

# Fast Retailing Future Business Outlook

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Good afternoon.

You have just received details regarding our corporate performance for the first half of FY2022, so I would like to talk primarily about what Fast Retailing considers to be the most important issues right now and the thinking upon which we intend to base our management practices going forward.

## **Earnestly aiming for next level of growth**

2

While the global COVID-19 pandemic is still expanding in some markets and regions, many countries including Japan are trying to restore regular economic activities and daily life, while remaining attentive to any potential increase in infections. We are living in a 'with-COVID' era.

Over the past two years, we have not been able to develop our business as planned, because we have focused on protecting our customers and employees from the pandemic. We have also experienced restricted movement both inside and outside Japan and disruptions to our distribution systems.

However, we are now approaching a new 'post-COVID' era and are once again earnestly aiming for the next level of growth.

## **Actively resume new store openings**

3

For calendar year 2022, I chose “Win Globally, Without Borders” as the annual Guiding Principle for the Fast Retailing Group. What I mean by this is that I want us to pursue even more thoroughly our quest to make and sell together with local teams the LifeWear that we provide to customers, namely high-quality everyday wear that offers ultimate comfort and enriches people’s daily lives.

The pace of our new store openings around the world did taper off in the wake of COVID-19. However, I want us to actively resume new store openings during our current business year and achieve a regular pace of between 400 and 500 new stores openings each year worldwide in the near future.

At the same time, we intend to achieve a high degree of integration between our physical store and EC operations worldwide. We are unifying all inventory in factories, warehouses and stores and building a structure that will enable us to instantly grasp every single element of the business, from product planning through manufacture, distribution, and sales trends, as well as customer opinion and demands. Our regional headquarters around the world will then use this information to make direct management judgements on the ground.

We will then swiftly commercialize the information we have gathered globally and work with production partners that boast superior technologies around the world to develop new strong-selling products.

## **Aim to become World No. 1**

4

On April 21, we will open our first store in Europe that houses the UNIQLO and Theory brands under the same roof on London's Regent Street. Going forward, we intend to open more UNIQLO stores in markets such as Italy, Spain, and Germany.

We also intend to become the overwhelming No.1 clothing company in the U.S. and Southeast Asia in the same way as we have done in China. We will develop networks of several hundred stores in each country around the world as part of our earnest aim to become the world's No. 1 casualwear company.

People hold the key to the success of this quest. We are fostering large numbers of human resources who can be entrusted with the future management of our company in all regions around the world. We are also firming up next-generation frameworks that will take over from my own management of the company. We are steadily establishing systems that can ensure wonderful management so that we can achieve overwhelming growth around the world. I have absolutely no concerns on that front.

## **Companies exist to do good things for the world**

5

The greatest significance of a company is its continuity. Companies aim to manage their operations with future generations in mind, 10, 20 or 30 years from now. I think that is true governance.

The main aim of publicly listed companies is to grow and be profitable. Rather than focus entirely on the immediate fiscal period and fixate on short-term management, companies maintain ownership in a good way by seeking to increase profits and protect shareholder interests. We will continue to pay due attention to the interests of minority shareholders. The most important thing here, and the most important thing for a company too, is to strive to do good things for the world.

As I mentioned at the beginning, what we want to pursue even more actively is, first and foremost, our quest to realize more comfortable, richer lives for people around the world through our core clothing business.

## **Strive to solve social issues**

6

We also intend to strengthen our earnest drive to help solve social issues, including protecting human rights and working environments across our supply chain, addressing climate change and other global environmental issues, employing people with disabilities, and supporting refugees.

Currently, Fast Retailing operates over 3,500 stores in 27 countries and regions around the world. We also have multiple production partners primarily in China and other parts of Asia. In addition, we seek to involve ourselves deeply in local community activities by working together with local partners and encouraging our employees to participate as volunteers in activities designed to contribute to society.

However, these efforts are still not sufficient. We are only at the starting point. We will continue to channel even more effort into making further progress in these areas going forward.

## **Strongly against all forms of war**

7

I strongly oppose all forms of war and condemn any attack that violates people's human rights and threatens peaceful lives.

The war that is currently raging needs to stop at once. We must carefully consider how to resolve serious conflicts between nations, how to create a peaceful world, and how to ensure people all over the world can live happily. I think that Japan especially should play an active role in achieving this objective.

## **Companies play a key role in establishing peace**

8

Companies can play an extremely big part here. Rather than saying there are limits to what companies can do, we should be considering the many things that only companies can do. That's the way we should be thinking and acting.

Nothing can be solved through violence. Instead of hating each other and creating conflicting structures, people must cooperate worldwide. Companies must do everything we can to help support that aim. While countries may be divided, companies are not. Rather, company activities are designed to resolve divisions and deepen mutual understanding and harmony.



## **Continue to offer maximum support to help realize a peaceful world**

9

Our apparel industry is a peaceful industry that seeks to make people's lives richer, more comfortable, and more enjoyable. The Fast Retailing mission is to continue to provide people with comfortable everyday clothing. Even in tumultuous situations like the one we are witnessing right now every company and every individual should be doing their utmost to realize a peaceful society.

To that aim, we strive to operate stable and consistent businesses in regions around the world, promote economic growth, and secure employment opportunities. This time we have responded to the current crisis by donating US\$10 million and provided 200,000 items of clothing via the United Nations High Commissioner for Refugees (UNHCR).

In Europe, many of our employees are voluntarily delivering donations of everyday clothing directly to evacuees from Ukraine. I am deeply concerned about the circumstances of those suffering the ravages of war, and we intend to continue providing the utmost support.

**Build the future using  
our own strengths and prowess**

10

Peace is not achieved by waiting silently. In today's globally connected world, you can't simply stand by and say you can't do anything because it's a different country or because you are a civilian.

Our corporate statement commits to "Changing clothes. Changing conventional wisdom. Change the world." The LifeWear that we provide, and the very basis of our fundamental MADE FOR ALL creed, is to change society and make the world a better place through clothes. In essence, this is what it's all about.

If we cannot create a peaceful world, then we cannot grow as a global company, and our aim to become World No. 1 would be meaningless.

## **Further strengthen our cooperative relationships with international organizations**

11

Through our work to date, we have developed long term cooperative relationships with international organizations such as UNHCR, UN Women, and the International Labour Organization (ILO). We have also established cooperative relationships with private organizations and individuals in different countries who seek to contribute to society as well as like-minded investors worldwide.

Instead of leaving it up to others to realize a richer, more stable society, we should seek to create the future by channeling our own strengths and cooperating with different people worldwide. We intend to stay true to that belief and continue to take determined action going forward.

## **A new prosperous era will emerge**

12

However harsh the current reality, humanity will overcome these hardships, and I firmly believe that we will see the emergence of a new peaceful and prosperous era.

We are witnessing the formation of a middle-class population of four billion people primarily in Asia. This trend will continue, and we will certainly witness an Asia era in the future.

Developing countries and developed countries should work together to encourage that trend. Rather than putting their own 'national interests first' and only considering their own needs, we should seek to make people's lives better and to create a world that displays true liberalism and democracy. I believe companies, and individuals, play a key role in this quest.

Fast Retailing intends to continue exploring deeply why we do business, what is the reason for our company's existence, and what truly motivates us as we strive to achieve a more peaceful world and a better life for all.

I sincerely thank you for your continued understanding and cooperation.

