October 12, 2006
FAST RETAILING CO., LTD.

Results summary for the year to August 31, 2006

Consolidated results (billions of yen)

	Yr to August 2006 Actual	(y/y)	Yr to August 2007 Estimate	(y/y)
Net Sales	448.8	(+16.9%)	535.5	(+19.3%)
Gross Profit	212.4	(+24.7%)	261.0	(+22.9%)
(to net sales)	47.3%	(+3.0p)	48.7%	(+1.4p)
SG&A Expenses	142.0	(+25.1%)	180.6	(+27.1%)
(to net sales)	31.7%	(+2.1p)	33.7%	(+2.1p)
Operating Income	70.3	(+24.1%)	80.4	(+14.3%)
(to net sales)	15.7%	(+1.0p)	15.0%	(▲0.7p)
Ordinary Income	73.1	(+24.8%)	80.5	(+10.1%)
(to net sales)	16.3%	(+1.1p)	15.0%	(▲1.3p)
Net Income	40.4	(+19.3%)	44.5	(+10.0%)
(to net sales)	9.0%	(+0.2p)	8.3%	(▲0.7p)

【Summary】Revenue & profit up significantly in year to August 2006

FAST RETAILING achieved a large gain in both revenue and profit in the year to August 31, 2006. Net sales totaled ¥448.8bln (up 16.9% year on year), operating income came in at ¥70.3bln (up 24.1% year on year), and net income totaled ¥40.4bln (up 19.3% year on year).

There were several factors behind this double digit rise in net sales, including: 1) favorable sales at our mainstay domestic UNIQLO operation, first for winter garments and then for spring and summer goods, and 2) the contribution from newly consolidated subsidiaries such as French firms NELSON FINANCES S.A.S and PETIT VEHICULE S.A., and the Japanese footwear retail chain ONEZONE CORPORATION. On the profit front, we experienced an increase in goodwill amortization and increased management costs as the number of new consolidated subsidiaries rose. However, thanks to a 2-point improvement in gross margin at our mainstay domestic UNIQLO operation, overall consolidated operating income rose 24.1% year on year. Net sales and operating income for the UNIQLO Japan operation exceeded estimates. That strong domestic UNIQLO performance enabled us to offset losses at our US UNIQLO operation and ONEZONE subsidiary and still exceed estimates on our consolidated profit as well.

Business forecasts for the year to August 31, 2007 are as follows: net sales ¥535.5bln (up 19.3% year on year), operating income ¥80.4bln (up 14.3% year on year), net income ¥44.5bln (up 10.0% year on year), or a profit of 436.9 yen per share. We are planning an annual dividend of 140 yen per share.

● UNIQLO Japan – revenue up 7.7%, operating income up 21.1% year on year

The domestic UNIQLO operation makes up 88% of the FR group consolidated net sales. And in the year to August 31, 2006, net sales were favorable generating a 7.7% rise in revenue year on year.

This strong performance was due to a number of factors. 1) Net sales on an existing store basis rose 0.7% year on year. 2) The total number of direct-run UNIQLO stores in Japan increased by 39 stores year on year. (Total stores at end August 2006: 703 direct-run stores, or 720 stores including franchises.) 3) Net sales at new stores were favorable particularly at the new large-format stores with minimum 1650sqm floor space such as the Ginza Store. While unusual weather caused customer numbers to fall significantly in October, April and May, the average purchase price per customer rose 3.1% for the full year. That in turn meant that existing store revenue slightly exceeded our initial forecast of 0%, rising 0.7% year on year. In addition, we enjoyed a large increase in profit at the domestic UNIQLO operation with operating income rising 21.1% year on year. Gross margin improved by 2 points to 46.5% with less discount sellingand other factors, and any rise in advertising and promotion and other SG&A items was kept in line with the rise in overall revenue.

During the year to August 31, 2007, we are expecting revenue at UNIQLO CO., LTD. (Note) to rise 9.3%, and operating profit to rise 11.0% year on year. We expect sales at existing stores to rise 1.4%, and the total number of direct-run stores to increase by 38 stores. Of those new stores, 20 stores are likely to be large-format stores of 1650sqm or more. We are also looking to improve our gross margin by 0.8 points through better control of selling prices.

(Note) From the year to August 2007, the domestic UNIQLO operation will be displayed as UNIQLO CO., LTD.

● Overseas UNIQLO business

Our overseas UNIQLO operations all posted a loss in the year to August 2006 with the exception of Hong Kong where the first store opened in Autumn 2005. However, we expect operations in the UK, China and South Korea to turn a profit in the year to August 2007. We also expect to cut the red ink at the US UNIQLO operation with the planned opening of our global flagship 3300sqm store in New York's Soho area. We will be moving towards a flagship store strategy across our overseas UNIQLO operations and plan to open a 2300sqm flagship store in Pudong, Shanghai in December 2006. By opening flagship stores in each country, we will be working to boost recognition of the UNIQLO brand, improve sales and operational efficiency.

● Group companies

Other major group operations are: 1) our operation in France, 2) the ONEZONE CORPORATION footwear retail chain in Japan, and 3) CABIN Co., Ltd (First Section, Tokyo Stock Exchange) which became an FR consolidated subsidiary in August 2006.

Our French operation is managed by our intermediate holding company FR FRANCE that in turn manages NELSON FINANCES S.A.S, the developer of the comptoir des cotonniers brand, and PETIT

VEHICULE S.A., developer of the PRINCESSE tam.tam lingerie brand. Both of the firms are performing well, contributing combined net sales of ¥22.6bln and operating income of ¥5.0bln to FR consolidated results in the year to August 2006. We are expecting a stable but expanded performance at FR FRANCE in the year to August 2007. NELSON FINANCES will incur costs as it opens new stores across Europe and the incorporation of currently loss-making COMPTOIR DES COTONNIERS JAPAN LTD. onto the FR consolidated accounts is likely to mean that profit will be flat. But, PETIT VEHICULE will contribute to the full year consolidated accounts and is expected to achieve a 10% increase in both its revenue and profit.

ONEZONE CORPORATION generated an operating loss in the year to August 2006 with sales falling below expectations. We are planning to turn performance around at ONEZONE in the year to August 2007 with 21 new store openings. We are aiming to shift into the black in this coming year by fundamentally transforming the way footwear is selected and purchased, by strengthening product appeal and by drastically changing the range of shoes on display. The FR group will be cooperating on all fronts for a turnaround in performance at ONEZONE.

CABIN Co., Ltd became an FR consolidated subsidiary at the end of August following a successful take over bid. We are predicting net sales of ¥22.6bln and operating income of ¥0.9bln in fiscal 2007 (September 2006 through August 2007). FR began extending management support with 5 personnel seconded to CABIN to help strengthen performance in the areas of management, personnel, management planning, production and administrative management.

● Business forecasts for the year to August 31, 2007

Business forecasts for the year to August 31, 2007 are as follows: net sales ¥535.5bln (up 19.3% year on year), operating income ¥80.4bln (up 14.3% year on year), net income ¥44.5bln (up 10.0% year on year), or a profit of 436.9 yen per share. We are planning an annual dividend of 140 yen per share.

FAST RETAILING CO., LTD. discloses data on its business results and offers a variety of press releases on its IR website. Please refer to http://www.fastretailing.com/ir/ for more detailed information.