

LifeWear = A New Industry

Briefing Session

2025/11/19

Koji Yanai

**Director, Group Senior Executive Officer
Fast Retailing Co., Ltd.**

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Hello everyone. My name is Koji Yanai, and I am a Director and Group Senior Executive Officer at Fast Retailing Co., Ltd.

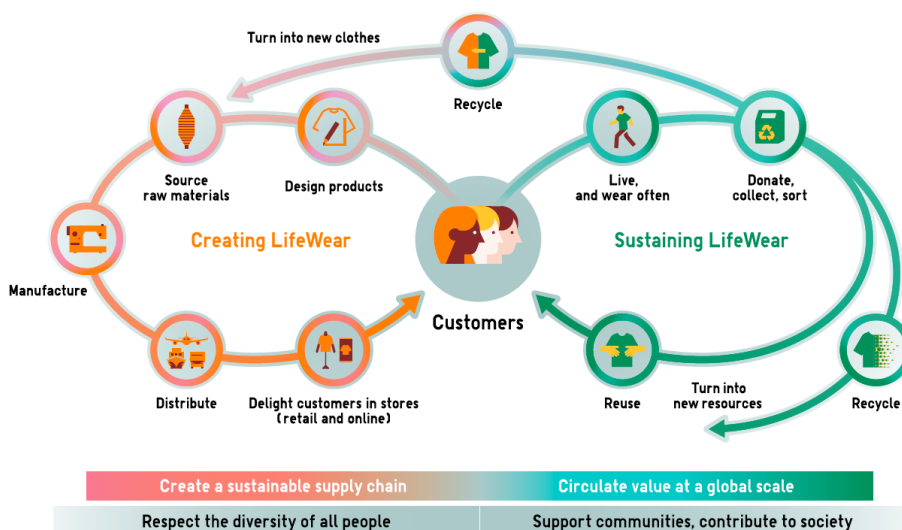
I would like to thank you all for coming today.

We gave our first Sustainability Briefing in 2021, and this year marks the fifth annual event.

The first half of the briefing will consist of updates from myself and others on our sustainability activities, the progress we have made, and some specific topics that we want to share with you. The second half will be dedicated to hearing your questions and ideas.

So, once again, thank you, and let's begin.

LifeWear = A New Industry



We have explained this slide before, but I would like to take a moment to remind you about the business model that we aspire to achieve.

Our two key aims are to make clothes that adhere to our prized LifeWear concept and to help create a sustainable society through our business.

When creating LifeWear, we are always mindful of only creating, transporting, and selling the exact garments and items that our customers truly desire. We are also making steady progress on building a supply chain that is sensitive to the environment and human rights so that our customers can feel comfortable and confident when purchasing and wearing our products.

In terms of sustaining LifeWear, we are accelerating our shift towards a circular business model from the perspectives of reducing, reusing, and recycling clothes and resources.

Main Initiatives and Progress

- **Creating LifeWear**

Reducing greenhouse gas emissions (“GHG”)

Building supply chains to support sustainable growth

- **Sustaining LifeWear**

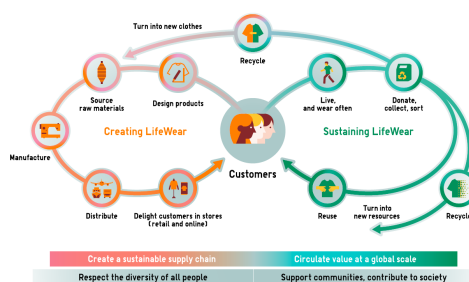
RE.UNIQLO STUDIO, UNIQLO Pre-owned Clothes Project

- **Respecting the diversity of all people**

Promoting diversity: Increasing the percentage of women and non-Japanese nationals in management

- **Supporting communities and contributing to society**

Social contribution activities: Donations, PEACE FOR ALL, refugee support



Let me now move on to tell you about our main initiatives and the progress we have made to date.

This year, we will cover the topic of reducing greenhouse gas (GHG) emissions through the procurement of materials with low GHG emissions and low environmental impact in Part 2 of the briefing. In Part 1, I will report on the topics you see shown here.

Building Supply Chains to Support Sustainable Growth

● Expanding strong partnerships

- Our initiatives are underpinned by long-term partnerships with a small number of garment and fabric-making factories.
- Expanding partnerships to upstream processes, to procure key raw materials from designated farms and ranches.
- Launching a project to source wool from designated farms in Australia.
- Expanding our monitoring system from production processes to a wider value chain, including logistics.

Let me focus first on our efforts to build a supply chain that can support sustainable growth.

We will elaborate on this topic in more detail in Part II and Part III, but Fast Retailing has spent many years developing strong partnerships with a select number of garment factories and fabric mills that share our philosophy and values. We have been able to progress sustainability initiatives relating to the environment, human rights, and other issues thanks largely to these relationships. Currently, we are seeking to expand these types of partnerships further upstream to ensure sustainable and stable procurement of top-quality raw materials.

In 2025, we started looking at wool, launching a project to source wool from designated farms in Australia. We have conducted trial audits at some of the designated farms to check that there are no serious issues relating to animal welfare, the environment, human rights, and occupational safety.

We are extending our monitoring frameworks beyond production processes to the wider value chain. In fiscal 2024, we conducted pilot assessments in the areas of construction and logistics, which are generally known to be high-risk sectors for human rights issues, as well as in the area of store materials such as fixtures and mannequins. We are now building human rights due diligence frameworks for dealing with potential risks in each of these fields based on the assessment results. We have also started regular audits of working environments at our warehouses for product distribution.

Building Supply Chains to Support Sustainable Growth

- **Enhancing traceability**

- Visualizing our entire supply chain from the final product back to the raw material stage.
(Covering main materials for all products by UNIQLO & GU)
- Expanding audits of spinning mills from cotton to cashmere and wool.
- Applying own standards for quality, procurement, production management, and addressing environmental and human rights issues across all processes.

We continue to strive to enhance the traceability of all our products.

We are building a system for managing our entire supply chain in house, by fully grasping commercial flows at the raw materials level and applying our own standards regarding the management of quality and production and the addressing of environmental and human rights considerations across all processes.

In 2023, we identified the spinning mills for our cotton products and introduced regular audits. In 2024, we identified suppliers involved in the production of our 100% cashmere products and introduced periodic traceability audits of cashmere fiber-cleaning factories and spinning mills from the 2024 Fall Winter season.

We started this process with cotton products from our main brand, UNIQLO, and are now expanding these efforts to other brands and materials.

Developing our Business for ‘Sustaining LifeWear’

- Expanded RE.UNIQLO STUDIO booths into 63 stores in 22 markets (as of end August 2025)
- Continuing UNIQLO Pre-owned Clothes Project trials at three stores in Japan



RE.UNIQLO STUDIO in the UNIQLO Meir store opened in Belgium in September 2025



Selling pre-owned clothes at the UNIQLO Maebashi Minami IC store

I will now detail some of our initiatives to sustain LifeWear.

We believe that encouraging customers to wear their purchases for as long as possible and devising ways of continuing to use clothes in various forms is the way to achieve meaningful sustainability.

We continue to collect secondhand clothing that customers no longer need for donation to refugees and displaced persons. And we had expanded RE.UNIQLO STUDIO clothing repair and remake services to 63 stores in 22 markets by the end of August 2025.

We are also still conducting trial sales of pre-owned UNIQLO clothes at three stores in Japan. To expand this business, there are still challenges such as ensuring stable procurement, but we are determined to create a business model that will allow us to control all processes from product planning and production to clothing reuse, recycling, and upcycling.

Promoting Diversity

Women in Management Positions at Fast Retailing		
	FY2030 target	FY2025 result
Management* across Group (incl. individual intl. operations)	50%	45.5%
Executive officers (global)	30%	9.3%

Non-Japanese individuals in Management Positions		
	FY2030 target	FY2025 result
Management* across Group (incl. individual intl. operations)	80%	53.6%
Global HQ function managers*	50%	34.9%
Executive officers (global)	40%	16.7%

*Management positions refer to block leaders, area managers and store managers of a certain grade and above in the Sales Department; and HQ executive officers, directors, and managers.

- We actively support growth by aggressively recruiting women and foreign nationals with the potential to become Group executives. We select and appoint people who display a desire to tackle challenges and implement new ideas, regardless of their nationality or experience, to management positions and other key roles. We conduct appropriate evaluations and provide necessary support.
- We promote comfortable working environments for our diverse teams of people.
- We launched the Diversity & Inclusion (D&I) Issue Resolution Meeting to enhance diversity and D&I governance and systems.

Next, let me move on to our efforts to promote diversity.

The percentage of women in management positions across the global FR Group declined by 0.6 points to 45.5% in fiscal 2025. The percentage of non-Japanese nationals in management positions also declined by 1.9 points to 53.6%, but the same percentage within general headquarters (GHQ) function managers increased by 2.1 points to 34.9%.

We have set global targets of 50% for women in management positions and 80% for non-Japanese nationals in management positions by 2030, but it is not just about achieving the desired figures. We are not swayed by temporary fluctuations in the indicators but focus instead on steadily advancing initiatives from a long-term perspective and strengthening our efforts to promote diversity and career development across the entire Group.

In 2025, we launched our new Diversity & Inclusion (D&I) Issue Resolution Meeting. The meeting is attended by senior managers and officers in charge of various functions. Participants consider the significance of promoting diversity as the foundation of clothes production based on LifeWear concepts and creating effective D&I governance/promotion systems.

Our Social Contribution Activities

- Results from the Fast Retailing Group, Fast Retailing Foundation, Yanai Tadashi Foundation and the Yanai family

		FY2023	FY2024	FY2025
Beneficiaries	Support 10 million people each year (refugees and socially vulnerable individuals, next- generation leaders, culture & the arts, sports)	1.82 million people	2.34 million people	4.85 million people
Clothing support	Donate 10 million items of clothing each year globally	5.30 million items	4.77 million items	5.94 million items
Activity expenses	Implement 10 billion yen's worth of activities each year through Fast Retailing Group, FR Foundation, Yanai Tadashi Foundation, and social contributions from individual members of the Yanai Family	5.4 billion yen	8.2 billion yen	12.3 billion yen

Let me move on to talk about our social contribution activities.

Fast Retailing seeks to expand social contribution activities conducted through its business on a global scale, based on the creation of LifeWear to enrich everyone’s lives. We pursue various social projects that contribute to the stable and sustainable development of our society.

In fiscal 2025, we provided support to 4.85 million people and donated 5.94 million items in clothing support. The expenses for these activities rose to 12.3 billion yen.

These activities included overseas scholarship programs provided by the Yanai Tadashi Foundation, Mr. Yanai’s personal donations to Kyoto University for research on iPS cells and cancer immunity, UNIQLO’s Heart of LifeWear activities, and UNIQLO’s PEACE FOR ALL charity T-shirt project that I will explain in more detail.

PEACE FOR ALL



(As of end September 2025)

Number of contributors

48

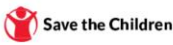
T-shirt sales (items)

8,626,880

Donations from sales (yen)

2,588,064,000

(As of end August 2025)



We continue to promote UNIQLO’s PEACE FOR ALL charity T-shirt project as one of our social contribution activities.

The project, which aspires to promote peace, involves the worldwide sale of T-shirts voluntarily designed by well-known people who sympathize with UNIQLO’s aims. All the profits from the project are donated to three partnership organizations.

Forty-eight well-known people have participated in the project to date, generating profits of over 2.5 billion yen from the sale of 8.62 million T-shirts as of the end of August 2025.

Limited-time Sale of PEACE FOR ALL T-shirts at Osaka-Kansai Expo 2025



In June 2025, we introduced the PEACE FOR ALL initiative at the United Nations pavilion in the Osaka-Kansai Expo 2025 and conducted a limited-time sale of new collections.

The pavilion generated the highest level of T-shirt sales of all UNIQLO stores worldwide over the seven-day exhibition period, proving that many customers are embracing the PEACE FOR ALL concept that promotes the taking of individual action to promote world peace.

PEACE FOR ALL Support

- **UNIQLO establishes its first vocational training center in India**

- Established the center together with Plan International. The first step in UNIQLO's ongoing commitment to social contribution activities in India.
- Providing opportunities for young people with limited career options to access practical training and learn business skills, with the aim of securing employment.



- **Provided 1.2 million US dollars in emergency humanitarian aid to Syrian refugees**

- Donated 1.2 million US dollars to UNHCR, which is providing on-the-ground support to Syrian refugees.
- The fund will be used to support the voluntary return process and to help returning refugees to rebuild their lives in a precarious situation in Syria.

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The monies collected through your determined action to buy and wear T-shirts which illustrate peace-aspiring sentiments are funding activities toward a future in which everyone can live safely in a peaceful world.

For instance, in March 2025, UNIQLO established a vocational training center in India together with Plan International. We provide opportunities for young people to learn the skills they need to succeed in today's rapidly evolving jobs market. The aim is not only to help young people acquire these skills but also to connect them to employment opportunities.

In addition, we donated 1.2 million US dollars in emergency assistance to the UNCHR project to help repatriate Syrian refugees. The money will be used to support the voluntary return process and help returning refugees through the critical phase of rebuilding their lives in what remains a precarious home environment.

We are also planning to donate 500,000 HEATTECH items as announced at the recent Heart of LifeWear media briefing held on October 20.

Fast Retailing Refugee Support Activities

1. Emergency assistance



2. Clothing support



3. Independence support



4. Employment support



I would like to close my presentation by speaking about our ongoing refugee support programs.

Fast Retailing has been working with UNHCR, the UN Refugee Agency, to support global refugees and internally displaced persons since 2006.

We seek to leverage our global clothing business foundations to provide comprehensive refugee support that spans emergency assistance and clothing donations for people who have become refugees due to conflict or natural disasters, which extends to self-reliance and employment support through the provision of education and training in specialized skills.

A New Form of Refugee Support

● Support Begins for the "Displacement Film Fund" as a Founding Partner



▲ Announcement of the fund's establishment at the International Film Festival Rotterdam, January 2025

(From left) Clare Stewart, Tamara Tatishvili, Vanya Kaludjercic, Waad Al-Kateab, Uzma Hasan, Jonas Poher Rasmussen, Cate Blanchett, Koji Yanai



▲ Filmmakers receiving support

(From left) Hasan Kattan, Maryna Er Gorbach (photo: Rafal Nowak), Mohammad Rasoulof, Shahrbanoo Sadat, Mo Harawe

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Starting in January 2025, we have supported the launch of a new form of refugee support through film.

The Displacement Film Fund (DFF) was established jointly by actor, producer and UNHCR Goodwill Ambassador Cate Blanchett and the management partner, International Film Festival Rotterdam (IFFR)'s Hubert Bals Fund. The DFF's purpose is to support and assist filmmakers who have been forced to flee, or who have a proven track record of depicting the experiences of displacement.

UNIQLO supports this fund as a Founding Partner. By supporting refugee filmmakers, we aim to combine the "Made for All" philosophy with the power of film, creating opportunities to raise awareness of refugee issues by sharing their stories with a wider audience.

The global refugee crisis has reached numbers that can no longer be ignored - with one in every 67 people on earth forcibly displaced due to conflict, war, or persecution. The role that private companies can play in addressing these challenges is significant.

As a global partner of UNHCR, Fast Retailing will continue and further expand its refugee support activities.

Yukihiro Nitta

**Group Executive Officer
Fast Retailing Co., Ltd.**

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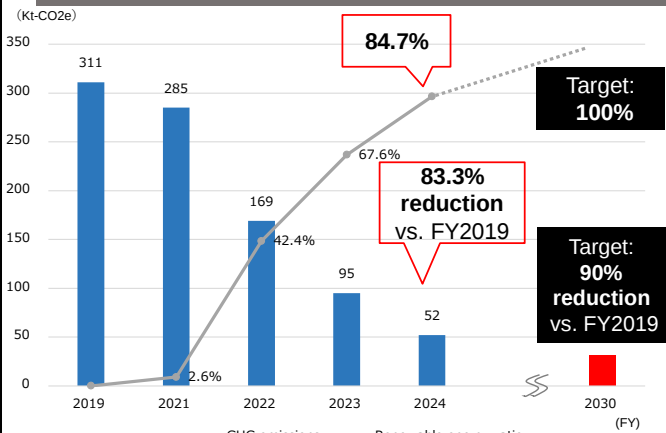
Hello everyone.

My name is Yukihiro Nitta, and I am a Group Executive Officer at Fast Retailing.

I would like to talk to you today about the progress we have made on reducing greenhouse gas (GHG) emissions at Fast Retailing as a company and across our supply chain.

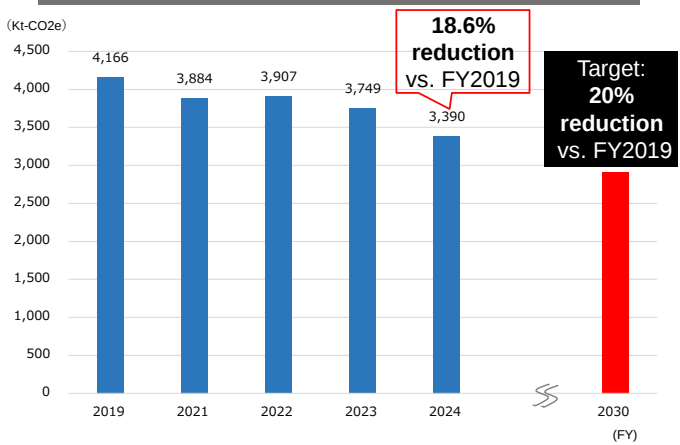
Steady Progress Cutting GHG Emissions, Increasing Renewable Energy

SCOPE 1 & 2: GHG Emissions, Renewable Energy Ratio in our Stores and Offices



*Scope 2 is calculated on a market base

SCOPE 3: Supply Chain Emissions



*Category 1. Emissions from the manufacture of raw materials, fabric, and garments for UNIQLO and GU products

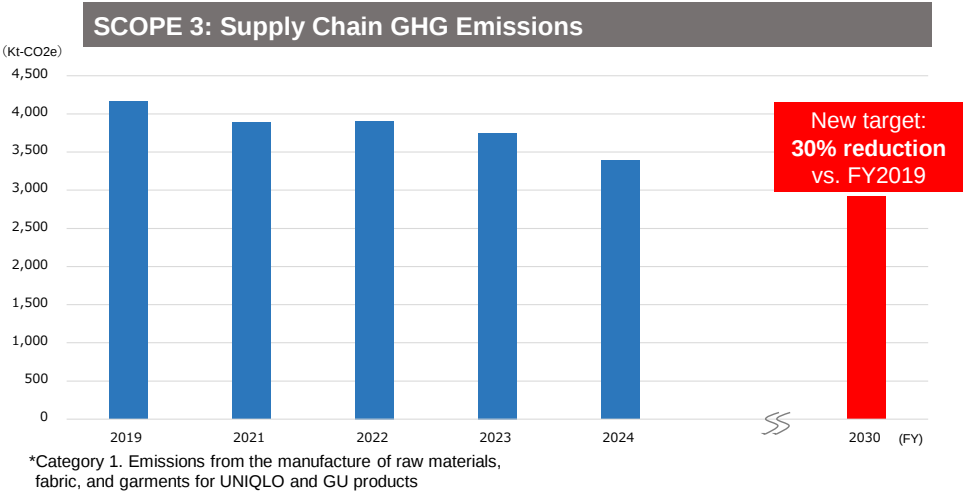
I would first like to go over the progress we have made in terms of reducing GHG emissions.

We managed to reduce Scope 1 & 2 emissions from our own operations by 83.3% in fiscal 2024 compared to the fiscal 2019 base year, so we are making favorable progress towards achieving our target of a 90% reduction by fiscal 2030.

We increased the percentage of renewable electricity used in our stores and offices to 84.7% and are continuing to work towards our target of 100% by fiscal 2030.

We also reduced GHG emissions in our supply chain by 18.6% in fiscal 2024 compared to the fiscal 2019 base year, bringing our fiscal 2030 target for a 20% reduction well within our sights.

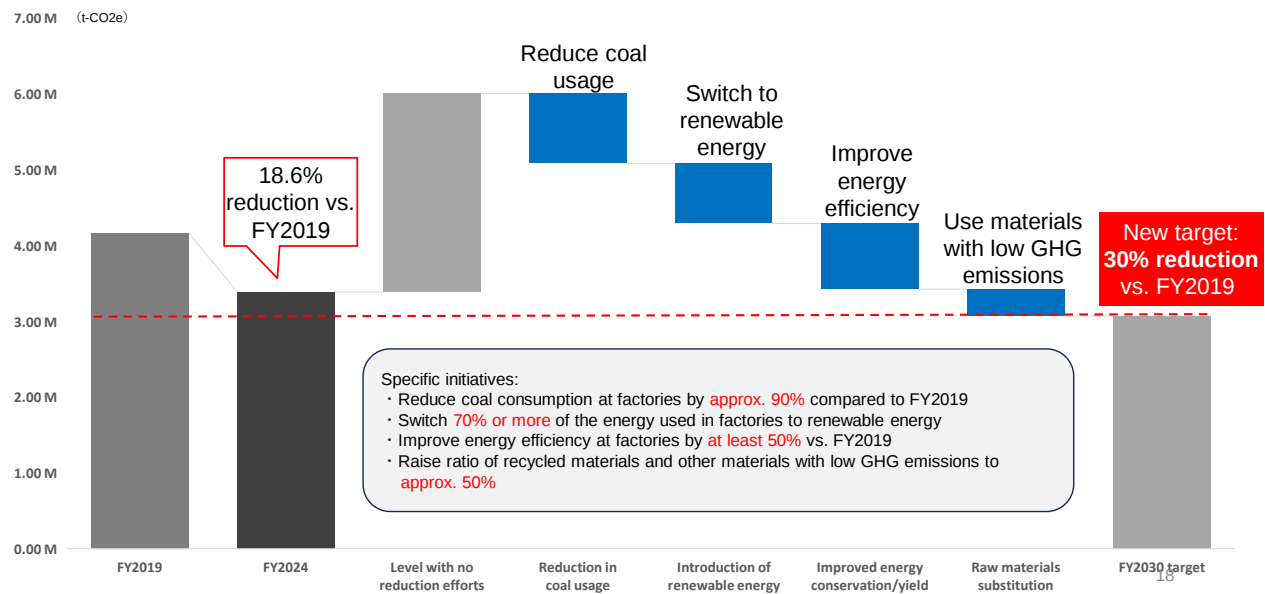
SCOPE 3: Raised GHG Emissions Reduction Target to 30%



We recently increased our target from a 20% reduction to a 30% reduction in GHG emissions from our supply chain by fiscal 2030 compared to fiscal 2019 after making swifter progress on this measure than previously expected.

The new target has been recognized by the SBT Initiative as a Science Based Target that is also consistent with Paris Agreement standards.

Roadmap for Achieving the New GHG Emissions Reduction Target



This slide illustrates the roadmap for achieving our new goals.

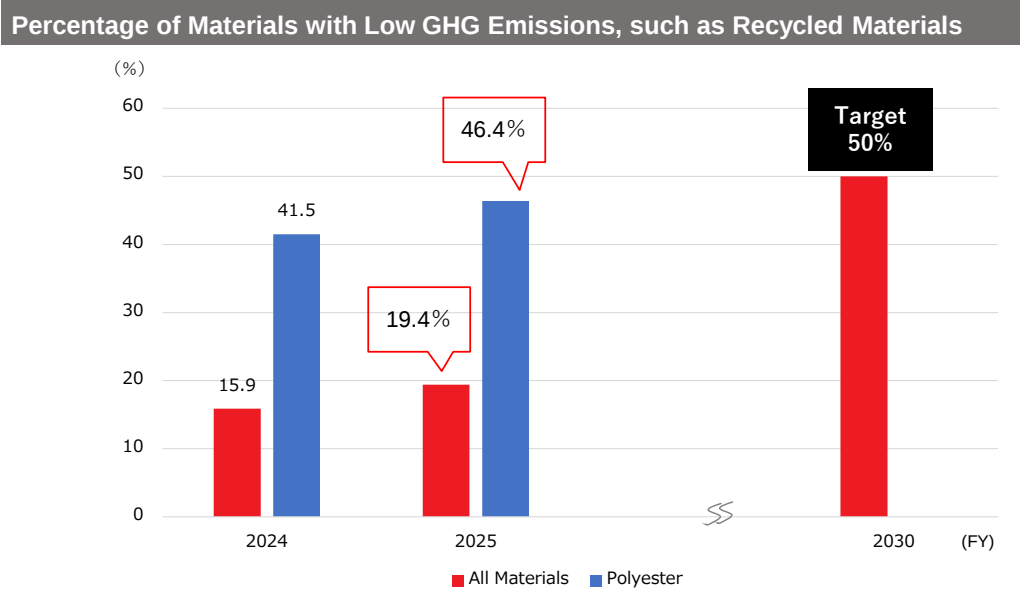
We have estimated the number of units produced and associated GHG emissions based on the assumption that sales revenue will roughly double by 2030. Based on this assumption, GHG emissions would have been expected to increase, but we are targeting a significant 30% reduction compared to the fiscal 2019 base year.

To achieve this significant 30% reduction in GHG emissions, we plan to reduce coal consumption at factories by approx. 90% compared to fiscal 2019, switch 70% or more of energy used in factories to renewable energy and improve energy efficiency by a minimum of 50% compared to the fiscal 2019 base year.

Furthermore, on the raw materials fronts, we are continuing our efforts to boost the use of recycled materials and other materials with low GHG emissions to roughly 50% of all materials used.

This roadmap is based on current supply chain and production volume predictions, so it will be reviewed as and when appropriate.

Progressing Switching to Low GHG Emission Materials



We are making steady progress on our commitment to switch to materials with lower GHG emissions, such as recycled materials.

We are working towards achieving our target of increasing the percentage of materials with low GHG emissions to roughly 50% by fiscal 2030. The percentage of such materials stood at 19.4% for Fast Retailing Group products in fiscal 2025, but the percentage for the more rapidly progressed recycled polyester stood at a much higher 46.4%.

Thorough Control of all Processes in the Supply Chain

Use only sustainable raw materials to make LifeWear

- Switch to recycled materials
- Define and use sustainable materials

Reduce the environmental impact of delivering LifeWear

- Use renewable energy, phase out coal, and conserve energy at factories
- Use renewables and conserve energy in stores and distribution

Offer LifeWear that meets customer needs

- Improve production efficiency through Ariake Project

Wear LifeWear for a long time, utilize clothing to the end

- Expand RE.UNIQLO STUDIO
- Clothing collections for donation to refugees, Pre-owned Clothing Project

From here, I would like to explain our efforts to reduce GHG emissions in more detail.

We are striving to achieve thorough control all processes across our supply chain and reduce GHG emissions.

I will explain our efforts in each of these four areas in the subsequent slides.

Thorough Control of all Processes in the Supply Chain

Use only sustainable raw materials to make LifeWear

- Switch to recycled materials
- Define and use sustainable materials

Reduce the environmental impact of delivering LifeWear

Offer LifeWear that meets customer needs

Wear LifeWear for a long time, utilize clothing to the end

First, let us look at our aim to use only sustainable raw materials to make LifeWear.

Use Only Sustainable Raw Materials to make LifeWear

- **Achieve sustainable raw materials procurement**
 - Focus on both guaranteeing optimal quality, price and stable supply, ensuring also that human rights are upheld and environmental impact is minimized across the supply chain.
 - Define more clearly the standard of materials that we require. Share the same standards and values with our partner factories, and strengthen systems for procuring sustainable raw materials in alignment.

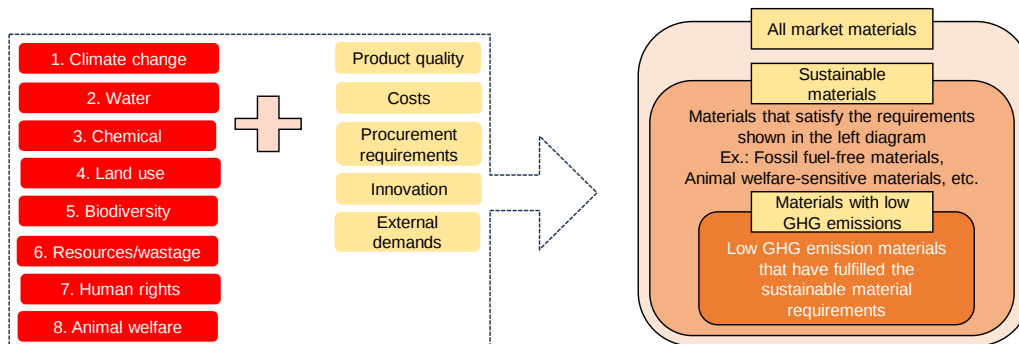
In terms of raw materials procurement, we place great emphasis not only on guaranteeing optimal quality, price and stable supply, but also on upholding human rights and reducing environmental impact across our supply chain.

To achieve that aim, we have determined to manage our own supply chain from the most upstream point. At the same time, we will seek to define more clearly the standard of materials that we require, sharing those same standards and values with our partner factories and strengthening systems for the procurement of raw materials from a like-minded perspective.

Use Only Sustainable Raw Materials to Make LifeWear

● Redefining what constitutes a “sustainable materials”

- In addition to using materials that are proven to reduce GHG emissions, we are also planning to expand the use of materials that also take into consideration animal welfare, land use, and biodiversity etc.
- Regenerative cotton is one of the materials can be used as a sustainable material and is expected to reduce GHG emissions compared to conventional cotton.



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In September 2025, we established new raw materials procurement guidelines that redefine what constitutes a “sustainable material.” In addition to GHG emissions, the new standards clarify necessary qualitative and quantitative considerations for each material from different perspectives, including water use, biodiversity, human rights, and animal welfare.

These moves will not only help us to expand the use of materials that have been proven to reduce GHG emissions, but also to extend the use of materials that also take into consideration factors such as animal welfare, land use, and biodiversity.

Regenerative cotton, or cotton grown using environmentally regenerative farming methods, is one of the materials that can be used as a sustainable material.

Regenerative cotton is cultivated using farming methods that seek not only to maintain soil health while generating a certain yield, but also to restore the natural environment and repair the soil. As such, it is expected to reduce GHG emissions compared to conventional cotton. In fact, some evaluations confirm a reduction in GHG emissions of roughly 20%, so we plan to actively promote the use of regenerative cotton going forward.

We will gradually share the new standards with our partner factories and set individual targets for the procurement of sustainable materials, focusing first on key materials, and accelerate their introduction.

Thorough Control of all Processes in the Supply Chain

Use only sustainable raw materials to make LifeWear

Reduce the environmental impact of delivering LifeWear

- Use renewable energy, phase out coal, and conserve energy at factories
- Use renewables and conserve energy in stores and distribution

Offer LifeWear that meets customer needs

Wear LifeWear for a long time, utilize clothing to the end

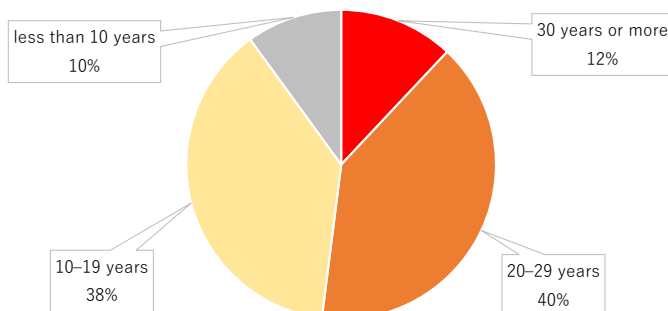
Our next set of efforts focuses on reducing the environmental impact of delivering LifeWear.

Reduce the Environmental Impact of Delivering LifeWear

- Working with partner factories to reduce GHG emissions

- Based on our strong long-term partnerships with factories

Length of Relationship of Top 40 UNIQLO Suppliers



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As we have mentioned before, Fast Retailing manufactures products based on long-standing partnerships with a small number of partner factories. We have been doing business with 90% of the top 40 suppliers entrusted with manufacturing UNIQLO products for ten years or more, and 52% for over 20 years.

These partnerships form the foundation of our business model. Both UNIQLO and our partner factories share the same strong desire to expand the business and improve quality. We also aspire to the same sustainability approach and work together to reduce GHG emissions.

Our partner factories are acutely aware of our sustainability requirements and proactively introduce equipment that exerts a low impact on the environment and review production systems to ensure efficient production. We emphasize the importance to communicating closely with partner factories and building win-win relationships because that is the surest way of achieving our goals.

Reduce the Environmental Impact of Delivering LifeWear

- **Working with partner factories to reduce GHG emissions**

- When the project began in 2021, we introduced the Higg FEM environmental performance evaluation tool in almost all our garment and fabric-making factories as part of our endeavor to build a system that could effectively track energy consumption. We have formulated 2030 GHG emission reduction plans with each factory.
- We confirm progress through quarterly progress reports from the factories and frequent factory visits. The overall plans are reviewed on an annual basis.
- Provide support for problem resolution
Example: Introduce boiler suppliers to encourage the installation of high-efficiency, compact boilers, introduce renewable energy vendors, promote the shift of the industrial parks' energy sources from coal to biomass fuels.

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In terms of specific initiatives taken together with partner factories, when we began this project in 2021, we introduced an environmental performance evaluation tool for the apparel industry in almost all our garment and fabric-making factories and established a framework for effectively tracking energy consumption. We then formulated 2030 GHG emission reduction plans with each factory based on the collected data.

GHG emissions will fluctuate depending on product volumes and product mixes, so we receive progress updates from factories on a quarterly basis and visit factories ourselves as often as possible to check on progress. We also review the overall plans on an annual basis to reflect the latest situation and issues at any one plant.

We provide support to help factories solve any problems that are discovered. For instance, we have successfully encouraged the installation of highly efficient and compact boilers by introducing boiler suppliers. We have also introduced reliable renewable energy vendors, and promote the shift of the industrial parks' energy sources from coal to biomass fuels.

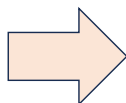
Reduce the Environmental Impact of Delivering LifeWear

- **Help further reduce GHG emissions by utilizing energy diagnostics**

- Fast Retailing funds energy diagnostics, which helps to both identify and eliminate any causes of excessive energy use and reduce factory operating costs.



▲Energy-saving diagnostic testing at a factory



We have used the diagnostic results to formulate action plans involving the phasing out of coal usage, updating equipment, and other factors, and are now starting to implement those plans.

From 2025, we started implementing expert energy diagnostics at some factories to help reduce energy consumption.

Fast Retailing funds the energy diagnostics, which helps to both identify and eliminate any causes of excessive energy use, thereby reducing factory operating costs.

Factories that have already undergone the diagnostic analysis have formulated action plans based on the results to phase out coal usage, update equipment, and other initiatives. We are now starting to implement these plans as part of this progressive concrete initiative.

Reduce the Environmental Impact of Delivering LifeWear

- **Working to improve transportation efficiency in all processes from factories to stores/EC**
 - **Sea freight (factories to warehouses in various markets)**
Reduce number of containers by approximately 15% per annum by consolidating items with close shipping and preferred delivery dates into a single container.
 - **Domestic Transportation (warehouses to stores/EC)**
Seek to improve delivery efficiency through the Ariake Project
Example: Expand delivery receiving time windows at stores, explore joint delivery to nearby stores, improve loading efficiency of packing boxes.
 - **Biofuels used to fuel ships for transportation to some markets**
We joined the Smart Freight Centre (SFC) international non-profit organization that seeks to reduce GHG emissions in the logistics industry, and are currently promoting relevant activities.

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Moving onto the distribution area, we are working to reduce GHG emissions by improving transportation efficiency.

We have been able to reduce the number of containers used when shipping from factories to our different markets by approximately 15% per annum by consolidating items into single containers.

We are looking to improve the efficiency of domestic transportation from our warehouses to our stores through the Ariake Project.

Furthermore, we are encouraging the use of biofuels in ships transporting goods to some of our markets. We have also joined the Smart Freight Centre (SFC) international non-profit organization that seeks to reduce GHG emissions in the logistics industry and are currently promoting relevant activities.

Thorough Control of all Processes in the Supply Chain

Use only sustainable raw materials to make LifeWear

Reduce the environmental impact of delivering LifeWear

Offer LifeWear that meets customer needs

- Improve production efficiency through Ariake Project

Wear LifeWear for a long time, utilize clothing to the end

Our next set of initiatives focuses on offering LifeWear that meets our customer needs.

Offer LifeWear That Meets Customer Needs

- **Using the Ariake Project to create a business that makes, transports, and sells only what is necessary**
 - Achieved record corporate performance for the fourth consecutive term in FY2025. Inventory turnover rate rose to 3.2 and discounting rates improved further.
 - The new target for reducing GHG emissions in our supply chain to 30% assumes higher sales for FY2030 but a lower number of manufactured units.
 - We aim to evolve into a more efficient business while also reducing GHG emissions, expecting expanding our business, while also reducing our environmental impact to a high degree.

The Ariake Project is our vehicle for promoting company-wide reforms, which aims to create a business that makes, transports, and sells only what is necessary, and to promote the tandem expansion of our business and sustainability activities.

We explained our specific Ariake Project initiatives at the sustainability briefing in 2024, so I will skip over those here, suffice to say that we achieved a record corporate performance in fiscal 2025 for the fourth consecutive term and further expanded our business. At the same time, the inventory turnover rate increased to 3.2 and the discounting rate improved further.

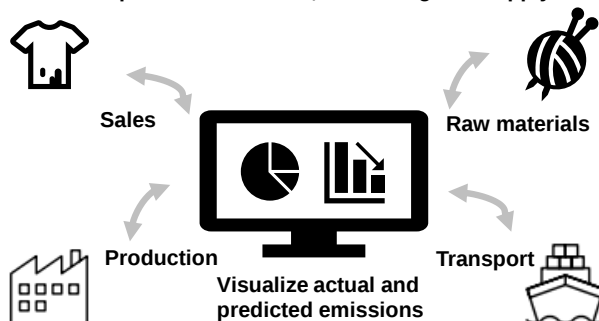
Against this backdrop, we have raised our target for reducing GHG emissions in our supply chain to 30% by 2030 and also significantly increased our sales assumptions for fiscal 2030 while reducing the assumed number of manufactured units.

In other words, we aim to evolve into a more efficient business while also reducing GHG emissions so we can both expand our business and reduce environmental impact to a high degree.

Offer LifeWear That Meets Customer Needs

- Visualize GHG emissions in our supply chain

- Visualize both actual and predicted emissions from factories, raw materials, and distribution
- Review factory GHG emission reduction plans in more timely and more accurate way
- Build frameworks that better link information on GHG emissions with decisions on production volumes
- Apply the system to Scope 1 & 2 emissions, and strengthen supply chain management systems



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As part of our effort to promote the business model epitomized by the Ariake Project, we have built frameworks that enable us to systematically cooperate with our partner factories by sharing information on sales plans, production plans, ongoing progress and developments, and transportation plans.

In fiscal 2025, we added a function to our existing systems that enabled us to check GHG emissions at factories and visualize actual and predicted emissions from factories, raw materials, and distribution.

The new system has made it possible to formulate policies regarding the raw materials used and review factory GHG emission reduction plans more timely and more accurate way. Building these systems has enabled us to better link information on GHG emissions in our supply chain with decisions on production volumes.

Going forward, we will apply these systems to our Scope 1 & 2 emissions and create more accurate and effective management systems across our entire supply chain.

Thorough Control of all Processes in the Supply Chain

Use only sustainable raw materials to make LifeWear

Reduce the environmental impact of delivering LifeWear

Offer LifeWear that meets customer needs

Wear LifeWear for a long time, utilize clothing to the end

- Expand RE.UNIQLO STUDIO
- Clothing collections for donation to refugees, Pre-owned Clothing Project

Our final set of initiatives focuses on the wearing of LifeWear for a long time and utilizing clothing to the very end of their useful life.

Wear LifeWear for a Long Time, Utilize Clothing to the End

- Ensure LifeWear approach and customer evaluations match perfectly
 - Customer surveys show that customers wear UNIQLO clothes for a long time
 - Highly rated factors: Comfortable fit, simple, easy to wash, easy movement

< Japan Customer Survey Data >

Wear for 5 or more years	UNIQLO	Average for other brands
T-shirts	30.7%	17.7%
Knitwear	32.3%	17.9%
Jeans	46.0%	31.6%

Survey size: 600 people, aged 20-59 years

We believe that the best way to ensure sustainable business is to make clothes that can be worn for a long time and which satisfy our customers.

This belief was backed up by a survey that we conducted in July 2025 regarding the number of years that customers in Japan wore their clothes.

The survey focused on T-shirts, knitwear, and jeans. Roughly double the number of customers said they would wear UNIQLO clothes for five years or more compared to other brands. When asked in the same survey why they wore UNIQLO clothes, customers said they rated UNIQLO clothes highly because they were comfortable to wear, simple, easy to wash, and easy to move in.

We believe these survey results confirm that our LifeWear approach and customer evaluations match perfectly.

Responding to Changing Customer Needs



▲AIRism Camisole



▲Dry-EX Polo Shirt



▲AirSense Pants



▲AIRism Cotton Oversized T-shirt



▲HEATTECH Extra Warm
Cashmere-blend Turtleneck T-shirt



▲BLOCKTECH Parka



▲Pocketable UV Protection Parka



▲Warm Easy Pants

Customer feedback is key to the making of clothes that will be worn for a long time. Customer needs are changing in line with climate change as we experience extreme heat, warm winters, and harsh differences in temperature. We are increasing the number of products designed to meet these changing needs.

Furthermore, as Mr. Koji Yanai explained earlier, we are continuing to develop business that focuses on “sustaining LifeWear.” In addition to collecting and donating clothing, we are expanding our RE.UNIQLO STUDIO clothing repair and remake services and experimenting with the sale of pre-owned UNIQLO clothes. We are looking to further expand these initiatives going forward.

Expand our business, simultaneously reduce GHG emissions

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Looking ahead, we will continue to promote initiatives together with our partner factories that will both expand our business and reduce GHG emissions at the same time.

We will also work with partner factories to ensure we achieve our newly raised 2030 targets, and, over the longer term, achieve net zero emissions across the entire value chain by 2050.

Thank you.

Shanghong FENG 馮 尚紅

**Fast Retailing (China) Trading Co., Ltd.
Manager, Corporate Sales & Customizing**

Hello everyone. My name is Shanghong FENG, and I work at Fast Retailing China Trading Company.

I am delighted to be here today.

My Background

- Learned about UNIQLO during the fleece boom. Joined UNIQLO in Japan in 2001.
- Involved in UNIQLO quality control for many years as a member of the Production Department Quality Management Team.
- Currently working together with partner factories and involved in employee training.



I would like to start with a brief introduction of my career to date at Fast Retailing.

I first heard about UNIQLO during the fleece boom when I was working in Osaka in 2000. I was intrigued by its high quality, so I joined UNIQLO in Japan in 2001. I subsequently spent many years working on UNIQLO quality control as a member of the Quality Management Team in the Production Department.

Today, I use the experience I gained in the Production Department in my role involving factories in our sales and marketing activities and providing employee training centered around product knowledge.

I would like to talk to you about the actual day-to-day onsite implementation of our factory partnerships, which form the bedrock of UNIQLO's quality and sustainability efforts.

Six Key Features of Production Department



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Let me start by explaining the role of the Production Department.

The UNIQLO Production Department not only manages production process quality, delivery times, and costs, but is also responsible for product innovation and sustainability. Sustainability initiatives, such as improving working environments and reducing greenhouse gas emissions in factories, are among the Production Department's most important responsibilities.

The department works closely with other internal divisions including the merchandising, R&D, and sustainability departments to fulfill its purpose and achieve its varied responsibilities together with partner factories to the highest possible level.

The UNIQLO Approach to Production

**“Making things together with our partner factories”
instead of simply inspecting finished products**

UNIQLO's relationship with its major factories is a **partnership** that goes beyond the traditional relationship between brand and supplier

We **make things together onsite from scratch** with **factories that share our aspirations** to offer better clothing to as many people as possible

The foundation of UNIQLO's quality lies in its unique production philosophy.

Generally speaking, when you think about the relationship between a client and a factory, you would probably picture a brand placing an order with a factory, inspecting the finished product, and judging the level of quality. However, the UNIQLO approach focuses on making things together with its partner factories.

The relationship between UNIQLO and its major factories exceeds the basic client-supplier relationship. It is a strong partnership between parties with shared aspirations and interdependent fortunes. We work onsite with like-minded partner factories that share our aspirations to offer better clothes to many people and produce things together from scratch to achieve a common vision.

This approach underpins UNIQLO's commitment to high quality, flexible production frameworks designed to meet customer needs, and sustainability initiatives.

A Week in the Life of a Production Department Member for Factory Operations

- Dedicated Production Department personnel assigned to all garment factories.
- Spend Tuesday through Friday at factories for production management.
- Identifying manufacturing and sustainability issues onsite and directing solutions together with factory staff

Monday	Tuesday	Wednesday	Thursday	Friday
Administrative work at the Production Office	← Factory visits, onsite production management → ☐ Materials management (raw fabric and auxiliary materials) ☐ Cutting process management ☐ Sewing process management ☐ Washing process management ☐ Finishing process management ☐ Product management ☐ Quality management ☐ Safety ☐ Working hours ☐ Solving onsite issues			

The way in which Production Department factory managers work clearly illustrates UNIQLO’s unique philosophy of making things together with its factories.

Garment factories are assigned to dedicated Production Department managers who visit individual factories every week Tuesday through Friday and manage production onsite.

Their work spans not only the direct management of production processes and quality control but also covers the management of factory safety and working hours and a whole range of other tasks and working together with their assigned factories to improve products and production processes.

UNIQLO Standards for Maintaining Top Quality

- **UNIQLO production management standards**
 - Focusing on items that impact product quality and production processes standardized together with partner factories.
 - Utilize prepared checklists of over 120 items ranging from fabric storage methods to working hours.
 - Check each item on a weekly and monthly basis, implement improvements together with individual factories.
- **Product quality and safety management standards that aim to satisfy the highest global standards**
 - Cover the laws and regulations of the 26 markets in which we operate and adopt the strictest standards as our global standard.
 - Conduct detailed checks of durability, physical properties, safety, and functionality against over 400 different inspection items, some of which are measured against our in-house standards.



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Another factor that supports UNIQLO quality is the implementation of our own production and quality management standards.

UNIQLO has spent many years working with factories to standardize items that inherently impact product quality and efficient production processes. These items range from checks on the way raw fabric and other materials are stored to employee working hours. Over 120 such items are compiled into a checklist which Production Department factory managers investigate on a weekly and monthly basis, implementing consistent improvements together with factories. The standards themselves are also constantly reviewed to ensure accurate production process management.

In addition to production processes, we have set and firmly adhere to our own strict quality control standards for manufactured fabrics and products. We cover the laws and regulations of the 26 markets in which we have a store presence, select the strictest standards, and apply them on a global scale.

Combining this with the knowledge and insight we have obtained through creating things together with factories, we set UNIQLO global standards for product quality and safety. We guarantee a high level of product quality, safety, and functionality by checking our products against over 400 different inspection items.

LifeWear = Clothing that customers will cherish for a long time

- The root of all UNIQLO manufacturing and sustainability activities.
- To encourage long-term use of our clothes, we prioritize quality above all else and pursue to continuously improve product quality.

The production process, quality, and safety management initiatives I have covered so far are all part of our efforts to create LifeWear clothing that customers will cherish for a long time.

To encourage long-term use, UNIQLO has positioned quality as the top priority for its products alongside basic and timeless designs. That is why we always strive to introduce annual improvements on our long-selling products as well.

Let me give you two examples in the next slides.

Ongoing Efforts to Perfect Quality: AIRism UV Protection Full-Zip Hoodie



Product Overview

- UNIQLO's first full-fledged UV protection item released in 2015
- Mixed functionality: UV protection, quick-drying, cool to the touch
- Functionality constantly improved: using recycled polyester, enhancing UV protection function, adding a deodorizing function
- The product line expanded from 8 items in 2015 to over 180 items today

Production Challenges and Efforts for Improvement

- Ensure consistent texture, beautiful uniform color, and functionality
 - Tackling challenges of dyeing three different yarns. Offered 10 colors in 2025
 - Ensuring uniform UV protection while maintaining mesh structure
 - Strictly controlling fabric shrinkage in dyeing/finishing stages
 - Updated product labeling to UPF50+ from 2022
- Continuously improving design details and product specifications based on customer feedback

The first explains our ongoing efforts to perfect our AIRism UV Protection Full-Zip Hoodie.

The AIRism UV Protection Full-Zip Hoodie for women was released in 2015 as UNIQLO's first full-fledged UV protection product. 2025 marks the 10th anniversary for this long-selling product. The item was developed as Sports Utility Wear offering UV protection along with multiple other functions such as excellent breathability. This product's commercialization story involved battling contradictions, overturning preconceived ideas, and repeated trial and error.

The fabric is made from a blend of three synthetic and recycled fibers. It is very difficult to dye three types of yarn with different properties the same color, but we overcame that difficult challenge to produce beautifully smooth colors. The parka is available in a range of colors from basic neutral to pastel and sporty shades. Customers get to enjoy choosing the color they want and adapting the look to suit different occasions.

Furthermore, the polyester used is a special-shaped cross-sectional fiber that offers additional perspiration-absorbing and quick-drying functionality, ensuring the hoodie remains smooth to the touch even if the wearer is sweating. Applying ultraviolet ray protection to the polyester yarn enables it to absorb and deflect ultraviolet rays and offer a high degree of UV protection that does not decrease even with washing. Polyurethane is added to make the fabric stretchy. The regenerated cupro fibers, a precious raw material, are known as "breathable fibers" because of their excellent moisture-absorption and evaporation properties. The ingenious mesh-like fabric structure is shaped like a honeycomb which prevents the outside light from penetrating the fabric while allowing any hot air trapped inside the clothes to escape.

The UV protection labelling was updated from UPF40+ to UPF50+ in 2022 and we started using recycled polyester in the making of this product from 2023. We added a deodorizing function in 2023, so the product now boasts five types of superior functionality: UV protection, quick-dry, cool to the touch, smooth on the skin, deodorizing. We also pay close attention to the design, reviewing patterns and product specifications each year and constantly improving details such as the collar, cuffs, thumbholes, hem, zip, and pocket lining. We changed the pocket lining to the mesh fabric to make it lighter. In 2023, we started using a spindle cord that tightens the hood more smoothly. In addition, many customers said they want to carry the product around when they go out so we created a more packable design that is easier to carry.

Thanks to these efforts to continuously improve the quality of these items based on customer feedback, many customers now love our UV protection items, and the number of UV protection products on offer has increased over the past decade from eight items in 2015 to over 180 items today.

Ongoing Efforts to Perfect Quality: Fleece Products



Product Overview

- Pillar long-selling products that triggered a UNIQLO boom in 1998
- A product item that comes in a wide variety of fabrics and colors and offers comprehensive functionality (heat retention, wind protection, stretchability, anti-static, and more)

Production Challenges and Efforts for Improvement

Fleece Full-Zipp Jackets:

- Uses sponge fleece for a full and light feel and a warm fit
- Offers the best balance: a soft feel with less fluff
- Researched the time, temperature, and frequency of anti-pilling processes with expert *Takumi* artisans

Windproof Fleece Reversible Full Zip Hoodie

- Two fabrics sewn together: a cut-and-sew and microfleece
- Incorporates a laminated windproof film with additional stretchability in between the two fabrics
- Advanced sewing techniques required to ensure true reversibility

The second example I would like to share with you today is our fleece.

UNIQLO began selling in-house designed fleece products in 1994. Thanks to the company's determined efforts, we were able to offer fleece items that everyone could wear on a daily basis at unprecedentedly affordable prices. This sparked a fleece boom in 1998 that started in Harajuku, Tokyo and spread across Japan.

Thirty-one years on and UNIQLO's fleece range now boasts a wide variety of items made from a wide variety of fabrics offering multiple functionality. We have developed fleece with different length fibers, HEATTECH fleece, and knitwear fleece for a knitted look. All these adaptations have proved extremely popular with customers.

We use aerated sponge fleece to make our fleece jackets. The thickness of the fleece has been increased from 280g to 330g to achieve an attractive soft texture. Furthermore, we have been able to limit the amount of excess fluff produced while maintaining the soft feel by repeatedly exploring the perfect timing, temperature, and frequency of anti-pilling processes with expert *Takumi* artisans. These efforts have enabled us to continue to create beautifully uniform fleece. One of our fleece jackets will keep the wearer toasty warm, making it an excellent comfort item. Our fleece jackets come in 13 colors and are now made from 100% recycled polyester.

Today, I would like to specifically focus on our Windproof Fleece Reversible Full Zip Hoodie.

This product uses a cut-and-sew material for the outer material with a quality woven-fabric look that resembles the texture of a shirt. The high-gauge cut-and-sew material is made from polyester composite fibers for added stretchability. The inner material is made from microfleece material. A 0.009mm ultra-thin windproof stretch film is laminated between the outer and inner materials, helping to maintain the thin and stretchable product qualities while also offering additional durability and windproof features.

The jacket is reversible, offering a clean and sporty look on the one side and a microfleece look made from signature UNIQLO material on the other. It has a spindle cord in the hemline which can be gathered to create a chic and casual short bomber jacket look, so it is a great versatile product.

This product presented us with the additional challenge of sewing to reversible specifications, but thanks to the high-quality sewing skills our production partners have developed and adjusted machines, we are able to ensure a smooth, wrinkle-free finish.

Many people might say that the word fleece is synonymous with light and warm UNIQLO products. Our fleece items have certainly been much appreciated and loved by customers over the past 31 years, and I hope you will look forward to further UNIQLO fleece evolutions in the future.

Collaborative Factory-linked Marketing at UNIQLO in Mainland China



- Conducting experimental UNIQLO LIVE STATION factory broadcasts that directly link customers and production sites.
- Live broadcasts from fabric and garment factories for HEATTECH, down jackets, and other products.
- Garment factory managers and UNIQLO production managers appear on the broadcasts to directly convey their commitment to quality and some inside stories on product development.

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I will end this presentation with a brief explanation of our factory-linked marketing efforts.

We have been leveraging our strong factory partnerships in Mainland China to conduct experimental UNIQLO LIVE STATION factory broadcasts that directly link customers and production sites. The programs are broadcast live from fabric and garment factories that are involved in the production of our HEATTECH, down jackets, and other core products. Garment factory managers, UNIQLO production managers, and other representatives get the chance to directly convey specific elements incorporated into production processes to ensure the highest quality as well as some inside stories on product development.

People appreciate the opportunity to see the environments in which UNIQLO products are made and the people who make them, which is reassuring and builds trust in UNIQLO quality. The content has become popular.

Going forward, we plan to continue to pursue ways of linking our factories, customers, and product sales.

That completes my presentation. Thank you for your participation in today's event.