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Company Name: NGK INSULATORS, LTD.
Listing Code: 5333
Stock Exchange Listings: Tokyo and Nagoya
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Notice Regarding 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 NGK and its subsidiary in Poland.

With regard to the transactions between NGK and its subsidiary in Poland hereinabove from the fiscal year ended March 31, 2007 through the fiscal year ended March 31, 2010, NGK received a correction (approximately 6.2 billion yen in tax penalties) based on transfer pricing taxation issued by the Nagoya Regional Taxation Bureau in March 2012. NGK filed an action with the Tokyo District Court for the revocation of correction in December 2016, and it is still under examination. (Please refer to “Filing Action for the Revocation of Correction based on Transfer Pricing Taxation” released December 20, 2016.)

Following the correction abovementioned, also with regard to the transactions between NGK and its subsidiary in Poland from the fiscal year ended March 31, 2011 through the fiscal year ended March 31, 2015, NGK received a correction based on transfer pricing taxation from the Nagoya Regional Taxation Bureau in June 2017, and it made payment of approximately 8.5 billion yen in tax penalties, including local taxes. (Please refer to “Receipt of Correction Notice Based on Transfer Pricing Taxation” released June 23, 2017.) A request for re-examination was submitted to the Nagoya National Tax Tribunal in July 2018 as a request for cancellation of the correction, and NGK received a written verdict that partially rescinded the correction in July 2019. However, it went only so far as to refund approximately 0.4 billion yen of corporate taxes and local taxes, etc. at this stage. Because NGK takes the position that the entire amount should be rescinded, it has taken a decision to hereby file an action with the Tokyo District Court for the revocation of correction.