

DENSO CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results of the Fiscal Year Ended March 31, 2005

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DENSO CORPORATION

CODE: 6902

Listed on the Tokyo, Osaka
and Nagoya stock exchanges

Results of the fiscal year ended March 31, 2005 (From April 1, 2004 to March 31, 2005)

(1) Operating Results

(Millions of yen, except per share figures)

	Year ended March 31, 2005	Year ended March 31, 2004
Net sales.....	2,799,949	2,562,411
% change from the previous corresponding period.....	9.3%	9.8%
Operating income.....	213,895	188,659
% change from the previous corresponding period.....	13.4%	18.0%
Income before income taxes and minority interests.....	223,446	185,892
% change from the previous corresponding period.....	20.2%	(20.4%)
Net income.....	132,620	110,027
% change from the previous corresponding period.....	20.5%	(0.9%)
Basic net income per share.....	159.02 yen	130.02 yen
Fully diluted net income per share	158.96 yen	130.01 yen
Return on shareholders' equity.....	8.4 %	7.6 %

Notes 1. Equity in earnings of affiliates Year ended March 31, 2005 : 2,340 millions of yen

Year ended March 31, 2004 : 2,333 millions of yen

2. "Basic net income per share" is based upon the average number of shares outstanding.

(2) Financial Position

(Millions of yen, except per share figures)

	As of March 31, 2005	As of March 31, 2004
Total assets.....	2,780,982	2,526,502
Shareholders' equity.....	1,643,182	1,509,489
Shareholders' equity ratio.....	59.1 %	59.7 %
Shareholders' equity per share.....	1,990.48 yen	1,809.55 yen

Note: "Shareholders' equity per share" is based upon the number of shares outstanding as of the respective balance sheet dates.

(3) Cash Flows

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004
Net cash provided by operating activities.....	273,296	231,814
Net cash used in investing activities.....	(268,782)	(194,653)
Net cash used in financing activities.....	(20,097)	(48,960)
Cash and Cash Equivalents at End of Period.....	231,846	244,509

(4) Consolidation Scope

Number of consolidated subsidiaries : 171

Number of unconsolidated subsidiaries : 0

Number of affiliates : 29 (Affiliates accounted for by the equity method : 29)

(5) Changes in Consolidation Scope and Application of the Equity Method

Consolidated subsidiaries

Added : 7

Excluded : 0

Companies accounted for by the equity method

Added : 4

Excluded : 2

Consolidated Statements of Income

	Year ended Mar. 31, 2005	Year ended Mar. 31, 2004	Millions of yen Increase (Decrease)
Net Sales	2,799,949	2,562,411	237,538
Cost of Sales	2,309,713	2,128,604	
Gross profit	490,236	433,807	56,429
Selling, General and Administrative Expenses	276,341	245,148	
Operating income	213,895	188,659	25,236
Other Income (Expenses):			
Interest and dividend income	9,118	8,311	
Interest expense	(3,541)	(3,448)	
Equity in earnings of affiliates	2,340	2,333	
Impairment loss on fixed assets	(1,206)	-	
Impairment loss on investment securities	(108)	(361)	
Gain on transfer to defined contribution pension plans	-	667	
Gain on exemption from future pension obligation of the governmental program	-	1,429	
Loss on settlement of the substitutional portion of governmental pension program due to return of corresponding plan assets	-	(12,132)	
Other, net	2,948	434	
Income before income taxes and minority interests	223,446	185,892	37,554
Income Taxes:			
Current	90,110	88,990	
Deferred	(6,824)	(20,579)	
Minority Interests in Net Income	7,540	7,454	
Net income	132,620	110,027	22,593

Consolidated Balance Sheets

	Millions of yen		
Assets	As of Mar. 31, 2005	As of Mar. 31, 2004	Increase (Decrease)
Current Assets:			
Cash and cash equivalents	231,846	244,509	
Short-term investments	55,878	28,709	
Notes and accounts receivable, less allowance for doubtful accounts	517,219	473,178	
Inventories	248,821	214,751	
Deferred income taxes	49,450	43,745	
Other current assets	64,501	54,104	
Total current assets	1,167,715	1,058,996	108,719
Property, Plant and Equipment:			
Buildings and structures	586,642	563,439	
Machinery and equipment	1,904,873	1,766,964	
	2,491,515	2,330,403	
Less: Accumulated depreciation	(1,858,242)	(1,758,281)	
	633,273	572,122	
Land	143,262	142,858	
Construction in progress	76,286	62,076	
Net property, plant and equipment	852,821	777,056	75,765
Investments and Other assets	760,446	690,450	69,996
Total	2,780,982	2,526,502	254,480

	Millions of yen		
Liabilities and Shareholders' Equity	As of Mar. 31, 2005	As of Mar. 31, 2004	Increase (Decrease)
Current Liabilities:			
Short-term borrowings	59,993	49,996	
Current portion of long-term debt	4,064	3,325	
Notes and accounts payable	383,160	344,674	
Income taxes payable	45,519	43,556	
Accrued expenses	121,870	105,187	
Accrued bonuses to employees	50,612	49,262	
Other current liabilities	58,432	53,817	
Total current liabilities	723,650	649,817	73,833
Long-term Liabilities:			
Long-term debt	141,641	122,826	
Liability for employees' retirement benefits	151,842	143,160	
Other long-term liabilities	44,969	29,275	
Total long-term liabilities	338,452	295,261	43,191
Minority Interests	75,698	71,935	3,763
Shareholders' Equity:			
Common stock	187,457	187,457	
Capital surplus	266,051	266,005	
Retained earnings	1,191,370	1,080,996	
Net unrealized gain on available-for-sale securities	173,730	142,588	
Foreign currency translation adjustments	(55,608)	(70,577)	
Less: Treasury stock at cost	(119,818)	(96,980)	
Total shareholders' equity	1,643,182	1,509,489	133,693
Total	2,780,982	2,526,502	254,480

Consolidated Statements of Shareholders' Equity

	Year ended Mar. 31, 2005	Year ended Mar. 31, 2004
Millions of yen		
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Common Stock:		
Balance at beginning of period	187,457	187,457
Balance at end of period	187,457	187,457
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Capital Surplus:		
Balance at beginning of period	266,005	266,005
Gain on disposal of treasury stock	46	-
Balance at end of period	266,051	266,005
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Retained Earnings:		
Balance at beginning of period	1,080,996	989,198
Net income	132,620	110,027
Cash dividends	(21,686)	(17,711)
Bonuses to directors and corporate auditors	(560)	(518)
Balance at end of period	1,191,370	1,080,996
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Net Unrealized Gain on Available-for-sale Securities at End of Period	173,730	142,588
Foreign Currency Translation Adjustments at End of Period	(55,608)	(70,577)
Treasury Stock at End of Period	(119,818)	(96,980)
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Total Shareholders' Equity at End of Period	1,643,182	1,509,489
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Consolidated Statements of Cash Flows

	Year ended Mar.31, 2005	Year ended Mar. 31,2004	Millions of yen Increase (Decrease)
Operating Activities:			
Income before income taxes and minority interests	223,446	185,892	
Adjustments for:			
Payment of income taxes	(92,606)	(85,063)	
Depreciation	160,993	151,169	
Impairment loss on fixed assets	1,206	-	
Amortization of goodwill including impairment	225	425	
Increase (Decrease) in liability for retirement benefits	7,927	2,859	
Equity in earnings of affiliates	(2,340)	(2,333)	
Loss on sale or disposal of property, plant and equipment, net	5,422	4,130	
Foreign exchange (gain) loss	(2,758)	(749)	
Changes in assets and liabilities:			
(Increase) Decrease in notes and accounts receivable	(35,411)	(65,469)	
(Increase) Decrease in inventories	(27,932)	(26,097)	
Increase (Decrease) in notes and accounts payable	29,132	41,870	
(Decrease) Increase in defined contribution pension payable	(7,622)	(6,401)	
(Increase) Decrease in prepaid pension cost	(6,668)	15,885	
Other, net	20,282	15,696	
Total adjustments	49,850	45,922	3,928
Net cash provided by operating activities	273,296	231,814	41,482
Investing Activities:			
Acquisition of property, plant and equipment	(226,246)	(196,443)	
Purchase of available-for-sale securities	(89,623)	(97,593)	
Proceeds from sale and redemption of available-for-sale securities	54,229	100,904	
Other, net	(7,142)	(1,521)	
Net cash used in investing activities	(268,782)	(194,653)	(74,129)
Financing Activities:			
Net increase (decrease) in short-term borrowings	8,387	12,333	
Proceeds from long-term borrowings	22,797	19,744	
Repayments of long-term borrowings	(5,539)	(4,741)	
Repayments of long-term bonds	-	(40,000)	
Dividends paid	(21,686)	(17,711)	
Purchase of treasury stock	(23,875)	(19,423)	
Other, net	(181)	838	
Net cash used in financing activities	(20,097)	(48,960)	28,863
Foreign Currency Translation Adjustments on Cash and Cash Equivalents	2,920	(3,537)	
Net Decrease in Cash and Cash Equivalents	(12,663)	(15,336)	
Cash and Cash Equivalents at Beginning of Period	244,509	259,845	
Cash and Cash Equivalents at End of Period	231,846	244,509	(12,663)

Segment Information

1. Geographical Segments (by company location)

			Millions of yen	
			Year ended Mar. 31, 2005	Year ended Mar. 31, 2004
Sales	Japan	Customers	1,590,666	1,469,552
		Intersegment	469,891	416,245
		Total	2,060,557	1,885,797
	The Americas	Customers	571,053	549,208
		Intersegment	9,189	8,532
		Total	580,242	557,740
	Europe	Customers	367,082	333,486
		Intersegment	6,968	4,809
		Total	374,050	338,295
	Asia & Oceania	Customers	271,148	210,165
		Intersegment	19,757	13,438
		Total	290,905	223,603
		Eliminations	(505,805)	(443,024)
	Consolidated	2,799,949	2,562,411	
Operating Income (Loss)	Japan	180,000	153,473	
	The Americas	23,638	24,833	
	Europe	(8,777)	(4,250)	
	Asia & Oceania	20,067	14,903	
	Eliminations	(1,033)	(300)	
	Consolidated	213,895	188,659	
Assets	Japan	1,783,896	1,627,930	
	The Americas	287,455	248,500	
	Europe	251,753	231,332	
	Asia & Oceania	215,582	161,707	
	Corporate and eliminations	242,296	257,033	
	Consolidated	2,780,982	2,526,502	

2. Sales by Customer Location

			Millions of yen	
			Year ended Mar. 31, 2005	Year ended Mar. 31, 2004
Japan		1,554,795	1,442,645	
		55.5%	56.3%	
The Americas		582,769	557,035	
		20.8%	21.7%	
Europe		367,588	332,019	
		13.1%	13.0%	
Asia & Oceania		287,627	224,511	
		10.3%	8.8%	
Others		7,170	6,201	
		0.3%	0.2%	
Net Sales		2,799,949	2,562,411	