



FY2014 3rd Quarter Financial Results ended December 31, 2013

Feb 3, 2014

DENSO CORPORATION

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1. Sales and Income increased from the previous year (the highest for the third-quarter YTD period)

2. Upward revision of FY2014 full year forecast



FY2014 3rd Quarter Financial Results

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	(Ratio to Sales)		(Unit: Billions of Yen)	
	FY14 3Q YTD	FY13 3Q YTD	Change	
Sales	3,016.6	2,569.4	+447.2	+17.4%
Operating Income	(9.6%) 289.9	(7.3%) 188.0	+101.9	+54.2%
Income before Income Taxes	(10.9%) 329.4	(8.3%) 212.1	+117.3	+55.3%
Net Income	(7.5%) 225.6	(5.1%) 130.8	+94.8	+72.5%

			(Unit: Millions of Units)	
	JPY 99/\$ JPY132/Euro	JPY 80/\$ JPY102/Euro	Change	
Foreign Exchange Rate			+JPY 19	+JPY 30
Domestic Car Production	6.93	6.91	+ 0.02	+0.3%
Overseas Car Production of Japanese Manufacturers (North America)	13.28 (3.98)	12.37 (3.65)	+ 0.91 (+0.33)	+7.4% (+9.0%)

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[Overview of the consolidated financial results]

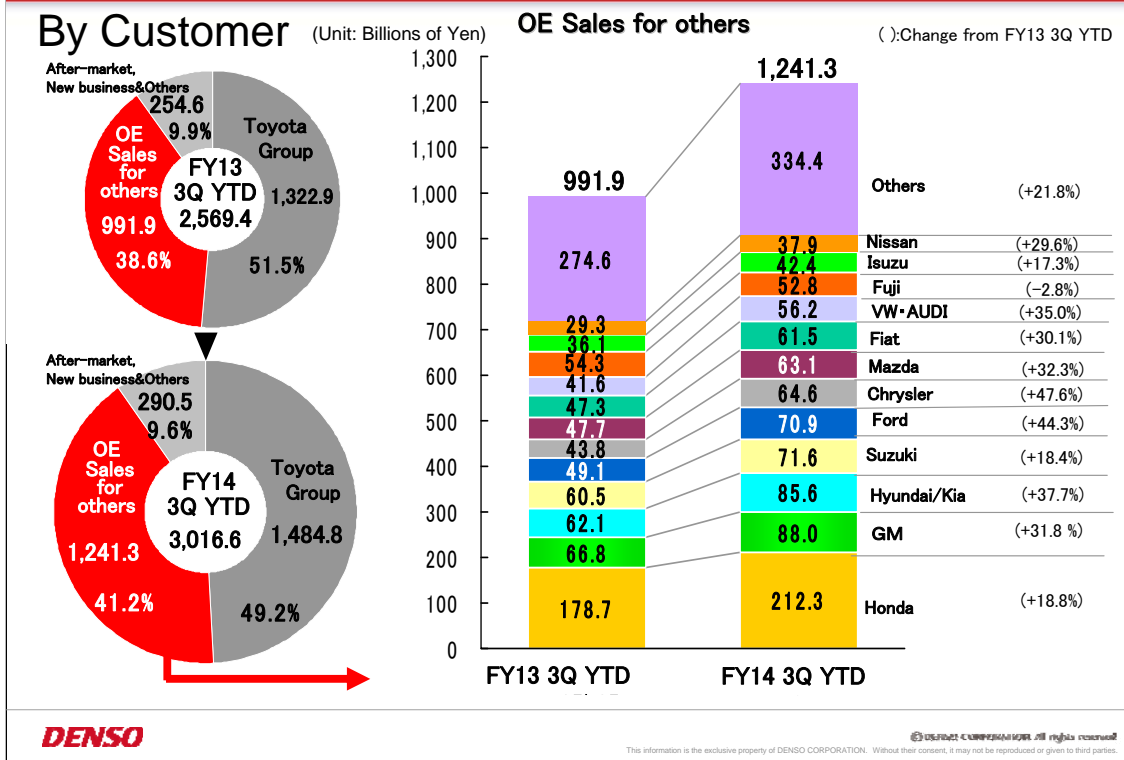
We posted sales of 3,016.6 billion yen, up 447.2 billion yen from the previous year, equivalent to annual revenue growth of 17.4%, due to an increase in car production mainly in North America, in addition to the impact of the weak yen.

Operating income reached 289.9 billion yen, 101.9 billion yen higher than a year ago, thanks to the increase in production volume and cost reduction efforts, in addition to the impact of the weak yen.

Income before income taxes reached 329.4 billion yen, up 117.3 billion yen year-on-year.

We earned a net income of 225.6 billion yen after corporate and other taxes, up 94.8 billion yen from a year earlier.

Change in 3rd Quarter Consolidated Sales



[Sales by customer]

Sales to the Toyota Group:

The car production level was the same as the previous year, and it resulted in a decrease in its share.

Sales to non-Toyota Group companies:

- 1) Honda: Sales increased due to the increase in car production mainly in China.
- 2) Suzuki: Sales increased due to the increase in lithium battery packs
- 3) Mazda: Sales increased due to the increase in gasoline direct injection and diesel common rail system for SKYACTIV.
- 4) Nissan: Sales increased due to the increase in gasoline direct injection products and IVI(In-vehicle Infotainment) system.

Sales to overseas automakers:

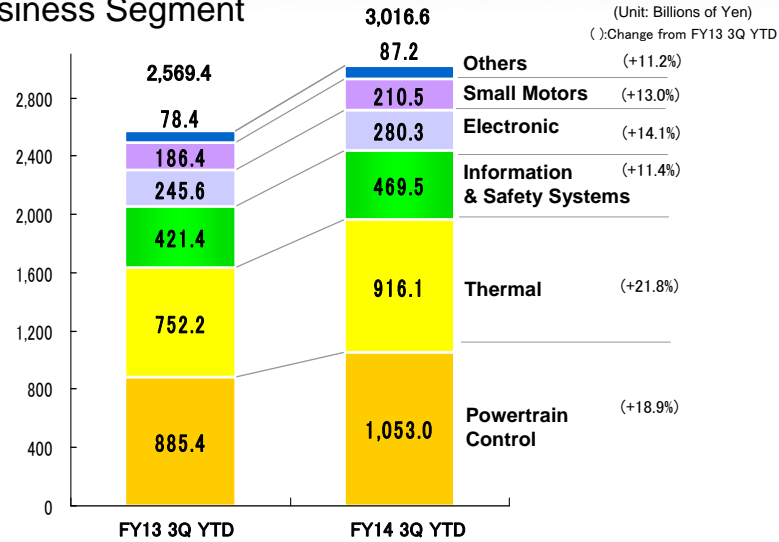
Sales went up due to the increase in car production as well as,

- 1) GM: increase in sales of common rail system
- 2) HYUNDAI/ KIA: increase in sales of meter products
- 3) Ford: increase in sales of car air conditioners

Change in 3rd Quarter Consolidated Sales

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By Business Segment



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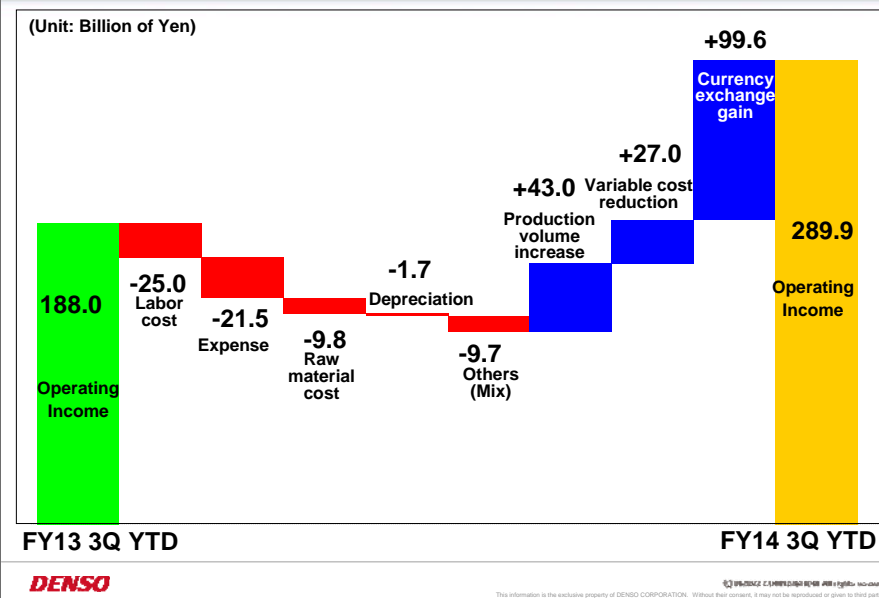
[Sales by business segment]

Sales of Powertrain Control products:

Thanks to an increase of sales in gasoline direct injection products and lithium battery packs, sales increase mainly in Japan and North America.

Sales of Thermal products:

Due to an increase of sales in car/bus air conditioner products, sales increase mainly in North America, Europe and Asia and Oceania.



[Factors that contributed to increases or decreases in operating income]

Negative factors

- 1) Higher labor cost: An increase of 25.0 billion yen was mainly due to an increase in salaries in emerging countries and also an increase in salaries and overtime in Japan.
- 2) Higher expenses: An increase of 21.5 billion yen was mainly due to an increase in R&D expenditure.

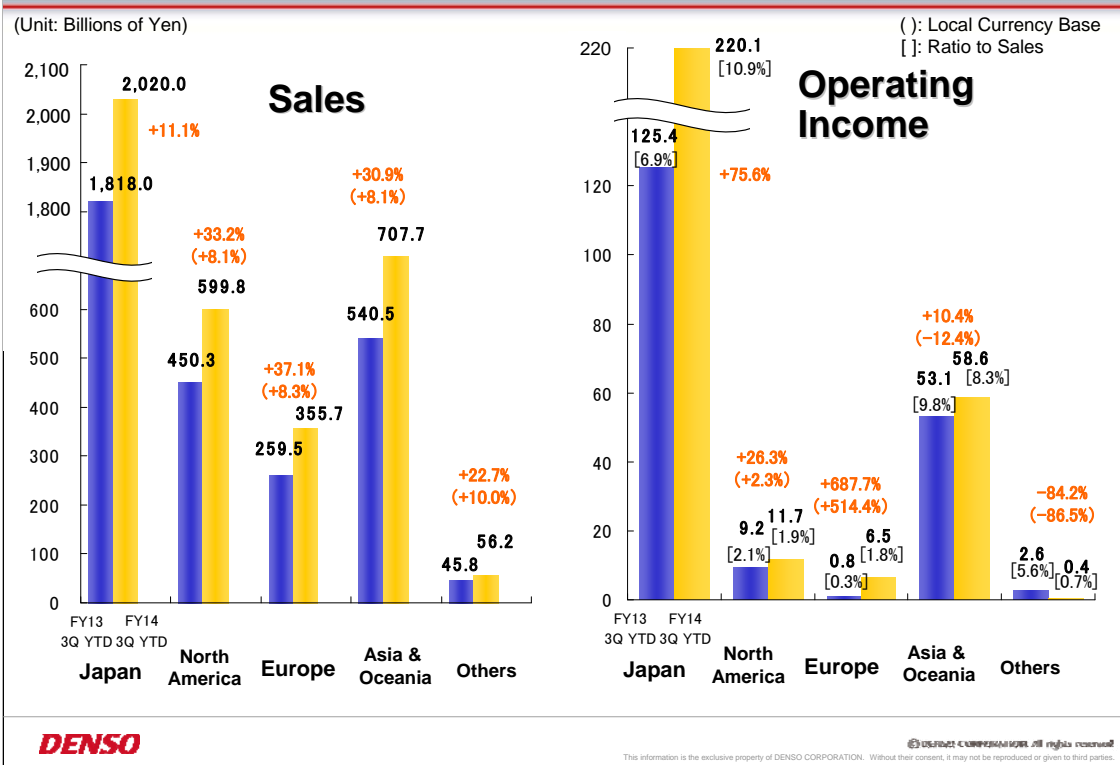
Positive factors

- 1) Production volume increase: An increase of 43.0 billion yen was due to an increase in sales.
- 2) Variable cost reduction: An increase of 27.0 billion yen was due to increased productivity and other efficiencies.
- 3) The depreciation of the yen: An increase of 99.6 billion yen was due to the impact of the weak yen, which is 19 yen lower against the US dollar and 30 yen against the euro.

Following the first-half financial result, sales and profit reached the highest for the third-quarter YTD period through the achievement from the structural reform plan we have worked on after economic downturn.

3rd Quarter Geographical Segments by Company Location

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[Sales and operating income by operating region]

* Based on local currency, excluding the effect of foreign exchange rates

Japan

- Sales rose by 11.1% from the previous year. Although car production level was the same as the previous year, the increase of export sales and the effect of the weak yen led to an increase in sales.
- Operating income soared by 75.6% from the previous year. Despite an increase in R&D expenses and labor costs, cost reduction effort led to an operating income increase.

Overseas

- Sales and profit increased in North America and Europe thanks to the increase in car production.
- Operating income decreased in Asia and Oceania and Others due to an increase in labor costs and expenditure on the establishment of plants and technical centers for future competitiveness.

FY2014 Financial Forecast

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	(Ratio to Sales)			(Unit: Billions of Yen)	
	FY2014 Forecast as of Oct. 31	FY2014 Revised	FY2013	Change	
Sales	4,010.0	4,080.0	3,580.9	+499.1	+13.9%
Operating Income	360.0 (9.0%)	380.0 (9.3%)	262.4 (7.3%)	+117.6	+44.8%
Income before Income Taxes	391.0 (9.8%)	420.0 (10.3%)	281.9 (7.9%)	+138.1	+49.0%
Net Income	264.0 (6.6%)	283.0 (6.9%)	181.7 (5.1%)	+101.3	+55.8%

Foreign Exchange Rate	(Unit: Millions of Units)			
	JPY 97/\$ JPY130/Euro	JPY 100/\$ JPY 135/Euro	JPY 83/\$ JPY 107/Euro	+JPY 17 +JPY 28
Domestic Car Production	9.45	9.53	9.13	+0.40 +4.4%
Overseas Car Production of Japanese Manufacturers (North America)	17.73 (5.46)	17.89 (5.44)	16.63 (5.02)	+1.26 (+0.42) +7.6% (+8.4%)

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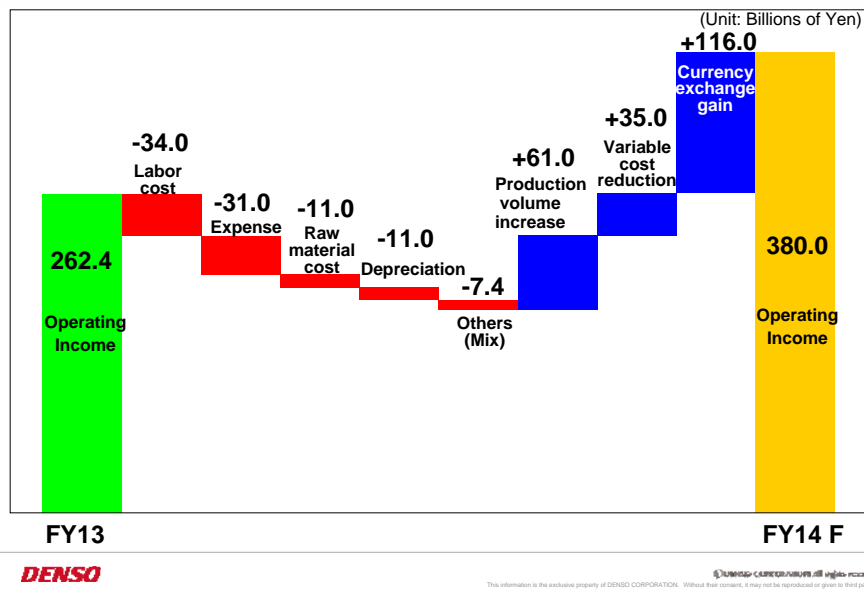
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[Forecasts for consolidated financial results]

We decided to upwardly revise the original forecasts for the full-year financial results, considering business conditions such as an increase in car production mainly in Japan and the depreciation of the yen. We also changed the foreign exchange rate. For the forecast of the fourth quarter it is 104 yen to the dollar, and 142 yen to the euro, and for the full-year 100 yen to the dollar, and 135 yen to the euro.

We expect sales of 4,080.0 billion yen and operating income of 380.0 billion yen.

A one-yen gain against the US dollar and euro would reduce operating income at DENSO by 2.7 billion yen and 0.8 billion yen a year, respectively.

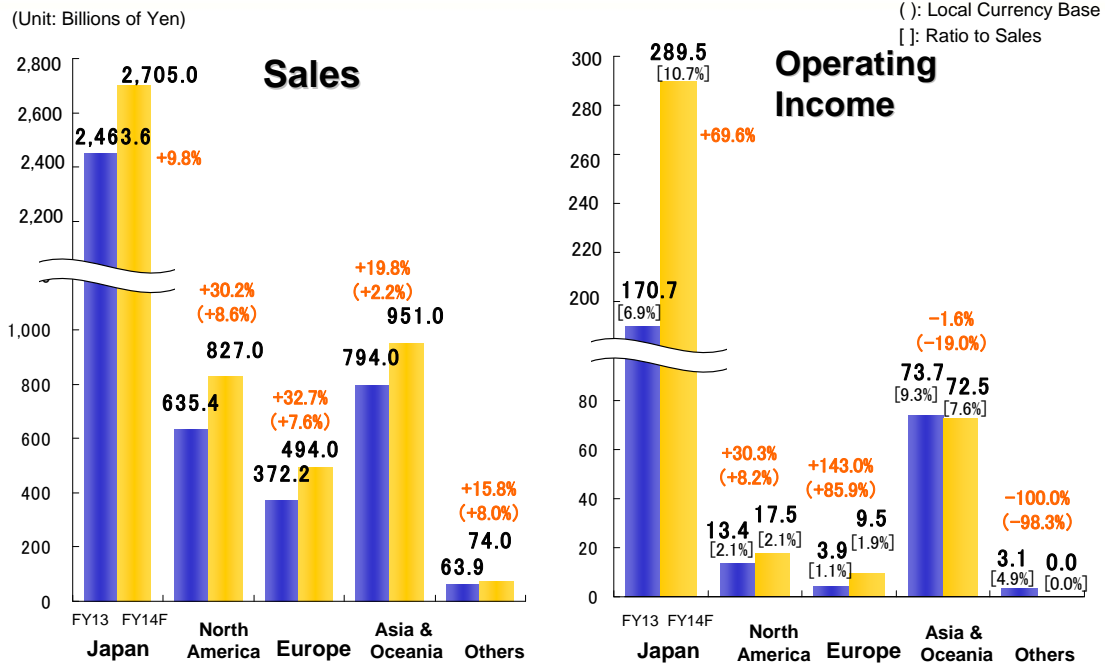


[Factors that contributed to increases or decreases in full-year forecasts for operating income]

While there were negative factors, including increased fixed costs of 94.4 billion yen, positive factors, such as production volume increase, variable cost reduction and the depreciation of the yen boosted operating income by 212.0 billion yen. Therefore operating income is likely to be 380.0 billion yen, up 117.6 billion yen from the previous year.

FY2014 Geographical Segments by Company Location

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[Sales and operating income by operating region]

* Based on local currency, excluding the effect of foreign exchange rates

We expect sales and profit in Japan, North America and Europe to increase.

In Asia and Oceania and Others, our profit will likely decline.

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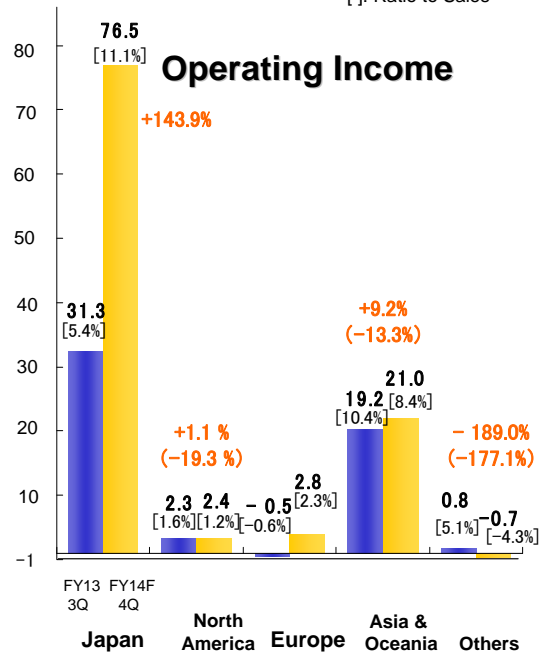
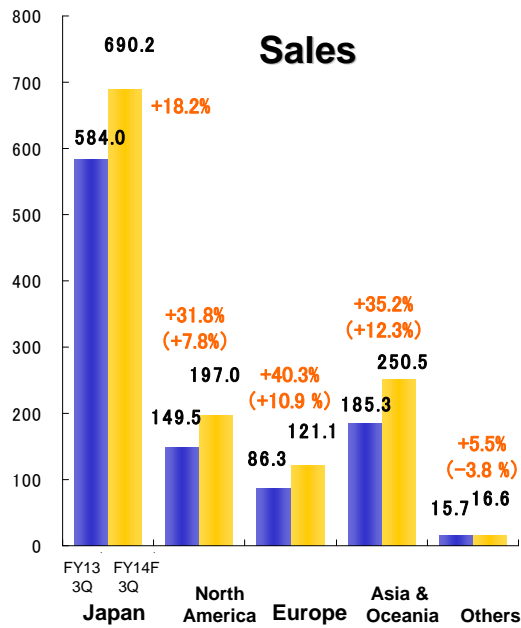
- 3rd Quarter (3 months) Geographical Segments by Company Location
- Non-Consolidated Financial Results
- Pre-Conditions (Foreign Exchange Rate/Car Production)
- Consolidated Sales by Customer
- Consolidated Sales by Business Segment
- Capital Expenditures, Depreciation and R&D

3rd Quarter (3 months) Geographical Segments by Company Location

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(Unit: Billions of Yen)

(): Local Currency Base
[]: Ratio to Sales



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Non-Consolidated Financial Results

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Income Statements

(Ratio to Sales)

(Unit: Billions of Yen, %)

Account	FY2014 3Q YTD		FY2013 3Q YTD		Change		FY2014 Forecast		Change from FY13	
	Amount	Percent	Amount	Percent	Amount	Percent	Forecast as of Oct. 31	Forecast as of Feb. 3	Amount	Percent
Net Sales	(100.0) 1,853.8	(100.0) 1,684.5	169.3	10.0	(100.0) 2,443.0	(100.0) 2,480.0	203.2	8.9		
Cost of Sales	(84.4) 1,564.4	(88.8) 1,496.5	68.0							
SGA Expenses	(6.2) 115.2	(5.8) 97.6	17.6							
Operating Income	(9.4) 174.2	(5.4) 90.4	83.7	92.6	(8.5) 207.0	(9.3) 230.0	106.4	86.1		
Non-Operating Income	65.0	61.1	3.9		68.0	70.0	-2.2			
Extraordinary Income (Loss)	-0.0	0.6	-0.7		0.0	-0.0	-0.4			
Income Before Income Taxes	(12.9) 239.1	(9.0) 152.2	86.9	57.1	(11.3) 275.0	(12.1) 300.0	103.8	52.9		
Net Income	(9.8) 180.8	(6.6) 110.6	70.2	63.5	(8.3) 203.0	(9.0) 222.0	76.0	52.0		

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Pre-Conditions (Foreign Exchange Rate/Car Production)

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		FY2014 First-Half			FY2014 Second-Half									FY2014 Full Year				
		Prior Year	Actual	Change	3Q			4Q			Prior Year	Forecast as of Oct.31	Revised Forecast	Change	Prior Year	Forecast as of Oct.31	Revised Forecast	Change
					Prior Year	Actual	Change	Prior Year	Revised Estimate	Change								
Foreign Exchange Rate (Yen)	USD	79	99	+20	81	100	+19	92	104	+12	87	95	102	+15	83	97	100	+17
	EUR	101	130	+29	105	137	+32	122	142	+20	114	130	139	+25	107	130	135	+28
Forex Impact on Operating Income per Yen (Billions of Yen)	USD														3.2	2.7	2.7	-0.5
	EUR														0.7	0.8	0.8	+0.1
Car Production of Japanese Manufacturers (Millions of Units)	Domestic	4.70	4.53	-4%	2.17	2.40	+11%	2.22	2.59	+17%	4.43	4.92	5.00	+13%	9.13	9.45	9.53	+4%
	North America	2.47	2.66	+8%	1.18	1.33	+12%	1.37	1.46	+6%	2.55	2.80	2.78	+9%	5.02	5.46	5.44	+8%
	Overseas	8.30	8.69	+5%	4.07	4.59	+13%	4.26	4.62	+8%	8.33	9.04	9.20	+10%	16.63	17.73	17.89	+8%

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Consolidated Sales by Customer

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(Unit: Billion of Yen)

	FY2014		FY2013		Change	
	3 Q	YTD	3 Q	YTD	Amount	Percent
Toyota	1,362.1	45.2	1,212.1	47.2	150.0	12.4
Daihatsu	82.3	2.7	72.9	2.8	9.4	12.9
Hino	40.4	1.3	37.9	1.5	2.5	6.5
Toyota Group	1,484.8	49.2	1,322.9	51.5	161.9	12.2
Honda	212.3	7.0	178.7	7.0	33.7	18.8
GM	88.0	2.9	66.8	2.6	21.2	31.8
Hyundai/Kia	85.6	2.8	62.1	2.4	23.4	37.7
Suzuki	71.6	2.4	60.5	2.4	11.1	18.4
Ford	70.9	2.4	49.1	1.9	21.7	44.3
Chrysler	64.6	2.1	43.8	1.7	20.8	47.6
Mazda	63.1	2.1	47.7	1.9	15.4	32.3
Fiat	61.5	2.0	47.3	1.8	14.2	30.1
VW/AUDI	56.2	1.9	41.6	1.6	14.6	35.0
Fuji	52.8	1.8	54.3	2.1	-1.5	-2.8
Isuzu	42.4	1.4	36.1	1.4	6.2	17.3
Nissan	37.9	1.3	29.3	1.1	8.7	29.6
Mitsubishi	35.5	1.2	33.4	1.3	2.1	6.3
Benz	24.3	0.8	17.7	0.7	6.5	36.7
BMW	24.2	0.8	20.9	0.8	3.3	15.6
PSA	15.5	0.5	9.5	0.4	6.0	63.6
Jaguar/Land Rover	11.1	0.4	10.0	0.4	1.1	10.9
OE Sales for others	223.6	7.4	182.9	7.1	40.7	22.3
OEM Total	2,726.1	90.4	2,314.8	90.1	411.3	17.8
After-market, New business & Others(*)	290.5	9.6	254.6	9.9	35.9	14.1
Total	3,016.6	100.0	2,569.4	100.0	447.2	17.4

* Sales of industrial systems and consumer products, Sales for After Market, and Sales of property/equipment a

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Consolidated Sales by Business Segment

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(Unit: Billion of Yen)

	FY2014 3Q YTD		FY2013 3Q YTD		Change	
	Amount	% to Total	Amount	% to Total	Amount	Percent
Powertrain Control	1,053.0	34.9	885.4	34.5	167.6	18.9
Thermal	916.1	30.4	752.2	29.3	164.0	21.8
Information & Safety Systems	469.5	15.6	421.4	16.4	48.1	11.4
Electronic	280.3	9.3	245.6	9.6	34.7	14.1
Small Motors	210.5	7.0	186.4	7.2	24.2	13.0
Others(*)	42.3	1.4	36.3	1.4	6.0	16.5
Automotive Total	2,971.7	98.6	2,527.2	98.4	444.5	17.6
Industrial & Consumer Product	34.4	1.1	30.7	1.2	3.7	12.1
Others	10.4	0.3	11.4	0.4	-1.0	-8.8
New Business Total	44.8	1.4	42.1	1.6	2.7	6.4
Total	3,016.6	100.0	2,569.4	100.0	447.2	17.4

* Repair parts, original brand products of subsidiaries

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Capital Expenditures, Depreciation and R&D

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(Unit: Billion of Yen)

	FY13		FY14 Forecast		3Q YTD Change from PY	Progress to FY14 Estimate
	3Q YTD		3Q YTD			
Japan	92.5	124.3	103.8	135.0	12.2%	76.9%
North America	13.3	20.5	33.2	48.0	149.6%	69.2%
Europe	12.8	19.1	19.2	27.0	50.0%	71.1%
Asia & Oceania	39.4	62.6	65.8	87.0	67.0%	75.6%
Others	2.4	4.1	6.6	8.0	175.0%	82.5%
Capital Exp.	160.5	230.6	228.6	305.0	42.4%	75.0%
Japan	95.3	131.5	93.3	135.0	-2.1%	69.1%
North America	10.3	14.5	13.8	19.5	34.0%	70.8%
Europe	7.7	10.7	10.4	14.5	35.1%	71.7%
Asia & Oceania	14.9	22.2	21.6	30.0	45.0%	72.0%
Others	1.6	2.3	2.2	3.0	37.5%	73.3%
Depreciation	129.7	181.1	141.3	202.0	8.9%	70.0%
R&D Expenditure (Ratio to Sales)	245.5 (9.6%)	335.5 (9.4%)	270.8 (9.0%)	370.0 (9.1%)	10.3%	73.2%

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