

## KEYENCE (UK) LIMITED 's Tax Strategy

### **1. Introduction**

This document is to meet the requirements of Schedule 19 (Tax Strategies and Sanctions), Section 161 of the UK Finance Act 2016.

Keyence Group believes that payment of the correct amount of tax in any territory, in accordance with laws and regulations set by the local territory's government, is corporate's responsibility.

This policy shows all Keyence Group's principles in tax.

#### **1.1 Outline of Keyence Group**

The Keyence Group consists of Keyence Corporation, which is established in Japan and is the ultimate parent company of Keyence Group and some subsidiaries (including KEYENCE (UK) LIMITED).

The Keyence Group is mainly engaged in the manufacture and distribution of auto control systems, measurement systems, Information Technology ("IT") systems and other electric devices.

#### **1.2 Outline of functions between Keyence Corporation and KEYENCE (UK) LIMITED**

KEYENCE (UK) LIMITED is Keyence Corporation's singular subsidiary established in the UK. Keyence Corporation's main function is the manufacture and distribution of auto control systems, measurement systems, IT systems and other electric devices. KEYENCE (UK) LIMITED operates as a distributor of finished products sold to it by Keyence Corporation.

### **2. The approach of the group to risk management in relation to UK taxation**

#### **2.1 The approach to tax risk management**

KEYENCE (UK) LIMITED has an accounting team to deal with diary transactions appropriately. KEYENCE (UK) LIMITED has appointed external tax advisers to ensure that KEYENCE (UK) LIMITED remains compliant with relevant regulations and discloses the necessary information in a timely manner.

The responsibility of the UK tax strategy, risk management and governance sit with the directors of KEYENCE (UK) LIMITED.

#### **2.2 The approach to governance arrangements in relation to UK taxation**

The accounting team reports its financial figures and current tax issues to Keyence Corporation's accounting division in a timely manner. Keyence Group

operates tax risk assessment as part of the overall control for financial reporting.

In addition, material issues or significant risks identified are also escalated to the Keyence Corporation's accounting division.

KEYENCE (UK) LIMITED also engages the services of an external tax advisory firm. Where there is uncertainty or significant complexity external advice is sought as appropriate.

**3. *The attitude towards tax planning and the level of risk in relation to UK taxation***

We do not engage in artificial or contrived structures for the purpose of tax avoidance.

The Keyence Group does not set any target tax indicator and does not have any driving force to execute aggressive tax planning. Therefore, we have a low appetite for tax risk

**4. *The approach towards its dealings with HMRC***

We believe that we already have a constructive relationship with HMRC.

Should significant questions regarding UK tax arise, we will make inquiries timely to HMRC in order to avoid discrepancy in views.

KEYENCE (UK) LIMITED regards the publication of the information set out above as complying with the duty and obligation contained in Schedule 19 of the UK Finance Act 2016.

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