Donation profit calculation flowchart LEVEL 1 • Confirmation of controlling shareholder Selection of groups including the largest shareholder among the shareholders of the beneficiary corporation ② Among them, the individual shareholder with the largest direct and indirect shareholding is confirmed. LEVEL 2 Check whether the sales ratio between related corporations exceeds 30% (40% for medium-sized companies and 50% for small and medium-sized companies) - Excluding sales between beneficiary corporations that are small and medium-sized businesses and related corporations that are small and medium-sized businesses, etc. ① Identify corporations that have a special relationship with the controlling shareholder among the customers of the beneficiary corporation. ② Check whether the total sales to those corporations accounts for more than 30% (40%, 50%) of total sales More than 30% (40%, 50%) Below Excluded from taxation LEVEL 3 Confirmation of beneficiary Confirmation of the controlling shareholder of the beneficiary corporation and his or her relatives ② Confirmation of individual shareholders whose direct/indirect shareholding ratio exceeds 3% (10% for medium-sized companies) More than 3% (10%) Below Excluded from taxation LEVEL 4 • Calculation of gift profits - Benefits of gift: (①×②×③)－④ ① After-tax operating profit ② Transaction ratio with related corporations - 5% (20% for medium-sized companies, 50% for small and medium-sized companies) ③ Direct/indirect stock holding ratio of the donee - 0% (5% for medium-sized companies, 10% for small and medium-sized companies) ④ Deduction amount for dividend income received within the reporting deadline - Calculated separately by direct and indirect stock holdings (A＋B) A Profit related to direct stock holdings B Profit related to indirect stock holdings