

# INTEGRATED REPORT 2022



LifeWear,  
Changing the World







The person in the photo is wearing a loose-fitting and traditional peacoat (¥9,990) and regular fit straight jeans (¥3,990) made using our Blue Cycle Jeans technology, which reduces the volume of water required for final processing by up to 99%.\*

\*Compared with our men's regular fit jeans in 2017 and 2018

## INTEGRATED REPORT 2022

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#### Editorial Statement

Fast Retailing seeks to become the world's No.1 clothing brand. With that aim, our Integrated Report 2022 showcases the LifeWear (ultimate everyday clothing) concept of our pillar UNIQLO operation. It also explains the global support network underpinning LifeWear and its future growth potential, as well as our sustainability activities. We hope this report deepens understanding of the Fast Retailing Group philosophy of using the clothing business to improve society and facilitates communication with shareholders, investors, business partners, employees, and all other Group stakeholders.





THE FAST RETAILING WAY

# Changing clothes. Changing conventional wisdom. Change the world.

The Fast Retailing Group is a global developer of fashion brands including UNIQLO, GU, and Theory that achieved consolidated annual sales of ¥2.3011 trillion for the year ended August 2022 (FY2022). The Group's pillar UNIQLO operation boasts 2,394 stores worldwide and FY2022 sales of ¥1.9290 trillion. Driven by its LifeWear concept for ultimate everyday clothes, UNIQLO offers unique products made from high-quality, highly functional materials, and offers them at reasonable prices by managing everything from procurement and design to production and retail sales. Meanwhile, our GU brand generated annual sales of ¥246.0 billion, offering a skillful blend of low prices and fashion fun for everyone. The Fast Retailing Group proactively seeks to minimize the environmental impact of our businesses; build supply chains that protect human rights, health, and safety; develop recycle-oriented products; and help tackle social issues.

We will continue to offer people all over the world the joy, happiness, and satisfaction of wearing truly great clothes that embody our corporate philosophy: Changing clothes. Changing conventional wisdom. Change the world.



MESSAGE FROM OUR CEO

# A New Era of Growth

**Tadashi Yanai**

Chairman, President and CEO

In a world facing growing uncertainty, people seek comfort and security in their everyday lives. LifeWear is simple, high-quality, long-lasting clothing created for regular people's lives and needs. More customers worldwide are starting to appreciate the LifeWear concept.

We have always focused on global development to fuel our corporate growth, and we will do that even more intently going forward. I am particularly keen to accelerate store openings in North America and Europe so we can become the world's best-loved apparel brand. We have now built the necessary platforms to consistently expand business in North America and Europe. Everything we need to become a truly global brand is now in place.

One operational reform we are working on is ensuring all managers—from our headquarters, national operations, and individual businesses—can cooperate, move freely around the world, and transform management structures together. Our management teams will be able to visit any front-line operation and help solve local issues by swiftly evaluating problems, making decisions, and executing solutions. To that end, we have strengthened our New York headquarters so it can serve alongside Tokyo headquarters as a new pillar of Fast Retailing's global strategy. The New York headquarters will proactively manage the R&D center, product development, merchandising, marketing, and other functions of the product-making process. It will work with the Tokyo headquarters to create new business frameworks that boldly embrace advanced ways of doing things, including the use of global distribution networks and cutting-edge IT from the U.S.

Fast Retailing's mission is to provide people worldwide with LifeWear as a sort of "clothing infrastructure" which offers greater comfort and a higher quality of life. Events like the global pandemic, conflicts between major powers, and natural disasters have made me acutely aware that our entire world is completely and inextricably linked. It is vital that, going forward, private companies and individuals join forces, transcending national borders to create a more affluent and stable society for all. I want to continue our conscientious creation of products you can trust, and to use our business to help build a more peaceful world.





## The Best Position in the Apparel Industry

Our prices make LifeWear clothing accessible to everyone. However, we never compromise on quality. We are the only apparel company that has tirelessly, steadfastly, and constantly pursued the fundamental task of creating truly good products that everyone can afford.

There are various apparel brands, but I think we are the best positioned of them all. Despite our different price points, I think our brand position is comparable with the world's most expensive and exclusive brands. We have stores spanning countries and regions across the world, including Japan, Greater China, Southeast Asia, Australia, Europe, and the United States. I strongly feel that we are becoming a truly global brand that enjoys widespread customer loyalty.

If you attend the launches of luxury brand collections in Paris, London, and Milan, you will see people from across the world of haute couture, but the brand they wear most often is UNIQLO. Indeed, UNIQLO is a favorite among those who only wear the best products, have a keen interest in fashion, and work with luxury brands.

UNIQLO LifeWear can be part of any style, at a price that is affordable to everyone, in keeping with our MADE FOR ALL commitment. As a brand appreciated for offering both great value for money and great value in terms of product quality, no other company has a better position.

### UNIQLO Gran Via store

We opened the UNIQLO Gran Via store on October 6, 2022. Located on Madrid's biggest shopping street, the store's architecture boasts both modern and historical features. It is our largest store in Spain, with floor space of over 2,200m<sup>2</sup>.

# Becoming a Truly Global Brand

## Breaking New Ground in North America and Europe

We achieved a record performance in FY2022, with strong UNIQLO International operations generating considerably higher consolidated revenue and profit. By the end of August 2022, the UNIQLO International network had expanded to 1,585 stores, nearly double the 809 stores of UNIQLO Japan. We have established consistently profitable operations in North America and Europe. This builds on the growth engine of markets including the Greater China region, South Korea, and Southeast Asia & Oceania. This is an extremely positive sign for future growth.

In September 2022, I witnessed crowds of customers visiting our stores in Milan, Madrid, and Barcelona, as well as the explosive popularity of our

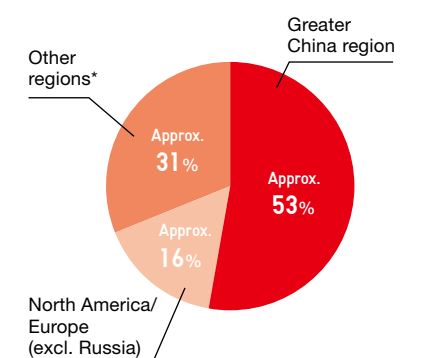
products. I was delighted. Back in 1998, we sparked a boom with our ¥1,900 fleece. The opening of our first urban store in Tokyo in November of the same year then generated a "UNIQLO fever." We are now experiencing a similar breakthrough in Europe.

I intend to channel even more effort into global expansion going forward. We plan to accelerate store openings, targeting 30 new stores annually each in North America and Europe, 100 annual store openings in the Greater China region, and 70-80 annual openings in Southeast Asia & Oceania, double the current number. Our aim is to be the No.1 apparel brand, enjoying the loyal support of customers worldwide.

### UNIQLO International Sales by Region (FY2022)



### UNIQLO International Operating Profit by Region (FY2022)



\*South Korea, S/SE Asia & Oceania, Russia



# Human Resources for Robust Management

## Nurturing Future Managers

We are accelerating global growth by strengthening local capabilities. Rather than decide everything in Tokyo, I want individual markets to make decisions based on local conditions. We have strengthened our New York global headquarters to function in tandem with the Tokyo headquarters, and we are shifting to a more decentralized work system that encourages managers of national operations and individual business functions to travel globally in order to improve cooperation and communication.

Our core management team comprises experts who have served the company for 20-30 years. Most managers joined the company out of school, working

their way up from the front line in the shop. They are strong individuals with a thorough understanding and practical knowledge of our commitment to truth, goodness, and beauty. They will become the trainers of future managers and manage the company as a team. This is a source of reassurance for me.

We appointed Senior Executive Officers Daisuke Tsukagoshi and Takahiro Wakabayashi, who both have a strong global management record, as UNIQLO Global CEO and COO, respectively. They will visit stores in each market, work with local managers on swift business execution, and achieve closer links between our stores and headquarters.

## Our People Touch Customers' Hearts

I want our store employees to enjoy their life at work, and to do that, we must create environments where they can experience personal growth daily. This might sound a bit abstract, but it all comes down to what drives you. We must create groups of people who want to grow as individuals, and inspire others to learn and grow.

Our sales training is also management training. Even with excellent technology and high-quality products, and even if we meet customer demand, we will never move anyone's heart without that human touch.

In the past, every store employee's job typically involved significant manual labor, but going forward we intend to increase the number of highly skilled professionals who specialize in sales. That means significantly increasing salaries and completely changing the way our store staff do their work. Each salesperson will be expected to acquire a wealth of

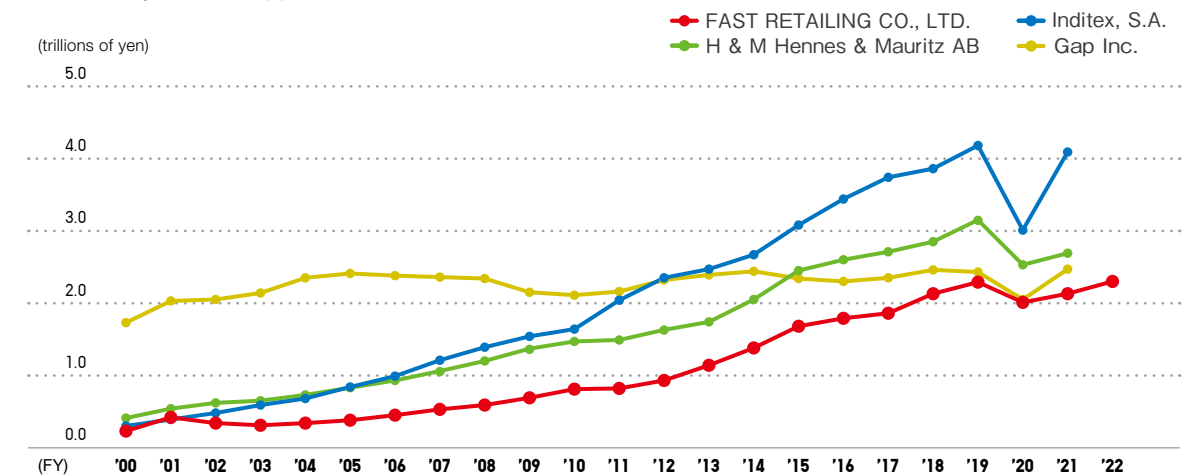
product knowledge and customer service expertise, so that they can really impress customers who visit our stores. All employees will be expected to adopt a managerial mindset and think hard about the experience they should be offering customers. They should communicate any ideas to headquarters for immediate incorporation into our business process. Our stores and headquarters will work closely together to change the way we do business, with a focus on front-line information.



Sharing Fast Retailing's management philosophy and vision with all our employees is essential for our corporate growth. We hold FR conventions twice a year. Including online participants, these events are attended by roughly 8,000 store managers and head office employees from around the world.



Sales of Major Global Apparel Retailers



\*Compiled from individual annual report data and calculated using exchange rates as of end of October 2022. (US \$1=¥148.3, 1EUR=¥147.6, 1SKE=¥13.5)



# LifeWear: Clothing to Love for a Long Time

## Wherever You Go in the World, LifeWear is Loved

Sustainability is an important issue in today's apparel industry. The biggest contribution we can make on the sustainability front is to ensure our clothes are worn for as long as possible before being recycled. In other words, the best way to be sustainable is by making clothing that satisfies customer needs and can be enjoyed for a long time. LifeWear offers classic, traditional designs and the functionality and comfort that all great clothes should possess. The garments serve as parts that can be beautifully coordinated to suit different styles. Indeed, people

worldwide are embracing LifeWear because it resonates with today's values.

Even when collecting secondhand clothing to be recycled into new clothes, it is important to research the best way to minimize the environmental impact. We also channel considerable effort into initiatives that encourage people to wear clothes for longer. These include our RE.UNIQLO all-product recycling/reuse initiative, our development and sale of products made from recycled materials, and our in-store RE.UNIQLO STUDIO, which offers repair and upcycling services. The first RE.UNIQLO STUDIO—opened in September 2022 in our Regent Street store in London, UK—proved to be more popular than we expected. We opened an additional studio in our Orchard Road store in Singapore in the same month, followed by a limited-period trial studio in our Setagaya Chitosedai store in Japan in October. We plan to proactively open more trial studios worldwide in the future.

### What is LifeWear?

1. Inspired by life's needs
2. Ingenious in detail
3. Simple and adaptable to everyone's style
4. Looking ahead to continuously evolve
5. The highest quality made accessible to everyone



UNIQLO RIVOLI store (France)

We have improved the comfort and fashion of our HEATTECH range, which absorbs water particles released from the body while retaining body heat. Our new seamless ribbed items come in multiple colors and can be worn as innerwear or as part of a layered style.







### UNIQLO Ala Moana store

The UNIQLO Ala Moana store, located in the Ala Moana shopping center on Hawaii's Oahu Island, works with local artists and companies to create the Together in Hawaii series. A portion of the proceeds is donated to the Hawai'i Foodbank.

# Creating Stores that Local Customers Will Love

## Global is Local, Local is Global

Our physical stores are an especially important part of our business. I often mention the phrase “global is local, local is global”—in other words, we need to pursue global and local management in tandem. At one point, few tourists were visiting Hawaii due to COVID-19. Tourists generate a large percentage of sales for Hawaii, so I was very worried. However, after we focused more attention on local customers

and local needs, our Hawaii sales have roughly doubled. The same thing happened in Southeast Asia. If all our stores around the world focused this sort of attention on local customers, we could expand sales several times over.

As part of our social responsibility initiatives in Hawaii, we worked with local artists to make Hawaiian-style shirts, T-shirts, shorts, and other

items. Those deep-rooted community activities generated higher sales despite the absence of tourists. We operate our stores for our customers, and so we should conduct business and create products that will be popular locally and also have the potential to sell globally. I hope we can spread that insight worldwide.

The principles of good management do not change over time or by location. That said, each country and region has its own culture, history, and lifestyles, and customers have different preferences

when it comes to color, size, design, silhouette, and so on. We will continue to respect local cultures, values, and history, while also unifying any business processes that must be performed globally. We will create optimal product lineups to suit individual store needs, as well as encourage store employees to offer information tailored to each individual customer. We will deliver products customers really want, all over the world, whenever and wherever they want them. Those are the norms I want to establish across our operations.

## Communicating With Customers Through Our Stores

As a digital consumer retailing company, we combine the digital and the human touch by seamlessly connecting our retail and e-commerce operations and encouraging information-driven interaction between sales staff and customers. I have always said that e-commerce is our main business, and I'm not just talking about sales channels. We create clothes based on information gathered through e-commerce operations, and thanks to our e-commerce platforms we can ascertain the exact location and number of products we have as well as their potential delivery method. E-commerce is the infrastructure underpinning our quest to satisfy customers by providing them with even better products and better service.

The big advantage of e-commerce is its ability to offer instant shopping opportunities anywhere, but our physical stores offer a shopping experience that e-commerce cannot. What's more, we must venture out of our stores to engage with customers, explore different regions, and develop shops with closer community ties.

Operating stores is only meaningful if we can provide experiences that make customers look forward to shopping with us. In addition to our click and collect service, which allows customers to collect their online orders from a local store, some stores also offer home delivery services provided by staff. Our popular in-store livestreams give staff a chance to tell customers about a product's great features or styling options. We intend to use technology to ensure maximum customer convenience, while also offering the ultimate in-store shopping experience.





# Our Responsibility to Provide "Clothing Infrastructure"

## Strengthening the End-to-end Product-making Process

Gone are the days when we could simply create and provide products we considered to be good. We believe that everything stems not from selling the products we make, but from making products that sell.

Fast Retailing's strength lies in doing things that only we can do. We manage an end-to-end clothing business. We continue to pursue an ideal that has been close to our hearts ever since our founding, namely, to enable customers to buy the clothes they want exactly when they want. The customer is always our starting point. From there, we collect, collate, and process information, and develop our products, all the while managing the whole process ourselves, from production through distribution, retail, and recycling.

In the future, we intend to extend our scope of

responsibility further upstream. We want to ensure an even higher degree of traceability through in-house checks of factory working environments, third-party audits, and third-party certification all the way back to the procurement of raw materials such as cotton.

Since its establishment in 1984, UNIQLO has constantly thought about how to ensure that we stock the clothes that customers want in our stores—in exactly the right amounts. Enabling all our customers to immediately buy the items they want, precisely when they want them, is an ideal tenet of our business that we are close to realizing. Indeed, we are determined to succeed in our mission of providing people worldwide with the "clothing infrastructure" they need for a more comfortable and higher-quality standard of everyday living.



UNIQLO employs over 100 refugees and internally displaced persons in Japan, Europe, and the US. Particularly in Germany and the Netherlands, we are actively hiring evacuees from Ukraine. On October 27, 2022, we opened our first Eastern Europe pop-up store in the Polish capital of Warsaw, employing people evacuated from Ukraine as store staff. We help them rebuild their lives by providing Polish language training, useful for jobs in customer service and retail. This photo shows Dariia, an evacuee from Ukraine working at our UNIQLO Kalverstraat store in Amsterdam.

## Making the World an Even Better Place Through LifeWear

I always strive to incorporate truth, goodness, and beauty in my daily life. I seek to do the same in business. I think human values universally focus on what is true, what is good, and what is beautiful. And this requires not just words, but actions as well. In fact, nothing changes unless we take action. One instance of Fast Retailing taking action was the launch of our PEACE FOR ALL initiative in June 2022. Many prominent figures agreed with what we were doing, and volunteered to join our call for world peace. They offered messages of peace that we turned into designs for T-shirts that are sold in our stores. All profits (equivalent to 20% of the retail price) are donated to international organizations supporting people affected by poverty, discrimination, violence, conflict, and war. T-shirts are an effective way of expressing a wearer's feelings—in this case, promoting nonviolence—and spreading a message of empathy.

I feel we are at a critical juncture. I am always asking what global companies like us can do for the world and for Japan, and what momentum we could generate if our over 100,000 employees worldwide joined forces. I want to be an even better person, and I want us to be an even better company. Good people attract good people. Good companies attract good companies. If we create excellent partnerships worldwide and grow together, we can achieve things we couldn't do alone. Cooperation among the world's private companies and impassioned individuals has never been more vital. As head of a Japanese company, I want to contribute to a stronger Japan, and encourage Japan to play a role in this cooperative effort. Changing clothes. Changing conventional wisdom. Change the world. Our corporate statement epitomizes our bold spirit. I will continue to strive to use our business to create a more peaceful world that can bring joy to all.





# FAST RETAILING STORY

LifeWear, Today and into the Future

## FAST RETAILING STORY

At Fast Retailing, we have always had an important mission: to improve people's lives through clothes. This mission is central to LifeWear, which features simple, high-quality design and many ingenious details. We hope to deepen understanding of how LifeWear is inspired by everyday needs, and how it is constantly evolving.

LifeWear epitomizes the philosophy that shapes our actions and core aspirations. We are committed to creating globally unique, highly functional, beautiful clothing.

01

Our Inspiration, Our Aspiration

02

Why Do People Love LifeWear?

03

Creating a New Industry Through LifeWear



# Our Inspiration, Our Aspiration

The development of Fast Retailing and LifeWear has been fueled by our founding belief that great clothes should be simple, functional, and constantly evolving in order to increase customer comfort. Here, we tell the story of Fast Retailing's journey so far and its aspirations for the future.

## Beginnings

In 1984, we opened our first Unique Clothing Warehouse store in Hiroshima. We made it convenient and easy to buy clothes, and only assisted customers when requested. We wanted to create a clothing store where picking up a casual outfit was as easy as buying a magazine at a newsstand. We changed our name to UNIQLO in 1988.

## Setting Up an SPA Business Model

In 1997, we created a specialty private-label apparel (SPA) business model that encompasses everything from manufacturing to retailing. This model helps maintain quality and secure the economies of scale needed to keep prices down and create new value.

## Changing Conventional Wisdom

Fleece had always been an expensive cold-weather item for outdoor use. In 1998, our affordable ¥1,900 fleece range changed all that. Over the years, we have created many products that revolutionized what clothing can be, including HEATTECH, Ultra Light Down, and our wireless bras.

## The Foundations of a Global Brand

In 2001, UNIQLO opened its first store outside Japan in the suburbs of London, UK. In 2006, we opened our first global flagship store in SoHo, New York, USA. Fast Retailing now boasts 3,562 stores worldwide (at end of August 2022).

## Becoming a Digital Consumer Retailing Company

In 2017, we launched the Ariake Project to transform ourselves into a digital consumer retailing company that gathers information and uses it to improve products for our customers. We are currently reforming our business processes and supply chains to create an entirely new industry that provides the world's best clothing and clothing information.

UNIQLO TOKYO is our biggest global flagship store in Japan. It opened in 2020 in Ginza, one of the world's liveliest shopping areas. We set up the LifeWear Square on the ground floor to display seasonal products that will make customers' lives more comfortable and express LifeWear concepts clearly and succinctly.







02

FAST  
RETAILING  
STORY

## Why Do People Love LifeWear?

Our founding mission was to make everyone's lives better through the power of clothing. UNIQLO uses the phrase MADE FOR ALL to express this core LifeWear philosophy.

UNIQLO offers a unique range of colorful down items that exude individuality, including our Seamless Down\* jackets, our Ultra Light Down items, and our Ultra Light Down Shiny Voluminous Jacket, which is made from a lustrous new type of material.

\*There are seams in the underarm, sleeve, shoulder, and hood sections.

### Our MADE FOR ALL Promise

In 2011, we issued our MADE FOR ALL declaration on universal equality, clothing democracy, and local community commitment. Our LifeWear concept was created from a culture that actively embraces diverse values and every person's individual qualities.

### Clothes to Suit Different Lifestyles

Incorporating customer feedback is the key to good product development. We challenge the notion that higher quality must mean higher prices. We always strive to deliver high-quality products at affordable prices to everyone, regardless of race, class, age, gender, religion, or ability.

### Creating and Utilizing LifeWear

We are always working to ensure that we "make, transport, and sell only what is necessary." We strive to achieve business growth and sustainable societal practices in tandem. We consider human rights in all production processes. With the hope of creating a world where clothing is never discarded, we commit to reusing clothes that our customers no longer want for new purposes.

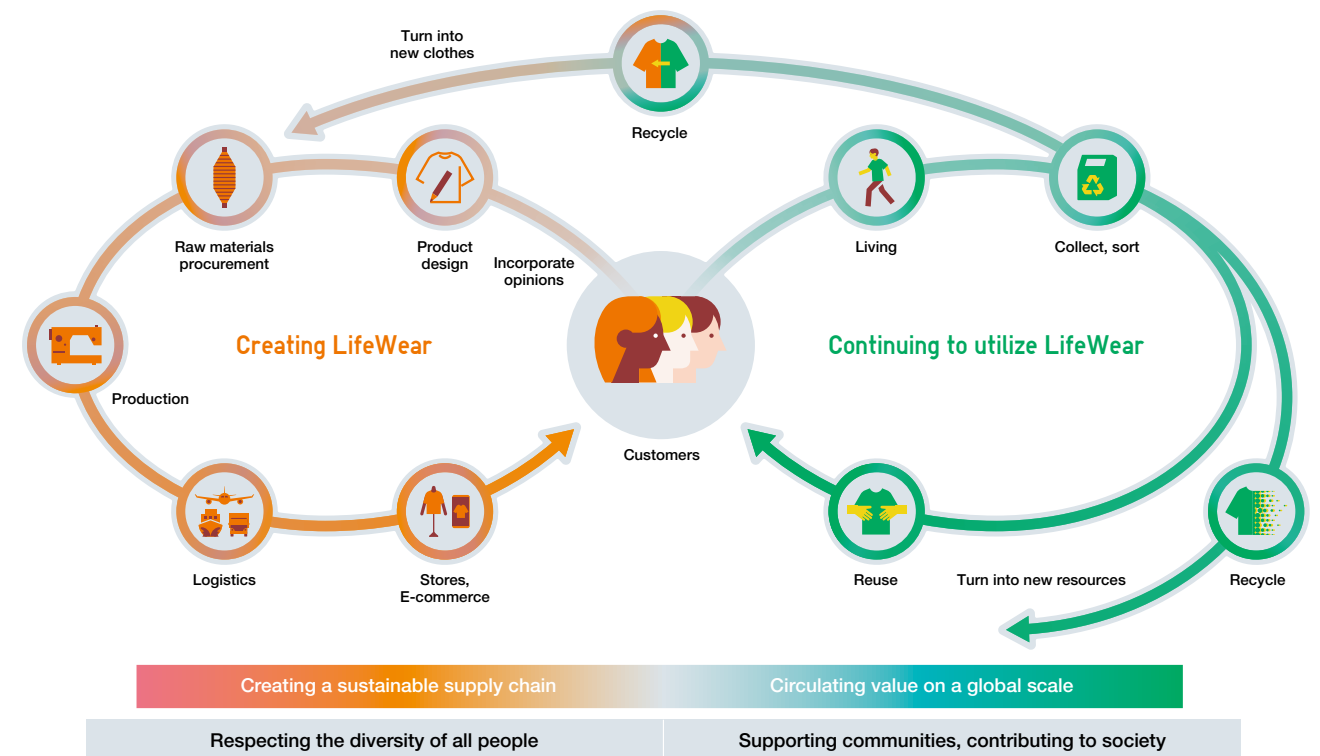




03 | FAST RETAILING STORY

# Creating a New Industry Through LifeWear

The graphic on the right shows the new business model we are working to create. The LifeWear creation process (manufacturing, transportation, and retail) involves building supply chains that customers can trust to consider environmental factors and human rights with the utmost care. We also hope to realize a “circular society,” and to do that, we are taking responsibility for our clothing even after it is sold. We do so by ensuring our LifeWear lasts longer. In short, Fast Retailing wants to create a new industry that doesn’t just focus on clothing itself, but is also deeply invested in the production, sale, and post-sale use of clothes. We are offering an unprecedented new form of fashion to the world.





# BUSINESS SECTION

The Joy and Satisfaction of Truly Great Clothes

UNIQLO BUSINESS

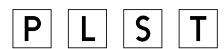


GU BUSINESS



OUR GLOBAL BRANDS

Theory



PRINCESSE tam•tam  
PARIS

COMPTOIR DES  
COTONNIERS



The joy of choosing clothes is like the joy of choosing the perfect bouquet of flowers. Plants and clothes both serve to brighten and enrich people's lives. This person is wearing a Smooth Stretch Cotton Crewneck Long-sleeved T-shirt (¥1,500), which feels soft and smooth on the skin, together with our Baggy Jeans (¥3,990), which are casual but flattering.





## The Secret to UNIQLO Success

### 01 LifeWear Resonates Worldwide

UNIQLO's LifeWear is simple, high-quality clothing, inspired by everyday needs and constantly evolving. LifeWear appeals to so many people and enjoys such broad demand because the clothes themselves are not the main point—they serve as parts that can be beautifully coordinated to suit all different styles. The creation of LifeWear always starts with our customers. By reflecting their opinions in our products, we can perfect the minute details of our ranges, achieve more comfortable fits, and swiftly develop items that reflect new and changing lifestyles. LifeWear continues to evolve and win new support worldwide because it fulfills ever-shifting customer needs.

### 03 World-class Materials and High Quality at Reasonable Prices

UNIQLO's strength lies in offering clothing made with high-quality materials at reasonable prices. We negotiate directly with global producers and place long-term orders for superior materials such as Supima® cotton, merino wool, and premium linen. Such economies of scale enable us to secure a more favorable supply of materials than our competitors at greatly reduced costs. The high quality of UNIQLO LifeWear is also underpinned by the strong trust built over many years with our partner factories. Our production department communicates closely with these factories so we can immediately address any quality-related requests from customers and make improvements.

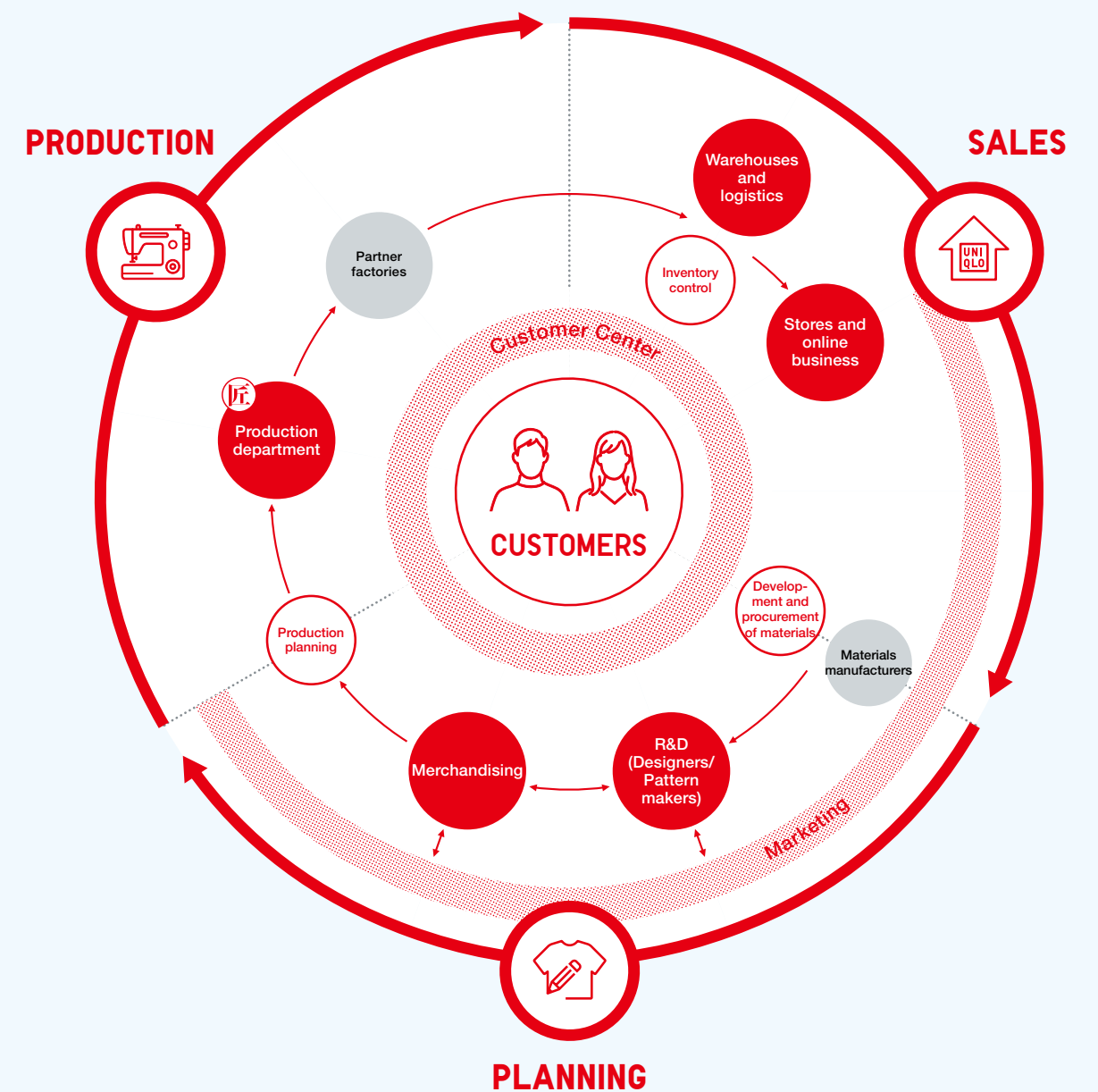
### 02 Creating Demand with New Functional Materials

Working with world-leading fiber manufacturer Toray Industries, UNIQLO has created many highly advanced, highly functional products. These include our HEATTECH range, which both retains and generates heat, as well as our Ultra Light Down garments, which are made with dense material that keeps down in place. Other innovations include our versatile, cooling AIRism material, which is being used in an increasing variety of products, and our BLOCKTECH garments with windproof coating. We have spent years perfecting our advanced materials, and they cannot be replicated by our competitors. Developing clothes with new functionality can change customers' lifestyles and create fresh demand.

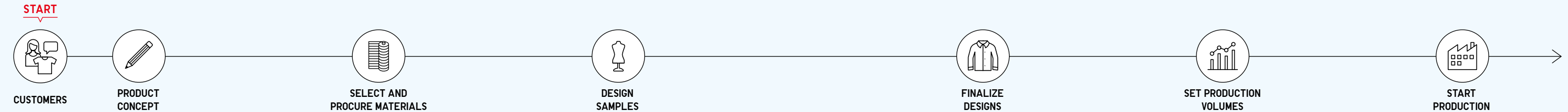
### 04 Linking Customers, E-commerce, and Stores for a Comfortable Shopping Experience

We continue to integrate our e-commerce and retail store operations to create a more convenient shopping experience for our customers. Customers can collect online orders from nearby stores or order any item currently out of stock at their local store for delivery anywhere. Our popular livestream service encourages customers to buy products they are interested in both immediately and directly. UNIQLO has a strong global store network, and we use our scrap and build policy to open new stores in optimal locations. Our online-to-offline (O2O) business is proving to be a strong engine of growth.

# UNIQLO BUSINESS MODEL







BUSINESS SECTION UNIQLO

# PLANNING



A product planning meeting at our Ariake Headquarters

### Research & Development (Designers/Pattern Makers)

An important part of R&D at UNIQLO is developing products that respond to customer requests, while also identifying emerging needs. Accordingly, our UNIQLO R&D centers constantly incorporate customer opinion while researching global fashion trends and new materials.

One year before a product's intended launch, the R&D department holds a concept meeting with a diverse range of representatives from the merchandising, marketing and materials development teams to determine the right design concept for each season. Our designers then begin the process of preparing designs and refining samples. Even after a design is decided, its color and silhouette can be refined multiple times before it is truly finalized.

### Merchandising (Product Planning)

The merchandising team plays a vital role in the product creation process, from product planning through production. Deciding product lineups and volumes through the year is an important aspect of the department's job. To do this, merchandisers communicate closely with R&D, the production department, and other divisions to determine the designs and materials required for each season's products. They also manage the launches of our strategic products in close cooperation with other key departments.

Many UNIQLO products are manufactured in lots of approximately 1 million units, and the merchandising department monitors the latest sales conditions, issuing instructions to either increase or decrease production during the season—a key responsibility of the team.

### Development and Procurement of Materials

UNIQLO can secure stable, high-volume supplies of top-quality materials at low cost by negotiating directly with materials manufacturers worldwide. Utilizing our economies of scale enables us to achieve more favorable terms than any other manufacturer. The materials used for our core items are particularly important. Our in-depth research and experimentation generates improvements in the functionality, feel, silhouette, and texture of our clothes. For example, we work closely with Kaihara Corporation to source denim to specific spinning standards and dyeing specifications. We also partner with world-leading synthetic fiber manufacturer Toray Industries to create innovative new fibers and materials such as the ones found in our HEATTECH range.

# PRODUCTION



A UNIQLO fabric-making factory

### Production Department

We assign production department members, who manage product quality and production progress, and Takumi (skilled artisans) to production offices in Shanghai, Ho Chi Minh City, Dhaka, Jakarta, and Bengaluru (formerly Bangalore). Production office representatives visit factories weekly to resolve any issues. The production department swiftly addresses any quality concerns raised by customers and implements improvements if required.

#### UNIQLO Production Offices



### UNIQLO Takumi Teams

"By visiting factories and providing technical advice, Takumi establish thorough quality control and a strong relationship of trust. I offer instruction on dyeing technology at partner factories, and this can encourage workers to embrace a new production management philosophy and to improve their factories. I am proud to be passing on expert Japanese techniques to the next generation."

### Production Network

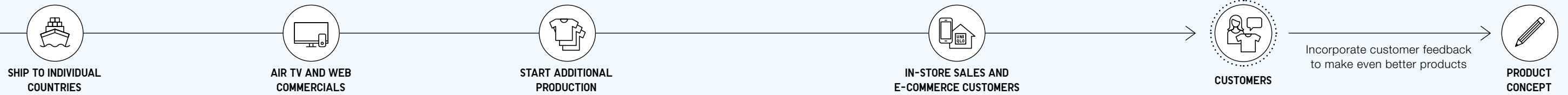
UNIQLO does not own any factories. Instead, we outsource the production of almost all our products to factories outside Japan. We have built strong relationships of trust with our partner factories over many years, and hold annual conventions to promote dialogue with factory managers. Our monitoring programs at our sewing factories and major fabric suppliers help to prevent human rights violations and to ensure good working environments and management frameworks in the making of our products. When required, we help factories implement improvements. UNIQLO continues to produce high-quality products by maintaining win-win relationships with partner factories. As we expand our global sales, we continue to grow our partner factory network in countries like Vietnam, Bangladesh, Indonesia, and India.



 Dyer Takumi Kazuaki Iida



SALES



UNIQLO Asakusa store (Japan)



UNIQLO Regent Street store (UK)

Inventory Control

The inventory control team works to improve management efficiency by supplying inventory that reflects the sales capabilities and product sales of each individual store. The team monitors weekly sales and stock at each store and dispatches inventory to fulfill orders and maintain appropriate inventory levels. At the end of each season, merchandisers and the marketing department coordinate sales promotions and help reduce residual inventory.



Flyer delivered with national newspapers

Marketing

Each season, UNIQLO conducts promotional campaigns for core products such as HEATTECH, Ultra Light Down, AIRism, and Bra Tops. During the campaigns, UNIQLO advertises the products' unique qualities and features through TV commercials and online ads. In Japan, we use UNIQLO apps, email, social media, and flyers delivered with newspapers to notify customers about limited-period discounts, typically of 20-30%, on new seasonal ranges.



TV commercial

Stores

UNIQLO Japan had 809 stores (including 10 franchise stores) at the end of August 2022. UNIQLO International had 1,585 stores, roughly double the number of stores in Japan (Greater China region: 996, South Korea: 122, Southeast Asia & Oceania: 293, North America: 59, and Europe: 115).

We have started accelerating store openings not only in Greater China and Southeast Asia, but also in North America and Europe.



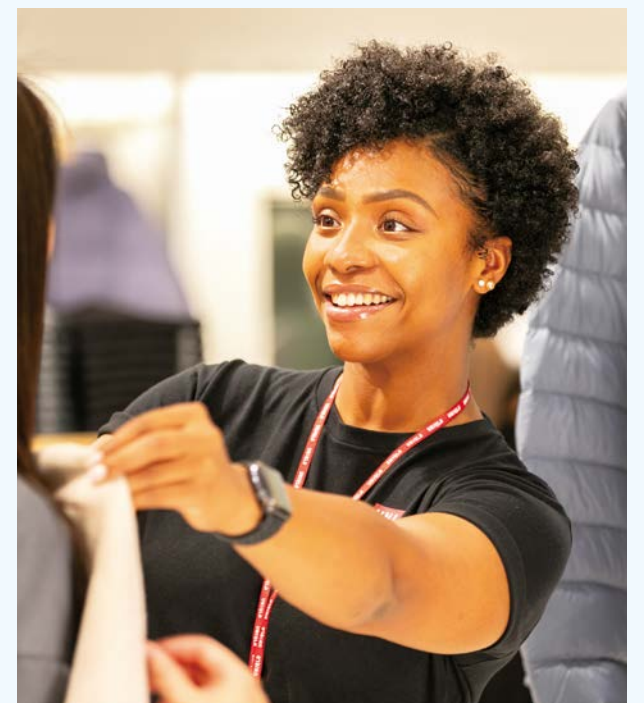
UNIQLO roadside store

E-commerce

Our e-commerce operation is growing increasingly important as more customers shop both online and in stores. In FY2022, online sales accounted for approximately 16% of total sales (16.2% in Japan, 20% in the Greater China region, North America and Europe, and 10% in Southeast Asia & Oceania). We intend to further expand integrated store and e-commerce services that enable customers to shop conveniently when and how it best suits them, and to strengthen our role as an information-sharing platform through UNIQLO LIVE STATION and other services.

Customer Centers

Our customer centers analyze huge volumes of customer requests. Customer feedback helps us improve core products, develop new products, and enhance services. We have also adopted the latest AI, chatbot, and voice-recognition technology, enabling convenient communication with our customers through phone, email, chat, and other channels. In FY2022, we revised the size range of our wireless bras and started selling Ultra Light (previously known as Kando) jackets and pants for women based on customer feedback.



UNIQLO RIVOLI store (France)





# GLOBAL R&D

## The Star of LifeWear: The Person, Not the Clothes

### Yukihiro Katsuta

Group Senior Executive Officer,  
Fast Retailing Group General Manager,  
Global Product Division and Officer  
in Charge of R&D, UNIQLO CO., LTD.

Joined Isetan in 1986. Seconded to Barneys New York head office, with which Isetan had collaborative ties, in 1992. Seconded to Barneys Japan in 1994. Moved to Polo Ralph Lauren New York head office in 1998 and to Bergdorf Goodman in 1999. Since joining Fast Retailing in 2005, he has been in charge of R&D at UNIQLO.

### Creating a Collection of Masterpieces

UNIQLO is often described as basic clothing, but “basic” is a profound concept that can express a great deal about the wearer. So we have to offer unbeatable quality and design to customers looking to select clothes to suit their particular style. The ideal scenario is to develop a collection of products that offers every single customer a way to create their own style and persona. If we can do that, we will be invincible.

The design process intrinsically involves thinking long and hard about what you need to experience, feel, reinterpret, or utilize to achieve your design. You organize and build on the information you have, and consider what kind of changes or future realities you could bring about by combining your knowledge with the information you currently have available. And in today’s world, where information is relatively easy to access, you must probe and explore your designs to the core in order to create an ultimate masterpiece.

When UNIQLO collaborates with top designers and creators, I am always impressed by how deeply thoughtful they are throughout the design process. The precious experience UNIQLO gains by cooperating with these top creators serves as an inspiration, and provides hints for enhancing our own brand power. The LifeWear concept of durability, quality and simple designs that can stand the test of time was created from this long-amassed experience.

The information we receive from our stores is extremely important. You can instantly see what is selling well by simply looking at the data. However, sometimes you have to be in the physical store to understand the essential elements of customer psychology. Why did they buy something? Why didn’t they buy something? What do they actually want? I think we can enhance the persuasiveness of our designs by talking with store managers and staff and using their informed input to create targeted and tailored output.

### Dynamic Proposals From a Global Brand

Previously, fashion trends tended to start in Europe and then pass through New York to Japan over the course of the next year. Today, information spreads simultaneously around the globe on social media, sparking new trends everywhere. We are striving to build stronger, globally competitive R&D frameworks so we can reflect any new kernels of information—such as changes in customers’ tastes or preferences—in our products in a timely way. That means assigning designers and pattern makers, who are mainly located in Tokyo, to our product development centers in Europe, the United States, and Asia, as well as hiring local talent. If we can harness the nascent opportunities found in customer feedback and grasp market needs more accurately, we will be able to turn information into commercial products faster than our competitors. We can also develop products more swiftly by encouraging designers and pattern makers to communicate directly across time zones.

UNIQLO’s store network extends worldwide. We can present swifter, more dynamic proposals by having creators living in Japan, Asia, Europe, and the United States who experience local trends firsthand and witness change with their own eyes. We then turn that knowledge into products that are advertised and sold worldwide, giving customers the excitement of constant access to the clothes they really want.

Truly great clothes offer both fashion and functionality. If you can wear an item every day, you might want two or three in different colors. That’s the kind of clothing we aim to create. Each year, I want to create indispensable basic items that are simple, high-quality, and long-lasting. I want to create “today’s classics.”

### Worldwide R&D Centers



We visualize seasonal and theme-based product development plans across six global centers. We share product overviews globally and pursue product development in each center.



### UNIQLO and MARNI

UNIQLO and MARNI is a joint collaboration with Italian luxury fashion brand MARNI. The collection combines MARNI’s unique shapes and colorful expression with UNIQLO’s rich artisanry.



TOPICS

# LifeWear

Simple made better.

Simple items that incorporate design features that will make you want to wear them forever.

We want to tell you about LifeWear—the materials, the designs, and the functionality that enhance your comfort.

## SWEAT PULLOVER HOODIE

A vintage feel with a modern fit, thanks to enhanced materials and a refined silhouette. It is specially designed to not leave lint behind.

POINT - 1

### Elegantly Contoured Hood

The inside of the hood is made from a voluminous raised-nap fabric for a beautifully contoured look. The cotton-polyester blend interior fabric dries quickly.

POINT - 2

### Amazingly Smooth Front and Back

Compact yarn means smoother fabric and less fuzz. This creates better durability, so the product stays looking good for longer.



POINT - 3

### Various Ribbing Improvements

Repeated refinements have achieved the perfect balance between sleeve and cuff. The finer ribbing gently hugs the wrist, for a premium look with high durability.

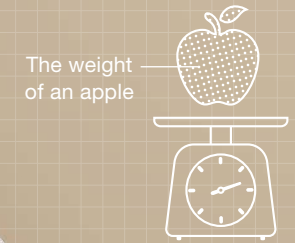


## ULTRA LIGHT DOWN JACKET

Amazingly light, warm, and easy to carry in the included pouch. Repeated enhancements have resulted in our lightest, softest feel ever.

Approx.

268g\*



\*2022 Ultra Light Down Jacket (L size, black) used for measurement. Excludes carrying pouch.

POINT - 1

### Premium Down, Warm and Light

Our high-quality down offers outstanding heat retention and features an optimum balance of down and feathers. Surprisingly light, yet seriously warm.



POINT - 2

### Surprisingly Light, and No Down Pack

Special high-density nylon fabric creates a two-layer structure that eliminates the need for an inner down pack to keep down in place, reducing weight and shedding.





# UNIQLO EXPANDS GLOBALLY

UNIQLO delivers LifeWear to people worldwide. UNIQLO International increased its store numbers by 83 to 1,585 in the year ending August 2022. We intend to develop UNIQLO into a brand that is loved by customers everywhere.

Global Total  
(As of August 31, 2022)

**2,394** STORES



JAPAN  
**809** STORES

GREATER CHINA  
**996** STORES

SOUTH KOREA  
**122** STORES

SOUTH ASIA, SOUTHEAST ASIA & OCEANIA  
**293** STORES

NORTH AMERICA  
**59** STORES

EUROPE  
**115** STORES



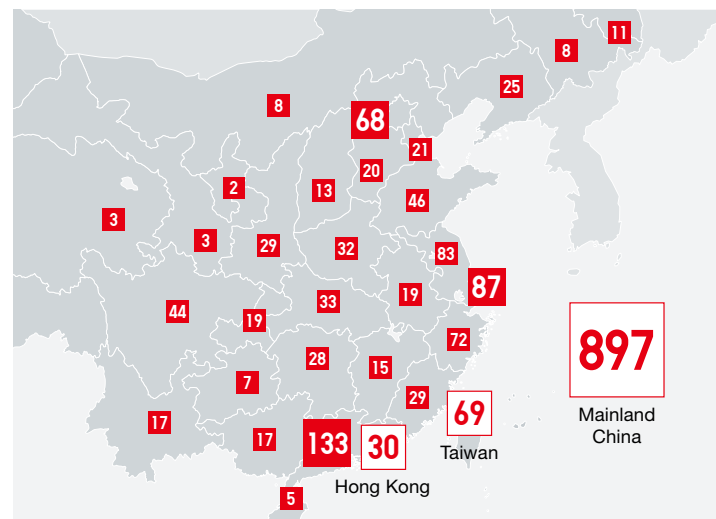
# GREATER CHINA



BUSINESS SECTION UNIQLO

UNIQLO SHANGHAI

## Strong Management for Future Growth



In FY2022, revenue increased but profit declined sharply in the Greater China region (Mainland China, Hong Kong, and Taiwan) due primarily to the spread of COVID-19 and the required temporary closure of stores in mainland China. Full-year revenue totaled ¥538.5 billion (+1.2% year on year) and operating profit totaled ¥83.4 billion (-16.8%). However, fourth-quarter revenue rose and profit rebounded significantly as consumption picked up once lockdowns were eased in Shanghai on June 1. Our diligent efforts to strengthen marketing and bolster sales frameworks and store displays in preparation for the resumption of economic activity helped us respond successfully to increased customer demand. Despite continued tough management conditions, we pressed ahead with active store openings,

adding 89 new stores in FY2022.

Recently, our efforts to strengthen marketing have increased support for our LifeWear across a broad range of customers. This encouraged more customers to visit UNIQLO to buy clothes after lockdowns were lifted.

The mainland China market is huge, so I am convinced we can generate considerable growth going forward. We are working to strengthen our business foundation to support consistent double-digit growth in annual sales. We are taking solid action in various marketing-related areas to build even greater affection for our LifeWear concept, holding exhibitions in 15 major cities in mainland China from FY2021 and conducting store-linked branding campaigns. We are developing new products that sell well in mainland

China and globally by proactively proposing different designs, materials, and colors. We are also opening stores in China's Tier 3 and Tier 4 cities with the aim of promoting growth over the next 10 to 20 years. Sales per store may still be low there compared to cities like Beijing and Shanghai, but they harbor huge growth potential.

We owe our competitive advantage to our many talented employees who understand and implement UNIQLO's management philosophy. As we continue to open roughly 100 new stores each year, we need to enhance the training of capable personnel. I am confident that we can solidify our position as a No. 1 brand in the Greater China region by steadily solving any issues that arise and firmly seizing opportunities.



**Ning Pan**

CEO, UNIQLO Greater China Group Senior Executive Officer, Fast Retailing Co., Ltd.





UNIQLO SOHO NEW YORK

# NORTH AMERICA

## First Full-year Profit Spurs an Accelerated Growth Phase

UNIQLO North America generated significantly higher revenue and profit in FY2022. The operation also recorded its first full-year profit since opening its inaugural store in New Jersey in 2005. This is thanks to committed branding, aggressive social media use and other marketing, and proactive local community initiatives, including hurricane disaster aid. Affinity for UNIQLO increased 1.7 times compared to 2020, with the brand proving especially strong in New York after 15th anniversary celebrations for UNIQLO Soho New York store began in September 2021.

UNIQLO has also benefited from changing North American customer values in the era of COVID-19. Local support for our reasonably priced,

high-quality, and long-lasting LifeWear has increased. Sales of signature UNIQLO items such as T-shirts, fleeces, and AIRism rose significantly year on year. Our Super Non-Iron Shirts, Smart Pants, and Ultra Light Down jackets now rank among the nation's top-selling UNIQLO items, and North American customers are increasingly looking to UNIQLO for everyday wear.

UNIQLO North America now has a solid organizational structure capable of generating consistent profits. This is due to stronger marketing, which has helped us greatly reduce discounting rates; the closure of unprofitable stores; and more efficient store management, which has greatly reduced cost ratios. We've prepared the foundations for a new accelerated growth phase, and I want to set a five-year target of ¥300 billion in sales and 20% operating profit margins. We will open roughly 30 stores annually to reach 200 stores by FY2027 by opening more global flagship stores on the east and

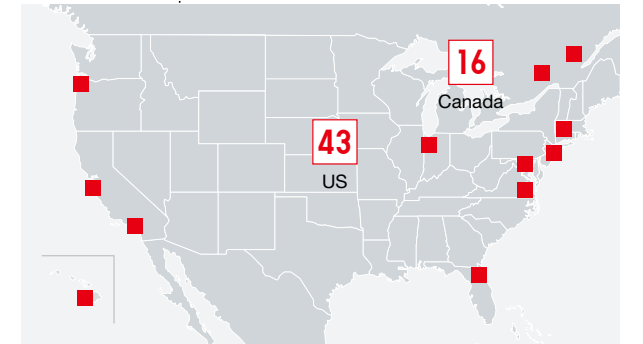
west coasts, where we already have a presence, and accelerating store openings in high-quality shopping malls and other locations.

It is important to build a cohesive organization so we can tackle challenges with greater speed. I want to create a passionate group with strong teamwork and high aspirations, recruiting, educating, and selecting talented human resources irrespective of race, nationality, age, or gender. I also intend to further promote our sustainability activities so local customers can learn more about our corporate values and we can become a truly beloved brand in North America.



**Daisuke Tsukagoshi**

CEO, UNIQLO North America  
Group Senior Executive Officer,  
Fast Retailing Co., Ltd.



UNIQLO 5TH AVENUE





# EUROPE

## Rising LifeWear Popularity and Faster Store Openings



**Taku Morikawa**

CEO, UNIQLO Europe  
Group Senior Executive Officer,  
Fast Retailing Co., Ltd.



We opened our first store in London in September 2001. Today, UNIQLO Europe (excluding Russia) is reporting large rises in revenue and profit, with sales totaling approximately ¥130.0 billion, operating profit reaching roughly ¥15.0 billion, and the operating profit margin rising to 12% in FY2022. We intend to maintain this momentum and achieve ¥500 billion sales and a 20% operating profit margin by FY2027.

The widespread success of our regional flagship stores underpinned this strong performance. Many of these regional flagship stores are located in historic buildings. Our UNIQLO Regent Street store houses UNIQLO and Theory in a beautifully renovated 19th century building. The store also focuses on sustainability by offering repair services, including custom repairs using Japanese Sashiko techniques, in its RE.UNIQLO STUDIO. Regional flagship stores showcase important information about UNIQLO's products, sustainability activities, and corporate values. Opening more flagship stores should spread the word across Europe, creating a positive cycle of brand awareness.

European customers are discerning when it comes to clothes. UNIQLO's commitment to truth, goodness, and beauty as well as our LifeWear concept resonates with

European customers, which has increased their affinity for the UNIQLO brand and fueled strong FY2022 performance.

The COVID-19 pandemic has increased our number of new online customers. App membership is up. First-time UNIQLO buyers have become repeat customers and also started to visit retail stores, driving strong store sales. Meanwhile, e-commerce sales have roughly doubled compared to pre-COVID sales three years ago, now constituting approximately 20% of total sales.

Our operational growth is supported by young hires from various parts of Europe who

understand their local cultures and climates and can compile product ranges and services that match customer needs. Training these personnel to be senior managers will enhance our growth potential.

We intend to focus on operational expansion and accelerate regional flagship and other store openings in markets such as Eastern Europe and major cities where UNIQLO has no current presence. I want to grow UNIQLO into the most-trusted brand in Europe by perfecting products tailored to customer needs. This is crucial to UNIQLO becoming the world's No.1 apparel brand.



UNIQLO REGENT STREET



The 1,900m<sup>2</sup> UNIQLO Regent Street regional flagship store is housed in a beautifully renovated historic building in one of London's iconic shopping areas. The store works with many different local businesses to serve the community.



**GU Fashion Fun at Low Prices:  
Time for Global Expansion**



**Osamu Yunoki**

CEO, G.U. CO., LTD.  
Group Senior Executive Officer,  
Fast Retailing Co., Ltd.

GU offers fun fashion for everyone, recommending new products to customers each month and offering subtle variations in looks and styling. Given the nature of the brand, any delay in product delivery can lead to lost sales opportunities. In FY2022, lockdowns and other restrictions in mainland China severed overseas production and distribution channels, resulting in delayed product deliveries and a decline in full-year revenue and profit. However, we have used this year to improve our product lineups. By reducing product numbers, increasing products that incorporate mass fashion trends, and pursuing more effective marketing, we were able to create hit products such as color slacks and T-shirts with sweatwear styling details. As supply chains gradually return to normal, we can greatly expand GU performance in FY2023 by responding flexibly in ways that are less vulnerable to external factors.

On October 7, 2022, we opened a GU pop-up store in SoHo, New York, USA. With space in the 270 m<sup>2</sup> store being tight, we selected products that

incorporated global mass fashion trends and asked our uniquely skilled "GU Osharista" (a combination of the Japanese word oshare, which means fashionable, and the word fashionista) to suggest special New York styling options. The store got off to a good start, with sales exceeding expectations. We did experience shortages of strong-selling items and issues with product lineups and marketing, so our experience here is proving to be a key milestone in ensuring that GU meets global standards.

Looking ahead, we intend to leverage GU's "fashion fun for everyone" concept to generate rapid growth in Japan and the Greater China region and then expand globally in the United States, Southeast Asia, and finally Europe. Ultimately, I want to expand GU's store network and e-commerce operation to achieve ¥1 trillion in annual sales. We will accelerate city-center, shopping-mall, and roadside store openings and increase the number of joint UNIQLO and GU stores to harness customer-generating synergies. We hope to open as many stores worldwide as UNIQLO and to become an indispensable pillar of the Fast Retailing Group. I think GU is traveling the same path that UNIQLO took—only much, much faster.



GU New York Soho store, a pop-up store opened in SoHo, New York, USA





# GLOBAL BRANDS



## Theory

### Contemporary Fashion From New York

Theory is a contemporary fashion brand launched in New York in 1997. The Theory brand offers perfectly fitting and elegant designs and styling. Its acclaimed comfort stems from the use of superior materials. In September 2022, Theory launched a collaboration with visionary Dutch fashion designer Lucas Ossendrijver.

P L S T

### Top-quality Clothing for Everyday Living

PLST offers everyday clothing with a smart feel that is perfect for going to work or going out. PLST boasts an abundance of ingenious design, from stunning silhouettes and patterns to extremely comfortable materials, and it offers high-quality clothing at reasonable prices.



COMPTOIR DES  
COTONNIERS

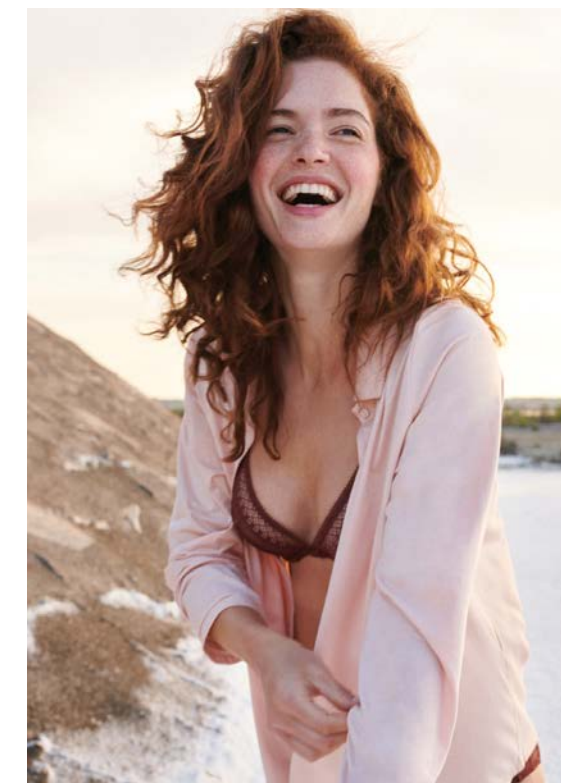
### The Allure of French Esprit

Comptoir des Cotonniers is an affordable luxury brand founded in 1995 in France. With the belief that contemporary, sophisticated femininity is the ultimate allure, Comptoir des Cotonniers is known for its high-quality materials and tailoring, attention to detail, and careful finishing. It offers timeless, stylish items that can be lovingly worn for a lifetime.

PRINCESSE tam•tam  
PARIS

### A Graceful Brand From France That Celebrates Individuality

Princesse tam.tam is a French brand whose “lingerie that lets personality shine through” resonates with countless women. Princesse tam.tam’s basic concept celebrates the natural beauty of the unadorned body. The brand is known for its original prints and vibrant colors and offers a wide range of lingerie, loungewear, and other apparel.





# SUSTAINABILITY SECTION

Enriching People's Lives,  
Enriching Society

OUR SIX KEY AREAS OF FOCUS  
(Material Areas)

- 1 Create New Value Through Products and Services
- 2 Respect Human Rights in Our Supply Chain
- 3 Respect the Environment
- 4 Strengthen Communities
- 5 Support Employee Fulfillment
- 6 Corporate Governance



We use technology developed with Toray Industries to recycle down and feathers extracted from customers' secondhand UNIQLO items. This is the first step in our quest to transform items lovingly worn by our customers into brand-new clothes. Photo: Models wearing recycled down jackets made from 100% recycled down and feathers (¥7,990).



MATERIAL AREA

# 1 Create New Value Through Products and Services

- ▶ Pursue timeless designs from the planning stage based on our LifeWear concept. Create simple, high-quality, highly functional clothing that can be worn for a lifetime.
- ▶ Reduce environmental impact by showing customers the joy of utilizing clothes for a long time. Develop circular products recycled from donated secondhand items, and repair/refashion clothes at RE.UNIQLO STUDIO.
- ▶ Improve clothing functionality and quality, while also aiming to solve social, environmental, and other issues, thereby creating new demand.

## Ultimate Customer Satisfaction

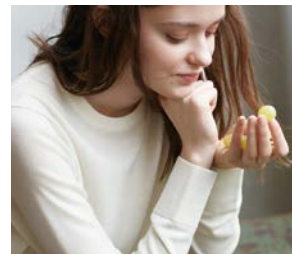
We collect feedback to increase customer satisfaction. In addition, we conduct regular surveys to monitor customer satisfaction around the world and set up customer centers in all markets where we operate UNIQLO stores. We also improve our products and services based on feedback from valued customers collected through our stores, e-commerce operations, and customer centers. The amount of customer feedback we receive is growing year by year thanks to efforts to expand our e-commerce app membership base. UNIQLO received approximately 35.3 million comments globally in FY2022, which we used to design products and services that will make our customers feel truly satisfied. On our UNIQLO UPDATE website, we introduce products that have been updated or improved based on customer feedback. We also identify the causes of customer dissatisfaction and urgently work to prevent similar issues.



### Extra Fine Merino

“ I’m worried it will lose its shape after washing. I wish it was more durable. ”

The new double-ribbed collar looks casual and maintains its shape after washing. Improved hem and cuff ribbing means customers can feel comfortable putting it in the washing machine.



### Front-opening Innerwear

“ I want to see more comfortable front-opening innerwear in a wider variety of colors. ”

For some people, innerwear can be hard to pull over the head. We’ve developed comfortable innerwear that’s easy to get in and out of.



On our UNIQLO UPDATE website, we tell people about specific feedback (requests, complaints, etc.) received—for example, via our customer center—and what we did to improve products based on that feedback.



UNIQLO UPDATE  
<https://www.uniqlo.com/us/en/contents/feature/update/283/>



# RE.UNIQLO



The RE.UNIQLO STUDIO in our UNIQLO Regent Street store (UK)

## RE.UNIQLO STUDIO: Helping People Wear Clothes for Longer

The UNIQLO Regent Street store in London, UK is located in a beautifully renovated historic 19th century building. The RE.UNIQLO STUDIO in the photo was created in September 2022, and retains the Art Deco style of the barbershop which formerly occupied the basement level. Trained UNIQLO staff repair holes or tears in long-loved down, denim, and knitwear items. Small holes are repaired so they don’t show, but to large tears we can apply colored cloth to create an individual flourish.

We work with Studio Masachuka, known for its Japanese clothes-making techniques. They have a tailoring service in London that uses traditional Sashiko stitching techniques to modify or customize clothes in amazing ways. Inspired by the repair/refashion support offered by our store in Berlin, Germany, where interest in repairing clothes is high, we have now expanded the initiative to UNIQLO stores worldwide. We opened the Berlin repair studio in August 2021. In 2022, we opened studios in UNIQLO Soho New York store in January, our Singapore Ang Mo Kio store in March, and our Taiwan UNIQLO TAIPEI store in July. In October, we started a trial studio at our Setagaya Chitosedai store in Japan. With a view to global expansion, we intend to open trial studios worldwide. People can experience the joy of giving their well-loved clothes new life, and the pleasure of now having a custom, one-of-a-kind item. For us, this is just another aspect of LifeWear.



Careful repairs enable customers to wear their favorite clothes for longer



Refashioning clothes using traditional Japanese Sashiko sewing techniques



TOPICS

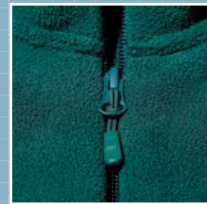
# Innovation of Fleece Jackets

## Fluffy Fleece Jackets Made From Plastic Bottles

We utilize yarn made from used plastic bottles to make new clothes. This reduces waste and petroleum use by recycling limited resources. UNIQLO has embarked on a new way of making clothes.

We use thermoplastic polyurethane (TPU) material made from recycled mobile phone parts, etc., for the pull on the men's coil zipper.

\*Photo: Fleece Full-zip Jackets

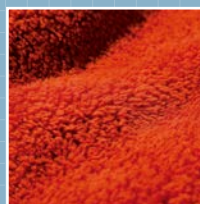


The recycled fleece certification label is also made from 100% recycled polyester material.



500ml PET bottle Takes approx. **19** bottles\*

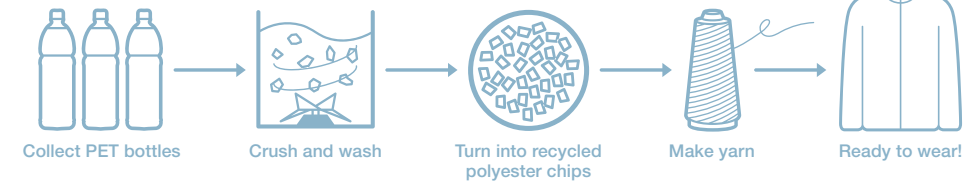
Recycled polyester **100** % Used for the body fabric



Fluffy fleece fabric made from 100% refined recycled polyester offers both a soft feel and vivid color.

\*Men's L size/Assuming one 500mL PET bottle = 25g  
Calculations from "Weight-reduction Targets and Results for 17 Major Types of Designated PET Bottles," Fiscal 2020 Annual Report (p. 6), The Council for PET Bottle Recycling

### Clothes made from recycled polyester



### Highlight #1

#### Creating a 100% Recycled Fabric Material

UNIQLO's 2022 Fluffy Fleece Full-zip Jacket is the result of an amazing evolution. We are now able to make the main fabric from 100% recycled plastic bottles. Making recycled polyester involves crushing, washing, and dissolving used bottles to create pure white chips. These are then dissolved and spun into fine yarn for weaving fabric, which is sewn to make the fleece jacket. We performed numerous tests to achieve fleece's renowned comfort even when using recycled materials. To ensure traceability, we scoured the world for partners with a clear production framework. In the end, the project's largest volume of raw materials was provided by the Shengfeng Group from Suzhou near Shanghai, with advanced equipment and reliable companies under its corporate umbrella. This enabled us to guarantee a transparent production backdrop.



Thread twisting process in an automated factory



Rolls of recycled polyester yarn

### Highlight #2

#### Developing Zippers Made From Recycled Materials

Developing zippers for our fleece items also proved to be a challenge. Existing zipper products made from recycled materials were scarce, so we needed to negotiate with manufacturers. In the end, with the exception of a few small parts, we created zippers made almost entirely from recycled materials for our Men's Fleece Full-zip Jacket and our Men's and Women's Fluffy Fleece Full-zip Jacket.

UNIQLO has worked tirelessly to improve its

fleece jackets since they were first introduced in 1994. Now, in 2022, we have managed to create a fleece jacket made almost entirely from recycled materials. The one element we still could not fully recycle was the thread used to stitch pieces together, but even now we are striving to develop a recycled thread that is strong enough to create durable garments. The fleece jacket is one of UNIQLO's iconic products, and we will keep refining it to satisfy the demands of future generations.



MATERIAL AREA

# 2 | Respect Human Rights in Our Supply Chain

- ▶ Pursue traceability in the supply chain to ensure our products are manufactured in ethical environments. We believe that respecting human rights and ensuring the health, safety, and security of all workers in our supply chain is our most important responsibility.
- ▶ Ask all partner factories to comply with our Code of Conduct for Production Partners, which we have been using to monitor working environments since 2004. Plan to extend scope to also cover spinning mills.

## Pursuing Traceability and Improving Transparency

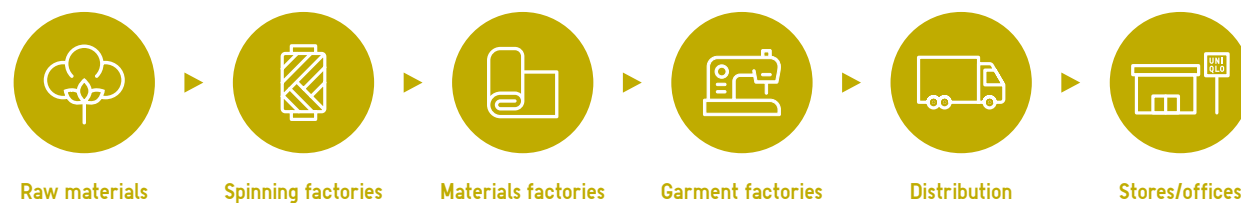
Fast Retailing pursues traceability across our supply chain. We confirm working environments right back to the raw materials procurement stage, either through audits by our own employees or third-party organizations, or through third-party certifications. We have already compiled a supply chain plan for each product that covers the necessary materials, spinning mills, and materials and garment factories, and built a system to confirm the successful implementation of those plans. In Fall Winter 2022, we established a mechanism for managing system information together with partner factories. At the same time, we created and launched a third-party traceability verification program. With help from our garment and material factories, UNIQLO has fully traced each product back to the spinning factory stage, and all cotton products back to the country of origin. From spring 2023, we plan to sign a Code of Conduct for Production Partners with spinning mills and to regularly audit working environments and traceability. We intend to start by targeting a portion of UNIQLO products, but from now on our aim is to expand the initiative to cover all products and Group brands.

We are working to establish full traceability and promote information disclosure so customers have constant access to the information they need to be able to select products properly.

### Information Disclosure Roadmap



### Supply Chain Process



## Better Monitoring, Better Workplaces

Fast Retailing formulated a Code of Conduct for Production Partners in 2004 and started checking if garment factories, materials producers and so on were complying. Since 2020, we have gradually adopted the Social & Labor Convergence Program assessment framework for the apparel industry. The program reduces the burdensome need for multiple audits by different bodies and enables factories to concentrate on making improvements. Factories conduct their own evaluations of human rights violations, working environments, and management systems, which are then verified by third-party organizations. Fast Retailing has a zero tolerance policy for serious human rights violations. The most serious violations, such as child labor and forced labor result in a G5 assessment. Any G5 abuses are reported to our Business Ethics Committee, which discusses reconsidering our business relationship, and agrees on corrective and preventative measures with the offending factory. Nine factories received a G5 assessment in our FY2022 monitoring. That number was higher than in FY2021\* because we tightened our zero tolerance standards to include items such as insufficient emergency exits, lack of fire alarms, and discriminatory hiring conditions. All nine factories agreed to make improvements and adopt preventative measures in future. Improvements have already been implemented in three factories.

We started publishing a list of production partners on our website in 2017 to increase transparency. In March 2022, we expanded that list to include all garment and materials factories with which we consistently do business, and any sub-contractors. We plan to also disclose a list of spinning mills in the future.



Employees working at UNIQLO partner factories



**Disclosure of Production Partners List**  
<https://www.fastretailing.com/eng/sustainability/labor/list.html>

### Working Environment Monitoring Results (Evaluation of Partner Factories)

Grade	Description	FR Group (UNIQLO)	
		FY2021	FY2022
G1	Zero notable violations	46 (25)	22 (6)
G2	Comparatively low-risk issues were observed (e.g. masks, gloves, and other protective equipment are not being properly used, occupational safety training is not being given to all employees)	210 (137)	90 (40)
G3	Issues that could potentially infringe human rights were observed (e.g. obstruction of evaluation routes, failure to conduct regular evacuation drills, inadequate recording of employee arrival and departure times)	261 (101)	347 (200)
G4	Human rights infringements and significant Code of Conduct violations were observed (e.g. insufficient overtime pay, long working hours, inadequate employment contracts)	65 (28)	78 (41)
G5	Extremely serious violations of the Code of Conduct were observed, such as child labor, forced labor, payment below the minimum wage, and other serious human rights violations, as well as inadequate fire and other emergency procedures such as the locking of emergency exits	0 (0)	9 (4)
Number of factories monitored		582 (291)	546 (291)

\*Previous methods and standards for FY2021 evaluations differed slightly from our current standards. Those results were not reevaluated using the new criteria.



MATERIAL AREA

# 3 Respect the Environment

- ▶ Steadily reduce greenhouse gas (GHG) emissions in all areas—materials development, supply chains, stores, and offices—to achieve our FY2030 targets.
- ▶ Reduce per-unit water usage by 10% at end of 2025 compared to 2020 levels at each of the major garment and materials factories accounting for 80% of the water used to make our products.
- ▶ We were recognized in the CDP A List for climate change and water security for our advanced initiatives and transparency.

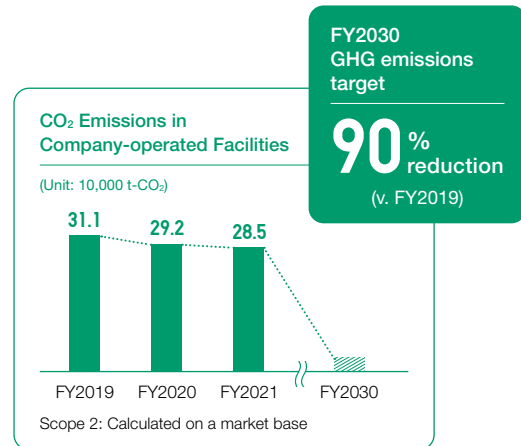
## Steadily Reducing GHG Emissions

To help Fast Retailing achieve net zero GHG emissions by 2050, we are currently on track to reduce emissions at our stores and main offices by 90%, and emissions from the manufacturing of raw materials, fabric, and garments for UNIQLO and GU products by 20% by FY2030 (compared with FY2019 levels).

### SCOPE 1, 2

#### Building Greener Stores

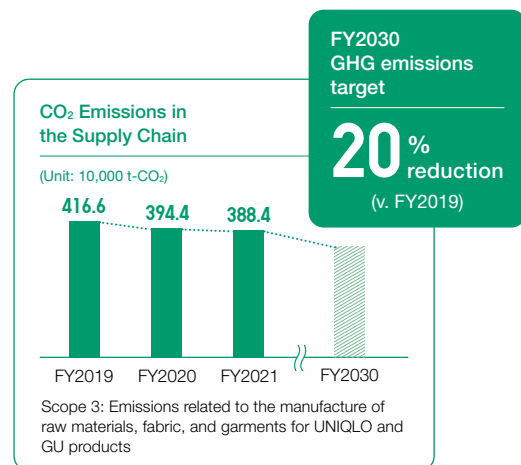
We aim to source 100% zero-emissions renewable electricity at our stores and main offices by FY2030. Indeed, we are already using 100% renewable energy in Europe, North America, Vietnam, Indonesia, and Thailand. Our roadside stores, primarily in Japan, are also working to conserve energy by reducing electricity usage. We will design stores that are extremely energy-efficient to help reduce power consumption by approximately 40%.



### SCOPE 3

#### Reducing Emissions in Our Supply Chain

We will leverage our long-standing partnerships to promote measures that will conserve energy, phase out coal, and introduce renewable energy at major partner factories, which account for approximately 90% of UNIQLO and GU production volume. We have also expanded our range of products made from recycled polyester and recycled nylon. By FY2030, we aim to replace approximately 50% of all current materials with low-GHG recycled materials. In 2022, we made this switch for roughly 5% of all materials and 16% of polyester materials.



## Conducting Biodiversity Risk Assessments

We started conducting biodiversity risk assessments in 2021 using International Union for Conservation of Nature (IUCN) guidelines. We investigated the impacts (land use change, pollution, invasive species) on major ecosystems of each process in our value chain. The results showed a high risk of ecosystem impact due to land use change and pollution during the production of cotton, land use change during rayon production, and pollution from the use and disposal of products regardless of what material(s) they were made of. We are already implementing measures to reduce the raw materials' impact for many items deemed high risk. Specifically, we are working to reduce the emission of hazardous chemicals from products and production processes to zero by the end of 2030, and had already achieved a 99.9% compliance rate by the end of 2021. We intend to strengthen these initiatives and also formulate and implement various other biodiversity strategies.

Impact of Key Performance Systems on Each Process in the Value Chain

Process	Raw material types	Impacts		
		Land use change	Pollution	Invasive species
Raw material production	Cotton	Large	Medium	Small
	Linen	Medium	Medium	Small
	Wool	Medium	Medium	Small
	Cashmere	Medium	Medium	Small
	Leather	Medium	Medium	Small
	Down, feather	Medium	Medium	Small
Fabric and garment production and processing	Rayon	Large	Medium	Small
		Medium	Medium	N/A
Logistics		Medium	Medium	Small
Product use and disposal		Medium	Medium	N/A
TOTAL		Large	Medium	Small

Impact: Large Medium Small

## Solving Water Resource Issues

We use Aqueduct, a World Resources Institute water risk assessment tool, to regularly assess the impact of our business on water resources throughout the value chain. We implement our Water Action Plan to ensure healthy local water environments by preventing and mitigating pollution as well as understanding and reducing water usage. We are setting targets for each supplier and working to reduce per-unit water usage by 10% by the end of 2025 (compared to 2020 levels) at the major garment and materials factories accounting for 80% of the water used to make our products. We are also working with factories to introduce water-saving technologies. For example, our Blue Cycle technology uses nanobubble and ozone cleaning to greatly reduce the water used to wash jeans, whether to create a damaged look or to add the finishing touches. All Group brands now use Blue Cycle when producing jeans.

### Water Usage

#### Supply Chain

Item	Unit	2020	2021
UNIQLO & GU garment factories	10,000 m <sup>3</sup>	1,085	1,092
UNIQLO materials factories		3,006	2,929

Some data is estimated  
 \*Targets involve reduction of per-unit water consumption at each plant, not total water consumption.



(Top) Using lasers for vintage processing is less arduous for workers than traditional, manual methods. (Bottom) Reducing water consumption with washing machines that use nanobubbles and ozone gas.




TOPICS

# Views From Partner Factories

Fast Retailing works with our production partners to uphold human rights, improve working environments, and protect the global environment across our supply chain. We asked some of our production partners to share their perspectives.

MAINLAND CHINA

 **Shenzhou International Group Holdings Ltd.**

**Shoulder to Shoulder Through the Years**

The year 2022 marked our 25th year of business with UNIQLO, which has enabled us to broaden our international horizons and compete in the global market. The thing that impresses me most is how Fast Retailing has always stood shoulder to shoulder with us as a partner.

We have faced various challenges, but we have always analyzed and discussed issues together and constructed a path to overcome them. Fast Retailing sets high goals, from Japanese 5S management (sort, set in order, shine, standardize, and sustain) to high-efficiency production and reducing CO<sub>2</sub> emissions, but their staff regularly check to see how projects are progressing, and they always give good advice on how to overcome problems, however hard they might be. I am grateful for the constant support they provide our factory and their determination to grow together with us.

Generating corporate profits is extremely important, but fulfilling our social responsibilities is even more important. Minimizing negative impacts on society is essential for long-term corporate development. Providing good working and living environments for employees is another of our social responsibilities. We have set up bright, airy dormitories and cafeterias in different parts of our factories, improved hardware while also enhancing our strong communication channels with employees, ensured safe production, and held regular training on fundamentals and corporate culture. We conduct annual employee satisfaction surveys regarding these efforts. In 2020, we started using solar power generation across the board to promote local production and consumption of clean energy.



Chairman of The Board  
**Ma Jian Rong**



Achieved 30% solar power utilization



Reverse osmosis (RO) water treatment system for reusing water

MAINLAND CHINA

 **Chenfeng Group Co., Ltd.**

**Cooperating on Future Plans to Grow Together**

We started working with UNIQLO in 1992, 30 years ago. The relationship started in my father's day and he always tells me that we will never find a more reliable partner. I think the company's values, which treasure long-term partnerships, help to generate sustainability. We want to grow together with UNIQLO, and to do so we have introduced various training and sustainability programs. We repeatedly discuss UNIQLO's GHG targets and are determined to reduce GHG emissions by 30% by 2030 and achieve carbon neutrality by 2050. We have completed a fabric factory that was certified as our first carbon-zero pilot factory. We interact with UNIQLO's Sustainability Department as part of our daily work, constantly sharing details of our progress and holding discussions of future plans as they arise.



President  
**Jiahao Yin**



Introduced solar power generation at all production plants

BANGLADESH

 **Universal Jeans Ltd.**

**Cooperating on Careful Water Use for Jeans Production**

In 2007, I met directly with President Yanai, and he talked about where the apparel industry was headed and how to make an impact in the supply chain. That's when we decided to work together to achieve our shared vision. Through collaboration with Fast Retailing's Jeans Innovation Center on the manufacture of UNIQLO jeans, we have received a wealth of guidance. By using less water during the production process and then reusing any wastewater after production, we have been able to reduce water usage by approximately 45%. We are located in a tropical region where rainfall is high, so factories here use rainwater and are careful to protect their water resources. I empathize strongly with UNIQLO's determination to pursue and implement sustainability initiatives. We want to continue to evolve and advance our business together.



Managing Director  
**Syed Mohammed Tanvir**



This jeans factory greatly reduced water usage



# 4 Strengthen Communities

- ▶ Continue to donate clothes and deliver self-reliance programs to refugees and other people around the world who find themselves in difficult situations. Proactively employ refugees and aim to provide 200 employment opportunities each year by FY2025.
- ▶ Started our PEACE FOR ALL charity T-shirt project fueled by a common desire for peace. All profits (equivalent to 20% of the retail price) are donated to international organizations providing humanitarian support.
- ▶ Empower children and the young leaders of tomorrow through educational support and social engagement programs.

## PEACE FOR ALL



### A Charity Project to Promote Peace: Making a Better World Through Clothes

UNIQLO launched our PEACE FOR ALL charity T-shirt project in June 2022. In the project, leading figures who share our sincere wish for world peace and who want to take action send us designs and messages that we print on T-shirts. All profits from the T-shirt sales (20% of the retail price) are donated to international organizations offering humanitarian support to people impacted by poverty, discrimination, violence, conflict, and war. By the end of FY2022 (August 31, 2022), The donation of funds was ¥145,314,300 through our PEACE FOR ALL charity project. To coincide with the launch of this PEACE FOR ALL project, we also conducted fundraising activities at UNIQLO stores that collected donations of ¥2,879,303. These funds have since been donated to designated humanitarian organizations. We will continue to promote our PEACE FOR ALL project in order to achieve a better world in which people can live safely.

This T-shirt design sports a message from world-renowned architect Tadao Ando. He said, "We need to accept that we all live together on one planet. I participated because I felt the project was an opportunity for each of us to consider how we can help create a peaceful world."



## Supporting Refugees Worldwide

Since 2006, Fast Retailing has been providing clothing aid to refugees and displaced persons worldwide in partnership with UNHCR, the UN Refugee Agency.

In 2011, we signed a global partnership with UNHCR to help solve global refugee problems in a more comprehensive way. Today, we distribute clothes donated through our RE.UNIQLO all-product recycling and reuse activities to refugee camps; provide emergency aid; run self-reliance programs for refugees (vocational training, etc.); employ refugees at Fast Retailing, primarily in UNIQLO stores; build awareness of refugee issues; and dispatch employees to UNHCR. We have donated approximately 50.5 million items of secondhand clothing (from 2006 to end August 2022). At the end of April 2022, 124 refugees were employed in countries including Japan, France, Germany, and the United States.

In 2021, we donated \$800,000 to UNHCR to provide winter relief supplies to Afghanistan in the form of items such as blankets and solar lanterns. In 2022, we donated approximately 100,000 new HEATTECH blankets and HEATTECH innerwear items to UNHCR as emergency humanitarian aid for Ukraine and the surrounding regions. We also donated \$10 million to fund urgent support for health and safety. This money was used to set up evacuation centers, distribute relief supplies, and provide psychological care for children.



A refugee camp in Malawi



We hire refugees, mainly as store employees

### Fast Retailing Refugee Support by Region



<p><b>Emergency aid</b></p> <p>Financial donations to Ukraine, Afghanistan</p> <p>Approx. <b>11</b> million USD (2021 and 2022)</p>	<p><b>Building self-reliance</b></p> <p>Number of refugees who received self-reliance support</p> <p><b>19,477</b> (2016 to 2022)</p>	<p><b>Clothing support</b></p> <p>Number of secondhand clothing items donated</p> <p><b>50.5</b> million (2006 to end August 2022)</p>	<p><b>Employment support</b></p> <p>Refugee employees working in UNIQLO stores, etc.</p> <p><b>124</b> (As of end April 2022)</p>
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MATERIAL AREA

# 5 Support Employee Fulfillment

- ▶ Promote diversity and inclusion, focusing on gender equality; ethnicity and nationality; full participation of staff with disabilities; and improved LGBTQ+ understanding.
- ▶ Boost percentage of female managers to 50% by FY2030.
- ▶ Provide skills development and other educational programs. Develop employees with the skills to play an active role on the global stage.
- ▶ Create working environments worthy of our aim to become the world's safest and healthiest company.

## Diversity and Inclusion

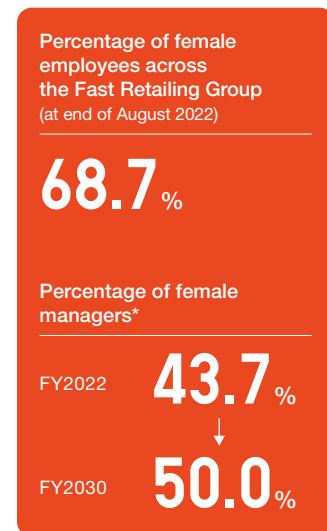
Fast Retailing employs approximately 110,000 people worldwide. We implement measures tailored to individual markets so all employees can build their careers as they select the workstyle best suited to their particular stage of life. In Japan we promote career sessions and mentorship programs to empower women, with female managers acting as role models. In the United States, where child care costs are high and spots at day care can be scarce, we introduced a monthly child care allowance of up to 1,000 USD for full-time employees beginning in fall 2021. Women occupied 43.7% of Fast Retailing Group management positions at the end of FY2022. We aim to increase that to 50% by the end of FY2030 by strengthening initiatives in Japan in particular, where gender equality/empowering women is a major issue.

Global employees  
(as of August 2021)

**113,689** employees



\*Management positions refer to block leaders and area managers in the sales department; store managers of a certain grade and above; and head office executive officers, directors, and managers.



## Learning About Corporate Culture and Principles From Senior Management

One of Fast Retailing's important values is to respect individuals and promote corporate and individual growth. The Fast Retailing Management and Innovation Center (FR-MIC) is an in-house human resource training organization that develops programs globally for everyone from our retail staff and store managers to management candidates. The object is to build Fast Retailing's future. Our FR Conventions, which are held twice a year, are attended by roughly 8,000 store managers and head office employees from around the world, both in person and online. We also hold local conventions in individual markets to foster a deeper sense of corporate unity.

Furthermore, we have created "direct sessions" that give individual employees the opportunity to learn directly from managers about Fast Retailing's values, including our commerce, management, and work philosophy, so that they can fully embrace and implement Fast Retailing's business standards. We use "Notes on Becoming a Manager" and "FR: In Spirit and Action" written by founder Tadashi Yanai to deepen understanding and to help employees embody the mindset, approach, and behavior expected of a Fast Retailing team member.



A direct session in progress



"Notes on Becoming a Manager" by Tadashi Yanai

### Message From Our Sweden and Denmark COO

#### A Company That Supports Vision and Drive

I joined the company in 2014 and six months later, I was the manager of a floor at the UNIQLO Paris Opera global flagship store. After I had become manager of the entire store, I started to learn a lot about store openings, and then became manager of the first store opened in Sweden in 2018.

I was subsequently appointed COO of Sweden then, two years ago, I was appointed COO of Denmark too.

The catalyst for all this was when I stood up at the 2016 FR Convention

and said I wanted to be COO of Northern Europe. I developed a clear goal as soon as I joined the company. The current COO in France helped me create a career plan and goals to achieve my target and my work as an area manager and my experience with new store openings proved a great help.

Fast Retailing is keen to support people who express a strong desire to contribute.

Going forward, I want to develop UNIQLO into the most popular brand for customers in Scandinavia.



**Nicolina Johnston**  
COO, UNIQLO Sweden and Denmark



MATERIAL AREA

# 6 Ensure Proper Corporate Governance

- ▶ Appoint a majority of external directors to the Board of Directors to strengthen its independence and surveillance capabilities.
- ▶ Promote swift, open debate and decision-making in individual committees that support the Board.
- ▶ Improved transparency and independence of the Nomination and Remuneration Advisory Committee.

## Board of Directors

Having a majority of external directors on the Board strengthens supervision of decision-making by the CEO and other executive officers. Our external directors offer diverse, high-level expertise as former senior managers of global companies and leading specialists in fields such as M&A, financial management, diversity, and ESG. They offer objective opinions that are reflected in important decisions. In FY2022, the Board discussed various topics including the approval of the fiscal year budget and financial results, our Global Brands strategy, the structure of the Nomination and Remuneration Advisory Committee, and the company's transition to the Tokyo Stock Exchange's new Prime Market segment. The Board met 13 times in FY2022, with 100% attendance by all directors and auditors. Fast Retailing conducts an annual survey of all directors and statutory auditors regarding the effectiveness of the Board. In FY2022, the survey highlighted issues regarding the way information is provided to external directors and the diversity of Board membership. The survey results were shared with all directors and auditors in a Board meeting held to consider improvements to the highlighted issues.

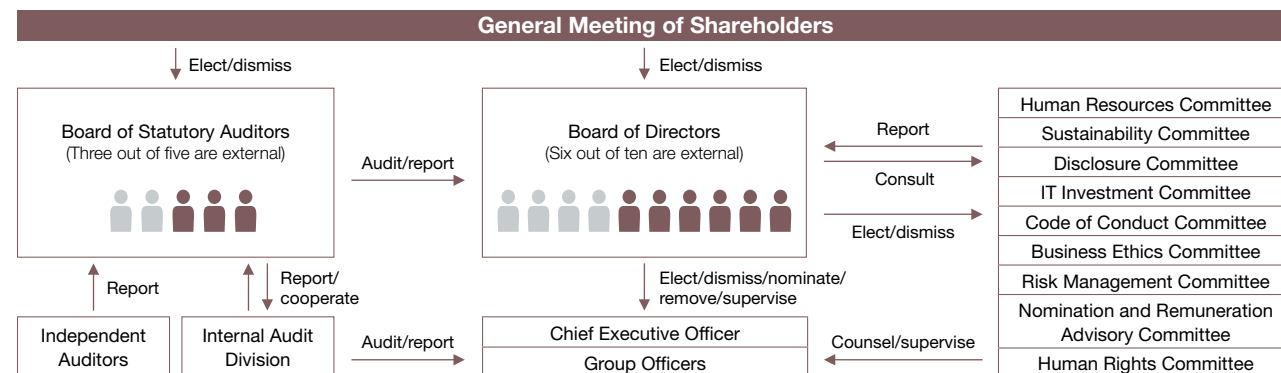
## Board of Auditors

The Board of Auditors, which supervises the execution of directors' duties, has three external statutory auditors with certified accounting or legal backgrounds and two full-time corporate auditors. The Board of Auditors balances the need for strong independence and strong information-gathering. It ensures transparent auditing, and members voice expert and objective opinions. The Board of Auditors met 14 times in FY2022 with 100% attendance.

## Internal Control

We aim to establish internal control systems wherever we operate by promoting full compliance, strengthening risk management frameworks, protecting confidential information, and pursuing thorough internal auditing. We seek to nurture a deep understanding of, and respect for, our Fast Retailing Group Code of Conduct by requiring all employees to take an annual online refresher course. We have also set up internal hotlines so that anyone can report or discuss potential compliance violations or concerns.

### Corporate Governance at Fast Retailing (As of November 25, 2022)



## Human Rights Committee

The committee advises and supervises the company so that it complies with the Fast Retailing Group human rights policy and conducts all business appropriately. It investigates human rights violations reported by stakeholders through hotlines, and provides advice and recommendations on remedial measures. It also provides advice and recommendations to individual business divisions on education and awareness-building activities, and the implementation of human rights due diligence.



A Human Rights Committee meeting in progress

In FY2022, the committee advised on and supervised action plans for future human rights initiatives, based on the results of working environment monitoring at production partners and factory hotline submissions.

## Sustainability Committee

The Sustainability Committee discusses how corporate activity and policy relate to environmental protection, respect for human rights, social responsibility, compliance, diversity, and other sustainability considerations. The content of discussions is shared with sales, marketing, production, purchasing, human resources, and other relevant departments.

In FY2022, the committee discussed global trends in the recycling of resources and information disclosure along with our social contributions and our efforts to engage customer participation in sustainability. It also offered guidance on the direction of subsequent activities.

## Nomination and Remuneration Advisory Committee

The discretionary Nomination and Remuneration Advisory Committee discusses important items relating to corporate governance (requirements and nomination policy for director and statutory auditor candidates, director remuneration policy, requirements of the chief executive officer, smooth succession planning, etc.) and advises the Board of Directors.

In March 2022, we changed the committee's composition to enhance transparency and independence. The committee is chaired by an external director and includes all independent external directors and some independent statutory auditors. We believe it is important to pass on Fast Retailing's corporate philosophy and spirit as key sources of corporate growth, and so President and CEO Tadashi Yanai also serves on the committee.

### Composition of Committees (November 25, 2022)

●=Committee Member

	Human Resources Committee	Sustainability Committee	Disclosure Committee	IT Investment Committee	Code of Conduct Committee	Business Ethics Committee	Risk Management Committee	Nomination and Remuneration Advisory Committee	Human Rights Committee
Internal Directors	Tadashi Yanai	Chairperson	●	●	Chairperson			●	
	Takeshi Okazaki	Observer	●	Chairperson	●		Chairperson		●
	Kazumi Yanai		●						
	Koji Yanai		Chairperson						
External Directors	Nobumichi Hattori						●	●	
	Masaaki Shintaku	●			Observer			Chairperson	
	Naotake Ono							●	
	Kathy Matsui		●					●	●
	Joji Kurumado							●	
Standing Statutory Auditors	Yutaka Kyoya	●						●	
	Masaaki Shinjo	●		Observer	Observer	●			
	Masumi Mizusawa		●	Observer			Observer		●
External Statutory Auditors	Keiko Kaneko	●				●		●	●
	Takao Kashitani							●	
	Masakatsu Mori						Observer		
Group Officers and Other External Professionals	3	7	3	5	5	9	9	0	8

Note: The head of the Sustainability Division chairs the Business Ethics Committee, the head of the Legal Department chairs the Code of Conduct Committee, and an external professional chairs the Human Rights Committee. External directors and statutory auditors offer opinions based on their individual areas of expertise.



DISCUSSION

# Implementing Highly Transparent Governance

Fast Retailing has enhanced the independence and supervisory functions of the Board of Directors and the Board of Auditors by making a majority of directors and statutory auditors external. We asked three of these external directors and external auditors about the kinds of governance discussions we are having.



External Statutory Auditor  
**Keiko Kaneko**



External Director  
**Masaaki Shintaku**



External Director  
**Kathy Matsui (Kathy Mitsuko Koll)**

Many people ask about the selection guidelines for external directors: length of service, necessary skills, and so on. What are your views on this?

**Kaneko:** I was most impressed at my first Board meeting by the free and open discussion that Company President and Chairman of the Board

Mr. Yanai encouraged. He said he wanted to hear everyone's opinion.

I have noticed that long-standing members sometimes make statements that reveal a deep understanding of how things were in the past. They may also use their detailed knowledge to speak about Fast Retailing's current growth stage; they know when business is slower and

what we need to be looking out for when that happens. Everyone has their own expertise and sense of pride as a manager or specialist, and you can't assume that external directors will sympathize more with management just because they have served for longer. Moreover, I think our firm grasp of the details and the background has allowed us to have deeper discussions, and that's a great advantage.

**Matsui:** Honestly, everyone spoke much more than I had expected. That really struck me. Any argument from President Yanai would spark a flurry of opposing views. I felt that this exchange in itself was true governance. President Yanai knows he doesn't have all the facts. He acknowledges opposing views, which is very reassuring. I felt that this Board truly does practice good governance.

**Shintaku:** The job of external directors is to provide the decision-makers with a range of information and to express opinions based on their professional perspective and experience. It is valuable for a company like Fast Retailing, which conducts business globally, to hear opinions based on a thorough understanding of how stores operate and what specific business happens within them on a daily basis. In our first year, we can see things with fresh eyes. After two or three years, we become more aware of the fundamental issues that need to be resolved, or the different avenues that may need to be

explored. As I continue to serve as an external director, my understanding deepens and I grow with the company. That enables me to provide meaningful advice. I think that's key.

**Matsui:** Recently, I evaluated the functioning of the Board of Directors, and I didn't write that everything was perfect. When I first joined, I felt we needed a more thorough briefing in advance on organizational structure and details of the company's business.

**Shintaku:** We all complete an annual questionnaire to evaluate the effectiveness of the Board, and we share our opinions on specific items. Considering everyone's responses and comments from this questionnaire helps us determine and develop our next steps.

**Kaneko:** One of the great things about Fast Retailing is that it makes decisions and acts quickly. If we feel something should be done either inside or outside the company, there is a system in place for frankly discussing how to proceed and reaching a speedy conclusion. If the

## KEIKO KANEKO

External Statutory Auditor  
**Keiko Kaneko**

Appointed External Statutory Auditor of Fast Retailing Co., Ltd. in November 2012.  
Partner at Anderson Mori & Tomotsune LPC;  
Statutory Auditor at UNIQLO CO., LTD.; External Auditor at The Asahi Shimbun Company;  
External Director at Daifuku Co., Ltd.





executive team is unsure about a particular decision, President Yanai will listen to various opinions in Board of Directors meetings, facilitating a prompt discussion and an effective governance check.

**Shintaku:** Yes, this process is fast compared to other companies.

**Matsui:** It definitely is.

**Interest in the company's succession planning is intense. What can you share with us about the current discussions on that topic?**

**Shintaku:** Our executive system evolves year by year. The number of senior executive officers is increasing rapidly with the promotion of eligible employees. We now have a group that can function as the core of our future management. UNIQLO's traditional system of management by one charismatic leader is already changing. Our global headquarters, individual markets, and brands are fully organized.

Going forward, the current executives will form a team that guides operations. Eventually, someone will become the new leader and the

team can be expected to rally behind that person.

**Matsui:** I started participating in this discussion in November 2021, so my experience is limited, but as Mr. Shintaku said, I feel we are preparing frameworks that can maintain proper sustainable growth for the company going forward. Human resources are everything, and I truly feel that the company is amassing substantial talent at every level.

**Kaneko:** Not every discussion has a direct bearing on future frameworks, but our major agenda items always relate to some extent to the succession issue. Many key agenda items concern human resource systems, organizational restructuring, new departments, and future systems. It is clear to me that people are conscious of next-generation needs when making proposals on these matters.

**Shintaku:** We already have a solid basis for our next framework. We have many experienced directors, and so we are able to have good discussions about issues that people genuinely support. It is more important to talk about how we do something than who does it. Simply put, the best-qualified person at the time should take on the top leadership role.



## MASAAKI SHINTAKU

External Director  
**Masaaki Shintaku**

Appointed External Director of Fast Retailing Co., Ltd. in November 2009. Also serves as External Director at NTT DOCOMO, INC. and NTT Communications Corporation. Previously Executive Vice President of Oracle Corp. (US) and Chairman of Oracle Corp. (Japan).

External Director  
**Kathy Matsui**  
(Kathy Mitsuko Koll)

Appointed External Director of Fast Retailing Co., Ltd. in November 2021. Serves as Councilor of the Fast Retailing Foundation. Worked as a partner and then Vice Chairperson at Goldman Sachs Japan Co., Ltd. Coined the term "Womonomics" in 1999. Founded MPower Partners Fund L.P. in May 2021.



## KATHY MATSUI

**The Board of Directors plays an important role in succession planning. What path should Fast Retailing be taking?**

**Kaneko:** The great thing about Fast Retailing is that it doesn't approach things through formal discussions with lots of strict prerequisites. Any discussion of the composition of the Board, for example, should start by considering what human resources and viewpoints are needed to support the company's current status and future growth. Fast Retailing doesn't follow general assumptions about what constitutes a favorable Board composition, but rather considers which human resources and systems are needed for the company's future aims and direction.

**Matsui:** Fast Retailing's growth is shifting overseas. The company is already globalizing its internal systems, but we need to do even more to improve human resources and other functions. I work in ESG. The UNIQLO and Fast Retailing brands, with LifeWear and other strategies for promoting sustainable societies, have great potential, but they will undoubtedly need to overcome numerous hurdles, from regulations to macro-level risks. It is important to have the necessary structure in place, and to be flexible.

**Shintaku:** Employees who are leadership candidates have the opportunity to make presentations to us in Board meetings, expressing their ideas and sharing their opinions.

These opportunities help us simulate potential succession frameworks that include a particular person or team. I think the time will come for us to discuss and determine what the next management framework will look like. When that happens, President Yanai will give his opinion as a major shareholder, and the Board of Directors will receive proposals from the Nomination and Remuneration Advisory Committee. The actual framework will be approved and decided through that process. The human resources involved may well change significantly each time we discuss the topic, because our employee base is growing rapidly and our pool of human resources is deepening accordingly. President Yanai thinks carefully about the path ahead, so I am personally comfortable knowing he will be leading the process. Our role is to monitor whether a candidate is the most appropriate choice, and whether this person can be part of a smooth transition.



## Messages from Our Directors



Tadashi Yanai

### Create a More Sustainable Society, Drive Corporate Growth Through LifeWear

Changing clothes. Changing conventional wisdom. Change the world. I strive to realize transparent management based on our corporate statement, and to deliver clothing happiness and joy to people worldwide through LifeWear (ultimate everyday clothing). I want us to grow into an even better company by pursuing the sweeping corporate transformation laid out in our Ariake Project in order to achieve a sustainable society.

Appointed President and CEO in September 1984, and his current position of Chairman, President & CEO in September 2005. Main concurrent positions: Chairman, President & CEO of UNIQLO CO., LTD.; Director & Chairman of G.U. CO., LTD.; Director of LINK THEORY JAPAN CO., LTD.; External Director at Nippon Venture Capital Co., Ltd.



Nobumichi Hattori

External Director

Independent Director

### Manage Global Risks, Support Best Practices for Increasing Corporate Value

I believe the best way to increase shareholder value is to objectively judge how capital markets perceive Fast Retailing's corporate value. I intend to conduct firm global risk management and offer advice from a broad range of perspectives that will ensure Fast Retailing continues to fulfill the market expectations of a well-respected company that is anticipated to continue its strong growth in the future.

Appointed November 2005. Formerly worked at Goldman Sachs. Currently a research specialist in M&A and corporate value evaluation. Also serves as Visiting Professor at Waseda Graduate School of Business and Finance, and at Keio University Graduate School of Business Administration; External Statutory Auditor at Frontier Management Inc.; External Director at Hakuholdo DY Holdings Inc.



Masaaki Shintaku

External Director

Independent Director

### Promote Digital Consumer Retailing, Support Further Advancement

We invested efficiently in transforming the IT systems that now support Fast Retailing operations, earning us a strong reputation for the successful utilization of IT. Fast Retailing is transforming into a digital consumer retailing company and accelerating its efforts to analyze data and acquire knowledge. We are attracting more exceptional employees and building frameworks for the next stage of growth. The Board is contributing in every way it can.

Appointed November 2009. Previously Executive Vice President of Oracle Corp. (US) and Chairman of Oracle Corp. (Japan). Currently Counselor of Special Olympics Nippon Foundation, External Director of NTT DOCOMO, INC. and NTT Communications Corporation.



Naotake Ono

External Director

Independent Director

### Emphasize Useful Information From the Front Line

As a senior manager, I believed front-line operations were important, and I still do. By visiting stores, listening to front-line opinions, and getting firsthand experience as an individual consumer, I can discover and propose business improvements. The Board is well balanced and diverse. Everyone exchanges lively opinions and President Yanai is always open to new ideas. I will continue to make proposals that prioritize our on-the-ground operations.

Appointed November 2018. Formerly Director, Senior Managing Executive Officer, Executive Vice President, President & COO of Daiwa House Industry Co., Ltd. Became Special Advisor to Daiwa House in November 2017.



Kathy Matsui (Kathy Mitsuko Koll)

External Director

Independent Director

### Leverage Growth-driving Diversity, Create New Role Models

As Fast Retailing's first female external director and first director who is not a Japanese national, I can offer a variety of different ideas. Mr. Yanai is knowledgeable and experienced in ESG matters, so he shares my view that diversity is a driver of growth. I want to work even harder to create organizational frameworks to promote diversity. Nurturing role models who promote "Womonomics" is part of that effort.

Appointed November 2021. Worked as a partner and then Vice Chairperson at Goldman Sachs Japan Co., Ltd. Currently serves as Councilor of the Fast Retailing Foundation and General Partner of MPower Partners Fund L.P.



Joji Kurumado

External Director

Independent Director

### Draw Future Scenarios and Promote Innovation

My experience in the construction industry has taught me to take environmental action now without delay. Why? Because buildings are made to last. We must take appropriate action today to balance profit and sustainability across a range of future scenarios. I want to support such innovation as a director here at Fast Retailing.

Appointed November 2022. In January 1982, received Japanese First-class Architect certification. Served as General Design Manager, Executive Officer in Charge of Design, and Managing Executive Officer at TAKENAKA CORPORATION. Currently, Advisor to TAKENAKA CORPORATION and part-time teacher in the Department of Architecture, School of Creative Science and Engineering, WASEDA University.





**Yutaka Kyoya**

External Director  
Independent Director

## Maximize Growth Potential by Emphasizing Medium/Long-term Perspectives

I have worked for many years in the food industry, and so the idea of LifeWear as a daily necessity resonates with me. I worked for 12 years in the U.S. and Asia and gained experience as a global manager. I want to use that knowledge both to fulfill my responsibilities as an external director and to emphasize perspectives that could improve the company's medium/long-term corporate value. My overarching mission is to maximize Fast Retailing's growth potential.

Appointed November 2022. Formerly Director at Lawson, Inc., and COO of Foods (Commodity) Division and Executive Vice President & Group CEO of the Mitsubishi Corporation Consumer Industry Group. Currently Representative Director, President, CEO, CSO and CHO of Mitsubishi Shokuhin Co., Ltd.



**Takeshi Okazaki**

For the next stage of its development, the Fast Retailing Group must accelerate globalization and digitalization and invest in human resources and business infrastructure. It is vital to grasp what is happening on the ground and undertake realistic management. As a management supervisor and executive, my aim is fair and proper management that steadily enhances our corporate value.

Appointed November 2018. Worked at the Long-Term Credit Bank of Japan and as a partner at McKinsey & Company. Joined Fast Retailing in August 2011. Main current positions: Director, UNIQLO CO., LTD and G.U. CO. LTD.; Group Senior Executive Officer & CFO, Fast Retailing Co., Ltd.



**Kazumi Yanai**

We must use global talent and resources to make the world a better place and further strengthen our company. I help people understand our corporate philosophy and share our honest belief that individual growth leads to corporate growth and a better future. As a director and member of the founding family, I will strive to meet expectations as our company continues to grow.

Appointed November 2018. Joined Fast Retailing in September 2009 after working at Goldman Sachs Group, Inc. and Link Theory Holdings (US) Inc. (currently Theory LLC). Main positions: Chairman, Theory LLC and UNIQLO USA LLC; Group Senior Executive Officer, Fast Retailing Co., Ltd.



**Koji Yanai**

Uncertainty is sweeping through the world. Conflicts are increasing refugee numbers and pushing up resource and raw material prices. The business environment is becoming increasingly competitive. We are working even harder to develop high-quality communication with stakeholders. As a director, I will focus on guiding our company along the correct path, while prizing our people.

Appointed in November 2018. Joined Fast Retailing in September 2012 after working at Mitsubishi Corporation's food subsidiary Princes Limited, UK. Currently Group Senior Executive Officer, Fast Retailing Co., Ltd.

## Auditors



**Keiko Kaneko**

External Statutory Auditor  
Independent Director

It is important that the external statutory auditors of a swift, effective company such as Fast Retailing support the company's growth opportunities while also offering risk-mitigating advice from multiple perspectives. I will do my utmost to conduct vigilant reviews and strengthen corporate structure.

Appointed November 2012. Partner at Anderson Mori & Tomotsune LPC; Statutory Auditor at UNIQLO CO., LTD.; External Statutory Auditor at The Asahi Shimbun Company and External Director at Daifuku Co., Ltd.



**Takao Kashitani**

External Statutory Auditor  
Independent Director

The harsher the opinion, the more attentively President Yanai listens, so auditors and directors can freely conduct open-minded discussions. With over 30 years' experience as a corporate restructuring consultant, accountant, and tax expert, I can advise on these matters and also offer suggestions on various issues that go beyond my external auditor remit.

Appointed November 2018. Director of Brain Group (Kashitani Accounting Office); President of Brain Core Co., Ltd. and of FP Brain Co., Ltd.; External Director at Japan Freight Railway Company.



**Masakatsu Mori**

External Statutory Auditor  
Independent Director

Fast Retailing's mission is to grow in harmony with society. Is the decision-making process appropriate? Is the company's economic and social value consistently increasing? What risks hinder the realization of the company's business plan? It is my job to look into these matters and strengthen global governance.

Appointed November 2020. Currently serves as Special Advisor to the International University of Japan, and External Director at Stanley Electric Co., Ltd. and Kirin Holdings Company.



**Masaaki Shinjo**

Standing Statutory Auditor

Appointed November 2012. Joined Fast Retailing in February 1994 (served as General Manager of Group Auditing, Statutory Auditor at G.U. CO., LTD., General Manager of Sales Support Management Division at UNIQLO CO., LTD.), Auditor at FAST RETAILING (CHINA) TRADING CO., LTD. and at four subsidiary companies.



**Masumi Mizusawa**

Standing Statutory Auditor

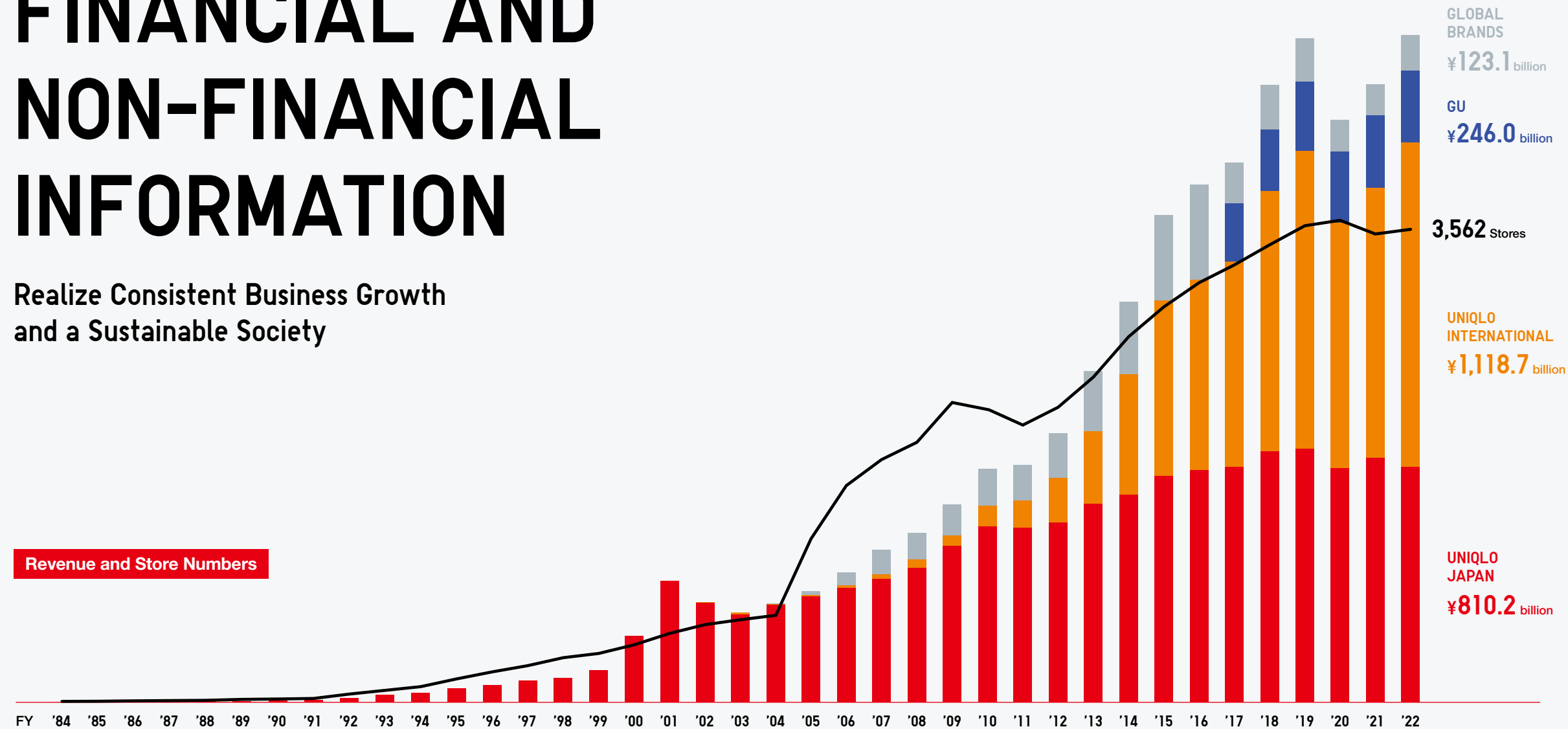
Appointed November 2019. Joined Fast Retailing in October 2001 (served as General Manager of Investor Relations, Global Corporate Management and Control). Auditor at LINK THEORY JAPAN CO., LTD.



# FINANCIAL AND NON-FINANCIAL INFORMATION

Realize Consistent Business Growth and a Sustainable Society

## Revenue and Store Numbers



## Evolving Sustainability Activities



## FY2022 PERFORMANCE HIGHLIGHTS

- Record performance. Consolidated revenue: ¥2,301.1 trillion (+7.9%), operating profit: ¥297.3 billion (+19.4%).
- Support for LifeWear increased and sales recovered steadily in all markets thanks to renewed clothing demand worldwide and consistent branding efforts.
- UNIQLO Japan: First-half sales and profit declined. Higher revenue and sharply higher profits thanks to strong second-half sales of products that reflected customer needs and the latest trends.
- UNIQLO International: Large revenue and profit gains. Greater China region profit declined due to COVID-19. Sales and profits rose considerably in Southeast Asia, North America, and Europe. North America and Europe (ex. Russia) achieved an operating profit margin of roughly 10% and are developing into new earnings pillars behind Asia.
- GU: Overall, revenue declined and profits contracted sharply. However, second-half revenue recovered and profit soared on improved product lineups.

## SUSTAINABILITY TARGETS

- Aim to reduce greenhouse gas emissions from main stores and offices by 90% v. FY2019 levels by FY2030, and by 20% across the UNIQLO and GU supply chain.
- Increase ratio of recycled materials to 50% of total materials by FY2030.
- Reduce waste materials during product delivery to zero.
- Reduce per-factory water usage per unit by 10% v. 2020 levels by end 2025.
- Implement social contribution activities worth ¥10 billion\* a year by FY2025.
- Aim not simply to guarantee minimum wages, but to realize living wages.
- Increase ratio of female managers to 50% by FY2030.

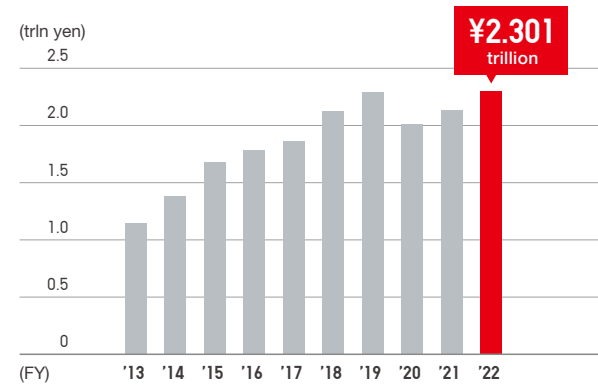
\*Together with Tadashi Yanai, the Fast Retailing Foundation, and others.



## FINANCIAL HIGHLIGHTS

### Revenue

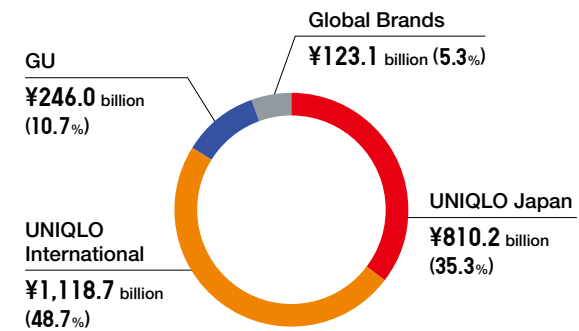
**¥2.301 trillion** | **+7.9%**



Consolidated revenue rose 7.9% year on year to ¥2.301 trillion. Revenue increased steadily across all markets thanks to renewed global demand for clothing and consistent efforts to strengthen LifeWear branding.

### UNIQLO International's Contribution to Revenue

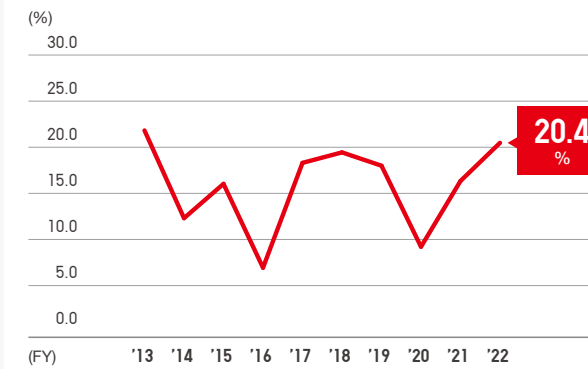
**48.7%** | **+5.0pt**



UNIQLO International's contribution to total revenue rose by 5 percentage points to 48.7%. S/SE Asia & Oceania revenue increased significantly (by approx. 60%). North America and Europe revenue rose sharply on gradually expanding UNIQLO presence.

### ROE (Ratio of profit to equity attributable to owners of the Parent)

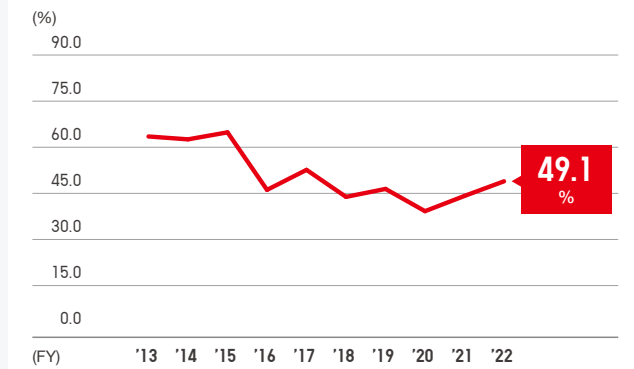
**20.4%** | **+4.0pt**



ROE (Ratio of profit to equity attributable to owners of the Parent) rose 4 percentage points to 20.4% following an impressive 60.9% increase in profit attributable to owners of the Parent.

### Ratio of Equity Attributable to Owners of the Parent to Total Assets

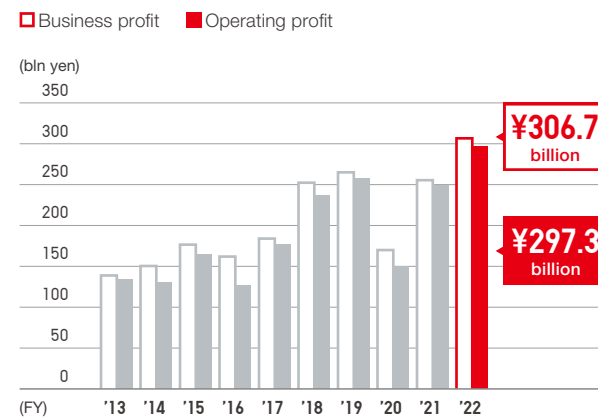
**49.1%** | **+4.6pt**



Increased by 4.6 points to 49.1% following a ¥445.1 billion increase in equity attributable to owners of the Parent.

### Operating Profit

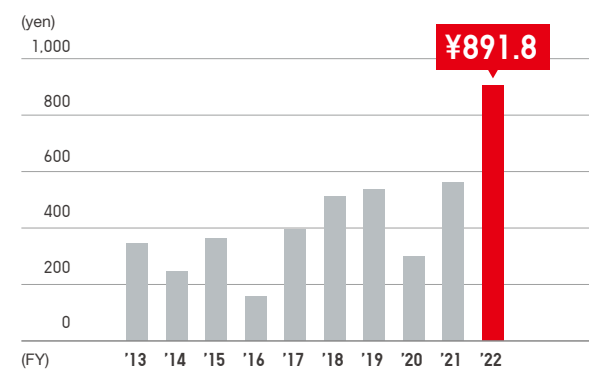
**¥297.3 billion** | **+19.4%**



Increased 19.4% to ¥297.3 billion. UNIQLO International profit rose by a significant 42.4% thanks to sharply higher profit from Southeast Asia & Oceania and improved profitability from North America and Europe. Achieved new record high even after removing the boost from a weaker yen.

### Earnings per Share

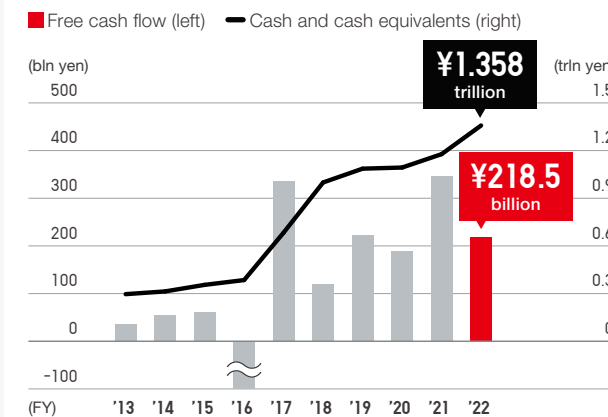
**¥891.8** | **+60.9%**



Basic earnings per share (EPS) increased 60.9% to ¥891.8 thanks to a sharp rise in operating profit and a sharply higher net finance income of ¥116.2 billion including foreign exchange gains on foreign-currency denominated assets, etc.

### Cash and Cash Equivalents

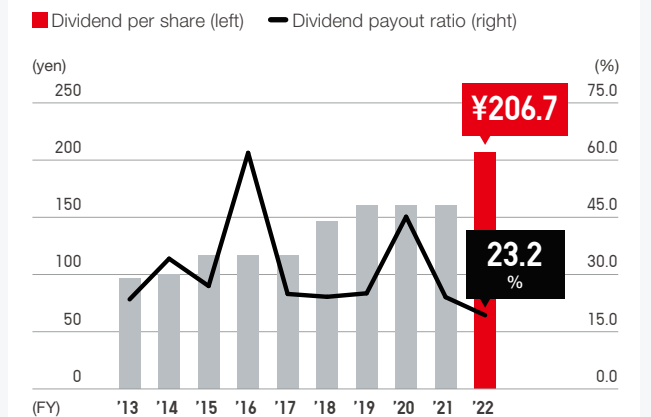
**¥1.358 trillion** | **+15.3pt**



Free cash flow totaled ¥218.5 billion (¥430.8 billion generated by operating activities minus ¥212.2 billion used in investing activities). Cash spent on financing activities totaled ¥213.0 billion. As a result, cash and cash equivalents totaled ¥1.358 trillion.

### Dividend per Share

**¥206.7** | **+¥46.7**



Increased by ¥46.7 to ¥206.7. The comparatively low 23.2% dividend payout ratio was due to ¥114.3 billion in recorded foreign exchange gains on foreign-currency denominated assets, etc. The payout ratio was similar to other years when that is factored in.

\*We implemented a three-for-one split of the Company's common stock on March 1, 2023. Dividend payments for past fiscal years have been adjusted to reflect this stock split.

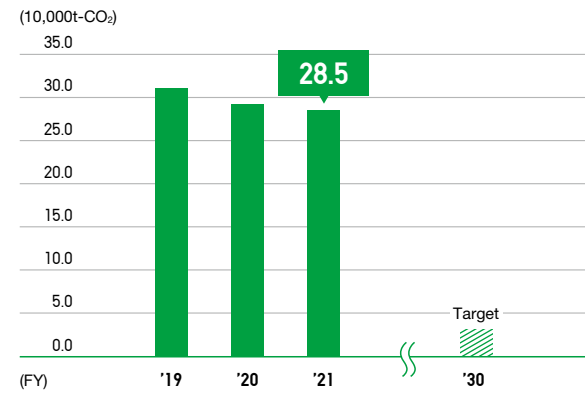
\*The negative FCF in FY2016 included a ¥185.5 billion investment in deposits with over three months to maturity.

\*We implemented a three-for-one split of the Company's common stock on March 1, 2023. Dividend payments for past fiscal years have been adjusted to reflect this stock split.



## NON-FINANCIAL HIGHLIGHTS

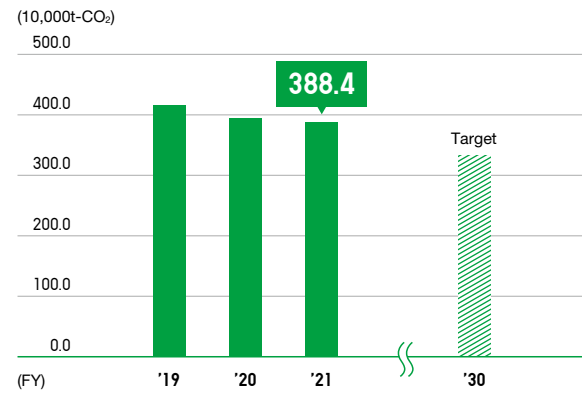
### Greenhouse Gas (GHG) Emissions (Scope 1, 2)\*



We aim to reduce GHG emissions derived from energy use at our main stores and offices by 90% by FY2030 (v. FY2019). We have already achieved 100% renewable energy in Europe, North America, Vietnam, Indonesia, and Thailand.

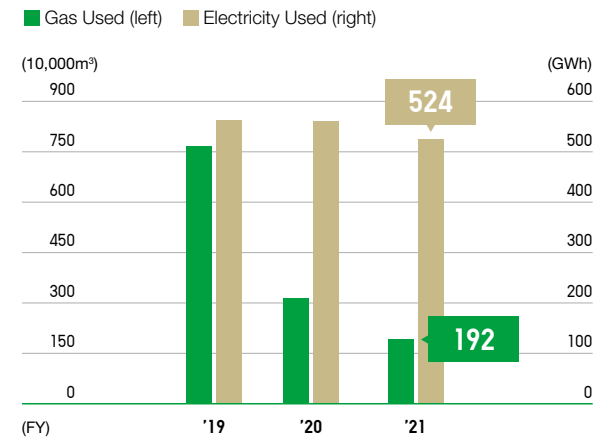
\*Scope 2 is calculated on a market base

### Greenhouse Gas (GHG) Emissions (Scope 3)



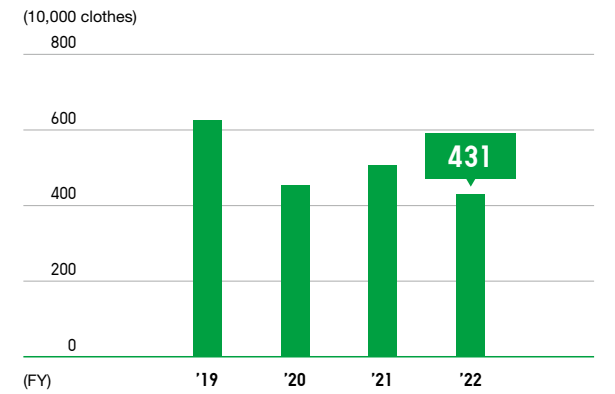
We aim to reduce GHG emissions from the production of raw materials and fabrics and the sewing of UNIQLO and GU products by 20% by FY2030 (v. FY2019). Promoting recycled materials development helped increase the Group's ratio of recycled materials for Spring Summer and Fall Winter 2021 to 5%, as planned.

### Energy Usage (Fast Retailing)



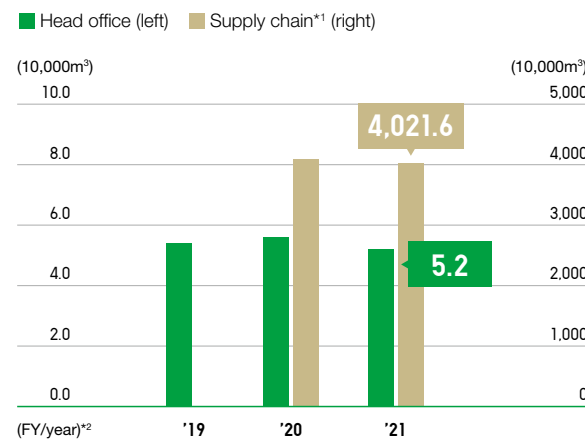
We are boosting the efficiency of energy use in stores and across the supply chain, while also planning and developing functional clothing that can help reduce energy consumption in customers' daily lives.

### Donations of Secondhand Clothing



We donate clothes collected from customers through our product reuse and recycling activities to refugees and internally displaced persons worldwide. We have donated approximately 50.5 million items in total (from 2006 to August 2022).

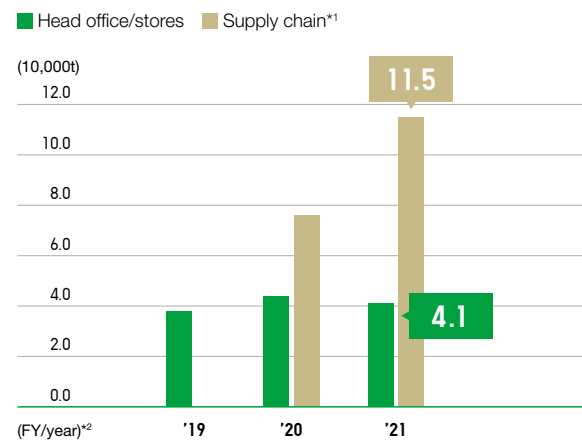
### Water Usage



We assess water usage in high water-risk areas and work with factories using a lot of water to make reductions. We aim to reduce water usage per unit at each factory by 10% (v. 2020) by end of 2025 at major garment and materials factories accounting for 80% of the water used for our products.

\*1 UNIQLO and GU garment factories and UNIQLO fabric mills  
\*2 Fiscal year for head office, January to December for supply chain

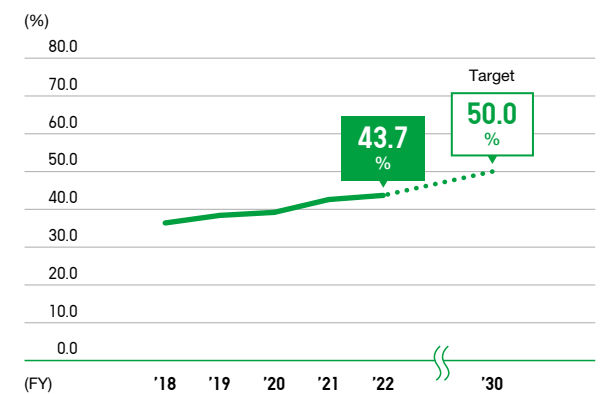
### Waste



We aim to achieve zero landfill waste as soon as possible by reducing, replacing, reusing, and recycling materials for product packaging, cardboard boxes used during transportation, plastic bags, and hangers.

\*1 UNIQLO and GU garment factories  
\*2 Fiscal year for head office, January to December for supply chain

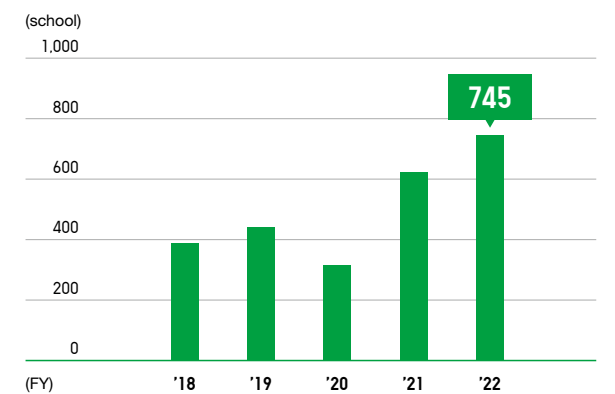
### Ratio of Female Managers



We aim to increase the ratio of women in management positions\* to 50.0% by FY2030. The ratio has steadily improved to 43.7% in FY2022. Going forward, we will strengthen our efforts by focusing primarily on the comparatively low ratio in Japan.

\*Management positions refer to block leaders and area managers in the sales department; store managers of a certain grade and above; and head office executive officers, directors, and managers.

### The Power of Clothing Project: Participating Schools



The Power of Clothing Project is a participatory learning program for elementary, junior high, and high school students run with UNHCR. After attending classes given by our employees, students organize the collection of kids' clothing in their schools and communities. Collected items are donated to refugees and other people in need of clothes, or they are recycled.



# Transform Business Structures, Accelerate Globalization and Sustainability Initiatives

## Takeshi Okazaki

Director  
Group Senior Executive Officer and CFO  
Fast Retailing Co., Ltd.



### Business Performance Review and Outlook

Fast Retailing achieved record results in FY2022 with revenue increasing and profit expanding significantly. Revenue totaled ¥2,301.1 trillion (+7.9% year on year) and operating profit totaled ¥297.3 billion (+19.4%). As the COVID-19 pandemic was brought under control, sales recovered steadily in all markets thanks to a recovery in clothing demand, our consistent strengthening of LifeWear branding worldwide, and our nimble response to changing production, distribution, and other environments. After the period-end exchange rate depreciated by a significant ¥29 to 1 USD=138.7 JPY, we recorded foreign exchange gains of ¥114.3 billion on foreign-currency denominated financial assets. As a result, profit before income taxes totaled ¥413.5 billion (+55.6%) and

profit attributable to owners of the Parent totaled ¥273.3 billion (+60.9%). The weaker yen boosted performance, but we still achieved record results after stripping out this impact.

UNIQLO International performed especially well, generating revenue of ¥1,118.7 trillion (+20.3%) and operating profit of ¥158.3 billion (+42.4%). Profit from the Greater China region slumped due to COVID-19 restrictions on movement, but the South Asia, Southeast Asia & Oceania region (Southeast Asia, Australia, and India) reported an impressive sales increase of roughly 60% to ¥240 billion and a greatly-improved operating

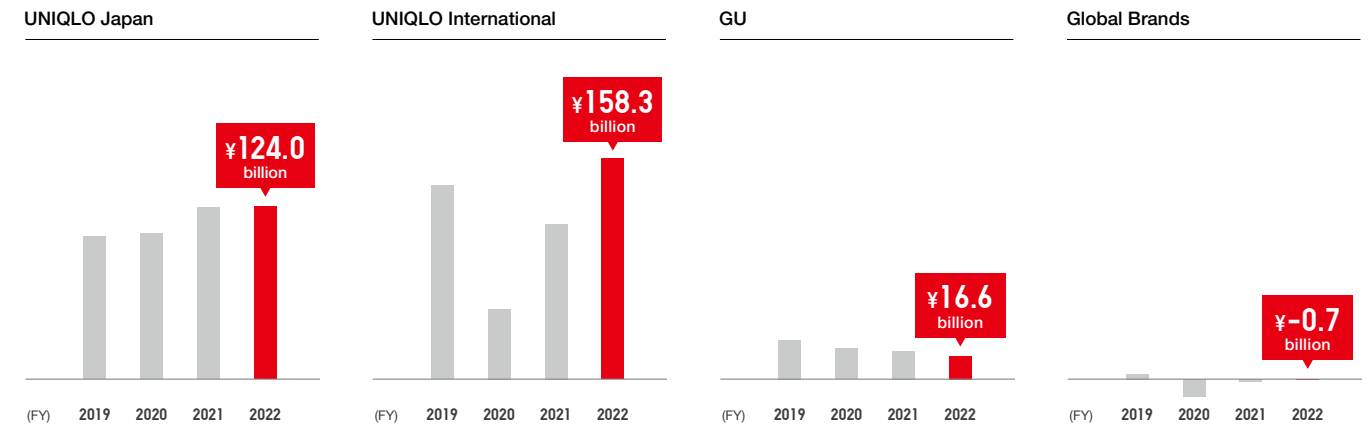
### Performance by Group Operation

(FY)		2021			2022		
		Billions of yen	YoY change Billions of yen	% change	Billions of yen	YoY change Billions of yen	% change
UNIQLO Japan	Revenue	¥842.6	+¥35.7	+4.4	¥810.2	¥(32.3)	(3.8)
	Operating profit	123.2	+18.5	+17.7	124.0	+0.8	+0.6
UNIQLO International	Revenue	930.1	+86.2	+10.2	1,118.7	+188.6	+20.3
	Operating profit	111.2	+60.9	+121.4	158.3	+47.1	+42.4
GU	Revenue	249.4	+3.3	+1.4	246.0	(3.3)	(1.4)
	Operating profit	20.1	(1.6)	(7.6)	16.6	(3.5)	(17.4)
Global Brands*	Revenue	108.2	(1.4)	(1.3)	123.1	+14.9	+13.8
	Operating profit	(1.6)	+11.1	—	(0.7)	+0.8	—

\*Global Brands includes Theory, PLST, Comptoir des Cotonniers, Princesse tam.tam., and J Brand (subsidiary company liquidated in FY2021).

Note: Consolidated revenue also includes items reported by Fast Retailing Co., Ltd., the Parent company, such as real estate leasing. Consolidated operating profit includes Fast Retailing operating profit.

### Operating Profit by Group Operation



profit margin of roughly 19%. North America and Europe (ex. Russia) reported sharply higher revenue, a move into the black, and an operating profit margin of roughly 10%. UNIQLO is gradually establishing its presence and attracting new customers. Meanwhile, UNIQLO Japan reported revenue of ¥810.2 billion (-3.8%) and operating profit of ¥124.0 billion (+0.6%). While first-half revenue and profit declined, revenue increased and profit rebounded sharply in the second half thanks to stronger sales of going-out clothes and summer ranges. GU reported lower full-year revenue and profit but second-half performance recovered as revenue increased and profit rebounded on improved product lineups.

Our FY2023 consolidated forecasts (as of January 12, 2023) include revenue of ¥2.65 trillion (+15.2%), operating profit of ¥350 billion (+17.7%), profit before income taxes of ¥350 billion (-15.4%), and profit attributable to owners of the Parent of ¥230 billion (-15.9%). We used the period-start exchange rates of 1 USD=138.7 JPY and 1 RMB=20 JPY for the UNIQLO International estimates. We expect all business segments to generate higher revenue and profit with UNIQLO International proving the key driver of performance.

### Expanding Business to No.1 Global Brand, Counter Inflation Through Low-cost Management

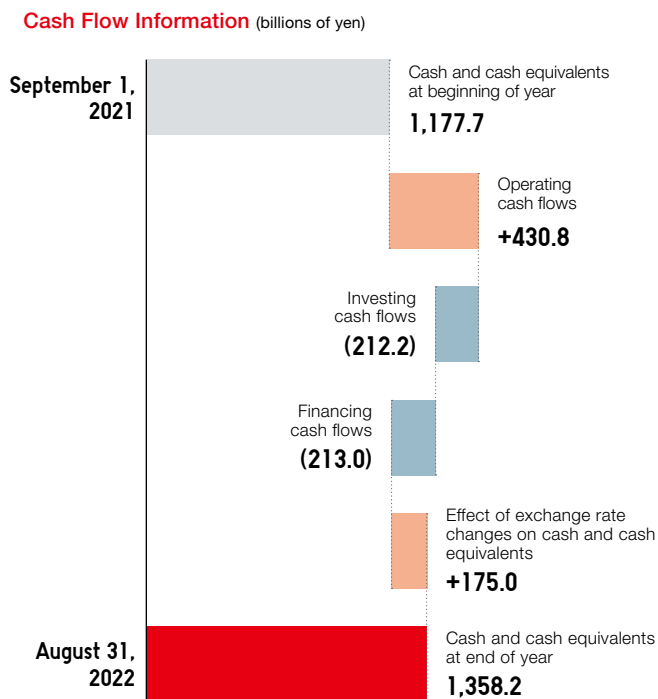
FY2023 will be about transforming operational structures and building the foundation for a global No.1 brand based on four initiatives. The first involves realizing business that satisfies customer needs and encourages appreciation of product value. Here, we aim to expand sales and protect gross margins by offering higher value-added products and services and pursuing a business that does not rely on discounting. This will mean changing our global product development, transforming customer communication to achieve a fused e-commerce and

physical store shopping experience, and adapting our supply chain management to facilitate more accurate inventory management. The second initiative involves globalizing our headquarter functions to earn profit worldwide. To accelerate global growth we need to change our global headquarters from a Japan-centric format to one where cross-border management teams make decisions guided by frontline conditions and actual products and realities in individual markets. We intend to accelerate store openings in each market and further diversify earnings pillars at UNIQLO International as the key driver of Group growth. We aim to further enhance our established brand position and expand operations in the Greater China and the S/SE Asia & Oceania regions. Having established profitable operations in North America and Europe, we intend to swiftly expand our business scale by strengthening marketing and encouraging LifeWear loyalty. The third initiative focuses on accelerating sustainability initiatives in tandem with business operations. We aim to produce high-quality, long-lasting clothes with minimal environmental impact that are made in healthy and safe working environments and can be recycled or reused after the point of sale. We are also steadily pursuing measures to achieve announced targets on greenhouse gas emissions, diversity, and social responsibility activities. The fourth and final initiative focuses on productivity and pursuing thorough, low-cost management in an inflationary environment. We will pursue our goal of “only producing, transporting and selling what is necessary” to an even higher degree; achieving an inventory-efficient and cost-efficient business, unifying global business processes and progressing automation to boost business efficiency, and adjusting team workstyles for increased productivity. We are proactively investing in the human resources required to achieve these aims.



### Increase Cash-generating Capabilities for Growth Investment, Ready Liquidity and Shareholder Returns

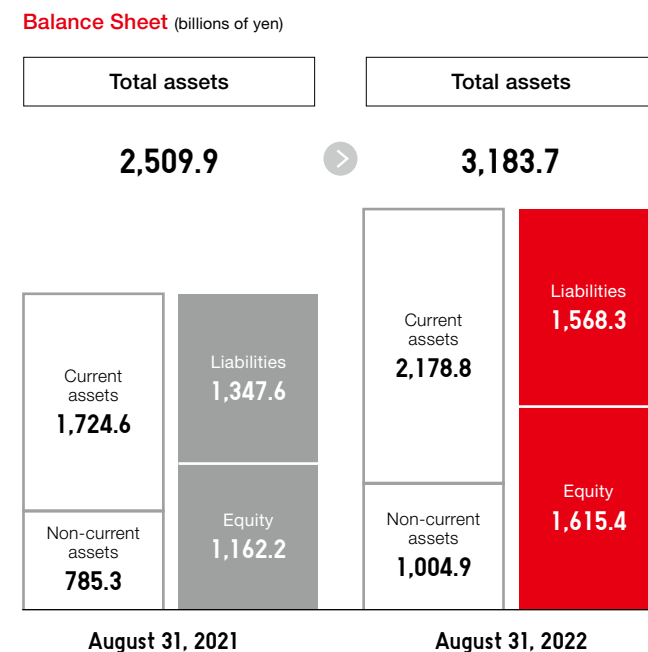
Fast Retailing's financial strategy focuses on maintaining fiscal soundness, maximizing cash flow from business activities, and utilizing that cash effectively for aggressive growth investment, ready liquidity, and stable shareholder returns. We strive to hold three to five months' worth of monthly sales as ready liquidity to deal with unforeseen sales fluctuations in view of the need for working capital and earmarked future investment funds, and the special nature of running a business with inherent inventory risks. Cash and cash equivalents totaled ¥1.3582 trillion at the end of August 2022, an appropriate level that equates to four to five months of our short-term ¥3 trillion annual sales target. Shareholder returns are a top priority. We pay consistent and appropriate dividends that mirror corporate performance and consider operational funding requirements and financial soundness. In FY2022, we paid a dividend of ¥206.7 per share (revised to reflect the stock split conducted on March 1, 2023), which translates into a 23.2% dividend payout ratio. The ¥114.3 billion foreign exchange gain on foreign-currency denominated assets generated by yen weakness temporarily boosted profit attributable to owners of the Parent. The payout ratio was typical if we exclude that factor.



### A Solid Balance Sheet to Support Sustainable Growth

Total assets increased ¥673.7 billion to ¥3.1837 trillion at the end of August 2022 primarily due to a ¥180.5 billion increase in cash and cash equivalents, a ¥91.0 billion increase in inventory, and a ¥209.1 billion increase in derivative financial assets. Total liabilities increased ¥220.6 billion to ¥1.5683 trillion due to a ¥130.2 billion increase in trade and other payables. Total equity increased ¥453.1 billion to ¥1.6154 trillion due to a ¥220.3 billion increase in retained earnings and a ¥222.2 billion increase in other components of equity. Consequently, the ratio of equity attributable to owners of the Parent to total assets increased 4.6 points to 49.1%.

We aim to secure a minimum ratio of equity attributable to owners of the Parent to total assets of 50% over the medium to long term because a solid financial base is essential for proactive management and future global growth. ROE increased 4.0 points to 20.4%. We will maintain ROE between 15 and 20%.



### Continuing Proactive Investment to Expand Operations

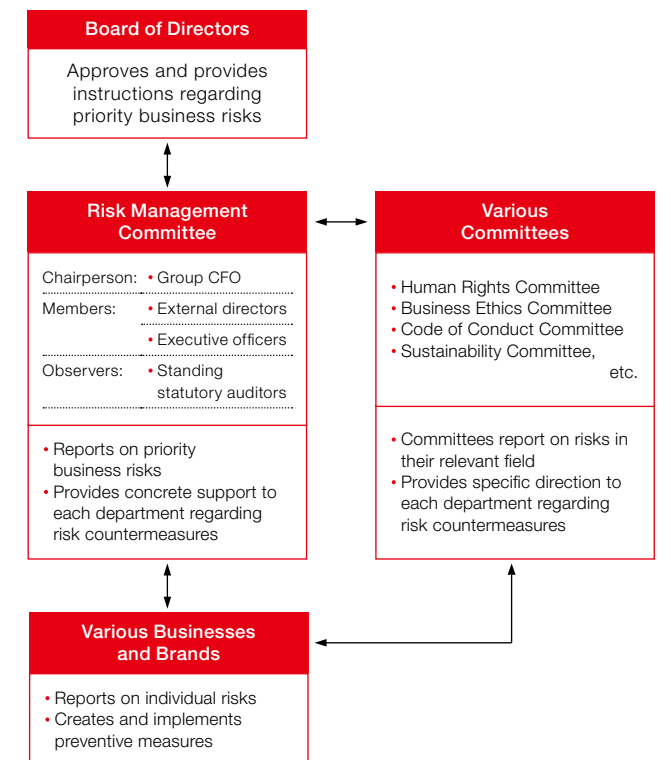
We are accelerating our global store network expansion while also aggressively investing in systems to progress Ariake Project objectives and other areas and expand operations. Capital expenditure decreased ¥14.1 billion to ¥86.5 billion in FY2022 (UNIQLO Japan: ¥21.5 billion, UNIQLO International: ¥24.6 billion, GU: ¥4.8 billion, Global Brands: ¥1.3 billion, and systems: ¥34.2 billion). In addition to new store investment, we

also continued to invest in automated warehouses worldwide. In FY2023, we expect capital expenditure will increase ¥8.8 billion to ¥95.3 billion as we plan to increase store investment in line with higher new store openings and increase investment in automated warehouses. Of that total, ¥41.1 billion is earmarked for planned new store investment and ¥54.1 billion for investment in automated warehouses and systems. We plan to open 195 UNIQLO International stores, 50 GU stores, 40 UNIQLO Japan stores, and 25 Global Brands stores.

### Establishing Firm Risk Management System to Clarify Risks and Strengthen Our Response

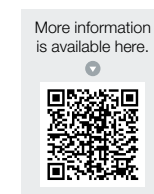
Fast Retailing's Risk Management Committee reports directly to the Board and works to regularly identify latent risks in business activities and to establish and strengthen frameworks to detect and manage material risks. The committee, which is chaired by myself as Group CFO, unifies the management of risk across Fast Retailing, analyzing and assessing the frequency and impact of risks on business, prioritizing high-risk areas when discussing countermeasures to prevent these risks from occurring or to ensure a speedy response should they eventuate. The committee also submits reports on significant risks to the Board and offers concrete support to departments dealing with risks. The committee met four times in FY2022 to discuss information security risks and risks relating to international circumstances, to evaluate risks highlighted in internal audits, and to advise on the creation of countermeasure mechanisms.

#### Risk Management Framework



### Disclosure Under the TCFD Framework

Recognizing the enormous impact of climate change on society, we are strengthening efforts to arrest rising average global temperatures and fulfill the Paris Agreement. We strive to fully understand the impact of climate-related risks on our business and to formulate and implement relevant strategies. In June 2021, we expressed support for Task Force on Climate-related Financial Disclosures (TCFD) recommendations and disclosed information based on the TCFD framework in December 2021.





## FINANCIAL SUMMARY (IFRS)

FAST RETAILING CO., LTD. and consolidated subsidiaries  
Fiscal years ended August 31

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YoY	2022
	Millions of yen											Thousands of U.S. dollars <sup>9</sup>
<b>For the year</b>												
Revenue	¥1,142,971	¥1,382,935	¥1,681,781	¥1,786,473	¥1,861,917	¥2,130,060	¥2,290,548	¥2,008,846	¥2,132,992	¥2,301,122	+7.9%	\$16,595,430
Operating profit	134,101	130,402	164,463	127,292	176,414	236,212	257,636	149,347	249,011	297,325	+19.4	2,144,273
EBITDA <sup>*1</sup>	157,708	161,210	202,221	164,089	216,102	281,267	306,112	327,195	426,922	477,600	+11.9	3,444,398
Profit before income taxes	155,732	135,470	180,676	90,237	193,398	242,678	252,447	152,868	265,872	413,584	+55.6	2,982,724
Profit attributable to owners of the Parent	104,595	74,546	110,027	48,052	119,280	154,811	162,578	90,357	169,847	273,335	+60.9	1,971,262
Net cash generated by operating activities	99,474	110,595	134,931	98,755	212,168	176,403	300,505	264,868	428,968	430,817	+0.4	3,107,006
Net cash (used in)/generated by investing activities	(62,584)	(56,323)	(73,145)	(245,939)	122,790	(57,180)	(78,756)	(75,981)	(82,597)	(212,226)	+156.9	(1,530,554)
Free cash flow <sup>*2</sup>	36,890	54,272	61,786	(147,184)	334,958	119,223	221,748	188,887	346,370	218,590	(36.9)	1,576,452
Net cash (used in)/generated by financing activities	(24,226)	(44,060)	(41,784)	201,428	(50,836)	198,217	(102,429)	(183,268)	(302,985)	(213,050)	(29.7)	(1,536,496)
Cash and cash equivalents <sup>*3</sup>	296,708	314,049	355,212	385,431	683,802	999,697	1,086,519	1,093,531	1,177,736	1,358,292	+15.3	9,795,848
Depreciation and amortization	23,607	30,808	37,758	36,797	39,688	45,055	48,476	177,848	177,910	180,275	+1.3	1,300,124
Capital expenditures	39,681	58,814	62,461	52,387	59,755	69,380	85,201	82,736	100,653	86,516	(14.0)	623,946
<b>At year-end</b>												
Total assets	¥ 901,208	¥ 992,307	¥1,163,706	¥1,238,119	¥1,388,486	¥1,953,466	¥2,010,558	¥2,411,990	¥2,509,976	¥3,183,762	+26.8%	\$22,960,931
Total equity	589,726	636,041	774,804	597,661	762,043	902,777	983,534	996,079	1,162,298	1,615,402	+39.0	11,650,096
Interest-bearing debt	37,259	37,561	38,035	283,465	281,512	544,502	513,405	484,496	382,634	371,496	(2.9)	2,679,193
<b>Reference indices</b>												
Operating profit margin (%)	11.7%	9.4%	9.8%	7.1%	9.5%	11.1%	11.2%	7.4%	11.7%	12.9%	+1.2 pts.	12.9%
ROE/Ratio of profit to equity attributable to owners of the Parent (%)	21.7	12.5	16.1	7.3	18.3	19.4	18.0	9.5	16.4	20.4	+4.0	20.4
Ratio of equity attributable to owners of the Parent to total assets (%)	63.3	62.3	64.5	46.4	52.7	44.2	46.7	39.7	44.5	49.1	+4.6	49.1
Debt-equity ratio (%)	6.5	6.1	5.1	49.3	38.5	63.1	54.7	51.0	34.5	23.9	(10.6)	23.9
Dividend payout ratio (%)	28.2	41.0	32.4	74.3	29.9	29.0	30.1	54.2	28.9	23.2	(5.7)	23.2
<b>Per share data (actual yen, dollar amount)<sup>*4</sup></b>												
Profit attributable to owners of the Parent (EPS)	¥ 342.2	¥ 243.8	¥ 359.8	¥ 157.1	¥ 389.9	¥ 505.9	¥ 531.1	¥ 295.1	¥ 554.4	¥ 891.8	+60.9%	\$ 6.4
Equity attributable to owners of the Parent	1,866.0	2,022.5	2,455.4	1,878.1	2,391.8	2,819.5	3,065.5	3,122.9	3,643.5	5,094.0	+39.8	36.7
Cash dividends	96.7	100.0	116.7	116.7	116.7	146.7	160.0	160.0	160.0	206.7	+29.2	1.5
<b>Other data (at fiscal year-end)</b>												
Number of shares outstanding	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	106,073,656	—	106,073,656
Market capitalization (¥ billion, \$ million) <sup>*5</sup>	¥ 3,383.7	¥ 3,452.6	¥ 5,225.7	¥ 3,854.7	¥ 3,338.1	¥ 5,495.6	¥ 6,602.0	¥ 6,712.3	¥ 7,692.5	¥ 8,692.7	+13.0%	\$ 62,691
Number of subsidiaries	102	112	119	120	121	130	133	134	130	128	(2)	128
Total number of stores	2,449	2,753	2,978	3,160	3,294	3,445	3,589	3,630	3,527	3,562	+35	3,562
Total sales floor space (m <sup>2</sup> ) <sup>*6</sup>	1,387,367	1,835,095	2,030,031	2,188,688	2,392,618	2,671,629	2,881,485	3,047,360	3,207,524	3,384,189	+5.5%	3,384,189
Number of full-time employees <sup>*7</sup>	23,982	30,448	41,646	43,639	44,424	52,839	56,523	57,727	55,589	57,576	+1,987	57,576

\*1 EBITDA = Operating profit + Depreciation and amortization.

\*2 Free cash flow = Net cash generated by operating activities + Net cash (used in)/generated by investing activities

\*3 Cash and cash equivalents = cash and bank deposits + term deposits of less than 3 months + securities

\*4 We implemented a three-for-one split of the Company's common stock on March 1, 2023. Dividend payments for past fiscal years have been adjusted to reflect this stock split.

\*5 Calculations are based on the closing share price of ¥81.950 at the end of August 2022 and an exchange rate of ¥138.66 to 1 USD.

\*6 Total sales floor space includes only directly operated stores.

\*7 The total number of employees does not include operating officers, junior employees, part-time workers, or temporary staff seconded from other companies.



## HISTORY

**1949.3**

Men's Shop Ogori Shoji is founded in Ube City, Yamaguchi Prefecture, Japan.

**1963.5**

Ogori Shoji Co., Ltd. is established with capital of ¥6 million.

**1984.6**

The first UNIQLO store opens in Hiroshima (closed in 1991).

UNIQUE CLOTHING WAREHOUSE



**1985.6**

First UNIQLO roadside store opens.



**1991.9**

Company name is changed to FAST RETAILING CO., LTD.

**1994.7**

Company stock is listed on the Hiroshima Stock Exchange.

**1998.10**

¥1,900 fleece campaign succeeds in attracting large public attention.



**1998.11**

First urban UNIQLO store opens in the fashionable Harajuku district of Tokyo (closed in 2012).



**1999.2**

Company stock is listed on the First Section of the Tokyo Stock Exchange.

**2000.10**

E-commerce business launches.

**2001.9**

First UNIQLO outside Japan store opens in London.



**2002.4**

UNIQLO Design Studio (current R&D Center) is established.

**2002.9**

First UNIQLO store in Mainland China opens in Shanghai.

**2004.1**

Fast Retailing invests in Link International Co., Ltd. (now LINK THEORY JAPAN CO., LTD.), developer of Theory brand apparel.



**2004.9**

UNIQLO makes Global Quality Declaration, and cashmere campaign generates high level of consumer interest.



**2004.12**

UNIQLO Design Studio, New York, Inc. is established.

**2005.9**

First UNIQLO South Korea store opens in Seoul. (closed in 2021)

**2005.9**

First UNIQLO Hong Kong store opens in the Tsim Sha Tsui shopping district.

**2005.11**

Holding company structure is adopted at Fast Retailing.

**2006.6**

Strategic business partnership is established between UNIQLO and Toray Industries, Inc.

**2006.9**

UNIQLO begins its All-Product Recycling Initiative (expanded into RE.UNIQLO from 2020)



**2006.10**

First GU store opens in Chiba Prefecture, Japan. (closed in 2012)

**2006.11**

First UNIQLO global flagship store opens in SoHo, New York City.



**2007.11**

Global flagship store, UNIQLO 311 Oxford Street Store, opens in London.

**2007.12**

First UNIQLO France store opens in Paris.

**2009.3**

LINK THEORY JAPAN CO., LTD. becomes a subsidiary.

**2009.4**

First UNIQLO Singapore store opens (closed in 2021).

**2009.10**

Global flagship store, Paris Opera Store, opens.



**2010.4**

First UNIQLO Russia store opens in Moscow.

**2010.5**

Global flagship store, UNIQLO West Nanjing Road Store, opens in Shanghai.



**2010.10**

First UNIQLO Taiwan store opens in Taipei.

**2010.11**

First UNIQLO Malaysia store opens in Kuala Lumpur.

**2011.2**

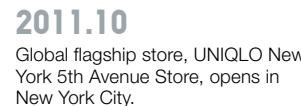
Global Partnership Agreement with UNHCR is established, reinforcing All-Product Recycling Initiative.

**2011.9**

First UNIQLO Thailand store opens in Bangkok.

**2011.9**

Global flagship store, UNIQLO Mingyao Department Store, opens in Taipei. (UNIQLO TAIPEI store refurbished in 2021)



**2012.3**

Global flagship store, UNIQLO Ginza, opens in Tokyo.



**2012.3**

GU flagship store opens in Ginza, Tokyo.

**2012.6**

First UNIQLO Philippines store opens in Manila.

**2012.9**

Global hotspot store, BICQLO Shinjuku East Exit Store, opens in Tokyo. (closed in 2022)

**2013.4**

Global flagship store, UNIQLO Lee Theatre Store, opens in Hong Kong.

**2013.6**

First UNIQLO Indonesia store opens in Jakarta.

**2013.9**

First GU outside Japan store opens in Shanghai.

**2013.9**

Global flagship store, UNIQLO SHANGHAI, opens in Mainland China.



**2014.3**

Fast Retailing Hong Kong Depository Receipts (HDR) are listed on the Stock Exchange of Hong Kong.



**2014.3**

Global hotspot store, UNIQLO Ikebukuro Sunshine 60 Street Store, opens in Tokyo.

**2014.4**

First UNIQLO Australia store opens in Melbourne.

**2014.4**

First UNIQLO Germany store, Tauentzien global flagship, opens in Berlin.

**2014.4**

Global hotspot store, UNIQLO Okachimachi Store, opens in Tokyo.

**2014.10**

Global flagship store, UNIQLO OSAKA, opens in Osaka.

**2015.10**

First UNIQLO Belgium store opens in Antwerp.

**2016.4**

Construction is completed on state-of-the-art distribution center in Ariake, Tokyo.



**2016.9**

UNIQLO Orchard Central Store opens as the first UNIQLO global flagship store in Southeast Asia.

**2016.9**

First UNIQLO Canada store opens in Toronto.

**2017.9**

First UNIQLO Spain store opens in Barcelona.



**2018.6**

Included in FTSE 4Good Index Series and FTSE Blossom Japan Index for responsible social investment.

**2018.8**

First UNIQLO Sweden store opens in Stockholm.



**2018.9**

First UNIQLO Netherlands store opens in Amsterdam.

**2018.10**

Global flagship store, UNIQLO Manila store, opens in the Philippines.



**2018.10**

Fast Retailing forms a logistics-related strategic global partnership with materials handling equipment firm Daifuku Co., Ltd.

**2018.10**

The Ariake distribution center starts operating as a fully automated dedicated online sales warehouse.

**2019.4**

First UNIQLO Denmark store opens in Copenhagen.



**2019.9**

First UNIQLO Italy store opens in Milan.



**2019.10**

First UNIQLO India store opens in New Delhi.



**2019.11**

Forms a global partnership agreement for supply chain transformation with MUJIN, Inc. and Exotec Solutions SAS.

**2019.12**

First UNIQLO Vietnam store opens in Ho Chi Minh City.

**2020.6**

Opens UNIQLO TOKYO in Ginza, our LifeWear showcase global flagship store.



**2020.6**

Fast Retailing selected for the MSCI Japan ESG Select Leaders Index.

**2020.9**

UNIQLO launches RE.UNIQLO to promote the recycling of collected secondhand clothing into new clothing products.



**2021.11**

UNIQLO BEIJING SANLITUN global flagship store opens in Mainland China.



**2022.3**

Donates 10 million USD and 100,000 blankets, HEATTECH and other clothing items to UNHCR (supporting humanitarian aid activities for evacuees in Ukraine and surrounding countries).

**2022.4**

Moves to the new Prime Market section on the Tokyo Stock Exchange.

**2022.10**

Opens first UNIQLO store (a pop-up store) in Warsaw, Poland.





## INVESTOR INFORMATION (As of August 31, 2022)

### Stock Exchange Listing

Tokyo Stock Exchange (Prime Market)  
Securities Code: 9983  
The Stock Exchange of Hong Kong (Main Board)  
Securities Code: 6288

### Stock Information

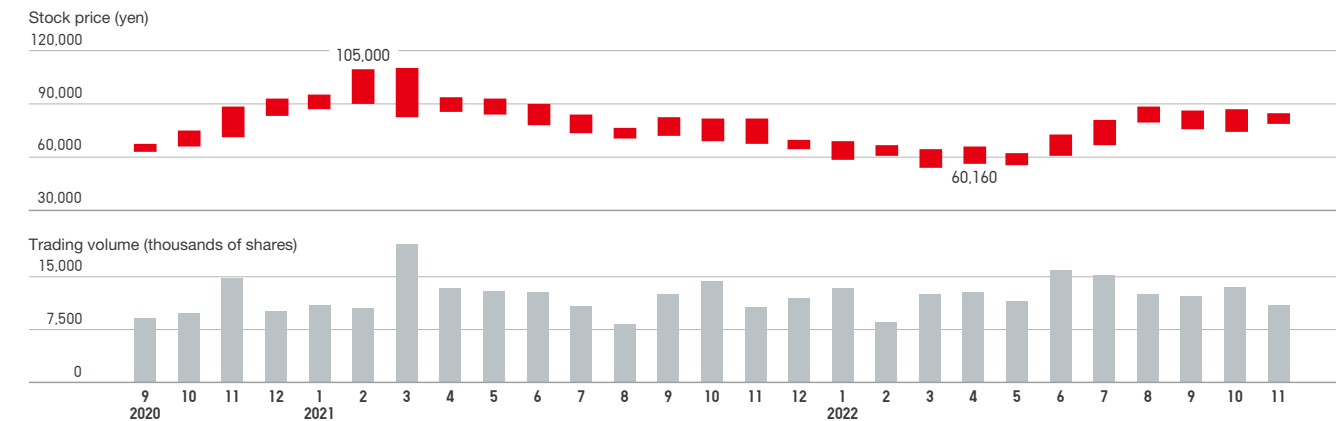
Number of shares authorized	300,000,000
Number of issued and outstanding shares (including treasury stock)	106,073,656
Number of shareholders (including holders of treasury stock)	11,472

### Distribution of Share Ownership\*



\*The investment ratio is calculated excluding treasury stock.

### Stock Price and Trading Volume\*



\*The stock price data shows closing prices.

### Introduction of Website Contents

#### IR Information

Access information for investors on management policy, corporate results, integrated reports, news releases, and other documents.



#### Sustainability

Access information relating to sustainability activities across the Fast Retailing Group.



#### Sustainability Data Book

Use this to help organize important information primarily on environmental and social matters and to supplement the integrated report.



#### IR Mail Distribution Service

You can register to receive our latest IR news via email.



### Principal Shareholders\*

	Number of shares	Percentage* of total shares in issue (%)
The Master Trust Bank of Japan, Ltd.	22,907,300	22.42
Tadashi Yanai	22,037,284	21.57
Custody Bank of Japan, Ltd.	11,108,100	10.87
TTY Management B.V.	5,310,000	5.20
Kazumi Yanai	4,781,808	4.68
Koji Yanai	4,781,277	4.68
Fight & Step Co., Ltd.	4,750,000	4.65
MASTERMIND Co., Ltd.	3,610,000	3.53
Teruyo Yanai	2,327,848	2.28
JP MORGAN CHASE BANK	2,148,607	2.10

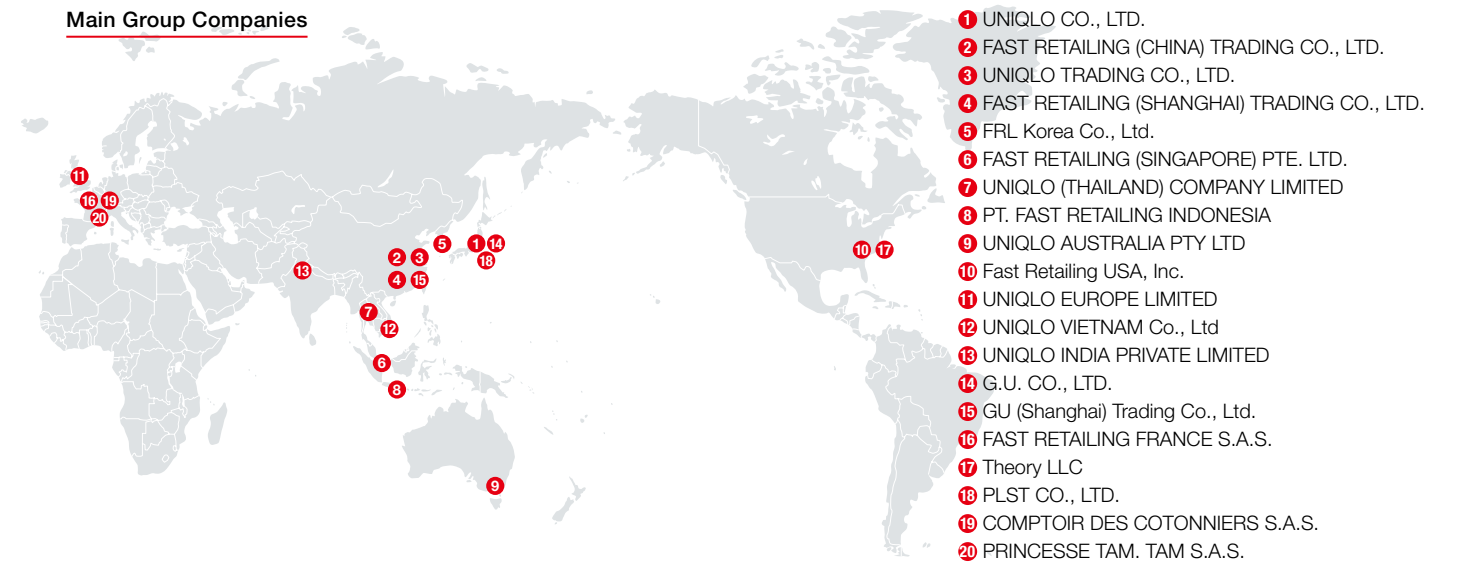
\*In addition to the above, the Company holds 3,883,973 shares of treasury stock.

## CORPORATE INFORMATION (As of December 31, 2022)

### Corporate Data

Trade Name	FAST RETAILING CO., LTD.
Chairman, President & CEO	Tadashi Yanai
Head Office	10717-1 Sayama, Yamaguchi City Yamaguchi 754-0894, Japan
Roppongi Office	Midtown Tower, 9-7-1 Akasaka, Minato-ku Tokyo 107-6231, Japan
Ariake Office	6F UNIQLO CITY TOKYO, 1-6-7 Ariake, Koto-ku, Tokyo 135-0063, Japan
Established	May 1, 1963
Paid-in Capital	¥10,273 million
Line of Business	Control and management of overall Group activities as owner and holding company
Number of Full-time Employees (Consolidated)	57,576 (As of August 31, 2022)
Fiscal Year Ends	August 31
Annual Shareholders' Meeting	Late November
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation Shin-TOKYO Post Office post office box No. 29 137-8081, Japan Telephone: 0120-232-711 (From Japan)
Number of Shares per Trading Unit	100 shares (Tokyo Stock Exchange) 300 HDR (The Stock Exchange of Hong Kong)

### Main Group Companies



### Contact Us

**FAST RETAILING CO., LTD.**  
www.fastretailing.com/eng/  
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Tokyo 107-6231, Japan  
Telephone: +81-3-6865-0050  
9AM-4PM (JST) Monday-Friday (except national holidays)

### Forward-looking Statements

Statements in this Integrated Report with respect to the Company's plans, strategies, forecasts, and other statements that are not historical facts are forward-looking statements that are based on management's judgment in light of currently available information. Factors that could cause actual results to differ materially from our earnings forecasts include, without limitation, global economic conditions, our response to market demand for and competitive pricing pressure on products and services, and currency exchange rate fluctuations.

### Recognition

## 2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX



<sup>1</sup> The use by FAST RETAILING CO., LTD. Of any MSCI ESG RESEARCH LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Fast Retailing Co., Ltd. by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

<sup>2</sup> FTSE Russell confirms that Fast Retailing Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series and the FTSE Blossom Japan Index Series. Created by the global index and data provider FTSE Russell, these index series are designed to measure the performance of global companies and Japanese companies demonstrating strong Environmental, Social and Governance (ESG) practices. These index series are used by a wide variety of market participants to create and assess responsible investment funds and other products.

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