

July 20, 2007
FAST RETAILING CO., LTD.

FAST RETAILING to commence tender offer for CABIN CO., LTD.

FAST RETAILING CO., LTD. resolved at the meeting of its Board of Directors held on July 20, 2007 that it will acquire the common stock of CABIN CO., LTD. (Ticker: 8164, the 1st Section of the Tokyo Stock Exchange; “Target” or “Cabin”) through a friendly tender offer that aims at turning the Target into a wholly owned subsidiary as follows:

1. Purpose of the Tender Offer

FAST RETAILING CO., LTD. (“Company”) currently holds 20,903,000 shares of the Target in common stock (50.00% of the total number of issued and outstanding shares), with the Target as a consolidated subsidiary. Now, the Company is launching a friendly tender offer (“Tender Offer”) in order to acquire the total number of issued and outstanding shares of the Target (excluding the Target’s shares already held by the Company and treasury shares held by the Target, the same applies hereafter).

The Target started as a shop of women’s casual wear, and operates specialty shops that sell high-fashion ladies’ wear and general merchandise developed and edited by itself as a pioneer of a manufacturing and retail business. In the ladies’ wear brand, the Target operates 217 shops nationwide (as of May 31, 2007), through launching brands such as “ZAZIE”, “Real Riche”, “e.a.p”, and “enracine” independently, or by combining several brands. However, it is not easy for the apparel industry to appropriately respond to the change of the business environment amid the progress of globalization (multinationalization) both in production and in sales. In addition, in recent years, in the ladies’ wear retail industry where the Target operates its business, especially with the young females targeted by the Target as its main customers, the tendency to strictly select products and services has increasingly strengthened, in addition to the diversification of the life style, and therefore the business environment has continued to be severe. Under such environment, it is necessary to organically utilize the management resources of the FAST RETAILING Group in order to rapidly respond to the change of the market environment, and to continue a further growth in the future.

The Company has acquired 11,547,000 shares of the Target in common stock (25.70% of the total number of the issued and outstanding shares at the time) on April 21, 2006, and thereafter it has promoted the strengthening of the Target's management structure through production, the opening of new shops, and the development of human resources in addition to the strengthening of the capital relationship such as the turning of the Target into a consolidated subsidiary through a tender offer during period between July 24, 2006 and August 17, 2006 and the entering into a comprehensive business alliance agreement with the Target on October 4, 2006.

Based on the recent business environment, however, there are many issues to deal with such as making a detailed response to the diversifying lifestyle of the customers, and the steady provision of products and services that have proposing power. In order to promptly deal with these issues, the Company has determined that it is necessary to reestablish a dynamic business structure that aims at the strengthening of the cooperative system of the FAST RETAILING Group including the Company and the affiliated companies. The Company intends to prepare a structure to promptly implement a flexible and agile management strategy, measures and other matters by making the Target a wholly owned subsidiary of the Company towards the re-establishment of its business structure, and convert into a business structure that clarifies the commitment of the FAST RETAILING Group. As a result of this, the Company will make investments and conduct restructurings to develop the business categories and shops much faster than before, and plans to further accelerate the creation of a new ladies' wear chain by developing the Target into an entity that pursues a higher competitiveness and profitability as a core company regarding the ladies' clothing business, which is one of the core businesses of the FAST RETAILING Group. In addition, the development of the Target into an entity having higher profitability will significantly contribute to the improvement of the further corporate value of the FAST RETAILING Group as a whole.

The Company intends to turn the Target into a wholly owned subsidiary of the Company as stated above, and plans to turn the Target into a wholly owned subsidiary by the Tender Offer and a series of procedures thereafter ("Procedures for Turning the Target into a Wholly Owned Subsidiary"). Even if the Tender Offer is successfully completed, if the Company fails to acquire all the common stock issued by the Target in the Tender Offer, the Target will submit to the ordinary general shareholders meeting to be held in November 2007 ("Ordinary General Shareholders Meeting") the bills, including a) To change the Target into a Corporation with Class Shares stipulated in the Corporate Law; b) To grant the rights to acquire all the common stock (*Zenbu shutoku Joko*) issued by the Target; and c) To deliver separate Target shares of the Target in place of the acquisition of such shares, after the completion of the Tender Offer, in order to implement the Procedures for Turning the Target into a Wholly Owned Subsidiary. Upon execution of the Procedures for Turning the Target into a Wholly Owned Subsidiary, once the above mentioned a) is approved in the Ordinary General Shareholders Meeting, the Target will become a Corporation with Class Shares stipulated in the Corporate Law, and in addition to the resolution of the Ordinary General

Shareholders Meeting, it will become necessary to receive a resolution by the general class shareholders meeting, which makes the class shareholders of the Target common stock with the rights to acquire all the common stock (*Zenbu shutoku Joko*) issued by the Target as the content of the shares its constituent members (“General Class Shareholders Meeting”), in accordance with Article 111, Paragraph 2, Item 1 of the Corporate Law with respect to the above mentioned b). Therefore, the Target will hold the General Class Shareholders Meeting on the same date as the Ordinary General Shareholders Meeting, and in order to determine shareholders who may exercise the rights at the General Class Shareholders Meeting, where that resolution should be made, the Target will set August 31, 2007 as the record date, and will make a public notice on July 23, 2007 to determine that shareholders who are indicated or recorded in the final shareholder register and substantial shareholder register as of the same date as shareholders who may exercise the rights at the General Class Shareholders Meeting to be held in November 2007. Shares to be granted the rights to acquire all the commons stock (*Zenbu shutoku Joko*) issued by the Target are all shares issued by the Target as of today, and therefore all the shareholders indicated or recorded in the final shareholder register or substantial shareholder register as of the record date are subject to the public notice regarding the establishment of the record date for a convocation of the General Class Shareholders Meeting, which makes the class shareholders of the Target common stock as its constituent members.

If this Tender Offer is successfully completed, the Company will hold 66.70% or more of the total voting rights of the Target, and the Tender Offeror intend to cast approving votes to the each of the above bills. In this case, all of the common stock issued by the Target will be acquired by the Target, due to the rights to acquire all the common stock (*Zenbu shutoku Joko*), and other kind(s) of shares of the Target shall be delivered to shareholders of common stock, provided that shareholders whose separate Target shares to be delivered as consideration are fractions less than one share will receive cash that is obtained by the sale, etc. of the sum of such fractions (including the purchase of a whole or a part of the sum of such fractions by the Target) by procedures under laws and ordinances. The price of such fractions is going to be calculated based upon the Offer Price of this Tender Offer, however, it might be different from that calculated based upon the Offer Price of this Tender Offer for the reasons described below. The classes and numbers of shares to be delivered to shareholders have not been determined as of the date hereof, however, they are going to be determined so that the holding of shareholders other than the Company shall be limited to such fractions less than one share so that the Company shall have all of the issued and outstanding shares of the Target (excluding treasury shares).

In regard to the above a) through c) procedures, the Corporate Law provides that (i) shareholders have rights to request the company to purchase their shares upon amendment to the Articles of Incorporation granting the rights to acquire all the common stock (*Zenbu shutoku Joko*) (b) above, under Article 116 and Article 117 of the Corporate Law and (ii) the shareholders may file a request determination of the fair price for acquisition under Article 172 of the Corporate Law in the case that acquisition of whole shares regarding such acquisition rights, stated in c) above, is resolved by a shareholders meeting. In addition,

the purchase price and the acquisition price under (i) and (ii) above are finally determined by the court. Accordingly, the price received by the shareholders in the case of (i) and (ii) above may be different from the Offer Price in this Tender Offer. Shareholders must study and decide at their own responsibility upon such request and filing.

In regard to a) To change the Target into a Corporation with Class Shares stipulated in the Corporate Law; b) To grant the rights to acquire all the common stock (*Zenbu shutoku Joku*) issued by the Target; and c) To deliver separate Target shares of the Target in place of the acquisition of such shares as stated above, other procedures equivalent to a) through c) above may be performed depending on interpretation by the authorities regarding related laws and ordinances, share holding rate of the Tender Offeror and circumstances regarding share holding by shareholders other than the Tender Offeror, etc. In any case, however, cash will be distributed to the shareholders of the Target other than the Tender Offeror in the final stage. In this stage, the amount of cash will be calculated based on the Offer Price in this Tender Offer but the amount of cash may be different from the Offer Price in this Tender Offer.

The shareholders should consult with tax specialists individually with respect to tax-related matters involved in this Tender Offer and the implementation of the Procedures for Turning the Target into a Wholly Owned Subsidiary.

In order to secure fairness of the Offer Price of the Target's shares in the Tender Offer, the Company has obtained a valuation report ("Valuation Report") from Nomura Securities Co., Ltd. ("Nomura Securities"), a financial advisor as a third party assessor that is independent from the Company and the Target, and referred to its opinions in deciding the Offer Price. The Offer Price of 710 yen per share has been decided by the Company by referring to such Valuation Report and opinions by Nomura Securities, and based on the actual example of the premium granted to the market price in the past tender offer for the share certificates, etc. by a person other than the issuer. Furthermore considering whether or not the Target accepts the Tender Offer, the tender offer price of the tender offer (740 yen) conducted by the Company by targeting the Target's common stock during the offer period between July 24, 2006 and August 17, 2006, the market price of the Target, the perspective of the Tender Offer and other matters, and also based on the results of discussions and negotiations with the Target. The Offer Price of 710 yen in this Tender Offer represents a premium of 30.76 % (rounded to the nearest second decimal) over the simple arithmetic average of 543 yen of the closing share prices (rounded off after the decimal place) on the First Section of the Tokyo Stock Exchange during the past 1-month period ending on July 19, 2007, and also represents a premium of 33.46 % (rounded to the nearest second decimal) over the simple arithmetic average of 532 yen of the closing share prices (rounded off after the decimal place) on the First Section of the Tokyo Stock Exchange during the past 3-month period ending on July 19, 2007.

The Target has resolved at the meeting of the Board of Directors held on July 20, 2007 that the Target would accept the Tender Offer because the Board of Directors believed that the Tender Offer would

contribute to the strengthening of the basis of its operation, restructuring of its business and its future development, and would offer opportunities for the shareholders of the Target to sell their shares in consideration of a reasonable price. Upon such resolution of acceptance, the Board of Directors of the Target has determined that the Offer Price in the Tender Offer is fair in reference to the “Report on Calculation of Value of Shares” of the Target by KPMG FAS Co., Ltd., being a third party assessor that is independent from the Company and the Target and consulted outside legal counsel regarding the legality of the tender offer procedures, correctness of the management decision by the Target’s Board of Directors at the current point, and other matter. Mr. Tadashi Yanai, Chairman, President & CEO of the Company, is concurrently serving as Chairman and Representative Director of the Target, and is also a special affiliated person, and therefore he did not participate in the resolution regarding the expression of the acceptance. In addition, Mr. Naoki Otoma, Operating Officer (Senior Vice President) of the Company, is concurrently serving as an outside director of the Target, and therefore did not participate in the resolution regarding the expression of the acceptance. Furthermore, among the Target’s Corporate Auditors, all Corporate Auditors except Mr. Masa Matsushita, Director of the Company, have expressed their opinions that they approve of the Board of Directors of the Target announcing its acceptance of the Tender Offer. The acceptance of such meeting of the Board of Directors has also been obtained with respect to the implementation of the series of the Procedures for Turning the Target into a Wholly Owned Subsidiary that is planned after the completion of the Tender Offer.

Because the Company has not set a maximum limit to the number of share certificates to be purchased in the Tender Offer, the Target’s shares may be subject to delisting pursuant to certain procedures if this Tender Offer results in such shares qualifying for the delisting standards of the Tokyo Stock Exchange relating to the liquidity etc. of the shares. In addition, the Company plans to turn the Target into a wholly owned subsidiary after completion of this Tender Offer pursuant to applicable laws and regulations, and in such case, the Target’s shares will be delisted even if the delisting standards are not fulfilled at the time of payment of this Tender Offer. The Target’s share certificates may not be sold or purchased at the Tokyo Stock Exchange after delisting.

2. Overview of the Tender offer

(1) Overview of the Target

(As of February 28, 2007)

(a)	Trade Name	CABIN CO., LTD.											
(b)	Description of Business	Operations of specialty shops of women's clothing (planning and development, production and sales of apparels and other matters)											
(c)	Established	August 1971											
(d)	Head Office	3-15-5, Nishi-Shinjuku, Shinjuku, Tokyo											
(e)	Representatives	Tadashi Yanai, Chairman of the Board, Representative Director Kenji Yoshie, President, Representative Director & CEO											
(f)	Capital	15,174 million yen											
(g)	Major Shareholders and Shareholding Ratio	<table border="0"> <tr> <td>FAST RETAILING CO., LTD.</td> <td>50.00%</td> </tr> <tr> <td>Goldman Sachs International (Standing proxy: Goldman Sachs (Japan) Ltd. Tokyo Branch)</td> <td>8.96%</td> </tr> <tr> <td>Justice Co.,Ltd.</td> <td>2.15%</td> </tr> <tr> <td>Izuru Hiraaki</td> <td>1.98%</td> </tr> <tr> <td>Yasuo Kawabata</td> <td>1.67%</td> </tr> </table>		FAST RETAILING CO., LTD.	50.00%	Goldman Sachs International (Standing proxy: Goldman Sachs (Japan) Ltd. Tokyo Branch)	8.96%	Justice Co.,Ltd.	2.15%	Izuru Hiraaki	1.98%	Yasuo Kawabata	1.67%
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Justice Co.,Ltd.	2.15%												
Izuru Hiraaki	1.98%												
Yasuo Kawabata	1.67%												
(h)	Relationships between the Tender Offeror and the Target, etc.	Capital Relationship	As of July 20, 2007, the Company holds 50.00% of the total number of issued and outstanding shares of the Target.										
		Personnel Relationship	As of July 20, 2007, Tadashi Yanai, Chairman, President, & CEO of the Company is concurrently acting as Chairman of the Board, Representative Director of the Target. In addition to this, one of the Company's Operating Officer has assumed the position of the Director of the Target one of the Company's Operating Officer (Senior Vice President) has assumed the position of the External Director of the Target. Furthermore, one of the Company's Directors has assumed the position of the Corporate Auditor of the Target.										
		Transaction Relationship	N/A										
		Conditions that fall under the relevant party	The Target is a consolidated subsidiary of the Company, and falls under the relevant party.										

Note 1: Information regarding the description of the Target is indicated based on the Securities Report for the 37th fiscal year submitted by the Target on May 25, 2007.

Application Period of the Share Price		Valuation Per Share
Latest 5 Business Days Average Share Price	July 11, 2007 to July 18, 2007	530 yen
Latest 1 Month Average	June 19, 2007 to July 18, 2007	543 yen
Latest 3 Months Average	April 19, 2007 to July 18, 2007	532 yen
Calculation Result		530 yen to 543 yen

The Company compared and examined the valuation result of each method in the Valuation Report, and determined that the range of the Target's valuation per share would be between 509 yen, the lowest valuation result based on the Comparable Company Method, and the 756 yen, the highest valuation result based on the Discounted Cash Flow Method, and carried out the examination based on the example of the premium granted upon determination of the tender offer price in the past example of the tender offer for share certificates, etc. by a person other than the issuer. Furthermore, the Company took into account whether or not the Target would accept this Tender Offer, the offer price of the tender offer (740 yen) conducted by the Company by targeting the Target's common stock during the tender offer period between July 24, 2006 and August 17, 2006, the market price of the Target, the prospect of this Tender Offer, and other matters, and based on the result of discussions and negotiations with the Target, and other matters, and the Company finally decided that the Offer Price is 710 yen per share in this Tender Offer.

The Offer Price in this Tender Offer represents a premium of 30.76 % (rounded to the nearest second decimal) over the simple arithmetic average of 543 yen of the closing share prices (rounded off after the decimal place) at the First Section of the Tokyo Stock Exchange during the past one-month period ending on July 19, 2007, and also represents a premium of 33.46 % (rounded to the nearest second decimal) over the simple arithmetic average of 532 yen of the closing share prices (rounded off after the decimal place) on the First Section of the Tokyo Stock Exchange during the past 3-month period ending on July 19, 2007.

b) Process of Calculation

From around March 2007, the Company has examined the recent business environment surrounding the Target, and the management issues, and future potential, and then after April 2007, the Company started the negotiation with the Target.

As a result, the Company has determined that it is necessary to reestablish a dynamic business structure that aims at the strengthening of the cooperative system of the FAST RETAILING Group including the Company and the affiliated companies, in order to further improve a corporate value of the first retailing as a whole. The Company has clarified the understanding of the issues faced and management resources held by the Target through the efforts made during the past one year after turning the Target into a consolidated subsidiary, and also mutual understanding has been deepened sufficiently through the cooperative relationship. Therefore, the Company commenced the specific examination regarding the Tender Offer, and decided the Offer Price of the share certificates in the Tender Offer in accordance with the following process.

- (i) Name of the third party from which the Company obtained its opinion upon calculation

The Company received the valuation report regarding the valuation per share of the Target on July 19, 2007 from Nomura Securities.

- (ii) Outline of the opinion

Nomura Securities made a valuation per share depending on each method such as the Market Average Share Price Method, the Comparable Company Method, and the Discounted Cash Flow Method. The valuation report says that the valuation per share is 530 yen to 543 yen based upon the Market Average Share Price Method, 509 yen to 538 yen based upon the Comparable Company Method, and 675 yen to 756 yen based upon the Discounted Cash Flow Method.

- (iii) Process of determination of the Offer Price based on that opinion

The Company conducted an examination in reference to the above valuation result. In addition, the Company determined that this Tender Offer aims at the acquisition of all outstanding shares of the Target, and it is desirable to consider a certain premium over the level of the Target's share price, and therefore carried out the examination based on the example of the premium granted upon determination of the tender offer price in the past example of the tender offer for share certificates, etc. by a person other than the issuer, and further the Company took into account whether or not the Target has approved this Tender Offer, the tender offer price of the tender offer (740 yen) conducted by the Company by targeting the Target's common stock during the offer period between July 24, 2006 and August 17, 2006, the market price of the Target, the prospect of this Tender Offer, and other matters, and based on the result of discussions and negotiations with the Target, and other matters, and the Company finally decided at the Company's Board of Directors meeting held on July 20, 2007

that the Offer Price is 710 yen per share in this Tender Offer.

(iv) Other measures to assure the fairness of the Offer Price

The Board of Directors of the Target obtained a valuation report from KPMG FAS Co., Ltd. as a third party assessor, and consulted outside legal counsel regarding the legality of the purchase procedures, the correctness of the management decision by the Target's Board of Directors at the current point, and other matters. Considering the above-mentioned valuation report and opinions, it was resolved at the Board of Directors meeting held on July 20, 2007 that the Target would accept the Tender Offer because the Board of Directors believed that the Tender Offer would contribute to the strengthening of the basis of its operation, restructuring of its business and its future development, and would offer opportunities for the shareholders of the Target to sell their shares in consideration of a reasonable price.

(v) Measures to prevent a conflict of interest

In order to prevent any conflict of interest, the Company and the Target, as mentioned above, separately obtained opinions regarding the Target's valuation per share from a third party assessor that is independent from the Company and the Target.

In order to prevent a conflict of interest between the Company and the Target, the Company and the Target separately obtained opinions regarding the valuation per share of the Target from a third party assessor that is independent from the Company and the Target, and have referred to those opinions in determining the Offer Price or in deciding the acceptance of this Tender Offer.

The above mentioned resolution by the Target's Board of Directors has been made based on the opinions of outside legal counsel in addition to the opinions regarding the Target's valuation per share from a third party assessor. Mr. Tadashi Yanai, Chairman, President & CEO of the Company, is concurrently serving as Chairman and Representative Director of the Target, and is also a special affiliated person, and therefore he did not participate in the resolution regarding the indication of the acceptance. In addition, Mr. Naoki Otoma, Operating Officer (Senior Vice President) of the Company, is concurrently serving as an outside director of the Target, and therefore did not participate in the resolution regarding the indication of the acceptance. Furthermore, among the Target's Corporate Auditors, all Corporate Auditors except Mr. Masa Matsushita, Director of the Company, have expressed their opinions that they approve of the Board of the Target announcing its acceptance of the Tender Offer.

- c) Relationship with the assessor

The assessor does not fall under a relevant party of the Company or the Target.

(5) Number of Shares to be Purchased

Class of Shares	a) Number of Shares to be Purchased	b) Number of Shares that may exceed such number
Shares	6,885,000 shares	-(shares)
Stock Acquisition Right Certificates	-(shares)	-(shares)
Bond Certificates with Stock Acquisition Rights	-(shares)	-(shares)
Depository Receipts for Shares, etc.()	-(shares)	-(shares)
Total	6,885,000 (shares)	-(shares)

(Note 1) If the total number of tendered shares is less than the number stated in the “Minimum Number of Shares to be Purchased” (6,885,000 shares, “Minimum Number of Shares to be Purchased”), none of the tendered shares will be purchased. There is no maximum limit in this Tender Offer, and therefore, if the total number of tendered shares is equal to or more than the Minimum Number of Shares to be Purchased, all such tendered shares will be purchased.

(Note 2) Shares less than one unit (*Tangen-miman-kabu*) will also be purchased under the intended Tender Offer. Share certificates, however, must be submitted upon application. (If the share certificates are kept by the Japan Securities Depository Center, Inc. through the Tender Offer Agent as stated in (11) below, the share certificates of shares less than one unit (*Tangen-miman-kabu*) need not be submitted.)

(Note 3) The treasury shares owned by the Target (142,672 shares as of February 28, 2007) will not be the subject of this Tender Offer. Therefore, the maximum number of shares to be purchased by the Tender Offeror in this Tender Offer will be 20,757,972 shares, which is obtained by deducting the number of treasury shares owned by the Target (142,672 shares) and the number of the Target’s shares held by the Tender Offeror (20,903,000 shares) from the total number of the outstanding shares stated in the Securities Report of the 37th fiscal year submitted by the Target on May 25, 2007 (41,803,644 shares).

(6) Change in the Shareholding Ratio of Shares, etc. Due to the Tender offer

Number of Voting Rights Represented by the Shares, etc. Held by the Tender Offeror Before the Tender Offer	20,903	(Shareholding Ratio of Shares, etc. Before the Tender Offer: 50.18%)
Number of Voting Rights Represented by the Shares, etc. held by Specially Related Parties Before the Tender Offer	50	(Shareholding Ratio of Shares, etc. Before the Tender Offer: 0.12%)
Number of Voting Rights Represented by the Shares, etc. to be Purchased	6,885	(Shareholding Ratio of Shares, etc. After the Tender Offer: 66.70%)
Total Number of Voting Rights of All Shareholders of the Target	40,477	

(Note 1) The “Number of Voting Rights Represented by the Shares, etc. Held by the Tender Offeror Before the Tender Offer” and “Number of Voting Rights Represented by the Shares, etc. held by Specially Related Parties Before the Tender Offer” are numbers held by the Tender Offeror and Specially Related Parties as of July 20, 2007.

(Note 2) The “Number of Voting Rights Represented by the Shares, etc. held by Specially Related Parties Before the Tender Offer” indicates the total number of voting rights pertaining to share certificates, etc. held by each of the specially related parties (excluding treasury shares held by the Target). The number of voting rights related to the shareholding in the Cabin’s Executive Stock Ownership Association by the Target’s executives, being special affiliated persons (six) is also included.

(Note 3) The “Total Number of Voting Rights of All Shareholders of Target” indicates the number of voting rights of all of the shareholders as of February 28, 2007 as described in the Securities Report of the 37th fiscal year submitted by the Target on May 25, 2007 (“Securities Report”) (This number includes one voting right pertaining to shares under the name of the Japan Securities Depository Center, Inc. and two voting rights pertaining to shares under the Target name in the shareholder register but not substantially held by the Target).

(Note 4) Since shares less than one unit (Tangen-miman-Kabu) also fall within the scope of this Tender Offer, “Number of Voting Rights Represented by the Shares, etc. to be Purchased” and “Ownership Percentage of Shares, etc. after Tender Offer” are calculated based on the following:

“Total Number of Voting Rights of All Shareholders of the Target” is 41,660, including 1,183, being the number of voting rights regarding shares less than one unit (Tangen-miman-kabu) (the number of voting rights regarding (1,183,972 shares, excluding 672 shares, being the number of the Target’s treasury shares less than one unit (Tangen-miman-kabu), which is not to

be purchased through this Tender Offer, from 1,184,644 shares, being the number of shares less than one unit (Tangen-miman-kabu) stipulated in the securities report above) and 40,477, being the “Total Number of Voting Rights of All Shareholders of the Target” above.

(Note 5) Since the Tender Offeror will purchase all of the tendered shares if the total number of tendered shares exceeds the Minimum Number of Shares to be Purchased (6,885,000 shares), the maximum “Ownership Percentage of Shares, etc. after Tender Offer” may reach 100.00%.

(Note 6) “Shareholding Ratio of Shares, etc. Before the Tender Offer” and “Shareholding Ratio of Shares, etc. After the Tender Offer” are rounded to the nearest second decimal.

(7) Aggregate Offer Price 4,888 million yen

(Note) The above Aggregate Offer Price is the amount obtained by multiplying the number of shares planned to be purchased by the Offer Price per share. In the case that the total number of the tendered shares exceeds the Minimum Number of Shares to be Purchased (6,885,000 shares), the maximum Aggregate Offer Price will be 14,738 million yen because the Tender Offeror will purchase all of the tendered shares.

(8) Method of Settlement

a) Name and Address of Head Office of Securities Company/Bank etc. in Charge of Settlement

NOMURA SECURITIES CO., LTD 9-1 Nihonbashi 1-chome, Chuo-ku, Tokyo

b) Commencement Date of Settlement

Monday, August 27, 2007

(Note) In accordance with Article 27-10, Paragraph 3 of the SEL, if the Opinion Report stating request of extension of the Tender Offer Period is submitted by the Target, the commencement date of settlement will be Friday, September 7, 2007.

c) The Method of Settlement

A notice of purchase will be mailed to the addresses of the tendering shareholders (or the standing proxy in the case of Non-Japanese Shareholders, etc.) without delay after the end of the Tender Offer Period. Payment for the purchase of the shares will be made in cash. The Tender Offer Agent will remit the Offer Price without delay after the commencement date of settlement, to each tendering shareholder to the place designated by each tendering shareholder in accordance with the instructions given by each such shareholder, or pay the Offer Price at the head office or branch office of the Tender Offer Agent.

(9) Other Conditions and Methods of Tender Offer

a) Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Law

If the total number of tendered shares is less than the Minimum Number of Shares to be Purchased (6,885,000 shares), none of the tendered shares will be purchased. If the total number of tendered shares exceeds the Minimum Number of Shares to be Purchased (6,885,000 shares), all of the tendered shares will be purchased.

b) Conditions of Withdrawal of Tender Offer, Details thereof and Method of Disclosure of Withdrawal

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9 and 1.11 through 1.12, Items 3.1 through 3.8, and Article 14, Paragraph 2, Items 3 through 6 of the Cabinet Order for Enforcement of the Securities and Exchange Law (“Cabinet Order”), the Tender Offeror may withdraw its offer.

In the event that the Tender Offeror decides to withdraw the Tender Offer, it must make a public notice electronically, and notify the fact that such public notice has been made in the *Nihon Keizai Shimbun*; provided, however, if it is deemed impractical to make such public notice by the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement pursuant to Article 20 of the Cabinet Office Regulations on Disclosing Information on Tender Offers for Stock Certificates, etc. by a Person Other Than the Issuer (“Cabinet Office Regulations”) and forthwith make the public notice.

c) Conditions of Reduction of the Offer Price, Details thereof and Method of Disclosure of Reduction

If the Target conducted any of the acts listed in Article 13 Paragraph 1 of the Cabinet Order in accordance with provisions under Article 27-6 Paragraph 1 Item 1 of the SEL, the Offer Price may be reduced in accordance with the criteria under Article 19 Paragraph 1 of the Cabinet Office Regulations.

In the event that the Tender Offeror decides to reduce the Offer Price, it must make a public notice electronically, and notify the fact that such public notice has been made in the *Nihon Keizai Shimbun*; provided, however, if it is deemed impractical to make such public notice by the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement pursuant to Article 20 of the Cabinet Office Regulations and forthwith make the public notice. If any

reduction of the Offer Price is made, a purchase will also be made in accordance with the conditions, etc. after such change with regard to the share certificates, etc. tendered before the date such public notice is made.

d) Matters concerning Tendering Shareholders' Right to Cancel the Agreement

Any tendering shareholder may cancel the agreements relating to the Tender Offer at any time during the Tender Offer Period. Tendering shareholders may cancel any agreement relating to the Tender Offer at any time during the Tender Offer Period. In order to cancel any such agreement, documents concerning such cancellation and a tender receipt (the "Cancellation Documents") must be delivered or sent by mail to the main office or domestic branch offices of the person designated below, on or prior to 3:30 p.m. of the last day of the Tender Offer Period. If such Cancellation Documents are sent by mail, they must be received by the person designated below on or prior to 3:30 p.m. of the last day of the Tender Offer Period. The Tender Offeror will not make any claim for payment of damages or penalties to any tendering shareholder in relation to the cancellation of the agreement. In addition, the cost of returning shares held in custody by Tender Offeror will be borne by Tender Offeror.

e) Method of Disclosure in the Event the Conditions, etc. of Tender Offer are Changed

In the event the Tender Offeror intends to change the terms and conditions of purchase with respect to the Tender Offer, a public notice providing the details of the change must first be issued electronically and then a public notice to such effect shall be published in the *Nihon Keizai Shimbun*. However, when it is impractical to issue such public notice before the last day of the Tender Offer Period, the Tender Offeror shall first make a public announcement in accordance with the procedures described in Article 20 of the Cabinet Office Regulations and shall release a public notice immediately thereafter. The Tender Offeror will purchase shares for which the application was made prior to the date of such public notice in accordance with the changed terms and conditions.

f) Method of Disclosure if Amendment Statement is Filed

In the event an Amendment to the Registration Statement is filed with the Director of the Kanto Finance Bureau in Japan, the Tender Offeror must publicly and promptly announce the contents of the Amendment to the Registration Statement regarding the Public Notice of the Commencement of the Tender Offer, in a manner prescribed in Article 20 of the Cabinet Office Regulations. The Tender Offeror shall also promptly amend the Tender Offer Explanatory Statement and deliver the amended Tender Offer Explanatory Statement to the accepting

shareholders who have received the Tender Offer Explanatory Statement prior to the amendment. However, if the amendments are limited to minor sections in the Tender Offer Explanatory Statement, the Tender Offeror will amend the Tender Offer Explanatory Statement by delivering to the accepting shareholders a document stating the reasons for such amendments, the items that have been amended, and the contents of the amendments.

g) **Method of Disclosure of Results of Tender Offer**

The results of the Tender Offer will be publicly announced in accordance with the procedures prescribed in Article 9-4 of the Cabinet Order and in Article 30-2 of the Cabinet Office Regulations on the date immediately following the last day of the Tender Offer Period.

(10) Public Announcement Date of the Commencement of the Tender Offer

July 23, 2007 (Monday)

(11) Tender Offer Agent

NOMURA SECURITIES CO., LTD 9-1 Nihonbashi 1-chome, Chuo-ku, Tokyo

3. Others

(1) Existence and details of the agreement between the Company and the Target or its officers

a) Existence and details of the agreement between the Company and the Target or its officers

The Target has resolved at the meeting of the Board of Directors held on July 20, 2007 that it will express its intent to accept the Tender offer as a result of carefully examining the terms and conditions regarding the Tender Offer.

b) Process of deciding the launch of the Tender Offer

The Target started as a shop of women's casual wear, and operates specialty shops that sell high-fashion ladies' wear and general merchandise developed and edited by itself as a pioneer of a manufacturing and retail business. In the ladies' wear brand, the Target operates 217 shops nationwide (as of May 31, 2007), through launching brands such as "ZAZIE", "Real Riche", "e.a.p", and "enracine" independently, or by combining several brands. However, it is not easy for the apparel industry to appropriately respond to the change of the business environment amid the progress of globalization (multinationalization) both in production and in sales. In addition, in recent years, in the ladies' wear retail industry where the Target operates its business, especially in the young females targeted by the Target as its main customers, the tendency to strictly select products and services has increasingly strengthened,

in addition to the diversification of the life style, and therefore the business environment has continued to be severe. Under such environment, it is necessary to organically utilize the management resources of the FAST RETAILING Group in order to rapidly respond to the change of the market environment, and to continue a further growth in the future.

The Company has acquired 11,547,000 shares of the Target in common stock (25.70% of the total number of the issued and outstanding shares at the time) on April 21, 2006, and thereafter it has promoted the strengthening of the Target's management structure through production, the opening of new shops, and the development of human resources in addition to the strengthening of the capital relationship such as the turning of the Target into a consolidated subsidiary through a tender offer by making the tender offer period between July 24, 2006 and August 17, 2006 and the entering into a comprehensive business alliance agreement with the Target on October 4, 2006. Based on the recent business environment, however, there are many issues to deal with such as a making detailed response to the diversifying lifestyle of the customers, and the steady provision of products and services that have proposing power. In order to promptly deal with these issues, the Company has determined that it is necessary to reestablish a dynamic business structure that aims at the strengthening of the cooperative system of the FAST RETAILING Group including the Company and the affiliated companies. Because the Company has clarified the understanding of the issues faced and management resources held by the Target through the efforts made during the past one year after the turning of the Target into a consolidated subsidiary, and also the mutual understanding has been deepened sufficiently through the cooperative relationship, the Company has made an examination of the management issues and the future potential in detail with the Target from March 2007, and then after April 2007 the Company started the negotiation with the Target. The Company has determined that it would be best to prepare a structure to promptly implement a flexible and agile management strategy, measures and other matters by making the Target a wholly owned subsidiary of the Company towards the re-establishment of its business structure, and convert into a business structure that clarifies the commitment of the FAST RETAILING Group.

Going forward, the Company will make investments and conduct restructurings to develop the business categories and shops much faster than before, and plans to further accelerate the creation of a new ladies' wear chain by developing the Target into an entity that pursues a higher competitiveness and profitability as a core company regarding the ladies' clothing business, which is one of the core businesses of the FAST RETAILING Group. In addition, the Company will address the further improvement of a corporate value of the FAST RETAILING Group as a whole through the development of the Target into an entity having higher profitability.

c) Details of Measures to Prevent a Conflict of Interest

Because the Target falls under the subsidiary of the Company, being the Tender Offeror (a subsidiary stipulated in Article 2.3 of the Corporate Law), from the perspective of preventing any conflict of interest, the Company and the Target separately obtained opinions regarding the Target's valuation per share from a third party assessor that is independent from the Company and the Target.

In addition, based on the opinions of outside legal counsel regarding the legality of the tender offer procedures, correctness of the management decision by the Target's Board of Directors at the current point, and other matter and by referring to the content, the Target resolved at the Board of Directors meeting held on July 20, 2007 that the Target would accept the Tender Offer because the Board of Directors believed that the Tender Offer would contribute to strengthening of the basis of its operation, restructuring of its business and its future development and would offer opportunities for the shareholders of the Target to sell their shares in consideration of a reasonable price.

Mr. Tadashi Yanai, Chairman, President & CEO of the Company, is concurrently serving as Chairman and Representative Director of the Target, and is also a special affiliated person, and therefore he did not participate in the resolution regarding the indication of the acceptance. In addition, Mr. Naoki Otoma, Operating Officer (Senior Vice President) of the Company, is concurrently serving as an outside director of the Target, and therefore did not participate in the resolution regarding the indication of the acceptance. Furthermore, among the Target's Corporate Auditors, all Corporate Auditors except Mr. Masa Matsushita, Director of the Company, have expressed their opinions that they approve that the Board of the Target would announce its acceptance of the Tender Offer.

d) Turning of the Target into the Company's Wholly Owned Subsidiary

The Company plans to turn the Target into a wholly owned subsidiary through the Procedures for Turning the Target into a Wholly Owned Subsidiary. The details of those procedures are as stated in "1. Purpose of the Tender Offer."

e) Business Alliance between the Company and the Target

The Company has entered into the Agreement with the Target as of October 4, 2006. The Agreement is a comprehensive agreement that aims to stipulate the cooperative relationship between the parties for pursuing a common purpose, which is to maintain and develop the

business of the Target, and maximize the value of the business of the Target through a capital participation and a management participation in the Target by the Company.

(2) Other information that is determined to be necessary for investors whether or not to apply for the purchase, etc.

a) The Target has resolved at the extraordinary meeting of the Board of Directors held on July 20, 2007 that it would not provide year-end dividends, which makes August 31, 2007 the record date, and that it would abolish the shareholder special benefit plan, notwithstanding the successful completion of the Tender Offer.

b) The Target publicly announced the overview of financials and the business results for the first quarter of the fiscal year ending in August 2007 (consolidated) at Tokyo Stock Exchange, Inc. on July 11, 2007. The status of the profit and loss of the Target for the same quarter is as follows. These figures are not audited by an auditing firm pursuant to the Article 193-2 of the Law. These figures are excerpt from the information disclosed by the Target and the Company is not in the position to examine the accuracy and the credibility of these figures, and has not conducted its own examination.

(i) Profit and Loss (March 1, 2007 through May 31, 2007)

(million yen)

	First Quarter of the fiscal year ending in August 2007
Sales	5,014
Business Profit	50
Ordinary Profit	58
Quarterly Net Profit	45

(Note) The figures shown in the above are rounded down to the nearest million.

(Note) Fiscal term ending in August 2007 is a six month period due to the change in the Fiscal term(same for (ii) below).

(ii) Per Share Information (March 1, 2007 through May 31, 2007)

(yen)

	First Quarter of the fiscal year ending in August 2007
Quarterly Net Profit Per Share	1.09
Net Asset Per Share	570.06

End

This Press Release is for the announcement of the Tender Offer to the public and is not prepared for the purpose of sales solicitation. If you would like to offer the sale of your shares in the Tender Offer, please ensure that you review the Tender Offer Statement prepared by us in advance, and offer your shares for sale at your own discretion as a shareholder.

This Press Release contains the prospects of the operational presence based on the view of the Company's management where the Company acquires shares of CABIN CO., LTD. There is the possibility that the actual result might be significantly different from these prospects because of various factors.

This Press Release does not fall under the categories of an offer or solicitation of the sale, or solicitation of an offer for a purchase related to securities, nor does it constitute a part of such solicitation. This Press Release (or any part of it) or the distribution thereof shall not constitute grounds for any agreement in connection with the Tender Offer, and no agreement may be concluded on the basis of this Press Release (or part of it) or the distribution thereof. There may be some nations or regions which legally restrict the announcement or the distribution of this Press Release. In such case, please pay attention to and comply with those restrictions. In the nations or regions where the execution of the Tender Offer is illegal, even if this Press Release or its translation is received, it shall not be deemed as a solicitation of an offer to sell or an offer to purchase share certificates, etc. in connection with the Tender Offer, and it shall be deemed to be a distribution of materials for information purposes.