



**To Those Shareholders with Voting Rights**

Nobuaki Katoh  
President and CEO  
DENSO CORPORATION  
1-1, Showa-cho, Kariya, Aichi 448-8661, Japan

## **NOTICE OF THE 88TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We extend our heartfelt sympathy to the victims of the Great East Japan Earthquake.  
We hereby inform you of the 88th 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 or via the Internet, etc. Please read the attached REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS and exercise your voting rights before 5:40 p.m. on Tuesday, June 21, 2011.

- 1. Date:** 10 a.m., Wednesday, June 22, 2011
- 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 Accounting Auditors and the Board of Corporate Auditors for the 88th Fiscal Term (from April 1, 2010, to March 31, 2011)**
- (2) Non-Consolidated Financial Statements for the 88th Fiscal Term (from April 1, 2010, to March 31, 2011)**

#### **Agenda:**

- Proposal No. 1: Distribution of Surplus**  
**Proposal No. 2: Election of Thirteen (13) Directors due to Expiration of the Term of Office of All the Current Directors**  
**Proposal No. 3: Election of Three (3) Corporate Auditors due to Expiration of the Term of Office of Three Corporate Auditors**  
**Proposal No. 4: Presentation of Bonuses to Directors and Corporate Auditors**

- For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting. To save paper resources, please bring this NOTICE yourself.
- For the method of exercising voting rights in writing or via the Internet, etc., refer to pages 32 – 33.
- Any amendment to the REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS or the Attachment will be disclosed on the Company's Web site. (<http://www.denso.co.jp>)
- The "Notes to the Consolidated Financial Statements" and the "Notes to the Non-Consolidated Financial Statements" are not stated on this NOTICE or the Attachment as they are posted on the Company's Web site (<http://www.denso.co.jp>) in accordance with the relevant laws and regulations and Article 16 of the Articles of Incorporation. The Consolidated Financial Statements and the Non-Consolidated Financial Statements which have been audited by the Accounting Auditors and the Board of Corporate Auditors shall include not only the respective documents which are stated in this NOTICE and the Attachment but also the Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements, both of which are posted on the above Web site.

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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.

**Attachment**

**BUSINESS REPORT**

(From April 1, 2010, to March 31, 2011)

**1. CURRENT SITUATION OF THE CORPORATE GROUP**

**(1) Process and Results of Operations of Our Group**

During the fiscal year ended March 31, 2011, emerging nations such as China and India, where the economies showed remarkable growth due to vigorous domestic demand, drove the expansion of the global economy. In the developed countries such as the United States and Japan, their domestic economies gradually rallied, on the whole, with the favorable effects of economic stimulus policies implemented by the respective governments and improvement in corporate performance due to increases in exports and production. Such recovery trends, however, fell short of a full-scale recovery due to the lingering harsh conditions in the employment environment.

The overall global market of the automotive industry expanded mainly due to sales growth in the emerging markets and the rally in the U.S. market. Although overseas sales exceeded the previous year's levels in emerging nations such as China and India and in the United States, sales were lower than the previous year's level in Europe, affected by the completion or reduction of sales promotion measures such as the subsidy to encourage consumers to replace existing vehicles with new ones. Meanwhile, domestic vehicle production exceeded the previous year's level in Japan, supported by steady exports of finished vehicles, although domestic vehicle sales were lower than the previous year's level due to such negative factors as a reduction in sales following the completion of a governmental subsidy to encourage customers' purchases for replacement and the severe impact of the Great East Japan Earthquake that occurred in March 2011.

Fortunately, the Company suffered no casualties or damage to its production facilities due to the Great East Japan Earthquake. Our plants resumed production immediately thereafter, with few exceptions, and have been operating depending on the operating conditions of the respective client car makers.

Given the substantial environmental changes in the market, the DENSO Group formulated structural reform policies in 2009 and has promoted the policies with the following mainstay principles.

- 1) "Build a lean and stronger corporate structure" and
- 2) "Approach for future growth"

In the second year of carrying out the structural reform, the Group, above all, focused its primary efforts on the approach for future growth during the year, in addition to the initiatives for a lean and stronger corporate structure such as the reduction of fixed costs and standardization and efficiency improvement of non-manufacturing sectors. As for Principle 2), we promoted technological development and established optimum operating systems to satisfy regional needs with a focus on fuel efficiency improvement and further reduction of CO<sub>2</sub> emissions and responding to the emerging markets.

As for technological development toward further improvement of fuel efficiency and the reduction of CO<sub>2</sub> emissions, we endeavored to develop energy-saving technologies to reduce fuel consumption with the aim of maximizing fuel efficiency through the efficient use of energy on the whole vehicle body in all the relevant powertrain fields including initiatives for the improvement of conventional gasoline/diesel vehicles, idling stop and hybrid and electric vehicles. One of the promising technologies is the idling stop system, for which market expansion is highly expected in the near future. Conventionally, the engine of a moving vehicle cannot be instantly stopped or restarted when the vehicle body is moving forward. However, we developed a new idling stop system that enables the driver to stop or restart the engine even when the vehicle is decelerating. As the engine stop time can be extended, fuel consumption improves and the time until the engine is restarted can be reduced. Through the combination of various advanced technologies that the Company has accumulated, we are confident that our technological development could contribute to a further reduction of approximately 20% in energy consumption for gasoline engines.

As for the technology to reduce the cost of our products bound for the emerging markets, where future market growth is highly expected, DENSO is endeavoring to streamline the relevant systems to allow them to handle and complete several processes from development to production and sales in timely response to regional needs. Specifically, we are conducting diverse cost-cutting activities for 23 major low-cost products bound for emerging markets as part of our common objective to "Halve Costs." During the fiscal year under review, we reduced costs for these 23 products by 40% as a result of various measures such as the streamlining of functions, performance

and structures; local procurement of component materials; and the pursuit of optimum specifications in compliance with regional requirements. We intend to further promote this cost-cutting initiative toward the realization of the goal of halving costs.

At present, the Group has a development system under which the respective technical centers (technology development bases) in five regions globally, including Japan, endeavor to design locally customized products. Above all, we are reinforcing the product development system in emerging markets to ensure and enhance timely and appropriate responses to local customers' needs and requests. In China, the development function has been strengthened at the Shanghai Technical Center since May 2010. In India, we newly established DENSO Subros Thermal Engineering Center India Limited, a joint venture with Subros Limited to design car air-conditioning systems. Both parties will also establish a technical center soon to control and cover operations throughout India by the end of calendar 2011. In Brazil, a similar engineering company is scheduled to be established in early 2012. Thus, the Group intends to fortify a global technological development system that will enable us to promote region-focused product development in seven regions of the world.

Meanwhile, we established a production plant for car air-conditioning systems in Changchun, China. This new production base will start production around the end of 2012 to provide car air-conditioning systems to FAW TOYOTA Motor Sales Co., LTD., and FAW-Volkswagen Automotive Company, both of which are under the control of First Automobile Works (FAW) Group. In Brazil, a new plant was constructed to cover the anticipated production increase, in addition to the existing plant for car air-conditioning systems and radiators, and started production in January 2011.

To extend the marketing business in the open market, the Group purchased CTR s.r.l., a sales company for car air-conditioning related products, in June 2010. In addition, in November 2010, DENSO SALES MIDDLE EAST & NORTH AFRICA FZE was established in Dubai, United Arab Emirates, to reinforce business bases in the Middle East and North African regions.

As for CSR activities, the Company formulated its environmental action plan for fiscal years 2011—2015, called the “2015 Environmental Action Plan,” as part of its progress toward the realization of a sustainable car society. The 2015 Environmental Action Plan sets forth specific actions to be implemented under the Company's long-term environmental policy, “DENSO EcoVision 2015,” which was formulated in 2005, and consists of four core categories: “Eco Management,” “Eco Products,” “Eco Factory” and “Eco Friendly.” It incorporates new initiatives such as the reinforcement of environment-conscious responses and measures in emerging countries to proactively reinforce R&D activities on eco-friendly technologies and products and further reduce substances with heavy environmental load worldwide along with the keywords of “Low Carbon,” “Recycling” and “Cohabitation with Nature.” Henceforth, we aim to be a trustworthy, global corporate group embraced by local communities and society. Every employee in the Group is determined to practice CSR activities in all the countries and regions where the DENSO Group actively conducts business operations.

Regarding operating results for the fiscal year ended March 31, 2011, consolidated net sales increased ¥154.8 billion, or 5.2%, compared with the previous fiscal year, to ¥3,131.5 billion, supported by favorable growth in vehicle production centering on the North America and the Asia and Oceania regions. Despite a foreign exchange loss due to the appreciation of the yen, consolidated operating income increased ¥51.7 billion, or 37.8% year over year, to ¥183.3 billion and consolidated ordinary income increased ¥54.6 billion, or 35.7%, to ¥207.2 billion due to favorable factors such as the marginal advantage for improved capacity utilization through increased sales, rationalization efforts and the decline in depreciation expense. Consequently, net income was ¥143.0 billion, with a year-over-year rise of ¥69.6 billion, or 94.8%. As for the negative impact of the Great East Japan Earthquake, the Company's net sales decreased approximately ¥60.0 billion because of the decline in automobile production in March 2011, affected by the subsequent production adjustment by Japanese car manufacturers. However, the Company did not record an extraordinary loss related to the earthquake.

By geographical segment, sales in Japan amounted to ¥2,112.9 billion, reflecting the favorable effect of sales promotion measures in the first half and an increase in exports of components for overseas production despite a considerable drop in domestic sales at the end of the fiscal year due to the Great East Japan Earthquake. Operating income was ¥63.4 billion mainly due to the reduction of fixed expenses and diverse rationalization measures.

Sales in North America were ¥536.0 billion mainly due to the increase in vehicle production in the United States, reflecting the market recovery. Operating income increased to ¥25.4 billion, reflecting the marginal advantage for improved capacity utilization.

Sales in Europe were ¥401.3 billion and operating income amounted to ¥10.9 billion, primarily affected by the foreign exchange loss despite an increase in sales mainly for European car makers.

Sales in the Asia and Oceania regions were ¥652.5 billion mainly due to the increase in vehicle production including Japanese vehicles, and operating income amounted to ¥83.0 billion, reflecting the marginal advantage for improved capacity utilization.

Sales in other regions were ¥60.3 billion, and operating income was ¥6.5 billion.

## (2) Capital Expenditures and Financing

During the fiscal year under review, capital expenditures of ¥145.1 billion were invested mainly to shift to highly cost-competitive next-generation products and improve product quality and reliability.

## (3) Our Challenge for Future Success

For the near term, the DENSO Group's priority task will be to address the recovery and reconstruction from the earthquake-related disasters. In the aspect of production, above all, we are determined to put forth our best efforts to respond as soon as possible to our customers' requests through reconstruction support activities for the damaged suppliers and/or Group companies.

In the coming fiscal year, the last year covered by the structural reform policies, we will carry out the group-wide commitment to 1) structural reform to build a lean and streamlined business structure and 2) structural reform for future growth. At the same time, we will steadily address new changes and tasks in our business environment such as exchange rate fluctuations and risk responsiveness.

## (4) Operating Results and Financial Position of the Group

(Millions of yen)

Fiscal period	85th Term (April 2007– March 2008)	86th Term (April 2008– March 2009)	87th Term (April 2009– March 2010)	88th Term (April 2010– March 2011)
Account item				
Net Sales	4,025,076	3,142,665	2,976,709	3,131,460
Ordinary Income (Loss)	368,308	(35,327)	152,672	207,228
Net Income (Loss)	244,417	(84,085)	73,427	143,033
Net Income (Loss) per Share (yen)	299.96	(104.13)	91.11	177.49
Equity	2,282,677	1,900,719	2,032,264	2,072,443
Total Assets	3,643,418	3,018,438	3,364,070	3,380,433

**(5) Significant Subsidiaries**

Name	Common Stock	The Company's Ratio of Voting Rights (%)	Principal Businesses
ASMO CO., LTD.	JPY4,500 million	83.37*	Manufacture and sale of small motors
ANDEN CO., LTD.	JPY1,002 million	100.00	Manufacture and sale of electronic systems
HAMANAKODENSO CO., LTD.	JPY479 million	76.47	Manufacture and sale of powertrain control systems
DENSO INTERNATIONAL AMERICA, INC.	USD226,750 thousand	100.00	— Regional headquarters for North America — Sale of and R&D on 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 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 powertrain control systems
DENSO THERMAL SYSTEMS POLSKA Sp.zo.o.	POZ25,000 thousand	100.00*	Manufacture and sale of thermal systems
DENSO SALES UK LTD.	GBP4,897 thousand	100.00*	Sale and R&D of automotive components
DENSO SALES (THAILAND) CO., LTD.	THB100 million	100.00*	Sale of automotive components
DENSO (THAILAND) CO., LTD.	THB200 million	51.25*	Manufacture and sale of electric and thermal systems
SIAM DENSO MANUFACTURING CO., LTD.	THB2,816 million	90.00*	Manufacture and sale of powertrain control systems
DENSO INTERNATIONAL ASIA PTE., LTD. (Singapore)	SID302,373 thousand	100.00	— Regional headquarters for Asia and Oceania — Sale of commercial components
DENSO (CHINA) INVESTMENT CO., LTD.	CHY2,150 million	100.00	— Headquarters for China — Sale of automotive components

Note: An asterisk (\*) 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:

Powertrain Control Systems	(e.g., Common rail systems, Fuel pumps, Ignition coils, Various valves)
Electric Systems	(e.g., Starters, Alternators, Inverters, Sensors and ECUs for electric power steering systems)
Electronic Systems	(e.g., Engine ECUs, Various semiconductor sensors, ICs, Relays)
Thermal Systems	(e.g., Air-conditioning systems for cars, Radiators, Air-conditioning systems for buses and construction equipment)
Information & Safety Systems	(e.g., Car navigation systems, Various sensors and ECUs for airbags, Instrument clusters)
Small Motors	(e.g., Windshield wiper systems, Windshield washer systems, Power window motors)
Industrial Systems	(e.g., Barcode handy scanners and handy terminals, Industrial robots, Cooling units for electronic devices)
Consumer Products	(e.g., CO <sub>2</sub> refrigerant heat-pump water heaters, Automatic water faucets)

## (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	Ikeda, Anjo, Nishio, Takatana, Kota, Toyohashi, Agui and Zenmyo (Aichi Pref.), Daian (Mie Pref.), DENSO Research Laboratories (Aichi Pref.) Nukata (Aichi Pref.)
Research Institute	
Experiment Station	
2) Subsidiaries	
Major Sales Companies	North America 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 ASIA PTE., LTD. (Singapore) (Singapore), DENSO SALES (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.), HAMANAKODENSO CO., LTD. (Shizuoka Pref.) North America DENSO MANUFACTURING MICHIGAN, INC. (Michigan, U.S.A.), DENSO MANUFACTURING TENNESSEE, INC. (Tennessee, U.S.A.) Europe DENSO THERMAL SYSTEMS S.p.A. (Turin, Italy), DENSO MANUFACTURING HUNGARY LTD. (Szekesfehervar, Hungary), DENSO THERMAL SYSTEMS POLSKA Sp.zo.o. (Tychy, Poland) Asia & Oceania DENSO (THAILAND) CO., LTD. (Samutprakarn, Thailand), SIAM DENSO MANUFACTURING CO., LTD. (Chonburi, Thailand)

**(8) Employees within the Group**

Number of Employees	Increase/Decrease from the Preceding Fiscal Year
123,165	2,353 (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.	20,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Syndicate Loan	13,000
Fukoku Mutual Life Insurance Co.	10,000
The 77 Bank, Ltd.	10,000
The Toho Bank, Ltd	10,000
The Hachijuni Bank, Ltd.	8,000
The Dai-ichi Life Insurance Company, Limited	7,000
The Bank of Nagoya, Ltd.	6,000
Development Bank of Japan Inc.	6,000
Other	65,993
Total	155,993

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:** 805,899,674 shares (excluding treasury stock of 78,169,039 shares)

(2) **Number of Shareholders:** 71,069 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	24.72
Toyota Industries Corporation	69,373	8.61
Robert Bosch Investment Nederland B.V.	46,439	5.76
Japan Trustee Services Bank, Ltd. (Trust account)	31,060	3.85
The Master Trust Bank of Japan, Ltd. (Trust account)	28,198	3.50
Nippon Life Insurance Company	24,050	2.98
Denso Employees' Shareholding Association	17,685	2.19
Mitsui Sumitomo Insurance Company, Limited	15,148	1.88
SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	9,837	1.22
The Dai-ichi Life Insurance Company, Limited	9,000	1.12

Notes:

1. The Company holds its treasury stock of 78,169 thousand shares, but the Company itself is excluded from the list above.
2. "Ratio of Voting Rights" is calculated after excluding the treasury stock of 78,169 thousand shares.
3. "Investment in the Company" by TOYOTA INDUSTRIES CORPORATION is stated after excluding the Company's 6,798 thousand shares (ratio of voting rights: 0.84%), 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

#### Status of Stock Acquisition Rights, at the End of the Fiscal Year

(1) Number and outline of the stock acquisition rights.

Date when the resolution for issuance was adopted	June 22, 2005	June 27, 2006	June 26, 2007
Number of the stock acquisition rights	4,849 units	9,410 units	14,590 units
Type of shares subject to the stock acquisition rights	Common stock		
Number of shares subject to the stock acquisition rights	484,900 shares	941,000 shares	1,459,000 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

Date when the resolution for issuance was adopted	June 25, 2008	June 24, 2009
Number of the stock acquisition rights	17,380 units	19,010 units
Type of shares subject to the stock acquisition rights	Common stock	
Number of shares subject to the stock acquisition rights	1,738,000 shares	1,901,000 shares
Issue price	Without charge	
Exercise price	¥3,447/share	¥2,920/share
Exercise period	From August 1, 2010, to July 31, 2014	From August 1, 2011, to July 31, 2015

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

Date when the resolution for issuance was adopted	June 22, 2005	June 27, 2006	June 26, 2007
Number of the stock acquisition rights	369 units	1,150 units	2,700 units
Number of holders	7	13	13

Date when the resolution for issuance was adopted	June 25, 2008	June 24, 2009
Number of the stock acquisition rights	3,300 units	3,300 units
Number of holders	13	13

#### 4. OFFICERS OF THE COMPANY

##### (1) Directors and Corporate Auditors

Name	Position	Assignment in the Company and Important Posts Concurrently Held at Other Corporations
Koichi Fukaya	Chairman*	(Important posts concurrently held) Outside corporate auditor, JTEKT Corporation
Nobuaki Katoh	President and CEO*	
Hiromi Tokuda	Executive Vice President*	Technology; Europe (Important posts concurrently held) Director, Toyota Boshoku Corporation
Koji Kobayashi	Executive Vice President*	Office Duties; Corporate Center; North America
Kazuo Hironaka	Senior Executive Director, Member of the Board	Administration Center; Asia & Oceania (excluding China)
Sojiro Tsuchiya	Senior Executive Director, Member of the Board	Production; Production Promotion Center
Hikaru Sugi	Senior Executive Director, Member of the Board	Engineering Research & Development Center; China
Shinji Shirasaki	Senior Executive Director, Member of the Board	Electronic Systems Business Group (Important posts concurrently held) Outside corporate auditor, Tokai Rika Co., Ltd.
Mitsuhiko Masegi	Senior Executive Director, Member of the Board	Information & Safety Systems Business Group (Important posts concurrently held) Outside corporate auditor, Jeco Co., Ltd.
Masahiko Miyaki	Senior Executive Director, Member of the Board	Electric Systems Business Group (Important posts concurrently held) Outside corporate auditor, Sawafuji Electric Co., Ltd. Outside corporate auditor, Fine Sinter Co., Ltd.
Akio Shikamura	Senior Executive Director, Member of the Board	Thermal systems Business Group
Haruya Maruyama	Senior Executive Director, Member of the Board	Sales and Marketing Group
Shoichiro Toyoda	Executive Director, Member of the Board	(Important posts concurrently held) Outside corporate auditor, AISIN SEIKI CO., LTD. Honorary Chairman, Japan Business Federation
Toshio Watanabe	Standing Corporate Auditor	(Important posts concurrently held) Outside corporate auditor, Jeco Co., Ltd.
Masato Iwase	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
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 President, Aichi Bar Association Vice Chairman, Japan Federation of Bar Associations

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.

**(2) Remuneration, etc., Payable to Directors and Corporate Auditors Pertaining to the Fiscal Year under Review**

Officer category	Number of eligible persons (Persons)	Amount of remuneration, etc. (Millions of yen)
Directors	15	931
Corporate auditors	5	122
Total	20	1,053

Notes:

1. The amounts above include ¥32 million in remuneration, etc., payable to outside corporate auditors (three outside corporate auditors).
2. The number of eligible persons above includes two directors who retired from the Company at the conclusion of the 87th Ordinary General Meeting of Shareholders held on June 25, 2010.
3. The amounts above include the following.
  - (1) Provision for retirement allowance for directors and corporate auditors pertaining to the fiscal year under review  
Corporate auditors: ¥22 million
  - (2) The bonuses to directors and corporate auditors for which a resolution is planned to be adopted by the 88th Ordinary General Meeting of Shareholders to be held on June 22, 2011.  
Directors: ¥224 million  
Corporate auditors: ¥25 million
  - (3) Remuneration as stock options granted to directors  
Resolution at the 85th Ordinary General Meeting of Shareholders held on June 25, 2008  
Directors: ¥19 million  
Resolution at the 86th Ordinary General Meeting of Shareholders held on June 24, 2009  
Directors: ¥136 million

**(3) Outside Corporate Auditors**

1) Relationship between the important combination of offices at other corporations with the Company  
Toyota Motor Corporation, at which Corporate Auditor Fujio Cho concurrently serves, is a major shareholder of the Company, and the Company sells 45.0% of its products to Toyota Motor.

2) Major activities during the fiscal year

Name	Major Activities
Fujio Cho	He attended 14 of 16 Board of Directors meetings and 10 of 10 Board of Corporate Auditors meetings held in the fiscal 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 14 of 16 Board of Directors meetings and 10 of 10 Board of Corporate Auditors meetings held in the fiscal 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 6 of 16 Board of Directors meetings and 10 of 10 Board of Corporate Auditors meetings held in the fiscal 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. ACCOUNTING AUDITORS

### (1) Designation of the Accounting Auditors

Deloitte Touche Tohmatsu LLC

### (2) Remuneration, etc., Payable to Accounting Auditors for the Fiscal Year

1)	Amount of remuneration, etc., to be paid by the Company to the Accounting Auditors pertaining to the fiscal year under review	¥85 million
2)	Sum of money and other financial profits to be paid by the Company and its subsidiaries to the Accounting Auditors	¥148 million

Notes:

1. The audit agreement entered into by the Accounting 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 the Accounting Auditors with advisory services regarding International Financial Reporting Standards (IFRS), which are non-audit services other than the services set forth in Article 2, Paragraph 1, of the Certified Public Accountant Law, and pays the consideration therefor.
3. Of the Company's significant subsidiaries, 14 subsidiaries, including DENSO INTERNATIONAL AMERICA, INC., DENSO EUROPE B.V. and DENSO SALES (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 Accounting Auditors of the Company.

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

The Board of Corporate Auditors shall, upon consent of all the corporate auditors, dismiss the Accounting 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 Accounting 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 Accounting 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.
- 3) Directors shall endeavor to ensure appropriate financial reporting and appropriately disclose information at the right time.

### **(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 investments 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 CSR Promotion Meeting 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 executive director 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 medium- and long-term management guidelines and annual group guidelines, the Company shall prepare annual plans to form a unified companywide intention to achieve its goals. The progress of the goals and plans, as well as operations at the respective departments, shall be managed and periodically reported in accordance with the in-house rules.

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

- 1) The CSR Promotion Meeting 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 such concerns 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 on a consolidated basis under the medium- and long-term management guidelines and annual group guidelines to unify the Group's intention to achieve its goals. The

progress of the goals and plans shall be managed and periodically reported in accordance with the in-house rules.

- 3) As for risk management and compliance within the Group companies, the Company shall propose guidelines to the respective Group companies to promote the establishment and operation of 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 Promotion Meeting 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 Corporate Auditors Department, which was established as a dedicated organ, shall support the corporate auditors in conducting their duties.
  - 2) Personnel changes and organizational restructuring of the Corporate Auditors Department 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 Accounting 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.

## **8. IMPORTANT MATTER REGARDING CURRENT STATION OF THE CORPORATE GROUP**

Investigation by the Federal Bureau of Investigation and the Department of Justice of the United States on suspicion of violating antitrust laws:

In February 2010, our U.S. subsidiary, DENSO INTERNATIONAL AMERICA, INC., was investigated by the Federal Bureau of Investigation and the Department of Justice of the United States under suspicion of a violation of antitrust laws. The subsidiary in question has been fully cooperating with the investigating authorities.

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

**Consolidated Balance Sheet** (As of March 31, 2011)

(Millions of yen)

Account item	Amount	Account item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current Assets</b>	<b>1,864,511</b>	<b>Current Liabilities</b>	<b>792,471</b>
Cash and deposits	520,380	Notes and accounts payable—trade	394,801
Notes and accounts receivable—trade	486,722	Short-term borrowings	93,978
Marketable securities	413,247	Accrued expenses	98,465
Inventories	288,736	Income taxes payable	24,941
Deferred tax assets	64,298	Accrued bonuses to employees	53,514
Other current assets	92,742	Accrued bonuses to directors and corporate auditors	524
Allowance for doubtful accounts	(1,614)	Reserve for product warranties	55,459
		Other current liabilities	70,789
<b>Fixed Assets</b>	<b>1,515,922</b>	<b>Long-Term Liabilities</b>	<b>515,519</b>
<b>Property, plant and equipment</b>	<b>823,228</b>	Straight bonds	190,000
Buildings and structures	229,134	Long-term borrowings	115,622
Machinery and transportation equipment	332,880	Deferred tax liabilities	9,019
Land	156,477	Liability for employees' retirement benefits	184,057
Construction in progress	55,819	Retirement allowance for directors and corporate auditors	1,969
Other	48,918	Other long-term liabilities	14,852
<b>Intangible Assets</b>	<b>17,122</b>	<b>Total Liabilities</b>	<b>1,307,990</b>
Software	13,021	<b>(Equity)</b>	
Goodwill	139	<b>Shareholders' equity</b>	<b>1,996,497</b>
Other intangible assets	3,962	Common stock	187,457
<b>Investments and Other Assets</b>	<b>675,572</b>	Capital surplus	266,616
Investment securities	516,186	Retained earnings	1,741,008
Long-term loans receivable	2,528	Treasury stock, at cost	(198,584)
Deferred tax assets	62,715	<b>Accumulated other comprehensive income</b>	<b>(34,098)</b>
Prepaid pension cost	63,458	Net unrealized gain on available-for-sale securities	129,215
Other assets	30,999	Deferred gain on derivatives under hedge accounting	59
Allowance for doubtful accounts	(314)	Foreign currency translation adjustments	(163,372)
		<b>Stock acquisition rights</b>	<b>3,462</b>
		<b>Minority interests</b>	<b>106,582</b>
		<b>Total Equity</b>	<b>2,072,443</b>
<b>Total Assets</b>	<b>3,380,433</b>	<b>Total Liabilities and Equity</b>	<b>3,380,433</b>

**Consolidated Statement of Income** (From April 1, 2010, to March 31, 2011)

(Millions of yen)

Account item	Amount	
<b>Net sales</b>		<b>3,131,460</b>
Cost of sales		2,661,963
<b>Gross profit</b>		<b>469,497</b>
Selling, general and administrative expenses		281,166
<b>Operating income</b>		<b>188,331</b>
<b>Non-operating income</b>		
Interest and dividend income	14,175	
Other non-operating income	19,432	33,607
<b>Non-operating expenses</b>		
Interest expense	5,208	
Other non-operating expenses	9,502	14,710
<b>Ordinary income</b>		<b>207,228</b>
<b>Extraordinary income</b>		
Reversal of allowance for doubtful accounts	503	
Gain on sales of fixed assets	413	
Gain on negative goodwill	4,048	4,964
<b>Extraordinary losses</b>		
Impairment loss on long-lived assets	523	
Valuation loss on investment securities	2	525
<b>Income before income taxes</b>		<b>211,667</b>
Income taxes—current	54,743	
Income taxes—deferred	(1,972)	52,771
Income before minority interests		158,896
Minority interests in net income		15,863
<b>Net income</b>		<b>143,033</b>

**Consolidated Statement of Changes in Equity**  
(From April 1, 2010, to March 31, 2011)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock-at cost	Total shareholders' equity
<b>Balance as of March 31, 2010</b>	<b>187,457</b>	<b>266,610</b>	<b>1,626,988</b>	<b>(198,498)</b>	<b>1,882,557</b>
<b>Changes in the fiscal year:</b>					
Dividends from surplus			(29,013)		(29,013)
Net income			143,033		143,033
Purchase of treasury stock				(165)	(165)
Disposal of treasury stock		6		79	85
Net changes in items other than those in shareholders' equity					
<b>Total of changes in the fiscal year</b>	<b>—</b>	<b>6</b>	<b>114,020</b>	<b>(86)</b>	<b>113,940</b>
<b>Balance as of March 31, 2011</b>	<b>187,457</b>	<b>266,616</b>	<b>1,741,008</b>	<b>(198,584)</b>	<b>1,996,497</b>

	Accumulated other comprehensive income			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			
<b>Balance as of March 31, 2010</b>	<b>154,178</b>	<b>161</b>	<b>(120,317)</b>	<b>2,750</b>	<b>112,935</b>	<b>2,032,264</b>
<b>Changes in the fiscal year:</b>						
Dividends from surplus						(29,013)
Net income						143,033
Purchase of treasury stock						(165)
Disposal of treasury stock						85
Net changes in items other than those in shareholders' equity	(24,963)	(102)	(43,055)	712	(6,353)	(73,761)
<b>Total of changes in the fiscal year</b>	<b>(24,963)</b>	<b>(102)</b>	<b>(43,055)</b>	<b>712</b>	<b>(6,353)</b>	<b>40,179</b>
<b>Balance as of March 31, 2011</b>	<b>129,215</b>	<b>59</b>	<b>(163,372)</b>	<b>3,462</b>	<b>106,582</b>	<b>2,072,443</b>

**Non-Consolidated Balance Sheet (As of March 31, 2011)**

(Millions of yen)

Account item	Amount	Account item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current Assets</b>	<b>1,175,082</b>	<b>Current Liabilities</b>	<b>640,030</b>
Cash and deposits	373,276	Notes payable—trade	2,038
Notes receivable—trade	2,213	Accounts payable—trade	310,375
Accounts receivable—trade	265,421	Current portion of long-term borrowings	41,500
Marketable securities	277,668	Accounts payable—other	14,944
Finished goods	34,051	Accrued expenses	62,492
Work in process	50,853	Income taxes payable	12,275
Raw materials and supplies	8,114	Advances received	2,039
Advance payments	42,101	Deposits received	120,725
Prepaid expenses	1,273	Accrued bonuses to employees	33,630
Deferred tax assets	44,461	Accrued bonuses to directors and corporate auditors	249
Short-term loans receivable from subsidiaries and affiliates	22,949	Reserve for product warranties	39,322
Accounts receivable—other	49,233	Other current liabilities	441
Other current assets	3,777	<b>Long-term Liabilities</b>	<b>457,209</b>
Allowance for doubtful accounts	(308)	Straight bonds	190,000
		Long-term borrowings	112,500
<b>Fixed Assets</b>	<b>1,459,357</b>	Long-term borrowings from subsidiaries and affiliates	1,993
<b>Property, plant and equipment</b>	<b>400,716</b>	Liability for employees' retirement benefits	144,953
Buildings	86,970	Retirement allowance for directors and corporate auditors	547
Structures	14,752	Other long-term liabilities	7,216
Machinery and equipment	137,969	<b>Total Liabilities</b>	<b>1,097,239</b>
Vehicles and transportation equipment	1,485	<b>(Equity)</b>	
Tools, furniture and fixtures	21,071	<b>Shareholders' Equity</b>	<b>1,404,970</b>
Land	108,434	<b>Common stock</b>	<b>187,457</b>
Construction in progress	30,035	<b>Capital surplus</b>	<b>266,557</b>
<b>Intangible assets</b>	<b>11,215</b>	Additional paid-in capital	265,985
Software	9,566	Other capital surplus	572
Other intangible assets	1,649	<b>Retained earnings</b>	<b>1,149,525</b>
		Legal reserve	43,274
<b>Investments and Other Assets</b>	<b>1,047,426</b>	Other retained earnings	1,106,251
Investment securities	289,262	Reserve for special depreciation	89
Investment in subsidiaries and affiliates	545,316	Reserve for advanced depreciation of fixed assets	227
Investments in equity	2,685	General reserve	896,390
Investments in equity of subsidiaries and affiliates	48,011	Earned surplus carried forward	209,545
Long-term loans receivable from subsidiaries and affiliates	46,745	<b>Treasury stock, at cost</b>	<b>(198,569)</b>
Deferred tax assets	48,768	<b>Variance of the Estimate / Conversion</b>	<b>128,768</b>
Prepaid pension cost	60,687	Net unrealized gain on available-for-sale securities	128,709
Other assets	6,063	Deferred gains on derivatives under hedge accounting	59
Allowance for doubtful accounts	(111)	<b>Stock acquisition rights</b>	<b>3,462</b>
<b>Total Assets</b>	<b>2,634,439</b>	<b>Total Equity</b>	<b>1,537,200</b>
		<b>Total Liabilities and Equity</b>	<b>2,634,439</b>

**Non-Consolidated Statement of Income**  
(From April 1, 2010, to March 31, 2011)

(Millions of yen)

Account item	Amount	
<b>Net sales</b>		<b>1,945,667</b>
Cost of sales		1,770,009
<b>Gross profit</b>		<b>175,658</b>
Selling, general and administrative expenses		139,851
<b>Operating income</b>		<b>35,807</b>
<b>Non-operating income</b>		
Interest and dividend income	49,076	
Other non-operating income	15,868	64,944
<b>Non-operating expenses</b>		
Interest expense	3,171	
Other non-operating expenses	5,229	8,400
<b>Ordinary income</b>		<b>92,351</b>
<b>Extraordinary income</b>		
Reversal of allowance for doubtful accounts	96	
Gain on sales of fixed assets	39	135
<b>Extraordinary losses</b>		
Valuation loss on investment securities	2	
Valuation loss on investment in subsidiaries and affiliates	173	175
<b>Income before income taxes</b>		<b>92,311</b>
Income taxes—current	18,430	
Income taxes—deferred	1,107	19,537
<b>Net Income</b>		<b>72,774</b>

**Non-Consolidated Statement of Changes in Equity**  
(From April 1, 2010, to March 31, 2011)

(Millions of yen)

	Shareholders' equity									Treasury stock, at cost	Shareholder s' equity
	Common stock	Capital surplus			Legal reserve	Retained earnings					
		Additional paid-in capital	Other capital surplus	Reserve for special depreciation		Other retained earnings					
						Reserve for advanced depreciation of fixed assets	General reserve	Earned surplus carried forward			
<b>Balance as of March 31, 2010</b>	187,457	265,985	566	43,274	134	223	896,390	165,743	(198,483)	1,361,289	
<b>Changes in the fiscal year:</b>											
Dividends from surplus								(29,013)		(29,013)	
Reversal of reserve for special depreciation					(45)			45		-	
Provision of reserve for advanced depreciation of fixed assets						4		(4)		-	
Net income								72,774		72,774	
Purchase of treasury stock									(165)	(165)	
Disposal of treasury stock			6						79	85	
Net changes in items other than those in shareholders' equity											
<b>Total of changes in the fiscal year</b>	-	-	6	-	(45)	4	-	43,802	(86)	43,681	
<b>Balance as of March 31, 2011</b>	187,457	265,985	572	43,274	89	227	896,390	209,545	(198,569)	1,404,970	

	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		
<b>Balance as of March 31, 2010</b>	153,595	162	2,750	1,517,796
<b>Changes in the fiscal year:</b>				
Dividends from surplus				(29,013)
Reversal of reserve for special depreciation				-
Provision of reserve for advanced depreciation of fixed assets				-
Net income				72,774
Purchase of treasury stock				(165)
Disposal of treasury stock				85
Net changes in items other than those in shareholders' equity	(24,886)	(103)	712	(24,277)
<b>Total of changes in the fiscal year</b>	(24,886)	(103)	712	19,404
<b>Balance as of March 31, 2011</b>	128,709	59	3,462	1,537,200

(TRANSLATION)

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

**INDEPENDENT AUDITORS' REPORT**

May 6, 2011

To the Board of Directors of DENSO CORPORATION

Deloitte Touche Tohmatsu LLC

Masato Nishimatsu,  
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") and its consolidated subsidiaries applicable to the fiscal year from April 1, 2010, through March 31, 2011. 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, 2011, in conformity with accounting principles generally accepted in Japan.

**Additional information**

As described in the "Note to Subsequent Events," the Company's Board of Directors, at a meeting held on April 11, 2011, adopted a comprehensive resolution relating to the issuance of straight bonds.

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

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

<Certified Copy of the Accounting Auditors' Report>

**INDEPENDENT AUDITORS' REPORT**

May 6, 2011

To the Board of Directors of DENSO CORPORATION

Deloitte Touche Tohmatsu LLC

Masato Nishimatsu,  
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 88th Fiscal Term from April 1, 2010, through March 31, 2011. 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, 2011, in conformity with accounting principles generally accepted in Japan.

**Additional information**

As described in the "Note to Subsequent Events," the Company's Board of Directors, at a meeting held on April 11, 2011, adopted a comprehensive resolution relating to the issuance of straight bonds.

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

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

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

## CORPORATE AUDITORS' REPORT

Regarding the performance of duties by directors for the 88th Fiscal Term, which began April 1, 2010, and ended March 31, 2011, 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 Accounting 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, 2011.

Furthermore, the Corporate Auditors have supervised and verified whether the Accounting 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 Accounting 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, 2011.

### 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 of the Company, as well as the consolidated financial statements

In our opinion, the audit methods and results employed and rendered by the Accounting Auditors, Deloitte Touche Tohmatsu LLC, are fair and reasonable. We have found no matters to remark with regard to the system to ensure appropriate execution of duties by the Accounting Auditors (Matters as set forth in Article

131 of the Ordinance for Corporate Accounting).

May 13, 2011

Board of Corporate Auditors of DENSO CORPORATION	
Standing Corporate Auditor	Toshio Watanabe
Standing Corporate Auditor	Masato Iwase
Outside Corporate Auditor	Fujio Cho
Outside Corporate Auditor	Tamiki Kishida
Outside Corporate Auditor	Tsutomu Saito

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

## REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and References

#### **Proposal No. 1: Distribution of Surplus**

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 fiscal year-end dividend for the fiscal year ended March 31, 2011, as described below.

- (1) Type of property for dividends: Money
- (2) Allotment of property for dividends to shareholders and total amount thereof:  
 ¥24 per share of the Company's common stock for a total of ¥19,341,592,176  
 The annual dividend proposed for the fiscal year, including the interim dividend, is ¥46 per share.
- (3) Effective date of the dividends from surplus:  
 June 23, 2011

#### **Proposal No. 2: 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 88th 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 and Assignments in the Company and Important Posts Concurrently Held at Other Corporations	Number of the Company's Shares Owned
1	Koichi Fukaya (December 3, 1943)	April 1966    Joined DENSO CORPORATION March 1995    Executive Director, Member of the Board, DENSO CORPORATION June 1998    Managing Director, DENSO CORPORATION June 2002    Senior Executive Director, Member of the Board, DENSO CORPORATION June 2003    President & CEO, DENSO CORPORATION June 2008    Vice Chairman, DENSO CORPORATION June 2009    Chairman, DENSO CORPORATION (current position) (Important posts concurrently held) Outside corporate auditor, JTEKT Corporation	51,900
2	Nobuaki Katoh (November 3, 1948)	April 1971    Joined DENSO CORPORATION June 2000    Executive Director, Member of the Board, DENSO CORPORATION June 2004    Executive Director, DENSO CORPORATION June 2007    Senior Executive Director, Member of the Board, DENSO CORPORATION June 2008    President and CEO, DENSO CORPORATION (current position)	31,500

No.	Name (Date of birth)	Brief Personal History, Posts and Assignments in the Company and Important Posts Concurrently Held at Other Corporations	Number of the Company's Shares Owned
3	Hiroshi Tokuda (November 25, 1948)	<p>April 1971      Joined DENSO CORPORATION</p> <p>June 2000      Executive Director, Member of the Board, DENSO CORPORATION</p> <p>June 2004      Executive Director, DENSO CORPORATION</p> <p>June 2006      Senior Executive Director, Member of the Board, DENSO CORPORATION</p> <p>June 2008      Executive Vice President, DENSO CORPORATION (current position)</p> <p>(Current assignments in the Company) Technology; Europe (Important posts concurrently held) Director, Toyota Boshoku Corporation</p>	20,700
4	Koji Kobayashi (October 23, 1948)	<p>April 1972      Joined Toyota Motor Co., Ltd.</p> <p>June 2004      Executive Director, DENSO CORPORATION</p> <p>June 2007      Senior Executive Director, Member of the Board, DENSO CORPORATION</p> <p>June 2010      Executive Vice President, DENSO CORPORATION (current position)</p> <p>(Current assignments in the Company) Office Duties; Corporate Center; North America</p>	20,619
5	Sojiro Tsuchiya (May 17, 1949)	<p>April 1975      Joined DENSO CORPORATION</p> <p>June 2002      Executive Director, Member of the Board, DENSO CORPORATION</p> <p>June 2004      Executive Director, DENSO CORPORATION</p> <p>June 2007      Senior Executive Director, Member of the Board, DENSO CORPORATION (current position)</p> <p>(Current assignments in the Company) Production; Production Promotion Center</p>	17,936
6	Kazuo Hironaka (December 9, 1950)	<p>April 1973      Joined DENSO CORPORATION</p> <p>June 2002      Executive Director, Member of the Board, DENSO CORPORATION</p> <p>June 2004      Executive Director, DENSO CORPORATION</p> <p>June 2007      Senior Executive Director, Member of the Board, DENSO CORPORATION (current position)</p> <p>(Current assignments in the Company) Administration Center; Asia &amp; Oceania (excluding China)</p>	21,900
7	Hikaru Sugi (May 1, 1950)	<p>April 1974      Joined DENSO CORPORATION</p> <p>June 2002      Executive Director, Member of the Board, DENSO CORPORATION</p> <p>June 2004      Executive Director, DENSO CORPORATION</p> <p>June 2008      Senior Executive Director, Member of the Board, DENSO CORPORATION (current position)</p> <p>(Current assignments in the Company) Engineering Research &amp; Development Center; China</p>	28,100

No.	Name (Date of birth)	Brief Personal History, Posts and Assignments in the Company and Important Posts Concurrently Held at Other Corporations	Number of the Company's Shares Owned
8	Shinji Shirasaki (March 8, 1952)	<p>April 1974      Joined DENSO CORPORATION</p> <p>June 2003      Executive Director, Member of the Board, DENSO CORPORATION</p> <p>June 2004      Executive Director, DENSO CORPORATION</p> <p>June 2008      Senior Executive Director, Member of the Board, DENSO CORPORATION (current position)</p> <p>(Current assignments in the Company) Electronic Systems Business Group (Important posts concurrently held) Outside corporate auditor, Tokai Rika Co., Ltd.</p>	11,700
9	Masahiko Miyaki (December 12, 1953)	<p>April 1977      Joined DENSO CORPORATION</p> <p>June 2004      Executive Director, DENSO CORPORATION</p> <p>June 2010      Senior Executive Director, Member of the Board, DENSO CORPORATION (current position)</p> <p>(Current assignments in the Company) Electric Systems Business Group (Important posts concurrently held) Outside corporate auditor, SAWAFUJI ELECTRIC CO., LTD. Outside corporate auditor, Fine Sinter Co., Ltd.</p>	16,200
10	Akio Shikamura (September 26, 1954)	<p>April 1977      Joined DENSO CORPORATION</p> <p>June 2004      Executive Director, DENSO CORPORATION</p> <p>June 2010      Senior Executive Director, Member of the Board, DENSO CORPORATION (current position)</p> <p>(Current assignments in the Company) Thermal Systems Business Group</p>	12,000
11	Haruya Maruyama (November 29, 1954)	<p>April 1978      Joined DENSO CORPORATION</p> <p>June 2004      Executive Director, DENSO CORPORATION</p> <p>June 2010      Senior Executive Director, Member of the Board, DENSO CORPORATION (current position)</p> <p>(Current assignments in the Company) Sales and Marketing Group</p>	9,600
12	Akio Tajima* (February 22, 1956)	<p>April 1978      Joined DENSO CORPORATION</p> <p>June 2005      Executive Director, DENSO CORPORATION (current position)</p>	14,500

No.	Name (Date of birth)	Brief Personal History, Posts and Assignments in the Company and Important Posts Concurrently Held at Other Corporations	Number of the Company's Shares Owned
13	Shoichiro Toyoda (February 27, 1925)	<p>August 1958 Corporate Auditor, DENSO CORPORATION</p> <p>August 1964 Resigned Corporate Auditor, DENSO CORPORATION Executive Director, Member of the Board, DENSO CORPORATION (current position)</p> <p>June 1981 President, Toyota Motor Sales Co., Ltd.</p> <p>July 1982 President, Toyota Motor Corporation</p> <p>September 1992 Chairman, Toyota Motor Corporation</p> <p>June 1999 Honorary Chairman, Toyota Motor Corporation</p> <p>June 2009 Retired as Honorary Chairman, Toyota Motor Corporation (currently)</p> <p>(Important posts concurrently held) Outside corporate auditor, AISIN SEIKI CO., LTD. Honorary Chairman, Japan Business Federation</p>	693,100

Notes:

1. No nominee has any special interest in the Company.
2. The nominee marked with an asterisk (\*) indicates a new nominee.

### Proposal No. 3: Election of Three (3) Corporate Auditors due to Expiration of the Term of Office of Three Corporate Auditors

The terms of office of the standing corporate auditor (Toshio Watanabe) and corporate auditors (Fujio Cho and Tamiki Kishida) expire at the conclusion of this 88th Ordinary General Meeting of Shareholders. Accordingly, we hereby propose that you elect three (3) corporate auditors.

The Board of Corporate Auditors has given prior accord to this Proposal No. 3.

The nominees for corporate auditor are as follows:

No.	Name (Date of birth)	Brief Personal History, Posts and Important Posts Concurrently Held at Other Corporations	Number of the Company's shares owned
1	Fujio Cho (February 2, 1937)	September 1988 Director, Toyota Motor Corporation September 1994 Managing Director, Toyota Motor Corporation June 1996 Senior Managing Director, Toyota Motor Corporation June 1998 Executive Vice President, Toyota Motor Corporation June 1999 President, Toyota Motor Corporation June 2003 Corporate Auditor, DENSO CORPORATION (current position) June 2005 Vice Chairman, Toyota Motor Corporation June 2006 Chairman, Toyota Motor Corporation (current position) (Important posts concurrently held) Chairman, Toyota Motor Corporation Outside director, Central Japan Railway Company Outside director, Sony Corporation	5,800
2	Toshio Watanabe (January 17, 1950)	April 1972 Joined DENSO CORPORATION January 1997 Director, Secretariat Division DENSO CORPORATION July 2000 Vice President, DENSO INTERNATIONAL AMERICA, INC. June 2003 Standing Corporate Auditor, DENSO CORPORATION (current position) (Important posts concurrently held) Outside corporate auditor, Jeco Co., Ltd.	5,800
3	Toshimichi Kondo* (February 3, 1955)	September 1979 Joined Marunouchi Audit Firm March 1983 Registered as Certified Public Accountant January 1985 Established Kondo Accounting Office (currently) (Important posts concurrently held) Director, Kondo Accounting Office Outside corporate auditor, CHUO MALLEABLE IRON CO., LTD.	—

Notes:

1. No nominee has any special interest in the Company.
2. Fujio Cho and Toshimichi Kondo are nominees for outside corporate auditors as stipulated in Article 2, Item 16, of the Companies Act.

(1) The Company nominated Mr. Cho for outside corporate auditor because it expects that his abundant experience and broad expertise as management staff would be reflected in the Company's audits.

He has assumed the posts as President, Vice Chairman and Chairman of Toyota Motor Corporation, one of the major business partners of the Company, in the past 12 years.

The term of office of Fujio Cho as corporate auditor of the Company will be 8 years each as of the conclusion of the 88th Ordinary General Meeting of Shareholders.

(2) The Company nominated Mr. Kondo for outside corporate auditor because it expects that his high expertise on finance and accounting as a Certified Public Accountant would be reflected in the Company's audits.

(3) The Company has entered into an agreement with Fujio Cho to limit his liability for reparation to within the amount set forth in Article 425, Paragraph 1, of the Companies Act with regard to the damages outlined under Article 423, Paragraph 1, of the Companies Act.

(4) The Company intends to enter into an agreement with Toshimichi Kondo to limit his liability for reparation to within the amount set forth in Article 425, Paragraph 1, of the Companies Act with regard to the damages outlined under Article 423, Paragraph 1, of the Companies Act.

3. The nominee marked with an asterisk (\*) indicates a new nominee.

#### **Proposal No. 4: Presentation of Bonuses to Directors and Corporate Auditors**

We hereby propose that bonuses be paid to 18 officers of the Company (13 Directors and 5 Corporate Auditors) in the total amount of ¥235,000 thousand as the bonuses to directors and ¥26,500 thousand as the bonuses to corporate auditors, after taking into consideration the business performance for the fiscal year under review and other factors.

## Guide to the Exercise of Voting Rights in Writing or via the Internet, Etc.

When you exercise your voting rights in writing or via the Internet, etc., the following matters should be understood before exercising your voting rights.

If you intend to attend the meeting in person, voting by mail or via the Internet, etc. is unnecessary.

- Exercise of voting rights in writing:

You are requested to mark 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 21, 2011.

- Exercise of voting rights via the Internet, etc.:

1. Exercise of Voting Rights Web Site

- (1) The exercise of voting rights via the Internet is possible only by accessing the Exercise of Voting Rights Web site (<http://www.evote.jp/>) designated by the Company. This voting Web site has two versions—one for computers and one for mobile phones (i-mode, EZweb or Yahoo!Ketai)<sup>1</sup>, and you are automatically routed to either site according to the means you are using. (However, service is not available from 2 a.m. to 5 a.m. daily.)

If your mobile phone has a QR-Code reader, you can access the Exercise of Voting Rights Web site by reading the QR-Code<sup>2</sup> provided here. For details of the operation method, consult the instruction manual of your mobile phone.

Notes:

1. i-mode, EZweb and Yahoo! are trademarks or registered trademarks of NTT DoCoMo Inc., KDDI CORPORATION and Yahoo! Inc., respectively.
  2. QR-Code is a registered trademark of Denso Wave Inc.
- (2) The exercise of voting rights on the voting Web site for computers may be disabled by operating environments, including the use of a firewall when accessing the Internet, the use of antivirus software and/or the use of a proxy server.
  - (3) For your exercise of voting rights on the voting Web site for mobile phones, make sure to use the i-mode, EZweb or Yahoo! service. To preserve security, you cannot vote through a model of phone that does not allow encrypted transmission (SSL transmission) or transmission of the phone ID information.
  - (4) Although we will accept the exercise of voting rights via the Internet until 5:40 p.m. on Tuesday, June 21, 2011, we recommend voting as early as possible. If you have any questions, please contact our Help Desk.

2. Exercising Your Voting Rights via the Internet

- (1) At the voting Web site (<http://www.evote.jp/>), use the log-in ID and temporary password given on your Voting Rights Exercise Form and follow the on-screen instructions to indicate your approval or disapproval of each proposal.
- (2) To protect against illegal access by persons other than qualified shareholders (“spoofing”) and the manipulation of voting details, please be aware that shareholders using the site will be asked to change their temporary password.
- (3) Whenever a meeting of shareholders is convoked, new log-in IDs and temporary passwords will be issued.

3. Treatment of the Voting Rights When Exercised Several Times

- (1) If you have exercised your voting rights both in writing and via the Internet, those exercised via the Internet will be taken as valid.
- (2) If you have exercised your voting rights multiple times on the Internet, the final vote will be considered as valid. If you have exercised your voting rights both on the Web site for computers and on the Web site for mobile phones, the final vote cast will be considered as valid.

4. Costs Incurred in Accessing the Exercise of Voting Rights Site

The costs incurred when accessing the Exercise of Voting Rights site, including Internet access fees and telephone rates, will be the responsibility of the shareholder. Similarly, fees required to use mobile phones, such as packet transmission fees, will also be the responsibility of the shareholder.

5. Institutional investors may apply in advance to ICJ to exercise their voting rights electronically through the “Electronic Voting Platform for Institutional Investors,” which is operated by ICJ Inc., as a means other than the aforementioned Exercising Your Voting Rights via the Internet for general meetings of shareholders of the Company.

**For inquiries about the system or other matters, contact:**

Securities Business Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation  
Phone: (0120) 173-027 (Toll Free) (available from 9 a.m. to 9 p.m.)

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