

Year to August 31, 2018

Presentation on FY2018 Corporate Results

Tadashi Yanai
Chairman, President & CEO
Fast Retailing Co., Ltd.

Good afternoon everybody. My name is Tadashi Yanai, and I am the President, Chairman and CEO of Fast Retailing.

You have heard the details of our record FY2018 corporate performance from our CFO Takeshi Okazaki, so I would like to talk about the overall transformation of the Fast Retailing Group as we strive to create an entirely new industry, and become a leading digital consumer retail company.

Change everything, from the start to the finish

Our ultimate aim is to earnestly explore and pursue the very best business for our customers. To achieve that, we have to go right back to the beginning and change all of our business methods and working patterns.

That means changing absolutely everything from our supply chain, our communication, the nature of our organization, the way we work, right through to the very partnerships we form with other companies and individuals.

We need to do this so we can create entirely new products for people worldwide, together with people worldwide.

I would like to talk to you today about what we are trying to achieve.



UNIQLO KUNGSTRÄDGÅRDEN

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We opened our first UNIQLO store in Sweden in Stockholm in August. The store offers a wide variety of high-quality products to enable customers in Stockholm to enjoy a richer lifestyle based on the LifeWear concept.

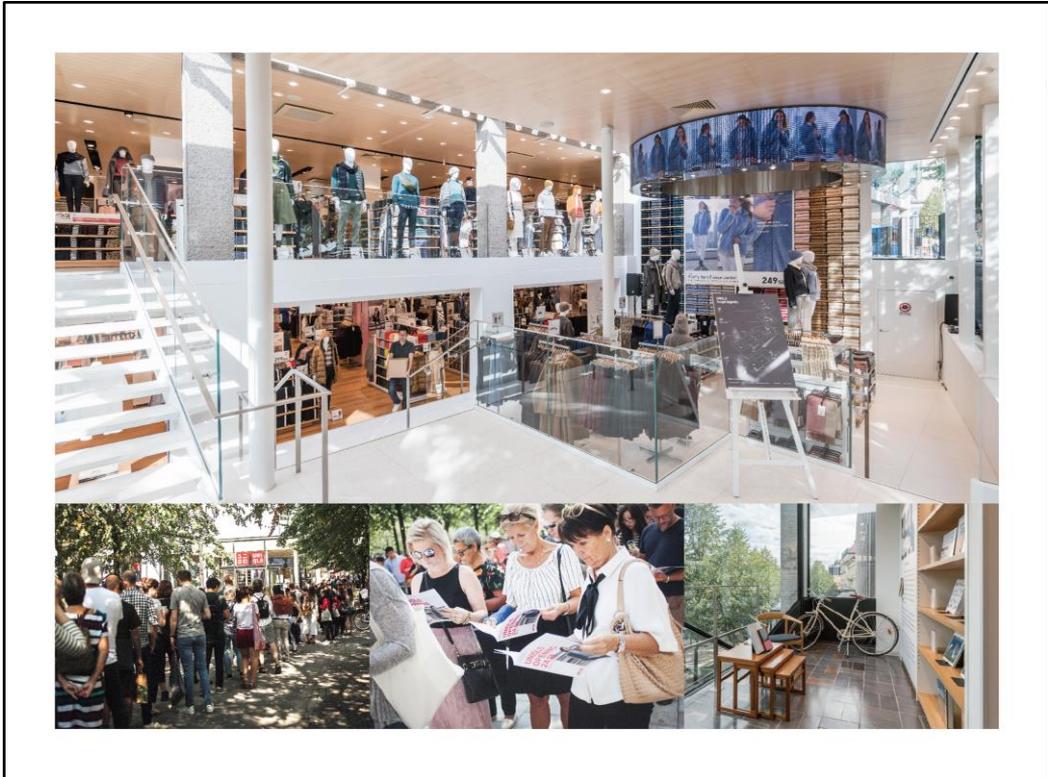
The store is located in the center of the city of Stockholm, near the Kungsträdgården (King's Garden) park, a popular central meeting place, and next to the nation's most historic department store.

The centrally located building in which the UNIQLO store is housed was designed together with leading Swedish architect Sven Markelius, who is considered the founder of functionalist architecture.

I attended the opening myself to welcome the huge numbers of customers who visited the store on the first day. It was packed.

We took a video of the store on the opening day,. Let me show you that now.





I was deeply impressed by the mature culture exhibited by this world-class developed nation. The customers who visited the store were very interested in clothes. Their manner was refined and polite when waiting in line for the store to open. They let each other go ahead inside the store and chatted together in a relaxed manner. It was obvious that they knew how to enjoy the best shopping experience.

Our small group of local staff in Sweden all work energetically together with impressive concentration and efficiency as a small team, and then have a proper rest on their days off.

The whole experience opened my eyes to the fact that Sweden has developed a great working style that enables a small population to create high added value.

LifeWear is
clothing designed to make everyone's life better.

It is simple, high-quality, everyday clothing
with a practical sense of beauty—
ingenious in detail,
thought through with life's needs in mind,
and always evolving.

I have mentioned LifeWear. LifeWear is a key Fast Retailing clothing concept.

LifeWear is clothing designed to make everyone's life better. It is simple, high-quality, everyday clothing with a practical sense of beauty, ingenious in detail, thought through with life's needs in mind, and always evolving.

Clothes that everyone around the world can easily buy, Clothes that serve as tools and parts to help create a lifestyle. That's what we call LifeWear.

UNIQLO is the elements of style,
A toolbox for living,
Clothes that suit your values,
How the future dresses,
Beauty in hyper-practicality,
Clothing in the absolute.

UNIQLO MADE FOR ALL

That LifeWear is born from our key MADE FOR ALL philosophy.

UNIQLO is the elements of style,
A toolbox for living,
Clothes that suit your values,
How the future dresses,
Beauty in hyper-practicality,
Clothing in the absolute.

Our ultimate mission as a business is to improve people's lives through the creation of clothes with a philosophy.

Continue to proactively open new stores in Europe,
an important strategic region
for the Fast Retailing Group

To establish our position as a global Brand, UNIQLO has opened global flagship stores in major cities all over the world, in New York, Paris, London, Shanghai, Hong Kong, Singapore, Manila, Taipei, Seoul, as well as Tokyo and Osaka in Japan.

Europe, as the most advanced region in the history of clothing culture, is one of the most important strategic regions for the Fast Retailing Group, and the UNIQLO brand is very highly appreciated here.

We intend to continue proactively opening new stores in Europe. Last year, we opened our first store in Barcelona, Spain. This year, we opened our first store in Stockholm, Sweden, and Amsterdam, The Netherlands. Next year, we are planning to open the first UNIQLO store in Copenhagen, Denmark.

China, Southeast Asia and India, the growth centers of the global economy

If Europe is an important region for establishing our position as a global brand, Asia, extending from China through India, is the world's main economic growth center.

The first UNIQLO store in India to open in fall 2019

In fall 2019, UNIQLO is going to take its first step into South Asia by opening its first store in India, in Dehli.

However, I'm sure this challenge won't work out well if we adopt the same chain-store approach we have in the past when entering a new market.

Forge strong partnerships
with like-minded local businesses
and individuals.
Form our own solid structures
from the foundations upwards

If we really want to grow a business in such a large market as India, with its own unique culture, then we have to create our own solid structures from the basic foundations upwards.

We must forge strong partnerships with like-minded local businesses and individuals, earnestly study everything we can about the Indian market, and work hard to teach people in India about the UNIQLO brand and what we stand for.

That's the way to ensure mutual growth. Without that strong determination, we definitely won't succeed.

Aim for a full-swing home run

In a similar way to China, we cannot hope to become the world's No.1 brand if we don't have a presence in India. And if we are going to do that, we have to change the very fabric of all that we do.

The only way is to mobilize all our past experience, both successful and unsuccessful, and focus that force on hitting a full-swing home run in India.

If we are not prepared to go that far, there is no point trying to enter the Indian market.

Era of super informatization

Join forces with superior companies
and individuals worldwide.

Do business as a team

To successfully change our entire business and industry, it is vital that we transform our own organizational structure and working patterns.

I don't need to reiterate the fact that we are living in a world where all kinds of information are conveyed instantly around the world, and economic activity is no longer constricted by national borders or corporate barriers.

The most important thing to do in this era of super informatization is to join forces with superior companies and individuals around the world. If you hide away in your own shell, you can't do anything.

We create clothes and deliver our services to people worldwide by forming teams with outstanding groups and people, such as our more than 10-year strategic partnership with leading chemicals manufacturer Toray Industries, and our global brand ambassador relationships with leading professional male golfer Adam Scott and, more recently, with tennis legend Roger Federer.

In my view, partnerships are key to beating the global competition.

Ariake Project

All systems in place

Ready for further acceleration

The other day, we hosted an event together with Masahiro Shima, president of the Shima Seiki machine manufacturing company. The event was called The Art and Science of LifeWear 2018.

The event took place during the Paris Collection week, and many people flocked to the exhibition venue in the Jeu de Paume national art museum.

In addition to this joint event with Shima Seiki, we have also announced partnerships with Google, a company driven to organize global information into a form that anyone can use, and Daifuku, which boasts the world's largest share in automated warehousing. With all systems now in place, we are ready to further accelerate our transformative Ariake Project.

Let me remind you that our Ariake Project is not simply a superficial idea for upgrading our existing information systems or increasing our online sales ratio.

The Ariake Project is an extensive drive to discard all of our former ideas and concepts, and transform our internal organization and business frameworks. An extensive drive to gather global information, and create clothes with people from all over the world.

An extensive drive to ultimately transform Fast Retailing into a entirely new digital consumer retail company

Global One, Zen-in Keiei

The ultimate aim of our Global One, Zen-in Keiei management principles is to encourage everyone to think like a manager. To do that, our employees all over the world need to amass a broad experience by working in different regions and different departments.

By sending many Japanese staff to work in different global regions, and bringing international staff to Japan, we create an effective diverse environment in which people with different experiences and expertise get to work together.

An environment in which people who share the same philosophy are seamlessly linked and can go anywhere in the world, irrespective of their sex, nationality, age or length of service.

A framework that nurtures world-leading management by empowering employees with rich new experience to grow in different countries and regions, gain management experience, and become top managers in their own right.

Create direct links with everyone for rapid business execution, decision-making, implementation

My aim is to create a flat organization that directly links our global headquarters, all our regional headquarters and all our stores, and facilitates real-time communication between managers and individual employees, and between managers themselves.

Whether it be person-to-person, person-to-team, team-to-team, we want to encourage everyone to speak up directly and to find the right answer on the spot, so we can rapidly form and implement astute business decisions.

I want to ensure we can work with anyone, anywhere in the world as if they were sitting right beside us.

I intend to transform our fundamental approach to work and all our business processes, so we can create a framework that makes such working styles possible.

Start from the beginning
to transform our entire supply chain
from planning through production,
distribution and retail

So to summarize, the Ariake Project is about fundamentally transforming our entire supply chain from planning through production, distribution and retail, forming partnerships with the world's best corporate partners, and utilizing the latest information and information technology to create an entirely new industry.

Changing clothes.
Changing conventional wisdom.
Change the world

Changing clothes. Changing conventional wisdom. Change the world.
That is our Fast Retailing corporate statement.

I say this every time, but I will say it again because this statement is the font
of everything that we do.

I believe that business exists to enrich society and our customers' lives.

We intend to always remember that one fact, and always strive to realize a
better world.

Thank you.