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Notice Regarding Discontinuation of the Transfer of the Spark Plug and Exhaust Gas Sensor Business

DENSO CORPORATION (the “**Company**”) has requested the termination of the business transfer agreement (the “**Agreement**”) concerning its Spark Plug and Exhaust Gas Sensor (Oxygen Sensor and Air-Fuel Ratio Sensor) business, which was entered into with Niterra Co., Ltd. (“**Niterra**”) on September 1, 2025, following a review of its business strategy in light of changes in the market environment. After sincere discussions, the Company and Niterra have agreed not to proceed with the business transfer under the Agreement. Accordingly, the two companies have decided to enter into an agreement to terminate the Agreement.

Both companies shared the view that advancing product evolution across their respective technology domains and establishing sustainable supply frameworks commensurate with market scale are common challenges facing the automotive industry, as electrified vehicles continue to gain wider adoption toward the realization of a carbon-neutral society and powertrain diversification progresses in response to differing energy conditions across regions and countries. Based on this shared understanding, the two companies entered into a memorandum of understanding in July 2023 to begin considering the transfer of the Spark Plug and Exhaust Gas Sensor (Oxygen Sensor and Air-Fuel Ratio Sensor) business, and subsequently executed the Agreement in September 2025. Since then, they have explored ways to enhance the competitiveness and ensure the stable supply of internal combustion engine-related products by combining the technological expertise and manufacturing strengths that both companies have cultivated over many years.

Since then, however, the market environment has evolved from what was originally anticipated. While electrification has continued to advance steadily, demand for diverse powertrains has persisted longer than initially expected, reflecting differing energy conditions and regulatory environments across regions and countries.

In light of these changes in the market environment, the Company reassessed its business strategy from the perspective of developing products and providing systems that support diversified mobility, as set

out in its “CORE 2030” Mid-Term Management Plan. As a result, the Company concluded that continuing to operate the business would be optimal for maintaining and strengthening its ability to respond to increasingly diverse mobility needs, and therefore requested Niterra to terminate the Agreement, explaining the change in its policy regarding the transfer of the business. After sincere consultations, the Company and Niterra agreed not to proceed with the business transfer under the Agreement.

Going forward, the Company will continue to respond flexibly to evolving market conditions and customer needs, while contributing to the realization of a sustainable mobility society and the development of the automotive industry.

End