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Company Name: NGK INSULATORS, LTD.
Listing Code: 5333
Stock Exchange Listings: Tokyo and Nagoya
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Filing Action for the Revocation of Correction based on Transfer Pricing Taxation

NGK INSULATORS, LTD. (“NGK”) hereby announces that it filed an action with the Tokyo District Court today, seeking a revocation of correction based on transfer pricing taxation from the Nagoya Regional Taxation Bureau concerning transactions between a Polish subsidiary and NGK.

With regard to the transactions between NGK and its subsidiaries in the U.S. and Poland 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 issued by the Nagoya Regional Taxation Bureau in March 2012, and NGK made payment of approximately 7.9 billion yen in tax penalties including local taxes. Of this amount, regarding transactions with the U.S. subsidiary, against approximately 1.7 billion yen in tax penalties, NGK received refunds of approximately 1.4 billion yen in total from both Japan and the U.S. upon agreement under a Japan-U.S. Mutual Agreement, which has been reflected in the financial results for the year ended March 31, 2014.

On the other hand, regarding an approximately 6.2 billion yen in tax penalties concerning transactions with the Polish subsidiary, NGK requested the rescission of it, submitted a request for re-examination of a correction to the Nagoya National Tax Tribunal in August 2014. and received a written verdict that partially rescinded the correction in June 2016. However, it went only so far as to refund approximately 0.1 billion yen of corporation taxes and local taxes, etc. at this stage. Because NGK takes the position that the entire amount should be rescinded, we have taken a decision to hereby file an action with the Tokyo District Court for the revocation of correction.