



**FAST RETAILING**

**FAST RETAILING CO., LTD.**

迅銷有限公司

**First Quarterly Report 2021/22**

2021.9.1-2021.11.30

Stock Code: 6288

## Contents

1. Corporate Profile	1
2. Financial Highlights	2
3. Management Discussion and Analysis	4
4. Information about the Reporting Entity	9
5. Financial Section	17
1. Interim Condensed Consolidated Financial Statements	
(1) Interim Condensed Consolidated Statement of Financial Position	18
(2) Interim Condensed Consolidated Statement of Profit or Loss and Interim Condensed Consolidated Statement of Comprehensive Income	20
Interim Condensed Consolidated Statement of Profit or Loss	20
Interim Condensed Consolidated Statement of Comprehensive Income	21
(3) Interim Condensed Consolidated Statement of Changes in Equity	22
(4) Interim Condensed Consolidated Statement of Cash Flows	24
2. Others	35
Independent Accountant's Review Report	36

## 1. Corporate Profile

Board of Directors

Chairman

Tadashi Yanai (*President and CEO*)

Executive Directors

Takeshi Okazaki

Kazumi Yanai

Koji Yanai

Independent Non-executive Directors

Nobumichi Hattori

Masaaki Shintaku

Takashi Nawa

Naotake Ohno

Kathy Mitsuko Koll (aka Kathy Matsui)

Board of Statutory Auditors

Masaaki Shinjo

Masumi Mizusawa

Keiko Kaneko (External)

Takao Kashitani (External)

Masakatsu Mori (External)

Company Secretary

Shea Yee Man

Independent Accountants

Deloitte Touche Tohmatsu LLC

Principal Banks

Sumitomo Mitsui Banking Corporation

MUFG Bank, Ltd.

Mizuho Bank, Ltd.

The Hong Kong and Shanghai Banking Corporation Limited

Registered Office and Headquarters

10717-1 Sayama

Yamaguchi City

Yamaguchi 754-0894

Japan

Principal Place of Business in Japan

Midtown Tower 9-7-1

Akasaka, Minato-ku

Tokyo 107-6231

Japan

Principal Place of Business in Hong Kong

702-706, 7th Floor, Mira Place Tower A

No. 132 Nathan Road

Tsim Sha Tsui

Kowloon

Hong Kong

HDR Registrar and HDR Transfer Office

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

Stock Code

Hong Kong: 6288

Japan: 9983

Website Address

<https://www.fastretailing.com>

## 2. Financial Highlights

### Consolidated Financial Summary

Term	First Quarter of 60th Fiscal Year	First Quarter of 61st Fiscal Year	60th Fiscal Year
Accounting period	Three months ended 30 November 2020	Three months ended 30 November 2021	Year ended 31 August 2021
Revenue (Millions of yen)	619,797	627,391	2,132,992
Operating profit (Millions of yen)	113,094	119,406	249,011
Profit before income taxes (Millions of yen)	107,164	134,208	265,872
Profit for the period attributable to owners of the Parent (Millions of yen)	70,381	93,592	169,847
Comprehensive income attributable to owners of the Parent (Millions of yen)	65,117	127,152	215,309
Equity attributable to owners of the Parent (Millions of yen)	997,071	1,217,757	1,116,484
Total assets (Millions of yen)	2,539,457	2,658,723	2,509,976
Basic earnings per share (Yen)	689.29	916.21	1,663.12
Diluted earnings per share (Yen)	688.17	914.87	1,660.44
Ratio of equity attributable to owners of the Parent to total assets (%)	39.3	45.8	44.5
Net cash generated by operating activities (Millions of yen)	140,334	84,419	428,968
Net cash (used in) / generated by investing activities (Millions of yen)	(19,296)	(21,838)	(82,597)
Net cash (used in) / generated by financing activities (Millions of yen)	(58,655)	(65,157)	(302,985)
Cash and cash equivalents at end of the period (year) (Millions of yen)	1,154,607	1,204,173	1,177,736

(Notes) 1. FAST RETAILING CO., LTD. (the “Company”, the “Parent” or the “Reporting entity”) prepared interim condensed consolidated financial statements, and therefore has not included the non-consolidated financial summary of the Reporting entity.

2. The financial figures are sourced from the interim condensed consolidated financial statements or consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).

### Business Description

There were no significant changes in the nature of the business engaged by the Company and its subsidiaries (collectively, the “Group”) during the three months ended 30 November 2021.

In addition, there were no significant changes in the organizational structure of the Group, including the major subsidiaries, during the three months ended 30 November 2021.

### 3. Management Discussion and Analysis

#### Business Review

##### 1. Business and Operational Risks

No new business-related risks have arisen during the three months ended 30 November 2021.

There have been no significant changes concerning business-related risks as stated in the annual report for the preceding fiscal year.

##### 2. Financial Analysis

###### (1) Financial Position and Results of Operations

###### (i) Results of Operations

The Fast Retailing Group's revenue and profit both increased in the first quarter of fiscal 2022, or the three months from 1 September 2021 to 30 November 2021. Consolidated revenue totaled 627.3 billion yen (+1.2% year-on-year), while operating profit totaled 119.4 billion yen (+5.6% year-on-year). That impressive result can be attributed primarily to strong performances and large increases in both revenue and profit at UNIQLO operations in South Asia, Southeast Asia & Oceania (Southeast Asia, Australia, and India), North America, and Europe. Meanwhile, our UNIQLO operations in Japan and the Greater China region (Mainland China market, Hong Kong market, and Taiwan market) and our GU business segment all reported declines in first-quarter revenue and profit. Fast Retailing's consolidated gross profit margin improved by 1.6 points year-on-year to 54.0% and the selling, general and administrative expense ratio increased by 1.1 points year-on-year to 35.5%. In addition, under finance income net of costs, we recorded a 14.8 billion yen foreign exchange gain on foreign-currency denominated financial assets and other items due to a depreciation in yen exchange rates over the quarter. As a result, first-quarter profit before income taxes rose to 134.2 billion yen (+25.2% year-on-year) and profit attributable to owners of the parent increased to 93.5 billion yen (+33.0% year-on-year). Thanks to the growing diversification of our global earnings pillars, Fast Retailing achieved a record first-quarter consolidated performance in the first quarter of fiscal 2022.

As a united Group, we are determined to strengthen initiatives designed to expand our business operations and promote sustainability as part of our quest to become a global No.1 brand. We work hard to ensure our LifeWear ultimate everyday clothing is produced in working environments that are healthy, safe, and environment conscious, and strive to help solve a variety of social issues. We are currently channeling our efforts into expanding our e-commerce, UNIQLO International, and GU businesses as key pillars of operational growth. With regards to e-commerce, we are accelerating the building of a framework that will promote our main business by melding online and physical stores so we can offer as many of the products and information that customers want, whenever they want them. We are already pressing ahead with reforms that will enable us to offer more services that combine the strengths of our physical store and e-commerce network and unify inventory management. Regarding UNIQLO International, we are accelerating the opening of new stores in all markets and areas in which we operate, and seeking to instill deeper and more widespread empathy for UNIQLO's LifeWear concept by opening global flagship stores and large-format stores in the world's major cities. In terms of our GU segment, we are working to strengthen GU's position as a brand that offers fun fashion at amazingly low prices and seeking to expand the GU store network primarily in Japan.

###### UNIQLO Japan

UNIQLO Japan reported significant declines in revenue and profit in the first quarter of fiscal 2022, with revenue totaling 226.4 billion yen (-10.8% year-on-year) and operating profit totaling 48.7 billion yen (-18.8% year-on-year). First-quarter same-store sales declined by 7.7% year-on-year. This performance was being compared to a strong result in the previous year when stay-at-home demand and sales of AIRism masks were particularly buoyant. In addition, the large number of persistently warm days from September through to the middle of October stifled sales of Fall Winter ranges. Sales of outerwear and thermal innerwear did strengthen once the weather turned colder from the middle of October and sales exceeded previous year levels during our UNIQLO anniversary sale in November, but, despite that, revenue for the first-quarter as a whole still declined year-on-year. E-commerce sales declined slightly compared to the first quarter of fiscal 2021 with online sales totaling 36.6 billion yen (-0.2% year-on-year). However, this figure represented an approximate 50% increase compared to the first quarter of fiscal 2020, so e-commerce is still trending on a favorable expansion track. UNIQLO Japan's gross profit margin improved by 0.5 point as our determination to restrict any tendency to offer excessive discounts improved discounting rates. The selling, general and administrative expense ratio increased by 2.6 points following the decline in sales.

## **UNIQLO International**

UNIQLO International reported a significant increase in both revenue and profit in the first quarter of fiscal 2022, with revenue rising to 299.7 billion yen (+15.0% year-on-year) and operating profit expanding to 59.9 billion yen (+44.6% year-on-year). This impressive UNIQLO International performance was fueled primarily by strong sales and large increases in both revenue and profit at UNIQLO operations in the S/SE Asia & Oceania, North America, and Europe regions. Meanwhile, first-quarter revenue declined marginally and first-quarter profit declined significantly for the Greater China region. Overall, UNIQLO International generated a record performance in the first quarter as the segment's earning pillars continued to diversify.

Breaking down the UNIQLO International performance into individual regions and markets, revenue declined and profit contracted significantly in the Mainland China market. This was due to a weaker consumer appetite for apparel following the continued implementation of tough restrictions to control rising COVID-19 infections, and the fact that the operation was being compared to a strong sales performance in the previous year. Meanwhile, the Hong Kong and Taiwan markets generated significant increases in both revenue and profit and UNIQLO South Korea reported a rise in both revenue and profit. S/SE Asia & Oceania reported significantly higher revenue and profit as the region recovered the level of performance it had enjoyed two years ago prior to COVID-19. UNIQLO USA generated a significant rise in revenue and moved into the black in the first quarter. Sales were strong thanks to a partial recovery in travel demand and our concerted efforts to convey information and product news to strengthen UNIQLO branding. UNIQLO Europe achieved significant increases in both revenue and profit as falling temperatures and a rising consumer appetite for shopping created a buoyant sales environment and an increase in the number of registered e-commerce app members helped strengthen customer support for the UNIQLO brand.

## **GU**

The GU business segment reported a decline in revenue and a considerable contraction in profit in the first quarter of fiscal 2022, with revenue falling to 69.8 billion yen (-8.7% year-on-year) and operating profit contracting to 8.9 billion yen (-34.5% year-on-year). First-quarter same-store sales declined as persistently warm weather stifled sales of Fall Winter items and delays in production and distribution also delayed the launch of Winter ranges. GU's gross profit margin declined by 1.7 points after we strengthened discount sales to help rundown Fall inventory and as the sharp rises in raw materials prices and shipping costs resulted in a slightly higher cost of sales. GU's selling, general and administrative expense ratio increased by 3.2 points. However, this was due to a temporary increase in distribution costs linked to the launch of automated warehousing in Western Japan to help expand e-commerce operations as well as stronger marketing to boost our brand recognition.

## **Global Brands**

The Global Brands segment reported a rise in revenue and a move back into the black in the first quarter of fiscal 2022. The segment generated revenue of 30.7 billion yen (+9.5% year-on-year) and an operating profit of 2.5 billion yen (compared to a 0.2 billion yen loss recorded in the first quarter of fiscal 2021). Our Theory operation generated strong increases in both revenue and profit, thanks primarily to a recovery in performance and a move back into the black for Theory in the United States. PLST reported a decline in both revenue and profit as that operation struggled to attract customers during the COVID-19-related state of emergency in Japan. Our France-based Comptoir des Cotonniers operation reported higher revenue and a move back into the black after we were able to avoid temporarily closing any stores due to COVID-19. Meanwhile, the permanent closure of unprofitable stores and other structural reforms improved cost efficiencies.

## **Sustainability**

Fast Retailing is promoting sustainability activities through its clothing business. At the "LifeWear=Sustainability" briefing held in December 2021, we announced our initiatives geared toward achieving a sustainable society and business growth by 2030. We are accelerating the shift to a new business model that adds environmental, human rights and social initiatives to our LifeWear concept—the ultimate everyday clothing—, which is designed to make everyone's lives better.

Our sustainability activities focus 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 and Implementing good corporate governance. Our main activities for the current period involved:

- **Respecting human rights in our supply chain:** In September 2021, we signed the International Accord for Health and Safety in the Garment and Textile Industry. This framework is the successor to the Accord on Fire and Building Safety in Bangladesh, which we signed in 2013. Under this agreement, we will continue our initiatives for ensuring the health and safety of workers in Bangladesh. We are also continually improving our efforts to address human rights and labor issues throughout our entire supply chain. We are pursuing traceability right up to the highest levels of procurement of raw materials, and we are moving forward with verifying working conditions at work sites through site visits by our employees, audits by third-party organizations, and third-party certifications, etc.
- **Respecting the environment:** In September 2021, we announced our goal of reducing greenhouse gas emissions from energy used across company sites of operation, including stores and major offices, by 90% by FY2030 (compared to FY2019), reducing emissions associated with raw material production, fabric production, and sewing of UNIQLO and GU products by 20%, and increasing our company's renewable energy use to 100%. We have already completed a switch to renewable energy in all 67 UNIQLO stores in nine European countries (as of the end of November 2021), and we are also aiming to complete the switch in some North American and Southeast Asian countries by the end of this fiscal year. For raw materials, we also have a policy of switching approximately 50% of all raw materials used to materials that have very low greenhouse gas emissions, such as recycled materials, by FY2030. In September 2021, we signed the Microfibre 2030 Commitment, an international initiative to minimize the impact of microfibers on the natural environment, and we are improving our efforts to eliminate environmental damage caused by microfibers. We will conduct annual materials testing up until 2023, and we will take measures to reduce microfibers in our products and in the process of their manufacture. We are committed to rolling out textile and apparel industry best practices in this area.
- **Strengthening communities:** To help Afghan refugees and other refugees and internally displaced persons throughout the world to face the winter, we are donating approximately one million items of UNIQLO HEATTECH and outerwear winter clothing (equivalent to approximately JPY 1 billion) to the United Nations High Commissioner for Refugees (UNHCR). In response to a request for assistance from the UNHCR, we will donate USD 800,000 (approximately JPY 92 million) to the UNHCR to provide winter assistance to refugees from Afghanistan.
- **Supporting employee fulfillment:** As we value the diversity of our employees, we have set a goal of achieving 50% female representation among management positions by the end of FY2030 in order to promote a workplace environment that encourages career development and allows employees to demonstrate their abilities to the fullest. In order to achieve this goal, we will improve our development plans and medium-to-long-term career plans for female management candidates. In addition to career development sessions and training (confidence training, skills training, etc.) with female managers serving as role models, we have also set up a mentoring scheme as a means of offering support.



## (ii) Financial Position

Total assets as at 30 November 2021 were 2.6587 trillion yen, which was an increase of 148.7 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 26.4 billion yen in cash and cash equivalents, an increase of 74.0 billion yen in trade and other receivables, an increase of 10.2 billion yen in inventories, an increase of 6.5 billion yen in other current assets, an increase of 6.5 billion yen in property, plant and equipment, a decrease of 5.6 billion yen in deferred tax assets, and an increase of 21.8 billion yen in derivative financial assets.

Total liabilities as at 30 November 2021 were 1.3938 trillion yen, which was an increase of 46.1 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 36.3 billion yen in trade and other payables, an increase of 6.8 billion yen in other current financial liabilities, a decrease of 1.7 billion yen in derivative financial liabilities, a decrease of 9.3 billion yen in current tax liabilities, an increase of 6.2 billion yen in other current liabilities, an increase of 3.5 billion yen in lease liabilities, an increase of 1.7 billion yen in provisions, and an increase of 2.5 billion yen in deferred tax liabilities.

Total net assets as at 30 November 2021 were 1.2648 trillion yen, which was an increase of 102.5 billion yen relative to the end of the preceding fiscal year. The principal factors were an increase of 69.1 billion yen in retained earnings, and an increase of 29.8 billion yen in other components of equity.

## (2) Cash Flows Information

Cash and cash equivalents as at 30 November 2021 had increased by 26.4 billion yen from the end of the preceding fiscal year, to 1.2041 trillion yen.

### (Operating Cash Flows)

Net cash generated by operating activities for the three months ended 30 November 2021 was 84.4 billion yen, which was a decrease of 55.9 billion yen (-39.8% year-on-year) from the three months ended 30 November 2020. The principal factors were 134.2 billion yen in profit before income taxes (an increase of 27.0 billion yen from the three months ended 30 November 2020), 43.9 billion yen in depreciation and amortization (a decrease of 0.6 billion yen from the three months ended 30 November 2020), 15.2 billion yen in foreign exchange gains (a decrease of 20.4 billion yen from the three months ended 30 November 2020), an increase of 70.2 billion yen in trade and other receivables (a decrease of 17.7 billion yen from the three months ended 30 November 2020), an increase of 4.1 billion yen in inventories (a decrease of 19.2 billion yen from the three months ended 30 November 2020), an increase of 30.4 billion yen in trade and other payables (an increase of 9.9 billion yen from the three months ended 30 November 2020), an increase of 9.5 billion yen in other assets (an increase of 0.5 billion yen from the three months ended 30 November 2020), an increase of 17.1 billion yen in other liabilities (a decrease of 9.4 billion yen from the three months ended 30 November 2020), and 42.4 billion yen in income taxes paid (a decrease of 20.5 billion yen from the three months ended 30 November 2020).

### (Investing Cash Flows)

Net cash used in investing activities for the three months ended 30 November 2021 was 21.8 billion yen, which was an increase of 2.5 billion yen (+13.2% year-on-year) from the three months ended 30 November 2020. The principal factors were a net increase of 1.8 billion yen in bank deposits with original maturities of three months or longer (an increase of 3.1 billion yen from the three months ended 30 November 2020), 5.8 billion yen in payments for intangible assets (an increase of 2.5 billion yen from the three months ended 30 November 2020), no payments for investments in associates (a decrease of 4.2 billion yen from the three months ended 30 November 2020 due to 4.2 billion yen in payments for the three months ended 30 November 2020), and 0 billion yen in payments for other investing activities (an increase of 1.4 billion yen from the three months ended 30 November 2020).

### (Financing Cash Flows)

Net cash used in financing activities for the three months ended 30 November 2021 was 65.1 billion yen, which was an increase of 6.5 billion yen (+11.1% year-on-year) from the three months ended 30 November 2020. The principal factor was a net decrease of 6.4 billion yen in short-term loans payable (an increase of 7.3 billion yen from the three months ended 30 November 2020).

## (3) Estimates and Assumptions Used for Those Estimates in the Accounting

For the first-quarter consolidated accounting period, there are no significant changes to the estimates or the assumptions used for those estimates.

(4) Operational and Financial Challenges to Address as Priority

There have been no significant challenges during the three months ended 30 November 2021 that must be addressed by the Group.

(5) Research and Development

Not applicable.

(6) Significant Facilities

The following are the significant facilities that were newly completed during the three months ended 30 November 2021.

<Subsidiaries in Japan>

Company name	Type of facility	Name of business	Location	Completion date
UNIQLO CO., LTD.	UNIQLO Japan warehouses	Kobe DC Warehouses	Japan Hyogo	September 2021
UNIQLO CO., LTD.	UNIQLO Japan warehouses	Ibaraki DC Warehouses	Japan Osaka	November 2021

<Overseas Subsidiaries>

Company name	Type of facility	Name of business	Location	Completion date
UNIQLO EUROPE LIMITED	UNIQLO International store	UNIQLO Rivoli	France Paris	September 2021
UNIQLO TAIWAN LTD.	UNIQLO International store	UNIQLO Taipei	Taiwan Taipei	October 2021
FAST RETAILING (CHINA) TRADING CO., LTD	UNIQLO International store	UNIQLO BEIJING SALITUN	China Beijing	November 2021

The following are the significant facilities that were newly planned during the three months ended 30 November 2021.

<Subsidiaries in Japan>

Not applicable.

<Overseas Subsidiaries>

Company name	Type of facility	Name of business	Location	Completion date
LLC UNIQLO (RUS)	UNIQLO International store	UNIQLO Moscow	Russia Moscow	December 2021

3. Significant Contracts in Business Operation

None.

#### 4. Information about the Reporting Entity

##### 1. Stock Information

###### (1) Number of Shares

###### (i) Total number of shares

Type	Total number of authorized shares (shares)
Common stock	300,000,000
Total	300,000,000

###### (ii) Shares Issued

Type	Number of shares issued as at 30 November 2021	Number of shares issued as at submission date (As at 14 January 2022)	Name of financial instrument exchange of listing, or authorized financial instruments firms association	Remarks
Common stock	106,073,656	106,073,656	First section of the Tokyo Stock Exchange and the Main Board of the Stock Exchange of Hong Kong Limited (Note)	100 shares as one unit
Total	106,073,656	106,073,656	-	-

(Note) Hong Kong Depositary Receipts are listed on the Main Board of the Stock Exchange of Hong Kong Limited.

## (2) Share Subscription Rights

### 1. Details of the Stock Option Program

The Company has instituted a stock option program that grants rights to acquire new shares pursuant to the Companies Act of Japan. Share subscription rights issued in the three months ended 30 November 2021 are as follows:

#### (i) 12th Share subscription rights A type

Resolution date	14 October 2021
Class and number of recipients (Persons)	Employees of the Company: 19 Employees of Group subsidiaries: 47
Number of stock options (Shares)	2,907
Type of shares to be issued upon exercise of share subscription rights	Common Stock
Number of shares to be issued upon exercise of share subscription rights (Shares)	2,907
Amount to be paid upon exercise of share subscription rights (Yen)	Number of shares allocated times 1 yen exercise price per share for all shares to be obtained through exercise of the share subscription rights.
Exercise period of share subscription rights	From 12 November 2024 to 11 November 2031
Fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights (Yen)	Issue price: 73,173 Paid-in capital: 36,587
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.
Matters pertaining to transfer of share subscription rights	Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors.
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Notes)

\*The above information is disclosed as at the date of issuing share subscription rights (12 November 2021).

(Notes) Upon any reorganization of the Company (collectively referred to as “Reorganization”) consisting of a merger (limited to cases where the Company becomes extinct thereby), absorption-type company split or incorporation-type company split (in each event, limited to cases where the Company is the entity resulting from the company split), or exchange or transfer of shares (in each event, limited to cases where the Company becomes a wholly owned subsidiary), parties holding share subscription rights in existence immediately preceding the effective date of such Reorganization (hereinafter referred to as “Outstanding Share Subscription Rights”) shall, in each applicable case, be issued share subscription rights for shares of the resulting company as prescribed in Article 236 (1) viii of the Companies Act of Japan (hereinafter referred to as the “Company Resulting From Reorganization”). In such event, any Outstanding Share Subscription Rights shall lapse and the Company Resulting From Reorganization shall issue new share subscription rights; however, provided that terms and conditions stipulating that the Company Resulting From Reorganization shall issue share subscription rights that prescribe the matters stated below shall be included in any absorption merger agreement, new merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or transfer of shares plan.

1. Number of share subscription rights to be issued by the Company Resulting From Reorganization: Each holder of Outstanding Share Subscription Rights shall be issued the same number thereof.
2. Type of shares of the Company Resulting From Reorganization underlying the share subscription rights: Common stock of the Company Resulting From Reorganization.
3. Number of shares of the Company Resulting From Reorganization underlying the share subscription rights:  
A proposal stating the conditions for Reorganization and the like shall include a finalized statement of the type and number of shares underlying the above-mentioned share subscription rights.

4. Value of property to be incorporated upon exercise of the share subscription rights:  
The value of property to be incorporated upon exercise of share subscription rights that are issued shall be the amount obtained by multiplying the exercise price after reorganization prescribed below by the number of shares of the Company Resulting From Reorganization underlying the share subscription rights that have been finalized as stated in No. 3. above. The exercise price after Reorganization shall be 1 yen per share of the Company Resulting From Reorganization that can be issued upon exercise of each share subscription right that is issued.
5. Period during which share subscription rights can be exercised:  
The period from the later of either the first day of the period during which share subscription rights can be exercised as prescribed above or the day on which a Reorganization takes effect through the final day of the period during which share subscription rights can be exercised as prescribed above.
6. Matters pertaining to the increase of capital and capital reserve resulting from the issuance of shares upon exercise of the share subscription rights:  
To be determined in order to align with the conditions applicable to the subject share subscription rights.
7. Restrictions on acquisition of share subscription rights by transfer:  
Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors of the Company Resulting From Reorganization.
8. Terms and conditions for acquisition of share subscription rights:  
To be determined in order to align with the conditions applicable to the subject share subscription rights.
9. Conditions for exercise of share subscription rights:  
To be determined in order to align with the conditions applicable to the subject share subscription rights.

## (ii) 12th Share subscription rights B type

Resolution date	14 October 2021
Class and number of recipients (Persons)	Employees of the Company: 736 Employees of Group subsidiaries: 1,521
Number of stock options (Shares)	30,757
Type of shares to be issued upon exercise of share subscription rights	Common Stock
Number of shares to be issued upon exercise of share subscription rights (Shares)	30,757
Amount to be paid upon exercise of share subscription rights (Yen)	Number of shares allocated times 1 yen exercise price per share for all shares to be obtained through exercise of the share subscription rights.
Exercise period of share subscription rights	From 12 December 2021 to 11 November 2031
Fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights (Yen)	Issue price: 73,849 Paid-in capital: 36,925
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.
Matters pertaining to transfer of share subscription rights	Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors.
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Notes)

\*The above information is disclosed as at the date of issuing share subscription rights (12 November 2021).

(Notes) Upon any reorganization of the Company (collectively referred to as “Reorganization”) consisting of merger (limited to cases where the Company becomes extinct thereby), absorption-type company split or incorporation-type company split (in each event, limited to cases where the Company is the entity resulting from the company split), or exchange or transfer of shares (in each event, limited to cases where the Company becomes a wholly owned subsidiary), parties holding share subscription rights in existence immediately preceding the effective date of such Reorganization (hereinafter referred to as “Outstanding Share Subscription Rights”) shall, in each applicable case, be issued share subscription rights for shares of the resulting company as prescribed in Article 236 (1) viii of the Companies Act of Japan (hereinafter referred to as the “Company Resulting From Reorganization”). In such event, any Outstanding Share Subscription Rights shall lapse and the Company Resulting From Reorganization shall issue new share subscription rights; however provided terms and conditions stipulating that the Company Resulting From Reorganization shall issue share subscription rights that prescribe the matters stated below shall be included in any absorption merger agreement, new merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or transfer of shares plan.

1. Number of share subscription rights to be issued by the Company Resulting From Reorganization: Each holder of Outstanding Share Subscription Rights shall be issued the same number thereof.
2. Type of shares of the Company Resulting from Reorganization underlying the share subscription rights: Common stock of the Company Resulting From Reorganization.
3. Number of shares of the Company Resulting from Reorganization underlying the share subscription rights:  
A proposal stating the conditions for Reorganization and the like shall include a finalized statement of the type and number of shares underlying the above-mentioned share subscription rights.
4. Value of property to be incorporated upon exercise of the share subscription rights:  
The value of property to be incorporated upon exercise of share subscription rights that are issued shall be the amount obtained by multiplying the exercise price after reorganization prescribed below by the number of shares of the Company Resulting From Reorganization underlying the share subscription rights that have been finalized as stated in No. 3. above.  
The exercise price after Reorganization shall be 1 yen per share of the Company Resulting From Reorganization that can be issued upon exercise of each share subscription right that is issued.

5. Period during which share subscription rights can be exercised:

The period from the later of either the first day of the period during which share subscription rights can be exercised as prescribed above or the day on which a Reorganization takes effect through the final day of the period during which share subscription rights can be exercised as prescribed above.

6. Matters pertaining to the increase of capital and capital reserve resulting from the issuance of shares upon exercise of the share subscription rights:

To be determined in order to align with the conditions applicable to the subject share subscription rights.

7. Restrictions on acquisition of share subscription rights by transfer:

Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors of the Company Resulting From Reorganization.

8. Terms and conditions for acquisition of share subscription rights:

To be determined in order to align with the conditions applicable to the subject share subscription rights.

9. Conditions for exercise of share subscription rights:

To be determined in order to align with the conditions applicable to the subject share subscription rights.

## (iii) 12th Share subscription rights C type

Resolution date	14 October 2021
Class and number of recipients (Persons)	Employees of the Company: 39
Number of stock options (Shares)	3,108
Type of shares to be issued upon exercise of share subscription rights	Common Stock
Number of shares to be issued upon exercise of share subscription rights (Shares)	3,108
Amount to be paid upon exercise of share subscription rights (Yen)	Number of shares allocated times 1 yen exercise price per share for all shares to be obtained through exercise of the share subscription rights.
Exercise period of share subscription rights	12 November 2024
Fair value on the grant date and amount of paid-in capital per share upon exercise of share subscription rights (Yen)	Issue price: 74,804 Paid-in capital: 37,402
Exercise conditions of share subscription rights	If a holder of share subscription rights waives the right to acquire shares, the share subscription rights shall be forfeited and may not be exercised.
Matters pertaining to transfer of share subscription rights	Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors.
Matters pertaining to issuing of share subscription rights in conjunction with reorganization	(Notes)

\*The above information is disclosed as at the date of issuing share subscription rights (12 November 2021).

(Notes) Upon any reorganization of the Company (collectively referred to as “Reorganization”) consisting of merger (limited to cases where the Company becomes extinct thereby), absorption-type company split or incorporation-type company split (in each event, limited to cases where the Company is the entity resulting from the company split), or exchange or transfer of shares (in each event, limited to cases where the Company becomes a wholly owned subsidiary), parties holding share subscription rights in existence immediately preceding the effective date of such Reorganization (hereinafter referred to as “Outstanding Share Subscription Rights”) shall, in each applicable case, be issued share subscription rights for shares of the resulting company as prescribed in Article 236 (1) viii of the Companies Act of Japan (hereinafter referred to as the “Company Resulting From Reorganization”). In such event, any Outstanding Share Subscription Rights shall lapse and the Company Resulting From Reorganization shall issue new share subscription rights; however provided that terms and conditions stipulating that the Company Resulting From Reorganization shall issue share subscription rights that prescribe the matters stated below shall be included in any absorption merger agreement, new merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or transfer of shares plan.

1. Number of share subscription rights to be issued by the Company Resulting From Reorganization: Each holder of Outstanding Share Subscription Rights shall be issued the same number thereof.
2. Type of shares of the Company Resulting From Reorganization underlying the share subscription rights: Common stock of the Company Resulting From Reorganization.
3. Number of shares of the Company Resulting From Reorganization underlying the share subscription rights:  
A proposal stating the conditions for Reorganization and the like shall include a finalized statement of the type and number of shares underlying the above-mentioned share subscription rights.
4. Value of property to be incorporated upon exercise of the share subscription rights:  
The value of property to be incorporated upon exercise of share subscription rights that are issued shall be the amount obtained by multiplying the exercise price after reorganization prescribed below by the number of shares of the Company Resulting From Reorganization underlying the share subscription rights that have been finalized as stated in No. 3. above. The exercise price after Reorganization shall be 1 yen per share of the Company Resulting From Reorganization that can be issued upon exercise of each share subscription right that is issued.



5. Period during which share subscription rights can be exercised:

The period from the later of either the day on which share subscription rights can be exercised as prescribed above or the day on which a Reorganization takes effect.

6. Matters pertaining to the increase of capital and capital reserve resulting from the issuance of shares upon exercise of the share subscription rights:

To be determined in order to align with the conditions applicable to the subject share subscription rights.

7. Restrictions on acquisition of share subscription rights by transfer:

Any acquisition of share subscription rights by transfer shall require an authorizing resolution from the Board of Directors of the Company Resulting From Reorganization.

8. Terms and conditions for acquisition of share subscription rights:

To be determined in order to align with the conditions applicable to the subject share subscription rights.

9. Conditions for exercise of share subscription rights:

To be determined in order to align with the conditions applicable to the subject share subscription rights.

2. Other Share Subscription Rights

Not applicable.

(3) Exercise of convertible bonds with conditional permission for adjustment of exercise price

Not applicable.

(4) Change in Total Number of Shares Issued, Capital Stock, Etc.

Date	Increase/ (decrease) of total number of shares issued	Balance of total number of shares issued	Increase/ (decrease) of capital stock (Millions of yen)	Balance of capital stock (Millions of yen)	Increase/ (decrease) of capital reserve (Millions of yen)	Balance of capital reserve (Millions of yen)
1 September 2021 to 30 November 2021	-	106,073,656	-	10,273	-	4,578

(Note) There was no change in the total number of shares issued, capital stock or capital reserve during the three months ended 30 November 2021.

(5) Major Shareholders

There are no items to disclose, as the accounting period under review is the first quarter accounting period.

(6) Voting Rights

Concerning “Voting Rights” as at the end of the three months ended 30 November 2021, it has not been possible to confirm and state the details entered in the register of shareholders. Therefore, the stated details are based on the register of shareholders as at the immediately preceding record date (31 August 2021).

(i) Shares issued

As at 30 November 2021

Class	Number of shares	Number of voting rights	Remarks
Non-voting shares	-	-	-
Shares subject to restrictions on voting rights (i.e., treasury stock, etc.)	-	-	-
Shares subject to restrictions on voting rights (i.e., other than treasury stock)	-	-	-
Shares with full voting rights (i.e., treasury stock, etc.)	(Shares held as treasury stock) Common stock 3,928,900	-	-
Shares with full voting rights (i.e., other than treasury stock)	Common stock 102,063,300	1,020,633	(Note) 1
Shares less than one unit	Common stock 81,456	-	(Notes) 1, 2
Total number of shares issued	106,073,656	-	-
Total number of voting rights of all shareholders	-	1,020,633	-

(Notes) 1. The columns for the number of shares of “Shares with full voting rights (i.e., other than treasury stock)” and “Shares less than one unit” include 2,700 shares and 84 shares, respectively, held in the name of Japan Securities Depository Center, Inc.

2. Common stock in the “Shares less than one unit” row includes 85 shares of treasury stock held by the Company.

(ii) Treasury Stock

As at 30 November 2021

Name or trade name of holder	Holder’s address	Number of shares held in own name	Number of shares held in other’s name	Total number of shares held	Percentage of total number of shares issued (%)
FAST RETAILING CO., LTD.	10717-1 Sayama Yamaguchi-shi Yamaguchi	3,928,900	-	3,928,900	3.70
Total	-	3,928,900	-	3,928,900	3.70

2. Directors

Since the submission of the year-end report for the preceding fiscal year, there has been no change of directors during the three months ended 30 November 2021.

## 5. Financial Section

### 1. Preparation of Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements of the Group, namely, the interim condensed consolidated statement of financial position as at 30 November 2021, the interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month period then ended, the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended, and the related notes (collectively, the “interim condensed consolidated financial statements”) were prepared in compliance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”), pursuant to Article 93 of the “Rules Governing Term, Form and Preparation of Consolidated Quarterly Financial Statements” (Cabinet Office Ordinance No. 64 of 2007, hereinafter referred to as “Consolidated Quarterly Financial Statements Rules”).

### 2. Review Report

Pursuant to the first clause of Article 193-2 of the Financial Instruments and Exchange Act, the interim condensed consolidated financial statements have been reviewed by Deloitte Touche Tohmatsu LLC.

(Amounts are stated in millions of yen and are rounded down to the nearest million unless otherwise stated)

## 1. Interim Condensed Consolidated Financial Statements

### (1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	Notes	As at 31 August 2021	As at 30 November 2021
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		1,177,736	1,204,173
Trade and other receivables		50,546	124,571
Other financial assets	14	56,157	61,404
Inventories	6	394,868	405,103
Derivative financial assets	14	27,103	35,601
Income taxes receivable		2,992	1,603
Other assets		15,270	21,789
Total current assets		1,724,674	1,854,247
Non-current assets			
Property, plant and equipment	7	168,177	174,721
Right-of-use assets		390,537	395,505
Goodwill		8,092	8,092
Intangible assets		66,939	68,610
Financial assets	14	67,122	66,138
Investments in associates accounted for using the equity method		18,236	18,242
Deferred tax assets		37,125	31,455
Derivative financial assets	14	22,552	35,888
Other assets		6,520	5,822
Total non-current assets		785,302	804,475
Total assets		2,509,976	2,658,723
<b>Liabilities and equity</b>			
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables		220,057	256,433
Other financial liabilities	14	104,969	111,861
Derivative financial liabilities	14	2,493	1,125
Lease liabilities		117,083	118,836
Current tax liabilities		38,606	29,233
Provisions		2,149	2,099
Other liabilities		95,652	101,862
Total current liabilities		581,012	621,452
Non-current liabilities			
Financial liabilities	14	370,799	370,837
Lease liabilities		343,574	345,368
Provisions		39,046	40,824
Deferred tax liabilities		9,860	12,447
Derivative financial liabilities	14	1,042	644
Other liabilities		2,342	2,274
Total non-current liabilities		766,665	772,397
Total liabilities		1,347,678	1,393,849

(Millions of yen)

	Notes	As at 31 August 2021	As at 30 November 2021
<b>EQUITY</b>			
Capital stock		10,273	10,273
Capital surplus		25,360	27,667
Retained earnings		1,054,791	1,123,899
Treasury stock, at cost		(14,973)	(14,917)
Other components of equity		41,031	70,833
Equity attributable to owners of the Parent		1,116,484	1,217,757
Non-controlling interests		45,813	47,116
Total equity		1,162,298	1,264,873
Total liabilities and equity		2,509,976	2,658,723

(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

Three months ended 30 November 2021

(Millions of yen)

	Notes	Three months ended 30 November 2020	Three months ended 30 November 2021
Revenue	9	619,797	627,391
Cost of sales		(294,976)	(288,765)
Gross profit		324,821	338,626
Selling, general and administrative expenses	10	(213,245)	(222,451)
Other income	11	2,216	3,687
Other expenses	11	(913)	(887)
Share of profit and loss of associates accounted for using the equity method		215	432
Operating profit		113,094	119,406
Finance income	12	1,051	16,522
Finance costs	12	(6,980)	(1,721)
Profit before income taxes		107,164	134,208
Income tax expense		(34,672)	(36,588)
Profit for the period		72,492	97,619
Profit for the period attributable to:			
Owners of the Parent		70,381	93,592
Non-controlling interests		2,111	4,027
Total		72,492	97,619
Earnings per share			
Basic (yen)	13	689.29	916.21
Diluted (yen)	13	688.17	914.87

Interim Condensed Consolidated Statement of Comprehensive Income  
 Three months ended 30 November 2021

(Millions of yen)

Notes	Three months ended 30 November 2020	Three months ended 30 November 2021
Profit for the period	72,492	97,619
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)	337	(58)
Total items that will not be reclassified subsequently to profit or loss	337	(58)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	6,447	16,022
Cash flow hedges	(11,649)	18,713
Share of other comprehensive income / (loss) of associates	13	2
Total items that may be reclassified subsequently to profit or loss	(5,189)	34,738
Other comprehensive income / (loss), net of income tax	(4,851)	34,679
Total comprehensive income for the period	67,641	132,299
Attributable to:		
Owners of the Parent	65,117	127,152
Non-controlling interests	2,523	5,147
Total comprehensive income for the period	67,641	132,299

(3) Interim Condensed Consolidated Statement of Changes in Equity  
For the three months ended 30 November 2020

(Millions of yen)

Note	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 / (loss)	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	-	-	70,381	-	-	-	-	-	-	70,381	2,111	72,492
Other comprehensive income/ (loss)	-	-	-	-	337	5,245	(10,860)	13	(5,263)	(5,263)	412	(4,851)
Total comprehensive income	-	-	70,381	-	337	5,245	(10,860)	13	(5,263)	65,117	2,523	67,641
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(2)	-	-	-	-	-	(2)	-	(2)
Disposal of treasury stock	-	474	-	57	-	-	-	-	-	532	-	532
Dividends	8	-	(24,504)	-	-	-	-	-	-	(24,504)	-	(24,504)
Share-based payments	-	1,320	-	-	-	-	-	-	-	1,320	-	1,320
Transfer to non-financial assets	-	-	-	-	-	-	(1,955)	-	(1,955)	(1,955)	(86)	(2,041)
Transfer to retained earnings	-	-	581	-	(581)	-	-	-	(581)	-	-	-
Total transactions with the owners of the Parent	-	1,794	(23,922)	55	(581)	-	(1,955)	-	(2,536)	(24,609)	(86)	(24,696)
Total net changes during the period	-	1,794	46,458	55	(243)	5,245	(12,815)	13	(7,799)	40,508	2,437	42,945
As at 30 November 2020	10,273	25,159	979,761	(15,074)	141	(3,244)	89	(37)	(3,050)	997,071	41,953	1,039,025



For the three months ended 30 November 2021

(Millions of yen)

Note	Other components of equity								Total	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 / (loss)	Foreign currency translation reserve	Cash flow hedge reserve	Share of other comprehensive income of associates				
As at 1 September 2021	10,273	25,360	1,054,791	(14,973)	271	9,855	30,890	13	41,031	1,116,484	45,813	1,162,298
Net changes during the period												
Comprehensive income												
Profit for the period	-	-	93,592	-	-	-	-	-	-	93,592	4,027	97,619
Other comprehensive income/ (loss)	-	-	-	-	(58)	15,203	18,412	2	33,560	33,560	1,119	34,679
Total comprehensive income	-	-	93,592	-	(58)	15,203	18,412	2	33,560	127,152	5,147	132,299
Transactions with the owners of the Parent												
Acquisition of treasury stock	-	-	-	(3)	-	-	-	-	-	(3)	-	(3)
Disposal of treasury stock	-	568	-	59	-	-	-	-	-	627	-	627
Dividends	8	-	(24,514)	-	-	-	-	-	-	(24,514)	(4,282)	(28,796)
Share-based payments	-	1,738	-	-	-	-	-	-	-	1,738	-	1,738
Transfer to non-financial assets	-	-	-	-	-	-	(3,727)	-	(3,727)	(3,727)	34	(3,693)
Transfer to retained earnings	-	-	30	-	(30)	-	-	-	(30)	-	-	-
Changes in ownership interests in subsidiaries without losing control	-	-	-	-	-	-	-	-	-	-	402	402
Total transactions with the owners of the Parent	-	2,306	(24,483)	56	(30)	-	(3,727)	-	(3,758)	(25,879)	(3,845)	(29,724)
Total net changes during the period	-	2,306	69,108	56	(89)	15,203	14,684	2	29,801	101,272	1,302	102,574
As at 30 November 2021	10,273	27,667	1,123,899	(14,917)	182	25,059	45,575	16	70,833	1,217,757	47,116	1,264,873

## (4) Interim Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Note	Three months ended 30 November 2020	Three months ended 30 November 2021
<b>Cash flows from operating activities</b>			
Profit before income taxes		107,164	134,208
Depreciation and amortization		44,565	43,920
Impairment losses		132	98
Interest and dividend income		(1,043)	(1,221)
Interest expenses		1,812	1,673
Foreign exchange losses / (gains)		5,160	(15,252)
Share of profit and loss of associates accounted for using the equity method		(215)	(432)
Losses on disposal of property, plant and equipment		96	247
(Increase) / Decrease in trade and other receivables		(52,415)	(70,202)
(Increase) / Decrease in inventories		15,188	(4,103)
Increase / (Decrease) in trade and other payables		20,554	30,473
(Increase) / Decrease in other assets		(10,170)	(9,597)
Increase / (Decrease) in other liabilities		26,617	17,180
Others, net		4,928	(147)
Cash generated from operations		162,376	126,844
Interest and dividends income received		928	1,085
Interest paid		(1,048)	(1,043)
Income taxes paid		(21,922)	(42,467)
Net cash generated by operating activities		140,334	84,419
<b>Cash flows from investing activities</b>			
Amounts deposited into bank deposits with original maturities of three months or longer		(23,614)	(30,033)
Amounts withdrawn from bank deposits with original maturities of three months or longer		24,932	28,175
Payments for property, plant and equipment		(14,211)	(14,174)
Payments for intangible assets		(3,257)	(5,832)
Payments for acquisition of right-of-use assets		(245)	(232)
Payments for lease and guarantee deposits		(863)	(1,163)
Proceeds from collection of lease and guarantee deposits		796	1,508
Payments for acquisition of investments in associates		(4,232)	-
Others, net		1,398	(86)
Net cash generated by / (used in) investing activities		(19,296)	(21,838)

(Millions of yen)

	Note	Three months ended 30 November 2020	Three months ended 30 November 2021
<b>Cash flows from financing activities</b>			
Proceeds from short-term loans payable		24,483	7,699
Repayment of short-term loans payable		(23,539)	(14,113)
Dividends paid to owners of the Parent	8	(24,478)	(24,515)
Repayments of lease liabilities		(35,176)	(34,707)
Others, net		55	479
Net cash generated by / (used in) financing activities		(58,655)	(65,157)
Effect of exchange rate changes on the balance of cash held in foreign currencies		(1,306)	29,013
Net increase in cash and cash equivalents		61,076	26,437
Cash and cash equivalents at the beginning of period		1,093,531	1,177,736
Cash and cash equivalents at the end of period		1,154,607	1,204,173

## Notes to the Interim Condensed Consolidated Financial Statements

### 1. Reporting Entity

FAST RETAILING CO., LTD. is a company incorporated in Japan. The locations of the registered headquarters and principal offices of the Company are disclosed on the Group's website (<http://www.fastretailing.com/eng/>).

The principal activities of the Company and its consolidated subsidiaries are the operations of the UNIQLO business (i.e., casual clothing retail business operating under the "UNIQLO" brand in Japan and overseas), GU business (i.e., casual clothing retail business operating under the "GU" brand in Japan and overseas), Theory business (i.e., apparel design and retail business in Japan and overseas), and other businesses.

### 2. Basis of Preparation

The interim condensed consolidated financial statements have been prepared in compliance with IAS 34. The Group meets all of the criteria of a "specified company" defined under Article 1-2 of the Consolidated Quarterly Financial Statements Rules, and accordingly applies Article 93 of the Consolidated Quarterly Financial Statements Rules. Since the interim condensed consolidated financial statements do not include all the information and disclosures required for consolidated financial statements, they should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 August 2021.

The interim condensed consolidated financial statements were approved on 13 January 2022 by Tadashi Yanai, Chairman, President and CEO, and Takeshi Okazaki, Group Executive Vice President and CFO.

### 3. Significant Accounting Policies

The accounting policies presented in the consolidated financial statements for the year ended 31 August 2021 are applied consistently in the preparation of these interim condensed consolidated financial statements.

### 4. Use of Estimates and Judgments

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effects of the review of accounting estimates are recognized in the accounting period in which the estimates were reviewed and in future accounting periods.

With the global spread of COVID-19, the Group's performance has been adversely affected due to temporarily closing stores, etc. While the spread of COVID-19, and 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 August 2022 for most countries and regions including Japan, with the situation taking longer to get under control for stores in certain other countries and regions.

In principle, estimates and judgments that have significant effects on the amounts recognized in the interim condensed consolidated financial statements are the same as those in the preceding fiscal year.

## 5. 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, and PRINCESSE TAM.TAM clothing business

For J Brand Inc, which had been included in Global Brands operations for the three months ended 30 November 2020, the corporate liquidation proceedings has been completed on 5 August 2021.

### (ii) Segment revenue and results

For the three months ended 30 November 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	253,851	260,630	76,514	28,068	619,064	732	-	619,797
Operating profit/(loss)	60,083	41,420	13,604	(222)	114,885	(17)	(1,774)	113,094
Segment income/(loss) (i.e., profit/ losses before income taxes)	59,796	40,744	13,495	(345)	113,690	(17)	(6,508)	107,164

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

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

For the three months ended 30 November 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	226,449	299,723	69,837	30,721	626,731	660	-	627,391
Operating profit/(loss)	48,789	59,909	8,910	2,540	120,149	18	(760)	119,406
Segment income/(loss) (i.e., profit/ losses before income taxes)	49,756	59,834	9,093	2,443	121,127	0	13,079	134,208

(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.

## 6. Inventories

Write-down of inventories to their net realizable values recognized in expenses is as follows:

(Millions of yen)

	Three months ended 30 November 2020	Three months ended 30 November 2021
Write-down of inventories to net realizable value	2,710	2,273

## 7. Property, Plant and Equipment

The breakdown of the carrying amount of property, plant and equipment at each reporting date is as follows:

(Millions of yen)

	As at 31 August 2021	As at 30 November 2021
Buildings and structures	116,120	120,479
Machinery and equipment	11,216	23,015
Furniture, fixtures and vehicles	20,553	22,370
Land	1,927	1,927
Construction in progress	18,358	6,927
Total	168,177	174,721

## 8. Dividends

The total amount of dividends paid was as follows:

For the three months ended 30 November 2020

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
Meeting of the Board on 4 November 2020	24,504	240

Dividends were declared on 4 November 2020 and paid on 6 November 2020. The effective date of the dividend was for shareholders as at 31 August 2020.

For the three months ended 30 November 2021

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
Meeting of the Board on 2 November 2021	24,514	240

Dividends were declared on 2 November 2021 and paid on 5 November 2021. The effective date of the dividend was for shareholders as at 31 August 2021.

## 9. 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.

Three months ended 30 November 2020

	Revenue (Millions of yen)	Percent of Total (%)
Japan	253,851	41.0
Greater China	152,861	24.7
Other parts of Asia & Oceania	54,439	8.8
North America & Europe	53,329	8.6
UNIQLO (Note 1)	514,482	83.0
GU (Note 2)	76,514	12.3
Global Brands (Note 3)	28,068	4.5
Others (Note 4)	732	0.1
Total	619,797	100.0

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

The designated regions and countries 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.

Three months ended 30 November 2021

	Revenue (Millions of yen)	Percent of Total (%)
Japan	226,449	36.1
Greater China	151,644	24.2
Other parts of Asia & Oceania	64,844	10.3
North America & Europe	83,234	13.3
UNIQLO (Note 1)	526,172	83.9
GU (Note 2)	69,837	11.1
Global Brands (Note 3)	30,721	4.9
Others (Note 4)	660	0.1
Total	627,391	100.0

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

The designated regions and countries 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.

#### 10. Selling, General and Administrative Expenses

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

(Millions of yen)

	Three months ended 30 November 2020	Three months ended 30 November 2021
Selling, general and administrative expenses		
Advertising and promotion	19,260	21,863
Lease expenses	18,377	20,100
Depreciation and amortization	44,565	43,920
Outsourcing	11,603	13,594
Salaries	72,301	73,847
Distribution	26,189	26,272
Others	20,948	22,853
Total	213,245	222,451



## 11. Other Income and Other Expenses

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

(Millions of yen)

	Three months ended 30 November 2020	Three months ended 30 November 2021
Other income		
Foreign exchange gains (Note)	1,332	1,396
Others	884	2,291
<b>Total</b>	<b>2,216</b>	<b>3,687</b>

(Millions of yen)

	Three months ended 30 November 2020	Three months ended 30 November 2021
Other expenses		
Loss on retirement of property, plant and equipment	96	247
Impairment losses	132	98
Others	684	541
<b>Total</b>	<b>913</b>	<b>887</b>

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

## 12. Finance Income and Finance Costs

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

(Millions of yen)

	Three months ended 30 November 2020	Three months ended 30 November 2021
Finance income		
Foreign exchange gains (Note)	-	15,252
Interest income	1,035	1,211
Others	16	58
<b>Total</b>	<b>1,051</b>	<b>16,522</b>

(Millions of yen)

	Three months ended 30 November 2020	Three months ended 30 November 2021
Finance costs		
Foreign exchange losses (Note)	5,160	-
Interest expenses	1,812	1,673
Others	7	48
<b>Total</b>	<b>6,980</b>	<b>1,721</b>

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

### 13. Earnings per Share

Three months ended 30 November 2020		Three months ended 30 November 2021	
Equity per share attributable to owners of the Parent (Yen)	9,764.13	Equity per share attributable to owners of the Parent (Yen)	11,920.08
Basic earnings per share (Yen)	689.29	Basic earnings per share (Yen)	916.21
Diluted earnings per share (Yen)	688.17	Diluted earnings per share (Yen)	914.87

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

	Three months ended 30 November 2020	Three months ended 30 November 2021
Basic earnings per share for the period		
Profit for the period attributable to owners of the Parent (Millions of yen)	70,381	93,592
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders (Millions of yen)	70,381	93,592
Average number of common stock outstanding during the period (Shares)	102,106,878	102,151,077
Diluted earnings per share for the period		
Adjustment to profit (Millions of yen)	-	-
Increase in number of common stock (Shares)	166,859	149,595
(Number of share subscription rights included in increase)	(166,859)	(149,595)

### 14. Fair Value of Financial Instruments

Information about the carrying amount and fair value of financial instruments is as follows:

(Millions of yen)

	As at 31 August 2021		As at 30 November 2021	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Financial assets				
Security deposits and guarantees	64,502	65,358	64,610	65,469
Total	64,502	65,358	64,610	65,469
Financial liabilities				
Corporate bonds	369,471	375,144	369,500	374,311
Total	369,471	375,144	369,500	374,311

Notes concerning financial assets and financial liabilities for which carrying amount approximates the fair value have been omitted. The fair value of security deposits and guarantees is calculated on the basis of the present value, applying the current market interest rate.

The fair value of corporate bonds is calculated with reference to publicly available market prices.

The fair value measurements of corporate bonds and security deposits and guarantees are classified as Level 2.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments. All assets and liabilities for which fair value is measured or disclosed in the interim condensed financial statements are categorized within the fair value hierarchy based on the following characteristics:

Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

When multiple inputs are used to measure fair value, the fair value level is determined based on the input with the lowest level classification in the overall fair value assessment.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

(Millions of yen)

As at 31 August 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	808	-	199	1,008
Net financial assets and financial liabilities measured at fair value through profit or loss	-	(71)	-	(71)
Net financial assets and financial liabilities designated as hedging instruments - Fair value	-	46,190	-	46,190
Fair value	808	46,118	199	47,127

(Millions of yen)

As at 30 November 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income	596	-	199	796
Net financial assets and financial liabilities measured at fair value through profit or loss	-	(125)	-	(125)
Net financial assets and financial liabilities designated as hedging instruments - Fair value	-	69,845	-	69,845
Fair value	596	69,719	199	70,515

For the valuation of Level 2 derivative financial instruments for which a market value is available, we use a valuation model that uses observable data on the measurement date using inputs such as interest rates, yield curves, currency rates and volatility in comparable instruments.

Financial instruments classified as Level 3 consist mainly of unlisted shares. The fair values of unlisted shares are measured by the division responsible in the Group according to the Group's accounting policy, etc., using the immediately preceding figures available for each quarter.

There were no significant changes due to the purchase, sale, issuance and settlement of Level 3 financial instruments, and no transfers between Levels 1, 2 and 3.

#### 15. Commitments for Expenditures

The Group had the following commitments at each reporting date:

(Millions of yen)

	As at 31 August 2021	As at 30 November 2021
Commitment for the acquisition of property, plant and equipment	21,492	17,971
Commitment for the acquisition of intangible assets	1,487	3,152
Total	22,979	21,123

#### 16. Subsequent Events

Not applicable.

## **2. Others**

### Dividends

The Company resolved to pay dividends from retained earnings at the meeting of the Board convened on 2 November 2021. The total amount of dividends paid and the amount per share are stated under “Financial Section 1. Interim Condensed Consolidated Financial Statements, Notes to the Interim Condensed Consolidated Financial Statements 8. Dividends”.

**(TRANSLATION)**  
**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

14 January, 2022

To the Board of Directors of FAST RETAILING CO., LTD.:

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant  
Hirofumi Otani

Designated Engagement Partner,  
Certified Public Accountant  
Akira Kimotsuki

**Accountant's Conclusion**

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have reviewed the interim condensed consolidated financial statements of FAST RETAILING CO., LTD. and its consolidated subsidiaries (the "Group") included in the Financial Section, namely, the interim condensed consolidated statement of financial position as at 30 November 2021, the interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month period then ended, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three-month period then ended, and the related notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at 30 November 2021, and its consolidated financial performance for the three-month period then ended and its consolidated cash flows for the three-month period then ended in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" ("IAS 34"), pursuant to Article 93 of the "Rules Governing Term, Form and Preparation of Consolidated Quarterly Financial Statements".

**Basis for Accountant's Conclusion**

We conducted our review in accordance with quarterly review standards generally accepted in Japan. Our responsibility under those standards is further described in the Accountant's Responsibility for the Review of the Interim Condensed Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as accountants. We believe that we have obtained the evidence to provide a basis for our review conclusion.

**Responsibilities of Management and Statutory Auditors and the Board of Statutory Auditors for the Interim Condensed Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the interim condensed consolidated financial statements in accordance with IAS 34, and for such internal control as management determines is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim condensed consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with paragraph 4 of IAS 1 "Presentation of Financial Statements" ("IAS 1").

Statutory Auditors and the Board of Statutory Auditors are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

## **Accountant's Responsibility for the Review of the Interim Condensed Consolidated Financial Statements**

Our objective is to issue an accountant's report that includes our conclusion.

As part of a review in accordance with quarterly review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other quarterly review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude whether nothing has come to our attention, based on the evidence obtained, related to going concern that causes us to believe that the interim condensed consolidated financial statements are not fairly presented, in all material respects, in accordance with paragraph 4 of IAS 1, if we conclude that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our accountant's report to the related disclosures in the interim condensed consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our accountant's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether nothing has come to our attention that causes us to believe that the overall presentation and disclosures of the interim condensed consolidated financial statements are not in accordance with IAS 34, as well as the overall presentation, structure and content of the interim condensed consolidated financial statements, including the disclosures, and whether nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain evidence regarding the financial information of the entities or business activities within the Group to express a conclusion on the interim condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the review of the interim condensed consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with Statutory Auditors and the Board of Statutory Auditors regarding the planned scope and timing of the review and significant findings that we identify during our review.

We also provide Statutory Auditors and the Board of Statutory Auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### Notes to the Readers of Independent Accountant's Review Report

This is an English translation of the independent accountant's review report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.