

**FAST RETAILING CO.,LTD. first half results for six months to February 2005**

**Mid-term results for six months to February 2005 (consolidated)**

(billions of yen)

	6 mths to Feb 04	6 months to Feb 2005			
	Actual	Initial est.	Actual	y/y	VS. Initial est.
Net Sales (to net sales)	182.9 100.0%	207.4 100.0%	201.8 100.0%	+10.4%	2.7%
Gross Profit (to net sales)	86.6 47.4%	96.2 46.4%	89.8 44.5%	+3.7% ( 2.8p)	6.6%
SG&A Expenses (to net sales)	47.4 25.9%	54.8 26.4%	54.5 27.0%	+15.0% ( + 1.1p)	0.6%
Operating Income (to net sales)	39.2 21.5%	41.3 20.0%	35.3 17.5%	9.9% ( 3.9p)	14.5%
Ordinary Income (to net sales)	39.1 21.5%	41.9 20.2%	36.2 17.9%	7.5% ( 3.5p)	13.5%
Net Income (to net sales)	17.8 9.8%	23.4 11.3%	21.3 10.6%	+19.6% ( + 0.8p)	8.9%

**【Parent results】 Revenue up, profits down and below initial estimates**

FAST RETAILING CO., LTD. parent results for the first half or six months to February 2005 reflected a relatively tough period during which net sales were up 10.6% on the previous year at ¥199.8bln but ordinary income fell 9.6% on the previous year to ¥35.8bln. To give you some more detail, net sales rose ¥19.0bln over the previous year but ordinary income fell ¥3.8bn due in the main to a fall in the gross profit margin on sales.

First breaking down the net sales position. Net sales at existing stores actually rose 1.9% year on year. The average purchase price per customer did fall 1.5% compared to the previous year but we managed to continue attracting more customers to our stores boosting overall customer numbers by 3.4%. Store openings were conducted according to plan with a net increase of 27 stores (41 new directly managed stores opened and 14 closed) generating a total of 653 directly managed stores as of the end of February 2005.

Moving onto the gross profit margin. Gross margin came in at 44.5% in the first half, representing a fall of 3.0% compared to the same period last year. The incorporation of sales tax into price displays effectively generated some small cuts in prices. The discounting of excess inventory following lower than expected overall sales was also partly responsible for the fall in gross margin.

Finally, SG&A costs rose ¥7.3bln compared to the same period last year and that generated a deterioration in our SG&A cost to net sales ratio of 1.2 points.

All of these factors together meant that we fell short of our original profit estimates. Operating profit fell 10.7% to ¥35.4bln and ordinary profit fell 9.6% to ¥35.8bln.

**【Consolidated results】 China subsidiary finally turns a profit**

FAST RETAILING CO., LTD. consolidated results for the first half or six months to February 2005 came in as follows: Net sales rose 10.4% year on year to ¥201.8bln and ordinary income fell 7.5% on year to ¥36.2bln.

Taking some of our subsidiaries in turn, our China operation finally shifted into the black to the tune of ¥0.4bln over the comparable period. In addition, LINK THEORY HOLDINGS Co.,LTD., an equity method affiliated group company, generated a non-operating investment income of ¥490mln. On the other hand however, our UK operation generated a loss of ¥0.3bln and National Standard also generated a loss of ¥0.6bln.

**【Dividend for yr to Aug 05】Expected annual dividend of 130 yen unchanged from initial estate**

We have made no change to our initial estimates on the annual dividend. The annual dividend remains at 130 yen per share with 65 yen paid mid-term and 65 yen at the end of the business period.

**【Business forecasts for year to August 2005】 Boost gross margin, control SG&A**

FAST RETAILING CO., LTD. estimates business results for the parent company for the year through August 2005 as follows: net sales up 10.7% year on year to ¥371.8bln, ordinary income down 3.1% to ¥63.0bln and net profit up 1.7% to ¥36.0bln. These estimates are based on a rise in existing store numbers of 2.9% for the year or a net increase of 45 stores (69 new store openings and 24 closures). FAST RETAILING will make every effort to refine our product and sales strategies so that we can achieve our annual sales targets. We are also making a determined effort to boost gross profit margin and control SG&A costs.

Our full year estimates for the FAST RETAILING group as a whole are as follows: net sales up 14.1% year on year to ¥388.0bln, ordinary income down 0.4% to ¥63.9bln but net profit up 22.2% to ¥38.3bln. These figures reflect some new elements namely the incorporation of shoe retailer ONEZONE CORPORATION as a fully owned subsidiary from the second half. ONEZONE CORP's half-year from March to August 2005 is expected to generate net sales of ¥12.0bln, ordinary income of ¥60mln and net profit of ¥1.01bln.

NOTE: Results data is displayed on our IR Information web page

(<http://www.fastretailing.com/ir/index.html>). Please refer there for further details.