

DENSO Announces First-half Financial Results

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KARIYA (Japan) ?DENSO Corporation today announced its global financial results for the first half of the fiscal year ending March 31, 2017:

- Consolidated revenue totaled 2,176.9 billion yen (US\$21.5 billion), an 2.3 percent decrease from the previous year.
- Consolidated operating profit totaled 142.7 billion yen (US\$1.4 billion), a 3.6 percent decrease from the previous year.
- Consolidated profit attributable to owners of the parent company totaled 97.5 billion yen (US\$964.1 million), a 13.8 percent decrease from the previous year.

“Despite the production volume increase and the growth in sales, DENSO’s revenue and operating profit decreased due to the appreciation of the yen,” said Koji Arima, president and CEO of DENSO Corporation.

In Japan, despite the impact of the exchange rate, the production volume increase led to an increase in revenue to 1,292.3 billion yen (US\$12.8 billion), an 0.7 percent increase from the previous year. The impact of the exchange rate of export sales led to an operating profit of 52.6 billion yen (US\$519.8 million), a 26.4 percent decrease from the previous year.

In North America, despite an increase in car production and sales expansion, boosted by the steady economic growth, impact of exchange rate led to a decrease in revenue to 516.6 billion yen (US\$5.1 billion), a 7.3 percent decrease from the previous year. As a result of the increase in production volume, the operating profit totaled 29.5 billion yen (US\$291.9 million), a 18.3 percent increase from the previous year.

In Europe, despite car production increase and sales expansion due to the moderate recovery of the market, impact of exchange rate led to a decrease in revenue to 280.2 billion yen (US\$2.8billion), an 5.1 percent decrease from the previous year. As a result of the increase in production volume, the operating profit totaled to 9.3 billion yen (US\$92.5 million), a 50.9 percent increase from the previous year.

In Asia, despite the increase of car production and sales expansion, impact of exchange rate resulted in a revenue decrease of 539.3 billion yen (US\$5.3 billion), a 6.3 percent decrease from the previous year. As a result of the increase in production volume, an operating profit totaled 46.1 billion yen (US\$456.1 million), a 9.1 percent increase from the previous year.

In other areas, mainly the South American region, including Brazil and Argentina, revenue totaled 30.5 billion yen (US\$301.9 million), an 5.4 percent decrease from the previous year. The operating profit totaled 1.7 billion yen (US\$17.1 million).

“Considering the market trend, we have decided to revise the original forecasts for the full-year financial results,” said Arima.

(Foreign exchange rates used for the full-year are: US\$= 105 yen, Euro= 117 yen)

Forecast for Fiscal Year Ending March 31, 2017

	Full-Year Forecast (Original)	Full-Year Forecast (Revised)
Revenue	4,400.0 billion yen [US\$43.5 billion]	4,380.0 billion yen [US\$43.3 billion]
Operating profit	284.0 billion yen [US\$2.8 billion]	290.0 billion yen [US\$2.9 billion]
Profit before income taxes	310.0 billion yen [US\$3.1 billion]	310.0 billion yen [US\$3.1 billion]
Profit attributable to owners of the parent company	203.0 billion yen [US\$2.0 billion]	204.0 billion yen [US\$2.0 billion]

About DENSO Corporation

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 150,000 people. Consolidated global sales for the fiscal year ending March 31, 2016, totaled US\$40.2 billion. Last fiscal year, DENSO spent 8.8 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.denso.com, or visit our media website at www.denso.com/global/en/news/media-center/

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 and employs nearly 140,000 people. Consolidated global sales for the fiscal year ending March 31, 2014, totaled US\$39.8 billion. Last fiscal year, DENSO spent 9 percent of its global consolidated sales on research and development. DENSO common stock is traded on the Tokyo and Nagoya stock exchanges.

In North America, DENSO employs more than 23,000 people at 30 consolidated companies and affiliates. Of these, 28 are manufacturing facilities located in the United States, Canada and Mexico. In the United States alone, DENSO employs more than 15,000 people in Alabama, Arkansas, California, Iowa, Georgia, Kentucky Michigan, North Carolina, Ohio, Pennsylvania South Carolina, Tennessee and Texas. DENSO's North American headquarters is located in Southfield, Michigan. DENSO's North American consolidated sales totaled US\$9.9 billion for the fiscal year ending March 31, 2016. For more information, go to www.densocorp-na.com.

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(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 101.12 yen = US\$1, the approximate exchange rate prevailing in the Tokyo Foreign Exchange Market September 30, 2016. Billion is used in the American sense of one thousand million.

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