

For Immediate Release

October 31, 2018

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DENSO Announces First-half Financial Results

KARIYA (Japan) —Global automotive supplier DENSO Corporation today announced its global financial results for the first half ending September 30, 2018 for fiscal year ending March 31, 2019:

- Consolidated revenue totaled 2,625.0 billion yen (US\$23.1 billion), an 11.1 percent increase from the previous year.
- Consolidated operating profit totaled 152.4 billion yen (US\$1.3 billion), a 25.5 percent decrease from the previous year.
- Consolidated profit attributable to owners of the parent company totaled 114.1 billion yen (US\$1.0 billion), a 26.0 percent decrease from the previous year.

"DENSO's revenue rose due to an increase in global vehicle production in spite of natural disasters. In addition, newly consolidated subsidiary, DENSO TEN, contributed to growth in revenue. Operating profit decreased due to transient profit in the last fiscal year, variance of periods in collecting expenses and increase in investment for future growth toward becoming a leading mobility supplier," said Koji Arima, president and CEO of DENSO Corporation.

In Japan, in spite of natural disasters, an increase in vehicles equipped with safety-related products, as well as the impact from the newly consolidated subsidiary resulted in an increase in revenue to 1,573.2 billion yen (US\$13.9 billion), an 11.8 percent growth from the previous year. Despite a rise in production volume and cost-reduction efforts, an increase in investment for future growth and the impact of transient profit in the last fiscal year led to a drop in operating profit to 53.3 billion yen (US\$469.1 million), a 49.5 percent down from the previous year.

In North America, sales expansion led to an increase in revenue to 604.1 billion yen (US\$5.3 billion), a 10.2 percent increase from the previous year. Operating profit totaled 15.5 billion yen (US\$136.5 million), a 25.5 percent decrease from the previous year due to the increase in expenses for R&D and the investments for expanding production capabilities.

In Europe, revenue totaled 332.4 billion yen (US\$2.9 billion), a 7.3 percent increase from the

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previous year. As a result of the increase in production volume and cost-reduction efforts, operating profit totaled 9.6 billion yen (US\$84.4 million), an 8.0 percent increase from the previous year.

In Asia, a rise in vehicle production led to an increase in revenue to 718.1 billion yen (US\$6.3 billion), a 16.0 percent rise from the previous year. As a result of the increase in production volume and cost-reduction efforts, operating profit totaled 67.8 billion yen (US\$597.4 million), an 8.0 percent growth from the previous year.

In other areas, mainly the South American region, specifically Brazil and Argentina, revenue totaled 34.5 billion yen (US\$304.1 million), a 14.6 percent decrease from the previous year. Operating profit totaled 5.5 billion yen (US\$48.7 million), a 21.9 percent decrease from the previous year.

“Considering the first-half financial results and the latest movement in the foreign exchange markets, we have revised up our financial result forecast of operating profit for the full-year,” said Arima.

(Foreign exchange rates used for the full-year financial result forecast are US\$= 110yen, Euro= 130 yen)

Forecast for Fiscal Year Ending March 31, 2019

	Full-Year Forecast (Original)	Full-Year Forecast (Revised)	Changes from Previous FY
Revenue	5,400.0 billion yen [US\$47.5 billion]	5,400.0 billion yen [US\$47.5 billion]	+0.0 billion yen (+0.0 percent)
Operating profit	390.0 billion yen [US\$3.4 billion]	393.0 billion yen [US\$3.5 billion]	+3.0 billion yen (+0.8 percent)
Profit before income taxes	427.0 billion yen [US\$3.8 billion]	430.0 billion yen [US\$3.8 billion]	+3.0 billion yen (+0.7 percent)
Profit attributable to owners of the parent company	303.0 billion yen [US\$2.7 billion]	305.0 billion yen [US\$2.7 billion]	+2.0 billion yen (+0.7 percent)

(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 113.57 yen = US\$1, the approximate exchange rate prevailing in the Tokyo Foreign Exchange Market September. 28, 2018. Billion is used in the American sense of one thousand million.

About DENSO

DENSO is a \$48.1 billion global mobility supplier that develops advanced technology and components for nearly every vehicle make and model on the road today, including Toyota, Honda, FCA, GM, Ford, Volvo, and Mercedes-Benz. With manufacturing at its core, DENSO invests in its 220 facilities in 35 countries to produce thermal, powertrain, mobility, electrification, & electronic systems, to create jobs that directly change how the world moves. The company's 170,000+ employees are paving the way to a mobility future that improves lives, eliminates traffic accidents, and preserves the environment. Globally headquartered in Kariya, Japan, DENSO spent 8.8 percent of its global consolidated sales on research and development in the fiscal year ending March 31, 2018. For more information about global DENSO, visit <https://www.denso.com/global>.

In North America, DENSO employs 24,000+ engineers, researchers and skilled workers across 31 sites in the U.S, Canada and Mexico. In the United States alone, DENSO employs 17,000+ employees across 11 states and 25 sites. Headquartered in Southfield, Michigan, in fiscal year ending March 31, 2018, DENSO in North America generated \$10.9 billion in consolidated sales. Join us, and craft not only how the world moves, but also your career. For more information, go to <https://www.denso.com/us-ca/en/>.

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