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## Overview of UNIQLO business

- Global casual brand with 916 directly-owned stores around the world (791 stores in Japan and 125 stores overseas through February 2010)
- FAST RETAILING GROUP, the parent company of the UNIQLO brand, has grown into an apparel brand group with annual sales of 685 billion yen, current profit of 101.3 billion yen, 2,173 stores and total market value of 1.6 trillion yen (as of end of August, 2009)
- UNIQLO's business model has found a broad range of support in the marketplace buoyed by its emphasis on listening to the customer and catering to the latent needs of customers on the shop floor and ability to rapidly reflect this information in products and services.



## A Brief History of UNIQLO in China

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- 2002 Launches business in China with the opening of the UNIQLO Shanghai Store
- 2005 Opens first UNIQLO opens in Hong Kong (Tsim Sha Tsui shopping district)
- 2006 Successfully opens Shanghai Ganghui Square Store and China's first large-format store (700 tsubo/25,000 sq. ft.), the Shanghai Zhengda Store, beginning expansion efforts begins.
- 2008 UNIQLO expands to Beijing, and also opens stores in Guangzhou, Shenzhen, Chengdu, Chongqing, Shenyang, Dalian
- 2009 China Internet store opens in partnership with China's largest mail-order retailer Taobao
- 2010 (end Feb.) UNIQLO has a total of 59 stores in China, including 14 in Shanghai and 10 in Beijing, all directly operated

The short term goal is to expand operations to 100 stores as soon as possible, with the ultimate goal to establish a system supporting multiple stores in every major city of every region in China.



## The UNIQLO Mission

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- UNIQLO is “continually providing high quality and fashionable basic casual wear that can be worn anywhere, anytime and by anyone.” In order to achieve this, UNIQLO manages all aspects of merchandising plans, design, materials development, production, distribution and sales in its apparel manufacturing and retailing business.
- Philosophy underpinning this mission –
  - ① Enable people all over the world to experience the joy, happiness and satisfaction of wearing such great clothes.
  - ② The uniqueness lies not in the clothes themselves but in how each customer wears them.
- We place much importance on the marketplace, listening to customer's comments and needs and quickly reflecting this in our merchandise and services.



## How UNIQLO is Supported by Our Customers

Customers and the market are of the utmost importance to our business. We listen to the consumer's voice, and pick up on their latent needs, quickly incorporating the feedback from the sales floor into our products and services. Since this is our business model, ultimately we are really supported by our customers.

High quality, low prices	Refined basic designs	Shopper-friendly stores and sales floors	Advanced marketing activities
<ul style="list-style-type: none"> <li>• We've strictly maintained the highest standards of quality in product management for many years.</li> <li>• We directly source large quantities of the highest quality materials from all over the world, thereby providing prices that other companies cannot.</li> <li>• Since we take all the risk and manage everything ourselves, all unnecessary processes are eliminated, allowing us to provide the lowest prices.</li> </ul>	<ul style="list-style-type: none"> <li>• Product development is based in our N.Y. and Tokyo design centers.</li> <li>• The clothes are the building blocks to realize a style that highlight the individuality of each person based on how they wear them.</li> </ul>	<ul style="list-style-type: none"> <li>• Selling floors are bright and spacious with a good atmosphere</li> <li>• An abundance of different product types</li> <li>• Unique displays and VMD</li> </ul>	<ul style="list-style-type: none"> <li>• Globally integrated marketing campaigns</li> <li>• Media mix strategies to differentiate us from other companies</li> </ul>

UNIQLLO's reputation for quality products and dependability is also widely known among Chinese consumers.



## UNIQLLO's Production in China

- UNIQLO produces around 85% of its clothing at 70 partner factories in China, making about 500 million apparel items annually.
- The quality of the clothes produced in these factories is very high, and rated highly by consumers. Because of the outstanding manufacturing at these Chinese factories, UNIQLO has become synonymous with "High-quality casual wear." This reputation began in Japan and is now known worldwide.
- Since 2000, Japan has been dispatching its textile experts, called "*takumi*," armed with Japan's cutting edge fabric technology to partner factories. These 31 individuals have been managing the production lines, introducing new processes and educating the workforce, contributing greatly to the advancement of product quality.



## The Globalization of UNIQLO

- As of the end of February 2010, UNIQLO had 916 stores in eight countries (791 in Japan and 125 overseas)
- 125 stores are planned to be opened across China, the U.S., U.K., France, Korea, Hong Kong and Singapore
- Results for the fiscal year to August 2009
  - Domestic sales were 538.1 billion yen, overseas 37.7 billion yenForecast for the fiscal year to August 2010
  - Domestic – 615.0 billion yen, overseas 70.0 billion yen



## Global Flagship Store Strategies

- Global flagship stores are the engine for advancing globalization. They are global showcases that bring together the highest standards in merchandise, VMD, selling, services and creativity.
- From the global flagship stores, UNIQLO continues to share it's brand message of quality, style and price with the world.
- UNIQLO plans to open large-format stores in major cities around the world one after another. From the base of these flagship stores, UNIQLO aims to communicate with customers all over the world.
- UNIQLO opened three global flagship stores in quick succession: New York in November 2006, London in November 2007 and Paris in October 2009.



## Shanghai Global Flagship Store

**Location:** West Nanjing Road, the most prominent street in Shanghai's largest shopping district

**Size:** With a selling floor area of 1,100 tsubo (39,000 sq ft), it is the largest UNIQLO global flagship store

**Architect:** Designed by BCJ (Bohlin Cywinski Jackson), designers of Apple stores and Bill Gates' private estate

**Products and services:** UNIQLO provides products and services that meet the highest possible standards

**Employees:** With 240 employees, this store has the most employees of any UNIQLO store in China



## Shanghai Global Flagship Store Concept

**FROM SHANGHAI TO THE WORLD**

**瞩目上海，点睛世界。**



## Why Shanghai?

- In the heart of Asia, the most rapidly developing market in the world, Shanghai is the “world’s growth center”
- The largest city in Asia, Shanghai is already the center of Asia and well on its way to becoming a global market hub
- Through the Shanghai Global Flagship Store, UNIQLO will share its brand message of quality, style and value with the world



## Shanghai Global Flagship Store Opening Date

**May 15, 2010**



## Shanghai Global Flagship Store



Imagery by Studio 216 for Bohlin Cywinski Jackson

**Sales area: 1,100 tsubo (39,000 sq. ft.) spread over three floors**

