

DENSO Announces Year-end Financial Results

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KARIYA (Japan) ?DENSO Corporation today announced its global financial results for the fiscal year ending March 31, 2016:

- Consolidated revenue totaled 4,524.5 billion yen (US\$40.2 billion), a 5.0 percent increase from the previous year.
- Consolidated operating profit totaled 315.7 billion yen (US\$2.8 billion), a 4.7 percent decrease from the previous year.
- Consolidated profit attributable to owners of the parent company totaled 244.3 billion yen (US\$2.2 billion), a 5.5 percent decrease from the previous year.

“DENSO’s revenue increased due to an overseas production volume increase and the growth in sales in addition to the impact of the weak yen. On the other hand, despite cost reduction effort and the production volume increase, operating profit decreased due to the increase in research and development cost and start-up cost for new products,” said Koji Arima, president and CEO of DENSO Corporation.

In Japan, a production volume decrease mainly in compact cars led to a decrease in revenue to 2,646.6 billion yen (US\$23.5 billion), a 0.7 percent decrease from the previous year. The increase in R&D cost for future growth in addition to the decrease in production volume and other expenses led to an operating profit of 154.5 billion yen (US\$1.4 billion), a 21.5 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 revenue to 1,112.7 billion yen (US\$9.9 billion), a 15.1 percent increase from the previous year. As a result of the increase in production volume, the operating profit totaled 47.7 billion yen (US\$423.4 million), a 20.8 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 revenue to 593.6 billion yen (US\$5.3 billion), a 7.0 percent increase from the previous year. Despite the production volume increase and the growth in sales, the depreciation expenses and other costs for start-up products led to the decrease in the operating profit to 14.4 billion yen (US\$127.9 million), a 14.3 percent decrease from the previous year.

In Asia, the increase of car production resulted in a revenue increase of 1,161.2 billion yen (US\$10.3 billion), a 10.6 percent increase from the previous year. As a result of the increase in production volume as well as cost reduction effort, an operating profit totaled 96.6 billion yen (US\$857.2 million), a 19.4 percent increase from the previous year.

In other areas, mainly the South American region, including Brazil and Argentina, revenue totaled 59.5 billion yen (US\$528.0 million), a 19.4 percent decrease from the previous year. The operating loss totaled 2.0 billion yen (US\$17.8 million).

“For the new fiscal year, despite production volume increase and the growth in sales, revenue and operating profit will decrease due to the exchange rate.” said Arima.

(Foreign exchange rates used for the next fiscal year are US\$= 110 yen, Euro= 125yen)

Forecast for Fiscal Year Ending March 31, 2017

	Half-Year Forecast	Full-Year Forecast	Changes from Previous FY
Revenue	2,200.0 billion yen [US\$19.5 billion]	4,500.0 billion yen [US\$39.9 billion]	-24.5 billion yen (-0.5 percent)
Operating profit	133.0 billion yen [US\$1.2 billion]	313.0 billion yen [US\$2.8 billion]	-2.7 billion yen (-0.9 percent)
Profit before income taxes	148.0 billion yen [US\$ 1.3 billion]	342.0 billion yen [US\$3.0 billion]	-5.3 billion yen (-1.5 percent)
Profit attributable to owners of the parent company	102.0 billion yen [US\$ 0.9 billion]	235.0 billion yen [US\$2.1 billion]	-9.3 billion yen (-3.8 percent)

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.globaldenso.com, or visit our media website at www.globaldenso.com/en/newsreleases/media-center/

About DENSO in North America:

In North America, DENSO employs more than 22,000 people at 30 consolidated companies and affiliates. Of these, 25 are manufacturing facilities located in the United States, Canada and Mexico. In the United States alone, DENSO employs more than 14,000 people in California, Michigan, North Carolina, South Carolina, Tennessee, Kentucky, Georgia, Iowa, Ohio, Pennsylvania, Texas and Arkansas. 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 112.68 yen = US\$1, the approximate exchange rate prevailing in the Tokyo Foreign Exchange Market on Mar 31, 2016. Billion is used in the American sense of one thousand million.

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