

DENSO

Crafting the Core

**FY2019 3rd Quarter
Financial Results
(2018/4-12)**

Feb. 1, 2019

DENSO CORPORATION



Overview of FY2019 3rd Quarter Financial Results

1. Despite market slowdown in Europe and China, revenue increased in all regions due to the increase in global car production and sales expansion as well as the subsidiaries DENSO TEN which was consolidated in Nov. 2017. Operating profit decreased due to increase in investment for future growth, transient profit in the last fiscal year and variance of periods in collecting expenses.

2. Downward revision to full-year forecast considering environmental factors such as market trend and the increase in raw material cost.

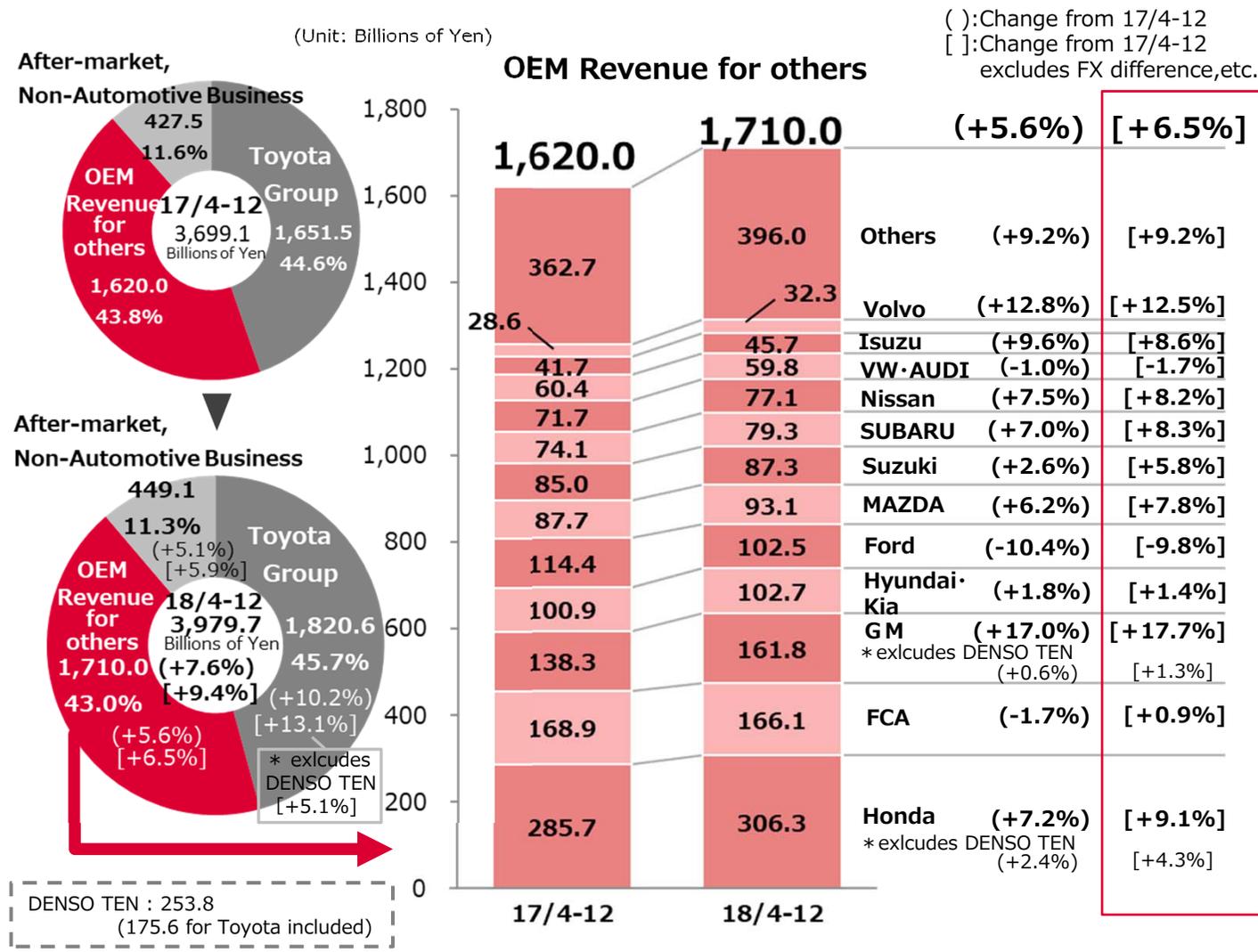
FY2019 9months Financial Results (2018/4-12)

		(Ratio to Revenue)		(Unit:Billions of Yen, %)	
		2018/4-12	2017/4-12	Change	
Revenue		3,979.7	3,699.1	+280.6	+7.6%
Operating Profit		243.5	314.6	-71.1	-22.6%
Finance income/ costs & others(*1)		32.7	39.0	-6.3	
Profit before Income Taxes		276.2	353.6	-77.4	-21.9%
Taxes					
Profit (*2)		192.0	251.3	-59.3	-23.6%
				(Unit:Millions of Units)	
Precondition	Foreign Exchange Rate	JPY 111/\$	JPY 112/\$	-1 JPY	
		JPY 129/Euro	JPY 129/Euro	+0 JPY	
	Domestic Car Production	6.96	6.93	+0.03	+0.4%
	Overseas Car Production of Japanese (North America)	15.42 (4.40)	15.16 (4.45)	+0.26 (-0.05)	+1.7% (-1.2%)

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

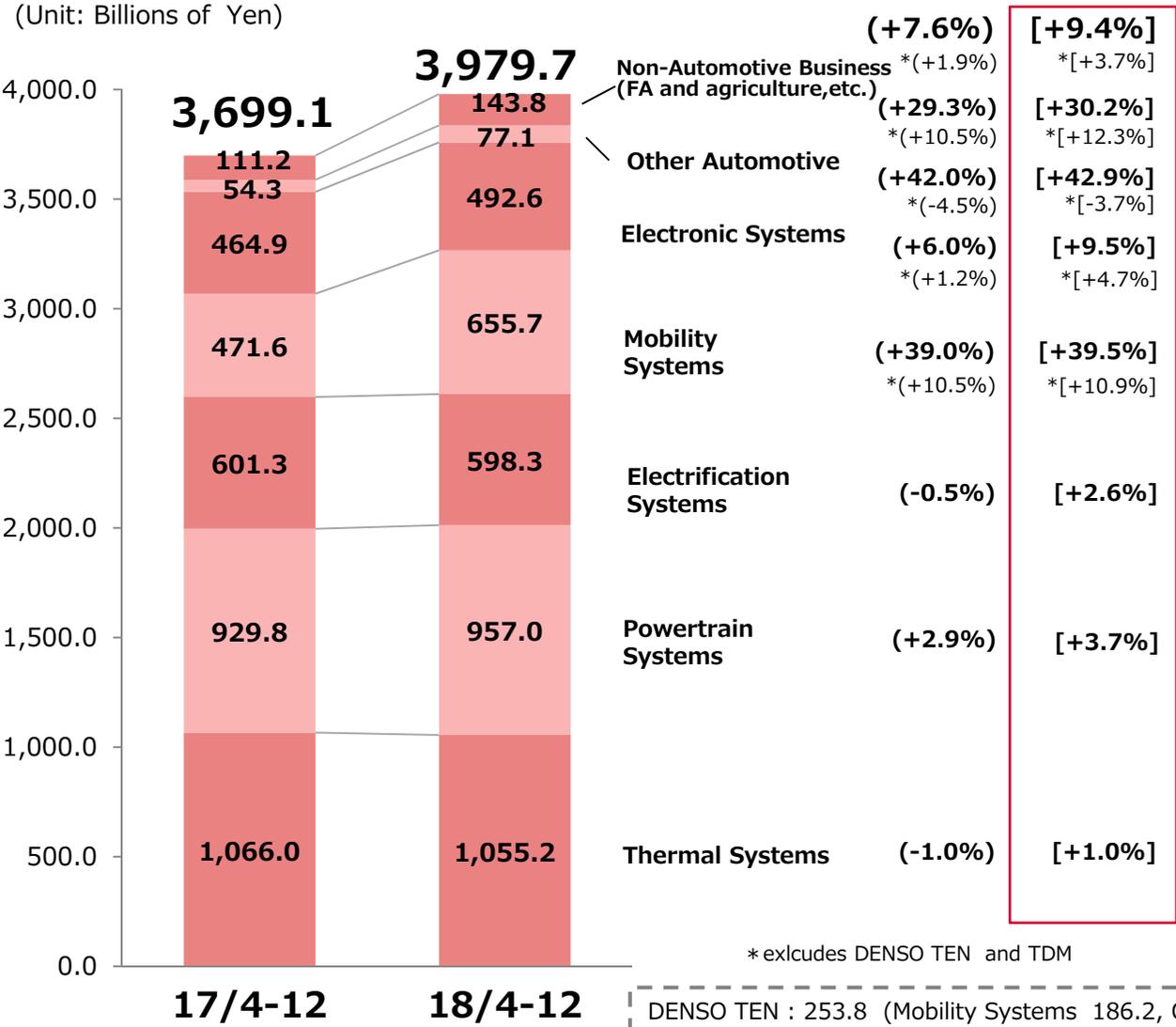
※2 Profit attributable to owners of the parent company

FY2019 9months Consolidated Revenue (By Customer)

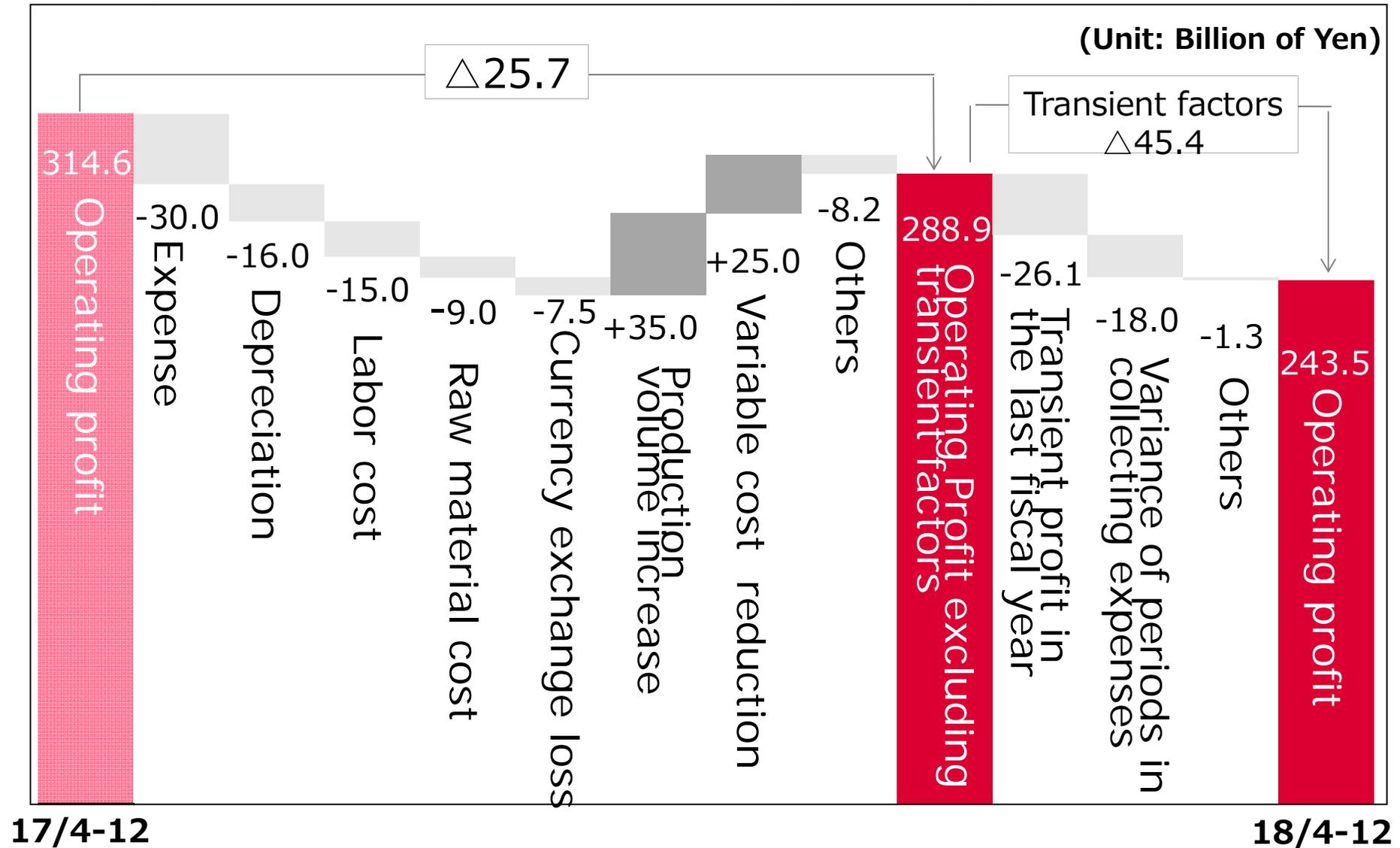


FY2019 9months Consolidated Revenue (By Product)

():Change from 17/4-12
 []:Change from 17/4-12 excludes FX difference



Change in FY2019 9months Operating Profit

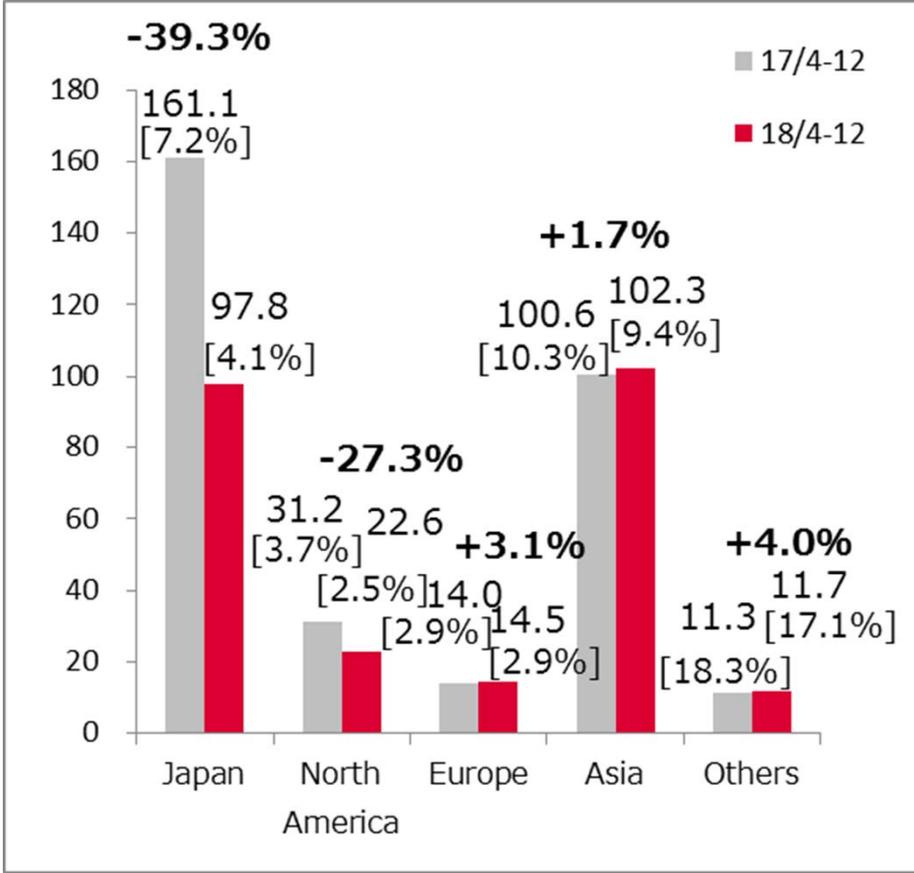
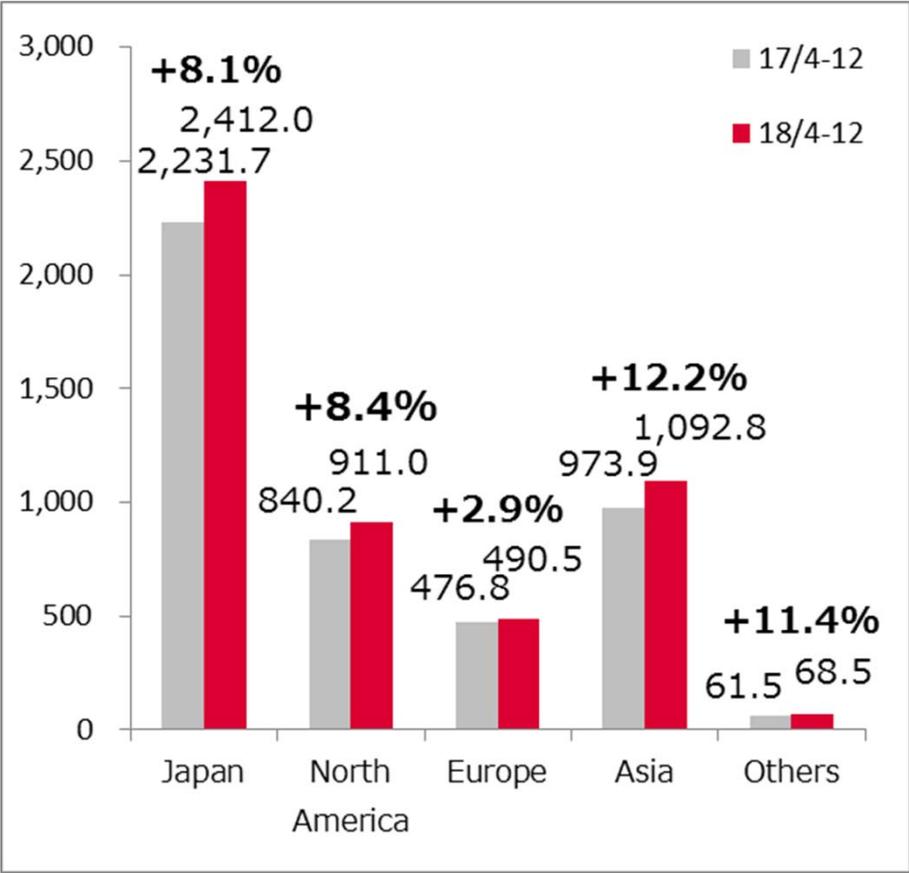


9months Geographical Segments by Company Location (Local Currency Base)

Revenue

Operating Profit

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



FY2019 Financial Forecast

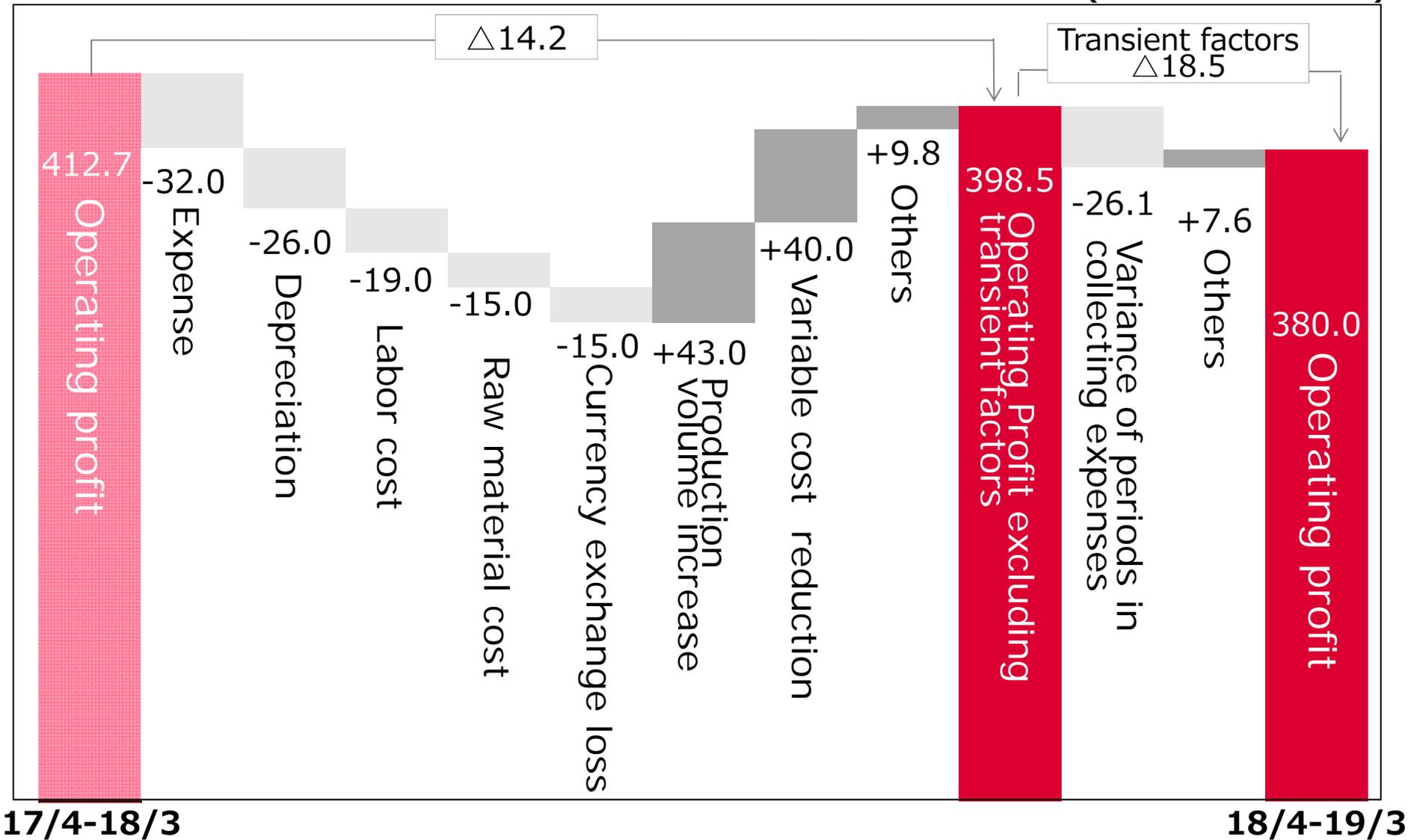
		(Ratio to Revenue)				(Unit:Billions of Yen, %)			
		As of	19/3 Revised	Change from Sep. 2018		18/3 Actual	Change from March 2018		
		Sep. 2018		Amount	Ratio		Amount	Ratio	
Operating Profit		5,400.0	5,370.0	-30.0	-0.6%	5,108.3	+261.7	+5.1%	
Operating Profit		(7.3%) 393.0	(7.1%) 380.0	-13.0	-3.3%	(8.1%) 412.7	-32.7	-7.9%	
Finance income/ costs & others(※1)		37.0	35.0	-2.0		37.2	-2.2		
Profit before Income Taxes		(8.0%) 430.0	(7.7%) 415.0	-15.0	-3.5%	(8.8%) 449.9	-34.9	-7.8%	
Profit (※ 2)		(5.6%) 305.0	(5.5%) 295.0	-10.0	-3.3%	(6.3%) 320.6	-25.6	-8.0%	
(Unit:Millions of Units)									
Precondition	Foreign Exchange Rate	JPY 110/\$	JPY 110/\$	-		JPY 111/\$	-1 JPY		
		JPY 130/Euro	JPY 130/Euro	-		JPY 130/Euro	+0 JPY		
	Domestic Car Production	9.57	9.50	-0.07	-0.7%	9.37	+0.13	+1.3%	
	Overseas Car Production of Japanese Manufacturers (North America)	20.69	20.32	-0.37	-1.8%	20.15	+0.17	+0.9%	
		(5.92)	(5.90)	(-0.02)	(-0.3%)	(6.03)	(+0.13)	(-2.2%)	

※1 Finance ii 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

Change in FY2019 Operating Profit

(Unit: Billion of Yen)



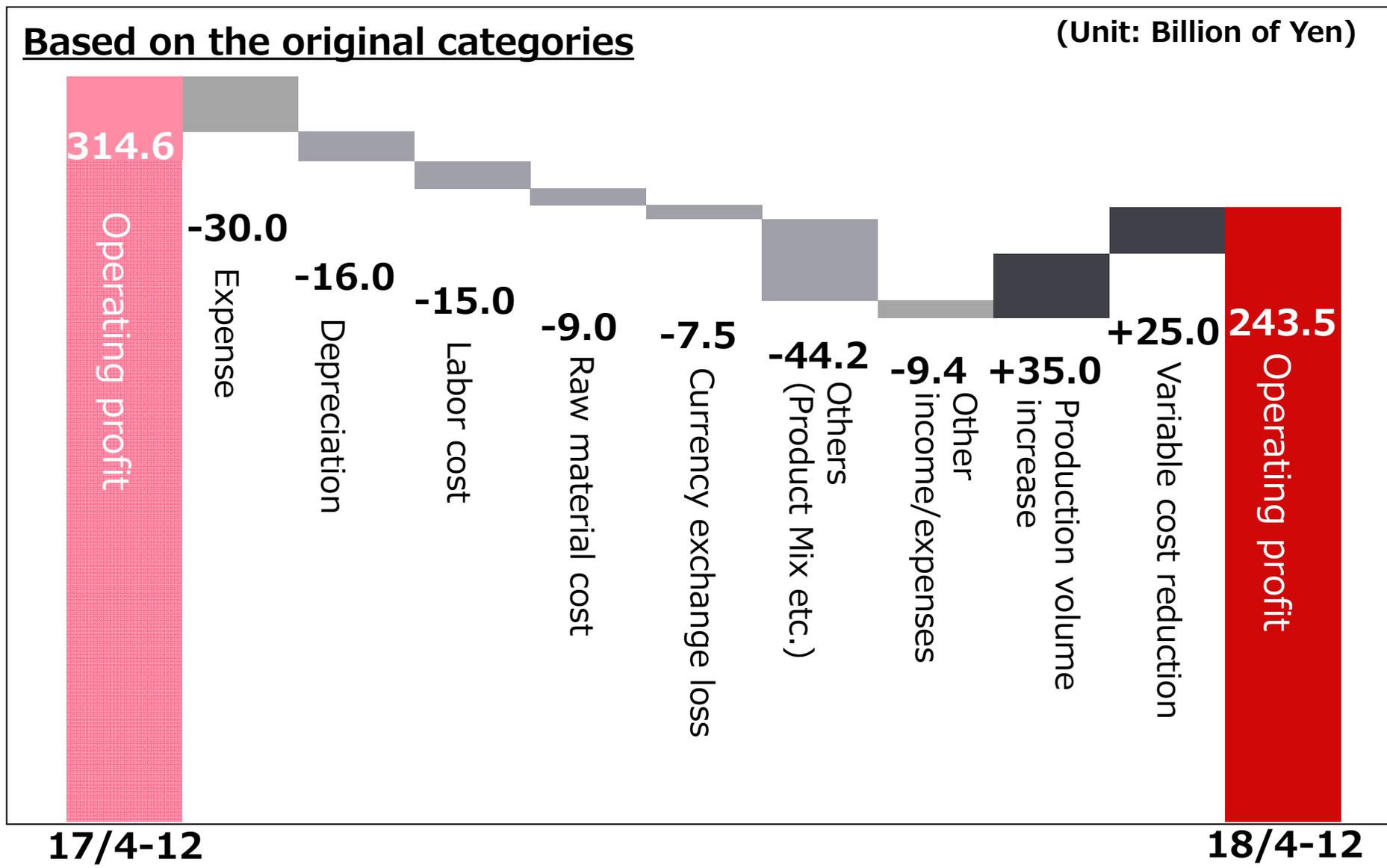
DENSO

Crafting the Core

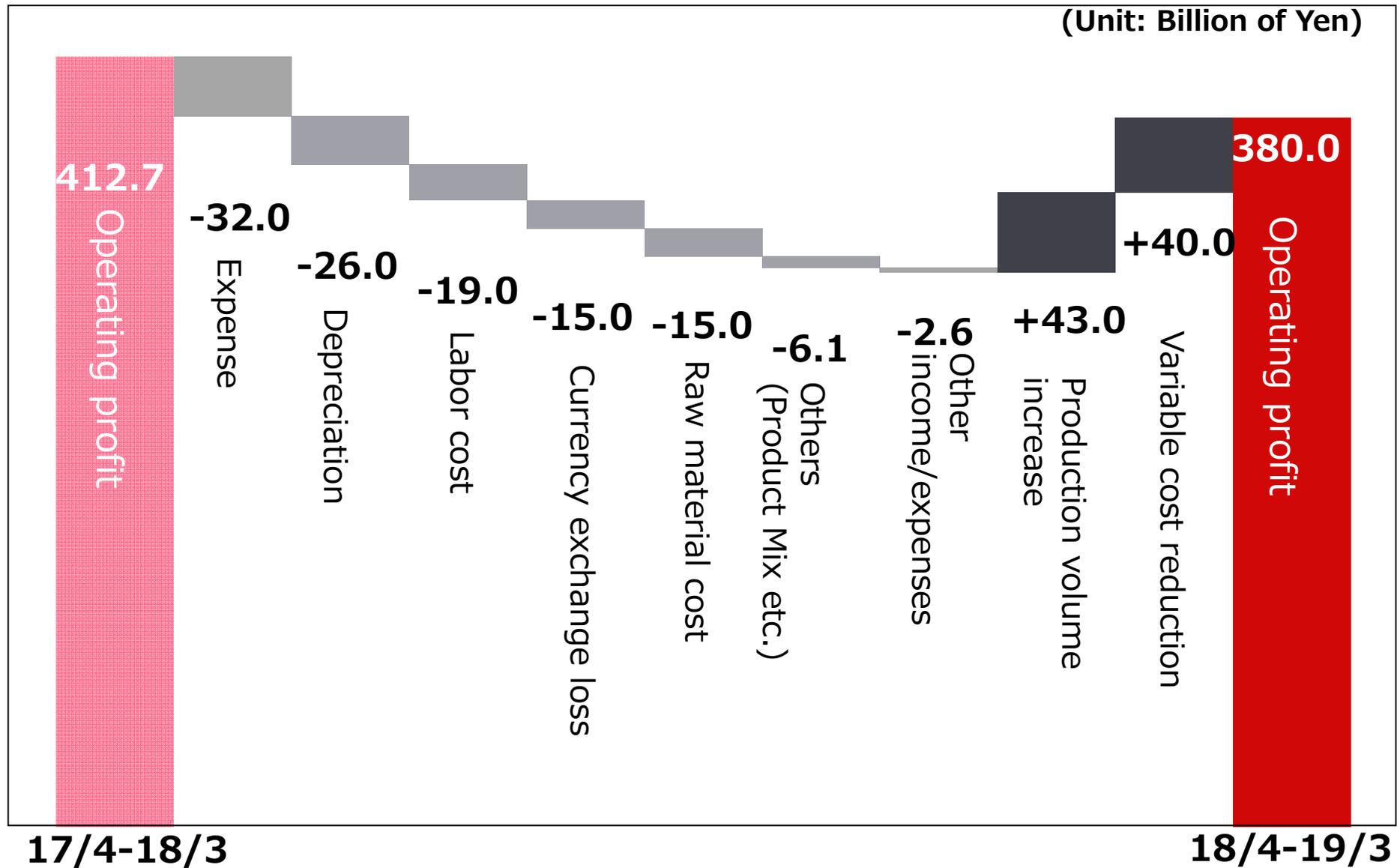
Appendix

- Change in FY2019 9months Operating Profit
- Change in FY2019 Operating Profit
- Pre-Conditions (Foreign Exchange Rate/Car Production)
- Consolidated Revenue by Customer
- Consolidated Revenue by Product
- 9months Geographical Segments by Company Location
- Trend of Capital Expenditures, Depreciation and R&D Expenditures
- Capital Expenditures, Depreciation, and R&D Expenditures

Change in FY2019 9months Operating Profit



Change in FY2019 Operating Profit



Pre-Conditions (Foreign Exchange Rate/Car Production)

		FY2019 First-Half														FY2019 Second-Half				FY2019 Full Year			
		FY2019 First-Half			FY2019 Second-Half						FY2019 Full Year												
					3Q			4Q															
		Prior Year	Actual	Change	Prior Year	Actual	Change	Prior Year	Revised Estimate	Change	Prior Year	Forecast as of Oct.28	Forecast (Revised)	Change	Prior Year	Forecast as of Oct.28	Forecast (Revised)	Change					
Foreign Exchange Rate (Yen)	USD	111	110	- 1	113	113	- 0	108	107	- 1	111	110	110	-1	111	110	110	- 1					
	EUR	126	130	+4	133	129	- 4	133	131	- 2	133	130	130	-3	130	130	130	+ 0					
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	4.54	4.47	- 1%	2.40	2.48	+ 4%	2.44	2.54	+ 4%	4.84	5.10	5.02	+ 4%	9.37	9.57	9.50	+ 1%					
	North America	3.01	2.90	- 4%	1.45	1.50	+ 4%	1.58	1.50	- 5%	3.02	3.02	3.00	- 1%	6.03	5.92	5.90	- 2%					
	Overseas	9.89	10.23	+ 3%	5.27	5.22	- 1%	4.98	4.91	- 2%	10.26	10.46	10.13	- 1%	20.15	20.69	20.32	+ 1%					

Consolidated Revenue (By Customer)

(Unit: Billions of Yen)

	18/4-12		17/4-12		Change		Change excludes FX difference,etc.
	Amount	% to Total	Amount	% to Total	Amount	%	%
Toyota	1,677.8	42.1	1,525.5	41.2	152.3	10.0	12.9
Daihatsu	93.8	2.4	82.2	2.2	11.7	14.2	17.6
Hino	49.0	1.2	43.9	1.2	5.0	11.5	11.5
Toyota Group	1,820.6	45.7	1,651.5	44.6	169.0	10.2	13.1
Honda	306.3	7.8	285.7	7.8	20.6	7.2	9.1
FCA	166.1	4.2	168.9	4.6	-2.8	-1.7	0.9
GM	161.8	4.1	138.3	3.7	23.5	17.0	17.7
Hyundai/Kia	102.7	2.6	100.9	2.7	1.8	1.8	1.4
Ford	102.5	2.6	114.4	3.1	-11.9	-10.4	-9.8
Mazda	93.1	2.3	87.7	2.4	5.4	6.2	7.8
Suzuki	87.3	2.2	85.0	2.3	2.2	2.6	5.8
SUBARU	79.3	2.0	74.1	2.0	5.2	7.0	8.3
Nissan	77.1	1.9	71.7	1.9	5.4	7.5	8.2
VW/AUDI	59.8	1.5	60.4	1.6	-0.6	-1.0	-1.7
Mitsubishi	48.6	1.2	38.1	1.0	10.5	27.4	27.7
Isuzu	45.7	1.1	41.7	1.1	4.0	9.6	8.6
Volvo	32.3	0.8	28.6	0.8	3.7	12.8	12.5
BMW	32.0	0.8	31.2	0.8	0.8	2.5	1.9
PSA	25.5	0.6	24.4	0.7	1.0	4.2	3.4
Benz	22.2	0.6	25.8	0.7	-3.7	-14.2	-15.0
OE Sales for others	268.0	6.7	243.2	6.6	24.8	10.2	10.5
OEM Total	3,530.5	88.7	3,271.6	88.4	259.0	7.9	9.8
After-market, Non-Automotive Business(*)	449.1	11.3	427.5	11.6	21.6	5.1	5.9
Total	3,979.7	100.0	3,699.1	100.0	280.6	7.6	9.4

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

Consolidated Revenue (By Product)

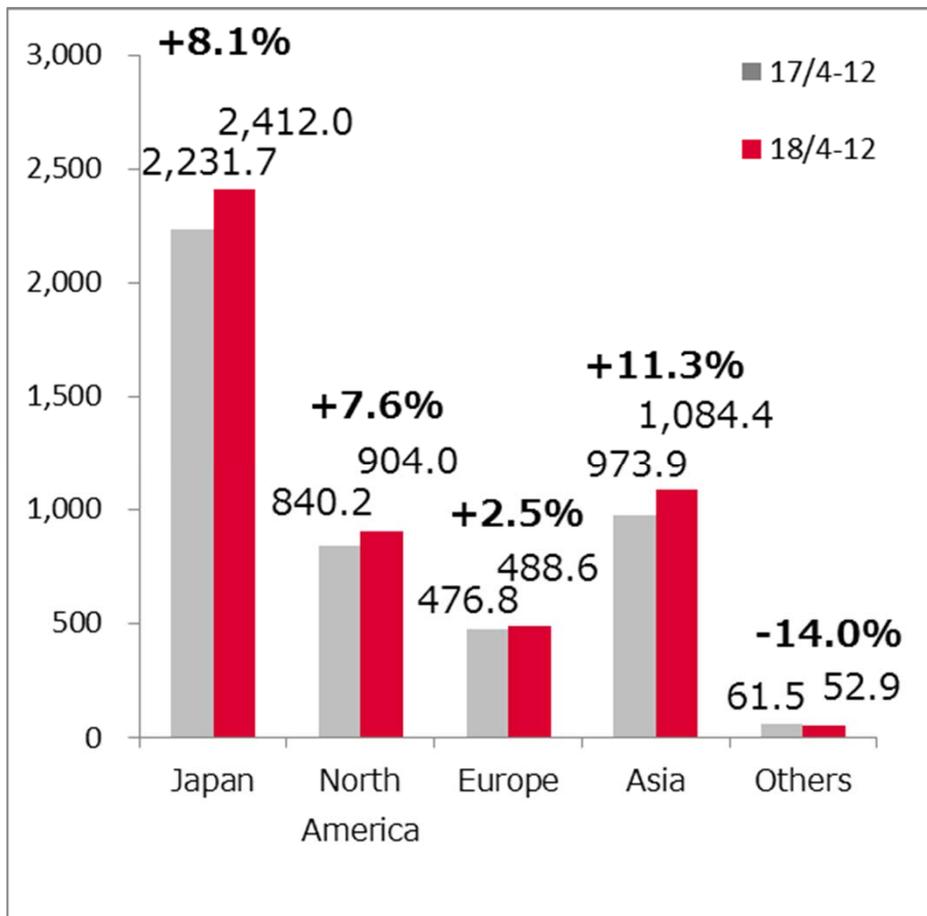
(Unit: Billions of Yen,%)

	18/4-12		17/4-12		Change		Change excludes FX difference
	Amount	% to Total	Amount	% to Total	Amount	%	%
Thermal Systems	1,055.2	26.5	1,066.0	28.8	-10.8	-1.0	1.0
Powertrain Systems	957.0	24.0	929.8	25.1	27.2	2.9	3.7
Electrification Systems	598.3	15.0	601.3	16.4	-3.1	-0.5	2.6
Mobility Systems	655.7	16.5	471.6	12.7	184.1	39.0	39.5
Electronic Systems	492.6	12.5	464.9	12.6	27.8	6.0	9.5
Others(*)	77.1	1.9	54.3	1.5	22.8	42.0	42.9
Automotive Total	3,835.9	96.4	3,587.9	97.0	248.0	6.9	8.7
Non-Automotive Business(FA and agriculture, etc.)	143.8	3.6	111.2	3.0	32.6	29.3	30.2
Total	3,979.7	100.0	3,699.1	100.0	280.6	7.6	9.4

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

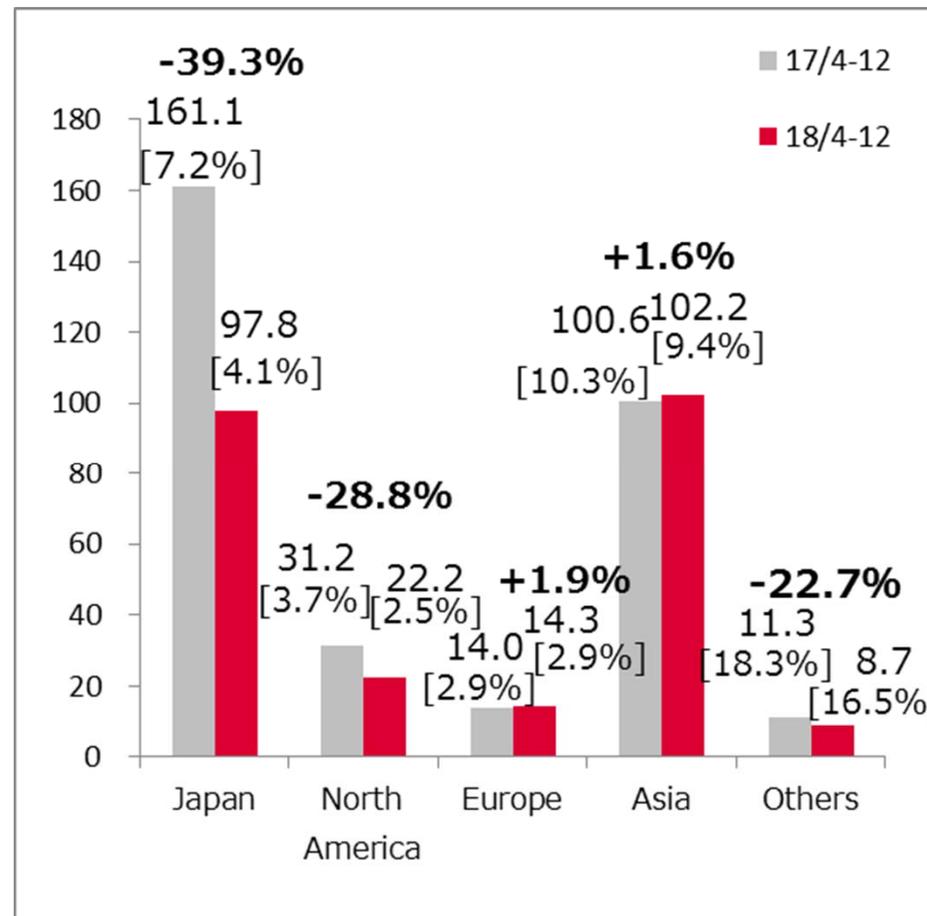
9months Geographical Segments by Company Location

Revenue

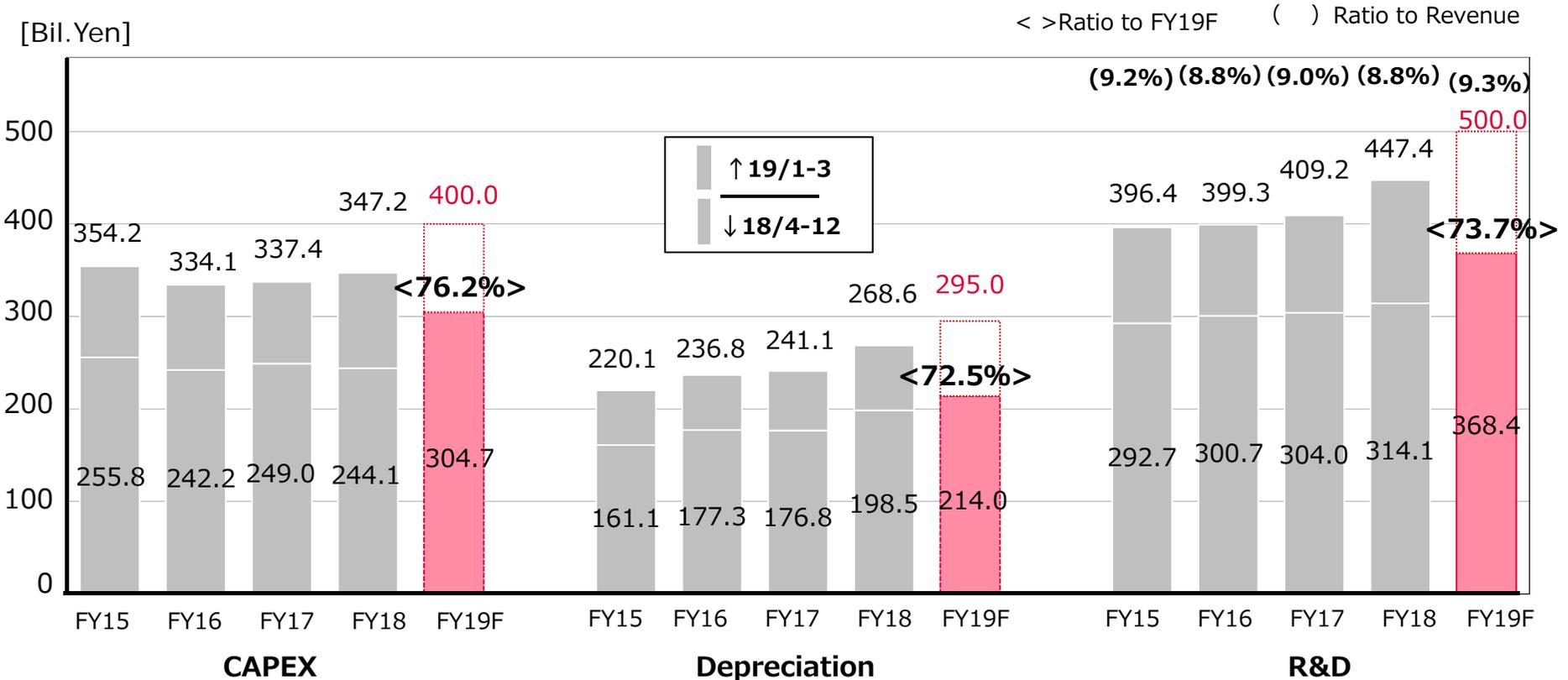


Operating Profit

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



Trend of Capital Expenditures, Depreciation and R&D Expenditures



Capital Expenditures, Depreciation and R&D Expenditures

(Unit: Billions of Yen)

		18/3		19/3F		Change (%)	Progress to 19/3 Forecast
		17/12	18/12	18/12	19/3F		
Capital Exp.	Japan	156.8	217.7	186.1	240.0	18.7%	77.5%
	North America	26.8	43.8	46.1	62.5	72.0%	73.8%
	Europe	21.0	30.8	18.5	32.0	-11.9%	57.8%
	Asia	38.3	52.7	51.7	63.0	35.0%	82.1%
	Others	1.4	2.2	2.3	2.5	64.3%	92.0%
	Capital Exp.	244.1	347.2	304.7	400.0	24.8%	76.2%
Depreciation	Japan	114.3	154.7	125.0	172.5	9.4%	72.5%
	North America	24.0	32.4	27.2	35.5	13.3%	76.6%
	Europe	16.2	22.2	18.1	26.0	11.7%	69.6%
	Asia	41.8	56.4	42.2	58.5	1.0%	72.1%
	Others	2.2	2.8	1.6	2.5	-27.3%	64.0%
	Depreciation	198.5	268.6	214.0	295.0	7.8%	72.5%
R&D Expenditure (Ratio to Revenue)		314.1 (8.5%)	447.4 (8.8%)	368.4 (9.3%)	500.0 (9.3%)	17.3%	73.7%