

Forming the UNIQLO-Toray strategic partnership

- Agreement reached on mid- and long-term, comprehensive procurement and supply -

Tadashi Yanai, Chairman & CEO of UNIQLO CO., LTD., and Sadayuki Sakakibara, President & CEO of Toray Industries, Inc. first reached an agreement back in March this year to develop a strategic partnership between the two companies. Based on that partnership, we are now proud to announce the signing of an agreement covering mid- and long-term, comprehensive procurement and supply. The FR group is aiming to expand sales to 1 trillion yen by 2010 with the domestic and global UNIQLO business contributing ¥700bIn of that total. The Toray group is also aiming for sales of 1.8 trillion yen with its entire fibers & textiles operation contributing ¥600bIn. The forming of a strategic partnership will enable our two firms to offer new value products to our customers. In addition, we will be looking to further strengthen our cooperation to incorporate the possible development of new business areas and operations.

1. Setting the direction for mid- and long-term cooperation

UNIQLO and Toray have determined the direction of this mid- and long-term cooperative relationship in order to enable our firms to work closely and enthusiastically on new product development and planning. In challenging the borders between material manufacturer and SPA clothes producer and retailer, our two companies will create a seamless product development system that unifies all the stages from material selection through final product sale. And we will be able to provide our customers with even better clothes to enrich their lives. Under this mid- and long-term business relationship, Toray is expected to supply UNIQLO with materials and products in excess of ¥200bIn over the 5-year period through 2010. There are very few deals on this scale in the global textile industry.

2. Developing a new breakthrough material

UNIQLO and Toray will combine forces on R&D, production, sales and marketing to better grasp market needs. We will look to develop a new, groundbreaking material that the market has never even seen before. This will lead to the creation of completely new and inspired products, and will generate fresh customer demand. Following the initial agreement, UNIQLO and Toray set up a project team back in March called the Next Generation Material Development Project. We have already picked out themes covering 73 areas and are now working on material development. The development is based on the five aspirations, "Healthy beauty", "Super natural", "Ecology", "Function & comfort", "Innovation". And we ensure that staff working in material development can interact actively.