UK Tax Strategy

1. Attitude to Tax Planning in relation to UK taxation

Hanwa Group (the Group) has adopted *Group Ethical Standards* and *Rules of Ethical Business Conduct* to recognize constantly the role it should play in society and its responsibilities, and to establish a compliance program to ensure high corporate ethics. (The *Group Ethical Standards* and *Rules of Ethical Business Conduct* can be found at: https://www.hanwa.co.jp/en/company/vision.html)

The Group acts with integrity and transparency in all tax matters. To properly understand the UK tax laws and regulations, and to deal effectively with any relevant tax revisions, we may seek external expert advice as appropriate.

The Group does not engage in any tax avoidance schemes or aggressive tax planning to artificially reduce the amount of UK tax pays.

2. Level of UK tax risk

Considering the scale of business conducted by the Group in the UK, tax risk is considered to be relatively low and hardly influenced by our external stakeholders. We will seek external advice to reduce risk when there is significant uncertainty or complexity regarding tax matters.

3. Relationship with HMRC

The Group is committed to be collaborative and transparent in its approach to work with HMRC. We strive to establish a reliable relationship　through making fair, accurate and timely disclosure in correspondence and returns, and responding to queries raised by HMRC in a timely and appropriate manner. We aim to resolve any tax issues in real time by consulting HMRC wherever possible.

4. Risk management and governance arrangements in relation to UK taxation

The tax affairs arising in the UK are discussed with a licensed tax accountant and reported appropriately to the management of the head office. The management has the final responsibility, and takes necessary measures to fully comply with the UK tax rules. Internal Audit also has a role to maintain oversight of compliance in respect of day-to-day business operations.

Approved by the Board of Hanwa Co., Ltd.