

Judgment on the Rescission of the Supplementary Tax Assessment Order Based on the Application of the Anti-Tax Haven Taxation Rule

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KARIYA (Japan) – On June 28, 2010, DENSO Corp. received a supplementary tax assessment order from the Nagoya Regional Taxation Bureau, pursuant to the provisions of the Special Taxation Act concerning tax havens. The supplementary income assessment was approximately 11.4 billion yen (US\$108.3 million) and the additional tax payment was approximately 1.2 billion yen (US\$11.4 million), including the local government taxes, covering DENSO's Singapore subsidiary for the fiscal years ending March 2008 and 2009. DENSO, dissatisfied with the supplementary tax assessment order, has been filing a complaint with the Nagoya District Court for the rescission of the supplementary tax assessment order. On Sept. 4, DENSO received the judgment for this assessment.

Development of the Case:

- June 28, 2010: DENSO received a supplementary tax assessment order
- Aug. 26, 2010: DENSO filed an objection with the Regional Commissioner
- Nov. 24, 2010: Objection filed by the Company was dismissed by Regional Commissioner
- Dec. 22, 2010: Filing of a petition with the National Tax Tribunal to seek a review
- Aug. 8, 2011: DENSO filed a complaint with the Nagoya District Court
- Sept. 4, 2014: Delivery of the judgment by Nagoya District Court

Contents of the Judgment:

The court ruled the rescission of the supplementary tax assessment order. However, 1 billion yen out of 11.4 billion yen of the rescission amount of income which DENSO claimed was dismissed.

Next Steps:

DENSO believes the ruling by Nagoya District Court recognizes the legitimacy of DENSO's claim and is the result of a reasonable judgment. However, the court dismissed a part of the rescission amount of income, therefore, DENSO plans to file an appeal to Nagoya High Court about the part which was dismissed by the judgment.

About DENSO Corporation:

DENSO Corporation, headquartered in Kariya, Aichi prefecture, Japan, is a leading global automotive supplier of advanced technology, systems and components in the areas of thermal, powertrain control, electronics and information and safety. Its customers include all the world's major carmakers. Worldwide, the company has more than 200 subsidiaries and affiliates in 38 countries and regions (including Japan) and employs nearly 140,000 people. Consolidated global sales for the fiscal year ending March 31, 2014, totaled US\$39.8 billion. Last fiscal year, DENSO spent 9.0 percent of its global consolidated sales on research and development. DENSO common stock is traded on the Tokyo and Nagoya stock exchanges. For more information, go to www.globaldenso.com.

About DENSO in North America:

DENSO employs more than 17,000 people at 33 consolidated companies and affiliates throughout North America. Of these, 28 are manufacturing facilities located in the U.S., Canada and Mexico. In the U.S. alone, DENSO employs more than 14,000 people in California, Alabama, Michigan, North Carolina, South Carolina, Tennessee, Kentucky, Georgia, Iowa, Ohio, Arkansas, and Pennsylvania. DENSO's North American consolidated sales totaled US\$7.9 billion for the fiscal year ending March 31, 2014.

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