

DENSO CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results of the Fiscal Year Ended March 31, 2010

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DATE: April 28, 2010

DENSO CORPORATION

CODE: 6902

Listed on the Tokyo and
Nagoya stock exchanges

Results of the fiscal year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)

(1) Operating Results

(Millions of yen, except per share figures)

	Year ended March 31, 2010	Year ended March 31, 2009
Net sales.....	2,976,709	3,142,665
% change from the previous corresponding period.....	(5.3%)	(21.9%)
Operating income (loss).....	136,640	(37,309)
% change from the previous corresponding period.....	—	—
Income (Loss) before income taxes and minority interests...	146,913	(99,283)
% change from the previous corresponding period.....	—	—
Net income (loss).....	73,427	(84,085)
% change from the previous corresponding period.....	—	—
Basic net income (loss) per share.....	91.11 yen	(104.13) yen
Diluted net income per share	91.11 yen	— yen
Return on equity.....	4.0 %	(4.3) %

Notes 1. Equity in earnings (losses) of affiliates Year ended March 31, 2010 : 2,129 millions of yen
Year ended March 31, 2009 : (8,314) millions of yen

2. Basic net income (loss) 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, 2010	As of March 31, 2009
Total assets.....	3,364,070	3,018,438
Total equity.....	2,032,264	1,900,719
Equity ratio.....	57.0 %	59.3 %
Equity per share.....	2,378.18 yen	2,220.89 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, 2010	Year ended March 31, 2009
Net cash provided by operating activities.....	357,141	209,915
Net cash used in investing activities.....	(155,115)	(234,306)
Net cash provided by financing activities.....	29,153	90,326
Cash and Cash Equivalents at End of Period.....	681,725	450,490

(4) Consolidation Scope

Number of consolidated subsidiaries : 184

Number of affiliates : 30 (Affiliates accounted for by the equity method : 30)

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

Consolidated subsidiaries

Added : 2

Excluded : 5

Companies accounted for by the equity method

Added : 1

Excluded : 3

Consolidated Balance Sheets

	Millions of yen		
Assets	As of Mar. 31, 2010	As of Mar. 31, 2009	Increase (Decrease)
Current Assets:			
Cash and cash equivalents	681,725	450,490	
Short-term investments	101,279	43,529	
Notes and accounts receivable, less allowance for doubtful accounts	561,878	367,302	
Inventories	266,264	255,526	
Deferred tax assets	59,826	61,819	
Other current assets	84,150	88,136	
Total current assets	1,755,122	1,266,802	488,320
Property, Plant and Equipment:			
Land	156,669	154,107	
Buildings and structures	710,380	703,912	
Machinery and equipment	2,571,558	2,533,324	
Construction in progress	46,597	76,181	
	3,485,204	3,467,524	
Less: Accumulated depreciation	(2,582,504)	(2,432,891)	
Net property, plant and equipment	902,700	1,034,633	(131,933)
Investments and Other Assets	706,248	717,003	(10,755)
Total	3,364,070	3,018,438	345,632
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Liabilities and Equity	As of Mar. 31, 2010	As of Mar. 31, 2009	Increase (Decrease)
Current Liabilities:			
Short-term borrowings	29,898	31,760	
Current portion of long-term debt	15,629	18,814	
Notes and accounts payable	422,997	281,734	
Income taxes payable	13,114	7,876	
Accrued expenses	205,424	191,938	
Other current liabilities	74,690	75,943	
Total current liabilities	761,752	608,065	153,687
Long-term Liabilities:			
Long-term debt	363,931	306,040	
Liabilities for retirement benefits to employees, directors, corporate auditors and managing officers	182,381	183,501	
Deferred tax liabilities	10,310	5,260	
Other long-term liabilities	13,432	14,853	
Total long-term liabilities	570,054	509,654	60,400
Shareholders' Equity:			
Common stock	187,457	187,457	
Capital surplus	266,610	266,636	
Retained earnings	1,626,988	1,574,515	
Treasury stock - at cost	(198,498)	(198,630)	
Total shareholders' equity	1,882,557	1,829,978	52,579
Variance of the Estimate/Conversion:			
Unrealized gain on available-for-sale securities	154,178	89,000	
Deferred gain (loss) on derivatives under hedge accounting	161	(270)	
Foreign currency translation adjustments	(120,317)	(129,007)	
Total variance of the estimate/conversion	34,022	(40,277)	74,299
Stock Acquisition Rights	2,750	1,852	898
Minority Interests	112,935	109,166	3,769
Total equity	2,032,264	1,900,719	131,545
Total	3,364,070	3,018,438	345,632

Consolidated Statements of Income

	Year ended Mar. 31, 2010	Year ended Mar. 31, 2009	Millions of yen Increase (Decrease)
Net Sales	2,976,709	3,142,665	(165,956)
Cost of Sales	2,559,993	2,850,990	(290,997)
Gross Profit	416,716	291,675	125,041
Selling, General and Administrative Expenses	280,076	328,984	
Operating Income (Loss)	136,640	(37,309)	173,949
Other Income (Expenses):			
Interest and dividend income	12,110	24,420	
Interest expense	(5,936)	(5,593)	
Equity in earnings (losses) of affiliates	2,129	(8,314)	
Gain on sales of property, plant and equipment	1,293	4,628	
Loss on sales or disposal of property, plant and equipment	(7,083)	(7,565)	
Impairment loss on long-lived assets	(514)	(27,293)	
Impairment loss on investment securities	(344)	(8,902)	
Loss on sales of investment securities	-	(20,574)	
Foreign exchange gain (loss)	6,767	(7,770)	
Loss on liquidation of a subsidiary	(2,656)	(8,661)	
Loss on valuation of investments in capital	(1,026)	-	
Restructuring charges	-	(1,519)	
Retirement benefit plan of subsidiaries at transition	(994)	-	
Loss on sales of stocks of subsidiaries and affiliates	(234)	-	
Other, net	6,761	5,169	
Income (Loss) before income taxes and minority interests	146,913	(99,283)	246,196
Income Taxes:			
Current	29,336	27,952	
Deferred	38,266	(47,798)	
Minority Interests in Net Income	5,884	4,648	
Net Income (Loss)	73,427	(84,085)	157,512

Statements of Changes in Equity

Millions of yen

	Year ended Mar. 31, 2010	Year ended Mar. 31, 2009
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	266,635	266,651
Loss on disposal of treasury stock	(25)	(16)
Balance at end of period	266,610	266,635
Retained Earnings:		
Balance at beginning of period	1,574,515	1,705,299
Cumulative effect of implementation of IFRS in overseas subsidiaries	-	(1,370)
Cash dividends	(20,954)	(45,329)
Net income (loss)	73,427	(84,085)
Balance at end of period	1,626,988	1,574,515
Treasury Stock – at cost:		
Balance at beginning of period	(198,629)	(176,394)
Purchase of treasury stock	(19)	(22,562)
Disposal of treasury stock	150	327
Balance at end of period	(198,498)	(198,629)
Unrealized Gain on Available-for-sale Securities:		
Balance at beginning of period	89,000	223,093
Net change	65,178	(134,093)
Balance at end of period	154,178	89,000
Deferred Gain (Loss) on Derivatives under Hedge Accounting:		
Balance at beginning of period	(270)	10
Net change	431	(280)
Balance at end of period	161	(270)
Foreign Currency Translation Adjustments:		
Balance at beginning of period	(129,007)	(45,858)
Net change	8,690	(83,149)
Balance at end of period	(120,317)	(129,007)
Stock Acquisition Rights		
Balance at beginning of period	1,852	1,058
Net change	898	794
Balance at end of period	2,750	1,852
Minority Interests		
Balance at beginning of period	109,166	121,361
Net change	3,769	(12,195)
Balance at end of period	112,935	109,166
Total Equity at End of Period	2,032,264	1,900,719

Consolidated Statements of Cash Flows

	Year ended Mar. 31, 2010	Year ended Mar. 31, 2009	Millions of yen Increase (Decrease)
Operating Activities:			
Income (Loss) before income taxes and minority interests	146,913	(99,283)	
Adjustments for:			
Payment of income taxes	(25,649)	(90,599)	
Depreciation	237,944	276,624	
Impairment loss on long-lived assets	514	27,293	
Amortization of goodwill	(363)	(304)	
(Decrease) Increase in liability for retirement benefits	(1,361)	10,791	
Equity in (earnings) losses of affiliates	(2,129)	8,314	
Loss on sale or disposal of property, plant and equipment, net	5,790	2,937	
(Gain) Loss on sale of investment securities	(4)	20,575	
Loss on valuation of investment securities	344	8,306	
Foreign exchange loss	1,392	4,095	
Changes in assets and liabilities:			
(Increase) Decrease in notes and accounts receivable	(190,491)	250,991	
(Increase) Decrease in inventories	(11,291)	27,808	
Increase (Decrease) in notes and accounts payable	122,937	(211,033)	
Decrease in prepaid pension cost	23,990	2,712	
Other, net	48,605	(29,312)	
Total adjustments	210,228	309,198	(98,970)
Net cash provided by operating activities	357,141	209,915	147,226
Investing Activities:			
Acquisition of property, plant and equipment	(126,991)	(317,805)	
Purchase of available-for-sale securities	(69,597)	(18,837)	
Proceeds from sale and redemption of available-for-sale securities	39,771	80,410	
Other, net	1,702	21,926	
Net cash used in by investing activities	(155,115)	(234,306)	79,191
Financing Activities:			
Net decrease in short-term borrowings	67	(1,795)	
Proceeds from long-term borrowings	34,491	73,698	
Repayments of long-term borrowings	(18,908)	(8,631)	
Proceeds from issuance of bonds	40,000	100,000	
Repayments of bonds	(236)	(34)	
Dividends paid	(20,954)	(45,329)	
Purchase of treasury stock	(19)	(22,562)	
Other, net	(5,288)	(5,021)	
Net cash provided by financing activities	29,153	90,326	(61,173)
Foreign Currency Translation Adjustments on			
Cash and Cash Equivalents	56	(24,135)	
Net Increase in Cash and Cash Equivalents	231,235	41,800	
Cash and Cash Equivalents at Beginning of Period	450,490	408,675	
Cash and Cash Equivalents of Newly Consolidated Subsidiary	-	15	
Cash and Cash Equivalents at End of Period	681,725	450,490	231,235

Segment Information

1. Geographical Segments (by company location)

		Year ended Mar. 31, 2010	Year ended Mar. 31, 2009
Millions of yen			
Sales	Japan	Customers 1,553,492	1,667,990
		Intersegment 487,823	477,646
		Total 2,041,315	2,145,636
	The Americas	Customers 526,654	554,213
		Intersegment 5,517	5,554
		Total 532,171	559,767
	Europe	Customers 401,967	451,626
		Intersegment 9,116	10,858
		Total 411,083	462,484
	Asia & Oceania	Customers 494,596	468,836
		Intersegment 39,510	38,847
		Total 534,106	507,683
	Eliminations	(541,966)	(532,905)
	Consolidated	2,976,709	3,142,665
Operating Income (Loss)	Japan	40,903	(114,680)
	The Americas	12,905	5,074
	Europe	10,683	3,610
	Asia & Oceania	75,369	60,469
	Eliminations	(3,220)	8,218
	Consolidated	136,640	(37,309)
Assets	Japan	1,927,239	1,897,517
	The Americas	273,584	259,641
	Europe	278,215	274,663
	Asia & Oceania	451,547	361,377
	Corporate and eliminations	433,485	225,240
	Consolidated	3,364,070	3,018,438

2. Sales by Customer Location

		Year ended March 31, 2010	Year ended March 31, 2009
Millions of yen			
Japan		1,518,105	1,615,771
		51.0%	51.4%
The Americas		532,880	562,302
		17.9%	17.9%
Europe		400,306	449,047
		13.4%	14.3%
Asia & Oceania		517,054	505,773
		17.4%	16.1%
Others		8,364	9,772
		0.3%	0.3%
Net Sales		2,976,709	3,142,665