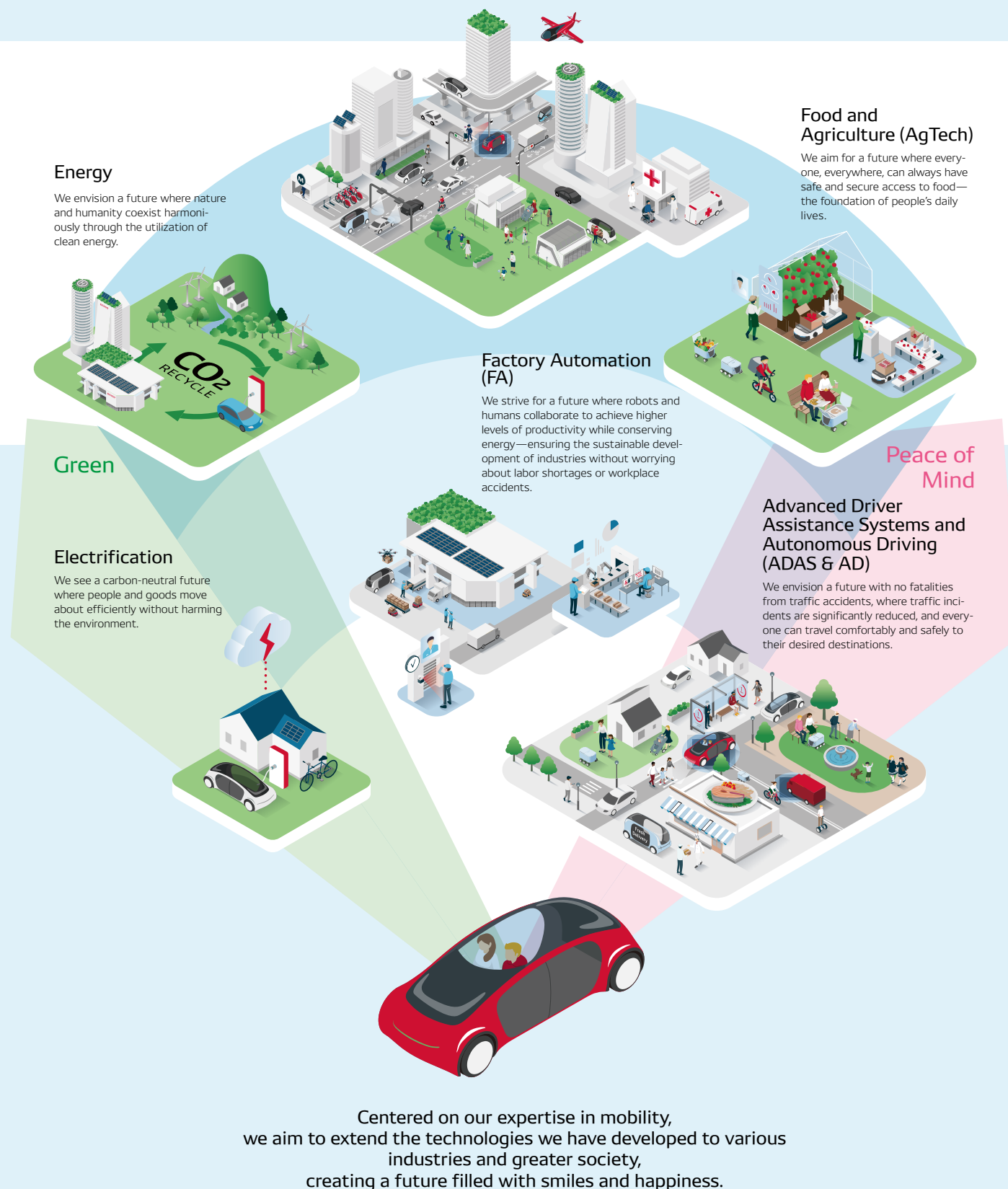


DENSO's Vision for the Future

By leveraging our unwavering competitiveness in the “mobility domain” as a starting point, we create new value for society, while taking a broad view of society as a whole, through the implementation across various industries of our superior technologies and demonstrated quality gained through the development of products for automobiles.



Maximizing the Value of Green and Peace of Mind

With the aim of contributing to the happiness of people, DENSO has been working to maximize the value it provides through its business activities in the fields of “green” and “peace of mind.” To that end, we have established medium- to long-term targets for products in these two fields to accelerate these initiatives and are taking specific actions in this direction.



In the field of green, we aim to realize carbon neutrality within our *Monozukuri* activities in the not-too-distant future of fiscal 2036. To promote the widespread adoption of electrified vehicles that help reduce environmental impact, we are working to offer a broad range of solutions tailored to the diverse energy situations and infrastructure conditions of different countries and regions. Through these efforts, we aim to contribute to the realization of a carbon-neutral society.



With regard to peace of mind, we are working to popularize advanced driver assistance systems (ADAS) with the aim of eliminating traffic accident fatalities. To that end, in addition to enhancing the performance of safety technologies, we will offer a broad range of products tailored to the specific energy situations and infrastructure conditions of each market, from simple and affordable components to ADAS equipped with state-of-the-art technologies such as AI. Through these efforts, we will work to realize a society where everyone can enjoy the benefits of safe and secure mobility.

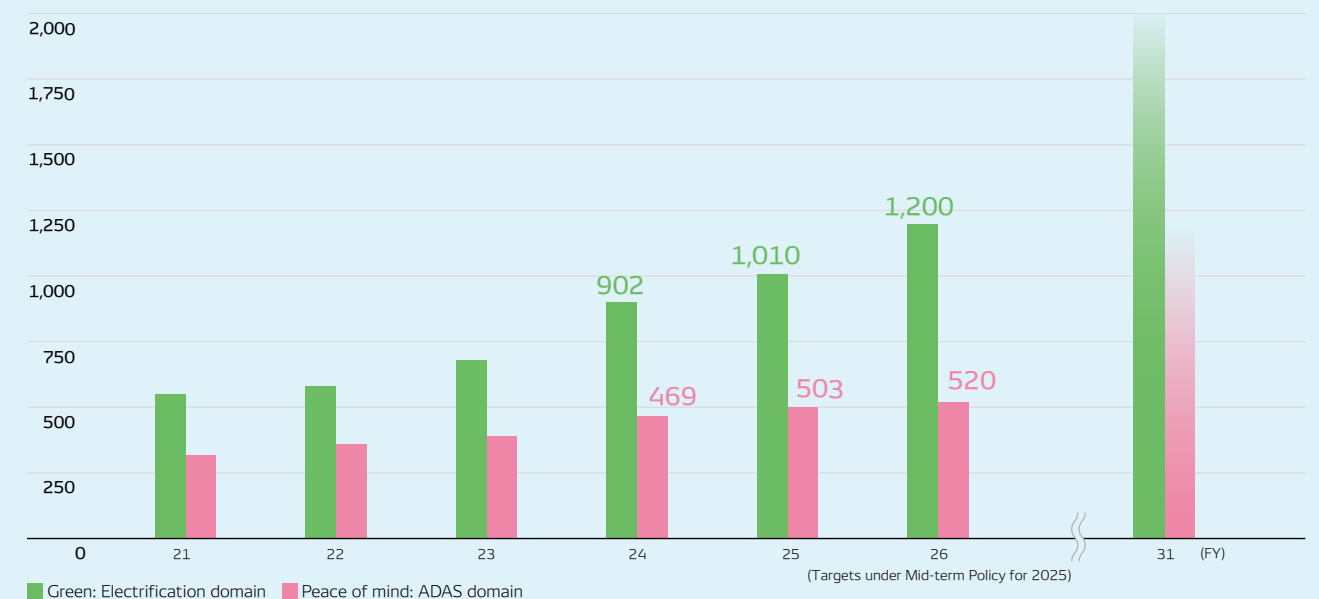
Striving for Business Growth Directly Linked to the Resolution of Social Issues

DENSO is striving to implement genuine sustainability management, ensuring that its efforts to resolve social issues do not conflict with business growth. To that end, we are promoting the widespread adoption of products that underpin our green and peace of mind principles and taking on the challenge of addressing social issues through our business activities.

In terms of green, we are working to expand sales of products in the electrification business, including inverters and motor generators that support the popularization of electrification. For peace of mind, we are striving to expand the number of vehicles equipped with advanced safety systems such as Global Safety Package 3 and HMI*-ECUs. Under the Mid-term Policy for 2025, we have set targets for overall revenue of ¥1.2 trillion and revenue in the peace of mind domain of ¥520.0 billion in 2025. To achieve these targets, we are advancing efforts to launch and expand sales of new technologies.

* Human Machine Interface

Results and Targets for Products in the Green and Peace of Mind Domains
(Billions of yen)



Enhancement of DENSO's Management Strategies

We have continued to evolve our management strategies based on the DENSO Philosophy and sustainability management, which helps us realize that philosophy, while taking into account the changes in the operating environment and the relevant risks and opportunities.

To continue to be a company that creates genuine value for society moving forward, we established the Long-term Policy for 2030, which lays out our vision for 2030. To that end, we will deliver social value and achieve corporate growth under our Mid-term Policy for 2025, which serves as a milestone toward achieving our vision for 2030, and through our Strategies for Green and Peace of Mind, which are medium- to long-term strategies for the furtherance of measures focused on the long-term policy's goal of maximizing the value of green and peace of mind.



Acquisition of the World's
Share in Mobility Products

No. 2

DENSO is a global company that provides trusted systems and components to automakers around the world.



Total DENSO Group
Companies
(including DENSO CORPORATION)

188

DENSO has research, production, and sales offices in 35 countries and regions around the world, with a total of 188 Group companies.



Market Capitalization
(after adjustments for treasury stock)

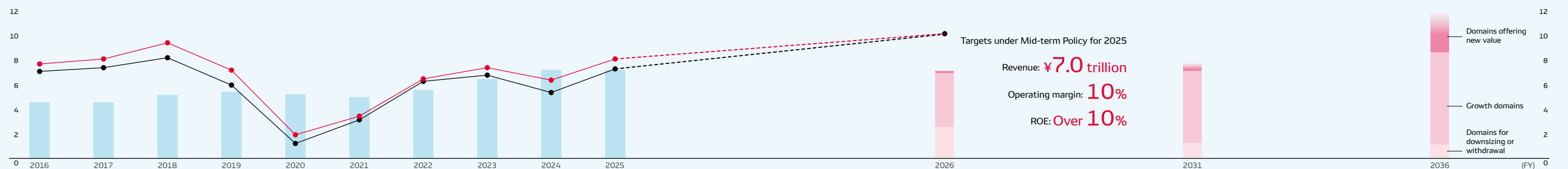
Approx. ¥5.2 trillion

Since becoming a listed company in 1951, we have been working to enhance our corporate value while closely listening to the expectations of the market. By doing so, we have grown into one of Japan's leading companies in terms of market capitalization.

(As of March 31, 2025)

Trends and Targets for Revenue, Operating Margin, and ROE

(Trillions of yen) Revenue (left scale) Operating margin (right scale) ROE (right scale)



Mid-term Policy for 2018

Increased development personnel and launched first active safety system

Mid-term Policy for 2021

Accelerated business portfolio transformation in accordance with the green and peace of mind principles

Reborn21

Human resource and technology development and reinforcement of financial foundation

Mid-term Policy for 2025 □ P.31-33

Path for achieving goals in fiscal 2026 that will help us realize the Long-term Policy for 2030

Aim to become an indispensable company for society through the provision of new value

Formulate new guidelines for achieving further growth

Strategies for Green and Peace of Mind □ P.34-35

Medium- to long-term strategies for further maximizing the value of green and peace of mind

Realize a carbon-neutral society

Become a leading company offering peace of mind to society

Long-term Policy for 2030

Slogan

Bringing hope for the future for our planet, society, and all people

Our Goal for 2030

A company that continuously generates value to enrich mobility that achieves sustainability, happiness, and peace of mind for everyone

Material Issues (Materiality) □ P.28-30 Important issues for achieving the Long-term Policy for 2030

Green

Peace of Mind

Corporate Foundation

Evolution of Financial Strategy Underpinning Sustainable Value Creation

In alignment with our Companywide policies and strategies, we will steadily and strategically evolve our financial strategy from the perspectives of improving ROIC and reducing capital costs.

Four Pillars of Financial Strategy		Update to Financial Strategy during Fiscal 2020–Fiscal 2022 Drafting of financial strategy based on four pillars and formulation and disclosure of relevant KPIs	Fiscal 2022–Fiscal 2024 Thorough Implementation of Management Focused on Capital Costs Improvement in ROE and ROIC through the steady promotion of financial strategy	Fiscal 2024 and Beyond Enhancement of Financial Management Advancement of individual strategies and maximization of corporate value
Improvement in ROIC	Reinforcement of profit structure	Introduction of hurdle rates in investment decision-making criteria	Promotion of business portfolio transformation focused on DENSO Philosophy, ROIC, and growth	Full-scale implementation of business disposals and business partnerships, including M&As
	Reduction of low-profit assets	Reduction of cash on hand and cross-shareholdings	Increased reduction of shares and optimization of inventories	Finalized reduction plan for cross-shareholdings, excluding holdings with strategic importance from a management perspective
Reduction of WACC ^{*1}	Improvement in capital structure	Introduction of DOE ^{*2} and increased treasury stock acquisitions	Diversification of fundraising foundation through foreign bonds	Implementation of largest-ever treasury stock acquisition in fiscal 2025 (¥450.0 billion) Achievement of 3.5% DOE and ongoing improvement thereafter
	Dialogue with markets	Communication of strategies and targets through DENSO DIALOG DAY, corporate website, and integrated report, etc.	Enhancement of comprehensive communication of financial and non-financial information	Strengthening of efforts to appeal to individual investors and improvement of shareholder composition via public offerings Pursuit of dialogue with 2,180 institutional investors annually and reflection of market feedback in management policy

*1 WACC: Weighted average cost of capital *2 DOE: Dividend on equity

Reshuffling of Business Portfolio

Guided by the principles of green and peace of mind, we have been working to optimize our business portfolio on an ongoing basis with the aim of balancing and maximizing social value creation and business growth. To that end, we have been evaluating our businesses from both financial and non-financial perspectives—including alignment with the DENSO Philosophy, growth potential, and profitability (ROIC)—and positioning them accordingly. By doing so, we will accelerate growth in core businesses while strategically downsizing and withdrawing from mature ones. Additionally, we are further stepping up collaborations with business partners (M&As) and pursuing innovation in domains beyond mobility.

We are also pursuing the three growth drivers of “evolving mobility,” “strengthening fundamental technologies,” and “creating new value” and are working to sustainably create social value and achieve robust business growth in a more extensive and dynamic manner.

