

Toyota selling part of Denso stake to raise cash to develop electric vehicles

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A logo of Toyota Motor Corp. at a dealer Wednesday, May 11, 2022, in Tokyo. Toyota is selling a part of its stake in components maker Denso to raise cash for its drive toward electric vehicles and other innovations, Japan's top automaker said Wednesday, Nov. 29, 2023. Credit: AP Photo/Eugene Hoshiko, File

Toyota is selling a part of its stake in components maker Denso to raise

cash for its drive toward electric vehicles and other innovations, Japan's top automaker said Wednesday.

The move is estimated to raise about 290 billion yen (\$2 billion), given recent [share](#) prices. The number of shares Toyota Motor Corp. plans to sell total more than 124 million shares, lowering its stake in Denso Corp. from 24.2% to 20%, while remaining the top stakeholder.

"We don't want to just hold on to our assets. We want to make them living assets that feed into the growth of our [company](#)," said Masahiro Yamamoto, an executive in the accounting group at Toyota.

Denso shares closed at 2,298 yen (\$16) Wednesday.

Toyota said the money will also go into developing smart-driving technology and a wide range of other initiatives ongoing in the industry.

Yamamoto did not give a specific date for the sale, but it's expected to happen soon.

All the world's major automakers are working on strengthening their lineup of electric vehicle and other green cars, as concerns grow about [climate change](#). That requires a great deal of investment.

Toyota affiliates, Toyota Industries and Aisin, are also selling a portion of their Denso shares, officials said.

Japanese companies hold stakes in other group companies in a practice traditionally known here as cross-shareholdings.

Yamamoto denied the move was aimed at reducing such cross-holdings. Some have criticized the practice as reducing transparency while proponents say it helps maintain stability.

Toyota officials have acknowledged they have fallen behind in the industry shift toward [electric vehicles](#), and they have been aggressively playing catch-up.

Toyota, which makes the Camry sedan, Lexus luxury models and the Prius hybrid, leads the world in hybrids, which switch back and forth between a gas engine and [electric motor](#) to deliver a fuel-efficient drive. It also has a strong lineup in fuel cells, which run on hydrogen and are zero-emission.

In July, Toyota sold a part of its [stake](#) in telecoms company KDDI Corp., raising nearly 250 billion yen (\$1.7 billion). Toyota officials hinted other such offers may be in the works but declined to give specifics.

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