

DENSO Group Global Tax Policy

1. Enhancement of tax compliance

DENSO Group performs the activities below under the recognition that tax compliance is one of indispensable social responsibilities.

1) Training and Awareness activity for our associates

As stated in “Code of Conduct for DENSO Group Associates”, our associates must ensure proper accounting procedures and methods that are the basis of proper tax payment. The companies provide various opportunities such as seminars, e-learning, etc. in order for the associates to gain the necessary knowledge and skill level to meet appropriate tax compliance.

2) Abidance by the rules of cross-border transactions

Cross-border transactions are to be conducted in accordance with legislative regulations as set forth by the OECD in Transfer Pricing guidelines and Controlled Foreign Corporation rules for multi-national companies. DENSO’s philosophy is to meet those guidelines and rules in applying proper arm's length prices in cross-border transactions with our related group companies as well as preventing from profit shifting to a low-tax country.

3) Relationships with tax authorities

Tax payment is to be properly executed in each country where DENSO Group does business. The companies promptly provide information and implement countermeasures on tax issues addressed by the tax authorities.

2. Execution of proper and reasonable tax planning

DENSO Group endeavors to utilize tax incentives with deep understanding of their intent and conditions. The companies will not do that under the purpose of tax reduction in a country where DENSO Group is not doing business.

DENSO Group works on various tax activities under this policy, which is led by the tax teams in cooperation with the tax authorities and external advisors.