

DENSO CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results for the Third Quarter Ended December 31, 2004

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DENSO CORPORATION

CODE: 6902

Listed on the Tokyo, Osaka
and Nagoya stock exchanges

Results for the Third Quarter ended December 31, 2004 (From October 1, 2004 to December 31, 2004)

(1) Operating Results

(Millions of yen, except per share figures)

	Three months ended December 31, 2004	Three months ended December 31, 2003	Year ended March 31, 2004
Net sales.....	690,848	639,093	2,562,411
% change from the previous corresponding period.....	8.1%	-	9.8%
Operating income.....	63,286	61,920	188,659
% change from the previous corresponding period.....	2.2%	-	18.0%
Income before income taxes and minority interests..	65,760	65,561	185,892
% change from the previous corresponding period.....	0.3%	-	(20.4%)
Net income.....	39,807	37,924	110,027
% change from the previous corresponding period.....	5.0%	-	(0.9%)
Basic net income per share.....	47.95 yen	45.00 yen	130.02 yen
Fully diluted net income per share	47.93 yen	45.00 yen	130.01 yen

Note: "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 December 31, 2004	As of March 31, 2004	As of December 31, 2003
Total assets.....	2,615,916	2,526,502	2,382,495
Shareholders' equity.....	1,606,061	1,509,489	1,494,651
Shareholders' equity ratio.....	61.4 %	59.7 %	62.7 %
Shareholders' equity per share.....	1,946.23 yen	1,809.55 yen	1,780.28 yen

Note: "Shareholders' equity per share" is based upon the number of shares outstanding as of the respective balance sheet dates.

(3) Consolidation Scope

Number of consolidated subsidiaries : 167

Number of unconsolidated subsidiaries : 1

Number of affiliates : 29 (Affiliates accounted for by the equity method : 29)

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

Consolidated subsidiaries

Added : 1

Excluded : 0

Companies accounted for by the equity method

Added : 0

Excluded : 0

Consolidated Statements of Income

	Three months ended Dec. 31, 2004	Three months ended Dec. 31, 2003	Increase (Decrease)	Millions of yen Year ended Mar. 31, 2004
Net Sales	690,848	639,093	51,755	2,562,411
Cost of Sales	566,759	525,469		2,128,604
Gross profit	124,089	113,624	10,465	433,807
Selling, General and Administrative Expenses	60,803	51,704		245,148
Operating income	63,286	61,920	1,366	188,659
Other Income (Expenses):				
Interest and dividend income	3,300	2,792		8,311
Interest expense	(787)	(1,037)		(3,448)
Equity in earnings of affiliates	232	483		2,333
Impairment loss on investment securities	(26)	(2)		(361)
Gain on transfer to defined contribution pension plans	-	287		667
Gain on exemption from future pension obligation of the governmental program	-	-		1,429
Loss on settlement of the substitutional portion of governmental pension program due to return of corresponding plan assets	-	-		(12,132)
Other, net	(245)	1,118		434
Income before income taxes and minority interests	65,760	65,561	199	185,892
Income Taxes:				
Current	16,152	16,946		88,990
Deferred	7,973	8,494		(20,579)
Minority Interests in Net Income	1,828	2,197		7,454
Net income	39,807	37,924	1,883	110,027

Consolidated Balance Sheets

	Millions of yen			
Assets	As of Dec. 31, 2004	As of Mar. 31, 2004	Increase (Decrease)	As of Dec. 31, 2003
Current Assets:				
Cash and cash equivalents	197,050	244,509		185,551
Short-term investments	41,966	28,709		36,585
Notes and accounts receivable, less allowance for doubtful accounts	465,922	473,178		429,537
Inventories	244,664	214,751		215,845
Deferred income taxes	33,550	43,745		32,250
Other current assets	62,486	54,104		51,820
Total current assets	1,045,638	1,058,996	(13,358)	951,588
Property, Plant and Equipment:				
Buildings and structures	572,492	563,439		561,648
Machinery and equipment	1,852,343	1,766,964		1,746,378
	2,424,835	2,330,403		2,308,026
Less: Accumulated depreciation	(1,826,394)	(1,758,281)		(1,746,155)
	598,441	572,122		561,871
Land	142,518	142,858		143,064
Construction in progress	81,071	62,076		68,058
Net property, plant and equipment	822,030	777,056	44,974	772,993
Investments and Other assets	748,248	690,450	57,798	657,914
Total	2,615,916	2,526,502	89,414	2,382,495

	Millions of yen			
Liabilities and Shareholders' Equity	As of Dec. 31, 2004	As of Mar. 31, 2004	Increase (Decrease)	As of Dec. 31, 2003
Current Liabilities:				
Short-term borrowings	53,621	49,996		34,538
Current portion of long-term debt	1,191	3,325		2,928
Notes and accounts payable	341,156	344,674		300,395
Income taxes payable	16,236	43,556		22,735
Accrued expenses	104,499	105,187		99,877
Accrued bonuses to employees	21,198	49,262		21,147
Other current liabilities	63,175	53,817		56,459
Total current liabilities	601,076	649,817	(48,741)	538,079
Long-term Liabilities:				
Long-term debt	146,593	122,826		107,113
Liability for employees' retirement benefits	149,986	143,160		143,102
Other long-term liabilities	39,992	29,275		27,207
Total long-term liabilities	336,571	295,261	41,310	277,422
Minority Interests	72,208	71,935	273	72,343
Shareholders' Equity:				
Common stock	187,457	187,457		187,457
Capital surplus	266,052	266,005		266,005
Retained earnings	1,164,978	1,080,996		1,061,831
Net unrealized gain on available-for-sale securities	169,696	142,588		127,118
Foreign currency translation adjustments	(62,186)	(70,577)		(62,397)
Less: Treasury stock at cost	(119,936)	(96,980)		(85,363)
Total shareholders' equity	1,606,061	1,509,489	96,572	1,494,651
Total	2,615,916	2,526,502	89,414	2,382,495

Segment Information

1. Geographical Segments (by company location)

		Millions of yen			
		Three months ended	Three months ended	Year ended	
		Dec. 31, 2004	Dec. 31, 2003	Mar. 31, 2004	
Sales	Japan	Customers	393,745	377,936	1,469,552
		Intersegment	123,443	104,840	416,245
		Total	517,188	482,776	1,885,797
	The Americas	Customers	134,829	127,325	549,208
		Intersegment	1,600	1,740	8,532
		Total	136,429	129,065	557,740
	Europe	Customers	91,253	81,164	333,486
		Intersegment	1,901	1,057	4,809
		Total	93,154	82,221	338,295
	Asia & Oceania	Customers	71,021	52,668	210,165
		Intersegment	4,771	3,049	13,438
		Total	75,792	55,717	223,603
	Eliminations		(131,715)	(110,686)	(443,024)
	Consolidated		690,848	639,093	2,562,411
	Operating Income (Loss)	Japan	56,938	53,126	153,473
The Americas		4,354	6,768	24,833	
Europe		(3,515)	(1,998)	(4,250)	
Asia & Oceania		5,825	4,519	14,903	
Eliminations		(316)	(495)	(300)	
Consolidated		63,286	61,920	188,659	

2. Sales by Customer Location

		Millions of yen		
		Three months ended	Three months ended	Year ended
		Dec. 31, 2004	Dec. 31, 2003	Mar. 31, 2004
Japan		386,032	370,889	1,442,645
		55.9%	58.0%	56.3%
The Americas		137,038	129,392	557,035
		19.8%	20.3%	21.7%
Europe		91,704	81,311	332,019
		13.3%	12.7%	13.0%
Asia & Oceania		74,411	56,828	224,511
		10.8%	8.9%	8.8%
Others		1,663	673	6,201
		0.2%	0.1%	0.2%
Net Sales		690,848	639,093	2,562,411

<Supplement>

Consolidated Financial Results for Nine months Ended December 31, 2004
(From April 1, 2004 to December 31, 2004)

Operating Results	(Millions of yen, except per share figures)		
	Nine months ended December 31,2004	Nine months ended December 31,2003	Increase (Decrease)
Net sales.....	2,045,422	1,865,434	179,988
% change from the previous corresponding period.....	9.6 %	—	
Operating income.....	170,601	153,538	17,063
% change from the previous corresponding period.....	11.1 %	—	
Income before income taxes and minority interests....	178,135	161,744	16,391
% change from the previous corresponding period.....	10.1 %	—	
Net income.....	106,228	90,862	15,366
% change from the previous corresponding period.....	16.9 %	—	
Basic net income per share.....	127.56 yen	107.77 yen	—
Fully diluted net income per share.....	127.51 yen	107.77 yen	—

Note: "Basic net income per share" is based upon the average number of shares outstanding.