

Kikkoman Group UK Tax Strategy

This UK tax strategy disclosure applies to Nutri-Link Limited, JFC (UK) Limited, and Kikkoman Trading Europe GmbH UK Office (collectively, the “UK group”). The ultimate parent company of the UK group is Kikkoman Corporation, incorporated in Japan.

1. General Principles

With the aim of contributing to societal development and stability as part of its obligations as a corporate citizen, the Kikkoman Group recognizes the importance of making appropriate tax payments in all regions and jurisdictions in which it operates. Based on these principles, the Kikkoman Group strives to adhere to both the letter and spirit of laws and regulations when making tax payments in such regions and jurisdictions.

2. Tax Governance

In order to address the various potential tax risks of the UK Group, we have established and implemented the Kikkoman Group Risk Management Policies. Where matters of particular concern arise in respect of tax payments, the CFO will regularly report any relevant details to the Board of Directors. Subsequently, the Board of Directors will provide instructions to the CFO with the aim of addressing any identified issues.

3. Tax Planning

To maximize shareholder value, the Kikkoman Group effectively and appropriately utilizes preferential tax regimes available in the UK in order to bear the appropriate level of taxation.

The Kikkoman Group does not engage in any aggressive tax avoidance that is contrary to the intended meaning of the relevant laws and regulations.

4. Tax Risk

The Kikkoman Group performs appropriate levels of analysis related to various tax risks in the UK. The Kikkoman Group also consults with outside tax advisors for their opinion or guidance as necessary to understand any uncertainty in interpretation that gives rise to tax risk.

5. Transfer Pricing

As the Kikkoman Group expands its operations around the globe, transactions entered into between its group companies in various jurisdictions become more frequent. To address the transfer pricing risks that may arise from the group's operations and to ensure the appropriate treatment of intragroup transactions, the Kikkoman Group has established Transfer Pricing Policies in accordance with the OECD Guidelines and based on the tax regulations of the various jurisdictions in which it operates. The group's Transfer Pricing Policies require that all intragroup transactions are conducted in accordance with the arm's length principle.

In instances where transfer pricing uncertainty is high, the group utilizes advance pricing agreements (APAs).

6. Relationship with HMRC

The UK group consults with HMRC as and when necessary. Based on a fair approach, the group endeavors to share information with HMRC in order to appropriately convey the UK group's activities and pay the appropriate amount of tax.

The publication of this strategy statement is regarded as satisfying the requirements under Paragraph 16(2), Schedule 19, Finance Act 2016.

The strategy has been approved by the board of directors of JFC (UK) Limited. This covers the period ending March 2020 and is subject to annual review.