



**TADASHI YANAI**

FAST RETAILING  
Chairman, President and CEO

# Becoming a Single, Worldwide Corporate Group

During fiscal 2008, ended August 31, 2008, FAST RETAILING attained significant gains in net sales and net income, driven especially by the performance of the UNIQLO Japan operations. This was made possible as a result of our day-to-day activities aimed at meeting the needs of our customers.

Our customers have grown more and more selective as the business climate deteriorated. However, over the past year, we have achieved major breakthroughs in our UNIQLO operations in Japan. These have included the success of our HEATTECH line for the fall and winter season of 2007 and our BRA TOP line for the spring and summer season of 2008. I feel our customers have grown more enthusiastic about our fabrics and product quality over the past year.

In fiscal 2008, our UNIQLO International operations turned a profit for the first time. Building on the success of its global flagship store in New York, UNIQLO is beginning to raise its profile as one of the global apparel retailing players in international markets. In Asia, we are reporting steady expansion and improvement in our performance in the Chinese market, and we have reached the stage where we can further progress with our store network expansion.

As the rapid spillover effects of the subprime loan crisis proved, the world economy is now completely global and information travels everywhere instantaneously. We have moved from a time when companies could compete in their domestic markets alone to a world where we must compete globally. The apparel retailing industry in Japan developed by reaping the benefits of Japan's economic growth, and it has been slow in adopting a global perspective. Going forward, however, only companies that can grow globally will be able to attain rapid expansion in their activities. For us, becoming No. 1 in Japan is not enough. We have to continue to reinvent ourselves to become an outstanding global manufacturing and retailing company.

As it has gained experience in manufacturing and selling several million units annually of each product, UNIQLO has listened to the voices of highly demanding customers in Japan and constantly made improvements to enhance customer satisfaction. I believe that UNIQLO's basic items have already won worldwide recognition for their quality, and they are already beginning to gain the support of customers in European, U.S., and Asian markets. To compete in world markets, we have to change our perspective from "products that will sell in Japan" to "products that will sell throughout the world."

Our goal at FAST RETAILING is to "become the world's No. 1 apparel retailer." We want to be a company that is world-class in terms of the size of our sales, profitability, customer satisfaction, diversity of talent, and contribution to society. The time has come to step up our drive toward globalization, Group integration, and putting entrepreneurial values into practice. To do this, we have to accelerate our initiatives to create a single, worldwide corporate group. This will require polishing all aspects of FAST RETAILING and UNIQLO, raising the level of management of the FAST RETAILING Group, and creating new businesses that, along with UNIQLO, will become the second and third pillars of our growth and development.

We are looking forward to continuing to meet the challenges FAST RETAILING must confront to become "a single, worldwide corporate group."

December 2008



Tadashi Yanai  
Chairman, President and CEO