

The Dawn of a New Clothing Era

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Chairman, President and CEO

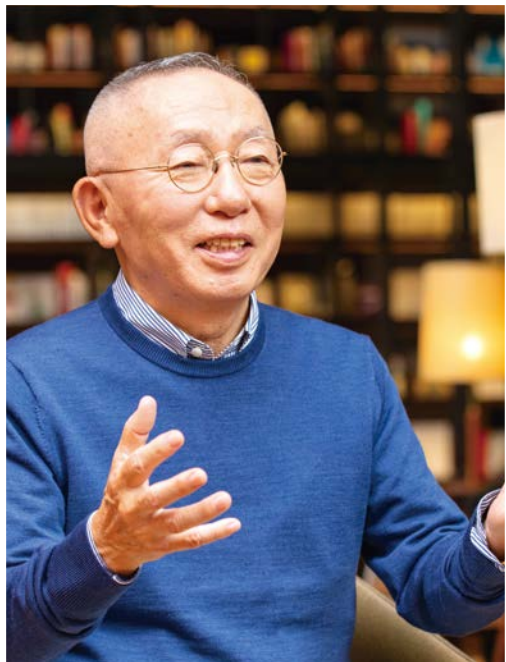
Global clothing standards are changing dramatically. Gone are the days when shoppers sought instant glamour and novelty, and overproduction and large-scale disposal were considered normal. Today, people only purchase essential clothes for comfortable everyday life, the clothes they truly need and want. It has become increasingly common for people to wear for years quality clothes that have been procured and produced using efficient, safe, and fair methods, and they expect those clothes to be recycled or reused wherever possible.

We have entered a new clothing era, on a global scale. Fast Retailing is perfectly positioned because we do not make disposable clothing. We carefully make timeless, durable items from quality materials – LifeWear epitomizes this.

Our approach is earning solid, widespread customer support worldwide. In the year ended August 31, 2025, Fast Retailing reported its fourth consecutive year of record growth, with revenue totaling ¥3.4005 trillion (+9.6% year on year) and business profit reaching ¥551.1 billion (+13.6%), thanks to growing global customer support for new global clothing standards set by LifeWear.

The evolution of AI-driven information technology has created a single global market. Management strategies used to focus on individual markets, but now the assumption is that everything is global. We are expected not only to create truly great products, but also to operate as a dependable company that is demonstrably useful to society. We see this as a huge opportunity. Originating in Japan, Fast Retailing has grown into a ¥3 trillion business, and we are still expanding, with our sights currently on ¥5 trillion and then ¥10 trillion in sales. We are committed to overturning conventional wisdom, creating a completely new clothing industry, and making customers' lives more enjoyable, comfortable and convenient. We will continue our quest to become a truly global company that customers everywhere need in their lives.





LifeWear: Infinite Possibilities

The Democratization of Clothing

Fast Retailing has always pursued business based on its mission to make the world a better place through clothes. I am a firm believer that everyone across the world has a right to wear clothes that have been carefully designed and carefully produced using high-quality materials. I call this the democratization of clothing.

Until UNIQLO came on the scene, clothing items made from great materials that offered high functionality and sophisticated designs were exclusive and expensive. We opened up this clothing to everyone. Today, we offer sophisticated simplicity in the design of high-quality, comfortable and carefully crafted clothes at affordable prices.

My hope is that by changing clothes, we can change everyday life and ultimately change the world. LifeWear has made that hope achievable.

Growing global support for LifeWear is creating something of a worldwide UNIQLO boom. UNIQLO rose to No. 47 in the Best Global Brands 2025,* its highest ranking ever, and Fast Retailing and UNIQLO have been widely covered in mainstream media around the world, including *'The New York Times'* and *'The New Yorker'* in the USA, and *'The Times'* in the UK. This is testament to the growing global customer support for LifeWear and to the infinite possibilities of LifeWear itself.

*Published by the leading global branding consultancy, Interbrand



UNIQLO Meir store (Belgium)

Creating Meaningful Stores

Our stores are extremely effective at conveying the value of LifeWear to customers. Communication with customers in our roughly 3,500 stores is the source of all sorts of information and the foundation of our business. Our global store network is our greatest strength. We exceed our customers' expectations by offering optimal product lineups, colors, and sizes at each store based on local needs. Our strategy is to create genuinely meaningful stores that offer enjoyable shopping experiences and useful services for all customers.

One such store is UNIQLO Meir, which was opened in Antwerp, Belgium in September 2025. UNIQLO designs

complement the exquisite 16th-century interior of this elegant flagship, creating a perfect blend of traditional and modern. Thanks to community collaborations, local customers immediately feel at home.

If we can create more meaningful stores, with close community links and unique local experiences, then our potential is limitless. These stores will be a medium for showcasing our brand philosophy. They will also drive a virtuous cycle of future market expansion by linking with our e-commerce operations and encouraging customer communication. We intend to accelerate the opening of flagship stores like UNIQLO Meir worldwide.

Aiming for Global No. 1

Toward ¥1 Trillion Each in Europe and North America

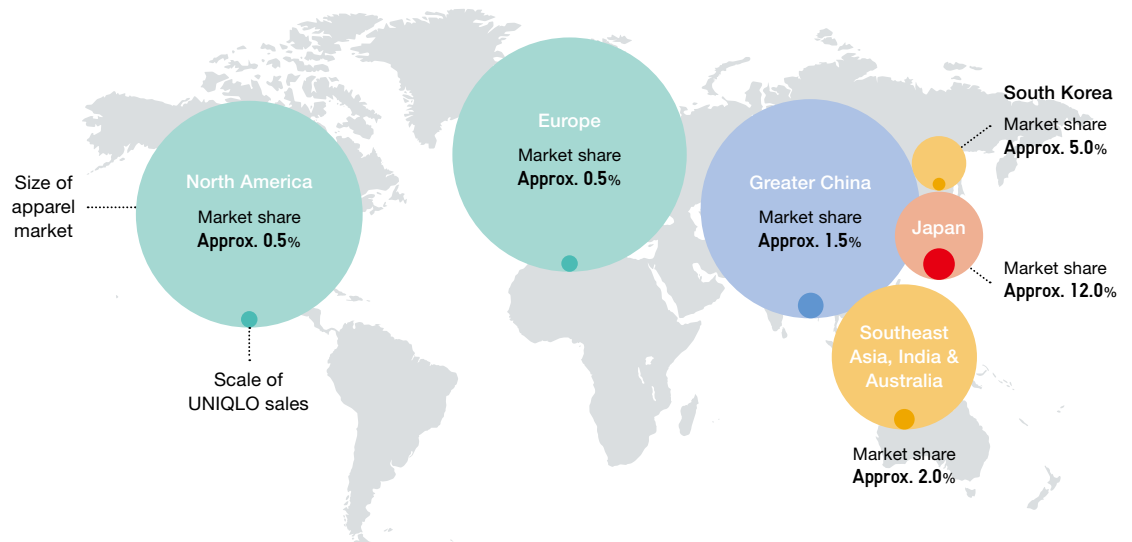
UNIQLO Europe and North America operations are propelling Fast Retailing's quest to become the No. 1 global brand. Revenue has grown by 30-50% each year since FY2022. Meanwhile, business profit has quadrupled. Combined Europe and North America sales of ¥640.6 billion and business profits of ¥98.5 billion are on par with the Greater China region. I feel that customers there are starting to truly embrace LifeWear.

Our share of the European and North American markets is less than 0.5%, so there is enormous room to grow. We want to swiftly achieve ¥1 trillion in sales in each market by accelerating the opening

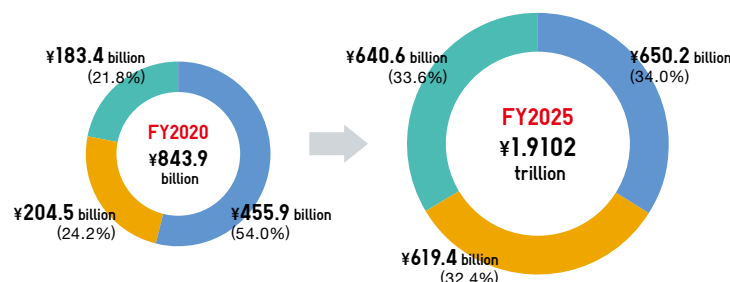
of flagship stores that embody the UNIQLO brand, enhancing product development based on local customer feedback, reforming supply chains, and developing global talent.

Our Japanese market share is over 10%, which suggests latent demand for LifeWear elsewhere is considerable. European and North American customers are starting to understand LifeWear, so it is the perfect time to accelerate growth. We will actively invest. Modern fashion was born in Europe and North America. If we can become the premier clothing company there, we should be able to expand anywhere.

UNIQLO Market Share and Growth Potential



UNIQLO International Sales by Region



Revenue pillars are diversifying, with Europe, North America, and Southeast Asia taking their place alongside the Greater China region

A New Period of Growth in Asia

With our Asian business entering a new period of growth, we are increasing investment. In Japan, our original market, we must become the undisputed No. 1 brand. We are promoting independent store management and low-cost management to achieve sustainable revenue growth and strong profit margins of 15% or higher. GU, Theory and other Group brands all have great potential, so we will boost their share of sales in Japan.

Japan once grappled with chain store limitations, but kick-started renewed growth by introducing independent store management, where employees are trained to consider the customer first when devising optimal product lineups

and store displays. This is empowering quick movement along the same path in Mainland China, where we are channeling our strength into enlivening regional areas, winning over customers, and building profitable stores, unaffected by broader economic trends.

Having generated double-digit revenue growth for the four years since FY2022, Southeast Asia, India and Australia harbor even greater potential. We will enhance management teams and swiftly achieve ¥100 billion sales in each country by transforming business structures to create product lineups, marketing, stores, and e-commerce operations that satisfy tropical climate needs.



The first flagship store in Southwest China, the UNIQLO Chengdu store, opened in May 2025. Over 1,000 customers gathered on the hugely successful opening day, which featured a popular limited UTme! T-shirt collaboration with local artists created designs featuring pandas and Sichuan dishes.



Strong Team Management

Global One and *ZEN-IN KEIEI*

Global One and *ZEN-IN KEIEI* management is vital to future growth. It requires all employees worldwide to gain a clear understanding of our common direction and satisfy customer demands by offering the best products and services from a global perspective. All employees manage operations as a team and implement best global practice across the Group.

Our managers must apply judgment criteria based on the global marketplace. Many employees with future executive potential offer excellent capabilities and insight in every region. They identify and solve problems in teams, looking at actual

products and conditions in individual frontline markets. Going forward, we will focus on developing product ranges and talent tailored to each market. To ensure best management in every market, we will create teams that deeply understand our roots as a Japanese company and local conditions.

Our people are key to our operational growth. We will accelerate our talent selection processes and invest further in human resource training to create a globally proficient workforce with similar values and aspirations to our own, and the ability to serve society well.



Moving Our Succession Plan Forward

All public companies with global reach have a duty to ensure stable continuity. Our current management team is extremely loyal, with members who possess 20-30 years of experience. I want these members to achieve even more than I have.

We are making steady progress on ensuring this succession. Daily management decisions are already made by the people in charge of each operation, and we have formed a strong management team structure centered around Daisuke Tsukagoshi, who has been appointed Fast Retailing Director and COO. These days,

my role is to set the company's general direction and oversee the development of future executives.

In addition, Kazumi Yanai and Koji Yanai will be responsible for ensuring solid corporate governance, and therefore expected to make proper governance suggestions that ensure our company is managed in the right way and benefits society. We are a public company with a steadfast founding family, and I want to ensure the positive elements of family company management are incorporated and contribute to balanced future management.

Creating a Better Society

The Mission of a Global Leader

Making the world a better place through our business – that is our ultimate purpose. It is vitally important to confirm whether our business makes customers' lives more convenient and comfortable and whether our jobs help to improve our society. All companies pursue profits, but we want our success to contribute to prosperity in all aspects of society, which is why our simultaneous pursuit of business expansion and social contribution is vital.

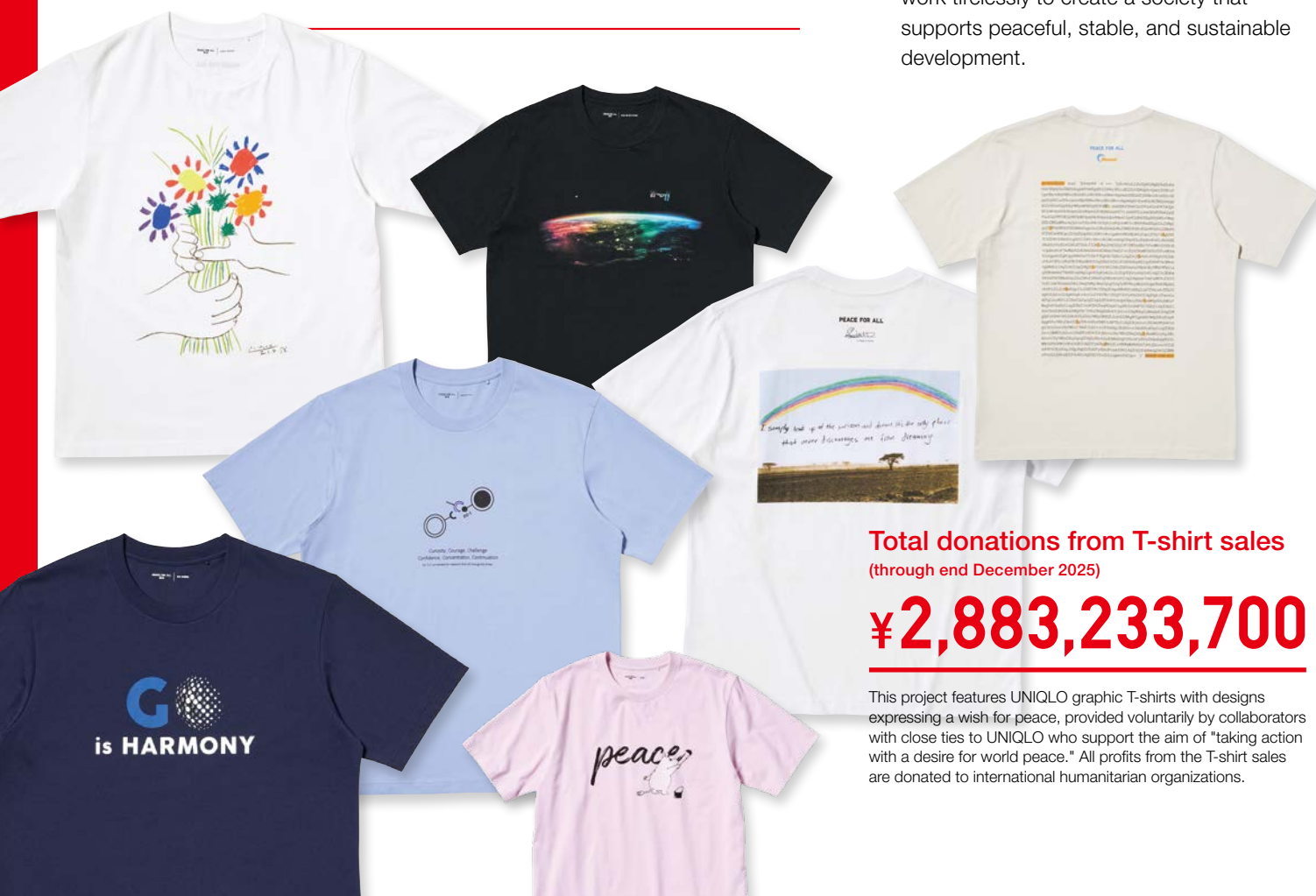
The conditions that society expects companies to fulfill are changing significantly. Before people explore a product's functionality or quality, they

consider whether a company or brand contributes positively to society and does things the right way. Customers will not buy a company's products if it does not follow good business practices.

From early on, we have sought to demonstrate social leadership as a global company, considering worker environments and human rights in factories across all production processes, promoting clothes recycling and reuse initiatives that help create a circular society, supporting refugees through our partnership with UNHCR (the UN Refugee Agency) and promoting our PEACE FOR ALL charity T-shirt project.

Becoming the No. 1 global company means earning recognition as the world's most socially beneficial company. We will work tirelessly to create a society that supports peaceful, stable, and sustainable development.

PEACE FOR ALL



Total donations from T-shirt sales
(through end December 2025)

¥2,883,233,700

This project features UNIQLO graphic T-shirts with designs expressing a wish for peace, provided voluntarily by collaborators with close ties to UNIQLO who support the aim of "taking action with a desire for world peace." All profits from the T-shirt sales are donated to international humanitarian organizations.



THE FAST RETAILING WAY—FR Group Corporate Philosophy

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

GROUP MISSION

- To create truly great clothing with new and unique value, and to enable people all over the world to experience the joy, happiness and satisfaction of wearing such great clothes
- To enrich people's lives through our unique corporate activities, and to seek to grow and develop our company in unity with society

Bringing the World Together

The apparel industry depends on peace. Companies can only grow sustainably in an affluent, stable, and peaceful world.

In recent years, we have witnessed divisive developments on the global stage. There is historical precedent for trade disruptions leading to conflict. In an era when confrontation between major powers is casting a shadow on the global economy, entrepreneurs like ourselves must work even harder to bring people together through business.

Thanks to advancements in information technology, anyone can access a world of information on their phone. You can find out instantly what life is like anywhere. People's values are converging rapidly, and regional fashion preferences are less marked. For

instance, products that sell well in Europe or North America now tend to sell well in Japan or Southeast Asia, and vice versa. These changing times are partly responsible for the strong and growing support among customers around the world for LifeWear, ultimate everyday clothing that makes everyone's lives more enjoyable and comfortable.

There is a huge market of eight billion people out there, which offers amazing opportunities for incomparable growth beyond the conventional idea of apparel. We will never be complacent as we tackle every challenge in our quest to change clothes, change conventional wisdom, and change the world. We will continue to do our utmost to make the world a better place.