July 12, 2007
FAST RETAILING CO., LTD

Results summary for nine months to May 2007

Consolidated results

(billions of yen)	9mths to May 06 Actual	9 mths to May 07 Actual	9 mths to May 07 y/y	Yr to Aug 06 Actual	Yr to Aug 07 Revised Estimate	Yr to Aug 07 y/y
Net Sales	346.1	411.2	+18.8%	448.8	535.1	+19.2%
(to net sales)	100.0%	100.0%		100.0%	100.0%	
Gross Profit	165.1	195.0	+18.1%	212.4	253.9	+19.6%
(to net sales)	47.7%	47.4%		47.3%	47.5%	
SG&A Expenses	102.7	135.7	+32.1%	142.0	181.8	+28.0%
(to net sales)	29.7%	33.0%		31.7%	34.0%	
Operating Income	62.4	59.3	▲5.0%	70.3	72.1	+2.6%
(to net sales)	18.0%	14.4%		15.7%	13.5%	
Ordinary Income	64.1	59.5	▲7.2%	73.1	70.7	▲3.3%
(to net sales)	18.5%	14.5%		16.3%	13.2%	
Net Income	35.7	31.6	▲11.5%	40.4	36.8	▲8.8%
(to net sales)	10.3%	7.7%		9.0%	6.9%	

【Summary】Q3 operating income dips 5.0% year on year

Net sales rose 18.8% year on year to ¥441.2bln for the 9 months from September 2006 through May 2007. However, operating income at the mainstay domestic UNIQLO operation fell 4.6% over the same period. In addition, UNIQLO USA, Inc., ONEZONE CORPORATION and G.U. CO., LTD. all reported an expanded loss resulting in a 5.0% fall in operating income to ¥59.3bln for the FAST RETAILING group as a whole.

Some key reasons for the double digit 18.8% rise in net sales over the nine months to May 2007 include, 1) existing store sales at the mainstay domestic UNIQLO operation rose 3.1%, and the newly opened, mainly large stores, also contributed positively, 2) overall net sales at the French operation increased favorably, and 3) CABIN CO., LTD., G.U. CO., LTD. were newly incorporated into the consolidated accounts.

On the income side however, consolidated gross margin in the third quarter fell 0.3% year on year. That figure was mainly influenced by the significant fall in gross margin at the domestic UNIQLO operation following the mid-term offloading of autumn/winter stock. Selling and general administrative expenses as a percentage of overall net sales worsened 3.3% due to a rise in personnel costs at UNIQLO Japan, and an increase in newly consolidated firms with high SG&A ratios.

Operating income fell in the third quarter as increased profits at our strong performing French operation and UNIQLO operations in China, Hong Kong and South Korea failed to offset the fall in profit at the Japan UNIQLO operation and losses accounted by UNIQLO in the US, our new cheaper casual wear brand G.U. and footwear retailer ONEZONE CORPORATION.

For the full business year to end August 2007, we are predicting a 19.2% rise year on year in net sales to ¥535.1bln, a 2.6% rise in operating income to ¥72.1bln, a 3.3% fall in ordinary income to ¥70.7bln, and a 8.8% fall in net income to ¥36.8bln. We are forecasting a net profit per share of

¥361.90 for the full business year. And we are planning an annual dividend per share of ¥140, including the tentative ¥70 year-end dividend.

●UNIQLO CO., LTD.: Profits fall in third quarter to May 2007

The domestic UNIQLO operation accounts for approximately 82% of consolidated net sales for the FR group. Net sales rose 9.6% over the nine months to May 2007. However, operating income fell 4.6% year on year due to a fall in gross margin following offloading of autumn/winter season stock and increased SG&A costs. Given the fall in gross margin from increased discount sales on the autumn/winter season stock, we took measures to strengthen the organization of our internal financial planning functions. As a result, the fall in gross margin in the final three months from March to May has begun to taper off, and we were able to achieve our flat target for the gross profit to net sales ratio as planned.

Existing store sales rose 3.1% year on year in the third quarter. At the end of May 2007, the total number of UNIQLO direct-run stores had increased by 32 stores year on year to 730 stores, or 748 stores including franchises. UNIQLO has continued to open large-format stores in the 1,600sqm class, boosting the total of large-format stores to 25 by the end of May. Our large-format stores are considered key drivers of future UNIQLO growth, and so, this business year, we have focused new large-format store openings in large shopping centers with strong customer attraction. As a result, our large-format stores such as Lazona Kawasaki store and LaLa Port Toyosu store located in shopping centers with large commercial areas attracted a stable customer base. In addition, we have also opened some super large-format stores such as our 3,260sqm Kobe Harbor land store in March, and our 3,000sqm Setagaya Chitosedai store in a residential area of Tokyo. We are proceeding to expand our women's wear, and reform our visual merchandising.

Existing store sales at the mainstay domestic UNIQLO operation rose 3.7% during the three months from March to May 2007. That was due mainly to favorable contributions from our jeans campaign in March and our linen campaign in April. However, existing stores sales in May fell back as mild weather since the Golden Week holiday, and a delayed start for "COOL BIZ" environmentally conscious summer work clothes dampened customer numbers.

At the domestic UNIQLO operation, we will proceed to offload summer inventory during the fourth quarter to August 2007 keeping a constant focus on the gross profit margin trend. We also plan to speed up the seasonal garment changes by introducing autumn products earlier this year.

For the full year to August 2007, we are predicting net sales at the domestic UNIQLO operation of ¥435.5bln (up 10.7% year on year), and operating income of ¥71.2bln (up 3.4%). These estimates are the same as those announced along with our interim results in April.

●Business trends at FR group companies

(Overseas UNIQLO operations)

At the overseas UNIQLO operation, we have continued to expand operations in each country with our 3,300sqm global flagship store opening in New York back in November 2006, and our

2,300sqm flagship store opening in China in December of that same year. As a result, we are forecasting that net sales across the overseas UNIQLO operation will double from last year's ¥8.7bln to ¥16.7bln for the full year to August 2007. And we will have 41 UNIQLO stores outside of Japan by the end of the business year.

At our **US UNIQLO operation,** we opened our 3,300sqm global flagship store in New York's SOHO in November 2006, and we have succeeded in boosting the visibility of the UNIQLO brand in the US market. Sales at the flagship store have been favorable, but we posted a net loss in the third quarter due to expanded costs such as advertising and promotion.

At the **UK UNIQLO operation**, we upgraded and expanded our Oxford Street store in October 2006, and opened three new stores in the spring of 2007. Due to the new store opening costs, we are posting a loss in the third quarter.

At our **China UNIQLO operation**, we accounted a small profit in the third quarter thanks to a favorable performance at our 2,300sqm flagship store opened in December 2006 in Pudong, Shanghai.

Also, the performance of our **Hong Kong UNIQLO operation** has fared extremely well with the opening of our second store in December 2006, boosting the operating profit ratio to more than 20 percent.

We are successfully increasing the number of stores at our **South Korean UNIQLO operation** as well reaching a total of 14 stores at end May 2007. The South Korean UNIQLO operation reported profits in the third quarter.

（FR Group companies）

Our newly formed G.U. operation opened its first store in October 2006 and we completed our plans to open 50 stores by the end of May 2007. G.U. brand and store visibility is still low, and sales fell far short of initial projections, resulting in a loss for the third quarter. Going forward, we will be developing more women's fashion products for a broader age range, and we will also be looking to strengthen our PR and press activities, boost brand visibility and improve profitability.

The mainstay strands of our **French operation**, COMPTOIR DES COTONNIERS (CDC), and lingerie brand PRINCESSE TAM.TAM (PTT) are maintaining a strong performance. Sales at the CDC operation rose 40% year on year in the third quarter and operating income rose 30 percent. Sales at the PTT operation also increased roughly 20 percent. The strong performance at CDC is due to the fact that the autumn/winter and spring/summer collections matched the market trends and customer needs extremely well, and also due to the strong functioning quick response system that ensures smooth additional garment manufacture as and when required. Going forward, we are looking to develop a global brand by expanding the store network beyond France to other European countries and in Japan. Reflecting the strong performance at CDC and PTT, we are predicting full year net sales of ¥34.5bln and operating income of ¥6.5bln for the overall French operation. This constitutes 9% of the FR group's total consolidated operating income.

We posted a third quarter loss at the domestic footwear chain developer ONEZONE CORPORATION. We have downgraded our full year projection to an operating loss of ¥1.6bln. Losses at ONEZONE increased as existing store sales fell and sales actually fell in March, traditionally the most buoyant period with back to school and new life demand.

CABIN CO., LTD. (TSE, First Section) became an FR consolidated subsidiary at the end of August 2006. Net sales at CABIN for the 9 months from September 2006 through May 2007 totaled ¥16.7bln, and operating income totaled ¥0.17bln. For the full year from September 2006 through August 2007, we are projecting net sales of ¥22.8bln and operating income of ¥0.3bln.

We generated an investment loss of ¥1.4bln in the third quarter from our equity-method affiliate LINK THEORY HOLDINGS CO., LTD. (Listed on TSE Mothers, FR holding 33.9%) following its one-time goodwill amortization on German brand Rosner conducted in the interim period.

FR consolidated forecasts for the year to August 2007

For the full year to August 2007, we are projecting net sales of ¥535.1bln (up 19.2% year on year), operating income of ¥72.1bln (up 2.6%), ordinary income of ¥70.7bln (down 3.3%), and net income of ¥36.8bln (down 8.8%).

We are forecasting a net consolidated profit per share of ¥361.90. There is no change to our planned ¥140 annual dividend per share, including a ¥70 interim dividend.

Note: FAST RETAILING CO., LTD. discloses data on its business results and offers a variety of press releases on its IR website. Please refer to http://www.fastretailing.com/eng/ir/ for more detailed information.