

May 29, 2025

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(Progress of the disclosure matter)
Notice Regarding an Appeal to the Tokyo High Court
Against Tax Reassessment under the Controlled Foreign Company (CFC) Tax Regime

As disclosed in the notice “Our View of Penalty Charges Resulting from Reassessment by Tax Authorities” dated August 16, 2021, Nikkiso Co., Ltd. (the “Company”) received a notice of reassessment for the 2018 business income of Nikkiso International Co., Ltd., which is the parent company of three (3) foreign subsidiaries under the Clean Energy & Industrial Gas Group (the “CE&IE Group”), a consolidated subsidiary group of the Company. The reassessment was based on the grounds that these foreign subsidiaries did not satisfy the exemption requirements under the CFC tax regime.

As the Company did not agree with the decision, it filed a lawsuit with the Tokyo District Court seeking revocation of the tax reassessment. However, the court dismissed the Company’s claims in the ruling dated May 16, 2025.

Accordingly, the Company hereby announces that, in response to the court’s ruling, it has decided to file an appeal with the Tokyo High Court on May 29, 2025.

1. Background

- Jul. 8, 2021 The Company received a notice of reassessment from the Tokyo Regional Taxation Bureau.
- Oct. 4, 2021 The Company submitted a request for reconsideration to the National Tax Tribunal.
- Sept. 6, 2022 The National Tax Tribunal issued a ruling. The Company’s claim was dismissed.
- Feb. 28, 2023 The Company filed a lawsuit with the Tokyo District Court seeking revocation of the tax reassessment.
- May 16, 2025 The Tokyo District Court delivered the ruling

2. Future Outlook

The Company finds it deeply regrettable that its claims were not accepted and is unable to accept the ruling. Accordingly, the Company will file an appeal with the Tokyo High Court to reassert its legitimacy.

Associated with this matter, the Company recorded corporate income tax of approximately JPY 1.7 billion in the fiscal year ended December 31, 2021, and the tax payment has already been completed.

Should any material developments requiring disclosure arise, the Company will disclose them in a timely manner.