

2 Mid-term Policy for 2025

After implementing various strategies and rebuilding our corporate foundation through efforts such as “Reborn21,” we find ourselves at a new starting line. From fiscal 2023, we will aim to become a company that is indispensable to society while cherishing the DENSO Culture that we have cultivated since our founding. To that end, we will strive to resolve social issues by creating value that is uniquely DENSO and in turn realizing business growth. To serve as a guideline for our 170,000 employees to achieve these aims, we have established the new Mid-term Policy for 2025.

Prerequisites for Realizing the Goals of the Mid-term Policy for 2025

We aim to continue to be an organization of people who can think and act in an independent and self-reliant manner. Accordingly, we are prioritizing investment in human resources and strongly promoting *Hitozukuri*, which nurtures professionals with the ability to turn ideas into reality, and diversity and inclusion. Through such efforts we are working to establish a vibrant organization that is able to flexibly adapt to change.

Five Pillars of Global Management

1. Establish a Solid, Unshakable Business Foundation Financial Capital, Risk Management [P57-64, 114-115](#)

Main Initiatives to Realize This Goal

Safety and Quality	Establish a sound safety and quality foundation that meets the expectations of society and earns the trust of our customers
Risk Management	Fulfill social responsibility by enhancing and implementing risk management initiatives so that we are able to immediately respond to changes in the external environment
Earnings	Establish a robust earnings structure by promoting reforms to our business portfolio

2. Transform Workstyles through Digitalization with the Aim of Realizing World-First and World-Best Offerings Manufacturing Capital, Intellectual Capital [P68-71](#)

Main Initiatives to Realize This Goal

1	Swiftly provide our stakeholders with the best possible value and experiences by maximizing our performance through the Core & Customization Strategy and data utilization
2	Pursue competitive reorganization of production structure, implement digital-twin technologies, and promote automation, thereby transforming the landscape of our plants around the globe

3. Transform Business Structure by Achieving Growth and Promoting De-emphasis and Discontinuation in Collaboration with the Industry and Our Business Partners Manufacturing Capital, Intellectual Capital, and Overview by Product [P57-64, 70-71, 81-97](#)

Main Initiatives to Realize This Goal

1	Rebuild core businesses and transition business portfolio toward BEV products
2	Accelerate efforts to de-emphasize and discontinue internal combustion technology and commercialize new energy businesses, thereby contributing to the realization of the DENSO Philosophy (carbon neutrality)
3	Promptly establish a structure for electrification that enables a flexible response to diversifying customers' needs and realize steady sales expansion and growth
4	Fully strengthen electronic and software technologies in an effort to contribute to the ideals of green and peace of mind and realize business growth

4. Lead the Industry in Becoming Carbon Neutral Strategies for Green and Peace of Mind [P50-55](#)

Main Initiatives to Realize This Goal

1	Transition to globally competitive, carbon-neutral plants through the utilization of innovative energy-saving technologies
2	Realize stable long-term procurement of renewable energy at a low cost
3	Develop energy businesses together with robust business partners

CONTENTS	PROLOGUE	CEO MESSAGE	DENSO's Value Creation Story	Growth Strategy	Foundation for Creating New Value	Overview by Product	Corporate Governance	Corporate Data
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5. Achieve Business Growth through the Provision of Products and Solutions in New Fields

Materiality, Intellectual Capital [P40-41, 70-71](#)

Main Initiatives to Realize This Goal

1	Promote the development and practical application of cutting-edge technologies that underpin the digital-twin society
2	Create new value by further refining and combining our technologies while establishing growth scenarios based on popularizing our technologies throughout society
3	Establish efficient and flexible workstyles that cater to new business models and establish non-financial KPIs



Aim

By promoting efforts toward the five pillars of global management through the collective wisdom and strengths of our 170,000 employees around the world, we have established various aims for DENSO going forward.

Green	Lead the industry by realizing an environmentally neutral manufacturing industry, thereby creating a sustainable society		Mobility products Energy use Carbon neutral by 2035 Products: 50% reduction in CO ₂ emissions compared with fiscal 2021 Energy use: 50% reduction in CO ₂ emissions compared with fiscal 2021 <small>Base value: CO₂ emissions from mobility products in fiscal 2021</small>
			<i>Monozukuri</i> Carbon neutral without the use of carbon credits by 2035 (Carbon neutral with the use of carbon credits by 2025)
Peace of Mind	Safety	Realize a society without fatalities from traffic accidents	Eliminate fatalities from traffic accidents
	Comfort	Realize safe and secure air quality	Provide spaces with AQI* of less than 50 by 2025
New Businesses	Create new value by providing solutions that resolve social issues		Expand business and resolve issues in the domains of mobility, industry, and society

* Air Quality Index (AQI): An index that determines air quality levels based on six atmospheric pollutants with the aim of curtailing harmful substances in the air

Important Milestones for Realizing Our Aims (Fiscal 2026)

ROE: **10% or higher** Operating margin: **10%** Revenue: **¥6.7 trillion**
 Revenue in the electrification domain: **¥1 trillion**
 Revenue in the ADAS domain: **¥500.0 billion**