

Striving to Build Fair Relationships with Its Stakeholders, FAST RETAILING is Also Committed to Being an Environmentally Friendly Company.

We will do what we can, in a sustainable manner, one step at a time. We aim to reduce environmental impact in the entire supply chain, starting with the recycling of our entire product line.

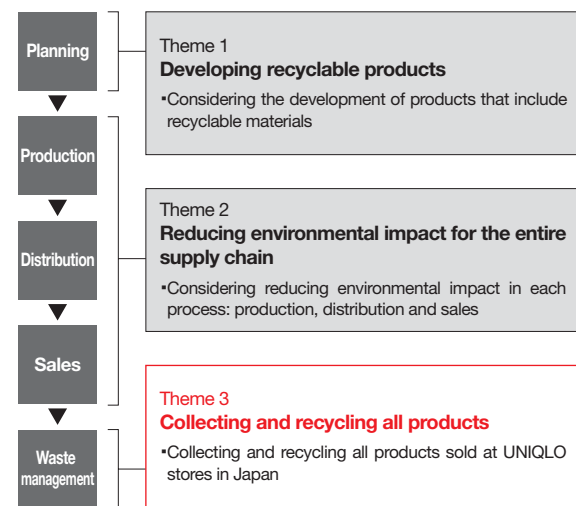
Basic Approach to Environmental Activities

FAST RETAILING CO., LTD. complies with all environmental laws and regulations in each of its business processes, from product planning to production, distribution, sales and waste management. We, moreover, strive to reduce the environmental impact of our business activities in a sustainable manner.

Presently, our specific activities center on product recycling, but looking ahead, we plan to make steady progress in developing recyclable products and reducing environmental impact throughout the supply chain.

As well as working to reduce the environmental impact of our business, we plan to continue other unique initiatives such as supporting the Setouchi Olive Foundation.

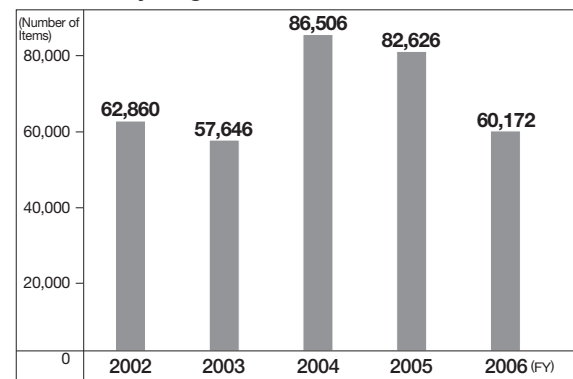
Areas of Environmental Activities



Product Recycling — UNIQLO CO., LTD.

As a company employing the SPA business model, UNIQLO CO., LTD. is involved in product planning, production, distribution and sales in an integrated manner. In order to reduce environmental impact throughout the lifecycle of our products, in August 2001, we started collecting and recycling fleece products that were sold at our stores and are no longer needed by customers. As of August 2006, we had recycled around 350,000 individual fleece products.

Fleece Recycling



Total products recycled: **349,810**
(As of August 31, 2006)



Sliced fleeces for thermal recycling

Collected items

Recycling All Products on a Trial Basis — UNIQLO CO., LTD.

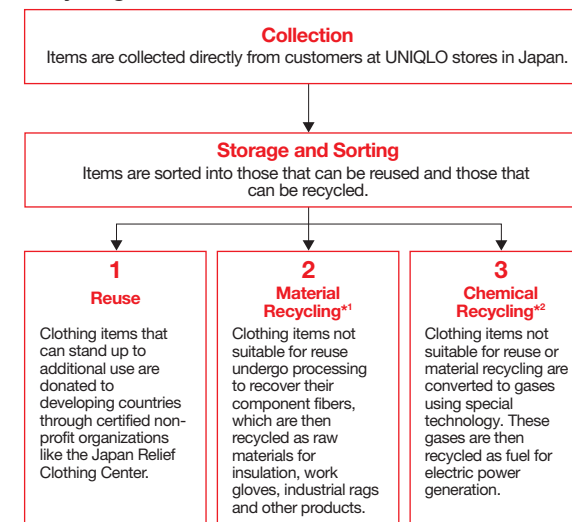
UNIQLO CO., LTD. ran a project for one month from September 1 to September 30, 2006 in which we collected all products sold at UNIQLO for the purpose of recycling. The aim of the project was to expand the scope of the fleece recycling program to our entire product line.



After the products were collected, items in good condition were donated to developing countries, while the others were processed by material or chemical recycling with minimal environmental impact, in line with the type of material.

The accomplishments of this recycling project are posted and updated on our website at <http://www.fastretailing.com/eng/csr>

Recycling Flow



***1 Material Recycling**
Recycling products for use as raw materials in vehicle insulation, industrial rags, etc.
***2 Chemical Recycling**
Heat and pressure are applied to return the products to their original petroleum and basic chemical components, which are then used as fuel for power generation and in other applications.

Setouchi Olive Foundation — UNIQLO CO., LTD.

UNIQLO CO., LTD. endorses the goals of the Setouchi Olive Foundation, which is involved in planting olive and other trees on the islands in Japan's Seto Inland Sea and along the coastline. We have, therefore, supported the foundation by donating on an ongoing basis since 2001. Donation boxes are located in all UNIQLO stores and donations are solicited from customers. Every donation made by a customer is matched by UNIQLO CO., LTD. and the total is then contributed to the foundation.



About the Setouchi Olive Foundation

The Setouchi Olive Foundation was started on the initiative of Kohei Nakabo and Tadao Ando in 2000. It is involved in afforestation activities to restore the once rich natural environment of Teshima, which faces the Seto Inland Sea, and where there was an illegal dumping site for industrial waste, as well as of other Seto Inland Sea islands and coastal areas. The goal of the foundation is to plant one million trees – olive trees, in particular – that match the vegetation of the area.

Results of Support Activities

Trees planted: **44,227**
Total amount donated from customers: **¥77,974,999**
(cumulative total as of August 31, 2006)

Setouchi Olive Foundation Administrative Office
<http://www.olive-foundation.org>

T O P I C S

Olive tree planting on Teshima to raise employee awareness of the environment

The UNIQLO Volunteer Club (pg. 28) is an organization run by UNIQLO CO., LTD. employees on their own volition. Twice a year, members of the club travel to Teshima and help plant olive trees there as volunteers. Participants include store staff from nearby Kagawa and Okayama Prefectures as well as employees from as far away as Kanto and Kyushu. As of August 2006, a total of 100 employees had volunteered to plant the trees. Volunteers have an opportunity to learn about the illegal dumping of industrial waste that took place on Teshima, from the residents of the island.



In addition to planting trees, this activity has contributed to raising our awareness about environmental issues as something that closely affects us, and as such we will continue the activity going forward.