

DENSO Announces Third-quarter Financial Results

FEB 03 | 2014

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Upward revision to the full-year forecast

KARIYA (Japan) – DENSO Corporation today announced its third quarter global financial results for the nine months ending Dec. 31, 2013:

- Consolidated net sales totaled 3,016.6 billion yen (US\$28.8 billion), a 17.4 percent increase from the previous year.
- Consolidated operating income totaled 289.9 billion yen (US\$2.8 billion), a 54.2 percent increase from the previous year.
- Consolidated net income totaled 225.6 billion yen (US\$2.2 billion), a 72.5 percent increase from the previous year.

”The sales and operating income increased due to an increase in car production mainly in North America, in addition to the impact of the weak yen,” said Kenichiro Ito, executive director of DENSO Corporation.

In Japan, although car production level was the same as the previous year, the increase of export sales and the effect of the weak yen led to an increase in sales to 2,020.0 billion yen (US\$19.3 billion), an 11.1 percent increase from the previous year. Also, despite an increase mainly in R&D expenses, the increase in production volume and the currency exchange gain, in addition to the cost reduction effort, led to an operating income of 220.1 billion yen (US\$2.1 billion), a 75.6 percent increase from the previous year.

In North America, an increase in car production and the impact of the weak yen led to an increase in sales to 599.8 billion yen (US\$5.7 billion), a 33.2 percent increase from the previous year. As a result of the increase in production volume, the operating income totaled 11.7 billion yen (US\$111.3 million), a 26.3 percent increase from the previous

year.

In Europe, the gradual recovery from the economic slump and the effect of the weak yen led to an increase in sales to 355.7 billion yen (US\$3.4 billion), a 37.1 percent increase from the previous year. As a result of the increase in production volume, the operating income totaled 6.5 billion yen (US\$61.6 million), a 687.7 percent increase from the previous year.

In Asia and Oceania, the increase in car production mainly in China and the effect of the weak yen resulted in a sales increase to 707.7 billion yen (US\$6.7 billion), a 30.9 percent increase from the previous year. Despite an increase in labor costs, the increase in production volume and the currency exchange gain led to an operating income of 58.6 billion yen (US\$559.1 million), a 10.4 percent increase from the previous year.

In other areas, mainly the South American region, including countries such as Brazil and Argentina, sales totaled 56.2 billion yen (US\$535.5 million), a 22.7 percent increase from the previous year. The operating income totaled 402.5 million yen (US\$3.8 million), an 84.2 percent decrease from the previous year.

”Considering business conditions, such as an increase in car production mainly in Japan and the depreciation of the yen, we have decided to upwardly revise the original forecasts for the full-year financial results,” said Ito.

(Foreign exchange rates used for fourth quarter are US\$= 104 yen Euro= 142 yen, and for the full-year are: US\$= 100 yen Euro=135 yen)

Forecast for Fiscal Year Ending March 31, 2014

	FY Forecast (Previous announced)	FY Forecast (Revised)	Changes from Previous FY
Net Sales	4,010.0 billion yen [US\$38.2 billion]	4,080.0 billion yen [US\$38.9 billion]	+499.1 billion yen (+13.9 percent)
Operating income	360.0 billion yen [US\$ 3.4 billion]	380.0 billion yen [US\$3.6 billion]	+117.6 billion yen (+44.8 percent)
Income before income taxes and minority interests	391.0 billion yen [US\$3.7 billion]	420.0 billion yen [US\$4.0 billion]	+138.1 billion yen (+49.0 percent)
Net income	264.0 billion yen [US\$2.5 billion]	283.0 billion yen [US\$2.7 billion]	+101.3 billion yen (+55.8 percent)

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 36 countries and regions (including Japan) and employs more than 130,000 people. Consolidated global sales for the fiscal year ending March 31, 2013, totaled US\$38.1 billion. Last fiscal year, DENSO spent 9.4 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.

Currently, in North America, DENSO employs more than 17,000 people at 32 consolidated companies and affiliates. Of these, 28 are manufacturing facilities located in the U.S., Canada and Mexico. In the U.S. alone, DENSO employs more than 11,000 people in California, Michigan, North Carolina, South Carolina, Tennessee, Kentucky, Georgia, Iowa, Ohio, and Arkansas. DENSO's North American consolidated sales totaling US\$6.8 billion for the fiscal year ending March 31, 2013.

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