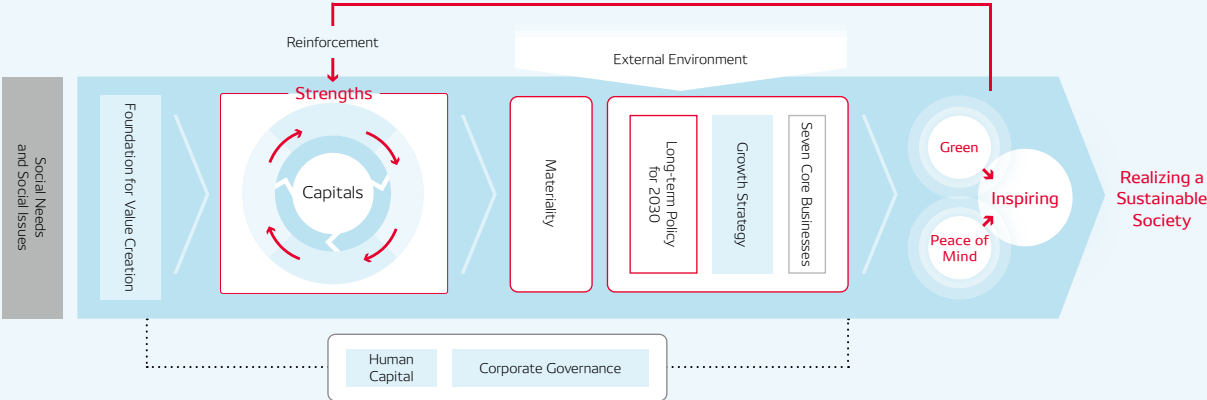


# Our Accumulated Capitals

The capitals that we have accumulated throughout our history of growth as a company now support our business activities and provide us with a source for enhancing our corporate value in the future. To that end, we will reinforce our human, manufacturing, intellectual, natural, and social and relationship capitals, developing them into unique strengths, which in turn will help us grow our financial capital and drive growth moving forward. Through this cycle of strengthening our capitals, we will continue to achieve sustainable growth while offering genuine value aimed at realizing a sustainable society.



## Correspondence of Financial and Non-Financial Capitals to Business Growth and Social Issue Resolution

| Capitals                                              | Input                                                                                                                                                                                                   | Initiatives to Strengthen Capitals                                                                                                                                                                                                                                                                                                                                                                                            | Business Growth                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                       | Output (Targets)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Outcome                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       |                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                               | Creation of New Value                                                                                                                                                                                                                                                                                                                                                     | Profit Growth                                                                                                                                                                                                                                                                                                                                                                                            | Reduction in Capital Costs                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <br><b>Financial Capital</b><br>P.41-47               | Fiscal 2025<br>Total assets: <b>¥8,125 billion</b><br>Revenue: <b>¥7,161.8 billion</b><br>Operating profit: <b>¥519.0 billion</b>                                                                       | <ul style="list-style-type: none"><li>Reinforce profit structure</li><li>Reduce low-profit assets</li><li>Improve capital structure</li><li>Engage in dialogue with markets</li></ul>                                                                                                                                                                                                                                         | <ul style="list-style-type: none"><li>Bold investment in new and growing fields through well-focused investment</li><li>Development of next-generation technologies through swift R&amp;D, including collaboration with partners</li><li>Commercialization of and earnings expansion in non-automotive fields (energy, FA, and food &amp; agriculture [AgTech])</li></ul> | <ul style="list-style-type: none"><li>Improvement in ROIC through business portfolio reweighting</li><li>Growth in profits based on realization of growth in the CASE vehicle field</li><li>Curbing of fixed costs through disciplined investment management</li></ul>                                                                                                                                   | <ul style="list-style-type: none"><li>Improvement of capital structure through utilization of borrowings and augmentation of shareholder returns</li><li>Improvement of asset efficiency based on reduction of cross-shareholdings and reduction of cash on hand</li><li>Reduction in cost of shareholders' equity through stepped-up investor relations activities</li></ul>                         | <b>Financial</b><br><b>(Mid-term Policy for 2025 Targets)</b> <ul style="list-style-type: none"><li>ROE: <b>Over 10%</b><br/>Operating margin: <b>10%</b><br/>Revenue: <b>¥7.0 trillion</b> (fiscal 2026)</li><li>Revenue in the electrification domain: <b>¥1.2 trillion</b><br/>Revenue in the ADAS domain: <b>¥520.0 billion</b> (fiscal 2026)</li><li>Scale of semiconductor business: <b>¥700.0 billion</b><br/>Scale of software business: <b>¥800.0 billion</b> (fiscal 2036)</li><li>Revenue from energy, FA, and AgTech domains: <b>¥300.0 billion</b> (fiscal 2031)</li></ul> <b>Non-Financial</b> <ul style="list-style-type: none"><li>Provision of value of green and peace of mind CO<sub>2</sub> emissions from Monozukuri activities: <b>Carbon neutral</b> (fiscal 2036)<br/>Percentage of fatal accident scenarios covered by DENSO safety products: <b>100%</b> (fiscal 2036)</li><li>Organization that draws on diversity and encourages new challenges and growth<br/>Employee engagement: Ratio of positive responses (non-consolidated): <b>78%</b> (fiscal 2026)<br/>Percentage of women in management positions: Global: <b>8.4%</b>; Japan: <b>2.3%</b>; Europe: <b>11%</b>; Asia: <b>29%</b>; China: <b>Over 30%</b> (fiscal 2026)</li><li>Trust of society<br/>Serious compliance violations: <b>Zero</b><br/>Serious information security incidents: <b>Zero</b></li></ul> | <b>Realizing a sustainable global environment where people coexist with nature</b> <ul style="list-style-type: none"><li>Society with no environmental burden (Response to climate change / Prevention of global environmental pollution)</li><li>Effective use of limited resources (Recycling of resources / Conservation of water resources)</li></ul> <b>Realizing a mobility society where people live with peace of mind</b> <ul style="list-style-type: none"><li>Elimination of traffic accident fatalities</li><li>Reduction of traffic accidents</li></ul> <b>Improving social well-being</b> <ul style="list-style-type: none"><li>Safe and open mobility</li><li>Improvement of labor productivity in industries</li><li>Secure and stable food production</li><li>Establishment of a sustainable supply chain</li></ul> <b>Improving employee well-being</b> <ul style="list-style-type: none"><li>Workplaces with no work-related accidents</li><li>Promotion of diverse human resources</li><li>Development of personnel who can lead new value creation</li></ul> <b>Cultivating corporate behavior that lays the foundation for trust-based relationships with society</b> <ul style="list-style-type: none"><li>Honest corporate behavior (Compliance)</li><li>Establishment of information security</li><li>Responsible procurement activities (Protection of human rights)</li></ul> |
| <br><b>Human Capital</b><br>P.48-52                   | Global workforce: <b>Approx. 160,000 employees</b><br>Year-on-year increase in human capital investment:<br>Fiscal 2025: <b>¥35.0 billion</b><br>Fiscal 2026: <b>¥49.5 billion (Plan)</b>               | <ul style="list-style-type: none"><li>Improve employee engagement (support initiatives for employee career realization and creation of open workplaces)</li><li>Transform talent portfolio (acquisition, development, and optimal placement of personnel)</li></ul>                                                                                                                                                           | <ul style="list-style-type: none"><li>Spurring of innovation through the synergy of diverse perspectives, values, and experiences</li></ul>                                                                                                                                                                                                                               | <ul style="list-style-type: none"><li>Increase in profits through deployment of personnel to growth fields</li><li>Optimal resource utilization through deployment of personnel to the most suitable in-house positions</li><li>Increased efficiency and profits through the development of personnel who can utilize advanced IT digital tools</li></ul>                                                | <ul style="list-style-type: none"><li>Increase in highly productive personnel through the utilization of evaluation and compensation systems based on roles and performance</li><li>Enhanced productivity due to improved employee engagement</li></ul>                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <br><b>Intellectual Capital</b><br>P.53-57            | Fiscal 2025<br>R&D expenditure: <b>¥619.4 billion</b><br>Patents owned (Japan and overseas): <b>Approx. 37,500</b><br>Fiscal 2024–Fiscal 2031<br>Software development personnel: <b>More than 6,000</b> | <ul style="list-style-type: none"><li>Reinforce recruiting and development of software engineers</li><li>Create of intangible value through software development</li><li>Augment semiconductor development and enhance efficiency of software development</li><li>Accelerate advanced research</li><li>Promote exchange through collaboration with business partners and industry–government–academia collaboration</li></ul> | <ul style="list-style-type: none"><li>Creation world-best and world-first products through leading-edge technology research</li><li>Spurring of innovation through the exchange of insights on advanced and fundamental technologies in the fields of academia and science</li></ul>                                                                                      | <ul style="list-style-type: none"><li>Acquisition of competitive advantages for CASE vehicles and semiconductors through investment in and deployment of personnel to growth fields</li><li>Improvement in the efficiency of software development through automation, etc.</li></ul>                                                                                                                     | <ul style="list-style-type: none"><li>Establishment and maintenance of competitive advantages through an increase in the creation of patents that can be utilized by other companies</li><li>Optimization of IP policy, governance, and resources from a Companywide perspective</li><li>Reinforcement of information security</li></ul>                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <br><b>Manufacturing Capital</b><br>P.58-60           | Fiscal 2025<br>Capital expenditures: <b>¥371.1 billion</b><br>Global number of production bases: <b>119 plants in 25 countries and regions</b>                                                          | <ul style="list-style-type: none"><li>Establish global production and supply capabilities</li><li>Realize DENSO-style digital-twin plants</li><li>Achieve circular economy in the Monozukuri industry</li><li>Transform logistics (optimization of entire supply chain, automation)</li><li>Develop Monozukuri personnel</li></ul>                                                                                            | <ul style="list-style-type: none"><li>Realization of a circular economy through energy recycling systems and resource reuse</li><li>Development of Monozukuri personnel who can create innovative value</li></ul>                                                                                                                                                         | <ul style="list-style-type: none"><li>Pursuit of sales growth and profits through global production and supply capabilities</li><li>High quality and production efficiency that are enabled by digital-twin plants</li><li>Productivity improvement based on data analysis</li><li>Cost reduction through disciplined investment decisions</li><li>Contribution to energy and resource savings</li></ul> | <ul style="list-style-type: none"><li>Reduction of supply risk through the building of a resilient supply network</li><li>Stable manufacturing through optimization of the entire supply chain</li><li>Realization of safe Monozukuri worksites free of accidents and disasters</li></ul>                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <br><b>Natural Capital</b><br>P.61-67                 | Planned investment in efforts to reduce CO <sub>2</sub> emissions: <b>¥100.0 billion</b><br>(Fiscal 2023–Fiscal 2026)                                                                                   | <ul style="list-style-type: none"><li>Thoroughly engage in energy-saving activities in all facets of our operations</li><li>Introduce renewable energy based on economic rationality</li><li>Utilize natural capital efficiently through recycling, among other measures</li><li>Minimize environmental impact based on the reduction of waste and emissions</li></ul>                                                        | <ul style="list-style-type: none"><li>Creation of innovative energy-saving technologies, such as hydrogen production and utilization, through the application of automotive technologies</li></ul>                                                                                                                                                                        | <ul style="list-style-type: none"><li>Monozukuri that is both carbon neutral and profitable</li><li>Development and popularization of electric vehicle components in response to increasingly stringent environmental regulations</li></ul>                                                                                                                                                              | <ul style="list-style-type: none"><li>Environmental impact reduction activities that lower the cost of countermeasures for future physical risks related to the environment</li><li>Reduction of resource depletion risks through the effective use of resources</li></ul>                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <br><b>Social and Relationship Capital</b><br>P.68-71 | Fiscal 2025<br>Suppliers: <b>Approx. 7,480</b><br>Dialogues with investors and analysts: <b>Approx. 2,180</b><br>Total since fiscal 2011<br>Number of business alliances: <b>93 companies</b>           | <ul style="list-style-type: none"><li>Enhance dialogue with all stakeholders</li><li>Build an unshakable corporate foundation</li></ul>                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"><li>Creation of new value through collaboration with business partners</li></ul>                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"><li>Offering of products and solutions that inspire customers and greater society</li><li>Achievement of supply stability through reinforcement of relationships with suppliers</li></ul>                                                                                                                                                                              | <ul style="list-style-type: none"><li>Elimination of information asymmetry with shareholders and investors through the provision of timely, appropriate information</li><li>Promotion of sustainable procurement (human rights, environment, etc.) across the entire supply chain</li><li>Thorough adherence to laws and regulations and maintenance of appropriate competitive environment</li></ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |