

DENSO
Crafting the Core

NOTICE OF THE 101ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date: 10 a.m., Thursday, June 20, 2024

Place: Head Office, DENSO CORPORATION
1-1, Showa-cho, Kariya, Aichi, Japan

Stock Code: 6902
DENSO CORPORATION

The DENSO Creed

“Be trustworthy and responsible.”

“Cherish modesty, sincerity, and cooperation.”

“Be pioneering, innovative, and creative.”

“Provide quality products and services.”

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With the implementation of the system for electronic provision under the revised Companies Act, we have simplified the notice, taking into consideration the reduction of environmental burden by saving paper resources and other factors. Please refer to the website provided in this notice for the materials for general meetings of shareholders that were previously sent to you in writing.

Message from the President

I am deeply grateful for the support we have received from all our shareholders.

I would first like to express my sincere regret to automobile owners, automakers, and our shareholders for concerns and inconveniences in connection with recalls of fuel pumps that automakers have issued since March 2020. Led by our slogan of “DENSO Quality First” and our management philosophy of making quality our highest priority, we have gained the trust of our customers and grown on that trust. We seriously take this as a quality issue that could shake the very foundation of the trust we have developed through many years. The entire DENSO remains united to go back to its origin of Quality First and to regain the trust and confidence of customers.

We have provided society with valuable products and services, supporting the evolution of automobiles through both our technologies and manufacturing capabilities. Meanwhile, in recent years, carbon neutrality, the circular economy, and other challenges are making social issues more complex. We believe that our mission is to broaden our perspective from automobiles to society as a whole and leverage the strengths we have developed through the manufacture of automotive components to tackle these increasingly complex social issues. Turning our eyes toward people and organizations, we also see that we have entered an era in which individuals pursue greater engagement and seek to develop their careers. As companies are in intense competition in the increasingly competitive global business environment, the organizational capability developed by people and organizations is playing more than ever an important role in determining success or failure of a company. We have created a corporate culture in which the engagement and the career path of each of our employees are respected—a culture that brings out the power of individuals to their fullest. These individuals engage in free and frank discussions, maximizing the performance of the organization as a whole. We have fostered this corporate culture since DENSO was founded, and it is precisely because we find ourselves in the midst of this era of great change that we must focus again on this founding spirit and further evolve it as our corporate culture. Let us expand our scope from automobiles to the mobility society, bringing people happiness by solving the increasingly complex problems of society. This will motivate and make our employees feel happier. I will manage our company with our sights set on making DENSO one that connects society and our employees with happiness.

I would like to express my sincere gratitude to our shareholders for their continued support.

May 2024

President & CEO
Shinnosuke Hayashi

(TRANSLATION ONLY)

Stock Code: 6902

May 22, 2024

(Start date of electronic provision measures: May 13, 2024)

To Those Shareholders with Voting Rights

Shinnosuke Hayashi
President & CEO
DENSO CORPORATION
1-1, Showa-cho, Kariya, Aichi, Japan

**NOTICE OF THE 101ST ORDINARY GENERAL MEETING OF
SHAREHOLDERS**

We hereby inform you of the 101st Ordinary General Meeting of Shareholders of DENSO CORPORATION (the “Company”) to be held as follows, looking forward for your attendance.

In convening this General Meeting of Shareholders, the Company has taken the measures for electronic provision and has posted the matters to be provided electronically as the NOTICE OF THE 101ST ORDINARY GENERAL MEETING OF SHAREHOLDERS and OTHER ITEMS PROVIDED ELECTRONICALLY FOR NOTICE OF THE 101ST ORDINARY GENERAL MEETING OF SHAREHOLDERS on the Company’s website.

Our website

<https://www.denso.com/global/en/about-us/investors/stockholder/stockholder-meeting/>

The matters to be provided electronically are also posted on the website of the Tokyo Stock Exchange (TSE), in addition to the above website. Please access the TSE website (Listed Company Search), enter and search for the issue name (DENSO) or securities code (6902), and select “Basic Information” and “Documents for public inspection/PR information” to confirm the information.

TSE website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do>

If you are unable to attend the meeting, you may exercise your voting rights via the Internet or in writing. Please read the attached REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS and exercise your voting rights before 5:40 p.m. on Wednesday, June 19, 2024.

1. Date: 10 a.m., Thursday, June 20, 2024

2. Place: Head Office, DENSO CORPORATION
1-1, Showa-cho, Kariya, Aichi, Japan

3. Objectives of the Meeting:

Reports:

- (1) Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 101st Fiscal Term (from April 1, 2023, to March 31, 2024)**
- (2) Non-Consolidated Financial Statements for the 101st Fiscal Term (from April 1, 2023, to March 31, 2024)**

Agenda:

Proposal No. 1: Election of Eight (8) Members of the Board due to the Expiration of the Term of Office of All the Current Members of the Board

Proposal No. 2: Election of One (1) Substitute Audit & Supervisory Board Member

Proposal No. 3: Revision of Amount of Compensation for Granting Restricted Shares to Members of the Board (Excluding Non-executive Members of the Board and Outside Members of the Board)

● Of the matters to be provided electronically, the following items are not included in the documents to be delivered to shareholders who have requested the delivery of written documents in accordance with laws and regulations, and the Company's Articles of Incorporation. The Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to audit, including the following items.

Business Report: Employees within the Group, Major Lenders, Principal Offices and Plants, Status of Accounting Auditor, Summary of the Systems and of Operational Status thereof to Ensure the Propriety of Business Operations

Consolidated Financial Statements: The Consolidated Statement of Changes in Equity, The Notes to the Consolidated Financial Statements

Non-Consolidated Financial Statements: The Non-Consolidated Statement of Changes in Equity, the Notes to the Non-Consolidated Financial Statements

● If you exercise your voting rights both via the Internet and in writing, the vote exercised via the Internet shall be treated as valid. If you exercise your voting rights more than once via the Internet, the last exercise of your voting rights shall be deemed valid.

● If you do not indicate your approval or disapproval of any of the proposals on the returned voting form, we will treat it as if you had indicated your approval.

● Any amendment to the matters to be provided electronically will be disclosed on each website above.

● The Notice of the Resolutions regarding the Proposals approved by the Meeting will be posted on our website after the conclusion of the Meeting.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Guide to Exercising Voting Rights

If you are attending the Meeting:

Date and time of the Meeting: 10 a.m., June 20, 2024

Internet:

Deadline for exercising voting rights: Until 5:40 p.m., June 19, 2024

Mailing:

Deadline for exercising voting rights: Must be received by 5:40 p.m., June 19, 2024

If you exercise your voting rights using a smartphone, **you do not need to input “Login ID” and “Temporary Password.”**

If you use the “*Net de Shoshu* (online convocation)” app, it is easy to scan a QR code.

A QR code scanner is in place for smooth QR code scanning.

Points to consider when attending the Meeting:

- Please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.
- As the entrance to the venue for the meeting will be crowded immediately before the meeting, please arrive early.
- A plant tour is scheduled to take place after the General Meeting of Shareholders. For details, please see the enclosed “Notice of Plant Tour.”

Acceptance of Questions in Advance

Questions regarding proposals for the General Meeting of Shareholders and the Company's management are accepted on the website.

We will respond to your questions on the day of the General Meeting of Shareholders regarding matters of great interest to shareholders. Please note that we will not be able to provide individual answers.

<How to submit questions in advance>

Entry deadline: Monday, June 10, 2024

1. Access the question form

Access via the following URL or QR code

<https://forms.office.com/r/6vjeVfUyUh>



2. Enter shareholder information

Enter "shareholder number (as shown on the voting form)" and your country of residence (registered address on the shareholder registry)

3. Enter your question

After entering your question, click "Submit"

(Please note that only one question per shareholder is allowed.)

Distribution of the Content of the Meeting in Later Days

A video of part of the Meeting will be made available on our website in later days.

The shareholders who were not able to attend the Meeting are cordially invited to watch the presentation.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and References

Proposal No. 1: Election of Eight (8) Members of the Board due to the Expiration of the Term of Office of All the Current Members of the Board

The terms of office of all the eight (8) current Members of the Board expire at the conclusion of this 101st Ordinary General Meeting of Shareholders. Accordingly, we hereby propose that you elect eight (8) Members of the Board.

The nominees for Members of the Board are as follows:

Nominee No.	Name		Current posts in the Company	Years of incumbency
1	Koji Arima	Reappointment	Chairman Member of the Board	9 years
2	Shinnosuke Hayashi	Reappointment	President & CEO Member of the Board	1 year
3	Yasushi Matsui	Reappointment	Executive Vice President Member of the Board	3 years
4	Yasuhiko Yamazaki	New appointment	Executive Vice President	-
5	Akio Toyoda	Reappointment	Member of the Board	5 years
6	Shigeki Kushida	Reappointment Outside Member of the Board Independent Director	Member of the Board	5 years
7	Yuko Mitsuya	Reappointment Outside Member of the Board Independent Director	Member of the Board	5 years
8	Joseph P. Schmelzeis, Jr.	Reappointment Outside Member of the Board Independent Director	Member of the Board	2 year

Election Policy and Procedure for Determining Nominees (Matters related to Proposals No. 1 and 2)

<Election Policy>

The composition of the Board of Directors reflects consideration of the balance of the board in terms of diversity (nationality, gender, etc.), experience, capabilities and specialties of the members so as to ensure accurate and swift decision-making for realization of the Company's long-term vision and stable corporate management.


Nominees for Members of the Board shall be persons who are well versed in the Company's business management and pressing issues and capable of contributing to formulation of business strategies for enhancing corporate value over the medium to long term and to accurate and effective management oversight.

Nominees for Audit & Supervisory Board Members shall be persons who have knowledge of business management, finances, accounting, and legal affairs and are capable of contributing to appropriate management audit.

<Determination Procedure>


The President & CEO and the Member of the Board responsible for executive assignment take the lead in selecting nominees for Members of the Board and nominees for Audit & Supervisory Board Members. They hear opinions from appropriate persons from various quarters and select persons who are suitable to serve as Members of the Board or as Audit & Supervisory Board Members by comprehensively taking into account their past records, personality, insights and other factors. The "Executive Nomination and Remuneration Council," a body where an independent Outside Member of the Board serves as chairperson and the majority of the members are independent Outside Members of the Board, draw up the draft of nominees for the current year.

The draft of appointments is determined after deliberations at a general meeting of shareholders taking into account the resolution on informal appointment at the Board of Directors. For the draft of appointments for Audit & Supervisory Board Members, an approval of the Audit & Supervisory Board shall be additionally obtained.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations		Number of Company's shares owned
1	 <p>Koji Arima (February 23, 1958) 66 years old Male</p> <p>Reappointment</p>	<p>Chairman, Member of the Board</p> <p>Chairman of the Board of Directors</p> <p>[Incumbency] 9 years</p> <p>Attendance at Board of Directors meetings 13/13 (100%)</p>	<p>April 1981 Joined DENSO CORPORATION</p> <p>June 2008 Executive Director, DENSO CORPORATION</p> <p>June 2014 Senior Executive Director, DENSO CORPORATION</p> <p>June 2015 President & CEO, DENSO CORPORATION</p> <p>June 2023 Chairman, DENSO CORPORATION (current position)</p>	<p>[Important posts concurrently held at other corporations] Chairman, Japan Auto Parts Industries Association (scheduled to retire in May 2024)</p>	167,540 Shares

Reason for having appointed him as a Member of the Board

Since assuming the position as President & CEO in June 2015, Koji Arima formulated and implemented medium- to long-term policies and strategies that the Company should pursue amid a once-in-a-century period of great transformation in the car industry, while laying the foundation for the Company to deliver new value to society into the future, including establishing a stable business foundation. Furthermore, he has been in charge of management oversight as Chairman of the Board of Directors while supporting the new President as Chairman from June 2023. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will promote further improvement of the Company's governance by utilizing his wealth of experience in management and his broad perspective of the overall industry as Chairman of the Japan Auto Parts Industries Association.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
2	 Shinnosuke Hayashi (January 15, 1964) 60 years old Male <div style="background-color: #f08080; padding: 2px; display: inline-block;">Reappointment</div>	President & CEO, Member of the Board CEO (Chief Executive Officer) [Incumbency] 1 year Attendance at Board of Directors meetings 10/10 (100%)	April 1986 Joined DENSO CORPORATION June 2015 Executive Director, DENSO CORPORATION January 2021 Senior Executive Officer, DENSO CORPORATION June 2023 President, DENSO CORPORATION (current position)	19,976 shares

Reason for having appointed him as a Member of the Board

After joining the Company, Shinnosuke Hayashi engaged in the electronics business and served as CSwO (Chief Software Officer) and was in charge of the mobility electronics business before assuming his current position of President in June 2023. In order for the Company to continue creating new value and strongly survive an era of change, he has been practicing “management that values people” mainly by promoting the creation of a corporate culture that enables our diverse people, the Company’s greatest strength, to demonstrate their abilities to the fullest. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will demonstrate a high level of insight as a business manager and excellent leadership that draws on the strengths of diverse human resources to promote the creation of new value amid the evolution of mobility.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations		Number of Company's shares owned
3	 <p>Yasushi Matsui (July 3, 1964) 59 years old Male</p> <p>Reappointment</p>	<p>Executive Vice President, Member of the Board</p> <p>Assistant to the President; CRO (Chief Risk Officer); CCO (Chief Compliance Officer); CFO (Chief Financial Officer); Corporate Strategy Center</p> <p>[Incumbency] 3 years</p> <p>Attendance at Board of Directors meetings 13/13 (100%)</p>	<p>April 1987 Joined DENSO CORPORATION</p> <p>June 2014 Executive Director, DENSO CORPORATION</p> <p>April 2019 Senior Executive Officer, DENSO CORPORATION</p> <p>June 2021 Member of the Board, Senior Executive Officer, DENSO CORPORATION</p> <p>June 2023 Executive Vice President, DENSO CORPORATION (current position)</p>	<p>[Important posts concurrently held at other corporations] Audit & Supervisory Board Member, BluE Nexus Corporation Outside Audit & Supervisory Board Member, JTEKT Corporation</p>	32,772 shares


Reason for having appointed him as a Member of the Board

After joining the Company, Yasushi Matsui engaged in the thermal systems business and the electrification business. He was in charge of the purchasing department from June 2014 and currently serves as CRO (Chief Risk Officer), CCO (Chief Compliance Officer), CFO (Chief Financial Officer), and the Head of the Corporate Strategy Center. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will lead corporate and financial strategies, which will be the foundation of corporate growth, by utilizing his broad perspective and foresight gained through his wide-ranging experience in functional and operating departments and at an overseas site.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations		Number of Company's shares owned
4	 Yasuhiko Yamazaki (November 14, 1963) 60 years old Male <div style="background-color: #00AEEF; color: white; padding: 2px; display: inline-block;">New appointment</div>	Executive Vice President Assistant to the President; CIO (Chief Innovation Officer); CQO (Chief Quality Officer); CHRO (Chief Human Resources Officer); General Administration & Human Resources Center	April 1986 June 2014 April 2019 January 2024	Joined DENSO CORPORATION Executive Director, DENSO CORPORATION Senior Executive Officer, DENSO CORPORATION Executive Vice President, DENSO CORPORATION (current position)	25,444 shares


Reason for having appointed him as a Member of the Board

After joining the Company, Yasuhiko Yamazaki served as President of the Company's Spanish subsidiary and was in charge of production promotion departments before being placed in charge of the thermal systems business in January 2021. He currently serves as CIO (Chief Innovation Officer), CQO (Chief Quality Officer), CHRO (Chief Human Resources Officer), and is in charge of General Administration & Human Resources Center. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will promote enhancement of technological development capability to realize a future mobility society and human resource development to support such effort by utilizing his profound knowledge in technology and manufacturing.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
5	 Akio Toyoda (May 3, 1956) 68 years old Male <div style="background-color: #f08080; padding: 2px; display: inline-block;">Reappointment</div>	Member of the Board [Incumbency] 5 years Attendance at Board of Directors meetings 11/13 (85%)	April 1984 Joined Toyota Motor Corporation June 2000 Member of the Board of Directors, Toyota Motor Corporation June 2002 Managing Director, Toyota Motor Corporation June 2003 Senior Managing Director, Toyota Motor Corporation June 2005 Executive Vice President, Toyota Motor Corporation Outside Member of the Audit & Supervisory Board, Koyo Seiko Co., Ltd. (currently, JTEKT Corporation) June 2006 Outside Audit & Supervisory Board Member, TOYOTA BOSHOKU CORPORATION June 2009 President, Toyota Motor Corporation May 2018 Chairman, Japan Automobile Manufacturers Association, Inc. June 2019 Member of the Board, DENSO CORPORATION (current position) April 2023 Chairman of the Board of Directors, Toyota Motor Corporation (current position)	200,000 shares
			[Important posts concurrently held at other corporations] Chairman of the Board of Directors, Toyota Motor Corporation Director, HAMANAKODENSO CO., LTD.	


Reason for having appointed him as a Member of the Board

Akio Toyoda is an unchallenged industry leader representing the car industry who currently serves as Chairman of the Board of Directors, Toyota Motor Corporation and served as Chairman, Japan Automobile Manufacturers Association, Inc., and is driving creation of a next-generation mobility society. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will provide a wide range of advice and suggestions about the Company's management and supervise the Company's overall management from a broader perspective taking a wide view of the overall car industry.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
6	 <p>Shigeki Kushida (June 8, 1958) 66 years old Male</p> <p>Reappointment</p> <p>Outside</p> <p>Independent</p>	<p>Member of the Board</p> <p>[Incumbency] 5 years</p> <p>Attendance at Board of Directors meetings 13/13 (100%)</p>	<p>April 1981 Joined Bank of Japan</p> <p>May 2004 Branch Manager, Kochi Branch, Bank of Japan</p> <p>March 2009 Director-General, Personnel and Corporate Affairs Department, Bank of Japan</p> <p>June 2010 Director-General, Planning Department, Bank of Japan</p> <p>May 2011 Branch Manager, Nagoya Branch, Bank of Japan</p> <p>March 2013 Executive Director, Bank of Japan Entrusted Branch Manager, Nagoya Branch and Osaka Branch, Bank of Japan</p> <p>April 2017 Senior Advisor, American Family Life Assurance Company (currently, Aflac Life Insurance Japan Ltd.)</p> <p>June 2019 Director, Representative Executive Officer & President, Japan Securities Finance Co., Ltd. (current position) Outside Member of the Board, DENSO CORPORATION (current position)</p> <p>[Important posts concurrently held at other corporations] Director, Representative Executive Officer & President, Japan Securities Finance Co., Ltd.</p>	7,500 shares


Reason for having appointed him as an Outside Member of the Board and expected roles

Shigeki Kushida has the experience of having led diverse activities toward the development and stability of the Japanese economy at Japan's central bank, which plays a core function in the Japanese economy, by filling the posts of Director-General and Executive Director, Bank of Japan. At the Company, he has contributed to enhancing transparency and objectivity in the nomination and remuneration field, which is the essence of governance, as the Chair of the Executive Nomination and Remuneration Council since January 2020. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will supervise the Company's overall management utilizing his broad expertise in global monetary economy.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
7	 <p>Yuko Mitsuya (July 29, 1958) 65 years old Female</p> <p>Reappointment</p> <p>Outside</p> <p>Independent</p>	<p>Member of the Board</p> <p>[Incumbency] 5years</p> <p>Attendance at Board of Directors meetings 12/13 (92%)</p>	<p>April 1981 Joined Hitachi, Ltd.</p> <p>July 2010 Representative Director, Cipher Co., Ltd.</p> <p>March 2014 Outside Audit & Supervisory Board Member, ASICS Corporation</p> <p>March 2015 Outside Director, Fujita Kanko Inc.</p> <p>April 2015 Outside Director, Paloma Co., Ltd.</p> <p>June 2016 President, Japan Basketball Association (current position)</p> <p>March 2018 Representative Director, SORA Corporation (currently, PIT Co' Limited) (current position)</p> <p>June 2018 Outside Director, The Fukui Bank, Ltd.</p> <p>June 2019 Outside Director (Audit and Supervisory Committee Member), JXTG Holdings, Inc. (currently, ENEOS Holdings, Inc.) (current position)</p> <p> Outside Member of the Board, DENSO CORPORATION (current position)</p> <p>June 2021 Vice President, Japanese Olympic Committee (current position)</p> <p>June 2023 Outside Director, Japan Airlines Co., Ltd. (current position)</p> <p>[Important posts concurrently held at other corporations]</p> <p>Representative Director, PIT Co' Limited</p> <p>Outside Director (Audit and Supervisory Committee Member), ENEOS Holdings, Inc.</p> <p>Outside Director, Japan Airlines Co., Ltd.</p> <p>President, Japan Basketball Association</p> <p>Vice President, Japanese Olympic Committee</p>	2,600 shares

Reason for having appointed her as an Outside Member of the Board and expected roles

Yuko Mitsuya has abundant experience and knowledge in many fields, having long been in management at several corporations and associations, filling the posts of officer and committee member at several sports associations such as Vice President of the Japanese Olympic Committee (current position), and being engaged in education and human resources development at a university and so forth. The Company has appointed her as a nominee for a Member of the Board in the expectation that she will supervise the Company's overall management utilizing her abundant expertise in corporate management and human resources development.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
8	 <p>Joseph P. Schmelzeis, Jr. (November 2, 1962) 61 years old Male</p> <p>Reappointment</p> <p>Outside</p> <p>Independent</p>	<p>Member of the Board</p> <p>[Incumbency] 2 years</p> <p>Attendance at Board of Directors meetings 13/13 (100%)</p>	<p>July 1984 Joined Bain & Company</p> <p>July 1988 Vice President, American Express International</p> <p>April 1998 Chief Operating Officer, Fontworks International</p> <p>December 1999 Interim CEO, Crimson Ventures</p> <p>November 2001 Representative Director, JPS International, Inc. (current position)</p> <p>June 2011 Corporate Director, Division Manager, SEGA CORPORATION</p> <p>June 2015 Senior Advisor, SEGA SAMMY HOLDINGS INC.</p> <p>February 2018 Senior Advisor to the Ambassador, U.S. Embassy in Tokyo</p> <p>March 2021 Executive Manager, Cedarfield Godo Kaisha (current position)</p> <p>June 2022 Outside Member of the Board, DENSO CORPORATION (current position)</p> <p>June 2023 Outside Director, Central Japan Railway Company (current position)</p> <p>Outside Director, Hitachi Construction Machinery Co., Ltd. (current position)</p> <p>[Important posts concurrently held at other corporations]</p> <p>Representative Director, JPS International, Inc.</p> <p>Executive Manager, Cedarfield Godo Kaisha</p> <p>Outside Director, Central Japan Railway Company</p> <p>Outside Director, Hitachi Construction Machinery Co., Ltd.</p>	1,800 shares

Reason for having appointed him as an Outside Member of the Board and expected roles

Joseph P. Schmelzeis, Jr. has a wealth of experience in management, particularly in the service industry, including SEGA CORPORATION, as well as in venture business startups and strategic consulting. He strove to strengthen the U.S.-Japan alliance as Senior Advisor to the Ambassador, U.S. Embassy in Tokyo from 2018. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will supervise the Company's overall management, utilizing mainly his abundant business experience as well as profound global knowledge, and knowledge of risk management related to geopolitics.

Notes:


1. Brief personal history and important posts concurrently held at other corporations of each nominee are as of the start date of the electronic provision measures.
2. The age and years of incumbency of each nominee are as of the conclusion of this 101st Ordinary General Meeting of Shareholders.
3. The Company conducted a four-for-one stock split of its common stock, effective on October 1, 2023. The number of Company's shares owned denotes the number of shares held after the stock split.
4. Toyota Motor Corporation, at which Akio Toyoda currently serves as Representative Director and the Company have transactions such as sales of products. Other nominees have no special interest in the Company unless stated otherwise in these notes.

5. Akio Toyoda is not an executive Member of the Board, but he does not satisfy the requirements of Outside Members of the Board (outside directors), as stipulated in Article 2, Paragraph 15, of the Companies Act, because he currently serves as Director, HAMANAKODENSO CO., LTD, which is a subsidiary of the Company.
6. The Company has entered into a liability limitation agreement with Akio Toyoda, which limits his liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the said Act.
7. Shigeki Kushida and Joseph P. Schmelzeis, Jr. have no special interest in the Group, and therefore the Company judges that no conflict of interests is likely to occur between them and general shareholders.
8. The Company has transactions with the Japan Basketball Association, where Yuko Mitsuya serves as the President, including receiving of subsidies for activities of the Company's female basketball team. However, in view of its scale (less than 0.01% of the Company's net sales) and nature, the Company judges that no conflict of interests is likely to occur between her and general shareholders.
9. Shigeki Kushida, Yuko Mitsuya and Joseph P. Schmelzeis, Jr. are the nominees for Outside Members of the Board (outside directors), as stipulated in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act. The matters related to the three persons are as follows:
 - (1) The Company has notified Tokyo Stock Exchange, Inc. (TSE), of the three persons as independent directors as per the TSE Regulations. The three persons satisfy the requirements of independent directors/auditors as per the TSE Regulations. Accordingly, if their election as Outside Members of the Board is approved at the Meeting, the Company intends to notify the TSE of such status as independent director for these nominees.
 - (2) The Company has entered into a liability limitation agreement with the three persons, which limits his/her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the said Act.
10. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1, of the Companies Act, with an insurance company. The insurance covers damages and litigation expenses in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a director or officer of the Company. The insurance premiums for all the insured are fully borne by the Company. If this proposal is approved and each nominee assumes office as Member of the Board, they will be included in the insured under the said insurance contract. During their term of office, the Company intends to renew the said insurance contract with the same content.

Proposal No. 2: Election of One (1) Substitute Audit & Supervisory Board Member

In case the number of Audit & Supervisory Board Members falls short of that required by laws and regulations, we hereby propose that you elect one (1) Substitute Audit & Supervisory Board Member.

If this proposal is approved, the nominee below will be a Substitute Audit & Supervisory Board Member for incumbent Outside Audit & Supervisory Board Members Yasuko Gotoh and Haruo Kitamura. If the nominee takes office of Audit & Supervisory Board Member replacing one of the members, the nominee will serve the remaining term of the incumbent member leaving the post before his/her full term of office expires, as provided for in the Company’s Articles of Incorporation. The Audit & Supervisory Board has given its prior consent to this proposal. The nominee for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company’s shares owned
 <p>Hiromi Kitagawa (November 4, 1962) 61 years old Female</p> <p>Reappointment Outside Independent</p>	—	<p>April 1996 Registered as a lawyer Joined Nankan Law Office (currently, GROWTH Legal Professional Corporation)</p> <p>July 2003 Partner lawyer, Nankan & Kitagawa (currently, GROWTH Legal Professional Corporation)</p> <p>April 2014 Director, Chubu Federation of Bar Associations</p> <p>April 2016 Vice Chairman, Aichi Bar Association</p> <p>April 2017 Professor, Nanzan Graduate School of Law (current position)</p> <p>April 2022 Representative Partner, GROWTH Legal Professional Corporation (current position)</p> <p>June 2022 Outside Director, Nippon Air Conditioning Services Co., Ltd. (current position)</p> <p>June 2023 Outside Director (Audit & Supervisory Committee Member), Ateam, Inc. (current position)</p> <p>[Important posts concurrently held at other corporations] Representative Partner, GROWTH Legal Professional Corporation Professor, Nanzan Graduate School of Law Outside Director, Nippon Air Conditioning Services Co., Ltd. Outside Director (Audit & Supervisory Committee Member), Ateam, Inc.</p>	0 shares

Reason for having appointed her as a Substitute Outside Audit & Supervisory Board Member

Hiromi Kitagawa has long and wide-ranging experience in the legal field, having filled the posts of Vice Chairman, Aichi Bar Association, and university professor in addition to her abundant career as a lawyer. She currently serves as Representative Partner, GROWTH Legal Professional Corporation, and Professor, Nanzan Graduate School of Law. The Company has appointed her as a nominee for a substitute Audit & Supervisory Board Member in the expectation that her abundant legal experience will be applied in the Company’s audits. Although she has never been in corporate management except as an outside officer in the past, the Company judges that she will appropriately execute her duties as an Audit & Supervisory Board Member of the Company because of the aforementioned grounds.

Notes:

1. Brief personal history and important posts concurrently held at other corporations of the nominee are as of the start date of the electronic provision measures.

2. The age of the nominee is as of the conclusion of this 101st Ordinary General Meeting of Shareholders.
3. The nominee has no special interest in the Company.
4. Hiromi Kitagawa is the nominee for an Outside Audit & Supervisory Board Member, as stipulated in Article 2, Paragraph 3, Item 8, of the Ordinance for Enforcement of the Companies Act. The matters related to this person are as follows:
 - (1) She satisfies the requirements of independent directors/auditors as per the TSE Regulations. Accordingly, if she assumes the post of Outside Audit & Supervisory Board Member, the Company intends to notify the TSE of such status as independent auditor for the nominee.
 - (2) If she assumes the post of Outside Audit & Supervisory Board Member, the Company intends to enter into a liability limitation agreement with her, which limits her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of said Act.
5. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1, of the Companies Act, with an insurance company. The insurance covers damages and litigation expenses in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a director or officer of the Company. The insurance premiums for all the insured are fully borne by the Company. If this proposal is approved and Hiromi Kitagawa assumes office as Audit & Supervisory Board Member, she will be included in the insured under the said insurance contract.

(Reference)

<Composition of the Audit & Supervisory Board>

There is no election of Audit & Supervisory Board Members at this General Meeting of Shareholders, as none of the incumbent Audit & Supervisory Board Members has completed his/her term office yet.

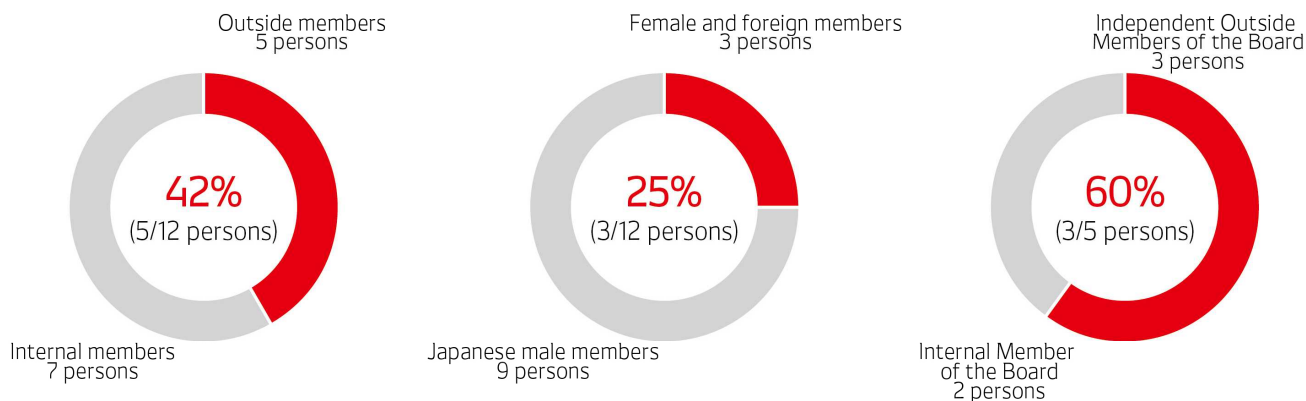
The current Audit & Supervisory Board Members are as follows:

Name		Current posts in the Company	Years of incumbency
Shingo Kuwamura	Incumbent	Standing Audit & Supervisory Board Member	3 years
Motomi Niwa	Incumbent	Standing Audit & Supervisory Board Member	6 years
Yasuko Gotoh	Incumbent Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Audit & Supervisory Board Member	5 years
Haruo Kitamura	Incumbent Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Audit & Supervisory Board Member	5 years

<Corporate Governance Highlight>

*If Proposal No. 1 is approved

Ratio of Outside Members to the Board of Directors and the Audit & Supervisory Board
 Diversity of the Board of Directors and of the Audit & Supervisory Board
 Composition of the Officer Nomination and Compensation Advisory Council



*Ratio of independent outside members to the Board of Directors: 38% (3/8 persons)

*The Officer Nomination and Compensation Council is chaired by an Independent Outside Member of the Board.

<Experience and Specialties of Members of the Board of Directors and Audit & Supervisory Board Members>

In the table below, up to five items out of the experience and specialties that the Company expects each member of the Board of Directors and Audit & Supervisory Board to demonstrate are marked.

*If Proposals No. 1 is approved

*The table does not represent all the experience and specialties of each person.

	Name		Gender	Corporate Management	Software / Digital	Marketing	Environment / Energy	Governance	Global	Finance / Accounting	HR	Technology Development	Production / Quality	Sales / Procurement
Members of the Board	Koji Arima		Male	•				•	•			•	•	
	Shinnosuke Hayashi		Male	•	•	•	•					•		
	Yasushi Matsui		Male	•					•	•				•
	Yasuhiko Yamazaki		Male	•			•				•	•	•	
	Akio Toyoda		Male	•	•	•	•					•		
	Shigeki Kushida	Outside Member of the Board Independent Director	Male	•				•			•			
	Yuko Mitsuya	Outside Member of the Board Independent Director	Female	•				•			•			
	Joseph P. Schmelzeis, Jr.	Outside Member of the Board Independent Director	Male	•				•	•					
Audit & Supervisory Board Members	Shingo Kuwamura		Male					•	•				•	
	Motomi Niwa		Male					•	•		•			
	Yasuko Gotoh	Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Female					•		•				
	Haruo Kitamura	Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Male					•		•				

■ Approach for the Selection of Experience and Specialties

Experience and specialties were selected based on the two perspectives: experience and specialties necessary to realize the Long-term Policy 2030 and experience and specialties required to underpin stable corporate management.

Realization of long-term vision	<ul style="list-style-type: none"> • Corporate management experience that enables anticipation of the future in uncertain and ambiguous times and the provision of recommendations on the course that the Company should pursue • Environment/energy and software/digital experience and specializations that enable maximization of the value of “green” and “peace of mind” as well as social contributions, including initiatives focused on realizing carbon neutrality and eliminating traffic accident fatalities • Marketing experience and specializations that enable correct understanding of market trends as well as social needs and expectations, which help in addressing not only mobility-related issues but also a wide range of other social issues
Underpinnings of stable corporate management	Governance, global, finance/accounting, human resources, technology development, production/quality, and sales/procurement experience and specializations that serve as foundations for DENSO’s sustained growth, regardless of the era or environment

Proposal No. 3: Revision of Amount of Compensation for Granting Restricted Shares to Members of the Board (Excluding Non-executive Members of the Board and Outside Members of the Board)

At the 97th Ordinary General Meeting of Shareholders held on June 19, 2020, it was resolved that the amount of cash compensation for Members of the Board of the Company shall be up to ¥1.0 billion per year (including compensation of up to ¥150 million per year for Outside Members of the Board), and the amount of compensation for granting restricted shares (hereinafter referred to as “share-based compensation”) shall be up to ¥200 million per year (the total number of common stock of the Company allotted to Members of the Board (excluding non-executive Members of the Board and Outside Members of the Board; hereinafter referred to as “Eligible Members of the Board”) shall be up to a total of 100,000 shares per year).

Regarding compensation for Members of the Board, we intend to realize a competitive level of compensation that is commensurate with the size and performance of the Company in the future, with an eye to ensuring the achievement of the 2025 Mid-term Policy and further growth toward 2030. As for share-based compensation, we have made revisions since the introduction of this system in June 2020, including expanding the ratio of share-based compensation in total compensation and strengthening the linkage with the performance of the Company and individuals, and we are planning to continue to revise the system going forward to further share value with shareholders. In this proposal, we propose to amend the total amount of share-based compensation and the total number of shares to be allotted as follows by comprehensively taking into consideration these circumstances. The total number of shares to be allotted reflects a four-for-one stock split of common stock effective on October 1, 2023, in addition to changes in the total amount of share-based compensation.

(Amended parts are underlined.)

	Current system	Proposed amendments
Total amount of share-based compensation	Up to <u>¥200 million</u> per year	Up to <u>¥1.5 billion</u> per year
Total number of shares to be allotted	Up to a total of <u>100,000</u> shares per year to Eligible Members of the Board	Up to a total of <u>3 million</u> shares per year to Eligible Members of the Board <u>(However, on or after June 20, 2024, in the event of a stock split (including a gratis allotment of the Company’s common stock) or a reverse stock split of the Company’s common stock, or if other events arise where it is necessary to adjust the total number of the Company’s common stock to be allotted as restricted shares, such total number of shares shall be adjusted within a reasonable range.)</u>

The Executive Nomination and Remuneration Council whose majority consists of Outside Members of the Board deliberates and decides on matters in this proposal from multifaceted perspectives, including consistency with the determination policy concerning remuneration, etc. for Members of the Board resolved by the Board of Directors of the Company, and we deem the contents of this proposal to be appropriate.

If Proposal No. 1 is approved as originally proposed, the number of Members of the Board will be eight (8) (including one (1) non-executive Members of the Board and three (3) Outside Members of the Board), and the number of Eligible Members of the Board will be four (4).

1. CURRENT SITUATION OF THE DENSO GROUP

(1) Process and Results of Operations of Our Group

1) Business environment

During the fiscal year ended March 31, 2024, the world economy showed a growth trend as the disruptions of economic activities caused by COVID-19 subsided overall, although China's economy slumped and there were slowdowns in emerging countries. Furthermore, global inflation continued to rise due to factors such as increased upward pressure on wages from the impact of a recovery in service demand. In addition, uncertainty regarding the outlook has increased, mainly due to the prolonged conflict in Ukraine and rising tensions in the Middle East. In the financial market, the depreciation of the yen was driven by interest rate hikes in Europe and the U.S. and Japan's monetary easing stance.

2) Summary of business

In the fiscal year ended March 31, 2024, in addition to the fact that the semiconductor shortage eased and vehicle production recovered, the progress of yen depreciation and strong sales expansion, especially in the focus area of electrification and safety and peace of mind products, caused revenue to increase year on year. Operating profit decreased year on year as warranty reserve was incurred, despite production volume increase, foreign exchange gains, and rationalization efforts. In accordance with the Tokyo Stock Exchange's call for companies to take action to realize management that is conscious of the cost of capital and share prices, we have reduced cross-shareholdings and are working to optimize inventories with the aim of increasing asset efficiency. In these efforts to reduce cross-shareholdings, we sold all eight listed stock issues and a part of three listed stock issues, thereby reducing our shareholdings in 11 issues (a sale price of ¥125.8 billion), the largest reduction ever. In addition, we have implemented a secondary offering of our shares held by Toyota Group. In our inventory optimization efforts, we aimed to completely eliminate our temporary inventories, which had risen globally due to the sudden drop in automobile production and shipping delays on the West Coast of the U.S. To this end, we worked as one to implement activities such as the visualization of inventories on a monthly basis and adjustment of order volume through close coordination with customers. As a result, we succeeded in reducing inventory levels from the level equivalent to 2.4 months of monthly sales in June 2022 to 1.9 months of monthly sales. The funds generated through these activities were invested in Coherent, JASM, and the Certhon Group. We will continue to strive to improve our capital efficiency, strategically invest in growth areas, and enhance corporate value.

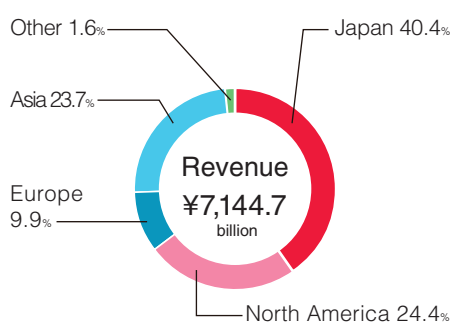
3) Operating results for the fiscal year ended March 31, 2024

Revenue of the Group increased by ¥743.4 billion or 11.6% year on year to ¥7,144.7 billion for the year ended March 31, 2024, and operating profit decreased by ¥45.5 billion or 10.7% to ¥380.6 billion. Consequently, profit before income taxes decreased by ¥20.6 billion or 4.5% to ¥436.2 billion, and profit attributable to owners of the parent company decreased by ¥1.8 billion or 0.6% to ¥312.8 billion.

Revenue ¥7,144.7 billion 11.6% y/y increase	Operating profit ¥380.6 billion 10.7% y/y decrease	Profit attributable to owners of the parent company ¥312.8 billion 0.6% y/y decrease
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Revenue by geographical segment

(Billions of yen)



(Ratio of sales to external customers)

	100th Term (April 2022–March 2023)	101st Term (April 2023–March 2024)	Rate of change (%)
● Japan	3,705.8	4,166.4	12.4
● North America	1,504.1	1,767.0	17.5
● Europe	685.6	781.3	14.0
● Asia	1,931.7	1,985.1	2.8
● Other	101.2	115.2	13.8
Total	7,928.3	8,814.9	11.2
Total Intersegment internal sales	(1,527.0)	(1,670.2)	—
Sales to external customers	6,401.3	7,144.7	11.6

(2) Operating Results and Financial Position of the Group

IFRS

(Millions of yen)

Account Item	98th Term (April 2020– March 2021)	99th Term (April 2021– March 2022)	100th Term (April 2022– March 2023)	101st Term (April 2023– March 2024)
Revenue	4,936,725	5,515,512	6,401,320	7,144,733
Operating Profit	155,107	341,179	426,099	380,599
Operating Profit Margin (%)	3.1	6.2	6.7	5.3
Profit before Income Taxes	193,753	384,808	456,870	436,237
Profit Attributable to Owners of the Parent Company	125,055	263,901	314,633	312,791
Basic Earnings per Share* ¹ (yen)	40.35	85.69	104.00	104.97
Equity Attributable to Owners of the Parent Company	3,891,012	4,299,357	4,376,928	5,534,986
Total Assets	6,767,684	7,432,271	7,408,662	9,093,370
Ratio of Equity Attributable to Owners of the Parent Company to Total Assets (%)	57.5	57.8	59.1	60.9
Return on Equity [ROE* ²] (%)	3.4	6.4	7.3	6.3
Capital Expenditures	374,277	353,875	366,809	394,563
Depreciation	323,018	335,472	353,336	361,749
R&D Expenditures	492,012	497,556	521,615	550,921
Annual Dividends per Share* ¹ (yen)	35.00	41.25	46.25	55.00
Dividend on Equity Ratio [DOE* ³] (%)	3.0	3.1	3.2	3.3
Number of Employees (persons)	168,391	167,950	164,572	162,029

*1 The Company implemented a four-for-one split of common stock on October 1, 2023.

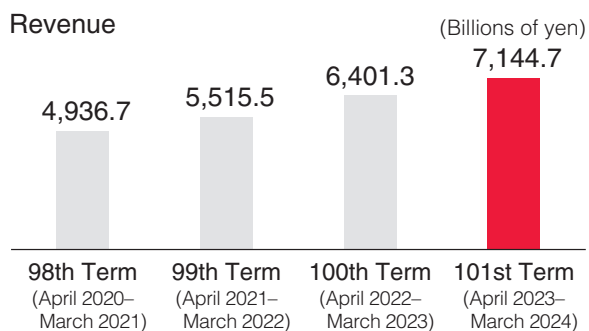
Annual dividends per share are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2021.

*2 ROE: Profit attributable to owners of the parent company ÷ Equity attributable to owners of the parent company (average of figures at the beginning and the end of the fiscal year)

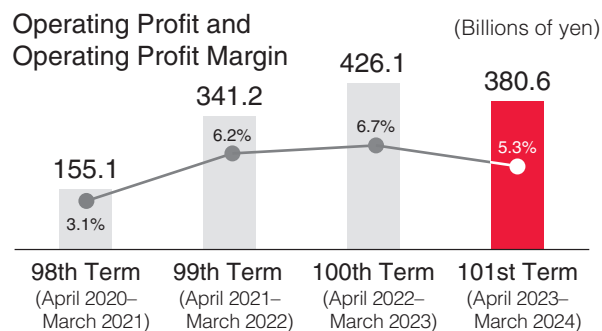
*3 DOE: Total amount of dividends ÷ Equity attributable to owners of the parent company

IFRS

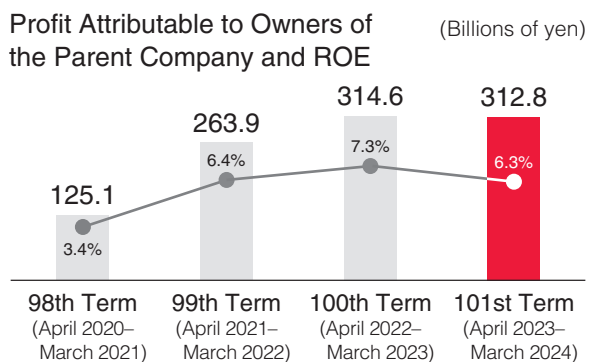
Revenue



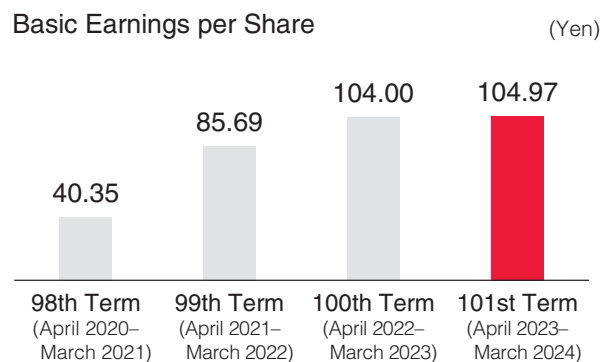
Operating Profit and Operating Profit Margin



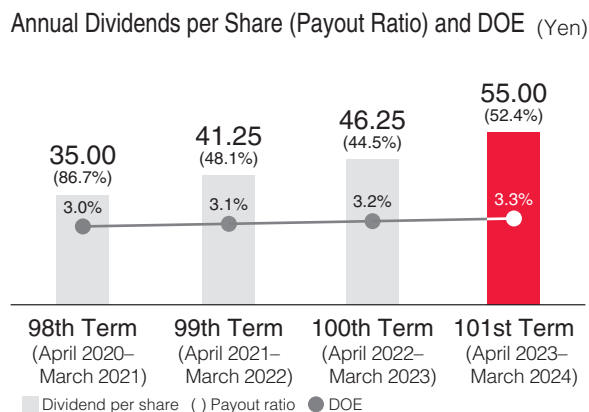
Profit Attributable to Owners of the Parent Company and ROE



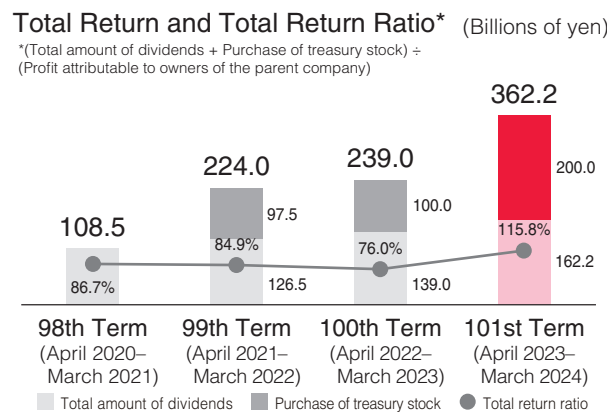
Basic Earnings per Share



Annual Dividends per Share (Payout Ratio) and DOE (Yen)



Total Return and Total Return Ratio*



(3) Initiatives during the Year

Green



Aiming to achieve in production activities “Carbon Neutrality by 2035”

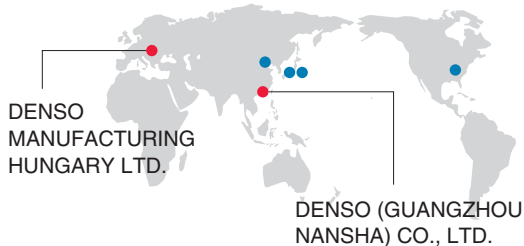
In pursuit of a sustainable mobility society, DENSO has been promoting “environmental management” to reduce environmental impacts and create economic value through environmental protection activities. By further advancing our “environmental management,” we aim to realize carbon neutrality in our business activities by 2035.

Three key fields for realization of carbon neutrality



Expanding global production of products powered by electricity that support all types of electric vehicles

To meet the growing demand for products powered by electricity, in the fiscal year ended March 31, 2024, we began the production of inverters in southern China and Europe in addition to the current production sites in Japan, North America, and northern China. This has made it possible to achieve a global production structure that meets the needs of diversifying customers and supports all types of electric vehicles.



- New production sites for products powered by electricity
- Existing production sites for products powered by electricity

Obtaining SBT* certification

To reduce greenhouse gas emissions, we have established new emission reduction targets for the entire supply chain, including suppliers. These targets are based on scientific evidence toward achieving the levels set forth by the Paris Agreement. As a result, our targets have obtained SBT certification from the internationally recognized SBTi*.

*SBT: Science-Based Targets

*SBTi: Science-Based Targets Initiative





Aiming to become a leading company that provides “peace of mind” to society

We uphold providing peace of mind to society through our business activities as our mission. By contributing to the resolution of social issues, such as traffic accidents, air pollution, natural disasters, and the declining birthrate and population aging, we will promote initiatives to become a leading company that provides “peace of mind” to society.

Three pillars of DENSO’s contributions to the field of “peace of mind”

Zero traffic fatalities

Comfortable space

Support for workers

Collaboration with KOITO MANUFACTURING to enhance night driving safety

We began collaborating with KOITO MANUFACTURING CO., LTD. to develop a system to improve the object recognition rate of vehicle image sensors that coordinates the strengths of the two companies—KOITO MANUFACTURING’s lamps and our image sensors. We will contribute to further improving the safety of automobiles through this collaboration, including the realization of the lighting function that enables image sensors to recognize pedestrians more quickly, in order to reduce the number of nighttime pedestrian fatalities*, which are approximately twice as many as during the daytime.

* Calculated from statistical data provided by the Institute for Traffic Accident Research and Data Analysis (ITARDA).

Contribution to food safety, security, and stable supply through a global collaboration between the public and private sectors

We have concluded a collaboration agreement with the Tokai Regional Agricultural Administration Office of the Ministry of Agriculture, Forestry and Fisheries in order to promote smart agriculture technologies* for sustainable development of the agricultural production field and to achieve efficient logistics in the food distribution field. Through this collaboration, we will contribute to solving social issues related to food safety, security, and stable supply, such as the decline in farming populations and environmental and logistics problems. To accelerate our efforts to solve food and agriculture issues, not only in Japan but on a global scale, we have acquired the full stake in the Certhon Group, a Dutch company with the world’s most advanced technologies in greenhouse horticulture.

* Agriculture using advanced technologies such as robots, artificial intelligence (AI), and IoT

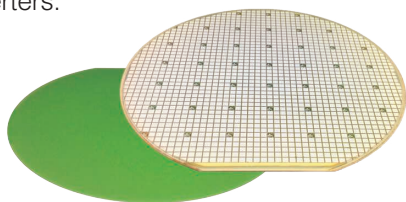
Technology Foundation

Our approach to advanced development that supports business growth

Since our founding, we have honed our technologies, committing ourselves to offering world-first and world-best products. By making full use of our broad-ranging technologies in fields such as chemistry, physics, and electrical engineering accumulated through our R&D that has supported the creation of the world's most advanced vehicles, we will boldly strive to realize our philosophy of "green" and "peace of mind."

Investment in Coherent

As the development and use of electric vehicles is accelerating, we invested in Silicon Carbide LLC, Coherent Corp.'s silicon carbide (SiC) wafer manufacturing subsidiary, with the aim of achieving long-term stable procurement of SiC wafers, which are attracting attention as materials to significantly contribute to reducing power loss, downsizing, and lightweighting of inverters for BEVs. Going forward, in addition to long-term stable procurement, we will combine our own unique technologies to improve the quality of the wafers, thereby further strengthening the competitiveness of our inverters.



SiC wafers

Entering the hydrogen business to solve energy issues

In order to enter the hydrogen business by applying the heat management and material technologies we have gained with automobiles, we began testing the SOFC*¹, which generate electricity from hydrogen, and the SOEC*², which generate hydrogen from electricity, at our Nishio Plant and Hirose Plant in the fiscal year ended March 31, 2024. Through our future testing projects, we will explore the efficiency of using green hydrogen energy without wasting it and the durability to safely use systems for long periods of time. We will also take on the challenges of development that balances environmental factors and economic rationality*³.

*1 SOFC: Solid Oxide Fuel Cell

*2 SOEC: Solid Oxide Electrolysis Cell

*3 This project is being promoted with support from the New Energy and Industrial Technology Development Organization (NEDO) as "Development of Technologies for Realizing a Hydrogen Society."



SOEC testing facility

Business Foundation

Initiatives to support business activities and enhance corporate value

We are actively working to strengthen our business foundation with the aim of becoming a company that is inspiring for society. We will realize our philosophy of “green,” “peace of mind,” and “inspiring” and enhance our corporate value through activities such as practicing sustainability management that balances business activities with solutions to social issues.

Quality improvement initiatives

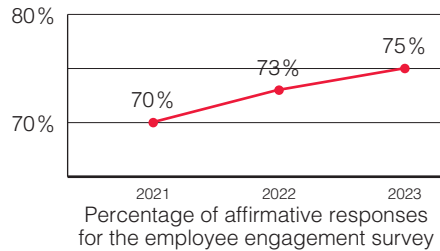
Even as products become more complex and technologies more advanced, we are working to further improve the “awareness,” “knowledge,” and “organizational culture” that are essential to ensuring quality so that we can provide our customers with safety and peace of mind products. To maintain and solidify the trust of our customers, we are making efforts to further ensure our “awareness” to always take a customer-first approach, build up and deepen our “knowledge” to continue to refine our fundamental quality-related technologies, and create an open “organizational culture” in which supervisors and subordinates freely share their opinions and solve problems to ensure and improve quality. Our senior management remains to strongly lead these efforts to achieve quality that meets our customers’ expectations.



On-site quality management checkup

Employee engagement improvement initiatives

To continue to evolve and take on challenges with the aim of becoming “a group of professionals with the ability to turn ideas into reality,” we are reforming human resource initiatives and systems under the vision for people and organizations of “PROGRESS” from the fiscal year ended March 31, 2022. As part of these measures, we support career realization by holding age group-based training in which participants reflect on their career plans so that we can increase the number of employees who are happy to have worked at DENSO and who have been able to achieve their ambitions. By doing so, we are carrying out numerous initiatives that help individuals enhance their ability to turn ideas into reality. As a result, the percentage of affirmative responses in our annual employee engagement survey has risen from 70% in the fiscal year ended March 31, 2022 to 75% in the fiscal year ended March 31, 2024.



Inspiring

DENSO DIALOG DAY 2023 held by new management structure

On November 15, 2023, in a dialogue with the media, institutional investors, and analysts, we announced the strategy under the new management structure following the change of the President, along with three initiatives for achieving this strategy: “Evolution of Mobility,” “Creation of New Value,” and “Strengthening Fundamental Technologies.” A questionnaire found that this presentation was received favorably.



Received highest rating for *DENSO Integrated Report 2023*

In the WICI Japan Integrated Report Award 2023, we received the highest rating, the Gold Award, for the first time ever for *DENSO Integrated Report 2023*. We were selected for its exceptionally high level of quality as an integrated report, and as a company expected to continue to increase its corporate value in the future. In addition, *DENSO Integrated Report 2023* received the Grand Prix E Award in the 3rd NIKKEI Integrated Report Award, and was included in the “Excellent Integrated Reports” category by the GPIF*’s multiple asset managers entrusted with domestic equity investment.

*Government Pension Investment Fund



Conducted secondary offering of DENSO shares to create corporate value

In order to create corporate value, we first conducted a secondary offering of our shares held by the group companies following a series of discussions within the Toyota Group. This initiative resulted in DENSO awarded at the DEALWATCH AWARDS 2023 as Issuer of the Year, as the company that made the greatest contributions to the stimulation and development of the capital market. We are also accelerating selling our cross shareholdings to use the generated proceeds as a source for growth investments. Furthermore, in October 2023, we implemented a four-for-one stock split of our shares to create an environment that makes it easier to invest in DENSO, and the number of individual investors has roughly doubled* compared to the previous year.

*Year-on-year change as of March 31, 2024



(4) Our Challenge - Initiatives for Creating Future Value

The environment surrounding DENSO has changed drastically, and we are required to deal with these changes in a way that meets the demands of society. Efforts to achieve carbon neutrality are accelerating, and the diversification of values calls for the preparation of multi-pathway to issues instead of a single solution. Our society is also moving towards a circular society of optimal production and optimal consumption. To support these tremendous changes, there is a rising demand for integrated systems that do not rely on hardware alone but instead combine hardware and software. Meeting the demands of society requires action not just at the level of the automobile industry but at the level of society as a whole, including automobiles.

Changes in the business environment and the demands of society

Past	Future	Social demand
“Low carbon”	“Decarbonization”	Acceleration of carbon neutrality
Globalization	Diversification	Multi-pathway
Mass production/ consumption	Optimal production/ consumption	Circular economy
Hardware	Hardware × Software	Integrated systems

Our initiatives

Guided by our philosophy of “green,” “peace of mind,” and “inspiring,” DENSO has been committed to the realization of “lasting vitality for the environment” and “safe, comfortable, and flexible mobility for all people” with the aim of reducing our environmental burden and realizing a society without traffic accidents. We will leverage the strengths we have gained with automobiles and broaden the perspective of our solutions to encompass society as a whole, not just vehicles, thereby contributing to solving issues faced by society.

Our evolution

Since our founding, we have committed to giving shape to new concepts by using technologies and contributing to customers. This means to “come up with concepts, embody them as products and systems, and refine them for commercialization.” Based on our philosophy of “green” and “peace of mind,” we leverage the strengths we have gained with automobiles to contribute to the maximization of value for a mobility society as a whole, including automobiles, and we will evolve from “a Tier 1 supplier that supports the auto industry” to “a Tier 1 supplier that supports a mobility society.”



“Tier 1 supplier that supports a mobility society”

In a mobility society where automobiles are evolving and connecting beyond automobiles and where the scope of application of automobile technologies is expanding, we aim to be a company that provides a broad range of customers with value backed by our exceptional technologies and reliable quality from the perspectives of end-users of our products and services.

(5) Overview of Principal Businesses
















In fields such as automotive as well as consumer and industrial equipment through the application of automotive technologies, the Company engages in the development, manufacturing, and sale of products that contribute to the domains of “green” and “peace of mind.”

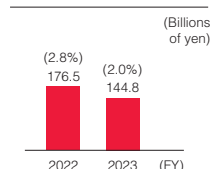
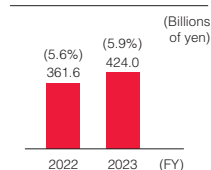
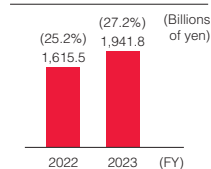
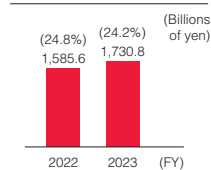
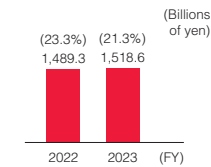
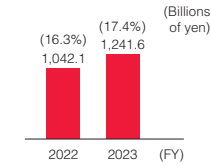
	Segment	Business description
Automotive businesses	Electrification Systems	Development and manufacturing of drive components for electric vehicles, power supply systems that control batteries, and other products
	Powertrain Systems	Development and manufacturing of ignition, air intake and exhaust, valve train, and other products for internal combustion engine vehicles, such as gasoline or diesel cars
	Thermal System	Development and manufacturing of car air conditioners, heaters, coolers, and other products for creating comfortable vehicle interiors
	Mobility Electronics	Development and manufacturing of advanced driver assistance systems, in-vehicle ECUs* for electronically controlling vehicles, and other products to achieve the safe and comfortable transportation of drivers *ECU: Electronic Control Unit
	Advanced Devices	Development and manufacturing of semiconductors, in-vehicle sensors, and other products installed in inverters and in-vehicle ECUs
Non-automotive businesses	FA* and Social Solutions Food Value Chain *FA: Factory Automation	Development, manufacturing, and sale of products related to productivity improvement in plants, products related to non-automotive businesses, including agriculture, and other products

Core products that contribute to green and peace of mind

● Green ● Peace of mind

Revenue (ratio (%))

 ● Inverters	 ● Motor generators	 ● Control brakes (Motor: ECU)
 ● Gasoline direct injectors (high-pressure injectors, high-pressure pumps)	 ● Spark plugs	 ● VCT systems
 ● HVAC units	 ● Condensers	 ● Heat pump systems
 ● Engine ECUs	 ● Vision sensors	 ● Millimeter-wave radar sensors
 ● Power cards	 ● Shift-by-wire system actuators	 ● Application-specific integrated circuits (ASICs)
 ● Collaborative robots	 ● Horticultural facility-related products (products for greenhouses and horticultural facilities, etc.)	 ● Automated harvesting robots

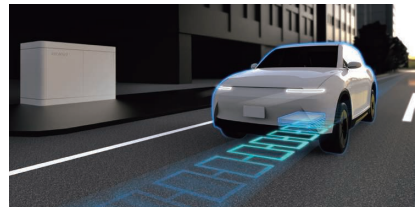


TOPICS Future technologies



Software

The importance of software will further grow in the future to support the evolution of automobiles and to achieve complex vehicle control. We will use the knowledge and implementation capabilities we have accumulated to date for software development, which requires higher quality and accuracy.



Dynamic wireless power transfer system

The electrification of automobiles involves numerous challenges, such as dealing with CO₂ emissions from battery manufacturing, securing tight lithium resources, and relieving the time and effort of recharging the battery. To solve these issues, we are developing technologies that transfer electricity to vehicles wirelessly from coils embedded in roads so that the vehicle can travel longer distances with a smaller battery.

(6) Capital Expenditures and Financing

During the fiscal year, capital expenditures of ¥394.6 billion were invested mainly to shift to highly cost-competitive next-generation products and further improve product quality and reliability.

The Company procured funds mainly by means of borrowings and issuance of bonds. The balance of loans payable at March 31, 2024 was ¥850.7 billion.

(7) Significant Subsidiaries

Name	Capital Stock	The Company's Ratio of Voting Rights (%)	Principal Businesses
DENSO ELECTRONICS CORPORATION	JPY1,002 million	100.00	Manufacture and sale of automotive components
DENSO SOLUTION JAPAN CORPORATION	JPY301 million	100.00	Sale of automotive components, industrial products and consumer products
DENSO TEN Limited	JPY5,300 million	51.00	Manufacture and sale of automotive components, and R&D on automotive components
DENSO INTERNATIONAL AMERICA, INC.	USD503,816 thousand	100.00	— Regional headquarters for North America — Sale of and R&D on automotive components
DENSO MANUFACTURING MICHIGAN, INC.	USD125,000 thousand	100.00*	Manufacture and sale of automotive components
DENSO MANUFACTURING TENNESSEE, INC.	USD73,900 thousand	100.00*	Manufacture and sale of automotive components
DENSO MANUFACTURING ATHENS TENNESSEE, INC.	USD100 thousand	100.00*	Manufacture and sale of automotive components
DENSO SALES CANADA, INC.	USD80 thousand	100.00	Sale of automotive components
DENSO MEXICO S.A. DE C.V.	MXN593,297 thousand	95.00*	Manufacture and sale of automotive components
DENSO EUROPE B.V.	EUR1,361 thousand	100.00*	Sale of automotive components
DENSO MANUFACTURING HUNGARY LTD.	EUR190,912 thousand	100.00*	Manufacture and sale of automotive components
DENSO INTERNATIONAL ASIA PTE., LTD. (Singapore)	USD175,240 thousand	100.00	— Regional headquarters for Asia — Sale of aftermarket products
DENSO (THAILAND) CO., LTD.	THB200 million	51.65*	Manufacture and sale of automotive components
SIAM DENSO MANUFACTURING CO., LTD.	THB2,816 million	90.00*	Manufacture and sale of automotive components
DENSO SALES (THAILAND) CO., LTD.	THB100 million	100.00*	Sale of automotive components
PT. DENSO SALES INDONESIA	IDR9,975 million	100.00*	Sale of automotive components
DENSO (CHINA) INVESTMENT CO., LTD.	CNY2,150 million	100.00	Headquarters for China Sale of and R&D on automotive components
TIANJIN DENSO ELECTRONICS CO., LTD.	CNY585 million	93.46*	Manufacture and sale of automotive components
GUANGZHOU DENSO CO., LTD.	CNY191 million	60.00*	Manufacture and sale of automotive components

Note: An asterisk (*) indicates the ratio of ownership including shareholdings by any of the Company's subsidiaries.

2. SHARES OF THE COMPANY

(1) Total Number of Shares Authorized to Be Issued: 6,000,000,000 shares

(2) Total Number of Issued Shares: 2,910,902,118 shares (excluding treasury stock of 240,877,686 shares)

(3) Number of Shareholders: 186,536 persons

(4) Major Shareholders

Name of Shareholder	Investment in the Company	
	Number of Shares Held (Thousand shares)	Ratio of Shareholdings (%)
Toyota Motor Corporation	598,927	20.57
The Master Trust Bank of Japan, Ltd. (Trust account)	340,875	11.71
Toyota Industries Corporation	157,706	5.41
Custody Bank of Japan, Ltd. (Trust account)	133,905	4.60
TOYOTA FUDOSAN CO., LTD.	133,235	4.57
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	86,654	2.97
DENSO Employees' Shareholding Association	48,865	1.67
GOVERNMENT OF NORWAY (Standing proxy: Tokyo Branch, Citibank, N.A.)	39,015	1.34
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	38,866	1.33
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	36,209	1.24

Notes:

- The Company holds treasury stock of 240,878 thousand shares, but is excluded from the list of major shareholders above.
- “Ratio of Shareholdings” is calculated after excluding the treasury stock of 240,878 thousand shares.
- “Investment in the Company” by Toyota Industries Corporation is stated after excluding the Company’s 27,192 thousand shares (ratio of shareholdings: 0.93%), which are contributed as a trust asset for employees’ retirement benefits by Toyota Industries Corporation. (These shares are registered in the name of “Custody Bank of Japan, Ltd. (Trust Account of Toyota Industries Corporation Employees’ Retirement Benefits for the Re-trust by Sumitomo Mitsui Trust Bank, Limited),” and Toyota Industries Corporation reserves the right of instruction in exercising the shares’ voting rights.)

(5) Other Important Matters Regarding Shares

On October 1, 2023, the Company conducted a four-for-one stock split of common stock in accordance with the resolution made by the Board of Directors on July 28, 2023.

(6) Shares Issued to the Company’s Members of the Board and Audit & Supervisory Board Members as Compensation for the Execution of Their Duties during the Fiscal Year under Review

Category	Class and number of shares	Number of Members of the Board and Audit & Supervisory Board Members to whom shares were issued
Members of the Board (excluding non-executive Members of the Board and Outside Members of the Board)	49 thousand shares of common stock of the Company	4

Note: The number of shares issued is the number after the stock split conducted on October 1, 2023.

(Reference) Matters concerning shares held by the Company

1) Policy on cross-shareholdings

The Company is actively working to reduce its low-profit assets, and its basic policy is not to hold cross-shareholdings unless the rationale for such holdings is recognized. In addition, in the aim of further improving asset efficiency and enhancing discipline towards corporate management, the Company resolved matters on the sale of shares in cross-shareholdings, including the dissolution of cross-shareholdings with investee companies, at the meeting of the Board of Directors held in November 2023. However, in order to sustainably increase corporate value, we consider it essential to collaborate with various companies for joint technological development and to maintain and strengthen relationships with business partners, etc., and for this reason we hold the minimum number of shares required for our business strategy.

Based on the above policy, the appropriateness of holding each individual issue is comprehensively examined based on qualitative and quantitative criteria, and verified annually by the Board of Directors. In the event that the rationale for holding an issue is no longer recognized, such as the termination of a joint development project, the Company proceeds with the sale of the issue after careful dialogue with the investee company.

During the fiscal year under review, we sold all of eight listed issues and partially sold three issues (sales amount: 125.8 billion yen). Since the revision of the Corporate Governance Code in June 2018, the number of issues held as cross-shareholdings has decreased from 44 as of the end of March 2019 to 14 as of the end of March 2024. Going forward, we will continue to create corporate value by continuing to further reduce cross-shareholdings and channeling the cash generated into investments necessary for our growth strategy.

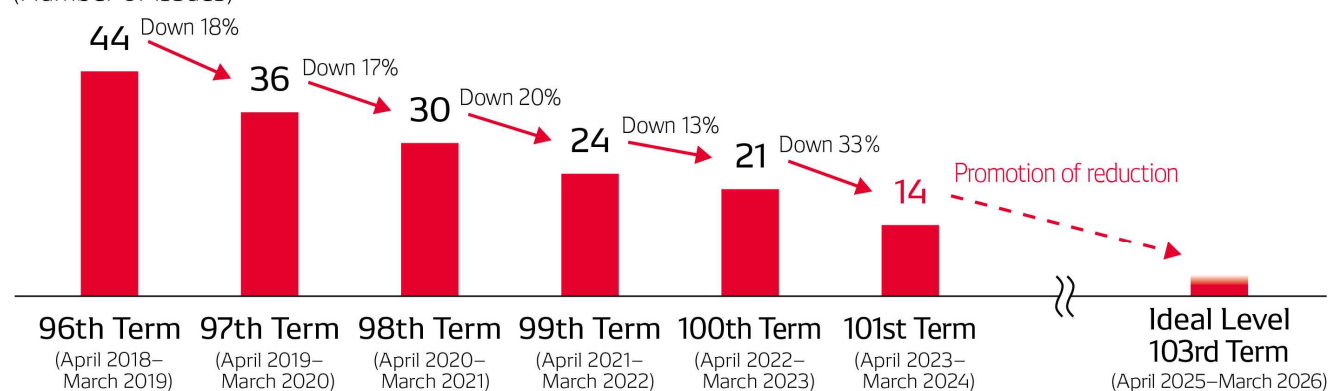
2) Criteria for exercise of voting rights

We believe that investee companies should be managed with an emphasis on improving shareholder returns over the medium- to long-term, rather than pursuing only short-term shareholder returns. We will exercise our voting rights in a manner that contributes to the sustainable enhancement of the corporate value of our investee companies, provided that it is in the best interests of the Company to do so.

In exercising our voting rights, we will make a comprehensive judgment of approval or disapproval based on internal rules that stipulate matters to be considered when exercising voting rights, and will engage in dialogue with the investee company regarding the content of the proposal as necessary.

Cross-shareholdings

(Number of issues)



3. OFFICERS OF THE COMPANY

(1) Members of the Board

Name	Position	Assignment in the Company and Important Posts Concurrently Held at Other Corporations
Koji Arima	Chairman & CEO Member of the Board*	Chairman of the Board of Directors CEO (Chief Executive Officer) (Important posts concurrently held at other corporations) Chairman, Japan Auto Parts Industries Association
Shinnosuke Hayashi	President & COO Member of the Board*	COO (Chief Operating Officer)
Yasushi Matsui	Executive Vice President Member of the Board*	Assistant to the President, CRO (Chief Risk Officer), CCO (Chief Compliance Officer), CFO (Chief Financial Officer), Corporate Strategy Center (Important posts concurrently held at other corporations) Audit & Supervisory Board Member, BluE Nexus Corporation Outside Audit & Supervisory Board Member, JTEKT Corporation
Kenichiro Ito	Member of the Board Senior Executive Officer	CEO (Chief Executive Officer) of Europe, President and CEO, DENSO INTERNATIONAL EUROPE B.V. (Important posts concurrently held at other corporations) Outside Director, TOYOTA BOSHOKU CORPORATION
Akio Toyoda	Member of the Board	(Important posts concurrently held at other corporations) Chairman of the Board of Directors, Toyota Motor Corporation Director, HAMANAKODENSO CO., LTD.
Shigeki Kushida	Member of the Board Outside Member of the Board Independent Director	(Important posts concurrently held at other corporations) Director, Representative Executive Officer & President, Japan Securities Finance Co., Ltd.
Yuko Mitsuya	Member of the Board Outside Member of the Board Independent Director	(Important posts concurrently held at other corporations) Representative Director, PIT Co' Limited Outside Director (Audit and Supervisory Committee Member), ENEOS Holdings, Inc. Outside Director, Japan Airlines Co., Ltd. President, Japan Basketball Association Vice President, Japanese Olympic Committee
Joseph P. Schmelzeis, Jr.	Member of the Board Outside Member of the Board Independent Director	(Important posts concurrently held at other corporations) Representative Director, JPS International, Inc. Executive Manager, Cedarfield Godo Kaisha Outside Director, Central Japan Railway Company Outside Director, Hitachi Construction Machinery Co., Ltd.

Notes:

- The Members of the Board marked with an asterisk (*) are representative directors.
- Members of the Board Shigeki Kushida, Yuko Mitsuya and Joseph P. Schmelzeis, Jr. are Outside Members of the Board (outside directors), as stipulated in Article 2, Paragraph 15, of the Companies Act.
- The Company has notified TSE of the names of Members of the Board Shigeki Kushida, Yuko Mitsuya and Joseph P. Schmelzeis, Jr. as independent directors.
- The Company has entered into a liability limitation agreement with Members of the Board Akio Toyoda, Shigeki Kushida, Yuko Mitsuya and Joseph P. Schmelzeis, Jr., which limits his/her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the said Act.
- Yukihiro Shinohara retired from the post of Member of the Board, due to the expiration of his term of office as of the conclusion of the 100th Ordinary General Meeting of Shareholders held on June 20, 2023.
- Changes in the assignment of Members of the Board by the start date of the electronic provision measures are as follows:

Name	Position	Assignment in the Company
Koji Arima	Chairman Member of the Board*	Chairman of the Board of Directors
Shinnosuke Hayashi	President & CEO Member of the Board*	CEO (Chief Executive Officer)

(2) Audit & Supervisory Board Members

Name	Position	Important Posts Concurrently Held at Other Corporations
Shingo Kuwamura	Standing Audit & Supervisory Board Member	
Motomi Niwa	Standing Audit & Supervisory Board Member	Audit & Supervisory Board Member, ADVICS CO., LTD. Outside Director, Tokai Rika Co., Ltd.
Yasuko Gotoh	Audit & Supervisory Board Member Outside Audit & Supervisory Board Member Independent Auditor	External Director & Member of the Audit Committee, Shiseido Company, Limited Outside Corporate Auditor, Mitsui Chemicals, Inc.
Haruo Kitamura	Audit & Supervisory Board Member Outside Audit & Supervisory Board Member Independent Auditor	Chief, Kitamura Certified Public Accountant Office Outside Corporate Auditor, LeTech CORPORATION

Notes:

1. Audit & Supervisory Board Members Yasuko Gotoh and Haruo Kitamura are outside Audit & Supervisory Board Members (outside corporate auditors), as stipulated in Article 2, Paragraph 16, of the Companies Act.
2. Audit & Supervisory Board Member Haruo Kitamura is qualified as a Certified Public Accountant and has substantial knowledge of finance and accounting.
3. The Company has notified TSE of the names of Audit & Supervisory Board Members Yasuko Gotoh and Haruo Kitamura as independent auditors.
4. The Company has entered into a liability limitation agreement with Audit & Supervisory Board Members Yasuko Gotoh and Haruo Kitamura, which limits his/her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of said Act.

(3) Overview of the Directors and Officers Liability Insurance Contract

1) Scope of the insured

The Company's Members of the Board, Audit & Supervisory Board Members, Executive Vice President, and Senior Executive Officers, and directors and officers of the Company's subsidiaries are the insured.

2) Overview of the Insurance Contract

The insurance covers damages and litigation expenses in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a director or officer of the Company or its subsidiaries stated in 1) above. However, damages caused as a result of any criminal act, such as bribery or willful misconduct, committed by a director or officer and imposed on the director or officer are outside the scope of the insurance coverage so as not to compromise the appropriateness of execution of duties by directors and officers. The insurance premiums for all the insured are fully borne by the Company.

(4) Remuneration, etc., Payable to Members of the Board and Audit & Supervisory Board Members for the Current Fiscal Year

1) Details concerning the amount of officer remuneration, etc. and the determination of the computation method and the method of determination

(a) Determination policy concerning remuneration, etc.

At the Company, regarding the policy on determination concerning remuneration, etc. for Members of the Board (hereinafter referred to as the “determination policy”), a resolution is adopted by the Board of Directors based on the content of the deliberation by the Executive Nomination and Remuneration Council.

i) Basic policy

- Facilitate the achievement of medium- to long-term enhancement of corporate value and management from the perspective of shareholders
- Incentivize eligible persons to enhance performance by linking the Company’s performance with individuals’ performance

ii) Composition of remuneration

Under the Company’s compensation system, compensation for Members of the Board (excluding non-executive Members of the Board and Outside Members of the Board; hereinafter collectively referred to as “Eligible Members of the Board”) consists of basic compensation as fixed compensation, bonus as performance-linked compensation, and share-based compensation. An outline of each compensation system and the compensation ratio by position in the basic compensation amount are as follows. However, the ratio may differ depending on the degree of achievement of corporate performance indicators for the fiscal year in question.

	Type of compensation	Overview	Ratio of compensation			
			Chairman & CEO	President & COO	Executive Vice President	Member of the Board and Senior Executive Officer
Fixed compensation	Basic compensation (fixed amount)	Paid as monthly fixed compensation according to the posts	40%	40%	45%	50%
Performance-linked compensation	Bonus (short-term incentive)	<ul style="list-style-type: none"> • Paid for each fiscal year at a certain time after the conclusion of the relevant General Meeting of Shareholders • The amount is computed based on company performance indicators (consolidated operating profit, ROIC, sustainability score) and the results of individuals’ performance assessment results. 	30%	30%	30%	30%
	Share-based compensation (medium- to long-term incentive)		30%	30%	25%	20%

Compensation payable to non-executive Members of the Board and Outside Members of the Board comprises only basic compensation (fixed amount) in order to ensure independence from management. Compensation payable to Audit & Supervisory Board Members also comprises only basic compensation (fixed amount) because their role includes the conduct of legal compliance audit.

iii) Level of compensation

The level of compensation for Members of the Board and Audit & Supervisory Board Members is set to be in the middle of the range of comparable companies by referring to the levels of executive compensation paid by major manufacturers that are similar in size, industry, and business format to the Company according to the data of an annual executive compensation survey conducted by an external research agency.

iv) Method of determination of performance-linked compensation

With the aim of ensuring linkage with the Company's performance and to further incentivizing eligible persons to enhance performance and achieve sustainable growth, the indicators for computing performance-linked compensation are consolidated operating profit, ROIC, and sustainability score. The evaluation weights and assessment methods for each indicator are as follows, and the percentage of performance-linked compensation paid will fluctuate within a range of 0 to 150% depending on the results of the evaluation.

Targets serving as the evaluation basis for the fiscal year in question are set each year based on the medium- long-term targets.

Indicators	Evaluation weight	Evaluation method	Results
Consolidated operating profit	70%	Evaluation based on the degree of achievement of targets for the fiscal year in question	¥ 380.6 billion
ROIC	20%	Evaluation based on the degree of achievement of targets for the fiscal year in question	5.5%
Sustainability score	10%	Evaluation based on the overall achievement of the following priority issues in the Company's sustainability management for the fiscal year in question <Priority issues> 1) Workplace safety; 2) Quality; 3) Total CO ₂ emissions; 4) Information security; 5) Employee engagement; 6) Dissemination of "green" and "peace of mind" products; 7) Local human resources as head of overseas bases; and 8) Number of women in management positions	5 items/8 items

Note: ROIC is calculated as follows:

- Invested capital is calculated by averaging results at the end of the previous fiscal year and the current fiscal year.
- Invested capital = equity attributable to shareholders of the Company + interest-bearing debt
- Return on invested capital (ROIC) = profit for the year attributable to shareholders of the Company / invested capital

In addition, the amount of performance-linked compensation is calculated within the range of ±20% of total annual compensation based on individual assessments of individual performance, results, and medium- and long-term initiatives.

v) Matters related to share-based compensation

The Company has introduced a restricted share-based compensation system for the purposes of having eligible persons further share value with shareholders and providing them with more incentives to achieve medium- to long-term enhancement of corporate value. The restricted share-based compensation system is outlined below.

Eligible persons	Members of the Board of the Company (excluding non-executive Members of the Board and Outside Members of the Board)
Total amount of share-based compensation	Up to ¥200 million per year
Amount of share-based compensation for each Member of the Board	Determined each year considering factors such as the Company's business results and the responsibilities and performance of the Member of the Board
Class of shares to be allotted and method of allotment	Issue or disposal of shares of common stock (those with restrictions on transfer under the Allotment Agreement)
Total number of shares to be allotted	Up to a total of 100,000 shares per year to Eligible Members of the Board
Amount to be paid in	Determined by the Board of Directors of the Company based on the closing price of shares of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors, within a range that is not particularly advantageous to Eligible Members of the Board
Transfer restriction period	During the period predetermined by the Board of Directors of the Company, ranging from three (3) years to 30 years from the allotment date under the Allotment Agreement, Eligible Members of the Board must not dispose of the shares of the Company's common stock by transferring or creating a security right on the shares of the Company's common stock allotted by the Allotment Agreement or other measures.
Condition 1 for removal of transfer restrictions	The restrictions will be removed upon the expiration of the transfer restriction period. However, the restrictions will be removed also in the event that the Eligible Member of the Board leaves the position due to expiry of his/her term of office, his/her death or other justifiable reasons.
Condition 2 for removal of transfer restrictions	If a proposal for restructuring, etc. of the Company, such as a merger agreement whereby the Company will be an absorbed company to the merger, or a share exchange agreement or a share transfer plan whereby the Company will become a wholly owned subsidiary of another party, is approved at the Company's General Meeting of Shareholders (or by the Company's Board of Directors if such organizational restructuring, etc. does not require approval of the Company's General Meeting of Shareholders) during the transfer restriction period, the Company shall remove, based on the resolution of the Company's Board of Directors, the transfer restriction of the allotted shares at a date prior to the effective date of such organizational restructuring, etc. The number of such allotted shares subject to removal of the transfer restriction shall be reasonably determined in light of the period from the date of the start of the transfer restriction period to the date of approval of such organizational restructuring, etc.
Acquisition by the Company without consideration	The Company will be able to acquire all allotted shares without consideration in the event of violations of laws and regulations or other reasons specified by the Company's Board of Directors during the transfer restriction period.

vi) Method of determination of remuneration

The Company has established the Executive Nomination and Remuneration Council, which is chaired by an independent Outside Member of the Board and the majority of whose members are independent Outside Members of the Board in order to ensure objectivity, fairness, and transparency concerning remuneration, etc. for Members of the Board.

The Board of Directors has adopted a resolution on the total amount of compensation for the current fiscal year and has also adopted a resolution to entrust determination of the amount of compensation for each Member of the Board to the Executive Nomination and Remuneration Council. The Executive Nomination and Remuneration Council deliberates on the officer compensation system and determines the amount of compensation for each Member of the Board, considering factors such as the Company's business results and

the responsibilities and performance of the Member of the Board.

Regarding determination of the amount of compensation for each Member of the Board, the Executive Nomination and Remuneration Council conducts multifaceted deliberation, including on consistency with the determination policy, and then determines the amounts. Therefore, the Board of Directors judges that the determined details are in accordance with the determination policy.

<Composition of the Executive Nomination and Remuneration Council>

Chair	Members
Independent Outside Member of the Board Shigeki Kushida	Member of the Board, Chairman & CEO Koji Arima, Member of the Board, President & COO Shinnosuke Hayashi, Independent Outside Member of the Board Yuko Mitsuya, and Independent Outside Member of the Board Joseph P. Schmelzeis, Jr.

<Activities of the Executive Nomination and Remuneration Council>

The Executive Nomination and Remuneration Council was held in April, June, August, October and November 2023, as well as February and March 2024 concerning the determination of the amount of compensation, etc. in the current fiscal year, and the attendance rate of the council members at each meeting was 100%. The main topics of deliberation were as follows:

- Compensation levels by position and responsibility
- Evaluation of the performance of indicators
- Evaluation of individual assessments
- Determination of the amount of compensation for each individual
- Revision of the executive compensation system

Remuneration, etc. payable to Audit & Supervisory Board Members are determined by Audit & Supervisory Board Members through mutual consultation within the range of the amounts of compensation determined by the resolution of the Ordinary General Meeting of Shareholders.

(b) Matters resolved concerning remuneration, etc. by General Meetings of Shareholders

	Type of compensation	Maximum amount of compensation	Resolution by the General Meeting of Shareholders	Number of officers at the time of resolution
Members of the Board	Basic compensation / Bonus	¥1.0 billion per year (including compensation of up to ¥150 million for Outside Members of the Board)	97th Ordinary General Meeting of Shareholders held on June 19, 2020	8 Members of the Board (including 3 Outside Members of the Board)
	Share-based compensation	¥200 million per year	97th Ordinary General Meeting of Shareholders held on June 19, 2020	8 Members of the Board (including 3 Outside Members of the Board)
Audit & Supervisory Board Members	Basic compensation	¥15 million per month	91st Ordinary General Meeting of Shareholders held on June 19, 2014	5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members)

2) Total amount of remuneration, etc. by officer category, total amount by type of remuneration, etc., and the number of eligible officers

Officer Category	Total Amount of Remuneration, etc. (Millions of yen)	Total amount by type of remuneration, etc. (Millions of yen)			Number of Eligible Officers
		Fixed compensation	Performance-linked compensation		
		Basic compensation	Bonus	Share-based compensation	
Members of the Board	513	275	126	112 (39 thousand shares)	9
(Portion of Outside Members of the Board)	(55)	(55)	(-)	(-)	(3)
Audit & Supervisory Board Members	122	122	-	-	4
(Portion of Outside Audit & Supervisory Board Members)	(30)	(30)	(-)	(-)	(2)
Total	635	397	126	112 (39 thousand shares)	13

Notes:

1. The amounts above include the remuneration, etc. for Yukihiro Shinohara, who retired from the post of Member of the Board at the conclusion of the 100th Ordinary General Meeting of Shareholders held on June 20, 2023.
2. The amount of performance-linked compensation presented is the amounts based on the resolution adopted by the Board of Directors at its meeting held on May 10, 2024.
3. Based on the resolution by the Board of Directors at its meeting held on May 10, 2024, the number of shares calculated by dividing the amount of compensation presented by the closing price on the business day before the adoption of the resolution of allotment of shares will be granted as share-based compensation. The number of shares stated above is the number of shares calculated using the share price on March 31, 2024 for reference.

(5) Outside Members of the Board and Audit & Supervisory Board Members

Category	Name	Major Activities and Fulfillment of Their Expected Role
Outside Members of the Board	Shigeki Kushida	He attended 13 of 13 Board of Directors meetings held in the fiscal year. At these meetings, he remarked on the Company's general management affairs based on his experience at the Bank of Japan and broad expertise in global monetary economy. As the chair of the Executive Nomination and Remuneration Council, he wrapped up the revision of the officer compensation system and discussion on the succession plan.
	Yuko Mitsuya	She attended 12 of 13 Board of Directors meetings held in the fiscal year. At these meetings, she mainly remarked on the Company's general management affairs while supervising overall management of the Company based on her expertise in management of companies and institutions and considerable experience in various fields, including her service as a director or a member of various sports associations.
	Joseph P. Schmelzeis, Jr.	He attended 13 of 13 Board of Directors meetings held in the fiscal year. At these meetings, he supervised the overall management of the Company, drawing on his extensive experience in business management and strategic consulting, as well as his knowledge of geopolitics based on his experience as Senior Advisor to the Ambassador at the U.S. Embassy in Tokyo.
Outside Audit & Supervisory Board Members	Yasuko Gotoh	She attended 13 of 13 Board of Directors meetings and 15 of 15 Audit & Supervisory Board meetings held in the fiscal year. At these meetings, she remarked on the Company's general management affairs based on her broad experience in the public and private sectors and deep insight.
	Haruo Kitamura	He attended 13 of 13 Board of Directors meetings and 15 of 15 Audit & Supervisory Board meetings held in the fiscal year. At these meetings, he mainly remarked on the Company's general management affairs based on his professional viewpoint as a Certified Public Accountant and a management consultant.

Note: In addition to the above stated number of the Board of Directors meetings held, the Board of Directors passed one written resolution pursuant to Article 370 of the Companies Act and Article 24 of the Company's Articles of Incorporation.

4. CORPORATE GOVERNANCE OF THE COMPANY

The Company believes that establishing a corporate governance system is the key to maintaining and improving long-term corporate performance in a quickly changing global market. Specifically, the Company has adopted an Audit & Supervisory Board Member system. In addition to the legal functions of statutory bodies such as the General Meeting of Shareholders, Board of Directors, Audit & Supervisory Board, and Accounting Auditor, the Company has developed various governance mechanisms. Furthermore, we are implementing highly sound, efficient and transparent management by continuously sharing information and conducting dialogues with shareholders and investors on the state of our business. This approach is reflected in the Company's Basic Policies on Corporate Governance.

Basic Policies on Corporate Governance

1. Securing the rights and equal treatment of shareholders

We shall provide timely and accurate information needed for shareholders to exercise their rights. Concurrently, the Company shall make efforts to establish an environment in which shareholders can exercise their voting rights and give due attention to assuring the rights and equal treatment of various substantial shareholders that include foreign and minority shareholders.

2. Appropriate cooperation with stakeholders other than shareholders

- We shall strive to create a virtuous cycle whereby the Company earns the trust and empathy of stakeholders and continually grows and develops with them by dealing with social issues and actively working to find solutions.
- We shall place high value on dialogues with stakeholders and provide them with appropriate information to share values and cooperate with stakeholders.

3. Ensuring appropriate information disclosure and transparency

- We shall disclose its financial condition, operating results, and other financial information each quarter in compliance with the relevant laws and regulations as well as appropriately disclose management strategies and plans and other non-financial information each time they are formulated.
- We shall deploy various methods for disseminating non-financial information in particular, which include directly disseminating information through the Company's integrated reports, website and presentations as well as disseminating information to the mass media through press releases to obtain the understanding of the Company's stakeholders.

4. Execution of duties of the Board of Directors

- We shall, in keeping with the DENSO Philosophy, determine the strategic directions of the Company through the Long-term Policy, a management compass indicating the directions we will pursue over the next five to 10 years, and the Mid-term Policy, which contains strategies that give global concrete shape to our objectives and activities for the next three- to five-year period.
- We shall realize swift decision-making and business operations through a corporate officer system that separates and clarifies the roles between Members of the Board, who are responsible for management (decision-making and supervision), and Executive Vice President and Senior Executive Officers, who are responsible for the execution of business operations.

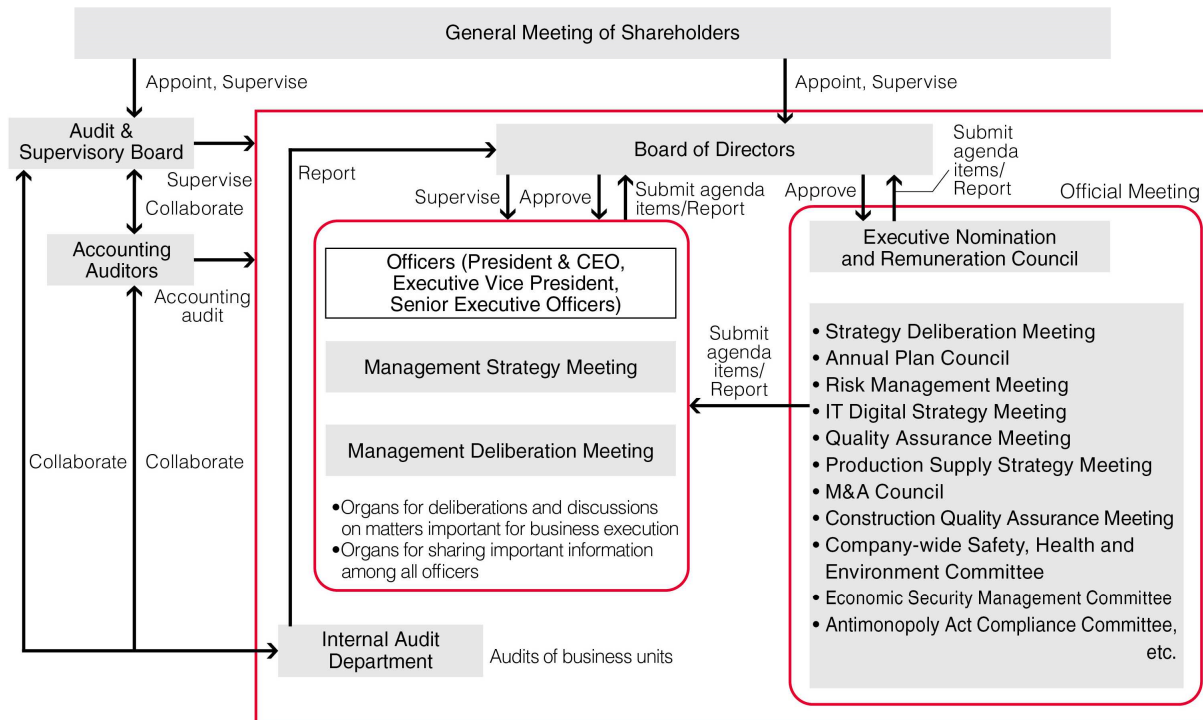
Additionally, we shall, depending on the circumstances, have Members of the Board serve concurrently as Executive Vice President and Senior Executive Officers to ensure the balance of knowledge, experience, and capabilities of the Board of Directors as a whole.

- We shall emphasize objective and neutral management supervision from an outside perspective and shall utilize as Outside Members of the Board and Outside Audit & Supervisory Board Members those persons who can reflect their wealth of external experience and wide-ranging knowledge in the Company's decision-making and auditing.

5. Dialogue with shareholders

- We shall strive for good communication with the Company's shareholders and investors by providing enhanced information encompassing management strategies and financial information and actively holding dialogues with the participation of Members of the Board, Executive Vice President and Senior Executive Officers in charge. The results of the dialogues shall be reported to the Board of Directors and the opinions of shareholders shall be utilized in the Company's management.

<Corporate Governance System>



5. POLICY REGARDING A DECISION OF DIVIDENDS FROM SURPLUS

As well as investing in business for growth, the Company places importance to the interest of shareholders and positions sustainable enhancement of corporate value and enrichment of shareholder returns as important management policies. The Company's basic policy is to seek to reduce capital cost and raise corporate value by issuing proactive shareholder returns and realizing an optimal capital structure while maintaining a balance between safety and efficiency.

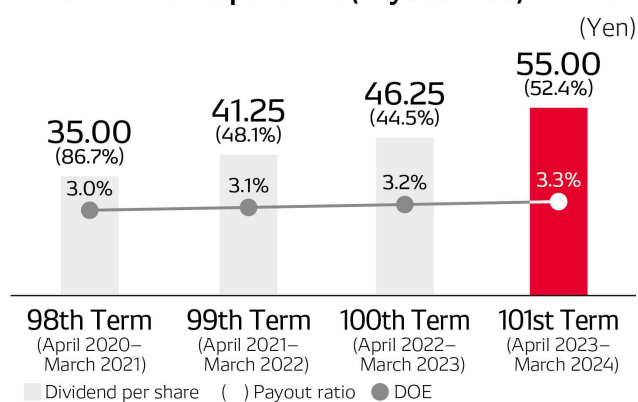
Regarding dividends, the Company has adopted DOE (dividend on equity: total dividend amount divided by equity attributable to owners of the parent company) as a shareholder return indicator, and intends to pay stable dividends over the long term with a policy of continuously increasing DOE from 3.0%, while comprehensively taking into consideration capital efficiency, dividend amount, and consolidated performance. The Company also injects cash into capital investment, R&D investment and M&A, among others, which are necessary for growing its business and realizing the philosophy, and flexibly acquires treasury stock while paying attention to the targeted capital structure and theoretical share price, in pursuit of distributing its profits to the shareholders.

Accordingly, the Company, at its Board of Directors meeting held on April 26, 2024, resolved that the fiscal year-end dividend for the fiscal year ended March 31, 2024, be ¥30 per share of the Company's common stock (for a total of ¥87,327,063,540) and the date of commencement of dividend payment thereof be May 23, 2024. The annual dividend for the current fiscal year, including the interim dividend, is ¥55 per share.

Notes:

1. The Company stipulates in its Articles of Incorporation that it may distribute dividends from surplus upon resolution of the Board of Directors in accordance with Article 459, Paragraph 1, of the Companies Act without adopting a resolution at a general meeting of shareholders.
2. The Company conducted a four-for-one stock split of its common stock on October 1, 2023. Dividend per share is calculated on the assumption that the stock split was conducted at the beginning of the current fiscal year. (The amounts of dividends per share in the graph below are calculated on the assumption that the stock split was conducted at the beginning of the 98th term.)

Annual Dividends per Share (Payout Ratio) and DOE



6. IMPORTANT MATTER REGARDING THE CURRENT SITUATION OF THE DENSO GROUP

The Company has been subject to the alleged violation of antitrust law or competition law in connection with certain past transactions regarding specific auto parts from the authorities in certain countries, coping with the lawsuit against the Company (along with its certain subsidiaries) filed by a certain customer in a U.K. court, and engaged in settlement negotiations with major customers (certain automobile manufacturers).

Compliance with the Antitrust Laws is one of the Group's significant management priorities. The Company keeps endeavoring to strengthen more its Antitrust Laws compliance system to restore confidence.

The amounts stated in this Business Report are rounded off to the nearest unit.

(TRANSLATION ONLY)

Consolidated Financial Statements

Consolidated Statement of Financial Position

(Millions of yen)

Account Item	101st Term (As of March 31, 2024)	(Reference) 100th Term (As of March 31, 2023)	Account Item	101st Term (As of March 31, 2024)	(Reference) 100th Term (As of March 31, 2023)
(Assets)			(Liabilities)		
Current assets	3,865,379	3,277,586	Current liabilities	2,164,973	1,796,784
Cash and cash equivalents	789,390	733,850	Bonds and borrowings	332,516	303,509
Trade and other receivables	1,281,279	1,263,768	Trade and other payables	1,232,463	1,219,317
Inventories	1,172,257	1,119,780	Other financial liabilities	47,672	54,641
Other financial assets	48,398	33,716	Income tax payables	61,768	42,630
Other current assets	156,477	126,472	Provisions	295,239	106,524
Subtotal	3,447,801	3,277,586	Other current liabilities	83,972	70,163
Assets held for sale	417,578	—	Subtotal	2,053,630	1,796,784
Non-current assets	5,227,991	4,131,076	Liabilities directly associated with assets held for sale	111,343	—
Property, plant and equipment	2,043,600	1,955,240	Non-current liabilities	1,181,892	1,032,167
Right-of-use assets	46,347	43,642	Bonds and borrowings	518,205	585,765
Intangible assets	199,761	170,212	Other financial liabilities	29,115	30,929
Other financial assets	2,624,839	1,699,202	Retirement benefit liabilities	238,201	249,266
Investments accounted for using equity method	124,430	110,173	Provisions	1,716	1,643
Retirement benefit asset	105,937	78,212	Deferred tax liabilities	382,752	151,507
Deferred tax assets	56,057	42,967	Other non-current liabilities	11,903	13,057
Other non-current assets	27,020	31,428	Total liabilities	3,346,865	2,828,951
			(Equity)		
			Equity attributable to owners of the parent company	5,534,986	4,376,928
			Capital stock	187,457	187,457
			Capital surplus	273,481	273,664
			Treasury stock	(452,140)	(252,270)
			Other components of equity	1,815,558	955,829
			Other comprehensive income associated with assets held for sale	258,936	—
			Retained earnings	3,451,694	3,212,248
			Non-controlling interests	211,519	202,783
			Total equity	5,746,505	4,579,711
Total assets	9,093,370	7,408,662	Total liabilities and equity	9,093,370	7,408,662

Consolidated Statement of Income

(Millions of yen)

Account Item	101st Term (From April 1, 2023, to March 31, 2024)	(Reference) 100th Term (From April 1, 2022, to March 31, 2023)
Revenue	7,144,733	6,401,320
Cost of revenue	(6,054,780)	(5,490,176)
Gross profit	1,089,953	911,144
Selling, general and administrative expenses	(715,164)	(490,454)
Other income	49,500	37,361
Other expenses	(43,690)	(31,952)
Operating profit	380,599	426,099
Finance income	78,711	51,483
Finance costs	(22,246)	(13,666)
Foreign exchange gains	(17,693)	(4,115)
Share of the profit of associates accounted for using the equity method	16,866	(2,931)
Profit before income taxes	436,237	456,870
Income tax expenses	(80,664)	(109,009)
Profit for the year	355,573	347,861
Profit attributable to:		
Owners of the parent company	312,791	314,633
Non-controlling interests	42,782	33,228

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

(Millions of yen)

Account Item	101st Term (As of March 31, 2024)	(Reference) 100th Term (As of March 31, 2023)	Account Item	101st Term (As of March 31, 2024)	(Reference) 100th Term (As of March 31, 2023)
(Assets)			(Liabilities)		
Current assets	1,539,192	1,494,576	Current liabilities	1,409,886	1,122,239
Cash and deposits	73,323	165,657	Accounts payable—trade	560,958	568,481
Notes receivable—trade	143	133	Short-term borrowings	64,040	—
Accounts receivable—trade	491,705	473,716	Current portion of bonds	20,000	50,000
Electronically recorded monetary claims—operating	80,238	81,245	Current portion of long-term borrowings	134,000	98,000
Marketable securities	—	27,372	Accounts payable—other	60,896	57,855
Finished goods	83,963	78,372	Accrued expenses	97,169	92,634
Work in process	274,513	218,301	Income taxes payable	24,493	20,190
Raw materials and supplies	34,841	34,035	Deposits received	131,283	107,355
Advance payments	103,994	100,843	Accrued bonuses to employees	46,666	45,186
Prepaid expenses	7,159	5,378	Accrued bonuses to directors and corporate auditors	279	203
Short-term loans receivable from subsidiaries and associates	156,192	162,524	Reserve for product warranties	248,285	69,647
Accounts receivable—other	195,862	121,871	Provision for loss on antitrust issues	11,989	10,401
Other current assets	39,399	31,795	Provision for environmental measures	16	334
Allowance for doubtful accounts	(2,140)	(6,666)	Provision for loss on litigation	3,729	—
Fixed assets	4,058,743	2,875,756	Other current liabilities	6,083	1,953
Property, plant and equipment	568,749	564,967	Long-term Liabilities	1,066,149	844,263
Buildings	111,837	116,483	Straight bonds	155,065	175,065
Structures	18,001	12,475	Long-term borrowings	342,500	399,000
Machinery and equipment	183,807	192,157	Deferred tax liabilities	375,115	72,080
Vehicles and transportation equipment	3,248	2,776	Liability for employees’ retirement benefits	183,280	187,874
Tools, furniture and fixtures	34,758	33,883	Provision for environmental measures	945	949
Land	137,164	125,891	Other long-term liabilities	9,244	9,295
Construction in progress	79,934	81,302	Total liabilities	2,476,035	1,966,502
Intangible assets	64,794	65,467	(Equity)		
Software	23,908	22,099	Shareholders’ equity	1,565,427	1,681,535
Other intangible assets	40,886	43,368	Capital stock	187,457	187,457
Investments and other assets	3,425,200	2,245,322	Capital surplus	267,328	267,284
Investment securities	1,042,337	711,318	Additional paid-in capital	265,985	265,985
Investment in subsidiaries and associates	2,194,032	1,334,734	Other capital surplus	1,343	1,299
Investments in equity	2,917	2,919	Retained earnings	1,562,771	1,479,053
Investments in equity of subsidiaries and associates	36,377	36,377	Legal reserve	43,274	43,274
Long-term loans receivable from subsidiaries and associates	33,788	56,348	Other retained earnings	1,519,497	1,435,779
Prepaid pension cost	107,220	95,133	Reserve for advanced depreciation of fixed assets	480	658
Other assets	8,529	8,493	Reserve for special account	250	250
Allowance for doubtful accounts	(0)	(0)	General reserve	896,390	896,390
			Earned surplus carried forward	622,377	538,481

			Treasury stock, at cost	(452,129)	(252,259)
			Variance of the estimate/ conversion	1,556,473	722,295
			Net unrealized gain on available-for-sale securities	1,557,211	722,721
			Deferred gains on derivatives under hedge accounting	(738)	(426)
			Total equity	3,121,900	2,403,830
Total assets	5,597,935	4,370,332	Total liabilities and equity	5,597,935	4,370,332

Non-Consolidated Statement of Income

(Millions of yen)

Account Item	101st Term (From April 1, 2023, to March 31, 2024)	(Reference) 100th Term (From April 1, 2022, to March 31, 2023)
Net sales	3,660,723	3,221,034
Cost of sales	3,298,131	2,908,080
Gross profit	362,592	312,954
Selling, general and administrative expenses	355,862	150,350
Operating profit	6,730	162,604
Non-operating income	174,958	102,615
Interest and dividend income	157,122	86,300
Other non-operating income	17,836	16,315
Non-operating expenses	26,116	20,938
Interest expense	1,329	967
Foreign exchange losses	13,946	6,070
Loss on sales of non-current assets	3,318	1,860
Provision of allowance for doubtful accounts	1,923	6,458
Other non-operating expenses	5,600	5,583
Ordinary income	155,572	244,281
Extraordinary income	94,155	40,843
Gain on sales of non-current assets	558	14
Gain on sales of investment securities	93,597	35,999
Gain on sale of businesses	—	4,830
Extraordinary losses	11,296	9,872
Impairment loss on investment securities	3,993	389
Loss on valuation of shares of subsidiaries and associates	542	4,702
Loss on antitrust issues	4,742	981
Loss on litigation	1,277	3,800
Other	742	—
Income before income taxes	238,431	275,252
Income taxes—current	63,612	39,392
Income taxes—deferred	(54,928)	8,426
Net income	229,747	227,434

(TRANSLATION)
Audit Reports

<Certified Copy of the Audit Report of the Accounting Auditors pertaining to the Consolidated Financial Statements>

INDEPENDENT AUDITOR'S REPORT

May 9, 2024

To the Board of Directors of
DENSO CORPORATION:

Nagoya Office,
Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masaki Okuda

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Naoki Kondo

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Tetsuro Shigemitsu

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as of March 31, 2024, of DENSO CORPORATION (the "Company") and consolidated subsidiaries, and the related consolidated statements of income and changes in equity for the fiscal year from April 1, 2023, to March 31, 2024, and the related notes.

In our opinion, the above-mentioned consolidated financial statements, prepared with the omission of some disclosure items required under the International Financial Reporting Standards in accordance with the provisions of the latter part of the first paragraph of Article 120 of the Regulation on Corporate Accounting, present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The other information comprises the Business Report and its supplemental schedules. Management is responsible for the preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process of the other information.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting principles pursuant to the provisions of the latter part of the first paragraph of Article 120 of the Regulation on Corporate Accounting, which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with a going concern assumption. If it is necessary to disclose matters relating to the going concern assumption in accordance with the accounting principles pursuant to the provisions of the latter part of the first paragraph of Article 120 of the Regulation on Corporate Accounting, which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards, management is responsible to do so.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

The auditor's responsibility is to express an opinion on these consolidated financial statements based on its audit from an independent standpoint in an audit report, by obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements. We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the consolidated financial statements on the going concern assumption and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with the accounting principles pursuant to the provisions of the latter part of the first paragraph of Article 120 of the Regulation on Corporate Accounting, which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

Interest

Our firm and the engagement partners do not have any interest in the Company or its consolidated subsidiaries, for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)
<Certified Copy of the Audit Report of the Accounting Auditors>

INDEPENDENT AUDITOR'S REPORT

May 9, 2024

To the Board of Directors of
DENSO CORPORATION:

Nagoya Office
Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masaki Okuda

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Naoki Kondo

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Tetsuro Shigemitsu

Opinion

Pursuant to Item 1 of the second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules (the “Financial Statements, etc.”) of DENSO CORPORATION (the “Company”) for the 101st fiscal year from April 1, 2023, to March 31, 2024, and the related notes.

In our opinion, the above-mentioned Financial Statements, etc., present fairly, in all material respects, the financial position and results of operations of the Company for the period covered by the Financial Statements, etc. in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in “Auditor’s Responsibility for the Audit of the Financial Statements, etc.” We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The other information comprises the Business Report and its supplemental schedules. Management is responsible for the preparation and disclosure of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors’ duties related to designing and operating the financial reporting process of the other information.

Our audit opinion on the financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the Financial Statements, etc. in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the Financial Statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing Financial Statements, etc., management is responsible for assessing whether it is appropriate to prepare the Financial Statements, etc. in accordance with a going concern assumption. If it is necessary to disclose matters relating to the going concern assumption in accordance with accounting principles generally accepted in Japan, management is responsible to do so.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements, etc.

The auditor's responsibility is to express an opinion on the Financial Statements, etc. based on its audit from an independent standpoint in an audit report, by obtaining reasonable assurance about whether the Financial Statements, etc. as a whole are free from material misstatement due to fraud or error. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the Financial Statements, etc. We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the Financial Statements, etc. on the going concern assumption and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the Financial Statements, etc. in the audit report, or if the notes to the Financial Statements, etc. pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Financial Statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the Financial Statements, etc. are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the Financial Statements, etc. including related notes, and whether the Financial Statements, etc. fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material

weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

Interest

Our firm and the engagement partners do not have any interest in the Company, for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

<Certified Copy of the Audit Report of the Audit & Supervisory Board>

AUDIT & SUPERVISORY BOARD MEMBERS' REPORT

Regarding the performance of duties by Members of the Board for the 101st Fiscal Term, which began April 1, 2023, and ended March 31, 2024, the Audit & Supervisory Board of DENSO CORPORATION (the "Company") hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by the respective Audit & Supervisory Board Members.

1. Auditing Methods Employed by Audit & Supervisory Board Members and the Audit & Supervisory Board and the Substance Thereof

(1) The Audit & Supervisory Board determined auditing policies, auditing plans and other guidelines; received reports about the progress and results of audits from each Audit & Supervisory Board Member; received reports on the execution of their duties; and requested explanations, as required, from the Members of the Board and the Accounting Auditor.

(2) In compliance with the audit standards specified by the Audit & Supervisory Board and based on the auditing policies, assigned tasks and other guidelines above, each Audit & Supervisory Board Member has communicated with the Members of the Board and other relevant personnel of the internal audit department and others to collect necessary information and improve the auditing environment, and, at the same time, conducted his/her audit in the following manner.

1) Each Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings; heard about the execution of their duties from the Members of the Board and other relevant personnel; requested explanations therefrom, as required; examined important authorized documents and associated information; and studied the operations and financial position at the headquarters and principal offices. Moreover, the Audit & Supervisory Board Members have communicated and exchanged information with the Members of the Board, Audit & Supervisory Board Members and other relevant personnel of the subsidiaries and received reports on operations therefrom, as required.

2) Each Audit & Supervisory Board Member has supervised and verified the substance of the resolution adopted by the Board of Directors with regard to the improvement of the systems stipulated in Article 362, Paragraph 4, Item 6, of the Companies Act and in Article 100, Paragraphs 1 and 3, of the Ordinance for Enforcement of the Companies Act as the "Systems to Ensure Compliance of the Execution of Duties by Members of the Board with Laws, Regulations and the Articles of Incorporation" described in the Business Report, as well as the established and operational status of the in-house systems (internal control systems) that have been established pursuant to the resolution concerned.

3) Each Audit & Supervisory Board Member has supervised and verified whether the Accounting Auditor maintain independence and have done appropriate audits, and has received reports on the execution of their duties and requested explanations, as required, from the Accounting Auditor. The Audit & Supervisory Board was also notified by the Accounting Auditor of their appropriate development of arrangements enumerated in the items of Article 131 of the Ordinance on Company Accounting as constituting a "structure to ensure the proper execution of duties," and requested explanations, as required.

In the manner explained above, the Audit & Supervisory Board Members have examined the Business Report and supplementary schedules thereof; "financial statements," that is, the non-consolidated financial statements (Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Equity and Notes to the Non-Consolidated Financial Statements) and supplementary schedules thereof; and the consolidated financial statements (Consolidated Statement of Financial Position, Consolidated Statement of Income, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements), pertaining to the fiscal year ended March 31, 2024.

2. Audit Results

(1) Audit results regarding the Business Report and other documents audited

- i) In our opinion, the Business Report and the supplementary schedules thereof fairly represent the Company's conditions in accordance with the related laws and regulations and the Articles of Incorporation.
- ii) We have found no evidence of wrongful action or material violation of laws, regulations or the Articles of Incorporation by any Members of the Board with regard to the execution of their duties.
- iii) In our opinion, the substance of the resolution regarding the internal control systems is fair and reasonable. We have found no matters to remark with regard to the content of description as well as the execution of duties by the Members of the Board, concerning the internal control systems.

As for the Antitrust Law-related incidents described in the Business Report, the Audit & Supervisory Board has confirmed that the Company and the respective Group companies are endeavoring to further comply with laws and regulations, including Antitrust Laws.

(2) Audit results regarding the financial statements

In our opinion, the audit methods and results employed and rendered by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

May 9, 2024

Audit & Supervisory Board of DENSO CORPORATION
Standing Audit & Supervisory Board Member
Shingo Kuwamura
Standing Audit & Supervisory Board Member
Motomi Niwa
Outside Audit & Supervisory Board Member
Yasuko Gotoh
Outside Audit & Supervisory Board Member
Haruo Kitamura

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Guide to Stock-Related Procedures

To shareholders who receive your dividends at the Japan Post Bank offices, etc., with a dividend receipt:

It is recommended that you choose one of the following options to ensure the safe and secure receipt of your dividends.

Account for Dividend Receipt	Method of Receiving Dividends
1) Securities transaction account	The dividends will be remitted into the shareholder's accounts at the respective securities companies in proportion to the number of his/her shares deposited therewith. (Share number pro-rata distribution)
2) Bank account (common to all stock names)	The dividends for all the stock names will be remitted into the account of only one of the banks, including Japan Post Bank Co., Ltd. (Registered account receipt)
3) Bank account (individually designated by stock name)	The dividends will be remitted by stock name into the accounts designated in advance, including accounts of Japan Post Bank Co., Ltd. (Individual stock name designation)

To shareholders who wish to open an NISA account:

To be eligible for the tax exemption regarding your dividends, you need to choose option 1) above (Share number pro-rata distribution).

To shareholders who hold the Company's shares less than one unit (less than 100)

The share unit of the Company is 100, and the shares less than one unit cannot be sold or purchased in the market. However, the following procedures are available.

	Description of the System
Sale system	According to this program, the shares less than one share unit can be sold to the Company at the market price.
Additional purchase system	According to this program, the shares that would constitute one share unit (100) together with the shares less than one share unit that he/she holds can be purchased from the Company at the market price.

Fiscal year	From April 1 to March 31 of the next calendar year
Ordinary general meeting of shareholders	June
Fixed day on which shareholders for dividend payment are confirmed	March 31 If interim dividends are distributed, September 30
Share unit number	100 shares
Stock code	6902
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation
Account management institution handling special accounts	Mitsubishi UFJ Trust and Banking Corporation

Guide to “My Number System” regarding shares

The My Number, which has been noticed from the jurisdictional municipality to each shareholder, has become a requirement in the tax-related procedures for shares. Accordingly, shareholders of the Company need to notify securities companies with which they have transactions, etc., of their “My Number.”

Inquiries about shares

- The contact for the designation (change) of dividend reception method, the demand for sale/additional purchase, an address change and other share-related procedures depend on the category of the account in which you have shares.

Account category for the shares you hold	Contact
Securities transaction account	Securities company with which you have opened an account
Special account (shareholders who do not hold the Company’s shares, through securities companies)	Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation Contact: 1, Nikkocho 1-chome, Fuchu, Tokyo 0120-232-711 (Toll free in Japan) Mailing Address: Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation P.O. Box #29, Shin-Tokyo Post Office (Japan Post), Tokyo 137-8081

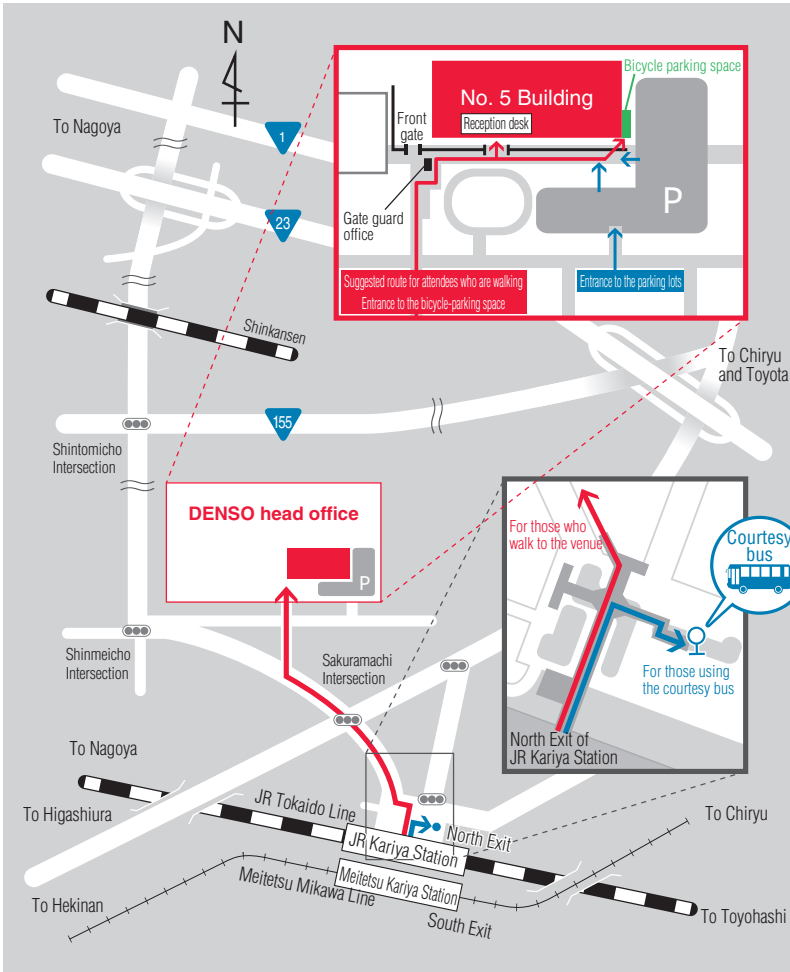
Guide to the Company’s Web site

To introduce DENSO’s initiatives to our shareholders and investors, we are active in information disclosure through the Web site below.

DENSO Site “INVESTORS”

www.denso.com/global/en/about-us/investors/

Access to the Venue of the General Meeting of Shareholders



* Please note that no souvenirs will be provided. We appreciate your understanding.

Place

Head Office,
DENSO CORPORATION
(Event Hall of No. 5 Building)
1-1, Showa-cho, Kariya, Aichi



Traffic guide

- **When using the courtesy bus**
Go out the North Exit of Kariya Station and turn right: see figure on the left. Runs at any time between 9:00-9:40
- **If you come on foot:**
Seven (7) minute walk from North Exit of Kariya Station
- **If you use a car, a two-wheeler or a bicycle:**
Please park your car in the parking lots located at the south and east sides of the No. 5 Building, and your two-wheeler or bicycle in the bicycle parking space at the east side.
* Please consider using public transportation, as the number of parking lots available is limited.

A plant tour is scheduled to take place after the General Meeting of Shareholders. For details, please see the enclosed "Notice of Plant Tour."

DENSO CORPORATION