

Tax Global Policy

1. Introduction

The ONO Group¹ believes that complying with tax legislation and paying taxes properly in all countries and regions where it operates will contribute to the economic and social development of each country or region.

Based on this belief, the Group strictly adheres to the following tax compliance policies to ensure highly transparent tax management.

¹The ONO Group refers to ONO Pharmaceutical Co., Ltd. and its subsidiaries.

2. Tax Compliance

The Group complies with tax legislation of the countries and regions where it operates. Also, while fully understanding the intent behind the legislation, the Group pays taxes properly in every applicable jurisdiction without abusing its tax systems.

3. Tax Governance

ONO Pharmaceutical's executive in charge of accounting is responsible for tax governance of the Group. Tax operations of the Group are carried out by the responsible departments at Group companies, and the overall management of important tax operations relevant to the entire Group is undertaken by the department in charge of taxes at ONO Pharmaceutical.

The Group seeks to maintain an appropriate internal control system and properly prepare and manage tax-related documents including tax returns by assigning employees with specialized tax knowledge to the departments in charge of taxes or by using external tax consultants.

The Group also seeks to continue making appropriate tax payments by continually investing in the training and development of employees involved in tax operations.

4. Transfer Pricing

In accordance with the OECD Transfer Pricing Guidelines and the transfer pricing taxation system of each country, the Group determines transfer prices by applying an appropriate transfer pricing method based on analysis of the functions, assets, and risks of each Group company. By doing so, the Group seeks to pay the right amount of tax in all countries and regions in which it operates.

In countries and regions where transfer pricing documents are required to be submitted or furnished, the Group fulfils the obligation to prepare such documents.

Furthermore, the Group seeks to obtain tax certainty by using an advance pricing agreement (APA), where necessary.

5. Commitment against Tax Evasion through Tax Havens

The Group never engages in intentional tax evasion using tax havens (countries/regions with low or no taxes).

6. Relationship with Tax Authorities

The Group seeks to build and maintain a relationship of trust with tax authorities of the countries and regions in which it operates by providing tax information, etc., to the relevant tax authorities in an appropriate manner in accordance with the applicable legislation.

In cases where conflicts with tax authorities of the countries/regions in which it operates, the Group seeks to achieve speedy resolution of conflicts in cooperation with the relevant tax authorities.

7. Tax Planning

The Group carries out tax planning aimed at enhancing corporate value on a continuous basis, while maintaining full compliance with tax legislation and tax liability in countries and regions in which it operates, as well as working to avoid double taxation.

The Group's tax planning does not aim to evade taxes. The Group carries out tax planning in alignment with its business objectives and in accordance with the applicable legislation. In addition, The Group does not carry out a tax planning and organize an artificial tax structure without business substance in order to take tax incentives or generate double non-taxation.

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