

DENSO's Value Creation Process

Maximizing the Value of Green and Peace of Mind to Continue to Grow with Society

DENSO puts sustainability management into practice by taking the resolution of social issues as a starting point and then utilizing accumulated strengths and capital to implement business activities and advance value creation processes. By having each employee respect and faithfully practice our management philosophy, which serves as a mindset for resolving social issues and pursuing new developments, we aim to enhance our corporate value while contributing to a sustainable society.

Tradition of Sustainability Management [□ P.26–27](#)

Primary Value Provided and Indicators for Such Value

Principal social value we offer and related indicators

Green

Carbon-neutral *Monozukuri*

2025: **Realize carbon-neutral plants through the utilization of carbon credits**

2035: **Realize carbon-neutral plants without the use of carbon credits**

Peace of Mind

Contribution to the elimination of traffic accident fatalities

Percentage of fatal accidents covered by DENSO safety products

2025: **56%**; 2035: **100%**

Principal financial value we offer and related indicators

Expansion of equity spread over the medium to long term

Fiscal 2026: ROE of **10% or higher**; operating margin of **10%**

Fiscal 2031: ROE and operating margin of **around 12%**

Cash generation through business portfolio reform

Sales in electrification field

Fiscal 2026: **¥1.2 trillion**; Fiscal 2031: **¥1.7 trillion**

Sales in advanced driver safety system field

Fiscal 2026: **¥520.0 billion**; Fiscal 2031: **¥1.0 trillion**

Scale of semiconductor business (fiscal 2036): **¥700.0 billion**

Scale of software business (fiscal 2036): **¥800.0 billion**

Sales in energy, FA, and food & agriculture (AgTech) fields (fiscal 2031):

¥300.0 billion

Long-term, stable shareholder returns

DOE in fiscal 2026: **3.3% or higher**, flexible acquisition of treasury stock

Foundation of Our Value Creation

DENSO Creed

DENSO Philosophy

DENSO Spirit

Capitals

Financial Capital

Human Capital

Manufacturing Capital

Intellectual Capital

Natural Capital

Social and Relationship Capital

Deepening and expanding business foundations

Creating the basis of trailblazing value

Strengths

Advanced R&D

Robust business foundations

Three-pronged solutions

Highly efficient, high-quality manufacturing

Providing products and services as solutions

Offering new value by combining fields

Capital Strategies [□ P.42–77](#)

Our Cultivated Strengths [□ P.20–23](#)

External Environment

Awareness of Business Environment, Business Portfolio and Value Creation [□ P.30–31, 78–79](#)

Materiality

Growth Strategy

Mid-term Policy for 2025

Serves as a path for completing targets by fiscal 2026 that will help us realize our Long-term Policy for 2030

Strategies Related to Green and Peace of Mind

Medium- to long-term strategies aimed at promoting efforts toward maximizing the value of green and peace of mind

Growth Strategy, Overview by Product [□ P.28–41, 78–95](#)

Seven Core Businesses

DENSO's Vision Maximizing the Value of Green and Peace of Mind to Be Inspiring

Green

Inspiring

Peace of Mind

Focus Fields

Electrification, energy, FA, advanced safety/automated driving, food and agriculture

Realizing a Sustainable Society

Contributing to the SDGs through our corporate activities



The DENSO Creed, which embodies the spirit of our founding; the DENSO Philosophy, which clarifies the spirit of the DENSO Creed in accordance with social changes; and the DENSO Spirit, which serves as an action guideline for values that we share on a global basis, form the foundation of our value creation.

Foundations Underpinning Value Creation

Human Capital

[□ P.52–56](#)

Corporate Governance

[□ P.96–113](#)

Controlling Factors That Negatively Impact Our Value Creation

We are implementing measures to respond to risks that could negatively impact our value creation.

Efforts to Maximize the Value of "Green" (TCFD) [□ P.70–73](#)

Risk Management and Compliance [□ P.110–113](#)

Undertaking Initiatives toward Respecting Human Rights [□ P.76](#)