DENSO
Crafting the Core

DENSO Group 2030 Mid-Term Management Plan

CORE 2030

DENSO CORPORATION
President & CEO, Representative Member of the Board

Shinnosuke Hayashi

March 31, 2026

Agenda

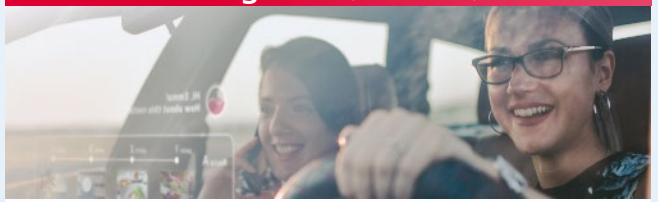
1. Review of 2025 Mid-Term Policy
2. Mid-Term Management Plan 2030 “CORE 2030”
3. Growth Strategies
4. Financial Strategies

1

Review of 2025 Mid-Term Policy

Review of 2025 Mid-Term Policy

*3 Factory Automation

	Mobility domain		New domains (FA*3, agriculture, etc.)
	Electrification	Intelligence (ADAS*1)	
			
Value We aim to provide	**Reduction of environmental impact (Carbon neutrality)**	**Reduction in traffic fatalities**	**Address workforce challenges Improvement of productivity**
Value・Initiatives delivered to customers	Multi-pathway **Extended driving range and improved drivability** Fuel efficiency・emission reduction technologies ・electrification technologies (higher output, reduced power loss, etc)	**56% accident scenario coverage*2 achieved** Highly reliable ADAS products	**Solving issues through total solutions** Leveraging technologies refined in the mobility domain
Business performance	**Electrification revenue 1.1 trillion yen**	**ADAS revenue 590 billion yen**	**Strengthen alliances - Foundations for future growth**

Delivered proven value to customers

*1 Advanced Driver-Assistance Systems
*2 A proprietary quantitative index that uses real-world accident data to define accident scenarios—such as crash types, targets, and collision conditions—and quantifies the applicability of ADAS functions through simulation.

Review of 2025 Mid-Term Policy [Business & Profitability]

Business

Advances in semiconductors and communications technologies have greatly increased value mobility can deliver. Deliberate investments to accelerate future growth.

Profitability

- Achieved revenue growth exceeding the vehicle [Annual average growth rate(2020⇒2025) [Vehicle market +3%, Revenue growth +9]
- Executed resource investments to accelerate future growth
- Challenges remain in suppressing quality costs and responding to surging material cost

	FY21	FY26 *Forecast at 3Q	25Mid-Term Policy targets
Sales	4.9 trillion yen	7.4 trillion yen	7.0 trillion yen
Operating Margin	3.1 %	7.2 %	10 %
ROE	3.4 %	8.1 % *Cost of equity 7.8%	Over 10 %

Aim to enhance added value together with investments

External Environment

Escalating Societal Challenges

- Shift to decarbonized society
- Traffic accidents

Multipolar, Diversifying World

- Borderless information and technology
- Importance of economic security

Changing Values and Lifestyles

- AI-driven shifts in human roles and workstyles

2

Mid-Term Management Plan 2030 “CORE 2030”

Our Goal

Realize the future society, starting from mobility, through human potential

2030 DENSO Group Mid-Term Management Plan

CORE 2030

Overview of Initiatives to Enhance Customer Value

Societal Value Expansion Domains (New Domains)

FA・Agriculture
Acceleration through partner collaboration

Semiconductors
Maximize Value Across ind. equipment, consumer electronics, automotive

Mobility Domain

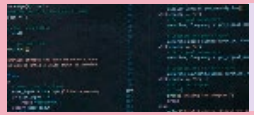
Electrification
Evolve from systems to components

Internal combustion & thermal
Deepen as foundation of multi-pathway

Intelligence
Differentiate through high-reliability system

Fundamental Technologies

Semiconductors
Automotive optimized evolution



Software
Innovation of AI technology・development speed

Enhance value for customer and strive to be a company that society continues to count on

Growth Strategies

3 Growth Strategies

Pillar 1

Meeting Diverse Mobility Needs

Strengthening Product Development

Pillar 2

Combining practical know-how from the frontline and AI

Innovating Manufacturing

Pillar 3

Driving New Value Creation

Developing People, Co-Creating with Partners

DENSO's Strengths

Pillar 1 "Strengthening Product Development" in Response to Mobility Diversification

Diverse evolution of mobility

Diverse evolution rooted in Each Country and Region

Energy conditions | **Policy and Industry Trends** | **Lifestyles**

Support all customers with DENSO's technology and deliver value

Pillar 1 "Strengthening Product Development" in Response to Mobility Diversification

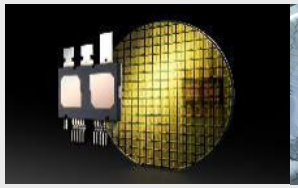
Deepening and evolving of fundamental technologies


Integrated Systems
built on components

Evolve



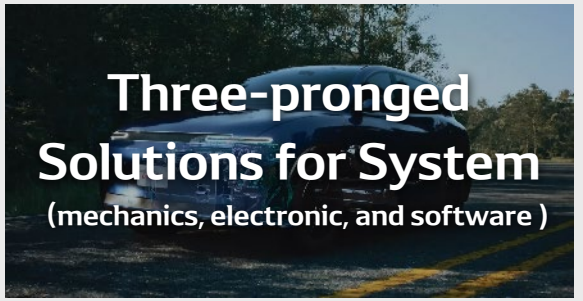
Refined
Components




Fundamental technologies
enhancing competitiveness

Deepen

DENSO's Strengths



5 years to 2030
R & D expenditure

3.7 trillion yen

2030 Sales
Electrification・Intelligence

4 trillion yen

Take on the challenge of creating new value to strengthen customer competitiveness

Pillar 2 "Innovating Manufacturing" Combining practical know-how from the frontline and AI

AI has reached the stage of frontline deployment

Vast "practical know-how" embedded in DENSO's frontline becomes a critical competitive asset

Pillar 2 "Innovating Manufacturing" Combining practical know-how from the frontline and AI

DENSO's Strengths

Vast, hard-to-replicate practical know-how

behind high-efficiency, high-quality manufacturing capability

Tacit knowledge

Defect-analysis know-how, understanding of material, thermal, and fluid phenomena, automotive quality design, safety DNA, and automotive software quality

Data

Process logs, material and analysis data, quality data, design-change histories, and automated-driving logs

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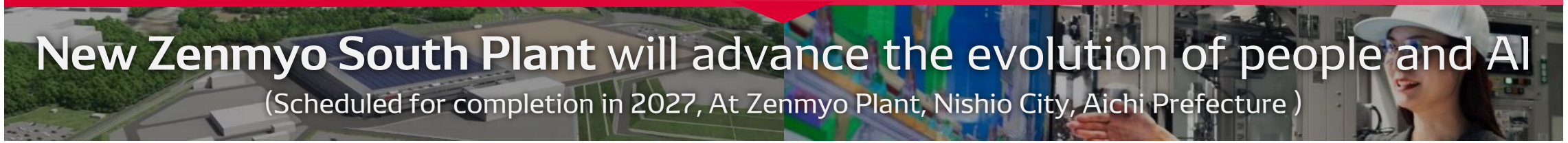
AI Application

AI development for frontline deployment

Achieve Outstanding QCD*

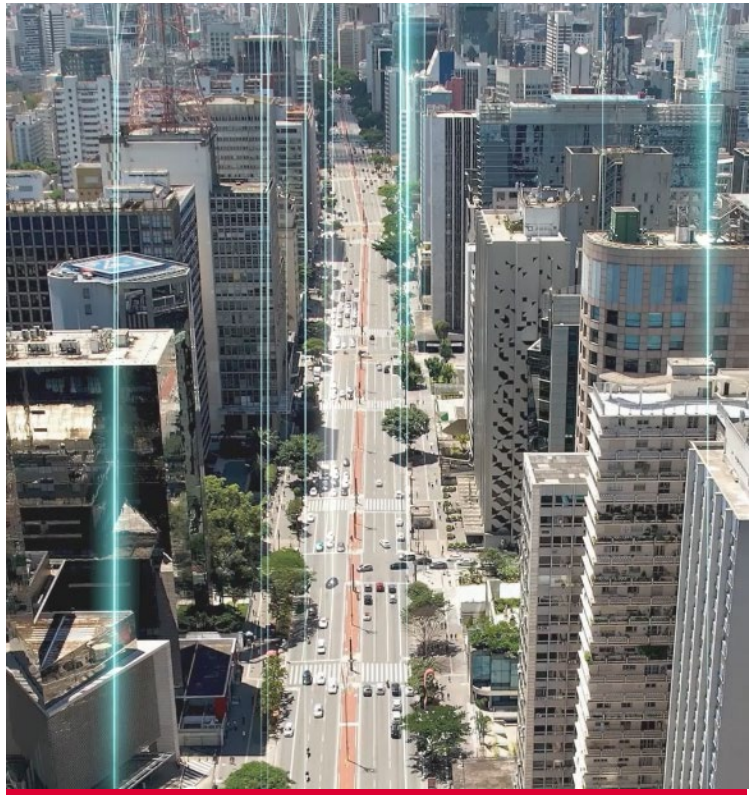
*Quality, Cost, Delivery

Transform how people work, enabling a shift toward higher-value-added operations



Refine DENSO's practical know-how to elevate global manufacturing

Pillar 3 “Developing People, Co-Creating with Partners” to Lead New Value Creation



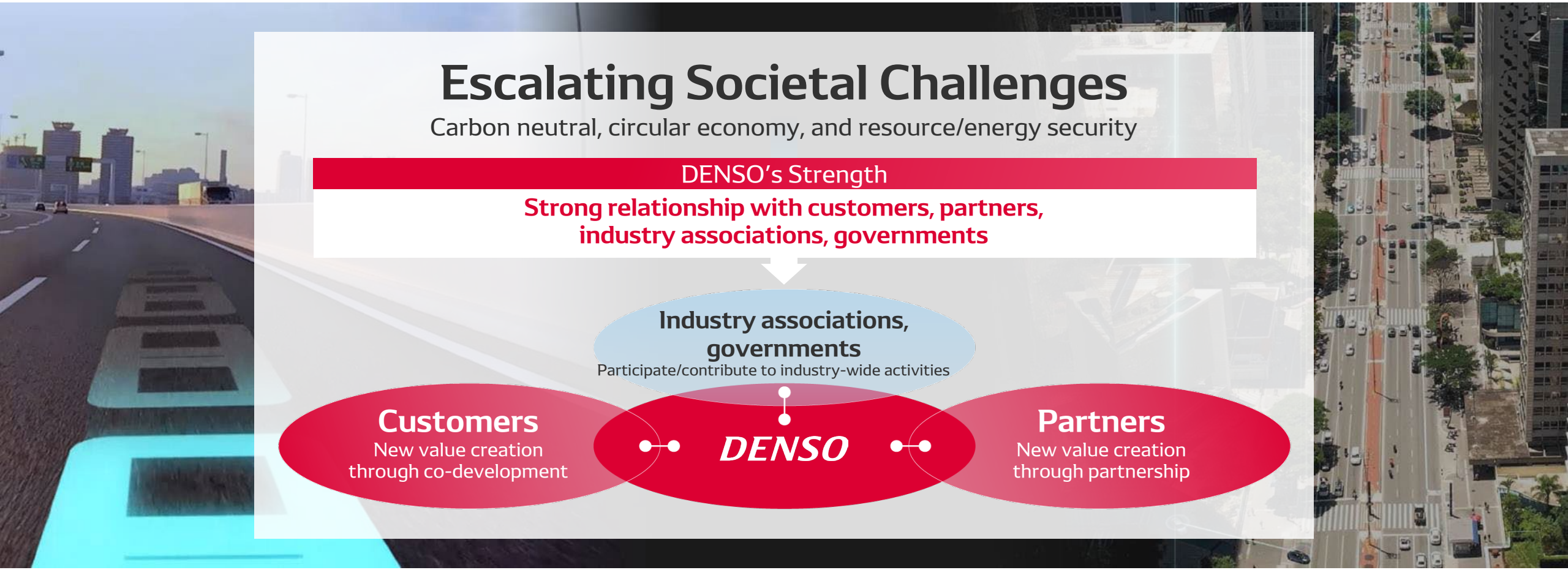
New Co-creation Model in Mobility Domains

Partner Collaboration in Societal Value Expansion Domains

People Development

Pillar 3

“Developing People, Co-Creating with Partners” to Lead New Value Creation
New Co-creation Model in Mobility Domain



Bring stakeholders together and step up to lead to solve social issues

Pillar 3

"Developing People, Co-Creating with Partners" to Lead New Value Creation
Partner Collaboration in Societal Value Expansion Domains

New Business Domains	Strategy	Aim for 2030
	High reliability and advanced system in **Technologies of Vehicles** × **Collaboration with Partners**	**FA** Contribute to productivity equivalent to **19,000** people's workforce Revenue Scale **300** billion Yen
		**Agriculture** Productivity Improvement **75%** Revenue Scale **100** billion Yen
		**Semiconductors** Accelerate expansion to industrial equipment, consumer electronics etc domain. Maximize synergy across industrial equipment, consumer electronics, automotives

Grow with partners to drive broad value enhancement

Pillar 3

“Developing People, Co-Creating with Partners” to Lead New Value Creation
People Development

“People” drive growth, DENSO backs every challenger

Our Goal

Realize the future society, starting from mobility, through human potential

3 Growth Strategies

Pillar 1

Meeting Diverse Mobility Needs

Strengthening Product Development

Pillar 2

Fusing practical know-how in the frontline and AI

Innovating Manufacturing

Pillar 3

Driving New Value Creation

Developing People, Co-Creating with Partners

Investment (5 years Cumulative towards 2030)

Business investment

6.6 trillion yen

R & D	3.7 trillion yen
Capital expenditures	2.2 trillion yen
Value creation fundamentals (IT, IP, people)	0.7 trillion yen

Strategy investment

+α trillion yen

Financial Indicators (2030)

Sales Revenue

Over 8 trillion yen

Electrification Intelligence	4 tri. yen
FA	300 bil. yen
Agriculture	100 bil. yen

Operating Margin

Over 10 %

ROE

Over 11 %

Investment/Shareholder returns

Over 8 trillion yen
[FY27-31 Cumulative]

Business investment	6.6 tri. yen
Dividends	1.0 tri. yen
Strategy investment Share Buybacks	+α tri. yen

The Purpose Behind CORE 2030

DENSO's Roots

Deliver better products and services to our customers through technology, manufacturing and the power of our associates

Crafting the Core

For the true needs of our customers and society

Keep crafting the new “CORE”

3

Growth Strategies

Overview of the Growth Strategy

Pillar 1

Meeting Diverse Mobility Needs

Strengthening Product Development

/ Green / Carbon Neutrality

Meeting Diverse Customer Needs through Core Technologies and Integrated System Development

/ Peace of Mind / Zero Traffic Fatalities

Delivering the safety performance customers require through highly reliable, high-quality ADAS systems

Pillar 2

Combining practical know-how from the frontline and AI

Innovating Manufacturing

Design and Development

Implementing Agent AI in Processes

Manufacturing

Implementing Physical AI in Factories

Pillar 3

Driving New Value Creation

Developing People, Co-Creating with Partners

Strengthening the Talent Base to Support Strategy Execution

Developing System Talent with a Vehicle-centric Perspective
An Agile Talent Portfolio Aligned with Business Strategy

Co-creation with Partners

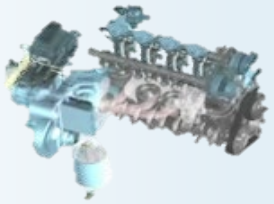
Accelerating Industry Collaboration in the Mobility Field
Strengthening Cross-industry Alliances in Societal Value Expansion Domains

Development Strategy for Achieving Carbon Neutrality

Diverse Needs

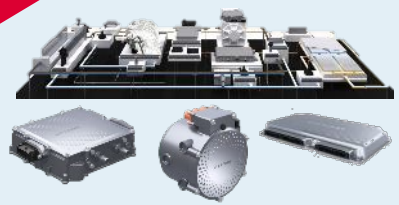
- Support for Carbon Neutral Fuels (Hydrogen, e-Fuel)
- Integration of Internal Combustion and Electrification Technologies
- Higher Efficiency / Extended Driving Range
- Long-distance Operation for Heavy-duty Vehicles
- Improved Efficiency through Electrification of Power Take-Off (PTO)
- Affordable Mobility through Renewable Energy

Providing Optimal Options

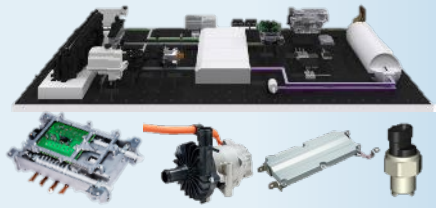


ICE* Systems
*Internal Combustion Engine

HEV/PHEV Systems



BEV Systems



FCEV Systems

Expansion into New Domains
Integration with Social Infrastructure Systems (Dynamic Wireless Power Transfer System etc.)

Technology Development toward Carbon Neutrality across ICE, HEV, PHEV, BEV, and FCEV

Development Strategy for Achieving Carbon Neutrality

Diversification of Options (OEM × Powertrain)




ICE | HEV | PHEV | BEV | FCEV

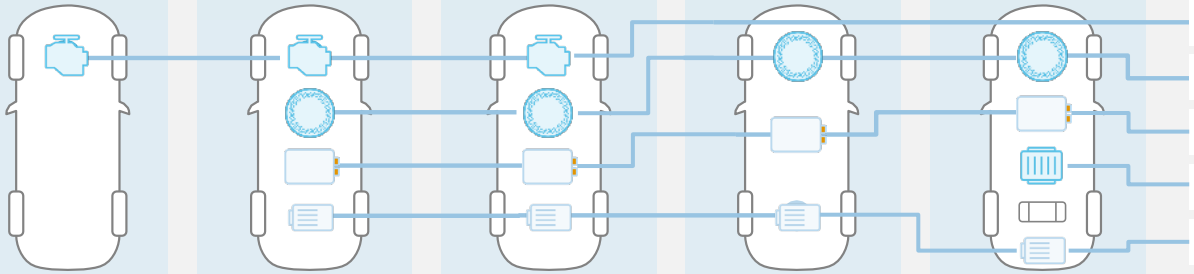
★ Today's briefing

Evolve

Integrated Systems built on components

- Electric Drive Systems
- Thermal Systems
- Energy Management Systems

Refined Components



- Engine Control (Incl. Hydrogen and CN Fuels)
- ★ Motors
- ★ Inverters
- Fuel Cell Equipment
- ★ Power Supply Systems

Deepen

Fundamental Technologies enhancing competitiveness

- ★ Power Semiconductors

Meet the diverse customer needs through "Core Technologies" and "Integrated System Development"

Electric Drive Systems

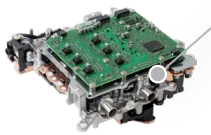
DENSO's Strengths

Value Delivered	Strengths of Core Components
Carbon Neutral	Low loss
Extended driving range	High functionality
Improved driving performance	
Enhanced cabin comfort	Compact

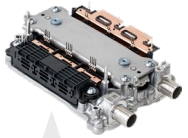
Inverter for New BEV (Battery Electric Vehicle)

e-Axle
(by BluE Nexus)

Inverters



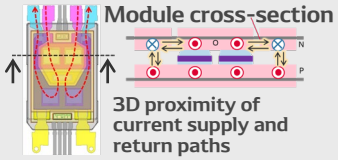
Core Modules



■Low-loss Power Semiconductors
Proprietary 3D-structured SiC

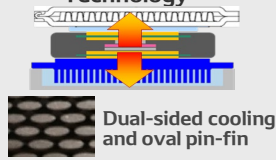
World's lowest on-resistance

■Core technologies maximize device performance
Parallel wiring enabled by resin insulation



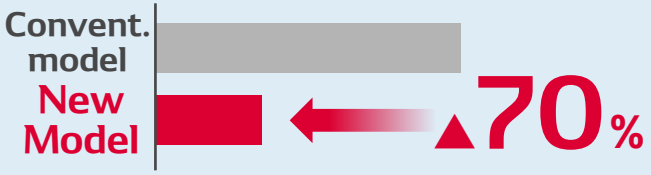
Reduction of switching losses

■Cooling technologies for thermal control
Double-sided Cooling Technology

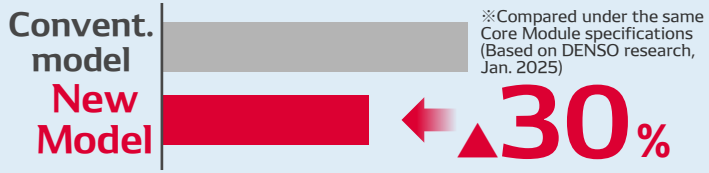


High cooling performance

Loss



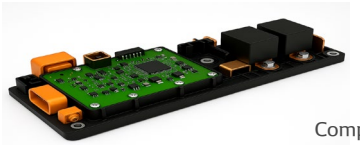
Size



※Compared under the same Core Module specifications (Based on DENSO research, Jan. 2025)

Enables compact, high-performance electric drive systems, by advancing proprietary cooling technologies to address increased heat density resulting from system integration

Evolution of Core Components for Electric Drive Systems

	Inverters	Motors (MG)	Power Supply Systems
	 Compared with competitors	 Compared with competitors	 Compared with competitors
Compact	Internal substrate implementation technology for power semiconductor wiring **Market-ready by FY31 or later** **Size ▲50%**	High power-density increased winding cross-section **Market-ready by FY31** **Equivalent to Neodymium Magnets**	Integration of BMS/ESU into J/B※ Integration of relay and fuse functions using semiconductors **Market-ready by FY31 or later** **Size ▲60%**
High function-ality · Low loss	Advancement of in-house SiC technology with low crystal defects / low on-resistance **Market-ready by FY29** **Power loss ▲50%**	Heavy rare-earth-free magnets with low resource risk **Market-ready by FY30** **Magnetic performance Equivalent to Neodymium Magnets**	Highly reliable high-speed interruption using semiconductor relays and surge suppression circuits **Market-ready by FY31 or later** **Interruption time reduced 1/100**
	Heat generation control for electrified powertrains with temperature control function **Market-ready by FY30** **Heat generation x3**	Environmentally friendly magnet elimination **Market-ready by FY31** **CO_2 emissions ▲34%**	Dynamic Wireless Power Transfer System with a proprietary magnetic circuit **Market-ready by FY30** **Reduced charging time to alleviate EV range anxiety**

※J/B : Junction Block　BMS : Battery Management System
ESU : DCDC Converter & On-board Charger

Enhance competitiveness of a wide range components through technological capabilities, and contribute to improved electrification performance

Evolution of Core Components: In-house SiC Technology

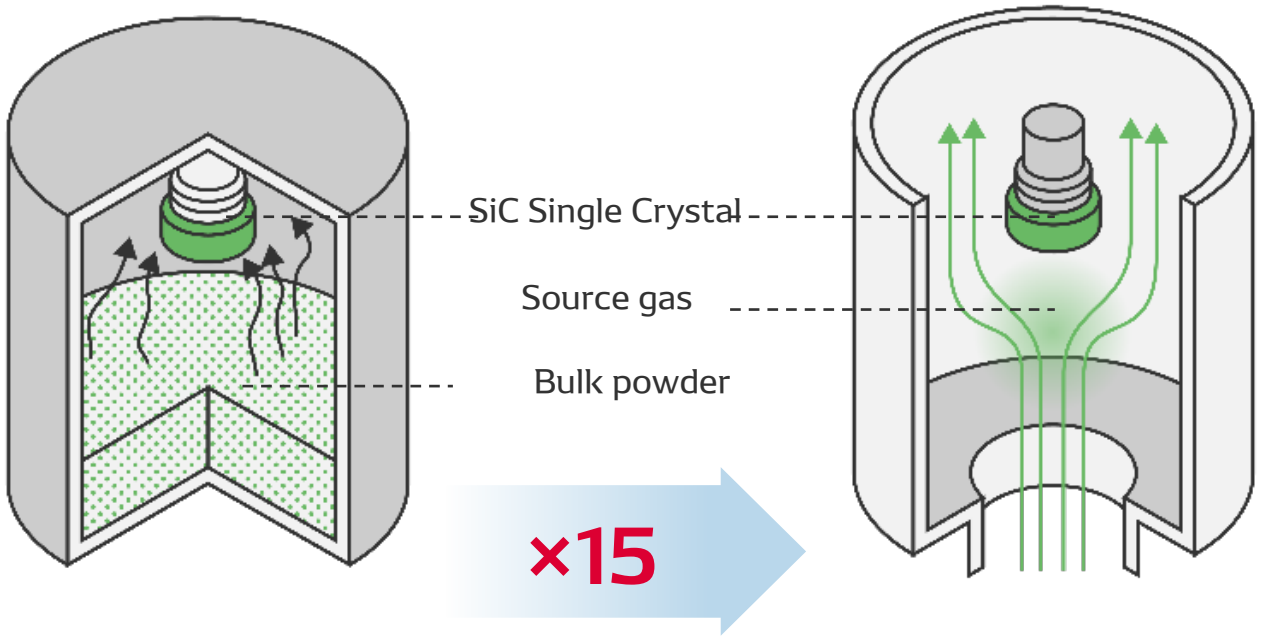
Crystal Growth

Sublimation Method

2200 deg.

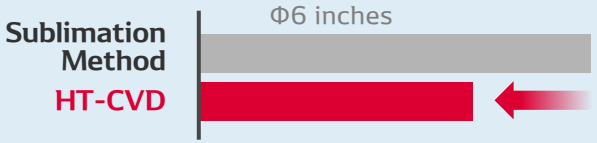
HT-CVD(High Temperature Chemical Vapor Deposition)

2500 deg.



High Growth Rate

Reduced Wafer Cost



▲30% or More

CO_2 emission reduction

▲90% or More

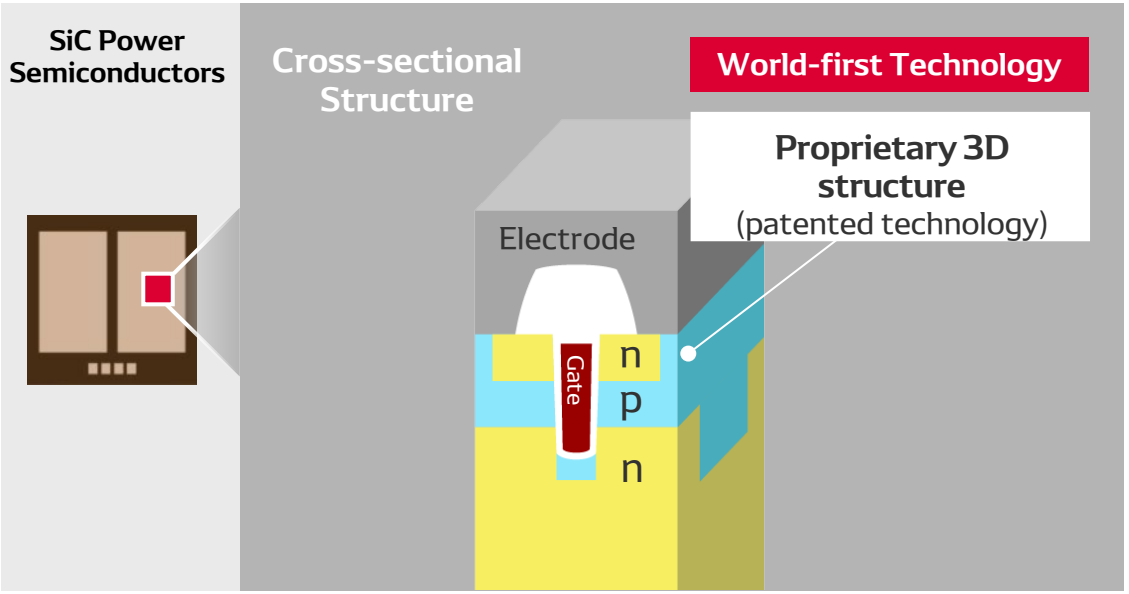
World-first Technology*

Market-ready by FY28

*company research

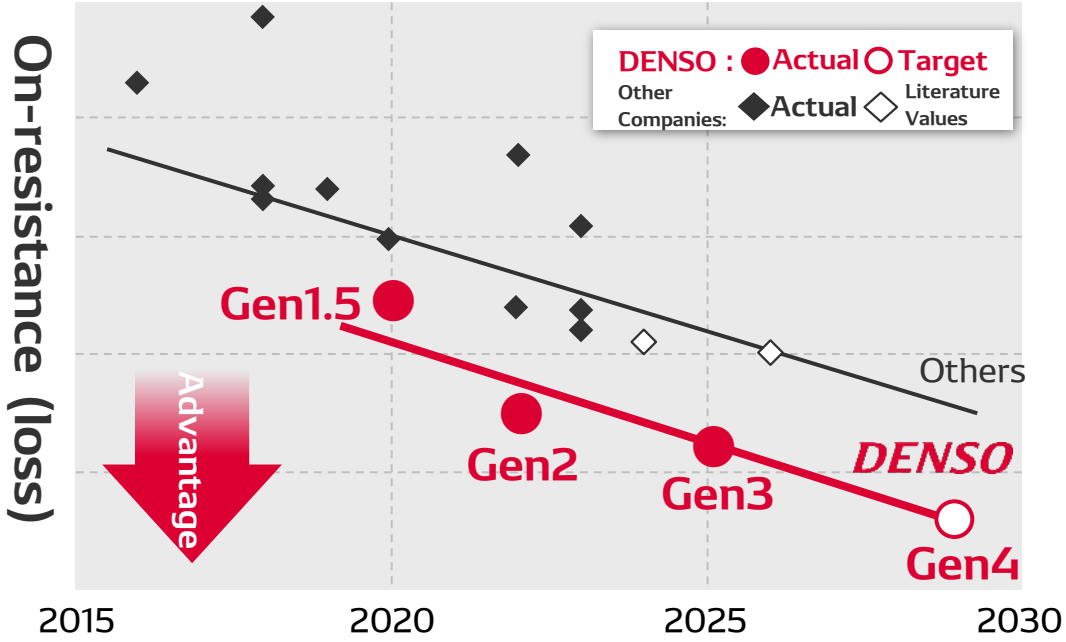
Evolution of Core Components: In-house SiC Technology

Device Structure



Ensuring High Quality

Performance

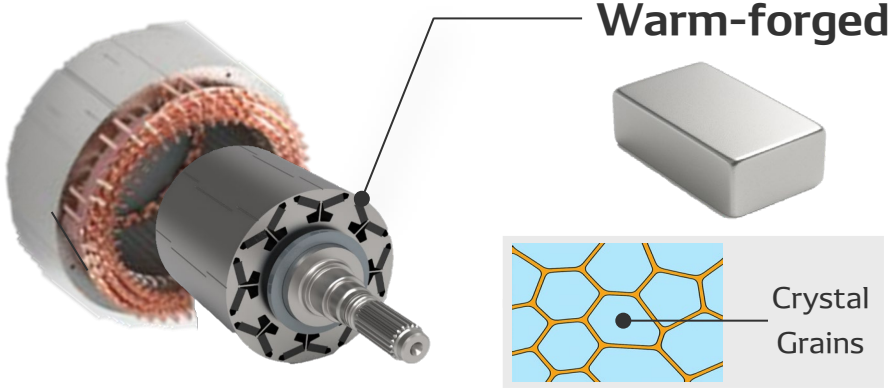


Leading the Industry in Low-loss Performance

Deliver outstanding value in both cost and performance, by advancing our proprietary in-house technology

Evolution of Core Components: Motors

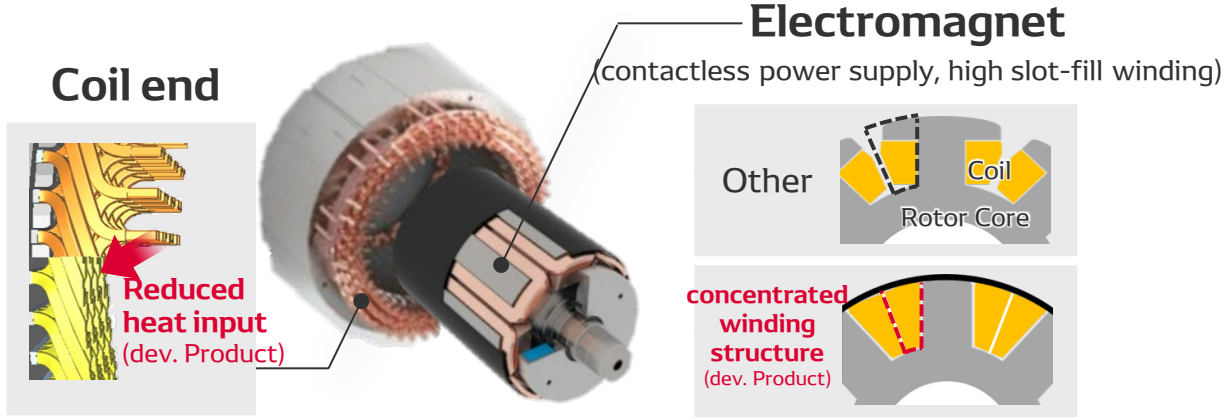
1. Heavy Rare-earth-free Motor



・Reduced CO_2 emissions through warm manufacturing using extrusion processing
・Elimination of heavy rare-earth additives through finer, uniform crystal grains
・Improved torque density through optimization of magnetization direction and magnet layout

World-first Technology	CO_2 emissions	Compact, high performance
Market-ready by **FY30**	**reduced ▲22%**	(torque density) **Equivalent to Neodymium Magnet Products**

2. Magnet-free Motor



・Adoption of electromagnets in place of magnets
・Achieved lower cost and higher torque density through contactless power supply and high slot-fill winding
・Optimized low-heat-input joining methods (TIG to laser weld) to achieve compact size and higher output density

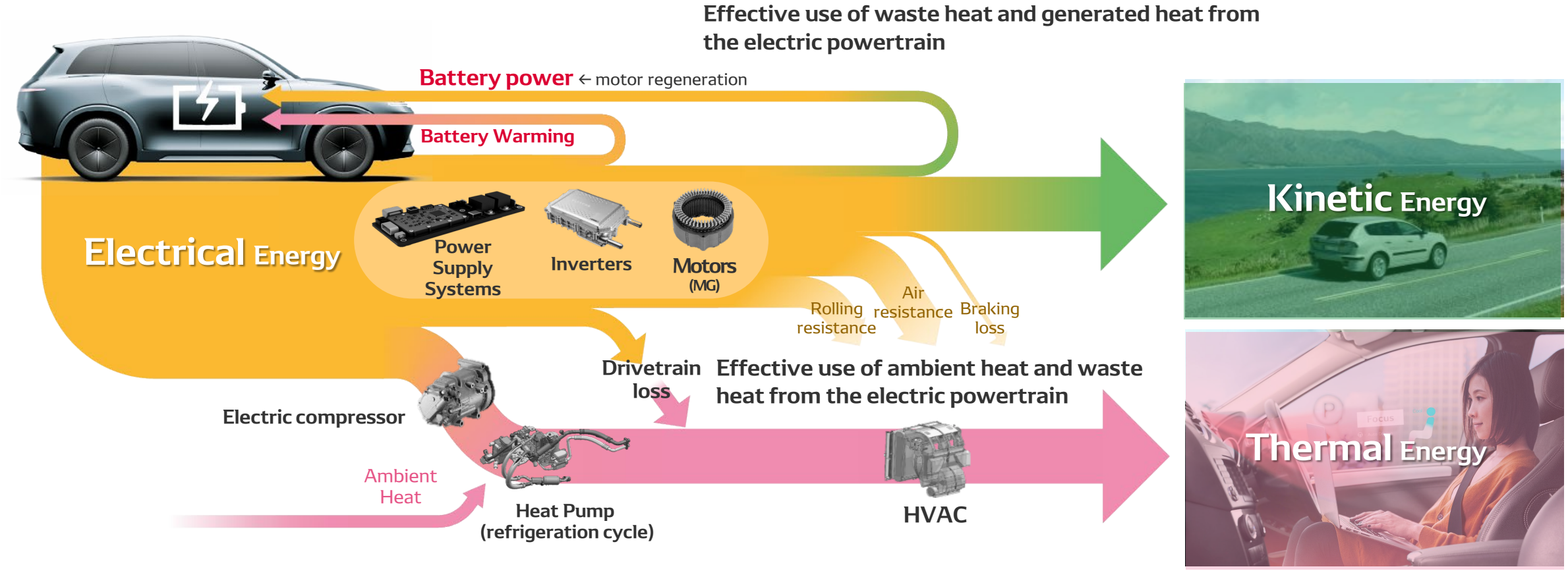
World-first Technology	CO_2 emissions	Compact, high performance
Market-ready by **FY31**	**reduced ▲34%**	(torque density) **Equivalent to Neodymium Magnet Products**

Innovative materials and structures deliver higher performance, overcoming environmental risk

Energy Management

Managing the vehicle's limited energy—electricity, heat, and motion—to match changing conditions

Enhancing energy efficiency while delivering vehicle comfort and convenience



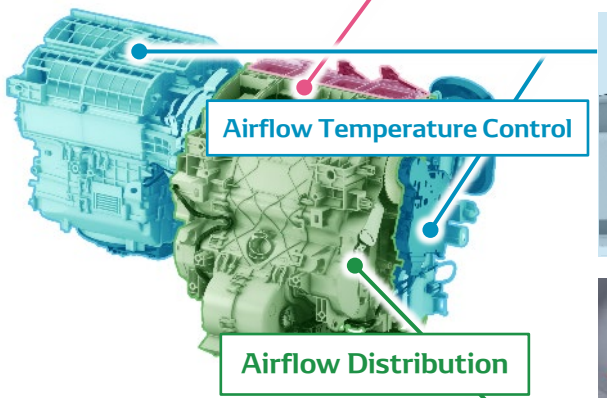
Enhancing vehicles through high-efficiency components and advanced energy management control

Energy Management: Innovative Cabin

An innovative cabin that delivers both mobility experience value and energy efficiency

Creating a comfortable cabin space with library-like quietness and a wide field of view

Conventional HVAC Functions

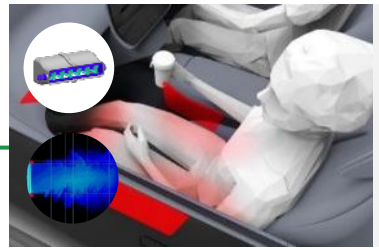


Ensuring visibility while reducing air-conditioning energy consumption

・ Glass Heating Technology

Redesigning the air-conditioning system to create a more spacious and flexible cabin space

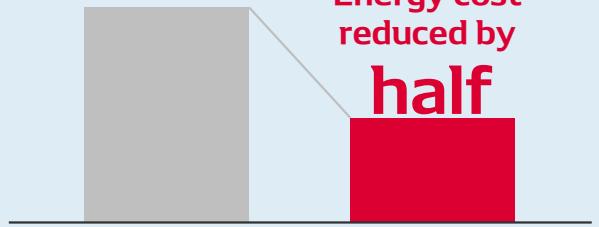
・Relocation of HVAC to the motor room side



Direct thermal control that warms only where needed

・Long-range airflow technology
・Optimal use of airflow, seat heaters, and radiant heaters

Energy consumption for cabin air-conditioning (winter)



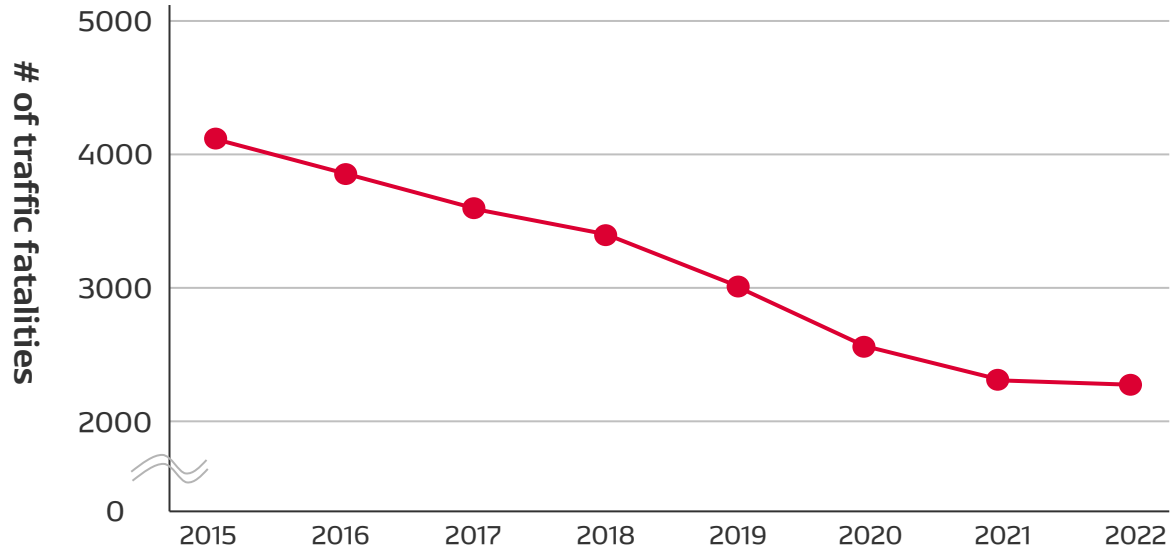
Create comfortable mobility experiences and spaces with energy-minimum performance

Approach Towards Zero Traffic Fatalities

Source: In-house analysis using Institute for Traffic Accident Research and Data Analysis (ITARDA) aggregated data

Trend of Traffic Fatalities in Japan

Source: Ministry of Justice
https://www.moj.go.jp/content/001413635.pdf

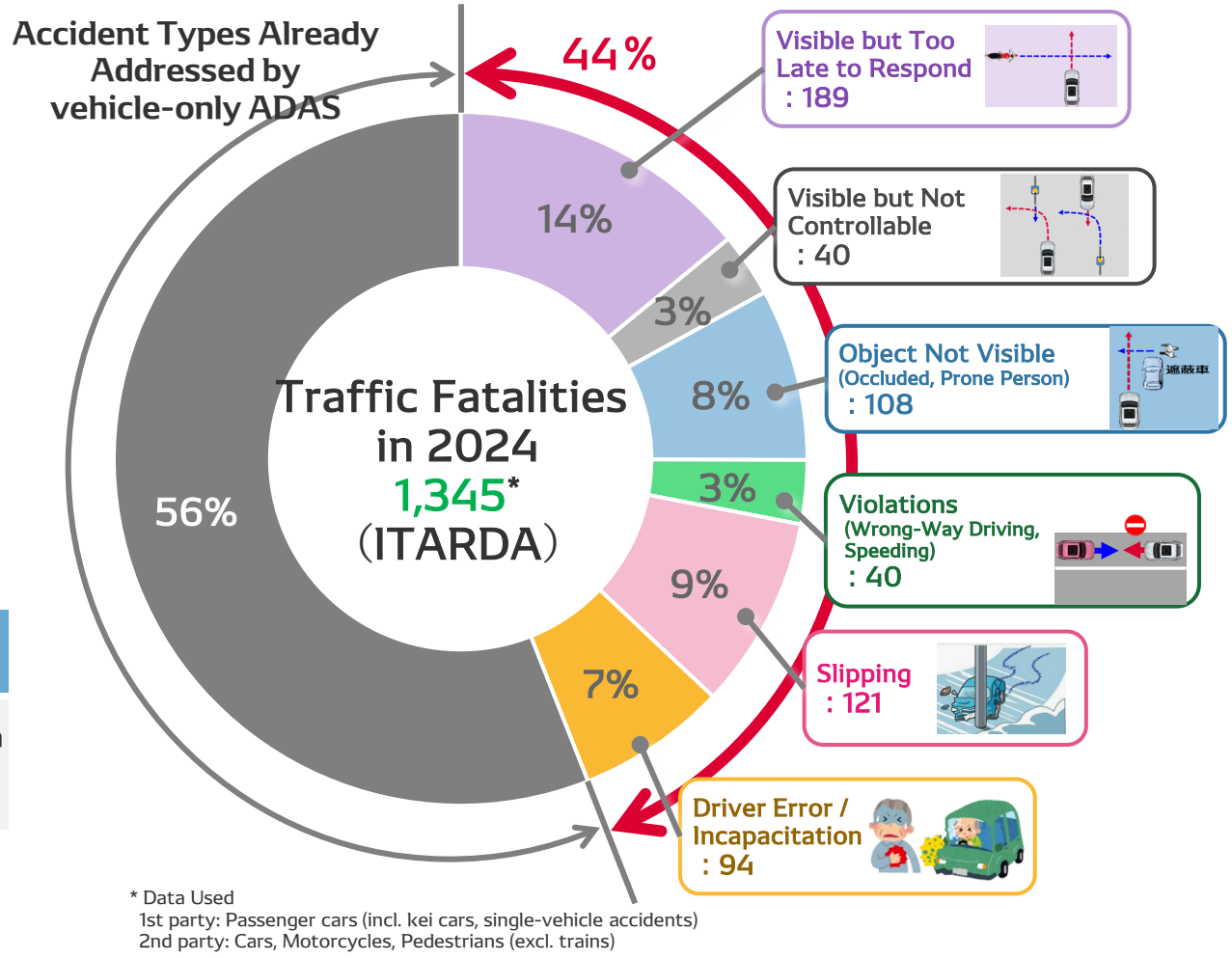


DENSO ADAS Product Evolution	GSP 1	GSP 2	GSP 3
	Detection of Vehicles, Pedestrians in daytime	Detection of Pedestrians in nighttime	Early detection ML image recognition etc

GSP : Global Safety Package
ML: Machine Learning

Accident Characteristics

Accident Types Requiring Further Measures



* Data Used
1st party: Passenger cars (incl. kei cars, single-vehicle accidents)
2nd party: Cars, Motorcycles, Pedestrians (excl. trains)

Technologies beyond vehicle-only ADAS are required

Roadmap Towards Zero Traffic Fatalities

*Global Safety Package Gen. X

Value

Accident Coverage Rate

Current GSP4*

56%

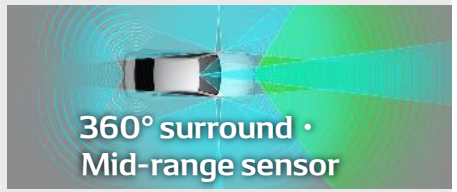
Future

Introduce human- and infrastructure-cooperative functions by 2030, and scale their deployment thereafter.

Approach

Key Technologies

Sensing・Communication



Driving Environment Sensing

Face position, eye direction
+skeleton
+behavior (smartphone use, etc)

Detection of abnormal occupant state and behavior

In-cabin Sensing

Cooperative driving of Vehicle-Human-Infrastructure

Infrastructure・Vehicle-to-vehicle

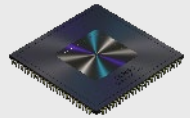
No Unnecessary Operations

ADAS Algorithm

Rule based ADAS
(Order of data volume : 10^3～10^4)

AI-learning based ADAS
(Order of data volume : 10^{11})

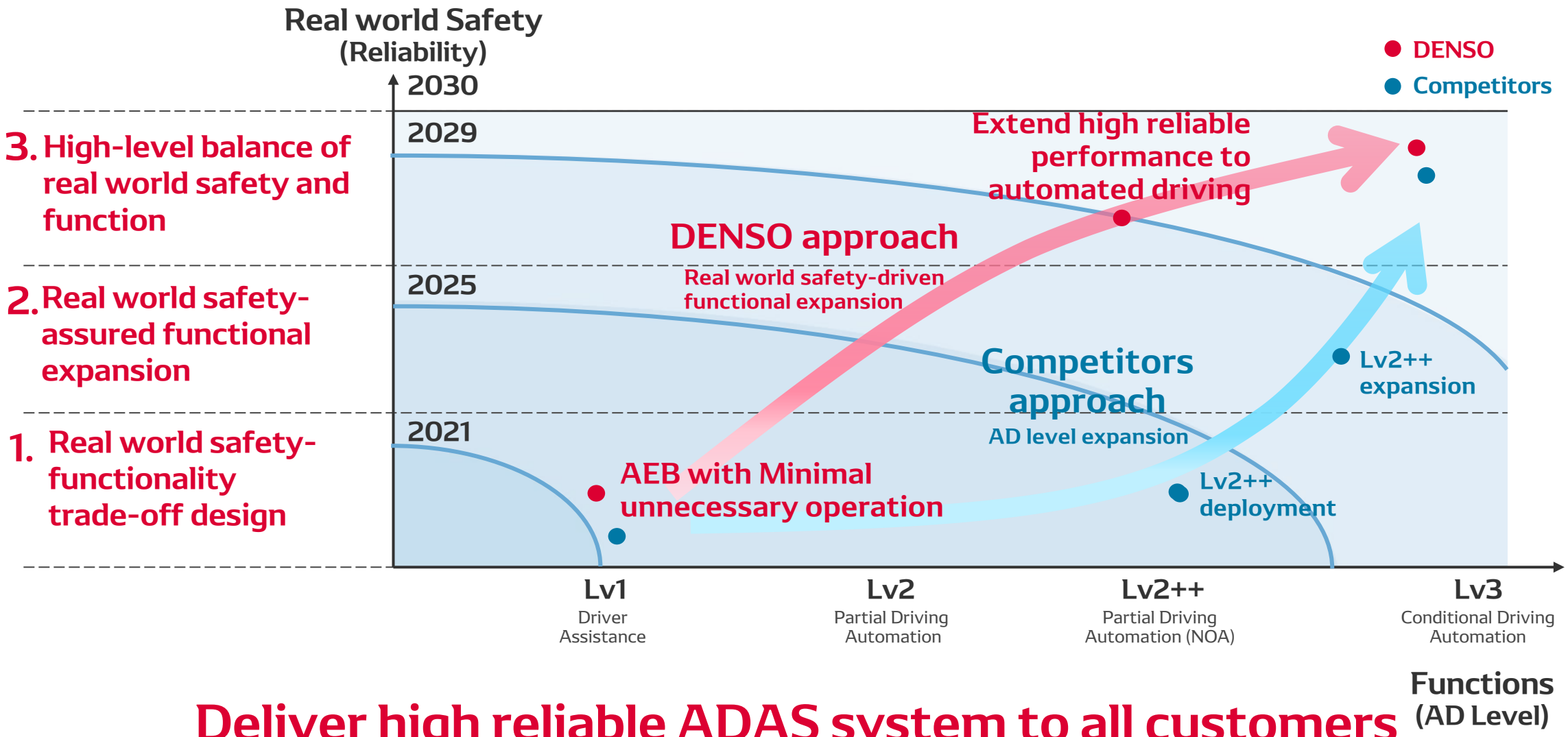
High reliable system



Automotive -AI SoC

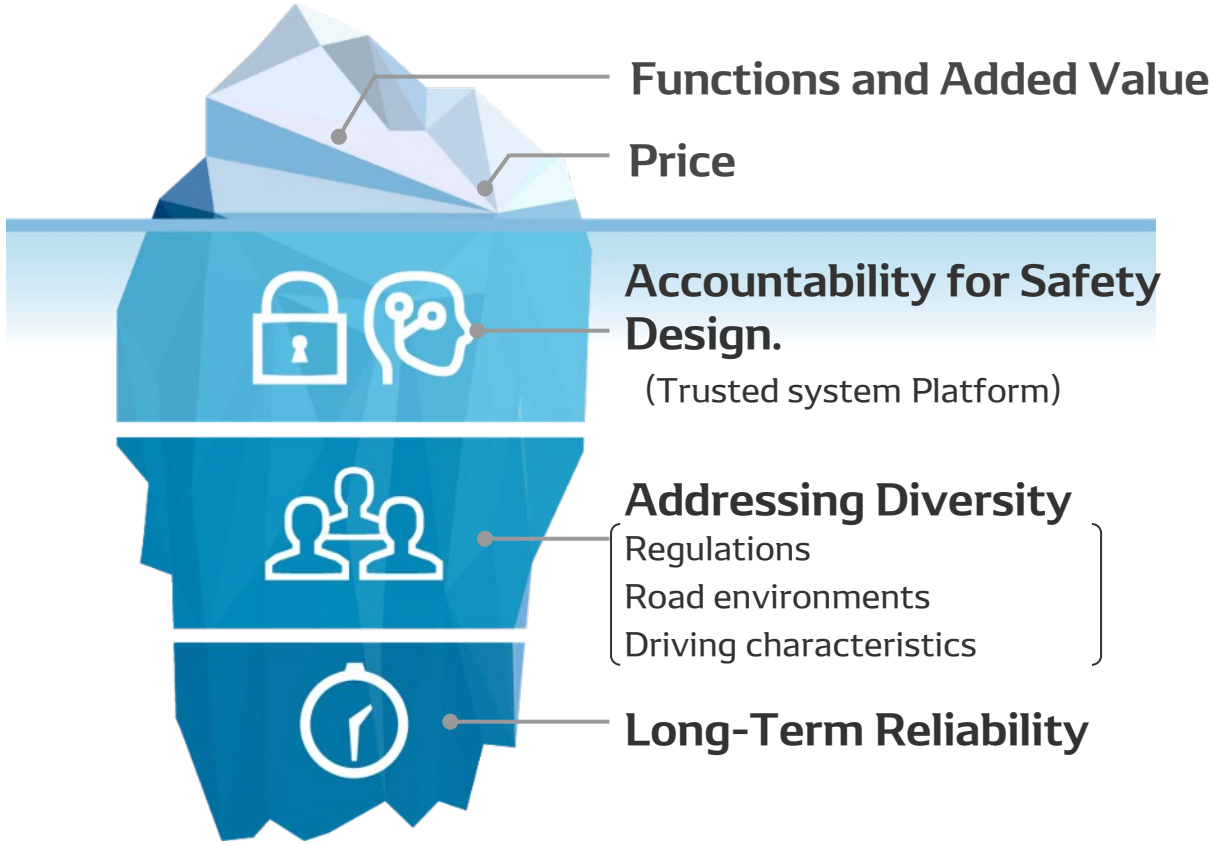
Toward Zero Traffic Fatalities through Vehicle–Human–Infrastructure Cooperation

Evolution of AD/ADAS ～Delivering High Reliability～



Deliver high reliable ADAS system to all customers

Strength of AD/ADAS System

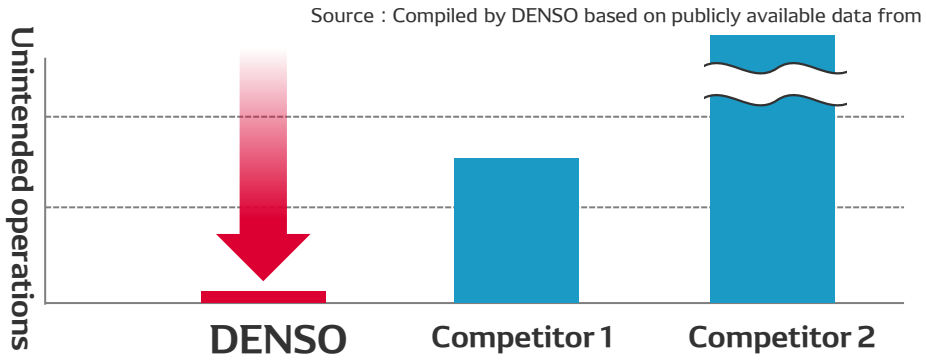


DENSO's High Reliability Performance

consistently low claim rate.

User complaint cases/ unnatural behavior in unexpected situations
(e.g., sudden braking)

Source : Compiled by DENSO based on publicly available data from MLIT



Relative to competitors

Reliability with unintended operations

max **1 / 200***

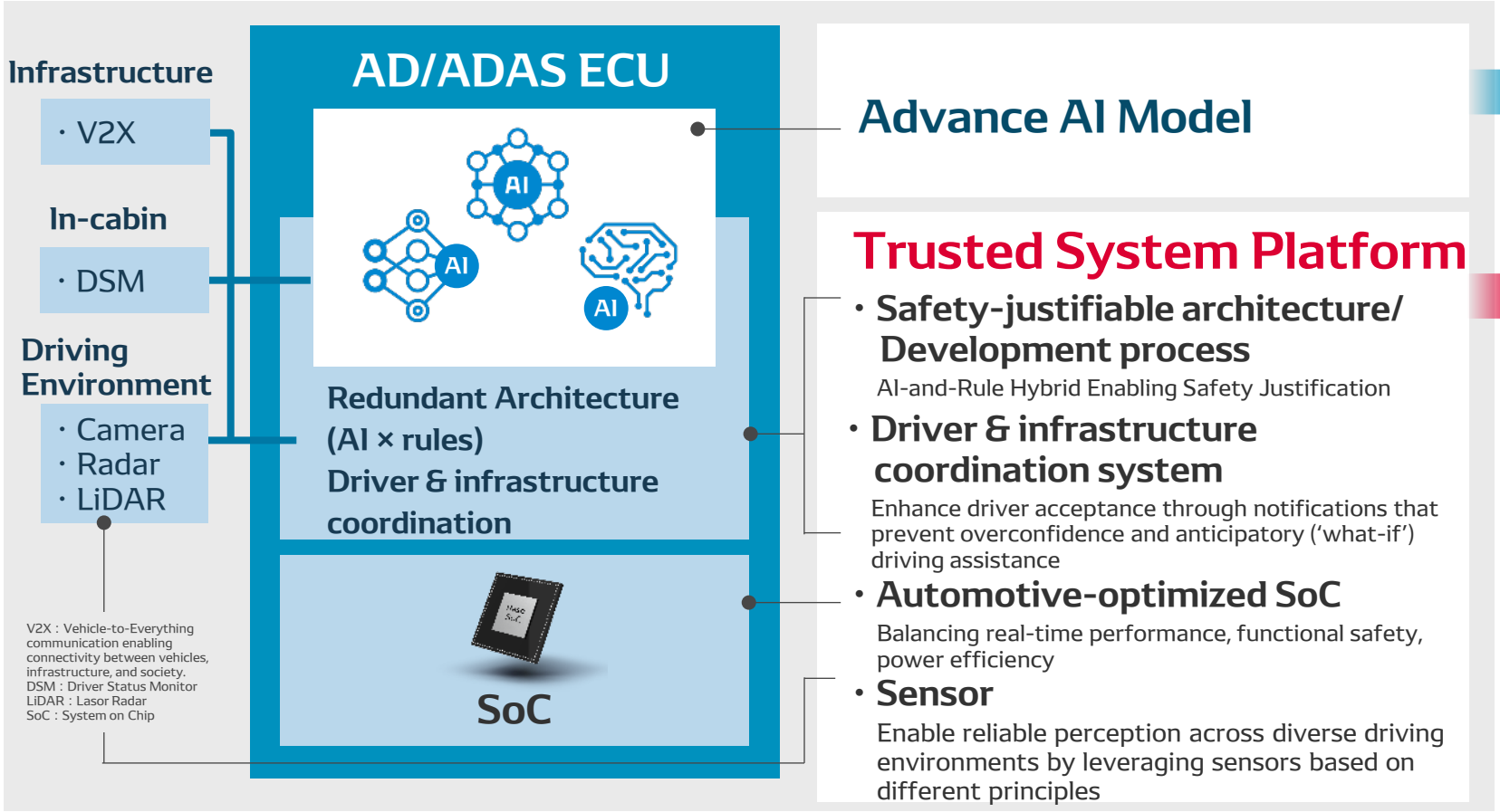
(*Result of our statistical survey)

DENSO's strength lies in its deep commitment to reliability, built together with our customers.

(Reliability proven through the mass production of 53 million units across 144 countries and regions)

High Reliable AD/ADAS Systems

Deliver products with high-level balance between the evolution of AI and real-world safety



Advance AI Model

Trusted System Platform

- **Safety-justifiable architecture/ Development process**
  AI-and-Rule Hybrid Enabling Safety Justification
- **Driver & infrastructure coordination system**
  Enhance driver acceptance through notifications that prevent overconfidence and anticipatory ('what-if') driving assistance
- **Automotive-optimized SoC**
  Balancing real-time performance, functional safety, power efficiency
- **Sensor**
  Enable reliable perception across diverse driving environments by leveraging sensors based on different principles

Co-development with advanced partners & customers

Support the latest AI tech. and a wide range of customer-specific AI model apps

DENSO's Key Development Areas

Target

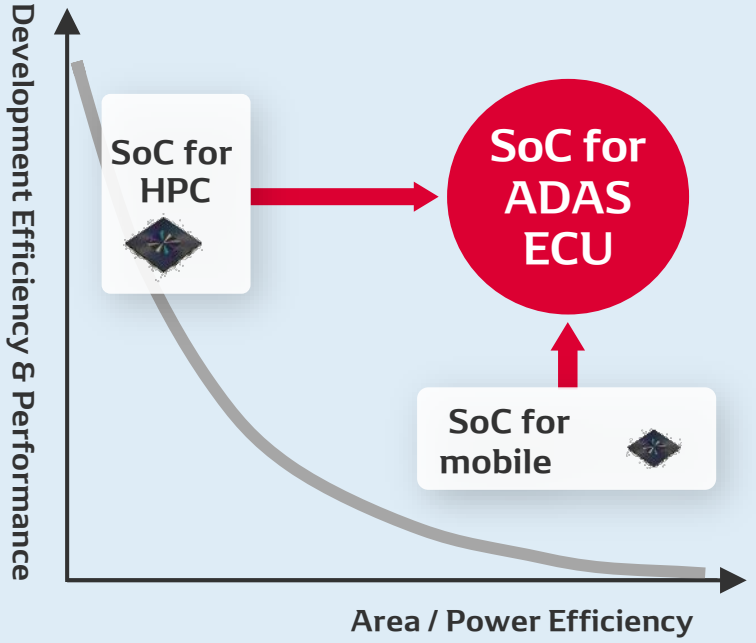
Market-ready by FY 31

Accident Coverage	Unintended operation (Relative to emerging competitors)
target 80 %	max 1/200

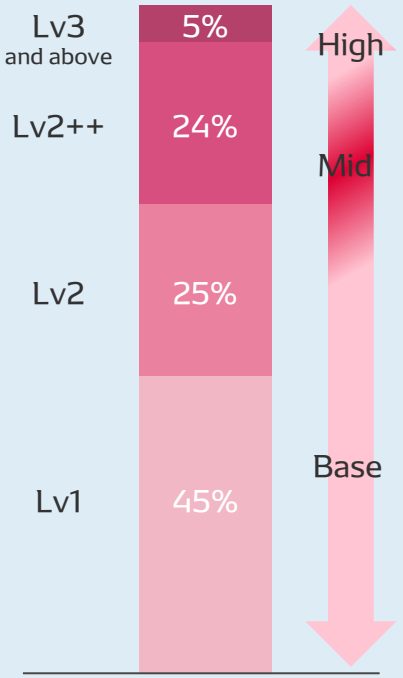
Develop and expand a Trusted System Platform that enables customer-driven AI model updates

Automotive-Optimized ECU/SoC Supporting AD/ADAS System

Automotive-optimized ECU/SoC



2030 ADAS Market※



As a system Tier-1 supplier;

Mid/High:

Scalable, low-cost functional expansion

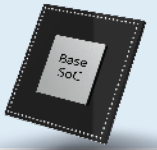
➡ Chiplet technology offering

・Accelerator SoC integration on a base SoC

Base:

Baseline functionality with air cooling

➡ Design and operation to fully leverage SoC capabilities, and optimization



・Low-power circuit design
・Scene-adaptive power control
・Thermal management technologies

Compared with Competitors ：Power consumption

Reduced by ▲25%

Low-cost, space-efficient integration

Enables Use with Air Cooling

Through automotive industry collaboration,

Market-ready by FY31

※Source：Techno Systems Research "Automotive Sensing Systems Market Analysis 2024-2025"

High-level balance of compute performance and low power consumption ECUs with optimally selected SoCs tailored to diverse vehicle needs

Pillar 2 "Innovating Manufacturing" Combining practical know-how from the frontline and AI

DENSO's Strengths

Vast, hard-to-replicate practical know-how

behind high-efficiency, high-quality manufacturing capability

Tacit knowledge

Defect-analysis know-how, understanding of material, thermal, and fluid phenomena, automotive quality design, safety DNA, and automotive software quality

Data

Process logs, material and analysis data, quality data, design-change histories, and automated-driving logs

×

AI Application

AI development for frontline deployment

Case 1.

Deploy agent AI across design development process

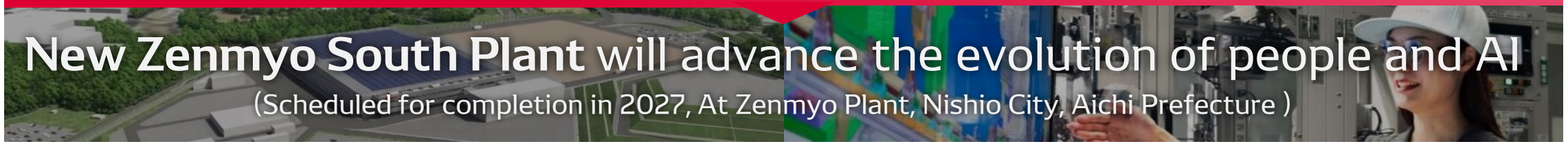
Case 2.

Deploy physical AI in plants

Achieve Outstanding QCD*

*Quality, Cost, Delivery

Transform how people work, enabling a shift toward higher-value-added operations



Deliver value with speed and quality, leveraging DENSO's unique tacit × data

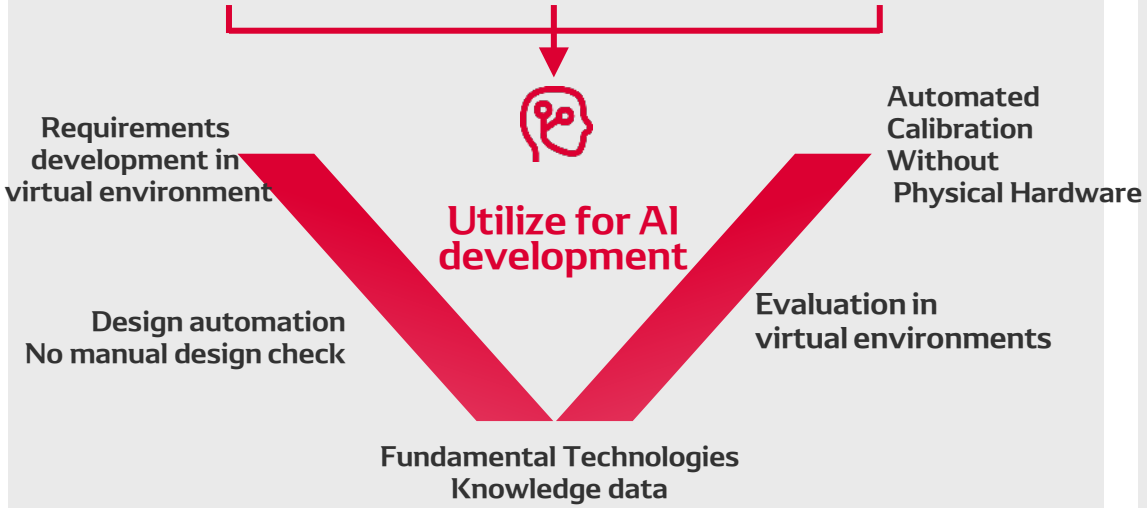
Case 1. Deploy Agent AI Across Design and Development Process

Development-process innovation through data and AI

Driving data
Experiment, analysis data

Product specifications
Drawing, design info

Checklist
design standards, know-how



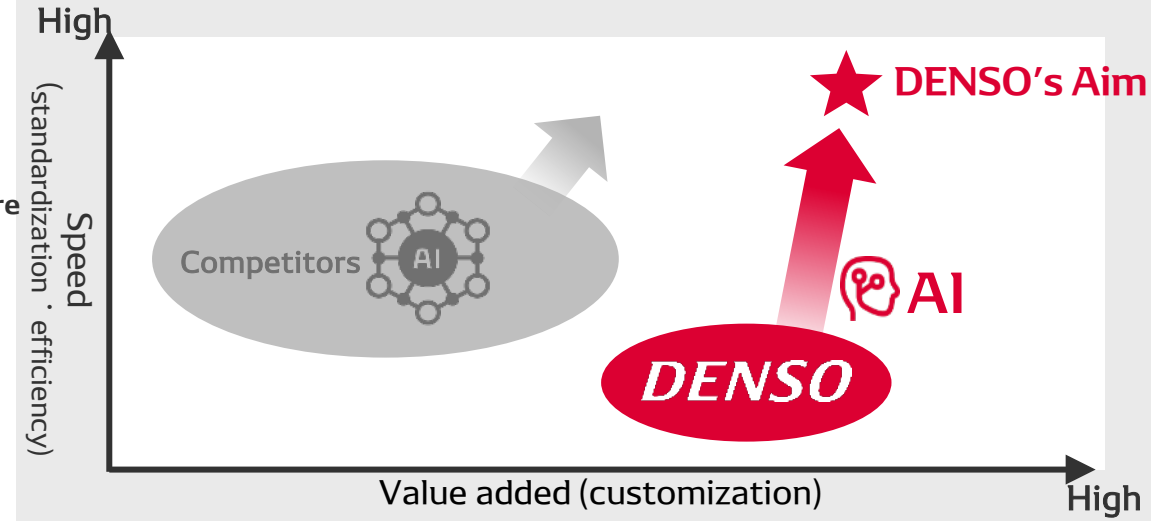
Development-process transformation (ultimate efficiency)

2026 | 2027 | 2028 | 2029 | 2030

Build integrated data platform

AI-driven design optimization

Autonomous Development by AI-DevOps



Accelerate high-value delivery by adding AI-driven speed to customer refined "driving and analysis data" and "breadth" × "depth" of our technology

Case 2. Deploying Physical AI in Plants

Challenges We Face

Strengths We Cultivated

Highly reliable, high-quality manufacturing

Mass-production expertise

Craftsmanship and on-site improvement capability

Robotics technology

In-house development technology and application know-how

High quality data

AI-powered automation and talent shift

Production line

Physical AI keeps learning from human motion

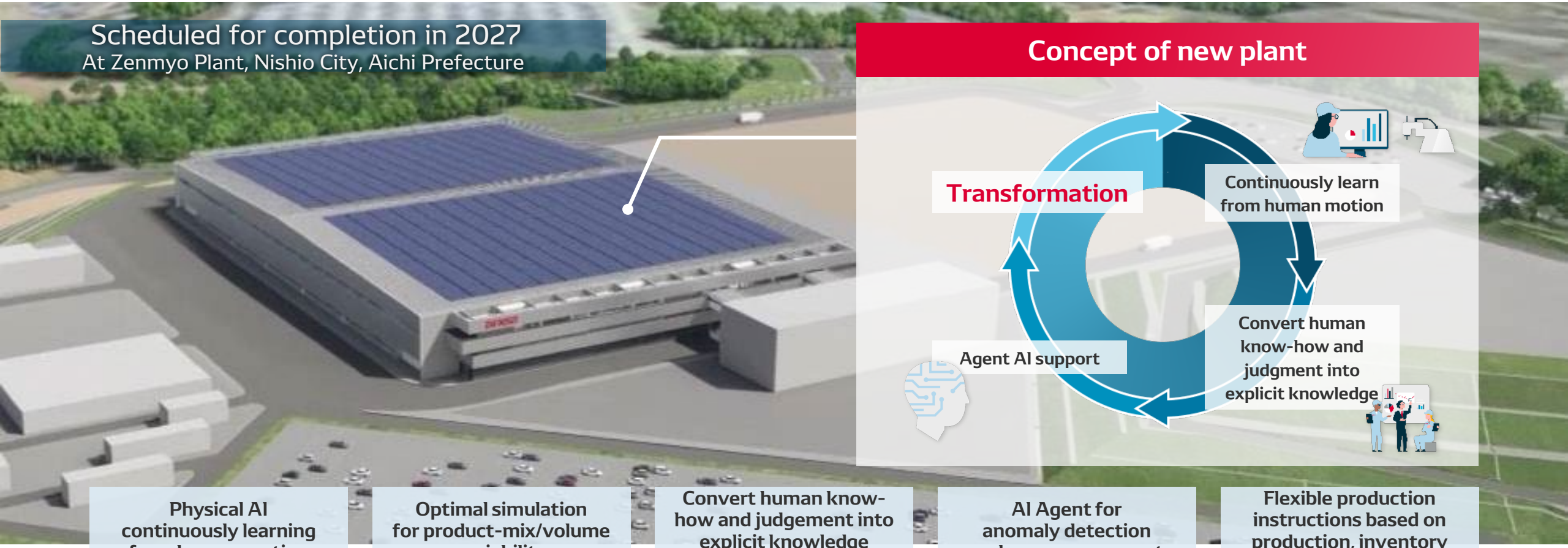
Plant operation

Expand **advanced equipment-maintenance talent** to develop with AI

ex) Develop 7,000 **Top Einsteller***

*High skilled technicians capable of daily inspections, prevention maintenance, defect analysis, repairs

Case 2. Deploying Physical AI in Plants — Launch of Zenmyo South New Plant —



Scheduled for completion in 2027
At Zenmyo Plant, Nishio City, Aichi Prefecture

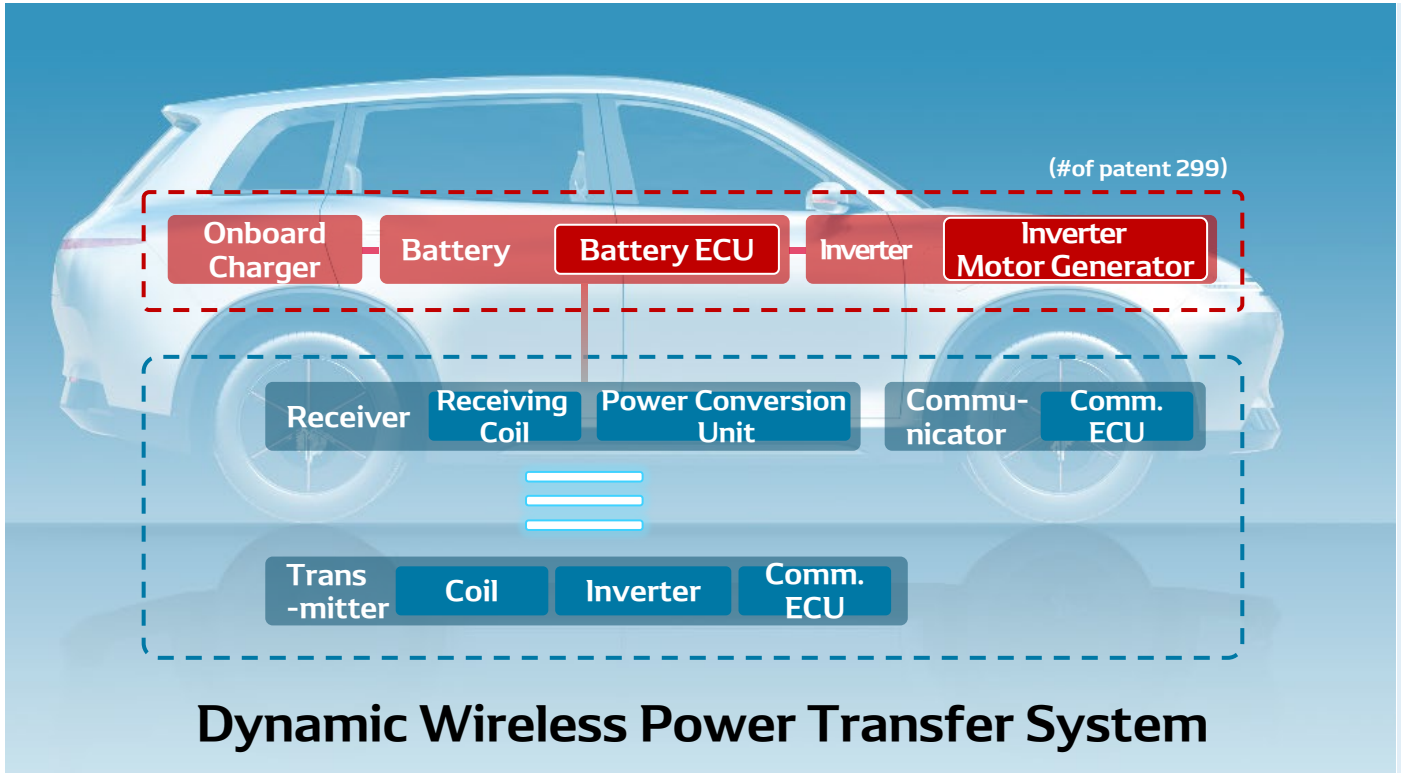
Concept of new plant

- Physical AI continuously learning from human motion
- Optimal simulation for product-mix/volume variability
- Convert human know-how and judgement into explicit knowledge through dialogue
- AI Agent for anomaly detection and recovery support
- Flexible production instructions based on production, inventory status

Through hands-on practice in real-world, people and machines learn from one another and enable manufacturing to keep evolving

New Approach to Addressing EV Concerns -Dynamic Wireless Power Transfer System-

- By linking road infrastructure with vehicles and supplying power while driving, it **optimizes battery size and eliminates range anxiety**
- **Promote development/demonstration toward social implementation in collaboration with industry, government, and academia**



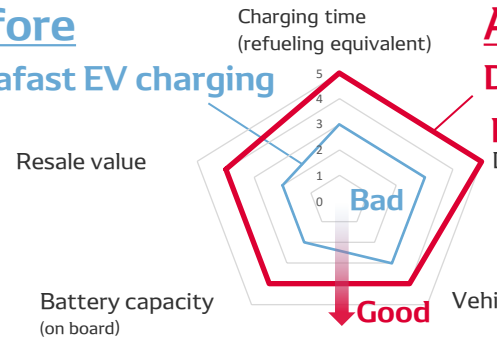
Dynamic Wireless Power Transfer System

Customer Value

Unlimited driving range	Zero Charging time	1/10 Battery capacity

Before Ultrafast EV charging

After Dynamic wireless power transfer



Market-ready by FY30

Through co-creation with a wide range of partners, aim to address social challenges through optimal citywide energy management

"Developing People, Co-Creating with Partners" to Lead New Value Creation

Partner Collaboration in Societal Value Expansion Domains

New Business Domains	Strategy	Aim for 2030
 FA	High reliability and advanced system in **Technologies of Vehicles** × **Collaboration with Partners**	**FA** Contribute to productivity equivalent to **19,000** people's workforce Revenue Scale **300** billion Yen
 Agriculture		**Agriculture** Productivity Improvement **75%** Revenue Scale **100** billion Yen
 Semiconductors		**Semiconductors** Accelerate expansion to industrial equipment, consumer electronics etc domain. Maximize synergy across industrial equipment, consumer electronics, automotives

Grow with partners to drive broad value enhancement

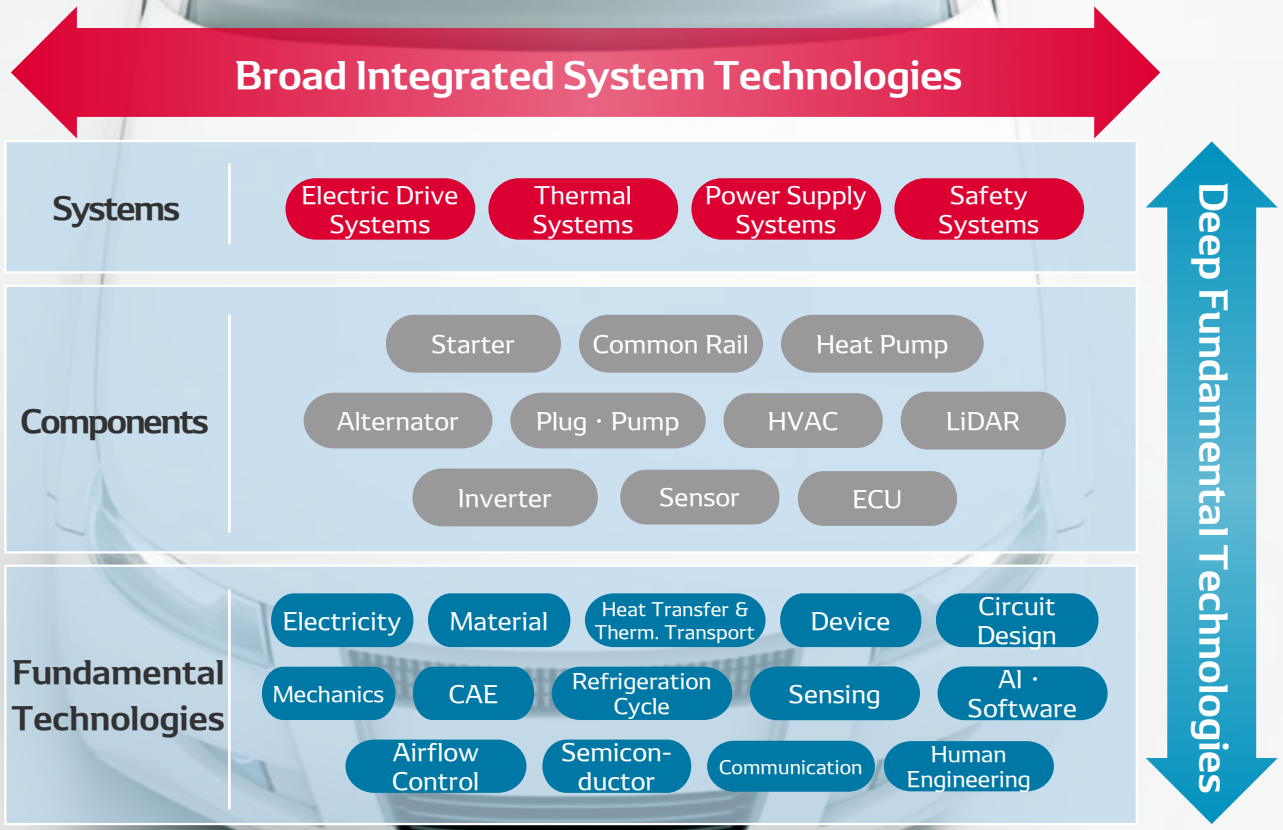
Reinforcement of Talents with High Expertise

Rare highly specialized talents with deep fundamental technology

×

System talents with broad product and elemental-technology

Acquisition	Acquire talent with rare expertise in areas such as AI and SoCs
Development	Visualize quality (expertise) × quantity (headcount) of development design engineers, strengthen optimal placement and development plan



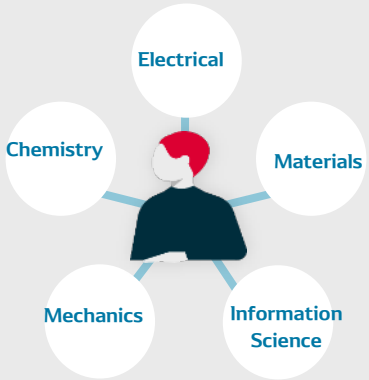
DENSO strengthens execution of its Growth Strategy by reinforcing talents - enabled by its comprehensive and end-to-end domain coverage

Development of Integrated System Engineers

Importance of Integrated System Engineers

Growing **need for integrated system development** optimized for increasingly diverse customer and societal needs

Value created when one person brings together multiple areas of expertise



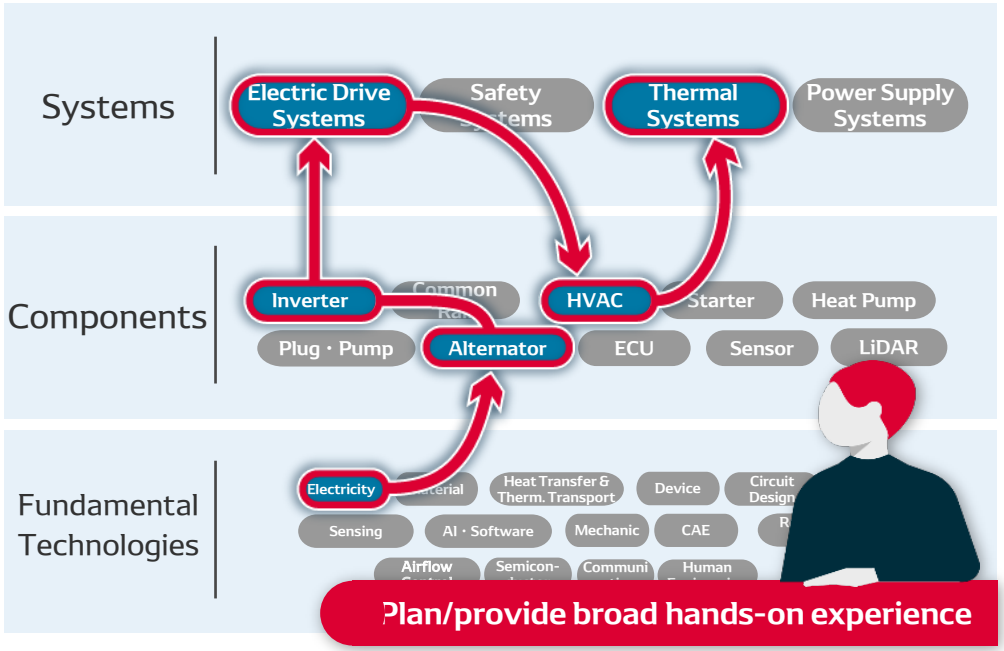
Requirements for Integrated System Engineer	
Tech	・Broadness and depth of technologies ・Systems thinking (Architecture design for AI era, etc)
People	・Human capability to co-create with customers and internal team

Talent development initiatives

Diverse customers × **Diverse products, technology fields**

Car manufacturers worldwide

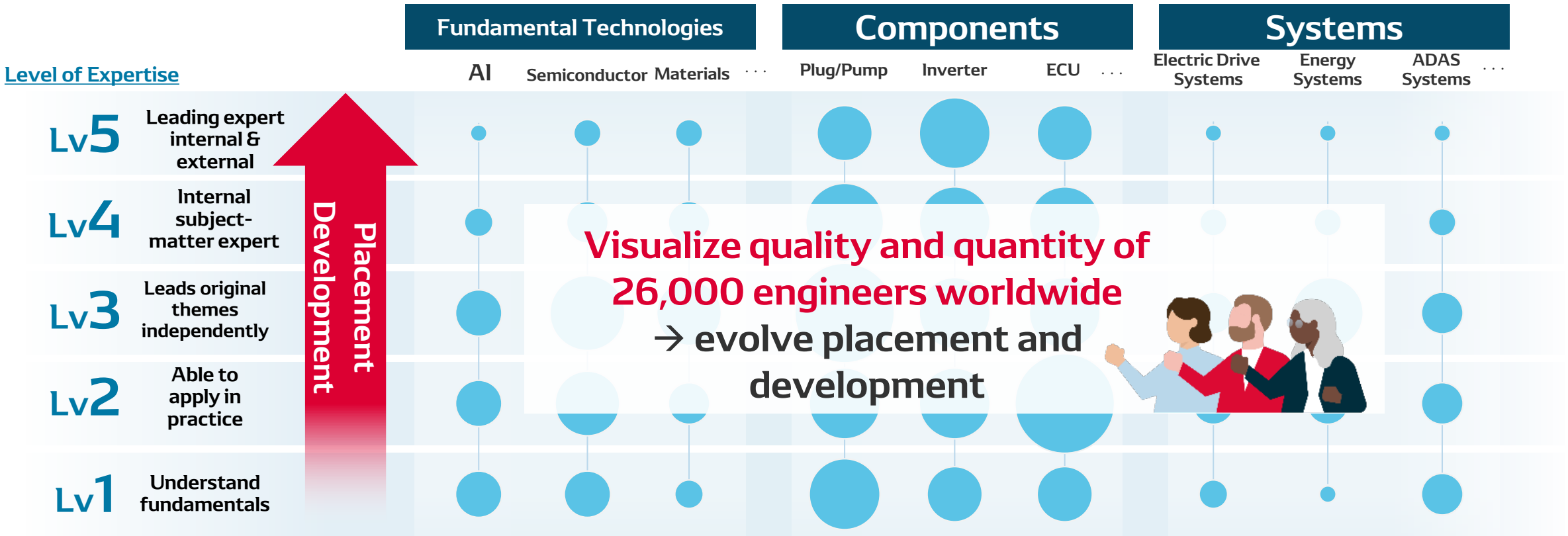
Place where distinctive requirements of car manufacturers around the world are realized



Plan/provide broad hands-on experience

Strengthen strategic talent development by leveraging diverse real-world "settings" that only DENSO can offer

Placement /Development Aligned with Strategy Through Visualizing Quality and Quantity of Engineers



Enhance execution capability by strengthening linkage between business strategy and talent strategy through agile talent-portfolio transformation

4

Financial Strategies

Review of 2025 Mid-Term Policy Financial Strategies

Financial Targets and Strategies Toward 2030

Review of 2025 Mid-Term Policy [Revenue & Finance]

Revenue：**Achieved sales growth significantly outperforming the vehicle market**(FY21–FY26 CAGR: Vehicle market +3%, Sales growth +9%)
Led the transformation of industry practices to contribute to strengthening supply chain resilience
Further strengthening of the earnings base remains, including continued quality costs
Implement resource investments to accelerate future growth

Finance：Improve ROE (more than cost of equity), returned value to shareholders through agile share buybacks, and led the industry in reducing policy shareholdings

		FY21	FY26 *forecast at 3Q	25Mid-Term Policy targets
Revenue	Sales	4.9 trillion yen	7.4 trillion yen	7.0 trillion yen
	Operating margin	3.1 %	7.2 %	10 %
	ROE	3.4 %	8.1 % *Cost of equity 7.8%	Over 10 %
Finance	DOE	3.0 %	3.5 %	Improve with long-term stability
	Share Buybacks	85 billion yen (FY17-21 cumulative)	847.5 billion yen (FY22-26 cumulative)	Execute and Enhance with Agile
	Cross-shareholdings	30 issues (as of end FY21)	reduced to 25 issues from 30 (FY22-26 cumulative)	Reduce

Growth Investment [FY21⇒26]

Capital expenditures	
374.3 bil.yen	350 bil. yen

R&D costs	
492 bil.yen	680 bil. yen

Others [FY26]

Cash on hand compared with monthly turnover (months)
1.0 month
Equity ratio
61 %

Review of the 2025 Mid-Term Policy [Materiality]

		FY2025	Mid-Term Policy Target	
Green	Factory CO_2 Emissions	Carbon neutrality with credits	Carbon neutrality with credits	Thorough energy saving and introduction of renewable energy
	Electrification revenue	1.1 trillion yen	1.2 trillion yen	Enhance electrification functions and development of a global supply system
Peace of mind	Accident scene coverage ratio	56 %	56 %	Completion of GSP4 market launch
	ADAS revenue	590 bil. yen	520 bil.yen	Expansion of the adoption of ADAS products

Based on Green and Peace of mind principles, steadily promoted business growth and contributions to solving social issues

Review of the 2025 Mid-Term Policy [External Evaluations & Awards]

Major SRI / ESG Investment Index

FTSE4Good

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

2025 Sompo Sustainability Index

S&P/JPX カーボン エフィシェント 指数

2025 CONSTITUENT MSCI日本株 ESGセレクト・リーダーズ指数

Other Domestic and International Evaluations

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Climate Water CDP A List 2025

CDP 4年連続「A」評価
(気候変動/水セキュリティ)

女性が活躍しています！

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

DX銘柄2025 Digital Transformation

GOOD CAREER COMPANY AWARD 2024 イノベーション賞

work with Pride Gold 2025

Long-Term Credit Ratings

R&I	AAA
S&P	A+
Moody's	A2

(as of March 31, 2026)

Evaluation of IR Activities

NIKKEI Integrated Report Award 日経統合報告書アワード

WICI JAPAN INTEGRATED REPORT AWARD 2025

Energy Conservation Award
(15 consecutive years)

AMATA's Waste Management Award in Thailand
(10 consecutive years)

Received numerous external evaluations and awards from both Japan and overseas

Our Goal for 2030

Mobility Domains	Societal Value Expansion Domains	Investments for Sustainable Growth
Customer Value Creation and Steady Growth through Agile Portfolio Transformation	Contributing to the Resolution of Social Issues in FA, Agriculture, Semiconductors, and Other Fields	Build a Strong Foundation that Supports Enhanced Competitiveness and Value Creation

Sales Revenue	Operating Margin	ROE	Investments and Shareholder Returns
Over **8** trillion yen	Over **10** %	Over **11** %	Over **8** Trillion yen [Cumulative from FY27-31] Business investment **6.6** Tri. yen Dividend **1.0** Tri. yen Strategic Investments & Share Repurchases **+α** Tri. yen

Other Key Financial KPIs

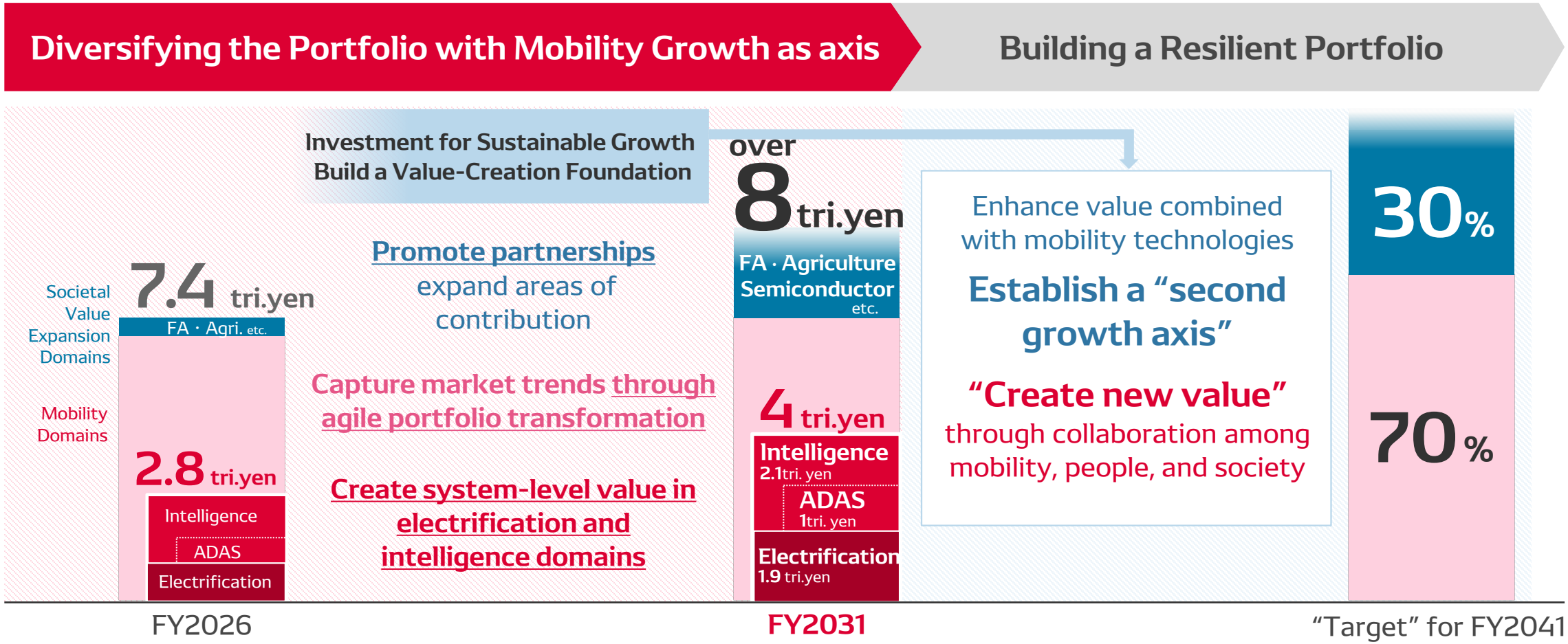
Equity ratio	Over **50** %
DOE	Over **4.0** %
Share Buybacks	**Agile Execution and Reinforcement**
Cross-shareholdings	**Ongoing Reduction Based on the Rationale for Holdings**

Key Materiality KPIs

Green	Electrification sales	**1.9 trillion yen**
	CO_2 emissions	**Scope1/2 CN with credit Scope3 -25% (compared to 2020)**
Peace Of mind	ADAS sales	**1.0 trillion yen**
	Accident scene coverage ratio	**80 %**

Achieve sustainable enhancement of corporate value through the creation of social value

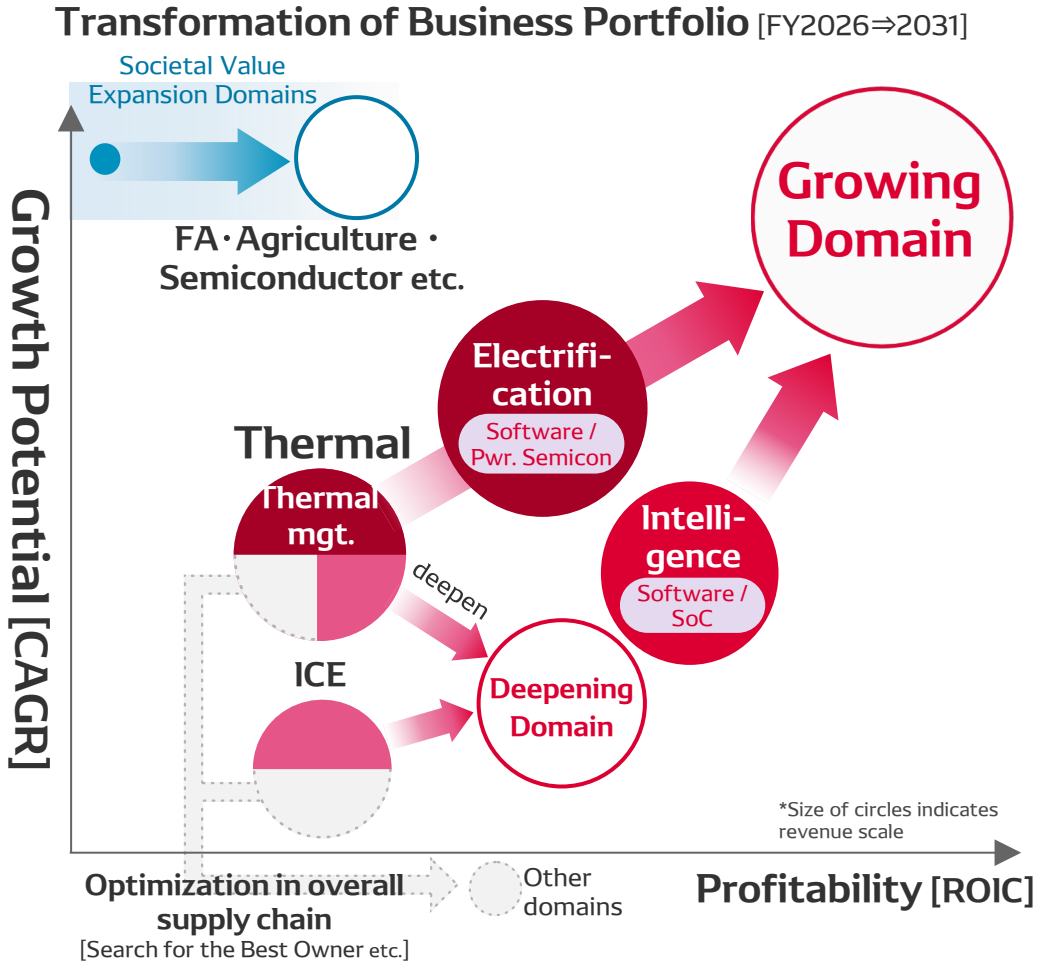
Business Growth Scenario

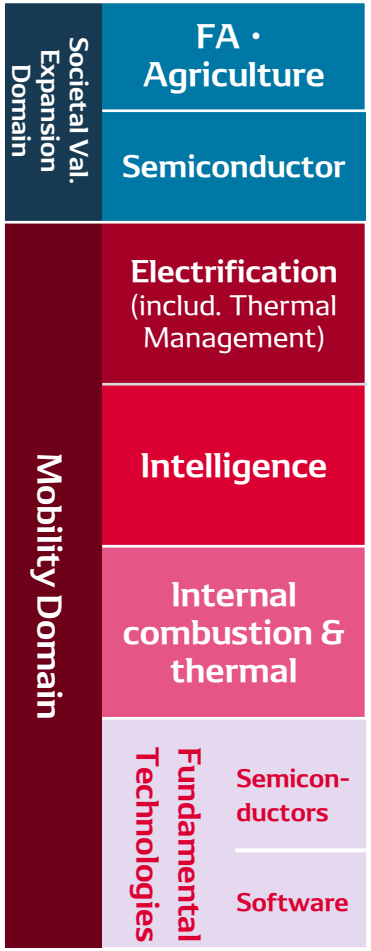


Diversify the portfolio toward resolving social issues and achieving sustainable growth, based on the growth of mobility

Direction of Business Evolution

Transformation of Business Portfolio [FY2026⇒2031]





Expand areas of contribution by **integrating partner collaboration with mobility technologies**

Contribute to **wide range of fields, including industrial equipment and consumer electronics**

Evolve across all layers, including vehicle control, Energy Management systems, and components

Differentiate through **mass-production implementation capability for high-reliability systems and safety and peace-of-mind value** (Software and SoC)

Support the **foundations of multi-pathway**

-**Deepening Domain:** improvements in thermal efficiency and environmental adaptability (exhaust emissions, alternative fuels, etc.)
-**Other Domain:** optimize competitiveness across the entire Supply Chain

Power Semicon-ductor : Achieve improvements in **performance (low loss) and cost**
SoC : Achieve **In-Vehicle Optimization (Computing and Pwr. Efficiency)**

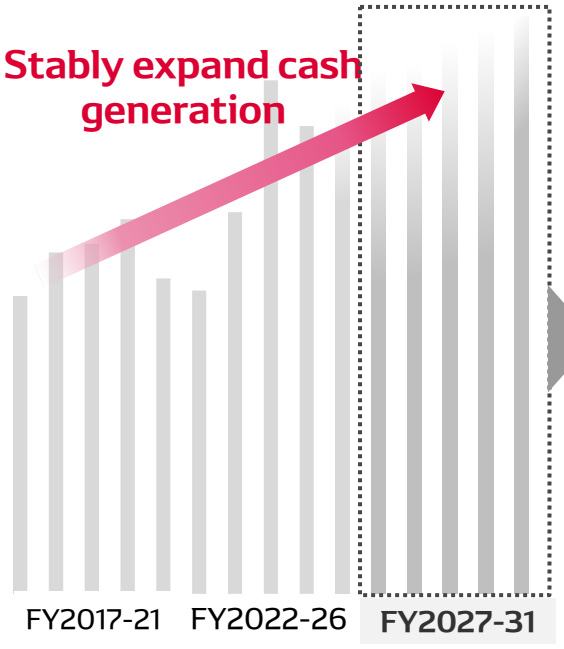
Innovation in Development Efficiency and Speed
(AI and Flexible Architectures)

Advance mobility and expand our Societal Value Expansion Domains, by capturing market and customer needs through in-vehicle fundamental technologies

Capital Allocation Toward Sustainable Growth

Cash Generation Capability

Utilize leverage while maintaining equity ratio of 50% or higher
➡optimize the capital structure



Borrowings

Operating Cash Flow
(Before deductions for R&D and other expenses)
8.0tri.yen

FY2027-31 Cash in

Priority Investments

Strategic investments **Share buybacks** **+α trillion yen**		Achieve non-continuous growth through **strategic partner collaboration** Enhance shareholder returns through **agile share buybacks**
Dividends **1.0 trillion yen**		Ensure **stable and continuous dividends with DOE of 4.0% or higher**
Business investments **6.6 tri.yen**	**Research and Development** **3.7 tri.yen**	Invest in growth domains aligned with SDV **Strengthen advanced technology development and innovate development efficiency and speed**
	Capital expenditures **2.2 tri. yen**	Control investments by business domain **Strengthen investment in manufacturing competitiveness and the realization of our principles**
	Foundation building **0.7 tri. yen**	**Build a value-creation foundation that supports sustainable growth**

FY2027-31 Cash out

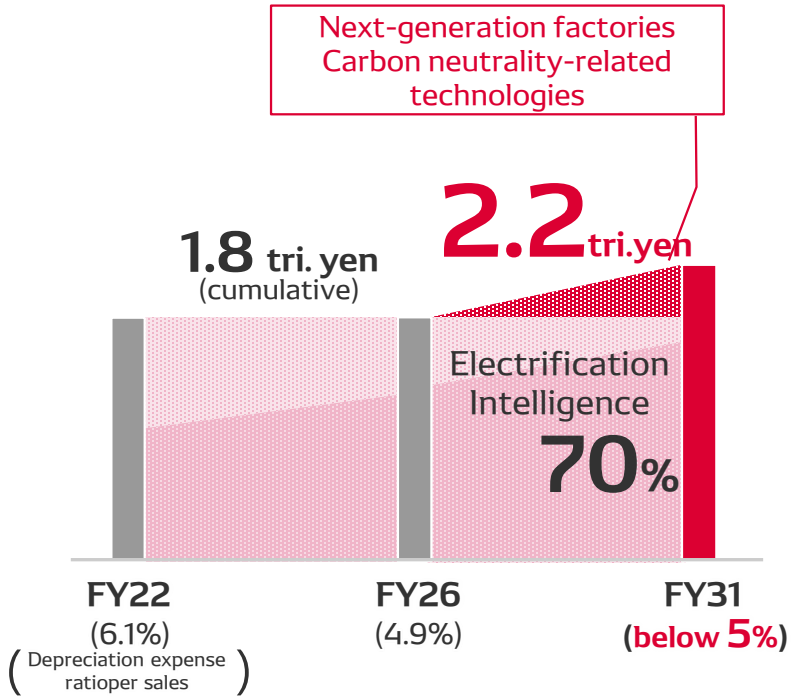
Strengthen investments for business growth and shareholder returns with stable cash generation

Business Investments [FY2027–2031 Cumulative]

Capital Expenditures 2.2 tri. yen

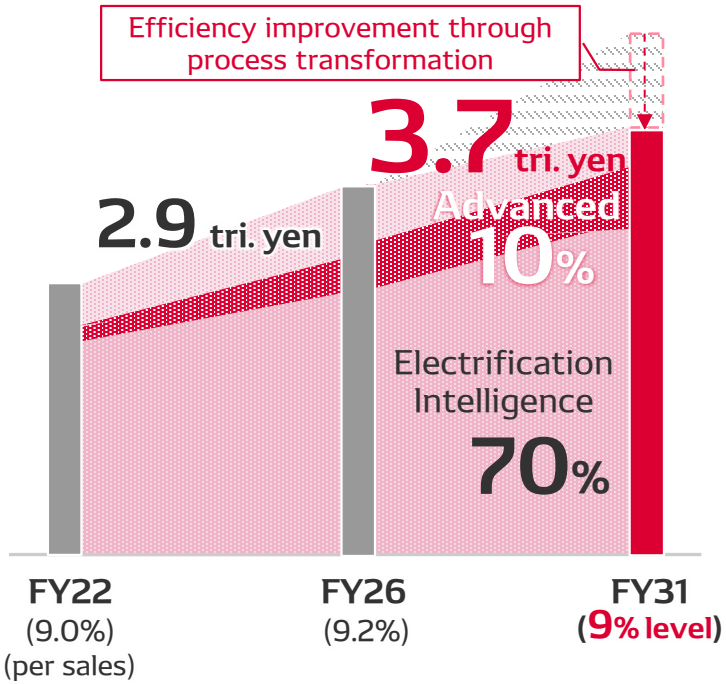
Control investments by business domain based on the balance between “growth” and “capital efficiency”

Strengthen investment in manufacturing competitiveness and the realization of our principles



Research & Development 3.7 tri.yen

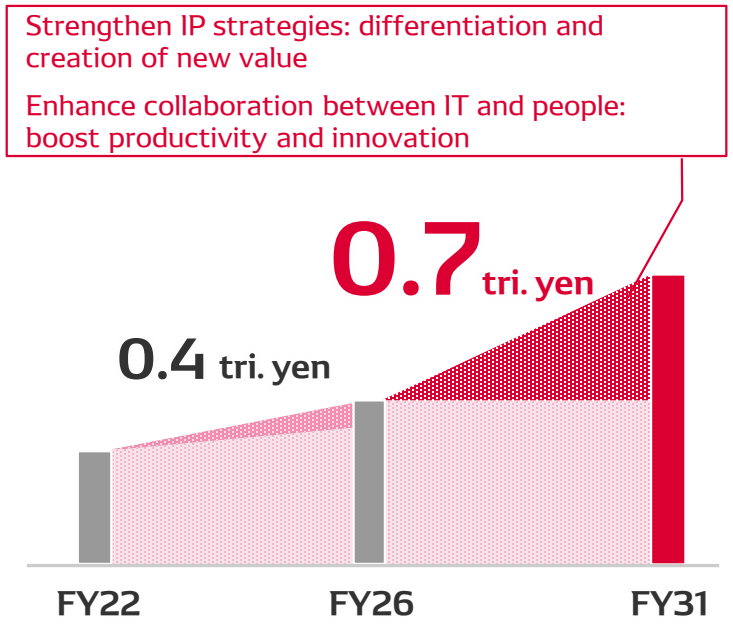
Stay ahead of changing societal needs through advanced technology development, and achieve improvements in efficiency and speed through process transformation



Value Creation Foundation 0.7 tri.yen

Investment in “IT,” “Intellectual Property,” and “Human Capital”

Build a robust value-creation foundation to realize sustainable growth



Through investments exceeding 6 trillion yen, enhance competitiveness for sustainable growth and build a strong value-creation foundation

Initiatives in Societal Value Expansion Domains

	Social Issues	Our Initiatives
FA (Factory Automation)	Advancement of manufacturing driven by the spread of AI and **address workforce challenges in the manufacturing industry**	**Establish a comprehensive line builder business** that provides solutions from control systems to key devices Optimize control technologies and manufacturing operations through use of AI
Agriculture	Responding to climate change and the decline in the farming population, and **ensuring a stable food supply**	**Build one-stop solutions** covering everything from cultivation planning to stable production Advance cutting-edge technologies in the Netherlands, a leading country in agriculture
Semicon-ductors	**Responding to** diverse and increasingly sophisticated **semiconductor needs** across society	**Contribute to highly reliable, efficient technological innovation** required by next-generation society Maximize Value Across industrial equipment, consumer electronics, automotive

Contribute to resolve social issues through the integration of mobility technologies

Growth of Societal Value Expansion Domains from a Social Value Perspective (FA)

DENSO's Manufacturing Capabilities

Broad Range of Elemental Technologies

From small comp. (semiconductors) to middle-sized (BEV Inverters)

44,000 Part numbers

12billion Units/produced annually

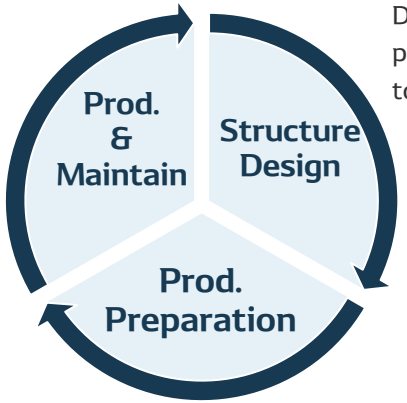
Optimal Production Systems

Manual	Various type&qty	High-speed automation
38 countries	**150** factories	**5,000** Prod. lines

Comprehensive Line Builder

Supporting ideal factory development across the entire lifecycle

Continuous improvement to enhance efficiency and quality



Design and build prod. processes that contribute to prod. differentiation

System design and installation to ensure high-quality mfg.

DENSO BRAIN

Leverage manufacturing expertise

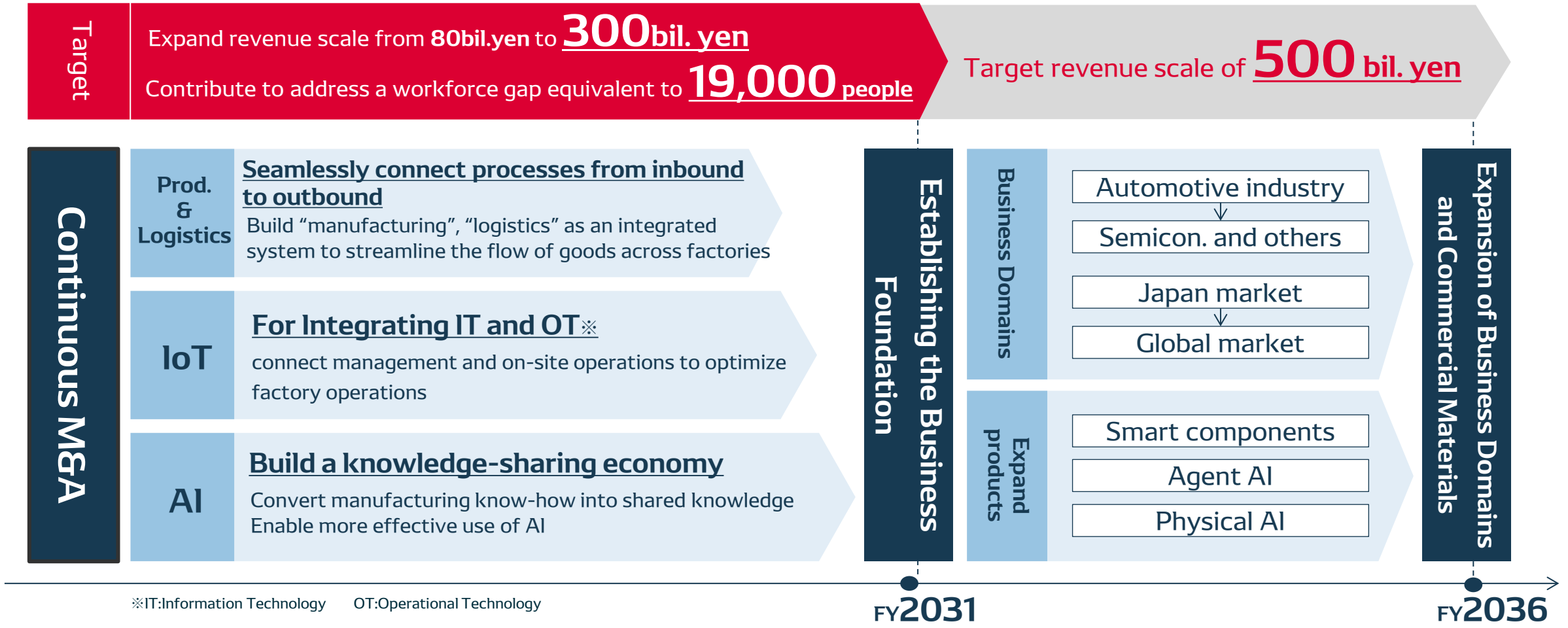
- Process design / solid technologies
- Quality management
- Equipment manufacturing
- On-site kaizen capabilities

Value Delivered to Customers

Electronics factories	Operation ratio increased **39%**
Food factories	Production volume increased **52%**
Consumer goods factories	Holiday working days (per month) **4** days → **1** days

Build a cycle that continuously increases value by integrating the engineering chain and supply chain, to address workforce challenges

Growth Strategy of FA Domain



Establish a strong business foundation, by combining "technology development for manufacturing" with "continuous M&A"

Growth of Societal Value Expansion Domains from a Social Value Perspective (Agriculture)

Core of protected horticulture

Cultivation

Seedings

Environment

Value Creation Model

One-stop solutions from cultivation planning to stable production

Cultivation Digital Platform

DENSO BRAIN

Seedings	× Environ.	→	Development of varieties suitable for automation
Cultivation Technology	× Digital	→	Feedback control
Seedings	× AI	→	World-class variety development

Mobility Technology

System integration, Automation, Sensing, Digitalization, Process engineering

Market Creation

Produce anywhere
(hot, cold regions)

Automated production

Industrialize agriculture to contribute to stable food production through “partner co-creation” × “mobility technologies”

Growth Strategy in the Agriculture Domain

Organizational Structure

Consolidate organization and talent

Form **teams of next-generation leaders**

↓

Foster a culture that creates new value

Establish agriculture business headquarters Netherlands, where advanced technologies and information converge (from Apr. 2026)

↓

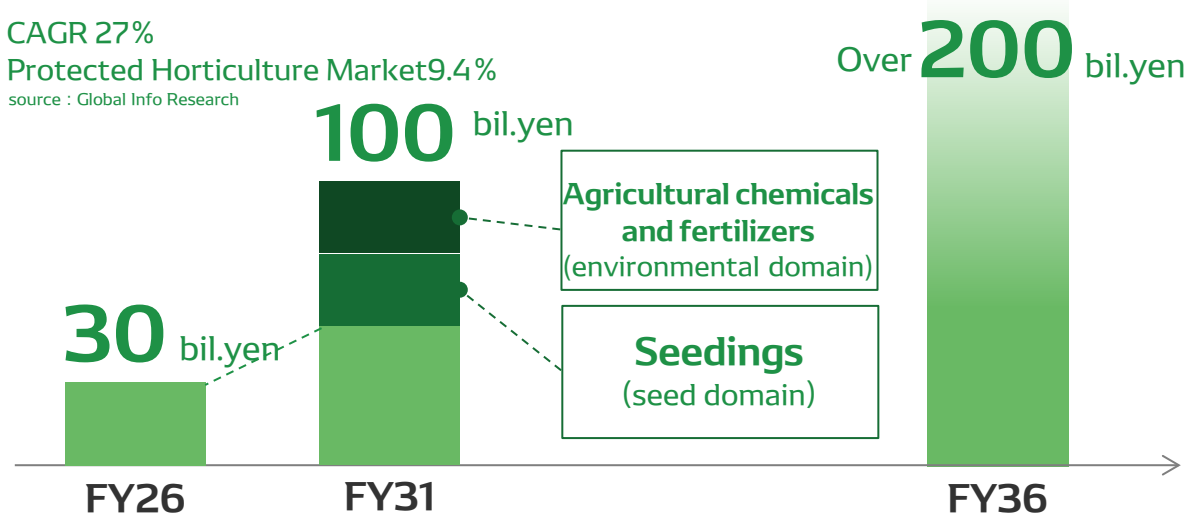
Accelerate speed of business development

Revenue Scale

FY2031 **100.0** billion yen

75 % Improvement in agricultural productivity

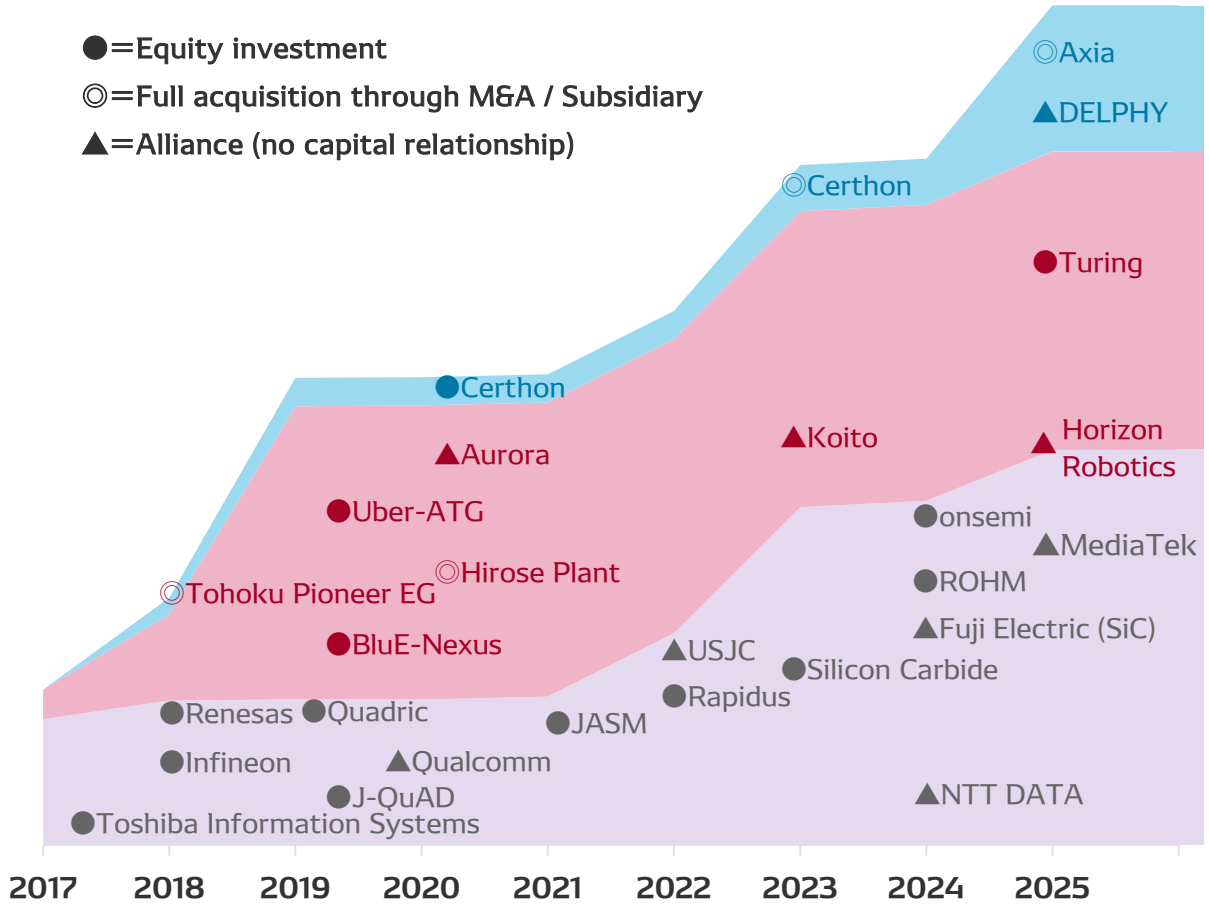
Continuous promotion of M&A → **Build one-stop solutions** → **Develop a cultivation digital platform**



Build and accelerate the business through a globally integrated organizational strategy

Direction of Partner Collaboration

Strategic Investment Amounts Related to Partner Collaboration (Cumulative total since 2017)



Promote further non-continuous growth by expanding partnerships at a larger scale

Total **560** bil.yen

100 bil.yen

170 bil.yen

290 bil.yen

Future Direction

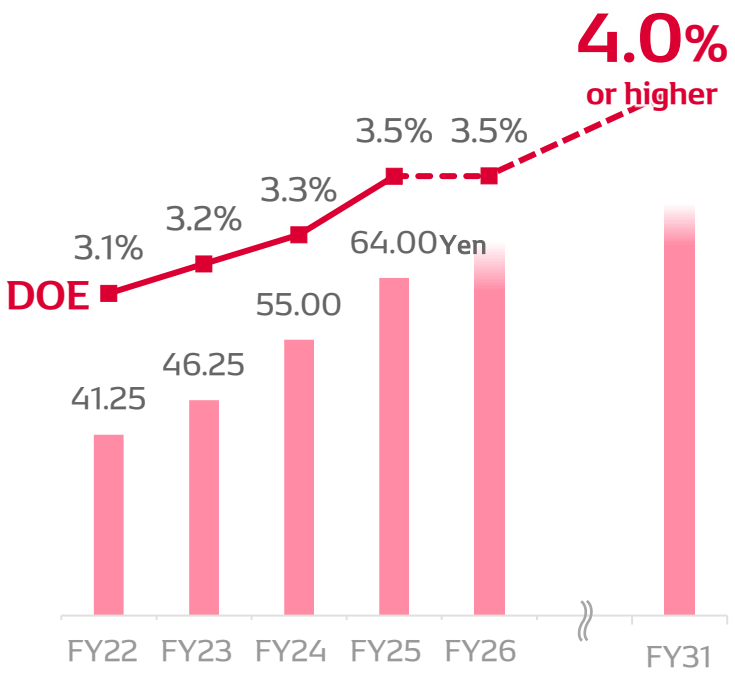
Mobility	Societal Value Expansion / FA/Agri. Semicon		Continue taking steps toward scaling up to create new value
Mobility	Electrification/ Intelligence		Promote platform transformation with partners, led the evolution of the mobility society
Mobility	Fundamental tech.	Semiconductors	Achieve stable supply and strengthen lineup depth and vertical integration
Mobility	Fundamental tech.	Software	Establish a development framework for large-scale, high-level R&D

Continuously advance strategic partnerships to enhance provided value

Shareholder Return Policy

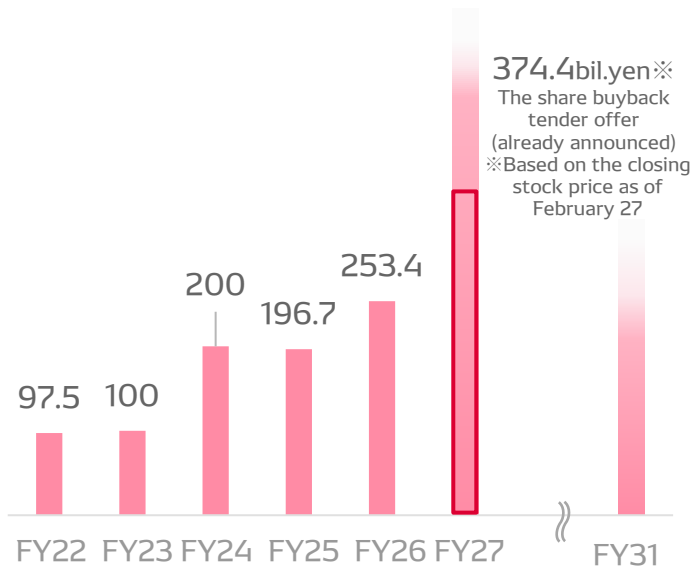
Dividends

Aim to **achieve DOE of 4.0% or higher by FY2031, improve dividends over the long term**



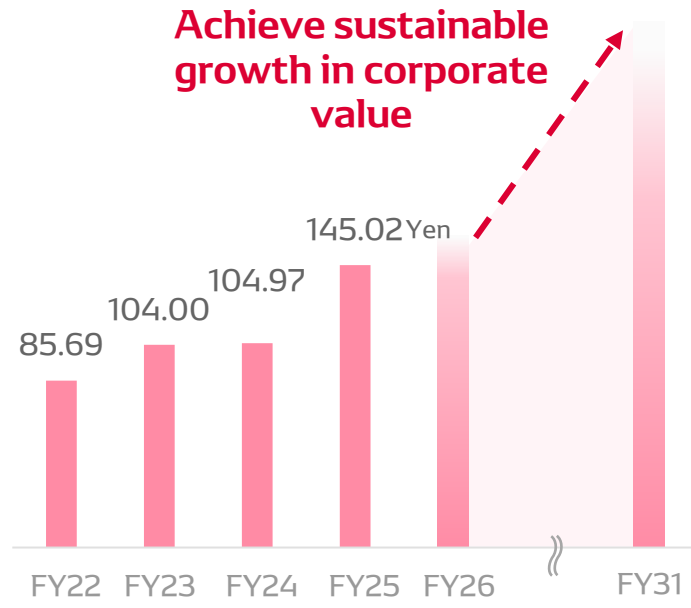
Share Buybacks

Conduct flexibly based on comparisons with its targeted capital structure and theoretical share price



Reference : EPS (Earnings per Share)

CAGR growth exceeding 10% driven by improving profitability and shareholder returns



Enhance shareholder returns by balancing stability and flexibility

Toward Enhancing Corporate Value

Maximize Social Value		Maximize Capital Efficiency	
Purpose of “Green”	Purpose of “Peace of mind”	Strengthen earning structure	Reduce low-return assets
Stable food supply	Address workforce challenges	Improve capital structure	Dialogue with the market

Enhance corporate value sustainably,

by advancing both the maximization of social value and the maximization of capital efficiency

Our Goal

Realize the future society, starting from mobility, through human potential

2030 DENSO Group Mid-Term Management Plan

CORE 2030

DENSO

Crafting the Core

Any statements in this document that are not historical facts, such as performance targets, future prospects and strategies, are based on information currently available to our company.
They are affected by uncertain factors such as the economic environment in Japan and overseas, the competitive situation, and the enactment and abolition of laws, regulations and systems.
Therefore, actual results and strategies may differ significantly from the forecasts and assumptions in this document.

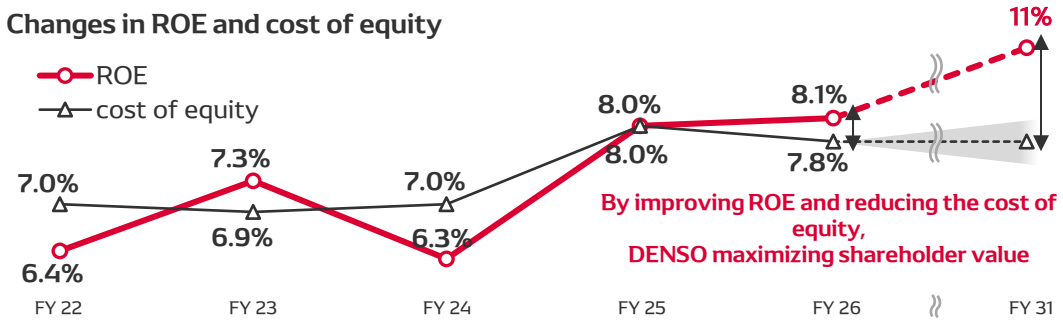
Reference: The Four Pillars of Financial Strategy

Progress of 2025 Mid-Term Policy and "Initiatives for Creating Corporate Value" in 2030 Mid-Term Management Plan

ROE = Net income / Shareholders' equity = (Net income / Revenue) × (Revenue / Total assets) × (Total assets / Shareholders' equity)

Reinforce profit structure | Reduce low-profit assets | Improve capital structure

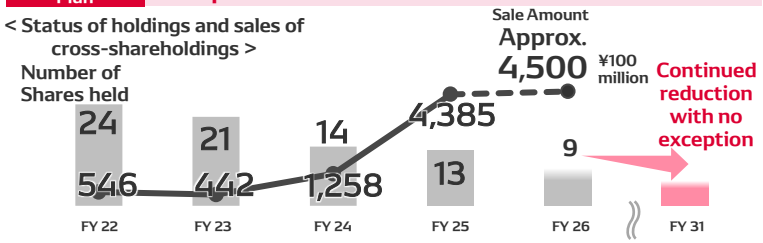
Strengthening the competitive edge of our business (ROIC) × Utilizing leverage



① Reduce low-profit assets

25 Mid-Term Policy	Reduced 25 names, including Toyota Group companies
30 Mid-Term Management Plan	Continue to **reduce strategic holdings with no exception**

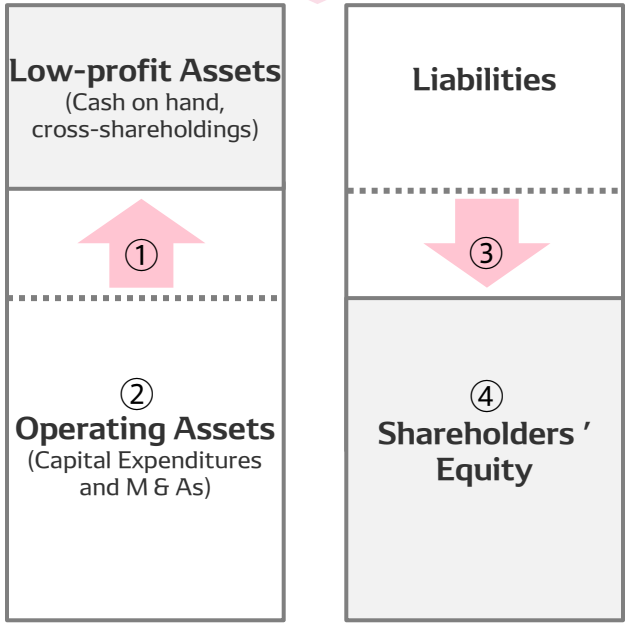
< Status of holdings and sales of cross-shareholdings >



② Reinforce profit structure

25 Mid-Term Policy	Restructuring of business portfolio and growth investment at the same time Invested ¥1.8 trillion in capital Expenditures and ¥2.9 trillion in R & D
30 Mid-Term Management Plan	**Continue to transform business portfolio with emphasis on ROIC management**

Formulated financial strategy as "4 pillars"



③ Improve Capital Structure

25 Mid-Term Policy	Achieved DOE of 3.5% and acquired 847.5 billion yen of treasury stock Equity ratio 59.1% (expected value after the share buyback tender offer announced)
30 Miid-Term Management Plan	**Utilize Borrowings for Strategic Investments and enhance Shareholder Returns** **➡ Over 50% Equity ratio** (A level that achieves both capital efficiency and readiness to deal with the risk of rapid deterioration in the business environment)

④ Engage in dialogue with markets

25 Mid-Term Policy	Earned numerous external evaluations and awards for ongoing IR activities
30 Mid-Term Management Plan	**improve and continue dialogue with the market toward 2030, and accelerate reduction of the cost of equity**