

# **Interim results & future growth strategy**

**Tadashi Yanai**

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

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I would like to talk to you today about our most recent business performance and our strategy for future growth going forward.

**Strong with interim revenue & income rising**

<b>Net sales</b>	<b>¥316.4bln (+11.3% y/y)</b>
<b>Operating income</b>	<b>¥54.2bln (+25.8% y/y)</b>
<b>Ordinary income</b>	<b>¥53.4bln (+25.4% y/y)</b>
<b>Net income</b>	<b>¥28.6bln (+26.3% y/y)</b>

As you can see, our business performance in the six months to February 2008 was extremely strong. This we can trace in the most part to a dedicated effort on the part of our staff. However, here today, I would like to run through some of the factors underlying our recent strong performance and to talk about our growth strategies going forward.

## Strong factors

### Clear brand identity

**UNIQLO is a new type of Japanese company creating high-quality, good casual wear that can be worn by all sorts of people.**

**Get our brand message across by offering truly worthy products and high value-added products**



**Customer support**



First, I would like to talk about why our products sold so well in the first half through February 08.

The biggest factor behind the strong performance, in my view, is that we managed to get our true UNIQLO brand message across to our customers. UNIQLO's brand identity is all about operating as a new type of Japanese company creating high-quality casual wear that can be worn by all sorts of people. I feel that we got the UNIQLO brand message across well by offering truly worthy products and high value-added products. I also feel that our customers appreciated this and gave us their loyal support. We at UNIQLO take pride in being a top quality global retailer offering truly good products at reasonable prices.

## Breaking through in each country

- USA** → **Turned a profit at our Soho NY global flagship store**
- UK** → **Opened our 311 Oxford Street global flagship store**
- Korea** → **Success of 1st large Myongdong Store**
- China** → **Store openings in Beijing**  
→ **Accelerate openings - 100 stores ASAP**
- France** → **Successful concept shop**  
→ **Decision to open global flagship store**

I would now like to talk about the breakthroughs we have made at UNIQLO International.

At last we are starting to notice signs in each country that we are shifting into the next stage of development.

We have begun to see a profit at our New York Soho flagship store where sales continue firm.

In the UK we opened our 311 Oxford Street global flagship store and now have 4 stores in the Oxford Street, Regent Street shopping area.

We were able to open our first large store in South Korea in Myongdong, Seoul which has proved successful. We are now looking to open large numbers of stores in South Korea.

We recently opened our first store in Beijing, and we are planning to open three stores in Beijing before the end of August. We are now looking to expand our store networks in South Korea and China to 100 stores as soon as possible in our aim to become the No.1 casual wear company in those markets.

Our concept shop in outer Paris, France has proved very successful and we have taken the decision to open a global flagship store in Paris next year.

**No.1 in Japan, No.1 in Asia, No.1 in the world**

**The UNIQLO presence displayed in Europe & the US to create a virtuous cycle**

**Aiming to become the unparalleled No.1 in Asia.**


From Japan's number one retailer of casual clothing, UNIQLO wants to become Asia's definitive number one casual wear retailer and also to become the number one casual wear retailer in each of Asia's major markets. Our ultimate aim is then to become the world's number one casual wear retail company.

## Further strengthen our product line-up

### Enhance our women's wear

- Fashion basics
- Merchandise mix as "Collections"
- Develop value-added products

### Develop strategic global products

- UT (T-shirts)
  - Jeans
- 
- Relay Japanese technology (fabrics, processing) & culture to the world.

### Introduce unique, high-function products

- HEATTECH
- Stylish white (non-see through white)
- Special black (non-fade black)

Next, as one of our growth strategies for UNIQLO going forward, I would like to further strengthen our product line-up.

First of all, we are working to enhance our women's wear. We want to become the world's number one player particularly in the area of women's fashion basics.

We want to display sharp Tokyo, New York, Paris collections that everyone would want to own.

We also want to sell large volumes of our high value-added products such as our well-known cashmere products.

We also want to sell strategic global products around the world such as our T-shirts and jeans which incorporate an element of Japanese technology and culture.

We are also developing totally fresh, unique high-function products such as our HEATTECH range which was a huge success in the winter, and our non-see through white pants and our non-fade black pants.

## Stores as information centers

### Global flagship stores

Serve as information centers to communicate the UNIQLO brand identity

### Focus on development of larger stores

- Expand large-format store network in Japan
- Build a network of large stores across the globe



Next, I would like to talk about using our stores as information centers.

UNIQLO is already being recognized as Japan's leading casual wear brand in both the US & Europe and in Asia too.

We think this is largely due to our global flagship stores in New York and London, our large stores in South Korea, Hong Kong and China, and our large store network across Japan. The fact that FAST RETAILING is the owner of high quality brands such as COMPTOIR DES COTONNIERS, PRINCESSE TAM.TAM and Theory is also a significant contributory factor in this success.

As soon as is feasibly possible, we want to be in a position to open roughly 200 large stores a year around the world in both Japan and overseas.

## Global marketing

### **Coordinated global marketing & PR**

Convey messages using creative tools to people all over the world

## Global merchandising

### **Create products to delight customers worldwide**

Generate garments that hit the spot with customers worldwide

Next, I would like to talk about global marketing and global merchandising.

In order to begin selling our UT – UNIQLO graphic T-shirts worldwide, we put our Japanese manga animation T-shirt range to the test with our first global marketing and merchandising campaign out of Japan.

We plan to start our global campaign in earnest from the autumn/winter season to relay the best of UNIQLO to the world. This is to be done in conjunction with our golden team members Kashiwa Sato, Yugo Nakamura, Tomomi Maeda, and Markus Kiersztan.

We want to be able to develop a continuous line of products that customers worldwide would truly love to own.



## Production systems to perfect quality

### Japan's textile technology

Make full use of Japan's world class textile technology

### Top class suppliers worldwide

World-class cutting edge facilities & production capacity

**Quality to satisfy Japanese customers,  
some of the toughest consumers in the world....**

On product quality, we design, develop and manufacture products to satisfy the Japanese consumer who has some of the strictest quality standards in the world.

We manufacture on a mass scale cutting edge factories in China using world-class Japanese textile technology.

For instance, our largest supplier turns out 140 million units per year with 33,000 workers in one factory. We then sell 100 million of those units ourselves. We produce a range of UNIQLO strategic products in batches of several million at a time.













