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# Fast Retailing Future Business Outlook

Tadashi Yanai

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



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

You have heard the details of our FY2019 corporate performance from our CFO Takeshi Okazaki, so I would like to talk primarily about what I feel are the most important challenges that Fast Retailing is facing right now.

I would also like to explain the thinking behind our management decisions and how we intend to carry those out going forward.



First, I would strongly recommend you take a look at this publication called the LifeWear magazine.

LifeWear is a completely new clothing concept created by Fast Retailing. This LifeWear magazine was issued in August to introduce our thinking to a broader range of people, indicate exactly what type of LifeWear clothing is on offer, and explain the thoughts that underpinned the making of each item and LifeWear in general.

The LifeWear magazine was edited by Takahiro Kinoshita, who worked as Editor in Chief of the men's contemporary fashion magazine POPEYE before joining Fast Retailing as creative director and Group executive vice president.

The LifeWear magazine is distributed free of charge at UNIQLO stores worldwide and Tsutaya bookshops in Japan. You can also read the free electronic version on Kindle. Given the magazine's great reception, I would like to see it published twice a year from now on, once in the Spring Summer, and once in the Fall Winter season.

# **LifeWear is penetrating lives the world over**

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Over the past few years, interest in our LifeWear concept has grown sharply among customers, people who work in the fashion industry, and members of the media.

UNIQLO has opened multiple global flagship and large-format stores in major cities around the world from New York to Paris, London, Shanghai and Singapore and, as a result, UNIQLO has consolidated an overwhelmingly strong brand position, especially in Mainland China and the ASEAN region.

Now, UNIQLO is also earning broad support among customers in Europe, North America and Australia as well.

Why? Because there is no other brand like it.



On September 13, 2019, we opened our first store in Italy, the UNIQLO Piazza Cordusio Store in Milan.

Opening day was an extremely lively event with a queue of people stretching several hundred meters from the store entrance near the city's symbolic cathedral square. Milan deserves its reputation as the world's capital of design and art, and we feel proud to have created a superior store there that successfully melds local design prowess with Japanese tradition.

Design and art are also essential elements of quality clothes-creation. We seek to encourage customers to use our LifeWear materials to sculpt their own individual style.



On October 4, we opened our first store in Delhi, India. India is a giant market of infinite possibilities.

The store interior is decorated with ceramics produced by Delhi-based artists and many illustrations of traditional culture painted in special Indian colors.

In my view, India, with its population of 1.3 billion and an extremely young average age of 27 years, is a market that harbors huge potential. We intend to open a further two stores near Delhi in the fall.

We have already employed a large pool of talented human resources, who we feel have the potential to become strong global managers in the future.

We are also planning to open our first store in Vietnam in the near future.

I am confident that our high-quality LifeWear will win the hearts of customers in these new markets as well.

In fact, I believe UNIQLO's success in different regions around the world is closely linked to the way customers have broadly and enthusiastically embraced our revolutionary LifeWear clothing concept.

So I would like to focus on that LifeWear concept in more detail here today.

# Ultimate everyday clothing

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I have been saying this for some years now, but LifeWear is clothing that improves and enriches the everyday lives of all people everywhere. LifeWear clothing offers an abundance of aesthetic rationality, simple high quality, and ingenious attention to detail.

LifeWear is the ultimate everyday clothing. Everyday clothing that continues to advance and evolve by deeply considering every aspect of everyday life needs.

## **From fashion clothes to... high-quality clothes for a high-quality lifestyle**

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Just as we refer to our daily wear as “western clothes” in Japan, the majority of consumers in many nations today wear clothing that originated in western society.

If we look back over the history of clothing, clothing was originally considered as one of the three essential elements: clothing, food, and shelter required to protect the human body.

Clothing later evolved into a means of expressing social status, with distinct clothes for royalty and titled nobles, government officials, soldiers, monks, priests, etc. Clothing then took on the role of expressing the different fashions of different eras. Each of those changing roles gradually spread worldwide.

However, in recent times, I believe the value that wearers expect from their clothes has been changing markedly. Gone is the era when people strove wholeheartedly to enrich their material lives. Today, rather than fashion clothes or dressy clothes, people want clothes that facilitate a high-quality lifestyle.

LifeWear is the concrete representation of that very desire—high-quality everyday clothes for a high-quality lifestyle.

Simple clothes that serve as highly finished parts for creating individual style.

I believe our LifeWear concept is leading the contemporary trend in global clothing history.

**Being aware of the problems  
associated with a society that  
consumes resources in large  
volumes**

**Living in an era where lasting  
prosperity is brought into question**

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I believe the key reason why LifeWear values are winning such strong global support right now is because people are feeling growing doubts and an overall malaise towards conventional society that condones the mass consumption of resources.

With apparel too, consumers are becoming increasingly aware of the problems caused by clothes that are worn only a few times before being discarded. Instead, they are looking for simple, high-quality, high-functioning clothing for everyday life.

Today, our society is facing a growing volume of severe global issues from widening income disparities to refugee issues, racial discrimination, and climate change. In addition, we are witnessing the more frequent and more severe occurrence of natural disasters such as large-scale fires in the Amazon rainforest and increasing typhoon-inflicted damage.

We live in an era where lasting prosperity is brought into question. An era which is calling out for an urgent new style of daily living.

# **Is it sustainable?**

## **The criteria that must take priority over everything else**

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In such an era, the most important consideration has to be deciding how to realize the furthest-reaching, continuous future society. In other words, ensuring things are sustainable.

If society cannot develop sustainably, companies cannot grow.

# LifeWear = Sustainability

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In today's era, every single company and every single individual must commit to think and act in a way that seeks to achieve sustainable growth for society through their operations and their work.

LifeWear products are a concrete expression of this approach.

Fast Retailing doesn't make low-quality, single-use clothing.

Nowadays, people don't want lofty slogans. They want to see sustainability in concrete action and real-life operations, because this is how to improve society, albeit through small incremental stages. As for companies, we need to build clear, firm determination, and act upon it.



As part of that drive, UNIQLO and Toray Industries are planning to start selling new products from the 2020 Fall Winter season made from recycled ultra light down garments collected from customers.

To date, the process for recycling down-filled products such as futons, etc. was complicated and the products were dismantled by hand.

However, we have developed a special ultra light down recycling machine that can fully automate the cutting, separation and collection processes, and boost processing capability by approximately 50 times compared to previous manual methods.



We have also decided to work with Toray Industries to develop DRY-EX garments made from polyester fiber recycled from used PET bottles.

I believe this will enable us to continue providing customers the world over with simpler, high-functioning, high-quality and, most importantly, sustainable clothing.

# **Work determinedly with outstanding companies and individuals to achieve a sustainable society**

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These initiatives not only prioritize the realization of an infinitely sustainable society, but also illustrate the values Fast Retailing attaches to clothes and the very way we decide to live our lives.

Nowadays, I receive many, many inquiries from outstanding designers and companies around the world who want to know more about LifeWear or want to partner with Fast Retailing on a joint work project.

It really excites me to witness various emerging opportunities for potential cooperation with like-minded, like-driven companies and individuals from around the world.

So to reiterate my belief once more, LifeWear is gradually but fundamentally overthrowing conventional clothing concepts.

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

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Changing clothes. Changing conventional wisdom. Change the world. I say this every time, but this is our prized Fast Retailing corporate statement.

This statement determines the departure and the destination point for absolutely everything that we do. Our business exists to enrich customers lives and make our society a better place.

## **A company whose business intrinsically benefits society**

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The important thing is to see how long our company can continue to exist and develop based on the LifeWear concept.

To that aim, we must develop as a company whose business is intrinsically designed to benefit society. Mark my words, there is no other way.

I am determined to help create a better society by joining forces with individuals and companies around the world with the superior talent and technology required to create an entirely new and unique retail industry.

Thank you.

