Corporate Governance Report

CORPORATE GOVERNANCE DENSO CORPORATION

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DENSO CORPORATION

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The corporate governance of DENSO CORPORATION (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The Company recognizes that establishing corporate governance is a top priority for maintaining and improving long-term corporate value in a rapidly changing global market, and is working to strengthen it. The Company has adopted a corporate auditor system under which it has established the General Meeting of Shareholders, Board of Directors, Audit & Supervisory Board, and Accounting Auditors as statutory bodies. In addition to these legal functions, the Company has established various governance-related frameworks. At the same time, the Company provides information regarding its business conditions to its shareholders and other investors on an ongoing basis, thereby implementing sound, efficient, and transparent management. Also, the Company has adopted its Basic Policies on Corporate Governance, which can be viewed below.

Basic Policies on Corporate Governance

(1) Securing the rights and equal treatment of shareholders

・ DENSO 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

・ DENSO shall strive to create a virtuous cycle whereby it 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.

・ DENSO 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

・ DENSO 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.

・ DENSO shall deploy various methods for disseminating non-financial information in particular, which include directly disseminating information through the Integrated Report, website and exhibitions as well as disseminating information to the mass media through press releases to obtain the understanding of its stakeholders.

(4) Execution of duties of the Board of Directors

・ DENSO 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 Management Plan, which contains strategies that give global concrete shape to our objectives and activities for the next three-to-five-year period.

・ DENSO 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 President, Executive Vice President and Senior Executive Officers, who are responsible for the execution of business operations. Additionally, DENSO shall, depending on the circumstances, have members of the Board serve concurrently as Senior Executive Officers to ensure the balance of knowledge, experience, and capabilities of the Board of Directors as a whole.

・ DENSO shall emphasize objective and neutral management supervision from an outside perspective and shall utilize as outside directors 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

・ DENSO shall strive for good communication with its shareholders and investors by providing enhanced information encompassing management strategies and financial information and actively holding dialogues with the participation of Board members and President, 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 DENSO's management.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The company has implemented all the principles of the Corporate Governance Code (including the June 2021 revision for the Prime Market).

Disclosure Based on the Principles of the Corporate Governance Code

The following descriptions are based on the principles of the Corporate Governance Code (including those for the Prime Market revised in June 2021).

Principle 1 – 4 : Strategic Shareholdings

(1) Basic Stance

DENSO is keen to reduce low-profit assets and adopts the basic policy of not owning strategic shareholdings unless it is deemed logical to own such shareholdings. Also, to continuously enhance corporate value, it is essential that we collaborate with outside parties, including promoting joint technological development with various other companies and maintaining and strengthening relationships with business partners. To that end, we hold the minimum number of strategic shareholdings necessary for our business strategies.

(2) Examination to Determine the Rationality and Appropriateness of Strategic Shareholdings

Every year, the Board of Directors comprehensively determines the appropriateness of cross-shareholdings by examining the management significance of holding each individual stock, including in terms of promoting joint development and strengthening business collaboration, as well as whether the return on holding said stock (dividend payments, increased share prices, relevant business profit, etc.) is greater than DENSO's weighted average cost of capital. In the case that the continued holding of such shares has been no longer deemed rational such as termination of joint development, DENSO proceeds with the sale of cross-shareholdings after careful dialogue with investee companies.
In this fiscal year, based on the results of the examination at the Board of Directors' meeting held in April 2025, DENSO sold 4 of the total specified investment shares and 2 of the partial specified investment shares (approximately ¥450.9 billion worth).

(3) Standard for Exercising Voting Rights
DENSO believes that its investee companies should engage in management that emphasizes improving shareholder interest over the medium- to long-term, rather than pursuing shareholder returns only in the short-term. We exercise voting rights in an effort to help our investee companies realize sustainable improvement of their corporate value on the premise of contributing to the Company's profits. We comprehensively consider the merits of each item under examination regarding the exercising of votes based on our established internal guidelines. When necessary, we engage in dialogues with our investee companies regarding the content of our proposal.

Principle 1 – 7 : Related Party Transactions
(1) Transactions with Board members
The Company's Regulations for the Board of Directors require a resolution of approval by the Board of Directors.
(2) Transactions with DENSO's related parties such as major shareholders
As with other general transactions, the terms and conditions of individual transactions are negotiated and determined by fully taking into account the market value and offering the asking price.
In addition, with regard to a large amount of price revision, DENSO has created internal approval procedures based on the Business Approval Rules.

Supplementary Principle 2 – 4 (1) : Ensuring diversity in core human resources
For DENSO to maintain the trust and understanding of society while continuing to grow going forward, it is essential for the Company to leverage the strengths and viewpoints of its broad range of employees around the world. In other words, DENSO must further promote diversity and inclusion.
Valuing the new ideas that are borne out of the diverse value systems held by employees and fostering a warmhearted atmosphere where kindness and respect are shown to the individuality of each employee are two irreplaceable aspects in realizing sustainable growth for the Company. To this end, DENSO is working to realize an organizational environment and culture that embraces all individuals, regardless of personal attributes such as age, nationality, race, gender, sexual orientation, gender identity, disability, religion, career history, or value systems, thereby allowing a diverse group of employees to work with enthusiasm and energy.

- Non-Japanese Employees
Since establishing our first sales office in the United States in 1966, DENSO has been expanding its business overseas for more

than 50 years. Currently, we conduct business activities in 35 countries and regions, with around160,000 employees. Aiming to ensure upgrading of global management and developing leaders who will drive the future of DENSO and its new businesses are in suitable positions, we have set a target of achieving a 50% ratio of non-Japanese talents as heads of overseas bases by fiscal 2031. In talent management activities that involve collaboration between the headquarters and overseas regions, we hold talent development meetings with top executives in all regions to accelerate the discovery, development, and promotion of promising talents. We also support growth through globally common training programs such as the Global Leadership Development Program (attended by a total of approximately 530 people, including Japanese participants).

- Promoting the Active Role of Women

With the aim of enabling our employees to work with enthusiasm in any position regardless of gender, we have formulated KPIs for every phase of employees' careers, including joining a company, encountering major life events, and being promoted, and are promoting activities to achieve these KPIs accordingly. In fiscal 2022, we adopted targets to increase the number of women working in not only business and technical fields but production fields as well（fiscal 2026: female managers 200 at office, female team leaders and above 200 at technical fields）. Guided by these targets, we have been promoting such efforts as roundtable discussions with female employees who serve as role models for other women and diversity training for the supervisors of female employees. Additionally, in fiscal 2025, DENSO revamped the practical job system, which had been focused on standardized/support tasks since our founding. By integrating the comprehensive job and practical job," we eliminated barriers in evaluation, training, and working styles. This initiative aims to maximize the motivation and abilities of approximately 1,800 practical job employees (99% of whom are women), supporting their sense of growth and career realization.

Two years have passed since the integration, and in fiscal 2026, one employee was promoted from a former practical job role to a management role.

- Mid-career recruitment

To increase workforce diversity beyond what DENSO has traditionally had and to realize new value creation, we are strengthening our mid-career recruitment efforts. The number of new mid-career hires accounts for approximately 50% of the total technical and administrative hires. After joining the Company, we support the building of professional networks through onboarding programs, introductory training, and workplace-based education. In addition, we provide consultation services to help alleviate concerns related to mental and physical well-being. Going forward, we will continue to enhance these initiatives and further support the active contribution of our employees.

【URL】

Integrated Report

URL; https://www.denso.com/global/en/about-us/investors/annual-report/

Website

URL; https://www.denso.com/global/en/about-us/sustainability/

Principle 2 – 6 : Roles of Corporate Pension Funds as Asset Owners

The Company's corporate pension is managed by the DENSO Pension Fund (the Fund). The Fund plays an important role not only in supporting asset formation for employees but also in influencing the Company's financial position, and collaborates closely with the Company.

(1) Investment Policy

In order to maintain a sound financial position of the Fund, we pursue our investment policy designed to secure stable long-term returns through a diversified asset allocation, while controlling volatility and emphasizing downside protection.

(2) Human Resource Initiatives

In principle, we assign personnel from our Finance & Accounting Division to the corporate pension investment management section of the Fund. Since pension investment management requires a high level of expertise, it is important to develop experienced portfolio managers through job rotation, and to appropriately monitor entrusted asset managers.

(3) Investment Management

As part of our governance, we have established an Asset Management Committee consisting of members from our company and the Fund, which ensures the financial soundness of the Fund through reports on asset portfolio, investment policy reviews, monitoring of entrusted asset managers, and appropriate risk management.

Furthermore, the Fund has expressed its support for and acceptance of the "Asset Owner Principles" (common principles for the investment, governance, and risk management of asset owners), which is considered beneficial for fulfilling its responsibility to manage pension assets in the best interests of beneficiaries as an asset owner.

Principle 3 - 1 (i): Corporate Philosophy, Vision, Management Strategy

(1) Corporate philosophy

We have formulated the DENSO Philosophy as our corporate philosophy, and each and every employee always keeps it in mind as a guide of action so that we can continue to be a corporation that is trusted and expected by people around the world.

< Mission >

Contributing to a better world by creating value together with a vision for the future

< Management Principles >

1. Customer satisfaction through quality products and services
2. Global growth through anticipation of change
3. Environmental preservation and harmony with society
4. Corporate vitality respect for individuality

< Individual Spirit >

1.To be creative in thought and steady in action
2.To be cooperative and pioneering
3. To be trustworthy by improving ourselves

(2) Vision, Management Strategy

① Long-term Policy for 2030

< Slogan >

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

< Our Goal for 2030 >

A company that continuously generates value to enrich mobility that achieves sustainability, happiness, and peace of mind for everyone

< Keywords >

Green: Lasting vitality for the environment

Contribute to sustainability by increasing efficiency and reducing environmental impact

Peace of Mind: Providing a sense of well-being

Contribute to future mobility that is safer, more comfortable, and convenient for everyone

Inspiring: Making a difference

Contribute to happiness for everyone through inspiring value-added offerings

②2030 Mid-Term Management Plan "CORE 2030"

In light of changes in the business environment, we have formulated Our Goals and Growth Strategies.

＜Our Goal＞

・Realize the future society, starting from mobility, through human potential

＜Growth Strategies＞

・Meeting Diverse Mobility Needs　“Strengthening Product Development”

・Combining practical know-how from the frontline and AI　“Innovating Manufacturing”

・Driving New Value Creation　“Developing People, Co-Creating with Partners”

Principle 3 - 1 (ii): Basic views and policies on corporate governance

Please refer to "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" in this report.

Principle 3 - 1 (iii): Board Policies and Procedures in Determining the Remuneration

For details, please refer to II. 1 [Director Remuneration] “Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof.”

Principle 3 - 1 (iv): Policies and Procedures for Selection of Candidates for Members of the Board and Audit & Supervisory Board Members

< Policy >

Without consideration of gender or age, nominate members of the Board and Audit & Supervisory Board members with an emphasis on diversity, including gender and internationality, and from the viewpoint of striking a balance between experience, skills, and expertise so as to promote accurate and swift decision-making.

< Procedure >

The president and relevant members of the Board listen to opinions based on various perspectives and select suitable candidates to serve as a member of the Board of Directors, comprehensively taking into account their background, personality, insight, and other factors. The Executive Nomination and Remuneration Council, which is chaired by an independent outside Board member and also has a majority of independent outside Board members serving as its members, then holds debate on these candidates and lists the candidates for selection for the current fiscal year.

・ Members of the Board are selected based on an informal resolution by the Board of Directors and deliberation at the General Meeting of Shareholders.
・ Audit & Supervisory Board members are selected based on an informal resolution by the Board of Directors and deliberation at the General Meeting of Shareholders, with the consent of the Audit & Supervisory Board

Principle 3 - 1 (v): Reasons for Nomination Each Candidates for Member of the Board and Audit & Supervisory Board Members

For details, please refer to II. 1 [Directors] "Relationship with the Company(2)" and II. 1 [Audit and Supervisory Board Member] "Relationship with the Company(2)".

Supplementary Principle 3 - 1 (3) : Initiatives for Sustainability

(1) Promotion of Sustainability Management

Since our founding, we have been promoting sustainability management to contribute to the resolution of social issues through our businesses for the benefit of society, customers. The spirit of our sustainability management is encapsulated in the essential part of the DENSO Creed, and this approach represents the core of our management that we have inherited since our founding and provides us with the driving force for growth.

Toward the steady implementation of sustainability management, we have incorporated social issues into our long-term vision and material issues (materiality) and are working to resolve them through our business activities. In our long-term vision, we have adopted the three themes of "green," "peace of mind," and "corporate foundation" as the areas where we can contribute through our business. In addition, among social issues, we have selected themes that are of high importance to the realization of a sustainable society and to which the company should contribute as material issues of high priority (Materiality), and we have set goals for each theme and are working to achieve these goals.

For example, we are reviewing our business portfolio and making strategic investments in R & D and human resource development to achieve the "ultimate zero" of "zero carbon neutral (zero CO2)" for global warming and "zero traffic fatalities" for reducing traffic accidents.

In 2024, we reviewed our Materiality in light of social issues and changes in the business environment. We identified opportunities and risks from the perspectives of both the financial impact and the social impact. We also took into account the opinions and expectations of our customers, business partners, investors, employees, and other stakeholders through dialogue, and redefined our Materiality. Currently, we are formulating targets, indicators, and action plans for each Materiality. In light of recent social trends related to sustainability, we have established the "Sustainability Meeting" with a view to strengthening our governance structure for sustainability management.

We believe that in order to realize sustainable management, it is important for all Group employees to understand sustainability and put it into practice through their work, and we are promoting penetration activities so that each employee can speak out about the relationship between his/her work and sustainability in his/her own words. Furthermore, the level of achievement for some KPIs is evaluated as a calculation index for executive compensation in order to provide a strong incentive for management to participate in achieving our sustainability targets.

For details on our “Sustainability Management”, please refer to our "Integrated Report" or our website.

【URL】

・Integrated Report "Sustainability Management”

URL; https://www.denso.com/global/en/about-us/investors/annual-report/

・Website “Sustainability Management”

URL; https://www.denso.com/global/en/about-us/sustainability/management/

(2) Investment in “Human Capital”

Since our founding in 1949, the aspirations of our predecessors and their relentless spirit of challenge have driven us to overcome various challenges, resulting in the creation of more than 180 world-first technologies and products. In other words, we have enhanced our “collective capability of people and organization to realize what does not yet exist,” and have contributed to solving social issues.

Today, in addition to changes in the business environment, the widespread adoption of technologies such as AI is also bringing significant changes to the role of human beings. Moreover, as information becomes increasingly borderless and competition among companies intensifies, the capabilities of people and organizations to execute strategies have become as important as, or even more important than, business and management strategies themselves.

In this era of change, we believe it is essential to further align our human resource strategy with our business and management strategies, proactively invest in human capital, and enhance the value of our people, the added value they create, and their ability to deliver results. This reflects our long-held philosophy that “monozukuri begins with people development,” which has been upheld since our founding, and represents DENSO’s approach to human capital management.

For details on our “human capital”, please refer to our "Integrated Report" or our website.

【URL】

・Integrated Report "Human Capital”

URL; https://www.denso.com/global/en/about-us/investors/annual-report/

・Website “Social Initiatives - Together with Our Employees”

URL; https://www.denso.com/global/en/about-us/sustainability/society/

(3) Investment in “Intellectual Capital”

With the recent advancements in electrification and automated driving technologies as well as the emergence of software-defined vehicles (SDVs), cars are evolving into a product that centers on software, and this has increased opportunities for collaboration with companies outside of the automotive industry. To achieve sustainable growth amid these changes occurring in the business environment, intellectual properties (IP), which protect and leverage our technologies and ideas, are becoming even more important.

Since our founding, we have pursued the development of environmentally friendly technologies and established a robust patent portfolio, thereby protecting our IP. Looking ahead, we will pursue offensive IP strategies that create new value by combining multiple IP assets, aiming for value co-creation with other companies through collaborative activities and efforts to promote standardization.

For details on our “Intellectual Capital”, please refer to our "Integrated Report" or our website.

【URL】

・Integrated Report "Intellectual Capital”

URL; https://www.denso.com/global/en/about-us/investors/annual-report/

・Website “Intellectual property”

URL; https://www.denso.com/global/en/about-us/sustainability/governance/intellectual-property/

(4) Response to Climate Change (TCFD)

We believe that environmental changes in the context of climate change, are important issues that will have a significant impact on our business in the future. We pledged our support for the Task Force on Climate-related Financial Disclosures (TCFD) in May 2019, and in accordance with this framework, we are identifying risks and opportunities and analyzing scenarios of their impact on business strategy and financial planning.

In light of the progress, we have made with the results of our scenario analysis, we adopted a more ambitious goal of achieving “carbon neutrality” as a goal of reduction in CO_2 emission and commenced activities to reach this goal.

We clarified our metrics and targets in the Mid-term Management Plan and incorporated them into our corporate management objectives as one of the sustainability targets pertaining to our priority issues (Materiality). In addition to the Companywide Safety, Health, and Environment Committee mentioned earlier, progress is monitored by the Sustainability Meeting and reported to the Management Deliberation Meeting and the Board of Directors.

【Scope1・2】 Carbon-Neutral Monozukuri

We aim to achieve carbon neutrality in Monozukuri by lowering CO_2 emissions through a reduction in energy consumption based on more efficient manufacturing processes; by using such renewable energy sources as sunlight; and by reducing CO_2 emitted in production processes through the utilization of green hydrogen created through the use of renewable energy.

Targets；FY2026 Carbon neutral, FY2036 Carbon neutral (without carbon credits)

【Scope 3 (Upstream)】 Reduction of CO_2 Emissions in the Supply Chain

Since the progress of the initiatives conducted by suppliers varies from one supplier to another, DENSO will monitor progress through active dialogue with suppliers and provide support suited to their issues. For example, we will provide information on energy-saving know-how and help suppliers procure renewable energy and transition to low-carbon materials.

Furthermore, through such activities we gather information on the issues and requests of suppliers based on which we make suggestions to industrial organizations and other groups. With these efforts, we are helping to create environments that facilitate sustainable activities across the entire supply chain.

Targets；FY2031 Reduction of 25% (equivalent to well below 2℃*), FY2051 Carbon neutral

* The target of keeping temperature increases well below 2℃, which is a Scope 3 target under the 1.5℃ standard

【Scope 3 (Downstream)】Achieving Carbon Neutrality in Mobility Products and Energy Use

We will help reduce CO2 emissions from vehicle use by developing products and systems that support the popularization of HEVs, BEVs, FCEVs, and other xEVs. In addition, we will apply the electrification technologies cultivated in the automotive industry to the field of air mobility in an effort to contribute the reduction of CO2 emissions.

Furthermore, we will establish technologies that use energy in a highly efficient manner, regardless of location or time, and work to popularize them on a global basis. By doing so, we will help realize an energy-recycling society.

Targets；FY2031 Reduction of 25% (equivalent to well below 2℃*)

For details on our climate change response (TCFD) and other environmental activities, please refer to our "Integrated Report" or our website.

【URL】

・Integrated Report "Natural Capital" and "Efforts to Maximize the Value of Green"

URL; https://www.denso.com/global/en/about-us/investors/annual-report/

・Website "Commitment to the Environment" and "International certification for greenhouse gas(GHG) emission reduction target (SBT certification)"

URL; https://www.denso.com/global/en/about-us/sustainability/environment/

We will continue to contribute to a sustainable society and improve our corporate value through promoting our sustainability management.

Supplementary Principle 4 – 1 (1) : Scope and Outline of Delegation to Management

The company has streamlined the number of directors to achieve speedy decision-making and operations through an officer system that demarcates the roles of the directors responsible for overseeing management and president, executive vice president and senior executive officer responsible for business operations.

Individual operations such as capital investment are decided by the president, executive vice presidents, senior executive officers, executive officer, and senior directors by monetary scale in accordance with the "Business Decision Rules.

Principle 4 – 9 : Independence Standards for Independent Directors

Please refer to " II. 1. Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members" of this report.

Supplementary Principle 4 – 10 (1) : Concept, Authority and Roles Related to Voluntary Nominating Committee and Remuneration Committee and Related to Independence of Committee Structure

The company established the Executive Nomination and Remuneration Council, chaired by an independent outside Board member and whereby independent outside Board members form a majority, in order to ensure impartiality, fairness, and transparency in Board member nomination and remuneration.

<Member>

・Yuko Mitsuya (Independent Outside Board Member)

・Koji Arima (Member of the Board)

・Shinnosuke Hayashi (Representative Member of the Board)

・Joseph P. Schmelzeis, Jr. (Independent Outside Board Member)

・Noriko Kinoshita (Independent Outside Board Member)

<Discussion Theme>

【Basic Policy, Criteria】

・Nomination: Number and Composition of Member of the Board

・Nomination: Nomination Policy of Executives

・Remuneration: Concept of Remuneration System

・Remuneration: Remuneration Structure (Fixed/Variable Pay, etc)

・Remuneration: Determinants of Remuneration (Financial/Non-Financial KPI, etc)

【Annual Proposal of Nomination and Remuneration】

・Confirm and approve the annual executive nomination and remuneration proposals that are in line with the basic policy, standards, and decision-making process

・From April 2021, the Board of Directors has entrusted the final decision on individual remuneration amounts to this council.

< Activities of Executive Nomination and Remuneration Council>

The Executive Nomination and Remuneration Council met eight times in fiscal 2026 with 100% participation by council members. The main topics discussed in the council are as follows.

・Personnel Change of Executives as of January 2026

・Personnel Change of Executives as of June 2026

・Succession Plan for CEO

・Succession Plan for Outside Board Member

・Fiscal 2025 Individual Evaluation and Remuneration

・Revision of Remuneration System for Executives

・Level of Remuneration for Executives

Supplementary Principle 4 - 11 (1): Views on the Balance of Knowledge, Experience and Capabilities, Diversity and Scale of the Board of Directors as a Whole

The Board of Directors is composed of 12 members: seven members of the Board (including three outside Board members), and five members of the Audit & Supervisory Board (including three outside Audit & Supervisory Board members).

Members of the Board are familiar with the management of each business and its pressing issues. The composition of the Board strikes a strong balance between expertise, experience, skills, and global perspectives, including those of the outside Board members. For the Audit & Supervisory Board, the company selects persons who possess knowledge related to not only business management but also finance, accounting, and law. In this way, the company aims to achieve a balance between diverse opinions and secure the necessary level of expertise to ensure that the Board of Directors functions properly.

The company has defined areas of experience and specialization necessary to realize its Long-term Policy and sustain stable corporate management. The areas of specialization that the Company expects each member to demonstrate are described on the page of the company website, "Corporate Governance".

【URL】

https://www.denso.com/global/en/about-us/sustainability/governance/management/

Supplementary Principle 4 - 11 (2) : Concurrent Positions Held by Members of the Board and Audit & Supervisory Board Members

The company posts the status of concurrent positions of Directors and Audit & Supervisory Board Members every year in the Notice of Ordinary General Meeting of Shareholders.

Supplementary Principle 4 – 11 (3) : Summary of the Board of Directors' Effectiveness Assessment

We survey all members of our Board of Directors regarding its operations, the issues it discusses, the resolution process, and the support it provides to outside directors. Along with the results of the questionnaire, we conduct individual interviews with internal Board members and discussions with external Board members at the Independent Board Member Meeting, with the aim of eliciting candid opinions on issues and improvements that members feel need to be addressed. Issues and areas for improvement identified will be reported to the Board of Directors and shared among those in attendance to improve the effectiveness of the Board of Directors.

♦ As a result of the activities undertaken in FY2026 to address the issues identified in FY2025, the results of the questionnaire and interviews confirm that the Board of Directors in FY2026 was more effective than in the previous year.

< Achievements in FY2026 against FY2025 issues >

Composition of the Board of Directors

- Planned search for Board members

  In coordination with the Executive Nomination and Remuneration Council, outside directors and outside auditors were replaced and increased at the General Meeting of Shareholders in June 2026, resulting in an improved ratio of outside Board members and female Board members.

Strategy Discussion

- Enhancing mid- to long-term discussions through planned submission of strategic agenda items to the Board of Directors

  Technology strategy, manufacturing strategy, intellectual property strategy, semiconductor strategy, etc. were brought to the Board, and the Mid-term Management Plan was discussed multiple times.

Strengthening stakeholder perspectives
- Holding a Dialogue Day in conjunction with the announcement of the Mid-term Management Plan

We will develop an improvement action plan in FY2027 to address the remaining issues identified in FY2026, with the aim of further improving effectiveness.

<Improvement activity plan for FY2027 for FY2026 issues>
Response to the revised Corporate Governance Code
- Addressing the roles required of the Board of Directors under the revised Corporate Governance Code
Clarification of the ideal Board of Directors for DENSO
- Clarifying agenda setting and discussion approaches reflecting the characteristics of the automotive parts industry, defining the roles expected of outside Board members, and continuously reviewing the institutional design
Strengthening reporting for supervision of execution
- Enhancing reporting on execution status to enable the Board of Directors to appropriately supervise and monitor management execution
Planned submission of management issues and strategic agenda items to the Board
- Timely and appropriate reporting of management issues to the Board of Directors and reflection in execution actions

Supplementary Principle 4 - 14 (2) : Training Policy for Members of the Board and Audit & Supervisory Board Members
In order to fulfill the roles and responsibilities expected to members of the Board and Audit & Supervisory Board members and to fully exercise their functions, the company provides opportunities for them to acquire and update knowledge and understand their role responsibilities as top management through training, executive workshop, information exchange, mutual study and so on.
In addition, for outside Board members, the company conduct on-site visit to plant and affiliated companies, and business briefing session by internal officers, in order to enhance the understanding DENSO's policy and businesses. The company also provide outside Board members with explanations on important agenda items before Board meetings to deepen the understanding of each management issue.

Principle 5-1: Policies for Initiatives to Develop a System to Promote Constructive Dialogue with Shareholders
(1)Basic Policy
Based on the basic principles of the company, the Group aims to build long-term, friendly relationships with shareholders and investors in order to achieve sustainable growth, enhance corporate value and contribute to society through its business activities. We actively engage in dialogue with shareholders to gain their understanding and support.
(2)IR system
Led by the director in charge of investor relations and the director in charge of public relations and external affairs, officers with expertise in their respective fields will actively engage in dialogue and provide a wide range of information, including management strategy and financial information. We have also established a department dedicated to IR and have established a system for close collaboration with other departments, including corporate planning, accounting, public relations, technical planning and business planning.

(3)Method of dialogue

In addition to financial results briefings for analyst investors held four times a year, we conduct shareholder meetings, medium- to long-term business strategy briefings, meetings with individual institutional overseas investors, company briefings and factory tours to earn the trust of our shareholders and investors.

The implementation status of the dialogue is disclosed through the company website.

URL; https://www.denso.com/global/en/about-us/investors/status-of-dialogue/

(4)Internal Feedback

Opinions and concerns obtained through dialogue with shareholders and investors are reported to the executive collegial bodies such as the Board of Directors and the Management Deliberation Meeting, and fed back to management and related departments for prompt use in the management of the company.

(5)Insider information

Regulations on the management of insider information Officers' bylaws have been established and are properly managed and operated. The period prior to the release of financial results is a silent period during which we limit our dialogue with shareholders and investors regarding financial results and near-term earnings forecasts.

〈Action to Implement Management that is Conscious of Cost of Capital and Stock Price〉〈English disclosure〉[Latest Update: June 18, 2026]

The Company has designated ROE as a financial KPI and aims to enhance corporate value on a sustainable basis. To this end, the Company is pursuing a financial strategy supported by four pillars: (1) reinforce profit structure, (2) reduce low-profit assets, (3) improve capital structure, and (4) engage in dialogue with markets. The policies and analysis of the current status of these initiatives have been discussed and approved by the Board of Directors.

In addition, on March 31, 2026, the Company formulated its Mid-term Management Plan for 2030, “CORE2030,” and has set a target of achieving ROE of over 11%. The Company will further strengthen these initiatives going forward.

(1) Reinforce profit structure

The Company aims to further entrench and advance ROIC-minded management. In addition to utilizing ROIC in management decision-making, such as enhancing profit efficiency through portfolio transformation and resource allocation by business domain, the Company links ROIC to the activities of management and employees, thereby promoting medium- to long-term corporate value creation across the Company.

(2) Reduce low-profit assets

To ensure efficient utilization of assets, the Company assesses appropriate levels for cash on hand, inventories, and strategic shareholdings based on their respective characteristics and proceeds with efforts to reduce such assets.

(3) Improve capital structure

While maintaining an appropriate balance between financial soundness and efficiency, the Company seeks to reduce capital cost and enhance corporate value through the effective use of interest-bearing debt, diversification of funding sources, and proactive shareholder returns.

(4) Engage in dialogue with markets

Through timely and appropriate disclosure to investors and analysts, as well as active dialogue with the participation of management, the Company aims to reduce information asymmetry with the market and expand its equity spread by lowering the cost of shareholders' equity.

In addition, a management approach that is conscious of the cost of capital and specific initiatives to enhance corporate value are described in the "Integrated Report" posted on the company website and explained at the business briefings and other events. Financial indices are described in the financial results materials. Please refer to the following URL for details.

Integrated Report 2025

https://www.denso.com/global/en/about-us/investors/annual-report/

Business briefing "DENSO DIALOG DAY" (March 31, 2026)

https://www.denso.com/global/en/about-us/investors/business-briefing/

Financial Results for the Year Ended March 2026

https://www.denso.com/global/en/about-us/investors/settlement/

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%

Status of Major Shareholders

Name or Company Name	Number of Shares Held (shares)	Ratio of Shareholdings (%)
Toyota Motor Corporation	598,927,324	22.24
The Master Trust Bank of Japan, Ltd. (Trust account)	351,063,200	13.04
Toyota Industries Corporation	157,705,656	5.85
TOYOTA FUDOSAN CO., LTD	133,235,200	4.94
Custody Bank of Japan, Ltd. (Trust account)	128,570,200	4.77
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	86,654,100	3.21
DENSO Employees' Shareholding Association	55,343,394	2.05
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	32,051,139	1.19

National Mutual Insurance Federation of Agricultural Cooperatives (Standing proxy: The Master Trust Bank of Japan, Ltd.)	30,622,400	1.13
Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank of Japan, Ltd.)	28,681,200	1.06

Controlling Shareholder (Excluding the Parent Company)	None
Parent Company	None

Supplementary Explanation

1. The status of major shareholders is as of March 31, 2026. The Company holds treasury stock of 218,934 thousand shares, but is excluded from the list of major shareholders above.
2. "Ratio of Shareholdings" is calculated after excluding the treasury stock of 218,934 thousand shares.
3. "Investment in the Company" by Toyota Industries Corporation is stated after excluding the Company's 27,192 thousand shares (ratio of shareholdings : 1.01%), 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.)
4. Toyota Industries Corporation has tendered all shares of DENSO that it holds in response to DENSO's tender offer for its own shares, for which the final day of the tender offer period was June 1, 2026. DENSO plans to acquire 184,887,500 shares (representing 99.9% of such tendered shares) on June 23, 2026, the settlement commencement date. Toyota Industries Corporation submitted a statement of large-volume holdings on June 5, 2026.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange (TSE) Prime, Nagoya Stock Exchange (NSE) Premier
Fiscal Year-End	March
Type of Business	Transportation Equipment
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

The Company belongs to a corporate group that includes Toyota Motor Corporation as its other affiliated company.

Although Toyota owns 22.24% of our voting rights, we do not have any restrictions from Toyota in terms of approvals for our business activities, and we conduct our business activities independently.

The Company sells various auto parts to the Toyota Group after conducting its own R&D, production, and sales activities.

The terms and conditions of our transactions with the Toyota Group are determined through individual discussions with each company and are similar to the terms and conditions of transactions with other companies outside the Group.

The company established the Executive Nomination and Remuneration Council, chaired by an independent outside Board member and whereby independent outside Board members form a majority, in order to ensure impartiality, fairness, and transparency in Board member nomination and remuneration.

Going forward, The company will continue to aim to increase corporate value by enhancing synergies, including vision, with Toyota Group companies, based on the premise of giving due consideration to the interests of all shareholders, including minority shareholders.

5. Other Special Circumstances which May have Material Impact on Corporate Governance

None

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Board*

*Referred to in the Corporate Governance Code reference translation as "Company with *Kansayaku* Board"

Directors

Number of Directors Stipulated in Articles of Incorporation	20
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman
Number of Directors	7
Election of Outside Directors	Elected
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors’ Relationship with the Company (1)

Name	Attributes	Relationship with the Company*

		a	b	c	d	e	f	g	h	i	j	k
Yuko Mitsuya	From another company								○			
Joseph P. Schmelzeis, Jr.	From another company											
Noriko Kinoshita	From another company											

*Categories for “Relationship with the Company”.

(Use “○” when the director presently falls or has recently fallen under the category; “△” when the director fell under the category in the past; “●” when a close relative of the director presently falls or has recently fallen under the category; and “▲” when a close relative of the director fell under the category in the past.)

a. Person who executes business of the Company or a subsidiary
b. Person who executes business or a non-executive director of a parent company
c. Person who executes business of a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for such person/entity
e. Major client of the Company or a person who executes business for such client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and Supervisory Board Member
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
i. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
j. Person who executes business for an entity receiving contributions from the Company (applies to self only)
k. Other

Outside Directors’ Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Yuko Mitsuya	○	Although the company has transactions with the Japan Basketball Association, for which Yuko Mitsuya served as a representative director until September 2025, the company has determined that there is no risk of conflict of interest with general shareholders in light of the nature and amount of the transactions (less than 0.01% of total company sales).	Yuko Mitsuya has an abundance of experience and knowledge in many fields, having long been in management at several corporations and associations and filling the posts of officer and committee member at several sports associations, in addition to education and training experience at universities. The Company has appointed her as an Outside Board Member in the expectation that she will continue to apply her abundance of corporate management related expertise and experience in human resource development. Yuko Mitsuya meets independence criteria and the company has determined that there is no risk of conflict of interest with general shareholders.
Joseph P. Schmelzeis, Jr.	○	–	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 start-ups and strategic consulting. He has worked to strengthen the U.S.–Japan alliance as Senior Advisor to the Ambassador, U.S. Embassy in Tokyo. The Company has appointed him as an Outside Board Member in the expectation that he will reflect in the Company’s management his abundant business experience, deep insights into global affairs, and knowledge of geopolitical risk management. Joseph P. Schmelzeis, Jr. meets independence criteria and the company has determined that there is no risk of conflict of interest with general shareholders.

Noriko Kinoshita	○	−	Noriko Kinoshita has abundant experience and knowledge in all aspects of management including public relations and sustainability, alongside experience in the postal business at Japan Post Holdings Co., Ltd. and JAPAN POST Co., Ltd. She also has experience in risk management through her emergency response activities during the Great East Japan Earthquake. The Company has appointed her as a nominee for a Member of the Board in the expectation that she will utilize these experiences to oversee the Company's overall management. Noriko Kinoshita meets independence criteria and the company has determined that there is no risk of conflict of interest with general shareholders.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson)

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Executive Nomination and Remuneration Council	5	0	2	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Executive Nomination and Remuneration Council	5	0	2	3	0	0	Outside Director

Supplementary Explanation

Executive Nomination and Remuneration Council consists of independent outside Board member Yuko Mitsuya (chairperson), member of the Board Koji Arima, representative member of the Board Shinnosuke Hayashi, independent outside Board member Joseph P. Schmelzeis, Jr. and independent outside Board member Noriko Kinoshita, strive to conduct meetings in a highly transparent manner.

Audit and Supervisory Board Member*

*Referred to in Corporate Governance Code reference translation as "*kansayaku*"

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit and Supervisory Board Members	5

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

In addition to receiving an accounting auditor's explanation on the audit plan, audit methods and results, the Audit & Supervisory Board members jointly conduct stocktaking sessions. The Audit & Supervisory Board members are also conducting audits fully cooperating with the internal audit department such as exchanging information on a regular or as-needed basis.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	3
Number of Independent Audit and Supervisory Board Members	3

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yasuko Goto	From another company													
Kumiko Baba	From another company													
Masato Yamagami	Certified Public Accountant													

*Categories for "Relationship with the Company".
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

a. Person who executes business of the Company or a subsidiary
b. A non-executive director or an accounting advisor of the Company or its subsidiaries
c. Person who executes business or a non-executive director of a parent company
d. An Audit and Supervisory Board Member of a parent company of the Company
e. Person who executes business of a fellow subsidiary
f. Person/entity for which the Company is a major client or a person who executes business for such person/entity
g. Major client of the Company or a person who executes business for such client
h. f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and Supervisory Board Member
i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to self only)
k. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
l. Person who executes business for an entity receiving contributions from the Company (applies to self only)
m. Other

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Yasuko Goto	○	–	She has extensive experience in a wide range of fields, including national government administration in the area of transportation and infrastructure, Director of the New York Office for Tourism Promotion, service as a Vice Governor of Yamagata prefecture, and Executive Officer of Kyushu Railway Company. In addition,

			she has served as an Outside Director (Audit and Supervisory Committee Member) of Kyushu Railway Company and serves as an Outside Audit & Supervisory Board Member, thereby possessing extensive knowledge and expertise in finance, accounting, and legal compliance. In light of her broad experience and insight, we expect her to contribute these strengths to the Company's audit functions and have therefore appointed her as an Outside Audit & Supervisory Board Member. In addition, she meets the requirements for an independent Board member and is designated as an independent Board member based on the judgment that there is no risk of conflict of interest with general shareholders.
Kumiko Baba	○	−	She has extensive experience primarily in overseas businesses, including contract negotiations and business alliances with overseas companies, as well as the launch of new businesses at Toshiba Corporation. In addition, at JFE Engineering Corporation, she was involved in a wide range of management fields, including the overall supervision of overseas businesses as well as accounting and finance, thereby accumulating broad executive experience. Moreover, having served as an Audit & Supervisory Board Member of JFE Holdings, Inc., she possesses deep expertise in auditing in addition to her experience in manufacturing from a global perspective and her professional knowledge of accounting and finance. In light of these experiences and expertise, we expect her to reflect such knowledge in the Company's audit functions and have therefore appointed her as an Outside Audit & Supervisory Board Member. In addition, he meets the requirements for an independent Board member and is designated as an independent Board member based on the judgment that there is no risk of conflict of interest with general shareholders.
Masato Yamagami	○	−	He is a Certified Public Accountant with extensive practical experience and has held key positions at PwC Japan Limited, thereby possessing advanced professional expertise in corporate accounting, corporate auditing, and sustainability. In recent years, he has also served as Representative Chief Executive Officer of PwC Risk Advisory LLC, where he has been engaged in addressing key management issues, including risk management and compliance. In light of these broad experiences and insights, we expect him to contribute to the enhancement of the Company's audit framework and the appropriate oversight of management risks, and have therefore appointed him as an Outside Audit & Supervisory Board Member. In addition, he meets the requirements for an independent Board member and is designated as an independent Board member based on the judgment that there is no risk of conflict of interest with general shareholders.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members	5

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

<The Criteria for Evaluating the Independence of Outside Directors>

For outside directors to be considered as independent, none of the following criteria may apply to the respective outside directors, in addition to those set forth by the relevant financial instruments exchange.

① A person for whom DENSO is a major business partner (*1) or, if that person is a juridical person, an executive of that person

② A major business partner (*2) of DENSO or, if that partner is a juridical person, an executive of that partner

③ A person who is DENSO's major lender (*3) or, if that partner is a juridical person, an executive of that partner

④ A large shareholder (*4) of DENSO or, if that shareholder is a juridical person, an executive of that shareholder

⑤ DENSO's accounting auditor, or a person who belongs to the auditing firm

⑥ A Consultant, accounting expert or legal expert who have received a large amount of money or other assets (*5), from DENSO in addition to remuneration as a director/ Audit and Supervisory Board Member

⑦ A person whose close relative (meaning a spouse or a relative within the second degree of kinship) falls under any item of ① to ⑥ above

(* 1) A business partner who has received payments of more than 2% of its consolidated sales from DENSO current or in the past year

(* 2) A business partner from whom DENSO has received payments of more than 2% of its consolidated sales current or in the past year

(* 3) A business partner who has loaned a monetary amount of more than 2% of DENSO's consolidated total assets to DENSO current or the last day of the fiscal year

(* 4) A person who directly or indirectly holds more than 10% of total voting rights current or the last day of the fiscal year

(* 5) A person who has received large amount of money or other assets exceeding 10 million yen current or in the past year

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

The Company has introduced a performance-linked share remuneration system using a trust, namely the Board Benefit Trust-Restricted Stock (BBT-RS), to promote initiatives to enhance corporate value over the medium to long term and to align management with shareholder interests.

Persons Eligible for Stock Options	None

Supplementary Explanation for Applicable Items

—

Director Remuneration

Status of Disclosure of Individual Directors' Remuneration	Disclosure for Selected Directors

Supplementary Explanation for Applicable Items

Individual disclosures are made in the Annual Securities Report for those with total consolidated remuneration of 100 million yen or more.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof	Established

Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

The policies and procedures for determining the remuneration of member of the Board are as follows:

< Basic Policy>

・ Achieve medium- to long-term enhancement of corporate value and management from the perspective of shareholders

・ Incentivize eligible members of the Board to enhance business performance by linking the Company's performance with individual performance

< Remuneration System >

・The level of remuneration for members of the Board is set at the median level at comparable companies while also referencing levels at major manufacturers of similar scale in similar sectors and business models as DENSO, based on executive remuneration survey data compiled by external research institutions each year.

・The remuneration system for members of the Board (excluding non-executive members of the Board and outside Board members) consists of (1) basic compensation, (2) bonuses, and (3) stock-based compensation, with a ratio of approximately 25% : 25% : 50% for the president.

1) Basic Compensation

Paid as monthly fixed compensation based on position

2) Bonus

To ensure alignment with corporate performance and to further incentivize improved performance and sustainable growth, the company performance indicators used for bonus determination are consolidated operating income and ROIC.

Bonus levels are determined based on the degree of target achievement for each indicator, growth compared to past performance, and evaluation of individual performance.

The weighting of the indicators is set at 75% for consolidated operating income and 25% for ROIC.

3) Stock-based Compensation

To align management with shareholders' perspectives and to enhance incentives for improving corporate value over the medium to long term, restricted shares are granted through a trust-based scheme.

The company performance indicators used for stock compensation are total shareholder return (TSR), return on equity (ROE), engagement, and sustainability evaluation.

The level of stock compensation is determined based on the degree of achievement of targets and growth rates for each indicator, as well as evaluation of individual performance.

The weighting of each indicator is set at 35% for total shareholder return (TSR), 35% for ROE, 15% for engagement, and 15% for sustainability evaluation.

< How to Determine the Amount or Remuneration System >

・The company established the Executive Nomination and Remuneration Council, chaired by an independent outside Board member and whereby independent outside Board members form a majority, in order to ensure impartiality, fairness, and transparency in members of the Board remuneration.

・The Board of Directors has passed a resolution on the total amount of compensation for the current fiscal year and a resolution to entrust decisions on individual compensation to the Executive Nomination and Remuneration Council within the range of amounts determined by resolution of the General Meeting of Shareholders.

*Cash compensation: No more than ¥1 billion annually, Stock-based compensation: No more than ¥1.5 billion annually/No more than 3,000,000 shares to eligible Directors annually

・Remuneration for Audit & Supervisory Board members is determined through a consensus of members and set within the total amount approved by resolution at the General Meeting of Shareholders. (¥15 million monthly)

<Adjustment in Case of Unforeseen Situation>

In determining executive compensation, should unforeseen special factors arise, such as a pandemic, war, conflict, natural disaster, economic crisis, or scandal, the impact on business performance will be considered, and discretionary judgment may be applied following deliberation at the Executive Nomination and Remuneration Council.

Support System for Outside Directors and Outside Audit and Supervisory Board Members

In order to eliminate the disparity in the amount of information provided to inside and outside directors and to maximize the performance of outside directors, we strive for efficient operation of the Board of Directors meetings by providing outside directors and outside Audit & Supervisory Board members with advance explanations of agenda items.

In addition, to deepen the understanding of the company's business activities, the Company regularly conducts business briefings by senior executives.

The Audit & Supervisory Board Office has been established as a dedicated organization to assist the Audit & Supervisory Board members in their duties, and reports on the general state of audits at the Audit & Supervisory Board.

Furthermore, by holding meetings for exchange of opinions between the Audit & Supervisory Board members and outside directors and the Independent Board Member Meeting on a regular basis, we not only proactively provide information to outside directors and outside Audit & Supervisory Board members, but also strive to activate communication among them.

Statuses of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
—	—	—	—	—	—

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.)	0

After Retiring as Representative Director and President, etc.	

Other Related Matters

At present, there is no subject who hold advisory position (*Sodanyaku, Komon,* etc.) after retiring as Representative Director and President, etc.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

The Company has adopted a corporate auditor system and has established the General Meeting of Shareholders, the Board of Directors, the Audit & Supervisory Board, and the Independent Auditor as corporate organization.
In addition, we have streamlined the number of directors and realized speedy decision-making and operations through a director system that separates and clarifies the roles of directors in charge of management supervision and president, executive vice presidents and senior executive officers in charge of business execution.
Under this system, the vice presidents and senior executive officers serve concurrently as directors, depending on the circumstances, to ensure a balance of knowledge, experience, and competence among the Board of Directors as a whole.
The term of office of directors is set at one year in order to build a flexible management structure that can respond to changes in the business environment and to further clarify management responsibility during the fiscal year.

1. Board of Directors

The Board of Directors makes decisions on matters that are legally required and on matters that require important decisions by the company. In addition, by delegating as much authority as possible to the executive side, we aim to speed up execution and at the same time, we spend more time discussing management policies and strategies.
In principle, the Board of Directors meets once a month and consists of seven members of the Board (including three outside Board members), and five members of the Audit & Supervisory Board (including three outside Audit & Supervisory Board members), for a total of 12 members.
The Company considers the independence of outside directors and outside Audit & Supervisory Board members to meet the independence standards established by financial instruments exchanges, and requires that they have a wealth of experience and knowledge in such specialized areas as corporate management, legal, accounting, and finance, and be able to proactively make proposals and recommendations and express their opinions on management issues. Six independent directors (three outside directors and three outside Audit & Supervisory Board members) are elected. Resolutions shall be adopted by a majority of the directors present at the meeting. In making resolutions, we have also strengthened our support system for outside directors to ensure productive and efficient board operations. Prior to Board of Directors meetings, materials are distributed in advance and detailed advance explanations of agenda items are provided. For directors who will be absent on the day of the meeting, a meeting of the Board of Directors is held after obtaining their approval of the agenda.

2. Business execution system

The Company separates the functions of the Board of Directors, which is responsible for management oversight, and President, Executive Vice Presidents and Senior Executive Officers, who are responsible for business execution.

"Management Deliberation Meeting" and "Management Strategy Meeting" have been established as deliberative bodies for important matters related to the execution of business operations. These two meetings, including the Board of Directors meeting, are considered executive meetings.

The Management Deliberation Meeting deliberates on matters to be resolved by the Board of Directors and other important matters related to overall management (company-wide business plans, investment projects, important forms of business transactions and cooperative projects, and other important management-related matters).

In addition, strategic discussions are held at the Management Strategy Meeting, especially from a medium- to long-term perspective. Both meetings are attended by the president and executive vice presidents, as well as business group heads, functional head of centers and full-time Audit & Supervisory Board members to ensure a multifaceted discussion. In principle, both meetings are held weekly. In FY2026, the Management Deliberation Meeting met 45 times and the Management Strategy Meeting met 14 times.

3. Management oversight function

Seven members of the Board (including three outside Board members), and five members of the Audit & Supervisory Board (including three outside Audit & Supervisory Board members) supervise and audit the execution of duties by directors and the business and financial conditions of the Company and its domestic and overseas subsidiaries.

In corporate governance, we believe that the function of objective and neutral management oversight from outside is important, and we appoint outside directors and outside Audit & Supervisory Board members based on the criteria that they reflect their wealth of experience and broad insight from outside the company in our decision-making and auditing.

In addition to the statutory function of auditor, the Internal Audit Department has been established at all major domestic and overseas subsidiaries, and in addition to the self-inspection system whereby each division of the Company and domestic and overseas subsidiaries inspect their own internal control status, we conduct continuous on-site audits, including not only legal compliance but also the adequacy of management and operational measures.

In addition to attending meetings of the Board of Directors, the Management Deliberation Meeting and other important meetings, full-time Audit & Supervisory Board members audit the execution of duties by directors and fulfill the management monitoring function by exchanging information with the Internal Auditing Department, Internal Control Department and accounting auditors.

4. Limited liability agreement

The Company has entered into agreements with outside directors and outside Audit & Supervisory Board members to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act.

The maximum amount of liability for compensation under such agreement is the amount stipulated in Article 425, Paragraph 1 of the Companies Act.

3. Reasons for Adoption of Current Corporate Governance System

The company has been discussing and examining the ideal organizational design for achieving highly effective corporate governance. Based on the fact that The company has traditionally achieved rapid decision-making by delegating authority from the Board of Directors as much as possible, and that the Board of Auditors, which is independent from the Board of Directors, has been able to achieve high levels of audit governance through strong cooperation with the internal audit department, The company has currently adopted a company with a board of auditors as its organizational design.

To improve corporate value, we appoint outside directors with extensive insight into company management, who use their respective insight to make decisions and supervise. We also have an Executive Nomination and Remuneration Council, the majority of which is made up of outside directors and chaired by them, to ensure an objective perspective and to ensure fairness and transparency in the nomination and remuneration of executives.

In addition, to ensure proper audits, we have an auditing system in place in which full-time auditors who are thoroughly familiar with the company's operations place emphasis on on-site inspections and supervision, working together with outside auditors who have a high level of expertise and insight.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	DENSO has a policy of sending shareholder meeting convocation notices to shareholders early before a meeting. In addition, a notice is posted on its website prior to sending notices in order to give shareholders sufficient time to consider their votes on proposals.
Scheduling of the General Shareholders Meeting During Non-Peak Days	As a general rule, DENSO holds its shareholders meeting outside of concentrated days.
Electronic Exercise of Voting Rights	Voting rights may be exercised via the Internet using personal computers and smartphones, etc.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	DENSO has been participating in an electronic voting platform for institutional investors operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	The Notice of Convocation and its English translation are published on the Company’s website and on the electronic platform for institutional investors.
Other	—

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	Please refer to "Principle 5 -1" of this report: Policy on developing systems and initiatives to promote constructive dialogue with shareholders.	
Regular Investor Briefings held for Individual Investors	Briefings are held jointly with securities companies.	Not Held

Regular Investor Briefings held for Analysts and Institutional Investors	In addition to briefings at quarterly earnings announcements and events such as motor shows, throw Business Briefing for Investors, Analysts and Media to Understand the company is held. We also handle individual interviews.	Held
Regular Investor Briefings held for Overseas Investors	Individual interviews are conducted, including teleconferences.	Held
Online Disclosure of IR Information	https://www.denso.com/global/en/about-us/investors/	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Corporate Management Department is in charge.	
Other	–	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	We formulated the DENSO Group Sustainability Policy to ensure that all Group employees engage in actions that adhere to the DENSO Creed and our basic Philosophy, and that are befitting of a global company, amid their interactions with society and our stakeholders. This policy reflects our commitment to taking action and is endorsed by the president & CEO of DENSO CORPORATION and the presidents of all Group companies in Japan and overseas.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	We promote sustainability activities in a wide range of areas, including environmental protection, social contribution, and compliance, to meet the trust and expectations of our stakeholders. In addition, the results of our activities are published on our website page “Sustainability”. https://www.denso.com/global/en/about-us/sustainability/
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Denso Group Sustainability Policy stipulates that we will regularly disclose corporate information and through open, fair and constructive dialogue with stakeholders, we will enhance management transparency and maintain and improve relationships of mutual understanding and trust with stakeholders. And also, in the aforementioned website page "Sustainability", we refer to the Sustainability Reporting Guidelines.
Other	We actively and continuously engage in dialogue with our stakeholders to ensure that we appropriately reflect the evaluations we receive from stakeholders in our corporate activities.

	In addition, we select a promoter in each department/each Group company) to spread and firmly entrench sustainability awareness.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

< Systems >

The Company has resolved at its Board of Directors meetings the following basic policies for its internal control.

(1) Systems to Ensure Compliance of the Execution of Duties by Board Members with Laws, Regulations and the Articles of Incorporation

1) Board members shall thoroughly disseminate the universal values, ethics and convictions set forth in the DENSO Philosophy and the DENSO Spirit through their behavior and corporate documents.

2) Effective mutual supervision by and among board members shall be pursued for decision making by cross-sectional collegial bodies such as various meetings and committees in addition to the executive collegial bodies consisting of the Board of Directors, the Management Deliberation Meeting and the Management Strategy Meeting.

3) Board members shall endeavor to ensure appropriate financial and non-financial reporting and appropriately disclose information at the right time.

(2) Systems to Keep and Manage Information Pertaining to the Execution of Duties by Board Members

The Company shall appropriately keep and manage important information in accordance with the in-house rules. The minutes of the Board of Directors meetings shall be kept forever.

(3) Rules and Other Systems Regarding Loss Risk Management

1) The risks involved in our businesses and investments shall be managed companywide by the executive collegial bodies such as the Board of Directors and the Management Deliberation Meeting in accordance with the in-house rules. At the same time, the Function Group Heads and the Business Group Heads shall manage divisional risks in their respective fields.

2) As for other risk management, the Risk Management and Compliance Meeting shall generally streamline and manage relevant companywide systems, whereas each responsible department shall manage its relevant risk factors.

(4) Systems to Ensure the Efficient Execution of Board Members' Duties

1) The Company shall pursue downsized, efficient management by leveraging the Senior Executive Officer system with fewer board members.

2) The organizational systems, organizational management and authority of the respective organizations shall be determined in accordance with the in-house rules for more systematic and efficient operation of business activities.

3) Under the medium- and long-term management guidelines and annual group guidelines, the Company shall prepare annual plans to form a unified companywide intention to achieve its goals. The progress of the goals and plans, as well as operations at

the respective departments, shall be managed and periodically reported in accordance with the in-house rules.

(5) Systems to Ensure Compliance of the Execution of Duties by Employees with Laws, Regulations and the Articles of Incorporation

1) The Management Deliberation Meeting shall establish and revise the Code of Conduct, conduct necessary enlightenment activities and prepare proposals for the relevant organizations.

2) The Code of Conduct shall be fully disseminated among all employees via compliance education.

3) The “Corporate Ethics Hotline” shall be operated as an internal reporting system that allows any employee who has an ethical or compliance-related concern to directly communicate such concern to the competent internal department or an outside lawyer.

4) The Internal Audit Department shall internally audit the legality, the propriety and the efficiency of operations in accordance with the in-house rules and improve and reinforce the business management and operation systems at the respective departments based on such valuable input from the Internal Audit Department.

(6) Systems to Ensure the Propriety of Business Operations Conducted by the Corporate Group Consisting of DENSO CORPORATION and Its Subsidiaries

1) Decision making at the respective Group companies shall be conducted on a “reserved authority” basis pursuant to the respective in-house rules, according to a policy of maximally respecting the autonomy of each Group company.

2) Group-wide policies and plans shall be prepared on a consolidated basis under the medium- and long-term management guidelines and annual group guidelines to unify the Group’s intention to achieve its goals. The progress of the goals and plans shall be managed and periodically reported in accordance with the in-house rules.

3) As for risk management and compliance within the Group companies, the Company shall propose guidelines to the respective Group companies to promote the establishment and operation of group-wide systems. The DENSO Group Employee Code of Conduct shall be shared by and disseminated to all the Group companies.

4) Contributing to realizing a sustainable society through business activities shall be positioned as a group-wide important management priority, and the respective specialized organs of the Company shall have the functions of orientation and follow-up on relevant activities of the Group companies.

5) The Domestic DENSO Group Corporate Ethics Hotline shall be operated as an internal reporting system for the Group companies in Japan.

6) Each department shall provide advice and support to ensure the appropriateness of operations at the Group companies through the exchange of information with the Group companies.

7) Each competent department shall monitor and verify the appropriateness of operations at the Group companies.

(7) Employees in Cases Where an Audit & Supervisory Board Member Requests That the Company Place Several Employees as Assistants to Support His/Her Duties and the Independence of the Employees Concerned from Board Members in Such Cases

1) The Audit & Supervisory Board Office, which was established as a dedicated organ, shall support the Audit & Supervisory Board Members in conducting their duties.

2) Personnel changes and organizational restructuring of the Audit & Supervisory Board Office shall require the prior consent of the Audit & Supervisory Board or of a full-time Audit & Supervisory Board Member appointed by the Audit & Supervisory

Board.
3) The board members shall cooperate with the Audit & Supervisory Board Office so that the Office can collect the information necessary for the audits conducted by the Audit & Supervisory Board Members, internally and from any of the Group companies according to the instructions given by the Audit & Supervisory Board Members.

(8) Systems to Help Board Members, Senior Executive Officers and Employees Report to the Audit & Supervisory Board Members and Other Systems Relating to Reporting to the Audit & Supervisory Board Members
1) The board members of the Company, as well as the board members and Audit & Supervisory Board Members of the Group companies, shall appropriately report on the execution of major business operations, as required, to the Audit & Supervisory Board Members through the division/department that they are in charge of. Furthermore, if they find any facts that could result in detrimental damage to the Company, they shall immediately report such facts to the Audit & Supervisory Board Members.
2) The board members, Audit & Supervisory Board Members, President, Executive Vice President, Senior Executive Officers, Executive Officer, Senior Directors and employees of the Company and the Group companies shall periodically or occasionally report on their operations to the Audit & Supervisory Board Members if so requested by any Audit & Supervisory Board Member or the Audit & Supervisory Board Office.

(9) Other Systems to Ensure Effective Audits by the Audit & Supervisory Board Members
1) To raise the effectiveness of the audits conducted by the Audit & Supervisory Board Members, the board members shall cooperate with them in their auditing activities including attendance at meetings of the Board of Directors and other official meetings such as those of various committees, the examination of important documents such as kessaisho (documents for approval) on operations, audits at the respective departments and the Group companies, and meetings with the Accounting Auditor.
2) The board members shall ensure that the expenses that would be necessary for the Audit & Supervisory Board Members to execute their duties are provided and that the direct recruiting of necessary external human resources by the Audit & Supervisory Board Members is conducted.
3) The Audit & Supervisory Board Members shall regularly or occasionally exchange information as required with the internal audit department, the Accounting Auditor, and the internal control department.
4) The board members of the Company and the Group companies shall ensure that anyone who has reported to an Audit & Supervisory Board Member does not suffer from detrimental treatment for the reason of having made the said report.

< Operational Status >

The operational status of several major initiatives to ensure the propriety of business operations implemented during the current fiscal year is as follows:

(1) Initiatives to Ensure the Efficient Execution of Duties
1) We downsized the number of board members and achieved speedy decision making and operations by clearly separating and clarifying the roles of board members in charge of management (decision making and supervision) and President, Executive Vice

President and Senior Executive Officers engaged in the execution of business operations.

2) We have formulated the Authority Rules, the Organizational Management Rules, the Collegial Body Rules and the Conference and Committee Rules for more systematic and efficient operation of business activities.

3) 2030 Mid-Term Management Plan "CORE 2030" was established to unify the group-wide intention to achieve its goals.

4) The progress of the goals and plans in terms of sales, profit, productivity and other factors is reported to the Management Deliberation Meeting every month to prepare for necessary follow-up actions.

(2) Risk Management-Related Initiatives

1) Important risks involved in our businesses and investments are deliberated and decided by the Board of Directors, the Management Deliberation Meeting and the Management Strategy Meeting. During the current fiscal year, 13 Board of Directors meetings, 45 Management Deliberation Meetings and 14 Management Strategy Meetings were held.

2) The Risk Management and Compliance Meeting, which was established to reinforce the group-wide risk-response capability, set priority tasks and followed up on relevant measures.

3) We selected risk items to be managed companywide based on risk assessment results and selected items in the fields of occupational accidents, quality-related issues, information security and the like. Each responsible department in charge of companywide risk factors made or conducted necessary onsite diagnosis and educational or training sessions. For example, QC diagnosis workshops, opportunities to confirm and provide guidance on structural reinforcement activities for quality improvement, were held at 16 Group companies as training bases. In addition, with September 8 designated as “Companywide Safety Day,” employees of the Company discussed overall safety at diverse work sites.

4) To reinforce group-wide risk management, we appointed a CRO (Chief Risk Officer) and established organizations for controlling risk management.

(3) Compliance-Related Initiatives

1) Effective mutual supervision by and among board members is pursued for decision making by cross-sectional official meetings such as the Production and Purchasing Meeting and the M&A Strategy Meeting, in addition to the executive collegial bodies consisting of the Board of Directors, the Management Deliberation Meeting and the Management Strategy Meeting.

2) The respective official meetings set priority tasks and followed up on relevant activities during the current fiscal year, aimed at the practice and steady implementation of trusted corporate activities.

3) We offered compliance education for newly appointed management executives, as well as discussions at work sites and Intranet-based compliance tests.

4) We took diverse measures to prevent individual compliance infringements such as education for the prevention of bribery and corruption.

5) To prevent infringement with antitrust laws, we took measures, such as the inspection of meetings with any competitive companies and education to thoroughly reinforce compliance with antitrust laws.

6) We implemented and strengthened education on Act on the Proper Operation of Small and Medium-Sized Enterprises in Commissioned Transactions and fair trade practices, including clarifying explicit consultations when determining prices with business partners.

7) We strove to disseminate the “Corporate Ethics Hotline,” the internal whistle-blowing system, and each competent department

responsibly handled specific reporting and counseling cases.

8) The internal audit department conducted audits for 49 internal functional departments and 6 internal divisions/departments according to its annual auditing plan. The department also conducted audits for 34 domestic and overseas Group companies.

(4) Group Control-Related Initiatives

1) We streamlined the DENSO Management Manual, which stipulates the decision-making scheme for Group companies based on the reserved authority system. As for business operations beyond the discretionary framework of the respective Group companies, including cases of high-value capital investments and/or significant contracts, decision making is based on consultations between the competent department and the relevant Group companies.

2) We promote the establishment and operation of group-wide systems by proposing risk/compliance-related guidelines, including the Risk Management Regulations and the Basic Policies on Information Security.

3) We held global conferences by business group or by functional center and provided assistance and advice to Group companies for the purpose of exchanging information and ensuring appropriate operations.

(5) Initiatives to Ensure Effective Audits by the Audit & Supervisory Board Members

1) Based on the annual auditing plan, the Audit & Supervisory Board Members of the Company conducted audits for 37 internal departments/divisions and 50 domestic/overseas Group companies during the current fiscal year.

2) The Audit & Supervisory Board Members attended official meetings of the Company including the Board of Directors, the Management Deliberation Meeting and the Management Strategy Meeting, examined kessaisho documents for decision making on important business operations and expressed remarks thereon, as required.

3) The Audit & Supervisory Board Office was established as an organ to support the Audit & Supervisory Board Members in conducting their duties, and three persons are designated thereat.

4) The Audit & Supervisory Board Members had occasional meetings to exchange opinions as required with the board members, President, Executive Vice President, Senior Executive Officers, Executive Officer, and/or Senior Directors, and the Audit & Supervisory Board conducted hearings on their execution of business operations. In addition, the Finance & Accounting Division, the Human Resources Division, the Legal Division and the like regularly reported on proper business operations to the Audit & Supervisory Board Members.

5) The Audit & Supervisory Board Members regularly or occasionally exchanged information as required with the internal audit department, the Accounting Auditor, and the internal control department.

6) The Audit & Supervisory Board Members regularly held liaison meetings with the Audit & Supervisory Board Members of the Group companies and separately exchanged information, as required, with the Audit & Supervisory Board Members of the respective Group companies.

7) The Audit & Supervisory Board Members Reporting Regulations prohibit detrimental treatment of any person who has reported to an Audit & Supervisory Board Member.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

1. Basic Approach to Eliminating Anti-Social Forces

We will take a resolute stance against Anti-Social forces and groups that threaten the order and safety of society, and cut off all relationships with them.

2. Status of cooperation with external professional organizations

We seek guidance in cooperation with police authorities and specialized agencies, and attend training sessions to strengthen our response capabilities.

3. Status of collection and management of information on Anti-Social forces

We collect information on Anti-Social forces in cooperation with police authorities and specialized agencies and alert them within the company and affiliated companies.

4. Status of response manuals

Guidelines for responding to corporate targeted violence are available on the company intranet.

5. Status of Training Activities

We provide opportunities for information sharing and training for managers of each department and affiliated companies to improve their response capabilities.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

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2. Other Matters Concerning the Corporate Governance System

The following is an overview of the company's internal system for timely disclosure of company information.

1. Status of Internal Control as a Precondition for Proper Disclosure of Information

In terms of monitoring and verifying the internal control activities of each department, the Internal Audit Division conducts on-going audits from the standpoint of the reliability and compliance of the effectiveness and efficiency of operational activities financial statements, reports to officers as appropriate, and provides guidance to relevant departments to improve their operations.

In addition to the ongoing external audit function of internal audits by Audit & Supervisory Board members and financial results information audits by certified public accountants, who are independent auditors, we also strengthen compliance measures by checking the legality of each case from time to time by outside lawyers.

Furthermore, we have established a "Corporate Ethics Hotline," a whistleblower system with an outside attorney as the contact person.

2. Reporting System for Timely Disclosure

We have established an "Internal Information Committee" with Corporate Strategy Headquarters as its secretariat to centralize the collection of corporate information and ensure that all officers and employees are familiar with internal regulations that strictly govern everything from initial response to timely disclosure at the department where the information was generated, thereby ensuring the timely and appropriate disclosure of corporate information.

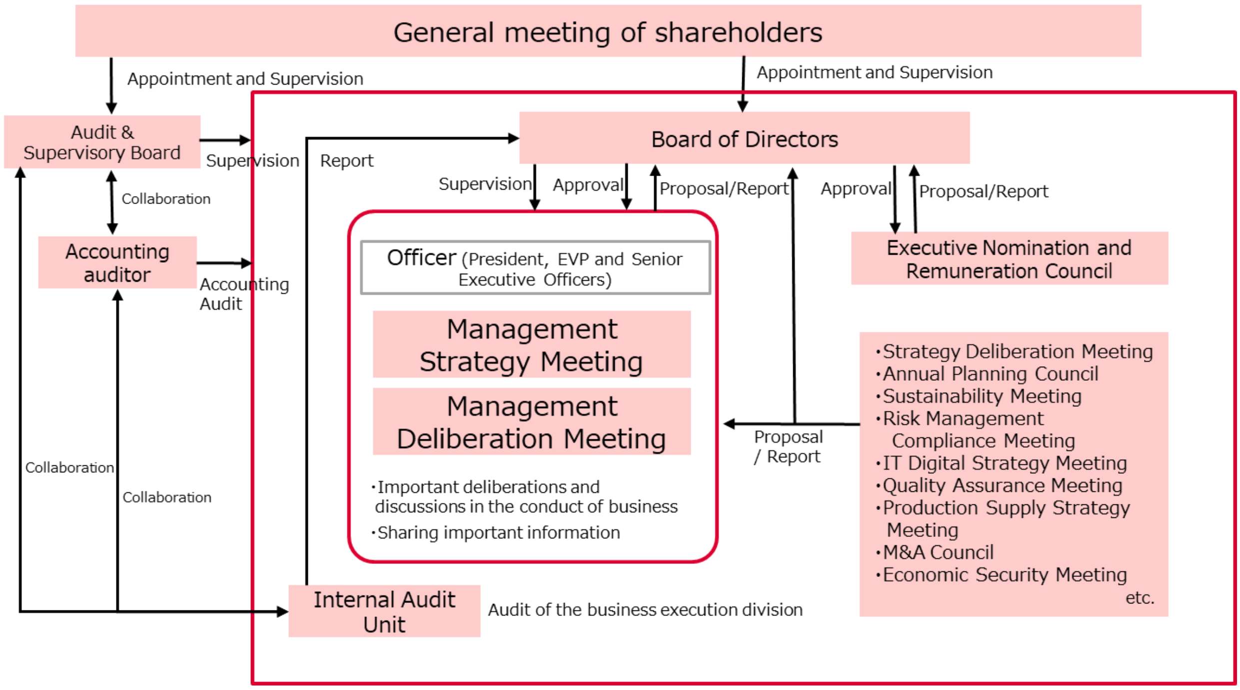
• In accordance with internal rules, the secretariat (Corporate Strategy Headquarters) obtains information through communication from the department that generated the information or by checking official meeting materials and business decision documents, and determines whether or not the information constitutes a material fact related to internal rules.

• In the event that a material fact related to internal rules applies, an "Internal Information Review Meeting" is held to deliberate whether or not the matter falls under the category of timely disclosure items.

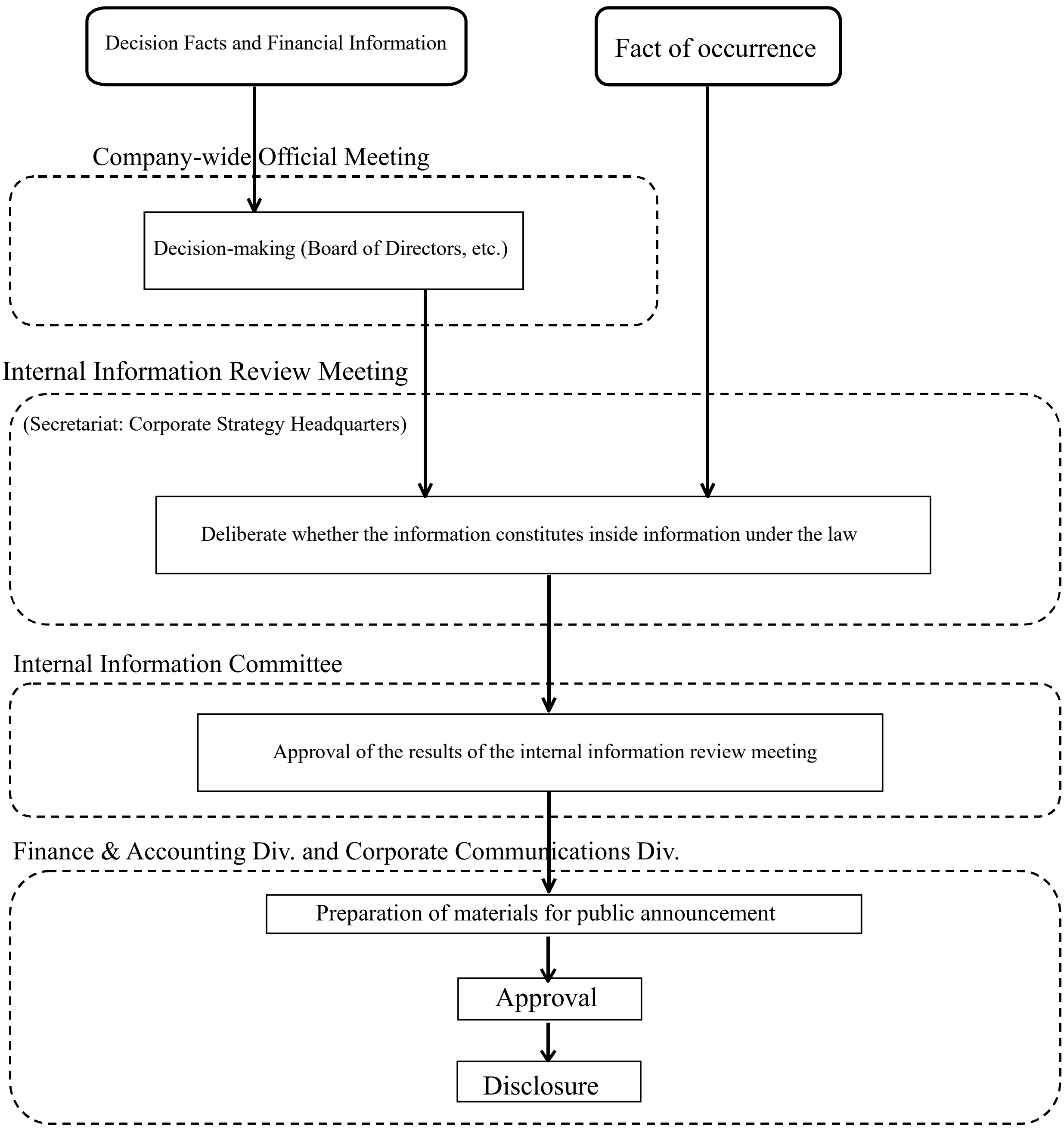
• If an item falls under the category of timely disclosure, the Company will promptly disclose the information in a timely manner after approval by the "Internal Information Committee" (for financial information, after approval and resolution by the Board of Directors).

In order to prevent insider trading, the handling of information up to the point of timely disclosure is strictly in accordance with internal rules.

< Corporate Governance Structure >



< Overview of Timely Disclosure System >



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