

DENSO CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results of the Fiscal Year Ended March 31, 2008

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DENSO CORPORATION
CODE: 6902

Listed on the Tokyo, Osaka
and Nagoya stock exchanges

Results of the fiscal year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)

(1) Operating Results

(Millions of yen, except per share figures)

	Year ended March 31, 2008	Year ended March 31, 2007
Net sales.....	4,025,076	3,609,700
% change from the previous corresponding period.....	11.5%	13.2%
Operating income.....	348,652	303,068
% change from the previous corresponding period.....	15.0%	13.7%
Income before income taxes and minority interests.....	364,829	319,711
% change from the previous corresponding period.....	14.1%	17.6%
Net income.....	244,417	205,170
% change from the previous corresponding period.....	19.1%	20.9%
Basic net income per share.....	299.96 yen	249.88 yen
Diluted net income per share	299.70 yen	249.56 yen
Return on equity.....	11.3 %	9.9 %

Notes 1. Equity in earnings of affiliates Year ended March 31, 2008 : 3,468 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 March 31, 2008	As of March 31, 2007
Total assets.....	3,643,418	3,765,135
Total equity.....	2,282,677	2,286,956
Equity ratio.....	59.3 %	57.7 %
Equity per share.....	2,658.06 yen	2,668.82 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)

	Year ended March 31, 2008	Year ended March 31, 2007
Net cash provided by operating activities.....	572,663	406,543
Net cash used in investing activities.....	(363,749)	(312,903)
Net cash used in financing activities.....	(121,887)	(79,912)
Cash and Cash Equivalents at End of Period.....	408,675	337,003

(4) Consolidation Scope

Number of consolidated subsidiaries : 186
Number of unconsolidated subsidiary : 1 (Unconsolidated subsidiary accounted for by the equity method : 1)
Number of affiliates : 32 (Affiliates accounted for by the equity method : 32)

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

Consolidated subsidiaries
Added : 2
Excluded : 4
Companies accounted for by the equity method
Added : 2
Excluded : 1

Consolidated Balance Sheets

	Millions of yen		
Assets	As of Mar. 31, 2008	As of Mar. 31, 2007	Increase (Decrease)
Current Assets:			
Cash and cash equivalents	408,675	337,003	
Short-term investments	41,674	33,440	
Notes and accounts receivable, less allowance for doubtful accounts	655,547	658,143	
Inventories	310,446	313,679	
Deferred tax assets	63,458	60,646	
Other current assets	98,270	99,932	
Total current assets	1,578,070	1,502,843	75,227
Property, Plant and Equipment:			
Land	148,723	149,944	
Buildings and structures	691,251	656,648	
Machinery and equipment	2,449,981	2,337,584	
Construction in progress	108,573	106,634	
	3,398,528	3,250,810	
Less: Accumulated depreciation	(2,283,502)	(2,164,831)	
Net property, plant and equipment	1,115,026	1,085,979	29,047
Investments and Other Assets	950,322	1,176,313	(225,991)
Total	3,643,418	3,765,135	(121,717)
Liabilities and Equity	As of Mar. 31, 2008	As of Mar. 31, 2007	Increase (Decrease)
Current Liabilities:			
Short-term borrowings	46,511	82,552	
Current portion of long-term debt	9,048	59,546	
Notes and accounts payable	534,321	490,972	
Income taxes payable	51,813	54,410	
Accrued expenses	222,182	210,501	
Other current liabilities	106,531	97,379	
Total current liabilities	970,406	995,360	(24,954)
Long-term Liabilities:			
Long-term debt	155,369	144,671	
Liabilities for retirement benefits to employees, directors, corporate auditors and managing officers	176,892	172,602	
Deferred tax liabilities	45,453	150,751	
Other long-term liabilities	12,621	14,795	
Total long-term liabilities	390,335	482,819	(92,484)
Shareholders' Equity:			
Common stock	187,457	187,457	
Capital surplus	266,651	266,463	
Retained earnings	1,705,299	1,500,807	
Treasury stock - at cost	(176,394)	(169,130)	
Total shareholders' equity	1,983,013	1,785,597	197,416
Variance of the Estimate/Conversion:			
Unrealized gain on available-for-sale securities	223,093	374,060	
Deferred gain (loss) on derivatives under hedge accounting	10	(905)	
Foreign currency translation adjustments	(45,858)	14,962	
Total variance of the estimate/conversion	177,245	388,117	(210,872)
Stock Acquisition Rights	1,058	294	764
Minority Interests	121,361	112,948	8,413
Total equity	2,282,677	2,286,956	(4,279)
Total	3,643,418	3,765,135	(121,717)

Consolidated Statements of Income

	Millions of yen		
	Year ended Mar. 31, 2008	Year ended Mar. 31, 2007	Increase (Decrease)
Net Sales	4,025,076	3,609,700	415,376
Cost of Sales	3,314,890	2,990,370	324,520
Gross profit	710,186	619,330	90,856
Selling, General and Administrative Expenses	361,534	316,262	
Operating income	348,652	303,068	45,584
Other Income (Expenses):			
Interest and dividend income	25,956	18,224	
Interest expense	(6,814)	(5,709)	
Equity in earnings of affiliates	3,468	1,469	
Reversal of allowance-doubtful accounts	-	469	
Gain on sales of affiliates stock	607	-	
Gain on sales of property, plant and equipment	864	2,141	
Loss on sales of property, plant and equipment	-	(517)	
Impairment loss on long-lived assets	(767)	(1,044)	
Impairment loss on investment securities	(45)	(1,807)	
Cumulative effect of accounting change for retirement benefit to directors, corporate auditors and managing officers	(3,330)	-	
Restructuring charges	(808)	(1,659)	
Other, net	(2,954)	5,076	
Income before income taxes and minority interests	364,829	319,711	45,118
Income Taxes:			
Current	109,432	115,162	
Deferred	(9,125)	(15,194)	
Minority Interests in Net Income	20,105	14,573	
Net income	244,417	205,170	39,247

Statements of Changes in Equity

	Year ended Mar. 31, 2008	Millions of yen Year ended Mar. 31, 2007
Common Stock:		
Balance at beginning of period	187,457	187,457
Balance at end of period	187,457	187,457
Capital Surplus:		
Balance at beginning of period	266,463	266,182
Gain on disposal of treasury stock	188	281
Balance at end of period	266,651	266,463
Retained Earnings:		
Balance at beginning of period	1,500,807	1,329,974
Net income	244,417	205,170
Cash dividends	(39,925)	(33,779)
Bonuses to directors and corporate auditors	-	(549)
(Decrease) in retained earnings due to change of consolidation scope	-	(9)
Balance at end of period	1,705,299	1,500,807
Treasury Stock – at cost:		
Balance at beginning of period	(169,130)	(117,849)
Purchase of treasury stock	(9,347)	(53,170)
Disposal of treasury stock	2,083	1,889
Balance at end of period	(176,394)	(169,130)
Unrealized Gain on Available-for-sale Securities:		
Balance at beginning of period	374,060	319,186
Net change	(150,967)	54,874
Balance at end of period	223,093	374,060
Deferred Gain (Loss) on Derivatives under Hedge Accounting:		
Balance at beginning of period	(905)	-
Net change	915	(905)
Balance at end of period	10	(905)
Foreign Currency Translation Adjustments:		
Balance at beginning of period	14,962	(14,562)
Net change	(60,820)	29,524
Balance at end of period	(45,858)	14,962
Stock Acquisition Rights		
Balance at beginning of period	294	-
Net change	764	294
Balance at end of period	1,058	294
Minority Interests		
Balance at beginning of period	112,948	95,915
Net change	8,413	17,033
Balance at end of period	121,361	112,948
Total Equity at End of Period	2,282,677	2,286,956

Consolidated Statements of Cash Flows

	Year ended Mar. 31, 2008	Year ended Mar. 31, 2007	Millions of yen Increase (Decrease)
Operating Activities:			
Income before income taxes and minority interests	364,829	319,711	
Adjustments for:			
Payment of income taxes	(113,085)	(124,277)	
Depreciation	263,519	219,873	
Impairment loss on long-lived assets	767	1,044	
Amortization of goodwill	(357)	(163)	
Increase in liability for retirement benefits	2,973	3,653	
Equity in earnings of affiliates	(3,468)	(1,469)	
Loss on sale or disposal of property, plant and equipment, net	4,664	2,996	
Foreign exchange gain	(139)	(2,179)	
Changes in assets and liabilities:			
Increase in notes and accounts receivable	(19,399)	(53,262)	
Increase in inventories	(13,403)	(14,508)	
Increase in notes and accounts payable	49,632	33,596	
Decrease in defined contribution pension payable	-	(525)	
Increase in prepaid pension cost	(11,222)	(5,903)	
Other, net	47,352	27,956	
Total adjustments	207,834	86,832	121,002
Net cash provided by operating activities	572,663	406,543	166,120
Investing Activities:			
Acquisition of property, plant and equipment	(341,363)	(311,196)	
Purchase of available-for-sale securities	(98,965)	(80,888)	
Proceeds from sale and redemption of available-for-sale securities	93,520	81,734	
Other, net	(16,941)	(2,553)	
Net cash used in investing activities	(363,749)	(312,903)	(50,846)
Financing Activities:			
Net decrease in short-term borrowings	(30,974)	(19,838)	
Proceeds from long-term borrowings	26,147	37,241	
Repayments of long-term borrowings	(15,811)	(9,670)	
Repayments of long-term bonds	(50,074)	-	
Dividends paid	(39,925)	(33,779)	
Purchase of treasury stock	(9,347)	(53,170)	
Other, net	(1,903)	(696)	
Net cash used in financing activities	(121,887)	(79,912)	(41,975)
Foreign Currency Translation Adjustments on			
Cash and Cash Equivalents	(15,355)	9,181	
Net Increase in Cash and Cash Equivalents	71,672	22,909	
Cash and Cash Equivalents at Beginning of Period	337,003	313,611	
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	-	483	
Cash and Cash Equivalents at End of Period	408,675	337,003	71,672

Segment Information

Geographical Segments (by company location)			Millions of yen	
			Year ended Mar. 31, 2008	Year ended Mar. 31, 2007
Sales	Japan	Customers	2,029,482	1,905,193
		Intersegment	696,410	636,068
		Total	2,725,892	2,541,261
	The Americas	Customers	822,982	756,250
		Intersegment	9,302	12,831
		Total	832,284	769,081
	Europe	Customers	605,373	507,503
		Intersegment	14,904	11,796
		Total	620,277	519,299
	Asia & Oceania	Customers	567,239	440,754
		Intersegment	48,918	39,447
		Total	616,157	480,201
	Eliminations		(769,534)	(700,142)
Consolidated		4,025,076	3,609,700	
Operating Income	Japan	197,508	215,317	
	The Americas	41,532	29,188	
	Europe	26,547	12,161	
	Asia & Oceania	80,428	45,921	
	Eliminations	2,637	481	
	Consolidated	348,652	303,068	
Assets	Japan	2,280,874	2,426,778	
	The Americas	350,440	390,031	
	Europe	357,280	339,721	
	Asia & Oceania	416,171	366,470	
	Corporate and eliminations	238,653	242,135	
	Consolidated	3,643,418	3,765,135	

2. Sales by Customer Location		Millions of yen	
		Year ended Mar. 31, 2008	Year ended Mar. 31, 2007
Japan		1,976,877	1,859,046
		49.1%	51.5%
The Americas		833,692	768,514
		20.7%	21.3%
Europe		603,653	507,460
		15.0%	14.1%
Asia & Oceania		598,276	463,478
		14.9%	12.8%
Others		12,578	11,202
		0.3%	0.3%
Net Sales		4,025,076	3,609,700