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Notice Regarding Share Repurchase and Expected Commencement of Tender Offer for Own Shares

DENSO CORPORATION (the “**Company**”) hereby announces that, the Company resolved by way of a written (including electromagnetic record, hereinafter the same) resolution dated today in lieu of a board resolution under Article 370 of the Companies Act (Act No. 86 of 2005, as amended; the “**Companies Act**”) and its articles of incorporation, to intend to repurchase its own shares pursuant to Article 156, Paragraph 1 and Article 165, Paragraph 3 of the Companies Act applied by replacing terms pursuant to Article 165, Paragraph 3 of the said act, and the articles of incorporation, and, as the specific methods for such repurchase, to intend to conduct a tender offer for its own shares (the “**Self-Tender Offer**”), as detailed below.

According to “Notice Concerning Planned Commencement of Tender Offer for the Share Certificates, Etc. of Toyota Industries Corporation (Securities Code: 6201)” released by TOYOTA FUDOSAN CO., LTD. (“**Toyota Fudosan**”) today (“**Press Release of Toyota Industries’ Tender Offeror**”), in the tender offer agreement dated today between Toyota Fudosan and TOYOTA INDUSTRIES CORPORATION (“**Toyota Industries**”), subject to the successful completion and settlement of the Tender Offer for Toyota Industries (as defined in (i) below), Toyota Industries has agreed that if the Company commences the Self-Tender Offer, it will tender all of the common shares in the Company (“**Company Common Shares**”) held by it (157,705,656 shares, ownership percentage (Note 1): 5.69%), and entrusted with Sumitomo Mitsui Trust Bank, Limited (re-entrusted with Custody Bank of Japan, Ltd.) as trust assets of the retirement benefit trust (27,192,000 shares, ownership percentage: 0.98%) (collectively, “**Shares for Tendering**”) (184,897,656 shares in total, ownership percentage: 6.68%) in the Self-Tender Offer.

(Note 1) “**Ownership percentage**” means the ratio (rounded to the two decimal places; the same applies to calculation of ownership percentage hereinafter) to the number of shares (2,769,595,777 shares) which is obtained by deducting (i) the number of treasury shares held by the Company as of March 31, 2025 (93,663,914 shares) plus the number of treasury shares (27,941,200 shares) which were repurchased through the share repurchase conducted by the Company from April 1 to April 30, 2025 as stated in “Notice Concerning Status of Share Repurchases” released by the Company on May 9, 2025 and the number of treasury shares

(19,778,800 shares) which were repurchased through the share repurchase conducted by the Company from May 1 to May 31, 2025 as stated in “Notice Concerning Status of Share Repurchases” released by the Company on June 2, 2025 (141,383,914 shares in total) (ii) from the total number of issued shares as of March 31, 2025 (2,910,979,691 shares) stated in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 <under IFRS>” released by the Company on April 25, 2025 (the “**FY2024 Financial Results**”).

The Self-Tender Offer will be implemented subject to all the following conditions (the “**Conditions Precedent**”) being satisfied or waived at the discretion of the Company, and the Company intends to formally resolve the implementation of the Self-Tender Offer as soon as practicable after the Conditions Precedent have been satisfied or waived at its discretion:

- (i) A tender offer (“**Tender Offer for Toyota Industries**”) for share certificates, etc. of Toyota Industries by a stock company (*kabushiki kaisha*) (“**Toyota Industries’ Tender Offeror**”) to be wholly owned by a stock company to be incorporated by Toyota Fudosan (“**Parent Company of Toyota Industries’ Tender Offeror**”) as described in the Press Release of Toyota Industries’ Tender Offeror is successfully completed and settled; and
- (ii) No rulings or other judgments have been made by judicial or administrative bodies to restrict or prohibit Toyota Industries from tendering its shares in the Self-Tender Offer or to prohibit or restrict the Self-Tender Offer in whole or in part, the Self-Tender Offer will not result in violation of any laws or regulations, and no petition, litigation nor proceedings to seek restriction or prohibition of the Self-Tender Offer in whole or in part are pending before judicial or administrative bodies.

According to the Press Release of Toyota Industries’ Tender Offeror, Toyota Fudosan aims to have the Toyota Industries’ Tender Offeror commence the Tender Offer for Toyota Industries around early December, 2025, but since it is difficult to accurately estimate the amount of time required for the procedures, involving domestic and foreign competition authorities and authorities having jurisdiction over EU regulations on foreign subsidies, investment control laws and regulations and financial regulatory laws and regulations, to implement the Tender Offer for Toyota Industries, the detailed schedule for the Tender Offer for Toyota Industries will be promptly announced as soon as it is decided. Any changes to the expected timing of the commencement of the Tender Offer for Toyota Industries will also be announced promptly. Please note that the Company intends to tender all of its 14,823,500 common shares in Toyota Industries (ownership percentage in stock in Toyota Industries (Note 2): 4.93%) in the Tender Offer for Toyota Industries. For further details, please see “Notice Regarding Participation in Tender Offer and Termination of Share Forward Agreement for Shares in Toyota Industries Corporation, and Expected Posting of Extraordinary Gains in Non-Consolidated Results” released by the Company today.

Taking these points into consideration, the Company intends to commence the Self-Tender Offer around mid-January, 2026. However, as stated above, since the Conditions Precedent include successful completion and settlement of the Tender Offer for Toyota Industries and it is difficult to accurately predict when the foregoing will be completed, the Company will promptly announce the detailed schedule of the Self-Tender Offer once it is determined. Any changes to the expected timing of the commencement of the Self-Tender Offer will also be announced promptly.

(Note 2) “**Ownership percentage in stock in Toyota Industries**” means the ratio (rounded to the two decimal places) to the number of shares (300,475,306 shares) which is obtained by deducting (i) the number of treasury shares held by Toyota Industries as of March 31, 2025 (24,440,334 shares) plus the number of treasury shares (801,700 shares) which were repurchased through the share repurchase conducted by Toyota Industries from April 1 to April 30, 2025 as stated in “Notice Concerning the Status of Repurchase of Shares of Treasury Stock” released by

Toyota Industries on May 7, 2025 and the number of treasury shares (123,300 shares) which were repurchased through the share repurchase conducted by Toyota Industries from May 1 to May 12, 2025 as stated in “Notice Concerning the Status and Completion of the Repurchase of Shares of our Common Stock” released by Toyota Industries on May 14, 2025 (25,365,334 shares in total) (ii) from the total number of issued shares as of March 31, 2025 (325,840,640 shares) stated in the “FY2025 Consolidated Financial Results<IFRS>” released by Toyota Industries on April 25, 2025.

1. Purpose of tender offer

The Company has been addressing business management with due consideration of capital cost, maximization of return on equity (“ROE”) and creation of corporate value under its financial strategies renewed in the fiscal year of 2021 with the aim of addressing social issues and achieving business growth. The financial strategies are based on the following four pillars: (i) reinforce profit structure, (ii) reduce low-profit assets, (iii) improve capital structure, and (iv) engage in dialogue with markets. Based on these financial strategies, the Company seeks to improve its capital structure with a good balance between efficiency and safety through leveraging borrowings, diversifying funding sources, and making proactive shareholder returns.

The Company has set forth provisions in its articles of incorporation that allow the Company to repurchase its own shares by a board resolution pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act in order to further boost shareholder returns and improve capital efficiency and to allow for flexible capital policies to respond to changes in the business environment. The Company has also provided in its articles of incorporation that the Company may determine distribution of surplus and other matters specified in each item of Article 459, Paragraph 1 of the Companies Act by a board resolution unless otherwise provided by laws and regulations. For repurchase of its own shares, the Company has in place the basic policy of repurchasing own shares flexibly through comparison with a theoretical stock price while seeking to maintain the shareholders’ equity ratio below 60%, with the aim of achieving shareholder returns in consideration of capital cost and improving the capital structure. The Company’s basic dividend policy is to continuously raise the dividend on equity ratio from 3.0%, comprehensively taking into consideration consolidated earnings, capital efficiency, and dividend amounts. Based on such policy, the Company paid dividends of 32 yen per share as interim dividends and 32 yen per share as year-end dividends during the fiscal year ended March 31, 2025, totaling dividends of 64 yen per share paid annually, which resulted in the dividend on equity ratio being 3.5%. In addition, the Company has repurchased its own shares as shown in the table below over the past 10 years up until the fiscal year ended March 31, 2025 to enhance its capital efficiency and return profits to its shareholders:

| Date of resolution | Cumulative period of repurchase | Cumulative number of shares repurchased (Note 1) | Cumulative total repurchase amount |
|---|--|--|------------------------------------|
| Board of directors meeting held on July 29, 2016 | (i) August 4, 2016 - September 9, 2016 (ii) October 3, 2016 - November 30, 2016 | 6,952,600 shares (27,810,400 shares) | 29,999,799,500 yen |
| Board of directors meeting held on April 28, 2017 | May 1, 2017 - May 31, 2017 (Note 2) | 6,123,762 shares (24,495,048 shares) | 26,460,775,602 yen |
| Board of directors | November 1, 2018 - | 5,999,910 shares | 28,435,025,580 yen |

| | | | |
|--|---------------------------------------|--|---------------------|
| meeting held on October 31, 2018 (Note 3) | March 13, 2019 | (23,999,640 shares) | |
| Board of directors meeting held on July 30, 2021 | August 2, 2021 - January 25, 2022 | 12,000,000 shares (48,000,000 shares) | 97,511,907,600 yen |
| Board of directors meeting held on July 29, 2022 (Note 4) | August 1, 2022 - December 16, 2022 | 14,518,437 shares (58,073,748 shares) | 99,999,449,991 yen |
| Board of directors meeting held on November 29, 2023 | December 21, 2023 - February 27, 2024 | 84,606,900 shares | 199,999,828,050 yen |
| Board of directors meeting held on October 31, 2024 (Note 5) | November 1, 2024 - March 31, 2025 | 93,558,500 shares | 196,639,267,750 yen |

(Note 1) On October 1, 2023, the Company conducted a four-for-one stock split of Company Common Shares (“Stock Split of 2023”). Figures in parentheses in the above table reflect the effects of such stock splits.

(Note 2) The period of purchase in the tender offer (tender offer period) is shown since the specific method of repurchase is a tender offer for own shares.

(Note 3) The figures include the tender offer for own shares announced on October 31, 2018 (purchase period: from November 1, 2018 to November 29, 2018, number of shares repurchased: 3,282,510 shares (number of shares reflecting the effect of the Stock Split of 2023: 13,130,040 shares), total repurchase amount: 15,585,357,480 yen).

(Note 4) The figures include the tender offer for own shares announced on July 29, 2022 (purchase period: from August 1, 2022 to August 29, 2022, number of shares repurchased: 9,025,337 shares (number of shares reflecting the effect of the Stock Split of 2023: 36,101,348 shares), total repurchase amount: 59,955,313,691 yen).

(Note 5) The period of the share repurchase is from November 1, 2024, to October 27, 2025, and the share repurchase is subject to the upper limits at 280 million shares and 450 billion yen. Although the share repurchase is ongoing as of today, the numbers above show information regarding the share repurchase from November 1, 2024 through March 31, 2025 to inform the progress of share repurchase during the fiscal year ended March 31, 2025.

As shown in the table above, the Company repurchased its own shares worth approximately 100 billion yen during the fiscal year ended March 31, 2023, and approximately 200 billion yen for each of the fiscal years ended March 31, 2024 and March 31, 2025. Furthermore, the Company intends to carry out record-high share repurchase during the fiscal year ending March 31, 2026 through the Self-Tender Offer in addition to purchase in the market based on the resolution at the board of directors meeting held on October 31, 2024, thereby realizing significant improvement in its capital structure. Meanwhile, financial institutions in particular have recently accelerated their efforts to reduce cross-held shares, and the Company has been informed by some financial institutions that are its shareholders of their intention to sell their shares. Taking into account such movement of financial institutions, the Company has been considering additional share repurchase, in addition to the aforementioned policy for share repurchase, to cope with sale of shares when the Company learns an intention of specific major shareholders to sell their Company Common Shares in large quantity as described in “Notice Concerning the Repurchase of Shares” released on October 31, 2024, to cope

with concerns over the market demand and supply of the Company Common Shares in the future. Under such circumstances, the Company was notified by Toyota Fudosan on March 3, 2025 that Toyota Fudosan was considering requesting Toyota Industries to sell its Company Common Shares to the Company, subject to successful completion and settlement of the Tender Offer for Toyota Industries, in order to finance the repurchase of common shares in Toyota Industries held by TOYOTA MOTOR CORPORATION (“**Toyota Motor**”) to be implemented by Toyota Industries, which is conditioned upon completion of a series of procedures for taking common shares in Toyota Industries private and in order for Toyota group companies (which do not necessarily have a relationship of parent-subsidiary, affiliate company, or company under common control, but consist of 18 companies in total (as of March 31, 2025) including Toyota Fudosan, Toyota Motor, and three Toyota group companies (TOYOTA TSUSHO CORPORATION, AISIN CORPORATION, and the Company); hereinafter the same) to make effective use of funds from sale of shares cross-held among Toyota group companies. In response to the notification from the Toyota Fudosan, the Company considered in late March 2025 whether or not to repurchase the Shares for Tendering as treasury shares and the method of such repurchase, taking into account the impact on the liquidity and market price of the Company Common Shares in the event that a certain number of shares are released to the market.

As a result, the Company concluded that purchase of the Shares for Tendering as treasury shares would contribute to the improvement of capital efficiency such as earnings per share (EPS) or ROE of the Company, which then will lead to return of profit to shareholders. The Company has had a series of discussions on the specific method of share repurchase taking into consideration the equality between shareholders, transparency of transactions and trading status in the market. As a result, the Company came to a conclusion in late March 2025 that it would be appropriate to purchase the Shares for Tendering through a method of tender offer due to the following reasons: in case of a tender offer, the Company can also provide its shareholders other than Toyota Industries with an opportunity to decide whether they would agree to share repurchase based on the trend of market price after giving them a certain period of time to review; transparency of transaction can be secured by purchasing shares in accordance with the procedure of a tender offer under laws and regulations, etc.; it is the off-market trading which is less likely to impact the liquidity in the market of the Company Common Shares; in case of share repurchase through the purchase in the market and off-floor trading, the purchase price needs to be set at the market price due to applicable rules, and this will make it impossible to purchase shares at a price obtained by applying a certain discount to the market price, which is not a preferred option over a tender offer.

Under such circumstances, the Company received a proposal from Toyota Fudosan on April 10, 2025 that: (i) the Company would purchase the Company Common Shares held by Toyota Industries through a tender offer, subject to successful completion and settlement of the Tender Offer for Toyota Industries; (ii) the number of shares to be purchased in the Self-Tender Offer would be 184,897,656 shares (ownership percentage: 6.68%) which represent the sum of all the Company Common Shares held by Toyota Industries (157,705,656 shares, ownership percentage: 5.69%) and entrusted with Sumitomo Mitsui Trust Bank, Limited (re-entrusted with Custody Bank of Japan, Ltd.) as trust assets of the retirement benefit trust (27,192,000 shares, ownership percentage: 0.98%); (iii) the purchase price in the Self-Tender Offer (“**Self-Tender Offer Price**”) would be the price obtained by applying a certain discount to the lower of the closing price of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the board resolution of the final decision on the Self-Tender Offer Price or the simple average of closing prices of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange for one month until the said date; and (iv) if such price exceeds a certain amount, then such amount would be the Self-Tender Offer Price. In addition, the Company received a proposal from Toyota Fudosan on

April 26, 2025 that: (i) the Self-Tender Offer Price would be the price obtained by applying a 10% discount to the lower of the closing price of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the board resolution of the final decision on the Self-Tender Offer Price or the simple average of closing prices of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange for one month until the said date; and (ii) if such price exceeds the closing price (rounded to the nearest whole yen) of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange on June 2, 2025 which is the business day immediately preceding the date of the board resolution on the expected implementation of the Self-Tender Offer, then such amount (“**Maximum Self-Tender Offer Price**”) would be the Self-Tender Offer Price.

In deciding the Self-Tender Offer Price, the Company came to a conclusion that it is preferable to use the market price of the Company Common Shares as the basis from the perspective of placing an importance on the clarity and objectivity of the standard, and to set the Self-Tender Offer Price at the price obtained by applying a certain discount to the market price with the aim to prevent outflow of assets outside of company as much as possible from the perspective of respecting interests of shareholders that will continue to own the Company Common Shares without tendering their shares in the Self-Tender Offer. The specific discount rate should be at an objective and reasonable level and the Company considered a discount rate of 10% would be typical and reasonable by referring to the fact that a discount rate of 10% was adopted the most in 66 precedents of self-tender offers among 77 precedents of self-tender offers the settlement of which was completed between May 2022 and April 2025 excluding 11 cases in total where premiums were added or the tender offer price was decided using a share valuation report (“**Reference Cases**”) (3 cases of a discount rate (rounded to the nearest whole number in calculation of discount rate in Reference Cases) of 5% or higher but less than 10%, 52 cases of a discount rate of 10%, 11 cases of a discount rate of 11% or higher) to understand the setting of discount rates in a certain number of recent similar precedents. The Company, hence, concluded that setting the discount rate at 10% in the Self-Tender Offer would be appropriate. Furthermore, there expected to be approximately 7 months between the date of the board resolution on the expected implementation of the Self-Tender Offer and the date of the board resolution of the final decision on the Self-Tender Offer Price, and considering the possibility of fluctuations in the stock price during such period, the market price of the Company Common Shares may rise significantly, potentially resulting in unexpected outflow of assets from the Company. The Company, therefore, has determined that it is preferable for the Company to set the Maximum Self-Tender Offer Price. In light of the foregoing considerations, the Company gave a response to Toyota Fudosan on May 8, 2025 that the Company would implement the Self-Tender Offer as proposed on April 10, 2025 and April 26, 2025.

Based on the considerations and discussions above, the Company resolved today by way of a written resolution in lieu of a board resolution under Article 370 of the Companies Act and its articles of incorporation to intend to repurchase its own shares pursuant to Article 156, Paragraph 1 of the Companies Act applied by replacing terms pursuant to Article 165, Paragraph 3 of the said act, and its articles of incorporation; to intend to implement the Self-Tender Offer as the specific method of such repurchase; to set the Self-Tender Offer Price at the price obtained by applying a 10% discount to the lower of the closing price of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the board resolution of the final decision on the Self-Tender Offer Price or the simple average of closing prices of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange for one month until the said date (such price is rounded to the nearest whole yen; provided, however, that if such price exceeds the closing price of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange on

June 2, 2025 (1,935 yen (rounded to the nearest whole yen)) which is the business day immediately preceding the date of the board resolution on the expected implementation of the Self-Tender Offer, then it would be 1,935 yen), and to decide once again the Self-Tender Offer Price on the date of announcement of the commencement of the Self-Tender Offer; and to set the number of shares to be purchased in the Self-Tender Offer at 184,897,656 shares (ownership percentage: 6.68%) which equal the number of the Shares for Tendering, as proposed by Toyota Fudosan in order to minimize the outflow of own funds, and to set the ceiling at 184,897,756 shares (ownership percentage: 6.68%) by adding one unit of shares (100 shares) to the number of shares to be purchased in consideration of the possibility that the number of shares tendered may exceed the number of shares to be purchased and proportional adjustment to the share unit may result in the number of shares to be purchased being exceeded. The Company believes that even if the Company purchases the maximum number of shares (184,897,756 shares) at the Maximum Self-Tender Offer Price (1,935 yen), this will not make the settlement of the Self-Tender Offer impossible since the total amount of purchase (357,777,157,860 yen) would still fall within the range of the Company's distributable amount as of today. Also, Toyota Fudosan explained that if the total number of the share certificates, etc. tendered in the Self-Tender Offer (the **"Tendered Share Certificates, Etc."**) exceeds the number of share to be purchased and proportional distribution results in the Company Common Shares remaining with Toyota Industries more than expected, Toyota Fudosan would request Toyota Industries to promptly sell such remaining Company Common Shares in general though its specific method had not yet been determined. According to the Press Release of Toyota Industries' Tender Offeror, in the tender offer agreement dated today between Toyota Fudosan and Toyota Industries, subject to the successful completion and settlement of the Tender Offer for Toyota Industries, Toyota Industries has agreed that if the Company commences the Self-Tender Offer, it will tender all of the Company Common Shares held by it (157,705,656 shares, ownership percentage: 5.69%), and entrusted with Sumitomo Mitsui Trust Bank, Limited (re-entrusted with Custody Bank of Japan, Ltd.) as trust assets of the retirement benefit trust (27,192,000 shares, ownership percentage: 0.98%) (184,897,656 shares in total, ownership percentage: 6.68%) in the Self-Tender Offer.

Mr. Akio Toyoda, a director of the Company, also serves as the Chairman of the board of directors of Toyota Motor and Toyota Fudosan and is a prospective investor in the Parent Company of Toyota Industries' Tender Offeror. Hence, to eliminate any arbitrariness in the Company's decision-making process in the consideration and determination of the Self-Tender Offer, he did not participate in the deliberation and resolution concerning the Self-Tender Offer at the board of directors meeting of the Company, nor did he participate in any discussions or negotiations with Toyota Fudosan, and Toyota Industries from the Company's standpoint.

The funds required for the Self-Tender Offer will be covered by the Company's own funds and borrowings. Based on the FY2024 Financial Results, the Company's consolidated cash and cash equivalent as of March 31, 2025, amounted to 986,531 million yen and cash flow generated from the business in the future will be accumulated, based on which the Company believes that it will be able to repay them with no significant effect on its financial conditions or dividend policy and to continue to maintain its business operation and the sound and robust financial conditions.

Treatment of own shares purchased through the Self-Tender Offer has not yet been determined at present.

2. Details of the board resolution regarding share repurchases

(1) Contents of resolution

| Class of shares to be | Total number to be purchased | Total amount of purchase |
|-----------------------|------------------------------|--------------------------|
|-----------------------|------------------------------|--------------------------|

| repurchased | | |
|---------------|------------------------------|-------------------------------|
| Common shares | 184,897,756 shares (maximum) | 357,777,157,860 yen (maximum) |

- (Note 1) The total number of issued shares is 2,910,979,691 shares (as of March 31, 2025).
- (Note 2) The total number to be purchased (184,897,756 shares) represents the ownership percentage of 6.68%.
- (Note 3) The total number to be purchased is the maximum number of shares resolved at the board of directors meeting dated today.
- (Note 4) The total amount of purchase is the maximum amount resolved at the board of directors meeting dated today.
- (Note 5) The period during which shares can be repurchased has not yet been determined.
- (Note 6) The total number to be purchased under the board resolution adds one unit of shares (100 shares) to the number of shares to be purchased since if the number of shares tendered exceeds the number of shares to be purchased, proportional adjustment may result in the number of shares to be purchased being exceeded.

The Company intends to make a board resolution on share repurchase once again upon commencement of the Self-Tender Offer and will announce the details thereof as soon as the resolution is made.

- (2) Listed shares, etc. pertaining to treasury stock already repurchased based on the said resolution
Not applicable.

3. Outline of the Tender Offer

(1) Schedule, etc.

The Self-Tender Offer is scheduled to be implemented as soon as practicable after all the Conditions Precedent are satisfied or waived at the Company's discretion. As of today, the Company intends to commence the Self-Tender Offer around mid-January, 2026. The detailed schedule of the Self-Tender Offer will be promptly announced once determined. Any changes to the expected timing of commencement of the Self-Tender Offer will also be announced promptly.

The Company intends to set the purchase period of the Self-Tender Offer ("**Self-Tender Offer Period**") to be 20 business days.

(2) Tender Offer Price

Not determined

- (Note) As stated in "1. Purpose of tender offer" above, the Company resolved at the board of directors meeting dated today that it would set the Self-Tender Offer Price at the price obtained by applying a 10% discount to the lower of the closing price of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the board resolution of the final decision on the Self-Tender Offer Price or the simple average of closing prices of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange for one month until the said date (such price is rounded to the nearest whole yen; provided, however, that if such price exceeds the closing price of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange on June 2, 2025 (1,935 yen (rounded to the nearest whole yen)))

which is the business day preceding the date of the board resolution on the expected implementation of the Self-Tender Offer, then such amount would be 1,935 yen), and the Company will formally determine the Self-Tender Offer Price upon commencement of the Self-Tender Offer as soon as practicable after all the Conditions Precedent are satisfied or waived at the Company's discretion. The formal Self-Tender Offer Price will be promptly announced once determined.

(3) Basis of valuation of price for Tender Offer

(i) Basis of valuation

In deciding the Self-Tender Offer Price, the Company came to a conclusion that it is preferable to use the market price of the Company Common Shares as the basis from the perspective of placing an importance on the clarity and objectivity of the standard, and to set the Self-Tender Offer Price at the price obtained by applying a certain discount to the market price with the aim to prevent outflow of assets outside of company as much as possible from the perspective of respecting interests of shareholders that will continue to own the Company Common Shares without tendering their shares in the Self-Tender Offer. The specific discount rate should be at an objective and reasonable level and the Company considered a discount rate of 10% would be typical and reasonable by referring to the fact that a discount rate of 10% was adopted the most in 66 precedents of self-tender offers among 77 Reference Cases excluding 11 cases in total where premiums were added or the tender offer price was decided using a share valuation report (3 cases of a discount rate of 5% or higher but less than 10%, 52 cases of a discount rate of 10%, 11 cases of a discount rate of 11% or higher) to understand the setting of discount rates in a certain number of recent similar precedents. The Company, hence, concluded that setting the discount rate at 10% in the Self-Tender Offer would be appropriate. Furthermore, there expected to be approximately 7 months between the date of the board resolution on the expected implementation of the Self-Tender Offer and the date of the board resolution of the final decision on the Self-Tender Offer Price, and considering the possibility of fluctuations in the stock price during such period, the market price of the Company Common Shares may rise significantly, potentially resulting in unexpected outflow of assets from the Company. The Company, therefore, has determined that it is preferable for the Company to set the Maximum Self-Tender Offer Price. In light of the foregoing considerations, the Company gave a response to Toyota Fudosan on May 8, 2025 that the Company would implement the Self-Tender Offer as proposed on April 10, 2025 and April 26, 2025.

Based on the considerations and discussions above, the Company resolved today by way of a written resolution in lieu of a board resolution under Article 370 of the Companies Act and its articles of incorporation to intend to repurchase its own shares pursuant to Article 156, Paragraph 1 of the Companies Act applied by replacing terms pursuant to Article 165, Paragraph 3 of the said act, and its articles of incorporation; to intend to implement the Self-Tender Offer as the specific method of such repurchase; to set the Self-Tender Offer Price at the price obtained by applying a 10% discount to the lower of the closing price of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the board resolution of the final decision on the Self-Tender Offer Price or the simple average of closing prices of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange for one month until the said date (such price is rounded to the nearest whole yen; provided, however, that if such price exceeds the closing price of the Company Common Shares on the Prime Market of the Tokyo Stock

Exchange on June 2, 2025 (1,935 yen (rounded to the nearest whole yen)) which is the business day immediately preceding the date of the board resolution on the expected implementation of the Self-Tender Offer, then it would be 1,935 yen), and to decide once again the Self-Tender Offer Price on the date of announcement of the commencement of the Self-Tender Offer; and to set the number of shares to be purchased in the Self-Tender Offer at 184,897,656 shares (ownership percentage: 6.68%) which equal the number of the Shares for Tendering, as proposed by Toyota Fudosan in order to minimize the outflow of own funds, and to set the ceiling at 184,897,756 shares (ownership percentage: 6.68%) by adding one unit of shares (100 shares) to the number of shares to be purchased in consideration of the possibility that the number of shares tendered may exceed the number of shares to be purchased and proportional adjustment to the share unit may result in the number of shares to be purchased being exceeded.

(ii) Process of valuation

In deciding the Self-Tender Offer Price, the Company came to a conclusion that it is preferable to use the market price of the Company Common Shares as the basis from the perspective of placing an importance on the clarity and objectivity of the standard, and to set the Self-Tender Offer Price at the price obtained by applying a certain discount to the market price with the aim to prevent outflow of assets outside of company as much as possible from the perspective of respecting interests of shareholders that will continue to own the Company Common Shares without tendering their shares in the Self-Tender Offer. The specific discount rate should be at an objective and reasonable level and the Company considered a discount rate of 10% would be typical and reasonable by referring to the fact that a discount rate of 10% was adopted the most in 66 precedents of self-tender offers among 77 Reference Cases excluding 11 cases in total where premiums were added or the tender offer price was decided using a share valuation report (3 cases of a discount rate of 5% or higher but less than 10%, 52 cases of a discount rate of 10%, 11 cases of a discount rate of 11% or higher) to understand the setting of discount rates in a certain number of recent similar precedents. The Company, hence, concluded that setting the discount rate at 10% in the Self-Tender Offer would be appropriate. Furthermore, there expected to be approximately 7 months between the date of the board resolution on the expected implementation of the Self-Tender Offer and the date of the board resolution of the final decision on the Self-Tender Offer Price, and considering the possibility of fluctuations in the stock price during such period, the market price of the Company Common Shares may rise significantly, potentially resulting in unexpected outflow of assets from the Company. The Company, therefore, has determined that it is preferable for the Company to set the Maximum Self-Tender Offer Price. In light of the foregoing considerations, the Company gave a response to Toyota Fudosan on May 8, 2025 that the Company would implement the Self-Tender Offer as proposed on April 10, 2025 and April 26, 2025.

Based on the considerations and discussions above, the Company resolved today by way of a written resolution in lieu of a board resolution under Article 370 of the Companies Act and its articles of incorporation to intend to repurchase its own shares pursuant to Article 156, Paragraph 1 of the Companies Act applied by replacing terms pursuant to Article 165, Paragraph 3 of the said act, and its articles of incorporation; to intend to implement the Self-Tender Offer as the specific method of such repurchase; to set the Self-Tender Offer Price at the price obtained by applying a 10% discount to the lower of the closing price of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange on the business

day immediately preceding the date of the board resolution of the final decision on the Self-Tender Offer Price or the simple average of closing prices of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange for one month until the said date (such price is rounded to the nearest whole yen; provided, however, that if such price exceeds the closing price of the Company Common Shares on the Prime Market of the Tokyo Stock Exchange on June 2, 2025 (1,935 yen (rounded to the nearest whole yen)) which is the business day immediately preceding the date of the board resolution on the expected implementation of the Self-Tender Offer, then it would be 1,935 yen), and to decide once again the Self-Tender Offer Price on the date of announcement of the commencement of the Self-Tender Offer; and to set the number of shares to be purchased in the Self-Tender Offer at 184,897,656 shares (ownership percentage: 6.68%) which equal the number of the Shares for Tendering, as proposed by Toyota Fudosan in order to minimize the outflow of own funds, and to set the ceiling at 184,897,756 shares (ownership percentage: 6.68%) by adding one unit of shares (100 shares) to the number of shares to be purchased in consideration of the possibility that the number of shares tendered may exceed the number of shares to be purchased and proportional adjustment to the share unit may result in the number of shares to be purchased being exceeded.

(4) Number of share certificates, etc. to be purchased

| Class of shares to be repurchased | Number of shares to be purchased | Number of excess shares to be purchased | Total |
|-----------------------------------|----------------------------------|---|--------------------|
| Common shares | 184,897,656 shares | - shares | 184,897,656 shares |

(Note 1) If the total number of Tendered Share Certificates, Etc. does not exceed the number of shares to be purchased (184,897,656 shares), the Company will purchase all of the Tendered Share Certificates, Etc. If the total number of Tendered Share Certificates, Etc. exceeds the number of shares to be purchased (184,897,656 shares), the Company will not purchase all or part of such excess shares and conduct transfer of share certificates, etc. and other settlement procedures in relation to the purchase of shares by using the method of proportional distribution as provided in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act (Act No.25 of 1948, as amended; the “Act”) as applied mutatis mutandis pursuant to Article 27-22-2, Paragraph 2 of the Act and Article 21 of the Cabinet Office Ordinance Concerning the Disclosure of a Tender Offer for Listed Shares by the Issuer (Ministry of Finance Ordinance No.95 of 1994, as amended).

(Note 2) Shares less than one unit are also subject to the Self-Tender Offer. If a right to demand purchase of shares less than one unit is exercised by a shareholder in accordance with the Companies Act, the Company may purchase its own shares during the Self-Tender Offer Period in accordance with procedures under laws and regulations.

(5) Funds required for purchase, etc.

357,776,964,360 yen (scheduled)

(Note) The amount of funds required for purchase, etc. is the Maximum Self-Tender Offer Price (1,935 yen) multiplied by the number of shares to be purchased (184,897,656 yen) specified in (4) above.

(6) Method of settlement

(i) Name and address of the head office of financial instruments business operator or bank, etc.,

in charge of settlement of purchase

Nomura Securities Co., Ltd. 1-13-1, Nihonbashi, Chuo-ku, Tokyo (scheduled)

(ii) Commencement date of settlement

Not determined

(Note) The settlement is scheduled to commence on the day which is 16 business days from the last day of the Self-Tender Offer Period. The detailed schedule will be announced once determined.

(iii) Method of settlement

A notice regarding the purchase under the Self-Tender Offer will be mailed to the address of the shareholders who have tendered their shares in response to the Self-Tender Offer (the “**Tendering Shareholders, etc.**”) or to the address of the standing proxies for shareholders, etc. (including corporate shareholders, etc.) residing outside Japan who do not have an account with the Tender Offer Agent with which they can trade (“**Non-Resident Shareholders, etc.**”) without delay after the expiration of the Self-Tender Offer Period.

Purchases will be made in cash. Tendering Shareholders, etc. may receive the proceeds of the Self-Tender Offer, less any applicable withholding tax (Note), by remittance or other means instructed by the Tendering Shareholders, etc. without delay after the commencement date of settlement (remittance fees may apply.)

(Note) Tax treatment on shares purchased under the Tender Offer

* For specific questions regarding taxation, please consult a tax accountant or other specialist and make your own decision.

(i) The tax treatment for individual shareholders who tender their shares in the Self-Tender Offer is as follows.

a) When the Tendering Shareholders, etc. are residents of Japan or non-residents who have a permanent establishment

If the amount of money received for tendering shares in the Self-Tender Offer exceeds the amount of the Company’s capital stock, etc. corresponding to the shares that are the basis of the receipt (i.e., if the purchase price per share exceeds the amount of capital stock, etc. per share of the Company), the excess portion (“**Deemed Dividend Amount**”) will be deemed to be a dividend and taxed as such. In addition, the remainder of the money to be received from tendering shares in the Self-Tender Offer after deduction of the amount deemed to be a dividend will be classed as income from the transfer of shares and other securities. If there is no amount deemed to be a dividend (i.e., if the purchase price per share is less than or equal to the amount of capital stock per share of the Company), the full amount of the money to be received will be classed as income from transfer.

With regard to the Deemed Dividend Amount, the amount equivalent to 20.315% (income tax and special reconstruction income tax (“**Special Income Tax for Reconstruction**”) under the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117 of 2011, as amended): 15.315%, resident tax: 5%) is withheld (non-residents who have permanent establishments in Japan are not subject to the special levy of the 5% resident tax). However, if the individual

shareholder falls under large shareholders etc. (“**Large Shareholders, etc.**”) prescribed in Article 4-6-2, Paragraph 38 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Ordinance No.43 of 1957, as amended), the amount equivalent to 20.42% (income tax and Special Income Tax for Reconstruction only) will be withheld. In addition, if the combined shareholding ratio of a Tendering Shareholder, etc. that will receive payment of an amount deemed to be a dividend and a corporation that falls under the category of a family company under the Corporation Tax Act when such Tendering Shareholder, etc. is the shareholder on which the judgment is based is 3% or more of the total number of shares, etc. issued and outstanding, then such amount deemed to be a dividend is subject to aggregate taxation.

As a general rule, the amount after deduction of the acquisition expenses for the shares from income from transfer is subject to separate self-assessment taxation.

In addition, in the case where shares, etc. held in a tax-exempt account (the “**tax-exempt account**”) as defined in Article 37-14 (Non-Taxation of Transfer Income, etc. on Listed Shares with Small Amounts of Dividend Income Held in Tax-Exempt Accounts) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) are tendered in the Self-Tender Offer, if the financial instruments business operator, etc. with which such tax-exempt account is opened is Nomura Securities Co., Ltd., transfer income, etc. arising from the Self-Tender Offer will be exempt from tax, as a general rule. The above treatment may differ if the tax-exempt account is opened at a financial instruments business operator, etc. other than Nomura Securities Co., Ltd.

- b) When the Tendering Shareholder, etc. is a non-resident who does not have a permanent establishment in Japan

An amount of 15.315% (income tax and Special Income Tax for Reconstruction only) will be withheld at source on the amount deemed to be a dividend. In the case of a Large Shareholder, etc., an amount of 20.42% (income tax and Special Income Tax for Reconstruction only) will be withheld at source. As a general rule, income arising from such transfer will not be taxed.

- (ii) If the amount of money to be received by a corporate shareholder from tendering shares in the Self-Tender Offer exceeds the amount of the Company’s capital stock, etc. corresponding to the shares underlying the delivery, such excess amount shall be deemed to be a dividend. In principle an amount of 15.315% (income tax and Special Income Tax for Reconstruction only) will be withheld at source on the portion deemed to be a dividend.

Any amount deemed to be a dividend to be paid by the Company to Tendering Shareholders, etc. (limited to corporations having their head office or principal office in Japan (domestic corporations)) who directly own more than one-third of the total number of issued shares, etc. of the Company as of the record date for the payment of such dividend, etc. will be exempt from income tax and Special Income Tax for Reconstruction and will not be taxed at source.

Non-Resident Shareholders, etc. who wish to receive income tax reduction or exemption on such deemed dividend amount in accordance with applicable tax treaties are requested to submit a tax treaty notification form to the Tender Offer Agent together with the

Tender Offer Application Form when applying for the Self-Tender Offer.

Since the details of the method of settlement described above are subject to change, please see the announcement to be made upon commencement of the Self-Tender Offer.

(7) Other

- (i) The Self-Tender Offer will not be conducted, directly or indirectly, in or targeted at the United States, nor through the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communication), nor through any stock exchange facilities in the United States. No tender of shares in the Self-Tender Offer may be made through any of the aforementioned methods or means, through such stock exchange facilities, or from the United States. In addition, neither the Tender Offer Statement nor other relevant documents for the Self-Tender Offer will, or may, be sent or distributed in, to, or from the United States by the postal mail services or other means. No tender of shares in the Self-Tender Offer that violates, directly or indirectly, any of the aforementioned restrictions will be accepted. When tendering shares in the Self-Tender Offer, Tendering Shareholders, etc. (or their standing proxies in the case of Non-resident Shareholders, etc.) may be required to make the following representations and warranties to the Tender Offer Agent. The Tendering Shareholder, etc. is not located in the United States at either the time of application or at the time of sending the Tender Offer Application. No information (including copies thereof) relating to the Self-Tender Offer has been received or sent, directly or indirectly, in, to, or from the United States. There has been no direct or indirect use of the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communication) or any stock exchange facilities in the United States in connection with the Self-Tender Offer or the signing and delivery of the Tender Offer Application. The Tendering Shareholder, etc. is not a person acting as another person's agent or fiduciary or designee without discretionary authority (unless such other person is giving all instructions with respect to the purchase from outside the United States).
- (ii) According to the Press Release of Toyota Industries' Tender Offeror, in the tender offer agreement dated today between Toyota Fudosan and Toyota Industries, subject to the successful completion and settlement of the Tender Offer for Toyota Industries, Toyota Industries has agreed that if the Company commences the Self-Tender Offer, it will tender all of the Company Common Shares held by it (157,705,656 shares, ownership percentage: 5.69%), and entrusted with Sumitomo Mitsui Trust Bank, Limited (re-entrusted with Custody Bank of Japan, Ltd.) as trust assets of the retirement benefit trust (27,192,000 shares, ownership percentage: 0.98%) (184,897,656 shares in total, ownership percentage: 6.68%) in the Self-Tender Offer. Please refer to the relevant announcement for details.
- (iii) The Company released "Notice Concerning Status of Share Repurchases" on June 2, 2025. Please refer to the relevant announcement for details.
- (iv) The Company released "Notice Regarding Participation in Tender Offer and Termination of Share Forward Agreement for Shares in Toyota Industries Corporation, and Expected Posting of Extraordinary Gains in Non-Consolidated Results" today. Please refer to the relevant announcement for details.

(Reference) Status of Treasury Shares Held as of March 31, 2025

| | |
|---|----------------------|
| Total number of issued shares (excluding treasury shares) | 2,817,315,777 shares |
| Number of treasury shares | 93,663,914 shares |

End