

November 29, 2023

Company name	DENSO CORPORATION
Representative	Shinnosuke Hayashi, President (Code: 6902 TSE Prime Market · NSE Premier Market)
Contact	Yoshimasa Shinoda, Director

DENSO Announces Secondary Offering of Shares and Change of Principal Shareholder

DENSO CORPORATION (the “Company”) announced that a resolution was adopted at the board of directors dated November 29, 2023 in relation to a secondary offering of shares of its common stock (the “Offering”) as follows and that a change in its principal shareholder is expected following the Offering.

In order to further reduce cross-shareholdings and create corporate value by infusing generated cash to investment for growth strategies, it is necessary to maintain business relationship with investees while reducing cross-shareholdings with them. Such reduction could become a similar opportunity to create corporate value for shareholders in the Company, and it will contribute to creating corporate value for the Company in terms of enhancing discipline in corporate management. In such circumstances, the Company has confirmed with its cross-shareholders, TOYOTA MOTOR CORPORATION, TOYOTA INDUSTRIES CORPORATION and AISIN CORPORATION (the “Sellers”), their intention to sell shares in the Company and decided to offer a selling opportunity to the Sellers in the Offering.

Through the Offering, the Company expects a wide range of investors supporting the Company’s long-term strategy to hold its shares, allowing the investor base to further expand and diversify. The Company also intends to maintain and strengthen business relationship with the Sellers even after the completion of the Offering.

The Company intends to continue to carefully examine significance of the cross-shareholdings and discuss with investee companies before proceeding with the reduction of cross-shareholdings. For details, please refer to “DENSO Announces Cross-Shareholdings Reduction Policy” released today.

In addition, the Company decided at the board of directors dated November 29, 2023 to repurchase treasury stock for up to 200 billion yen or 125,000,000 shares (the “Repurchase”). Please refer to “DENSO Announces Repurchase of Shares” released today for details of the Repurchase.

Note: This document is a press release to announce the secondary offering of shares and change of principal shareholder and has not been prepared for the purpose of soliciting investments whether in or outside Japan. Additionally, this press release does not constitute an offer of securities for sale, nor a solicitation of an offer to buy, in the United States or elsewhere. The securities referred to above have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

I. Secondary Offering of Shares

1. Secondary Offering of Shares (Offering by way of Purchase and Subscription by the Underwriters)

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| (1) Class and Number of Shares to be Offered | 256,373,400 shares of common stock of the Company |
| (2) Selling Shareholders and the Number of Shares Offered | TOYOTA INDUSTRIES CORPORATION 119,785,400 shares
TOYOTA MOTOR CORPORATION 86,412,200 shares
AISIN CORPORATION 50,175,800 shares |
| (3) Selling Price | To be decided.

(The selling price will be determined in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Securities, etc., of the Japan Securities Dealers Association, based on the preliminary pricing terms calculated by multiplying by a factor between 0.90 and 1.00, the closing price of the shares of common stock of the Company in regular trading on the Tokyo Stock Exchange Inc. (and with any fraction less than 0.5 yen being rounded down to the nearest 0.5 yen), on a certain date between Wednesday, December 13, 2023 and Monday, December 18, 2023. (hereinafter, the "Selling Price Determination Date") (or by using the closing price on the business day immediately preceding such date, if no closing price was recorded on such date.) |
| (4) Method of Offering | The offering shall be a secondary offering by way of purchase and subscription by the underwriting syndicate led by the underwriters designated as joint lead managers (the "Underwriters").
Considerations for the Underwriters in connection with the offering shall be the amount calculated by subtracting the aggregate underwriting value from the aggregate selling price. As part of the offering, shares may be sold to investors in overseas markets such as Europe and Asia (excluding the United States and Canada). |
| (5) Delivery Date | The fifth business day following the Selling Price Determination Date. |
| (6) Approval for the selling price and all other matters necessary for the offering by way of | |

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purchase and subscription by the Underwriters will be entrusted solely to Mr. Yasushi Matsui, Executive Vice President of the Company.

2. Secondary Offering of Shares by way of Over-allotment (See <Reference> 2. below.)

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| (1) Class and Number of Shares to be Offered | 38,455,900 shares of common stock of the Company
The above-mentioned number of shares to be offered represents the maximum number of shares to be offered, and the actual number of shares to be offered may decrease, or the offering by way of over-allotment may not be carried out at all, subject to market demand and other conditions. The number of shares to be offered will be determined on the Selling Price Determination Date, considering the market demand and other conditions for the offering. |
| (2) Seller | The designated lead manager |
| (3) Selling Price | To be decided.
(The selling price is currently undecided but will be determined on the Selling Price Determination Date. The selling price will be the same as the selling price in the offering by way of purchase and subscription by the Underwriters.) |
| (4) Method of Offering | In connection with the offering by way of purchase and subscription by the Underwriters, the designated lead manager will, in consideration of market demand and other conditions, undertake a secondary offering of shares of common stock of the Company, by borrowing no more than 38,455,900 shares from certain of the shareholder(s) of the Company. |
| (5) Delivery Date | The same delivery date as in the offering by way of purchase and subscription by the Underwriters. |
| (6) Approval for the selling price and all other matters necessary for the secondary offering by way of over-allotment will be entrusted solely to Mr. Yasushi Matsui, Executive Vice President of the Company. | |

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1. Purpose of the Secondary Offering of Shares

The purpose is as stated at the beginning of this press release.

2. Secondary Offering of Shares by way of Over-allotment, etc.

The secondary offering of shares by way of over-allotment refers to an offering, in connection with the offering by way of purchase and subscription by the Underwriters, in which the designated lead manager will, in consideration of market demand and other conditions, carry out the secondary offering of the Company shares, by borrowing no more than 38,455,900 shares from TOYOTA MOTOR CORPORATION, a shareholder of the Company. While 38,455,900 shares are scheduled to be offered under the secondary offering of shares by way of over-allotment, such number of shares represents the maximum number of shares to be offered, and the actual number of shares to be offered may decrease, or the secondary offering of shares by way of over-allotment may not be carried out at all, subject to market demand and other conditions.

If the secondary offering of shares by way of over-allotment is carried out, the designated lead manager will be granted the right to acquire additional shares of our common stock, separately from the shares subject to the sale through the offering of shares by way of purchase and subscription by the Underwriters, up to the number of shares to be sold by over-allotment (hereinafter referred to as the "Greenshoe Option"), starting from the delivery date of the sale through the offering of shares by way of purchase and subscription by the Underwriters and the secondary offering of shares by way of over-allotment and ending on the 30th day (the previous business day if the 30th day is not a business day) counted from the day following the last day of the subscription period for the offering of shares by way of purchase and subscription by the Underwriters and the secondary offering of shares by way of over-allotment (the "exercise period of the Greenshoe Option").

Furthermore, the designated lead manager may perform the purchases of the shares of common stock, up to the number of shares to be sold by the secondary offering of shares by way of over-allotment on the Tokyo Stock Exchange, Inc., with the purpose of returning the borrowed shares (referred to as the "syndicate cover transaction") from the day following the last day of the subscription period for the sale through the offering of shares by way of purchase and subscription by the Underwriters and the secondary offering of shares by way of over-allotment until two business days prior to the last day of the exercise period of the Greenshoe Option (hereinafter referred to as the "syndicate cover transaction period"). All the common stock acquired by the designated lead manager through the syndicate cover transaction will be allocated for the return of the borrowed shares. It should be noted that during the syndicate cover transaction period, the designated lead manager may decide to discontinue the syndicate cover transaction entirely or terminate the syndicate cover transaction with a number of shares that does not reach the number of shares to be sold through the secondary offering of shares by way of over-allotment.

In addition, the designated lead manager may conduct stabilization transactions in connection with the offering of shares by way of purchase and subscription by the Underwriters and the secondary offering of shares by way of over-allotment and may allocate all or part of the common stock acquired through such stabilization transactions for the return of the borrowed shares.

The remaining borrowed shares after being acquired through the syndicate cover transaction and stabilization transactions and allocated for the return will be returned by the designated lead manager by exercising the Greenshoe Option.

Whether or not the secondary offering of shares by way of over-allotment will be conducted and the

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number of shares to be sold through such offering will be determined on the Selling Price Determination Date. In the event that the secondary offering of shares by way of over-allotment is not conducted, neither the borrowing of our common stock from the aforementioned shareholder by the designated lead manager, the granting of the Greenshoe Option from the shareholder to the designated lead manager nor the syndicate cover transaction at the Tokyo Stock Exchange, Inc. will be conducted.

II. Change of Principal Shareholder

1. Reason for the Change

TOYOTA INDUSTRIES CORPORATION is expected to cease to be a principal shareholder of the Company as a result of the secondary offering of shares of common stock of the Company set forth in "I. Secondary Offering of Shares - 1. Secondary Offering of Shares (Offering by way of Purchase and Subscription by the Underwriters)" above.

2. Overview of Shareholder Subject to Change

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|--------------------------------------|--|
| (1) Name | TOYOTA INDUSTRIES CORPORATION |
| (2) Address | 2-1, Toyoda-cho, Kariya-shi, Aichi |
| (3) Name and title of representative | Koichi Ito, President |
| (4) Content of businesses | Manufacturing and sale of automobiles, industry vehicles and textile machinery |
| (5) Paid-in capital | 80,462 million yen (as of September 30, 2023) |

3. Number of Voting Rights held by the Shareholder (Number of Shares Held) and Percentage of Total Voting Rights Before and After Change

	Number of voting rights (Number of shares held)	% of total voting rights	Ranking among shareholders
Before change (as of September 30, 2023)	3,046,830 units (304,683,056 shares)	10.18%	Third
After change	1,848,976 units (184,897,656 shares)	6.18%	Third

Notes: 1. The Company has conducted a stock split of the shares of common stock into 4 shares per share effective on October 1, 2023. The number of voting rights held by a shareholder (number of shares held), the total number of shares outstanding and the number of shares with no voting rights, both before and after the change, are calculated by multiplying 4 to each number as of September 30, 2023.

2. The percentage of voting rights before and after the change is calculated based on 29,935,616 of voting rights, which is 3,151,779,804 shares outstanding less 158,218,204 shares with no voting rights. In addition, the number of voting rights (number of shares held) and the percentage of voting rights of the shareholder is calculated taking into account the units and the percentage of the trust asset held in retirement benefit trust by the shareholder (271,920 units (27,192,000 shares), 0.91%). (The registered name on the shareholder register is "Custody Bank of Japan, Ltd." (including re-trustee portion held by Sumitomo Mitsui Trust Bank and Toyota Industries Corporation retirement benefit trust account) and the right to exercise voting rights is

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reserved by the shareholder. Ranking among shareholders is based on the shareholder register of the Company as of September 30, 2023.

3. Percentage of voting rights before and after the change is rounded to two decimal places.

4. The number of voting rights (number of shares held) and the percentage of total shareholder voting rights after the change is calculated based on subtracting the number of shares offered by the shareholder and the number of voting rights 1,197,854 units (119,785,400 shares) related to the number of shares sold set forth in "I. Secondary Offering of Shares - 1. Secondary Offering of Shares (Offering by way of Purchase and Subscription by the Underwriters)" from the number of voting rights before the change.

4. Expected Date of Change

Delivery date (the fifth business day following the Selling Price Determination Date) set forth in "I. Secondary Offering of Shares - 1. Secondary Offering of Shares (Offering by way of Purchase and Subscription by the Underwriters)."

5. Outlook

No impact is expected on the results of operations of the Company as a result of the change of principal shareholder.

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