

# DENSO Announces First-half Financial Results

OCT 30 | 2015

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**KARIYA (Japan)** – DENSO Corp. today announced its global financial results for the first half of the fiscal year ending March 31, 2016:

- Consolidated revenue totaled 2,228.5 billion yen (US\$18.6 billion), a 7.6 percent increase from the previous year.
- Consolidated operating profit totaled 148.0 billion yen (US\$1.2 billion), a 1.2 percent decrease from the previous year.
- Consolidated profit attributable to owners of the parent company totaled 113.1 billion yen (US\$942.4 million), a 0.9 percent increase from the previous year.

“DENSO’s revenue increased due to an overseas production volume increase and the growth in sales in addition to the impact of the weak yen. On the other hand, operating profit decreased due to the increase in research and development cost and start-up cost for new products,” said Koji Arima, president and CEO of DENSO Corporation.

In Japan, a production volume decrease mainly in compact cars led to a decrease in revenue to 1,282.8 billion yen (US\$10.7 billion), a 0.9 percent decrease from the previous year. The decrease in production volume and the increase in R&D cost, start-up cost and other expenses led to an operating profit of 71.4 billion yen (US\$595.4 million), a 24.5 percent decrease from the previous year.

In North America, an increase in car production, boosted by the steady economic growth, led to an increase in revenue to 557.0 billion yen (US\$4.6 billion), a 24.8 percent increase from the previous year. As a result of the increase in production volume, the operating profit totaled 25.0 billion yen (US\$208.1 million), an 79.4 percent increase from the previous year.

In Europe, car production increased due to the recovery of the economic slump, which led to an increase in revenue to 295.4 billion yen (US\$2.5 billion), a 11.4 percent increase from the previous year. Due to the start-up costs, the operating profit totaled 6.2 billion yen (US\$51.7 million), a 13.1 percent decrease from the previous year.

In Asia, the increase of car production resulted in a revenue increase of 575.6 billion yen (US\$4.8 billion), a 16.2 percent increase from the previous year. As a result of the increase in production volume as well as depreciation of yen, an operating profit totaled 42.3 billion yen (US\$352.3 million), a 28.6 percent increase from the previous year.

In other areas, mainly the South American region, including Brazil and Argentina, revenue totaled 32.2 billion yen (US\$268.5 million), a 14.7 percent decrease from the previous year. The operating loss totaled 0.7 billion yen (US\$5.7 million).

“Considering the financial results in the first-half, as well as the market trend, we have decided to revise the original forecast for the full-year financial results,” said Ito. (Foreign exchange rates used for the full-year are: US\$= 121 yen Euro=133 yen)

### **Forecast for Fiscal Year Ending March 31, 2016**

|  | <b>Full-Year<br/>Forecast(Original)</b>   | <b>Full-Year Forecast<br/>(Revised)</b>   |
|--|---|---|
| <b>Revenue</b>   | 4,470.0 billion yen<br>[US\$37.3 billion] | 4,520.0 billion yen<br>[US\$37.7 billion] |
| <b>Operating profit</b>  | 380.0 billion yen<br>[US\$3.2 billion]    | 350.0 billion yen<br>[US\$2.9 billion]    |
| <b>Profit before income taxes</b>                              | 414.0 billion yen<br>[US\$3.5 billion]    | 383.0 billion yen<br>[US\$3.2 billion]    |
| <b>Profit attributable to owners of<br/>the parent company</b> | 280.0 billion yen<br>[US\$2.3 billion]    | 260.0 billion yen<br>[US\$2.2 billion]    |

### **(Notes)**

The above forecasts are created based on the information obtained by the date of this announcement and the actual results may differ due to various causes in the future.

U.S. dollar amounts have been translated, for convenience only, at the rate of 122.45 yen = US\$1, the approximate exchange rate prevailing in the Tokyo Foreign Exchange Market on June 30, 2015. Billion is used in the American sense of one thousand million.

**About DENSO:** DENSO Corp., headquartered in Kariya, Aichi prefecture, Japan, is a leading global automotive supplier of advanced technology, systems and components in the areas of thermal, powertrain control, electronics and information and safety. Its customers include all the world's major carmakers. Worldwide, the company has more than 200 subsidiaries and affiliates in 38 countries and regions (including Japan) and employs more than 140,000 people. Consolidated global sales for the fiscal year ending March 31, 2015, totaled US\$35.9 billion. Last fiscal year, DENSO spent 9.2 percent of its global consolidated sales on research and development. DENSO common stock is traded on the Tokyo and Nagoya stock exchanges. For more information, go to [www.globaldenso.com](http://www.globaldenso.com), or visit our media website at [www.densomediacycenter.com](http://www.densomediacycenter.com).

**About DENSO in North America:** In North America, DENSO employs more than 22,000 people at 30 consolidated companies and affiliates. Of these, 25 are manufacturing facilities located in the United States, Canada and Mexico. In the United States alone, DENSO employs more than 14,000 people in California, Michigan, North Carolina, South Carolina, Tennessee, Kentucky, Georgia, Iowa, Ohio, Pennsylvania, Texas and Arkansas. DENSO's North American consolidated sales totaled US\$8.0 billion for the fiscal year ending March 31, 2015. For more information, go to [www.densocorp-na.com](http://www.densocorp-na.com).

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