

Transfer of FR footwear operation to UNIQLO CO., LTD.

FAST RETAILING CO., LTD. decided at its executive board meeting held February 18, 2010, to transfer its shoe business, currently managed by fully owned subsidiary GOV RETAILING CO., LTD., to UNIQLO CO., LTD. To this aim, FR will conduct a corporate division involving GOV RETAILING CO., LTD. as the company for division and UNIQLO CO., LTD. as the acquiring company for the absorption.

1 . Aim of corporate division

GOV RETAILING CO., LTD. currently manages the retail of both clothing and footwear. However, in order to begin developing the UNIQLO SHOES brand operation, we plan to retail the footwear in UNIQLO brand stores currently operated by UNIQLO CO., LTD. The company therefore decided that bringing the shoes segment under the same operational company would be beneficial for the accelerated growth of the segment.

2 . Details of corporate division

(1) Corporate division schedule

Board meeting to determine division (GOV)	February 17, 2010
Board meeting to determine division (UNIQLO)	February 18, 2010
Corporate Division contract signature	February 18, 2010
General shareholders meeting to approve division	March 4, 2010
Effective date of corporate division	April 1, 2010 (tentative)

(2) Division method

A division by absorption with GOV RETAILING CO., LTD. as the company for division and UNIQLO CO., LTD. as the acquiring company.

(3) Rights and obligations transferred to acquiring company

The current corporate division involves the transfer of rights and obligations related to the footwear operation as stipulated in the corporate divisional absorption contract dated February 18, 2010 between UNIQLO CO., LTD. and GOV RETAILING CO., LTD.

(4) Expected discharge of division

We judge the discharge of the responsibilities required to be undertaken by GOV RETAILING CO., LTD. and UNIQLO CO., LTD. following the current corporate division will present no specific problems.

3 . Overview of companies involved in the operational transfer (at August 31, 2009)

(1)Company name	GOV RETAILING CO., LTD. (Company for division)	UNIQLO CO., LTD. (Acquiring company)
(2)Operation	Retail of clothing & footwear	Retail of clothing, etc.
(3)Established	February 21, 1973	September 2, 1974
(4)Head office	Kudanshita 1-13-5, Chiyoda-ku, Tokyo	Sayama 717-1, Yamaguchi City, Yamaguchi
(5)Representative name & position	President Shuichi Nakajima	President, Chairman & CEO Tadashi Yanai
(6)Paid-in capital	¥10 million	¥1 billion
(7)Outstanding shares	1,140,000 shares	10,000 shares
(8)Net assets	▲¥1,117 million	¥69,773 million
(9)Total assets	¥11,523 million	¥209,047 million
(10)Business yr end	End August	End August
(11)Major shareholders and their holdings	FAST RETAILING CO., LTD. 100%	FAST RETAILING CO., LTD. 100%

4 . Operational segments for division

The design and retail of footwear brands such as CANDISH and UNIQLO SHOES.

5 . Future outlook

We expect the impact of this decision on FAST RETAILING's corporate performance to be minimal and therefore we have made no changes to our current business estimates.