

**News Conference**

**FAST RETAILING's purchase of CABIN Co., Ltd. stock.**

Date: April 19, 2006

**Participants:**

**Kenji Yoshie, President, CABIN Co., Ltd.**

**Tadashi Yanai, Chairman & CEO, FAST RETAILING CO., LTD.**

**Masahiro Shimizu, Director, Business Development, FAST RETAILING CO., LTD.**

**Opening address**

**Masahiro Shimizu, Director, Business Development, FAST RETAILING CO., LTD.**

I would like to thank you for coming today and use the materials you have in front of you to go through the details of this stock purchase.

FAST RETAILING concluded a share transfer agreement dated today to purchase 11,547,000 shares in the women's wear retailer CABIN Co., Ltd. In effect, FAST RETAILING has agreed to buy the entire CABIN stake currently held by Daiwa Securities SMBC Principal Investments Co., Ltd. This stake represents 25.70% of CABIN's total shares in issuance and a 28.86% proportion of voting rights. Through this stock purchase, FAST RETAILING will become CABIN's biggest single shareholder. We hope to use this opportunity to establish a strong cooperative relationship with CABIN.

In terms of how we approach this cooperative relationship, FAST RETAILING and CABIN will develop a comprehensive business tie up. For the FAST RETAILING group, the tie up will enable us to strengthen our women's clothing business, and, in addition, we expect that the positioning of CABIN as an equity-method affiliate will help enhance the corporate value of the FR group.

This stock purchase covers the entire CABIN stake currently held by Daiwa Securities SMBC Principal Investments Co., Ltd.

And finally, this share purchase will mean that CABIN Co., Ltd. will become an equity-method affiliate of the FAST RETAILING group. The impact of the move on FAST RETAILING's business results for the year to August 2006 is expected to be minimal, however we will inform you of any concrete details as soon as they become apparent. Thank you.

**Kenji Yoshie, President, CABIN Co., Ltd.**

Since FAST RETAILING developed a keen interest in our company, we have always been grateful for Mr. Yanai's genuine consideration in our future. The topic often came up about how CABIN could become a larger, more prominent company and enjoy more significant growth if we joined forces. Over time, we decided that we wanted to join forces with FAST RETAILING to challenge our future potential.

From CABIN's perspective, we feel that FAST RETAILING, with its wide range of powerful infrastructure, has a huge amount to offer us in terms of training, information and production systems, etc. Whether or not we will be able to use all of the infrastructure, I am confident that we can create a friendly and efficient relationship that will allow us to incorporate some of FAST RETAILING's expertise and help us establish a stronger profitability and a faster pace of growth for our company.

We are still in the process of finalizing just how the finer details of this relationship will work. I am sure we shall be able to give you more details once they are worked out. Please understand however, that CABIN fully understands and is in agreement on the overall direction of this development.

**Tadashi Yanai, Chairman & CEO, FAST RETAILING CO., LTD.**

I feel very pleased and honored to be able to work towards further growth with a traditionally respected brand such as CABIN. CABIN was just talking about the strength of FAST RETAILING's infrastructure. But we at FR also expect to learn a great deal about women's clothing from CABIN. I believe that, together, we can become a cornerstone in the development of Japan's retail market. And I believe that, through joint discussion, we can generate some significant synergy benefits. I am looking forward to the opportunity to discuss a whole range of things to ensure our future growth together.

**Q&A**

**(For the sake of clarity, we edited some of the Q&A.)**

**Q 1 : When did this deal first come about?**

Mr. Shimizu: We conducted discussions through a financial institution from the end February through to around the beginning of March this year.

**Q 2 : I would like to ask Mr Yanai what aspects of CABIN's women's fashion he was attracted to?**

Mr. Yanai: I see CABIN as a pioneer of SPA specialty apparel manufacture and retail. A long time ago, CABIN transformed itself from a manufacturer to a retailer of women's fashion. It has dealt with a range of brands and has an enviable level of expertise and experienced staff across various types of women's clothing. UNIQLO can learn a lot from such a company.

**Q 3 : FR will hold around a 25% stake in CABIN following this immediate deal. Do you intend to increase that stake in the future?**

Mr. Yanai: Rather than raising our stake, the first and foremost priority is to get to know each other better. That is where I want to start from.

**Q 4 : How much are you paying for the share purchase?**

Mr. Shimizu: Around 7.7 billion yen.

**Q 5 : Do you think you will be seconding staff from FR to CABIN?**

Mr. Yanai: We will be discussing this further. Nothing has been finally decided yet.

**Q 6 : I imagine that you might create joint project teams or working groups, but have you already agreed on just how you plan to forge ahead in this cooperation?**

Mr. Yanai: We are currently looking to create a project team going forward.

**Q 7 : Do you intend to fully apply FAST RETAILING's production management systems at CABIN? Would CABIN's products change significantly?**

Mr. Yoshie: It would not be beneficial to implement the FR system across the board if it meant that we might lose some of the CABIN brand's originality. Therefore, I want to look at which areas we should make use of and which elements could be introduced to create even better products. I do expect to learn a lot from FAST RETAILING not only in the area of manufacture but also in terms of information systems, store management, store development and training systems. This agreement does not mean that our products themselves will be merged. It is more a question of cooperating on infrastructure so that CABIN can fulfill an even greater growth potential.

Thank you.