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Fast Retailing Future Business Outlook

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



Hello. My name is Tadashi Yanai, and I am Chairperson, President and CEO of Fast Retailing.

Today I would like to talk primarily about the thinking upon which we intend to base our management practices going forward, what we consider to be most important right now, and what policies we are currently in the process of implementing.

Exceeding 10 trillion yen

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Fast Retailing reported increases in both revenue and profit in our consolidated results for the year ended August 31, 2023.

We expect to achieve sales of 5 trillion yen over the next few years, and then we will extend this aim to 10 trillion yen.

The path towards achieving sales of 5 trillion yen is already fairly clear and involves continuing our current approach of opening global flagship stores in major cities around the world.

After that, it is simply a matter of doubling that total, which is achievable. 10 trillion yen is not at all an unthinkable goal.

LifeWear is clothing designed to make everyone's life better

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UNIQLO is not a fashion business that simply chases the latest trends.

LifeWear provides ultimate everyday clothing that is designed to make customers' daily lives better.

LifeWear offers excellent design and style elements, as well as boasting a high degree of functionality. It is easy to wear, comfortable, durable, and long-lasting. We deliver LifeWear to customers worldwide at a price that everyone can afford.

We offer a comprehensive range of basic components for daily living through our physical stores and e-commerce network, and we are committed to selling products without any inventory shortages.

Our customers can immediately buy the things they really want, when they want them.

Customers return to our stores time and time again because they feel a sense of reliability and trust. This is the driving force behind the growth of UNIQLO.

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At UNIQLO's core is Japan

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Just where do these new clothing values, which we are taking to the world, come from?
They come from Japan.
Japan is the bedrock upon which UNIQLO and our LifeWear values are based.
Our first UNIQLO brand message, which we formulated in 1999, reads as follows:

UNIQLO is a new kind of Japanese company that enables people all over the world to experience the joy, happiness and satisfaction of wearing truly great clothing.

UNIQLO brand message
since1999

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“UNIQLO is a new kind of Japanese company that enables people all over the world to experience the joy, happiness and satisfaction of wearing truly great clothing.”
At that time, UNIQLO had not even developed a nationwide presence across Japan, and developing an overseas store network was still just a dream for us. Yet, we deliberately referred to ourselves as a Japanese company in the brand message.
Why? Because we believed that we could leverage our unique Japanese values, in terms of aesthetics, attentive manufacturing, and diligent spirit, as key strengths for launching our business in global markets.



The UNIQLO Soho New York store that we opened in 2006 pioneered our current launch of Global Flagship Stores in major cities around the world. Ever since the Soho store's opening, we have firmly declared our origins as a company from Japan, and sought to advertise the appeal and unique nature of Japanese culture to the world. For that reason, we ensured the UNIQLO logo was not only written in English but also the Japanese katakana alphabet.

Make minutely-detailed clothing by leveraging Japanese strengths in textiles

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UNIQLO clothing has overturned conventional wisdom in the fashion business by defining clothing as tools or components that make everyday life better. Furthermore, our clothing is made with the precision and strict quality control standards of industrial products.

We pay close attention to every detail of our clothing, including the selection of raw materials, material development, design, function, sewing, silhouette, and color shade. We are also directly involved in the production process for each garment, and make our clothes together with long-standing partners with whom we have developed deep relationships of trust.

Moreover, we use cutting-edge digital technology to constantly innovate, evolve, improve, and update our clothing.

The ability to create extraordinary clothing by leveraging Japanese manufacturing strengths has proved one of the biggest factors in enabling UNIQLO to win the support of customers worldwide, and to grow as a brand.

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A sense of Japanese aesthetics that resonates around the world

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The post-COVID world has changed dramatically, and people are no longer interested in the needless pursuit of glamor and luxury, but place greater emphasis on daily life, demanding products that offer real value.

This change in the times is one of the reasons why customers are feeling such a strong affinity for LifeWear worldwide.

People are looking to reduce surplus things and live simply and in their own way.

We have dedicated ourselves to specializing in one area, steadily refining our expertise, and creating products with integrity.

Our LifeWear concept has enjoyed a sharp rise in popularity particularly in European and American societies in recent years.

This trend is being supported by the rising global affinity for Japanese aesthetic sense and values that we are witnessing around the world.

Branding focus: New clothing from Japan

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This concept is present in all UNIQLO products, from our HEATTECH, Ultra Light Down, and other highly functional basic products, to our 'Chainsaw Man' *anime* T-shirts that are now taking the world by storm.

Instead of relying on discount sales, we decided to appeal to customers directly through the value of our products themselves, and focus on an extensive branding campaign as a 'clothing brand from Japan'.

These strategies have helped secure UNIQLO's global brand position.

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Continuing to sell every single piece of clothing with diligence and dedication

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Ultimately, we are a retail business that sells clothing.

Furthermore, the majority of our products are everyday clothes with low unit prices.

We have been able to develop from humble beginnings on a shopping street in a small mining town to a company that boasts sales of well over 2 trillion yen by selling individual items of clothing every single day with diligence and determination.

Our story does not harbor any secrets or shortcuts for making easy money.

We would do the same thing whether we had one store or ten thousand stores.

And we will continue to earnestly provide our customers with truly good products.

I think the only way for a Japanese company to operate is to pursue business with this kind of sincere spirit.

Indeed, if we can continue to provide constantly evolving LifeWear to customers around the world, I am confident that we will be able to exceed our sales target of 10 trillion yen and move onto the next stage beyond that.

Enhancing our team management structure

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In terms of our management structure, we have decided to appoint our current UNIQLO Global CEO, Daisuke Tsukagoshi, as President and COO of UNIQLO Co., Ltd. This is one part of our drive to strengthen our future team management and further promote our global business.

I am sure Mr. Tsukagoshi will tell you about this later himself, but I would like to build a management team together with managers of national and regional operations. I would also like all departments across all Group companies to work together to realize a unified *Zen-in Keiei* Group management style, in which all employees adopt a managerial mindset, and generally improve the quality of our management.

I, Tadashi Yanai, will continue to fulfil my responsibility for Groupwide management decision-making and execution as Chairperson of UNIQLO Co., Ltd. and President, Chairperson and CEO of Fast Retailing Co., Ltd.

Let me just say here now that I will continue to work hard in my various capacities, so please continue call me 'President Yanai', as that is still very much my active role.

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Building a management team succession plan

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To date, our team management has been implemented by the managers of national operations and individual departments. We intend to enhance this system going forward centered around Mr. Tsukagoshi.

Our management team is already taking the lead on discovering and nurturing future management candidates currently in their 20s and 30s who will lead us into the next era. We are already creating succession plans and implementing them all over the world. I truly believe in the power of young people, and expect great things from them.

Individuals and companies can change the world

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If we look around at the current state of the world, there are a mountain of problems that need to be solved - from wars to widening income inequality, climate change, and other equally challenging issues.

I am convinced that Japanese people, Japanese companies, and the Japanese country itself can contribute significantly to the solving of global challenges by leveraging the unique culture and ideas that we have cultivated.

As a private enterprise, we can do business with anyone, anywhere in the world.

I believe we can absolutely create a peaceful and stable world if motivated individuals and companies with high aspirations are able to transcend political barriers and work together.

We will continue to tackle future challenges fueled by our mission: Changing clothes. Changing conventional wisdom. Change the world.

I hope we can rely on your continued support. Thank you.

