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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)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
 FOR THE THREE MONTHS ENDED 30 NOVEMBER 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 three months ended 30 November 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, 12 January 2017, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depository receipts with effect from 9:00 a.m. on Friday, 13 January 2017.

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

1. CONSOLIDATED RESULTS

(1) Consolidated Operation Results (1 September 2016 to 30 November 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	%
Three months ended 30 November 2016	528,847	1.6	88,591	16.7	104,204	34.2	73,698	44.1
Three months ended 30 November 2015	520,303	8.5	75,921	(16.9)	77,666	(27.2)	51,131	(29.8)

	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
Three months ended 30 November 2016	69,695	45.1	158,048	224.8	683.51	682.60
Three months ended 30 November 2015	48,024	(30.2)	48,660	(70.2)	471.07	470.48

(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 30 November 2016	1,410,933	738,836	710,441	50.4	6,967.28
As at 31 August 2016	1,238,119	597,661	574,501	46.4	5,634.35

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

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

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

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

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

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

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

* Notes

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

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

(i)	Number of issued shares (including treasury stock)	As at 30 November 2016	106,073,656 shares	As at 31 August 2016	106,073,656 shares
(ii)	Number of treasury stock	As at 30 November 2016	4,105,427 shares	As at 31 August 2016	4,109,503 shares
(iii)	Average number of issued shares	For three months ended 30 November 2016	101,966,443 shares	For three months ended 30 November 2015	101,947,408 shares

* Indication concerning status of implementation of quarterly review procedures:

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

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

Statements made in these materials such as those pertaining to future matters such as business projections are based on information presently available to the Company and certain assumptions determined to be reasonable. Actual business results may vary substantially depending on a variety of factors. For the background, assumptions and other matters regarding business results projection, please refer to P. 7 “(3) Qualitative Information Concerning Consolidated Business Results Projection”.

1. Business Results

(1) Results of Operations

The Fast Retailing Group reported a rise in both consolidated revenue and consolidated operating profit in the first quarter of fiscal 2017, or the three months from 1 September to 30 November 2016. Consolidated revenue reached ¥528.8 billion (+1.6% year-on-year), while consolidated operating profit totaled ¥88.5 billion (+16.7% year-on-year). While the gross profit margin held steady year-on-year, the selling, general and administrative expense ratio improved by 1.8 points as we continued the Group-wide cost-cutting drive initiated in fiscal 2016. We recorded a foreign exchange gain of ¥15.6 billion under finance income as the November month-end yen spot exchange rate is lower than the August month-end rate, boosting the carrying amount of our long-term foreign-currency denominated assets in terms of yen. As a result, Fast Retailing consolidated profit rose considerably in the first quarter, with profit before income taxes increased to ¥104.2 billion (+34.2% year-on-year), and profit attributable to owners of the parent expanded to ¥69.6 billion (+45.1% year-on-year). Breaking the first-quarter performance down into the three individual business segments: UNIQLO Japan reported increases in both revenue and operating profit, UNIQLO International recorded a fall in revenue but a rise in operating profit, and Global Brands generated a rise in revenue but a fall in operating profit.

The Group's medium-term vision is to become the world's number one apparel digital retailer. To this aim, we are focusing our efforts on expanding UNIQLO International's operations and our low-priced GU casual fashion brand. We continue to increase UNIQLO store numbers in each country where we operate, opening global flagship stores and large-format stores in major cities around the world to help consolidate UNIQLO's position as a key global brand. In addition, we are also expanding our GU operation, which has grown into a second pillar brand for the Group alongside UNIQLO, by opening more GU stores within Japan and accelerating the brand's development and store numbers in overseas markets.

Another medium-term goal is to revolutionize our entire supply chain, spanning all procedures from planning to design, raw materials procurement, manufacturing and retail into a new supply chain system that can fully satisfy the needs of today's digital era. The customer-centric, information-driven supply chain is designed to support a comprehensive new digital retailing business model for the Fast Retailing Group. In February 2017, all UNIQLO product-related and commercial functions will be moved to our central Ariake headquarters to help build a swift, concurrent product- and information-creation system.

UNIQLO Japan

UNIQLO Japan generated rises in both revenue and operating profit in the first quarter of fiscal 2017, with revenue totaling ¥238.8 billion (+3.4% year-on-year) and operating profit totaling ¥45.6 billion (+1.8% year-on-year). Same-store including online sales increased 2.5% year-on-year. The total number of UNIQLO Japan stores declined by a net of 6 stores year-on-year to 800 (excluding 41 franchise stores) at the end of November 2016. Of this total, three stores shifted from directly operated stores to employee franchise stores.

Looking at the quarter in more detail, same-store sales declined in September and October due to unseasonal warm weather that demand for Fall Winter items. However, once temperatures dropped in November, same-store sales picked up. The UNIQLO anniversary sale proved strong, so did sales of core products such as cashmere sweaters, HEATTECH innerwear, and outerwear. Customer visits showed signs of recovery, rising year-on-year in the first quarter partly on the back of our decision to continue the new attractive, readily recognizable price strategy introduced in fiscal 2016. Firm control over discounting helped generate a 0.3 point improvement in the gross profit margin year-on-year. However, the selling, general and administrative expense ratio rose by 0.2 point year-on-year. While continued cost-cutting efforts helped reduce business costs such as advertising and promotion, outsourcing and business trips, distribution costs increased in relation to the transformation of our logistics systems.

UNIQLO International

UNIQLO International reported a fall in revenue to ¥196.5 billion (-0.2% year-on-year) but a strong rise in operating profit to ¥30.1 billion (+44.6% year-on-year) in the first quarter of fiscal 2017. The fall in revenue was due largely to the effect of the stronger yen compared to the previous year, which pushed yen-based sales down by an average 16%. However in terms of local currencies, sales rose across all of UNIQLO international's operations. On the profit side, the segment's operating profit margin increased 4.7 points in the first quarter, thanks to an improvement in the gross profit margin, and a successful cost-cutting drive which helped reduce the selling, general and administrative expense ratio. Profit contributions from UNIQLO Greater China, UNIQLO Southeast Asia and Oceania were especially strong. Meanwhile, an improvement in the gross profit margin at UNIQLO USA helped reduce operating losses at that operation. UNIQLO's first two stores in Canada, opened in September 2016, got off to a great start by attaining higher-than-expected sales. Fifteen years after the first UNIQLO store outside Japan was opened in fall 2001, the UNIQLO International network surpassed the mark of 1,000 stores, finally settling at 1,009 stores (+145 stores year-on-year) at the end of November 2016.

Global Brands

Global Brands' revenue expanded to ¥92.7 billion (+1.1% year-on-year), but operating profit declined to ¥9.5 billion (-22.7% year-on-year).

Our low-priced GU casual fashion brand generated a rise in revenue but a fall in operating profit after unseasonal warm weather in September stifled early sales of Fall ranges. While sales of trendy items such as coatigans and MA-1 blouson jackets picked up strongly from October onwards, GU same-store sales only expanded marginally over the first quarter as a whole. GU's operating profit declined in the first quarter after lower-than-expected sales resulted in greater discounting of Fall inventory, and a year-on-year contraction in the gross profit margin. Though advertising and other expenses were reduced as part of our cost-cutting drive, personnel and distribution costs rose, pushed the selling, general and administrative expense ratio higher.

At other global brands, our France-based Princesse tam.tam label and our US-based J Brand premium denim label continued to generate a loss, while fashion brands Theory and Comptoir des Cotonniers recorded steady operating profit.

Corporate social responsibility ("CSR") and Environmental protection

"Fulfilling our social responsibility," "contributing to society," and "solving social issues and creating new value" are the basic policies under which the Group conducts its CSR activities, and we are engaging in both global and local activities.

As an initiative to improve working conditions in our supply chain, we have been monitoring the working conditions at our suppliers' factories. In addition, we joined the Fair Labor Association (FLA), which is an international non-profit organization that works to protect the rights of factory workers and with their assistance, we revised the code of conduct (CoC) for our production partners with the assistance of FLA. This enables us to further promote improvements in working conditions and build a sustainable supply chain.

Since 2011, we have engaged in assisting refugees through a global partnership with the United Nations High Commissioner for Refugees (UNHCR). In November 2015, we hosted a joint press conference with UNHCR, where we made announcements such as donating a total of 10 million dollars in the coming 3 years, expanding employment of refugees, and providing aid in the form of emergency clothing. In October 2016, we decided to donate 1 million dollars of our total funds of 10 million dollars to humanitarian aid efforts in South Sudan, which is particularly at risk.

In our "All-Product Recycling Initiative," we deliver clothing collected at Uniqlo and GU stores to refugees and displaced persons, and in November 2016, employees at our head office visited Myanmar to donate approximately 60 thousand items of clothing. On this occasion, the recipients were internally displaced persons living in Kachin State and Rakhine State. Apart from the Burmese population, there are numerous minorities living in Myanmar leads to internal conflict in regions around the country. This forces many internally displaced persons into harsh circumstances. We will continue to aid refugees and displaced persons in this manner through our "All-Product Recycling Initiative."

(2) Financial Positions and Cash Flows Information

(i) Financial Positions

Total assets as at 30 November 2016 were ¥1,410.9 billion, which was an increase of ¥172.8 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥80.2 billion in cash and cash equivalents, an increase of ¥65.2 billion in trade and other receivables, an increase of ¥22.7 billion in other current financial assets and an increased ¥22.5 billion in derivative financial assets.

Total liabilities as at 30 November 2016 were ¥672.0 billion, which was an increase of ¥31.6 billion relative to the end of the preceding consolidated fiscal year. The principal factors were a decrease of ¥71.4 billion in derivative financial liabilities, an increase of ¥67.5 billion in trade and other payables, an increase of ¥19.4 billion in income taxes payable and an increase of ¥16.7 billion in other current liabilities.

Total net assets as at 30 November 2016 were ¥738.8 billion, which was an increase of ¥141.1 billion relative to the end of the preceding consolidated fiscal year. The principal factor was an increase of ¥52.8 billion in retained earnings and an increase of ¥81.8 billion in other components of equity.

(ii) Cash Flows Information

Cash and cash equivalents as at 30 November 2016 had increased by ¥78.1 billion from the three months ended 30 November 2015, to ¥465.6 billion.

Net cash from operating activities for the three months ended 30 November 2016 was ¥99.8 billion, which was an increase of ¥41.3 billion (+70.7% year-on-year) from the three months ended 30 November 2015. The principal factors were ¥104.2 billion in profit before income taxes (an increase of ¥26.5 billion from the three months ended 30 November 2015), foreign exchange gains amounted to ¥15.6 billion (an increase of ¥13.9 billion from the three months ended 30 November 2015) and ¥7.1 billion in income taxes paid (a decrease of ¥26.9 billion from the three months ended 30 November 2015).

Net cash used in investing activities for the three months ended 30 November 2016 was ¥15.0 billion, which was an increase of ¥7.8 billion (+109.7% year-on-year) from the three months ended 30 November 2015. The principal factors were decrease of ¥2.0 billion in bank deposits with maturity over 3 months(an increase of ¥8.1 billion from the three months ended 30 November 2015) and ¥8.7 billion for purchases of property, plant and equipment (a decrease of ¥2.4 billion from the three months ended 30 November 2015).

Net cash used in financing activities for the three months ended 30 November 2016 was ¥19.6 billion, which was a decrease of ¥1.8 billion (-8.6% year-on-year) from the three months ended 30 November 2015. The principal factor was ¥16.7 billion for cash dividends paid (a decrease of ¥1.0 billion from the three months ended 30 November 2015) and ¥1.2 billion for net decrease in short-term loans payable (a decrease of ¥1.3 billion from the three months ended 30 November 2015).

(3) Qualitative Information Concerning Consolidated Business Results Projection

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

2. Summary Information (Notes)

(1) Changes of principal subsidiaries:

Not applicable.

(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 2016	As at 30 November 2016
ASSETS		
Current assets		
Cash and cash equivalents	385,431	465,691
Trade and other receivables	45,178	110,461
Other current financial assets	184,239	207,016
Inventories	270,004	273,625
Derivative financial assets	569	23,130
Income taxes receivable	21,626	17,624
Others	17,534	17,007
Total current assets	924,583	1,114,558
Non-current assets		
Property, plant and equipment	121,853	128,394
Goodwill	17,908	18,089
Other intangible assets	34,205	35,956
Non-current financial assets	77,553	78,313
Investments in an associate	13,132	13,517
Deferred tax assets	44,428	17,249
Others	4,453	4,854
Total non-current assets	313,535	296,374
Total assets	1,238,119	1,410,933
Liabilities and equity		
LIABILITIES		
Current liabilities		
Trade and other payables	189,501	257,061
Derivative financial liabilities	72,388	901
Other current financial liabilities	12,581	14,253
Income taxes payable	9,602	29,024
Provisions	22,284	14,559
Others	31,689	48,450
Total current liabilities	338,046	364,251
Non-current liabilities		
Non-current financial liabilities	274,090	275,957
Provisions	10,645	10,874
Deferred tax liabilities	3,809	5,275
Others	13,865	15,737
Total non-current liabilities	302,411	307,844
Total liabilities	640,458	672,096
EQUITY		
Capital stock	10,273	10,273
Capital surplus	13,070	14,237
Retained earnings	613,974	666,845
Treasury stock, at cost	(15,633)	(15,617)
Other components of equity	(47,183)	34,702
Equity attributable to owners of the parent	574,501	710,441
Non-controlling interests	23,159	28,395
Total equity	597,661	738,836
Total liabilities and equity	1,238,119	1,410,933

(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	Three months ended 30 November 2015	Three months ended 30 November 2016
Revenue		520,303	528,847
Cost of sales		(254,033)	(258,160)
Gross profit		266,269	270,686
Selling, general and administrative expenses	2	(190,680)	(184,193)
Other income	3	795	2,765
Other expenses	3	(463)	(667)
Operating profit		75,921	88,591
Finance income	4	2,119	16,390
Finance costs	4	(374)	(776)
Profit before income taxes		77,666	104,204
Income taxes		(26,534)	(30,506)
Profit for the period		51,131	73,698
Attributable to:			
Owners of the parent		48,024	69,695
Non-controlling interests		3,107	4,002
Profit for the period		51,131	73,698
Earnings per share			
Basic (Yen)	5	471.07	683.51
Diluted (Yen)	5	470.48	682.60

Interim Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended 30 November 2015	Three months ended 30 November 2016
Profit for the period	51,131	73,698
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 gain/(loss) on revaluation of available-for-sale investments	11	47
Exchange differences on translation of foreign operations	3,432	21,182
Cash flow hedges	(5,915)	63,120
Other comprehensive income/(loss), net of taxes	(2,471)	84,350
Total comprehensive income/(loss) for the period	48,660	158,048
Attributable to:		
Owners of the parent	45,012	151,581
Non-controlling interests	3,648	6,467
Total comprehensive income/(loss) for the period	48,660	158,048

(3) Interim Condensed Consolidated Statement of Changes in Equity

For three months ended 30 November 2015

(Millions of yen)

	Other components of equity							Equity attributable to owners		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	Total	of the parent		
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	—	—	48,024	—	—	—	—	—	48,024	3,107	51,131
Other comprehensive income	—	—	—	—	11	2,490	(5,514)	(3,012)	(3,012)	540	(2,471)
Total comprehensive income	—	—	48,024	—	11	2,490	(5,514)	(3,012)	45,012	3,648	48,660
Transactions with the owners											
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	80	—	13	—	—	—	—	93	—	93
Dividends	—	—	(17,840)	—	—	—	—	—	(17,840)	(2,067)	(19,907)
Share-based payments	—	1,165	—	—	—	—	—	—	1,165	—	1,165
Others	—	—	—	—	—	—	—	—	—	121	121
Total transactions with the owners	—	1,245	(17,840)	13	—	—	—	—	(16,581)	(1,945)	(18,527)
Total net changes during the period	—	1,245	30,184	13	11	2,490	(5,514)	(3,012)	28,430	1,702	30,133
As at 30 November 2015	10,273	12,770	632,808	(15,686)	154	40,342	98,704	139,201	779,368	25,569	804,938

For three months ended 30 November 2016

(Millions of yen)

	Other components of equity							Equity attributable to owners		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	Total	of the parent		
As at 1 September 2016	10,273	13,070	613,974	(15,633)	248	(2,811)	(44,619)	(47,183)	574,501	23,159	597,661
Net changes during the period											
Comprehensive income											
Profit for the period	—	—	69,695	—	—	—	—	—	69,695	4,002	73,698
Other comprehensive income	—	—	—	—	47	19,982	61,855	81,885	81,885	2,464	84,350
Total comprehensive income	—	—	69,695	—	47	19,982	61,855	81,885	151,581	6,467	158,048
Transactions with the owners											
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	117	—	15	—	—	—	—	133	—	133
Dividends	—	—	(16,824)	—	—	—	—	—	(16,824)	(1,231)	(18,055)
Share-based payments	—	1,049	—	—	—	—	—	—	1,049	—	1,049
Total transactions with the owners	—	1,167	(16,824)	15	—	—	—	—	(15,641)	(1,231)	(16,873)
Total net changes during the period	—	1,167	52,871	15	47	19,982	61,855	81,885	135,939	5,236	141,175
As at 30 November 2016	10,273	14,237	666,845	(15,617)	296	17,170	17,235	34,702	710,441	28,395	738,836

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

	Three months ended 30 November 2015	Three months ended 30 November 2016
Profit before income taxes	77,666	104,204
Depreciation and amortization	9,209	8,552
Increase/(decrease) in allowance for doubtful accounts	(38)	(4)
Increase/(decrease) in other provisions	(7,770)	(8,658)
Interest and dividend income	(417)	(542)
Interest expenses	374	776
Foreign exchange losses/(gains)	(1,701)	(15,672)
Share of profit and loss of an associate	—	(188)
Losses on retirement of property, plant and equipment	96	213
Decrease/(increase) in trade and other receivables	(61,221)	(62,006)
Decrease/(increase) in inventories	(11,432)	4,656
Increase/(decrease) in trade and other payables	73,982	63,515
Decrease/(increase) in other assets	(1,261)	(9,154)
Increase/(decrease) in other liabilities	13,272	22,025
Others, net	1,809	(835)
Subtotal	92,567	106,882
Interest and dividend income received	300	542
Interest paid	(289)	(431)
Income taxes paid	(34,077)	(7,107)
Net cash from operating activities	58,501	99,886
Decrease/(increase) in bank deposits with maturity over 3 months	6,090	(2,046)
Purchases of property, plant and equipment	(11,116)	(8,703)
Proceeds from sales of property, plant and equipment	1,003	—
Purchases of intangible assets	(2,359)	(3,216)
Payments for lease and guarantee deposits	(1,133)	(1,079)
Proceeds from collection of lease and guarantee deposits	226	237
Investment in an associate	—	(196)
Increase in construction assistance fund receivables	(506)	(420)
Decrease in construction assistance fund receivables	543	440
Others, net	75	(65)
Net cash used in investing activities	(7,178)	(15,049)

(Millions of yen)

	Three months ended 30 November 2015	Three months ended 30 November 2016
Net increase/(decrease) in short-term loans payable	(2,576)	(1,231)
Cash dividends paid	(17,807)	(16,791)
Repayments of lease obligations	(1,147)	(1,338)
Others, net	52	(266)
Net cash used in financing activities	(21,478)	(19,627)
Effect of exchange rate changes on cash and cash equivalents	2,480	15,051
Net increase in cash and cash equivalents	32,324	80,260
Cash and cash equivalents at beginning of period	355,212	385,431
CASH AND CASH EQUIVALENTS AT END OF PERIOD	387,537	465,691

(5) Notes to assumption of going concern

Not applicable.

(6) Notes to the Interim Condensed Consolidated Financial Statements

1. Segment information

(i) Description of reportable segments

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

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

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

UNIQLO Japan: UNIQLO clothing business within Japan

UNIQLO International: UNIQLO clothing business outside of Japan

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

(ii) Method of calculating segment revenue and results

The methods of accounting for the reportable segments are the same as those stated in the "Significant Accounting Policies" of the Group's annual consolidated financial statements for the year ended 31 August 2016.

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

(iii) Segment information

For the three months ended 30 November 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	230,939	196,943	91,825	519,708	595	—	520,303
Operating profit	44,821	20,869	12,401	78,093	(109)	(2,062)	75,921
Segment income (profit before income taxes)	44,988	20,960	12,362	78,311	(109)	(534)	77,666

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

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

For the three months ended 30 November 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	238,850	196,554	92,799	528,204	642	—	528,847
Operating profit	45,613	30,167	9,582	85,363	46	3,181	88,591
Segment income (profit before income taxes)	48,150	30,472	9,530	88,153	46	16,005	104,204

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

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

2. Selling, general and administrative expenses

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

(Millions of yen)

	Three months ended 30 November 2015	Three months ended 30 November 2016
Selling, general and administrative expenses		
Advertising and promotion	23,935	22,008
Rental expenses	45,769	44,854
Depreciation and amortization	9,209	8,552
Outsourcing	9,024	7,339
Salaries	61,731	60,162
Others	41,009	41,275
Total	190,680	184,193

3. Other income and other expenses

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

(Millions of yen)

	Three months ended 30 November 2015	Three months ended 30 November 2016
Other income		
Foreign exchange gains*	203	2,156
Gains on sales of property, plant and equipment	7	0
Share of profit and loss of an associate	—	188
Others	584	419
Total	795	2,765

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

(Millions of yen)

	Three months ended 30 November 2015	Three months ended 30 November 2016
Other expenses		
Loss on retirement of property, plant and equipment	96	213
Others	367	453
Total	463	667

4. Finance income and finance costs

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

(Millions of yen)

	Three months ended 30 November 2015	Three months ended 30 November 2016
Finance income		
Foreign exchange gains*	1,701	15,672
Interest income	417	542
Dividend income	0	0
Others	—	175
Total	2,119	16,390

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

(Millions of yen)

	Three months ended 30 November 2015	Three months ended 30 November 2016
Finance costs		
Interest expenses	374	776
Total	374	776

5. Earnings per share

Three months ended 30 November 2015		Three months ended 30 November 2016	
Equity per share attributable to owners of the parent (Yen)	7,644.70	Equity per share attributable to owners of the parent (Yen)	6,967.28
Basic earnings per share for the period (Yen)	471.07	Basic earnings per share for the period (Yen)	683.51
Diluted earnings per share for the period (Yen)	470.48	Diluted earnings per share for the period (Yen)	682.60

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

	Three months ended 30 November 2015	Three months ended 30 November 2016
Basic earnings per share for the period		
Profit for the period attributable to owners of the parent (Millions of yen)	48,024	69,695
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to common shareholders (Millions of yen)	48,024	69,695
Average number of common stock during the period (Shares)	101,947,408	101,966,443
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	—	—
Increase in number of common stock (Shares) (share subscription rights)	129,190 (129,190)	136,413 (136,413)

6. Subsequent Events

Not applicable.

4. Supplementary Information

(1) Sales Breakdown by Product Category/Operations

	Three months ended 30 November 2015 (from 1 September 2015 to 30 November 2015)		Three months ended 30 November 2016 (from 1 September 2016 to 30 November 2016)		(Reference) Year ended 31 August 2016	
	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)
Men's clothing	88,974	17.1	88,575	16.7	319,995	17.9
Women's clothing	110,799	21.3	116,759	22.1	379,837	21.3
Children's & Baby's clothing	17,104	3.3	18,368	3.5	55,005	3.1
Goods and other items	6,278	1.2	6,505	1.3	20,935	1.2
Total sales of UNIQLO Japan	223,158	42.9	230,209	43.6	775,773	43.5
Franchise-related income & alteration charges	7,781	1.5	8,640	1.6	24,044	1.3
Total UNIQLO Japan Operations	230,939	44.4	238,850	45.2	799,817	44.8
UNIQLO International Operations	196,943	37.9	196,554	37.2	655,406	36.7
Total UNIQLO Operations	427,883	82.3	435,404	82.4	1,455,224	81.5
Global Brands Operations	91,825	17.6	92,799	17.5	328,557	18.4
Other Operations	595	0.1	642	0.1	2,691	0.1
Total	520,303	100.0	528,847	100.0	1,786,473	100.0

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

4. RESUMPTION OF TRADING

At the request of the Company, trading in its Hong Kong depositary receipts on the Stock Exchange was halted with effect from 1:00 p.m. on Thursday, 12 January 2017, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Friday, 13 January 2017.

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

Tadashi Yanai

Chairman, President and Chief Executive Officer

Japan, 12 January 2017

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