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Fast Retailing

Future Business Outlook

Tadashi Yanai

Chairman, President & CEO of Fast Retailing Co., Ltd.



Good afternoon and thank you for coming. I'm Tadashi Yanai, Chairman, President and CEO of Fast Retailing.

You will be hearing a detailed explanation of the first-half results from our CFO Takeshi Okazaki very soon, but first I would like to talk to you about our overall management policy and some key management aims we are aspiring to.

**Today, all industry is being refashioned
around information technology,
ready to compete on a global scale**

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Today, globalization and digitalization have become as essential to our daily lives as air and water.

Today, people, things and information are starting to move independently, transcending the traditional frameworks of nations, companies and industries. We live in a world where all industry is being refashioned around information technology, ready to compete on a global scale.

Create your own arena

Establish your own unique platform

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In such a world, no one is going to chase you up. You have to create your own arena in which to compete. The winners are those who are able to establish their own unique platform that no one else can mimic.

Google, Apple, Amazon, Alibaba, Tencent are all typical examples of successful players in this arena.

MADE FOR ALL

LifeWear

Clothing Infrastructure

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Fast Retailing was the first to conceptualize and create MADE FOR ALL LifeWear. We didn't simply offer fashion clothing at low prices. Instead, we created clothing "parts" that people can use to carve their own individuality, tools for a quality everyday life.

We offer a rich range of items, products and sizes at reasonable prices that anyone can access, anywhere, anytime. We enable people to mix and match an abundant range of clothing items to create their own style.

We create the vital parts required for such a life, the tools for everyday living, and offer them worldwide. In a sense, we serve as the clothing infrastructure of daily living.

**From the planning through to
the production, distribution,
retail and recycling of clothes,
we do it all ourselves**

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What is more, we not only sell such clearly conceptualized clothes, we are involved in every aspect of their creation, from the planning through the to production, the distribution, the instore and online retail, and the recycling of these clothes.

We are still in the middle of our journey, but Fast Retailing is the only company that seeks to make the world a better place through clothes, and has created a clear concept and concrete products and services to achieve that aim.

I believe customers around the world respect and support our philosophy and action.

The Ariake Project – Change to Survive

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You have to reinvent yourself to win and survive in this rapidly changing society. If you adopt a passive approach to change, you will not make it.

We have to aggressively transform ourselves and use emerging opportunities to grow. The Ariake Project is our determined response to this challenge.

The Ariake Project

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A Companywide Movement

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The key thing I would like you all to understand is that the Ariake Project is not simply a way to promote e-commerce, but a movement to transform our entire company.

We are voluntarily seeking to transform every business process from planning through production, distribution and retail, and also to transform the very way in which we all work.

The aim of the Ariake Project is to create entirely new ways of working and an entirely new company.

**Make only what is necessary
Transport only what is necessary
Sell only what is necessary**

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At the heart of our company transformation lies a commitment to make only what is necessary, transport only what is necessary and sell only what is necessary.

We aim to develop a minute understanding of all business processes, and to work with partners in different industries, our business partners and, equally importantly, our customers to resolve issues.

We seek to create crystal clear targets to help avoid “waste”, to deliver products with real potential to change people’s lives around the world, and to apply advanced digital technology as a tool to help achieve these aims.

So for us, the introduction of digital technology is not just about promoting e-commerce. It is also designed to transform the planning, production, distribution and retail of clothes in physical stores, the working style and the fundamental approach of our entire staff.

Global is Local, Local is Global

Global is Local, Local is Global. This is a commitment we have adhered to strongly throughout our quest to develop our global operations.

Different countries and regions around the world have different cultures, histories, lifestyles and climates, and they often prefer different colors, sizes, designs and silhouettes.

We are dedicated to synchronizing global business processes that both prize individuality and respect local culture, values and history. Our entire staff shares the same business values.

That's what Global is Local, Local is Global means to us.

Global One Zen-in Keiei

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Global One, Zen-in Keiei are some other management principles that we are passionate about.

To introduce the best global methods across the entire Fast Retailing Group. To create a new globally unified Fast Retailing and UNIQLO. To encourage all staff around the world to adopt a managerial mindset and guide the Group together. That's precisely what the Ariake Project is designed to do.

Improve functioning of Global HQ

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One of the key successes in this first year since the creation of our new office and the full launch of the Ariake Project has been the improved functioning of our global headquarters.

We have developed a framework in which regional head offices and stores around the world use clear and accurate data to work consistently together as a unified organization, following the broad direction defined by the global headquarters.

Nurture management personnel

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I also feel that we are finally starting to realize my long-held aim of effective team management. Over the past few years, we have been nurturing personnel to become key future managers, by bolding moving personnel around and enabling many talented employees to build management experience both inside and outside of Japan.

Already, I have a management team that makes all the everyday decisions, and I give final approval on management-related issues. As you can see, everything runs extremely well.

I realize you are all interested in who will take over the company from me when the time comes, but I am not at all concerned because I know my management team are already on the right track.

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



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Changing clothes. Changing conventional wisdom. Change the world. This is Fast Retailing's corporate statement that serves as the starting point for everything we do.

The goal of all business should be to enrich the lives of customers and society. I and all my staff commit to never forget that aim, and to continue to strive to realize a better world.

I earnestly ask for your continued understanding and support.

Thank you.