Global Brand Operations

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Theory, Founded in New York City, Is the Leading Brand in the Contemporary Market—Inspiring the Modern Man and Woman

Brand Introduction

Theory was founded in 1997 on the principle that modern men and women want to feel comfortable and sexy. Theory is geared to answer the needs of the contemporary customer, one who has a demanding and versatile lifestyle. The brand quickly became a global phenomenon ever since Andrew Rosen, the founder of Theory, and his long-standing associate Ricky Sasaki introduced Theory to Japan. LINK THEORY HOLDINGS CO., LTD. (LTH), became a wholly owned subsidiary of FAST RETAILING as a result of a takeover bid in March 2009. At the end of fiscal 2009, LTH had combined sales of about ¥40 billion through its base of 306 stores in Japan and the United States.

Made from innovative stretch fabrics of the highest quality, Theory offers a perfect and comfortable fit combined with a carefully calculated, beautiful silhouette that, while simple and sleek in appearance, appeals to sophisticated, contemporary women and men.

Growth Strategy

In 2008, apparel sales in the United States and Japan suffered from the effects of the global downturn that followed in the wake of the collapse of Lehman Brothers. Amid this business environment, LTH experienced a slowdown in its heretofore rapid expansion, but its core Theory brand maintained a firm upward trend in sales in 2009 because of its strong reputation for simple and basic designs and top-quality materials.

As a member of the FAST RETAILING Group, Theory is planning to strengthen teamwork among its operations in Tokyo, New York and Paris; accelerate the development of activities in Europe, where it is a relative newcomer; and speed up entry into China and other new markets. In tandem with these activities, LTH is developing the Helmut Lang brand as a follow-up to Theory, which it acquired during the spring and summer season 2007.
Q: How did the concept of Theory originate?
A: When we launched the brand Theory in 1997, the workplace was becoming much more mobile. It was the beginning of the Internet and cellular phones, and women were no longer going to be tied down to the office. I felt that clothes needed to be as free and mobile as their lifestyle was going to be. Also, because I had started out in the jean business and I was in the designer sports wear business then, I wanted to create something that melded those two ideas—the sense of urgency of the jean business with the luxury of designer sports wear. I got very interested in fabrics with Lycra® at that time. So it was under the premise of fusing the functionality of casual items like jeans with luxury using Lycra® that I came up with the concept for Theory.

Lycra®, a synthetic fiber known for its exceptional elasticity, is a trademark of INVISTA, Inc.

Q: What do you believe made Theory so successful?
A: Because the fabric of Lycra® had elasticity, a basic shirt could be fit in a totally different way—the same thing with the rise of trousers or the cuts of the jackets. Traditional size specifications didn’t mean anything anymore.

I could create new shapes using the classic silhouette. I believed strongly that there was a void in the market place and that the styles of the clothing available to women were not modern and contemporary enough. Very quickly, the company caught on and became a major success.

Q: How did Theory change the way women thought of clothing?
A: My whole idea was that clothes would be individual pieces and they would be simple in design. It was the days when companies were trying to design outfits so they could create multiple sales. They made shirts with pairs of pants and jackets hoping that the customer would buy all three. I had a different perspective on that. For me, it’s about individual pieces that become part of women’s wardrobes; the versatility of the clothes is important because clothes are not inexpensive, I wanted to make clothing that can stay in a woman’s closet for a while. So Theory’s clothes were to be made of very high-quality fabrics in very high-quality factories in very high-quality ways.

We concentrated all our energy on the quality and integrity of the clothes because I felt that so many times I see really nice clothes, I put them on, and they don’t feel good, they don’t fit well.

For me the whole experience with the consumer was about how the clothes felt and fit them and the integrity of the clothes. What was important was to do the work well and consistently; whether it was consumers, retailers or suppliers, it was about the integrity of the relationship.

Q: What’s American about Theory? How do you describe contemporary clothing?
A: The contemporary segment of the market is a truly American phenomenon. While designer clothes are for special occasions, contemporary clothes are for the modern consumers—the clothes a customer wears every day.

But to me, a contemporary lifestyle is not just for America, but for men and women all over the world.

Q: Going forward, where do you see the growth potential?
A: There is a lot of growth potential globally. Before, American businesses just did business in America, while Japanese did business in Japan. Now there are a lot of opportunities globally. The real opportunities for a company—along with global expansion—may go hand in hand with retail expansion. For a long time, one thought of doing business through department specialty stores, but the future of the business is in developing a strong retail platform.

One of the exciting things about the combination of FAST RETAILING and Theory is the ability to develop a very strong global retail platform. In order to compete in the world in the future, you have to control the majority of your distribution.
French Fashion House COMPTOIR DES COTONNIERS Finds Popularity with Its Message Featuring Real Mothers and Daughters

Brand Introduction
COMPTOIR DES COTONNIERS’s story began in 1995 with the opening of two boutiques, one in Paris and one in Toulouse in the south of France. COMPTOIR DES COTONNIERS further developed its core values in 1997, when the brand presented its image embodied by real mothers and daughters selected through auditions held around the world. With a sense of natural authenticity, the brand’s designs keep today’s trends in mind while being constantly flattering. The brand’s preoccupation with detail and the desire to be different has also led it to develop exclusive prints and fabrics.

As of the end of fiscal 2009, COMPTOIR DES COTONNIERS had 228 shops in France, 106 in other European countries, 33 in Asia and 1 point of sales in the United States, for a worldwide network of 368 shops.

COMPTOIR DES COTONNIERS became a member of the FAST RETAILING Group in fiscal 2005.

Growth Strategy
In fiscal 2009, sales slightly declined at existing stores, and overall sales and profit decreased because of the adverse effects of the deterioration in economic conditions in Europe. During the current fiscal year to August 2010, performance is expected to bottom out with help from increased management efficiency and new store openings in Europe, the United States and Asia, including Japan.

In Japan, COMPTOIR DES COTONNIERS JAPAN opened its first boutique in February 2006 and has subsequently expanded its network to 32 stores, which are located mainly in department stores and downtown shopping areas.

Strategies going forward will include strengthening teamwork with Theory, which has a strong base in New York, and with FAST RETAILING. Also, to consolidate its position as a global brand, COMPTOIR DES COTONNIERS plans to accelerate the expansion of its store network in the United States and Asia.
PRINCESSE TAM.TAM’s Fresh French Styles
Winning Over Women

Brand Introduction
Two sisters, Loumia and Shama Hiridjee, presented their first PRINCESSE TAM.TAM collection in a prêt-a-porter show in 1985. Its original prints and bright colors immediately proved to be a strong draw. In 1987, PRINCESSE TAM.TAM opened its first shop in Montparnasse, Paris. When the Hiridjee sisters offered their first colorful print bras in woven fabrics, lingerie was available mostly in knit fabrics. Their colorful and innovative offerings were an immediate hit among Parisian women, with young women flocking to the beach wearing PRINCESSE TAM.TAM lingerie instead of swimwear. Since then, the Hiridjee sisters’ collections have won the hearts of many women for “being lingerie that presents women as they are.”

Today, the brand has built a sales network that includes the leading department stores and boutiques of France and the rest of Europe. PRINCESSE TAM.TAM became a member of the FAST RETAILING Group in fiscal 2006.

Growth Strategy
Today’s PRINCESSE TAM.TAM is heir to the legacy of both the Hiridjee sisters’ concept of “making lingerie for women” and the craftsmanship of France’s lingerie industry. The brand’s collections are crafted with only the finest silks and cottons, original prints and fine lace. Once customers have worn PRINCESSE TAM.TAM garments and experienced their incredible comfort and fit, many become repeat customers. The brand includes three main lines: lingerie, homewear and swimwear.

At the end of fiscal 2009, PRINCESSE TAM.TAM had a network of 166 shops, mainly in France. The collections are sold through major department stores, such as Galeries Lafayette and Printemps. Outside France, the brand has built a presence in 40 countries through a combination of 1,000 distributors, including the leading department stores of Europe.