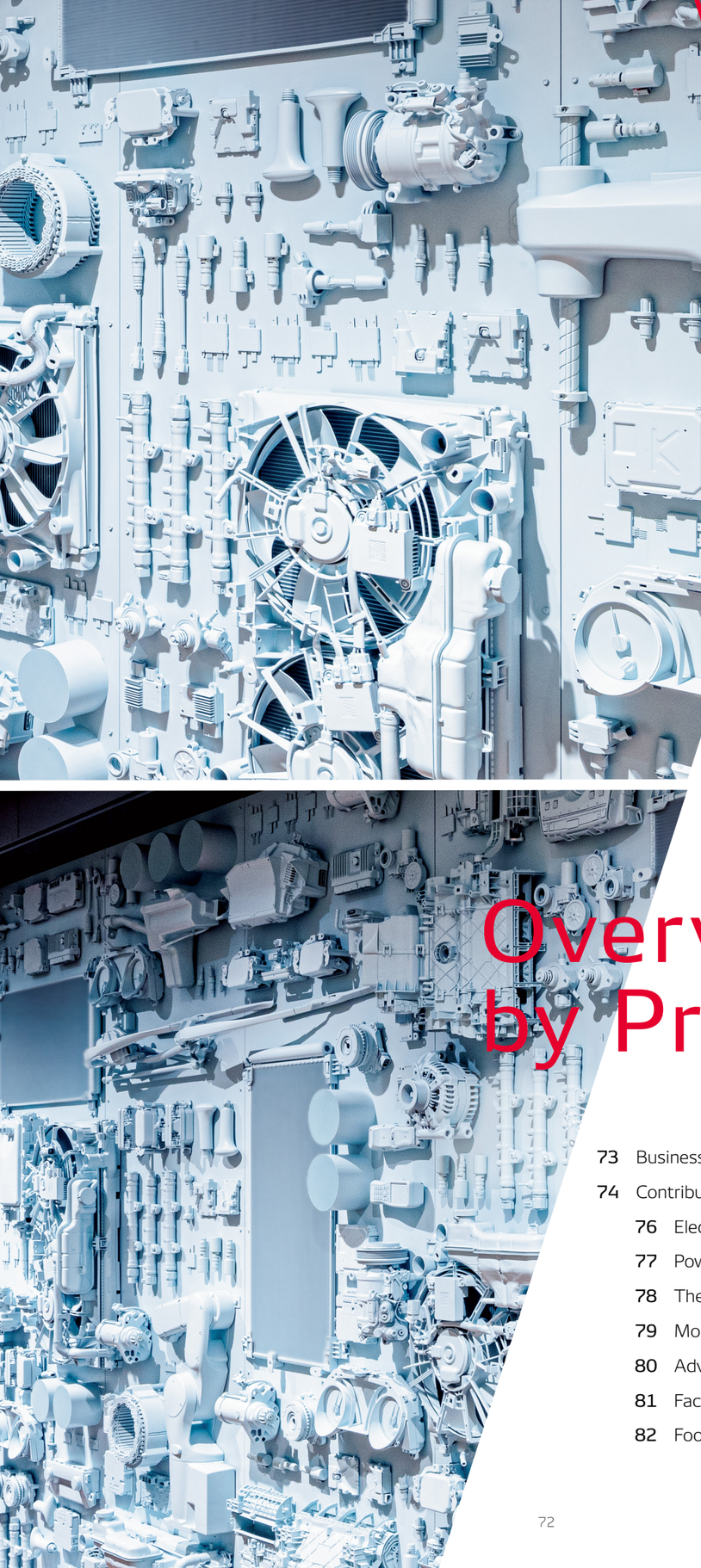


Overview by Product

Business Portfolio and Value Creation

DENSO operates seven core businesses in a range of domains, with particular emphasis on the mobility domain. With respective businesses resonating together, the Company works to maximize value creation by growing alongside the industry and partners, while focusing on the de-emphasis and discontinuation of certain products. To continue creating new value that resonates over the long term, we will continue transforming our business structure to align with the times. Moreover, reweighting our business portfolio is a priority strategy. Even in a volatile operating environment, a reweighted business portfolio will allow us to market products and services that reflect demand and to continue to grow.

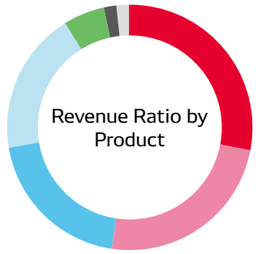
Business Composition

As a company trusted by automakers worldwide, DENSO supplies an extensive lineup of products and systems, mainly through its automotive businesses. We have five automotive businesses: the Electrification Systems Business, which is pivotal to the popularization of electric vehicles; the Powertrain Systems Business, developing and manufacturing powertrains for an array of different vehicles; the Thermal Systems Business, engaged in the manufacture of in-vehicle air-conditioning systems that account for the largest share of the global market; the Mobility Electronics Business, which aims to eliminate traffic accident fatalities through systems that realize advanced safety functions by incorporating high-performance sensors and radar; and the Advanced Devices Business, providing semiconductors and other devices that are essential for mobility-related development going forward. By promoting electric vehicle popularization, advanced safety, automated driving, and connected driving, these five automotive businesses are leading our progress toward the new mobility that society seeks. Our non-automotive businesses are leveraging technologies fostered in the automotive businesses to develop businesses in the fields of factory automation (FA) and food and agriculture (AgTech).

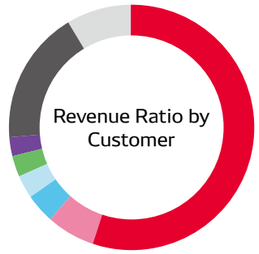
Relationship between Companywide Strategy and Business Strategies

Business strategies closely integrated with Companywide strategy are key to realizing the Mid-term Policy for 2025 and achieving green and peace of mind strategies. We are maximizing the value we provide to society by steadily reweighting our business portfolio based on a Companywide strategy—which also takes into consideration the advancement of the entire industry and entails ensuring growth through the de-emphasis and discontinuation of internal combustion engine products—and by accelerating the development and sales growth of green and peace of mind products. Further, we are enhancing efficiency through Companywide efforts to reduce fixed costs, reassign human resources, and promote dialogue that enhances engagement, quality, and workplace safety awareness.

In light of the current business environment and the progress of business strategies, DENSO annually reviews, deliberates, and revises short-, medium-, and long-term scenarios that envision leveraging the distinctive advantages and capital of each business to realize the Companywide strategy. The following pages focus on the progress of and accomplishments under the business strategies of each business, which are integrated with the Companywide Mid-term Policy for 2025.



Mobility Electronics	28.2%
Thermal Systems	24.1%
Powertrain Systems	20.1%
Electrification Systems	18.9%
Advanced Devices	5.4%
Non-automotive Businesses	1.7%
Other	1.6%



Toyota Group (Toyota Motor Corporation, Daihatsu Motor Co., Ltd., Hino Motors, Ltd.)	55.1%
Honda Motor Co., Ltd.	6.5%
SUBARU CORPORATION	3.8%
Stellantis N.V.	3.2%
Ford Motor Company	2.7%
Suzuki Motor Corporation	2.5%
Other car manufacturers	17.6%
Aftermarket and non-automotive businesses	8.6%

As of March 31, 2025

DENSO Integrated Report 2025
Overview by Product

Contribution Fields and Mainstay Products

Since its establishment as a manufacturer of electrical equipment and radiators, DENSO has reflected changes in society by extending the Company's business domain to encompass lifestyle-related and industrial equipment through the application of technologies that were originally developed for automotive components. With a focus on various solutions that create value for society in the mobility field, DENSO is currently utilizing technologies accumulated in the automotive field to develop a range of businesses that will support the society of the future.

Value Creation in Our Businesses

In accordance with the Long-term Policy for 2030, our seven core businesses are pursuing innovations in leading-edge technologies to maximize the value of green and peace of mind. In addition, we will utilize honed technologies to address social issues and create new value.

	Segment	Revenue (Billions of yen)	Value Creation	Core Products That Contribute to Green and Peace of Mind (● Green ● Peace of mind)
Automotive Businesses	**Electrification Systems** Development and manufacturing of products primarily related to electric vehicle drive components and battery control power systems P. 76	1,042.1 / 1,241.6 / 1,354.4 23 24 25 (FY)	We contribute to the realization of a sustainable, carbon-neutral society and the provision of safe, secure, and convenient mobility by electrifying next-generation vehicles to meet diversifying mobility needs.	● **Inverters** Appropriately control power between the batteries and motors of BEVs and HEVs ● **Motor generators** Help improve fuel efficiency as the main power sources for HEVs during driving and as generators during braking ● **ESU (Electricity supply unit)** Integrates charging control, AC charger, and voltage regulation into a single unit ● **Battery ECU** Controls batteries safely and with high precision and helps improve fuel efficiency and extend driving distance
	Powertrain Systems Development and manufacturing of products primarily related to combustion, intake, exhaust, valve train, and starting systems for gasoline and diesel internal combustion engine vehicles P. 77	1,489.3 / 1,518.6 / 1,438.6 23 24 25 (FY)	It is our chief responsibility to continue delivering safe and secure products to customers who will continue to rely on internal combustion engine vehicles in certain regions for the foreseeable future. If a company continues operating in its current form, there is a risk that it may gradually lose significance, making it difficult to sustain services in the long term. We aim to avoid such outcomes by ensuring the competitiveness and long-term stable supply of internal combustion engine products, while also accelerating business development in growth areas.	● **Common rail systems and gasoline direct injectors** Realize stable combustion through optimally controlled fuel injection ● **Ignition coils and spark plugs** Enable ignition and efficient combustion in gasoline engines ● **Exhaust systems (including exhaust sensors)** Detect oxygen concentration and adjust the opening and closing of intake and exhaust valves, etc. ● **Starters and alternators** Start engines and control power generation and charging
	Thermal Systems Development and production of thermal systems, including air-conditioning products that create a comfortable in-vehicle environment and thermal management systems that address vehicle heat issues P. 78	1,585.6 / 1,730.8 / 1,728.5 23 24 25 (FY)	With our proprietary thermal management technologies, including the world's first heat pump for automobiles, we maximize the use of ambient heat and vehicle waste heat to enhance both energy efficiency and comfort during vehicle use, contributing to higher value for vehicles. We also make carbon-neutral *Monozukuri* a possibility through the use of recycled materials and innovations in production technologies.	● ● **HVAC** Our HVAC units, the world's smallest, improve forward visibility and enable a more spacious cabin ● ● **Thermal management systems** Utilize ambient heat and car exhaust heat for air-conditioning, extending driving distances ● **Inverter cooling systems** Proprietary double-sided cooling that enables high performance and downsizing of power semiconductors ● ● **Everycool®** Provides air-conditioning even when the engine is off, improving work environments for people
	Mobility Electronics Development and manufacturing of products that include advanced driver assistance systems and in-vehicle ECUs that electronically control vehicles to ensure safe and comfortable mobility for all P. 79	1,615.5 / 1,941.8 / 2,017.3 23 24 25 (FY)	By combining our strengths in ADAS, HMI, and infrastructure integration in the development of advanced technologies, we aim to achieve a society free of traffic accidents and realize carbon neutrality through optimal integrated control of vehicle systems and improved energy efficiency and conservation. The software embedded in our systems and products facilitates advances in vehicle intelligence and continuous evolution, contributing to meeting user needs and solving social issues.	● ● **Advanced driver assistance systems (ADAS)** Support safe driving by using image sensors and millimeter-wave radar to recognize the surrounding environment ● ● **Integrated HMI systems** Cross-domain control that integrates multiple domains to provide information to the driver ● **Powertrain control ECUs** Optimally control powertrains for gasoline vehicles, HEVs, and BEVs to improve fuel efficiency and electric mileage ● ● **Software** Embedded in various systems, ECUs, and sensors, our software ensures control execution and automotive-grade quality and safety
	Advanced Devices Development and production of various semiconductors and automotive sensors used in inverters and in-vehicle ECUs P. 80	361.6 / 424.0 / 388.8 * 23 24 25 (FY)	By integrating the Group's core technologies in semiconductors (the brain), sensing (the eyes), and actuation (the hands and feet), we are able to creatively develop innovative devices and systems that contribute to green and peace of mind, enabling solutions that bring our customers' "wouldn't it be nice if" ideas to life.	● **HEAT-PRO (Highly efficient thermal management valves for BEVs)** Improves energy use efficiency by precisely controlling the cooling water of electric vehicles ● **Electrical current sensors** Help improve vehicle performance by improving electric mileage, etc., through measurement of the electrical currents of batteries ● **Power semiconductors** Switch strong electrical currents and high voltages on and off in inverters ● ● **Application-specific integrated circuits (ASICs)** Integrate a wide variety of complex in-vehicle controls in a single semiconductor
Non-automotive Businesses	**Factory Automation** Solutions that enable the sustainable evolution of customers' *Monozukuri* through standardization and digital technologies P. 81	176.5 / 144.8 / 120.5 23 24 25* (FY) * The year-on-year decline in revenue was due to the transfer of the cell phone sales and agency business.	Through automation concepts and standardization/digital technologies leveraging our strengths across the entire engineering chain, we help improve quality, reduce costs, and shorten lead times to resolve challenges faced by customers dealing with inadequate production technology. By staying connected with customers even after mass production commences, we accelerate standardization using on-site data and our know-how, supporting the continuous evolution of their *Monozukuri* capabilities.	● **Automated production lines** Optimized automated production lines tailored to customer needs ● **Production and logistics solutions** Combine people, goods, and processes to streamline everything from delivery to shipment ● **Industrial robots (Articulated and collaborative)** Contribute to productivity and safety ● **QR solution services** Create new value reflecting society's needs and befitting the manufacturer responsible for the development of the QR Code®
	Food Value Chain Solutions that provide food safety and security by introducing industrial technologies to food production and distribution processes P. 82		We support safe and secure agricultural production with fewer workers by building optimal growing conditions through high-efficiency agricultural greenhouses and fully automated harvesting robots like Artemy®, which feature an integration of our environmental control, digital transformation, and automation technologies. In addition, we help ensure the safe and secure delivery of food from producers to consumers using mobile freezing and refrigeration units and QR Codes®, addressing global concerns such as the declining agricultural workforce and food shortages caused by climate change.	● ● **Greenhouses for medium-sized and large farms** Adapt to producers' needs ● ● **Fully automated harvesting robot Artemy®** Fully automates the process of cherry truss tomato harvesting ● **Cold chain (Compact mobile freezing and refrigeration units)** Enables temperature-controlled delivery that is safe and reassuring ● ● **QR traceability systems** Facilitate secure, centralized data management encompassing supply chains from producers through to consumers

* Amounts equivalent to revenue from semiconductors manufactured in-house for other DENSO businesses have been excluded.

Electrification Systems

We have downsized and improved the performance and fuel efficiency of major products that are essential in mobility solutions, in order to provide electrification systems that contribute to carbon neutrality.

Leveraging DENSO's broad business domains, we connect various systems and products within the vehicle to efficiently manage electrical and thermal energy, thereby improving fuel economy, extending driving distance, and shortening charging time for enhanced convenience.

Tsuneo Maebara Head of Business Group

Business Strengths	Opportunities	Risks
• Technological capabilities honed through vertical integration and a lineup of high-quality products that meet customer expectations • Ability to create systems that optimize energy management in the entire vehicle • A global five-pole production and supply system that meets regional needs around the world	• Growing global demand for electric powertrains suited to diversified forms of mobility as electrification trends take different tracks • Increasing demand for systems that optimally control power sources and thermal energy in response to needs for better electric mileage and autonomous driving	• Demand fluctuations and supply chain disruptions caused by geopolitical risks and government policy uncertainties in various countries • Intensifying competition as start-ups and companies from other industries enter the global electrification market at low cost

Business Strategy

Even as the trend toward electric vehicles becomes more complex, we aim to achieve a 30% share of the electrification domain by fiscal 2031 through the development of technologies ahead of our competitors, the establishment of supply capabilities that meet customer expectations, and the provision of quality that exceeds customer expectations. This is how we are contributing to the realization of a sustainable carbon-neutral society. We are further enhancing the competitiveness of our widely adopted products, such as inverters and motor generators, while advancing the development of technologies for power supply systems and energy management systems and continuing to expand our product lineup. Furthermore, we are extending our electrification technologies to support all types of electric mobility solutions beyond passenger vehicles—including two-wheelers; in-plant automated conveyance (telemotion) for factories and warehouses; compact mobility solutions; commercial, agricultural, and construction machinery; and air mobility—so that we can continue to lead the global electrification market.

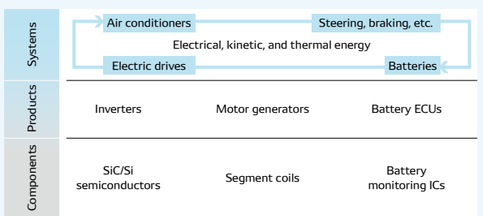
Progress on Mid-term Policy for 2025 and Outlook

In fiscal 2025, sales expanded for inverters and other electrification products, with revenue reaching approximately ¥1.4 trillion. This represented a 6.9% year-on-year increase on a volume basis, excluding foreign currency effects, driving overall growth.

System Creation Capabilities

To provide safe, secure, and highly convenient mobility solutions to customers, DENSO's core strategy is centered on vertical integration, spanning from semiconductors to inverters and complete systems, covering all layers in-house.

By sharing technical expertise across these layers, we have enhanced our competitiveness at each level and provided products and systems tailored to customer needs for more than 25 years. As demand grows for improved energy efficiency and autonomous driving, integrated energy management systems are becoming increasingly important in order to maximize the efficiency of electrical, thermal, and kinetic energy in the entire vehicle. We have long provided power source products that enable safe battery usage through battery condition monitoring, diagnostics, and control. Going forward, we will integrate these products to create more compact, higher-precision systems for managing battery energy. By combining these capabilities with our in-house thermal technologies, we will create unique system-level value that sets us apart from competitors.



Product Lineup and Technology Development

DENSO is one of a few suppliers capable of offering a broad range of electrification products for HEVs, PHEVs, and BEVs. In recent years, the competitive strength of our products has been demonstrated by the adoption of our new inverter for eAxle by multiple customers. Our inverters using SiC semiconductors contribute to both downsizing and improved energy efficiency. Even amid a temporary slowdown in the BEV market, we are able to consistently demonstrate strong overall competitiveness. In addition, our proprietary high-speed winding technology using flat conductors enables compact and high-efficiency motor generators, which are deployed in electrified vehicles worldwide. This technology was jointly recognized with Toyota Motor Corporation as a recipient of the One Step on Electro Technology award.* Going forward, we will continue to lead in the development of key electrification technologies and expand the adoption of a diverse range of products to help realize a carbon-neutral society.

* An award system by The Institute of Electrical Engineers of Japan that recognizes the most significant electrical technologies of the 20th century for their outstanding contributions to society

Global Five-Pole Production and Supply Network

To address regional needs around the world while hedging supply against risks, in 2024 we expanded production capacity in Europe (Hungary), China (Nansha, Guangzhou), and Japan (Fukushima), and commenced production of inverters. In preparation for future market expansion, we plan to develop business in India in 2026 and the ASEAN region (Thailand) in 2027, while also strengthening our production and supply capabilities in western Japan based on developments at customers.

Powertrain Systems

We aim to minimize impact on the global environmental while supporting fuel diversification and compliance with increasingly stringent regulations. By supplying high-quality systems and components, we offer solutions that balance the pleasure of driving a car with environmental performance.

Katsuhiko Sugito Head of Business Group

Business Strengths	Opportunities	Risks
• R&D and mass production capabilities for world-first products that have driven the evolution of powertrains • Highly reliable *Monozukuri* capabilities that support safe and secure driving of cars • Organizational capabilities for organic collaboration among experts in powertrains	• Diversification of powertrain options and different approaches to carbon neutrality by region and country (reassessment of HEVs/PHEVs) • Strengthening momentum behind the transformation of industry during this once-in-a-century transition	• Rapid paradigm shift toward BEVs driven by technological innovation • Importance of maintaining the supply chain and business continuity planning during a period of declining volumes

Business Strategy

The Powertrain Systems Business has helped the spread of mobility by pursuing the simultaneous realization of lower environmental impact and convenience. Through these efforts, we have acquired additional technologies and skills. Moreover, meeting the needs of markets and customers has honed the capabilities of our personnel and organization. We have a responsibility to utilize these technologies and skills and thereby continue contributing to the realization of a sustainable mobility society. Starting in fiscal 2026, with a view to helping achieve a sustainable future while ensuring that all our personnel can continue working with enthusiasm, pride, and vitality, we will continue efforts toward internal combustion engine products throughout supply chains and commercialize new energy businesses (hydrogen) in order to effectively address ongoing needs for internal combustion engines while taking note of the recent diversification of approaches to realizing a carbon-neutral society and the resulting variety of powertrain market needs.

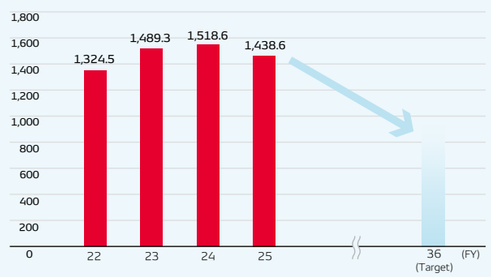
Progress on Mid-term Policy for 2025 and Outlook

Continuous Efforts for Internal Combustion Engines

Amid advances in mobility electrification, we have made progress on activities to ensure a continued stable supply of components for internal combustion engines. Recognizing the importance of taking action one step ahead of change, since fiscal 2022, we have held individual discussions and briefing sessions with 19 major OEMs and over 300 suppliers to share future expectations and DENSO's perspective. By working in step with stakeholders and taking early action to prepare for change, we have enhanced our responsiveness and are beginning to see progress and results, especially in activities with OEMs, such as specification integration and the phasing out of legacy products and molds. We will continue to build an environment that ensures the sustainable and reliable supply of competitive products for internal combustion engines.

Revenue of Internal Combustion Engine Products*

(Billions of yen) * Powertrain Systems Business Group overall



Meeting the Diversifying Needs of Customers

Achieving a carbon-neutral society increasingly requires addressing the diverse energy situations, infrastructure, and end-user needs of each country and region. We will continue honing our competitiveness while maintaining a reliable supply of safe and secure products, in response to the growing diversity of powertrain needs. In particular, to address diversification in powertrain mixes, we will focus on selected priority areas, such as products, in order to fully meet the expectations of ICE* customers while also shifting resources toward growth areas in parallel. Moreover, since supply chain resilience from a business continuity plan (BCP) perspective is a critical issue, we are expanding our initiatives beyond Tier 2 suppliers to also include Tier 3 suppliers, aiming to secure a reliable supply.

We will continue to respond flexibly and swiftly to changing conditions through the selective concentration of resources, optimizing our business portfolio to ensure the sustainability of business.

* ICE: Internal combustion engine

Creating New Value

Hydrogen is expected to play a vital role not only as a key energy source during the transition to an environmentally sustainable society but also in the creation of new industries. Leveraging our existing technologies, including systems development and ceramics, the Powertrain Systems Business Group is working with Toyota Motor to help build a hydrogen society while pursuing business growth in areas such as systems development, hydrogen combustion, and fuel cells.

Thermal Systems

As the company with the world's top market share in thermal products that deal with the increasing heat issues of vehicles, we see it as our responsibility to address an increasing number of thermal challenges in vehicles by applying our technologies in air-conditioning and cooling technologies to comprehensive thermal management systems for vehicles and expanding our area of contribution. By incorporating industry-leading energy-saving technologies into our thermal management products, we aim to move one step closer to carbon neutrality. At the same time, through early adoption of recycled resin and aluminum, we will lead the circular economy and pass on a sustainable global environment to the next generation.

Katsuhiko Takeuchi Head of Business Group

Business Strengths	Opportunities	Risks
• Over 2,500 environmental technology patents, world-first products, and products with number one shares of global markets • Internal co-creation that marshals technological strengths, along with customers and new partners around the world • A regionally rooted global supply chain supporting 56 bases worldwide	• Growing environmental awareness, sense of urgency, and demand driven by extreme weather events that have become the norm • Increasingly diverse and widespread thermal energy challenges in society and vehicles • Rapid growth and acceleration of EV adoption worldwide, driven by commercialization of next-generation batteries and technological advances	• Delays in vehicle electrification or refrigerant regulations due to legal revisions or shifts in market needs • Product development hindered by constraints on consumer choices and social tensions from widening disparities and policy shifts • Cost pressures and disruptions to fair competitive environments and supply chains due to geopolitical risks

Business Strategy

We will further refine the refrigerant, water, and air heat exchange technologies we have cultivated in automotive applications to continuously support our customers through improvements and advances in core products, thereby achieving sustainable operations. We will also expand from air-conditioning to full-vehicle thermal management, further accelerating efforts toward carbon neutrality and the circular economy, while expanding our business portfolio with products featuring enhanced environmental performance. In addition, we will take on the challenge of developing innovative technologies to "control" heat and create new value. By broadening the scope of our contributions from people and vehicles to society as a whole, we aim to provide concrete solutions to climate change.

Progress on Mid-term Policy for 2025 and Outlook

Business Transformation to Sustain the Industry

To ensure a stable supply during the transition to electric vehicles, we have worked with customers to standardize HVAC systems, reducing the number of variants by 40% compared to previous models. In March 2025, we commenced mass production on a new line that is resilient to fluctuations in volumes and models. DENSO will continue to consolidate and restructure its operations in collaboration with strategic partners that share its commitment to ensuring a stable supply. On the environmental front, we created an energy-saving joining process for the production of heat exchangers, which consumes vast amounts of electricity, and achieved our CO_2 emissions reduction targets three years ahead of schedule.

Creating Technologies to Enhance Environmental Performance

We have deployed heat pump technology to reduce the energy consumed for heating, a factor that reduces the driving distance of electric vehicles during the winter. In addition, we brought to market a thermal management system that significantly improves energy efficiency by solving performance degradation from frost buildup on heat pumps, with the world's first defrosting technology that utilizes waste heat while driving. We also commenced mass production of the world's first energy-conserving heating technology that safely warms vehicle occupants directly using radiant heat, rather than releasing warm air into the cabin or toward the seats.

Expanding Our Scope of Contribution through New Value Creation

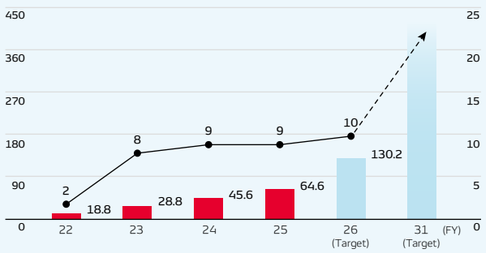
To realize carbon-neutral *Monozukuri*, in collaboration with Toyota Motor, DENSO launched the Fukushima Model, a local production for local consumption initiative for green hydrogen, enabling in-plant hydrogen production and utilization on our heat exchanger production line. In January 2025, we renamed the division as the Thermal Social Solutions Business Unit and strengthened our organization to address thermal challenges in society through AI and digital technologies.

Toward the Realization of Energy Neutrality

As electric vehicles become more widespread, it is necessary to both manage driving power and control the temperature of batteries and interior cabins using limited battery energy, making full-vehicle thermal management essential to avoid wasteful energy loss. We have already developed technology that reduces energy consumption in temperature control by 50% compared with the 2019 level. Along with academic and industrial partners, we are now accelerating the development of innovative energy conversion technologies to achieve "energy neutrality" by 2035, reducing vehicle thermal control energy to net zero in coordination with society. We aim not only to steadily expand product adoption but also to apply the technologies we have developed, including the use of recycled materials, to help solve a wider range of thermal issues in society.

Environmental Technology Products: Revenue and Number of Production Bases

(Billions of yen)



Mobility Electronics

We closely monitor the evolution of and changes in society, and accurately capture user needs amid advances in CASE, while strengthening our electronics technologies (ECUs, sensors, semiconductors) and software development capabilities. By continuously introducing products that provide new value for increasingly large-scale and software-defined mobility systems, we aim to achieve carbon neutrality and zero traffic accidents, contributing to the creation of a society where all people can access mobility conveniently and with peace of mind, enhancing the quality of mobility.

Hisashi Iida Head of Business Group

Business Strengths	Opportunities	Risks
• Broad technological expertise and implementation capabilities across all vehicle domains, enhancing efforts to create new user experiences • Provision of compelling products that combine reliability and advanced features cultivated through in-vehicle applications • Partnerships with global automakers, semiconductor manufacturers, and software vendors	• Progress in electrification and software-defined vehicles (SDVs) that is reshaping the future of mobility • Large-scale integrated systems that coordinate in-vehicle functions and enhance added value • Accelerated adoption of advanced technologies in vehicles to support intelligent vehicles	• Development of advanced technologies and faster development speed driven by emerging manufacturers • Increasing investment in technology development to keep pace with functional advances and growing complexity • Securing software developers in preparation for SDV evolution, where the value of software continues to grow

Business Strategy

With vehicle electrification and the transition to SDVs, electronic platforms are undergoing major renewal, and the mobility electronics market is polarizing into the traditional field of single-function electronic control units (ECUs) and the growth field of large-scale integrated ECUs. We view this transition as an opportunity, and by managing our portfolio based on our expertise in vehicle-wide electronics and software, we will strengthen our presence in the growth areas of advanced driver assistance systems (ADAS) and large-scale integrated ECUs. At the same time, we will enhance the added value of software and establish a business model that enables monetization, aiming for sustained business growth.

Progress on Mid-term Policy for 2025 and Outlook

Growth in Sales of ADAS

In fiscal 2025, we achieved record-high sales of ¥2.0 trillion, a 25% increase from fiscal 2023, the baseline year for the Mid-term Policy for 2025, driven by strong expansion of ADAS adoption. In the ADAS domain, sales reached ¥503.0 billion versus the medium-term target of ¥520.0 billion, and we are strengthening development efforts to achieve this goal. At the same time, to prevent excessive investment in development, we are reshaping our overall business portfolio and making disciplined investments.

Toward Carbon Neutrality

In fiscal 2025, DENSO began supplying next-generation energy-efficient products for BEVs, HEVs, and PHEVs, achieving 250% sales growth compared with fiscal 2021. We are building low-power vehicle systems with electronic platforms that optimally integrate and control the entire vehicle systems by developing ECUs that enhance the precision of electric power control to reduce energy consumption.

Toward Zero Traffic Accidents

With GSP3,* we improved sensing area, detection range, and accuracy, achieving the planned 37% coverage of fatal accident scenarios, and accelerating market penetration. Going forward, we will continue introducing next-generation systems that further enhance the safety performance of advanced driver assistance systems, aiming for 80% scenario coverage by fiscal 2031 and 100% by fiscal 2036.

* GSP3 (Global Safety Package 3): A system that assists drivers with millimeter-wave radar and image sensors. Development of next-generation systems is also underway for market commercialization.

Strengthening Development of Integrated ECUs

In ADAS, we aim to further grow the business by enhancing awareness of the vehicle's surroundings, acquiring autonomous driving technologies, and offering high added value through industry-first systems that interlink ADAS and HMI, enabling interaction between the vehicle and the driver with technologies that understand the driver and passengers. We are also reinforcing development of large-scale integrated ECUs that process and analyze vast amounts of vehicle data to fulfill user needs through control systems, enhancing our product features through integration technologies that leverage multifunctionality across all domains.

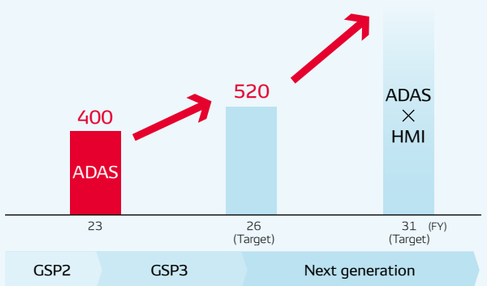
Accelerating Vehicle Intelligence

By 2030, we aim to expand our pool of software-related personnel by 1.5 times, to 18,000 employees, compared with fiscal 2024, focusing on project managers and software architects, in order to generate a diverse range of intellectual property that delivers new value. We will accelerate vehicle intelligence and establish a competitive edge through software.

Overview of Revenue Growth (Overall ADAS Domain)

(Billions of yen)

Setting of Fiscal 2031 Sales Target Centered on Japanese Customers



Advanced Devices

Beyond the mobility domain, in order to create and expand businesses that solve social and customer challenges, our organization has been restructured around the ability to contribute to society and customers, rather than a pure focus on technology. We are enhancing the value of systems through the integration of sensing and actuation while leveraging our strengths in vertical integration in semiconductors. While creating new devices and systems, we aim to win the trust of our customers with an all-points approach to quality, cost, and delivery (QCD) in the expanding electrification market.

Eiichi Kurokawa Head of Business Group

Business Strengths	Opportunities	Risks
• Creation of new value through sensing and actuation • Robust semiconductor supply base through in-house production, consignment production, and partnerships • Advanced production technologies and on-site expertise to handle changes in models and volumes in new product domains	• Moderate growth of the automotive market, particularly in emerging economies • Expansion in demand for diverse electric vehicle products (BEVs, HEVs/PHEVs) • Greater opportunities to propose solutions as systems become increasingly integrated and intelligent	• Entry of competitors from other industries and the rise of start-ups as BEVs and SDVs become more widespread • Price declines resulting from past overinvestment by semiconductor manufacturers • Shrinking business opportunities due to OEMs canceling BEV projects

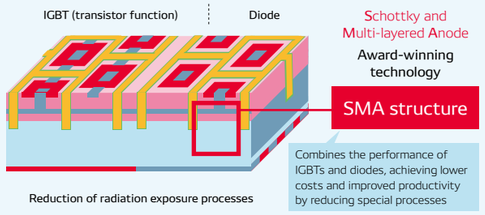
Business Strategy

With steady diversification in mobility, there has been a shift toward HEVs/PHEVs in the electrification domain, alongside accelerated system integration and intelligence in the ADAS domain. In such an environment, we recognize that the success of our business hinges on the swift rollout of products needed by customers and greater society. Looking ahead to 2030, the Advanced Devices Business Group has identified its key success drivers as "enhancing the value of systems," "collaborating with partners," and "promoting a product lineup," and is keen to strengthen competitiveness in semiconductors, sensing, and actuation.

Progress on Mid-term Policy for 2025 and Outlook

Recipient of the Okochi Memorial Prize

DENSO received the 71st Okochi Memorial Prize*1 (fiscal 2025) in recognition of its development and highly efficient production of compact, low-loss reverse-conducting IGBTs*2 for electric vehicles. This technology helps reduce costs and improve productivity in response to rapid progress in vehicle electrification, enabling IGBT production using 300mm wafers manufactured at United Semiconductor Japan Co., Ltd. (USJC), as well as the development of a broad supply chain and decentralized production at multiple sites.



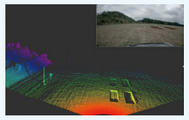
*1 An award presented for achievements that have significantly contributed to the advancement of industry and society, based on academic progress in the fields of production engineering, manufacturing technology, and production systems
*2 IGBTs: Insulated gate bipolar transistors

Integrated In-house Production Using Innovative Technologies and Methods

In response to growing demand for SiC semiconductors due to the shift to BEVs, DENSO is working to develop the world's most energy-efficient chips for its customers. To enhance added value, ensure stable supply, and strengthen competitiveness, we are making preparations for integrated in-house production, from wafers and epitaxial wafers to devices. On the manufacturing front, we are using the world's first gas method to reduce costs and downsize devices, contributing to better vehicle fuel efficiency through lower power loss. We aim to complete technical validation by fiscal 2025 and begin production in fiscal 2028.

In-house Development of High-Precision, High-Reliability 3D LiDAR

We are leveraging our core sensing technologies developed in the automotive field to address labor shortages by developing products that contribute to work automation. DENSO has developed a high-precision, high-reliability 3D LiDAR sensor that detects the three-dimensional shape of objects. It has been selected for autonomous driving systems used in mining vehicles to detect uneven road surfaces and obstacles undetectable by cameras to plot optimal driving routes, helping to reduce excessive working hours and improve safety and productivity. As a potential future application, we are also exploring whether this technology can be used to detect vehicles driving the wrong way on highways, a problem in society. We will continue to pursue broader adoption of this technology across various applications.



Point cloud data from DENSO's LiDAR system
(Top right: Camera image for reference)

Global Production Deployment and Optimization of In-house and Outsourced Manufacturing to Meet Market Needs and Enhance Cost Competitiveness

On the *Monozukuri* front, we are pursuing a supply framework that delivers greater value to customers in terms of quality, cost, and speed. We will also accelerate optimization of semiconductor operations, which have been concentrated in Japan, to include overseas sites. In addition to the Group, we will also consider and pursue alliances with other companies as strategic options to enhance our competitiveness.

Factory Automation (FA)

We provide solutions that enable reliable *Monozukuri*, contributing to the sustainable growth of the manufacturing industry as a whole. Through standardization and digital technologies, we are able to improve quality, lower costs, and shorten lead times, offering optimal solutions to customers facing on-site challenges caused by inadequate production technology. While supporting the continuous evolution of *Monozukuri* at customers, we also act as a line builder that innovates the art of *Monozukuri* itself across the entire industry, helping to enhance the competitiveness of the manufacturing industry as a whole.

Yasushi Mukai Executive Officer

Business Strengths	Opportunities	Risks
• *Monozukuri* expertise cultivated over 75 years across a wide range of fields • Expertise spanning the entire engineering chain, from conceptual design to maintenance • In-house production capabilities for equipment and robots, refined for optimized production across over 130 global sites	• Declining labor population and shortages of production technology personnel in terms of both quantity and quality • Rising demand for automation and utilization of standardization technologies and DX to flexibly handle product variety and volume • Increasing needs to enhance customer engineering capabilities and develop talent	• Low-cost competition from equipment manufacturers in emerging markets • Heavier capital investment amid rapidly changing and uncertain market conditions • Demand for significantly shorter lead times in production preparation due to the emergence of new EV manufacturers

Business Strategy

We provide optimal solutions for customers dealing with inadequate production technology, centered on our line-building services that cover everything from conceptual design to maintenance. In addition to upstream engineering services, such as conceptual design and specifications, we continue to engage with customers through production improvement services after mass production commences. This accelerates standardization of on-site data and know-how, informing the continuous evolution of *Monozukuri* at customers. We also collaborate with partners who share our vision to drive cross-industry *Monozukuri* innovation as a line builder, enhancing the overall competitiveness of the manufacturing industry through standardization and digital technologies that transcend individual customers and industries.

Progress on Mid-term Policy for 2025 and Outlook

Helping Customers in Manufacturing Sector with LA School and F-IoT Production Improvement

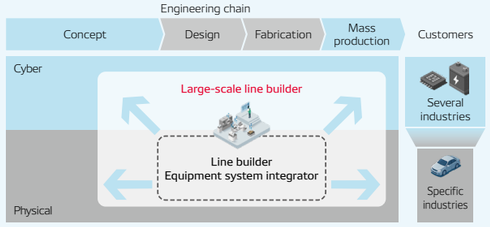
As part of our production technology training services that support the conceptual design of production lines, we operate the Lean Automation (LA) School, where we have shared our *Monozukuri* philosophy and know-how with over 130 companies and nearly 500 participants to date. By introducing our equipment and robots that embody this philosophy based on customer needs, we have achieved a 10% reduction in investment amounts and 50% labor savings through automation. In the maintenance stage after equipment is installed, we also provide services that visualize the production site using our F-IoT tools and deliver practical production improvements. As a result of these improvements, we have increased line operating rates and production volumes. With implementation across more than 200 lines at 30 companies, we are expanding our services globally, including in Thailand and Australia.

Digital classroom

Robot training

Dynamic and Rapid Business Expansion through Alliances

Going forward, we aim to expand our business, centered on comprehensive line-building solutions that encompass upstream engineering, downstream production improvement services, equipment development, and logistics systems. Leveraging the engineering expertise we have honed through diverse experience in *Monozukuri*, we will combine DENSO WAVE's integrated mechanical and electrical design capabilities, DENSO SI's logistics system development capabilities, and DENSO FA Yamagata's equipment-building capabilities to deliver solutions that allow customers to confidently continue *Monozukuri*. We will actively pursue alliances to build partnerships and dynamically and rapidly expand our business as a large-scale line builder that provides cross-industry solutions that transcend individual manufacturers and specific industries. By combining the comprehensive *Monozukuri* capabilities of the DENSO FA Group with new partners, we aim to enhance the value added by everyone involved in *Monozukuri* and help realize a society where people around the world have greater happiness in their lives.



Food Value Chain

Food is essential to people's lives. Together with our partners, we take a holistic view of the entire food value chain and provide solutions that ensure food safety and security to each region of the world, anytime, anywhere, and to anyone, forever. By combining technology with creative ideas, we aim to create new value and contribute to a society where everyone can live with peace of mind.

Yasushi Mukai Executive Officer

Business Strengths	Opportunities	Risks
• Horticultural greenhouse and automation technologies that enable stable cultivation amid labor shortages and climate change • Compact mobile refrigeration/freezing units utilizing thermal control technologies and downsizing/weight reduction technologies developed for automobiles • QR Code®, RFID, and digitalization technologies developed for manufacturing sites	• Concerns about food shortages stemming from worldwide decline in the farming population and unstable agricultural production due to climate change • Rising demand among consumers for food safety and security, and growing needs for streamlined food distribution	• Intensified competition and accelerated development driven by the rise of start-ups and industry consolidation in the horticultural sector • Competitive disadvantage if unable to deliver value-added solutions that integrate multiple products and services rather than offering stand-alone products

Business Strategy

By applying DENSO's industrial technologies to food cultivation and distribution, we aim to deliver solutions that ensure safe and secure access to food anytime, anywhere, and to anyone, forever.

Specifically, by industrializing farms through the integration of agricultural and industrial technologies, we will provide stable and planned food production solutions that flexibly respond to labor shortages, energy constraints, and climate change. Together with our partners, we will also globally roll out one-stop food distribution solutions that deliver high-quality food efficiently to consumers, thereby addressing food-related issues in society.

Progress on Mid-term Policy for 2025 and Outlook

Secure and Stable Food Production through Farm Industrialization

We are working with Certhon, a company in the Netherlands with state-of-the-art horticultural technology (which was turned into a wholly owned subsidiary in August 2023), to develop high-efficiency agricultural greenhouses by integrating our automation, environmental control, and DX technologies. Together, we will plan and develop reliable production solutions like these greenhouses.

To further stabilize agricultural production, we aim to provide farmers with comprehensive packaged solutions that include seeds and optimal cultivation methods. With this in mind, DENSO acquired Axia Vegetable Seeds B.V., a company in the Netherlands known for its high-yield and disease-resistant tomato varieties, and turned it into a wholly owned subsidiary in July 2025. We also signed a basic agreement in April 2025 with DELPHY GROEP BV, a leading cultivation consulting company in the Netherlands. We will continue to strengthen and accelerate collaboration with new partners, efficiently and rapidly building solutions while expanding our business globally.

Increasing Work Efficiency by Visualizing Food Distribution Data, and Enhancing Brand Value

We contribute to the streamlining of food distribution and the assurance of food safety and security by visualizing food distribution information using the QR Code®. We are expanding the use of our food origin certification system, which ensures traceability from production to sales and has been applied to clams from Kumamoto Prefecture, to include glass eels (subject to the Act on Ensuring the Proper Domestic Distribution and Importation of Specified Aquatic Animals and Plants) and are conducting pilot programs in cooperation with the national government and industry organizations. We will continue to participate in national project planning phases to expand the initiative to other food resources.

TOPIC

Data-Driven Autonomous Cultivation System

DENSO is developing an autonomous cultivation system using environmental and crop growth data from greenhouses, applying technologies cultivated in the mobility field, such as sensing technologies. This system will use data on crops, climate, markets, and other factors to control operations as well as the environment inside the greenhouse itself. Doing so will enable even those lacking agricultural expertise to achieve stable and systematic agricultural production. Furthermore, in a virtual space utilizing the cloud, we aim to make remote cultivation a reality by integrating market demand data and accumulated greenhouse data on the environment and crop growth to conduct real-time analysis and forecasting, leveraging insights from agricultural consultants and seed manufacturers, making it possible to appropriately control the greenhouse environment and cultivation operations.