

DENSO

Crafting the Core

FY2020

Financial Results

(2019/4-2020/3)

Apr 30, 2020

DENSO CORPORATION



Overview of FY2020 Financial Results

1. Revenue decreased due to a decline in vehicle production and the impact of the COVID-19 outbreak.
Operating profit decreased due to factors such as the Quality cost provision and the impact of the COVID-19 outbreak.
2. The full-year forecast for the next fiscal year is undecided due to the impact of the COVID-19, which makes it difficult to calculate current figures in Japan and overseas
3. Annual dividend payment is 140 yen which is same as the original forecast

FY2020 Financial Results(2019/4-2020/3)

		(Ratio to Revenue)		[Unit:Billions of Yen]	
		18/4 - 19/3	19/4 - 20/3	Change	
Revenue		5,362.8	5,153.5	-209.3	-3.9%
Operating Profit		(5.9%) 316.2	(1.2%) 61.1	-255.1	-80.7%
Finance income/ cost&others(*1)		39.8	28.6	-11.3	
Profit before Income Taxes		(6.6%) 356.0	(1.7%) 89.6	-266.4	-74.8%
Profit (*2)		(4.7%) 254.5	(1.3%) 68.1	-186.4	-73.2%
				[Unit:Millions of Units]	
Precondition	Foreign Exchange Rate	JPY 111/USD	JPY 109/USD	-2 JPY	—
		JPY 128/EUR	JPY 121/EUR	-7 JPY	—
	Domestic Vehicle Production	9.43	9.27	-0.16	-1.7%
	Overseas Vehicle Production of Japanese Manufacturers	20.11	18.89	-1.22	-6.1%
	(North America)	(5.91)	(5.46)	(-0.45)	(-7.6%)

※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

FY2020 Consolidated Revenue (By Customer)

(Unit: Billions of Yen)
 (): Change from previous year
 []: Change from previous year excludes FX difference

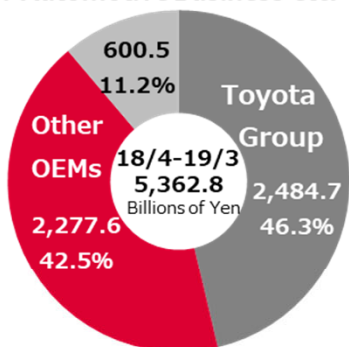
(): Change from previous year
 []: Change from previous year excludes FX difference

Revenue 5,362.8 ⇒ 5,153.5 (-3.9%) [-1.9%]

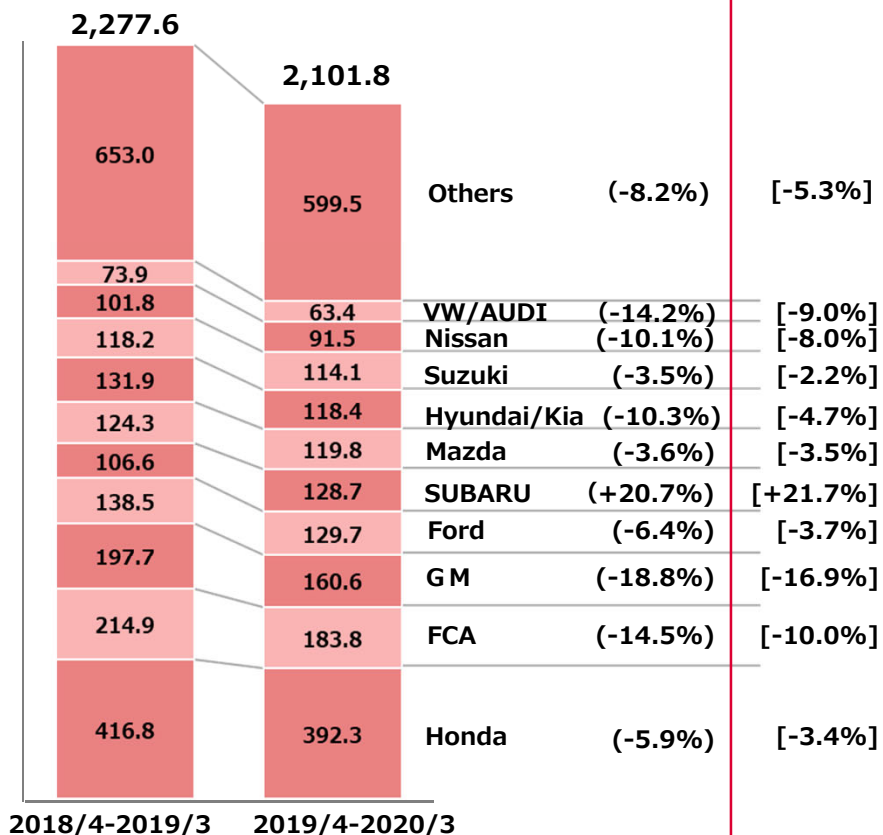
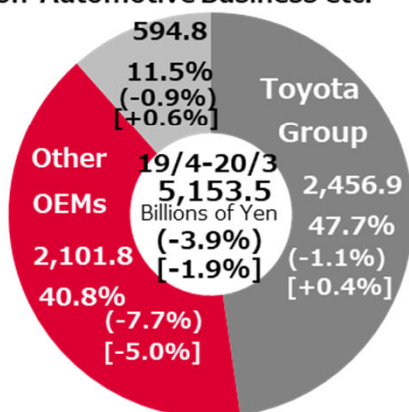
Toyota group 2,484.7 ⇒ 2,456.9 (-1.1%) [+0.4%]

Other OEMs 2,277.6 ⇒ 2,101.8 (-7.7%) [-5.0%]

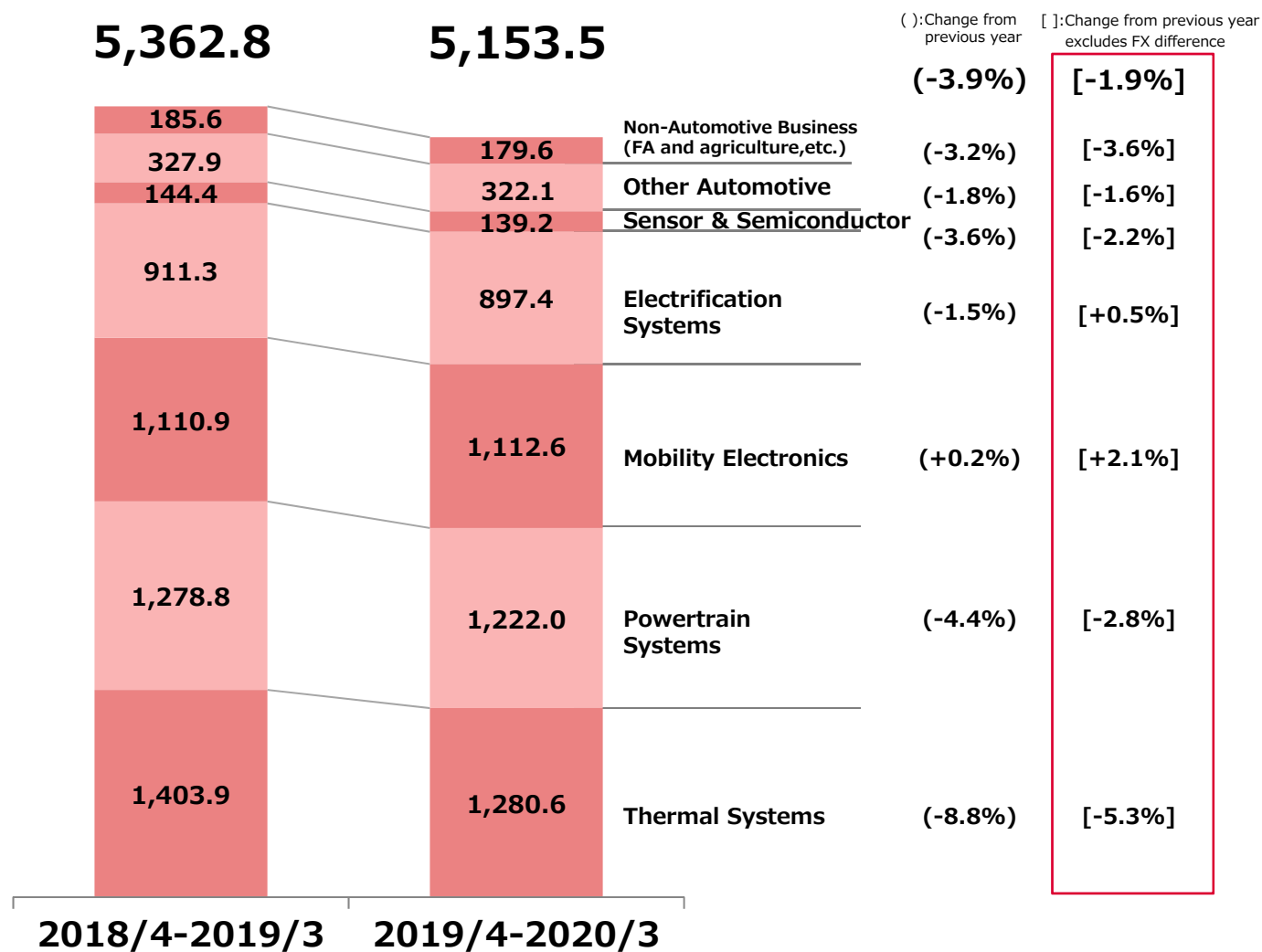
After-market, Non-Automotive Business etc.



After-market, Non-Automotive Business etc.

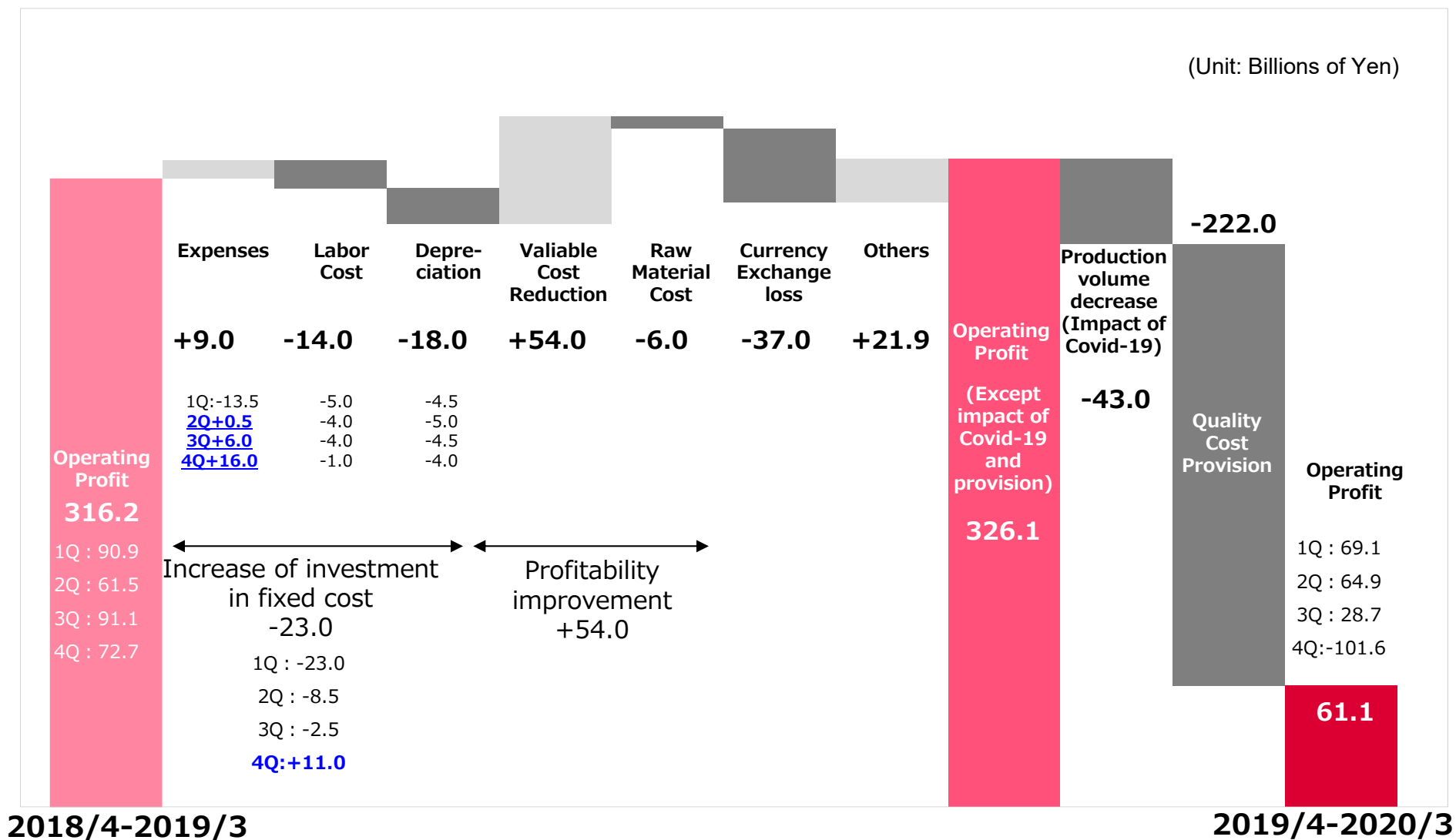


FY2020 Consolidated Revenue (By Product)



Change in FY2020 Operating Profit

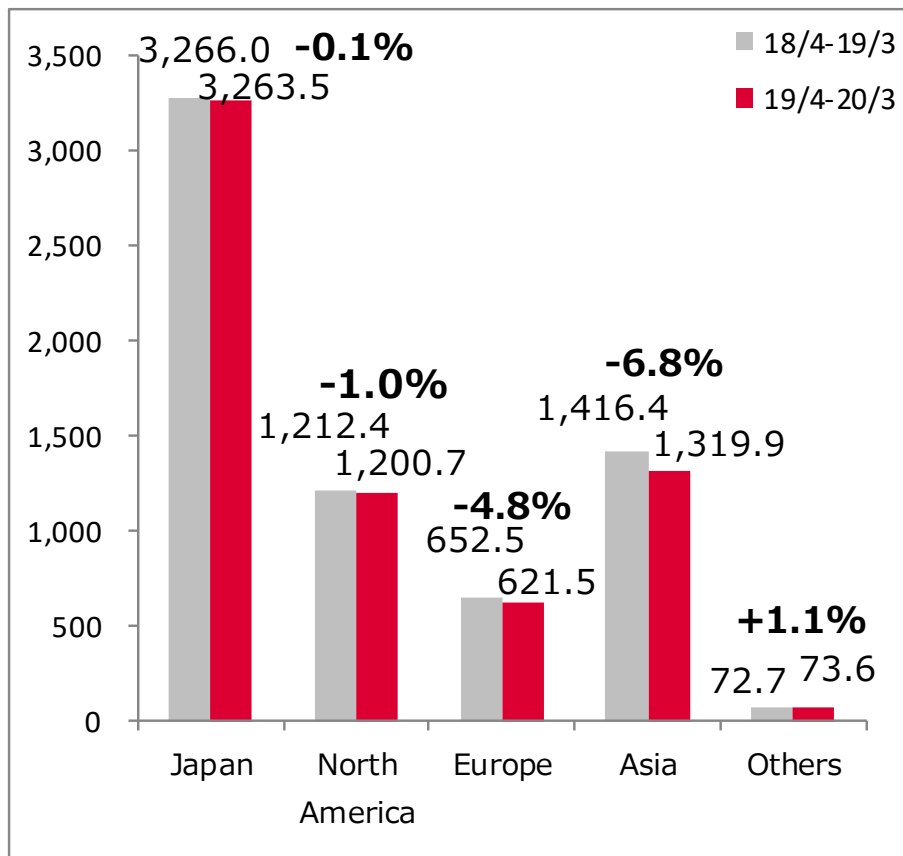
(Unit: Billions of Yen)



Geographical Segments by Company Location

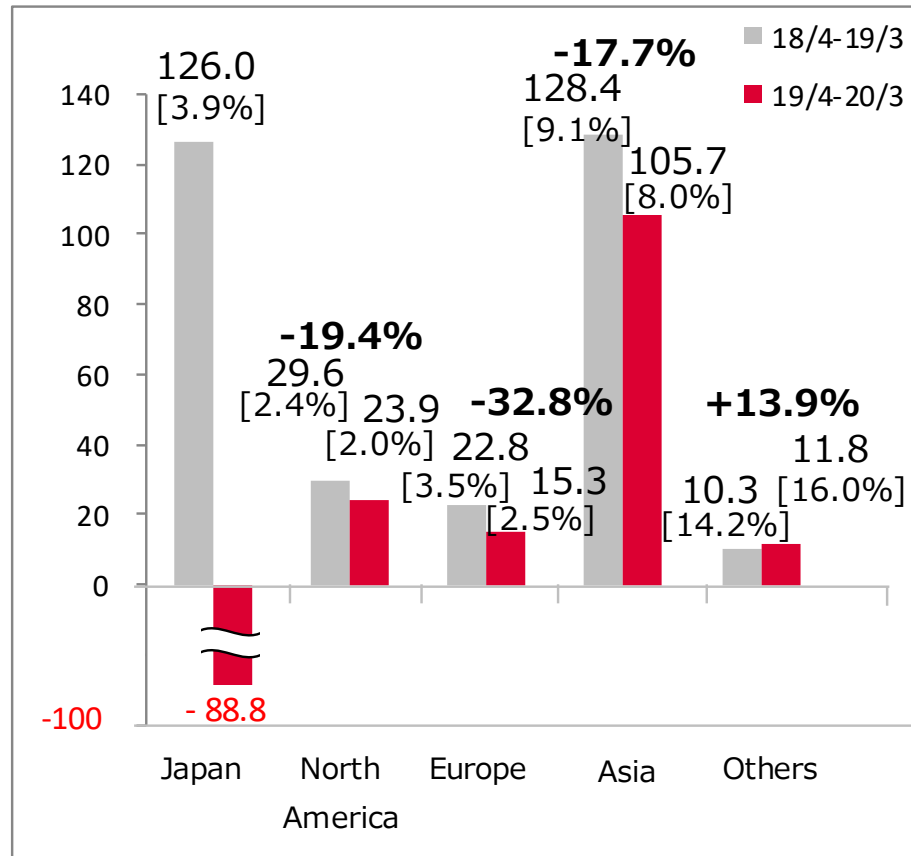
Local currency basis excludes FX difference (111JPY/1USD, 128JPY/1EUR)

Revenue



Operating Profit

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



Variance from previous estimation at 3rd quarter

(Unit: Billion of yen)

	3Q Estimation	Actual result	Diff.
Operating profit	316.2	316.2	
Expense	7.0	9.0	+2.0
Labor cost	-16.0	-14.0	+2.0
Depreciation	-28.0	-18.0	+10.0
Variable cost reduction	54.0	54.0	±0.0
Production volume decrease	0.0	-43.0	-43.0
Currency exchange loss	-39.0	-37.0	+2.0
Raw material cost	-4.0	-6.0	-2.0
Others	-10.2	-200.1	-189.9
Operating profit	280.0	61.1	-218.9

<Major difference factors >

Reserve 3Q plan achievement

Sales decrease due to COVID-19 impact

Previous estimation→Actual

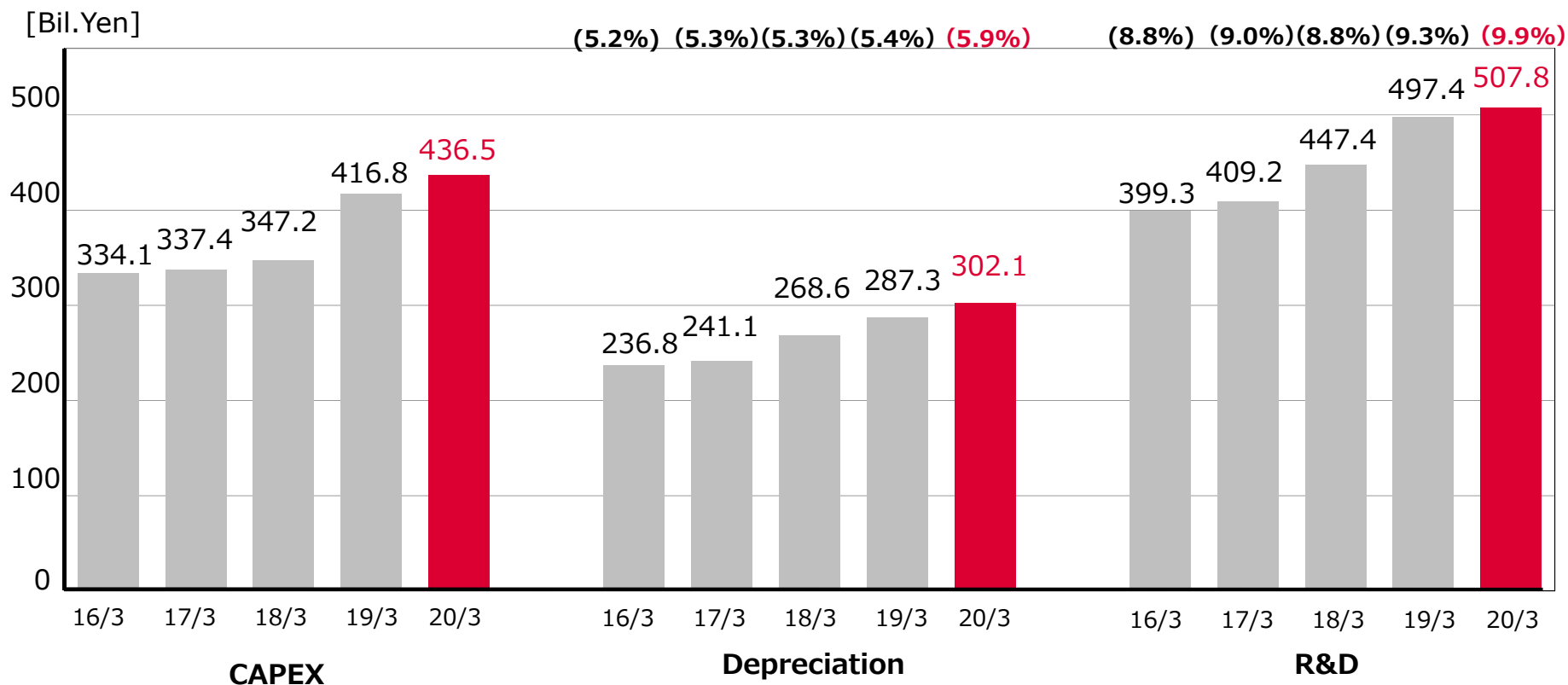
	Impact	Rate against JPY
USD	:+2.8	(105 → 109)
EUR	:±0.0	(120 → 120)
CNY	:±0.0	(15.6 → 15.6)
Others	:-0.8	

Price increase(Rhodium etc.)

Quality cost provision in 4Q
-180.0

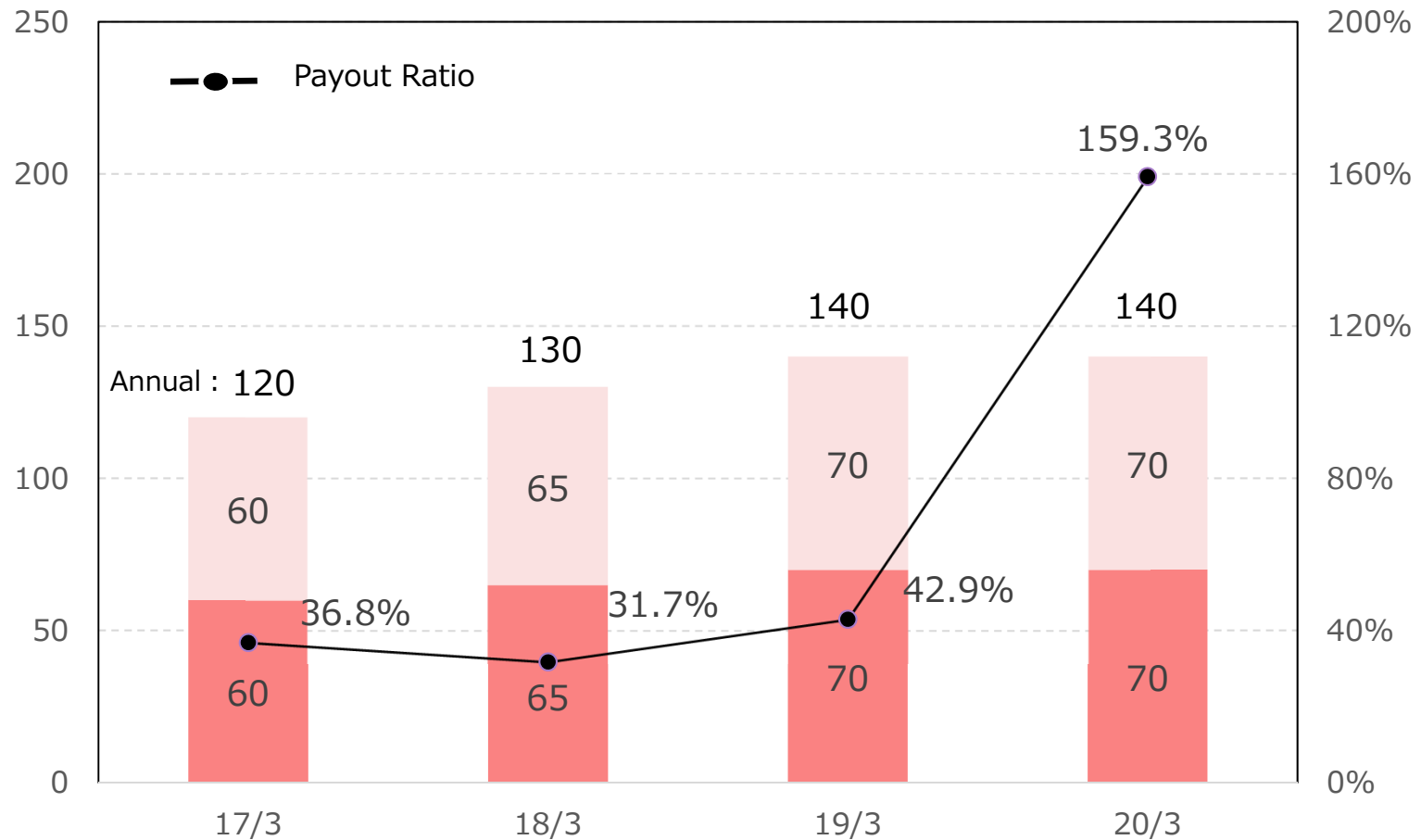
Trend of Capital Expenditures, Depreciation and R&D Expenditures

() Ratio to Revenue



Return to Shareholders

FY20 Annual Dividend per Share: 140 yen same as previous financial forecast



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Appendix

- Pre-Conditions (Foreign Exchange Rate/Car Production)
- Consolidated Revenue by Customer
- Consolidated Revenue by Product
- Geographical Segments by Company Location
- Capital Expenditures, Depreciation and R&D Expenditures

Pre-Conditions (Foreign Exchange Rate/Car Production)

		FY2020 Full Year									FY2021 Full Year
		FY2020 First-Half			FY2020 Second-Half						
		Prior Year	Actual	Change	Prior Year	Actual	Change	Prior Year	Actual	Change	
Foreign Exchange Rate (Yen)	USD	110	109	-2	112	109	-3	111	109	-2	TBD
	EUR	130	121	-8	127	120	-7	128	121	-7	
Forex Impact on Operating Income per Yen (Billions of Yen)	USD							2.5	2.7	0.2	
	EUR							1.0	1.2	0.2	
Car Production of Japanese Manufacturers (Millions of Units)	Domestic	4.47	4.68	+ 5%	4.95	4.59	- 7%	9.43	9.27	- 2%	
	North America	2.90	2.80	- 3%	3.01	2.66	- 12%	5.91	5.46	- 8%	
	Overseas	10.20	9.61	- 6%	9.91	9.29	- 6%	20.11	18.89	- 6%	

Consolidated Revenue (By Customer)

(Unit: Billions of Yen)

	2018/4-2019/3		2019/4-2020/3		Change		Change excludes FX difference, etc.
	Amount	% to Total	Amount	% to Total	Amount	%	%
Toyota	2,289.2	42.7	2,259.5	43.9	-29.7	-1.3	0.4
Daihatsu	128.1	2.4	135.7	2.6	7.6	5.9	6.4
Hino	67.4	1.3	61.7	1.2	-5.7	-8.5	-8.3
Toyota Group	2,484.7	46.3	2,456.9	47.7	-27.8	-1.1	0.4
Honda	416.8	7.8	392.3	7.6	-24.6	- 5.9	-3.4
FCA	214.9	4.0	183.8	3.6	-31.1	-14.5	-10.0
GM	197.7	3.7	160.6	3.1	-37.1	-18.8	-16.9
Ford	138.5	2.6	129.7	2.5	-8.8	-6.4	-3.7
SUBARU	106.6	2.0	128.7	2.5	22.1	20.7	21.7
Mazuda	124.3	2.3	119.8	2.3	-4.5	-3.6	-3.5
Hyundai/Kia	131.9	2.5	118.4	2.3	-13.6	-10.3	-4.7
Suzuki	118.2	2.2	114.1	2.2	-4.1	-3.5	-2.2
Nissan	101.8	1.9	91.5	1.8	-10.3	-10.1	-8.0
VW·AUDI	73.9	1.4	63.4	1.2	-10.5	-14.2	-9.0
Isuzu	61.7	1.2	61.2	1.2	-0.5	-0.7	-1.6
Mitsubishi	65.4	1.2	59.3	1.2	-6.1	-9.3	-10.1
BMW	43.8	0.8	50.9	1.0	7.0	16.0	22.9
PSA	49.2	0.9	46.6	0.9	-2.6	-5.3	0.8
Volvo	43.1	0.8	41.9	0.8	-1.2	-2.8	3.3
Daimler	29.4	0.5	24.3	0.5	-5.2	-17.6	-12.5
OE Sales for others	360.2	6.7	315.3	6.1	-44.9	-12.5	-9.8
OEM Total	4,762.3	88.8	4,558.7	88.5	-203.6	-4.3	- 2.2
After-market, Non-Automotive Business(*)	600.5	11.2	594.8	11.5	-5.7	-0.9	0.6
Total	5,362.8	100.0	5,153.5	100.0	-209.3	-3.9	-1.9

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

Consolidated Revenue (By Product)

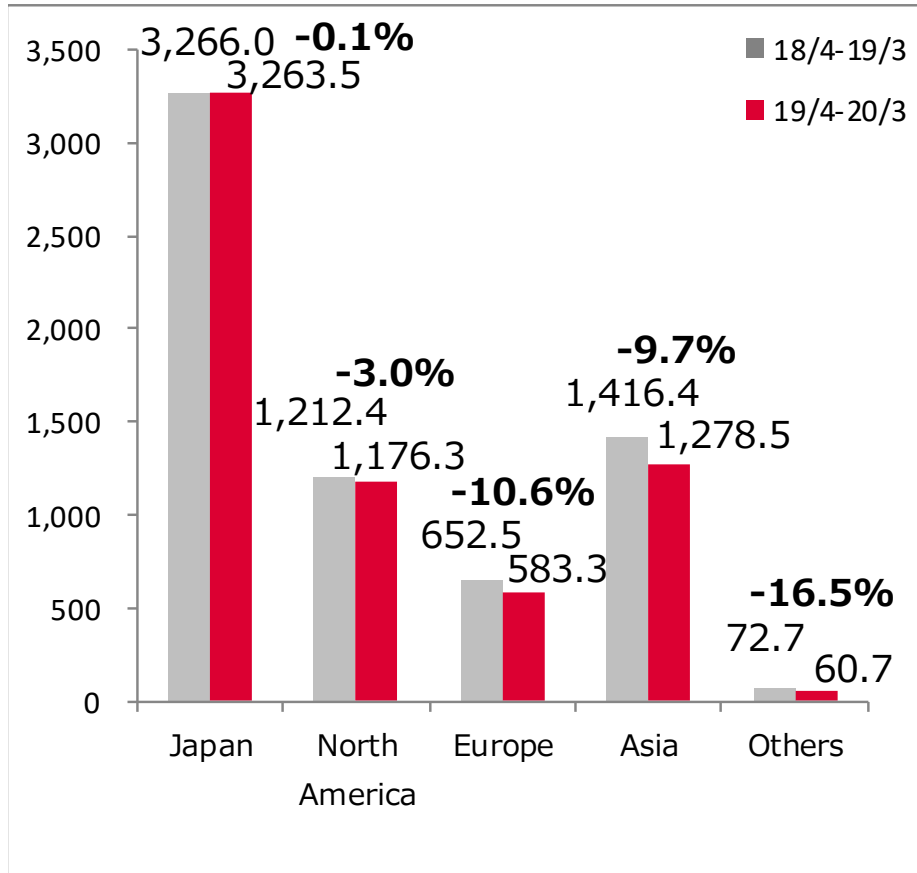
(Unit: Billions of Yen,%)

	18/4-19/3		19/4-20/3		Change		Change excludes FX difference
	Amount	% to Total	Amount	% to Total	Amount	%	%
Thermal Systems	1,403.9	26.2	1,280.6	24.8	-123.3	-8.8	-5.3
Powertrain Systems	1,278.8	23.8	1,222.0	23.8	-56.8	-4.4	-2.8
Mobility Electronics	1,110.9	20.7	1,112.6	21.6	1.7	0.2	2.1
Electrification Systems	911.3	17.1	897.4	17.4	-13.9	-1.5	0.5
Sensor & Semiconductor	144.4	2.7	139.2	2.7	-5.2	-3.6	-2.2
Others(*)	327.9	6.0	322.1	6.2	-5.8	-1.8	-1.6
Automotive Total	5,177.2	96.5	4,973.9	96.5	-203.3	-3.9	-1.8
Non-Automotive Business(FA and agriculture, etc.) Total	185.6	3.5	179.6	3.5	-6.0	-3.2	-3.6
Total	5,362.8	100.0	5,153.5	100.0	- 209.3	- 3.9	-1.9

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

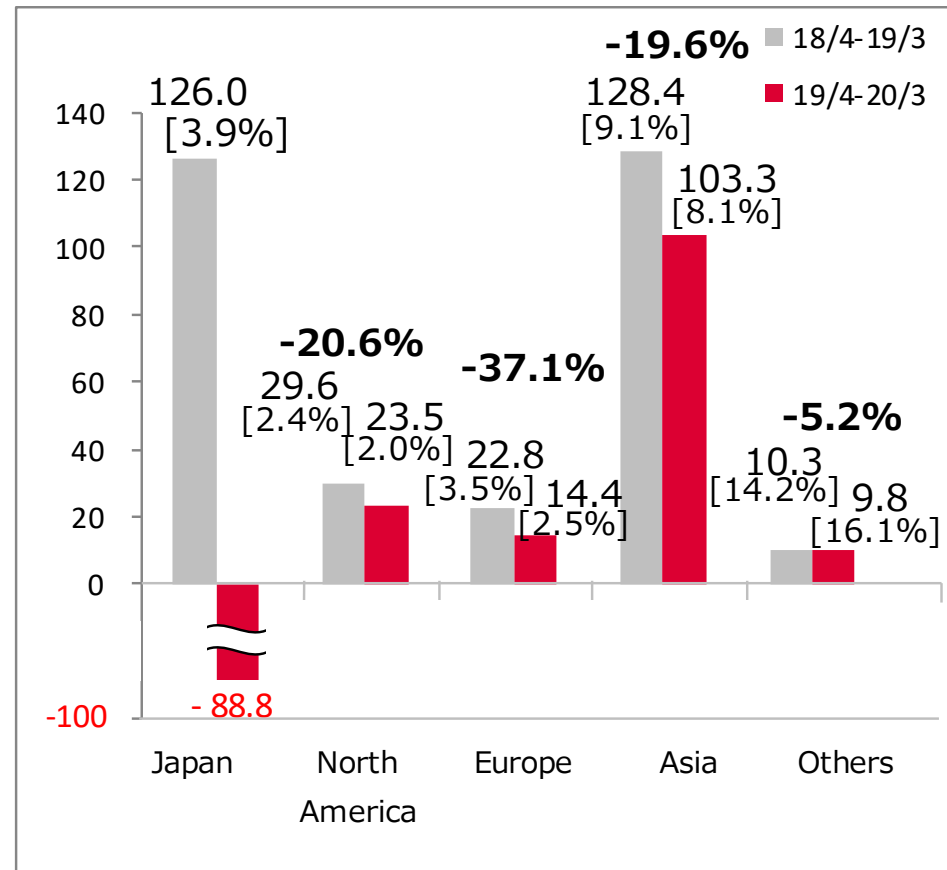
Geographical Segments by Company Location

Revenue



Operating Profit

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



Capital Expenditures, Depreciation and R&D Expenditures

(Unit: Billions of Yen)

	18/4-19/3	19/4-20/3	Change	2021/3F	Change
			Percent		Percent
Japan	258.2	277.5	7.5%	TBD	
North America	60.3	46.1	-23.5%		
Europe	25.5	26.1	2.4%		
Asia	69.5	84.3	21.3%		
Others	3.4	2.5	-26.5%		
Capital Expenditures	416.8	436.5	4.7%		
Japan	168.6	184.3	9.3%		
North America	36.8	40.1	9.0%		
Europe	24.0	23.5	-2.1%		
Asia	55.7	52.3	-6.1%		
Others	2.1	1.9	-9.5%		
Depreciation	287.3	302.1	5.2%		
R&D Expenditure (Ratio to Sales)	497.4 (9.3%)	507.8 (9.9%)	2.1%		