

UK TAX STRATEGY STATEMENT

INTRODUCTION

This tax strategy applies to TAKEUCHI MFG. (U.K.) LIMITED (the "Company"). Its publication is regarded as complying with the duty under Paragraph 22(2) of Schedule 19 to Finance Act 2016 in respect of the company's financial year ended 31 December 2020 (and group's financial year ended 28 February 2021).

OUR COMPANY AND BUSINESS

The Company operates its construction machinery sales business as a wholly owned subsidiary of the Head Office, Takeuchi Mfg Co., Ltd, in Japan. We import new construction machinery from the Head Office in Japan and supply them to customers in the UK and Ireland through the dealers. We also provide Servicing and Parts provision through these dealers.

OUR PRINCIPLES

The Takeuchi Group is dedicated to making contributions that reflect the United Nations Sustainable Development Goals to creating a society that is prosperous and environmentally responsible. We aim to be a company that is trusted and valued by our customers, business partners, shareholders, local communities, employees and their families. We are proud of the tax contribution that we make in the UK and regard it as an integral part of our wider economic contribution. It is the Company's policy that management and employees must comply with all UK laws and regulations and observe the highest standards of business and ethical conduct in all dealings with customers, suppliers, government officials and the wider community. This policy extends to compliance with tax laws and regulations and our interaction with HMRC.

TAX GOVERNANCE AND RISK MANAGEMENT

The UK approach to tax is ultimately the responsibility of the UK Board with support and co-ordination provided by the Takeuchi Head Office tax department in Japan where required.

Day to day tax compliance is delivered through a combination of in house staff and outsourced service providers. Where compliance activity is outsourced we only use reputable providers we are satisfied are appropriately qualified and controlled.

All tax payments and returns are reviewed and approved by both the UK finance manager and the managing director.

Our business operations and resulting tax profile in the UK are relatively straightforward and as a UK distributor for a global group, the main area of potential tax risk relates to transfer pricing. This risk is managed with the support of external advisors to ensure that inter-company transactions are priced on an arm's length basis, in line with OECD principles and all relevant reporting requirements are adhered to.

TAX RISK APPETITE

Takeuchi has a low tax risk appetite which is consistent with our principles and commitment to economic sustainability. We believe this is in line with the interests of all of our relevant stakeholders.

APPROACH TO TAX PLANNING

We adopt a conservative and responsible approach to tax planning. We respond to legitimate tax reliefs and government incentives where available and in the manner they are intended (e.g. capital allowances and duty deferment).

APPROACH TO DEALING WITH HMRC

Our aim is to maintain a professional, collaborative and transparent relationship with HMRC and respond to queries in a pro-active and timely manner. We believe that our tax strategy and ways of working adhere to the principles of co-operative compliance encouraged by HMRC.

APPROVAL FOR THIS STATEMENT

This statement is approved by the Takeuchi UK Board of Directors and the Head Office tax department in Japan.