

December 16, 2024

Yazaki Corporation

## Comments on the Reports of Our Company's Tax Status

On December 14, some media reported that we did not report a portion of income on our tax returns. We would like to announce our position as follows.

The Tokyo Regional Taxation Bureau indicated that a total of 34 billion yen was undeclared income over two years, up to the fiscal year ending June 2022. Following the indication of the Tax Authority, we have paid the additional tax (approximately 3 billion yen), although we disagree with a part of their tax audit result.

In this case, we had retroactively adjusted the transaction price based on pre-established internal regulations to avoid imposing a deficit on the subcontractor. The retroactive price revision to the subsidiaries was deemed to be a donation, and we were subject to additional tax. We argued that it was unfair to not allow retroactive adjustments to subsidiaries due to fluctuations in the number of orders and raw materials, but the authorities determined that this was a donation. We have filed a request for review of our complaint.

We sincerely apologize for the inconvenience and concern this may cause to our customers and other concerned parties. We will continue to make efforts to pay taxes appropriately.

Contact information for this matter;

<p>Yazaki Corporation Corporate Communications Department Tel: +81-55-965-3002 Email: <a href="mailto:kouhou@jp.yazaki.com">kouhou@jp.yazaki.com</a></p>
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