

The Tokuyama Group affirms that proper tax payment is one of its key corporate social responsibilities. The Tokuyama Group Tax Policy has been established under the Tokuyama Group Code of Conduct, and all officers and employees of the Tokuyama Group must comply with it.

Tokuyama Group Tax Policy

Established April 1, 2023

1. Basic Stance

The Tokuyama Group complies with tax laws and regulations in the jurisdictions in which it operates, and accurately files tax returns and pays taxes. Moreover, it conducts business activities in compliance with international tax rules and helps to realize a sustainable society by practicing proper tax payment.

2. Scope

This Tax Policy applies to all business activities conducted by the Tokuyama Group.

3. Tax Planning

The Tokuyama Group conducts fair and appropriate tax planning that reflects its business activities. The Group complies with international tax rules and the laws and regulations of the jurisdictions in which it operates, and strives to minimize tax risks. Moreover, we never engage in intentional tax avoidance by failing to present accurately our business objectives and actual conditions, nor do we employ evasive tax planning using tax havens.

4. Compliance Concerning Transfer Pricing

When conducting transactions between Tokuyama Group companies in different tax jurisdictions, the Group sets transaction prices based on the arm's length principle in accordance with international rules such as the OECD Transfer Pricing Guidelines. Moreover, we strive to prepare accurate documentation related to transfer pricing that complies with the taxation systems of the jurisdictions concerned.

5. Prevention of Double Taxation

The Tokuyama Group applies tax treaties and mutual tax agreements between countries and strives to prevent paying any double taxation to multiple countries for the same economic benefit.

6. Relationships with Tax Authorities

The Tokuyama Group strives to build sound relationships of trust with the tax authorities in

the jurisdictions where it operates. Inquiries from tax authorities are met with timely and appropriate information disclosure. To reduce uncertainty associated with tax operations and ensure tax transparency, we not only prepare our tax filings in ways that can be reasonably explained, but also strive to promptly resolve any differences of opinion with the tax authority concerned. Finally, we take measures to ensure that any tax guidance received from a tax authority is properly applied thereafter.