



UK tax strategy

This UK tax strategy disclosure applies to Kulzer Ltd (“Kulzer”), a UK subsidiary of MC Dental Holdings Europe GmbH, the UK branch of SDC Technologies Inc. (“SDC Technologies”) and the two recently acquired UK companies – ARRK Europe Limited (“AEL”) and ARRK Product Development Group Limited (“APDG”), collectively, Mitsui Chemicals Group. The ultimate holding company of all entities is Mitsui Chemicals Inc., incorporated in Japan.

Introduction

The Mitsui Chemicals Group is constantly engaged in business activities to realize its Corporate Vision of promoting human well-being, contributing to the value of shareholders’ investments, increasing customer satisfaction, contributing to local communities, and promoting the happiness and fulfilment of its employees. This is achieved in part through strictly enforcing compliance with laws and regulations, our corporate policies, societal customs, and good business ethics. Further, in accordance with Mitsui Chemicals Group’s Action Guidelines, we strive to prioritize compliance with laws and regulations over any pursuit of profit. Our attitude to UK taxation reflects these values and we strive to earn and maintain the trust of all of our stakeholders by complying with all applicable UK tax laws, regulations, and practices.

1. Approach to UK tax risk management and governance arrangements

Responsibility for UK tax governance is in general delegated to local UK management who have the expertise and access to external support to maintain compliance with the UK tax laws and regulations. Day to day tax procedures are led by local UK management, supported by external advisors, for example by preparing the UK corporation tax returns. In cases of tax uncertainty, UK management may consult with external advisers, subsidiaries in the United States or Germany, and may report significant matters to Mitsui Chemicals Inc. as appropriate. For highly technical matters, including transfer pricing issues, Mitsui Chemicals Group is assisted by external tax advisors.

2. Attitude towards tax planning

The Mitsui Chemicals Group pays all taxes due in the UK and does not enter into artificial tax planning arrangements with the aim of avoiding tax. In alignment with the purpose of the relevant tax laws and regulations, the Mitsui Chemicals Group utilizes UK tax incentives aimed at promoting economic growth and investment, including capital allowances.

The Mitsui Chemicals Group seeks external tax advice in cases where there is uncertainty surrounding the interpretation of tax laws.

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3. Tax risk in relation to UK taxation

The Mitsui Chemicals Group has a low appetite for tax risk and puts compliance with the tax laws and regulations above the pursuit of profit. In more detail, decisions involving tax matters are made on a case-by-case basis taking into consideration relevant tax risks. Each issue is considered on an individual basis based on its merits under a framework of compliance and low appetite for tax risk and based on consultation with our external tax advisors or HMRC, whenever appropriate.

4. Relationship with HMRC

The Mitsui Chemicals Group strives to maintain an honest and sincere relationship with HMRC. The group will seek to resolve significant uncertainties surrounding the interpretation of tax laws based on a timely and open dialogue with HMRC.

The publication of this strategy statement is regarded as satisfying the requirements under Paragraph 19(2) and 22(2), Schedule 19, Finance Act 2016. The tax strategy statement was updated on 14 December 2018. This strategy applies to the accounting period ending 31 March 2019— with this date being dependent on whether the UK group is brought to align its year end date to be coterminous with the parent company.

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