

# FY2019 1Q Financial Results ended June 30, 2018

## HIGH-LIGHT

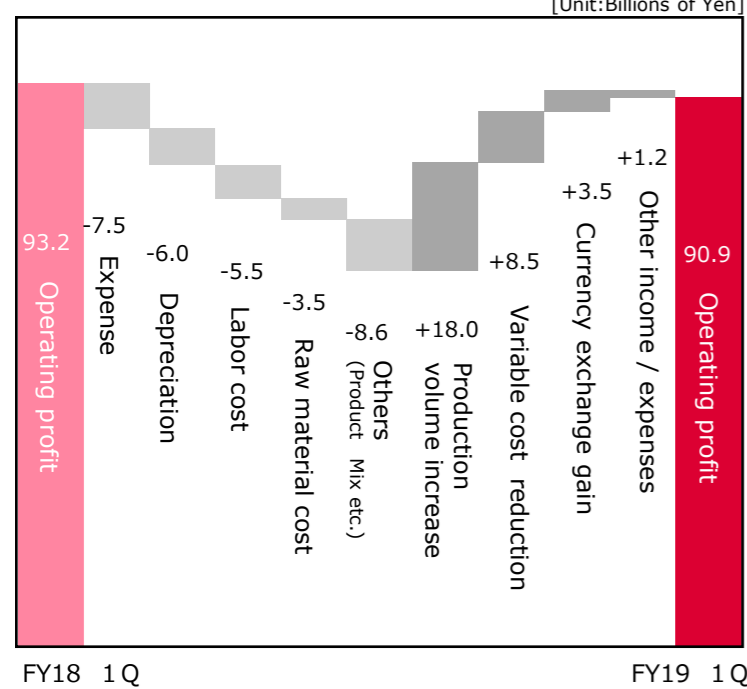
- Revenue increased due to the increase in car production, sales expansion and the subsidiaries, DENSO TEN and TD mobile, which were consolidated last fiscal year.
- Despite a rise in production volume and cost reduction efforts, operating profit decreased due to an increase in investment for future growth.
- Upward revision to the first-half and full-year forecast considering the first-quarter financial results.

## 1.Consolidated Financial Results (IFRS)

Account	FY2019 1Q		FY2018 1Q		Change		FY2019 2Q		YTD Forecast		FY2019 Forecast			
							Forecast as of April.27		Forecast as of Jul.31		Forecast as of April.27		Forecast as of Jul.31	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenue	( 100.0 ) 1,331.2	( 100.0 ) 1,164.9	166.2	14.3	( 100.0 ) 2,580.0	( 100.0 ) 2,660.0	( 100.0 ) 5,320.0	( 100.0 ) 5,400.0						
Operating profit	( 6.8 ) 90.9	( 8.0 ) 93.2	-2.3	-2.4	( 5.7 ) 147.0	( 6.1 ) 161.0	( 7.1 ) 376.0	( 7.2 ) 390.0						
Profit before income taxes	( 8.2 ) 109.1	( 9.8 ) 113.7	-4.7	-4.1	( 6.6 ) 170.0	( 6.7 ) 179.0	( 7.8 ) 415.0	( 7.9 ) 427.0						
Profit for the period(※)	( 5.8 ) 77.3	( 6.6 ) 76.7	0.6	0.8	( 4.3 ) 110.0	( 4.5 ) 120.0	( 5.5 ) 290.0	( 5.6 ) 303.0						
Foreign Exchange Rate (US\$)	109 Yen	111 Yen			105 Yen	107 Yen	105 Yen	106 Yen						
Foreign Exchange Rate (Euro)	130 Yen	122 Yen			130 Yen	130 Yen	130 Yen	130 Yen						
Domestic Car Production	2.25 Mil units	2.24 Mil units			4.50 Mil units	4.57 Mil units	9.51 Mil units	9.58 Mil units						
Overseas Car Production of Japanese Manufacturers	5.13 Mil units	4.88 Mil units			10.34 Mil units	10.43 Mil units	20.87 Mil units	20.95 Mil units						

※ Profit attributable to owners of the parent company

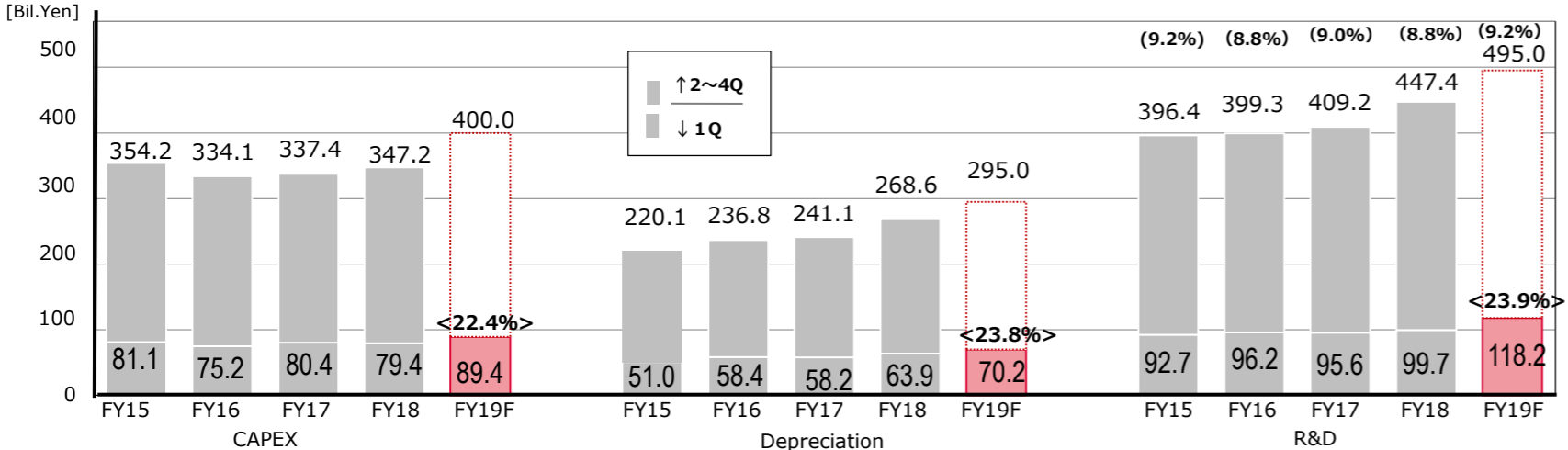
## 2.Changes in Operating Profit (FY18 1Q - FY19 1Q)



## 3. Geographic Segments By Company Location

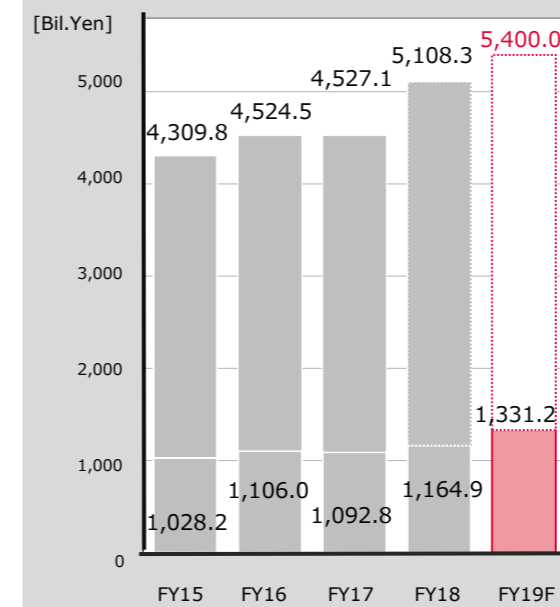
Revenue	FY2019 1Q		FY2018 1Q		Change	Local Currency	FY2019 Forecast
	Margin	Margin	Margin	Margin			
Japan	778.8	-	675.7	-	15.3%	15.3%	3,313.0
North America	310.9	-	281.0	-	10.6%	12.4%	1,151.0
Europe	182.0	-	159.6	-	14.0%	8.3%	688.0
Asia	358.1	-	299.6	-	19.5%	16.3%	1,416.0
Others	17.1	-	19.1	-	-10.4%	7.5%	73.0
Eliminations	-315.8	-	-270.2	-	-	-	-1,241.0
<b>Total</b>	<b>1,331.2</b>	<b>-</b>	<b>1,164.9</b>	<b>-</b>	<b>14.3%</b>	<b>13.5%</b>	<b>5,400.0</b>
Operating Profit	FY2019 1Q		FY2018 1Q		Change	Local Currency	FY2019 Forecast
	Margin	Margin	Margin	Margin			
Japan	34.1	4.4%	37.4	5.5%	-8.7%	-8.7%	178.0
North America	11.6	3.7%	17.0	6.0%	-31.4%	-29.5%	40.5
Europe	7.0	3.9%	5.8	3.7%	20.5%	15.2%	26.5
Asia	33.7	9.4%	28.5	9.5%	18.2%	13.8%	134.0
Others	2.6	15.2%	3.3	17.5%	-22.3%	-5.9%	11.0
Eliminations	1.8	-	1.1	-	-	-	0.0
<b>Total</b>	<b>90.9</b>	<b>6.8%</b>	<b>93.2</b>	<b>8.0%</b>	<b>-2.4%</b>	<b>-3.2%</b>	<b>390.0</b>

## 4. Capital Expenditures and Depreciation, R&D Expenditures

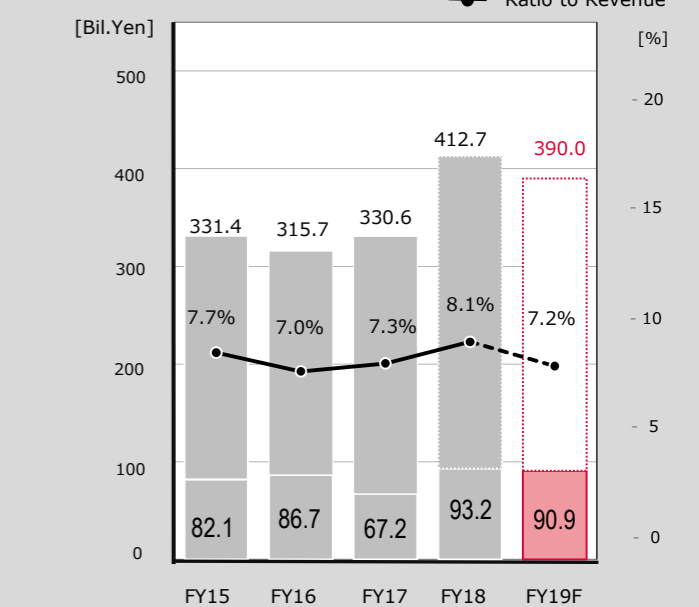


## Reference

### ① Revenue



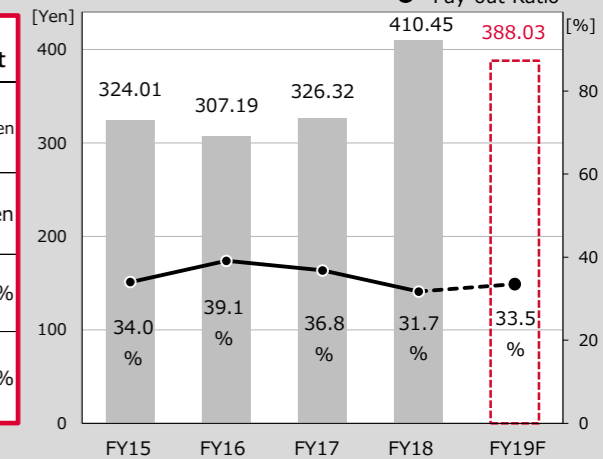
### ② Operating Profit



### ③ Financial Indices (Consolidated)

	FY15	FY16	FY17	FY18	FY19 Forecast
EPS	324.01 Yen	307.19 Yen	326.32 Yen	410.45 Yen	388.03 Yen
Dividends per Share	110 Yen	120 Yen	120 Yen	130 Yen	130 Yen
Pay-out Ratio	34.0 %	39.1 %	36.8 %	31.7 %	33.5 %
ROE	8.4 %	7.6 %	8.0 %	9.3 %	8.2 %

### EPS·Pay-out Ratio



## Sustainability Management Determination of Materiality

### Environment

- Prevention of global warming
- Prevention of air pollution/Reduction of environmental burden
- Effective utilization of resources
- Conservation of water resources

### Peace of Mind

- Development of safety related products → movement gaps cancellation
- Reduction of traffic accident
- Decreasing birthrate and aging population

### Governance

- Promotion of diversity
- Work style reforms
- 6 other items

