



FAST RETAILING

FAST RETAILING CO., LTD.

迅銷有限公司

Third Quarterly Report 2021/22

2022.3.1-2022.5.31

Stock Code: 6288

Contents

1. Corporate Profile	2
2. Financial Highlights	3
3. Management Discussion and Analysis	5
4. Information about the Reporting Entity	10
5. Financial Section	12
1. Interim Condensed Consolidated Financial Statements	
(1) Interim Condensed Consolidated Statement of Financial Position	13
(2) Interim Condensed Consolidated Statement of Profit or Loss and Interim Condensed Consolidated Statement of Comprehensive Income	15
Interim Condensed Consolidated Statement of Profit or Loss	15
Interim Condensed Consolidated Statement of Comprehensive Income	17
(3) Interim Condensed Consolidated Statement of Changes in Equity	19
(4) Interim Condensed Consolidated Statement of Cash Flows	21
2. Others	35
Independent Accountant's Review Report	36

1. Corporate Profile

Board of Directors

Chairman

Tadashi Yanai (*President and CEO*)

Executive Directors

Takeshi Okazaki

Kazumi Yanai

Koji Yanai

Independent Non-executive Directors

Nobumichi Hattori

Masaaki Shintaku

Takashi Nawa

Naotake Ohno

Kathy Mitsuko Koll (aka Kathy Matsui)

Board of Statutory Auditors

Masaaki Shinjo

Masumi Mizusawa

Keiko Kaneko (External)

Takao Kashitani (External)

Masakatsu Mori (External)

Company Secretary

Shea Yee Man

Independent Accountants

Deloitte Touche Tohmatsu LLC

Principal Banks

Sumitomo Mitsui Banking Corporation

MUFG Bank, Ltd.

Mizuho Bank, Ltd.

The Hong Kong and Shanghai Banking Corporation Limited

Registered Office and Headquarters

10717-1 Sayama

Yamaguchi City

Yamaguchi 754-0894

Japan

Principal Place of Business in Japan

Midtown Tower 9-7-1

Akasaka, Minato-ku

Tokyo 107-6231

Japan

Principal Place of Business in Hong Kong

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

No. 132 Nathan Road

Tsim Sha Tsui

Kowloon

Hong Kong

HDR Registrar and HDR Transfer Office

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

Stock Code

Hong Kong: 6288

Japan: 9983

Website Address

<https://www.fastretailing.com>

2. Financial Highlights

Consolidated Financial Summary

Term	Third Quarter of 60th Fiscal Year	Third Quarter of 61st Fiscal Year	60th Fiscal Year
Accounting period	Nine months ended 31 May 2021	Nine months ended 31 May 2022	Year ended 31 August 2021
Revenue (Millions of yen)	1,698,082	1,765,106	2,132,992
Operating profit (Millions of yen)	227,897	271,084	249,011
Profit before income taxes (Millions of yen)	245,654	349,255	265,872
Profit for the period attributable to owners of the Parent (Millions of yen)	151,351	237,836	169,847
Comprehensive income attributable to owners of the Parent (Millions of yen)	209,635	402,431	215,309
Equity attributable to owners of the Parent (Millions of yen)	1,113,646	1,440,495	1,116,484
Total assets (Millions of yen)	2,492,263	2,859,574	2,509,976
Basic earnings per share (Yen)	1,482.08	2,327.96	1,663.12
Diluted earnings per share (Yen)	1,479.65	2,324.44	1,660.44
Ratio of equity attributable to owners of the Parent to total assets (%)	44.7	50.4	44.5
Net cash generated by operating activities (Millions of yen)	367,214	338,630	428,968
Net cash (used in) / generated by investing activities (Millions of yen)	(65,768)	(90,764)	(82,597)
Net cash (used in) / generated by financing activities (Millions of yen)	(262,782)	(174,808)	(302,985)
Cash and cash equivalents at end of the period (year) (Millions of yen)	1,177,159	1,368,912	1,177,736

Accounting period	Three months ended 31 May 2021	Three months ended 31 May 2022
Revenue (Millions of yen)	495,218	546,129
Profit attributable to owners of the Parent (Millions of yen)	45,483	90,991
Basic earnings per share for the period (Yen)	445.33	890.52

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

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

Business Description

There were no significant changes in the nature of the business engaged by the Company and its subsidiaries (collectively, the “Group”) during the nine months ended 31 May 2022.

In addition, there were no significant changes in the organizational structure of the Group, including the major subsidiaries, during the nine months ended 31 May 2022.

3. Management Discussion and Analysis

Business Review

1. Business and Operational Risks

No new business-related risks have arisen during the nine months ended 31 May 2022.

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

2. Financial Analysis

(1) Financial Position and Results of Operations

(i) Results of Operations

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

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

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

UNIQLO Japan

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

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

UNIQLO International

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

In the third quarter from March to May 2022, performance continued strong in S/SE Asia & Oceania, and North America and Europe (excluding Russia). Breaking down the UNIQLO International performance into individual regions and markets (in local currency terms), the Greater China region generated much lower revenue and profit. Sales slumped in the face of COVID-19-related restrictions on movement as we had to temporarily close a maximum of 169 stores mainly in Shanghai over the March-to-May period. However, sales increased and performance started to recover in June once restrictions were eased. Revenue and profit increased significantly in S/SE Asia & Oceania, with consumers' desire to go out recovering nicely as COVID-19 restrictions were eased. Performances from Malaysia, the Philippines, Indonesia, and Singapore proved especially strong. UNIQLO North America generated a large increase in revenue and moved into the black in the third quarter, with the operation's continued strong performance being underpinned by solid support from North American customers for T-shirts, tank tops, short pants, and other core products. Meanwhile, UNIQLO Europe (excluding Russia) generated a large increase in revenue and moved into the black in the third quarter as our efforts to successfully instill our LifeWear concept and expand our customer base along with increasingly energetic tourist demand provided a favorable tailwind.

GU

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

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

Global Brands

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

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

Sustainability

Fast Retailing is advancing its LifeWear concept—the ultimate in everyday clothing, designed to make everyone's life better—to create apparel that not only emphasizes quality, design, and price, but also meets the definition of "good clothing" from the standpoint of the environment, people, and society. The entire Fast Retailing Group, based on the LifeWear concept, will accelerate its transition to a new business model encompassing both sustainability and business growth. Our six materialities are: Creating new value through products and services; Respecting human rights in our supply chain; Respecting the environment; Strengthening communities; Supporting employee fulfillment and Implementing good corporate governance. Our main activities for the three months ended 31 May 2022 involved:

■ Respecting human rights in our supply chain: We are continuing to implement initiatives to improve our supply chain transparency. In March 2022, we updated our list of production partners (including factories with whom we expect to continue business relationships) and published it on our website. We also published lists of fabric mills that have been continuously producing materials for our products, and factories entrusted with processing steps (such as washing and printing).

■ Respecting the environment: To solve the water environment issues facing local communities, we are striving to prevent and reduce water pollution, and to reduce the amount of water we use. In June 2022, based on the results of the water risk assessment conducted in 2021, we set targets for the garment factories and fabric mills that account for the top 80% of water consumption, with a focus on areas faced with high water supply risks and factories with high levels of water consumption. We also announced our goal to reduce water consumption by 10% (compared to 2020) at each factory by the end of 2025.

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

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

(ii) Financial Position

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

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

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

(2) Cash Flows Information

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

(Operating Cash Flows)

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

(Investing Cash Flows)

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

(Financing Cash Flows)

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

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

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

(4) Operational and Financial Challenges to Address as Priority

There have been no significant challenges during the nine months ended 31 May 2022 that must be addressed by the Group.

(5) Research and Development

Not applicable.

(6) Significant Facilities

The following are the significant facilities that were newly completed during the nine months ended 31 May 2022.

<Subsidiaries in Japan>

Company name	Type of facility	Name of business	Location	Completion date
UNIQLO CO., LTD.	UNIQLO Japan warehouses	Kobe DC Warehouses	Japan Hyogo	September 2021
UNIQLO CO., LTD.	UNIQLO Japan warehouses	Ibaraki DC Warehouses	Japan Osaka	November 2021
UNIQLO CO., LTD.	UNIQLO Japan warehouses	Nagareyama DC Warehouses	Japan Chiba	April 2022

<Overseas Subsidiaries>

Company name	Type of facility	Name of business	Location	Completion date
UNIQLO EUROPE LIMITED	UNIQLO International store	UNIQLO Rivoli	France Paris	September 2021
UNIQLO TAIWAN LTD.	UNIQLO International store	UNIQLO Taipei	Taiwan Taipei	October 2021
FAST RETAILING (CHINA) TRADING CO., LTD	UNIQLO International store	UNIQLO BEIJING SALITUN	China Beijing	November 2021
LLC UNIQLO (RUS)	UNIQLO International store	UNIQLO Moscow	Russia Moscow	December 2021
UNIQLO EUROPE LIMITED	UNIQLO International store	UNIQLO Regent Street	United Kingdom London	April 2022

The following are the significant facilities that were newly planned as at 31 May 2022.

<Subsidiaries in Japan>

Not applicable.

<Overseas Subsidiaries>

Not applicable.

3. Significant Contracts in Business Operation

None.

4. Information about the Reporting Entity

1. Stock Information

(1) Number of Shares

(i) Total number of shares

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

(ii) Shares Issued

Type	Number of shares issued as at 31 May 2022	Number of shares issued as at submission date (As at 15 July 2022)	Name of financial instrument exchange of listing, or authorized financial instruments firms association	Remarks
Common stock	106,073,656	106,073,656	Prime Market of the Tokyo Stock Exchange and the Main Board of The Stock Exchange of Hong Kong Limited (Note)	100 shares as one unit
Total	106,073,656	106,073,656	-	-

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

(2) Share Subscription Rights

1. Details of the Stock Option Program

Not applicable.

2. Other Share Subscription Rights

Not applicable.

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

Not applicable.

(4) Change in total number of Shares Issued, Capital Stock, Etc.

Date	Increase/ (decrease) of total number of shares issued	Balance of total number of shares issued	Increase/ (decrease) of capital stock (Millions of yen)	Balance of capital stock (Millions of yen)	Increase/ (decrease) of capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
1 March 2022 to 31 May 2022	-	106,073,656	-	10,273	-	4,578

(Note) There was no change in the total number of shares issued, capital stock or capital reserve during the three months ended 31 May 2022.

(5) Major Shareholders

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

(6) Voting Rights

Concerning “Voting Rights” as at the end of the third quarterly accounting period ended 31 May 2022, it has not been possible to confirm and state the details entered in the register of shareholders. Therefore, the stated details are based on the register of shareholders as at the immediately preceding record date (28 February 2022).

(i) Shares issued

As at 31 May 2022

Class	Number of shares	Number of voting rights	Remarks
Non-voting shares	-	-	-
Shares subject to restrictions on voting rights (e.g., treasury stock)	-	-	-
Shares subject to restrictions on voting rights (e.g., other than treasury stock)	-	-	-
Shares with full voting rights (e.g., treasury stock)	(Shares held as treasury stock) Common stock 3,899,600	-	-
Shares with full voting rights (e.g., other than treasury stock)	Common stock 102,077,400	1,020,774	(Note) 1
Shares less than one unit	Common stock 96,656	-	(Notes) 1, 2
Total number of shares issued	106,073,656	-	-
Total number of voting rights of all shareholders	-	1,020,774	-

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

2. Common stock in the “Shares less than one unit” row includes 87 shares of treasury stock held by the Company.

(ii) Treasury Stock

As at 31 May 2022

Name or trade name of holder	Holder's address	Number of shares held in own name	Number of shares held in other's name	Total number of shares held	Percentage of total number of shares issued (%)
FAST RETAILING CO., LTD.	10717-1 Sayama, Yamaguchi-shi, Yamaguchi	3,899,600	-	3,899,600	3.68
Total	-	3,899,600	-	3,899,600	3.68

2. Directors

Since the submission of the year-end report for the preceding fiscal year, there has been no change of directors during the nine months ended 31 May 2022.

5. Financial Section

1. Preparation of Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements of the Group, namely, the interim condensed consolidated statement of financial position as at 31 May 2022, the interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, the interim condensed consolidated statement of changes in equity and interim condensed consolidated statements of cash flows for the nine-month period then ended, and the related notes (collectively, the “interim condensed consolidated financial statements”) were prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”), pursuant to Article 93 of the “Rules Governing Term, Form and Preparation of Consolidated Quarterly Financial Statements” (Cabinet Office Ordinance No. 64 of 2007, hereinafter referred to as “Consolidated Quarterly Financial Statements Rules”).

2. Review Report

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

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

1. Interim Condensed Consolidated Financial Statements

(1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	Notes	As at 31 August 2021	As at 31 May 2022
ASSETS			
Current assets			
Cash and cash equivalents		1,177,736	1,368,912
Trade and other receivables		50,546	85,332
Other financial assets	15	56,157	95,076
Inventories	6	394,868	351,718
Derivative financial assets	15	27,103	79,822
Income taxes receivable		2,992	2,133
Other assets		15,270	17,632
Total current assets		1,724,674	2,000,627
Non-current assets			
Property, plant and equipment	7,8	168,177	189,808
Right-of-use assets	8	390,537	396,379
Goodwill		8,092	8,092
Intangible assets	8	66,939	73,081
Financial assets	15	67,122	69,436
Investments in associates accounted for using the equity method		18,236	18,415
Deferred tax assets		37,125	12,054
Derivative financial assets	15	22,552	87,702
Other assets	8	6,520	3,975
Total non-current assets		785,302	858,946
Total assets		2,509,976	2,859,574
Liabilities and equity			
LIABILITIES			
Current liabilities			
Trade and other payables		220,057	225,332
Other financial liabilities	15	104,969	115,746
Derivative financial liabilities	15	2,493	994
Lease liabilities		117,083	121,215
Current tax liabilities		38,606	63,500
Provisions		2,149	2,156
Other liabilities		95,652	95,269
Total current liabilities		581,012	624,215
Non-current liabilities			
Financial liabilities	15	370,799	320,888
Lease liabilities		343,574	355,038
Provisions		39,046	45,398
Deferred tax liabilities		9,860	21,245
Derivative financial liabilities	15	1,042	67
Other liabilities		2,342	2,396
Total non-current liabilities		766,665	745,034
Total liabilities		1,347,678	1,369,250

	Notes	As at 31 August 2021	As at 31 May 2022
EQUITY			
Capital stock		10,273	10,273
Capital surplus		25,360	27,787
Retained earnings		1,054,791	1,239,578
Treasury stock, at cost		(14,973)	(14,834)
Other components of equity		41,031	177,690
Equity attributable to owners of the Parent		1,116,484	1,440,495
Non-controlling interests		45,813	49,828
Total equity		1,162,298	1,490,323
Total liabilities and equity		2,509,976	2,859,574

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

Interim Condensed Consolidated Statement of Profit or Loss
Nine months ended 31 May 2022

(Millions of yen)

	Notes	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Revenue	10	1,698,082	1,765,106
Cost of sales		(839,246)	(837,146)
Gross profit		858,836	927,959
Selling, general and administrative expenses	11	(615,730)	(655,536)
Other income	12	7,855	15,194
Other expenses	8,12	(23,646)	(17,477)
Share of profit and loss of associates accounted for using the equity method		581	943
Operating profit		227,897	271,084
Finance income	13	23,014	83,311
Finance costs	13	(5,256)	(5,139)
Profit before income taxes		245,654	349,255
Income tax expense		(88,777)	(101,714)
Profit for the period		156,876	247,541
Profit for the period attributable to:			
Owners of the Parent		151,351	237,836
Non-controlling interests		5,525	9,704
Total		156,876	247,541
Earnings per share			
Basic (yen)	14	1,482.08	2,327.96
Diluted (yen)	14	1,479.65	2,324.44

Three months ended 31 May 2022

(Millions of yen)

	Notes	Three months ended 31 May 2021	Three months ended 31 May 2022
Revenue		495,218	546,129
Cost of sales		(236,833)	(247,255)
Gross profit		258,385	298,874
Selling, general and administrative expenses		(194,979)	(216,271)
Other income		3,408	8,541
Other expenses		(7,133)	(9,706)
Share of profit and loss of associates accounted for using the equity method		233	367
Operating profit / (loss)		59,914	81,806
Finance income		15,955	56,616
Finance costs		(1,697)	(1,732)
Profit / (loss) before income taxes		74,171	136,689
Income tax expense		(26,550)	(43,531)
Profit / (loss) for the period		47,621	93,158
Profit / (loss) for the period attributable to:			
Owners of the Parent		45,483	90,991
Non-controlling interests		2,138	2,167
Total		47,621	93,158
Earnings / (loss) per share			
Basic (yen)	14	445.33	890.52
Diluted (yen)	14	444.63	889.23

Interim Condensed Consolidated Statement of Comprehensive Income
 Nine months ended 31 May 2022

(Millions of yen)

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

Three months ended 31 May 2022

(Millions of yen)

Notes	Three months ended 31 May 2021	Three months ended 31 May 2022
Profit / (loss) for the period	47,621	93,158
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)	41	56
Total items that will not be reclassified subsequently to profit or loss	41	56
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	17,956	46,312
Cash flow hedges	19,552	77,288
Share of other comprehensive income of associates	42	82
Total items that may be reclassified subsequently to profit or loss	37,551	123,683
Other comprehensive income / (loss), net of income tax	37,592	123,739
Total comprehensive income for the period	85,214	216,897
Attributable to:		
Owners of the Parent	82,234	207,983
Non-controlling interests	2,979	8,914
Total comprehensive income for the period	85,214	216,897

(3) Interim Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 May 2021

(Millions of yen)

Note	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Other components of equity				Total	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
					Financial assets measured at fair value through other comprehensive income	Foreign currency translation reserve	Cash flow hedge reserve	Share of other comprehensive income of associates				
As at 1 September 2020	10,273	23,365	933,303	(15,129)	385	(8,489)	12,905	(51)	4,749	956,562	39,516	996,079
Net changes during the period												
Comprehensive income												
Profit for the period	-	-	151,351	-	-	-	-	-	-	151,351	5,525	156,876
Other comprehensive income / (loss)	-	-	-	-	410	32,940	24,834	98	58,284	58,284	2,587	60,871
Total comprehensive income	-	-	151,351	-	410	32,940	24,834	98	58,284	209,635	8,112	217,748
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(5)	-	-	-	-	-	(5)	-	(5)
Disposal of treasury stock	-	1,567	-	140	-	-	-	-	-	1,708	-	1,708
Dividends	9	-	(49,015)	-	-	-	-	-	-	(49,015)	(1,867)	(50,882)
Share-based payments	-	369	-	-	-	-	-	-	-	369	-	369
Transfer to non-financial assets	-	-	-	-	-	-	(5,608)	-	(5,608)	(5,608)	(68)	(5,677)
Transfer to retained earnings	-	-	433	-	(433)	-	-	-	(433)	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	262	262
Total transactions with the owners of the Parent	-	1,936	(48,582)	134	(433)	-	(5,608)	-	(6,041)	(52,552)	(1,673)	(54,226)
Total net changes during the period	-	1,936	102,769	134	(22)	32,940	19,225	98	52,242	157,083	6,438	163,521
As at 31 May 2021	10,273	25,301	1,036,072	(14,994)	363	24,450	32,130	46	56,991	1,113,646	45,955	1,159,601

For the nine months ended 31 May 2022

(Millions of yen)

Note	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Other components of equity				Total	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
					Financial assets measured at fair value through other comprehensive income	Foreign currency translation reserve	Cash flow hedge reserve	Share of other comprehensive income of associates				
As at 1 September 2021	10,273	25,360	1,054,791	(14,973)	271	9,855	30,890	13	41,031	1,116,484	45,813	1,162,298
Net changes during the period												
Comprehensive income												
Profit for the period	-	-	237,836	-	-	-	-	-	-	237,836	9,704	247,541
Other comprehensive income / (loss)	-	-	-	-	(1)	57,317	107,189	90	164,595	164,595	6,617	171,212
Total comprehensive income	-	-	237,836	-	(1)	57,317	107,189	90	164,595	402,431	16,322	418,754
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(3)	-	-	-	-	-	(3)	-	(3)
Disposal of treasury stock	-	1,725	-	141	-	-	-	-	-	1,867	-	1,867
Dividends	9	-	(53,123)	-	-	-	-	-	-	(53,123)	(12,554)	(65,678)
Share-based payments	-	701	-	-	-	-	-	-	-	701	-	701
Transfer to non-financial assets	-	-	-	-	-	-	(27,862)	-	(27,862)	(27,862)	(155)	(28,017)
Transfer to retained earnings	-	-	74	-	(74)	-	-	-	(74)	-	-	-
Changes in ownership interests in subsidiaries without losing control	-	-	-	-	-	-	-	-	-	-	402	402
Total transactions with the owners of the Parent	-	2,426	(53,049)	138	(74)	-	(27,862)	-	(27,936)	(78,420)	(12,307)	(90,728)
Total net changes during the period	-	2,426	184,787	138	(75)	57,317	79,326	90	136,658	324,011	4,014	328,025
As at 31 May 2022	10,273	27,787	1,239,578	(14,834)	195	67,172	110,217	104	177,690	1,440,495	49,828	1,490,323

(4) Interim Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Note	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Cash flows from operating activities			
Profit before income taxes		245,654	349,255
Depreciation and amortization		132,576	134,536
Impairment losses	8	17,577	14,927
Interest and dividend income		(3,473)	(5,399)
Interest expenses		5,249	5,092
Foreign exchange losses / (gains)		(19,532)	(77,863)
Share of profit and loss of associates accounted for using the equity method		(581)	(943)
Losses on disposal of property, plant and equipment		757	900
(Increase) / Decrease in trade and other receivables		(7,826)	(29,567)
(Increase) / Decrease in inventories		87,475	67,838
Increase / (Decrease) in trade and other payables		(39,652)	(2,525)
(Increase) / Decrease in other assets		1,463	(2,936)
Increase / (Decrease) in other liabilities		6,517	(35,620)
Others, net		2,346	(4,271)
Cash generated from operations		428,549	413,422
Interest and dividends income received		3,110	4,623
Interest paid		(4,336)	(4,682)
Income taxes paid		(61,928)	(81,407)
Income taxes refunded		1,818	6,674
Net cash generated by operating activities		367,214	338,630
Cash flows from investing activities			
Amounts deposited into bank deposits with original maturities of three months or longer		(78,518)	(117,719)
Amounts withdrawn from bank deposits with original maturities of three months or longer		71,683	89,385
Payments for property, plant and equipment		(41,952)	(42,811)
Payments for intangible assets		(13,815)	(19,091)
Payments for acquisition of right-of-use assets		(807)	(553)
Payments for lease and guarantee deposits		(2,859)	(3,895)
Proceeds from collection of lease and guarantee deposits		3,129	3,592
Payments for acquisition of investments in associates		(4,232)	-
Others, net		1,605	329
Net cash generated by / (used in) investing activities		(65,768)	(90,764)

(Millions of yen)

	Note	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Cash flows from financing activities			
Proceeds from short-term loans payable		43,425	13,111
Repayment of short-term loans payable		(43,843)	(24,996)
Repayment of redemption of bonds		(100,000)	-
Dividends paid to owners of the Parent	9	(48,993)	(53,091)
Dividends paid to non-controlling interests		(1,867)	(11,623)
Repayments of lease liabilities		(111,638)	(98,748)
Others, net		134	541
Net cash generated by / (used in) financing activities		(262,782)	(174,808)
Effect of exchange rate changes on the balance of cash held in foreign currencies		44,965	118,118
Net increase in cash and cash equivalents		83,627	191,176
Cash and cash equivalents at the beginning of period		1,093,531	1,177,736
Cash and cash equivalents at the end of period		1,177,159	1,368,912

Notes to the Interim Condensed Consolidated Financial Statements

1. Reporting Entity

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

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

2. Basis of Preparation

The interim condensed consolidated financial statements have been prepared in compliance with IAS 34. The Group meets all of the criteria of a "specified company" defined under Article 1-2 of the Consolidated Quarterly Financial Statements Rules and accordingly, applies Article 93 of the Consolidated Quarterly Financial Statements Rules. Since the interim condensed consolidated financial statements do not include all the information and disclosures required for consolidated financial statements, they should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 August 2021.

The interim condensed consolidated financial statements were approved on 14 July 2022 by Tadashi Yanai, Chairman, President and CEO, and Takeshi Okazaki, Group Executive Vice President and CFO.

3. Significant Accounting Policies

The accounting policies presented in the consolidated financial statements for the year ended 31 August 2021 are applied consistently in the preparation of these interim condensed consolidated financial statements.

4. Use of Estimates and Judgments

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

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

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.

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

5. Segment Information

(i) Description of reportable segments

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

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

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

UNIQLO Japan: UNIQLO clothing business within Japan

UNIQLO International: UNIQLO clothing business outside of Japan

GU: GU clothing business in Japan and overseas

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

For J Brand Inc, which had been included in Global Brands operations for the nine months ended 31 May 2021, the corporate liquidation proceedings has been completed on 5 August 2021.

(ii) Segment revenue and results

For the nine months ended 31 May 2021

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	675,102	739,609	200,858	80,576	1,696,146	1,936	-	1,698,082
Operating profit / (loss)	119,518	97,781	24,353	(8,983)	232,670	110	(4,883)	227,897
Segment income /(loss) (i.e., profit / loss before income taxes)	121,920	96,412	24,300	(9,343)	233,290	111	12,253	245,654
Other disclosure: Impairment losses (Note 3)	3,155	11,103	1,095	2,222	17,577	-	-	17,577

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

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

(Note 3) Details on the Impairment losses are stated in note "8. Impairment losses".

For the nine months ended 31 May 2022

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	640,972	841,274	190,545	90,084	1,762,877	2,229	-	1,765,106
Operating profit / (loss)	119,067	132,793	17,852	720	270,433	(319)	970	271,084
Segment income /(loss) (i.e., profit / loss before income taxes)	124,335	132,374	18,816	430	275,956	(374)	73,673	349,255
Other disclosure: Impairment losses (Note 3)	-	12,114	1,457	560	14,132	794	-	14,927

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

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

(Note 3) Details on the Impairment losses are stated in note "8. Impairment losses".

For the three months ended 31 May 2021

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	182,583	217,782	68,187	26,014	494,567	651	-	495,218
Operating profit / (loss)	21,648	30,711	8,464	(794)	60,028	65	(179)	59,914
Segment income /(loss) (i.e., profit / loss before income taxes)	23,420	30,417	8,488	(906)	61,420	65	12,685	74,171
Other disclosure: Impairment losses (Note 3)	2,316	2,067	661	836	5,881	-	-	5,881

(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 "8. Impairment losses".

For the three 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	198,459	248,010	67,721	31,090	545,281	847	-	546,129
Operating profit / (loss)	38,141	32,419	8,466	(323)	78,703	192	2,910	81,806
Segment income /(loss) (i.e., profit / loss before income taxes)	41,687	31,302	9,281	(434)	81,836	171	54,682	136,689
Other disclosure: Impairment losses (Note 3)	-	8,533	271	35	8,840	-	-	8,840

(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 "8. Impairment losses".

6. Inventories

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

(Millions of yen)

	Nine months ended 31 May 2021	Nine months ended 31 May 2022
Write-down of inventories to net realizable value	11,542	6,503

7. Property, Plant and Equipment

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

(Millions of yen)

	As at 31 August 2021	As at 31 May 2022
Buildings and structures	116,120	121,419
Machinery and equipment	11,216	30,183
Furniture, fixtures and vehicles	20,553	25,787
Land	1,927	1,927
Construction in progress	18,358	10,490
Total	168,177	189,808

8. Impairment Losses

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

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

(Millions of yen)

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

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

For the nine months ended 31 May 2021

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

Impairment losses amounting to 17,577 million yen represented write downs of the carrying amounts of store assets to the recoverable amounts, primarily due to a reduction in profitability of certain stores, including flagship stores. With the global spread of COVID-19, the Group's performance has been adversely affected due to temporarily closing of the stores, etc. Although the timing for the situation subsiding differs from region to region and on a case-by-case basis, we made accounting estimates involving the assumption that the impact will last until the end of February 2022 for most countries and regions including Japan. For stores in other certain countries and regions, it may take longer for the situation to get under control.

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

The value in use is calculated based on the cash flow projections with estimates and growth rates approved by management, applying a discount rate of mainly 8.7%. Theoretically, the projected cash flows cover a five-year period, and do not use a growth rate that exceeds the long-term average market growth rate. The pre-tax discount rate calculation is based on the weighted-average cost of capital.

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

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

For the nine months ended 31 May 2022

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

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

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

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

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

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

9. Dividends

The total amount of dividends paid was as follows:

For the nine months ended 31 May 2021

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
Meeting of the Board on 4 November 2020	24,504	240
Meeting of the Board on 8 April 2021	24,511	240

Dividends were declared on 4 November 2020 and paid on 6 November 2020. The effective date of the dividend was for shareholders as at 31 August 2020.

Dividends were declared on 8 April 2021 and paid on 11 May 2021. The effective date of the dividend was for shareholders as at 28 February 2021.

For the nine months ended 31 May 2022

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
Meeting of the Board on 2 November 2021	24,514	240
Meeting of the Board on 14 April 2022	28,608	280

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

Dividends were declared on 14 April 2022 and paid on 10 May 2022. The effective date of the dividend was for shareholders as at 28 February 2022.

10. Revenue

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

Nine months ended 31 May 2021

	Revenue (Millions of yen)	Percent of Total (%)
Japan	675,102	39.8
Greater China	431,502	25.4
Other parts of Asia & Oceania	165,255	9.7
North America & Europe	142,851	8.4
UNIQLO (Note 1)	1,414,711	83.3
GU (Note 2)	200,858	11.8
Global Brands (Note 3)	80,576	4.7
Others (Note 4)	1,936	0.1
Total	1,698,082	100.0

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

The designated countries and regions are classified as follows:

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

(Note 2) Main national and regional market: Japan

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

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

Nine months ended 31 May 2022

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

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

The designated countries and regions are classified as follows:

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

(Note 2) Main national and regional market: Japan

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

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

11. Selling, General and Administrative Expenses

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

(Millions of yen)

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

12. Other Income and Other Expenses

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

(Millions of yen)

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

(Millions of yen)

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

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

13. Finance Income and Finance Costs

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

(Millions of yen)

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

(Millions of yen)

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

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

14. Earnings per Share

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

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

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

Three months ended 31 May 2021		Three months ended 31 May 2022	
Basic earnings per share (Yen)	445.33	Basic earnings per share (Yen)	890.52
Diluted loss per share (Yen)	444.63	Diluted earnings per share (Yen)	889.23

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

	Three months ended 31 May 2021	Three months ended 31 May 2022
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	45,483	90,991
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders (Millions of yen)	45,483	90,991
Average number of common stock outstanding during the period (Shares)	102,133,992	102,178,271
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	160,996	148,423
(Number of share subscription rights included in increase)	(160,996)	(148,423)

15. Fair value of Financial Instruments

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

(Millions of yen)

	As at 31 August 2021		As at 31 May 2022	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Financial assets:				
Security deposits and guarantees	64,502	65,358	67,262	67,337
Total	64,502	65,358	67,262	67,337
Financial liabilities:				
Corporate bonds	369,471	375,144	369,560	371,579
Total	369,471	375,144	369,560	371,579

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

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

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

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

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

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

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

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

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

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

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

(Millions of yen)

As at 31 August 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	808	-	199	1,008
Net financial assets and financial liabilities measured at fair value through profit or loss	-	(71)	-	(71)
Net financial assets and financial liabilities designated as hedging instruments - Fair value	-	46,190	-	46,190
Fair value	808	46,118	199	47,127

(Millions of yen)

As at 31 May 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	447	-	201	648
Net financial assets and financial liabilities measured at fair value through profit or loss	-	(572)	-	(572)
Net financial assets and financial liabilities designated as hedging instruments - Fair value	-	167,034	-	167,034
Fair value	447	166,462	201	167,111

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

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

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

16. Commitments for Expenditures

The Group had the following commitments at each reporting date:

(Millions of yen)

	As at 31 August 2021	As at 31 May 2022
Commitment for the acquisition of property, plant and equipment	21,492	27,858
Commitment for the acquisition of intangible assets	1,487	3,374
Total	22,979	31,232

17. Subsequent Events

Not applicable.

2. Others

Dividends

The Company resolved to pay dividends from retained earnings at the meeting of the Board convened on 14 April 2022. The total amount of dividends paid and the amount per share are stated under "Financial Section 1. Interim Condensed Consolidated Financial Statements, Notes to the Interim Condensed Consolidated Financial Statements 9. Dividends."

(TRANSLATION)

Independent accountant's review report

15 July 2022

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

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Hirofumi
Otani

Designated Engagement Partner,
Certified Public Accountant:

Akira
Kimotsuki

Accountant's Conclusion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have reviewed the interim condensed consolidated financial statements of FAST RETAILING CO., LTD. and its consolidated subsidiaries (the "Group") included in the Financial Section, namely, the interim condensed consolidated statement of financial position as at 31 May 2022, the interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine-month period then ended, and the related notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at 31 May 2022, and its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month period then ended in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" ("IAS 34"), pursuant to Article 93 of the "Rules Governing Term, Form and Preparation of Consolidated Quarterly Financial Statements".

Basis for Accountant's Conclusion

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Readers of Independent Accountant's Review Report

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