

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


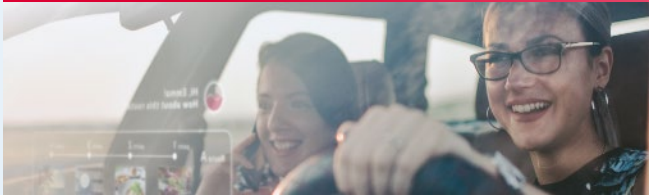

1. Review of 2025 Mid-Term Policy
2. Mid-Term Management Plan 2030 “CORE 2030”
3. Growth Strategies
4. Financial Strategies

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 <small>*Forecast at 3Q</small>	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 % <small>*Cost of equity 7.8%</small>	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



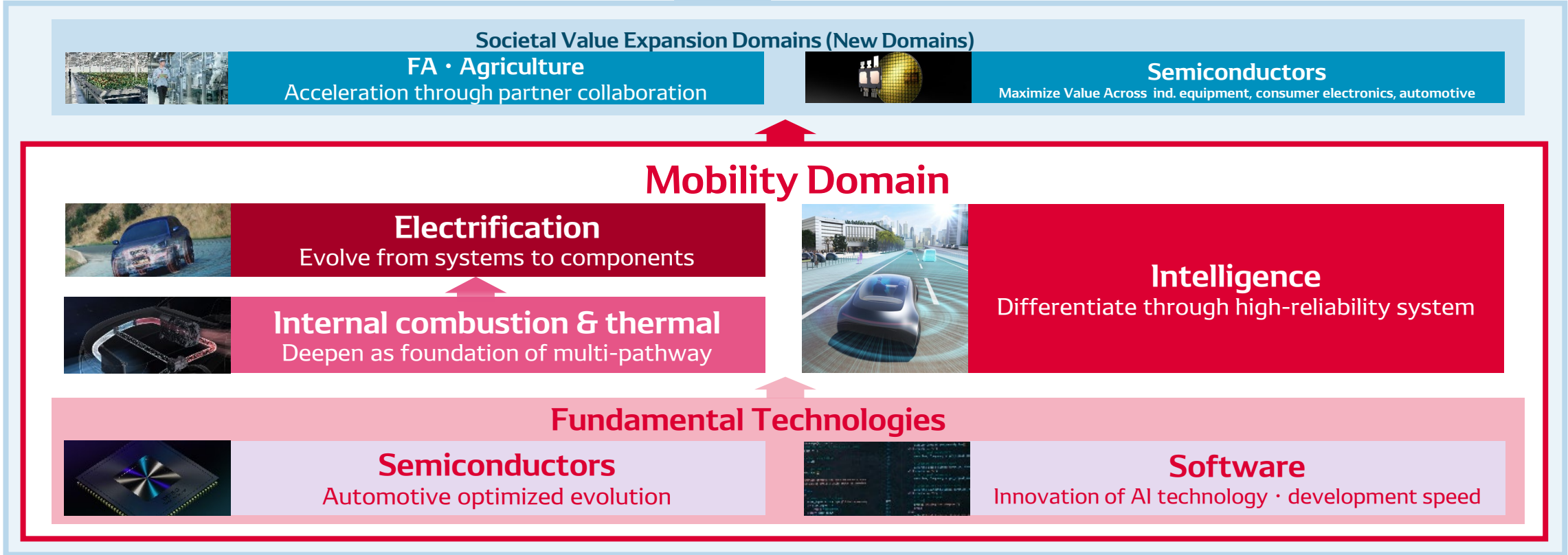
2030 DENSO Group Mid-Term Management Plan

CORE 2030

Overview of Initiatives to Enhance Customer Value



Provided Values
"Green" **"Peace of Mind"**



**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

**Advanced
Research and
Development**

**Highly Efficient
High-Quality
Manufacturing**

**Three-pronged
Solutions for
System**

(mechanics, electronic and software)

**Talents to Support
Value Creation**

**Network with
Customers,
Partners**



Diverse evolution of mobility

Diverse evolution rooted in Each Country and Region

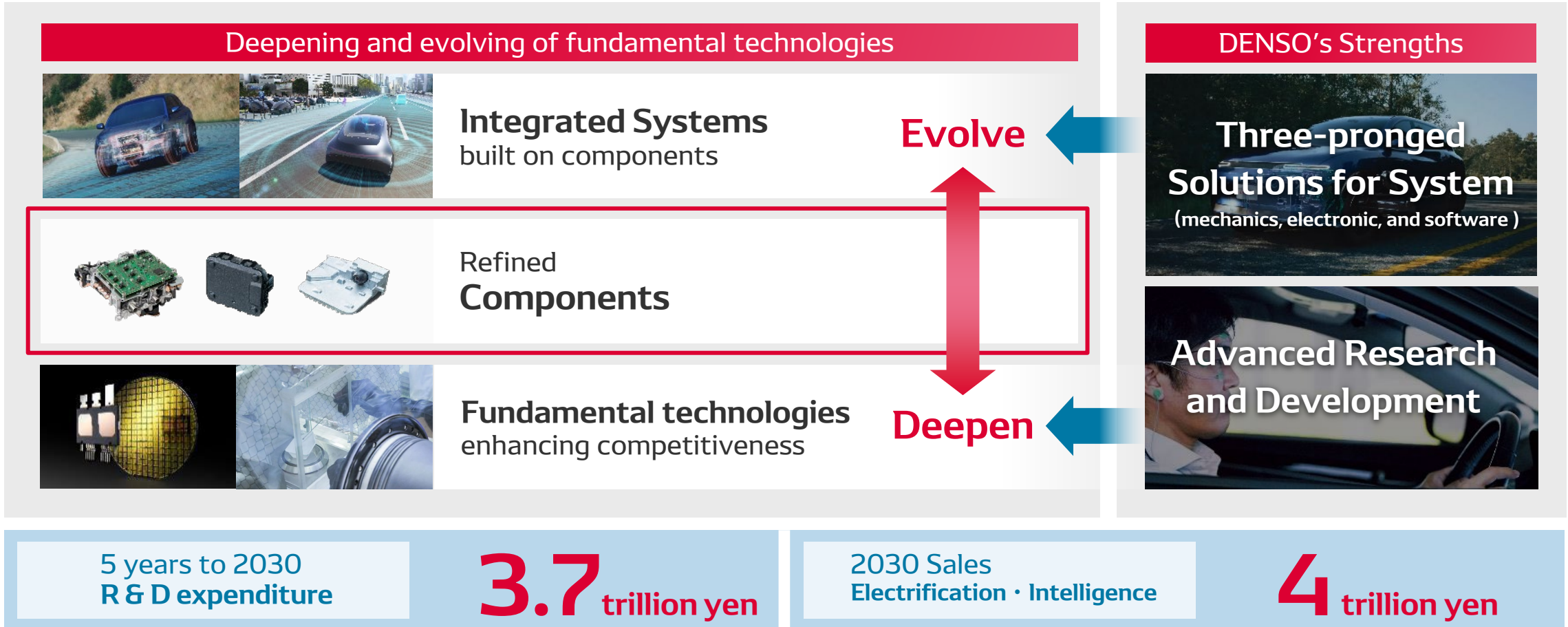
Energy conditions

Policy and Industry Trends

Lifestyles



Support all customers with DENSO's technology and deliver value



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

AI has reached the stage of frontline deployment



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

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




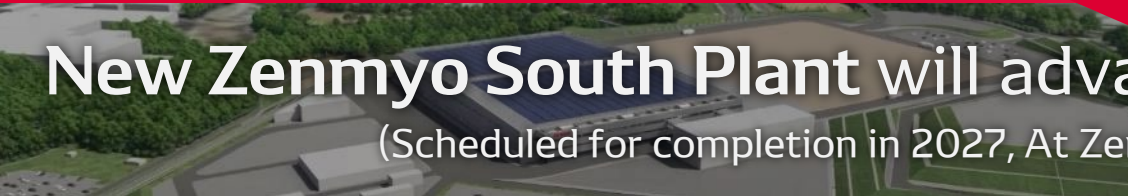
Achieve Outstanding QCD*

*Quality, Cost, Delivery



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

New Zenmyo South Plant will advance the evolution of people and AI
(Scheduled for completion in 2027, At Zenmyo Plant, Nishio City, Aichi Prefecture)



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



**New Co-creation Model
in Mobility Domains**



**Partner Collaboration in
Societal Value Expansion
Domains**

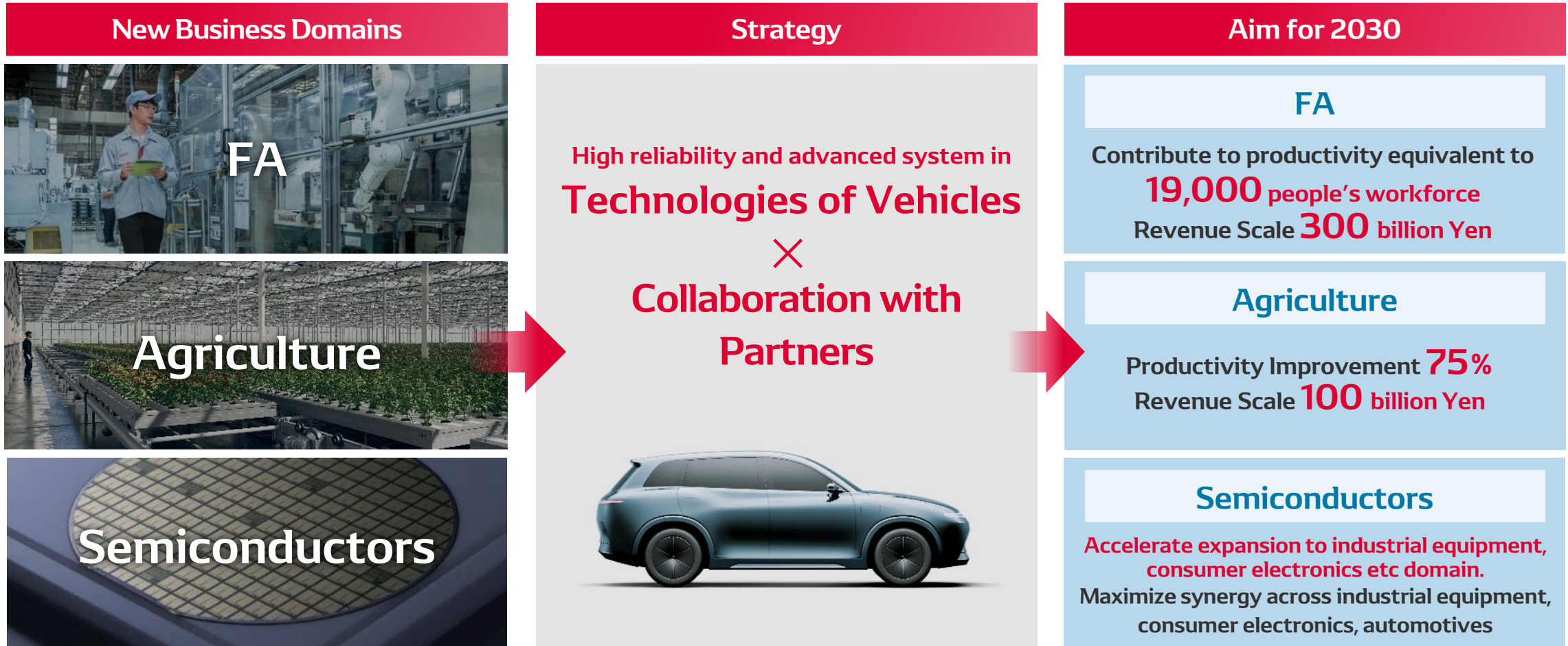


People Development



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

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



Grow with partners to drive broad value enhancement

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

People Development



Challenges
for new value creation

Credibility and Inspiring
to customers and society

“People” drive growth, DENSO backs every challenger

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**

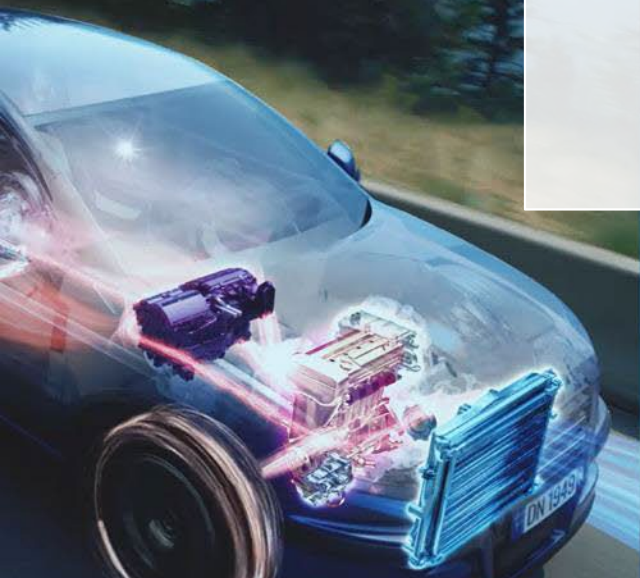
Strategy investment Share Buybacks **+α tri. yen**

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

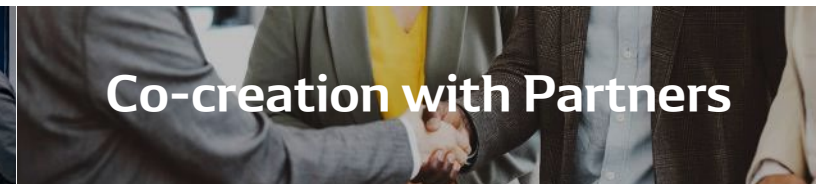
Driving New Value Creation

**Developing People,
Co-Creating with
Partners**



**Strengthening the Talent Base
to Support Strategy Execution**

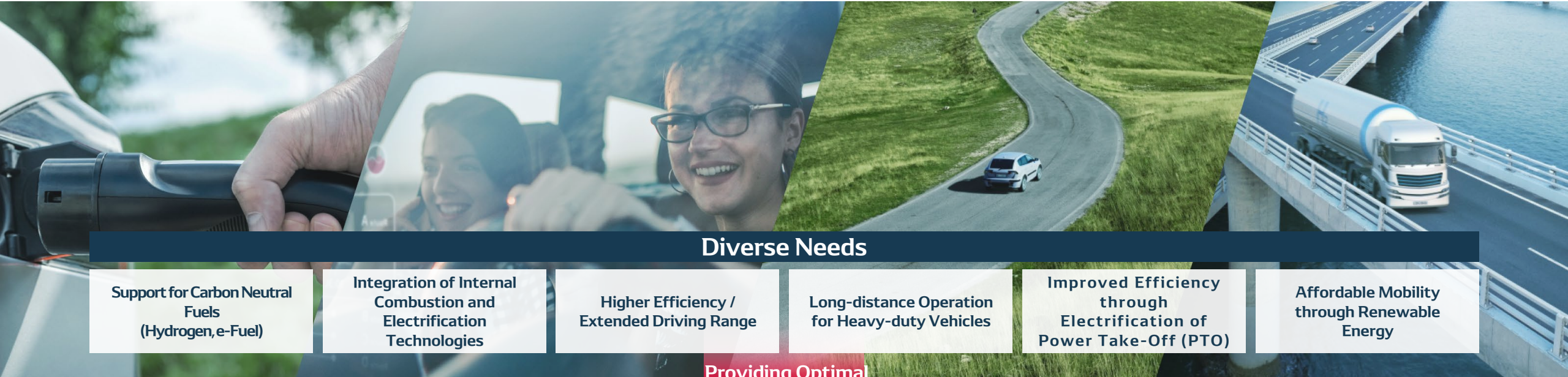
Developing System Talent with a Vehicle-centric
Perspective
An Agile Talent Portfolio Aligned with Business
Strategy



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

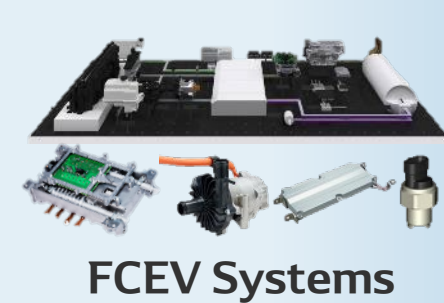
Higher Efficiency / Extended Driving Range

Long-distance Operation for Heavy-duty Vehicles

Improved Efficiency through Electrification of Power Take-Off (PTO)

Affordable Mobility through Renewable Energy

Providing Optimal Options

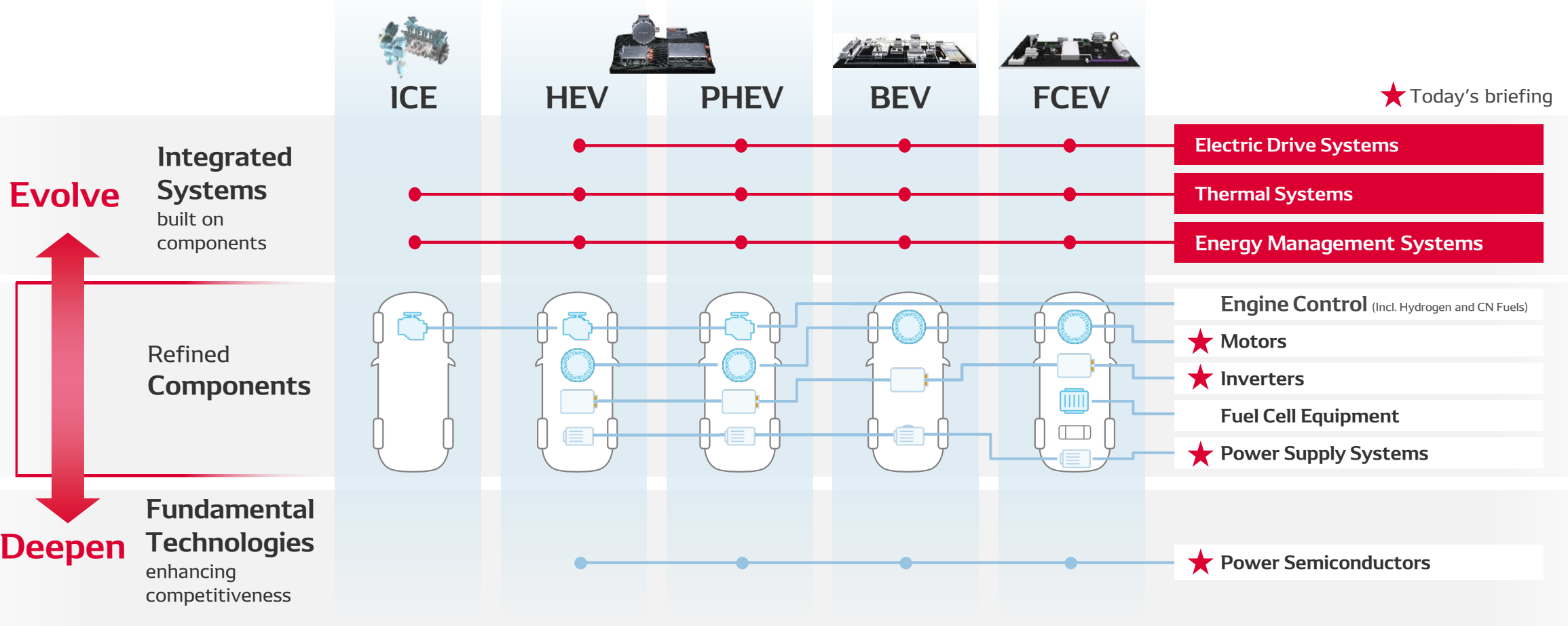


Expansion into New Domains
Integration with Social Infrastructure Systems (Dynamic Wireless Power Transfer System etc.)

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

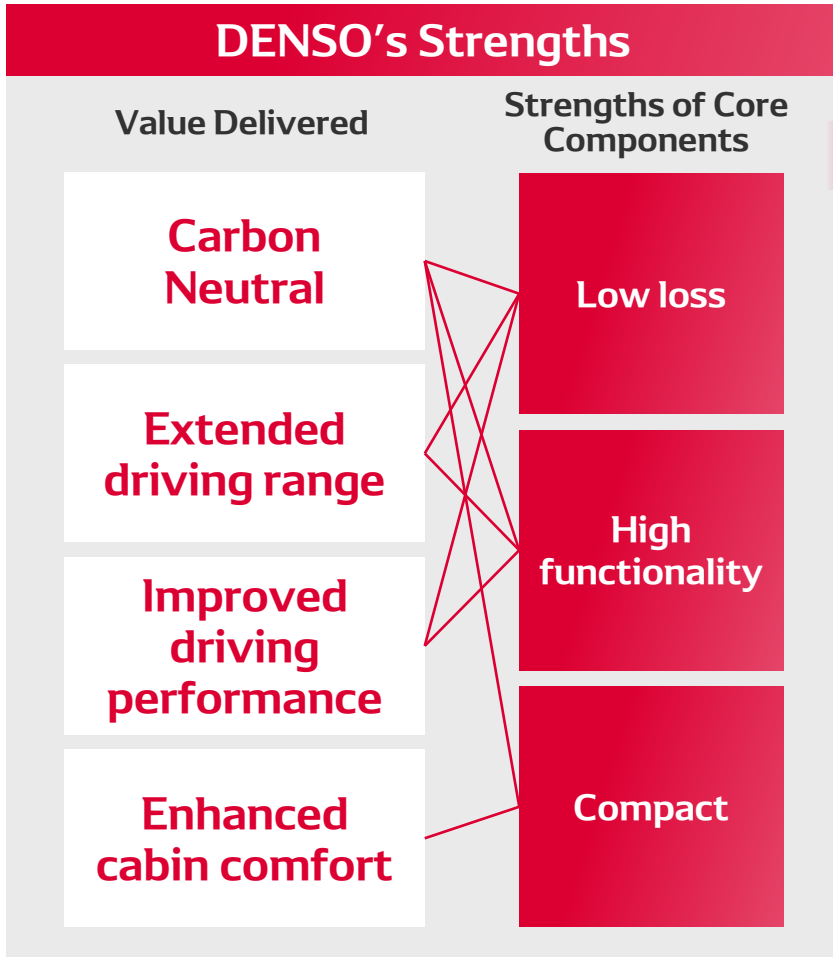
Development Strategy for Achieving Carbon Neutrality

Diversification of Options (OEM × Powertrain)

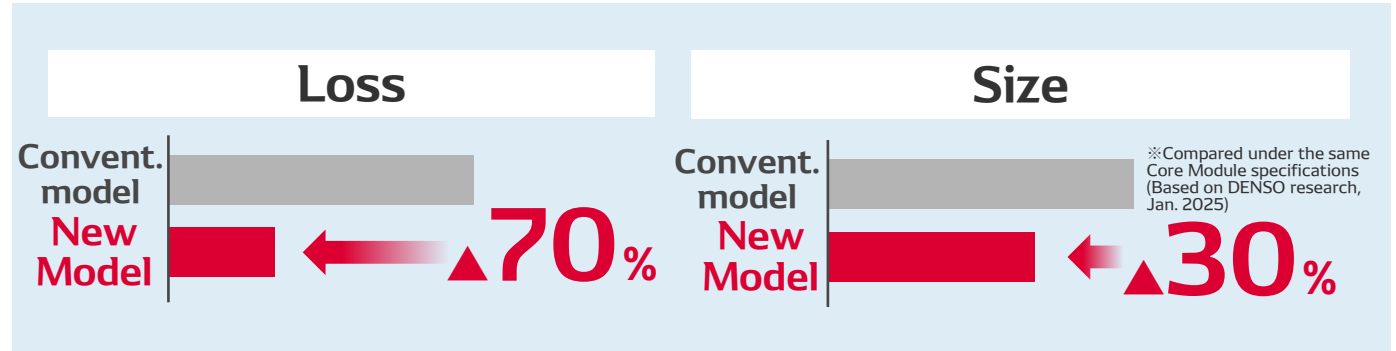
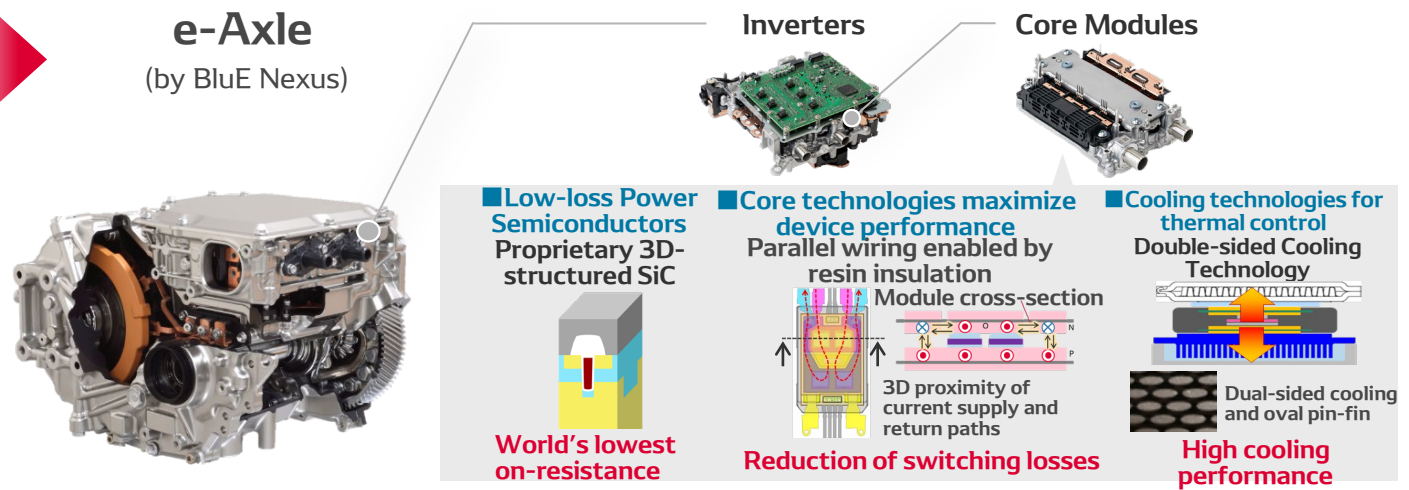


Meet the diverse customer needs through "Core Technologies" and "Integrated System Development"

Electric Drive Systems



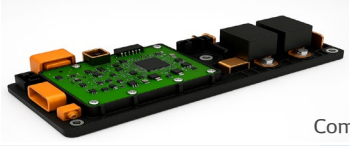


Inverter for New BEV (Battery Electric Vehicle)



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
	 <p>Compared with competitors</p>	 <p>Compared with competitors</p>	 <p>Compared with competitors</p>
Compact	<p>Internal substrate implementation technology for power semiconductor wiring</p> <p>Market-ready by FY31 or later</p> <p>Size ▲50%</p>	<p>High power-density increased winding cross-section</p> <p>Market-ready by FY31</p> <p>Equivalent to Neodymium Magnets</p>	<p>Integration of BMS/ESU into J/B※ Integration of relay and fuse functions using semiconductors</p> <p>Market-ready by FY31 or later</p> <p>Size ▲60%</p>
High functionality	<p>Advancement of in-house SiC technology with low crystal defects / low on-resistance</p> <p>Market-ready by FY29</p> <p>Power loss ▲50%</p>	<p>Heavy rare-earth-free magnets with low resource risk</p> <p>Market-ready by FY30</p> <p>Magnetic performance Equivalent to Neodymium Magnets</p>	<p>Highly reliable high-speed interruption using semiconductor relays and surge suppression circuits</p> <p>Market-ready by FY31 or later</p> <p>Interruption time reduced 1/100</p>
Low loss	<p>Heat generation control for electrified powertrains with temperature control function</p> <p>Market-ready by FY30</p> <p>Heat generation x3</p>	<p>Environmentally friendly magnet elimination</p> <p>Market-ready by FY31</p> <p>CO₂ emissions ▲34%</p>	<p>Dynamic Wireless Power Transfer System with a proprietary magnetic circuit</p> <p>Market-ready by FY30</p> <p>Reduced charging time to alleviate EV range anxiety</p>

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

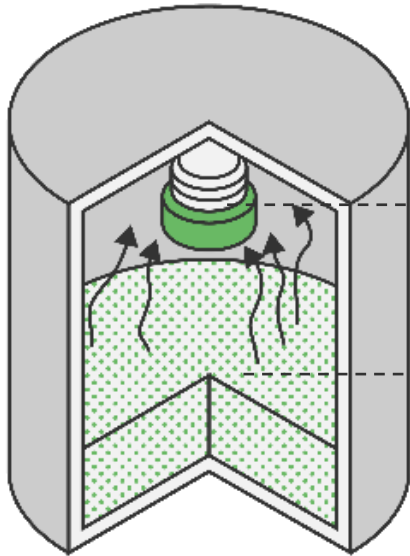
Enhance competitiveness of a wide range components through technological capabilities, and contribute to improved electrification performance

Evolution of Core Components: In-house SiC Technology

Crystal Growth

Sublimation Method

2200 deg.



SiC Single Crystal

Source gas

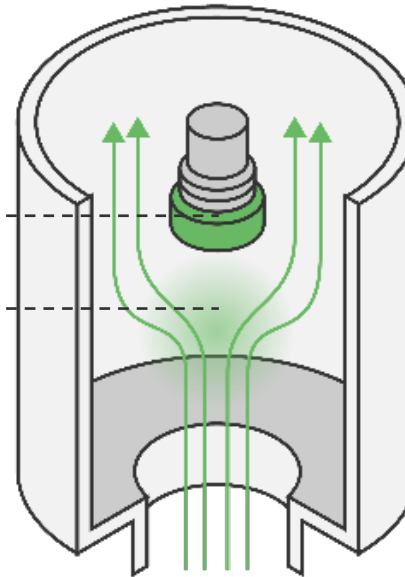
Bulk powder

×15

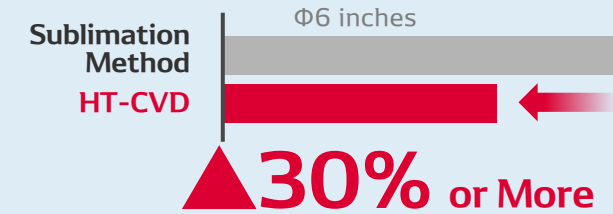
High Growth Rate

HT-CVD(High Temperature Chemical Vapor Deposition)

2500 deg.



Reduced Wafer Cost



CO₂ emission reduction

▲ **90% or More**

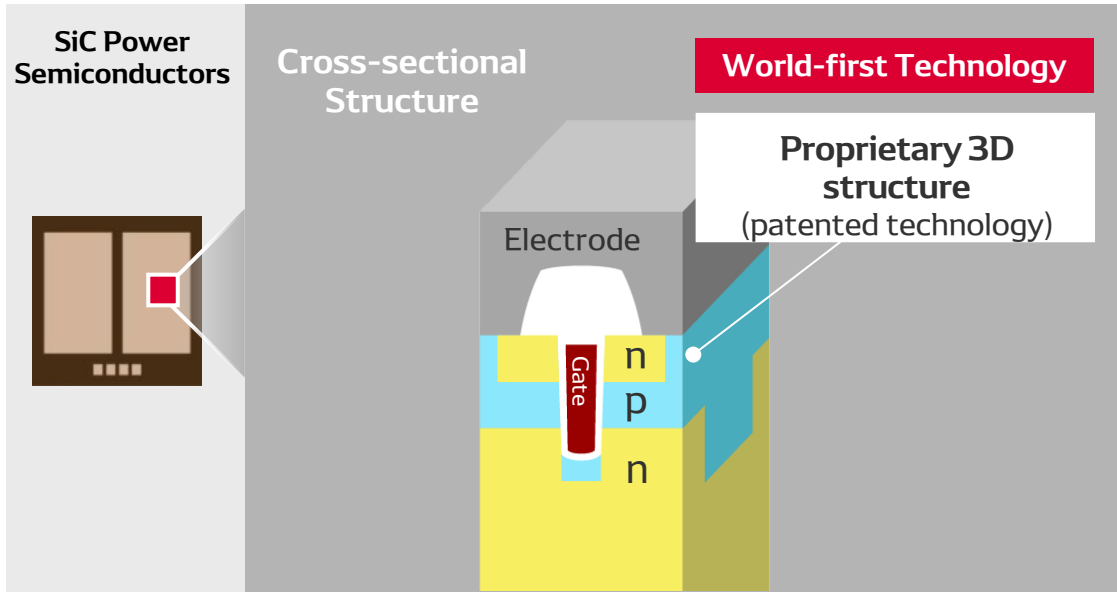
World-first Technology*

Market-ready by
FY28

*company research

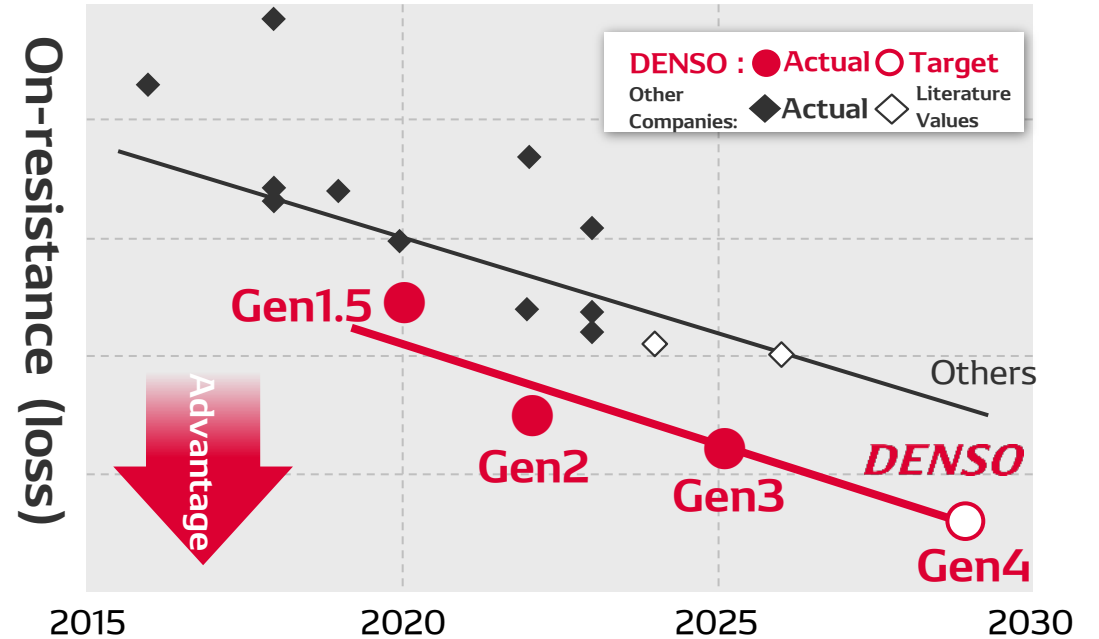
Evolution of Core Components: In-house SiC Technology

Device Structure



Ensuring High Quality

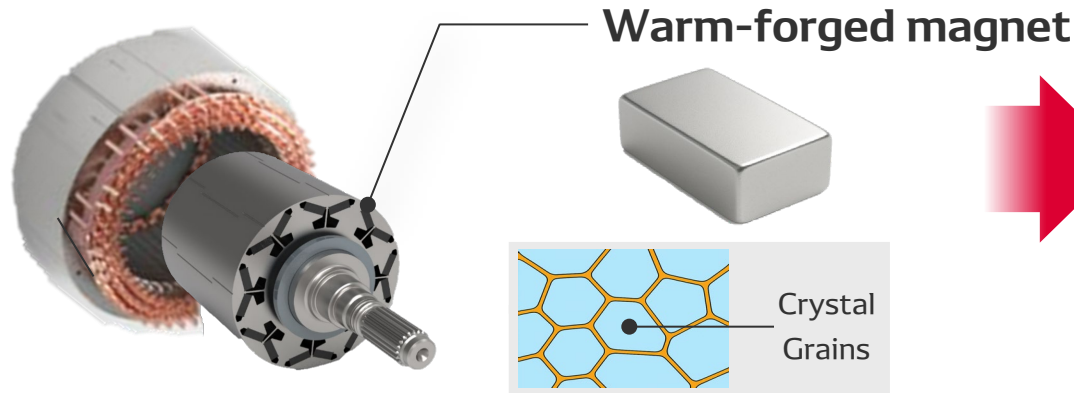
Performance



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 CO₂ 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

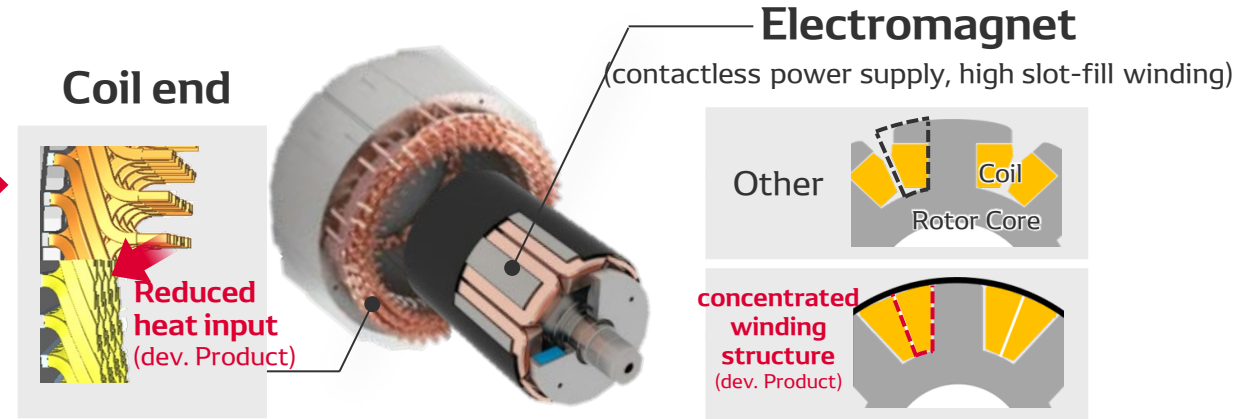
**World-first
Technology**

Market-ready by
FY30

**CO₂
emissions
reduced
▲22%**

**Compact, high
performance
(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**

Market-ready by
FY31

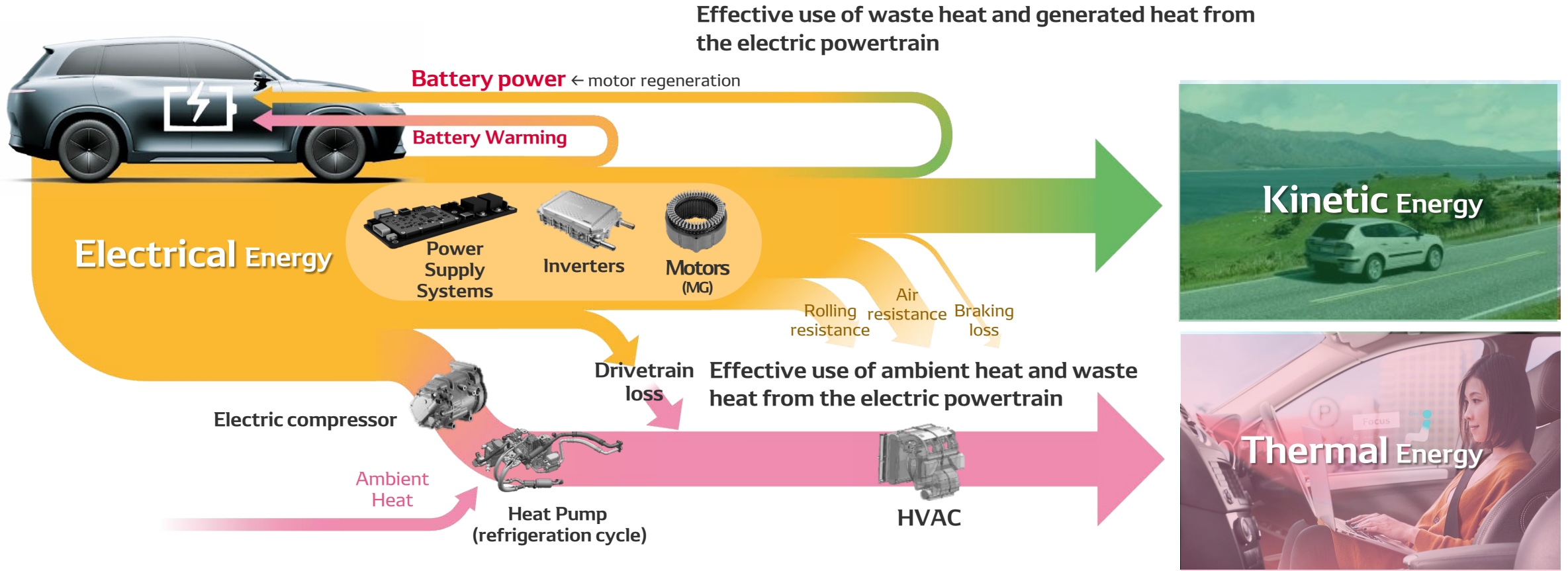
**CO₂
emissions
reduced
▲34%**

**Compact, high
performance
(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

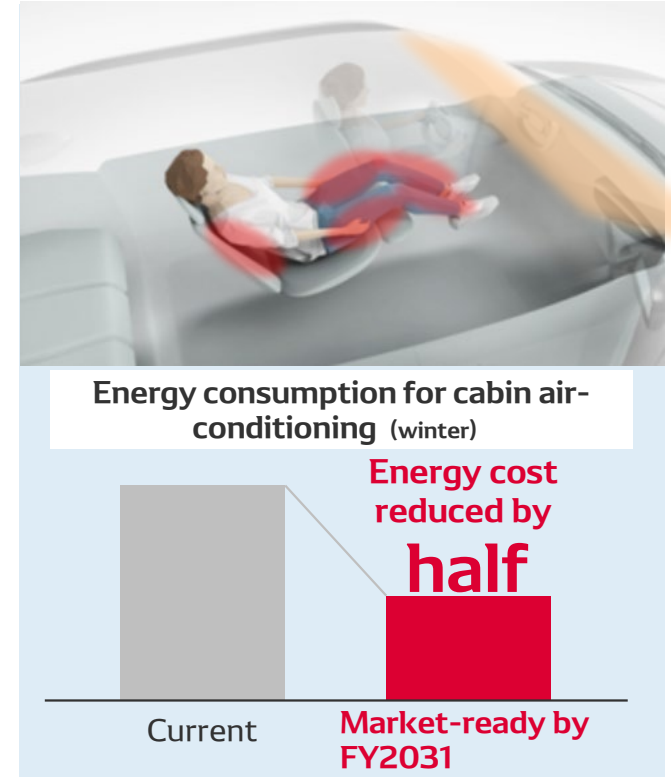
Energy Management: Innovative Cabin

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

- Defrost / Anti-fogging**
 - Ensuring visibility while reducing air-conditioning energy consumption
 - Glass Heating Technology
- Airflow Temperature Control**
 - Redesigning the air-conditioning system to create a more spacious and flexible cabin space
 - Relocation of HVAC to the motor room side
- Airflow Distribution**
 - Direct thermal control that warms only where needed
 - Long-range airflow technology
 - Optimal use of airflow, seat heaters, and radiant heaters
- Independent Temp. Control for Driver/Occupants**
 - Install location



Create comfortable mobility experiences and spaces with energy-minimum performance

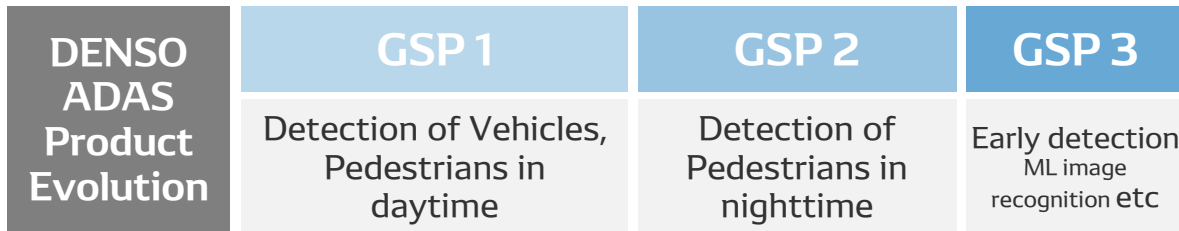
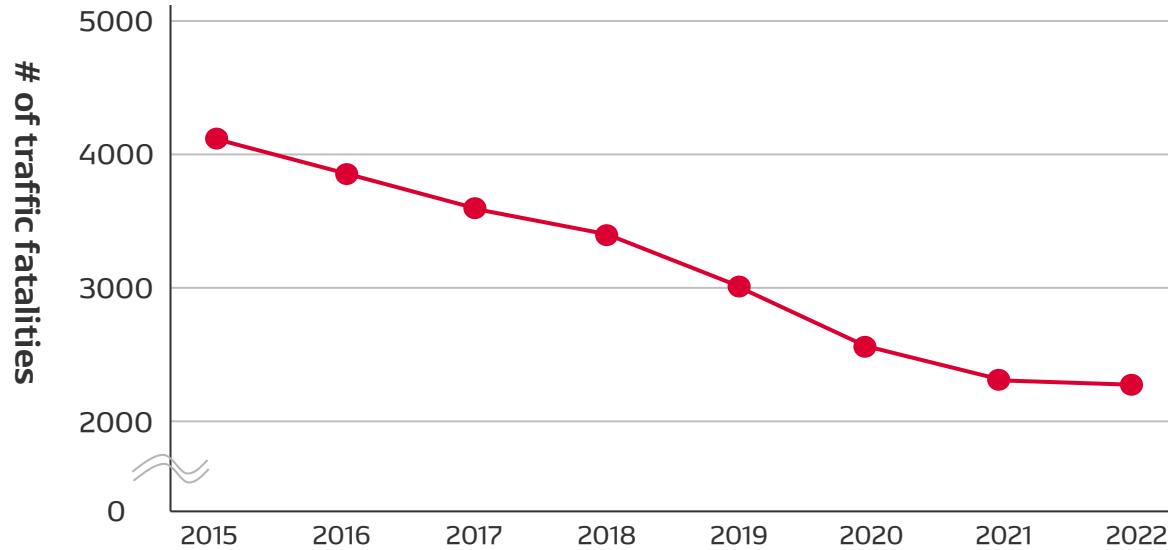
Approach Towards Zero Traffic Fatalities

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

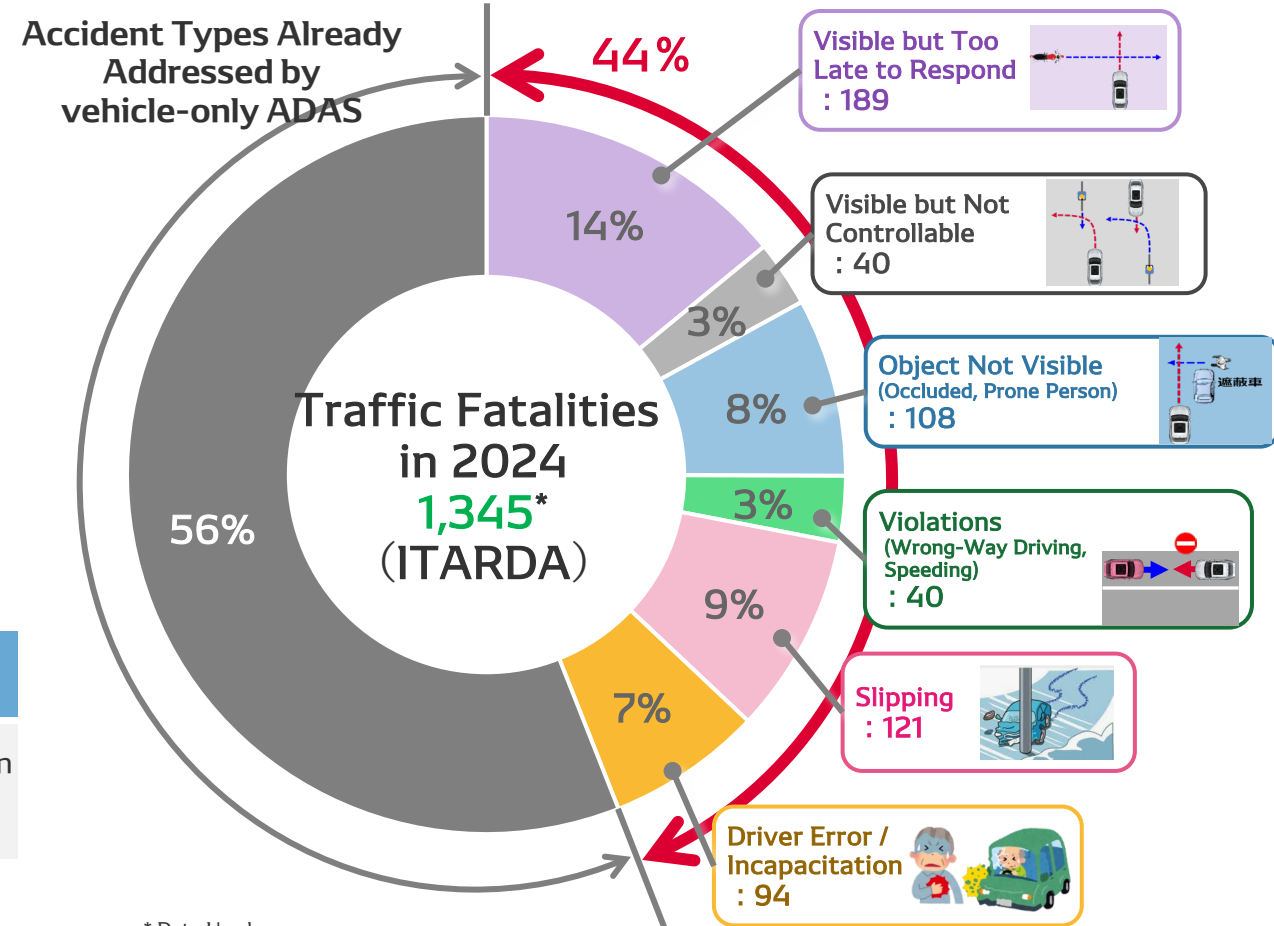
<https://www.moj.go.jp/content/001413635.pdf>



GSP : Global Safety Package
ML: Machine Learning

Accident Characteristics

Accident Types Requiring Further Measures

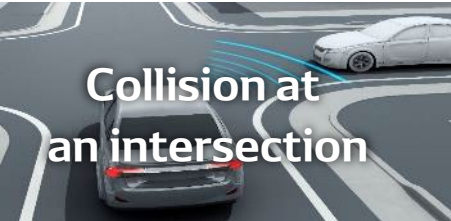

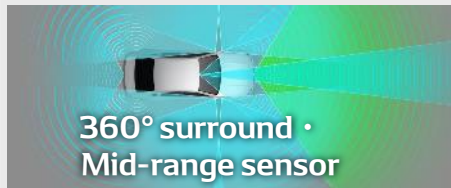
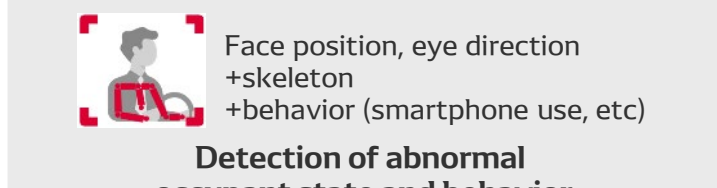
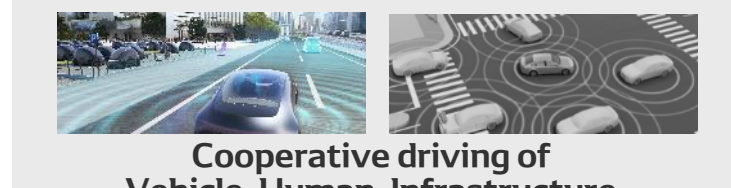
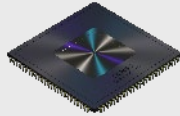


* Data Used
1st party: Passenger cars (incl. kei cars, single-vehicle accidents)
2nd party: Cars, Motorcycles, Pedestrians (excl. trains)

Technologies beyond vehicle-only ADAS are required

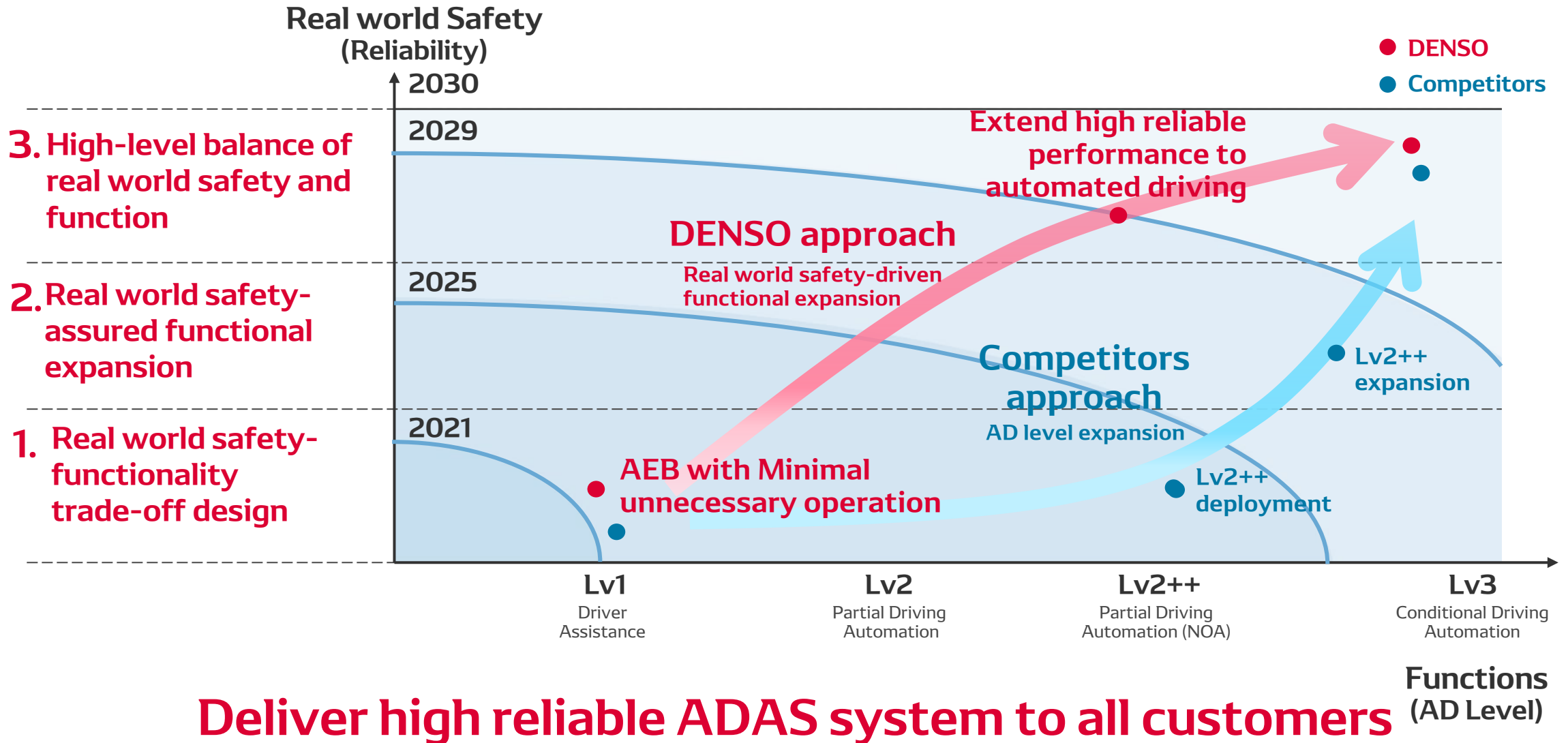
Roadmap Towards Zero Traffic Fatalities

*Global Safety Package Gen. X

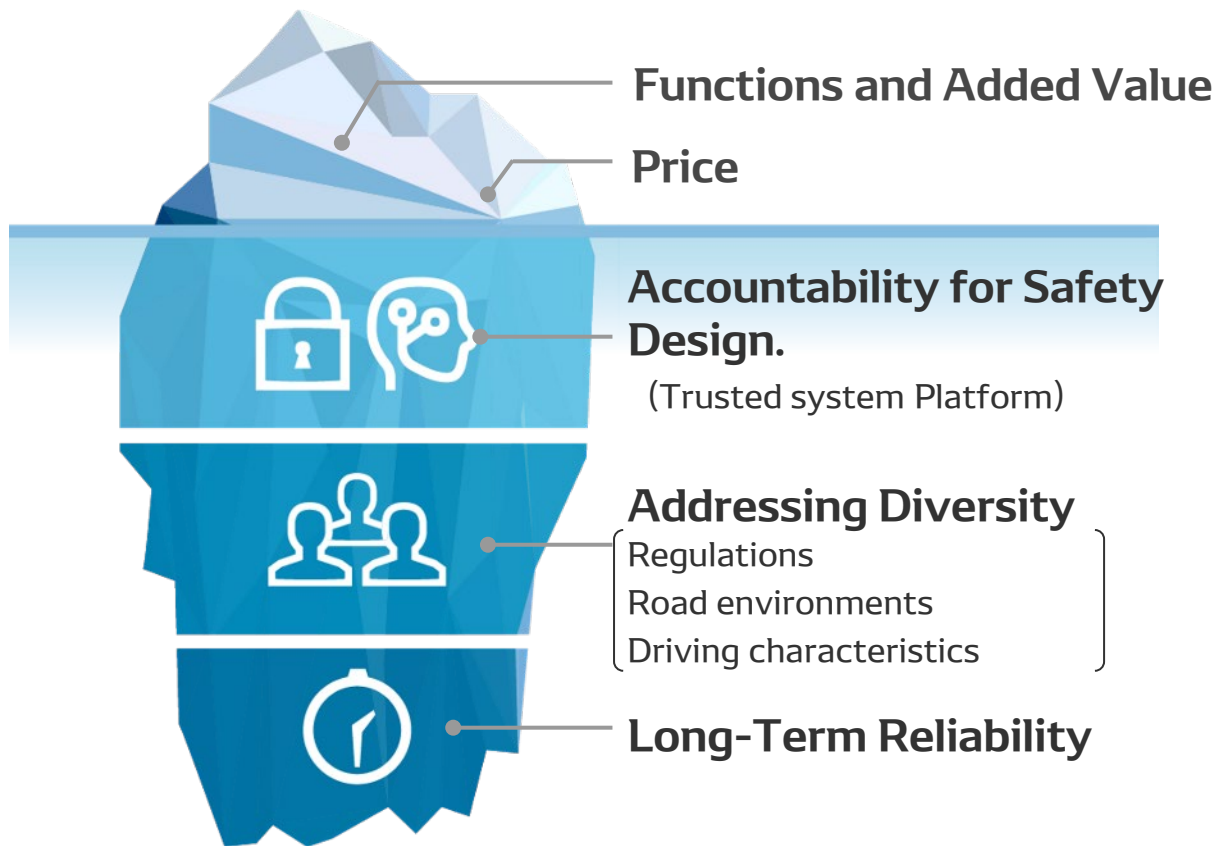
Value		Current GSP4*	Future	
		Accident Coverage Rate	<p>56%</p>  <p>Collision at an intersection</p>	 <p>Response to human error</p>
Approach	Key Technologies	 <p>360° surround · Mid-range sensor</p>	 <p>Face position, eye direction +skeleton +behavior (smartphone use, etc)</p> <p>Detection of abnormal occupant state and behavior</p>	 <p>Cooperative driving of Vehicle-Human-Infrastructure</p>
		<p>Driving Environment Sensing</p>	<p>In-cabin Sensing</p>	<p>Infrastructure · Vehicle-to-vehicle</p>
<p>No Unnecessary Operations</p>				
		<p>Rule based ADAS (Order of data volume : $10^3 \sim 10^4$)</p>	<p>AI-learning based ADAS (Order of data volume : 10^{11})</p>	<p>High reliable system</p>  <p>Automotive -AI SoC</p>

Toward Zero Traffic Fatalities through Vehicle-Human-Infrastructure Cooperation

Evolution of AD/ADAS ~Delivering High Reliability~



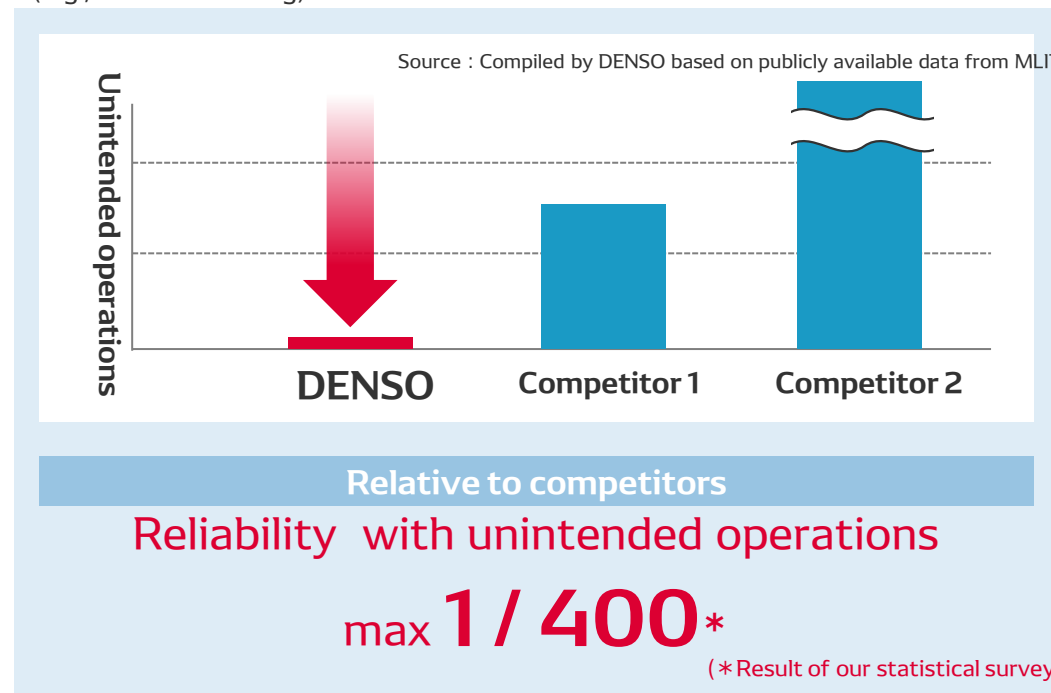
Strength of AD/ADAS System



DENSO's High Reliability Performance

consistently low claim rate.

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

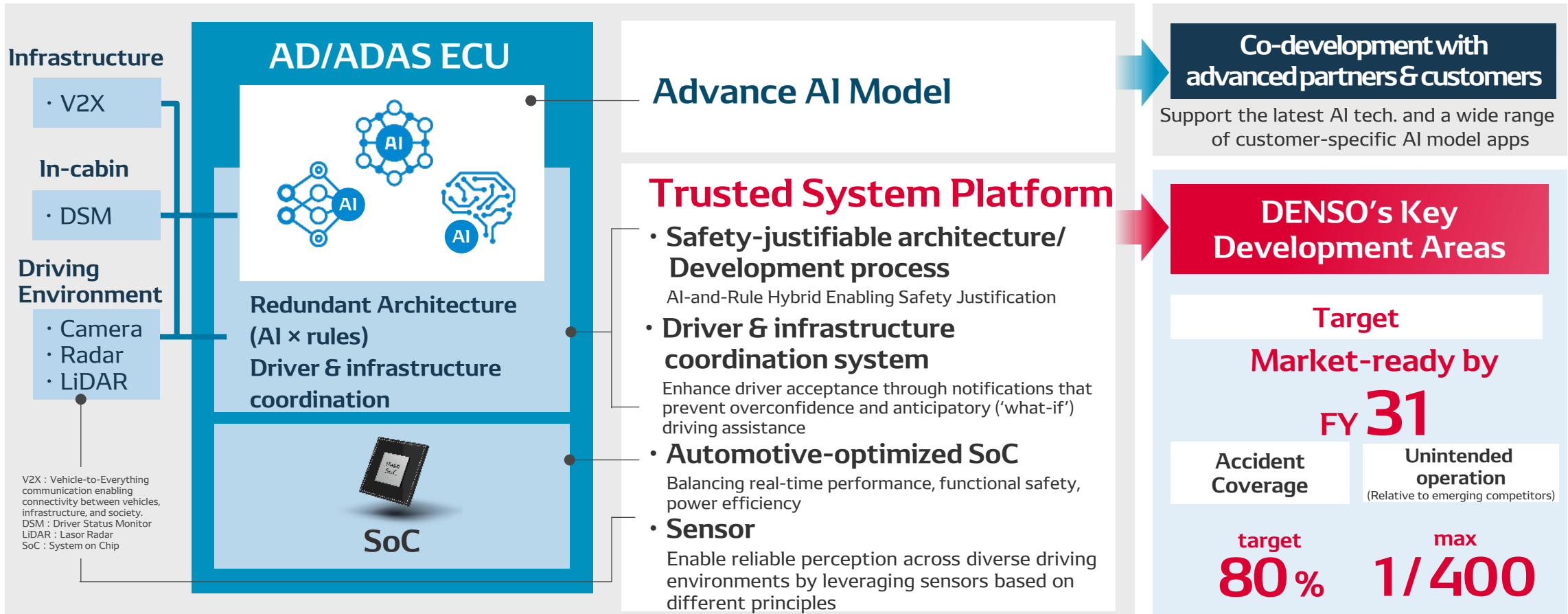


**DENSO's strength lies in its deep commitment to reliability,
built together with our customers.**

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

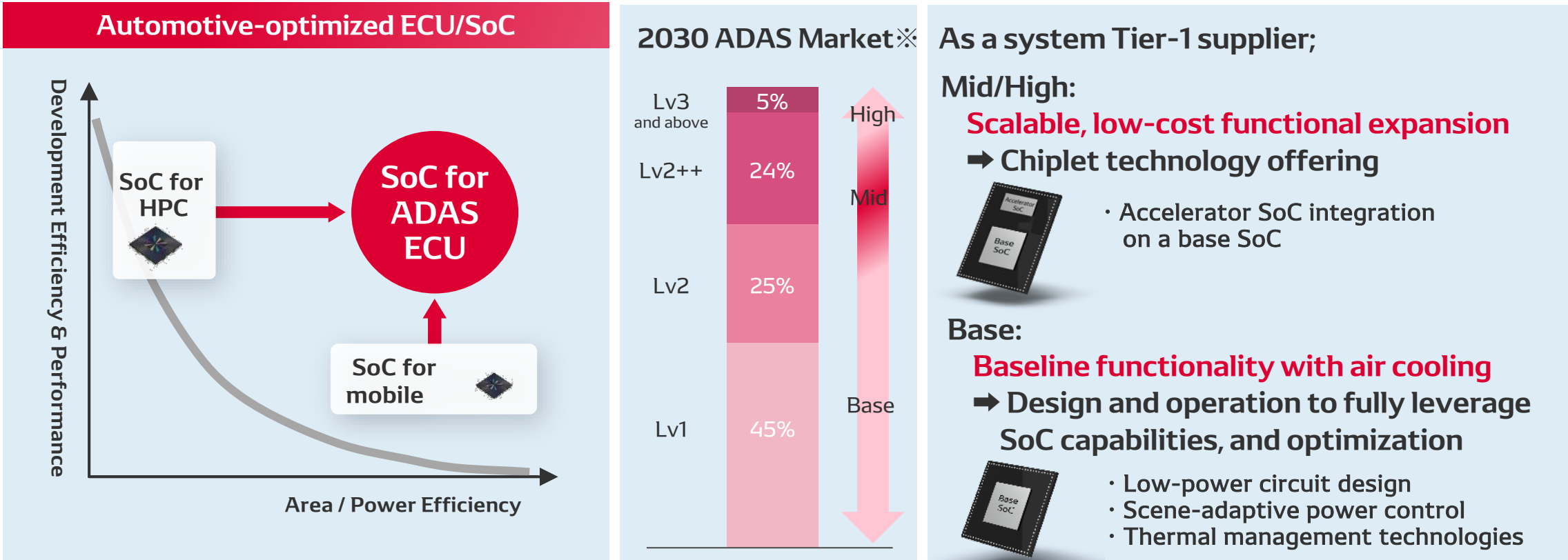
High Reliable AD/ADAS Systems

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



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

Automotive-Optimized ECU/SoC Supporting AD/ADAS System



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**

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.	 Case 2.
Deploy agent AI across design development process	Deploy physical AI in plants

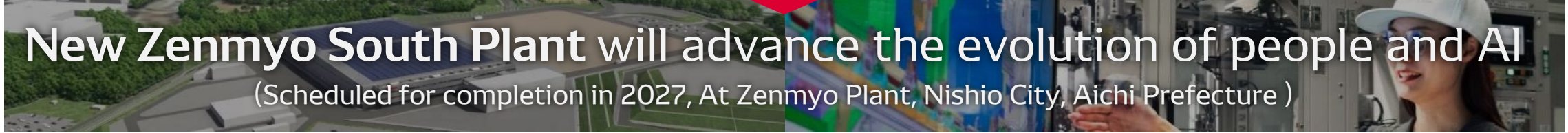
Achieve Outstanding QCD*

*Quality, Cost, Delivery



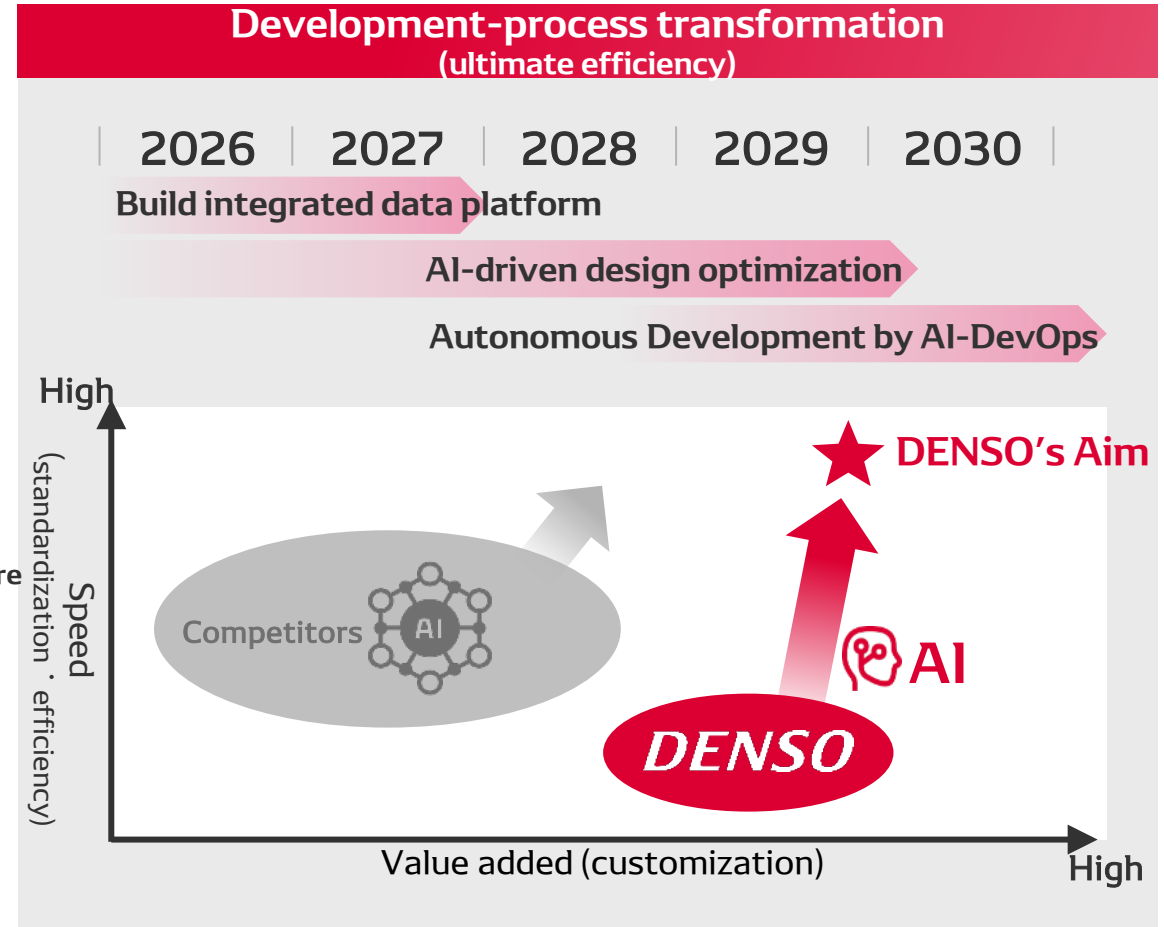
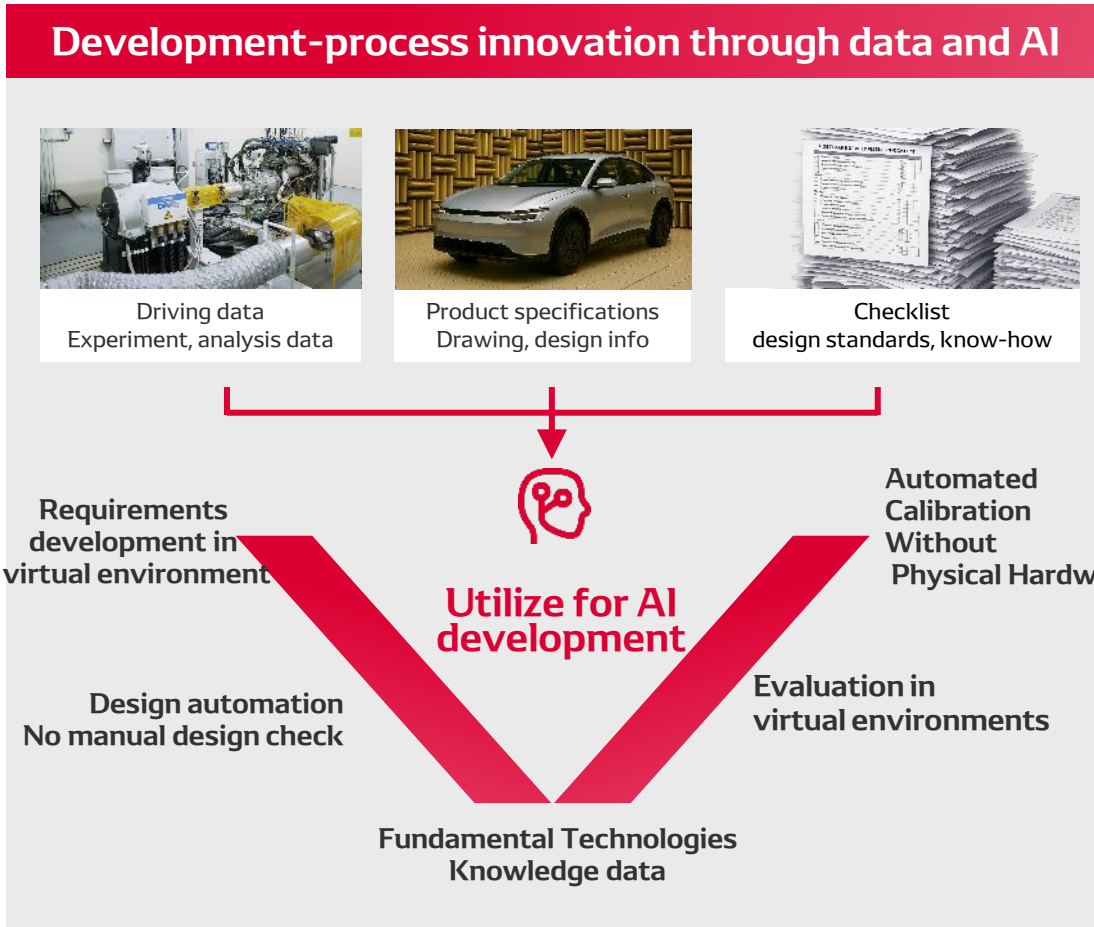
Transform how people work, enabling a shift toward higher-value-added operations

New Zenmyo South Plant will advance the evolution of people and AI
 (Scheduled for completion in 2027, At Zenmyo Plant, Nishio City, Aichi Prefecture)



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

Case 1. Deploy Agent AI Across Design and Development Process



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



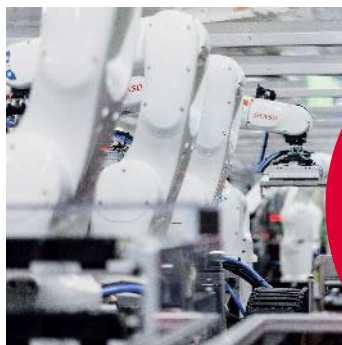
Strengths We Cultivated

Highly reliable, high-quality manufacturing



Mass-production expertise

Craftsmanship and on-site improvement capability



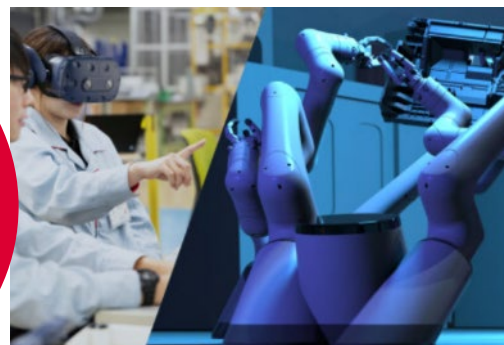
Robotics technology

In-house development technology and application know-how



AI-powered automation and talent shift

Production line



Physical AI keeps learning from human motion

Plant operation



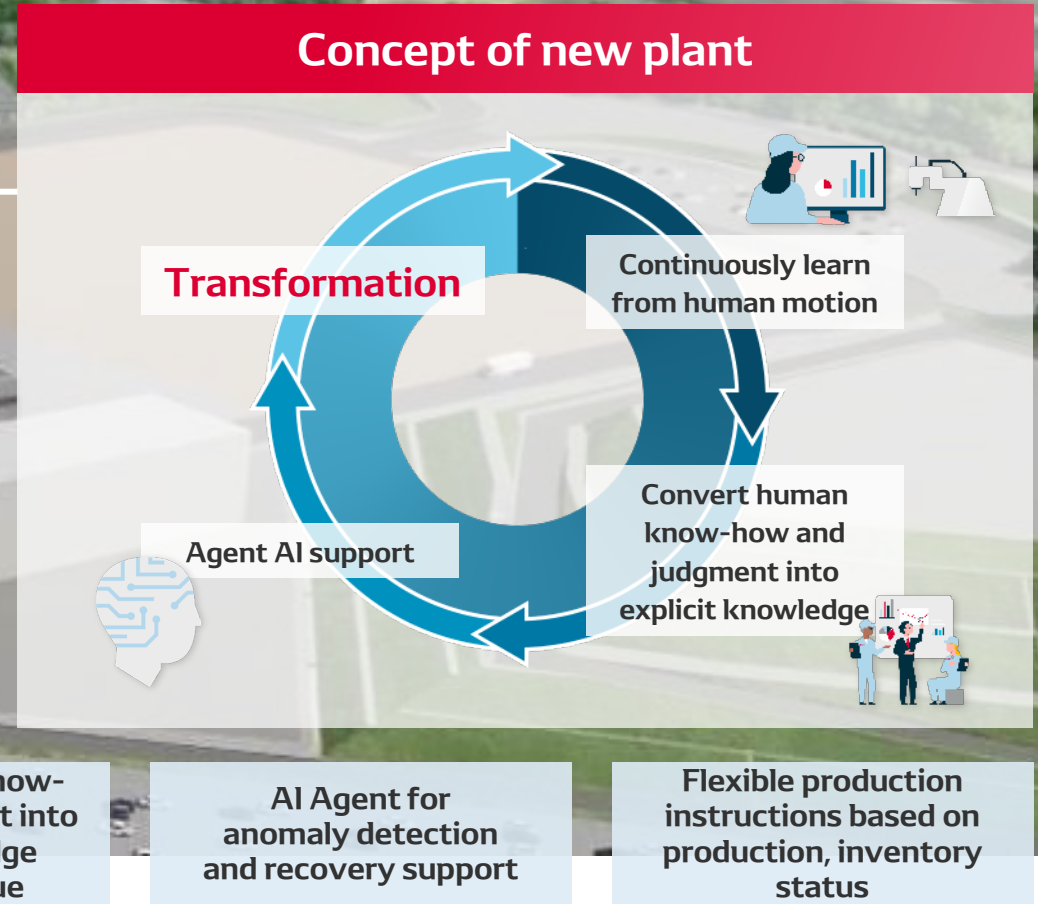
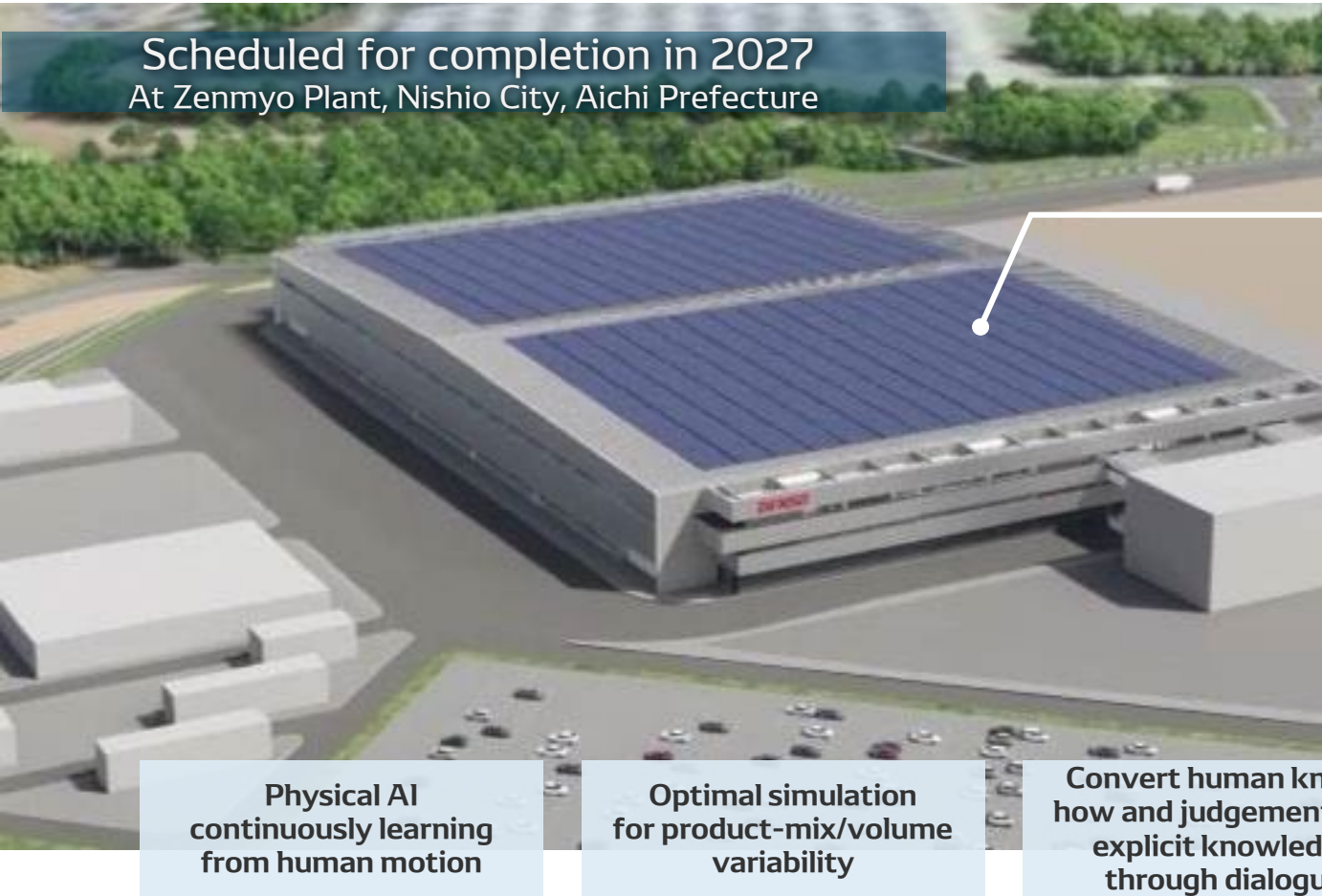
Expand advanced equipment-maintenance talent to develop with AI

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



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

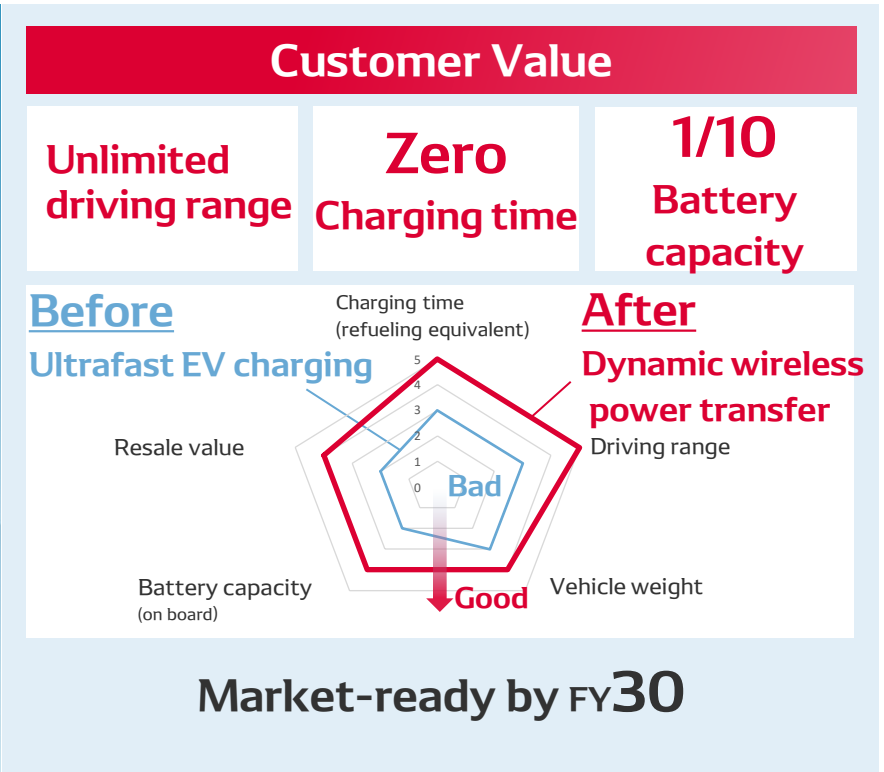
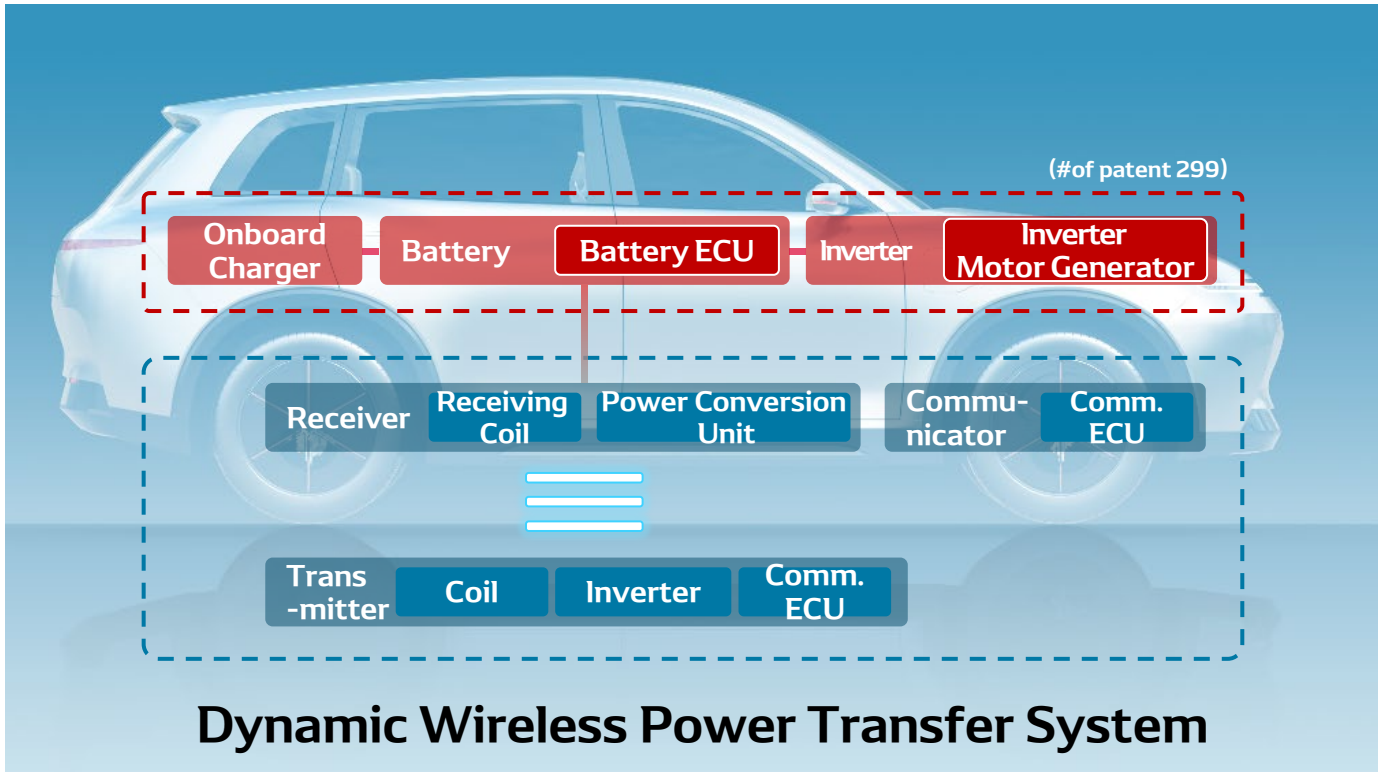
AI Agent for anomaly detection and recovery support

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**

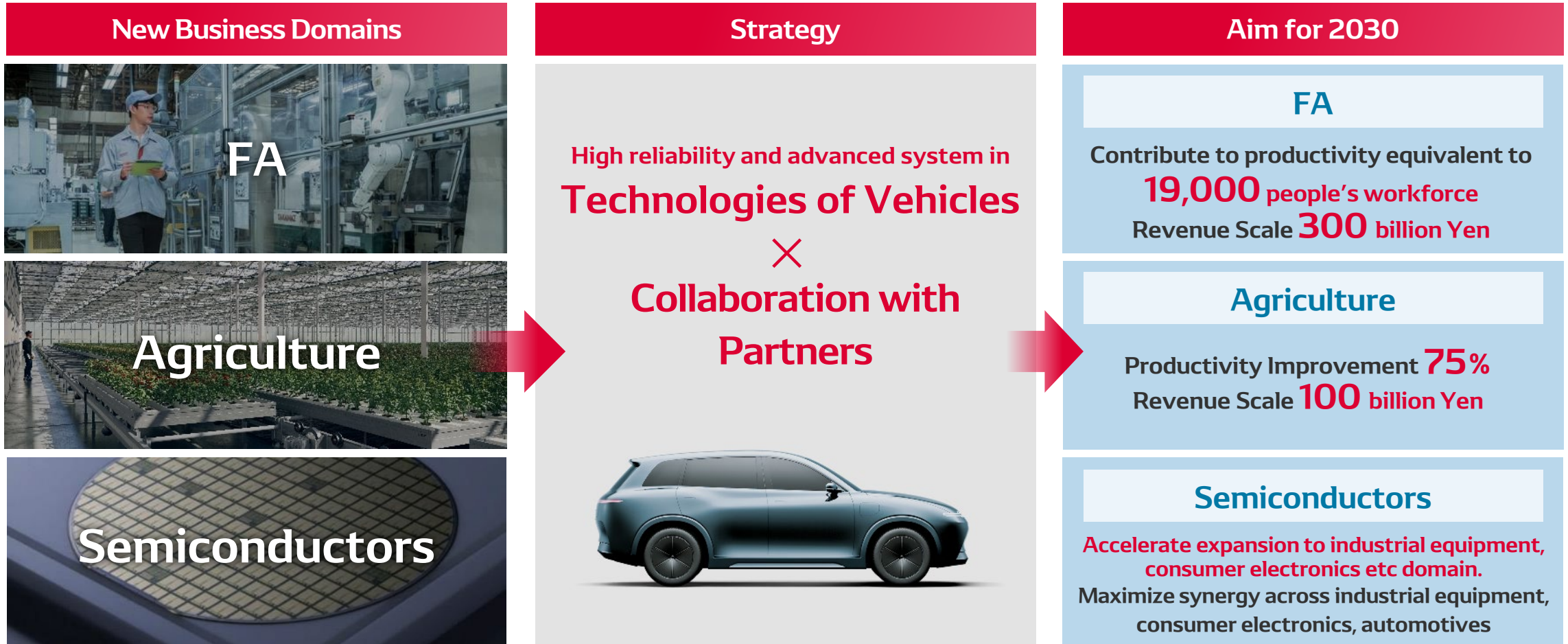


Through co-creation with a wide range of partners, aim to address social challenges through optimal citywide energy management

Pillar 3

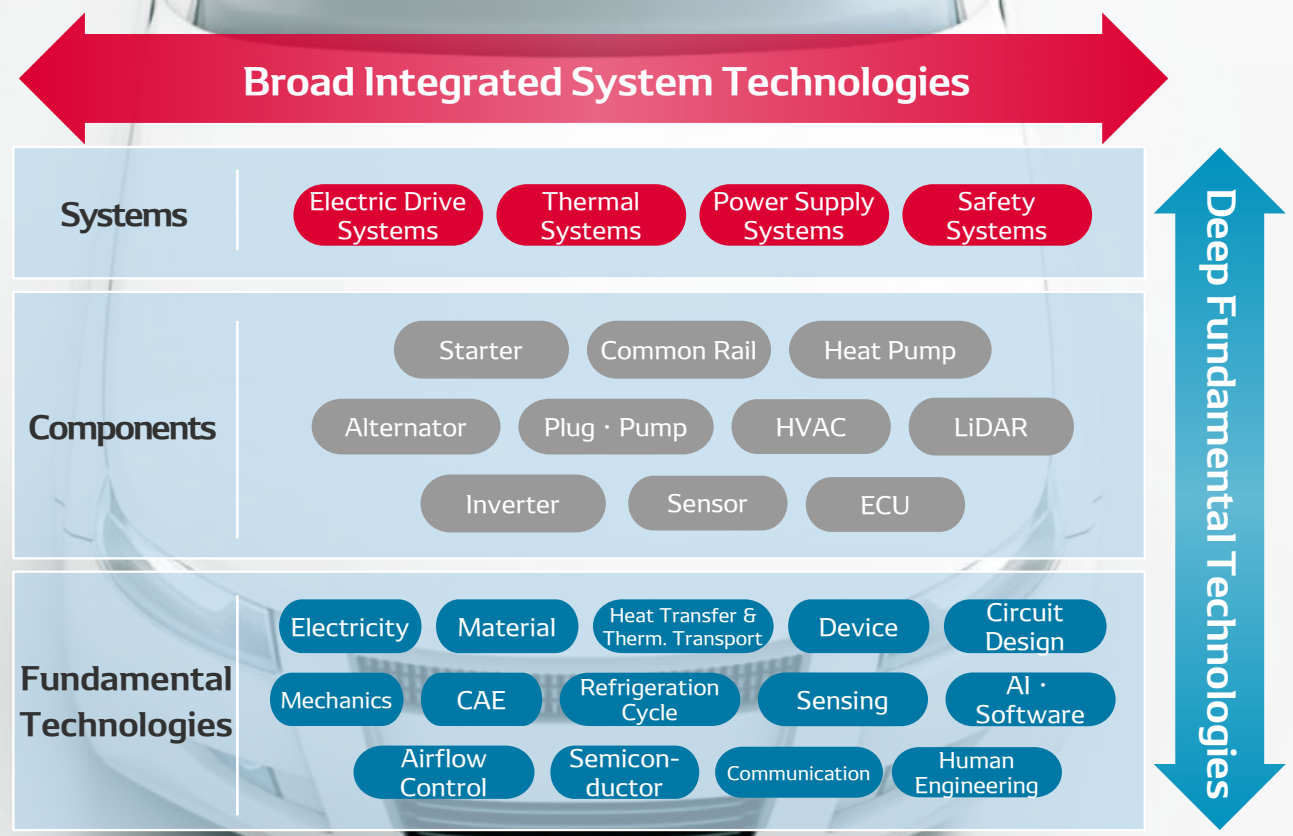
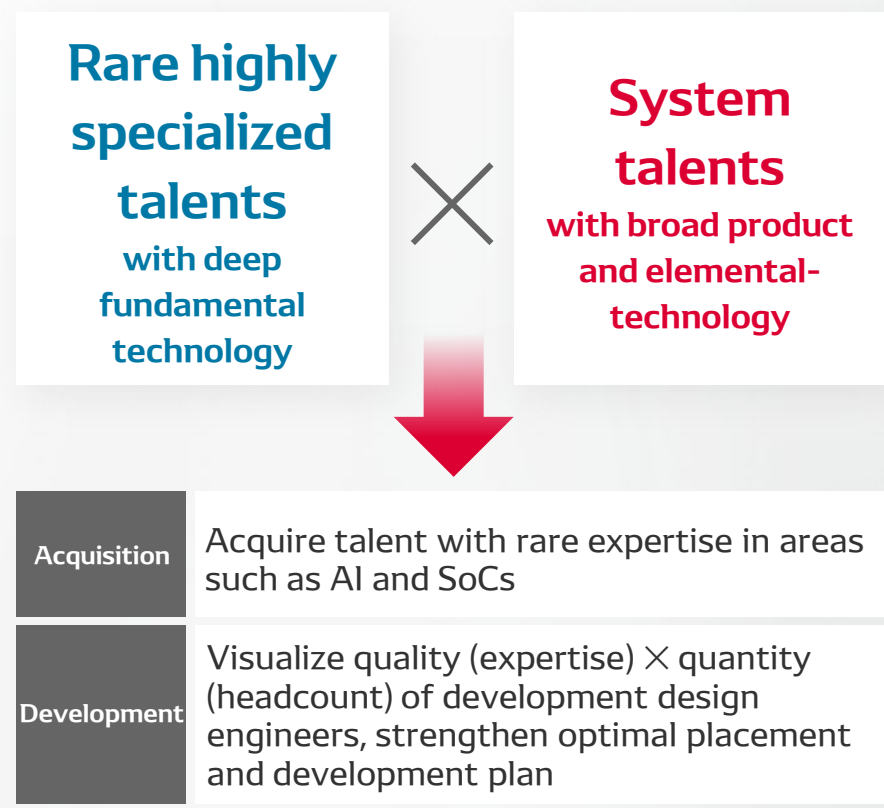
Developing People,
Co-Creating with Partners

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



Grow with partners to drive broad value enhancement

Reinforcement of Talents with High Expertise



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

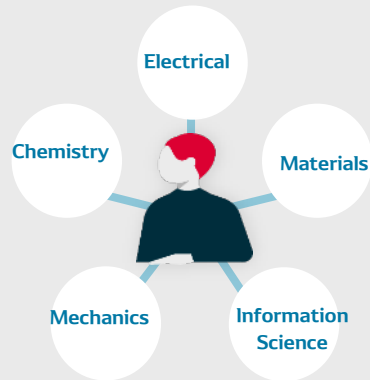
Development of Integrated System Engineers

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	<ul style="list-style-type: none"> • Broadness and depth of technologies • Systems thinking (Architecture design for AI era, etc)
People	<ul style="list-style-type: none"> • Human capability to co-create with customers and internal team

Talent development initiatives

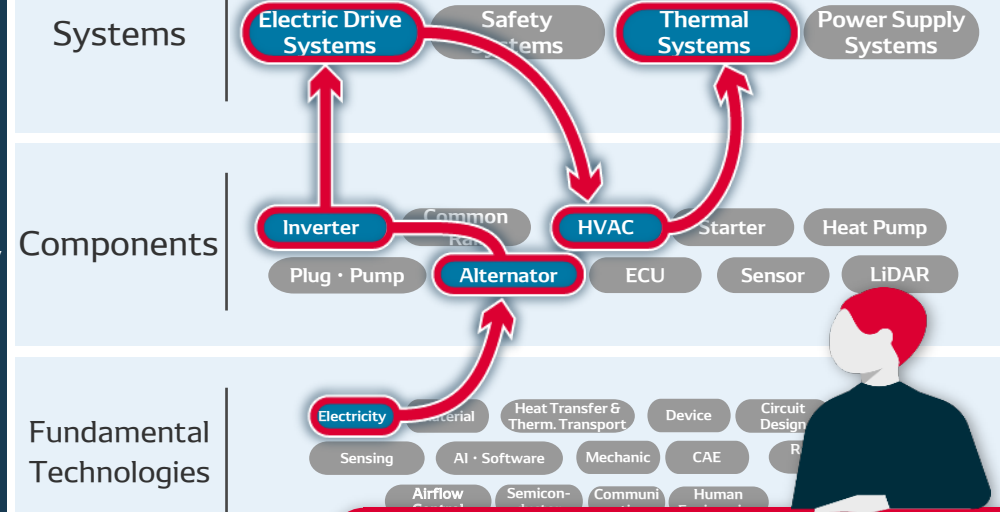
Diverse customers



Diverse products, technology fields

Car manufacturers worldwide

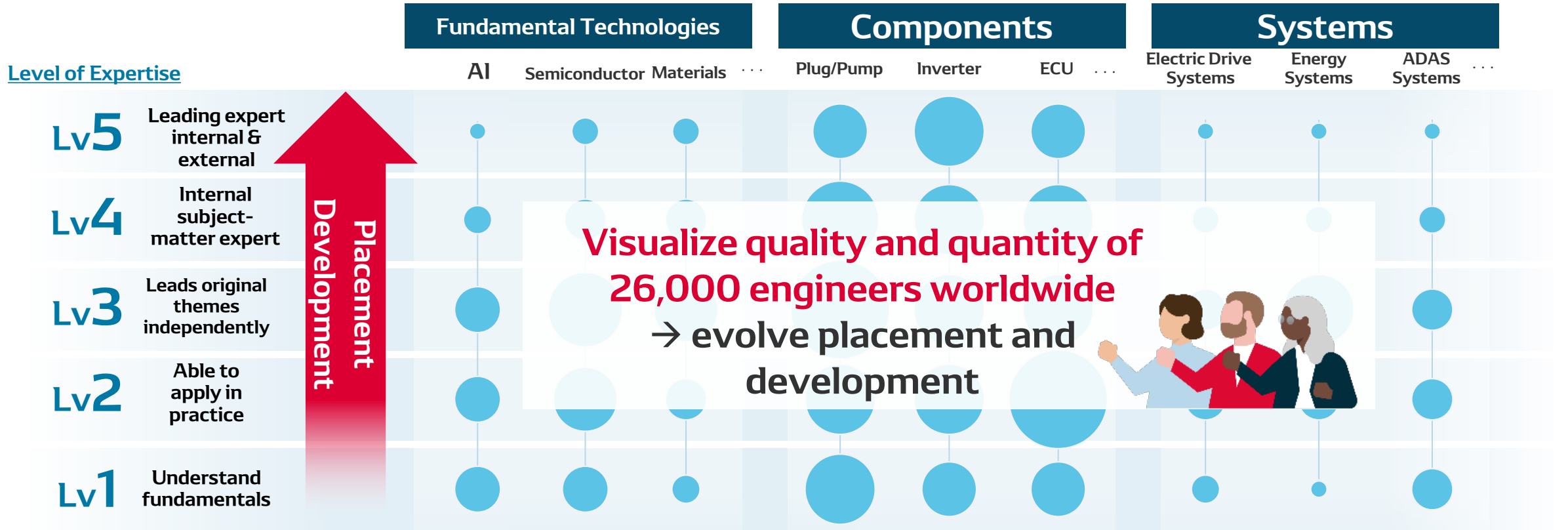
Place where distinctive requirements of car manufacturers around the world are realized



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	25Mid-Term Policy targets	
Revenue	Sales	4.9 trillion yen	7.4 trillion yen <small>*forecast at 3Q</small>	7.0 trillion yen
	Operating margin	3.1 %	7.2 %	10 %
	ROE	3.4 %	8.1 % <small>*Cost of equity 7.8%</small>	Over 10 %
	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
Finance			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	
Peace of mind	Accident scene coverage ratio	56 %	56 %	▶ Completion of GSP4 market launch
	ADAS revenue	590 bil. yen	520 bil.yen	

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



Sompo Sustainability Index



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

THE INCLUSION OF DENSO CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF DENSO CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Other Domestic and International Evaluations



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



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 WWP 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 日経総合経営賞アワード



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

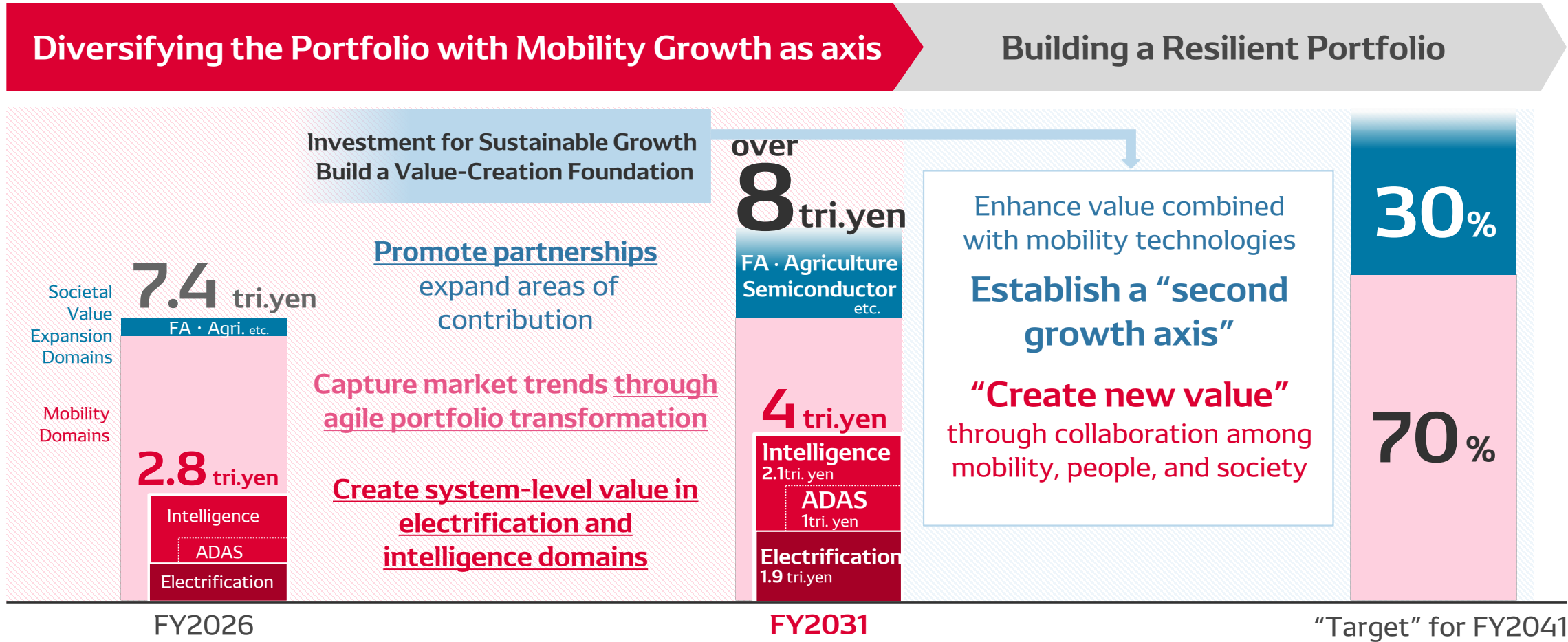
Mobility Domains	Societal Value Expansion Domains	Investments for Sustainable Growth
Customer Value Creation and Steady Growth through Agile Portfolio Transformation	Contributing to the Resolution of Social Issues in FA, Agriculture, Semiconductors, and Other Fields	Build a Strong Foundation that Supports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

Sales Revenue Over 8 trillion yen	Operating Margin Over 10 %	ROE Over 11 %	Investments and Shareholder Returns Over 8 Trillion yen [Cumulative from FY27-31]									
			<table border="0"> <tr> <td>Business investment</td> <td>6.6</td> <td>Tri. yen</td> </tr> <tr> <td>Dividend</td> <td>1.0</td> <td>Tri. yen</td> </tr> <tr> <td>Strategic Investments & Share Repurchases</td> <td>+α</td> <td>Tri. yen</td> </tr> </table>	Business investment	6.6	Tri. yen	Dividend	1.0	Tri. yen	Strategic Investments & Share Repurchases	+α	Tri. yen
Business investment	6.6	Tri. yen										
Dividend	1.0	Tri. yen										
Strategic Investments & Share Repurchases	+α	Tri. yen										

Other Key Financial KPIs		Key Materiality KPIs	
Equity ratio	Over 50 %	Green	1.9 trillion yen
DOE	Over 4.0 %	Electrification sales	Scope1/2 CN with credit Scope3 -25% (compared to 2020)
Share Buybacks	Agile Execution and Reinforcement	CO2 emissions	1.0 trillion yen
Cross-shareholdings	Ongoing Reduction Based on the Rationale for Holdings	ADAS sales	80 %
		Peace Of mind	Accident scene coverage ratio

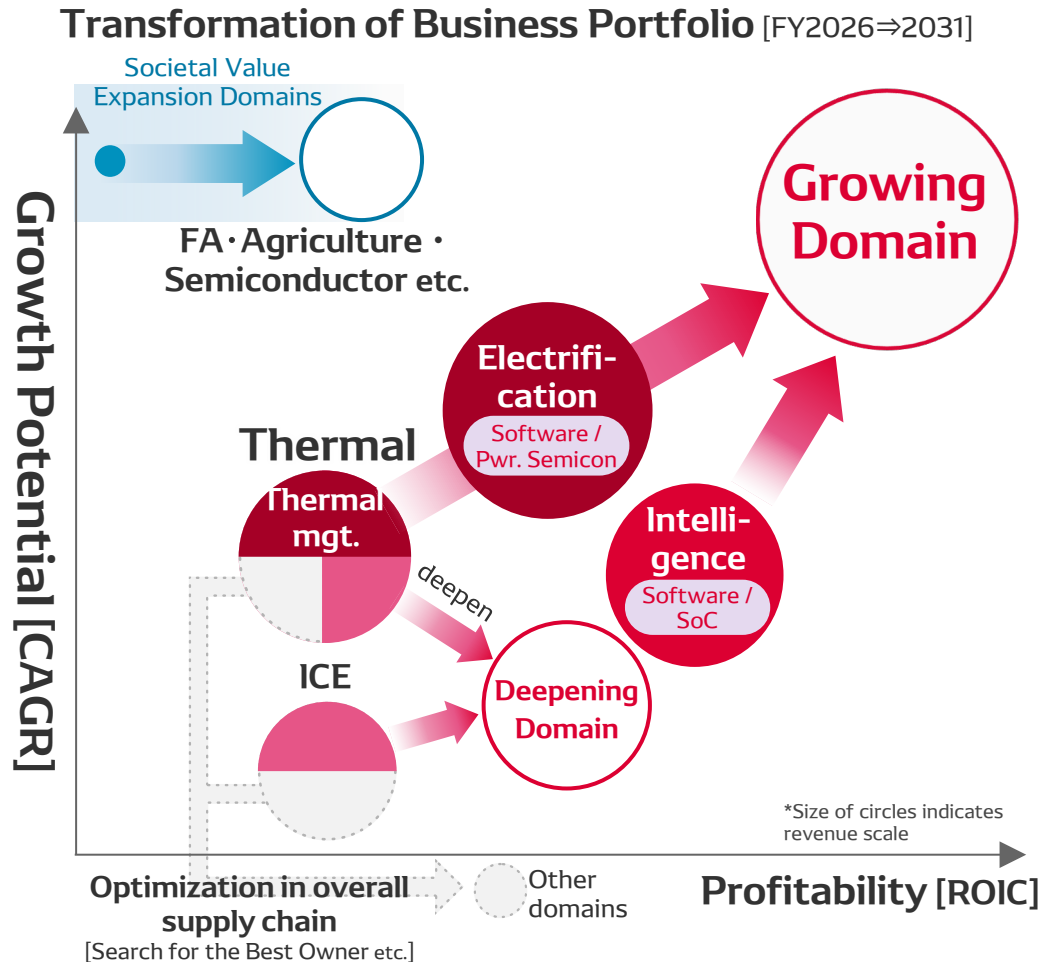
Achieve sustainable enhancement of corporate value through the creation of social value

Business Growth Scenario



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

Direction of Business Evolution



Societal Val. Expansion Domain	FA · Agriculture	
	Semiconductor	
Mobility Domain	Electrification (includ. Thermal Management)	
	Intelligence	
	Internal combustion & thermal	
	Fundamental Technologies	Semiconductors
		Software

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)

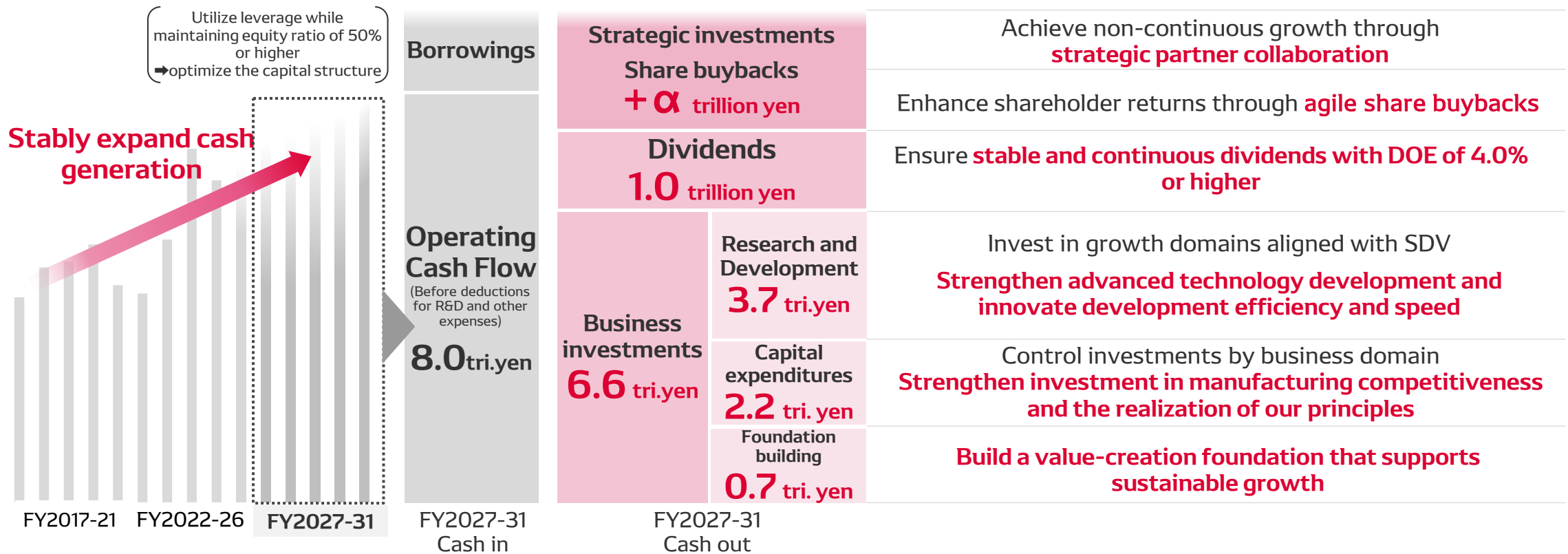
Support the **foundations of multi-pathway**
 -Deepening Domain: improvements in thermal efficiency and environmental adaptability (exhaust emissions, alternative fuels, etc.)
 -Other Domain: optimize competitiveness across the entire Supply Chain

Power Semiconductor : 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



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

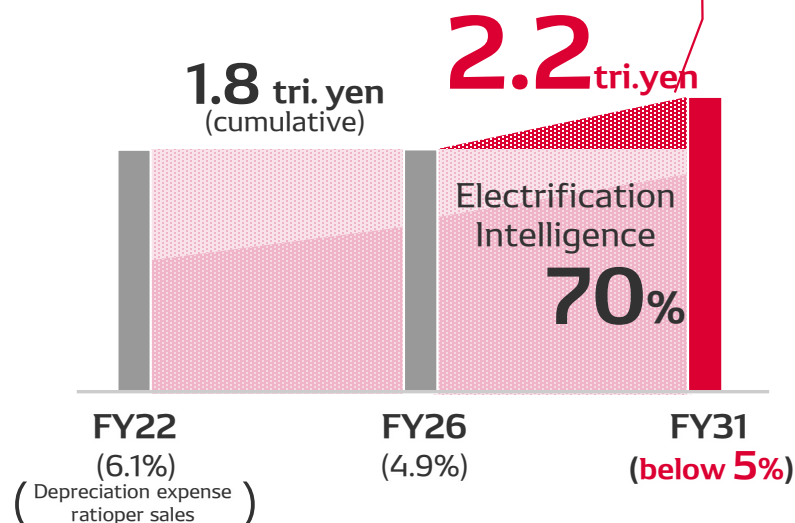
Business Investments [FY2027–2031 Cumulative]

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

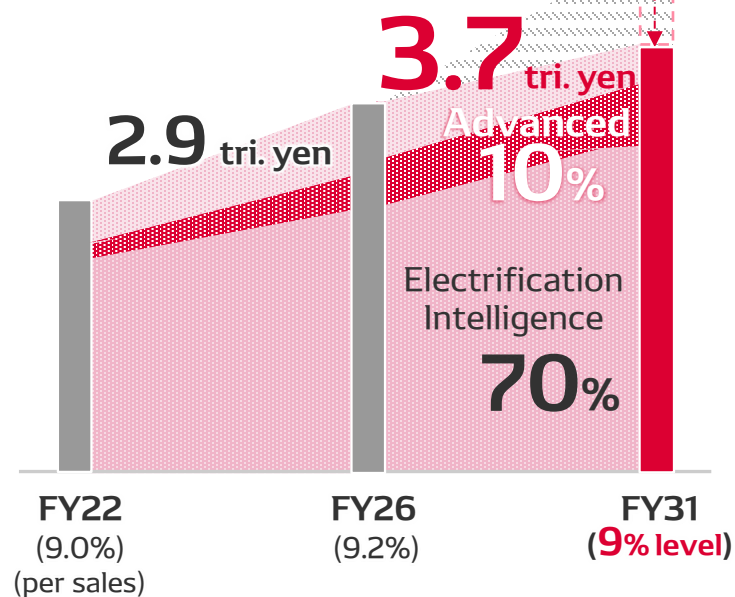
Next-generation factories
Carbon neutrality-related technologies



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

Efficiency improvement through process transformation



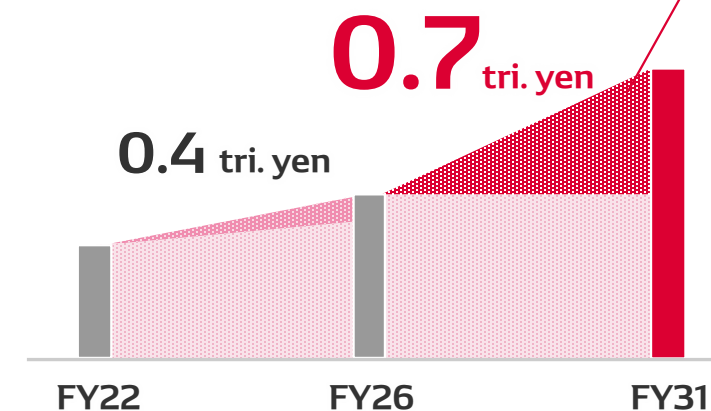
Value Creation Foundation **0.7** tri.yen

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

Build a robust value-creation foundation to realize sustainable growth

Strengthen IP strategies: differentiation and creation of new value

Enhance collaboration between IT and people: boost productivity and innovation



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

Initiatives in Societal Value Expansion Domains

- FA
(Factory Automation)
- Agriculture
- Semiconductors

Social Issues

Advancement of manufacturing driven by the spread of AI and **address workforce challenges in the manufacturing industry**

Responding to climate change and the decline in the farming population, and **ensuring a stable food supply**

Responding to diverse and increasingly sophisticated **semiconductor needs** across society

Our Initiatives

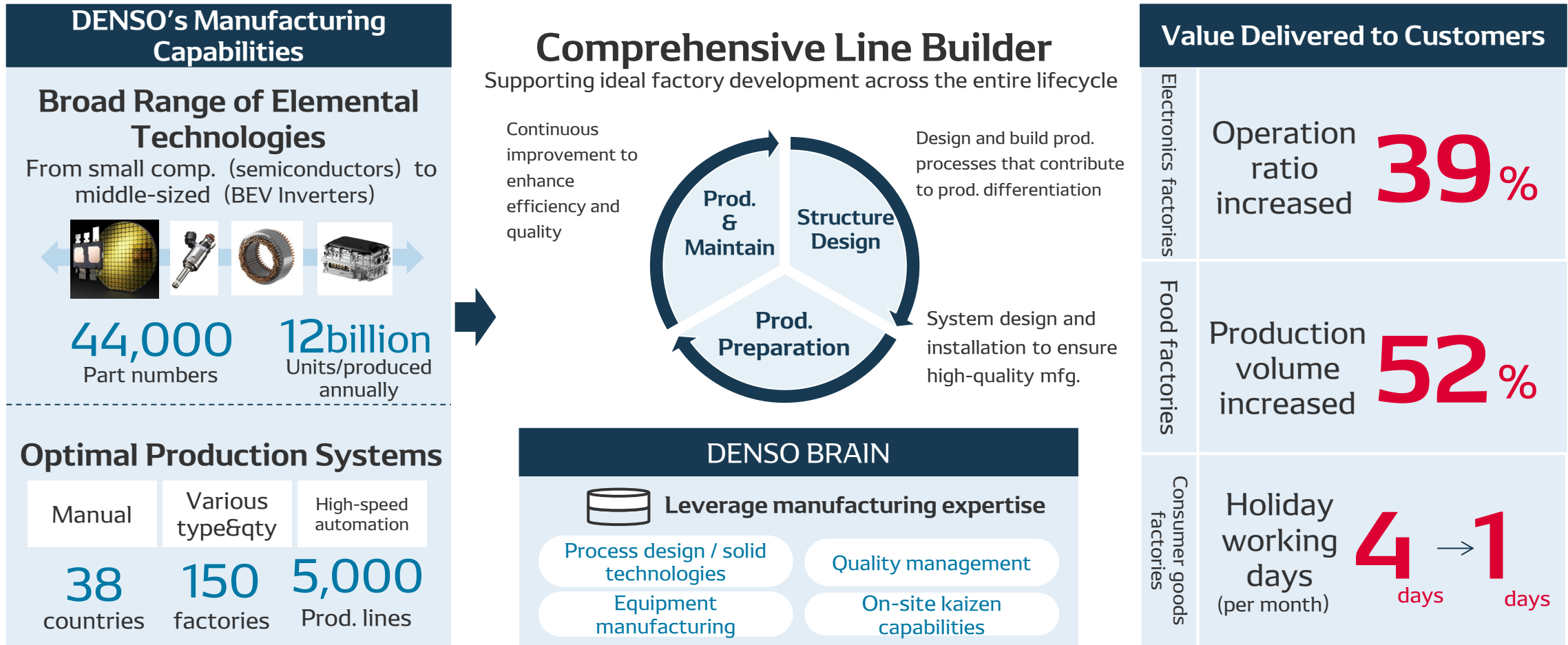
Establish a comprehensive line builder business that provides solutions from control systems to key devices
Optimize control technologies and manufacturing operations through use of AI

Build one-stop solutions covering everything from cultivation planning to stable production
Advance cutting-edge technologies in the Netherlands, a leading country in agriculture

Contribute to highly reliable, efficient technological innovation required by next-generation society
Maximize Value Across industrial equipment, consumer electronics, automotive

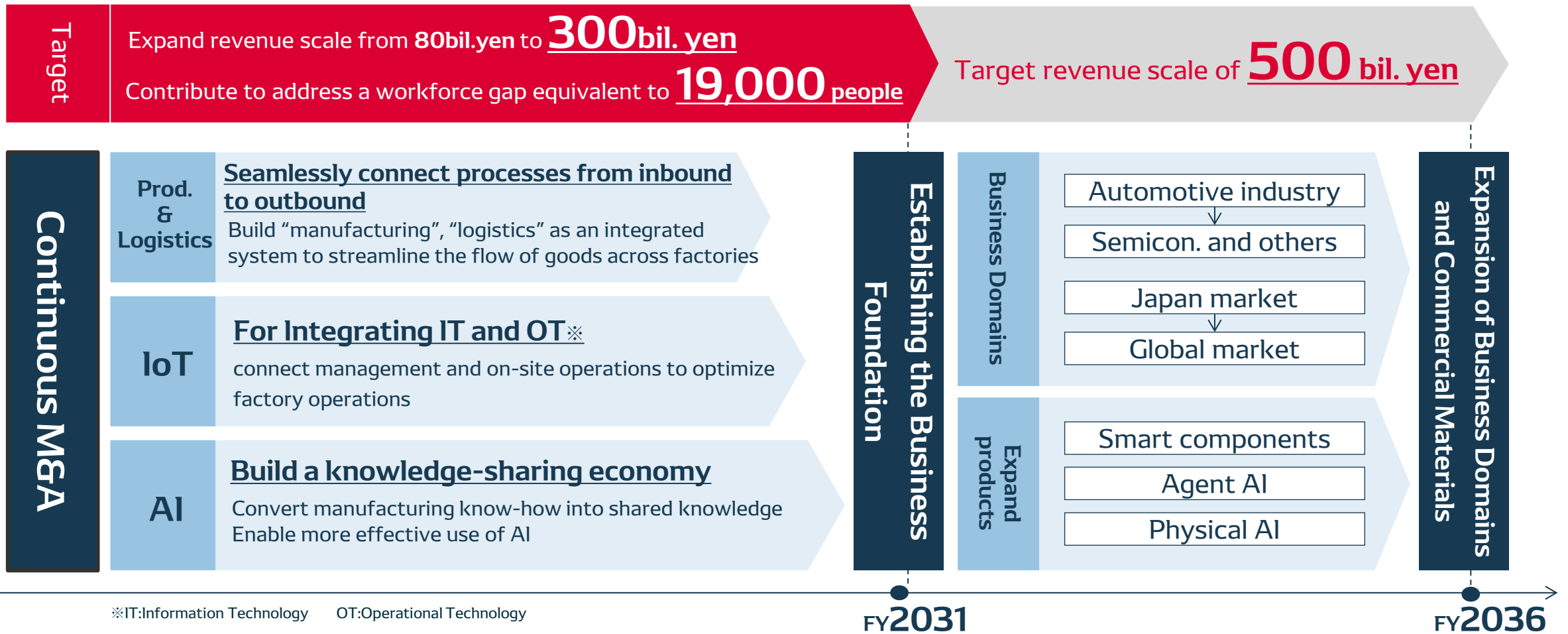
Contribute to resolve social issues through the integration of mobility technologies

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



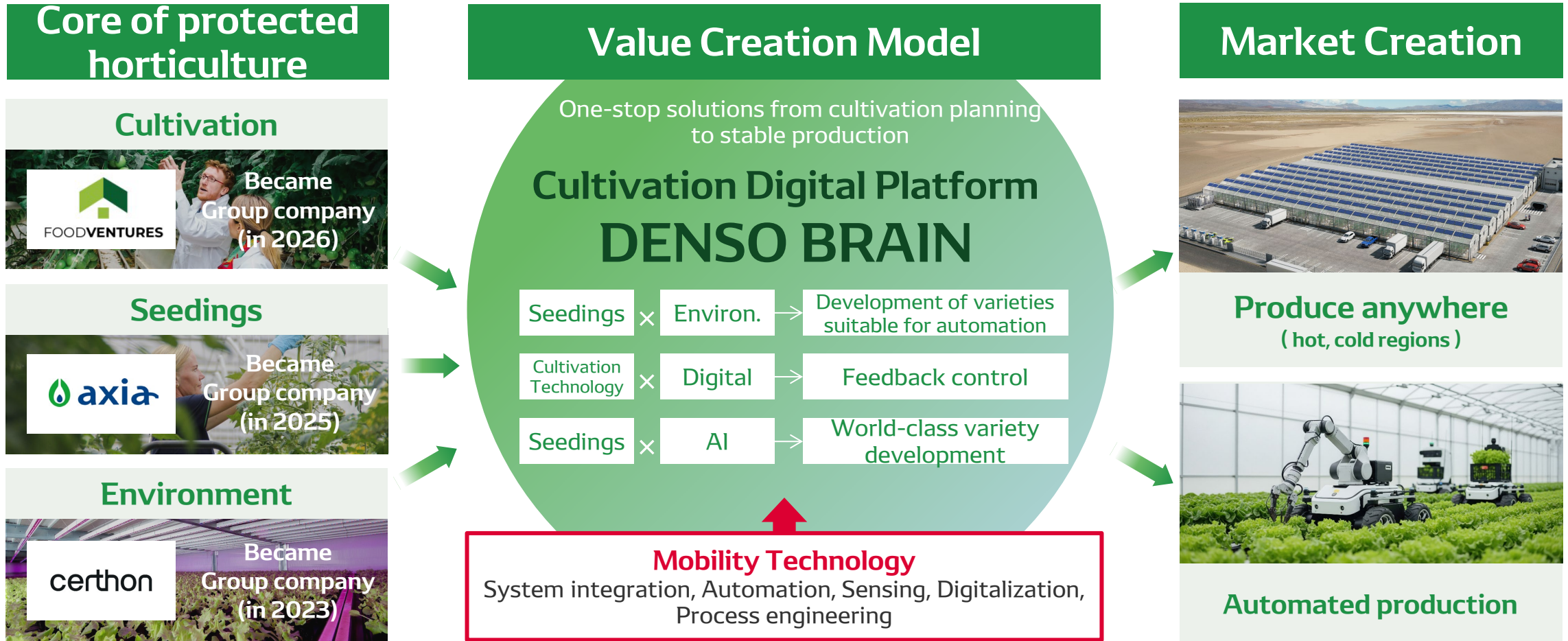
Build a cycle that continuously increases value by integrating the engineering chain and supply chain, to address workforce challenges

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)



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

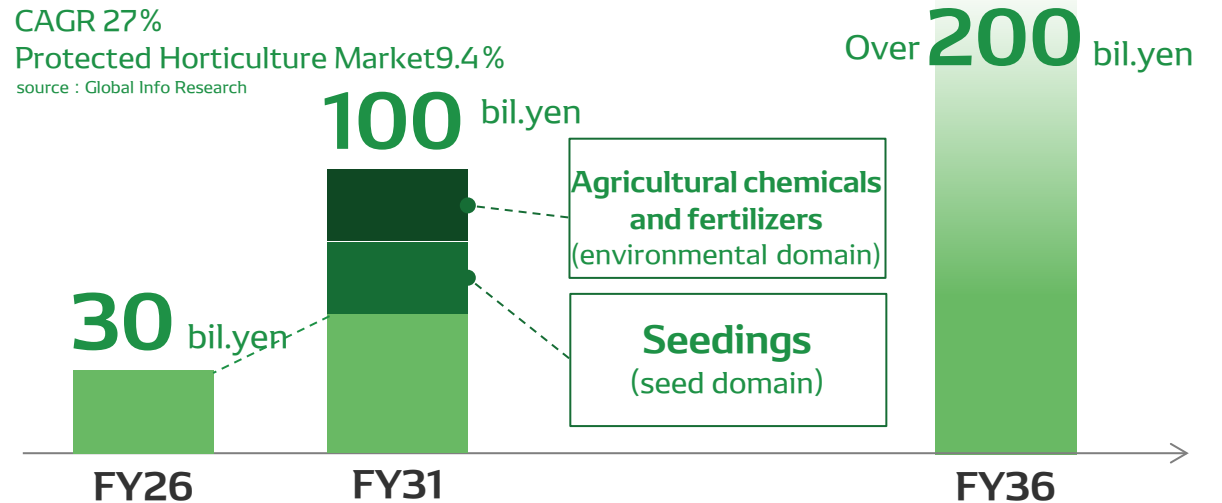
Build one-stop solutions

Develop a cultivation digital platform

CAGR 27%

Protected Horticulture Market 9.4%

source : Global Info Research

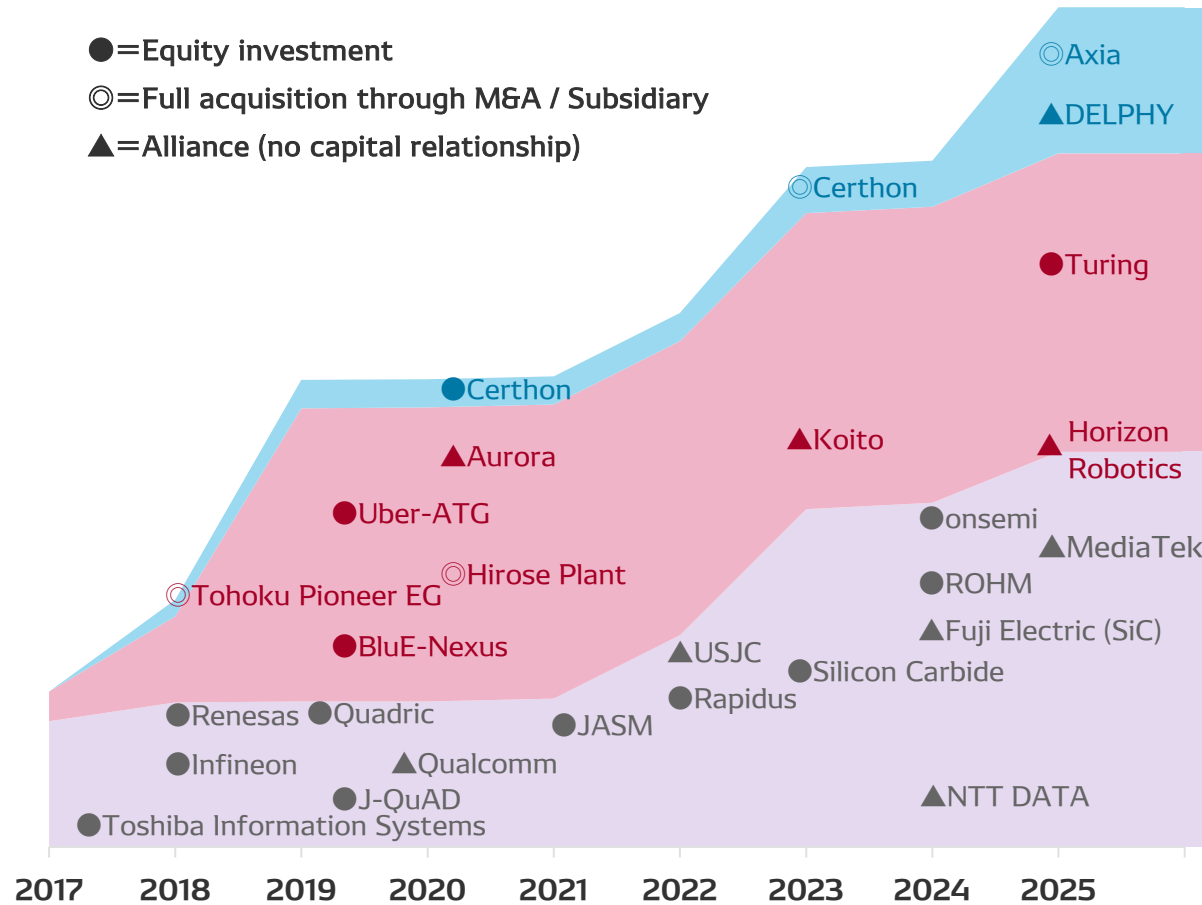


Build and accelerate the business through a globally integrated organizational strategy

Direction of Partner Collaboration

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

- =Equity investment
- ◎=Full acquisition through M&A / Subsidiary
- ▲=Alliance (no capital relationship)



Total
560 bil.yen

100 bil.yen

170 bil.yen

290 bil.yen

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

Future Direction

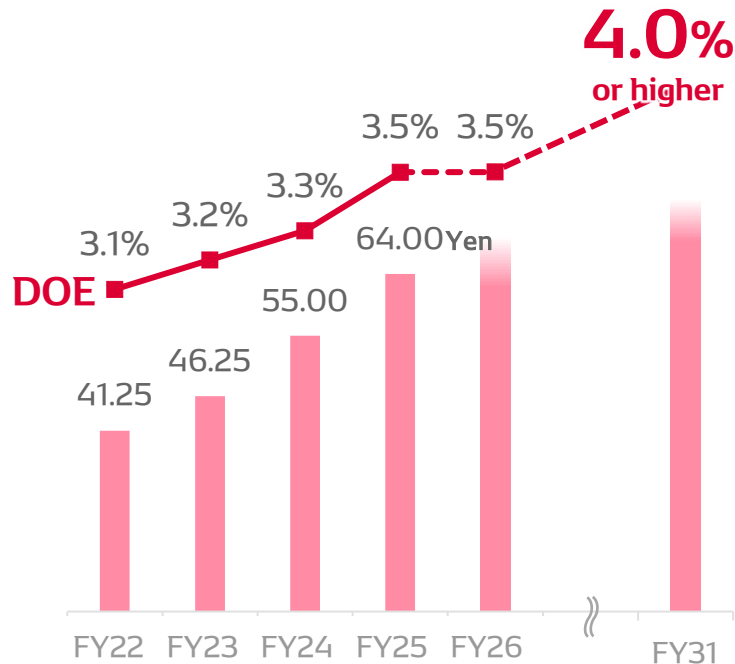
Mobility	Societal Value Expansion	FA/Agri. Semicon	Continue taking steps toward scaling up to create new value
	Fundamental tech.	Electrification/Intelligence	Promote platform transformation with partners, led the evolution of the mobility society
		Semiconductors	Achieve stable supply and strengthen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

Continuously advance strategic partnerships to enhance provided value

Shareholder Return Policy

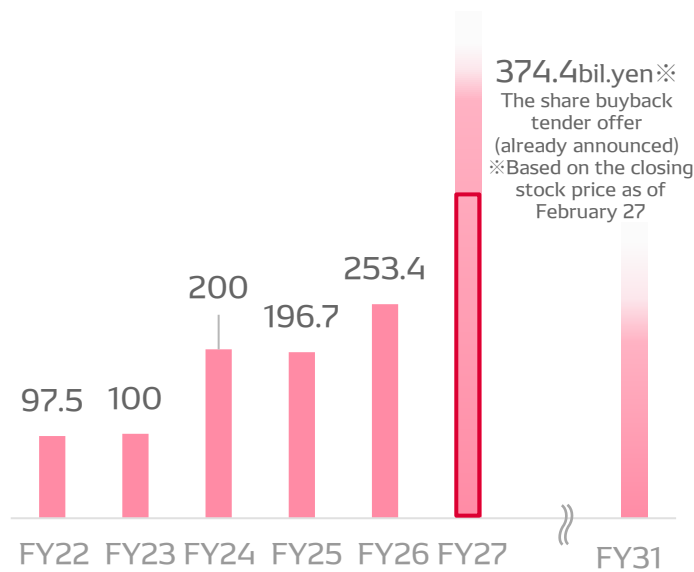
Dividends

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



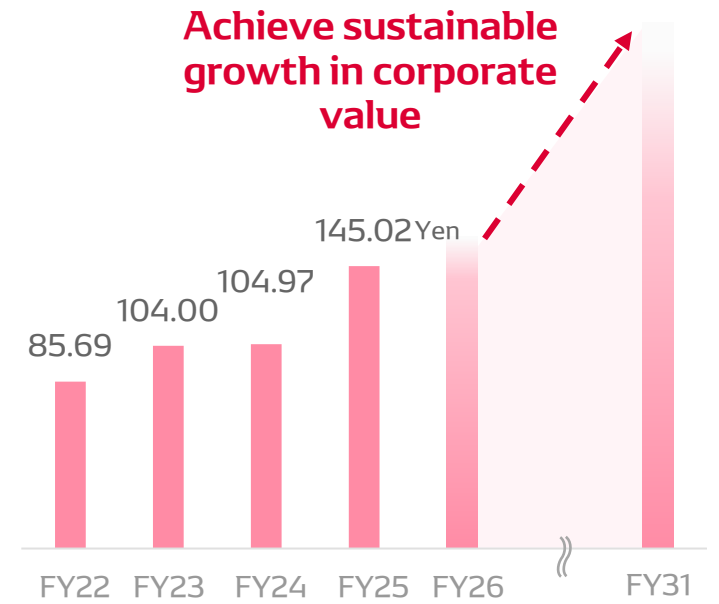
Share Buybacks

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

Purpose of
"Green"

Stable food supply

Purpose of
"Peace of mind"

Address workforce
challenges



Maximize Capital Efficiency

Strengthen
earning structure

Improve capital
structure

Reduce low-return
assets

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

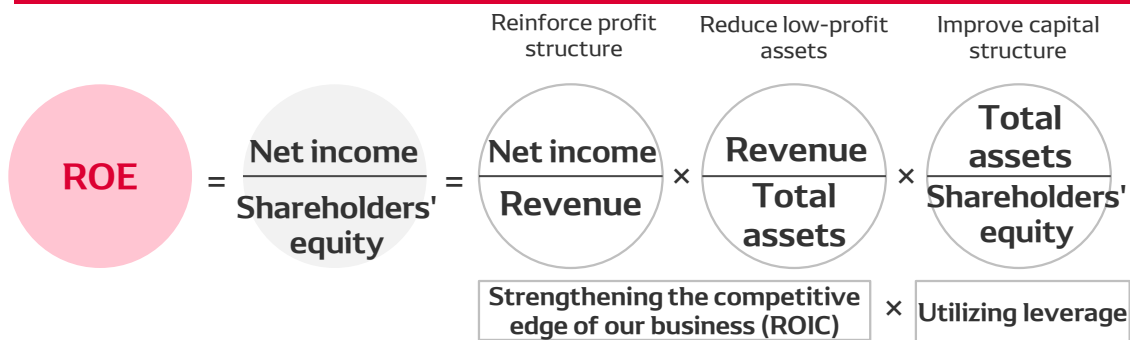
DENSO

Crafting the Core

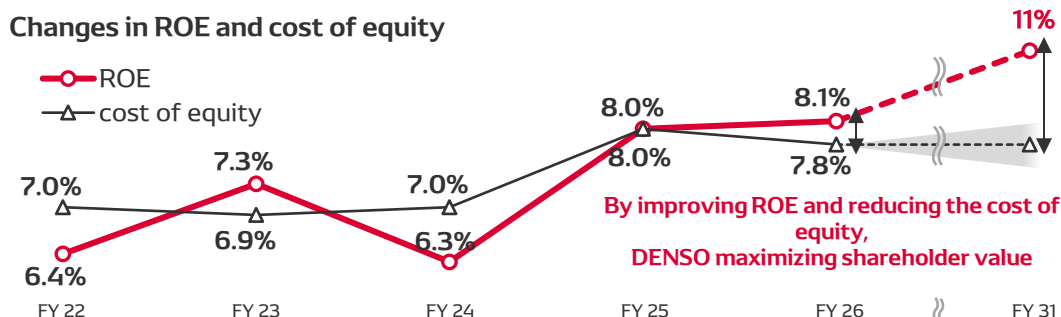
Any statements in this document that are not historical facts, such as performance targets, future prospects and strategies, are based on information currently available to our company. They are affected by uncertain factors such as the economic environment in Japan and overseas, the competitive situation, 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



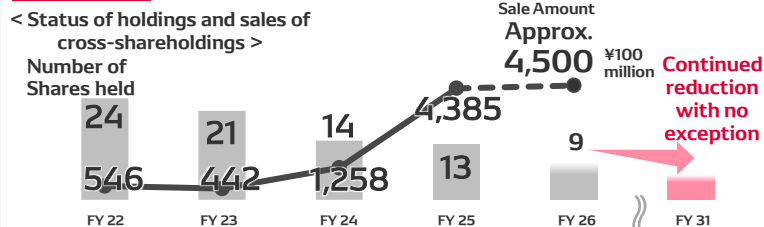
Changes in ROE and cost of equity



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**

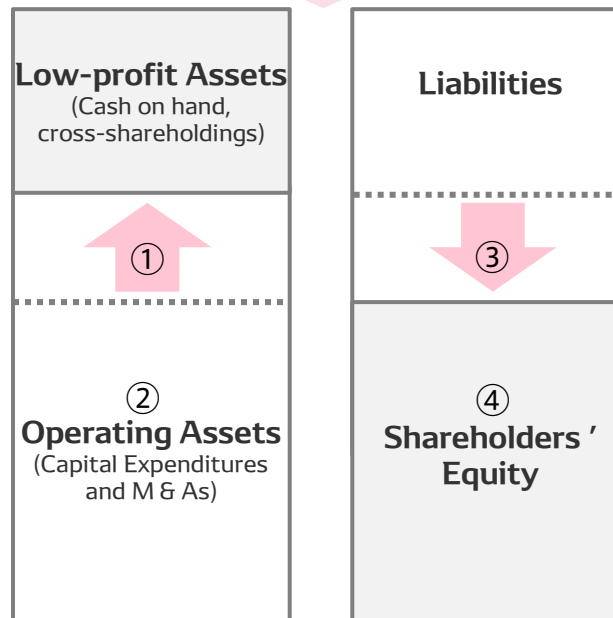


② Reinforce profit structure

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 Mid-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