

FAST RETAILING CO., LTD.

(Incorporated in Japan with limited liability)

ANNOUNCEMENT

This statement is made pursuant to the requirements under Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the **Takeovers Code**).

FAST RETAILING CO., LTD. (**FAST RETAILING**) refers to its announcement dated 8 August 2006 concerning an approach made to Giordano International Limited (**Giordano**) to discuss the possibility of a combination of the companies' businesses. Having first contacted Giordano's management on 6 June 2006 and subsequently at two separate meetings on 21 June and 25 July, Giordano's management have been reluctant to enter into any meaningful dialogue with FAST RETAILING.

In light of the recent interim results announced by Giordano on 24 August 2006, which show a decline in operating profit of 25.2% over the same period for the prior year, the Board of Directors of FAST RETAILING believes that Giordano's current share price is not truly reflective of the operational state and thus the inherent value of the company. Accordingly, the Board has decided not to make an offer for Giordano.

For the purposes of Rule 31.1(c) of the Takeovers Code, FAST RETAILING reserves the right to set aside the statement above and to make or participate in an offer for Giordano within six months of the date of this statement if there is any material change in circumstances.

By Order of the Board of
FAST RETAILING CO., LTD.
Tadashi Yanai
Chairman, President & CEO

4 September 2006

The directors of FAST RETAILING jointly and severally accept full responsibility for the accuracy of the information contained in this announcement. The directors of FAST RETAILING confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the Board of directors of FAST RETAILING consists of Tadashi Yanai, Nobuo Domae, Masa Matsushita, Toru Hambayashi and Nobumichi Hattori.

*Please also refer to the published version of this announcement in **The Standard**.*