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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 2017
AND
RESUMPTION OF TRADING**

The board (the "Board") of directors (the "Directors") of FAST RETAILING CO., LTD. (the "Parent" or "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the three months ended 30 November 2017.

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, 11 January 2018, 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, 12 January 2018.

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

1. CONSOLIDATED RESULTS

(1) Consolidated Operating Results (1 September 2017 to 30 November 2017)

(Percentages represent year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended 30 November 2017	617,026	16.7	113,901	28.6	117,832	13.1	84,646	14.9
Three months ended 30 November 2016	528,847	1.6	88,591	16.7	104,204	34.2	73,698	44.1

	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 2017	78,540	12.7	95,515	(39.6)	770.11	768.99
Three months ended 30 November 2016	69,695	45.1	158,048	224.8	683.51	682.60

(2) Consolidated Financial Position

	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 2017	1,633,058	842,990	806,281	49.4	7,905.74
As at 31 August 2017	1,388,486	762,043	731,770	52.7	7,175.35

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 2017	—	175.00	—	175.00	350.00
Year ending 31 August 2018	—				
Year ending 31 August 2018 (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 2018 (1 SEPTEMBER 2017 TO 31 AUGUST 2018)

(% 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 2018	2,050,000	10.1	200,000	13.4	200,000	3.4	120,000	0.6

	Basic earnings per share attributable to owners of the Parent
	Yen
Year ending 31 August 2018	1,176.66

(Note) Revisions during this quarter of consolidated business results projection for year ending 31 August 2018: None

* Notes

- (1) Changes of principal subsidiaries in the period: None
- (2) Changes in accounting policies and changes in accounting estimates:
- | | |
|--|------|
| (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 2017	106,073,656 shares	As at 31 August 2017	106,073,656 shares
(ii)	Number of treasury stock	As at 30 November 2017	4,086,736 shares	As at 31 August 2017	4,089,664 shares
(iii)	Average number of issued shares	For the three months ended 30 November 2017	101,985,476 shares	For the three months ended 30 November 2016	101,966,443 shares

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

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

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

1. Business Results

(1) Results of Operations

The Fast Retailing Group generated rises in both revenue and profit in the first quarter of fiscal 2018, or the three months from 1 September 2017 to 30 November 2017. Consolidated revenue totaled ¥617.0 billion (+16.7% year-on-year) and operating profit reached ¥113.9 billion (+28.6% year-on-year). The consolidated gross profit margin improved by 0.2 point year-on-year and the selling, general and administrative expense ratio improved by 1.7 points. Under finance income, a net gain of ¥3.9 billion was recorded after the spot foreign exchange rate at the end of November closed below the spot rate at the start of the business term, increasing the carrying amount of our long-term foreign-currency denominated assets in yen terms. As a result, profit before income taxes rose to ¥117.8 billion (+13.1% year-on-year) and profit attributable to owners of the parent increased to ¥78.5 billion (+12.7% year-on-year). In terms of individual business segments, UNIQLO Japan, UNIQLO International, GU and Global Brands operations all reported rising revenue and profit in the first quarter of fiscal 2018.

The Group's medium-term vision is to become the world's number one apparel retailer. In pursuit of this aim, we are focusing our efforts on expanding UNIQLO International and our GU casual fashion brand. We continue to increase UNIQLO store numbers in each country where we operate, and open global flagship stores and large-format stores in major cities around the world to help consolidate UNIQLO's position as a key global brand. Within the UNIQLO International segment, Southeast Asia in particular is entering a new stage of growth and is set to become the segment's second pillar region after Greater China (Mainland China, Hong Kong and Taiwan) and South Korea. In terms of the GU operation, in addition to opening more GU stores in Japan, we are also planning to expand GU's international presence by opening more stores in Greater China.

Due to its growing impact on overall consolidated performance, the low-priced GU casual fashion brand, formerly a part of the Global Brands business segment, has been separated into an independent business segment from the 2018 reporting period. Data for the 2017 reporting period have been adjusted to suit the new reporting segment structure to facilitate year-on-year comparisons.

UNIQLO Japan

UNIQLO Japan reported a rise in revenue and profit in the first quarter of fiscal 2018, with revenue totaling ¥257.0 billion (+7.6% year-on-year) and operating profit totaling ¥54.1 billion (+18.6% year-on-year). In the three months to 30 November 2017, same-store sales, including online sales, expanded by 8.4% year-on-year.

Buoyant demand and ample inventory of flagship UNIQLO Fall Winter ranges such as HEATTECH, down coats, sweat wear and merino sweaters resulted in strong sales. The November UNIQLO Anniversary Sale also generated considerably higher-than-expected sales, resulting in the highest monthly sales figure for November on record. Online sales expanded 25.6% year-on-year in the first quarter to constitute 7.0% of overall sales. The cost of sales continued to rise on persistent weakening in internal yen exchange rates. However, the decline in the gross profit margin was contained at 0.2 point year-on-year thanks to lower discounting. Meanwhile, the selling, general and administrative expense ratio improved by 1.7 points year-on-year on the back of significant reductions in advertising and promotion expenses, and distribution costs.

UNIQLO International

UNIQLO International revenue and profit rose significantly in the first quarter of fiscal 2018, with revenue totaling ¥258.2 billion (+31.4% year-on-year) and operating profit rising to an impressive ¥46.6 billion (+54.7% year-on-year). Thanks to the continued steady expansion of global UNIQLO operations, UNIQLO International revenue exceeded that of UNIQLO Japan for the first time in this September to November quarter. Greater China, South Korea, and Southeast Asia & Oceania continued to drive segment growth by generating significant increases in revenue and profit. Thermal clothing sold especially well in Greater China and South Korea after the Fall Winter season proved colder than the previous year. Southeast Asia & Oceania contributed to the rise in UNIQLO International revenue thanks to strong sales of summer items designed for year-round hot weather and buoyant demand for winter items from overseas travelers. In addition, after suffering persistent losses, UNIQLO USA reported a profit in the first quarter of fiscal 2018. UNIQLO Europe reported a strong increase in profit on the back of solid performances from France and Russia. The first UNIQLO store opened in Barcelona, Spain in September 2017 went from strength to strength.

GU

The new GU business segment reported increases in both revenue and profit in the first quarter of fiscal 2018, with revenue totaling ¥60.8 billion (+5.6% year-on-year) and operating profit reaching ¥9.0 billion (+31.8% year-on-year). While the September launch of trendy items proved favorable, a lack of sought-after thermal items dampened sales from October onwards, resulting in an overall decline in first-quarter same-store sales. Meanwhile, operating profit increased on restricted discounts and active cost-cutting efforts.

Global Brands

The Global Brands segment generated increases in both revenue and profit in the first quarter of fiscal 2018, with revenue rising to ¥40.0 billion (+13.8% year-on-year) and operating income expanding to ¥3.0 billion (+10.4% year-on-year). The Theory fashion label generated rising revenue and profit. France-based Comptoir des Cottonniers reported a decline in profits, while France-based Princesse tam.tam and US-based J Brand reported losses of a similar magnitude to the previous year.

Sustainability

As the Fast Retailing Group expands its business globally, we remain committed to integrating sustainability into our operations from a long-term perspective. Our initiatives consist of activities across four priority areas: supply chain, products, stores and communities, and employees. In each area, we work to ensure transparency, accountability, and provide timely and appropriate disclosure. We are also committed to contributing to the sustainable development of society through our business.

We now employ 1,585 persons with disabilities across the Fast Retailing Group in 16 countries and regions as of the end of August 2017.

Through our All-Product Recycling Initiative, we have donated a total of 25.58 million products collected mainly from our customers at UNIQLO and GU stores to 65 countries and regions as of the end of August 2017.

In November 2017, the UN High Commissioner for Refugees (UNHCR) Filippo Grandi met with Fast Retailing President Tadashi Yanai to discuss various issues including increased clothing support for refugees, Myanmar's Rohingya refugee crisis, and difficulties faced by refugees in securing employment. At that time, President Yanai confirmed the Fast Retailing Group's intention to work closely with the UNHCR and to respond appropriately to various issues.

Regarding environmental impacts across our business activities, the fabric production processes accounts for a significant proportion. We have embarked on an environmental impact reduction program with our main fabric supplier factories responsible for 70% of UNIQLO production. We conducted assessments at these factories on a range of environmental considerations such as greenhouse gas emissions, waste water, energy use, and use of chemical substances. Based on these assessments, we held sessions in November 2017 with our main fabric supplier factories in China and Vietnam to reach agreements and targets on reducing their environmental impact.

(2) Financial Positions and Cash Flows Information

(i) Financial Positions

Total assets as at 30 November 2017 were ¥1,633.0 billion, which was an increase of ¥244.5 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥105.0 billion in cash and cash equivalents, an increase of ¥81.4 billion in trade and other receivables, an increase of ¥11.4 billion in inventories, an increase of ¥8.3 billion in derivative financial assets and an increase of ¥36.9 billion in other current assets.

Total liabilities as at 30 November 2017 were ¥790.0 billion, which was an increase of ¥163.6 billion relative to the end of the preceding consolidated fiscal year. The principal factors were a decrease of ¥39.5 billion in trade and other payables, an increase of ¥12.4 billion in current tax liabilities and an increase of ¥198.0 billion in other current liabilities.

Total net assets as at 30 November 2017 were ¥842.9 billion, which was an increase of ¥80.9 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥60.6 billion in retained earnings, an increase of ¥10.0 billion in other components of equity and an increase of ¥6.4 billion in non-controlling interests.

(ii) Cash Flows Information

Cash and cash equivalents as at 30 November 2017 had increased by ¥323.2 billion from the three months ended 30 November 2016, to ¥788.8 billion.

Net cash generated by operating activities for the three months ended 30 November 2017 was ¥120.0 billion, which was an increase of ¥20.1 billion (+20.2% year-on-year) from the three months ended 30 November 2016. The principal factors were an increase of ¥80.8 billion in trade and other receivables (an increase of ¥18.8 billion from the three months ended 30 November 2016), a decrease of ¥43.6 billion in trade and other payables (a decrease of ¥107.1 billion from the three months ended 30 November 2016), an increase of ¥40.6 billion in other assets (an increase of ¥31.4 billion from the three months ended 30 November 2016) and an increase of ¥199.0 billion in other liabilities (an increase of ¥177.0 billion from the three months ended 30 November 2016).

Net cash used in investing activities for the three months ended 30 November 2017 was ¥5.3 billion, which was a decrease of ¥9.6 billion (-64.2% year-on-year) from the three months ended 30 November 2016. The principal factor was ¥2.3 billion deposited into bank deposits with maturity over 3 months (a decrease of ¥7.9 billion from the three months ended 30 November 2016).

Net cash used in financing activities for the three months ended 30 November 2017 was ¥16.6 billion, which was a decrease of ¥3.0 billion (-15.4% year-on-year) from the three months ended 30 November 2016. The principal factor was ¥3.6 billion for capital contributions from non-controlling interests (an increase of ¥3.6 billion from the three months ended 30 November 2016).

(3) Qualitative Information Concerning Consolidated Business Results Projection

We have decided not to make any changes to our initial full year consolidated business results projection for year ending 31 August 2018 as reported in the “Annual Results Announcement” released on 12 October 2017.

2. Interim Condensed Consolidated Financial Statements and Accompanying Material Notes

(1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As at 31 August 2017	As at 30 November 2017
ASSETS		
Current assets		
Cash and cash equivalents	683,802	788,898
Trade and other receivables	48,598	130,061
Other financial assets	30,426	23,717
Inventories	289,675	301,150
Derivative financial assets	6,269	14,609
Income taxes receivable	1,518	1,489
Other assets	17,307	54,248
Total current assets	1,077,598	1,314,176
Non-current assets		
Property, plant and equipment	136,979	139,690
Goodwill	15,885	15,885
Intangible assets	36,895	39,246
Financial assets	77,608	79,978
Investments in associates	13,473	13,341
Deferred tax assets	25,303	25,376
Other assets	4,742	5,364
Total non-current assets	310,888	318,881
Total assets	1,388,486	1,633,058
Liabilities and equity		
LIABILITIES		
Current liabilities		
Trade and other payables	204,008	164,418
Other financial liabilities	11,844	10,160
Derivative financial liabilities	6,083	6,878
Current tax liabilities	25,864	38,275
Provisions	27,889	18,640
Other liabilities	35,731	233,784
Total current liabilities	311,421	472,158
Non-current liabilities		
Financial liabilities	273,467	274,062
Provisions	15,409	15,875
Deferred tax liabilities	10,000	11,308
Other liabilities	16,144	16,663
Total non-current liabilities	315,022	317,909
Total liabilities	626,443	790,068
EQUITY		
Capital stock	10,273	10,273
Capital surplus	14,373	18,155
Retained earnings	698,584	759,276
Treasury stock, at cost	(15,563)	(15,552)
Other components of equity	24,102	34,127
Equity attributable to owners of the Parent	731,770	806,281
Non-controlling interests	30,272	36,708
Total equity	762,043	842,990
Total liabilities and equity	1,388,486	1,633,058

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

Interim Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

		Three months ended 30 November 2016	Three months ended 30 November 2017
	Notes		
Revenue		528,847	617,026
Cost of sales		(258,160)	(299,961)
Gross profit		270,686	317,065
Selling, general and administrative expenses	2	(184,193)	(204,226)
Other income	3	2,577	1,111
Other expenses	3	(667)	(221)
Share of profit and loss of associates		188	173
Operating profit		88,591	113,901
Finance income	4	16,390	4,566
Finance costs	4	(776)	(635)
Profit before income taxes		104,204	117,832
Income tax expense		(30,506)	(33,186)
Profit for the period		73,698	84,646
Profit for the period attributable to:			
Owners of the Parent		69,695	78,540
Non-controlling interests		4,002	6,106
		73,698	84,646
Earnings per share			
Basic (yen per share)	5	683.51	770.11
Diluted (yen per share)	5	682.60	768.99

Interim Condensed Consolidated Statement of Other Comprehensive Income

(Millions of yen)

		Three months ended 30 November 2016	Three months ended 30 November 2017
Profit for the period		73,698	84,646
Other comprehensive income, net of income			
Items that will not be reclassified subsequently to profit or loss		—	—
Items that may be reclassified subsequently to profit or loss			
Net fair value gain/(loss) on available-for-sales financial assets during the period		47	(50)
Exchange differences on translating foreign operations		21,182	7,143
Cash flow hedges		63,120	3,775
Other comprehensive income/(loss), net of income tax		84,350	10,868
Total comprehensive income/(loss) for the period		158,048	95,515
Attributable to:			
Owners of the Parent		151,581	88,565
Non-controlling interests		6,467	6,950
Total comprehensive income/(loss) for the year		158,048	95,515

(3) Interim Condensed Consolidated Statement of Changes in Equity

For the three months ended 30 November 2016

(Millions of yen)

	Note	Other components of equity							Total	Equity attributable		Total equity
		Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve		to owners of the Parent	Non-controlling interests	
As at 1 September 2016		10,273	13,070	613,974	(15,633)	248	(2,811)	(44,619)	(47,183)	574,501	23,159	597,661
Net changes during the period												
Comprehensive income												
Profit for the period		—	—	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 of the Parent												
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 of the Parent		—	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

For the three months ended 30 November 2017

(Millions of yen)

	Note	Other components of equity							Total	Equity attributable		Total equity
		Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Available-for-sale reserve	Foreign currency translation reserve	Cash-flow hedge reserve		to owners of the Parent	Non-controlling interests	
As at 1 September 2017		10,273	14,373	698,584	(15,563)	2	21,806	2,293	24,102	731,770	30,272	762,043
Net changes during the period												
Comprehensive income												
Profit for the period		—	—	78,540	—	—	—	—	—	78,540	6,106	84,646
Other comprehensive income		—	—	—	—	(50)	5,500	4,574	10,025	10,025	843	10,868
Total comprehensive income		—	—	78,540	—	(50)	5,500	4,574	10,025	88,565	6,950	95,515
Transactions with the owners of the Parent												
Acquisition of treasury stock		—	—	—	—	—	—	—	—	—	—	—
Disposal of treasury stock		—	92	—	11	—	—	—	—	103	—	103
Dividends		—	—	(17,847)	—	—	—	—	—	(17,847)	(2,269)	(20,116)
Share-based payments		—	1,814	—	—	—	—	—	—	1,814	—	1,814
Capital contributions from non-controlling interests		—	1,874	—	—	—	—	—	—	1,874	1,754	3,629
Total transactions with the owners of the Parent		—	3,782	(17,847)	11	—	—	—	—	(14,053)	(514)	(14,567)
Total net changes during the period		—	3,782	60,692	11	(50)	5,500	4,574	10,025	74,511	6,435	80,947
As at 30 November 2017		10,273	18,155	759,276	(15,552)	(47)	27,307	6,868	34,127	806,281	36,708	842,990

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

	Three months ended 30 November 2016	Three months ended 30 November 2017
Cash flows from operating activities		
Profit before income taxes	104,204	117,832
Depreciation and amortization	8,552	9,927
Increase/(decrease) in provisions	(8,658)	(9,721)
Interest and dividend income	(542)	(1,741)
Interest expenses	776	635
Foreign exchange losses/(gains)	(15,672)	(2,824)
Share of profit and loss of associates	(188)	(173)
Losses on disposal of property, plant and equipment	213	100
Decrease/(increase) in trade and other receivables	(62,011)	(80,878)
Decrease/(increase) in inventories	4,656	(8,229)
Increase/(decrease) in trade and other payables	63,515	(43,619)
Decrease/(increase) in other assets	(9,154)	(40,649)
Increase/(decrease) in other liabilities	22,025	199,029
Others, net	(835)	258
Cash generated from operations	106,882	139,943
Interest and dividends income received	542	1,715
Interest paid	(431)	(303)
Income taxes paid	(7,107)	(21,299)
Net cash generated by operating activities	99,886	120,056
Cash flows used in investing activities		
Amounts deposited into bank deposits with original maturities with original maturities of 3 months or longer	(10,304)	(2,348)
Amounts withdrawn from bank deposits with original maturities of 3 months or longer	8,257	11,206
Payments for property, plant and equipment	(8,703)	(7,940)
Payments for intangible assets	(3,216)	(3,110)
Payments for lease and guarantee deposits	(1,079)	(1,490)
Proceeds from collection of lease and guarantee deposits	237	635
Investment in associates	(196)	—
Returns of construction assistance fund	(420)	(265)
Receipts of construction assistance fund	440	403
Others, net	(65)	(2,480)
Net cash used in investing activities	(15,049)	(5,390)

	Three months ended 30 November 2016	Three months ended 30 November 2017
Cash flows used in financing activities		
Proceeds from short-term loans payable	6,432	1,123
Repayment of short-term loans payable	(7,664)	(767)
Dividends paid to owners of the Parent	(16,791)	(17,800)
Capital contributions from non-controlling interests	—	3,629
Repayments of lease obligations	(1,338)	(2,384)
Others, net	(266)	(400)
Net cash used in financing activities	(19,627)	(16,600)
Effect of exchange rate changes on the balance of cash held in foreign currencies	15,051	7,030
Net increase in cash and cash equivalents	80,260	105,096
Cash and cash equivalents at the beginning of period	385,431	683,802
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	465,691	788,898

(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.

From the first quarter of the current consolidated fiscal year, the operations of GU, which were previously included as a part of the Global Brand segment, have been included in the GU segment (newly created segment). The Group now discloses the GU reportable segment as a result of the Board's increased focus as its scale of operation expands.

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 brand clothing business in japan and overseas

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

(ii) Segment revenue and results

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	GU	Global Brands				
Revenue	238,850	196,554	57,590	35,209	528,204	642	—	528,847
Operating profit	45,613	30,167	6,837	2,744	85,363	46	3,181	88,591
Segment income (profit before income taxes)	48,150	30,472	6,814	2,716	88,153	46	16,005	104,204

(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.

For the three months ended 30 November 2017

(Millions of yen)

	Reportable segments				Total	Others (Note 1)	Adjustments (Note 2)	Interim Condensed Consolidated Statement of Profit or Loss
	UNIQLO Japan	UNIQLO International	GU	Global Brands				
Revenue	257,068	258,283	60,815	40,052	616,218	808	—	617,026
Operating profit	54,113	46,671	9,011	3,030	112,826	33	1,041	113,901
Segment income (profit before income taxes)	54,099	46,817	8,995	3,041	112,953	33	4,845	117,832

(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.

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 2016	Three months ended 30 November 2017
Selling, general and administrative expenses		
Advertising and promotion	22,008	21,364
Rental expenses	44,854	51,053
Depreciation and amortization	8,552	9,927
Outsourcing	7,339	9,198
Salaries	60,162	69,913
Others	41,275	42,768
Total	184,193	204,226

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 2016	Three months ended 30 November 2017
Other income		
Foreign exchange gains*	2,156	845
Others	420	265
Total	2,577	1,111

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

(Millions of yen)

	Three months ended 30 November 2016	Three months ended 30 November 2017
Other expenses		
Loss on retirement of property, plant and equipment	213	100
Others	453	121
Total	667	221

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 2016	Three months ended 30 November 2017
Finance income		
Foreign exchange gains*	15,672	2,824
Interest income	542	1,741
Others	175	0
Total	16,390	4,566

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

(Millions of yen)

	Three months ended 30 November 2016	Three months ended 30 November 2017
Finance costs		
Interest expenses	776	635
Total	776	635

5. Earnings per share

Three months ended 30 November 2016		Three months ended 30 November 2017	
Equity per share attributable to owners of the Parent (Yen)	6,967.28	Equity per share attributable to owners of the Parent (Yen)	7,905.74
Basic earnings per share for the period (Yen)	683.51	Basic earnings per share for the period (Yen)	770.11
Diluted earnings per share for the period (Yen)	682.60	Diluted earnings per share for the period (Yen)	768.99

(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 2016	Three months ended 30 November 2017
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	69,695	78,540
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to common shareholders (Millions of yen)	69,695	78,540
Average number of common stock outstanding during the period (Shares)	101,966,443	101,985,476
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	—	—
Increase in number of common stock (Shares) (share subscription rights)	136,413 (136,413)	148,315 (148,315)

6. Subsequent Events

Not applicable.

3. Supplementary Information

(1) Sales Breakdown by Product Category/Operations

	Three months ended 30 November 2016 (from 1 September 2016 to 30 November 2016)		Three months ended 30 November 2017 (from 1 September 2017 to 30 November 2017)		(Reference) Year ended 31 August 2017	
	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)	Revenue (Millions of yen)	Percent of Total (%)
Men's clothing	88,575	16.7	95,781	15.5	316,601	17.0
Women's clothing	116,759	22.1	122,857	19.9	386,075	20.7
Children's & Baby's clothing	18,368	3.5	21,589	3.5	60,497	3.2
Goods and other items	6,505	1.3	7,306	1.2	21,145	1.2
Total sales of UNIQLO Japan	230,209	43.6	247,534	40.1	784,320	42.1
Franchise-related income & alteration charges	8,640	1.6	9,533	1.5	26,413	1.4
Total UNIQLO Japan Operations	238,850	45.2	257,068	41.6	810,734	43.5
UNIQLO International Operations	196,554	37.2	258,283	41.9	708,171	38.0
Total UNIQLO Operations	435,404	82.4	515,351	83.5	1,518,905	81.5
GU Operations	57,590	10.9	60,815	9.9	199,139	10.7
Global Brands Operations	35,209	6.7	40,052	6.5	141,003	7.6
Other Operations	642	0.1	808	0.1	2,868	0.2
Total	528,847	100.0	617,026	100.0	1,861,917	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. GU Operations cover the selling of GU brand casual clothing.
4. Global Brands Operations consist of Theory operations (selling of Theory 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).
5. Other Operations includes the real estate leasing business.
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, 11 January 2018, 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, 12 January 2018.

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

Tadashi Yanai
Chairman, President and Chief Executive Officer

Japan, 11 January 2018

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, Mr. Masaaki Shintaku and Mr. Takashi Nawa, and the Non-executive Director is Mr. Toru Murayama.