

DENSO CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results for the Six Months Ended September 30, 2004

1-1, Showa-cho, Kariya, Aichi 448-8661, Japan
 Representative : Koichi Fukaya
 President and CEO
 Contact : Akio Tajima
 General Manager
 Telephone : +81-566-25-5849
 Fax : +81-566-25-4860
 (URL <http://www.globaldenso.co.jp>)

DATE: October 28, 2004
 DENSO CORPORATION
 CODE: 6902
 Listed on the Tokyo, Osaka
 and Nagoya stock exchanges

Results for the six months ended September 30, 2004 (From April 1, 2004 to September 30, 2004)

(1) Operating Results

(Millions of yen, except per share figures)

	Six months ended September 30, 2004	Six months ended September 30, 2003	Year ended March 31, 2004
Net sales.....	1,354,574	1,226,341	2,562,411
% change from the previous corresponding period.....	10.5%	7.2%	9.8%
Operating income.....	107,315	91,618	188,659
% change from the previous corresponding period.....	17.1%	14.4%	18.0%
Income before income taxes and minority interests..	112,375	96,183	185,892
% change from the previous corresponding period.....	16.8%	(48.5%)	(20.4%)
Net income.....	66,421	52,938	110,027
% change from the previous corresponding period.....	25.5%	(50.3%)	(0.9%)
Basic net income per share.....	79.64 yen	62.77 yen	130.02 yen
Fully diluted net income per share	79.61 yen	62.77 yen	130.01 yen

Notes 1. Equity in earnings of affiliates
 Six months ended September 30, 2004 : 1,489 millions of yen
 Six months ended September 30, 2003 : 800 millions of yen
 Year ended March 31, 2004 : 2,333 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, 2004	As of September 30, 2003	As of March 31, 2004
Total assets.....	2,639,839	2,376,867	2,526,502
Shareholders' equity.....	1,603,982	1,465,645	1,509,489
Shareholders' equity ratio.....	60.8 %	61.7 %	59.7 %
Shareholders' equity per share.....	1,922.69 yen	1,737.90 yen	1,809.55 yen

Note: "Shareholders' 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, 2004	Six months ended September 30, 2003	Year ended March 31, 2004
Net cash provided by operating activities.....	111,916	96,851	231,814
Net cash used in investing activities.....	(143,323)	(115,928)	(194,653)
Net cash used in financing activities.....	2,194	(53,580)	(48,960)
Cash and Cash Equivalents at End of Period.....	218,037	186,889	244,509

(4) Consolidation Scope

Number of consolidated subsidiaries : 166
 Number of unconsolidated subsidiaries : 1
 Number of affiliates : 29 (Affiliates accounted for by the equity method : 29)

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

Consolidated subsidiaries
 Added : 2
 Excluded : 0
 Companies accounted for by the equity method
 Added : 3
 Excluded : 1

Consolidated Statements of Income

	Six months ended Sep. 30, 2004	Six months ended Sep. 30, 2003	Increase (Decrease)	Millions of yen Year ended Mar. 31, 2004
Net Sales	1,354,574	1,226,341	128,233	2,562,411
Cost of Sales	1,114,622	1,015,590		2,128,604
Gross profit	239,952	210,751	29,201	433,807
Selling, General and Administrative Expenses	132,637	119,133		245,148
Operating income	107,315	91,618	15,697	188,659
Other Income (Expenses):				
Interest and dividend income	4,352	4,269		8,311
Interest expense	(1,490)	(1,626)		(3,448)
Equity in earnings of affiliates	1,489	800		2,333
Impairment loss on fixed assets	(1,206)	-		-
Impairment loss on investment securities	(90)	(155)		(361)
Gain on exemption from future pension obligation of the governmental program	-	1,428		1,429
Gain on transfer to defined contribution pension plans	-	379		667
Loss on settlement of the substitutional portion of governmental pension program due to return of corresponding plan assets	-	-		(12,132)
Other, net	2,005	(530)		434
Income before income taxes and minority interests	112,375	96,183	16,192	185,892
Income Taxes:				
Current	42,571	46,292		88,990
Deferred	(209)	(6,572)		(20,579)
Minority Interests in Net Income	3,592	3,525		7,454
Net income	66,421	52,938	13,483	110,027

Consolidated Balance Sheets

	Millions of yen			
Assets	As of Sep. 30, 2004	As of Mar. 31, 2004	Increase (Decrease)	As of Sep. 30, 2003
Current Assets:				
Cash and cash equivalents	218,037	244,509		186,889
Short-term investments	59,519	28,709		36,997
Notes and accounts receivable, less allowance for doubtful accounts	474,456	473,178		418,983
Inventories	238,118	214,751		212,561
Deferred income taxes	44,756	43,745		42,280
Other current assets	59,288	54,104		49,264
Total current assets	1,094,174	1,058,996	35,178	946,974
Property, Plant and Equipment:				
Buildings and structures	571,624	563,439		557,249
Machinery and equipment	1,832,896	1,766,964		1,735,719
	2,404,520	2,330,403		2,292,968
Less: Accumulated depreciation	(1,813,172)	(1,758,281)		(1,731,693)
	591,348	572,122		561,275
Land	142,377	142,858		140,796
Construction in progress	75,625	62,076		67,197
Net property, plant and equipment	809,350	777,056	32,294	769,268
Investments and Other assets	736,315	690,450	45,865	660,625
Total	2,639,839	2,526,502	113,337	2,376,867

	Millions of yen			
Liabilities and Shareholders' Equity	As of Sep. 30, 2004	As of Mar. 31, 2004	Increase (Decrease)	As of Sep. 30, 2003
Current Liabilities:				
Short-term borrowings	43,154	49,996		32,116
Current portion of long-term debt	1,695	3,325		4,153
Notes and accounts payable	344,981	344,674		303,614
Income taxes payable	38,137	43,556		38,117
Accrued expenses	106,059	105,187		98,659
Accrued bonuses to employees	45,595	49,262		44,064
Other current liabilities	50,167	53,817		50,200
Total current liabilities	629,788	649,817	(20,029)	570,923
Long-term Liabilities:				
Long-term debt	147,558	122,826		107,492
Liability for employees' retirement benefits	147,609	143,160		142,188
Other long-term liabilities	38,977	29,275		19,054
Total long-term liabilities	334,144	295,261	38,883	268,734
Minority Interests	71,925	71,935	(10)	71,565
Shareholders' Equity:				
Common stock	187,457	187,457		187,457
Capital surplus	266,042	266,005		266,005
Retained earnings	1,136,017	1,080,996		1,033,184
Net unrealized gain on available-for-sale securities	163,959	142,588		110,459
Foreign currency translation adjustments	(53,208)	(70,577)		(53,889)
Less: Treasury stock at cost	(96,285)	(96,980)		(77,571)
Total shareholders' equity	1,603,982	1,509,489	94,493	1,465,645
Total	2,639,839	2,526,502	113,337	2,376,867

Consolidated Statements of Shareholders' Equity

	Six months ended Sep. 30, 2004	Six months ended Sep. 30, 2003	Millions of yen Year ended Mar. 31, 2004
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	266,005	266,005	266,005
Gain on disposal of treasury stock	37	-	-
Balance at end of period	266,042	266,005	266,005
Retained Earnings:			
Balance at beginning of period	1,080,996	989,198	989,198
Net income	66,421	52,938	110,027
Cash dividends	(10,841)	(8,434)	(17,711)
Bonuses to directors and corporate auditors	(559)	(518)	(518)
Balance at end of period	1,136,017	1,033,184	1,080,996
Net Unrealized Gain on Available-for-sale Securities at End of Period	163,959	110,459	142,588
Foreign Currency Translation Adjustments at End of Period	(53,208)	(53,889)	(70,577)
Treasury Stock at End of Period	(96,285)	(77,571)	(96,980)
Total Shareholders' Equity at End of Period	1,603,982	1,465,645	1,509,489

Consolidated Statements of Cash Flows

	Six months ended Sep. 30, 2004	Six months ended Sep. 30, 2003	Millions of yen Year ended Mar. 31, 2004
Operating Activities:			
Income before income taxes and minority interests	112,375	96,183	185,892
Adjustments for:			
Payment of income taxes	(49,246)	(47,263)	(85,063)
Depreciation	77,861	73,812	151,169
Impairment loss on fixed assets	1,206	-	-
Amortization of goodwill including impairment	78	52	425
Increase (Decrease) in liability for retirement benefits	3,884	1,703	2,859
Equity in earnings of affiliates	(1,489)	(800)	(2,333)
Loss on sale or disposal of property, plant and equipment, net	2,231	1,300	4,130
Foreign exchange (gain) loss	(824)	759	(749)
Changes in assets and liabilities:			
(Increase) Decrease in notes and accounts receivable	(1,380)	(6,337)	(65,469)
(Increase) Decrease in inventories	(17,245)	(19,837)	(26,097)
(Decrease) Increase in notes and accounts payable	(496)	(5,976)	41,870
(Decrease) Increase in defined contribution pension payable	(6,500)	(6,176)	(4,741)
(Increase) Decrease in prepaid pension cost	(3,236)	3,995	15,885
Other, net	(5,303)	5,436	(14,036)
Total adjustments	(459)	668	45,922
Net cash provided by operating activities	111,916	96,851	231,814
Investing Activities:			
Acquisition of property, plant and equipment	(104,105)	(94,286)	(196,443)
Purchase of available-for-sale securities	(59,563)	(60,807)	(97,593)
Proceeds from sale and redemption of available-for-sale securities	21,561	41,991	100,904
Other, net	(1,216)	(2,826)	(1,521)
Net cash used in investing activities	(143,323)	(115,928)	(194,653)
Financing Activities:			
Net (decrease) increase in short-term borrowings	(7,462)	(5,271)	12,333
Proceeds from long-term borrowings	23,120	118	19,744
Repayments of long-term borrowings	(2,039)	(1,617)	(4,741)
Repayments of long-term bonds	-	(40,000)	(40,000)
Dividends paid	(10,841)	(8,434)	(17,711)
Purchase of treasury stock	(28)	(14)	(19,423)
Other, net	(556)	1,638	838
Net cash provided by /used in financing activities	2,194	(53,580)	(48,960)
Foreign Currency Translation Adjustments on Cash and Cash Equivalents			
	2,741	(299)	(3,537)
Net Decrease in Cash and Cash Equivalents	(26,472)	(72,956)	(15,336)
Cash and Cash Equivalents at Beginning of Period	244,509	259,845	259,845
Cash and Cash Equivalents at End of Period	218,037	186,889	244,509

Segment Information

1. Geographical Segments (by company location)

		Millions of yen			
		Six months ended Sep. 30, 2004	Six months ended Sep. 30, 2003	Year ended Mar. 31, 2004	
Sales	Japan	Customers	766,489	688,912	1,469,552
		Intersegment	228,508	200,322	416,245
		Total	994,997	889,234	1,885,797
	The Americas	Customers	289,627	279,450	549,208
		Intersegment	4,695	4,944	8,532
		Total	294,322	284,394	557,740
	Europe	Customers	180,244	155,591	333,486
		Intersegment	3,276	2,055	4,809
		Total	183,520	157,646	338,295
	Asia & Oceania	Customers	118,214	102,388	210,165
		Intersegment	8,933	6,016	13,438
		Total	127,147	108,404	223,603
	Eliminations		(245,412)	(213,337)	(443,024)
	Consolidated		1,354,574	1,226,341	2,562,411
	Operating Income (Loss)	Japan	87,107	64,773	153,473
The Americas		15,250	17,778	24,833	
Europe		(2,165)	196	(4,250)	
Asia & Oceania		8,200	9,175	14,903	
Eliminations		(1,077)	(304)	(300)	
Consolidated		107,315	91,618	188,659	

2. Sales by Customer Location

		Millions of yen		
		Six months ended Sep. 30, 2004	Six months ended Sep. 30, 2003	Year ended Mar. 31, 2004
Japan		747,210	675,520	1,442,645
		55.2%	55.1%	56.3%
The Americas		296,075	283,460	557,035
		21.9%	23.1%	21.7%
Europe		179,965	154,912	332,019
		13.3%	12.6%	13.0%
Asia & Oceania		128,000	108,908	224,511
		9.4%	8.9%	8.8%
Others		3,324	3,541	6,201
		0.2%	0.3%	0.2%
Net Sales		1,354,574	1,226,341	2,562,411