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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

DENSO CORPORATION (the “**Company**”) decided that, in the event that a tender offer (the “**Tender Offer**”) is conducted for the shares of TOYOTA INDUSTRIES CORPORATION (Securities Code: 6201; Tokyo and Nagoya Stock Exchanges) (“**Toyota Industries**”) as described in “Notice Concerning Expression of Opinion in Support of Planned Commencement of Tender Offer for Company Shares by Toyota Fudosan Co., Ltd. and Neutral Opinion to Tender Share Therein” (the “**Toyota Industries’ Press Release**”) released today by Toyota Industries, the Company will tender all of the common shares in Toyota Industries held by the Company in the Tender Offer. Accordingly, the Company decided to terminate the share forward agreement executed with Nomura Securities Co., Ltd. (“**Nomura Securities**”) (the “**Share Forward Agreement**”) as described in “Notice Concerning the Sale of Shareholding and Execution of Share Forward Agreement” (the “**Share Forward Agreement Press Release**”) released on March 29, 2024 by the Company, in relation to the tranches the settlement dates of which have not arrived as of today. Furthermore, in the event that the Company tenders and sells all of its common shares in Toyota Industries through the Tender Offer during the fiscal year ending March 31, 2026, the Company expects to post extraordinary gains as gains on sale of investment securities in its non-consolidated results for the fiscal year ending March 31, 2026. The Company hereby announces as follows.

1. Reason for Participation in the Tender Offer and Termination of the Share Forward Agreement
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 FY2021: (i) reinforce profit structure, (ii) reduce 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 Toyota Industries. The Company has held shares in Toyota Industries for

the purpose of strengthening the Company's competitiveness through deepening managerial cooperation via maintaining and reinforcing the business relationship, and the collaboration in the thermal systems business domain. In accordance with the reduction policy, the Company has been proceeding with the sale of shares in Toyota Industries by gradually transferring them to Nomura Securities with due consideration of the impact on the market demand and supply of the shares, as described in the Share Forward Agreement Press Release. However, as a result of comprehensive evaluation of the price and other terms of the Tender Offer, the Company determined that tendering its shares in Toyota Industries in the Tender Offer would enable quicker and more secure maximization of the sale price and further improvement in the capital efficiency than selling the shares through the Share Forward Agreement, thus, the Company decided to tender the shares in the Tender Offer. Accordingly, with respect to the Share Forward Agreement, the Company decided to terminate the Share Forward Agreement in relation to the tranches the settlement dates of which have not arrived as of today.

The Company will maintain and further strengthen its business relationship with Toyota Industries even after completion of the Tender Offer.

2. Number of Shares Held to Be Tendered in the Tender Offer

Number of shares held before tendering	14,823,500 shares
Number of shares to be tendered	14,823,500 shares
Number of shares held after tendering	0 shares

3. Expected Purchase Price in the Tender Offer

16,300 yen per common share (expected total amount of sales: 241.6 billion yen)

4. Schedule of the Tender Offer

According to the Toyota Industries' Press Release, TOYOTA FUDOSAN CO., LTD. aims to have a stock company (*kabushiki kaisha*) to be wholly owned by a stock company to be incorporated by TOYOTA FUDOSAN CO., LTD. commence the Tender Offer around early December, 2025. However, as 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, the detailed schedule of the Tender Offer will be promptly announced as soon as it is decided. Any changes to the expected timing of the commencement of the Tender Offer will also be announced promptly.

5. Impact on Consolidated Earnings

If the Tender Offer is successfully closed at the expected purchase price and all of the company's shares in Toyota Industries are sold during the fiscal year ending March 31, 2026, the Company expects to post extraordinary gains as gains on sale of investment securities of 215.3 billion yen in its non-consolidated results for the fiscal year ending March 31, 2026.

As the Company has adopted the International Financial Reporting Standards (IFRS) and the gain or loss from the sale of all the common shares in Toyota Industries held by the Company will be treated as other comprehensive income in the consolidated accounts, there will be no impact on the consolidated results.