

UNIQLO TO LAUNCH A REGIONAL REGULAR EMPLOYEE HIRING SYSTEM

UNIQLO CO., LTD. will launch a regional regular employee hiring system starting April 1, 2007. This system is aimed at giving non-permanent staff the opportunity to change their contract status. The system will apply to non-permanent employees such as contract employees and will enable them to change their status to regular employees, but limited to the geographical area in which he/she was first hired.

【Background to the regional regular employee hiring system】

Currently, regular employees working in UNIQLO stores are employed on the understanding that they may be required to relocate to any part of Japan. But it has become increasingly necessary to create an environment where talented personnel, previously excluded from becoming full permanent staff, can better fulfill their potential. In addition, as UNIQLO continues its aggressive strategy on new large store openings, it is likely that we will face a growing shortage of appropriate staff for hire. Therefore, we see an increasing need to secure and train appropriate personnel for the future.

【Outline of regional regular employee hiring system】

The regional hiring system applies to contract employees(Note) working in UNIQLO stores. We currently have approximately 5,000 people working for us who would be eligible to apply for the status change. And we would be looking to change the contract status of around half of these, namely 2,500 workers, to regional regular employees within one year of launching the system. The system is expected to launch on April 1, 2007.

(Note) The major difference between the new regional regular employees and our current permanent staff would be the absence of any requirement to relocate for job purposes. For that reason, the new permanent regional employees will be considered key personnel in ensuring stores are best suited to their local region, contributing to smooth store management over the long term.

Contract employees are staff employed on fixed 1 year or six-month contracts and staff paid by the hour.

【Why we are launching a regional regular employee hiring system】

To boost customer satisfaction and UNIQLO performance by ensuring a better environment in which talented personnel can flourish.

To ensure stable store management and direction by providing talented long-term, stable employment opportunities for talented personnel.

To help alleviate social issues by providing more youth employment opportunities.