

## DENSO and Aisan Start Studying the Possibility of Strengthening Competitiveness in Powertrain and Future Growth Areas

**KARIYA (Japan)** — The second largest global mobility supplier DENSO and powertrain supplier Aisan have reached a basic agreement based on the board of directors meeting on May 20, 2019 to begin studying the possibility of increasing DENSO's stake in Aisan, and also transferring part of DENSO's powertrain business to Aisan. This initiative would help strengthen the companies' competitiveness in powertrain and future growth areas.

The auto industry is facing a once-in-a-century paradigm shift. Although there are growing global expectations for electrified vehicles, it remains important to reduce the CO<sub>2</sub> emissions and increase the fuel efficiency of conventional internal combustion engines. Under the basic agreement, DENSO and Aisan will integrate similar operations in the powertrain businesses of the two companies to improve competitiveness in this area. Limited resources will be shifted to new growth areas to strengthen cooperation and contribute to the future of mobility.

Details of the basic agreement

■ **Studying the possibility of transferring parts of powertrain business from DENSO to Aisan**

The two companies will start studying the possibility of transferring the entire business of developing, manufacturing, and selling some products such as fuel pump module in DENSO's powertrain business to Aisan. Powertrain products will continue to be developed and manufactured while increasing the production efficiency and cutting costs.

■ **Studying the possibility of increasing DENSO's stake in Aisan to strengthen mutual cooperation**

The two companies will start studying the possibility of DENSO's acquisition of all Aisan shares owned by TOYOTA MOTOR CORPORATION. The increased stake in Aisan will strengthen cooperation to improve competitiveness in future growth areas.

DENSO and Aisan will study the details based on the basic agreement, with the aim of concluding the official agreement in autumn 2019. The business transfer and the increase in stake will be based on approval from the competition law authorities in respective countries and regions.

## About DENSO Corporation

DENSO is a \$48.3 billion global mobility supplier that develops advanced technology and components for nearly every vehicle make and model on the road today. With manufacturing at its core, DENSO invests in its 211 facilities in 35 countries to produce thermal, powertrain, mobility, electrification, & electronic systems, to create jobs that directly change how the world moves. The company's 170,000+ employees are paving the way to a mobility future that improves lives, eliminates traffic accidents, and preserves the environment. Globally headquartered in Kariya, Japan, DENSO spent 9.3 percent of its global consolidated sales on research and development in the fiscal year ending March 31, 2019. For more information about global DENSO, visit <https://www.denso.com/global>

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