

## **Yamato Group Tax Policy in UK**

1. Principle
  - The Yamato Group shall pay appropriate taxes in compliance with the local tax laws of each country or region, as well as the tax guidelines released by international organisations such as the Organization for Economic Cooperation and Development (OECD). This is at the very core of our business as we strive to pay our fair share of taxes in the country or region where they are created.
2. Compliance with Tax Law
  - We, as a responsible tax payer, comply with local laws and international rules and do not engage in any aggressive tax planning, evasion, avoidance or offshore tax structures in order to reduce our taxable profits, be it in the UK or elsewhere in the world.
  - We do not receive tax benefits for businesses which lack business substance.
3. Tax Corporate Governance
  - Yamato Group's tax corporate governance is conducted in accordance with internal accounting rules, guidelines and directives. All group entities, executives and employees shall comply with said rules.
  - We work to strengthen internal control systems based on laws and regulations in order to ensure appropriate tax corporate governance.
4. Effective Risk Management
  - As we are a Japan-based company, we comply with the Japan's local Financial Instruments and Exchange Law.
  - We are constantly working on a global basis on actively identifying, evaluating, monitoring and managing possible risks, in order to keep in pace with our norms and values.
  - We have embedded the 'COSO Framework of Internal Control' in our organization. Next to clear structures the responsibilities, duties and tasks of all managers are described in regulations.
  - Regarding 'soft controls' the Board of Directors sets the tone at the top. Their behaviour and acting demonstrates a commitment to integrity and ethical values which effects the culture, behaviour and motivation of all employees.
  - We may use external advisors where there is uncertainty or additional expertise may be required.
5. Relations with Tax Authorities
  - We strive to actively reach out to local tax authorities with regard to matters of significance for our business. As such, we will keep HMRC up-to-date regarding possible changes of relevant facts and circumstances in our business, but we will also be seeking advice in matters on how to interpret the law if necessary.
  - We respond appropriately to requests by tax authorities, such as information disclosure requests. We also intend to mutually discuss (past) tax risks, in order to jointly come to a suiting solution.
  - We do not provide unwarrantable benefits to tax authorities.
6. Transfer Pricing
  - We pay appropriate taxes in compliance with the laws and regulations of the countries and regions where value is created through economic activities in order to avoid any unnecessary tax risks.
  - The pricing of cross-border transactions between group entities shall be set within reasonable ranges by taking into account the pricing applied in transactions between third parties without any capital or controlling relationship.