

# Transforming UNIQLO into a Truly Global Brand

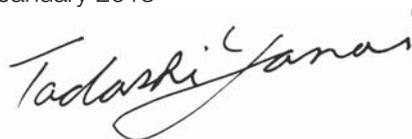
With Fast Retailing enjoying consistent growth, we will now ensure that UNIQLO is nurtured into a truly global brand. My first priority is to establish UNIQLO as the leading brand in Asia by opening large numbers of stores in Greater China, Southeast Asia and India, all places where the middle-income population is expected to explode during the next 10 years. We will also create a framework to facilitate the opening of 200 to 300 large-format stores worldwide each year, and to support aggressive store openings not only in Asia, but also in the United States. In the U.S., we will establish a chain of 20-30 stores in both New York and San Francisco, developing a highly profitable business that mirrors UNIQLO's existing business in Asia.

The first UNIQLO global flagship store opened in New York's Soho neighborhood in 2006. Since then, we have opened global flagship stores in many major cities around the world. But it was the opening of the New York Fifth Avenue Store in fall 2011 that propelled the UNIQLO brand into the hearts and minds of consumers everywhere. In fall 2012, we coined the term "global hotspot store" for our new BICQLO store in Shinjuku, developed with leading home appliance retailer BIC CAMERA. The global hotspot store is creating an entirely new retail format that offers innovative services and entertainment. We will make the UNIQLO brand even more fun by opening many global hotspot and flagship stores worldwide.

The g.u. brand made great headway in fiscal 2012 thanks to its amazingly low prices and fashionable casualwear. UNIQLO must now regain its own position of price leadership by fighting harder to offer the prices customers want. UNIQLO and g.u. may be different, but I always recall how UNIQLO stunned customers with the 1,900 yen fleece jacket 14 years ago, at the same time we opened our first urban store in fashionable Harajuku. UNIQLO has since satisfied customer needs with HEATTECH and other high-quality items. Now, UNIQLO will focus on achieving global leadership in both fashion and pricing. We will review materials development and procurement costs, and streamline the production process. UNIQLO clothes will be basic items that capture new trends and offer fresh appeal.

As we expand our global operations, I want Fast Retailing to be known as the company that contributes to society through truly great clothing. Our business and CSR activities are like the wheels of a bicycle turning in tandem. We are committed to the employment of people with disabilities, to social business and disaster recovery in northeast Japan, as well as to our All-Product Recycling Initiative. We are a new type of global company from Japan, providing good casualwear to people all worldwide. We relish the challenge.

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Tadashi Yanai  
Chairman, President & CEO

