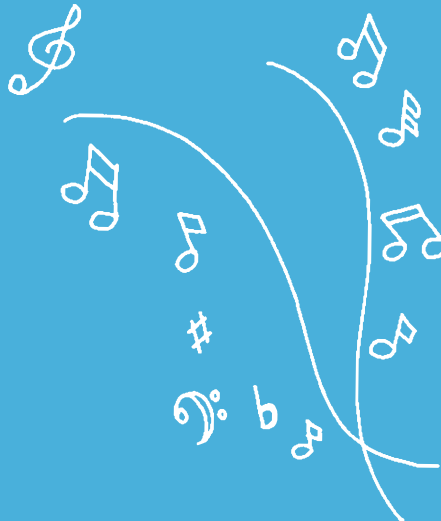


DENSO TEN Group

CSR REPORT 2018





"Sincerity is the way of Heaven."

The "Ten" in our company name "DENSO TEN" means heavenly, in the sense of ultimate or supreme. The character that means "heaven" has been our trademark since the company was first known as Kawanishi Machine Works and then later as Kobe Industries. We have always followed the ideal that "Sincerity is the way of Heaven," as stated in the classic Confucian text "The Doctrine of the Mean."

Corporate Philosophy

We will work with the utmost sincerity to support our customers and contribute to society.

○ Focus, Highest Possible Quality

We always think first how to best serve our customers, to create products of the highest quality that exceed our customers' expectations.

○ Responsibility and Contributions to Society

Recognizing we are a part of society, we shall fulfill our social responsibilities and contribute to our society through our corporate activities.

○ Work Values

Each and everyone shall take pride in their work, and utilize their own abilities to realize a workplace where everyone shares in our achievements.



Behavior Declaration (CSR Policy)

We, DENSO TEN, shall contribute in building a better relationship between human and automobiles by providing our products and endeavor to become a corporation trusted by both regional and international society. In order to achieve this goal, we shall respect the ideal of "MAKOTO" ("sincerity" in Japanese) and put this "DENSO TEN Group Corporate Behavior Manifesto" into practice based on "DENSO TEN Corporate Philosophy".

■ Customers

Customer is number one, optimal product quality, and products/services that exceed expectations
Improve safety and product quality
Protect personal information

■ Employees

Respect for human rights
Prohibition of forced and child labor
Actualize job satisfaction
Fair labor conditions and safe work environment

■ Clients

Co-existence and co-prosperity
Fair and transparent business opportunities, and just relationships

■ Shareholders

Improve corporate value

■ Environment

Reduce environmental impact

■ Society

Proper information disclosure
Compliance with all international and local rules
Proper relationship with governmental authority
Handling of antisocial forces

■ Social contribution

Contribute to creating prosperous society and local communities

Editorial policy

DENSO TEN Group annually publishes “CSR Report” in order to clearly disclose the efforts toward the realization of sustainable society and information about CSR and to communicate with our various stakeholders.

“CSR Report 【Digest version】” (this PDF) of 2018 edition has been prepared in accordance with our important issues of CSR and mainly summarizes our important efforts and topics in FY 2017 in a compact manner.

Furthermore, “CSR Report 【Detailed version】*” that comprehensively reports more detailed information is available on [DENSO TEN's Web site](#).
*Japanese Edition only

Reference guideline

Ministry of the Environment “Environmental Reporting Guidelines 2012”

Ministry of the Environment “Environmental Accounting Guidelines 2005”

ISO26000:2010 - Guidance on social responsibility - Global Reporting Initiative (GRI) “The GRI Sustainability Reporting Guidelines Version 4.0”

Reporting period

This CSR Report mainly covers activities of FY 2017 (the period from April 1, 2017 through March 31, 2018). However, some contents of other periods are also included.

Expected readers of this report

Expected readers of this report are stakeholders including customers, suppliers, employees, shareholders, local communities and governmental organization.

Reporting organizations

This report covers activities of the entire DENSO TEN Group and DENSO TEN Group's affiliated companies. However, some data and cases included in this report cover only the specific range and sites.

Change of our capital structure and company name

FUJITSU TEN LIMITED changed the capital structure on November 1, 2017. Also we changed company name to DENSO TEN Limited.

Forecasts, expectations and plans related to the future

This report discloses not only past and current facts of DENSO TEN Group but also forecasts, expectations and plans related to the future. These forecasts, expectations and plans are assumptions and judgments based on the information available at the time of statement, and thus contain uncertainties.

Therefore, please note that there is a risk that future business activities and events occurring in the future may differ from the forecasts, expectations and plans stated in this report, and DENSO TEN Group is not responsible for such situations.

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We continue to challenge toward the realization of a free and comfortable mobility society by connecting people, vehicles and society.

DENSO TEN Group's Vision is to "Challenge toward the realization of a free and comfortable mobility society where people, vehicles and society are connected" through business activities.

I think we would like to accelerate our growth through those activities.

DENSO TEN LIMITED
President & Representative Director

山田 悟志
Satoshi Iwata

Enhance the added value of vehicles through Vehicle-ICT and contribute to society

The environment surrounding automotive industry changes day by day. In the fields of electrification, autonomous driving, connected car and sharing, the world's top-level technological innovations are advancing, and we are now facing turbulent times. As vehicles change and automotive industries change, various companies promote closer cooperation with car manufactures and a big change of composition of automotive industry will be exposed.

Under these environments, we became a member of the DENSO Group on November 1, 2017, and made a first step. We positively accept the changes as the opportunity of chance and challenge, and we would like to realize the growth of our business.

In FY2017, we participated in the demonstration experiment of AI taxis conducted by domestic mobile phone operators to develop a new taxi system that forecasts the demand of future taxi with using AI. In addition, we offered new values such as the development of remote multi angle vision that can inform the smartphone of the incident when detecting the shock of vehicle, and confirm the surrounding situation of own-vehicle at a remote location.

In future, DENSO TEN continues to challenge toward the realization of a mobility society which is comfortable, safe, secure and eco-friendly so as to realize "ICT makes a car your best partner" along with utilizing our strength in advanced driving assistance system / autonomous driving technology and electronic basis technology.

Efforts toward CSR activities

Based on contributing to society through business, we are aware that we are members of society and strive to create a more prosperous society / community through corporate activities.

As the importance of CSR has been globally increasing (e.g. Sustainable Development Goals (SDGs) were adopted by the United Nations General Assembly in September 2015), in order to proceed with activities that are unique to DENSO TEN in line with expectations and demands of stakeholders in the mobility society, we identified important issues to preferentially work on in August 2016. We would like to introduce our efforts in FY2017.

Consumer issues

In October 2017, Kobe headquarter and DENSO TEN Manufacturing Nakatsugawa factory obtained certification of the new quality management system standard "IATF16949" which clarifies the requirement for product safety and strengthens the corporate social responsibility for recall and fraud.

Environment

We unified our environment policy and environment policy of DENSO Group into one and newly established it as "DENSO TEN Group Eco Vision" in order to promote environmental activities with



a sense of unity as a member of the DENSO Group in November 2017. We will make efforts to achieve the target by 2025 such as “Reduction of factory energy in half”, “Reduction of impact of hazardous chemical substances, waste, and the amount of water use in half” and “Product development and business promotion that contribute to environment” toward zero emission (decarbonization) of greenhouse gases by 2050. Accordingly, we will promote the better relationship among people, vehicle and environment by solving the environment and energy problems and achieving coexistence of the nature.

Human rights

We held a lecture under the theme of “creating workplace working together with people with a disability” for managers. Regardless of disabilities, we trained the people about creating workplace where all employees can work well. In addition, we continuously performed seminars about the human rights for newcomers and each classified staff.

Labor practices

We have ever made efforts to review the various working style such as restricting long working hours, flexible work style, assistance of work life balance and promotion of woman / senior activity. We strengthened the work life balance through creating “Handbook for assistance of balance between work and nursing care” and performing various seminars

and others in FY2017.

Fair operating practices

We provide open and equitable transaction opportunity toward suppliers, comply with all laws and contracts, and maintain fair relationships. We also perform the continuous training about applicable laws for employees and have held “management seminar for fraud prevention” for manager.

In future, we will identify the issues to be mainly worked on. The issues include our contribution to achieve “Sustainable Development Goals (SDGs)” by 2030 through our business.

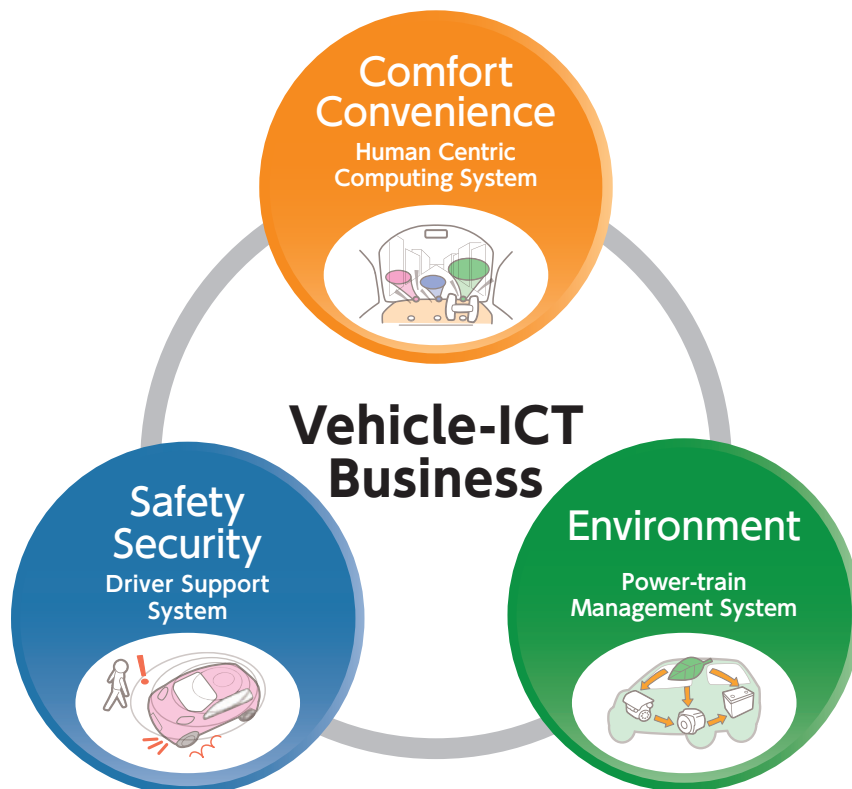
DENSO TEN aims to become a company which is trusted by the international and local community as a whole group. The source of DENSO TEN’s CSR activities is based on the corporate philosophy “MAKOTO (sincerity) is the way of heaven”. We strive to build even better relationship with stakeholders and pursue our philosophy to contribute to customers and society, centering on “MAKOTO”, and continue to challenge toward the realization of a sustainable society. We hope that DENSO TEN is a company which always grows with our customers and partners. We appreciate your continued support and encouragement.

DENSO TEN Builds Bridges Between People, Vehicles, and Society.

Using such automotive technology coupled with information communications technology (ICT), we have created unique connective technologies that more closely bridge the gap between people and the vehicles they drive, as well as between society and the automobiles that play such an important role in society. Our role is to bring greater freedom comfort to the mobility society.

Enterprise vision

To contribute to creation of free and comfortable mobility society where people and vehicles, and community and vehicles are connected.



Comfort Convenience

Proposal of human-friendly information providing system



Safety Security

Infrastructure system to incorporate vehicles into network



Environment

Power-train management system to protect the earth

Business domains and products

ICT-enabled, seamless interoperable information transmission personally integrated with people's driving habits.

Comfort & Convenience



CI Business (Car Infotainment)

We have built a system that delivers information on traffic conditions, parking availability, and the weather at the driver's destination in real time. Our goal is to deliver information with optimal content delivered with optimal timing based on sensors that help ascertain how the driver is feeling, his or her state of health, and conditions on that day.

Car Navigation, Display Audio, CD Tuner



Sound system, Amplifier



Rear Seat Display



Radio Antenna Amplifier



One-of-a-kind sensing technologies and full-perimeter monitoring extend car safety and security throughout society.

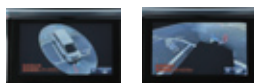
Safety & Security



V-ICT Business (Vehicle-ICT)

We make products that support safe driving from many angles by preventing accidents and minimizing damage if an accident does occur with the aim of establishing a support system for safe driving that links together cars, pedestrians, cities, and road information.

Multi-Angle Vision



Millimeter wave radar



E-call system



Vehicle Security System



Cloud-Based Taxi Allocation system



Cloud-Based Drive Recorder



We are aiding the global environment by helping to improve fuel efficiency, reduce CO₂ emissions, and optimize energy in vehicular travel.

Environment



AE Business (Automotive Electronics)

We are actively developing systems for improving fuel efficiency and reducing exhaust emissions. As power sources become more advanced in various ways, our products that control power sources and make them more efficient are used to optimize energy use not only in cars and towns, but throughout society.

Hybrid ECU



Electric Power Steering ECU



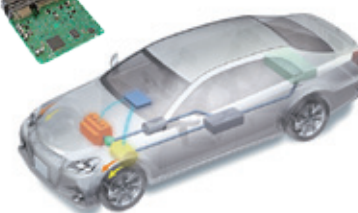
Engine Control ECU



Airbag ECU



Battery Control Unit



Feature : Contribution to society through business

The DENSO TEN Group creates products and services related to "safety and security," "comfort and convenience," and "the environment" to achieve a rich mobility society, and by doing so, not only solves social issues but also delivers new value.

Social issues that should be solved



- Reduction of traffic accident
- Safe transfer for all people

Sensing Technologies of DENSO TEN are indispensable for autonomous driving



Autonomous driving function and ADAS (Advanced Driver Assistance System) aim to assist the driving that contributes to the solution of social issues in mobility society such as reduction of traffic accident and easing the traffic congestion, in addition, safe transfer for elderly people.

DENSO TEN focuses on the development of sensing technology which is indispensable for autonomous driving toward the realization of a society where comfortable car life can be enjoyed with "eco-friendly", "safe / secure" and "comfortable" vehicle.

The core technologies of sensing technologies are millimeter wave radar and Multi-Angle Vision. We proceed with the development of them for using parking assistance system that is a part of autonomous driving function as a sensor that detects the obstacles such as other vehicles and pedestrians surrounding the vehicle, and the parking frame on the road.

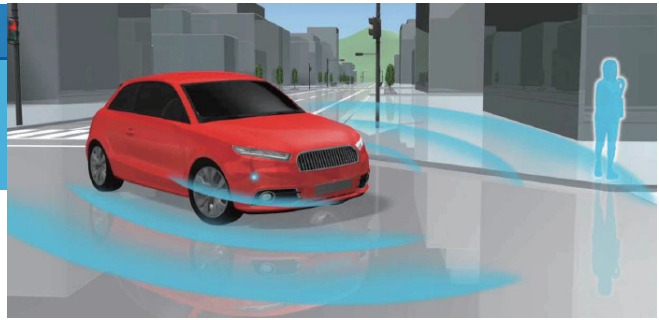
We introduce two latest technologies that are displayed for reference in "The 45th Tokyo Motor Show 2017".

Radar is effective in detecting pedestrians at the intersection etc.

Front-sideward millimeter wave radar (79GHz)

Radar technology using millimeter wave is a technology which is indispensable for autonomous driving that detects a distance to a front vehicle, and quickly detects pedestrian. The newly-developed front-sideward millimeter wave radar can quickly detect pedestrians and others which approach the intersection because the radar can transmit and receive radio wave in wide range of which operating distance is about 80 m and detection angle is 105 degrees. All-directional detection is possible by the combination of long-range radar which detects objects in front direction of vehicle and this radar which detects objects other than the front direction.

Also advanced technology improves the accuracy of detection angle and the distance resolution such as separating people from them when people are near vehicles in an urban area.



Detecting image of front-sideward millimeter wave radar



Early detection is possible because radio wave can be transmitted and received in wide range



All-directional detection is achieved by the combination of this radar and front detection millimeter wave radar

History of millimeter wave radar development

History of millimeter wave radar development in DENSO TEN is traced back to Kobe Industrial Co., Ltd. era of DENSO TEN's predecessor. In 1957, our radar for Antarctic research ship the Soya has operated without trouble in spite of the bad conditions on the way to Antarctic. It proved our technologies were very high. Since then, DENSO TEN has extended the fields of research to the vehicle, and DENSO TEN succeeded in the world's first practical application of "60GHz millimeter wave radar" for dump trucks in 1997. We have developed new millimeter wave radars for rearward, for front-sideward and others while reducing the size and enhancing the performance. In future, we will contribute to the realization of autonomous driving through the development of higher performance products along with utilizing our strength in over 60 years development.

1957

Radar for Antarctic research ship the Soya



1997

DENSO TEN succeeded in the world's first practical application of "60GHz millimeter wave radar" for dump trucks



1999

DENSO TEN developed in-vehicle 76GHz millimeter wave radar (It had been launched for Honda Inspire in 2003)



2012

DENSO TEN developed "in-vehicle 76GHz millimeter wave radar" which was downsized by half compared with conventional model



Voice : Voice of a developer



VICT) Engineering Dept.3 Algorithm R&D Team Takayuki Okamoto

Aiming at the development of 79GHz millimeter wave radar is the improvement of detecting performance by the increase of distance resolution. As the result of the development, the shape of road and vehicle which could not be detected by conventional technology has become possible.

If detected points that are obtained by several radars mounted on a vehicle are plotted, 360-degree surroundings of the vehicle can be displayed as if it is seen on the ground from the sky. A radar with unprecedented potential performance was born.

In future, DENSO TEN will work on the development of surrounding monitoring radar which is required for automatic parking including search of parking space by utilizing our strength of high resolution.

Confirm the surrounding situation of own-vehicle by image at a remote location.

Remote Multi-Angle Vision

Combine the image of 4 cameras mounted on the vehicle and the CG image of the vehicle shape in 3D. This is called Multi-Angle Vision which displays 360 degree three-dimensional bird's-eye view of the entire circumference of the vehicle. (Abbreviated as MAV). In 2015, we added a function that allows you to check the blind spot with an image that passed through the body of the car from the driver's point of view.

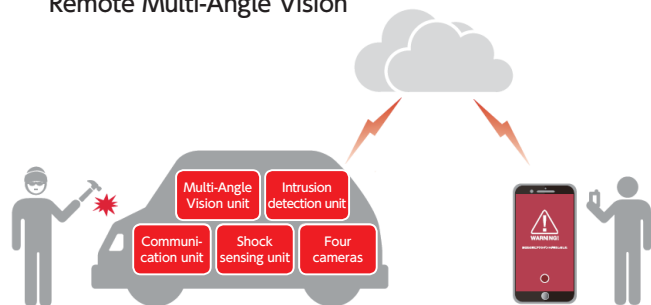
We continue to evolve towards the realization of safer mobility society.

Remote Multi-Angle Vision can automatically inform the smartphone of the incident when detecting the malfunction of vehicle such as theft and others by the combination of communication unit, shock sensing unit and intrusion detection unit, and the surrounding situation of own-vehicle at a remote location can be confirmed.

Furthermore, it is possible to confirm the surrounding situation of own-vehicle at normal time by starting MAV from smartphone. In case of the accident, it is also possible to record the surrounding situation in the memory built in the Remote Multi-Angle Vision.



Remote Multi-Angle Vision



When detecting the malfunction, the warning is delivered to the smartphone, and the surrounding situation of own-vehicle can be confirmed on the smartphone.

History of Multi-Angle Vision development

2010

DENSO TEN announced the Multi-Angle Vision using the world's first / three-dimensional virtual projection view point technology. It is adopted by multiple types of vehicle including the Prius.



2015

It is possible to confirm all-surrounding view like seeing through the transparent body of vehicle from driver's view point.



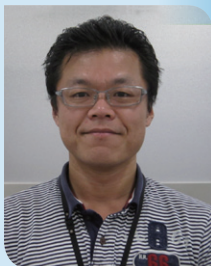
Contribute to realization of autonomous driving by cooperation and unification of other function

In future, we would like to evolve MAV to higher safe / secure function by collection and measurement of various information by addition of sensing function. For example, we proceed with the development of technology which recognizes the surrounding situation of vehicle by the integration of detecting the parking frame and the obstacle with image recognition technology of camera used in MAV and information obtained from millimeter wave radar, and make the result cooperates with vehicle control.

We contribute to the realization of autonomous driving through these efforts, and we aim to contribute to the solution of social issues such as "Reduction of traffic accident" and "Safe transfer for all people".

Voice : Voice of a developer

VICT Engineering Dept.4 Product Planning Team Fumiaki Bando



"Remote Multi-Angle Vision" is planned by the concept of "Confirm the surrounding situation of own-vehicle anytime and anywhere" by utilizing our three-dimensional virtual projection view point technology. Surrounding images of vehicle which are synthesized in any terminal such as smartphone from the images transmitted from vehicle cameras can be seen on the terminals even at a long distance, and it responds to the change of view point. It provides recording function, and can record the memory of driving in addition to the crime prevention and all-surrounding drive recorder. In future, we will focus on the planning and development of attractive products while we solve the issues toward mass production of this product.

CSR of DENSO TEN Group

Under the idea that “the spirit of “MAKOTO” is the source of our CSR activities and the CSR activities are our business activities themselves based on the corporate philosophy”, DENSO TEN Group aims to become a corporate group that is trusted by stakeholders through various activities.

Identify important issues of CSR

In 2016, in order to proceed with activities that are unique to DENSO TEN in line with expectations and needs of stakeholders, we have identified important issues (Materiality) to be preferentially worked on among the social issues related to DENSO TEN by mapping the two axes of “importance for stakeholders” and “importance for DENSO TEN”.

Since January 2017, people related to DENSO TEN corporate departments have periodically held “CSR discussion meeting” where they discuss how to proceed with integrated CSR activities as DENSO TEN Group. In addition, since July 2017, we have periodically held “Corporate CSR meeting” with the executives in charge of corporate department.

Important issues of CSR of DENSO TEN Group



Efforts of FY 2017



















We began the study of our contribution through business for the achievement of “Sustainable Development Goals (SDGs)” by 2030, which were adopted by the United Nations General Assembly in September 2015. In FY2017, we associated with our CSR activity and SDGs.

To grasp awareness of employees for CSR, we performed questionnaire survey (CSR survey) for all employees of DENSO TEN headquarter in February 2018. As the result, we understood that our employees firmly conducted the activity of individual field such as safety and health / environment, but we found understanding and penetration for CSR policy and corporate action policy didn't proceed.

In future, we will analyze the business opportunity and the risk for each target of SDGs, and clarify the issues to be mainly worked on through our business. In addition, we would like to penetrate CSR through enlightenment activities for employees.



Main efforts in FY 2017 / Applicable SDGs

| Important issues | | Main efforts/achievements in FY 2017 | Applicable SDGs |
|--------------------------------|---|--|---|
| Consumer issues | Protection of customers' data | • Establish rules based on the "personal information protection policy" and thoroughly familiarize employees with the rules (ongoing) |  |
| | Improvement of customer satisfaction | • DENSO TEN headquarter and DENSO TEN Manufacturing Nakatsugawa factory obtained certification of the new quality management system standard "IATF16949" • All employees performed QC circle activity (small party activity / ongoing) | |
| Environment | Contribution to environment by our products | • Unified the existing "DENSO TEN Global Environment Charter" and "Environmental Mid- to Long-term Vision" and established it as "DENSO TEN Group Eco Vision" • Authorized ECU for Multi-Angle Vision as a super green product |       |
| Human rights | Due diligence (Respect of human rights) | • Conduct educational programs related to human rights in the new employee training or level-specific training at the time of promotion (ongoing) • Held a lecture under the theme of "creating workplace working together with people with a disability" for managers |  |
| Labor practices | Personnel diversity (Diversity) | • performed the training about the importance of diversity for each classified staff, awareness survey and sending information through the intranet • Held discussion meetings with senior employees for young women employees to eliminate anxiety about balancing work and family life and provide opportunities to think about future career (ongoing) |    |
| | Work-life balance | • Created "Balance of Work × Nursing care Handbook (Basic Knowledge Edition)" based on the increase in employees who need to balance work and nursing care, and held seminars for managers |   |
| | Enhancement of employee wellness | • Performed health enlightenment seminars for young people up to age of 30 (new employee, age of 27 and 30) , as a measure to prevent disease in future • From the viewpoint of preventing passive smoking, total of 27 non-smoking seminars were held, in addition to review the location of smoking spaces and to participate in non-smoking events |  |
| Fair operating practices | Fair and equitable transactions | • Proposed improvement of "Supplier BCP" in the theme research group of the cooperative meeting "Ten-ei-kai" |   |
| Effort other than major issues | | | |
| Organizational Governance | | Held "management seminar for fraud prevention" for manager |  |
| Contribution to society | | Strengthened collection activities and created opportunities for employees to participate in volunteer activities |  |

Opportunities for dialogue with stakeholders

| Stakeholder | Opportunities for dialogue / Tool | Stakeholder | Opportunities for dialogue / Tool |
|-------------|---|-----------------------------|--|
| Customers | <ul style="list-style-type: none"> • Information exchange by visiting customers • Customer service liaison office (telephone/ e-mail) • User questionnaire postcards • Exhibitions (Motor Show/technology exhibition) | Shareholders | <ul style="list-style-type: none"> • Shareholders' meeting • Various briefing meetings • Business report/annual report |
| Employees | <ul style="list-style-type: none"> • Questionnaire to improve workplace capability • In-house newsletter on the intranet • Interviews with supervisors • Consultation counter (human rights/career/ mental health) • Regular labor-management council • Compliance line | Environment | <ul style="list-style-type: none"> • CSR Report • Environmental exchange meeting with neighboring companies • Display at environmental exhibitions • Participation in local environmental conservation activities |
| Suppliers | <ul style="list-style-type: none"> • Suppliers convention / production update briefing • "Ten-ei-kai", a supplier cooperation association (general assembly/each sub-committee) • Self-inspection survey (quality/environment/ CSR) • Compliance line | Society (Local communities) | <ul style="list-style-type: none"> • Regular dialogue meetings and information exchange meetings • Participation in and sponsorship of local events • Factory tours/events for invitation to factories • Participation in local disaster prevention/ welfare communities • Contribution activities to local communities |

We always think first how to serve our customers.

We always think first how to serve our customers, to create products/services that exceed our customers' expectations by improving quality and safety.

Furthermore, we strictly manage personal information of customers after collecting them by legitimate means and clarifying the purpose of use.

Efforts made by our customer service representative

In order to respond to customer inquiries about aftermarket products, our customer service liaison office keeps in mind the philosophy "Responding to individual customers by keeping in close contact with them".

- We aim for easily accessible and high quality service.
- We assign the appropriate operator based on the type of inquiries if customers select the inquiry number after calling.
- We analyze the opinions of our customers and strive to improve them. We also provide feedback to in-house department.

Repairs

In Japan certified Service Shops (hereinafter referred to as SS) at 92 bases nationwide repair products and Field Support Centers (hereinafter referred to as FSC) at 7 sites nationwide help SS on a technical level, such as a failure diagnosis. The overseas customer service system consists of 10 bases of overseas subsidiaries, 14 bases of FSC and 90 bases of SS.

- We strive to maintain and improve the service level by conducting a certification examination related to service skills for staff in SS and centralized repair bases every year.
- We aim for "quick, reasonable and careful repair". Realize low repair cost by repairing parts in a minimum part unit.

Efforts of FY 2017

We have expanded the repair response products for BGA-IC, which requires more advanced repair technology. In addition, we provided a manual that described repair procedures for newly targeted repair PC boards for domestic and overseas repair sites, and we succeeded to further reduce the repair cost and the amount of waste parts.



Voice : Voice of an employee

Service Dept. 2 Higashinihon Area Field Support Sect., based on the motto "Quick and polite", strives to respond from a customer perspective. At the same time, we are working to strengthen our relationship of trust through providing technical advice and diagnosing faults for our dealers and service stores. On the other hand, the FS Center contributes to the design of better products by developing valuable customer's opinion from dealers and service shops to in-house department.

We will continue to work together so that customers are happy to choose the products of DENSO TEN.

QA) Service Dept. 2 Higashinihon Area Field Support Sect **Hiroki Nakamoto**

Protection of personal information for customers

Recognizing that appropriate handling of the personal information which can identify a certain person such as customer's name, address and e-mail address is a social responsibility as a company, DENSO TEN Group has been committed to the protection of personal information, such as establishing rules based on the "personal information protection policy" and thoroughly familiarizing employees with the rules.

Since car navigation equipment includes personal information of customers, SS is also obligated to protect personal information by appointing a responsible person for information management.

Pursuit of quality and safety of products

In order to provide products trusted and satisfied by customers, we have developed a global quality assurance system based on the international standards for quality management system and implemented a cycle designed to improve product quality at domestic and overseas bases.

In such efforts, based on "DENSO TEN Group Products Safety Charter, we strive to ensure quality and safety of products at each step from the product planning step to the mass production step.

- We decide roles and cooperation responsibility of design, production and quality assurance to structure a system for ensuring quality by own process completion.

TOPICS

DENSO TEN headquarter and DENSO TEN Manufacturing Nakatsugawa factory obtained certification of "IATF16949", the new international quality management system standard for the automotive industry, on October 6, 2017. As the result, the scope of certification for this standard was 2 domestic companies and 3 sites, and 11 overseas companies. (As of September 2018)

In this new standard, the response to software products embedded in the vehicles, clarification of requirements for product safety, corporate social responsibility for recall and fraud, and risk thinking are strengthened.



Voice : Voice of an employee



I Under the basic principle of "Human resource development/activating workplace/contribution to company's prosperity", QC circle activities (small group improvement activities) are the activities to solve problems/issues of the workplace by using the quality control method in cooperation with members.

We were able to achieve tenaciously our results by continuing our activities as a "Commitment to the Effect! Circle". In February 2018, we participated in "Champion Tournament of the QC Circle Kinki Branch".

We received "the award for excellence" and had a very good experience.

We would like to work actively with utilization of this experience.

Prod)Operation Management Consulting Dept Chie Mia(photo right) Hisatoshi Murakami(photo left)

●Contribution to environment by our products



The beautiful earth is handed down to the next generation.

We are deeply aware of the necessity of environmental preservation on a global scale, and promote reduction of environmental loads in every area of business activities.

TOPICS

Establishment of DENSO TEN Eco Vision

We unified the existing “DENSO TEN Group Global Environment Charter” and “Environmental Mid- to Long-term Vision” into one and newly established it as “DENSO TEN Group Eco Vision” in order to promote environmental activities with a sense of unity as a member of the DENSO Group in November 2017. We will make efforts to achieve the target by 2025 such as “Promote cutting of factory energy in half”, “Promote cutting the effect of hazardous chemical substances, as well as emissions, waste, and the amount of water used, in half.” and “Develop products and promote projects that contribute to the environment”. In addition, this vision includes targets for zero emissions (decarbonization) of greenhouse gases by 2050.

In accordance with this, based on the environmental action plan of DENSO Group and environmental change surrounding DENSO TEN, we reviewed “Environmental efforts plan” in July 2018.

DENSO TEN Group Eco Vision (excerpt)

I. Commitment (-2050)

The DENSO TEN Group is aware that the environment and economy to coexist harmoniously is our crucial business task, and by aiming to solve environmental and energy problems and achieve coexistence with nature through all of our corporate behaviors, we will promote the better relationships of people with cars and the environment. We will boldly undertake challenges for the vital environment issues faced by society. Aiming for sustainable regions and society, we will create new environmental value, protect the Earth, and deliver a bright future to the next generation.

Commit 2050: Achieve balance between the absorption and emission of greenhouse gases caused by humans (zero-emissions)

II. Environmental Policy (- 2025)

Through the framework of our globally established environmental management system, we will reflect and promote the DENSO Group eco-vision in our environmental activities plan.

| Target 3 | Basic Policy | Commit 2025 |
|------------|--|--|
| Energy 1/2 | Contribute to permanent maintenance of global environment by the technologies that can solve the problems of global warming, energy and resources. | <ul style="list-style-type: none"> •Contribute to cutting CO₂ from cars in half. •Promote cutting factory energy in half. |
| Clean ×2 | Comply with law and promote continuous improvement in order to provide reassurance to all stakeholders and remain a cooperation that grows with the society. | <ul style="list-style-type: none"> •Promote cutting the effect of hazardous chemical substances, as well as emissions, waste, and the amount of water used, in half. •Develop technology to reduce the emissions gas of automobiles. |
| Green ×2 | Realize a society with sharing nature's wisdom and benefit in order to take over rich natural environment to the next generation through cooperate activity aiming at symbiosis with nature. | <ul style="list-style-type: none"> •Develop products and promote projects that contribute to the environment. •Promote greening. |

Voice : Voice of an employee



Paris agreement that established international frame for global warming countermeasures from 2020 actually specified zero emission of greenhouse gases by second half of the 21th century. Therefore, DENSO Group formulated the target of “Achieving zero emission of greenhouse gases by 2050”, and we, DENSO TEN Group, established the vision toward the realization of reduction of energy in half at 2025”.

A drastic change is needed in the way to achieve this target. For the earth, for the children living in future, all staff of DENSO TEN Group changes our awareness and works on achievement of target with thinking of “what we should do” rather than “what we can do”.

We would like to work on development of eco-friendly product with utilization of this experience.

Corp)Environmental Protection Dept

Hiroyuki Wakabayashi



Green Products

Design department performs product environment assessment to prohibit the use of substances and materials which are regulated by law to reduce the environmental loads of products.

Furthermore, we evaluate the lower power consumption, more compact and lower weight of product itself. The product which passed a certain criteria shall be defined as “green product”, and we established in-house criteria to define a product having eco-friendly level leading industry compared to in-house product or outside company product among green products as “super green product” and proceed with eco-design products.

Since FY2016, we have included products (Environmental contribution products) of which functions contribute to the reduction of burdens on the environment in in-house standards.

TOPICS

ECU for Multi-Angle Vision is certified as a Super Green Product

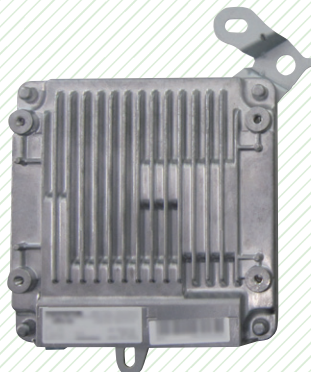
As for ECU for Multi-Angle Vision for automotive manufacturers, we have achieved 43% reduction in size and 35% reduction in weight compared to the previous model by reducing the parts size and changing the materials of the chassis.



Multi-Angle Vision

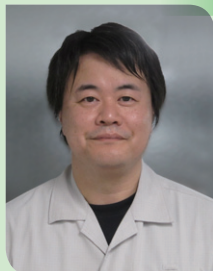


Volume: 538cm³
Weight: 730g



Volume: 308cm³ **43% reduction**
Weight: 476g **35% reduction**

Voice : Voice of an employee



As for the Multi-Angle Vision which assists the confirmation of safety around the vehicles, there is a growing need for safety, as well as for environment lately.

Accordingly, we have developed a product that realizes high performance, small size, and light weight.

We reviewed all of our systems and components, including the integration of microcomputers and adopting small parts, while maintaining the concept of safety in our development.

We would like to utilize this experience in the development of driving assistance systems such as automatic parking and autonomous driving.

VICT) Engineering Dept.4 Engineering Team 2

Takumi Yoshimoto

- Due diligence (Respect of human rights)
- Personnel diversity (Diversity)
- Work-life balance
- Enhancement of employee wellness



We respect “Job satisfaction” of each person

We aim to build workplace where human rights of each employee are respected and he/she can work with proud and sense of challenge while he/she demonstrates his/her abilities. We also make efforts to maintain and improve a safe and healthy labor environment under providing fair working conditions for all employees.

Respect of human rights

DENSO TEN regards “respect of human rights” as Business Activity Directive. Also we regard “respect of human rights” as corporate behavior declaration (CSR policy) and describe the words “shall not engage discrimination based on factor of race, color, religion, faith, sex, social status, birth, disability, sexual orientation etc., and human-rights violation, forced labor, and child labor”

- We held the seminar about the human rights for new employee and each classified staff, and we work on the enlightenment of awareness for employees through putting a poster in every December, Human Rights Month.

Efforts in FY 2017

- We held a lecture under the theme of “creating workplace working together with people with a disability” for managers. We studied creating workplace where all employees can work well regardless of disabilities.

Acceptance of diversity

We think that all employees will accept and utilize diversity, which will lead to “development of individuals” and “strengthening of the competitiveness and growth of our company”. Led by Diversity Promotion Section, we strive to “develop a corporate culture” which respects diversity, “promote work-life balance”, and “support employees’ independence and success”.

Efforts in FY 2017

- In addition to providing training on necessity and importance of diversity for each classified staff, we positively challenged the reform of the awareness of employees and the corporate culture such as awareness survey about diversity and sending information through the intranet and others.

Voice : Voice of an employee



According to the result of the questionnaire, we found that many employees were anxious about nursing care, and we held a seminar on “Balance of Work × Nursing Care Handbook (Basic Knowledge Edition)”. We have no idea when we have our turn for nursing care. We designed this handbook to have the people who read the book find that nursing care is familiar issues, and feel that they can realize both work and nursing care by obtaining the necessary knowledge and preparing for it in advance. We will continue to enhance our efforts to become a company where employees can work comfortably.

Corp) HRM&GA Dept. HRD Group Diversity Promotion Sect

Mayu Takahashi



Promotion of work-life balance

In order for employees to be able to realize variety of working styles according to their lifestyles and life stages, and to balance their work and family life, DENSO TEN develops various measures. Specifically, we provide / strengthen various systems such as childcare leave and nursing care leave, and provide information and enhance awareness and enlightenment so as to promote the utilization of the systems.

As a result of such efforts, in May 2015, DENSO TEN received special certification, "Platinum Kurumin certification" based on "Act on Advancement of Measures to Support Raising Next-Generation Children" from Hyogo Labor Bureau.

- In order to ensure that employees who are raising children work at a rewarding level, we offer an interview system for employees to take a childcare leave of absence in 3 times, before leave of absence, before and after the reinstatement, and provide training opportunities.
- We establish no overtime days and are promoting to acquire annual leave to realize well-balanced working style.
- We hold our "company tour for children" to invite employees' children to see the office of their parents every year.



Platinum Kurumin

Efforts in FY 2017

Based on the increase in the number of employees who need balance of work and nursing care, we have created a handbook "Balance of Work × Nursing Care Handbook (Basic Knowledge Edition)", and held seminars for managers.

TOPICS

Strengthening efforts to support the balance of work and nursing care

We have been developing and expanding various systems for balance of work and nursing care, such as a total of 1 year of nursing care leave system (which can be separately acquired), and the abolishment of upper limit of period of short-time working by the reason of nursing care. However, as the result of the awareness survey, we found that most employees are anxious about nursing care and they have a lack of knowledge. Therefore, we have begun to strengthen our efforts to improve understanding of nursing care. In FY 2017, we created a handbook "Balance of Work × Nursing Care Handbook (Basic Knowledge Edition)", which summarized a basic knowledge of nursing care and support measures of DENSO TEN. We also disclosed it to all employees on the intranet and held a seminar on balance of work and nursing care for managers. The staff who had no experience of nursing care was in charge of planning this handbook. We expect managers to understand nursing care as a familiar problem regardless of nursing care experience, and design the book to make it possible to obtain useful knowledge when they face nursing care and to provide a smooth response when they are consulted with the matter related to nursing care from their subordinates.

Handbook that can be viewed on the intranet





Promotion of women's advancement

As one of measure of supporting employees' independence and success, we strive to create a workplace where women can work comfortably, such as to continue to employ women, expand the types of jobs available, develop and improve various systems for balancing work and childcare, and develop a corporate culture to utilize the measures.

- We conduct training to reform consciousness to demonstrate leadership and to support building of in-house network in order to increase the number of woman who aims to be a position with higher responsibility.
- We conduct the training for woman employees to reform consciousness to demonstrate leadership and to support building of in-house network. We also perform the training of obtaining know-how for training of their woman subordinates to woman's supervisors.
- As an opportunity to think about future career of young woman, we hold a discussion meeting with senior employees, and hold forums which interacts with woman managers who are working well outside company.
- In July 2016, we obtained the "Eruboshi" company certification by the Minister of Health, Labor and Welfare based on the evaluation result of efforts for promotion of women's advancement such as recruitment, continued employment and various career courses etc.



Voice : Voice of an employee



I participated in training and workshops on the theme of "Working lively for women," and interacted with women who work well in various fields with different backgrounds. At that time, I had been looking for career after reinstatement from childcare leave, but I also knew the government and company's efforts to support women, and I found that I unconsciously created my own limit and restriction. It makes me feel confident that I was able to challenge an opportunity of manager appointment while achieving the balance of work and child care.

M&S) OEM Marketing & Sales Dept. EX

Tomomi Nakamura

Mental and physical health support

Under recognition of "health management of employee is a base of management", we enhance health awareness of each employee and support voluntary health promotion including mental and physical health. We have been shifting main support scheme to "activities for preventing mental and physical illnesses" from "health check / care" since 2nd half in FY 2014,.

- We perform regular health examination, health examination by purpose corresponding to age / workplace environment, and care of mental health.

Efforts in FY 2017

- Based on a result of the health check, we performed health enlightenment seminars for young people up to age of 30 (new employee, age of 27 and 30) as a measure to prevent diseases in future.
- From the viewpoint of preventing passive smoking, total of 27 non-smoking seminars were held, in addition to review the location of smoking spaces and to participate in non-smoking events
- We performed the education that aimed at improving health awareness for overseas employees by utilizing opportunities for overseas visits by industrial physicians.

●Fair and equitable transactions



We maintain fair relationships with suppliers.

We provide open and equitable transaction opportunity toward suppliers, comply with all laws and contracts, and maintain fair relationships. And under a long-term perspective, we work on materializing the partnerships for co-existence and co-prosperity with suppliers based on mutual trust.

Partnership with suppliers

DENSO TEN Group describes the sentences “respecting for clients such as suppliers etc.”, “materializing the partnerships for co-existence and co-prosperity with suppliers based on mutual trust under a long-term perspective”, “providing open and equitable transaction opportunity”, and “complying with laws and contracts, and maintaining fair relationships” in the Corporate Behavior Declaration (CSR policy).

Based on the above, we notify suppliers of our procurement policy, important issues, and requests for suppliers through all suppliers convention.

We also present letters of appreciation to the suppliers there which achieved higher performance.

TOPICS

Proposals to improve supplier BCP^{*1} at the “Ten-ei-kai” Theme Research Group

“Ten-ei-kai”, a supplier cooperation association, comprising 95 suppliers and DENSO TEN, handles activities of the research group with having a theme that focuses on “important issues” that are common to both member companies and DENSO TEN.

As one of these, in FY2017, the First Group discussed the “Improvement of Supplier BCP” and proposed the “Improvement of the SCR-Keeper^{*2} operation at the secondary and tertiary suppliers”, “Challenges of the SCR-Keeper Operation in the Event of Disasters and Accidents, such as fire other than earthquake” and proposed the improvement of the supplier BCP.



Proposals at the Ten-ei-kai Theme Research Group

*1 BCP : Business Continuity Plan : It is a plan to show the policy, system and procedure that prevent interruption of important business, and recover the business in a short period even when the business is temporarily interrupted in case of the occurrence of the risk including natural disaster.

*2 SCR-Keeper : Supply Chain Risk Management Service operated by FUJITSU LIMITED

Voice : Voice of a supplier



In addition to sales of semiconductors, devices, and measuring equipment, we are also working to create new business and new schemes through customer suggestions and technology development support. In collaboration with VISTEL LTD. and NXP Japan Corporation, we succeeded in developing a radio dedicated IC that integrated FM / AM / DAB and reduced size and cost. We received the Technology Development Excellence Award at “Suppliers Convention 2018”.

We will continue to further strengthen our technical support and other technologies to offer high value-added proposals in collaboration with cooperating companies.

VITEC GLOBAL ELECTRONICS CO., LTD.

Mr. Toshiyuki Suzuki, Director

We declare social responsibilities while treasuring “MAKOTO”.

Under the leadership of top management, we will establish the system which declares social responsibilities, and develop organizational culture which is suitable for a company trusted by international society and local communities.

Aim to be a Company Trusted by Society and Local Communities

We established “DENSO TEN Group corporate behavior guidelines” defining appropriate behaviors of employees and we formulated “DENSO TEN Group corporate behavior declaration (CSR policy)” which declares our responsibilities for stakeholders and an ideal image of DENSO TEN Group regarding CSR.

We strive to build even better relationship with stakeholders and realize our philosophy to contribute to customers and society, centering on “MAKOTO”, by operating these guidelines and declaration.

Compliance

DENSO TEN Group strives to promote group-wide compliance activities, establishing in-house rules, training programs, and monitoring systems, while clarifying laws and regulations related to business activities.

Efforts in FY 2017

- In view of the discovery of problems related to compliance in manufacturing industry in Japan, we held a “Management seminar for fraud prevention” for all managers, including dedicated managers who have no subordinates. A total of 424 managers participated.

Information Security

In response to the risk of information leakage and others, we strive to strengthen information security by establishing various rules, performing audits, and trainings by e-learning for all employees.

- We established the relevant regulations based on ISMS* international standard (ISO / IEC27001 etc.).
We build and operate information management system and perform self-check and audit in whole company.
- We protect information leakage by introducing anti-virus software for all PC and system which checks security status of PC connected with network.
- Security management department strives to enlighten consciousness of information security by sending various information on “Security Day” once a month.

* ISMS: Information Security Management System

Efforts in FY 2017

- In order to enhance awareness of each employee on the importance of information security, we have created a “Thorough declaration of information security!” stickers and we affixed them to personal computers at each department.

Toward building richer society / local communities

We would like to contribute to building richer society / local communities through corporate activities under self-awareness of “we are a member of society”.

Efforts in FY 2017

- We worked to strengthen “collection activities” in which all employees can easily participate, and to create opportunities for employees to participate in volunteer activities.
- We also participated in sports and culture activities, including holding volleyball classes by 9 women volleyball team, “Red Phoenix”, water supply volunteer at the Kobe Marathon, and cooperating with music events of junior and high school students and college students.
- As for the environmental contribution activities, we have achieved our goal, which is the achieving “1 or more activities in one site”, for “Social contribution activities that employees work together on society” and “Activities that solve the social and environmental issues, such as biodiversity etc.”.



Our staff supported creating amphibious vehicles at workshop. (August 2017, Kobe Head Office)



DENSO TEN sponsored various music events including the Yamano Big band jazz contest.



We participated in the “Volleyball Meeting for Disabled Persons” to deepen mutual understanding among persons with a disability and persons without any disability through experience of volleyball.



Volunteers of DENSO TEN Solutions Philippines (TNSP) released baby of sea turtles to the sea.

Voice : Voice of an employee



Participating in the Kobe Marathon water supply volunteers

I participated in water supply volunteers for the first time to assist runners in the Kobe marathon. I have ever run a marathon at another city.

This time, I feel to have found out the hardship of volunteer by participating in the marathon as a volunteer, and been able to give back a little bit.

I would like to thank the secretariat who provided this opportunity, and I will continue to actively participate in social contribution activities such as volunteer and others.

DENSO TEN UNION.

Hirofumi Hamaoka

Financial report (consolidated) * The amounts shown are rounded down to the unit for presentation.



Outline of balance sheet

In the current term, we performed smooth transition to new management structure and positioned this year as the year to create a base for powerful growth.

Regarding the performance in the current term, consolidated sales achieved 380 billion yen due to the influence by the switch of model of the OEM products such as car navigation system, audio and others, and it decreased by 0.9% (3.6 billion yen) compared to the previous term. Regarding profit / loss, consolidated operating profit achieved 7.68 billion yen due to the increase of investment for advanced technology development in addition to decrease of gross profit due to decrease of sales, and consolidated net profit achieved 2.2 billion yen. As for the performance in the next term, we anticipate the exchange impact due to yen appreciation, but we expect sales of 359.4 billion yen, operating profit of 8.97 billion yen and current net income of 5.3 billion yen due to development efficiency and cost reduction effects and others.

While we expect future expansion of our business field, competition in technology development in the advanced driving support system field and telematics field is intensifying globally. We would like to challenge to new growth of DENSO TEN Group by steadily grasping changes and expansion of the market for autonomous driving / connected car / electrification and the like.

Corporate Profile

| | |
|-------------------------------------|---|
| Company name | DENSO TEN LIMITED |
| Head office address | 2-28,Gosho-dori 1-chome,Hyogo-ku,Kobe 652-8510,Japan |
| Phone | +81-78-671-5081 |
| Established | October 25, 1972 |
| Capital | ¥5,300 million |
| Shareholders | DENSO CORPORATION, TOYOTA MOTOR CORPORATION, FUJITSU LIMITED |
| Business Description | Vehicle-ICT : Multi-Angle Vision, Millimeter wave radar,E-call system, Drive Recorder etc. Car Infotainment : Car Navigation, Display Audio, CD Tuner, Sound system etc. Automotive Electronics : Hybrid ECU, EPS ECU, EFI ECU, Airbag ECU etc. |
| President & Representative Director | Satoshi Iwata |

List of business offices

Sales/Production/Research & Development/Logistics and others
The Bases with an asterisk (*) are not included in the scope of this report

WEB List of business offices

Japan

DENSO TEN LIMITED
DENSO TEN MANUFACTURING LIMITED
DENSO TEN TECHNOSEPTA LIMITED
DENSO TEN SALES LIMITED

DENSO TEN RESEARCH LIMITED
DENSO TEN STAFF LIMITED
DENSO TEN TECHNOLOGY LIMITED
DENSO TEN SERVICE LIMITED

Overseas offices

Asia, Oceania

Australia DENSO TEN AUSTRALIA PTY. LTD.
Philippines DENSO TEN PHILIPPINES CORPORATION
DENSO TEN SOLUTIONS PHILIPPINES, CORPORATION
Thailand DENSO TEN (THAILAND) Limited
Singapore DENSO TEN SINGAPORE Private Limited
India DENSO TEN MINDA INDIA Private Limited
MINDA D-TEN INDIA Private Limited*
Indonesia PT. DENSO TEN MANUFACTURING INDONESIA
PT. DENSO TEN AVE INDONESIA*
Korea DENSO TEN KOREA Limited
China DENSO TEN (CHINA) Limited.
DENSO TEN ELECTRONICS (WUXI) Limited.
DENSO TEN PRECISION ELECTRONICS (TIANJIN) Limited*
DENSO TEN TRADING (TIANJIN) Limited.
DENSO TEN RESEARCH AND DEVELOPMENT (TIANJIN) Limited.

Europe

Spain FUJITSU TEN ESPAÑA, S. A.
Germany DENSO TEN EUROPE GmbH

Americas

United States DENSO TEN AMERICA Limited
DENSO TEN TECHNOSEPTA USA, Limited*
Canada DENSO TEN CANADA INC.
Mexico DENSO TEN de MEXICO, S.A. de C.V.
Brazil DENSO TEN DO BRASIL LTDA.

Change of our capital structure and company name

FUJITSU TEN LIMITED changed the capital structure on November 1, 2017. Also we changed company name to DENSO TEN Limited.

This change is implemented based on "Regarding the basic agreement concerning consideration for the change of the capital structure of FUJITSU TEN LIMITED" announced by DENSO CORPORATION, FUJITSU LIMITED and TOYOTA MOTOR CORPORATION, which are stockholders of FUJITSU TEN on September 9, 2016.

New company name (trade name):

"DENSO TEN Limited"

New logo:

DENSO TEN

The origin of FUJITSU TEN was from the establishment of Kawanishi Machine Works back in 1920. The company was evolved into Kobe Industries Corporation, the predecessor of FUJITSU TEN, which was established in 1949. After Kobe Industries Corporation merged with FUJITSU LIMITED in 1968, the radio department was separated from FUJITSU LIMITED,

and established as FUJITSU TEN LIMITED in 1972.

Since then, we have provided various products and services as a car electronics manufacturer.

Recently, we aim to change from "a supplier of stand-alone units" to "a system supplier that provides and proposes connected in-vehicle information equipment and services", and strengthen Vehicle-ICT business that creates new values. In future, as a member of DENSO Group, we will further strengthen development of in-vehicle ECU (Electronic Control Unit), millimeter wave radar, advanced driving assistance / autonomous driving technology, Electronic basis technology and others.

Contents (before and after change) of capital structure (capital contribution ratio)

| | Before | After |
|--------------------------|--------|-------|
| DENSO CORPORATION | 10% | 51% |
| FUJITSU LIMITED | 55% | 14% |
| TOYOTA MOTOR CORPORATION | 35% | 35% |

After reading the CSR Report 2018



Chika Saka

Assistant to the President / Professor of School of Business Administration / Doctor of Commercial Science at Kwansei Gakuin University
Currently, a member of Science Council of Japan, a member of Osaka Prefecture Environmental Council Committee, a director of Business Analysis Association, a director of Japanese Association for Research in Disclosure, a director of the Japan Corporate Social Accounting and Reporting Association

Overall

In this CSR report, DENSO TEN associates all activities with the field of five important issues of CSR and SDGs (Sustainable Development Goals) which were identified by The United Nations. As the result, CSR Report in digest version was further improved as for readability. Also this CSR report covers the 12 targets of 17 targets of SDGs. I highly evaluate the DENSO TEN's activities that are comprehensively performed.

Efforts for field of important issues

As for "Consumer issues", DENSO TEN obtained the new quality management standard "IATF16949" in automobile industry ahead of other companies. Also DENSO TEN performed high-level efforts such as the improvement of quality awareness and efforts for human resources development considering recent compliance violations of other company. As for "Environment", DENSO TEN performed well-balanced and careful activities over all fields including green site (production), green purchasing / green logistics, green products, management system and environmental risk management, and disclosed the detailed information over 18 pages of CSR report in detailed version. Based on industries' first obtaining of global joint certification for ISO14001:2015, I understood the high organizational power and support capability of DENSO TEN.

As for "Human rights / Labor practices", DENSO TEN strengthened efforts to support the balance of work and nursing care, and achieved the new criteria of employees with disabilities. In addition, DENSO TEN positioned year of 2018 as the first year of health management, and included health declaration.

DENSO TEN made steadily concrete efforts to improve the labor environment along SDGs.

As for "Fair operating practices", DENSO TEN clarified "Conflict minerals policy".

In addition, CSR report includes the information such as creating system of strengthening information security and various local contribution activities. CSR report is well worth reading.

Eco vision and toward the future

In this CSR report, "Eco Vision" that is newly established by the unification of the existing "DENSO TEN Global Environment Charter" and "Environmental Mid-to Long-term Vision" is remarkable. Especially, "Commit 2025" is very aggressive contents. Toward Paris Agreement and zero emission in 2050, it formulates various targets such as "Reduction of vehicle CO₂ in half", "Reduction of factory energy in half", "Reduction of emissions, waste, and the amount of water use in half". DENSO TEN has already reviewed "Environmental Measures Plan". As the marginal abatement cost is high in Japan, DENSO TEN needs to work on unprecedented levels of efforts in future.

Therefore, firstly, DENSO TEN needs to perform activities with an awareness of a global value chain. Many burdens on the environment generates in the upstream supply chain. DENSO TEN already calculated greenhouse gas emissions, and established supply chain information including quaternary supplier (SCR-Keeper). I believe that DENSO TEN can find a new breakthrough that improves both of reduction of burdens on the environment and productivity of resource by utilizing this important information base and cooperating with other companies over company barrier.

The second is the visualization of linking to environment / CSR and corporate value. I think the already introduced "Environmental management comparison evaluation" is a superior system for evaluating "Operation improvement and corporate value" and "Management system". However, I am curious how each activity of CSR report concretely links to corporate value.

CSR report of DENSO TEN in this year quickly incorporates the world movement such as SDGs and Paris Agreement into their Eco Vision and activities, and it conveys the strong preparation and a sense of responsibility which is committed by DENSO TEN. Expectation of stakeholder will be enhanced in future.

Response to third party comment



森下 拓

Hiraki Morishita
DENSO TEN LIMITED. Executive Officer and Director

This is the third year to receive comments from Professor Saka. We greatly appreciate that she evaluated our CSR activities per the field of important issues in detail and also gave us valuable comments.

Based on the world-wide enhancement of importance of CSR, as a first step proceeding with our activity along the social expectation and requirement, DENSO TEN associated our CSR activity with SDGs last year. From the above, we believe that we could clarify much agreement

between some issues shown in SDGs and our future direction.

In future, we will identify the issues to be mainly worked on. The issues include how for us to contribute to achieving each target of SDGs through our business, and we continuously worked on the establishment of management index for "the visualization of linking to CSR activities and corporate value" that is pointed out from Professor Saka.

Also we understand the Eco Vision that is highly evaluated at this time is a challenging target for DENSO TEN, and we proceed with the activity of entire supply chain toward the achievement.

We contribute to the solution of social issues and aim to become a trusted company by the promotion of business activity with sensitively grasping environmental change and social expectation for the realization of free and comfortable mobility society while respecting "MAKOTO".

DENSO TEN LIMITED

2-28, Gosho-dori 1-chome, Hyogo-ku, Kobe 652-8510, Japan

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