

MESSAGE FROM THE CEO

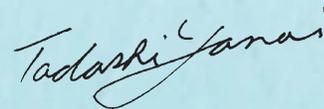
Fast Retailing is currently transforming itself into a pioneering digital-powered apparel retailer through sweeping changes across its entire supply chain from planning and design through materials procurement, production and retail. I am as excited today about this momentous transformation as I was 30 years ago about the chance to turn a small clothing store in regional Japan into an entirely new industry, and develop UNIQLO into the global casual apparel retailer it is today.

We create clothes that enrich people's lives by trying to answer a fundamental question: "Why do we get dressed?" The business environment is changing. Online sales are becoming increasingly important as more consumers use the internet to instantly research the latest fashion trends and shop online. We are changing too, developing a customer-centric supply-chain operation that facilitates concurrent clothes-making processes from planning through retail, revolutionizing both our core plant and manufacturing structure and also the way our individual employees work. As a successful digital-powered retailer, we plan to use feedback our customers give us to swiftly create and offer the exact products they want, while engaging them in relevant and exciting ways.

The aim is to increase revenue to ¥3 trillion and operating profit margin to 15% by 2020 as part of our drive to build Fast Retailing into the world's No.1 digital-powered apparel retailer. Our three-pronged strategy involves: 1) expanding UNIQLO's growth in international markets, 2) expanding online sales, and 3) consolidating GU's position as the Fast Retailing Group's second pillar alongside UNIQLO.

Just as Fast Retailing revolutionized the apparel industry, we are equally committed to using our business to promote meaningful social change. In addition to our All-Product Recycling Initiative, we promote a sustainable society by improving workplace conditions and reducing environmental impacts across our supply chain. We will continue undertaking focused clothes-related social activities that help make the world a better place.

January 2017



Tadashi Yanai

Chairman, President and CEO

REINVENTING OUR INDUSTRY

