

THE POWER OF CLOTHING

Making The World A Better Place



09 BETTER TEAMWORK, STRONGER COMMUNITIES:
THE BENEFITS OF EMPLOYING PEOPLE WITH DISABILITIES

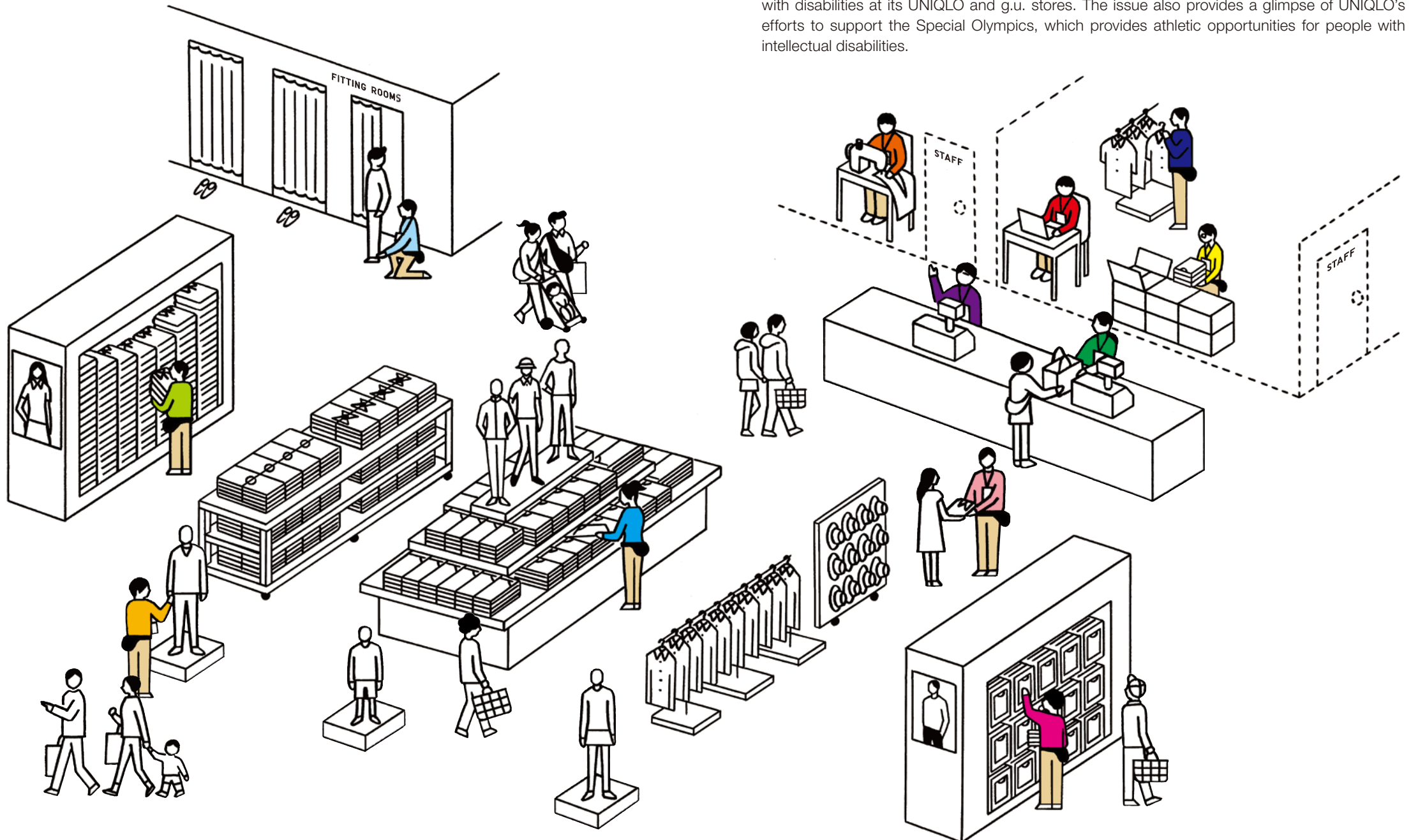
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Better Teamwork, Stronger Communities: The Benefits of Employing People with Disabilities

Many key tasks at our stores go largely unnoticed by customers because they are handled behind the scenes. These duties include jobs such as unboxing large quantities of products delivered by trucks, placing them on hangers with size rings and cleaning the stores inside and out. A diverse group of individuals, including people with disabilities, work closely with each other to complete these kinds of tasks as a team.

This issue of *The Power of Clothing* focuses on the Fast Retailing Group's efforts to employ people with disabilities at its UNIQLO and g.u. stores. The issue also provides a glimpse of UNIQLO's efforts to support the Special Olympics, which provides athletic opportunities for people with intellectual disabilities.





Working as a Team

UNIQLO Japan began promoting the employment of people with disabilities in 2001, but its overseas stores and other Fast Retailing Group companies only started joining these efforts a few years ago. We recently spoke to a number of our staff members throughout the world about their experiences working at our stores, the importance of teamwork and diversity, and how this fits in with society's expectations of corporations.

UNIQLO has more than 1,100 stores around the world. As of February 2012, most of these retail locations – 849, to be precise – were in Japan, with an additional 234 stores in 11 more markets outside of Japan. Every day, customers flock to our stores, which provide valuable employment opportunities for local people – just like UNIQLO stores do throughout Japan.

The world is merging into a single market, giving rise to a new environment in which business is no longer limited by national borders. This new sense of freedom raises questions

about what the world expects from companies, but the answer is clear: to benefit society. At Fast Retailing, we believe that it is extremely important to provide additional value to society across all of our operations around the world.

Every UNIQLO store embodies this conviction by employing skilled individuals who can provide value to customers and society. People with disabilities are no exception.

We have been making rapid progress toward achieving this goal at our stores in Japan and

in other countries. In October 2010, for example, UNIQLO started hiring people with disabilities in South Korea. UNIQLO launched similar initiatives this year at its stores in Singapore, Malaysia and Taiwan.

As we look to the future, our main goal at UNIQLO and for the rest of the FR Group is to accelerate the expansion of this initiative to include a larger number of countries. We are determined to employ individuals with disabilities at more stores, in line with our aim to become an indispensable part of communities throughout the world.

UNIQLO Jobs for Individuals with Disabilities

UNIQLO stores in Japan provide jobs for people with disabilities according to the following guidelines and standards.

Store Staff Recruitment Criteria

Applicants must possess the ability and social skills to provide value to customers. All UNIQLO staff members work under the same conditions, which is why we look for individuals who can work independently and reliably perform daily tasks throughout a full shift without considerable difficulty. We hire individuals with disabilities as part-time employees, and offer them vacation time and health insurance based on company guidelines.

Working Hours and Benefits

- At least 30 hours of work per week
- Varied work schedule
- Contract reviews every six months
- Pensions, health insurance and unemployment insurance

Job Responsibilities

Successful applicants are assigned to jobs that match their skills, following an interview with the store manager. There are many different jobs that need to be done in a typical UNIQLO store, so individuals can try their hand at a range of different tasks, with opportunities to move onto more challenging roles.

The store manager makes all hiring decisions and is responsible for staff development. Store managers who assign particularly challenging tasks to individuals with disabilities should look for ways to provide additional support, rather than simply deciding that some individuals cannot handle certain tasks.

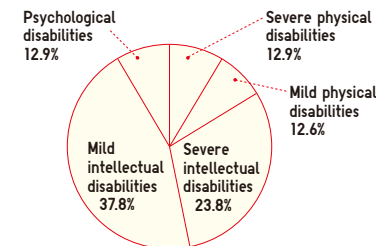
UNIQLO Store Staff Duties

- Preparing for product restocking
- Attaching size rings
- Alterations (hemming)
- Receiving product deliveries
- Helping customers
- Displaying, restocking and tidying up products
- Cleaning
- Putting signs up in the store

Workplaces for Individuals with Disabilities

UNIQLO provides a working environment in which staff members must cooperate with each other. Due to the rapid product turnover at most UNIQLO stores, there is always plenty of work to do, both on the sales floor and in the stock room. We carefully consider the unique skills of each individual before assigning tasks, to ensure that everything is done quickly and accurately. Staff members with disabilities are therefore assigned to jobs that suit their abilities.

Employee Disabilities



Note: Figures indicate percentage of individuals with disabilities at UNIQLO's stores in Japan.

UNIQLO's Efforts to Cooperate with Community-Level Organizations

UNIQLO promotes the employment of people with disabilities in cooperation with Local Vocational Centers for Persons with Disabilities, Employment and Life Support Centers for Persons with Disabilities and government-run employment agencies throughout Japan. We also use government-funded programs to hire some individuals with disabilities on a trial basis, and work with job coaches who help some of these employees adjust to their working environment. Our headquarters provide support to stores by gathering and sharing information on our efforts to employ people with disabilities, conducting on-the-job training sessions and raising awareness.

Future Initiatives

UNIQLO and other companies under the Fast Retailing Group will continue to employ people with disabilities.



Osaka

UNIQLO Abeno Q's Mall Store
Hideto Kawaguchi

Acceptance and Motivation

Osaka's Tennoji/Abeno area, where the UNIQLO Abeno Q's Mall Store is located, is close to Tsutenkaku Tower, a nationally known landmark. The city's mercantile character is on full display in this vibrant commercial district.

Hideto Kawaguchi started working at the store in March 2011. Although he only has limited use of his hands, he has learned how to manage his daily tasks through training. However, it still takes a lot of time and energy for him to get everything done.

He became interested in working at UNIQLO because he thought he could use his English language skills at the company. After graduating from vocational school at the age of 21, he went to the U.K. to study English. His disability is part of who he is as a person, and he found acceptance among the people he met there. They encouraged him to be confident in himself and he now believes in the importance of accepting his disability.

Hideto started learning sign language about a year and a half ago. He thought that he might find a use for his English and sign-language skills at international events such as the Paralympics. "My disability is not visible or externally obvious," he says. "But I still worry about the surprised reaction of people when they do notice. I think people with hearing disabilities may feel the same way."

He is motivated to do as much as possible at the store. He is mainly responsible for managing the stock room, but he also

works on the sales floor, particularly to restock and display products. He occasionally uses his English skills to help customers, and he is learning as much as he can at UNIQLO now so at some point in the future he can realize his dream of working abroad.



Tokyo

UNIQLO atré Akihabara 1
Kuniko Shirai

Professional Dressmaking Skills

The Akihabara area, a mecca for anime and video game enthusiasts, who fondly refer to it as "Akiba," is one of Tokyo's top tourist destinations. The UNIQLO atré Akihabara 1 Store, where Kuniko Shirai works, is in the JR Akihabara

Station building. Despite the small floor space at this location, the store attracts a steady stream of customers. It is particularly busy on weekends, when many alterations have to be done throughout the day.

Kuniko is unable to hear and she struggles to speak clearly. To communicate, she reads people's lips and writes messages. She likes making dresses and handicrafts.

Her daughter has been taking ballet lessons since the age of three and even won a competition when she was in high school. Kuniko made her daughter's ballet costumes over the years, and she often had to mend and refit them for her. She was encouraged by her daughter, who says she only wanted to wear costumes made by her mother.

Kuniko is a reliable and highly valued contributor to this busy store, mainly because of her excellent sewing abilities. Since she started working at the store a year ago, she has been able to

use the skills she developed by making ballet costumes for her daughter. She is happy that she is now able to use her talents and abilities to serve customers.



Tokyo

g.u. Keio Hachioji Store
Tetsuro Kaida
Passion for Clothing

UNIQLO's sister brand, g.u., also employs individuals with disabilities at its stores throughout Japan. Tetsuro Kaida started working at the g.u. Keio Hachioji Store two years ago because he wanted to work in the fashion industry. He loves clothing.

"Every night before I go to bed, I think about what to wear at the store the next day. I start by

choosing a top, then matching bottoms and then socks, to accent everything," he says. "I love socks so much! I buy too many."

After Tetsuro clocks in at 8:15 a.m., he immediately turns on the store's computers. Then he cleans up and starts processing new product deliveries. He removes items from their plastic wrapping, mounts them on hangers and then on racks and takes them out to the sales floor. He always does a good job and his work is highly appreciated by coworkers, as he is a particularly good trainer. He always shows new staff members how to clean the store, display products and take out the garbage. Even when he is focused on his own work, he frequently checks to see how everyone else is doing.

Tetsuro has been planning to take a trip to Osaka this summer. It will be his first time to travel on his own, and he is excited about visiting the g.u. Shinsaibashi Store, the brand's first major flagship location.





How UNIQLO Contributes to Communities Around the World

Seoul

UNIQLO Sillim Store and UNIQLO Yongsan Store

UNIQLO continues to expand its efforts to employ people with disabilities in South Korea, particularly at its stores in Seoul. As of May 2012, 40 such individuals were working at 22 of our 76 stores throughout the country. More and more opportunities are opening up as the brand continues to expand its local operations, in line with the rapid growth of the South Korean economy.

Jeong-beom Han Passion for the Brand

Jeong-beom Han started working at the UNIQLO Sillim Store,

which is located in a commercial district on the No. 2 Subway Line in southern Seoul, in January 2011. He works Monday to Friday, and his responsibilities include unpacking new deliveries, attaching security tags to various items, placing clothing on hangers and helping customers when they ask for assistance on the sales floor. "I feel comfortable here because my coworkers are kind," he says. "But the cardboard boxes are a bit heavy to carry."

On his days off, he likes to build plastic Mobile Suit Gundam*1 models, which he buys with his UNIQLO earnings. He also likes

Japanese comic books such as *One Piece* and *Naruto**2 and is a big fan of Girls' Generation, a popular South Korean girl group. "UNIQLO's clothes are cool and make me look slim," he says. "I love UNIQLO."

Jun-pil Eom My First Paycheck

Seoul's Yongsan district is known for its many consumer electronics shops, similar to Tokyo's Akihabara area. Jun-pil Eom, a staff member at the UNIQLO Yongsan Store, joined the company at the same time as his close friend Jeong-beom

INTERVIEW

Sung-Soo Ahn, Co-CEO, FRL Korea Co., Ltd.



By promoting the employment of people with disabilities, we have increased our awareness of the fact that we are working together as a team, and this has improved the atmosphere in the workplace. Our employees with disabilities have gained confidence in their ability to work and contribute as members of society. I think it's really important to establish solid relationships between communities and businesses, so we can all grow together.

Satoshi Hatase, Co-CEO, FRL Korea Co., Ltd.



Our basic approach to business is to "make the world a better place" through "the Power of Clothing." As a global brand, UNIQLO should address important issues faced by South Koreans. Thanks to the cooperation of the Korea Employment Agency for the Disabled, UNIQLO's efforts to employ people with disabilities are progressing smoothly, and turnover remains low. We hope to further expand our initiative to continue to meet the expectations of South Korean society.

Han. "This is my first job," he says. "I was so glad when I received my first paycheck. I'll continue to work hard to satisfy customers."

Yongsan has a very international atmosphere, as there are many foreign embassies in the area. Many non-Korean customers often visit the store. "It's fun to work at UNIQLO because I get to meet so many different people," he says. "I can improve my people skills, because this job is all about cooperating with others. I've learned the basics of customer service and I now understand the importance of customer satisfaction.

He also studies Japanese, which he first started learning as a second language in high school. "In the future, I want to work more on the sales floor, tidying up products and serving customers."

The Korea Employment Agency for the Disabled is a South Korean government-affiliated agency that promotes the employment of people with disabilities. It matches such individuals with companies and provides pre-employment training and post-employment follow-up services. It is one of UNIQLO's key partners in promoting the employment of

people with disabilities throughout South Korea.

"South Koreans tend to think that individuals with disabilities need to be protected," says Sang-gu Kim, an official at the agency's offices in Seoul. "But many people do not understand that these people can actually work."

UNIQLO will continue to offer more employment opportunities to individuals with disabilities in South Korea, where society in general is increasingly accepting more diversity in the workplace.

*1 Mobile Suit Gundam is an animated TV program in Japan about robots.

*2 *One Piece* and *Naruto* are popular Japanese comic books. Both series have been translated into a number of foreign languages.



Jeong-beom Han often restocks items on the sales floor when quantities start running low.



In the future, Jun-pil Eom would like to help customers on the sales floor.



CSR staff member Ilhun Cho, right, is a great mentor for people who work in the stores.



UNIQLO regularly holds meetings with officials from the Korea Employment Agency, such as Sang-gu Kim, seated second from left.



Community Initiatives to Employ People with Disabilities

Singapore

UNIQLO 313@Somerset Store

Muhammad Shaiful Bin Sahid

An Enjoyable Job

The UNIQLO 313@Somerset Store, the brand's first large-scale retail location in Singapore, boasts a sales floor spanning 1,320 square meters. The store is located in the 313@Somerset Mall on Orchard Road, one of Singapore's top shopping streets.

"Let's start our morning team talk. Get together, everyone!" Muhammad Shaiful Bin Sahid's voice reverberates throughout the store just before it opens. The other staff members quickly line up in front of the cash register, and another busy day begins.

He applied for a position at UNIQLO because he wanted to

work with more people. He had previously worked in the kitchen of a cafeteria that supports people with disabilities. Although he enjoyed working with his coworkers, he wanted to get to know more people and broaden his experience, which is why he decided to try working at UNIQLO.

His main responsibilities at the store include unpacking product deliveries, placing them on hangers and attaching size rings in the stock room. "I really like this job because I can meet lots of customers and staff members," he says. "And I've gained many new friends."

"He works very fast. He's one of our fastest when it comes to attaching size rings," says store manager Janet Wong. "He's very proactive and asks for more

things to do when he finishes his tasks early."

He would like to become a manager in the future. "I want to learn more, too," he says.

Given his positive attitude, his future looks bright.



Special Report

Employment for People with Disabilities Around the World

By Nobuhiko Tanaka

Nobuhiko Tanaka is a business journalist and human resources expert who specializes in business in China. He has written for a wide range of print publications, and currently serves as an advisor to companies with business in China.

People with disabilities would generally have a tough time finding employment if they had to compete on their own in the job market. This is true just about anywhere in the world, which is why there are numerous initiatives in many different countries that are designed to address this issue and provide more job opportunities for such individuals.

These kinds of initiatives are usually based on one of two different approaches. The first method is for governments to set hiring quotas that require companies to fulfill their responsibility to society. In Japan, under the Act on Employment Promotion of Persons with Disabilities, companies must employ a certain percentage of people with disabilities.* Countries such as France, Germany, Italy, Austria, China and South Korea, have taken similar approaches.

The other way to ensure that people with disabilities have access to job opportunities is to strictly prohibit companies and organizations from discriminating against such individuals in their hiring policies, according to the principles of equality and equal opportunity. All individuals should be given a fair shot in the job market, regardless of whether or not they have a disability.

Under this approach, companies are not subject to specific hiring quotas. Rather, they are expected to provide reasonable support and understanding to individuals with disabilities, while the job applicants themselves are still expected to demonstrate that they can serve as capable members of a company's workforce. And if an applicant with a disability is hired but ultimately fails to meet the expectations of his/her employer, that person may face the

prospect of losing his/her job – just like anyone else in the job market. This approach is said to be particularly common in the U.S. and U.K.

Countries have different ways of approaching the challenge of making life better and more fulfilling for people with disabilities. But there are no right or wrong approaches, as there are many ways to tackle these problems in an effective manner.

Individuals with disabilities now account for 7.19% of UNIQLO Japan's workforce. This is impressive, because it is far above the government's minimum legal requirement of 1.8%. Of course, this is not the only barometer of success, because standards and approaches differ among companies throughout the world.

The December 2006 adoption of the U.N. Convention on the Rights of Persons with Disabilities underscored the fact that slowly but surely, the entire world is moving in the same direction. The general principles set out in this document include respect for individual autonomy, respect for differences among human beings and the acceptance of individuals with disabilities. Indeed, any company that chooses to operate at an international level should recognize its responsibility to honor these fundamental values and promote greater acceptance of diversity in the workforce. This is how companies gain respect and become embraced by people and communities throughout the world.

Regardless of our differences, we must stay the course and achieve our goals together. The most important thing is to continue to move forward.

Cooperating with Communities

Albert Chew
Co-CEO, UNIQLO (SINGAPORE) PTE. LTD.



Very few apparel companies in Singapore and Malaysia employ people with disabilities. UNIQLO, however, intends to fulfill its mission to contribute to the communities in which it operates by actively implementing a range of initiatives designed to improve society.

Satoshi Onoguchi
Co-CEO, UNIQLO (SINGAPORE) PTE. LTD.



As we have observed at UNIQLO stores in Japan, we are seeing greater consideration and thoughtfulness for others among our employees here, as a result of working alongside individuals with disabilities. Rather than just talking about contributing to society and communities, it is important for our staff to actually take action. Our efforts have just started here in Singapore and Malaysia. We will continue them for years to come.

*Under Japanese law, individuals with disabilities must account for 1.8% of a company's workforce. However, according to the government's methods for calculating this percentage, each part-time employee only counts as half a person, while full-time employees count as one person. The minimum hiring requirement for companies is set to rise to 2.0% in April 2013.

What are the Special Olympics?

The Special Olympics provides year-round sports training programs and competitive athletic events for individuals with disabilities around the world. It tries to encourage compassion and acceptance among all people, while giving individuals with disabilities the chance to demonstrate their skills and interact with other athletes, volunteers and communities. UNIQLO, an official partner of Special Olympics Nippon since 2002, regularly provides support by donating uniforms for athletic competitions and encouraging its employees to participate as volunteers at Special Olympics events.

Regular Athletic Competitions

Every four years, the Special Olympics holds national and international athletic competitions in the summer and winter. The next major event, the Special Olympics World Winter Games, will be held in South Korea in 2013.



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Special Olympics Nippon

Special Olympics Nippon, which is certified by the U.S.-based Special Olympics organization, oversees all Special Olympics activities in Japan. Olympic marathon gold medal winner Yuko Arimori is the president and CEO of the organization's Japan branch.



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Awards for Everyone

All participating athletes receive awards for competing in Special Olympics events. The top three contenders in each athletic event are given gold, silver and bronze medals, while ribbons are distributed to all other participants. The winner's podium is designed to accommodate as many as eight people. Every participating athlete has a chance to stand at the podium and receive a medal or ribbon. Even athletes who are disqualified during competition are later recognized for participating with a ribbon.

Athletic Qualifications

Any person with an intellectual disability who is aged six years or older can participate in the year-round athletic programs offered by the Special Olympics. Individuals who are at least eight years old can compete in the Special Olympics Games as athletes. The Special Olympics has branches in 175 countries and provides services to about 3.7 million athletes throughout the world.



Special Olympics' Original Sports

The Special Olympics includes a number of original sporting events. For example, hockey, a winter sport, is played in a gymnasium, rather than on ice. This is done so athletes can play floor hockey throughout the world, even in warmer countries.



© Special Olympics Nippon

Volunteer Program

No special knowledge or experience is required to become a volunteer. Anyone who is motivated can participate, even individuals who consider themselves non-athletic types. Volunteers fulfill a range of different roles, such as preparing athletic venues for competition, acting as guides for athletes and spectators, and transporting sports equipment to the events.



The Importance of Uniforms

UNIQLO donates uniforms to support the Japanese national team when it competes in the World Games, while also providing clothing for staff volunteers at Special Olympics events in Japan. Uniforms have the power to quickly bring people together and unite them as a team.



Special Olympics Nippon: National Winter Games, Fukushima

Athletic Excellence and Post-Quake Reconstruction

The most recent Special Olympics National Winter Games were held in Fukushima Prefecture, Japan, in February 2012, almost one year after the Great East Japan Earthquake.

The Special Olympics Nippon Fukushima Executive Committee started preparing for the games just one month after a massive earthquake and tsunami struck Japan on March 11, 2011. They wanted to hold the competition in Fukushima Prefecture to support Japan's reconstruction efforts, but they faced many obstacles. For one thing, the committee members were directly affected by the disaster themselves. There were also concerns that people would not come to the games, even if they managed to secure venues. However, they remained determined to hold the games in Fukushima Prefecture.

The venues were set up and safety measures were confirmed before the opening day. About 4,000 athletes and volunteers flocked to Fukushima Prefecture

from all over Japan.

Miho Nakamura (Photo A), an employee at the UNIQLO Minami Yoshinari Store in Sendai, was one of the athletes who came. "It makes me happy to hear all the cheers for me," she said.

About 1,400 of the volunteers came from Fukushima Prefecture. One of them, Kenichi Morita (Photo B, left), witnessed the destruction of his hometown when the earthquake and tsunami struck. He volunteered to help at the games because he wanted to do something to benefit Fukushima Prefecture. He also cheered for the athletes on behalf of his friends and relatives, as many of them were not able to participate.

"People throughout the region

help each other," said volunteer Tatsuya Hata (Photo C). "We're always here to help others, regardless of whether or not we are officially recognized as 'volunteers'."

Special Olympics Nippon President and CEO Yuko Arimori (Photo D) shared her thoughts at the awards ceremony. "Thanks to the passion and devotion of the people of Fukushima Prefecture, we were able to hold the games in spite of the disaster," she said. "Fukushima brought us together."

The games symbolized the desire of the people to rebuild their lives after the disaster. The courage that the athletes and volunteers have shown will help them to take the next step forward.



From Fast Retailing

Our Role in Communities Around the World

In 2001, people with disabilities only accounted for about 1.27% of UNIQLO Japan's total workforce, which was not very high. But in stores where individuals with disabilities were already working, unexpected changes started to occur.

For example, at one store in Naha, Okinawa Prefecture, one staff member with a hearing disability turned out to be particularly sensitive to the needs of customers when helping them with their shopping. At the same time, her coworkers started to become more considerate. Many of them started paying attention to the difficulties she regularly experienced. In short, they started to think about the needs of others.

This mindset, which is particularly important when helping customers, contributed to a significant improvement in service quality at the store. Based on these positive experiences, UNIQLO decided to start promoting the employment of people with disabilities at all of its stores in Japan.

UNIQLO strongly believes that every employee is an indispensable part of its team. Some tasks might be difficult for some individuals with disabilities, but there are many different jobs throughout UNIQLO that need to be done. UNIQLO's stores provide rewarding opportunities for such people, specifically matched to their unique skills and abilities. And all of UNIQLO's store managers and staff members are particularly enthusiastic when it comes to helping their disabled coworkers.

Fast Retailing fosters personal, corporate and community growth by respecting individuals and creating an environment that helps its staff become globally competent workers. It will continue to create an environment in which all of its employees across the globe feel truly respected. It believes that by doing so, it can become an indispensable part of communities throughout the world.

Past issues of *The Power of Clothing*

- Vol. 1: Spotlight on Employees with Disabilities
- Vol. 2: Where UNIQLO Products Come From
- Vol. 3: UNIQLO's All-Product Recycling Initiative
- Vol. 4: The Setouchi Olive Foundation and UNIQLO
- Vol. 5: What is a Social Business?
- Vol. 6: Truly Great Clothing for People Around the World
- Vol. 7: How Clothing is Changing Japan and the World
- Vol. 8: The Future of Social Business

The Power of Clothing can be read online at:

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