

DENSO CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results for the First Quarter Ended June 30, 2005

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DENSO CORPORATION

CODE: 6902

Listed on the Tokyo, Osaka
and Nagoya stock exchanges

Results for the first quarter ended June 30, 2005 (From April 1, 2005 to June 30, 2005)

(1) Operating Results

(Millions of yen, except per share figures)

| | Three months ended June 30, 2005 | Three months ended June 30, 2004 | Year ended March 31, 2005 |
|--|-------------------------------------|-------------------------------------|------------------------------|
| Net sales..... | 753,406 | 680,284 | 2,799,949 |
| % change from the previous corresponding period..... | 10.7% | 10.7% | 9.3% |
| Operating income..... | 71,151 | 59,954 | 213,895 |
| % change from the previous corresponding period..... | 18.7% | 15.9% | 13.4% |
| Income before income taxes and minority interests.. | 65,790 | 63,694 | 223,446 |
| % change from the previous corresponding period..... | 3.3% | 10.4% | 20.2% |
| Net income..... | 36,021 | 36,956 | 132,620 |
| % change from the previous corresponding period..... | (2.5%) | 26.9% | 20.5% |
| Basic net income per share..... | 43.65 yen | 44.32 yen | 159.02 yen |
| Diluted net income per share | 43.63 yen | 44.30 yen | 158.96 yen |

Note: "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 June 30, 2005 | As of March 31, 2005 | As of June 30, 2004 |
|-------------------------------------|------------------------|-------------------------|------------------------|
| Total assets..... | 2,800,674 | 2,780,982 | 2,596,081 |
| Shareholders' equity..... | 1,668,417 | 1,643,182 | 1,568,436 |
| Shareholders' equity ratio..... | 59.6 % | 59.1 % | 60.4 % |
| Shareholders' equity per share..... | 2,021.62 yen | 1,990.48 yen | 1,880.91 yen |

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

(3) Consolidation Scope

Number of consolidated subsidiaries : 173
Number of unconsolidated subsidiaries : 0
Number of affiliates : 32 (Affiliates accounted for by the equity method : 32)

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

Consolidated subsidiaries

Added : 2

Excluded : 0

Companies accounted for by the equity method

Added : 3

Excluded : 0

Consolidated Balance Sheets

| Millions of yen | | | | |
|--|------------------------|-------------------------|------------------------|------------------------|
| Assets | As of June 30, 2005 | As of March 31, 2005 | Increase (Decrease) | As of June 30, 2004 |
| Current Assets: | | | | |
| Cash and cash equivalents | 264,336 | 231,846 | | 241,051 |
| Short-term investments | 59,614 | 55,878 | | 27,010 |
| Notes and accounts receivable, less allowance for doubtful accounts | 504,524 | 517,219 | | 468,309 |
| Inventories | 249,556 | 248,821 | | 215,385 |
| Deferred tax assets | 39,481 | 49,450 | | 35,179 |
| Other current assets | 63,261 | 64,501 | | 54,301 |
| Total current assets | 1,180,772 | 1,167,715 | 13,057 | 1,041,235 |
| Property, Plant and Equipment: | | | | |
| Land | 143,260 | 143,262 | | 141,982 |
| Buildings and structures | 590,800 | 586,642 | | 565,919 |
| Machinery and equipment | 1,935,792 | 1,904,873 | | 1,793,870 |
| Construction in progress | 86,234 | 76,286 | | 69,587 |
| | 2,756,086 | 2,711,063 | | 2,571,358 |
| Less: Accumulated depreciation | (1,888,502) | (1,858,242) | | (1,784,187) |
| Net property, plant and equipment | 867,584 | 852,821 | 14,763 | 787,171 |
| Investments and Other Assets | 752,318 | 760,446 | (8,128) | 767,675 |
| Total | 2,800,674 | 2,780,982 | 19,692 | 2,596,081 |

| Millions of yen | | | | |
|--|------------------------|-------------------------|------------------------|------------------------|
| Liabilities and Shareholders' Equity | As of June 30, 2005 | As of March 31, 2005 | Increase (Decrease) | As of June 30, 2004 |
| Current Liabilities: | | | | |
| Short-term borrowings | 68,172 | 59,993 | | 41,428 |
| Current portion of long-term debt | 3,470 | 4,064 | | 1,949 |
| Notes and accounts payable | 371,998 | 383,160 | | 338,721 |
| Income taxes payable | 20,671 | 45,519 | | 15,353 |
| Accrued expenses | 188,378 | 172,482 | | 173,321 |
| Other current liabilities | 57,653 | 58,432 | | 52,601 |
| Total current liabilities | 710,342 | 723,650 | (13,308) | 623,373 |
| Long-term Liabilities: | | | | |
| Long-term debt | 139,472 | 141,641 | | 140,559 |
| Liability for employees' retirement benefits | 164,601 | 151,842 | | 145,025 |
| Deferred tax liabilities | 32,582 | 35,908 | | 35,883 |
| Other long-term liabilities | 8,204 | 9,061 | | 9,963 |
| Total long-term liabilities | 344,859 | 338,452 | 6,407 | 331,430 |
| Minority Interests | 77,056 | 75,698 | 1,358 | 72,842 |
| Shareholders' Equity: | | | | |
| Common stock | 187,457 | 187,457 | | 187,457 |
| Capital surplus | 266,051 | 266,051 | | 266,005 |
| Retained earnings | 1,211,241 | 1,191,370 | | 1,106,564 |
| Net unrealized gain on available-for-sale securities | 170,508 | 173,730 | | 171,674 |
| Foreign currency translation adjustments | (47,046) | (55,608) | | (66,275) |
| Treasury stock at cost | (119,794) | (119,818) | | (96,989) |
| Total shareholders' equity | 1,668,417 | 1,643,182 | 25,235 | 1,568,436 |
| Total | 2,800,674 | 2,780,982 | 19,692 | 2,596,081 |

Consolidated Statements of Income

| | Three months ended June 30, 2005 | Three months ended June 30, 2004 | Increase (Decrease) | Millions of yen Year ended March 31, 2005 |
|--|-------------------------------------|-------------------------------------|------------------------|---|
| Net Sales | 753,406 | 680,284 | 73,122 | 2,799,949 |
| Cost of Sales | 616,933 | 555,504 | 61,429 | 2,309,713 |
| Gross profit | 136,473 | 124,780 | 11,693 | 490,236 |
| Selling, General and Administrative Expenses | 65,322 | 64,826 | | 276,341 |
| Operating income | 71,151 | 59,954 | 11,197 | 213,895 |
| Other Income (Expenses): | | | | |
| Interest and dividend income | 4,918 | 3,337 | | 9,118 |
| Interest expense | (1,129) | (830) | | (3,541) |
| Equity in earnings of affiliates | 285 | 874 | | 2,340 |
| Charge for full amount of transitional obligation for employees' retirement benefits of subsidiaries in UK | (10,929) | - | | - |
| Impairment loss on long-lived assets | (159) | (1,004) | | (1,206) |
| Impairment loss on investment securities | (159) | (62) | | (108) |
| Other, net | 1,812 | 1,425 | | 2,948 |
| Income before income taxes and minority interests | 65,790 | 63,694 | 2,096 | 223,446 |
| Income Taxes: | | | | |
| Current | 18,518 | 15,726 | | 90,110 |
| Deferred | 8,984 | 9,065 | | (6,824) |
| Minority Interests in Net Income | 2,267 | 1,947 | | 7,540 |
| Net income | 36,021 | 36,956 | (935) | 132,620 |

Segment Information

1. Geographical Segments (by company location)

Millions of yen

| | | | Three months ended | Three months ended | Year ended | |
|----------------------------|----------------|--------------|--------------------|--------------------|----------------|-----------|
| | | | June 30, 2005 | June 30, 2004 | March 31, 2005 | |
| Sales | Japan | Customers | 406,805 | 380,172 | 1,590,666 | |
| | | Intersegment | 128,379 | 110,968 | 469,891 | |
| | | Total | 535,184 | 491,140 | 2,060,557 | |
| | The Americas | Customers | 159,654 | 147,667 | 571,053 | |
| | | Intersegment | 2,087 | 2,087 | 9,189 | |
| | | Total | 161,741 | 149,754 | 580,242 | |
| | Europe | Customers | 102,663 | 95,183 | 367,082 | |
| | | Intersegment | 2,019 | 1,704 | 6,968 | |
| | | Total | 104,682 | 96,887 | 374,050 | |
| | Asia & Oceania | Customers | 84,284 | 57,262 | 271,148 | |
| | | Intersegment | 6,188 | 4,090 | 19,757 | |
| | | Total | 90,472 | 61,352 | 290,905 | |
| | Eliminations | | | (138,673) | (118,849) | (505,805) |
| | Consolidated | | | 753,406 | 680,284 | 2,799,949 |
| Operating Income (Loss) | Japan | | 53,632 | 48,595 | 180,000 | |
| | The Americas | | 8,131 | 9,025 | 23,638 | |
| | Europe | | 137 | (707) | (8,777) | |
| | Asia & Oceania | | 8,667 | 4,090 | 20,067 | |
| | Eliminations | | 584 | (1,049) | (1,033) | |
| | Consolidated | | 71,151 | 59,954 | 213,895 | |

2. Sales by Customer Location

Millions of yen

| | | Three months ended | Three months ended | Year ended |
|----------------|--|--------------------|--------------------|----------------|
| | | June 30, 2005 | June 30, 2004 | March 31, 2005 |
| Japan | | 399,217 | 370,730 | 1,554,795 |
| | | 53.0% | 54.5% | 55.5% |
| The Americas | | 162,407 | 150,071 | 582,769 |
| | | 21.6% | 22.1% | 20.8% |
| Europe | | 102,376 | 95,281 | 367,588 |
| | | 13.6% | 14.0% | 13.1% |
| Asia & Oceania | | 86,971 | 62,792 | 287,627 |
| | | 11.5% | 9.2% | 10.3% |
| Others | | 2,435 | 1,410 | 7,170 |
| | | 0.3% | 0.2% | 0.3% |
| Net Sales | | 753,406 | 680,284 | 2,799,949 |