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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 2016
 AND
 RESUMPTION OF TRADING**

The board (the "Board") of directors (the "Directors") of FAST RETAILING CO., LTD. (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the nine months ended 31 May 2016.

At the request of the Company, trading in its Hong Kong depositary receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 14 July 2016, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Friday, 15 July 2016.

(Amounts are rounded down to the nearest million Japanese Yen unless otherwise stated)

1. CONSOLIDATED RESULTS

(1) Consolidated Operation Results (1 September 2015 to 31 May 2016)

(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 2016	1,434,616	6.4	145,829	(23.0)	122,095	(41.9)	76,694	(45.2)
Nine months ended 31 May 2015	1,348,114	23.9	189,274	35.5	210,282	47.1	140,009	52.2

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended 31 May 2016	71,010	(46.4)	(43,765)	—	696.50	695.54
Nine months ended 31 May 2015	132,364	51.5	243,316	169.8	1,298.60	1,296.99

(2) Consolidated Financial Positions

	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 2016	1,272,753	693,580	668,850	52.6	6,559.91
As at 31 August 2015	1,163,706	774,804	750,937	64.5	7,366.07

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 2015	—	175.00	—	175.00	350.00
Year ending 31 August 2016	—	185.00	—		
Year ending 31 August 2016 (forecast)				165.00	350.00

(Note) Revisions during this quarter of dividends forecast for fiscal year: None

3. CONSOLIDATED BUSINESS RESULTS PROJECTION FOR YEAR ENDING 31 AUGUST 2016 (1 SEPTEMBER 2015 TO 31 AUGUST 2016)

(% 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	%
Full Year	1,800,000	7.0	120,000	(27.0)	83,000	(54.1)	45,000	(59.1)

	Basic earnings per share
	Yen
Full Year	441.41

(Note) Revisions during this quarter of consolidated business results projection for year ending 31 August 2016: Yes

* Notes

- (1) Changes of principal subsidiaries in the period: None
- (2) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements after error corrections:
- | | |
|----------------------------------------------------------|------|
| (i) Changes in accounting policies to conform with IFRS: | None |
| (ii) Other changes in accounting policies: | None |
| (iii) Change in accounting estimates: | None |

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

(i)	Number of issued shares (including treasury stock)	As at 31 May 2016	106,073,656 shares	As at 31 August 2015	106,073,656 shares
(ii)	Number of treasury stock	As at 31 May 2016	4,113,349 shares	As at 31 August 2015	4,128,255 shares
(iii)	Average number of issued shares	For nine months ended 31 May 2016	101,952,746 shares	For nine months ended 31 May 2015	101,928,795 shares

* Indication concerning status of implementation of quarterly review procedures:

This third quarterly results announcement is not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act of Japan, and such procedures are being undertaken concerning the quarterly condensed consolidated financial statements upon release of this third quarterly results announcement.

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

Statements made in these materials such as those pertaining to future matters such as business projections are based on information presently available to the Company and certain assumptions determined to be reasonable. Actual business results may vary substantially depending on a variety of factors. For the background, assumptions and other matters regarding business results projection, please refer to P. 6 “(3) Qualitative Information Concerning Consolidated Business Results Projection”.

1. Business Results

(1) Results of Operations

The Fast Retailing Group reported a rise in revenue but a fall in profit in the first nine months of fiscal 2016 from 1 September 2015 to 31 May 2016. Consolidated revenue reached ¥1.4346 trillion (+6.4% year-on-year), while consolidated operating profit totaled ¥145.8 billion (-23.0% year-on-year), consolidated profit before income taxes stood at ¥122.0 billion (-41.9% year-on-year), and profit attributable to owners of the parent totaled ¥71.0 billion (-46.4% year-on-year). Breaking these results down into the three business segments, Global Brands reported a rise in both revenue and profit, while both UNIQLO Japan and UNIQLO International reported a rise in revenue but a decline in profit. Furthermore, due to the yen being appreciated at the end of May than at the beginning of the period, foreign exchange losses in other expenses were down 14.8 billion yen year on year to 6.7 billion yen, while the yen equivalent of long-term assets in foreign currencies etc. reduced, so foreign exchange losses in finance costs were down 43.4 billion yen year on year to 23.4 billion yen. As a result, consolidated profit before income taxes declined by a considerable 41.9% year-on-year over the same period.

However, the Group did report a clear improvement in consolidated results for the three months from 1 March to 31 May 2016, with consolidated revenue rising 6.2% year-on-year and consolidated operating profit expanding 18.6% year-on-year, thanks to a recovery in performance at both UNIQLO Japan and UNIQLO International.

The Group's medium-term vision is to become the world's number one apparel manufacturer and retailer. To this aim, we are focusing our efforts on expanding UNIQLO's global operations and our low-priced GU casual fashion brand. We continue to boost UNIQLO store numbers in each country where we operate, opening global flagship stores and large-format stores in major cities around the world to help consolidate UNIQLO's position as a key global brand. On the product side, we have sought to boost awareness and visibility of the UNIQLO brand across global markets by offering exciting collaborations with well-known designers and artistic directors from other brands, such as Ines de la Fressange, Lemaire, and Carine Roitfeld. We have set a target to expand e-commerce to 30% of total sales over the medium term, and are currently in the process of aggressively transforming our distribution systems. In April 2016, we launched our next-generation distribution center in Ariake, Tokyo, and we are pressing ahead with plans to open new distribution centers elsewhere in Japan as well as internationally, starting in China and the United States. Also, Our GU brand is experiencing strong growth as a second pillar brand for the Group, and we expect to accelerate GU store openings outside Japan going forward.

UNIQLO Japan

UNIQLO Japan reported a rise in revenue but a fall in profit in the nine months to May 2016, with revenue rising to ¥645.4 billion (+1.1% year-on-year) and operating profit declining to ¥93.2 billion (-18.1% year-on-year). However, the results show a recovery in both revenue and profit in the third quarter from March to May 2016, with revenue rising 4.4% year-on-year and operating profit expanding 19.7% year-on-year. Same-store sales rose 2.8% year-on-year thanks to strong sales of trendy jogger pants and skants for women, and strong sales of sports advertising campaign items made from unique AIRism and DRY functional materials. The e-commerce segment also continued to grow strongly, with online sales rising 40.6% year-on-year to 5.5% of total sales. On the profit side, the gross profit margin improved 0.9 point year-on-year after a successful pricing strategy review in spring 2016 improved the discounting rate. The selling, general and administrative expenses ratio also improved 1.2 points year-on-year following some effective cost-cutting measures. While the radical overhaul of distribution systems is boosting distribution costs for the time being, other costs such as advertising and promotion expenses and outsourcing expenses all declined significantly. The total number of UNIQLO Japan stores increased by 2 to 846 stores at the end of May 2016. That total includes 39 franchise stores.

UNIQLO International

UNIQLO International reported a rise in revenue but a decline in profit for the nine months to May 2016, with revenue reaching ¥532.8 billion (+10.6% year-on-year) and operating profit totaling ¥42.2 billion (-18.7% year-on-year). However, the operation reported increases in both revenue and profit for the third quarter from March to May 2016, with revenue rising 5.3% and operating profit 41.1% year-on-year. UNIQLO Greater China (encompassing operations in mainland China, Hong Kong and Taiwan) generated a recovery in profits, while UNIQLO Southeast Asia and Oceania (Singapore, Malaysia, Thailand, the Philippines, Indonesia and Australia) and UNIQLO Europe (U.K., France, Russia, Germany and Belgium) generated continued rises in both revenue and profit. UNIQLO South Korea reported another decline in profit, while UNIQLO USA reported a smaller operating loss. Looking at individual UNIQLO International operations in more detail, the March 2016 opening of the newly refurbished 311 Oxford Street global flagship store helped boost UNIQLO visibility in Europe. The gross profit margin at UNIQLO USA improved once the inventory adjustment cycle ran its course. UNIQLO USA business expenses ratios also improved as we pressed ahead with new management strategies. UNIQLO South Korea continued to struggle in the face of sluggish economic conditions and increasingly fierce competition. The total number of UNIQLO International stores had expanded by 161 year-on-year to 928 stores as of 31 May 2016.

Global Brands

Global Brands reported gains in both revenue and profit in the first nine months of fiscal 2016, with revenue rising 12.6% year-on-year to ¥254.3 billion and operating profit increasing by 16.5% year-on-year to ¥23.0 billion. Global Brands also generated revenue and profit increases for the March-May quarter, with revenue rising 12.0% year-on-year and operating income expanding 8.7% year-on-year. GU continued to grow strongly, with the brand reporting double-digit growth in same-store sales on the back of robust sales of advertising campaign items such as skants and long T-shirts. Profit rose slightly at the Theory brand, while Comptoir de Cotonniers reported an expanded loss. Princesse tam.tam and the J Brand premium denim label reported continued losses.

Corporate social responsibility (“CSR”) and Environmental protection

The basic policy underlying the Group’s CSR activities consists of fulfilling our social responsibility, contributing to communities and addressing social issues and creating new value, both globally and locally.

On April 1, 2016, the TSURUMI Children’s Hospice for children with life-threatening illnesses opened in Tsurumi Ward, Osaka, supported by UNIQLO and the Nippon Foundation. This facility is the first community children’s hospice in Japan, with its operation led by local volunteers, and supported by medical, educational, and childcare specialists. It provides a space where seriously ill children and their families can relax as though they were in a second home, in an environment that guarantees safety and security.

The 2016 Kumamoto earthquake wreaked tremendous damage on the people of Kumamoto Prefecture, and we provided emergency clothing supplies to assist the victims. We donated 13,600 items as emergency supplies to the afflicted area that were in high demand such as underwear, socks and loungewear.

On June 20, 2016 (World Refugee Day), the 10 Million Ways to HELP Project, which provides clothing to refugees and displaced persons around the world, achieved its goal of collecting 10 million articles of clothing — 12.81 million items in total. This was made possible thanks to the support of 112 affiliated companies in 846 locations, 238 educational institutions, 28 student organizations, and members of local communities in the 16 countries and regions in which UNIQLO operates. Clothing that is collected is delivered to refugees and displaced persons around the world through organizations such as the United Nations High Commissioner for Refugees, with which Fast Retailing has a global partnership. We assess the clothing requirements in advance to ensure that the clothing requirements of areas in need are met.

(2) Financial Positions and Cash Flows Information

(i) Financial Positions

Total assets as at 31 May 2016 were ¥1,272.7 billion, which was an increase of ¥109.0 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥98.7 billion in cash and cash equivalents, an increase of ¥30.3 billion in trade and other receivables, an increase of ¥176.4 billion in other current financial assets, a decrease of ¥42.2 billion in inventories, and a decrease of ¥143.6 billion in derivative financial assets.

Total liabilities as at 31 May 2016 were ¥579.1 billion, which was an increase of ¥190.2 billion relative to the end of the preceding consolidated fiscal year. The principal factors were a decrease of ¥22.1 billion in income taxes payable, an increase of ¥247.9 billion in non-current financial liabilities and a decrease of ¥42.3 billion in deferred tax liabilities.

Total net assets as at 31 May 2016 were ¥693.5 billion, which was a decrease of ¥81.2 billion relative to the end of the preceding consolidated fiscal year. The principal factor was an increase of ¥34.3 billion in retained earnings and a decrease of ¥117.9 billion in other components of equity.

(ii) Cash Flows Information

Cash and cash equivalents as at 31 May 2016 had increased by ¥29.8 billion from the nine months ended 31 May 2015, to ¥453.9 billion.

Net cash from operating activities for the nine months ended 31 May 2016 was ¥132.4 billion, which was a decrease of ¥48.6 billion (-26.9 % year-on-year) from the nine months ended 31 May 2015. The principal factors were ¥122.0 billion in profit before income taxes (a decrease of ¥88.1 billion from the nine months ended 31 May 2015) and ¥23.4 billion increase in Foreign exchange losses (an increase of ¥43.4 billion from the nine months ended 31 May 2015).

Net cash used in investing activities for the nine months ended 31 May 2016 was ¥218.9 billion, which was an increase of ¥158.1 billion (+260.2 % year-on-year) from the nine months ended 31 May 2015. The principal factors were ¥182.3 billion for increase in bank deposits with maturity over 3 months (an increase of ¥164.9 billion from the nine months ended 31 May 2015) and ¥26.9 billion for purchases of property, plant and equipment (a decrease of ¥5.4 billion from the nine months ended 31 May 2015).

Net cash from financing activities for the nine months ended 31 May 2016 was ¥203.2 billion, which was an increase of ¥244.3 billion from the nine months ended 31 May 2015. The principal factor was ¥249.3 billion for proceeds from issuance of bonds (an increase of ¥249.3 billion from the nine months ended 31 May 2015).

(3) Qualitative Information Concerning Consolidated Business Results Projection

The business results projection for the full term, announced on 7 April 2016, has been adjusted to reflect actual business performance over the first nine months of the term through 31 May 2016. This adjustment reflects the decision to apply the end-June 2016 yen/dollar exchange rate of ¥103 yen to full-year projections, following an appreciation in the Japanese yen over the term to date. As a result, the projected full-year foreign exchange loss under net finance income/costs has been increased from ¥17.5 billion to ¥37.0 billion.

In fiscal 2016, Fast Retailing now expects to achieve consolidated revenue of ¥1.800 trillion (+7.0% year-on-year), operating profit of ¥120.0 billion (-27.0% year-on-year) and profit attributable to owners of the parent of ¥45.0 billion (-59.1% year-on-year).

Fast Retailing's latest projections for business results and scheduled dividend are based upon information available to the company at the time of calculation, and certain assumptions that the company judges to be reasonable. Owing to various different factors, actual business performance may differ from these projections.

(Full financial year)

	Revenue	Operating profit	Profit before income taxes	Profit attributable to owners of the parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	1,800,000	120,000	102,500	60,000	588.55
New forecast (B)	1,800,000	120,000	83,000	45,000	441.41
Difference (B-A)	—	—	(19,500)	(15,000)	—
Change (%)	—	—	(19.0)	(25.0)	—
Previous results	1,681,781	164,463	180,676	110,027	1,079.42

2. Summary Information (Notes)

(1) Changes of principal subsidiaries:

Wearex Co., Ltd. was newly incorporated during the three months ended 30 November 2015, and was consolidated during the period.

(2) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements after error corrections:

Not applicable.

3. Interim Condensed Consolidated Financial Statements

(1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As at 31 August 2015	As at 31 May 2016
ASSETS		
Current assets		
Cash and cash equivalents	355,212	453,927
Trade and other receivables	44,777	75,147
Other current financial assets	22,593	199,090
Inventories	260,006	217,806
Derivative financial assets	157,490	13,886
Income taxes receivable	18,564	636
Others	15,748	16,992
Total current assets	874,394	977,488
Non-current assets		
Property, plant and equipment	129,340	128,030
Goodwill	27,165	26,212
Other intangible assets	40,991	40,531
Non-current financial assets	75,940	77,174
Deferred tax assets	11,107	18,551
Others	4,766	4,764
Total non-current assets	289,311	295,265
Total assets	1,163,706	1,272,753
Liabilities and equity		
LIABILITIES		
Current liabilities		
Trade and other payables	181,577	187,480
Derivative financial liabilities	100	6,244
Other current financial liabilities	15,471	13,430
Income taxes payable	36,763	14,643
Provisions	22,615	13,997
Others	35,714	40,598
Total current liabilities	292,242	276,394
Non-current liabilities		
Non-current financial liabilities	25,513	273,480
Provisions	10,203	10,336
Deferred tax liabilities	47,272	4,941
Others	13,668	14,020
Total non-current liabilities	96,658	302,778
Total liabilities	388,901	579,172
EQUITY		
Capital stock	10,273	10,273
Capital surplus	11,524	12,984
Retained earnings	602,623	636,931
Treasury stock, at cost	(15,699)	(15,646)
Other components of equity	142,214	24,306
Equity attributable to owners of the parent	750,937	668,850
Non-controlling interests	23,867	24,729
Total equity	774,804	693,580
Total liabilities and equity	1,163,706	1,272,753

(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 2015	Nine months ended 31 May 2016
Revenue		1,348,114	1,434,616
Cost of sales		(661,656)	(740,240)
Gross profit		686,458	694,375
Selling, general and administrative expenses	2	(502,805)	(540,479)
Other income	3	9,641	1,877
Other expenses	3	(4,020)	(9,943)
Operating profit		189,274	145,829
Finance income	4	21,840	1,389
Finance costs	4	(833)	(25,124)
Profit before income taxes		210,282	122,095
Income taxes		(70,272)	(45,400)
Profit for the period		140,009	76,694
Attributable to:			
Owners of the parent		132,364	71,010
Non-controlling interests		7,645	5,684
Profit for the period		140,009	76,694
Earnings per share			
Basic (Yen)	5	1,298.60	696.50
Diluted (Yen)	5	1,296.99	695.54

*Interim Condensed Consolidated Statement of Comprehensive Income**(Millions of yen)*

	Nine months ended 31 May 2015	Nine months ended 31 May 2016
Profit for the period	140,009	76,694
Other comprehensive income		
Other comprehensive income that will not be reclassified to profit or loss	—	—
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Net profit/(loss) on revaluation of available-for-sale investments	(517)	33
Exchange differences on translation of foreign operations	26,002	(22,170)
Cash flow hedges	77,820	(98,322)
Other comprehensive income/(loss), net of taxes	103,306	(120,459)
Total comprehensive income/(loss) for the period	243,316	(43,765)
Attributable to:		
Owners of the parent	233,428	(46,897)
Non-controlling interests	9,888	3,131
Total comprehensive income/(loss) for the period	243,316	(43,765)

(3) Interim Condensed Consolidated Statement of Changes in Equity

For nine months ended 31 May 2015

(Millions of yen)

	Other components of equity							Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve				
As at 1 September 2014	10,273	9,803	525,722	(15,790)	798	23,035	64,536	88,371	618,381	17,660	636,041
Net changes during the period											
Comprehensive income											
Profit for the period	—	—	132,364	—	—	—	—	—	132,364	7,645	140,009
Other comprehensive income	—	—	—	—	(517)	23,935	77,645	101,063	101,063	2,242	103,306
Total comprehensive income	—	—	132,364	—	(517)	23,935	77,645	101,063	233,428	9,888	243,316
Transactions with the owners											
Acquisition of treasury stock	—	—	—	(5)	—	—	—	—	(5)	—	(5)
Disposal of treasury stock	—	557	—	80	—	—	—	—	638	—	638
Dividends	—	—	(33,126)	—	—	—	—	—	(33,126)	(1,226)	(34,352)
Share-based payments	—	1,098	—	—	—	—	—	—	1,098	—	1,098
Others	—	—	—	—	—	—	—	—	—	180	180
Total transactions with the owners	—	1,655	(33,126)	75	—	—	—	—	(31,394)	(1,046)	(32,441)
Total net changes during the period	—	1,655	99,238	75	(517)	23,935	77,645	101,063	202,033	8,841	210,874
As at 31 May 2015	10,273	11,459	624,960	(15,714)	281	46,971	142,181	189,434	820,414	26,502	846,916

For nine months ended 31 May 2016

(Millions of yen)

	Other components of equity							Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve				
As at 1 September 2015	10,273	11,524	602,623	(15,699)	143	37,851	104,219	142,214	750,937	23,867	774,804
Net changes during the period											
Comprehensive income											
Profit for the period	—	—	71,010	—	—	—	—	—	71,010	5,684	76,694
Other comprehensive income	—	—	—	—	33	(20,000)	(97,939)	(117,907)	(117,907)	(2,552)	(120,459)
Total comprehensive income	—	—	71,010	—	33	(20,000)	(97,939)	(117,907)	(46,897)	3,131	(43,765)
Transactions with the owners											
Acquisition of treasury stock	—	—	—	(4)	—	—	—	—	(4)	—	(4)
Disposal of treasury stock	—	442	—	57	—	—	—	—	500	—	500
Dividends	—	—	(36,702)	—	—	—	—	—	(36,702)	(2,857)	(39,560)
Share-based payments	—	963	—	—	—	—	—	—	963	—	963
Others	—	53	—	—	—	—	—	—	53	587	641
Total transactions with the owners	—	1,460	(36,702)	52	—	—	—	—	(35,189)	(2,269)	(37,459)
Total net changes during the period	—	1,460	34,307	52	33	(20,000)	(97,939)	(117,907)	(82,086)	862	(81,224)
As at 31 May 2016	10,273	12,984	636,931	(15,646)	176	17,850	6,279	24,306	668,850	24,729	693,580

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

	Nine months ended 31 May 2015	Nine months ended 31 May 2016
Profit before income taxes	210,282	122,095
Depreciation and amortization	27,549	27,780
Increase/(decrease) in allowance for doubtful accounts	(3)	29
Increase/(decrease) in other provisions	(4,915)	(8,656)
Interest and dividend income	(1,013)	(1,389)
Interest expenses	829	1,677
Foreign exchange losses/(gains)	(20,035)	23,446
Losses on retirement of property, plant and equipment	2,085	783
Decrease/(increase) in trade and other receivables	(28,197)	(31,474)
Decrease/(increase) in inventories	36,524	30,782
Increase/(decrease) in trade and other payables	(6,335)	12,096
Decrease/(increase) in other assets	(4,189)	(2,899)
Increase/(decrease) in other liabilities	21,181	10,274
Others, net	(277)	(2,008)
Subtotal	233,484	182,537
Interest and dividend income received	1,013	1,389
Interest paid	(751)	(1,134)
Income taxes paid	(66,522)	(68,292)
Income taxes refund	13,881	17,963
Net cash from operating activities	181,105	132,463
Decrease/(increase) in bank deposits with maturity over 3 months	(17,394)	(182,374)
Purchases of property, plant and equipment	(32,469)	(26,982)
Proceeds from sales of property, plant and equipment	230	1,003
Purchases of intangible assets	(5,710)	(6,818)
Payments for lease and guarantee deposits	(7,927)	(6,716)
Proceeds from collection of lease and guarantee deposits	3,442	3,718
Increase in construction assistance fund receivables	(1,937)	(1,186)
Decrease in construction assistance fund receivables	1,352	1,467
Others, net	(385)	(1,089)
Net cash used in investing activities	(60,800)	(218,979)

	Nine months ended 31 May 2015	Nine months ended 31 May 2016
Net increase/(decrease) in short-term loans payable	(878)	(1,287)
Repayment of long-term loans payable	(2,977)	(2,940)
Proceeds from issuance of bonds	—	249,369
Cash dividends paid	(33,105)	(36,673)
Cash dividends paid to non-controlling interests	(1,226)	(2,857)
Repayments of lease obligations	(3,355)	(3,482)
Others, net	425	1,128
Net cash from/(used in) financing activities	(41,118)	203,256
Effect of exchange rate changes on cash and cash equivalents	30,845	(18,025)
Net increase in cash and cash equivalents	110,032	98,715
Cash and cash equivalents at beginning of period	314,049	355,212
CASH AND CASH EQUIVALENTS AT END OF PERIOD	424,081	453,927

(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 is reviewed regularly by the Board to make decisions about the allocation of resources and to assess performance.

The Group's main retail clothing business is divided into three reportable operating segments: UNIQLO Japan, UNIQLO International 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

Global Brands: GU, Theory, COMPTOIR DES COTONNIERS, PRINCESSE TAM.TAM and J Brand clothing operations

(ii) Method of calculating segment revenue and results

The methods of accounting for the reportable segments are the same as those stated in the "Significant Accounting Policies" of the Group's annual consolidated financial statements for the year ended 31 August 2015.

The Group does not allocate assets and liabilities to individual reportable segments.

(iii) Segment information

For the nine months ended 31 May 2015

(Millions of yen)

	Reportable segments			Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	Global Brands				
Revenue	638,104	481,876	225,970	1,345,951	2,162	—	1,348,114
Operating profit	113,773	51,959	19,787	185,519	45	3,709	189,274
Segment income (profit before income taxes)	116,964	51,977	19,762	188,704	45	21,532	210,282

(Note1) "Others" include real estate leasing business, etc.

(Note2) "Adjustments" mainly include revenue and corporate expenses which are not allocated to individual reportable segments.

For the nine months ended 31 May 2016

(Millions of yen)

	Reportable segments			Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	Global Brands				
Revenue	645,432	532,813	254,350	1,432,595	2,020	—	1,434,616
Operating profit	93,216	42,235	23,056	158,509	51	(12,731)	145,829
Segment income (profit before income taxes)	92,651	42,073	22,905	157,630	51	(35,586)	122,095

(Note1) "Others" include real estate leasing business, etc.

(Note2) "Adjustments" mainly include revenue and corporate expenses which are not allocated to individual reportable segments.

2. 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 2015	Nine months ended 31 May 2016
Selling, general and administrative expenses		
Advertising and promotion	53,713	58,513
Rental expenses	127,674	132,673
Depreciation and amortization	27,549	27,780
Outsourcing	21,367	24,961
Salaries	167,683	181,018
Others	104,816	115,531
Total	502,805	540,479

3. 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 2015	Nine months ended 31 May 2016
Other income		
Foreign exchange gains*	8,118	—
Gains on sales of property, plant and equipment	38	34
Others	1,485	1,842
Total	9,641	1,877

(Millions of yen)

	Nine months ended 31 May 2015	Nine months ended 31 May 2016
Other expenses		
Foreign exchange losses*	—	6,776
Loss on retirement of property, plant and equipment	2,085	783
Others	1,934	2,384
Total	4,020	9,943

* Currency adjustments incurred in the course of operating transactions are included in "other income and other expenses".

4. 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 2015	Nine months ended 31 May 2016
Finance income		
Foreign exchange gains*	20,035	—
Interest income	978	1,384
Dividend income	34	5
Others	792	—
Total	21,840	1,389

(Millions of yen)

	Nine months ended 31 May 2015	Nine months ended 31 May 2016
Finance costs		
Foreign exchange losses*	—	23,446
Interest expenses	829	1,677
Others	3	—
Total	833	25,124

* Currency adjustments incurred in the course of non-operating transactions are included in “finance income and finance costs”.

5. Earnings per share

Nine months ended 31 May 2015		Nine months ended 31 May 2016	
Equity per share attributable to owners of the parent (Yen)	8,048.03	Equity per share attributable to owners of the parent (Yen)	6,559.91
Basic earnings per share for the period (Yen)	1,298.60	Basic earnings per share for the period (Yen)	696.50
Diluted earnings per share for the period (Yen)	1,296.99	Diluted earnings per share for the period (Yen)	696.54

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

	Nine months ended 31 May 2015	Nine months ended 31 May 2016
Basic earnings per share for the period		
Profit for the period attributable to owners of the parent (Millions of yen)	132,364	71,010
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to common shareholders (Millions of yen)	132,364	71,010
Average number of common stock during the period (Shares)	101,928,795	101,952,746
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	—	—
Increase in number of common stock (Shares) (share subscription rights)	126,620 (126,620)	140,984 (140,984)

6. Subsequent Events

Not applicable.

4. Supplementary Information

(1) Sales Breakdown by Product Category/Operations

	Nine months ended 31 May 2015 (from 1 September 2014 to 31 May 2015)		Nine months ended 31 May 2016 (from 1 September 2015 to 31 May 2016)		(Reference) Year ended 31 August 2015	
	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)
Men's clothing	254,385	18.9	257,619	18.0	314,587	18.7
Women's clothing	305,093	22.6	303,981	21.2	371,127	22.1
Children's & Baby's clothing	48,338	3.6	46,526	3.2	56,526	3.4
Goods and other items	15,604	1.1	17,438	1.2	19,429	1.1
Total sales of UNIQLO Japan	623,420	46.2	625,565	43.6	761,671	45.3
Franchise-related income & alteration charges	14,683	1.1	19,866	1.4	18,467	1.1
Total UNIQLO Japan Operations	638,104	47.3	645,432	45.0	780,139	46.4
UNIQLO International Operations	481,876	35.7	532,813	37.1	603,684	35.9
Total UNIQLO Operations	1,119,980	83.0	1,178,245	82.1	1,383,824	82.3
Global Brands Operations	225,970	16.8	254,350	17.7	295,316	17.6
Other Operations	2,162	0.2	2,020	0.2	2,641	0.1
Total	1,348,114	100.0	1,434,616	100.0	1,681,781	100.0

- (Notes)
1. Franchise-related income refers to the proceeds from garment sales to franchise stores, plus royalty income. Alteration charges refer to income generated from embroidery prints and alterations to pants length.
 2. UNIQLO Operations cover the selling of UNIQLO brand casual clothing.
 3. Global Brands Operations consist of GU operations (selling of GU brand casual clothing), Theory operations (selling of Theory, Helmut Lang and PLST brand clothing), COMPTOIR DES COTONNIERS operations (selling of COMPTOIR DES COTONNIERS brand clothing), PRINCESSE TAM.TAM operations (selling of PRINCESSE TAM.TAM brand clothing), and J Brand operations (selling of J BRAND brand clothing).
 4. Other Operations include real-estate leasing business.
 5. The above amounts do not include consumption taxes, etc.

4. Resumption of Trading

At the request of the Company, trading in its Hong Kong depositary receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 14 July 2016, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Friday, 15 July 2016.

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

Tadashi Yanai

Chairman, President and Chief Executive Officer

Japan, 14 July 2016

As of the date of this announcement, the Executive Director is Mr. Tadashi Yanai, the Independent Non-executive Directors are Mr. Toru Hambayashi, Mr. Nobumichi Hattori and Mr. Masaaki Shintaku, and the Non-executive Directors are Mr. Toru Murayama and Mr. Takashi Nawa.