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FAST RETAILING
FAST RETAILING CO., LTD.

迅銷有限公司

(Incorporated in Japan with limited liability)

(Stock Code:6288)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2021
AND
RESUMPTION OF TRADING

The board of directors (the “Board”) 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 six months ended 28 February 2021.

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, 8 April 2021, 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, 9 April 2021.

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

1. CONSOLIDATED RESULTS

The consolidated financial results were prepared in accordance with International Financial Reporting Standards (“IFRS”).

(1) Consolidated Operating Results (1 September 2020 to 28 February 2021)

(Percentages represent year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended 28 February 2021	1,202,864	(0.5)	167,982	22.9	171,482	13.7	109,255	5.6
Six months ended 29 February 2020	1,208,512	(4.7)	136,736	(20.9)	150,859	(13.4)	103,444	(17.2)

	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
Six months ended 28 February 2021	105,868	5.4	132,534	(7.6)	1,036.76	1,035.04
Six months ended 29 February 2020	100,459	(11.9)	143,505	8.8	984.21	982.49

(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 28 February 2021	2,501,920	1,098,819	1,056,228	42.2	10,342.04
As at 31 August 2020	2,411,990	996,079	956,562	39.7	9,368.83

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 2020	-	240.00	-	240.00	480.00
Year ending 31 August 2021	-	240.00			
Year ending 31 August 2021 (forecast)			-	240.00	480.00

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

3. CONSOLIDATED BUSINESS RESULTS PROJECTION FOR YEAR ENDING 31 AUGUST 2021 (1 SEPTEMBER 2020 TO 31 AUGUST 2021)

(% 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 2021	2,210,000	10.0	255,000	70.7	255,000	66.8	165,000	82.6

	Basic earnings per share attributable to owners of the Parent
Year ending 31 August 2021	Yen 1,616.05

(Note) Revisions during this quarter of previously disclosed consolidated business results projection for the year ending 31 August 2021: Yes

* 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) Changes in accounting estimates: None

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

(i)	Number of issued shares (including treasury stock)	As at 28 February 2021	106,073,656 shares	As at 31 August 2020	106,073,656 shares
(ii)	Number of treasury stock	As at 28 February 2021	3,943,966 shares	As at 31 August 2020	3,973,113 shares
(iii)	Average number of issued shares	For the six months ended 28 February 2021	102,114,907 shares	For the six months ended 29 February 2020	102,070,655 shares

* This interim 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 Consolidated Business Results Projection”.

1. Business Results

(1) Results of Operations

The Fast Retailing Group reported a decline in revenue but a large jump in profits in the first half of fiscal 2021, or the six months from 1 September 2020 to 28 February 2021 with consolidated revenue totaling 1.2028 trillion yen (−0.5% year-on-year), and operating profit rising strongly to 167.9 billion yen (+22.9% year-on-year). The rise in profit can be attributed primarily to large increases in profit from UNIQLO operations in Japan and Greater China (Mainland China market, Hong Kong market, and Taiwan market). On the other hand, due to the especially severe impact of COVID-19, The UNIQLO South Asia, Southeast Asia & Oceania (Southeast Asia, Australia, and India), UNIQLO North America, UNIQLO Europe regions and our Global Brands segment reported considerable declines in both revenue and profit. The first-half consolidated gross profit margin improved by 2.2 points year-on-year to 49.9% and the first-half selling, general and administrative expense ratio improved by 1.3 points year-on-year to 35.0%. We reported an impairment loss primarily on UNIQLO International operations and other losses of 11.7 billion yen under other income/expenses. In addition, we recorded a 4.7 billion yen foreign-exchange gain on foreign-currency denominated assets and other items, resulting in a finance income of 3.4 billion yen on a net basis. As a result, first-half profit before income taxes rose to 171.4 billion yen (+13.7% year-on-year) and profit attributable to owners of the parent rose to 105.8 billion yen (+5.4% year-on-year).

The Group's medium-term vision is to become the world's number one apparel retailer. In pursuit of this aim, we focus our efforts on expanding the UNIQLO International, as well as our GU brand and our global e-commerce operation. We continue to open multiple new UNIQLO stores in all markets and areas in which we operate and strive to instill deeper and more widespread empathy for UNIQLO's LifeWear concept of ultimate everyday wear. Within the UNIQLO International segment, the Greater China and Southeast Asia regions are continuing to serve as the key pillars of our Group's business and growth. In terms of our GU segment, in addition to expanding the GU store network primarily in Japan, we are working to establish GU's position as a brand that offers fun fashion at amazingly low prices. E-commerce sales continue to expand thanks to stronger initiatives to fuse online and physical stores and the offering of a wider range of services.

UNIQLO Japan

UNIQLO Japan reported a rise in revenue and a significant increase in profit in the first half of fiscal 2021, with revenue expanding to 492.5 billion yen (+6.2% year-on-year) and operating profit rising to 97.8 billion yen (+36.6% year-on-year). First-half same-store sales increased by 5.6% year-on-year thanks to strong sales of products such as loungewear and HEATTECH blankets that fulfilled customer demand for stay-at-home items, as well as buoyant sales of core Fall Winter items along with ultra stretch active jogger pants and other items in our sport utility wear range. Our e-commerce operation expanded significantly, with online sales rising to 73.8 billion yen (+40.5% year-on-year) in the first half. UNIQLO Japan's first-half gross profit margin improved by 2.9 points to 50.7% on the back of strong sales, improved discounting rates resulting from more restricted discount sales, and a lower cost of sales generated by improved production efficiency. The selling, general and administrative expense ratio improved by 1.4 points to 31.0% thanks to greater efficiencies primarily in distribution costs and advertising and promotion expenses.

UNIQLO International

UNIQLO International reported a decline in revenue but a significant increase in operating profit in the first half of fiscal 2021, with revenue falling to 521.8 billion yen (−3.6% year-on-year) and operating profit rising to 67.0 billion yen (+25.9% year-on-year). UNIQLO Europe and North America saw sales struggle in the face of especially severe COVID-19 conditions, but performance in East Asia was broadly strong. Meanwhile, e-commerce sales remained strong with online sales rising in each market.

The Greater China region reported large rises in both revenue and profit in the first half as the Mainland China market along with the Taiwan market and the Hong Kong market witnessed further improvements in profits. UNIQLO Greater China's gross profit margin improved by 4.7 points year-on-year thanks to controlled discount sales, and the selling, general and administrative expense ratio improved by 2.5 points as the operation maintained appropriate inventory levels and enjoyed greater efficiencies primarily in store personnel and distribution costs following concerted efforts to boost the efficiency of store operations. The operational environment for UNIQLO South Korea continued to be tough resulting in a large decline in first-half revenue. However, improvements in the gross profit margin and selling, general and administrative expense ratio enabled the South Korean operation to post a slight operating profit compared to an operating loss in the previous year. UNIQLO S/SE Asia & Oceania reported sharp declines in both revenue and profit as the operation was adversely impacted by temporary store closures and restrictions on movement caused by COVID-19. However, Vietnam reported ongoing strong sales and a large rise in profits in the first half as the impact of COVID-19 remained low and the popularity of the UNIQLO brand increased. UNIQLO USA reported a large decline in revenue and a larger operating loss after some stores were temporarily closed or forced to limit customer numbers and people's movement outside the home was restricted. UNIQLO Europe also reported large declines in both

revenue and profit in the first half as temporary store closures hit the operation hard. However, Russia achieved double-digit growth in first-half same-store sales and a large rise in operating profit as stores were not required to close temporarily in that market and sales of Winter items proved strong.

GU

The GU business segment achieved a steady year-on-year performance in the first half of fiscal 2021, with revenue totaling 132.6 billion yen (+0.3% year-on-year) and operating profit standing at 15.8 billion yen (+0.4% year-on-year).

While customer visits declined primarily in urban areas due to COVID-19, first-half same-store sales held steady year-on-year thanks to strong sales of the sweat-style knitwear that featured in our TV commercials, double-faced sweatshirts that successfully captured mass fashion trends, and loungewear and other items that satisfied customer demand for stay-at-home clothing. GU's gross profit margin held steady at the previous year's level, while the segment's selling, general and administrative expense ratio improved by 0.4 point thanks to stronger cost controls.

Global Brands

Global Brands reported a large decline in revenue and an operating loss in the first half of fiscal 2021. Revenue declined to 54.5 billion yen (-22.2% year-on-year) and the segment generated an operating loss of 8.1 billion yen (compared to a 0.7 billion yen profit recorded in the first half of fiscal 2020). Our Theory fashion label reported large declines in both revenue and profit as performance worsened in the United States and Japan in the face of COVID-19. Our Japan-based PLST brand reported a large decline in revenue and a slight operating loss following a reduction in customer visits primarily in urban areas. Finally, our France-based Comptoir des Cottonniers brand reported a large decline in revenue and a wider operating loss on the back of temporary store closures.

Sustainability

In keeping with our key sustainability message, "Unlocking the power of clothing," the Group pursues sustainability activities through our core clothing business focused on six clear material areas: Creating new value through products and services; Respecting human rights in our supply chain; Respecting the environment; Strengthening communities; Supporting employee fulfillment; Implementing good corporate governance. Our main activities in the second quarter of fiscal 2021 from December 2020 to February 2021 involved:

- Consideration for the environment: We respect the goal of the Paris Agreement to reduce greenhouse gas emissions by 2050, and are committed to establishing long-term reduction targets in our stores, offices and supply chain. We have started to gradually introduce renewable energy in our stores and offices. In addition, water is valuable resources for the production of clothing. Therefore, in the procurement of raw materials as well as the production, sale and use of our products, we are striving to prevent water pollution and reduce water usage, and are taking measures to address floods and other water risks. In view of these efforts, the CDP (an international non-profit organization that provides a platform for the disclosure of environmental information), included the Group in its Water Security A-List in December 2020, the highest rating for water resource measures. We have thus been recognized as a leading company in terms of active efforts and transparency in water resource management.
- Community support: In support of efforts against the COVID-19 pandemic, we have been donating masks and isolation gowns to medical institutions and nursing care facilities around the world since last year. Also, in order to provide support for refugees, among whom the impact of COVID-19 has been spreading, we have intensified our collaboration with the United Nations High Commissioner for Refugees (UNHCR). We plan to donate about a million UNIQLO AIRism masks to refugees and displaced persons in the five countries of Argentina, Iraq, Egypt, Chile and Bolivia, among others.
- Good management (governance): As our business expands globally, we are focusing on ensuring compliance, strengthening risk management systems, managing sensitive information and ensuring the thoroughness of internal audits to firmly establishing internal control systems in each country and region. The efforts of each committee are also being intensified. Our Human Rights Committee conducts human rights investigations for employees focused on harassment and discrimination, discusses improvement measures and supports their promotion. In addition, in the event that significant compliance violation is suspected based on report to the employee hotline, the Code of Conduct Committee discusses whether a violation has been committed and how to prevent its recurrence. The Risk Management Committee has been strengthening risk management in business activities, and is continually discussing and planning our response to issues such as COVID-19, the risk of major disasters such as an earthquake in Tokyo and information security risks.

(2) Financial Positions and Cash Flows Information

(i) Financial Positions

Total assets as at 28 February 2021 were 2.5019 trillion yen, which was an increase of 89.9 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 127.3 billion yen in cash and cash equivalents, a decrease of 1.6 billion yen in trade and other receivables, an increase of 5.2 billion yen in other current financial assets, a decrease of 62.8 billion yen in inventories, an increase of 6.7 billion yen in other current assets, an increase of 15.7 billion yen in property, plant and equipment, a decrease of 3.6 billion yen in right-of-use assets, and an increase of 4.1 billion yen in investments in associates accounted for using the equity method.

Total liabilities as at 28 February 2021 were 1.4031 trillion yen, which was a decrease of 12.8 billion yen relative to the end of the preceding fiscal year. The principal factors were a decrease of 7.3 billion yen in trade and other payables, a decrease of 44.6 billion yen in other current financial liabilities, an increase of 1.7 billion yen in derivative financial liabilities, an increase of 3.3 billion yen in lease liabilities, an increase of 24.5 billion yen in current tax liabilities, an increase of 4.3 billion yen in other current liabilities, an increase of 3.9 billion yen in provisions, and an increase of 1.3 billion yen in deferred tax liabilities.

Total net assets as at 28 February 2021 were 1.0988 trillion yen, which was an increase of 102.7 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 81.9 billion yen in retained earnings, and an increase of 15.7 billion yen in other components of equity.

(ii) Cash Flows Information

Cash and cash equivalents as at 28 February 2021 had increased by 127.3 billion yen from the end of the preceding fiscal year, to 1.2208 trillion yen.

(Operating Cash Flows)

Net cash generated by operating activities for the six months ended 28 February 2021 was 352.1 billion yen, which was an increase of 115.4 billion yen (+48.8% year-on-year) from the six months ended 29 February 2020. The principal factors were 171.4 billion yen in profit before income taxes (an increase of 20.6 billion yen from the six months ended 29 February 2020), 11.6 billion yen in impairment losses (an increase of 6.2 billion yen from the six months ended 29 February 2020), 4.7 billion yen in foreign exchange gains (an increase of 7.4 billion yen from the six months ended 29 February 2020), a decrease of 70.1 billion yen in inventories (an increase of 6.0 billion yen from the six months ended 29 February 2020), a decrease of 12.4 billion yen in trade and other payables (an increase of 20.5 billion yen from the six months ended 29 February 2020), an increase of 0.7 billion yen in other assets (a decrease of 11.4 billion yen from the six months ended 29 February 2020), and an increase of 60.1 billion yen in other liabilities (an increase of 61.3 billion yen from the six months ended 29 February 2020).

(Investing Cash Flows)

Net cash used in investing activities for the six months ended 28 February 2021 was 41.0 billion yen, which was a decrease of 17.7 billion yen (-30.2% year-on-year) from the six months ended 29 February 2020. The principal factors were a net increase of 0.5 billion yen in bank deposits with original maturities of three months or longer (a decrease of 19.7 billion yen from the six months ended 29 February 2020), 28.3 billion yen in payments for property, plant and equipment (an increase of 4.5 billion yen from the six months ended 29 February 2020), 8.0 billion yen in payments for intangible assets (a decrease of 2.8 billion yen from the six months ended 29 February 2020), 4.2 billion yen in payments for acquisition of investments in associates (an increase of 4.2 billion yen from the six months ended 29 February 2020), and 0.6 billion yen in proceeds from other investing activities (a decrease of 3.1 billion yen from the six months ended 29 February 2020).

(Financing Cash Flows)

Net cash used in financing activities for the six months ended 28 February 2021 was 201.3 billion yen, which was an increase of 102.1 billion yen (+103.0% year-on-year) from the six months ended 29 February 2020. The principal factors were a net decrease of 4.8 billion yen in loans payable (an increase of 0.6 billion yen from the six months ended 29 February 2020), 100.0 billion yen in repayment of redemption of bonds (an increase of 100.0 billion yen from the six months ended 29 February 2020), 1.3 billion yen in dividends paid to non-controlling interests (a decrease of 0.9 billion yen from the six months ended 29 February 2020), and 70.7 billion yen in repayments of lease liabilities (an increase of 2.5 billion yen from the six months ended 29 February 2020).

(3) Qualitative Information Concerning Consolidated Business Results Projection

The following adjustments were made concerning the consolidated business results projection for the year ending 31 August 2021 in consideration of the business results for the six months ended 28 February 2021.

In addition, below are the differences of the consolidated business results projections for the year ending 31 August 2021 as reported in the “First Quarterly Results Announcement for the Three Months Ended 30 November 2020 and Resumption of Trading” released on 14 January 2021.

(Full financial year)

	Revenue	Operating profit	Profit before income taxes	Profit attributable to owners of the Parent	Basic earnings per share attributable to owners of the Parent
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	2,200,000	245,000	245,000	165,000	1,616.05
New forecast (B)	2,210,000	255,000	255,000	165,000	1,616.05
Difference (B–A)	10,000	10,000	10,000	-	-
Change (%)	0.5%	4.1%	4.1%	-	-
Previous results	2,008,846	149,347	152,868	90,357	885.15

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 2020	As at 28 February 2021
ASSETS			
Current assets			
Cash and cash equivalents		1,093,531	1,220,854
Trade and other receivables		67,069	65,464
Other financial assets		49,890	55,162
Inventories		417,529	354,641
Derivative financial assets		14,413	14,244
Income taxes receivable		2,126	1,496
Other assets		10,629	17,402
Total current assets		1,655,191	1,729,266
Non-current assets			
Property, plant and equipment	6	136,123	151,875
Right-of-use assets	6	399,944	396,335
Goodwill		8,092	8,092
Intangible assets	6	66,833	67,162
Financial assets		67,770	68,688
Investments in associates accounted for using the equity method		14,221	18,411
Deferred tax assets		45,447	44,630
Derivative financial assets		10,983	10,332
Other assets	6	7,383	7,124
Total non-current assets		756,799	772,653
Total assets		2,411,990	2,501,920
Liabilities and equity			
LIABILITIES			
Current liabilities			
Trade and other payables		210,747	203,430
Other financial liabilities		213,301	168,668
Derivative financial liabilities		2,763	5,621
Lease liabilities		114,652	118,956
Current tax liabilities		22,602	47,124
Provisions		752	882
Other liabilities		82,636	86,939
Total current liabilities		647,455	631,623
Non-current liabilities			
Financial liabilities		370,780	370,872
Lease liabilities		351,526	350,553
Provisions		32,658	36,437
Deferred tax liabilities		7,760	9,105
Derivative financial liabilities		3,205	2,094
Other liabilities		2,524	2,414
Total non-current liabilities		768,455	771,478
Total liabilities		1,415,910	1,403,101
EQUITY			
Capital stock		10,273	10,273
Capital surplus		23,365	25,220
Retained earnings		933,303	1,015,248
Treasury stock, at cost		(15,129)	(15,022)
Other components of equity		4,749	20,507
Equity attributable to owners of the Parent		956,562	1,056,228
Non-controlling interests		39,516	42,590
Total equity		996,079	1,098,819
Total liabilities and equity		2,411,990	2,501,920

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

Interim Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	Notes	Six months ended 29 February 2020	Six months ended 28 February 2021
Revenue	2	1,208,512	1,202,864
Cost of sales		(631,722)	(602,413)
Gross profit		576,790	600,451
Selling, general and administrative expenses	3	(438,798)	(420,750)
Other income	4	6,002	4,446
Other expenses	4,6	(7,309)	(16,512)
Share of profit and loss of associates accounted for using the equity method		51	347
Operating profit		136,736	167,982
Finance income	5	18,069	7,059
Finance costs	5	(3,946)	(3,559)
Profit before income taxes		150,859	171,482
Income tax expense		(47,414)	(62,227)
Profit for the period		103,444	109,255
Profit for the period attributable to:			
Owners of the Parent		100,459	105,868
Non-controlling interests		2,985	3,387
Total		103,444	109,255
Earnings per share			
Basic (yen)	7	984.21	1,036.76
Diluted (yen)	7	982.49	1,035.04

Interim Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended 29 February 2020	Six months ended 28 February 2021
Profit for the period	103,444	109,255
Other comprehensive income / (loss), net of income tax		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income / (loss)	(231)	369
Total items that will not be reclassified subsequently to profit or loss	(231)	369
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	14,715	18,269
Cash flow hedges	25,556	4,584
Share of other comprehensive income of associates	18	55
Total items that may be reclassified subsequently to profit or loss	40,291	22,909
Other comprehensive income / (loss), net of income tax	40,060	23,279
Total comprehensive income for the period	143,505	132,534
Attributable to:		
Owners of the Parent	140,153	127,401
Non-controlling interests	3,352	5,133
Total comprehensive income for the period	143,505	132,534

(3) Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 29 February 2020

(Millions of yen)

	Other components of equity									Equity attributable to owners of the Parent	Non-controlling interest	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Financial assets measured at fair value through other comprehensive income	Foreign currency translation reserve	Cash flow hedge reserve	Share of other comprehensive income of associates	Total			
As at 1 September 2019	10,273	20,603	928,748	(15,271)	(697)	(13,929)	8,906	(11)	(5,732)	938,621	44,913	983,534
Effect of change in accounting policy	-	-	(30,370)	-	-	-	-	-	-	(30,370)	(1,429)	(31,800)
Balance after adjustment	10,273	20,603	898,377	(15,271)	(697)	(13,929)	8,906	(11)	(5,732)	908,250	43,483	951,734
Net changes during the period												
Comprehensive income												
Profit for the period	-	-	100,459	-	-	-	-	-	-	100,459	2,985	103,444
Other comprehensive income / (loss)	-	-	-	-	(231)	13,727	26,178	18	39,693	39,693	366	40,060
Total comprehensive income / (loss)	-	-	100,459	-	(231)	13,727	26,178	18	39,693	140,153	3,352	143,505
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(5)	-	-	-	-	-	(5)	-	(5)
Disposal of treasury stock	-	934	-	78	-	-	-	-	-	1,013	-	1,013
Dividends	-	-	(24,494)	-	-	-	-	-	-	(24,494)	(1,569)	(26,064)
Share-based payments	-	1,690	-	-	-	-	-	-	-	1,690	-	1,690
Transfer to non-financial assets	-	-	-	-	-	-	(6,299)	-	(6,299)	(6,299)	(794)	(7,093)
Total transactions with the owners of the Parent	-	2,625	(24,494)	73	-	-	(6,299)	-	(6,299)	(28,095)	(2,363)	(30,459)
Total net changes during the period	-	2,625	75,964	73	(231)	13,727	19,878	18	33,394	112,057	988	113,046
As at 29 February 2020	10,273	23,229	974,342	(15,198)	(928)	(202)	28,785	7	27,661	1,020,308	44,471	1,064,780

For the six months ended 28 February 2021

(Millions of yen)

	Other components of equity									Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Financial assets measured at fair value through other comprehensive income	Foreign currency translation reserve	Cash flow hedge reserve	Share of other comprehensive income of associates	Total			
As at 1 September 2020	10,273	23,365	933,303	(15,129)	385	(8,489)	12,905	(51)	4,749	956,562	39,516	996,079
Net changes during the period												
Comprehensive income												
Profit for the period	-	-	105,868	-	-	-	-	-	-	105,868	3,387	109,255
Other comprehensive income / (loss)	-	-	-	-	369	16,389	4,717	55	21,533	21,533	1,746	23,279
Total comprehensive income / (loss)	-	-	105,868	-	369	16,389	4,717	55	21,533	127,401	5,133	132,534
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(4)	-	-	-	-	-	(4)	-	(4)
Disposal of treasury stock	-	1,215	-	111	-	-	-	-	-	1,327	-	1,327
Dividends	-	-	(24,504)	-	-	-	-	-	-	(24,504)	(1,367)	(25,871)
Share-based payments	-	639	-	-	-	-	-	-	-	639	-	639
Transfer to non-financial assets	-	-	-	-	-	-	(5,193)	-	(5,193)	(5,193)	(691)	(5,884)
Transfer to retained earnings	-	-	581	-	(581)	-	-	-	(581)	-	-	-
Total transactions with the owners of the Parent	-	1,855	(23,923)	106	(581)	-	(5,193)	-	(5,774)	(27,735)	(2,058)	(29,794)
Total net changes during the period	-	1,855	81,945	106	(211)	16,389	(475)	55	15,758	99,665	3,074	102,740
As at 28 February 2021	10,273	25,220	1,015,248	(15,022)	173	7,900	12,429	4	20,507	1,056,228	42,590	1,098,819

(4) Interim Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Notes	Six months ended 29 February 2020	Six months ended 28 February 2021
Cash flows from operating activities			
Profit before income taxes		150,859	171,482
Depreciation and amortization		87,871	89,004
Impairment losses	6	5,443	11,696
Interest and dividend income		(5,878)	(2,310)
Interest expenses		3,946	3,551
Foreign exchange losses / (gains)		(12,190)	(4,740)
Share of profit and loss of associates accounted for using the equity method		(51)	(347)
Losses on disposal of property, plant and equipment		355	609
(Increase) / Decrease in trade and other receivables		207	(420)
(Increase) / Decrease in inventories		64,120	70,197
Increase / (Decrease) in trade and other payables		(32,925)	(12,402)
(Increase) / Decrease in other assets		10,648	(764)
Increase / (Decrease) in other liabilities		(1,227)	60,132
Others, net		2,061	2,278
Cash generated from operations		273,241	387,964
Interest and dividends income received		5,633	2,099
Interest paid		(3,483)	(3,114)
Income taxes paid		(39,535)	(36,036)
Income taxes refunded		825	1,212
Net cash generated by operating activities		236,680	352,125
Cash flows from investing activities			
Amounts deposited into bank deposits with original maturities of three months or longer		(53,772)	(47,286)
Amounts withdrawn from bank deposits with original maturities of three months or longer		33,503	46,738
Payments for property, plant and equipment		(23,833)	(28,359)
Payments for intangible assets		(10,895)	(8,083)
Payments for acquisition of right-of-use assets		(1,759)	(666)
Payments for lease and guarantee deposits		(2,952)	(1,825)
Proceeds from collection of lease and guarantee deposits		3,437	2,057
Payments for acquisition of investments in associates		-	(4,232)
Others, net		(2,556)	620
Net cash generated by / (used in) investing activities		(58,828)	(41,037)

(Millions of yen)

	Six months ended 29 February 2020	Six months ended 28 February 2021
Cash flows from financing activities		
Proceeds from short-term loans payable	976	32,618
Repayment of short-term loans payable	(847)	(37,453)
Repayment of long-term loans payable	(4,343)	-
Repayment of redemption of bonds	-	(100,000)
Dividends paid to owners of the Parent	(24,494)	(24,504)
Dividends paid to non-controlling interests	(2,328)	(1,367)
Repayments of lease liabilities	(68,231)	(70,733)
Others, net	73	106
Net cash generated by / (used in) financing activities	(99,195)	(201,334)
Effect of exchange rate changes on the balance of cash held in foreign currencies	19,127	17,570
Net increase in cash and cash equivalents	97,783	127,323
Cash and cash equivalents at the beginning of period	1,086,519	1,093,531
Cash and cash equivalents at the end of period	1,184,303	1,220,854

(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 which are reviewed regularly by the Board of Directors (the "Board") to make decisions about the allocation of resources and to assess performance.

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

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

UNIQLO Japan: UNIQLO clothing business within Japan

UNIQLO International: UNIQLO clothing business outside of Japan

GU: GU clothing business in Japan and overseas

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

(ii) Segment revenue and results

For the six months ended 29 February 2020

(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	463,568	541,248	132,293	70,100	1,207,211	1,301	-	1,208,512
Operating profit / (loss)	71,626	53,267	15,823	741	141,458	278	(5,000)	136,736
Segment income / (loss) (i.e., profit / loss before income taxes)	73,470	54,159	15,711	517	143,858	279	6,721	150,859
Other disclosure: Impairment losses (Note 3)	596	4,377	100	368	5,443	-	-	5,443

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

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

(Note 3) Details on the Impairment losses are stated in note "6. Impairment losses".

For the six months ended 28 February 2021

(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	492,519	521,826	132,671	54,561	1,201,579	1,284	-	1,202,864
Operating profit / (loss)	97,870	67,070	15,888	(8,188)	172,641	44	(4,703)	167,982
Segment income / (loss) (i.e., profit / loss before income taxes)	98,499	65,995	15,811	(8,436)	171,870	45	(432)	171,482
Other disclosure: Impairment losses (Note 3)	839	9,035	434	1,386	11,696	-	-	11,696

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

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

(Note 3) Details on the Impairment losses are stated in note "6. Impairment losses".

2. Revenue

The Group conducts its global clothing retail operations through both physical stores and e-commerce channels. The following is a breakdown of total revenue by major regional market operation.

Six months ended 29 February 2020

	Revenue (Millions of yen)	Percent of Total (%)
Japan	463,568	38.4
Greater China	270,334	22.4
Other parts of Asia & Oceania	135,428	11.2
North America & Europe	135,485	11.2
UNIQLO (Note 1)	1,004,816	83.1
GU (Note 2)	132,293	10.9
Global Brands (Note 3)	70,100	5.8
Others (Note 4)	1,301	0.1
Total	1,208,512	100.0

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

The designated countries and regions are classified as follows:

Greater China: Mainland China, Hong Kong, Taiwan

Other parts of Asia & Oceania: South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia, Australia, Vietnam, India

North America & Europe: United States of America, Canada, United Kingdom, France, Russia, Germany, Belgium, Spain, Sweden, the Netherlands, Denmark, Italy

(Note 2) Main national and regional market: Japan

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

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

Six months ended 28 February 2021

	Revenue (Millions of yen)	Percent of Total (%)
Japan	492,519	40.9
Greater China	310,807	25.8
Other parts of Asia & Oceania	110,032	9.1
North America & Europe	100,986	8.4
UNIQLO (Note 1)	1,014,346	84.3
GU (Note 2)	132,671	11.0
Global Brands (Note 3)	54,561	4.5
Others (Note 4)	1,284	0.1
Total	1,202,864	100.0

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

The designated countries and regions are classified as follows:

Greater China: Mainland China, Hong Kong, Taiwan

Other parts of Asia & Oceania: South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia, Australia, Vietnam, India

North America & Europe: United States of America, Canada, United Kingdom, France, Russia, Germany, Belgium, Spain, Sweden, the Netherlands, Denmark, Italy

(Note 2) Main national and regional market: Japan

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

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

3. Selling, general and administrative expenses

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

(Millions of yen)

	Six months ended 29 February 2020	Six months ended 28 February 2021
Selling, general and administrative expenses		
Advertising and promotion	39,712	36,170
Lease expenses	38,742	35,456
Depreciation and amortization	87,871	89,004
Outsourcing	25,370	25,177
Salaries	145,931	141,353
Distribution	54,124	50,295
Others	47,044	43,292
Total	438,798	420,750

4. Other income and other expenses

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

(Millions of yen)

	Six months ended 29 February 2020	Six months ended 28 February 2021
Other income		
Foreign exchange gains (Note)	3,551	2,366
Others	2,450	2,079
Total	6,002	4,446

(Millions of yen)

	Six months ended 29 February 2020	Six months ended 28 February 2021
Other expenses		
Loss on retirement of property, plant and equipment	355	609
Impairment losses	5,443	11,696
Others	1,510	4,207
Total	7,309	16,512

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

5. Finance income and finance costs

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

(Millions of yen)

	Six months ended 29 February 2020	Six months ended 28 February 2021
Finance income		
Foreign exchange gains (Note)	12,190	4,740
Interest income	5,867	2,301
Others	11	16
Total	18,069	7,059

(Millions of yen)

	Six months ended 29 February 2020	Six months ended 28 February 2021
Finance costs		
Interest expenses	3,946	3,551
Others	-	7
Total	3,946	3,559

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

6. Impairment losses

The Group's impairment losses during the six months ended 28 February 2021 amounted to 11,696 million yen, compared with 5,443 million yen during the six months ended 29 February 2020, and are included in "other expenses" on the Interim condensed consolidated statement of profit or loss.

The breakdown of impairment losses is as follows:

For the six months ended 29 February 2020

Impairment losses are mainly due to a reduction in profitability of store assets at UNIQLO Japan and UNIQLO International, and no material impairment losses are recognized.

For the six months ended 28 February 2021

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

(Millions of yen)

	Six months ended 28 February 2021
Buildings and structures	1,439
Furniture, equipment and vehicles	374
Subtotal on property, plant and equipment	1,814
Software	106
Other intangible assets	7
Subtotal on intangible assets	113
Right-of-use assets	9,765
Other non-current assets (long-term prepayments)	2
Total impairment losses	11,696

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

Impairment losses amounting to 11,696 million yen represented write downs of the carrying amounts of store assets to the recoverable amounts, primarily due to a reduction in profitability of certain stores, including flagship stores. With the global spread of COVID-19, the Group's performance has been adversely affected due to temporarily closing stores, etc. Although the timing for the situation subsiding differs from region to region and on a case-by-case basis, we made accounting estimates involving the assumption that the impact will last until the end of February 2022 for most countries and regions including Japan. For stores in other certain countries and regions, it may take longer for the situation to get under control.

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

The value in use is calculated by discounting the cash flow projections based on estimates and growth rates approved by management at a discount rate of mainly 8.1%. Theoretically, the projected cash flows cover a maximum period of five years, and do not use a growth rate that exceeds the long-term average market growth rate. The pre-tax discount rate calculation is primarily based on the weighted-average cost of capital.

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

Operating segment	CGU	Type
UNIQLO Japan	UNIQLO CO., LTD. stores	Buildings, structures and right-of-use assets etc.
UNIQLO International	UNIQLO USA LLC, UNIQLO EUROPE LIMITED etc., stores	Buildings, structures and right-of-use assets etc.
GU	GU (Shanghai) Trading Co., Ltd. stores	Buildings, structures and right-of-use assets etc.
Global Brands	COMPTOIR DES COTONNIERS S.A.S., etc., stores	Buildings, structures and right-of-use assets etc.

7. Earnings per share

Six months ended 29 February 2020		Six months ended 28 February 2021	
Equity per share attributable to owners of the Parent (Yen)	9,994.97	Equity per share attributable to owners of the Parent (Yen)	10,342.04
Basic earnings per share (Yen)	984.21	Basic earnings per share (Yen)	1,036.76
Diluted earnings per share (Yen)	982.49	Diluted earnings per share (Yen)	1,035.04

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

	Six months ended 29 February 2020	Six months ended 28 February 2021
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	100,459	105,868
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders (Millions of yen)	100,459	105,868
Average number of common stock outstanding during the period (Shares)	102,070,655	102,114,907
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	179,046	169,788
(Number of share subscription rights included in increase)	(179,046)	(169,788)

8. Subsequent events

Not applicable.

3. 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, 8 April 2021, 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, 9 April 2021.

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

Tadashi Yanai
Chairman, President and Chief Executive Officer

Japan, 8 April 2021

As at the date of this announcement, the Executive Director is Tadashi Yanai, the Non-executive Directors are Takeshi Okazaki, Kazumi Yanai and Koji Yanai, the Independent Non-executive Directors are Toru Hambayashi, Nobumichi Hattori, Masaaki Shintaku, Takashi Nawa and Naotake Ohno.