

Nippon Sanso Holdings Group Global Tax Policy

We understand that it is our social responsibility to comply with the tax laws and regulations of, and contribute through tax payments to the development of, all the countries and regions we operate in. Therefore, we are committed to addressing the interests of various stakeholders through legal compliant, timely and appropriate tax payments and proper and highly transparent tax management to ensure such compliance and tax payment.

1. Compliance

We fulfil our tax payment obligations in the countries and regions it operates in. In doing so, we always comply with tax laws and regulations in these countries and regions and respect the spirit of the law.

2. Transparency

We strive to provide transparency into its tax affairs by disclosing tax related information in accordance with the tax laws and regulations of the countries and regions we operate in.

3. Minimization of Tax Risks

We strive to minimize our tax risks by appropriately responding to revisions to the tax systems and changes in the tax administrations in the countries and regions we operate in, and by obtaining opinions of external experts and utilizing prior confirmation system as necessary.

4. Tax Planning

We do not enter into artificial tax arrangements for the purpose of tax avoidance or which lack commercial rationale.

5. Transfer Pricing

We give due consideration to the arm's length principle in executing international related party transactions and ensure profits are appropriately allocated according to the functions performed, the risks borne, and the assets held by our group companies so that we can achieve appropriate tax payments in the countries and regions they operate in. We also comply with the laws and regulations on transfer pricing documentation in the countries and regions we operate in.

6. Tax Havens

We do not avoid taxes using countries or regions with no tax or low tax rates (so-called "tax havens").

7. Elimination of Double Taxation

We seek to eliminate economic double taxation (where tax is paid two or more times on the same source of economic income) through the use of tax treaties and constructive dialogue between the relevant countries.

8. Relationship with Tax Authorities

We aim to establish and maintain sound and good relationships through providing tax authorities in the countries and regions we operate in with the information in a cooperative and appropriate manner as well as through constructive dialogue.

9. Tax Governance

Our tax governance is ultimately the responsibility of the Chief Financial Officer (CFO) of Nippon Sanso Holdings Corporation. Practical management of tax governance is delegated to the tax departments of our group companies. The General Manager of Accounting Division, Group Finance & Accounting of Nippon Sanso Holdings Corporation supervises significant tax administration and tax risk management for all group companies. If the financial affairs or business operations of our group companies are materially affected as a result of a tax examination by a tax authority, our group companies report the details to the tax supervisor and the tax supervisor requires our group companies to report their practical management of tax governance, as necessary. Our group companies appropriately prepare and manage tax related documents such as tax returns by ensuring an appropriate system of internal controls and properly responding to tax system revisions, etc.

This policy may be revised or abolished by the Board of Directors of the Company.

Established on February 2nd, 2021