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Company Name: NGK INSULATORS, LTD.  
Listing Code: 5333  
Stock Exchange Listings: Tokyo and Nagoya  
Representative: President Shigeru Kobayashi (Mr.)  
Contact: General Manager Finance & Accounting Dept.  
Hideaki Tsukui (Mr.)  
(TEL) +81-52-872-7230

## Notice Regarding Tax Reduction in Relation to Transfer Pricing Correction

In December 2019, NGK Insulators, Ltd. (the “Company”) filed an appeal with the Tokyo District Court contesting a transfer pricing correction made in June 2017 by the Nagoya Regional Taxation Bureau in relation to transactions the Company conducted with its Polish subsidiary from the fiscal year ended March 31, 2011 to the fiscal year ended March 31, 2015 (the “Subsequent Years”). Today the Company received a notice of correction (the “Revision of the Correction for the Subsequent Years”) from the Nagoya Regional Taxation Bureau stating that the amount of the said correction for the Subsequent Years would be reduced. Details are as shown below.

### 1. Background and details of the Revision of the Correction for the Subsequent Years

#### (1) Correction for the Preceding Years

In March 2012, the Company was issued a transfer pricing correction by the Nagoya Regional Taxation Bureau in relation to earlier transactions the Company conducted with its Polish subsidiary from the fiscal year ended March 31, 2007 to the fiscal year ended March 31, 2010 (the “Preceding Years”). In response, the Company paid approximately 6.2 billion yen in back taxes, including local taxes.

Subsequently, after receiving a refund of approximately 0.1 billion yen in corporate, local, and other taxes upon a request for a review, the Company filed an appeal with the Tokyo District Court to contest the correction and seek a refund of the balance. In November 2020, the Tokyo District Court ruled mostly in favor of the Company, stating that the correction for the Preceding Years, involving a total of approximately 5.8 billion yen in corporate, local, and other taxes, would be reversed.

In March 2022, the Tokyo High Court issued its decision upholding the first-instance decision of the Tokyo District Court, which became final (see “Notification that the Judgment of Second Instance regarding the Action for Revocation of the Correction, etc. based on Transfer Pricing Taxation became Final and Binding” dated March 25, 2022).

#### (2) Correction for the Subsequent Years

In June 2017, the Company was issued a transfer pricing correction by the Nagoya Regional Taxation Bureau in relation to transactions the Company conducted with its Polish subsidiary during the Subsequent Years as well, and paid approximately 8.5 billion yen in back taxes, including local taxes. The Company then filed a request for a review with the Nagoya National Tax Tribunal in July 2018, seeking a reversal of the correction, and in July 2019, the Company received a written verdict that partially rescinded the tax authority’s decision. However, at the time, the Company only received a refund of approximately 0.4 billion yen in corporate, local, and other taxes. The Company believed that the correction of the Subsequent Years should be reversed in its entirety, and in December 2019 filed an appeal (the “Appeal for the Subsequent Years”) with the Tokyo District Court contesting the correction (see “Notice Regarding Filing Action for the Revocation of Correction based on Transfer Pricing Taxation” dated December 25, 2019).

While the Appeal for the Subsequent Years is still pending in the Tokyo District Court, today the Company received a notice of correction regarding the Revision of the Correction for the Subsequent Years from the Nagoya Regional Taxation Bureau. Due to the Revision of the Correction for the Subsequent Years, the amount of corporate, local, and other taxes already paid by the Company in relation to the transactions that the Company conducted with its Polish subsidiary will be reduced. As a result, the amount of approximately 7.7 billion yen in corporate, local and other taxes already paid will be refunded. In addition, the Company plans to withdraw the Appeal for the Subsequent Years, comprehensively considering that the significant amount of the back taxes paid will be refunded due to the Revision of

the Correction for the Subsequent Years.

## 2. Impact on financial results

As a result of the Revision of the Correction for the Subsequent Years, the amount of approximately 7.7 billion yen in corporate, local and other taxes already paid will be refunded, and the total amount of the refund and the interest on such refund will be recorded as a positive factor for net income in fiscal year ending March 31, 2023. The Company is currently assessing the impact of the refund on its consolidated performance. If it becomes necessary to revise the Company's forecast, we will disclose the revision as soon as possible.