



**FAST RETAILING**

**FAST RETAILING CO., LTD.**

迅銷有限公司

**Third Quarterly Report 2020/21**

2021.3.1-2021.5.31

Stock Code: 6288

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## 1. Corporate Profile

Board of Directors  
Representative Director  
Tadashi Yanai (*Chairman, President and CEO*)

Directors  
Takeshi Okazaki  
Kazumi Yanai  
Koji Yanai

External Directors  
Toru Hambayashi  
Nobumichi Hattori  
Masaaki Shintaku  
Takashi Nawa  
Naotake Ohno

Board of Statutory Auditors  
Akira Tanaka  
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 59th Fiscal Year	Third Quarter of 60th Fiscal Year	59th Fiscal Year
Accounting period	Nine months ended 31 May 2020	Nine months ended 31 May 2021	Year ended 31 August 2020
Revenue (Millions of yen)	1,544,924	1,698,082	2,008,846
Operating profit (Millions of yen)	132,383	227,897	149,347
Profit before income taxes (Millions of yen)	142,420	245,654	152,868
Profit for the period attributable to owners of the Parent (Millions of yen)	90,640	151,351	90,357
Comprehensive income attributable to owners of the Parent (Millions of yen)	119,501	209,635	110,134
Equity attributable to owners of the Parent (Millions of yen)	968,616	1,113,646	956,562
Total assets (Millions of yen)	2,337,738	2,492,263	2,411,990
Basic earnings per share (Yen)	887.96	1,482.08	885.15
Diluted earnings per share (Yen)	886.42	1,479.65	883.62
Ratio of equity attributable to owners of the Parent to total assets (%)	41.4	44.7	39.7
Net cash generated by operating activities (Millions of yen)	173,122	367,214	264,868
Net cash (used in) / generated by investing activities (Millions of yen)	(70,097)	(65,768)	(75,981)
Net cash (used in) / generated by financing activities (Millions of yen)	(149,492)	(262,782)	(183,268)
Cash and cash equivalents at end of the period (year) (Millions of yen)	1,045,734	1,177,159	1,093,531

Accounting period	Three months ended 31 May 2020	Three months ended 31 May 2021
Revenue (Millions of yen)	336,411	495,218
Profit / (loss) attributable to owners of the Parent (Millions of yen)	(9,818)	45,483
Basic earnings / (loss) per share for the period (Yen)	(96.18)	445.33

(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. Revenue does not include consumption taxes, etc.

3. 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 2021.

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 2021.

### 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 2021.

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 and profit increased significantly in the first nine months of fiscal 2021 from 1 September 2020 to 31 May 2021, with consolidated revenue rising to 1.6980 trillion yen (+9.9% year-on-year) and operating profit expanding to 227.8 billion yen (+72.1% year-on-year). Group performance recovered as profitability, primarily at our UNIQLO operations, improved in the first half. In the third quarter, performance picked up at all four business segments, generating significant increases in both revenue and profit compared to the previous year when business was hit hard by the COVID-19 pandemic. We reported an impairment loss of 17.5 billion yen primarily on UNIQLO International operations, resulting in a net cost of 15.2 billion yen under other income/expenses. In addition, we recorded finance income of 17.7 billion yen on a net basis, mainly comprising a 19.5 billion yen foreign-exchange gain on foreign-currency denominated assets and other items. As a result, profit before income taxes rose to 245.6 billion yen (+72.5% year-on-year) and profit attributable to owners of the Parent rose to 151.3 billion yen (+67.0% year-on-year) in the nine months ended 31 May 2021.

The Group's medium-term vision is to become the world's number one apparel retailer. In pursuit of this aim, we focus our efforts on expanding UNIQLO International, as well as our GU brand and our global E-commerce operation. We continue to open multiple new UNIQLO stores in all markets and areas in which we operate and strive to instill deeper and more widespread empathy for UNIQLO's LifeWear concept of ultimate everyday wear. Within the UNIQLO International segment, the Greater China and Southeast Asia regions are continuing to serve as the key pillars of our Group's business and growth. In terms of our GU segment, in addition to expanding the GU store network primarily in Japan, we are working to establish GU's position as a brand that offers fun fashion at amazingly low prices. E-commerce sales continue to expand thanks to stronger initiatives to fuse online and physical stores and the offering of a wider range of services.

#### UNIQLO Japan

UNIQLO Japan reported large increases in revenue and profit in the first nine months of fiscal 2021, with revenue expanding to 675.1 billion yen (+12.7% year-on-year) and operating profit rising to 119.5 billion yen (+51.0% year-on-year). First-half revenue rose and profit expanded significantly on the back of strong sales of products that fulfilled customer demand for stay-at-home items as well as core Fall Winter ranges. Revenue and profit subsequently expanded significantly in the third quarter compared to a low previous-year performance.

From March to May 2021, revenue increased considerably on the back of strong sales of Uniqlo U T-shirts, KANDO pants and other Summer ranges along with loungewear, ultra stretch active pants, and other items. E-commerce revenue increased as the online sales operation continued to expand favorably. Since 12 March 2021, we have changed the product price displays in Japan to show just one tax-inclusive price to make our products easier for customers to purchase. However, the prices have remained the same following our decision to absorb the additional consumption-tax component ourselves. To alleviate the impact of this move on our gross profit margin, we have worked hard to reduce the cost of sales. As a result, we were able to contain the decline in UNIQLO Japan's third-quarter gross profit margin to 0.5 point year-on-year. In addition, the third-quarter selling, general and administrative expense ratio improved by 6.1 points year-on-year. However, overall sales struggled in the face of a higher-than-anticipated COVID-19 impact and our inability to fully convey the new, newsworthy elements of our products to customers, so the third-quarter UNIQLO Japan performance did fall short of our business plan.

#### UNIQLO International

UNIQLO International reported a rise in revenue and a large increase in profit in the first nine months of fiscal 2021, with revenue rising to 739.6 billion yen (+9.8% year-on-year) and operating profit increasing to 97.7 billion yen (+88.7% year-on-year). Profit increased significantly in the first half thanks to improved profitability in East Asia operations. All regions reported significant recoveries in the third quarter. Geographically speaking, the Mainland China market reported large rises in both revenue and profit. UNIQLO South Korea moved back into the black in terms of operating profit following improvements in the operation's gross profit margin and selling, general and administrative expense ratio. UNIQLO South Asia, Southeast Asia &

Oceania (Southeast Asia, Australia, and India) reported a large rise in revenue and a return to the black in terms of operating profit. UNIQLO North America and UNIQLO Europe reported large revenue gains and smaller operating losses as the COVID situation improved in those regions.

From March to May 2021, performance from the Greater China region fell short of our business estimates. For the Mainland China market, compared with the extremely strong May Labor Day sales in 2020, when a rebound in consumption was observed after the pandemic was brought under control, demand across the whole retail market was slightly more subdued as consumer focus shifted to domestic travel this year. However, UNIQLO International third-quarter operating profit came in roughly in line with plan thanks to larger-than-expected improvements in profitability in North America and Europe.

## **GU**

Our GU operation reported a rise in revenue and a large increase in profit in the nine months ended May 2021, with revenue climbing to 200.8 billion yen (+7.1% year-on-year) and operating profit expanding to 24.3 billion yen (+18.9% year-on-year). GU performance held steady year-on-year but both revenue and profit increased considerably in the third quarter.

From March to May 2021, items such as chef's pants, airy shirts, and colored flared slacks contributed to the rise in GU revenue. However, sales struggled and GU performance fell short of our business estimates due to the announcement of another state of emergency in Japan and the fact that some of our GU products did not fully grasp the prevailing trend.

## **Global Brands**

Global Brands revenue declined and operating losses widened in the first nine months of fiscal 2021. Revenue declined to 80.5 billion yen (-3.3% year-on-year) and the segment reported an operating loss of 8.9 billion yen (compared to an operating loss of 6.0 billion in the first nine months of fiscal 2020). In the first half, Global Brands performance worsened significantly in the wake of COVID-19, but performance, primarily driven by Theory, picked up in the third quarter, with revenue rising sharply and the operating loss shrinking to 0.7 billion yen (compared to an operating loss of 6.7 billion in the third quarter of fiscal 2020). However, Global Brands performance fell short of plan due to a higher-than-anticipated COVID-19 impact.

## **Sustainability**

In keeping with our key sustainability message, "Unlocking the power of clothing," the Group pursues sustainability activities through our core clothing business focused on six clear material areas: Creating new value through products and services; Respecting human rights in our supply chain; Respecting the environment; Strengthening communities; Supporting employee fulfillment; Implementing good corporate governance. Our main activities in the third quarter of fiscal 2021 from March 2021 to May 2021 involved:

■ Consideration for the environment: In June 2021, we expressed our support for proposals by the Task Force on Climate-related Financial Disclosures (TCFD) targeting disclosure of companies' actions in relation to climate change, and are working toward disclosing such information in accordance with the TCFD. The Sustainability Committee is also advancing discussions on the establishment of long-term reduction targets and specific measures to counter greenhouse gas emissions in the supply chain, including from our own stores and offices, the factories of business partners, and the production of raw materials.

■ Community support: In support of efforts against the COVID-19 pandemic, we have been donating masks and isolation gowns to medical institutions and nursing care facilities around the world since last year. In India, where the impact of COVID-19 is spreading, we have provided emergency support equivalent to 220 million rupees (approximately 330 million yen), including over 600,000 Uniqlo AIRism Masks.

■ Employee satisfaction: We have established various personnel systems that enable all employees to choose work styles that are right for their stage of life, helping them build careers and exhibit their respective individualities and talents. Among these, we are promoting career development for female employees. For example, we provide a development program for female management candidates, along with training aimed at dispelling unconscious bias toward female management and management candidates. Moving forward, the Diversity Promotion Team will play a central role in efforts to improve the percentage of women in management roles by analyzing and monitoring the ratio of male to female promotions by country and department.

## **(ii) Financial Position**

Total assets as at 31 May 2021 were 2.4922 trillion yen, which was an increase of 80.2 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 83.6 billion yen in cash and cash equivalents, an increase of 8.9 billion yen in trade and other receivables, an increase of 12.8 billion yen in other current financial assets, a decrease of 72.8 billion yen in inventories, an increase of 26.8 billion yen in derivative financial assets, an increase of 25.7 billion yen in property,

plant and equipment, and a decrease of 9.9 billion yen in deferred tax assets.

Total liabilities as at 31 May 2021 were 1.3326 trillion yen, which was a decrease of 83.2 billion yen relative to the end of the preceding fiscal year. The principal factors were a decrease of 31.7 billion yen in trade and other payables, a decrease of 93.9 billion yen in other current financial liabilities, an increase of 4.5 billion yen in lease liabilities, an increase of 21.3 billion yen in current tax liabilities, an increase of 6.2 billion yen in other current liabilities, an increase of 5.1 billion yen in provisions, and an increase of 4.6 billion yen in deferred tax liabilities.

Total net assets as at 31 May 2021 were 1.1596 trillion yen, which was an increase of 163.5 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 102.7 billion yen in retained earnings, and an increase of 52.2 billion yen in other components of equity.



## (2) Cash Flows Information

Cash and cash equivalents as at 31 May 2021 had increased by 83.6 billion yen from the end of the preceding fiscal year, to 1.1771 trillion yen.

### (Operating Cash Flows)

Net cash generated by operating activities for the nine months ended 31 May 2021 was 367.2 billion yen, which was an increase of 194.0 billion yen (+112.1% year-on-year) from the nine months ended 31 May 2020. The principal factors were 245.6 billion yen in profit before income taxes (an increase of 103.2 billion yen from the nine months ended 31 May 2020), 19.5 billion yen in foreign exchange gains (a decrease of 11.8 billion yen from the nine months ended 31 May 2020), a decrease of 87.4 billion yen in inventories (an increase of 56.1 billion yen from the nine months ended 31 May 2020), and an increase of 6.5 billion yen in other liabilities (an increase of 42.7 billion yen from the nine months ended 31 May 2020).

### (Investing Cash Flows)

Net cash used in investing activities for the nine months ended 31 May 2021 was 65.7 billion yen, which was a decrease of 4.3 billion yen (-6.2% year-on-year) from the nine months ended 31 May 2020. The principal factors were a net increase of 6.8 billion yen in bank deposits with original maturities of three months or longer (a decrease of 7.8 billion yen from the nine months ended 31 May 2020), 41.9 billion yen in payments for property, plant and equipment (an increase of 5.9 billion yen from the nine months ended 31 May 2020), 13.8 billion yen in payments for intangible assets (a decrease of 2.6 billion yen from the nine months ended 31 May 2020), 0.8 billion yen in payments for acquisition of right-of-use (a decrease of 0.5 billion yen from the nine months ended 31 May 2020), 4.2 billion yen in payments for acquisition of investments in associates (an increase of 4.2 billion yen from the nine months ended 31 May 2020), and 1.6 billion yen in proceeds from other investing activities (a decrease of 3.3 billion yen from the nine months ended 31 May 2020).

### (Financing Cash Flows)

Net cash used in financing activities for the nine months ended 31 May 2021 was 262.7 billion yen, which was an increase of 113.2 billion yen (+75.8% year-on-year) from the nine months ended 31 May 2020. The principal factors were a net decrease of 0.4 billion yen in loans payable (an increase of 5.4 billion yen from the nine months ended 31 May 2020), 100.0 billion yen in repayment of redemption of bonds (an increase of 100.0 billion yen from the nine months ended 31 May 2020), 1.8 billion yen in dividends paid to non-controlling interests (a decrease of 0.4 billion yen from the nine months ended 31 May 2020), and 111.6 billion yen in repayments of lease liabilities (an increase of 8.2 billion yen from the nine months ended 31 May 2020).

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

Our assumptions concerning the impact of COVID-19 have changed since the preceding consolidated fiscal year. Further details about this can be found in "4. Use of Estimates and Judgments" in "Notes to the Interim Condensed Consolidated Financial Statements" of "5. Financial Section."

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 2021 that resulted in issues that must be addressed by the Group.

## (5) Research and Development

Not applicable.

(6) Significant Facilities

The following are the significant facilities that were planned as at the end of the preceding consolidated fiscal year and newly completed during the nine months ended 31 May 2021.

<Subsidiaries in Japan>

Not applicable.

<Overseas Subsidiaries>

Company name	Type of facility	Name of business	Location	Completion date
UNIQLO EUROPE LIMITED	UNIQLO International Store	UNIQLO Hamburg Alter Wall	Hamburg, Germany	October 2020
UNIQLO CANADA INC.	UNIQLO International Store	UNIQLO Montreal Eaton Centre	Montreal, Canada	October 2020

The following are the significant facilities that were newly planned during the nine months ended 31 May 2021.

<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 2021	Number of shares issued as at submission date (As at 15 July 2021)	Name of financial instrument exchange of listing, or authorized financial instruments firms association	Remarks
Common stock	106,073,656	106,073,656	First section 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 2021 to 31 May 2021	-	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 2021.

(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 2021, 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 2021).

(i) Shares issued

As at 31 May 2021

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 3,943,900	-	-
Shares with full voting rights (e.g., other than treasury stock)	Common stock 102,058,100	1,020,581	(Note) 1
Shares less than one unit	Common stock 71,656	-	(Notes) 1, 2
Total number of shares issued	106,073,656	-	-
Total number of voting rights of all shareholders	-	1,020,581	-

(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 66 shares of treasury stock held by the Company.

(ii) Treasury Stock

As at 31 May 2021

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	3,943,900	-	3,943,900	3.72
Total	-	3,943,900	-	3,943,900	3.72

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 2021.

## 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 2021, 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 Standards 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 2020	As at 31 May 2021
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		1,093,531	1,177,159
Trade and other receivables		67,069	76,025
Other financial assets	16	49,890	62,712
Inventories	6	417,529	344,651
Derivative financial assets	16	14,413	24,691
Income taxes receivable		2,126	1,310
Other assets		10,629	15,586
Total current assets		1,655,191	1,702,138
Non-current assets			
Property, plant and equipment	7,8	136,123	161,918
Right-of-use assets	8	399,944	395,415
Goodwill		8,092	8,092
Intangible assets	8	66,833	67,923
Financial assets	16	67,770	68,492
Investments in associates accounted for using the equity method		14,221	18,289
Deferred tax assets		45,447	35,530
Derivative financial assets	16	10,983	27,538
Other assets	8	7,383	6,923
Total non-current assets		756,799	790,125
Total assets		2,411,990	2,492,263
<b>Liabilities and equity</b>			
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables		210,747	178,994
Other financial liabilities	9,16	213,301	119,346
Derivative financial liabilities	16	2,763	5,334
Lease liabilities		114,652	120,451
Current tax liabilities		22,602	43,978
Provisions		752	1,079
Other liabilities		82,636	88,902
Total current liabilities		647,455	558,086
Non-current liabilities			
Financial liabilities	9,16	370,780	370,806
Lease liabilities		351,526	350,316
Provisions		32,658	37,493
Deferred tax liabilities		7,760	12,410
Derivative financial liabilities	16	3,205	1,140
Other liabilities		2,524	2,408
Total non-current liabilities		768,455	774,575
Total liabilities		1,415,910	1,332,661

	Notes	As at 31 August 2020	As at 31 May 2021
<b>EQUITY</b>			
Capital stock		10,273	10,273
Capital surplus		23,365	25,301
Retained earnings		933,303	1,036,072
Treasury stock, at cost		(15,129)	(14,994)
Other components of equity		4,749	56,991
Equity attributable to owners of the Parent		956,562	1,113,646
Non-controlling interests		39,516	45,955
Total equity		996,079	1,159,601
Total liabilities and equity		2,411,990	2,492,263

(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 2021

(Millions of yen)

	Notes	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Revenue	11	1,544,924	1,698,082
Cost of sales		(793,637)	(839,246)
Gross profit		751,286	858,836
Selling, general and administrative expenses	12	(608,029)	(615,730)
Other income	13	7,098	7,855
Other expenses	8,13	(18,425)	(23,646)
Share of profit and loss of associates accounted for using the equity method		453	581
Operating profit		132,383	227,897
Finance income	14	15,938	23,014
Finance costs	14	(5,901)	(5,256)
Profit before income taxes		142,420	245,654
Income tax expense		(50,944)	(88,777)
Profit for the period		91,475	156,876
Profit for the period attributable to:			
Owners of the Parent		90,640	151,351
Non-controlling interests		835	5,525
Total		91,475	156,876
Earnings per share			
Basic (yen)	15	887.96	1,482.08
Diluted (yen)	15	886.42	1,479.65



Three months ended 31 May 2021

(Millions of yen)

	Notes	Three months ended 31 May 2020	Three months ended 31 May 2021
Revenue		336,411	495,218
Cost of sales		(161,915)	(236,833)
Gross profit		174,495	258,385
Selling, general and administrative expenses		(169,231)	(194,979)
Other income		2,805	3,408
Other expenses		(12,825)	(7,133)
Share of profit and loss of associates accounted for using the equity method		402	233
Operating profit / (loss)		(4,352)	59,914
Finance income		2,408	15,955
Finance costs		(6,494)	(1,697)
Profit / (loss) before income taxes		(8,438)	74,171
Income tax expense		(3,530)	(26,550)
Profit / (loss) for the period		(11,969)	47,621
Profit / (loss) for the period attributable to:			
Owners of the Parent		(9,818)	45,483
Non-controlling interests		(2,150)	2,138
Total		(11,969)	47,621
Earnings / (loss) per share			
Basic (yen)	15	(96.18)	445.33
Diluted (yen)	15	(96.18)	444.63

Interim Condensed Consolidated Statement of Comprehensive Income  
 Nine months ended 31 May 2021

(Millions of yen)

	Notes	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Profit for the period		91,475	156,876
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)		(244)	410
Total items that will not be reclassified subsequently to profit or loss		(244)	410
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		1,084	36,225
Cash flow hedges		27,165	24,136
Share of other comprehensive income / (loss) of associates		(10)	98
Total items that may be reclassified subsequently to profit or loss		28,239	60,460
Other comprehensive income / (loss), net of income tax		27,994	60,871
Total comprehensive income for the period		119,470	217,748
Attributable to:			
Owners of the Parent		119,501	209,635
Non-controlling interests		(31)	8,112
Total comprehensive income for the period		119,470	217,748

Three months ended 31 May 2021

(Millions of yen)

	Notes	Three months ended 31 May 2020	Three months ended 31 May 2021
Profit / (loss) for the period		(11,969)	47,621
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)		(13)	41
Total items that will not be reclassified subsequently to profit or loss		(13)	41
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(13,631)	17,956
Cash flow hedges		1,608	19,552
Share of other comprehensive income / (loss) of associates		(29)	42
Total items that may be reclassified subsequently to profit or loss		(12,052)	37,551
Other comprehensive income / (loss), net of income tax		(12,066)	37,592
Total comprehensive income / (loss) for the period		(24,035)	85,214
Attributable to:			
Owners of the Parent		(20,651)	82,234
Non-controlling interests		(3,383)	2,979
Total comprehensive income / (loss) for the period		(24,035)	85,214

(3) Interim Condensed Consolidated Statement of Changes in Equity  
For the nine months ended 31 May 2020

(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 interest	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 2019	10,273	20,603	928,748	(15,271)	(697)	(13,929)	8,906	(11)	(5,732)	938,621	44,913	983,534
Effect of change in accounting policy	-	-	(34,252)	-	-	-	-	-	-	(34,252)	(1,361)	(35,614)
Balance after adjustment	10,273	20,603	894,495	(15,271)	(697)	(13,929)	8,906	(11)	(5,732)	904,368	43,551	947,920
Net changes during the period												
Comprehensive income												
Profit for the period	-	-	90,640	-	-	-	-	-	-	90,640	835	91,475
Other comprehensive income / (loss)	-	-	-	-	(244)	1,911	27,204	(10)	28,860	28,860	(866)	27,994
Total comprehensive income / (loss)	-	-	90,640	-	(244)	1,911	27,204	(10)	28,860	119,501	(31)	119,470
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(5)	-	-	-	-	-	(5)	-	(5)
Disposal of treasury stock	-	1,261	-	121	-	-	-	-	-	1,382	-	1,382
Dividends	10	-	(48,994)	-	-	-	-	-	-	(48,994)	(1,565)	(50,560)
Share-based payments	-	1,424	-	-	-	-	-	-	-	1,424	-	1,424
Transfer to non-financial assets	-	-	-	-	-	-	(9,060)	-	(9,060)	(9,060)	(974)	(10,035)
Total transactions with the owners of the Parent	-	2,685	(48,994)	116	-	-	(9,060)	-	(9,060)	(55,253)	(2,540)	(57,793)
Total net changes during the period	-	2,685	41,645	116	(244)	1,911	18,143	(10)	19,800	64,248	(2,572)	61,676
As at 31 May 2020	10,273	23,288	936,141	(15,155)	(942)	(12,018)	27,050	(21)	14,068	968,616	40,979	1,009,596

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 / (loss)	-	-	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	10	-	(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

## (4) Interim Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Note	Nine months ended 31 May 2020	Nine months ended 31 May 2021
<b>Cash flows from operating activities</b>			
Profit before income taxes		142,420	245,654
Depreciation and amortization		131,157	132,576
Impairment losses	8	15,296	17,577
Interest and dividend income		(8,286)	(3,473)
Interest expenses		5,901	5,249
Foreign exchange losses / (gains)		(7,651)	(19,532)
Share of profit and loss of associates accounted for using the equity method		(453)	(581)
Losses on disposal of property, plant and equipment		712	757
(Increase) / Decrease in trade and other receivables		(14,999)	(7,826)
(Increase) / Decrease in inventories		31,327	87,475
Increase / (Decrease) in trade and other payables		(39,409)	(39,652)
(Increase) / Decrease in other assets		4,090	1,463
Increase / (Decrease) in other liabilities		(36,243)	6,517
Others, net		5,629	2,346
Cash generated from operations		229,492	428,549
Interest and dividends income received		7,866	3,110
Interest paid		(4,776)	(4,336)
Income taxes paid		(60,287)	(61,928)
Income taxes refunded		827	1,818
Net cash generated by operating activities		173,122	367,214
<b>Cash flows from investing activities</b>			
Amounts deposited into bank deposits with original maturities of three months or longer		(67,776)	(78,518)
Amounts withdrawn from bank deposits with original maturities of three months or longer		53,079	71,683
Payments for property, plant and equipment		(35,974)	(41,952)
Payments for intangible assets		(16,504)	(13,815)
Payments for acquisition of right-of-use assets		(1,366)	(807)
Payments for lease and guarantee deposits		(4,723)	(2,859)
Proceeds from collection of lease and guarantee deposits		4,882	3,129
Payments for acquisition of investments in associates		-	(4,232)
Others, net		(1,715)	1,605
Net cash generated by / (used in) investing activities		(70,097)	(65,768)

(Millions of yen)

	Note	Nine months ended 31 May 2020	Nine months ended 31 May 2021
<b>Cash flows from financing activities</b>			
Proceeds from short-term loans payable		10,319	43,425
Repayment of short-term loans payable		(931)	(43,843)
Repayment of long-term loans payable		(4,343)	-
Repayment of redemption of bonds	9	-	(100,000)
Dividends paid to owners of the Parent	10	(48,965)	(48,993)
Dividends paid to non-controlling interests		(2,328)	(1,867)
Repayments of lease liabilities		(103,358)	(111,638)
Others, net		116	134
Net cash generated by / (used in) financing activities		(149,492)	(262,782)
Effect of exchange rate changes on the balance of cash held in foreign currencies		5,681	44,965
Net increase / (decrease) in cash and cash equivalents		(40,785)	83,627
Cash and cash equivalents at the beginning of period		1,086,519	1,093,531
Cash and cash equivalents at the end of period		1,045,734	1,177,159

## 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 2020.

The interim condensed consolidated financial statements were approved on 15 July 2021 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 2020 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.

With the global spread of COVID-19, the Group's performance has been adversely affected due to temporarily closing stores, etc. Regarding impairment to our non-financial assets, in the first quarter of the consolidated accounting period, we had assumed that the impact of the COVID-19 pandemic would continue to be felt through to the end of August 2021, on the basis of the assumption that business activities would gradually return to normal. However, in the second quarter of the consolidated accounting period, there continues to be uncertainty around the future economic outlook owing to concerns such as the spread of the virus, and the timing for the situation subsiding differs from region to region and on a case-by-case basis. As such, 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, with the situation taking longer to get under control for stores in certain other countries and regions. Our estimates presume that these assumptions will continue to apply in the third quarter of the consolidated accounting period.

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, PRINCESSE TAM.TAM and J Brand clothing business

### (ii) Segment revenue and results

For the nine months ended 31 May 2020

(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	598,843	673,532	187,488	83,344	1,543,208	1,715	-	1,544,924
Operating profit / (loss)	79,160	51,815	20,486	(6,002)	145,458	401	(13,476)	132,383
Segment income /(loss) (i.e., profit / loss before income taxes)	80,732	53,121	20,340	(6,361)	147,833	402	(5,814)	142,420
Other disclosure: Impairment losses (Note 3)	2,776	11,328	436	755	15,296	-	-	15,296

(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 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 three months ended 31 May 2020

(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	135,274	132,284	55,195	13,243	335,997	413	-	336,411
Operating profit / (loss)	7,533	(1,452)	4,663	(6,744)	4,000	122	(8,475)	(4,352)
Segment income /(loss) (i.e., profit / loss before income taxes)	7,262	(1,037)	4,629	(6,878)	3,975	122	(12,536)	(8,438)
Other disclosure: Impairment losses (Note 3)	2,179	6,950	335	386	9,852	-	-	9,852

(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".

## 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 2020	Nine months ended 31 May 2021
Write-down of inventories to net realizable value	5,883	11,542

## 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 2020	As at 31 May 2021
Buildings and structures	104,201	116,829
Furniture, equipment and vehicles	16,773	26,441
Land	1,927	1,927
Construction in progress	13,220	16,719
Total	136,123	161,918

## 8. Impairment Losses

During the nine months ended 31 May 2021, the Group recognized impairment losses on certain store assets etc., due to reductions in originally expected 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 2020	Nine months ended 31 May 2021
Buildings and structures	3,053	1,495
Furniture, equipment and vehicles	507	374
Subtotal on property, plant and equipment	3,561	1,869
Software	0	108
Other intangible assets	-	7
Subtotal on intangible assets	0	116
Right-of-use assets	11,732	15,588
Other non-current assets (long-term prepayments)	2	2
Total impairment losses	15,296	17,577

The Group’s impairment losses during the nine months ended 31 May 2021 amounted to 17,577 million yen, compared with 15,296 million yen during the nine months ended 31 May 2020, and are included in “Other expenses” on the Interim condensed consolidated statement of profit or loss.

For the nine months ended 31 May 2020

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

Impairment losses amounting to 15,296 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 stores, etc. We measured impairment losses on the assumption that the impact of the COVID-19 pandemic will continue to be felt through to the end of August 2021.

The grouping of assets is based on the smallest 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 compiled by management at a discount rate of mainly 6.3%. 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 and structures and Right-of-use assets etc.
UNIQLO International	UNIQLO USA, FRL Korea Co., Ltd. etc., stores	Buildings and structures and Right-of-use assets etc.
GU	FRL Korea Co., Ltd. etc., stores	Buildings and structures and Right-of-use assets etc.
Global Brands	Theory LLC., etc., stores	Buildings and structures and Right-of-use assets etc.

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 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 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 by discounting the cash flow projections based on estimates and growth rates approved by management at a discount rate of mainly 8.7%. Theoretically, the projected cash flows cover a maximum period of five years, and do not use a growth rate that exceeds the long-term average market growth rate. The pre-tax discount rate calculation is primarily 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, and structures and Right-of-use assets etc.
UNIQLO International	UNIQLO USA LLC, UNIQLO EUROPE LIMITED etc., stores	Buildings, and structures and Right-of-use assets etc.
GU	G.U. CO., LTD. etc., stores	Buildings, and structures and Right-of-use assets etc.
Global Brands	COMPTOIR DES COTONNIERS S.A.S., etc., stores	Buildings, and structures and Right-of-use assets etc.

## 9. Corporate Bonds

The 2nd non-collateralized corporate bonds of 100,000 million yen (interest rate: 0.291%; date of maturity: 18 December 2020) was repaid during the 9 months ended 31 May 2021.

## 10. Dividends

The total amount of dividends paid was as follows:

### For the nine months ended 31 May 2020

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
Meeting of the Board on 5 November 2019	24,494	240
Meeting of the Board on 9 April 2020	24,499	240

Dividends were declared on 5 November 2019 and paid on 8 November 2019. The effective date of the dividend was for shareholders as at 31 August 2019.

Dividends were declared on 9 April 2020 and paid on 11 May 2020. The effective date of the dividend was for shareholders as at 29 February 2020.

### 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.

## 11. 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 2020

	Revenue (Millions of yen)	Percent of Total (%)
Japan	598,843	38.8
Greater China	362,657	23.5
Other parts of Asia & Oceania	160,128	10.4
North America & Europe	150,746	9.8
UNIQLO (Note 1)	1,272,375	82.4
GU (Note 2)	187,488	12.1
Global Brands (Note 3)	83,344	5.4
Others (Note 4)	1,715	0.1
Total	1,544,924	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 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.

## 12. 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 2020	Nine months ended 31 May 2021
Selling, general and administrative expenses		
Advertising and promotion	53,069	51,603
Lease expenses	43,009	49,857
Depreciation and amortization	131,157	132,576
Outsourcing	36,785	37,458
Salaries	207,768	210,503
Distribution	75,318	71,543
Others	60,920	62,186
Total	608,029	615,730



### 13. 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 2020	Nine months ended 31 May 2021
Other income		
Foreign exchange gains (Note)	1,841	4,201
Others	5,256	3,653
Total	7,098	7,855

(Millions of yen)

	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Other expenses		
Loss on retirement of property, plant and equipment	712	757
Impairment losses	15,296	17,577
Others	2,416	5,310
Total	18,425	23,646

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

### 14. 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 2020	Nine months ended 31 May 2021
Finance income		
Foreign exchange gains (Note)	7,651	19,532
Interest income	8,271	3,461
Others	14	20
Total	15,938	23,014

(Millions of yen)

	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Finance costs		
Interest expenses	5,901	5,249
Others	-	7
Total	5,901	5,256

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

15. Earnings per Share

Nine months ended 31 May 2020		Nine months ended 31 May 2021	
Equity per share attributable to owners of the Parent (Yen)	9,487.54	Equity per share attributable to owners of the Parent (Yen)	10,903.41
Basic earnings per share (Yen)	887.96	Basic earnings per share (Yen)	1,482.08
Diluted earnings per share (Yen)	886.42	Diluted earnings per share (Yen)	1,479.65

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

	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	90,640	151,351
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders (Millions of yen)	90,640	151,351
Average number of common stock outstanding during the period (Shares)	102,076,743	102,121,062
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	178,269	167,579
(Number of share subscription rights included in increase)	(178,269)	(167,579)

Three months ended 31 May 2020		Three months ended 31 May 2021	
Basic loss per share (Yen)	(96.18)	Basic earnings per share (Yen)	445.33
Diluted loss per share (Yen)	(96.18)	Diluted earnings per share (Yen)	444.63

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

	Three months ended 31 May 2020	Three months ended 31 May 2021
Basic earnings / (loss) per share for the period		
Profit / (loss) for the period attributable to owners of the Parent (Millions of yen)	(9,818)	45,483
Profit / (loss) not attributable to common shareholders (Millions of yen)	-	-
Profit / (loss) attributable to common shareholders (Millions of yen)	(9,818)	45,483
Average number of common stock outstanding during the period (Shares)	102,088,765	102,133,992
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	-	160,996
(Number of share subscription rights included in increase)	(-)	(160,996)

(Note) In the third quarter of the preceding consolidated fiscal year, no adjustment has been made to the basic earnings per share for the period in respect of a dilution as the impact of the outstanding stock options had an anti-dilutive effect on the basic loss per share amounts presented.

## 16. 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 2020		As at 31 May 2021	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Financial assets:				
Security deposits and guarantees	63,639	64,341	65,202	66,105
Total	63,639	64,341	65,202	66,105
Financial liabilities:				
Corporate bonds	469,342	470,938	369,441	374,654
Total	469,342	470,938	369,441	374,654

Notes concerning financial assets and financial liabilities for which book values approximate fair values 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 classified 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 classification 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 2020	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	1,158	-	212	1,370
Net financial assets and financial liabilities measured at fair value through profit or loss	-	1,550	-	1,550
Net financial assets and financial liabilities designated as hedging instruments - Fair value	-	17,878	-	17,878
Fair value	1,158	19,428	212	20,799

(Millions of yen)

As at 31 May 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	1,059	-	213	1,273
Net financial assets and financial liabilities measured at fair value through profit or loss	-	272	-	272
Net financial assets and financial liabilities designated as hedging instruments - Fair value	-	45,483	-	45,483
Fair value	1,059	45,755	213	47,029

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 classified 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.

## 17. Commitments for Expenditures

The Group had the following commitments at each reporting date:

(Millions of yen)

	As at 31 August 2020	As at 31 May 2021
Commitment for the acquisition of property, plant and equipment	24,942	14,597
Commitment for the acquisition of intangible assets	2,139	2,246
Total	27,081	16,843

## 18. Subsequent Events

Not applicable.

## 2. Others

### Dividends

The Company resolved to pay dividends from retained earnings at the meeting of the Board convened on 8 April 2021.

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 10. Dividends."

**(TRANSLATION)**

**Independent accountant's review report**

15 July 2021

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

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

Koichi  
Okubo

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Designated Engagement Partner,  
Certified Public Accountant:

Hirofumi  
Otani

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**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 2021, 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 2021, and its consolidated financial performance for the three-month and nine-month periods then ended and its cash flows for the nine-month period then ended in accordance with International Accounting Standards ("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.