

# DENSO

## Sustainability Bonds Report

### (USD-denominated Straight Bonds Due 2026 and 2029)







October 2025  
DENSO CORPORATION

DENSO is contributing to SDGs through its corporate activities



# 1. Framework

DENSO has issued Sustainability Bonds to contribute to a sustainable society by providing new value in the fields of “Green” and “Peace of Mind” under the DENSO Group Long-term Policy 2030. DENSO will accelerate initiatives under the Long-term Policy by using net proceeds of Sustainability Bonds for projects with a positive environmental impact and social benefits. The details of DENSO’s Green Social and Sustainability Bond Framework are as below.

	Electrification	“Monozukuri” (Manufacturing)	Advanced Safety and Automated Driving
	Eligible Green Project = “Green”		Eligible Social Project = “Peace of Mind”
Objectives of the project, target and benefit	Electrification of mobility products that contribute to minimizing environmental impact of mobility by electrification of vehicles <ul style="list-style-type: none"> <li>• Achieve sales of one trillion yen in electrification by 2025</li> </ul>	Carbon Neutrality in Manufacturing <ul style="list-style-type: none"> <li>• Achieve carbon neutrality for electricity (use credits for gas) by 2025</li> <li>• Achieve full carbon neutrality for manufacturing by 2035</li> </ul>	Pursue the goal to create a safe mobility society without traffic accident <ul style="list-style-type: none"> <li>• All around in-vehicle sensors, strengthening map functions and V2X (vehicle technology to communicate with infrastructure or between vehicles) and DSM (Driver Status Monitor)</li> <li>• Achieve ADAS Sales 500 billion yen by 2025</li> </ul>
Use of proceeds	Finance, in whole or in part, new or existing electrification businesses, research and development and capital expenditure <ul style="list-style-type: none"> <li>• Research and Development: Technology development that contributes to improving performance such as energy efficiency and electric mileage of vehicle with Inverters, Motor Generators, Battery ECUs, etc., which are essential for driving system of electric vehicles</li> <li>• Capital expenditure: CAPEX to expand the production of the core products described above</li> </ul>	Finance, in whole or in part, new projects in “Monozukuri (Manufacturing)” <ul style="list-style-type: none"> <li>• Introduction of renewable energy such as solar power generation facilities</li> <li>• Expenditures related to the purchase of renewable energy power etc.(including expenditures of the purchase of renewable energy through PPA / Renewable Energy Certificate)</li> </ul>	Finance, in whole or in part, new or existing Advanced Safety and Automated Driving business <ul style="list-style-type: none"> <li>• Scope of Business: Electronic systems, services, and platforms relating to mobility, including but not limited to millimeter wave radar, image sensors, driver status monitors, airbag systems, and other areas</li> <li>• Research and Development: Technologies to improve the performance of millimeter wave radar and image sensors, both of which are the core products of Advanced Safety and Automated Driving</li> <li>• Capital expenditure: CAPEX to expand the production of the core products described above</li> </ul>
Promoted Sustainable Development Goals (SDGs)	<div>       </div>		

For more detailed information on DENSO’s global sustainability policy and specific initiatives, please refer to our corporate website or the Integrated Report.

[Sustainability | Who we are | DENSO Global Website](#)  
[Integrated Report | Investors | Who we are | DENSO Global Website](#)

## 2. Allocation Report

DENSO has committed to disclosing Allocation Reports on an annual basis until the net proceeds of any Green, Social, and Sustainability Bond issuances are fully allocated to projects meeting relevant eligibility criteria.  
Allocation of net proceeds, and projects to which the net proceeds have been allocated, as of March 31 2025 are as below.

		Electrification	"Monozukuri (Manufacturing)"	Advanced Safety and Automated Driving
		Eligible Green Project		Eligible Social Project
Due 2026	Issued amount	500 million dollars		
	Allocation			
	Allocated amount	241 million dollars	34 million dollars	225 million dollars
	Allocated percentage	55%		45%
	Unallocated amount	- Allocated between September 2021 and March 2023.		
Due 2029	Issued amount	500 million dollars		
	Allocation			
	Allocated amount	73 million dollars	15 million dollars	78 million dollars
	Allocated percentage	53%		47%
	Unallocated amount	334 million dollars		
Case studies of eligible projects to which proceeds have been allocated		<ul style="list-style-type: none"> <li>Technology development that contributes to improving energy efficiency and electric mileage of battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs), such as specially designed inverters, motor generators, battery ECUs, and thermal management systems</li> <li>CAPEX to expand the production of the core products described above</li> </ul>	<ul style="list-style-type: none"> <li>Purchase of renewable energy</li> <li>Expenditures related to the installation of photovoltaic equipment (e.g. in Asia) for the realization of carbon-neutral factories</li> </ul>	<ul style="list-style-type: none"> <li>Technology development to improve the performance of millimeter wave radars and image sensors (such as increasing detection range, widening field of view, etc.), both of which are core products of Advanced Safety and Automated Driving</li> <li>CAPEX to expand the production of the core products described above</li> </ul>

- The proceeds were allocated for research and development and capital expenditures commenced after the issuance of the bonds.
- DENSO has expanded the geographic scope of eligible projects. While the framework of the sustainability bond maturing in 2026 stated that the project location was Japan, DENSO has allocated the proceeds to the eligible projects in other regions (mainly in North America, Europe, China and Asia/Oceania) as well as in Japan, in light of the development of the projects.

### 3. Impact Report

DENSO has committed to disclosing the following performance indicators related to eligible projects until the applicable Sustainability Bonds are redeemed, subject to data availability and confidentiality.

The below information is output/impact indicators as at March 31, 2025.

<div>Electrification</div> <div>Objective and benefits: Contribute to the electrification sector by offering systems/products</div>	Eligible Green Project	<div>Percentage of sales increase from the year before the issuance of the bonds (from FY2020) <div>+679.3%</div></div> <div>Percentage of sales increase in FY2024 -</div>
<div>Monozukuri</div> <div>Objective and benefits: Reduction of CO2 emissions by introducing renewable energy and green energy</div>	Eligible Green Project	<div>Reduction in CO2 emissions from the issuance of the bonds (from the second half of FY2021) <div>562,561 t-CO<sub>2</sub></div></div> <div>Reduction in CO2 emissions in FY2024 <div>307,532 t-CO<sub>2</sub></div></div>

### 3. Impact Report

#### Advanced Safety and Automated Driving

Eligible Social Project

Objective and benefits:

Realize Safe Mobility Society without Accidents

- Develop products to cover all types of accidents
- Expand sales of core products and variation of retrofit products

Percentage of sales increase from the year before the issuance of the bonds (from FY2020)

**+59.5%**

Percentage of sales increase in FY2024

**+9.8%**

Status of Implementation of Safety Features Necessary for Advanced Safety and Automated Driving

Safety Technology System	Targeted Safety Feature	Types of Accidents	Achieved as of Sep 2021	Achieved as of Mar 2025
Autonomous emergency braking	Car-to-car	Rear-end collision	●	●
		Reversing	●	●
		Intersection (left turn across path/opposite direction, straight crossing path)		●
		Head-on collision		●
		Lane change (blind spot assistance)	●	●
	Car-to-pedestrian	Rear-end collision/crossing	●	●
		Intersection (crossing after turning)		●
		Reversing		●
	Car-to-bicycle	Rear-end collision/crossing	●	●
		Intersection (crossing after turning)		●
		Reversing		
	Car-to-motorcycle	Rear-end collision		●
		Reversing		
		Intersection (left turn across path/opposite direction, straight crossing path)		●
		Head-on collision		●
		Lane change (blind spot assistance)	●	●
Clash avoidance (low speed)	Vehicle/obstacles, etc.	Pedal error	●	●
Driver assistance/ automated driving (highway)	Vehicle/lane		●	●
	Road curvature			●
Driver assistance/ automated driving (general road)	Vehicle/lane/pedestrian			●
	Virtual lane guidance (map utilization)			
	Traffic signal			●
	Road sign (speed limit, etc.)		●	●
Parking assist system	Parking assist		●	●
Driver monitoring	Face direction/ drowsiness		●	●

This chart on safety features pertain to automobiles; DENSO is contributing to equipping vehicles with these safety features.