Hisamitsu UK Tax Strategy

Scope

This strategy applies to Hisamitsu UK Limited, Hisamitsu Pharmaceutical UK Limited and Salonpas UK Limited, headed by Hisamitsu Pharmaceutical Co., Inc. in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016. In this strategy, references to ‘Hisamitsu’, ‘the firm’ or ‘the group’ are to all the UK entities. The strategy has is being published in accordance with paragraph 16(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to ‘UK Taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the group has legal responsibilities.

Aim

Hisamitsu’s corporate values include not only complying with local laws and codes of conduct, but also respecting local culture and customs to contribute to local development.

In this spirit Hisamitsu is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The group’s tax affairs are managed in a way which takes into account the group’s wider corporate reputation in line with Hisamitsu’s overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for Hisamitsu’s tax strategy and compliance rests with the Board of Hisamitsu UK Limited;
- The Internal Audit team’s requirement to monitor the integrity of Hisamitsu’s financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation;
- The Managing Director is the Board member with responsibility for tax matters;
- The Hisamitsu UK team is staffed with appropriately trained individuals;
- The Board ensures that Hisamitsu’s tax strategy is one of the factors considered in all investments and significant business decisions taken;

Risk Management

- Hisamitsu seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;
- Appropriate training is carried out for staff who manage or process matters which have tax implications;
- Hisamitsu is supported by external advisors in respect of the group’s tax compliance obligations and additional advice is sought as and when appropriate.

Attitude towards tax planning and level of risk

Hisamitsu manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.
When entering into commercial transactions, Hisamitsu seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Hisamitsu does not undertake tax planning unrelated to such commercial transactions.

The level of risk which Hisamitsu accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group’s tax affairs. At all times Hisamitsu seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

**Relationship with HMRC**

Hisamitsu ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, Hisamitsu discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.