

COMPTOIR DES COTONNIERS UK LIMITED
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UK Tax Strategy: Financial Year Ending 31 August 2018

To satisfy the UK legislative requirements of paragraph 16(2) of Schedule 19 to the Finance Act of 2016, this strategy statement is published by and on behalf of Comptoir des Cotonniers UK Ltd (“the Company”). The Company is a subsidiary of Creations Nelson SA (Comptoir des Cotonniers France), a company that is registered in France. The Company is ultimately controlled by Fast Retailing Co. Ltd, which is registered in Japan, and which is listed on the Tokyo Stock Exchange (TYO: 9983) (“the Group”)

Throughout the year ended 31 August 2018, the Company operated retail stores in key locations in London and the UK provinces, selling branded women’s wear products and accessories.

1. Our approach to tax risk management and governance arrangements

We strive to fully comply with our statutory tax obligations by filing accurate tax returns, as well as paying our tax liabilities, on a timely basis. Due to the complex nature of tax legislation, potential differences in interpretation can create tax risk. We have sufficient processes and internal controls in place to identify, evaluate, mitigate, and manage risk.

While responsibility for the tax strategy lies with the Board, day-to-day responsibility is delegated to the Group’s accounting personnel in our European headquarters based in France, which is responsible for all finance functions, including the accounting and reporting of the Company’s UK financial statements.

The Group works to ensure that its staff is appropriately skilled, trained and supervised for the level of roles and responsibilities performed.

The Company has no in-house tax personnel due to its size of operation.

The Company works with qualified external advisors to provide it with its on-going tax compliance services and for its expertise on UK tax matters as needed.

However, the Group has a centralised tax function that is based in Japan that is supported by a team of qualified in-house tax professional and outside tax advisors, which ensure tax controls are followed.

The Group maintains suitable systems and internal control processes to ensure that its overall control framework is adequate. This involves, but is not limited to, monitoring the

integrity of the financial reporting system, implementation of internal controls over financial reporting and disclosure, and a governance, compliance and risk management framework managed by the Group's internal audit team.

The Group's internal controls fully apply to management of our U.K. operations

2. Our attitude towards tax planning

Any tax planning by the Company will have commercial and economic substance. The Company will not engage in artificial or contrived schemes or tax avoidance to reduce taxation.

The Company complies with applicable tax laws, while managing tax exposures, maximising shareholder value, and facilitating transparency in financial reporting.

Where uncertainty exists, we may seek appropriate external advice.

3. The level of tax risk we are prepared to accept

Our internal controls operate to ensure compliance with tax legislation, where uncertainty exists; we may seek appropriate external advice or engage directly with HMRC. When making decisions on tax we consider the materiality of any item, the financial impacts, as well as any perceived reputational risk.

4. Our approach to dealings with HMRC

The Company will engage with HMRC with honesty and integrity and respect. We aim to respond to information requests in a timely manner.

The Company's approach is to cooperate in all compliance matters in a professional, timely and open manner.

The Company may engage external tax advisors to liaise with HMRC on its behalf.

Where considered appropriate, the Company would be prepared to litigate on matters where we disagree with a ruling or decision of a tax authority.

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Taku Morikawa
Director

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Date