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Stock Exchanges)
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Notice Concerning the Revision of the Officer Remuneration System

DENSO CORPORATION (the “Company”) hereby announces that, at a meeting of the Board of Directors held today, it resolved to revise the remuneration system (hereinafter referred to as the “Remuneration System Revision”) for Directors (excluding non-executive directors and outside directors; hereinafter referred to as the “Eligible Directors”). In addition, as part of the Remuneration System Revision, the Company resolved to introduce a performance-linked share remuneration system utilizing a trust and to submit a proposal concerning such system to the 103rd Annual General Meeting of Shareholders scheduled to be held on June 18, 2026 (hereinafter referred to as the “General Meeting of Shareholders”).

With respect to the trust-based share remuneration system, the Company has separately disclosed today a notice entitled “Notice Concerning the Introduction of a Trust-Based Share Remuneration System and the Disposal of Treasury Shares,” and kindly requests that you refer to such notice.

1. Purpose of the Remuneration System Revision

The Company has decided to review its remuneration system in order to strengthen incentives aimed at encouraging the achievement of the key performance indicators set forth in the 2030 Mid-Term Management Plan “CORE 2030”, and at promoting sustainable business growth and the enhancement of medium- to long-term corporate value through the further sharing of value with shareholders.

With respect to the Remuneration System Revision, the Board of Directors adopted the resolution after repeated deliberations by the Officer Nomination and Remuneration Committee, which is composed of a majority of independent outside directors and chaired by an independent outside director, and the revision has been determined through objective and transparent procedures.

2. Overview of the Remuneration System Revision

(1) Review of Performance-Linked Remuneration Evaluation Indicators (KPIs)

Previously, common evaluation indicators were applied to both bonuses and share-based remuneration. Under the Remuneration System Revision, however, the evaluation indicators will be revised so that bonuses are linked to short-term profit-related indicators, while share-based remuneration is linked to indicators from a more

medium- to long-term perspective, including non-financial indicators and share price-related indicators, as set forth below.

(Conventional Evaluation Indicators)

Evaluation Indicators		Evaluation Weight
Bonuses / Share-Based Remuneration	Consolidated Operating Profit	60%
	ROIC	20%
	Sustainability Evaluation	20%

(Revised Evaluation Indicators)

Evaluation Indicators		Evaluation Weight
Bonuses	Consolidated Operating Profit	75%
	ROIC	25%
Share-Based Remuneration	ROE	35%
	Total Shareholder Return (TSR)	35%
	Employee Engagement	15%
	Sustainability Evaluation	15%

(2) Introduction of a Trust-Based Share Remuneration System

Subject to obtaining approval for the relevant proposals at the General Meeting of Shareholders, the Company will introduce, in place of the currently implemented restricted stock remuneration, a performance-linked share remuneration system utilizing a trust, namely the Board Benefit Trust–Restricted Stock (BBT-RS). While maintaining the fundamental concept and incentive design of the conventional restricted stock remuneration, which aims to promote the sharing of value with shareholders by granting shares subject to transfer restrictions until retirement during the term of office, the Company seeks, through the utilization of a trust structure, to achieve more stable and efficient administration of the remuneration system.

(3) Introduction of Clawback Provisions

For the purpose of enhancing remuneration governance, the Company will newly introduce provisions for the return of remuneration (clawback provisions) applicable to performance-linked remuneration, namely bonuses and share-based remuneration.

(Reference)

[Overview of the Director Remuneration System after the Revision]

1. Basic Policy

- The remuneration system is designed to encourage the enhancement of medium- to long-term corporate value and management from a shareholder-oriented perspective.
- By ensuring linkage with both company performance and individual performance, the system aims to enhance motivation toward improved performance.

2. Remuneration Levels

With respect to remuneration levels for Directors, the Company sets competitive remuneration levels by annually referring to officer remuneration survey data conducted by external research institutions and benchmarking against major manufacturing companies of similar size and business type to the Company.

3. Remuneration Structure

The remuneration system for the Eligible Directors consists of base remuneration as fixed remuneration, bonuses

as performance-linked remuneration, and share-based remuneration.

With respect to remuneration for non-executive directors and outside directors, from the perspective of independence, such remuneration is limited solely to base remuneration (a fixed amount).

For Reference: Illustrative Composition Ratio of Remuneration for Representative Director, President

Fixed Remuneration	Performance-Linked Remuneration	
	Short-Term Incentive (STI)	Medium- to Long-Term Incentive (LTI)
Base Remuneration 25%	Bonuses 25%	Share-Based Remuneration 50%

(Note) The remuneration composition ratios are calculated based on standard amounts and may vary depending on performance.

4. Calculation Method for Performance-Linked Remuneration

In order to ensure linkage with company performance and to enhance incentives aimed at improving medium- to long-term corporate value, the Company selects performance evaluation indicators that are aligned with its corporate strategy. In addition, the amount to be paid to each individual is determined based on individual performance assessments that take into account each person's performance and achievements, as well as medium- to long-term initiatives undertaken by such individual.

<Performance Evaluation Indicators for Bonuses>

Evaluation Indicators	Evaluation Weight	Evaluation Method	Evaluation Factor
Consolidated Operating Profit	75%	Evaluated based on the level of achievement against the targets for the relevant fiscal year and the growth rate compared to past performance	0–150%
ROIC	25%	Evaluated based on the level of achievement against the targets for the relevant fiscal year	

<Performance Evaluation Indicators for Share-Based Remuneration>

Evaluation Indicators	Evaluation Weight	Evaluation Method	Evaluation Factor
ROE	35%	Evaluated based on the level of achievement against the targets for the relevant fiscal year	25-150%
Total Shareholder Return (TSR)	35%	Evaluated based on a relative comparison with the growth rate of TOPIX (including dividends) for the relevant fiscal year	
Employee Engagement	15%	Evaluated based on the level of achievement against the targets for the relevant fiscal year	
Sustainability Evaluation	15%	Evaluated based on the overall level of achievement against the targets for the relevant fiscal year, with respect to the following materialities set forth as the resolution of social issues through business activities <Materialities> <ol style="list-style-type: none"> 1. Addressing climate change 2. Providing safe and free mobility 3. Ensuring safe and stable food supply 4. Improving labor productivity in industry 	

5. Malus - Clawback Provisions

In the event of a subsequent revision of financial statements or the occurrence of material misconduct or compliance violations, the Company may, based on a resolution of the Officer Nomination and Remuneration Committee, reduce or forfeit the right to receive performance-linked remuneration, namely bonuses and share-based remuneration, or require the return of remuneration already paid.

6. Process for Determining Remuneration

With respect to the policy for determining remuneration and other compensation for Directors, the Company adopts resolutions at meetings of the Board of Directors after taking into consideration the deliberations of the Officer Nomination and Remuneration Committee. The Officer Nomination and Remuneration Committee is chaired by an independent outside director and is composed of a majority of independent outside directors, thereby ensuring objectivity, fairness, and transparency. The composition of the Officer Nomination and Remuneration Committee that conducted deliberations concerning this Remuneration System Revision is as set forth below.

Chair	Members
Independent Outside Director: Shigeki Kushida	Chairman of the Board: Koji Arima Representative Director and President: Shinnosuke Hayashi Independent Outside Director: Yuko Mitsuya Independent Outside Director: Joseph P. Schmelzeis, Jr

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