



# Integrated Report 2023

For the year ended March 31, 2023



## DENSO Creed

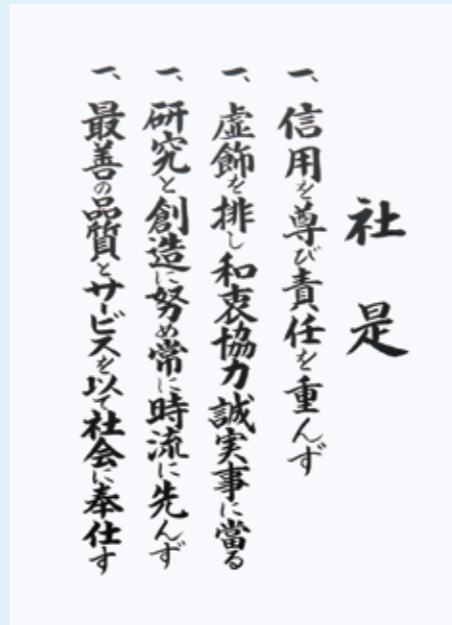
In 1956, seven years after the founding of NIPPONDENSO, we formulated the DENSO Creed for the purpose of protecting, nurturing, and passing on to the next generation the mentality of all DENSO employees—which we possessed even before splitting from Toyota Motor Co., Ltd.—while taking the next step toward new progress based on a clear self-awareness.

Without changing the values encapsulated in the DENSO Creed, we formulated the DENSO Philosophy in 1994 to reflect the social changes occurring at the time and to better clarify the meaning of the DENSO Creed in words that were more appropriate for the time. In addition, to share our value system with DENSO employees on a global basis as the number of Group companies and local employees began to dramatically increase, we established the DENSO Spirit in 2004.

The four ideals of the DENSO Creed, which have served as the source of the Company's progress to date, have been gradually passed down through the years and are still embraced today by our approximately 170,000 employees across the globe.

### DENSO Creed

Be trustworthy and responsible.  
Cherish modesty, sincerity, and cooperation.  
Be pioneering, innovative, and creative.  
Provide quality products and services.



## DENSO Philosophy

Contributing to a better world  
by creating value together with  
a vision for the future

## DENSO Spirit

### A spirit of foresight, credibility and collaboration

The DENSO Spirit expresses values and beliefs shared by our employees around the world that we have cultivated since our establishment in 1949. The DENSO Spirit is an action guideline that provides the driving force for contributing to the mobility society and the lifestyles of people as well as the source of our competitiveness.

Foresight	Credibility	Collaboration
Providing surprises and impressions in a way that only DENSO can	Providing quality and reliability beyond customer expectations	Achieving the highest results by working as a team
Vision	Quality First	Communication
Creativity	On-site Verification	Teamwork
Challenge	Kaizen, Continuous Improvement	Human Development

## Publication of DENSO Integrated Report 2023

DENSO publishes an integrated report every year in order to foster a deeper understanding among investors and all of its stakeholders regarding the Company's initiatives toward sustainable corporate value enhancement.

With a focus on the value creation process that has remained unchanged since the Company's founding, *DENSO Integrated Report 2023* includes specific information on the strategies and initiatives DENSO is pursuing toward "green" and "peace of mind" with the aim of realizing its Long-term Policy for 2030, as well as financial strategies that underpin these strategies and initiatives, and efforts to strengthen its non-financial capital, a topic that has garnered a great deal of attention in recent years. We hope that this report demonstrates to readers the fact that DENSO is a company that maintains a consistent set of beliefs, from the past to the present and into the future, and that resolves social issues through the use of technology.

Going forward, DENSO will continue its efforts to disclose accurate information to its stakeholders in a timely manner and actively engage in dialogue with them. We would like to ask for the candid opinions and requests of our stakeholders regarding this report so that it may serve as a more effective communication tool for the co-creation of corporate value.

Lastly, I would like to assure the readers that the creation process for this report was done in an appropriate fashion.



**Yasushi Matsui**  
Chief Financial Officer  
Executive Vice President  
Representative Member  
of the Board

### Editorial Policy

In addition to providing financial information, such as results and sales overviews as well as management strategy, *DENSO Integrated Report 2023* is edited as an integrated report that reports, in an easily understood manner, on what value DENSO is providing society and on the process of improving that corporate value. This we achieved by introducing, in an integrated manner, information of a non-financial nature on intangible assets, including on the environment, society and governance (ESG), that are seen as the foundation underpinning growth.

DENSO creates long-term corporate value for all of its stakeholders, including shareholders and other investors, and would appreciate their understanding of the efforts the Company is making in aiming to realize a sustainable society.

In compiling this report, references have been made to the Integrated Reporting Framework that is proposed by the International Financial Reporting Standards (IFRS) Foundation, the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation, formulated by the Ministry of Economy, Trade and Industry, and the Governance Guidelines on Intellectual Capital and Intangible Assets, formulated by Japan's Cabinet Office. In addition, with regard to social reporting and the environment, please refer to the "Sustainability" section of the Company's website.



### Scope of Report

Target Organization	DENSO CORPORATION and the DENSO Group (In this report, DENSO CORPORATION refers to DENSO on a non-consolidated basis.)
Reporting Period	This report covers the activities of the DENSO Group during fiscal 2023 (April 1, 2022 to March 31, 2023). Certain parts of this report include content on the Group's activities from April 2023 onward.
Target Audience	All stakeholders involved with the DENSO Group

### Cautionary Note: Forward-Looking Statements

Of the content published in this report, what is not historical fact comprises future predictions based on expectations or on plans for the future. As they include contributory factors, such as risks and uncertain elements, the possibility exists that actual achievements and results may differ materially from this report.

### Terminology Used in DENSO Integrated Report 2023

ICE: Internal combustion engine  
BEV: Battery electric vehicle  
HEV: Hybrid electric vehicle  
PHEV: Plug-in hybrid electric vehicle  
FCEV: Fuel-cell electric vehicle  
CASE vehicles: Connected, autonomous, shared & service, and electric vehicles  
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### About the Cover of DENSO Integrated Report 2023

The cover of this report uses DENSO original design element "D-cross" to express the Company's passion and devotion to new value creation, which it has consistently maintained since its founding. By emphasizing crossing lines, the cover conveys DENSO's unchanging stance of contributing to society in order to deliver happiness to people and ensure a better tomorrow.

### Positioning of Integrated Report



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## Topics of DENSO Integrated Report 2023

### Themes of DENSO Integrated Report 2023

*DENSO Integrated Report 2023* comprises sections on the progress of DENSO's strategies, centered on the Mid-term Policy for 2025, and the pathway for their achievement under a new management structure. It also features sections on business and capital strategies, aimed at realizing DENSO's overall strategies, and corporate governance, which underpins the Company's corporate activities.

With a focus on DENSO Culture, which was covered in *DENSO Integrated Report 2022*, this report depicts DENSO's value creation story as the Company enters the period of its second founding with a continuous awareness of its past, present, and future. In addition, the report explains DENSO's belief that non-financial capital, such as human capital and intellectual capital, can provide a genuine competitive advantage over the medium to long term. It also explains the relationship between non-financial capital and financial value and provides information on the Company's strategies toward each capital.

### New Content

#### P4-5 At a Glance

This section summarizes DENSO's business scale, product line-ups, and the value the Company offers to society in an easy-to-understand manner to give readers an overview of DENSO at a glance.

#### P26-27 Our Accumulated Capitals

This section explains DENSO's specific efforts for strengthening each of its capitals to show how they lead to the realization of business growth and the resolution of social issues.

#### P28-29 Tradition of Sustainability Management

This section covers the sustainability management that DENSO has been implementing since its founding. Through explanations on promotion structure, specific examples, and messages from employees, this section provides an overview of how DENSO carries out its sustainability management.

#### P50-51 Business Analysis

This section provides a close-up on specific initiatives toward enhancing the competitiveness of each business—a topic that is often the focus of our stakeholders—via a Q&A format.

### Utilization of Dialogue and Feedback Received

We actively promote dialogue with our stakeholders using our integrated reports. We make concerted efforts to reflect stakeholder opinions and requests in the integrated report for the next fiscal year, to the greatest extent possible. In addition, we view our employees as important stakeholders and therefore are working to enhance each employee's awareness of corporate value by making use of our integrated reports.

### Overall Layout of DENSO Integrated Report 2023

This integrated report is edited based on the layout explained in the chart below. This layout is used to better explain DENSO's value creation story.

The aim of *DENSO Integrated Report 2023* is to have the reader gain a deep understanding of DENSO's value creation process while promoting an opportunity for dialogue. Throughout the entirety of this booklet, we have created a story line that comprehensively communicates our value creation process while encompassing crucial elements that help the reader understand this process (management philosophy, strategy, governance, etc.) and while referencing the Guidance for Collaborative Value Creation. The chart below shows the logical layout of these crucial elements based on the story line we have created. Additionally, we have listed keywords affiliated with each element so that readers can easily access the information they wish to know.



Meaningful Dialogue and Engagement

In addition to holding dialogue with our external stakeholders, we promote the internal utilization of our integrated reports to boost the motivation of our roughly 170,000 global employees toward corporate value creation.