

Company Name: NGK INSULATORS, LTD.  
Listing Code: 5333  
Stock Exchange Listings: Tokyo and Nagoya  
Representative: Taku Oshima (Mr.)  
President  
Contact: Hideaki Shindo (Mr.)  
General Manager  
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### **Receipt of Correction Notice Based on Transfer Pricing Taxation**

With respect to transactions between NGK INSULATORS, LTD. ("NGK") and its Polish subsidiary from the fiscal year ended March 31, 2011 through the fiscal year ended March 31, 2015, NGK received a correction notice based on transfer pricing taxation issued by the Nagoya Regional Taxation Bureau. The tax penalties including local taxes amounts to approximately 8.5 billion yen as a result of this correction.

NGK's view is that the transactions with the above-mentioned overseas subsidiary were conducted under fair and appropriate terms in accordance with laws and regulations, and that NGK and its overseas subsidiaries have appropriately made tax payments in accordance with the tax systems of each country. In response to the contents of the recent indication based on transfer pricing taxation by the Nagoya Regional Taxation Bureau, NGK plans to pursue revocation of correction in its entirety and take the required measures in accordance with laws and regulations in a manner similar to the correction based on the previous investigation (from the fiscal year ended March 31, 2007 through the fiscal year ended March 31, 2010, currently under dispute at the Tokyo District Court).

Note that because the tax amounts based on the correction have already been estimated and recognized under income taxes for prior periods in the financial results for the fiscal year ended March 31, 2017, they will have no impact on NGK's business results for the fiscal year ending March 31, 2018.