

Bringing value to society as a responsible corporate enterprise

The growing impact of international corporations

International enterprises wield ever-growing power in society today. In fact, private companies often have as much impact on social change as national governments and are likely to have even greater influence in the future.

This power to effect change brings with it considerable responsibility. Any entity with this level of influence must maintain a strong sense of duty. We must always deeply consider why we exist as a company and how we will contribute to society. That is to say, from the customers' point of view, no one would want to purchase merchandise from a company that does not benefit society. A company's value is inextricably linked to the value it brings to society as a whole. Managers and employees alike must be constantly aware of what the public expects in this new era.

The FAST RETAILING Group has articulated the concept of GLOBAL ONE ZEN-IN KEIEI, and we are dedicated to concretely demonstrating this principle. GLOBAL ONE ZEN-IN KEIEI means that all group companies operate as a single entity, applying the best practices from around the world in business management. This requires all Group employees to enhance their performance by engaging in day-to-day operations with a manager's mindset. Consequently, corporate social responsibility (CSR) is not just a management concern. Every employee—from store staff who sell products to factory workers who sew clothes—must maintain this awareness while being ever-mindful of their individual responsibilities. Under GLOBAL ONE, we endeavor to make this a reality.

The general public keeps an eye on everything we do

While we produce and sell approximately 500 million pieces of clothing every year, the only thing that matters for any individual customer is the particular item he or she has purchased. We pride ourselves on developing our own products; we are involved in production and logistics, and we sell our items at our own stores. We know about every product, from who manufactured it to when, where and how it was manufactured and sold.

Nevertheless, the Group voluntarily recalled products twice in 2008 and once in 2009. Of course, we place high priority on preventing the occurrence of defects. At the same time, whenever a defective product or incidence of corporate misconduct is discovered, we immediately disclose all appropriate information. Society is keenly

aware of everything we do. Customers and society as a whole decide whether our work is satisfactory or not. We keep this in mind throughout the course of our work.

Respecting and supporting individuals to foster both corporate and personal growth is a key value of the FAST RETAILING WAY (FR WAY), the corporate philosophy of the FAST RETAILING Group. All employees must grow together to meet the expectations of society. A company is a collection of individual energies, and each person must demonstrate a strong desire to grow. We provide more attractive opportunities and support than any other company to employees who are passionate about providing valuable products and services to our customers.

Environmental concerns are just as important. The FR WAY states our code of conduct, which calls on us to "act as global citizens with ethics and integrity." We are systematically working to minimize the environmental impact of our daily operations. Public awareness is clearly building, as the Japanese government was regarded highly by the international community for its proposal to reduce by 2020 its greenhouse gases by 25% from 1990 levels. Since we are an international enterprise with a global reach, our deep concern for the environment is an absolute obligation. So far, we have sought to conserve energy and resources at our stores, reduce packaging materials for shipping products and improve the efficiency of our distribution system. Looking ahead, we will do even more by setting up a project team in addition to greatly expanding and promoting our All-Product Recycling Initiative.

Customers buy into our corporate stance

We fundamentally believe the needs of society take precedence over those of the company. What has value for society? No company can grow without seriously considering this question. When customers purchase our clothes, they are also buying into or investing in our corporate stance. We must clearly present our business policy to customers and then ask them to support and connect with us—an active approach. Together, our concept of "Changing clothes. Changing conventional wisdom. Change the world." is achieved, which I believe is our mission.

We deeply appreciate your ongoing support and encouragement.



Tadashi Yanai
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