April 13, 2006
FAST RETAILING CO., LTD.

Results summary for six months to February 2006

Consolidated Results **(Units：¥ billion)**

(billions of yen)	6mths to Feb 05 Actual	6 mths to Feb 06 Actual	6 mths to Feb 06 y/y	Yr to Aug 05 Actual	Yr to Aug 06 Revised Estimate	Yr to Aug 06 y/y
Net Sales	201.8	238.6	+18.2%	383.9	**444.9**	＋15.9%
(to net sales)	100.0%	100.0%		100.0%	100.0%	
Gross Profit	89.8	112.4	+25.1%	170.2	**208.7**	＋22.6%
(to net sales)	44.5%	47.1%		44.3%	46.9%	
SG&A Expenses	54.5	66.9	+22.7%	113.5	**138.3**	＋21.8%
(to net sales)	27.0%	28.0%		29.6%	31.1%	
Operating Income	35.3	45.5	+28.7%	56.6	**70.2**	＋24.0%
(to net sales)	17.5%	19.1%		14.7%	15.8%	
Ordinary Income	36.2	47.1	+30.2%	58.6	**72.3**	＋23.4%
(to net sales)	18.0%	19.8%		15.2%	16.3%	
Net Income	21.3	26.5	+24.3%	33.8	**40.0**	＋18.0%
(to net sales)	10.6%	11.1%		8.8%	9.0%	

【Summary】FR achieves big profit boost in first half – ordinary income up 30.2% y/y

In its 2006 interim results (September 2005 through February 2006), FAST RETAILING CO., LTD. overall net sales rose 18.2% year on year to ¥238.6bln and ordinary income rose 30.2% to ¥47.1bln. Net income rose 24.3% year on year to ¥26.5bln. Our mainstay domestic UNIQLO business also achieved favorable sales and profit figures. When you include the expansion of the group as a whole to such firms as the French NELSON FINANCES S.A.S., FAST RETAILING attained a significant boost in both income and profit in the first half of 2006.

Our domestic UNIQLO sales increased 7.4% year on year. Existing store net sales exceeded last year's performance by 0.5%. And we also achieved a favorable increase in new stores and promising opening performances at our new large-scale stores (over 1650 sq meters). We were able to boost our gross income on sales compared to the same period last year, and, through better control of mainly advertising & promotion and personnel costs, we were also able to boost our profit margin considerably.

As for our new consolidated subsidiaries, NELSON FINANCES S.A.S., the developer of the Comptoir des Cotonniers brand in France, produced favorable results. A good performance from our newly opened subsidiaries in South Korea and Hong Kong, launched in Autumn 2005, also helped boost consolidated profit.

Since our interim results came in somewhat above our initial forecasts, we have decided to revise up our consolidated estimates for the full business year to August 2006. Accordingly, our full year estimate for net sales has been increased from ¥435.0bln to ¥444.9bln (up 15.9% y/y), our ordinary profit estimate has been raised from ¥69.0bln to ¥72.3bln (up 23.4% y/y) and our net profit target raised from ¥37.9bln to ¥40.0bln (up 18.0% y/y). We are planning an interim dividend per share of 65 yen and a full year dividend of 130 yen.

●Overall net sales

Our domestic UNIQLO operation constitutes 90% of total FAST RETAILING net sales. Domestic UNIQLO sales rose 7.4% in the first half. There are 3 main reasons for this improved performance; ① our total number of direct-run stores at end February 2006 (excluding small-format stores) had increased by 24 over the previous year to 677 stores or 696 when you include franchise stores, ② existing store net sales rose 0.5% year on year, and ③ new large-scale stores such as our new store in Ginza (1650+ square meters) performed well on sales. In line with the drop in temperature from November onwards, sales of winter garments to protect against the cold such as knitwear and outerwear were favorable. The average purchase price per customer actually rose 2.0% year on year. That was due to a number of factors including; the removal of any remaining comparative impact between sales-tax exclusive and inclusive price displays and the consequent strength in protective winter clothing sales, the stronger sales of higher-priced goods such as cashmere products, heat-tech inner wear and new season fashionable men's wear items.

We have seen the incorporation of some new subsidiaries into the consolidated accounts including footwear retailer ONEZONE CORPORATION, French apparel developer NELSON FINANCES S.A.S., and overseas UNIQLO subsidiaries developing operations in the US, South Korea and Hong Kong. Overall consolidated net sales rose 18.2% year on year during the six months to February 2006.

●Gross income on sales

Our gross margin on sales improved 2.6 points year on year to 47.1% in the first half. That was due in the main to the 2.0 point improvement in margin at our domestic UNIQLO operation to 46.5%, and the incorporation into consolidated accounts of the high margin generating subsidiary NELSON FINANCES. We were able to reduce the need to discount prices following a successful year-end bargain season and an improved ability to detect changing demand trends and adjust orders accordingly.

●SG&A to net sales ratio

Our SG&A cost to net sales ratio worsened 1.0 point compared to the previous year to 28.0%. That was due in the main however to the incorporation of more consolidated subsidiaries. On our domestic UNIQLO business, while the increase in total store numbers generated some higher costs, our ability to control advertising & promotion and personnel costs meant that we were actually able to achieve a 0.7 point improvement in SG&A cost as a percentage of net sales.

●Balance sheet

At the end of February 2006, cash, cash equivalents and marketable securities totaled ¥156.2bln, an increase of ¥35.2bln compared to end August 2005. This was due in the main to an increase in operating cash flow. Inventory assets increased ¥1.3bln compared to end August 2005. However, this was due to the increased number of consolidated subsidiaries and an increase in inventory at footwear subsidiary ONEZONE CORPORATION. Following a sale to clear unwanted inventory at ONEZONE, inventory levels had fallen to a low level at end August 2005. But by end February 2006, ONEZONE inventory had reached an appropriate level. Inventory at the domestic UNIQLO business fell following favorable sales of winter garments. Intangible fixed assets increased ¥6.8bln compared to end August. Of that total, ¥5.2bln generates from the accounting of goodwill in relation to the acquisition of PETIT VEHICULE S.A., the developer of the PRINCESSE tam.tam lingerie brand in France. Interest-bearing debt increased ¥7.0bln in the first half. This generates from an increase in long-term Euro borrowings again in relation to the purchase of PETIT VEHICULE.

●Overseas UNIQLO operation

UNIQLO entered the US market in Autumn 2005, but so far both sales and profit have fallen short of expectations. We plan to open a new flagship UNIQLO store in New York's Soho area in Autumn 2006 in order to increase our brand recognition. The store will boast a shop floor of around 3,300 square meters. We have revised down our full year forecast for the US operation to a loss of ¥1.0bln in anticipation of preparation costs for this new flagship store. Conversely, interim sales and profit at our South Korea and Hong Kong subsidiaries, also launched in Autumn 2005, have exceeded expectations, and we are forecasting a profit there for the full year. We believe that these operations in South Korea and Hong Kong will become success models for future UNIQLO ventures overseas.

●Group operations

Looking at our other group operations, ONEZONE CORPORATION, purchased in March 2005, and NELSON FINANCES, whose operating rights were purchased in May 2005, both contributed to interim consolidated accounts for the first time.

Interim sales performance at ONEZONE was slightly lower than forecast resulting in an ordinary loss at the subsidiary. However, we are conducting a vigorous ongoing revitalization of the business with around 200 shoe stores refurbished as FOOT PARK outlets during the six months to February, and 3 new store openings in March. We expect to see a turnaround on sales in the second half. And we are predicting ONEZONE net sales of ¥24.0bln and ordinary income of ¥0.03bln for the full business year to August 2006.

Interim results from NELSON FINANCES were strong thanks to a successful Autumn/winter collection and an improved delivery system that helped reduce any opportunity loss on sales. Income at NELSON FINANCES increased around 40% year on year and profitability also improved. For the full business year, performance estimates for NELSON FINANCES and PETIT VEHICULE (purchase completed in February 2006) will be included in the forecasts for our French holding company FR FRANCE S.A.S. We are currently forecasting full year net sales for FR FRANCE of ¥18.4bln and ordinary income of ¥3.6bln. Finally, investment income generated from our equity-method affiliate LINK THEORY HOLDINGS CO., LTD. totaled ¥0.3bln in the first half and we are forecasting an income of ¥0.64bln for the full business year.

●FAST RETAILING business forecasts for the year to August 2006

Since our interim results came in slightly above initial estimates, we have decided to revise up our forecasts for the full business year to August 2006. We have revised our full year estimates as follows; net sales from ¥435.0bln to ¥444.9bln (up 15.9% y/y), ordinary income from ¥69.0bln to ¥72.3bln (up 23.4% y/y), and net income from ¥37.9bln to ¥40.0bln (up 18.0% y/y).

On our second half forecasts for the domestic UNIQLO business through August 2006, we estimate existing store sales to be flat year on year. We plan to open 35 new direct-run stores and to close 15 stores. That would generate a total number of direct-run stores at end August of 697 stores or 716 stores including franchises. We expect the gross margin on sales to reach 46.0% (up 1.5 points year on year).

And finally, we are planning an interim dividend of 65 yen and a full year dividend of 130 yen - a dividend payout ratio of 33.1%.

Note: 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 further details and information.