

DENSO CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results of the Fiscal Year Ended March 31, 2011

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DENSO CORPORATION

CODE: 6902

Listed on the Tokyo and
Nagoya stock exchanges

Results of the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)

(1) Operating Results

(Millions of yen, except per share figures)

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2010
Net sales.....	3,131,460	2,976,709
% change from the previous corresponding period.....	5.2%	(5.3%)
Operating income.....	188,331	136,640
% change from the previous corresponding period.....	37.8%	-
Income before income taxes and minority interests.....	211,667	146,913
% change from the previous corresponding period.....	44.1%	-
Net income.....	143,033	73,427
% change from the previous corresponding period.....	94.8%	-
Basic net income per share.....	177.49 yen	91.11 yen
Diluted net income per share	- yen	91.11 yen
Return on equity.....	7.4 %	4.0 %

Notes 1. Equity in earnings of affiliates Year ended Mar. 31, 2011 : 3,273 millions of yen
Year ended Mar. 31, 2010 : 2,129 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 Mar. 31, 2011	As of Mar. 31, 2010
Total assets.....	3,380,433	3,364,070
Total equity.....	2,072,443	2,032,264
Equity ratio.....	58.1 %	57.0 %
Equity per share.....	2,435.14 yen	2,378.18 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 Mar. 31, 2011	Year ended Mar. 31, 2010
Net cash provided by operating activities.....	395,527	357,141
Net cash used in investing activities.....	(327,886)	(155,115)
Net cash (used in) provided by financing activities.....	(44,773)	29,153
Cash and Cash Equivalents at End of Period.....	688,626	681,725

(4) Consolidation Scope

Number of consolidated subsidiaries : 187

Number of affiliates : 31 (Affiliates accounted for by the equity method : 31)

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

Consolidated subsidiaries

Added : 6

Excluded : 3

Companies accounted for by the equity method

Added : 2

Excluded : 1

Consolidated Balance Sheets

	Millions of yen		
Assets	As of Mar. 31, 2011	As of Mar. 31, 2010	Increase (Decrease)
Current Assets:			
Cash and cash equivalents	688,626	681,725	
Short-term investments	245,001	101,279	
Notes and accounts receivable, less allowance for doubtful accounts	485,108	561,878	
Inventories	288,736	266,264	
Deferred tax assets	64,298	59,826	
Other current assets	92,742	84,150	
Total current assets	1,864,511	1,755,122	109,389
Property, Plant and Equipment:			
Land	156,477	156,669	
Buildings and structures	709,842	710,380	
Machinery and equipment	2,558,251	2,571,558	
Construction in progress	55,819	46,597	
	3,480,389	3,485,204	
Less: Accumulated depreciation	(2,657,161)	(2,582,504)	
Net property, plant and equipment	823,228	902,700	(79,472)
Investments and Other Assets	692,694	706,248	(13,554)
Total	3,380,433	3,364,070	16,363
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Liabilities and Equity	As of Mar. 31, 2011	As of Mar. 31, 2010	Increase (Decrease)
Current Liabilities:			
Short-term borrowings	51,590	29,898	
Current portion of long-term debt	42,388	15,629	
Notes and accounts payable	394,801	422,997	
Income taxes payable	24,941	13,114	
Accrued expenses	207,962	205,424	
Other current liabilities	70,789	74,690	
Total current liabilities	792,471	761,752	30,719
Long-term Liabilities:			
Long-term debt	305,622	363,931	
Liabilities for retirement benefits to employees, directors, corporate auditors and managing officers	186,026	182,381	
Deferred tax liabilities	9,019	10,310	
Other long-term liabilities	14,852	13,432	
Total long-term liabilities	515,519	570,054	(54,535)
Shareholders' Equity:			
Common stock	187,457	187,457	
Capital surplus	266,616	266,610	
Retained earnings	1,741,008	1,626,988	
Treasury stock - at cost	(198,584)	(198,498)	
Total shareholders' equity	1,996,497	1,882,557	113,940
Variance of the Estimate/Conversion:			
Unrealized gain on available-for-sale securities	129,215	154,178	
Deferred gain on derivatives under hedge accounting	59	161	
Foreign currency translation adjustments	(163,372)	(120,317)	
Total variance of the estimate/conversion	(34,098)	34,022	(68,120)
Stock Acquisition Rights	3,462	2,750	712
Minority Interests	106,582	112,935	(6,353)
Total equity	2,072,443	2,032,264	40,179
Total	3,380,433	3,364,070	16,363

Consolidated Statements of Income

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2010	Millions of yen Increase (Decrease)
Net Sales	3,131,460	2,976,709	154,751
Cost of Sales	2,661,963	2,559,993	101,970
Gross Profit	469,497	416,716	52,781
Selling, General and Administrative Expenses	281,166	280,076	
Operating Income	188,331	136,640	51,691
Other Income (Expenses):			
Interest and dividend income	14,175	12,110	
Interest expense	(5,208)	(5,936)	
Equity in earnings of affiliates	3,273	2,129	
Reversal of allowance-doubtful accounts	503	-	
Gain on sales of property, plant and equipment	1,430	1,293	
Gain on negative goodwill	4,048	-	
Loss on sales or disposal of property, plant and equipment	(4,721)	(7,083)	
Impairment loss on long-lived assets	(523)	(514)	
Impairment loss on investment securities	(2)	(344)	
Loss on sales of investment securities	(567)	-	
Foreign exchange gain	6,148	6,767	
Loss on liquidation of a subsidiary	-	(2,656)	
Loss on valuation of investments in capital	-	(1,026)	
Retirement benefit plan of subsidiaries at transition	-	(994)	
Loss on sales of stocks of subsidiaries and affiliates	-	(234)	
Other, net	4,780	6,761	
Income before income taxes and minority interests	211,667	146,913	64,754
Income Taxes:			
Current	54,743	29,336	
Deferred	(1,972)	38,266	
Minority Interests in Net Income	15,863	5,884	
Net Income	143,033	73,427	69,606

Statements of Changes in Equity

Millions of yen

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2010
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	266,610	266,635
Gain (Loss) on disposal of treasury stock	6	(25)
Balance at end of period	266,616	266,610
Retained Earnings:		
Balance at beginning of period	1,626,988	1,574,515
Cash dividends	(29,013)	(20,954)
Net income	143,033	73,427
Balance at end of period	1,741,008	1,626,988
Treasury Stock – at cost:		
Balance at beginning of period	(198,498)	(198,629)
Purchase of treasury stock	(165)	(19)
Disposal of treasury stock	79	150
Balance at end of period	(198,584)	(198,498)
Unrealized Gain on Available-for-sale Securities:		
Balance at beginning of period	154,178	89,000
Net change	(24,963)	65,178
Balance at end of period	129,215	154,178
Deferred Gain (Loss) on Derivatives under Hedge Accounting:		
Balance at beginning of period	161	(270)
Net change	(102)	431
Balance at end of period	59	161
Foreign Currency Translation Adjustments:		
Balance at beginning of period	(120,317)	(129,007)
Net change	(43,055)	8,690
Balance at end of period	(163,372)	(120,317)
Stock Acquisition Rights		
Balance at beginning of period	2,750	1,852
Net change	712	898
Balance at end of period	3,462	2,750
Minority Interests		
Balance at beginning of period	112,935	109,166
Net change	(6,353)	3,769
Balance at end of period	106,582	112,935
Total Equity at End of Period	2,072,443	2,032,264

Consolidated Statements of Cash Flows

	Year ended Mar. 31, 2011	Year ended Mar. 31, 2010	Millions of yen Increase (Decrease)
Operating Activities:			
Income before income taxes and minority interests	211,667	146,913	
Adjustments for:			
Payment of income taxes	(47,601)	(25,649)	
Depreciation	193,082	237,944	
Impairment loss on long-lived assets	523	514	
Amortization of goodwill	(249)	(363)	
Increase (Decrease) in liability for retirement benefits	4,448	(1,361)	
Equity in earnings of affiliates	(3,273)	(2,129)	
Loss on sale or disposal of property, plant and equipment, net	3,291	5,790	
Gain on sale of investment securities	(55)	(4)	
Loss on valuation of investment securities	2	344	
Foreign exchange loss	2,702	1,392	
Changes in assets and liabilities:			
Decrease (Increase) in notes and accounts receivable	59,680	(190,491)	
Increase in inventories	(33,674)	(11,291)	
(Decrease) Increase in notes and accounts payable	(19,515)	122,937	
Decrease in prepaid pension cost	21,121	23,990	
Other, net	3,378	48,605	
Total adjustments	183,860	210,228	(26,368)
Net cash provided by operating activities	395,527	357,141	38,386
Investing Activities:			
Acquisition of property, plant and equipment	(143,988)	(126,991)	
Purchase of available-for-sale securities	(204,756)	(69,597)	
Proceeds from sale and redemption of available-for-sale securities	107,037	39,771	
Other, net	(86,179)	1,702	
Net cash used in by investing activities	(327,886)	(155,115)	(172,771)
Financing Activities:			
Net decrease in short-term borrowings	27,537	67	
Proceeds from long-term borrowings	-	34,491	
Repayments of long-term borrowings	(29,564)	(18,908)	
Proceeds from issuance of bonds	-	40,000	
Repayments of bonds	-	(236)	
Dividends paid	(29,013)	(20,954)	
Purchase of treasury stock	(165)	(19)	
Other, net	(13,568)	(5,288)	
Net cash (used in) provided by financing activities	(44,773)	29,153	(73,926)
Foreign Currency Translation Adjustments on			
Cash and Cash Equivalents	(15,967)	56	
Net Increase in Cash and Cash Equivalents	6,901	231,235	
Cash and Cash Equivalents at Beginning of Period	681,725	450,490	
Cash and Cash Equivalents at End of Period	688,626	681,725	6,901

Segment Information

<u>Geographical Segments (by company location)</u>		Millions of yen	
		Year ended Mar. 31, 2011	
Sales	Japan	Customers	1,548,201
		Intersegment	564,733
		Total	2,112,934
	North America	Customers	528,868
		Intersegment	7,172
		Total	536,040
	Europe	Customers	389,584
		Intersegment	11,748
		Total	401,332
	Asia & Oceania	Customers	604,651
		Intersegment	47,817
		Total	652,468
	Other	Customers	60,156
		Intersegment	177
		Total	60,333
Total	Customers	3,131,460	
	Intersegment	631,647	
	Total	3,763,107	
	Eliminations	(631,647)	
	Consolidated	3,131,460	
Operating Income	Japan	63,388	
	North America	25,364	
	Europe	10,929	
	Asia & Oceania	83,021	
	Other	6,473	
	Total	189,175	
	Eliminations	(844)	
	Consolidated	188,331	
Assets	Japan	1,748,748	
	North America	210,606	
	Europe	274,844	
	Asia & Oceania	482,670	
	Other	50,354	
	Total	2,767,222	
	Corporate and eliminations	613,211	
	Consolidated	3,380,433	