

# DENSO CORPORATION and Consolidated Subsidiaries

## Consolidated Financial Results of the Fiscal Year Ended March 31, 2009

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DATE: April 28, 2009

DENSO CORPORATION

CODE: 6902

Listed on the Tokyo, Osaka  
and Nagoya stock exchanges

### Results of the fiscal year ended March 31, 2009 (From April 1, 2008 to March 31, 2009)

#### (1) Operating Results

(Millions of yen, except per share figures)

	Year ended March 31, 2009	Year ended March 31, 2008
Net sales.....	3,142,665	4,025,076
% change from the previous corresponding period.....	( 21.9%)	11.5%
Operating (loss) income.....	(37,309)	348,652
% change from the previous corresponding period.....	—	15.0%
(Loss) Income before income taxes and minority interests....	(99,283)	364,829
% change from the previous corresponding period.....	—	14.1%
Net (loss) income.....	(84,085)	244,417
% change from the previous corresponding period.....	—	19.1%
Basic net (loss) income per share.....	(104.13) yen	299.96 yen
Diluted net income per share .....	— yen	299.70 yen
Return on equity.....	(4.3) %	11.3 %

Notes 1. Equity in (losses) earnings of affiliates Year ended March 31, 2009 : (8,314) millions of yen

Year ended March 31, 2008 : 3,468 millions of yen

2. "Basic net (loss) 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, 2009	As of March 31, 2008
Total assets.....	3,018,438	3,643,418
Total equity.....	1,900,719	2,282,677
Equity ratio.....	59.3 %	59.3 %
Equity per share.....	2,220.89 yen	2,658.06 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, 2009	Year ended March 31, 2008
Net cash provided by operating activities.....	209,915	572,663
Net cash used in investing activities.....	(234,306)	(363,749)
Net cash provided by (used in) financing activities.....	90,326	(121,887)
Cash and Cash Equivalents at End of Period.....	450,490	408,675

#### (4) Consolidation Scope

Number of consolidated subsidiaries : 187

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 : 4

Excluded : 3

Companies accounted for by the equity method

Added : 1

Excluded : 1

## Consolidated Balance Sheets

	Millions of yen		
Assets	As of Mar. 31, 2009	As of Mar. 31, 2008	Increase (Decrease)
<b>Current Assets:</b>			
Cash and cash equivalents	450,490	408,675	
Short-term investments	43,529	41,674	
Notes and accounts receivable, less allowance for doubtful accounts	367,302	655,547	
Inventories	255,526	310,446	
Deferred tax assets	61,819	63,458	
Other current assets	88,136	98,270	
<b>Total current assets</b>	<b>1,266,802</b>	<b>1,578,070</b>	<b>(311,268)</b>
<b>Property, Plant and Equipment:</b>			
Land	154,107	148,723	
Buildings and structures	703,912	691,251	
Machinery and equipment	2,533,324	2,449,981	
Construction in progress	76,181	108,573	
	3,467,524	3,398,528	
Less: Accumulated depreciation	(2,432,891)	(2,283,502)	
<b>Net property, plant and equipment</b>	<b>1,034,633</b>	<b>1,115,026</b>	<b>(80,393)</b>
<b>Investments and Other Assets</b>	<b>717,003</b>	<b>950,322</b>	<b>(233,319)</b>
<b>Total</b>	<b>3,018,438</b>	<b>3,643,418</b>	<b>(624,980)</b>
Liabilities and Equity	As of Mar. 31, 2009	As of Mar. 31, 2008	Increase (Decrease)
<b>Current Liabilities:</b>			
Short-term borrowings	31,760	46,511	
Current portion of long-term debt	18,814	9,048	
Notes and accounts payable	281,734	534,321	
Income taxes payable	7,876	51,813	
Accrued expenses	191,938	222,182	
Other current liabilities	75,943	106,531	
<b>Total current liabilities</b>	<b>608,065</b>	<b>970,406</b>	<b>(362,341)</b>
<b>Long-term Liabilities:</b>			
Long-term debt	306,040	155,369	
Liabilities for retirement benefits to employees, directors, corporate auditors and managing officers	183,501	176,892	
Deferred tax liabilities	5,260	45,453	
Other long-term liabilities	14,853	12,621	
<b>Total long-term liabilities</b>	<b>509,654</b>	<b>390,335</b>	<b>119,319</b>
<b>Shareholders' Equity:</b>			
Common stock	187,457	187,457	
Capital surplus	266,636	266,651	
Retained earnings	1,574,515	1,705,299	
Treasury stock - at cost	(198,630)	(176,394)	
<b>Total shareholders' equity</b>	<b>1,829,978</b>	<b>1,983,013</b>	<b>(153,035)</b>
<b>Variance of the Estimate/Conversion:</b>			
Unrealized gain on available-for-sale securities	89,000	223,093	
Deferred gain (loss) on derivatives under hedge accounting	(270)	10	
Foreign currency translation adjustments	(129,007)	(45,858)	
<b>Total variance of the estimate/conversion</b>	<b>(40,277)</b>	<b>177,245</b>	<b>(217,522)</b>
<b>Stock Acquisition Rights</b>	<b>1,852</b>	<b>1,058</b>	<b>794</b>
<b>Minority Interests</b>	<b>109,166</b>	<b>121,361</b>	<b>(12,195)</b>
<b>Total equity</b>	<b>1,900,719</b>	<b>2,282,677</b>	<b>(381,958)</b>
<b>Total</b>	<b>3,018,438</b>	<b>3,643,418</b>	<b>(624,980)</b>

## Consolidated Statements of Income

	Year ended Mar. 31, 2009	Year ended Mar. 31, 2008	Millions of yen Increase (Decrease)
<b>Net Sales</b>	<b>3,142,665</b>	4,025,076	(882,411)
Cost of Sales	2,850,990	3,314,890	(463,900)
<b>Gross profit</b>	<b>291,675</b>	710,186	(418,511)
Selling, General and Administrative Expenses	328,984	361,534	
<b>Operating (Loss) Income</b>	<b>(37,309)</b>	348,652	(385,961)
Other Income (Expenses):			
Interest and dividend income	24,420	25,956	
Interest expense	(5,593)	(6,814)	
Equity in (losses) earnings of affiliates	(8,314)	3,468	
Gain on sales of affiliates stock	-	607	
Gain on sales of property, plant and equipment	4,628	2,772	
Loss on sales or disposal of property, plant and equipment	(7,565)	(7,436)	
Impairment loss on long-lived assets	(27,293)	(767)	
Impairment loss on investment securities	(8,902)	(46)	
Loss on sales of investment securities	(20,574)	-	
Foreign exchange loss	(7,770)	(2,710)	
Loss on liquidation of a subsidiary	(8,661)	-	
Restructuring charges	(1,519)	(808)	
Cumulative effect of accounting change for retirement benefit to directors, corporate auditors and managing officers	-	(3,330)	
Other, net	5,169	5,285	
<b>(Loss) Income before income taxes and minority interests</b>	<b>(99,283)</b>	364,829	(464,112)
Income Taxes:			
Current	27,952	109,432	
Deferred	(47,798)	(9,125)	
Minority Interests in Net Income	4,648	20,105	
<b>Net (Loss) Income</b>	<b>(84,085)</b>	244,417	(328,502)

## Statements of Changes in Equity

Millions of yen

	Year ended Mar. 31, 2009	Year ended Mar. 31, 2008
<b>Common Stock:</b>		
Balance at beginning of period	187,457	187,457
Balance at end of period	187,457	187,457
<b>Capital Surplus:</b>		
Balance at beginning of period	266,651	266,463
(Loss) Gain on disposal of treasury stock	(16)	188
Balance at end of period	266,635	266,651
<b>Retained Earnings:</b>		
Balance at beginning of period	1,705,299	1,500,807
Cumulative effect of implementation of IFRS in overseas subsidiaries	(1,370)	-
Cash dividends	(45,329)	(39,925)
Net income	(84,085)	244,417
Balance at end of period	1,574,515	1,705,299
<b>Treasury Stock – at cost:</b>		
Balance at beginning of period	(176,394)	(169,130)
Purchase of treasury stock	(22,562)	(9,347)
Disposal of treasury stock	327	2,083
Balance at end of period	(198,629)	(176,394)
<b>Unrealized Gain on Available-for-sale Securities:</b>		
Balance at beginning of period	223,093	374,060
Net change	(134,093)	(150,967)
Balance at end of period	89,000	223,093
<b>Deferred Gain (Loss) on Derivatives under Hedge Accounting:</b>		
Balance at beginning of period	10	(905)
Net change	(280)	915
Balance at end of period	(270)	10
<b>Foreign Currency Translation Adjustments:</b>		
Balance at beginning of period	(45,858)	14,962
Net change	(83,149)	(60,820)
Balance at end of period	(129,007)	(45,858)
<b>Stock Acquisition Rights</b>		
Balance at beginning of period	1,058	294
Net change	794	764
Balance at end of period	1,852	1,058
<b>Minority Interests</b>		
Balance at beginning of period	121,361	112,948
Net change	(12,195)	8,413
Balance at end of period	109,166	121,361
<b>Total Equity at End of Period</b>	<b>1,900,719</b>	<b>2,282,677</b>

## Consolidated Statements of Cash Flows

	Year ended Mar. 31, 2009	Year ended Mar. 31, 2008	Millions of yen Increase (Decrease)
<b>Operating Activities:</b>			
(Loss) Income before income taxes and minority interests	(99,283)	364,829	
Adjustments for:			
Payment of income taxes	(90,599)	(113,085)	
Depreciation	276,624	263,519	
Impairment loss on long-lived assets	27,293	767	
Amortization of goodwill	(304)	(357)	
Increase in liability for retirement benefits	10,791	2,973	
Equity in losses (earnings) of affiliates	8,314	(3,468)	
Loss on sale or disposal of property, plant and equipment, net	2,937	4,664	
Loss (Gain) on sale of investment securities	20,575	(608)	
Loss on valuation of investment securities	8,306	45	
Foreign exchange loss (gain)	4,095	(139)	
Changes in assets and liabilities:			
Decrease (Increase) in notes and accounts receivable	250,991	(19,399)	
Decrease (Increase) in inventories	27,808	(13,403)	
(Decrease) Increase in notes and accounts payable	(211,033)	49,632	
Decrease (Increase) in prepaid pension cost	2,712	(11,222)	
Other, net	(29,312)	47,915	
Total adjustments	309,198	207,834	101,364
Net cash provided by operating activities	209,915	572,663	(362,748)
<b>Investing Activities:</b>			
Acquisition of property, plant and equipment	(317,805)	(341,363)	
Purchase of available-for-sale securities	(18,837)	(98,965)	
Proceeds from sale and redemption of available-for-sale securities	80,410	93,520	
Other, net	21,926	(16,941)	
Net cash used in investing activities	(234,306)	(363,749)	129,443
<b>Financing Activities:</b>			
Net decrease in short-term borrowings	(1,795)	(30,974)	
Proceeds from long-term borrowings	73,698	26,147	
Repayments of long-term borrowings	(8,631)	(15,811)	
Proceeds from issuance of bonds	100,000	-	
Repayments of bonds	(34)	(50,074)	
Dividends paid	(45,329)	(39,925)	
Purchase of treasury stock	(22,562)	(9,347)	
Other, net	(5,021)	(1,903)	
Net cash used in financing activities	90,326	(121,887)	212,213
<b>Foreign Currency Translation Adjustments on</b>			
Cash and Cash Equivalents	(24,135)	(15,355)	
Net Increase in Cash and Cash Equivalents	41,800	71,672	
Cash and Cash Equivalents at Beginning of Period	408,675	337,003	
Cash and Cash Equivalents of Newly Consolidated Subsidiary	15	-	
Cash and Cash Equivalents at End of Period	450,490	408,675	41,815

## Segment Information

### 1. Geographical Segments (by company location)

			Millions of yen	
			Year ended Mar. 31, 2009	Year ended Mar. 31, 2008
Sales	Japan	Customers	1,667,990	2,029,482
		Intersegment	477,646	696,410
		Total	2,145,636	2,725,892
	The Americas	Customers	554,213	822,982
		Intersegment	5,554	9,302
		Total	559,767	832,284
	Europe	Customers	451,626	605,373
		Intersegment	10,858	14,904
		Total	462,484	620,277
	Asia & Oceania	Customers	468,836	567,239
		Intersegment	38,847	48,918
		Total	507,683	616,157
	Eliminations		(532,905)	(769,534)
	Consolidated		3,142,665	4,025,076
Operating Income	Japan	(114,680)	197,508	
	The Americas	5,074	41,532	
	Europe	3,610	26,547	
	Asia & Oceania	60,469	80,428	
	Eliminations	8,218	2,637	
	Consolidated	(37,309)	348,652	
Assets	Japan	1,897,857	2,280,874	
	The Americas	259,641	350,440	
	Europe	274,663	357,280	
	Asia & Oceania	361,377	416,171	
	Corporate and eliminations	224,900	238,653	
	Consolidated	3,018,438	3,643,418	

### 2. Sales by Customer Location

			Millions of yen	
			Year ended Mar. 31, 2009	Year ended Mar. 31, 2008
Japan			1,615,771	1,976,877
			51.4%	49.1%
The Americas			562,302	833,692
			17.9%	20.7%
Europe			449,047	603,653
			14.3%	15.0%
Asia & Oceania			505,773	598,276
			16.1%	14.9%
Others			9,772	12,578
			0.3%	0.3%
Net Sales			3,142,665	4,025,076