

# Making Great Strides Worldwide by Employing Global One and Zen-in Keiei Management Principles

**Daisuke Tsukagoshi**

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**Fast Retailing Co., Ltd. Group Senior Executive Officer  
UNIQLO Co., Ltd. Executive Director, President and COO**

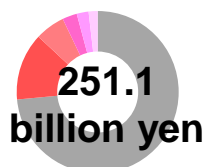
My name is Daisuke Tsukagoshi and I am very happy to have this opportunity to speak to you today.

Today, I would like to run through the things we need to accomplish to make great strides worldwide using our Global One and Zen-in Keiei management principles, which encourage all our staff to adopt a managerial mindset and select the best global method for any one task.

## Generate Earnings Worldwide (1)

**Support for LifeWear expanding in all markets,  
and earnings pillars diversifying**

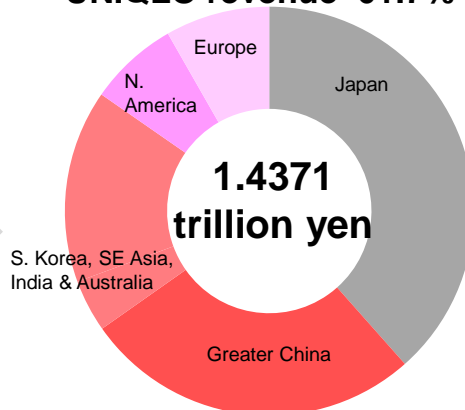
**FY2013**  
International portion of  
UNIQLO revenue  
**26.9%**



UNIQLO International  
Revenue

**Expanded  
roughly  
sixfold in  
10 years**

**FY2023**  
International portion of  
UNIQLO revenue **61.7%**



We have been working to improve our sales capabilities and expand our business in all markets ever since we declared our global commitment in 2006, and we are now starting to reap the benefits of those repeated efforts.

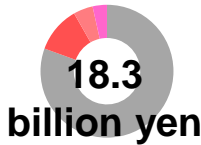
Our earnings pillars have started to diversify thanks to a deepening affinity toward UNIQLO LifeWear values worldwide and expanding support among customers in all our global markets.

Our business performance has grown markedly not only in the Greater China region, but also in North America, Europe, and Southeast Asia, India & Australia. Indeed, over the past ten years, UNIQLO International sales have increased approximately sixfold, and UNIQLO International now accounts for 62% of total UNIQLO revenue.

## Generate Earnings Worldwide (2)

**UNIQLO International operating profit margin has roughly doubled over the past decade**

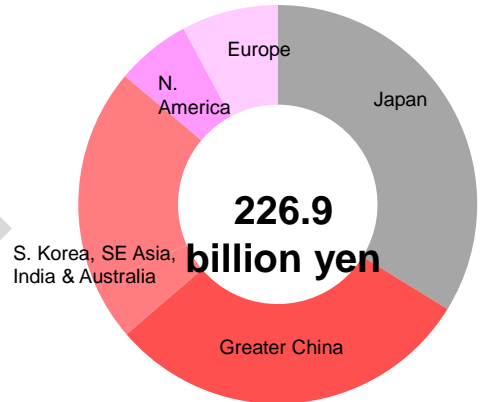
**FY2013**  
**UNIQLO International**  
**operating profit margin**  
**7.3%**



**UNIQLO International**  
**Operating profit**

**Expanded**  
**roughly**  
**twelfold in**  
**10 years**

**FY2023**  
**UNIQLO International**  
**operating profit margin 15.8%**



In addition to this revenue growth, we have also seen a considerable improvement on the profit front.

UNIQLO International operating profit has expanded roughly twelfold over the past decade, and the operating profit margin has roughly doubled over the same period from 7.3% to 15.8%.

Growth in North America, Europe, and Southeast Asia has been particularly striking of late.

### Creating multiple layers of management personnel and teams



Our management personnel are the ones supporting this growth on a global scale.

Today, members of Fast Retailing who have amassed 10, 20, or more years of management experience around the world in the Greater China region, North America, Europe, Southeast Asia, South Korea, and other areas are becoming mentors as we focus on fostering the next generation of managers.

We strive to ensure diverse human resources play an active role in each market, irrespective of ethnicity, nationality, age or gender, and are currently building strong management teams that include local staff.

## Further enhancing training of future managers



▲ New employee training: Participants split up into teams to explore product sales methods

Implementing various training sessions/workshops in each market ▶

▲ Conducting in-store training in each market

We are also pursuing initiatives to further enhance the training of future managers by accelerating the discovery, recruitment, training, and assignment of human resources in all markets.

In 2023, we hired 1,117 new graduates globally, including 350 in Japan and 767 outside Japan. We provide strategic opportunities for these human resources to grow on a global scale and appoint successful candidates to local management teams in each market.

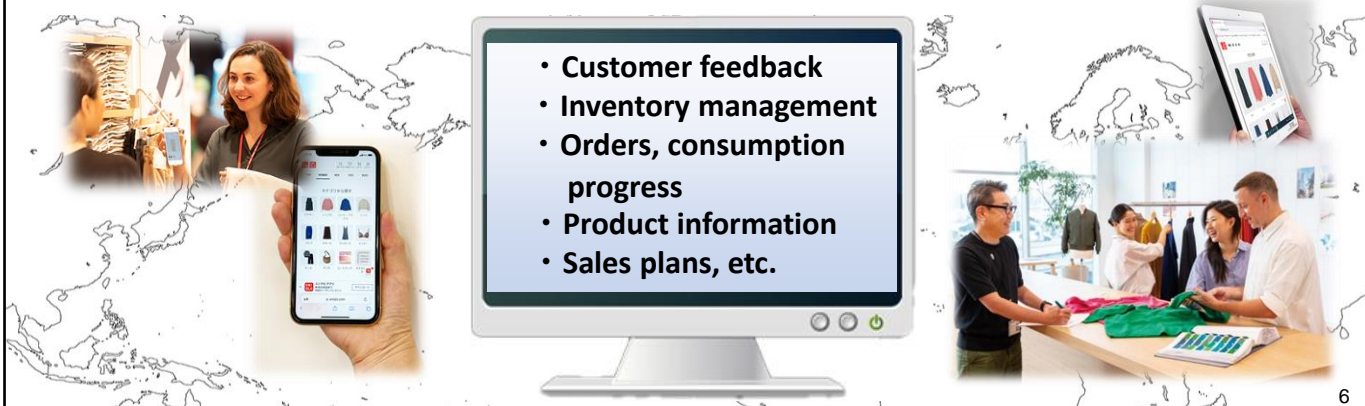
As displayed on the slide, we conduct internships and workshops together with universities around the world to help discover excellent human resources who understand the UNIQLO business model and want to play an active role in our stores.

We have been working to steadily grow our pool of human resources. However, we now need to further improve the quality and execution capabilities of our management teams, so that will be my greatest mission from now on.

In addition to encouraging all employees to adopt a managerial mindset and to conduct business as a team not as an individual, we will also carry out organizational reforms to encourage people to develop their own work styles that transcend conventional organizational boundaries.

## Swift evaluation, decision-making, and execution

- Able to check sales/inventory conditions at all stores worldwide using our platforms anytime, anywhere.
- We share analysis of customer feedback instantly 24/7/365. We are constantly reviewing our daily sales strategies and discovering and revising appropriate sales methods for each market.
- We will implement basic business principles globally through even more thorough individual store management, inventory management, and cost controls, etc.



Our business is based on our Global One, Zen-in Keiei management principles. We have learned to implement swift evaluations, swift decision-making, and swift business execution through our daily business activities.

We already have the internal platforms in place to facilitate this process. For instance, employees can use these platforms to check sales and inventory conditions anywhere in the world at any time and from any location.

These data are available 24/7/365 and are used to discover opportunities and issues and to appropriately revise our operations on a daily basis.

As we seek to achieve our sales target of 10 trillion yen, we will implement our basic business principles on a global scale, including the pursuit of even more thorough individual store management, inventory management, and cost controls.

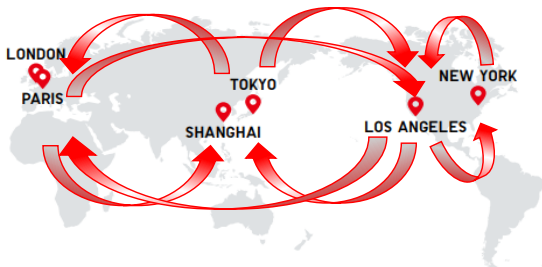
# The Evolution of LifeWear

## Create even better LifeWear and even more optimal product lineups based on customer insights

- Developing core products that sell over 10 million items a year, such as AIRism cotton oversized T-shirts, bra tops, and AirSense (Ultra Light) jackets and pants.
- Launched a new system that connects six global R&D bases. Creating hit products that suit the needs of each local market.

FY2023  
Opinions collected from  
customers, stores  
approx. **36.9million**

### Global R&D bases



▲ AIRism cotton oversized T-shirt



▲ Cropped bra top



Cargo pants ▲

UNIQLO receives over 30 million opinions, requests, and complaints from customers around the world each year. I am sure some of you here today will have sent us opinions at one time or another, so I thank you for that. We improve our products and create new hit products by analyzing this feedback within the company and sharing the results with the product development department in a timely matter.

As a result, we are creating more and more pillar products that are on a par with our current HEATTECH, AIRism, and Ultra Light Down ranges.

For instance, our AIRism cotton oversized T-shirts, bra tops, AirSense jackets and pants (Ultra Light jackets and pants), and other products are now developing into core items that achieve annual global sales of over 10 million items a year.

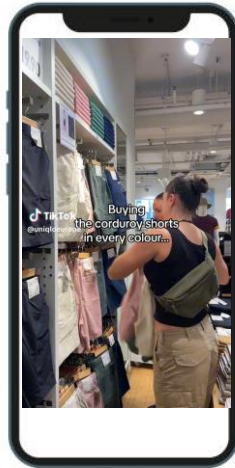
We have set up R&D centers, not only in Tokyo, but also in New York, London, Shanghai, and other locations, and we use these centers to create daily business opportunities and develop new products.

Already, we are seeing the creation of local hit products that go on to become global hit products, such as cargo pants and cropped bra tops from North America, the Ultra Relax Wireless Bra from China, and our tucked wide pants and baggy jeans from Europe, Southeast Asia, and other regions.

# Improve Brand Visibility

**Focus on marketing and branding designed to raise awareness of LifeWear**

JOIN US ON  
**UNIQLO.COM/UK**  
FOR  
LIVE STATION



The concepts for these clothes are based on our LifeWear approach. We will conduct even more active marketing and branding activities that deepen understanding of our dedicated commitment to creating highly finished products and our corporate stance.

Specifically, we are expanding the amount of content designed to help customers learn more about UNIQLO through our owned media, such as UNIQLO LIVE STATION, social media, and LifeWear Day.

We have boosted brand visibility and greatly improved business performance in North America, Europe, and Southeast Asia by consistently communicating our “Who we are” campaign.

These regions harbor great growth potential because UNIQLO’s share of the apparel market is still low, and we plan to strategically enhance our branding activities in these markets.

The challenge is to ensure organic connections between all functions in each market from merchandisers to marketing, stores, and production bases, to clearly determine the products we should be marketing and the best timing to do that, and to conduct strategic marketing. We will pursue thorough initiatives on a global scale to help address these issues.



## Create Stores that Local Communities Love (1)

### Open quality stores worldwide with LifeWear experiences



▲ Receiving daily requests from customers to repair or remake their clothes at our permanent RE.UNIQLO STUDIO (Paris Opera store)



◀ Collaborative products with local artists (New York SOHO store)

Counter for in-store pick up of online purchases enhances customer convenience (New York Hudson Yards store) ▶



Our stores that offer new customer shopping experiences are especially important to us. This includes e-commerce stores as well as physical stores. We plan to actively open stores with deep community ties around the world where customers can experience our LifeWear concept.

Our New York global headquarters and Tokyo headquarters are working together to create new types of stores and services.

We will boost our number of UNIQLO fans by expanding good examples of regional services on a global scale and providing more customers with experiences that they can only get in our stores, as well as improved customer service, and a wider range of new services.

For example, we offer clothing repair and remake services at the permanent RE.UNIQLO STUDIO located in the recently refurbished and reopened UNIQLO Paris Opera store. In the United States, we are developing collaborative products with renowned local American artists, establishing systems to facilitate smooth in-store pick up of items purchased online, and providing new in-store shopping experiences.

## Create Stores that Local Communities Love (2)



▲ Outdoor blocks for sitting and playing (Maebashi Minami IC store)



▲ Kids space with picture books (Maebashi Minami IC store)



▲ UNIQLO COFFEE, a relaxing community space (Maebashi Minami IC store)

Store staff appearing on UNIQLO LIVE STATION to explain product functionality and features ▶

(UNIQLO SHANGHAI)



▲ Conducting experiments on UNIQLO LIVE STATION

Our Maebashi Minami IC store in Japan aims to create a space where customers want to spend the whole day, and not just for shopping. To that aim, we have set up a space where customers can relax and enjoy a cup of coffee and a kid's space where children can have fun.

We also give children the opportunity to try out different jobs and are setting up systems and services that enable staff to welcome customers on a daily basis in order to create stores that form an essential part of the local community.

In the Mainland China market, store staff conduct their own daily activities for conveying great product features to customers not only in stores but also through digital channels. These initiatives include introducing different ways of wearing items and conducting experiments to illustrate the functionality of our products on the UNIQLO LIVE STATION media channel.

## **Becoming the world's best-loved No.1 brand that is also essential to society**

**By conducting business that  
always puts the customer first**

I have one final point to make. And that is this. We can only achieve sustainable growth by earning the trust not only of our customers, but also of local communities and society at large.

UNIQLO has been providing clothing aid for disaster-stricken areas, refugees, and internally displaced persons for many years. For instance, our PEACE FOR ALL charity T-shirt project promotes global sales of T-shirts sporting peace messages volunteered by well-known persons from around the world. The project has already generated profits of just under 700 million yen, which have been donated, in equal proportions, to three organizations involved in peace-seeking activities. We will continue to actively help create a better society through the power of clothing in places around the world.

Our business is supported by approximately 110,000 employees. We aim to become the world's best-loved No.1 brand by conducting business that always puts the customer first and by pursuing our Global One and Zen-in Keiei management principles.

We hope that we can rely on your continued support. Thank you.