

Instilling a CSR philosophy in all employees to create enduring value for the world

The promotion of CSR activities revolves around the CSR Committee, which consists of the President and the FR Group Officer responsible for CSR, an outside expert and other members, as well as a CSR team comprising members from across the Group.



Tadashi Yanai
Chairman, President and CEO

Takaharu Yasumoto
External Auditor

Kenji Shiratsuchi
Dentsu Inc.

Hirotsugu Wada
Vice President in charge of
Human Resources

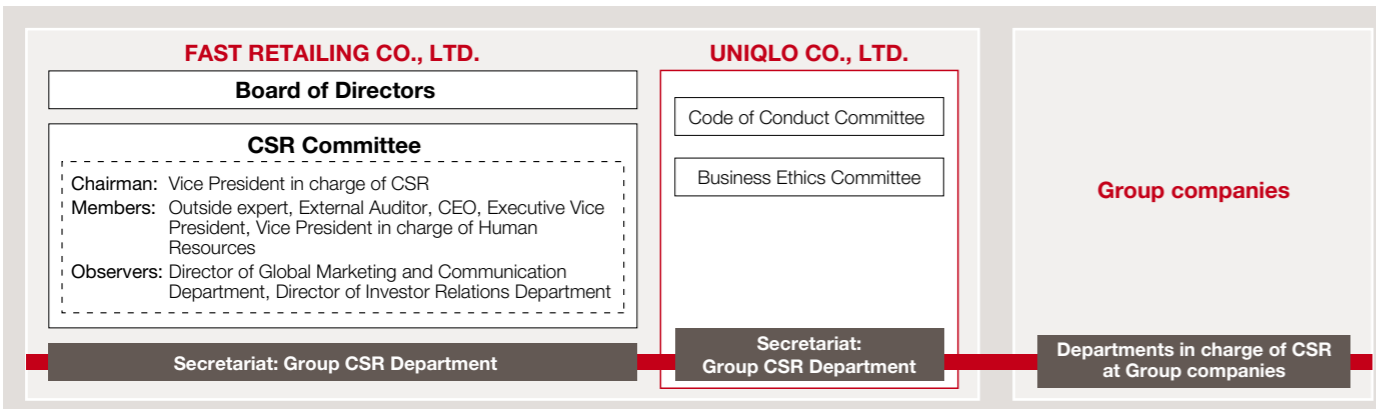
Hideo Majima
Director, Global Marketing
and Communication
Department

Masumi Mizusawa
Director, Investor Relations
Department

Masa Matsushita
Executive Vice President

Yukihiro Nitta
Vice President
CSR Committee Chairman

CSR Promotional Framework



Making the world a better place



Yukihiro Nitta
Vice President and CSR Committee Chairman
FAST RETAILING CO., LTD.

Reviewing our activities in FY 2008

In the FAST RETAILING Group's CSR activities, we are expected to take concrete, effective action in ever-broadening areas by proactively and quickly disclosing information, engaging in two-way communication, responding sincerely to customers, developing sound relationships with business partners and demonstrating our concern for the global environment.

Looking back on our actions in FY 2008, I believe we are achieving solid progress in CSR activities that suit the FAST RETAILING Group in areas related to its apparel business centered on UNIQLO.

For example, we vigorously implemented social contribution activities through the All-Product Recycling Initiative, the promotion of employment of persons with disabilities, and support for various charitable organizations. Furthermore, as a company that manufactures and sells 400 million items of clothing a year, we have come to establish the backbone of our CSR activities with which we engaged in quality and safety control as well as environmental conservation throughout the supply chain, sought through health care management and promoted career development for our employees. In addition, we required compliance with labor and environmental regulations and respect for human rights from our business partners, including partner factories.

Global activities that involve the entire group

The FAST RETAILING Group's CSR activities in FY 2009 must be global in scale and involve the entire Group. What does FAST RETAILING want to achieve in its CSR activities? First, we must clearly state our goals and disseminate information throughout the Group. The intended achievements include scaling up our All-Product Recycling Initiative with our eye on participation by overseas stores and Group companies and a substantial increase in the volume of clothing collected. We will also actively work for an increase in the number of participants in volunteer activities. With respect to employing persons with disabilities, we intend to reach an even higher employment ratio at the Headquarters by following successful examples from UNIQLO stores, and we will reinforce initiatives at each Group company.

We will express the story of what we want to become with the long-term perspective of three to five years. We will not only describe what we want to do, but will also expand our CSR activities, with Group company employees around the world, to further engage in volunteer activities. We will also seek the support of overseas customers through participation in our All-Product Recycling Initiative.



Takaharu Yasumoto
President, Yasumoto CPA Office
External Auditor,
FAST RETAILING CO., LTD.



Kenji Shiratsuchi
Director, Communication Design
Center, Dentsu Inc.

I believe CSR activities are sustainable because they are closely aligned with the business

CSR embodies a company and shows society the direction in which it is heading. That is why it's important for CSR activities to be maintained in line with the business. Before committing itself to a business goal, a company must be able to gauge its own current CSR status and not simply look at its sales and profit. The challenge ahead is to determine how the FAST RETAILING Group, including its Group companies, will fulfill its CSR as a global enterprise.

I foresee this company continuing to develop activities only it can do

I think the distinctive feature of CSR activities at FAST RETAILING is how they are developed to best reflect what the company is. The company should be commended for its stance of being willing to start from scratch on its own and for seeking to maintain its CSR activities while thinking through its own business. I hope the fantastic example of the All-Product Recycling Initiative will be followed by the creation of a bottom-up portfolio of proposals from the workplace, leading to the next level of success required to support these proposals.

Our Basic Principle

FAST RETAILING's essential approach to CSR is to make the world a better place through planning, producing and selling clothing, which is one of the basic necessities of life. To remain a company that creates enduring value for the world, we will pursue appropriate management, grow with society and create the next global standard—this is the CSR we aim to fulfill.

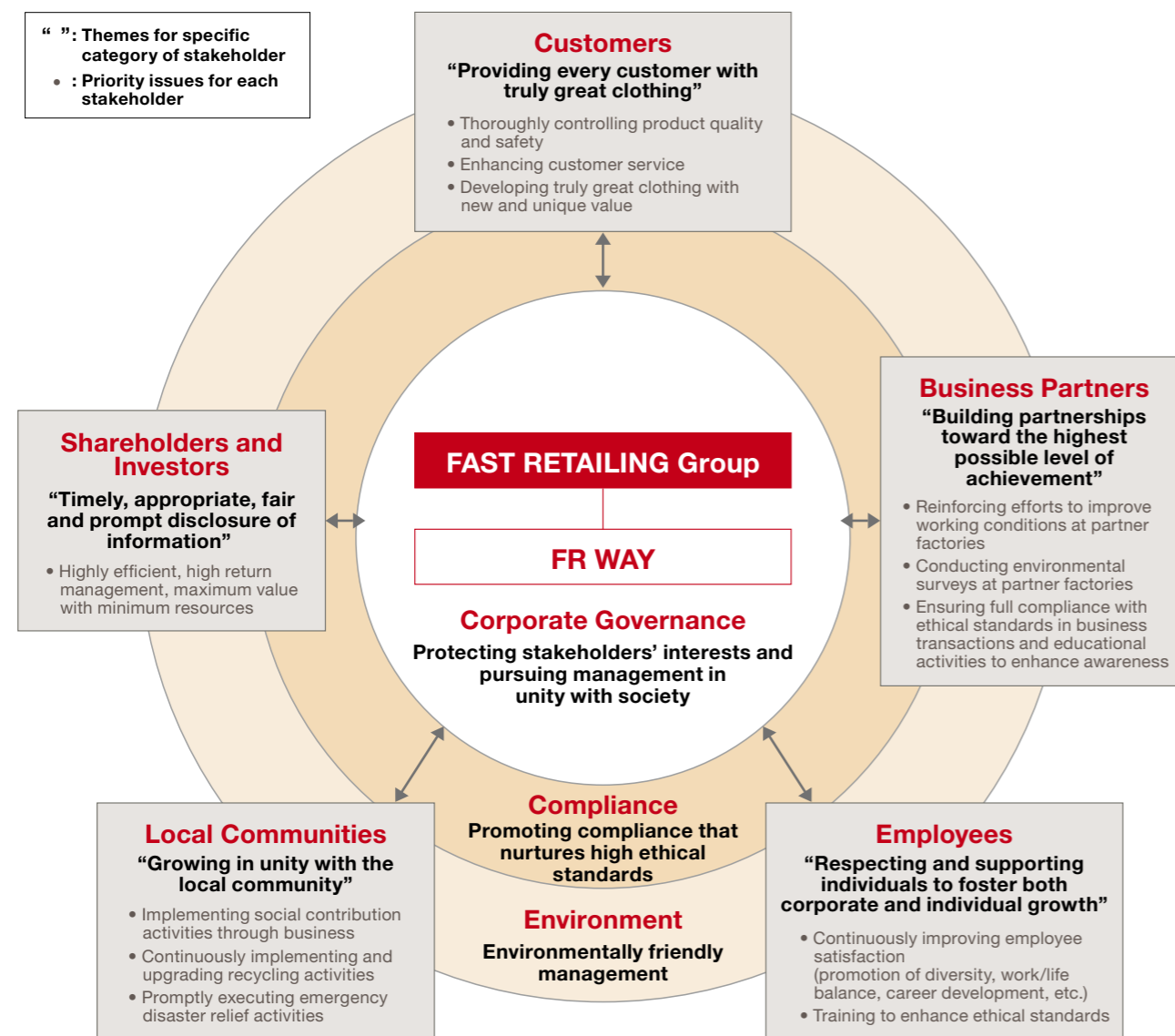
FAST RETAILING Group's Social Responsibility

Priority issues for stakeholders

To ensure we fulfill our social responsibilities, the FAST RETAILING Group designates priority issues for each category of stakeholder. We particularly consider corporate governance*, compliance and the environment

as themes common to all stakeholders, and thus include them as priority issues.

*Refer to our Annual Report and website for more information on our corporate governance.



Our Basic Principle

In fulfilling our corporate social responsibilities, the FAST RETAILING Group has established a framework that emphasizes compliance and seeks thorough implementation within all companies. We are also nurturing an awareness of compliance across the FAST RETAILING Group through measures such as our Code of Conduct for employees.

Introducing and infusing compliance throughout the group

Implementation of the Code of Conduct (CoC)*1

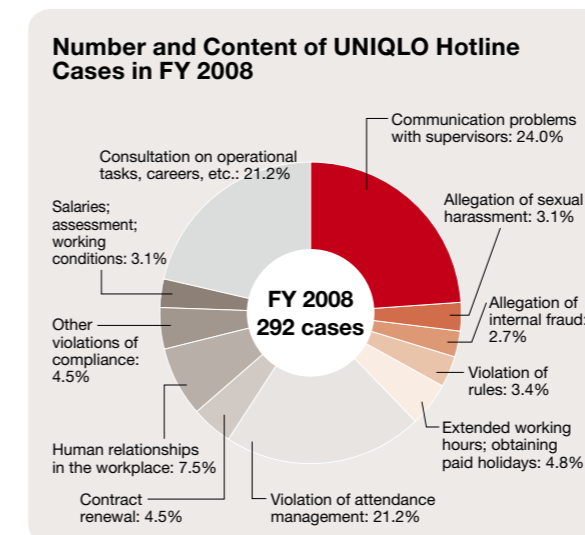
The Code of Conduct (CoC) has been implemented at UNIQLO and all other FAST RETAILING Group companies*2. Upon the introduction of the CoC, every employee is required to understand the content of the CoC and sign a pledge declaring their intent to comply with it. To ensure thorough implementation, we carry out such measures as CoC training, featuring concrete case studies, at each company on a regular basis.

*1The Code of Conduct (CoC) has been prepared in five languages—Japanese, English, Chinese, Korean and French, and is available on our intranet.

*2Equity-method affiliate, LINK THEORY HOLDINGS CO., LTD., has not implemented the code.

Hotline operations

FAST RETAILING has set up hotlines at each Group company to enable employees to anonymously discuss work-related problems and report potential violations of the CoC. In the event of a potential violation, a team in charge of the hotline investigates to ascertain the facts of the matter while protecting the anonymity of the person reporting the alleged incident. The CoC Committee will then deliberate on what action will be taken.



Promotional framework for compliance

Compliance means acting in accordance with prevailing laws and regulations and thoroughly governing behavior in accordance with moral and ethical standards. We have developed an internal framework that serves as the core of these activities.

• FAST RETAILING CSR Committee

Deliberates issues including the group-wide promotional framework for compliance and social and environmental activities for FAST RETAILING as a whole. The Vice President responsible for CSR chairs the committee, which consists of top management, officers and an outside expert; meetings are held once every two months.

• UNIQLO Code of Conduct Committee

Conducts discussions on establishing the CoC. This committee also reviews internal compliance issues received through hotline consultations to determine and present concrete solutions for improvement. The Vice President responsible for CSR chairs the committee, with members that include auditors and outside attorneys.

• UNIQLO Business Ethics Committee

Discusses measures for preventing actions that place unfair pressure on business partners and formulates effective countermeasures (see p. 24 for more information).

Protection of personal information

UNIQLO emphasizes the care required for handling personal information as part of training related to the CoC, and efforts are made to raise awareness of this connection. Measures include the implementation of guidelines for handling personal information, fingerprint authentication to control entry into sections that handle important personal information, and restricting access to personal information data.