

June 24, 2016

Company Name: NGK INSULATORS, LTD.
Listing Code: 5333
Stock Exchange Listings: Tokyo and Nagoya
Representative: Taku Oshima (Mr.)
President
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Notice Regarding Receipt of the Written Verdict from National Tax Tribunal

NGK INSULATORS, LTD. (NGK) has received a written verdict on June 24, 2016, from the Nagoya National Tax Tribunal regarding a request for re-examination of corrections based on transfer pricing taxation and the decision to impose additional taxes for understatement.

With regard to transactions with two of the Company's overseas subsidiaries from the fiscal year ended March 31, 2006 through the fiscal year ended March 31, 2010, NGK received a correction based on transfer pricing taxation from the Nagoya Regional Taxation Bureau in March 2012, and made payment of approximately 7.9 billion yen in tax penalties, including local taxes. Of this amount, for approximately 1.7 billion yen in additional taxes paid for transactions with a United States subsidiary, a tax refund of approximately 1.4 billion yen in total from both Japan and the United States upon agreement under a Japan-United States Mutual Agreement was reflected in the closing of accounts for the fiscal year ended March 31, 2014. Meanwhile, a request for cancellation of the remaining payment of additional taxes of approximately 6.2 billion yen regarding transactions with a Polish subsidiary has been submitted as a request for re-examination to the Nagoya National Tax Tribunal in August 2014. This decision partially rescinds these corrections, and it is expected that approximately 0.1 billion yen will be refunded to the Company as corporation taxes, local taxes, etc.

NGK is carefully considering the contents of this decision, and will determine its response.