



FY2012 2nd Quarter Financial Results ended September 30, 2011

October 28, 2011

DENSO CORPORATION

DENSO

©DENSO CORPORATION All rights reserved.

This information is the exclusive property of DENSO CORPORATION. Without their consent, it may not be reproduced or given to third parties.

1. Sales and Income decreased from previous year

2. Revision of FY2012 forecast

3. Dividends increased for 1 yen to 23 yen for the first half period (46 yen for the year)

FY2012 2nd Quarter Financial Results

02 / 25

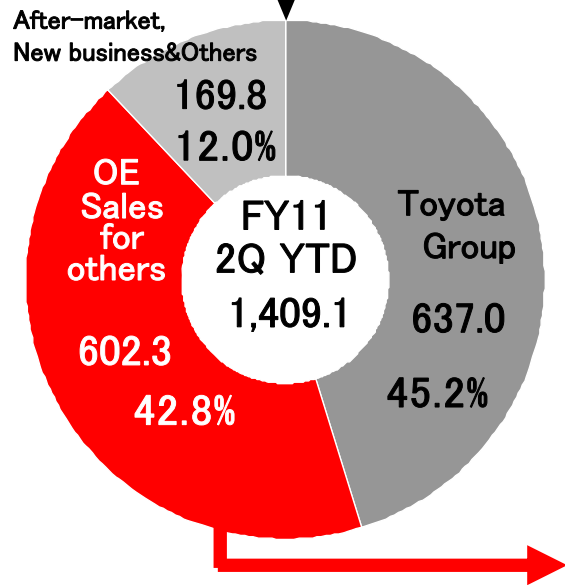
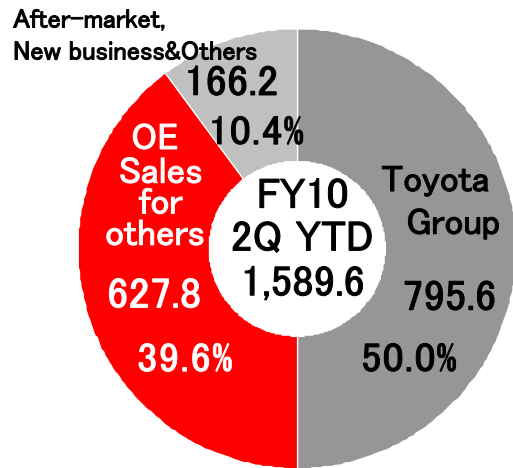
	(Ratio to Sales)			(Unit: Billions of Yen)	
	FY2012 Forecast as of July. 30	FY12 2Q YTD	FY11 2Q YTD	Change	
Sales	1,420.0	1,409.1	1,589.6	-180.4	-11.4%
Operating Income	(0.7%) 10.0	(2.3%) 31.9	(7.8%) 124.3	-92.4	-74.4%
Income before Income Taxes	(1.1%) 15.0	(2.8%) 39.3	(8.7%) 138.0	-98.7	-71.5%
Net Income	(0.6%) 9.0	(1.7%) 23.3	(5.9%) 93.7	-70.4	-75.2%

	(Unit: Millions of Units)				
Foreign Exchange Rate	JPY 81/\$ JPY116/Euro	JPY 80/\$ JPY114/Euro	JPY 89/\$ JPY114/Euro	-JPY 9	-JPY 0
Domestic Car Production	3.81	3.91	4.78	-0.87	-18.2%
Overseas Car Production of Japanese Manufacturers (North America)	6.18 (1.54)	6.69 (1.54)	6.42 (1.94)	+0.27 (-0.40)	+4.2% (-20.6%)

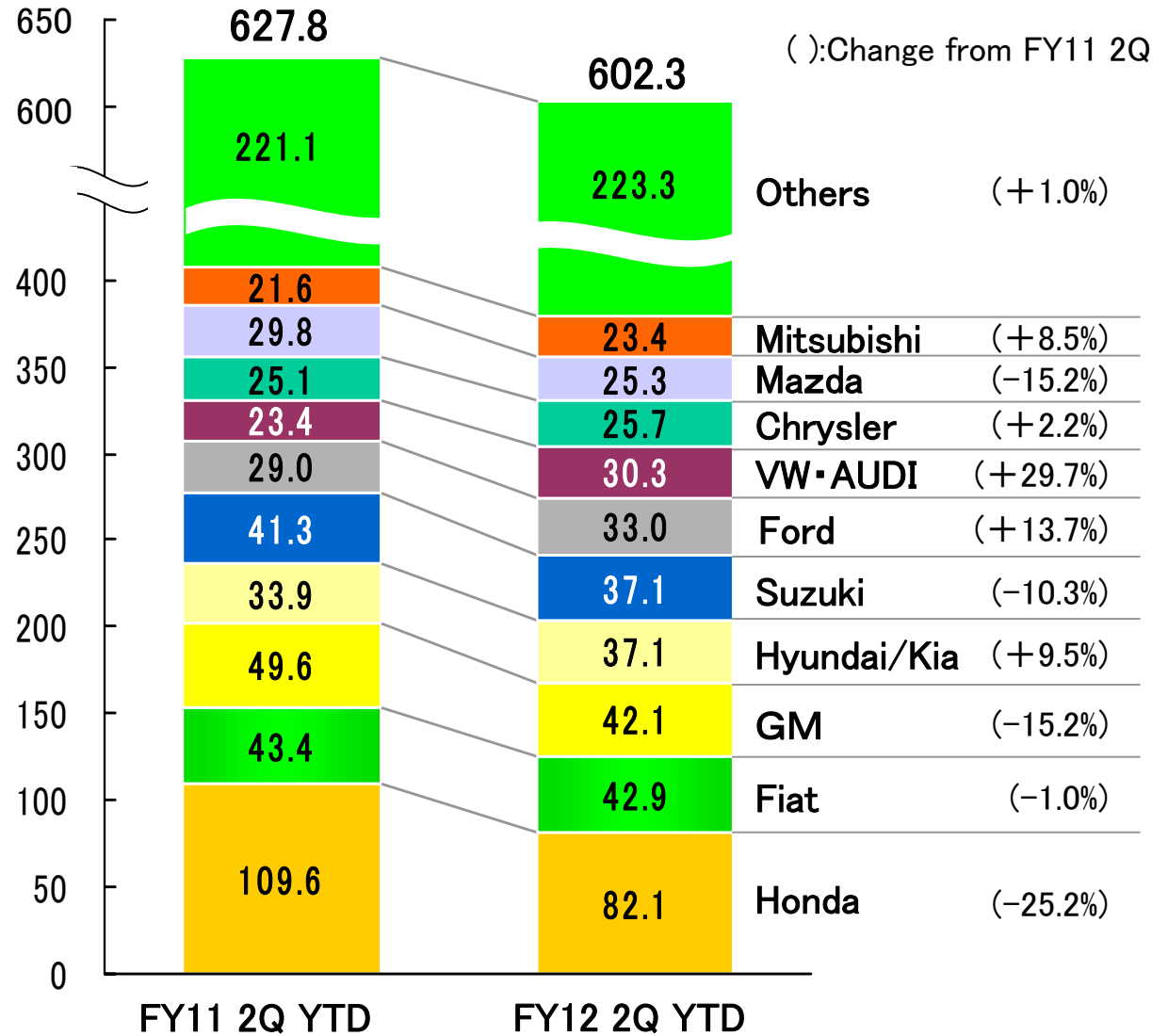
Change in 2nd Quarter Consolidated Sales

By Customer

(Unit: Billions of Yen)



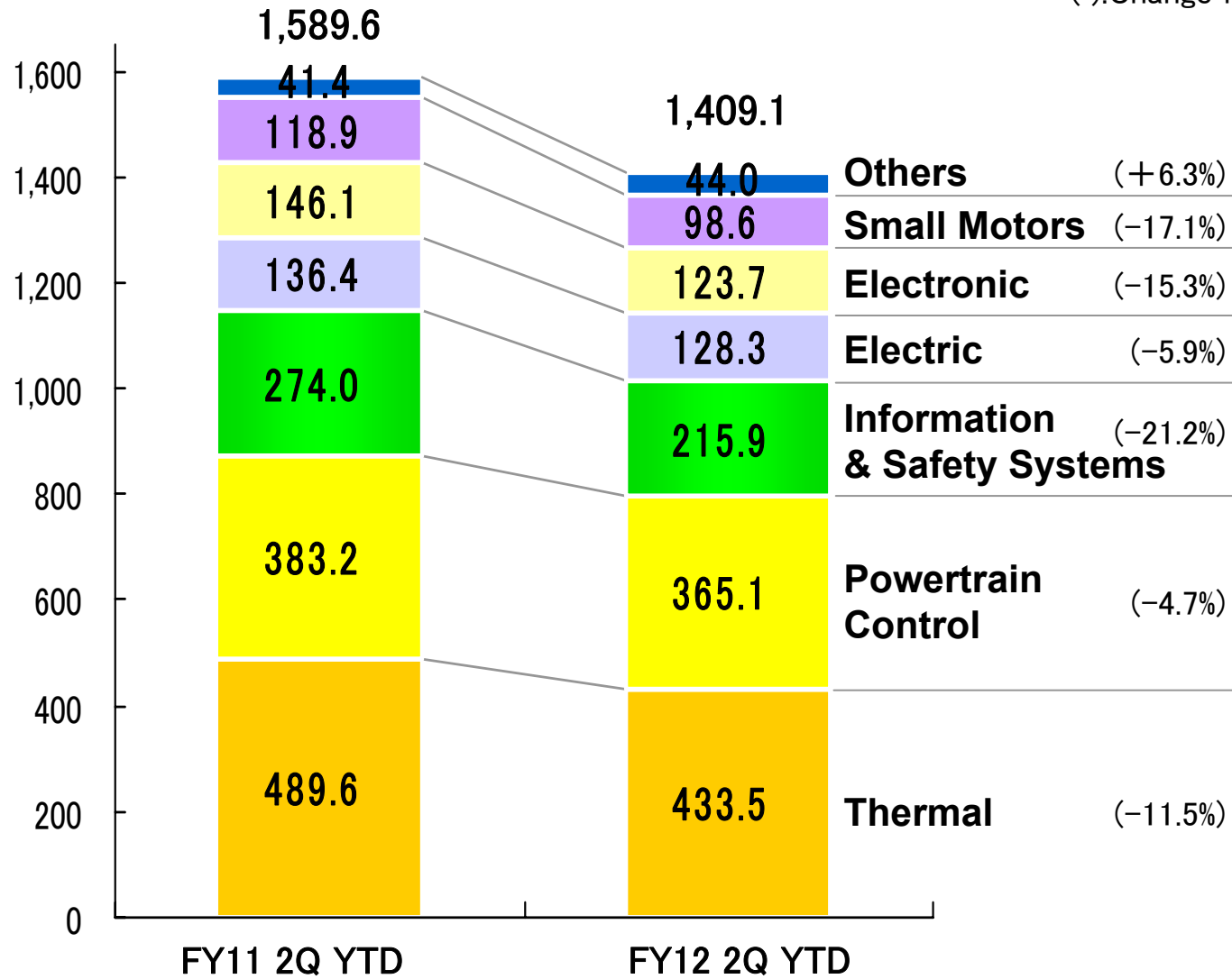
OE Sales for others



Change in 2nd Quarter Consolidated Sales

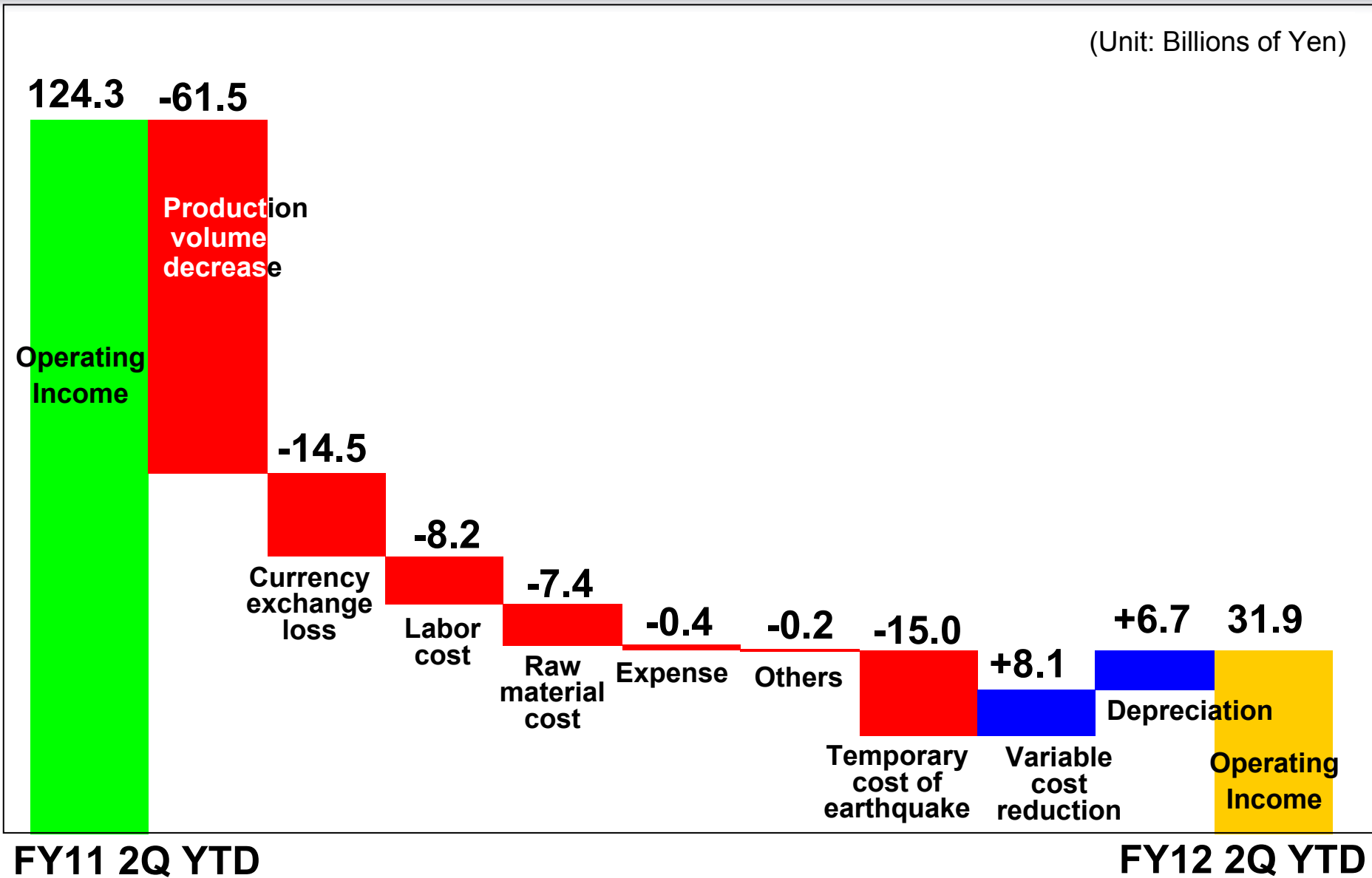
By Business Segment

(Unit: Billions of Yen)
(): Change from FY11 2Q



Change in 2nd Quarter Operating Income

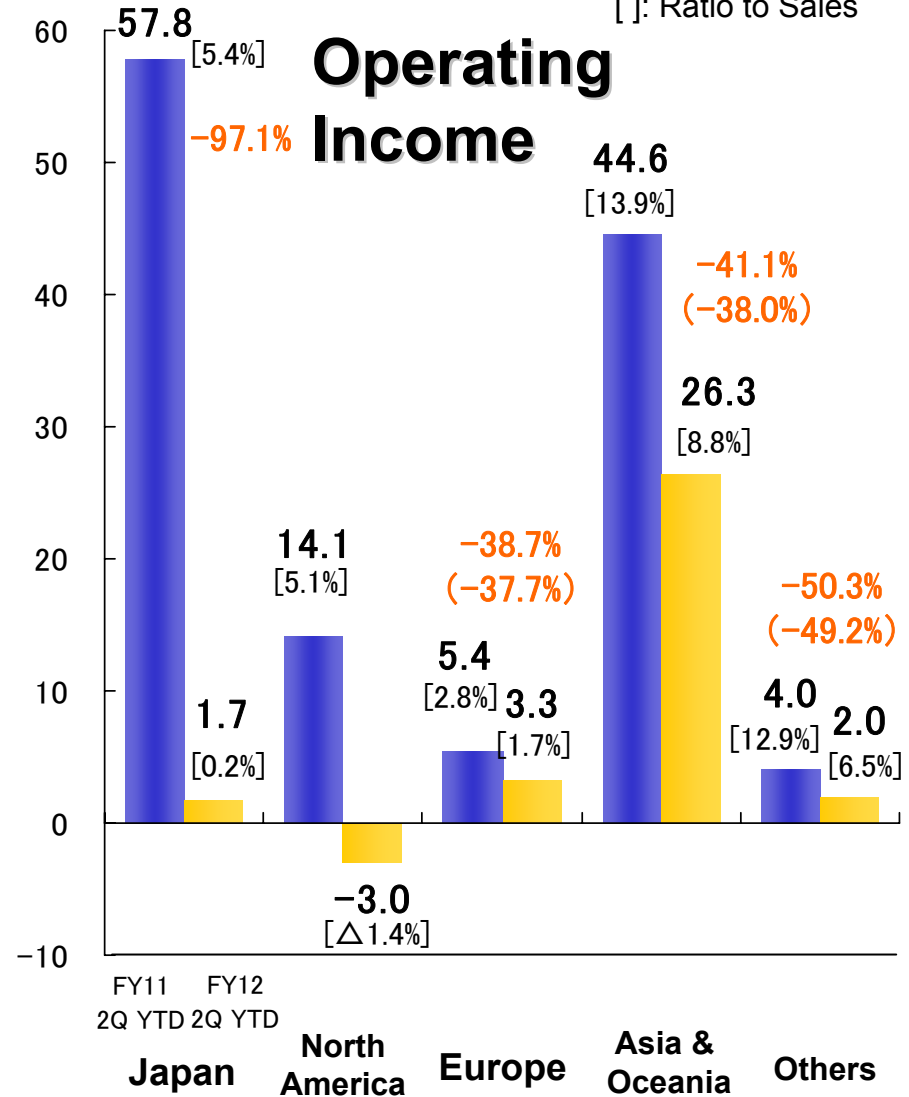
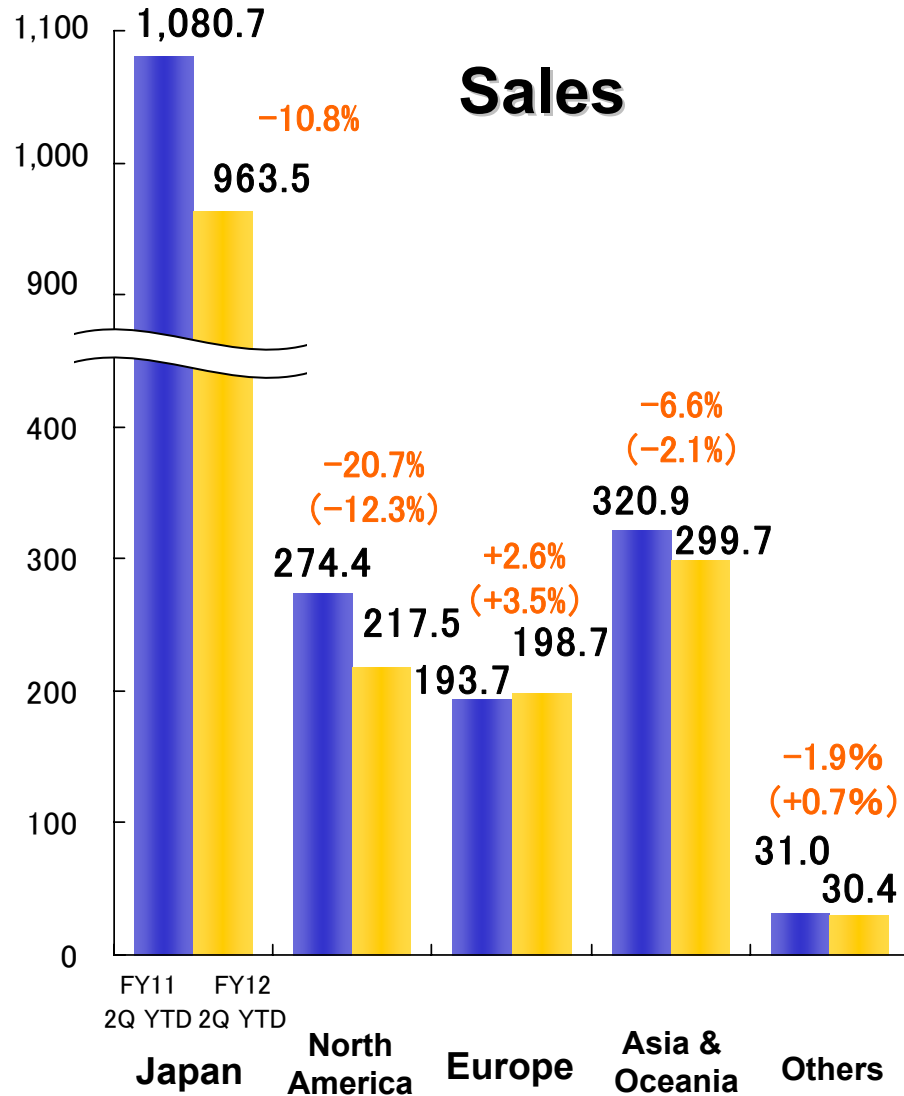
(Unit: Billions of Yen)



2nd Quarter Geographical Segments by Company Location

(Unit: Billions of Yen)

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



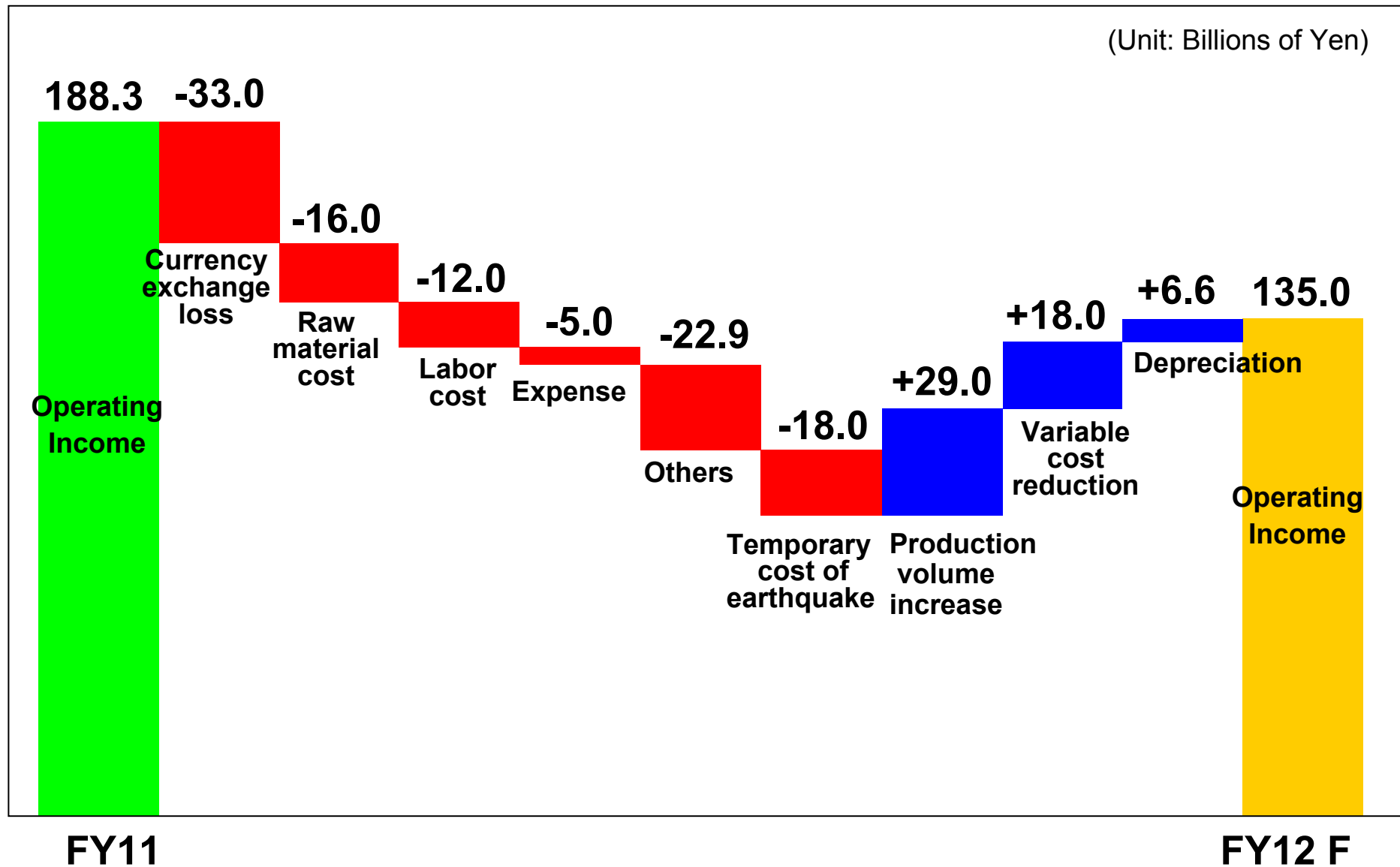
FY2012 Financial Forecast

07 / 25

	(Ratio to Sales)			(Unit: Billions of Yen)	
	FY2012 Forecast as of Aug.1	FY2012 Revised	FY2011	Change	
Sales	3,170.0	3,160.0	3,131.5	+28.5	+0.9%
Operating Income	(4.3%) 135.0	(4.3%) 135.0	(6.0%) 188.3	-53.3	-28.3%
Income before Income Taxes	(4.6%) 145.0	(4.6%) 145.0	(6.8%) 211.7	-66.7	-31.5%
Net Income	(3.1%) 98.0	(3.1%) 98.0	(4.6%) 143.0	-45.1	-31.5%

	(Unit: Millions of Units)				
Foreign Exchange Rate	JPY 81/\$ JPY113/Euro	JPY 79/\$ JPY110/Euro	JPY 86/\$ JPY113/Euro	-JPY7	-JPY3
Domestic Car Production	9.25	9.35	8.99	+0.36	+4.0%
Overseas Car Production of Japanese Manufacturers (North America)	14.26 (3.94)	15.19 (3.90)	13.45 (3.96)	+1.74 (-0.06)	+12.9% (-1.5%)

Change in FY2012 Operating Income

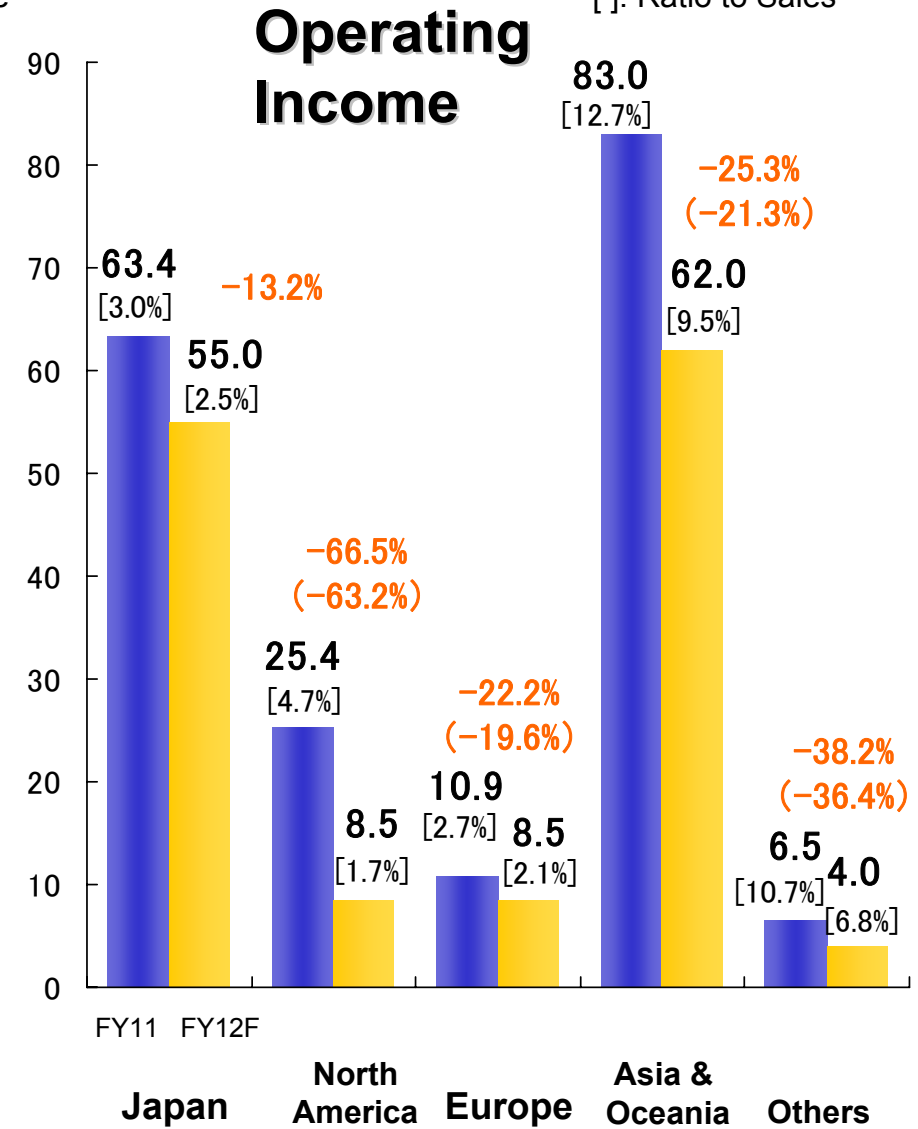
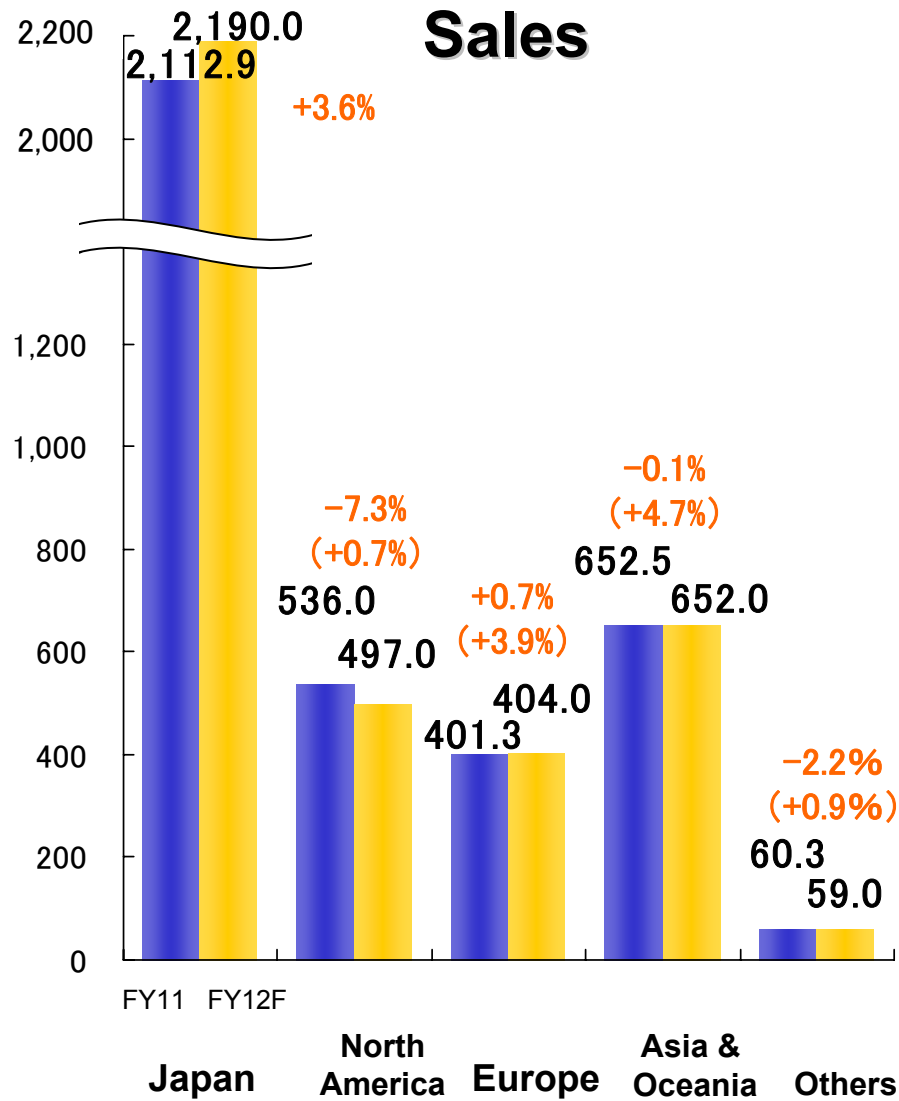


Geographical Segments by Company Location

(Unit: Billions of Yen)

(): Local Currency Base

[]: Ratio to Sales



Mid-term Profit Recovery Activities

Our Approach for Future Growth: Strengthen business, cost and management

Business

- Technology innovations for fuel efficiency/CO2 reduction
- Strengthening of regional competitiveness

Cost

- Low-cost technology
- Value-added improvement

Management

- Management to maximize group capability
- Challenge mind-set

Technology Innovations for Fuel Efficiency/CO2 Reduction

Smaller

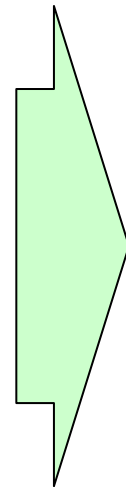
Fuel-efficient Compact Car
Smaller and Lighter Components

Electrification

Hybrid
Electric Vehicle

System Approach

Fuel Saving through
System Collaboration



- Higher Output Internal Combustion Engine
 - Gasoline Direct injection
 - Common Rail System

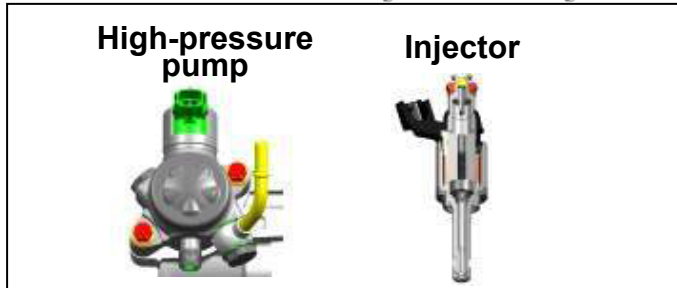
Example
- Stop / Start System
 - Improve Starter's Starting Efficiency and Durability

Example
- Smaller and Lighter Hybrid Components
 - Improvement of smaller Inverter

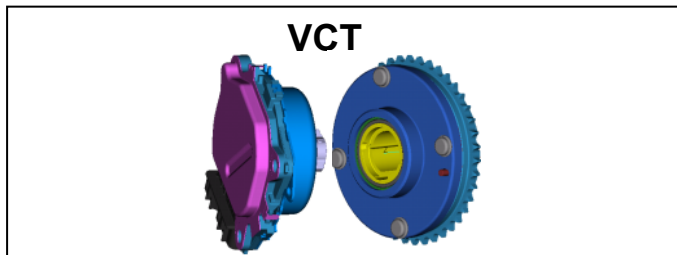
Example
- Energy Management Systems
 - Heat Energy and Electric Management

1. Higher Output Internal Combustion Engine - Gasoline Direct injection -

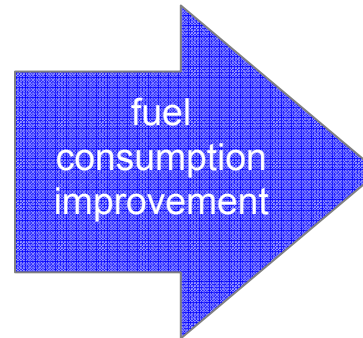
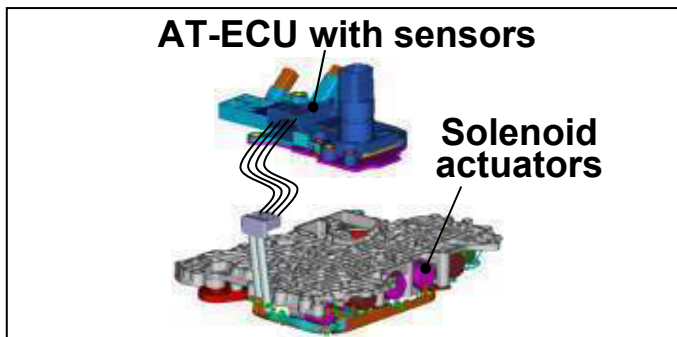
DENSO's Direct Injection System (Third Generation)



DENSO's Electric VCT

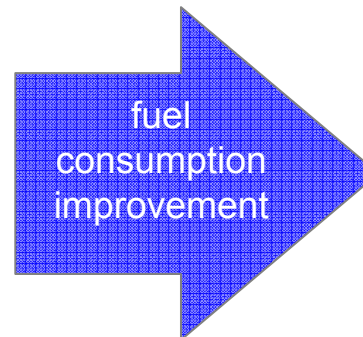


DENSO's AT module



Mazda's New-Generation Technology

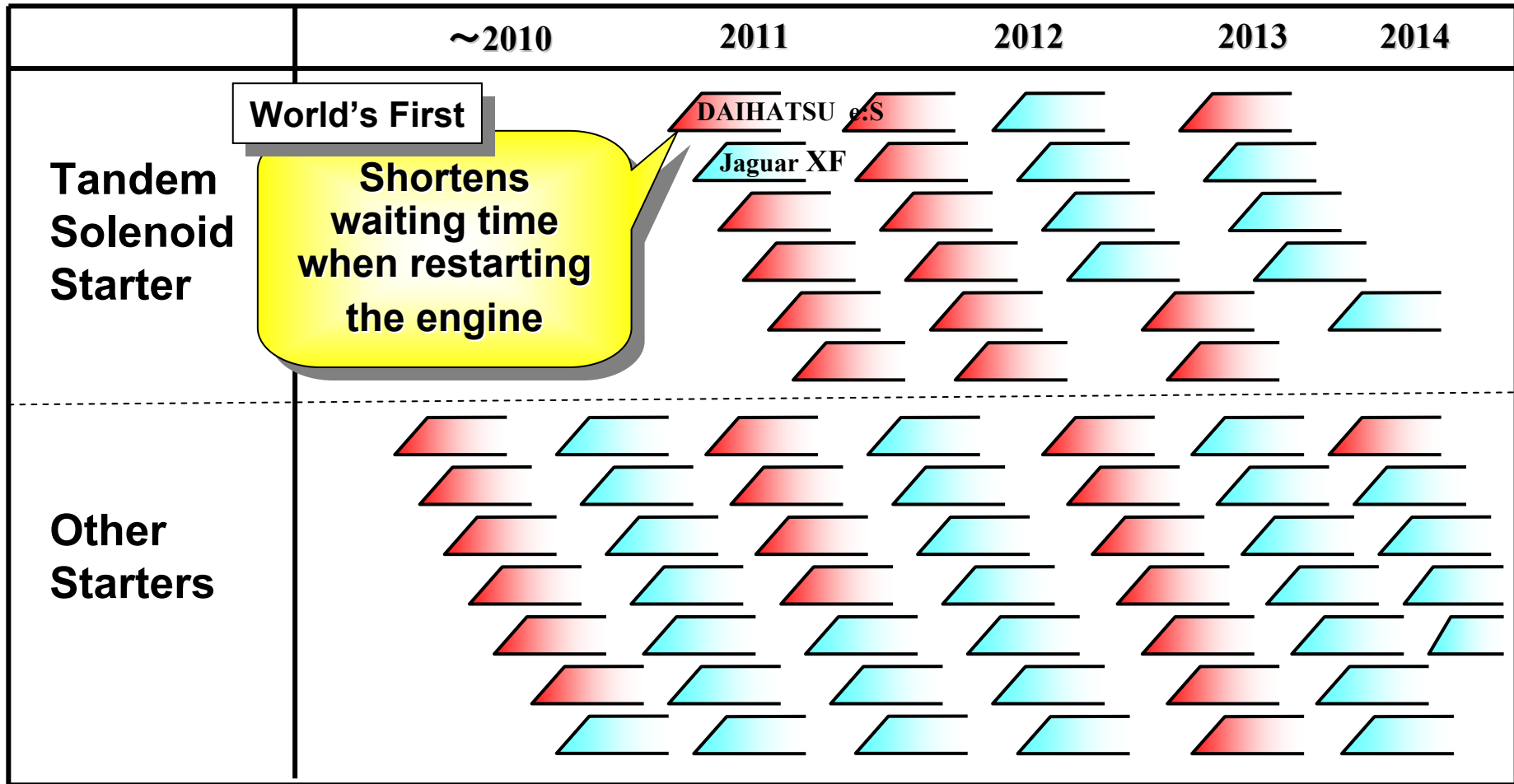
SKYACTIV-G
New Direct Injection Engine



SKYACTIV-Drive
New Transmission

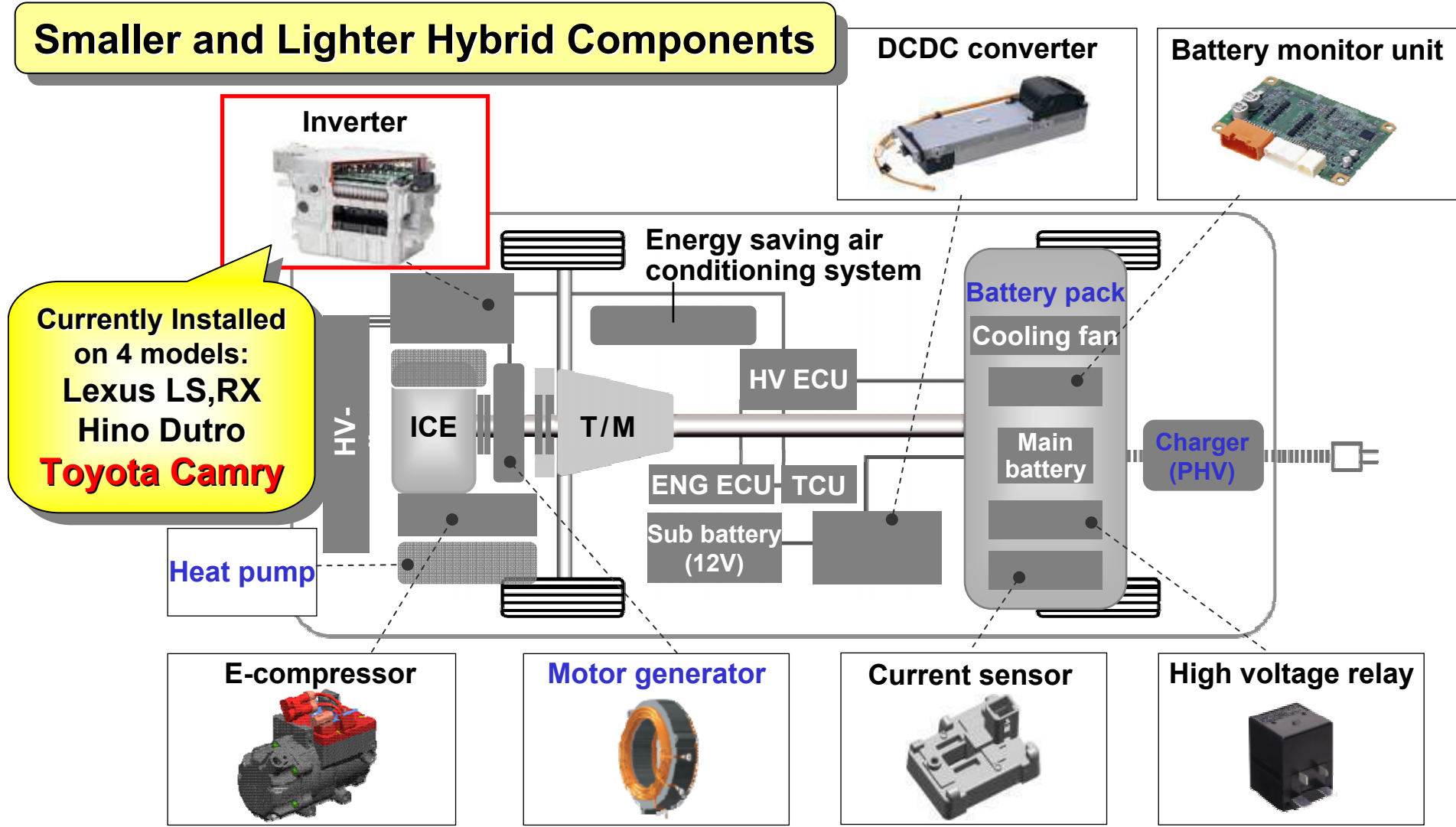
Starters for Stop/Start System Sales Development

Index: models
▬ Japanese auto manufacture
▬ Overseas auto manufacture



Adopted by 23 customers, 70 models

Smaller and Lighter Hybrid Components



Satisfy various system needs as a system supplier

Establishment of Low-cost Technology

Idea of product development

Review of all processes from the design to production
Establishment of low-cost technology as a new technical field

Activities for Cost-half product

1. Optimum function	2. Optimum quality	3. Optimum production	4. Promotion of localization
- To narrow the function and performance through benchmark activities.	- To loosen quality /performance standard to meet market demand	- Optimum design for local process	- Local material, die and mold, equipment - To utilize existing equipment

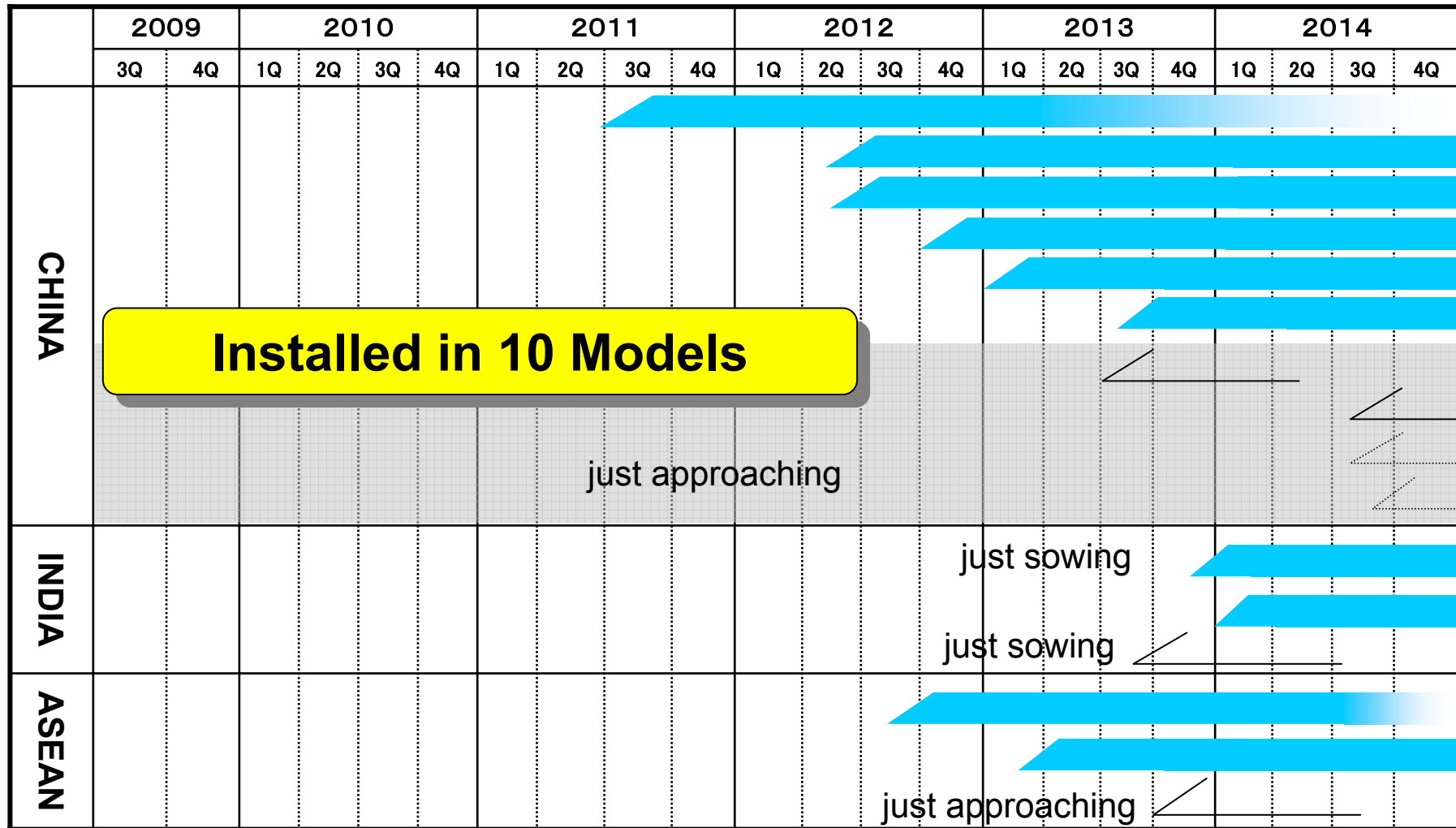


Improve profitability by competitive product technology

Cost-half Product (23 products)

Business Groups	Products	Business Groups	Products
Power-train Control Systems Business Group	Fuel Injector	Thermal Systems Business Group	Passenger Vehicle Air-conditioning System
	Ignition coil		Compressors
	Oxygen Sensor		Radiator
	Electronic throttle body sensor		Electric Fan
	Fuel pump module	Electronic Systems Business Group	Engine Electronic Control Units
	VCT (Variable Cam Timing) OCV(Oil flow control valve)	ASMO	Windshield Wiper System
	Supply Pump		Power Window Regulator Motor
Electric Systems Business Group	Alternators	TOYOTA BOSHOKU	Air cleaners
	Starters		Oil Filter
Information & Safety Systems Business Group	Instrument Clusters	ANDEN	Relays
	Car Navigation System	HAMANAKO DENSO	Horn
	Airbag Sensors & Electronic Control Units		

Low-cost Products Sales Development



Strengthening of Regional Competitiveness

(1) Business expansion in emerging country

Expansion of regional technical center

China
25 manufacturing companies

India
5 manufacturing companies



Technical center in China

Location:	Shanghai, China
Establishment:	May 2010
Total floor area:	4,700 m
Employees:	360 (projected for 2015)

Technical center in India

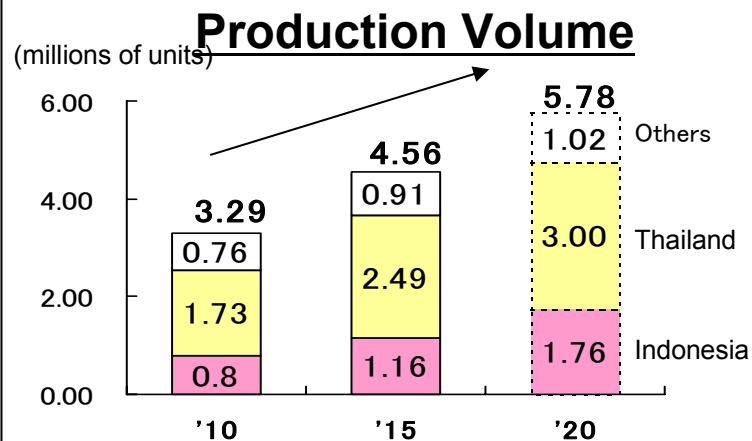
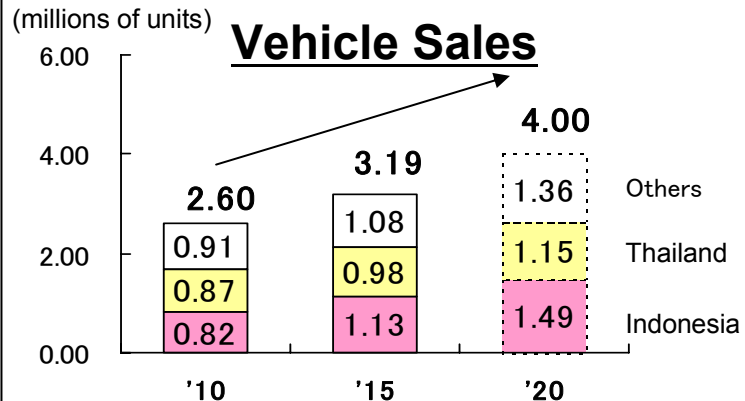
Location:	Gurgaon, India
Establishment:	Late 2011
Investment:	Approximately 3 billion yen
Total floor area:	5,040 m2
Employees:	Approximately 70 (projected for 2015)

Technical center in Brazil

Location:	Santa Bárbara d' Oeste City, Brazil (on the site of DNBR's new plant)
Establishment:	Early 2012
Investment:	Approximately 4 billion yen
Total floor area:	8,000 square meters (when established)
Employees:	Approximately 100 (projected for 2015)

Expansion of Indonesia business

ASEAN Automotive Market



- Volume Increase in Thailand and Indonesia
- Domestic + Export will increase in Thailand
- Domestic market will increase in Indonesia

DENSO Strategy in ASEAN

Reconstruction supply system to demand expansion and localization in Indonesia, and promote sales expansion

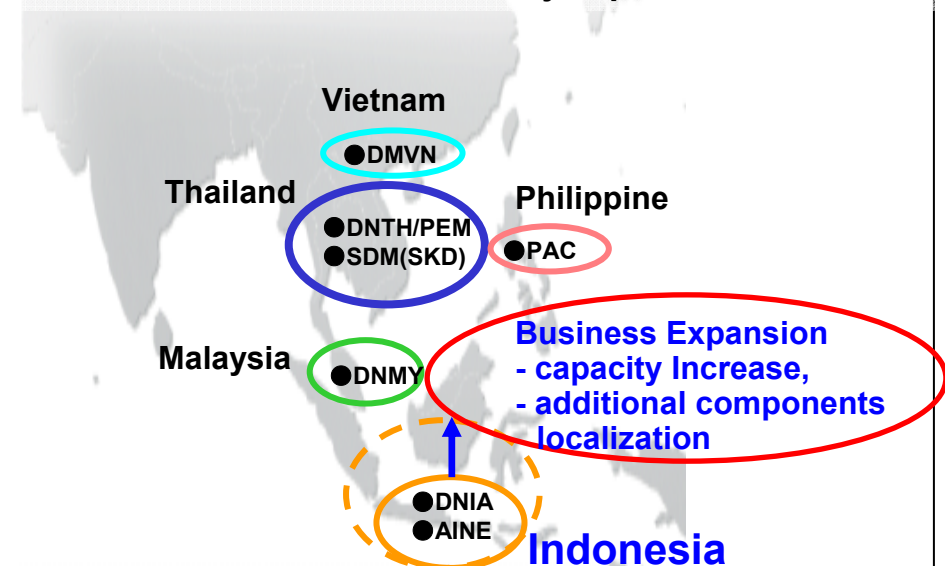
Supply System:

Complement components to each other and
Concentrate production in Thailand



Expand product item in Indonesia, increasing market

→Thailand and Indonesia are two major production bases



Strengthening of regional competitiveness

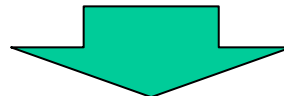
(2) “ Monozukuri ” in Japan

Competitiveness to deliver advanced products globally

- Develop high value-added products timely, and continue to provide them globally.

Competitiveness to resist imports pressure

- Develop leading-edge production technologies, and introduce them into domestic operations



Continue research and development of advanced technologies in Japan

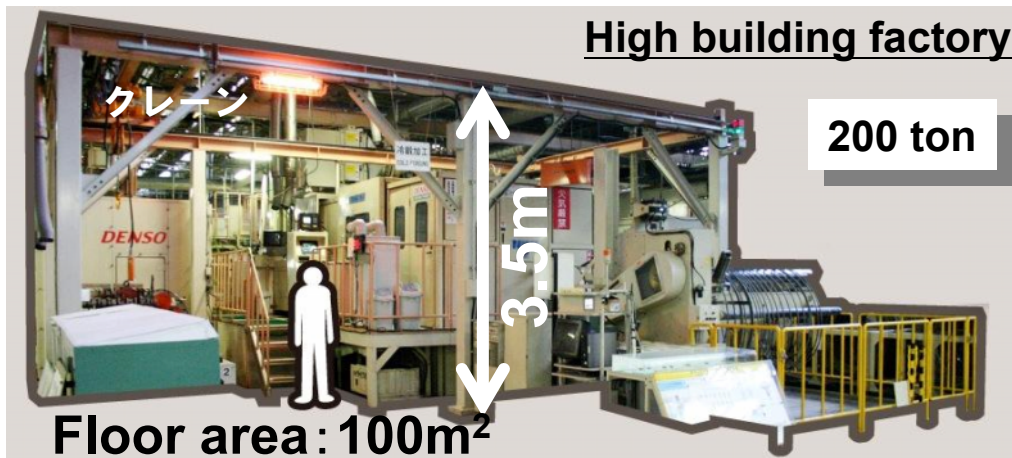
Enhance competitiveness of whole supply chain

Build the **outstanding factory to survive in Japan**

Outstanding “Monozukuri”

- ◇ Develop low-cost compact **1/N machines** to enhance productivity

Conventional Large-sized forging machine



New

Compact forging machine

Ordinary factory



Floor area 1/6

Investment 1/3

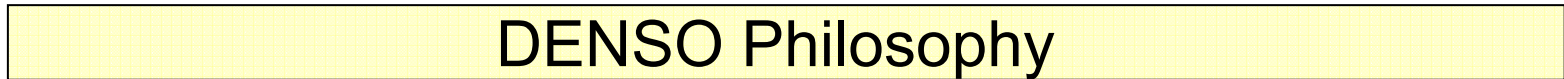
Production cost 30% cut

- ◇ Improve productivity of whole supply chain
 - Improve logistics of procurement and delivery
 - Introduce new technologies to suppliers

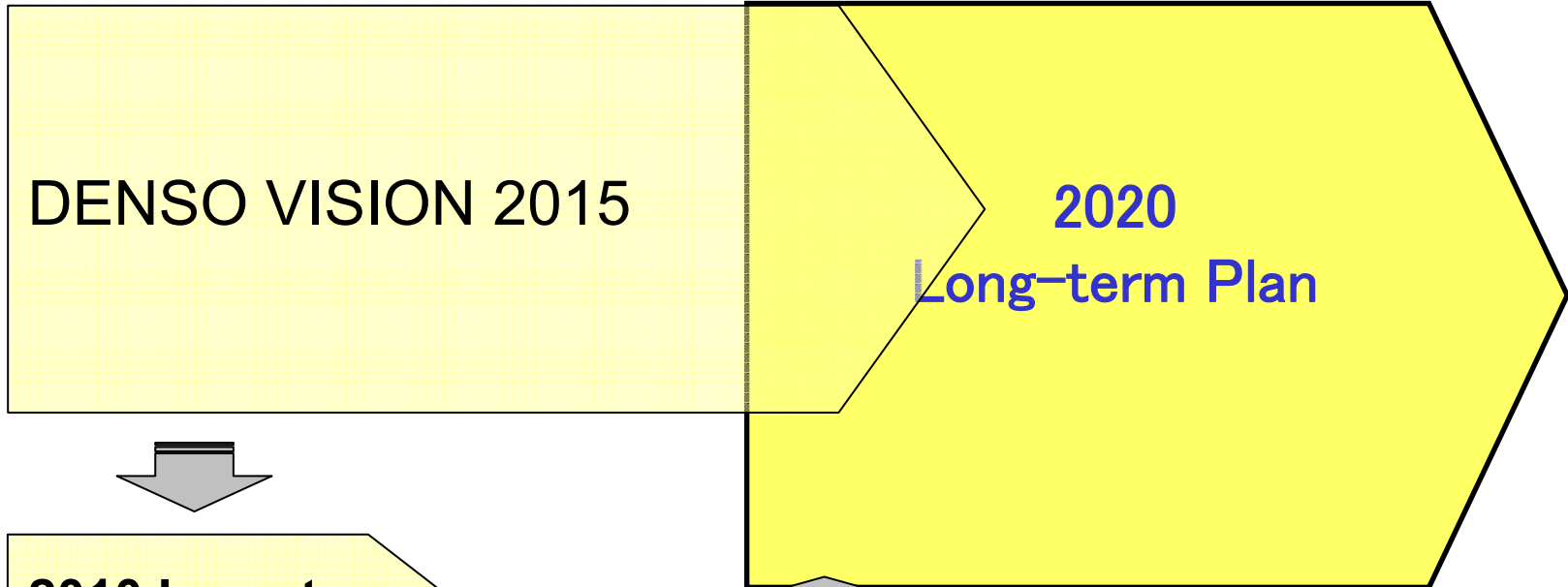
Mid-term / Long-term Business Plan

05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 **20**

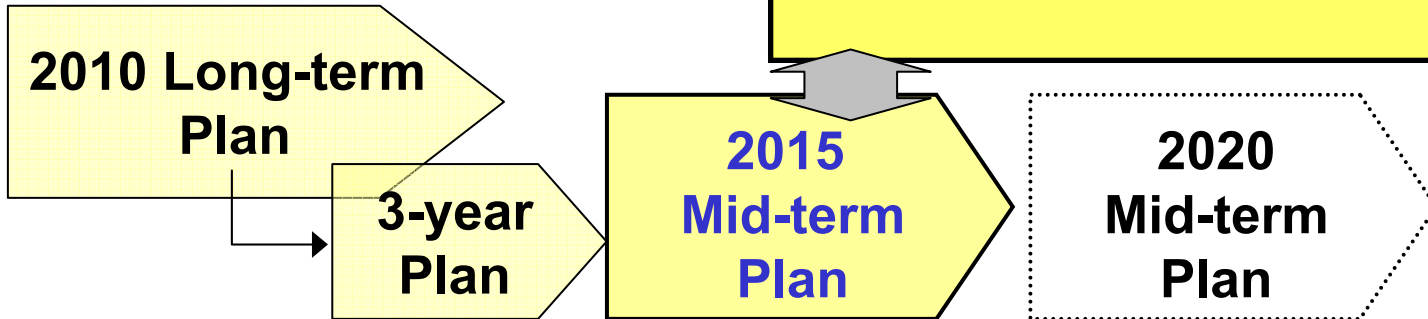
Philosophy



Vision



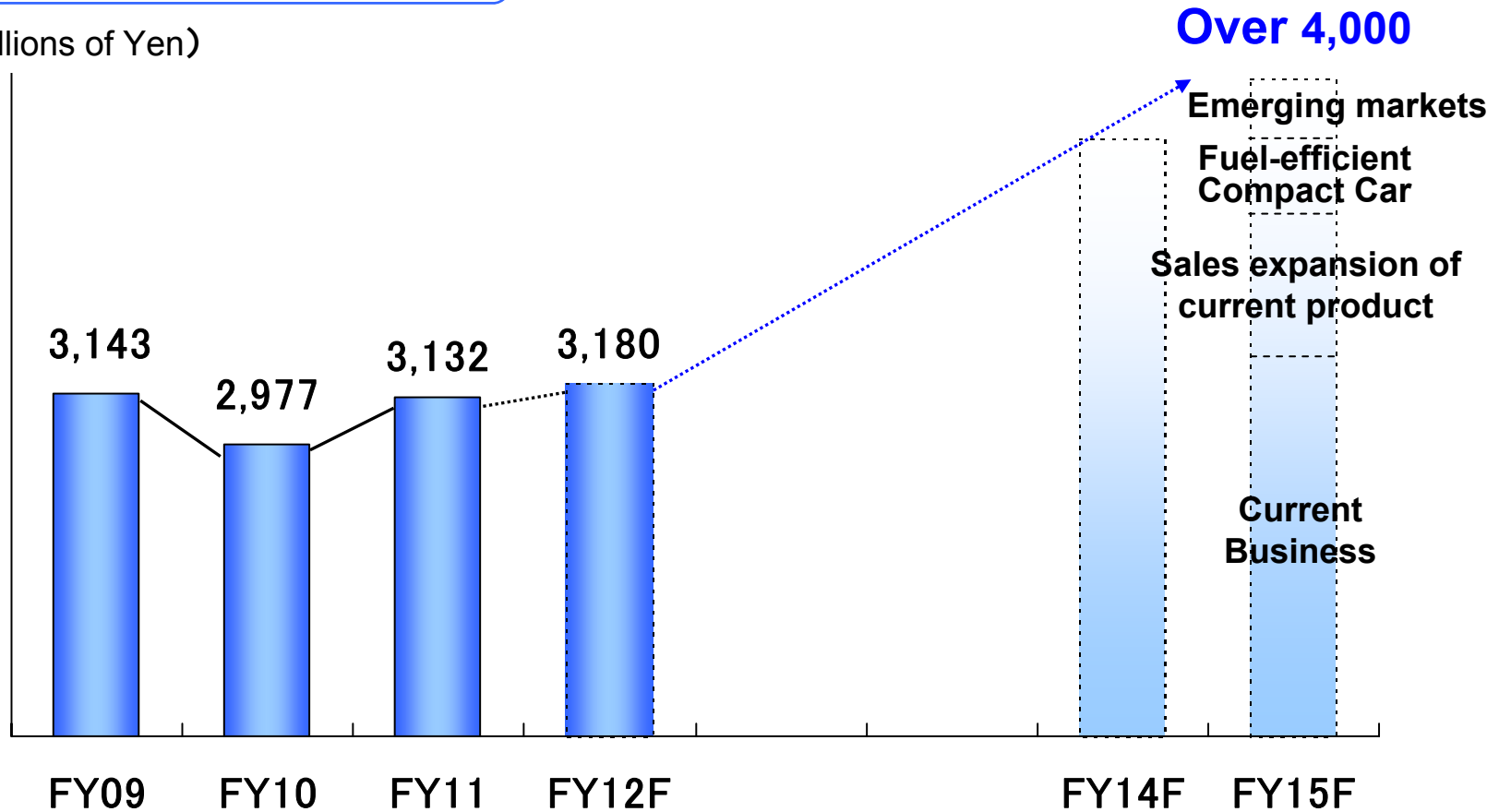
Mid/
Long-term
plan



Under consideration of Mid / Long – term plan

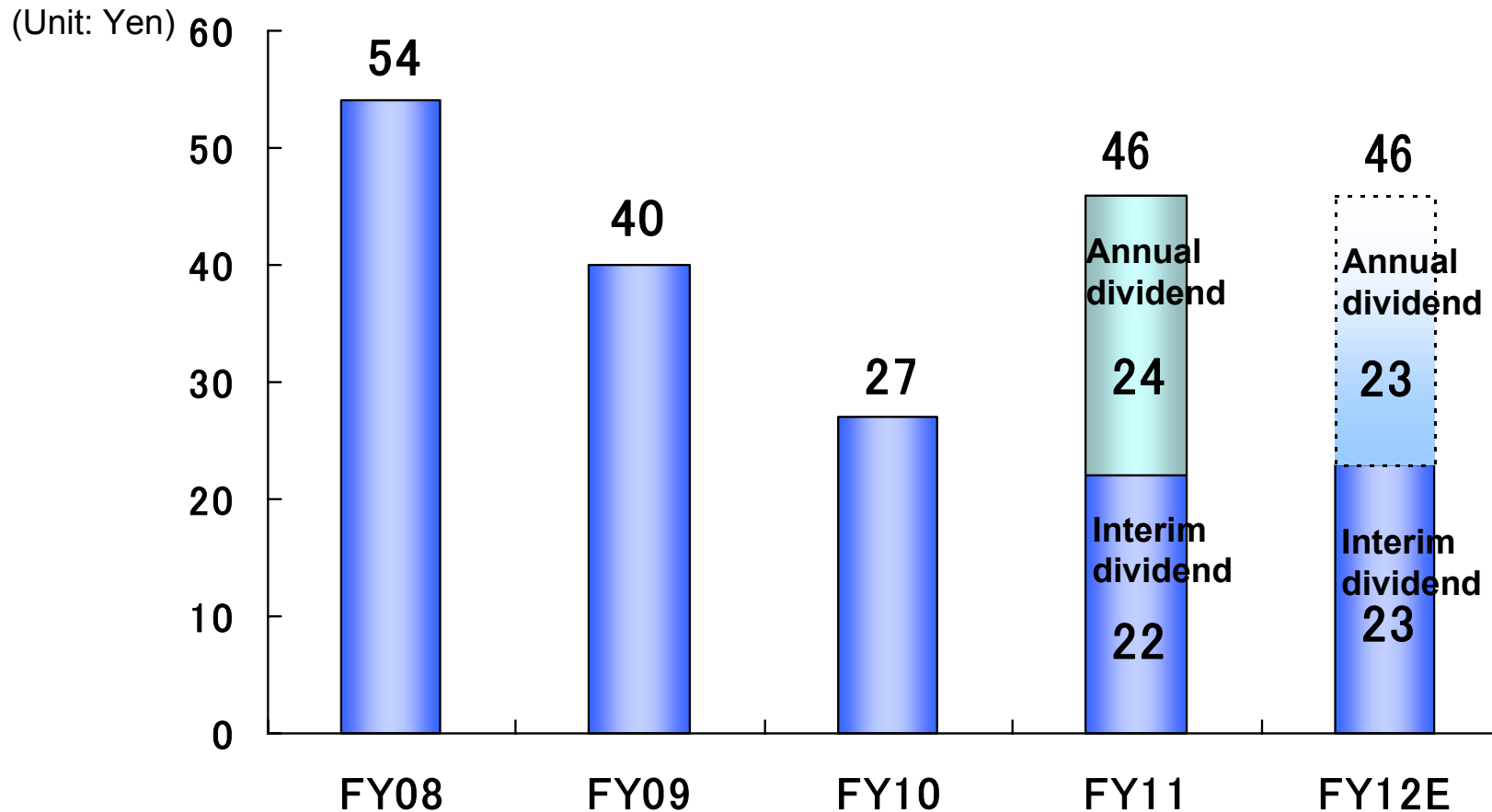
Consolidated Sales

(Unit: Billions of Yen)



Sales target by FY2015 - Over 4,000 billion yen

Dividends per Share



Interim dividend per share: 23 yen
→ 46 yen for the year in plan

DENSO

- 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

Overview of FY2011 2nd Quarter Financial Results

Income Statements

(Ratio to Sales)

(Unit:Billions of Yen,%)

Account	FY2011 2Q YTD		FY2010 2Q YTD		Change		FY2011 Forecast		Change from FY10			
					Amount	Percent	Forecast as of Aug.1	Forecast as of Oct. 28	Amount	Percent		
Net Sales	(100.0)	886.0	(100.0)	997.5	-111.5	-11.2	(100.0)	1,990.0	(100.0)	2,020.0	74.3	3.8
Cost of Sales	(93.7)	829.8	(89.0)	887.8	-57.9							
SGA Expenses	(6.7)	59.6	(6.8)	68.3	-8.7							
Operating Income	(-0.4)	-3.4	(4.2)	41.4	-44.8	-	(1.3)	25.0	(1.4)	29.0	-6.8	-19.0
Non-Operating Income		40.7		36.7	4.0			50.0		54.0	-2.5	
Extraordinary Income (Loss)		-0.0		-0.0	0.0			-0.0		-0.0	0.0	
Income Before Income Taxes	(4.2)	37.3	(7.8)	78.1	-40.9	-52.3	(3.8)	75.0	(4.1)	83.0	-9.3	-10.1
Net Income	(4.2)	37.2	(5.8)	57.8	-20.6	-35.7	(3.3)	66.0	(3.6)	72.0	-0.8	-1.1

Pre-Conditions (Foreign Exchange Rate/Car Production)

		FY2012 Full Year														
		FY2012 First-Half					FY2012 Second-Half									
		Prior Year	Forecast as of Apr.28	Forecast as of Aug.1	Actual	Change	Prior Year	Forecast as of Apr.28	Forecast as of Aug.1	Revised Estimate	Change	Prior Year	Forecast as of Apr.28	Forecast as of Aug.1	Revised Estimate	Change
Foreign Exchange Rate (Yen)	USD	89	81	81	80	- 9	83	80	80	77	- 6	86	81	81	79	- 7
	EUR	114	116	116	114	- 0	112	110	110	105	- 7	113	113	113	110	- 3
Forex Impact on Operating Income per Yen (Billions of Yen)	USD											3.0	-	2.9	2.7	- 0.3
	EUR											0.7	-	0.8	0.7	0
Car Production of Japanese Manufacturers (Millions of Units)	Domestic	4.78	-	3.81	3.91	- 18%	4.21	-	5.44	5.44	+ 29%	8.99	-	9.25	9.35	+ 4%
	North Americ	1.94	-	1.54	1.54	- 21%	2.02	-	2.40	2.36	+ 17%	3.96	-	3.94	3.90	- 2%
	Overseas	6.42	-	6.18	6.69	+ 4%	7.04	-	8.07	8.50	+ 21%	13.45	-	14.26	15.19	+ 13%

Consolidated Sales by Customer

(Unit: Billion of Yen)

	FY2012 ended Sept.30,2011		FY2011 ended Sept.30,2010		Change	
	Amount	% to Total	Amount	% to Total	Amount	Percent
Toyota	574.9	40.8	731.0	46.0	-156.1	-21.4
Daihatsu	40.8	2.9	45.5	2.8	-4.8	-10.5
Hino	21.3	1.5	19.1	1.2	2.3	11.9
Toyota Group	637.0	45.2	795.6	50.0	-158.6	-19.9
Honda	82.1	5.8	109.6	6.9	-27.6	-25.2
Suzuki	37.1	2.6	41.3	2.6	-4.2	-10.3
Fuji	22.0	1.6	29.8	1.9	-7.7	-26.0
Mazda	25.3	1.8	29.8	1.9	-4.5	-15.2
Mitsubishi	23.4	1.7	21.6	1.4	1.8	8.5
Isuzu	21.4	1.5	20.8	1.3	0.6	2.7
Nissan	15.9	1.1	14.7	0.9	1.2	7.9
GM	42.1	3.0	49.6	3.1	-7.5	-15.2
Ford	33.0	2.4	29.0	1.8	4.0	13.7
Chrysler	25.7	1.8	25.1	1.6	0.5	2.2
VW/AUDI	30.3	2.2	23.4	1.5	6.9	29.7
Benz	10.5	0.7	9.5	0.6	0.9	10.0
BMW	14.9	1.1	12.6	0.8	2.3	18.1
Fiat	42.9	3.0	43.4	2.7	-0.4	-1.0
PSA	8.2	0.6	7.9	0.5	0.3	3.9
Land Rover	7.4	0.6	8.9	0.6	-1.5	-16.7
Hyundai/Kia	37.1	2.6	33.9	2.1	3.2	9.5
OE Sales for others	123.1	8.7	116.9	7.4	6.2	5.3
OEM Total	1,239.4	88.0	1,423.4	89.6	-184.1	-12.9
After-market, New business & Others	169.8	12.0	166.2	10.4	3.6	2.2
Total	1,409.1	100.0	1,589.6	100.0	-180.4	-11.4

Consolidated Sales by Business Segment

(Unit: Billion of Yen)

	FY2012 ended Sept.30,2011		FY2011 ended Sept.30,2010		Change	
	Amount	% to Total	Amount	% to Total	Amount	Percent
Thermal	433.5	30.8	489.6	30.8	-56.1	-11.5
Powertrain Control	365.1	25.9	383.2	24.1	-18.1	-4.7
Information & Safety Systems	215.9	15.3	274.0	17.2	-58.1	-21.2
Electric	128.3	9.1	136.4	8.6	-8.1	-5.9
Electronic	123.7	8.8	146.1	9.2	-22.3	-15.3
Small Motors	98.6	7.0	118.9	7.5	-20.3	-17.1
Others(*1)	16.5	1.2	16.2	1.0	0.3	2.1
Automotive Total	1,381.6	98.1	1,564.3	98.4	-182.7	-11.7
Industrial & Consumer Product	22.8	1.6	20.7	1.3	2.1	10.2
Others(*2)	4.7	0.3	4.6	0.3	0.1	2.6
New Business Total	27.5	1.9	25.3	1.6	2.2	8.8
Total	1,409.1	100.0	1,589.6	100.0	-180.4	-11.4

Capital Expenditures, Depreciation and R&D

(Unit: Billion of Yen)

	FY11		FY12 Estimate		2Q YTD Change from PY	Progress to FY12 Estimate
	2QYTD		2QYTD			
Japan	46.5	95.5	48.9	95.0	5.2%	51.5%
North America	4.2	9.1	4.6	11.0	9.5%	41.8%
Europe	4.7	12.1	8.8	19.0	87.2%	46.3%
Asia & Oceania	11.1	22.8	19.9	45.0	79.3%	44.2%
Others	3.3	5.5	3.4	7.0	3.0%	48.6%
Capital Exp.	69.8	145.1	85.6	177.0	22.6%	48.4%
Japan	65.7	142.2	61.1	132.0	-7.0%	46.3%
North America	9.0	17.1	7.8	17.0	-13.3%	45.9%
Europe	6.4	12.4	5.9	14.0	-7.8%	42.1%
Asia & Oceania	10.0	19.4	9.6	21.0	-4.0%	45.7%
Others	1.0	2.0	1.0	2.5	0.0%	40.0%
Depreciation	92.1	193.1	85.4	186.5	-7.3%	45.8%
R&D Expenditure (Ratio to Sales)	141.1 (8.9%)	290.1 (9.3%)	148.0 (10.5%)	285.0 (9.0%)	4.9%	51.9%