

## **Denka Seiken UK Limited**

### **UK TAX STRATEGY DOCUMENT**

Denka Seiken UK Limited ('The Company') regards the publication of this tax strategy as complying with its duty for the year ended 31 March 2023 under paragraph 19(2) of Schedule 19 of the Finance Act 2016 to publish its UK tax strategy.

#### Background - UK operations

Denka Seiken UK Limited is part of the Denka worldwide group with its ultimate parent company, Denka Co. Ltd, based in Japan. The UK entity's approach to its tax strategy and obligations are aligned to those of the worldwide group.

#### 1. How the business manages UK tax risk

This document has been approved by the Board of Directors of the Company (the "Board") and will be reviewed annually. The Board is responsible for determining our approach to tax. Day-to-day operational responsibility for our tax affairs is delegated to the UK-based director with the support of professional advisers, where required.

There are several levels of control to limit tax risk and provide governance:

As part of our internal control processes we identify, assess and manage tax risks and account for them appropriately. We implement risk management measures including controls over compliance processes and monitor their effectiveness.

UK corporation tax computations are prepared by external advisers.

Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions may be taken from third party advisers to support the decision-making process.

The UK finance function has close links with the Denka Co. Ltd tax manager in Japan who closely reviews UK compliance. The UK tax position is reviewed regularly by Denka Co. Ltd as part of quarterly reporting, forecasting and budgeting.

UK finance is involved with the Denka Co. Ltd tax manager in preparation of agreements and documents to ensure compliance with transfer pricing rules.

#### 2. Attitude towards tax planning and acceptable risk levels

Tax planning is used to support the economic and commercial activity of the Denka group to minimise tax liabilities within the legal framework set by the government. The group companies do not enter into artificial tax planning schemes. There is an obligation to shareholders to optimise tax efficiencies but set within the overriding context of compliance and reputation.

The worldwide group's attitude to risk is conservative. The group has a policy of transparency and full disclosure to tax authorities. Where relevant and possible, we seek to agree the tax treatment of transactions in advance.

Where tax incentives and exemptions are available, we seek to apply them in the manner intended.

July 2023