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FAST RETAILING
FAST RETAILING CO., LTD.
迅銷有限公司
(Incorporated in Japan with limited liability)
 (Stock Code:6288)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 29 FEBRUARY 2016
AND
RESUMPTION OF TRADING

The board (the "Board") of directors (the "Directors") of FAST RETAILING CO., LTD. (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 29 February 2016.

At the request of the Company, trading in its Hong Kong depository receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 7 April 2016, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depository receipts with effect from 9:00 a.m. on Friday, 8 April 2016.

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

1. CONSOLIDATED RESULTS

(1) Consolidated Operation Results (1 September 2015 to 29 February 2016)

(Percentages represent year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended 29 February 2016	1,011,653	6.5	99,341	(33.8)	82,041	(49.9)	51,434	(53.7)
Six months ended 28 February 2015	949,684	24.2	150,077	40.2	163,666	48.0	110,971	56.7

	Profit attributable to owners of the parent		Total comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Six months ended 29 February 2016	47,043	(55.1)	(47,250)	—	461.43	460.80
Six months ended 28 February 2015	104,753	56.2	183,633	140.5	1,027.75	1,026.51

(2) Consolidated Financial Positions

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity per share attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As at 29 February 2016	1,311,064	709,647	685,871	52.3	6,727.12
As at 31 August 2015	1,163,706	774,804	750,937	64.5	7,366.07

2. DIVIDENDS

(Declaration date)	Dividend per share				
	First quarter period end	Second quarter period end	Third quarter period end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended 31 August 2015	—	175.00	—	175.00	350.00
Year ending 31 August 2016	—	185.00			
Year ending 31 August 2016 (forecast)			—	165.00	350.00

(Note) Revisions during this quarter of dividends forecast for fiscal year: Yes

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

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

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full Year	1,800,000	7.0	120,000	(27.0)	102,500	(43.3)	60,000	(45.5)

	Basic earnings per share
	Yen
Full Year	588.55

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

* Notes

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

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

(i)	Number of issued shares (including treasury stock)	As at 29 February 2016	106,073,656 shares	As at 31 August 2015	106,073,656 shares
(ii)	Number of treasury stock	As at 29 February 2016	4,117,463 shares	As at 31 August 2015	4,128,255 shares
(iii)	Average number of issued shares	For six months ended 29 February 2016	101,950,064 shares	For six months ended 28 February 2015	101,924,560 shares

* Indication concerning status of implementation of quarterly review procedures:

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

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

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

1. Business Results

(1) Results of Operations

The Fast Retailing Group reported a rise in revenue but a fall in profit in the first half of fiscal 2016, or the six months from 1 September 2015 to 29 February 2016. Consolidated revenue reached ¥1.0116 trillion (+6.5% year-on-year), while consolidated operating profit totaled ¥99.3 billion (-33.8% year-on-year), consolidated profit before income taxes stood at ¥82.0 billion (-49.9% year-on-year), and profit attributable to owners of the parent totaled ¥47.0 billion (-55.1% year-on-year). Breaking these first-half results down into the three business segments, Global Brands reported rises in both revenue and profit, while UNIQLO Japan reported declines in both revenue and profit, and UNIQLO International reported a rise in revenue but a decline in profit. The appreciation in the yen over the six months ended 29 February 2016 resulted in a ¥22.8 billion foreign exchange loss being recorded for the first half of fiscal 2016 under other income and expenses and finance income and costs. That amounts to a ¥42.4 billion decline, compared to a ¥19.6 billion income in the first half of fiscal 2015. As a result, consolidated profit before income taxes declined ¥81.6 billion year-on-year in the first-half.

The Group's medium-term vision is to become the world's number one apparel manufacturer and retailer. To this aim, we have focused our efforts on expanding UNIQLO's global operations by boosting store numbers in each country where we operate, and opening global flagship stores and large-format stores in major cities around the world. On the product side, we have sought to boost awareness and visibility of the UNIQLO brand by offering exciting joint collections with well-known designers and artistic directors from other brands around the world, such as Ines de la Fressange and Lemaire. We are currently in the process of aggressively transforming our distribution systems. In April 2016, we will launch our next-generation distribution center in Ariake, Tokyo, and we are pressing ahead with plans to open new distribution centers elsewhere in Japan and internationally. In addition, we are actively promoting our GU brand by accelerating the opening of new stores in Japan and launching the label in the Chinese market. We believe the GU operation has reached a key turning point in its growth and development as a second pillar brand for the Group.

UNIQLO Japan

UNIQLO Japan fell short of expectations in the first half of fiscal 2016, reporting revenue of ¥453.6 billion (-0.2% year-on-year) and operating profit of ¥64.1 billion (-28.3% year-on-year). With hindsight, we didn't conduct enough marketing to effectively convey the fresh appeal and exciting new elements in our products to customers. In addition, while winter clothing constituted a large portion of our product lineup, we didn't have an adequate strategy in place to deal with warm winter weather. These two factors adversely affected demand during the traditionally buoyant months of November and December, and, as a result, same-store sales declined 1.9% year-on-year in the first half of fiscal 2016. Meanwhile, e-commerce sales expanded 28.4% year-on-year to ¥25.3 billion, accounting for 5.6% of total revenue. On the profit side, heavy discounting in January and February contributed to the 3.5 point contraction in the first-half gross profit margin. Operating profit came in considerably below forecast, declining 28.3% year-on-year on the back of higher selling, general and administrative expenses such as distribution and personnel expenses. The total number of directly-run UNIQLO Japan stores declined by 9 to 805 stores at the end of February 2016, while the number of franchise outlets rose by 11 to 39 stores after 10 stores were converted from directly-run stores to new employee-franchise outlets.

UNIQLO International

UNIQLO International reported a rise in revenue that was largely in line with forecasts, but the operation fell short of target on the profit side by reporting a sharp decline in operating profit. In the first half of fiscal 2016, UNIQLO International generated revenue of ¥389.2 billion (+12.7% year-on-year) and operating profit of ¥29.4 billion (-31.4% year-on-year). Profit declined at UNIQLO Greater China (encompassing operations in mainland China, Hong Kong and Taiwan) and UNIQLO South Korea, and operating losses at UNIQLO USA expanded. All these operations were adversely affected by warm winter weather but sales were hit especially hard in Hong Kong, Taiwan and South Korea due to sluggish economic conditions. Meanwhile, UNIQLO Southeast Asia and Oceania (Singapore, Malaysia, Thailand, the Philippines, Indonesia and Australia) and UNIQLO Europe (U.K., France, Russia, Germany and Belgium) reported gains in both revenue and profit that were broadly in line with forecasts. UNIQLO International recorded ¥1.6 billion a foreign exchange loss, and a ¥1.3 billion loss from asset retirement and other costs relating to the closure of four stores in the United States. As a result, operating profit for the segment declined 31.4% year-on-year in the first half. The total number of UNIQLO International stores had expanded by 174 year-on-year to 890 stores as of 29 February 2016. A strong reception for the first UNIQLO store in Belgium in October 2015 contributed to the brand's growing success in Europe. The March 2016 opening of the newly refurbished 311 Oxford Street global flagship store has also attracted a great deal of attention, with the store poised to serve as a beacon for new London culture.

Global Brands

Global Brands reported gains in both revenue and profit in the first half as expected, with revenue rising 12.9% year-on-year to ¥167.3 billion and operating profit expanding 21.9% year-on-year to ¥14.3 billion. Within the Global Brands segment, our low-priced GU fashion casualwear label reported significant rises in both revenue and profit that exceeded expectations. GU reported double-digit growth in same-store sales on the back of strong sales of heavily advertised knitwear, and trendy bottoms such as wide pants and jogging pants. A successful launch of Spring 2016 ranges in the traditionally less buoyant months of January and February also helped improve GU's gross margin, and significantly boost operating profit. Theory and Comptoir des Cotonniers fell short of target by reporting a decline in profits in the first half. The J Brand premium denim label also fell short of target by reporting an expanded operating loss, while the flat year-on-year performance from Princesse tam.tam was broadly in line with plan.

Corporate social responsibility (“CSR”) and Environmental protection

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

The 2016 CSR Report summarizes the Group’s CSR activities in the fiscal year ending 31 August 2015, and was published in January. Activity reports and improvement initiatives are featured in relation to four priority themes: Production, Environment, Community and Human Resources. We also proactively disclose information in our stores and on our website in communicating with our diverse stakeholders.

We have been conducting the 10 Million Ways to HELP Project since October 2015, as part of the All-Products Recycling Initiative, which collects customers’ used clothing at Uniqlo and GU stores, and provides them to people in need of clothing. This project has collected a total of 8.60 million articles of clothing (as of 3 April 2016) across stores in 16 countries and regions, from both customers and employees. We will continue the initiative, with the goal of collecting 10 million articles of clothing.

Furthermore, in December, 2015, Link Theory Japan held its Closet for Needs initiative, which provides women who have been victims of domestic violence with the clothing to help them regain their confidence and independence.

(2) Financial Positions and Cash Flows Information

(i) Financial Positions

Total assets as at 29 February 2016 were ¥1,311.0 billion, which was an increase of ¥147.3 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥148.7 billion in cash and cash equivalents, an increase of ¥176.1 billion in other current financial assets, a decrease of ¥38.2 billion in inventories, and a decrease of ¥119.2 billion in derivative financial assets.

Total liabilities as at 29 February 2016 were ¥601.4 billion, which was an increase of ¥212.5 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥247.0 billion in non-current financial liabilities and a decrease of ¥42.7 billion in deferred tax liabilities.

Total net assets as at 29 February 2016 were ¥709.6 billion, which was a decrease of ¥65.1 billion relative to the end of the preceding consolidated fiscal year. The principal factor was an increase of ¥29.2 billion in retained earnings and a decrease of ¥95.8 billion in other components of equity.

(ii) Cash Flows Information

Cash and cash equivalents as at 29 February 2016 had increased by ¥41.1 billion from the six months ended 28 February 2015, to ¥504.0 billion.

Net cash from operating activities for the six months ended 29 February 2016 was ¥143.8 billion, which was a decrease of ¥80.2 billion (-35.8 % year-on-year) from the six months ended 28 February 2015. The principal factors were ¥82.0 billion in profit before income taxes (a decrease of ¥81.6 billion from the six months ended 28 February 2015), ¥17.3 billion increase in Foreign exchange losses (an increase of ¥30.0 billion from the six months ended 28 February 2015) and ¥22.7 billion Increase in trade and other payables (a decrease of ¥29.3 billion from the six months ended 28 February 2015).

Net cash used in investing activities for the six months ended 29 February 2016 was ¥202.1 billion, which was an increase of ¥128.0 billion (+173.1 % year-on-year) from the six months ended 28 February 2015. The principal factors were ¥180.3 billion for increase in bank deposits with maturity over 3 months (an increase of ¥134.5 billion from the six months ended 28 February 2015) and ¥17.0 billion for purchases of property, plant and equipment (a decrease of ¥4.6 billion from the six months ended 28 February 2015).

Net cash used in financing activities for the six months ended 29 February 2016 was ¥221.7 billion, which was an increase of ¥244.1 billion from the six months ended 28 February 2015. The principal factor was ¥249.3 billion for proceeds from issuance of bonds (an increase of ¥249.3 billion from the six months ended 28 February 2015).

(3) Qualitative Information Concerning Consolidated Business Results Projection

The following adjustments have been made to the business results projection for the full term announced on 7 January 2016 to reflect actual business performance over the first six months of the term through 29 February 2016. The background to these adjustments is as follows:

- 1) Sharp declines in operating profit reported by the UNIQLO Japan and UNIQLO International business segments were below target.
- 2) Estimates for operating profit at UNIQLO Japan and UNIQLO International for the third quarter onward have been revised downward.
- 3) The decision to incorporate an estimated full-term impairment loss of ¥21.0 billion into projections from the third quarter onward (impairment losses on the J Brand premium denim label, and on UNIQLO Japan and UNIQLO International stores).
- 4) Other income and expenses turned negative in the first half due to the appreciation in the Japanese yen over the same period.
- 5) The decision to incorporate a projected foreign exchange loss of ¥17.5 billion under net finance income/costs, after applying the end-February yen exchange rate to full-year projections.

In fiscal 2016, Fast Retailing now expects to achieve consolidated revenue of ¥1.800 trillion (+7.0% year-on-year), operating profit of ¥120.0 billion (-27.0% year-on-year) and profit attributable to owners of the parent of ¥60.0 billion (-45.5% year-on-year).

As a result, the year-end dividend estimate of ¥185 per share announced on 7 January 2016 has been revised down to ¥165. That translates into a scheduled annual dividend for fiscal 2016 of ¥350 per share as the same amount of previous fiscal year.

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

(Full financial year)

	Revenue	Operating profit	Profit before income taxes	Profit attributable to owners of the parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	1,800,000	180,000	180,000	110,000	1,079.01
New forecast (B)	1,800,000	120,000	102,500	60,000	588.55
Difference (B-A)	—	(60,000)	(77,500)	(50,000)	—
Change (%)	—	(33.3)	(43.1)	(45.5)	—
Previous results	1,681,781	164,463	180,676	110,027	1,079.42

2. Summary Information (Notes)

(1) Changes of principal subsidiaries:

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

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

Not applicable.

3. Interim Condensed Consolidated Financial Statements

(1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As at 31 August 2015	As at 29 February 2016
ASSETS		
Current assets		
Cash and cash equivalents	355,212	504,002
Trade and other receivables	44,777	48,909
Other current financial assets	22,593	198,715
Inventories	260,006	221,800
Derivative financial assets	157,490	38,258
Income taxes receivable	18,564	567
Others	15,748	15,529
Total current assets	874,394	1,027,783
Non-current assets		
Property, plant and equipment	129,340	125,996
Goodwill	27,165	26,463
Other intangible assets	40,991	39,702
Non-current financial assets	75,940	75,436
Deferred tax assets	11,107	11,035
Others	4,766	4,646
Total non-current assets	289,311	283,280
Total assets	1,163,706	1,311,064
Liabilities and equity		
LIABILITIES		
Current liabilities		
Trade and other payables	181,577	200,106
Derivative financial liabilities	100	5,478
Other current financial liabilities	15,471	10,799
Income taxes payable	36,763	29,366
Provisions	22,615	16,505
Others	35,714	38,049
Total current liabilities	292,242	300,306
Non-current liabilities		
Non-current financial liabilities	25,513	272,556
Provisions	10,203	10,369
Deferred tax liabilities	47,272	4,559
Others	13,668	13,625
Total non-current liabilities	96,658	301,110
Total liabilities	388,901	601,417
EQUITY		
Capital stock	10,273	10,273
Capital surplus	11,524	13,032
Retained earnings	602,623	631,826
Treasury stock, at cost	(15,699)	(15,662)
Other components of equity	142,214	46,400
Equity attributable to owners of the parent	750,937	685,871
Non-controlling interests	23,867	23,775
Total equity	774,804	709,647
Total liabilities and equity	1,163,706	1,311,064

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

	Notes	Six months ended 28 February 2015	Six months ended 29 February 2016
Revenue		949,684	1,011,653
Cost of sales		(470,166)	(534,717)
Gross profit		479,517	476,935
Selling, general and administrative expenses	2	(336,333)	(370,729)
Other income	3	8,075	921
Other expenses	3	(1,181)	(7,786)
Operating profit		150,077	99,341
Finance income	4	14,123	973
Finance costs	4	(534)	(18,273)
Profit before income taxes		163,666	82,041
Income taxes		(52,694)	(30,606)
Profit for the period		110,971	51,434
Attributable to:			
Owners of the parent		104,753	47,043
Non-controlling interests		6,218	4,391
Profit for the period		110,971	51,434
Earnings per share			
Basic (Yen)	5	1,027.75	461.43
Diluted (Yen)	5	1,026.51	460.80

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

	Six months ended 28 February 2015	Six months ended 29 February 2016
Profit for the period	110,971	51,434
Other comprehensive income		
Other comprehensive income that will not be reclassified to profit or loss	—	—
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Net (loss) on revaluation of available-for-sale investments	(689)	(39)
Exchange differences on translation of foreign operations	17,288	(18,341)
Cash flow hedges	56,062	(80,303)
Other comprehensive income/(loss), net of taxes	72,661	(98,684)
Total comprehensive income/(loss) for the period	183,633	(47,250)
Attributable to:		
Owners of the parent	176,091	(48,770)
Non-controlling interests	7,541	1,520
Total comprehensive income/(loss) for the period	183,633	(47,250)

(3) Interim Condensed Consolidated Statement of Changes in Equity

For six months ended 28 February 2015

(Millions of yen)

	Other components of equity							Equity attributable to owners of the parent	Non-controlling interests	Total equity	
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve				
As at 1 September 2014	10,273	9,803	525,722	(15,790)	798	23,035	64,536	88,371	618,381	17,660	636,041
Net changes during the period											
Comprehensive income											
Profit for the period	—	—	104,753	—	—	—	—	—	104,753	6,218	110,971
Other comprehensive income	—	—	—	—	(689)	16,118	55,908	71,337	71,337	1,323	72,661
Total comprehensive income	—	—	104,753	—	(689)	16,118	55,908	71,337	176,091	7,541	183,633
Transactions with the owners											
Acquisition of treasury stock	—	—	—	(2)	—	—	—	—	(2)	—	(2)
Disposal of treasury stock	—	415	—	59	—	—	—	—	474	—	474
Dividends	—	—	(15,287)	—	—	—	—	—	(15,287)	(1,226)	(16,513)
Share-based payments	—	1,170	—	—	—	—	—	—	1,170	—	1,170
Others	—	—	—	—	—	—	—	—	—	180	180
Total transactions with the owners	—	1,585	(15,287)	56	—	—	—	—	(13,646)	(1,046)	(14,692)
Total net changes during the period	—	1,585	89,465	56	(689)	16,118	55,908	71,337	162,445	6,495	168,940
As at 28 February 2015	10,273	11,389	615,187	(15,733)	109	39,154	120,444	159,708	780,826	24,156	804,982

For six months ended 29 February 2016

(Millions of yen)

	Other components of equity							Equity attributable to owners of the parent	Non-controlling interests	Total equity	
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve				
As at 1 September 2015	10,273	11,524	602,623	(15,699)	143	37,851	104,219	142,214	750,937	23,867	774,804
Net changes during the period											
Comprehensive income											
Profit for the period	—	—	47,043	—	—	—	—	—	47,043	4,391	51,434
Other comprehensive income	—	—	—	—	(39)	(15,874)	(79,899)	(95,813)	(95,813)	(2,871)	(98,684)
Total comprehensive income	—	—	47,043	—	(39)	(15,874)	(79,899)	(95,813)	(48,770)	1,520	(47,250)
Transactions with the owners											
Acquisition of treasury stock	—	—	—	(4)	—	—	—	—	(4)	—	(4)
Disposal of treasury stock	—	337	—	42	—	—	—	—	379	—	379
Dividends	—	—	(17,840)	—	—	—	—	—	(17,840)	(2,067)	(19,907)
Share-based payments	—	984	—	—	—	—	—	—	984	—	984
Others	—	187	—	—	—	—	—	—	187	454	641
Total transactions with the owners	—	1,508	(17,840)	37	—	—	—	—	(16,294)	(1,612)	(17,907)
Total net changes during the period	—	1,508	29,202	37	(39)	(15,874)	(79,899)	(95,813)	(65,065)	(92)	(65,157)
As at 29 February 2016	10,273	13,032	631,826	(15,662)	103	21,977	24,319	46,400	685,871	23,775	709,647

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

	Six months ended 28 February 2015	Six months ended 29 February 2016
Profit before income taxes	163,666	82,041
Depreciation and amortization	17,784	18,656
Increase/(decrease) in allowance for doubtful accounts	6	(28)
Increase/(decrease) in other provisions	(2,973)	(5,749)
Interest and dividend income	(606)	(973)
Interest expenses	530	920
Foreign exchange losses/(gains)	(12,724)	17,353
Losses on retirement of property, plant and equipment	265	519
Decrease/(increase) in trade and other receivables	(1,981)	(5,054)
Decrease/(increase) in inventories	21,878	27,941
Increase/(decrease) in trade and other payables	52,134	22,764
Decrease/(increase) in other assets	3,518	1,835
Increase/(decrease) in other liabilities	10,555	5,813
Others, net	(1,445)	(1,938)
Subtotal	250,610	164,101
Interest and dividend income received	478	973
Interest paid	(543)	(733)
Income taxes paid	(40,366)	(38,301)
Income taxes refund	13,881	17,811
Net cash from operating activities	224,060	143,851
Decrease/(increase) in bank deposits with maturity over 3 months	(45,811)	(180,353)
Purchases of property, plant and equipment	(21,678)	(17,062)
Proceeds from sales of property, plant and equipment	174	1,003
Purchases of intangible assets	(3,426)	(4,555)
Payments for lease and guarantee deposits	(4,291)	(2,102)
Proceeds from collection of lease and guarantee deposits	1,589	519
Increase in construction assistance fund receivables	(1,228)	(807)
Decrease in construction assistance fund receivables	905	1,023
Others, net	(250)	228
Net cash used in investing activities	(74,018)	(202,107)

	Six months ended 28 February 2015	Six months ended 29 February 2016
Net increase/(decrease) in short-term loans payable	(1,067)	(2,870)
Repayment of long-term loans payable	(2,954)	(2,985)
Proceeds from issuance of bonds	—	249,369
Cash dividends paid	(15,234)	(17,840)
Cash dividends paid to non-controlling interests	(1,226)	(2,067)
Repayments of lease obligations	(2,244)	(2,319)
Others, net	330	497
Net cash used in financing activities	(22,397)	221,785
Effect of exchange rate changes on cash and cash equivalents	21,190	(14,739)
Net increase/(decrease) in cash and cash equivalents	148,835	148,789
Cash and cash equivalents at beginning of period	314,049	355,212
CASH AND CASH EQUIVALENTS AT END OF PERIOD	462,884	504,002

(5) Notes to assumption of going concern

Not applicable.

(6) Notes to the Interim Condensed Consolidated Financial Statements

1. Segment information

(i) Description of reportable segments

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

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

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

UNIQLO Japan: UNIQLO clothing business within Japan

UNIQLO International: UNIQLO clothing business outside of Japan

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

(ii) Method of calculating segment revenue and results

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

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

(iii) Segment information

For the six months ended 28 February 2015

(Millions of yen)

	Reportable segments			Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	Global Brands				
Revenue	454,502	345,504	148,254	948,260	1,423	—	949,684
Operating profit	89,462	42,861	11,740	144,064	15	5,997	150,077
Segment income (profit before income taxes)	90,820	41,994	11,715	144,530	15	19,120	163,666

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

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

For the six months ended 29 February 2016

(Millions of yen)

	Reportable segments			Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	Global Brands				
Revenue	453,693	389,255	167,316	1,010,265	1,387	—	1,011,653
Operating profit	64,113	29,402	14,310	107,825	8	(8,492)	99,341
Segment income (profit before income taxes)	63,794	28,666	13,651	106,112	8	(24,079)	82,041

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

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

2. Selling, general and administrative expenses

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

(Millions of yen)

	Six months ended 28 February 2015	Six months ended 29 February 2016
Selling, general and administrative expenses		
Advertising and promotion	35,520	40,835
Rental expenses	86,814	91,163
Depreciation and amortization	17,784	18,656
Outsourcing	13,813	17,347
Salaries	110,986	121,597
Others	71,413	81,128
Total	336,333	370,729

3. Other income and other expenses

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

(Millions of yen)

	Six months ended 28 February 2015	Six months ended 29 February 2016
Other income		
Foreign exchange gains*	6,906	—
Gains on sales of property, plant and equipment	0	33
Others	1,167	887
Total	8,075	921

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

(Millions of yen)

	Six months ended 28 February 2015	Six months ended 29 February 2016
Other expenses		
Foreign exchange losses*	—	5,494
Loss on retirement of property, plant and equipment	265	519
Others	915	1,772
Total	1,181	7,786

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

4. Finance income and finance costs

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

(Millions of yen)

	Six months ended 28 February 2015	Six months ended 29 February 2016
Finance income		
Foreign exchange gains*	12,724	—
Interest income	572	968
Dividend income	34	5
Others	792	—
Total	14,123	973

* Currency adjustments incurred in the course of non-operating transactions are included in "finance income".

(Millions of yen)

	Six months ended 28 February 2015	Six months ended 29 February 2016
Finance costs		
Foreign exchange losses*	—	17,353
Interest expenses	530	920
Others	3	—
Total	534	18,273

* Currency adjustments incurred in the course of non-operating transactions are included in "finance costs".

5. Earnings per share

Six months ended 28 February 2015		Six months ended 29 February 2016	
Equity per share attributable to owners of the parent (Yen)	7,660.10	Equity per share attributable to owners of the parent (Yen)	6,727.12
Basic earnings per share for the period (Yen)	1,027.75	Basic earnings per share for the period (Yen)	461.43
Diluted earnings per share for the period (Yen)	1,026.51	Diluted earnings per share for the period (Yen)	460.80

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

	Six months ended 28 February 2015	Six months ended 29 February 2016
Basic earnings per share for the period		
Profit for the period attributable to owners of the parent (Millions of yen)	104,753	47,043
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to common shareholders (Millions of yen)	104,753	47,043
Average number of common stock during the period (Shares)	101,924,560	101,950,064
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	—	—
Increase in number of common stock (Shares) (share subscription rights)	123,789 (123,789)	140,167 (140,167)

6. Subsequent Events

Not applicable.

4. Supplementary Information

(1) Sales Breakdown by Product Category/Operations

	Six months ended 28 February 2015 (from 1 September 2014 to 28 February 2015)		Six months ended 29 February 2016 (from 1 September 2015 to 29 February 2016)		(Reference) Year ended 31 August 2015	
	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)
Men's clothing	183,861	19.4	185,457	18.3	314,587	18.7
Women's clothing	214,610	22.6	208,993	20.7	371,127	22.1
Children's & Baby's clothing	34,580	3.6	31,809	3.1	56,526	3.4
Goods and other items	11,149	1.2	13,020	1.3	19,429	1.1
Total sales of UNIQLO Japan	444,201	46.8	439,280	43.4	761,671	45.3
Franchise-related income & alteration charges	10,300	1.1	14,412	1.4	18,467	1.1
Total UNIQLO Japan Operations	454,502	47.9	453,693	44.8	780,139	46.4
UNIQLO International Operations	345,504	36.4	389,255	38.5	603,684	35.9
Total UNIQLO Operations	800,006	84.2	842,948	83.4	1,383,824	82.3
Global Brands Operations	148,254	15.6	167,316	16.5	295,316	17.6
Other Operations	1,423	0.2	1,387	0.1	2,641	0.1
Total	949,684	100.0	1,011,653	100.0	1,681,781	100.0

- (Notes)
1. Franchise-related income refers to the proceeds from garment sales to franchise stores, plus royalty income. Alteration charges refer to income generated from embroidery prints and alterations to pants length.
 2. UNIQLO Operations cover the selling of UNIQLO brand casual clothing.
 3. Global Brands Operations consist of GU operations (selling of GU brand casual clothing), Theory operations (selling of Theory, Helmut Lang and PLST brand clothing), COMPTOIR DES COTONNIERS operations (selling of COMPTOIR DES COTONNIERS brand clothing), PRINCESSE TAM.TAM operations (selling of PRINCESSE TAM.TAM brand clothing), and J Brand operations (selling of J BRAND brand clothing).
 4. Other Operations include real-estate leasing business.
 5. Direct business revenue from UNIQLO Japan (internet and other direct sales channels)
Year ended 31 August 2014: 25,333 million yen, Six months ended 28 February 2015: 19,720 million yen
Year ended 31 August 2015: 32,409 million yen, Six months ended 29 February 2016: 25,321 million yen
 6. The above amounts do not include consumption taxes, etc.

4. Resumption of Trading

At the request of the Company, trading in its Hong Kong depositary receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 7 April 2016, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Friday, 8 April 2016.

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

Tadashi Yanai

Chairman, President and Chief Executive Officer

Japan, 7 April 2016

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