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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 2017
 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 2017.

At the request of the Company, trading in its Hong Kong depositary receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 13 July 2017, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Friday, 14 July 2017.

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

1. CONSOLIDATED RESULTS

(1) Consolidated Operation Results (1 September 2016 to 31 May 2017)

(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 2017	1,477,958	3.0	180,618	23.9	195,477	60.1	128,573	67.6
Nine months ended 31 May 2016	1,434,616	6.4	145,829	(23.0)	122,095	(41.9)	76,694	(45.2)

	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 2017	120,113	69.1	200,457	—	1,177.89	1,176.18
Nine months ended 31 May 2016	71,010	(46.4)	(43,765)	—	696.50	695.54

(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 2017	1,401,900	761,353	731,618	52.2	7,174.08
As at 31 August 2016	1,238,119	597,661	574,501	46.4	5,634.35

2. DIVIDENDS

	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 2016	—	185.00	—	165.00	350.00
Year ending 31 August 2017	—	175.00	—		
Year ending 31 August 2017 (forecast)				175.00	350.00

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

3. CONSOLIDATED BUSINESS RESULTS PROJECTION FOR YEAR ENDING 31 AUGUST 2017 (1 SEPTEMBER 2016 TO 31 AUGUST 2017)

(% shows rate of increase/decrease from previous period)

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ending 31 August 2017	1,850,000	3.6	175,000	37.5	175,000	93.9	100,000	108.1

	Basic earnings per share attributable to owners of the parent
	Yen
Year ending 31 August 2017	980.74

(Note) Revisions during this quarter of consolidated business results projection for year ending 31 August 2017: None

* 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 2017	106,073,656 shares	As at 31 August 2016	106,073,656 shares
(ii)	Number of treasury stock	As at 31 May 2017	4,092,741 shares	As at 31 August 2016	4,109,503 shares
(iii)	Average number of issued shares	For nine months ended 31 May 2017	101,973,153 shares	For nine months ended 31 May 2016	101,952,746 shares

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

* Explanation and other notes concerning proper use of 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 generated rises in both revenue and profit in the first nine months of fiscal 2017 from 1 September 2016 to 31 May 2017, with consolidated revenue totaling ¥1,477.9 billion (+3.0% year-on-year), and operating profit reaching ¥180.6 billion (+23.9% year-on-year). The consolidated gross profit margin improved 0.7 point year-on-year, and the selling, general and administrative expense ratio improved by 0.7 point as we scaled up cost-cutting efforts from the previous year. Under finance income, we recorded a foreign exchange gain of ¥13.3 billion after the spot foreign exchange rate at the end of May closed below the spot rate at the start of the business term, increasing the carrying amount of our long-term foreign-currency denominated assets in yen terms. This resulted in significant gains in consolidated profit, with profit before income taxes rising to ¥195.4 billion (+60.1% year-on-year), and profit attributable to owners of the parent expanding to ¥120.1 billion (+69.1% year-on-year). Breaking these results down by business segment: UNIQLO International generated increases in both revenue and profit, while both UNIQLO Japan and Global Brands reported higher revenue but lower profits.

The Group also reported an increase in revenue and profit in the three-month period from 1 March 2017 to 31 May 2017, with a strong performance from UNIQLO International contributing significantly to the 8.9% year-on-year rise in third-quarter revenue and the 7.5% year-on-year gain in operating profit. Provisioned an additional ¥6.5 billion in the third quarter for tax expenses on potential future dividends after changing our dividend policy on dividend receipts from international subsidiary companies. As a result, profit attributable to owners of the parent declined by 4.5% year-on-year over the same period.

The Group's medium-term vision is to become the world's number one apparel retailer. In pursuit of this aim, we are focusing our efforts on expanding UNIQLO International and our low-priced GU casual fashion brand. We continue to increase UNIQLO store numbers in each country where we operate, and open global flagship stores and large-format stores in major cities around the world to help consolidate UNIQLO's position as a key global brand. In addition, we are expanding our GU operation, which has grown into a second pillar brand for the Group alongside UNIQLO, by accelerating GU store openings in Japan and aggressively promoting new store development in international markets. GU already has stores in Shanghai and Taiwan, and the first GU stores opened in Hong Kong in March 2017 proved a great success. In February 2017, we launched the UNIQLO CITY TOKYO Ariake Office as part of our strategy to revolutionize all supply chain processes from planning and design through raw materials procurement, manufacturing, logistics and retail, and to transform ourselves into a new digital consumer retailing company. We have also focused on making our online shopping experience more convenient for customers by marking the March 2017 launch of our new mobile shopping site with a broader of online sizes, exclusive online items and semi-order-made products, and the option to pick up online purchases at a local convenience store or UNIQLO store in Japan.

UNIQLO Japan

UNIQLO Japan reported a rise in revenue but a contraction in profit in the nine months to May 2017. Revenue rose 1.2% year-on-year to ¥653.4 billion while operating profit dipped 0.6% year-on-year to ¥92.6 billion. In the three months from March to May, same-store sales, including online sales, increased 2.7% year-on-year, thanks to strong sales of newsworthy items such as wireless bras, easy ankle pants and Dry Stretch Kando Pants, and successful sales strategies over Golden Week, Mother's Day and the UNIQLO anniversary celebration. Meanwhile, e-commerce sales increased 17.3% in the third quarter to constitute 6.2% of total sales. Operating profit declined in the third quarter, but this was due to factors such as the inflammatory impact of weaker internal yen exchange rates on cost of sales, as well as higher distribution, personnel and other business expenses.

UNIQLO International

UNIQLO International generated rises in both revenue and profit in the nine months to May 2017, with revenue expanding by 5.4% year-on-year to ¥561.5 billion and operating profit rising by a significant 61.3% year-on-year to ¥68.1 billion. In the third quarter from March to May, UNIQLO Southeast Asia and Oceania and UNIQLO South Korea performed extremely well to report a doubling in operating profit. In Southeast Asia and Oceania, UT T-shirts, sports goods such as DRY-EX polo shirts, new women's blouses and dresses, Dry Stretch Kando Pants, and clothes designed to suit the Southeast Asian climate and culture sold especially well. Our efforts to overhaul business management in South Korea also paid off, generating a rebound in same-store sales, an improvement in the gross profit margin, and a reduction in business expenses. Profits continued to expand at UNIQLO Greater China thanks to successful sales campaigns timed to draw in customers over May Day and other public holidays, and strong sales of UT T-shirts, polo shirts and other core Summer ranges. UNIQLO USA reported a lower operating loss in the third quarter after same-store sales recovered and business cost ratios improved under the new operational structure. In Europe, leading investment in 10 new store openings over three months inflated costs and knocked operating profit slightly lower. Overall, the UNIQLO International network increased by 143 to 1,071 stores at the end of May 2017.

Global Brands

In the nine months to May 2017, revenue from the Global Brands segment rose 2.6% year-on-year to ¥260.9 billion, while operating profit contracted by 17.0% year-on-year to ¥19.1 billion.

GU revenue rose but profit and same-store sales declined over the three months from March to May 2017. While the palazzo pants and fashion-conscious design blouses featured in our advertising campaigns sold well, they didn't prove as much of a hit as initially anticipated. Furthermore, we didn't produce sufficient volumes of latest fashion trend items, resulting in shortages in some products and lost sales opportunities. The gross profit margin was also hit by discounting of excess inventory, and rising cost of sales in the wake of recent yen weakness.

Looking at other labels in the Global Brands segment, our Theory fashion brand reported significant rises in both revenue and profit in the third quarter. Theory's PLST label reported an especially strong rise in customer visits following the brand's decision to expand its product range into casual office clothing, and expand its client base through extensive digital marketing.

While same-store sales at our France-based Comptoir des Cottonniers brand continued to decline, determined cost-cutting helped reduce operating losses. Finally, our France-based Princesse tam.tam and US-based J Brand premium denim label reported further losses in line with previous year levels.

Sustainability

As the Fast Retailing Group's business expands worldwide, we are committed to conducting our business activities in consideration of the environment and society. Our sustainability initiatives consist of four priority areas: supply chain, products, stores and the community, and our employees. Across these areas, we seek to ensure transparency, accountability, and disclose information in a timely and appropriate manner. Through our business, we are making efforts to contribute to sustainable development.

We believe that awareness of sustainability among our employees is vital. Therefore, we have been conducting e-learning programs for all of our more than 100,000 employees since April.

As refugee issues around the world grows increasingly serious, the Fast Retailing Group, as a global partner of the United Nations High Commissioner for Refugees (UNHCR), has been working to support refugees through the distribution of clothing, various self-reliance programs, and the employment of refugees. We have expanded our refugee employment program, which began in Japan in 2011 and has also expanded to Germany and the United Kingdom. We now employ 45 refugees, and our target is 100. In cooperation with various refugee support organizations, we are also concentrating our efforts on increasing the number of refugee employees and support programs for them.

Since 2016 the Fast Retailing Group has been providing support for UNHCR refugee self-reliance programs, committing a total of \$5.5 million over a three-year period. This program provides education and employment opportunities to enable refugees to find work and lead autonomous lives. At present, this program is operating in four countries.

The Fast Retailing Group intends to integrate sustainability in its management strategy and will formulate a medium-term plan by August this year.

(2) Financial Positions and Cash Flows Information

(i) Financial Positions

Total assets as at 31 May 2017 were ¥1,401.9 billion, which was an increase of ¥163.7 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥182.0 billion in cash and cash equivalents, an increase of ¥33.0 billion in trade and other receivables, a decrease of ¥40.8 billion in inventories and a decrease of ¥23.5 billion in deferred tax assets.

Total liabilities as at 31 May 2017 were ¥640.5 billion, which was an increase of ¥0.08 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥21.2 billion in trade and other payables, a decrease of ¥68.5 billion in derivative financial liabilities, an increase of ¥31.8 billion in income taxes payable and an increase of ¥10.3 billion in other current liabilities.

Total net assets as at 31 May 2017 were ¥761.3 billion, which was an increase of ¥163.6 billion relative to the end of the preceding consolidated fiscal year. The principal factor was an increase of ¥85.4 billion in retained earnings and an increase of ¥70.3 billion in other components of equity.

(ii) Cash Flows Information

Cash and cash equivalents as at 31 May 2017 had increased by ¥113.5 billion from the nine months ended 31 May 2016, to ¥567.4 billion.

Net cash from operating activities for the nine months ended 31 May 2017 was ¥241.1 billion, which was an increase of ¥108.7 billion (+82.1 % year-on-year) from the nine months ended 31 May 2016. The principal factors were ¥195.4 billion in profit before income taxes (an increase of ¥73.3 billion from the nine months ended 31 May 2016), ¥13.3 billion in foreign exchange gains (an increase of ¥36.7 billion from the nine months ended 31 May 2016), ¥50.4 billion decrease in inventories (an increase of ¥19.6 billion from the nine months ended 31 May 2016) and ¥30.9 billion in Income taxes paid (a decrease of ¥37.3 billion from the nine months ended 31 May 2016).

Net cash used in investing activities for the nine months ended 31 May 2017 was ¥25.6 billion, which was a decrease of ¥193.3 billion (-88.3 % year-on-year) from the nine months ended 31 May 2016. The principal factor was a decrease of ¥7.3 billion in bank deposits with maturity over 3 months (a decrease of ¥189.6 billion from the nine months ended 31 May 2016).

Net cash used in financing activities for the nine months ended 31 May 2017 was ¥46.4 billion, which was an increase of ¥249.6 billion from the nine months ended 31 May 2016. The principal factor was the proceeds of ¥249.3 billion arising from issuance of corporate bonds during the nine months ended 31 May 2016.

(3) Qualitative Information Concerning Consolidated Business Results Projection

While our business has performed better than expected in the first quarter, we have decided not to make any changes to our initial full year consolidated business results projection for year ending 31 August 2017 as reported in the "Annual Results Announcement" released on 13 October 2016.

2. Interim Condensed Consolidated Financial Statements and major notes thereof

(1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As at 31 August 2016	As at 31 May 2017
ASSETS		
Current assets		
Cash and cash equivalents	385,431	567,446
Trade and other receivables	45,178	78,196
Other current financial assets	184,239	194,787
Inventories	270,004	229,140
Derivative financial assets	569	8,671
Income taxes receivable	21,626	1,305
Others	17,534	15,609
Total current assets	924,583	1,095,157
Non-current assets		
Property, plant and equipment	121,853	131,324
Goodwill	17,908	18,060
Other intangible assets	34,205	39,700
Non-current financial assets	77,553	78,098
Investments in associates	13,132	13,360
Deferred tax assets	44,428	20,925
Others	4,453	5,272
Total non-current assets	313,535	306,742
Total assets	1,238,119	1,401,900
Liabilities and equity		
LIABILITIES		
Current liabilities		
Trade and other payables	189,501	210,717
Derivative financial liabilities	72,388	3,797
Other current financial liabilities	12,581	13,283
Income taxes payable	9,602	41,491
Provisions	22,284	14,688
Others	31,689	42,037
Total current liabilities	338,046	326,016
Non-current liabilities		
Non-current financial liabilities	274,090	274,754
Provisions	10,645	11,912
Deferred tax liabilities	3,809	11,537
Others	13,865	16,325
Total non-current liabilities	302,411	314,530
Total liabilities	640,458	640,546
EQUITY		
Capital stock	10,273	10,273
Capital surplus	13,070	14,380
Retained earnings	613,974	699,417
Treasury stock, at cost	(15,633)	(15,575)
Other components of equity	(47,183)	23,122
Equity attributable to owners of the parent	574,501	731,618
Non-controlling interests	23,159	29,734
Total equity	597,661	761,353
Total liabilities and equity	1,238,119	1,401,900

(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 2016	Nine months ended 31 May 2017
Revenue		1,434,616	1,477,958
Cost of sales		(740,240)	(752,538)
Gross profit		694,375	725,419
Selling, general and administrative expenses	2	(540,479)	(546,162)
Other income	3	1,877	4,787
Other expenses	3	(9,943)	(3,426)
Operating profit		145,829	180,618
Finance income	4	1,389	17,094
Finance costs	4	(25,124)	(2,235)
Profit before income taxes		122,095	195,477
Income taxes		(45,400)	(66,904)
Profit for the period		76,694	128,573
Attributable to:			
Owners of the parent		71,010	120,113
Non-controlling interests		5,684	8,460
Profit for the period		76,694	128,573
Earnings per share			
Basic (Yen)	5	696.50	1,177.89
Diluted (Yen)	5	695.54	1,176.18

Interim Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended 31 May 2016	Nine months ended 31 May 2017
Profit for the period	76,694	128,573
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	33	(44)
Exchange differences on translation of foreign operations	(22,170)	22,087
Cash flow hedges	(98,322)	49,840
Other comprehensive income/(loss), net of taxes	(120,459)	71,883
Total comprehensive income/(loss) for the period	(43,765)	200,457
Attributable to:		
Owners of the parent	(46,897)	190,419
Non-controlling interests	3,131	10,038
Total comprehensive income/(loss) for the period	(43,765)	200,457

(3) Interim Condensed Consolidated Statement of Changes in Equity

For nine months ended 31 May 2016

(Millions of yen)

	Other components of equity							Equity attributable		Total equity	
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve	to owners of the parent	Non-controlling interests		
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

For nine months ended 31 May 2017

(Millions of yen)

	Other components of equity							Equity attributable		Total equity	
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve	to owners of the parent	Non-controlling interests		
As at 1 September 2016	10,273	13,070	613,974	(15,633)	248	(2,811)	(44,619)	(47,183)	574,501	23,159	597,661
Net changes during the period											
Comprehensive income											
Profit for the period	—	—	120,113	—	—	—	—	—	120,113	8,460	128,573
Other comprehensive income	—	—	—	—	(44)	20,626	49,724	70,305	70,305	1,577	71,883
Total comprehensive income	—	—	120,113	—	(44)	20,626	49,724	70,305	190,419	10,038	200,457
Transactions with the owners											
Acquisition of treasury stock	—	—	—	(6)	—	—	—	—	(6)	—	(6)
Disposal of treasury stock	—	542	—	63	—	—	—	—	605	—	605
Dividends	—	—	(34,670)	—	—	—	—	—	(34,670)	(3,462)	(38,132)
Share-based payments	—	768	—	—	—	—	—	—	768	—	768
Total transactions with the owners	—	1,310	(34,670)	57	—	—	—	—	(33,302)	(3,462)	(36,764)
Total net changes during the period	—	1,310	85,442	57	(44)	20,626	49,724	70,305	157,116	6,575	163,692
As at 31 May 2017	10,273	14,380	699,417	(15,575)	203	17,814	5,104	23,122	731,618	29,734	761,353

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

	Nine months ended 31 May 2016	Nine months ended 31 May 2017
Profit before income taxes	122,095	195,477
Depreciation and amortization	27,780	27,539
Increase/(decrease) in allowance for doubtful accounts	29	(38)
Increase/(decrease) in other provisions	(8,656)	(8,652)
Interest and dividend income	(1,389)	(3,518)
Interest expenses	1,677	2,235
Foreign exchange losses/(gains)	23,446	(13,331)
Share of losses/(profits) of associates	—	(512)
Losses on retirement of property, plant and equipment	783	1,328
Decrease/(increase) in trade and other receivables	(31,474)	(31,379)
Decrease/(increase) in inventories	30,782	50,470
Increase/(decrease) in trade and other payables	12,096	18,515
Decrease/(increase) in other assets	(2,899)	(4,873)
Increase/(decrease) in other liabilities	10,274	15,715
Others, net	(2,008)	783
Subtotal	182,537	249,760
Interest and dividend income received	1,389	3,518
Interest paid	(1,134)	(1,935)
Income taxes paid	(68,292)	(30,987)
Income taxes refund	17,963	20,840
Net cash from operating activities	132,463	241,196
Decrease/(increase) in bank deposits with maturity over 3 months	(182,374)	7,323
Purchases of property, plant and equipment	(26,982)	(24,291)
Proceeds from sales of property, plant and equipment	1,003	39
Purchases of intangible assets	(6,818)	(9,193)
Payments for lease and guarantee deposits	(6,716)	(2,631)
Proceeds from collection of lease and guarantee deposits	3,718	1,619
Investments in associates	—	(196)
Increase in construction assistance fund receivables	(1,186)	(922)
Decrease in construction assistance fund receivables	1,467	1,292
Others, net	(1,089)	1,335
Net cash used in investing activities	(218,979)	(25,623)

	Nine months ended 31 May 2016	Nine months ended 31 May 2017
Net increase/(decrease) in short-term loans payable	(1,287)	(2,740)
Repayment of long-term loans payable	(2,940)	(1,222)
Proceeds from issuance of corporate bonds	249,369	—
Cash dividends paid	(36,673)	(34,637)
Cash dividends paid to non-controlling interests	(2,857)	(3,629)
Repayments of lease obligations	(3,482)	(4,069)
Others, net	1,128	(133)
Net cash from/(used in) financing activities	203,256	(46,433)
Effect of exchange rate changes on cash and cash equivalents	(18,025)	12,876
Net increase in cash and cash equivalents	98,715	182,015
Cash and cash equivalents at beginning of period	355,212	385,431
CASH AND CASH EQUIVALENTS AT END OF PERIOD	453,927	567,446

(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 2016.

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

(iii) Segment information

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

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

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

For the nine months ended 31 May 2017

(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	653,484	561,567	260,912	1,475,964	1,993	—	1,477,958
Operating profit	92,649	68,116	19,148	179,913	184	520	180,618
Segment income (profit before income taxes)	94,441	68,683	19,033	182,159	184	13,133	195,477

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

(Note 2) "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 2016	Nine months ended 31 May 2017
Selling, general and administrative expenses		
Advertising and promotion	58,513	57,686
Rental expenses	132,673	133,062
Depreciation and amortization	27,780	27,539
Outsourcing	24,961	24,108
Salaries	181,018	185,419
Others	115,531	118,345
Total	540,479	546,162

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 2016	Nine months ended 31 May 2017
Other income		
Foreign exchange gains*	—	2,030
Gains on sales of property, plant and equipment	34	13
Share of profits and losses of associates	—	512
Others	1,842	2,230
Total	1,877	4,787

(Millions of yen)

	Nine months ended 31 May 2016	Nine months ended 31 May 2017
Other expenses		
Foreign exchange losses*	6,776	—
Loss on retirement of property, plant and equipment	783	1,328
Others	2,384	2,097
Total	9,943	3,426

* Currency adjustments incurred in the course of operating transactions are included in “other income” or “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 2016	Nine months ended 31 May 2017
Finance income		
Foreign exchange gains*	—	13,331
Interest income	1,384	3,513
Dividend income	5	5
Others	—	244
Total	1,389	17,094

(Millions of yen)

	Nine months ended 31 May 2016	Nine months ended 31 May 2017
Finance costs		
Foreign exchange losses*	23,446	—
Interest expenses	1,677	2,235
Total	25,124	2,235

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

5. Earnings per share

Nine months ended 31 May 2016		Nine months ended 31 May 2017	
Equity per share attributable to owners of the parent (Yen)	6,559.91	Equity per share attributable to owners of the parent (Yen)	7,174.08
Basic earnings per share for the period (Yen)	696.50	Basic earnings per share for the period (Yen)	1,177.89
Diluted earnings per share for the period (Yen)	695.54	Diluted earnings per share for the period (Yen)	1,176.18

(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 2016	Nine months ended 31 May 2017
Basic earnings per share for the period		
Profit for the period attributable to owners of the parent (Millions of yen)	71,010	120,113
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to common shareholders (Millions of yen)	71,010	120,113
Average number of common stock during the period (Shares)	101,952,746	101,973,153
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	—	—
Increase in number of common stock (Shares)	140,984	148,148
(share subscription rights)	(140,984)	(148,148)

6. Subsequent Events

Not applicable.

3. Supplementary Information

(1) Sales Breakdown by Product Category/Operations

	Nine months ended 31 May 2016 (from 1 September 2015 to 31 May 2016)		Nine months ended 31 May 2017 (from 1 September 2016 to 31 May 2017)		(Reference) Year ended 31 August 2016	
	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)
Men's clothing	257,619	18.0	253,754	17.2	319,995	17.9
Women's clothing	303,981	21.2	310,109	21.0	379,837	21.3
Children's & Baby's clothing	46,526	3.2	50,374	3.4	55,005	3.1
Goods and other items	17,438	1.2	17,345	1.1	20,935	1.2
Total sales of UNIQLO Japan	625,565	43.6	631,583	42.7	775,773	43.5
Franchise-related income & alteration charges	19,866	1.4	21,901	1.6	24,044	1.3
Total UNIQLO Japan Operations	645,432	45.0	653,484	44.3	799,817	44.8
UNIQLO International Operations	532,813	37.1	561,567	38.0	655,406	36.7
Total UNIQLO Operations	1,178,245	82.1	1,215,052	82.3	1,455,224	81.5
Global Brands Operations	254,350	17.7	260,912	17.7	328,557	18.4
Other Operations	2,020	0.2	1,993	0.0	2,691	0.1
Total	1,434,616	100.0	1,477,958	100.0	1,786,473	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, 13 July 2017, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Friday, 14 July 2017.

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

Tadashi Yanai

Chairman, President and Chief Executive Officer

Japan, 13 July 2017

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.