

# UK Tax Strategy

## Introduction to the tax strategy

Sysmex Group (the “Group”) hereby sets out its strategy for conducting its tax affairs and managing tax risk with regard to the tax matters of its UK subsidiaries. The tax strategy and strategic tax objectives in this statement are tailored towards establishing a clear approach to the various aspects of tax reporting and compliance for the UK operations of the Group. This statement applies to all direct and indirect tax and tax accounting including reporting. We believe our published UK tax strategy, satisfies Schedule 19 of the UK Finance Act 2016, in respect of our financial year ending March 2020 and prior financial periods.

Sysmex Group considers the reinforcement of corporate governance as one of the most important managerial topics and aims to maximize the overall corporate value of the Group through enhancing management robustness and transparency, as well as improving management speed and efficiency. The tax strategy and objectives set out below build upon our corporate philosophy which determine the way we conduct ourselves in our daily operations.

## Tax Strategy statement

**Approach to tax risk management and governance:** The effective management of tax risk ensures that we carry out our business in strict compliance with all relevant tax laws and regulations, as well as in adherence to high ethical standards as expressed in the Group’s “Core Behaviour”. In accordance, we have established our Group tax strategy in the “Sysmex Group Global Compliance Code”, declaring our commitment to conduct proper accounting and appropriate tax payments to heighten tax transparency. Governance is discussed at board level, in particular reviews of internal or external audits, and upon changes and/or introduction of new tax processes and schemes. External advisors have been appointed to seek further advice on important matters through the application of diligent professional care and judgement. Many internal controls in regards to key tax processes and Group-wide policies have been implemented to ensure compliance with tax laws and regulations applicable to jurisdictions both domestic and foreign, as well as international standards such as the OECD Guidelines. Tax issues are periodically communicated to other business divisions, in order to communicate tax issues that may have effect on business operations, as well as identify and capture any latent tax risks. Exceptional transactions are discussed after the Director meeting or during month end closings to ensure the correct treatment is applied, and any material issues are escalated as appropriate to our Corporate Business Administration Division in Japan for consultation and approval.

**Attitude towards tax planning:** We are committed to promote fair and transparent transactions based on the principle of free competition with all our customers and business partners and comply with all applicable legislation in all aspects of corporate activities. Thus, all business transactions are undertaken in accordance with our “Code of Conduct”, which elements can clearly be considered in particular, integrity, honesty, openness and accountability. We make use of legislated tax incentives and exemptions approved by external advisers to support the long-term development of our company, but do not participate in any aggressive tax planning, or transactions which do not have a commercial purpose as their primary driver. Furthermore, in line with our Group standards, we are committed to acting in line with both the letter and spirit of the law.

**Level of risk in relation to taxation that we are prepared to accept:** In relation to our UK tax affairs, our appetite for tax risk is low and we only structure our affairs based on sound commercial principles and in accordance to our ethical standards and relevant tax legislation. Any aggressive tax planning is not considered

and we do not engage in any operations that would compromise our Group standards, business objectives, the Group's reputation and the reputation of our wider stakeholders.

***Approach towards dealings with HMRC:*** We seek to maintain an open and transparent relationship with HMRC based on regular and open communication, fair negotiations, timely completion of its reporting obligations and payment of any taxes due. In situations where tax law is unclear, we will seek relevant advice from external tax advisers, and discuss any issues upfront with HMRC. Should any disputes arise, we will maintain our honest and constructive manner with a view to achieving early agreement and resolution.