

DENSO CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results of the Fiscal Year Ended March 31, 2007

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DATE: April 26, 2007

DENSO CORPORATION

CODE: 6902

Listed on the Tokyo, Osaka
and Nagoya stock exchanges

Results of the fiscal year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)

(1) Operating Results

(Millions of yen, except per share figures)

	Year ended March 31, 2007	Year ended March 31, 2006
Net sales.....	3,609,700	3,188,330
% change from the previous corresponding period.....	13.2%	13.9%
Operating income.....	303,068	266,559
% change from the previous corresponding period.....	13.7%	24.6%
Income before income taxes and minority interests.....	319,711	271,854
% change from the previous corresponding period.....	17.6%	21.7%
Net income.....	205,170	169,648
% change from the previous corresponding period.....	20.9%	27.9%
Basic net income per share.....	249.88 yen	204.80 yen
Diluted net income per share	249.56 yen	204.62 yen
Return on equity.....	9.9 %	9.4 %

Notes 1. Equity in earnings of affiliates Year ended March 31, 2007 : 1,469 millions of yen

Year ended March 31, 2006 : 1,549 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, 2007	As of March 31, 2006
Total assets.....	3,765,135	3,411,975
Total equity.....	2,286,956	1,970,388
Equity ratio.....	57.7 %	57.7 %
Equity per share.....	2,668.82 yen	2,384.05 yen

Note: "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, 2007	Year ended March 31, 2006
Net cash provided by operating activities.....	406,543	368,575
Net cash used in investing activities.....	(312,903)	(318,934)
Net cash (used in) provided by financing activities.....	(79,912)	25,460
Cash and Cash Equivalents at End of Period.....	337,003	313,611

(4) Consolidation Scope

Number of consolidated subsidiaries : 188

Number of unconsolidated subsidiaries : 0

Number of affiliates : 32 (Affiliates accounted for by the equity method : 32)

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

Consolidated subsidiaries

Added : 11

Excluded : 2

Companies accounted for by the equity method

Added : 1

Excluded : 0

Consolidated Balance Sheets

	Millions of yen		
Assets	As of Mar. 31, 2007	As of Mar. 31, 2006	Increase (Decrease)
Current Assets:			
Cash and cash equivalents	337,003	313,611	
Short-term investments	33,440	74,098	
Notes and accounts receivable, less allowance for doubtful accounts	658,143	589,731	
Inventories	313,679	287,571	
Deferred tax assets	60,646	53,912	
Other current assets	99,932	81,670	
Total current assets	1,502,843	1,400,593	102,250
Property, Plant and Equipment:			
Land	149,944	148,669	
Buildings and structures	656,648	624,599	
Machinery and equipment	2,337,584	2,104,812	
Construction in progress	106,634	93,689	
	3,250,810	2,971,769	
Less: Accumulated depreciation	(2,164,831)	(1,996,794)	
Net property, plant and equipment	1,085,979	974,975	111,004
Investments and Other Assets	1,176,313	1,036,407	139,906
Total	3,765,135	3,411,975	353,160

	Millions of yen		
Liabilities and Equity	As of Mar. 31, 2007	As of Mar. 31, 2006	Increase (Decrease)
Current Liabilities:			
Short-term borrowings	82,552	92,107	
Current portion of long-term debt	59,546	3,674	
Notes and accounts payable	490,972	446,057	
Income taxes payable	54,410	64,594	
Accrued expenses	210,501	189,426	
Other current liabilities	97,379	75,996	
Total current liabilities	995,360	871,854	123,506
Long-term Liabilities:			
Long-term debt	144,671	170,304	
Liability for employees' retirement benefits	172,602	166,998	
Deferred tax liabilities	150,751	123,634	
Other long-term liabilities	14,795	12,882	
Total long-term liabilities	482,819	473,818	9,001
Shareholders' Equity:			
Common stock	187,457	187,457	
Capital surplus	266,463	266,182	
Retained earnings	1,500,807	1,329,974	
Treasury stock - at cost	(169,130)	(117,849)	
Total shareholders' equity	1,785,597	1,665,764	119,833
Variance of the Estimate/Conversion:			
Unrealized gain on available-for-sale securities	374,060	319,186	
Deferred gain (loss) on derivatives under hedge accounting	(905)	-	
Foreign currency translation adjustments	14,962	(14,562)	
Total variance of the estimate/conversion	388,117	304,624	83,493
Stock Acquisition Rights	294	-	294
Minority Interests	112,948	95,915	17,033
Total equity	2,286,956	2,066,303	220,653
Total	3,765,135	3,411,975	353,160

Consolidated Statements of Income

	Year ended Mar. 31, 2007	Year ended Mar. 31, 2006	Millions of yen Increase (Decrease)
Net Sales	3,609,700	3,188,330	421,370
Cost of Sales	2,990,370	2,622,998	367,372
Gross profit	619,330	565,332	53,998
Selling, General and Administrative Expenses	316,262	298,773	
Operating income	303,068	266,559	36,509
Other Income (Expenses):			
Interest and dividend income	18,224	13,021	
Interest expense	(5,709)	(4,506)	
Equity in earnings of affiliates	1,469	1,549	
Reversal of allowance-doubtful accounts	469	-	
Gain on sales of property, plant and equipment	2,141	-	
Loss on sales of property, plant and equipment	(517)	-	
Impairment loss on long-lived assets	(1,044)	(159)	
Impairment loss on investment securities	(1,807)	(177)	
Charge for full amount of transitional obligation for employees' retirement benefits of subsidiaries in UK	-	(10,929)	
Factory removal expenses of a subsidiary	-	(951)	
Restructuring charges	(1,659)	-	
Other, net	5,076	7,447	
Income before income taxes and minority interests	319,711	271,854	47,857
Income Taxes:			
Current	115,162	104,346	
Deferred	(15,194)	(13,568)	
Minority Interests in Net Income	14,573	11,428	
Net income	205,170	169,648	35,522

Statements of Changes in Equity

	Year ended Mar. 31, 2007	Millions of yen Year ended Mar. 31, 2006
Common Stock:		
Balance at beginning of period	187,457	187,457
Balance at end of period	187,457	187,457
Capital Surplus:		
Balance at beginning of period	266,182	266,051
Gain on disposal of treasury stock	281	131
Balance at end of period	266,463	266,182
Retained Earnings:		
Balance at beginning of period	1,329,974	1,191,370
Net income	205,170	169,648
Cash dividends	(33,779)	(30,546)
Bonuses to directors and corporate auditors	(549)	(498)
(Decrease) in retained earnings due to change of consolidation scope	(9)	-
Balance at end of period	1,500,807	1,329,974
Treasury Stock – at cost:		
Balance at beginning of period	(117,849)	-
Purchase of treasury stock	(53,170)	-
Disposal of treasury stock	1,889	-
Balance at end of period	(169,130)	(117,849)
Unrealized Gain on Available-for-sale Securities:		
Balance at beginning of period	319,186	-
Net change	54,874	-
Balance at end of period	374,060	319,186
Deferred Gain (Loss) on Derivatives under Hedge Accounting:		
Balance at beginning of period	-	-
Net change	(905)	-
Balance at end of period	(905)	-
Foreign Currency Translation Adjustments:		
Balance at beginning of period	(14,562)	-
Net change	29,524	-
Balance at end of period	14,962	(14,562)
Stock Acquisition Rights		
Balance at beginning of period	-	-
Net change	294	-
Balance at end of period	294	-
Minority Interests		
Balance at beginning of period	95,915	-
Net change	17,033	-
Balance at end of period	112,948	95,915
Total Equity at End of Period	2,286,956	2,066,303

Consolidated Statements of Cash Flows

	Year ended Mar. 31, 2007	Year ended Mar. 31, 2006	Millions of yen Increase (Decrease)
Operating Activities:			
Income before income taxes and minority interests	319,711	271,854	
Adjustments for:			
Payment of income taxes	(124,277)	(84,671)	
Depreciation	219,873	185,143	
Impairment loss on long-lived assets	1,044	159	
Amortization of goodwill including impairment	(163)	(145)	
Increase in liability for retirement benefits	3,653	12,521	
Equity in earnings of affiliates	(1,469)	(1,549)	
Loss on sale or disposal of property, plant and equipment, net	2,996	5,761	
Foreign exchange (gain) loss	(2,179)	(1,467)	
Changes in assets and liabilities:			
Increase in notes and accounts receivable	(53,262)	(54,877)	
Increase in inventories	(14,508)	(22,503)	
Increase in notes and accounts payable	33,596	44,033	
Decrease in defined contribution pension payable	(525)	(6,145)	
Increase in prepaid pension cost	(5,903)	(3,348)	
Other, net	27,956	23,809	
Total adjustments	86,832	96,721	(9,889)
Net cash provided by operating activities	406,543	368,575	37,968
Investing Activities:			
Acquisition of property, plant and equipment	(311,196)	(277,329)	
Purchase of available-for-sale securities	(80,888)	(89,139)	
Proceeds from sale and redemption of available-for-sale securities	81,734	54,986	
Other, net	(2,553)	(7,452)	
Net cash used in investing activities	(312,903)	(318,934)	6,031
Financing Activities:			
Net (decrease) increase in short-term borrowings	(19,838)	30,142	
Proceeds from long-term borrowings	37,241	47,221	
Repayments of long-term borrowings	(9,670)	(21,403)	
Dividends paid	(33,779)	(30,546)	
Purchase of treasury stock	(53,170)	(83)	
Other, net	(696)	129	
Net cash (used in) provided by financing activities	(79,912)	25,460	(105,372)
Foreign Currency Translation Adjustments on			
Cash and Cash Equivalents	9,181	6,656	
Net Increase in Cash and Cash Equivalents	22,909	81,757	
Cash and Cash Equivalents at Beginning of Period	313,611	231,846	
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	483	8	
Cash and Cash Equivalents at End of Period	337,003	313,611	23,392

Segment Information

1. Geographical Segments (by company location)			Millions of yen	
			Year ended Mar. 31, 2007	Year ended Mar. 31, 2006
Sales	Japan	Customers	1,905,193	1,727,675
		Intersegment	636,068	561,284
		Total	2,541,261	2,288,959
	The Americas	Customers	756,250	681,367
		Intersegment	12,831	9,076
		Total	769,081	690,443
	Europe	Customers	507,503	414,243
		Intersegment	11,796	8,804
		Total	519,299	423,047
	Asia & Oceania	Customers	440,754	365,045
		Intersegment	39,447	30,064
		Total	480,201	395,109
	Eliminations		(700,142)	(609,228)
Consolidated		3,609,700	3,188,330	
Operating Income	Japan	215,317	207,650	
	The Americas	29,188	21,875	
	Europe	12,161	1,554	
	Asia & Oceania	45,921	36,709	
	Eliminations	481	(1,229)	
	Consolidated	303,068	266,559	
Assets	Japan	2,426,778	2,193,889	
	The Americas	390,031	354,150	
	Europe	339,721	283,163	
	Asia & Oceania	366,470	282,529	
	Corporate and eliminations	242,135	298,244	
	Consolidated	3,765,135	3,411,975	

2. Sales by Customer Location		Millions of yen	
		Year ended Mar. 31, 2007	Year ended Mar. 31, 2006
Japan		1,859,046	1,690,215
		51.5%	53.0%
The Americas		768,514	692,801
		21.3%	21.7%
Europe		507,460	414,674
		14.1%	13.0%
Asia & Oceania		463,478	380,541
		12.8%	12.0%
Others		11,202	10,099
		0.3%	0.3%
Net Sales		3,609,700	3,188,330