

MEETING DATE	Wed, 20 Jun 2018 10:00 am	TYPE	AGM	ISSUE DATE	Tue, 05 Jun 2018
MEETING LOCATION	Head Office, DENSO CORPORATION, 1-1, Showa-cho, Kariya, Aichi, Japan				
CURRENT INDICES	PIRC Japan				
SECTOR	Motor vehicle parts and accessories				

PROPOSALS		ADVICE
<p>1.1 Elect Arima Kouji President, Representative Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that it is the responsibility of the most senior Board members to ensure that there is adequate gender diversity on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity.</p>		Oppose
<p>1.2 Elect Maruyama Haruya Executive Director. Representative Director.</p>		For
<p>1.3 Elect Yamanaka Yasushi Executive Director. Representative Director.</p>		For
<p>1.4 Elect Wakabayashi Hiroyuki Executive Director. Representative Director.</p>		For
<p>1.5 Elect Tsuzuki Shouji Newly appointed Executive Director. After this meeting, there will be no female directors on the Board. Regardless of the level of independence, it is considered that the election of new executives should not be supported until gender diversity is introduced on the Board. Although there are no specific legal requirements or recommendations in this market, it is considered that companies should not rely on minimum standards, but aim to best practice, including in gender diversity. He is newly appointed to the Board and his appointment does not improve the gender balance on the Board which Triodos does not support.</p>		Oppose
<p>1.6 Elect George Olcott Independent Non-Executive Outside Director.</p>		For
<p>1.7 Elect Nawa Takashi Independent Non-Executive Outside Director.</p>		For
<p>2.1 Elect Niwa Motomi Newly nominated Inside Corporate Auditor. Not considered to be independent. Triodos opposes this resolution.</p>		Oppose
<p>3 Payment of Bonus to Directors/Corporate Auditors The company proposes the payment of bonuses to directors and corporate auditors. Although shareholders are given an opportunity to vote at the Annual Meeting on whether bonus would be paid, the level of individual payment is unclear and is decided entirely by the board. However, the company does disclose that only internal directors will be able to benefit from this awards scheme and aggregate amount payable is disclosed. Triodos supports this resolution.</p>		For

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2.1 - Elect Niwa Motomi

The traditional governance structure for Japanese companies (Kansayaku) involves the appointment of corporate auditors. Large Japanese companies are required to form a board of corporate auditors with powers to examine board activities and oversee financial reports. Such companies are required by law to appoint at least three statutory auditors to the corporate audit board. At least half the corporate auditors must qualify as 'outsiders'. Beyond this legal minimum, it is considered to be best practice that boards of corporate auditors should be composed wholly of outsiders. New appointments are therefore considered in the context of their effect on the balance of independence.

Note: It is considered that the corporate auditor board will be 40% independent following the Annual Meeting.

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