



NEWS

Fast Retailing Launches Innovation Factory Co., Ltd. *Enters Joint Venture with Shima Seiki Mfg., Ltd.*

Oct. 27, 2016, Tokyo, Japan – Fast Retailing Co., Ltd. today announces the launch of Innovation Factory Co., Ltd. (“Innovation Factory”), a joint venture with Shima Seiki Mfg., Ltd., for the joint development and manufacture of knit products, aimed at establishing a new production system utilizing knit production technologies.

Innovation Factory was originally established in December 2015 as a wholly-owned subsidiary of Shima Seiki Mfg., Ltd. producing WHOLEGARMENT^{®*} knitwear. Following the establishment of the joint venture, the company will now produce WHOLEGARMENT^{®*} products for the Fast Retailing Group, principally UNIQLO.

1. Purpose for Launching the Joint Venture Company

Fast Retailing is launching a joint venture with Shima Seiki Mfg., Ltd., a firm with world-leading knitting machine production technologies, with plans to produce high-quality, value-added WHOLEGARMENT[®] knit products. In future, the joint venture company is expected to function as the lead factory in the production of innovative knit products for the Fast Retailing Group.

2. Overview of the Joint Venture Company

Name:	Innovation Factory Co., Ltd.	
Location:	Wakayama City, Wakayama Prefecture	
Representative:	Michitaka Nakamura	
Business content:	Manufacture of knit products including seamless knitwear (WHOLEGARMENT [®] products).	
Invested capital:	400 million yen	
Equity share:	Shima Seiki Mfg., Ltd.:	51%
	Fast Retailing Co., Ltd.:	49%
Established:	Oct. 27, 2016	

3. Overview of Shima Seiki Mfg., Ltd.

Shima Seiki Mfg., Ltd. was founded in 1962 for the automation of glove knitting machines. Today, the company is a comprehensive mechatronics firm, creating attractive products that expertly combine advanced hardware with exceptional software. It holds the world’s top market share in the computerized flatbed knitting machine field, and is a pioneer in knitting machine manufacturing.

Shima Seiki Group net sales: ¥49,582 million (FY3/16)

^{*}WHOLEGARMENT[®] is a seamless knit product developed by Shima Seiki Mfg., Ltd. With seam free construction, WHOLEGARMENT[®] yields comfort and draping effect and provides value-added products with greater design flexibility compared to traditional knitwear products.