JRE Business Development UK Limited Tax Strategy

Scope

This strategy applies to JRE Business Development UK Limited, in accordance with paragraphs 19 of Schedule 19 to the Finance Act 2016. In this strategy, references to 'the Group' mean JRE Business Development UK Limited and its UK subsidiaries. The Group operates as part of the East Japan Railway Company group headquartered in Japan. 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This strategy applies from the date of publication until it is superseded.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 the Group has legal responsibilities.

Aim

JRE Business Development UK Limited 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 the Group's overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for JRE Business Development UK Limited's tax strategy and compliance rests with the Board of JRE Business Development UK Limited;
- The Corporate Auditors' requirement to monitor the integrity of JRE Business Development UK Limited's financial reporting system, internal controls and risk management framework, expressly includes those elements relating to UK taxation;
- The Managing Director is the Board member with executive responsibility for tax matters;
- Day-to-day management of JRE Business Development UK Limited's tax affairs is outsourced to appropriately qualified external tax advisers and is overseen by the Finance Department;
- The Finance Department is staffed with appropriately qualified individuals;

- The Board ensures that JRE Business Development UK Limited's tax strategy is one of the factors considered in all investments and significant business decisions taken;
- The Managing Director reports to the Corporate Auditor and the Board on JRE Business Development UK Limited's tax affairs and risks during the year.

Risk Management

- JRE Business Development UK Limited operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- JRE Business Development UK Limited 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;
- 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;
- Appropriate training is carried out for staff who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

JRE Business Development UK Limited 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, JRE Business Development UK Limited seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. JRE Business Development UK Limited does not undertake tax planning unrelated to such commercial transactions.

The level of risk which JRE Business Development UK Limited accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times JRE Business Development UK Limited 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

JRE Business Development UK Limited 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, JRE Business Development UK Limited 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.