

GU



GU Annual Sales Top ¥200 billion

GU's FY2018 sales topped ¥200 billion, bringing this fun, low-priced fashion brand into the same league as other large apparel firms. FY2018 revenue reached ¥211.8 billion and operating profit ¥11.7 billion. While we still have room for improvement, we believe there is great potential for GU. To improve profitability and communicate the GU brand message "YOUR FREEDOM"—which emphasizes freedom of expression through clothing—concept we introduced a new product mix with a strong focus on mass trend fashion from the 2018 Fall/Winter season and strengthened TV marketing.

We are keen to apply the Fast Retailing Group's transformative Ariake Project methods to GU to achieve strong business improvement. Amassing and analyzing global fashion information and creating new systems will enable GU to develop more products that really hit the mark, and to improve production volume accuracy. We are also conducting a fundamental review of material procurement and production methods to sharpen the brand's commanding price competitiveness. We are addressing various supply-chain processes, such as ordering materials early and in bulk, to keep costs down.

At the end of August 2018, GU had 393 stores in Japan. We are opening multiple joint UNIQLO-GU

stores, where customers can get UNIQLO's innovative casualwear and GU's fun fashion under one roof. GU's international expansion is also progressing well, with the network reaching 20 stores by the end of August 2018.

We are determined to build GU into a unique, fast-moving brand from Japan, with targeted sales of ¥1 trillion, and clothes that make the most of the moment and the most of your mood.



The GU STYLE STUDIO, opened in Tokyo's trendy Harajuku fashion district in November 2018, is a next-generation store with an exciting mix of the physical and the virtual. It offers a new type of personalized fashion experience. Customers have fun creating and dressing their own avatar with different outfits, which they can then purchase instantly via the GU app.



GU Yokohama Northport Mall store