

Toda Corporation Group - Tax Policy

March 31, 2025

Introduction

Our group contributes to the realization of a sustainable society by implementing our management policies and the charter of corporate behavior in order to achieve the "Toda Corporation Group Global Vision." As part of our commitment, we adhere to the tax laws of each country in all business activities and ensure appropriate tax reporting as a fundamental policy. In addition, by properly managing tax-related risks and uncertainties, we aim to build positive and mutually respectful relationships with tax authorities and meet the trust of our stakeholders.

Compliance with Laws and Regulations

Our group strictly complies with applicable tax laws and related regulations in all countries and regions where we operate. Accurate and transparent tax reporting and fulfilling legal obligations are upheld as fundamental practices.

Tax Governance

Our group establishes and maintains an appropriate tax governance framework to comprehensively and continuously manage tax compliance with The Corporate Administration Group General Manager as the most authority. The tax governance structure of Toda Corporation Group is composed as follows:

- The Senior General Manager, The Corporate Administration Group Finance & Planning Administration Division supervises the formulating and implementing tax policy and the management of important tax information and tax risks.
- The Corporate Administration Group Accounting Division is responsible for the Company's routine tasks such as tax filing, payments, tax audits, and tax consultations. Important tax information is shared between The Corporate Administration Group Accounting Division and each Group company through the relevant business group.

Note that the accounting divisions of each group company are responsible for their own practical handling of tax-related operations.

- External tax advisors provide professional knowledge and advice on tax matters.

Tax Risk Management

We place a strong emphasis on appropriately assessing and managing tax-related risks.

To mitigate tax risks, we implement the following measures:

- Constantly monitoring changes and trends related to tax matters and analyzing their impacts and corresponding measures.
- Conducting tax education and training to enhance employee tax literacy.
- Consulting with external tax advisors and confirming with tax authorities as necessary when tax issues or uncertainties arise.

Transfer Pricing

Our group ensures compliance with the transfer pricing rules of each country in global operations. To maintain fair and transparent transactions, group transactions and pricing are managed based on the following guidelines:

- Even in transactions with foreign related parties, compensation and transaction pricing are determined based on the arm's length principle, consistent with transactions between independent enterprises.

Relations with Tax Authorities

We respond with sincerity and cooperativeness with tax authorities in all countries and regions where we conduct business. The following policies are observed to sustain positive and mutually respectful relationships with tax authorities:

- Filing and paying taxes in a timely and accurate manner.
- Responding sincerely to inquiries from tax authorities.
- Resolving any differences of opinion with tax authorities based on facts.