

Securities Code: 6444  
June 4, 2013

## Notice of the 87<sup>th</sup> Ordinary General Meeting of Shareholders

Dear Shareholders:

It is our pleasure to invite you to the 87<sup>th</sup> Ordinary General Meeting of Shareholders of Sanden Corporation (“Sanden” or the “Company”). The details of the meeting are provided below.

**If you are unable to attend the Ordinary General Meeting of Shareholders in person, you may vote either by completing and mailing the enclosed Voting Rights Exercise Form or by the Internet. Please refer to the Reference Materials for the Ordinary General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Thursday, June 20, 2013.**

**[Vote by completing and mailing the Voting Rights Exercise Form]**

**Please complete and return the enclosed Voting Rights Exercise Form. To be effective, your form must be received at the printed address by 5:00 p.m. on Thursday, June 20, 2013.**

**[Vote by the Internet]**

**Please vote online at <http://www.web54.net> following the instruction on the screen. To be effective, your vote must be submitted by 5:00 p.m. on Thursday, June 20, 2013.**

Sincerely,

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

## Details of the Meeting

1. Date and time: Friday, June 21, 2013, 10:00 a.m.
  
2. Venue: Conference room, Sanden Communication Plaza  
961, Numawada, Honjo City, Saitama Prefecture
  
3. Meeting agenda:  
*Items to be reported*
  1. Business Report and Consolidated Financial Statements for the 87<sup>th</sup> Fiscal Year (from April 1, 2012 to March 31, 2013), and Reports of the Independent Auditors and the Board of Corporate Auditors on the Consolidated Financial Statements
  2. Non-Consolidated Financial Statements for the 87<sup>th</sup> Fiscal Year (from April 1, 2012 to March 31, 2013)

### *Agenda items to be resolved*

- Item 1:** Proposal for Appropriation of Surplus
- Item 2:** Election of Eleven (11) Directors
- Item 3:** Election of One (1) Corporate Auditor

4. About your vote
  1. If you vote both by completing and mailing the Voting Rights Exercise Form and by the Internet, the vote submitted by the Internet will prevail.
  2. If you submit your vote multiple times by the Internet, only the last vote submitted will be effective.

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Attending Shareholders are requested to present the enclosed Voting Rights Exercise Form at reception on the day of the Ordinary General Meeting of Shareholders.

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

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

## Consolidated Balance Sheet

(As of March 31, 2013)

(In millions of yen)

Item	Amount	Item	Amount
<b>[Assets]</b>		<b>[Liabilities]</b>	
<b>Current assets:</b>	<b>144,950</b>	<b>Current liabilities:</b>	<b>132,373</b>
Cash and deposits	19,970	Notes and accounts payable – trade	44,594
Notes and accounts receivable – trade	66,918	Short-term loans payable	52,747
Merchandise and finished goods	20,179	Current portion of long-term loans payable	12,651
Work in process	8,160	Accounts payable – other	7,965
Raw materials	13,917	Lease obligations	1,115
Other inventories	3,091	Income taxes payable	1,106
Deferred tax assets	3,588	Provision for bonuses	2,890
Accounts receivable – other	2,761	Provision for sales rebates	366
Consumption taxes receivable	3,728	Provision for product warranties	1,377
Other	4,379	Other	7,558
Allowance for doubtful accounts	(1,025)		
<b>Noncurrent assets:</b>	<b>102,436</b>	<b>Noncurrent liabilities:</b>	<b>62,052</b>
<b>Property, plant and equipment</b>	<b>79,262</b>	Long-term loans payable	53,149
Buildings and structures	20,015	Lease obligations	3,505
Machinery, equipment and vehicles	23,714	Deferred tax liabilities	1,018
Tools, furniture and fixtures	3,404	Provision for retirement benefits	3,063
Land	20,004	Provision for directors' retirement benefits	179
Lease assets	5,301	Provision for environmental measures	558
Construction in progress	6,821	Negative goodwill	18
<b>Intangible assets</b>	<b>3,233</b>	Other	559
Goodwill	15		
Lease assets	167		
Other	3,050		
<b>Investments and other assets</b>	<b>19,940</b>	<b>Total Liabilities</b>	<b>194,426</b>
Investment securities	17,973	<b>[Net assets]</b>	
Deferred tax assets	890	<b>Shareholders' equity</b>	<b>53,149</b>
Other	1,291	<b>Capital stock</b>	<b>11,037</b>
Allowance for doubtful accounts	(215)	<b>Capital surplus</b>	<b>4,453</b>
		<b>Retained earnings</b>	<b>39,855</b>
		<b>Treasury stock</b>	<b>(2,197)</b>
		<b>Accumulated other comprehensive income</b>	<b>(3,498)</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>1,821</b>
		<b>Deferred gains or losses on hedges</b>	<b>113</b>
		<b>Foreign currency translation adjustment</b>	<b>(5,433)</b>
		<b>Minority interests</b>	<b>3,309</b>
		<b>Total net assets</b>	<b>52,961</b>
<b>Total assets</b>	<b>247,387</b>	<b>Total liabilities and net assets</b>	<b>247,387</b>

**Consolidated Statement of Income**  
(From April 1, 2012 to March 31, 2013)

(In millions of yen)

Item	Amount
<b>Net sales</b>	<b>241,780</b>
<b>Cost of sales</b>	<b>205,048</b>
<b>Gross profit</b>	<b>36,731</b>
<b>Selling, general and administrative expenses</b>	<b>37,627</b>
<b>Operating loss</b>	<b>896</b>
<b>Non-operating income</b>	<b>4,143</b>
Interest income	103
Dividends income	136
Foreign exchange gains	968
Equity in earnings of affiliates	1,665
Other	1,269
<b>Non-operating expenses</b>	<b>2,993</b>
Interest expenses	2,272
Other	721
<b>Ordinary income</b>	<b>253</b>
<b>Extraordinary income</b>	<b>786</b>
Gain on sales of noncurrent assets	43
Gain on sales of investment securities	19
Social Security Premium Refund	366
Insurance income	340
Other	16
<b>Extraordinary loss</b>	<b>227</b>
Loss on disposal of noncurrent assets	182
Impairment loss	38
Other	6
<b>Income before income taxes and minority interests</b>	<b>812</b>
Income taxes – current	1,551
Income taxes – deferred	(1,546)
<b>Income before minority interests</b>	<b>807</b>
Minority interests in loss	277
<b>Net income</b>	<b>1,084</b>

**Consolidated Statements of Changes in Net Assets**  
(From April 1, 2012 to March 31, 2013)

(In millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2012	11,037	4,453	39,565	(2,195)	52,861
Changes due to the change of scope of consolidation			227		227
Changes of items during the period					
Dividends from surplus			(1,021)		(1,021)
Net income			1,084		1,084
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock			(0)	2	1
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	290	(1)	288
Balance as of March 31, 2013	11,037	4,453	39,855	(2,197)	53,149

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of April 1, 2012	718	33	(8,492)	(7,740)	3,078	48,199
Changes due to the change of scope of consolidation						227
Changes of items during the period						
Dividends from surplus						(1,021)
Net income						1,084
Purchase of treasury stock						(4)
Disposal of treasury stock						1
Net changes of items other than shareholders' equity	1,102	80	3,059	4,241	230	4,472
Total changes of items during the period	1,102	113	3,059	4,241	230	4,761
Balance as of March 31, 2013	1,821	113	(5,433)	(3,498)	3,309	52,961

## Non-Consolidated Balance Sheet

(As of March 31, 2013)

(In millions of yen)

Item	Amount	Item	Amount
<b>[Assets]</b>		<b>[Liabilities]</b>	
<b>Current assets:</b>	<b>77,628</b>	<b>Current liabilities:</b>	<b>75,481</b>
Cash and deposits	9,646	Notes payable – trade	5,065
Notes receivable – trade	2,257	Accounts payable – trade	21,406
Accounts receivable – trade	43,369	Short-term loans payable	27,440
Merchandise	700	Current portion of long-term loans payable	10,705
Finished goods	6,940	Lease obligations	437
Work in process	3,935	Accounts payable – other	5,299
Supplies	724	Accrued expenses	848
Deferred tax assets	2,800	Income taxes payable	147
Short-term loan receivable from subsidiaries and affiliates	2,165	Provision for bonuses	1,792
Accounts receivable – other	5,484	Provision for sales rebates	27
Consumption taxes receivable	335	Provision for product warranties	625
Other	347	Other	1,684
Allowance for doubtful accounts	(1,078)		
<b>Noncurrent assets:</b>	<b>69,831</b>	<b>Noncurrent liabilities:</b>	<b>42,962</b>
<b>Property, plant and equipment</b>	<b>35,932</b>	Long-term loans payable	39,069
Buildings	10,478	Provision for retirement benefits	1,409
Structures	1,669	Provision for directors' retirement benefits	179
Machinery and equipment	4,461	Lease obligations	1,796
Vehicles	8	Guarantee deposits received	59
Tools, furniture and fixtures	1,102	Deferred tax liabilities	438
Land	15,059	Other	9
Lease assets	2,007		
Construction in progress	1,144		
<b>Intangible assets</b>	<b>2,119</b>	<b>Total liabilities</b>	<b>118,443</b>
Patent right	22	<b>[Net assets]</b>	
Leasehold right	104	<b>Shareholders' equity</b>	<b>27,068</b>
Software	1,919	<b>Capital stock</b>	<b>11,037</b>
Lease assets	59	<b>Capital surplus</b>	<b>4,453</b>
Other	13	Legal capital surplus	4,453
<b>Investments and other assets</b>	<b>31,779</b>	<b>Retained earnings</b>	<b>13,566</b>
Investment securities	8,208	Legal retained earnings	-
Stocks of subsidiaries and affiliates	16,581	Other retained earnings	13,566
Investments in capital of subsidiaries and affiliates	6,011	Retained earnings brought forward	13,566
Long-term loans receivable	329	<b>Treasury stock</b>	<b>(1,989)</b>
Other	883	<b>Valuation and translation adjustments</b>	<b>1,947</b>
Allowance for doubtful accounts	(235)	<b>Valuation difference on available-for-sale securities</b>	<b>1,817</b>
		<b>Deferred gains or losses on hedges</b>	<b>130</b>
		<b>Total net assets</b>	<b>29,016</b>
<b>Total assets</b>	<b>147,459</b>	<b>Total liabilities and net assets</b>	<b>147,459</b>

**Non-Consolidated Statement of Income**  
(From April 1, 2012 to March 31, 2013)

(In millions of yen)

<b>Item</b>	<b>Amount</b>
<b>Net sales</b>	<b>146,722</b>
<b>Cost of sales</b>	<b>122,996</b>
<b>Gross profit</b>	<b>23,725</b>
<b>Selling, general and administrative expenses</b>	<b>23,001</b>
<b>Operating profit</b>	<b>723</b>
<b>Non-operating income</b>	<b>4,518</b>
Interest income	79
Dividends income	3,374
Rent income	112
Foreign exchange gains	754
Other	196
<b>Non-operating expenses</b>	<b>1,244</b>
Interest expenses	1,153
Taxes and dues	23
Other	67
<b>Ordinary income</b>	<b>3,996</b>
<b>Extraordinary income</b>	<b>565</b>
Gain on sales of investment securities	19
Insurance income	544
Other	0
<b>Extraordinary loss</b>	<b>1,143</b>
Loss on disposal of noncurrent assets	141
Provision of allowance for doubtful accounts	1,000
Other	2
<b>Income before income taxes</b>	<b>3,418</b>
Income taxes – current	(176)
Income taxes – deferred	(1,086)
<b>Net income</b>	<b>4,681</b>

**Statement of Changes in Net Assets**  
(From April 1, 2012 to March 31, 2013)

(In millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total share-holders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance as of April 1, 2012	11,037	4,453	4,453	-	9,910	9,910	(1,988)	23,414
Changes of items during the period								
Dividends from surplus					(1,025)	(1,025)		(1,025)
Net income					4,681	4,681		4,681
Purchase of treasury stock							(4)	(4)
Disposal of treasury stock					(0)	(0)	2	1
Net changes of items other than share-holders' equity								
Total changes of items during the period	-	-	-	-	3,655	3,655	(1)	3,654
Balance as of March 31, 2013	11,037	4,453	4,453	-	13,566	13,566	(1,989)	27,068

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance as of April 1, 2012	718	95	814	24,228
Changes of items during the period				
Dividends from surplus				(1,025)
Net income				4,681
Purchase of treasury stock				(4)
Disposal of treasury stock				1
Net changes of items other than share-holders' equity	1,099	34	1,133	1,133
Total changes of items during the period	1,099	34	1,133	4,787
Balance as of March 31, 2013	1,817	130	1,947	29,016



Reference Materials for the Ordinary General Meeting of Shareholders

**Item 1: Proposal for Appropriation of Surplus**

We propose to appropriate surplus as follows:

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 87<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 ¥10 per share of common stock of the Company, with the total amount of dividends being ¥1,366,678,920.

(3) Effective date for dividends from surplus

We propose a relevant effective date of June 24, 2013.

**Item 2: Election of Eleven (11) Directors**

All of the seven (7) directors will complete their term of office at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, we propose that the total of eleven (11) directors be elected with the addition of four (4) directors for the purpose of strengthening our management structure.

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)	Apr. 1968    Joined Sanden June 1989    Representative Director & President June 2001    Representative Director & Chairman (present)	1,055,002
2	Yoshimasa Hayakawa (January 25, 1943)	Mar. 1982    Joined Sanden June 2001    Representative Director & President June 2010    Representative Director & Vice Chairman (present)	267,000
3	Mitsuya Yamamoto (June 1, 1950)	Apr. 1975    Joined Sanden June 2007    Managing Director in charge of Global Affairs Apr. 2011    Executive Corporate Officer General Manager, Automotive Systems Business June 2012    Representative Director & President (present)	109,000

4*	Mark Ulfing (Nov. 14, 1956)	Oct. 2009 Oct. 2010 June 2012	President, Sanden International (U.S.A.), Inc. Corporate Officer, Sanden President, Sanden International (U.S.A.), Inc. & Sanden Mexicana, S.A. de C.V. Executive Corporate Officer, Sanden CEO, Sanden International (U.S.A.), Inc. & Sanden International (Europe) Ltd. President, Sanden Mexicana, S.A. de C.V. (present)	—
5	Mitsugi Takahashi (June 30, 1950)	Apr. 1974 June 2001 June 2010 June 2012	Joined Sanden Director Corporate Officer General Manager, General Affairs Dept. Senior Corporate Officer Director (present)	128,000
6	Katsuya Nishi (August 3, 1964)	Apr. 1985 June 2009 June 2012	Joined Sanden Director Corporate Officer Head of Corporate Planning Office Director Senior Corporate Officer in charge of Corporate Planning, Finance, Accounting and General Affairs (present)	62,000
7*	Takashi Kageyama (April 28, 1956)	Feb. 2009 Oct. 2010 June 2012	Deputy General Manager, Automotive Systems Division Corporate Officer General Manager, R&D Division Senior Corporate Officer General Manager, R&D Division (present)	37,000
8*	Katsumi Yamanaka (July 7, 1955)	Oct. 1988 May 2009 June 2012	Joined Sanden General Manager, Retail Store Systems Division Senior Corporate Officer General Manager, Commercial Store Systems Business (present)	18,000
9*	Hisao Nakajima (January 1, 1955)	Apr. 1977 June 2007 Apr. 2013	Joined Sanden Corporate Officer General Manager, Materials & Parts Supply Division Councilor in charge of production innovation President, Sanwa Co., Ltd. (present)	75,000

10	Isao Tada (July 5, 1945)	June 1999 June 2005 June 2007	Full-time Corporate Auditor, Daiwa Securities Co., Ltd. Counselor, Daiwa Institute of Research Ltd. Deputy Director, Strategic Management Laboratory Director, Sanden (present)	5,000
11*	Hideto Ozaki (Dec. 26, 1945)	Apr. 1968 June 1999 July 2000 June 2008 June 2011	Joined Toyota Motor Sales Co., Ltd. Director, Toyota Motor Corporation President, Toyota Financial Services Corporation Representative Director & Chairman, Aioi Insurance Company, Limited Special Advisor, Aioi Nissay Dowa Insurance Company, Limited (present)	11,000

Notes:

- 1: The candidates with a number marked with “\*” are newly nominated candidates.
- 2: The Company does not have any special vested interests in any of the candidates.
- 3: Hideto Ozaki is a candidate for an outside director.
- 4: The reason that we nominated Hideto Ozaki as a candidate for an outside director is that he has a considerable experience through his careers in Toyota Motor Corporation, Aioi Nissay Dowa Insurance Company, Limited, etc., and that his expertise could assist us in strengthening the supervisory function over our management.
- 5: If Hideto Ozaki is elected, the Company will enter into a contract with him that limits liabilities to the effect that the liabilities for damages set forth in Article 423, Paragraph 1 of the Companies Act shall be up to the amount stipulated by the laws and regulations.
- 6: If Hideto Ozaki is elected, we will designate him as an independent director and notify Tokyo Stock Exchange, Inc. of his designation.

### Item 3: Election of One (1) Corporate Auditor

Mitsuhiko Iwasaki, one of our four corporate auditors, will resign at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, we propose that one (1) corporate auditor be elected as his successor. Please note that if the candidate is elected, he will serve the remaining term of office of Mitsuhiko Iwasaki. We have obtained the consent of the Board of Corporate Auditors in connection with this proposal.

The relevant candidate is as follows:

Name (Date of birth)	Resume, with Positions in the Company and Major Concurrent Positions	No. of Sanden shares held
Kimihide Emae (Oct. 14, 1948)	Apr. 1971 Sept. 2002 Nov. 2008 Mar. 2012 Oct. 2012	-
	Joined The Bank of Tokyo, Ltd. Managing Officer, Mitsubishi Securities Senior Advisor, Toyota Financial Services Corporation Auditor, McDonald’s Holdings Company (Japan), Ltd. (present) Fund Management Chairperson, The Tokyo Foundation (present)	

Notes:

1. There are no special vested interests between the Company and Kimihide Emae.
2. Kimihide Emae is a candidate for an outside auditor.
3. We nominated Kimihide Emae as the candidate for an outside auditor because we believe that we can expect from him appropriate audits and advice based on his considerable business experience through his careers in Mitsubishi Securities, Toyota Financial Services Corporation, etc..
4. If Kimihide Emae is elected, the Company will enter into a contract with him that limits liabilities to the effect that the liabilities for damages set forth in Article 423, Paragraph 1 of the Companies Act shall be up to the amount stipulated by the laws and regulations.
5. If Kimihide Emae is elected, we will designate him as an independent auditor and notify Tokyo Stock Exchange, Inc. of his designation.