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**FY2018 3rd Quarter
Financial Results ended
Dec 31, 2017**

Feb. 2, 2018
DENSO CORPORATION



Overview of FY2018 3rd Quarter Financial Results

1 . Revenue increased due to an increase in vehicle production, as well as sales expansion. Operating profit also saw an increase due to the production volume increase and company cost reduction efforts.

2 . Full-year financial result forecasts has been revised up after considering the latest movement in the foreign exchange markets.

FY2018 3rd Quarter Financial Results

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		(Ratio to Revenue)		(Unit: Billions of Yen, %)	
		FY18 3Q	FY17 3Q	Change	
Revenue		3,699.1	3,311.5	+387.5	+11.7%
Operating Profit (Excludes other income/ expenses)		303.3	242.4	+60.9	+25.1%
Other income/ expenses		11.3	5.1	+6.2	
Operating Profit		314.6	247.5	+67.1	+27.1%
Finance income/ costs & others(*1)		39.0	29.5	+9.5	
Profit before Income Taxes		353.6	277.0	+76.6	+27.7%
Profit (*2)		251.3	190.9	+60.4	+31.6%

		(Unit: Millions of Units)			
Precondition	Foreign Exchange Rate	JPY 112/\$	JPY 107/\$	+5 JPY	
		JPY 129/Euro	JPY 118/Euro	+11 JPY	
	Domestic Car Production	6.91	6.63	+0.28	+4.3%
	Overseas Car Production of Japanese (North America)	15.10 (4.45)	14.74 (4.72)	+0.36 (-0.27)	+2.5% (-5.7%)

※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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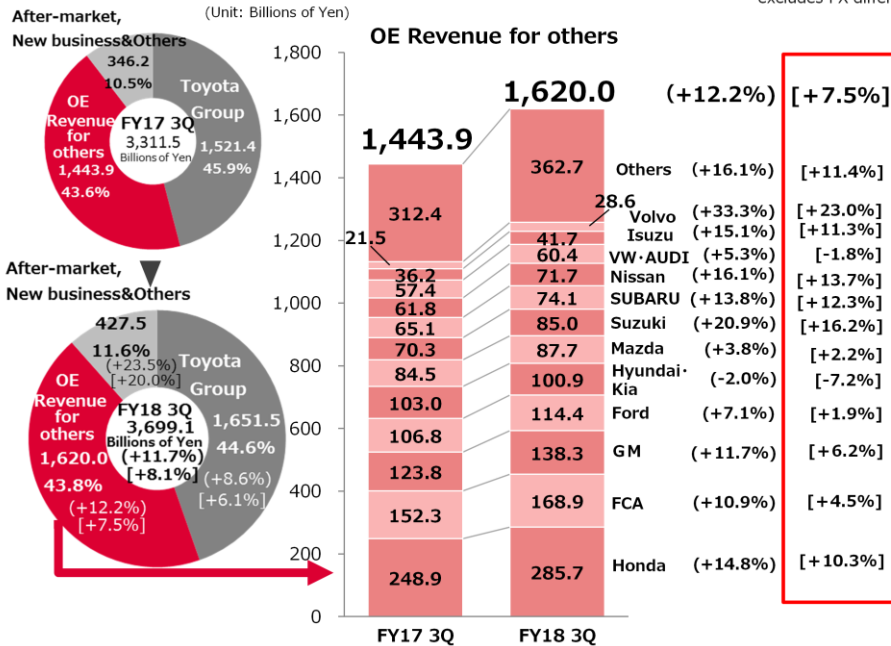
[Overview of the Consolidated Financial Results]

1. Consolidated revenue totaled 3,699.1 billion yen, increased by 387.5 billion yen (+11.7%) from the previous year.
2. Consolidated operating profit excluding other income/expenses totaled 303.3 billion yen, increased by 60.9 billion yen (+25.1%) from the previous year.
3. Consolidated profit attributable to owners of the parent company totaled 251.3 billion yen, increased by 60.4 billion yen (+31.6%) from the previous year.

FY2018 3rd Quarter Consolidated Revenue (By Customer)

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():Change from FY17 3Q
[]:Change from FY17 3Q
excludes FX difference



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[Sales by Customer (Quantity Base)]

Sales to Toyota Group

Sales to the Toyota Group increased by 6.1% from the previous year. The reasons are as follows; 1) The car production increased in Europe and China. 2) Attach rate of safety related products has been expanded in Japan.

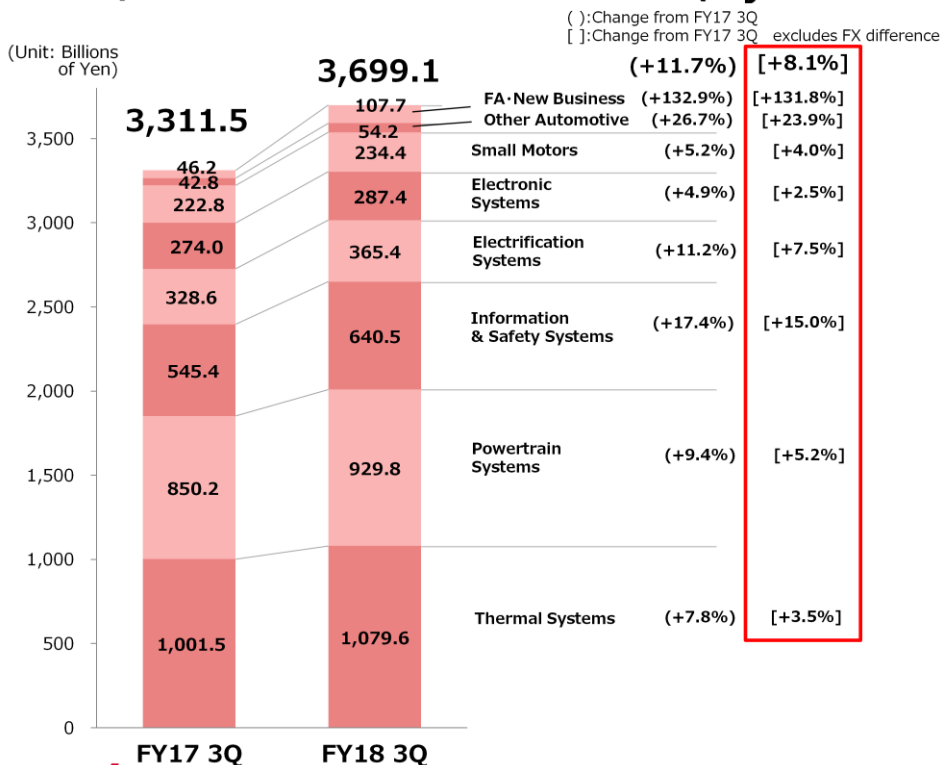
Sales to non-Toyota Group companies

Sales to non-Toyota Group companies increased by 7.5% from last year. The reasons of each manufacture are as follows; 1) Honda : Increase of car production in China. Sales expansion of display related products in North America. 2) Suzuki : Increase of car production in Japan and India. 3) General Motors : Increase of car production in China and sales expansion of Common Rail Systems in North America.

*The results contains sales of TDMobile Corporation and DENSO TEN LIMITED which have become Denso's subsidiary in 2017.

FY2018 3rd Quarter Consolidated Revenue (By Product)

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[Sales by Product (Quantity Base)]

Sales of Thermal Systems Products

Sales increased in China and Europe due to the production volume increase.

Sales of Powertrain Systems Products

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

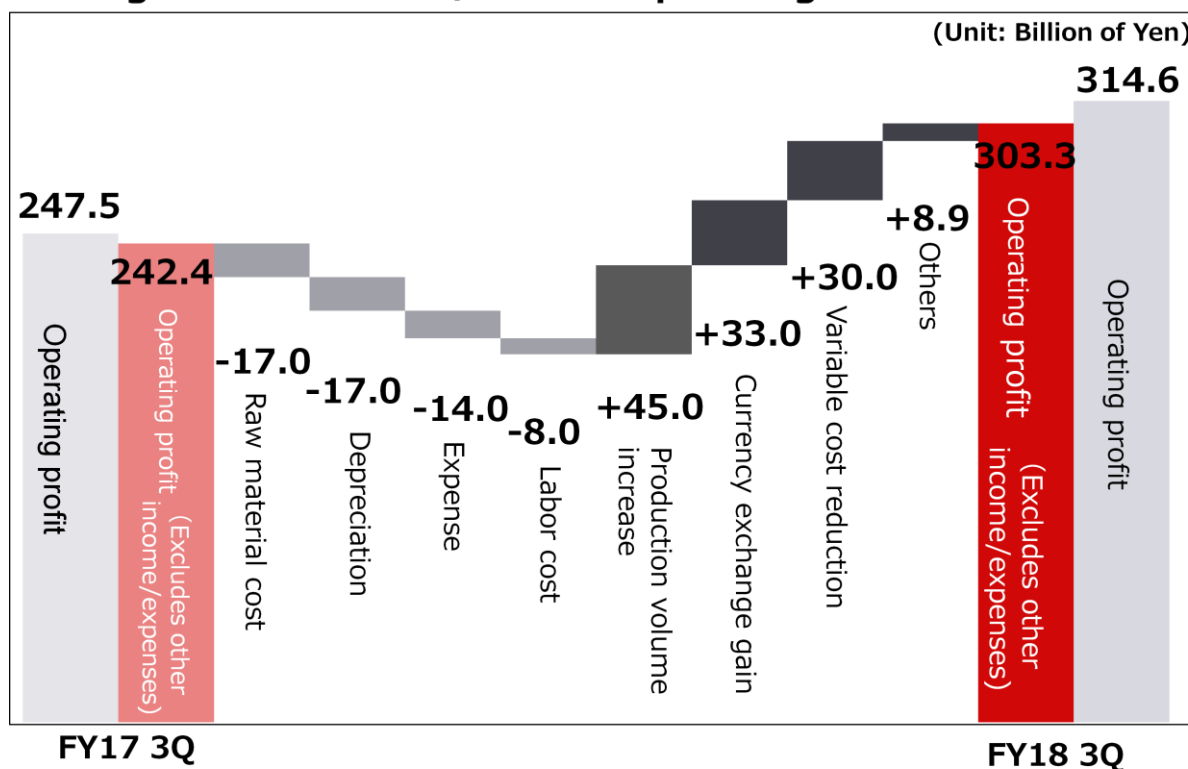
Sales of Information & Safety Systems Products

Sales increased in Japan due to the production volume increase, and in North America due to sales expansion of safety related products.

*The results contains sales of TDmobile Corporation and DENSO TEN LIMITED which have become Denso's subsidiary in 2017.

Change in FY2018 3rd Quarter Operating Profit

(Unit: Billion of Yen)



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

*Excludes other income/expenses

Negative factors

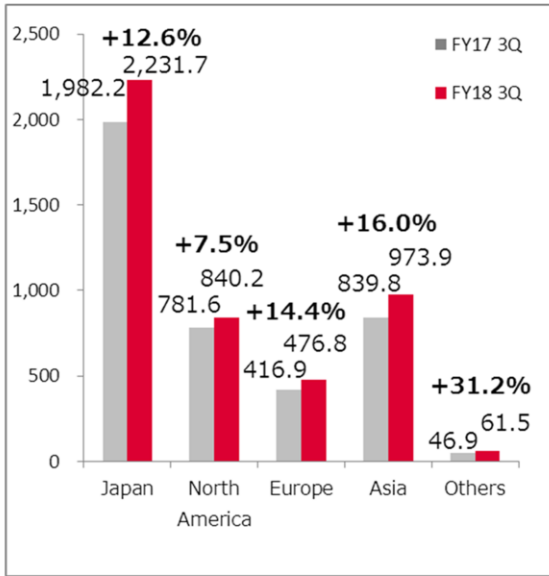
1. Raw material cost : -17.0 billion yen was due to an increase in material costs.
2. Depreciation : -17.0 billion yen was due to the increase of capital investment for future competition area in addition to strengthen core production capabilities mainly for improving productivity.

Positive factors

1. Production volume increase: +45.0 billion yen was due to production volume increase and sales expansion.
2. Variable cost reduction: +30.0 billion yen was due to cost reduction efforts and improved productivity.

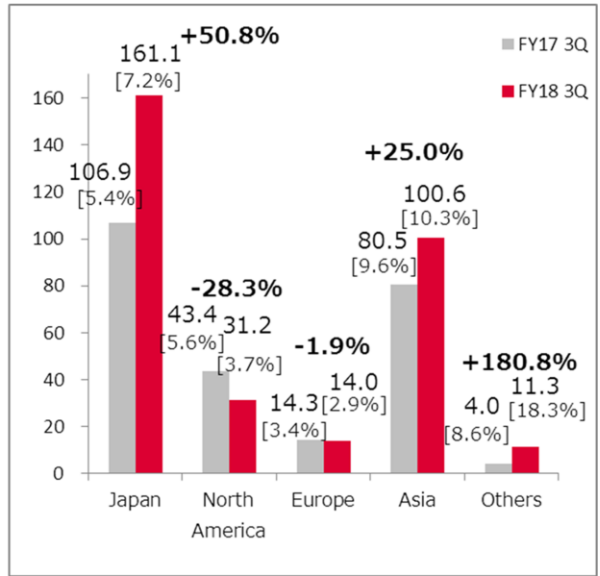
3rd Quarter Geographical Segments by Company Location

Revenue



Operating Profit

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



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[Revenue and Operating Profit by Each Region*]

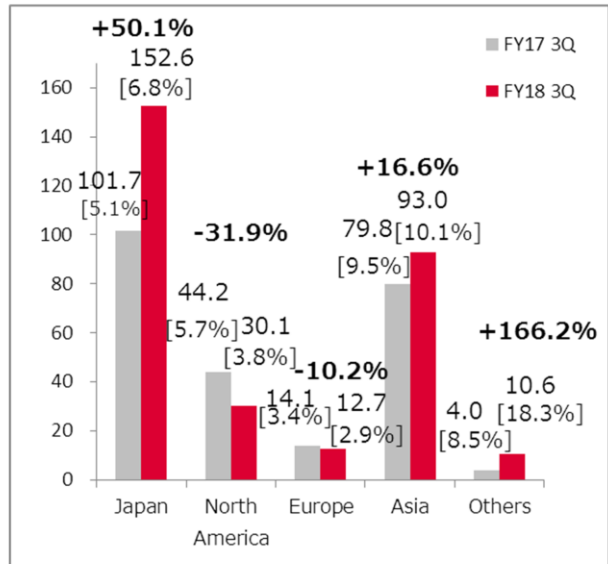
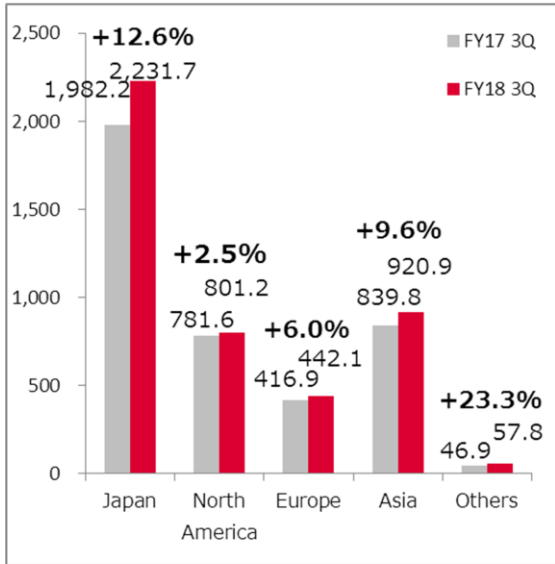
*Based on Japanese yen

3rd Quarter Geographical Segments by Company Location (Local Currency Base ,excludes other income/expenses)

Revenue

Operating Profit

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



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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 12.6% from the previous year due to production volume increase and sales expansion.
2. Operating profit increased by 50.1% from the previous year due to production volume increase, 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.

FY2018 Financial Forecast

	(Ratio to Revenue)				(Unit: Billions of Yen, %)		
	As of		FY18 Revised	Change from June 2017		FY17 Actual	
	June 2017			Amount	Ratio		
Revenue		5,000.0	5,030.0	+30.0	+0.6%		4,527.1
Operating Profit (Excludes other income / expenses)	(7.5%)	373.0	(7.6%) 384.0	+11.0	+2.9%	(7.2%)	326.4
Other income/ expenses	(0.0%)	17.0	11.0	-6.0			4.1
Operating Profit	(7.8%)	390.0	(7.9%) 395.0	+5.0	+1.3%	(7.3%)	330.6
Finance income/ costs & others(※1)	(0.0%)	40.0	40.0	+0.0			30.3
Profit before Income Taxes	(8.6%)	430.0	(8.6%) 435.0	+5.0	+1.2%	(8.0%)	360.9
Profit (※2)	(6.0%)	300.0	(6.1%) 306.0	+6.0	+2.0%	(5.7%)	257.6

(Unit: Millions of Units)								
Precondition	Foreign Exchange Rate	JPY	111/\$	JPY	111/\$	-	JPY	108/\$
		JPY	126/Euro	JPY	128/Euro	+2 JPY	JPY	119/Euro
	Domestic Car Production		9.39		9.39	-		9.10
	Overseas Car Production of Japanese Manufacturers (North America)		19.99		20.08	+0.09		19.67
		(6.10)		(6.04)	(-0.06)		(-1.0%)	(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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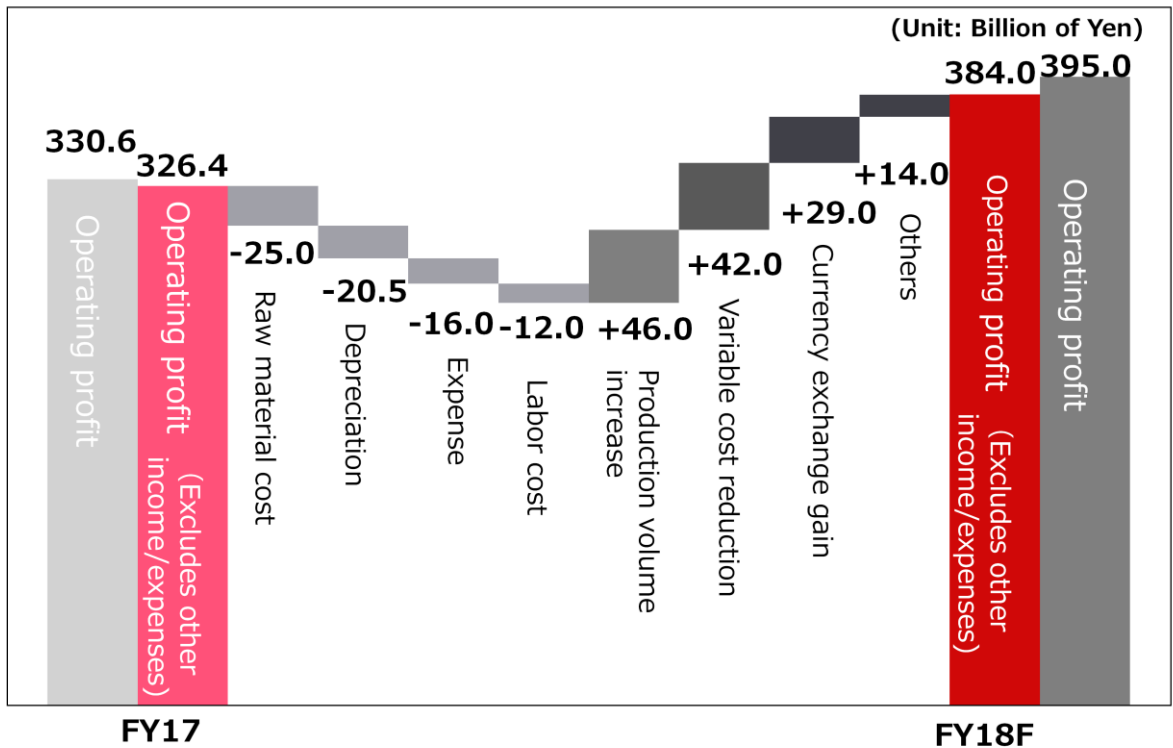
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[Full-Year Financial Forecast]

Regarding the full-year forecast, we have revised the revenues upward to 5,030 billion yen and operation profit exclude other income/expenses to 384.0 billion yen.

We used 111 yen to the U.S. dollar and 125 yen to the euro for the fourth quarter forecast. For the full-year forecast, we used 111 yen to the U.S. dollar and 128 yen to the euro.

Change in FY2018 Operating Profit



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

*Excludes other income/expenses

Negative factors

The depreciation allowance, expenses, and raw materials costs will increase by 73.5 billion yen.

Positive factors

The reduction in variable costs and the increase of production volume will lead to an increase of 131.0 billion yen.



[Our Recent Activities]

1. DENSO to Integrate Business with ASMO Co., Ltd. (ASMO)

We have announced that we will integrate business with ASMO, one of DENSO's consolidated subsidiaries, effective April 1, 2018 (planned). DENSO produces large motors and ASMO produces small motors. With this integration, we will be promoting both efficiency and speed of new product development. As a result, we will be the leading company in the electrification market.

2. Accelerating Open Innovation with Other Companies

We have actively accelerated open innovation with other companies in the past quarter with the establishment of joint venture and investment for several venture companies.

We will continue these activities without being encumbered by existing business, and realize our numerical target of seven trillion yen for sales and 10% for profit ration in 2025.

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 3rd Quarter Non-Consolidated Financial Results

Income Statements(Japanese accounting standards)

Account	(Ratio to Sales)				(Unit: Billions of Yen,%)	
	FY18 3Q		FY17 3Q		Change	
					Amount	%
Net Sales	(100.0)	1,963.4	(100.0)	1,825.7	137.7	7.5
Operating Income	(4.1)	79.7	(2.4)	44.2	35.6	80.6
Income Before Income Taxes	(8.0)	156.5	(7.0)	127.9	28.6	22.3
Net Income	(7.1)	138.8	(5.9)	107.6	31.2	29.0

Pre-Conditions (Foreign Exchange Rate/Car Production)

		FY2018 First-Half												FY2017 Second-Half				FY2018 Full Year			
		FY2018 First-Half			3Q			4Q			FY2017 Second-Half				FY2018 Full Year						
		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	105	111	+6	109	113	+4	114	110	-4	111	110	111	-	108	111	111	+3			
	EUR	118	126	+8	118	133	+15	121	125	+4	119	125	129	+10	119	126	128	+9			
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	4.30	4.52	+5%	2.33	2.39	+3%	2.47	2.48	+0%	4.80	4.87	4.87	+1%	9.10	9.39	9.39	+3%			
	North America	3.18	3.01	-5%	1.54	1.45	-6%	1.66	1.59	-4%	3.20	3.09	3.04	-5%	6.38	6.10	6.04	-5%			
	Overseas	9.68	9.84	+2%	5.06	5.26	+4%	4.93	4.98	+1%	9.98	10.15	10.24	+3%	19.67	19.99	20.08	+2%			



Consolidated Revenue (By Customer)

(Unit: Billions of Yen)

	FY2018 3Q		FY2017 3Q		Change		Change excludes
	Amount	% to Total	Amount	% to Total	Amount	%	%
Toyota	1,525.5	41.2	1,415.0	42.7	110.5	7.8	5.2
Daihatsu	82.2	2.2	67.9	2.0	14.2	20.9	19.8
Hino	43.9	1.2	38.5	1.2	5.4	14.0	13.7
Toyota Group	1,651.5	44.6	1,521.4	45.9	130.1	8.6	6.1
Honda	285.7	7.8	248.9	7.5	36.8	14.8	10.3
FCA	168.9	4.6	152.3	4.6	16.6	10.9	4.5
GM	138.3	3.8	123.8	3.7	14.4	11.7	6.2
Ford	114.4	3.1	106.8	3.2	7.6	7.1	1.9
Hyundai/Kia	100.9	2.7	103.0	3.1	-2.1	-2.0	-7.2
Mazda	87.7	2.5	84.5	2.6	3.2	3.8	2.2
Suzuki	85.0	2.3	70.3	2.1	14.7	20.9	16.2
SUBARU	74.1	2.0	65.1	2.0	9.0	13.8	12.3
Nissan	71.7	1.9	61.8	1.9	10.0	16.1	13.7
VW/AUDI	60.4	1.6	57.4	1.7	3.0	5.3	-1.8
Isuzu	41.7	1.1	36.2	1.1	5.5	15.1	11.3
Mitsubishi	38.1	1.0	32.3	1.0	5.8	17.9	11.7
BMW	31.2	0.8	32.2	1.0	-1.1	-3.3	-11.1
Volvo	28.6	0.9	21.5	0.6	7.1	33.3	23.0
Benz	25.8	0.7	24.9	0.8	1.0	3.9	-4.5
PSA	24.4	0.7	17.6	0.5	6.8	39.0	28.2
OE Sales for others	243.2	6.6	205.4	6.2	37.8	18.4	15.4
OEM Total	3,271.6	88.4	2,965.3	89.5	306.3	10.3	6.8
After-market, New business & Others(*)	427.5	11.6	346.2	10.5	81.3	23.5	20.0
Total	3,699.1	100.0	3,311.5	100.0	387.5	11.7	8.1

* 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,%)

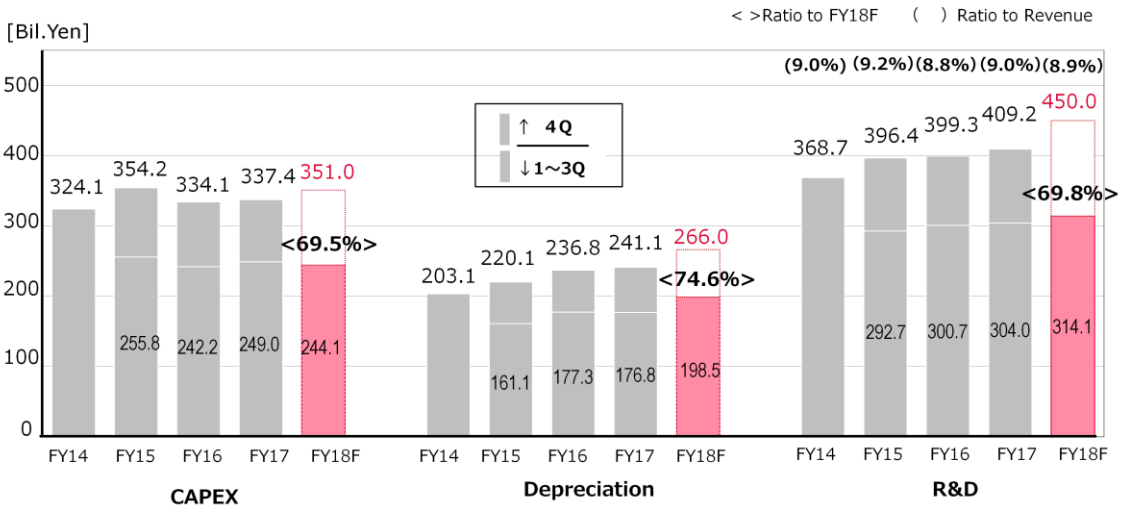
	FY2018 3Q		FY2017 3Q		Change		Change excludes FX difference
	Amount	% to Total	Amount	% to Total	Amount	%	%
Thermal Systems	1,079.6	29.2	1,001.5	30.2	78.1	7.8	3.5
Powertrain Systems	929.8	25.1	850.2	25.7	79.6	9.4	5.2
Information & Safety Systems	640.5	17.3	545.4	16.5	95.1	17.4	15.0
Electrification Systems	365.4	9.9	328.6	9.9	36.9	11.2	7.5
Electronic Systems	287.4	7.8	274.0	8.3	13.3	4.9	2.5
Small Motors	234.4	6.3	222.8	6.7	11.7	5.2	4.0
Others(*)	54.2	1.5	42.8	1.3	11.4	26.7	23.9
Automotive Total	3,591.4	97.1	3,265.3	98.6	326.1	10.0	6.5
New Business Total	107.7	2.9	46.2	1.4	61.4	132.9	131.8
Total	3,699.1	100.0	3,311.5	100.0	387.5	11.7	8.1

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

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Trend of Capital Expenditures, Depreciation and R&D Expenditures



※ Full-year financial result forecasts includes the influence of FUJITSU TEN LIMITED which will become Denso's affiliate on November 2017



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Capital Expenditures, Depreciation and R&D Expenditures

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(Unit: Billions of Yen)

	FY17		FY18 Forecast		3Q YTD Change from PY	Progress to FY18 Forecast
	3Q		3Q			
Japan	159.4	215.7	156.8	213.5	-1.6%	73.4%
North America	38.8	51.8	26.8	48.0	-30.9%	55.8%
Europe	16.8	23.6	21.0	30.5	25.0%	68.9%
Asia	32.4	44.1	38.3	57.0	18.2%	67.2%
Others	1.5	2.2	1.4	2.0	-6.7%	70.0%
Capital Exp.	249.0	337.4	244.1	351.0	-2.0%	69.5%
Japan	103.6	140.1	114.3	156.0	10.3%	73.3%
North America	19.4	27.0	24.0	30.5	23.7%	78.7%
Europe	13.7	19.0	16.2	21.5	18.2%	75.3%
Asia	38.0	52.1	41.8	55.5	10.0%	75.3%
Others	2.1	2.9	2.2	2.5	4.8%	88.0%
Depreciation	176.8	241.1	198.5	266.0	12.3%	74.6%
R&D Expenditure (Ratio to Revenue)	304.0 (9.2%)	409.2 (9.0%)	314.1 (8.5%)	450.0 (8.9%)	3.3%	69.8%