



**FAST RETAILING**

**FAST RETAILING CO., LTD.**

迅銷有限公司

**Third Quarterly Report 2022/23**

2023.3.1–2023.5.31

Stock Code: 6288

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## 1. Corporate Profile

Board of Directors

Representative Executive Director

Tadashi Yanai (*Chairman, President and CEO*)

Executive Directors

Takeshi Okazaki

Kazumi Yanai

Koji Yanai

Independent Non-executive Directors

Nobumichi Hattori (External)

Masaaki Shintaku (External)

Naotake Ono (External)

Kathy Mitsuko Koll (aka Kathy Matsui) (External)

Joji Kurumado (External)

Yutaka Kyoya (External)

Board of Statutory Auditors

Masaaki Shinjo

Masumi Mizusawa

Keiko Kaneko (External)

Takao Kashitani (External)

Masakatsu Mori (External)

Company Secretary

Shea Yee Man

Independent Accountants

Deloitte Touche Tohmatsu LLC

Principal Banks

Sumitomo Mitsui Banking Corporation

MUFG Bank, Ltd.

Mizuho Bank, Ltd.

The Hong Kong and Shanghai Banking Corporation Limited

Registered Office and Headquarters

10717-1 Sayama

Yamaguchi City

Yamaguchi 754-0894

Japan

Principal Place of Business in Japan

Midtown Tower 9-7-1

Akasaka, Minato-ku

Tokyo 107-6231

Japan

Principal Place of Business in Hong Kong

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

No. 132 Nathan Road

Tsim Sha Tsui

Kowloon

Hong Kong

HDR Registrar and HDR Transfer Office

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

Stock Code

Hong Kong: 6288

Japan: 9983

Website Address

<https://www.fastretailing.com/eng/>

## 2. Financial Highlights

### Consolidated Financial Summary

Term	Third Quarter of 61st Fiscal Year	Third Quarter of 62nd Fiscal Year	61st Fiscal Year
Accounting period	Nine months ended 31 May 2022	Nine months ended 31 May 2023	Year ended 31 August 2022
Revenue (Millions of yen)	1,765,106	2,143,504	2,301,122
Operating profit (Millions of yen)	271,084	330,574	297,325
Profit before income taxes (Millions of yen)	349,255	359,203	413,584
Profit for the period attributable to owners of the Parent (Millions of yen)	237,836	238,519	273,335
Comprehensive income attributable to owners of the Parent (Millions of yen)	402,431	271,077	554,833
Equity attributable to owners of the Parent (Millions of yen)	1,440,495	1,694,899	1,561,652
Total assets (Millions of yen)	2,859,574	3,100,617	3,183,762
Basic earnings per share (Yen)	775.99	777.90	891.77
Diluted earnings per share (Yen)	774.81	776.65	890.43
Ratio of equity attributable to owners of the Parent to total assets (%)	50.4	54.7	49.1
Net cash generated by operating activities (Millions of yen)	338,630	315,896	430,817
Net cash (used in) / generated by investing activities (Millions of yen)	(90,764)	(505,838)	(212,226)
Net cash (used in) / generated by financing activities (Millions of yen)	(174,808)	(240,721)	(213,050)
Cash and cash equivalents at end of the period (year) (Millions of yen)	1,368,912	922,567	1,358,292

Accounting period	Three months ended 31 May 2022	Three months ended 31 May 2023
Revenue (Millions of yen)	546,129	676,153
Profit attributable to owners of the Parent (Millions of yen)	90,991	85,126
Basic earnings per share for the period (Yen)	296.84	277.60

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

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

3. Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. Basic earnings per share, and diluted earnings per share have been calculated assuming this stock split was conducted at the beginning of the previous fiscal year.

#### 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 2023.

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 2023.

### 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 2023.

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

The Fast Retailing Group has been focusing on a number of areas as part of its quest to become a global No.1 brand that is essential to daily living and is trusted by all customers around the world: (1) Further progressing the development of a digital consumer retailing company, (2) Expanding the content of its international business and transforming operational management based on a global perspective, (3) Pursuing a business model in which the development of business itself helps advance sustainability, (4) Expanding the GU business segment, as well as Theory and other labels in the Global Brands segment, and (5) Maximizing the capabilities of its global human resources. We are working especially hard at UNIQLO International, as the pillar operation of the Fast Retailing Group, to accelerate new store openings in all markets and to strengthen our e-commerce operations. We aim to continue to expand our operations in the Greater China region (Mainland China market, Hong Kong market, and Taiwan market), South Asia & Oceania region (Southeast Asia, Australia, and India), where we hope to further strengthen our already established brand position. In North America and Europe, we are aiming to further expand the scale of our business by strengthening our marketing, promoting deeper understanding and loyalty towards our LifeWear ultimate everyday clothing, and accelerating new store openings. We also intend to create clothes that prize LifeWear concepts in order to build a sustainable society. We will continue to pursue our ultimate goals of creating high-quality, long-lasting clothes, clothes with a low environmental impact that are produced in healthy and safe working environments, and clothes that can be further circulated, even after purchase, through recycling and reuse.

#### UNIQLO Japan

UNIQLO Japan reported a considerable increase in revenue in the first nine months of fiscal 2023. However, profits declined as the depreciation in the Japanese yen resulted in higher cost of sales. As a result, revenue totaled 709.7 billion yen (+10.7% year-on-year) and operating profit totaled 99.6 billion yen (-3.0% year-on-year).

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

## **UNIQLO International**

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

Breaking down the third quarter performance from March to May 2023 by geographical region and in local currency terms, the Greater China region achieved considerable rises in revenue and profit. Performance recovered across the board, with the Mainland China market, the Hong Kong market, and the Taiwan market all reporting large revenue and profit increases. The Mainland China market, in particular, generated higher-than-expected sales, with same-store sales rising over 40% year on year. In the Southeast Asia, India & Australia region, revenue increase significantly and operating profit also expanded. Within those regions, UNIQLO operations in Singapore, Thailand, India, and Australia all performed strongly. UNIQLO North America reported significant increases in revenue and profit, with sales of core products proving strong and sales of products developed specifically to meet the needs of US consumers also contributing greatly to the higher revenue figure. UNIQLO Europe generated large rises in revenue and profit on the back of strong sales of core products, such as bottoms and linen shirts. Furthermore, efforts to convey more determined news about our Round Mini Shoulder Bag and BRATOP products sparked considerable interest on social media and helped expand our customer base among women and younger consumers.

## **GU**

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

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

## **Global Brands**

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

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

## **Sustainability.**

Fast Retailing is advancing its LifeWear concept—the ultimate in everyday clothing, designed to make everyone's life better—to create apparel that not only emphasizes quality, design, and price but also meets the definition of good clothing from the standpoint of the environment, people and society. Our sustainability activities focus on six priority material areas: Creating new value through products and services; Respecting human rights and labor environment in our supply chain; Respecting the environment; Strengthening communities; Supporting employee fulfillment; and Implementing good corporate governance. The main company activities during the third-quarter consolidated accounting period are as follows.

■Respecting human rights and labor environment in our supply chain: We are also continually improving our efforts to address human rights and labor issues throughout our entire supply chain. At garment factories and fabric mills, we are performing clear checks on the labor environment and other conditions by ourselves or through third-party organizations. In addition, we have concluded a Code of Conduct with upstream textile mills in our supply chain to ensure regular labor environment audits are

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

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

■ Respecting the environment: As a result of our proactive initiatives and transparency on climate change and water security, we have been recognized as a 2022 "A-List" company by CDP, (Carbon Disclosure Project) an international non-profit organization that provides a platform for environmental disclosure. Moreover, in April 2023, we opened the UNIQLO Maebashi Minami IC Store, our new energy-efficient roadside store. The Maebashi Minami IC Store uses a variety of energy-saving technologies to reduce its energy consumption by approximately estimated 40% compared to conventional UNIQLO roadside stores, with solar panels providing approximately estimated 15% of the total energy consumed.

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

#### (ii) Financial Position

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

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

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



## (2) Cash Flows Information

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

### (Operating Cash Flows)

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

### (Investing Cash Flows)

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

### (Financing Cash Flows)

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

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

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

## (4) Operational and Financial Challenges to Address as Priority

There have been no significant challenges during the nine months ended 31 May 2023 that must be addressed by the Group.

## (5) Research and Development

Not applicable.

## (6) Significant Facilities

The following are the significant facilities that were newly completed during the nine months ended 31 May 2023.

### <Subsidiaries in Japan>

Company name	Type of facility	Name of business	Location	Completion date
UNIQLO CO., LTD.	UNIQLO Japan warehouses	Ichikawashiohama DC Warehouses	Japan Chiba	September 2022
GU CO., LTD.	GU Japan warehouses	Ibarakikita DC warehouses	Japan Osaka	January 2023
UNIQLO CO., LTD.	UNIQLO Japan stores	Itabashihasune store	Japan Tokyo	April 2023

### <Overseas Subsidiaries>

Not applicable.

The following are the significant facilities that were newly planned during the nine months ended 31 May 2023.

### <Subsidiaries in Japan>

Not applicable.

<Overseas Subsidiaries>

Company name	Type of facility	Name of business	Location	Completion date
FAST RETAILING (CHINA)TRADING CO., LTD.	UNIQLO overseas warehouses	Shanghai DC warehouse	China Shanghai	June 2023

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 (shares)
Common stock	900,000,000
Total	900,000,000

###### (ii) Shares Issued

Type	Number of shares issued as at 31 May 2023 (shares)	Number of shares issued as at submission date (shares) (As at 14 July 2023)	Name of financial instrument exchange of listing, or authorized financial instruments firms association	Remarks
Common stock	318,220,968	318,220,968	Prime market of the Tokyo Stock Exchange and the Main Board of the Stock Exchange of Hong Kong Limited (Note)	100 shares as one unit
Total	318,220,968	318,220,968	-	-

(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 (shares)	Balance of total number of shares issued (shares)	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 2023 (Note) to 31 May 2023	212,147,312	318,220,968	-	10,273	-	4,578

(Note) The increase in total number of shares outstanding is due to our common stock being split on a 3-to-1 basis on 1 March 2023 based on a resolution at the Board of Directors meeting held on 15 December 2022.

###### (5) Major Shareholders

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

(6) Voting Rights

Concerning “Voting Rights” as at the end of the third quarterly accounting period ended 31 May 2023, 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 2023).

(i) Shares issued

As at 31 May 2023

Class	Number of shares (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 3,859,600	-	-
Shares with full voting rights (e.g., other than treasury stock)	Common stock 102,112,000	1,021,120	(Note) 1
Shares less than one unit	Common stock 102,056	-	(Notes) 1, 2
Total number of shares issued	106,073,656	-	-
Total number of voting rights of all shareholders	-	1,021,120	-

(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 55 shares of treasury stock held by the Company.

3. Based on a resolution at the Board of Directors meeting held on 15 December 2022, our common stock was split on a 3-to-1 basis on 1 March 2023. As a result, the total number of issued shares has increased by 212,147,312 to 318,220,968.

(ii) Treasury Stock

As at 31 May 2023

Name or trade name of holder	Holder’s address	Number of shares held in own name (shares)	Number of shares held in other’s name (shares)	Total number of shares held (shares)	Percentage of total number of shares issued (%)
FAST RETAILING CO., LTD.	10717-1 Sayama, Yamaguchi-shi, Yamaguchi	3,859,600	-	3,859,600	3.64
Total	-	3,859,600	-	3,859,600	3.64

(Note) Based on a resolution at the Board of Directors meeting held on 15 December 2022, our common stock was split on a 3-to-1 basis on 1 March 2023.

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 2023.

## 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 2023, the interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, the interim condensed consolidated statement of changes in equity and interim condensed consolidated statements of cash flows for the nine-month period then ended, and the related notes (collectively, the “interim condensed consolidated financial statements”) were prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”), pursuant to Article 93 of the “Rules Governing Term, Form and Preparation of Consolidated Quarterly Financial Statements” (Cabinet Office Ordinance No. 64 of 2007, hereinafter referred to as “Consolidated Quarterly Financial Statements Rules”).

### 2. Review Report

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

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

## 1. Interim Condensed Consolidated Financial Statements

### (1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	Notes	As at 31 August 2022	As at 31 May 2023
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		1,358,292	922,567
Trade and other receivables		60,184	101,798
Other financial assets	16	123,446	472,706
Inventories	6	485,928	387,386
Derivative financial assets	16	124,551	106,124
Income taxes receivable		2,612	3,243
Other assets		23,835	18,328
Total current assets		2,178,851	2,012,155
Non-current assets			
Property, plant and equipment	7,8	195,226	216,460
Right-of-use assets	8	395,634	389,805
Goodwill		8,092	8,092
Intangible assets	8	76,621	84,532
Financial assets	16	164,340	258,725
Investments in associates accounted for using the equity method		18,557	18,830
Deferred tax assets		8,506	10,045
Derivative financial assets	16	134,240	93,899
Other assets	8	3,690	8,070
Total non-current assets		1,004,911	1,088,461
Total assets		3,183,762	3,100,617
<b>Liabilities and equity</b>			
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables		350,294	262,146
Other financial liabilities	9, 16	209,286	142,803
Derivative financial liabilities	16	1,513	3,791
Lease liabilities		123,885	126,159
Current tax liabilities		77,162	38,718
Provisions		2,581	2,833
Other liabilities		111,519	110,813
Total current liabilities		876,242	687,265
Non-current liabilities			
Financial liabilities	16	241,022	241,189
Lease liabilities		356,840	339,782
Provisions		47,780	50,455
Deferred tax liabilities		44,258	28,839
Derivative financial liabilities	16	44	3,437
Other liabilities		2,171	2,065
Total non-current liabilities		692,117	665,771
Total liabilities		1,568,360	1,353,037

(Millions of yen)

	Notes	As at 31 August 2022	As at 31 May 2023
<b>EQUITY</b>			
Capital stock		10,273	10,273
Capital surplus		27,834	28,236
Retained earnings		1,275,102	1,440,642
Treasury stock, at cost		(14,813)	(14,734)
Other components of equity		263,255	230,481
Equity attributable to owners of the Parent		1,561,652	1,694,899
Non-controlling interests		53,750	52,680
Total equity		1,615,402	1,747,580
Total liabilities and equity		3,183,762	3,100,617

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

Interim Condensed Consolidated Statement of Profit or Loss

Nine months ended 31 May 2023

(Millions of yen)

	Notes	Nine months ended 31 May 2022	Nine months ended 31 May 2023
Revenue	11	1,765,106	2,143,504
Cost of sales		(837,146)	(1,037,909)
Gross profit		927,959	1,105,594
Selling, general and administrative expenses	12	(655,536)	(780,180)
Other income	13	15,194	8,874
Other expenses	8,13	(17,477)	(4,779)
Share of profit and loss of associates accounted for using the equity method		943	1,066
Operating profit		271,084	330,574
Finance income	14	83,311	36,082
Finance costs	14	(5,139)	(7,453)
Profit before income taxes		349,255	359,203
Income tax expense		(101,714)	(104,297)
Profit for the period		247,541	254,905
Profit for the period attributable to:			
Owners of the Parent		237,836	238,519
Non-controlling interests		9,704	16,386
Total		247,541	254,905
Earnings per share			
Basic (yen)	15	775.99	777.90
Diluted (yen)	15	774.81	776.65



Three months ended 31 May 2023

(Millions of yen)

	Notes	Three months ended 31 May 2022	Three months ended 31 May 2023
Revenue		546,129	676,153
Cost of sales		(247,255)	(312,079)
Gross profit		298,874	364,074
Selling, general and administrative expenses		(216,271)	(255,970)
Other income		8,541	4,578
Other expenses		(9,706)	(2,802)
Share of profit and loss of associates accounted for using the equity method		367	430
Operating profit		81,806	110,311
Finance income		56,616	20,769
Finance costs		(1,732)	(2,376)
Profit before income taxes		136,689	128,704
Income tax expense		(43,531)	(38,429)
Profit for the period		93,158	90,274
Profit for the period attributable to:			
Owners of the Parent		90,991	85,126
Non-controlling interests		2,167	5,147
Total		93,158	90,274
Earnings per share			
Basic (yen)	15	296.84	277.60
Diluted (yen)	15	296.41	277.08

Interim Condensed Consolidated Statement of Comprehensive Income  
 Nine months ended 31 May 2023

(Millions of yen)

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

Three months ended 31 May 2023

(Millions of yen)

	Notes	Three months ended 31 May 2022	Three months ended 31 May 2023
Profit for the period		93,158	90,274
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)		56	25
Total items that will not be reclassified subsequently to profit or loss		56	25
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		46,312	22,308
Cash flow hedges		77,288	40,082
Share of other comprehensive income / (loss) of associates		82	73
Total items that may be reclassified subsequently to profit or loss		123,683	62,464
Other comprehensive income / (loss), net of income tax		123,739	62,489
Total comprehensive income for the period		216,897	152,764
Attributable to:			
Owners of the Parent		207,983	146,328
Non-controlling interests		8,914	6,435
Total comprehensive income for the period		216,897	152,764

(3) Interim Condensed Consolidated Statement of Changes in Equity  
For the Nine months ended 31 May 2022

(Millions of yen)

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

For the Nine months ended 31 May 2023

(Millions of yen)

	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 2022		10,273	27,834	1,275,102	(14,813)	131	100,587	162,407	129	263,255	1,561,652	53,750	1,615,402
Net changes during the period													
Comprehensive income													
Profit for the period		-	-	238,519	-	-	-	-	-	-	238,519	16,386	254,905
Other comprehensive income / (loss)		-	-	-	-	18	4,347	28,115	75	32,557	32,557	(748)	31,809
Total comprehensive income / (loss)		-	-	238,519	-	18	4,347	28,115	75	32,557	271,077	15,638	286,715
Transactions with the owners of the Parent													
Acquisition of treasury stock		-	-	-	(27)	-	-	-	-	-	(27)	-	(27)
Disposal of treasury stock		-	1,382	-	106	-	-	-	-	-	1,489	-	1,489
Dividends	10	-	-	(73,074)	-	-	-	-	-	-	(73,074)	(16,305)	(89,379)
Share-based payments		-	(980)	-	-	-	-	-	-	-	(980)	-	(980)
Transfer to non-financial assets		-	-	-	-	-	-	(65,236)	-	(65,236)	(65,236)	(717)	(65,953)
Transfer to retained earnings		-	-	95	-	(95)	-	-	-	(95)	-	-	-
Changes in ownership interests in subsidiaries without losing control		-	-	-	-	-	-	-	-	-	-	314	314
Total transactions with the owners of the Parent		-	402	(72,979)	78	(95)	-	(65,236)	-	(65,331)	(137,829)	(16,707)	(154,537)
Total net changes during the period		-	402	165,540	78	(76)	4,347	(37,120)	75	(32,774)	133,247	(1,069)	132,177
As at 31 May 2023		10,273	28,236	1,440,642	(14,734)	54	104,934	125,286	205	230,481	1,694,899	52,680	1,747,580

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

(Millions of yen)

	Notes	Nine months ended 31 May 2022	Nine months ended 31 May 2023
<b>Cash flows from operating activities</b>			
Profit before income taxes		349,255	359,203
Depreciation and amortization		134,536	139,211
Impairment losses	8	14,927	1,932
Interest and dividend income		(5,399)	(28,161)
Interest expenses		5,092	7,453
Foreign exchange losses / (gains)		(77,863)	(7,920)
Share of profit and loss of associates accounted for using the equity method		(943)	(1,066)
Losses on disposal of property, plant and equipment		900	518
(Increase) / Decrease in trade and other receivables		(29,567)	(41,994)
(Increase) / Decrease in inventories		67,838	99,178
Increase / (Decrease) in trade and other payables		(2,525)	(86,769)
(Increase) / Decrease in other assets		(2,936)	7,702
Increase / (Decrease) in other liabilities		(35,620)	(19,328)
Others, net		(4,271)	22,117
Cash generated from operations		413,422	452,077
Interest and dividends income received		4,623	16,667
Interest paid		(4,682)	(7,149)
Income taxes paid		(81,407)	(145,698)
Income taxes refunded		6,674	-
Net cash generated by / (used in) operating activities		338,630	315,896
<b>Cash flows from investing activities</b>			
Amounts deposited into bank deposits with original maturities of three months or longer		(117,719)	(291,360)
Amounts withdrawn from bank deposits with original maturities of three months or longer		89,385	130,218
Payments for property, plant and equipment		(42,811)	(51,866)
Payments for intangible assets		(19,091)	(25,134)
Payments for acquisition of right-of-use assets		(553)	(1,778)
Payments for acquisition of investment securities		-	(406,710)
Proceeds from sale and redemption of investment securities		-	140,963
Payments for lease and guarantee deposits		(3,895)	(3,332)
Proceeds from collection of lease and guarantee deposits		3,592	3,682
Others, net		329	(519)
Net cash generated by / (used in) investing activities		(90,764)	(505,838)

(Millions of yen)

	Notes	Nine months ended 31 May 2022	Nine months ended 31 May 2023
<b>Cash flows from financing activities</b>			
Proceeds from short-term loans payable		13,111	3,760
Repayment of short-term loans payable		(24,996)	(3,615)
Repayment of redemption of bonds	9	-	(50,000)
Dividends paid to owners of the Parent	10	(53,091)	(72,813)
Dividends paid to non-controlling interests		(11,623)	(16,391)
Repayments of lease liabilities		(98,748)	(102,054)
Others, net		541	393
Net cash generated by / (used in) financing activities		(174,808)	(240,721)
Effect of exchange rate changes on the balance of cash held in foreign currencies		118,118	(5,061)
Net increase / (decrease) in cash and cash equivalents		191,176	(435,724)
Cash and cash equivalents at the beginning of period		1,177,736	1,358,292
Cash and cash equivalents at the end of period		1,368,912	922,567

## 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) and Theory business (i.e., apparel design and retail business in Japan and overseas), etc.

### 2. Basis of Preparation

The interim condensed consolidated financial statements have been prepared in accordance 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 2022.

The interim condensed consolidated financial statements were approved on 13 July 2023 by Tadashi Yanai Chairman, President and CEO, and Takeshi Okazaki, Group Executive Vice President and CFO.

### 3. Significant Accounting Policies

Significant Accounting Policies applied in the Interim Condensed Consolidated Financial Statement are the same as those applied in the consolidated financial statements for the previous consolidated fiscal year, with the exception of the below newly applied standard.

Since the third quarter of the current consolidated fiscal year, the Group has adopted the below standard.

Standard	Standard Name	Summary of New/Revised Content and Transitional Measures
IAS 12 (Revised)	Income Taxes	A temporary exception to the recognition and information disclosure requirements about deferred tax assets and liabilities related to the International Tax Reform - Pillar Two Model Rules.

The application of IAS 12 (Revised) has no significant impact on the Group's Interim Condensed Consolidated Financial Statement.

### 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.

The Company made accounting estimates involving the assumption that the impact of the global spread of COVID-19 will continue to recover for most countries and regions, including Japan. For other countries and regions, the impact may continue for mid to long term.

In principle, estimates and judgments that have significant effects on the amounts recognized in the interim condensed consolidated financial statements are the same as those in the preceding 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 reviewed regularly by the Board of Directors (the "Board") to make decisions about the allocation of resources and to assess performance.

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

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

UNIQLO Japan: UNIQLO clothing business within Japan

UNIQLO International: UNIQLO clothing business outside of Japan

GU: GU clothing business in Japan and overseas

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

(Changes to classification of reportable segment)

From the three months ended 30 November 2022, in accordance with the partial review of the performance management segmentation, Royalty Department performance that had previously been presented under "UNIQLO Japan" is now included in the "Adjustments".

This is due to the increase in sales of UNIQLO International including Europe and United States and the accompanying increase in royalty revenue, which has resulted in a change in positioning of the Royalty Division to a corporate division.

The segment information for the nine months ended 31 May 2022 and three months ended 31 May 2022 is based on the revised segmentation.

### (ii) Segment revenue and results

For the nine months ended 31 May 2022

(Millions of yen)

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

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

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

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

For the nine months ended 31 May 2023

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	709,745	1,097,605	227,995	106,449	2,141,795	1,708	—	2,143,504
Operating profit / (loss)	99,608	184,100	25,818	1,479	311,006	29	19,538	330,574
Segment income / (loss) (i.e., profit before income taxes)	105,013	184,736	25,233	789	315,772	47	43,383	359,203
Other disclosure: Impairment losses (Note 3)	—	1,047	140	744	1,932	—	—	1,932

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

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

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

For the three months ended 31 May 2022

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	198,459	248,010	67,721	31,090	545,281	847	—	546,129
Operating profit / (loss)	34,168	32,419	8,466	(323)	74,730	192	6,883	81,806
Segment income / (loss) (i.e., profit before income taxes)	37,734	31,302	9,281	(434)	77,883	171	58,634	136,689
Other disclosure: Impairment losses (Note 3)	—	8,533	271	35	8,840	—	—	8,840

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

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

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

For the three months ended 31 May 2023

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	214,579	342,345	82,427	36,213	675,566	587	—	676,153
Operating profit / (loss)	32,208	61,421	12,753	1,326	107,710	(143)	2,743	110,311
Segment income / (loss) (i.e., profit before income taxes)	36,809	61,729	12,767	1,062	112,368	(126)	16,461	128,704
Other disclosure: Impairment losses (Note 3)	—	632	—	515	1,148	—	—	1,148

(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 2022	Nine months ended 31 May 2023
Write-down of inventories to net realizable value	6,503	6,936

## 7. Property, Plant and Equipment

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

(Millions of yen)

	As at 31 August 2022	As at 31 May 2023
Buildings and structures	125,947	136,442
Machinery and equipment	29,710	42,069
Furniture, fixtures and vehicles	26,064	28,089
Land	1,927	1,927
Construction in progress	11,575	7,931
Total	195,226	216,460

## 8. Impairment Losses

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

(Millions of yen)

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

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

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

For the nine months ended 31 May 2022

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

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

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

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

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

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

For the nine months ended 31 May 2023

No significant impairment losses.

#### 9. Corporate Bonds

The 3rd non-collateralized corporate bonds of 50,000 million yen (interest rate: 0.491%; date of maturity: 16 December 2022) was repaid during the nine months ended 31 May 2023.

#### 10. Dividends

The total amount of dividends paid was as follows:

For the nine months ended 31 May 2022

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Meeting of the Board on 2 November 2021	24,514	240	31 August 2021	5 November 2021
Meeting of the Board on 14 April 2022	28,608	280	28 February 2022	10 May 2022

For the nine months ended 31 May 2023

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Meeting of the Board on 1 November 2022	34,744	340	31 August 2022	4 November 2022
Meeting of the Board on 13 April 2023	38,330	375	28 February 2023	12 May 2023

Our common stock was split on a 3-to-1 basis, effective 1 March 2023. However, the amount of dividends per share is the same as prior to the stock split.

## 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 2022

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

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

The designated regions and countries are classified as follows:

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

(Note 2) Main national and regional market: Japan

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

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

Nine months ended 31 May 2023

	Revenue (Millions of yen)	Percentage of Total (%)
Japan	709,745	33.1
Greater China	476,331	22.2
South Korea, Southeast Asia, India & Australia	342,954	16.0
North America & Europe	278,319	13.0
UNIQLO (Note 1)	1,807,350	84.3
GU (Note 2)	227,995	10.6
Global Brands (Note 3)	106,449	5.0
Others (Note 4)	1,708	0.1
Total	2,143,504	100.0

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

The designated regions and countries are classified as follows:

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

(Note 2) Main national and regional market:

Japan

(Note 3) Main national and regional markets:

North America, Europe, Japan

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

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



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

(Millions of yen)

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

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

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

(Millions of yen)

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

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

15. Earnings per Share

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

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

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

2. Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. Equity per share attributable to owners of the Parent, basic earnings per share for the period and diluted earnings per share for the period have been calculated assuming this stock split was conducted at the beginning of the previous fiscal year.

Three months ended 31 May 2022		Three months ended 31 May 2023	
Basic earnings per share for the period (Yen)	296.84	Basic earnings per share for the period (Yen)	277.60
Diluted earnings per share for the period (Yen)	296.41	Diluted earnings per share for the period (Yen)	277.08

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

	Three months ended 31 May 2022	Three months ended 31 May 2023
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	90,991	85,126
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders (Millions of yen)	90,991	85,126
Average number of common stock outstanding during the period (Shares)	306,534,812	306,648,986
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	445,269	578,341
(Number of share subscription rights included in increase)	(445,269)	(578,341)

2. Our common stock has been split on a 3-to-1 basis, effective 1 March 2023. Equity per share attributable to owners of the Parent, basic earnings per share for the period and diluted earnings per share for the period have been calculated assuming this stock split was conducted at the beginning of the previous fiscal year.

#### 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 2022		As at 31 May 2023	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Financial assets:				
Bonds	135,214	134,264	414,086	411,808
Security deposits and guarantees	68,626	69,093	68,805	68,716
Total	203,840	203,357	482,891	480,524
Financial liabilities:				
Corporate bonds	369,589	370,513	319,669	319,040
Total	369,589	370,513	319,669	319,040

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

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

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

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 bonds, security deposits / guarantees, and corporate bonds are categorized as level 2.

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

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

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

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

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

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

(Millions of yen)

As at 31 August 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	301	-	189	490
Net financial assets and financial liabilities measured at fair value through profit or loss	-	(1,109)	-	(1,109)
Net financial assets and financial liabilities designated as hedging instruments - Fair value	-	258,344	-	258,344
Fair value	301	257,234	189	257,725

(Millions of yen)

As at 31 May 2023	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	—	—	189	189
Net financial assets and financial liabilities measured at fair value through profit or loss	—	23	—	23
Net financial assets and financial liabilities designated as hedging instruments - Fair value	—	192,771	—	192,771
Fair value	—	192,795	189	192,984

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

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

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

#### 17. Commitments for Expenditures

The Group had the following commitments at each reporting date:

(Millions of yen)

	As at 31 August 2022	As at 31 May 2023
Commitment for the acquisition of property, plant and equipment	32,926	16,754
Commitment for the acquisition of intangible assets	2,202	2,760
Total	35,128	19,515

#### 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 13 April 2023. 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

14 July 2023

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

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

Hirofumi Otani

Designated Engagement Partner,  
Certified Public Accountant:

Akira Kimotsuki

### Accountant's Conclusion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have reviewed the interim condensed consolidated financial statements of FAST RETAILING CO., LTD. and its consolidated subsidiaries (the "Group") included in the Financial Section, namely, the interim condensed consolidated statement of financial position as at 31 May 2023, 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 2023, and its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month period then ended in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" ("IAS 34"), pursuant to Article 93 of the "Rules Governing Term, Form and Preparation of Consolidated Quarterly Financial Statements".

### Basis for Accountant's Conclusion

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Notes to the Readers of Independent Accountant's Review Report**

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