



# **FAST RETAILING CSR REPORT 2010**

Special Contents

Objective of the All-Product Recycling Initiative

Working Together with People Who Have Disabilities

The Workplace, People and Environment  
for Delivering Truly Great Clothing

# Bringing value to society as a responsible corporate enterprise

## The growing impact of international corporations

International enterprises wield ever-growing power in society today. In fact, private companies often have as much impact on social change as national governments and are likely to have even greater influence in the future.

This power to effect change brings with it considerable responsibility. Any entity with this level of influence must maintain a strong sense of duty. We must always deeply consider why we exist as a company and how we will contribute to society. That is to say, from the customers' point of view, no one would want to purchase merchandise from a company that does not benefit society. A company's value is inextricably linked to the value it brings to society as a whole. Managers and employees alike must be constantly aware of what the public expects in this new era.

The FAST RETAILING Group has articulated the concept of GLOBAL ONE ZEN-IN KEIEI, and we are dedicated to concretely demonstrating this principle. GLOBAL ONE ZEN-IN KEIEI means that all group companies operate as a single entity, applying the best practices from around the world in business management. This requires all Group employees to enhance their performance by engaging in day-to-day operations with a manager's mindset. Consequently, corporate social responsibility (CSR) is not just a management concern. Every employee—from store staff who sell products to factory workers who sew clothes—must maintain this awareness while being ever-mindful of their individual responsibilities. Under GLOBAL ONE, we endeavor to make this a reality.

## The general public keeps an eye on everything we do

While we produce and sell approximately 500 million pieces of clothing every year, the only thing that matters for any individual customer is the particular item he or she has purchased. We pride ourselves on developing our own products; we are involved in production and logistics, and we sell our items at our own stores. We know about every product, from who manufactured it to when, where and how it was manufactured and sold.

Nevertheless, the Group voluntarily recalled products twice in 2008 and once in 2009. Of course, we place high priority on preventing the occurrence of defects. At the same time, whenever a defective product or incidence of corporate misconduct is discovered, we immediately disclose all appropriate information. Society is keenly

aware of everything we do. Customers and society as a whole decide whether our work is satisfactory or not. We keep this in mind throughout the course of our work.

Respecting and supporting individuals to foster both corporate and personal growth is a key value of the FAST RETAILING WAY (FR WAY), the corporate philosophy of the FAST RETAILING Group. All employees must grow together to meet the expectations of society. A company is a collection of individual energies, and each person must demonstrate a strong desire to grow. We provide more attractive opportunities and support than any other company to employees who are passionate about providing valuable products and services to our customers.

Environmental concerns are just as important. The FR WAY states our code of conduct, which calls on us to "act as global citizens with ethics and integrity." We are systematically working to minimize the environmental impact of our daily operations. Public awareness is clearly building, as the Japanese government was regarded highly by the international community for its proposal to reduce by 2020 its greenhouse gases by 25% from 1990 levels. Since we are an international enterprise with a global reach, our deep concern for the environment is an absolute obligation. So far, we have sought to conserve energy and resources at our stores, reduce packaging materials for shipping products and improve the efficiency of our distribution system. Looking ahead, we will do even more by setting up a project team in addition to greatly expanding and promoting our All-Product Recycling Initiative.

## Customers buy into our corporate stance

We fundamentally believe the needs of society take precedence over those of the company. What has value for society? No company can grow without seriously considering this question. When customers purchase our clothes, they are also buying into or investing in our corporate stance. We must clearly present our business policy to customers and then ask them to support and connect with us—an active approach. Together, our concept of "Changing clothes. Changing conventional wisdom. Change the world." is achieved, which I believe is our mission.

We deeply appreciate your ongoing support and encouragement.



**Tadashi Yanai**  
Chairman, President and CEO  
FAST RETAILING CO., LTD.



**Bhutan Refugees**

From the latter half of the 19th century into the 20th century, many people moved from Nepal to Bhutan for economic reasons and received Bhutanese citizenship. Being mostly Hindu, these people had a different ethnic and religious background than the nation's Buddhist majority. As a result of ethnocentric policies introduced during the 1980s, a large number of ethnic Nepalese living in Bhutan were forced to leave the country beginning in the 1990s. Over 80 thousand of them are currently living among harsh conditions at seven refugee camps in south-eastern Nepal.



**Special Contents 1 All-Product Recycling Initiative**

**Objective of the All-Product Recycling Initiative**

UNIQLO collects products our customers wish to pass on and delivers them to refugee camps around the world under our All-Product Recycling Initiative, an effort that began eight years ago in 2001 with the Fleece Recycling Program. Learning from our visits to the locations where our donations have been sent and listening to the concerns of the people, we continue to think about what we are capable of doing and what future actions we can take.

**Report from Nepal on our second visit to this final destination of the clothes**

September 2009—revisiting Nepal, where UNIQLO first donated clothes in 2007. Reunited with a young girl named Gita who told us about the role of clothing as she sees it, what has changed over two years where she lives and what remains the same.

**That little girl in the same clothing**

A girl is smiling. Her name is Gita. From the ten articles of clothing given to her family, she selects the ones that are white. In two days there will be a Nepalese festival at which she wishes to wear what she has been given. With the clothing, I give Gita a picture of her taken two years earlier. She sees the picture of herself and looks slightly bashful. The clothes have brought back memories...

Gita's father suffered a spine injury when he was whipped on the back while fleeing from Bhutan and has been unable to work. Her brother is mentally disabled. Even among refugees, these circumstances are exceptionally difficult to live with. Eiko Sherba of the Corporate Social Responsibility Department, who delivered the clothes on this visit and the previous one, has a strong memory of the girl.

"Gita remembered the events of two years ago quite well. She somehow also had a faint memory of me. The little girl I remembered is now fourteen and looks somewhat like an adult. I felt moved when I saw her. Her mother keeps the clothes UNIQLO donated two years ago for special occasions. Although there is

not enough for her to wear every day, she takes good care of what she does have so that Gita can wear the clothes on special occasions. She picked out her favorite item from the clothes we brought and put it on right away to show us."

Clothing is not just functional; clothing doesn't simply protect us from the heat or cold. I learned this from the preciousness of Gita's bright smile, which appears when she wears clean white clothes.

**Wearing UNIQLO clothes until they wear out**

On her second visit to the Nepalese refugee camp since first visiting in 2007, Eiko Sherba saw familiar faces and familiar clothes. The extent to which everyone had valued the clothing was apparent, as it was worn out from plenty of use.

At the camp, Ms. Sherba decided to employ a Nepalese interpreter so she could better understand the voices of the refugees. She said, "The clothes we have are still far from sufficient. We have already supplied 400 thousand items of clothing, but because each person only has three or four outfits, the need to repeatedly wash one's clothing at night so that it can be worn the next day continues."

Because the clothing is limited, it

is impossible for everyone to receive it, and some are unavoidably left out. The socially disadvantaged are our priority, which can result in feelings of envy or disappointment. Looking outside the camps, there are local people who are also not living easily and have a similar need for clothing. Although there is great satisfaction in bringing joy to others, in reality the situation is more serious and with so many issues that still need to be addressed. The answers can be found only through taking concrete action with what we can do best, one step at a time.



Eiko Sherba, CSR Department, UNIQLO CO., LTD. (center) and Gita (right)

**What is UNIQLO's All-Product Recycling Initiative?**

The All-Product Recycling Initiative began in 2001 with the Fleece Recycling Program, which was expanded to include all collected UNIQLO items beginning in 2006. Through this initiative, we reuse and recycle products received from our customers with the objective of ensuring the products serve beneficial purposes across their lifecycle with nothing wasted. Our initial intention was to recycle the clothes as fuel, but with the cooperation of the United Nations High Commissioner for Refugees (UNHCR), we started donating the clothes to refugee camps. After recognizing once more the great need for clothing and the critical role it plays, our focus has shifted from recycling to reuse. To that end, approximately 90% of the clothing we collect is donated to refugee camps the world over, including those in Nepal, Ethiopia and Georgia. To facilitate our decision-making process, we not only check shortages of clothing but also conduct research on levels of demand, taking into consideration season and size, religiously appropriate colors, and details concerning differences in local culture. In addition, to avoid theft and reselling during transit to the refugees, we go to the sites ourselves and distribute the items with the cooperation of the UNHCR.



**UNHCR (United Nations High Commissioner for Refugees)**

A UN organization established in 1950 for support of refugees. Works on solutions for refugee problems through protection and support of refugees and internally displaced persons (IDPs). Received Nobel Peace Prizes in 1954 and 1981. Headquartered in Geneva, Switzerland, the UNHCR develops its activities worldwide.

# Issues on the horizon: Self-sufficiency and resettlement abroad

## Two years later and a new situation: Resettling abroad

Through the All-Product Recycling Initiatives, various issues have started becoming clearer to us, and we have come to understand that simply delivering products does not address the underlying issues.

The Nepalese refugee camp we visited for the second time was also entering a new phase. Refugees are now seeking residency in the United States and other countries. Of the 100 thousand refugees, 80 thousand have requested foreign residency, and as of mid-September 2009, approximately 20 thousand had left for foreign countries. As a result, the refugee camps have now started assisting refugees in becoming self-sufficient for their new lives by providing English education, teaching them how to make traditional textiles,

and training women to speak in public since culturally they are not used to speaking with those outside their families. These efforts are moving forward steadily with the hard work of affiliated organizations. As the resettlement progresses, the people in the refugee camps, whose lives had remained stagnant until now, have started to clearly see change.

Not everyone wants to live in another country, as there are those who want to remain in the refugee camps if they cannot return to Bhutan. For people who hope to settle in Nepal, the UNHCR and its partner NGOs are playing a central role and have begun to examine ways they can coexist within Nepalese society by building industries together with the local residents.

These events may not be directly related to the All-Product Recycling

Initiative, but they do help us understand the true situation and the real voices of the refugees, and correctly grasp the issues at hand. We believe it is important for us to take part in the process; for example, if they are seeking foreign residency, we will assist them until they reach their destination.

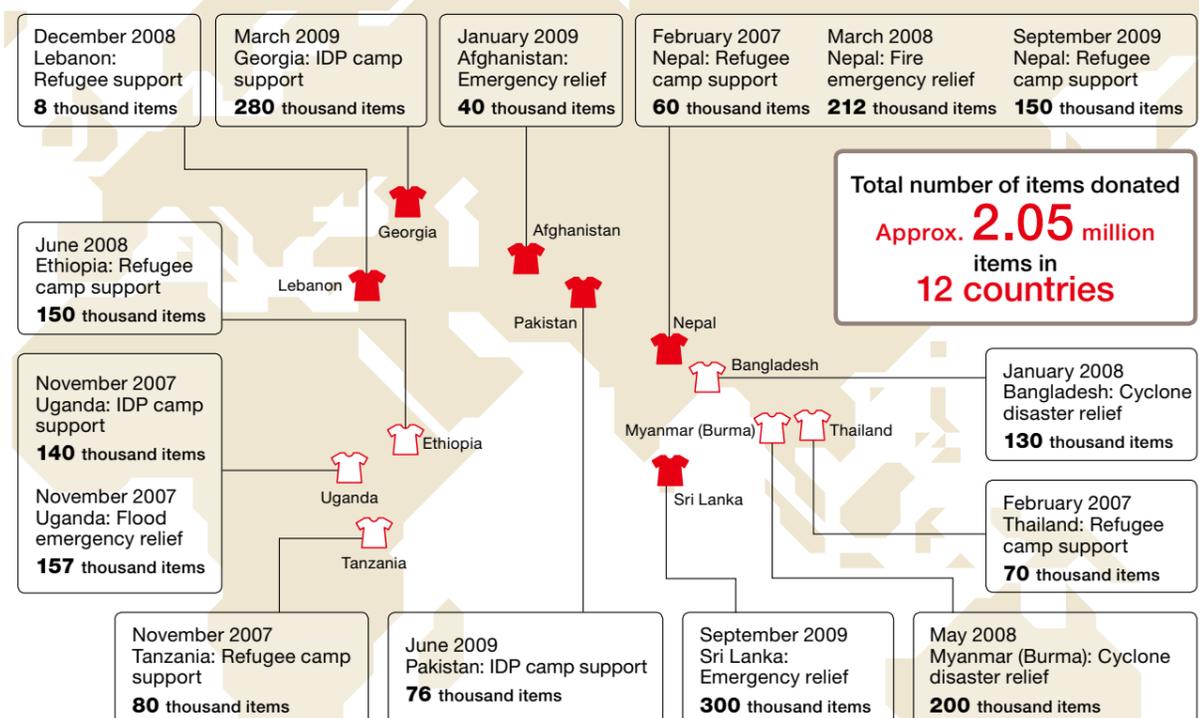


Skill-building in traditional textile production is one of the support activities for gaining self-sufficiency.



## Recipients of our support

👕 2009   🧥 2007-2008



**A:** Woman we met at the International Organization for Migration Transit Center, where persons stay whose foreign residency has been approved. She was wearing an orange fleece from UNIQLO and had dignified eyes. Despite the many hardships, but with hope, she told me in a few words that above all, she is grateful for the opportunity to go to the United States with her family.

**B/F/K:** UNIQLO employees directly distribute the clothing, allowing us to hear the true voices and needs of the people.

**C/D/E/G/I/J/L:** Smiling faces when receiving new clothes is a reminder of the important role that clothes play.

**H:** Hope for a fresh start in life after moving to a new country of residence empowers people even further in their efforts to become self-sufficient.

## Reaching out to schools and local areas

### High school version of the All-Product Recycling Initiative for Tokyo Metropolitan High Schools

The All-Product Recycling Initiative is expanding to other areas besides making donations to refugee camps, including collaborations with Tokyo Metropolitan high schools and other educational organizations. This year, we had the cooperation of the Tokyo Education Committee to engage in activities with three high schools. At Mihara High School, we conducted a high school version of the All-Product Recycling Initiative with volunteer students as part of their classes. After producing posters and distributing flyers, we separated the collected items for refugee camps, in accordance with their needs, into 13 categories such as Men's-Women's, summer-winter and tops-bottoms.

"Working proactively on the initiative while learning about refugee camps and gaining an understanding of the initiative's value as well as having opportunities to communicate were very significant experiences for our students."



**Hiroshi Kuwahara**  
Vice-principal of Mihara High School

In addition, at Musashi High School, the student council took on a leadership role and used summer recess and school festivals as opportunities for collecting items.

"At first, I was concerned whether



A hefty 5,300 items achieved through the collective enthusiasm of each student at Mihara High School.

we would get enough donations. But to my pleasant surprise, the collection box in the entrance area filled quickly. We all cooperated together by taking trips to carry the full boxes of items to the storage room. We look forward to people at the refugee camps wearing the clothes we collected."



**Shunta Tsukada**  
President of the student council at Musashi High School

Overall, 5,300 and 1,721 items were collected at the Mihara and Musashi high schools, respectively. Apart from the numbers of items collected, through interaction with locals and next generation citizens, we found another direction toward which UNIQLO can proceed into the future.

### Goal of 30 million items —One for each of the world's refugees

The objective of our ongoing All-Product Recycling Initiative is 30 million items within five years so that one item can be delivered annually to every refugee the world over (31.7 million persons). The current figure is approximately 2.6 million items collected. We need to develop new ways for reaching our goal. With that in mind, in addition to collection at the stores, we reached out to the public in 2009 at the UNHCR World Refugee Day event held in front of the United Nations University building. In addition, we set up a special booth at the Tokyo Girls Collection and at a venue in the Mina Machida and Mina Tenjin shopping

#### PHOTO REPORT

The website (in Japanese, URL below) shows scenes of distributing the clothing collected from customers by UNIQLO staff who actually visited the refugee camp. The local life and issues of refugees are reported mainly through photographs.

<http://www.uniqlo.com/jp/csr/recycle/special/index.html>



Posters and activity reports are hand-made by students.



UNIQLO staff members of the CSR Department explained to students about who receives the clothes and how clothes are useful to them.



Students are more serious in sorting collected clothing after learning about the lives of the receivers.



Donations were asked for of many people during the clothing collection event held on World Refugee Day.

centers, which was operated by FAST RETAILING.

In the future, we would like to raise more awareness about the All-Product Recycling Initiative. To increase participation, we will educate each and every employee so they truly understand the essence of our activities and take action to further enhance the developments that ensue.

## COLUMN 01 UT×UNHCR Charity T-shirt Project

At UNIQLO, so that more people gain an understanding about refugee issues, along with support from the UNHCR, we created charity T-shirts in June 2009 in collaboration with various celebrities and artists. All proceeds from the sale of the items were donated to UNHCR and refugee assistance programs. These are messages of peace from Yayoi Kusama and Kazumasa Oda, project participants.

### A colorful and bright future

Avant-garde artist, and novelist  
**Yayoi Kusama**



Your favorite words of love. Signs of ever-expanding freedom where there is no war.

A message of dreams, peace and freedom printed on a T-shirt patterned with pink polka dots. May this shirt bring the bright future as vividly-colored as it is, and shining happiness.



### For children to be born

Singer-songwriter  
**Kazumasa Oda**



The relationship between the UNHCR and me has continued for a decade. Since 1999, my song "Umarekuru Kodomotachi no Tameni (For children to be born)" released in 1979 has been used as a cheering song for the UNHCR in line with the UNHCR's wish for the next generation to focus on the refugee problem and solutions for it. I am happy if this song has contributed even a little to the activities of the UNHCR. Although what I can do for the next generation is limited, I would like to continue to address the task.

## COLUMN 02 Clothes in a variety of colors like flowers in a refugee camp

Photographer LIO captures the people and places of Asia. What he happened to come across in Nepal was UNIQLO's colorful fleece on the eaves of a house.

The hidden country—that was my image of Bhutan. I headed for Eastern Nepal near the Indian boarder after having learned that refugees were moving from Bhutan to Nepal.

As I walked toward the simply structured houses made of bamboo and listened about the lives of people at the camp from the refugees, I saw a familiar orange fleece being dried on the eaves of a house. I checked the tag and it read "UNIQLO" as I had expected. This must be a UNIQLO All-Product Recycling item, I thought. The owner told me the clothes had been widely distributed to many families. They were aware that the clothing is a form of aid supplied from other countries through the UNHCR. I showed them the tag on my vest and explained, "This fleece was made by a Japanese company called UNIQLO, and many Japanese people wear it, including myself." The man smiled and let me take a picture. I wanted to capture not only their friendly

facial expressions but create a portrait of how the clothes coordinated well with the living environment and their regular clothes, so I took pictures in front of and inside their homes. During the shoot there was a

boy wearing a T-shirt inside-out. He told me laughing, "I got paint on the front, so now I wear it inside-out." The clothes that have finished being used in Japan are again treated with care here while covering life to once again provide warmth. This teaches us the fundamental role of clothing; it also sends the message that someone living in Japan considers the hardships and cares about the lives of those in despair. Not only do the clothes bring warmth to the bodies of those they now belong to, they also deliver warmheartedness.



**LIO, photographer**  
Born in 1980, LIO has been taking pictures mainly in Asia since 1999. While shooting, he has felt enchanted by the strength of the people he has come across, particularly those facing hardship.  
[www.liograph.com](http://www.liograph.com)



## Special Contents 2 Employing People with Disabilities

# Working Together with People Who Have Disabilities

Society consists of those who have disabilities and those who do not. Our workplaces, we think, should reflect this reality. UNIQLO Japan endeavors to have on staff one disabled person per store, and there are currently individuals with disabilities working in 90% of our stores.

We believe:

Accepting one another's differences is important, and people acknowledging those around them is important.

UNIQLO Aeon Naha Store, Okinawa  
Rieko Uehara / Essay by Randy Taguchi — 10

UNIQLO Nakamozu Store, Osaka  
Tetsuyoshi Yamada — 13

UNIQLO Ubeshimizugawa Store, Yamaguchi  
Chieko Miura — 14

UNIQLO Asakusa ROX Store, Tokyo  
Go Suzuki — 15



## Feature Essays

### 01 I like you the way you are

By Randy Taguchi

UNIQLO's employment of disabled persons continues to expand on a national level. UNIQLO takes pride in having a significant number of disabled people working at its stores—a number that has attracted the attention of various social welfare organizations. Author Randy Taguchi visited Okinawa to uncover the foundation for UNIQLO's employment of people with disabilities, and here is what she discovered...

Tosato Gima remembers the first time she met Rieko Uehara.

"We were of different ages and we liked different things; and although our lives were very different, there was something about her that made me want to get to know her. With a hearing impairment, she's unable to hear what other people are saying. Despite the disability, she is so full of life. She loves to work and laughs off the little things that are often troubling to so many of us. I felt drawn to her attitude toward life, as I too have problems. A person with a disability and the other without one—yet, I wanted to find a common understanding between us."

"We are all different; you are perfect the way you are. By helping one another, we could better live together."

What could not have been done by one person was accomplished by two. While this may sound like a dream, this story is true.

#### Randy Taguchi

Author. Began her writing career with her first novel *Concent*, published by Shinchosha (2000). Her works cover various themes related to the human heart. Her latest novel is entitled *Perfect Day to Live Again*, published by Basilico.



## Without having experienced difficulties linked to disability, I know that life challenges are something we both share



Upon hiring someone with a disability, Tosato Gima was given the Employment of Disabled People Manual and was surprised by the information it contained. Everything inside the manual was on procedures. Without substantive guidance, she felt the company was merely throwing the new employee into the workplace. "Something is missing," she thought.

Rieko Uehara, who has a hearing impairment, was the first disabled person hired at the store under the employment of disabled people policy. After starting the job, Ms. Uehara constantly felt anxious and timid. Ms. Gima, assuming her supervisory role, was concerned about Ms. Uehara after noticing that

she always worked at the sewing machine in silence to avoid standing out. If Ms. Uehara continued to distance herself from the others, she would not be able to apply herself as a team member. Ms. Gima was also worried that Ms. Uehara would not fit in unless she could in some way express herself.

"Ms. Uehara, why don't you get yourself out there?" Ms. Uehara did not know how to react to this question, as she had no previous job experience and, at the age of forty, UNIQLO was her first place of work.

She needed to make a livelihood and was grateful to be working during a period when the economy was weak. While working, however,



**Rieko Uehara**  
UNIQLO Aeon Naha Store, Okinawa  
Hearing impairment

"I was scared of the customers at first, but Ms. Gima's words gave me courage."



**Tosato Gima**  
UNIQLO Aeon Naha Store, Okinawa

"We have had our serious quarrels, for instance when Ms. Uehara said 'I can't.'"

she felt anxious with the thought that if she was around customers, she would in some way fail, believing she could not work as effectively as the other staff members.

Ms. Gima sympathized with Ms. Uehara, a feeling that had stemmed from always seeing Ms. Uehara working silently in front of the sewing machine. She came to realize, "No matter how hard Ms. Uehara works, she cannot rid herself of her disability. I am the one that must change." Ms. Gima then decided she would learn sign language. If she could communicate with Ms. Uehara that way, then Ms. Uehara would have an outlet for expressing herself. Ms. Gima began learning sign language from Ms. Uehara during breaks and also introduced one sign pattern each day to the other staff members in the morning meetings.

Everyone was practicing sign language, which meant a lot to Ms. Uehara, who felt a sense of acceptance that gave her the courage to interact with those around her.

Ms. Uehara had come to believe that she belonged in the background, but through Ms. Gima's willingness to work with her, she had been provided with strong support.

Ms. Gima had developed a sense of discipline from her mother, who raised her single-handedly after her father passed away when she was young. From her upbringing, Ms. Gima's heart was engraved with the idea, "People are meant to help other people."

As the two women shared their own stories, they learned about each other's lives. We all have problems; although not all of us have experienced difficulties linked to disability, life's challenges are something we all share. And despite every person being different, certain commonalities are found among all of us. These are what make us human.

The relationship between Ms. Gima and Ms. Uehara came to have an influence on other staff members. People saw that even though certain things may not be easily understood, they can still be learned through

repetition. As time passed, everyone became skilled at sign language, and Ms. Uehara was able to say to customers, "I have a hearing impairment." Moreover, a communal feeling became present throughout the store.

Ms. Uehara commented, "Not being able to speak out about disability is the hardest thing to live with." After all, disability is a precious part of her personality.

News that employment of a disabled person in Okinawa had been so successful spread to other stores across the country, eventually leading to the reexamination of UNIQLO's employment of people with disabilities policy. The friendship between two people had changed the company. Ms. Uehara is now in her fifteenth year of employment, and she and Ms. Gima are still close friends.

People come first. This, I discovered, is the foundation for UNIQLO's employment of people with disabilities.

Ms. Gima proposed having everyone learn one sign pattern a day during the morning meeting so that they could communicate with Ms. Uehara.



**"Not being able to speak out about disability is the hardest thing." (Ms. Uehara)**



Ms. Gima and Ms. Uehara's conversations through sign language are quite animated. Even without knowing sign language, their enjoyment in conversing with one another is obvious when you see them together.

# 02

## Seizing another day!

**Tetsuyoshi Yamada**  
 UNIQLO Nakamozu Store, Osaka  
 Limb apraxia

Tetsuyoshi Yamada's day begins early and with haste. Every morning he rides his bicycle to work and arrives before anyone else. This is his twelfth year working for UNIQLO, and people in the area have gotten used to seeing him fly through the residential area at top speed.

He used to work in a bicycle-manufacturing factory before joining UNIQLO with the desire to interact directly with customers. After taking on his new job, Mr. Yamada soon found himself facing a wall of others' hesitancy, separating him from the staff. He could tell they were asking themselves, "How should I act around him?" And even though he could learn all there was to know about store operations, he knew there was no magic pill that would help everyone to understand one another. He confronted the situation time and time again.

"Although it's not so remarkable, I've always liked speaking with people. And so I tried starting up conversations during breaks."

Mr. Yamada vividly remembers these times as difficult until the wall he felt surrounding him slowly

started to crumble by around the third month of his employment.

Gradually, he moved from mainly backroom jobs to a position in which he was in contact with customers. Eventually, he asked the store manager if he could work at the cash register.

"The store manager was very concerned at first, but looking back, I can understand why."

How did it go?

"I was scolded badly sometimes, but was happy nonetheless, as UNIQLO was giving me the chance to see how far I could go. Of course, I overcame some hurdles and didn't with others, but I felt accepted."

The cash register is where the most serious customer service takes place, and since money is exchanged, customers pay close attention to what goes on there. Mr. Yamada said he kept an account of customers' reactions while working as a cashier.

"I was curious to know how many

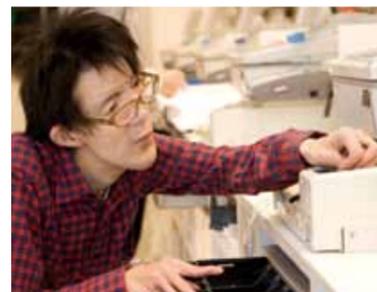
people checked their receipts after paying."

Eight out of ten people checked their receipts. He remembers how concerned some customers looked while looking over their receipts and walking away from the counter.

Work of course brings with it tough moments for everybody, but with the experience such challenges bring, Mr. Yamada had changed. "I had to accept the fact that people were watching me whenever I was operating a cash register or helping a customer," he said. He went on to say, "I used to feel bitter about the world and that it was full of contradiction. My attitude now is that if that's the case, then what can I do to turn things right-side up? Sounds pretty cool, don't you think?"



**snapshot Mr. Yamada in action at work**



8:30 am: Opens cash registers and puts cash for change into each one.



9:00 am: Removes items from cardboard boxes and hangs them according to color and size. Displays items in the store on racks.

# 03

## Meet Chieko, the fashion lover

**Chieko Miura (left)**  
 UNIQLO Ubeshimizugawa Store, Yamaguchi  
 Mental retardation

**Yoko Jinno (right)**  
 Koeikai Center for Employment and Welfare Support of People with Disabilities  
 Employment Support Representative



"I've heard about the company called 'UNIQLO' and that working there requires contact with customers, so I don't plan on applying."

After leaving her last job, Chieko Miura found herself looking for a new one. On the day she called Yoko Jinno at the Koeikai Center for Employment and Welfare Support of Persons with Disabilities, there was something different in her voice. Ms. Miura, having always been passionate about working, sounded unlike her usual self. Ms. Jinno was reluctant to say anything at first, and then she thought, hold on a minute... And without a doubt in her mind knew that "UNIQLO would be the perfect place for Ms. Miura."

The two women first met soon after Ms. Miura had left a job. While regional support organizations such as Hello Work and the Center for Employment of Persons with Disabilities provide their services, the Koeikai Center for Employment and

Welfare Support of Persons with Disabilities, where Ms. Jinno works, is different in that it supports the everyday lives of applicants as well as in their search for jobs. Ms. Jinno is Ms. Miura's most trusted consultant.

Ms. Miura was very positive about looking for a new job. When it came to UNIQLO, however, her passion waned—she was not enthusiastic about it being a realistic option for her. Previously employed at a food processing factory, Ms. Miura did not have any interaction with people outside the company, and the work for the most part was repetitive. UNIQLO's environment would be starkly different; a place where a wide range of customers visit daily. With this in mind, it is not surprising that Ms. Miura felt hesitant when considering a job there. Ms. Jinno's thoughts, however, were quite different.

"I know she loves fashion—the first reason I thought she'd be happy

there. After all, if you like what you do, you can maintain a sense of positivity through your work. And while environments around us may change, I knew that because she had worked at the same place for quite a while, giving her a framework with which she could set a work routine, she had an extraordinary work ethic. I was certain UNIQLO was actually the right place for her."

As Ms. Jinno worked with Ms. Miura at finding a job, she acquired a strong understanding of Ms. Miura's strengths—not just related to her abilities, but also to her likeable personality, what she likes and her passions surrounding work.

"Even when Ms. Miura would talk to me about how much trouble she was having finding a job, she never stopped looking fashionable."

Ms. Miura started working for UNIQLO after a supportive push from Ms. Jinno. Having always had enthusiasm for her work, Ms. Miura now works with a fresh exuberance. When Ms. Jinno comes to the store to see how she is doing, Ms. Miura speaks with energy, saying things like, "I'd like to try altering pants next."

Ms. Jinno commented, "It's wonderful how she can go after her dreams and set goals now. Her new environment has given her the ambition to take real steps, despite her disability. I am so glad everything has worked out for her."

Ms. Miura may not have been able to go after a UNIQLO job on her own; but, with support from Ms. Jinno, her dreams have gotten a little bigger.

**snapshot Various duties under Ms. Miura**



Remove all clothing from boxes and sort them by color and size. Then, take each item out of their plastic bags. She carries out this process rhythmically, enabling her to quickly finish with each box.



In the staffroom during break times, she speaks with her colleagues not only about work, but about lunch, places she has gone on days off, and a lot of other things. This is not how anyone would have imagined her before she had joined the company.

# 04

## The long road to reach UNIQLO

**Go Suzuki**  
UNIQLO Asakusa ROX Store, Tokyo  
Higher cerebral dysfunction

**Mayumi Suzuki, mother**

Mayumi Suzuki's son Go Suzuki was twenty years old when he was involved in an accident. He miraculously survived and was out of the hospital in a month. The doctors informed them that "there would be no aftereffects of the injury," and at first it appeared as though Mr. Suzuki had fully recovered. In the eyes of his family, however, Mr. Suzuki was clearly different from before the accident. He would forget conversations seconds after having them and would have sudden bouts of anger and violence. His condition (higher cerebral dysfunction) was finally officially diagnosed more than four years and seven months after the accident.

When Mr. Suzuki came for an interview at UNIQLO, it was after he had been certified as disabled, and he had just started making a recovery and functioning within society. Mr. Suzuki's condition was by no means gone. "I had to almost trick him into going for the interview because he was so reluctant. The first three years were extremely difficult," Ms. Suzuki recalled.

Even going to and from work

caused concern. He went to work alone in the morning. But in the evening, Ms. Suzuki had him text her before leaving and waited for him every day at the nearby station for him to return.

It was much later when Mayumi learned her son did not chat with the other staff members during breaks for the first two years he worked there, but instead went straight to the men's restroom after eating lunch and remained there until the break was over.

"He told me, 'when people talk to me or I have to have a conversation with them, it wears my brain out. My concentration doesn't last the whole afternoon.' I was so shocked when I heard this. Though, because he kept going, despite making mistakes, his memory slowly returned."

When Mr. Suzuki first entered the company, he took notes, but would then lose them or forget that he had taken them. Now he is able to deal with customers, operate the fitting rooms and do regular jobs without



his disability getting in the way of his performance. His condition now is incredibly improved compared with how it was when he first started working at the store.

Higher cerebral dysfunction was not known at the time of Mr. Suzuki's accident, and there is still little known about it. The disability is not visible, making it difficult for people around those suffering from the condition to comprehend it. Ms. Suzuki now gives lectures in various locations to raise awareness about higher cerebral dysfunction so that people understand it better. The path that Mr. Suzuki's family paved together now represents a direction for those with disabilities, and will serve as a forum for people with and without disabilities to learn to better understand one another—it is a path that will continue to grow.

**snapshot Mr. Suzuki during and outside of work**



The only notes he takes in the morning are on the day's sales target, the previous day's sales and the time of his lunch break. He has memorized everything else, including the complicated names of all the products.

Asakusa is Mr. Suzuki's hometown. He almost always goes out for lunch. He became friends with a chef at the local Sushi bar he frequents and where he is greeted with, "the usual?"



## The greatest issue is "not knowing"

**Yukiko Otsuka, CEO**  
Fukushi Venture Partners Co., Ltd.

Why is there no increase in the employment rate for disabled people? There are issues present in the government, private companies and society, but the single greatest factor common between all three is "not knowing." Companies, the government and people in general lack interest, which often leaves them unaware. In Japanese society today, there are special school classes in which people with disabilities are not taught in the same classrooms as people without disabilities. We also rarely have the chance to see people with disabilities working, and the possibility of receiving some service from them is even less common. In such a society, it may be inevitable that companies and people in general are not accustomed to working with the disabled, and as a result do not regard them as a viable workforce or as capable of working. Is this true? At UNIQLO, disabled people are considered fellow soldiers and invaluable

human resources. It is not solely the type of work that allows for this. The management strategy to do the right thing in the right way to raise the value of the company incorporates employment of people with disabilities and is a result of the uncompromising efforts of employees at the stores.

The first step in employing people with disabilities is to raise people's awareness. That is why I ask that UNIQLO not only continue with its internal efforts but also share its knowledge with other companies and society. I would like to see more staff with disabilities at the storefront rather than in supporting roles in the back. The fact that so many people are actively involved gives courage to the families of those with disabilities as well.

As people have more opportunities to interact with the disabled, the level of awareness will rise and the employment conditions of people with disabilities will improve.



After working for a consulting firm, Yukiko Otsuka established her own firm in 1999. She met Masao Ogura, who was the chairman of Yamato Transport Co., Ltd. while at the time working to "create a workplace for people with disabilities by uniting social welfare with business management." This led to her establishment of Fukushi Venture Partners Co., Ltd. in 2003.

## Challenges are fun

**Shingo Kunieda** Professional wheelchair tennis player

When I started playing tennis, it seemed like a "girl's sport" to me; I liked basketball better because it was featured in a popular manga. My attitude changed when I went abroad to play in matches during high school and saw professional players in the game for the first time. Their technique and intensity gave me a charge. I remember thinking, "this is where I want to play one day." Now that I have become a professional, I want, more than ever, for more people to get to know about wheelchair tennis. To spread the word, I'd like to play in larger tournaments and

continue winning and gaining attention. And I want kids to have dreams of their own. Even with a disability, I want them to take up any challenge they face. Challenges are fun and sometimes scary, but how can you know how far you can go without trying? Stepping forward with courage is something that I believe is very important.

Shingo Kunieda has been in a wheelchair since age nine due to a spinal cord tumor. He was a singles gold medalist at the 2008 Beijing Paralympic Games. In April 2009 he became the first Japanese professional wheelchair player. He signed an exclusive contract with UNIQLO in August 2009.



Special Contents 3 Where the Creation of UNIQLO Products is Possible

## The Workplace, People and Environment for Delivering Truly Great Clothing

UNIQLO items are produced by our partner factories, located primarily in China and other Asian countries. With the same goal of providing truly great clothing, we work together in our efforts across different cultures and languages.



## Due consideration for working conditions at our partner factories to deliver safe, reliable products to our customers

### Partner factories producing our products abroad

UNIQLO continues to work together with our production partners, including those in China and in other parts of Asia such as Vietnam and Bangladesh, to control product safety, increase production efficiency and improve product quality on an ongoing basis. Presently, we have approximately 70 partners—a significantly small number compared with other SPA\* companies. We seek business relationships with partner factories that go far beyond price negotiations and delivery dates. We want to learn and grow together while in the process of providing truly great clothing to customers around the world. We believe that a true partner adopts our core values and functions alongside us to make a single entity.

In building strong partnerships and in addition to demanding guarantees concerning product safety and quality, we demand sound working environments at factories and the safety and welfare of workers. Immediately meeting some of these requirements is difficult and at times

cannot be done through measures implemented solely by the factories.

We expect our partners to consistently focus on our shared goals and commitments even though there are some problems that cannot be solved right away. Given our collective determination, we hope to deliver truly great clothing that instills complete customer confidence.

### Maintaining a secure and safe working environment

We believe that to ensure the reliability of our products, maintaining an appropriate level of quality is essential when it comes to both the finished product and the working environment at the factories in which they are produced. Beginning in 2004, an external agency commenced with monitoring UNIQLO's major sewing factories and the aim of improving the working environment at our factories.

Besides child labor and forced labor, which are indisputably not permissible, when issues emerge related to excessive overtime work or number of consecutive working

days, UNIQLO, as the body that places orders, is in part responsible. For example, the company may delay an order for certain reasons or suddenly change its plans, cases in which a strain can be placed on production capacity. We must monitor ourselves to prevent such situations from occurring.

Issues related to the working environment at factories are invariably connected to the structure of society. Simply administering penalties when misconduct is found does not solve problems. We must continue communicating with factories the benefits of finding their own solutions for problems to encourage their own initiative in such matters. Hopefully, this persistent pursuit of a secure and safe working environment will, in the end, benefit society. We believe this is the only way of getting to the roots of such matters.

\* SPA stands for "Specialty store retailer of Private label Apparel," a business model that integrates every business operation from material procurement, planning, development and manufacturing to distribution, sales and inventory management. Many SPA businesses consign manufacturing to outside companies.



Highly trained Japanese experts called "takumi" are sent to partner factories from Japan to educate workers on enhancing quality control. They play an important role in establishing trustworthy relationships with factories.

A partner factory manufacturing UNIQLO products. UNIQLO staff regularly visit the site, and together with factory managers and through dialogue with them, examine improvements being made there.



## What UNIQLO has and has not done

### Introduction of new monitoring criteria in 2009

Based on the Code of Conduct (CoC)\* for Production Partners, UNIQLO monitors the working environment of major sewing factories and grades the factories from A to E in accordance with our own criteria. In instances of particularly serious or alarming offenses such as child labor, the factory is given the grade of E and our contract with the factory is immediately reconsidered. We offer direction on making improvements and consulting to a factory with a grade of C or D and conduct follow-up monitoring to check progress. If progress has not been made, the contract with the factory is reviewed.

This monitoring framework was implemented in 2004 and is now in its fifth year; however, evaluation criteria revised in 2009 are now even stricter. Until last year, an instance of child labor would result in an immediate contract review whereas forced labor would receive the lowest grade, D. The new E grade has widened the grounds for immediate contract review and, in addition to child labor, includes some forms of forced labor and

other very serious or alarming offenses. In addition, we now include all cases wherein the human rights or safety of factory workers and the surrounding environment could be critically affected under the grade of D. Information regarding revisions of the criteria was communicated through a series of briefing sessions in which key points of the revisions and monitoring objectives were explained to management and persons in charge at our partner factories.

### Monitoring results

From June to August 2009, we conducted a series of monitoring at 99 partner factories using the new criteria. As a result, although no

factory received a grade of E as of the end of August 2009, the majority—54 factories—were given a C grade, and 16 were given a D.

In April 2009, before the new criteria was implemented, a case involving child labor was found, leading to a contract review. UNIQLO fully considers the results of its monitoring, and together with our partner factories, we will continue tackling issues to make improvements and disclosing our results to the public.

\* UNIQLO established the Code of Conduct for Production Partners, which prescribes rules enforcing such prohibitions as child labor and overtime restrictions. Partner factories are required to sign a pledge declaring that they comply with the code.



## Producers of UNIQLO products

UNIQLO pays close attention to factory working environments as well as the living conditions of workers. Here, we introduce a factory in Dongguan City, Guang Dong Province, China.

### Factory workers

At factories in relatively urban areas like Guangzhou, approximately 80% of the workers are from rural areas and live away from their families in factory-owned dormitories. Some of them phone their families every weekend.



### Meals

Most of the time, workers have their breakfast, lunch and dinner in the factory cafeterias. A substantial lunch costs about 2.5 to 3.5 yuan, or about 35 to 50 Japanese yen.

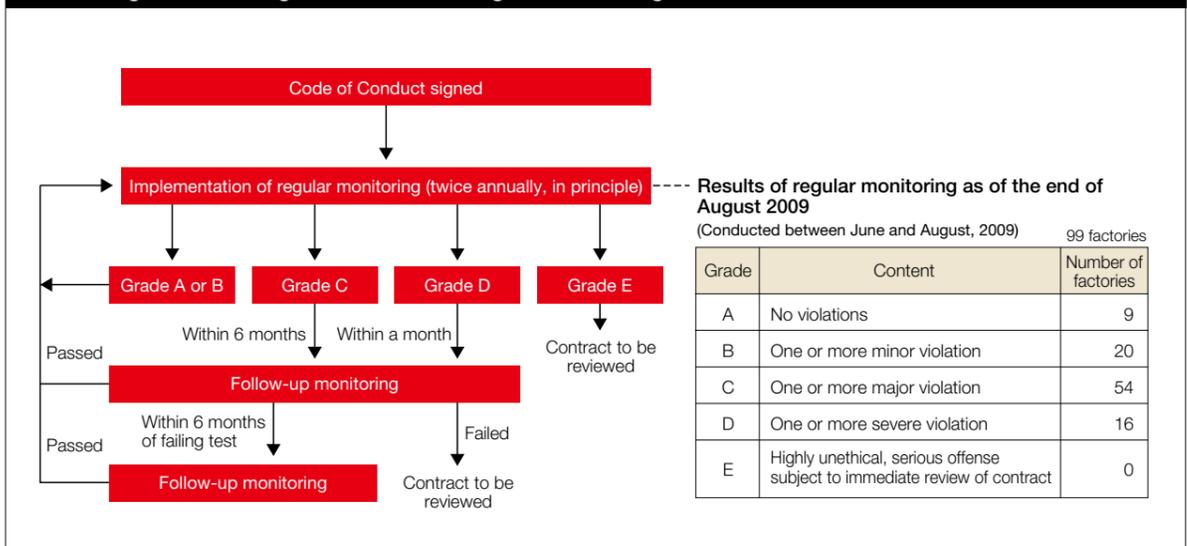


### Life in employee housing

An average room is about 25 m<sup>2</sup> and usually has six beds. Whenever an external agency monitors a factory, inspections include the environment of the dormitories.



### Monitoring scheme using new criteria and regular monitoring results



## Actual cases of grade D and review of contracts in FY 2009 (September 2008 – August 2009)

### Grade D cases

#### • Forced labor

Only one admission pass for the lavatory was given to a production line with 15 to 20 workers. Such a system can restrict workers from freely going to the lavatory. We demanded that immediate improvements be made and conducted follow-up monitoring, and rectification of the situation was confirmed.

#### • Continuous labor

From a random sampling survey we discovered that some workers had been working as many as 37 days in a row. We demanded that immediate improvements be made, and members of our CSR department are presently conducting regular checks on progress. Follow-up monitoring is scheduled.

#### • Security of workers

One of the two emergency exits on the third floor of a dormitory was locked and escape routes were not adequately provided. We demanded that immediate improvements be made, and members of our CSR Department are presently conducting regular checks on progress. Follow-up monitoring is scheduled.

### Cases of serious offenses subject to contract review

These cases were found through monitoring before implementation of the new standards and were equivalent to grade E under the new criteria.

#### • Child labor

We discovered that 3 out of 25 workers at a factory were under 16 years old (2 were 15 years old and 1 was 14) according to a random survey conducted in our regular monitoring. Also, 10 workers had been hired despite the factory not receiving photocopies of their ID cards, and we were therefore not able to confirm their ages. We demanded that the factory temporarily suspend contracts of workers under 16. The factory was also required to pay the workers in a lump sum the total of their basic wages from the present period up until they turned 16 and to submit documents to us proving that the payments had been received by the workers. Representatives of FAST RETAILING visited the factory at the end of April 2009 and checked whether improvement had been made in age documentation. Thereafter, we terminated our contract with the factory.

#### • False report

Through regular monitoring, discrepancies were found between work time records at a worksite and documents submitted by the human resources department. The records showed that the work hours were shorter than the hours indicated in the initial records. Interviews with workers revealed that the initial records were accurate. Further investigation revealed that the factory fabricated and submitted a false report with shorter working hours for December 2008 because it had been cautioned about allowing long work hours prior to monitoring. Considering false reports to be highly unethical, our production department was advised to review the factory's contract.

# Procedure for monitoring the working environment of factories

In principle, we conduct monitoring through external auditors twice annually so that appropriate working environments are maintained. In this section, we explain our procedures for monitoring factories and the living environments, such as dormitories and cafeterias, of workers.



## 01 9:00 Opening meeting

Two external auditors arrive at a factory. They go over the day's schedule, the Code of Conduct and other checkpoints with the factory director and those heading the human resources department.



## 02 9:30 Monitoring begins

One auditor begins examining documents while the other is responsible for inspecting the production site.



## 03 Warehouse

The auditor in charge of the production site goes to the warehouse. Important checkpoints include control of materials and products as well as safety conditions of workers such as whether boxes are being properly stacked and are not at risk of falling.



Auditor: "There appears to be too many boxes stacked up here."

## 05 Interviews with factory workers

Interviews are conducted to uproot problems buried in the working environment.



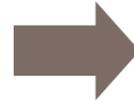
Auditor: "Do you get enough time to eat and rest?"  
 Factory worker: "Yes, I do. And I look forward to lunchtime every day."  
 To protect the privacy of the workers, person-to-person interviews are conducted in a private room and interview records are kept confidential. Factory workers are also occasionally interviewed near their workplaces, and during these exchanges some small talk is made to help the workers feel more comfortable.

## 04 Inside the factory

The auditor walks between and along production lines and asks questions to those in charge. Photographs are taken as records.



Auditor: "How do you handle potentially dangerous tools, such as the scissors that each worker keeps on his or her person?"  
 Factory: "Scissors are tied with string to tables to prevent them from falling or getting lost. After work we collect all the scissors into one storage place."



Factory: "First-aid kits have been placed appropriately in multiple spots throughout the facility. We also regularly check the accessibility and condition of fire extinguishers."



## 06 Emergency safety measures for workers

Auditors check if safety measures for emergency situations are being applied, such as whether first-aid kits and fire extinguishers have been placed appropriately in easy-to-reach places.



## 07 12:00 Cafeteria

The auditor's inspection moves to the cafeteria during the lunch break. Here, sanitary conditions in the kitchen are checked as well as food storage conditions.



Emergency alarms are tested to determine whether the alarms properly sound and the emergency lights turn on.



Auditor: "The cabinets for fire extinguishers should always be unlocked so extinguishers can be used immediately."

## 10 16:30 Closing meeting

Monitoring is finished after auditors go over inspection categories and relevant findings with the factory. Later, using UNIQLO's criteria, results are communicated as one of the five grades and given to the factory.



## 09 Document inspections

While production sites are thoroughly checked, the other auditor examines human resources and payment documents. Later, both auditors share information to determine whether documents are consistent with various results such as the outcomes of worker interviews.



## 08 Dormitory

Maintaining a safe and hygienic environment is important not only in factories, but in dormitories as well.



# Implementing initiatives that make us think and grow together beyond the boundaries of country, culture and position

Partner factories and UNIQLO's production and CSR departments are all responsible for different areas. Through the collaboration and determination of all three parties toward achieving mutual growth, we are carrying forward our CSR activities, including improvements in working environments.

<b>Factory</b>	<b>CSR activities strengthen factory competitiveness</b>
President of a partner factory	
<p>We would like to strengthen the competitiveness of our factory by actively collaborating with UNIQLO to carry forward various CSR activities. We have started with what we can, such as by making improvements in the working environment and resolving issues related to payment and work hours. As a result, the employee turnover rate is low, and we feel that the factory's status has been bolstered. Located on the outskirts of Qingdao City in Shandong Province, our factory has many workers who come from rural areas. It is a great benefit to the local community that workers learn techniques and work long-term at the factory. The more skilled workers we have, the more competitive our factory is. We hope our efforts to promote CSR activities will lead to the creation of these beneficial cycles.</p>	

<b>Factory</b>	<b>CSR is not a cost, but an investment</b>
President of a partner factory	
<p>Our CSR approach is identical to that of UNIQLO. Also identical is the top management approach of both companies for enhancing the importance of CSR as a policy while taking the lead in moving it forward. At times when problems are encountered, we work with UNIQLO's production team to adjust the production plan so that it benefits and is manageable for both companies. We see CSR as a long-term investment in society and people, rather than an operational cost. Moreover, our CSR philosophy is directly linked to our corporate vision of living and growing together with customers, which stems from our experience working with UNIQLO.</p>	

<b>Local office</b>	<b>Unprompted action is the key for the success of CSR activities</b>
Head of UNIQLO's Shanghai Representative Office <b>Tomoo Shimada</b>	
<p>Most important for any CSR activity undertaken by a partner factory is a willingness to apply self-directed initiative. Rather than only to satisfy UNIQLO with the knowledge of it being a sizeable business partner or merely meeting the minimum requirements for audits, factories should recognize that CSR activities lead to increasing the status of factories and product quality. CSR activities do require certain costs, but those companies that have accepted the challenge and succeeded in raising their management levels have enjoyed a significant level of growth as a result. Growth cannot be attained without dealing with immediate problems. I am strongly encouraged by the increasing number of factory managers who participate in CSR activities and who are capable of acting independently.</p>	

<b>CSR Department</b>	<b>With each step, there is always a solution to be found</b>
Director, CSR Department <b>Yukihiro Nitta</b>	
<p>Our team regularly provides guidance with the aim of improving our partner factories. While improvement activity may be bothersome for management, the point for monitoring is not to pick up problems to make accusations, but rather to find ways of creating a better factory. Even for problems that cannot be solved at once, we can always figure out ways to handle issues with the time and effort required in taking each step. Some of our partner factories have received orders from top global brands, as these factories have gained a reputation for excellence in product quality and CSR management. It is our great pleasure to help raise the levels of our partners. We would like to continue cooperating with each other and enjoying mutual growth.</p>	



## Activity Report FY 2009

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Data 01

# For Our Customers

Providing truly great clothing to all our customers

Our Basic Principle

The FAST RETAILING Group's corporate philosophy is to approach issues from the customer perspective. We take this into account in all of our sales-related activities, naturally including our products, sales floors, services and communications, and in management strategies from structuring management to business planning.

**119,213** cases of customer feedback

### Toward effectively utilizing customer feedback

The FAST RETAILING Group maintains a Customer Center that responds to inquiries by e-mail, phone and fax all year round. Our UNIQLO stores also distribute questionnaires on service to directly gather customer feedback.

A system is in place through which the Customer Satisfaction Department compiles these comments and promptly reports to relevant divisions and management as well as to customers when required.



FAST RETAILING Call Center

**709** recipients of CS Staff Awards

### Initiatives for enhancing customer service

UNIQLO carries out numerous projects to improve customer service and satisfaction. Positive customer feedback related to our stores and employees is converted into points. Every month, on the basis of this point system, stores and staff are given CS Store Awards and CS Staff Awards for providing outstanding service. In 2009, 709 employees and 397 stores were given the awards. We expect employees who have received the awards to continue excelling and acting as role models for others working on projects that will drive customer satisfaction forward.

### Thoroughly controlling quality and safety right up to delivery to the customer

UNIQLO has selected the most stringent of existing safety standards in countries and regions where we conduct business, including the United States and the European Union, and incorporated them into the UNIQLO Global Quality and Safety Standards. Quality and safety control staff within the Production Department at the headquarters and Shanghai Office take the lead in a collaborative effort with partner factories in confirming compliance for all UNIQLO products. Information gathered in this process is shared with related departments, and the Customer Care for Product Quality Department handles responses to customer inquiries. UNIQLO also distributes a monthly

safety report across the entire company for training staff engaged in the planning, design and production of products and for improving product quality.

### Ensuring safety through multiple quality inspections by third parties

Every material used by UNIQLO is subject to safety inspections by public, third-party inspection bodies and include sampling tests for dye fastness<sup>\*1</sup> and residual formalin<sup>\*2</sup>. UNIQLO also runs pre-production inspections at the stage of mass production and conducts a pre-shipment examination (checking for needles, dangerous objects, etc.) of all products before they leave the factories. Moreover, pre-shipment audits are conducted in collaboration with third-party inspection bodies to confirm inspections are being faithfully carried out at partner factories. Products are subject to partial inspection after delivery to warehouses as well as sampling inspection by a third party.

<sup>\*1</sup> Dye fastness test: Durability test specifically for dyed products  
<sup>\*2</sup> Formalin (formaldehyde) test: Formaldehyde is used as an anti-shrink, anti-crease softener in the processing of natural fibers. It has been specifically linked with incidents of rashes and skin allergies for those with delicate skin.

**31** takumi

### The takumi system ensures top quality and safety

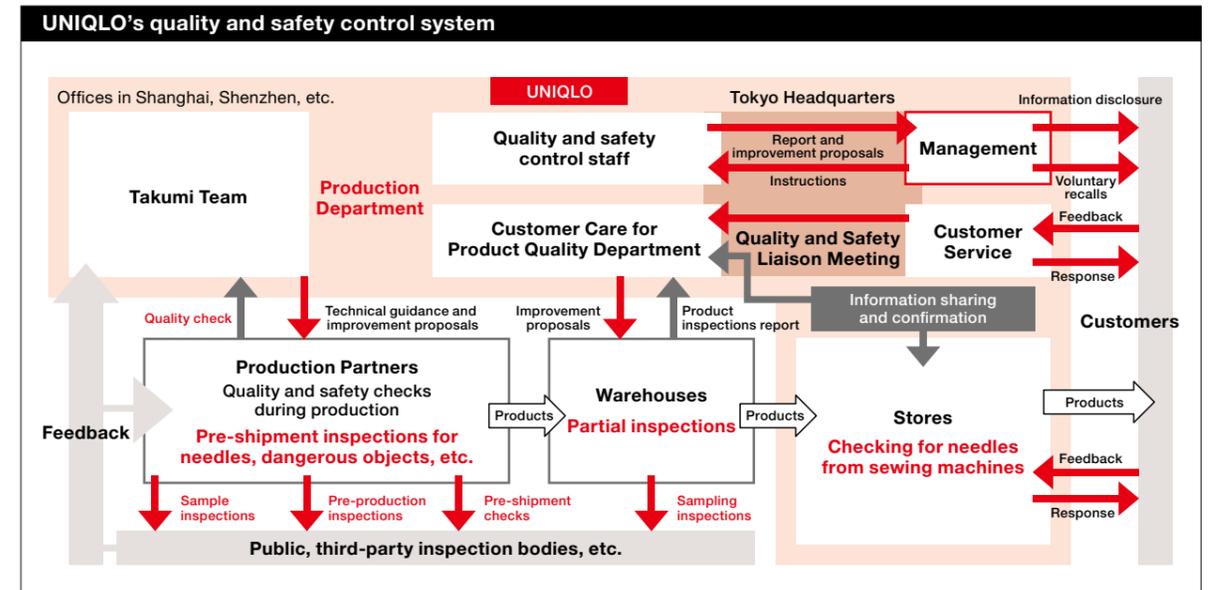
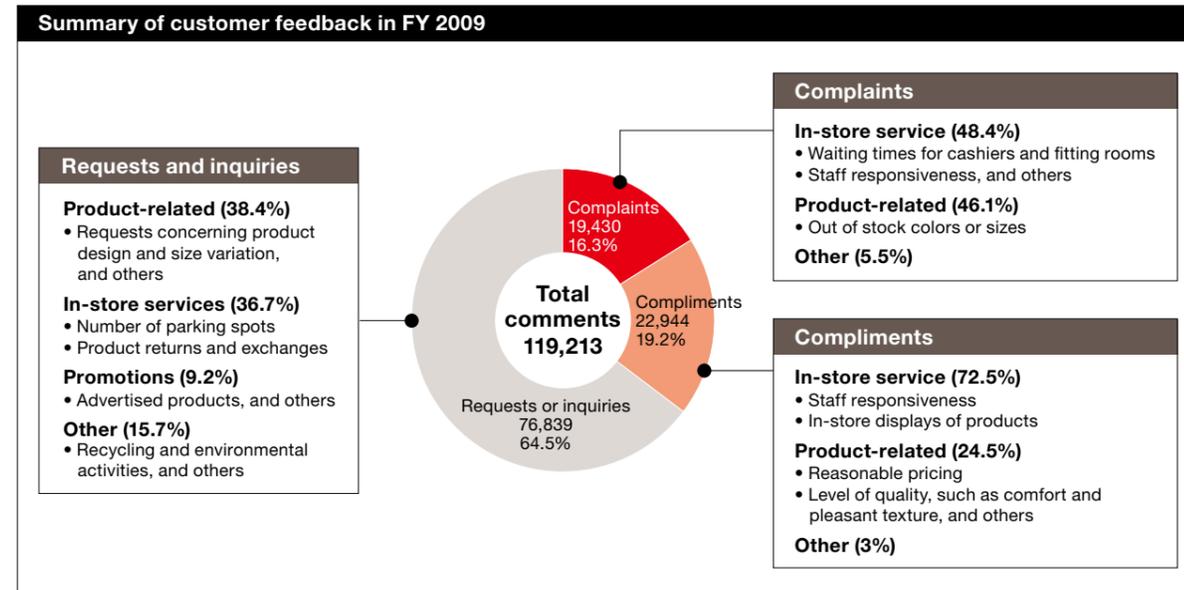
From 2000, UNIQLO has been sending takumi (artisans with extensive experience in the world-leading Japanese textile industry) to factories to provide technical guidance, process management and personnel development at production sites. Currently, 31 takumi, engaged in the areas of either materials or sewing, play important roles in China and other production locations.

**1** case of voluntary product recall

### Voluntary product recall

We conducted a voluntary product recall of defective women's boots sold at shoe retailers operated by GOV RETAILING CO., LTD., and enraciné, a women's fashion store operated by CABIN CO., LTD., to which GOV RETAILING distributes. Metal clasps used in the production process to hold the boot soles in place were not removed at the factory and thus remained on the innersole. From among 8,383 pairs, we found 5 of these defective after investigating in-store and warehouse inventories. Of the recalled boots, 4,812 pairs had been sold.

We determined that the problem leading to the recall was miscommunication between our partner factory and us. We will further improve communication with our partners and work together on establishing a quality control system of the highest standard to prevent recurrence of such a problem. Moreover, we will implement a more stringent quality management system throughout all our Group companies.



Data 02

# For Our Business Partners

Establishing good relationships with our business partners

Our Basic Principle

FAST RETAILING is committed to the "ethical standards and correctness" of all its corporate activities, be it our style of management, our negotiating attitude, or our ways of thinking. Naturally, we make every effort as a company to embrace the rule of law and uphold fairness. We also seek to act fairly toward each and every one of our employees and business partners.

## Monitoring workplace conditions at partner factories

UNIQLO works together with about 70 production partners located primarily in Asia, such as in China, Vietnam and Bangladesh, on improving safety control and production efficiency and in pursuing higher product quality.

We also regularly monitor production to ensure the right working conditions are in place, carry out improvement measures and appropriately disclose information. (For more details, see pp. 17-23 of the Special Contents section.)

**45 cases** examined by the Business Ethics Committee

## The Business Ethics Committee

To develop equal and friendly relationships with its business partners, UNIQLO CO., LTD. established the Business Ethics Committee and formulated its Guidelines for the Prevention of Improper Behavior Based on Superior Bargaining Positions\* in 2004. This was intended to raise employee awareness and review corporate activities to eliminate wrongdoing. The committee initiated group-wide projects in 2009. The manager of the CSR Department heads the committee, comprised of full-time and external auditors, corporate lawyers, and representatives of relevant departments. In FY 2009, 45 cases were received by the committee. As a result, we examined whether any contracts were unilaterally terminated or reduced in scope and whether financial burdens were being fairly divided after certain conflicts emerged. We conducted hearings for both our company and business partners, and examined all the facts before coming to a decision or making results known.

\* Improper Behavior Based on Superior Bargaining Positions: Abuse of superiority in a position to the disadvantage of another party or parties, including the imposition of unreasonable terms that would not be accepted in equal partnership(s).



**217 business partners** surveyed

## The 6th business partner survey

Every fiscal quarter, FAST RETAILING CO., LTD. and UNIQLO CO., LTD. survey all departments to identify any issues that may have arisen with business partners. An annual business partner survey has also been administered since 2003 to confirm whether partners experienced problems with any employee or anyone in management during the year.

### FY 2009 results of business partner survey

- **Implementation:** August to October 2009
- **Subject:** Major business partners of FAST RETAILING and UNIQLO
- **Responses:**
  - 134 out of 202 companies (domestic) (rate: 66%)
  - 83 out of 135 companies (overseas) (rate: 61%)
- **Questionnaire items:**
  - Attitudes and responses of our employees (existence of kickbacks, behavior in meetings, etc.)
  - Attitude toward negotiations (changes in business terms, deliveries made outside the contract, enforced discounts, etc.)
- **Comments from survey:**
  - Usually employees dress casually in meetings.
  - Occasionally a meeting is scheduled unilaterally or held without an advance appointment.
  - Environmental and human rights protection these days are company responsibilities. The company must therefore take steps toward including these responsibilities with its initiatives, which seem limited to quality and enhancing safety.



Data 03

# For the Community

Developing in harmony with local communities

Our Basic Principle

Under the FR WAY Principle calling for us to act as global citizens with ethics and integrity, FAST RETAILING will keep abreast of issues facing the international community and the global environment and will also seek to grow and develop in unity with the community through unique corporate activities.

**71,102 trees** planted

## Supporting the activities of the Setouchi Olive Foundation

The NPO Setouchi Olive Foundation was launched in 2000 by Tadao Ando and Kohei Nakabo to restore the fertile natural environment of the islands and shorelines of Japan's Seto Inland Sea, including Teshima Island, which have been impacted by the illegal dumping of industrial waste. UNIQLO agreed with the foundation's activities and objectives and in support it has solicited funds at its stores since 2001. We organized a volunteer program beginning in 2003 to plant and maintain olive and other trees on the island of Teshima, and approximately 700 employees have participated in the program since its inception.

In 2009, we not only planted olive trees, but also started more community-based activities such as weeding and cleaning coastlines, maintaining cherry blossom trees along streets, and producing rice in abandoned farm fields.

### Donations received from our customers to date and performance results

**Cumulative donations total:** 134,383,335 yen  
**Number of trees planted:** 71,102  
**Number of grant recipient organizations in FY 2009:** 41  
(As of August 31, 2009)

## Supporting Special Olympics Nippon

The Special Olympics (SO) is an international organization that provides opportunities for persons with intellectual disabilities to train for and compete in sporting events. UNIQLO has served as an official partner of the SO Nippon headquarters since 2002, and the company has donated uniforms to volunteer employees involved in supporting the running of sports events. In FY 2009, we provided the official uniform for Japan's team of 87 members in the



Special Olympics World Winter Games in Idaho. We donated 9 types of thermal clothing for the winter games, including benchwarmers, Heat Tech innerwear and fleeces. Our employees also participated in the games as staff volunteers.

**448 employees** participated in volunteer activities

## Volunteer activities of our employees

In 2004, FAST RETAILING launched the FAST RETAILING VOLUNTEER CLUB to encourage employees to participate in social contribution activities. The club has been providing information and helping defray the costs of activities to make it easier for more Group employees to take part.

### Outline of the FAST RETAILING VOLUNTEER CLUB

#### Membership:

- All employees of the FAST RETAILING Group and their families

#### How it supports employees:

- Provides information on volunteers via the club's intranet website and e-mail
- Offers monetary support to cover the cost of volunteer activities
- Offers monetary support to cover 80% of volunteer transportation expenses

## Emergency disaster relief

Since 2001, FAST RETAILING has been engaged in support for disaster victims through monetary and clothing donations. In 2009, we donated a total of 11 million yen and much needed underwear to the victims of the Great Sumatra Earthquake, a typhoon in the Philippines and an earthquake in West Samoa, which all occurred at the end of September. We also called for donations from our Group employees in the countries in which we operate and successfully collected about 800,000 yen. Donations received are sent to the Japanese Organization for International Cooperation in Family Planning (JOICFP), the Japan Red Cross, the non-profit organization JEN, and others toward supporting the lives of those affected by disaster.

# For Our Employees

Finding value in each other and growing personally

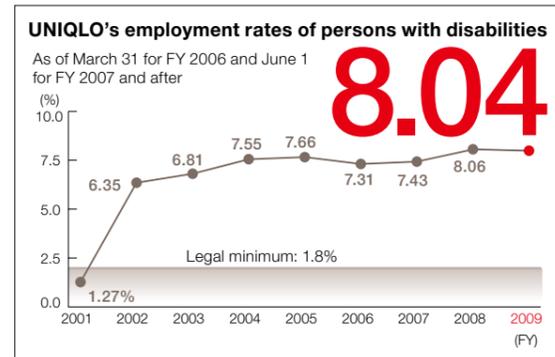
**Our Basic Principle**

FAST RETAILING strives to create comfortable workplaces and continuously enhance employee satisfaction. We respect each individual and foster both corporate and personal growth by establishing environments that cultivate personnel into becoming capable of performing innovative work from a global perspective.

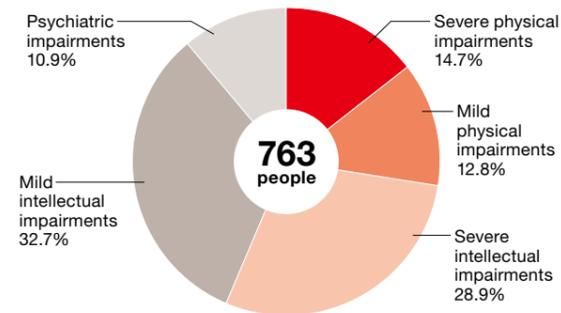
**Promoting the hiring of persons with disabilities**

UNIQLO has been recruiting persons with disabilities since 2001 with the goal of hiring at least one person with disabilities at each store. It is only natural that store staff support an employee with a disability, which thereby promotes overall teamwork. The employment ratio of persons with disabilities currently stands at 8.04%, far exceeding the minimum legal requirement of 1.8%.

Looking ahead, we intend to resolutely achieve this rate at our Group companies by utilizing UNIQLO's experience.



**Classification of impairments among our staff in 2009**



## 145 employees took childcare leave

**Work-Life balance**

UNIQLO has taken a number of steps to assist employees in balancing work and private life and has created an environment that is conducive to ongoing personal and corporate growth. We have revised our childcare and nursing care leave programs to enable employees to remain even longer with the company. Childcare leave may be taken any time up to the child's first birthday. Upon returning to work, employees are able to work shorter hours until March of the year the child becomes a fourth-grader.

**Total number of employees who took childcare and nursing care leaves (2009)**

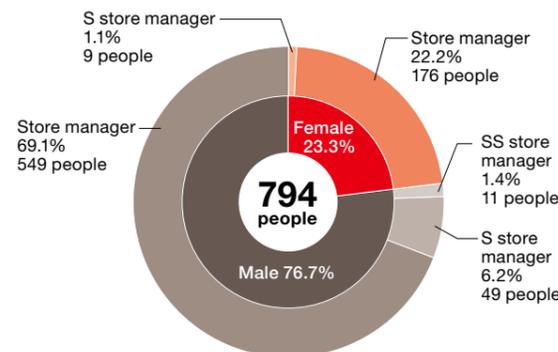
	Full-time employees	Other	Total
Childcare leave	28	117	145
Nursing care leave	1	0	1

## 23.3% of store managers are female

**Promoting diversity**

UNIQLO has introduced various human resource programs to create a diverse employee base and enable individuals to maximize their potential regardless of sex, national origin or career background. In 2004, we launched the Female Store Manager Project to support the career development of women in store management. We also have a regular Women's Forum that men attend as well, and publish a booklet entitled Style, which introduces female store managers around Japan.

**Male-Female ratio in store managers**



SS (Superstar) store manager; S (Star) store manager: Managers given greater responsibilities and authority than regular store managers and selected for their ability to set an example for every store and make an impact on the entire company.

## Over 13 nationalities among our employees

**Active recruitment of foreign students**

To cultivate a more global business, FAST RETAILING has a multinational staff, with individuals employed from over 13 countries including Japan, the United States, the United Kingdom, France, Canada, Russia, China, Korea, Singapore, Thailand, Nepal, Vietnam and Mongolia.

In addition, to foster a more global working environment, we provide English translation of documents for all employees as well as English and Chinese language lessons for effective communication.

## 4 no overtime days per week

**No overtime days**

We designate four days each week as "no overtime days" at the Headquarters to reduce extended working hours and increase productivity. The support of the entire company is enlisted behind this effort, divisions and individuals that frequently engage in overtime work are monitored, and individual guidance is provided to these locations and workers.

Furthermore, we have set aside 16 days of special leave in addition to normal paid leave for regular employees and consistently encourage them to take their days off. With regard to health management, we regularly raise employee awareness through initiatives such as a monthly dissemination of health information via e-mail and consultation services. We also offer an external consultation service that supports mental well-being.

## 386 cases of industrial accidents

**Industrial accidents**

UNIQLO is working to raise the safety awareness of employees in order to prevent injuries and accidents during commuting or work. Nevertheless, there were 116 accidents during commuting and 270 workplace injuries during the current fiscal year. Most workplace injuries were related to the use of a sewing machine for altering trousers and there were 38 such incidents. We will continue to educate our employees through in-house communication and store manager training sessions conducted on a regular basis to prevent accidents from recurring.

## 200 Target number of future global management candidates

**Human resource development**

FAST RETAILING has established the FR Management and Innovation Center to train and nurture globally competent management candidates. We are hiring young and talented people from around the world regardless of nationality to be future management directors. We have already launched entirely new programs that enable us to monitor the progress of management candidates, provide appropriate opportunities and motivate candidates to take initiatives to enhance their own growth. We do this with the aim of nurturing 200 global management candidates.

UNIQLO also established its UNIQLO University in 2000 for the training and development of store staff. With the objective of creating ideal personnel for stores and headquarters, we systematically support the career progression of employees through training courses for new store managers, improving services and career development. We also have systems to meet individual career goals, such as the Employee Franchise Scheme for employees starting their own business as a UNIQLO franchise storeowner and the Superstar Store Manager Program for distinguished store managers working toward having more authority and greater responsibilities.

**Basic curriculum at UNIQLO University**

- **New Employee Training** (for new employees upon entering the company; three times)
- **Regional Employee Training** (for regional full-time employees upon entering the company; twice)
- **Store Manager Training** (for store managers after promotion to their positions; twice)
- **Newly Appointed Store Manager Training** (for newly appointed store managers; once)
- **Store Manager Training for Orientation of New Employees** (for store managers in charge of orientation of new employees; once)
- **Store Manager Training** (for all store managers, once every 6 months; once or twice)
- **Newly Appointed Supervisor Training** (for new supervisors when promoted to this position; twice)



# Environmental Protection Activities

Ongoing efforts to reduce environmental impact and protect the environment

Our Basic Principle

FAST RETAILING complies with environmental laws and keeps abreast of issues facing the international community and the global environment. We believe the first thing FAST RETAILING can do to minimize its environmental impact is to improve management efficiency. We will be ever-vigilant in identifying wasteful operations and look for ways to provide maximum added value with minimum resources.

## FAST RETAILING's focus on the environment

Based on our environmental policies established in 2007, FAST RETAILING strives to reduce impact on the environment in every stage of SPA, from planning, production, logistics and sales to disposal. We continue to work together with customers on environmental issues

through our business activities. One example of this is in the promotion of UNIQLO's All-Product Recycling Initiative since 2006.

Please see our website for details on our environmental policy.

<http://www.fastretailing.com/eng/csr/environment/policy.html>

## Efforts related to UNIQLO's business and major environmental impacts

### A Incorporating environmental considerations into products

UNIQLO believes that providing clothing made from state-of-the-art materials for greater comfort is one way to take the environment into consideration.

### B Addressing packaging concerns when shipping from factories

UNIQLO is steadily reducing the amount of polyethylene packaging used when shipping products from factories. We were able to reduce the number of polyethylene packages by 27.36 million in FY 2009.

### C Increasing energy and resource efficiency in distribution

UNIQLO is constantly working to improve or restructure its distribution flows to significantly boost efficiency. The company has also reduced the weight of cardboard boxes, used when transporting products, to raise load efficiency.

### D Increasing energy and resource efficiency in the office

At the Headquarters, staff are not assigned to a particular desk, which eliminates waste that can be generated by layout modifications following organizational alterations or changes in the number of personnel.

### E Increasing energy and resource efficiency in the stores

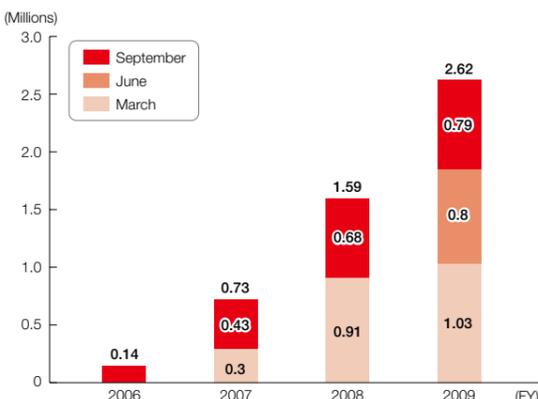
An energy and resource efficiency manual has been distributed to all UNIQLO stores nationwide to facilitate the thorough adoption of measures such as reducing power consumption. In addition, store fixture and facility improvements are under way, including installation of higher efficiency air conditioning and environmentally sound lighting.

### F All-Product Recycling Initiative

We are developing an initiative in which used UNIQLO products are collected at UNIQLO stores and reused or recycled. (For more details, see pp. 3-8 of the Special Contents section.)

A total of 2.62 million items of clothing was collected this year: 1.03 million items in March, 800 thousand in June, and 790 thousand in September.

### Numbers of items collected



Category	Location	FY 2009 Data					
		Planning	Production	Distribution	Sales	Use/Disposal	Other
In	Energy and fuel	Headquarters	Power consumption: 5,549,887 kWh	Gas consumption: 8,193 m <sup>3</sup>			
		Headquarters	Copy paper usage: 9,702,587 sheets				
		Distribution in Japan	Power consumption (calories): 166,166 GJ		Stores	Power consumption: 154,669,947 kWh	
Supplies, etc.					Containers and packaging usage: 4,600 t		
Out	Emissions into atmosphere	Headquarters	CO <sub>2</sub> emissions (electricity, gas): 3,494 t-CO <sub>2</sub>				
		Distribution in Japan	CO <sub>2</sub> emissions: 11,381 t-CO <sub>2</sub>		Stores	CO <sub>2</sub> emissions (power consumption): 63,415 t-CO <sub>2</sub>	
	Waste emissions and recycling	Headquarters	Combustible waste (paper, etc.): 391 t	Incombustible waste (plastic, etc.): 4 t			
		Stores	General waste: 19,485 t	Customers	Products collected through the All-Product Recycling Initiative: 441 t		

Reference  
 • In principle, figures represent results in FY 2009.  
 • "In" and "Out" respectively refer to inputs of energy, raw materials, etc. and outputs of CO<sub>2</sub> and waste.  
 • Store data excludes stores that are tenants in buildings not owned or operated by UNIQLO.  
 • Headquarters' data is for both the Yamaguchi Head Office and Tokyo Headquarters except for gas consumption data, which is for the Yamaguchi Head Office only.

# Compliance and CSR Management

Making the world a better place

Our Basic Principle

In fulfilling our corporate social responsibilities, the FAST RETAILING Group has established a framework that emphasizes compliance and nurtures an awareness of compliance across the FAST RETAILING Group.

## Implementation of CoC

The FAST RETAILING Group Code of Conduct (CoC) has been implemented at UNIQLO and each of the other FAST RETAILING Group companies. Upon the introduction of the CoC and also once a year, every employee is required to understand the content of the CoC and sign a pledge declaring their intent to comply with it in order to ensure thorough implementation.

The CoC is available in Japanese, English, Korean, French and Chinese and at all times accessible via our intranet.

## Internal control

FAST RETAILING is committed to enhancing the corporate philosophy defining the basic principles of our businesses, the FAST RETAILING WAY, and the CoC, which outlines our fundamental approach toward corporate ethics and compliance. We strive to operate legitimately, ethically and efficiently, and to produce accurate financial statements as well as controlled environments and procedures conducive to the disclosure of corporate information. To ensure these are occurring, we conduct objective internal audits and regularly analyze risks for the Group.

Please see our website for more detailed information.

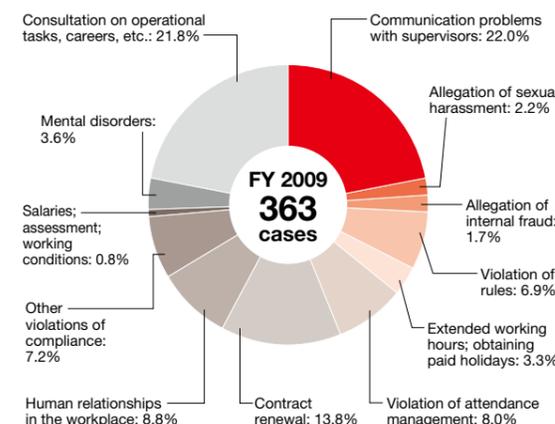
<http://www.fastretailing.com/eng/about/internalcontrol/>

293 → 363 calls to our hotline

## Hotline operation

FAST RETAILING has set up hotlines at each Group company to enable employees to anonymously discuss work-related problems and report potential violations of the CoC. In the event of a potential violation, a team in charge of the hotline investigates to ascertain the facts of the matter while protecting the anonymity of the person reporting the alleged incident. The CoC Committee will then deliberate on concrete actions to be taken. Since FY 2009, we have integrated all our hotlines into one for all domestic Group companies, which has dramatically increased the number of calls made in comparison to 2008. We will continue to disclose cases of compliance violations to all Group companies to prevent violations from recurring.

## Number and content of UNIQLO hotline cases in FY 2009



Results are totals of cases at all domestic companies, including FAST RETAILING, UNIQLO, CABIN and GOV RETAILING.

## Promotional framework for compliance

Compliance means acting in accordance with prevailing laws and regulations and thoroughly governing behavior in accordance with moral and ethical standards. FAST RETAILING has developed an internal framework that serves as the core of these activities.

### FAST RETAILING CSR Committee (bimonthly)

Deliberates issues including the group-wide promotional framework for compliance and social and environmental activities for FAST RETAILING as a whole. The manager of the CSR Department chairs the committee, which consists of top management, officers and an outside expert.

### UNIQLO Code of Conduct Committee (monthly)

Conducts discussions on establishing the CoC. This committee also reviews internal compliance issues received through hotline consultations to determine and present concrete solutions for improvement. The manager of the CSR Department chairs the committee, with members that include auditors and outside attorneys.

### UNIQLO Business Ethics Committee (monthly)

See p. 27 for information.

## Protection of personal information

FAST RETAILING emphasizes the care required for handling personal information as part of training related to the CoC, and efforts are made to raise awareness of this connection. Measures include the implementation of Personal Information Handling Guidelines, fingerprint authentication to control entry into sections that handle important personal information, and information folder access restrictions. In each store, a privacy manager assumes the responsibility of thoroughly applying rules for the handling of customer information.

FAST RETAILING Group's Basic Approach to CSR

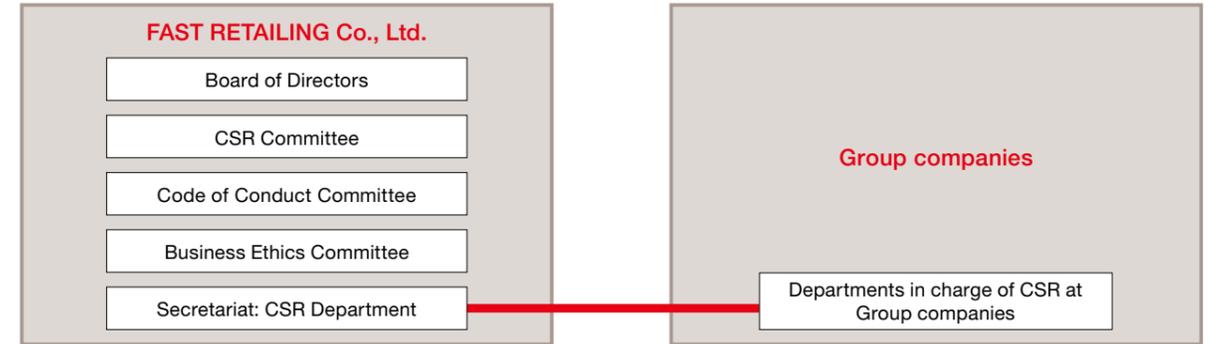
# Making the world a better place

FAST RETAILING's essential approach to CSR is to make the world a better place through planning, producing and selling clothing, one of the basic necessities of life. To remain a company that creates enduring value for the world, we will pursue appropriate management, grow with society and create the next global standard—this is the CSR we aim to fulfill.

To apply this principle, we have formed a CSR Committee comprised of top executives and outside experts. We are engaged in CSR activities involving all Group companies with the CSR Department playing a central role in promoting group-wide initiatives.



CSR promotional framework



**COMPTOIR DES COTONNIERS**

Créations Nelson S.A.S.



Operating under the theme—"precious bonds of love"

In 1995, Comptoir des Cotonniers began with boutiques in Paris and Toulouse, South France with the brand concept "Clothes for Mothers and Daughters." It has been supporting the international humanitarian aid organization Medecins du Monde since 2007. The organization's first mission is to provide medical care to those in vulnerable positions around the world. In most cases, the immediate victims of war, disease and violence are women and children. In 2009, the brand gave particular support to women and children in Nepal, where over 90% of women give birth at home.

This was done through activities aimed at reducing the mortality rate during childbirth and by providing free emergency medical care to expecting mothers. From April 1 to May 10, 2009, 500 yen from the sale of each Leon T-shirt was donated to an international medical charity; from every T-shirt sale, 12 home delivery kits will be purchased. Comptoir des Cotonniers wishes to continue to support various initiatives under the theme: precious bonds of love between mother and child.

**PRINCESSE tam•tam**  
PARIS  
PETIT VEHICULE S.A.S.

For women, children and people suffering from disease

As a free-spirited lingerie brand established in France in 1985, the company operates via a network of 160 closely managed branches located mainly in France and its 1,000 outlet stores located in major department stores in over 40 countries. The PRINCESS tam.tam brand has consistently supported UNICEF and non-profit organizations such as AIDES and Enfance et Partage, all dedicated to improving the lives and protecting the rights of women, children and people suffering from disease. Over the past six years, we have been participating in UNICEF's Les Frimousses de Créateurs and have donated the proceeds from sales of cute dolls auctioned in

November. PRINCESS tam.tam has also supported the Toutes à l'école association established by the editor-in-chief at Marie Claire France. We donate to the association 10 euros for each 25-euro striped flannel shirt purchased at our stores or via our website. The founder and president of the foundation, Tina Kieffer, has said that women are responsible for educating children and that providing children with knowledge is essential for the world's future.



**LTH**

Link Theory Holdings Co., Ltd.

We support the Breast Cancer Campaign as a corporate partner of FTBC Fashion Targets Breast Cancer

Theory was established in New York City in 1997 to meet the needs of contemporary women and to create extremely comfortable, modern and sexy daily wear. Theory became a partner to Fashion Targets Breast Cancer (FTBC) and started a campaign in Japan, an initiative supporting healthy lifestyles for Japanese women, upon a request from the Council of Fashion Designers of America (CFDA) in 2008. In October of that year, we sold logo T-shirts (2 styles), logo bags and logo badges designed by our creative designer, Istvan Francer, at the brand's stores throughout Japan (Theory, Theory Men's, Theory Luxe, Theory Petit, and PLS+T). Profits were donated

to a fund at the Japan Cancer Society and to other organizations toward improving their care in the area of breast cancer, including advocating breast cancer prevention and providing information to patients. During the 7th Japan Fashion Week in TOKYO, we provided free mammography screenings at the main venue in Tokyo Midtown Garden to promote the importance of the early detection of breast cancer.



# FAST RETAILING Group Companies

## FAST RETAILING CO., LTD.

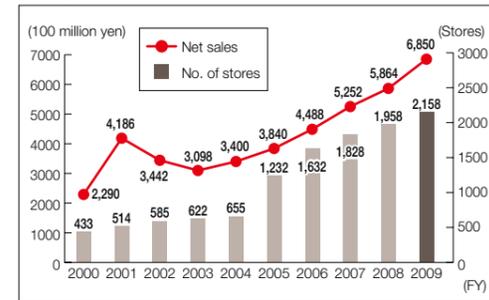
FAST RETAILING is a retail apparel group that operates not only in Japanese but worldwide markets with the UNIQLO casual wear brand as its core business. Under the UNIQLO brand, the Group maintains 770 stores in Japan and 91 overseas and has established a highly profitable SPA business model that integrates all stages of operations, from design through production and sales.

Its main lines of business include UNIQLO; Japan Apparel, which includes apparel and shoe retailers such as GOV RETAILING and CABIN; and Global Brand operations that develop apparel brands overseas.

### Overview (As of August 31, 2009)

**Name:** FAST RETAILING CO., LTD.  
**Established:** May 1, 1963  
**Head Office:** 717-1 Sayama, Yamaguchi City, Yamaguchi 754-0894, Japan  
**Tokyo Headquarters:** Kitanomaru Square, 13-12 Kudan-kita 1-chome, Chiyoda-ku, Tokyo 102-0073, Japan (From March 2010: Tokyo Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6231, Japan)  
**Paid-in Capital:** 10,273.95 million yen  
**Line of Business:** Control and management of overall Group activities as owner and holding company  
**Group Full-time Employees:** 11,037  
**Consolidated Sales:** 685.0 billion yen  
**Closing Date:** August 31

Group net sales and number of Group stores



## FAST RETAILING Group Progress of CSR Activities

		FAST RETAILING Group initiatives
2001	March	Established the Social Contribution Office.
	April	Promoted hiring of persons with disabilities (target set to hire one person per store at all UNIQLO stores).
	October	Began supporting the Setouchi Olive Foundation. Set up donation boxes at all UNIQLO stores.
	December	Launched the Fleece Recycling Program. Donated Air Tech jackets to refugees in Afghanistan through the NPO JEN.
2002	June	Began supporting the Special Olympics Nippon.
2004	February	Supported the Special Olympics World Games in Nagano as a national partner.
	March	Formulated the Guidelines for the Prevention of Improper Behavior Based on Superior Positions.
	May	Held the first meeting of the Business Ethics Committee.
	September	Began monitoring working conditions at partner factories. Founded the employee volunteer organization FAST RETAILING VOLUNTEER CLUB. Formulated the Code of Conduct for employees. Established the Code of Conduct Committee.
2005	September	Received the Minister of Health and Labor Excellent Enterprise Award for Promoting Employment of Persons with Disabilities.
	December	Established the CSR Department at FAST RETAILING. Held the first meeting of the CSR Committee.
2006	June	Received the Tokyo Labor Bureau Director's Award for Excellence as a company practicing equal opportunity for UNIQLO's efforts to promote women's careers.
	September	Launched the All-Product Recycling Initiative by expanding the Fleece Recycling Program to include all types of UNIQLO products.
	November	Published the first FAST RETAILING CSR Report. Received the Partnership Award of the Partnership Awards presented by the Partnership Support Center.
2007	February	Visited refugee camps in Thailand and Nepal. Commenced refugee support activities.
	June	Received the Award of Merit for Supporting Second Challenges from the Cabinet Office for promoting employment of persons with disabilities. Received the Medal with Dark Blue Ribbon and certificate of gratitude from the government for relief activities related to Indonesia's central Java earthquake.
	November	Visited refugee camps in Uganda and Nigeria. Donated 200 thousand items of clothing.
2008	January	Donated 130 thousand items of clothing to cyclone-affected regions in Bangladesh.
	June	Visited refugee camps in Ethiopia. Donated 150 thousand items of clothing.
	October	Received the Fifth Asahi Corporate Citizen Award for the All-Product Recycling Initiative.
2009	March	Number of items collected for the All-Product Recycling Initiative passed the one million mark. Visited IDP camps in Georgia. Donated 280 thousand items of clothing.
	June	Introduced and began implementing new criteria for monitoring workplace conditions at factories.
	September	Provided monetary donations and relief supplies to support the victims of a Sumatra earthquake, Philippine typhoon and West Samoa earthquake. Visited refugee camps in Nepal. Donated 150 thousand items of clothing.

### Editorial Policy

In compiling CSR Report 2010, we at FAST RETAILING have sought to clearly delineate the social responsibilities associated with our business activities and to communicate them in a manner that is easy to understand. We intend to respond with sincerity to the growing expectations, interests and concerns of our stakeholders on the basis of this report.

While the content of this report centers on the activities of UNIQLO CO., LTD., we intend to accelerate our initiatives as the FAST RETAILING Group through the united efforts of each Group company.

Please refer to our Annual Report and the FAST RETAILING website (<http://fastretailing.com/eng>), which serve as companion references for this publication and provide additional corporate information and supplementary data.

### Period

September 2008 to August 2009

- Unless otherwise indicated, figures cited in this report pertain to fiscal year results.
- We have included the most recent information available after the above period, particularly for material issues.

### Publication

January 2010 (The next issue is scheduled for January 2011.)

### Inquiries

CSR Department  
 FAST RETAILING CO., LTD.  
 FR\_G\_frgcsr@fastretailing.com

### Disclaimer

This report not only provides factual information from the past and the present regarding FAST RETAILING CO., LTD. and its group companies, but also includes plans and projections made as of the publication date, and future forecasts based on management policies and strategies. These future forecasts are assumptions or judgments made based on information available at the time. Actual results and circumstances of future business activities may diverge from these forecasts due to changes in various conditions. Your understanding with regard to this matter is appreciated.

### FAST RETAILING CSR communication

In addition to publishing this report, FAST RETAILING distributes pamphlets (Fuku no Chikara (Power of Clothes)) at our stores and actively discloses information on our website in an effort to promote deeper communication with our various stakeholders.

### Fuku no Chikara

We distribute the Fuku no Chikara pamphlet (in Japanese) at UNIQLO stores on an irregular basis. The pamphlet is centered on the theme of "what we can do through clothes" in relation to UNIQLO's CSR activities and social issues. It is intended not as a means for one-way communication, but as a means for reviewing our initiatives and taking our activities to the next step using feedback received through various channels.

### CSR website

<http://www.fastretailing.com/eng/csr/>





**FAST RETAILING**

FAST RETAILING CO., LTD.  
[www.fastretailing.com](http://www.fastretailing.com)