

Fast Retailing Co., Ltd.

(Incorporated in Japan with limited liability)

ANNOUNCEMENT

Following the announcement issued by Giordano International Limited (**Giordano**) on 4 August 2006 concerning an approach made by Fast Retailing Co., Ltd. (**Fast Retailing**), the board of directors of Fast Retailing wishes to confirm that it has made an approach to Giordano to discuss the possibility of a combination of the companies' businesses. However, Giordano indicated that it was not in a position to consider any specific next steps, given the preliminary nature of Fast Retailing's proposal. No formal decision has been made by the board of Fast Retailing with respect to any such possible combination.

As required by the Hong Kong Code on Takeovers and Mergers (the **Takeovers Code**), the board of directors of Fast Retailing announces that as at the date of this announcement, Fast Retailing has 106,073,656 shares in issue and listed on the Tokyo Stock Exchange. Fast Retailing has no other classes of relevant securities in issue.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

"Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than \$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation."

By Order of the board of
Fast Retailing Co., Ltd.
Tadashi Yanai
Chairman, President & CEO

8 August 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 enquires, 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.