

# DENSO Announces Year-end Financial Results

APR 25 | 2014

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**KARIYA, Japan**— DENSO Corporation today announced its global financial results for the fiscal year ending March 31, 2014:

- Consolidated net sales totaled 4,095.9 billion yen (US\$39.8 billion), a 14.4 percent increase from the previous year.
- Consolidated operating income totaled 377.7 billion yen (US\$3.7 billion), a 44.0 percent increase from the previous year.
- Consolidated net income totaled 287.4 billion yen (US\$2.8 billion), a 58.2 percent increase from the previous year.

”The sales and operating income increased due to an increase in car production mainly in developed countries, in addition to the impact of the weak yen,” said Nobuaki Katoh, president and CEO of DENSO Corporation.

In Japan, the increase in car production and the impact of the weak yen led to an increase in sales to 2,717.6 billion yen (US\$26.4 billion), an 10.3 percent increase from the previous year. Also, despite an increase mainly in R&D expenses, increase in production volume and the currency exchange gain, in addition to the cost reduction effort, led to an operating income of 283.3 billion yen (US\$2.8 billion), a 66.0 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 816.6 billion yen (US\$7.9 billion), a 28.5 percent increase from the previous year. As a result of the increase in production volume, the operating income totaled 14.7 billion yen (US\$142.4 million), a 9.1 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 498.9 billion yen (US\$4.8 billion), a 34.0 percent increase from the previous year. As a result of the increase in production volume, the operating income totaled 12.4 billion yen (US\$120.1 million), a 216.1 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 943.1 billion yen (US\$9.2 billion), a 18.8 percent increase from the previous year. Increase in labor costs and the expenditure on the establishment of plants and technical centers for future competitiveness led to an operating income of 71.2 billion yen (US\$692.1 million), a 3.3 percent decrease from the previous year.

In other areas, mainly the South American region, including countries such as Brazil and Argentina, sales totaled 74.3 billion yen (US\$722.4 million), a 16.3 percent increase from the previous year. The operating income totaled 27.0 million yen (US\$0.3 million), a 99.1 percent decrease from the previous year.

“For the new fiscal year, we expect sales to increase and income to decrease from the previous year. This is due to the decrease in production volume within Japan, in addition to investment costs for initiating new products and to increase capabilities in overseas plants for future competitiveness,” said Katoh.

(Foreign exchange rates used for the next fiscal year are US\$= 100 yen, Euro= 135yen)

### Forecast for Fiscal Year Ending March 31, 2015

	Half-Year Forecast	FY Forecast	Changes from Previous FY
Net Sales	<span “=”>2,022.0 billion yen [US\$19.6 billion]	<span “=”>4,140.0 billion yen [US\$40.2 billion]	+44.1 billion yen (+1.1 percent)
Operating income	<span “=”>164.0 billion yen [US\$1.6 billion]	<span “=”>350.0 billion yen [US\$3.4 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]	-39.4billion yen (-13.7 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 38 countries and regions (including Japan) and employs nearly 140,000 people. 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)

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 14,000 people in California, Michigan, North Carolina, South Carolina, Tennessee, Kentucky, Georgia, Iowa, Ohio, and Arkansas. DENSO's North American consolidated sales totaling 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 102.92 yen = US\$1, the approximate exchange rate prevailing in the Tokyo Foreign Exchange Market on March 31, 2014. Billion is used in the American sense of one thousand million.

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