



November 24, 2021

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## **Announcement Regarding Judgment of the Court of Appeal on the Lawsuit Seeking Rescission of Tax Reassessment Under the Anti-tax Haven Rules**

On December 15, 2017, Sanrio Company, Ltd. received a notice of tax reassessment, etc. from the Tokyo Regional Taxation Bureau, indicating a reassessed additional income of approximately 2.8 billion yen for Sanrio and its subsidiaries in its consolidated tax filing group for the four fiscal years ended March 2013 to March 2016, and approximately 1.1 billion yen in additional taxes, including local taxes, on the grounds that its subsidiaries in Hong Kong did not meet the conditions for exemption to the anti-tax haven rules, etc. (The foregoing was expensed as “income taxes, etc. for prior periods” in the fiscal year ended March 31, 2018.)

Dissatisfied with these proceedings, we filed a suit with the Tokyo District Court for rescission of tax reassessment, etc., and on February 26, 2021, received a decision to the effect that our request for rescission of tax reassessment, etc., was dismissed.

In response to this judgment, we filed an appeal with the Tokyo High Court. Today, we received a decision from the Tokyo High Court to the effect that our request was dismissed.

### 1. Historical background

December 15, 2017	Sanrio receives a notice of tax reassessment from the Tokyo Regional Taxation Bureau
March 13, 2018	Sanrio appeals to the Tokyo Regional Taxation Bureau requesting re-examination
June 11, 2018	Sanrio receives a decision from the Tokyo Regional Taxation Bureau to the effect that its request for re-examination is dismissed
July 9, 2018	Sanrio files a request for reconsideration with the Tokyo Regional Tax Tribunal
June 11, 2019	Sanrio files a suit with the Tokyo District Court for rescission of tax reassessment, etc.
February 26, 2021	Judgment is rendered by the Tokyo District Court
March 11, 2021	Sanrio files a suit with the Tokyo High Court
November 24, 2021	Judgment is rendered by the Tokyo High Court

### 2. Details of the judgment

With respect to the conditions for exemption to the anti-tax haven rules, our claim was dismissed and, as a result, no rescission of tax reassessment, etc. was granted.

### 3. Future outlook, etc.

It is very unfortunate that our claim was dismissed. As we cannot accept this decision, we intend to take proceedings for making a final appeal to the Supreme Court (petition for acceptance of final appeal, etc.) after careful evaluation of the content of the judgment.