



FY2006 Interim Financial Results ended September 30, 2006

October 31, 2006

DENSO CORPORATION

DENSO

Overview of FY2006 Interim Financial Results

1. Steady domestic vehicle manufacturing and overseas manufacturing by Toyota, plus a weak yen, resulted in a 12.9% increase in revenues.
2. Despite a favorable operating ratio margin and exchange gains, a steep rise in the cost of raw materials resulted in an increase in operating profits of only 15.5%.
3. Dividends as forecasted at the beginning of the year remained the same (half-year: 21 yen, full-year: 42 yen).
4. Upward revision of forecast throughout the year.

Interim Financial Results

(Unit: Billions of Yen)

	06/9	05/9	Increase	Increase(%)
Sales	1,701.7	1,506.6	+195.0	+12.9%
Operating Income	138.3	119.7	+18.6	+15.5%
Income before Income Taxes	147.4	119.3	+28.1	+23.6%
Net Income	94.1	67.2	+26.9	+40.0%

(Unit: Millions of Units)

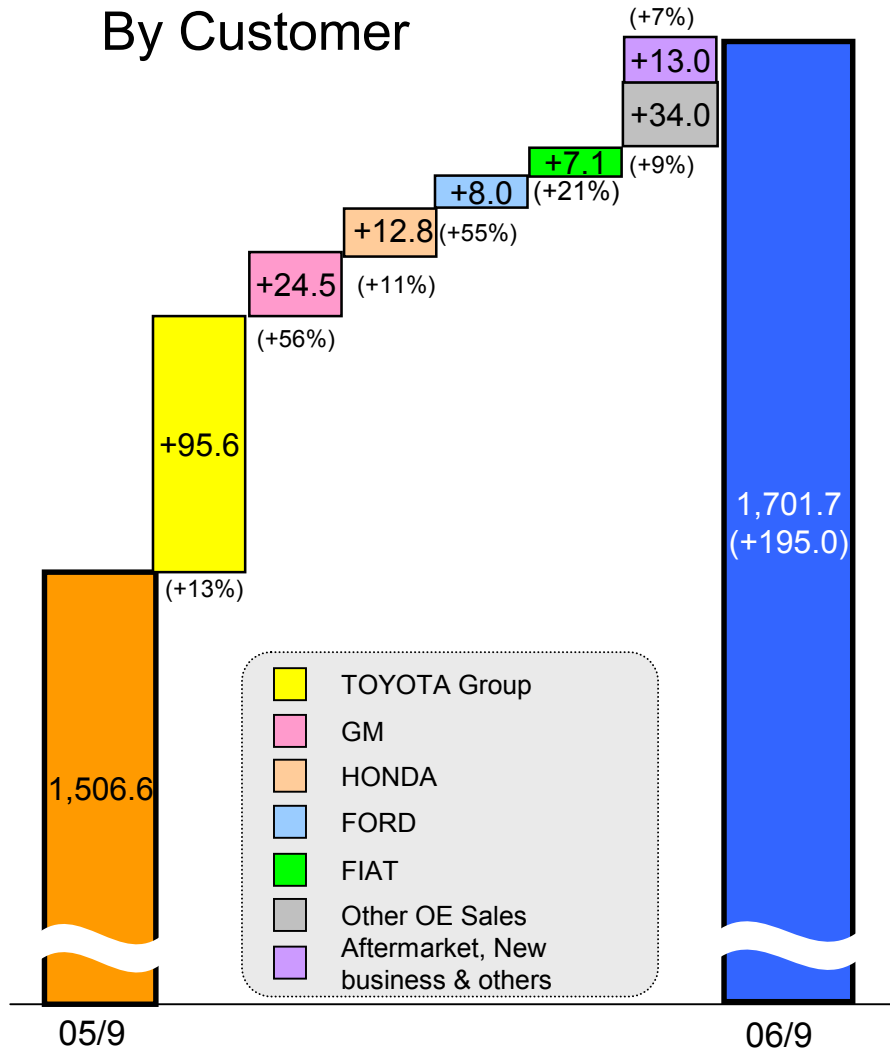
Foreign Exchange Rate	¥114/\$ ¥145/Euro	¥109/\$ ¥134/Euro	+ ¥5 + ¥11	
Car Production in Japan <i>Toyota</i>	5.53 <i>2.00</i>	5.19 <i>1.80</i>	+0.34 <i>+0.20</i>	+7% <i>+11%</i>
Overseas Car Production of Japanese Manufacturers <i>Toyota</i>	5.54 <i>2.06</i>	5.39 <i>1.88</i>	+0.15 <i>+0.18</i>	+3% <i>+10%</i>

Change in Consolidated Sales by Customer and Business Segments

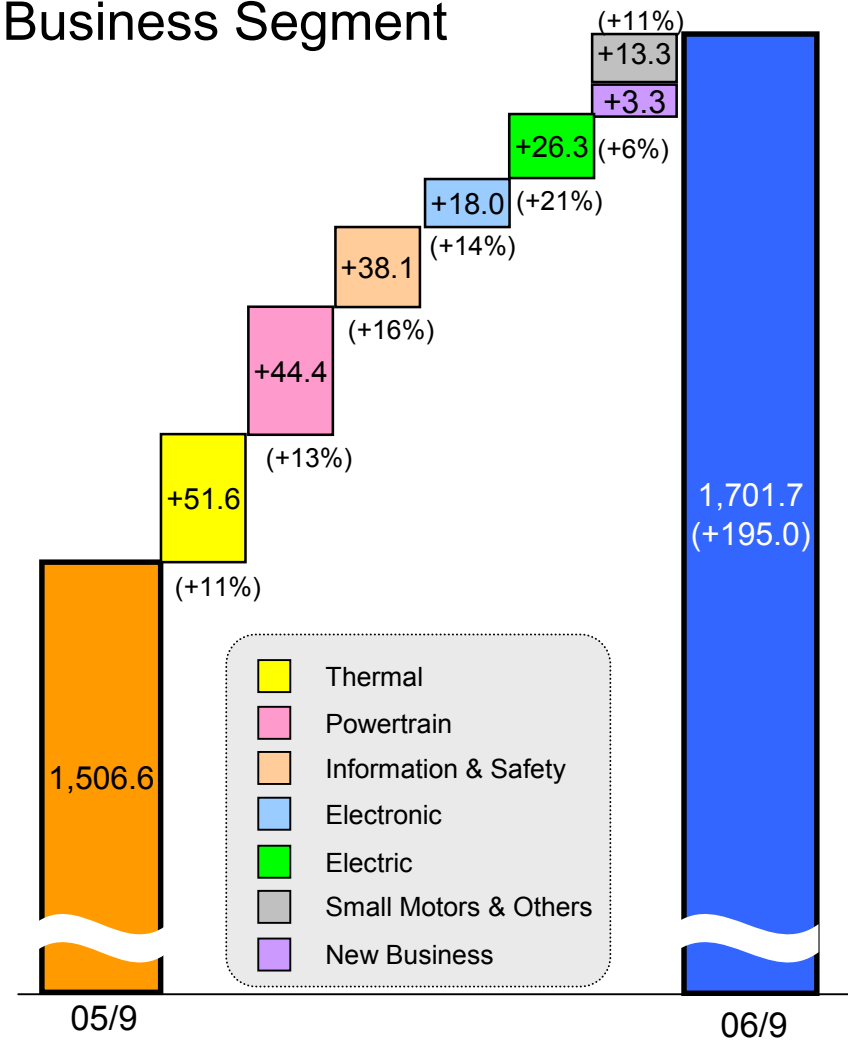
(Unit: Billions of Yen)

() : Change from previous period

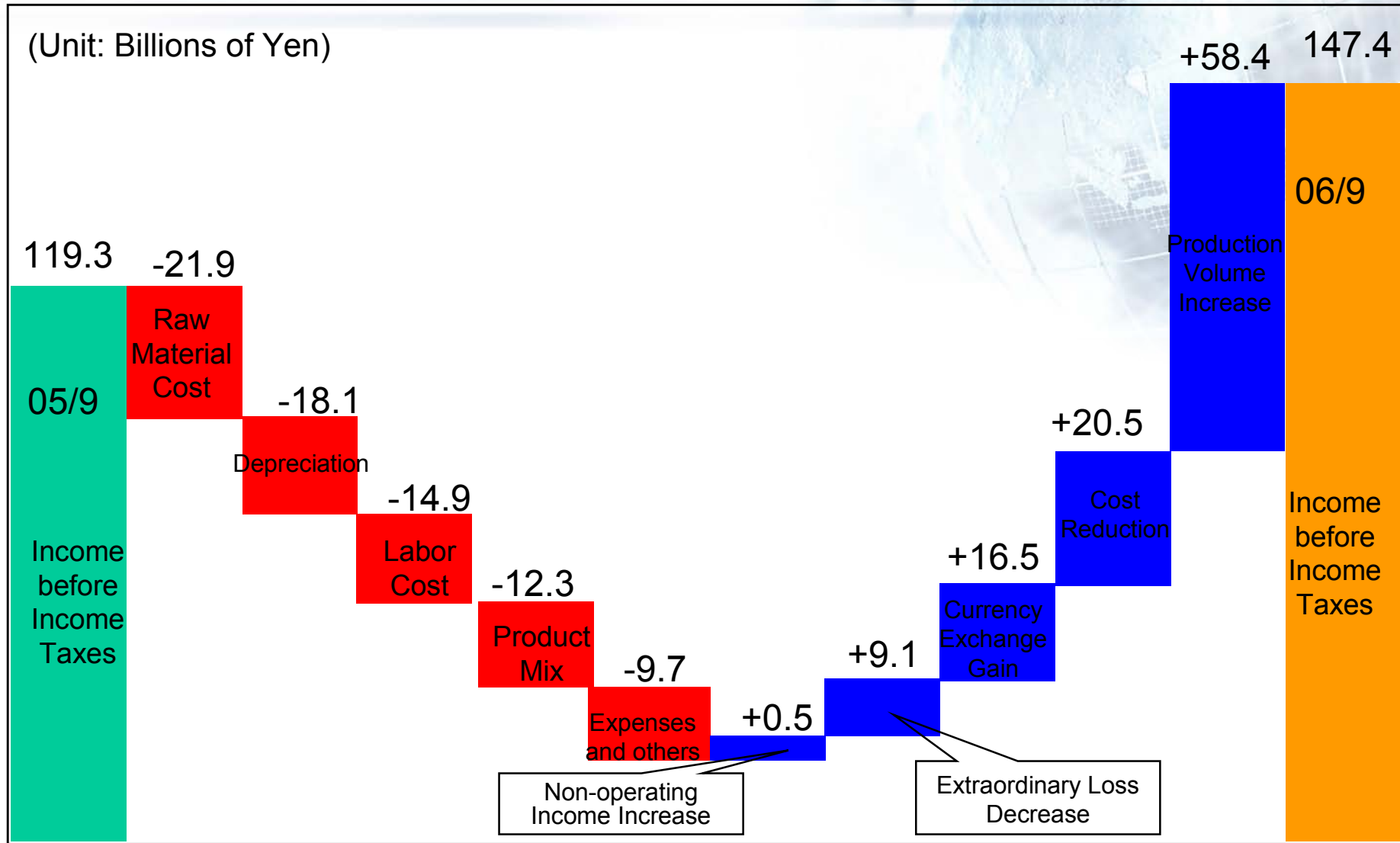
By Customer



By Business Segment

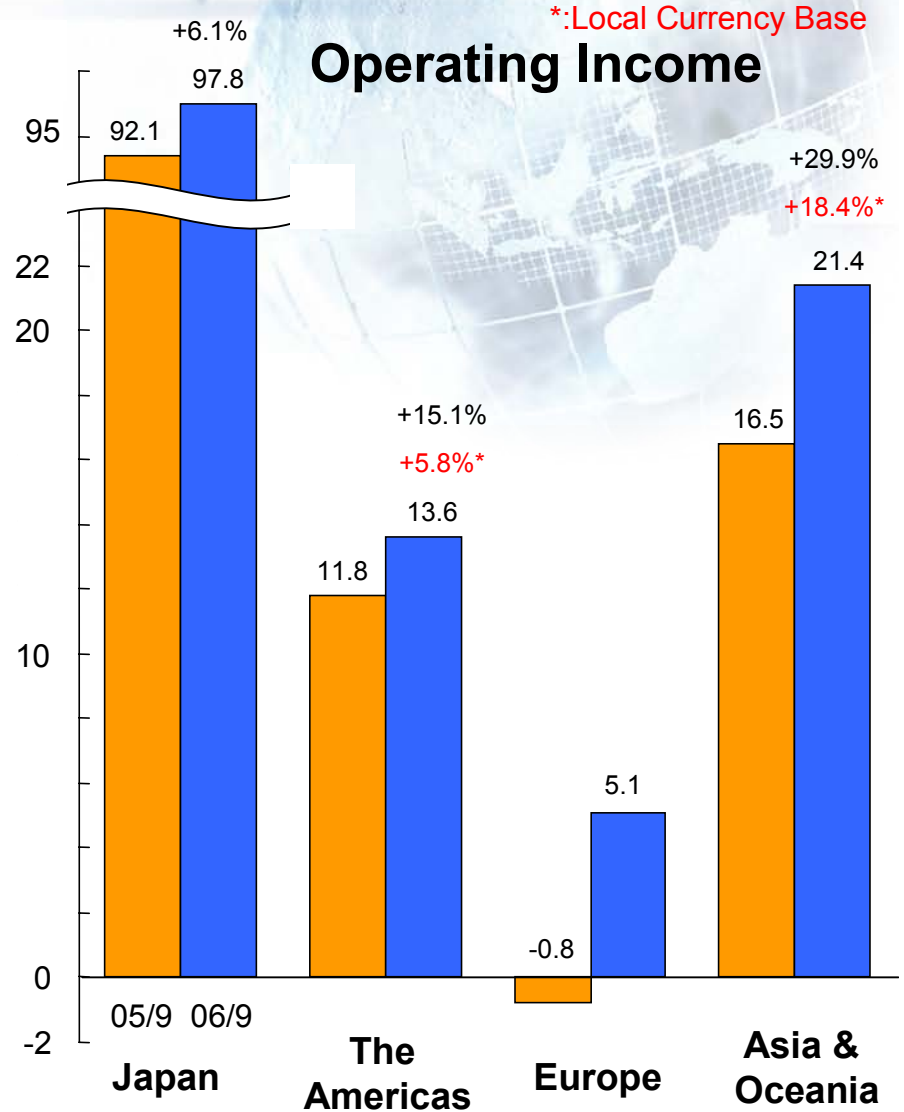
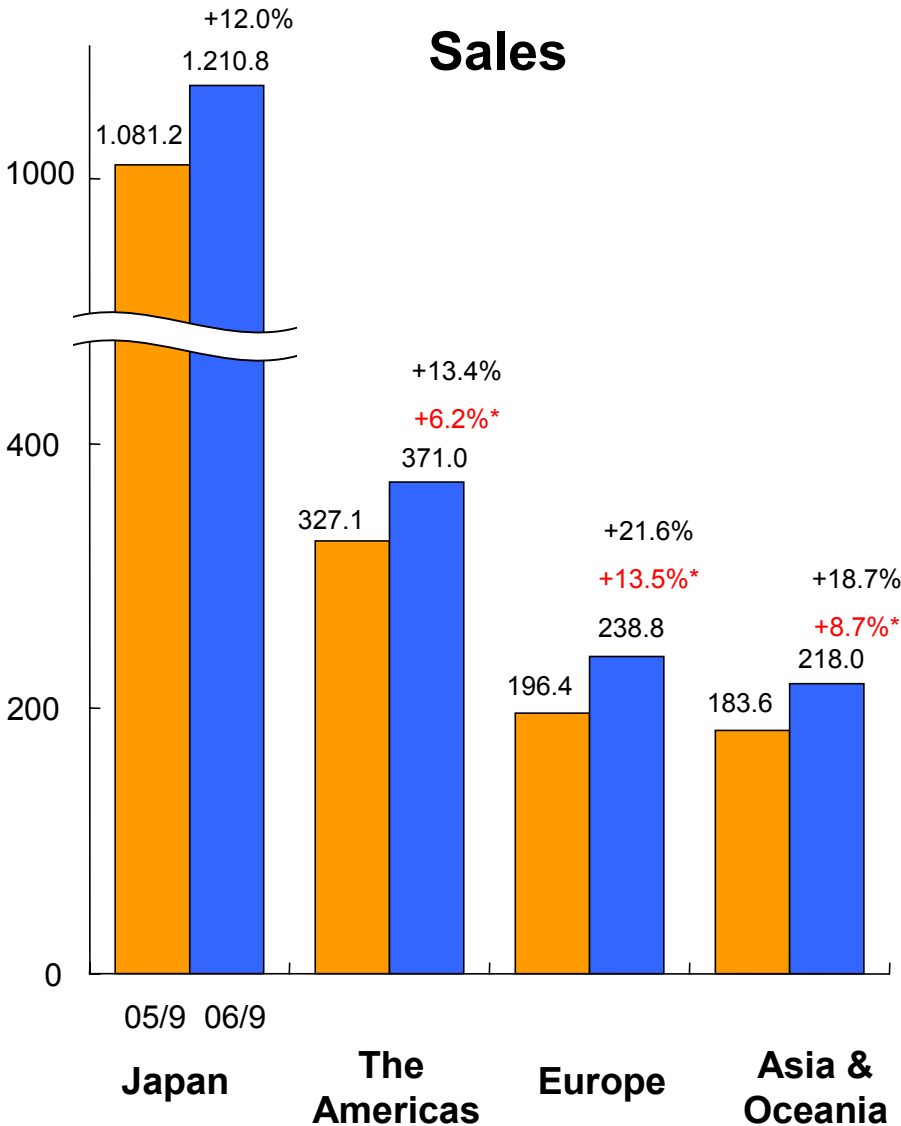


Change in Income before Income Taxes (05/9->06/9)



Geographical Segments by Company Location

(Unit: Billions of Yen)

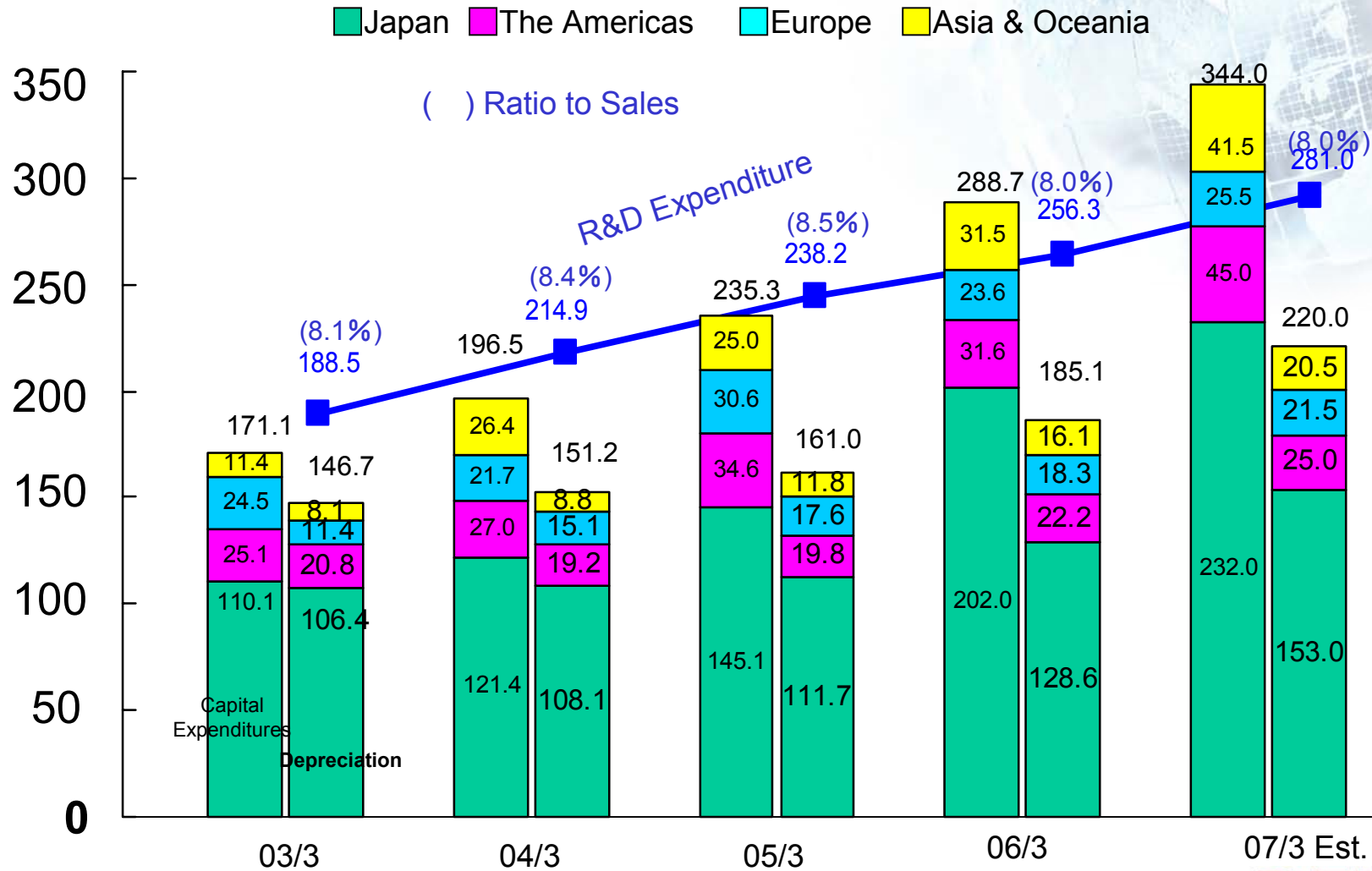


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Capital Expenditures, Depreciation and R&D

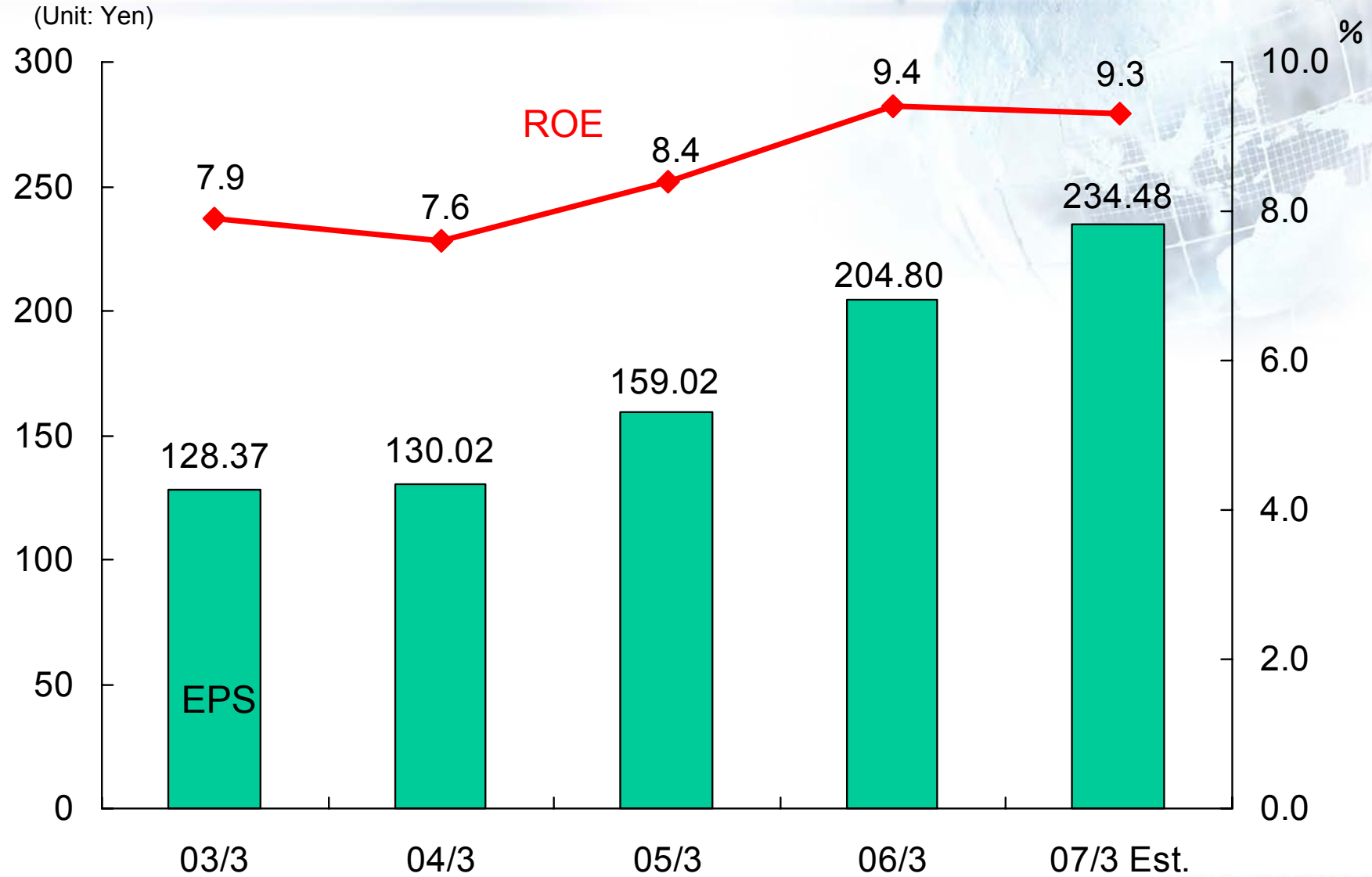
(Unit: Billions of Yen)



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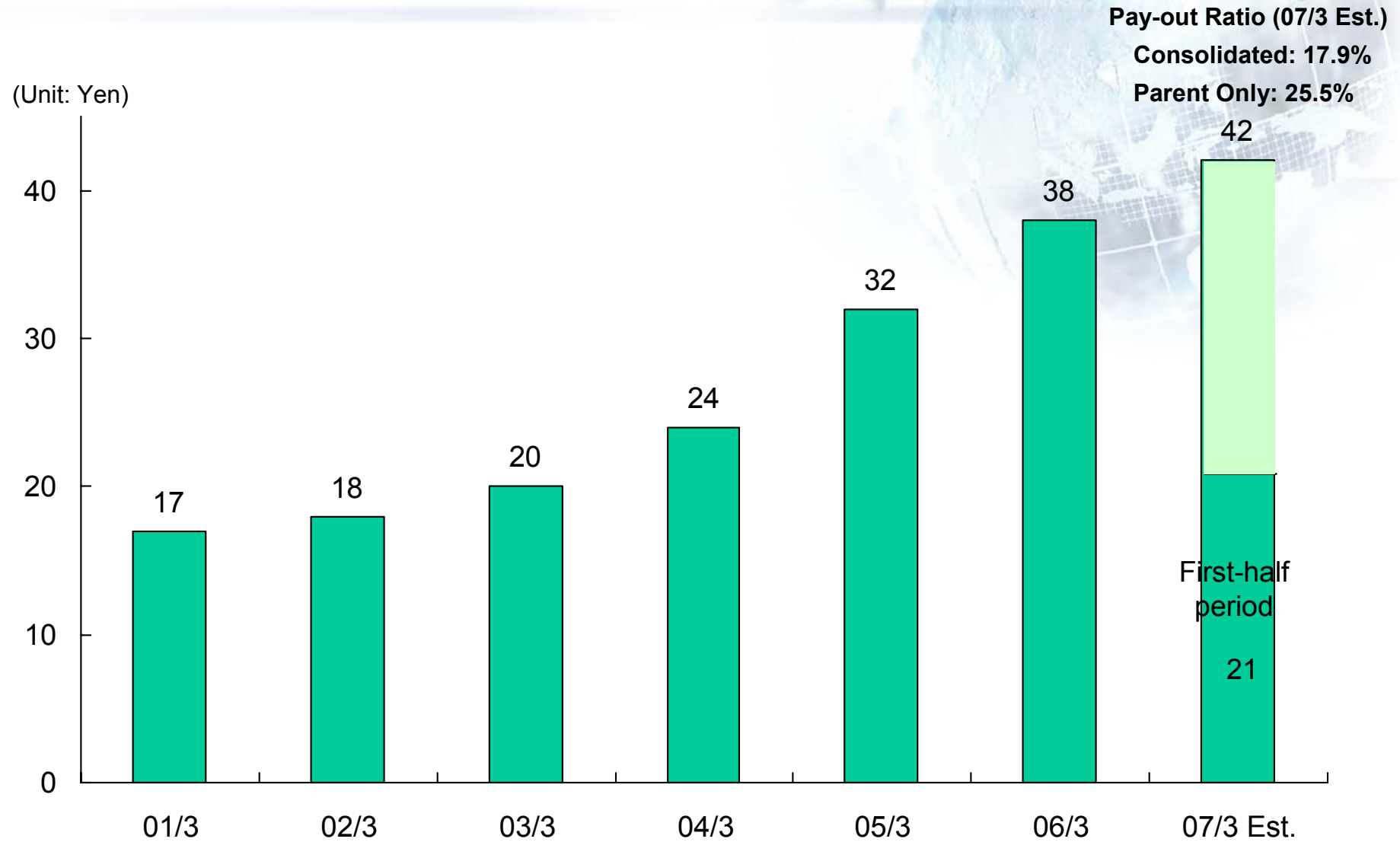
Other Financial Indices



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Dividends per Share



FY2006 Estimate

(Unit: Billions of Yen)

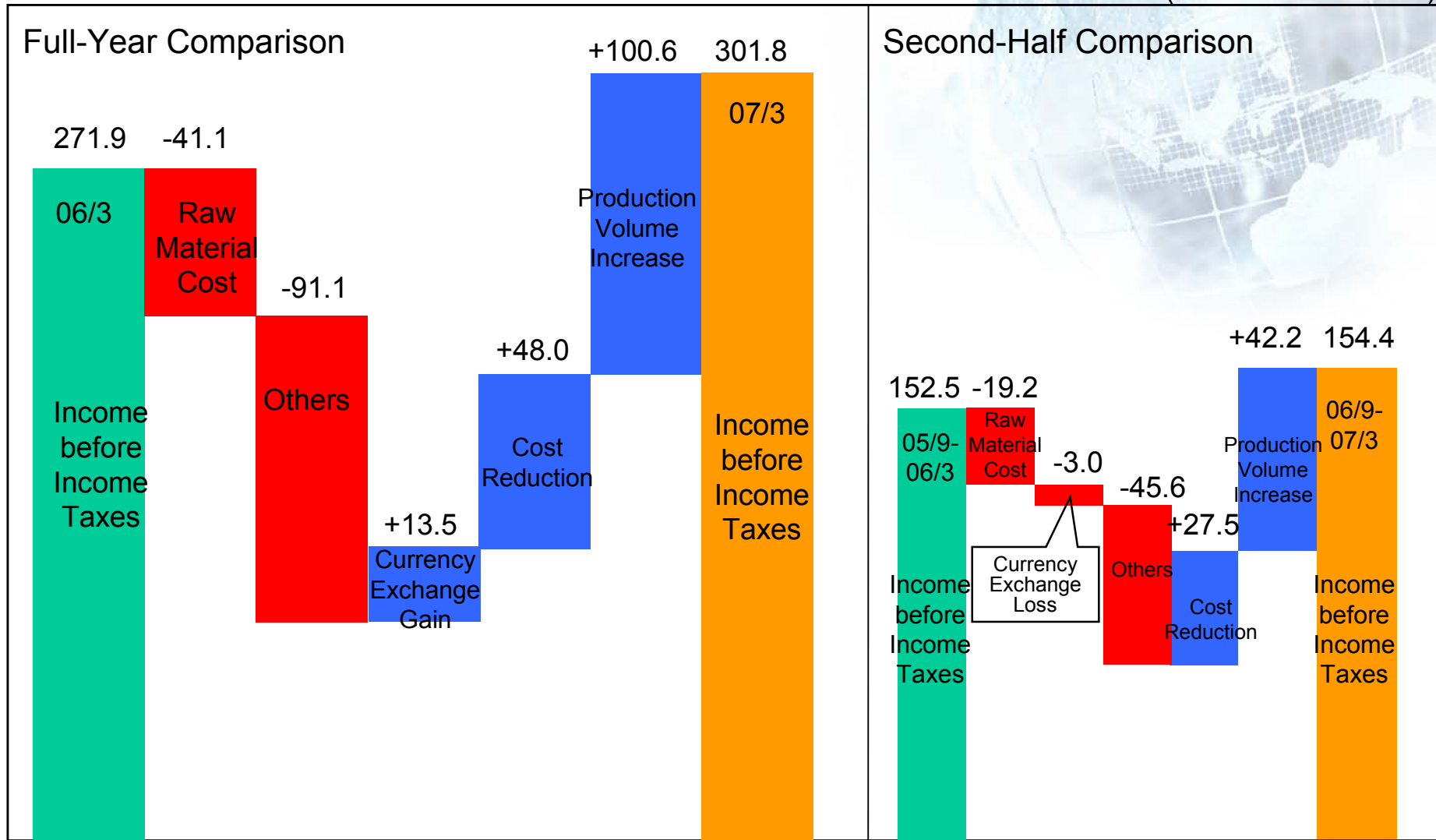
	07/3 Revised Estimate	07/3 Original Estimate	06/3	% Change vs. Original Estimate	% Change vs. Previous Year
Sales	3,500.0	3,380.0	31,883	+3.6%	+9.8%
Operating Income	288.0	282.0	2,666	+2.1%	+8.0%
Income before Income Taxes	301.8	293.0	2,719	+3.0%	+11.0%
Net Income	193.0	173.0	1,696	+11.6%	+13.8%

(Unit: Millions of Units)

	¥115/\$ ¥145/Euro	¥110/\$ ¥135/Euro	¥113/\$ ¥137/Euro
Foreign Exchange Rate			
Car Production in Japan <i>Toyota</i>	11.43 4.20	11.33 4.12	10.89 3.86
Overseas Car Production of Japanese Manufacturers <i>Toyota</i>	11.58 4.22	11.83 4.32	10.97 3.88

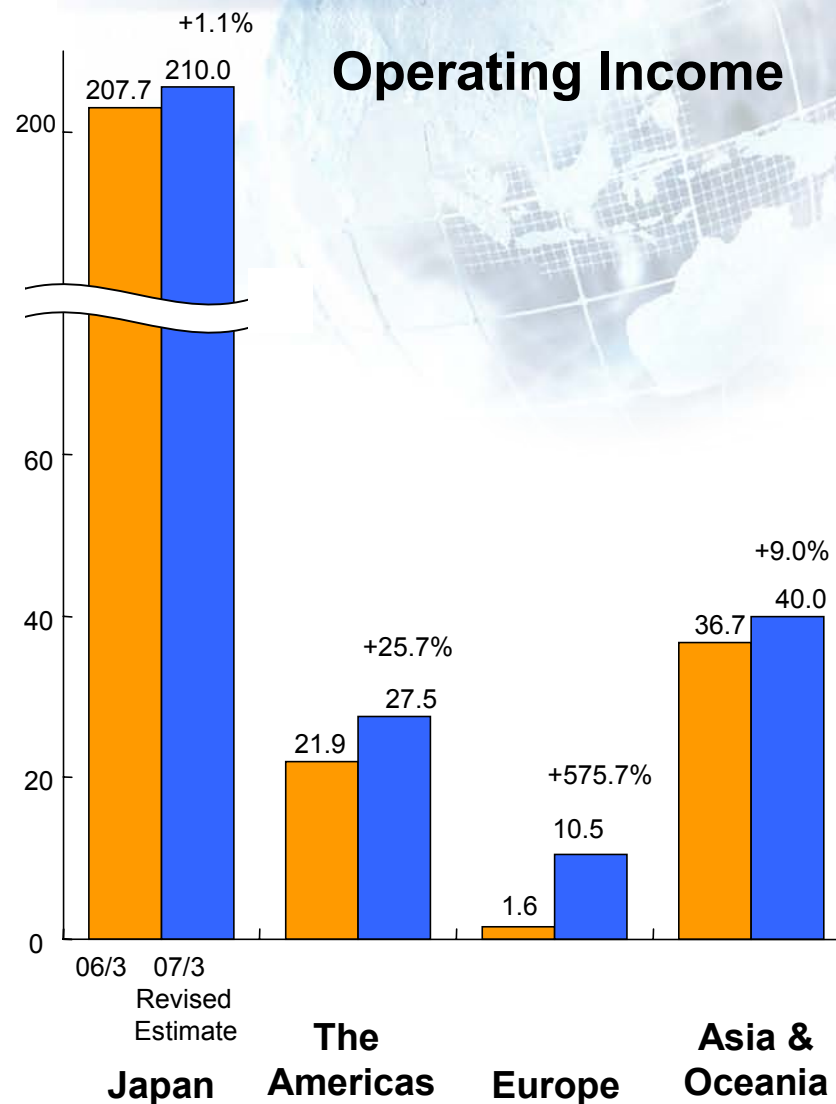
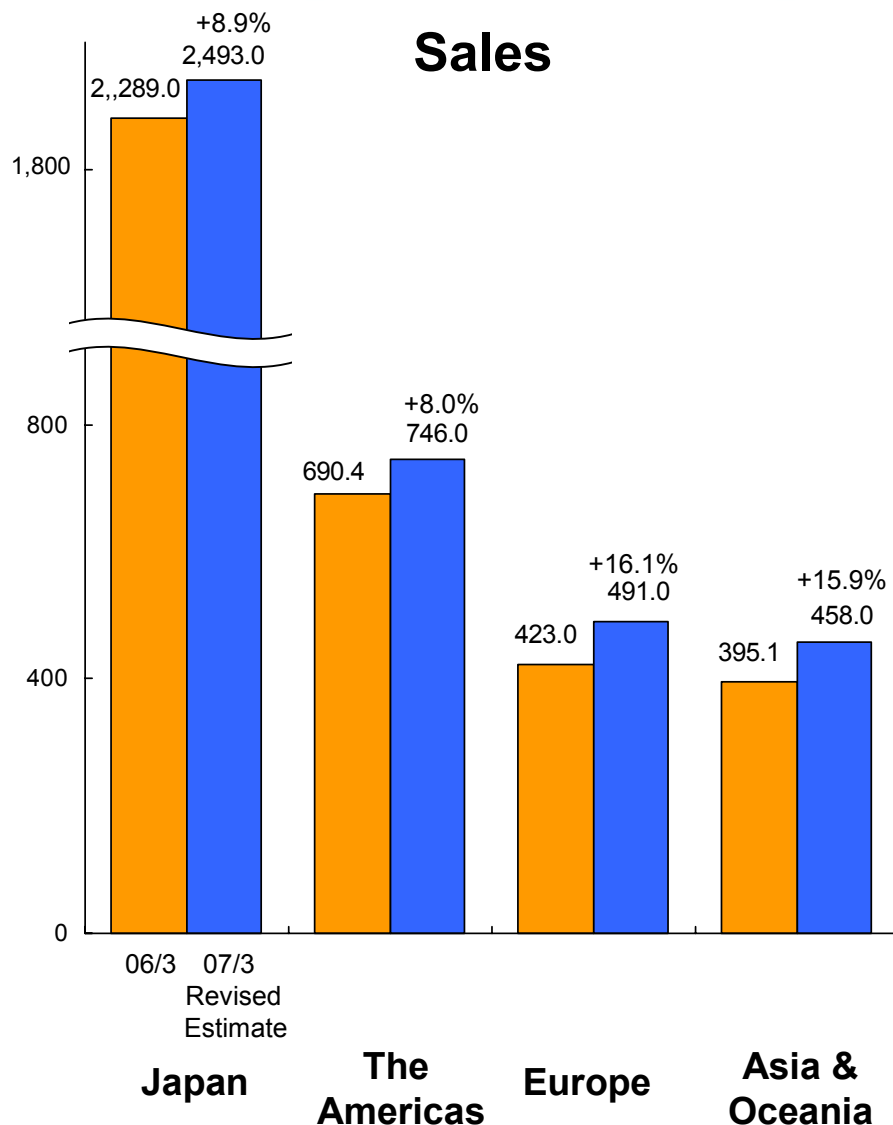
Change in Income before Income Taxes (06/3->07/3)

(Unit: Billions of Yen)



Geographical Segments by Company Location (06/3->07/3)

(Unit: Billions of Yen)



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Overview of Non-Consolidated Financial Results

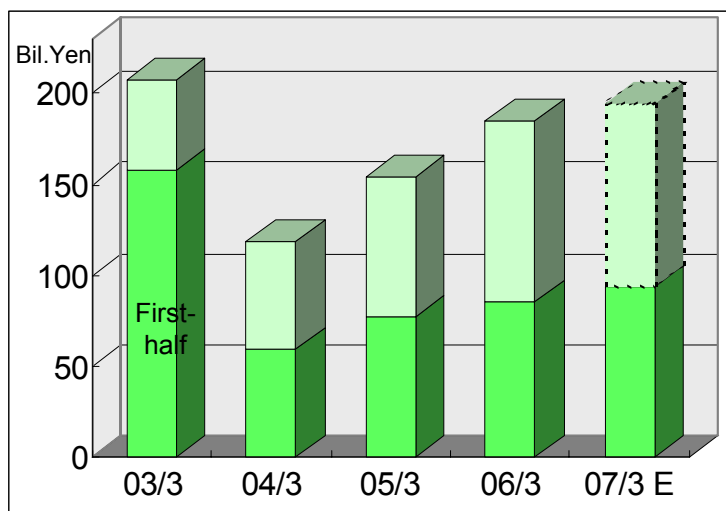
Income Statements

(Ratio to Sales)

(Unit: Billions of Yen, %, Thousand of Cars)

Account	06/9		05/9		Change		07/3 Estimate		Change from 06/3	
					Bil. Yen	%	Original	Revised	Bil. Yen	%
Net Sales	(100.0)	1,090.1	(100.0)	970.3	119.8	12.3	(100.0) 2,182.0	(100.0) 2,254.0	197.0	9.6
Cost of Sales	(86.5)	942.6	(86.1)	835.2	107.4					
SGA Expenses	(6.6)	71.5	(7.0)	67.5	4.0					
Operating Income	(7.0)	76.0	(7.0)	67.6	8.4	12.4	(7.3) 159.0	(7.2) 163.0	8.6	5.5
Non-Operating Income		20.7		18.1	2.6			27.0	34.0	3.5
Extraordinary Income (Loss)		-3.1		-0.3	-2.8			-	-3.1	-2.8
Income Before Income Taxes	(8.6)	93.6	(8.8)	85.4	8.2	9.6	(8.5) 186.0	(8.6) 193.9	9.3	5.1
Net Income	(6.1)	66.2	(6.4)	61.7	4.5	7.3	(6.0) 132.0	(6.0) 136.0	5.3	4.1
Domestic Car Production		5,530		5,190			11,330	11,430		
Foreign Exchange Rate(US\$)		114 Yen		109 Yen			110Yen	115 Yen		
Foreign Exchange Rate(Euro)		145 Yen		134 Yen			135Yen	145 Yen		

Income Before Income Taxes



Changes in Income Before Income Taxes (06/9<=05/9)

(Unit: Billions of Yen)

Positive Factors		Negative Factors	
Production Volume Increase	35.2	Raw Material Cost Increase	-11.8
Currency Exchange Gain	12.2	Expenses Increase	-11.2
Cost Reduction	9.0	Depreciation Increase	-10.0
Non-Operating Income Increase	2.6	Labor Cost Increase	-9.0
		Product Mix Change	-6.0
		Extraordinary Loss Increase	-2.8
Sub Total	59.0	Sub Total	-50.8
Total Increase	8.2		

1. Initiatives for Comprehensive Review of Materials

2. Product Development

Advanced technology adopted for Lexus LS460

3. Corporate Social Responsibility Initiatives

1. Initiatives for Comprehensive Review of Materials

Improvement Activities and Key Points

Achieve cost reduction through strategic purchasing, strategic standardization of product and part specifications, innovative and efficient development and production of parts, plus strategic use and disposal of scrap.

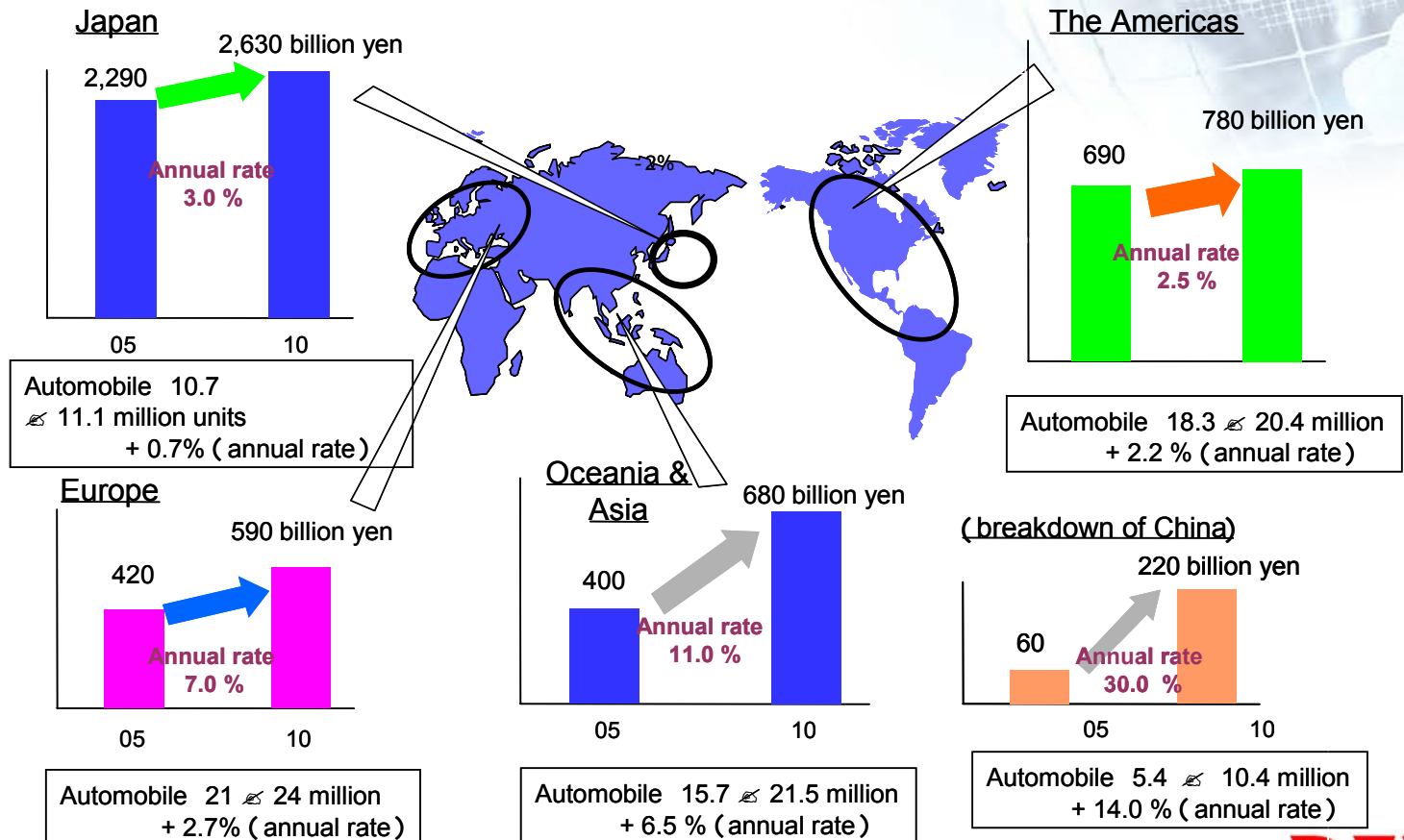
Specific Actions	Division	Key Points
Strategic purchasing Contain rising unit costs	Procurement	◇Devise ways to buy inexpensively Move ahead with centralized purchasing and domestic sourcing
Product and part specifications Contain unit costs and require quantities	Engineering	◇Specialized materials -> General/multipurpose materials (substitute materials) ◇Standardization, multiple-applicability, fewer types
Ways of making and using things Contain required quantities	Manufacturing	◇Zero emissions (no scrap) ◇Increased yields: Review facilities, molds, and dimensions of materials to reduce amount of waste ◇Reduce percent defective
Disposal of scrap Thorough recycling and sale of scrap		◇Sort scrap and increase recycling

2. Product Development

Develop world's first and market-leading products



Sales in FY2010: More than 4,000 billion yen

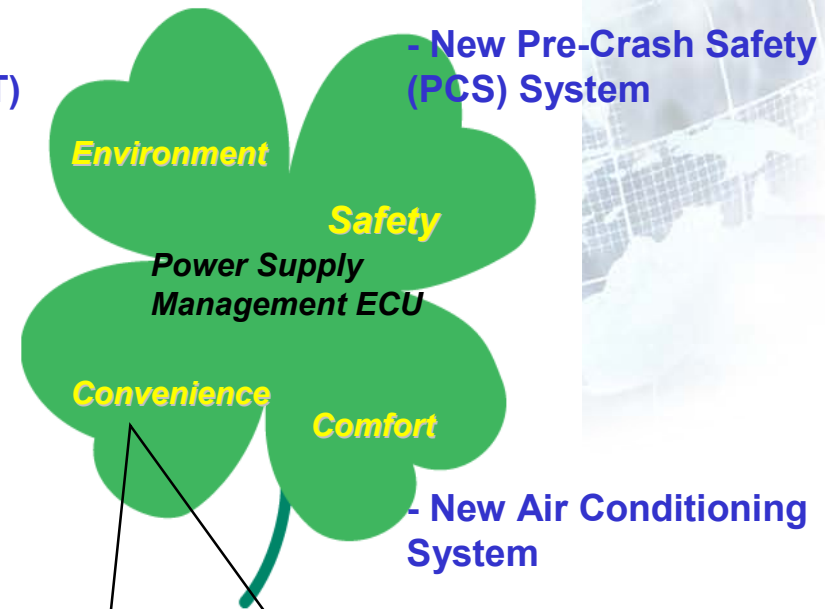


2. Product Development: Advanced Technology Adopted for Lexus LS460

- Motor-Driven Electric
Variable Cam Timing (VCT)
Control System

- New Pre-Crash Safety
(PCS) System

Develop world's first products



- Remote Security System with Remote Immobilizer Function
- Card Key for Smart Entry and Start System
- Instrument Cluster with TFT Display
- Inertia Sensor with Inclination-Detecting Function

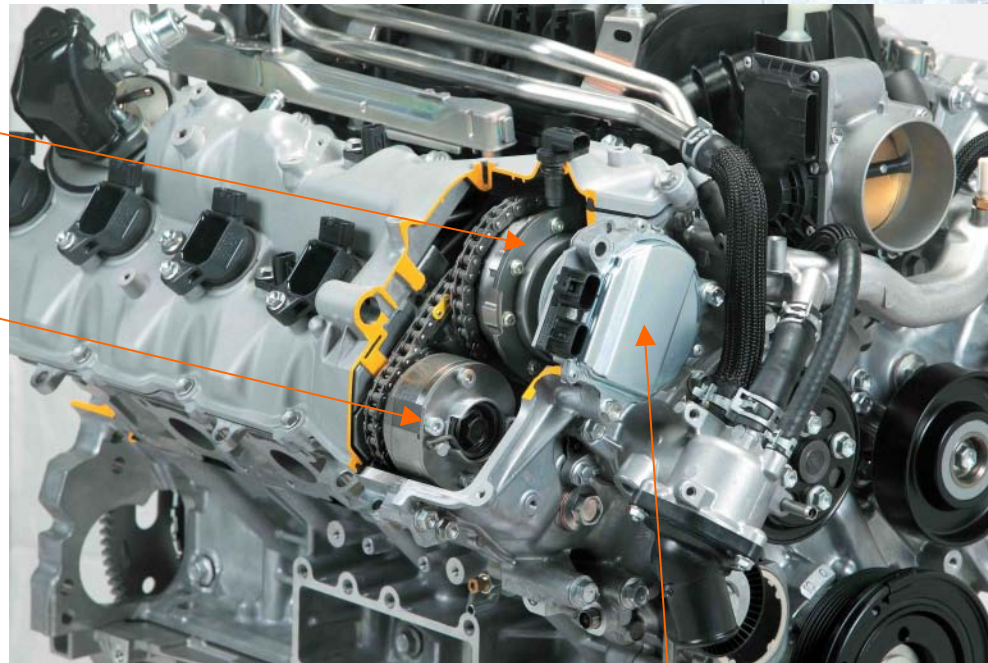
2. Product Development: Advanced Technology Adopted for Lexus LS460 Motor-Driven VCT Control System

17/22

Achieves higher output, higher fuel efficiency, and cleaner emissions through precision-motorized open/close control of the intake valve.

**Intake VCT
(motor-driven)**

**Exhaust VCT
(controlled
hydraulically)**



**Motor-Driven
VCT**

World's first

Motor & EDU

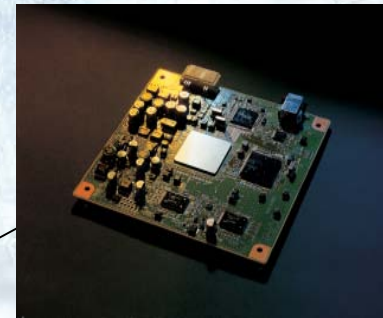
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2. Product Development: Advanced Technology Adopted for Lexus LS460

New PCS System

Addition of stereo camera improves previously limited ability to detect pedestrians, thereby ensuring a decrease in deaths and severe injuries.



Stereo Image Processing
World's first



Stereo Camera



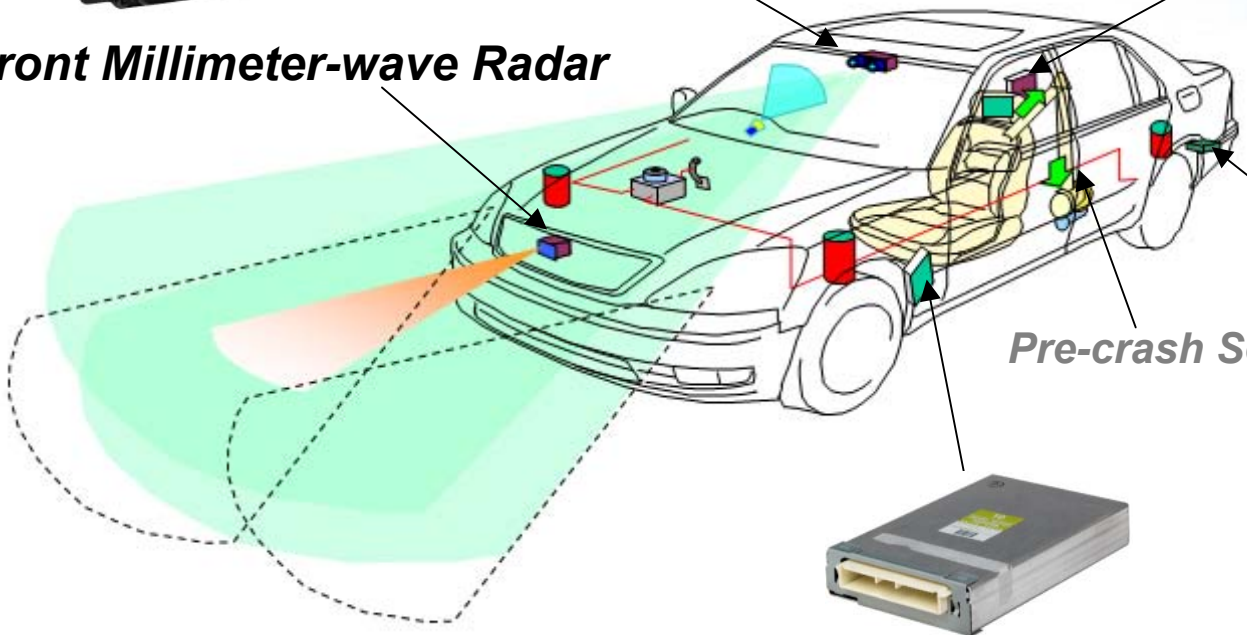
Pre-crash seatbelt ECU



Driving Assistance ECU
World's first

Front Millimeter-wave Radar

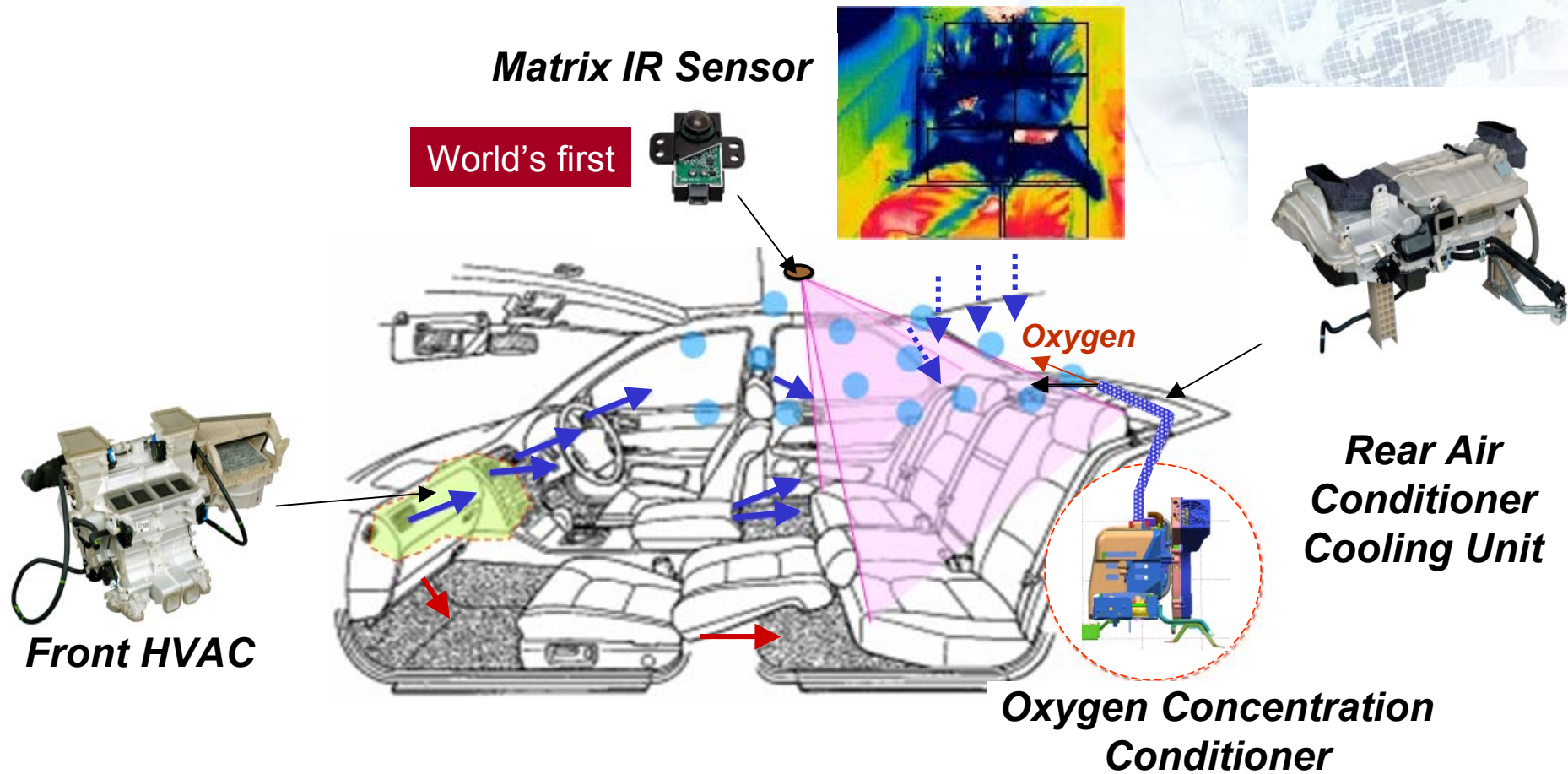
Pre-crash Seatbelt



2. Product Development: Advanced Technology Adopted for Lexus LS460 New Air Conditioning System

19/22

Offer more comfortable air conditioning to passengers in both the front and back seats, while achieving high efficiency.



3. Initiatives for Corporate Social Responsibility

DENSO Group Declaration of Corporate Behavior

20/22

To build better relationships with customers, associates, shareholders, suppliers, the international community, and local communities, each and every associate will promise to fulfill their social responsibilities.



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3. Initiatives for Corporate Social Responsibility

DENSO Group Declaration of Corporate Activities

21/22

For Our Shareholders

We will strive to enhance corporate value and encourage dialogue with shareholders.

For Our Customers

we will create “new values” to each our customers’ trust and satisfaction,

For Our Suppliers

We will maintain free, fair and transparent dealings.

For Our Associates

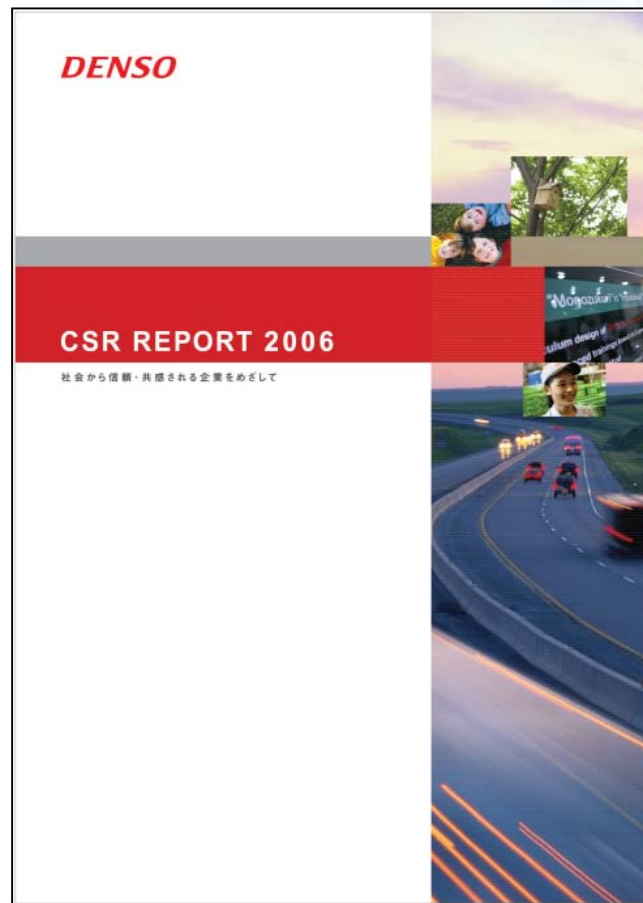
We will respect our associates, and provide a work environment that encourages each individual’s dynamic work.

For International and Local Communities

- We will aim for harmonious growth with the environment by proactively working toward environmental protection throughout all areas of business activities.
- We will work toward philanthropic activities that contribute to the harmony and well-being of each regional society in which we conduct business operations.
- We will comply with each country’s competition laws, and work to maintain sound and fair business operations.

3. Initiatives for Corporate Social Responsibility (CSR) 22/22 Issuing of CSR Report 2006

Explain socially responsible management and initiatives to as many stakeholders as possible, and revamp the structure and contents of eco-social reports in order to fulfill our responsibilities.



Preconditions (Foreign Exchange Rate/Car Production)

Unit Foreign Exchange Rate: Yen Car Production: Millions of Units

	07/3 First-half				07/3 Second-half				07/3 Full Year			
	Prior Year	Original Estimate	Actual	Change	Prior Year	Original Estimate	Revised Estimate	Change from PY	Prior Year	Original Estimate	Revised Estimate	Change from PY
Foreign Exchange Rate(US\$)	109	110	114	+ ¥5	117	110	115	- ¥2	113	110	115	+ ¥2
Foreign Exchange Rate(Euro)	134	135	145	+ ¥11	140	135	145	+ ¥5	137	135	145	+ ¥8
Domestic Car Production	5.19	5.50	5.53	+ 7%	5.70	5.83	5.90	+ 4%	10.89	11.33	11.43	+ 5%
<i>Toyota</i>	1.80	2.01	2.00	+11%	2.06	2.11	2.20	+ 7%	3.86	4.12	4.20	+ 9%
North America Car Production of Japanese Manufacturers	2.22	2.19	2.18	-2%	2.24	2.27	2.31	+ 3%	4.46	4.46	4.49	+ 1%
<i>Toyota</i>	0.84	0.81	0.81	-3%	0.80	0.82	0.83	+ 4%	1.64	1.63	1.64	± 0%
Overseas Car Production of Japanese Manufacturers	5.39	5.80	5.54	+3%	5.58	6.03	6.04	+8%	10.97	11.83	11.58	+ 6%
<i>Toyota</i>	1.88	2.12	2.06	+10%	2.00	2.20	2.16	+8%	3.88	4.32	4.22	+ 9%

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