



UNITED KINGDOM TAX STRATEGY

1.Scope

This strategy applies to Hankyu Hanshin Express UK Ltd (HHE UK), headed by Hankyu Hanshin Holdings, Japan; in accordance with paragraphs 19 and 25 of the Schedule 19 to the Finance Act 2016.

The strategy has been 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This strategy applies from the date of publication until it is superseded.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 HHE UK has legal responsibilities.

2.Aim

Hankyu Hanshin Express UK Ltd is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. HHE UK's tax affairs are managed in a way which takes into account the Company's wider corporate reputation in line with HHE UK's overall high standards of governance.

3.Governance in relation to UK Taxation

- 1) Ultimate responsibility for HHE UK's tax strategy and compliance rests with the Board of HHE UK;
- 2) The Managing Director is the Board member with executive responsibility for tax matters;
- 3) Day to day management of HHE UK's tax affairs is delegated to the Managing Director who reports to the Board;
- 4) The Finance team is staffed with appropriately qualified individuals;
- 5) The Board ensures that HHE UK's tax strategy is one of the factors considered in all investments and significant business decisions taken.

4.Risk Management

- 1) HHE UK operates and monitors a system of tax risk assessment and controls;
- 2) HHE UK 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 and its tax obligations;
- 3) Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- 4) Appropriate training is carried out for staff who manage or process matters which have tax implications;



5) Advice is sought from external advisers where appropriate.

5. Attitude toward tax planning and level of risk

HHE UK manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into transactions, HHE UK seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation.

HHE UK does not undertake tax planning unrelated to such commercial transactions.

The level of risk which HHE UK accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the company's tax affairs. At all times, HHE UK 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 the risks, having regard to the materiality of the amounts and obligations in question.

6. Relationship with HMRC

HHE UK seeks to have a transparent and constructive relationship with HMRC.

HHE UK ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at any stage. When submitting tax computations and returns to HMRC, HHE UK 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.

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HANKYU HANSHIN EXPRESS (UK) Limited