

# 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 its website and presentations 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 Policy, 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 senior executive directors and executive directors, who are responsible for the execution of business operations.

Additionally, DENSO shall, depending on the circumstances, have members of the Board serve concurrently as executive directors/senior executive directors 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, Senior Executive Directors, and Executive Directors 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.