

April 10, 2025

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TSE (Prime Market)/NSE (Premier
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Notice Regarding Tax Investigation
Completed by the Osaka Regional Taxation Bureau in Fiscal Year 2024

Following an investigation by the Osaka Regional Taxation Bureau, Kawasaki Heavy Industries, Ltd., filed an amended tax return in February 2025 and subsequently paid total additional taxes of approximately ¥1 billion. While reports have appeared in the media regarding the amended tax return filed and the size of the additional taxes imposed, the Company hereby officially clarifies pertinent details, including a breakdown of the total paid.

- (1) At the press conference held regarding the December 27, 2024, interim report on its independent investigation into misconduct in the submarine repairs business, the Company revealed that it expected to pay approximately ¥600 million in additional tax on around ¥1.3 billion in unreported income related to inappropriate expenses in this business. The amount paid was in line with this estimate.
- (2) An error under Japan's controlled foreign corporation (CFC) rules related to the Company's North American joint-stock venture for aircraft engines was also identified, as a result of which the Company paid additional taxes of approximately ¥400 million, including tax on around ¥2.6 billion in unreported income.

The Company takes the issues pointed out by the Osaka Regional Taxation Bureau seriously and will continue taking resolute steps to ensure the appropriateness of its tax accounting practices.

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