

Our approach to tax

1. Introduction

Mitsubishi Electric is one of the world's leading names in the manufacture and sales of electrical and electronic products and systems used in a broad range of fields and applications. As a global, leading green company, we're applying our technologies to contribute to society and daily life around the world.

The companies of the Mitsubishi Electric Group in UK are;

- UK branch of Mitsubishi Electric Europe B.V.
- UK branch of Mitsubishi Electric R&D Centre Europe B.V.
- Mitsubishi Electric Finance Europe PLC
- Mitsubishi Electric Air Conditioning Systems Europe Ltd.
- Climaveneta Powermaster Limited
- Climaveneta UK Limited
- Powermaster Products Limited
- Powermaster Service Limited

2. Our principles

The Mitsubishi Electric Group regards corporate social responsibility (CSR) initiatives as the foundation of corporate management, and upholds the Corporate Mission and Seven Guiding Principles¹ as its basic policies of CSR. Particularly with respect to initiatives related to ethics and legal compliance including tax compliance, Group-wide efforts are made to enforce measures such as for enhancing education and strengthening internal controls.

As members of the Mitsubishi Electric Group, we apply the Mitsubishi Electric Group Conduct Guidelines². We are committed to complying with tax laws and regulations, and pay the correct amount of tax. We conduct ourselves always with an awareness of our corporate social responsibility in order to further the progress of the entire society.

¹ See link to the English language version at:

<http://www.mitsubishielectric.com/company/about/mission/index.html>

² See link to the English language version at:

http://www.mitsubishielectric.com/company/csr/society/fair_compliance/index.html

3. Our attitude towards tax planning

We comply with tax laws and regulations of the countries and regions in which we conduct business, including without limitation treaties applicable to them. We also respect guidelines such as but not limited to OECD guidelines, and conduct transaction between the Mitsubishi Electric Group companies on an arm's length principle.

We may seek to apply available tax incentives and exemptions implemented by UK Government that support our business, however, we do not engage in any artificial tax arrangements.

4. Tax risk management

We have an organizational structure and processes in place to ensure that all tax rules are respected and taxes are paid in accordance with the rules. We observe all applicable laws, rules, regulations and disclosure requirements. The professionals working in the respective areas are adequately trained and supervised.

5. Relationship with HMRC

We adopt open, collaborative and constructive relationship at all times with HMRC. We make accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely manner.

6. UK Statutory Compliance

“Our approach to tax” is intended to meet the requirements of the UK legislation. This document is applicable across the Mitsubishi Electric Group companies located in UK listed in paragraph 1, and approved by each company's management.

This document is for publication on the Mitsubishi Electric UK website.

We review and update this annually. It was last approved on 1/12/2018.