

## **Yakult Group Tax Policy**

The Yakult Group operates its business globally under the corporate philosophy of “We contribute to the health and happiness of people around the world through pursuit of excellence in life science in general and our research and experience in microorganisms in particular.” The group recognizes that it is extremely important to promote sound organizational operations and fair business practices to realize this corporate philosophy.

The Yakult Group stipulates its taxation policy in the following manner in order to ensure compliance with taxation-related laws and regulations in the countries and regions where it conducts business activities, as well as with international rules and the Yakult Ethical Principles and Code of Conduct.

### **1. Compliance**

The Yakult Group shall adhere to taxation-related laws and regulations in all countries and regions where it conducts business activities and to the spirit of the law. It also respects international rules such as tax treaties and OECD Guidelines in its business activities and shall strive to carry out appropriate tax payments.

### **2. International frameworks**

The Yakult Group understands the purpose of international frameworks including the base erosion and profit shifting (BEPS) project of OECD and aims to ensure transparency in international transactions by complying with the tax systems of each country and region.

### **3. Transfer price**

In international transactions between companies of the Yakult Group, the group shall carry out the transactions appropriately by considering arm’s length pricing in accordance with OECD’s Transfer Pricing Guideline.

### **4. Minimizing taxation risk**

The Yakult Group, along with understanding the taxation-related laws and regulations of various countries and regions to minimize taxation risks and uncertainties, shall strive to reduce risks and uncertainties by seeking advice from experts and making prior inquiries to tax authorities when there is anything unclear in taxation-related interpretations.

## **5. Taxation plan and tax havens**

The Yakult Group recognizes that transactions lacking in legitimate business purpose or economic rationality damage tax-related transparency and may impair the trust of the whole group. Based on this view, the group does not use taxation plans or tax havens aimed at tax mitigation.

## **6. Response to tax authorities**

The Yakult Group shall provide appropriate tax-related information to tax authorities in a timely manner and work to build cooperative relationship with them through sincere responses.

Established: March 30, 2021