

DENSO Announces First-quarter Financial Results

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KARIYA (Japan) – DENSO Corporation today announced its global financial results for the first quarter ending June 30, 2014:

- Consolidated net sales totaled 1,029.1 billion yen (US\$10.2 billion), a 3.2 percent increase from the previous year.
- Consolidated operating income totaled 85.1 billion yen (US\$839.1 million), a 16.7 percent decrease from the previous year.
- Consolidated net income totaled 68.8 billion yen (US\$678.7 million), a 20.1 percent decrease from the previous year.

”The sales increased due to the production volume increase. Despite the variable cost reduction and the increase in production volume, the operating income decreased due to research and development expenditures and investment costs that will strengthen future growth,” said Kenichiro Ito, executive director of DENSO Corporation.

In Japan, the shift towards compact cars, as well as the decrease of export sales led to a decrease in sales to 634.3 billion yen (US\$6.3 billion), a 3.0 percent decrease from the previous year. The decrease in production volume and the increase in labor costs and other expenses led to an operating income of 55.2 billion yen (US\$544.8 million), a 26.6 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 sales to 224.5 billion yen (US\$2.2 billion), an 8.3 percent increase from the previous year. As a result of the increase in production volume and the cost reduction effort, the operating income totaled 7.5 billion yen (US\$73.9 million), a 19.8 percent increase from the previous year.

In Europe, car production increase due to the economic slump recovery led to an increase in sales to 138.1 billion yen (US\$1.4 billion), a 17.1

percent increase from the previous year. Due to the increase in production volume and the cost reduction effort, the operating income totaled 4.0 billion yen (US\$39.3 million), a 130.5 percent increase from the previous year.

In Asia and Oceania, the increase of car production mainly in China resulted in a sales increase to 244.8 billion yen (US\$2.4 billion), a 5.8 percent increase from the previous year. The increase in labor costs and the expenditure on the establishment of plants and technical centers for strengthening future growth led to an operating income of 17.2 billion yen (US\$169.8 million), a 19.4 percent decrease from the previous year.

In other areas, mainly the South American region, including Brazil and Argentina, sales totaled 18.4 billion yen (US\$181.3 million), a 13.1 percent decrease from the previous year. The operating loss totaled 0.2 billion yen (US\$2.0 million), a 121.4 percent decrease from the previous year.

**The forecasts for the first-half and full-year financial results are unchanged, since the financial results of this first-quarter were as planned in the original forecast.*

(Foreign exchange rates used for the first-half and full-year financial result forecasts are: US\$= 100 yen, Euro=135 yen)

Forecast for Fiscal Year Ending March 31, 2015

	First-Half Forecast	Full-Year Forecast	Changes from Previous FY
Net Sales	2,022.0 billion yen [US\$19.9 billion]	4,140.0 billion yen [US\$40.8 billion]	+44.1 billion yen (+1.1 percent)
Operating Income	164.0 billion yen [US\$1.6 billion]	350.0 billion yen [US\$3.5 billion]	-27.7 billion yen (-7.3 percent)
Income before income taxes and minority interests	177.0 billion yen [US\$1.7 billion]	378.0 billion yen [US\$3.7 billion]	-40.6 billion yen (-9.7 percent)
Net Income	116.0 billion yen [US\$1.1 billion]	248.0 billion yen [US\$2.4 billion]	-39.4 billion yen (-13.7 percent)

About DENSO Corporation:

DENSO Corporation, 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 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 9.0 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.

About DENSO in North America:

DENSO employs more than 17,000 people at 33 consolidated companies and affiliates throughout North America. Of these, 28 are manufacturing facilities located in the U.S., Canada and Mexico. In the U.S. alone, DENSO employs more than 14,000 people in California, Alabama, Michigan, North Carolina, South Carolina, Tennessee, Kentucky, Georgia, Iowa, Ohio, Arkansas, and Pennsylvania. DENSO's North American consolidated sales totaled US\$7.9 billion for the fiscal year ending March 31, 2014.

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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 101.36 yen = US\$1, the approximate exchange rate prevailing in the Tokyo Foreign Exchange Market on June 30, 2014. Billion is used in the American sense of one thousand million.