

**DENSO**  
**Crafting the Core**

**NOTICE OF THE 99TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

**Date:** 10 a.m., Tuesday, June 21, 2022

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

**Stock Code: 6902**  
**DENSO CORPORATION**

**The DENSO Creed**

“Be trustworthy and responsible.”

“Cherish modesty, sincerity, and cooperation.”

“Be pioneering, innovative, and creative.”

“Provide quality products and services.”

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To prevent the spread of COVID-19, this year we will not be presenting souvenirs, no factory tour will be held after the Meeting, and no products/panels will be exhibited. We will appreciate your understanding.

## Message from the President

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

As the COVID-19 pandemic has yet to abate, I would like to offer my condolences to the families and friends of those who have passed away due to the disease and extend my thoughts and prayers to all those who are infected. Furthermore, I would like to express my deepest gratitude to medical professionals and those who have been working continuously to maintain critical social infrastructure.

Last year, repeated problems with the supply of semiconductors and other components and logistics disruptions caused sharp production fluctuations. Amid such adversity, I recognized afresh the difficulty and preciousness of “forming connections” and was reminded of the importance of our customers and suppliers and the reassuring strength of the solidarity of our supply chain. I am deeply grateful to everyone involved in DENSO’s business for their support.

Within Denso, during the past two years we have focused on rebuilding our foundation, including the foundation of quality and the financial structure, in the wake of a quality-related issue and amid the COVID-19 pandemic, and have accelerated the development of strategies and structures to achieve our great cause of providing values of “Green” and “Peace of Mind.” Now that the foundation is solidifying, I feel that we are finally in a phase where we can boldly take on the challenges of the future.

This year, each and every one of us will take action on the frontlines to take up the challenge of creating new value in order to realize an exciting future society overflowing with smiles. Embodying the spirit of the DENSO Creed, we will move forward as one and tackle new challenges so that our shareholders and other stakeholders will feel that DENSO has changed.

While life with the coronavirus is likely to continue for a while, health comes first and so I wish to extend my best wishes to all our shareholders. Please take good care of yourselves and stay safe. I sincerely appreciate your ongoing support.

May 2022

President & CEO  
Koji Arima

(TRANSLATION ONLY)

Stock Code: 6902

May 24, 2022



Koji Arima  
President & CEO  
DENSO CORPORATION  
1-1, Showa-cho, Kariya, Aichi, Japan

**To Those Shareholders with Voting Rights**

## NOTICE OF THE 99TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 99th Ordinary General Meeting of Shareholders of DENSO CORPORATION (the “Company”) to be held as follows.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet, etc. Please read the attached REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS and exercise your voting rights before 5:40 p.m. on Monday, June 20, 2022.

**1. Date:** 10 a.m., Tuesday, June 21, 2022

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

**3. Objectives of the Meeting:**

**Reports:**

- (1) **Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 99th Fiscal Term (from April 1, 2021, to March 31, 2022)**
- (2) **Non-Consolidated Financial Statements for the 99th Fiscal Term (from April 1, 2021, to March 31, 2022)**

**Agenda:**

**Proposal No. 1: Partial Amendments to the Articles of Incorporation**

**Proposal No. 2: Election of Eight (8) Members of the Board due to the Expiration of the Term of Office of All the Current Members of the Board**

**Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member**

- Any amendment to the REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS or the Attachment will be disclosed on our website.
- Of the documents that have been audited by the Accounting Auditors and the Audit & Supervisory Board Members, namely, the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements except for “(reference)”, the documents below are not included in this NOTICE but posted on our website (<https://www.denso.com/jp/ja>) in accordance with the relevant laws and regulations and Article 16 of the Articles of Incorporation.

**Business Report:** Accounting Auditor, Summary of the Systems and of Operational Status thereof to Ensure the Propriety of Business Operations

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

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

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

<Our website: <https://www.denso.com/global/en/>>

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

## **Measures for Preventing the Spread of COVID-19 at the General Meeting of Shareholders**

We are implementing the measures described below to prevent the spread of COVID-19.  
We request our shareholders' understanding and cooperation.

### **1. Our measures against COVID-19**

- To reduce the risk of contagion, we will **not** provide a **courtesy bus service between Kariya Station and the venue of the General Meeting of Shareholders, souvenirs, factory tours, or product/panel exhibitions.**
- The Meeting may finish in a shorter period of time than an average year.

### **2. Requests for shareholders**

- We request shareholders to exercise their voting rights in writing or via the Internet as described in this Notice and refrain from attending the General Meeting of Shareholders.
- In particular, we request those who are of advanced age, those with underlying health conditions, those who are pregnant, and those who do not feel well to refrain from attending the General Meeting of Shareholders.

### **3. Requests for shareholders attending the Meeting**

- We may check your body temperature at the reception desk. Please note that those who have a high temperature or who appear to be in ill health will not be allowed to enter the venue.
- You are requested to wear a mask at the venue and cooperate with alcohol-based disinfection at the reception desk.
- Please be advised that you may not be admitted to the venue if all the seats are occupied.

### **4. Distribution of the content of the Meeting in later days**

- For our shareholders who refrained from attending the Meeting, a video of part of the Meeting will be made available on our website in later days.

## **Guide to Exercising Voting Rights**

### **If you are attending the Meeting:**

Date and time of the Meeting: 10 a.m., June 21, 2022

### **Mailing:**

Deadline for exercising voting rights: Must be received by 5:40 p.m., June 20, 2022

### **Internet:**

Deadline for exercising voting rights: Until 5:40 p.m., June 20, 2022

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

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

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

Points to consider when attending the Meeting:

- Please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting. To save paper resources, please bring this NOTICE with you.
- As the entrance to the venue for the meeting will be crowded immediately before the meeting, please arrive early.

## REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and References

#### Proposal No. 1: Partial Amendments to the Articles of Incorporation

##### 1. Reasons for amendments

###### (1) Amendments of the objects and purposes of incorporation

In order to prepare for future development of the Company's business, we hereby propose that an addition be made to Article 2 (Objectives and Purposes of Incorporation) of the current Articles of Incorporation.

###### (2) Amendments in order to prepare for the introduction of a system for electronic provision of materials for general meetings of shareholders

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) will come into force on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, we hereby propose that the Articles of Incorporation of the Company be amended as follows.

- 1) The proposed Article 16, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- 2) The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- 3) The provision related to the Internet disclosure of reference documents for the general meeting of shareholders, etc., and deemed provision thereof (Article 16 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- 4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

##### 2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Article 2. (Objects and Purposes of Incorporation) The objects and purposes for which the Company is incorporated shall be	Article 2. (Objects and Purposes of Incorporation) <Unchanged>
1.-7. <Omitted>	1.-7. <Unchanged>
<Newly established>	<u>8. Design and construction of agricultural facilities; manufacture, sale, lease and repair of agricultural equipment; and production, processing and sale of agricultural produce;</u>
<u>8.-17.</u> <Omitted>	<u>9.-18.</u> <Unchanged>



Current Articles of Incorporation	Proposed Amendments
<p data-bbox="233 174 791 264"><u>Article 16. (Internet Disclosure of Reference Documents, etc., and Deemed Provision Thereof)</u></p> <p data-bbox="233 271 791 555"><u>In convening a general meeting of shareholders, the Company shall be deemed to have provided the shareholders with the information that must be mentioned or displayed in the reference document of a general meeting of shareholders, business report, financial statements and consolidated financial documents by disclosing such information using the Internet pursuant to the regulations issued by the Ministry of Justice.</u></p> <p data-bbox="421 591 660 618">&lt;Newly established&gt;</p> <p data-bbox="421 1070 660 1097">&lt;Newly established&gt;</p>	<p data-bbox="1062 174 1185 201">&lt;Deleted&gt;</p> <p data-bbox="847 591 1406 651"><u>Article 16. (Measures for Electronic Provision, etc.)</u></p> <ol data-bbox="847 658 1406 1037" style="list-style-type: none"> <li data-bbox="847 658 1406 813">1) <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></li> <li data-bbox="847 819 1406 1037">2) <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></li> </ol> <p data-bbox="847 1070 1166 1097"><u>(Supplementary Provisions)</u></p> <ol data-bbox="847 1104 1406 1839" style="list-style-type: none"> <li data-bbox="847 1104 1406 1391">1. <u>The amendments to Article 16 of the Articles of Incorporation shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></li> <li data-bbox="847 1397 1406 1648">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 16 (Internet Disclosure of Reference Documents, etc., and Deemed Provision Thereof) of the Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></li> <li data-bbox="847 1655 1406 1839">3. <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></li> </ol>

**Proposal No. 2: Election of Eight (8) Members of the Board due to the Expiration of the Term of Office of All the Current Members of the Board**

The terms of office of all the eight (8) current Members of the Board expire at the conclusion of this 99th Ordinary General Meeting of Shareholders. Accordingly, we hereby propose that you elect eight (8) Members of the Board.

The nominees for Members of the Board are as follows:

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

**Election Policy and Procedure for Determining Nominees (Matters related to Proposals No. 2 and 3)**

<Election Policy>

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

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

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

<Determination Procedure>

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

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

1. Koji Arima (February 23, 1958) 64 years old  
 President & CEO, Member of the Board

Reappointment

■ Brief personal history	
April 1981	Joined DENSO CORPORATION
June 2008	Executive Director, DENSO CORPORATION
June 2014	Senior Executive Director, DENSO CORPORATION
June 2015	President & CEO, DENSO CORPORATION (current position)
■ Number of the Company's shares owned	33,605
■ Years of incumbency	7
■ Reason for having appointed him as a Member of the Board After joining the Company, Koji Arima engaged in production promotion departments and the electric component business. After having served as the President of a locally incorporated company in Italy from October 2005, he was assigned to the Electric Component Business Group from June 2009 and was in charge of the production promotion departments from June 2012, promoting F-IoT, environmental measures, and other initiatives. He has been serving as the President & CEO (current position) since June 2015. The Company has appointed him as a nominee for a Member of the Board in the expectation that his excellent management prowess and leadership will continue to be applied in the Company's management.	

2. Yukihiro Shinohara (March 9, 1960) 62 years old  
 Executive Vice President, Member of the Board

Reappointment

Current assignments in the Company: Assistant to the President, CRO (Chief Risk Officer), CCO (Chief Compliance Officer), CQO (Chief Quality Officer)

■ Brief personal history	
April 1982	Joined DENSO CORPORATION
June 2011	Executive Director, DENSO CORPORATION
April 2018	Senior Executive Director, DENSO CORPORATION
April 2019	Senior Executive Officer, DENSO CORPORATION
June 2021	Member of the Board, Senior Executive Officer, DENSO CORPORATION
January 2022	Executive Vice President, Member of the Board, DENSO CORPORATION (current position)
■ Important posts concurrently held at other corporations Director, ADVICS Co., Ltd.	
■ Number of the Company's shares owned	12,633
■ Years of incumbency	1
■ Reason for having appointed him as a Member of the Board After joining the Company, Yukihiro Shinohara engaged in R&D and the powertrain business. He served as the Head of the Electrification Business Group from January 2017. He promoted the DENSO Revolution Plan (Reborn21) as CCRO (Chief Corporate Revolution Officer) from June 2020. Currently, as Executive Vice President and a Member of the Board, in addition to his role as an assistant to the President, he is responsible for overall risk management, including compliance and quality. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will exercise strong leadership for corporate revolution by utilizing his knowledge gained through his abundant experience in business operations and experience of being responsible for the corporate project.	

3. Kenichiro Ito (October 1, 1962) 59 years old  
 Member of the Board, Senior Executive Officer  
 Current assignments in the Company: CHRO (Chief Human Resources Officer); General Administration & Human Resources Center

Reappointment

■ Brief personal history	
April 1985	Joined DENSO CORPORATION
June 2012	Executive Director, DENSO CORPORATION
April 2019	Senior Executive Officer, DENSO CORPORATION
June 2021	Member of the Board, Senior Executive Officer, DENSO CORPORATION (current position)
■ Number of the Company's shares owned	7,853
■ Years of incumbency	1
■ Reason for having appointed him as a Member of the Board After joining the Company, Kenichiro Ito engaged in the thermal systems business and the corporate planning and finance & accounting departments. He assumed the post of the President of a subsidiary of the Company as the Head of North America in June 2016. He is currently in charge of General Administration & Human Resources Center as CHRO (Chief Human Resources Officer). The Company has appointed him as a nominee for a Member of the Board in the expectation that he will promote reform of human resources and the corporate culture, which will be the foundation of corporate revolution, by utilizing his knowledge gained through his experience in corporate departments and regional management.	

4. Yasushi Matsui (July 3, 1964) 57 years old  
 Member of the Board, Senior Executive Officer

Reappointment

Current assignments in the Company: CFO (Chief Financial Officer); Corporate Strategy Center

■ Brief personal history	
April 1987	Joined DENSO CORPORATION
June 2014	Executive Director, DENSO CORPORATION
April 2019	Senior Executive Officer, DENSO CORPORATION
June 2021	Member of the Board, Senior Executive Officer, DENSO CORPORATION (current position)
■ Important posts concurrently held at other corporations Audit & Supervisory Board Member, BluE Nexus Corporation	
■ Number of the Company's shares owned	4,433
■ Years of incumbency	1
■ Reason for having appointed him as a Member of the Board After joining the Company, Yasushi Matsui engaged in the thermal systems business and the electrification business. He was in charge of the purchasing department from June 2014. He currently serves as CFO (Chief Financial Officer) and the Head of the Corporate Strategy Center. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will lead corporate and financial strategies, which will be the foundation of corporate revolution, by utilizing his broad perspective and foresight gained through his wide-ranging experience in functional and operating departments and at an overseas site.	

5. Akio Toyoda (May 3, 1956) 66 years old

Reappointment

Member of the Board

<b>■ Brief personal history</b>	
April 1984	Joined Toyota Motor Corporation
June 2000	Member of the Board of Directors, Toyota Motor Corporation
June 2002	Managing Director, Toyota Motor Corporation
June 2003	Senior Managing Director, Toyota Motor Corporation
June 2005	Executive Vice President, Toyota Motor Corporation Outside Member of the Audit & Supervisory Board, Koyo Seiko Co., Ltd. (currently, JTEKT CORPORATION)
June 2006	Outside Audit & Supervisory Board Member, TOYOTA BOSHOKU CORPORATION
June 2009	President, Toyota Motor Corporation (current position)
May 2018	Chairman, Japan Automobile Manufacturers Association, Inc. (current position)
June 2019	Member of the Board, DENSO CORPORATION (current position)
<b>■ Important posts concurrently held at other corporations</b> President, Toyota Motor Corporation Chairman, Japan Automobile Manufacturers Association, Inc. Director, HAMANAKODENSO CO., LTD.	
<b>■ Number of the Company's shares owned</b>	50,000
<b>■ Years of incumbency</b>	3
<b>■ Reason for having appointed him as a Member of the Board</b> Akio Toyoda is an unchallenged industry leader representing the car industry who serves as President, Toyota Motor Corporation (current position) and Chairman, Japan Automobile Manufacturers Association, Inc. (current position) and is driving creation of a next-generation mobility society. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will provide a wide range of advice and suggestions about the Company's management and supervise the Company's overall management from a broader perspective taking a wide view of the overall car industry.	

6. Shigeki Kushida (June 8, 1958) 64 years old Reappointment/Outside Member of the Board/Independent Director

Member of the Board

<p>■ Brief personal history</p>	
April 1981	Joined Bank of Japan
May 2004	Branch Manager, Kochi Branch, Bank of Japan
March 2009	Director-General, Personnel and Corporate Affairs Department, Bank of Japan
June 2010	Director-General, Planning Department, Bank of Japan
May 2011	Branch Manager, Nagoya Branch, Bank of Japan
March 2013	Executive Director, Bank of Japan Entrusted Branch Manager, Nagoya Branch and Osaka Branch, Bank of Japan
April 2017	Senior Advisor, American Family Life Assurance Company (currently Aflac Life Insurance Japan Ltd.)
June 2019	Director, Representative Executive Officer & President, Japan Securities Finance Co., Ltd. (current position) Member of the Board, DENSO CORPORATION (current position)
<p>■ Important posts concurrently held at other corporations</p> <p>Director, Representative Executive Officer &amp; President, Japan Securities Finance Co., Ltd.</p>	
<p>■ Independence</p> <p>No special interest exists between Shigeki Kushida and the Group. The Company judges that no conflict of interests is likely to occur between him and general shareholders.</p>	
■ Number of the Company's shares owned	1,000
■ Years of incumbency	3
<p>■ Reason for having appointed him as a Member of the Board and expected roles</p> <p>Shigeki Kushida has the experience of having led diverse activities toward the development and stability of the Japanese economy at Japan's central bank by filling the posts of Director-General and Executive Director, Bank of Japan. He currently serves as Director, Representative Executive Officer &amp; President, Japan Securities Finance Co., Ltd. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will supervise the Company's overall management utilizing his broad expertise in global monetary economy.</p>	

7. Yuko Mitsuya (July 29, 1958) 63 years old      Reappointment/Outside Member of the Board/Independent Director

Member of the Board

<p>■ Brief personal history</p>	
April 1981	Joined Hitachi, Ltd.
July 2007	Representative Director, Cipher Co., Ltd.
March 2014	Outside Audit & Supervisory Board Member, ASICS Corporation
March 2015	Outside Director, Fujita Kanko Inc.
April 2015	Outside Director, Paloma Co., Ltd.
June 2016	President, Japan Basketball Association (current position)
March 2018	Representative Director, SORA Corporation (current position)
June 2018	Outside Director, The Fukui Bank, Ltd. (current position)
June 2019	Outside Director (Audit and Supervisory Committee Member), JXTG Holdings, Inc. (currently ENEOS Holdings, Inc.) (current position)
June 2021	Member of the Board, DENSO CORPORATION (current position) Vice President, Japanese Olympic Committee (current position)
<p>■ Important posts concurrently held at other corporations</p> <p>Representative Director, SORA Corporation Outside Director, The Fukui Bank, Ltd. Outside Director (Audit and Supervisory Committee Member), ENEOS Holdings, Inc. President, Japan Basketball Association Vice President, Japanese Olympic Committee</p>	
<p>■ Independence</p> <p>The Company has transactions with the Japan Basketball Association, where Yuko Mitsuya serves as the President, including receiving of subsidies for activities of the Company's female basketball team. However, in view of its scale (less than 0.01% of the Company's net sales) and nature, the Company judges that no conflict of interests is likely to occur between her and general shareholders.</p>	
■ Number of the Company's shares owned	300
■ Years of incumbency	3
<p>■ Reason for having appointed her as a Member of the Board and expected roles</p> <p>Yuko Mitsuya has abundant experience and knowledge in many fields, having long been in management at several corporations and associations, filling the posts of officer and committee member at several sports associations, and being engaged in education and human resources development at a university and so forth. She currently serves as Outside Director, The Fukui Bank, Ltd., Outside Director (Audit and Supervisory Committee Member), ENEOS Holdings, Inc., and President, Japan Basketball Association and so forth. The Company has appointed her as a nominee for a Member of the Board in the expectation that she will supervise the Company's overall management utilizing her abundant expertise in corporate management and human resources development.</p>	

<p>■ Brief personal history</p>	
July 1984	Joined Bain & Company
June 1988	Vice President, American Express International
April 1998	Chief Operating Officer, Fontworks International
December 1999	Interim CEO, Crimson Ventures
November 2001	Representative Director, JPS International, Inc. (current position)
June 2011	Corporate Director, Division Manager, SEGA CORPORATION
June 2015	Senior Advisor, SEGA SAMMY HOLDINGS INC.
February 2018	Senior Advisor to the Ambassador, U.S. Embassy in Tokyo
March 2021	Executive Manager, Cedarfield Godo Kaisha (current position)
<p>■ Important posts concurrently held at other corporations</p> <p>Representative Director, JPS International, Inc.</p> <p>Executive Manager, Cedarfield Godo Kaisha</p>	
<p>■ Independence</p> <p>No special interest exists between Joseph P. Schmelzeis, Jr. and the Group. The Company judges that no conflict of interests is likely to occur between him and general shareholders.</p>	
<p>■ Number of the Company's shares owned    0</p>	
<p>■ Reason for having appointed him as a Member of the Board and expected roles</p> <p>Joseph P. Schmelzeis, Jr. has a wealth of experience in management, particularly in the service industry, including SEGA CORPORATION, as well as in venture business startups and strategic consulting. He strove to strengthen the U.S.-Japan alliance as Senior Advisor to the Ambassador, U.S. Embassy in Tokyo from 2018. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will supervise the Company's overall management, utilizing his abundant business experience and knowledge of geopolitics.</p>	

## Notes:

- The brief personal history and the important posts concurrently held at other corporations are as of the dispatch date of this notice.
- The age and years of incumbency of each nominee are as of the conclusion of this 99th Ordinary General Meeting of Shareholders.
- Toyota Motor Corporation, at which Akio Toyoda currently serves as President, and the Company have transactions such as sales of products. Other nominees have no special interest in the Company unless stated otherwise in Proposal No. 1.
- Akio Toyoda is not an executive Member of the Board, but he does not satisfy the requirements of Outside Members of the Board (outside directors), as stipulated in Article 2, Paragraph 15, of the Companies Act, because he currently serves as Director, HAMANAKODENSO CO., LTD, which is a subsidiary of the Company.
- The Company has entered into a liability limitation agreement with Akio Toyoda, which limits his liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the said Act.
- Shigeki Kushida, Yuko Mitsuya and Joseph P. Schmelzeis, Jr. are the nominees for Outside Members of the Board (outside directors), as stipulated in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act. The matters related to the three persons are as follows:
  - The Company has notified Tokyo Stock Exchange, Inc. (TSE), of Shigeki Kushida and Yuko Mitsuya as independent director as per the TSE Regulations. The three persons satisfy the requirements of independent directors/auditors as per the TSE Regulations. Accordingly, if their election as Outside Members of the Board is approved at the Meeting, the Company intends to notify the TSE of such status as independent director for these nominees.
  - The Company has entered into a liability limitation agreement with Shigeki Kushida and Yuko Mitsuya, which limits his/her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the said Act. If the election of Joseph P. Schmelzeis, Jr. as Outside Member of the Board is approved at the Meeting, the Company will enter into a similar liability limitation agreement with him.
- The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1, of the Companies Act, with an insurance company. The insurance covers damages and litigation



expenses in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a director or officer of the Company. The insurance premiums for all the insured are fully borne by the Company. If this proposal is approved and each nominee assumes office as Member of the Board, they will be included in the insured under the said insurance contract. During their term of office, the Company intends to renew the said insurance contract with the same content.

### Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member

In case the number of Audit & Supervisory Board Members falls short of that required by laws and regulations, we hereby propose that you elect one (1) Substitute Audit & Supervisory Board Member. If this proposal is approved, the nominee below will be a Substitute Audit & Supervisory Board Member for incumbent members Yasuko Gotoh and Haruo Kitamura. If the nominee takes office of Audit & Supervisory Board Member replacing one of the incumbent members above, the nominee will serve the remaining term of the incumbent member leaving the post before his/her full term of office expires. The Audit & Supervisory Board has given its prior consent to this proposal.

The nominee for Substitute Audit & Supervisory Board Member is as follows:

Hiromi Kitagawa (November 4, 1962) 59 years old                      Reappointment/Outside Audit & Supervisory Board Member/Independent Auditor

<p>■ Brief personal history</p>	
April 1996	Registered as a lawyer Joined Nankan Law Office (currently, Nankan Kitagawa Kimura)
July 2003	Partner lawyer, Nankan & Kitagawa (currently, Nankan Kitagawa Kimura) (current position)
April 2014	Director, Chubu Federation of Bar Associations
April 2016	Vice Chairman, Aichi Bar Association
April 2017	Professor, Nanzan Graduate School of Law (current position)
<p>■ Important posts concurrently held at other corporations Partner lawyer, Nankan Kitagawa Kimura</p>	
<p>■ Number of the Company's shares owned                      0</p>	
<p>■ Reason for having appointed her as a Substitute Outside Audit &amp; Supervisory Board Member Hiromi Kitagawa has long and wide-ranging experience in the legal field, having filled the posts of Vice Chairman, Aichi Bar Association, and university professor in addition to her abundant career as a lawyer. She currently serves as Partner lawyer, Nankan Kitagawa Kimura, and Professor, Nanzan Graduate School of Law. The Company has appointed her as a nominee for a substitute Audit &amp; Supervisory Board Member in the expectation that her abundant legal experience will be applied in the Company's audits. Although she has never been in corporate management except as an outside officer in the past, the Company judges that she will appropriately execute her duties as an Audit &amp; Supervisory Board Member of the Company because of the aforementioned grounds.</p>	

Notes:

1. The brief personal history of the nominee is as of the dispatch date of this notice.
2. The age and years of incumbency of the nominee are as of the conclusion of this 98th Ordinary General Meeting of Shareholders.
3. The nominee has no special interest in the Company.
4. Hiromi Kitagawa is the nominee for an Outside Audit & Supervisory Board Member, as stipulated in Article 2, Paragraph 3, Item 8, of the Ordinance for Enforcement of the Companies Act. The matters related to this person are as follows:
  - (1) She satisfies the requirements of independent directors/auditors as per the TSE Regulations. Accordingly, if she assumes the post of Outside Audit & Supervisory Board Member, the Company intends to notify the TSE of such status as independent auditor for the nominee.
  - (2) If she assumes the post of Outside Audit & Supervisory Board Member, the Company intends to enter into a liability limitation agreement with her, which limits her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of said Act.
5. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1, of the Companies Act, with an insurance company. If this proposal is approved and Hiromi Kitagawa assumes office as Audit & Supervisory Board Member, she will be included in the insured under the said insurance contract. The overview of the insurance contract is described in Note 7 on Page 16 of this Reference Document.

**(Reference)**

<Composition of the Audit & Supervisory Board>

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

The current Audit & Supervisory Board Members are as follows:

Name		Current posts in the Company	Years of incumbency
Shingo Kuwamura	Incumbent	Standing Audit & Supervisory Board Member	1 year
Motomi Niwa	Incumbent	Standing Audit & Supervisory Board Member	4 years
Yasuko Gotoh	Incumbent Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Audit & Supervisory Board Member	3 years
Haruo Kitamura	Incumbent Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Audit & Supervisory Board Member	3 years

<Corporate Governance Highlight>

\*If Proposal No. 2 is approved

■ Ratio of Outside Members to the Board of Directors and the Audit & Supervisory Board

42% (5/12 persons)

Outside members  
5 persons

Internal members  
7 persons

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

■ Diversity of the Board of Directors and of the Audit & Supervisory Board

25% (3/12 persons)

Female and foreign members  
3 persons

Japanese male members  
9 persons

■ Composition of the Officer Nomination and Compensation Advisory Council

60% (3/5 persons)

Independent Outside Members of the Board  
3 persons

Internal Member of the Board / Standing Audit & Supervisory Board Member  
2 persons

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

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

The Company has defined 11 categories of experience and specialties necessary to realize the long-term vision and sustain stable corporate management. The abilities that the Company expects each member to demonstrate are as shown in the table below.

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

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

# BUSINESS REPORT

(From April 1, 2021, to March 31, 2022)

## 1. CURRENT SITUATION OF THE DENSO GROUP

### (1) Process and Results of Operations of Our Group

#### 1) Business environment

During the fiscal year ended March 31, 2022, the world economy was on a recovery trend due to implementation of COVID-19 preventive measures such as vaccination and policy measures taken in multiple countries, albeit with differences among countries and regions. Although worldwide automotive production was brisk in the first quarter, exceeding the results for the same period of the previous year, shortages of semiconductors and raw materials became increasingly serious from the second quarter onward, forcing automakers to reduce their production and temporarily suspend operation. In addition, a number of events occurred affecting business activities, including rising prices of parts and materials, logistics disruptions and soaring transportation costs mainly in the U.S., the spread of mutant strains of COVID-19, and the worsening situation in Ukraine.

#### 2) Summary of business

The Company formulated the DENSO Group Long-term Policy 2030. Under the slogan “Bringing hope for the future for our planet, society and all people,” we are aiming to resolve social issues and contribute to realization of a sustainable society through our business activities emphasizing “green” and “peace of mind.” The external business environment continues to be challenging, such as reduction in vehicle production and soaring costs of parts and materials. In these circumstances, through the DENSO Revolution Plan “Reborn21” launched in 2020, which was prompted by the occurrence of a quality-related issue and the COVID-19 pandemic, the Company has been striving to strengthen the management foundation and the financial structure and has worked on formulation of the growth strategy for the future centering on the fields of “green” and “peace of mind.” We have started to see positive results, including improvement of efficiency by digitization of work and optimization of resources through reorganization of the business portfolio. As well as embedding these activities, we will also strive for further development, going forward.

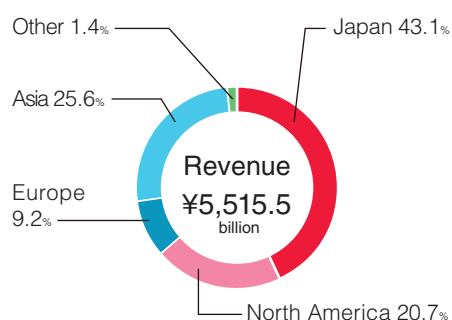
### 3) Operating results for the fiscal year ended March 31, 2022

Revenue of the Group increased by ¥578.8 billion or 11.7% year on year to ¥5,515.5 billion for the year ended March 31, 2022, owing to the recovery from the impact of COVID-19 and other factors, despite reduction in vehicle production due mainly to semiconductor shortages. Operating profit increased by ¥186.1 billion or 120.0% to ¥341.2 billion, owing to efforts to improve profitability, including reduction of fixed costs and improvement of R&D efficiency, despite the impact of the external environment, such as utilization variance due to decreased production volume and soaring costs of parts and materials centering on electronic components, as well as the logistics cost, raw materials cost, and energy cost. Consequently, profit before income taxes increased by ¥191.1 billion or 98.6% to ¥384.8 billion, and profit attributable to owners of the parent company increased by ¥138.8 billion or 111.0% to ¥263.9 billion.

Revenue	Operating profit	Profit attributable to owners of the parent company
<b>¥5,515.5</b> billion	<b>¥341.2</b> billion	<b>¥263.9</b> billion
<b>11.7%</b> y/y increase	<b>120.0%</b> y/y increase	<b>111.0%</b> y/y increase

### Revenue by geographical segment

(Billions of yen)



(Ratio of sales to external customers)

	98th Term (April 2020–March 2021)	99th Term (April 2021–March 2022)	Rate of change (%)
● Japan	3,177.0	3,515.1	10.6
● North America	1,026.2	1,160.2	13.1
● Europe	519.7	561.4	8.0
● Asia	1,303.8	1,637.9	25.6
● Other	40.4	76.6	89.6
Total	6,067.1	6,951.2	14.6
Total Intersegment internal sales	(1,130.3)	(1,435.7)	—
Sales to external customers	4,936.7	5,515.5	11.7

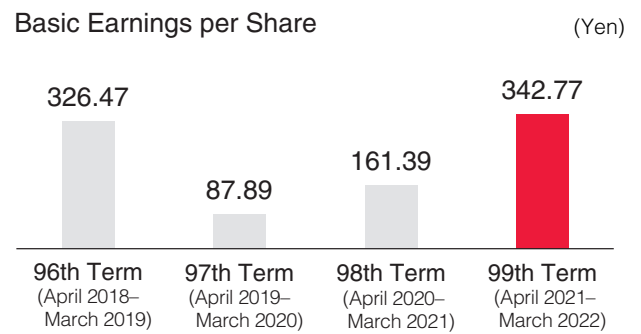
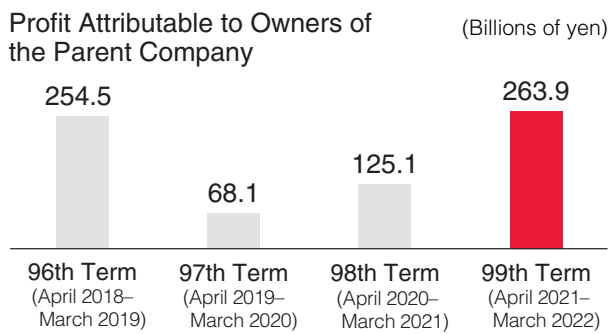
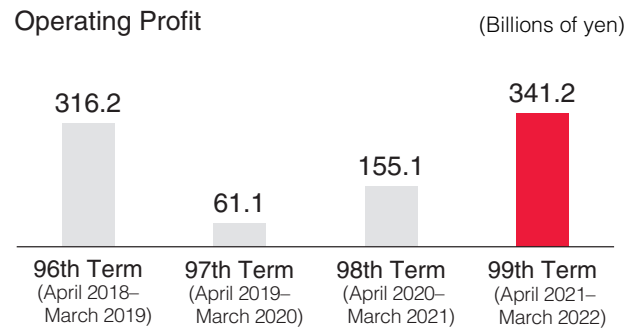
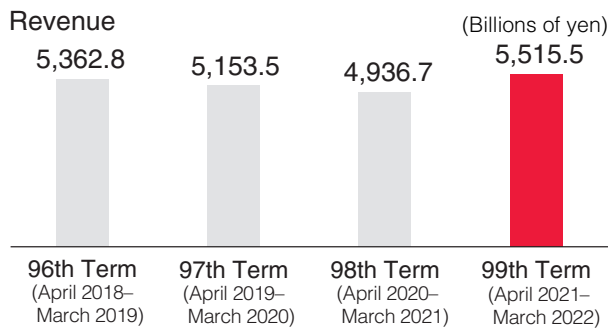
## (2) Operating Results and Financial Position of the Group

### IFRS

(Millions of yen)

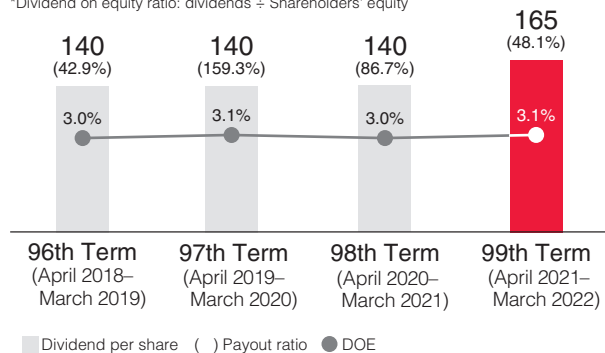
Account Item	96th Term (April 2018– March 2019)	97th Term (April 2019– March 2020)	98th Term (April 2020– March 2021)	99th Term (April 2021– March 2022)
Revenue	5,362,772	5,153,476	4,936,725	5,515,512
Operating Profit	316,196	61,078	155,107	341,179
Profit before Income Taxes	356,031	89,631	193,753	384,808
Profit Attributable to Owners of the Parent Company	254,524	68,099	125,055	263,901
Basic Earnings per Share (yen)	326.47	87.89	161.39	342.77
Equity Attributable to Owners of the Parent Company	3,595,694	3,397,136	3,891,012	4,299,357
Total Assets	5,792,414	5,651,801	6,767,684	7,432,271

## IFRS



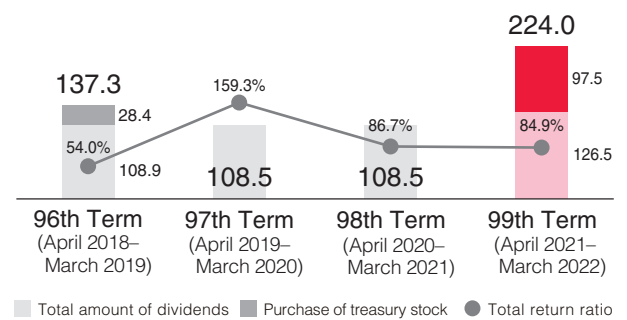
**Annual Dividends per Share (Payout Ratio) and DOE\***(Yen)

\*Dividend on equity ratio: dividends ÷ Shareholders' equity



**Total Return and Total Return Ratio\*** (Billions of yen)

\*(Total amount of dividends + Purchase of treasury stock) ÷ (Profit attributable to owners of the parent company)



■ Dividend per share ( ) Payout ratio ● DOE

■ Total amount of dividends ■ Purchase of treasury stock ● Total return ratio



### (3) Initiatives during the Year

2022.4

#### Alliance with Honeywell to strengthen development for electric propulsion systems for urban air mobility

DENSO entered into an alliance agreement with Honeywell International Inc. to execute a joint business of electric propulsion systems for urban air mobility.



#### Issued sustainability bonds for the first time

DENSO issued its first sustainability bonds denominated in USD to further promote sustainability management. By raising funds from the wider investment community, including foreign investors, the Company will accelerate initiatives to resolve environmental and social issues.

#### Published Integrated Report 2021 on the process of improving corporate value

DENSO Integrated Report 2021 received the Silver Award of the WICI Japan Integrated Report Award 2021 and was selected as an Excellent Integrated Report by GPIF's asset managers entrusted with domestic equity investment.

#### Developed biosensor to detect SARS-CoV-2

Tokai University, Toyohashi University of Technology, Chubu University, and DENSO, with support from the Japan Agency for Medical Research and Development (AMED), have successfully demonstrated a simple, highly sensitive mechanism to detect SARS-CoV-2 using biotechnology and semiconductor technology.

#### DENSO employees won medals at National Skills Competition and Abilympics

DENSO employees won five gold medals at the 59th National Skills Competition held in Tokyo and one gold medal at the 41st National Abilympics (skills competitions for people with disabilities), which was held coinciding with the National Skills Competition.



**Energy Conservation Grand Prize commendation for 12 consecutive years**

In the energy conservation category, DENSO won the Energy Conservation Center Chairman’s Award. By reusing waste heat from a factory, the amount of steam used to heat deionized water used for semiconductor cleaning was reduced by 67%, which translates into a reduction of 491.5 kL of crude oil equivalent a year. This achievement was highly regarded.

In the product/business category, DENSO and Toyota Motor jointly received the Agency for Natural Resources and Energy Director-General’s Award for Toyota Motor’s new MIRAI fuel-cell electric vehicle.

**Cumulative production of inverters reached 20 million units**

DENSO began manufacturing inverters in 2005. Their stable quality and performance have been well received by customers and DENSO’s global cumulative production of inverters reached 20 million units in December 2021. DENSO is maintaining the top share for inverters in the global market.

**Entered into an agreement to transfer the fuel pump module business to Aisan Industry**

While fulfilling its responsibility to ensure supply of products to customers, DENSO will transform its business portfolio to promote initiatives in the fields of “green” and “peace of mind.”

**Developed Global Safety Package 3 for greater vehicle safety**

DENSO developed the Global Safety Package 3 system designed to improve the safety of vehicles by endowing them with high sensing capability for their surroundings.



Vision sensor



Millimeter-wave radar

**Acquired a stake in JASM, semiconductor foundry**

DENSO invested US\$350 million (approx. ¥40 billion) to take a minority stake in Japan Advanced Semiconductor Manufacturing, Inc. (JASM).

Note: JASM is a manufacturing subsidiary of Taiwan Semiconductor Manufacturing Company (TSMC), whose plant will be constructed in Kumamoto Prefecture to respond to growing demand for semiconductors worldwide. Sony Semiconductor Solutions Corporation also has a minority stake in JASM. Construction of JASM’s fab in Japan is scheduled to begin in the 2022 calendar year with production targeted to begin by the end of 2024.

## <Business Strategies and Achievements Strengthening the Business Foundation in Fiscal 2021>

Through Reborn21 and other initiatives, DENSO worked to strengthen its business foundation and resolve management issues, accumulating achievements.

Green	<ul style="list-style-type: none"> <li>■ Shifted the focus from internal combustion engine-related products to CASE based on the review of the business portfolio</li> <li>■ Began introducing measures to achieve carbon-neutral factories: Anjo Plant (electricity and gas), 6 sites in Europe and 1 site in Asia (electricity)</li> </ul>
Peace of mind	<p><b>Zero traffic fatalities</b>    <u>Developed and started provision of new products</u> for advanced driver assistance systems*</p> <p style="text-align: center; font-size: small;">*The progress of comprehensive technologies for sensing, hazard prediction, and provision of information to drivers to respond to various accident situations</p> <p>.....</p> <p><b>Comfortable space</b>    Developed biosensor to detect SARS-CoV-2</p>
Business practices	<p>Enhanced quality of work and speed by flexible and agile response to change in the world and utilization of data assets</p> <ul style="list-style-type: none"> <li>■ Accelerated <u>introduction of advanced design tools and office tools</u> throughout the DENSO Group through standardization of processes across the Group</li> <li>■ Began converting knowledge accumulated for many years at design and manufacturing workplaces of the DENSO Group into explicit knowledge by utilizing digital technology and began utilization</li> <li>■ Promoted <u>factory digitization</u> by introducing smartphones and mobile terminals at manufacturing workplaces</li> </ul>
Personnel and organization	<ul style="list-style-type: none"> <li>■ Formulated and implemented “PROGRESS,” DENSO’s vision for <u>personnel and organizations</u> to support growth of diverse employees and their career development</li> <li>■ Formulated <u>2025 targets for the number of women in management positions (200 persons)</u>, promoted systematic development of global management leaders, and promoted transformation of mentality of superiors and female workers regarding careers</li> <li>■ Conducted education to support employees’ learning and reskilling, including recurrent education about software</li> </ul>
Quality	<ul style="list-style-type: none"> <li>■ Worked to <u>inculcate the three pillars of quality (be humble, solidify fundamental skills, and cultivate a workplace culture characterized by open communication)</u> to enhance quality</li> </ul>
Finance	<ul style="list-style-type: none"> <li>■ Achieved through adjustments to the scale of management resource investments and securing of funds for growth investment through reorganization of the business portfolio from the viewpoint of ROIC and enhancement of software development efficiency</li> <li>■ Renewed the <u>approach for dividends</u> to one based on “<u>dividend on equity (DOE)</u>,” an indicator that is conscious of capital cost, in order to realize long-term, stable shareholder returns and repurchased shares on an unprecedented scale (¥97.5 billion, 12,000,000 shares)</li> <li>■ Issued <u>sustainability bonds</u> to raise funds for investment in “green” and “peace of mind” fields</li> </ul>

## (4) Our Challenge toward Future Growth

As pressing social issues emerge, such as global warming, aging societies and an increase in traffic accidents, the Company formulated the DENSO Group Long-term Policy 2030 and has been promoting activities to contribute to ensuring a society filled with smiling faces through the provision of new value that will be inspired by the Company's initiatives, in addition to maximizing the values of "Green" and "Peace of Mind." The Company has been formulating the 2025 Mid-term Policy in order to realize the Long-term Policy 2030 and to respond to significant changes in the industrial structure and the business environment.

The Mid-term Policy will focus on human resources and pursue human resources development to foster professionals with practical capabilities and diversity & inclusion. The Company believes creation of an organizational structure resilient to change and full of energy will lead to the combination of individuals' capabilities and become a driving force for realization of the policy. By establishing a solid management foundation, including safety/quality, risk management and profitability improvement, we will promote value creation through business portfolio transformation to achieve both resolution of social issues through business and business growth. In an uncertain business environment, DENSO will carve out its own future and aims to further enhance corporate value.

DENSO Group Long-term Policy 2030

**Bringing hope for the future for our planet, society and all people**



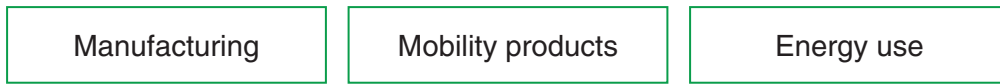
Under the Mid-term Policy, DENSO has formulated “Vision/Goal” and “Five Pillars for Global Management” for strengthening of the management foundation and for business growth in view of change in the business environment and the mid- to long-term vision.

	Vision/Goal	Five Pillars for Global Management
Strengthening of business foundation/ Business growth	Realization of sustainable management	Establish unshakable solid business foundation (safety/quality, risk management, earnings)
	High aspirations and accurate work	Transform the ways of doing work by digitization with the aim of becoming No. 1 in the world or the world's first
	Business portfolio transformation	Transform the business structure by achieving growth and finalizing in cooperation with the industry and partners
	Realization of carbon neutrality	Lead the industry in becoming carbon neutral (Achieve both competitiveness and carbon neutrality)
	New value creation	Achieve business growth through provision of products and solutions in new fields

## Aiming to Achieve Carbon Neutrality by 2035

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

### Three key fields for realization of carbon neutrality



## Initiatives for expansion of the electrified mobility business

### Business transfer for transformation of the business portfolio

DENSO has decided to transfer the type III alternator business to Chengdu Huachuan Electric Parts Co., Ltd. Chengdu Huachuan Electric Parts is engaged in manufacture and sale of automotive parts mainly for customers in China, Europe, the U.S., and the Asia-Pacific region. DENSO entered into a technology aid agreement with Chengdu Huachuan Electric Parts in 1996 and has been providing support, including technological guidance and parts supply.

While fulfilling our responsibility for supply to customers by promoting collaboration with partners in the mature products field, we intend to accelerate strengthening of the priority fields.

### Global supply structure for electrification products

In readiness for worldwide expansion of the electrification market, DENSO began production of inverters at TDE (Tianjin) in 2015 and DMTN (North America) in 2019. In 2021, to respond to the China market that was expected to rapidly expand, we opened a new electrification plant at TDS (Tianjin) that has started production of inverters (with production of motor generators scheduled to start in 2023). Plans call for opening of plants in the southern region of China, Europe and ASEAN to establish a global production structure covering five core regions in the world.



DENSO MANUFACTURING TENNESSEE, INC. (DMTN)

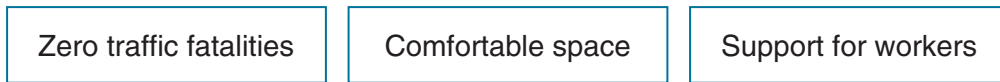


TIANJIN DENSO ENGINE ELECTRICAL PRODUCTS CO., LTD. (TDS)

## Aiming to Become a Leading Company That Provides “Peace of Mind” to Society

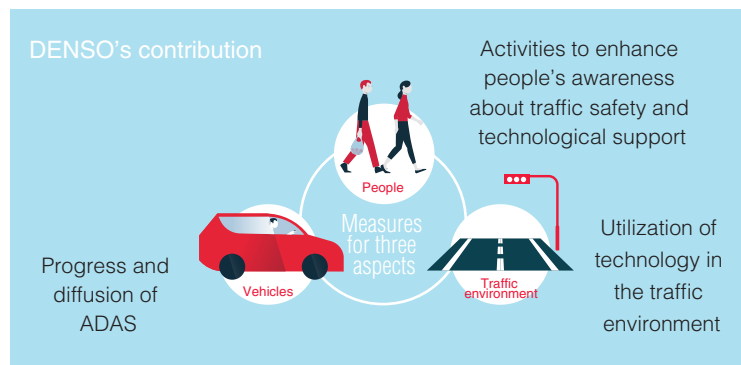
We aim to provide peace of mind to society through our business activities. By contributing to the resolution of social issues, such as traffic accidents, air pollution, infectious diseases, natural disasters, and the declining birthrate and population aging, we will promote initiatives to become a leading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

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



### Initiatives to eliminate traffic fatalities

To Zero traffic fatalities, in addition to our own initiatives, it is important to collaborate with all the parties concerned, namely the relevant government organizations, vehicle manufacturers and the industries concerned, so that measures are implemented for three aspects: people, vehicles, and the traffic environment. DENSO will contribute to the initiatives through technology to realize a society of zero traffic fatalities.



### DENSO’s orientation of technological progress and diffusion

- Achieve progress of advanced driver assistance systems (ADAS) to prevent/reduce traffic accidents in response to various accident situations
- Develop technology to avert hazards through AI-based human-machine interface (HMI) that predicts the risk of traffic accidents and prompts the driver to take appropriate action
- Expand the lineup of attractively priced ADAS products and retrofitted products

\*HMI · · Human Machine Interface

### Example of initiatives in fiscal 2021

DENSO developed the Global Safety Package 3 system to improve its active safety and driver assistance performance while reducing product size and cost. We will continue to promote development of ADAS technology to realize safe and secure mobility.



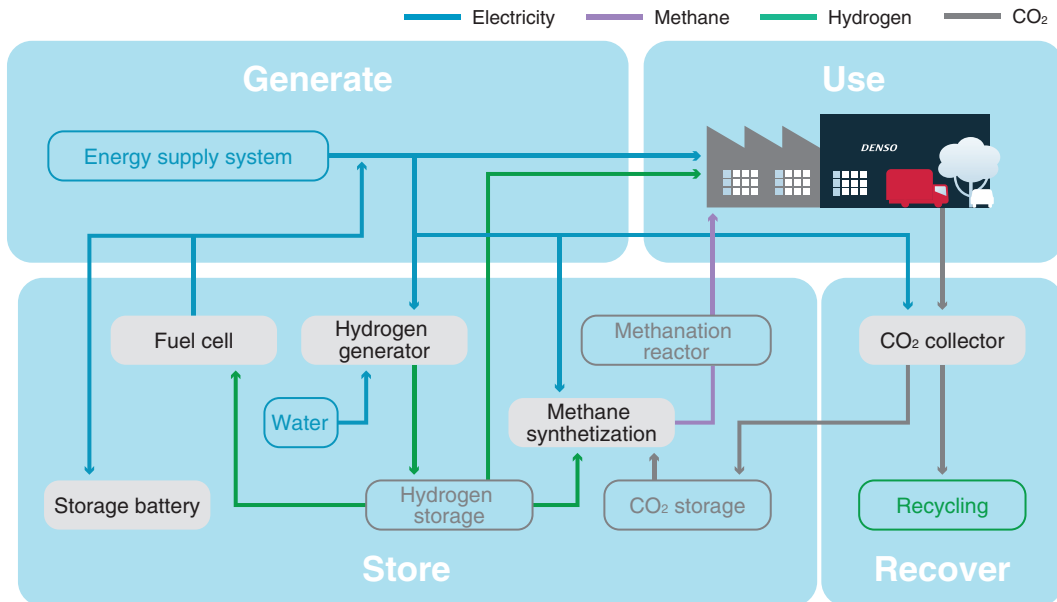
# Monozukuri for Carbon Neutrality

DENSO is pursuing initiatives to achieve carbon neutrality by 2035 in the three fields of “Monozukuri (manufacturing),” “mobility products,” and “energy use.” In terms of Monozukuri, we realized 100% renewable energy at Anjo Plant (electricity and gas), six sites in Europe and one site in Asia (electricity) by utilizing certificates and credits. Going forward, starting with the four model plants in Japan (Anjo, Hirose, Nishio and Fukushima) where demonstrations are underway, we intend to introduce the energy circulation system (case 1), factory-IoT (case 2), digitization (case 3) and energy-saving technologies to 130 plants worldwide with the aim of making all our plants carbon free.

## Case 1

### Energy Circulation System

In order to achieve carbon neutrality in Monozukuri using renewable electricity, we need technology to “store” renewable electricity, which fluctuates depending on weather and the time of day, in the form of electricity, hydrogen, and fuel, and technology to “recover” CO<sub>2</sub>, which is inevitably generated in the manufacturing process, as resources and energy recycled and reused.

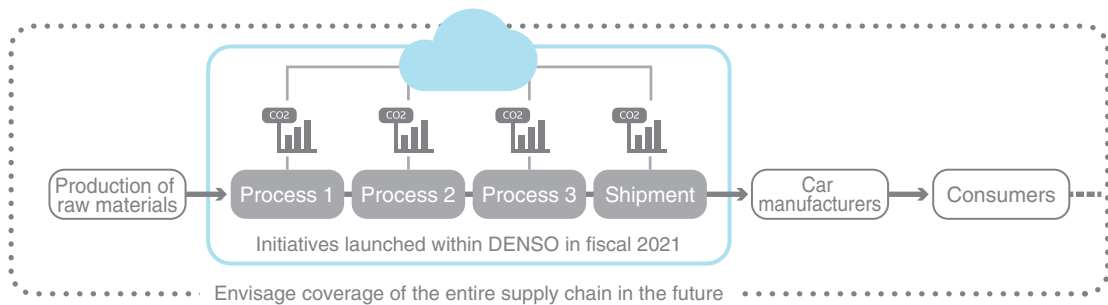




Case  
2

## Factory-IoT to visualize and reduce CO<sub>2</sub> emissions

Through “visualization” of CO<sub>2</sub> emissions by measuring energy consumption in each manufacturing process, converting it using a unit equivalent to CO<sub>2</sub> emissions, and clarifying CO<sub>2</sub> emissions of each facility and process in addition to production information, it will become possible to analyze the impact of equipment stoppages and quality losses on CO<sub>2</sub> emissions. By continuing to implement this cycle of analysis and improvement, we intend to improve utilization rates and minimize energy loss.



Case  
3

## Digitization of factories in all aspects

We are promoting digitization of factories in a bid to save energy by reducing paper consumption, processes, travelling time, and fuel. Factory digitization will contribute to enhancement of operational efficiency and accuracy as well as workstyle reform.

### Connect globally



Information sharing  
in real time,  
remote instructions

### Use knowhow



Succession of skills by  
using video clips of  
how experienced  
workers do their work

### Analyze trouble



Analyzing and finding  
solutions to trouble by  
capturing the scene of  
occurrence of trouble

## Response to Climate Change



We believe that environmental change caused by climate change is an important issue that will have a significant impact on our business in the future. In order to respond flexibly to the environmental change, we have identified items that have a significant impact on our business and analyzed the quantitative financial impact and specific opportunities and risks to our business (scenario analysis).

Based on this analysis, we have determined that business operation toward “carbon neutrality” will become important for us in future. Therefore, we have declared our intention to become “carbon neutral by 2035,” a goal that is one step higher than our previous goal, and are promoting initiatives to achieve sustainable growth of our business by reflecting this goal in our business strategies and action plans.

We have established divisions dedicated to promoting these initiatives. In addition, in our financial planning, we have reflected an increase in R&D expenditure to respond to electrification and products designed for alternative fuel. We have also reflected purchasing costs of CO<sub>2</sub> offsets and renewable energy with a view to realizing carbon-neutral Monozukuri (manufacturing).

In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)\*, for which we pledged our support in 2019, our response to climate change is disclosed in the DENSO Integrated Report and on the DENSO website.

\*TCFD, short for the Task Force on Climate-related Financial Disclosures, was established in 2015 by the Financial Stability Board (FSB) consisting of central banks and financial authorities of various countries and international institutions. The TCFD recommendations cover disclosures by organizations, such as impacts of climate-related opportunities and risks on the organization's businesses.

### Response to climate-related opportunities and risks with a high degree of importance

Opportunities	Higher demand for decarbonization technologies	<ul style="list-style-type: none"> <li>•Accelerate the development of sensor, control, robot, and bio-related technologies for adsorbing CO<sub>2</sub>, among others</li> <li>•Develop new businesses and create sales channels for such technologies through proactive business alliances</li> </ul>
	Higher demand for EVs	<ul style="list-style-type: none"> <li>•Accelerate the development of driving, power supply, and control technologies for electrification as well as technologies for heat pump systems and thermal systems</li> </ul>
Risks	Stricter regulations on fuel efficiency and exhaust gas	<ul style="list-style-type: none"> <li>•Develop engine control systems and other technologies that respond to alternative fuel</li> </ul>
	Increased severity and occurrence of abnormal weather	<ul style="list-style-type: none"> <li>•Construct plants equipped with measures to mitigate weather disasters</li> <li>•Ensure multiple suppliers for components and other materials</li> <li>•Establish a global production structure that can immediately respond to changing production needs</li> </ul>

## Diversity & Inclusion



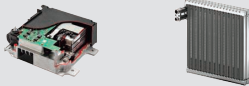






DENSO is promoting initiatives to facilitate mutual understanding and respect among employees with diverse talents and values, regardless of gender, age, disability, gender identity, sexual orientation, nationality, etc., through cordial dialogue.

<p>Female employees</p>	<p>To empower our employees to work energetically at all levels without distinction of gender, we set KPIs for recruitment ratio, childcare leave usage ratio, number of women in management positions, etc. In fiscal 2021, we provided diversity training for superiors and held a roundtable discussion for female employees as part of efforts to cultivate female leaders in production workplaces.</p>
<p>Senior employees</p>	<p>To leverage the abundance of experience and skills that our senior employees possess and to support a fulfilling role for them, we are offering assistance for a diverse range of workstyles and lifestyles in a manner that tailors to individual life plans. At the same time, we are implementing systems to encourage an active role for employees hired out of retirement and introducing policies to enhance their motivation to take on new challenges.</p>
<p>Persons with disabilities</p>	<p>DENSO commenced the regular employment of people with disabilities in 1978. Currently, over 800 employees with disabilities work at DENSO and two special-purpose subsidiaries. At the 2021 National Abilympics, three contestants from the DENSO Group demonstrated the excellent skills they had cultivated at their workplaces and won gold and silver medals.</p>
<p>LGBTQ*</p>	<p>To respect individuals' personalities, we are promoting initiatives concerning gender identity and sexual orientation. DENSO considers same-sex couples who meet the conditions as married and deems them eligible for benefits and other programs. We have established a consultation service that can be used anonymously to provide support tailored to an individual's circumstances.</p>
<p>Foreign employees</p>	<p>The DENSO Group is instilling the DENSO Spirit, a set of common values among employees, and is implementing globally standardized human resources measures, including global models for demonstrating ability (competency) and executive training programs. With the aim of expanding promotion of foreign employees, we are stepping up efforts to improve the working environment and cultivate a suitable corporate culture.</p>
<p>Mid-career hiring</p>	<p>DENSO actively promotes mid-career hiring so that diverse experience and knowledge from outside the DENSO Group can lead to new value creation. We provide introductory training sessions and monitor the physical and mental health of those hired in mid-career on a regular basis to enable them to actively participate and contribute to workplaces as soon as possible and to improve the retention rate.</p>

\*LGBTQ: An abbreviation for lesbian, gay, bisexual, transgender and questioning used to describe a person's sexual orientation or gender identity

## (5) Overview of Principal Businesses

The Company engages in the development, manufacturing and sale of products that contribute in the fields of “green” and “peace of mind.”

		Existing products		
Green	Mobility products	<p><b>For mobility</b> Manufacturing products that minimize CO<sub>2</sub> emissions when moving</p>	 <p><b>For gasoline and diesel vehicles</b> Contributing to fuel efficiency improvement</p>	 <p>Inverter</p>
	Energy use	<p><b>For manufacturing and society</b> Developing technology to collect and reuse CO<sub>2</sub> emitted into the atmosphere by factories and offices</p>	 <p><b>Lithium ion battery pack</b> Cold storage evaporator Cool air is supplied in the cabin even while the engine is off in the no-idling state.</p>	 <p>Lithium-ion battery-monitoring ECU</p>
Peace of mind	Safety	<p>Zero traffic fatalities and realizing freedom of mobility for all</p>	 <p><b>Airbag ECU</b> Contributing to reducing the impact of a collision on passengers in the event of an accident</p>	 <p>Vision sensor</p>
	Comfort	<p>Creating peaceful, comfortable spaces</p>	 <p><b>Head-up display</b> <b>Touch display</b> Controls for navigation, air conditioning and audio are all on a single screen to support comfortable driving.</p>	
	Support for workers	<p>Establishing a society where people are supported and their potential is nurtured by introducing automation technology to physical distribution and agriculture</p>	 <p><b>Handy terminal</b> Contributing to enhancement of operational efficiency in various fields, including distribution, retail and healthcare services</p>	 <p>Articulated robot</p>

\*1 SiC: Silicon carbide. Material for key devices that accelerate electrification

\*2 LiDAR: Light Detection and Ranging

\*3 HEMS: Home Energy Management System

## New products



Motor generator



Heat pump system



Power semiconductor



Power module

Power module equipped with SiC\*1 power semiconductor

### For HEVs, BEVs, and FCEVs

Contributing to driving, air conditioning, and extension of the cruising distance of electrified vehicles



Millimeter-wave radar



LiDAR\*2

A device that detects the positions and shapes of objects around it precisely

The product supports safe driving.



Tomato harvesting robot



HEMS Home Energy Management System

## Future technology

We are conducting a testing to capture CO<sub>2</sub> and use it as resource.

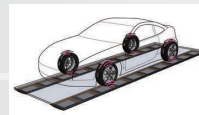


CO<sub>2</sub> Circulation Plant



Electric propulsion system for urban air mobility  
(Joint development with Honeywell International, Inc.)

We are applying electrification and automated driving technologies to develop air mobility



Wireless charging system



AD sensor kit

We are developing a system for charging a vehicle battery by wirelessly receiving electricity from a power transmission pad located in a parking lot etc.

We are promoting development of an AD sensor kit, which consists of several surround monitoring sensors and ECUs to realize driver-less automated driving (autonomous driving level 4), with the aim of offering safety and freedom of mobility to all and to resolve the issue of labor shortages in response to rising demand for physical distribution.

**(6) Employees within the Group**

Geographical Segment	Number of Employees	
Japan	79,605	(15,660)
North America	23,604	(1,921)
Europe	14,496	(2,341)
Asia	47,421	(9,955)
Other Regions	2,824	(124)
Total	167,950	(30,001)

Note: “Number of Employees” indicates the number of persons working within the Group (i.e., exclusive of those loaned from outside the Group to within the Group and inclusive of those loaned from within the Group to outside the Group). The average yearly number of temporary employees (including fixed-term employees, temporary workers dispatched by personnel agencies, part-timers, contract employees, etc.) is indicated in parentheses.

**(7) Capital Expenditures and Financing**

During the fiscal year, capital expenditures of ¥353.9 billion were invested mainly to shift to highly cost-competitive next-generation products and further improve product quality and reliability.

The Company procured funds mainly by means of borrowings and issuance of bonds. The balance of loans payable at March 31, 2022 was ¥991.4 billion.

**(8) Major Lenders**

Name of Lender	Balance of Borrowings (Millions of yen)
MUFG Bank, Ltd.	168,000
Sumitomo Mitsui Banking Corporation	123,000
Mizuho Bank, Ltd.	75,000
The Norinchukin Bank	30,000
Shinkin Central Bank	20,000
The Bank of Kyoto, Ltd.	13,000
MUFG Bank, Ltd., Syndicate Loan	10,000
Resona Bank, Limited.	10,000
THE BANK OF NAGOYA, LTD.	9,000
The Juroku Bank, Ltd.	8,000
North Pacific Bank, Ltd.	8,000
Others	41,000
Total	515,000

Notes:

1. “Major lenders” of the DENSO Group above means the Company’s major lenders.
2. MUFG Bank, Ltd., Syndicate Loan refers to a syndicate loan involving several financial institutions, for which the lead manager is MUFG Bank, Ltd.

## (9) Principal Offices and Plants

### 1) The Company

Name	Location (Prefecture)
Headquarters	Aichi
Tokyo Office	Tokyo
Tokyo Division	Tokyo
Osaka Division	Osaka
Hiroshima Division	Hiroshima
Anjo Plant	Aichi
Nishio Plant	Aichi
Takatana Plant	Aichi
Kota Plant	Aichi
Toyohashi Plant	Aichi
Hirose Plant	Aichi
Agui Plant	Aichi
Toyohashi Higashi Plant	Aichi
Zemmyo Plant	Aichi
Kosai Plant	Shizuoka
Daian Plant	Mie
Advanced Research and Innovation Center	Aichi
Global R&D Tokyo	Tokyo
Global R&D Tokyo, Haneda	Tokyo

### 2) Subsidiaries

Refer to “(10) Significant Subsidiaries.”

**(10) Significant Subsidiaries**

Name	Capital Stock	The Company's Ratio of Voting Rights (%)	Principal Businesses
DENSO ELECTRONICS CORPORATION	JPY1,002 million	100.00	Manufacture and sale of automotive components
DENSO SOLUTION JAPAN CORPORATION	JPY301 million	100.00	Sale of automotive components, industrial products and consumer products
DENSO TEN Limited	JPY5,300 million	51.00	Manufacture and sale of automotive components, and R&D on automotive components
DENSO INTERNATIONAL AMERICA, INC.	USD503,816 thousand	100.00	— Regional headquarters for North America — Sale of and R&D on automotive components
DENSO MANUFACTURING MICHIGAN, INC.	USD125,000 thousand	100.00*	Manufacture and sale of automotive components
DENSO MANUFACTURING TENNESSEE, INC.	USD73,900 thousand	100.00*	Manufacture and sale of automotive components
DENSO MANUFACTURING ATHENS TENNESSEE, INC.	USD100 thousand	100.00*	Manufacture and sale of automotive components
DENSO SALES CANADA, INC.	CAD100 thousand	100.00	Sale of automotive components
DENSO MEXICO S.A. DE C.V.	MXN593,297 thousand	95.00*	Manufacture and sale of automotive components
DENSO EUROPE B.V.	EUR1,361 thousand	100.00*	Sale of automotive components
DENSO MANUFACTURING HUNGARY LTD.	EUR190,912 thousand	100.00*	Manufacture and sale of automotive components
DENSO INTERNATIONAL ASIA PTE., LTD. (Singapore)	USD175,240 thousand	100.00	— Regional headquarters for Asia — Sale of aftermarket products
DENSO (THAILAND) CO., LTD.	THB200 million	51.65*	Manufacture and sale of automotive components
SIAM DENSO MANUFACTURING CO., LTD.	THB2,816 million	90.00*	Manufacture and sale of automotive components
DENSO SALES (THAILAND) CO., LTD.	THB100 million	100.00*	Sale of automotive components
PT. DENSO SALES INDONESIA	IDR9,975 million	100.00*	Sale of automotive components
DENSO (CHINA) INVESTMENT CO., LTD.	CNY2,150 million	100.00	Headquarters for China Sale of and R&D on automotive components
TIANJIN DENSO ELECTRONICS CO., LTD.	CNY508 million	93.46*	Manufacture and sale of automotive components

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



## 2. SHARES OF THE COMPANY

(1) Total Number of Shares Authorized to Be Issued: 1,500,000,000 shares

(2) Total Number of Issued Shares: 763,361,955 shares (excluding treasury stock of 24,582,996 shares)

(3) Number of Shareholders: 78,114 persons

### (4) Major Shareholders

Name of Shareholder	Investment in the Company	
	Number of Shares Held (Thousand shares)	Ratio of Voting Rights (%)
Toyota Motor Corporation	188,949	24.75
The Master Trust Bank of Japan, Ltd. (Trust account)	98,455	12.89
Toyota Industries Corporation	69,373	9.08
Custody Bank of Japan, Ltd. (Trust account)	35,255	4.61
Towa Real Estate Co., Ltd.	33,309	4.36
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	21,664	2.83
DENSO Employees' Shareholding Association	12,683	1.66
AISIN CORPORATION	12,544	1.64
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	7,384	0.96
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	7,241	0.94

Notes:

- The Company holds treasury stock of 24,583 thousand shares, but is excluded from the list of major shareholders above.
- "Ratio of Voting Rights" is calculated after excluding the treasury stock of 24,583 thousand shares.
- "Investment in the Company" by Toyota Industries Corporation is stated after excluding the Company's 6,798 thousand shares (ratio of voting rights: 0.89%), which are contributed as a trust asset for employees' retirement benefits by Toyota Industries Corporation. (These shares are registered in the name of "Custody Bank of Japan, Ltd. (Trust Account of Toyota Industries Corporation Employees' Retirement Benefits for the Re-trust by Sumitomo Mitsui Trust Bank, Limited)," and Toyota Industries Corporation reserves the right of instruction in exercising the shares' voting rights.)
- Towa Real Estate Co., Ltd. changed its trade name to TOYOTA FUDOSAN CO., LTD. on April 27, 2022.

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

Category	Class and number of shares	Number of Members of the Board and Audit & Supervisory Board Members to whom shares were issued
Members of the Board (excluding non-executive Members of the Board and Outside Members of the Board)	2 thousand shares of common stock of the Company	1

### 3. OFFICERS OF THE COMPANY

#### (1) Members of the Board

Name	Position	Assignment in the Company and Important Posts Concurrently Held at Other Corporations
Koji Arima	President & CEO *	CEO (Chief Executive Officer)
Yukihiro Shinohara	Executive Vice President Member of the Board *	Assistant to the President, CCRO (Chief Corporate Revolution Officer), CQO (Chief Quality Officer) (Important posts concurrently held at other corporations) Director, ADVICS Co., Ltd.
Kenichiro Ito	Member of the Board Senior Executive Officer	CRO (Chief Risk Officer), CHRO (Chief Human Resources Officer), General Administration & Human Resources Center
Yasushi Matsui	Member of the Board Senior Executive Officer	CFO (Chief Financial Officer), Corporate Strategy Center (Important posts concurrently held at other corporations) Audit & Supervisory Board Member, BluE Nexus Corporation
Akio Toyoda	Member of the Board	(Important posts concurrently held at other corporations) President, Toyota Motor Corporation Chairman, Japan Automobile Manufacturers Association, Inc. Director, HAMANAKODENSO CO., LTD.
George Olcott	Member of the Board Outside Member of the Board Independent Director	(Important posts concurrently held at other corporations) Outside Director, Dai-ichi Life Holdings, Inc. Outside Director, Kirin Holdings Company, Limited
Shigeki Kushida	Member of the Board Outside Member of the Board Independent Director	(Important posts concurrently held at other corporations) Director, Representative Executive Officer & President, Japan Securities Finance Co., Ltd.
Yuko Mitsuya	Member of the Board Outside Member of the Board Independent Director	(Important posts concurrently held at other corporations) Representative Director, SORA Corporation Outside Director, The Fukui Bank, Ltd. Outside Director (Audit and Supervisory Committee Member), ENEOS Holdings, Inc. President, Japan Basketball Association Vice President, Japanese Olympic Committee

#### Notes:

1. The Members of the Board marked with an asterisk (\*) are representative directors.
2. Members of the Board George Olcott, Shigeki Kushida and Yuko Mitsuya are Outside Members of the Board (outside directors), as stipulated in Article 2, Paragraph 15, of the Companies Act.
3. The Company has notified TSE of the names of Members of the Board George Olcott, Shigeki Kushida and Yuko Mitsuya as independent directors.
4. The Company has entered into a liability limitation agreement with Members of the Board Akio Toyoda, George Olcott, Shigeki Kushida and Yuko Mitsuya, which limits his/her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the said Act.
5. Yasushi Yamanaka, Hiroyuki Wakabayashi and Sadahiro Usui retired from the post of Member of the Board, due to the expiration of their terms of office as of the conclusion of the 98th Ordinary General Meeting of Shareholders held on June 22, 2021.

6. Change in the assignment of Members of the Board by the dispatch date of this Notice is as follows:

Name	Position	Assignment in the Company
Yukihiro Shinohara	Executive Vice President Member of the Board	Assistant to the President, CRO (Chief Risk Officer), CCO (Chief Compliance Officer), CQO (Chief Quality Officer)
Kenichiro Ito	Member of the Board Senior Executive Officer	CHRO (Chief Human Resources Officer), General Administration & Human Resources Center

**(2) Audit & Supervisory Board Members**

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

## Notes:

1. Audit & Supervisory Board Members Yasuko Gotoh and Haruo Kitamura are outside Audit & Supervisory Board Members (outside corporate auditors), as stipulated in Article 2, Paragraph 16, of the Companies Act.
2. Audit & Supervisory Board Member Haruo Kitamura is qualified as a Certified Public Accountant and has substantial knowledge of finance and accounting.
3. The Company has notified TSE of the names of Audit & Supervisory Board Members Yasuko Gotoh and Haruo Kitamura as independent auditors.
4. The Company has entered into a liability limitation agreement with Audit & Supervisory Board Members Yasuko Gotoh and Haruo Kitamura, which limits his/her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of said Act.
5. Atsuhiko Shimmura resigned from the post of Audit & Supervisory Board Member at the conclusion of the 98th Ordinary General Meeting of Shareholders held on June 22, 2021.

**(3) Overview of the Directors and Officers Liability Insurance Contract****1) Scope of the insured**

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

**2) Overview of the Insurance Contract**

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

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

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

**(a) Determination policy concerning remuneration, etc.**

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

i) Basic policy

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

ii) Composition of remuneration

Under the Company’s compensation system, compensation for Members of the Board (excluding non-executive Members of the Board and Outside Members of the Board; hereinafter collectively referred to as “Eligible Members of the Board”) consists of basic compensation, bonus, and share-based compensation. The ratios of basic compensation, bonus, and share-based compensation are set at roughly 60%, 30%, and 10%, respectively. The ratios may differ from those stated above depending on the situation regarding consolidated operating profit for the fiscal year in question.

	Type of compensation	Ratio	Overview
Fixed compensation	Basic compensation (fixed amount)	60%	<ul style="list-style-type: none"> <li>• Paid as monthly fixed compensation according to the posts</li> <li>• The amount is computed, reflecting individuals’ performance assessment results.</li> </ul>
Performance-linked compensation	Bonus (short-term incentive)	30%	<ul style="list-style-type: none"> <li>• Paid for each fiscal year at a certain time after the conclusion of the relevant General Meeting of Shareholders</li> <li>• The amount is computed based on consolidated operating profit and individuals’ performance assessment results.</li> </ul>
	Share-based compensation (medium- to long-term incentive)	10%	

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

iii) Level of compensation

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

iv) Method of determination of performance-linked compensation

With the aim of ensuring linkage with the Company’s performance and incentivizing eligible persons to enhance performance and achieve sustainable growth, the indicator for computing performance-linked compensation is consolidated operating profit, and the amount of performance-linked compensation is computed, reflecting individuals’ performance assessment, which involves evaluation of performance and achievements of each officer. For computation, the reference amount is ¥320.0 billion, which was set in 2012 as the amount of consolidated operating profit necessary for the Company’s sustainable growth. The table is set such that if the degree of achievement of consolidated operating profit is 200% compared with the reference amount, the standard annual personal income will be roughly in the top 35% of the market and if the degree of achievement

of consolidated operating profit is 50% compared with the reference amount, the standard annual personal income will be roughly in the bottom 25% of the market. Consolidated operating profit for the current fiscal year was ¥341.2 billion.

v) Matters related to share-based compensation

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

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

vi) Method of determination of remuneration

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

The Board of Directors has adopted a resolution on the total amount of compensation for the current fiscal

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

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

<Composition of the Executive Nomination and Remuneration Council>

Chair	Members
Independent Outside Member of the Board Shigeki Kushida	Representative Director, President & CEO Koji Arima, Standing Audit & Supervisory Board Member Shingo Kuwamura, Independent Outside Member of the Board George Olcott, and Independent Outside Member of the Board Yuko Mitsuya

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

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

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

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

Officer Category	Total Amount of Remuneration, etc. (Millions of yen)	Total amount by type of remuneration, etc. (Millions of yen)			Number of Eligible Officers
		Fixed compensation	Performance-linked compensation		
		Basic compensation	Bonus	Share-based compensation	
Member of the Board	442	300	105	37 (4.8 thousand shares)	11
(Portion of Outside Member of the Board)	(48)	(48)	(-)	(-)	(3)
Audit & Supervisory Board Members	114	114	-	-	5
(Portion of Outside Audit & Supervisory Board Members)	(25)	(25)	(-)	(-)	(2)
Total	556	414	105	37 (4.8 thousand shares)	16

Notes:

1. The amounts above include the remuneration, etc. for Yasushi Yamanaka, Hiroyuki Wakabayashi and Sadahiro Usui, who retired from the post of Member of the Board at the conclusion of the 98th Ordinary General Meeting of Shareholders held on June 22, 2021, and Atsuhiko Shimmura, who resigned from the post of Audit & Supervisory Board Member at the conclusion of the same meeting.
2. The amount of performance-linked compensation presented is the amounts based on the resolution adopted by the Board of Directors at its meeting held on May 23, 2022.
3. Based on the resolution by the Board of Directors at its meeting held on May 23, 2022, the number of shares calculated by dividing the amount of compensation presented by the closing price on the day before the adoption of the resolution of allotment of shares will be granted as share-based compensation.  
\* The number of shares stated above is the number of shares calculated using the share price on March 31, 2022 for reference.



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

Category	Name	Major Activities and Fulfillment of Their Expected Role
Outside Members of the Board	George Olcott	He attended 12 of 12 Board of Directors meetings held in the fiscal year. At these meetings, he mainly remarked on the Company's global management based on his academic background and considerable experience and deep insight related to corporate management in Japan and overseas, while supervising overall management of the Company.
	Shigeki Kushida	He attended 12 of 12 Board of Directors meetings held in the fiscal year. At these meetings, he remarked on the Company's general management affairs based on his experience at the Bank of Japan and broad expertise in global monetary economy. As the chair of the Executive Nomination and Remuneration Council, he wrapped up the revision of the officer system and discussion on the succession plan.
	Yuko Mitsuya	She attended 12 of 12 Board of Directors meetings held in the fiscal year. At these meetings, she mainly remarked on the Company's general management affairs while supervising overall management of the Company based on her expertise in management of companies and institutions and considerable experience in various fields, including her service as a director or a member of various sports associations.
Outside Audit & Supervisory Board Members	Yasuko Gotoh	She attended 12 of 12 Board of Directors meetings and 15 of 15 Audit & Supervisory Board meetings held in the fiscal year. At these meetings, she remarked on the Company's general management affairs based on her broad experience in the public and private sectors and deep insight.
	Haruo Kitamura	He attended 12 of 12 Board of Directors meetings and 15 of 15 Audit & Supervisory Board meetings held in the fiscal year. At these meetings, he mainly remarked on the Company's general management affairs based on his professional viewpoint as a Certified Public Accountant and a management consultant.

#### **4. CORPORATE GOVERNANCE OF THE COMPANY**

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

##### **Basic Policies on Corporate Governance**

###### **1. Securing the rights and equal treatment of shareholders**

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

###### **2. Appropriate cooperation with stakeholders other than shareholders**

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

###### **3. Ensuring appropriate information disclosure and transparency**

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

###### **4. Execution of duties of the Board of Directors**

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

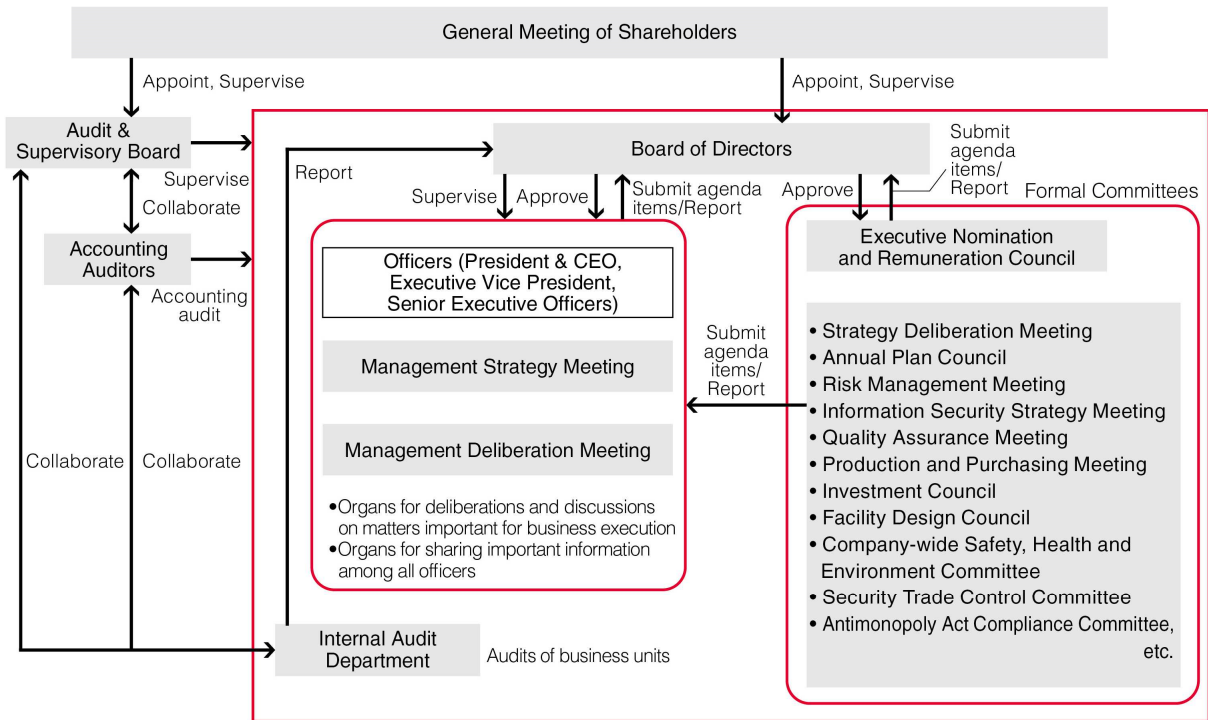
Additionally, we shall, depending on the circumstances, have Members of the Board serve concurrently as Executive Vice President and Senior Executive Officers to ensure the balance of knowledge, experience, and capabilities of the Board of Directors as a whole.

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

###### **5. Dialogue with shareholders**

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

# <Corporate Governance System>



## 5. POLICY REGARDING A DECISION OF DIVIDENDS FROM SURPLUS

As well as investing in business for growth, the Company places importance to the interest of shareholders and positions sustainable enhancement of corporate value and enrichment of shareholder returns as important management policies.

As for dividends from surplus, the Company's basic policy is to improve the dividend level stably.

For creation of corporate value, the Company introduced a new financial strategy in fiscal 2021 that is conscious of capital cost. Regarding dividends, the Company has adopted DOE (dividend on equity: dividend amount divided by shareholders' equity), which is based on shareholders' equity and is less susceptible to the influence of single fiscal year performance, as a shareholder return indicator, and intends to pay stable and continuous dividends over the long term with a standard DOE of 3.0% or more. The Company intends to pay stable and continuous dividends over the long term based on a DOE of 3.0% or more, while comprehensively taking into consideration consolidated performance, capital efficiency, and dividend amount.

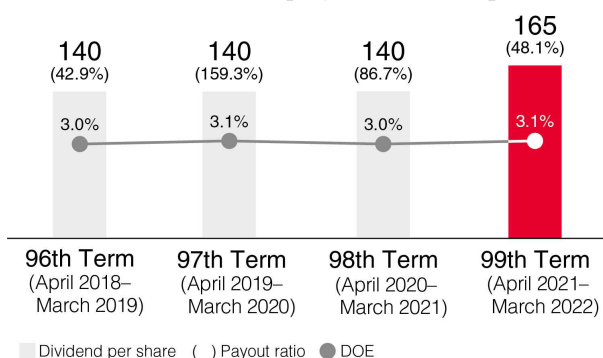
Moreover, the Company intends to effectively utilize retained earnings for capital investment, R&D investment and M&A in order to realize future business growth. The Company also intends to flexibly acquire treasury stock in the pursuit of distributing its profits to the shareholders while paying attention to the stock price trend and the capital structures.

The Company stipulates in its Articles of Incorporation that it may distribute dividends from surplus upon resolution of the Board of Directors in accordance with Article 459, Paragraph 1, of the Companies Act without adopting a resolution at a general meeting of shareholders.

Accordingly, the Company, at its Board of Directors meeting held on April 28, 2022, resolved that the fiscal year-end dividend for the fiscal year ended March 31, 2022, be ¥85 per share of the Company's common stock (for a total of ¥64,885,766,175) and the date of commencement of dividend payment thereof be May 25, 2022. The annual dividend for the current fiscal year, including the interim dividend, is ¥165 per share.

Dividends per share (payout ratio) and DOE\*(yen)

\*DOE: Dividend on equity = Dividends paid ÷ Shareholders' equity



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

The Company has been subject to the alleged violation of antitrust law or competition law in connection with certain past transactions regarding specific auto parts from the authorities in certain countries, engaged in settlement negotiations with major customers (certain automobile manufacturers), and our subsidiary is among the defendants named in the lawsuit filed by a certain customer in Germany.

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

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

(TRANSLATION ONLY)

## Consolidated Financial Statements

## Consolidated Statement of Financial Position

(Millions of yen)

Account Item	99th Term (As of March 31, 2022)	(Reference) 98th Term (As of March 31, 2021)	Account Item	99th Term (As of March 31, 2022)	(Reference) 98th Term (As of March 31, 2021)
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>Current assets</b>	<b>3,168,814</b>	<b>2,789,736</b>	<b>Current liabilities</b>	<b>1,702,545</b>	<b>1,498,659</b>
Cash and cash equivalents	867,808	897,395	Bonds and borrowings	262,819	98,348
Trade and other receivables	1,120,781	1,028,821	Trade and other payables	1,131,375	1,014,406
Inventories	1,032,161	726,159	Other financial liabilities	51,034	48,647
Other financial assets	17,730	15,527	Income tax payables	36,995	15,414
Other current assets	107,696	121,834	Provisions	144,560	248,517
Subtotal	3,146,176	2,789,736	Other current liabilities	75,286	73,327
Non-current assets held for sale	22,638	—	Subtotal	1,702,069	1,498,659
<b>Non-current assets</b>	<b>4,263,457</b>	<b>3,977,948</b>	Liabilities directly associated with assets held for sale	476	—
Property, plant and equipment	1,912,607	1,875,763	<b>Non-current liabilities</b>	<b>1,240,200</b>	<b>1,192,308</b>
Right-of-use assets	45,394	47,834	Bonds and borrowings	728,616	755,874
Intangible assets	155,580	143,960	Other financial liabilities	33,860	36,153
Other financial assets	1,861,373	1,681,582	Retirement benefit liabilities	265,188	282,332
Investments accounted for using equity method	113,580	106,734	Provisions	1,228	1,369
Retirement benefit asset	111,351	63,446	Deferred tax liabilities	197,122	102,095
Deferred tax assets	36,871	36,951	Other non-current liabilities	14,186	14,485
Other non-current assets	26,701	21,678	<b>Total liabilities</b>	<b>2,942,745</b>	<b>2,690,967</b>
			<b>(Equity)</b>		
			<b>Equity attributable to owners of the parent company</b>	<b>4,299,357</b>	<b>3,891,012</b>
			Capital stock	187,457	187,457
			Capital surplus	273,803	272,517
			Treasury stock	(152,346)	(56,830)
			Other components of equity	972,783	691,417
			Retained earnings	3,017,660	2,796,451
			<b>Non-controlling interests</b>	<b>190,169</b>	<b>185,705</b>
			<b>Total equity</b>	<b>4,489,526</b>	<b>4,076,717</b>
<b>Total assets</b>	<b>7,432,271</b>	<b>6,767,684</b>	<b>Total liabilities and equity</b>	<b>7,432,271</b>	<b>6,767,684</b>

## Consolidated Statement of Income

(Millions of yen)

Account Item	99th Term (From April 1, 2021, to March 31, 2022)	(Reference) 98th Term (From April 1, 2020, to March 31, 2021)
<b>Revenue</b>	<b>5,515,512</b>	<b>4,936,725</b>
Cost of revenue	(4,714,024)	(4,275,239)
<b>Gross profit</b>	<b>801,488</b>	<b>661,486</b>
Selling, general and administrative expenses	(460,449)	(514,492)
Other income	39,161	29,477
Other expenses	(39,021)	(21,364)
<b>Operating profit</b>	<b>341,179</b>	<b>155,107</b>
Finance income	42,254	42,718
Finance costs	(8,403)	(7,330)
Foreign exchange gains	4,019	1,457
Share of the profit of associates accounted for using the equity method	5,759	1,801
<b>Profit before income taxes</b>	<b>384,808</b>	<b>193,753</b>
Income tax expenses	(96,054)	(45,658)
<b>Profit for the year</b>	<b>288,754</b>	<b>148,095</b>
<b>Profit attributable to:</b>		
Owners of the parent company	263,901	125,055
Non-controlling interests	24,853	23,040

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

(Millions of yen)

Account Item	99th Term (As of March 31, 2022)	(Reference) 98th Term (As of March 31, 2021)	Account Item	99th Term (As of March 31, 2022)	(Reference) 98th Term (As of March 31, 2021)
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>Current assets</b>	<b>1,566,851</b>	<b>1,542,426</b>	<b>Current liabilities</b>	<b>1,037,612</b>	<b>1,022,053</b>
Cash and deposits	310,514	417,602	Accounts payable—trade	515,134	493,350
Notes receivable—trade	347	1,110	Current portion of bonds	70,000	10,000
Accounts receivable—trade	442,838	435,953	Current portion of long-term borrowings	18,000	36,000
Electronically recorded monetary claims—operating	72,059	86,190	Accounts payable—other	51,351	38,720
Marketable securities	99,872	15,000	Accrued expenses	85,526	83,939
Finished goods	80,276	69,512	Income taxes payable	18,674	—
Work in process	156,237	128,989	Deposits received	105,796	89,345
Raw materials and supplies	27,014	21,020	Accrued bonuses to employees	43,162	38,171
Advance payments	89,779	84,260	Accrued bonuses to directors and corporate auditors	150	103
Prepaid expenses	4,893	7,401	Reserve for product warranties	106,757	214,854
Short-term loans receivable from subsidiaries and associates	137,523	133,180	Provision for loss on antitrust issues	13,638	10,254
Accounts receivable—other	119,421	97,297	Provision for environmental measures	1,235	1,460
Other current assets	26,275	45,104	Other current liabilities	8,189	5,857
Allowance for doubtful accounts	(197)	(192)	<b>Long-term Liabilities</b>	<b>1,031,080</b>	<b>985,003</b>
<b>Fixed assets</b>	<b>3,017,090</b>	<b>2,866,284</b>	Straight bonds	225,066	240,001
<b>Property, plant and equipment</b>	<b>581,960</b>	<b>610,984</b>	Long-term borrowings	497,000	515,000
Buildings	123,681	134,071	Deferred tax liabilities	109,950	33,059
Structures	13,323	14,703	Liability for employees' retirement benefits	189,276	186,598
Machinery and equipment	200,351	206,881	Provision for loss on business of subsidiaries and associates	—	841
Vehicles and transportation equipment	3,151	3,101	Provision for environmental measures	592	733
Tools, furniture and fixtures	35,178	36,450	Other long-term liabilities	9,196	8,771
Land	125,890	126,524	<b>Total liabilities</b>	<b>2,068,692</b>	<b>2,007,056</b>
Construction in progress	80,386	89,254	<b>(Equity)</b>		
<b>Intangible assets</b>	<b>65,423</b>	<b>61,653</b>	<b>Shareholders' equity</b>	<b>1,686,784</b>	<b>1,695,495</b>
Software	19,417	17,119	<b>Capital stock</b>	<b>187,457</b>	<b>187,457</b>
Other intangible assets	46,006	44,534	<b>Capital surplus</b>	<b>267,266</b>	<b>265,985</b>
<b>Investments and other assets</b>	<b>2,369,707</b>	<b>2,193,647</b>	Additional paid-in capital	265,985	265,985
Investment securities	699,353	758,612	Other capital surplus	1,281	—
Investment in subsidiaries and associates	1,488,914	1,261,145	<b>Retained earnings</b>	<b>1,384,396</b>	<b>1,298,872</b>
Investments in equity	2,932	3,013	Legal reserve	43,274	43,274
Investments in equity of subsidiaries and associates	36,377	36,377	Other retained earnings	1,341,122	1,255,598
Long-term loans receivable from subsidiaries and associates	49,025	47,575	Reserve for special depreciation	—	18
Prepaid pension cost	85,565	78,778	Reserve for advanced depreciation of fixed assets	658	654
Other assets	7,541	8,147	General reserve	896,390	896,390
Allowance for doubtful accounts	(0)	(0)	Earned surplus carried	444,074	358,536



			forward <b>Treasury stock, at cost</b>	<b>(152,335)</b>	<b>(56,819)</b>
			<b>Variance of the estimate/ conversion</b>	<b>828,465</b>	<b>706,159</b>
			Net unrealized gain on available-for- sale securities	828,590	706,228
			Deferred gains on derivatives under hedge accounting	(125)	(69)
			<b>Total equity</b>	<b>2,515,249</b>	<b>2,401,654</b>
<b>Total assets</b>	<b>4,583,941</b>	<b>4,408,710</b>	<b>Total liabilities and equity</b>	<b>4,583,941</b>	<b>4,408,710</b>

## Non-Consolidated Statement of Income

(Millions of yen)

Account Item	99th Term (From April 1, 2021, to March 31, 2022)	(Reference) 98th Term (From April 1, 2020, to March 31, 2021)
<b>Net sales</b>	<b>3,090,937</b>	<b>2,820,349</b>
Cost of sales	2,796,863	2,638,056
<b>Gross profit</b>	<b>294,074</b>	<b>182,293</b>
Selling, general and administrative expenses	163,618	234,282
<b>Operating profit (loss)</b>	<b>130,456</b>	<b>(51,989)</b>
<b>Non-operating income</b>	<b>93,479</b>	<b>96,045</b>
Interest and dividend income	74,767	71,232
Other non-operating income	18,712	24,813
<b>Non-operating expenses</b>	<b>11,538</b>	<b>11,695</b>
Interest expense	1,023	998
Foreign exchange losses	293	—
Loss on sales of non-current assets	3,857	3,101
Other non-operating expenses	6,365	7,596
<b>Ordinary income</b>	<b>212,397</b>	<b>32,361</b>
<b>Extraordinary income</b>	<b>42,362</b>	<b>22,257</b>
Gain on sales of non-current assets	1,031	2,770
Gain on sales of investment securities	41,331	18,680
Other	—	807
<b>Extraordinary losses</b>	<b>4,850</b>	<b>14,513</b>
Impairment loss on investment securities	1,085	4,010
Loss on valuation of shares of subsidiaries and associates	—	9,910
Loss on antitrust issues	3,093	575
Other	672	18
<b>Income before income taxes</b>	<b>249,909</b>	<b>40,105</b>
Income taxes—current	24,807	1,009
Income taxes—deferred	23,713	(1,753)
<b>Net income</b>	<b>201,389</b>	<b>40,849</b>

(TRANSLATION)  
Audit Reports

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

## INDEPENDENT AUDITOR'S REPORT

May 10, 2022

To the Board of Directors of  
DENSO CORPORATION:

Nagoya Office,  
Deloitte Touche Tohmatsu LLC

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

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Makoto Nishimatsu

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

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Yasuhiko Goto

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

\_\_\_\_\_  
Naoki Kondo

### Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as of March 31, 2022, of DENSO CORPORATION (the "Company") and consolidated subsidiaries, and the related consolidated statements of income and changes in equity for the fiscal year from April 1, 2021, to March 31, 2022, and the related notes.

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

### Basis for the Opinion

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

## **Other Information**

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

### **Interest**

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

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

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

## INDEPENDENT AUDITOR'S REPORT

May 10, 2022

To the Board of Directors of  
DENSO CORPORATION:

Nagoya Office  
Deloitte Touche Tohmatsu LLC

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

\_\_\_\_\_  
Makoto Nishimatsu

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

\_\_\_\_\_  
Yasuhiko Goto

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

\_\_\_\_\_  
Naoki Kondo

### Opinion

Pursuant to Item 1 of the second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules (the "Financial Statements, etc.") of DENSO CORPORATION (the "Company") for the 99th fiscal year from April 1, 2021, to March 31, 2022, and the related notes.

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

### Basis for the Opinion

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

### Other Information

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

**Interest**

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

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

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**(TRANSLATION)**

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

**AUDIT & SUPERVISORY BOARD MEMBERS' REPORT**

Regarding the performance of duties by Members of the Board for the 99th Fiscal Term, which began April 1, 2021, and ended March 31, 2022, the Audit & Supervisory Board of DENSO CORPORATION (the "Company") hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by the respective Audit & Supervisory Board Members.

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

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

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

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

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

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

In the manner explained above, the Audit & Supervisory Board Members have examined the Business Report and supplementary schedules thereof; "financial statements," that is, the non-consolidated financial statements (Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Equity and Notes to the Non-Consolidated Financial Statements) and supplementary schedules thereof; and the consolidated financial statements (Consolidated Statement of Financial Position, Consolidated Statement of Income, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements), pertaining to the fiscal year ended March 31, 2022.

2. Audit Results

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

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

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

(2) Audit results regarding the financial statements

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

May 10, 2022

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

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

## Guide to Stock-Related Procedures

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

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

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

### To shareholders who wish to open an NISA account:

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

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

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

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

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

### Guide to “My Number System” regarding shares

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

### Inquiries about shares

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

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

### Guide to the Company’s Web site and IR e-mail delivery service

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

DENSO Site “INVESTORS”

[www.denso.com/jp/ja/about-us/investors/](http://www.denso.com/jp/ja/about-us/investors/)

If you register your e-mail address with our IR e-mail delivery service, Investor News e-mails will be sent from the Company.

Page for registration: <https://www.denso.com/jp/ja/about-us/investors/individual-investors/>

## Advanced Research and Innovation Center Celebrates 30th Anniversary



### Creation of innovative technology

DENSO Research Laboratories, the predecessor of the Advanced Research and Innovation Center, opened in 1991 to strengthen the fundamental technology for the core of DENSO's future products. With its mission "to contribute to an advanced automotive society through the creation of innovative technologies," since its establishment, by leading the way in advanced technologies in semiconductors, electronics, materials, artificial intelligence, and ergonomics, and by combining technologies and skills, the Advanced Research and Innovation Center has been the source of numerous innovative technologies that have led to world-first and industry-first DENSO products.

### SiC power semiconductors and AI

For example, regarding silicon carbide (SiC) power semiconductors for which DENSO has started mass production, at the beginning of the development, the technology to make crystal wafers, a key material, had yet to be established and the quality required for in-vehicle application had yet to be satisfied. The Center, therefore, conducted R&D patiently for over 20 years to realize high-quality wafers. In device development, through persistent research into elemental technologies and many years of trial and error, DENSO achieved the world's first demonstration run of a vehicle equipped with

SiC devices on public roads with Toyota Motor, accelerating progress toward practical application.

DENSO's involvement in the field of artificial intelligence (AI) started with the incorporation of the Center's voice recognition research outcomes into a car navigation system. AI technology, both in terms of hardware and software, is about to usher in a new era of in-vehicle applications, including automated driving.

### Technology and human resources paving the way to the future

Engineers who achieve personal growth at the Advanced Research and Innovation Center may be subsequently transferred to business divisions, where their wealth of experience supports the launch of new businesses and the development of cutting-edge technologies for businesses in the environmental and safety fields. The Advanced Research and Innovation Center will continue its efforts to develop technologies that will pave the way to the future while fostering human resources.

\*SiC-related development has been transferred to divisions.



## Athlete at DENSO



Maki Takada, in her 14th season with the DENSO Iris women's basketball club, is a mainstay of DENSO Iris and the Japan national team. Her passion for basketball and dedication to the sport are unsurpassed.

### **Giving back to the team her experience of competing on the world stage**

This is the second year that Serbian national team coach Marina Markovic has coached Denso Iris. Although there are indications that the team and individual players are making progress, it is essential for the young players to improve their skills in order to compete successfully in the tough league matches and win the championship in Japan. Takada looks out for all the players on the team, both in practice and in games, and takes the initiative to speak up and inspire the younger players. Takada, who has experience competing on the world stage and is quick to grasp the coach's intentions, is actively giving back what she can to the team, and the young players are advancing step by step, even if the steps sometimes falter at first.

### **President Maki Takada**

As well as being an athlete, Takada launched a company in 2020 and serves as president, with

the desire to "brighten and energize Japan through sports." She is fascinated by basketball and has a strong desire to let as many people as possible know about the sport that she enjoys. She is a true embodiment of DENSO's purpose of engaging in sports: "Connect with employees and the community, bring energy to the community, and contribute to the development of the world of sport in Japan."

### **The challenge continues**

Takada says, "I want to continue to challenge myself in many different ways," but her main focus is on playing basketball. As an active athlete, she is passionate about her performance. "I want to try new techniques to enhance my skills," she says. "I am ambitious to challenge myself more than ever." Takada's challenge will continue.

## Heritage

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### Management Foundation & Policy

Since our founding in 1949, we have built our foundation on “DENSO Quality First.” We operate our business based on our long-term policy.

**1949**

Nippon Electrical Equipments Co., Ltd, which later changed its name to NIPPONDENSO CO., LTD., established, as a spin-off from Toyota Motor Co., Ltd.



**1953**

Started technical cooperation with Robert Bosch GmbH of Germany.

This agreement allowed us to expand our technical expertise using knowledge from outside the company, to achieve world-class engineering.



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### Technology Development & Manufacturing

We strive to develop technologies with a vision of the future. We continue to improve our manufacturing capabilities to make the impossible possible.

**1954**

Established the Technical Training Center.

The principles of “Monozukuri is Hitozukuri (our performance relies on our people)” and “engineering and technique, hand in hand” are still being practiced today.



**1968**

Established the IC Research Center.

In-house R&D of integrated circuits (IC) was launched at an early stage, in anticipation of electronic control for automotive components. Today, electronic components are some of the main products that we sell.



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### Global Deployment

We were quick to launch in various countries to meet the needs of customers. We operate both manufacturing plants and R&D centers all over the world.

**1966**

Established a sales office in Chicago and branch offices in Los Angeles, USA.

The first sales office outside of Japan was established in anticipation of global trends such as trade liberalization.



**1972**

Established NIPPONDENSO (AUSTRALIA) PTY. LTD., and NIPPONDENSO THAILAND CO., LTD., our first manufacturing companies located outside of Japan.

We decided to manufacture products near to our customers, in order to better meet their needs.

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**1956** Established the DENSO Creed on which DENSO is founded.

It was established in order to maintain and further develop the spirit of our founding.

**1961** Received the Deming Prize, one of the most prestigious awards for quality control.

The efforts made by all of our employees to win the prize laid the foundations for our culture based on the concept of "Quality First."



**1996** Adopted our new corporate name, DENSO CORPORATION.

The company name was changed from NIPPONDENSO to DENSO. Removing "Nippon," the Japanese word for Japan, reflects our aims of being a truly global company.

**2017** Created the DENSO Group Long-term Policy 2030.

The slogan of this plan is "Bringing hope for the future for our planet, society and all people."

**1991** Opened DENSO Research Laboratories.

We carry out R&D on new technologies that may emerge in the next 5 to 20 years. Our research covers a range of topics, from semiconductor materials to microalgae that produce oil.



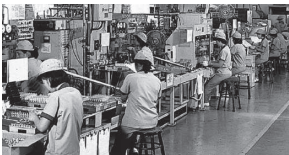
**2005** Establishment of the global R&D system.

DENSO develops cutting-edge technologies and products in collaboration with internal and external partners, including automakers, research institutes, and universities, through its global technical centers (located in Japan, the U.S., Germany, China, Thailand, India, and Brazil).

**2020** Opened the Hirose Plant  
Opened the Electrification Innovation Center

The Hirose Plant and the Electrification Innovation Center (within Anjo Plant) are positioned as global mother facilities in the electrification field to establish development and production processes and deploy excellent production lines at manufacturing sites around the world.

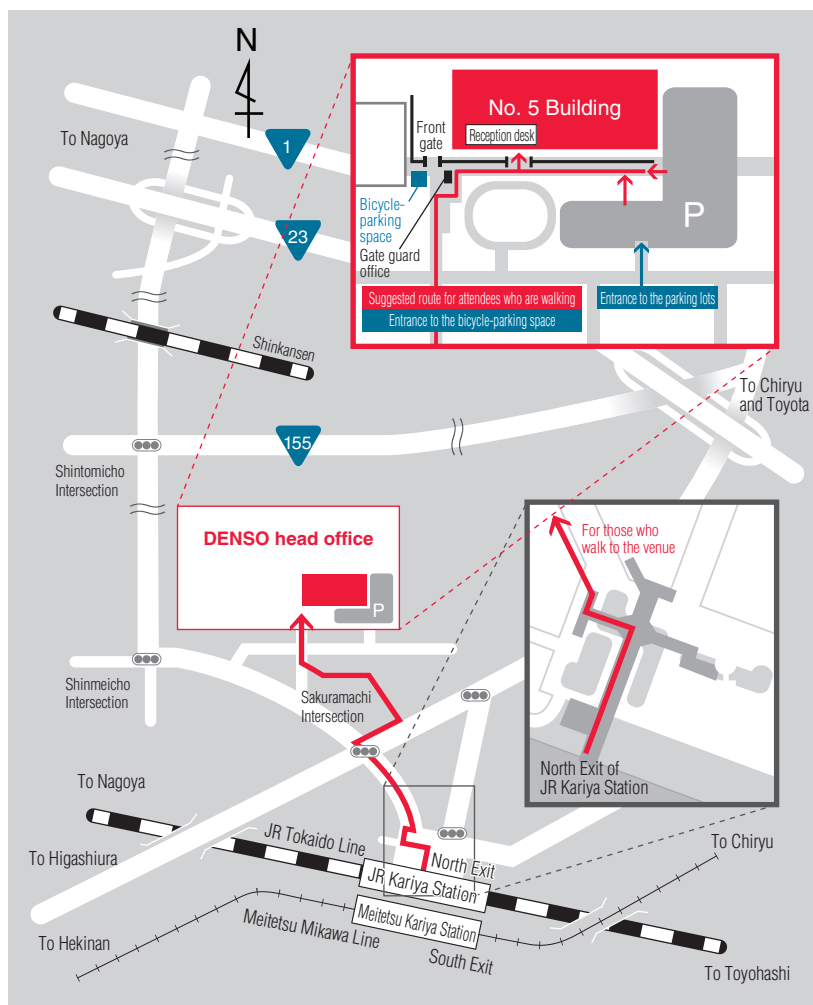
**2004** DENSO Spirit  
The DENSO Spirit is one of foresight, credibility, and collaboration. It expresses values and beliefs shared by our employees around the world that have driven us to contribute to the automotive industry and society as a whole since our establishment in 1949.



**2016** Introduced a global common personnel management system.  
DENSO introduced a global common personnel management system targeting approx. 2,300 members of senior management at its headquarters and group companies across the globe. This system incorporates a "Global Individual Grade" that focuses on the individual capabilities of senior management members. By using a common grading tool to evaluate and promote its senior staff, DENSO allows its personnel around the world to develop their careers on a global scale.



# Access to the Venue of the General Meeting of Shareholders



## Place

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



## Traffic guide

In order to prevent the spread of COVID-19, we will not provide a courtesy bus service between Kariya Station and the venue of the General Meeting of Shareholders.

- If you use a car, a two-wheeler or a bicycle:

Please park your car in the parking lots located at the south and east sides of the No. 5 Building, and your two-wheeler or bicycle in the bicycle parking space at the front gate.

\* Please note that the number of parking lots available is limited.

- If you come on foot:

Due to road construction around Sakuramachi intersection, please take the detour route.

Please follow the traffic guidance staff on the day of the Meeting.

Nine (9) minute walk from North Exit of JR Kariya Station

# DENSO CORPORATION