

FAST RETAILING to increase capital at its South Korean subsidiary

FAST RETAILING has decided to conduct a capital injection into its South Korean subsidiary FRL Korea Co., Ltd. The details of the said injection are laid out below.

1. Reason for capital injection

To strengthen UNIQLO operations in the Republic of Korea through additional store openings, etc.

2. Details of capital injection

(1) Capital injection total	6 billion Korean won
(2) No of outstanding shares	1,200,000 ordinary shares
(3) No of shares post capital increase	2,400,000 ordinary shares
(4) Date of completion	September 2006 (tentative)

3. Outline of FRL Korea Co., Ltd.

(1) Business name	FRL Korea Co., Ltd.
(2) Business location	In the environs of Seoul, Republic of Korea
(3) Business representative	Joint Representative Director/President Sung-Soo Ahn Joint Representative Director/Vice President Satoshi Hatase
(4) Business aim	The sale and promotion of UNIQLO brand casual clothes in the Republic of Korea
(5) Date of establishment	December 16, 2004
(6) Capital	Before capital injection: 6 bln Korean won (approx. ¥0.7bln) After capital injection: 12 bln Korean won (approx. ¥1.4bln) Calculated using exchange rate of 1 Korean won = ¥0.1205
(7) Shareholdings	FAST RETAILING CO., LTD. 51.0% Lotte Shopping Co., Ltd. 49.0% (This capital injection will not change the holdings ratio)

4. Expected impact on FR consolidated results

This capital injection will not affect FR consolidated results for the year to August 31, 2006.