



**FY2006 Financial Results
ended March 31, 2007**

April 26, 2007

DENSO CORPORATION

DENSO

Overview of FY2006 Financial Results

1. Big Sales and Profit Increase

- Steady domestic and overseas production for Japanese auto manufacturers and sales expansion for overseas manufacturers
- Operating income and Income before income taxes exceeded 300 billions yen for the first time

2. Increase of sales and profits by all regions for the first time

3. Annual dividend per share increased by 7 yen to 45 yen for the year ended March 31,2007

FY2006 Financial Results

*: Ratio to Sales

(Unit: Billions of Yen)

	07/3	06/3	Increase	Increase(%)
Sales	3,609.7	3,188.3	+421.4	+13.2%
Operating Income	8.4%* 303.1	8.4%* 266.6	+36.5	+13.7%
Income before Income Taxes	319.7	271.9	+47.9	+17.6%
Net Income	5.7%* 205.2	5.3%* 169.6	+35.5	+20.9%

(Unit: Millions of Units)

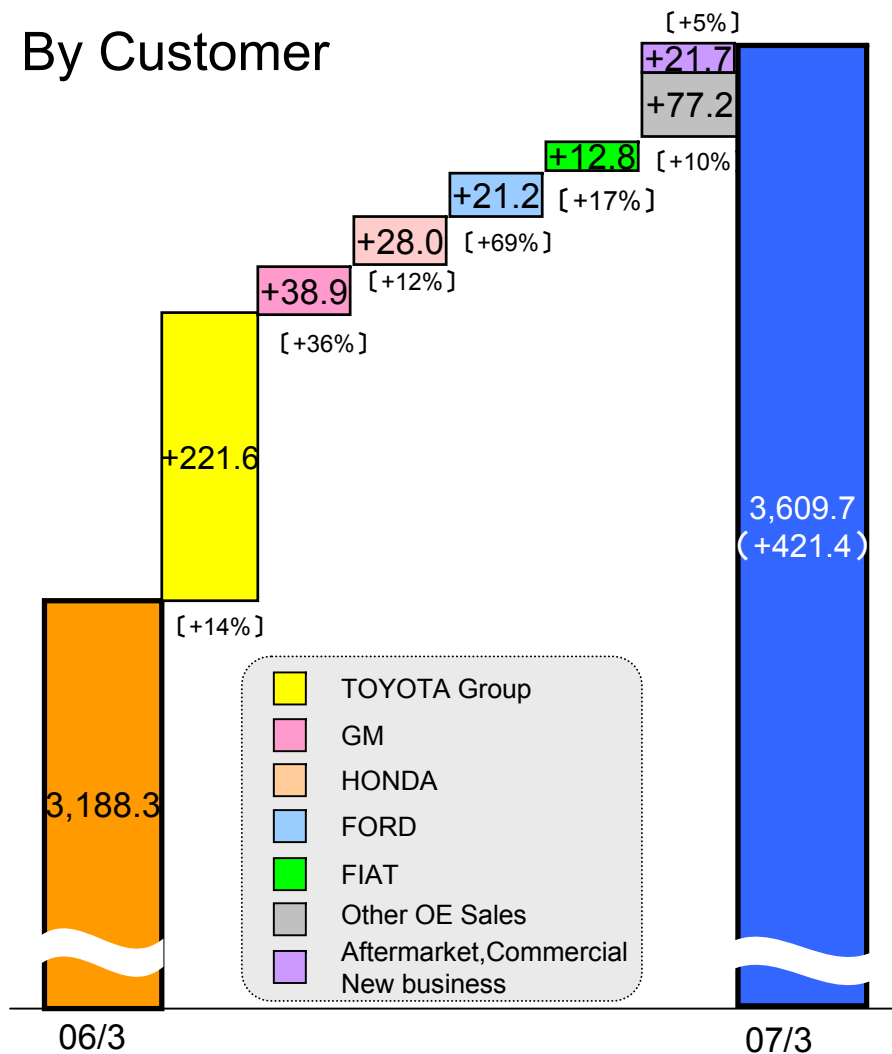
Foreign Exchange Rate	JPY116/\$ JPY149/Euro	JPY113/\$ JPY137/Euro	+ JPY3 + JPY12	
Domestic Car Production (Toyota)	11.48 (4.19)	10.89 (3.86)	+0.59 (+0.33)	+5.4% (+8.5%)
Overseas Car Production of Japanese Manufacturers (Toyota)	11.30 (4.18)	10.97 (3.88)	+0.33 (+0.30)	+3.0% (+7.7%)

FY2006 Change in Consolidated Sales by Customer and Business Segments

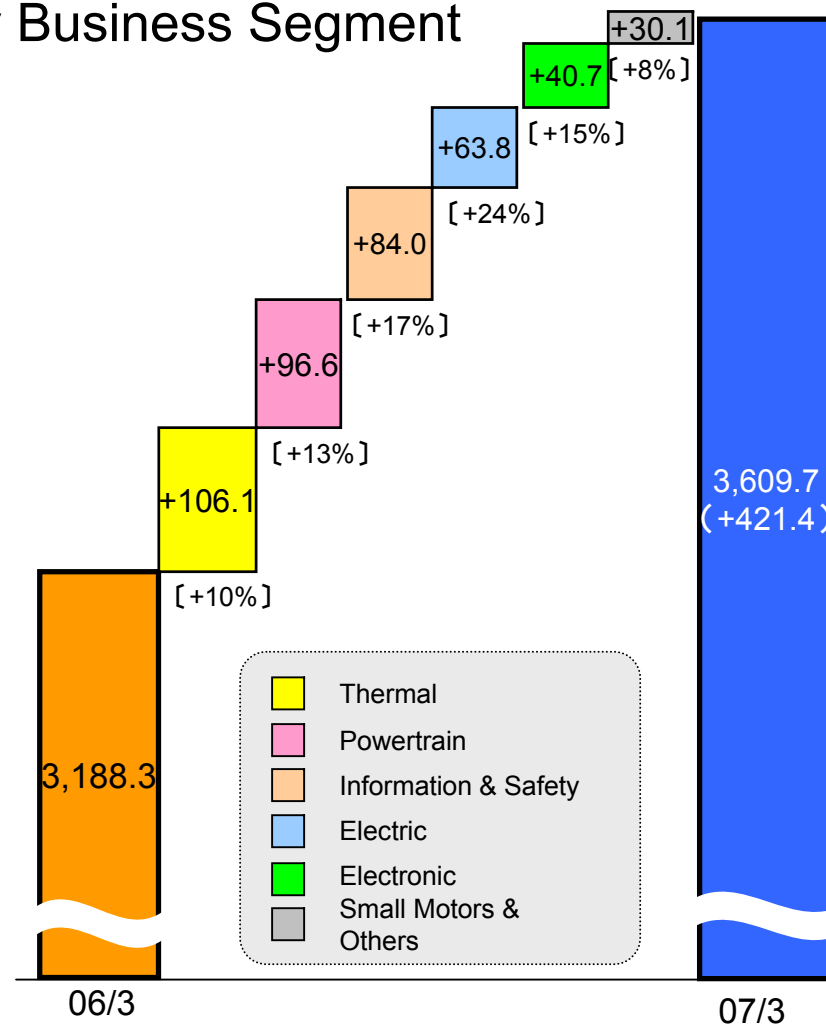
(Unit: Billions of Yen)

() : Change from previous period

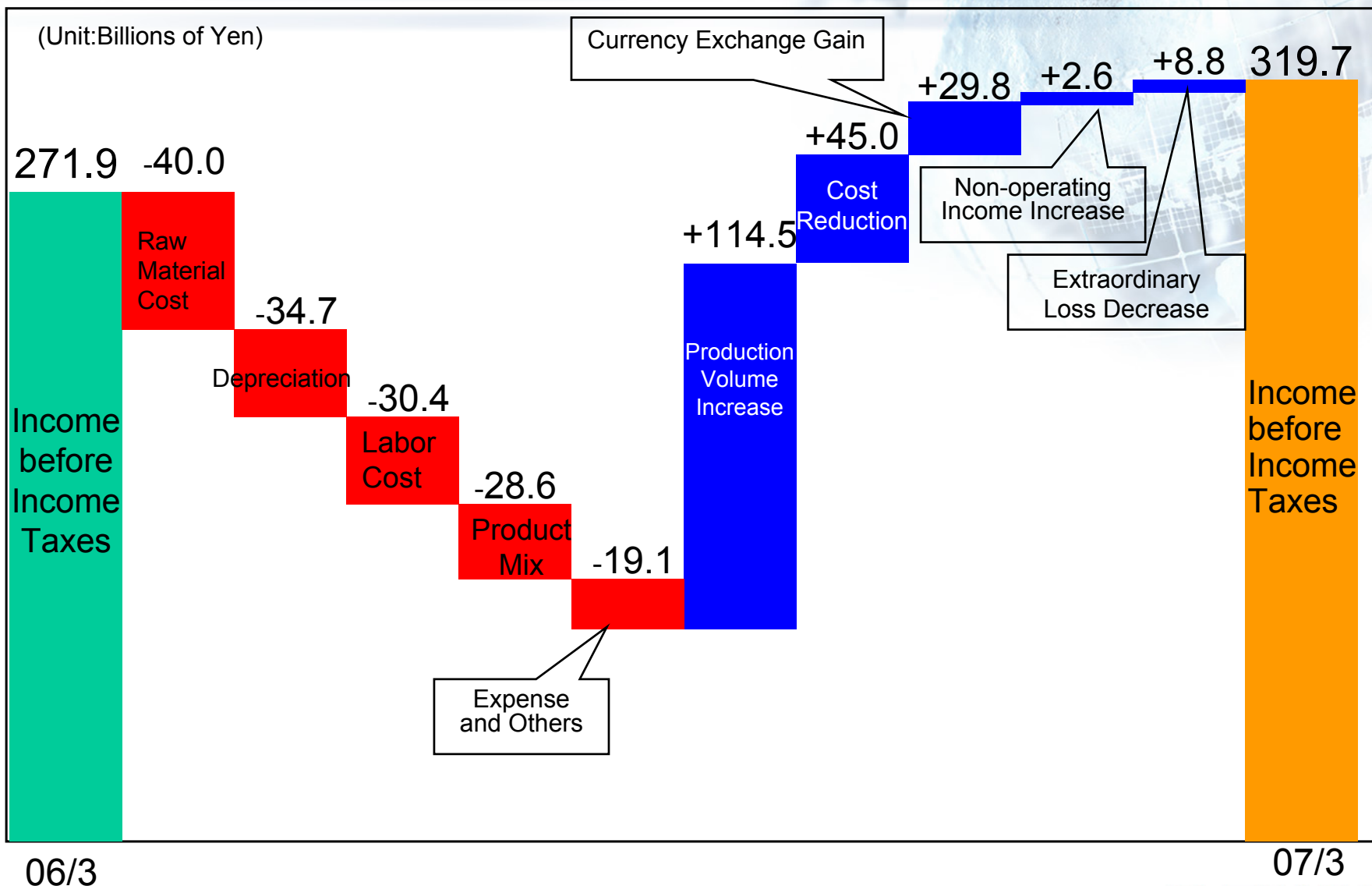
By Customer



By Business Segment



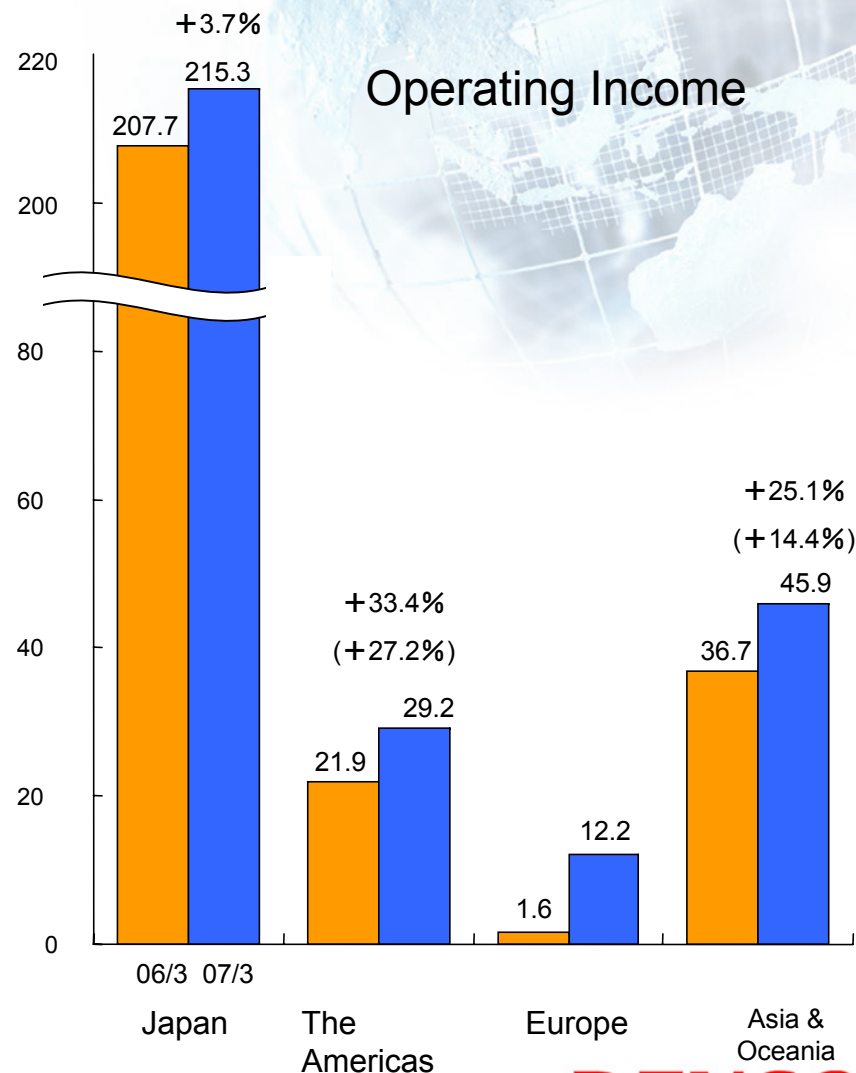
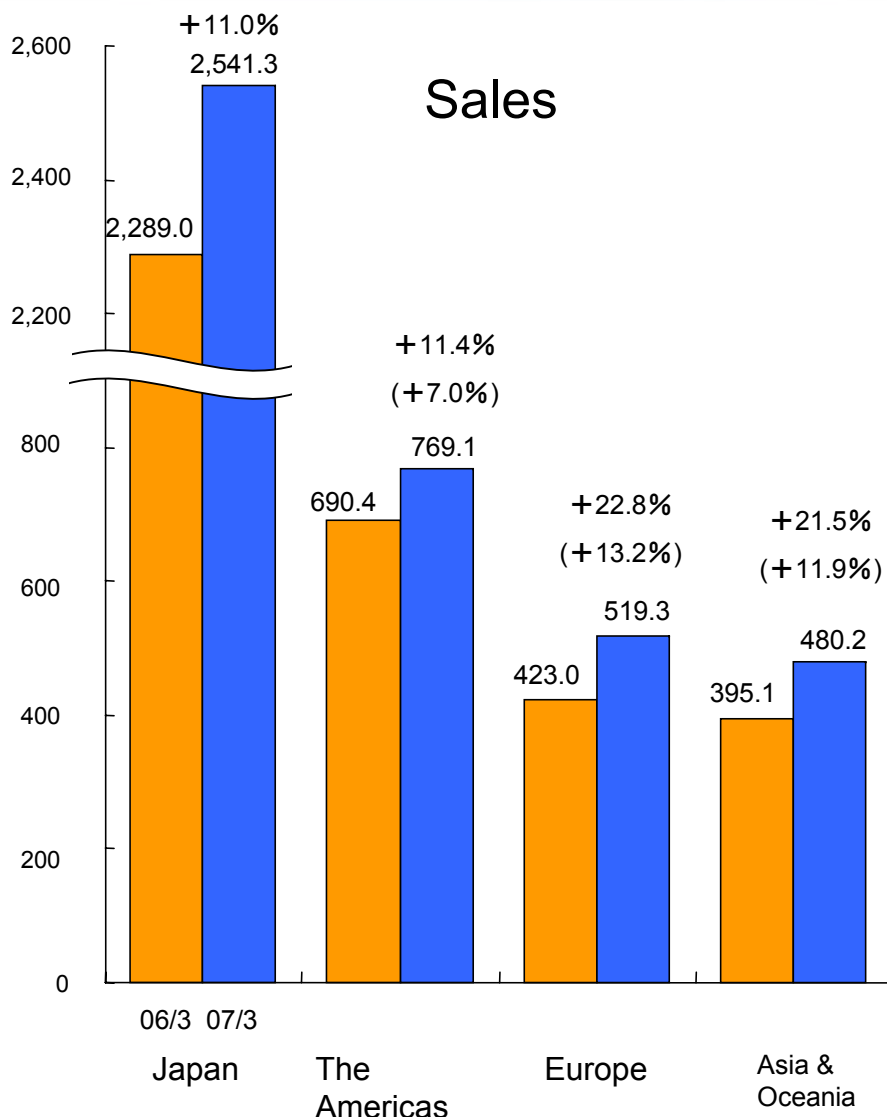
Change in Income before Income Taxes



Geographical Segments by Company Location

(Unit:Billions of Yen)

():Local Currency Base



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FY2007 Estimate

*: Ratio to Sales

(Unit:Billions of Yen)

	08/3 Estimate	07/3	Increase	Increase(%)
Sales	3,800.0	3,609.7	+190.3	+ 5.3%
Operating Income	8.1%* 308.0	8.4%* 303.1	+4.9	+ 1.6%
Income before Income Taxes	323.0	319.7	+3.3	+ 1.0%
Net Income	5.4%* 207.0	5.7%* 205.2	+1.8	+ 0.9%

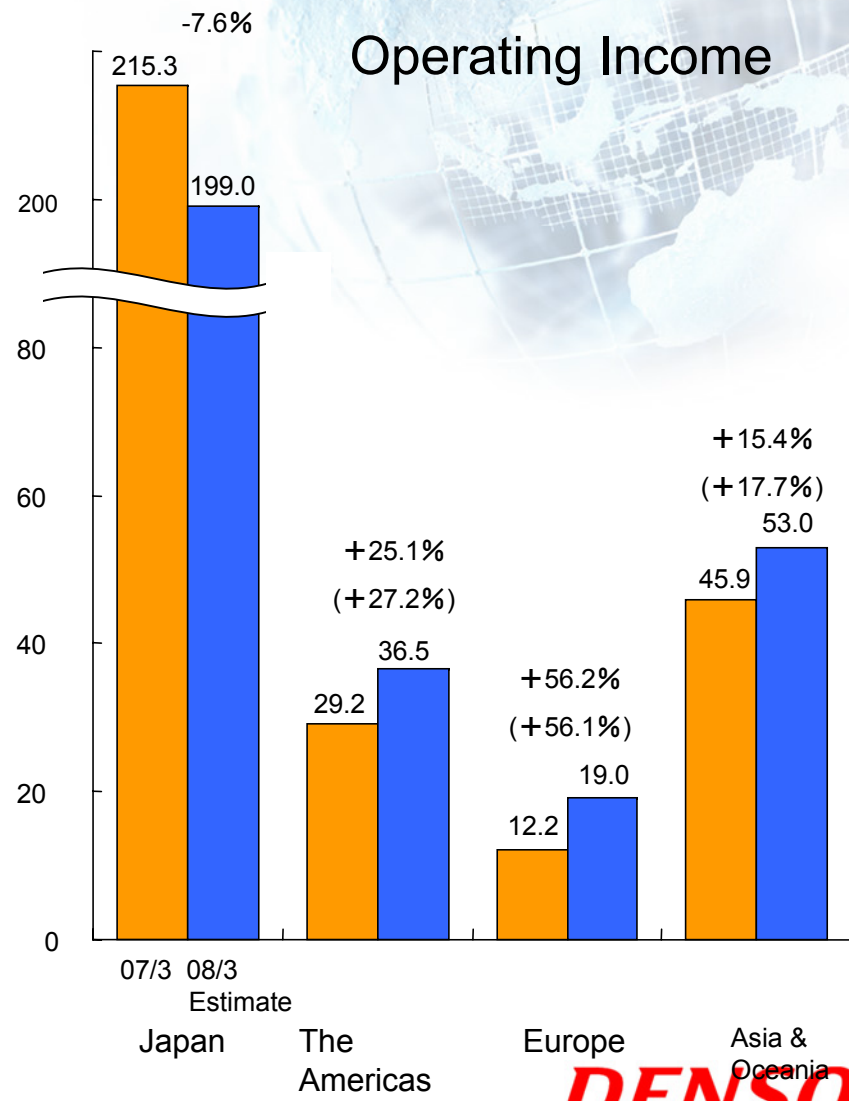
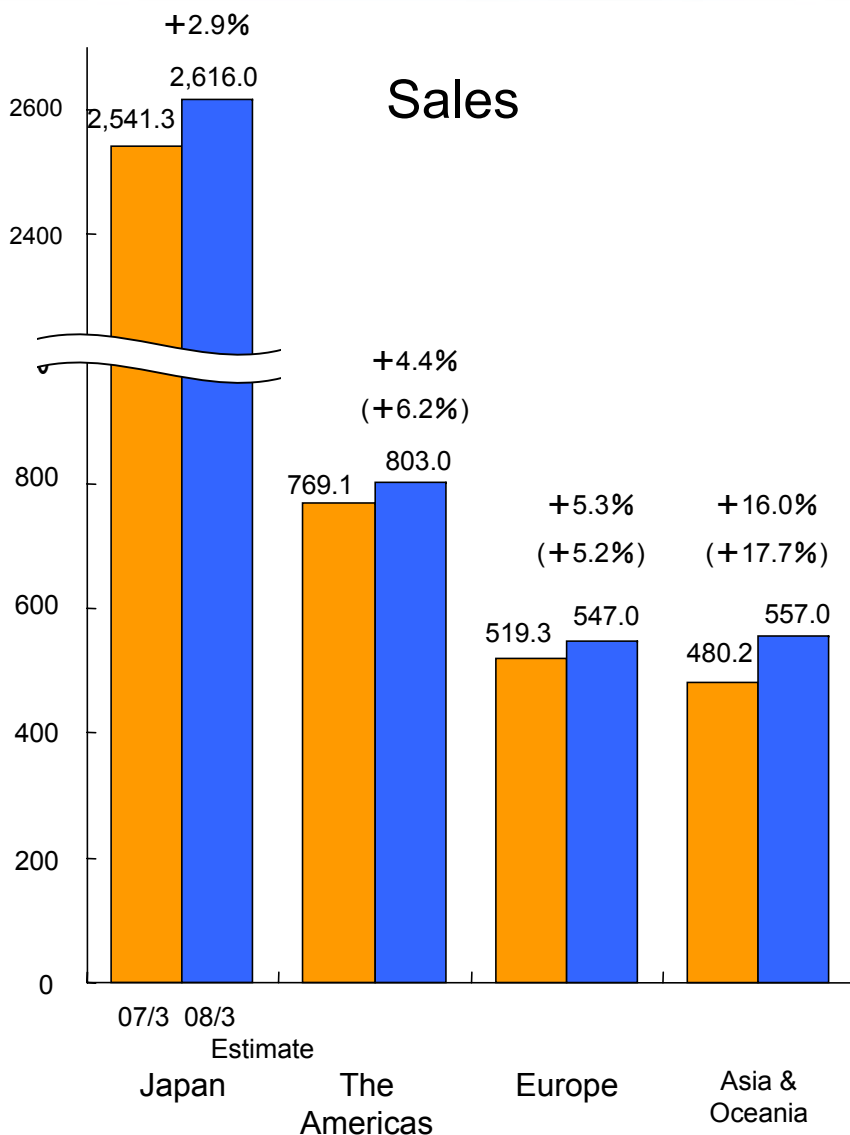
(Unit:Millions of Units)

Foreign Exchange Rate	JPY115/\$ JPY150/Euro	JPY116/\$ JPY149/Euro	- JPY1 + JPY1	
Domestic Car Production (Toyota)	11.74 (4.34)	11.48 (4.19)	+0.26 (+0.15)	+ 2.3% (+3.6%)
Overseas Car Production of Japanese Manufacturers (Toyota)	12.62 (4.54)	11.30 (4.18)	+1.32 (+0.36)	+ 11.7% (+ 8.6%)
Dividend per Share	JPY 48	JPY45	+JPY3	

Geographical Segments by Company Location (07/3 - 08/3)

(Unit:Billions of Yen)

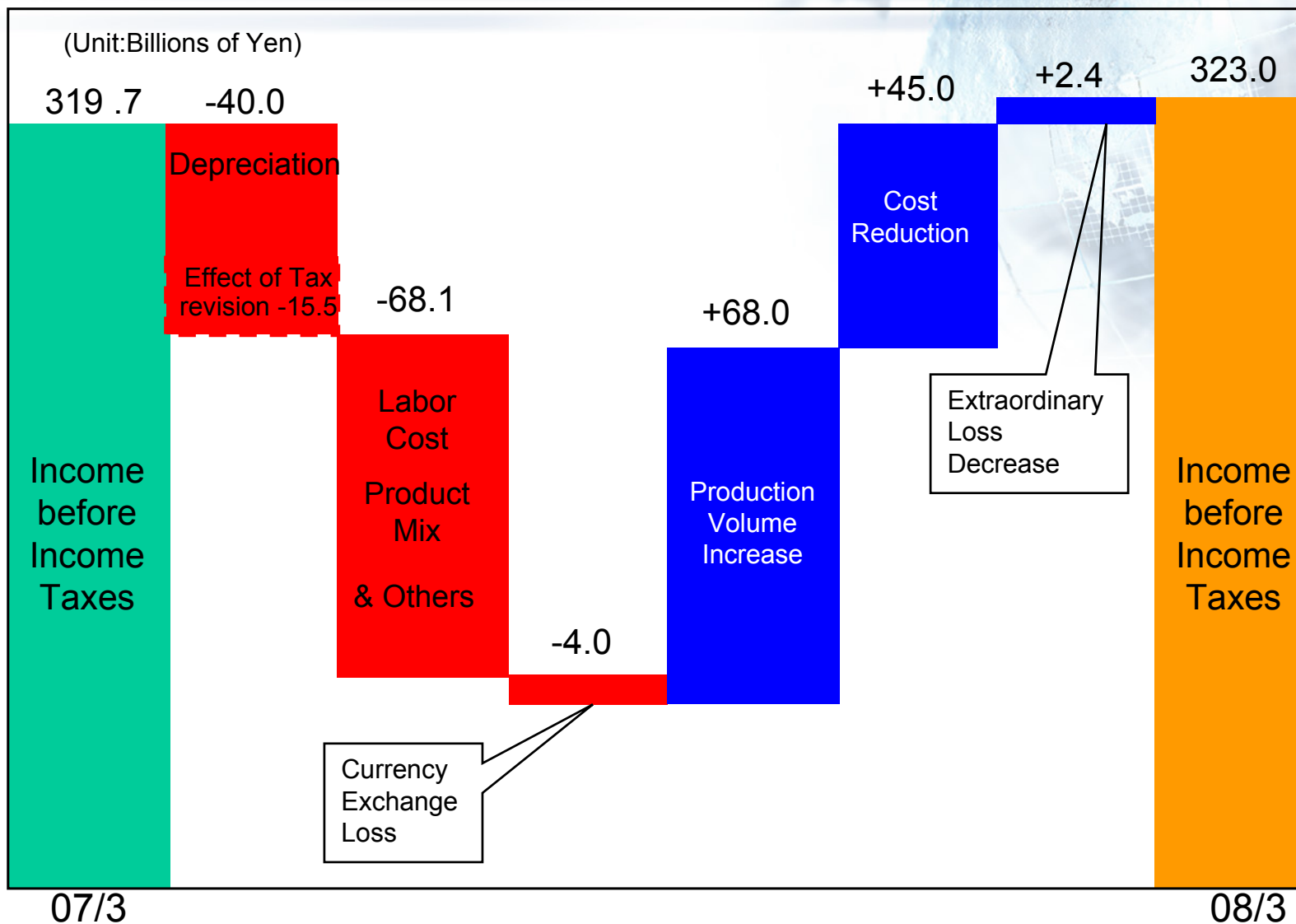
*:Local Currency Base



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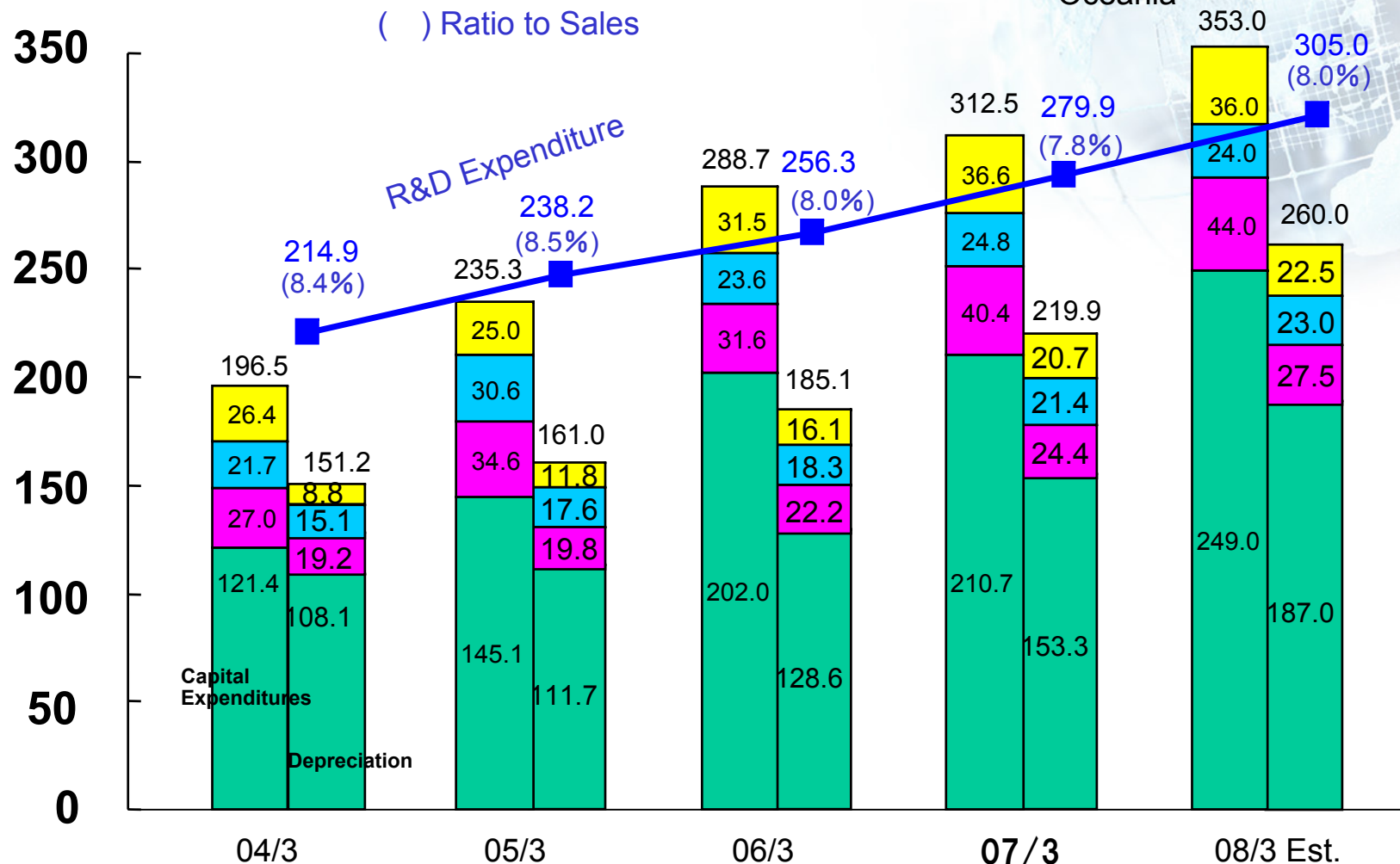
Change in Income before Income Taxes (07/3 - 08/3)



Capital Expenditures, Depreciation and R&D

(Unit: Billions of Yen)

■ Japan
 ■ The Americas
 ■ Europe
 ■ Asia & Oceania



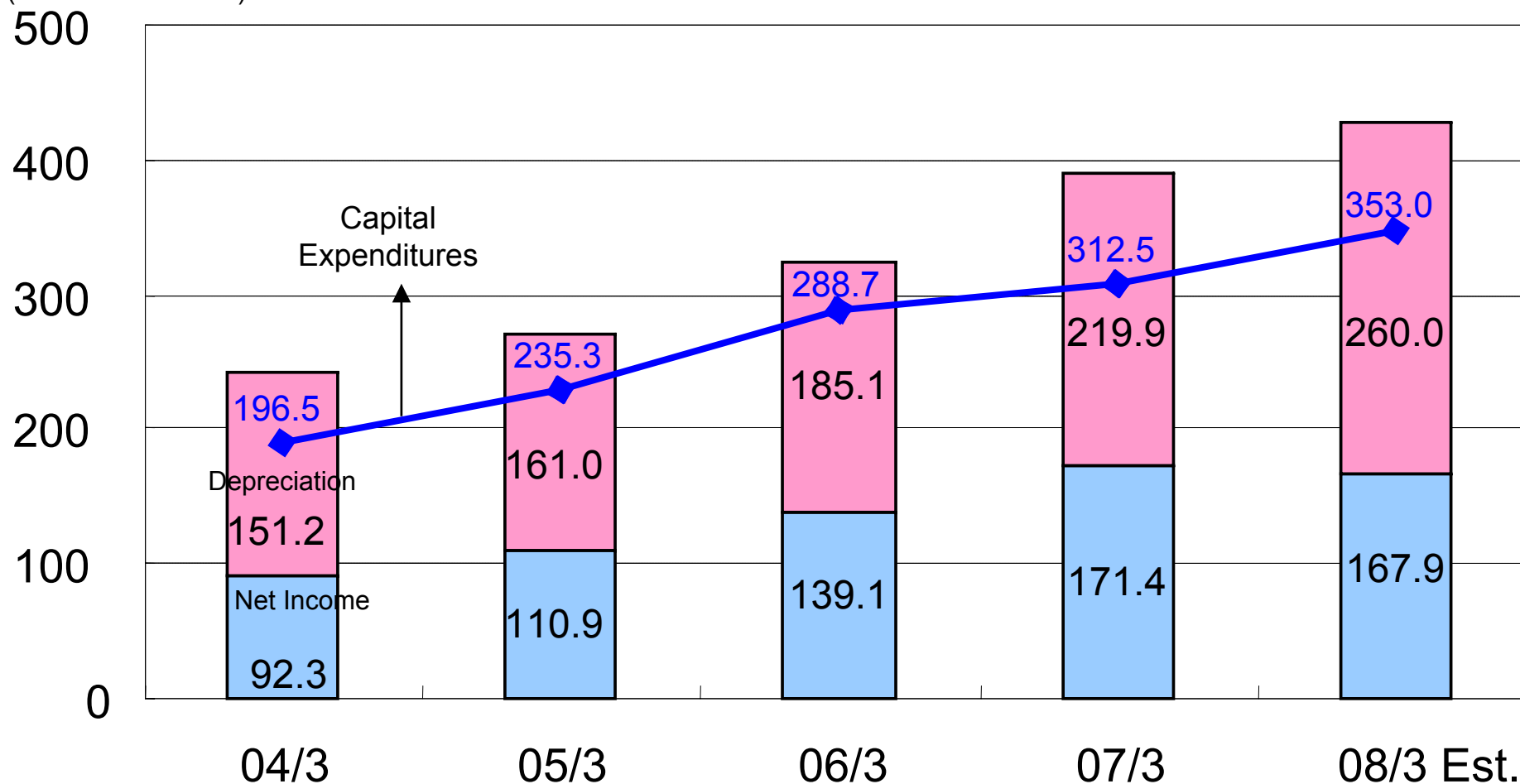
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Capital Expenditures and Cash Flow

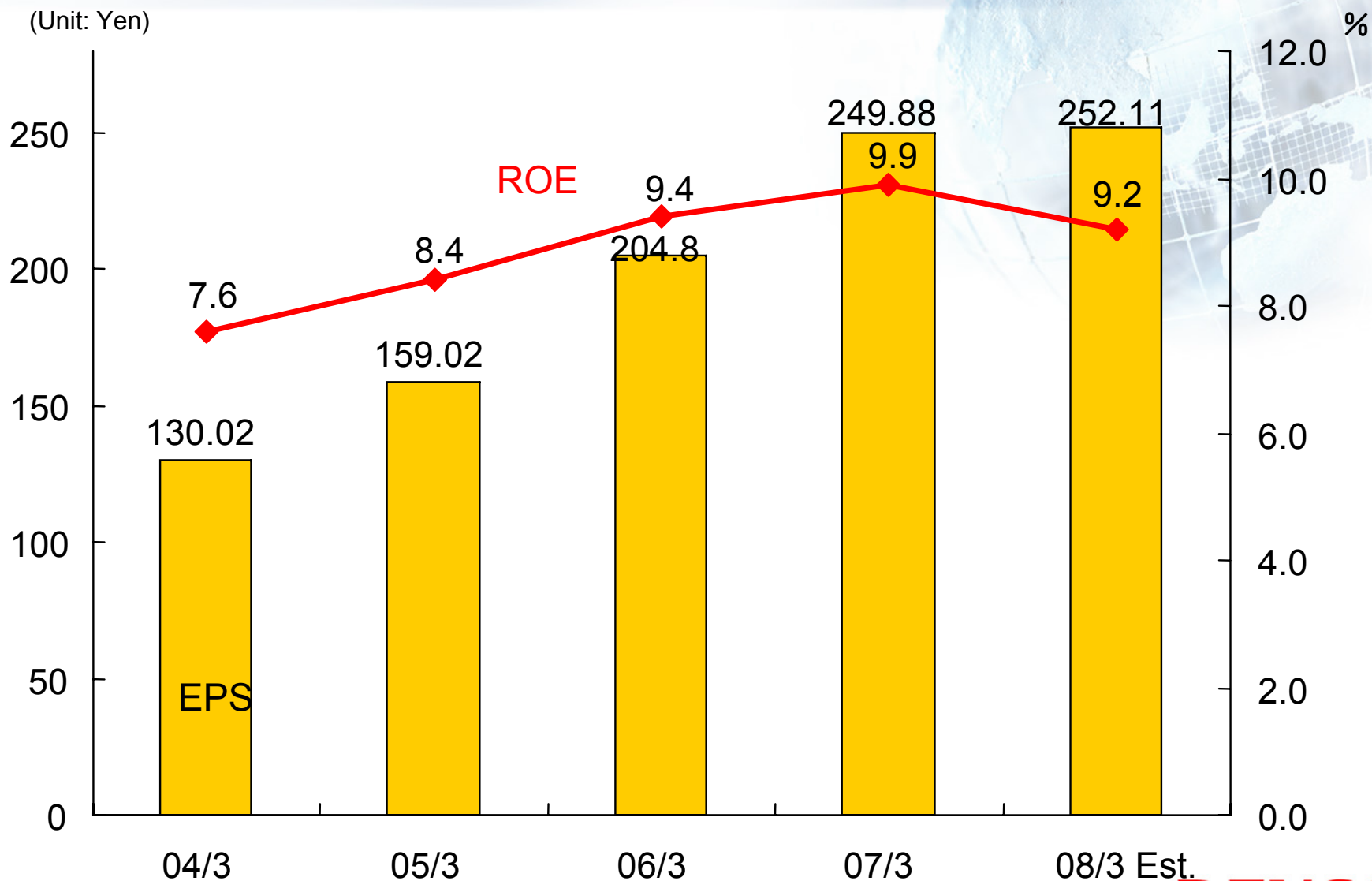
(Simplified Cash Flow)

Net Income (exclude dividends)+Depreciation > Capital Expenditures

(Unit:Billions of Yen)



Other Financial Indices



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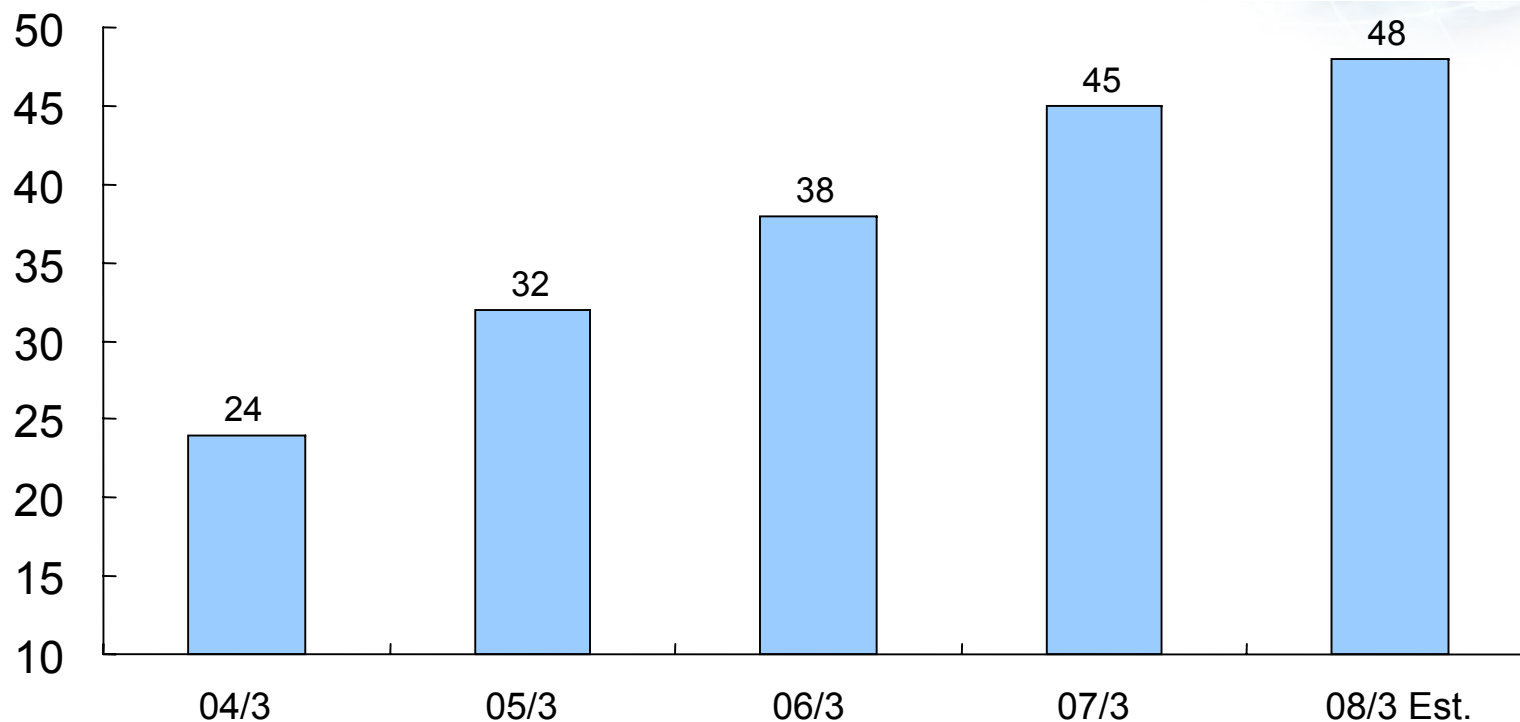
Maximize Shareholder's Value

07/3 Annual Dividend per Share: Increased by 7 yen to 45 yen for the year ended Mar.31,2007

08/3 Share Buy-back Plan: 6.5 Million Shares
Annual dividend per Share: Increased by 3 yen to 48 yen for the year ended Mar.31,2008

Dividends per Share

(Unit: Yen)



<Pay-out Ratio>
Consolidated : 19.0%
Non-Consolidated : 30.1%

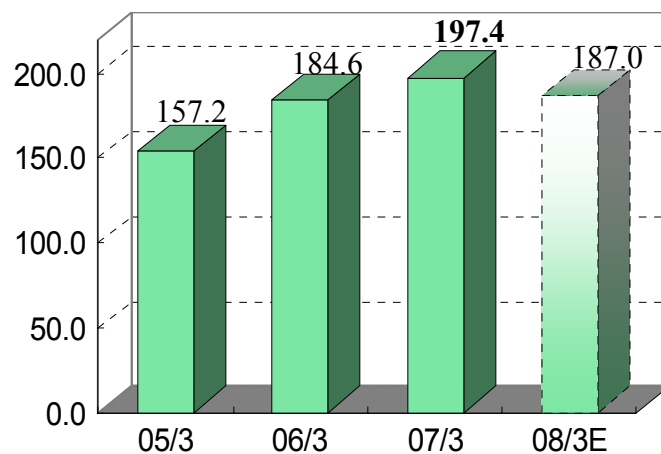
Non-consolidated Financial Results

13/22

Income Statements

Account	(Ratio to Sales)				(Unit:Billions of Yen, %, Thousand Cars)					
	07/3		06/3		Change		08/3 Estimate		Change	
					Bil. Yen	%			Bil. Yen	%
Net Sales	(100.0)	2,292.9	(100.0)	2,057.0	235.9	11.5	(100.0)	2,366.0	73.1	3.2
Cost of Sales	(86.1)	1,974.5	(85.3)	1,755.5	219.0					
SGA Expenses	(6.6)	152.2	(7.2)	147.2	5.0					
Operating Income	(7.3)	166.3	(7.5)	154.4	11.8	7.7	(6.6)	157.0	-9.3	-5.6
Non-Operating Income		35.9		30.5	5.4			30.0	-5.9	
Extraordinary Income (Loss)		-4.8		-0.3	-4.5			0	4.8	
Income Before Income Taxes	(8.6)	197.4	(9.0)	184.6	12.8	6.9	(7.9)	187.0	-10.4	-5.3
Net Income	(6.0)	137.9	(6.4)	130.7	7.2	5.5	(5.5)	130.0	-7.9	-5.7
Domestic Car Production		11,481		10,894				11,740		
Foreign Exchange Rate(US\$)		116 Yen		113 Yen				115 Yen		
Foreign Exchange Rate(Euro)		149 Yen		137 Yen				150 Yen		

Income Before Income Taxes



Changes in Income Before Income Taxes (06/3 - 07/3)

(Unit:Billions of Yen)

Positive Factors		Negative Factors	
Production Volume Increase	70.0	Product Mix	-21.5
Cost Reduction	23.0	Labor Cost Increase	-21.0
Currency Exchange Gain	22.0	Raw Material Cost Increase	-20.0
Non-Operating Income Increase	5.4	Depreciation	-18.7
		Extraordinary Loss Increase	-4.5
		Expense and others	-22.0
Sub Total	120.4	Sub Total	-107.7
Total Increase	12.8		

Preconditions (Foreign Exchange Rate/Car Production)

[Unit]Exchange:Yen,Car:Ten Thousand Cars

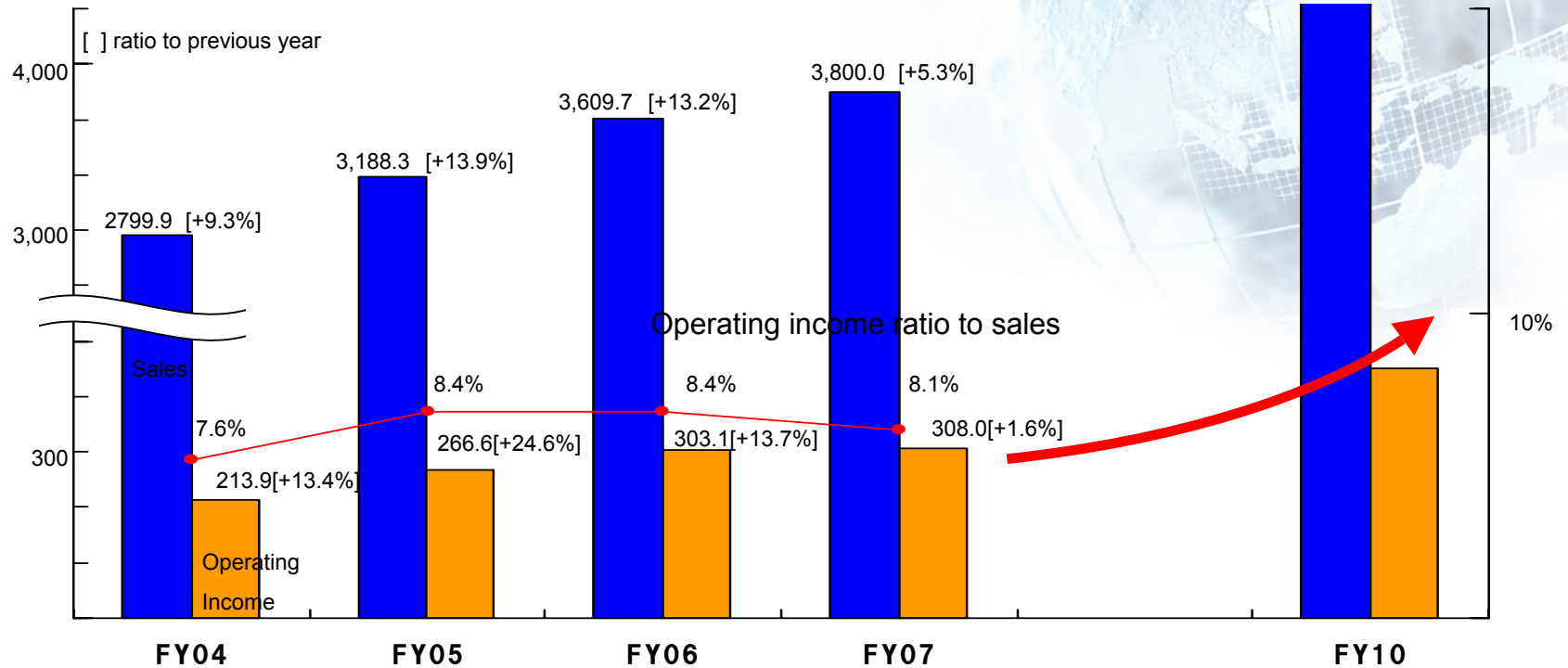
	07/3First Half			07/3Second Half				07/3				08/3	
	Prior Year	Actual	Change	Prior Year	Revised Estimate	Actual	Change	Prior Year	Revised Estimate	Actual	Change	Estimate	Change
Foreign Exchange Rate(US\$)	109	114	+5	117	115	118	+1	113	115	116	+3	115	-1
Foreign Exchange Rate(Euro)	134	145	+11	140	145	153	+13	137	145	149	+12	150	+1
Domestic Production	519	553	+ 7%	570	611	595	+ 4%	1,089	1,164	1,148	+ 5%	1,174	+ 2%
<i>Toyota</i>	180	200	+11%	206	223	219	+ 6%	386	423	419	+ 8%	434	+ 4%
North America Production for Japanese Auto Manufacturers	222	217	-2%	224	229	233	+ 4%	446	446	450	+ 1%	474	+ 5%
<i>Toyota</i>	84	81	-4%	80	83	83	+ 4%	164	164	164	- %	178	+9%
Overseas Production for Japanese Auto Manufacturers	539	549	+2%	558	591	581	+4%	1,097	1,140	1,130	+3%	1,262	+ 12%
<i>Toyota</i>	188	206	+10%	200	211	212	+6%	388	417	418	+8%	454	+9%

1. Current Status of 2010 Long-term Plan

2. Establishment of New IC Manufacturing Company in Hokkaido

Sales and Operating Income

(Unit: Billion yen)

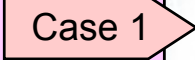
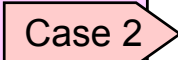
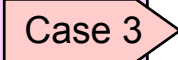


Growth will slow due to investment in production capacity and human resources for future expansion



Accelerate long-term plan activities to achieve 2010 goal

Prioritized Activities

Item		Target	Activities
R&D	-Future Growth	Plan 2015 strategy in collaboration with product, engineering and sales divisions	Create road map for innovative product 
	-Global R&D	Strengthen regional R&D function	Establish regional technical centers and localize the R&D function
Manu facture	-Quality Improvement	Recover "DENSO-brand Quality"	Strengthen quality in overseas group companies
	-Cost competitiveness	Strengthen cost competitiveness in collaboration with product and corporate divisions	Globalize cost planning 
	-Machine efficiency	Strengthen machine efficiency	Manage budget and cost reduction 
Business portfolio	-Efficient business portfolio	Strengthen production capacity in collaboration with functional, product and regional divisions	Optimize production chain by region
Manage ment	-Global Management	Strengthen functional and regional management	Delegate authorization to regions and control PDCA cycle

Strengthen R&D for environmental products

DN strategy: R&D in all directions to meet customer needs

		2007	2010	2015
Fuel	Bio Ethanol	E10* products (Pump, Injector)		FFV *** Pump
	Bio Diesel	B5** products (Pump, Injector)		High-density bio diesel products
	Low-cost fuel			Low-cost fuel (Pump, Injector)
Regulation	Japan		New long-term plan 2010 Emission	2015 Emission
	U.S.		Tier2bin5	
	Europe		EURO5	CO2 130g/km EURO6 (Under discussion)
	Gasoline	Direct injection (Fuel pump, Injector)		FFV*** direct injection
	Diesel		Third generation common rail	
	Hybrid	Hybrid products (Inverter, DC-DC converter, Battery Control Unit)		New generation hybrid product

*E10: Gasoline with 10% ethanol **B5: Diesel with 5% light bio fuel

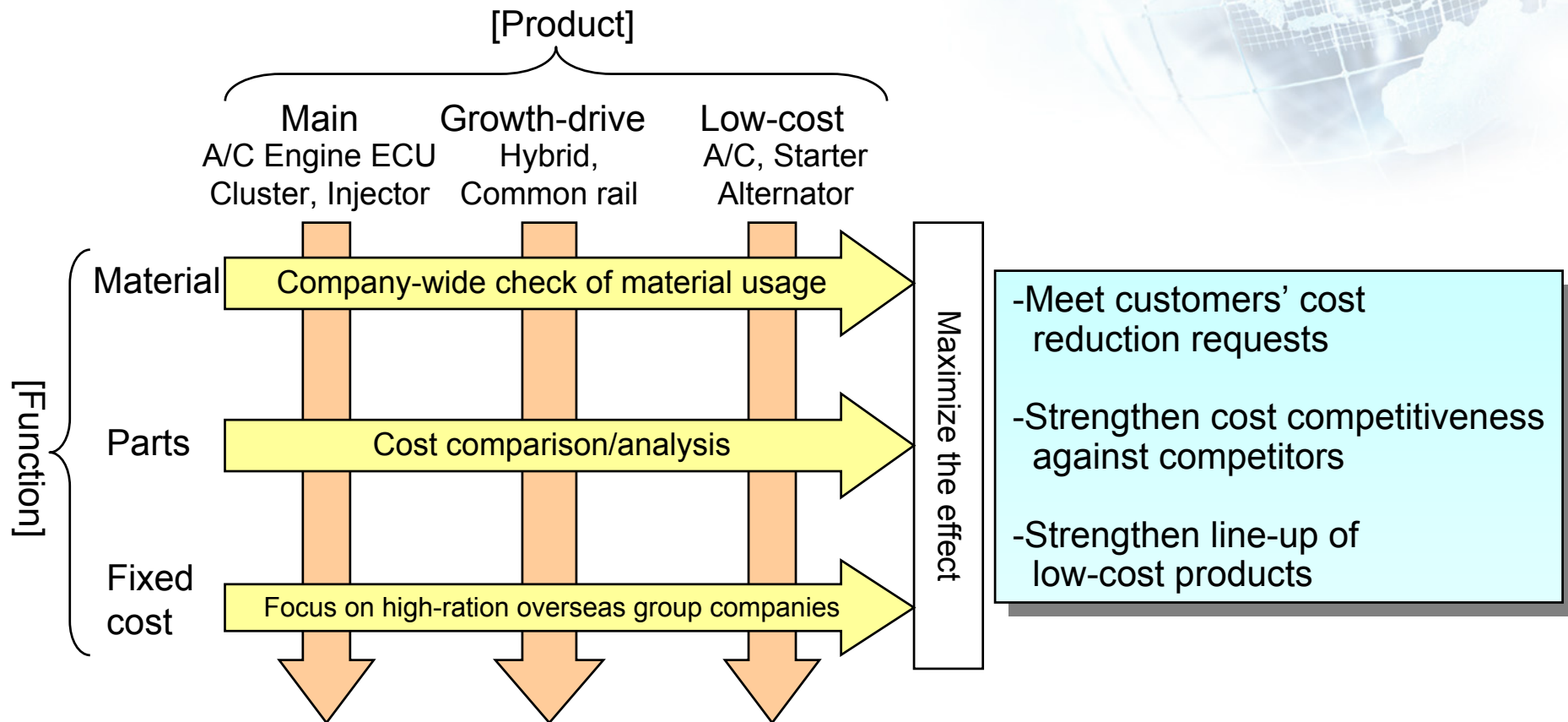
***FFV: Flex Fuel Vehicle

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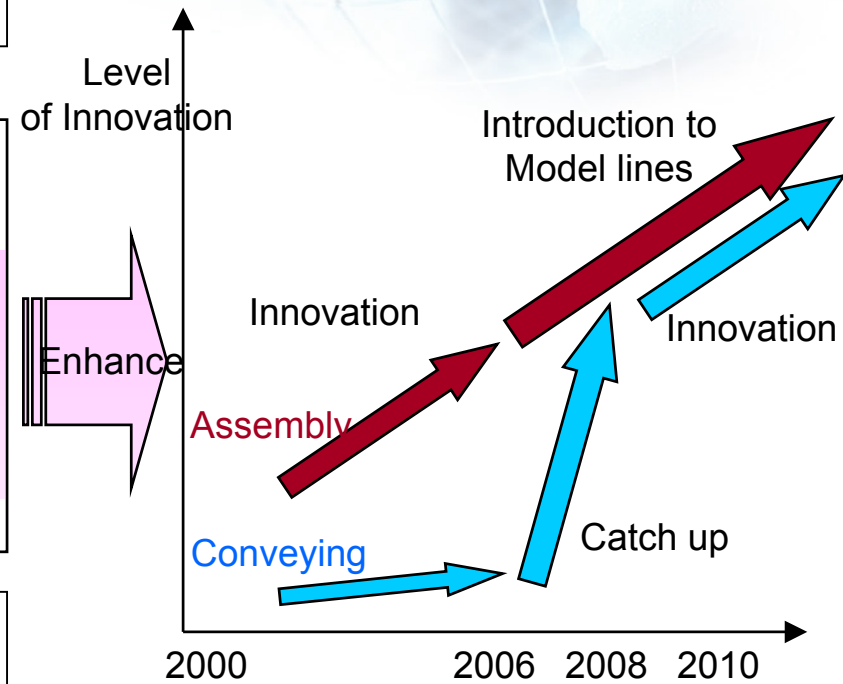
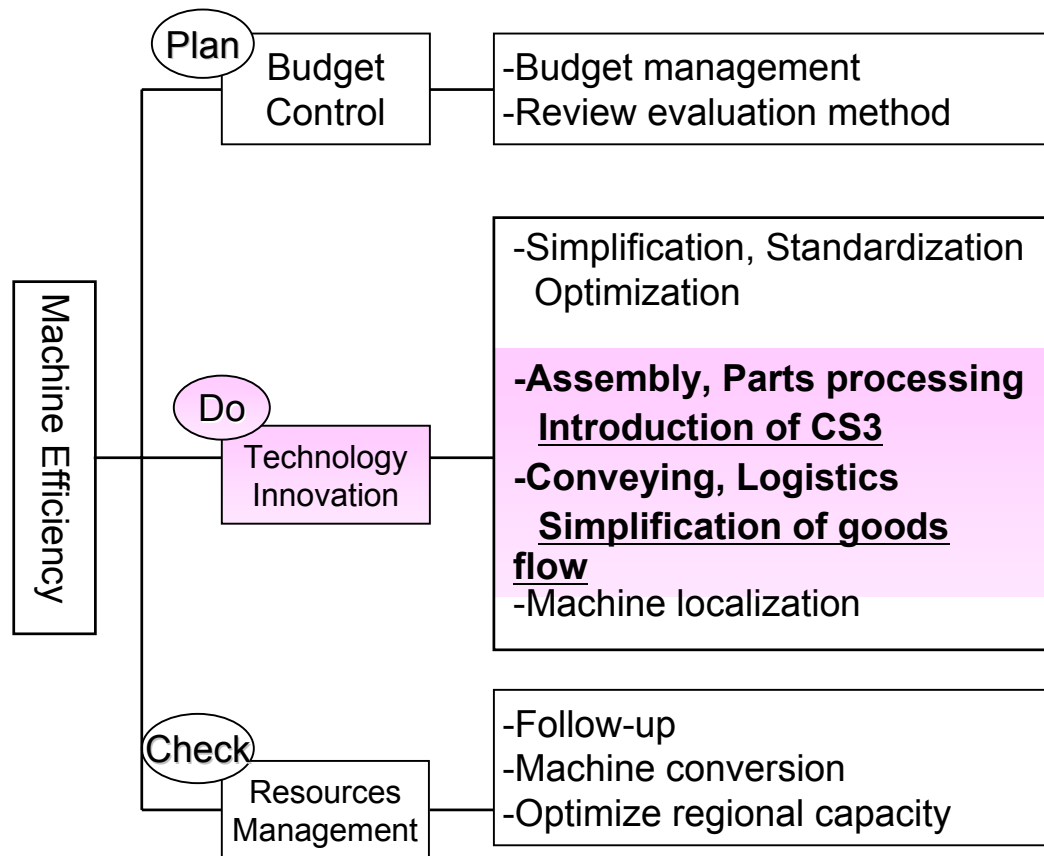
Strengthen cost reduction

- From Product division activities to company-wide activities
- Strengthen by function



Strengthen machine efficiency

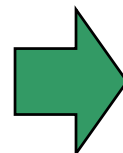
- Introduce CS3(Compact, Simple, Slim, Speed)concept to model line
- Strengthen cost reduction for logistics



Establish New IC Manufacturing Company

Market

Higher function of electronics
Increased applications
Growing market for hybrid cars

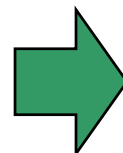


Growing demand for IC
(Annual growth: 10% until 2010)*

*estimated by DENSO

Purpose

Optimize the manufacturing portfolio
to meet growing demand for IC



Select Hokkaido for highly
talented engineers

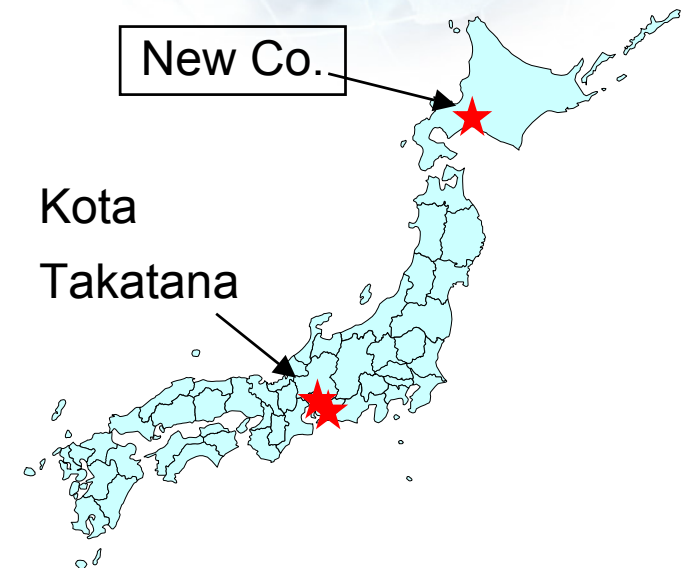
Manufacturing Map


-Kota: Customized IC
-Takatana: Sensor, Hybrid IC (early production stage)
-Hokkaido: Sensor, Hybrid IC (after stable production)

Establish New IC Manufacturing Company^{22/22}

Name	DENSO Electronics
Capital	2 billion yen, wholly owned by DENSO Corporation
Location	Chitose, Hokkaido
SOP	April 2009
Capital expenditure	24 billion yen (by FY2015)
Sales	100 billion yen (as of FY2015)
Number of employees	1,300 (as of FY2015)

Location of IC plants in Japan





クルマがずっと愛されるために

DENSO