

DENSO CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results for the Six Months Ended September 30, 2007

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DENSO CORPORATION

CODE: 6902

Listed on the Tokyo, Osaka
and Nagoya stock exchanges

Results for the six months ended September 30, 2007 (From April 1, 2007 to September 30, 2007)

(1) Operating Results

(Millions of yen, except per share figures)

	Six months ended September 30, 2007	Six months ended September 30, 2006	Year ended March 31, 2007
Net sales.....	1,947,808	1,701,681	3,609,700
% change from the previous corresponding period.....	14.5%	12.9%	13.2%
Operating income.....	169,131	138,303	303,068
% change from the previous corresponding period.....	22.3%	15.5%	13.7%
Income before income taxes and minority interests..	178,536	147,406	319,711
% change from the previous corresponding period.....	21.1%	23.6%	17.6%
Net income.....	118,295	94,120	205,170
% change from the previous corresponding period.....	25.7%	40.0%	20.9%
Basic net income per share.....	145.20 yen	114.30 yen	249.88 yen
Diluted net income per share	145.05 yen	114.16 yen	249.56 yen

Notes 1. Equity in earnings of affiliates Six months ended September 30, 2007 : 1,742 millions of yen
Six months ended September 30, 2006 : 663 millions of yen
Year ended March 31, 2007 : 1,469 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 September 30, 2007	As of March 31, 2007	As of September 30, 2006
Total assets.....	3,777,867	3,765,135	3,464,496
Total equity.....	2,371,901	2,286,956	2,133,442
Equity ratio.....	59.6 %	57.7 %	58.7 %
Equity per share.....	2,763.14 yen	2,668.82 yen	2,475.49 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)

	Six months ended September 30, 2007	Six months ended September 30, 2006	Year ended March 31, 2007
Net cash provided by operating activities.....	251,067	171,806	406,543
Net cash used in investing activities.....	(142,863)	(111,520)	(312,903)
Net cash (used in)provided by financing activities	(73,949)	(34,367)	(79,912)
Cash and Cash Equivalents at End of Period.....	373,677	340,131	337,003

(4) Consolidation Scope

Number of consolidated subsidiaries : 187

Number of unconsolidated subsidiaries : 0

Number of affiliates : 33 (Affiliates accounted for by the equity method : 33)

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

Consolidated subsidiaries

Added : 2

Excluded : 3

Companies accounted for by the equity method

Added : 1

Excluded : 0

Consolidated Balance Sheets

	Millions of yen			
Assets	As of Sep. 30, 2007	As of Mar. 31, 2007	Increase (Decrease)	As of Sep. 30, 2006
Current Assets:				
Cash and cash equivalents	373,677	337,003		340,131
Short-term investments	38,016	33,440		30,847
Notes and accounts receivable, less allowance for doubtful accounts	646,856	658,143		587,733
Inventories	327,427	313,679		306,334
Deferred tax assets	56,138	60,646		55,788
Other current assets	103,400	99,932		87,393
Total current assets	1,545,514	1,502,843	42,671	1,408,226
Property, Plant and Equipment:				
Land	151,954	149,944		148,628
Buildings and structures	674,021	656,648		634,014
Machinery and equipment	2,429,173	2,337,584		2,207,157
Construction in progress	116,113	106,634		104,808
	3,371,261	3,250,810		3,094,607
Less: Accumulated depreciation	(2,251,550)	(2,164,831)		(2,075,236)
Net property, plant and equipment	1,119,711	1,085,979	33,732	1,019,371
Investments and Other Assets	1,112,642	1,176,313	(63,671)	1,036,899
Total	3,777,867	3,765,135	12,732	3,464,496

	Millions of yen			
Liabilities and Equity	As of Sep. 30, 2007	As of Mar. 31, 2007	Increase (Decrease)	As of Sep. 30, 2006
Current Liabilities:				
Short-term borrowings	84,749	82,552		72,251
Current portion of long-term debt	6,333	59,546		52,477
Notes and accounts payable	497,219	490,972		438,887
Income taxes payable	44,006	54,410		50,060
Accrued expenses	211,162	210,501		196,161
Other current liabilities	97,252	97,379		73,008
Total current liabilities	940,721	995,360	(54,639)	882,844
Long-term Liabilities:				
Long-term debt	144,672	144,671		148,142
Liabilities for retirement benefits to employees, directors, corporate auditors and managing officers	177,241	172,602		169,829
Deferred tax liabilities	128,798	150,751		117,217
Other long-term liabilities	14,534	14,795		13,022
Total long-term liabilities	465,245	482,819	(17,574)	448,210
Shareholders' Equity:				
Common stock	187,457	187,457		187,457
Capital surplus	266,585	266,463		266,339
Retained earnings	1,599,554	1,500,807		1,407,019
Treasury stock - at cost	(167,827)	(169,130)		(137,145)
Total shareholders' equity	1,885,769	1,785,597	100,172	1,723,670
Variance of the Estimate/Conversion:				
Unrealized gain on available-for-sale securities	345,242	374,060		317,766
Deferred gain (loss) on derivatives under hedge accounting	(854)	(905)		(1,387)
Foreign currency translation adjustments	21,885	14,962		(6,336)
Total variance of the estimate/conversion	366,273	388,117	(21,844)	310,043
Stock Acquisition Rights	595	294	301	73
Minority Interests	119,264	112,948	6,316	99,656
Total equity	2,371,901	2,286,956	84,945	2,133,442
Total	3,777,867	3,765,135	12,732	3,464,496

Consolidated Statements of Income

	Six months ended Sep. 30, 2007	Six months ended Sep. 30, 2006	Increase (Decrease)	Millions of yen Year ended Mar. 31, 2007
Net Sales	1,947,808	1,701,681	246,127	3,609,700
Cost of Sales	1,607,526	1,412,975	194,551	2,990,370
Gross profit	340,282	288,706	51,576	619,330
Selling, General and Administrative Expenses	171,151	150,403		316,262
Operating income	169,131	138,303	30,828	303,068
Other Income (Expenses):				
Interest and dividend income	12,362	8,885		18,224
Interest expense	(3,692)	(2,710)		(5,709)
Equity in earnings of affiliates	1,742	663		1,469
Reversal of allowance-doubtful accounts	-	301		469
Gain on sales of property, plant and equipment	353	-		2,141
Loss on sales of property, plant and equipment	-	-		(517)
Impairment loss on long-lived assets	-	(970)		(1,044)
Impairment loss on investment securities	(43)	(280)		(1,807)
Cumulative effect of accounting change for retirement benefit to directors, corporate auditors and managing officers	(3,330)	-		-
Restructuring charges	-	-		(1,659)
Other, net	2,013	3,214		5,076
Income before income taxes and minority interests	178,536	147,406	31,130	319,711
Income Taxes:				
Current	50,715	53,643		115,162
Deferred	458	(6,216)		(15,194)
Minority Interests in Net Income	9,068	5,859		14,573
Net income	118,295	94,120	24,175	205,170

Statements of Changes in Equity

	Six months ended Sep. 30, 2007	Six months ended Sep. 30, 2006	Millions of yen Year ended Mar. 31, 2007
Common Stock:			
Balance at beginning of period	187,457	187,457	187,457
Balance at end of period	187,457	187,457	187,457
Capital Surplus:			
Balance at beginning of period	266,463	266,182	266,182
Gain on disposal of treasury stock	122	157	281
Balance at end of period	266,585	266,339	266,463
Retained Earnings:			
Balance at beginning of period	1,500,807	1,329,974	1,329,974
Net income	118,295	94,120	205,170
Cash dividends	(19,548)	(16,526)	(33,779)
Bonuses to directors and corporate auditors	-	(549)	(549)
(Decrease) in retained earnings due to change of consolidation scope	-	-	(9)
Balance at end of period	1,599,554	1,407,019	1,500,807
Treasury Stock – at cost:			
Balance at beginning of period	(169,130)	(117,849)	(117,849)
Purchase of treasury stock	(54)	(20,130)	(53,170)
Disposal of treasury stock	1,357	834	1,889
Balance at end of period	(167,827)	(137,145)	(169,130)
Unrealized Gain on Available-for-sale Securities:			
Balance at beginning of period	374,060	319,186	319,186
Net change	(28,818)	(1,420)	54,874
Balance at end of period	345,242	317,766	374,060
Deferred Gain (Loss) on Derivatives under Hedge Accounting:			
Balance at beginning of period	(905)	-	-
Net change	51	(1,387)	(905)
Balance at end of period	(854)	(1,387)	(905)
Foreign Currency Translation Adjustments:			
Balance at beginning of period	14,962	(14,562)	(14,562)
Net change	6,923	8,226	29,524
Balance at end of period	21,885	(6,336)	14,962
Stock Acquisition Rights			
Balance at beginning of period	294	-	-
Net change	301	73	294
Balance at end of period	595	73	294
Minority Interests			
Balance at beginning of period	112,948	95,915	95,915
Net change	6,316	3,741	17,033
Balance at end of period	119,264	99,656	112,948
Total Equity at End of Period	2,371,901	2,133,442	2,286,956

Consolidated Statements of Cash Flows

	Six months ended Sep. 30, 2007	Six months ended Sep. 30, 2006	Millions of yen Year ended Mar. 31, 2007
Operating Activities:			
Income before income taxes and minority interests	178,536	147,406	319,711
Adjustments for:			
Payment of income taxes	(61,070)	(70,635)	(124,277)
Depreciation	124,922	105,364	219,873
Impairment loss on long-lived assets	-	970	1,044
Amortization of goodwill including impairment	(169)	(80)	(163)
Increase in liability for retirement benefits	2,060	1,906	3,653
Equity in earnings of affiliates	(1,742)	(663)	(1,469)
Loss on sale or disposal of property, plant and equipment, net	1,994	1,697	2,996
Foreign exchange (gain) loss	(1,411)	(712)	(2,179)
Changes in assets and liabilities:			
Decrease (Increase) in notes and accounts receivable	15,991	7,917	(53,262)
Increase in inventories	(11,037)	(14,935)	(14,508)
(Decrease) Increase in notes and accounts payable	2,909	(10,725)	33,596
Decrease in defined contribution pension payable	-	(525)	(525)
Increase in prepaid pension cost	(6,080)	(3,510)	(5,903)
Other, net	6,164	8,331	27,956
Total adjustments	72,531	24,400	86,832
Net cash provided by operating activities	251,067	171,806	406,543
Investing Activities:			
Acquisition of property, plant and equipment	(166,783)	(152,238)	(311,196)
Purchase of available-for-sale securities	(35,532)	(23,175)	(80,888)
Proceeds from sale and redemption of available-for-sale securities	66,103	63,836	81,734
Other, net	(6,651)	57	(2,553)
Net cash used in investing activities	(142,863)	(111,520)	(312,903)
Financing Activities:			
Net (decrease) increase in short-term borrowings	1,819	(21,906)	(19,838)
Proceeds from long-term borrowings	1,885	30,941	37,241
Repayments of long-term borrowings	(6,255)	(4,965)	(9,670)
Repayments of long-term bonds	(50,000)	-	-
Dividends paid	(19,548)	(16,526)	(33,779)
Purchase of treasury stock	(54)	(20,130)	(53,170)
Other, net	(1,796)	(1,781)	(696)
Net cash (used in) provided by financing activities	(73,949)	(34,367)	(79,912)
Foreign Currency Translation Adjustments on			
Cash and Cash Equivalents	2,419	601	9,181
Net Increase in Cash and Cash Equivalents	36,674	26,520	22,909
Cash and Cash Equivalents at Beginning of Period	337,003	313,611	313,611
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	-	-	483
Cash and Cash Equivalents at End of Period	373,677	340,131	337,003

Segment Information

1. Geographical Segments (by company location)

			Millions of yen		
			Six months ended Sep. 30, 2007	Six months ended Sep. 30, 2006	Year ended Mar. 31, 2007
Sales	Japan	Customers	955,935	903,770	1,905,193
		Intersegment	353,183	306,984	636,068
		Total	1,309,118	1,210,754	2,541,261
	The Americas	Customers	424,617	365,330	756,250
		Intersegment	5,107	5,702	12,831
		Total	429,724	371,032	769,081
	Europe	Customers	291,946	233,200	507,503
		Intersegment	6,705	5,588	11,796
		Total	298,651	238,788	519,299
	Asia & Oceania	Customers	275,310	199,381	440,754
		Intersegment	23,508	18,633	39,447
		Total	298,818	218,014	480,201
	Eliminations		(388,503)	(336,907)	(700,142)
	Consolidated		1,947,808	1,701,681	3,609,700
Operating Income	Japan		95,265	97,750	215,317
	The Americas		23,343	13,618	29,188
	Europe		11,438	5,109	12,161
	Asia & Oceania		38,316	21,376	45,921
	Eliminations		769	450	481
	Consolidated		169,131	138,303	303,068

2. Sales by Customer Location

		Millions of yen		
		Six months ended Sep. 30, 2007	Six months ended Sep. 30, 2006	Year ended Mar. 31, 2007
Japan		927,348	878,099	1,859,046
		47.6%	51.6%	51.5%
The Americas		432,283	373,518	768,514
		22.2%	22.0%	21.3%
Europe		292,014	233,961	507,460
		15.0%	13.7%	14.1%
Asia & Oceania		287,844	210,208	463,478
		14.8%	12.4%	12.8%
Others		8,319	5,895	11,202
		0.4%	0.3%	0.3%
Net Sales		1,947,808	1,701,681	3,609,700