

(TRANSLATION ONLY)

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

**NOTICE OF THE 100TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

**Date:** 10 a.m., Tuesday, June 20, 2023

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

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

**The DENSO Creed**

“Be trustworthy and responsible.”

“Cherish modesty, sincerity, and cooperation.”

“Be pioneering, innovative, and creative.”

“Provide quality products and services.”

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With the implementation of the system for electronic provision under the revised Companies Act, we have simplified the notice, taking into consideration the reduction of environmental burden by saving paper resources and other factors.

Please refer to the website provided in this notice for the materials for general meetings of shareholders that were previously sent to you in writing.

## **Message from the President**

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

I am pleased to announce that this year's General Meeting of Shareholders marks the 100th such meeting for DENSO. Having overcome many hardships since our founding to be able to have made it to where we are today, I am reminded once again of the weight of history spun by our predecessors, and I cannot help but feel grateful to our customers who build and sell our cars, to our suppliers of parts and materials, and to our shareholders who have continued to warmly support us. I am deeply grateful for the support of everyone involved in our business.

While the business environment is still difficult and the future is uncertain, it is precisely because we live in such times that I strongly hope that we will always face ahead, take a step forward, and keep on pushing ahead, so we can pass on the baton to future generations. In particular, as social issues that are not limited to the automotive industry, such as decarbonization and the circular economy, become increasingly clear, we intend to expand our business domain from "mobility" to "society as a whole" and contribute to a "well-being cycle society." Based on our philosophy of the environment and security, we are committed to creating new value that is unique to DENSO, so that happiness can be circulated throughout society. Moreover, as we embark on a new stage, we are also moving forward with the creation of a new organization. Together with our colleagues who embody the spirit of the DENSO Creed, which has been passed down from generation to generation, we will move forward to meet new challenges with passion and smiles as a united company.

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

May 2023

President & CEO  
Koji Arima

(TRANSLATION ONLY)

Stock Code: 6902

May 24, 2023

(Start date of electronic provision measures: May 16, 2023)



**To Those Shareholders with Voting Rights**

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

## **NOTICE OF THE 100TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We hereby inform you of the 100th Ordinary General Meeting of Shareholders of DENSO CORPORATION (the “Company”) to be held as follows, looking forward for your attendance. We respectfully request that you carefully consider your attendance at the Meeting, taking into consideration the prevalence of COVID-19 as of the date of the meeting, your own health condition, and other factors.

In convening this General Meeting of Shareholders, the Company has taken the measures for electronic provision and has posted the matters to be provided electronically as the NOTICE OF THE 100TH ORDINARY GENERAL MEETING OF SHAREHOLDERS and OTHER ITEMS PROVIDED ELECTRONICALLY FOR NOTICE OF THE 100TH ORDINARY GENERAL MEETING OF SHAREHOLDERS on the Company’s website.

Our website

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

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

TSE website (Listed Company Search)

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

If you are unable to attend the meeting, you may exercise your voting rights via the Internet or in writing. Please read the attached REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS and exercise your voting rights before 5:40 p.m. on Monday, June 19, 2023.

**1. Date:** 10 a.m., Tuesday, June 20, 2023

**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 100th Fiscal Term (from April 1, 2022, to March 31, 2023)**
- (2) Non-Consolidated Financial Statements for the 100th Fiscal Term (from April 1, 2022, to March 31, 2023)**

**Agenda:**

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

**Proposal No. 2: Election of Three (3) Audit & Supervisory Board Members due to the Expiration of the Term of Office of Three (3) Audit & Supervisory Board Members**

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

● Of the matters to be provided electronically, the following items are not included in the documents to be delivered to shareholders who have requested the delivery of written documents in accordance with laws and regulations and Article 16 of the Company's Articles of Incorporation. Accordingly, the documents to be delivered to shareholders who have requested the delivery of the documents constitute a part of the documents subject to audit by the Accounting Auditor and the Audit & Supervisory Board Members in preparing the audit report.

**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

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

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

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

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

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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.

## **Guide to Exercising Voting Rights**

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

Date and time of the Meeting: 10 a.m., June 20, 2023

### **Internet:**

Deadline for exercising voting rights: Until 5:40 p.m., June 19, 2023

### **Mailing:**

Deadline for exercising voting rights: Must be received by 5:40 p.m., June 19, 2023

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

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

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

Points to consider when attending the Meeting:

- Please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting. 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.
- A tour of the Nukata Proving Ground is scheduled to take place after the General Meeting of Shareholders. For details, please see the enclosed “Notice of Nukata Proving Ground Tour.”

## Acceptance of Questions in Advance

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

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

<How to submit questions in advance>

Entry deadline: Monday, June 12, 2023

### 1. Access the question form

Access via the following URL or QR code

<https://forms.office.com/r/DKs4Xw9CZQ>



### 2. Enter shareholder information

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

### 3. Enter your question

After entering your question, click "Submit"

\*Please note that only one question per shareholder is allowed.

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

### **Our measure against COVID-19 and request for shareholders**

- The General Meeting of Shareholders will be held after implementing appropriate infection prevention measures in accordance with the circumstances. We ask that you carefully consider the prevalence of COVID-19 infections on the date of the Meeting and your own health condition before attending.
- Shareholders who are considering attending the Meeting are requested to check our website before coming to the Meeting as you may be asked to wear a mask in the venue.

<https://www.denso.com/jp/ja/-/media/global/about-us/investors/stockholder/stockholder-meeting/2023/stockholder-meeting-doc-100s-covidinfo-ja.pdf>

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

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

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



## REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and References

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

The terms of office of all the eight (8) current Members of the Board expire at the conclusion of this 100th 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	8 years
2	Shinnosuke Hayashi	New appointment	Senior Executive Officer	-
3	Yasushi Matsui	Reappointment	Member of the Board Senior Executive Officer	2 years
4	Kenichiro Ito	Reappointment	Member of the Board Senior Executive Officer	2 years
5	Akio Toyoda	Reappointment	Member of the Board	4 years
6	Shigeki Kushida	Reappointment Outside Member of the Board Independent Director	Member of the Board	4 years
7	Yuko Mitsuya	Reappointment Outside Member of the Board Independent Director	Member of the Board	4 years
8	Joseph P. Schmelzeis, Jr.	Reappointment Outside Member of the Board Independent Director	Member of the Board	1 year

#### **Election Policy and Procedure for Determining Nominees (Matters related to Proposals No. 1, 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 take the lead in selecting nominees for Members of the Board and nominees for Audit & Supervisory Board Members. They hear opinions from appropriate persons from various quarters and select persons who are suitable to serve as Members of the Board or as Audit & Supervisory Board Members by comprehensively taking into account their past records, personality, insights and other factors. The "Executive Nomination and Remuneration Council," a body where an independent Outside Member of the Board serves as chairperson and a half of the members or more are independent Outside Members of the Board, draw up the draft of nominees for the current year.


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

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
1	 <p>Koji Arima (February 23, 1958) 65 years old Male</p> <p>Reappointment</p>	<p>President &amp; CEO, Member of the Board</p> <p>[Incumbency] 8 years</p>	<p>April 1981      Joined DENSO CORPORATION June 2008      Executive Director, DENSO CORPORATION June 2014      Senior Executive Director, DENSO CORPORATION June 2015      President &amp; CEO, DENSO CORPORATION (current position)</p> <hr/> <p>[Important posts concurrently held at other corporations] Chairman, Japan Auto Parts Industries Association</p>	35,965 shares

Reason for having appointed him as a Member of the Board

After joining the Company, Koji Arima served as President of the Company's Italian subsidiary and in charge of production promotion departments before assuming his current position as President & CEO in June 2015. In addition to aggressive investment in the CASE domain to overcome the once-in-a-century period of great transformation, we have achieved numerous results in recent years, including strengthening our quality and financial base in the face of declining earnings due to factors such as the COVID-19 pandemic. 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.


If he is elected as a Member of the Board, he will be appointed as Representative Member of the Board, Chairperson by the Board of Directors.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
2	 Shinnosuke Hayashi (January 15, 1964) 59 years old Male  <div style="background-color: #00AEEF; color: white; padding: 2px; display: inline-block;">New appointment</div>	Senior Executive Officer  CSwO (Chief Software Officer); Mobility Electronics Business Group	April 1986      Joined DENSO CORPORATION June 2015      Executive Director, DENSO CORPORATION  January 2021    Senior Executive Officer, DENSO CORPORATION (current position)	2,349 shares

Reason for having appointed him as a Member of the Board

After joining the Company, Shinnosuke Hayashi engaged in the electronics business and currently serves as CSwO (Chief Software Officer) and in charge of the Mobility Electronics Business Group. The Company has appointed him as a nominee for a Member of the Board in the expectation that he will demonstrate his high level of expertise in software and electronics, as well as excellent leadership that draws on the strengths of diverse human resources, and promote the creation of new value amidst the evolution of mobility.


If he is elected as a Member of the Board, he will be appointed as Representative Member of the Board, President by the Board of Directors.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
3	 Yasushi Matsui (July 3, 1964) 58 years old Male <div style="background-color: #e91e63; color: white; padding: 2px; display: inline-block;">Reappointment</div>	Member of the Board, Senior Executive Officer  CFO (Chief Financial Officer); Corporate Strategy Center  [Incumbency] 2 years	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 Outside Audit & Supervisory Board Member, JTEKT Corporation	5,889 shares

Reason for having appointed him as a Member of the Board


After joining the Company, Yasushi Matsui engaged in the thermal systems business and the electrification business. He was in charge of the purchasing department from June 2014. 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 growth, by utilizing his broad perspective and foresight gained through his wide-ranging experience in functional and operating departments and at an overseas site.

If he is elected as a Member of the Board, he will be appointed as Representative Member of the Board, Executive Vice President by the Board of Directors.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
4	 Kenichiro Ito (October 1, 1962) 60 years old Male  <span style="background-color: #f08080; padding: 2px;">Reappointment</span>	Member of the Board, Senior Executive Officer  CHRO (Chief Human Resources Officer); General Administration & Human Resources Center  [Incumbency] 2 years	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)  [Important posts concurrently held at other corporations] Outside Director, TOYOTA BOSHOKU CORPORATION	8,845 shares


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 reforms in human resources and corporate culture, which will be the foundation of corporate growth, by utilizing his knowledge gained through his experience in corporate departments and regional management.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
5	 Akio Toyoda (May 3, 1956) 67 years old Male <div style="background-color: #f08080; padding: 2px; display: inline-block;">Reappointment</div>	Member of the Board  [Incumbency] 4 years	April 1984      Joined Toyota Motor Corporation June 2000      Member of the Board of Directors, Toyota Motor Corporation June 2002      Managing Director, Toyota Motor Corporation June 2003      Senior Managing Director, Toyota Motor Corporation June 2005      Executive Vice President, Toyota Motor Corporation Outside Member of the Audit & Supervisory Board, Koyo Seiko Co., Ltd. (currently, JTEKT Corporation) June 2006      Outside Audit & Supervisory Board Member, TOYOTA BOSHOKU CORPORATION June 2009      President, Toyota Motor Corporation May 2018      Chairman, Japan Automobile Manufacturers Association, Inc. (current position) June 2019      Member of the Board, DENSO CORPORATION (current position) April 2023      Chairman of the Board of Directors, Toyota Motor Corporation (current position)	50,000 shares
			[Important posts concurrently held at other corporations] Chairman of the Board of Directors, Toyota Motor Corporation Chairman, Japan Automobile Manufacturers Association, Inc. Director, HAMANAKODENSO CO., LTD.	

Reason for having appointed him as a Member of the Board

Akio Toyoda is an unchallenged industry leader representing the car industry who serves as Chairman of the Board of Directors, 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.


No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
6	 Shigeki Kushida (June 8, 1958) 65 years old Male  <div style="display: flex; flex-direction: column; gap: 5px;"> <div style="background-color: #f08080; padding: 2px; text-align: center;">Reappointment</div> <div style="background-color: #4CAF50; padding: 2px; text-align: center;">Outside</div> <div style="background-color: #9C27B0; padding: 2px; text-align: center;">Independent</div> </div>	Member of the Board  [Incumbency] 4 years	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) Outside Member of the Board, DENSO CORPORATION (current position)	1,400 shares
			[Important posts concurrently held at other corporations] Director, Representative Executive Officer & President, Japan Securities Finance Co., Ltd.	

Independence

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.

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

Shigeki Kushida has the experience of having led diverse activities toward the development and stability of the Japanese economy at Japan's central bank by filling the posts of Director-General and Executive Director, Bank of Japan. He currently serves as Director, Representative Executive Officer & 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.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
7	 <p>Yuko Mitsuya (July 29, 1958) 64 years old Female</p> <p>Reappointment</p> <p>Outside</p> <p>Independent</p>	<p>Member of the Board</p> <p>[Incumbency] 4 years</p>	<p>April 1981      Joined Hitachi, Ltd.</p> <p>July 2010      Representative Director, Cipher Co., Ltd.</p> <p>March 2014      Outside Audit &amp; Supervisory Board Member, ASICS Corporation</p> <p>March 2015      Outside Director, Fujita Kanko Inc.</p> <p>April 2015      Outside Director, Paloma Co., Ltd.</p> <p>June 2016      President, Japan Basketball Association (current position)</p> <p>March 2018      Representative Director, SORA Corporation (current position)</p> <p>June 2018      Outside Director, The Fukui Bank, Ltd. (current position)</p> <p>June 2019      Outside Director (Audit and Supervisory Committee Member), JXTG Holdings, Inc. (currently, ENEOS Holdings, Inc.) (current position)</p> <p>June 2021      Vice President, Japanese Olympic Committee (current position)</p> <p>[Important posts concurrently held at other corporations]</p> <p>Representative Director, SORA Corporation</p> <p>Outside Director, The Fukui Bank, Ltd.</p> <p>Outside Director (Audit and Supervisory Committee Member), ENEOS Holdings, Inc.</p> <p>President, Japan Basketball Association</p> <p>Vice President, Japanese Olympic Committee</p>	500 shares


#### Independence

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.

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

Yuko Mitsuya has abundant experience and knowledge in many fields, having long been in management at several corporations and associations, filling the posts of officer and committee member at several sports associations, 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.



No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations		Number of Company's shares owned
8	 <p>Joseph P. Schmelzeis, Jr. (November 2, 1962) 60 years old Male</p> <p>Reappointment</p> <p>Outside</p> <p>Independent</p>	<p>Member of the Board</p> <p>[Incumbency] 1 year</p>	<p>July 1984</p> <p>July 1988</p> <p>April 1998</p> <p>December 1999</p> <p>November 2001</p> <p>June 2011</p> <p>June 2015</p> <p>February 2018</p> <p>March 2021</p> <p>June 2022</p>	<p>Joined Bain &amp; Company</p> <p>Vice President, American Express International</p> <p>Chief Operating Officer, Fontworks International</p> <p>Interim CEO, Crimson Ventures</p> <p>Representative Director, JPS International, Inc. (current position)</p> <p>Corporate Director, Division Manager, SEGA CORPORATION</p> <p>Senior Advisor, SEGA SAMMY HOLDINGS INC.</p> <p>Senior Advisor to the Ambassador, U.S. Embassy in Tokyo</p> <p>Executive Manager, Cedarfield Godo Kaisha (current position)</p> <p>Outside Member of the Board, DENSO CORPORATION (current position)</p>	200 shares
			<p>[Important posts concurrently held at other corporations]</p> <p>Representative Director, JPS International, Inc.</p> <p>Executive Manager, Cedarfield Godo Kaisha</p>		

#### Independence

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.

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

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

#### Notes:

- Brief personal history and important posts concurrently held at other corporations of each nominee are as of the start date of the electronic provision measures.
- The age and years of incumbency of each nominee are as of the conclusion of this 100th Ordinary General Meeting of Shareholders.
- Toyota Motor Corporation, at which Akio Toyoda currently serves as Representative Director and the Company have transactions such as sales of products. Other nominees have no special interest in the Company unless stated otherwise in 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:


- (1) The Company has notified Tokyo Stock Exchange, Inc. (TSE), of the three persons as independent directors as per the TSE Regulations. The three persons satisfy the requirements of independent directors/auditors as per the TSE Regulations. Accordingly, if their election as Outside Members of the Board is approved at the Meeting, the Company intends to notify the TSE of such status as independent director for these nominees.
  - (2) The Company has entered into a liability limitation agreement with the three persons, which limits his/her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the said Act.
7. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1, of the Companies Act, with an insurance company. The insurance covers damages and litigation expenses in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a director or officer of the Company. The insurance premiums for all the insured are fully borne by the Company. If this proposal is approved and each nominee assumes office as Member of the Board, they will be included in the insured under the said insurance contract. During their term of office, the Company intends to renew the said insurance contract with the same content.

**Proposal No. 2: Election of Three (3) Audit & Supervisory Board Members due to the Expiration of the Term of Office of Three (3) Current Audit & Supervisory Board Members**

The terms of office of Standing Audit & Supervisory Board Member Shingo Kuwamura, as well as Audit & Supervisory Board Members Yasuko Gotoh and Haruo Kitamura (three (3) members), expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, we hereby propose that you elect three (3) Audit & Supervisory Board Members.


The Audit & Supervisory Board has given its prior consent to this Proposal.

The nominees for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
1	 Shingo Kuwamura (August 16, 1959) 63 years old Male <span style="background-color: #f8d7da; padding: 2px;">Reappointment</span>	Standing Audit & Supervisory Board Member  [Incumbency] 2 years	April 1982      Joined DENSO CORPORATION June 2009      Executive Director, DENSO CORPORATION  April 2017      Senior Executive Director, DENSO CORPORATION  April 2019      Senior Executive Officer, DENSO CORPORATION  June 2021      Standing Audit & Supervisory Board Member, DENSO CORPORATION (current position)	13,700 shares


Reason for having appointed him as an Audit & Supervisory Board Member

After joining the Company, Shingo Kuwamura engaged in the production engineering and production planning departments. He served as Executive Director from June 2009, supervising the Production Promotion Center. He has also served as the President of a subsidiary of the Company in North America, President of a subsidiary in Japan, has been in charge of the Purchasing Group, and has served as CEO of Asia-Oceania, before being appointed as an Audit & Supervisory Board Member (current position) in June 2021. In addition to his abundant managerial experience as Executive Director and Senior Executive Director, he is well versed in management of overseas subsidiaries and Japanese subsidiaries. The Company has appointed him as a nominee for an Audit & Supervisory Board Member in the expectation that he will promote strengthening of supervision of and guidance to Members of the Board and CxOs in addition to ensuring thorough compliance and enhancement of corporate governance systems of the DENSO Group through his audit, particularly in manufacturing sectors, leveraging his broad knowledge and experience.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
2	 Yasuko Gotoh (February 19, 1958) 65 years old Female  <div style="display: flex; flex-direction: column; gap: 5px;"> <div style="background-color: #f08080; padding: 2px; text-align: center;">Reappointment</div> <div style="background-color: #4CAF50; padding: 2px; text-align: center;">Outside</div> <div style="background-color: #9C27B0; padding: 2px; text-align: center;">Independent</div> </div>	Audit & Supervisory Board Member  [Incumbency] 4 years	<p>April 1980      Joined the Ministry of Transport (currently, Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>June 2004      Head, New York Office, Japan National Tourism Organization (JNTO)</p> <p>October 2005    Vice Governor, Yamagata Prefecture</p> <p>July 2008      Director, Regional Transport Bureau of Hokuriku and Shinetsu Regions, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)</p> <p>July 2013      President, Policy Research Institute for Land, Infrastructure, Transport and Tourism, MLIT</p> <p>June 2015      Managing Director, Deputy General Manager of Railway Operations Headquarters and General Manager of Tourism Business Headquarters, Kyushu Railway Company</p> <p>June 2017      Managing Director in charge of Finance Department, Kyushu Railway Company</p> <p>June 2018      Director (Audit &amp; Supervisory Committee Member), Kyushu Railway Company</p> <p>March 2019     External Audit &amp; Supervisory Committee Member, Shiseido Company, Limited (current position)</p> <p>June 2019      Outside Audit &amp; Supervisory Board Member, DENSO CORPORATION (current position)</p> <p>[Important posts concurrently held at other corporations]            External Audit &amp; Supervisory Committee Member, Shiseido Company, Limited</p>	600 shares

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

Yasuko Gotoh has broad experience in land, infrastructure, transport and tourism administration; as Vice Governor of a prefecture; as Head of the JNTO New York Office; and as Managing Director of Kyushu Railway Company. She also has abundant audit knowledge of finance, accounting, and compliance with laws and regulations as she served as Director (Audit & Supervisory Committee Member) of Kyushu Railway Company and serves as External Audit & Supervisory Committee Member (current position) of Shiseido Company, Limited. The Company has appointed her as a nominee for an Audit & Supervisory Board Member in the expectation that her broad experience and deep insight will continue to be reflected in the Company's audits.

No.	Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
3	 <p>Haruo Kitamura (August 21, 1958) 64 years old Male</p> <p>Reappointment</p> <p>Outside</p> <p>Independent</p>	<p>Audit &amp; Supervisory Board Member</p> <p>[Incumbency] 4 years</p>	<p>September 1983      Joined Arthur Andersen Konin Kaikeishi Kyodo Jimusho (currently, KPMG AZSA LLC)</p> <p>March 1987        Registered as Public Certified Accountant</p> <p>August 2002      Chief, Kitamura Certified Public Accountant Office (current position)</p> <p>June 2004        Outside Auditor, ROHM Co., Ltd</p> <p>December 2005    Outside Director, Sumisho Grainger Co., Ltd. (currently, MonotaRO Co., Ltd.)</p> <p>June 2006        Supervisory Director, MID REIT, Inc. (currently, Japan Metropolitan Fund Investment Corporation)</p> <p>June 2009        Outside Corporate Auditor, Yamaha Corporation</p> <p>June 2010        Outside Director, Yamaha Corporation</p> <p>June 2015        Outside Corporate Auditor, ASMO Co., Ltd. (currently, DENSO CORPORATION)</p> <p>October 2015     Outside Corporate Auditor, LEGAL CORPORATION (currently, LeTech CORPORATION) (current position)</p> <p>June 2019        Outside Audit &amp; Supervisory Board Member, DENSO CORPORATION (current position)</p> <p>[Important posts concurrently held at other corporations] Chief, Kitamura Certified Public Accountant Office Outside Corporate Auditor, LeTech CORPORATION</p>	1,500 shares

Reason for having appointed him as an Outside Audit & Supervisory Board Member

Haruo Kitamura has long experience in corporate management at many corporations in addition to his abundant career and deep knowledge as a Certified Public Accountant. He currently serves as an outside officer at several corporations, as well as holding the post of Chief of Kitamura Certified Public Accountant Office. The Company has appointed him as a nominee for an Audit & Supervisory Board Member expecting that his deep insight into accounting and his long experience in corporate management will continue to be applied in the Company's audits.

Notes:

- Brief personal history and important posts concurrently held at other corporations of each nominee are as of the start date of the electronic provision measures.
- The age and years of incumbency of each nominee are as of the conclusion of this 100th Ordinary General Meeting of Shareholders.
- Each nominee has no special interest in the Company.
- Yasuko Gotoh and Haruo Kitamura are the nominees for Outside Audit & Supervisory Board Members, as stipulated in Article 2, Paragraph 3, Item 8, of the Ordinance for Enforcement of the Companies Act. The matters related to the two persons are as follows:
  - The Company has notified Tokyo Stock Exchange, Inc. (TSE), of the two persons as independent auditors as

per the TSE Regulations. The two persons satisfy the requirements of independent directors/auditors as per the TSE Regulations. Accordingly, if their election as Outside Audit & Supervisory Board Members is approved at the Meeting, the Company intends to notify the TSE of such status as independent auditor for these nominees.

- (2) The Company has entered into a liability limitation agreement with the two persons, which limits his/her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the said Act.
5. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1, of the Companies Act, with an insurance company. The insurance covers damages and litigation expenses in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a director or officer of the Company. The insurance premiums for all the insured are fully borne by the Company. If this proposal is approved and each nominee assumes office as Audit & Supervisory Board Member, 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 Yasuko Gotoh and Haruo Kitamura who will assume office as Outside Audit & Supervisory Board Members if Proposal No. 2 is approved as originally proposed. If the nominee takes office of Audit & Supervisory Board Member replacing one of the members, the nominee will serve the remaining term of the incumbent member leaving the post before his/her full term of office expires. The Audit & Supervisory Board has given its prior consent to this proposal. The nominee for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Position and responsibilities	Brief personal history and important posts concurrently held at other corporations	Number of Company's shares owned
 <p>Hiromi Kitagawa (November 4, 1962) 60 years old Female</p> <p>Reappointment Outside Independent</p>	—	<p>April 1996 Registered as a lawyer Joined Nankan Law Office (currently, GROWTH Legal Professional Corporation)</p> <p>July 2003 Partner lawyer, Nankan &amp; Kitagawa (currently, GROWTH Legal Professional Corporation)</p> <p>April 2014 Director, Chubu Federation of Bar Associations</p> <p>April 2016 Vice Chairman, Aichi Bar Association</p> <p>April 2017 Professor, Nanzan Graduate School of Law (current position)</p> <p>April 2022 Representative Partner, GROWTH Legal Professional Corporation (current position)</p> <p>June 2022 Outside Director, Nippon Air Conditioning Services Co., Ltd. (current position)</p> <p>[Important posts concurrently held at other corporations] Representative Partner, GROWTH Legal Professional Corporation Professor, Nanzan Graduate School of Law Outside Director, Nippon Air Conditioning Services Co., Ltd.</p>	0 shares

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

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

#### Notes:

- Brief personal history and important posts concurrently held at other corporations of the nominee are as of the start date of the electronic provision measures.
- The age of the nominee is as of the conclusion of this 100th Ordinary General Meeting of Shareholders.
- The nominee has no special interest in the Company.
- Hiromi Kitagawa is the nominee for an Outside Audit & Supervisory Board Member, as stipulated in Article 2, Paragraph 3, Item 8, of the Ordinance for Enforcement of the Companies Act. The matters related to this person are as follows:

- (1) She satisfies the requirements of independent directors/auditors as per the TSE Regulations. Accordingly, if she assumes the post of Outside Audit & Supervisory Board Member, the Company intends to notify the TSE of such status as independent auditor for the nominee.
  - (2) If she assumes the post of Outside Audit & Supervisory Board Member, the Company intends to enter into a liability limitation agreement with her, which limits her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of said Act.
5. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1, of the Companies Act, with an insurance company. The insurance covers damages and litigation expenses in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a director or officer of the Company. The insurance premiums for all the insured are fully borne by the Company. If this proposal is approved and Hiromi Kitagawa assumes office as Audit & Supervisory Board Member, she will be included in the insured under the said insurance contract.



**(Reference)**

<Composition of the Audit & Supervisory Board>

The current Audit & Supervisory Board Members are as follows:

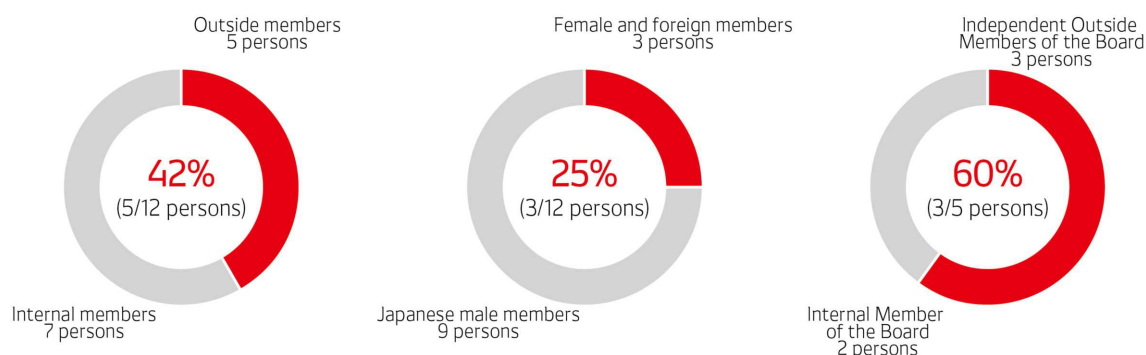
\*If Proposal No. 2 is approved

Name		Current posts in the Company	Years of incumbency
Shingo Kuwamura	Reappointment	Standing Audit & Supervisory Board Member	2 years
Motomi Niwa	Incumbent	Standing Audit & Supervisory Board Member	5 years
Yasuko Gotoh	Reappointment Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Audit & Supervisory Board Member	4 years
Haruo Kitamura	Reappointment Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Audit & Supervisory Board Member	4 years

<Corporate Governance Highlight>

\*If Proposals No. 1 and No. 2 are approved

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



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

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

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

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 (up to 5 items) are as shown in the table below.

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

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

The Origins of DENSO

# DENSO Heritage Center



## Passing on the energy and thoughts of our predecessors to the future

The business environment has changed drastically, and we are now in our second founding period. Under the philosophy of “Green, Peace of Mind, and Inspiring” we are tackling various challenges such as CASE and carbon neutrality. No matter how the business environment changes, however, our spirit of “Realizing an even better society,” which is encapsulated in the DENSO Creed, remains our starting point today just as it was when our creed was set.

In December 2021, we opened the DENSO Heritage Center at our headquarters. This provides a place where employees can reflect on DENSO’s history and the ideas of our predecessors and how they overcame various challenges at the time of the Company’s founding. Covering our three origins, namely, Company’s founding, quality, and safety, the Heritage Center gives employees an opportunity to think about what they themselves want to pass on to the next generation.

The exhibits are designed to evoke a sense of immediacy at the time of the founding, conveying the energy and ideas of those who came before us. There is also a space for reflecting quietly on the learning experience, and a board where visiting employees can share messages.

Through the DENSO Heritage Center, we will ask ourselves what we should do now as employees to pass on the baton to future generations of DENSO.



## **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, 2023, the world economy showed a gradual recovery trend as restrictions on economic activities caused by COVID-19 eased. Meanwhile, the prolonged Russian invasion of Ukraine led to global shortages of energy and grains, and soaring prices, especially for these commodities. In addition, the global economy remained uncertain due to concerns of recession caused by factors such as monetary tightening in Europe and the U.S., as well as domestic and international turmoil caused by zero-COVID policy in China.

#### 2) Summary of business

In the fiscal year ended March 31, 2023, although vehicle production was affected by factors such as the shortage of semiconductors and the lockdown in China, the recovery trend continued throughout the year. Furthermore, sales increased year on year as a result of steady sales expansion, especially in the focus area of electrification-related products. Profits also grew year on year due to rationalization through in-house efforts on a global basis and price reflection of cost increases, amid a severe external environment with rising costs for parts, materials, logistics, and energy. At the same time, we strengthened our efforts to improve competitiveness throughout the supply chain and economic cycle through means such as signing long-term contracts and strengthening partnerships with semiconductor manufacturers to ensure stable procurement of semiconductors, and changing the payment of mold costs from installment payments to lump-sum payments. We will continue to take on the challenge of achieving a sustainable society by both solving social issues and enhancing corporate value.

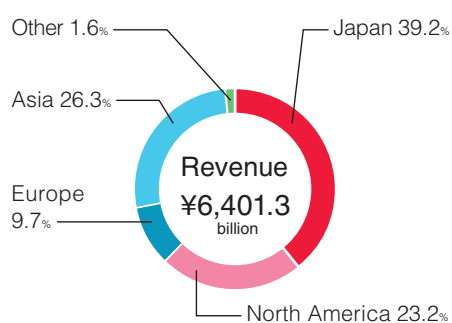
### 3) Operating results for the fiscal year ended March 31, 2023

Revenue of the Group increased by ¥885.8 billion or 16.1% year on year to ¥6,401.3 billion for the year ended March 31, 2023, owing to the sales expansion in the areas of electrification and advanced safety and recovery in vehicle production. Operating profit increased by ¥84.9 billion or 24.9% to ¥426.1 billion, owing to foreign exchange gains, enhanced rationalization and ability to respond to changes, and other efforts. As a result, both revenue and operating profit rose record highs. Consequently, profit before income taxes increased by ¥72.1 billion or 18.7% to ¥456.9 billion, and profit attributable to owners of the parent company increased by ¥50.7 billion or 19.2% to ¥314.6 billion.

<b>Revenue</b> <b>¥6,401.3</b> billion <b>16.1%</b> y/y increase	<b>Operating profit</b> <b>¥426.1</b> billion <b>24.9%</b> y/y increase	<b>Profit attributable to owners of the parent company</b> <b>¥314.6</b> billion <b>19.2%</b> y/y increase
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### Revenue by geographical segment

(Billions of yen)



(Ratio of sales to external customers)

	99th Term (April 2021–March 2022)	100th Term (April 2022–March 2023)	Rate of change (%)
● Japan	3,515.1	3,705.8	5.4
● North America	1,160.2	1,504.1	29.6
● Europe	561.4	685.6	22.1
● Asia	1,637.9	1,931.7	17.9
● Other	76.6	101.2	32.1
Total	6,951.2	7,928.3	14.1
Total Intersegment internal sales	(1,435.7)	(1,527.0)	—
Sales to external customers	5,515.5	6,401.3	16.1

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

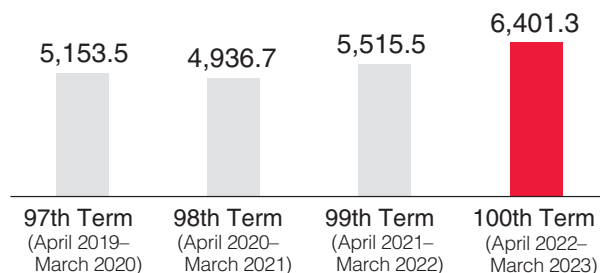
### IFRS

(Millions of yen)

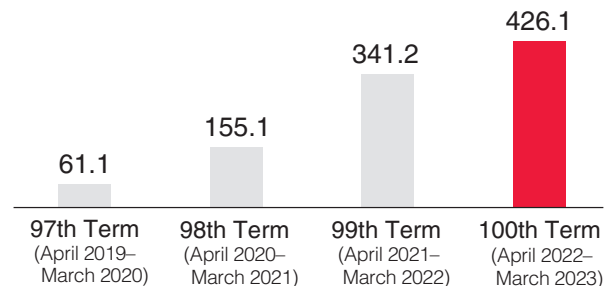
Account Item	97th Term (April 2019– March 2020)	98th Term (April 2020– March 2021)	99th Term (April 2021– March 2022)	100th Term (April 2022– March 2023)
Revenue	5,153,476	4,936,725	5,515,512	6,401,320
Operating Profit	61,078	155,107	341,179	426,099
Profit before Income Taxes	89,631	193,753	384,808	456,870
Profit Attributable to Owners of the Parent Company	68,099	125,055	263,901	314,633
Basic Earnings per Share (yen)	87.89	161.39	342.77	416.01
Equity Attributable to Owners of the Parent Company	3,397,136	3,891,012	4,299,357	4,376,928
Total Assets	5,651,801	6,767,684	7,432,271	7,408,662

# IFRS

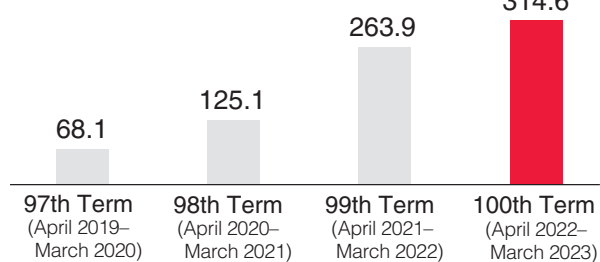
Revenue (Billions of yen)



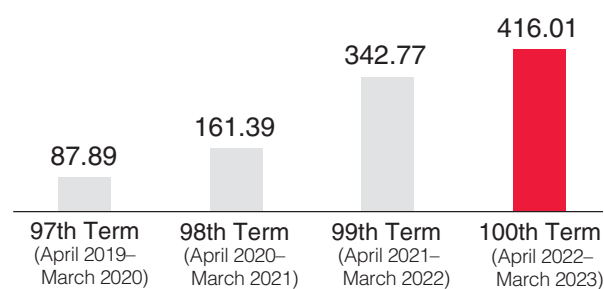
Operating Profit (Billions of yen)



Profit Attributable to Owners of the Parent Company (Billions of yen)

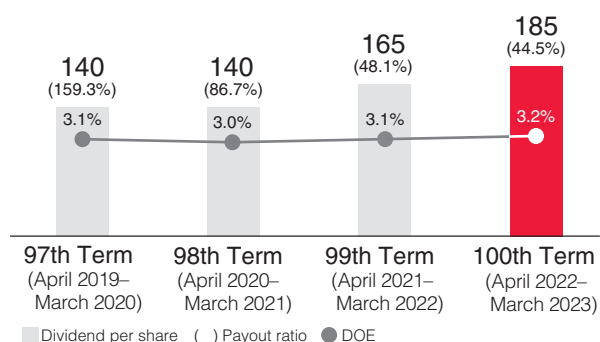


Basic Earnings per Share (Yen)



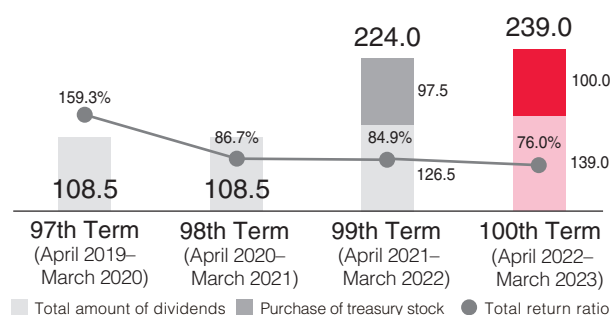
Annual Dividends per Share (Payout Ratio) and DOE\* (Yen)

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



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

\* $(\text{Total amount of dividends} + \text{Purchase of treasury stock}) \div (\text{Profit attributable to owners of the parent company})$



### (3) Initiatives during the Year –Batons passed on–

## Green

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

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

#### Three key fields for realization of carbon neutrality

Manufacturing

Mobility products

Energy use

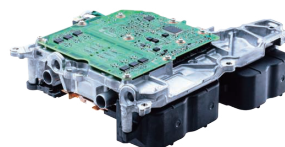
#### DENSO Fukushima demonstrates “local production for local consumption” of hydrogen

DENSO Corporation, DENSO Fukushima Corporation and Toyota Motor Corporation will jointly start a demonstration project to produce green hydrogen at DENSO Fukushima's plant\* and use the hydrogen at the plant. Through this demonstration project, we aim to build a model of local production for local consumption of hydrogen and realize a carbon-neutral plant.



#### DENSO made a market launch of its first inverter using SiC power semiconductors

We have developed our first inverter using SiC (silicon carbide) power semiconductors. This product was incorporated into BluE Nexus Corporation's eAxle, which is installed in LEXUS' first dedicated electric vehicle (BEV) model RZ. These SiC power semiconductors are made of a semiconductor material that significantly reduces power loss\*, contributing to higher energy efficiency and longer cruising ranges for BEVs.



\*Above two efforts are supported by the New Energy and Industrial Technology Development Organization (NEDO).



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## Peace of Mind

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### 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, natural disasters, and the declining birthrate and population aging, we will promote initiatives to become a leading company that provides “peace of mind” to society.

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

Zero traffic fatalities

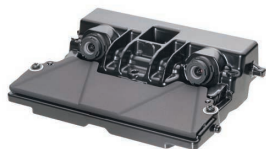
Comfortable space

Support for workers

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#### Broadening our safety products across vehicle models and geographies

We are developing safety products that can be widely used in all types of vehicles. The stereo vision sensor\*1 we developed in 2016 is compact, lightweight, and easy to install. It is widely used in light passenger and commercial vehicles and compact cars, and deployed throughout the region of Asia, including Japan. It was initially used for vehicles produced in Malaysia in 2017, followed by Indonesia, Taiwan, Vietnam and, in 2022, by Thailand.

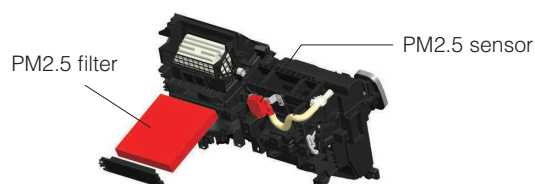


Stereo vision sensor

\*1 Supports emergency braking systems to avoid collisions and lane departure warning systems by detecting obstacles such as pedestrians and vehicles, as well as lane markers and measuring the distance from the vehicle to the objects.

#### Mass production of air conditioners that filter out PM2.5, offering peace of mind

In addition to our safety products such as vision sensors and rear-side millimeter-wave sensors, the compact sedan whose production began at Toyota Motor Corporation’s plant in Thailand in 2022 features air conditioners that filter out PM2.5 particles to provide a comfortable space. The car is very popular in Thailand and will be exported to more than 35 countries around the world.



Part of HVAC for PM2.5 AUTO removal air-conditioning system

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## Technology Foundation

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### Our approach to in-vehicle semiconductors

Having established the IC Research Center in 1968, we have been producing in-vehicle semiconductors for about half a century, accumulating technological expertise. Tapping into these strengths, we will focus on stable procurement and development in the three areas of microcomputers and SoCs\*, power and analog, and sensors.

\*System-on-a-Chip

#### Microcomputers and SoCs

Strengthening collaboration with specialized manufacturers to promote the establishment of a system to develop and stably procure high-quality in-vehicle semiconductors while leveraging the cutting-edge consumer technologies. (Investment in Rapidus Corporation)

#### Power and Analog

Reinforcing the foundations of our competitiveness and supply capacity by developing technology in-house and strengthening in-house manufacturing capabilities, as well as through building alliances with partners. (Collaboration with USJC)

#### Sensors

While strengthening internal R&D, we have achieved strong development collaboration with highly specialized semiconductor vendors.

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### Investment in Rapidus Corporation

Aligning with the strategy of Rapidus Corporation, which primarily conducts research into and manufacturing of advanced logic semiconductors, we invested in the company along with seven other companies in Japan. We will accelerate the development of SoCs, cutting-edge logic semiconductors that look ahead to the future evolution of in-vehicle architecture, to establish an ecosystem of automotive logic semiconductors and strengthen the competitiveness of our system products.

### Collaboration with USJC

DENSO and USJC, a leading semiconductor foundry, have agreed to collaborate in the production of automotive power semiconductors. Mass production shipment has started from May 2023. By combining our system-oriented IGBT\* device and process technologies with USJC's 300mm wafer manufacturing technologies, we will enable stable procurement of power semiconductors essential for electric vehicles and contribute to the electrification of cars.

\*IGBT: Insulated Gate Bipolar Transistor

## Business Foundation

### Initiatives to support business activities and enhance corporate value

We are actively working to strengthen our business foundation with the aim of becoming a company that practices true sustainability management and that is inspiring for the society. Through a number of initiatives, including the publication of the “DENSO Group Human Rights Policy” in 2021, we will realize our philosophy of “Green, Peace of Mind, and Inspiring” and enhance our corporate value.

### Introduced “PROGRESS,” a new human resources policy

To realize our philosophy of “Green, Peace of Mind, and Inspiring,” we will continue to be a company that realizes new “can-do” solutions and implements and disseminates them in society. Our vision for our people and organization is to become “a group of professionals with the ability to turn ideas into reality.” Based on that vision, we are introducing a new human resources policy and system called “PROGRESS.” In the fiscal year ended March 31, 2023, we enhanced various measures such as career design training, recurrent education, in-house job offerings, and an external trainee system to strengthen support for employees who were challenging their own best to continue growing.

### Disclosure in line with TCFD recommendations

DENSO endorses the “Task Force on Climate-related Financial Disclosure (TCFD)\*.” We disclose information on relevant initiatives in our Integrated Report and on our website in accordance with its recommendations. Climate change is an important issue that will have a significant impact on our business in the future. We will therefore identify the impact of climate change on our business and reflect specific business opportunities and risks in our business strategies and financial plans so that we can achieve sustainable growth.

\*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.

## PROGRESS



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## Inspiring

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### Selected for NEDO Green Innovation Fund project

DENSO was selected for three projects supported by the Green Innovation Fund of the New Energy and Industrial Technology Development Organization (NEDO), including popularizing mobility products and systems with high environmental performance, and developing new technology for atmospheric carbon capture and reuse.



Further details of the Green Innovation Fund project are available here  
<https://green-innovation.nedo.go.jp/en/>



CO2 Circulation Plant

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### Highest rating in “climate change” and “water security” by CDP\*

In an assessment in the environment area conducted by the international ESG assessment organization CDP, DENSO was given the highest rating of “A-list” company for its excellent efforts in the areas of “climate change” and “water security,” as well as in information disclosure.

\*In Japan, 74 companies selected in the area of climate change and 35 companies in the area of water security



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### DENSO receives IEEE\*1 Corporate Innovation Award

DENSO received the “IEEE Corporate Innovation Award” from IEEE for developing the “QR Code\*2” and helping to spread its use globally. The IEEE Corporate Innovation Award, one of the most prestigious technical awards in the world, is presented to organizations that have made a global impact with innovative technologies and products and contributed to the development of electrical and electronic engineering. DENSO is the sixth Japanese company to have received this award.



\*1 The Institute of Electrical and Electronics Engineers, Inc.

The world's largest international association for electrical and electronic engineering, headquartered in the United States

\*2 QR Code is a registered trademark of DENSO WAVE Incorporated.

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## (4) Our Challenge toward Future Growth

Guided by our philosophy of “Green, Peace of Mind, and Inspiring,” DENSO has long been committed to the realization of “safe and valuable mobility” and “environmentally-friendly manufacturing.” At the same time, the world is changing rapidly, and global social issues are also becoming more serious.

### Deepening social issues



Climate change, population growth,  
lack of resources, etc

### Calls for a circular society



Mandatory use of renewable energy  
and recycled materials

### Advances in digitalization



Cyber-physical systems where  
physical information is digitalized  
and analyzed in a virtual space are  
becoming a reality

### Diversifying values



From generational to regional  
differences, values are becoming  
more diverse

### What we can do now

To expand the “cycle of well-being” from mobility to broader society, we will follow an approach that we call “The Five Flows” through which we aim to relentlessly continue social activities and respond to diverse values and enable well-being. By interconnecting “The Five Flows” and controlling them in an integrated manner, we aim to bring about a well-being cycle society.

# The Five Flows toward the Realization of a Well-being Cycle Society: Connecting to the Future

DENSO's strengths lies in the "mobility of people and goods" as a mobility company; "optimization of energy and resources" as a manufacturer; and "data generation and management" as an inventor of the QR code. By applying these strengths, we aim to connect "The Five Flows" and expand the circle of mobility to the circle of society as a whole to create a well-being cycle society.

## Value proposition

Safe and valuable mobility	Free movement of people	Developing technologies that support safe driving by integrating, not only the recognition of hazards around the vehicle, but also factors such as the driver's condition, with the ultimate aim of achieving zero fatalities from traffic accidents. Contributing to the changing values of mobility with various technologies and developments.
	Flow of goods	Optimizing people, goods, and time throughout logistics by combining automated driving and advanced operation systems with the aim of helping to solve social issues such as shortage of drivers and increased loads.
Environmentally-friendly manufacturing	Energy utilization	Building an energy circulation system that combines various types of energies such as electricity, hydrogen, and fuels with the aim of achieving carbon-neutral manufacturing and promoting its widespread use.
	Minimization of resource requirements	Realizing the resource circulation of automobiles by using automation technology and material technology cultivated through manufacturing, which support the manufacturing of automobiles used in harsh conditions, with the aim of minimizing resources requirements while environmentally-friendlier manufacturing of vehicles.
Connect the flows to maximize value	Flow of data	Providing better services by building a foundation that connects people, cars, society, industry, and consumers, including building a standard data platform that connects supply chains with data.

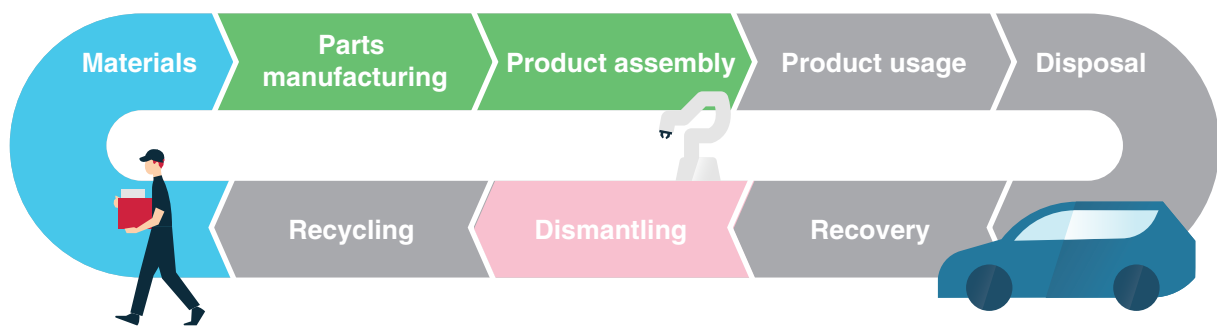
## Old Car Recycled into “Eco-friendly Car”

A key task toward solving environmental pollution and resource depletion is to take recycled materials and biodegradable bio-technology materials from used products and utilize them in new vehicles. Taking advantage of the high-speed automation technology cultivated by our manufacturing, we will extract high-purity materials\* by automatically dismantling used cars, working on the development of (car-to-car) technology to rebuild them into vehicles with low environmental impact.

By building an ecosystem that recycles automobile resources, we will create a new flow that minimizes resource requirements and contribute to the development of sustainable mobility.

\*High-purity materials: Materials such as resins and metals that have few impurities

### Manufacturing and resource recycling utilizing DENSO’s strengths



**Materials development**  
Developing new materials with low environmental impact, such as bio-derived and rare earth-free materials and materials that are slow to deteriorate

**Parts manufacturing and product assembly**  
Product design that is easy to dismantle, recycle, and maintain

**Automatic dismantling of each material**  
Disassembly of waste products by reverse engineering of high-speed production lines

## Traceability System to Maximize Data Utilization

From consumer awareness of “environmental and human rights issues” to the focus of businesses on “in-house product management needs,” there is a growing demand for visualization of the manufacturing and distribution processes. We have combined our proprietary technology of QR code and blockchain\* to build a mechanism that traces the data of the manufacturing and distribution process throughout the supply chain. Going forward, we will develop a traceability system for the entire automotive industry covering not only product information for items such as batteries but also data such as Scope 3 CO2 emissions. We will also pursue a flow of data that shares data with other industries, contributing to a sustainable, circular society.

\*Blockchain is a recently developed technology for protecting data from falsification. It uses cryptographic technology as a mechanism for recording transaction history etc. as a single chain from the past. This allows the flow of goods and things to be traced throughout the supply chain.

### DENSO’s contributions to the “flow of data”



#### Individuals

Showing the entire history of a product as a mechanism for enabling users to purchase and use products with peace of mind



#### Manufacturers and distributors

Managing all information on products and components to contribute to strengthening risk management in areas such as quality management and also to enhancing corporate value



#### Industry as a whole

Managing information over the entire life cycle to help provide an understanding of carbon emissions, recycling rates, and substances that have an environmental impact



#### Global

Realizing global traceability by building a platform that conforms to the business practices of countries and regions and connecting with overseas countries

### DENSO’s own QR code

"QRinQR" can suppress the increase in production and logistics work and investment in traceability management by displaying information from two types of QR codes in a single QR code. In addition, "Copy-protected QR" can prevent counterfeiting of QR codes for branded products.



QR in QR






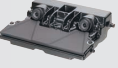
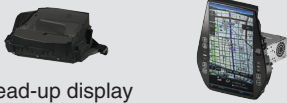




Copy-protected QR



## (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>Alternator      COA HVAC (Car air-conditioning system)</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>Lithium ion battery pack      Cold storage evaporator</p> <p>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>Airbag ECU 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>Head-up display      Touch display</p> <p>Controls for navigation, air conditioning and audio are all on a single screen to support comfortable driving.</p>	
	Inspiring	<p>Establishing a society where people are supported and their potential is nurtured by introducing automation technology to physical distribution and agriculture</p>	 <p>Handy terminal Contributing to enhancement of operational efficiency in various fields, including distribution, retail and healthcare services</p>	 <p>Articulated robot</p>

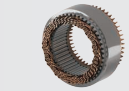
\*1 SiC: Silicon carbide. Material for key devices that accelerate electrification

\*2 LiDAR: Light Detection and Ranging

\*3 HEMS: Home Energy Management System

## New products

## Future technology



Motor generator



Heat pump system



Power semiconductor



Power module

Power module equipped with SiC\*<sup>1</sup>  
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\*<sup>2</sup>

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

The product supports safe driving.



Horticultural facility-related products



HEMS\*<sup>3</sup>

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



CO<sub>2</sub> Circulation Plant

We have launched a demonstration project to produce and use green hydrogen at our plant.



PEM electrolyzer system demonstration facility



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



Dynamic wireless power transfer system



AD sensor kit

Jointly with Israel-based Electreon Wireless Ltd. and Toyota Motor Corporation, we are developing a system for transferring electricity wirelessly from roads, etc. to a vehicle so that the vehicle can travel longer distance with a smaller battery.

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	79,304	(16,129)
North America	22,722	(1,931)
Europe	14,142	(2,651)
Asia	45,568	(10,078)
Other Regions	2,836	(110)
Total	164,572	(30,899)

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 ¥366.8 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, 2023 was ¥889.3 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	25,000
MUFG Bank, Ltd., Syndicate Loan	10,000
Resona Bank, Limited.	10,000
Shinkin Central Bank	10,000
The Bank of Kyoto, Ltd.	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	497,000

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.	USD80 thousand	100.00	Sale of automotive components
DENSO MEXICO S.A. DE C.V.	MXN593,297 thousand	95.00*	Manufacture and sale of automotive components
DENSO EUROPE B.V.	EUR1,361 thousand	100.00*	Sale of automotive components
DENSO MANUFACTURING HUNGARY LTD.	EUR190,912 thousand	100.00*	Manufacture and sale of automotive components
DENSO INTERNATIONAL ASIA PTE., LTD. (Singapore)	USD175,240 thousand	100.00	— Regional headquarters for Asia — Sale of aftermarket products
DENSO (THAILAND) CO., LTD.	THB200 million	51.65*	Manufacture and sale of automotive components
SIAM DENSO MANUFACTURING CO., LTD.	THB2,816 million	90.00*	Manufacture and sale of automotive components
DENSO SALES (THAILAND) CO., LTD.	THB100 million	100.00*	Sale of automotive components
PT. DENSO SALES INDONESIA	IDR9,975 million	100.00*	Sale of automotive components
DENSO (CHINA) INVESTMENT CO., LTD.	CNY2,150 million	100.00	Headquarters for China Sale of and R&D on automotive components
TIANJIN DENSO ELECTRONICS CO., LTD.	CNY585 million	93.46*	Manufacture and sale of automotive components
GUANGZHOU DENSO CO., LTD.	CNY191 million	60.00*	Manufacture and sale of automotive components

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

## 2. SHARES OF THE COMPANY

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

(2) Total Number of Issued Shares: 748,855,973 shares (excluding treasury stock of 39,088,978 shares)

(3) Number of Shareholders: 86,182 persons

### (4) Major Shareholders

Name of Shareholder	Investment in the Company	
	Number of Shares Held (Thousand shares)	Ratio of Voting Rights (%)
Toyota Motor Corporation	180,949	24.16
The Master Trust Bank of Japan, Ltd. (Trust account)	88,112	11.76
Toyota Industries Corporation	69,373	9.26
Custody Bank of Japan, Ltd. (Trust account)	36,387	4.85
TOYOTA FUDOSAN CO., LTD.	33,309	4.44
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	21,664	2.89
DENSO Employees' Shareholding Association	13,011	1.73
AISIN CORPORATION	12,544	1.67
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	8,077	1.07
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	7,391	0.98

Notes:

1. The Company holds treasury stock of 39,089 thousand shares, but is excluded from the list of major shareholders above.
2. "Ratio of Voting Rights" is calculated after excluding the treasury stock of 39,089 thousand shares.
3. "Investment in the Company" by Toyota Industries Corporation is stated after excluding the Company's 6,798 thousand shares (ratio of voting rights: 0.90%), which are contributed as a trust asset for employees' retirement benefits by Toyota Industries Corporation. (These shares are registered in the name of "Custody Bank of Japan, Ltd. (Trust Account of Toyota Industries Corporation Employees' Retirement Benefits for the Re-trust by Sumitomo Mitsui Trust Bank, Limited)," and Toyota Industries Corporation reserves the right of instruction in exercising the shares' voting rights.)

### (5) 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)	5 thousand shares of common stock of the Company	4

## (Reference) Matters concerning shares held by the Company

### 1) Policy on cross-shareholdings

The Company is actively working to reduce its low-profit assets, and its basic policy is not to hold cross-shareholdings unless the rationale for such holdings is recognized. In addition, in order to sustainably increase corporate value, we consider it essential to collaborate with various companies for joint technological development and to maintain and strengthen relationships with business partners, etc., and for this reason we hold the minimum number of shares required for our business strategy.

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

During the fiscal year under review, we sold all of three listed issues and partially sold four issues (sales amount: 44.2 billion yen). Since the revision of the Corporate Governance Code in June 2018, the number of issues held as cross-shareholdings has decreased from 44 to 21 in the four years since the end of March 2019. Going forward, we will continue to create corporate value by continuing to further reduce cross-shareholdings and channeling the cash generated into investments necessary for our growth strategy.

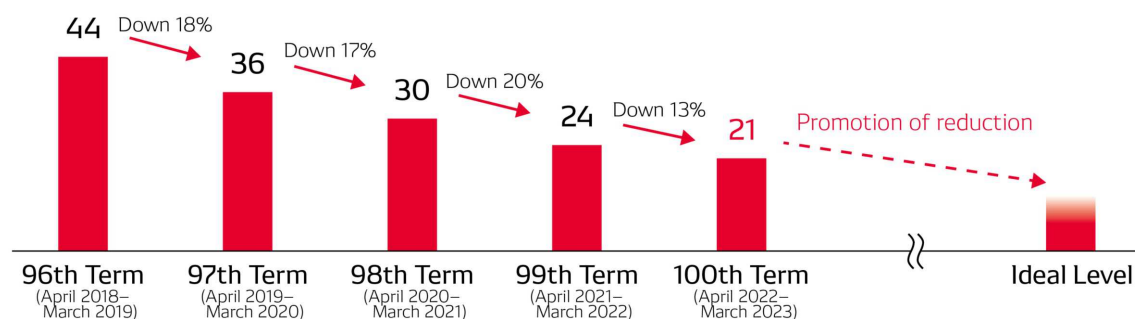
### 2) Criteria for exercise of voting rights

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

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

## Cross-shareholdings

(Number of issues)



### 3. OFFICERS OF THE COMPANY

#### (1) Members of the Board

Name	Position	Assignment in the Company and Important Posts Concurrently Held at Other Corporations
Koji Arima	President & CEO Member of the Board*	CEO (Chief Executive Officer) (Important posts concurrently held at other corporations) Chairman, Japan Auto Parts Industries Association
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), Purchasing Group (Important posts concurrently held at other corporations) Director, ADVICS Co., Ltd.
Kenichiro Ito	Member of the Board Senior Executive Officer	CHRO (Chief Human Resources Officer), General Administration & Human Resources Center (Important posts concurrently held at other corporations) Outside Director, TOYOTA BOSHOKU CORPORATION
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 Outside Audit & Supervisory Board Member, JTEKT 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.
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
Joseph P. Schmelzeis, Jr.	Member of the Board Outside Member of the Board Independent Director	(Important posts concurrently held at other corporations) Representative Director, JPS International, Inc. Executive Manager, Cedarfield Godo Kaisha

Notes:

1. The Members of the Board marked with an asterisk (\*) are representative directors.
2. Members of the Board Shigeki Kushida, Yuko Mitsuya and Joseph P. Schmelzeis, Jr. are Outside Members of the Board (outside directors), as stipulated in Article 2, Paragraph 15, of the Companies Act.
3. The Company has notified TSE of the names of Members of the Board Shigeki Kushida, Yuko Mitsuya and Joseph P. Schmelzeis, Jr. as independent directors.
4. The Company has entered into a liability limitation agreement with Members of the Board Akio Toyoda, Shigeki Kushida, Yuko Mitsuya and Joseph P. Schmelzeis, Jr., which limits his/her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of the said Act.
5. George Olcott retired from the post of Member of the Board, due to the expiration of his term of office as of the conclusion of the 99<sup>th</sup> Ordinary General Meeting of Shareholders held on June 21, 2022.



6. Change in the important posts concurrently held at other corporations by Members of the Board by the start date of the electronic provision measures is as follows:

Name	Position	Important posts concurrently held at other corporations
Akio Toyoda	Member of the Board	Chairman of the Board of Directors, Toyota Motor Corporation Chairman, Japan Automobile Manufacturers Association, Inc. Director, HAMANAKODENSO CO., LTD.

## (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.

## (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 at its meeting on March 8, 2021 based on the content of the deliberation by the Executive Nomination and Remuneration Council.

In addition, the Board of Directors resolved at its meeting on May 23, 2022 to revise the determination policy with the aim of further strengthening incentives in line with the following basic policy.

<Key revisions to the determination policy>

- To improve motivation to improve corporate performance and to further share value with shareholders, the ratio of basis compensation, which previously accounted for about 60% of total compensation, was reduced and the ratio of share-based compensation was increased.
- ROIC and sustainability score were added to the corporate performance indicators for performance-linked compensation in order to enhance corporate value by strengthening the profit structure and promoting sustainability management. In addition, the standard for consolidated operating profit was changed from the previous fixed amount of ¥320 billion yen to the annual target for the fiscal year in question.
- In order to motivate individuals to produce results, the Company expanded the scope of compensation reflecting individual assessments from ±10% of total compensation.

i) Basic policy

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

ii) Composition of remuneration

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

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

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

iii) Level of compensation

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

iv) Method of determination of performance-linked compensation

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

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

Indicators	Evaluation weight	Evaluation method	Results
Consolidated operating profit	70%	Evaluation based on the degree of achievement of targets for the fiscal year in question	¥ 426.1 billion
ROIC	20%	Evaluation based on the degree of achievement of targets for the fiscal year in question	6.1%
Sustainability score	10%	Evaluation based on the overall achievement of the following priority issues in the Company's sustainability management for the fiscal year in question <Priority issues> 1) Workplace safety; 2) Quality; 3) Total CO <sub>2</sub> emissions; 4) Information security; 5) Employee engagement; 6) Dissemination of "green" and "peace of mind" products; 7) Local human resources as head of overseas bases; and 8) Number of women in management positions	5 items/8 items

Note: ROIC is calculated as follows:

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

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

v) Matters related to share-based compensation

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

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

vi) Method of determination of remuneration

The Company has established the Executive Nomination and Remuneration Council, which is chaired by an independent Outside Member of the Board and a half or more than a half of whose members 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 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, Representative Director, Executive Vice President Yukihiro Shinohara, Standing Audit & Supervisory Board Member Shingo Kuwamura, Independent Outside Member of the Board Yuko Mitsuya, and Independent Outside Member of the Board Joseph P. Schmelzeis, Jr.

<Activities of the Executive Nomination and Remuneration Council>

The Executive Nomination and Remuneration Council was held in May 2022, November 2022, and March 2023 concerning the determination of the amount of compensation, etc. in the current fiscal year, and the attendance rate of the council members at each meeting was 100%. The main topics of deliberation were as follows:

- Compensation levels by position and responsibility
- Evaluation of the performance of indicators for fiscal 2022
- Evaluation of individual assessments
- Determination of the amount of compensation for each individual
- Revision of the executive compensation system

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

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

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

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

Officer Category	Total Amount of Remuneration, etc. (Millions of yen)	Total amount by type of remuneration, etc. (Millions of yen)			Number of Eligible Officers
		Fixed compensation	Performance-linked compensation		
		Basic compensation	Bonus	Share-based compensation	
Members of the Board	501	267	132	102 (13.7 thousand shares)	9
(Portion of Outside Members of the Board)	(49)	(49)	(-)	(-)	(4)
Audit & Supervisory Board Members	119	119	-	-	4
(Portion of Outside Audit & Supervisory Board Members)	(26)	(26)	(-)	(-)	(2)
Total	620	386	132	102 (13.7 thousand shares)	13

Notes:

1. The amounts above include the remuneration, etc. for George Olcott, who retired from the post of Member of the Board at the conclusion of the 99th Ordinary General Meeting of Shareholders held on June 21, 2022.
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 15, 2023.
3. Based on the resolution by the Board of Directors at its meeting held on May 15, 2023, 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, 2023 for reference.

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

Category	Name	Major Activities and Fulfillment of Their Expected Role
Outside Members of the Board	Shigeki Kushida	He attended 13 of 13 Board of Directors meetings held in the fiscal year. At these meetings, he remarked on the Company's general management affairs based on his experience at the Bank of Japan and broad expertise in global monetary economy. As the chair of the Executive Nomination and Remuneration Council, he wrapped up the revision of the officer system and discussion on the succession plan.
	Yuko Mitsuya	She attended 13 of 13 Board of Directors meetings held in the fiscal year. At these meetings, she mainly remarked on the Company's general management affairs while supervising overall management of the Company based on her expertise in management of companies and institutions and considerable experience in various fields, including her service as a director or a member of various sports associations.
	Joseph P. Schmelzeis, Jr.	He attended 10 out of 10 Board of Directors meetings held in the fiscal year since his appointment on June 21, 2022. At these meetings, he supervised the overall management of the Company, drawing on his extensive experience in business management and strategic consulting, as well as his knowledge of geopolitics based on his experience as Senior Advisor to the Ambassador at the U.S. Embassy in Tokyo.
Outside Audit & Supervisory Board Members	Yasuko Gotoh	She attended 13 of 13 Board of Directors meetings and 14 of 14 Audit & Supervisory Board meetings held in the fiscal year. At these meetings, she remarked on the Company's general management affairs based on her broad experience in the public and private sectors and deep insight.
	Haruo Kitamura	He attended 13 of 13 Board of Directors meetings and 14 of 14 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 integrated reports, website and presentations as well as disseminating information to the mass media through press releases to obtain the understanding of the Company's stakeholders.

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

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

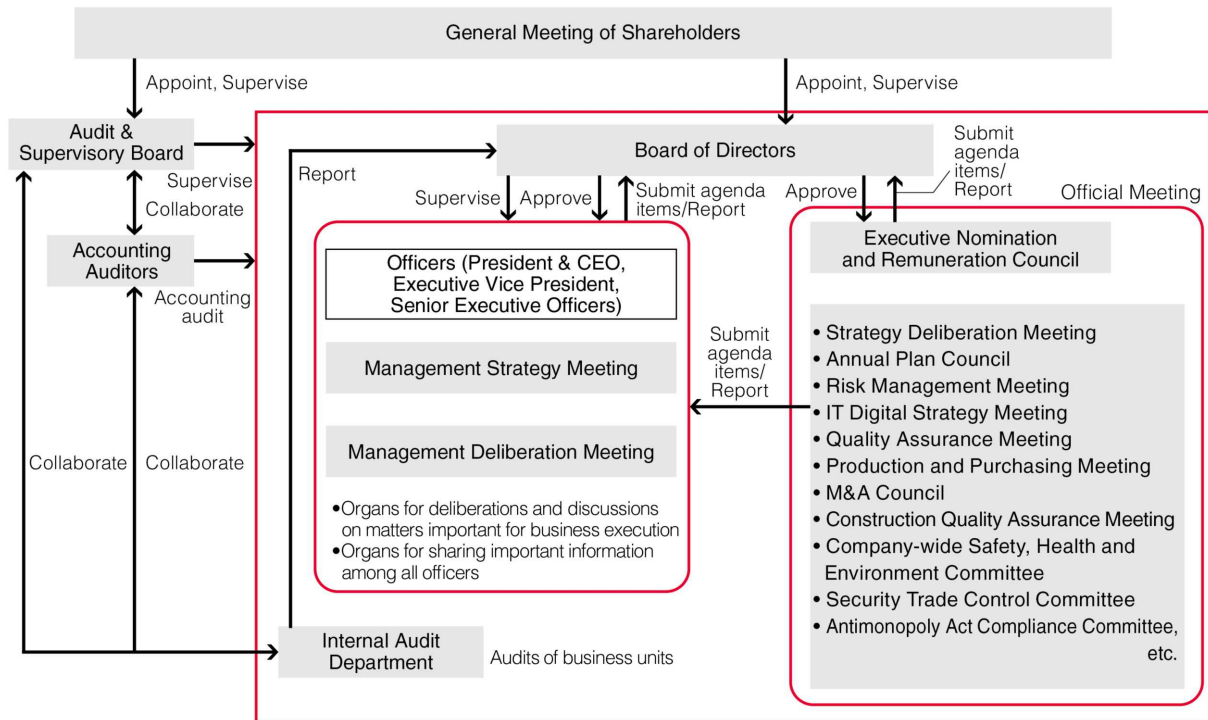
Additionally, we shall, depending on the circumstances, have Members of the Board serve concurrently as Executive Vice President and Senior Executive Officers to ensure the balance of knowledge, experience, and capabilities of the Board of Directors as a whole.

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

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

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

# <Corporate Governance System>



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

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

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 dividends over the long term with a policy of continuously increasing DOE from 3.0%, 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.

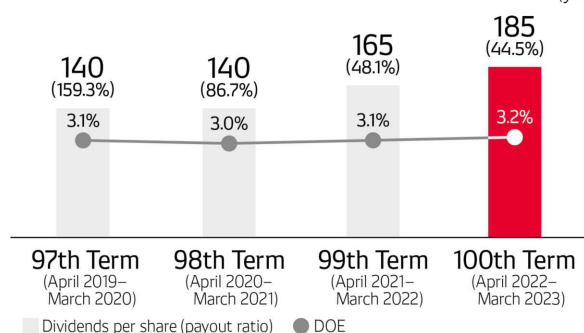
The Company stipulates in its Articles of Incorporation that it may distribute dividends from surplus upon resolution of the Board of Directors in accordance with Article 459, Paragraph 1, of the Companies Act without adopting a resolution at a general meeting of shareholders.

Accordingly, the Company, at its Board of Directors meeting held on April 27, 2023, resolved that the fiscal year-end dividend for the fiscal year ended March 31, 2023, be ¥95 per share of the Company's common stock (for a total of ¥71,141,317,435) and the date of commencement of dividend payment thereof be May 25, 2023. The annual dividend for the current fiscal year, including the interim dividend, is ¥185 per share.

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

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

(yen)



## **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).

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	100th Term (As of March 31, 2023)	(Reference) 99th Term (As of March 31, 2022)	Account Item	100th Term (As of March 31, 2023)	(Reference) 99th Term (As of March 31, 2022)
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>Current assets</b>	<b>3,277,586</b>	<b>3,168,814</b>	<b>Current liabilities</b>	<b>1,796,784</b>	<b>1,702,545</b>
Cash and cash equivalents	733,850	867,808	Bonds and borrowings	303,509	262,819
Trade and other receivables	1,263,768	1,120,781	Trade and other payables	1,219,317	1,131,375
Inventories	1,119,780	1,032,161	Other financial liabilities	54,641	51,034
Other financial assets	33,716	17,730	Income tax payables	42,630	36,995
Other current assets	126,472	107,696	Provisions	106,524	144,560
Subtotal	3,277,586	3,146,176	Other current liabilities	70,163	75,286
Assets held for sale	—	22,638	Subtotal	1,796,784	1,702,069
<b>Non-current assets</b>	<b>4,131,076</b>	<b>4,263,457</b>	Liabilities directly associated with assets held for sale	—	476
Property, plant and equipment	1,955,240	1,912,607	<b>Non-current liabilities</b>	<b>1,032,167</b>	<b>1,240,200</b>
Right-of-use assets	43,642	45,394	Bonds and borrowings	585,765	728,616
Intangible assets	170,212	155,580	Other financial liabilities	30,929	33,860
Other financial assets	1,699,202	1,861,373	Retirement benefit liabilities	249,266	265,188
Investments accounted for using equity method	110,173	113,580	Provisions	1,643	1,228
Retirement benefit asset	78,212	111,351	Deferred tax liabilities	151,507	197,122
Deferred tax assets	42,967	36,871	Other non-current liabilities	13,057	14,186
Other non-current assets	31,428	26,701	<b>Total liabilities</b>	<b>2,828,951</b>	<b>2,942,745</b>
			<b>(Equity)</b>		
			<b>Equity attributable to owners of the parent company</b>	<b>4,376,928</b>	<b>4,299,357</b>
			Capital stock	187,457	187,457
			Capital surplus	273,664	273,803
			Treasury stock	(252,270)	(152,346)
			Other components of equity	955,829	972,783
			Retained earnings	3,212,248	3,017,660
			<b>Non-controlling interests</b>	<b>202,783</b>	<b>190,169</b>
			<b>Total equity</b>	<b>4,579,711</b>	<b>4,489,526</b>
<b>Total assets</b>	<b>7,408,662</b>	<b>7,432,271</b>	<b>Total liabilities and equity</b>	<b>7,408,662</b>	<b>7,432,271</b>

## Consolidated Statement of Income

(Millions of yen)

Account Item	100th Term (From April 1, 2022, to March 31, 2023)	(Reference) 99th Term (From April 1, 2021, to March 31, 2022)
<b>Revenue</b>	<b>6,401,320</b>	<b>5,515,512</b>
Cost of revenue	(5,490,176)	(4,714,024)
<b>Gross profit</b>	<b>911,144</b>	<b>801,488</b>
Selling, general and administrative expenses	(490,454)	(460,449)
Other income	37,361	39,161
Other expenses	(31,952)	(39,021)
<b>Operating profit</b>	<b>426,099</b>	<b>341,179</b>
Finance income	51,483	42,254
Finance costs	(13,666)	(8,403)
Foreign exchange gains	(4,115)	4,019
Share of the profit of associates accounted for using the equity method	(2,931)	5,759
<b>Profit before income taxes</b>	<b>456,870</b>	<b>384,808</b>
Income tax expenses	(109,009)	(96,054)
<b>Profit for the year</b>	<b>347,861</b>	<b>288,754</b>
<b>Profit attributable to:</b>		
Owners of the parent company	314,633	263,901
Non-controlling interests	33,228	24,853

## Non-Consolidated Financial Statements

## Non-Consolidated Balance Sheet

(Millions of yen)

Account Item	100th Term (As of March 31, 2023)	(Reference) 99th Term (As of March 31, 2022)	Account Item	100th Term (As of March 31, 2023)	(Reference) 99th Term (As of March 31, 2022)
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>Current assets</b>	<b>1,494,576</b>	<b>1,566,851</b>	<b>Current liabilities</b>	<b>1,122,239</b>	<b>1,037,612</b>
Cash and deposits	165,657	310,514	Accounts payable—trade	568,481	515,134
Notes receivable—trade	133	347	Current portion of bonds	50,000	70,000
Accounts receivable—trade	473,716	442,838	Current portion of long-term borrowings	98,000	18,000
Electronically recorded monetary claims—operating	81,245	72,059	Accounts payable—other	57,855	51,351
Marketable securities	27,372	99,872	Accrued expenses	92,634	85,526
Finished goods	78,372	80,276	Income taxes payable	20,190	18,674
Work in process	218,301	156,237	Deposits received	107,355	105,796
Raw materials and supplies	34,035	27,014	Accrued bonuses to employees	45,186	43,162
Advance payments	100,843	89,779	Accrued bonuses to directors and corporate auditors	203	150
Prepaid expenses	5,378	4,893	Reserve for product warranties	69,647	106,757
Short-term loans receivable from subsidiaries and associates	162,524	137,523	Provision for loss on antitrust issues	10,401	13,638
Accounts receivable—other	121,871	119,421	Provision for environmental measures	334	1,235
Other current assets	31,795	26,275	Other current liabilities	1,953	8,189
Allowance for doubtful accounts	(6,666)	(197)	<b>Long-term Liabilities</b>	<b>844,263</b>	<b>1,031,080</b>
<b>Fixed assets</b>	<b>2,875,756</b>	<b>3,017,090</b>	Straight bonds	175,065	225,066
<b>Property, plant and equipment</b>	<b>564,967</b>	<b>581,960</b>	Long-term borrowings	399,000	497,000
Buildings	116,483	123,681	Deferred tax liabilities	72,080	109,950
Structures	12,475	13,323	Liability for employees' retirement benefits	187,874	189,276
Machinery and equipment	192,157	200,351	Provision for environmental measures	949	592
Vehicles and transportation equipment	2,776	3,151	Other long-term liabilities	9,295	9,196
Tools, furniture and fixtures	33,883	35,178	<b>Total liabilities</b>	<b>1,966,502</b>	<b>2,068,692</b>
Land	125,891	125,890	<b>(Equity)</b>		
Construction in progress	81,302	80,386	<b>Shareholders' equity</b>	<b>1,681,535</b>	<b>1,686,784</b>
<b>Intangible assets</b>	<b>65,467</b>	<b>65,423</b>	<b>Capital stock</b>	<b>187,457</b>	<b>187,457</b>
Software	22,099	19,417	<b>Capital surplus</b>	<b>267,284</b>	<b>267,266</b>
Other intangible assets	43,368	46,006	Additional paid-in capital	265,985	265,985
<b>Investments and other assets</b>	<b>2,245,322</b>	<b>2,369,707</b>	Other capital surplus	1,299	1,281
Investment securities	711,318	699,353	<b>Retained earnings</b>	<b>1,479,053</b>	<b>1,384,396</b>
Investment in subsidiaries and associates	1,334,734	1,488,914	Legal reserve	43,274	43,274
Investments in equity	2,919	2,932	Other retained earnings	1,435,779	1,341,122
Investments in equity of subsidiaries and associates	36,377	36,377	Reserve for advanced depreciation of fixed assets	658	658
Long-term loans receivable from subsidiaries and associates	56,348	49,025	Reserve for special account	250	—
Prepaid pension cost	95,133	85,565	General reserve	896,390	896,390
Other assets	8,493	7,541	Earned surplus carried forward	538,481	444,074
Allowance for doubtful accounts	(0)	(0)	<b>Treasury stock, at cost</b>	<b>(252,259)</b>	<b>(152,335)</b>
			<b>Variance of the estimate/conversion</b>	<b>722,295</b>	<b>828,465</b>

			Net unrealized gain on available-for-sale securities	722,721	828,590
			Deferred gains on derivatives under hedge accounting	(426)	(125)
			<b>Total equity</b>	<b>2,403,830</b>	<b>2,515,249</b>
<b>Total assets</b>	<b>4,370,332</b>	<b>4,583,941</b>	<b>Total liabilities and equity</b>	<b>4,370,332</b>	<b>4,583,941</b>



## Non-Consolidated Statement of Income

(Millions of yen)

Account Item	100th Term (From April 1, 2022, to March 31, 2023)	(Reference) 99th Term (From April 1, 2021, to March 31, 2022)
<b>Net sales</b>	<b>3,221,034</b>	<b>3,090,937</b>
Cost of sales	2,908,080	2,796,863
<b>Gross profit</b>	<b>312,954</b>	<b>294,074</b>
Selling, general and administrative expenses	150,350	163,618
<b>Operating profit</b>	<b>162,604</b>	<b>130,456</b>
<b>Non-operating income</b>	<b>102,615</b>	<b>93,479</b>
Interest and dividend income	86,300	74,767
Other non-operating income	16,315	18,712
<b>Non-operating expenses</b>	<b>20,938</b>	<b>11,538</b>
Interest expense	967	1,023
Foreign exchange losses	6,070	293
Loss on sales of non-current assets	1,860	3,857
Provision of allowance for doubtful accounts	6,458	—
Other non-operating expenses	5,583	6,365
<b>Ordinary income</b>	<b>244,281</b>	<b>212,397</b>
<b>Extraordinary income</b>	<b>40,843</b>	<b>42,362</b>
Gain on sales of non-current assets	14	1,031
Gain on sales of investment securities	35,999	41,331
Gain on sale of businesses	4,830	—
<b>Extraordinary losses</b>	<b>9,872</b>	<b>4,850</b>
Impairment loss on investment securities	389	1,085
Loss on valuation of shares of subsidiaries and associates	4,702	—
Loss on antitrust issues	981	3,093
Loss on litigation	3,800	—
Other	—	672
<b>Income before income taxes</b>	<b>275,252</b>	<b>249,909</b>
Income taxes—current	39,392	24,807
Income taxes—deferred	8,426	23,713
<b>Net income</b>	<b>227,434</b>	<b>201,389</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 9, 2023

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:

\_\_\_\_\_  
Masaki Okuda

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, 2023, 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, 2022, to March 31, 2023, 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 9 2023

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:

\_\_\_\_\_  
Masaki Okuda

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 100th fiscal year from April 1, 2022, to March 31, 2023, 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 100th Fiscal Term, which began April 1, 2022, and ended March 31, 2023, 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, 2023.

2. Audit Results

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

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



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

(2) Audit results regarding the financial statements

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

May 9, 2023

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.

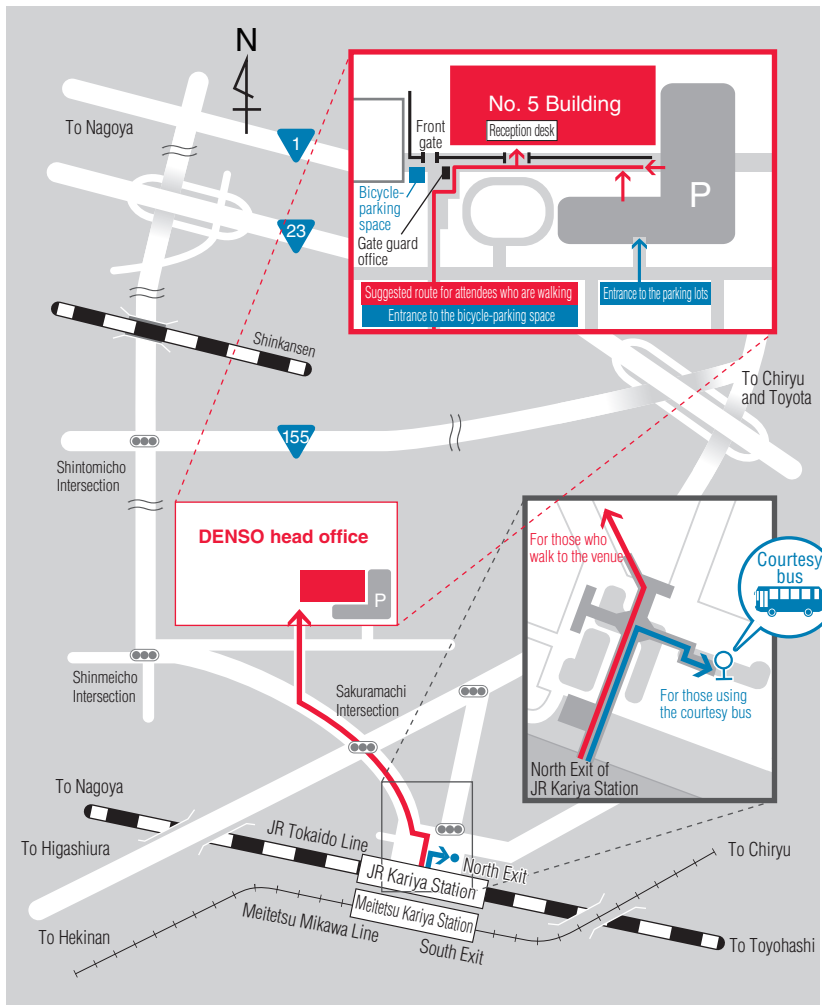
DENSO Site “INVESTORS”

[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/>

# 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

- **When using the courtesy bus**  
Go out the North Exit of Kariya Station and turn right: see figure on the left.  
Runs at any time between 9:00-9:40
- **If you 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:**  
Seven (7) minute walk from North Exit of JR Kariya Station

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



# DENSO CORPORATION