

DENSO
Crafting the Core

NOTICE OF THE 96TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date: 10 a.m., Wednesday, June 26, 2019

Place: Head Office, DENSO CORPORATION
1-1, Showa-cho, Kariya, Aichi, Japan

Stock Code: 6902
DENSO CORPORATION

DENSO
Crafting the Core

Providing a better future for the next generation

Look at the world with a brighter vision for the future.
Cherish nature and learn to live together in harmony.
Welcome challenges and meet change unafraid.
Honor diversity and work hand in hand to develop advanced technology.
We will, more than ever before, continue the DENSO tradition of craftsmanship in the pursuit of innovative technology.
In doing so, we will continue to provide unprecedented value by creating new Cores for years to come.
After all, everything we do is to provide a better future for the next generation.

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Message from the President

I am deeply grateful for the support we have received from all our shareholders.

The automobile industry is entering a period of profound transformation with societal developments such as electrification, automated driving and car sharing, involving greater changes and their accelerating speed. Since its foundation in turbulent times, DENSO has made concerted company-wide efforts to address quality improvement and product development under the company creed of “Serving society with the best quality and services.” To achieve sustainable growth as a socially needed enterprise by overcoming difficulties in the drastically changing business environment, I am strongly convinced that each of the DENSO Group’s 170,000 employees throughout the world should return to our founding spirit and think of how he or she can contribute to society in his or her daily operations.

Based on the DENSO Group Long-term Policy 2030, which was formulated in 2017, we are strengthening our business activities in line with the three key concepts of “Inspiring” along with “Green” and “Peace of Mind,” under the slogan “Bringing hope for the future for our planet, society and all people.” We also implement sustainability management toward the realization of the Long-term Policy 2030. Realizing solutions to social issues and business growth at the same time, the sustainability management signifies the spirit inherited since DENSO’s foundation and underpins our management. For providing a better future for the next generation, DENSO will endeavor to take diverse initiatives with the passionate, enthusiastic and smiling support of its employees to help realize an affluent mobility society and the sustained development of overall society.

I sincerely appreciate the ongoing support of all our shareholders.

May 2019

President and CEO
Koji Arima

(TRANSLATION ONLY)

Stock Code: 6902

May 24, 2019



To Those Shareholders with Voting Rights

Koji Arima
President and CEO
DENSO CORPORATION
1-1, Showa-cho, Kariya, Aichi, Japan

NOTICE OF THE 96TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 96th 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 25, 2019.

1. Date: 10 a.m., Wednesday, June 26, 2019

2. Place: Head Office, DENSO CORPORATION
1-1, Showa-cho, Kariya, Aichi, 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 Audit & Supervisory Board for the 96th Fiscal Term (from April 1, 2018, to March 31, 2019)**
- (2) Non-Consolidated Financial Statements for the 96th Fiscal Term (from April 1, 2018, to March 31, 2019)**

Agenda:

- Proposal No. 1: Election of Eight (8) Board Members due to the Expiration of the Term of Office of All the Current Board Members**
- Proposal No. 2: Election of Three (3) Audit & Supervisory Board Members due to the Expiration of the Term of Office of Three (3) Audit & Supervisory Board Members**
- Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member**
- Proposal No. 4: Presentation of Bonuses to Board Members**

- Any amendment to the REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS or the Attachment will be disclosed on the Company's Web site (<https://www.denso.com/>).
- The "SUMMARY OF THE SYSTEMS AND OPERATIONAL STATUS THEREOF TO ENSURE THE PROPRIETY OF BUSINESS OPERATIONS" in the BUSINESS REPORT, the "Consolidated Statement of Changes in Equity" and the "Notes to the Consolidated Financial Statements," as well as the "Non-Consolidated Statement of Changes in Equity" and the "Notes to the Non-Consolidated Financial Statements," are not stated in this NOTICE or the Attachment as they are posted on the Company's Web site (<https://www.denso.com/>) in accordance with the relevant laws and regulations and Article 16 of the Articles of Incorporation. The BUSINESS REPORT audited by the Audit & Supervisory Board, as well as the Consolidated Financial Statements and the Non-Consolidated Financial Statements, which have been audited by the Accounting Auditors and the Audit & Supervisory Board, shall include not only the respective documents except for "(reference)" that are stated in this NOTICE and the Attachment but also the "Summary of the Systems and of Operational Status thereof to Ensure the Propriety of Business Operations," the "Consolidated Statement of Changes in Equity," the "Notes to the

Consolidated Financial Statements,” the “Non-Consolidated Statement of Changes in Equity” and the “Notes to the Non-Consolidated Financial Statements,” all of which are posted on the above Web site.

- The Notice of resolutions regarding the Proposals approved by the Meeting shall no longer be sent to shareholders. After the conclusion of the Meeting, the approved resolutions will be posted on the Company’s Web site.

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.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and References

Proposal No. 1: Election of Eight (8) Board Members due to the Expiration of the Term of Office of All the Current Board Members

The terms of office of all the seven (7) current board members expire at the conclusion of this 96th Ordinary General Meeting of Shareholders. Accordingly, we hereby propose that you elect eight (8) board members by adding one (1) outside board member to strengthen our corporate governance.

The nominees for board members are as follows:

Nominee No.	Name		Current posts in the Company	Current assignments in the Company
1	Koji Arima	Reappointment	President and CEO	
2	Yasushi Yamanaka	Reappointment	Executive Vice President	Safety, Quality, Production, Corporate Foundation Center
3	Hiroyuki Wakabayashi	Reappointment	Executive Vice President	R&D Strategy, CISO (Chief Information Security Officer)
4	Shoji Tsuzuki	Reappointment	Director, Member of the Board Senior Executive Officer	Corporate Center, Audit Division
5	Akio Toyoda	New appointment		
6	George Olcott	Reappointment Outside Board Member Independent Director	Director, Member of the Board	
7	Shigeki Kushida	New appointment Outside Board Member Independent Director		
8	Yuko Mitsuya	New appointment Outside Board Member Independent Director		

Election Policy and Procedure for Determining Nominees (Matters related to Proposals No. 1, 2 and 3)

<Election Policy>

The Company appoints the nominees for board members and Audit & Supervisory Board Members from the viewpoint of the balance of the board in terms of diversity, experience, capabilities and specialties of the members, as well as from the viewpoint of selecting the right person in the right place, so as to ensure accurate and swift decision making at the respective boards.

<Determination Procedure>

The President and CEO will hear opinions from appropriate persons from various quarters and select persons who are suitable to serve the position of the board by comprehensively taking into account their past records, personality, insights and other factors. Then, the President and CEO submits his/her selections to an “Officer Nomination and Compensation Advisory Council,” which consists of independent outside board members, to

draw up the draft of appointments for the current year.

The draft of appointments is determined after deliberations at a general meeting of shareholders taking into account the resolution on informal appointment at the Board of Directors. (For the election of the nominees for Audit & Supervisory Board Members, an approval of the Audit & Supervisory Board shall be additionally obtained.)

1. Koji Arima (February 23, 1958) 61 years old Reappointment
President and CEO

Attendance at meetings of the Board of Directors: 15 of 15 (100%)

■ Brief personal history	
April 1981	Joined DENSO CORPORATION
June 2008	Executive Director, DENSO CORPORATION
June 2014	Senior Executive Director, DENSO CORPORATION
June 2015	President and CEO, DENSO CORPORATION (current position)
■ Number of the Company's shares owned	27,200
■ Years of incumbency	4
■ Reason for having appointed him as a board member After joining the Company, Koji Arima engaged in production promotion departments and the electric component business. After having served as the President of a locally incorporated company in Italy from October 2005, he was assigned to the Electric Component Business Group from June 2009 and was in charge of the production promotion departments from June 2012. He has served as the President and CEO (current position) for four years since June 2015. The Company has appointed him as a nominee for a board member expecting that his excellent management prowess and leadership will continue to be applied in the Company's management.	

2. Yasushi Yamanaka (March 10, 1957) 62 years old

Reappointment

Executive Vice President

Current assignments in the Company: Safety, Quality, Production, Corporate Foundation Center

Attendance at meetings of the Board of Directors: 15 of 15 (100%)

■ Brief personal history	
April 1979	Joined DENSO CORPORATION
June 2005	Executive Director, DENSO CORPORATION
June 2014	Senior Executive Director, DENSO CORPORATION
June 2015	Executive Vice President, DENSO CORPORATION (current position)
■ Important posts concurrently held at other corporations Outside Director, Tokai Rika Co., Ltd.	
■ Number of the Company's shares owned	20,639
■ Years of incumbency	4
■ Reason for having appointed him as a board member After joining the Company, Yasushi Yamanaka engaged in the thermal system business. After having served as the Deputy Functional Center Head of the Engineering Research & Development Center from June 2011 and the President of a subsidiary of the Company as the Head of Europe from June 2013, he has served as the Executive Vice President (current position) since June 2015 in charge of Overall R&D and Future Creation Technology until March 2018 and currently in charge of Safety, Quality, Production and the Corporate Foundation Center. The Company has appointed him as a nominee for a board member expecting that his expertise and experience in leading R&D departments will continue to be applied in the Company's management.	

3. Hiroyuki Wakabayashi (January 15, 1956) 63 years old Reappointment

Executive Vice President

Current assignments in the Company: R&D Strategy, CISO (Chief Information Security Officer)

Attendance at meetings of the Board of Directors: 14 of 15 (93%)

■ Brief personal history	
April 1979	Joined DENSO CORPORATION
June 2006	Executive Director, DENSO CORPORATION
June 2013	Senior Executive Director, Member of the Board, DENSO CORPORATION
June 2014	Director, Member of the Board, Senior Executive Director, DENSO CORPORATION
June 2015	Senior Executive Director, DENSO CORPORATION
June 2016	Director, Member of the Board, Senior Executive Director, DENSO CORPORATION
April 2017	Executive Vice President, DENSO CORPORATION (current position)
■ Number of the Company's shares owned	19,700
■ Years of incumbency	4
■ Reason for having appointed him as a board member After joining the Company, Hiroyuki Wakabayashi engaged in the production promotion departments. He was assigned to the engine component business from June 2009 and the powertrain component business from June 2010. He also assumed the post of the Business Group Head of the Information & Safety Systems Business Group (at that time) from June 2011. He has served as the Executive Vice President (current position) since April 2017 in charge of Overall Production until March 2018 and currently in charge of R&D Strategy and as CISO (Chief Information Security Officer). The Company has appointed him as a nominee for a board member expecting that his managerial experience in the production promotion and operating departments, as well as knowledge in the advanced fields such as automated driving will continue to be applied in the Company's management.	

4. Shoji Tsuzuki (April 29, 1959) 60 years old Reappointment

Director, Member of the Board, Senior Executive Officer

Current assignments in the Company: Corporate Center, Audit Department

Attendance at meetings of the Board of Directors: 12 of 12 (100%)

■ Brief personal history	
April 1983	Joined DENSO CORPORATION
April 2010	Executive Director, DENSO CORPORATION
June 2016	Senior Executive Director, DENSO CORPORATION
June 2018	Director, Member of the Board, Senior Executive Director, DENSO CORPORATION
April 2019	Director, Member of the Board, Senior Executive Officer, DENSO CORPORATION (current position)
■ Number of the Company's shares owned	15,400
■ Years of incumbency	1
■ Reason for having appointed him as a board member After joining the Company, Shoji Tsuzuki engaged in the domestic/overseas sales and marketing and human resources departments. He was assigned to major departments of the Corporate Center from July 2010 and the Purchasing Group from July 2016, and has served as the Head of the Corporate Center, Audit Division and in charge of the Information Systems Division since April 2018. He has also served as Senior Executive Officer (current position) since June 2018. The Company has appointed him as a nominee for a board member expecting that his knowledge obtained from his experience in a broad range of business reforms conducted in the sales and marketing and functional departments will continue to be applied in the Company's management.	

5. Akio Toyoda (May 3, 1956) 63 years old New appointment

■ Brief personal history	
April 1984	Joined Toyota Motor Corporation
June 2000	Member of the Board of Directors, Toyota Motor Corporation
June 2002	Managing Director, Toyota Motor Corporation
June 2003	Senior Managing Director, Toyota Motor Corporation
June 2005	Executive Vice President, Toyota Motor Corporation
June 2005	Outside Member of the Audit & Supervisory Board, Koyo Seiko Co., Ltd. (currently, JTEKT CORPORATION)
June 2006	Outside Audit & Supervisory Board Member, TOYOTA BOSHOKU CORPORATION
June 2009	President, Toyota Motor Corporation (current position)
May 2018	Chairman, Japan Automobile Manufacturers Association, Inc. (current position)
■ Important posts concurrently held at other corporations	
President, Toyota Motor Corporation	
Chairman, Japan Automobile Manufacturers Association, Inc.	
Director, HAMANAKODENSO CO., LTD.	
■ Number of the Company's shares owned	50,000
■ Reason for having appointed him as a board member	
Akio Toyoda is an unchallenged industry leader representing the car industry who serves as President, Toyota Motor Corporation (current position) and Chairman, Japan Automobile Manufacturers Association, Inc. (current position). The Company has newly appointed him as a nominee for a board member expecting that he will contribute to accelerating the realization of a next-generation mobility society from a broader perspective taking a wide view of the overall car industry.	

6. George Olcott (May 7, 1955) 64 years old Reappointment/Outside Board Member/Independent Director
Director, Member of the Board

Attendance at meetings of the Board of Directors: 15 of 15 (100%)

■ Brief personal history	
July 1986	Joined S.G. Warburg & Co., Ltd.
November 1991	Director, S.G. Warburg & Co., Ltd.
September 1993	Executive Director, Equity Capital Market Group, S.G. Warburg Securities London
April 1997	Head of Tokyo Branch, SBC Warburg
April 1998	Vice President, LTCB-UBS-Brinson Asset Management
February 1999	President, UBS Asset Management (Japan) President, Japan UBS Brinson
June 2000	Managing Director, Equity Capital Market, UBS Warburg Tokyo
September 2001	Judge Business School, University of Cambridge
March 2005	FME Teaching Fellow, Judge Business School, University of Cambridge
March 2008	Senior Fellow, Judge Business School, University of Cambridge
June 2008	Outside Director, Nippon Sheet Glass Co., Ltd.
April 2010	Outside Director, NKSJ Holdings, Inc.
September 2010	Project Professor, Research Center for Advanced Science and Technology, The University of Tokyo
April 2014	Guest Professor, Keio University Faculty of Business and Commerce (current position)
June 2014	Outside Director, Hitachi Chemical Company, Ltd. (current position)
June 2014	Director, Member of the Board, DENSO CORPORATION (current position)
June 2015	Outside Director, The Dai-ichi Life Insurance Company, Limited
June 2016	Outside Director, BlueOptima Limited (current position)
October 2016	Outside Director, Dai-ichi Life Holdings, Inc. (current position)
December 2016	Outside Director, JP Morgan Japanese Investment Trust plc (current position)
■ Important posts concurrently held at other corporations	
Outside Director, Hitachi Chemical Company, Ltd.	
Outside Director, Dai-ichi Life Holdings, Inc.	
■ Number of the Company's shares owned 1,500	
■ Years of incumbency 5	
■ Reason for having appointed him as a board member	
George Olcott has managerial experience in foreign-capital companies including his experience as the Head of Tokyo Branch of a U.K.-based investment advisory company. He currently serves as the Guest Professor, Keio University Faculty of Business and Commerce, as a specialist in human resources development and corporate governance in global management. Since his assumption of office as the Outside Director of the Company in June 2014, he has contributed to the improvement of the corporate value of the Company from the perspective of global management. The Company has appointed him as a nominee for a board member in expectation of useful advice that would be continuously reflected in the Company's management.	

7. Shigeki Kushida (June 8, 1958) 61 years old New appointment/Outside Board Member/Independent Director

■ Brief personal history	
April 1981	Joined Bank of Japan
May 2004	Branch Manager, Kochi Branch, Bank of Japan
March 2009	Director-General, Personnel and Corporate Affairs Department, Bank of Japan
June 2010	Director-General, Planning Department, Bank of Japan
May 2011	Branch Manager, Nagoya Branch, Bank of Japan
March 2013	Executive Director, Bank of Japan Entrusted Branch Manager, Nagoya Branch and Osaka Branch, Bank of Japan
April 2017	Senior Advisor, Aflac Life Insurance Japan Ltd.
May 2019	Advisor, Japan Securities Finance Co., Ltd. (current position)
■ Important posts concurrently held at other corporations Advisor, Japan Securities Finance Co., Ltd.	
■ Number of the Company's shares owned 0	
■ Reason for having appointed him as a board member Shigeki Kushida has the experience of having led diverse activities toward the development and stability of the Japanese economy at Japan's central bank by filling the posts of Director-General and Executive Director, Bank of Japan. He currently serves as Advisor, Japan Securities Finance Co., Ltd. The Company has newly appointed him as a nominee for a board member expecting that his broad expertise in global monetary economy will be applied in the Company's management.	

8. Yuko Mitsuya (July 29, 1958) 60 years old New appointment/Outside Board Member/Independent Director

■ Brief personal history	
April 1981	Joined Hitachi, Ltd.
July 2007	Representative Director, PSY-fa Co., Ltd.
March 2014	Outside Audit & Supervisory Board Member, ASICS Corporation
March 2015	Outside Director, Fujita Kanko Inc.
March 2015	Outside Director, Paloma Co., Ltd.
June 2016	President, Japan Basketball Association (current position)
March 2018	Representative Director, SORA Corporation (current position)
June 2018	Outside Director, The Fukui Bank, Ltd. (current position)
■ Important posts concurrently held at other corporations Representative Director, SORA Corporation Outside Director, The Fukui Bank, Ltd. President, Japan Basketball Association	
■ Number of the Company's shares owned 0	
■ Reason for having appointed her as a board member Yuko Mitsuya has abundant experience and knowledge in many fields, having long been in management at several corporations and associations and filling the posts of officer and committee member at several sports associations. She currently serves as Outside Director, The Fukui Bank, Ltd., and President, Japan Basketball Association and so forth. The Company has newly appointed her as a nominee for a board member expecting that her abundant expertise in corporate management will be applied in the Company's management.	

Notes:

1. The brief personal history and the important posts concurrently held at other corporations are as of the dispatch date of this notice.
2. The age and years of incumbency of each nominee are as of the conclusion of this 96th Ordinary General Meeting of Shareholders.

3. Toyota Motor Corporation, at which Akio Toyoda currently serves as President, and the Company have transactions such as sales of products. Other nominees have no special interest in the Company.
4. As Akio Toyoda currently assumes the post of Director, HAMANAKODENSO CO., LTD., he does not satisfy the requirements of outside board members (outside directors), as stipulated in Article 2, Paragraph 15, of the Companies Act.
5. George Olcott, Shigeki Kushida and Yuko Mitsuya are the nominees for outside board members (outside directors), as stipulated in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act. The matters related to the three persons are as follows:
 - (1) The Company has notified Tokyo Stock Exchange, Inc. (TSE), of George Olcott as independent director as per the TSE Regulations. The three persons satisfy the requirements of independent directors/auditors as per the TSE Regulations. Accordingly, if their election or reelection as outside board members is approved at the Meeting, the Company intends to notify the TSE of such status as independent director for these nominees.
 - (2) The Company has entered into a liability limitation agreement with George Olcott, which limits his liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of said Act. If the election of Shigeki Kushida and Yuko Mitsuya as outside board members is approved at the Meeting, the Company intends to enter into a similar liability limitation agreement with them.
6. At Hitachi Chemical Company, Ltd., in which George Olcott, a nominee for outside board member, has served as Outside Director since June 2014, improper inspections for some of its products and other problems were revealed in June 2018. A special investigating committee was established to determine the cause of the trouble and promote the examination of measures to prevent similar incidents. Although George Olcott had not recognized the fact until the incident emerged, he has taken responsibility by appropriately pointing out his honest opinions with regard to the implementation of measures to prevent a recurrence.

Proposal No. 2: Election of Three (3) Audit & Supervisory Board Members due to the Expiration of the Term of Office of Three (3) Audit & Supervisory Board Members

The terms of office of the current Audit & Supervisory Board Members—Atsuhiko Shimmura (standing Audit & Supervisory Board Member), as well as Moritaka Yoshida and Toshimichi Kondo (Audit & Supervisory Board Members)—expire at the conclusion of this 96th Ordinary General Meeting of Shareholders. Accordingly, we hereby propose that you elect three (3) Audit & Supervisory Board Members. The Audit & Supervisory Board has given its prior consent to this Proposal.

The nominees for Audit & Supervisory Board Member are as follows:

- 1 Atsuhiko Shimmura (June 28, 1957) 61 years old Reappointment
Standing Audit & Supervisory Board Member
Attendance at meetings of the Board of Directors: 15 of 15 (100%)
Attendance at meetings of the Audit & Supervisory Board: 14 of 14 (100%)

■ Brief personal history	
April 1980	Joined DENSO CORPORATION
July 2009	Executive Vice President, DENSO INTERNATIONAL AMERICA, INC.
January 2014	Administrative Director, Corporate Planning Division, DENSO CORPORATION
June 2014	Standing Audit & Supervisory Board Member, DENSO CORPORATION (current position)
■ Important posts concurrently held at other corporations	
Outside Audit & Supervisory Board Member, Jeco Co., Ltd.	
■ Number of the Company's shares owned	5,082
■ Years of incumbency	5
■ Reason for having appointed him as an audit & supervisory board member	
After joining the Company, Atsuhiko Shimmura engaged in the business planning and human resources departments. After having served as the Executive Vice President of a subsidiary of the Company as the Head of North America from July 2009, he has served as Audit & Supervisory Board Member of the Company (current position) since June 2014. He has supported thorough compliance and the improvement of high-quality corporate governance systems of the entire DENSO Group through auditing activities based on his knowledge and experience in the business planning and human resources departments, as well as his experience in the management as the Head of North America. The Company has appointed him as a nominee for an Audit & Supervisory Board Member in expectation of his useful advice that will be continuously reflected in the Company's audits.	

2 Yasuko Goto (February 19, 1958) 61 years old New appointment/Outside Audit & Supervisory Board Member/Independent Auditor

■ Brief personal history	
April 1980	Joined the Ministry of Transport
June 2004	Head, New York Office, Japan National Tourism Organization (JNTO)
October 2005	Vice Governor, Yamagata Prefecture
July 2008	Director, Regional Transport Bureau of Hokuriku and Shinetsu Regions, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)
July 2013	President, Policy Research Institute for Land, Infrastructure, Transport and Tourism, MLIT
June 2015	Managing Director, Deputy General Manager of Railway Operations Headquarters and General Manager of Tourism Business Headquarters, Kyushu Railway Company
June 2017	Managing Director in charge of Finance Department, Kyushu Railway Company
June 2018	Director, Audit & Supervisory Committee Member, Kyushu Railway Company (current position)
March 2019	External Audit & Supervisory Committee Member, Shiseido Company, Limited (current position)
■ Important posts concurrently held at other corporations	
Director, Audit & Supervisory Committee Member, Kyushu Railway Company	
External Audit & Supervisory Committee Member, Shiseido Company, Limited	
■ Number of the Company's shares owned 0	
■ Reason for having appointed her as an audit & supervisory board member Yasuko Goto has broad experience in the land, infrastructure, transport and tourism administration; as Vice Governor of a prefecture; as Head, the JNTO New York Office; and as Managing Director, Kyushu Railway Company. She also has abundant audit knowledge of finance, accounting and compliance as she currently serves as Director, Audit & Supervisory Committee Member (current position) of Kyushu Railway Company and External Audit & Supervisory Committee Member (current position) of Shiseido Company, Limited. The Company has newly appointed her as a nominee for an Audit & Supervisory Board Member expecting that her broad experience and deep insight will be applied in the Company's audits.	

■ Brief personal history	
September 1983	Joined Arthur Andersen Konin Kaikeshi Kyodo Jimusho (currently, KPMG AZSA LLC)
March 1987	Registered as Public Certified Accountant
August 2002	Chief, Kitamura Certified Public Accountant Office (current position)
June 2004	Outside Auditor, ROHM Co., Ltd.
December 2005	Outside Director, Sumisho Grainger Co., Ltd. (currently, MonotaRO Co., Ltd.) (current position)
June 2006	Supervisory Director, MID REIT, Inc. (currently, MCUBS MidCity Investment Corporation) (current position)
June 2009	Outside Corporate Auditor, Yamaha Corporation
June 2010	Outside Director, Yamaha Corporation
June 2015	Outside Corporate Auditor, ASMO Co., Ltd. (currently, DENSO CORPORATION)
October 2015	Outside Corporate Auditor, LEGAL CORPORATION (current position)
June 2016	Outside Corporate Auditor, Toyo Aluminium K.K. (current position)
■ Important posts concurrently held at other corporations	
Outside Director, MonotaRO Co., Ltd.	
Supervisory Director, MCUBS MidCity Investment Corporation	
Outside Corporate Auditor, LEGAL CORPORATION	
Outside Corporate Auditor, Toyo Aluminium K.K.	
■ Number of the Company's shares owned 0	
■ Reason for having appointed him as an audit & supervisory board member	
Haruo Kitamura has long experience in corporate management at many corporations in addition to his abundant career and deep knowledge as a Certified Public Accountant. He currently serves as an outside officer at several corporations, as well as holding the posts of Chief of Kitamura Certified Public Accountant Office. The Company has newly appointed him as a nominee for an Audit & Supervisory Board Member expecting that his deep insight into accounting and his long experience in corporate management will be applied in the Company's audits. Although he has never been in corporate management except as an outside officer in the past, the Company determines that he will appropriately execute his duties as an Audit & Supervisory Board Member of the Company because of the aforementioned grounds.	

Notes:

1. The brief personal history and the important posts concurrently held at other corporations are as of the dispatch date of this notice.
2. The age and years of incumbency of each nominee are as of the conclusion of this 96th Ordinary General Meeting of Shareholders.
3. No nominee has any special interest in the Company.
4. Yasuko Goto and Haruo Kitamura are the nominees for outside audit & supervisory board members, as stipulated in Article 2, Paragraph 3, Item 8, of the Ordinance for Enforcement of the Companies Act. The matters related to both persons are as follows:
 - (1) Both persons satisfy the requirements of independent directors/auditors as per the TSE Regulations. Accordingly, if their election as outside audit & supervisory board members is approved at the Meeting, the Company intends to notify the TSE of such status as independent auditor for these nominees.
 - (2) If the election of both persons as outside audit & supervisory board members is approved at the Meeting, the Company intends to enter into a liability limitation agreement with them, which limits their liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of said Act.

Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member

The current Audit & Supervisory Board Member Noriyuki Matsushima will resign at the conclusion of this 96th Ordinary General Meeting of Shareholders. To prepare for a possible vacancy in the number of Audit & Supervisory Board Members, which is stipulated by the relevant laws and regulations, we hereby propose that you elect one (1) substitute Audit & Supervisory Board Member. The Audit & Supervisory Board has given its prior consent to this Proposal.

The nominee for the Substitute Audit & Supervisory Board Member is as follows:

Hiromi Kitagawa (November 4, 1962) 56 years old
Supervisory Board Member/Independent Auditor

New appointment/Outside Audit &

■ Brief personal history	
April 1996	Registered as a lawyer
April 1996	Joined Nankan Law Office (currently, Nankan Kitagawa & Ito)
July 2003	Partner lawyer, Nankan & Kitagawa (currently, Nankan Kitagawa & Ito) (current position)
April 2014	Director, Chubu Federation of Bar Associations
April 2016	Vice Chairman, Aichi Bar Association
April 2017	Professor, Nanzan School of Law (current position)
■ Important posts concurrently held at other corporations	
Partner lawyer, Nankan Kitagawa & Ito	
■ Number of the Company's shares owned 0	
■ Reason for having appointed her as an audit & supervisory board member	
Hiromi Kitagawa has long experience of broad operations in the legal field, having filled the posts of Vice Chairman, Aichi Bar Association and university professor in addition to her abundant career as a lawyer. She currently serves as Partner lawyer, Nankan Kitagawa & Ito, and Professor, Nanzan School of Law. The Company has newly appointed her as a nominee for a substitute Audit & Supervisory Board Member expecting that her abundant legal experience will be applied in the Company's audits. Although she has never been in corporate management except as an outside officer in the past, the Company determines that she will appropriately execute her duties as an Audit & Supervisory Board Member of the Company because of the aforementioned grounds.	

Notes:

1. The brief personal history of the nominee is as of the dispatch date of this notice.
2. The age and years of incumbency of the nominee are as of the conclusion of this 96th Ordinary General Meeting of Shareholders.
3. The nominee has no special interest in the Company.
4. Hiromi Kitagawa is the nominee for outside audit & supervisory board member, as stipulated in Article 2, Paragraph 3, Item 8, of the Ordinance for Enforcement of the Companies Act. The matters related to this person are as follows:
 - (1) She satisfies the requirements of independent directors/auditors as per the TSE Regulations. Accordingly, if she assumes the post of Outside Audit & Supervisory Board Member, the Company intends to notify the TSE of such status as independent auditor for the nominee.
 - (2). If she assumes the post of Outside Audit & Supervisory Board Member, the Company intends to enter into a liability limitation agreement with her, which limits her liability to the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, with regard to the liability for damages stipulated in Article 423, Paragraph 1, of said Act.

Proposal No. 4: Presentation of Bonuses to Board Members

We hereby propose that bonuses be paid to five (5) board members excluding outside board members of the Company in the total amount of ¥175,700 thousand as the bonuses to board members as of the end of the fiscal year by taking into consideration the business performance for the current fiscal year and other factors.

Attachment

BUSINESS REPORT

(From April 1, 2018, to March 31, 2019)

1. CURRENT SITUATION OF THE DENSO GROUP

(1) Process and Results of Operations of Our Group

1) Business environment

During the fiscal year ended March 31, 2019, the world economy maintained steady growth on the whole, backed by effective policies taken by respective governments such as accelerated infrastructure investment and economic stimulus measures, although exports and investments decreased against a backdrop of uncertainty due to the trade conflict between the United States and China. The Japanese economy experienced a slowdown affected by a decline in exports to China and other factors. The global automobile industry sustained growth overall, as represented by market expansion in India, which enjoyed a robust economy, and emerging countries including ASEAN. However, China scaled down due to stagnant personal consumption and the United States saw an increase in interest rates, leading to contractions in the two major markets. In Japan, although sales exceeded those of the previous year supported by stable sales of small cars, the growth rate slowed, affected by the downturn in the economy.

2) Summary of business

The Company formulated the DENSO Group Long-term Policy 2030 (Long-term Policy 2030) together with the slogan “Bringing hope for the future for our planet, society and all people.” In addition, as a road map to realize the above Policy, the Company formulated the DENSO Group Long-term Plan 2025 (Long-term Plan 2025). According to these initiatives, we will endeavor to strengthen our business operations by targeting the Fields of Focus: Electrification, Advanced Safety & Automated Driving, Connected Cars and Non-automotive Businesses (FA* and agriculture, etc.).

*FA: Factory automation: Automation of production lines through mechanization

3) Operating results for the fiscal year ended March 31, 2019

Revenue of the Group increased by ¥254.5 billion or 5.0% to ¥5,362.8 billion for the year ended March 31, 2019, supported by increases in vehicle production volume and sales expansion globally, as well as the effects of DENSO TEN Limited, which became a subsidiary during the previous fiscal year, despite the decelerating market trends in Europe and China.

Operating profit decreased by ¥96.5 billion or 23.4% to ¥316.2 billion, reflecting accelerated investments in future growth fields, the effects of nonrecurring temporary profit reported in the previous fiscal year, and a provision for quality costs. Consequently, profit before income taxes decreased by ¥93.9 billion or 20.9% to ¥356.0 billion and profit attributable to owners of the parent company decreased by ¥66.0 billion or 20.6% to ¥254.5 billion.

Revenue	¥5,362.8 billion	5.0% y/y increase
Operating profit	¥316.2 billion	23.4% y/y decrease
Profit attributable to owners of the parent company	¥254.5 billion	20.6% y/y decrease

Revenue by geographical segment

Revenue	¥5,362.8 billion
Japan	42.6%
North America	22.0%
Europe	11.4%
Asia	22.7%
Other	1.3%

(Ratio of sales to external customers)

(Billions of yen)

		95th Term (April 2017–March 2018)	96th Term (April 2018–March 2019)	Rate of change (%)
Japan		3,083.8	3,266.0	5.9
North America		1,156.3	1,212.4	4.9
Europe		662.3	652.5	(1.5)
Asia		1,322.8	1,416.4	7.1
Other		79.0	72.7	(7.9)
Total	Total	6,304.2	6,620.0	5.0
	Intersegment internal sales	(1,195.9)	(1,257.3)	—
	Sales to external customers	5,108.3	5,362.8	5.0

(2) Principal Business Lines

The Company engages in the manufacturing and sale of products that contribute to the improvement of the environment, security and safety in the following business domains.

Thermal Systems

Revenue: ¥1,403.9 billion

Provide safe and comfortable space with the least energy in consideration of the environment

Major products:

- Car and bus air-conditioning systems
- Freezers for trucks
- Cooling systems and components such as radiators

Powertrain Systems

Revenue: ¥1,278.8 billion

Offer optimum solutions on contradictory issues: the joy of driving and better environmental performance

Major products:

- Gasoline and diesel engine management systems
- Engine-related components
- Drive-train components

Mobility Systems

Revenue: ¥914.0 billion

Realize “Quality of Mobility” through harmony between people, cars and society

Major products:

- Electronic systems, services and platforms covering overall mobility
- Advanced safety and automated driving products
- Connected cockpit products

Electrification Systems

Revenue: ¥800.5 billion

Ensure an affluent environment and realize the joy of driving, supporting the electrification of all mobility systems

Major products:

- Driving and power supply systems and related components for hybrid vehicles (HVs) and EVs
- Electric power supply and starting system components
- Small automotive motor system components

Electronic Systems

Revenue: ¥658.2 billion

Lead the industry with its excellent electronic technologies to promote further electrification and widespread automated driving

Major products:

- Electronics products such as powertrain control computers and body control computers
- Microelectronic devices such as semiconductor sensors and ICs for onboard use

Non-automotive Business (FA and agriculture, etc.)

Revenue: ¥197.3 billion

FA

Contribute to improved productivity of the *monozukuri* industry and enhanced quality of social life by firmly adhering to long-nurtured technology

Major products:

- Industrial systems and equipment represented by automation systems/modules and industrial robots
- Society-oriented systems, equipment and services such as handy terminals and QR solutions

Agriculture

Contribute to realizing a society where all people can live safely, affluently, and securely by combining technology and ideas

Major products:

- Systems and equipment for agricultural production
- Cloud services
- After-sales services

(3) Operating Results and Financial Position of the Group

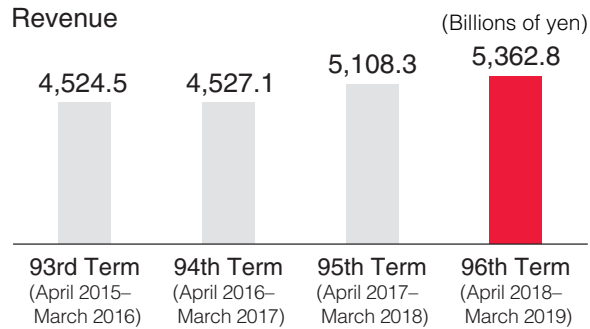
(Millions of yen)

IFRS

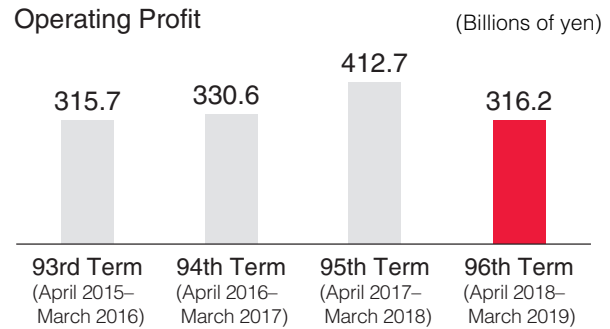
Account Item	93rd Term (April 2015– March 2016)	94th Term (April 2016– March 2017)	95th Term (April 2017– March 2018)	96th Term (April 2018– March 2019)
Revenue	4,524,522	4,527,148	5,108,291	5,362,772
Operating Profit	315,728	330,551	412,676	316,196
Profit before Income Taxes	347,293	360,858	449,903	356,031
Profit Attributable to Owners of the Parent Company	244,251	257,619	320,561	254,524
Basic Earnings per Share (yen)	307.19	326.32	410.45	326.47
Equity Attributable to Owners of the Parent Company	3,123,578	3,312,724	3,598,321	3,595,694
Total Assets	5,042,896	5,150,762	5,764,417	5,792,414

IFRS

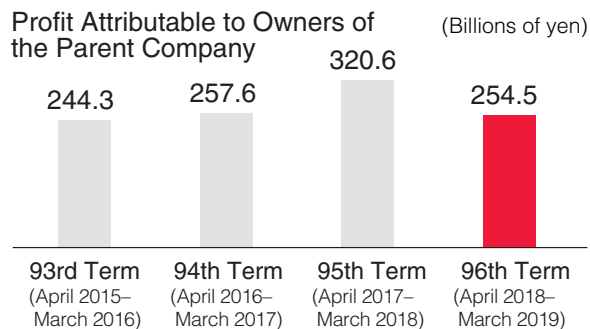
Revenue



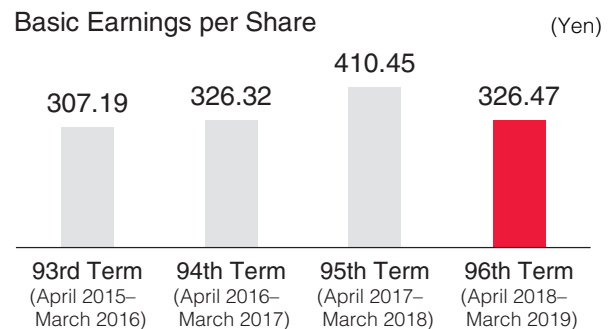
Operating Profit



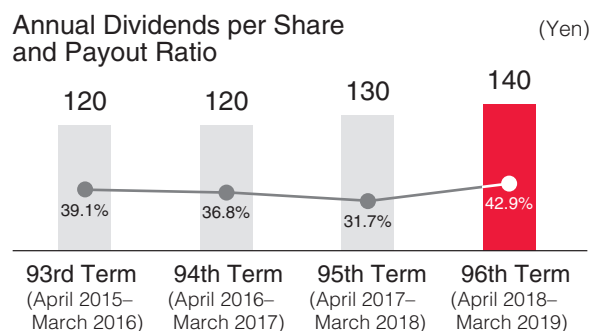
Profit Attributable to Owners of the Parent Company



Basic Earnings per Share

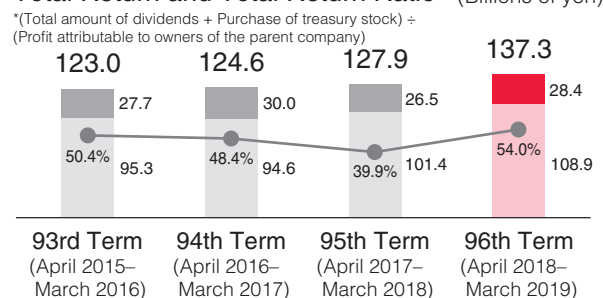


Annual Dividends per Share and Payout Ratio



■ Dividend per share ● Payout ratio

Total Return and Total Return Ratio*



■ Total amount of dividends ■ Purchase of treasury stock ● Total return ratio

The Company retired 6,120 thousand shares of treasury stock on November 30, 2018.

(4) Initiatives during the Year

For details, refer to the Company's Web site: <http://www.denso.com/jp/ja/news/>

Business

Peace of Mind

Launched a retrofittable driver status monitor for sold, large-size commercial cars

Green

Developed a new electrified refrigeration system that improves energy consumption by about 20%

Green

Toyota Motor Corporation and DENSO concluded a contract to transfer core electronic component operations to DENSO.

Peace of Mind

Developed digital outer mirror ECU for mass-produced cars for the first time, which found use in Toyota's LEXUS ES

Green

Started producing inverters in Tennessee to establish a global production system for electrified products

Peace of Mind

Developed a retrofittable acceleration suppression device to counter inadvertent accelerator operation jointly with Toyota

Peace of Mind

Reinforced technological development on automated driving in the Tokyo area

A new base to be established in 2020 for prototype development, vehicle maintenance and demonstration on public roads

Peace of Mind

Exhibited at CES 2019 in the U.S. to introduce its "Connected" technology, which connects various things with mobility

Company Foundation

Hitozukuri

Received the Excellence Award at the Grand Company Award 2017 for the Environment and *Hitozukuri* (“Large Corporation” category)

Hitozukuri

Received the Special Award at the Women of The Future Awards 2018 (“Trend” category)

Monozukuri Hitozukuri

Awarded medals at the National Skills Competition and at the Abylimpics (National Skill Competition for People with Disability)

Monozukuri

Received the Health, Labour and Welfare Minister's Award at the Japan Open Innovation Prize for the development of a smart treatment chamber
(Tokyo Women's Medical University, DENSO and Hitachi, Ltd.)

Monozukuri

Received the Agency for Natural Resources and Energy Director-General's Prize in the Grand Prize for Energy Conservation

Hitozukuri

Awarded the Health and Productive Stock Selection 2019

(5) Strengthened Collaboration with Outside Partners in the Year

It is indispensable for us to collaborate with like-minded partners to realize the future that the Company envisions in its Long-term Policy 2030.

To this end, DENSO is committed to open innovation with outside partners, including the establishment of joint ventures and investments in multiple startups.

(For the Investment items described below, the months and years represent the dates when the investments were announced on the Company's Web site.)

For details, refer to the Company's Web site: <https://www.denso.com/jp/ja/news/>

August 2018

JOLED Inc. (Investment)

Organic Electroluminescence displays

October 2018

eSOL Co., Ltd. (Investment)

Built-in software

November 2018

Infineon Technologies AG (Investment)

High-performance semiconductors

DENSO Connected Driving

Connected

December 2018

NDIAS, Ltd. (New company)

A joint venture with NRI SecureTechnologies, Ltd. to strengthen the cybersecurity business

March 2019

Airbiquity Inc. (Investment)

Software for connected cars

DENSO Automated Driving

Advanced Safety & Automated Driving

May 2018

Metawave Corporation (Investment)

Millimeter-wave radar

September 2018

ThinCI Inc. (Investment)

High-performance semiconductors

February 2019

quadric.io, Inc. (Investment)

High-performance semiconductors

April 2019

J-QuAD DYNAMICS (New company)

A joint venture established with Aisin, ADVICS and JTEKT to strengthen the development structure of an integrated vehicle system to better coordinate sensors, brakes and steering systems

April 2019

Uber Technologies Inc. (Advanced Technologies Group) (Investment)

Joint investment with Toyota Motor Corporation and SoftBank Vision Fund L.P. to accelerate the development and practical use of ride-sharing autonomous vehicles

DENSO Efficient Driving

Electrification

April 2019

BluE Nexus (New company)

A joint venture with Aisin established to reinforce the structure to develop and sell drive-train modules to spread electrification worldwide.

April 2020

Toyota's Hirose Plant (Transfer of Business)

Officially decided to integrate core electronic component operations into DENSO and concluded a contract on transfer of business

Aiming to establish a speedy and competitive development and production structure and make the most of resources

(6) Our Challenge for Future Success and Initiatives toward Future Growth

The world is facing more serious social issues than ever including growing population, global warming and aging societies. Meanwhile, the advance in information society has brought about diversification of people's consumption behavior and change in business models. In the mobility domain as well, advanced IoT and AI, as well as entries from different business sectors, have helped accelerate the development of electrification, automated driving and connected cars. As such, the business environment surrounding the Company has entered a period of drastic change. The value required for cars has changed greatly: The value created through utilizing IT technology in the software field has been increasingly appreciated, accelerating the speed of change.

To grow continuously during this period of drastic change, the Company formulated Long-term Policy 2030, which depicts our goal for 2030, in October 2017. We intend to contribute to ensuring a society filled with smiling faces through the provision of new value that will be inspired by the Company's initiatives, in addition to maximizing the previous priority values of "Green" and "Peace of Mind." Furthermore, the Company has formulated the Long-term Plan 2025, which sets milestones for achieving goals defined in the Long-term Policy 2030. The DENSO Group will generate revenue of ¥7 trillion and operating profit ratio of 10% by accelerating its initiatives in the four Fields of Focus—Electrification, Advanced Safety & Automated Driving, Connected, and Non-automotive Businesses (FA and agriculture).

<DENSO Group Long-term Policy 2030>

Bringing hope for the future for our planet, society and all people

Our Goal for 2030

A company that continuously generates value to enrich mobility that achieves sustainability, happiness and peace of mind for everyone

Green

Lasting vitality for the environment

Peace of Mind

Providing a sense of well-being

Inspiring

Making a difference



Strengthening sustainability management

Sustainability management, which refers to resolving social issues via the business activities of corporations, embodies our corporate philosophy and forms the backbone of the Company's management. We intend to further strengthen sustainability management to become a company that is inspiring to all stakeholders and supported by society toward the realization of the Long-term Policy 2030. As part of such efforts, the Company has chosen material issues (materiality) toward which we should give priority and the relevant Sustainable Development Goals (SDGs) of the United Nations. The Company will strive to achieve the sustainable growth of society and improve its corporate value through the implementation of sustainability management practices.

Contributing to the realization of SDGs

The 17 SDGs, which were adopted by the United Nations in September 2015, address the global challenges that specify the targets to be resolved by 2030 with the efforts of all related parties including such diverse entities as governments and companies. The Company intends to help achieve these SDGs through its business operations toward the realization of a sustainable society.



Denso's Materiality and SDGs

DENSO's Materiality

<p>The Environment</p> <ul style="list-style-type: none"> • Prevention of global warming • Prevention of air pollution/Reduction of environmental burden • Effective utilization of resources • Conservation of water resources 	<p>Peace of Mind</p> <ul style="list-style-type: none"> • Reduction of traffic accidents • Provision of free and comfortable movement • Provision of safe and secure products • Response to decrease in birthrate and aging population
<p>Corporate Foundation</p> <ul style="list-style-type: none"> • Compliance • Strengthening of information security • Promotion of the active role of human resources • Occupational health and safety 	<ul style="list-style-type: none"> • Workstyle reforms • Protection of human rights • Sustainable procurement • Governance structure

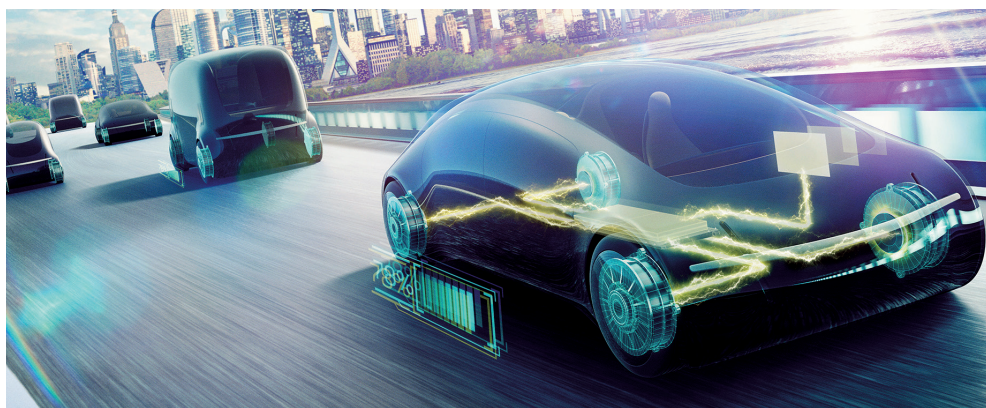
Relevant SDGs to which DENSO primarily contributes through its overall corporate activities

Relevant SDGs to which DENSO primarily contributes through its products and services



Realizing the Future

The Company has long been engaged in the development of electrification technology to provide its customers with earth-friendly electrified vehicle systems that ensure more comfortable transportation. As a result, the Company has accumulated production achievements globally by achieving higher performance, more compactness and lower fuel consumption for major electrified products; these attributes are indispensable for hybrid vehicles. Going forward, by leveraging its broad range of businesses, the Company will endeavor to contribute to efficiency improvement of fuel economy and saving of electricity usage by connecting all the onboard systems and products and through efficient energy management in the vehicle.



Relevant SDGs



Specific Initiatives:

1 Toyota's electronic component operations consolidated

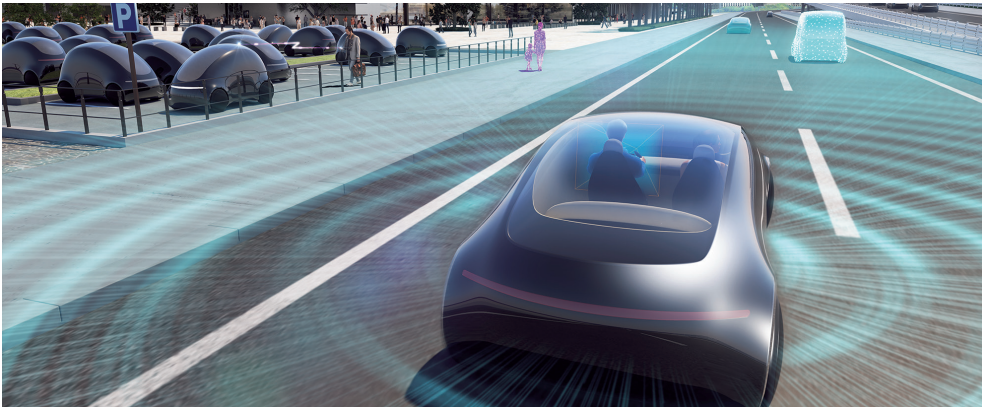
Toyota and DENSO have officially decided on consolidating core electronic component businesses conducted by both companies, and concluded a contract to transfer the electronic component business on Toyota's side to DENSO. The consolidation is planned to take place in April 2020, integrating development and production businesses. Given the progress in electronic control for various automotive parts, the electronic component businesses are expected to be more important. By consolidating these operations, we aim to build a speedy and competitive development and production structure and make the most of resources, thereby strengthening the competitiveness of the Group as a whole.

2 A joint venture to develop and sell drive-train modules established (Aisin and DENSO)

In April 2019, Aisin and DENSO established BluE Nexus, a joint venture to develop and sell package drive-train modules, which consists of key components essential for electric vehicles. BluE Nexus offers a variety of drive-train modules in response to wide-ranging demand for electrification, such as hybrid vehicles (HVs), plug-in hybrid vehicles (PHVs) and electric vehicles (EVs). It also builds a system that adapts to performance requirements and local needs. In this way, the new company aims to spread electrification worldwide.

Realizing the Future

To achieve Quality of Mobility in society without any traffic accidents and where everyone can travel freely and safely, the Company has been working continually to develop safety technology with high quality and reliability. In addition to its long-nurtured sensing technology, the Company intends to contribute to the development of AD technology by refining its Artificial Intelligence (AI) and information technologies. Rigorously abiding by the commitment to “Quality,” which has been unchanged since its foundation, the Company will continue to deliver a future mobility society with high security.



Relevant SDGs



Specific Initiatives:

1 A joint venture to develop integrated control software established

(Aisin, ADVICS, JTEKT and DENSO)

Realizing automated driving calls for a more sophisticated integrated vehicle control system to better coordinate sensors, brakes and steering systems needed for cars to run, turn and stop. To sophisticate the software and quicken its development, the above four companies established J-QuAD DYNAMICS in April 2019. The joint venture combines the companies' technical expertise on automated driving, vehicle control, and other technologies.

2 Retrofittable devices that help improve safety of sold cars

1) Retrofittable driver status monitor

Monitoring a driver's facial image captured by an in-vehicle camera, this device estimates the driver's conditions where the driver is being distracted, drowsy or is actually sleeping, or the driver is having a poor posture for driving. If such conditions are detected, it sounds an alarm to the driver.

2) Retrofittable acceleration suppression device to counter inadvertent accelerator operation (jointly developed with Toyota)

This device detects any obstacle on the road when a driver starts driving from a parked or stopped position, and displays an alert message and sounds an alarm to the driver. If the driver strongly presses the accelerator after the alert, the device prevents the car from accelerating to reduce damage from a possible collision.

Realizing the Future

Given a crucial shakeup, or a paradigm shift regarding vehicles from “ownership” to “an object for use and provision of services,” DENSO is committed to the Mobility-as-a-Service (MaaS: service of providing mobility for moving people and/or goods) business. The Company will contribute to realizing a new mobility society intended to provide safe, secure and convenient transportation means not only for drivers but also for people who do not have cars.



Relevant SDGs

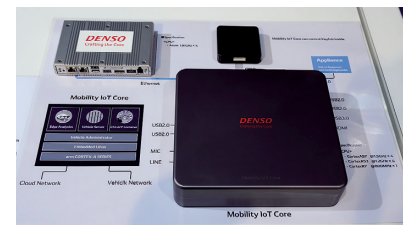


Specific Initiatives:

1 DENSO’s “Connected” technology to connect various things with mobility exhibited at the CES 2019 DENSO exhibited “Mobility IoT Core,” the latest IoT technology to enable vehicles to access cloud, and other products, at the Consumer Electronics Show (CES), one of the world’s largest fairs, held in the United States. Taking advantage of these technologies, DENSO conducted demonstrations where visitors experienced future mobility services.

“Connected” technology toward realizing MaaS systems developed by DENSO

- Digital Twin:
A cloud technology to uniformly manage and share vehicle-related data
- Mobility IoT Core:
An in-vehicle edge computer to connect cars to the cloud
- Block Chain:
An advanced technology to prevent falsification of vehicle-related software and data



Mobility IoT Core

Aspiring to be a company that continues to develop

To address this once-in-a-century period of drastic change and provide the mobility society with new value, the Company has implemented organizational realignment such as reducing the number of Members of the Board and delegating authority over business execution to beef up speed and vitality of employees. To further speed up its businesses, the Company has changed the executive management structure.



Organizational change of the executive management structure

At the Board of Directors meeting held on February 18, 2019, the Company resolved to revise its executive management structure, effective April 1, 2019. For more rapid managerial decision-making and increased operational efficiency, executive management now consists of executives ranked at or above Senior Executive Director, namely, Chairman, President and CEO, Executive Vice Presidents, Members of the Board, and Senior Executive Directors as well as Audit & Supervisory Board Members. The revision reduced the number of executives from 55 to 28, and aims at faster decision-making and business execution.

The title of Senior Executive Director has been renamed Senior Executive Officer, and these executives will manage their respective sections as well as address company-wide business issues. The title of Executive Director has been renamed Executive Officer, and those in the post serve as frontline managers to make decisions quickly on site while exercising their authority over their areas of responsibility.

TOPICS

Corporate Citizenship Activities

To contribute to the sustainable development of society, the DENSO Group is vigorously promoting corporate citizenship activities as a good corporate citizen, aiming to become a corporate group that is trusted and understood by stakeholders.

Environment

Preserving the abundant blessings of nature in local communities

Security and safety

Efforts to create a society where people can live with peace of mind

Hitozukuri

Aiming to foster creativity in children and realize a barrier-free society

Support for Adaptive Sports

To realize a society in which people with disabilities can live active lifestyles, the DENSO Group has continuously supported athletic games and organizations for adaptive sports for almost 30 years. The Group also promotes activities to make these sports better known to many people through such events as experiential meetings and lectures in which our employees, their families and local inhabitants can easily participate.

Development of youth

For the DENSO Science School, current and retired DENSO employees visit elementary schools as lecturers to provide support to science teachers. These employees primarily visit elementary schools in the areas where the Company has offices.

This program started in 2011 and has extended to 94 elementary schools for 2018 in targeted areas, covering a cumulative total of approximately 40,000 elementary school students.

Sports Activities

Corporate sports activities help increase vitality in the workplace and create a sense of unity among employees. The DENSO Group supports and fosters Japan's top-level teams and athletes in female volleyball, basketball, softball, long-distance running and other fields. Through this effort, the Group sends cheers to its employees and contributes to the development of the sports industry while creating connections with local communities.

(7) Employees within the Group

Geographical Segment	Number of Employees
Japan	76,770 (17,540)
North America	25,126 (2,756)
Europe	16,688 (3,065)
Asia	50,099 (11,051)
Other Regions	3,309 (117)
Total	171,992 (34,529)

Note: “Number of Employees” indicates the number of persons working within the Group (i.e., exclusive of those loaned from outside the Group to within the Group and inclusive of those loaned from within the Group to outside the Group). The average yearly number of temporary employees (including fixed-term employees, temporary workers dispatched by personnel agencies, part-timers, contract employees, etc.) is indicated in parentheses.

(8) Capital Expenditures and Financing

During the fiscal year, capital expenditures of ¥416.8 billion were invested mainly to shift to highly cost-competitive next-generation products and further improve product quality and reliability. The Company appropriated the funds on hand for the investments.

(9) Major Lenders

Name of Lender	Balance of Borrowings (Millions of yen)
MUFG Bank, Ltd., Syndicate Loan	20,000
Shinkin Central Bank	20,000
The Norinchukin Bank	20,000
MUFG Bank, Ltd.	19,000
The Bank of Kyoto, Ltd.	13,000
Mizuho Bank, Ltd., Syndicate Loan	11,503
Resona Bank, Limited.	10,000
Fukoku Mutual Life Insurance Company	10,000
The Juroku Bank, Ltd.	8,000
The Hokkaido Bank, Ltd.	7,000
Others	44,000
Total	182,503

Notes:

1. “Major lenders” of the DENSO Group above means the Company’s major lenders.
2. MUFG Bank, Ltd., Syndicate Loan refers to a syndicate loan involving several financial institutions, for which the lead manager is MUFG Bank, Ltd.
3. Mizuho Bank, Ltd., Syndicate Loan refers to a syndicate loan involving several financial institutions, for which the lead manager is Mizuho Bank, Ltd.

(10) Principal Offices and Plants

1) The Company

Headquarters	1-1, Showa-cho, Kariya, Aichi 448-8661, Japan
Office	Tokyo
Divisions	Tokyo, Osaka, Hiroshima
Plants	Anjo, Nishio, Takatana, Kota, Toyohashi, Agui, Zenmyo and Toyohashi Higashi (Aichi Pref.), Daian (Mie Pref.), Kosai (Shizuoka Pref.), Higashi Hiroshima (Hiroshima Pref.)
Research Laboratories	Advanced Technology Research Laboratories (Aichi Pref.), Global R&D Tokyo (Tokyo)
Proving Ground	Nukata (Aichi Pref.)
Branches	Iwate, Tokyo

Notes:

1. The Kosai Plant, Toyohashihigashi Plant and Higashihiroshima Plant of ASMO Co., Ltd., former subsidiary of the Company, have been placed under the control of DENSO as a result of the absorption-type merger by the Company in April 2018.
2. Global R&D Tokyo was established in April 2018 as DENSO's research-and-development center in the fields of advanced driver assistance, automated driving and connected cars.

2) Subsidiaries

Refer to “(11) Significant Subsidiaries.”

(11) Significant Subsidiaries

Name	Capital Stock	The Company's Ratio of Voting Rights (%)	Principal Businesses
DENSO SALES JAPAN CORPORATION	JPY175 million	100.00	Sale of automotive components, industrial products and consumer products
TDmobile Corporation	JPY490 million	51.00	Sale of mobile phones, etc.
DENSO TEN Limited	JPY5,300 million	51.00	Manufacture and sale of automotive components, and R&D on automotive components
DENSO TEN MANUFACTURING Limited	JPY60 million	100.00*	Manufacture and sale of automotive components
DENSO INTERNATIONAL AMERICA, INC.	USD236,816 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 automotive components
DENSO MANUFACTURING TENNESSEE, INC.	USD73,900 thousand	100.00*	Manufacture and sale of automotive components
DENSO MANUFACTURING ATHENS TENNESSEE, INC.	USD100 thousand	100.00*	Manufacture and sale of automotive components
DENSO TEN AMERICA Limited	USD42,500 thousand	100.00*	Sale of automotive components
DENSO SALES CANADA, INC.	CAD100 thousand	100.00	Sale of automotive components
DENSO MEXICO S.A. DE C.V.	MXN593,297 thousand	95.00*	Manufacture and sale of automotive components
DENSO EUROPE B.V.	EUR1,361 thousand	100.00*	Sale of automotive components
DENSO MANUFACTURING HUNGARY LTD.	EUR190,912 thousand	100.00*	Manufacture and sale of automotive components
DENSO INTERNATIONAL ASIA PTE., LTD. (Singapore)	USD175,240 thousand	100.00	— Regional headquarters for Asia — Sale of aftermarket products
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 automotive components
SIAM DENSO MANUFACTURING CO., LTD.	THB2,816 million	90.00*	Manufacture and sale of automotive components
PT. DENSO SALES INDONESIA	IDR9,975 million	100.00*	Sale of automotive components
DENSO (CHINA) INVESTMENT CO., LTD.	CNY2,150 million	100.00	— Headquarters for China — Sale of and R&D on automotive components
TIANJIN DENSO ELECTRONICS CO., LTD.	CNY446 million	93.46*	Manufacture and sale of automotive components

Notes:

1. An asterisk (*) indicates the ratio of ownership including shareholdings by any of the Company's subsidiaries.

2. DENSO SALES JAPAN CORPORATION merged DENSO TEN SALES Limited and DENSO TEN Service Limited as of April 1, 2019, and changed its company name to DENSO SOLUTION JAPAN CORPORATION.
3. DENSO TEN Limited merged DENSO TEN MANUFACTURING Limited and DENSO TEN RESEARCH Limited by absorption-type merger as of April 1, 2019.

2. SHARES OF THE COMPANY

(1) Total Number of Shares Authorized to Be Issued: 1,500,000,000 shares

(2) Total Number of Issued Shares: 774,906,367 shares (excluding treasury stock of 13,038,584 shares)

(3) Number of Shareholders: 76,878 persons

(4) Major Shareholders

Name of Shareholder	Investment in the Company	
	Number of Shares Held (Thousand shares)	Ratio of Voting Rights (%)
Toyota Motor Corporation	188,949	23.97
Toyota Industries Corporation	69,373	8.80
The Master Trust Bank of Japan, Ltd. (Trust account)	47,842	6.07
Towa Real Estate Co., Ltd.	33,309	4.22
Japan Trustee Services Bank, Ltd. (Trust account)	32,120	4.07
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	21,645	2.74
Denso Employees' Shareholding Association	13,240	1.68
Aisin Seiki Co., Ltd.	12,518	1.58
SSBT OD05 OMNIBUS ACCOUNT (Standing proxy: Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	12,012	1.52
Japan Trustee Services Bank, Ltd. (Trust account 5)	8,641	1.09

Notes:

1. The Company holds treasury stock of 13,039 thousand shares, but is excluded from the list of major shareholders above.
2. "Ratio of Voting Rights" is calculated after excluding the treasury stock of 13,039 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: 0.86%), 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 Sumitomo Mitsui Trust Bank, Limited)," and Toyota Industries Corporation reserves the right of instruction in exercising the shares' voting rights.)

3. OFFICERS OF THE COMPANY

(1) Board Members

Name	Position	Assignment in the Company and Important Posts Concurrently Held at Other Corporations
Koji Arima	President and CEO *	
Haruya Maruyama	Executive Vice President *	Overseas Business
Yasushi Yamanaka	Executive Vice President *	Safety, Quality, Production, Corporate Foundation Center (Important posts concurrently held at other corporations) Outside Director, Tokai Rika Co., Ltd.
Hiroyuki Wakabayashi	Executive Vice President *	R&D Strategy, CISO (Chief Information Security Officer), Purchasing
Shoji Tsuzuki	Director, Member of the Board Senior Executive Director	Corporate Center, Audit Department
George Olcott Outside Board Member Independent Director	Director, Member of the Board	(Important posts concurrently held at other corporations) Outside Director, Hitachi Chemical Company, Ltd. Outside Director, Dai-ichi Life Holdings, Inc.
Takashi Nawa Outside Board Member Independent Director	Director, Member of the Board	(Important posts concurrently held at other corporations) Outside Director, NEC Capital Solutions Limited Outside Director, FAST RETAILING CO., LTD. Outside Director, Ajinomoto Co., Inc.

Notes:

1. The board members marked with an asterisk (*) are representative directors.
2. Board Members George Olcott and Takashi Nawa are outside board members (outside directors), as stipulated in Article 2, Paragraph 15, of the Companies Act.
3. The Company has notified TSE the names of Board Members George Olcott and Takashi Nawa as independent directors.
4. Nobuaki Kato, Yoshikazu Makino and Koji Kobayashi retired from the post of Director, Member of the Board, due to the expiration of their term of office as of the conclusion of the 95th Ordinary General Meeting of Shareholders held on June 20, 2018.
5. The positions and assignments of the Company's board members were changed by the dispatch date of this notice as follows.

Name	Position	Assignments in the Company
Haruya Maruyama	Director, Member of the Board	
Hiroyuki Wakabayashi	Executive Vice President*	R&D Strategy, CISO (Chief Information Security Officer)
Shoji Tsuzuki	Director, Member of the Board, Senior Executive Officer	Corporate Center, Audit Department

(2) Audit & Supervisory Board Members

Name	Position	Important Posts Concurrently Held at Other Corporations
Atsuhiko Shimmura	Standing Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member, Jeco Co., Ltd.
Motomi Niwa	Standing Audit & Supervisory Board Member	
Moritaka Yoshida Outside Audit & Supervisory Board Member	Audit & Supervisory Board Member	Vice President, Toyota Motor Corporation
Toshimichi Kondo Outside Audit & Supervisory Board Member Independent Auditor	Audit & Supervisory Board Member	Director, Kondo Accounting Office
Noriyuki Matsushima Outside Audit & Supervisory Board Member Independent Auditor	Audit & Supervisory Board Member	Chief Advisor, Mitsubishi UFJ Research and Consulting Co., Ltd.

Notes:

1. Audit & Supervisory Board Members Moritaka Yoshida, Toshimichi Kondo and Noriyuki Matsushima are outside Audit & Supervisory Board Members (outside corporate auditors), as stipulated in Article 2, Paragraph 16, of the Companies Act.
2. Audit & Supervisory Board Member Toshimichi Kondo is qualified as a Certified Public Accountant and has substantial knowledge in finance and accounting.
3. The Company has notified TSE the names of Audit & Supervisory Board Members Toshimichi Kondo and Noriyuki Matsushima as independent auditors.
4. Masato Iwase resigned from the post of Audit & Supervisory Board Member at the conclusion of the 95th Ordinary General Meeting of Shareholders held on June 20, 2018.

(3) Remuneration, etc., Payable to Board Members and Audit & Supervisory Board Members Pertaining to the Current Fiscal Year

Officer Category	Number of Eligible Persons (Persons)	Amount of Remuneration, etc. (Millions of yen)
Board members	10	494
Audit & Supervisory Board Members	6	135
Total	16	629

Notes:

1. The amounts above include ¥73 million in remuneration, etc., payable to outside officers (two board members and three audit & supervisory board members).
2. The amounts above include the following.
The bonuses to board members for which a resolution is planned to be adopted by the 96th Ordinary General Meeting of Shareholders to be held on June 26, 2019.

Board members: ¥176 million

(4) Outside Board Members and Audit & Supervisory Board Members

1) Relationship between the companies at which the board members or the Audit & Supervisory Board Members concurrently hold posts and the Company

Toyota Motor Corporation, at which Audit & Supervisory Board Member Moritaka Yoshida concurrently serves, is a major shareholder of the Company, and the Company sells 42.3% of its products to Toyota Motor.

2) Major activities during the fiscal year

Category	Name	Major Activities
Outside board members	George Olcott	He attended 15 of 15 Board of Directors meetings held in the fiscal year. At these meetings, he mainly remarked on the Company's global management based on his academic background and considerable experience and deep insight related to corporate management.
	Takashi Nawa	He attended 14 of 15 Board of Directors meetings held in the fiscal year. At these meetings, he mainly remarked on the Company's business strategy based on his considerable experience and deep insight into the field of business administration strategy.
Outside Audit & Supervisory Board Members	Moritaka Yoshida	He attended 13 of 15 Board of Directors meetings and 14 of 14 Audit & Supervisory Board 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 global corporations.
	Toshimichi Kondo	He attended 15 of 15 Board of Directors meetings and 14 of 14 Audit & Supervisory Board meetings held in the fiscal year. At these meetings, he mainly remarked on the financial and accounting affairs of the Company based on his professional viewpoint as a Certified Public Accountant.
	Noriyuki Matsushima	He attended 15 of 15 Board of Directors meetings and 14 of 14 Audit & Supervisory Board meetings held in the fiscal year. At these meetings, he mainly remarked on general management affairs from investors' perspective based on his considerable experience and deep insight into the automobile industry as an analyst.

3) Outline of the agreement with outside officers to limit their liability for damages

The Company has entered into an agreement with each outside board member or outside Audit & Supervisory Board Member 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.

4. ACCOUNTING AUDITOR

(1) Name of the Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Fees Payable to the Accounting Auditor for the year ended March 31, 2019

1)	Amount of fees to be paid by the Company to the Accounting Auditor pertaining to the audit for the current year	¥173 million
2)	Total of cash and other financial benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	¥283 million

Notes:

1. The audit agreement entered into by the Accounting Auditor and the Company does not distinguish the fee for the audit under the Companies Act and the fee for the audit under the Financial Instruments and Exchange Act, and the two fees cannot be practically distinguished from each other. Therefore, the fee in 1) above indicates the total of these two kinds of fees.
2. The Company and its subsidiary entrust non-audit services other than the services set forth in Article 2, Paragraph 1, of the Certified Public Accountant Law, to the Accounting Auditor such as the preparation of comfort letters relating to the issuance of corporate bonds and pay the consideration therefor.
3. Of the Company's significant subsidiaries, 17 subsidiaries including DENSO INTERNATIONAL AMERICA, INC., DENSO EUROPE B.V. and DENSO SALES (THAILAND) CO., LTD. are audited by Certified Public Accountants ("CPA"), accounting firms or those who have qualifications equivalent to CPAs or accounting firms. Their auditors are other than the Accounting Auditor of the Company.
4. The Audit & Supervisory Board has given the consent of its members, as set forth in Article 399, Paragraphs 1 and 2, of the Companies Act, with regard to fee for the Accounting Auditor as a result of careful examination of the auditing plans for the current fiscal year presented by the Accounting Auditor, the verification and evaluation of audits performed for prior years, the appropriateness of the progress of accounting audits accomplished and the basis for calculations as a premise of the remuneration, by taking into account the "Practical Guidelines for Cooperation with Accounting Auditor" released by Japan Audit & Supervisory Board Members Association.

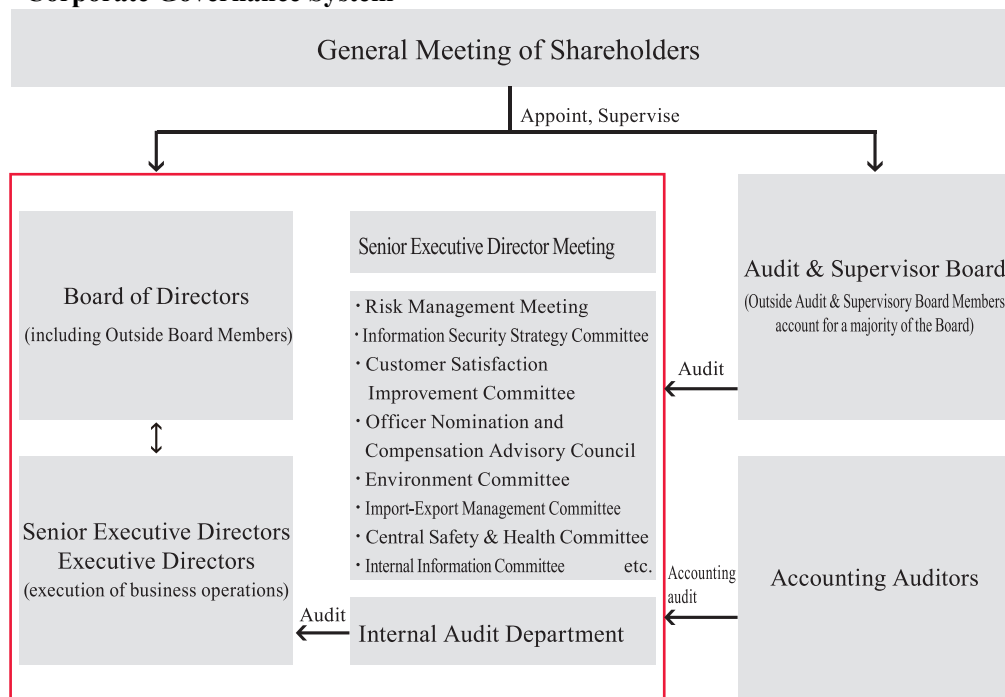
(3) Policy on Decisions of Dismissal or Non-Reappointment of Accounting Auditor

- 1) The Audit & Supervisory Board shall examine whether Accounting Auditor should be dismissed 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 or if the Accounting Auditor is in the status of having violated or conflicted with any provision of the Certified Public Accountants Act. Then, the Audit & Supervisory Board shall, upon consent of all the Audit & Supervisory Board Members, dismiss said Accounting Auditor if the dismissal thereof is determined reasonable.
- 2) If the Company determines that the appropriate execution of duties by Accounting Auditor is not ensured with regard to the matters set forth in the Company Accounting Regulations, or if the Company judges it necessary to do so, the Audit & Supervisory Board shall decide the content of the proposal for the dismissal or non-reappointment of the Accounting Auditor to be submitted to a general meeting of shareholders.

5. CORPORATE GOVERNANCE OF THE COMPANY

The Company believes that establishing a corporate governance system designed to strengthen Group competitiveness is the key to maintaining and improving long-term corporate performance in a quickly changing global market. Specifically, the Company has adopted an Audit & Supervisory Board Member system. In addition to the legal functions of statutory bodies such as the General Meeting of Shareholders, Board of Directors, Audit & Supervisory Board, and Accounting Auditor, the Company has developed various governance mechanisms. In addition, we are implementing highly sound, efficient and transparent management by continuously sharing information and conducting dialogues with shareholders and investors on the state of our business.

<Corporate Governance System>



The Company focuses on reinforcing relations with its shareholders in the Basic Policies on Corporate Governance.

Securing the rights and equal treatment of shareholders

- DENSO shall provide timely and accurate information needed for shareholders to exercise their rights. Concurrently, the Company shall make efforts to establish an environment in which shareholders can exercise their voting rights and give due attention to assuring the rights and equal treatment of various substantial shareholders that include foreign and minority shareholders.

Dialogue with shareholders

- DENSO shall strive for good communication with its shareholders and investors by providing enhanced information encompassing management strategies and financial information and actively holding dialogues with the participation of board members, Senior Executive Directors, and Executive Directors in charge. The results of the dialogues shall be reported to the Board of Directors and the opinions of shareholders shall be utilized in DENSO's management.

6. POLICY REGARDING A DECISION OF DIVIDENDS FROM SURPLUS

As for dividends from surplus, the Company intends to improve the dividend level stably on an ongoing basis by comprehensively taking into account the consolidated operating results, the payout ratio and the amount of dividends.

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 while paying attention to the status of funds.

The Company stipulates in its Articles of Incorporation that it may distribute dividends from surplus upon resolution of the Board of Directors in accordance with Article 459 of the Companies Act without adopting a resolution at a general meeting of shareholders.

Accordingly, the Company, at its Board of Directors meeting held on April 26, 2019, resolved that the fiscal year-end dividend for the fiscal year ended March 31, 2019, be ¥70 per share of the Company's common stock (for a total of ¥54,243,445,690) and the date of commencement of dividend payment thereof be May 27, 2019. The annual dividend for the current fiscal year, including the interim dividend, is ¥140 per share.

Dividends per share

93rd Term	94th Term	95th Term	96th Term	(yen)
(April 2015–March 2016)		120		
(April 2016–March 2017)		120		
(April 2017–March 2018)		130		
(April 2018–March 2019)		140		

7. IMPORTANT MATTER REGARDING THE CURRENT SITUATION OF THE DENSO GROUP

The Company has been subject to the alleged violation of antitrust law or competition law in connection with certain past transactions regarding specific auto parts from the authorities in certain countries, coping with several lawsuits filed in the United States, etc., and engaged in settlement negotiations with certain automobile manufacturers.

Compliance with the Antitrust Laws is one of the Group's significant management priorities. The Company keeps endeavoring to strengthen more its Antitrust Laws compliance system to restore confidence.

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

Consolidated Financial Statements

Consolidated Statement of Financial Position

(Millions of yen)

Account Item	96th Term (As of March 31, 2019)	(Reference) 95th Term (As of March 31, 2018)	Account Item	96th Term (As of March 31, 2019)	(Reference) 95th Term (As of March 31, 2018)
(Assets)			(Liabilities)		
Current assets	2,612,310	2,563,833	Current liabilities	1,293,947	1,290,336
Cash and cash equivalents	711,638	783,338	Bonds and borrowings	144,038	170,003
Trade and other receivables	1,009,049	993,549	Trade and other payables	939,550	923,272
Inventories	612,539	550,291	Other financial liabilities	26,263	16,483
Other financial assets	182,921	151,122	Income tax payables	26,474	53,609
Other current assets	96,163	85,533	Provisions	87,959	69,295
Non-current assets	3,180,104	3,200,584	Other current liabilities	69,663	57,674
Property, plant and equipment	1,689,949	1,591,207	Non-current liabilities	728,101	699,788
Intangible assets	86,292	76,968	Bonds and borrowings	406,160	303,847
Other financial assets	1,200,258	1,330,820	Other financial liabilities	8,595	10,119
Investments accounted for using equity method	106,138	88,718	Retirement benefit liabilities	250,634	245,387
Retirement benefit asset	38,324	53,864	Provisions	1,198	1,515
Deferred tax assets	29,774	35,020	Deferred tax liabilities	42,352	121,272
Other non-current assets	29,369	23,987	Other non-current liabilities	19,162	17,648
			Total liabilities	2,022,048	1,990,124
			(Equity)		
			Equity attributable to owners of the parent company	3,595,694	3,598,321
			Capital stock	187,457	187,457
			Capital surplus	268,776	265,985
			Treasury stock	(56,803)	(57,677)
			Other components of equity	401,582	528,418
			Retained earnings	2,794,682	2,674,138
			Non-controlling interests	174,672	175,972
			Total equity	3,770,366	3,774,293
Total assets	5,792,414	5,764,417	Total liabilities and equity	5,792,414	5,764,417

Consolidated Statement of Income

(Millions of yen)

Account Item	96th Term (From April 1, 2018, to March 31, 2019)	(Reference) 95th Term (From April 1, 2017, to March 31, 2018)
Revenue	5,362,772	5,108,291
Cost of revenue	(4,531,872)	(4,254,598)
Gross profit	830,900	853,693
Selling, general and administrative expenses	(513,323)	(447,732)
Other income	23,556	34,275
Other expenses	(24,937)	(27,560)
Operating profit	316,196	412,676
Finance income	48,629	40,532
Finance costs	(12,007)	(9,495)
Foreign exchange gains	(4,386)	(328)
Share of the profit of associates accounted for using the equity method	7,599	6,518
Profit before income taxes	356,031	449,903
Income tax expenses	(76,422)	(106,459)
Profit for the year	279,609	343,444
Profit attributable to:		
Owners of the parent company	254,524	320,561
Non-controlling interests	25,085	22,883

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

(Millions of yen)

Account Item	96th Term (As of March 31, 2019)	(Reference) 95th Term (As of March 31, 2018)	Account Item	96th Term (As of March 31, 2019)	(Reference) 95th Term (As of March 31, 2018)
(Assets)			(Liabilities)		
Current assets	1,429,581	1,444,584	Current liabilities	793,030	858,867
Cash and deposits	426,806	499,246	Accounts payable—trade	445,570	430,188
Notes receivable—trade	2,448	2,204	Current portion of bonds	20,000	30,000
Accounts receivable—trade	421,129	400,102	Current portion of long-term borrowings	—	37,497
Electronically recorded monetary claims—operating	80,153	71,750	Accounts payable—other	47,959	45,797
Marketable securities	23,006	28,097	Accrued expenses	85,956	74,390
Finished goods	48,690	40,975	Income taxes payable	5,837	27,151
Work in process	105,764	88,801	Deposits received	70,395	124,442
Raw materials and supplies	18,442	16,282	Accrued bonuses to employees	46,043	41,641
Advance payments	72,731	66,322	Accrued bonuses to directors and corporate auditors	190	287
Prepaid expenses	4,183	3,845	Reserve for product warranties	56,754	26,865
Short-term loans receivable from subsidiaries and associates	100,120	115,752	Provision for loss on antitrust issues	13,179	19,757
Accounts receivable—other	106,347	95,158	Other current liabilities	1,147	852
Other current assets	19,955	16,102	Long-term Liabilities	593,102	515,841
Allowance for doubtful accounts	(193)	(52)	Straight bonds	220,000	150,000
Fixed assets	2,263,332	2,282,805	Long-term borrowings	182,503	134,503
Property, plant and equipment	512,608	448,112	Deferred tax liabilities	—	57,798
Buildings	97,151	91,558	Liability for employees' retirement benefits	174,046	157,940
Structures	13,041	13,415	Retirement allowances for directors and corporate auditors	4	17
Machinery and equipment	181,571	155,180	Provision for loss on business of subsidiaries and associates	7,406	6,179
Vehicles and transportation equipment	3,201	2,456	Other long-term liabilities	9,143	9,404
Tools, furniture and fixtures	31,868	25,520	Total liabilities	1,386,132	1,374,708
			(Equity)		

Land	121,017	112,834	Shareholders' equity	1,956,146	1,886,317
Construction in progress	64,759	47,149	Capital stock	187,457	187,457
Intangible assets	17,379	9,048	Capital surplus	265,985	265,985
Software	12,163	5,690	Additional paid-in capital	265,985	265,985
Other intangible assets	5,216	3,358	Other capital surplus	—	0
Investments and other assets	1,733,345	1,825,645	Retained earnings	1,559,496	1,490,541
Investment securities	512,282	628,869	Legal reserve	43,274	43,274
Investment in subsidiaries and associates	1,050,895	1,071,301	Other retained earnings	1,516,222	1,447,267
Investments in equity	4,774	2,576	Reserve for special depreciation	50	68
Investments in equity of subsidiaries and associates	36,697	35,024	Reserve for advanced depreciation of fixed assets	588	546
Long-term loans receivable from subsidiaries and associates	44,455	27,295	General reserve	896,390	896,390
Prepaid pension cost	60,548	52,295	Earned surplus carried forward	619,194	550,263
Deferred tax assets	13,894	—	Treasury stock, at cost	(56,792)	(57,666)
Other assets	9,851	8,334	Variance of the estimate/ conversion	350,635	466,364
Allowance for doubtful accounts	(51)	(49)	Net unrealized gain on available-for-sale securities	350,711	466,543
			Deferred gains on derivatives under hedge accounting	(76)	(179)
			Total equity	2,306,781	2,352,681
Total assets	3,692,913	3,727,389	Total liabilities and equity	3,692,913	3,727,389

Non-Consolidated Statement of Income

(Millions of yen)

Account Item	96th Term (From April 1, 2018, to March 31, 2019)	(Reference) 95th Term (From April 1, 2017, to March 31, 2018)
Net sales	2,861,193	2,671,939
Cost of sales	2,599,871	2,412,553
Gross profit	261,322	259,386
Selling, general and administrative expenses	196,416	151,207
Operating income	64,906	108,179
Non-operating income	108,413	88,818
Interest and dividend income	96,454	75,801
Other non-operating income	11,959	13,017
Non-operating expenses	11,297	6,412
Interest expense	588	408
Foreign exchange losses	4,346	409
Loss on sales of non-current assets	2,269	1,827
Other non-operating expenses	4,094	3,768
Ordinary income	162,022	190,585
Extraordinary income	64,861	312
Gain on extinguishment of tie-in shares	64,760	—
Other	101	312
Extraordinary losses	18,406	9,989
Impairment loss on investment securities	16,939	—
Loss on antitrust issues	1,140	9,665
Other	327	324
Income before income taxes	208,477	180,908
Income taxes—current	28,852	39,467
Income taxes for prior periods	651	(8,356)
Income taxes—deferred	(15,876)	(12,686)
Net Income	194,850	162,483

(TRANSLATION)
Audit Reports

<Certified Copy of the Audit Report of the Accounting Auditors pertaining to the Consolidated Financial Statements>

INDEPENDENT AUDITOR'S REPORT

May 10, 2019

To the Board of Directors of
DENSO CORPORATION:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Makoto Nishimatsu

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kazuaki Furuuchi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yasuhiko Goto

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as of March 31, 2019, of DENSO CORPORATION (the "Company") and consolidated subsidiaries, and the related consolidated statements of income and changes in equity for the fiscal year from April 1, 2018, to March 31, 2019, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, prepared with the omission of a part of the disclosure required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosure required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of the Corporate Group consisting of DENSO CORPORATION and its consolidated subsidiaries as of March 31, 2019, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

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

INDEPENDENT AUDITOR'S REPORT

May 10, 2019

To the Board of Directors of
DENSO CORPORATION:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Makoto Nishimatsu

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kazuaki Furuuchi

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yasuhiko Goto

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of March 31, 2019, of DENSO CORPORATION (the "Company"), and the related statements of income and changes in equity assets for the 96th fiscal year from April 1, 2018, to March 31, 2019, and the related notes and the accompanying supplemental schedules

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental 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 financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of DENSO CORPORATION as of March 31, 2019, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

(TRANSLATION)

<Certified Copy of the Audit Report of the Audit & Supervisory Board>

AUDIT & SUPERVISORY BOARD MEMBERS' REPORT

Regarding the performance of duties by board members for the 96th Fiscal Term, which began April 1, 2018, and ended March 31, 2019, the Audit & Supervisory Board 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 Audit & Supervisory Board Members.

1. Auditing Methods Employed by Audit & Supervisory Board Members and the Audit & Supervisory Board and the Substance Thereof

(1) The Audit & Supervisory Board determined auditing policies, auditing plans and other guidelines; received reports about the progress and results of audits from each Audit & Supervisory Board Member; received reports on the execution of their duties; and requested explanations, as required, from the board members and the Accounting Auditors.

(2) In compliance with the audit standards specified by the Audit & Supervisory Board and based on the auditing policies, assigned tasks and other guidelines above, each Audit & Supervisory Board Member has communicated with the board members and other relevant personnel of the internal audit department and others to collect necessary information and improve the auditing environment, and, at the same time, conducted his/her audit in the following manner.

1) Each Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings; heard about the execution of their duties from the board members and other relevant personnel; requested explanations therefrom, as required; examined important authorized documents and associated information; and studied the operations and financial position at the headquarters and principal offices. Moreover, the Audit & Supervisory Board Members have communicated and exchanged information with the board members, Audit & Supervisory Board Members and other relevant personnel of the subsidiaries and received reports on operations therefrom, as required.

2) Each Audit & Supervisory Board Member 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 Board Members with Laws, Regulations and the Articles of Incorporation" described in the Business Report, as well as the established and operational status of the in-house systems (internal control systems) that have been established pursuant to the resolution concerned.

3) Each Audit & Supervisory Board Member has supervised and verified whether the Accounting Auditors maintain independence and have done appropriate audits, and has received reports on the execution of their duties and requested explanations, as required, from the Accounting Auditors. The Audit & Supervisory Board was also notified by the Accounting Auditor of their appropriate development of arrangements enumerated in the items of Article 131 of the Ordinance on Company Accounting as constituting a "structure to ensure the proper execution of duties," and requested explanations, as required.

In the manner explained above, the Audit & Supervisory Board Members have examined the Business Report and supplementary schedules thereof; "financial statements," that is, 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; and the consolidated financial statements (Consolidated Statement of Financial Position, 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, 2019.

2. Audit Results

(1) Audit results regarding the Business Report and other documents audited

- 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 board members 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 content of description as well as the execution of duties by the board members, concerning the internal control systems.

As for the Antitrust Law-related incidents described in the Business Report, the Audit & Supervisory Board has confirmed that the Company and the respective Group companies are endeavoring to further comply with laws and regulations, including Antitrust Laws.

(2) Audit results regarding the 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.

May 14, 2019

Audit & Supervisory Board of DENSO CORPORATION
Standing Audit & Supervisory Board Member
Atsuhiko Shimmura
Standing Audit & Supervisory Board Member
Motomi Niwa
Outside Audit & Supervisory Board Member
Moritaka Yoshida
Outside Audit & Supervisory Board Member
Toshimichi Kondo
Outside Audit & Supervisory Board Member
Noriyuki Matsushima

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

Guide to Stock-Related Procedures

To shareholders who receive your dividends at the Japan Post Bank offices, etc., with a dividend receipt:

It is recommended that you choose one of the following options to ensure the safe and secure receipt of your dividends.

Account for Dividend Receipt	Method of Receiving Dividends
1) Securities transaction account	The dividends will be remitted into the shareholder's accounts at the respective securities companies in proportion to the number of his/her shares deposited therewith. (Share number pro-rata distribution)
2) Bank account (common to all stock names)	The dividends for all the stock names will be remitted into the account of only one bank. (Japan Post Bank Co., Ltd. cannot be designated.) (Registered account receipt)
3) Bank account (individually designated by stock name)	The dividends will be remitted by stock name into the accounts designated in advance. (Japan Post Bank Co., Ltd., can be designated.) (Individual stock name designation)

To shareholders who wish to open an NISA account:

To be eligible for the tax exemption regarding your dividends, you need to choose option 1) above (Share number pro-rata distribution).

To shareholders who hold the Company's shares less than one unit (less than 100)

The share unit of the Company is 100, and the shares less than one unit cannot be sold or purchased in the market. However, the following procedures are available.

	Description of the System
Sale system	According to this program, the shares less than one share unit can be sold to the Company at the market price.
Additional purchase system	According to this program, the shares that would constitute one share unit (100) together with the shares less than one share unit that he/she holds can be purchased from the Company at the market price.

Fiscal year	From April 1 to March 31 of the next calendar year
Ordinary general meeting of shareholders	June
Fixed day on which shareholders for dividend payment are confirmed	March 31 If interim dividends are distributed, September 30
Share unit number	100 shares
Stock code	6902
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation
Account management institution handling special accounts	Mitsubishi UFJ Trust and Banking Corporation

Guide to “My Number System” regarding shares

The My Number, which has been noticed from the jurisdictional municipality to each shareholder, has become a requirement in the tax-related procedures for shares. Accordingly, shareholders of the Company need to notify securities companies with which they have transactions, etc., of their “My Number.”

Inquiries about shares

- The contact for the designation (change) of dividend reception method, the demand for sale/additional purchase, an address change and other share-related procedures depend on the category of the account in which you have shares.

Account category for the shares you hold	Contact
Securities transaction account	Securities company with which you have opened an account
Special account (shareholders who do not hold the Company’s shares, through securities companies)	Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation Contact: 1, Nikkocho 1-chome, Fuchu, Tokyo 0120-232-711 (Toll free in Japan) Mailing Address: Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation P.O. Box #29, Shin-Tokyo Post Office (Japan Post), Tokyo 137-8081

Guide to the Company’s Web site and IR e-mail delivery service

To introduce DENSO’s initiatives to our shareholders and investors, we are active in information disclosure through the Web site below.

DENSO Site “INVESTORS”

www.denso.com/jp/ja/investors/

If you register your e-mail address with our IR e-mail delivery service, Investor News e-mails will be sent from the Company.

Page for registration: <https://www.denso.com/jp/ja/investors/ir-mail/>

Learn about the Latest *monozukuri* with Family
TAKATANA Factory Tour Launched

The TAKATANA Factory Tour is DENSO's first factory tour open to the general public. The tour route was newly established inside the DENSO Takatana Plant in Anjo, Aichi Prefecture. The tour concept derived from our passion to provide people a closeup opportunity to observe and learn about the history of automotive components and Japan's latest *monozukuri*.

Presented along the factory tour route are the manufacturing processes for meters, whose primary function is to indicate driving speed, the number of engine rotations and other data for drivers.

The tour provides an animation showing images of a future car society, a gigantic meter mockup, an area where visitors can experience the latest safety technology, and other exhibits. TAKATANA Factory Tour gives the best opportunity to enjoy learning *monozukuri* to all generations.

For more details and application for the TAKATANA Factory Tour, access the Web site below.
<https://takatana-ft.com>

Exhibits

Entrance Lobby

Visitors are greeted with a gigantic meter mockup here. They can watch a georama system and video images introducing the outline of the TAKATANA Plant.

Orientation Theater

The theater's impressive video played on three-sided screen allows visitors to feel and enjoy a future motorized society with security and safety that DENSO envisions to build.

Indoor Passage Showcasing a Meter Factory

The history of meters and the relevant assembly process are depicted on the wall and floor along the indoor passage overlooking the final assembly line of more than 100 m in length.

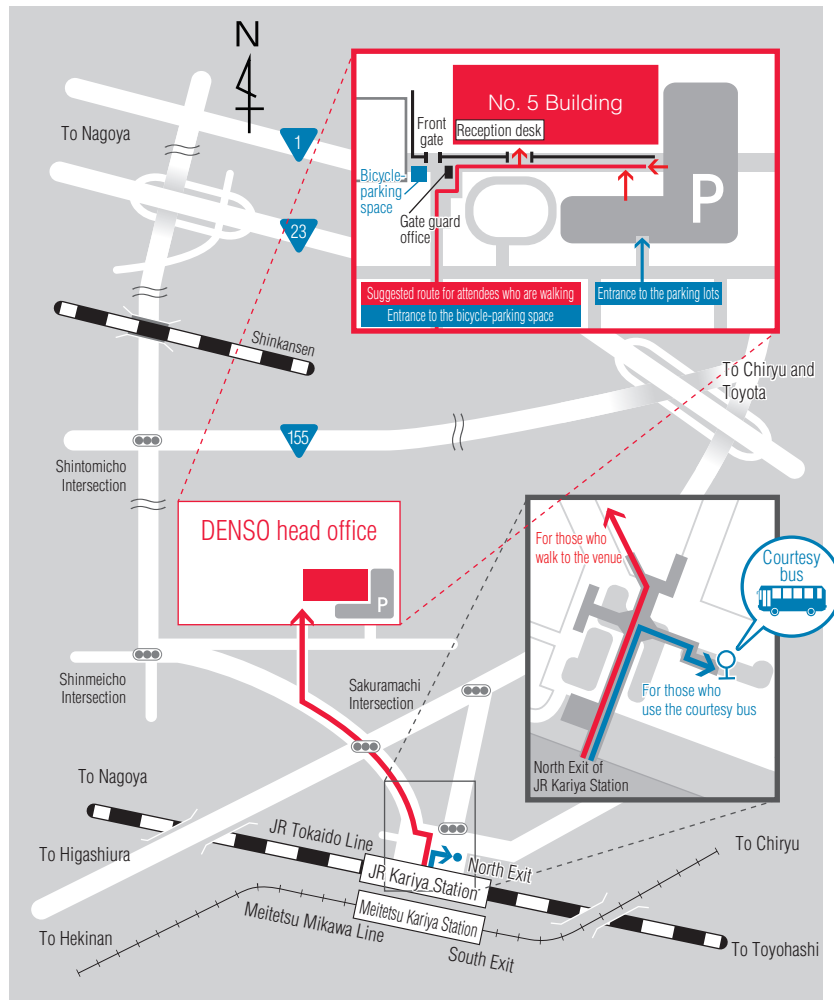
Presentation Room

Visitors learn about all the manufacturing processes until meters are finished products using video images. They can feel firsthand DENSO's leading-edge safety technologies.

Live Vision

Visitors can enjoy live videos that give a sense of reality, which are presented on monitors located at a short distance from the assembly line.

Access to the Venue of the General Meeting of Shareholders



Place

Head Office,
DENSO CORPORATION
(Event Hall of No. 5 Building)
1-1, Showa-cho, Kariya, Aichi



Traffic guide

■ If you use a courtesy bus:

North Exit of JR Kariya Station
Bus stop: North Exit No. 4
(The service is available
9 a.m.–9:40 a.m., as needed.)

■ If you use a car, a two-wheeler or a bicycle:

Please park your car in the parking lots located at the south and east sides of the No. 5 Building, and your two-wheeler or bicycle in the bicycle parking space at the front gate.

* Please note that the number of parking lots available is limited.

■ If you come on foot:

Seven (7) minute walk from the North Exit of JR Kariya Station

DENSO CORPORATION