

SUMCO EUROPE SALES PLC



Introduction

This document sets out SUMCO Europe Sales plc's ("SES") strategy for conducting its tax affairs and managing tax risk in the year ending 31 December 2024.

It is SUMCO Group's ("SUMCO") mission to be the world's number one silicon wafer supplier by exceeding the expectations of our customers and stockholders, by recognising the value of our employees and by being good neighbours in communities.

We place a great value on supporting and contributing to the communities in which we are based, partly through the taxes we pay.

SES continues to review its key tax procedures on an ongoing basis and publish its tax strategy in accordance with measures contained in Section 161 and Schedule 19 of the Finance Act 2016.

This tax strategy has been approved by the directors of SES and will be reviewed annually. As such, SES considers that its obligations under Paragraph 22(2) Sch 19 FA 2016 in the year ending 31 December 2024 have been met.

Commitment to compliance

We are committed to complying with tax law and practice in both the UK and overseas. To us, this means paying the right amount of tax in the right jurisdiction at the right time.

We have a long history of being prudent in handling our tax compliance.

Tax risks and tax risk management

Tax risk management is fundamental to SES.

Tax matters are proactively managed by having clear business controls and processes.

SES operates in a risk-averse manner in relation to its tax affairs, and where appropriate, we seek professional advice from external advisors to minimise areas of risk.

The Head of Finance and Administration is responsible for the management of SES's tax affairs and is supported by the managers in the department.

These individuals are responsible for identifying and monitoring the inherent tax risks within SES. SES' business is relatively straightforward and constant, with few significant changes year on year; the inherent tax risks relating to the business are accordingly relatively low.

The same individuals are responsible for ensuring that the business controls and processes in place continue to be sufficient to mitigate these risks.

Suitably qualified external advisors prepare our annual Corporation Tax Return, which is then reviewed for accuracy and completeness by the Head of Finance and Administration before submission to HMRC.

Professional advice from external advisors would be sought over any specific items where the tax treatment is uncertain. Other tax returns are prepared by the finance team.

While SUMCO's larger operations are in Japan, the Head of Finance and Administration ensures that UK risks that may arise within the worldwide group are analysed and appropriately addressed.

Our procedures are designed to minimise the risk of significant errors in tax returns.

Where errors are uncovered, prompt disclosure is made to HMRC, and a review of processes is undertaken to ensure that similar errors do not arise in future.

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Attitude to tax planning

SUMCO believes that sound corporate activities must be guided by an awareness of social values and morals as well as compliance with applicable laws and regulations.

To this end, SES has adopted and is implementing the SUMCO Charter of Corporate Conduct as a standard of behaviour to be observed by the company and its officers and employees.

In structuring our commercial activities, SES will consider – among other factors – the tax laws of the countries in which we operate, with a view to maximising shareholder value on a sustainable basis. Transactions between SUMCO Group companies are at an arm's length basis in accordance with current OECD principles.

While we take advantage of any tax incentives or reliefs that are available to us through our commercial activities, we do not use them in a way that is knowingly contrary to the intentions of any country's government.

We do not seek to create any structures that lack commercial and economic substance for which the main purpose is the avoidance of tax.

Working with HMRC

SES is committed to always acting with integrity and maintaining a transparent, open, and honest relationship with HMRC.

This includes being punctual with our submission of tax returns, complying with other statutory and legislative tax requirements and deadlines, and the payment of any tax that is due.

As a multinational business, we support measures to improve international transparency regarding taxation matters.

SES is not, however, considered to be a large or complex business under HMRC's Framework for Cooperative Compliance, and accordingly, SES does not have an appointed Customer Compliance Manager (CCM) at HMRC.

This means there is no formal communication channel with HMRC, and dealings with them are ad hoc. Where we have communications with HMRC, we are committed to working collaboratively to resolve any uncertainties and achieve early agreement.

We consider this collaborative approach to working with tax authorities to be fundamental to our tax strategy.

We endeavour to respond to any queries or information requests from tax authorities in a timely manner and to ensure that sufficient and appropriate disclosure is made in relevant tax returns where necessary.

Transparency and tax evasion

We support the UK Government's adoption of the OECD's Base Erosion and Profit Shifting recommendations. We do not tolerate tax evasion or the facilitation of tax evasion by any persons acting for or on behalf of SES.

DocuSigned by:

Paul Dorman

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