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Notice Regarding Sale of Holding Shares in AISIN Corporation

DENSO CORPORATION (the “Company”) announces that it has decided to participate, as one of sellers, in a secondary offering of common stock conducted by AISIN Corporation (“AISIN”) (the “Offering”) and sell all the holding shares in AISIN, excluding those less than one share unit (the “Sale of Shares”), as detailed below: For details of the Offering, please refer to “Notice Concerning Secondary Offering of Shares” released by AISIN today.

1. Reason for the Sale of the shareholdings

In order to address social issues and to achieve business growth, the Company is working on four pillars of the financial strategy which was revamped in the fiscal year ended in March 2022: (i) reinforce profit structure, (ii) Reducing low-profit assets, (iii) improve capital structure, and (iv) engage in dialogue with markets.

As a basic policy, the Company does not hold cross-held shares as low-profit assets unless it is considered to be rational, based on such financial strategies. The Company is cutting cross-held shares which are not considered to be rational after careful dialogues with investee companies.

In a press release “DENSO Announces Cross-Shareholdings Reduction Policy” published on November 29, 2023, the Company announced its policy to cut a part of its cross-held shares, including those in AISIN. Following the policy, the Company completed sale of all cross-held shares in eight names and a part of cross-held shares in three names, totaling JPY 125.8 billion in the year ended in March 2024. As a result, the number of names of cross-held shares decreased to 14 from 44 between the year ended in March 2019 and March 2024. The Sale of Shares is also one of such transactions align with the policy.

The Company will maintain and further strengthen its business relationship with AISIN even after completion of the Sale of Shares.

2. Shares to be Sold

12,964,900 shares of AISIN’s common stock (All the holding shares excluding those less than one share unit, a 4.8% stake of outstanding shares excluding treasury shares)

3. Outlook

The sale price from the Company to underwriters in the Offering will be determined on any date between July 8, 2024 and July 10, 2024.

The Company's financial information is prepared in accordance with IFRS accounting standards. No impact is expected on the results of operations as a result of the Sale of Shares as profit or loss from the transaction is accounted for as "other comprehensive income" in the consolidated financial statement.