

1 Compliance

○ Basic Stance

We believe that key actions to earning the trust and understanding of society pertain to the DENSO Group's observance of all applicable national and regional laws and all Group associates' fair and faithful conduct with the highest ethical standards. We see compliance as not only the observance of laws but also a responsibility to meet the expectations of stakeholders. In this sense, we consider it to be the cornerstone of all conduct.

Based on this recognition, in 2006 we adopted the Code of Conduct for DENSO Group Associates, which clearly indicates the standards of conduct for each and every associate. This code of conduct is used to raise awareness of CSR among employees including domestic Group companies during training and in workplace meetings. Overseas Group companies are also engaged in thorough compliance efforts through a regional version of the Code of Conduct for DENSO Group Associates formulated by their regional headquarters in accordance with national and regional laws and customs.

○ Key Items in the Code of Conduct for DENSO Group Associates

- I. Your conduct as a member of the DENSO Group
Recognizing your role in society / Integrity as the foundation of trust / Compliance with laws and ethical principles
- II. Creating a vibrant workplace
Understanding DENSO's philosophy and values and pursuing personal development / Respecting human rights, ensuring open communication and respecting the privacy of others / Maintaining mental and physical health and maintaining a healthy workplace / Maintaining order and ethics in the workplace / Maintaining a clear distinction between public and private matters
- III. Earning trust and meeting the expectations of customers
Remembering to express appreciation, providing “ureshisa” (consideration) and “yasashisa” (fulfillment), and providing timely and sincere solutions / Transactions based on free and fair competition
- IV. Building win-win relationships with our suppliers
Adherence to laws related to competition such as antitrust laws and subcontracting laws as well as the contract conditions of agreements with suppliers and affiliated service stores / Respecting intellectual property rights
- V. Living up to the trust and expectations of our shareholders
Managing corporate assets effectively and preventing risk / Practicing proper accounting / Managing inside information
- VI. Upholding the best interests of society
Pursuing eco-friendly practices / Serving as a member of your community / Taking a forceful stand against anti-social organizations and ensuring moderate relationships with governmental authorities / Serving as a member of the automotive industry

2 Risk Management

○ Basic Stance

In keeping with the global expansion of business, the DENSO Group is striving to strengthen risk management as part of its internal control system to help minimize risk. Specifically, emergence of circumstances with the potential to cause damage to corporate management are classified as risks (situations in which risks have not yet been realized) and crises (emergency situations in which risks have already been realized). For the former, efforts focus on nipping risks in the bud before they have the chance to manifest themselves; for the latter, DENSO strives to make an initial response and response for restoring business operations in a prompt and appropriate manner.

○ Promotion Structure

We selected 55 risk items with the potential to impact life, credit, business activities, or property, and designated a department responsible for each. The Risk Management Meeting deals with activities for ongoing improvement in the risk management system and structure and permeation of risk management, and is responsible for the initial response when a crisis or emergency situation arises. We also form specialized contingency organizations depending on the extent of the situation and degree of urgency, which facilitates agile response to minimize damage.

At domestic and overseas companies subject to our managerial consolidation rules as well as Group companies in which DENSO Corporation is the largest shareholder, CSR leaders at each company are constantly working to upgrade our risk management based on support from key functional departments at DENSO Corporation and overseas regional headquarters.

○ Basic Stance

In our corporate philosophy, we describe our mission as "contributing to a better world by creating value together with a vision for the future."

Cooperating, collaborating, and sharing values with our many stakeholders are indispensable to achieving this mission based on corporate behavior that earns the trust and support of society. To ensure that all Group companies conducting business worldwide put this philosophy into practice, we adopted the DENSO Group Declaration of Corporate Behavior in April 2006, making clear our responsibility to stakeholders. Under the DENSO Group Long-term Policy 2020, our long-term management policy based on this approach, we aim to contribute to the creation of a sustainable society through our business activities with corporate social responsibility (CSR) a core principle of management.

○ Promotion Structure

In 2006, we established the CSR Promotion Meeting (Corporate Planning Division), which is chaired by the president and in which the basic policies behind CSR activities are discussed and examined. The meeting is held twice yearly to set the direction for and make decisions on CSR management and to confirm the progress of CSR-related activities.

To lead the way in promoting CSR at workplaces and Group companies, we select one CSR leader at each department and company in line with efforts to permeate and firmly establish CSR.