

## Toyota Material Handling Europe's Tax Strategy

### Overview

Toyota Material Handling Europe Group's (hereinafter "the TMHE Group") tax strategy has been created to articulate and communicate our tax policy and strategic tax objectives. This strategy fulfils the TMHE Group's disclosure requirements in the territories where the TMHE Group operates including schedule 19 of the UK Financing Act 2016, in respect of our financial year ending March 2018. For the purposes of this Act, the strategy is applicable to Toyota Material Handling Europe AB and all of its UK subsidiaries.

The TMHE Group serves European customers in different industries and customer segments by providing total solutions for the material handling business and offering a full range of forklifts complemented by a comprehensive range of business solutions.

### Tax Strategy Statement

The tax strategy of the Group is to support TMHE's business decisions and ensure their implementation is fully tax compliant. The tax strategy cover a range of taxes including for example, corporate income tax, indirect taxes, employment taxes and similar taxes applicable to the TMHE Group.

### Tax risk, risk management and governance

The level of tax risk the TMHE Group is prepared to accept is minimal and the TMHE Board of Directors and Management team seeks to reduce tax risk as far as practicable. This also defines how we approach tax management and the mitigation of our tax risks. Our tax control framework ensures that ongoing compliance is achieved by managing tax processes with the implementation of appropriate policies, procedures and controls. In particular, we strive to meet our obligations of paying the relevant cash taxes due, and ensuring accurate and timely reporting and submissions of our tax returns.

TMHE Management team is ultimately responsible for the Group's tax position and tax management and for approving this Strategy. Tax is a part of the Finance function and is under the responsibility of the TMHE CFO. Group Tax is responsible for the execution of this strategy and reports to the TMHE CFO.

Local Managing Directors (MD's) of the TMHE Group's companies are fully involved in and responsible for preparing and providing part of the necessary tax information, as well as being responsible for the compliance with local rules. Group Tax and Local MD's engages external advisors when it is deemed prudent to obtain a third party's expert view to make sure that we meet our tax obligations.

### Tax planning

The TMHE Group aims to meet its legal obligation to pay the correct amount of tax due in relation to its business activities and model. The Group may consider different tax outcomes when considering how to structure commercially motivated transactions, but does not undertake tax planning for the purpose of tax avoidance, i.e. we will only engage in reasonable tax planning that is aligned with commercial and economic activity. This includes taking advantage of available tax incentives and reliefs to minimize the tax costs of conducting the business activities.

### Working with Tax Authorities

We seek to build trust with our wider stakeholders, including tax authorities, by acting in an open and transparent way and maintaining an ongoing dialogue. In particular, we strive to have an open and honest relationship with the local tax authorities in all countries where we operate. Where any disputes arise with tax authorities, we will resolve these in a timely manner by being co-operative and seeking relevant approval from tax authorities prior to entering into any transactions, where appropriate.