

TOTO

TOTO Group Global Tax Policy

In order to comply with the tax laws of countries around the world, TOTO Group will ensure tax transparency by establishing a tax policy. TOTO aims to increase value for shareholders by eliminating tax risks on a global basis.

• Basic policy

TOTO complies with tax laws in all countries of operation and pays taxes fairly and appropriately.

• Transfer price

TOTO has established a transfer pricing policy for the TOTO Group that complies with the OECD Transfer Pricing Guidelines and the laws and regulations of each country, and sets inter-group transaction prices based on this policy.

• Tax haven

TOTO will not intentionally avoid taxes by using tax havens.

• Relationship with tax authorities

TOTO is committed to building good relationships with the tax authorities in all countries where we operate through a cooperative approach.

• Governance system

The director in charge of finance and accounting at TOTO is responsible for tax governance. The person in charge of tax management has been appointed to be the general manager of the Finance and Accounting Division of TOTO. The director in charge of finance and accounting at TOTO allocates the required resources to the construction and penetration of the structure organizationally implementing the PDCA cycle related to taxation by the TOTO Group and confirming and evaluating the effectiveness of the structure. The general manager of the Finance and Accounting Division of TOTO makes the plan for and executes the process for realizing the tax policy. Furthermore, the general manager appropriately implements the necessary measures for realizing the tax policy to globally eliminate tax risk by making inquiries of the tax adviser (external) and the tax authority. Note, however, that the Group's tax policy and other important tax-related matters are reported and approved as necessary at meetings of the Board of Directors or the Management Committee, and the governance status is regularly reported to the Audit & Supervisory Committee.

• Tax payments by region (for FY 2023)

Unit: hundreds of million yen

Japan	Mainland China	Asia	Americas	Other	Total
84.29	14.38	13.45	5.97	--	118.10