

# **FAST RETAILING Business Strategy**

**~ A look back and a look forward ~**

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Chairman, President and CEO, FAST RETAILING CO., LTD.

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**~ FAST RETAILING DREAM ~**

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Taking a company today to generate future growth.

Observing our history, our present, and our future

All working together to build our future each and every day

Focusing not on the past or the present, but on the future

Creating the Number One Apparel Retailer

	FY 2009 Sales (July 9 <sup>th</sup> estimate)	Sales in year 2020
UNIQLO JAPAN	¥538 bln	¥1 trln
UNIQLO INTERNATIONAL	¥37 bln	¥3 trln
JAPAN APPAREL	¥51 bln	¥0.5 trln
GLOBAL BRANDS	¥53 bln	¥0.5 trln
FR GROUP TOTAL	¥682 bln	¥5 trln

## The era of global retailers

- Global retailer vs domestic retailer
- Clothes that only sell in Japan will no longer sell even in Japan
- Asian regional SPA losing shares
- Global SPA competing in Tokyo's Ginza

## Overview of the past, outlook for coming decade

Men's clothing retailer on shopping streets

Casualwear specialty store

Suburban roadside casualwear chain

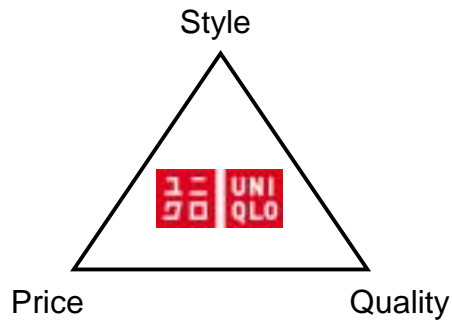
National brand

**Global brand**

Become Japan's No.1 brand, then take the best of UNIQLO to the world

## UNIQLO's three strengths

Low prices ~ High Quality ~ Style



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## Clothes to create new market

Fleece, Cashmere, Merino, Jeans, Down, Dry Polo, HEATTECH, BRATOP, SILKY DRY, SARAFINE, UT, +J, and many more...

UNIQLO offers 'new to the world' products and those products are going global.

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**~ How we got where we are today ~**

## **Our vision in 2005**

**To achieve 1 trillion yen sales and ¥150bln profit by 2010.**

- Creating a leading global apparel manufacturer/retailer by developing revolutionary casual wear and creating an innovative global company
- Drive towards globalization, group integration, and putting entrepreneurial values into practice

**In 2005, chance of becoming  
the world's number one was less than 5%**

**Record net sales and profit**

Net sales ¥682.0bln, operating income ¥108.0bln (FY 2009 - July 9<sup>th</sup> estimate)

**UNIQLO to be recognized as a Global SPA,  
a Global Retailer**

- The 99th National Retail Federation International award
- The 56th Cannes International Advertising Festival Cyber Gold Award
- The 1st Japan Marketing Grand Prize (Japan Marketing Association)
- The 5th Asahi Corporate Citizenship Prize
- The 25th Grand Prize for Corporate Communication  
(Japan Institute for Social and Economic Affairs)

**~ Future Strategies ~**



## Express the best of UNIQLO around the world

### FROM TOKYO TO THE WORLD UNIQLO = Tokyo / UNIQLO = Japan

- Open large numbers of urban stores in Tokyo and in Japan
- Open many small stores in railway stations
- Open stores in the world's major cities
- Global marketing

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## UNIQLO 1

UNIQLO will provide good price, high quality and style in 2009  
Fall / Winter season 2009

- Able to find the most trendy items.
- Able to meet the most updated coordinates



UNIQLO 2009 Fall / Winter 1<sup>st</sup> campaign "UNIQLO COLLECTION TOKYO 2009"

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### +J collection: Concept “Open the Future”

- Simple luxury
- Purity of design
- Beauty and comfort
- High quality for all

A collection to open new possibilities.

Launch +J globally with the opening of the Paris global flagship.

In store in Japan from Oct 2<sup>nd</sup>



## Video message about +J collection

### **Kazuhiro Saito, President, Conde Nast Publications Japan**

- About Ms. Jil Sander
- Ms. Jil Sander & UNIQLO
- +J
- Expectations for the future



### Creating truly great clothes with new and unique value

- Leverage the world's best Japanese textile technology to market and merchandize great clothes
- Demonstrate today's Japanese culture through casual wear to customers all over the world

### Large format stores

- October 2nd 2009: Open new Ginza store
  - October 23<sup>rd</sup> 2009: Open Nagoya Sakae store
  - Spring 2010: Open Shibuya Prime
  - Fall 2010: Plan to open super large format in Shinsaibashi
- Planning to open more large-format stores in Japan's major cities.

### Move into urban areas

Open stores in prime city locations including major department stores.

### Opening of small stores

Aggressive development in convenient locations in/near railway stations for customers to drop in en route.

### Aiming for Asia's No.1

Asia - the world's only huge market with stable growth

Breaking into Asia - the number one priority for US & European companies and companies looking for future growth

China has the potential to top the world's GDP table

Japan is a part of Asia. An affinity with Japan and Tokyo is a boost for UNIQLO

**The Asian market is  
UNIQLO's biggest growth opportunity**

### From Asian No.1 to the world

#### **China & Hong Kong:**

Opening roughly double the current number of stores in FY2010.

100-store network very soon.

Building a system to open 100 stores every year.

Achieve the No.1 brand position

#### **South Korea:**

Opening roughly double the current number of stores in FY2010.

100-store network very soon to become No.1 brand position

#### **South East Asia :**

Expand into South East Asia from a base in Singapore

**Aim to become the solid No.1 in strategic region - ASIA**

### Paris Global Flagship

A showcase to the world. Show the very best, very latest UNIQLO.

Shop floor: approx. 2,150sqm

Open: Thursday, October 1, 2009



CG:RAGAR/TOZAWA DESIGN RENDERING  
Interior Design: Masamichi Katayama/Wonderwall Inc.

### Spreading the news of the global flagship opening



The global flagship store in the making



Paris city bus wrapped in UNIQLO

### Drawing the high expectations of the fashion-conscious Parisians



Limited period store at Malais District



Limited period store at Collette

### Paris - the world fashion scene Ultimate stage to show the best of UNIQLO

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2010 Spring :

- Open the first Asian global flagship in Shanghai
- Open the first store in Moscow, Russia

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### Sales Image

- ¥1 trillion in Chinese market
- ¥1 trillion in Asia excluding China
- ¥1 trillion in US & European markets

Aggressive opening across Asia  
Focused opening in US and Europe major cities

### **g.u.**

#### Nurture into a second UNIQLO

- Aiming for 200 stores & sales of ¥50bln by 2013
- Pursue absolute lowest market price such as ¥990 jeans
- 2009 Fall - launch new ¥990 jeans series (Details to be released on September 8)

### **CABIN**

#### Perfect workings as a SPA

- Focus effort on two mainstay brands (ZAZIE, enraciné )
- Utilize UNIQLO infrastructure to realize fashionable products at low prices
- Open outlet for two mainstay brands within UNIQLO Ginza store as a CABIN Showcase to boost brand awareness

### Maximizing group synergies

#### Create a new footwear business “UNIQLO Shoes”

- Draw on internal group experience for product development
- Sell footwear in UNIQLO large-format stores & VIEW stores

(Details to be announced on September 16)

#### Share information & infrastructure.

(Example) Theory to Paris...

COMPTOIR DES COTONNIERS to New York...

#### Multiple group brands in same locations and facilities

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### Going Global, Sharing Management Vision

#### Strengthen organization and develop talents

- FR Management and Innovation Center
  - Work = education, education = work
  - Foster management talents through work
  - Nurture 200 top managers
- Accelerate hiring of new graduates around the world.

#### Strengthen HQ function

- Create a new Tokyo head office - Reinforce partnership with group companies by consolidating head office functions.  
(HQ to move to Roppongi Midtown in Spring 2010)

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## STATEMENT

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Changing clothes. Changing conventional wisdom. Change the world.