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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)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
 FOR THE NINE MONTHS ENDED 31 MAY 2018
 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 nine months ended 31 May 2018.

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 July 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, 13 July 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 31 May 2018)

(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	%
Nine months ended 31 May 2018	1,704,149	15.3	238,897	32.3	237,475	21.5	161,254	25.4
Nine months ended 31 May 2017	1,477,958	3.0	180,618	23.9	195,477	60.1	128,573	67.6

	Profit attributable to owners of the Parent		Total comprehensive income for the period		Basic earnings per share for the period	Diluted earnings per share for the period
	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended 31 May 2018	148,335	23.5	153,946	(23.2)	1,454.29	1,451.77
Nine months ended 31 May 2017	120,113	69.1	200,457	—	1,177.89	1,176.18

(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 31 May 2018	1,648,823	877,046	838,368	50.8	8,218.13
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	—	200.00			
Year ending 31 August 2018 (forecast)			—	200.00	400.00

(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	2,110,000	13.3	225,000	27.5	217,000	12.2	130,000	9.0

	Basic earnings per share attributable to owners of the Parent
	Yen
Year ending 31 August 2018	1,274.41

(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 31 May 2018	106,073,656 shares	As at 31 August 2017	106,073,656 shares
(ii)	Number of treasury stock	As at 31 May 2018	4,059,171 shares	As at 31 August 2017	4,089,664 shares
(iii)	Average number of issued shares	For the nine months ended 31 May 2018	101,998,432 shares	For the nine months ended 31 May 2017	101,973,153 shares

*This third 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. 6 “(3) Qualitative Information Concerning 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 nine months of fiscal 2018 from 1 September 2017 to 31 May 2018. Consolidated revenue totaled ¥1.7041 trillion (+15.3% year-on-year) and operating profit reached ¥238.8 billion (+32.3% year-on-year). The consolidated gross profit margin improved by 0.8 point year-on-year and the selling, general and administrative expense ratio improved by 1.9 points. The Group recorded a foreign exchange loss of ¥1.5 billion and an impairment loss of ¥10.3 billion under other income and expenses. A net loss of ¥1.4 billion was recorded under finance income/costs, after the spot foreign exchange rate at the end of May closed higher than the spot rate at the start of the business term. As a result, 1Q-3Q profit before income taxes expanded to ¥237.4 billion (+21.5% year-on-year) and profit attributable to owners of the parent increased to ¥148.3 billion (+23.5% year-on-year). Looking at individual business segments, not only did UNIQLO Japan and UNIQLO International report significant rises in revenue and profit in the first nine months of fiscal 2018, but GU also reported rising revenue and profit. Meanwhile the Global Brands segment reported a rise in revenue but a fall in profit over the nine-month period.

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, Greater China (Mainland China, Hong Kong and Taiwan), South Korea and Southeast Asia are entering a new stage of growth as key drivers of operational growth for the Fast Retailing Group. In addition, UNIQLO USA was able to significantly reduce operating losses, and is working solidly towards turning a profit in fiscal 2019. In terms of the GU operation, we plan to open more GU stores in Japan, while expanding the brand's international presence, especially in Greater China.

Due to its growing impact on overall consolidated performance, the GU casual fashion brand, formerly a part of the Global Brands business segment, has been separated into an independent business segment from the first quarter of the 2018 reporting period. Previous data have been adjusted to suit the new reporting segment structure and facilitate accurate year-on-year comparisons.

UNIQLO Japan

UNIQLO Japan reported a considerable rise in both revenue and profit in the first nine months of fiscal 2018, with revenue totaling ¥704.4 billion (+7.8 % year-on-year) and operating profit totaling ¥120.0 billion (+29.6% year-on-year). While the cost of sales continued to rise over the period due to persistent weakening in internal yen exchange rates, that negative impact was successfully offset by stricter discounting rates. As a result, the gross profit margin improved by 0.8 point year on year. Meanwhile, the selling, general and administrative expense ratio improved 2.0 points year-on-year on the back of significant reductions in advertising and promotion expenses, distribution costs and personnel expenses.

In the three months to 31 May 2018, same-store sales, including online sales, expanded by 5.4% year-on-year as consistently warm weather in March and April generated strong sales of summer items such as AIRism, UT and DRY T-shirts. Online sales increased by 33.1% to ¥16.4 billion, constituting 7.8% of total revenue. A new service, launched on 3 April 2018, enabling customers to pick up online purchases from local UNIQLO stores free of charge proved extremely popular, and contributed to the continued successful expansion of our e-commerce business.

UNIQLO International

UNIQLO International revenue and profit rose significantly in the first nine months of fiscal 2018, with revenue totaling ¥716.0 billion (+27.5% year-on-year) and operating profit increasing to ¥112.4 billion (+65.0% year-on-year). The operating profit margin improved by 1.3 points year-on-year as we shifted to a business format that relied less heavily on discounting. The selling, general and administrative expense ratio improved 2.1 points on consistent cost-cutting efforts.

During the March-to-May quarter, Greater China, South Korea, and the Southeast Asia & Oceania region generated strong results, while UNIQLO USA further reduced operating losses. Same-store sales at UNIQLO Greater China attained double-digit year-on-year growth following a strong launch of new Spring Summer ranges, and effective news generated by popular new UT brand contents, Kando pants and jackets, and other ranges. UNIQLO South Korea's gross profit margin improved as the successful linking of marketing and in-store displays helped reduce discounting. UNIQLO Southeast Asia and Oceania reported continued double-digit growth in same-store sales on the back of strong sales of UT T-shirts, polo shirts and short pants. The reduction in operating losses at UNIQLO USA was achieved by reviewing product mixes and improving the accuracy of sales plans. UNIQLO Europe also reported rising overall same-store sales, thanks primarily to a strong performance from the Russia UNIQLO operation.

GU

The GU business segment reported increases in both revenue and profit in the first nine months of fiscal 2018, with revenue totaling ¥166.6 billion (+6.4% year-on-year) and operating profit reaching ¥15.0 billion (+1.7% year-on-year).

In the March-to-May quarter, same-store sales declined year-on-year. Sales of products featured in advertising campaigns were sluggish, and we experienced some shortages in strong-selling items after greatly increasing the number of product ranges on offer. In addition, the overall GU product mix was heavily skewed towards fashion trend items in a period when customer demand for basic items was increasing. Against this backdrop of sluggish sales, we started discounting early, resulting in a 1.9 point decline in the gross profit margin for the quarter, and a 1.2 point increase in the business expenses to net sales ratio. As a result, operating profit declined by a significant 20.0% year-on-year.

Global Brands

For the Global Brands segment, revenue rose but profit fell in the first nine months of fiscal 2018. The segment reported a rise in revenue to ¥114.7 billion (+10.1% year-on-year) and an operating loss of ¥3.5 billion, following the recording of ¥8.9 billion in first-half impairment losses at Comptoir des Cotonniers and other labels.

In the March-to-May quarter, the Theory operation reported a rise in both revenue and profit, while Comptoir des Cotonniers reported an expanded loss, and the Princesse tam.tam and J Brand labels reported continued losses.

Sustainability

As the business activities of the Fast Retailing Group expand and become global, we remain committed to promoting business based on sustainability of the global environment and society from a medium- to long-term perspective. Our initiatives for sustainability consist of activities across four priority areas: supply chain, products, stores and communities, and employees. Furthermore, we continue to promote activities such as monitoring of the working environment, total product recycling, the management of stores loved by local communities, and the employment of persons with disabilities.

In March 2018, we held our first Sustainability Week for employees at the Ariake Headquarters. This event was organized so that employees as individuals would understand the importance of sustainability and reflect this in their work. We also invited experts from outside the company to deepen our knowledge of the environment, society, and governance (ESG) and, with the participation of a large number of employees from Japan and other countries, we held a lively exchange of opinions regarding various problems the Company is making efforts to address at present.

During the same week, we also held a Sustainability Media Panel Discussion where we invited representatives of the media to broaden and deepen their understanding of the Group's efforts in sustainability. On that day, we also held an in-depth question and answer session concerning how the Group intends to execute its business strategy and how it intends to grow over the long term while contributing to society.

In August 2013, we entered into the Accord on Fire and Building Safety in Bangladesh, which aims to protect garment factory workers from the collapse of buildings and fire accidents. In May 2018, we agreed to extend our membership in the accord for a further three years and signed the new agreement accordingly. As a signatory of the accord, Fast Retailing will continue to make efforts to improve the working environment at factories in close cooperation with the agreement and other member brands.

In June 2018, Fast Retailing Co., Ltd. was selected as a constituent of the FTSE4Good Index Series, a global index for socially responsible investment, and at the same time was selected by Japan's public pension manager Government Pension Investment Fund (GPIF) for inclusion in the FTSE Blossom Japan Index for ESG investment in companies that place significant weight on the environment and governance.

(2) Financial Positions and Cash Flows Information

(i) Financial Positions

Total assets as at 31 May 2018 were ¥1.648 trillion, which was an increase of ¥260.3 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥174.5 billion in cash and cash equivalents, an increase of ¥34.6 billion in trade and other receivables, an increase of ¥10.0 billion in derivative financial assets, an increase of ¥32.0 billion in other current assets, an increase of ¥11.5 billion in property, plant and equipment and a decrease of ¥14.9 billion in inventories.

Total liabilities as at 31 May 2018 were ¥771.7 billion, which was an increase of ¥145.3 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥30.0 billion in other current financial liabilities, an increase of ¥18.6 billion in derivative financial liabilities, an increase of ¥15.9 billion in current tax liabilities, an increase of ¥149.5 billion in other current liabilities, a decrease of ¥51.1 billion in trade and other payables and a decrease of ¥23.6 billion in non-current financial liabilities.

Total net assets as at 31 May 2018 were ¥877.0 billion, which was an increase of ¥115.0 billion relative to the end of the preceding consolidated fiscal year. The principal factors were an increase of ¥110.0 billion in retained earnings.

(ii) Cash Flows Information

Cash and cash equivalents as at 31 May 2018 had increased by ¥290.9 billion from the period-end as at 31 May 2017, to ¥858.3 billion.

Net cash generated by operating activities for the nine months ended 31 May 2018 was ¥258.1 billion, which was an increase of ¥16.9 billion (+7.0 % year-on-year) from the nine months ended 31 May 2017.

The principal factors were ¥237.4 billion in profit before income taxes (an increase of ¥41.9 billion from the nine months ended 31 May 2017) and an increase of ¥149.7 billion in other liabilities (an increase of ¥134.0 billion from the nine months ended 31 May 2017), a decrease of ¥14.7 billion in inventories (an decrease of ¥35.6 billion from the nine months ended 31 May 2017), a decrease of ¥56.2 billion in trade and other payables (an decrease of ¥74.8 billion from the nine months ended 31 May 2017), an increase of ¥38.7 billion in other assets (a decrease of ¥33.9 billion from the nine months ended 31 May 2017) and ¥53.0 billion in income tax paid (a decrease of ¥22.0 billion from the nine months ended 31 May 2017).

Net cash used in investing activities for the nine months ended 31 May 2018 was ¥35.8 billion, which was an increase of ¥10.2 billion (+40.1 % year-on-year) from the nine months ended 31 May 2017. The principal factors were a decrease of ¥1.2 billion in bank deposits with original maturity over three months (an increase of ¥6.0 billion from the nine months ended 31 May 2017), ¥22.4 billion payments for property, plant and equipment (a decrease of ¥1.8 billion from the nine months ended 31 May 2017) and ¥10.5 billion payments for intangible assets (an increase of ¥1.3 billion from the nine months ended 31 May 2017).

Net cash used in financing activities for the nine months ended 31 May 2018 was ¥43.1 billion, which was a decrease of ¥3.3 billion (-7.1 % year-on-year) from the nine months ended 31 May 2017. The principal factor was an increase of ¥0.3 billion in short-term loans payable (a decrease of ¥3.0 billion from the nine months ended 31 May 2017).

(3) Qualitative Information Concerning Consolidated Business Results Projection

No adjustments were made concerning the business results projection for the year ending 31 August 2018 as reported in the “Interim Results Announcement for the Six Months Ended 28 February 2018 and Resumption of Trading” released on 12 April 2018.

2. Interim Condensed Consolidated Financial Statements and Accompanying Material Notes

(1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	Notes	As at 31 August 2017	As at 31 May 2018
ASSETS			
Current assets			
Cash and cash equivalents		683,802	858,359
Trade and other receivables		48,598	83,244
Other financial assets		30,426	30,882
Inventories		289,675	274,698
Derivative financial assets		6,269	16,270
Income taxes receivable		1,518	1,625
Other assets		17,307	49,389
Total current assets		1,077,598	1,314,470
Non-current assets			
Property, plant and equipment	5	136,979	148,532
Goodwill	5	15,885	8,092
Intangible assets	5	36,895	44,799
Financial assets		77,608	80,727
Investments in associates accounted for using the equity method		13,473	13,895
Deferred tax assets		25,303	32,559
Other assets		4,742	5,746
Total non-current assets		310,888	334,352
Total assets		1,388,486	1,648,823
Liabilities and equity			
LIABILITIES			
Current liabilities			
Trade and other payables		204,008	152,827
Other financial liabilities		11,844	41,940
Derivative financial liabilities		6,083	24,696
Current tax liabilities		25,864	41,787
Provisions		27,889	21,329
Other liabilities		35,731	185,296
Total current liabilities		311,421	467,878
Non-current liabilities			
Financial liabilities		273,467	249,867
Provisions		15,409	19,206
Deferred tax liabilities		10,000	18,487
Other liabilities		16,144	16,337
Total non-current liabilities		315,022	303,898
Total liabilities		626,443	771,777
EQUITY			
Capital stock		10,273	10,273
Capital surplus		14,373	18,216
Retained earnings		698,584	808,670
Treasury stock, at cost		(15,563)	(15,449)
Other components of equity		24,102	16,656
Equity attributable to owners of the Parent		731,770	838,368
Non-controlling interests		30,272	38,678
Total equity		762,043	877,046
Total liabilities and equity		1,388,486	1,648,823

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

Interim Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	Notes	Nine months ended 31 May 2017	Nine months ended 31 May 2018
Revenue		1,477,958	1,704,149
Cost of sales		(752,538)	(853,756)
Gross profit		725,419	850,393
Selling, general and administrative expenses	2	(546,162)	(598,017)
Other income	3	4,275	2,124
Other expenses	3,5	(3,426)	(16,060)
Share of profit and loss of associates accounted for using the equity method		512	457
Operating profit/(loss)		180,618	238,897
Finance income	4	17,094	5,414
Finance costs	4	(2,235)	(6,836)
Profit/(loss) before income taxes		195,477	237,475
Income tax expense		(66,904)	(76,220)
Profit/(loss) for the period		128,573	161,254
Profit/(loss) for the period attributable to:			
Owners of the Parent		120,113	148,335
Non-controlling interests		8,460	12,919
		128,573	161,254
Earnings per share			
Basic (yen per share)	6	1,177.89	1,454.29
Diluted (yen per share)	6	1,176.18	1,451.77

Interim Condensed Consolidated Statement of Other Comprehensive Income

(Millions of yen)

	Nine months ended 31 May 2017	Nine months ended 31 May 2018
Profit for the period	128,573	161,254
Other comprehensive income/(loss)		
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss	—	—
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss		
Net fair value gain/(loss) on available-for-sales financial assets during the period	(44)	778
Exchange differences on translating foreign operations	22,087	(1,398)
Cash flow hedges	49,840	(6,688)
Other comprehensive income/(loss), net of income tax	71,883	(7,308)
Total comprehensive income/(loss) for the period	200,457	153,946
Attributable to:		
Owners of the Parent	190,419	140,889
Non-controlling interests	10,038	13,057
Total comprehensive income/(loss) for the year	200,457	153,946

(3) Interim Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 May 2017

(Millions of yen)

	Other components of equity							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/(loss)											
Profit/(loss) for the period	—	—	120,113	—	—	—	—	—	120,113	8,460	128,573
Other comprehensive income/(loss)	—	—	—	—	(44)	20,626	49,724	70,305	70,305	1,577	71,883
Total comprehensive income/(loss)	—	—	120,113	—	(44)	20,626	49,724	70,305	190,419	10,038	200,457
Transactions with the owners of the Parent											
Acquisition of treasury stock	—	—	—	(6)	—	—	—	—	(6)	—	(6)
Disposal of treasury stock	—	542	—	63	—	—	—	—	605	—	605
Dividends	—	—	(34,670)	—	—	—	—	—	(34,670)	(3,462)	(38,132)
Share-based payments	—	768	—	—	—	—	—	—	768	—	768
Total transactions with the owners of the Parent	—	1,310	(34,670)	57	—	—	—	—	(33,302)	(3,462)	(36,764)
Total net changes during the period	—	1,310	85,442	57	(44)	20,626	49,724	70,305	157,116	6,575	163,692
As at 31 May 2017	10,273	14,380	699,417	(15,575)	203	17,814	5,104	23,122	731,618	29,734	761,353

For the nine months ended 31 May 2018

(Millions of yen)

	Other components of equity							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/(loss)											
Profit/(loss) for the period	—	—	148,335	—	—	—	—	—	148,335	12,919	161,254
Other comprehensive income/(loss)	—	—	—	—	778	(1,966)	(6,257)	(7,445)	(7,445)	137	(7,308)
Total comprehensive income/(loss)	—	—	148,335	—	778	(1,966)	(6,257)	(7,445)	140,889	13,057	153,946
Transactions with the owners of the Parent											
Acquisition of treasury stock	—	—	—	(1)	—	—	—	—	(1)	—	(1)
Disposal of treasury stock	—	1,005	—	116	—	—	—	—	1,121	—	1,121
Dividends	—	—	(38,248)	—	—	—	—	—	(38,248)	(6,579)	(44,828)
Share-based payments	—	962	—	—	—	—	—	—	962	—	962
Increase in equity due to capital increase by consolidated subsidiary	—	—	—	—	—	—	—	—	—	173	173
Capital contributions from non-controlling interests	—	1,874	—	—	—	—	—	—	1,874	1,754	3,629
Total transactions with the owners of the Parent	—	3,842	(38,248)	114	—	—	—	—	(34,291)	(4,651)	(38,943)
Total net changes during the period	—	3,842	110,086	114	778	(1,966)	(6,257)	(7,445)	106,597	8,405	115,003
As at 31 May 2018	10,273	18,216	808,670	(15,449)	781	19,840	(3,964)	16,656	838,368	38,678	877,046

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

	Notes	Nine months ended 31 May 2017	Nine months ended 31 May 2018
Cash flows from operating activities			
Profit/(loss) before income taxes		195,477	237,475
Depreciation and amortization		27,539	32,961
Impairment losses	5	—	10,353
Increase/(decrease) in provisions		(8,652)	(9,095)
Interest and dividend income		(3,518)	(5,414)
Interest expenses		2,235	2,072
Foreign exchange losses/(gains)		(13,331)	4,764
Share of profit and loss of associates accounted for using the equity method		(512)	(457)
Losses on disposal of property, plant and equipment		1,328	726
Decrease/(increase) in trade and other receivables		(31,418)	(32,973)
Decrease/(increase) in inventories		50,470	14,799
Increase/(decrease) in trade and other payables		18,515	(56,288)
Decrease/(increase) in other assets		(4,873)	(38,783)
Increase/(decrease) in other liabilities		15,715	149,769
Others, net		783	(2,794)
Cash generated from operations		249,760	307,113
Interest and dividends income received		3,518	4,987
Interest paid		(1,935)	(1,203)
Income taxes paid		(30,987)	(53,036)
Income taxes refund		20,840	260
Net cash generated by operating activities		241,196	258,122
Cash flows used in investing activities			
Amounts deposited into bank deposits with original maturities with original maturities of 3 months or less		(114,079)	(29,282)
Amounts withdrawn from bank deposits with original maturities of 3 months or less		121,402	30,549
Payments for property, plant and equipment		(24,291)	(22,431)
Payments for intangible assets		(9,193)	(10,588)
Payments for lease and guarantee deposits		(2,631)	(3,436)
Proceeds from collection of lease and guarantee deposits		1,619	1,978
Payments for construction assistance fund receivables		(922)	(948)
Returns of construction assistance fund receivables		1,292	1,635
Others, net		1,178	(3,367)
Net cash used in investing activities		(25,623)	(35,892)

	Nine months ended 31 May 2017	Nine months ended 31 May 2018
Cash flows used in financing activities		
Proceeds from short-term loans payable	7,141	1,778
Repayment of short-term loans payable	(9,882)	(1,453)
Repayment of long-term loans payable	(1,222)	(1,655)
Dividends paid to owners of the Parent	(34,637)	(38,217)
Capital contributions from non-controlling interests	—	3,803
Dividends paid to non-controlling interests	(3,629)	(3,618)
Repayments of lease obligations	(4,069)	(3,905)
Others, net	(133)	138
Net cash used in financing activities	(46,433)	(43,129)
Effect of exchange rate changes on the balance of cash held in foreign currencies	12,876	(4,543)
Net increase in cash and cash equivalents	182,015	174,557
Cash and cash equivalents at the beginning of period	385,431	683,802
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	567,446	858,359

(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 nine months ended 31 May 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	653,484	561,567	156,678	104,233	1,475,964	1,993	—	1,477,958
Operating profit/(loss)	92,649	68,116	14,829	4,319	179,913	184	520	180,618
Segment income/(loss) (Profit before income taxes)	94,441	68,683	14,741	4,291	182,159	184	13,133	195,477

(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 nine months ended 31 May 2018

(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	704,460	716,092	166,685	114,781	1,702,020	2,129	—	1,704,149
Operating profit/(loss)	120,057	112,418	15,080	(3,549)	244,006	205	(5,314)	238,897
Segment income/(loss) (Profit before income taxes)	119,991	111,292	14,937	(3,648)	242,573	207	(5,305)	237,475
Other disclosure: Impairment losses (Note 3)	375	237	19	8,937	9,568	—	785	10,353

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

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

(Note 3) For the details of Impairment losses, refer to Note "5. Impairment losses".

2. Selling, general and administrative expenses

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

(Millions of yen)

	Nine months ended 31 May 2017	Nine months ended 31 May 2018
Selling, general and administrative expenses		
Advertising and promotion	57,686	55,062
Rental expenses	133,062	147,979
Depreciation and amortization	27,539	32,961
Outsourcing	24,108	29,058
Salaries	185,419	209,622
Others	118,345	123,333
Total	546,162	598,017

3. Other income and other expenses

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

(Millions of yen)

	Nine months ended 31 May 2017	Nine months ended 31 May 2018
Other income		
Foreign exchange gains*	2,030	—
Others	2,244	2,124
Total	4,275	2,124

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

(Millions of yen)

	Nine months ended 31 May 2017	Nine months ended 31 May 2018
Other expenses		
Foreign exchange losses*	—	1,577
Loss on retirement of property, plant and equipment	1,328	726
Impairment losses	—	10,353
Others	2,097	3,403
Total	3,426	16,060

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

	Nine months ended 31 May 2017	Nine months ended 31 May 2018
Finance income		
Foreign exchange gains*	13,331	—
Interest income	3,513	5,413
Others	250	0
Total	17,094	5,414

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

(Millions of yen)

	Nine months ended 31 May 2017	Nine months ended 31 May 2018
Finance costs		
Foreign exchange losses*	—	4,764
Interest expenses	2,235	2,072
Total	2,235	6,836

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

5. Impairment losses

During the nine months ended 31 May 2018, the Group recognized impairment losses that amounted to 10,353 million yen on mainly goodwill related to the Comptoir des Cotonniers business and a trademark owned by the Helmut Lang brand under the Theory business, because it is not expected to earn profit that was estimated initially. Those impairment losses are included in “other expenses” on the consolidated statement of profit or loss.

Nine months ended 31 May 2017

Not applicable.

Nine months ended 31 May 2018

(1) Impairment losses related to the Comptoir des Cotonniers business

Of the total impairment losses that amounted to 10,353 million yen, 7,792 million yen represented an impairment loss for goodwill related to the Comptoir des Cotonniers business.

(2) Impairment losses related to Helmut Lang brand under Theory business

Of the total impairment losses that amounted to 10,353 million yen, 1,039 million yen represented an impairment loss for a trademark owned by the Helmut Lang brand.

6. Earnings per share

Nine months ended 31 May 2017		Nine months ended 31 May 2018	
Equity per share attributable to owners of the Parent (Yen)	7,174.08	Equity per share attributable to owners of the Parent (Yen)	8,218.13
Basic earnings per share for the period (Yen)	1,177.89	Basic earnings per share for the period (Yen)	1,454.29
Diluted earnings per share for the period (Yen)	1,176.18	Diluted earnings per share for the period (Yen)	1,451.77

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

	Nine months ended 31 May 2017	Nine months ended 31 May 2018
Basic earnings per share for the period		
Profit/(loss) for the period attributable to owners of the Parent (Millions of yen)	120,113	148,335
Profit/(loss) not attributable to common shareholders (Millions of yen)	—	—
Profit/(loss) attributable to common shareholders (Millions of yen)	120,113	148,335
Average number of common stock outstanding during the period (Shares)	101,973,153	101,998,432
Diluted earnings per share for the period		
Adjustment to profit/(loss) (Millions of yen)	—	—
Increase in number of common stock (Shares)	148,148	176,805
(Share subscription rights)	(148,148)	(176,805)

7. Subsequent Events

Based on the comprehensive decision made in the Board of Directors meeting held on 23 April 2018, the conditions of the issuance of non-collateralized corporate bonds were decided on 30 May 2018, and these bond, were issued on 6 June 2018 as detailed below.

5th non-collateralized corporate bonds

1. Issue amount: 80,000 million yen
2. Issue price: 100 yen at par
3. Coupon: 0.110% per annum
4. Maturity date: 6 June 2023
5. Redemption method: Lump sum payment at maturity
6. Collateral: There is no collateral or guarantee attached to the bonds, and no funds held in reserve
7. Use of funds: Capital expenditures, working capital, investments and loans, and redemption of bonds

6th non-collateralized corporate bonds

1. Issue amount: 30,000 million yen
2. Issue price: 100 yen at par
3. Coupon: 0.220% per annum
4. Maturity date: 6 June 2025
5. Redemption method: Lump sum payment at maturity
6. Collateral: There is no collateral or guarantee attached to the bonds, and no funds held in reserve
7. Use of funds: Capital expenditures, working capital, investments and loans, and redemption of bonds

7th non-collateralized corporate bonds

1. Issue amount: 100,000 million yen
2. Issue price: 100 yen at par
3. Coupon: 0.405% per annum
4. Maturity date: 6 June 2028
5. Redemption method: Lump sum payment at maturity
6. Collateral: There is no collateral or guarantee attached to the bonds, and no funds held in reserve
7. Use of funds: Capital expenditures, working capital, investments and loans, and redemption of bonds

8th non-collateralized corporate bonds

1. Issue amount: 40,000 million yen
2. Issue price: 100 yen at par
3. Coupon: 0.880% per annum
4. Maturity date: 4 June 2038
5. Redemption method: Lump sum payment at maturity
6. Collateral: There is no collateral or guarantee attached to the bonds, and no funds held in reserve
7. Use of funds: Capital expenditures, working capital, investments and loans, and redemption of bonds

3. Supplementary Information

(1) Sales Breakdown by Product Category/Operations

	Nine months ended 31 May 2017 (from 1 September 2016 to 31 May 2017)		Nine months ended 31 May 2018 (from 1 September 2017 to 31 May 2018)		(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	253,754	17.2	274,730	16.1	316,601	17.0
Women's clothing	310,109	21.0	329,221	19.3	386,075	20.7
Children's & Baby's clothing	50,374	3.4	56,940	3.3	60,497	3.2
Goods and other items	17,345	1.1	19,173	1.2	21,145	1.2
Total sales of UNIQLO Japan	631,583	42.7	680,065	39.9	784,320	42.1
Franchise-related income & alteration charges	21,901	1.6	24,394	1.4	26,413	1.4
Total UNIQLO Japan Operations	653,484	44.3	704,460	41.3	810,734	43.5
UNIQLO International Operations	561,567	38.0	716,092	42.0	708,171	38.0
Total UNIQLO Operations	1,215,052	82.3	1,420,552	83.3	1,518,905	81.5
GU Operations	156,678	10.6	166,685	9.8	199,139	10.7
Global Brands Operations	104,233	7.1	114,781	6.7	141,003	7.6
Other Operations	1,993	0.0	2,129	0.2	2,868	0.2
Total	1,477,958	100.0	1,704,149	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, 12 July 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, 13 July 2018.

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

Tadashi Yanai
Chairman, President and Chief Executive Officer

Japan, 12 July 2018

As at 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.