Global Brand Operations

Theory
Comptoir des Cotonniers
Princesse tam.tam
g.u.
Targeting Sales of 100 Billion Yen with a New Focus on Asia and Europe

The Theory brand had significant gains in both sales and profit in fiscal 2011. The performance in the United States was improved greatly by streamlining management in fiscal 2011, and great results are continuing in the current business year. Theory is also performing strongly in Japan, with many loyal repeat customers.

The Theory Aoyama Store was opened in July 2011 in Tokyo’s Aoyama district, which is already home to many flagship stores of top global brands. The store features a uniform global look with an interior and displays fashioned after Theory stores in New York.

Olivier Theyskens became the new artistic director for Theory beginning with the 2011 fall/winter collection. Theyskens made a name for himself as an up-and-coming designer at Paris Fashion Week and has subsequently won many awards. As a designer in the global fashion spotlight, Theyskens will be looking to maintain the essence of Theory while further heightening the brand’s appeal by incorporating a fresh sense of luxury.

Looking ahead, Asia and Europe offer the greatest potential for expanding the Theory brand. The women whose needs Theory seeks to meet share lifestyle elements, wherever they are in the world. Many customers from Europe visit the New York Theory flagship store, in the city’s trendy Meatpacking District, because they do not have a Theory store in their own country.

Link Theory will press ahead in Asia and Europe in order to fulfill customer needs all over the world, and expand the business. Its sights are set on annual sales of 100 billion yen.

Note: The contemporary market offers modern customers clothing of designer quality at affordable prices.
A Chic French Fashion Brand Renowned for Its Creative Style

Business Overview
The Comptoir Des Cotonniers (CDC) brand emerged from boutiques that opened in 1995 in Paris, and in Toulouse in the south of France. While mindful of today’s more refined fashion trends, the brand nurtures a sense of natural authenticity and flattering femininity. Since 1997, the brand has promoted its core mother-daughter image by featuring real mothers and daughters selected through auditions.

CDC became a consolidated subsidiary of Fast Retailing in fiscal 2005. At the end of fiscal 2011, the brand had 386 stores: 229 in France, 106 in other parts of Europe, 44 in Japan and Asia, and 7 in the United States.

Harnessing Synergies for Global Expansion
CDC’s performance in fiscal 2011 was below target, as economic conditions continued to deteriorate in Europe. With this instability expected to continue in fiscal 2012, CDC will further boost efficiency through management restructuring.

Having expanded CDC’s French network in major department stores and high-street locations, stores are currently being opened outside France in Europe and in Asia, including Japan. There are also plans to expand into the United States by strengthening links with the Theory operation there. By reaping synergistic benefits within the Fast Retailing Group, CDC is building a global brand network.
Business Overview
Princesse tam.tam (PTT) is a French corsetry, lounge wear and swimwear brand. After winning acclaim in 1985 for lingerie featuring original prints and bright colors, the Hiridjee sisters opened their first store in Montparnasse, Paris in 1987. The brand concept of “lingerie that presents women as they are” continues to appeal to many women and attracts loyal customers.

PTT joined the Fast Retailing Group in fiscal 2006, and at the end of August 2011 boasted a network of 1,000 outlets in 40 countries, anchored by a strong presence in the leading department stores and boutiques of France and other parts of Europe.

Boosting Operational Efficiency and Profitability
Benefiting from the craftsmanship of France’s corsetry industry, all PTT garments are made from the finest silks and cottons, and crafted down to the smallest detail.

At the end of August 2011, PTT had 159 directly-operated stores, mainly in France. Collections are also sold through major French department stores such as Galeries Lafayette and Printemps.

PTT performed as expected in fiscal 2011. In fiscal 2012, the aim will be more efficient operations and boosted profitability.
Fashion at Amazingly Low Prices Drives Growth

Business Overview
The g.u. label develops fashionable apparel at amazingly low prices, harnessing UNIQLO’s many years of experience as an SPA (Specialty store retailer of Private label Apparel). This has enabled g.u. to create its own total apparel-making process, from product planning, through design and manufacture, inventory control and production adjustment, to store operation. This represents an entirely new business model for a company offering extremely low-priced clothing in the Japanese market.

The g.u. operation opened its first flagship store in 2010 in Shinsaibashi, Osaka, and its first Tokyo flagship store in Ikebukuro in 2011. TV commercials featuring Atsuko Maeda from the popular pop group AKB48 dramatically boosted g.u. brand appeal.

G.U. Co., Ltd. was formed in September 2008 by merging g.u. with the footwear firms Onezone and View-company. These footwear operations were subsequently transferred to UNIQLO in April 2010.

In fiscal 2011, the number of g.u. stores expanded to 148, with sales of 30 billion yen.

Forward to Dramatic Development with New g.u. Flagship Stores
The g.u. brand aims to sell clothes at half the price of similar UNIQLO items. The label has drawn growing attention with the rapid launch of new lines such as 990-yen jeans, 990-yen polo shirts, 490-yen T-shirts and 490-yen fleece tops. The power of g.u. lies in its ability to offer customers seasonal fashion at low prices. Going forward, the brand will be further differentiated from UNIQLO by maximizing g.u.’s concept of “fashion at amazingly low prices.”

With the opening of the first flagship store in Shinsaibashi, Osaka in October 2010, g.u. has nurtured a loyal following among young women. The first Tokyo flagship store, the g.u. Ikebukuro Station East Exit Store, opened in April 2011 to an enthusiastic reception, with over 300,000 customers in the first three weeks. The opening of this flagship g.u. store adjacent to a UNIQLO store actually helped boost year-on-year sales growth at the UNIQLO store. The two brands proved to be complementary, and we will consider repeating this strategy for other new g.u. stores.

In March 2012, a g.u. flagship store will open in Ginza, replacing the women’s wear building of the current UNIQLO Ginza Store. As Ginza attracts all the world’s top brands, the new g.u. flagship store will prove to be even more effective than the other two g.u. flagships in propelling the brand into the spotlight, and onto further explosive sales growth.

TV commercials featuring popular young artists have considerably boosted g.u. brand appeal, and going forward this effect will be maximized with even more topical, trendy advertising.

The fiscal 2012 target for g.u. is to boost sales beyond 50 billion yen. The mid-term target is the annual opening of 50 new, mainly large-scale stores, and there are also plans to take the brand outside Japan.