

April 28, 2016

ADVICS Co., Ltd.
Aisin Seiki Co., Ltd.
Denso Corporation
Sumitomo Electric Industries, Ltd.
Toyota Motor Corporation

ADVICS Set for Capital Increase and Adjustment to Share-holding Ratio

April 28, 2016—Aisin Seiki Co., Ltd., Denso Corporation, Sumitomo Electric Industries, Ltd. and Toyota Motor Corporation have agreed to increase the capital and to adjust the share-holding ratio of their joint venture ADVICS Co., Ltd., pending approval of the Japan Fair Trade Commission.

1. Background and objective

Aisin Seiki, Denso, Sumitomo Electric Industries, Toyota and ADVICS agreed in November 2014 to accelerate the consolidation of brake system-related efforts under the control of ADVICS to further strengthen the competitiveness of ADVICS's brake system business. In the process of implementing this business reorganization, the companies realized the necessity of increasing ADVICS' capital to strengthen its business foundation, not only for achieving efficiencies in the development of conventional brake systems, but also for heightening the level of advanced brake-system technologies needed in such areas as autonomous driving. The companies also agreed that the capital increase is to be conducted through third-party allocation, with the capital increase being underwritten by the three companies of Aisin Seiki, Denso and Toyota. Concurrently, Sumitomo Electric Industries is to transfer a portion of its holdings to Denso, resulting in an adjustment to the share-holding ratio.

2. Underwriting of capital increase and adjustment of share-holding ratio

1) Capital increase in ADVICS through third-party allocation

Amount of capital increase	10.338 billion yen		
	Breakdown:		
	Capital		5.169 billion yen
	Additional paid-in capital		5.169 billion yen

Note: Amounts abbreviated.

2) ADVICS's capital

Current capital	7.040 billion yen
Capital increase	5.169 billion yen
Capital after increase	12.209 billion yen

Note: Amounts abbreviated.

3) Adjustment to share-holding ratio

As a result of the capital increase and the transfer of shares between shareholders described above, the share-holding ratio is to become as described below.

Investing company	Before	After
Aisin Seiki	55%	51%
Denso	18%	34%
Sumitomo Electric Industry	18%	6%
Toyota	9%	9%

1. Implementation timing

September 2016 (tentative)

2. Outline of ADVICS

Trade name	ADVICS Co., Ltd.
Location	2-1, Showa-machi, Kariya, Aichi Prefecture
President	Satoshi Ogiso
Business activities	Development, production and sales of automotive brake systems and components
Capital	7.04 billion yen (as of March 31, 2016)
Established	July 3, 2001