

## Tax Policy

### 1. Basic Policy

The BIPROGY Group strives to comply with laws and ordinances, societal norms, and internal regulations, understand the cultures and customs of countries and regions where the Group operates business, act faithfully by following the dictates of social common sense predicated upon high ethical standards, and fulfill tax liabilities in an appropriate manner.

### 2. Tax Risk Management

The Group understands the intent of laws related to tax, carefully observes the latest developments in international situation and in tax, properly understands and manages tax risks and strives to reduce tax risks, through a department dedicated to tax affairs established in each company of the entire Group.

The Group effectively utilizes consultations with external tax advisors on statutory construction/interpretation and for the purpose of collecting information mainly about overseas laws and ordinances and taxation practices.

In the case where it has uncertainties regarding the tax treatment of any transaction, the Group conducts advance inquiries at the tax authorities in order to resolve uncertainties and minimize tax risks.

The Group provides employees with guidance and enlightenment activities appropriately in order to raise awareness of tax compliance obligations.

### 3. Tax Planning

The BIPROGY Group conducts appropriate and rational tax planning in light of intent and purposes of laws and ordinances.

The Group implements pricing decisions in transactions between affiliated companies in accordance with the Transfer Pricing Guidelines published by the OECD(\*) in line with the arm's length principle.

(\*) OECD: Organisation for Economic Co-operation and Development

The Group does not engage in tax planning practices for deliberate tax avoidance such as using tax havens through business entities that do not have business purposes nor business substances.

Also, if the Group invests in countries with low taxation due to the necessity for business execution, or if the tax rates are reduced as a result of revisions of the laws and regulations in the countries where the Group operates, it will be determined whether or not the Anti-Tax Haven (Controlled Foreign Company: CFC) Rules are applied pursuant to the provisions of laws and regulations. If it is subject to the Anti-Tax Haven (CFC) Rules, the Group properly files and pays taxes.

### 4. Tax Governance

CFO (Chief Financial Officer) of the BIPROGY Group is responsible for the governance of tax affairs of the Group. CFO reports on tax matters to the Executive Council or the Board of Directors, as needed.

### 5. Relationship with Tax Authorities

The Group strives to build trust in the relationships with the tax authorities through complying with the relevant tax laws and ordinances in countries and regions where it operates business and responding to inquiries from tax authorities in a prompt and appropriate manner.

Also, in the event of receiving instructions on a matter from tax authorities, the Group strives for rectification by taking measures to prevent recurrence.