



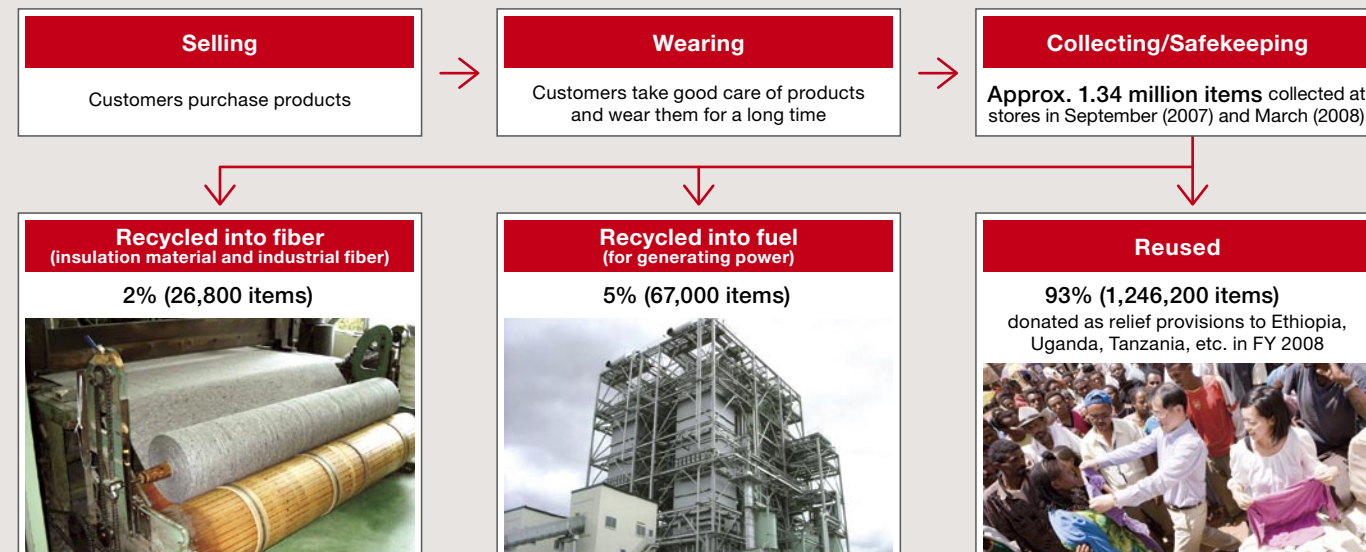
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Topic 2 Act as Global Citizens with Ethics and Integrity

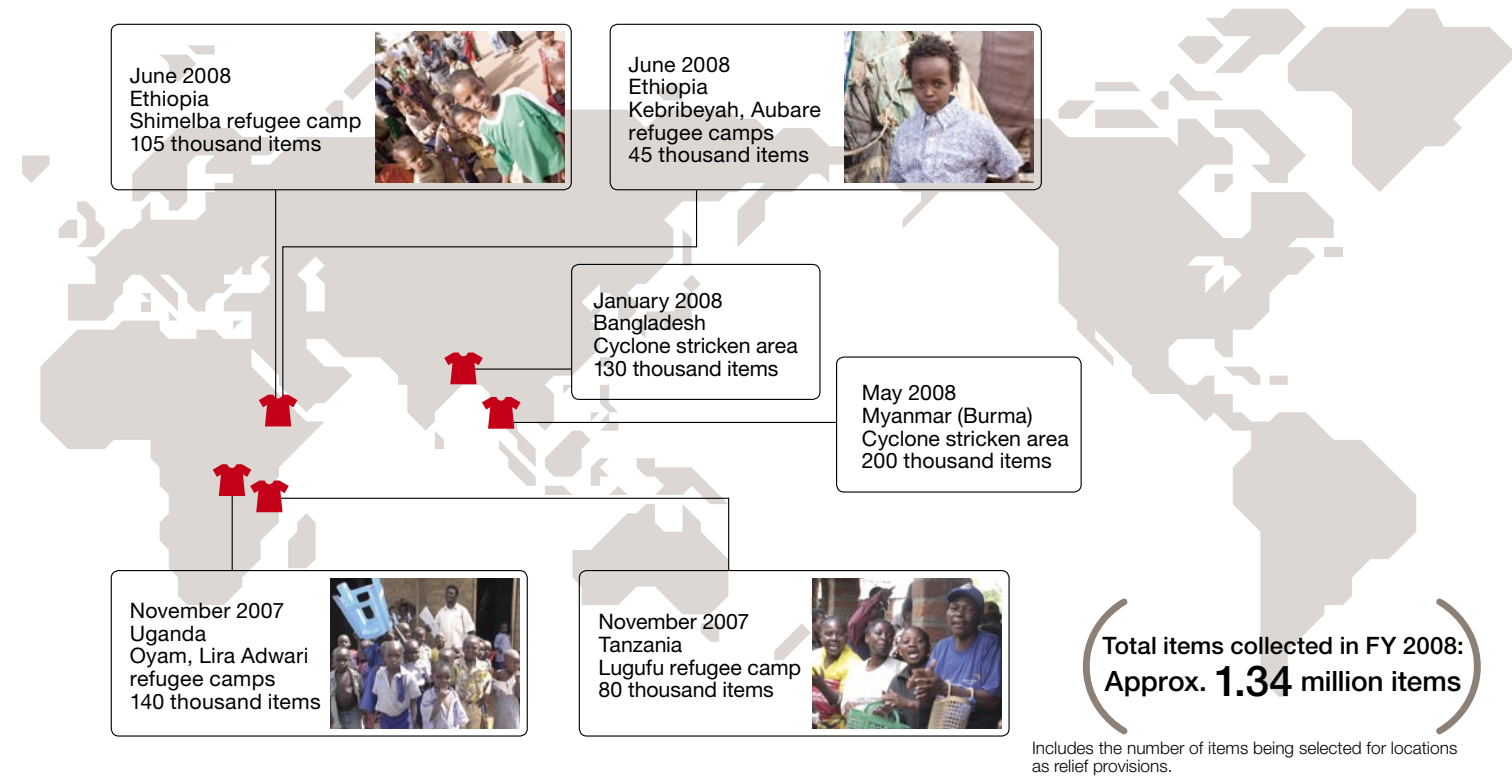
Maximizing the value of our clothes UNIQLO's All-Product Recycling Initiative

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



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.

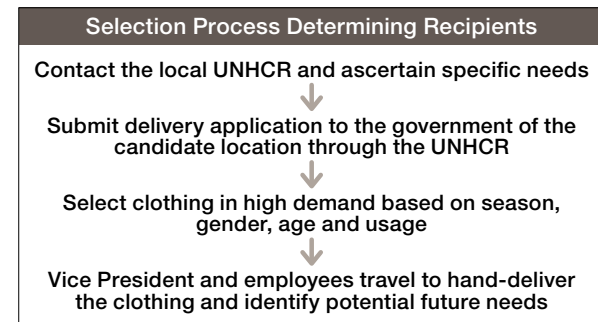
Continuing to pursue activities that are based on our main line of business

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.