

[Translation]

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To whom it may concern:

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Notice Regarding the Wacoal Group Tax Code of Conduct

Wacoal Holdings Corp. (hereinafter referred to as the Group) recently established the Wacoal Group Tax Code of Conduct (hereinafter referred to as the Tax Code of Conduct). As part of our efforts to strengthen Group corporate governance, this Tax Code of Conduct clarifies tax policies implemented to date.

The Wacoal Group conducts its business activities globally in accordance with a corporate philosophy of “mutual trust.” We believe that appropriate payments of taxes in countries and regions in which we operate play an important role in the economic and social development of those countries and regions and also contribute to the expansion of the Wacoal Group’s product and service markets.

Based on this understanding, we established this Tax Code of Conduct with the aim of earning the trust of our stakeholders by conducting highly transparent tax management in compliance with laws and regulations of the countries and regions in which we operate as well as with international tax law.

The Wacoal Group positions compliance as one of its most important management issues. We will continue to fully adhere to our corporate ethics based on the laws and regulations of the countries and regions in which we operate.

■ Wacoal Group Tax Code of Conduct

[https://www.wacoalholdings.jp/group/files/tax\\_code\\_of\\_conduct\\_en.pdf](https://www.wacoalholdings.jp/group/files/tax_code_of_conduct_en.pdf)

End

## Wacoal Group Tax Code of Conduct

### <Purpose of establishing a Tax Code of Conduct>

Wacoal Group conducts its business activities globally in accordance with the corporate philosophy of "mutual trust". We believe that appropriate payments of taxes in countries and regions in which we operate play an important role in the economic and social development of those countries and regions and also contribute to the expansion of Wacoal Group's product and service markets.

Based on this understanding, we will establish a Tax Code of Conduct with the aim of earning the trust of our stakeholders by conducting highly transparent tax management in compliance with laws and regulations of the countries and regions in which we operate as well as international tax law.

### <Scope of application>

The Tax Code of Conduct will apply to Wacoal Group's domestic and overseas subsidiaries.

### <Overview of the Tax Code of Conduct>

#### (1) Establishment of the Group's tax structure

The Board of Directors of Wacoal Holdings hereby establishes a Tax Code of Conduct to increase tax transparency by sharing this code with all Wacoal Group employees through educational and awareness activities.

The Finance Director shall be responsible for tax administration. Tax issues arising from day-to-day business operations shall be handled by the tax personnel at each company of the Group in accordance with the Tax Code of Conduct and other accounting rules that stipulate tax processing procedures.

With regards to critical issues that are pointed out during tax audits and important issues relating to tax risks, the tax personnel of each company of the Group shall report to the tax personnel at the headquarters and the Finance Director, and measures against such issues will be considered cooperatively as necessary.

The tax personnel shall endeavor to obtain the latest information on tax affairs, increase awareness of tax compliance through regular training and other educational activities, and promote the penetration and instillation of necessary knowledge and skills within the Group. We will also seek advice from external experts on highly advanced and complex tax issues.

#### (2) Risks and opportunities

##### ① Measures against uncertain tax positions

As Wacoal Group conducts business activities, there may still be transactions for which the tax interpretation is uncertain, even if prior consideration or measures are taken. If such transactions are executed while uncertainty remains, the amount of tax burden and deferred tax assets and liabilities may be affected. Wacoal Group will handle cases with uncertain tax positions after assessing the appropriateness of such tax treatment and the magnitude of the risk with the help and advice of external experts.

##### ② Application of preferential tax incentive schemes

Various types of preferential tax schemes are introduced in countries and regions in which Wacoal Group operates. Wacoal Group will strive to pursue tax efficiencies by applying those preferential tax schemes within the scope of its normal business activities. If more than one scheme could be considered during the execution phase of a transaction, we will perform a tax risk analysis and determine a reasonable scheme by also taking tax expenses into account.

#### (3) Tax Planning

##### ① Intra-group transactions

Wacoal Group will conduct cross-border intra-group transactions at arm's length in accordance with the OECD Transfer Pricing Guidelines and local tax regulations. Double taxation, which is imposed on the same economic profits in more than one country or region, shall be subject to the double taxation relief based on applicable domestic laws and tax treaties of the country or region in which the Group operates. Transactions between domestic group companies will also be handled appropriately.

## ② Prohibition of Tax Avoidance activities

We will make comprehensive decisions on tax systems and the sourcing of management resources in each country and region to optimize our global tax spending. However, we will not engage in either tax avoidance activities using artificial structures that do not involve business entities or abusive tax planning using tax havens.

## (4) Communication relating to tax matters

Wacoal Group understands the growing interest in tax transparency among global companies, and is therefore widely disclosing to society information regarding its Tax Code of Conduct and tax expenses.

The Group will also strive to build sound and reliable relationships with tax authorities by providing timely and appropriate information and responding to them with sincerity. If disagreements arise with national tax authorities, we will work to resolve them through constructive communication and dialogue.