

## Basic agreement on business integration among FR Japan Apparel firms

FAST RETAILING CO., LTD. decided at its board of directors meeting held today to consider a business merger between three of its consolidated subsidiaries G.U. CO., LTD., ONEZONE CORPORATION, and VIEWCOMPANY CO., LTD (JASDAQ: Code 3033). These three companies signed a basic agreement today, the aim of which is to start discussion to integrate business and merge management operations.

### 1 . Overview and aim of business integration and merger

FAST RETAILING CO., LTD. has infused the operational knowledge and experience derived from its UNIQLO clothing business in an effort to boost profitability at the three subsidiary firms. However, we judged that it would be difficult to deal with the deterioration in performance at each firm individually, and we are now of the opinion that a more fundamental restructuring of operations is required.

The fundamental objective here is for FAST RETAILING to take a leading role in fully utilizing the management resources of the Group including the UNIQLO operation, and to advance the establishment of a footwear operation and a low price casual clothing operation that can offer the customer fresh value. To that aim, we have decided to open discussion on the possibilities for realizing such operations with FAST RETAILING as the driving force. At the same time, we will also consider the integration of business and merger of management functions among the Group's three subsidiaries that are currently developing footwear and low-cost casual clothing. In accordance with this decision, those three companies signed a basic agreement dated today to start discussion to integrate their businesses and merge their management functions.

We expect future business cooperation between the three companies to involve positive inter-company personnel exchange between the three firms and FR with its mainstay UNIQLO operation. Cooperation will also include the setting and holding of joint meetings, etc.

### 2 . Management merger implementation –the timing and method

At this point in time, the exact timing and details for implementing the merger of management functions are undetermined. We will disclose these details as soon as they are decided following careful consideration by FAST RETAILING and the three subsidiary companies.

Any management merger among the three subsidiaries will be subject to the successful transformation of VIEWCOMPANY into a wholly owned subsidiary of the FAST RETAILING Group. The details of this transition are described in the document released on March 19, 2008 entitled "VIEWCOMPANY to become a wholly owned subsidiary of FAST RETAILING."

The remuneration to be delivered to remaining shareholders when VIEWCOMPANY becomes a wholly owned FR subsidiary will not be affected by the decision to merge the three subsidiary firms.

Instead, this remuneration will be calculated to equal the purchase price in the tender offer on VIEWCOMPANY joint stock carried out between January 11 and February 27, 2008.

### 3 . Outline of the three subsidiaries

G.U. CO., LTD. began operating in October 2006 as developer of the casual wear g.u. brand. G.U. had a total of 50 stores at end August 2007 and we are working to expand the scale of operations.

ONEZONE CORPORATION boasts a nationwide network of footwear retailing stores such as the FOOT PARK chain. FAST RETAILING acquired ONEZONE CORPORATION outright in March 2005 as part of its new business drive in footwear retailing.

VIEWCOMPANY mainly operates footwear retailing specialty stores such as the “vju:” network of women’s shoe stores. FAST RETAILING entered into business cooperation with VIEWCOMPANY when it accepted the firm’s allocation of news shares to a third party in November 2006. Following the recent tender offer mentioned above, FAST RETAILING currently holds 98.96% of VIEWCOMPANY total outstanding stock leading to the subsequent decision announced on March 19, 2008 to make VIEWCOMPANY a wholly owned subsidiary of the FAST RETAILING Group.

#### [ Overview of the three companies ]

##### G.U. CO., LTD.

Business representative	President Shuichi Nakajima	
Head office location	1-3-5 Kudankita, Chiyoda-ku, Tokyo	
Established	March 23, 2006	
Main business areas	Design, manufacture and retail of casual wear clothing and accessories	
Business year end	August 31	
Number of employees	58 employees (as of August 31, 2007)	
Main business location	1-3-5 Kudankita, Chiyoda-ku, Tokyo	
Paid in capital	¥0.45 billion (as of August 31, 2007)	
Total outstanding shares	45,000 shares (as of August 31, 2007)	
Major shareholders	FAST RETAILING CO., LTD.	100%
Latest business performance (Year to August 2007)	Net sales	¥3,514 million
	Operating loss	¥1,471 million

##### ONEZONE CORPORATION

Business representative	President Takao Kuwahara
Head office location	1-13-12 Kudankita, Chiyoda-ku, Tokyo
Established	Name change to ONEZONE CORPORATION April 21, 2002

Main business areas	Mainly footwear retailing	
Business year end	August 31	
Number of employees	358 employees (as of August 31, 2007)	
Main business location	5-10-11 Kiba, Koko-ku, Tokyo	
Paid in capital	¥0.4945 billion (as of August 31, 2007)	
Total outstanding shares	1,130,000 shares (as of August 31, 2007)	
Major shareholders	FAST RETAILING CO., LTD.	100%
Latest business performance (Year to August 2007)	Net sales	¥20,047 million
	Operating loss	¥1,642 million

VIEWCOMPANY CO., LTD.

Business representative	President Tomoyuki Fukutani	
Head office location	4-3-39 Miyahara, Yodogawa-ku, Osaka	
Established	May 20, 1972	
Main business areas	Footwear manufacture, processing, wholesale & retail	
Business year end	February 20	
Number of employees	253 employees (as of February 20, 2008)	
Main business location	4-3-39 Miyahara, Yodogawa-ku, Osaka City	
Paid in capital	¥1,661,855,000 (as of February 20, 2008)	
Total outstanding shares	7,583,000 shares (as of February 20, 2008)	
Major shareholders (As of February 29, 2008)	FAST RETAILING CO., LTD.	98.96%
Latest business performance (Yr to February 2008)	Net sales	¥10,556 million
	Operating loss	¥244 million