



PENSION INSURANCE CORPORATION INSURES OPEN PENSION FUND IN GROUND-BREAKING TRANSACTION

London, 15 March 2012 - Pension Corporation, a leading provider of risk management solutions to defined benefit pension funds, today announces that the Trustees and sponsors of the DENSO Manufacturing UK Pension Scheme and the DENSO Marston Pension Scheme have entered into a ground-breaking pension insurance buyout agreement with Pension Insurance Corporation ("PIC"), which covers accrued pensions and allows members to continue accruing future final salary benefits through insurance policies. The transaction covers around £200 million of liabilities.

This is the first time that pension funds have entered into a buyout that accommodates future accruals in a way that is analogous to an open DB scheme, but with the added security of the insurance regulatory regime protecting those benefits. This structure allows the scheme to be wound up and members to continue accruing final salary linked benefits.

PIC previously insured three pension funds of UK subsidiaries of the DENSO Corporation, in a 2009 transaction covering liabilities valued in excess of £100 million. Like the previous transaction, this will be an "all risks" pension insurance buyout in that PIC assumes all risks, including data verification, on signing of the contract. KPMG and Baker & McKenzie advised the company; JLT, Pinsent Mason and Mercer advised the trustees; Herbert Smith advised PIC.

DENSO Corporation is a leading global supplier of advanced automotive technologies, systems and components.

Raymond Ainscoe, Chairman of the Trustees of the DENSO Marston Pension Scheme, said:

“The trustees are pleased that all scheme members will benefit from insurance for past benefits as well as continuing future accruals. The PIC team were reassuring throughout the process, spending three days meeting members of the pension schemes at our facilities.”

Jay Shah, co-Head of Business Origination at Pension Insurance Corporation, said:

“This is the right solution for the company and trustees - we worked closely with them and their advisers to create an innovative structure. To allow future accruals, whilst insuring the members’ benefits, may provide a lifeline to other pension funds and a possible way forward for other DB schemes whose sponsors will fund future accruals but wish to remove the funding volatility.”

Wayne Segers, Director at KPMG, as advisor to DENSO, said:

“As with the previous transaction, KPMG is proud to have helped bring about another ground-breaking transaction. We have been able to work with our client and the insurer, PIC in this case, to provide the best solution for our client and one which may be applicable to many other pension funds. Once again, the PIC team was responsive and flexible to the requirements of DENSO. ”

-ends-

Notes to Editors:

For further information please contact:

Pension Corporation

Jeremy Apfel +44 20 7105 2140
apfel@pensioncorporation.com

MHP

Andy Fleming +44 20 3128 8523
Andrew.Fleming@mhpc.com

DENSO Corporation

Sjoerd Dijkstra
Corporate Communications Manager
DENSO Europe BV
+31 294 493 263

About Pension Corporation

Pension Corporation is a leading provider of risk management solutions to the trustees and sponsors of defined benefit pension funds. Its FSA authorised and regulated insurance company, Pension Insurance Corporation ("PIC"), brings safety and security to scheme members' benefits through innovative, tailored solutions factored around pension insurance buyouts and pension insurance buy-ins. PIC has c.£4.5bn in assets and has insured more than 50,000 pension fund members. Clients include FTSE 100 companies, multinationals and the public sector. PIC concluded the first UK public sector backed pension insurance buyout and the first buyout over £1billion. PIC is proud to work with pension fund trustees to maximise member benefits. For further information please visit www.pensioncorporation.com