

Compliance

Basic Stance

We believe that key actions to earn the trust and understanding of society pertain to the DENSO Group's observance of all applicable national and regional laws and all employees' fair and faithful conduct that embodies the highest ethical standards. Based on this recognition, we adopted the Code of Conduct for DENSO Group Associates, which clearly indicates the standards of conduct for each and every employee. We utilize the Code of Conduct for raising employees' awareness of compliance at DENSO CORPORATION and all domestic Group companies. Overseas Group companies use a regional version of the Code of Conduct for DENSO Group Associates, formulated by their regional headquarters.

Promotion Structure

DENSO created the Risk Management Meeting, chaired by the chief risk officer (CRO) and chief compliance officer (CCO), to deliberate and discuss objectives and action plans for thorough compliance. We have also installed committee structures, such as the Compliance Committee, and appointed compliance promotion officers, positioning such compliance leaders at the regional headquarters of each region of our collective global base. In doing so, we are building global systems that promote compliance, while at the same time promoting the development of organizational structures that take differing regional characteristics into consideration, pursuing enlightenment activities. Representatives from legal departments of each region (Japan, North America, South America, Europe, China, Southeast Asia, India, and Korea) meet regularly to establish and maintain compliance by sharing information and issues.

Specific Initiatives

Educational and Enlightenment Activities

DENSO undertakes various educational and enlightenment activities for employees on an ongoing basis with the aim of enhancing their overall awareness of compliance matters. In Japan, we carry out enlightenment activities related to compliance, including position-based training, various compliance training, and the Business Ethics Month (every October). We also roll out similar activities for employees in each region of operations, centered on our regional headquarters.

Internal Reporting System

DENSO has set up internal reporting systems at regional headquarters and sites tailored to local circumstances, enabling employees to report or consult on work-related legal violations via email, telephone, written documents, or in-person meetings. DENSO CORPORATION has established the Business Ethics Hotline in accordance with Japan's Whistleblower Protection Act, operating it independently from normal chains of command and enabling anonymous reporting. To ensure employees can use the system with confidence, we have established internal rules for operating the Business Ethics Hotline, stipulating confidentiality obligations regarding whistleblower information and prohibiting disadvantageous treatment due to reporting or consultation, and have thoroughly communicated these rules internally. In fiscal 2025, the Business Ethics Hotline received 130 reports and consultations, which were properly investigated, fact-checked, and addressed.

Number of Consultations via the Business Ethics Hotline [DENSO CORPORATION and 55 domestic Group companies]

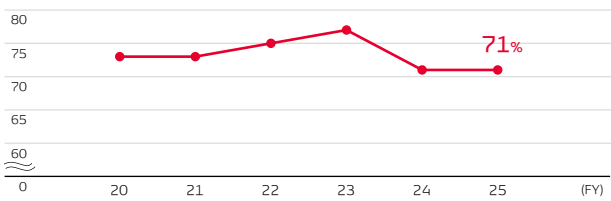
Fiscal year	2023	2024	2025
Number of reports and consultations (of which Group companies)	107 cases (46)	125 cases (57)	130 cases (71)

Inspection and Improvement of Activities

DENSO conducts activities to inspect the status of compliance penetration and identify any issues, and if problems are found, they are reported to senior management and improvement measures are taken, such as implementing recurrence prevention measures. In addition, internal audits are conducted annually by the Internal Audit Department or the responsible division, and the results of these audits are used to inform improvements.

Sustainability Survey (DENSO CORPORATION)

Question: Do you put into action the Code of Conduct for DENSO Group Associates? (Percentage of employees who answered "Yes") (%)



Although we have continued to conduct awareness activities for employees, there has been little change in the rate at which the Code of Conduct is put into practice. Going forward, we will work to improve both the quality and quantity of practice by sharing concrete case studies relevant to the workplace and conducting interactive training sessions.

Response to Antitrust Laws

In February 2010, the U.S.-based subsidiary DENSO International America was investigated by the U.S. Department of Justice. Taking this investigation with the utmost seriousness, we have established the Antitrust Laws Compliance Committee to further reinforce our efforts to adhere to antitrust laws. Under the guidance and supervision of this committee, which is chaired by the CCO, we have endeavored to ensure strict compliance with the antitrust laws across the entire DENSO Group. We will continue efforts for further reinforcing adherence to regulations laid out under antitrust laws, strengthening education about relevant rules, and conducting more precise audits regarding legal compliance.

Prevention of Corruption

(1) Compliance with Anti-Bribery Laws

DENSO has established the Anti-Bribery Compliance Committee, chaired by the CCO, and promotes anti-bribery compliance activities under the committee's direction and supervision.

The Company has established the Global Anti-Bribery Policy as its basic policy for preventing bribery. Under this policy, DENSO has established internal regulations on a global basis, operates anti-bribery systems, and promotes anti-bribery awareness activities and education for employees. We also inform suppliers of our Supplier Sustainability Guidelines, which include anti-bribery measures, and conduct self-inspections to prevent acts of bribery by our suppliers.

(2) Preventing Insider Trading

To ensure fairness and soundness in the securities market and to secure the confidence of shareholders and investors, DENSO has established the Internal Information Committee, which is chaired by the executive vice president, and the Internal Information Review Committee, which manages the practical affairs of the former committee, both dedicated bodies to ensure the prevention of insider trading.

Additionally, in an effort to instill an awareness of insider trading prevention among its employees, the Company has established internal rules and bylaws regarding internal information management, has set standards of conduct for officers and employees regarding trading of the Company's shares and other securities, and clearly prohibits insider trading, as formally stated in its employee conduct guidelines. The Company also implements compliance training on a regular basis.

Adherence to Fair, Transparent, and Open Transactions

DENSO is working on a Groupwide basis to ensure appropriate transactions and adherence to laws and regulations. To that end, the Company has been engaging in close communication with each of its suppliers to better understand cost fluctuations and the issues that suppliers face. Amid the soaring costs of various goods, including not only unavoidable increases in raw material and energy costs, but also rises in wage levels, we have been working to set appropriate prices within the supply chain, seeking to set in motion a virtuous cycle across the industry and the domestic economy.

Moreover, we encourage suppliers to utilize our Internal Reporting System. We also distribute the DENSO Compliance Declaration, which clarifies items to be observed in conducting business, to suppliers and internal procurement departments. Additionally, we offer anonymous surveys to suppliers on fair transactions and carefully reflect on the unfiltered feedback that we receive. In these ways, we are working to ensure strict compliance and make improvements to better meet supplier needs.

Initiatives to Prevent Harassment

As corporations seek to promote diversity, the forms of harassment are also becoming more varied. In light of these circumstances, we are strengthening our initiatives to prevent harassment based on a zero-tolerance policy against harassment.

In fiscal 2025, a small group meeting on harassment was held at each workplace every month from October, using video materials, to promote complete understanding of harassment and to prevent harassment. In addition, all employees are surveyed on their awareness of harassment, and managers and supervisors are given the opportunity to self-assess their risk of harassment to ascertain changes in employee awareness and to help in the formulation of harassment prevention measures.

Response to Tax Compliance

DENSO believes that paying its fair share of taxes is a part of being socially responsible. The CFO, executive vice president, and representative member of the Board has been designated as the person in charge of tax governance. The Company has built, maintains, and improves a tax compliance structure, and engages in tax planning while addressing tax-related risks when they materialize.

In addition, DENSO has established the DENSO Group Global Tax Policy. We believe that properly paying taxes in accordance with the rules and regulations in each country is one of the most fundamental and important responsibilities of a corporation. Accordingly, under this policy, we engage in activities to enhance tax compliance on a Groupwide basis, such as providing training for employees and abiding by rules for cross-border transactions.

Fiscal 2025 Taxes by Region

(Billions of yen)

Region	Tax Amount
Japan	84.2
North America	32.8
Europe	4.6
Asia	42.6
Other regions	4.4
Total	168.6

Moving forward, we will continue to expand and enhance frameworks for raising employee awareness of compliance. We aim to level up the compliance structure of the entire DENSO Group.



For more information, please see the "Sustainability" section of the following website.
Compliance:
<https://www.denso.com/global/en/about-us/sustainability/governance/compliance/>





For information on tax compliance, please see the "Tax Governance" section of the following website.
<https://www.denso.com/global/en/about-us/sustainability/governance/tax-policy/>

