

July 5, 2007
FAST RETAILING CO., LTD.

Notification regarding a Proposal to acquire Barneys New York, Inc.

On July 2, 2007, FAST RETAILING CO., LTD. ("FAST RETAILING") submitted a proposal to acquire Barneys New York, Inc. ("Barneys") for \$900 million (approx 110 billion yen). Barneys is currently wholly-owned by the US-based apparel maker Jones Apparel Group, Inc. ("Jones", NYSE:JNY). Jones' Board of Directors has concluded that FAST RETAILING's proposal is reasonably likely to lead to a superior offer for Barneys.

Background to the Proposal

On June 22, 2007, Jones announced an agreement to sell Barneys to Istithmar, a Dubai based private equity firm for \$825 million (approx 100 billion yen). FAST RETAILING had previously communicated its interest in acquiring Barneys to Jones last fall and is submitting its proposal under the provisions of the Jones agreement with Istithmar, which allows Jones to consider superior proposals for Barneys if received prior to July 22, 2007.

This offer reflects our expectations regarding the attractive long term growth potential of Barneys and the synergy potential with the FAST RETAILING Group.

FAST RETAILING's proposal is conditioned on satisfactory completion of due diligence and execution of a mutually acceptable purchase agreement. It is not subject to financing and can be consummated on an expedited basis.

This offer does not include the Japanese licensee of Barneys New York.

Barneys overview

- Founded in 1923, Barneys New York is a leading luxury department store chain in the United States.
- Barneys currently operates 34 stores in the US, including the Manhattan flagship store and large format stores in Beverly Hills, Chicago, and Boston as well as the smaller Barneys CO-OP and Barneys outlet format stores.
- Jones purchased Barneys in December 2004.

ABOUT FAST RETAILING (<http://www.fastretailing.com/eng/>)

FAST RETAILING CO., LTD. is the leading Japanese-based apparel retailer with a presence throughout the world. Founded in 1963, it currently operates 1,800 specialty stores in over 12 countries. For the year ended August 2006, FAST RETAILING had consolidated overall net sales of 448.8 billion yen (\$3.7 billion), and a consolidated operating profit of 70.3 billion yen (\$586 million). FAST RETAILING has a current market capitalization of approximately 930 billion yen (\$7.8 billion), and more than \$1 billion of cash and cash equivalents on hand.

Among the best known global brands within the FAST RETAILING Group are UNIQLO, Theory, Comptoir des Cotonniers, and Princesse tam.tam. The UNIQLO brand of casual clothes is Japan's largest apparel retail chain with approximately 750 stores throughout Japan, as well as stores in the US, UK, China, South Korea, and Hong Kong. The Company has substantial experience in acquiring companies in the retail sector, including footwear retail chain ONEZONE CORPORATION (2005), Créations Nelson S.A.S., the developer of the Comptoir des Cotonniers brand (2005), PETIT VEHICULE S.A.S., developer of the Princesse tam.tam brand (2005) and CABIN CO., LTD. (2006). FAST RETAILING acquired an equity stake in LINK THEORY HOLDINGS CO.,LTD., the marketer of the Theory and Helmut Lang apparel brands in 2004.