

DENSO Announces Third-quarter Financial Results

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KARIYA (Japan) –DENSO Corporation today announced its global financial results for the nine months of the fiscal year ending March 31, 2017:

- Consolidated revenue totaled 3,311.5 billion yen (US\$28.4 billion), an 1.8 percent decrease from the previous year.
- Consolidated operating profit totaled 247.5 billion yen (US\$2.1 billion), an 1.8 percent increase from the previous year.
- Consolidated profit attributable to owners of the parent company totaled 190.9 billion yen (US\$1.6 billion), a 0.2 percent decrease from the previous year.

“Despite the production volume increase and sales expansion, DENSO’s revenue decreased due to appreciation of the yen. Despite the appreciation of the yen, operating profit increased due to the production volume, cost reduction efforts and improved other income /expenses. ,” said Yasushi Matsui, executive director of DENSO Corporation.

In Japan, despite the impact of the exchange rate, the production volume increase led to an increase in revenue to 1,982.2 billion yen (US\$17.0 billion), a 0.8 percent increase from the previous year. The impact of the exchange rate of export sales led to an operating profit of 106.9 billion yen (US\$917.3 million), a 15.5 percent decrease from the previous year.

In North America, despite an increase in car production and sales expansion, boosted by the steady economic growth, impact of exchange rate led to a decrease in revenue to 781.6 billion yen (US\$6.7 billion), a 5.6 percent decrease from the previous year. As a result of the increase in production volume, the operating profit totaled 43.4 billion yen (US\$373.0 million), a 35.1 percent increase from the previous year.

In Europe, despite car production increase and sales expansion due to the moderate recovery of the market, impact of exchange rate led to a decrease in revenue to 416.9 billion yen (US\$3.6billion), a 5.4 percent decrease from the previous year. As a result of the increase in production volume, the operating profit totaled to 14.3 billion yen (US\$122.8 million), a 33.5 percent increase from the previous year.

In Asia, despite the increase of car production and sales expansion, impact of exchange rate resulted in a revenue decrease of 839.8 billion yen (US\$7.2 billion), a 4.9 percent decrease from the previous year. As a result of the increase in production volume, an operating profit totaled 80.5 billion yen (US\$691.1 million), a 9.6 percent increase from the previous year.

In other areas, mainly the South American region, including Brazil and Argentina, revenue totaled 46.9 billion yen (US\$402.5 million), a 2.1 percent increase from the previous year. The operating profit totaled 4.0 billion yen (US\$34.4 million).

“Considering the financial results of the third quarter, as well as the change in foreign exchange difference occurred in the third quarter, we have decided to revise the original forecast for the full-year financial results,” said Matsui.

(Foreign exchange rates used for the full-year are: US\$= 106 yen, Euro= 117 yen)

Forecast for Fiscal Year Ending March 31, 2017

	Full-Year Forecast (Original)	Full-Year Forecast (Revised)
Revenue	4,380.0 billion yen [US\$37.6 billion]	4,440.0 billion yen [US\$38.1 billion]
Operating profit	290.0 billion yen [US\$2.5 billion]	298.0 billion yen [US\$2.6 billion]

Profit before income taxes	310.0 billion yen [US\$2.7 billion]	323.0 billion yen [US\$2.8 billion]
Profit attributable to owners of the parent company	204.0 billion yen [US\$1.8 billion]	214.0 billion yen [US\$1.8 billion]

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.denso.com, or visit our media website at www.denso.com/global/en/news/media-center/

(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 116.49 yen = US\$1, the approximate exchange rate prevailing in the Tokyo Foreign Exchange Market December 30, 2016. Billion is used in the American sense of one thousand million.

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