

## **Tax Strategy**

Since our (the company's) business can have material economic and social effects, we recognize our social responsibility in the area of taxation too. We comply with the tax law and perform the social obligations in the countries where we are incorporated to do business. To perform our tax obligations, we will:

- Understand and comply with the purpose of tax law provisions;
- Prepare, submit and keep necessary forms and materials in a timely manner, in accordance with the requirements of tax law and tax authorities; and
- Actively utilize outside advisors, if in need of professional knowledge of complex, uncertain tax issues

### **1. Direction of tax risk management and control**

We establish an internal policy and work procedure for tax return (declaration) and tax law compliance. Also, we perform effective management of tax risks. We believe that complying with tax law is the way to protect us from tax risks that can occur in the process of creating future value.

### **2. Transparency in transactions**

We establish a transfer pricing policy based on the "arm's length price method" under the OECD guidelines generally accepted in all tax jurisdictions, and pay lawfully-calculated taxes in all jurisdictions where income has accrued.

### **3. Position on tax planning**

We do not abuse tax structures, such as using tax havens or low tax jurisdictions for tax evasion. As a responsible taxpayer, we faithfully follow the principle of good faith. With the goal of maximum value creation and social contribution, we strive for efficient tax management. We strive so that the interests of our stakeholders such (society, shareholders, employees, etc.) and the opinions of tax authorities do not conflict with each other. We conduct internal transactions under the principle of arm's length price as periodically updated by considering changes in the business environment.

### **4. Tax risk management to a manageable level**

We are well aware that due to the complexities of tax law and the differences in its interpretation, we cannot remove all tax risks. To overcome that, we are committed to identifying and monitoring key tax risks at the company level, and seek tax experts' advice. We focus on confirming and identifying uncertain tax issues at an early stage. If a tax law that is vague or can cause controversy in interpretation materially affects our business, we will solve the problem through communications with tax authorities in cooperation with outside experts.

### **5. Attitude toward tax authorities**

We recognize that cooperation with tax authorities is an important, essential part of our tax-related activities, and will transparently, honestly, professionally cooperate with tax authorities. We believe that doing so is how we can most efficiently lessen or remove uncertainties. If requested by tax authorities, we will provide related information to the right person in a timely manner, and in the case of difference in opinions with the tax authorities, will make all efforts to reach mutual agreement.

## **6. Global compliance**

We aim to comply with the principles of the countries where we do business. We will faithfully return (declare) and pay taxes in accordance with local tax law, and if requested by tax authorities, will provide materials in a timely manner.