

Nikkiso Group Global Tax Standard of Conduct

I General Provisions

This Nikkiso Group Global Tax Standard of Conduct (the “Global Tax Standard of Conduct”) sets our internal standards with respect to tax compliance. The Global Tax Standard of Conduct provides the basic rules that we must properly fulfill to meet our tax obligations and to provide appropriate tax transparency so that we can carry out our company's social mission and responsibilities as a good corporate citizen.

II Basic Policy

We will follow the Global Tax Standard of Conduct to maintain and improve our tax compliance efforts and fulfill our social responsibilities by, among other things, paying all taxes in accordance with the law and regulation of each country and region in which we operate, and by implementing appropriate tax risk management controls.

We also understand that arbitrary avoidance of tax or the lack of tax compliance causes not only direct tax risk, such as tax litigation or penalty, but also reputational risk that could adversely affect the business of the Nikkiso Group as well as our stakeholders.

III Action Guideline

1. Tax Risk Management

We will obey all relevant tax laws and regulations in the countries in which we conduct business. In addition, in accordance with BEPS (*1) action plans, we are working on revisions to our tax compliance processes, procedures and internal controls to take into account tax reform resulting from BEPS in Japan and other countries. With these efforts, we will seek to prevent deterioration of corporate value caused by additional taxation or taxation penalties.

We are constantly striving to improve the knowledge and skills of our tax representatives to collect global tax information, to analyze and review the effects of existing and changed tax law and regulation, and to advise on appropriate actions and positions.

We also will utilize outside tax experts when necessary or appropriate in order to receive additional advice and support.

*1 BEPS: BEPS (Base Erosion and Profit Shifting) is the international framework led by OECD/G20 to prevent cross-border tax avoidance activities.

2. Transfer Pricing

We will obey the Transfer Pricing Guidelines published by the Organization for Economic Cooperation and Development (OECD) and all relevant tax laws and regulations. We will work

to maintain arm's length prices in the international transactions within the Nikkiso Group. We also will work to reduce the risk of double taxation subject to transfer pricing taxation and to properly fulfill our tax obligations in the countries and regions in which we conduct business. Moreover, we will prepare transfer pricing documentation in accordance with applicable tax law and regulation in these countries and regions.

3. Transparency for Tax compliance

We strive to be transparent about our approach to tax compliance matters. We seek to disclose our tax compliance matters in a timely and highly transparent manner.

4. Tax Responsibilities and Tax Compliance Structure

The Board of Directors has responsibility for all tax related operations. We will put in place a tax compliance structure based on our Internal Control Basic Policy.

5. Relationships with Tax Authorities

We will work to build, maintain and enhance relationships of trust with the tax authorities in the countries and regions in which we conduct business by engaging with them in good faith and by filing our tax returns and making payments in a timely and appropriate manner. Moreover, when questions regarding taxes arise with respect to any member of the Nikkiso Group, we will refer the matter to the relevant tax authorities to resolve the issues, when necessary.

(Established on December 4, 2017)

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