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The information provided is understood to be correct as of September 2025. Changes in legislation or practice after this date may affect the tax treatment.

## Tax - Employee Notes - Your Shares: Gifted and Matched

Japan	
When will I be taxed in relation to my plan benefits?	<b>Purchase of Investment Shares:</b> Contributions to purchase Investment Shares are deducted from post-tax salary. <b>Award of Gifted and Matching Shares:</b> No income tax. No social security. <b>Unlocking of Gifted and Matching Shares:</b> Income tax. No social security. <b>Sale by participant:</b> Capital gains tax on increase in value since purchase of Investment Shares and since time of unlocking of Gifted and Matching Shares. No social security.
What is the maximum rate of income tax payable in relation to my plan benefits?	55.945% (2025). Any change in tax rates usually takes effect from 1 January.
Income tax rates	National income tax rates are progressive up to 45%. The maximum income tax rate of 55.945% includes local income tax of 10% and the 2011 earthquake recovery surcharge of 2.1%, which is assessed on the taxpayer's national income tax.
Will my employer withhold income tax in relation to my plan benefits?	Yes.
Are my plan benefits subject to social security contributions?	No.
Will my employer withhold social security contributions in relation to my plan benefits?	Not applicable.
What is the maximum rate of capital gains tax?	20.315% Capital gains are taxed at a flat rate of 15.315% for national tax and 5% for local tax.

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<b>What is the maximum tax rate payable on dividends?</b>	<p>Listed shares (such as Rolls-Royce): taxpayer's choice of:</p> <ul style="list-style-type: none"><li>• 20.315% (separate self-assessment taxation) subject to any available tax credit; or</li><li>• 55.945% (comprehensive income tax) subject to any available tax credit.</li></ul> <p>If a decision is taken to pay dividends, then while you continue to hold shares in Your Shares, dividends are currently automatically reinvested to purchase further Rolls-Royce Ordinary Shares, which will also be held within Your Shares and will be immediately unlocked. You will be eligible to receive dividends within Your Shares on all Investment Shares but on Gifted and Matching Shares only once they unlock. Also, shares arising from reinvestment of dividends will themselves be eligible to receive future dividends.</p> <p><b>Reinvestment into ordinary shares:</b> no income tax or social security.</p> <p><b>Sale of reinvested ordinary shares:</b> taxed as a capital gain and subject to capital gains tax. No social security.</p> <p>These taxes will not be collected by Rolls-Royce. Please see question “Do I have to report any income in relation to the plan to my local tax authority?” below regarding your tax reporting and payment responsibilities.</p>
<b>Do I have to report any income in relation to the plan to my local tax authority?</b>	<p>Generally yes. If the plan benefits are paid through the local employer and are subject to Japanese withholding tax, employees resident in Japan whose annual gross salary receipt amount (including the amount of salaries other than the plan benefits) is JPY20million or less and whose income, other than salary income and retirement income, for that year is JPY200,000 or less, are not required to file annual tax returns.</p> <p>There is no specific filing in relation to share related incentives.</p> <p>Individuals are required to report foreign held assets if those assets have a market value (or estimated value as an alternative) over JPY50million as of 31 December.</p> <p><b>Report name:</b></p> <ul style="list-style-type: none"><li>• Annual Tax Return. The return can be filed online. The tax return can be downloaded from the website <a href="#">here</a>;</li><li>• Foreign assets reports are filed physically or electronically on the Foreign Assets Report website (<i>Kokugai Zaisan Cho-sho</i>) <a href="#">here</a>.</li></ul>

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	<p><b>Tax period:</b> 1 January to 31 December.</p> <p><b>Reporting deadline:</b> tax returns must be filed by 15 March of the subsequent year. Foreign asset reports must be filed by 30 June of the subsequent year.</p> <p><b>Payment:</b> any unpaid income tax is due by the date of filing the tax return.</p>