



# CSR REPORT

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# 2009

Corporate Social Responsibility

옷을 바꾸고, 의식을 바꾸고, 세계를 바꿔나간다.

Changer la façon de s'habiller, sortir des sentiers battus,  
et proposer une autre vision du monde.

▶ FAST RETAILING Corporate Statement

# Changing clothes. Changing conventional wisdom. Change the world.

To create truly great clothing with new and unique value, and to enable people all over the world to experience the joy, happiness and satisfaction of wearing great clothes.

To enrich people's lives through our unique corporate activities, and to seek to grow and develop our company in unity with society.

服を変え、常識を変え、世界を変えていく

改变服装, 改变常识, 改变世界

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### Editorial Policy

In compiling CSR Report 2009, we at FAST RETAILING have applied the framework of the Group's corporate philosophy, the FAST RETAILING WAY, to clearly delineate the social responsibilities associated with our business activities. We intend to respond with sincerity to the expectations, interests and concerns of our diverse stakeholders by deepening our dialogue on the basis of this report.

The sections for each category of stakeholder include reports from officers and employees on activities in which concrete progress is being made. These reports also address areas where results have fallen short of our expectations and for which we welcome your candid opinions for improvement.

Please refer to our Annual Report and website (<http://www.fastretailing.com>), which serve as companion references for this publication and provide additional corporate information and supplementary data.

### Period

September 2007 to August 2008

- Unless otherwise indicated, figures cited in this report pertain to fiscal year results.
- We have included the most recent information available after the above period, particularly for material issues.

### Publication

January 2009 (Published annually. The next issue is scheduled for January 2010.)

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## Corporate Statement

**Changing clothes.  
Changing conventional wisdom.  
Change the world.**

### The FAST RETAILING Group Mission

- To create truly great clothing with new and unique value, and to enable people all over the world to experience the joy, happiness and satisfaction of wearing such great clothes
- To enrich people's lives through our unique corporate activities, and to seek to grow and develop our company in unity with society

### Our Values

- Approaching issues from the customer perspective
- Embracing innovation & challenge
- Respecting and supporting individuals to foster both corporate and personal growth
- Committing to ethical standards and correctness

### Our Principles

Inspired by the FAST RETAILING Group Mission and Our Values, We Will:

- Do everything possible for our customers
- Pursue excellence and aim for the highest possible level of achievement
- Achieve strong results through the promotion of diversity and teamwork
- Move speedily and decisively in everything we do
- Conduct business in a very real way based on the current marketplace, products and facts
- Act as global citizens with ethics and integrity



**Tadashi Yanai**

Chairman, President & CEO  
FAST RETAILING CO., LTD.

## I believe we are responsible for conveying who we are

The FAST RETAILING WAY (FR WAY) was established as a unifying corporate philosophy for keeping our promise to society. This means faithfully serving as a company that the world truly needs and that makes the world a better place.

### The FR WAY is the Group's unifying corporate philosophy

**Changing clothes. Changing conventional wisdom. Change the world.** This is the corporate statement at the beginning of the FR WAY, established in 2008 as the corporate philosophy of the FAST RETAILING Group. It expresses our desire to not only change clothes and conventional wisdom, but to indeed change the world.

Society expects any company that ventures onto the world stage to declare who it is and what it expects to do. Therefore, we must begin by clearly stating who we are as well as our values, ethical standards and fundamental capabilities. Otherwise, no one will understand why we exist at all.

First, we must raise our own banner that represents our unique identity to ourselves as well as to the general public. This is the very reason we established the FR WAY—to unambiguously declare who we are and where we intend to go.

At a personal level, the FR WAY is equivalent to spirit, the most vital aspect in the life of any individual or company. Without spirit there is only an empty shell. Every employee affiliated with the FAST RETAILING Group, in every country and Group company, must be personally committed to this philosophy in the conduct of business. This stance is absolute; there is no room for compromise.

Every company is first and foremost a member of society, and CSR is about how a company keeps its promises to society. The FR WAY is our promise to society. I believe our top priority is to ensure everything we do is utterly grounded in this promise.

### Providing truly great clothing for every customer

**Do everything possible for our customers.** This first principle of the FR WAY highlights our goal of being the best possible store and the best possible company for every customer.

We completely control the entire flow of operations: we plan our products, deeply engage in production and distribution, and handle sales through our own stores. As a result, we know with certainty everything about our products, from who was involved in their manufacture to when, where and how they were made.

And yet despite this thorough approach, we cannot honestly assert that our operations are entirely free of error or that every garment is flawless. When an issue does arise, however, we can quickly identify the cause, take corrective action, and then rapidly and completely inform the public of what has happened and how we responded. And so I believe our ability to maintain a grip on this entire flow as described here enables us to fulfill our responsibility to our customers.

We genuinely listen to what our customers have to say. Store employees and managers interact with customers every day and therefore know the most about their concerns and suggestions. We consequently set up a system for staff to directly convey customer comments to management and relevant departments in the company. This enables store managers and those responsible for store operations to promptly resolve complaints and grievances and at the same time ensures corporate management knows what is happening at any given moment.

The free flow of information is vital since there will always be problems to solve. We will maintain open communication channels to sincerely address every situation and fulfill our responsibility to customers.



# Partnering in shared and sustainable growth with every stakeholder, from customers, business partners, shareholders and employees to society at large and the environment



## Building solid relationships with our business partners

**Committing to ethical standards and correctness** is also fundamental to the FR WAY. We are unyielding on this commitment, even with business partners—we refuse to conduct business with companies that do not share our values and desire to create truly great clothing. Moreover, we will not do business with any company that displays even the slightest inclination to let things slip by for the sake of profit. This is a core principle.

We request that every business partner of FAST RETAILING contribute to society beyond their own survival through a bond of mutual prosperity. As we expand production to sites outside of China, we expect new business partners to embrace our way of thinking. And we will even terminate dealings with existing partners that violate this principle. We will never associate with any company that refuses to abide by this stance, as there would simply be no grounds for mutual growth.

Because of the value we place on solid relationships, we work with relatively few partners given the scale of our operations. So along with our resolve to develop into a leading global enterprise, we believe partnerships forged between companies that have selected each other on the basis of shared aspirations is a key to success.

## Respecting and supporting the growth of each individual employee

**Respecting and supporting individuals to foster both corporate and personal growth** is another foundational value of the FR WAY. I believe the most important prerequisite to establishing mutual respect between individuals is the affirmation of common values toward life and work. People with different personalities can work together when they share the same basic values. We

must constantly confirm this essential understanding to capitalize on each individuality.

This understanding and the desire to bring out the best in every person are why we encourage diversity and the reasons we promote hiring persons with disabilities, support women in developing their careers, and actively recruit non-Japanese workers. The strength of this conviction can be seen in the Regional Regular Employee Hiring System, our thorough implementation of the “no overtime days” policy and our encouragement to staff to take their paid vacations, as well as in the nurturing of highly capable human resources that can be effectively deployed around the world. All these efforts arise from the same principle: We must recognize each employee’s individuality as an asset for doing their jobs in the best way they can.

If any employee feels at a disadvantage, we acknowledge the problem and find solutions. I believe that first recognizing individual differences and then working together to find concrete solutions is vital for demonstrating our values.

## What we can do now for the future of the environment and society

Social contribution is becoming increasingly important as the advance of globalization intensifies the impact of private enterprise on society. Even though companies clearly contribute to society by creating jobs and paying taxes, we don’t believe this is enough. We must do what only we can do and what we are best suited for as well as what we are expected to do. And we must be constant and unwavering in our actions. This is the key.

**Seeking to grow and develop our company in unity with society** is essential to the FR WAY. As a company conducting business in diverse cultural environments and

in an era of globalization, we see the importance in conveying to people an understanding of the good we do for their communities.

We will extend our social contribution across the globe by drawing upon our unique track record of efforts mainly undertaken in Japan, including the All-Product Recycling Initiative, our participation in the Setouchi Olive Foundation and support for an international sporting organization, the Special Olympics, as well as the volunteer activities of our employees.

Under the FR WAY principle, **Act as global citizens with ethics and integrity**, we are systematically working to minimize the environmental impact of our daily operations, as seen in our efforts to conserve energy and resources at our stores, reduce packaging materials for shipping products and improve the efficiency of our distribution system. In addition, we are committed to expanding the scale of our steadily evolving All-Product Recycling Initiative.

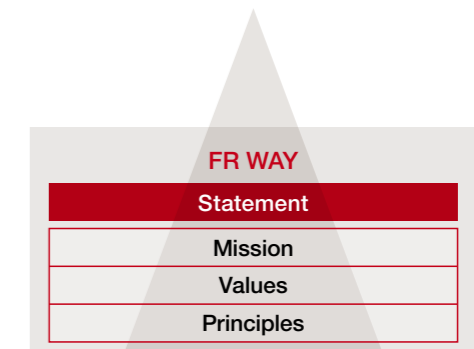
Business operations and CSR represent two sides of the same coin, and neglecting either will erode public respect. We will therefore maintain a robust and disciplined commitment to CSR in order to maintain our standing as a sound and necessary enterprise in Japan and across the world.

We deeply appreciate your ongoing support and encouragement.

January 2009

**Tadashi Yanai**  
Chairman, President and CEO  
FAST RETAILING CO., LTD.

## Approach to CSR based on the FAST RETAILING WAY



**FR Group CSR Statement**  
**Making the world a better place**

- FR Group’s Approach to CSR**
- Customers:** Providing every customer with truly great clothing
  - Employees:** Respecting and supporting individuals to foster both corporate and personal growth
  - Business Partners:** Building partnerships toward the highest possible level of achievement
  - Local Community:** Growing in unity with the local community
  - Shareholders and Investors:** Timely, appropriate, fair and prompt disclosure of information
  - Environment:** Environmentally friendly management
  - Compliance:** Promoting compliance that nurtures high ethical standards
  - Corporate Governance:** Protecting stakeholder interests and pursuing management in unity with society



Incorporating a CSR perspective into all operations

# Highlights of UNIQLO CSR Activities

To make the world a better place, the FAST RETAILING Group strives to interact with every stakeholder face to face and incorporates a CSR perspective into all operations, from product planning and sales to disposal.

## Truly valuable clothing for every customer

We possess the means and the ability to develop products that accurately reflect what our customers want and that are safe.



### Gathering information from around the world

We identify and examine world fashion trends centered around fashion hubs such as Tokyo, New York, Paris and Milan and receive nearly a hundred thousand comments each year from customers. All the information we gather is incorporated into product planning.

Planning

## UNIQLO's Takumi Team serves as the backbone for creating safe, high quality products



Expert takumi\*, each with over thirty years of experience in the Japanese textile industry, offer guidance at production sites to oversee safety management systems and ensure the highest standards in all aspects of product quality.

\*Term used in Japan for "artisans" or "craftspeople."

Production

## CSR Statement Making the world a better place

## Ongoing efforts to reduce environmental impact and protect the environment

### Supporting the daily lives and self-reliance of people in refugee camps through the All-Product Recycling Initiative

UNIQLO stores collect used products from customers in March and September each year and deliver them to refugee camps.



UNIQLO engages in activities that are well suited to its specific business.



Disposal

## Respecting every employee and encouraging personal growth

Various types of people are employed at UNIQLO around the world, each exhibiting distinct abilities in their jobs.

### Seeking to employ at least one person with disabilities at each store



We have promoted employment of people with disabilities since 2001 at UNIQLO stores and have exceeded the legal quota in Japan for employment of disabled persons.



Sales

### Responding to diverse career development and work styles

Regional Regular Employees are not required to relocate and are consequently a core resource for creating stores that are embraced by local communities.

## Nurturing high ethical standards and thorough compliance

In addition to complying with laws and striving to act as a fair company, we also expect employee conduct to reflect the highest ethical standards.

### Introducing the Code of Conduct (CoC) for all Group employees

We are raising awareness about compliance through a concerted group-wide initiative.

## Growing together with local communities

We undertake social contribution activities rooted in the local communities to continue serving as a company that is trustworthy and needed by society.

### Bringing smiles and greenery to Teshima Island

Supporting the Setouchi Olive Foundation, we are involved in volunteer tree planting activities on Teshima Island in the Seto Inland Sea in Japan and promote an environmental education program offering first-hand experience.



Distribution

## Solid partnerships with business partners

We believe that improving the working environment at production sites is essential.

### Monitoring working conditions at factories



In concerted effort with partner factories, working conditions are monitored on a regular basis by third-party organizations, providing assurance that production is being carried out in a sound working environment.

### Dedicated warehouse stores packaging materials and store fixtures for recycling

We maintain a system in which cardboard boxes and packaging materials used in distribution are recycled and fixtures from closed and refurbished stores are reused in stores that need them.







All woven clothes are inspected on a translucent light board to reveal flaws and holes before and after dyeing and before cutting



Metal gloves are required to protect workers during the cutting process



Cross-directional (vertical and horizontal) needle detection is performed



Efficient, careful sewing is crucial for upholding quality



Accurate decisions are made based on years of experiences and intuitive judgement



UNIQLO employees conduct periodic visits to factories

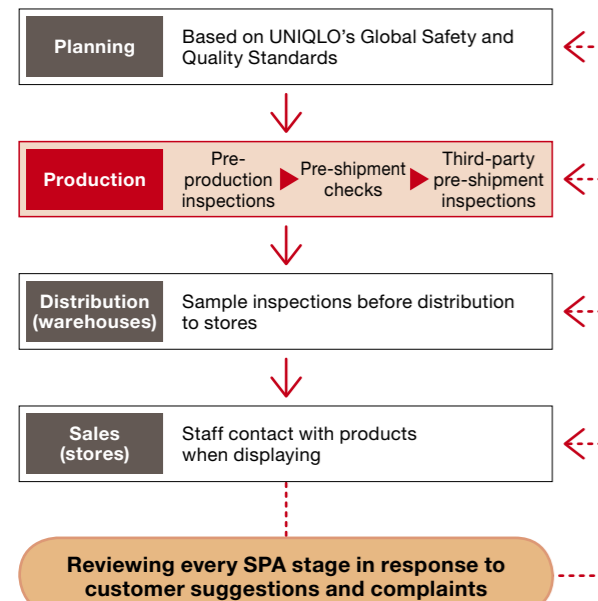
Topic 1

## UNIQLO's Quality and Safety Control System

# Pursuit of Product Safety and Top Quality

UNIQLO vigorously pursues product safety in every stage of the SPA\*. Here we turn the spotlight on our production sites, which have rapidly captured public attention.

### SPA flow for ensuring product safety



### Safe products come from robust partnerships that span national boundaries

While UNIQLO's products are manufactured in about 70 partner factories in China and other Asian nations—significantly fewer sites than other global SPA companies—this allows us to closely monitor every operation and process at every factory. Strong partnerships between the company and the factories are the key.

The Shanghai Office was established in 1999 to oversee our production sites in China, and Manager Tetsuya Abe has been in charge since the day its doors first opened.

"In the early days when we started the office, occasional administrative visits from Japan afforded the only means for overseeing production. Eventually, it just became too hard to keep a close eye on the situation, especially after production began growing at an exponential pace. We really needed to have someone there on the ground, particularly to ensure quality and on-time delivery, two life-or-death concerns for any production site."

The Shanghai Office opened with only three staff, including Mr. Abe, and was responsible for 30 to 40 factories. The initial task was to visit partner factories to see and hear first hand what was happening and to meet and talk face to face with factory managers.

"We divided up responsibilities and arranged visits to each factory, making sure that no factory missed its weekly monitoring visit. Until that time, manufacturers' representatives rarely visited the production sites. Naturally, we encountered some resistance, but these visits instilled a positive sense of self-discipline. People carefully listened to what we asked of them and directly shared their concerns. This spirit of cooperation through face-to-face interaction with partner factories is a significant and powerful component of UNIQLO's quality control efforts."

### UNIQLO's production and quality are upheld by its takumi with their experience and mastery

As of 2008, about 120 staff persons are assigned to this office in central Shanghai. Most work in the office on Monday and Friday and visit their assigned factories Tuesday through Thursday to confirm delivery performance and quality on site. Deputy Manager Kiyoshi Yamanaka, appointed in September 2008, explains just what they do and why their role is so important. "Well-seasoned experts are just as indispensable for turning out reliable, safe and high quality products as having the right equipment and systems. The Takumi Team, launched in 2000, exemplifies UNIQLO's commitment to quality. The takumi, with over 30 years of experience in Japan's leading textile industry, are dispatched to each factory, where they become deeply involved in every stage of production. They are entrusted with a broad

range of roles and responsibilities. Apart from overseeing product and worksite safety, they keep a sharp eye on raw materials and yarn, as well as folds, dye, sewing, texture and finish, and check samples when necessary to ensure that quality standards are being met leading up to mass production."

About 90% of UNIQLO's products are currently manufactured in China; but as our sales efforts branch out across the globe, production is expanding into other nations such as Vietnam and Bangladesh. No matter where we are, we will maintain the same uncompromising commitment to the highest international standards for production systems and quality control.



**Tetsuya Abe**  
Manager, Shanghai Office,  
Production Division  
UNIQLO CO., LTD.



**Kiyoshi Yamanaka**  
Deputy Manager, Shanghai  
Office, Production Division  
UNIQLO CO., LTD.

\*SPA stands for "Specialty store retailer of Private label Apparel," a business model that integrates every business operation from material procurement, planning, development and manufacturing to distribution, sales and inventory management. Many SPA businesses consign manufacturing to outside companies.



## Delivering truly valuable clothing that reflects safety and reliability— UNIQLO's Manufacturing Sites

The proven expertise of the takumi from Japan's world-renowned textile industry plays a major role in assuring quality and safety in the manufacturing process.

### Materials **Conscientiously conducting procedures, inspections and product checks makes the difference**

Every weaving machine is covered with vinyl while producing fabric to prevent the release of cotton particles into the air. Facilitating maintenance management, a name plate corresponding to the inspection staff responsible is placed above each machine. Inspection staff also check all woven material for unevenness, flaws and smudges.



### Guaranteeing employee safety and product quality entails repeated cycles of checking and verification

Dyeing machines are equipped with a safety feature that keeps the doors shut when internal pressure is high and releases pressure from the machine's top if pressure becomes too high, ensuring worker safety. Dyed fabric is closely examined for flaws and uneven coloring. Comprehensively, materials are subject to repeated cycles of testing, inspection and verification to safeguard quality in all stages of material production.



Checking dyeing conditions inside a dyeing machine



Visual as well as automated inspection is indispensable

### Sewing **Centralized control of needles inside factories prevents loose or broken needles from remaining in products**

Needles clearly pose the greatest safety risk during the sewing stage. This is why UNIQLO thoroughly controls the distribution and collection of needles inside each factory. For example, a broken sewing machine needle is not replaced until every piece has been accounted for. Even a single missing particle will trigger inspections of all products and partially finished goods in a three-meter radius; affected products are discarded. Needles used for hand sewing can only be replaced at a glassed-in room located on each floor, and only two needles are supplied for hand sewing per floor. In the rare event a hand-sewing needle is discovered in a store, a proprietary needle processing system devised by the takumi allows us to identify the factory of origin.



### One by one, products undergo rigorous inspection

All sewn products undergo a primary inspection followed by a second inspection after ironing and a final inspection during packaging. While these inspections are conducted with the naked eye, all products are ultimately subject to cross-directional (horizontal and vertical) needle detection. Third-party organizations confirm product quality by inspecting 2.5% of all products, one at a time.

### Stringent standards ensure the safety of baby clothing

Particularly high standards are applied to baby clothing. Devices installed in factories continually monitor the levels of airborne formalin, while other equipment prevents the use of fluorescent coloring. Baby products in stores are individually packaged to avoid contamination by airborne formalin.



**Kazuaki Iida**  
Chief Takumi, Takumi Team (Shanghai), Production Technology Department, Shanghai Office UNIQLO CO., LTD.



Joined the company in 2000; previously worked for dyeing and textile companies with responsibility for setting up overseas dyeing factories and providing technical assistance to overseas companies.

Many factories that had improved safety and reliability by manufacturing UNIQLO products are now winning orders from other companies. This means UNIQLO's approach is helping to advance the overall safety and reliability of China's textile industry. Even in Japan, however, the number of available experts is falling as they age out of the workforce. So our next task is to ensure that Japan's unique and exacting skills are passed on to a new generation.

**Takahiro Shiraishi**  
Takumi, Takumi Team (Shanghai), Production Technology Department, Shanghai Office UNIQLO CO., LTD.



Joined the company in 2005; previously worked for a major apparel maker; has developed a needle identification mechanism and an improved needle detector at UNIQLO.

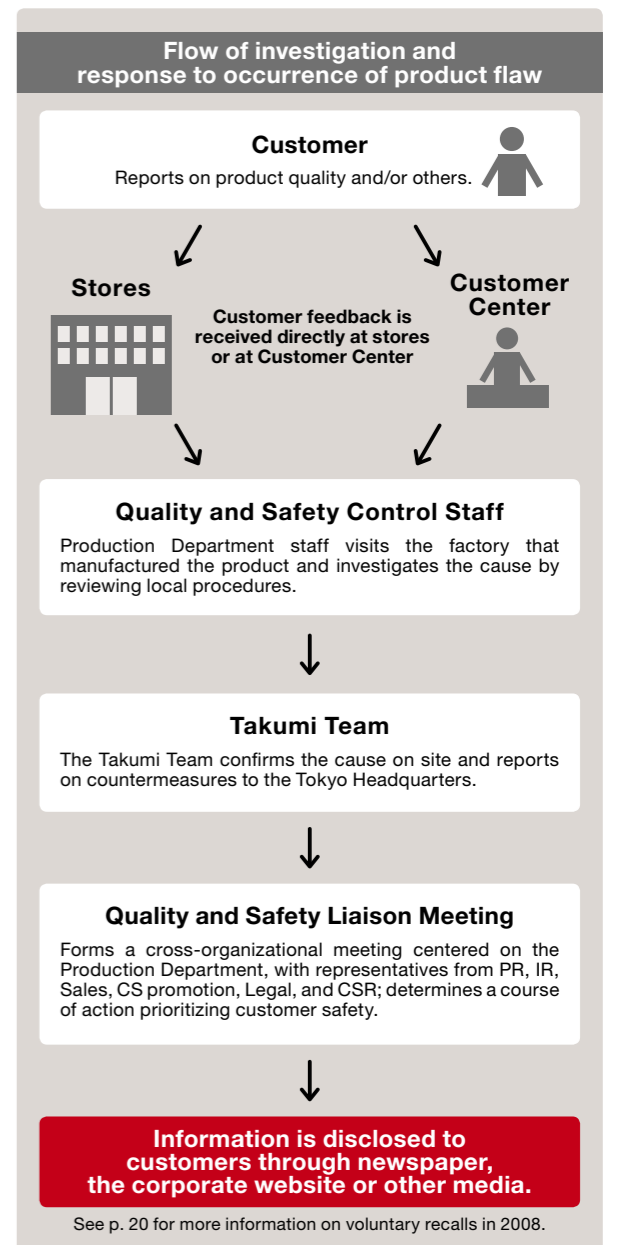
At the very least, we must guarantee product safety to our customers. We therefore constantly review and improve our systems. These ongoing practices are only possible because of the relationships of trust we have established through sound material procurement contracts and controlling production as agreed; we never take advantage of our position as a company that procures massive quantities of raw materials and orders high-volume production.

### Post sales **Our responsibility does not end with sales; we quickly respond to customer feedback**

Even the most exacting safety control measures during production cannot completely eliminate product imperfections. This is why UNIQLO maintains a system for verifying and tracking the time and location of manufacture as well as the details of shipping and handling for every product. In the event a customer discovers a flaw, the Tokyo Headquarters and local office are able to instantly identify the factory of origin for the product in question. This system enables us to quickly address root causes and disclose relevant information to the public and therefore plays a central role in ensuring the production of safe products.



Products are stretched in sampling inspections in response to customer reports of shrinkage



### Factories that maintain ethical working conditions ensure sound production

UNIQLO calls upon third-party organizations to monitor our partner factories to prevent the use of child labor or forced labor and to improve working conditions. If any problems are discovered, UNIQLO staff go to the factory and require solutions to be in place by a specific deadline. If there are no signs of improvement, we cut back or discontinue business with the factory in question. See p. 23 for more information.



Interviewing a factory worker





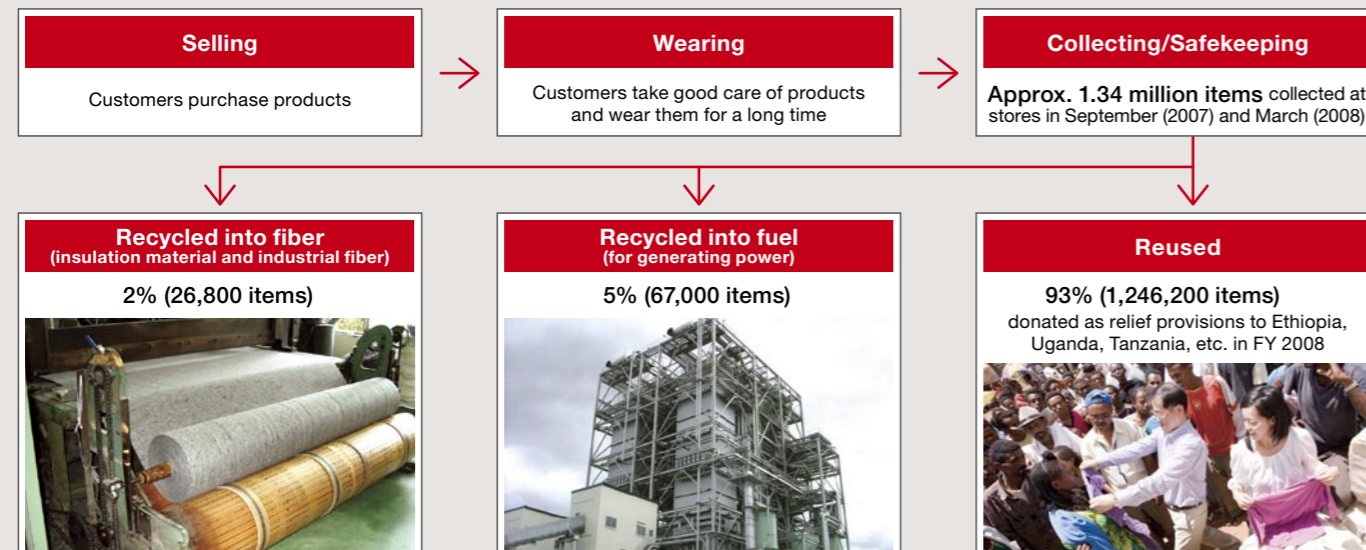
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**Topic 2** Act as Global Citizens with Ethics and Integrity

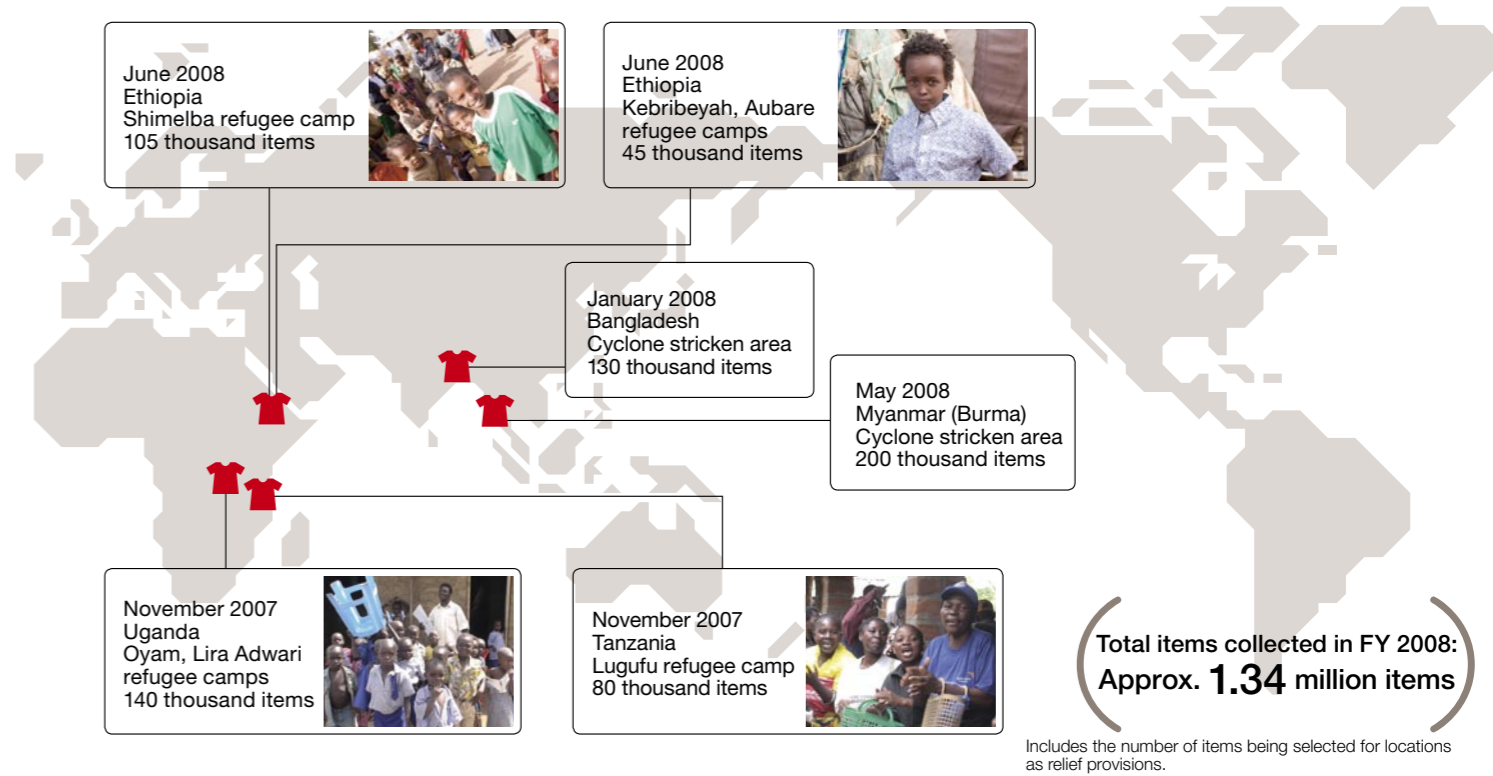
# Maximizing the value of our clothes UNIQLO's All-Product Recycling Initiative

UNIQLO is developing an initiative in which UNIQLO products that customers wish to pass on are collected at the stores and reused as relief clothing or recycled as fuel.

### The All-Product Recycling Initiative and Results in FY 2008



### Recipients of our support in FY 2008



Includes the number of items being selected for locations as relief provisions.

### The project accepts all types of UNIQLO clothing for reuse or recycling

UNIQLO believes its responsibility as a company that designs, manufactures and sells clothing extends beyond providing truly great clothing that can be worn for a long time. We are also responsible for finding appropriate ways to reuse clothing that customers no longer need.

We act on this belief by accepting used UNIQLO clothing at our stores for reuse and recycling, thereby ensuring our products serve beneficial purposes across their entire lifecycle with nothing wasted. This effort began with the Fleece Recycling Program in 2001 and was subsequently expanded in 2006 as the All-Product Recycling Initiative, which collects all types of UNIQLO products. UNIQLO stores now collect clothing twice a year in March and September. Products are required to be washed before we receive them. Items in good condition are distributed to refugee camps around the world, and the remaining items are recycled to generate electric power or reprocessed into industrial fiber.

### Most clothing collected is donated to refugee camps around the world

About 90% of the clothing we collect is donated to refugee camps in Tanzania, Uganda and Ethiopia. Those forced to flee their homes arrive at these camps with only the barest necessities and then face shortages of food and water — and adequate clothing. These unsanitary conditions contribute to the spread of infectious diseases.

Upon learning about the urgent need for clothing in these camps through the UNHCR\*, we shifted our initial priority on recycling products into fuel to reuse.

We intend to expand this effort in cooperation with the UNHCR and various other organizations to deliver as many items of clothing as possible, not only to refugee camps, but to wherever clothing is needed.

\*UNHCR: United Nations agency that provides protection and assistance for over 31.7 million refugees and displaced persons around the world and seeks solutions to underlying problems.

### Comment 01



**Eiko Koshiba**  
Corporate Social Responsibility Department  
FAST RETAILING CO., LTD.

### Continuing to pursue activities that are based on our main line of business

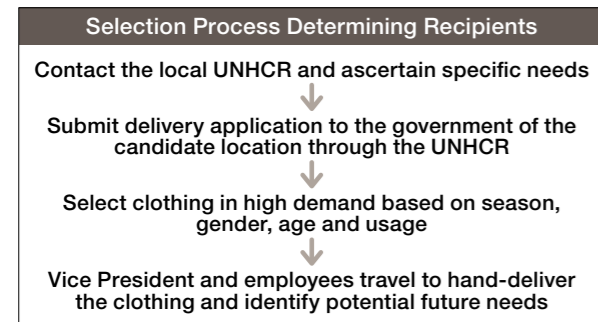
The clothing entrusted to us by customers is valuable, and that's why I and other employees actually travel to the sites and confirm the garments are delivered to those who really need them. During my visit to a refugee camp in Ethiopia, I witnessed young women having a good time choosing their clothes, telling each other, "I like this color," and, "This is the right color for you." This made me realize that clothing, in its own small way, enriches the lives of people in the closed confines of a refugee camp. With deep appreciation for the awareness I gained from direct experience, I intend to continue promoting this project for years to come.



## From Relief Clothing to Self-Reliance Expansion of the All-Product Recycling Initiative

### Elaborate planning leads to pragmatic support for those who need it

The nations and regions that receive clothing differ over time on the basis of our ongoing research into current needs to ensure we responsibly share the goodwill and clothing entrusted to us with those in greatest need. This research involves more than simply identifying general clothing shortages. We take into account a wide range of considerations, including specific seasonal needs and the sizes most in demand, with sensitivity to local cultural factors such as religious beliefs related to color. Such attention to detail is possible because our employees have visited the sites themselves.



### Employees assume responsibility through delivering the clothing to sites

UNIQLO employees travel to the sites and help distribute clothing with the cooperation of the UNHCR. This ensures that clothing collected through the compassion of our customers is ultimately delivered to the refugee camps and not stolen or resold in transit.

We have directly seen the ways in which clothing provides far more than basic protection in terms of safety and hygiene; it also enriches daily life and offers a means for self expression not offered by food and water. And the role and need for clothing differ slightly depending on the

specific country or region as well as the season. Prior to visiting the refugee camps, we meticulously research local conditions in cooperation with the UNHCR and review safety standards issued by the Ministry of Foreign Affairs. Of course, many things can only be learned by actually going to the site. We believe these visits fulfill our responsibility to ensure the clothing entrusted to us by our customers reaches those in need and at the same time provides valuable experiences for planning our next steps in the initiative.

### A broadened initiative delivers technology and tools for self reliance

Over the course of delivering relief clothing as a way to reuse collected garments, we discovered a significant need for supporting self reliance.

As a first step, we plan to offer sewing machines and fabric in 2009. In addition to this material support, we are considering the practicality of transferring basic techniques for making clothing, such as sewing skills.

### UNIQLO stores host photo exhibitions of refugee camps in Asia and Africa

The UT STORE HARAJUKU, and Kobe Harborland Store have hosted exhibitions featuring photos of refugee camps in Asia and Africa to show how clothing no longer needed in Japan is collected, selected, distributed and used in the camps.

These exhibitions show images of refugees blending their own styles with the UNIQLO clothing they are wearing and also portray the harsh realities of the camps, such as having to wait in lines for medical attention. The exhibitions vividly convey UNIQLO's current efforts and the need for additional action in the future.

We intend to continue activities that promote the sense of connection between our customers and the All-Product Recycling Initiative.



Traditional accessories look great on UNIQLO T-shirts



Clothing from Japan is presented by hand



FAST RETAILING CSR Vice President also participates



Welcomed by a traditional folk dance



Woman using a sewing machine for embroidering and the finished products



Wearing UNIQLO T-shirts brings smiles back to the faces of young people

### To make the world a better place

Our stores currently collect over 1.3 million items of clothing every year, and yet this represents only 0.3% of our total annual production of 400 million items. Therefore, we intend to pursue a variety of activities to further strengthen the connections between our customers and our All-Product Recycling Initiative while also seeking even better ways to utilize collected items. And while only

UNIQLO's domestic stores are now collecting clothing, we are currently looking into ways for overseas stores to also participate as our store network expands across the globe.

Our goal is to make the world a better place by extending the useful lifecycle of our products, and we are therefore exploring every means of reusing clothing.

### Comment 02



**Hajime Kishimori**  
Deputy Representative  
UNHCR Representation in Japan

### We count on what only private enterprises can provide in areas of support that are difficult for international institutions to address

We at the UNHCR are now working to change people's perceptions of refugees and refugee camps. UNIQLO's All-Product Recycling Initiative enriches the daily lives of refugees and affords a means of self-expression through provision of clothing, an area of support that is difficult for international institutions to address. I also think the concept of reusing clothes to benefit someone else is really like passing on clothes to someone in your family. I think this is definitely different in that it's not formal attire for conducting diplomacy or fatigues for digging wells, but it is refugee relief in the form of casual clothing. The positive, fashionable image created by UNIQLO means a lot in support. We are counting on them to continue this good work in the future.

### Comment 03



**Zarny Shibuya**  
Fashion Designer

### Clothing is valuable and enriches the spirit

My father was a political refugee from Myanmar, and so I left my homeland and came to Japan when I was eight years old. I'm now a fashion designer, and I take part in UNHCR refugee support programs. Although water and food are important to refugees, clothes are also valuable in terms of protecting the body with a sense of human dignity, enabling self-expression and enriching the spirit. I used to hide the fact that I was once a refugee, but now I tell people about my national origin in the hope that more people will develop an interest in refugee issues.



## For Our Customers

# Providing safe, high quality products that instill confidence in customers all over the world

Our basic stance is to conscientiously and promptly respond to what our customers have to say. We strive to raise customer satisfaction by offering multiple channels for listening to the various voices of our customers.



## FAST RETAILING's Stance Toward Our Customers

# We do everything possible for our customers



**Akihito Tanaka**  
Director  
Customer Satisfaction Department  
FAST RETAILING CO., LTD.

### “How do you respond to what customers have to say?”

▼  
“We share customer feedback with all employees and appropriate divisions take prompt action.”

The FAST RETAILING Group receives nearly a hundred thousand comments centered on its core UNIQLO business from customers every year by postcard, phone and e-mail.

Using a process we introduced a few years ago, the Customer Center compiles these comments and distributes them via e-mail to every employee, every day. The appropriate divisions promptly discuss situations that require a response and report back to customers. We believe the first step for fulfilling our responsibility to customers is to establish and maintain a system for sharing what they are saying about their experiences in our stores with all employees.

For the most part, the content of customer feedback falls into three categories: Compliments, Complaints and Requests or inquiries. Of course, since our top priority is to resolve customer complaints, we strive every day to improve our operations toward our goal of “zero complaints.”

### “Do you have a way to incorporate customer requests and inquiries into your business?”

▼  
“Yes, we have established and continually strengthen a system for this purpose.”

Even though there are no direct incentives to encourage customers to submit requests or suggestions, they nevertheless provide us with tens of thousands of valuable ideas every year. This reflects the high

expectations customers have for FAST RETAILING, and it is our mission to respond with sincerity.

While we have had some measure of success in responding to customer dissatisfaction, much more needs to be done to more effectively incorporate their requests and suggestions into our business. We are looking into reinforcing our systems by enlisting the cooperation of each in-house division to sort through and analyze customer feedback so we can put them to good use in product development, marketing and the enhancing of our services.

### “What is the group-wide approach to customer satisfaction?”

▼  
“We intend to leverage our experience with UNIQLO for the Group's CS system.”

CS (customer satisfaction) also faces the challenges of globalization and Group expansion. How we receive and incorporate customer feedback into our business has become a major focus given the rapidly expanding reach of our business to every corner of the world and the rising number of Group companies through M&A and other means. Current CS activities are clearly centered on our UNIQLO operations in Japan. We have started discussing ways to utilize the expertise and experience accumulated at UNIQLO in other businesses as well as our overseas operations. Amid the cultural differences that characterize each country and Group company, we are seeking to implement CS activities that embody FAST RETAILING's value of approaching issues from the customer perspective at every Group company, anywhere in the world.



### Our Basic Principle

The customer is the paramount concern for FAST RETAILING. All corporate activities are grounded in our commitment to make our customers satisfied and happy. We will constantly focus our attention on approaching issues from the customer perspective in all sales-related activities. This naturally includes our products, sales floors, service and communication, but also encompasses the development of our organizational structure, management planning and all other management initiatives.

### Making good use of customer feedback in our business activities

#### Reflecting feedback in service enhancement and product development

UNIQLO maintains a Customer Center that responds to inquiries by e-mail, phone and fax all year round. Our stores also distribute questionnaires on service to directly

gather customer feedback.

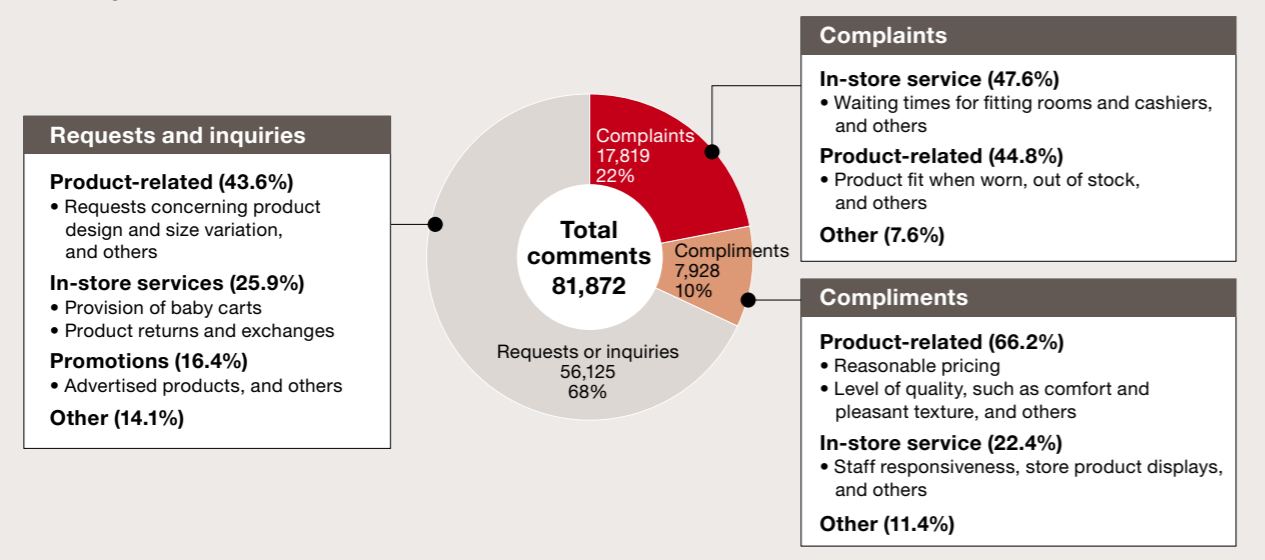
The Customer Satisfaction Department compiles these comments and promptly reports to relevant divisions and management. In FY 2008, many customers voiced dissatisfaction about waiting times for fitting rooms and cashiers, particularly during busy seasons. In response, we have issued a heads-up to all UNIQLO stores to enhance service by reviewing staff allocation and sharing success stories of how service has been improved.

#### Initiatives for Enhancing CS

UNIQLO has implemented a Service Attendant Program to place specialists in both customer service and sales in the stores. We also established the CS Store Awards and CS Staff Awards to recognize staff and stores on the basis of a point system that reflects compliments received during daily operations. To provide every customer with a pleasant and enjoyable shopping experience, UNIQLO has been optimizing its store environments by installing wheelchair accessible ramps and restrooms, providing baby carts and allowing guide dogs.



#### Summary of Customer Feedback in FY 2008



### Delivering safe products that instill a sense of assurance

#### Thoroughly controlling quality and safety right up to delivery to the customer

UNIQLO has selected the most stringent of existing safety standards in countries and regions where we conduct business, including the United States and the European Union, and incorporated them into the UNIQLO Global Quality and Safety Standards. Quality and safety control staff within the Production Department at the headquarters and Shanghai Office take the lead in a collaborative effort with partner factories in confirming compliance for all UNIQLO products. Information gathered in this process is shared with related departments, and the Customer Care for Product Quality Department handles responses to customer inquiries. UNIQLO also distributes a monthly safety report across the entire company for training staff engaged in the planning, design and production of products and for improving product quality.

#### Quality and safety are upheld through the outstanding expertise and accumulated experience of the takumi

At UNIQLO, resident takumi at overseas offices in China and other countries undertake onsite technical guidance, process management and personnel development. (See pp. 9–12 for more information on the takumi.)

#### Voluntary product recalls

In September and November 2008, we conducted two voluntary product recalls due to flaws discovered in products. UNIQLO seriously acknowledges the concern and inconveniences that customers face as a result of repeated product recalls and therefore intends to further strengthen its inspection system and thoroughly restructure its quality and safety control system to prevent recurrences.

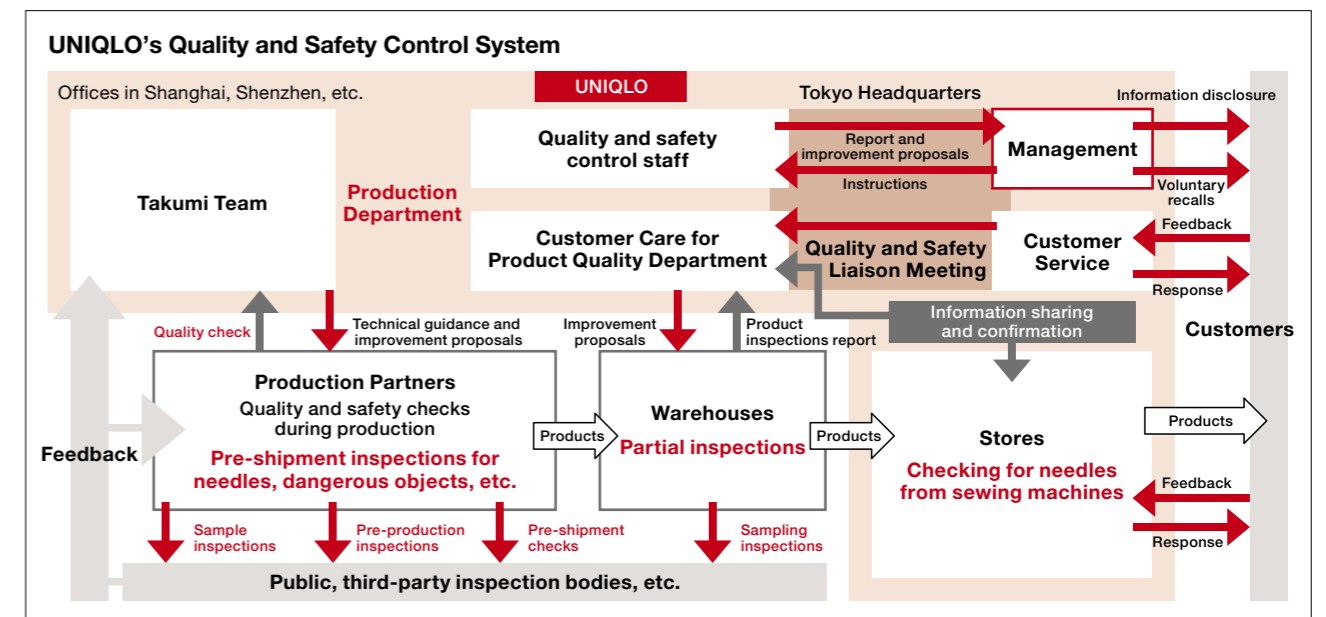
#### Summary of voluntary product recalls in 2008

- September 2008**
  - Recalled products:** Boa fleece blanket + bag, Boa fleece room shoes
  - Reason for recall:** Presence of metallic particles from brush bristles
  - Number of defective items:** 17 (1 out of 16,184 total items sold; 16 out of an inventory of 63,189 items)
- November 2008**
  - Recalled product:** KIDS (GIRLS) Stretch Slim Straight Jeans
  - Reason for recall:** Confirmed heart-shaped rivets (decorative metal parts) were attached ineptly, causing part of the inside of rivets to protrude
  - Number of defective items:** 11 (2 out of 64,998 total items sold; 9 out of an inventory of 16,145 items)

#### Ensuring safety through multiple quality inspections by third-party bodies

Every material used by UNIQLO is subject to safety inspections by public, third-party inspection bodies and include sampling tests for dye fastness\*1 and residual formalin\*2. UNIQLO also runs pre-production inspections at the stage of mass production and conducts a pre-shipment examination of all products before they leave the factories. Moreover, pre-shipment audits are conducted in collaboration with third-party inspection bodies to confirm inspections are being faithfully carried out at partner factories.

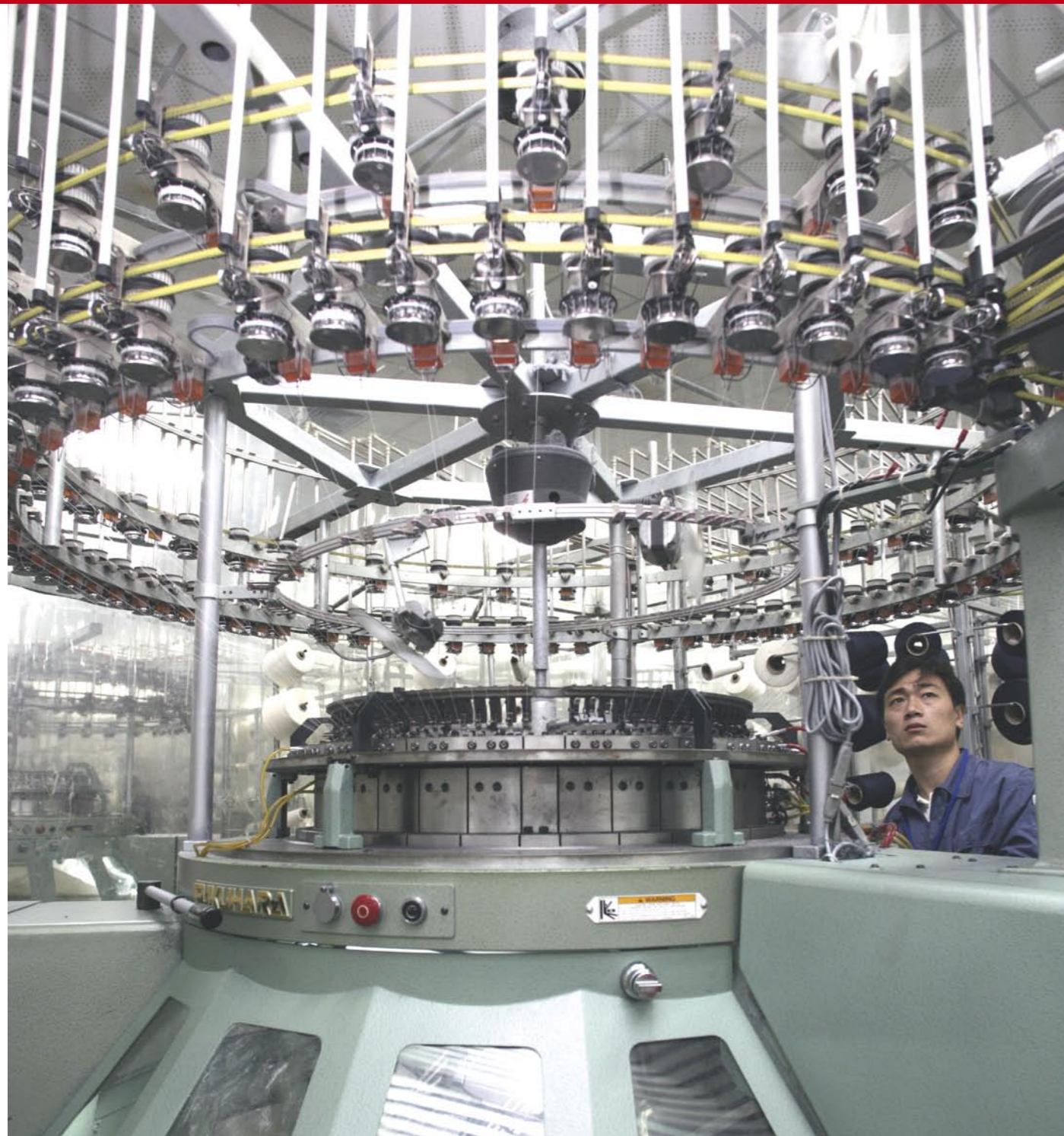
\*1Dye fastness test: Durability test specifically for dyed products  
 \*2Formalin (formaldehyde) test: Formaldehyde is used as an anti-shrink, anti-crease softener in the processing of natural fibers. It has been specifically linked with incidents of rashes and skin allergies for those with delicate skin.





## Working with production partners toward top quality by forging relationships of trust

We spare no effort to provide the highest quality products while thoroughly controlling quality and safety and ensuring complete compliance.



## Pursuing the right way together is the pathway to genuine partnership



**Hiroshi Nagai**  
Vice President, Production Division  
FAST RETAILING CO., LTD.

### Mutually sharing wisdom to grow together

When doing business with our business partners, a mutual goal is of course profit, as that is the nature of business. Good partnerships, however, aren't built solely on consideration. Nor do they emerge from simply coming to agreement on products, delivery times and prices.

With our overseas factories in China and other countries, I believe we are on a common mission and not just engaging in a series of transactions. We are about delivering great clothing to make customers happy everywhere in the world. And to do so, we are mutually sharing our wisdom and growing together, which is exactly what we are trying to do. I believe that only those who share this philosophy and work with one heart and mind can be called true partners.

### FR WAY as a major cornerstone for building relationships of trust

Over the past ten years or so, we have been producing products mainly in China. The introduction of the Takumi Team has significantly improved the quality of manufacturing in the Chinese factories. Recently, we have been expanding production into countries like Bangladesh and Vietnam. How do we find companies in these new regions to work with us? I have spent the past year developing solutions to this challenge.

Potential partners respond differently to our approach. Some factories' top managers see that ongoing work with us may advance their techniques to new levels and that by turning out higher quality products, they may be able to grow with us. The clear statement of the FR WAY is the cornerstone on which relationships of trust can be built with the conviction that we are a company worth trusting.

Determining working conditions at partner factories requires each other's efforts to find solutions. There will not be any overtime concerns if we produce at the same pace, every week of every month. Nevertheless, demand for products fluctuates, which is simply unavoidable in business. How do we solve this paradox? While nothing can be done about fluctuations in demand, we must take steps to remove burdens on the factories with regard to how we do business and place orders. We have to discuss with them how efficiency can be improved and how the workload can be leveled out. And we must constantly review the entire process of our operations to take the right action while upholding high standards.

### Recognizing our strength in face-to-face relationships with our partners

Manufacturing is a logical process, and products can be made without flaws as long as we set up the right procedures and stick to them. If we can't do this, there is a problem somewhere, in which case we must conduct a thorough review of the process and share our collective wisdom on a company-to-company basis and work to correct the problem, one step at a time. There is no other way to do this but repeatedly.

Only by working face to face with our partners in this way can we identify the cause of any problem with a product on the spot and quickly find a solution. This kind of system is not possible unless people voice their ideas and opinions. And this requires a profound relationship of trust with partners. I believe this is our chief strength and the foundation of meeting our responsibility to customers.



### Our Basic Principle

FAST RETAILING is committed to the “correctness” of all its corporate activities, be it our style of management, our negotiating attitude, or our ways of thinking. Naturally, we make every effort as a company to embrace the rule of law and uphold fairness. We also seek to act fairly toward each and every one of our employees and business partners.

## Monitoring workplace conditions at production factories

### Implementation and focus of monitoring

UNIQLO works with about 70 production partners, primarily located in China and other Asian countries, to enhance product safety controls, production efficiency and quality. In addition, to ensure products are produced under the right conditions without the use of child labor or forced labor, we regularly conduct reviews and seek improvements, while at the same time ensuring timely information disclosure. As concrete steps in this direction, our Code of Conduct (CoC) for Production Partners was established in 2004 and third-party monitoring is carried out at major sewing factories that have signed a pledge of compliance, primarily in the area of working conditions.

### Follow-up based on monitoring results

The results of monitoring are graded on a four-point scale from A to D in accordance with UNIQLO’s own evaluation criteria. A partnership may become subject to immediate change or termination depending on the severity of the situation. UNIQLO’s top priority in monitoring is to prohibit the use of child labor and forced labor. Factories that do not abide by rules against these types of labor receive the lowest grade, D. In such a case, UNIQLO’s representatives visit the factory to request immediate improvement, and progress is confirmed through follow-up monitoring. If improvements have still not been made after follow-up monitoring, business transactions may be either reduced or terminated.

### Revised monitoring criteria

The evaluation criteria have been revised so that the monitoring framework established in 2004 better applies to the current situation. In FY 2009, we plan to begin by explaining the new criteria to partner factories and then start monitoring using the criteria once the FAST RETAILING approach is understood. In addition, future plans include expanding the scope of monitoring to encompass partner factories of Group companies other than UNIQLO.

### Evaluation Criteria and Results as of the End of FY 2008

(81 factories)

Grade	Areas	FY 2008
A	Environmental protection Dormitory hygiene and safety Incorporation of internal rules	2%
B	Coercion and harassment Discrimination Occupational health and safety Freedom of association Wages and benefits Working hours	67%
C	Acceptance of monitoring (deficiencies in key documents such as labor contracts and time cards)	27%
D	Child labor Forced labor	4%

#### Examples of grade D cases in FY 2008

- Grade D was given after worker interviews during monitoring revealed that a manager made mentally distressing comments to a worker. The factory was issued a strict warning, and in follow-up monitoring improvement was confirmed.
- Factory regulations included a clause stating that a penalty charge of 500 yuan was required upon leaving, which could be taken to imply forced labor. Revision was called for, and improvement will be confirmed in follow-up monitoring.
- Monitoring revealed that a worker was hired at age 15, a month before turning 16. The worker was over 16 years old at the time of monitoring. Since this was a result of insufficient checking of identification information at the time of hiring, thorough checks were requested going forward, and improvement was confirmed in follow-up monitoring.



## For fair and honest business transactions

### Established the Business Ethics Committee

To develop equal and friendly relationships with its business partners, UNIQLO CO., LTD. established the Business Ethics Committee and formulated its Guidelines for the Prevention of Improper Behavior Based on Superior Positions, in 2004. UNIQLO is working to raise employee awareness of the rules governing inter-company transactions based on these guidelines.

### Fifth business partner survey

Every fiscal quarter, FAST RETAILING CO., LTD. and UNIQLO CO., LTD. survey all departments to identify any issues that may have arisen with business partners. An annual business partner survey is also administered to confirm whether partners experienced problems with any employee or anyone in management during the year.

In the FY 2008 survey, we received feedback regarding the behavior of employees during business negotiations and requests concerning conditions of transaction. Problems were taken to the Business Ethics Committee for deliberation, and improvements have been underway after conducting more detailed investigations as necessary.

#### FY 2008 Results of Business Partner Survey

- **Implementation:** Once a year (administered during July and August in 2008)
- **Subject:** Major business partners of FAST RETAILING and UNIQLO
- **Response:**  
Domestic: 202 out of 258 companies (rate: 78%)  
Overseas: 51 out of 73 companies (rate: 70%)
- **Concrete examples of comments from survey results:**
  - Demand for delivery dates and deadlines not stated in contract.
  - Inappropriate response during phone calls and meetings.
  - ➔ After securely ensuring anonymity, and with the business partner’s approval, feedback was provided to the staff in charge and improvement steps were recommended; measures to prevent recurrence were called for in executive meetings.

### Business Ethics Committee

- **Purpose**  
Established to prevent UNIQLO CO., LTD. from taking actions that exert improper pressure on business partners (production factories, suppliers, etc.) by virtue of its superior position.
- **Frequency of meetings**  
Once a month in principle. Special meetings are held when issues arise that require deliberation.
- **Members**  
Chaired by the Vice President in charge of CSR. Participating members include a full-time corporate auditor, external auditors with legal or accounting accreditations and a corporate lawyer.
- **Subjects of deliberation**  
Appropriateness of issues such as reduction or termination of business transactions, damage claims and others.
- **Issues deliberated in FY 2008**  
32 cases





## For Our Employees

# Maintaining safe, comfortable workplaces that foster both corporate and personal growth

We are creating worksites in which diverse human resources can demonstrate their abilities and pursuing businesses that depend on a diverse workforce.



## FAST RETAILING's Stance Toward Our Employees

# Respect and support of individuals leads to corporate and personal growth



**Hirotsugu Wada**  
Vice President in charge of  
Group Human Resources  
FAST RETAILING CO., LTD.

### Diversity is the key

I think a good aspect of FAST RETAILING is its corporate environment, demonstrating a flat, highly transparent organization in which employees are evaluated fairly regardless of age, gender and nationality and everyone is encouraged to voice their opinions and ideas.

Right now, however, there are only three non-Japanese officers and one female officer. It will be difficult to become a genuinely global company, much less No. 1 in Japan and worldwide, without at least half of our executive officers and managers being non-Japanese people and/or women. I see this as part of our corporate social responsibility. It is extremely important to create a positive feedback cycle in which the company meets its responsibility to society, wins the respect of the public and attracts outstanding human resources. To this end, "diversity" is a keyword with regard to our employees.

### Seeking to balance personal happiness and corporate growth

While talking about promoting diversity is important, demonstrating respect for individuals is a first step. It is nearly impossible to transcend considerable cultural differences and cultivate internationally minded leaders without seriously addressing ways for balancing personal satisfaction and corporate growth.

From this day forward, the FAST RETAILING Group will develop a structure in which everyone is evaluated against the same standards and receives equal treatment for the same skills and performance under a personnel system that is consistently applied across the enterprise. We are moving in a direction in which competent individuals within the Group can freely relocate, receive many opportunities to succeed, and take on leadership responsibilities in FAST RETAILING's global business.

### Doing the right thing based on a simple idea

In regard to hiring persons with disabilities, we have consistently adopted a proactive stance that has been publicly recognized. The underlying idea is simple—society includes persons with a broad range of abilities and disabilities, and our customers are just as diverse. Our workplace should thus reflect the same realities. From this awareness, each UNIQLO store hires at least one person with disabilities and supports them in realizing their full potential. Doing the right thing based on this simple idea and steadfastly addressing essential issues are positive characteristics of FAST RETAILING.

Our efforts to expand opportunities for women have steadily evolved as well. More women are serving as store managers, and they are staying with the company longer. While we provide career training to change how people think about work and encourage personal development, we have also taken steps to eliminate as many disincentives for female employees as possible. Examples include enabling women to more easily take time off and strictly implementing our "no overtime days" policy.

These approaches are not only for a small fraction of employees. Personal growth for any business person requires shorter work hours to allow for individualized training, time with family, and opportunities to broaden experiences by interacting with people outside the company. From the perspective of personal growth, we must also greatly improve the way we work. After all, this too leads to respecting individuals.

A team means nothing without mutual respect for the daily lives and personal growth of each and every one of its members. I believe creating teams that respect individuality in all its vibrant diversity will ultimately lead to corporate and personal growth, as stated in the FR WAY.



## Our Basic Principle

FAST RETAILING strives to create comfortable workplaces and continuously enhance employee satisfaction. We respect each individual and foster both corporate and personal growth by establishing environments that cultivate personnel into becoming capable of performing innovative work from a global perspective.

## Diverse work styles enabling individuals to realize their full potential

### The Regional Regular Employee Hiring System brings opportunities

UNIQLO introduced its Regional Regular Employee Hiring System in 2007, and approximately 2,000 employees are now realizing their potential through this initiative. Regional Regular Employees work within delimited geographical areas and are not subject to company transfers associated with a standard type of full-time contract used in Japan. UNIQLO provides them with new opportunities to demonstrate their capability as key resources for creating stores that are embraced by local communities and as members of a team that support store managers. We believe the advantages of this system extend beyond the recruitment of outstanding human resources and the ability to stabilize management by offering long-term employment; it also begins to address the public concern in Japan over employment opportunities by energizing the engagement of young people in the workforce.

### Supporting career development for women

FAST RETAILING has taken a number of steps to assist women in balancing work and private life and has created an environment that is conducive to ongoing personal and corporate growth. In December 2007, we revised our childcare and nursing care leave programs

to enable employees to remain even longer with the company. The Career Development Team of the Human Resource Department takes the lead in supporting women in store management positions through the Female Store Manager Project, which focuses on long-term advancement that takes into account individual circumstances. FAST RETAILING also publishes a quarterly booklet, entitled "style," that promotes company-wide awareness by showcasing female employees across the country, and it regularly holds Women's Forums that men attend as well. Approximately 20% of UNIQLO stores have female store managers.

### Fostering the success of multinational staff

As FAST RETAILING's business expands across the globe, we are increasingly hiring staff from many nations such as the United States, France, China and South Korea, representing a total of 8,055 employees including those from Japan. Three of the twenty executive officers are non-Japanese nationals. We intend to establish an environment that welcomes non-Japanese employees by training managers in cross-cultural communications and by including English language editions of reference materials to be issued across the company.



**As a regular employee and with roots in the region, I am in a position to help the store grow and win the hearts of local customers**

**Kumiko Shibano**  
Regional Regular Employee,  
UNIQLO Shinsaibashi Store

I have been working as a VMD\* staff at the Shinsaibashi Store since it opened in 2004. I always wanted to work at this store for a long period, yet I also felt a need to broaden my perspective and further polish my VMD skills. The Regional Regular Employee Hiring System helped me accomplish both these goals. I now interact more often with other stores and with the Headquarters, and I've got broader responsibilities. I want to master VMD so that customers visiting the Shinsaibashi Store will say it has great displays.

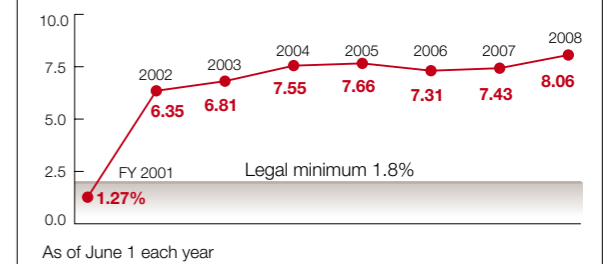
\*VMD (Visual Merchandising and Display): Creation of appealing stores through skillful product presentation and coordination

### Promoting the hiring of persons with disabilities

UNIQLO has been recruiting persons with disabilities since 2001 with the goal of hiring at least one person with disabilities at each store. It is only natural that store staff support an employee with a disability, which thereby promotes overall teamwork. The employment ratio of persons with disabilities currently stands at 8.06%, far exceeding the minimum legal requirement of 1.8%.

Looking ahead, UNIQLO will proactively hire persons with disabilities at the Headquarters and at Group companies.

### Employment Ratio of Persons with Disabilities



### Work/Life balance

UNIQLO encourages employees to take their paid leave, reduce overtime and maintain their health in an effort to develop safe and comfortable workplaces for every worker.

#### Expanding vacations

Starting in September 2007, we have set aside 16 days of special leave in addition to normal paid leave for regular employees and consistently encourage them to take their days off.

#### Implementing four "no overtime days" each week

We designate four days each week as "no overtime days" at the Headquarter to reduce extended working hours. The support of the entire company is enlisted behind this effort, divisions and individuals that frequently engage in overtime work are monitored, and individual guidance is provided to these locations and workers.

#### Health management and mental well-being

We regularly raise employee awareness with regard to managing their health through initiatives such as a monthly dissemination of health information via e-mail. We also offer an external consultation service that supports mental well-being.



**Youta Fukuda**  
(at right)  
UNIQLO  
Yodobashi  
Kichijoji Store

### I would like someday to take on designing T-shirts

I completed an apparel and interior design course at a vocational school, and I've been working at UNIQLO for about a year. I'm now in charge of altering trousers and can put to use the sewing machine skills that I acquired at the school. I am always really cautious, knowing that what I'm working on is for the customer, but it's enjoyable because I really like working with a sewing machine. Since I work at UNIQLO, I hope I get the chance to design some of the company's popular T-shirts.

#### Shigehiko Matsuda (at left)

Store Manager, UNIQLO Yodobashi Kichijoji Store

I've become very confident in Mr. Fukuda's conscientious attitude about being on time, and I'm pleased to see his colleagues quite naturally becoming thoughtful to him by doing things like giving him a little more room to work and helping remove obstacles for him.

## Human resource and skill development

### UNIQLO University

In 2000, UNIQLO CO., LTD. established UNIQLO University to develop human resources and provide training for employees. UNIQLO University conducts various programs based on the personnel needs of the stores and the Headquarters and provides systematic support for employees in their career advancement.

### Employee Franchise and Superstar Store Manager Programs

The Employee Franchise Program allows employees to establish their own independent companies and manage UNIQLO franchise stores. To date, eight UNIQLO store managers have become independent. Superstar Store Managers are given greater responsibilities and authority than regular store managers and are selected for their ability to set an example for every store and make an impact on the entire company.



For the Community and Environment

# Cultivating unique activities that contribute to society through our business operations

To continue earning customer loyalty and trust, we proceed step by step, doing what we are uniquely able to do, and steadily increase our social contribution activities in a variety of areas.



FAST RETAILING's Stance Toward the Local Community

## We act as global citizens with ethics and integrity



**Toshiyuki Ueki**  
Chairman, UNIQLO VOLUNTEER CLUB  
Director, General Administration Department  
FAST RETAILING CO., LTD.



**Tomokazu Kurose**  
Leader, Mega Store Business Development  
Department  
UNIQLO CO., LTD.

### Volunteer work provides clues for our own growth

My first experience as a volunteer in 2002 at the National Games of the Special Olympics left a powerful impression on me. Since then, I have been actively participating; I currently serve in a leadership role as chair of the UNIQLO VOLUNTEER CLUB. Without society, we literally would not exist as a company or as individuals. And this brought me to ask, what can I do for society in return? Participating in the company's CSR initiatives and personally volunteering may be the answer.

Before I got involved, I thought volunteer work was just something special people did on special occasions. I have since learned that volunteering is really about daily life. There are all kinds of people in the world, and we all depend on each other. So volunteer work isn't just about helping someone else; it ultimately provides clues for our own growth. I think volunteering is a natural and wonderful way to gain opportunities for discovering values different from those you find in your job.

### We gained an opportunity to reflect on our work from a different angle

There are more ways to contribute to society in addition to making customers happy by selling high quality clothing at reasonable prices. Once I had learned the significance of the role that the Special Olympics plays in society, I realized that only looking at the world from the viewpoint of being a customer has in fact been rather limited and shallow. I first experienced this while I was a store manager at the Ginza Store. Some of the staff said they wanted to do volunteer work, and I participated as well.

While making store customers happy is wonderful, I begin to worry that my sensitivities may become less sharp after keeping the same routine for a long time. There is incredible value in reflecting on our work from different angles, such as while participating in sporting events with persons with disabilities as compared to talking with them when they visit our stores as customers. I believe that being able to see things from different angles helps us make the world a better place.

### Comments from volunteer staff who participated in olive planting\*



**Hiroyuki Goshima**  
Store Design  
Department,  
FAST RETAILING  
CO., LTD.

#### The significance of UNIQLO's involvement

Interacting with the islanders during my volunteer work made me realize that UNIQLO's position as a global enterprise provides exactly the right platform for raising public awareness of the problems caused by the illegal dumping of industrial waste faced by Teshima Island in Japan's Seto Inland Sea and for drawing more public attention to environmental issues.



**Kazuko Kawakami**  
(at left)  
Staff, UNIQLO  
Atsugi Hayashi  
Store

#### Introducing projects to other staff through my "eco notebook"

My husband and I always volunteer together. Once, after returning home, I wondered if there was something more I could do, and so I created an "eco notebook," where I put newspaper clippings about the environment and wrote about the volunteers' experiences to share what we are doing with other staff at the store.



**Haruka Hasegawa**  
Store Manager,  
UNIQLO Tokushima-  
Aizumi Store

#### I was appalled by the massive mountain of industrial waste

When I first started volunteering, I visited a museum near an illegal industrial waste dump, and I got a real sense of the indignation and anger that islanders felt. Since then, I have been calling on store staff to visit and participate at least once in this initiative.

\*See p. 31 for more information on this activity.



## Our Basic Principle

Under the FR WAY Principle calling for us to act as global citizens with ethics and integrity, FAST RETAILING will keep abreast of issues facing the international community and the global environment and will also seek to grow and develop in unity with the community through unique corporate activities.

## Major social contribution activities

### Supporting the Activities of the Setouchi Olive Foundation

The NPO Setouchi Olive Foundation was launched in 2000 by Tadao Ando and Kohei Nakabo to restore the fertile natural environment of the islands and shorelines of Japan's Seto Inland Sea, including Teshima Island, which have been impacted by the illegal dumping of industrial waste. UNIQLO agreed with the foundation's activities and objectives and in support it has solicited funds at its stores since 2001. In 2007, an administrative committee of this foundation was set up, and CSR Vice President and staff from UNIQLO have been participating as committee members. The committee examines grant requests from NPOs in the Seto Inland Sea region for activities such as tree-planting and discusses ways for further advancing the activities of the foundation.

### Donations received from customers to date and performance results

Cumulative total of donations: 103,637,519 yen

Number of trees planted: 57,144

Number of grant recipient organizations in FY 2008: 22  
(As of August 31, 2008)



UNIQLO CO., LTD. COO Naoki Otoma participates in planting

### Supporting Special Olympics Nippon

The Special Olympics (SO) is an international organization that provides opportunities for persons with intellectual disabilities to train for and compete in sporting events. UNIQLO has served as an official partner of the SO Nippon headquarters since 2002, and the company has donated uniforms to volunteer staff and supported the running of sports events. In FY 2008, UNIQLO donated 3,650 uniforms for the Winter National Games held in Yamagata Prefecture and associated sporting events held in many locations across Japan. About 80 staff from its stores and Headquarters participated as volunteers.

In addition, the SO's charity vending machines were installed in the staff lounge at the Headquarters and 172 UNIQLO stores nationwide. A portion of sales was donated to support the activities of SO Nippon regional organizations.

### Encouraging employees to volunteer

In 2004, UNIQLO CO., LTD. launched the UNIQLO VOLUNTEER CLUB to encourage employees to participate in social contribution activities. The scope of activities and membership were expanded in 2008 to include the entire Group, and the club has been providing information and helping defray the costs of activities to make it easier for more Group employees to take part.

### Outline of the UNIQLO VOLUNTEER CLUB

- **Name:** UNIQLO VOLUNTEER CLUB
- **Membership:** All employees of FAST RETAILING Group
- **Activities:**
  - Provides information on volunteers via the club's intranet website and e-mail
  - Offers monetary support to cover the cost of volunteer activities
  - Offers monetary support for transportation expenses of volunteers
- **Representative projects:**
  - Local clean-up activities in areas around UNIQLO stores: approx. 180 participants  
⇒ Undertaken in seven areas including Aichi and Shizuoka in FY 2008
  - Volunteer activities for the Setouchi Olive Foundation: approx. 200 participants in total  
⇒ In FY 2008, in addition to participating in semi-annual tree-planting activities, staff from stores in neighboring Kagawa volunteered to help care for olive trees and with weeding.



UNIQLO Soccer Kids! in October 2008

### UNIQLO Soccer Kids!

The goals of the JFA Kids (U6) Program organized by the Japan Football Association (JFA) are to popularize soccer and provide an avenue for character building. The program invites children up to age six to take part in exercise and a wonderful sports experience. As an official partner of this program since 2003, UNIQLO CO., LTD. has been organizing UNIQLO Soccer Kids! events every year across Japan. In FY 2008, events were held in nine prefectures—Hokkaido, Iwate, Ibaraki, Tokyo, Osaka, Okayama, Kagawa, Fukuoka and Kumamoto—engaging a total of about 14 thousand children.

### Emergency disaster relief

Since 2001, FAST RETAILING has been engaged in support for disaster victims through provision of clothing and will continue responding with emergency aid on the basis of specific local needs.

### Summary of support in FY 2008

- **January 2008**  
Donated about 130 thousand items of clothing collected by the All-Product Recycling Initiative to cyclone victims in Bangladesh through the UNDP (United Nations Development Programme).
- **May 2008**  
Donated about 33 thousand items of clothing (valued at approx. 50 million yen) as emergency supplies to disaster areas affected by the Sichuan Earthquake in China.
- **May 2008**  
Donated about 200 thousand items of clothing collected by the All-Product Recycling Initiative to disaster areas hit by Cyclone Nargis in Myanmar (Burma). Clothes were presented to the Myanmar Maternal and Child Welfare Association through the JOICFP.



### Local subsidiaries lead the way in providing emergency disaster relief for the Sichuan Earthquake in China

#### Ning Pan

FR Group Officer, FAST RETAILING CO., LTD.  
General Manager & CEO,  
FAST RETAILING (CHINA) TRADING CO., LTD.  
and UNIQLO HONG KONG, LIMITED

UNIQLO opened its first store in China in 2002. In May 2008, as a company aiming to create stores that are embraced by local communities, we donated UNIQLO products valued at 3.33 million yuan (approx. 50 million yen) to disaster areas affected by the great earthquake in China's Sichuan Province. Emergency supplies were channeled through the Shanghai Red Cross to ensure that products were delivered to the disaster area amid all the confusion. In addition, donation boxes were set up next to cashiers at UNIQLO stores in China. From the Shanghai Red Cross we received a letter expressing gratitude for these efforts and for deciding so quickly to take action. One step at a time, we will move forward in serving the local community.



### All-Product Recycling Initiative receives the Fifth Asahi Corporate Citizen Award

On October 23, 2008, UNIQLO received the Fifth Asahi Corporate Citizen Award for its All-Product Recycling Initiative. The Asahi Corporate Citizen Award was established to encourage companies to become better corporate citizens and to commend exemplary social contributions by private enterprise. The award recognized that the initiative, started in 2006, was an innovative recycling mechanism that made possible the utilization of used clothing through the collection of all types of UNIQLO products at all of Japan's UNIQLO stores for an international contribution effort that provides relief to refugees and as recyclable materials.



Photo: Courtesy of The Asahi Shimbun Company



### Our Basic Principle

FAST RETAILING complies with environmental laws and keeps abreast of issues facing the international community and the global environment. We believe the first thing FAST RETAILING can do to minimize its environmental impact is to improve management efficiency. We will be ever-vigilant in identifying wasteful operations and look for ways to provide maximum added value with minimum resources.

## Reducing environmental impact throughout all business operations

### FAST RETAILING's focus on the environment

The environmental challenges that FAST RETAILING faces can be summarized under three focus areas, as shown at right. We intend to reduce the environmental impact based on these areas of focus.

- (1) Pursue the highest operational efficiencies for maximum effect and value creation by drawing upon and using minimum resources.
- (2) Implement recycling activities across all business activities that involve our customers, business partners, employees, Group companies and society at large.
- (3) Provide truly valuable clothing as well as clothing that expresses the new value customers seek.

### Expanding our recycling activities

#### All-Product Recycling Initiative\*1 joined forces with the Tokyo Girls Collection\*2

UNIQLO made its first appearance at the Tokyo Girls Collection (TGC), the seventh event of its kind, on Saturday, September 6, 2008. In support of "Working for the Environment," one of TGC's themes this year, UNIQLO set up a special recycling booth at the event site to collect used clothing from customers, as well as garments made by other brands that the project does not usually accept. In just one day, the booth collected 1,136 items of clothing. The items will be sorted in accordance with specific needs, with some to be recycled as insulation material or fuel and those in good condition to be reused as emergency provisions. UNIQLO hopes to expand the horizon for recycling and reuse in collaboration with its customers through efforts like this.



\*1See pp. 13-16 for more information on UNIQLO's All-Product Recycling Initiative.

\*2About the Tokyo Girls Collection (TGC)

With the goal of demonstrating the worldwide appeal of "real clothes from Japan," TGC is one of the largest fashion festivals for young women, and currently attracts an audience of over 20 thousand. Held twice a year since 2005, the event is attracting attention both inside and outside Japan and includes a major online component that permits real-time purchases of shown items via mobile phone and PC.

## Efforts related to UNIQLO's business and major environmental impacts

### A Incorporating environmental considerations into products

UNIQLO believes that providing clothing made from state-of-the-art materials for greater comfort is one way to take the environment into consideration. Examples of our developments on materials and clothing that provide comfort against hot and cold temperatures include our Heat Tech products line featuring outstanding heat and moisture retention and our Dry products that absorb perspiration and dry quickly.

### B Addressing packaging concerns when shipping from factories

UNIQLO is steadily reducing the amount of polyethylene packaging used when shipping products from factories. In practical terms, we were able to reduce the number of polyethylene packages by 10.8 million in FY 2008, more than five times the number achieved in FY 2007, by switching from individual to bulk packaging.

Reduction of 2 million packages in FY 2007.

### C Increasing energy and resource efficiency in distribution

UNIQLO is constantly working to improve or restructure its distribution flows to significantly boost efficiency. The company has also reduced the weight of cardboard boxes, used when transporting products, to raise load efficiency.

In addition, UNIQLO conducted a process review in 2008, which led to such measures as consolidating its distribution centers to eliminate unnecessary travel. As a result, CO<sub>2</sub> emissions were reduced.

### D Increasing energy and resource efficiency in the office

At the Headquarters, staff are not assigned to a particular desk, which eliminates waste that can be generated by layout modifications following organizational alterations or changes in the number of personnel. The company also strives to cut back on the volume of paper used for photocopying by encouraging two-sided printing and reduced-size printing.

### E Increasing energy and resource efficiency in the stores

An energy and resource efficiency manual has been distributed to all UNIQLO stores nationwide to facilitate the thorough adoption of measures such as reducing power consumption. In addition, store fixture and facility improvements are under way, including installation of higher efficiency air conditioning and environmentally sound lighting.

### F Establishing a recycling warehouse

UNIQLO operates a system for collecting furniture, fixtures and equipment from store closures and layout changes into a single recycling warehouse for storage and maintenance. The items can be quickly provided as needed for existing or newly opened stores. As a result, UNIQLO has been able to avoid wasting resources and create new value through recycling while at the same time shortening the time required for developing new stores or starting up operations.

		A Planning → B Production → C Distribution → E Sales → F Use/Disposal				
In	Energy and fuel	D Headquarters	Power consumption: 5,351,822 kWh		Gas consumption: 7,936 m <sup>3</sup>	
		D Headquarters	Copy paper usage: 8,005,025 sheets			
	Supplies, etc.	Distribution in Japan		Stores		
Power consumption (calories): 164,489 GJ		Power consumption: 141,574,579 kWh				
				Containers and packaging usage: 7,898 t		
Out	Emissions into atmosphere	D Headquarters	CO <sub>2</sub> emissions (electricity, gas): 2,826 t-CO <sub>2</sub>			
		Distribution in Japan		Stores		
	CO <sub>2</sub> emissions: 11,257 t-CO <sub>2</sub>		CO <sub>2</sub> emissions (power consumption): 64,133 t-CO <sub>2</sub>			
Waste emissions and recycling	D Headquarters	Combustible waste (paper, etc.): 206 t		Incombustible waste (plastic, etc.): 3 t		
	Stores		Customers		Products collected through the All-Product Recycling Initiative: 195 t	
		General waste: 190,405 t				

#### Reference

- In principle, figures represent results in FY 2008.
- "In" and "Out" respectively refer to inputs of energy, raw materials, etc. and outputs of CO<sub>2</sub> and waste.
- Store data excludes stores that are tenants in buildings not owned or operated by UNIQLO.
- Headquarters' data is for both the Yamaguchi Head Office and Tokyo Headquarters except for gas consumption data, which is for the Yamaguchi Head Office only.



# Instilling a CSR philosophy in all employees to create enduring value for the world

The promotion of CSR activities revolves around the CSR Committee, which consists of the President and the FR Group Officer responsible for CSR, an outside expert and other members, as well as a CSR team comprising members from across the Group.



Tadashi Yanai  
Chairman, President and CEO

Takaharu Yasumoto  
External Auditor

Kenji Shiratsuchi  
Dentsu Inc.

Hirotsugu Wada  
Vice President in charge of  
Human Resources

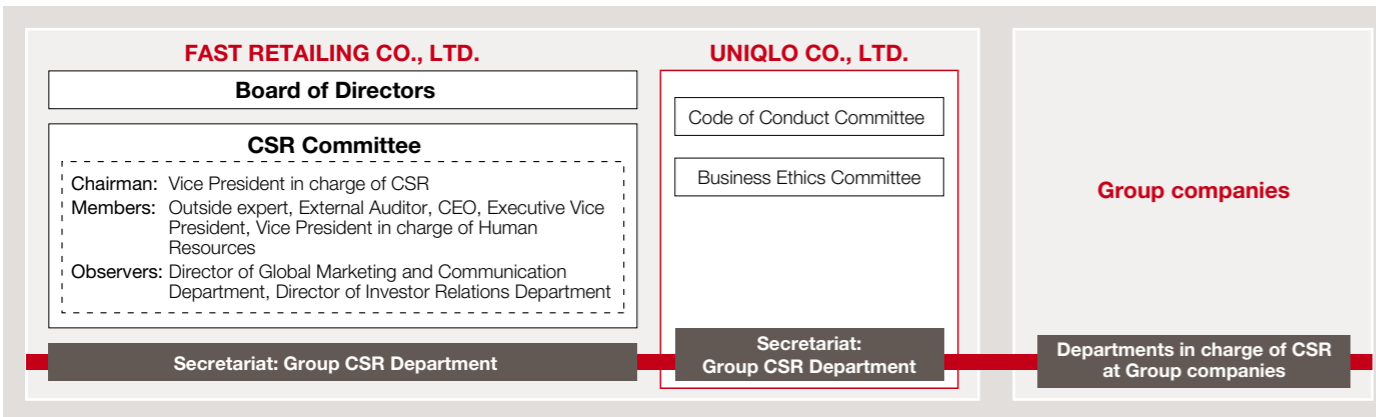
Hideo Majima  
Director, Global Marketing  
and Communication  
Department

Masumi Mizusawa  
Director, Investor Relations  
Department

Masa Matsushita  
Executive Vice President

Yukihiro Nitta  
Vice President  
CSR Committee Chairman

## CSR Promotional Framework



# Making the world a better place



Yukihiro Nitta  
Vice President and CSR Committee Chairman  
FAST RETAILING CO., LTD.

## Reviewing our activities in FY 2008

In the FAST RETAILING Group's CSR activities, we are expected to take concrete, effective action in ever-broadening areas by proactively and quickly disclosing information, engaging in two-way communication, responding sincerely to customers, developing sound relationships with business partners and demonstrating our concern for the global environment.

Looking back on our actions in FY 2008, I believe we are achieving solid progress in CSR activities that suit the FAST RETAILING Group in areas related to its apparel business centered on UNIQLO.

For example, we vigorously implemented social contribution activities through the All-Product Recycling Initiative, the promotion of employment of persons with disabilities, and support for various charitable organizations. Furthermore, as a company that manufactures and sells 400 million items of clothing a year, we have come to establish the backbone of our CSR activities with which we engaged in quality and safety control as well as environmental conservation throughout the supply chain, sought through health care management and promoted career development for our employees. In addition, we required compliance with labor and environmental regulations and respect for human rights from our business partners, including partner factories.

## Global activities that involve the entire group

The FAST RETAILING Group's CSR activities in FY 2009 must be global in scale and involve the entire Group. What does FAST RETAILING want to achieve in its CSR activities? First, we must clearly state our goals and disseminate information throughout the Group. The intended achievements include scaling up our All-Product Recycling Initiative with our eye on participation by overseas stores and Group companies and a substantial increase in the volume of clothing collected. We will also actively work for an increase in the number of participants in volunteer activities. With respect to employing persons with disabilities, we intend to reach an even higher employment ratio at the Headquarters by following successful examples from UNIQLO stores, and we will reinforce initiatives at each Group company.

We will express the story of what we want to become with the long-term perspective of three to five years. We will not only describe what we want to do, but will also expand our CSR activities, with Group company employees around the world, to further engage in volunteer activities. We will also seek the support of overseas customers through participation in our All-Product Recycling Initiative.



Takaharu Yasumoto  
President, Yasumoto CPA Office  
External Auditor,  
FAST RETAILING CO., LTD.



Kenji Shiratsuchi  
Director, Communication Design  
Center, Dentsu Inc.

## I believe CSR activities are sustainable because they are closely aligned with the business

CSR embodies a company and shows society the direction in which it is heading. That is why it's important for CSR activities to be maintained in line with the business. Before committing itself to a business goal, a company must be able to gauge its own current CSR status and not simply look at its sales and profit. The challenge ahead is to determine how the FAST RETAILING Group, including its Group companies, will fulfill its CSR as a global enterprise.

## I foresee this company continuing to develop activities only it can do

I think the distinctive feature of CSR activities at FAST RETAILING is how they are developed to best reflect what the company is. The company should be commended for its stance of being willing to start from scratch on its own and for seeking to maintain its CSR activities while thinking through its own business. I hope the fantastic example of the All-Product Recycling Initiative will be followed by the creation of a bottom-up portfolio of proposals from the workplace, leading to the next level of success required to support these proposals.



### Our Basic Principle

FAST RETAILING's essential approach to CSR is to make the world a better place through planning, producing and selling clothing, which is one of the basic necessities of life. To remain a company that creates enduring value for the world, we will pursue appropriate management, grow with society and create the next global standard—this is the CSR we aim to fulfill.

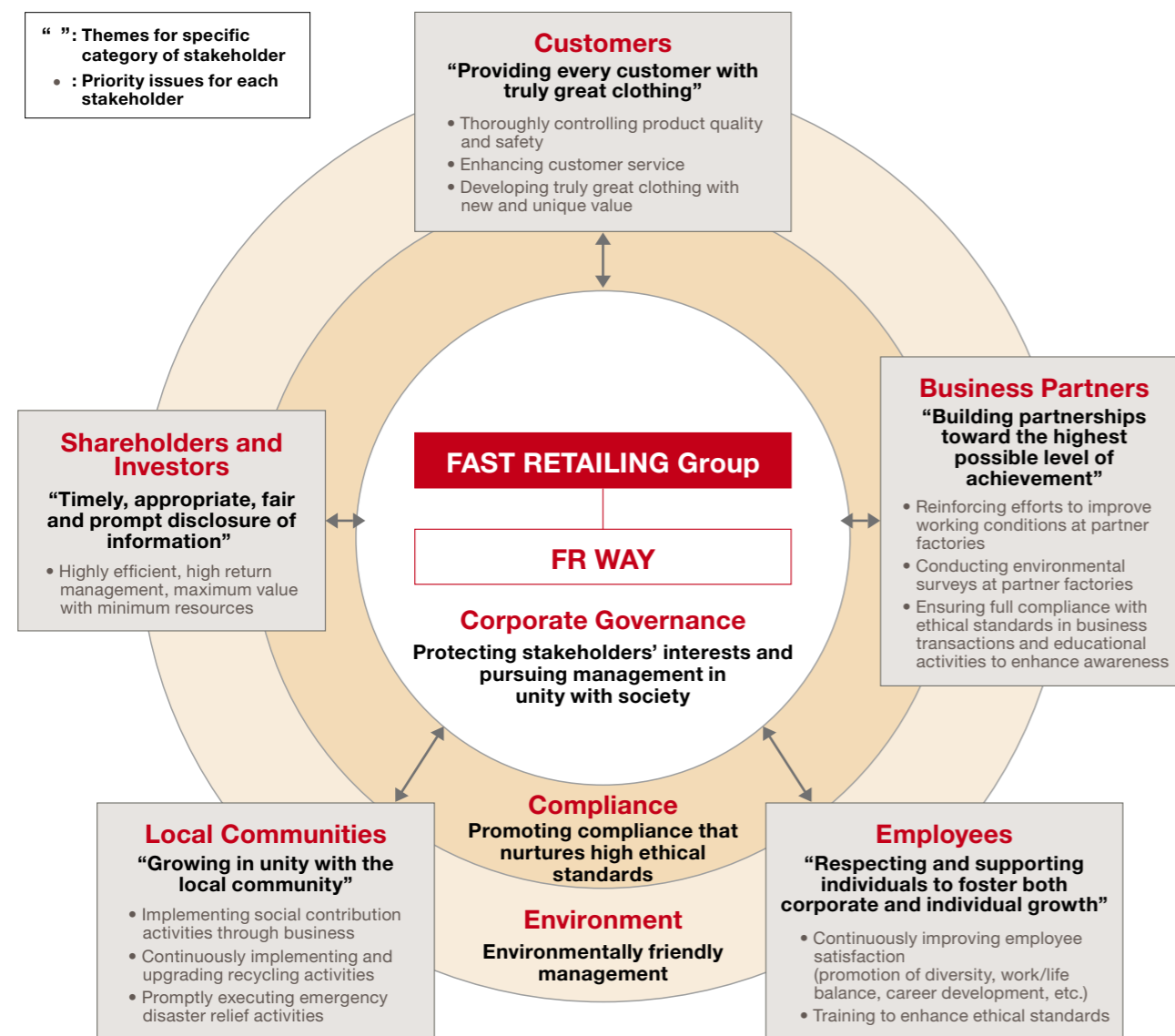
## FAST RETAILING Group's Social Responsibility

### Priority issues for stakeholders

To ensure we fulfill our social responsibilities, the FAST RETAILING Group designates priority issues for each category of stakeholder. We particularly consider corporate governance\*, compliance and the environment

as themes common to all stakeholders, and thus include them as priority issues.

\*Refer to our Annual Report and website for more information on our corporate governance.



### Our Basic Principle

In fulfilling our corporate social responsibilities, the FAST RETAILING Group has established a framework that emphasizes compliance and seeks thorough implementation within all companies. We are also nurturing an awareness of compliance across the FAST RETAILING Group through measures such as our Code of Conduct for employees.

## Introducing and infusing compliance throughout the group

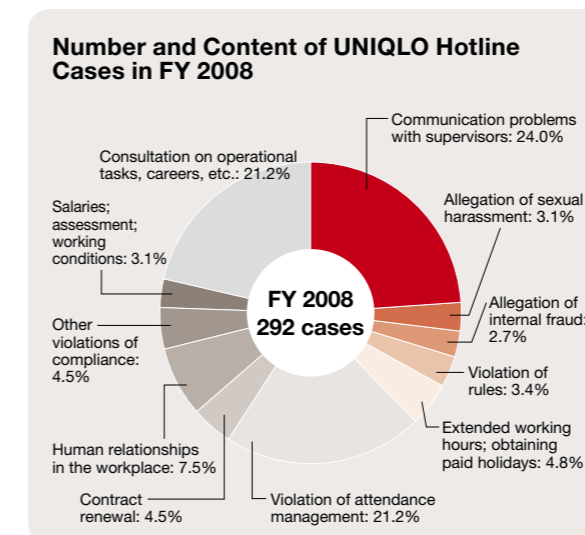
### Implementation of the Code of Conduct (CoC)\*1

The Code of Conduct (CoC) has been implemented at UNIQLO and all other FAST RETAILING Group companies\*2. Upon the introduction of the CoC, every employee is required to understand the content of the CoC and sign a pledge declaring their intent to comply with it. To ensure thorough implementation, we carry out such measures as CoC training, featuring concrete case studies, at each company on a regular basis.

\*1The Code of Conduct (CoC) has been prepared in five languages—Japanese, English, Chinese, Korean and French, and is available on our intranet.  
\*2Equity-method affiliate, LINK THEORY HOLDINGS CO., LTD., has not implemented the code.

### Hotline operations

FAST RETAILING has set up hotlines at each Group company to enable employees to anonymously discuss work-related problems and report potential violations of the CoC. In the event of a potential violation, a team in charge of the hotline investigates to ascertain the facts of the matter while protecting the anonymity of the person reporting the alleged incident. The CoC Committee will then deliberate on what action will be taken.



### Promotional framework for compliance

Compliance means acting in accordance with prevailing laws and regulations and thoroughly governing behavior in accordance with moral and ethical standards. We have developed an internal framework that serves as the core of these activities.

#### • FAST RETAILING CSR Committee

Deliberates issues including the group-wide promotional framework for compliance and social and environmental activities for FAST RETAILING as a whole. The Vice President responsible for CSR chairs the committee, which consists of top management, officers and an outside expert; meetings are held once every two months.

#### • UNIQLO Code of Conduct Committee

Conducts discussions on establishing the CoC. This committee also reviews internal compliance issues received through hotline consultations to determine and present concrete solutions for improvement. The Vice President responsible for CSR chairs the committee, with members that include auditors and outside attorneys.

#### • UNIQLO Business Ethics Committee

Discusses measures for preventing actions that place unfair pressure on business partners and formulates effective countermeasures (see p. 24 for more information).

### Protection of personal information

UNIQLO emphasizes the care required for handling personal information as part of training related to the CoC, and efforts are made to raise awareness of this connection. Measures include the implementation of guidelines for handling personal information, fingerprint authentication to control entry into sections that handle important personal information, and restricting access to personal information data.



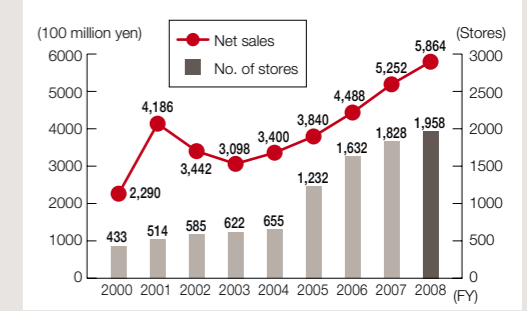
## FAST RETAILING CO., LTD.

FAST RETAILING is a retail apparel group that operates not only in Japanese but also worldwide markets with the UNIQLO casual wear brand as its core business. Under the UNIQLO brand, the Group maintains 759 stores in Japan and 54 overseas and has established a highly profitable SPA business model that integrates all stages of operations, from design through production and sales. Its main lines of business include UNIQLO; Japan Apparel, which includes apparel and shoe retailers such as GOV RETAILING and CABIN; and Global Brand operations that develop apparel brands overseas.

### Overview (as of August 31, 2008)

**Name:** FAST RETAILING CO., LTD.  
**Established:** May 1, 1963  
**Head Office:** 717-1 Sayama, Yamaguchi City, Yamaguchi 754-0894, Japan  
**Tokyo Headquarters:** Kitanomaru Square, 13-12 Kudan-kita 1-chome, Chiyoda-ku, Tokyo 102-0073, Japan  
**Paid-in Capital:** 10,273.95 million yen  
**Line of Business:** Control and management of overall Group activities as owner and holding company  
**Group Full-time Employees:** 8,055  
**Consolidated Sales:** 586.4 billion yen  
**Closing Date:** August 31

### Group Net Sales and Number of Group Stores



### UNIQLO Operations in Japan

**UNIQLO CO., LTD.**

**Established:** September 2, 1974  
**Number of stores:** 759 (including 19 franchise stores)

Japan's largest casual wear chain that provides high quality at reasonable prices, with sales exceeding approximately 460 billion yen.

### Japan Apparel Operations

**CABIN CO., LTD.**  
**Established:** August 1971  
**Number of stores:** 190

An SPA company that provides women's apparel centered on core brands such as ZAZIE, Real Riche, enraciné, and é.a.p. and enjoys the support of a broad customer base.

**GOV RETAILING CO., LTD.**  
**Established:** September 1, 2008  
**Number of stores:** 457

Created in September 2008 through the merger of G.U. CO., LTD., ONEZONE CORPORATION, and VIEWCOMPANY CO.,LTD. Provides reasonably priced and fashionable apparel and shoes.

### UNIQLO Operations Overseas

### USA

**UNIQLO USA, Inc.**

**Established:** November 22, 2004    **Location:** New York, U.S.A.  
**Number of stores:** 1

Opened the first UNIQLO store in the US market in September 2005 in the state of New Jersey. Opened a 3,300-square-meter global flagship store in New York's SoHo area in November 2006.

### UK

**UNIQLO (U.K.) LTD.**

**Established:** August 7, 2003    **Location:** London, U.K.  
**Number of stores:** 13

FAST RETAILING first branched out overseas in September 2001 with the opening of its UNIQLO store in London, U.K. Opened a global flagship store on London's Oxford Street in November 2007.

### FRANCE

**UNIQLO FRANCE S.A.S.**

**Established:** April 28, 2005    **Location:** Paris, France  
**Number of stores:** 1

Opened its first store in France in the Parisian suburb of La Defense in December 2007. A global flagship store is scheduled to open on Rue Scribe, Paris, in Autumn 2009.

### CHINA

**FAST RETAILING (CHINA) TRADING CO., LTD.**

**Established:** December 26, 2006    **Location:** Shanghai, China  
**Number of stores:** 13

Opened its first large-format store (the Shanghai Zengda store) with approximately 2,300 square meters of sales floor space in China in December 2006.

### KOREA

**FRL Korea Co., Ltd.**

**Established:** December 16, 2004    **Location:** Seoul, Republic of Korea  
**Number of stores:** 18

FRL Korea Co., Ltd. was set up as a joint venture with Lotte Shopping Co., Ltd. in December 2004. In September 2005, the venture simultaneously opened three stores in Lotte Department Stores and Lotte Marts.

### HONG KONG

**UNIQLO HONG KONG, LIMITED**

**Established:** March 31, 2005    **Location:** Hong Kong, China  
**Number of stores:** 8

Opened the first UNIQLO store in Hong Kong in the Miramar Shopping Centre in Tsim Sha Tsui, one of Hong Kong's busiest downtown shopping districts, in September 2005.

### Global Brand Operations and Major CSR Initiatives

#### COMPTOIR DES COTONNIERS

**Créations Nelson S.A.S.**

A women's brand created in France in 1995. Focusing on the close relationship between mothers and daughters, the company established its image through advertisements featuring real mothers and daughters chosen by audition. Not only in France, it currently maintains more than 350 stores in 11 countries around the world.

#### PRINCESSE tam•tam

**PETIT VEHICULE S.A.S.**

A free-spirited lingerie brand established in France in 1985. Apart from its network of about 150 directly operated stores located mainly in France, the company also sells its products in major department stores. Outside France, the brand is available at over 1,500 outlet stores in 45 countries around the world.

#### LTH

**LINK THEORY HOLDINGS CO.,LTD.**

Theory is a daily wear brand founded in New York in 1997 that achieved instant success as a global brand. Its products are based on the concept of new basic apparel that is extremely comfortable to wear and reflects sophisticated appearance and casual trends. The company currently operates 216 stores. Theory listed its shares on the Tokyo Stock Exchange's Mothers Market (for high-growth and emerging stocks) in June 2005.

#### Providing Home Wear Made of Organic Cotton that is Friendly to Both People and the Environment

Comptoir de Cotonnier began in summer 2008 selling its lines of home wear products made with eco-friendly organic cotton. The cloth is produced free of pesticides and using an environmentally sound dyeing process. These high quality cotton products offer a natural texture, are soft and comfortable to wear and feature refined and sophisticated stitching. Apart from these products, Comptoir de Cotonnier also sells fair trade goods through its partnership with eco-conscious brand Veja and donates part of its sales to charities, thereby aligning the value women place on warmth, fairness and natural elegance with activities that contribute to society.



#### Working as a Volunteer Partner for Les Frimousses de Créateurs

Loumia Hiridjee, founder of PRINCESSE tam.tam has consistently supported such U.N. agencies and non-profit organizations as UNICEF, AIDES, and Enfance et Partage that focus on women, children, and people afflicted with illness. As part of these activities, the brand has been supporting UNICEF's Les Frimousses de Créateurs as a volunteer partner for the past five years. Les Frimousses de Créateurs invites the world's leading prêt-à-porter designers to design original dolls to sell at auction with proceeds donated to UNICEF for the benefit of children worldwide.



#### Launching Campaign Against Breast Cancer as an FTBC Sponsor

At the request of the CFDA (Council of Fashion Designers of America), Theory launched its campaign against breast cancer in 2008 to support lifestyles of beauty and health for Japanese women as an FTBC (Fashion Targets Breast Cancer) sponsor in Japan. FTBC is a project aiming to support a variety of activities for eradicating breast cancer, including efforts that raise public awareness of early detection and treatment for the disease. Proceeds from this activity will be used to improve medical treatment of breast cancer, including preventive education and provision of information for patients, through donations to organizations such as the Japan Cancer Society's "Smile Fund for Eliminating Breast Cancer."



### Disclaimer

This report not only provides factual information from the past and the present regarding FAST RETAILING CO., LTD. and its group companies, but it also includes plans and projections made as of the publication date, and future forecasts based on management policies and strategies. These future forecasts are assumptions or judgments made based on information available at the time. Actual results and circumstances of future business activities may diverge from these forecasts due to changes in various conditions. Your understanding with regard to this matter is appreciated.







**FAST RETAILING**

FAST RETAILING CO., LTD.  
[www.fastretailing.com](http://www.fastretailing.com)