

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 Cross-Shareholdings Reduction Policy

DENSO CORPORATION (the “Company”) announced that a resolution was adopted at the board of directors dated November 29, 2023 regarding the cross-shareholdings reduction policy.

The Company is strongly promoting the reduction of cross-shareholdings in order to ensure the achievement of the Mid-term Policy for 2025 formulated for the fiscal year ended March 2023. In order to further improve asset efficiency and enhance discipline towards corporate management, the Company will proceed with the sale of cross-shareholdings stocks, including the dissolution of cross-shareholdings with investee companies, without exception.

1. Cross-Shareholdings Reduction Policy

The Company believes that maintaining and improving long-term corporate performance in the rapidly changing global market requires collaboration, such as joint technology development and strengthening of business relationships, with various companies. Therefore, the Company holds a minimum necessary amount of shares for strategic purposes. On the other hand, the Company is actively working to compress low-yield assets and has a basic policy of not holding cross-shareholdings stocks, except when their holding is deemed rational.

Under this policy, the Company examines the business significance of holding shares on a case-by-case basis, such as through joint development and business collaboration, and makes comprehensive judgments on the appropriateness of holding. As a result, even in the fiscal year ending in March 2024, the Company is proceeding with the sale of cross-shareholdings stocks held by the Company, and the Company has completed the full sale of stocks from three companies by November 29, 2023.

It should be noted that the shares of TOYOTA MOTOR CORPORATION, an affiliate of the Company, are not those held for purposes other than pure investment. Although they are not currently included in the cross-shareholdings stocks subject to reduction, the Company will continue to examine the business significance of holding such shares in a similar way as those held for purposes other than pure investment.

2. Future Reduction Policy

(1) Target companies Part of the shares held for the purposes other than pure investment by the Company, including the stocks of AISIN CORPORATION

Note: This document is a press release to announce the cross-shareholdings reduction policy 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.

and TOYOTA INDUSTRIES CORPORATION (with a market value of approximately 520.0 billion yen as of the end of September 2023).

(2) Period

To be determined. However, for the stocks subject to reduction, the Company will proceed with the sale after carefully engaging in dialogue with the investee companies.

3. Outlook

As a result of the sale of the cross-shareholdings stocks based on the above reduction policy, the Company will promptly notify you in case timely disclosure is necessary. However, there is a possibility that the sale may not be conducted depending on market demand and other conditions, the status of negotiations with the target companies, and the Company's assessment of the appropriateness of holding the stocks. Even after the completion of this reduction, the Company will continue to maintain and strengthen its business relationship with the target companies.

Note: This document is a press release to announce the cross-shareholdings reduction policy 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.