

# DENSO CORPORATION and Consolidated Subsidiaries

## Consolidated Financial Results for the Second Quarter Ended September 30, 2010

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 DENSO CORPORATION  
 CODE: 6902  
 Listed on the Tokyo and  
 Nagoya stock exchanges

Results for the second quarter ended September 30, 2010 (From April 1, 2010 to September 30, 2010)

### (1) Operating Results

(Millions of yen, except per share figures)

	6 months ended Sep. 30, 2010	6 months ended Sep. 30, 2009	Year ended Mar. 31, 2010
Net sales.....	1,589,573	1,302,202	2,976,709
% change from the previous corresponding period.....	22.1%	( 31.2%)	( 5.3%)
Operating income.....	124,271	9,759	136,640
% change from the previous corresponding period.....	—	( 91.5%)	—
Income before income taxes and minority interests.....	138,042	14,282	146,913
% change from the previous corresponding period.....	866.5%	( 86.5%)	—
Net Income.....	93,696	5,054	73,427
% change from the previous corresponding period.....	—	( 91.4%)	—
Basic net income per share.....	116.26 yen	6.27 yen	91.11 yen
Diluted net income per share .....	— yen	6.27 yen	91.11 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 Sep. 30, 2010	As of Mar. 31, 2010	As of Sep. 30, 2009
Total assets.....	3,298,334	3,364,070	3,236,277
Total equity.....	2,010,233	2,032,264	1,938,172
Equity ratio.....	57.8 %	57.0 %	56.5 %
Equity per share.....	2,366.18 yen	2,378.18 yen	2,268.89 yen

Note: "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 : 187  
 Number of unconsolidated subsidiary : 1  
 Number of affiliates : 30 ( Affiliates accounted for by the equity method : 30 )

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

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

## Consolidated Balance Sheets

	Millions of yen		
Assets	As of Sep. 30, 2010	As of Mar. 31, 2010	Increase (Decrease)
<b>Current Assets:</b>			
Cash and cash equivalents	795,819	681,725	
Short-term investments	80,558	101,279	
Notes and accounts receivable, less allowance for doubtful accounts	509,560	561,878	
Inventories	264,862	266,264	
Deferred tax assets	60,728	59,826	
Other current assets	82,757	84,150	
<b>Total current assets</b>	<b>1,794,284</b>	<b>1,755,122</b>	<b>39,162</b>
<b>Property, Plant and Equipment:</b>			
Land	155,492	156,669	
Buildings and structures	702,825	710,380	
Machinery and equipment	2,532,854	2,571,558	
Construction in progress	56,198	46,597	
	3,447,369	3,485,204	
Less: Accumulated depreciation	(2,594,457)	(2,582,504)	
<b>Net property, plant and equipment</b>	<b>852,912</b>	<b>902,700</b>	<b>(49,788)</b>
<b>Investments and Other Assets</b>	<b>651,138</b>	<b>706,248</b>	<b>(55,110)</b>
<b>Total</b>	<b>3,298,334</b>	<b>3,364,070</b>	<b>(65,736)</b>
Liabilities and Equity	As of Sep. 30, 2010	As of Mar. 31, 2010	Increase (Decrease)
<b>Current Liabilities:</b>			
Short-term borrowings	28,137	29,898	
Current portion of long-term debt	12,250	15,629	
Notes and accounts payable	393,470	422,997	
Income taxes payable	20,908	13,114	
Accrued expenses	199,391	205,424	
Other current liabilities	64,549	74,690	
<b>Total current liabilities</b>	<b>718,705</b>	<b>761,752</b>	<b>(43,047)</b>
<b>Long-term Liabilities:</b>			
Long-term debt	361,523	363,931	
Liabilities for retirement benefits to employees, directors, corporate auditors and managing officers	183,952	182,381	
Deferred tax liabilities	9,846	10,310	
Other long-term liabilities	14,075	13,432	
<b>Total long-term liabilities</b>	<b>569,396</b>	<b>570,054</b>	<b>(658)</b>
<b>Shareholders' Equity:</b>			
Common stock	187,457	187,457	
Capital surplus	266,611	266,610	
Retained earnings	1,709,401	1,626,988	
Treasury stock - at cost	(198,611)	(198,498)	
<b>Total shareholders' equity</b>	<b>1,964,858</b>	<b>1,882,557</b>	<b>82,301</b>
<b>Variance of the Estimate/Conversion:</b>			
Unrealized gain on available-for-sale securities	105,239	154,178	
Deferred gain on derivatives under hedge accounting	565	161	
Foreign currency translation adjustments	(163,863)	(120,317)	
<b>Total variance of the estimate/conversion</b>	<b>(58,059)</b>	<b>34,022</b>	<b>(92,081)</b>
<b>Stock Acquisition Rights</b>	<b>3,163</b>	<b>2,750</b>	<b>413</b>
<b>Minority Interests</b>	<b>100,271</b>	<b>112,935</b>	<b>(12,664)</b>
<b>Total equity</b>	<b>2,010,233</b>	<b>2,032,264</b>	<b>(22,031)</b>
<b>Total</b>	<b>3,298,334</b>	<b>3,364,070</b>	<b>(65,736)</b>

## Consolidated Statements of Income

	6 months ended Sep. 30, 2010	6 months ended Sep. 30, 2009	Millions of yen Increase (Decrease)
<b>Net Sales</b>	<b>1,589,573</b>	1,302,202	287,371
Cost of Sales	1,327,788	1,162,891	164,897
<b>Gross Profit</b>	<b>261,785</b>	139,311	122,474
Selling, General and Administrative Expenses	137,514	129,552	
<b>Operating Income</b>	<b>124,271</b>	9,759	114,512
Other Income (Expenses):			
Interest and dividend income	7,299	6,814	
Interest expense	(2,746)	(3,307)	
Equity in earnings (losses) of affiliates	2,704	(90)	
Reversal of allowance-doubtful accounts	409	-	
Gain on sales of property, plant and equipment	649	697	
Gain on negative goodwill	4,048	-	
Loss on sales or disposal of property, plant and equipment	(2,132)	(2,853)	
Impairment loss on long-lived assets	-	(113)	
Impairment loss on investment securities	(1)	(328)	
Foreign exchange gain	626	2,971	
Loss on liquidation of a subsidiary	-	(2,515)	
Loss on valuation of investments in capital	-	(1,026)	
Other, net	2,915	4,273	
<b>Income before income taxes and minority interests</b>	<b>138,042</b>	14,282	123,760
Income Taxes:			
Current	32,862	11,062	
Deferred	2,875	(5,344)	
Minority Interests in Net Income	8,609	3,510	
<b>Net Income</b>	<b>93,696</b>	5,054	88,642

## Segment Information

<u>Geographical Segments (by company location)</u>		Millions of yen
		6 months ended
		Sep. 30, 2010
Sales	Japan	1,080,716
	North America	274,441
	Europe	193,684
	Asia & Oceania	320,921
	Total	1,869,762
	Other	31,038
	Grand Total	1,900,800
Operating Income	Japan	57,820
	North America	14,115
	Europe	5,384
	Asia & Oceania	44,606
	Total	121,925
	Other	4,009
	Grand Total	125,934