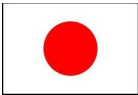




DENSO CORP

Japan Governance Service

MEETING DATE	Fri, 19 Jun 2020 10:00 am	TYPE	AGM	ISSUE DATE	Wed, 03 Jun 2020
MEETING LOCATION	Head Office, DENSO CORPORATION 1-1, Showa-cho, Kariya, Aichi, Japan				
CURRENT INDICES	PIRC Japan				
SECTOR	Motor vehicle parts and accessories				

COMPANY OVERVIEW

DENSO Corp is involved in the automotive, consumer related systems and industrial products businesses. Its products include power-train equipment, electronics, heat equipment, information safety, motor, industrial equipment and lifestyle related equipment. It is geographically located in: Japan, North America, Europe, Oceania. The company was founded in December 1949 and is head quartered in Kariya, Japan.

MEETING SPECIFIC INFORMATION

The company operates under the Kansayaku-setchi-kaisha structure, with a board of directors and a board of corporate auditors.

	PROPOSALS	ADVICE
1.1	Elect Arima Kouji President. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. As there are three or more outside directors, it is considered that there is adequate outside presence on the Board, and support is therefore recommended.	For
1.2	Elect Yamanaka Yasushi Executive Director.	For
1.3	Elect Wakabayashi Hiroyuki Executive Director.	For
1.4	Elect Usui Sadahiro Executive Director. Newly nominated Executive Director. As independent directors comprise more than one-third of the entire Board, support is recommended.	For
1.5	Elect Toyoda Akio Independent Non-Executive Director.	For
1.6	Elect George Olcott Independent Non-Executive Director.	For
1.7	Elect Kushida Shigeki Independent Non-Executive Director.	For
1.8	Elect Mitsuya Yuko Independent Non-Executive Director.	For
2	Elect Reserve Corporate Auditors (JP) Independent Substitute Corporate Auditor. Support is recommended.	For

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|----------|--|------------|
| 3 | Payment of Bonus to Directors/Corporate Auditors | For |
| | 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. A vote for is recommended. | |
| 4 | Reviewing Aggregate Remuneration Amount of Directors/Corporate Auditors | For |
| | It is proposed to approve the aggregate remuneration of directors, pursuant to the provisions of the Companies Act and the Ordinance for Enforcement of the Companies Act. The increase has been justified and it is within recommended limits. Also, performance-related pay is restricted to executives. Support is therefore recommended | |
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SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Elect Reserve Corporate Auditors (JP)

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 25.0% independent following the Annual Meeting.

Pay and Public Health Crisis

All companies need to review their approach to pay, and amounts to be paid, to their executives in the light of current events. Few if any executive pay schemes are likely to be appropriate for a company in current market circumstances and the health emergency. PIRC therefore calls on companies to suspend all payments to executives other than basic salary from the 1st April, until the end of the financial year December 2020.

It is also important that such a review is considered in the context of its impact on employees, especially where there have been, or may need to be, redundancies or layoffs.

There is also an anomaly in variable pay being determined on the historic performance as at the year end, given the occurrence of extremely material post balance sheet events. If it is deemed appropriate to cut dividends and reduce the workforce, due to these events, which in many cases are already happening, then it is difficult to understand how executive bonuses and LTIP awards - essentially based on last financial year - can be justified.

PIRC will be reviewing the experience of companies and will take this into account when providing voting advice next season.

BOARD OF DIRECTORS (post-Meeting)

ARIMA KOUJI					PRESIDENT
AGE	62	TENURE	5 Years	COMMITTEES	None
GENDER	Male				
OTHER POSITION					
INDEPENDENT BY PIRC	N		INDEPENDENT BY COMPANY		N
YAMANAKA YASUSHI					EXECUTIVE DIRECTOR
AGE	63	TENURE	5 Years	COMMITTEES	None
GENDER	Male				
OTHER POSITION					
INDEPENDENT BY PIRC	N		INDEPENDENT BY COMPANY		N
WAKABAYASHI HIROYUKI					EXECUTIVE DIRECTOR
AGE	64	TENURE	4 Years	COMMITTEES	None
GENDER	Male				
OTHER POSITION					
INDEPENDENT BY PIRC	N		INDEPENDENT BY COMPANY		N
USUI SADAHIRO					EXECUTIVE DIRECTOR
AGE	62	TENURE	<1 Years	COMMITTEES	None
GENDER	Male				
OTHER POSITION					
INDEPENDENT BY PIRC	N		INDEPENDENT BY COMPANY		N
TOYODA AKIO					EXECUTIVE DIRECTOR
AGE	64	TENURE	1 Year	COMMITTEES	None
GENDER	Male				
OTHER POSITION					
INDEPENDENT BY PIRC	N		INDEPENDENT BY COMPANY		N
GEORGE OLCOTT					NON-EXECUTIVE DIRECTOR
AGE	65	TENURE	6 Years	COMMITTEES	None
GENDER	Male				
OTHER POSITION					
INDEPENDENT BY PIRC	Y		INDEPENDENT BY COMPANY		Y
KUSHIDA SHIGEKI					NON-EXECUTIVE DIRECTOR
AGE	62	TENURE	1 Year	COMMITTEES	None
GENDER	Male				
OTHER POSITION					
INDEPENDENT BY PIRC	Y		INDEPENDENT BY COMPANY		Y

MITSUYA YUKO		NON-EXECUTIVE DIRECTOR			
AGE	62	TENURE	1 Year	COMMITTEES	None
GENDER	Female				
OTHER POSITION					
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY			Y

CORPORATE AUDITORS

NAME	DATE APPOINTED	INDEPENDENT BY PIRC	INDEPENDENT BY COMPANY
Gotou Yasuko	01-01-2019	No	Yes
Kitamura Haruo	01-01-2019	Yes	Yes
Niwa Motomi	01-01-2018	No	No
Shinmura Atsuhiko	01-01-2014	No	No

BOARD COMPOSITION

BOARD COMPOSITION FOLLOWING THE AGM

	Number	% of Board
Executive Director	5	62.5
Independent NEDs	3	37.5
Connected NEDs	0	0.0
Other	0	0.0

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