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**FAST RETAILING**

**FAST RETAILING CO., LTD.**

迅銷有限公司

(Incorporated in Japan with limited liability)

(Stock Code:6288)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 31 MAY 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 nine months ended 31 May 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 July 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 July 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 31 May 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	%
Nine months ended 31 May 2023	2,143,504	21.4	330,574	21.9	359,203	2.8	254,905	3.0
Nine months ended 31 May 2022	1,765,106	3.9	271,084	19.0	349,255	42.2	247,541	57.8

	Profit attributable to owners of the Parent		Total comprehensive income for the period		Basic earnings per share for the period	Diluted earnings per share for the period
	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended 31 May 2023	238,519	0.3	286,715	(31.5)	777.90	776.65
Nine months ended 31 May 2022	237,836	57.1	418,754	92.3	775.99	774.81

(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 31 May 2023	3,100,617	1,747,580	1,694,899	54.7	5,527.11
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)			—	155.00	280.00

(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.

**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	2,730,000	18.6	370,000	24.4	398,600	(3.6)	260,000	(4.9)

	Basic earnings per share attributable to owners of the Parent
	Yen
Year ending 31 August 2023	847.96

(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 31 May 2023	318,220,968 shares	As at 31 August 2022	318,220,968 shares
(ii)	Number of treasury stock	As at 31 May 2023	11,568,943 shares	As at 31 August 2022	11,651,919 shares
(iii)	Average number of issued shares	For the nine months ended 31 May 2023	306,618,230 shares	For the nine months ended 31 May 2022	306,495,204 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 third quarterly results announcement is not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act of Japan.

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

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

## 1. Business Results

### (1) Results of Operations

The Fast Retailing Group generated a significant increase in revenue and profits and reported a record performance in the third quarter of fiscal 2023, or the nine months from 1 September 2022 to 31 May 2023, with consolidated revenue totaling 2.1435 trillion yen (+21.4% year-on-year) and operating profit rising to 330.5 billion yen (+21.9% year-on-year). UNIQLO operations in the Southeast Asia, North America, and Europe regions along with our GU operation continued to report strong results and UNIQLO performance in the Greater China region also recovered in the third quarter from March to May 2023, illustrating further progress on the diversification of our global earnings pillars. We recorded 28.6 billion yen under finance income net of costs primarily due to higher interest income generated from a larger number of bonds under management compared to the previous year. As a result, profit before income taxes rose to 359.2 billion yen (+2.8% year-on-year) and profit attributable to owners of the parent increased to 238.5 billion yen (+0.3% year-on-year).

The Fast Retailing Group has been focusing on a number of areas as part of its quest to become a global No.1 brand that is essential to daily living and is trusted by all customers around the world: (1) Further progressing the development of a digital consumer retailing company, (2) Expanding the content of its international business and transforming operational management based on a global perspective, (3) Pursuing a business model in which the development of business itself helps advance sustainability, (4) Expanding the GU business segment, as well as Theory and other labels in the Global Brands segment, and (5) Maximizing the capabilities of its global human resources. 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), South Asia & Oceania region (Southeast Asia, Australia, and India), 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 nine months of fiscal 2023. However, profits declined as the depreciation in the Japanese yen resulted in higher cost of sales. As a result, revenue totaled 709.7 billion yen (+10.7% year-on-year) and operating profit totaled 99.6 billion yen (-3.0% year-on-year).

The same performance pattern was recorded for the third quarter from March to May 2023, with revenue increasing and operating profit declining. While third quarter same-store sales increased by 5.5% year-on-year thanks to strong sales of Summer items, haori-style jackets, and bottoms that captured the latest trends, operating profit declined on the back of a 1.7 point decline in the gross profit margin and a 0.3 point rise in the selling, general and administrative expense ratio. The gross profit margin declined as the cost of sales on additional product orders rose after the yen spot exchange rates used for those orders weakened more than we had expected over the period. We also pressed ahead with efforts to normalize inventory by more vigorously offloading excess Spring inventory left over from that past financial year. The increase in the selling, general and administrative expense ratio was caused primarily by a rise in personnel costs following our decision to increase in wages from March. However, we also observed a rise in productivity in the third quarter, and an increase in sales per employee. We plan to swiftly improve the personnel cost ratio by encouraging further efficiencies in inventory management and store operations.

#### UNIQLO International

UNIQLO International reported a significant increase in both revenue and profit in the first nine months of fiscal 2023, with revenue rising to 1.0976 trillion yen (+30.5% year-on-year) and operating profit expanding to 184.1 billion yen (+38.6% year-on-year). All markets within the segment generated large increases in both revenue and profit, generating yet another advance in the drive to diversify our earnings pillars.

Breaking down the third quarter performance from March to May 2023 by geographical region and in local currency terms, the Greater China region achieved considerable rises in revenue and profit. Performance recovered across the board, with the Mainland China market, the Hong Kong market, and the Taiwan market all reporting large revenue and profit increases. The Mainland China market, in particular, generated higher-than-expected sales, with same-store sales rising over 40% year on year.

In the Southeast Asia, India & Australia region, revenue increase significantly and operating profit also expanded. Within those regions, UNIQLO operations in Singapore, Thailand, India, and Australia all performed strongly. UNIQLO North America reported significant increases in revenue and profit, with sales of core products proving strong and sales of products developed specifically to meet the needs of US consumers also contributing greatly to the higher revenue figure. UNIQLO Europe generated large rises in revenue and profit on the back of strong sales of core products, such as bottoms and linen shirts. Furthermore, efforts to convey more determined news about our Round Mini Shoulder Bag and BRATOP products sparked considerable interest on social media and helped expand our customer base among women and younger consumers.

## **GU**

The GU business segment reported large increases in both revenue and profit in the first nine months of fiscal 2023, with revenue rising to 227.9 billion yen (+19.7% year-on-year) and operating profit totaling 25.8 billion yen (+44.6% year-on-year). GU was able to generate a strong performance and create multiple hit products by successfully narrowing down the number of product items on offer, ensuring a sufficient supply of mass-trend products, and strengthening the marketing of those products. The segment also made progress on building a strong business platform for creating highly finished, on-trend products by pressing ahead with organizational reforms and strengthening product development frameworks.

In the third quarter from March to May 2023, GU generated large increases in revenue and profit. Sales of super wide cargo pants, pull-on pants, and sweatshirt-style T-shirts proved especially strong. The operating profit margin improved by 3.0 points year-on-year thanks to the large increase in sales, stricter cost controls, and an improvement in the selling, general and administrative expense ratio generated primarily by lower store rent and distribution ratios.

## **Global Brands**

The Global Brands segment reported a large rise in revenue and profit in the first nine months of fiscal 2023, with revenue rising to 106.4 billion yen (+18.2% year-on-year) and an operating profit rising to 1.4 billion yen (+105.4% year-on-year).

In the third quarter from March to May 2023, the Theory brand reported considerable increases in revenue and profit. The Theory label generated a particularly good performance, and significantly higher revenue and profit in the Asian region as restrictions eased once COVID-19 was brought under control and the operation strengthened the release of core products. The PLST operation reported higher revenue in the third quarter. However, operating profit declined slightly following the recording of an impairment loss as the label presses ahead with the closure of loss-making stores and other operational reforms. Finally, revenue from Comptoir de Cottonniers declined and the label's operating loss expanded slightly.

## **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 third-quarter consolidated accounting period are as follows.

■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 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. Furthermore, in April 2023, we signed the newly established Pakistan Accord on Health and Safety in the Textile and Garment Industry, helping to bring about improved health and safety for the people working at our partner factories in Pakistan.

We are also continuing our engagement in the Female Empowerment Program at our partner garment factories with the aim of improving the status of women in the apparel industry. We are providing further support for this initiative at eight of the major garment factories we are partnered with in Bangladesh where we have set targets for the end of 2025 on matters such as the ratio of women in managerial positions and the number of staff receiving managerial training.

■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, (Carbon Disclosure Project) an international non-profit organization that provides a platform for environmental disclosure. Moreover, in April 2023, we opened the UNIQLO Maebashi Minami IC Store, our new energy-efficient roadside store. The Maebashi Minami IC Store uses a variety of energy-saving technologies to reduce its energy consumption by approximately estimated 40% compared to conventional UNIQLO roadside stores, with solar panels providing approximately estimated 15% of the total energy consumed.

■ Strengthening Communities: On 8 March 2023, in honor of International Women's Day, we donated \$300,000 (approximately 40 million yen) from sales of bras, bra top vests, BRA-FEEL, shorts, and other UNIQLO and GU products to a project promoting self-reliance for female refugees in Bangladesh supported by the Office of the United Nations High Commissioner for Refugees (UNHCR). This is the first time that we have contributed funds to a project to support women on International Women's Day.

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

### *(i) Financial Positions*

Total assets as at 31 May 2023 were 3.1006 trillion yen, which was a decrease of 83.1 billion yen relative to the end of the preceding fiscal year. The principal factors were a decrease of 435.7 billion yen in cash and cash equivalents, an increase of 41.6 billion yen in trade and other receivables, an increase of 349.2 billion yen in other current financial assets, a decrease of 98.5 billion yen in inventories, a decrease of 58.7 billion yen in derivative financial assets, an increase of 21.2 billion yen in property, plant and equipment and an increase of 94.3 billion yen in non-current financial assets.

Total liabilities as at 31 May 2023 were 1.3530 trillion yen, which was a decrease of 215.3 billion yen relative to the end of the preceding fiscal year. The principal factors were a decrease of 88.1 billion yen in trade and other payables, a decrease of 66.4 billion yen in other current financial liabilities, a decrease of 38.4 billion yen in current tax liabilities, a decrease of 14.7 billion yen in lease liabilities, an increase of 2.9 billion yen in provisions, a decrease of 15.4 billion yen in deferred tax liabilities and an increase of 5.6 billion yen in derivative financial liabilities.

Total net assets as at 31 May 2023 were 1.7475 trillion yen, which was an increase of 132.1 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 165.5 billion yen in retained earnings and a decrease of 32.7 billion yen in other components of equity.

### *(ii) Cash Flows Information*

Cash and cash equivalents as at 31 May 2023 had decreased by 435.7 billion yen from the end of the preceding fiscal year, to 922.5 billion yen.

#### *(Operating Cash Flows)*

Net cash generated by operating activities for the nine months ended 31 May 2023 was 315.8 billion yen (338.6 billion yen was generated during the nine months ended 31 May 2022). The principal factors were cash inflow from profit before tax for 359.2 billion yen, depreciation and amortization for 139.2 billion yen and decrease in inventories for 99.1 billion yen, cash outflow from income taxes paid for 145.6 billion yen and decrease in trade and other payables for 86.7 billion yen.

#### *(Investing Cash Flows)*

Net cash used in investing activities for the nine months ended 31 May 2023 was 505.8 billion yen (90.7 billion yen was used during the nine months ended 31 May 2022). The principal factors were a net increase of 265.7 billion yen in payments for acquisition and proceeds from sale and redemption of investment securities, and 161.1 billion yen in bank deposits with original maturities of three months or longer.

#### *(Financing Cash Flows)*

Net cash used in financing activities for the nine months ended 31 May 2023 was 240.7 billion yen (174.8 billion yen was used during the nine months ended 31 May 2022). The principal factors were 102.0 billion yen in repayments of lease liabilities, and 72.8 billion yen in dividends paid to owners of the parent and 50.0 billion yen in repayment of redemption of bonds.

**(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 third quarter results and subsequent performance. The following table compares our latest full-year business results projection with the previous estimates announced in the “Interim Results Announcement for the Six Months Ended 28 February 2023” released on 13 April 2023.

	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)	2,680,000	360,000	370,200	240,000	782.76
New forecast (B)	2,730,000	370,000	398,600	260,000	847.96
Difference (B–A)	50,000	10,000	28,400	20,000	-
Change (%)	1.9%	2.8%	7.7%	8.3%	-
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. Fast Retailing Co., Ltd. conducted a 3:1 stock split for common shares effective 1 March 2023.

The basic earnings per share for the period displayed in the business results projection reflects 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 31 May 2023
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		1,358,292	922,567
Trade and other receivables		60,184	101,798
Other financial assets		123,446	472,706
Inventories		485,928	387,386
Derivative financial assets		124,551	106,124
Income taxes receivable		2,612	3,243
Other assets		23,835	18,328
Total current assets		2,178,851	2,012,155
Non-current assets			
Property, plant and equipment	6	195,226	216,460
Right-of-use assets	6	395,634	389,805
Goodwill		8,092	8,092
Intangible assets	6	76,621	84,532
Financial assets		164,340	258,725
Investments in associates accounted for using the equity method		18,557	18,830
Deferred tax assets		8,506	10,045
Derivative financial assets		134,240	93,899
Other assets	6	3,690	8,070
Total non-current assets		1,004,911	1,088,461
Total assets		3,183,762	3,100,617
<b>Liabilities and equity</b>			
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables		350,294	262,146
Other financial liabilities		209,286	142,803
Derivative financial liabilities		1,513	3,791
Lease liabilities		123,885	126,159
Current tax liabilities		77,162	38,718
Provisions		2,581	2,833
Other liabilities		111,519	110,813
Total current liabilities		876,242	687,265
Non-current liabilities			
Financial liabilities		241,022	241,189
Lease liabilities		356,840	339,782
Provisions		47,780	50,455
Deferred tax liabilities		44,258	28,839
Derivative financial liabilities		44	3,437
Other liabilities		2,171	2,065
Total non-current liabilities		692,117	665,771
Total liabilities		1,568,360	1,353,037
<b>EQUITY</b>			
Capital stock		10,273	10,273
Capital surplus		27,834	28,236
Retained earnings		1,275,102	1,440,642
Treasury stock, at cost		(14,813)	(14,734)
Other components of equity		263,255	230,481
Equity attributable to owners of the Parent		1,561,652	1,694,899
Non-controlling interests		53,750	52,680
Total equity		1,615,402	1,747,580
Total liabilities and equity		3,183,762	3,100,617

**(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	Nine months ended 31 May 2022	Nine months ended 31 May 2023
Revenue	2	1,765,106	2,143,504
Cost of sales		(837,146)	(1,037,909)
Gross profit		927,959	1,105,594
Selling, general and administrative expenses	3	(655,536)	(780,180)
Other income	4	15,194	8,874
Other expenses	4,6	(17,477)	(4,779)
Share of profit and loss of associates accounted for using the equity method		943	1,066
Operating profit		271,084	330,574
Finance income	5	83,311	36,082
Finance costs	5	(5,139)	(7,453)
Profit before income taxes		349,255	359,203
Income tax expense		(101,714)	(104,297)
Profit for the period		247,541	254,905
Profit for the period attributable to:			
Owners of the Parent		237,836	238,519
Non-controlling interests		9,704	16,386
Total		247,541	254,905
Earnings per share			
Basic (yen)	7	775.99	777.90
Diluted (yen)	7	774.81	776.65

*Interim Condensed Consolidated Statement of Comprehensive Income*

(Millions of yen)

	Notes	Nine months ended 31 May 2022	Nine months ended 31 May 2023
Profit for the period		247,541	254,905
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)		(1)	18
Total items that will not be reclassified subsequently to profit or loss		(1)	18
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		63,273	4,727
Cash flow hedges		107,850	26,987
Share of other comprehensive income of associates		90	75
Total items that may be reclassified subsequently to profit or loss		171,214	31,790
Other comprehensive income / (loss), net of income tax		171,212	31,809
Total comprehensive income for the period		418,754	286,715
Attributable to:			
Owners of the Parent		402,431	271,077
Non-controlling interests		16,322	15,638
Total comprehensive income for the period		418,754	286,715

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

For the nine months ended 31 May 2022

(Millions of yen)

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

For the nine months ended 31 May 2023

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Other components of equity				Total	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
					Financial assets measured at fair value through other comprehensive income / (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	-	-	238,519	-	-	-	-	-	-	238,519	16,386	254,905
Other comprehensive income / (loss)	-	-	-	-	18	4,347	28,115	75	32,557	32,557	(748)	31,809
Total comprehensive income / (loss)	-	-	238,519	-	18	4,347	28,115	75	32,557	271,077	15,638	286,715
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(27)	-	-	-	-	-	(27)	-	(27)
Disposal of treasury stock	-	1,382	-	106	-	-	-	-	-	1,489	-	1,489
Dividends	-	-	(73,074)	-	-	-	-	-	-	(73,074)	(16,305)	(89,379)
Share-based payments	-	(980)	-	-	-	-	-	-	-	(980)	-	(980)
Transfer to non-financial assets	-	-	-	-	-	-	(65,236)	-	(65,236)	(65,236)	(717)	(65,953)
Transfer to retained earnings	-	-	95	-	(95)	-	-	-	(95)	-	-	-
Changes in ownership interests in subsidiaries without losing control	-	-	-	-	-	-	-	-	-	-	314	314
Total transactions with the owners of the Parent	-	402	(72,979)	78	(95)	-	(65,236)	-	(65,331)	(137,829)	(16,707)	(154,537)
Total net changes during the period	-	402	165,540	78	(76)	4,347	(37,120)	75	(32,774)	133,247	(1,069)	132,177
As at 31 May 2023	10,273	28,236	1,440,642	(14,734)	54	104,934	125,286	205	230,481	1,694,899	52,680	1,747,580

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

	Notes	Nine months ended 31 May 2022	Nine months ended 31 May 2023
<b>Cash flows from operating activities</b>			
Profit before income taxes		349,255	359,203
Depreciation and amortization		134,536	139,211
Impairment losses	6	14,927	1,932
Interest and dividend income		(5,399)	(28,161)
Interest expenses		5,092	7,453
Foreign exchange losses / (gains)		(77,863)	(7,920)
Share of profit and loss of associates accounted for using the equity method		(943)	(1,066)
Losses on disposal of property, plant and equipment		900	518
(Increase) / Decrease in trade and other receivables		(29,567)	(41,994)
(Increase) / Decrease in inventories		67,838	99,178
Increase / (Decrease) in trade and other payables		(2,525)	(86,769)
(Increase) / Decrease in other assets		(2,936)	7,702
Increase / (Decrease) in other liabilities		(35,620)	(19,328)
Others, net		(4,271)	22,117
Cash generated from operations		413,422	452,077
Interest and dividends income received		4,623	16,667
Interest paid		(4,682)	(7,149)
Income taxes paid		(81,407)	(145,698)
Income taxes refunded		6,674	—
Net cash generated by / (used in) operating activities		338,630	315,896
<b>Cash flows from investing activities</b>			
Amounts deposited into bank deposits with original maturities of three months or longer		(117,719)	(291,360)
Amounts withdrawn from bank deposits with original maturities of three months or longer		89,385	130,218
Payments for property, plant and equipment		(42,811)	(51,866)
Payments for intangible assets		(19,091)	(25,134)
Payments for acquisition of right-of-use assets		(553)	(1,778)
Payments for acquisition of investment securities		-	(406,710)
Proceeds from sale and redemption of investment securities		-	140,963
Payments for lease and guarantee deposits		(3,895)	(3,332)
Proceeds from collection of lease and guarantee deposits		3,592	3,682
Others, net		329	(519)
Net cash generated by / (used in) investing activities		(90,764)	(505,838)

(Millions of yen)

	Nine months ended 31 May 2022	Nine months ended 31 May 2023
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans payable	13,111	3,760
Repayment of short-term loans payable	(24,996)	(3,615)
Repayment of redemption of bonds	-	(50,000)
Dividends paid to owners of the Parent	(53,091)	(72,813)
Dividends paid to non-controlling interests	(11,623)	(16,391)
Repayments of lease liabilities	(98,748)	(102,054)
Others, net	541	393
Net cash generated by / (used in) financing activities	(174,808)	(240,721)
Effect of exchange rate changes on the balance of cash held in foreign currencies	118,118	(5,061)
Net increase / (decrease) in cash and cash equivalents	191,176	(435,724)
Cash and cash equivalents at the beginning of period	1,177,736	1,358,292
Cash and cash equivalents at the end of period	1,368,912	922,567

**(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 nine months ended 31 May 2022 is based on the revised segmentation.

**(ii) Segment revenue and results**

For the nine months ended 31 May 2022

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	640,972	841,274	190,545	90,084	1,762,877	2,229	—	1,765,106
Operating profit / (loss)	102,668	132,793	17,852	720	254,033	(319)	17,370	271,084
Segment income / (loss) (i.e., Profit before income taxes)	107,963	132,374	18,816	430	259,584	(374)	90,045	349,255
Other disclosure: Impairment losses (Note 3)	—	12,114	1,457	560	14,132	794	—	14,927

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

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

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

For the nine months ended 31 May 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	709,745	1,097,605	227,995	106,449	2,141,795	1,708	—	2,143,504
Operating profit / (loss)	99,608	184,100	25,818	1,479	311,006	29	19,538	330,574
Segment income / (loss) (i.e., Profit before income taxes)	105,013	184,736	25,233	789	315,772	47	43,383	359,203
Other disclosure: Impairment losses (Note 3)	—	1,047	140	744	1,932	—	—	1,932

(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.

Nine months ended 31 May 2022

	Revenue (Millions of yen)	Percentage of Total (%)
Japan	640,972	36.3
Greater China	410,769	23.3
South Korea, Southeast Asia, India & Australia	219,748	12.4
North America & Europe	210,756	11.9
UNIQLO (Note 1)	1,482,247	84.0
GU (Note 2)	190,545	10.8
Global Brands (Note 3)	90,084	5.1
Others (Note 4)	2,229	0.1
Total	1,765,106	100.0

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

The designated regions and countries are classified as follows:

Greater China:	Mainland China, Hong Kong, Taiwan
South Korea, Southeast Asia, India & Australia:	South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia, Australia, Vietnam, India
North America & Europe:	United States of America, Canada, United Kingdom, France, Russia, Germany, Belgium, Spain, Sweden, the Netherlands, Denmark, Italy

(Note 2) Main national and regional market: Japan

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

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



Nine months ended 31 May 2023

	Revenue (Millions of yen)	Percentage of Total (%)
Japan	709,745	33.1
Greater China	476,331	22.2
South Korea, Southeast Asia, India & Australia	342,954	16.0
North America & Europe	278,319	13.0
UNIQLO (Note 1)	1,807,350	84.3
GU (Note 2)	227,995	10.6
Global Brands (Note 3)	106,449	5.0
Others (Note 4)	1,708	0.1
Total	2,143,504	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
South Korea, Southeast Asia, India & Australia:	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)

	Nine months ended 31 May 2022	Nine months ended 31 May 2023
Selling, general and administrative expenses		
Advertising and promotion	60,771	71,641
Lease expenses	58,880	79,349
Depreciation and amortization	134,536	139,211
Outsourcing	40,735	45,309
Salaries	223,285	275,337
Distribution	71,098	83,704
Others	66,228	85,625
Total	655,536	780,180

#### 4. Other income and other expenses

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

(Millions of yen)

	Nine months ended 31 May 2022	Nine months ended 31 May 2023
Other income		
Foreign exchange gains (Note)	6,996	1,673
Others	8,197	7,200
Total	15,194	8,874

(Millions of yen)

	Nine months ended 31 May 2022	Nine months ended 31 May 2023
Other expenses		
Loss on retirement of property, plant and equipment	900	518
Impairment losses	14,927	1,932
Others	1,649	2,327
Total	17,477	4,779

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

#### 5. Finance income and finance costs

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

(Millions of yen)

	Nine months ended 31 May 2022	Nine months ended 31 May 2023
Finance income		
Foreign exchange gains (Note)	77,863	7,920
Interest income	5,385	28,155
Others	61	5
Total	83,311	36,082

(Millions of yen)

	Nine months ended 31 May 2022	Nine months ended 31 May 2023
Finance costs		
Interest expenses	5,092	7,453
Others	47	—
Total	5,139	7,453

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

## 6. Impairment losses

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

(Millions of yen)

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

The Group's impairment losses during the nine months ended 31 May 2023 amounted to 1,932 million yen, compared with 14,927 million yen during the nine months ended 31 May 2022, and are included in "Other expenses" on the Interim condensed consolidated statement of profit or loss.

A breakdown of assets with recognized impairment losses is not included because the impairment losses recorded by the Group during the nine months ended 31 May 2023 was immaterial.

For the nine months ended 31 May 2022

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

Impairment losses amounting to 14,927 million yen represented write downs of the carrying amounts of store assets to the recoverable amounts, primarily due to a reduction in profitability of certain stores, including flagship stores. We made accounting estimates involving the assumption that the impact of the global spread of COVID-19 will continue to recover for most countries and regions, including Japan. For other countries and regions, the impact may continue for mid to long term.

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

The value in use is calculated based on the cash flow projections with estimates and growth rates approved by management, applying weighted-average discount rate of 19.4%. Theoretically, the projected cash flows cover a five-year period, and do not use a growth rate that exceeds the long-term average market growth rate. The pre-tax discount rate calculation is based on the weighted-average cost of capital.

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

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

For the nine months ended 31 May 2023

No significant impairment losses.

7. Earnings per share

Nine months ended 31 May 2022		Nine months ended 31 May 2023	
Equity per share attributable to owners of the Parent (Yen)	4,699.13	Equity per share attributable to owners of the Parent (Yen)	5,527.11
Basic earnings per share for the period (Yen)	775.99	Basic earnings per share for the period (Yen)	777.90
Diluted earnings per share for the period (Yen)	774.81	Diluted earnings per share for the period (Yen)	776.65

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

	Nine months ended 31 May 2022	Nine months ended 31 May 2023
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	237,836	238,519
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders (Millions of yen)	237,836	238,519
Average number of common stock outstanding during the period (Shares)	306,495,204	306,618,230
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	464,425	493,601
(Number of share subscription rights included in increase)	(464,425)	(493,601)

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

Not applicable.

### **3. Resumption of Trading**

At the request of the Company, trading in its Hong Kong depositary receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 13 July 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 July 2023.

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

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

Japan, 13 July 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.*