

Sumitomo Electric Group Tax Policy

Based on the Sumitomo Spirit, the Sumitomo Electric Group Corporate Principle and Code of Conduct, Sumitomo Electric Group is committed to conduct its business affairs in a fair and responsible manner: this includes complying with the tax-related laws of each country and supranational guidance (e.g. OECD).

Sumitomo Electric Group considers that paying taxes is an important obligation, and we shall contribute to the development of the society through proper tax payment.

In order to improve corporate value, we will strengthen our compliance / risk management system.

Tax Governance/Tax Strategy

Our globally organized tax department is responsible for tax management. It falls under the supervision of our Accounting Director, who is ultimately responsible for the tax strategy.

In addition, through the regular training of our employees, we aim to improve their awareness towards the internal tax compliance.

Sumitomo Electric Group shall apply for tax incentives where it is appropriate and within the scope of normal business activities. No intentional tax avoidance activities are pursued.

Risk Management

Sumitomo Electric Group considers that tax risk management is indispensable, and we shall mitigate tax risk by consulting with outside experts and tax authorities in advance as necessary.

Sumitomo Electric Group strictly adheres to the arm's length standard regarding transactions with foreign-related parties, and ensures appropriate allocation of profits based on functions and business risks of foreign-related parties.

Sumitomo Electric Group shall not expand into low tax rate countries/regions that do not match the actual business situation, in order to reduce or avoid tax. If a company inadvertently becomes subject to Anti-Tax Haven (CFC) Rules, we shall appropriately pay the share of taxes.

Sumitomo Electric Group maintains respectful, trustful and honest relationships with tax authorities.

In addition, we are committed to openness and transparency in its approach to dealing with tax authorities, wherever it operates.