(TRANSLATION ONLY)
Stock Code: 6902
June 9, 2008

Koichi Fukaya

To Those Shareholders with Voting Rights

Koichi Fukaya
President and CEO
DENSO CORPORATION
1-1, Showa-cho, Kariya, Aichi 448-8661, Japan

NOTICE OF THE 85TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 85th Ordinary General Meeting of Shareholders to be held as follows.

If you are unable to attend the meeting, you may exercise your voting rights in writing. Please read the attached REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS and return the Voting Rights Exercise Form with your vote of approval or disapproval so that it will be delivered to us before 5:40 p.m. on Tuesday, June 24, 2008.

1. Date: 10 a.m., Wednesday, June 25, 2008

2. Place: Head Office, DENSO CORPORATION
1-1, Showa-cho, Kariya, Aichi 448-8661, Japan

3. Objectives of the Meeting:

Reports:

(1) Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Independent Auditors and the Board of Corporate Auditors for the 85th Fiscal Term (from April 1, 2007, to March 31, 2008)

(2) Non-Consolidated Financial Statements for the 85th Fiscal Term (from April 1, 2007, to March 31, 2008)

Agenda:

Proposal No. 1: **Distribution of Surplus**
Proposal No. 2: **Acquisition of Treasury Stock**
Proposal No. 3: **Election of Thirteen (13) Directors due to Expiration of the Term of Office of All the Current Directors**
Proposal No. 4: **Issuance of Stock Acquisition Rights as Stock Options**
Proposal No. 5: **Presentation of Bonuses to Officers of the Company**

For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.
If you wish to attend the meeting by proxy, the qualified attorney-in-fact is limited to a single shareholder having voting rights.
Any amendment to this notice will be disclosed on the Company's Web site.
(http://www.denso.co.jp)

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(TRANSLATION ONLY)

(Attachments)

BUSINESS REPORT

(April 1, 2007, through March 31, 2008)

1. CURRENT SITUATION OF THE CORPORATE GROUP

(1) Process and Results of Operations of Our Group

During the year ended March 31, 2008, the global economy showed steady growth on the whole despite confusion in the financial markets late in the fiscal year triggered by the subprime housing loan issue in the United States. In the automotive industry, overall vehicle sales in overseas markets were higher than the previous year's level, reflecting favorable sales in the ASEAN countries and sales expansion in such emerging markets as China and India although sales were lower than the previous year's level in the United States, one of the industry's major markets. Meanwhile, the domestic production of vehicles in Japan exceeded the previous year's performance for the sixth consecutive year, supported by favorable exports of finished cars although domestic vehicle sales were lower than the previous year's level reflecting a decline in the number of registered cars and a decline in sales of light vehicles, which had shown sustained growth in the domestic market.

In these circumstances, the DENSO Group made its best efforts groupwide by prioritizing the principles of "Contribute to the creation of an advanced automotive society" and "Evolve into a truly global corporation" toward the goal of realizing the DENSO VISION 2015.

To **"Contribute to the creation of an advanced automotive society,"** the Group addressed technological development to reduce the environmental impact of CO_2 emissions and strengthened restrictions on fuel consumption and car exhaust to prevent global warming. To that end, we developed a high-output power control unit (hereinafter the "PCU") and a battery cooling system as components for hybrid vehicles. The high-output PCU realized further compactness and lighter weight by adopting a novel multilayer structure, whereas the battery cooling system ensures enhanced quietness by efficiently leveraging a cool wind from the rear-seat air conditioner to restrict ventilation noise. We first implemented these features onboard the Toyota Lexus LS600h, which was launched in May 2007, and these innovations contributed significantly to the development of hybrid technologies with less environmental impact.

We developed the "Ejector Cycle®," a compact heat-exchange cycle using a compact refrigerant injector, which achieved a breakthrough in improving the energy consumption ratio, and were the first in the world to adopt such a technology in a passenger car application for the refrigeration cycle of an air conditioner and a cooling box. Previously, this innovative system was mainly adopted in the freezing machine for refrigeration cars. Its onboard use for land cruisers began with the model launched in September 2007. Its extensive adoption for passenger cars will help improve fuel consumption and reduce CO_2 emissions.

To **"Evolve into a truly global corporation,"** the Group is endeavoring to globally reinforce the Denso Way *Monozukuri* (the creation of reliable products) among all employees of the Group companies to realize powerful manufacturing capabilities.

In Japan, we undertook measures to cope with the expanding demand for onboard semiconductor products of which numbers have been increasing along with the sophistication and complication of electronic control systems. In April 2007, we established DENSO ELECTRONICS CORPORATION in Chitose, Hokkaido, as the third production base for onboard semiconductor products in addition to the Denso Kota and Denso Takatana plants. Furthermore, to establish an optimum production system in western Japan, where future expansion in automobile production is highly expected, we added a facility at DENSO MANUFACTURING KITAKYUSHU CO., LTD., in July 2007 and decided to integrate our Hiroshima Plant into DENSO MANUFACTURING KITAKYUSHU CO., LTD., in October 2007. Moreover, to establish an automotive production system in the Tohoku and Kanto regions, where a further increase in car production is highly anticipated, in March 2008 we resolved to establish Denso East Japan Corporation for the production of car air conditioners in Tamura, Fukushima. We are pursuing these measures to reorganize our domestic production system in combination with a production shift to geographically distant locations other than Aichi Prefecture and to other Group companies, in response to the boost in automobile production. Meanwhile, in December 2007 we decided to purchase a site for future expansion of the Denso Anjo Plant to produce environmentally friendly products for which rapid expansion in demand is expected given the increase in requests for improved fuel consumption and more reduction in CO_2 emissions.

Overseas, we established DENSO (CHANGZHOU) FUEL INJECTION SYSTEM CO., LTD., in June 2007 in China, where restrictions on exhaust gas have been accelerated, to meet expanding demand for the common rail system, which features diesel vehicles with a fuel-injection system to improve fuel consumption and reduce harmful substances in car emissions. This is the third overseas production base following factories in Hungary and Thailand to cover our global supply of common rail systems in major areas worldwide. Meanwhile, in Europe we established Advanced Diesel Particulate Filters Sp.zo.o., a new joint venture with Robert Bosch GmbH of Germany, to develop and produce purification filters for diesel exhaust gas to clear the Euro 5 Standards as the next-stage restriction on emissions. In North America, given the rising need for the further compactness and lightness of thermal systems, we decided to produce manufactures in June 2007 of an engine cooling module, which integrates a radiator, a condenser and an electric fan, at DENSO MANUFACTURING CANADA, INC. Consequently, we have reinforced our supply system of thermal system products in North America in combination with DENSO MANUFACTURING MICHIGAN, INC., and DENSO MANUFACTURING ARKANSAS, Inc.

In addition to such groupwide streamlining of our global production system, we are proactively committed to the development of human resources who support DENSO's *monozukuri* spirit. At the 39th World Skills Competition and the 7th International Abilympic held in November 2007, 13 contenders from the DENSO Group, including staff from Thailand and Indonesia, participated in the events and obtained four gold medals. The Group's activity to develop skilled workers to carry on the tradition of experienced skills was highly acclaimed.

To enhance its various CSR activities as a trustworthy, global corporate group, the Company in January 2008 implemented "DENSO Youth for Earth Action," an international project designed to educate young people on issues in collaboration with the Japan Environmental Education Forum (JEEF). This CSR program aims to develop future leaders, targeting about 20 Japanese and Thai university and postgraduate students who will work to realize an environmental cohabitation society from a multifaceted viewpoint on global issues regarding environmental protection. The program includes field-focused learning and onsite training by participating in corporate and community activities for the reduction of environmental impact, such as the Nature Restoration Projects in the Kushiro Wetlands in Hokkaido and projects in the automotive industry.

Regarding operating results for the year ended March 31, 2008, consolidated net sales increased ¥415.4 billion, or 11.5%, compared with the previous year to ¥4,025.1 billion. Consolidated ordinary income amounted to ¥368.3 billion, up ¥46.2 billion, or 14.3%, as a result of our efforts to reduce costs and to streamline and enhance efficiency throughout our operations, coupled with improvement gains for capacity utilization due to increased sales. Net income was ¥244.4 billion, an increase of ¥39.2 billion, or 19.1%.

By geographical segment, sales in Japan amounted to ¥2,725.9 billion, up ¥184.6 billion, or 7.3%, from the previous year, mainly due to an increase in the domestic production of vehicles for export and sales expansion. Operating income, however, decreased ¥17.8 billion, or 8.3%, to ¥197.5 billion, affected by increases in depreciation expenses and labor costs despite certain improvement gains for capacity utilization through sales expansion.

Sales in the Americas were ¥832.3 billion, an increase of ¥63.2 billion, or 8.2%, due to the steady production of Japanese car manufacturers and sales expansion in the region. Operating income was ¥41.5 billion, an increase of ¥12.3 billion, or 42.3%, mainly due to improved capacity utilization through sales increase and rationalization efforts.

Sales in Europe were ¥620.3 billion, an increase of ¥101.0 billion, or 19.4%, mainly due to expanded sales to automobile manufacturers in the region. Operating income surged ¥14.4 billion, or 118.3%, to ¥26.5 billion mainly due to improved capacity utilization through sales increase and rationalization efforts.

Sales in the Asia and Oceania regions were ¥616.2 billion, an increase of ¥136.0 billion, or 28.3%, reflecting favorable sales and active sales promotion principally to Japanese automobile manufacturers and increased production of Japanese vehicles especially in China. Operating income amounted to ¥80.4 billion, up ¥34.5 billion, or 75.1%, due to improved capacity utilization through sales expansion and rationalization efforts.

(2) Capital Expenditures and Financing

During the year under review, capital expenditures of ¥343.8 billion were invested mainly to shift to highly cost-competitive next-generation products, increase production capacity and improve product quality and reliability.

To apply the funds to future capital investment projects, the Company principally financed ¥20.0 billion from bank borrowings during the year.

(3) Our Challenge for Future Success

The risk of a downturn in the world economy is increasing in fear of a substantial setback of the U.S. economy. In the automotive industry, sales of vehicles are expected to become sluggish in the world's main markets of Japan and the United States. Furthermore, the business environment surrounding the Group has become unprecedentedly stringent with many adverse factors: the rapid appreciation of the yen, the hike of raw material prices, the increased demand for vehicles to address environmental preservation and safety, responses to demand in the emerging markets in China and India and increasing risks due to globalization.

Amid these circumstances, the Group will continue its groupwide commitment to the following mainstay principles to further fortify our key strengths of “Safety” and “Quality” in the fiscal year ending March 31, 2009, toward achieving the targets set out in the DENSO VISION 2015.

1) “Contribute to the creation of an advanced automotive society”

2) “Evolve into a truly global corporation”

As for principle 1), we will vigorously address solidifying quality assurance to ensure the trust and expectations of customers, further developing state-of-the-art technology and enhancing our cost competitiveness. In addition, we will further promote product development and sales expansion activity through which diversified customers’ and local needs are reflected.

As for principle 2), we will promote reforms in the production structure to strengthen global competitiveness in terms of the *monozukuri* concept in Japan and overseas and commit ourselves to creating close alliances among the Group companies and comfortable worksites where every employee of the respective Group companies can work effectively to the extent possible by creating synergies from our integrated group power.

(4) Operating Results and Financial Position of the Group

(Millions of yen)

Fiscal period / Account item	82nd Term (April 2004–March 2005)	83rd Term (April 2005–March 2006)	84th Term (April 2006–March 2007)	85th Term (April 2007–March 2008)
Net Sales	2,799,949	3,188,330	3,609,700	4,025,076
Ordinary Income	224,760	283,054	322,128	368,308
Net Income	132,620	169,648	205,170	244,417
Net Income per Share (yen)	159.02	204.80	249.88	299.96
Equity	1,643,182	1,970,388	2,286,956	2,282,677
Total Assets	2,780,982	3,411,975	3,765,135	3,643,418

(5) Significant Subsidiaries

Name	Common Stock	The Company’s Ratio of Voting Rights (%)	Principal Businesses
ASMO CO., LTD.	JPY4,500 million	73.37*	Manufacture and sale of small motors
ANDEN CO., LTD.	JPY1,002 million	100.00	Manufacture and sale of electronic systems
DENSO TOKYO CORPORATION	JPY175 million	100.00	Sale of automotive components and environmental systems
DENSO INTERNATIONAL AMERICA, INC.	USD226,750 thousand	100.00	— Holding company and regional headquarters for North America — Sale and R&D of automotive components
DENSO MANUFACTURING MICHIGAN, INC.	USD125,000 thousand	100.00*	Manufacture and sale of thermal systems
DENSO MANUFACTURING TENNESSEE, INC.	USD73,900 thousand	100.00*	Manufacture and sale of electronic and electric systems
DENSO MANUFACTURING ATHENS TENNESSEE, INC.	USD100 thousand	100.00*	Manufacture and sale of power-train control systems
DENSO SALES CANADA, Inc.	CAD100 thousand	100.00	Sale of automotive components
DENSO EUROPE B.V.	EUR1,361 thousand	100.00*	— Regional headquarters for Europe — Sale of automotive components
DENSO THERMAL SYSTEMS S.p.A.	EUR170,900 thousand	100.00*	Manufacture and sale of thermal systems
DENSO MANUFACTURING HUNGARY LTD.	EUR190,912 thousand	100.00*	Manufacture and sale of power-train control systems
DENSO SALES UK LTD.	GBP4,897 thousand	100.00*	Sale and R&D of automotive components

Name	Common Stock	The Company's Ratio of Voting Rights (%)	Principal Businesses
DENSO INTERNATIONAL (THAILAND) CO., LTD.	THB100 million	100.00*	Sale of electrical automotive components
DENSO (THAILAND) CO., LTD.	THB200 million	51.25*	Manufacture and sale of electric and thermal systems
DENSO (CHINA) INVESTMENT CO., LTD.	China Yuan 2,105 million	100.00	— Holding company and regional headquarters for China — Sale of automotive components

*Indicates the ratio of ownership including shareholdings by any of the Company's subsidiaries.

(6) Principal Businesses of the Group

Manufacture and sale of the following products:

(Automotive Businesses)

Powertrain Control Systems	(e.g., Powertrain control products for diesel engines, Powertrain control products for gasoline engines, Ignition coils, Various valves)
Electric Systems	(e.g., Starters, Alternators, Inverters, DC-DC converters)
Electronic Systems	(e.g., Engine control computers, Various semiconductor sensors, Hybrid ICs)
Thermal Systems	(e.g., Car air-conditioning systems, Bus/construction equipment air-conditioning systems, Radiators, Cooling fans)
Information & Safety Systems	(e.g., Various sensors & computers for airbags, Actuators & computers for ABS, Meters, Car navigation systems)
Small Motors	(e.g., Windshield wiper systems, Windshield washer systems, Power window motors)

(New Businesses)

Industrial Systems	(e.g., Barcode handy scanners & handy terminals, QR code scanners & handy terminals, Industrial robots)
Consumer Products	(e.g., CO_2 refrigerant heat-pump water heaters)

(7) Principal Offices and Plants

1) The Company

Head Office	1-1, Showa-cho, Kariya, Aichi 448-8661, Japan
Headquarters	Tokyo
Branches	Tokyo, Osaka, Hiroshima
Factories	Kariya, Ikeda, Anjo, Nishio, Takatana, Kota, Toyohashi, Agui and Zenmyo (Aichi Pref.), Daian (Mie Pref.), Hiroshima (Hiroshima Pref.)
Research Institute	DENSO Research Laboratories (Aichi Pref.)
Experiment Station	Nukata (Aichi Pref.)

2) Subsidiaries

Major Sales Companies	Japan DENSO TOKYO CORPORATION (Metropolis of Tokyo) Americas DENSO INTERNATIONAL AMERICA, INC. (Michigan, U.S.A.), DENSO SALES CANADA, Inc. (Ontario, Canada) Europe DENSO EUROPE B.V. (Weesp, the Netherlands), DENSO SALES UK LTD. (Hertfordshire, U.K.) Asia & Oceania DENSO INTERNATIONAL (THAILAND) CO., LTD. (Samutprakarn, Thailand), DENSO (CHINA) INVESTMENT CO., LTD.(Beijing, China)
Major Manufacturing Companies	Japan ASMO CO. LTD. (Shizuoka Pref.), ANDEN CO., LTD. (Aichi Pref.) Americas DENSO MANUFACTURING MICHIGAN, INC. (Michigan, U.S.A.), DENSO MANUFACTURING TENNESSEE, INC. (Tennessee, U.S.A.), DENSO MANUFACTURING ATHENS TENNESSEE, INC. (Tennessee, U.S.A.) Europe DENSO THERMAL SYSTEMS S.p.A. (Turin, Italy), DENSO MANUFACTURING HUNGARY LTD. (Szekesfehervaron, Hungary) Asia & Oceania DENSO (THAILAND) CO., LTD. (Samutprakarn, Thailand)

(8) Employees within the Group

Number of Employees	Increase/Decrease from the Preceding Fiscal Year
118,853	6,591(increase)

Note: "Number of Employees" indicates the number of persons working within the Group (i.e., exclusive of those loaned from within the Group to outside the Group and inclusive of those loaned from outside the Group to within the Group).

(9) Major Lenders

Name of Lender	Balance of Borrowings (Millions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Syndicate Loan	13,000
Fukoku Mutual Life Insurance Co.	10,000
The Hokkaido Bank, Ltd.	10,000
North Pacific Bank, LTD.	10,000
The Dai-ichi Mutual Life Insurance Company	7,000
THE BANK OF NAGOYA, Ltd.	6,000
MITSUI LIFE INSURANCE COMPANY LIMITED	5,000
Nippon Life Insurance Company	5,000
Meiji Yasuda Life Insurance Company	5,000
Other	17,000
Total	88,000

Notes:
1. "Major lenders" of the corporate group above means the Company's major lenders.
2. The Bank of Tokyo-Mitsubishi UFJ, Ltd., Syndicate Loan refers to a syndicate loan involving four corporations for which the lead manager is The Bank of Tokyo-Mitsubishi UFJ, Ltd.

2. SHARES OF THE COMPANY

(1) Total Number of Issued Shares: 812,753,581 shares (excluding treasury stock of 71,315,132 shares)

(2) Number of Shareholders: 66,287 persons

(3) Major Shareholders

Name of Shareholder	Investment in the Company	
	Number of Shares Held (Thousand shares)	Ratio of Voting Rights (%)
Toyota Motor Corporation	199,254	24.53
TOYOTA INDUSTRIES CORPORATION	69,373	8.54
Robert Bosch Industrieanlagen GmbH	47,434	5.84
The Master Trust Bank of Japan, Ltd. (Trust account)	44,498	5.48
Japan Trustee Services Bank, Ltd. (Trust account)	37,084	4.57
Nippon Life Insurance Company	24,050	2.96
Mitsui Sumitomo Insurance Co., Ltd.	15,148	1.87
Denso Employees' Shareholding Association	12,044	1.48
State Street Bank & Trust Company	10,915	1.34
Meiji Yasuda Life Insurance Company	9,373	1.15

Notes:

1. The Company holds its treasury stock of 71,315 thousand shares, and the Company itself is excluded from the list above.
2. "Investment in the Company" by TOYOTA INDUSTRIES CORPORATION is stated after excluding the Company's 6,798 thousand shares (ratio of voting rights: 0.83%), which are contributed as a trust asset for employees' retirement benefits by TOYOTA INDUSTRIES CORPORATION. (These shares are registered in the name of "Japan Trustee Services Bank, Ltd. (Trust Account of TOYOTA INDUSTRIES CORPORATION Employees' Retirement Benefits for the Re-trust by Chuo Mitsui Asset Trust and Banking Company, Limited)," and TOYOTA INDUSTRIES CORPORATION reserves the right of instruction in exercising the shares' voting rights.)

3. STOCK ACQUISITION RIGHTS, ETC., OF THE COMPANY

(1) Status of Stock Acquisition Rights, at the End of the Year

1) Number and outline of the stock acquisition rights.

Date when the resolution for issuance was adopted	June 27, 2002	June 27, 2003	June 24, 2004
Number of the stock acquisition rights	240 units	1,184 units	3,615 units
Type of shares subject to the stock acquisition rights	Common stock		
Number of shares subject to the stock acquisition rights	24,000 shares	118,400 shares	361,500 shares
Issue price	Without charge		
Exercise price	¥2,003/share	¥2,090/share	¥2,740/share
Exercise period	From July 1, 2004, to June 30, 2008	From July 1, 2005, to June 30, 2009	From July 1, 2006, to June 30, 2010

Date when the resolution for issuance was adopted	June 22, 2005	June 27, 2006	June 26, 2007
Number of the stock acquisition rights	6,897 units	12,050 units	17,180 units
Type of shares subject to the stock acquisition rights	Common stock		
Number of shares subject to the stock acquisition rights	689,700 shares	1,205,000 shares	1,718,000 shares
Issue price	Without charge		
Exercise price	¥2,758/share	¥3,950/share	¥5,030/share
Exercise period	From July 1, 2007, to June 30, 2011	From August 1, 2008, to July 31, 2012	From August 1, 2009, to July 31, 2013

2) Stock acquisition rights held by the Company's directors

Date when the resolution for issuance was adopted	June 27, 2002	June 27, 2003	June 24, 2004
Number of the stock acquisition rights	—	339 units	754 units
Number of holders	—	3	8

Date when the resolution for issuance was adopted	June 22, 2005	June 27, 2006	June 26, 2007
Number of the stock acquisition rights	1,042 units	1,650 units	3,700 units
Number of holders	10	13	13

(2) Stock Acquisition Rights Issued during the Year

1) Content of the stock acquisition rights issued

Date when the resolution for issuance was adopted	June 26, 2007
Number of the stock acquisition rights	17,200 units
Type and number of shares subject to the stock acquisition rights	1,720,000 shares of common stock
Issue price of the stock acquisition rights	Without charge
Amount to be paid per share upon exercise of the stock acquisition rights	¥5,030
Exercise period of the stock acquisition rights	From August 1, 2009, to July 31, 2013
Conditions for the exercise of the stock acquisition rights	1) Those who have been granted the stock acquisition rights (hereinafter the “Grantees”) must be in the position of Director, Managing Officer or employee of the Company, or Director or certain officers of its subsidiaries when exercising his/her stock acquisition rights; provided, however, that a Grantee may exercise his/her stock acquisition rights for a period of one (1) year (but only during the exercise period) following the date of resignation or retirement if the Grantee forfeits any position mentioned above due to resignation or retirement from the Company or any of its subsidiaries. 2) In case a Grantee no longer qualifies for the exercise conditions of stock acquisition rights, the Grantee shall immediately lose such stock acquisition rights and return them to the Company immediately without receipt of any consideration. 3) Other applicable exercise conditions (including details regarding Item 1), above) shall be as prescribed by the “Stock Acquisition Rights Allocation Agreement,” which shall be entered into by and between each Grantee and the Company, and by the “Detailed Regulations concerning the Stock Acquisition Rights Allocation Agreement,” which shall be determined by the Board of Directors in compliance with the said Stock Acquisition Rights Allocation Agreement, pursuant to the relevant resolutions by both the Ordinary General Meeting of Shareholders and the Board of Directors.

2) Status of the stock acquisition rights issued to certain employees of the Company, as well as to certain officers and employees of its subsidiaries

Category	Employees of the Company	Certain Officers and Employees of Subsidiaries of the Company
Number of the stock acquisition rights	11,100 units	2,400 units
Type of shares subject to the stock acquisition rights	Common stock	Common stock
Number of shares subject to the stock acquisition rights	1,110,000 shares	240,000 shares
Total number of granted persons	421	104

4. OFFICERS OF THE COMPANY

(1) Directors and Corporate Auditors

Name	Position	Assignment in the Company and Important Posts Concurrently Held at Other Corporations
Akihiko Saito	Chairman*	
Koichi Fukaya	President and CEO*	(Important posts concurrently held) Outside corporate auditor, JTEKT Corporation Outside corporate auditor, TOYOTA BOSHOKU CORPORATION
Shinro Iwatsuki	Executive Vice President*	
Oyuki Ogawa	Executive Vice President*	Engineering Research & Development Center; DENSO Research Laboratories; IT Planning Dept. (Important posts concurrently held) Director, TOYOTA BOSHOKU CORPORATION
Masatoshi Ano	Senior Managing Director	Administration Center; Secretarial Dept.; General Administration Dept.
Mitsuharu Kato	Senior Managing Director	Information & Safety Systems Business Group; Information & Safety Systems Development Dept. (Important posts concurrently held) Outside director, Jeco Co., Ltd.
Hiromi Tokuda	Senior Managing Director	Powertrain Control Systems Business Group; Electronic Systems Business Group
Nobuaki Kato	Senior Managing Director	Corporate Center; Thermal Systems Business Group; Procurement Dept.
Kenji Ohya	Senior Managing Director	Sales Group; Sales Administration Dept.; Sales & Marketing Dept. 1; Sales & Marketing Dept. 2; Tokyo Branch; Osaka Branch; Hiroshima Branch
Koji Kobayashi	Senior Managing Director	Electric Systems Business Group; Deputy Chief, Corporate Center; Cost Planning Dept.; Audit Dept.; Finance & Accounting Dept.; Corporate Communications Dept.
Kazuo Hironaka	Senior Managing Director	Deputy Chief, Sales Group; Toyota Dept.
Sojiro Tsuchiya	Senior Managing Director	Production Promotion Center; Prototype Mfg. Dept; Construction Dept.; Production Engineering Dept.; Production Control Dept.; Logistics Planning Dept.
Shoichiro Toyoda	Director	(Important posts concurrently held) Honorary Chairman and Director, Toyota Motor Corporation Outside corporate auditor, AISIN SEIKI CO., LTD. Honorary Chairman, Japan Business Federation
Nobuaki Horiuchi	Standing Corporate Auditor	(Important posts concurrently held) Outside corporate auditor, Jeco Co., Ltd.
Toshio Watanabe	Standing Corporate Auditor	
Fujio Cho	Corporate Auditor	(Important posts concurrently held) Chairman, Toyota Motor Corporation Outside director, Central Japan Railway Company Outside director, Sony Corporation Chairman, Japan Automobile Manufacturers Association, Inc. Vice Chairman, Japan Business Federation
Tamiki Kishida	Corporate Auditor	(Important posts concurrently held) Professor, Course of Economics Research, Graduate School of Nagoya University
Tsutomu Saito	Corporate Auditor	(Important posts concurrently held) Lawyer

Notes:

1. The directors marked with an asterisk (*) are representative directors.
2. Corporate Auditors Fujio Cho, Tamiki Kishida and Tsutomu Saito are outside corporate auditors as stipulated in Article 2, Paragraph 16, of the Companies Act.
3. Corporate Auditor Fujio Cho has representative rights at Toyota Motor Corporation as Chairman and at Japan Automobile Manufacturers Association, Inc., as Chairman.

(2) Remuneration, etc., Payable to Directors and Corporate Auditors

13 directors ¥1,018 million
5 corporate auditors ¥123 million (including 3 outside corporate auditors: ¥31 million)

Notes:

1. The amounts for remuneration, etc., paid to directors above include the items below.
   (1) Remuneration as stock options granted to directors;
   (2) The bonuses to be paid to directors and corporate auditors, for which a resolution is scheduled to be adopted by the 85th Ordinary General Meeting of Shareholders to be held on June 25, 2008; and
   (3) Provision for officers' retirement benefits for the fiscal year ended March 31, 2008.
2. The amounts for remuneration, etc., paid above do not include the items below.
   (1) The retirement benefits paid to retired directors (¥1,059 million for five directors) pursuant to a resolution by the 84th Ordinary General Meeting of Shareholders held on June 26, 2007; and
   (2) Provision for officers' retirement benefits for the previous fiscal year, which was posted as an account item under extraordinary losses (¥933 million for eight directors and ¥177 million for five corporate auditors).

(3) Outside Corporate Auditors

1) Important combination of offices at other corporations

Name	Combination of Offices at Other Corporations
Fujio Cho	Chairman, Toyota Motor Corporation Outside director, Central Japan Railway Company Outside director, Sony Corporation

Note: Toyota Motor Corporation is a major shareholder of the Company, and the Company sells 46.6% of its products to Toyota Motor.

2) Major activities during the year

Name	Major Activities
Fujio Cho	He attended 14 of 22 Board of Directors meetings and 11 of 12 Board of Corporate Auditors meetings held in the year. At these meetings, he appropriately remarked on general management affairs based on his abundant experience as an executive at several corporations.
Tamiki Kishida	He attended 15 of 22 Board of Directors meetings and 11 of 12 Board of Corporate Auditors meetings held in the year. At these meetings, he mainly remarked on the business administration system of the Company based on his professional viewpoint as a professor of a university.
Tsutomu Saito	He attended 15 of 22 Board of Directors meetings and 11 of 12 Board of Corporate Auditors meetings held in the year. At these meetings, he mainly remarked on the compliance systems of the Company based on his professional viewpoint as lawyer.

3) Outline of the agreement with outside corporate auditors to limit their liability for damage
The Company has entered into an agreement with each outside corporate auditor to limit his liability with regard to the damages stipulated in Article 423, Paragraph 1, of the Companies Act. As a result, his liability shall be the amount set forth in Article 425, Paragraph 1, of the Companies Act.

5. INDEPENDENT AUDITORS

(1) Designation of the Independent Auditors

Deloitte Touche Tohmatsu

(2) Remuneration, etc., Payable to Independent Auditors for the Year

1)	Amount of remuneration, etc., to be paid by the Company to the independent auditors pertaining to the fiscal year under review	¥49 million
2)	Sum of money and other financial profits to be paid by the Company and its subsidiaries to the independent auditors	¥114 million

Notes:

1. The audit agreement entered into by the independent auditors and the Company does not distinguish the amount derived from the audit under the Companies Act and the one derived from the audit under the Financial Instruments and Exchange Act, and the two amounts cannot be substantially distinguished from each other. Therefore, the amount in 1) above indicates the total of these two kinds of amounts.
2. The Company entrusts an advisory service regarding the establishment of internal control systems in association with financial information, which comes under business (unaudited business) other than that set forth in Article 2, Paragraph 1, of the Certified Accountant Law, to the Independent Auditors, and pays consideration for the service.
3. Of the Company's significant subsidiaries, 12 subsidiaries, including DENSO INTERNATIONAL AMERICA, INC., DENSO EUROPE B.V. and DENSO INTERNATIONAL (THAILAND) CO., LTD., receive their audits by Certified Public Accountants or auditing firms (including those that have qualifications equivalent to these qualifications) other than the Independent Auditors of the Company.

(3) Policy on Decisions of Dismissal or Non-Reappointment of the Independent Auditors

The Board of Corporate Auditors shall, upon consent of all the corporate auditors, dismiss the Independent Auditors if it determines a circumstance falling under any of the items set forth in Article 340, Paragraph 1, of the Companies Act, to have taken place.

In addition, if the Company judges it necessary to do so, for example, in case of any event that may raise a significant question in its employment of the Independent Auditors regarding the performance of appropriate audits, the Company shall, upon consent of the Board of Corporate Auditors, or upon a request by the Board of Corporate Auditors, submit a proposal for the dismissal or non-reappointment of the Independent Auditors to a general meeting of shareholders.

6. SYSTEMS TO ENSURE THE PROPRIETY OF BUSINESS OPERATIONS

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 Directors with Laws, Regulations and the Articles of Incorporation

1) Directors 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 directors 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 Top Management Meeting and the Executive Meeting.

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

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 investment shall be managed companywide by the executive collegial bodies such as the Board of Directors and the Top Management Meeting in accordance with the in-house rules. At the same time, the Group Leaders and the Center Leaders shall manage divisional risks in their respective fields.
2) As for other risk management, the Risk Management Committee shall generally streamline and manage relevant companywide systems, whereas each competent department shall manage relevant risk factors.

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

1) The Company shall pursue a downsized, efficient management by leveraging the managing officer system with fewer directors.
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 long-term management guidelines of the DENSO VISION 2015, the Company shall prepare management policies and 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 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 Corporate Ethics Committee shall establish and revise the Code of Conduct, and conduct necessary enlightenment activities and prepare proposals for the relevant organizations.
2) The Code of Conduct shall be fully disseminated among all employees via hierarchical compliance education.
3) The "Corporate Ethics Hotline" allows any employee who has an ethical or compliance-related concern to directly communicate that to the competent internal department or an outside lawyer.
4) The 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 Audit Department.

(6) Systems to Ensure the Propriety of Business Operations Conducted by the Corporate Group Consisting of the Company, Its Parent and Its Subsidiaries

1) Decision making at the respective Group companies shall be conducted on a "reserved power" basis pursuant to the respective in-house rules, according to a policy of maximally respecting the autonomy of each company.
2) Groupwide policies and plans shall be prepared under the long-term management guidelines of the DENSO VISION 2015 to unify the Group's intention to achieve its goals. The progress of the goals and plans shall be periodically reported in accordance with the in-house rules.
3) As for risk management and compliance within the Group companies, the Company shall offer guidelines to the respective Group companies to promote the establishment and operation of groupwide systems. The DENSO Group Employee Code of Conduct shall be shared by and disseminated to all the Group companies.
4) CSR shall be an important management priority, and the CSR Committee shall have the functions of orientation and follow-up on relevant activities as a core decision-making organ.
5) The Domestic DENSO Group Corporate Ethics Hotline shall be operated as an internal informant protection system for the Group companies in Japan.

(7) Employees in Cases Where a Corporate Auditor Requests That the Company Place Several Employees as Assistants to Support His/Her Duties, and the Independence of the Employees Concerned from Directors in Such Cases

1) The Audit Office, which was established as a dedicated organ, shall support the corporate auditors in conducting their duties.
2) Personnel changes and organizational restructuring of the Audit Office shall require the prior consent of the Board of Corporate Auditors.

(8) Systems to Help Directors and Employees Report to the Corporate Auditors and Other Systems Relating to Reporting to the Corporate Auditors

1) The corporate auditors shall endeavor to properly understand and audit the execution of business operations by attending the meetings of the Board of Directors and other important conferences such as various committees and carefully checking important documents such as *kessaisho* (documents for approval) on operations.
2) The directors, managing officers and employees of the Company shall periodically or occasionally report on their operations to the Corporate Auditors.

(9) Other Systems to Ensure Effective Audits by the Corporate Auditors

1) The corporate auditors shall have regular or occasional meetings or exchange information as required with the Audit Department and the Independent Auditors.
2) The corporate auditors shall check documents that will be submitted for discussion and deliberation at important conferences such as the Board of Directors meetings prior to such events.

7. POLICY REGARDING A DECISION OF DIVIDENDS FROM SURPLUS

As for dividends from surplus, the Company’s basic dividend policy is to attain stable improvement of the dividend level with due consideration to the operating results and the payout ratio for each fiscal year.
Moreover, the Company intends to allocate retained earnings not only to the capital investment and R&D investment required to maintain long-term business development but also to the acquisition of treasury stock in the pursuit of distributing its profits to the shareholders.

The amounts stated in this Business Report are rounded off to the nearest unit.

Consolidated Balance Sheet (As of March 31, 2008)

(Millions of yen)

Account item	Amount	Account item	Amount
(Assets)		**(Liabilities)**	
Current Assets	**1,578,070**	**Current Liabilities**	**970,406**
Cash and deposits	254,202	Notes and accounts payable—trade	534,321
Notes and accounts receivable—trade	658,012	Short-term borrowings	55,488
Marketable securities	196,147	Straight bonds redeemable within one year	71
Inventories	310,446	Accrued expenses	134,478
Deferred tax assets	63,458	Income taxes payable	51,813
Other current assets	98,270	Accrued bonuses to employees	60,217
Allowance for doubtful accounts	(2,465)	Accrued bonuses to directors and corporate auditors	682
		Reserve for product warranties	26,805
		Other current liabilities	106,531
Fixed Assets	**2,065,348**	**Long-Term Liabilities**	**390,335**
Property, plant and equipment	1,115,026	Straight bonds	50,254
Buildings and structures	270,130	Long-term borrowings	105,115
Machinery and transportation equipment	501,386	Deferred tax liabilities	45,453
Land	148,723	Liability for employees' retirement benefits	174,602
Construction in progress	108,573	Liability for retirement benefits to directors and corporate auditors	2,290
Other	86,214	Negative goodwill	1,650
		Other long-term liabilities	10,971
		Total Liabilities	**1,360,741**
Intangible Assets	**22,043**	**(Equity)**	
Software	14,254	**Shareholders' equity**	**1,983,013**
Other intangible assets	7,789	Common stock	187,457
Investments and Other Assets	**928,279**	Capital surplus	266,651
Investment securities	757,205	Retained earnings	1,705,299
Long-term loans receivable	4,228	Treasury stock, at cost	(176,394)
Deferred tax assets	22,251	**Variance of the Estimate / Conversion**	**177,245**
Prepaid pension cost	111,267	Net unrealized gain on available-for-sale securities	223,093
Other assets	33,514	Deferred gain on derivatives under hedge accounting	10
Allowance for doubtful accounts	(186)	Foreign currency translation adjustments	(45,858)
		Stock acquisition rights	**1,058**
		Minority interests	**121,361**
		Total Equity	**2,282,677**
Total Assets	**3,643,418**	**Total Liabilities and Equity**	**3,643,418**

Consolidated Statement of Income (From April 1, 2007, to March 31, 2008)

(Millions of yen)

Account item	Amount	
Net sales		**4,025,076**
Cost of sales		3,314,890
Gross profit		**710,186**
Selling, general and administrative expenses		361,534
Operating income		**348,652**
Non-operating income		
Interest and dividend income	25,956	
Equity in earnings of affiliates	3,468	
Other non-operating income	11,638	41,062
Non-operating expenses		
Interest expense	6,814	
Other non-operating expenses	14,592	21,406
Ordinary income		368,308
Extraordinary gains		
Gain on sales of fixed assets	864	
Gain on sales of affiliates' stock	607	1,471
Extraordinary losses		
Impairment loss on long-lived assets	767	
Impairment loss on investment securities	45	
Cumulative effect of accounting change for retirement benefit to directors, corporate auditors, and management officers	3,330	
Restructuring charges	808	4,950
Income before income taxes and minority interests		**364,829**
Income taxes—current	109,432	
Income taxes—deferred	(9,125)	100,307
Minority interests in net income		20,105
Net income		**244,417**

Consolidated Statement of Changes in Equity

(From April 1, 2007, to March 31, 2008)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	Total shareholders' equity
Balance as of March 31, 2007	**187,457**	**266,463**	**1,500,807**	**(169,130)**	**1,785,597**
Changes in the year:					
Dividends from surplus			(39,925)		(39,925)
Net income			244,417		244,417
Purchase of treasury stock				(9,347)	(9,347)
Disposal of treasury stock		188		2,083	2,271
Net changes in items other than those in shareholders' equity					
Total of changes in the year	**—**	**188**	**204,492**	**(7,264)**	**197,416**
Balance as of March 31, 2008	**187,457**	**266,651**	**1,705,299**	**(176,394)**	**1,983,013**

	Variance of the Estimate / Conversion			Stock acquisition rights	Minority interests	Total equity
	Net unrealized gain on available-for-sale securities	Deferred gains on derivatives under hedge accounting	Foreign currency translation adjustments			
Balance as of March 31, 2007	**374,060**	**(905)**	**14,962**	**294**	**112,948**	**2,286,956**
Changes in the year:						
Dividends from surplus						(39,925)
Net income						244,417
Acquisition of treasury stock						(9,347)
Disposal of treasury stock						2,271
Net changes in items other than those in shareholders' equity	(150,967)	915	(60,820)	764	8,413	(201,695)
Total of changes in the year	**(150,967)**	**915**	**(60,820)**	**764**	**8,413**	**(4,279)**
Balance as of March 31, 2008	**223,093**	**10**	**(45,858)**	**1,058**	**121,361**	**2,282,677**

Notes to the Consolidated Financial Statements

1. Basis of Presenting the Consolidated Financial Statements

(1) Scope of consolidation
1) Number of consolidated subsidiaries: 186
2) Names of the principal consolidated subsidiaries:
(Domestic)
A total of 67 companies including ASMO CO., LTD., ANDEN CO., LTD., and DENSO TOKYO CORPORATION
(Overseas)
A total of 119 companies including DENSO INTERNATIONAL AMERICA, INC., DENSO MANUFACTURING MICHIGAN, INC., DENSO MANUFACTURING TENNESSEE, INC., DENSO MANUFACTURING ATHENS TENNESSEE, INC., DENSO SALES CANADA, Inc., DENSO EUROPE B.V., DENSO THERMAL SYSTEMS S.p.A., DENSO MANUFACTURING HUNGARY LTD., DENSO SALES UK LTD., DENSO INTERNATIONAL (THAILAND) CO., LTD., DENSO (THAILAND) CO., LTD., and DENSO (CHINA) INVESTMENT CO., LTD.
3) Name of unconsolidated subsidiary
MARCON DENSO CO., LTD., is an unconsolidated subsidiary that was excluded from consolidation for the year under review because it recently became a subsidiary through an additional acquisition of its shares by the Company, and its total assets, net sales, net income/loss for the year (corresponding to the equity held by the Company) and retained earnings (corresponding to the equity held by the Company) have no significant impact on these account items in the consolidated financial statements.

(2) Application of the equity method
1) Number of unconsolidated subsidiaries and affiliates accounted for by the equity method: 33
2) Names of the principal unconsolidated subsidiaries and affiliates accounted for by the equity method:
(Domestic) TSUDA INDUSTRIES CO., LTD., and 13 other companies (a total of 14)
(Overseas) MICHIGAN AUTOMOTIVE COMPRESSOR, INC., and 18 other companies (a total of 19)

(3) Summary of significant accounting policies
1) Standard and method of valuation of securities
Available-for-sale securities for which the market price is readily determinable:
Stated at the market price, based on the market quotation at the balance sheet date. Unrealized gains and losses are reported, net of applicable taxes, as a separate component of equity. The cost of securities sold is mainly determined based on the moving-average method.
Available-for-sale securities for which the market price is not readily determinable:
Stated at cost mainly determined by the moving-average method.
2) Derivatives are stated at the market price.
3) Finished goods, work in process and supplies are mainly stated at cost determined by the gross average method. Raw materials are mainly stated at the lower of cost determined by the gross average method or market.
4) Depreciation of property, plant and equipment is mainly computed by the declining-balance method, and the amortization of intangible assets is computed using the straight-line method.
5) Accounting policies for reserves
Allowance for doubtful accounts:
The allowance for doubtful accounts is provided at an amount of possible losses from uncollectible receivables based on the past loan loss ratio for bad debts for ordinary receivables and on the estimated recoverability for specific doubtful receivables.

Accrued bonuses to employees:
The accrued bonuses to employees are provided for payments of bonuses to employees at an estimated amount to be recorded for the year.

Accrued bonuses to directors and corporate auditors:
The accrued bonuses to directors and corporate auditors are provided for payments of bonuses to directors and corporate auditors at an estimated amount to be recorded for the year.
Reserve for product warranties:
The reserve for product warranties is provided at an amount projected for after-sales service of products

based on past experience.

Liability for employees' retirement benefits:

The liability for employees' retirement benefits is provided at an amount calculated based on the projected benefit obligations and plan assets at the balance sheet date.

Prior service cost is amortized, starting in the fiscal year the cost was incurred, on a straight-line basis over a specific period (principally 10 years), which is shorter than the average remaining service period of employees at the time of the occurrence.

Actuarial gains or losses are amortized from the fiscal year following the occurrence on a pro rata basis by the straight-line method over a specific period (principally 10 years), which is shorter than the average remaining service years for employees at the time of the occurrence.

To prepare for possible payments of retirement benefits for managing officers, the liability to be borne by the Company based on its in-house rules is provided at an amount considered necessary to be recorded for the year at the balance sheet date.

Retirement allowance for directors and corporate auditors:

To prepare for possible payment of retirement benefits for directors and corporate auditors, the liability to be borne by the Company based on its in-house rules is provided at an amount considered necessary to be recorded for the year at the balance sheet date.

6) Standards for translation of important receivables and payables denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates on the consolidated balance sheet date. The resulting differences are charged or credited to income.

The assets and liabilities of our overseas consolidated subsidiaries are translated into Japanese yen at the spot exchange rates as of the consolidated balance sheet date. Revenue and expenses of our overseas consolidated subsidiaries are translated into Japanese yen based on the average exchange rates during the fiscal year, and the resulting differences are included in "Foreign currency translation adjustments" and "Minority interests" under "Equity" on the consolidated balance sheet.

7) Finance leases that do not transfer ownership of leased property to the lessee are mainly accounted in the same manner as operating leases.

8) Hedge accounting

Interest rate swap agreements, forward exchange contract hedging for prospective foreign currency transactions and currency options are accounted for by deferred hedging accounting (valuation gains/losses on hedging instruments are deferred as assets/liabilities until the gains/losses on the underlying hedged instruments are realized). Preferential treatment accounting is applied to certain interest rate swap agreements that satisfy the requirements.

Hedge accounting is not applied to forward exchange contracts, currency options and currency swap agreements that were concluded for the purpose of hedging receivables and payables denominated in foreign currencies for consolidated subsidiaries, which are set off and written off on the consolidated balance sheet. Such contracts and agreements were valued at the market price as of the end of this fiscal year. The resulting profit or loss is reported as non-operating income or expenses for the year under review.

9) Transactions subject to the consumption tax and local consumption taxes are recorded at amounts exclusive of the consumption tax.

(4) The assets and liabilities of consolidated subsidiaries are fully valued at the market price at the respective dates when the subsidiaries were initially consolidated.

(5) Amortization of goodwill and negative goodwill

The amount of goodwill is amortized over the estimated years for cases where years can be substantially estimated starting from the year of the initial occurrence, whereas it is evenly amortized on a straight-line basis over 5 years for other cases.

(Change in the Basis of Presenting the Consolidated Financial Statements)

1. Depreciation method of property, plant and equipment

Pursuant to the revision to the Corporation Tax Law in 2007, effective from the 85th Term, the year ended March 31, 2008, the Company and its domestic consolidated subsidiaries have changed the depreciation method for "structures," "tools, furniture and fixtures" and "vehicles and transportation equipment" that have been acquired on and after April 1, 2007, to the declining-balance method as defined in the revised Corporation Tax Law.
As a result of the review of the residual value and depreciation method for "buildings" and "machinery and equipment" at the occasion of the revision to the Corporation Tax Law in 2007, it was found that no residual value existed at the expiry of their useful lives. Consequently, the Company and its domestic consolidated subsidiaries also changed the depreciation method for "buildings" and "machinery and equipment" that have been acquired on and after April 1, 2007, to the declining-balance method as defined in the revised Corporation Tax Law in order to early recover the invested funds and strengthen financial capabilities given accelerating technological advancements.
As a result of this change, depreciation and amortization increased ¥12,367 million, whereas operating income, ordinary income and income before income taxes and minority interests each decreased ¥11,876 million compared with the previous depreciation method for property, plant and equipment.

2. Liability for officers' retirement benefits

Retirement benefits for directors and corporate auditors and for managing officers of the Company and its major consolidated subsidiaries were previously charged to income when disbursed as expenses. However, in accordance with the "Auditing Treatment relating to the Reserve defined under the Special Tax Measurement Law, Reserves defined under the Special Law and the Reserve for Directors and Corporate Auditor Retirement Benefits" (Report No. 42 issued by the Auditing and Assurance Practice Committee of the Japanese Institute of Certified Public Accountants (JICPA) on April 13, 2007), of which implementation was authorized for the year ended March 31, 2008, the Company and its major consolidated subsidiaries have changed the computation method thereof so that retirement benefits for directors and corporate auditors and those for managing officers are separately posted as "Liability for officers' retirement benefits" and "Liability for employees' retirement benefits" based on their respective in-house rules for amounts considered necessary at the balance sheet date to prepare for possible payment thereof.
As a result of this change, an amount of ¥3,330 million that should have been recorded for the previous fiscal year at the beginning of the year under review was included in extraordinary losses and an amount of ¥395 million to be recorded for the year was included in "Selling, general and administrative expenses." In addition, an amount of ¥1,542 million disbursed during the year under review as retirement benefits for directors and corporate auditors, as well as for managing officers, was transferred from "Liability for officers' retirement benefits." Taking into account these factors, operating income and ordinary income each increased ¥1,147 million, whereas income before income taxes and minority interests decreased ¥2,183 million, compared with the previous method.

[Additional information]

(Depreciation method of property, plant and equipment)

Pursuant to the revision to the Corporation Tax Law in 2007, effective from the 85th Term, the year ended March 31, 2008, the Company and its domestic consolidated subsidiaries have determined to equally depreciate "structures," "tools, furniture and fixtures" and "vehicles and transportation equipment" for over 5years that have been acquired on and before March 31, 2007, from the following fiscal year after reaching 5% of the acquisition price. The Company and its domestic consolidated subsidiaries also have determined to equally depreciate property, plant and equipment other than "structures," "tools, furniture and fixtures" and "vehicles and transportation equipment" that have been acquired on and before March 31, 2007, after reviewing the residual value while taking into account their use conditions. The resulting value for the year under review is included in depreciation and amortization for both cases.
Consequently, depreciation and amortization increased ¥4,493 million, whereas operating income, ordinary income and income before income taxes and minority interests each decreased ¥4,322 million.

[Change in representation method]

(Consolidated Balance Sheet)

Domestically negotiable deposits (the balance thereof was ¥80,500 million as of March 31, 2008) were included in "Cash and deposits" at the end of the previous fiscal year (March 31, 2007). Pursuant to the revisions to the accounting standards for financial instruments and to the practical guidelines for accounting financial instruments, it has been decided to include them in "Marketable securities."
The domestically negotiable deposits included in "Cash and deposits" were ¥86,500 million at March 31, 2007.

2. Notes to the Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment ¥2,283,501 million
The accumulated depreciation of property, plant and equipment includes an accumulated impairment loss on long-lived assets.

(2) Assets pledged as collateral and secured debt

Assets pledged as collateral:

Buildings	¥1,051 million
Land	¥521 million
Total	¥1,572 million

Debt secured by the above:

Short-term borrowings	¥31 million
Straight bonds redeemable within one year	¥71 million
Long-term borrowings	¥467 million
Straight bonds	¥254 million
Total	¥823 million

(3) Liabilities for guarantee
Guarantee of loans from finance institutions to the Groups' employees ¥14 million

(4) Trade notes sold with resource ¥18 million

(5) Redemption of 1.9% yen bonds transferred to a third party under a debt assumption agreement
2nd unsecured straight bonds ¥60,000 million

(6) Bank guarantees for customs duty ¥697 million

3. Note to the Consolidated Statement of Income

The severance cost derived from the reviewed business projects at overseas consolidated subsidiaries is charged to income as a "Business restructuring expense."

4. Notes to the Consolidated Statement of Changes in Equity

(1) Type and total number of issued shares as of March 31, 2008:
884,068,713 shares of common stock

(2) Stock acquisition rights

Date when the resolution for issuance was adopted	June 27, 2002	June 27, 2003	June 24, 2004	June 22, 2005
Number of the stock acquisition rights	240 units	1,184 units	3,615 units	6,897 units
Type of shares subject to the stock acquisition rights	Common stock			
Number of shares subject to the stock acquisition rights	24,000 shares	118,400 shares	361,500 shares	689,700 shares

Note: The shares for which the initial date of exercise period has not come are excluded.

(3) Dividends

1) Dividends paid

Resolution	Type of shares	Total dividend amount (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2007	Common stock	19,548	24	March 31, 2007	June 27, 2007
Board of Directors meeting held on October 31, 2007	Common stock	20,377	25	September 30, 2007	November 26, 2007

2) Of the dividends for which the record date belongs to the fiscal year ended March 31, 2008, those for which the effective date of the dividends will be in the fiscal year ending March 31, 2009

A resolution is planned to be adopted at the 85th Ordinary General Meeting of Shareholders to be held on June 25, 2008.

Resolution	Type of shares	Total dividend amount (Millions of yen)	Source of funds for dividends	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 25, 2008	Common stock	23,570	Retained earnings	29	March 31, 2008	June 26, 2008

5. Notes to Per Share Data

(1) Equity per share ¥2,658.06
(2) Net income per share ¥299.96

6. Note to Subsequent Events

Nothing noteworthy

7. Other Note

The amounts stated in the consolidated financial statements are rounded off to the nearest unit.

Non-Consolidated Balance Sheet (As of March 31, 2008)

(Millions of yen)

Account item	Amount	Account item	Amount
(Assets)		**(Liabilities)**	
Current Assets	**917,784**	**Current Liabilities**	**755,034**
Cash and deposits	87,017	Notes payable—trade	8,415
Notes receivable—trade	4,680	Accounts payable—trade	419,482
Accounts receivable—trade	403,033	Accounts payable—other	48,576
Marketable securities	156,588	Accrued expenses	95,805
Finished goods	39,276	Income taxes payable	31,146
Raw materials	2,816	Advances received	10
Work in process	49,843	Deposits received	95,486
Supplies	235	Accrued bonuses to employees	38,835
Advance payments	51,976	Accrued bonuses to directors and corporate auditors	385
Prepaid expenses	2,016	Reserve for product warranties	16,820
		Other current liabilities	74
Deferred tax assets	41,688	**Long-term Liabilities**	**314,916**
Short-term loans receivable	25,673	Straight bonds	50,000
Other current assets	53,500	Long-term borrowings	88,000
Allowance for doubtful accounts	(557)	Deferred tax liabilities	35,710
Fixed Assets	**1,864,783**	Liability for employees' retirement benefits	132,550
Property, plant and equipment	**551,485**	Liability for retirement benefits to directors and corporate auditors	1,189
Buildings	106,796	Other long-term liabilities	7,467
Structures	18,805	**Total Liabilities**	**1,069,950**
Machinery and equipment	223,144	**(Equity)**	
Vehicles and transportation equipment	2,821	**Shareholders' Equity**	**1,489,294**
		Common stock	**187,457**
Tools, furniture and fixtures	41,442	**Capital surplus**	**266,592**
Land	100,074	Additional paid-in capital	265,985
		Other capital surplus	607
Construction in progress	58,403	**Retained earnings**	**1,211,624**
Intangible assets	**13,183**	Legal reserve	43,274
Software	10,955	Other retained earnings	1,168,350
Other intangible assets	2,228	Reserve for special depreciation	268
Investments and Other Assets	**1,300,115**	Reserve for advanced depreciation of fixed assets	169
Investment securities	430,710	General reserve	566,390
Investment in subsidiaries and affiliates	644,131	Earned surplus carried forward	601,523
Investments in equity	2,504	**Treasury stock, at cost**	**(176,379)**
Investments in equity of subsidiaries and affiliates	69,227	**Variance of the Estimate / Conversion**	**222,265**
Long-term loans receivable	38,553	Net unrealized gain on available-for-sale securities	222,263
Prepaid pension cost	110,173	Deferred gains on derivatives under hedge accounting	2
Other Assets	4,916	**Stock acquisition rights**	**1,058**
Allowance for doubtful accounts	(99)	**Total Equity**	**1,712,617**
Total Assets	**2,782,567**	**Total Liabilities and Equity**	**2,782,567**

Non-Consolidated Statement of Income
(From April 1, 2007, to March 31, 2008)

(Millions of yen)

Account item	Amount	
Net sales		**2,478,029**
Cost of sales		2,172,678
Gross profit		**305,351**
Selling, general and administrative expenses		151,768
Operating income		**153,583**
Non-operating income		
Interest and dividend income	34,864	
Other non-operating income	8,528	43,392
Non-operating expenses		
Interest expense	1,770	
Other non-operating expenses	9,004	10,774
Ordinary income		**186,201**
Extraordinary gains		
Gain on sales of fixed assets	353	353
Extraordinary losses		
Impairment loss on investment securities	45	
Cumulative effect of accounting change for retirement benefit to directors, corporate auditors, and managing officers	2,966	3,011
Income before income taxes		**183,543**
Income taxes—current	58,490	
Income taxes—deferred	(6,149)	52,341
Net Income		**131,202**

Non-Consolidated Statement of Changes in Equity
(From April 1, 2007, to March 31, 2008)

(Millions of yen)

	Shareholders' equity									
		Capital surplus		Retained earnings						
					Other retained earnings					
	Common stock	Additional paid-in capital	Other capital surplus	Legal reserve	Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	General reserve	Earned surplus carried forward	Treasury stock, at cost	Shareholders' equity
Balance as of March 31, 2007	187,457	265,985	419	43,274	268	169	566,390	510,246	(169,115)	1,405,093
Changes in the year:										
Dividends from surplus								(39,925)		(39,925)
Reserve for special depreciation					0			(0)		—
Net income								131,202		131,202
Purchase of treasury stock									(9,347)	(9,347)
Disposal of treasury stock			188						2,083	2,271
Net changes in items other than those in shareholders' equity										
Total of changes in the year	—	—	188	—	0	—	—	91,277	(7,264)	84,201
Balance as of March 31, 2008	187,457	265,985	607	43,274	268	169	566,390	601,523	(176,379)	1,489,294

	Variance of the Estimate / Conversion		Stock acquisition rights	Total equity
	Net unrealized gain on available-for-sale securities	Deferred gains on derivatives under hedge accounting		
Balance as of March 31, 2007	372,735	(905)	294	1,777,217
Changes in the year:				
Dividends from surplus				(39,925)
Reserve for special depreciation				—
Net income				131,202
Acquisition of treasury stock				(9,347)
Disposal of treasury stock				2,271
Net changes in items other than those in shareholders' equity	(150,472)	907	764	(148,801)
Total of changes in the year	(150,472)	907	764	(64,600)
Balance as of March 31, 2008	222,263	2	1,058	1,712,617

Notes to the Non-Consolidated Financial Statements

1. Significant Accounting Policies

(1) Standard and method of valuation of securities

1) Investment in subsidiaries and affiliates
   Stated at cost using the moving-average method.
2) Available-for-sale securities
   Available-for-sale securities for which the market price is readily determinable:
   Stated at the market price, based on the market quotation at the balance sheet date. Unrealized gains and losses are reported, net of applicable taxes, as a separate component of equity. The cost of securities sold is mainly determined based on the moving-average method.
   Available-for-sale securities for which the market price is not readily determinable:
   Stated at cost mainly determined by the moving-average method.

(2) Derivatives are stated at the market price.

(3) Finished goods, work in process and supplies are stated at cost determined by the gross-average method. Raw materials are stated at the lower of cost determined by the gross-average method or market.

(4) Depreciation of property, plant and equipment is computed by the declining-balance method, and the amortization of intangible assets is computed using the straight-line method.

(5) Accounting policies for reserves

Allowance for doubtful accounts:
The allowance for doubtful accounts is provided at an amount of possible losses from uncollectible receivables based on the past loan loss ratio for bad debts for ordinary receivables and on the estimated recoverability for specific doubtful receivables.

Accrued bonuses to employees:
The accrued bonuses to employees are provided for payments of bonuses to employees at an amount estimated by the Company to be recorded for the year.

Accrued bonuses to directors and corporate auditors:
The accrued bonuses to directors and corporate auditors are provided for payments of bonuses to directors and corporate auditors at an amount estimated by the Company to be recorded for the year.

Reserve for product warranties:
The reserve for product warranties is provided at an amount projected for after-sales service of products based on past experience.

Liability for employees' retirement benefits:
The liability for employees' retirement benefits is provided at an amount calculated based on the projected benefit obligations and plan assets at the balance sheet date.
Prior service cost is amortized, starting in the fiscal year the cost was incurred, on a straight-line basis over a specific period of 10 years, which is shorter than the average remaining service period of employees at the time of the occurrence.
Actuarial gains or losses are amortized from the fiscal year following the occurrence on a pro rata basis by the straight-line method over a specific period of 10 years, which is shorter than the average remaining service years for employees at the time of the occurrence.
To prepare for possible payments of retirement benefits for managing officers, the liability to be borne by the Company based on its in-house rules is provided at an amount considered necessary to be recorded for the year at the balance sheet date.

Retirement allowances for directors and corporate officers:
To prepare for possible payment of retirement benefits for directors and corporate auditors, the liability to be borne by the Company based on its in-house rules is provided at an amount considered necessary to be recorded for the year at the balance sheet date.

(6) Finance leases that do not transfer ownership of leased property to the lessee are mainly accounted in the same manner as operating leases.

(7) Hedge accounting

Interest rate swap agreements, currency options and forward exchange contracts hedged for projected foreign currency transactions are accounted for by deferred hedging accounting (valuation gains/losses on hedging instruments are deferred as assets/liabilities until the gains/losses on the underlying hedged instruments are realized). Preferential treatment accounting is applied to certain interest rate swap agreements that satisfy the requirements.

Monetary receivables denominated in foreign currencies with forward exchange contracts are accounted for by the allocation method (derivative financial instruments are accounted for as if each hedging instrument and hedged item were one combined financial instrument).

(8) Transactions subject to the consumption tax and local consumption taxes are recorded at amounts exclusive of the consumption tax.

[Change in accounting policy]

1. Depreciation method of property, plant and equipment

Pursuant to the revision to the Corporation Tax Law in 2007, effective from the 85th Term, the year ended March 31, 2008, the Company has changed the depreciation method for “structures,” “tools, furniture and fixtures” and “vehicles and transportation equipment” that have been acquired on and after April 1, 2007, to the declining-balance method as defined in the revised Corporation Tax Law.

As a result of the review of the residual value and depreciation method for “buildings” and “machinery and equipment” at the occasion of the revision to the Corporation Tax Law in 2007, it was found that no residual value existed at the expiry of their useful lives. Consequently, the Company also changed the depreciation method for “buildings” and “machinery and equipment” that have been acquired on and after April 1, 2007, to the declining-balance method as defined in the revised Corporation Tax Law to early recover the invested funds and strengthen financial capabilities given accelerating technological advancements.

As a result of this change, depreciation and amortization increased ¥9,421 million, whereas operating income, ordinary income and income before income taxes each decreased ¥9,050 million compared with the previous depreciation method for property, plant and equipment.

2. Liability for officers’ retirement benefits

Retirement benefits for directors and corporate auditors and for managing officers of the Company were previously charged to income when disbursed as expenses. However, in accordance with the “Auditing Treatment relating to the Reserve defined under the Special Tax Measurement Law, Reserves defined under the Special Law and the Reserve for Directors and Corporate Auditor Retirement Benefits” (Report No. 42 issued by the Auditing and Assurance Practice Committee of the Japanese Institute of Certified Public Accountants (JICPA) on April 13, 2007), of which implementation was authorized for the year ended March 31, 2008, the Company has changed the computation method thereof so that retirement benefits for directors and corporate auditors and those for managing officers are separately posted as “Liability for officers’ retirement benefits” and “Liability for employees’ retirement benefits” based on its in-house rules for amounts considered necessary at the balance sheet date to prepare for possible payment thereof.

As a result of this change, an amount of ¥2,966 million that should have been recorded for the previous fiscal year at the beginning of the year under review was included in extraordinary losses and an amount of ¥211 million to be recorded for the year was included in “Selling, general and administrative expenses.” In addition, an amount of ¥1,399 million disbursed during the year under review as retirement benefits for directors and corporate auditors, as well as for managing officers, was transferred from “Liability for officers’ retirement benefits.” Taking into account these factors, operating income and ordinary income each increased ¥1,188 million, whereas income before income taxes decreased ¥1,778 million, compared with the previous method.

[Additional information]

(Depreciation method of property, plant and equipment)

Pursuant to the revision to the Corporation Tax Law in 2007, effective from the 85th Term, the year ended March 31, 2008, the Company has determined to equally depreciate “structures,” “tools, furniture and fixtures” and “vehicles and transportation equipment” for over 5 years that have been acquired on and before March 31, 2007, from the following fiscal year after reaching 5% of the acquisition price. The Company also has determined to equally depreciate the property, plant and equipment other than “structures,” “tools, furniture and fixtures” and

“vehicles and transportation equipment” that have been acquired on and before March 31, 2007, after reviewing the residual value while taking into account their use conditions. The resulting value for the year under review is included in depreciation and amortization for both cases.
Consequently, depreciation and amortization increased ¥2,823 million, whereas operating income, ordinary income and income before income taxes each decreased ¥2,712 million.

[Change in representation method]
(Non-Consolidated Balance Sheet)
Domestically negotiable deposits (the balance thereof was ¥80,500 million as of March 31, 2008) were included in “Cash and deposits” at the end of the previous fiscal year (March 31, 2007). Pursuant to the revisions to the accounting standards for financial instruments and to the practical guidelines for accounting financial instruments, it has been decided to include them in “Marketable securities.”
The domestically negotiable deposits included in “Cash and deposits” were ¥86,500 million at March 31, 2007.

2. Notes to the Non-Consolidated Balance Sheet

(1) Short-term receivables due from subsidiaries and affiliates ¥311,697 million

(2) Long-term receivables due from subsidiaries and affiliates ¥35,109 million

(3) Short-term payables due to subsidiaries and affiliates ¥333,991 million

(4) Accumulated depreciation of property, plant and equipment ¥1,485,760 million

(5) Liabilities for guarantee

Liabilities for guarantee for borrowings of the Company employees payable to financial institutions ¥14 million

Liabilities for guarantee for borrowings of subsidiaries and affiliates payable to financial institutions ¥9,877 million

Total ¥9,891 million

(6) Contingent liabilities

Contingent liabilities related to debt assumption contracts

2nd unsecured straight bonds ¥60,000 million

3. Notes to the Non-Consolidated Statement of Income

(1) Sales to subsidiaries and affiliates ¥1,909,502 million

(2) Purchases from subsidiaries and affiliates ¥821,779 million

(3) Other operating transactions with subsidiaries and affiliates ¥34,072 million

(4) Transactions with subsidiaries and affiliates other than operating transactions ¥32,826 million

4. Note to the Non-Consolidated Statement of Changes in Equity

Number of treasury stock at the end of the year: 71,315,132 shares

5. Note to Tax-Effect Accounting

The significant components of deferred tax assets and liabilities are summarized as follows:

(Deferred tax assets)	(Millions of yen)
Depreciation and amortization	64,651
Liability for employees' retirement benefits	52,874
Accrued bonuses to employees	15,491
Valuation loss of investment in subsidiaries and affiliates	6,982
Reserve for product warranties	6,709
Other	57,188
Subtotal deferred tax assets	203,895
Valuation reserve	(8,375)
Total deferred tax assets	195,520
(Deferred tax liabilities)	
Net unrealized gain on available-for-sale securities	(147,046)
Prepaid pension cost	(36,058)
Other	(6,438)
Total deferred tax liabilities	(189,542)
Net deferred tax assets	5,978

6. Notes to Fixed Assets Used under Lease Contracts

(1) Assumed acquisition cost at the end of the year ¥4,158 million

(2) Assumed accumulated depreciation at the end of the year ¥1,513 million

(3) Assumed future lease payments at the end of the year ¥2,645 million

7. Notes to Transactions with Related Parties

(1) Transactions with subsidiaries

<table>
<tr><th>Company name</th><th>Ownership percentage of voting rights (%)</th><th>Business line</th><th>Relationship with the Company</th><th colspan="2">Description of important transactions</th><th>Transaction amount (Millions of yen)</th><th>Account item</th><th>Year-end balance (Millions of yen)</th></tr>
<tr><td rowspan="2">DENSO FINANCE & ACCOUNTING CENTER CO., LTD.</td><td rowspan="2">Directly holding 100%</td><td rowspan="2">Entrusted accounting and financial operations as well as factoring</td><td rowspan="2">The Company entrusts thereto accounting and financial operations as well as factoring.</td><td colspan="2" rowspan="2">Factoring</td><td rowspan="2">126,524</td><td>Accounts payable—trade</td><td>112,624</td></tr>
<tr><td>Accounts payable—other</td><td>14,220</td></tr>
<tr><td rowspan="2">ASMO CO., LTD.</td><td rowspan="2">Directly holding 63.4%
Indirectly holding 10.0%</td><td rowspan="2">Manufacture and sale of automotive components</td><td rowspan="2">The Company purchases various automotive components therefrom.</td><td rowspan="2">Operating transactions</td><td>Purchase of various automotive components</td><td>167,379</td><td>Accounts payable—trade
Advance payments
Accrued expenses</td><td>30,437
1,756
145</td></tr>
<tr><td>Sale of various automotive components</td><td>322</td><td>Accounts receivable—trade</td><td>38</td></tr>
<tr><td rowspan="2">DENSO EUROPE B.V.</td><td rowspan="2">Directly holding 100%</td><td rowspan="2">Manufacture and sale of automotive components</td><td rowspan="2">The Company sells its products thereto.</td><td rowspan="2">Lending of loans receivable</td><td>Lending of loans receivable</td><td>10,000</td><td>Short-term loans receivable
Long-term loans receivable</td><td>10,000
28,000</td></tr>
<tr><td>Reception of interest</td><td>209</td><td>Accrued interest</td><td>43</td></tr>
</table>

Notes:

1. The transaction amount and the year-end balance for DENSO FINANCE & ACCOUNTING CENTER CO., LTD., includes consumption taxes.
2. A portion of the payments for accounts payable—trade and accounts payable—other are settled via factoring under the master agreement entered into by and between the Company, its certain suppliers and DENSO FINANCE & ACCOUNTING CENTER CO., LTD.
3. The transactions with DENSO FINANCE & ACCOUNTING CENTER CO., LTD., indicate the average balance during the year.
4. As for the transactions with DENSO FINANCE & ACCOUNTING CENTER CO., LTD., the transfer of monetary payables is conducted at the net book value of the Company.
5. The transaction amount with ASMO CO., LTD., does not include consumption taxes, whereas the year-end balance includes consumption taxes.
6. Transactions with ASMO CO., LTD., are conducted through negotiations by taking into account the market price and other factors similar to those for general transactions.
7. The lending of loans receivable to DENSO EUROPE B.V. and the reception of interest therefrom are determined by fully taking into account the market interest rate and other factors.

(2) Transactions with other subsidiaries/affiliates

Company name	Ownership percentage of voting rights (%)	Business line	Relationship with the Company		Description of important transactions		Transaction amount (Millions of yen)	Account item	Year-end balance (Millions of yen)
			Officers' posts concurrently held (persons)	Business relationship					
Toyota Motor Corporation	Directly holding 24.53%	Manufacture and sale of automobiles and automotive components	Posts concurrently held: 2 Employment transfer: 3	The Company's products are sold thereto.	Operating transactions	Sale of various automotive components	1,155,838	Accounts receivable—trade Accounts receivable—other	131,229 1,096
						Purchase of various automotive components	47,542	Accounts payable—trade Accrued expenses	4,516 548
					Sellout of fixed assets	Sellout of land	1,333	—	—
						Gain of sales of fixed assets	275		

Notes:
1. The transaction amount does not include consumption taxes, whereas the year-end balance includes consumption taxes.
2. The above transactions are conducted through negotiations by taking into account the market price and other factors similar to those for general transactions.
3. The sellout transactions of fixed assets are conducted through negotiations by taking into account the market price and other factors.

(3) Transactions with a subsidiary of other subsidiaries/affiliates

Company name	Ownership percentage of voting rights (%)	Business line	Relationship with the Company	Description of important transactions		Transaction amount (Millions of yen)	Account item	Year-end balance (Millions of yen)
Daihatsu Motor Co., Ltd.	—	Manufacture and sale of automobiles and automotive components	The Company's products are sold thereto.	Operating transactions	Sale of various automotive components	73,696	Accounts receivable—trade	28,820
					Purchase of various automotive components	639	Accounts payable—trade Accrued expenses	64 7

Notes:
1. The transaction amount does not include consumption taxes, whereas the year-end balance includes consumption taxes.
2. The above transactions are conducted through negotiations by taking into account the market price and other factors similar to those for general transactions.

8. Notes to Per Share Data

(1) Equity per share ¥2,105.88
(2) Net income per share ¥161.01

9. Note to Subsequent Events
Nothing noteworthy

10. Other Note
The amounts stated in the non-consolidated financial statements are rounded off to the nearest unit.

(TRANSLATION)

<Certified Copy of the Independent Auditors' Report on the Consolidated Financial Statements>

INDEPENDENT AUDITORS' REPORT

May 2, 2008

To the Board of Directors of DENSO CORPORATION

Deloitte Touche Tohmatsu

Yoshinori Hirano,
Designated and Engagement Partner
Certified Public Accountant

Hideyuki Ohashi,
Designated and Engagement Partner
Certified Public Accountant

Tatsuharu Ito,
Designated and Engagement Partner
Certified Public Accountant

Pursuant to Article 444, Paragraph 4, of the Companies Act, we have audited the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Changes in Equity and the Notes to the Consolidated Financial Statements of DENSO CORPORATION ("the Company") applicable to the fiscal year from April 1, 2007, through March 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the DENSO Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2008, in conformity with accounting principles generally accepted in Japan.

Additional Information
As discussed in the "Change in the Basis of Presenting the Consolidated Financial Statements," effective from the 85th Term, the year ended March 31, 2008, the Company and its domestic consolidated subsidiaries have changed the depreciation method for certain property, plant and equipment from the previous declining-balance method to the declining-balance method defined in the revised Corporation Tax Law with regard to the property, plant and equipment that have been acquired on and after April 1, 2007.
In addition, effective from the 85th Term, the Company and its major consolidated subsidiaries have changed the computation method of the retirement benefits for directors and corporate auditors and for managing officers, which were previously charged to income when disbursed as expenses, to the method according to which they both are separately posted as "Liability for officers' retirement benefits" and "Liability for employees' retirement benefits" based on their respective in-house rules for amounts considered necessary at the balance sheet date.

We have no interest in the Company that should be disclosed in compliance with the Certified Public Accountants Law.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

<Certified Copy of the Independent Auditors' Report>

INDEPENDENT AUDITORS' REPORT

May 2, 2008

To the Board of Directors of DENSO CORPORATION

Deloitte Touche Tohmatsu

Yoshinori Hirano,
Designated and Engagement Partner
Certified Public Accountant

Hideyuki Ohashi,
Designated and Engagement Partner
Certified Public Accountant

Tatsuharu Ito,
Designated and Engagement Partner
Certified Public Accountant

Pursuant to Article 436, Paragraph 2, Item 1, of the Companies Act, we have audited the Non-Consolidated Balance Sheet, the Non-Consolidated Statement of Income, the Non-Consolidated Statement of Changes in Equity and the Notes to the Non-Consolidated Financial Statements and the supplementary schedules of DENSO CORPORATION (the "Company") for the 85th Fiscal Term from April 1, 2007, through March 31, 2008. These non-consolidated financial statements and the related supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated financial statements and the related supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the related supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the non-consolidated financial statements and the related supplementary schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the related supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the non-consolidated financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of DENSO CORPORATION applicable to the fiscal year ended March 31, 2008, in conformity with accounting principles generally accepted in Japan.

Additional Information

As discussed in the "Change in accounting policy" of the Notes to the Non-Consolidated Financial Statements, effective from the 85th Term, the year ended March 31, 2008, the Company has changed the depreciation method for certain property, plant and equipment from the previous declining-balance method to the declining-balance method defined in the revised Corporation Tax Law with regard to the property, plant and equipment that have been acquired on and after April 1, 2007.

In addition, effective from the 85th Term, the Company has changed the computation method of the retirement benefits for directors and corporate auditors and for managing officers, which were previously charged to income when disbursed as expenses, to the method according to which they both are separately posted as "Liability for officers' retirement benefits" and "Liability for employees' retirement benefits" based on its in-house rules for amounts considered necessary at the balance sheet date.

We have no interest in the Company that should be disclosed in compliance with the Certified Public Accountants Law.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

<Certified Copy of the Audit Report of the Board of Corporate Auditors>

CORPORATE AUDITORS' REPORT

Regarding the performance of duties by directors for the 85th Fiscal Term, which began April 1, 2007, and ended March 31, 2008, the Board of Corporate Auditors of DENSO CORPORATION (the "Company") hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by the respective corporate auditors.

1. Auditing Methods Employed by Corporate Auditors and the Board of Corporate Auditor and Substance Thereof
The Board of Corporate Auditors determined auditing policies, auditing plans and other guidelines; received reports about the progress and results of audits from each Corporate Auditor; received reports on the execution of their duties; and requested explanations, as required, from the Directors and the Independent Auditors.

In compliance with the audit standards specified by the Board of Corporate Auditors and based on the auditing policies, assigned tasks and other guidelines above, each Corporate Auditor has communicated with the Directors and other relevant personnel of the Audit Department and others to collect necessary information and improve the auditing environment. Similarly, each Corporate Auditor has attended the meetings of the Board of Directors and other important meetings; heard about the execution of their duties from the Directors and other relevant personnel; requested explanations therefrom, as required; examined important authorized documents and associated information; and studied the operations and financial position at headquarters and principal offices. In addition, each Corporate Auditor has supervised and verified the substance of the resolution adopted by the Board of Directors with regard to the improvement of the systems stipulated in Article 362, Paragraph 4, Item 6, of the Companies Act and in Article 100, Paragraphs 1 and 3, of the Ordinance for Enforcement of the Companies Act as the "Systems to Ensure Compliance of the Execution of Duties by Directors and Employees with Laws, Regulations and the Articles of Incorporation" described in the Business Report, as well as the current situation of in-house systems (internal control systems) that have been improved pursuant to the resolution concerned. Moreover, the Corporate Auditors have communicated and exchanged information with the Directors, Corporate Auditors and other relevant personnel of the subsidiaries and received reports on operations therefrom, as required. In the manner explained above, the Corporate Auditors have examined the Business Report and supplementary schedules thereof pertaining to the fiscal year ended March 31, 2008.

Furthermore, the corporate auditors have supervised and verified whether the Independent Auditors maintain independence and have done appropriate audits, and have received reports on the execution of their duties and requested explanations, as required, from the Independent Auditors. In the manner explained above, the corporate auditors have examined the non-consolidated financial statements (Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Equity and Notes to the Non-Consolidated Financial Statements) and supplementary schedules thereof of the Company, as well as the consolidated financial statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements), pertaining to the fiscal year ended March 31, 2008.

2. Audit Results

(1) Audit results regarding the Business Report and the supplementary schedules thereof

i) In our opinion, the Business Report and the supplementary schedules thereof fairly represent the Company's conditions in accordance with the related laws and regulations and the Articles of Incorporation.

ii) We have found no evidence of wrongful action or material violation of laws, regulations or the Articles of Incorporation by any Directors with regard to the execution of their duties.

iii) In our opinion, the substance of the resolution regarding the internal control systems is fair and reasonable. We have found no matters to remark with regard to the execution of duties by the Directors concerning the internal control systems.

(2) Audit results regarding the non-consolidated financial statements and the supplementary schedules thereof
In our opinion, the audit methods and results employed and rendered by the Independent Auditors, Deloitte Touche Tohmatsu, are fair and reasonable. We have found no matters to remark with regard to the system to ensure appropriate execution of duties by the Independent Auditors (Matters as set forth in Article 159 of the Ordinance for Corporate Accounting).

May 6, 2008

Board of Corporate Auditors of DENSO CORPORATION

Standing Corporate Auditor	Nobuaki Horiuchi
Standing Corporate Auditor	Toshio Watanabe
Outside Corporate Auditor	Fujio Cho
Outside Corporate Auditor	Tamiki Kishida
Outside Corporate Auditor	Tsutomu Saito

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and References

Proposal No. 1: Distribution of Surplus
The Company intends to propose the distribution of surplus as described below.

1. Year-End Dividend
The Company intends to maintain a policy of stable improvement of the dividend level with due consideration to the operating results and the payout ratio for each fiscal year for the distribution of profits to shareholders. Accordingly, we hereby propose that you approve the year-end dividend for the year ended March 31, 2008, as described below.

(1) Type of property for dividends: Money
(2) Allotment of property for dividends to shareholders and total amount thereof:
¥29 per share of the Company's common stock for a total of ¥23,569,853,849
The annual dividend proposed for the year, including the interim dividend, is ¥54 per share.
(3) Effective date of the dividends from surplus:
June 26, 2008

2. Distribution of Surplus
(1) Surplus item of which value will be increased and amount thereof
General reserve: ¥330,000,000,000
(2) Surplus item of which value will be decreased and amount thereof
Earned surplus carried forward: ¥330,000,000,000

Proposal No. 2: Acquisition of Treasury Stock
In compliance with Article 156 of the Companies Act, we hereby propose that you approve the acquisition of the Company's treasury stock in compensation for an amount of total acquisition value within the upper limit of ¥27.0 billion for up to six (6) million shares of common stock in the period of one (1) year from the conclusion of this 85th Ordinary General Meeting of Shareholders, which will allow management to pursue higher flexibility and liquidity in its capital policy, further increase the distribution of profits to shareholders and cope with vehement changes in the business environment.

Proposal No. 3: Election of Thirteen (13) Directors due to Expiration of the Term of Office of All the Current Directors
The terms of office of all the current directors expires at the conclusion of this 85th Ordinary General Meeting of Shareholders. Accordingly, we hereby propose that you elect thirteen (13) directors.

The nominees for director are as follows:

No.	Name (Date of birth)	Brief personal history, posts, assignments in the Company and representative positions in other companies	Number of the Company's shares owned
1	Akihiko Saito (July 24, 1940)	April 1968 Joined Toyota Motor Co., Ltd. September 1991 Director, Toyota Motor Corporation June 1996 Managing Director, Toyota Motor Corporation June 1998 Senior Managing Director, Toyota Motor Corporation June 2001 Executive Vice President, Toyota Motor Corporation June 2005 Vice Chairman, DENSO CORPORATION June 2007 Chairman, DENSO CORPORATION (current position) (Representative positions in other companies) Chairman, DENSO TAIYO CO., LTD.	32,800
2	Koichi Fukaya (December 3, 1943)	April 1966 Joined DENSO CORPORATION March 1995 Director, DENSO CORPORATION June 1998 Managing Director, DENSO CORPORATION June 2002 Senior Managing Director, DENSO CORPORATION June 2003 President & CEO, DENSO CORPORATION (current position)	37,604
3	Nobuaki Kato (November 3, 1948)	April 1971 Joined DENSO CORPORATION June 2000 Director, DENSO CORPORATION June 2004 Managing Officer, DENSO CORPORATION June 2007 Senior Managing Director, DENSO CORPORATION (current position) (Assignments in the Company) Corporate Center and Thermal Systems Business Group	25,600
4	Shinro Iwatsuki (May 1, 1945)	April 1969 Joined Toyota Motor Co., Ltd. June 1999 Director, Toyota Motor Corporation June 2001 Managing Director, DENSO CORPORATION June 2003 Senior Managing Director, DENSO CORPORATION June 2006 Executive Vice President, DENSO CORPORATION (current position)	102,742
5	Hiromi Tokuda (November 25, 1948)	April 1971 Joined DENSO CORPORATION June 2000 Director, DENSO CORPORATION June 2004 Managing Officer, DENSO CORPORATION June 2006 Senior Managing Director, DENSO CORPORATION (current position) (Current assignments in the Company) Powertrain Control Systems Business Group and Electronic Systems Business Group (Representative positions in other companies) Chairman, Tianjin DENSO Electronics Co, Ltd.	16,300

No.	Name (Date of birth)	Brief personal history, posts, assignments in the Company and representative positions in other companies	Number of the Company's shares owned
6	Mitsuharu Kato (January 3, 1947)	July 1969 Joined DENSO CORPORATION June 1998 Director, DENSO CORPORATION June 2003 Managing Director, DENSO CORPORATION June 2004 Managing Officer, DENSO CORPORATION June 2006 Senior Managing Director, DENSO CORPORATION (current position) (Current assignments in the Company) Information & Safety Systems Business Group	18,500
7	Kenji Ohya (November 4, 1949)	April 1972 Joined DENSO CORPORATION June 2000 Director, DENSO CORPORATION June 2004 Managing Officer, DENSO CORPORATION June 2007 Senior Managing Director, DENSO CORPORATION (current position) (Current assignments in the Company) Sales Group	18,090
8	Koji Kobayashi (October 23, 1948)	April 1972 Joined Toyota Motor Co., Ltd. June 2004 Managing Officer, DENSO CORPORATION June 2007 Senior Managing Director, DENSO CORPORATION (current position) (Current assignments in the Company) Electric Systems Business Group and Deputy Chief, Corporate Center (Representative positions in other companies) President, DENSO FINANCE & ACCOUNTING CENTER CO., LTD. President, DENSO REINSURANCE AMERICA, INC. President, DENSO FINANCE HOLLAND B.V.	14,119
9	Kazuo Hironaka (December 9, 1950)	April 1973 Joined DENSO CORPORATION June 2002 Director, DENSO CORPORATION June 2004 Managing Officer, DENSO CORPORATION June 2007 Senior Managing Director, DENSO CORPORATION (current position) (Current assignments in the Company) Deputy Chief, Sales Group	16,100
10	Sojiro Tsuchiya (May 17, 1949)	April 1975 Joined DENSO CORPORATION June 2002 Director, DENSO CORPORATION June 2004 Managing Officer, DENSO CORPORATION June 2007 Senior Managing Director, DENSO CORPORATION (current position) (Current assignments in the Company) Production Promotion Center	16,136

No.	Name (Date of birth)	Brief personal history, posts, assignments in the Company and representative positions in other companies	Number of the Company's shares owned
11	Hikaru Sugi* (May 1, 1950)	April 1974 Joined DENSO CORPORATION June 2002 Director, DENSO CORPORATION June 2004 Managing Officer, DENSO CORPORATION (current position) (Representative positions in other companies) Chairman, TIANJIN DENSO AIR-CONDITIONER CO., LTD. Chairman, GUANGZHOU DENSO CO., LTD. Chairman, TIANJIN FAWER DENSO AIR-CONDITIONER CO., LTD.	21,400
12	Shinji Shirasaki* (March 8, 1952)	April 1974 Joined DENSO CORPORATION June 2003 Director, DENSO CORPORATION June 2004 Managing Officer, DENSO CORPORATION (current position)	8,000
13	Shoichiro Toyoda (February 27, 1925)	August 1958 Corporate Auditor, DENSO CORPORATION August 1964 Resigned Corporate Auditor, DENSO CORPORATION Director, DENSO CORPORATION (current position) June 1981 President, Toyota Motor Sales Co., Ltd. July 1982 President, Toyota Motor Corporation September 1992 Chairman, Toyota Motor Corporation June 1999 Honorary Chairman, Toyota Motor Corporation (current position) (Representative positions in other companies) Representative Director, Toyota Central R&D Labs., Inc. Representative Director, GENESIS RESEARCH INSTITUTE INC. Chairman, TOWA Real Estate Co., Ltd.	693,160

Notes:

1. No nominee has any special interest in the Company.
2. An asterisk (*) indicates a new nominee.

Proposal No. 4: Issuance of Stock Acquisition Rights as Stock Options

Pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act, we request approval to entrust the Board of Directors of the Company to determine the issuance of the stock acquisition rights to the Company's directors, managing officers, employees, etc., and the directors, etc., of its subsidiaries without receipt of consideration (the so-called grant of stock option) and the terms and conditions of the offer in the following manner. As the issuance of the stock acquisition rights to the directors of the Company without receipt of consideration falls under non-monetary remuneration, etc., to directors, and such amount is not determined, we also request approval of the calculation method for the issuance of the stock acquisition rights to be allotted as remuneration. If the above Proposal No. 3: Election of Thirteen (13) Directors due to Expiration of the Term of Office of All the Current Directors is approved, the number of Directors of the Company who will be allocated with the stock acquisition rights will be 13, and the number of the stock acquisition rights to be allocated to the directors of the Company will be 3,700 units.

1. Reason for Issuing Stock Acquisition Rights without Charge

The Company will issue the stock acquisition rights in the following manner for the purpose of increasing the eagerness and morale of the directors, managing officers, employees, etc., of the Company and the directors, etc., of its subsidiaries toward improvement of business growth and to share interests with the shareholders of the Company to further enhance the consolidated corporate value.

2. Eligible Persons Subject to Allocation of Stock Acquisition Rights

Directors, managing officers, employees, etc., of the Company and directors, etc., of its subsidiaries

3. Terms and Conditions for Issuance of the Stock Acquisition Rights

(1) Type and number of shares of the stock acquisition rights granted

The Company's shares issued upon exercise of the stock acquisition rights shall be up to 2,000,000 shares of common stock of the Company.

In case the Company splits (including the allocation of shares without receipt of consideration; hereinafter the same shall apply) or consolidates its shares, the number of shares under the stock acquisition rights shall be adjusted according to the following formula; provided, however, that such adjustment shall be made with respect to the number of shares under the stock acquisition rights that have not been exercised as of such point, and the number of shares less than one unit arising as a result of adjustment shall be truncated.

Number of shares after adjustment = Number of shares before adjustment × Ratio of split or consolidation

In addition, in case the Company merges or consolidates with another corporation and the stock acquisition rights are succeeded, or the Company separates by new incorporation *(shinsetsu bunkatsu)* or by absorption *(kyushu bunkatsu),* the Company will adjust the number of shares as it deems necessary.

(2) Total number of the stock acquisition rights granted

The stock acquisition rights to be granted shall be up to 20,000 units. (The number of shares under each stock acquisition right (hereinafter the "Number of Granted Shares") shall be 100 shares; provided, however, that in case of adjustment of the number of shares in the preceding Paragraph (1), the same adjustment shall be made.)

(3) Amount to be paid in exchange for the stock acquisition rights

No payment of money shall be required with respect to the stock acquisition rights for which the terms and conditions of the offer can be determined based on the entrustment by this 85th Ordinary General Meeting of Shareholders.

(4) Amount of assets to be invested upon exercise of the stock acquisition rights

The amount of assets to be invested upon the exercise of each stock acquisition right shall be the amount that is equal to the product of (i) the paid-in value per share to be issued or transferred through the exercise of each stock acquisition right (hereinafter the “Exercise Price”) and (ii) the Number of Granted Shares.

The Exercise Price shall be the price that is equal to the average of the daily (excluding days on which transactions are not established) closing prices of common stock of the Company in regular transactions at the Tokyo Stock Exchange during the calendar month immediately prior to the month in which the allocation date of the stock acquisition rights (hereinafter the “Allocation Date”) belongs multiplied by 1.05, and any fraction less than one (1) yen resulting therefrom shall be rounded up to the nearest yen; provided, however, that in the event that such amount is less than the closing price of common stock of the Company in regular transactions at the Tokyo Stock Exchange as of the Allocation Date, the relevant closing price shall be the Exercise Price.

With respect to the common stock of the Company, in case of the issuance of new shares or the disposition of treasury stock at a price to be paid below the market price, the Exercise Price shall be adjusted in accordance with the following formula and any fraction less than one (1) yen resulting from such adjustment shall be rounded up to the nearest yen.

However, adjustment to the Exercise Price shall not be made in case of sales of treasury stock in accordance with the provision of Article 194 (requests from shareholders who own shares less than one unit against the Company to sell shares so that such shareholders’ shares become one unit of shares) of the Companies Act and the conversion or exercise of securities to be converted or securities convertible into shares of common stock of the Company or stock acquisition rights through which the delivery of shares of common stock of the Company can be requested (including those attached to bonds with stock acquisition rights).

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares outstanding} + \dfrac{\text{Number of newly issued shares} \times \text{Amount to be paid per share}}{\text{Market price}}}{\text{Number of shares outstanding} + \text{Number of newly issued shares}}$$

In the formula above, the “Number of shares outstanding” shall mean the number of issued shares of the Company’s common stock less the number of shares of treasury stock, and in case of disposition of the shares of treasury stock, the “Number of newly issued shares” shall be read as the “Number of the shares to be disposed.”

Furthermore, in case of a split or consolidation of the Company’s common stock, the Exercise Price shall be adjusted in proportion to the ratio of the split or consolidation of the relevant shares, and any fraction less than one (1) yen resulting from such adjustment shall be rounded up to the nearest yen.

(5) Exercise period of the stock acquisition rights

The period during which the stock acquisition rights may be exercised (hereinafter the “Exercise Period”) shall be from August 1, 2010, to July 31, 2014.

(6) Conditions for the exercise of the stock acquisition rights

(i) Those to whom the stock acquisition rights are allocated (hereinafter the “Grantees”) shall be required to be in the position of director, managing officer, employee, etc., of the Company or director, etc., of its subsidiaries at the time of the exercise of the rights; provided, however, that a Grantee may exercise his/her rights for a period of one (1) year (but only during the Exercise Period) following the date of resignation or retirement if the Grantee forfeits any of these positions due to resignation or retirement.

(ii) In case a Grantee forfeits the exercise conditions of the rights, he/she shall immediately lose the stock acquisition rights and shall return them to the Company without receipt of consideration.

(iii) Other conditions of the exercise (including details regarding item (i) above) shall be as prescribed by the “Stock Acquisition Rights Allocation Agreement,” which shall be entered into by and between the Company and the Grantee, and the “Detailed Regulations concerning the Stock Acquisition Rights Allocation Agreement” prescribed by the Board of Directors based on said agreement, pursuant to the resolution of the general meeting of shareholders and the Board of Directors.

(7) Events that could affect acquisition of the stock acquisition rights and conditions thereof

In case a merger agreement in which the Company ceases to exist is resolved by a general meeting of shareholders or a proposal on a stock exchange agreement or a stock transfer in which the Company becomes a wholly owned subsidiary is resolved by a general meeting of shareholders, the Company may acquire the stock acquisition rights without any consideration on a date separately determined by the Board of Directors.

(8) Restriction on assignment of the stock acquisition rights

Approval of the Board of Directors shall be required for acquisition of the stock acquisition rights by assignment.

(9) Matters regarding increases of capital and additional paid-in capital in case of issuance of shares through the exercise of stock acquisition rights

(i) The amount of capital to be increased in case of the issuance of shares through the exercise of the stock acquisition rights shall be one-half (1/2) of the maximum increasable amount of capital, etc., calculated in accordance with Article 40, Paragraph 1, of the Company Calculation Rules, and any fraction less than one (1) yen arising from the calculation shall be rounded up to the nearest yen.

(ii) The amount of additional paid-in capital to be increased in case of the issuance of shares through the exercise of the stock acquisition rights shall be the maximum increasable amount of capital, etc., in subparagraph (i) above less the amount of capital to be increased provided in (i) above.

(10) Handling of fractions

Any fraction less than one (1) share to be delivered to the Grantee upon the exercise of the stock acquisition rights shall be truncated.

(11) Computation method of the fair value of the stock acquisition rights

The fair value of the stock acquisition rights shall be computed using the Black-Scholes model based on various conditions on the Allocation Date.

(Reference) The fair value of the stock acquisition rights calculated using the Black-Scholes model is ¥480 per share as of the date of reporting for this document.

Proposal No. 5: Presentation of Bonuses to Officers of the Company

Taking into account the operating results and other factors for the year ended March 31, 2008, we hereby propose that bonuses be presented to the 18 officers of the Company who were in office as of March 31, 2008—to thirteen (13) directors for a total of ¥361.9 million and to the five (5) corporate auditors for a total of ¥32.8 million.