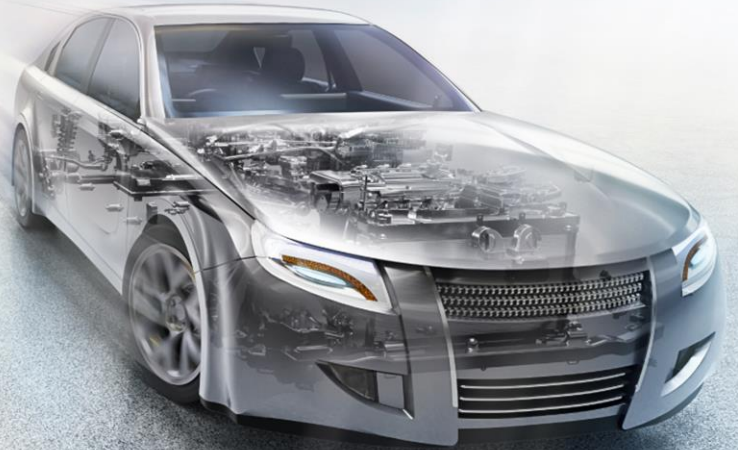


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FY2018 1st Quarter Financial Results ended June 30, 2017

July 28, 2017
DENSO CORPORATION



Overview of FY2018 1st Quarter Financial Results

1. Revenue increased by the increase of car production and sales expansion.

Operating profit increased due to the production volume increase and cost reduction efforts.

2. Upward revision to the first-half and full-year forecast due to the depreciation of yen.

FY2018 1st Quarter Financial Results

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		(Ratio to Revenue)		(Unit:Billions of Yen)	
		FY18 1Q	FY17 1Q	Change	
Revenue		1,164.9	1,092.8	+72.1	+6.6%
Operating Profit (Excludes other income/ expenses)		92.5	74.6	+17.9	+23.9%
Other income/ expenses		0.7	-7.4	+8.1	
Operating Profit		93.2	67.2	+26.0	+38.6%
Finance income/ costs & others(*1)		20.6	7.8	+12.7	
Profit before Income Taxes		113.7	75.0	+38.7	+51.6%
Profit (*2)		76.7	46.1	+30.6	+66.3%

		(Unit:Millions of Units)			
Precondition	Foreign Exchange Rate	JPY 111/\$	JPY 108/\$	+3 JPY	
		JPY 122/Euro	JPY 122/Euro	+0 JPY	
	Domestic Car Production	2.23	2.05	+0.18	+8.7%
	Overseas Car Production of Japanese (North America)	4.83	4.81	+0.01	+0.3%
		(1.56)	(1.63)	(-0.07)	(-4.2%)

※1 Finance income, Finance costs, Foreign exchange gains/loss, Share of the profit of associates accounted for using the equity method

※2 Profit attributable to owners of the parent company

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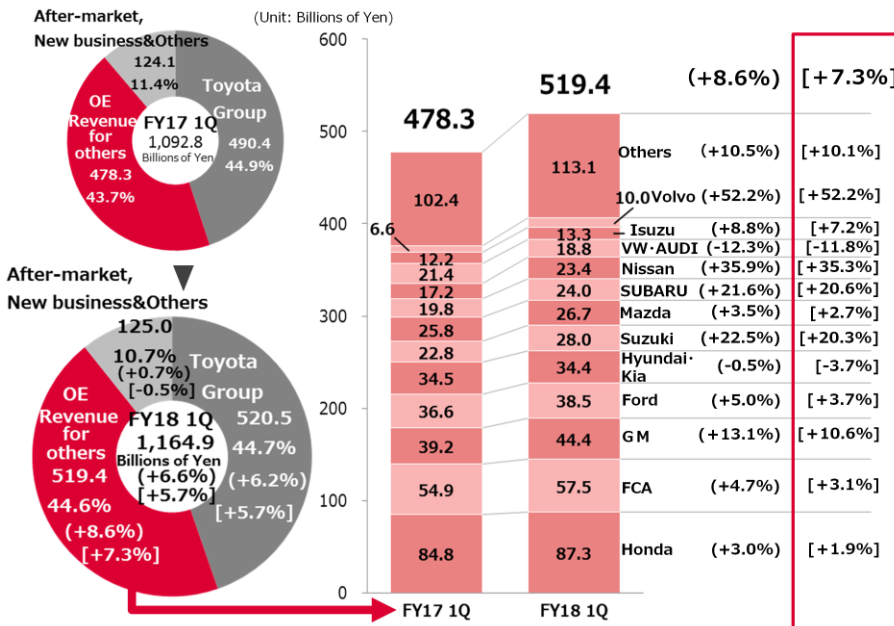
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[Overview of the Consolidated Financial Results]

- 1) Consolidated revenue totaled 1,164.9 billion yen, increased by 72.1 billion yen (+6.6%) from the previous year.
- 2) Consolidated operating profit excluding other income/expenses totaled 92.5 billion yen, increased by 17.9 billion yen (+23.9%) from the previous year.
- 3) Consolidated profit attributable to owners of the parent company totaled 76.7 billion yen, increased by 30.6 billion yen (+66.3%) from the previous year.

OE Revenue for others

():Change from FY17 1Q
[]:Change from FY17 1Q
excludes FX difference



[Sales by Customer (Quantity Base)]

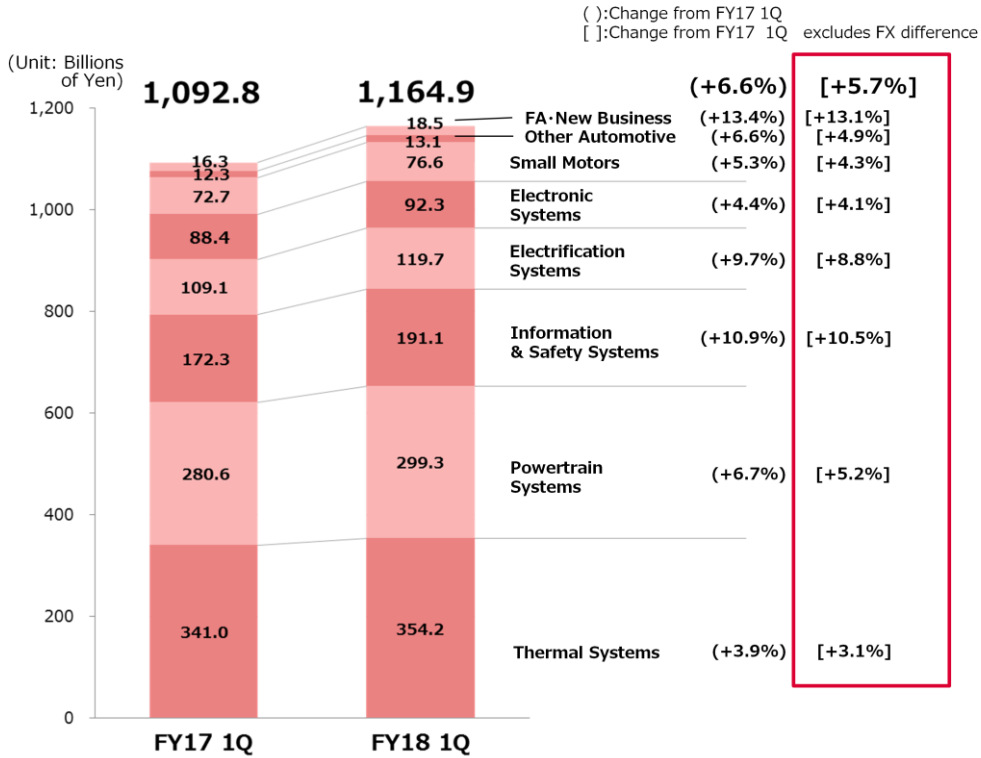
Sales to Toyota Group

Sales to the Toyota Group increased by 5.7 % from the previous year. The reasons are as follows; 1) The car production increased in Japan and Europe. 2) Attach rate of “Toyota Safety Sense P” has been greatly expanded in North America.

Sales to non-Toyota Group companies

Sales to non-Toyota Group companies increased by 7.3% from last year. The reasons of each manufacture are as follows; 1)GM : Increase of car production in China and sales expansion of common rail system in North America. 2) SUBARU : Increase of car production and sales expansion of display parts. 3)Nissan : Increase of car production and sales expansion of ECU parts of control system. 4)VOLVO : Sales expansion of engine management system.

FY2018 1st Quarter Consolidated Revenue (By Product)



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[Sales by Product (Quantity Base)]

Sales of Thermal Systems Products

Sales increased in China due to the production volume increase.

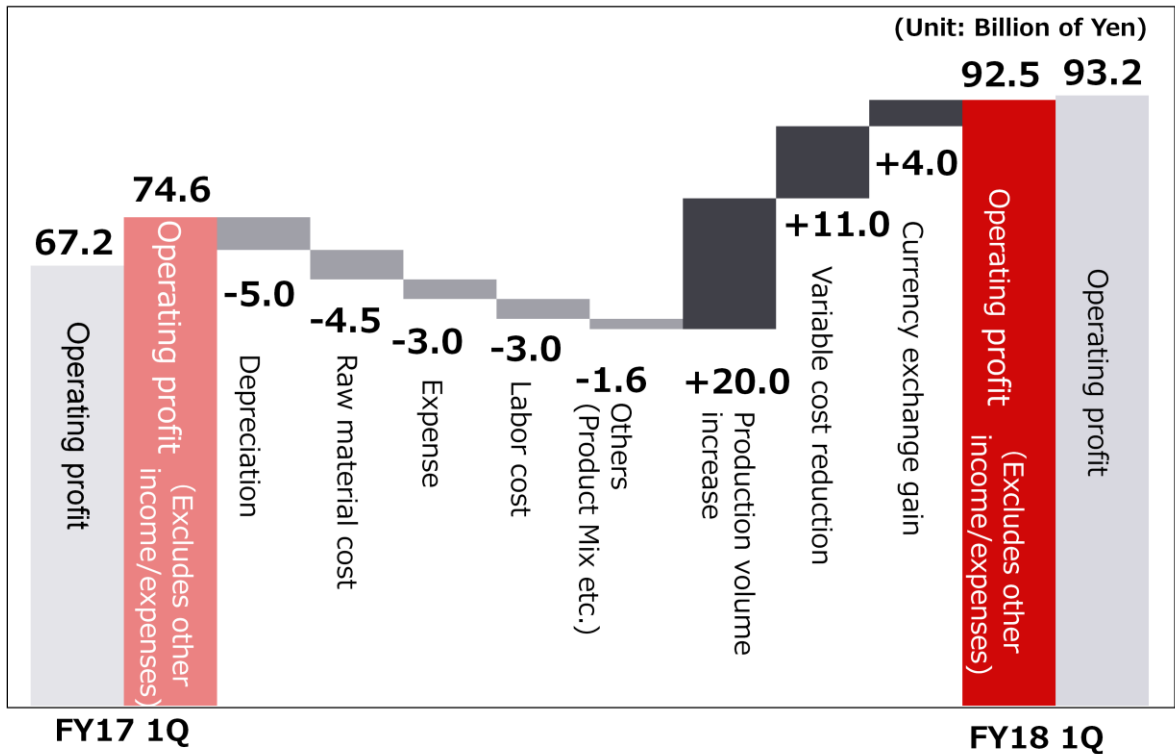
Sales of Powertrain Systems Products

Sales increased in North America and Asia due to the production volume increase and sales expansion.

Sales of Information & Safety Systems Products

Sales increased due to the production volume increase and steady sales expansion of “Toyota Safety Sense P”.

Change in FY2018 1st Quarter Operating Profit



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[Factors that Contributed to Increases or Decreases in Operating Profit*]

*Excludes other income/expenses

Negative factors

- 1) Depreciation : -5.0 billion yen was due to the increase of capital investment for future competition area in addition to strengthen core production capabilities mainly for improving productivity.
- 2) Raw material cost : -4.5 billion yen was due to an increase in material costs.

Positive factors

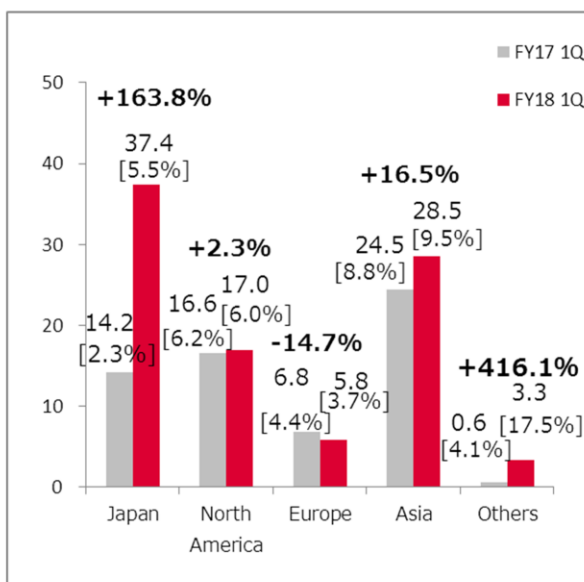
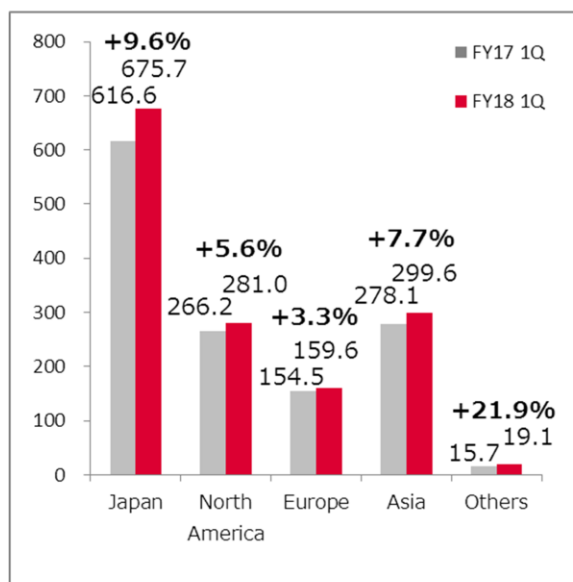
- 1) Production volume increase: +20.0 billion yen was due to production volume increase and sales expansion.
- 2) Variable cost reduction: +11.0 billion yen was due to cost reduction efforts and improved productivity.

1st Quarter Geographical Segments by Company Location

Revenue

Operating Profit

(Unit: Billions of Yen)
[]: Ratio to Revenue



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[Revenue and Operating Profit by Each Region*]

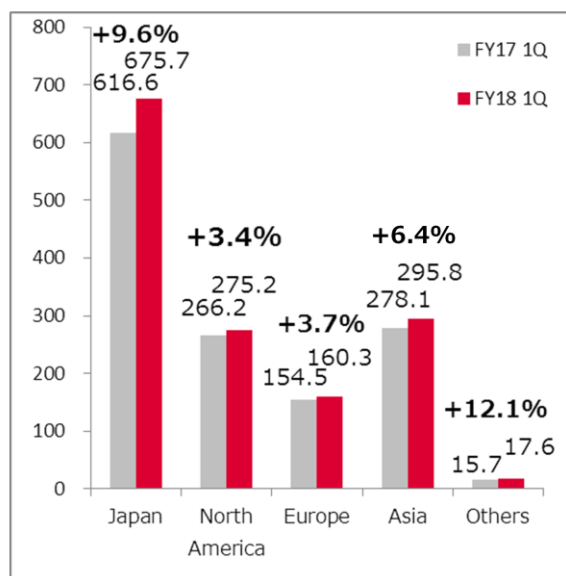
*Based on Japanese yen

1st Quarter Geographical Segments by Company Location (Local Currency Base ,excludes other income/expenses)

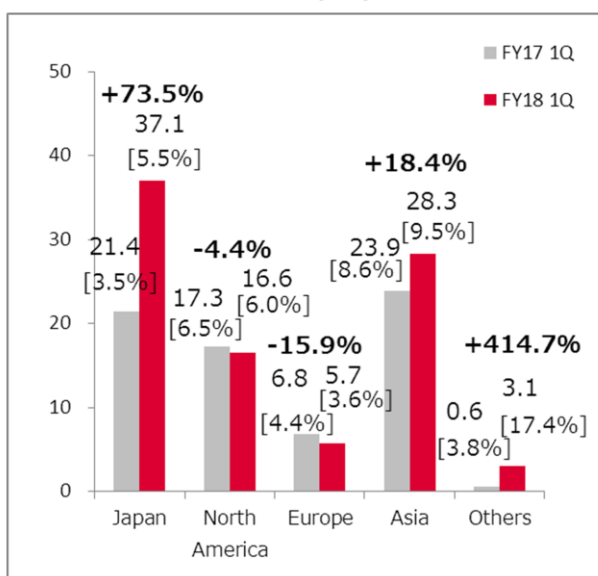
(Unit: Billions of Yen)

[] : Ratio to Revenue

Revenue



Operating Profit



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[Revenue and Operating Profit by Each Region*]

*Excluding the effect of foreign exchange rates and other income/expenses

In Japan

- 1) The revenue increased by 9.6% from the previous year due to production volume increase and sales expansion.
- 2) Operating profit increased by 73.5% from the previous year due to production volume increase and cost reduction efforts. In addition, the change of payer, who pays foreign exchange balance, from Denso (Japan) to overseas group companies also caused to increase operating profit.

Overseas

- 1) The revenue increased all region due to car production increase and sales expansion.
- 2) Operating profit increased in Asia and Other regions due to cost reduction effort. However, the change of payers, who pay foreign exchange balance, as described above, caused to reduce operating profit of each region. As a result, operating profit decreased in North America and Europe.

FY2017 1st Half Financial Forecast

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(Ratio to Revenue)				(Unit: Billions of Yen)			
	FY18 2Q YTD Original	FY18 2Q YTD Revised	FY17 2Q YTD	Change			
Revenue	2,260.0	2,330.0	2,176.9	153.1			+7.0%
Operating Profit (Excludes other income/ expenses)	(6.2%) 140.0	(6.4%) 149.0	(6.4%) 138.9	10.1			+7.2%
Other income/ expenses	0.0	12.0	3.8	8.2			
Operating Profit	(6.2%) 140.0	(6.9%) 161.0	(6.6%) 142.7	18.3			+12.8%
Finance income/ costs & others(※1)	15.0	18.0	7.9	10.1			
Profit before Income Taxes	(6.9%) 155.0	(7.7%) 179.0	(6.9%) 150.6	28.4			+18.9%
Profit	(4.6%) 105.0	(5.3%) 123.0	(4.5%) 97.5	25.5			+26.2%

(Unit: Millions of Units)								
Precondition	Foreign Exchange Rate	JPY	110/\$	JPY	111/\$	JPY	105/\$	+6 JPY
		JPY	115/Euro	JPY	121/Euro	JPY	118/Euro	+3 JPY
Domestic Car Production		4.44		4.54		4.30	+0.25	+5.8%
Overseas Car Production of Japanese Manufacturers (North America)		9.96		9.85		9.68	+0.16	+1.7%
		(3.24)		(2.99)		(3.18)	(-0.19)	(-5.9%)

※1 Finance income, Finance costs, Foreign exchange gains/loss, Share of the profit of associates accounted for using the equity method

※2 Profit attributable to owners of the parent company



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[1st Half Financial Forecast]

Considering the latest movement in the foreign exchange markets, we have revised up our financial result forecasts for the first-half as follows; the revenue to be 2,330.0 billion yen and operation profit exclude other income/expenses to be 149.0 billion yen.

This forecast is based on the currency rate of 111 yen to the dollar and 121 yen to the euro*. Car production volume of Japanese manufacturers will be 4.54 million in domestic and 9.85 million in Overseas.

The forecast includes the positive effect for the revenue and operation profit caused by TD mobile Corporation, which became Denso's affiliate on July 2017.

*We made yen weaker to some currencies as a precondition of exchange rate used for financial forecast after second quarter. Ex) Euro become 5 yen weaker than one of first quarter.

FY2018 Financial Forecast

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		(Ratio to Revenue)		(Unit:Billions of Yen)			
		FY18 Original	FY18 Revised	Change from september		FY17	
				Amount	Ratio		
Revenue		4,610.0	4,740.0	130.0	+2.8%	4,527.1	
Operating Profit (Excludes other income/ expenses)		(7.1%) 327.0	(7.2%) 341.0	14.0	+4.3%	(7.2%)	326.4
Other income/ expenses		0.0	12.0	12.0			4.1
Operating Profit		(7.1%) 327.0	(7.4%) 353.0	26.0	+8.0%	(7.3%)	330.6
Finance income/ costs & others(※1)		33.0	35.0	2.0			30.3
Profit before Income Taxes		(7.8%) 360.0	(8.2%) 388.0	28.0	+7.8%	(8.0%)	360.9
Profit		(5.6%) 260.0	(5.9%) 280.0	20.0	+7.7%	(5.7%)	257.6
(Unit:Millions of Units)							
Production	Foreign Exchange Rate	JPY 110/\$	JPY 110/\$	+0 JPY		JPY 108/\$	
		JPY 115/Euro	JPY 121/Euro	+6 JPY		JPY 119/Euro	
	Domestic Car Production	9.18	9.42	+0.24	+2.7%	9.10	
	Overseas Car Production of Japanese Manufacturers (North America)	20.02	20.06	+0.03	+0.2%	19.67	(6.38)

※1 Finance income, Finance costs, Foreign exchange gains/loss, Share of the profit of associates accounted for using the equity method

※2 Profit attributable to owners of the parent company

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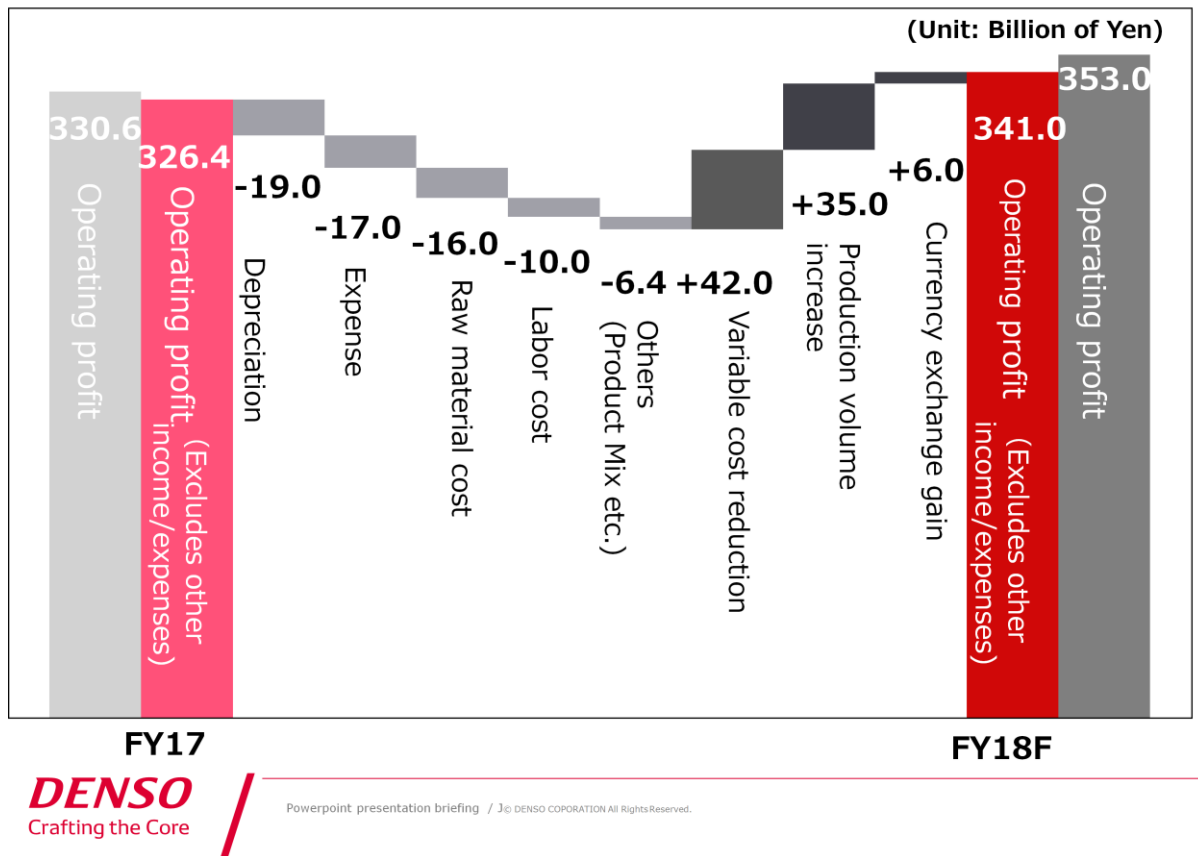
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[Full-Year Financial Forecast]

Considering the latest movement in the foreign exchange markets, we have revised up our financial result forecasts for the full-year as follows; the revenue to be 4,740.0 billion yen and operation profit exclude other income/expenses to be 341.0 billion yen.

The forecast is based on the currency rate of 110 yen to the dollar and 121 yen to the euro. Car production volume of Japanese manufacturers will be 9.42 million in domestic and 20.06 million in Overseas.

Change in FY2018 Operating Profit



[Factors that Contributed to Increases or Decreases in Full-Year Forecasts for Operating Profit*]

*Excludes other income/expenses

Negative factors

- 1) The depreciation allowance, expenses, and raw materials costs will increase by 68.4 billion yen.

Positive factors

- 1) The reduction in variable costs and the increase of production volume will lead to an increase of 83.0 billion yen**.

**Although the positive effect by TD mobile Corporation has already been included in full-year financial forecast, the one of FUJITSU TEN LIMITED, which will become Denso's affiliate on October 2017, has not been included yet. It will be reflected on financial forecast at next results announcement with the effect of increased car production volume expectation.

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Appendix

- Non-Consolidated Financial Results
- Pre-Conditions (Foreign Exchange Rate/Car Production)
- Consolidated Revenue by Customer
- Consolidated Revenue by Product
- Trend of Capital Expenditures, Depreciation and R&D Expenditures
- Capital Expenditures, Depreciation, and R&D Expenditures



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FY18 1st Quarter Non-Consolidated Financial Results

Income Statements(Japanese accounting standards)

Account	(Ratio to Sales)				(Unit: Billions of Yen,%)	
	FY18 1Q		FY17 1Q		Change	
					Amount	%
Net Sales	(100.0)	619.8	(100.0)	568.4	51.4	9.0
Operating Income	(3.0)	18.6	(1.6)	9.0	9.6	107.0
Income Before Income Taxes	(9.9)	61.6	(6.7)	38.0	23.3	61.9
Net Income	(8.9)	55.3	(5.6)	32.1	23.2	72.2

Pre-Conditions (Foreign Exchange Rate/Car Production)

		FY2018 First-Half											FY2017 Second-Half				FY2018 Full Year			
		1Q																		
		Prior Year	Actual	Change	Prior Year	Forecast (Original)	Forecast (Revised)	Change	Prior Year	Forecast (Original)	Forecast (Revised)	Change	Prior Year	Forecast (Original)	Forecast (Revised)	Change				
Foreign Exchange Rate (Yen)	USD	108	111	+ 3	105	110	111	+ 6	111	110	110	-	108	110	110	+ 2				
	EUR	122	122	+ 0	118	115	121	+ 3	119	115	120	-	119	115	121	+ 2				
Forex Impact on Operating Income per Yen (Billions of Yen)	USD	-											-	2.5	2.5	2.5	0.0			
	EUR	-											-	1.0	1.0	1.0	0.0			
Car Production of Japanese Manufacturers (Millions of Units)	Domestic	2.05	2.23	+ 9%	4.30	4.44	4.54	+ 6%	4.80	4.74	4.88	+ 2%	9.10	9.18	9.42	+ 4%				
	North America	1.63	1.56	- 4%	3.18	3.24	2.99	- 6%	3.20	3.30	3.09	- 3%	6.38	6.54	6.08	- 5%				
	Overseas	4.81	4.83	+ 0%	9.68	9.96	9.85	+ 2%	9.98	10.06	10.21	+ 2%	19.67	20.02	20.06	+ 2%				

Consolidated Revenue (By Customer)

(Unit: Billions of Yen)

	FY2018 1Q		FY2017 1Q		Change		Change excludes
	Amount	% to Total	Amount	% to Total	Amount	%	%
Toyota	480.6	41.3	457.7	41.9	22.9	5.0	4.5
Daihatsu	26.6	2.3	20.4	1.9	6.2	30.3	30.3
Hino	13.4	1.1	12.3	1.1	1.1	9.0	9.0
Toyota Group	520.5	44.7	490.4	44.9	30.2	6.2	5.7
Honda	87.3	7.5	84.8	7.8	2.5	3.0	1.9
FCA	57.5	4.9	54.9	5.0	2.6	4.7	3.1
GM	44.4	3.8	39.2	3.6	5.2	13.1	10.6
Ford	38.5	3.3	36.6	3.3	1.8	5.0	3.7
Hyundai/Kia	34.4	3.0	34.5	3.1	-0.2	-0.5	-3.7
Suzuki	28.0	2.4	22.8	2.1	5.1	22.5	20.3
Mazda	26.7	2.3	25.8	2.3	0.9	3.5	2.7
SUBARU	24.0	2.1	19.8	1.8	4.3	21.6	20.6
Nissan	23.4	2.0	17.2	1.6	6.2	35.9	35.3
VW/AUDI	18.8	1.6	21.4	2.0	-2.6	-12.3	-11.8
Isuzu	13.3	1.1	12.2	1.1	1.1	8.8	7.2
Mitsubishi	10.8	0.9	11.0	1.0	-0.2	-1.5	-4.2
BMW	10.0	0.9	11.7	1.1	-1.7	-14.5	-14.5
Volvo	10.0	0.8	6.6	0.6	3.4	52.2	52.2
Benz	8.3	0.7	8.9	0.8	-0.6	-6.6	-6.6
PSA	7.6	0.7	7.1	0.6	0.5	7.6	7.6
OE Sales for others	76.5	6.6	63.8	5.9	12.7	19.9	19.6
OEM Total	1,039.9	89.3	968.7	88.6	71.3	7.4	6.5
After-market, New business & Others(*)	125.0	10.7	124.1	11.4	0.8	0.7	-0.5
Total	1,164.9	100.0	1,092.8	100.0	72.1	6.6	5.7

* Sales of industrial systems and consumer products, Sales for After Market, and Sales of property/equipment are included.

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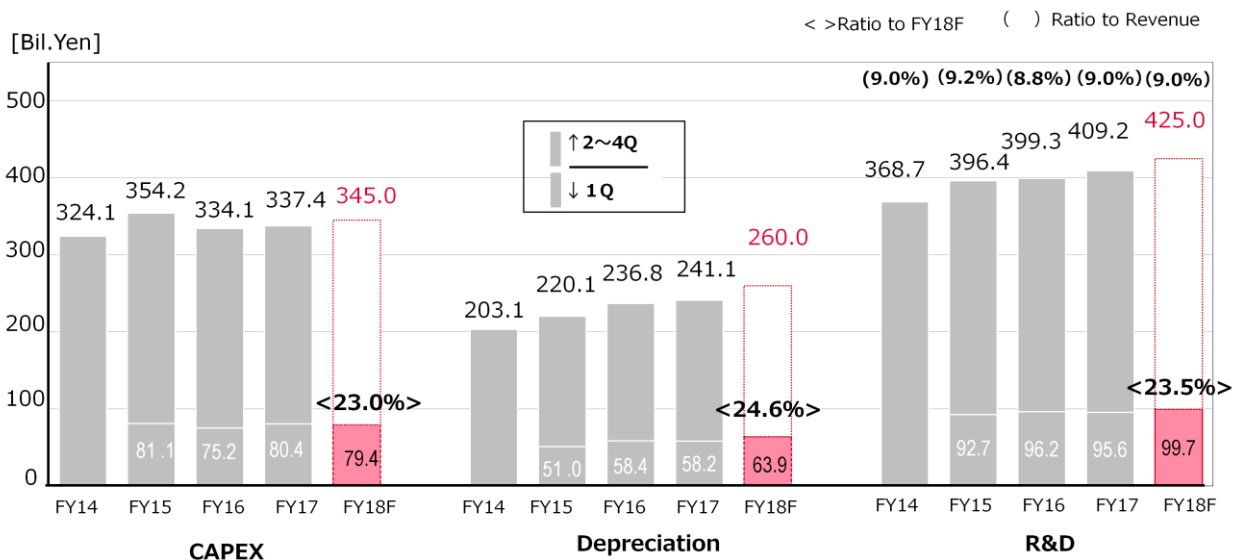
Consolidated Revenue (By Product)

(Unit: Billions of Yen,%)

	FY2018 1Q		FY2017 1Q		Change		Change excludes
	Amount	% to Total	Amount	% to Total	Amount	%	%
Thermal Systems	354.2	30.4	341.0	31.2	13.2	3.9	3.1
Powertrain Systems	299.3	25.7	280.6	25.7	18.7	6.7	5.2
Information & Safety System	191.1	16.4	172.3	15.8	18.8	10.9	10.5
Electrification Systems	119.7	10.3	109.1	10.0	10.5	9.7	8.8
Electronic Systems	92.3	7.9	88.4	8.1	3.9	4.4	4.1
Small Motors	76.6	6.6	72.7	6.6	3.9	5.3	4.3
Others(*)	13.1	1.1	12.3	1.1	0.8	6.6	4.9
Automotive Total	1,146.4	98.4	1,076.5	98.5	69.9	6.5	5.6
New Business Total	18.5	1.6	16.3	1.5	2.2	13.4	13.1
Total	1,164.9	100.0	1,092.8	100.0	72.1	6.6	5.7

* Revenue of equipment, Repair parts, original brand products of subsidiaries

Trend of Capital Expenditures, Depreciation and R&D Expenditures



Capital Expenditures, Depreciation and R&D Expenditures

16

(Unit: Billions of Yen)

	FY17		FY18 Forecast		1Q YTD Change from PY	Progress to FY18 Forecast
	1Q		1Q			
Japan	52.3	215.7	54.7	211.0	4.6%	25.9%
North America	12.3	51.8	8.3	57.0	-32.5%	14.6%
Europe	4.6	23.6	5.2	20.0	13.0%	26.0%
Asia	10.7	44.1	10.7	55.0	0.0%	19.5%
Others	0.5	2.2	0.4	2.0	-20.0%	20.0%
Capital Exp.	80.4	337.4	79.4	345.0	-1.2%	23.0%
Japan	33.7	140.1	37.1	153.0	10.1%	24.2%
North America	6.5	27.0	7.5	30.0	15.4%	25.0%
Europe	4.7	19.0	5.1	20.5	8.5%	24.9%
Asia	12.6	52.1	13.4	54.0	6.3%	24.8%
Others	0.7	2.9	0.8	2.5	14.3%	32.0%
Depreciation	58.2	241.1	63.9	260.0	9.8%	24.6%
R&D Expenditure (Ratio to Revenue)	95.6 (8.7%)	409.2 (9.0%)	99.7 (9.0%)	425.0 (9.0%)	4.3%	23.5%