

The DENSO logo is written in a bold, italicized, red sans-serif font.

DENSO

Crafting the Core

FY2021

Financial Results

(2020/4-2020/6)

July 31, 2020

DENSO CORPORATION

Overview of FY2021 1st Quarter Financial Results

1. Revenues decreased due to a decline in vehicle sales caused by the impact of COVID-19.

Operating income was negative mainly due to production volume decrease.

2. 20/4-21/3 Forecast : Revenue of 4.54 trillion yen and operating profit of 100 billion yen.

FY2021 1st Quarter Financial Results(2020/4-2020/6)

(Ratio to Revenue)

[Unit : Billions of Yen]

| | (Ratio to Revenue) | | [Unit : Billions of Yen] | | |
|------------------------------------|--------------------|---------------------|--------------------------|--------|--|
| | 2019/4-2019/6 | 2020/4-2020/6 | Change | | |
| Revenue | 1,324.1 | 765.1 | -559.0 | -42.2% | |
| Operating Profit | (5.2%) 69.1 | (-) -106.6 | -175.8 | - | |
| Finance income/ cost&others(*1) | 16.7 | 14.4 | -2.3 | | |
| Profit before Income Taxes | (6.5%) 85.8 | (-) -92.2 | -178.1 | - | |
| Profit (*2) | (4.3%) 57.2 | (-) -90.1 | -147.2 | - | |

[Unit:Millions of Units]

| | | | | | |
|--------------|--|-------------|-------------|---------|----------|
| Precondition | Foreign Exchange Rate | JPY 110/USD | JPY 108/USD | -2 JPY | |
| | | JPY 123/EUR | JPY 119/USD | -5 JPY | |
| | Domestic Vehicle Production | 2.33 | 1.30 | -1.04 | -44.5% |
| | Overseas Vehicle Production of Japanese Manufacturers | 4.78 | 2.89 | -1.89 | -39.6% |
| | (North America) | (1.46) | (0.49) | (-0.97) | (-66.7%) |

※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

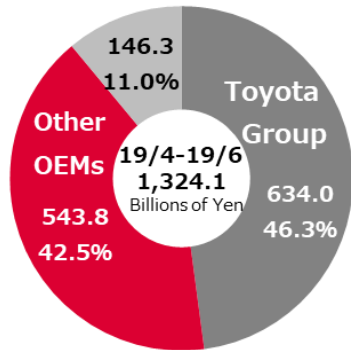
FY2021 1st Quarter Consolidated Revenue (By Customer)

(): change from previous year
 []: INCR/DECR excludes FX difference

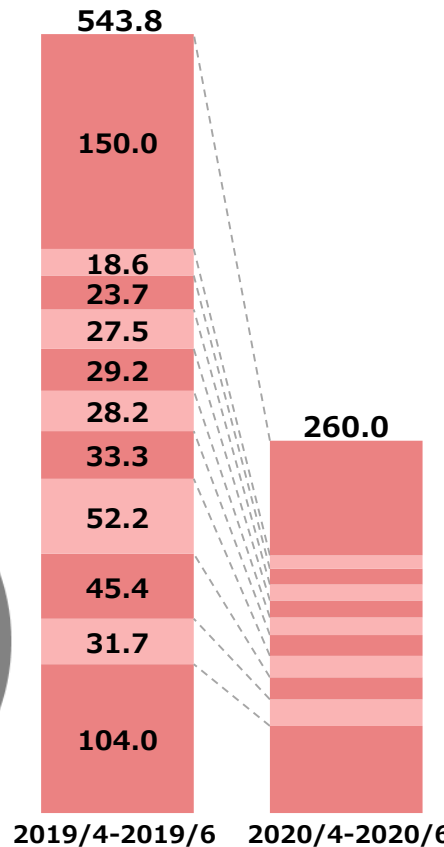
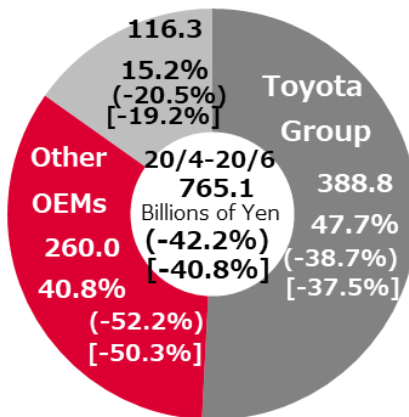
(Unit: Billions of Yen)
 (): Change from previous year
 []: Change from previous year
 excludes FX difference

| | | | | | |
|---------------------|----------------|----------|--------------|-----------------|-----------------|
| Revenue | 1,324.1 | ⇒ | 765.1 | (-42.2%) | [-40.8%] |
| Toyota group | 634.0 | ⇒ | 388.8 | (-38.7%) | [-37.5%] |
| Other OEMs | 543.8 | ⇒ | 260.0 | (-52.2%) | [-50.3%] |

After-market,
Non-Automotive Business etc.



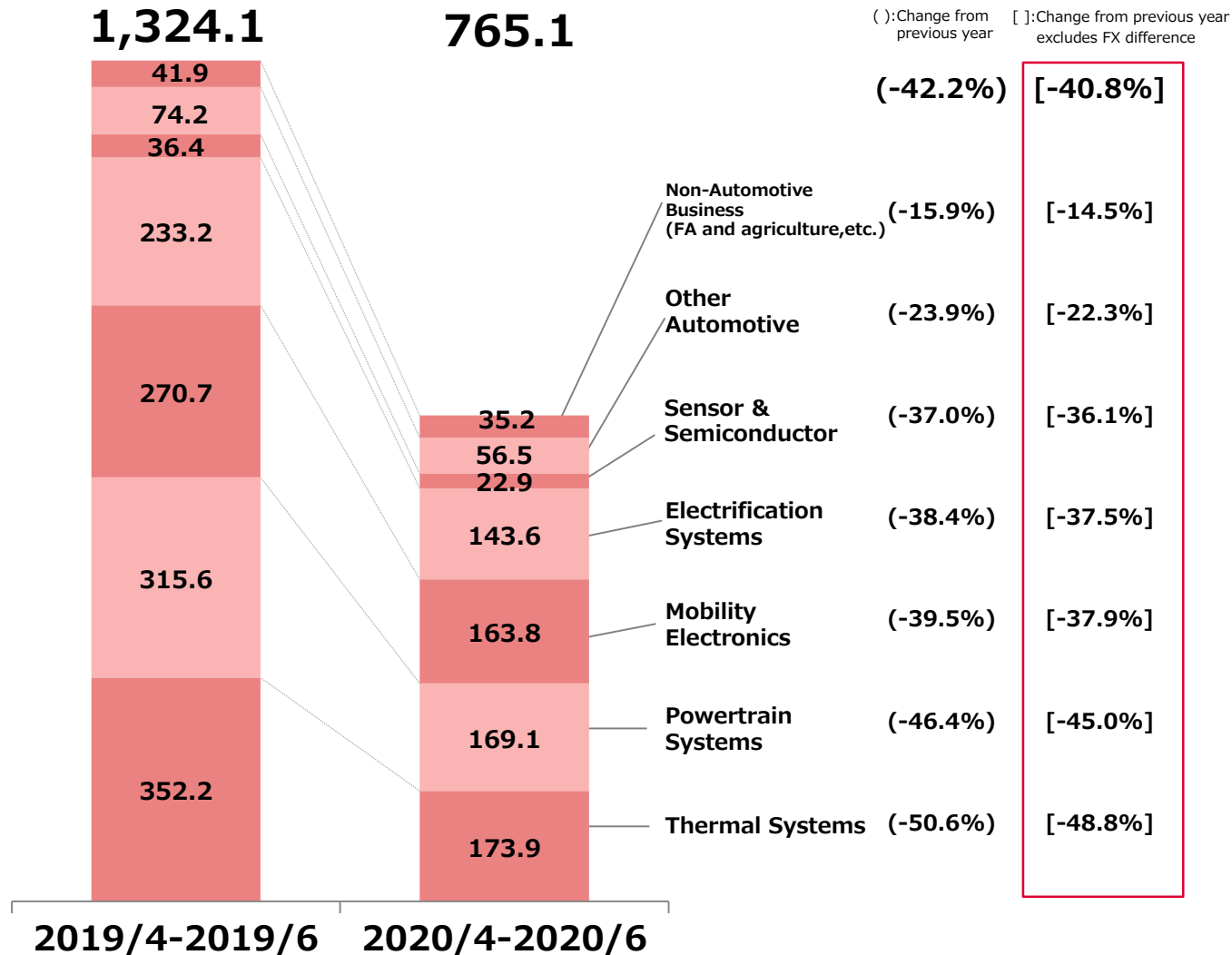
After-market,
Non-Automotive Business etc.



| | | |
|------------------|----------|----------|
| 80.1 Others | (-45.2%) | [-43.0%] |
| 9.3 VW/AUDI | (-49.8%) | [-47.1%] |
| 11.1 Nissan | (-53.3%) | [-52.0%] |
| 11.2 Suzuki | (-59.3%) | [-58.5%] |
| 11.8 Mazda | (-59.4%) | [-59.1%] |
| 12.3 SUBARU | (-56.2%) | [-55.8%] |
| 14.5 Ford | (-56.5%) | [-54.7%] |
| 14.9 FCA | (-71.5%) | [-69.3%] |
| 15.5 GM | (-65.8%) | [-64.7%] |
| 18.6 Hyundai/Kia | (-41.3%) | [-38.2%] |
| 60.7 Honda | (-41.6%) | [-39.4%] |

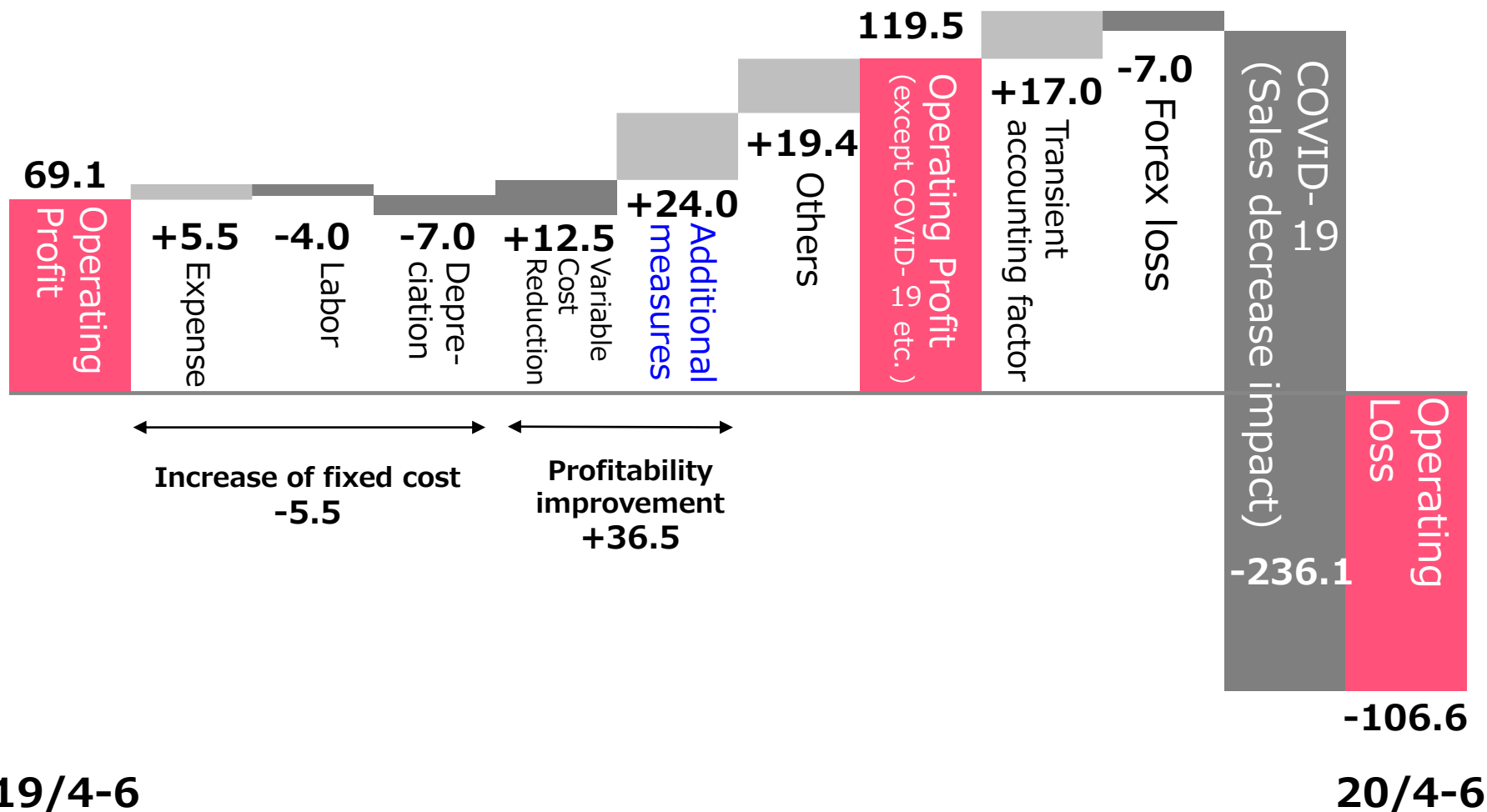
FY2021 1st Quarter Consolidated Revenue (By Product)

(Unit: Billions of Yen)
 []: INCR/DECR excludes FX difference



Change in FY2021 1st Quarter Operating Profit

(Unit: Billion of yen)



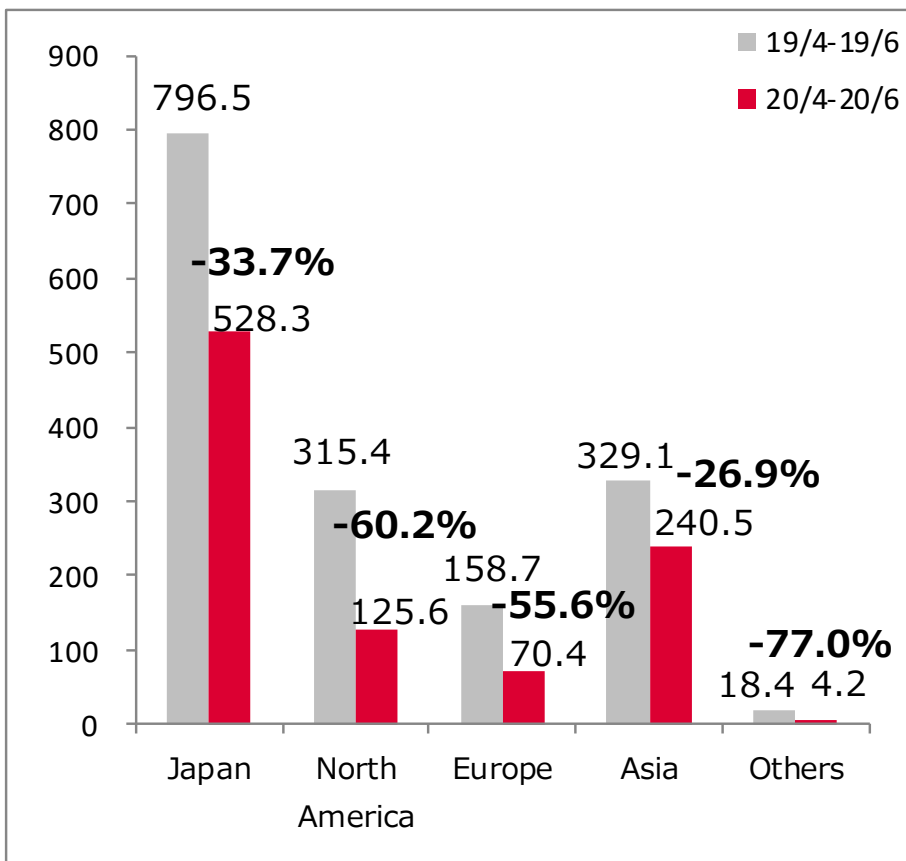
19/4-6

20/4-6

Geographical Segments by Company Location

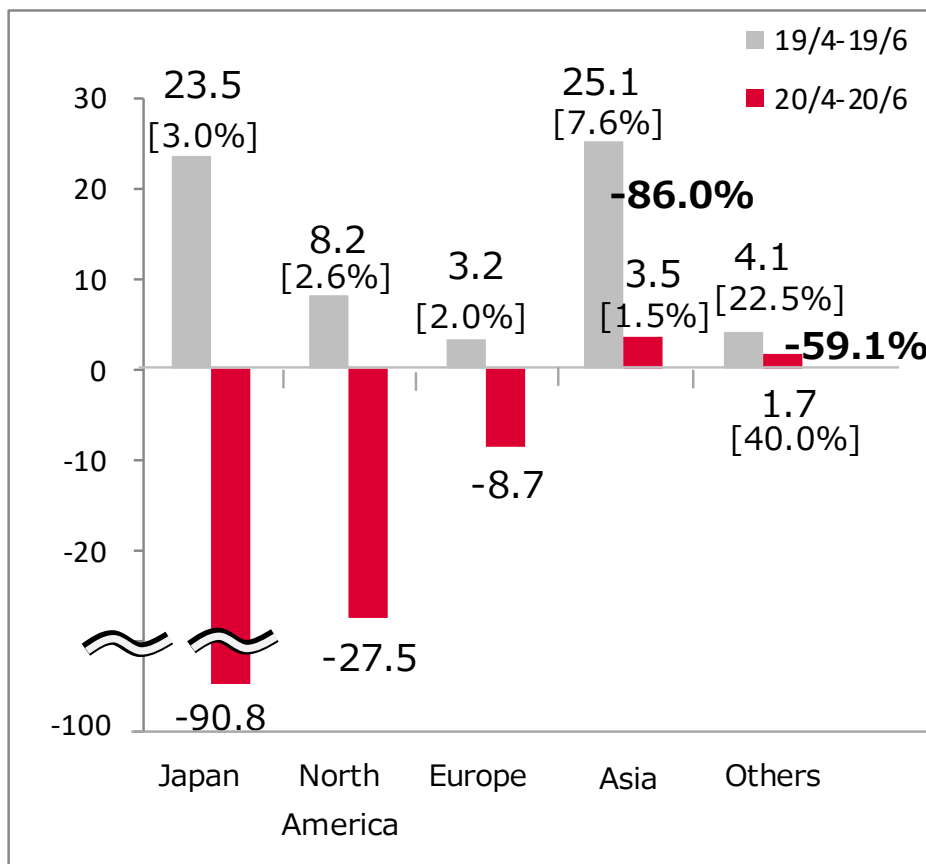
Excluding FX difference (110JPY/1USD, 123JPY/1EUR)

Revenue



Operating Profit

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



FY2021 Financial Forecast

(Ratio to Revenue)

[Unit : Billions of Yen]

| | 2020/3 Actual | | 2021/3 Forecast | | Change | |
|------------------------------------|---------------|---------|-----------------|----------------|--------|--------|
| Revenue | | 5,153.5 | | 4,540.0 | -613.5 | -11.9% |
| Operating Profit | (1.2%) | 61.1 | (2.2%) | 100.0 | +38.9 | +63.7% |
| Finance income/ cost&others(*1) | | 28.6 | | 31.0 | +2.4 | |
| Profit before Income Taxes | (1.7%) | 89.6 | (2.9%) | 131.0 | +41.4 | +46.2% |
| Profit (*2) | (1.3%) | 68.1 | (1.7%) | 75.0 | +6.9 | +10.1% |

[Unit:Millions of Units]

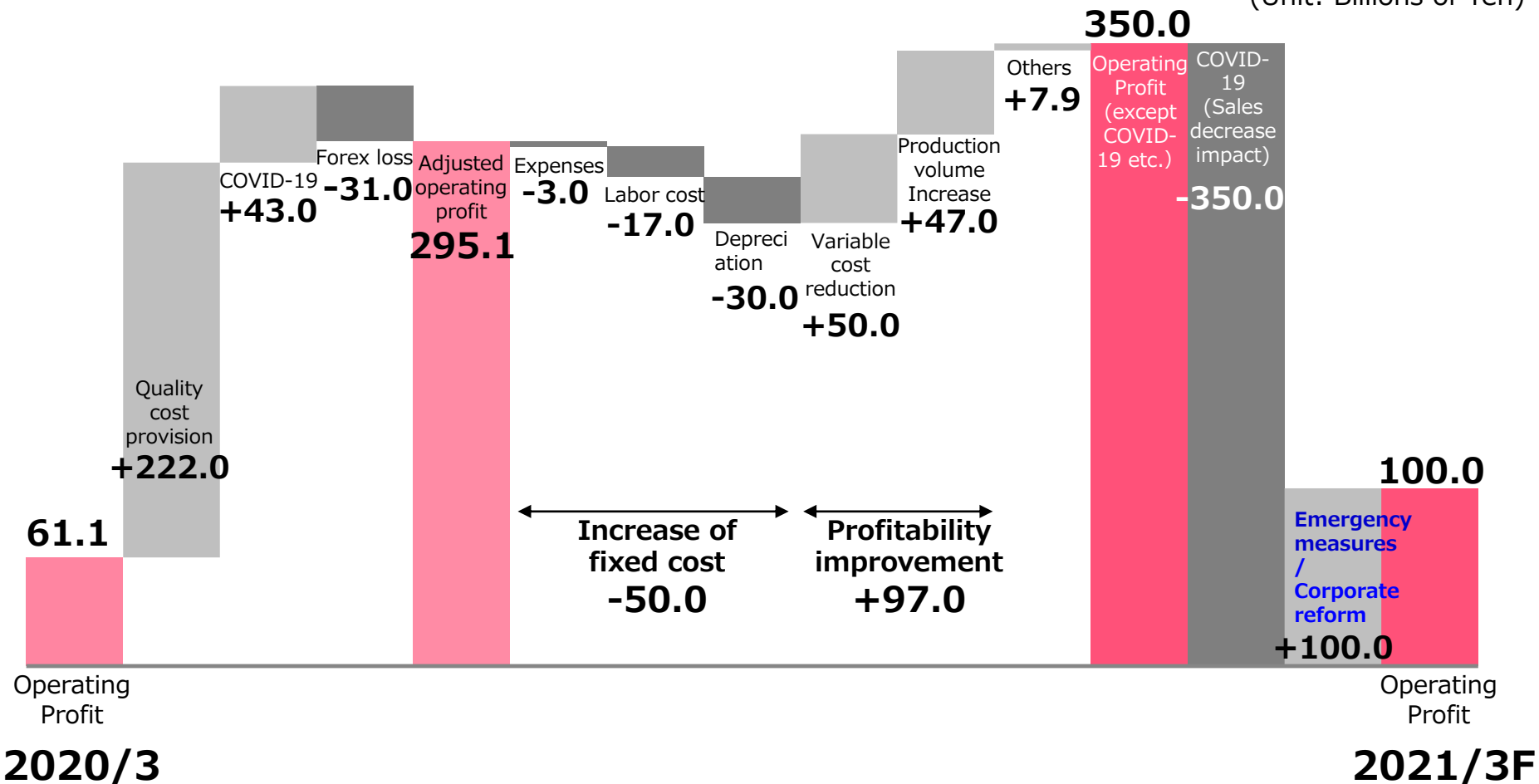
| | | | | | | | |
|--------------|--|-----|---------|-----|---------|---------|----------|
| Precondition | Foreign Exchange Rate | JPY | 109/USD | JPY | 106/USD | -3 JPY | — |
| | | JPY | 121/USD | JPY | 120/USD | -1 JPY | — |
| | Domestic Vehicle Production | | 9.27 | | 7.64 | -1.63 | -17.6% |
| | Overseas Vehicle Production of Japanese Manufacturers | | 18.89 | | 15.65 | -3.24 | -17.2% |
| | (North America) | | (5.46) | | (4.59) | (-0.86) | (-15.8%) |

※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

Change in FY2021 Operating Profit

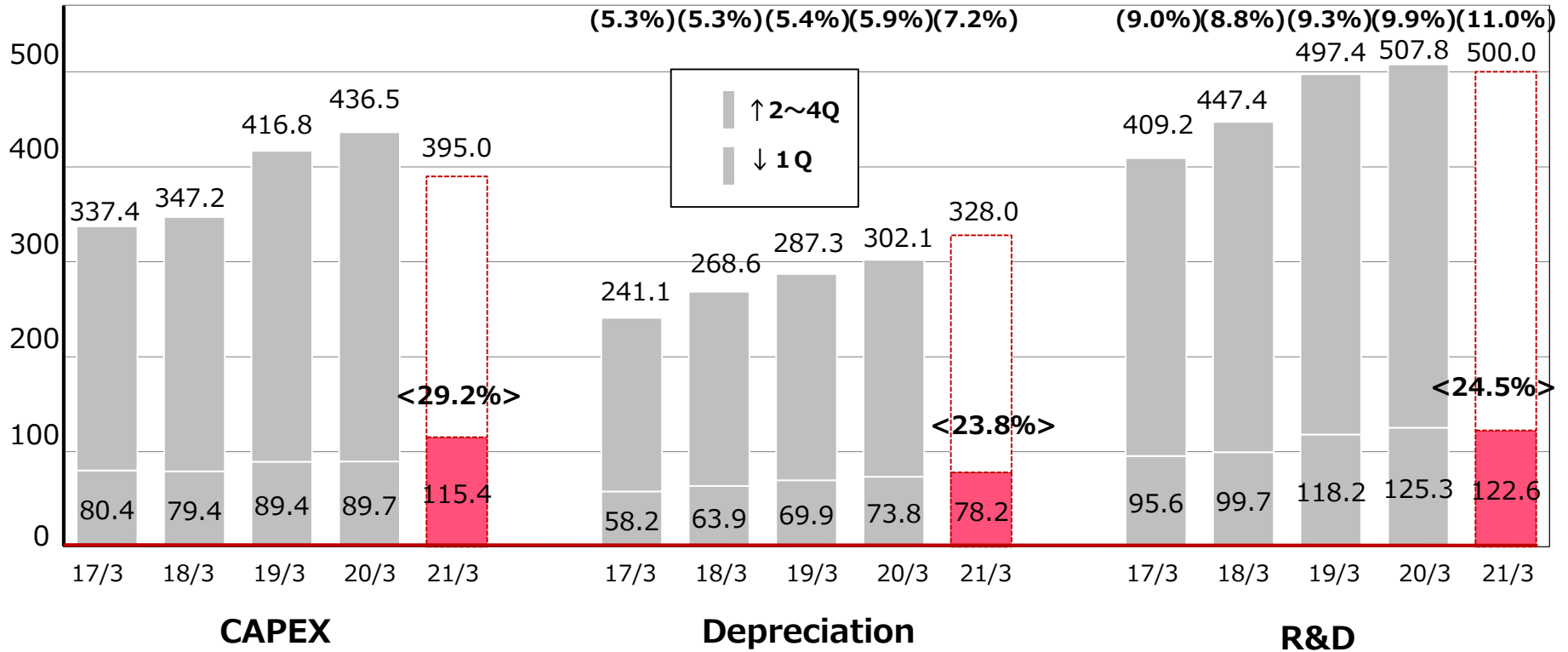
(Unit: Billions of Yen)



Trend of Capital Expenditures, Depreciation and R&D Expenditures

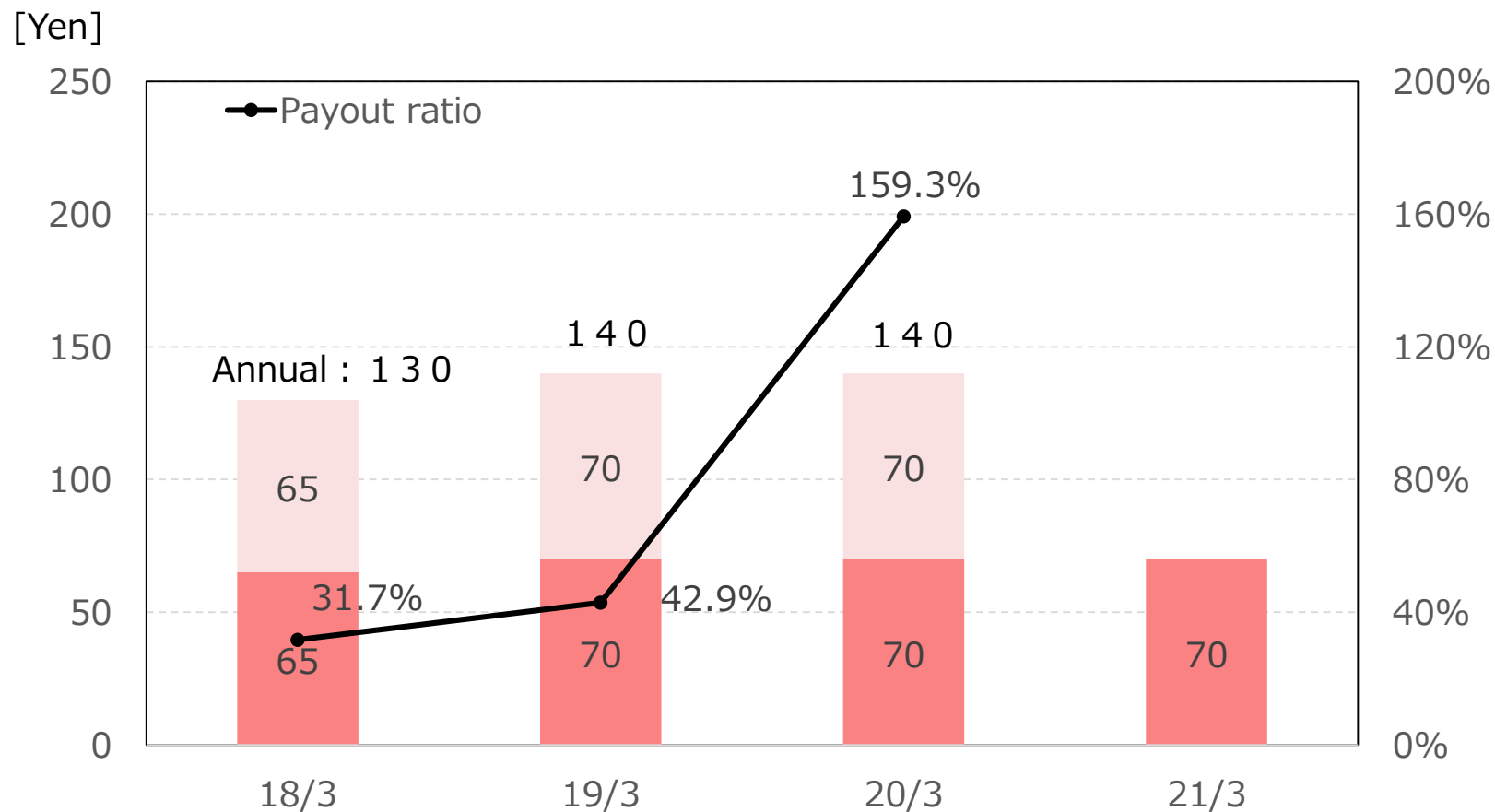
[Bil.Yen]

< > Ratio to 21/3F () Ratio to Revenue



Return to Shareholders

FY21 2nd Q-end dividend per share: 70 yen
Year-end dividend per share: Not determined



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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)

| | | FY2021 Full Year | | | | | |
|--|---------------|------------------|--------|--------|------------|----------|--------|
| | | 1Q | | | | | |
| | | Prior Year | Actual | Change | Prior Year | Forecast | Change |
| Foreign Exchange Rate (Yen) | USD | 110 | 108 | - 2 | 109 | 106 | - 3 |
| | EUR | 123 | 118 | - 5 | 121 | 120 | - 1 |
| Forex Impact on Operating Income per Yen (Billions of Yen) | USD | - | | | 2.7 | 2.1 | -0.6 |
| | EUR | - | | | 1.2 | 0.9 | -0.3 |
| Car Production of Japanese Manufacturers (Millions of Units) | Domestic | 2.33 | 1.30 | - 45% | 9.27 | 7.64 | - 18% |
| | North America | 1.46 | 0.49 | - 67% | 5.46 | 4.59 | - 16% |
| | Overseas | 4.78 | 2.89 | - 40% | 18.89 | 15.65 | - 17% |

Consolidated Revenue (By Customer)

(Unit: Billions of Yen)

| | 19/4-19/6 | | 20/4-20/6 | | Change | | Change excludes FX difference,etc. |
|---|----------------|--------------|--------------|--------------|---------------|--------------|---|
| | Amount | % to Total | Amount | % to Total | Amount | % | % |
| Toyota | 588.1 | 44.5 | 361.0 | 47.2 | -227.1 | -38.6 | -37.4 |
| Daihatsu | 30.8 | 2.3 | 17.2 | 2.2 | -13.6 | -44.1 | -43.4 |
| Hino | 15.1 | 1.1 | 10.5 | 1.4 | -4.6 | -30.3 | -30.3 |
| Toyota Group | 634.0 | 47.9 | 388.8 | 50.8 | -245.2 | -38.7 | -37.5 |
| Honda | 104.0 | 7.9 | 60.7 | 8.0 | -43.3 | -41.6 | -39.4 |
| Hyundai/Kia | 31.7 | 2.4 | 18.6 | 2.4 | -13.1 | -41.3 | -38.2 |
| GM | 45.4 | 3.4 | 15.5 | 2.0 | -29.9 | -65.8 | -64.7 |
| FCA | 52.2 | 3.9 | 14.9 | 1.9 | -37.4 | -71.5 | -69.3 |
| Ford | 33.3 | 2.5 | 14.5 | 1.9 | -18.8 | -56.5 | -54.7 |
| SUBARU | 28.2 | 2.1 | 12.3 | 1.6 | -15.8 | -56.2 | -55.8 |
| Mazuda | 29.2 | 2.2 | 11.8 | 1.5 | -17.3 | -59.4 | -59.1 |
| Suzuki | 27.5 | 2.1 | 11.2 | 1.5 | -16.3 | -59.3 | -58.5 |
| Nissan | 23.7 | 1.8 | 11.1 | 1.4 | -12.6 | -53.3 | -52.0 |
| VW·AUDI | 18.6 | 1.4 | 9.3 | 1.2 | -9.3 | -49.8 | -47.1 |
| Isuzu | 14.8 | 1.1 | 7.4 | 1.0 | -7.4 | -50.2 | -49.6 |
| BMW | 12.1 | 0.9 | 7.1 | 0.9 | -5.0 | -41.2 | -38.8 |
| Volvo | 11.4 | 0.9 | 5.9 | 0.8 | -5.4 | -47.7 | -45.1 |
| PSA | 12.0 | 0.9 | 3.8 | 0.5 | -8.3 | -68.6 | -67.0 |
| Mitsubishi | 12.8 | 1.0 | 2.9 | 0.4 | -10.0 | -77.7 | -76.9 |
| Daimler | 6.5 | 0.5 | 2.9 | 0.4 | -3.6 | -56.0 | -54.5 |
| OE Sales for others | 80.5 | 6.1 | 50.1 | 6.7 | -30.4 | -37.7 | -35.1 |
| OEM Total | 1,177.8 | 89.0 | 648.8 | 84.8 | -529.0 | -44.9 | -43.4 |
| After-market, Non-Automotive Business(*) | 146.3 | 11.0 | 116.3 | 15.2 | -30.0 | -20.5 | -19.2 |
| Total | 1,324.1 | 100.0 | 765.1 | 100.0 | -559.0 | -42.2 | -40.8 |

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

Consolidated Revenue (By Product)

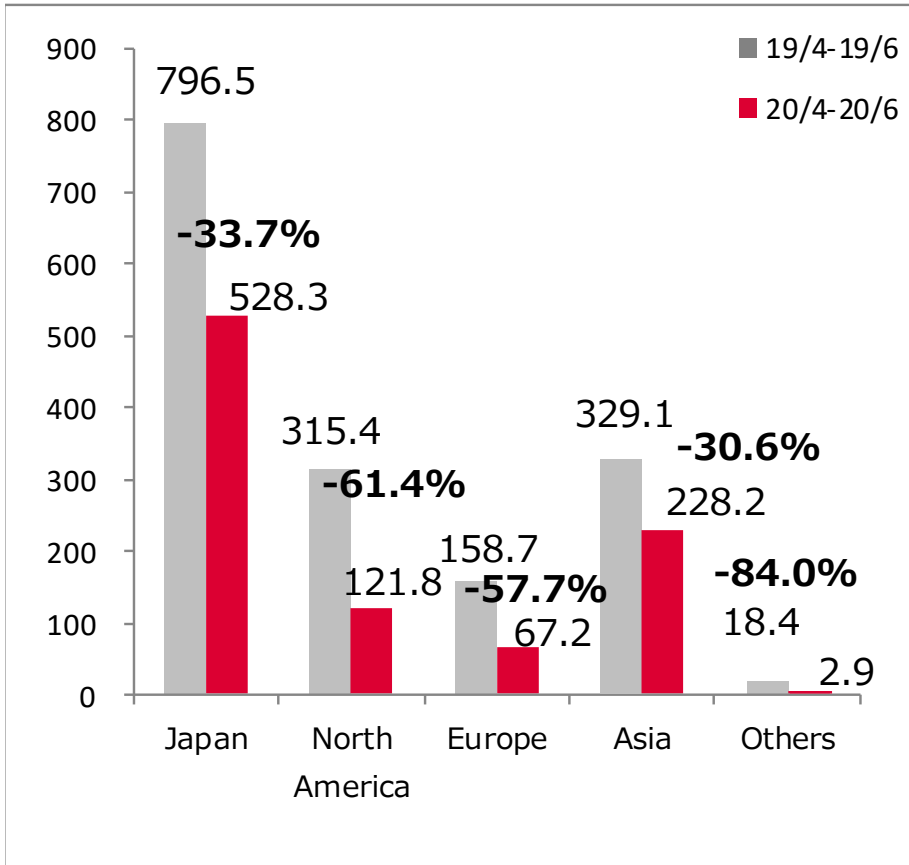
(Unit: Billions of Yen,%)

| | 19/4-19/6 | | 20/4-20/6 | | Change | | Change excludes FX difference |
|--|----------------|--------------|--------------|--------------|---------------|--------------|-------------------------------------|
| | Amount | % to Total | Amount | % to Total | Amount | % | % |
| Thermal Systems | 352.2 | 26.6 | 173.9 | 22.7 | -178.3 | -50.6 | -48.8 |
| Powertrain Systems | 315.6 | 23.9 | 169.1 | 22.1 | -146.5 | -46.4 | -45.0 |
| Mobility Electronics | 270.7 | 20.5 | 163.8 | 21.4 | -106.9 | -39.5 | -37.9 |
| Electrification Systems | 233.2 | 17.6 | 143.6 | 18.8 | -89.6 | -38.4 | -37.5 |
| Sensor & Semiconductor | 36.4 | 2.7 | 22.9 | 3.0 | -13.5 | -37.0 | -36.1 |
| Others(*) | 74.2 | 5.5 | 56.5 | 7.4 | -17.7 | -23.9 | -22.3 |
| Automotive Total | 1,282.2 | 96.8 | 729.8 | 95.4 | -552.5 | -43.1 | -41.6 |
| Non-Automotive Business(FA and agriculture, etc.) Total | 41.9 | 3.2 | 35.2 | 4.6 | -6.7 | -15.9 | -14.5 |
| Total | 1,324.1 | 100.0 | 765.1 | 100.0 | -558.9 | -42.2 | -40.8 |

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

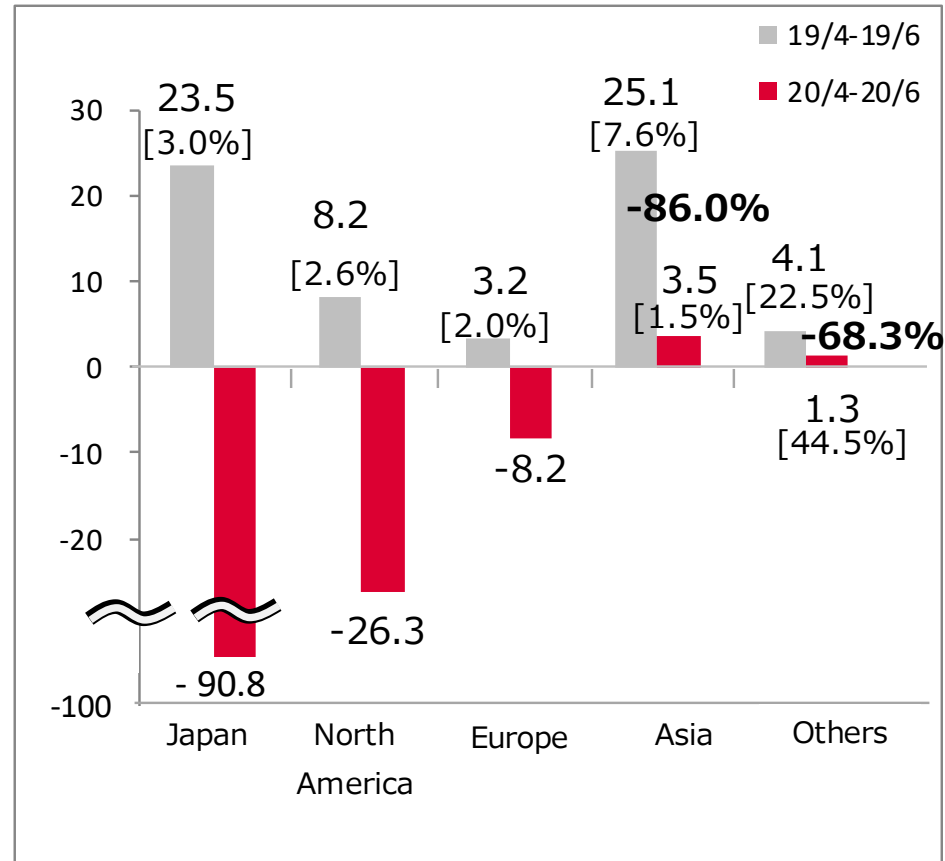
Geographical Segments by Company Location

Revenue



Operating Profit

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



Capital Expenditures, Depreciation and R&D Expenditures

(Unit: Billions of Yen,%)

| | | 20/3 | | 21/3F | | Change (%) | Progress to 21/3 Forecast |
|---------------------------------------|-----------------|-----------------|------------------|------------------|--------|------------|---------------------------|
| | | 19/6 | | 20/6 | | | |
| Japan | 57.0 | 277.5 | 86.9 | 248.0 | 52.4% | 35.0% | |
| North America | 9.6 | 46.1 | 9.3 | 45.0 | -3.2% | 20.7% | |
| Europe | 5.8 | 26.1 | 3.7 | 20.0 | -36.4% | 18.5% | |
| Asia | 16.7 | 84.3 | 15.1 | 80.0 | -9.4% | 18.9% | |
| Others | 0.5 | 2.5 | 0.4 | 2.0 | -20.0% | 20.0% | |
| Capital Expenditure | 89.7 | 436.5 | 115.4 | 395.0 | 28.7% | 29.2% | |
| Japan | 43.6 | 184.3 | 49.5 | 209.0 | 13.5% | 23.7% | |
| North America | 10.2 | 40.1 | 9.9 | 40.0 | -2.9% | 24.8% | |
| Europe | 6.0 | 23.5 | 5.9 | 23.0 | -1.7% | 25.7% | |
| Asia | 13.5 | 52.3 | 12.5 | 54.0 | -7.4% | 23.1% | |
| Others | 0.5 | 1.9 | 0.4 | 2.0 | -20.0% | 20.0% | |
| Depreciation | 73.8 | 302.1 | 78.2 | 328.0 | 6.0% | 23.8% | |
| R&D Expenditure (Ratio to Revenue) | 125.3 (9.5%) | 507.8 (9.9%) | 122.6 (16.0%) | 500.0 (11.0%) | -2.2% | 24.5% | |