

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

DENSO

Crafting the Core

FY2021

Financial Results

(2020/4-2020/9)

October 29, 2020

DENSO CORPORATION

Overview of FY2021 2nd Quarter Financial Results

1. A decline in vehicle sales due to COVID-19 in the 1st quarter impacted significant decrease in revenue.
Although revenue have been on a recovery trend since the 2nd quarter, overall revenue in the 1st half decreased year-on-year.
Operating income was positive in the 2nd quarter, but was negative in the 1st half.
2. The forecast for '20/Apr - '21/Mar, with sales of 4.54 trillion yen and operating income of 100 billion yen, remains unchanged due to uncertain outlook.
Year-end dividend forecast is 70 yen based on long-term stable dividend policy.

FY2021 2nd Quarter Financial Results(2020/4-2020/9)

(Ratio to Revenue)

[Unit : Billions of Yen]

	2019/4-2019/9		2020/4-2020/9		Change	
Revenue		2,618.4		2,074.7	-543.7	-20.8%
Operating Profit	(5.1%)	134.0	(-)	-69.6	-203.6	—
Profit before Income Taxes	(5.8%)	151.2	(-)	-55.4	-206.6	—
Profit (*)	(4.0%)	104.2	(-)	-71.1	-175.3	—

* Profit attributable to owners of the parent company□

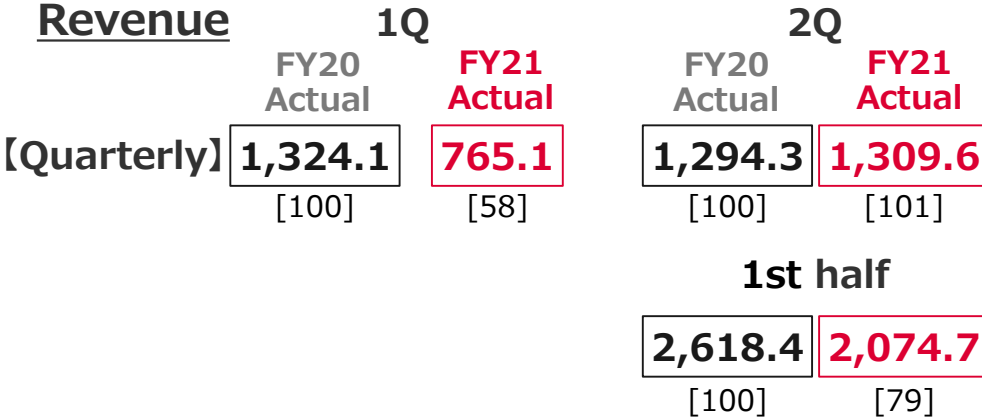
[Unit:Millions of Units]

Precondition	Foreign Exchange Rate	JPY	109/USD	JPY	107/USD	-2 JPY	—
		JPY	121/USD	JPY	121/USD	-0 JPY	—
	Vehicle Production in Japan		4.68		3.34	-1.34	-28.6%
	Overseas Vehicle Production of Japanese Manufacturers		9.61		6.25	-3.36	-35.0%
	(North America)		(2.80)		(1.91)	(-0.89)	(-31.8%)

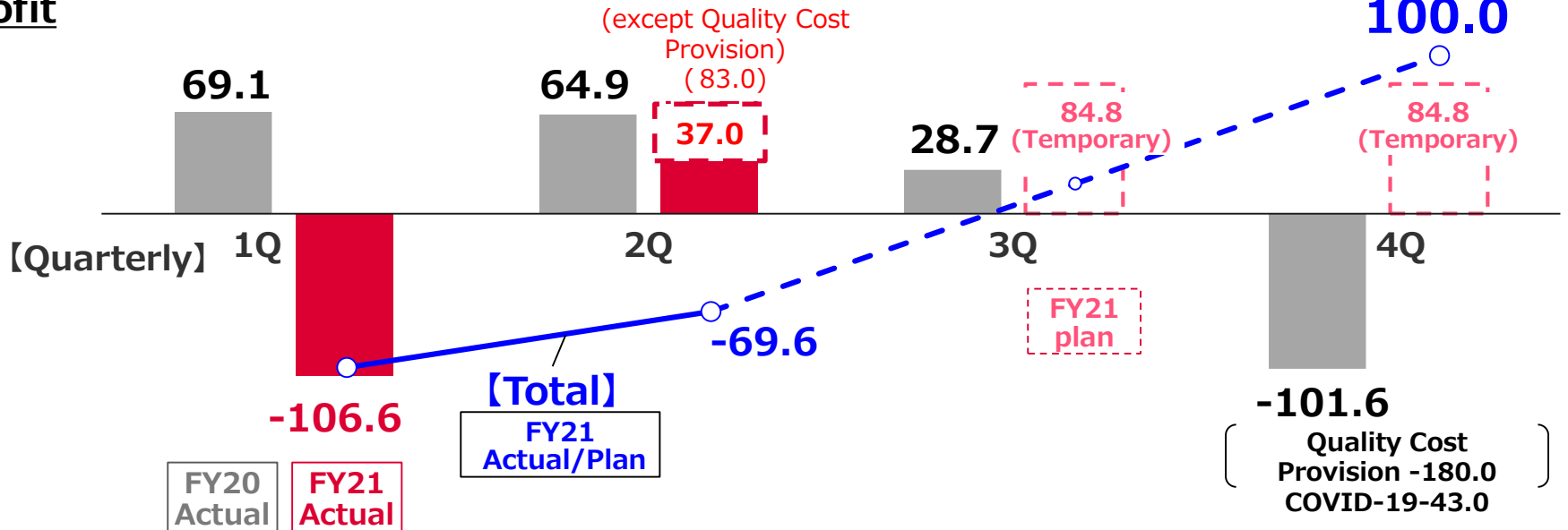
Trend of Quarterly Revenue and Operating Income [vs. previous year]

[Unit : Billions of Yen]

Revenue



Operating Profit



FY2021 2nd Quarter Consolidated Revenue (By Customer)

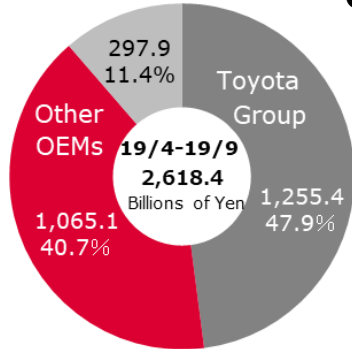
(Unit: Billions of Yen)
 (): Change from previous year
 []: Change from previous year
 excludes FX difference

(): change from previous year

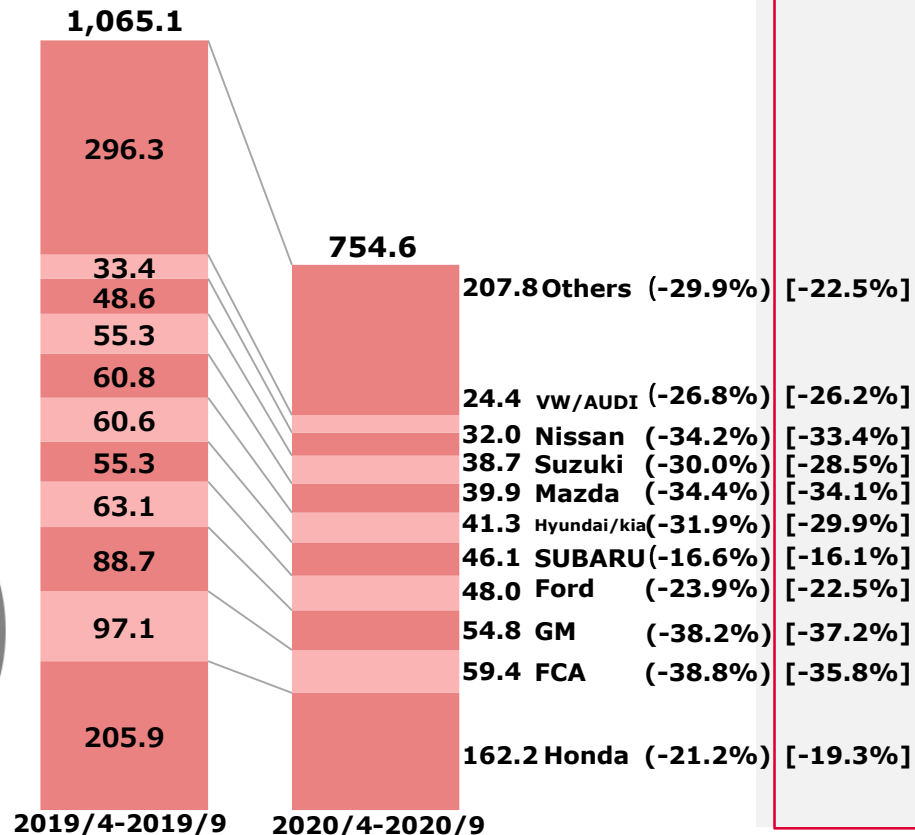
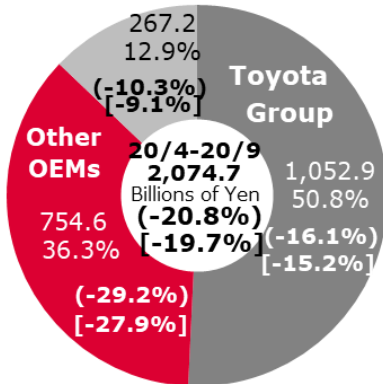
INCR/DECR excludes Forex diff.

	2019/4-2019/9	2020/4-2020/9	(%)	1 st half	1Q(3month)	2Q(3month)
Revenue	2,618.4	2,074.7	(-20.8%)	[-19.7%]	[-40.8%]	[1.8%]
Toyota group	1,255.4	1,052.9	(-16.1%)	[-15.2%]	[-37.5%]	[7.5%]
Other OEMs	1,065.1	754.6	(-29.2%)	[-27.9%]	[-50.3%]	[-4.6%]

After-market,
Non-Automotive Business etc.

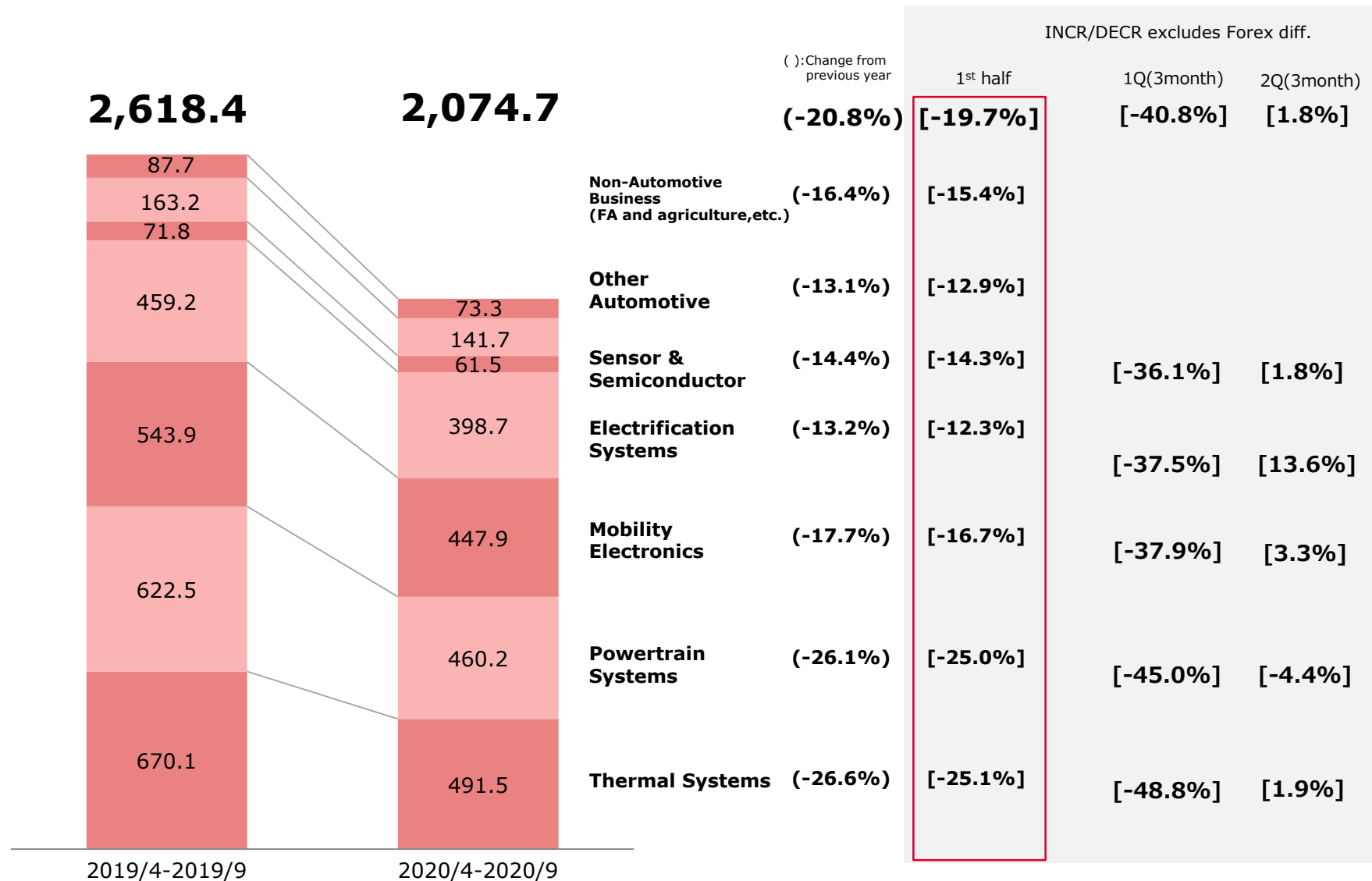


After-market,
Non-Automotive Business etc.



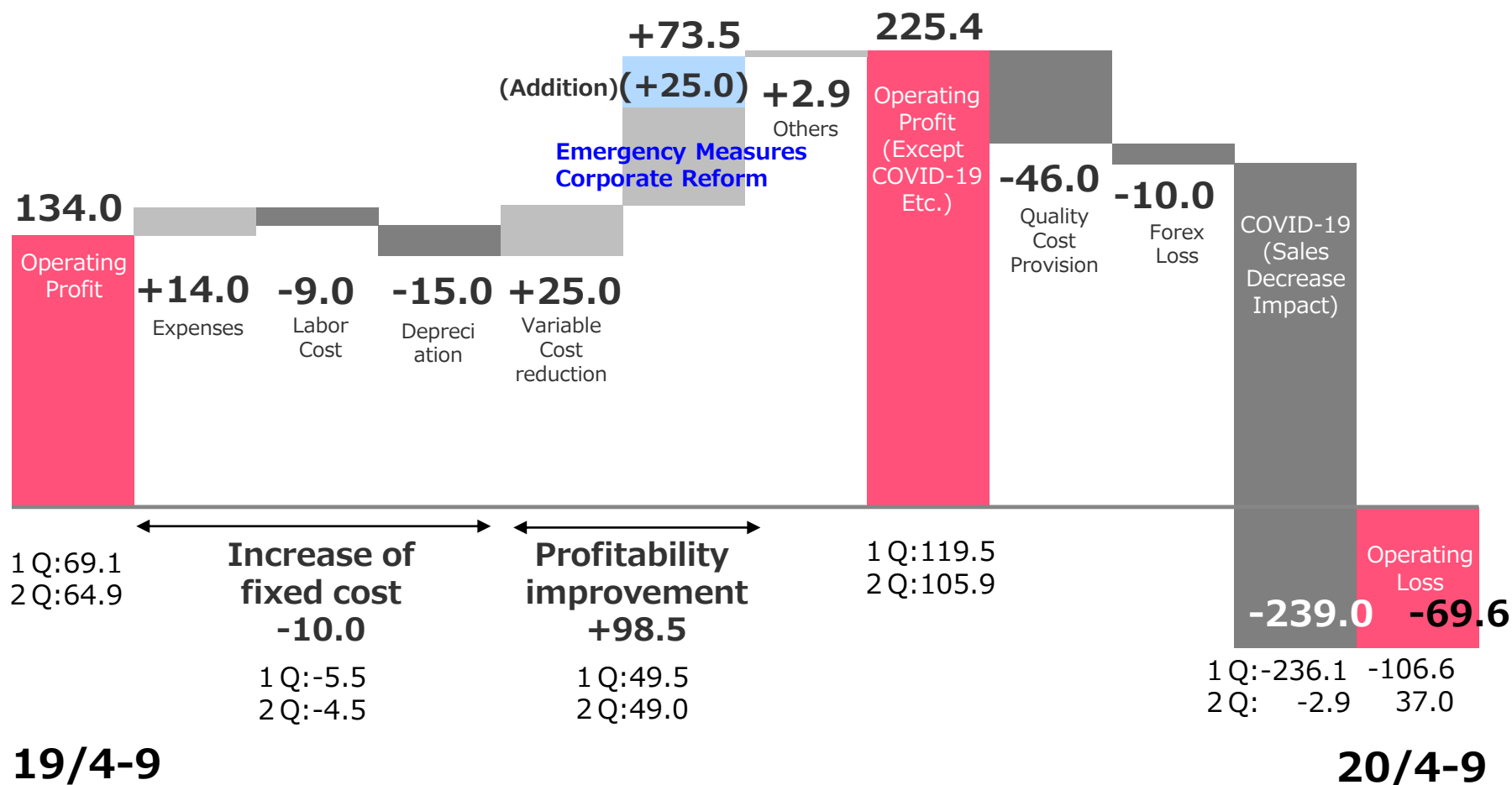
FY2021 2nd Quarter Consolidated Revenue (By Product)

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



Change in FY2021 2nd Quarter Operating Profit

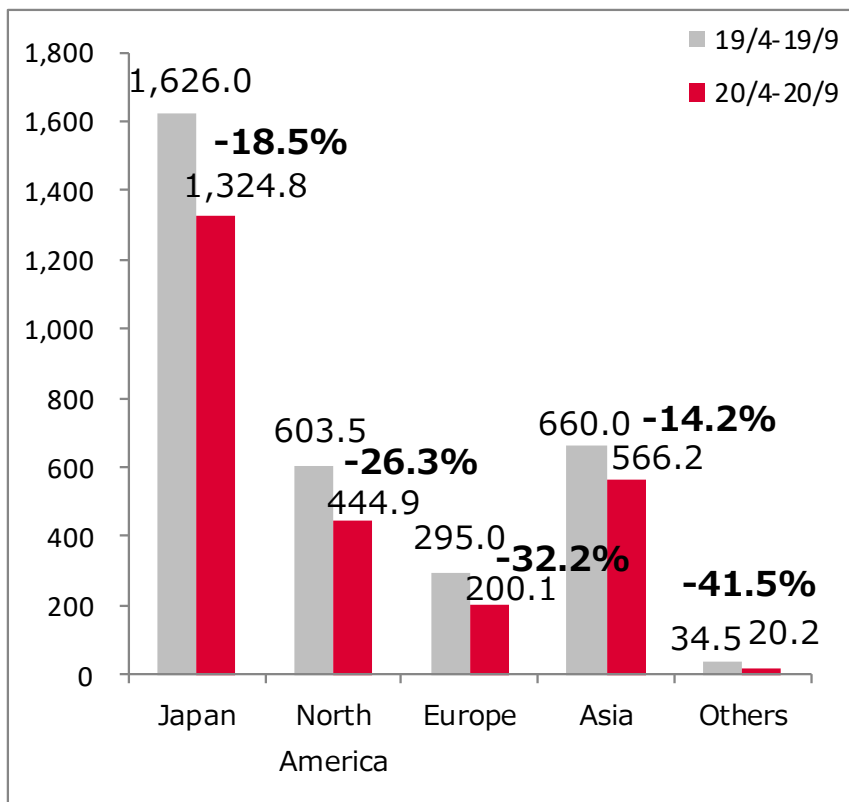
(Unit: Billion of yen)



Geographical Segments by Company Location

Excluding FX difference (109JPY/1USD, 121JPY/1EUR)

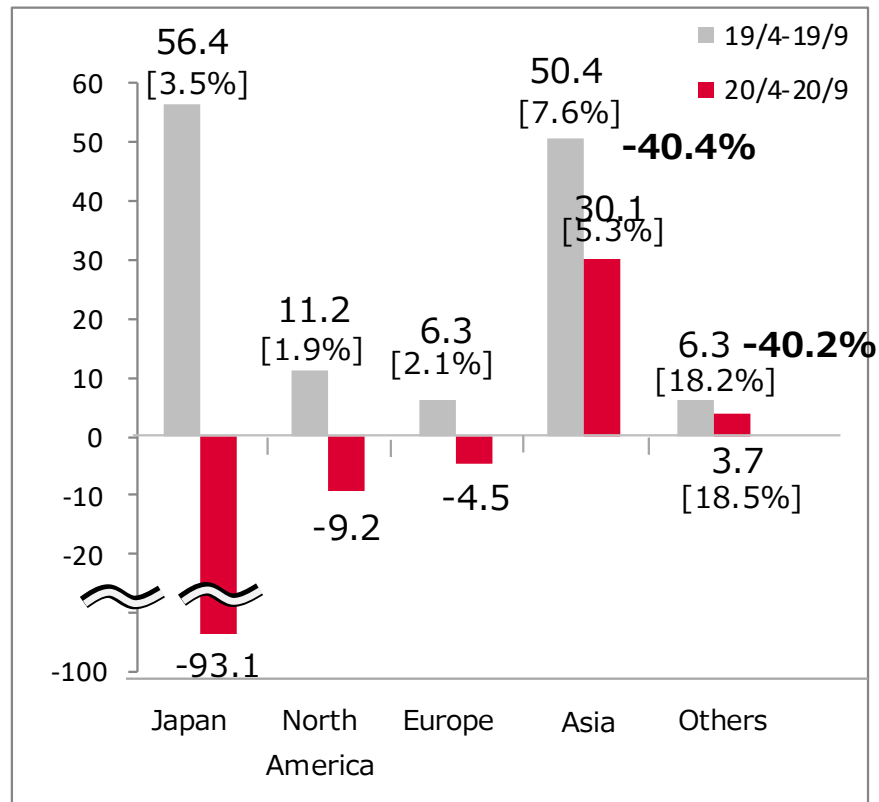
Revenue



19/7-9	829.5	288.2	136.3	330.9	16.1
20/7-9	796.4	314.5	133.0	321.7	11.4

Operating Profit

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



32.9	3.0	3.1	25.3	2.1
△2.3	17.8	4.2	26.3	1.4

FY2021 Financial Forecast

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

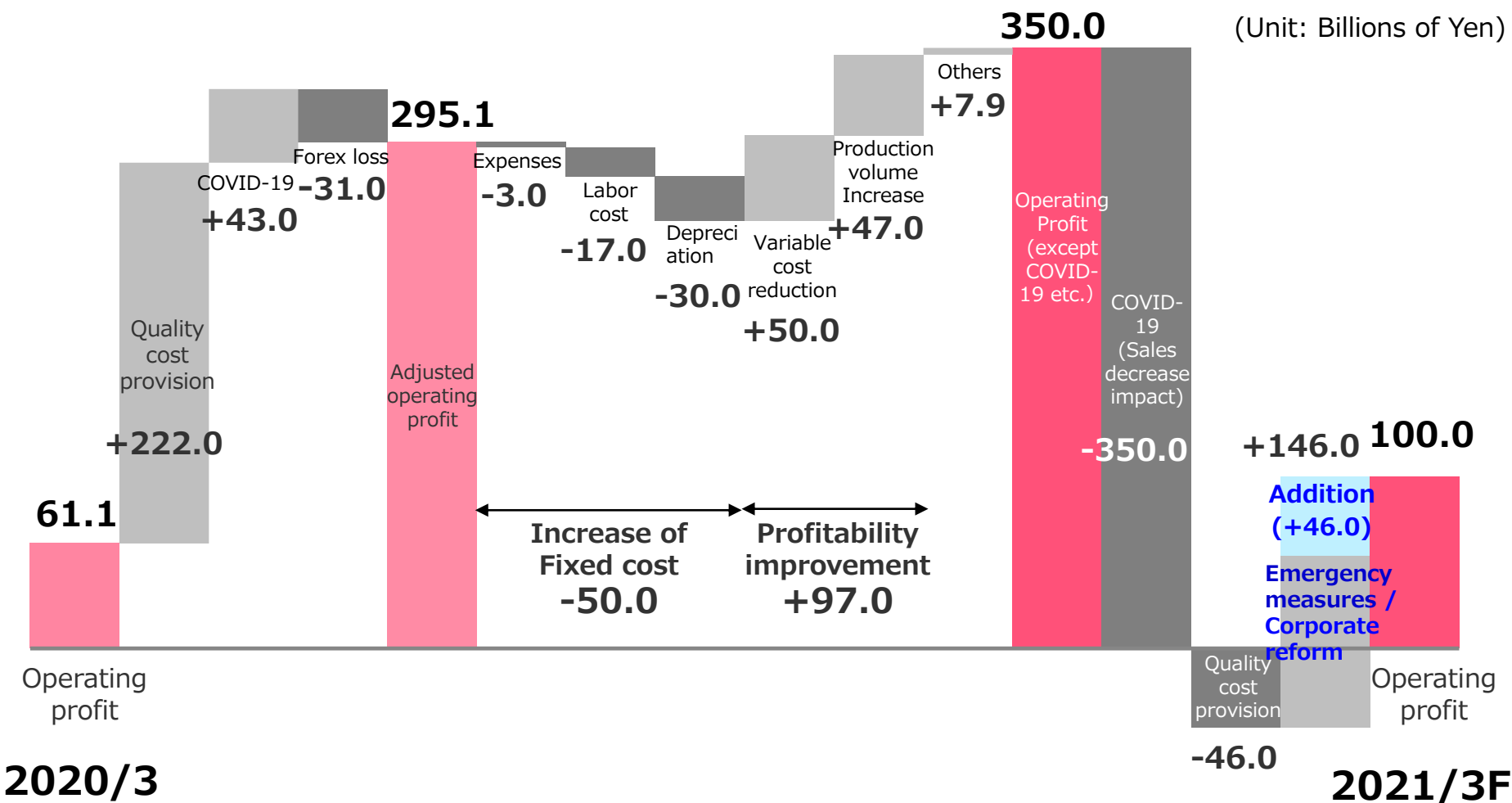
	2020/3 Actual		2021/3 Forecast		Change	
Revenue		5,153.5		4,540.0	-613.5	-11.9%
Operating Profit	(1.2%)	61.1	(2.2%)	100.0	+38.9	+63.7%
Profit before Income Taxes	(1.7%)	89.6	(2.9%)	131.0	+41.4	+46.2%
Profit (*)	(1.3%)	68.1	(1.7%)	75.0	+6.9	+10.1%

* Profit attributable to owners of the parent company

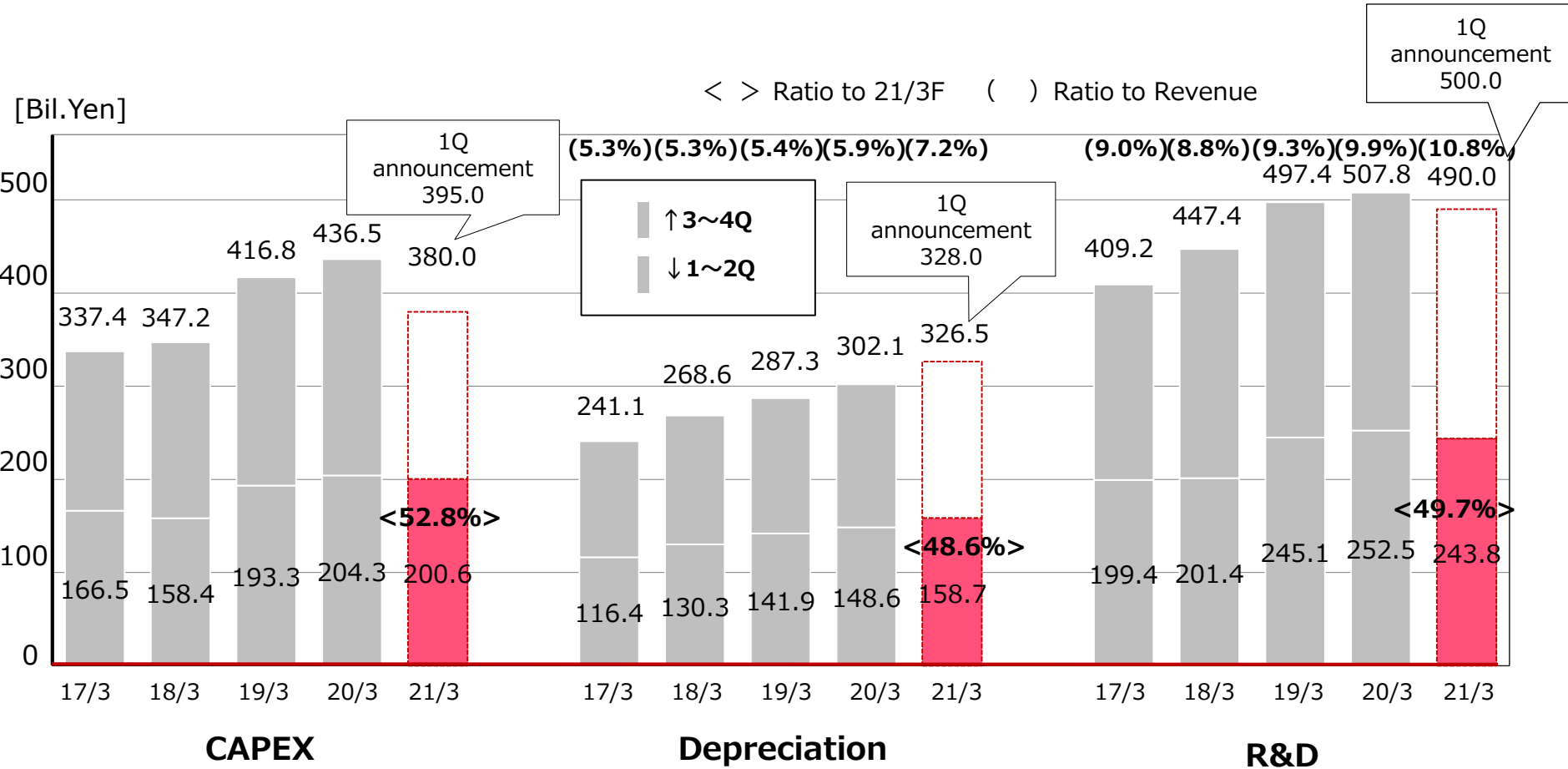
[Unit:Millions of Units]

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 (North America)		18.89 (5.46)		15.65 (4.59)	-3.24 (-0.86)	-17.2% (-15.8%)

Change in FY2021 Operating Profit

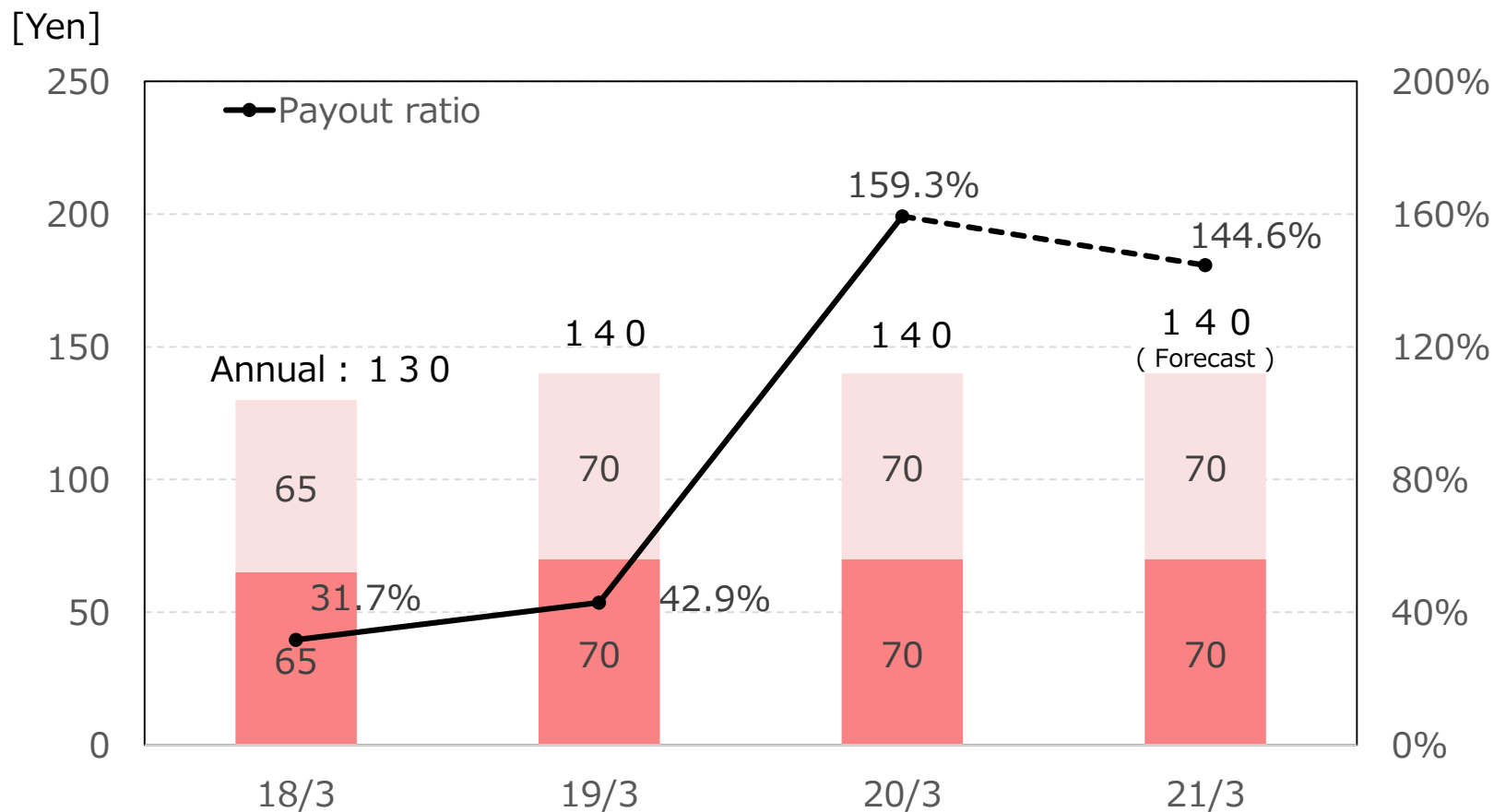


Trend of Capital Expenditures, Depreciation and R&D Expenditures



Return to Shareholders

FY21 2nd Q-end dividend per share: 70 yen
Year-end dividend per share: 70 yen



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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									
		FY2021 First-Half			FY2021 Second-Half						
		Prior Year	Actual	Change	Prior Year	Forecast (Revised)	Change	Prior Year	Forecast as of June 2019	Forecast (Revised)	Change
Foreign Exchange Rate (Yen)	USD	109	107	- 2	109	104	- 4	109	106	106	- 3
	EUR	121	121	- 0	120	118	-2	121	120	120	- 1
Forex Impact on Operating Income per Yen (Billions of Yen)	USD	/			/			2.7	2.1	2.1	-0.6
	EUR	/			/			1.2	0.9	0.9	-0.3
Car Production of Japanese Manufacturers (Millions of Units)	Domestic	4.68	3.34	- 29%	4.59	4.30	- 6%	9.27	7.64	7.64	- 18%
	North America	2.80	1.91	- 32%	2.66	2.69	+ 1%	5.46	4.59	4.59	- 16%
	Overseas	9.61	6.25	- 35%	9.29	9.40	+ 1%	18.89	15.65	15.65	- 17%

Consolidated Revenue (By Customer)

(Unit: Billions of Yen)

	19/4-19/9		20/4-20/9		Change		Change excludes FX difference,etc.
	Amount	% to Total	Amount	% to Total	Amount	%	%
Toyota	1,159.7	44.3	983.1	47.4	-176.6	-15.2	-14.3
Daihatsu	65.3	2.5	48.8	2.4	-16.6	-25.4	-24.6
Hino	30.4	1.2	21.0	1.0	-9.3	-30.7	-30.7
Toyota Group	1,255.4	48.0	1,052.9	50.8	-202.5	-16.1	-15.2
Honda	205.9	7.9	162.2	7.8	-43.7	-21.2	-19.3
FCA	97.1	3.7	59.4	2.9	-37.7	-38.8	-35.8
GM	88.7	3.4	54.8	2.6	-33.9	-38.2	-37.2
Ford	63.1	2.4	48.0	2.3	-15.1	-23.9	-22.5
SUBARU	55.3	2.1	46.1	2.2	-9.2	-16.6	-16.1
Hyundai/Kia	60.6	2.3	41.3	2.0	-19.3	-31.9	-29.9
Mazuda	60.8	2.3	39.9	1.9	-20.9	-34.4	-34.1
Suzuki	55.3	2.1	38.7	1.9	-16.6	-30.0	-28.5
Nissan	48.6	1.9	32.0	1.5	-16.6	-34.2	-33.4
VW·AUDI	33.4	1.3	24.4	1.2	-9.0	-26.8	-26.2
Isuzu	28.7	1.1	21.4	1.0	-7.3	-25.4	-24.4
BMW	25.3	1.0	19.6	0.9	-5.7	-22.5	-22.9
PSA	23.5	0.9	14.4	0.7	-9.1	-38.6	-39.5
Volvo	20.7	0.8	13.5	0.7	-7.1	-34.5	-34.1
Mitsubishi	29.8	1.1	9.2	0.4	-20.6	-69.1	-68.4
Daimler	13.1	0.5	8.6	0.4	-4.5	-34.3	-35.0
OE Sales for others	155.1	5.9	120.9	5.9	-34.2	-22.1	-21.5
OEM Total	2,320.5	88.7	1,807.5	84.8	-513.0	-22.1	-21.1
After-market, Non-Automotive Business(*)	297.9	11.4	267.2	12.9	-30.7	-10.3	-9.1
Total	2,618.4	100.1	2,074.7	100.0	-543.7	-20.8	-19.7

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

Consolidated Revenue (By Product)

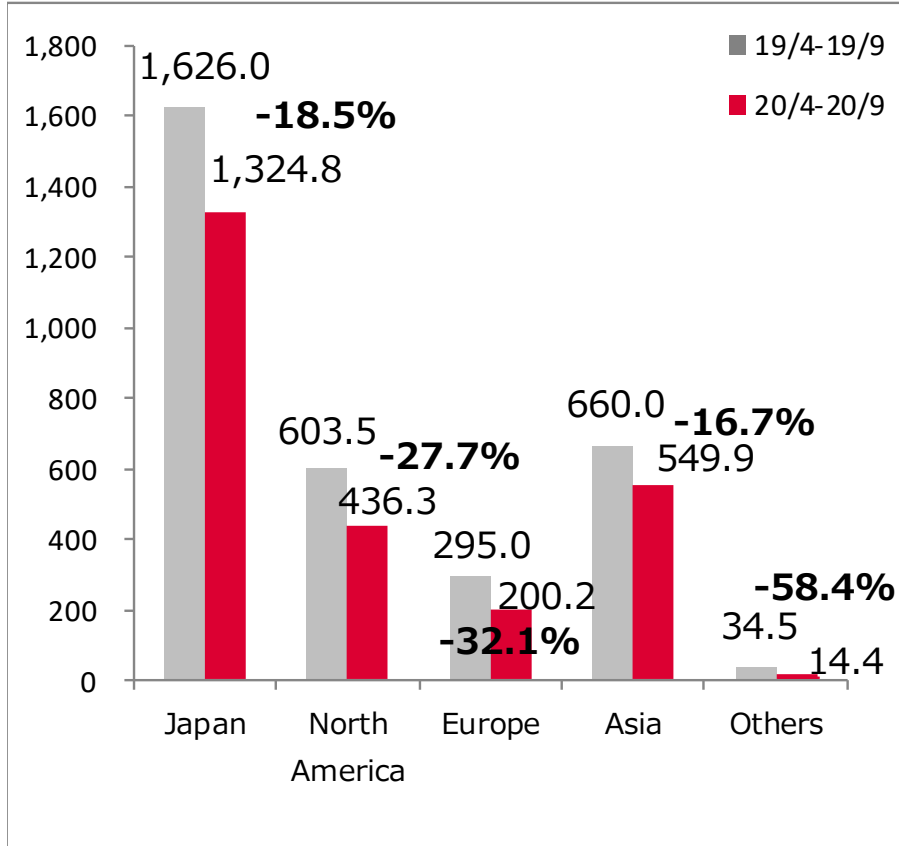
(Unit: Billions of Yen,%)

	19/4-19/9		20/4-20/9		Change		Change excludes FX difference
	Amount	% to Total	Amount	% to Total	Amount	%	%
Thermal Systems	670.1	25.6	491.5	23.7	-178.5	-26.6	-25.1
Powertrain Systems	622.5	23.8	460.2	22.2	-162.4	-26.1	-25.0
Mobility Electronics	543.9	20.9	447.9	21.6	-96.0	-17.7	-16.7
Electrification Systems	459.2	17.5	398.7	19.2	-60.5	-13.2	-12.3
Sensor & Semiconductor	71.8	2.7	61.5	3.0	-10.3	-14.4	-14.3
Others(*)	163.2	6.2	141.7	6.8	-21.5	-13.1	-12.9
Automotive Total	2,530.7	96.7	2,001.5	96.5	-529.3	-20.9	-19.8
Non-Automotive Business(FA and agriculture, etc.) Total	87.7	3.3	73.3	3.5	-14.4	-16.4	-15.4
Total	2,618.4	100.0	2,074.7	100.0	-543.7	-20.8	-19.7

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

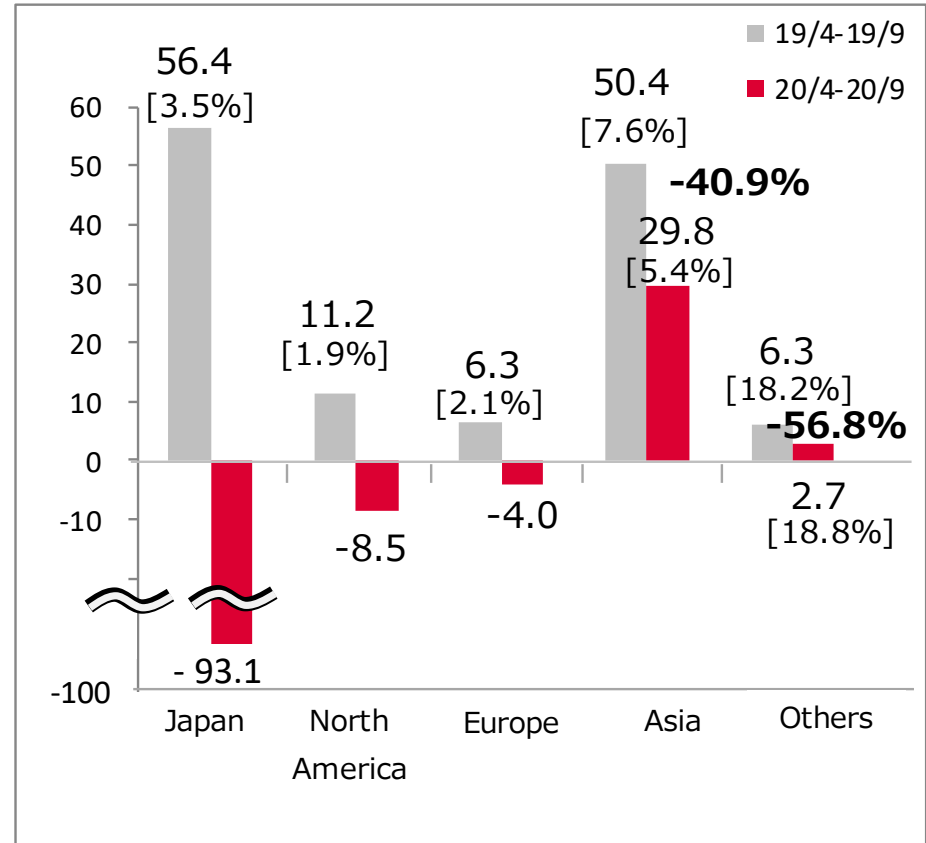
Geographical Segments by Company Location

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
		19/9		20/9			
Capital Expenditure	Japan	126.8	277.5	143.7	248.0	13.3%	57.9%
	North America	22.2	46.1	17.5	45.0	-21.2%	38.9%
	Europe	13.2	26.1	7.4	20.0	-43.9%	37.0%
	Asia	40.7	84.3	31.2	80.0	-23.3%	39.0%
	Others	1.4	2.5	0.8	2.0	-42.9%	40.0%
	Suppression	-	-	-	-15.0	-	-
Capital Expenditure		204.3	436.5	200.6	380.0	-1.8%	52.8%
Depreciation	Japan	89.6	184.3	101.3	209.0	13.1%	48.5%
	North America	20.1	40.1	19.8	40.0	-1.5%	49.5%
	Europe	11.6	23.5	11.7	23.0	0.9%	50.9%
	Asia	26.3	52.3	25.2	54.0	-4.2%	46.7%
	Others	1.0	1.9	0.7	2.0	-30.0%	35.0%
	Suppression	-	-	-	-1.5	-	-
Depreciation		148.6	302.1	158.7	326.5	6.8%	48.6%
R&D Expenditure (Ratio to Revenue)		252.5 (9.6%)	507.8 (9.9%)	243.8 (11.7%)	490.0 (10.8%)	-3.5%	49.7%

※ Suppress investment by examining each project strictly.