

Mitutoyo (UK) Limited UK Tax Strategy

Introduction

Mitutoyo (UK) Limited is part of the Mitutoyo Group. The European headquarters of the Group is in Germany and the Group's ultimate parent company, Mitutoyo Corporation, is based in Japan.

This document has been produced in accordance with Schedule 19 of the Finance Act 2016, and was approved by the Mitutoyo (UK) Ltd Board on 23rd November 2020. The document sets out the company's policy and approach to conducting its UK tax affairs and dealing with tax risk and considers how this aligns with the Group's policy/strategy, it is made available to all its stakeholders.

The document will be periodically reviewed, and any amendments will be approved by the Board of Directors. It is effective for the year ending 31 December 2020.

Mitutoyo (UK) Ltd Tax Policy

Our policy comprises of five key components.

1. General

Mitutoyo is committed to conducting its tax affairs to comply with all relevant laws, rules and regulations and reporting and disclosure requirements in both the UK and all other jurisdictions in which Mitutoyo operates. Mitutoyo Group's tax affairs are managed in a way which takes into account the wider global reputation and standards of governance.

2. Our approach to risk management and governance arrangements in relation to UK taxation

The UK tax strategy is aligned to the Group's overall risk strategy. Mitutoyo believes that by approaching the control of risk in a strategic and organised manner, risk factors including transfer pricing can be reduced to a level that is acceptable given its likelihood and impact.

Responsibility and accountability for the Group's tax affairs is clearly defined within the Group and overseen by the Mitutoyo Corporation's Board of Directors in Japan.

Professional diligence and care is applied to our management of all risks associated with tax matters and the evaluation of those risks by appropriately qualified individuals. Where there is uncertainty as to the application or interpretation of tax law, appropriate advice is taken from third party professional tax advisers.

Tax strategy is reviewed on an on-going basis by the Board of Directors in the European headquarters and corporately in Japan.

3. Attitude to tax planning

Mitutoyo aims for certainty regarding the tax positions adopted by the group. Incentives and reliefs will be claimed to minimise tax costs of conducting our business activities, but we will not knowingly enter into arrangements that are contrived or artificial.

4. Level of risk to UK taxation

Mitutoyo's policy is to minimise risk wherever possible when conducting our business affairs including tax matters. We actively seek to identify, evaluate, and monitor and manage UK tax risks to mitigate such risks. Where there is significant uncertainty or complexity in relation to a risk, external advice by a competent professional is sought.

5. Approach towards dealings with HM Revenue & Customs ('HMRC')

An important part of our tax strategy is the maintenance and development of a co-operative and proactive working relationship with HMRC. Mitutoyo is committed to making accurate and timely disclosures in correspondence and returns with HMRC and on this basis engage with HMRC with honesty, integrity, respect and fairness and in a transparent manner. Wherever possible, this is done on a real time basis.

Mitutoyo (UK) Ltd regards this publication as complying with the duty under para 16(2) Sch 19 FA16.