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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 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 nine months ended 31 May 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, 15 July 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, 16 July 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 31 May 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	%
Nine months ended 31 May 2021	1,698,082	9.9	227,897	72.1	245,654	72.5	156,876	71.5
Nine months ended 31 May 2020	1,544,924	(15.2)	132,383	(46.6)	142,420	(42.4)	91,475	(47.4)

	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 2021	151,351	67.0	217,748	82.3	1,482.08	1,479.65
Nine months ended 31 May 2020	90,640	(42.9)	119,470	(26.3)	887.96	886.42

(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 2021	2,492,263	1,159,601	1,113,646	44.7	10,903.41
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	2,150,000	7.0	245,000	64.0	262,700	71.8	165,000	82.6

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

(Note 1) Revisions during this quarter of previously disclosed consolidated business results projection for the year ending 31 August 2021: Yes

(Note 2) The projection of "Basic earnings per share attributable to owners of the Parent" is calculated based on the number of issued shares (excluding treasury stock) at the end of the preceding fiscal year.

* 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 31 May 2021	106,073,656 shares	As at 31 August 2020	106,073,656 shares
(ii)	Number of treasury stock	As at 31 May 2021	3,936,239 shares	As at 31 August 2020	3,973,113 shares
(iii)	Average number of issued shares	For the nine months ended 31 May 2021	102,121,062 shares	For the nine months ended 31 May 2020	102,076,743 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.7 “(3) Qualitative Information Concerning Consolidated Business Results Projection”.

1. Business Results

(1) Results of Operations

The Fast Retailing Group's revenue and profit increased significantly in the first nine months of fiscal 2021 from 1 September 2020 to 31 May 2021, with consolidated revenue rising to 1.6980 trillion yen (+9.9% year-on-year) and operating profit expanding to 227.8 billion yen (+72.1% year-on-year). Group performance recovered as profitability, primarily at our UNIQLO operations, improved in the first half. In the third quarter, performance picked up at all four business segments, generating significant increases in both revenue and profit compared to the previous year when business was hit hard by the COVID-19 pandemic. We reported an impairment loss of 17.5 billion yen primarily on UNIQLO International operations, resulting in a net cost of 15.2 billion yen under other income/expenses. In addition, we recorded finance income of 17.7 billion yen on a net basis, mainly comprising a 19.5 billion yen foreign-exchange gain on foreign-currency denominated assets and other items. As a result, profit before income taxes rose to 245.6 billion yen (+72.5% year-on-year) and profit attributable to owners of the Parent rose to 151.3 billion yen (+67.0% year-on-year) in the nine months ended 31 May 2021.

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 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 large increases in revenue and profit in the first nine months of fiscal 2021, with revenue expanding to 675.1 billion yen (+12.7% year-on-year) and operating profit rising to 119.5 billion yen (+51.0% year-on-year). First-half revenue rose and profit expanded significantly on the back of strong sales of products that fulfilled customer demand for stay-at-home items as well as core Fall Winter ranges. Revenue and profit subsequently expanded significantly in the third quarter compared to a low previous-year performance.

From March to May 2021, revenue increased considerably on the back of strong sales of Uniqlo U T-shirts, KANDO pants and other Summer ranges along with loungewear, ultra stretch active pants, and other items. E-commerce revenue increased as the online sales operation continued to expand favorably. Since 12 March 2021, we have changed the product price displays in Japan to show just one tax-inclusive price to make our products easier for customers to purchase. However, the prices have remained the same following our decision to absorb the additional consumption-tax component ourselves. To alleviate the impact of this move on our gross profit margin, we have worked hard to reduce the cost of sales. As a result, we were able to contain the decline in UNIQLO Japan's third-quarter gross profit margin to 0.5 point year-on-year. In addition, the third-quarter selling, general and administrative expense ratio improved by 6.1 points year-on-year. However, overall sales struggled in the face of a higher-than-anticipated COVID-19 impact and our inability to fully convey the new, newsworthy elements of our products to customers, so the third-quarter UNIQLO Japan performance did fall short of our business plan.

UNIQLO International

UNIQLO International reported a rise in revenue and a large increase in profit in the first nine months of fiscal 2021, with revenue rising to 739.6 billion yen (+9.8% year-on-year) and operating profit increasing to 97.7 billion yen (+88.7% year-on-year). Profit increased significantly in the first half thanks to improved profitability in East Asia operations. All regions reported significant recoveries in the third quarter. Geographically speaking, the Mainland China market reported large rises in both revenue and profit. UNIQLO South Korea moved back into the black in terms of operating profit following improvements in the operation's gross profit margin and selling, general and administrative expense ratio. UNIQLO South Asia, Southeast Asia & Oceania (Southeast Asia, Australia, and India) reported a large rise in revenue and a return to the black in terms of operating profit. UNIQLO North America and UNIQLO Europe reported large revenue gains and smaller operating losses as the COVID situation improved in those regions.

From March to May 2021, performance from the Greater China region fell short of our business estimates. For the Mainland China market, compared with the extremely strong May Labor Day sales in 2020, when a rebound in consumption was observed after the pandemic was brought under control, demand across the whole retail market was slightly more subdued as consumer

focus shifted to domestic travel this year. However, UNIQLO International third-quarter operating profit came in roughly in line with plan thanks to larger-than-expected improvements in profitability in North America and Europe.

GU

Our GU operation reported a rise in revenue and a large increase in profit in the nine months ended May 2021, with revenue climbing to 200.8 billion yen (+7.1% year-on-year) and operating profit expanding to 24.3 billion yen (+18.9% year-on-year). GU performance held steady year-on-year but both revenue and profit increased considerably in the third quarter.

From March to May 2021, items such as chef's pants, airy shirts, and colored flared slacks contributed to the rise in GU revenue. However, sales struggled and GU performance fell short of our business estimates due to the announcement of another state of emergency in Japan and the fact that some of our GU products did not fully grasp the prevailing trend.

Global Brands

Global Brands revenue declined and operating losses widened in the first nine months of fiscal 2021. Revenue declined to 80.5 billion yen (-3.3% year-on-year) and the segment reported an operating loss of 8.9 billion yen (compared to an operating loss of 6.0 billion in the first nine months of fiscal 2020). In the first half, Global Brands performance worsened significantly in the wake of COVID-19, but performance, primarily driven by Theory, picked up in the third quarter, with revenue rising sharply and the operating loss shrinking to 0.7 billion yen (compared to an operating loss of 6.7 billion in the third quarter of fiscal 2020). However, Global Brands performance fell short of plan due to a higher-than-anticipated COVID-19 impact.

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 third quarter of fiscal 2021 from March 2021 to May 2021 involved:

■Consideration for the environment: In June 2021, we expressed our support for proposals by the Task Force on Climate-related Financial Disclosures (TCFD) targeting disclosure of companies' actions in relation to climate change, and are working toward disclosing such information in accordance with the TCFD. The Sustainability Committee is also advancing discussions on the establishment of long-term reduction targets and specific measures to counter greenhouse gas emissions in the supply chain, including from our own stores and offices, the factories of business partners, and the production of raw materials.

■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. In India, where the impact of COVID-19 is spreading, we have provided emergency support equivalent to 220 million rupees (approximately 330 million yen), including over 600,000 Uniqlo AIRism Masks.

■Employee satisfaction: We have established various personnel systems that enable all employees to choose work styles that are right for their stage of life, helping them build careers and exhibit their respective individualities and talents. Among these, we are promoting career development for female employees. For example, we provide a development program for female management candidates, along with training aimed at dispelling unconscious bias toward female management and management candidates. Moving forward, the Diversity Promotion Team will play a central role in efforts to improve the percentage of women in management roles by analyzing and monitoring the ratio of male to female promotions by country and department.

(2) Financial Positions and Cash Flows Information

(i) Financial Positions

Total assets as at 31 May 2021 were 2.4922 trillion yen, which was an increase of 80.2 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 83.6 billion yen in cash and cash equivalents, an increase of 8.9 billion yen in trade and other receivables, an increase of 12.8 billion yen in other current financial assets, a decrease of 72.8 billion yen in inventories, an increase of 26.8 billion yen in derivative financial assets, an increase of 25.7 billion yen in property, plant and equipment, and a decrease of 9.9 billion yen in deferred tax assets.

Total liabilities as at 31 May 2021 were 1.3326 trillion yen, which was a decrease of 83.2 billion yen relative to the end of the preceding fiscal year. The principal factors were a decrease of 31.7 billion yen in trade and other payables, a decrease of 93.9 billion yen in other current financial liabilities, an increase of 4.5 billion yen in lease liabilities, an increase of 21.3 billion yen in current tax liabilities, an increase of 6.2 billion yen in other current liabilities, an increase of 5.1 billion yen in provisions, and an increase of 4.6 billion yen in deferred tax liabilities.

Total net assets as at 31 May 2021 were 1.1596 trillion yen, which was an increase of 163.5 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 102.7 billion yen in retained earnings, and an increase of 52.2 billion yen in other components of equity.

(ii) Cash Flows Information

Cash and cash equivalents as at 31 May 2021 had increased by 83.6 billion yen from the end of the preceding fiscal year, to 1.1771 trillion yen.

(Operating Cash Flows)

Net cash generated by operating activities for the nine months ended 31 May 2021 was 367.2 billion yen, which was an increase of 194.0 billion yen (+112.1% year-on-year) from the nine months ended 31 May 2020. The principal factors were 245.6 billion yen in profit before income taxes (an increase of 103.2 billion yen from the nine months ended 31 May 2020), 19.5 billion yen in foreign exchange gains (a decrease of 11.8 billion yen from the nine months ended 31 May 2020), a decrease of 87.4 billion yen in inventories (an increase of 56.1 billion yen from the nine months ended 31 May 2020), and an increase of 6.5 billion yen in other liabilities (an increase of 42.7 billion yen from the nine months ended 31 May 2020).

(Investing Cash Flows)

Net cash used in investing activities for the nine months ended 31 May 2021 was 65.7 billion yen, which was a decrease of 4.3 billion yen (-6.2% year-on-year) from the nine months ended 31 May 2020. The principal factors were a net increase of 6.8 billion yen in bank deposits with original maturities of three months or longer (a decrease of 7.8 billion yen from the nine months ended 31 May 2020), 41.9 billion yen in payments for property, plant and equipment (an increase of 5.9 billion yen from the nine months ended 31 May 2020), 13.8 billion yen in payments for intangible assets (a decrease of 2.6 billion yen from the nine months ended 31 May 2020), 0.8 billion yen in payments for acquisition of right-of-use (a decrease of 0.5 billion yen from the nine months ended 31 May 2020), 4.2 billion yen in payments for acquisition of investments in associates (an increase of 4.2 billion yen from the nine months ended 31 May 2020), and 1.6 billion yen in proceeds from other investing activities (a decrease of 3.3 billion yen from the nine months ended 31 May 2020).

(Financing Cash Flows)

Net cash used in financing activities for the nine months ended 31 May 2021 was 262.7 billion yen, which was an increase of 113.2 billion yen (+75.8% year-on-year) from the nine months ended 31 May 2020. The principal factors were a net decrease of 0.4 billion yen in loans payable (an increase of 5.4 billion yen from the nine months ended 31 May 2020), 100.0 billion yen in repayment of redemption of bonds (an increase of 100.0 billion yen from the nine months ended 31 May 2020), 1.8 billion yen in dividends paid to non-controlling interests (a decrease of 0.4 billion yen from the nine months ended 31 May 2020), and 111.6 billion yen in repayments of lease liabilities (an increase of 8.2 billion yen from the nine months ended 31 May 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 nine months ended 31 May 2021.

In addition, below are the differences of the consolidated business results projections for the year ending 31 August 2021 as reported in the “Interim Results Announcement For The Six Months Ended 28 February 2021 And Resumption Of Trading” released on 8 April 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)	2,210,000	255,000	255,000	165,000	1,616.05
New forecast (B)	2,150,000	245,000	262,700	165,000	1,616.05
Difference (B–A)	(60,000)	(10,000)	7,700	-	-
Change (%)	(2.7)	(3.9)	3.0	-	-
Previous results	2,008,846	149,347	152,868	90,357	885.15

(Note) The projection of "Basic earnings per share attributable to owners of the Parent" is calculated based on the number of issued shares (excluding treasury stock) at the end of the preceding fiscal year.

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 31 May 2021
ASSETS			
Current assets			
Cash and cash equivalents		1,093,531	1,177,159
Trade and other receivables		67,069	76,025
Other financial assets		49,890	62,712
Inventories		417,529	344,651
Derivative financial assets		14,413	24,691
Income taxes receivable		2,126	1,310
Other assets		10,629	15,586
Total current assets		1,655,191	1,702,138
Non-current assets			
Property, plant and equipment	6	136,123	161,918
Right-of-use assets	6	399,944	395,415
Goodwill		8,092	8,092
Intangible assets	6	66,833	67,923
Financial assets		67,770	68,492
Investments in associates accounted for using the equity method		14,221	18,289
Deferred tax assets		45,447	35,530
Derivative financial assets		10,983	27,538
Other assets	6	7,383	6,923
Total non-current assets		756,799	790,125
Total assets		2,411,990	2,492,263
Liabilities and equity			
LIABILITIES			
Current liabilities			
Trade and other payables		210,747	178,994
Other financial liabilities		213,301	119,346
Derivative financial liabilities		2,763	5,334
Lease liabilities		114,652	120,451
Current tax liabilities		22,602	43,978
Provisions		752	1,079
Other liabilities		82,636	88,902
Total current liabilities		647,455	558,086
Non-current liabilities			
Financial liabilities		370,780	370,806
Lease liabilities		351,526	350,316
Provisions		32,658	37,493
Deferred tax liabilities		7,760	12,410
Derivative financial liabilities		3,205	1,140
Other liabilities		2,524	2,408
Total non-current liabilities		768,455	774,575
Total liabilities		1,415,910	1,332,661
EQUITY			
Capital stock		10,273	10,273
Capital surplus		23,365	25,301
Retained earnings		933,303	1,036,072
Treasury stock, at cost		(15,129)	(14,994)
Other components of equity		4,749	56,991
Equity attributable to owners of the Parent		956,562	1,113,646
Non-controlling interests		39,516	45,955
Total equity		996,079	1,159,601
Total liabilities and equity		2,411,990	2,492,263

(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	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Revenue	2	1,544,924	1,698,082
Cost of sales		(793,637)	(839,246)
Gross profit		751,286	858,836
Selling, general and administrative expenses	3	(608,029)	(615,730)
Other income	4	7,098	7,855
Other expenses	4,6	(18,425)	(23,646)
Share of profit and loss of associates accounted for using the equity method		453	581
Operating profit		132,383	227,897
Finance income	5	15,938	23,014
Finance costs	5	(5,901)	(5,256)
Profit before income taxes		142,420	245,654
Income tax expense		(50,944)	(88,777)
Profit for the period		91,475	156,876
Profit for the period attributable to:			
Owners of the Parent		90,640	151,351
Non-controlling interests		835	5,525
Total		91,475	156,876
Earnings per share			
Basic (yen)	7	887.96	1,482.08
Diluted (yen)	7	886.42	1,479.65

Interim Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Profit for the period	91,475	156,876
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)	(244)	410
Total items that will not be reclassified subsequently to profit or loss	(244)	410
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	1,084	36,225
Cash flow hedges	27,165	24,136
Share of other comprehensive income / (loss) of associates	(10)	98
Total items that may be reclassified subsequently to profit or loss	28,239	60,460
Other comprehensive income / (loss), net of income tax	27,994	60,871
Total comprehensive income for the period	119,470	217,748
Attributable to:		
Owners of the Parent	119,501	209,635
Non-controlling interests	(31)	8,112
Total comprehensive income for the period	119,470	217,748

(3) Interim Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 May 2020

(Millions of yen)

Notes	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Other components of equity				Total	Equity attributable to owners of the Parent	Non-controlling interest	Total equity
					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				
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	-	-	(34,252)	-	-	-	-	-	-	(34,252)	(1,361)	(35,614)
Balance after adjustment	10,273	20,603	894,495	(15,271)	(697)	(13,929)	8,906	(11)	(5,732)	904,368	43,551	947,920
Net changes during the period												
Comprehensive income												
Profit for the period	-	-	90,640	-	-	-	-	-	-	90,640	835	91,475
Other comprehensive income / (loss)	-	-	-	-	(244)	1,911	27,204	(10)	28,860	28,860	(866)	27,994
Total comprehensive income / (loss)	-	-	90,640	-	(244)	1,911	27,204	(10)	28,860	119,501	(31)	119,470
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(5)	-	-	-	-	-	(5)	-	(5)
Disposal of treasury stock	-	1,261	-	121	-	-	-	-	-	1,382	-	1,382
Dividends	-	-	(48,994)	-	-	-	-	-	-	(48,994)	(1,565)	(50,560)
Share-based payments	-	1,424	-	-	-	-	-	-	-	1,424	-	1,424
Transfer to non-financial assets	-	-	-	-	-	-	(9,060)	-	(9,060)	(9,060)	(974)	(10,035)
Total transactions with the owners of the Parent	-	2,685	(48,994)	116	-	-	(9,060)	-	(9,060)	(55,253)	(2,540)	(57,793)
Total net changes during the period	-	2,685	41,645	116	(244)	1,911	18,143	(10)	19,800	64,248	(2,572)	61,676
As at 31 May 2020	10,273	23,288	936,141	(15,155)	(942)	(12,018)	27,050	(21)	14,068	968,616	40,979	1,009,596

For the nine months ended 31 May 2021

(Millions of yen)

Notes	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Other components of equity				Total	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
					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				
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	-	-	151,351	-	-	-	-	-	-	151,351	5,525	156,876
Other comprehensive income / (loss)	-	-	-	-	410	32,940	24,834	98	58,284	58,284	2,587	60,871
Total comprehensive income / (loss)	-	-	151,351	-	410	32,940	24,834	98	58,284	209,635	8,112	217,748
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(5)	-	-	-	-	-	(5)	-	(5)
Disposal of treasury stock	-	1,567	-	140	-	-	-	-	-	1,708	-	1,708
Dividends	-	-	(49,015)	-	-	-	-	-	-	(49,015)	(1,867)	(50,882)
Share-based payments	-	369	-	-	-	-	-	-	-	369	-	369
Transfer to non-financial assets	-	-	-	-	-	-	(5,608)	-	(5,608)	(5,608)	(68)	(5,677)
Transfer to retained earnings	-	-	433	-	(433)	-	-	-	(433)	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	262	262
Total transactions with the owners of the Parent	-	1,936	(48,582)	134	(433)	-	(5,608)	-	(6,041)	(52,552)	(1,673)	(54,226)
Total net changes during the period	-	1,936	102,769	134	(22)	32,940	19,225	98	52,242	157,083	6,438	163,521
As at 31 May 2021	10,273	25,301	1,036,072	(14,994)	363	24,450	32,130	46	56,991	1,113,646	45,955	1,159,601

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

	Notes	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Cash flows from operating activities			
Profit before income taxes		142,420	245,654
Depreciation and amortization		131,157	132,576
Impairment losses	6	15,296	17,577
Interest and dividend income		(8,286)	(3,473)
Interest expenses		5,901	5,249
Foreign exchange losses / (gains)		(7,651)	(19,532)
Share of profit and loss of associates accounted for using the equity method		(453)	(581)
Losses on disposal of property, plant and equipment		712	757
(Increase) / Decrease in trade and other receivables		(14,999)	(7,826)
(Increase) / Decrease in inventories		31,327	87,475
Increase / (Decrease) in trade and other payables		(39,409)	(39,652)
(Increase) / Decrease in other assets		4,090	1,463
Increase / (Decrease) in other liabilities		(36,243)	6,517
Others, net		5,629	2,346
Cash generated from operations		229,492	428,549
Interest and dividends income received		7,866	3,110
Interest paid		(4,776)	(4,336)
Income taxes paid		(60,287)	(61,928)
Income taxes refunded		827	1,818
Net cash generated by operating activities		173,122	367,214
Cash flows from investing activities			
Amounts deposited into bank deposits with original maturities of three months or longer		(67,776)	(78,518)
Amounts withdrawn from bank deposits with original maturities of three months or longer		53,079	71,683
Payments for property, plant and equipment		(35,974)	(41,952)
Payments for intangible assets		(16,504)	(13,815)
Payments for acquisition of right-of-use assets		(1,366)	(807)
Payments for lease and guarantee deposits		(4,723)	(2,859)
Proceeds from collection of lease and guarantee deposits		4,882	3,129
Payments for acquisition of investments in associates		-	(4,232)
Others, net		(1,715)	1,605
Net cash generated by / (used in) investing activities		(70,097)	(65,768)

(Millions of yen)

	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Cash flows from financing activities		
Proceeds from short-term loans payable	10,319	43,425
Repayment of short-term loans payable	(931)	(43,843)
Repayment of long-term loans payable	(4,343)	-
Repayment of redemption of bonds	-	(100,000)
Dividends paid to owners of the Parent	(48,965)	(48,993)
Dividends paid to non-controlling interests	(2,328)	(1,867)
Repayments of lease liabilities	(103,358)	(111,638)
Others, net	116	134
Net cash generated by / (used in) financing activities	(149,492)	(262,782)
Effect of exchange rate changes on the balance of cash held in foreign currencies	5,681	44,965
Net increase / (decrease) in cash and cash equivalents	(40,785)	83,627
Cash and cash equivalents at the beginning of period	1,086,519	1,093,531
Cash and cash equivalents at the end of period	1,045,734	1,177,159

(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 nine months ended 31 May 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	598,843	673,532	187,488	83,344	1,543,208	1,715	-	1,544,924
Operating profit / (loss)	79,160	51,815	20,486	(6,002)	145,458	401	(13,476)	132,383
Segment income /(loss) (i.e., profit / loss before income taxes)	80,732	53,121	20,340	(6,361)	147,833	402	(5,814)	142,420
Other disclosure: Impairment losses (Note 3)	2,776	11,328	436	755	15,296	-	-	15,296

(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 nine months ended 31 May 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	675,102	739,609	200,858	80,576	1,696,146	1,936	-	1,698,082
Operating profit / (loss)	119,518	97,781	24,353	(8,983)	232,670	110	(4,883)	227,897
Segment income /(loss) (i.e., profit / loss before income taxes)	121,920	96,412	24,300	(9,343)	233,290	111	12,253	245,654
Other disclosure: Impairment losses (Note 3)	3,155	11,103	1,095	2,222	17,577	-	-	17,577

(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.

Nine months ended 31 May 2020

	Revenue (Millions of yen)	Percent of Total (%)
Japan	598,843	38.8
Greater China	362,657	23.5
Other parts of Asia & Oceania	160,128	10.4
North America & Europe	150,746	9.8
UNIQLO (Note 1)	1,272,375	82.4
GU (Note 2)	187,488	12.1
Global Brands (Note 3)	83,344	5.4
Others (Note 4)	1,715	0.1
Total	1,544,924	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.

Nine months ended 31 May 2021

	Revenue (Millions of yen)	Percent of Total (%)
Japan	675,102	39.8
Greater China	431,502	25.4
Other parts of Asia & Oceania	165,255	9.7
North America & Europe	142,851	8.4
UNIQLO (Note 1)	1,414,711	83.3
GU (Note 2)	200,858	11.8
Global Brands (Note 3)	80,576	4.7
Others (Note 4)	1,936	0.1
Total	1,698,082	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)

	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Selling, general and administrative expenses		
Advertising and promotion	53,069	51,603
Lease expenses	43,009	49,857
Depreciation and amortization	131,157	132,576
Outsourcing	36,785	37,458
Salaries	207,768	210,503
Distribution	75,318	71,543
Others	60,920	62,186
Total	608,029	615,730

4. 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 2020	Nine months ended 31 May 2021
Other income		
Foreign exchange gains (Note)	1,841	4,201
Others	5,256	3,653
Total	7,098	7,855

(Millions of yen)

	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Other expenses		
Loss on retirement of property, plant and equipment	712	757
Impairment losses	15,296	17,577
Others	2,416	5,310
Total	18,425	23,646

(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)

	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Finance income		
Foreign exchange gains (Note)	7,651	19,532
Interest income	8,271	3,461
Others	14	20
Total	15,938	23,014

(Millions of yen)

	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Finance costs		
Interest expenses	5,901	5,249
Others	-	7
Total	5,901	5,256

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

6. Impairment losses

During the nine months ended 31 May 2021, the Group recognized impairment losses on certain store assets etc., due to reductions in originally expected profitability of the respective cash-generating unit (“CGU”).

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

(Millions of yen)

	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Buildings and structures	3,053	1,495
Furniture, equipment and vehicles	507	374
Subtotal on property, plant and equipment	3,561	1,869
Software	0	108
Other intangible assets	-	7
Subtotal on intangible assets	0	116
Right-of-use assets	11,732	15,588
Other non-current assets (long-term prepayments)	2	2
Total impairment losses	15,296	17,577

The Group’s impairment losses during the nine months ended 31 May 2021 amounted to 17,577 million yen, compared with 15,296 million yen during the nine months ended 31 May 2020, and are included in “Other expenses” on the Interim condensed consolidated statement of profit or loss.

For the nine months ended 31 May 2020

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

Impairment losses amounting to 15,296 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. We measured impairment losses on the assumption that the impact of the COVID-19 pandemic will continue to be felt through to the end of August 2021.

The grouping of assets is based on the smallest 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 based on the cash flow projections with estimates and growth rates compiled by management at a discount rate of mainly 6.3%. Theoretically, the projected cash flows cover a five-year period, and do not use a growth rate that exceeds the long-term average market growth rate. The pre-tax discount rate calculation is 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 and structures and Right-of-use assets etc.
UNIQLO International	UNIQLO USA, FRL Korea Co., Ltd. etc., stores	Buildings and structures and Right-of-use assets etc.
GU	FRL Korea Co., Ltd. etc., stores	Buildings and structures and Right-of-use assets etc.
Global Brands	Theory LLC., etc., stores	Buildings and structures and Right-of-use assets etc.

For the nine months ended 31 May 2021

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

Impairment losses amounting to 17,577 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 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 8.7%. 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 and structures and Right-of-use assets etc.
UNIQLO International	UNIQLO USA LLC, UNIQLO EUROPE LIMITED etc., stores	Buildings and structures and Right-of-use assets etc.
GU	GU. CO., LTD. etc., stores	Buildings and structures and Right-of-use assets etc.
Global Brands	COMPTOIR DES COTONNIERS S.A.S., etc., stores	Buildings and structures and Right-of-use assets etc.

7. Earnings per share

Nine months ended 31 May 2020		Nine months ended 31 May 2021	
Equity per share attributable to owners of the Parent (Yen)	9,487.54	Equity per share attributable to owners of the Parent (Yen)	10,903.41
Basic earnings per share (Yen)	887.96	Basic earnings per share (Yen)	1,482.08
Diluted earnings per share (Yen)	886.42	Diluted earnings per share (Yen)	1,479.65

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

	Nine months ended 31 May 2020	Nine months ended 31 May 2021
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	90,640	151,351
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders (Millions of yen)	90,640	151,351
Average number of common stock outstanding during the period (Shares)	102,076,743	102,121,062
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	178,269	167,579
(Number of share subscription rights included in increase)	(178,269)	(167,579)

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, 15 July 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, 16 July 2021.

On behalf of the Board
FAST RETAILING CO., LTD.
Tadashi Yanai
*Chairman, President and Chief Executive
Officer*

Japan, 15 July 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.