

## Corporate Statement

**Changing clothes.  
Changing conventional wisdom.  
Change the world.**

### The FAST RETAILING Group Mission

- To create truly great clothing with new and unique value, and to enable people all over the world to experience the joy, happiness and satisfaction of wearing such great clothes
- To enrich people's lives through our unique corporate activities, and to seek to grow and develop our company in unity with society

### Our Values

- Approaching issues from the customer perspective
- Embracing innovation & challenge
- Respecting and supporting individuals to foster both corporate and personal growth
- Committing to ethical standards and correctness

### Our Principles

Inspired by the FAST RETAILING Group Mission and Our Values, We Will:

- Do everything possible for our customers
- Pursue excellence and aim for the highest possible level of achievement
- Achieve strong results through the promotion of diversity and teamwork
- Move speedily and decisively in everything we do
- Conduct business in a very real way based on the current marketplace, products and facts
- Act as global citizens with ethics and integrity



**Tadashi Yanai**

Chairman, President & CEO  
FAST RETAILING CO., LTD.

## I believe we are responsible for conveying who we are

The FAST RETAILING WAY (FR WAY) was established as a unifying corporate philosophy for keeping our promise to society. This means faithfully serving as a company that the world truly needs and that makes the world a better place.

### The FR WAY is the Group's unifying corporate philosophy

**Changing clothes. Changing conventional wisdom. Change the world.** This is the corporate statement at the beginning of the FR WAY, established in 2008 as the corporate philosophy of the FAST RETAILING Group. It expresses our desire to not only change clothes and conventional wisdom, but to indeed change the world.

Society expects any company that ventures onto the world stage to declare who it is and what it expects to do. Therefore, we must begin by clearly stating who we are as well as our values, ethical standards and fundamental capabilities. Otherwise, no one will understand why we exist at all.

First, we must raise our own banner that represents our unique identity to ourselves as well as to the general public. This is the very reason we established the FR WAY—to unambiguously declare who we are and where we intend to go.

At a personal level, the FR WAY is equivalent to spirit, the most vital aspect in the life of any individual or company. Without spirit there is only an empty shell. Every employee affiliated with the FAST RETAILING Group, in every country and Group company, must be personally committed to this philosophy in the conduct of business. This stance is absolute; there is no room for compromise.

Every company is first and foremost a member of society, and CSR is about how a company keeps its promises to society. The FR WAY is our promise to society. I believe our top priority is to ensure everything we do is utterly grounded in this promise.

### Providing truly great clothing for every customer

**Do everything possible for our customers.** This first principle of the FR WAY highlights our goal of being the best possible store and the best possible company for every customer.

We completely control the entire flow of operations: we plan our products, deeply engage in production and distribution, and handle sales through our own stores. As a result, we know with certainty everything about our products, from who was involved in their manufacture to when, where and how they were made.

And yet despite this thorough approach, we cannot honestly assert that our operations are entirely free of error or that every garment is flawless. When an issue does arise, however, we can quickly identify the cause, take corrective action, and then rapidly and completely inform the public of what has happened and how we responded. And so I believe our ability to maintain a grip on this entire flow as described here enables us to fulfill our responsibility to our customers.

We genuinely listen to what our customers have to say. Store employees and managers interact with customers every day and therefore know the most about their concerns and suggestions. We consequently set up a system for staff to directly convey customer comments to management and relevant departments in the company. This enables store managers and those responsible for store operations to promptly resolve complaints and grievances and at the same time ensures corporate management knows what is happening at any given moment.

The free flow of information is vital since there will always be problems to solve. We will maintain open communication channels to sincerely address every situation and fulfill our responsibility to customers.

# Partnering in shared and sustainable growth with every stakeholder, from customers, business partners, shareholders and employees to society at large and the environment



## Building solid relationships with our business partners

**Committing to ethical standards and correctness** is also fundamental to the FR WAY. We are unyielding on this commitment, even with business partners—we refuse to conduct business with companies that do not share our values and desire to create truly great clothing. Moreover, we will not do business with any company that displays even the slightest inclination to let things slip by for the sake of profit. This is a core principle.

We request that every business partner of FAST RETAILING contribute to society beyond their own survival through a bond of mutual prosperity. As we expand production to sites outside of China, we expect new business partners to embrace our way of thinking. And we will even terminate dealings with existing partners that violate this principle. We will never associate with any company that refuses to abide by this stance, as there would simply be no grounds for mutual growth.

Because of the value we place on solid relationships, we work with relatively few partners given the scale of our operations. So along with our resolve to develop into a leading global enterprise, we believe partnerships forged between companies that have selected each other on the basis of shared aspirations is a key to success.

## Respecting and supporting the growth of each individual employee

**Respecting and supporting individuals to foster both corporate and personal growth** is another foundational value of the FR WAY. I believe the most important prerequisite to establishing mutual respect between individuals is the affirmation of common values toward life and work. People with different personalities can work together when they share the same basic values. We

must constantly confirm this essential understanding to capitalize on each individuality.

This understanding and the desire to bring out the best in every person are why we encourage diversity and the reasons we promote hiring persons with disabilities, support women in developing their careers, and actively recruit non-Japanese workers. The strength of this conviction can be seen in the Regional Regular Employee Hiring System, our thorough implementation of the “no overtime days” policy and our encouragement to staff to take their paid vacations, as well as in the nurturing of highly capable human resources that can be effectively deployed around the world. All these efforts arise from the same principle: We must recognize each employee’s individuality as an asset for doing their jobs in the best way they can.

If any employee feels at a disadvantage, we acknowledge the problem and find solutions. I believe that first recognizing individual differences and then working together to find concrete solutions is vital for demonstrating our values.

## What we can do now for the future of the environment and society

Social contribution is becoming increasingly important as the advance of globalization intensifies the impact of private enterprise on society. Even though companies clearly contribute to society by creating jobs and paying taxes, we don’t believe this is enough. We must do what only we can do and what we are best suited for as well as what we are expected to do. And we must be constant and unwavering in our actions. This is the key.

**Seeking to grow and develop our company in unity with society** is essential to the FR WAY. As a company conducting business in diverse cultural environments and

in an era of globalization, we see the importance in conveying to people an understanding of the good we do for their communities.

We will extend our social contribution across the globe by drawing upon our unique track record of efforts mainly undertaken in Japan, including the All-Product Recycling Initiative, our participation in the Setouchi Olive Foundation and support for an international sporting organization, the Special Olympics, as well as the volunteer activities of our employees.

Under the FR WAY principle, **Act as global citizens with ethics and integrity**, we are systematically working to minimize the environmental impact of our daily operations, as seen in our efforts to conserve energy and resources at our stores, reduce packaging materials for shipping products and improve the efficiency of our distribution system. In addition, we are committed to expanding the scale of our steadily evolving All-Product Recycling Initiative.

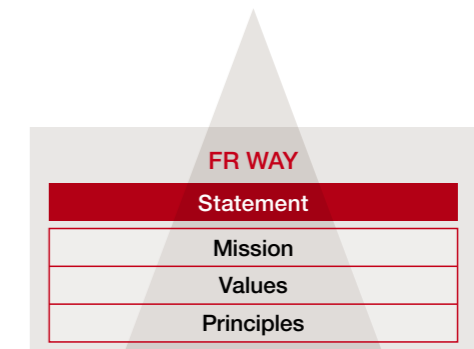
Business operations and CSR represent two sides of the same coin, and neglecting either will erode public respect. We will therefore maintain a robust and disciplined commitment to CSR in order to maintain our standing as a sound and necessary enterprise in Japan and across the world.

We deeply appreciate your ongoing support and encouragement.

January 2009

**Tadashi Yanai**  
Chairman, President and CEO  
FAST RETAILING CO., LTD.

## Approach to CSR based on the FAST RETAILING WAY



**FR Group CSR Statement**  
**Making the world a better place**

- FR Group’s Approach to CSR**
- Customers:** Providing every customer with truly great clothing
  - Employees:** Respecting and supporting individuals to foster both corporate and personal growth
  - Business Partners:** Building partnerships toward the highest possible level of achievement
  - Local Community:** Growing in unity with the local community
  - Shareholders and Investors:** Timely, appropriate, fair and prompt disclosure of information
  - Environment:** Environmentally friendly management
  - Compliance:** Promoting compliance that nurtures high ethical standards
  - Corporate Governance:** Protecting stakeholder interests and pursuing management in unity with society