

FY2009 2nd Quarter Financial Results ended September 30, 2008



DENSO CORPORATION

October 30, 2008

1. Sales and income decreased due to North American car production decrease and the substantial currency exchange loss.
2. Downward revision of FY2009 full year forecast.
3. Interim dividend per share is 27 yen according to the original plan. (54 yen for the year)

FY2009 2nd Quarter Financial Results

02 / 23

	(Ratio to Sales)		(Unit: Billions of Yen)	
	FY09 2Q YTD	FY08 2Q YTD	Change	
Sales	1,892.3	1,947.8	-55.6	-2.9%
Operating Income	(6.1%) 114.8	(8.7%) 169.1	-54.3	-32.1%
Income before Income Taxes	105.7	178.5	-72.9	-40.8%
Net Income	(3.1%) 59.0	(6.1%) 118.3	-59.3	-50.2%

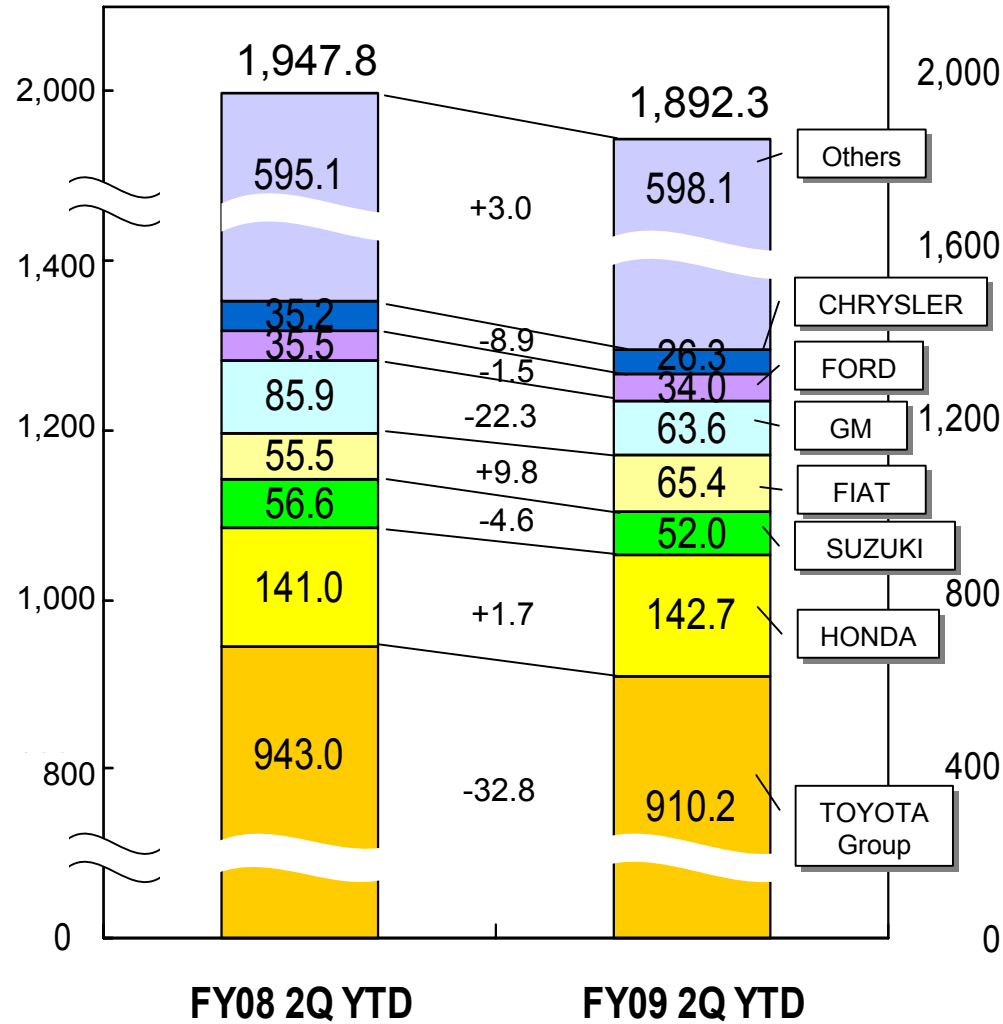
	(Unit: Millions of Units)			
Foreign Exchange Rate	JPY105/\$ JPY161/Euro	JPY118/\$ JPY161/Euro	-JPY13 -	
Domestic Car Production	5.80	5.48	+0.32	+5.8%
Overseas Car Production of Japanese Manufacturers (North America)	6.12 (2.14)	6.04 (2.26)	+0.08 (-0.12)	+1.3% (-5.3%)

Change in 2nd Quarter Consolidated Sales

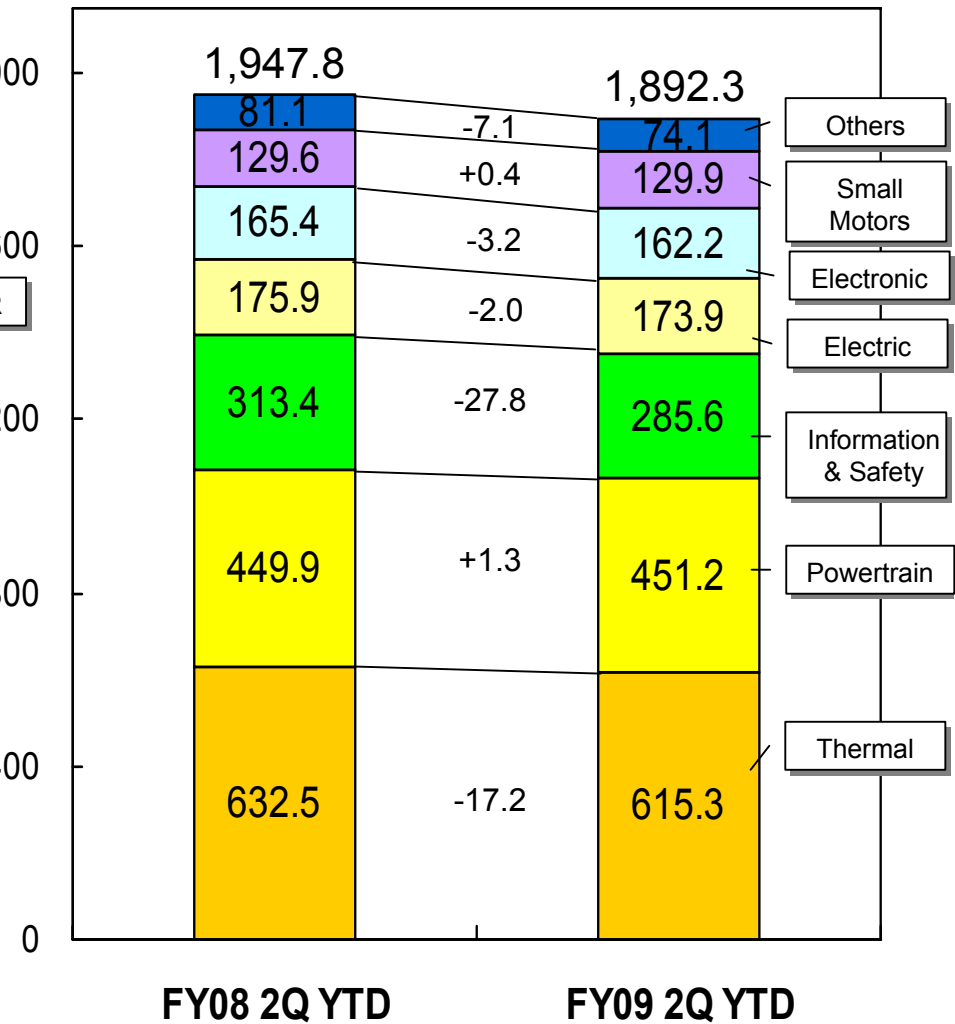
03 /23

(Unit: Billions of Yen)

By Customer

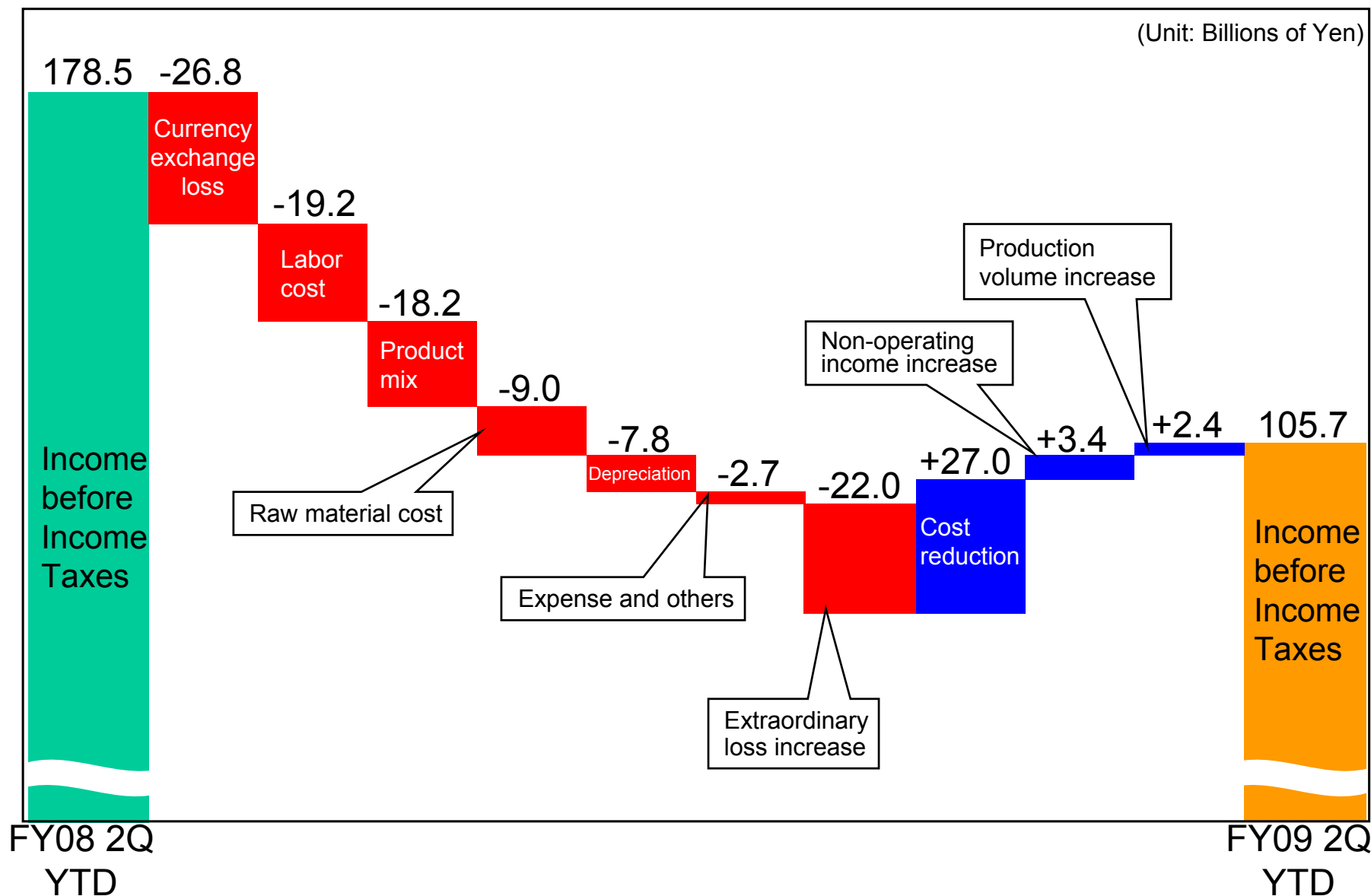


By Business Segment



Change in 2nd Quarter Income before Income Taxes

04 / 23



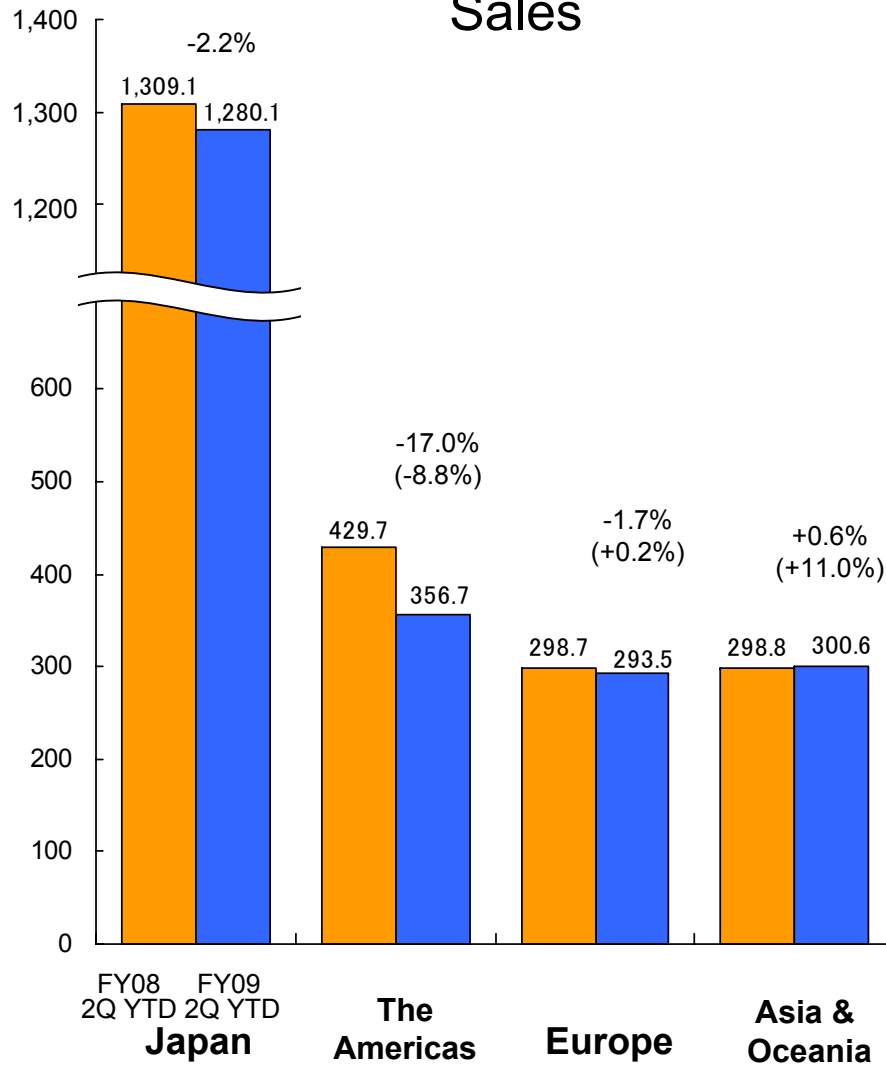
2nd Quarter Geographical Segments by Company Location

05 / 23

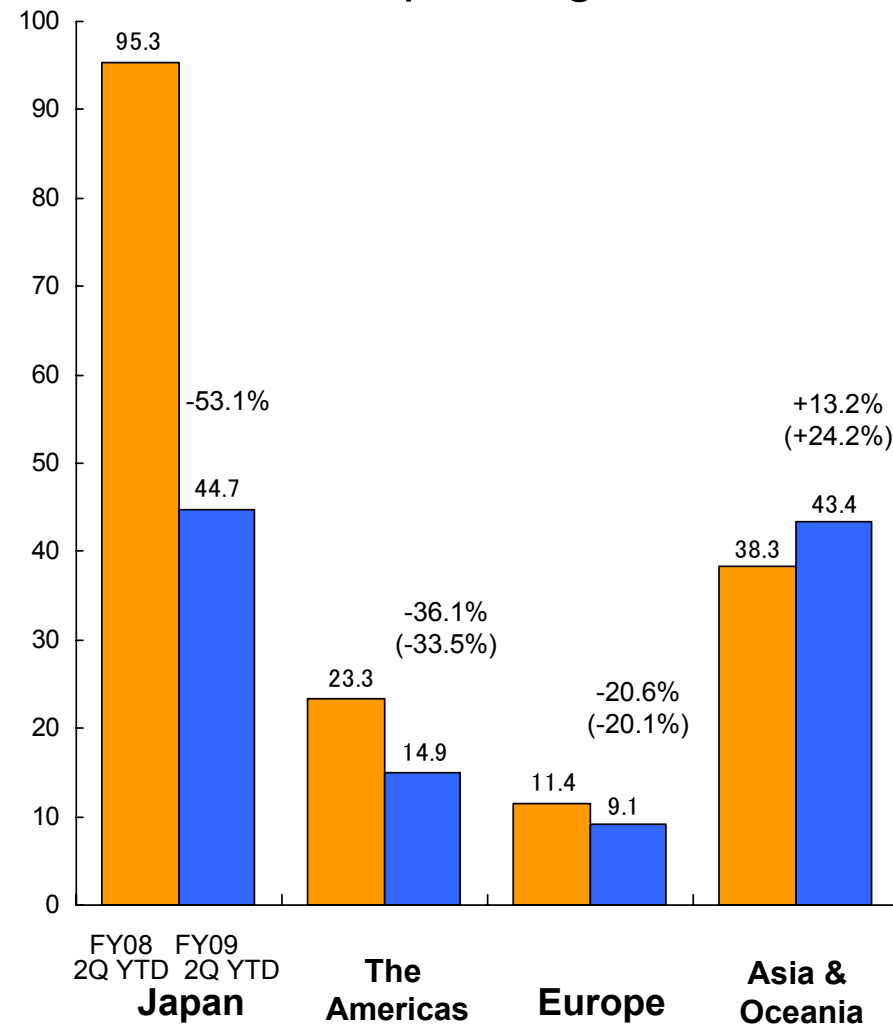
(): Local Currency Base

(Unit: Billions of Yen)

Sales



Operating Income



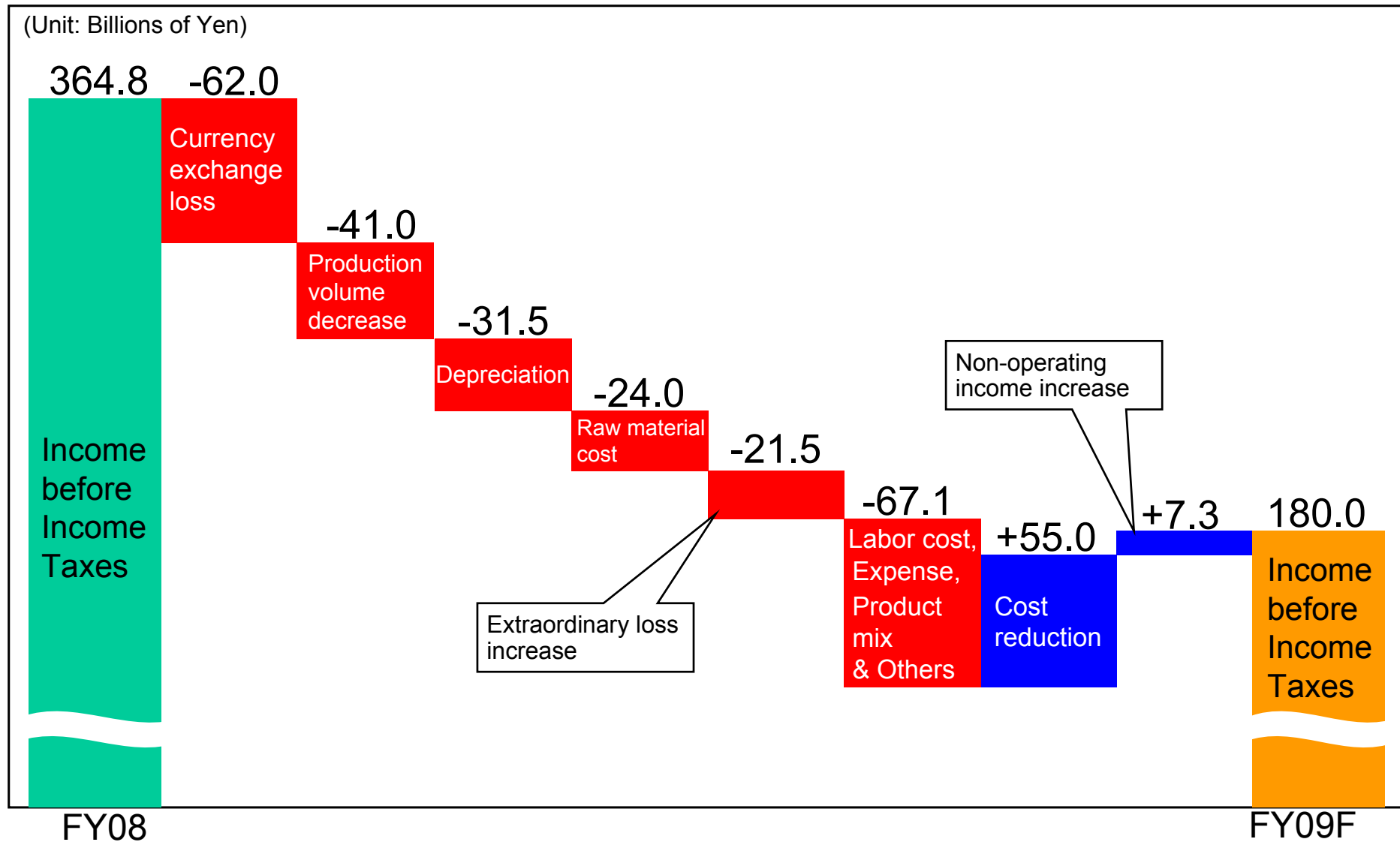
FY2009 Financial Forecast

06 / 23

	(Ratio to Sales)			(Unit: Billions of Yen)	
	FY2009 Forecast as of July 30	FY2009 Revised	FY2008	Change	
Sales	4,000.0	3,650.0	4,025.1	-375.1	-9.3%
Operating Income	272.0 (6.8%)	178.0 (4.9%)	348.7 (8.7%)	-170.7	-48.9%
Income before Income Taxes	297.4	180.0	364.8	-184.8	-50.7%
Net Income	185.0 (4.6%)	101.0 (2.8%)	244.4 (6.1%)	-143.4	-58.7%

	(Unit: Millions of Units)				
Foreign Exchange Rate	JPY102/\$ JPY160/Euro	JPY103/\$ JPY148/Euro	JPY113/\$ JPY160/Euro	-JPY10 -JPY12	
Domestic Car Production	12.10	11.95	11.79	+0.16	+1.4%
Overseas Car Production of Japanese Manufacturers (North America)	12.71 (4.28)	12.40 (4.26)	12.53 (4.57)	-0.13 (-0.31)	-1.0% (-6.8%)

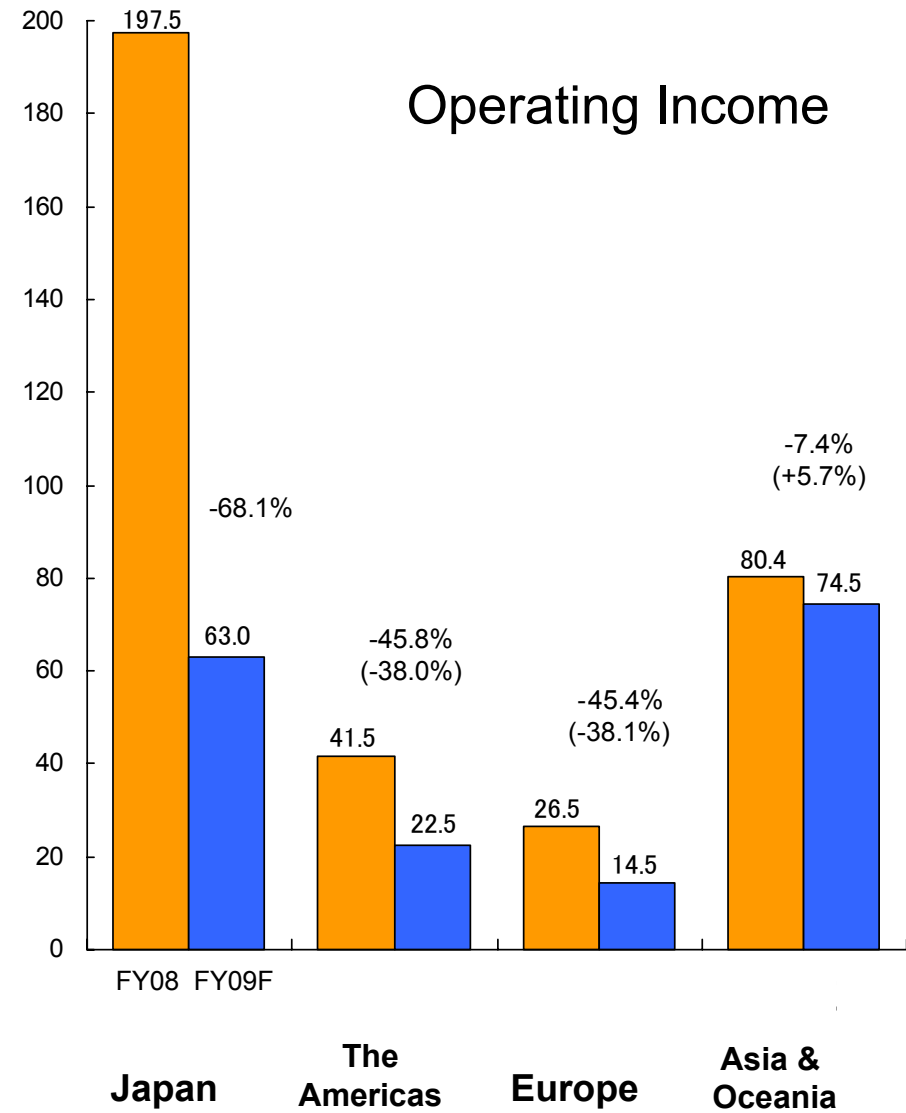
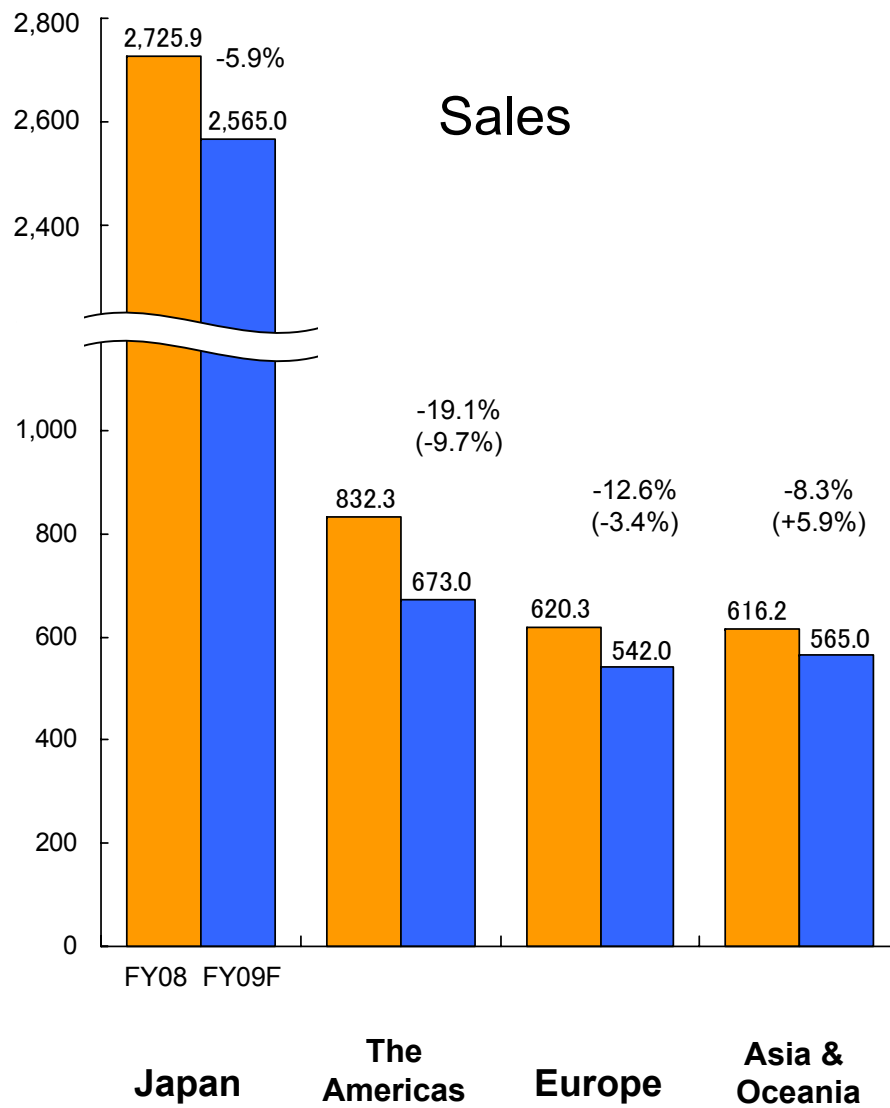
Change in Income before Income Taxes



Geographical Segments by Company Location

(Unit: Billions of Yen)

(): Local Currency Base



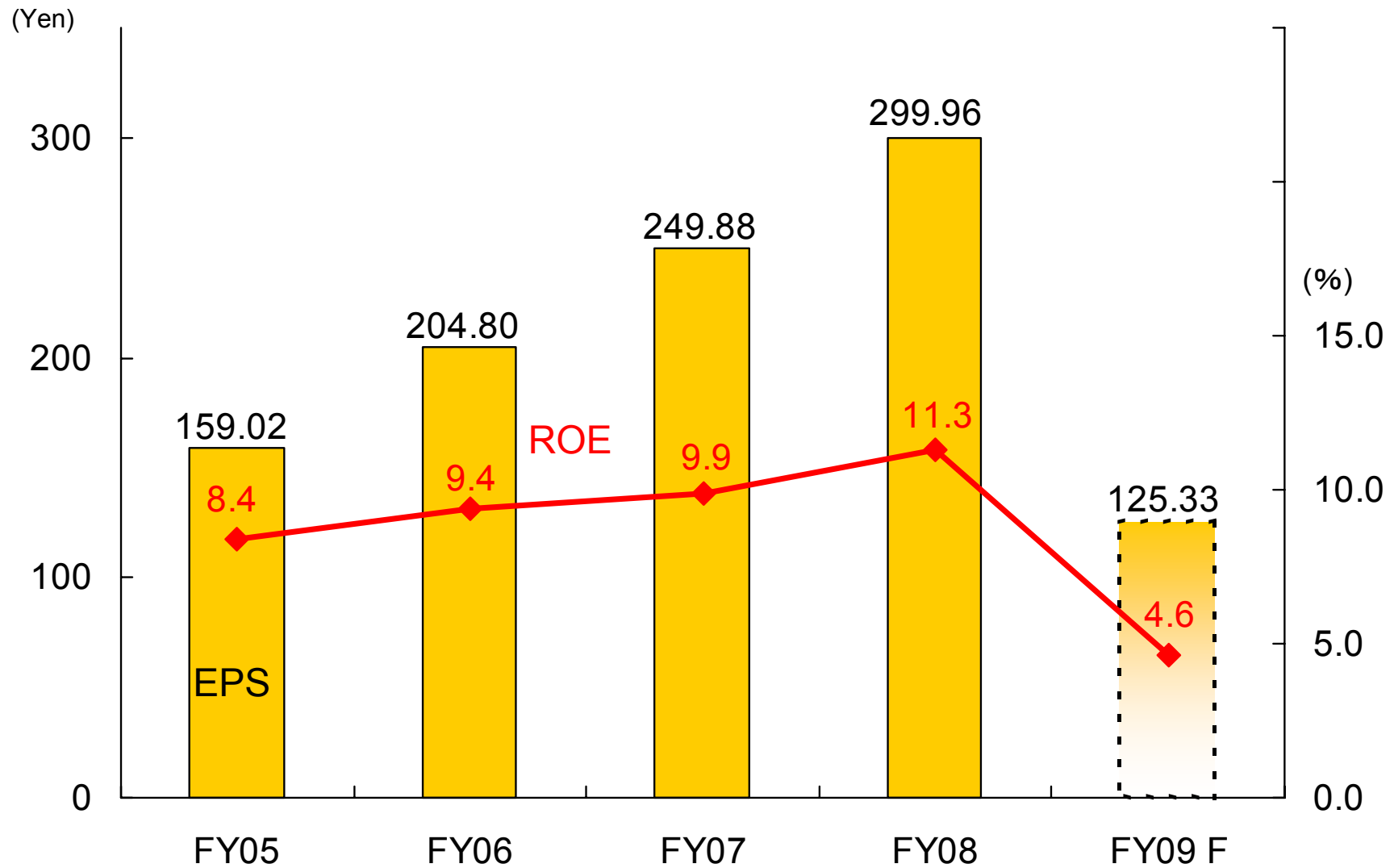
Capital Expenditures, Depreciation and R&D

09 / 23

(Unit: Billions of Yen)

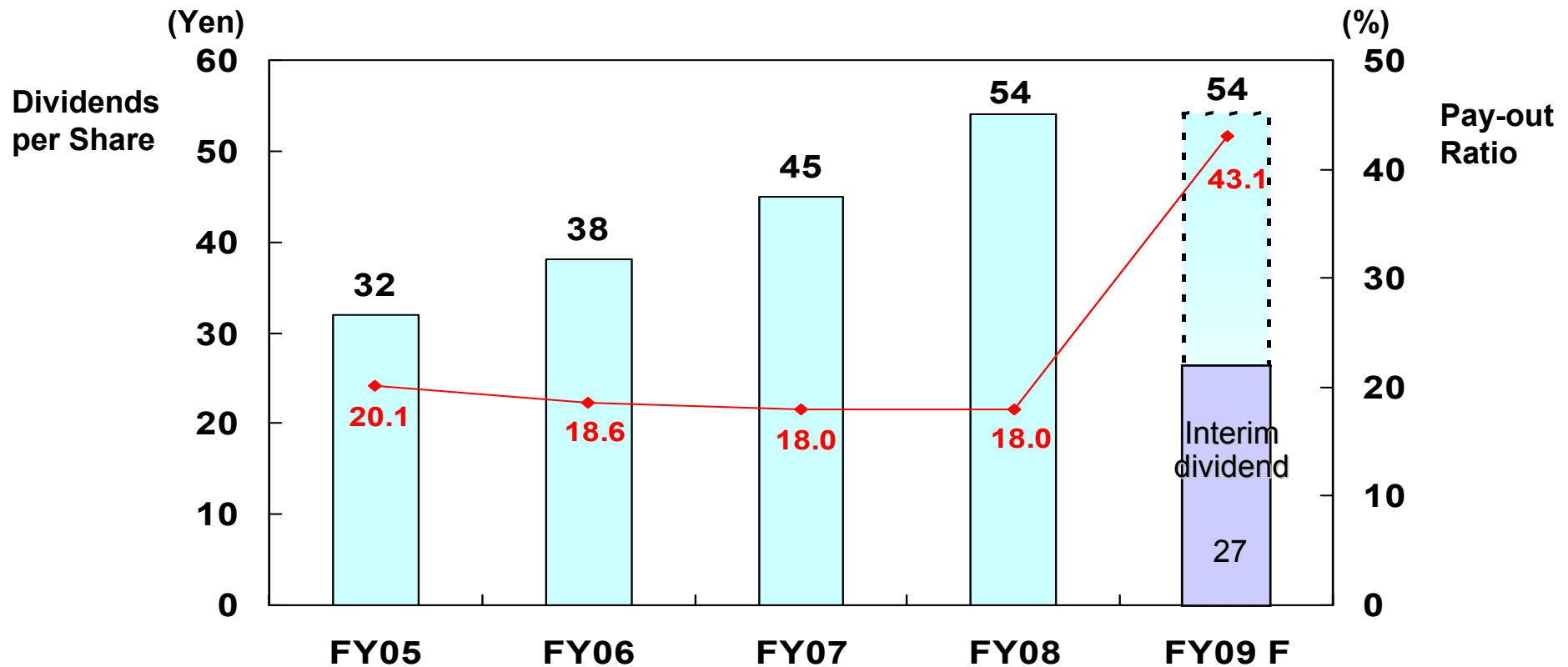
		FY08		FY09		2Q YTD Change from PY	Progress to FY09 Estimate
		2Q YTD		2Q YTD	Forecast		
Capital Expense	Japan	108.3	234.5	116.7	224.0	+7.8%	52.1%
	The Americas	19.5	40.0	21.2	39.0	+8.7%	54.4%
	Europe	14.4	31.7	13.9	21.0	-3.5%	66.2%
	Asia & Oceania	18.6	37.6	16.1	26.0	-13.4%	61.9%
	Capital Expense	160.8	343.8	167.9	310.0	+4.4%	54.2%
Depreciation	Japan	87.0	188.1	94.7	219.0	+8.9%	43.2%
	The Americas	14.0	27.5	13.9	28.0	-0.7%	49.6%
	Europe	11.7	24.4	11.3	24.0	-3.4%	47.1%
	Asia & Oceania	12.2	24.6	12.8	25.0	+4.9%	51.2%
	Depreciation	124.9	264.5	132.7	296.0	+6.2%	44.8%
R&D Expenditure (Ratio to Sales)		149.9 (7.7%)	311.5 (7.7%)	154.3 (8.2%)	305.0 (8.4%)	+2.9%	50.6%

Other Financial Indices



Return to Shareholders

Interim dividend: 27 yen per share
(Same level as original announcement and
two yen increase from previous year)
➡ 54 yen for year in plan

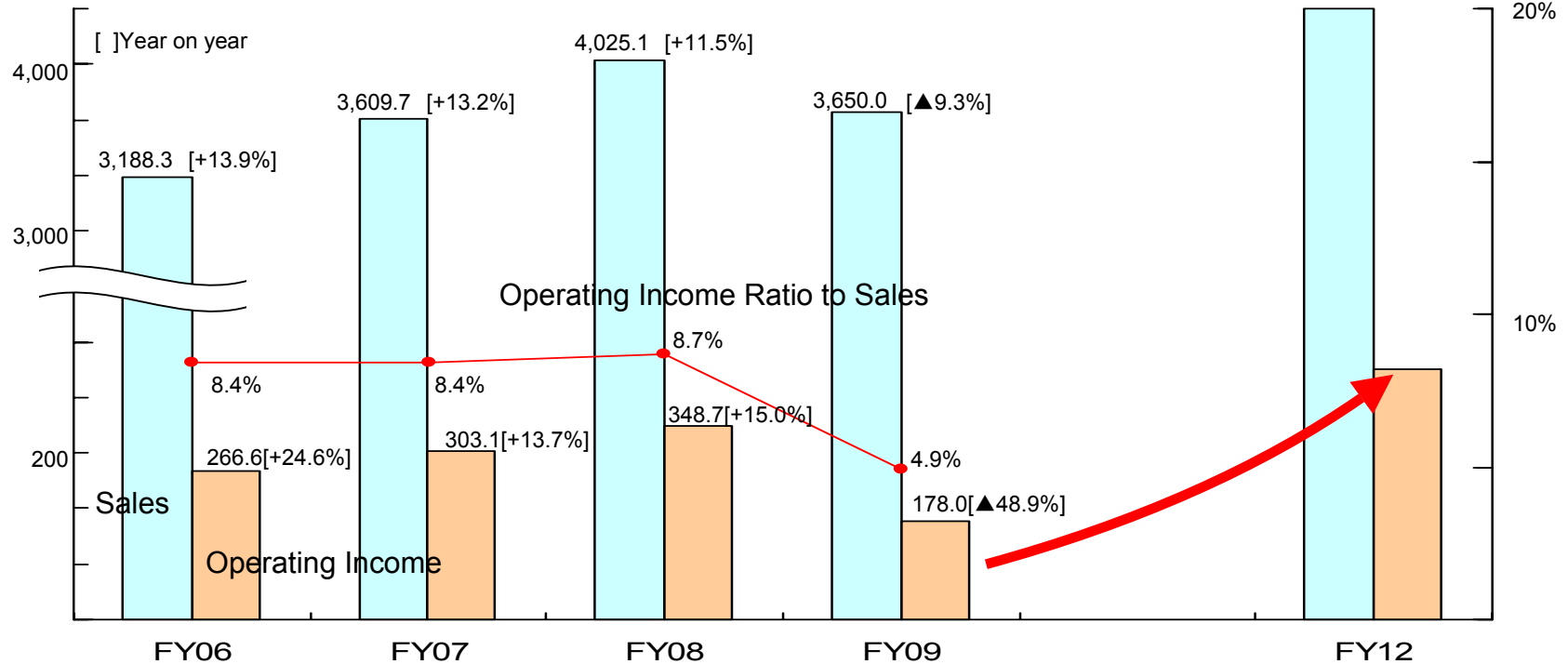


Action against Change in Environment

1. Action for FY2009 Profit Improvement
2. Action for Reform of Corporate Structure

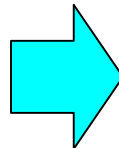
Sales/Profit from FY2006

Unit: Billion yen



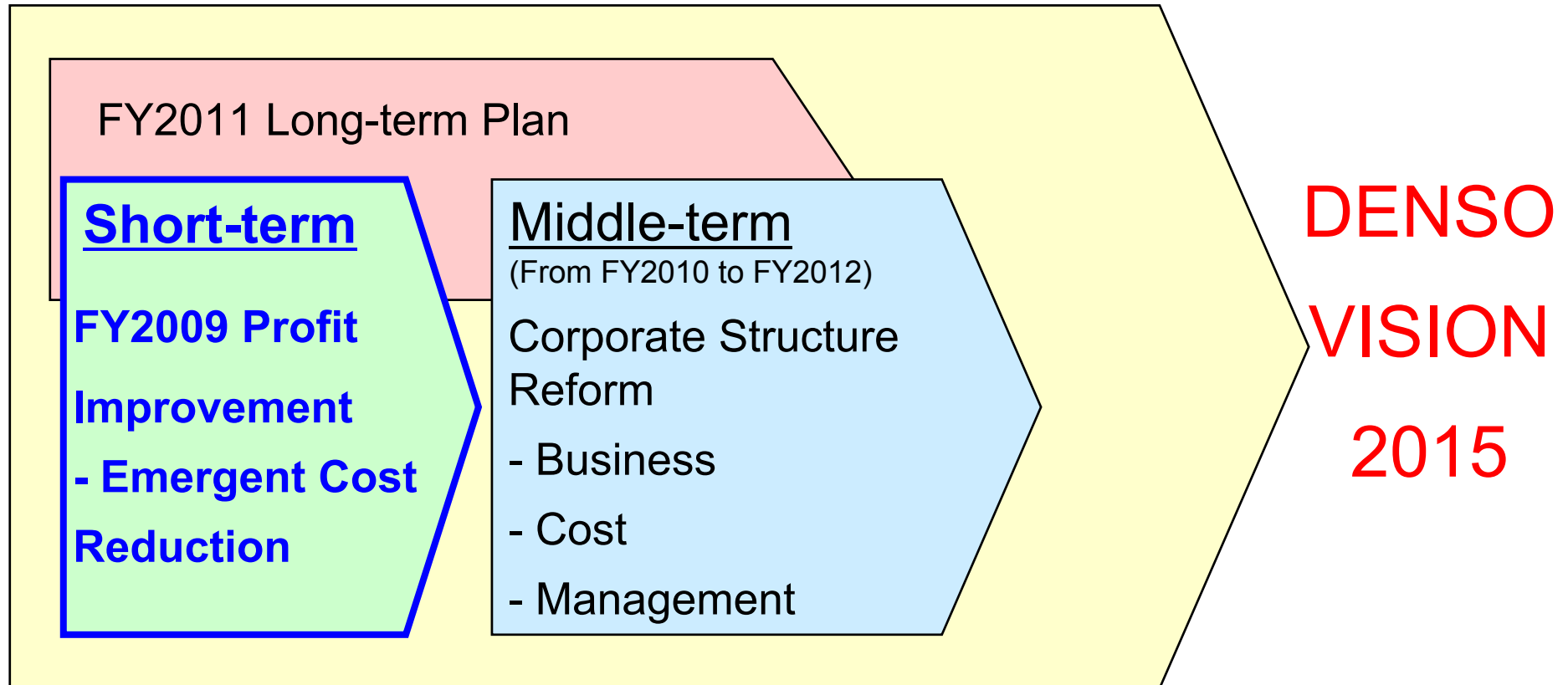
Change in Environment

- U.S. depression
- Strong yen
- Price hike of raw materials/oil
- Emission regulations

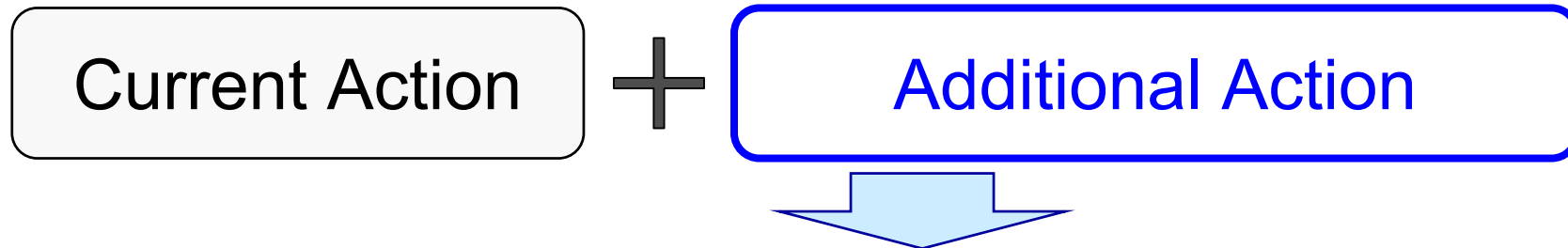


Decrease in profitability from FY2009

Action to strengthen corporate structure



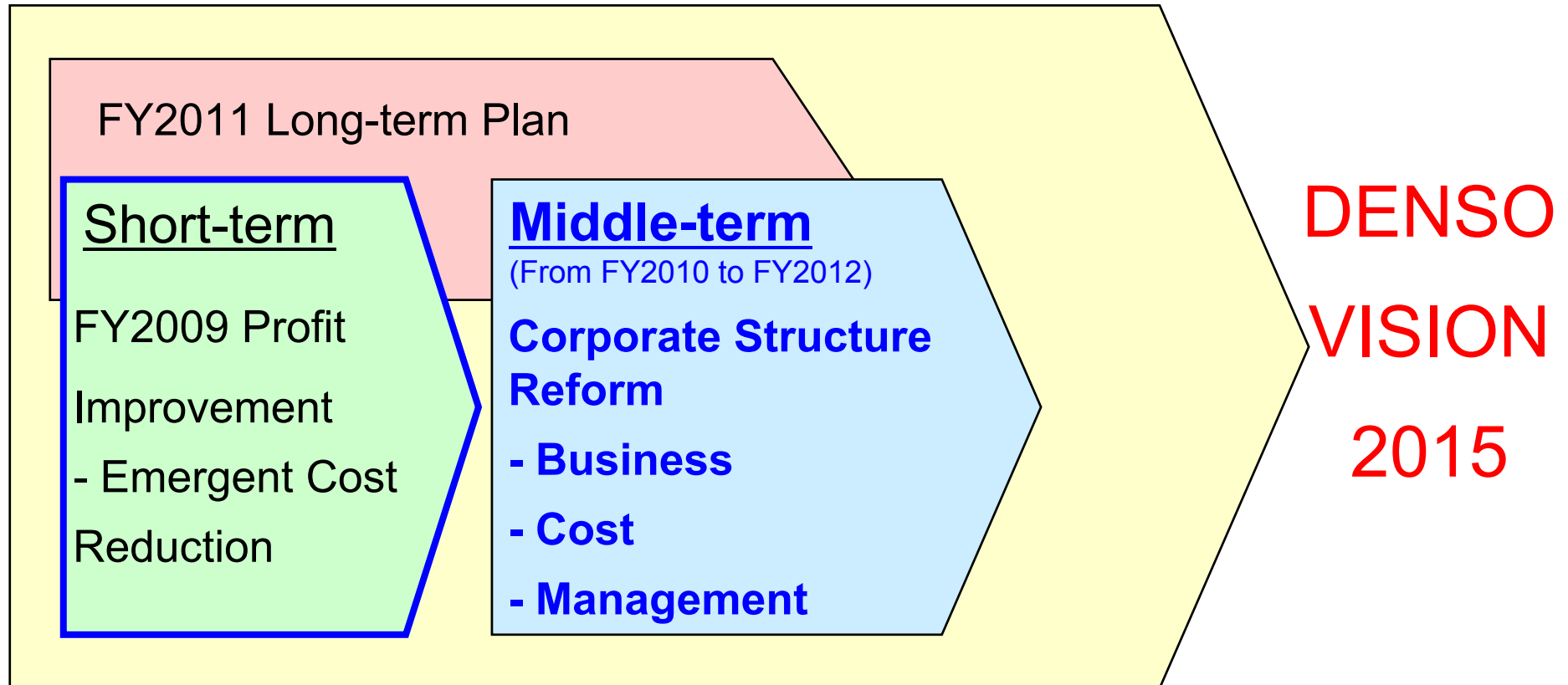
FY2009 Profit Improvement



Cost reduction in all divisions/sections with no exceptions

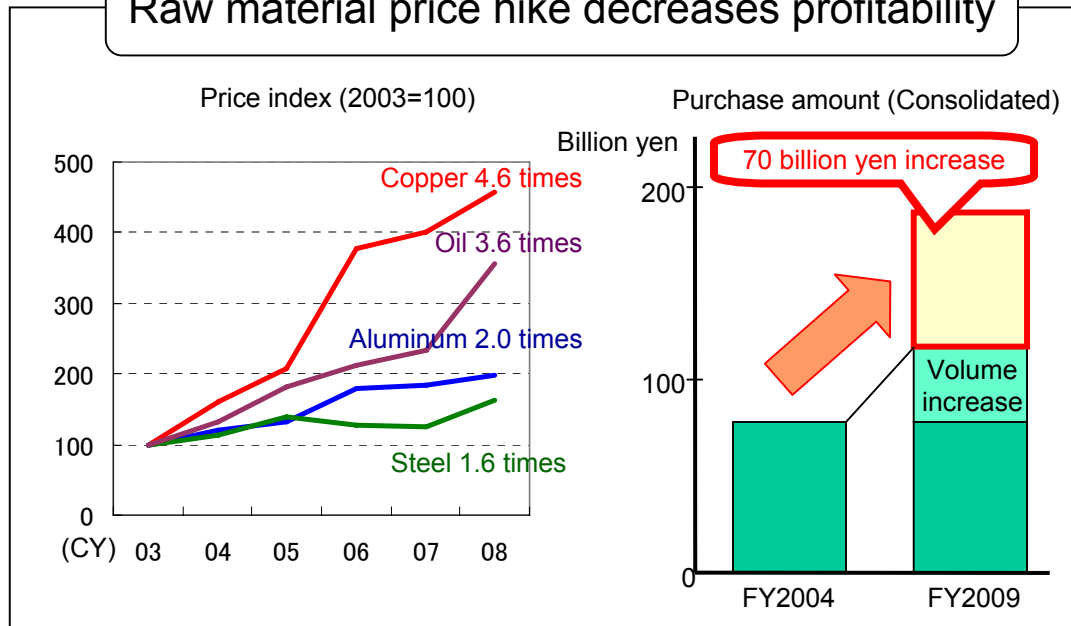
<Additional Action>

- R&D: Strict project management, strategic shift of resources
- Manufacturing: CAPEX reduction
- Sales: Expense reduction
- Indirect/SGA: Work efficiencies



Environments Change

Raw material price hike decreases profitability



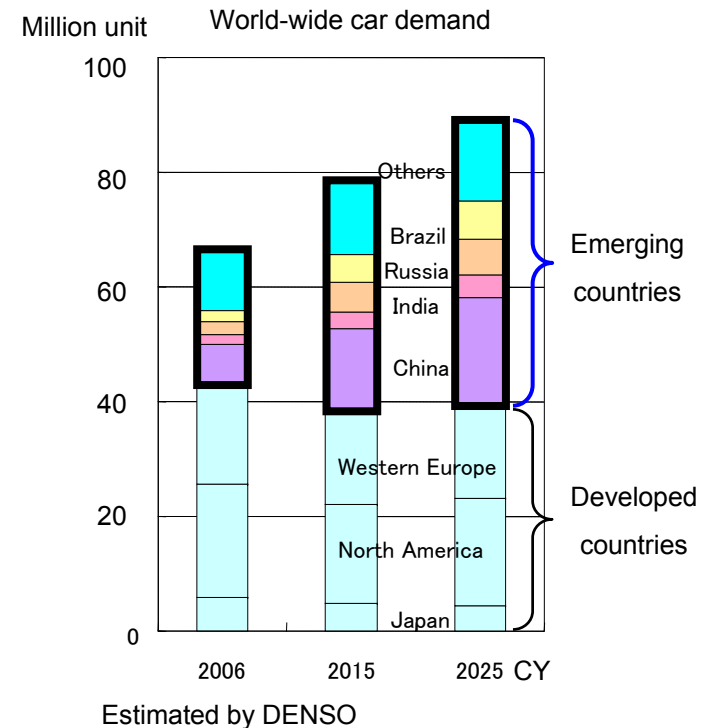
Customer mind more environmentally friendly

Utilization of electricity: Hybrid system, electric vehicle

Compact size: Vehicle and its auto parts

Unification: Lower emissions through system unification

Strong emerging market



1. Business	(1) R&D for emission improvement/CO2 reduction (2) Strengthening of regional competitiveness
2. Cost	(1) Low-cost technology (2) Value-added improvement
3. Management	(1) Management to maximize group ability (2) Challenge mind

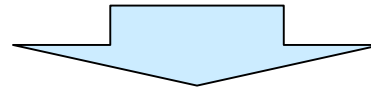
1-(1) R&D for Emission Improvement/CO2 Reduction

19 / 23

Technology Synergy
Energy management
Electrical system utilization

Hybrid System
Idle stop-start system
Hybrid system

Diversity of demands for environmentally friendly technology



Establish company-wide project team in October 2008

Power train

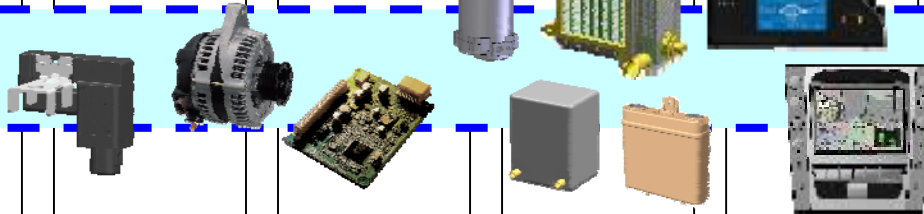
Electric

Electronics

Thermal

Info. & Safety

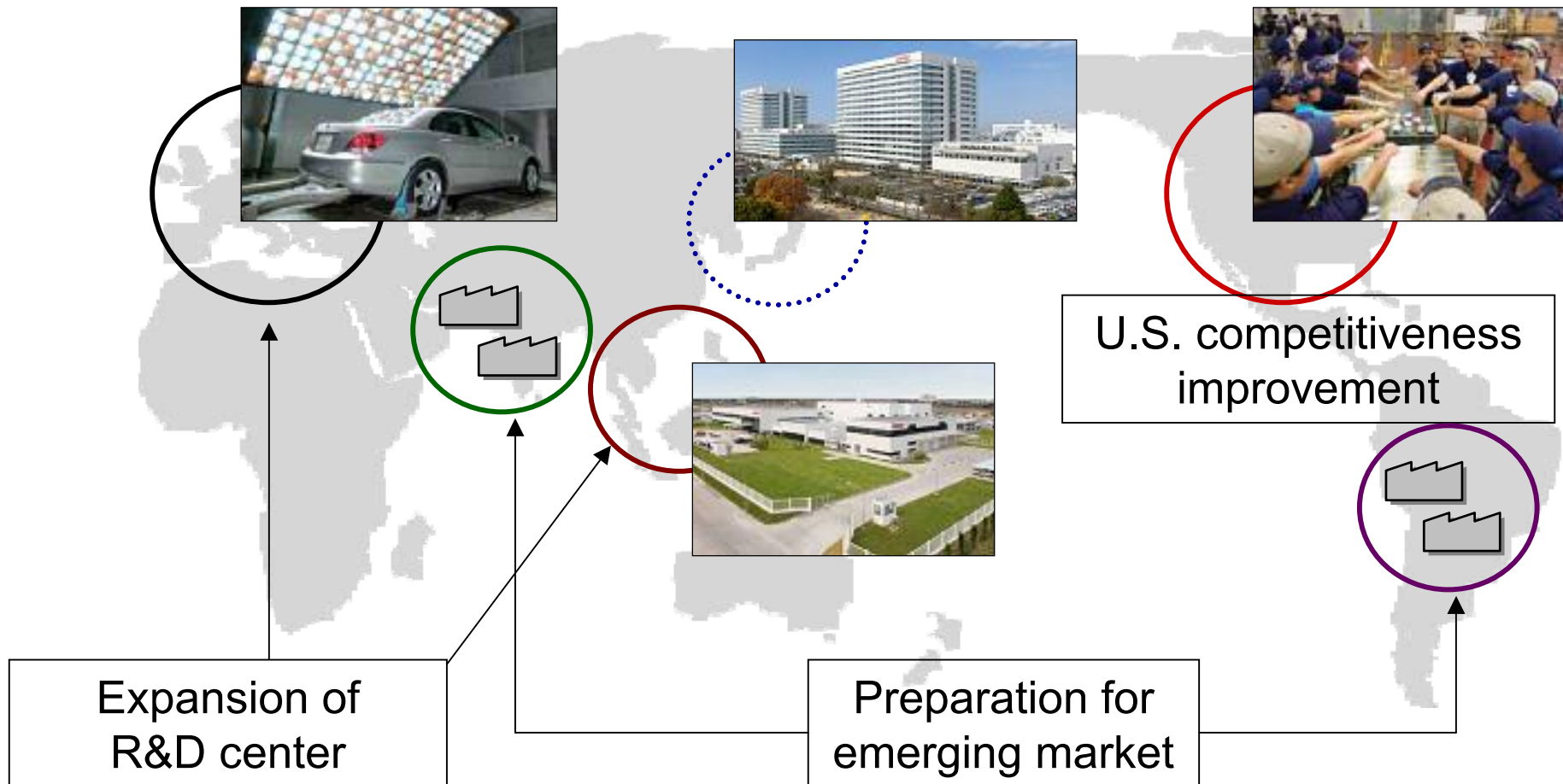
Energy Management



1-(2) Strengthening of Regional Competitiveness

20 / 23

Enhance regional operational ability

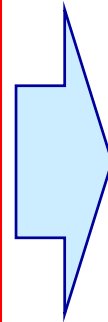


TATA NANO

Lower cost through function simplification
(Car price: 250K yen)

DENSO supplies
Wiper system, HVAC, for TATA

Developed by Indian engineers
Function simplification
through new ideas

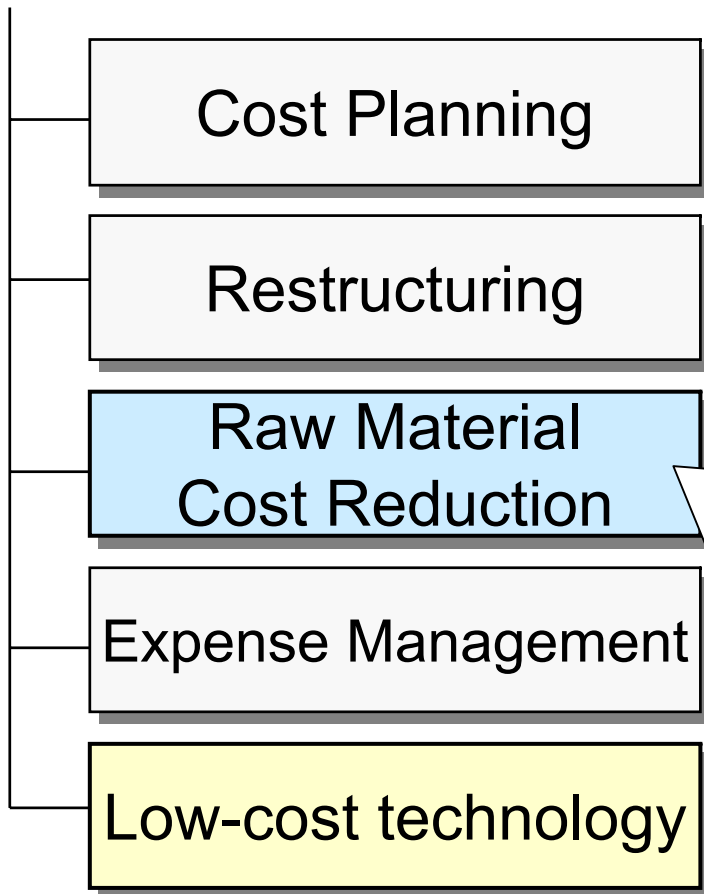


Local technology/know-how
utilization
(R&D, Manufacturing
Procurement, Sales)

2-(2) Value-Added Improvement

**Established in
September 2008**

Cost improvement Committee



	Material Supplier	Manufacturing Design
Short-term	<u>Improvement of Procurement Method</u> <u>VAVE</u>	Yield Improvement - Maximum usage - Scrap collection
Mid/Long-term	<u>Alternative material</u> - Lightening weight - Low-cost	

3-(1) Management to Maximize the Group Power

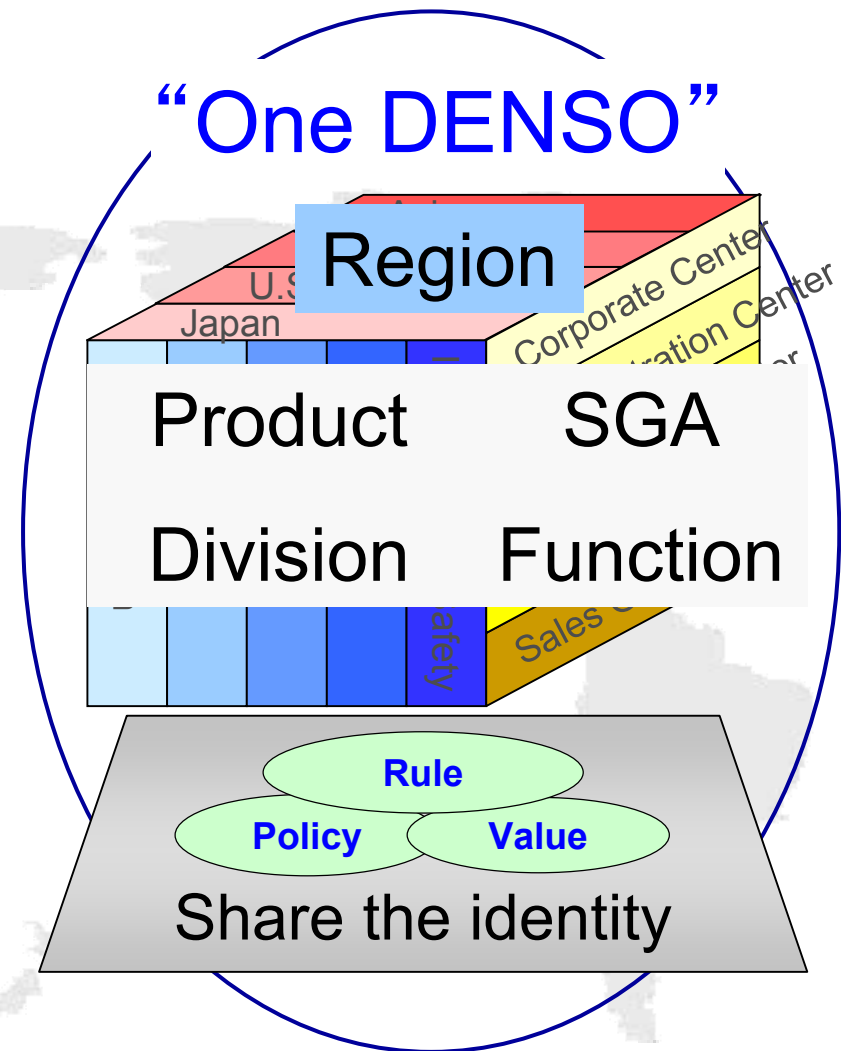
23 / 23

Collaboration as ONE DENSO

-> Each function (Product/SGA/Region)
takes leadership case by case

Globalization

-> Share the common rule, standard, value



DENSO

Appendix

- Non-Consolidated Financial Results
- Pre-Conditions (Foreign Exchange Rate/Car Production)
- Consolidated Sales by Customer
- Consolidated Sales by Business Segment

Non-Consolidated Financial Results

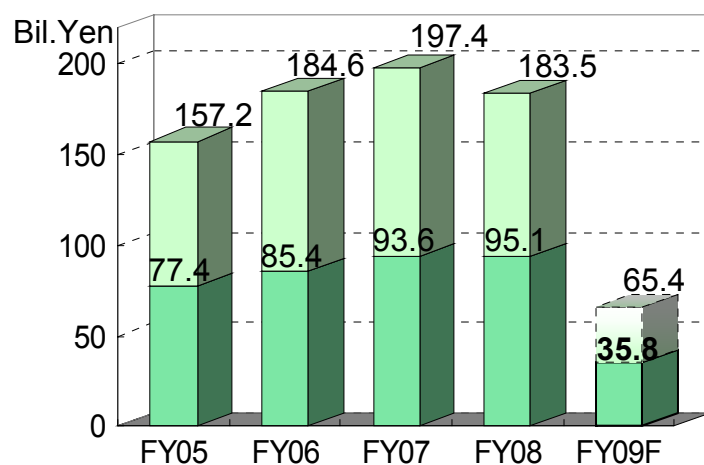
Income Statements

(Ratio to Sales)

(Unit: Billions of Yen, %)

Account	FY2009 2Q YTD		FY2008 2Q YTD		Change		FY2009 Forecast		Change from FY08			
	Amount	Percent	Amount	Percent	Amount	Percent	Forecast as of July 30	Forecast as of Oct. 30	Amount	Percent		
Net Sales	(100.0)	1,164.5	(100.0)	1,185.7	-21.2	-1.8	(100.0)	2,480.0	(100.0)	2,310.0	-168.0	-6.8
Cost of Sales	(91.2)	1,061.8	(87.7)	1,039.6	22.1							
SGA Expenses	(6.2)	72.6	(5.8)	68.2	4.3							
Operating Income	(2.6)	30.1	(6.6)	77.8	-47.7	-61.3	(3.5)	88.0	(1.6)	36.0	-117.6	-76.6
Non-Operating Income		30.1		20.0	10.1			44.0		56.0	23.4	
Extraordinary Income (Loss)		-24.4		-2.7	-21.8			-0.0		-26.6	-23.9	
Income Before Income Taxes	(3.1)	35.8	(8.0)	95.1	-59.4	-62.4	(5.3)	132.0	(2.8)	65.4	-118.1	-64.4
Net Income	(1.7)	20.4	(5.7)	67.8	-47.4	-69.9	(3.6)	89.0	(1.8)	42.0	-89.2	-68.0
Domestic Car Production (Mil.unit)		5.80		5.48				-		11.95		
Foreign Exchange Rate (US\$)		105 Yen		118 Yen				102 Yen		103 Yen		
Foreign Exchange Rate (Euro)		161 Yen		161 Yen				160 Yen		148 Yen		

Income Before Income Taxes



Changes in Income Before Income Taxes

(FY08 2Q YTD => FY09 2Q YTD)

(Unit: Billions of Yen)

Positive Factors		Negative Factors	
Cost reduction	14.0	Currency exchange loss	-19.1
Non-operating income increase	10.1	Product mix	-18.8
		Labor cost increase	-9.0
		Depreciation increase	-5.2
		(Tax amendment -2.1 is included)	
		Raw material cost increase	-5.0
		Production volume decrease	-3.2
		Expense increase and others	-1.4
		Extraordinary loss increase	-21.8
Sub Total	24.1	Sub Total	-83.5
Total Decrease			-59.4

Pre-Conditions (Foreign Exchange Rate/Car Production)

		FY2009 First-Half					FY2009 Second-Half				FY2009 Full Year				
		Prior Year	Forecast as of Apr. 25	Forecast as of July 30	Actual	Change	Prior Year	Forecast as of Apr.25	Revised Estimate	Change	Prior Year	Forecast as of Apr. 25	Forecast as of July 30	Revised Estimate	Change
		Foreign Exchange Rate (Yen)	USD	118	100	104	105	- 13	108	100	100	- 8	113	100	102
EUR	161	155	164	161	-	159	155	135	- 24	160	155	160	148	- 12	
Forex Impact on Operating Income per Yen (Billions of Yen)	USD										2.8	2.6	-	2.3	- 0.5
EUR										0.8	0.8	-	0.8	-	
Car Production of Japanese Manufacturers (Millions of Units)	Domestic	5.48	5.80	5.84	5.80	+ 6%	6.31	6.33	6.15	- 3%	11.79	12.13	-	11.95	+ 1%
	North America	2.26	2.24	2.16	2.15	- 5%	2.31	2.29	2.11	- 9%	4.57	4.53	-	4.26	- 7%
	Overseas	6.04	6.48	6.26	6.12	+ 1%	6.49	6.81	6.28	- 3%	12.53	13.29	-	12.40	- 1%

Consolidated Sales by Customer

(Unit: Billions of Yen)

	FY2009 2Q YTD		FY2008 2Q YTD		Change	
	Amount	% to total	Amount	% to total	Amount	Percent
Toyota	839.1	44.4	874.1	44.9	-35.0	-4.0
Daihatsu	49.6	2.6	48.3	2.5	1.3	2.8
Hino	21.5	1.1	20.7	1.1	0.8	4.0
Toyota Group	910.2	48.1	943.0	48.5	-32.8	-3.5
Honda	142.7	7.5	141.0	7.2	1.7	1.2
Suzuki	52.0	2.7	56.6	2.9	-4.6	-8.1
Fuji	30.0	1.6	29.6	1.5	0.4	1.4
Isuzu	25.5	1.4	25.9	1.3	-0.3	-1.3
Mitsubishi	24.4	1.3	27.1	1.4	-2.7	-9.9
GM	63.6	3.4	85.9	4.4	-22.3	-25.9
Ford	34.0	1.8	35.5	1.8	-1.5	-4.2
Mazda	30.3	1.6	24.8	1.3	5.5	22.4
Chrysler	26.3	1.4	35.2	1.8	-8.9	-25.2
Fiat	65.4	3.5	55.5	2.9	9.8	17.7
VW/Audi	30.2	1.6	28.5	1.5	1.7	5.9
Renault/Nissan	21.4	1.1	17.2	0.9	4.2	24.3
Hyundai/Kia	21.3	1.1	29.5	1.5	-8.2	-27.7
OE Sales for others	218.4	11.5	215.0	11.0	3.4	1.6
OEM Total	1,695.6	89.6	1,750.2	89.9	-54.5	-3.1
Aftermarket, New Business & Others	196.6	10.4	197.6	10.1	-1.0	-0.5
Total	1,892.3	100.0	1,947.8	100.0	-55.6	-2.9

Consolidated Sales by Business Segment

(Unit: Billions of Yen)

	FY2009 2Q YTD		FY2008 2Q YTD		Change	
	Amount	% to total	Amount	% to total	Amount	Percent
Thermal	615.3	32.5	632.5	32.5	-17.2	-2.7
Powertrain Control	451.2	23.8	449.9	23.1	1.3	0.3
Information & Safety Systems	285.6	15.1	313.4	16.1	-27.8	-8.9
Electric	173.9	9.2	175.9	9.0	-2.0	-1.1
Electronic	162.2	8.6	165.4	8.5	-3.2	-1.9
Small Motors	129.9	6.9	129.6	6.7	0.4	0.3
Others(*1)	22.1	1.2	21.8	1.1	0.2	1.0
Automotive Total	1,840.2	97.3	1,888.5	97.0	-48.3	-2.6
Industrial & Consumer Product	29.4	1.5	30.7	1.5	-1.3	-4.2
Others(*2)	22.6	1.2	28.6	1.5	-6.0	-21.0
New Business Total	52.0	2.7	59.3	3.0	-7.3	-12.3
Total	1,892.3	100.0	1,947.8	100.0	-55.6	-2.9

*1 Repair parts, original brand products of subsidiaries

*2 Communication (Agency), display