

October 10, 2024

The Ideal Timing for Growth

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



An era in which the focus is firmly on corporate 'sociality'

2

Hello. My name is Tadashi Yanai, Chairman, 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.

In today's world, people walk around with their smart phones in their hands, and are able to both transmit and access information directly themselves. There is all sorts of information out there that people can access at any time. Similar changes are taking place in every part of the world.

Amidst this background, individual and corporate 'sociality' is firmly in the spotlight, with people questioning who is providing reliable information, and who is providing reliable products and services. Vendors, companies, or governments can no longer impose their own reasoning on others for their own convenience. By the same token, it is becoming increasingly important that companies prove they are useful to society.

2

The ideal timing for growth

3

Today, global markets are inextricably connected, and competition between companies and individuals is played out on the world stage.

In the past, management was thought of within the framework of a single country - but this situation has now completely changed, and companies must always assume the global market as their premise.

This new environment provides great opportunities for us at Fast Retailing.

We have made many mistakes since our initial foray into international markets, in London in 2001. However, we have learned from each and every one of those experiences, and are now finally learning fundamental lessons about what it means to be a global player.

At this point, we have merely qualified to enter the competition to become a truly global brand. However, we intend to keep on building our strength and power ahead into global markets.

The world is undergoing dramatic changes, and we are successfully laying the foundations for our future business, so now is the perfect time for our next stage of growth.



UNIQLO celebrated its 40th anniversary in June 2024.

In early October, we marked this anniversary year with an event called *The Art and Science of LifeWear*, held in Paris.

The event was attended by many customers, members of the media, and people from the fashion world, who were able to experience Fast Retailing's LifeWear approach for themselves.

We have enjoyed continuous growth over our 40-year history, thanks to the wonderful support of our many customers, shareholders, and business partners, and we will continue to grow at a rapid pace into the future.

If we increase sales by 500 billion yen each year, we will be able to reach our interim goal of 5 trillion yen sales within a few years.

The global market environment and Fast Retailing's future business potential would indicate that such a scenario is certainly possible.

For our part, we are already looking beyond that point and making concrete plans and preparations for achieving our next goal of becoming a 10 trillion yen company.

Investing in human resources is our top priority

5

Investing in human resources is the most important element for our future growth.

We work hard to discover and train managers for the whole Group, or to head individual market operations and functions. Even more importantly, we are working hard to nurture the store managers and salespeople who support our global store network.

We hire talented people all over the world, striving to ensure the aspirations of each individual aligns with our company philosophy, and encourage our personnel to apply all their skills and enthusiasm to their daily work as store managers and business leaders.

We also encourage our staff to grow, and act as people who make useful contributions both to the company and to society at large.

We will continue to invest generously in human resource development as part of our drive to create such a corporate group.

Long-term talent development

6

If you want to develop management personnel who share your corporate philosophy and are eager to practice those principles, you have to create an education system that enables all employees to gain a deeper understanding of this philosophy from a long-term perspective, and to grow continuously.

That conviction has fueled all of our actions to date, and I believe the groundwork is now in place.

It is important for senior colleagues to clearly convey the company's philosophy and thinking to junior colleagues, and for those younger colleagues to grow at an even faster pace, to an even higher level than their managers.

Making solid progress on management succession

7

Daisuke Tsukagoshi, who is also present here today, is a great example of a manager who has grown to deeply empathize with the company's philosophy, and has contributed to the company's growth over a long period of time.

Currently, I spend much of my time nurturing future management successors.

When I talk about management succession, I am talking about ensuring each individual is able to independently put into practice the thinking that I myself have implemented over many years.

To ensure the fundamental essence and most important points of this thinking are properly aligned, we teach our management principles and judgement standards on-site, rather than in the classroom. This enables us to tell people specifically what went wrong, and why, when mistakes are made, and to steer each job to a successful conclusion.

We do this every day in our stores.

7

The founding family and its role

Kazumi Yanai and Koji Yanai are not just members of the founding Yanai family, but also shoulder a firm responsibility for ensuring solid corporate governance.

I would like these two executives to strive not only to achieve sales targets as part of their overall corporate management, but also to speak out on various topics to ensure the company is managed in the correct manner, and that it develops into a useful entity in society as a truly good company.

Fast Retailing is a listed company with a firm founder presence. I would like to conduct balanced management that combines and clearly demonstrates the best elements of a public company and family-run firm, which brings out the best in both parties.

A global management structure

9

It is also important to point out that we have many talented people working in each market and department, in terms of both ability and insight, who will serve as the next generation of managers.

From FY2025 onward, we are determined to accelerate the specific discovery and appointment of management candidates.

We are currently building frameworks in which executive officers and management teams in each market play a more significant role in training programs, and take on greater responsibility for training future managers.

We are building solid local management teams around the world. In addition, our executive team at global headquarters travels directly to different sites, rather than managing operations remotely. There, they are able to identify issues themselves based on reality - real circumstances, real products - and solve issues together with local management teams and employees.

We are currently transforming our entire Group to facilitate this new global management structure.

9

Realizing new ways of working

10

You cannot achieve this with long working hours and sheer numbers of employees.

Instead, we will raise the standard of our work even further, and nurture small teams of elite personnel for each task.

I would like to transform our systems so that all employees learn to judge everything from customers' expected standards, and to think for themselves and take autonomous action. I want individuals with strong independent powers of judgement fully leveraging cutting-edge digital technology, utilizing all kinds of software, hardware and device, and forming small teams of elite personnel who can transcend national borders and manage business globally.

Doing the obvious as a matter of course

11

As I mentioned at the beginning of my presentation, there are no boundaries between countries and industries in a global market, and we are living in an era in which corporations' true capabilities are being tested.

Business is all about instinctively doing what is obviously required without hesitation, over and over again.

To offer the very best products and the very best services to our customers without being distracted by short-term profits.

That means single-mindedly and earnestly carrying out the obvious tasks required to achieve this aim, carefully reviewing daily work, and immediately trying again if something is not up to scratch.

Ultimately, the only companies that customers will choose to survive in the long-term will be those that always strive to achieve higher results and steadily improve corporate profits and employee compensation.

Always striving for perfection

12

I am not saying that our Group only consists of exceptionally talented people.

However, we can attribute our growth over the past 40 years to our willingness to fulfil our obvious commitments honestly and without hesitation.

The important thing is to always hold yourself to high standards.

If you consider things from the customer's point of view, your work will either receive a mark of 100 or zero.

If you set low standards for yourself, you will never heed the perspectives of customers or society at large, and you will tend to conduct your work in a way that is most convenient for yourself and your immediate department.

Instead, we should constantly ask ourselves what the purpose is of a particular task, and whether it is useful to our customers. We should never forget that perspective, and always aim for perfection.

We are determined to maintain this corporate stance into the future.

Managing business with the intent to drive long-term value

13

In recent years, the world has fallen victim to excessive and widespread financial capitalism that views everything in terms of monetary value. That trend has been exacerbated by the advancement of digital technology.

Many companies engage in speculative activities in different spheres, with a narrow focus on short-term profits.

We at Fast Retailing have distanced ourselves from this trend, and have instead continued to focus on managing our business with the aim of improving the value of our actual business over the long-term.

With that goal in mind, we have always worked together with our business partners to responsibly conduct and manage an end-to-end business ourselves. Going forward, we intend to pursue this kind of comprehensive business management even more thoroughly.

Rapid technological innovation in recent years has enabled companies to form closer partnerships on a global scale, facilitating even stronger mutual growth and mutually profitable business relationships. These types of relationships have always helped propel Fast Retailing's growth.

Pursuing business expansion and social contribution equally

14

Naturally, we aim to pursue profit as a company - but we also need to operate as a company that strengthens relationships across all aspects of society; one that considers the aims of expanding business and contributing to society to be equally important.

It is extremely important to always aspire to challenging goals, while managing business to both generate strong profits and engage in consistent sustainability-related activities.

Our business consists of a group of individually-managed local stores, so it is essential for us to contribute to local communities. We have always emphasized the importance of working with local people to generate mutual benefits. Indeed, our operations are built upon a commitment to work together with local companies and individuals to strengthen communities. We will work to raise awareness in all our employees so that we can continue to grow together with local communities.

A company with Japanese roots

15

Fast Retailing is a company that originated in Japan.

While we value our position as a global company, we also value our unique qualities that are deeply rooted in Japanese culture

For instance, our constant pursuit of the highest quality, and our desire to eliminate waste and cherish precious resources and items.

Or our pursuit of team and organizational interests while also respecting individuality.

I would like to incorporate the good elements of Japanese culture and work methods into our corporate management, and spread the word to more people around the world to help them better understand our corporate nature and commitment.

Responsibility for corporate performance

16

I have mentioned this at corporate results briefings in the past, but I view stock prices as a kind of popularity contest.

Rather than focusing too heavily on daily stock price movements, I concentrate on our responsibility to manage corporate performance to the best of our ability. That is how we have always managed our business.

2024 marks the 30th anniversary of the listing of Fast Retailing on the stock exchange. We have always taken a long-term approach and fulfilled our responsibilities accordingly and with consistency. I believe that is why our stock price has reached the level it is at today.

We will continue to engage in business activities that are designed to increase the long-term value of our company.

Going Concern

17

The most important thing for a company is to be able to operate as a going concern over the long term, and to contribute to the interests of society at large.

Whether it is our 40th, 50th, 60th, or 100th anniversary, we will always strive to operate as a company that grows in accordance with these long-term aims.

I very much appreciate your continued support.
Thank you.

