

DENSO Announces Third-quarter Financial Results

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Upward revision to the full-year forecast

KARIYA (Japan) – DENSO Corp. today announced its third quarter global financial results for the nine months ending Dec. 31, 2014:

- Consolidated net sales totaled 3,160.3 billion yen (US\$26.2 billion), a 4.8 percent increase from the previous year.
- Consolidated operating income totaled 255.3 billion yen (US\$2.1 billion), an 11.9 percent decrease from the previous year.
- Consolidated net income totaled 195.4 billion yen (US\$1.6 billion), a 13.4 percent decrease from the previous year.

“DENSO’s sales increased due to an overseas production volume increase,” said Kenichiro Ito, executive director of DENSO Corporation. “However, despite cost reduction efforts, an increase in production volume as well as the depreciation of yen, research and development expenditures and investment costs for strengthening future growth led to a decrease in operating income.”

In Japan, the market shift towards compact cars and the decrease of export sales led to a decrease in sales to 1,972.4 billion yen (US\$16.4 billion), a 2.4 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 164.6 billion yen (US\$1.4 billion), a 25.2 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 695.9 billion yen (US\$5.8 billion), a 16.0 percent increase from the previous year. As a result of the increase in production volume and the cost reduction effort, the operating income totaled 26.3 billion yen (US\$218.5 million), a 125.6 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 sales to 402.7 billion yen (US\$3.3 billion), a 13.2 percent increase from the previous year. Due to the increase in production volume and the cost reduction effort, the operating income totaled 11.2 billion yen (US\$92.8 million), a 73.2 percent increase from the previous year.

In Asia and Oceania, the increase of car production, mainly in China, resulted in a sales increase of 771.8 billion yen (US\$6.4 billion), a 9.1 percent increase from the previous year. The increase in labor costs and the expenditure on production and research and development capability for strengthening future growth led to an operating income of 54.1 billion yen (US\$448.4 million), a 7.8 percent decrease from the previous year.

In other areas, mainly the South American region, including Brazil and Argentina, sales totaled 56.9 billion yen (US\$471.9 million), a 1.3 percent increase from the previous year. The operating income totaled 0.9 billion yen (US\$7.1 million), a 112.7 percent increase from the previous year.

“Considering business conditions, such as the decrease in car production mainly in Japan and Asia and Oceania, 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\$= 115yen Euro= 135yen, and for the full-year are: US\$= 109yen Euro=139yen)

Forecast for Fiscal Year Ending March 31, 2015

	FY Forecast,(Original)	FY Forecast,(Revised)	Changes from Previous FY
Net Sales	4,230.0 billion yen [US\$35.1 billion]	4,270.0 billion yen, [US\$35.4 billion]	+174.1 billion en,(+4.2 percent)
Operating income	350.0 billion yen [US\$2.9 billion]	355.0 billion yen,[US\$2.9 billion]	-22.7 billion yen,(-6.0 percent)
Income before income taxes and,minority interests	377.8 billion yen,[US\$3.1 billion]	385.0 billion yen,[US\$3.2 billion]	-33.6 billion yen,(-8.0 percent)
Net income	248.0 billion yen,[US\$2.1 billion]	264.0 billion yen,[US\$2.2 billion]	-23.4 billion yen,(-8.1 percent)

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 9.0 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, or visit our media website at www.densomediacycenter.com.

About DENSO in North America:

Currently, in North America, DENSO employs more than 17,000 people at 33 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 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 totaling US\$7.9 billion for the fiscal year ending March 31, 2014.

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

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