

## May 26, 2021 DENSO DIALOG DAY 2021 CEO Speech

Hello everyone, this is Koji Arima, CEO of DENSO Corporation. Thank you for joining "DENSO DIALOG DAY" today and I would like to say thank you for your continuous support.

Our executives and I will talk about our strategies and our thoughts at this Dialog Day. We want you to get to know DENSO better. Since we want to prevent the infection of COVID-19, we hold this event online.

Today, we will share with you our strategies, the value which we want to deliver to society and what we will do to achieve our vision.

Then, we will have a dialog session. We look toward to hearing your interests and expectations of DENSO and to talking with you.

First, I will talk about the environment surrounding DENSO and our future management policy.

First, I look back briefly at the fiscal year 2020.

It was a difficult year, with many crises such as COVID-19 and natural disasters. It was because of our customers, suppliers and stakeholders' support, which we were able to maintain our production activities and continue to supply our products. Many people supported our company's business and the value we added to each car and each part. Once again, I would like to thank you from the bottom of my heart.

In addition, last year was a year in which I became aware of the importance of crisis management.

We have worked hard together with our partners to cope with repeated supply crisis. We benefited from many cases from past experiences, such as the Great East Japan Earthquake.

I think that quick cooperation and quick initial response with partners that experienced the earthquake in 2011 were one of the reasons for minimizing damage and early recovery for last fiscal year.

The experience in 2020 is also an important lesson for our future. Based on the premise that another crisis will surely come, we position crisis management as one of our most important issues and will strengthen initiatives such as understanding signs and initial response training.

Last year I also saw a significant change in the world's values.

Because of COVID-19, lifestyle, our way of working, and communication styles have changed dramatically. We have begun to reconsider the value of work, the value of interacting with people, and the value of transportation.

And the pursuit of carbon neutrality is rapidly and dramatically changing the value of business and consumption.

From now on, not only is the product itself environmentally friendly, but the process of manufacturing, transporting, and disposing of the product must be clean. This will be a precondition for good products and the premise of transactions.

What was thought to be valuable until now will be reviewed with the new measure of carbon neutrality, and the standards for products that people buy and companies that people choose will change drastically.

We have focused on the field of mobility and excel at manufacturing. But now, we need to extend to other areas beyond the development of automotive products, to areas we have never done.

In other words, I think that DENSO needs to consider what value we can add through our existence.

Through our activities, Reborn 21, which we started last year, we have been reaffirming our vision, "Bringing hope for the future for our planet, society and all people". Last year, I concentrated on strengthening our corporate structure and laying the groundwork for our transformation into such a company. This year, I would like to mark the beginning of a new DENSO.

Focusing on green and peace of mind, which we have been working on for a long time, we will expand our business areas in which our company contributes, from mobility and manufacturing to society, and strive to create new choices and new values that will be useful to as many customers as possible.

As for green, we will achieve zero CO<sub>2</sub> and open doors to new possibilities with DENSO's unique technologies and skills, challenging the first technologies in the world and industry. There are several options for achieving carbon neutrality, and I believe it is necessary to respond to diverse needs and solutions, such as differences in power and fuel such as hydrogen engines and e-fuels, BEVs, HEVs, PHEVs and FCEVs, and differences in applications and sizes, such as passenger and commercial vehicles, and heavy trucks and light trucks.

Our company will accelerate the development of technologies to expand the range of options, working in collaboration with customers and supply chains to contribute to the realization of a carbon-neutral society in a wide range of areas, including CO<sub>2</sub> reduction through mobility products, zero CO<sub>2</sub> emissions through manufacturing, and zero CO<sub>2</sub> emissions through energy use in daily life.

In terms of peace of mind, we believe it is extremely important to spread the word to achieve zero traffic accidents.

In addition to equipping new vehicles with advanced safety systems, we are also working to improve the safety performance of vehicles on the roads. That way we can offer more options to respond to differences in the global automobile market and traffic infrastructure.

Global new car sales in 2019, before COVID-19 were approximately 90 million vehicles. But we have more than 1.4 billion vehicles in the world. The impact of installing a safety device in vehicle on roads and making these vehicles carbon neutral, is immeasurable.

We feel obligated to contribute to these mobility areas.

In addition, in order to contribute to society not only by mobility but also by society-related activities, community development and agricultural support, we will strive to create new value through "non- DENSO" businesses.

To adapt to different social problems in different regions, not just DENSO, but also community-based partners such as service shops, repair shops need to work closely. With the partners, we would like to create new solutions leveraging our company's strengths in the trinity of mechanics, electronics, and software.

As greening and digitization accelerate, we are committed to building a people-centered sustainable society.

I would like to boldly take on a completely new approach that DENSO has never done before to contribute to new businesses and new customers.

"Non- DENSO" still means that we are committed to our responsibilities.

To make people and society happy through our "green" and "peace of mind, we do not want to narrow the choices that DENSO can contribute.

As a new DENSO that covers a wide range of areas from mobility to manufacturing and society, I hope to contribute to the happiness of people and society by delivering value with impact that resonates with society.

Next, I would like to share DENSO's unique contribution to society and our specific strategies.

Shinohara will explain green,

Kato will explain peace of mind,

Hayashi will explain software,

And Matsui will explain the financial situation.

The dialogue session with all of you will be arranged after the presentation.

Let's start with green strategy.

Shinohara will explain it.