

Securities Code: 6444  
June 2, 2010

## **Notice of the 84<sup>th</sup> Ordinary General Meeting of Shareholders**

Dear Shareholders:

It is our pleasure to invite you to the 84<sup>th</sup> Ordinary General Meeting of Shareholders of Sanden Corporation. The details of the meeting are provided below.

**If you are unable to attend the General Meeting in person, you are entitled to exercise your voting right in writing. Please review the enclosed Reference Materials for the General Meeting of Shareholders, indicate on the enclosed voting right exercise form whether or not you approve the proposals, and return the completed form to reach us by 5:00 p.m. on Tuesday, June 22, 2010.**

Sincerely,

Masayoshi Ushikubo  
Director and Chairman,  
Sanden Corporation  
20, Kotobuki-cho, Isesaki City,  
Gunma Prefecture

## Details of the Meeting

1. **Date and time:** **Wednesday, June 23, 2010, 10:00 a.m.**
  
2. **Venue:** **Conference room, Sanden Communication Plaza**  
961, Numawada, Honjo City, Saitama Prefecture  
**(The Company had been holding its General Meeting of Shareholders at the Company's conference room in the city of Isesaki, Gunma prefecture. From last year, however, the Company decided to hold its General Meeting of Shareholders at the venue described above, in the expectation that more shareholders can attend the meeting.)**

### 3. Meeting agenda:

#### *Items to be reported*

1. Business Report and Consolidated Financial Statements for the 84<sup>th</sup> Fiscal Year (from April 1, 2009 to March 31, 2010), and Reports of the Independent Auditors and the Board of Corporate Auditors on the Consolidated Financial Statements
2. Non-Consolidated Financial Statements for the 84<sup>th</sup> Fiscal Year (from April 1, 2009 to March 31, 2010)

#### *Agenda items to be resolved*

**Item 1:** Proposal for appropriation of surplus

**Item 2:** Election of five (5) directors

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Attending Shareholders are requested to present the enclosed voting right exercise form at reception on the day of the General Meeting of Shareholders.

We will post any revision to the Reference Materials for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements or Consolidated Financial Statements on the Company's website (<http://www.sanden.co.jp>).

*\* This English translation is an abridged version of the original notice in Japanese. In the event of a discrepancy, the Japanese version shall prevail.*

## Consolidated Balance Sheet

(As of March 31, 2010)

(In millions of yen)

Item	Amount	Item	Amount
<b>[Assets]</b>		<b>[Liabilities]</b>	
<b>Current assets:</b>	<b>113,069</b>	<b>Current liabilities:</b>	<b>84,558</b>
Cash and deposit	24,115	Notes payable and accounts payable – trade	36,703
Notes receivable and accounts receivable – trade	52,620	Short-term loans	15,824
Securities	30	Long-term loans due within 1 year	14,287
Merchandise and finished goods	14,461	Accounts payable – other	4,444
Work in process	5,517	Lease obligations	1,609
Raw materials	5,692	Corporate taxes payable	628
Other inventories	2,046	Reserve for bonuses	2,995
Deferred tax assets	669	Provision for sales rebates	309
Accounts receivable – other	2,856	Provision for product warranty	1,272
Consumption tax receivable	3,142	Deferred tax liabilities	307
Others	2,953	Others	6,176
Allowance for doubtful accounts	(1,038)		
<b>Non-current assets:</b>	<b>92,071</b>	<b>Non-current liabilities:</b>	<b>73,350</b>
<b>Tangible assets</b>	<b>67,689</b>	Bonds payable	8,600
Buildings and structures	22,473	Long-term loans	49,912
Machinery, equipment, and transportation equipment	16,943	Lease obligations	2,332
Tools, furniture and fixtures	2,097	Deferred tax liabilities	1,476
Land	19,146	Reserve for retirement benefits	8,748
Lease assets	4,629	Reserve for retirement allowances for directors and auditors	206
Construction in progress	2,400	Allowance for environmental expense	863
<b>Intangible assets</b>	<b>1,080</b>	Negative goodwill	500
Software	361	Others	708
Goodwill	149		
Lease assets	223	<b>Total Liabilities</b>	<b>157,908</b>
Others	345	<b>[Net assets]</b>	
<b>Investments and other assets</b>	<b>23,300</b>	<b>Shareholders' equity</b>	<b>47,236</b>
Investment securities	15,278	<b>Paid-in capital</b>	<b>11,037</b>
Fund for retirement allowances and pension	5,985	<b>Additional paid-in capital</b>	<b>4,453</b>
Deferred tax assets	429	<b>Retained earnings</b>	<b>33,933</b>
Others	1,792	<b>Treasury stock</b>	<b>(2,188)</b>
Allowance for doubtful accounts	(185)	<b>Valuation and translation adjustments</b>	<b>(3,084)</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>501</b>
		<b>Deferred profit or loss on hedges</b>	<b>(339)</b>
		<b>Foreign currency translation adjustment account</b>	<b>(3,246)</b>
		<b>Minority interests</b>	<b>3,080</b>
		<b>Total net assets</b>	<b>47,232</b>
<b>Total Assets</b>	<b>205,140</b>	<b>Total liabilities and net assets</b>	<b>205,140</b>

**Consolidated Statement of Income**  
(From April 1, 2009 to March 31, 2010)

(In millions of yen)

Item	Amount
<b>Net sales</b>	<b>194,696</b>
<b>Cost of goods sold</b>	<b>157,495</b>
<b>Gross profit</b>	<b>37,200</b>
<b>Selling, general and administrative expenses</b>	<b>31,997</b>
<b>Operating profit</b>	<b>5,203</b>
<b>Non-operating income</b>	<b>4,609</b>
Interest received	91
Dividends received	124
Foreign exchange gains	921
Investment income based on the equity method	1,960
Other non-operating income	1,511
<b>Non-operating expenses</b>	<b>3,181</b>
Interest paid	2,331
Other non-operating expenses	850
<b>Ordinary profit</b>	<b>6,630</b>
<b>Extraordinary profit</b>	<b>1,104</b>
Gain on sales of fixed assets	26
Gain on reversal of allowance for doubtful accounts	273
Gain on reversal of reserve for product warranty	51
Insurance income	643
Other extraordinary profit	109
<b>Extraordinary loss</b>	<b>1,435</b>
Loss on disposal of fixed assets	159
Loss on evaluation of investment securities	96
Impairment losses	654
Loss on litigation	439
Other extraordinary loss	85
<b>Net income before income taxes</b>	<b>6,298</b>
Corporate, inhabitant and business taxes	852
Adjustments of corporate taxes	561
Minority interests in income	475
<b>Net income</b>	<b>4,410</b>

## Consolidated Statements of Changes in Net Assets

(From April 1, 2009 to March 31, 2010)

(In millions of yen)

	Shareholders' equity				
	Paid-in capital	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2009	11,037	27,205	6,771	(2,185)	42,829
Changes during consolidated fiscal year					
Transfer to retained earnings from additional paid-in capital		(22,751)	22,751		-
Net income			4,410		4,410
Acquisition of treasury stock				(3)	(3)
Disposal of treasury stock			(0)	1	0
Net changes in items other than shareholders' equity during consolidated fiscal year					
Total changes during consolidated fiscal year	-	(22,751)	27,161	(2)	4,407
Balance as of March 31, 2010	11,037	4,453	33,933	(2,188)	47,236

	Valuation and translation adjustments				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred profit or loss on hedges	Foreign currency translation adjustment	Total valuation and translation adjustments		
Balance as of March 31, 2009	171	(58)	(2,544)	(2,431)	2,587	42,985
Changes during consolidated fiscal year						
Transfer to retained earnings from additional paid-in capital						-
Net income						4,410
Acquisition of treasury stock						(3)
Disposal of treasury stock						0
Net changes in items other than shareholders' equity during consolidated fiscal year	329	(281)	(701)	(653)	492	(160)
Total changes during consolidated fiscal year	329	(281)	(701)	(653)	492	4,246
Balance as of March 31, 2010	501	(339)	(3,246)	(3,084)	3,080	47,232

## Non-Consolidated Balance Sheet

(As of March 31, 2010)

(In millions of yen)

Item	Amount	Item	Amount
<b>[Assets]</b>		<b>[Liabilities]</b>	
<b>Current assets:</b>	<b>59,827</b>	<b>Current liabilities:</b>	<b>46,230</b>
Cash and deposits	11,458	Trade notes payable	5,607
Trade notes receivable	1,874	Accounts payable – trade	21,825
Accounts receivable – trade	33,360	Short-term loans	1,720
Merchandise	648	Long-term loans due within 1 year	9,854
Products	5,375	Lease obligations	420
Semi-products	43	Accounts payable – other	2,685
Work in process	1,973	Income taxes payable	32
Stored goods	555	Reserve for bonuses	1,943
Short-term loans receivable	104	Provision for sales rebates	4
Accounts receivable – other	3,410	Provision for product warranty	801
Consumption tax receivable	547	Others	1,334
Others	728		
Allowance for doubtful accounts	(254)	<b>Non-current liabilities:</b>	<b>60,425</b>
<b>Non-current assets:</b>	<b>69,151</b>	Bonds payable	8,600
<b>Tangible assets</b>	<b>39,136</b>	Long-term loans	43,130
Buildings	12,578	Reserve for retirement benefits	7,183
Structures	2,194	Reserve for retirement allowances for directors and auditors	193
Machinery and equipment	6,761	Lease obligations	575
Vehicles and transportation equipment	12	Guarantee deposits accepted	67
Tools, furniture and fixtures	911	Deferred tax liabilities	601
Land	15,079	Others	73
Lease assets	727	<b>Total liabilities</b>	<b>106,656</b>
Construction in progress	870	<b>[Net assets]</b>	
<b>Intangible assets</b>	<b>508</b>	<b>Shareholders' equity</b>	<b>21,874</b>
Lease rights	104	<b>Paid-in capital</b>	<b>11,037</b>
Software	260	<b>Additional paid-in capital</b>	<b>4,453</b>
Lease assets	138	Capital reserve	4,453
Others	4	<b>Retained earnings</b>	<b>8,363</b>
<b>Investments and other assets</b>	<b>29,506</b>	Reserve for retained earnings	-
Investment securities	6,268	Other retained earnings	8,363
Shares of affiliates	10,809	Retained earnings carried forward	8,363
Equity investments in affiliates	5,623	<b>Treasury stock</b>	<b>(1,980)</b>
Long-term loans receivable from subsidiaries and affiliates	70	<b>Valuation and translation adjustments</b>	<b>447</b>
Fund for retirement allowances and pension	5,985	<b>Valuation difference on available- for-sale securities</b>	<b>495</b>
Others	1,003	<b>Deferred profit or loss on hedges</b>	<b>(47)</b>
Allowance for doubtful accounts	(253)	<b>Total net assets</b>	<b>22,321</b>
<b>Total assets</b>	<b>128,978</b>	<b>Total liabilities and net assets</b>	<b>128,978</b>

**Non-Consolidated Statement of Income**  
(From April 1, 2009 to March 31, 2010)

(In millions of yen)

Item	Amount
<b>Net sales</b>	<b>114,927</b>
<b>Cost of goods sold</b>	<b>95,116</b>
<b>Gross profit</b>	<b>19,810</b>
<b>Selling, general and administrative expenses</b>	<b>19,014</b>
<b>Operating profit</b>	<b>796</b>
<b>Non-operating income</b>	<b>7,819</b>
Interest received	22
Dividends received	6,428
Rent income	111
Foreign exchange gains	948
Miscellaneous income	309
<b>Non-operating expenses</b>	<b>1,780</b>
Interest paid	1,244
Bond interest paid	163
Taxes and dues	224
Commission for syndicate loan	26
Other non-operating expenses	121
<b>Ordinary profit</b>	<b>6,835</b>
<b>Extraordinary profit</b>	<b>696</b>
Gain on sales of fixed assets	19
Gain on reversal of allowance for doubtful accounts	431
Gain on reversal of provision for product warranty	51
Insurance income	99
Other extraordinary profit	94
<b>Extraordinary loss</b>	<b>1,100</b>
Loss on disposal of fixed assets	64
Loss on valuation of shares of subsidiaries and affiliates	886
Other extraordinary loss	149
<b>Net income before taxes</b>	<b>6,431</b>
Corporate, inhabitant and business taxes	45
Adjustments of income taxes	-
<b>Net income</b>	<b>6,386</b>

**Statement of Changes in Net Assets**  
(From April 1, 2009 to March 31, 2010)

(In millions of yen)

	Shareholders' equity									
	Paid-in capital	Additional paid-in capital		Retained earnings					Treasury stock	Total shareholders' equity
		Capital reserve	Total capital surplus	Reserve for retained earnings	Voluntary reserve			Total retained earnings		
					Reserve for special depreciation	Reserve for advanced depreciation	Retained earnings carried forward			
Balance as of March 31, 2009	11,037	27,205	27,205	2,759	26	564	(24,124)	(20,773)	(1,978)	15,491
Changes during fiscal year										
Reversal of reserve for special depreciation					(26)		26	-		-
Reversal of reserve for advanced depreciation						(564)	564	-		-
Deficit disposition		(22,751)	(22,751)	(2,759)			25,511	22,751		-
Net income							6,386	6,386		6,386
Acquisition of treasury stock									(3)	(3)
Disposal of treasury stock							(0)	(0)	1	0
Net changes in items other than shareholders' equity during fiscal year										
Total changes during fiscal year	-	(22,751)	(22,751)	(2,759)	(26)	(564)	32,487	29,137	(2)	6,382
Balance as of March 31, 2010	11,037	4,453	4,453	-	-	-	8,363	8,363	(1,980)	21,874

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred profit or loss on hedges	Total valuation and translation adjustments	
Balance as of March 31, 2009	147	72	219	15,710
Changes during fiscal year				
Reversal of reserve for special depreciation				-
Reversal of reserve for advanced depreciation				-
Deficit disposition				-
Net income				6,386
Acquisition of treasury stock				(3)
Disposal of treasury stock				0
Net changes in items other than shareholders' equity during fiscal year	347	(119)	228	228
Total changes during fiscal year	347	(119)	228	6,610
Balance as of March 31, 2010	495	(47)	447	22,321



## Reference Materials for the General Meeting of Shareholders

### Item 1: Proposal for Appropriation of Surplus

We propose to appropriate surplus as follows:

1. Year-end dividends  
In due consideration of our business results for the fiscal year and future business developments, we propose making year-end dividends for the 84<sup>th</sup> fiscal year as described below:
  - (1) Type of dividend property  
Money
  - (2) Allotment and total amount of dividends  
We propose making a dividend of ¥5 per share of common stock of the Company, with the total amount of dividends being ¥683,497,980.
  - (3) Effective date for dividends from surplus  
We propose a relevant effective date of June 24, 2010.
2. Other matters related to appropriation of surplus  
None

## Item 2: Election of Five (5) Directors

All twelve (12) directors will complete their term of office at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, we propose that five (5) new directors be elected.

The relevant candidates are as follows:

No.	Name (Date of birth)	Resume, with Positions and Areas of Responsibility in the Company and Major Concurrent Positions	No. of Sanden shares held
1	Masayoshi Ushikubo (January 16, 1935)	April 1968      Joined Sanden Corporation June 1989      Director & President April 2001      Director & Chairman (present)	971,002
2	Yoshimasa Hayakawa (January 25, 1943)	March 1982      Joined Sanden Corporation June 2001      Director & President June 2007      Director & Vice Chairman (present)	206,000
3	Kazunori Kiuchi (April 18, 1945)	April 2005      President & CEO, NEC Infrontia Corporation June 2008      Corporate Auditor, Sanden Corporation April 2010      Vice President & Corporate Officer (present)	10,000
4	Katsuya Nishi (August 3, 1964)	April 1985      Joined Sanden Corporation July 2008      Head of Corporate Planning Office June 2009      Director & Corporate Officer; Head of Corporate Planning Office (present)	25,000
5	Isao Tada (July 5, 1945)	June 1999      Corporate Auditor, Daiwa Securities Co., Ltd. June 2005      Counselor, Daiwa Institute of Research Ltd.; Deputy Director, Strategic Management Laboratory June 2007      Director, Sanden Corporation (present)	5,000

- Notes
- 1: The Company does not have any special vested interests in any of the candidates for directors.
  - 2: Isao Tada is a candidate for an outside director.
  - 3: We are recommending Isao Tada as a candidate for an outside director in order to strengthen the supervisory function over the Company's management from objective and neutral viewpoints.
  - 4: Isao Tada is currently an outside director of the Company and will have served as an outside director for three (3) years at the conclusion of this Ordinary General Meeting of Shareholders.
  - 5: The Company has entered into an agreement for limited liabilities with Isao Tada as set forth in Article 427, Paragraph 1 of the Companies Act. The Company will renew that agreement provided that the re-election is approved as in an original proposal. However, the amount of liabilities for damages set forth in said agreement shall not exceed the amount stipulated by laws and regulations.