

Kagome Group Tax Policy

1. Overview

Kagome Co., Ltd. and its subsidiaries (the “Kagome Group”) contributes to society by complying with tax laws, maintaining good relationships with tax authorities and paying taxes appropriately in all the countries and regions it operates.

Based on the corporate philosophy of “Corporate Openness”, the Kagome Group has established the Kagome Group Tax Policy for disclosure to its stakeholders. All companies and staff within the Kagome Group are required to comply with this policy.

2. Compliance with International Tax Law

The Kagome Group ensures it is not only compliant with the tax laws of each country and region, but also responds in a timely manner to annual tax reforms of each country and region, tax treaty changes and guidelines issued by the OECD.

3. Tax Risk Management

Kagome Co., Ltd., as parent company of the Kagome Group, which arranges the tax expert staffs, seeks to centralize management of group tax risks by monitoring tax information gathered from its subsidiaries. Tax risks that arise, such as through a subsidiary tax audit, will be handled following a detailed analysis of the facts and circumstances.

4. Tax Planning

The Kagome Group strives to enhance corporate value and minimize tax risks. Transactions are supported by an underlying business purpose and not conducted solely for tax purposes. Business structures are determined and tax incentives utilized with a view to maximizing consolidated cash flow.

5. Transparency

The Kagome Group supports the OECD’s Base Erosion and Profit Shifting (“BEPS”) project and discloses tax information to tax authorities of each country and region accordingly. The Kagome Group contributes the cooperation within tax authorities of each company based on the purpose of the BEPS, and as a result, try to avoid double taxation.

6. Transfer Pricing

The Kagome Group applies the arm's length principle in determining prices for intercompany cross-border transactions by allocating profit appropriately through analyses of the function, assets and risks of the parties involved.

7. Use of Tax Havens

The Kagome Group will never hold entities in tax haven countries or regions for the purpose of tax avoidance.

8. Relationship with Tax Authorities

The Kagome Group seeks to develop good relationships with tax authorities of each country and region through mutual cooperation. In the event of a difference of opinion, the Kagome Group will endeavor to seek resolution through appropriate communications. If there are any back taxes, the Kagome group seeks to make appropriate reactions with tax specialists.