FY2014 1st Quarter Financial Results ended June 30, 2013

July 31, 2013

DENSO CORPORATION
Overview of FY2014 1st Quarter Financial Results

1. Both of Sales and income are increased from the previous year

2. Upward revisions of FY2014 1st-half and full year forecast
[Overview of the consolidated financial results]

We posted sales of 997.6 billion yen, a 13.1 percent increase from the previous year,
Operating income reached 102.1 billion yen, a 30.7 percent increase from the previous year.
We earned a net income of 86.0 billion yen, a 75.2 percent increase from the previous year.
[Sales by customer]

Despite of sales promotion for Toyota, decreasing its production of vehicles in Japan and Asia& Oceania led to sale increased slightly and declined of our sale ratio.

Suzuki also decreased production of vehicles in Japan, but thanks to our sales promotion of Lithium-ion Batteries unit led to increase our sales.

Sale to Mazda also increased by sales promotion of gasoline direct injection products.

On the other hand, sales to overseas automakers also increased.

We promoted sales of instrument cluster and remote keyless entry for Hyundai Kia, and car air conditioning system for Ford and Fiat.
[Sales by business segment]

Sales of Thermal systems group rose significantly over the previous year, with promotion sales of car air conditioning system and increased production of vehicles in North America and Asia & Oceania.

Powertrain control systems group was primarily due to increase of gasoline direct injection system and Lithium battery unit.
[Factors that contributed to increases or decreases in Operating Income]

Negative factors
(1) Higher Labor cost: An increase of 9.0 billion yen was mainly due to an increase promotion and bonus and overtime work.
(2) Higher expense: An increase of 7.0 billion yen was mainly due to R&D expenditure and outsourcing cost.

Positive factors
(1) Currency exchange gain: An increase of 33.5 billion yen was mainly due to a 19-yen depreciation the yen and 26-yen
(2) Variable cost reduction: An increase of 10.0 billion yen was due to increased productivity and other efficiencies.
In Japan, despite of the decrease in car production, the increase of export sales and the effect of the weak yen led to an increase in sales to 653.6 billion yen, a 5.3 percent increase from the previous year. Despite the decrease in production volume, currency exchange gain and cost reduction efforts led to an operating income of 75.3 billion yen, a 36.6 percent increase from the previous year.

In North America, an increase in car production and the effect of the weak yen led to an increase in sales to 207.3 billion yen, a 5.9 percent increase from the previous year. Despite of the increase in production volume, due to the increase in labor cost and other expenses, the operating income totaled 6.3 billion yen, a 1.2 percent decrease from the previous year.

In Europe, the bottoming out of the economic slump and the effect of the weak yen led to an increase in sales to 117.9 billion yen, a 2.2 percent increase from the previous year. The operating income totaled 1.7 billion yen, a 26.1 percent decrease from the previous year.

In Asia and Oceania, the increase of car production and the effect of the weak yen resulted in sales increase to 231.5 billion yen, a 7.8 percent increase from the previous year. The operating income of 21.4 billion yen, a 1.1 percent decrease from the previous year.

In other areas, which mainly refer to the South American region, including countries such as Brazil and Argentina, sales totaled 21.2 billion yen, a 32.2 percent increase from the previous year. The operating income totaled 1.0 billion yen, a 17.3 percent decrease from the previous year.
**FY2014 1st Half Financial Forecast**

<table>
<thead>
<tr>
<th>(Ratio to Sales)</th>
<th>FY14 2Q YTD Original</th>
<th>FY14 2Q YTD Revised</th>
<th>FY13 2Q YTD</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,883.0</td>
<td>1,973.0</td>
<td>1,733.1</td>
<td>+239.9</td>
</tr>
<tr>
<td>Operating Income</td>
<td>(6.8%) 128.0</td>
<td>(9.0%) 178.0</td>
<td>(7.9%) 136.3</td>
<td>+41.7</td>
</tr>
<tr>
<td>Income before Income Taxes</td>
<td>(7.3%) 137.0</td>
<td>(9.9%) 195.0</td>
<td>(7.9%) 137.4</td>
<td>+57.6</td>
</tr>
<tr>
<td>Net Income</td>
<td>(4.6%) 87.0</td>
<td>(6.9%) 137.0</td>
<td>(4.5%) 78.1</td>
<td>+58.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Foreign Exchange Rate</th>
<th>JPY 90$/JPY120/Euro</th>
<th>JPY 98$/JPY128/Euro</th>
<th>JPY 79$/JPY101/Euro</th>
<th>+ JPY 19</th>
<th>+ JPY 27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Car Production</td>
<td>4.44</td>
<td>4.54</td>
<td>4.70</td>
<td>-0.16</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Overseas Car Production of Japanese Manufacturers (North America)</td>
<td>8.65 (2.73)</td>
<td>8.65 (2.68)</td>
<td>8.30 (2.47)</td>
<td>+0.35 (+0.21)</td>
<td>+4.2% (+8.5%)</td>
</tr>
</tbody>
</table>

[Forecasts for consolidated half financial results]

Considering the first-quarter financial results, we have decided to upwardly revise the original forecasts for the first-half and full-year financial results.

We expect sales of 1,973.0 billion yen and operating income of 178.0 billion yen.
[Factors that contributed to increases or decreases in full-year forecasts for recurring profit]

While negative factors are expected to depress recurring profit by 50.3 billion yen, positive factors boosted recurring profit by 92.0 billion yen.

Therefore, recurring profit is likely to be 178.0 billion yen, up 41.7 billion yen from the previous year.
[Sales and operating income by operating region]

* On a local currency basis excluding the effect of foreign exchange rate

We expect sales and income in our operating regions to increase in Japan and Europe, but the other regions expect sales to increase, but income to decrease.
[Forecasts for consolidated financial results]

We expect sales of 3,890.0 billion yen and operating income of 335.0 billion yen. (Foreign exchange rates used for the full-year financial result forecast are: US$=94yen Euro=124 yen)

This forecast is based on car production of Japanese manufacturers 9.14 million in domestic and 16.57 million in Overseas.

A 1 yen gain against the U.S. dollar and euro would reduce operating income at DENSO by 2.7 billion yen and 0.8 billion yen a year.
[Factors that contributed to increases or decreases in full-year forecasts for recurring profit]

While negative factors are expected to depress recurring profit by 69.4 billion yen, positive factors boosted recurring profit by 142.0 billion yen.

Therefore, recurring profit is likely to be 335.0 billion yen, up 72.6 billion yen from the previous year.