

For Immediate Release

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DENSO Announces Year-end Financial Results

KARIYA (Japan) — [DENSO](#), the world's second largest mobility supplier, today announced its global financial results for the fiscal year ending March 31, 2019:

- Consolidated revenue totaled 5,362.8 billion yen (US\$48.3 billion), a 5.0 percent increase from the previous year.
- Consolidated operating profit totaled 316.2 billion yen (US\$2.8 billion), a 23.4 percent decrease from the previous year.
- Consolidated profit attributable to owners of the parent company totaled 254.5 billion yen (US\$2.3 billion), a 20.6 percent decrease from the previous year.

"DENSO's revenue rose in all regions due to an increase in global vehicle production, despite a market slowdown in Europe and China. In addition, DENSO's newly consolidated subsidiary, DENSO TEN, contributed to the additional growth in revenue. Operating profit decreased due to the company's increase in investments to help secure its future growth toward becoming a leading advanced mobility supplier. Additionally, transient profit in the last fiscal year and quality cost that were posted in the fourth quarter also attributed to a decrease in profitability," said Koji Arima, president and CEO of DENSO Corporation.

In Japan, 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 3,266.0 billion yen (US\$29.4 billion), a 5.9 percent growth from the previous year. Despite a rise in production volume and cost-reduction efforts, there was a drop in operating profit to 126.0 billion yen (US\$1,135.5 million), a 37.2 percent down from the previous year. This is attributed to investments for future growth, transient profit in the last fiscal year and quality costs.

In North America, a production volume increase and sales expansion led to an increase in revenue to 1,212.4 billion yen (US\$10.9 billion), a 4.9 percent increase from the previous year. Operating profit totaled 29.6 billion yen (US\$266.8 million), a 30.3 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 652.5 billion yen (US\$5.9 billion), an 1.5 percent decrease from the previous year. As a result of the increase in cost-reduction efforts, operating profit totaled 22.8 billion yen (US\$205.7 million), a 13.8 percent increase from the previous year.

In Asia, a rise in vehicle production led to an increase in revenue to 1,416.4 billion yen (US\$12.8 billion), a 7.1 percent rise from the previous year. In spite of the increase in production volume and cost-reduction efforts, due to impairment of a subsidiary in Korea, operating profit totaled 128.4 billion yen (US\$1,157.2 million), a 6.1 percent decrease from the previous year.

In other areas, mainly the South American region, specifically Brazil and Argentina, revenue totaled 72.7 billion yen (US\$655.4 million), a 7.9 percent decrease from the previous year. Operating profit totaled 10.3 billion yen (US\$92.9 million), a 23.1 percent decrease from the previous year.

“For the new fiscal year, revenue and operating profit will increase due to sales expansion of electrification and safety related products,” said Arima.

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

Forecast for Fiscal Year Ending March 31, 2020

| | Full-Year Forecast | Changes from Previous FY |
|---|---|-------------------------------------|
| Revenue | 5,500.0 billion yen [US\$49.6 billion] | 137.2 billion yen (+2.6 percent) |
| Operating profit | 380.0 billion yen [US\$3.4 billion] | 63.8 billion yen (+20.2 percent) |
| Profit before income taxes | 429.0 billion yen [US\$3.9 billion] | 73.0 billion yen (20.5 percent) |
| Profit attributable to owners of the parent company | 305.0 billion yen [US\$2.7 billion] | 50.5 billion yen (19.8 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 110.99 yen = US\$1, the approximate exchange rate prevailing in the Tokyo Foreign Exchange Market March. 29, 2019. Billion is used in the American sense of one thousand million.

About DENSO Corporation

DENSO is a \$48.3 billion global mobility supplier that develops advanced technology and components for nearly every vehicle make and model on the road today. With manufacturing at its core, DENSO invests in its 211 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 9.3 percent of its global consolidated sales on research and development in the fiscal year ending March 31, 2019. For more information about global DENSO, visit <https://www.denso.com/global>

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