)	Average number of issued shares	For the six months ended 28 February 2023	306,605,049 shares	For the six months ended 28 February 2022	306,476,386 shares

Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. The number of issued shares at the end of the period, the number of treasury shares at the end of the period, and the average number of issued shares during the period have been calculated assuming this stock split was conducted at the beginning of the previous fiscal year.

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

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

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

## 1. Business Results

### (1) Results of Operations

The Fast Retailing Group reported a significant increase in revenue and profits in the first half of fiscal 2023, or the six months from 1 September 2022 to 28 February 2023, with consolidated revenue totaling 1.4673 trillion yen (+20.4% year-on-year) and operating profit rising to 220.2 billion yen (+16.4% year-on-year). This record performance is proof that the policies we started putting in place last year are steadily bearing fruit, including our determination to diversify global earnings pillars, strengthen our branding, conduct business that focuses on meeting customer needs and conveying product value, and actively accelerate new store openings. UNIQLO operations in Southeast Asia, North America, and Europe regions along with our GU operation reported particularly strong rises in revenue and profit in the first half. Fast Retailing's consolidated gross profit margin declined by 1.1 points year-on-year to 50.5% while the selling, general and administrative expense ratio improved by 0.3 point year-on-year to 35.7%. In addition, we recorded 10.2 billion yen under finance income net of costs due to higher interest income generated from the larger number of bonds under management. As a result, first-half profit before income taxes rose to 230.4 billion yen (+8.4% year-on-year) and profit attributable to owners of the parent increased to 153.3 billion yen (+4.5% year-on-year).

The Fast Retailing Group is determined to strengthen initiatives designed to expand our business operations and promote sustainability in an integrated and united manner 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 Southeast Asia, India & Australia, where we hope to further strengthen our already established brand position. 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 a considerable increase in revenue in the first half of fiscal 2023. However, profits declined as the depreciation in the Japanese yen resulted in higher cost of sales. As a result, first-half revenue totaled 495.1 billion yen (+11.9% year-on-year) and first-half operating profit totaled 67.3 billion yen (-1.6% year-on-year). First-half same-store sales increased by 10.0% year-on-year. The strong revenue performance was due to firm sales of Fall Winter items and thermal Winter products such as HEATTECH innerwear. Strong sales of Spring items, such as our Wide-fit pleated pants, as well as products that satisfied new everyday needs, such as AirSense jacket, AirSense pants and shirts also boosted the first-half results. However, on the profit front, the gross profit margin declined by 2.2 points year-on-year as procurement costs on additional product orders rose considerably on the back of the sharp depreciation in the Japanese yen during the six-month period. The selling, general and administrative expense ratio decreased by 0.5 point year-on-year as cost ratios primarily in the areas of store rents, personnel, and distribution improved on the back the extremely strong sales performance during the second quarter from December 2022 to February 2023.

#### UNIQLO International

UNIQLO International reported a significant increase in both revenue and profit in the first half of fiscal 2023, with revenue rising to 755.2 billion yen (+27.3% year-on-year) and operating profit expanding to 122.6 billion yen (+22.2% year-on-year). We saw large increases in both revenue and profit at UNIQLO operations in the Southeast Asia, India & Australia, North America, and Europe (ex. Russia), as these regions start to enter a genuine growth phase. The strong overall performance by UNIQLO International can be attributed to the fact that rapid changes in clothing demand over the past few years in the face of the COVID-19 pandemic and rising inflation have fueled consumer appetite for LifeWear, our high-quality and long-lasting basic everyday clothing. Our aggressive efforts to consistently expand business by strengthening our branding and pursuing community-based commercial operations also supported the segment's strong first-half results.

Breaking down the UNIQLO International performance into individual regions and markets (in local-currency terms), the Greater China region reported a dip in revenue and a sharp fall in profits in the first half of fiscal 2023. This was due to a large decline in revenue and profit in the Mainland China market caused by the heavy impact of COVID-19 in the first quarter. However, sales did start to recover in January, resulting in a slight decline in second-quarter revenue and a sharp increase in second-quarter profit, so overall performance is now on a recovery track. UNIQLO South Korea reported higher revenue and profit in the first half of

fiscal 2023. Meanwhile, revenue and profit both rose considerably in Southeast Asia, India & Australia as we successfully and consistently conveyed information primarily about our core products and expanded our customer base. UNIQLO North America reported significantly higher revenue and profit in the first half. Strong marketing of core Winter items and the timely conveyance of information to coincide with seasonal sales helped fuel significant increases in same-store sales throughout the six-month period. Europe (ex. Russia) reported much higher revenue and profit in the first half as our consistent efforts to appeal the superior functionality and value of our products proved to be successful and helped expand our customer base.

## **GU**

The GU business segment reported large increases in both revenue and profit in the first half of fiscal 2023, with revenue rising to 145.5 billion yen (+18.5% year-on-year) and operating profit totaling 13.0 billion yen (+39.2% year-on-year). GU same-store sales rose significantly in the first half as we pursued some bold strategies that involved successfully narrowing down the number of product numbers on offer and ensuring a sufficient supply of mass-trend products. Sales of heat padded outerwear, super wide cargo pants, and baggy slacks proved especially strong. While the GU gross profit margin did decline 1.8 points year-on-year, this was due primarily to the rapid depreciation of the Japanese yen over the first half, which resulted in sharply higher procurement costs on additional product orders and an increase in cost of sales. Meanwhile, the selling, general and administrative expense ratio improved by 1.5 points year-on-year on the back of strong overall sales and appropriate control of business costs.

## **Global Brands**

The Global Brands segment reported a large rise in revenue but a decline in profit in the first half of fiscal 2023, with revenue rising to 70.2 billion (+19.1% year-on-year) and an operating profit contracting to 0.1 billion yen (-85.3% year-on-year). While our Theory brand generated much higher revenue, it also reported a decline in first-half profit. This was due primarily to a decline in the gross profit margin at Theory's United States operation after we prioritized selling inventory at a reduced price as well as a fall in profits from Theory's Asian operation, which is concentrated primarily in Greater China, due to COVID-19. Theory Japan, however, reported a large rise in both revenue and profit as department-store customer visits recovered and our decision to strategically build up stocks of strong-selling items proved successful. Meanwhile, our PLST brand generated slightly higher revenue and a marginally smaller loss, and our France-based Comptoir des Cotonniers brand reported a decline in revenue and a slightly higher operating loss over the six-month period.

## **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. The main company activities during the second-quarter consolidated accounting period are as follows.

■ **Creating new value through products and services:** UNIQLO is promoting the PEACE FOR ALL initiative, in which graphic T-shirts designed by celebrities who agree with our desire to take action for world peace are sold worldwide at UNIQLO stores and online, with all profits (equivalent to 20% of the sale price per shirt) donated to the three organizations with which we have formed a partnership. Donations are used to support activities that help those affected by poverty, discrimination, violence, conflict and war. By the end of February 2023, proceeds from PEACE FOR ALL activities totaled JPY 322 million. We will continue to sell this series of graphic T-shirts designed by international celebrities who have given their support for changing our future through the power of clothing.

■ **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, from spring 2023, we have concluded a Code of Conduct with upstream textile mills in our supply chain to ensure regular labor environment audits are conducted and confirm traceability information.

■ **Respecting the environment:** As a result of our proactive initiatives and transparency on climate change and water security, we have been recognized as a 2022 "A-List" company by CDP, an international non-profit organization that provides a platform for environmental disclosure. CDP's disclosure and evaluation process is widely recognized as the gold standard in corporate

environmental reporting. Of the more than 10,000 international companies evaluated by CDP this year, Fast Retailing was one of only a few companies to receive "A-List" recognition in both climate change and water security.

■ **Strengthening communities:** At the request of our global partner, the United Nations High Commissioner for Refugees (UNHCR), we have decided to provide emergency assistance to the victims of the major earthquake that struck Türkiye and Syria on 6 February 2023. Through UNHCR, we are donating EUR 1 million (approximately JPY 140 million) in addition to relief clothing, including UNIQLO HEATTECH.

■ **Supporting employee fulfillment:** We are implementing various initiatives to promote diversity in four priority areas of gender, Global One Team, disabilities and LGBTQ+, including the introduction of systems and training programs to support relevant parties. In February 2023, we received a diversity score of 96 points (out of 100) and received the highest possible rating of "Best Workplace" in the 2022 D&I Awards, which evaluate companies' efforts to promote diversity and inclusion. This award recognizes our efforts to create a work environment that respects the individuality of each employee and provides equal opportunities to take on challenges and expand individuals' potential.

■ **Implementing good corporate governance:** To enable rapid and transparent management, we have a number of committees engaged in open and active discussions. The Nomination and Remuneration Advisory Committee discussed long-term incentives for executives. The Human Rights Committee reported on the process of working environment monitoring at textile mills—a new initiative—and on future measures to be taken. They also discussed measures to strengthen internal checks on the human rights impact of our product design and marketing.

## **(2) Financial Positions and Cash Flows Information**

### *(i) Financial Positions*

Total assets as at 28 February 2023 were 3.0156 trillion yen, which was a decrease of 168.1 billion yen relative to the end of the preceding fiscal year. The principal factors were a decrease of 469.6 billion yen in cash and cash equivalents, an increase of 11.1 billion yen in trade and other receivables, an increase of 309.2 billion yen in other current financial assets, a decrease of 48.2 billion yen in inventories, a decrease of 89.2 billion yen in derivative financial assets, an increase of 16.0 billion yen in property, plant and equipment, and an increase of 100.5 billion yen in non-current financial assets.

Total liabilities as at 28 February 2023 were 1.3576 trillion yen, which was a decrease of 210.7 billion yen relative to the end of the preceding fiscal year. The principal factors were a decrease of 107.9 billion yen in trade and other payables, a decrease of 39.3 billion yen in other current financial liabilities, a decrease of 25.3 billion yen in current tax liabilities, a decrease of 8.9 billion yen in other current liabilities, a decrease of 12.9 billion yen in lease liabilities, a decrease of 29.4 billion yen in deferred tax liabilities and an increase of 11.7 billion yen in derivative financial liabilities.

Total net assets as at 28 February 2023 were 1.6579 trillion yen, which was an increase of 42.5 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 118.7 billion yen in retained earnings, and a decrease of 78.3 billion yen in other components of equity.

### *(ii) Cash Flows Information*

Cash and cash equivalents as at 28 February 2023 had decreased by 469.6 billion yen from the end of the preceding fiscal year, to 888.6 billion yen.

#### *(Operating Cash Flows)*

Net cash generated by operating activities for the six months ended 28 February 2023 was 177.4 billion yen (264.6 billion yen was generated during the six months ended 28 February 2022). The principal factors were cash inflow from profit before tax for 230.4 billion yen and depreciation and amortization for 93.2 billion yen, and cash outflow from decrease in trade and other payables for 106.1 billion yen and taxes paid for 95.4 billion yen.

#### *(Investing Cash Flows)*

Net cash used in investing activities for the six months ended 28 February 2023 was 472.7 billion yen (74.2 billion yen was used during the six months ended 28 February 2022). The principal factors were a net increase of 149.4 billion yen in bank deposits with original maturities of three months or longer, and 267.4 billion yen in payments for acquisition of investment securities.

#### *(Financing Cash Flows)*

Net cash used in financing activities for the six months ended 28 February 2023 was 159.7 billion yen (108.0 billion yen was used during the six months ended 28 February 2022). The principal factors were 50.0 billion yen in repayment of redemption of bonds, and 67.8 billion yen in repayments of lease liabilities.

**(3) Qualitative Information Concerning Consolidated Business Results Projection**

Regarding our business results projection for the year ending 31 August 2023, we have revised up our forecasts as follows to reflect the higher-than-expected first-half performance. The following table compares our latest full-year business results projection with the previous estimates announced in the “First Quarterly Results Announcement for the Three Months Ended 30 November 2022” released on 12 January 2023.

*(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)	2,650,000	350,000	350,000	230,000	750.38
New forecast (B)	2,680,000	360,000	370,200	240,000	782.76
Difference (B–A)	30,000	10,000	20,200	10,000	-
Change (%)	1.1%	2.9%	5.8%	4.3%	-
Previous results	2,301,122	297,325	413,584	273,335	891.77

*(Note) 1. Revisions during this quarter of previously disclosed consolidated business results projection for the year ending 31 August 2023: Yes*

*2. Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. Basic earnings per share in the consolidated earnings forecast for the fiscal period ending August 2023 have taken into consideration the impact of this stock split.*



## 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 2022	As at 28 February 2023
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		1,358,292	888,605
Trade and other receivables		60,184	71,343
Other financial assets		123,446	432,702
Inventories		485,928	437,671
Derivative financial assets		124,551	92,122
Income taxes receivable		2,612	2,569
Other assets		23,835	23,808
Total current assets		2,178,851	1,948,823
Non-current assets			
Property, plant and equipment	6	195,226	211,242
Right-of-use assets	6	395,634	390,281
Goodwill		8,092	8,092
Intangible assets	6	76,621	82,574
Financial assets		164,340	264,874
Investments in associates accounted for using the equity method		18,557	18,760
Deferred tax assets		8,506	10,074
Derivative financial assets		134,240	77,400
Other assets	6	3,690	3,492
Total non-current assets		1,004,911	1,066,793
Total assets		3,183,762	3,015,617
<b>Liabilities and equity</b>			
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables		350,294	242,345
Other financial liabilities		209,286	169,947
Derivative financial liabilities		1,513	3,781
Lease liabilities		123,885	129,038
Current tax liabilities		77,162	51,852
Provisions		2,581	2,804
Other liabilities		111,519	102,603
Total current liabilities		876,242	702,373
Non-current liabilities			
Financial liabilities		241,022	240,934
Lease liabilities		356,840	338,697
Provisions		47,780	49,216
Deferred tax liabilities		44,258	14,855
Derivative financial liabilities		44	9,526
Other liabilities		2,171	2,044
Total non-current liabilities		692,117	655,274
Total liabilities		1,568,360	1,357,648
<b>EQUITY</b>			
Capital stock		10,273	10,273
Capital surplus		27,834	27,946
Retained earnings		1,275,102	1,393,811
Treasury stock, at cost		(14,813)	(14,723)
Other components of equity		263,255	184,864
Equity attributable to owners of the Parent		1,561,652	1,602,173
Non-controlling interests		53,750	55,795
Total equity		1,615,402	1,657,969
Total liabilities and equity		3,183,762	3,015,617

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

*Interim Condensed Consolidated Statement of Profit or Loss*

(Millions of yen)

	Notes	Six months ended 28 February 2022	Six months ended 28 February 2023
Revenue	2	1,218,977	1,467,350
Cost of sales		(589,891)	(725,830)
Gross profit		629,085	741,520
Selling, general and administrative expenses	3	(439,265)	(524,210)
Other income	4	6,652	5,529
Other expenses	4,6	(7,770)	(3,211)
Share of profit and loss of associates accounted for using the equity method		576	635
Operating profit		189,278	220,263
Finance income	5	26,694	17,075
Finance costs	5	(3,407)	(6,839)
Profit before income taxes		212,566	230,499
Income tax expense		(58,183)	(65,868)
Profit for the period		154,382	164,631
Profit for the period attributable to:			
Owners of the Parent		146,844	153,392
Non-controlling interests		7,537	11,238
Total		154,382	164,631
Earnings per share			
Basic (yen)	7	479.14	500.29
Diluted (yen)	7	478.40	499.56

*Interim Condensed Consolidated Statement of Comprehensive Income*

(Millions of yen)

	Notes	Six months ended 28 February 2022	Six months ended 28 February 2023
Profit for the period		154,382	164,631
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)		(57)	(6)
Total items that will not be reclassified subsequently to profit or loss		(57)	(6)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		16,961	(17,581)
Cash flow hedges		30,561	(13,094)
Share of other comprehensive income of associates		7	2
Total items that may be reclassified subsequently to profit or loss		47,531	(30,673)
Other comprehensive income / (loss), net of income tax		47,473	(30,680)
Total comprehensive income for the period		201,856	133,950
Attributable to:			
Owners of the Parent		194,448	124,748
Non-controlling interests		7,407	9,202
Total comprehensive income for the period		201,856	133,950

### (3) Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 28 February 2022

(Millions of yen)

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

For the six months ended 28 February 2023

(Millions of yen)

	Other components of equity									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	Total			
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	-	-	153,392	-	-	-	-	-	-	153,392	11,238	164,631
Other comprehensive income / (loss)	-	-	-	-	(6)	(17,105)	(11,534)	2	(28,643)	(28,643)	(2,036)	(30,680)
Total comprehensive income / (loss)	-	-	153,392	-	(6)	(17,105)	(11,534)	2	(28,643)	124,748	9,202	133,950
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(2)	-	-	-	-	-	(2)	-	(2)
Disposal of treasury stock	-	1,185	-	92	-	-	-	-	-	1,278	-	1,278
Dividends	-	-	(34,744)	-	-	-	-	-	-	(34,744)	(6,529)	(41,274)
Share-based payments	-	(1,073)	-	-	-	-	-	-	-	(1,073)	-	(1,073)
Transfer to non-financial assets	-	-	-	-	-	-	(49,685)	-	(49,685)	(49,685)	(626)	(50,312)
Transfer to retained earnings	-	-	61	-	(61)	-	-	-	(61)	-	-	-
Total transactions with the owners of the Parent	-	112	(34,683)	89	(61)	-	(49,685)	-	(49,747)	(84,227)	(7,156)	(91,384)
Total net changes during the period	-	112	118,709	89	(67)	(17,105)	(61,220)	2	(78,390)	40,520	2,045	42,566
As at 28 February 2023	10,273	27,946	1,393,811	(14,723)	63	83,481	101,187	132	184,864	1,602,173	55,795	1,657,969

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

	Notes	Six months ended 28 February 2022	Six months ended 28 February 2023
<b>Cash flows from operating activities</b>			
Profit before income taxes		212,566	230,499
Depreciation and amortization		88,254	93,253
Impairment losses	6	6,086	783
Interest and dividend income		(3,069)	(17,075)
Interest expenses		3,359	5,076
Foreign exchange losses / (gains)		(23,576)	1,762
Share of profit and loss of associates accounted for using the equity method		(576)	(635)
Losses on disposal of property, plant and equipment		663	251
(Increase) / Decrease in trade and other receivables		(4,471)	(15,680)
(Increase) / Decrease in inventories		50,108	45,244
Increase / (Decrease) in trade and other payables		(14,429)	(106,189)
(Increase) / Decrease in other assets		(4,364)	1,906
Increase / (Decrease) in other liabilities		1,168	3,576
Others, net		2,442	23,458
Cash generated from operations		314,159	266,233
Interest and dividends income received		2,594	11,731
Interest paid		(2,889)	(5,102)
Income taxes paid		(55,461)	(95,407)
Income taxes refunded		6,251	-
Net cash generated by / (used in) operating activities		264,654	177,454
<b>Cash flows from investing activities</b>			
Amounts deposited into bank deposits with original maturities of three months or longer		(96,317)	(230,140)
Amounts withdrawn from bank deposits with original maturities of three months or longer		60,902	80,676
Payments for property, plant and equipment		(26,926)	(37,629)
Payments for intangible assets		(12,181)	(16,467)
Payments for acquisition of right-of-use assets		(382)	(785)
Payments for acquisition of investment securities		-	(346,998)
Proceeds from sale and redemption of investment securities		-	79,549
Payments for lease and guarantee deposits		(2,005)	(2,202)
Proceeds from collection of lease and guarantee deposits		2,511	2,326
Others, net		183	(1,090)
Net cash generated by / (used in) investing activities		(74,216)	(472,762)

(Millions of yen)

	Six months ended 28 February 2022	Six months ended 28 February 2023
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans payable	9,816	2,260
Repayment of short-term loans payable	(21,738)	(3,048)
Repayment of redemption of bonds	-	(50,000)
Dividends paid to owners of the Parent	(24,456)	(34,838)
Dividends paid to non-controlling interests	(5,250)	(6,306)
Repayments of lease liabilities	(66,907)	(67,858)
Others, net	511	89
Net cash generated by / (used in) financing activities	(108,025)	(159,701)
Effect of exchange rate changes on the balance of cash held in foreign currencies	37,302	(14,676)
Net increase / (decrease) in cash and cash equivalents	119,715	(469,686)
Cash and cash equivalents at the beginning of period	1,177,736	1,358,292
Cash and cash equivalents at the end of period	1,297,451	888,605

**(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 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)

From 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 six months ended 28 February 2022 is based on the revised segmentation.

**(ii) Segment revenue and results**

For the six months ended 28 February 2022

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	442,513	593,263	122,824	58,994	1,217,595	1,381	-	1,218,977
Operating profit / (loss)	68,500	100,373	9,385	1,044	179,303	(511)	10,486	189,278
Segment income / (loss) (i.e., Profit / (loss) before income taxes)	70,228	101,072	9,534	865	181,700	(545)	31,411	212,566
Other disclosure: Impairment losses (Note 3)	-	3,580	1,186	524	5,292	794	-	6,086

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

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

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

For the six months ended 28 February 2023

(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	495,165	755,259	145,568	70,235	1,466,229	1,121	-	1,467,350
Operating profit / (loss)	67,399	122,678	13,064	153	203,295	172	16,795	220,263
Segment income / (loss) (i.e., Profit / (loss) before income taxes)	68,203	123,007	12,465	(272)	203,404	173	26,922	230,499
Other disclosure: Impairment losses (Note 3)	-	414	140	228	783	-	-	783

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

Six months ended 28 February 2022

	Revenue (Millions of yen)	Percentage of Total (%)
Japan	442,513	36.3
Greater China	306,773	25.2
Other parts of Asia & Oceania	136,891	11.2
North America & Europe	149,598	12.3
UNIQLO (Note 1)	1,035,777	85.0
GU (Note 2)	122,824	10.1
Global Brands (Note 3)	58,994	4.8
Others (Note 4)	1,381	0.1
Total	1,218,977	100.0

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

The designated countries and regions are classified as follows:

Greater China: Mainland China, Hong Kong, Taiwan

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

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

(Note 2) Main national and regional market: Japan

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

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



Six months ended 28 February 2023

	Revenue (Millions of yen)	Percentage of Total (%)
Japan	495,165	33.7
Greater China	320,982	21.9
Other parts of Asia & Oceania	233,570	15.9
North America & Europe	200,706	13.7
UNIQLO (Note 1)	1,250,425	85.2
GU (Note 2)	145,568	9.9
Global Brands (Note 3)	70,235	4.8
Others (Note 4)	1,121	0.1
Total	1,467,350	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, 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.

### 3. Selling, general and administrative expenses

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

(Millions of yen)

	Six months ended 28 February 2022	Six months ended 28 February 2023
Selling, general and administrative expenses		
Advertising and promotion	41,719	49,596
Lease expenses	40,172	53,988
Depreciation and amortization	88,254	93,253
Outsourcing	27,230	30,317
Salaries	146,464	180,247
Distribution	49,995	58,872
Others	45,427	57,935
Total	439,265	524,210

#### 4. Other income and other expenses

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

(Millions of yen)

	Six months ended 28 February 2022	Six months ended 28 February 2023
Other income		
Foreign exchange gains (Note)	2,197	2,908
Others	4,454	2,621
Total	6,652	5,529

(Millions of yen)

	Six months ended 28 February 2022	Six months ended 28 February 2023
Other expenses		
Loss on retirement of property, plant and equipment	663	251
Impairment losses	6,086	783
Others	1,020	2,175
Total	7,770	3,211

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

#### 5. Finance income and finance costs

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

(Millions of yen)

	Six months ended 28 February 2022	Six months ended 28 February 2023
Finance income		
Foreign exchange gains (Note)	23,576	-
Interest income	3,059	17,069
Others	58	5
Total	26,694	17,075

(Millions of yen)

	Six months ended 28 February 2022	Six months ended 28 February 2023
Finance costs		
Foreign exchange losses (Note)	-	1,762
Interest expenses	3,359	5,076
Others	48	-
Total	3,407	6,839

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

## 6. Impairment losses

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

(Millions of yen)

	Six months ended 28 February 2022
Buildings and structures	2,047
Furniture, equipment and vehicles	44
Subtotal on property, plant and equipment	2,092
Software	-
Other intangible assets	13
Subtotal on intangible assets	13
Right-of-use assets	3,978
Other non-current assets (long-term prepayments etc.)	2
Total impairment losses	6,086

The Group's impairment losses during the six months ended 28 February 2023 amounted to 783 million yen, compared with 6,086 million yen during the six months ended 28 February 2022, and are included in "Other expenses" on the consolidated statement of profit or loss.

Six months ended 28 February 2022

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

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

The grouping of assets is based on the smallest identifiable CGU that independently generates cash inflow. In principle, each store, including flagship stores, is considered as an individual CGU and recoverable amounts thereon are calculated based on value in use.

The value in use is calculated based on the cash flow projections with estimates and growth rates approved by management, applying a discount rate of mainly 11.8 %. Theoretically, the projected cash flows cover a five-year period, and do not use a growth rate that exceeds the long-term average market growth rate. The pre-tax discount rate calculation is based on the weighted-average cost of capital.

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

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

Six months ended 28 February 2023

No significant impairment losses.

## 7. Earnings per share

Six months ended 28 February 2022		Six months ended 28 February 2023	
Equity per share attributable to owners of the Parent (Yen)	4,156.62	Equity per share attributable to owners of the Parent (Yen)	5,224.90
Basic earnings per share for the period (Yen)	479.14	Basic earnings per share for the period (Yen)	500.29
Diluted earnings per share for the period (Yen)	478.40	Diluted earnings per share for the period (Yen)	499.56

(Note) 1. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Six months ended 28 February 2022	Six months ended 28 February 2023
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	146,844	153,392
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders (Millions of yen)	146,844	153,392
Average number of common stock outstanding during the period (Shares)	306,476,386	306,605,049
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	470,290	451,198
(Number of share subscription rights included in increase)	(470,290)	(451,198)

2. Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. Equity per share attributable to owners of the Parent, basic earnings per share for the period, and diluted earnings per share for the period have been calculated assuming this stock split was conducted at the beginning of the previous fiscal year.

## 8. Subsequent events

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

Based on a resolution at the Board of Directors meeting held on 15 December 2022, our common stock was split on a 3-to-1 basis and we made the corresponding changes to the Articles of Incorporation on 1 March 2023.

### 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 conducted 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: 9 February 2023

Record date: 28 February 2023

Effective date: 1 March 2023

(4) Impact on per share data

See "7. Earnings per share" for details of impact on per-share data.

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 took 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) Article 6 The total number of issuable shares of the Company is <u>300,000,000</u> shares.	(Total number of Issuable 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

### **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, 13 April 2023, 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, 14 April 2023.

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

**Tadashi Yanai**  
*Chairman, President and Chief Executive  
Officer*

Japan, 13 April 2023

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