

# FY2010 Financial Results ended March 31, 2010

DENSO CORPORATION



April 28, 2010

1. Sales and income decreased from the previous year, but income turned positive due to fixed cost reduction.
2. Year-end dividend per share increased by 1 yen to 14 yen against previous year.  
(Annual dividend:27 yen)
3. Sales will increase in FY2011, but income will be the same as FY2010.

# FY2010 Financial Results

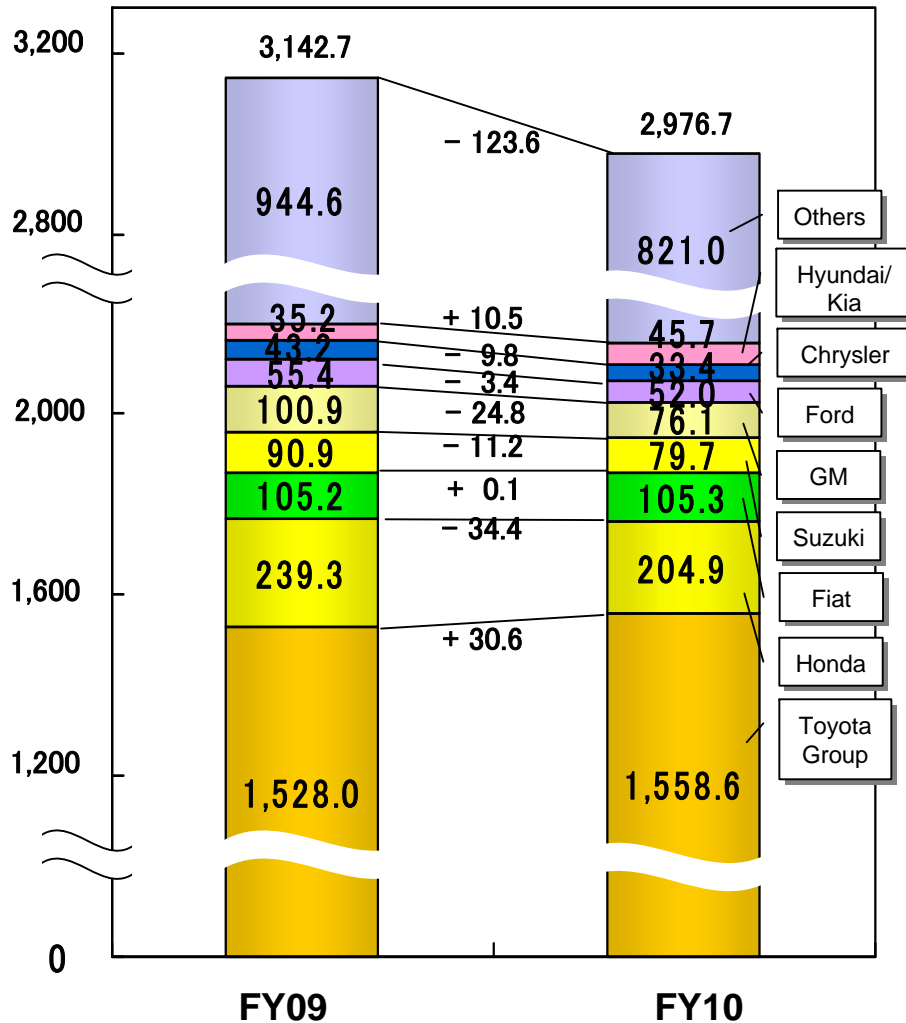
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	(Ratio to Sales)		(Unit: Billions of Yen)	
	FY2010	FY2009	Change	
Sales	2,976.7	3,142.7	-166.0	-5.3%
Operating Income	(4.6%) 136.6	(-1.2%) -37.3	+173.9	-
Income before Income Taxes	(4.9%) 146.9	(-3.2%) -99.3	+246.2	-
Net Income	(2.5%) 73.4	(-2.7%) -84.1	+157.5	-
Foreign Exchange Rate	JPY 91/\$ JPY129/Euro	JPY101/\$ JPY146/Euro	-JPY10 -JPY17	
			(Unit: Millions of Units)	
Domestic Car Production	8.87	9.99	-1.12	-11.2%
Overseas Car Production of Japanese Manufacturers (North America)	11.97 (3.55)	11.24 (3.65)	+0.73 (-0.1)	+6.5% (-2.7%)

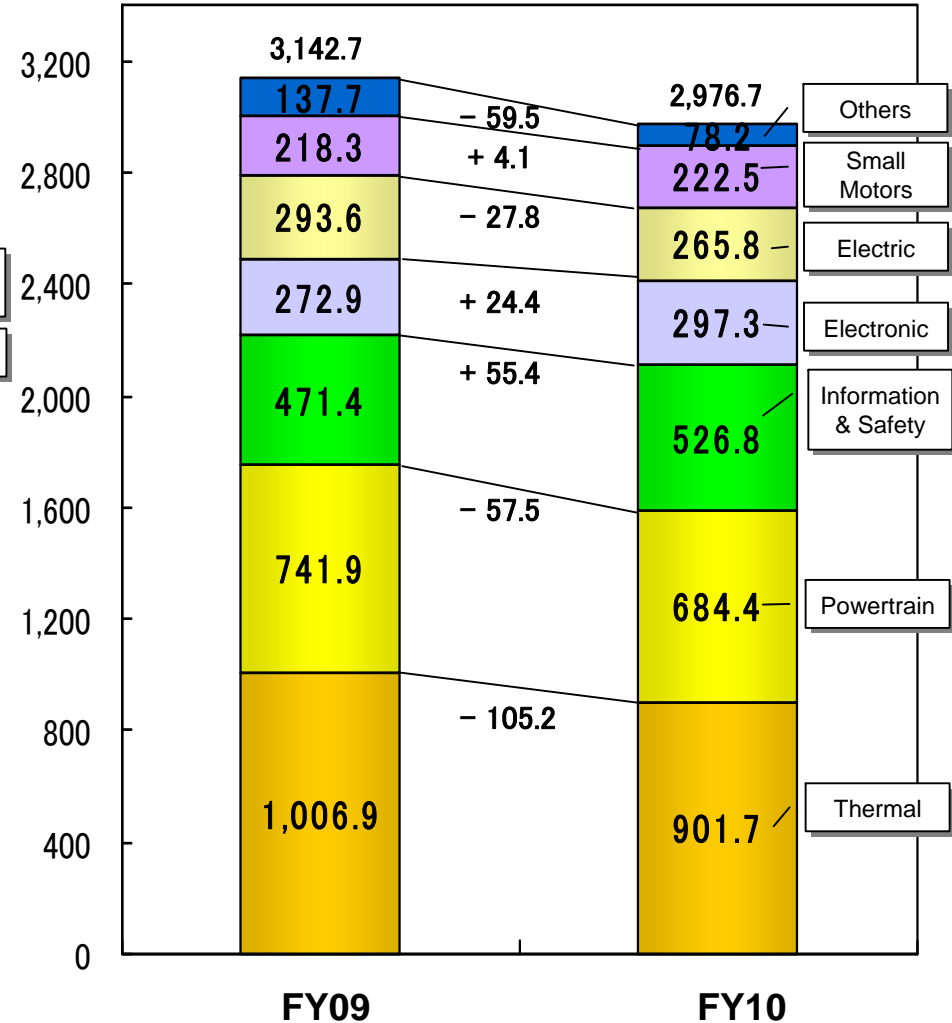
# Change in FY2010 Consolidated Sales

(Unit: Billions of Yen)

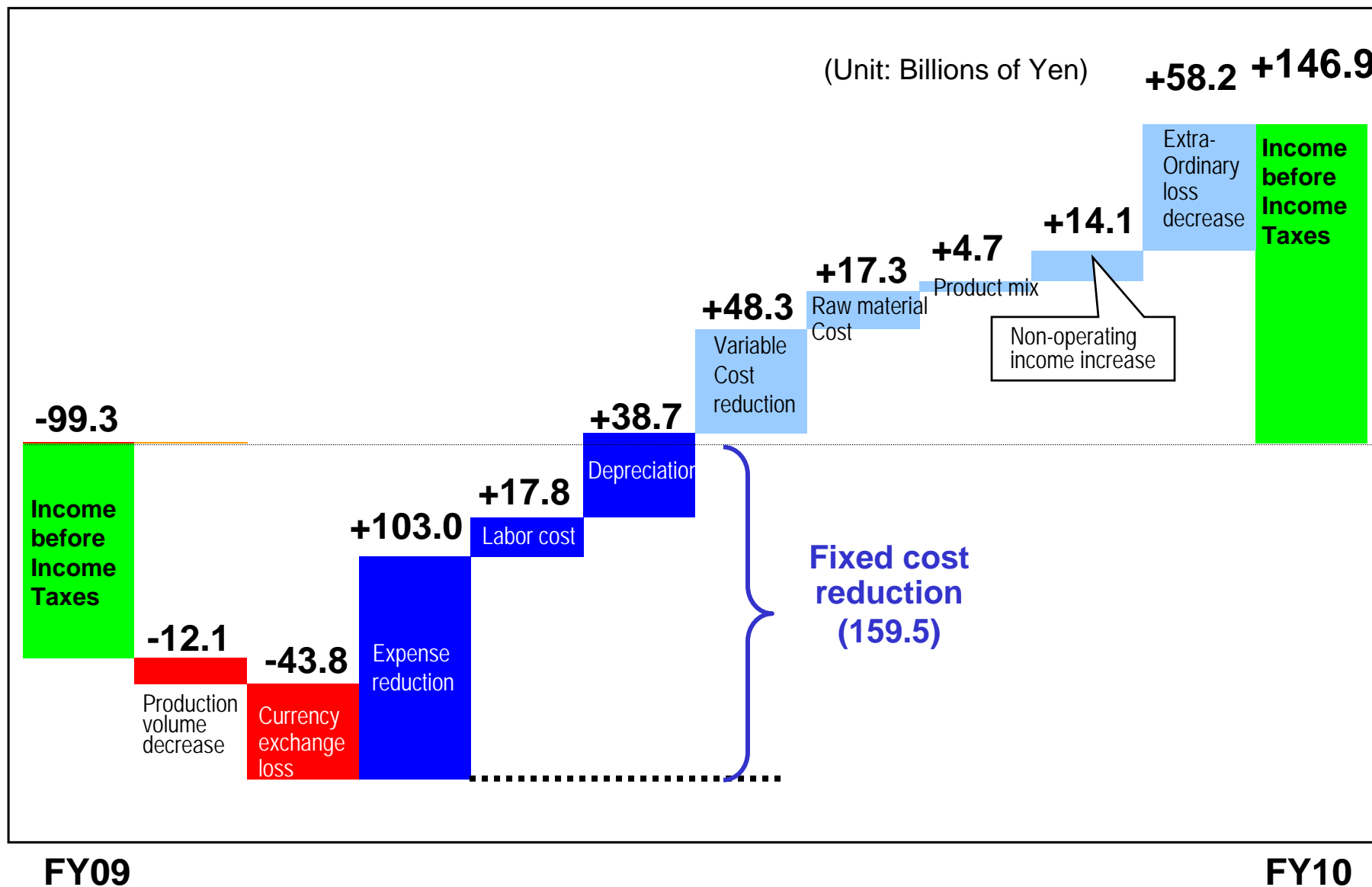
## By Customer



## By Business Segment



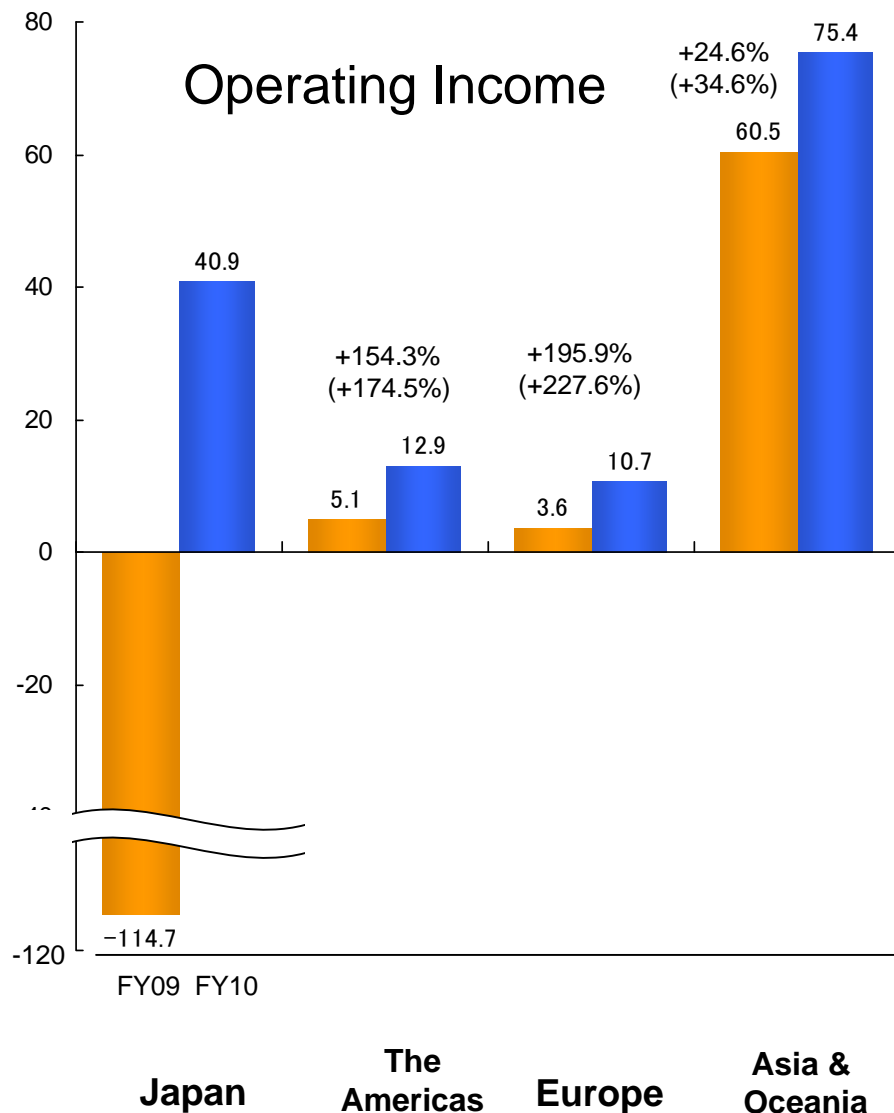
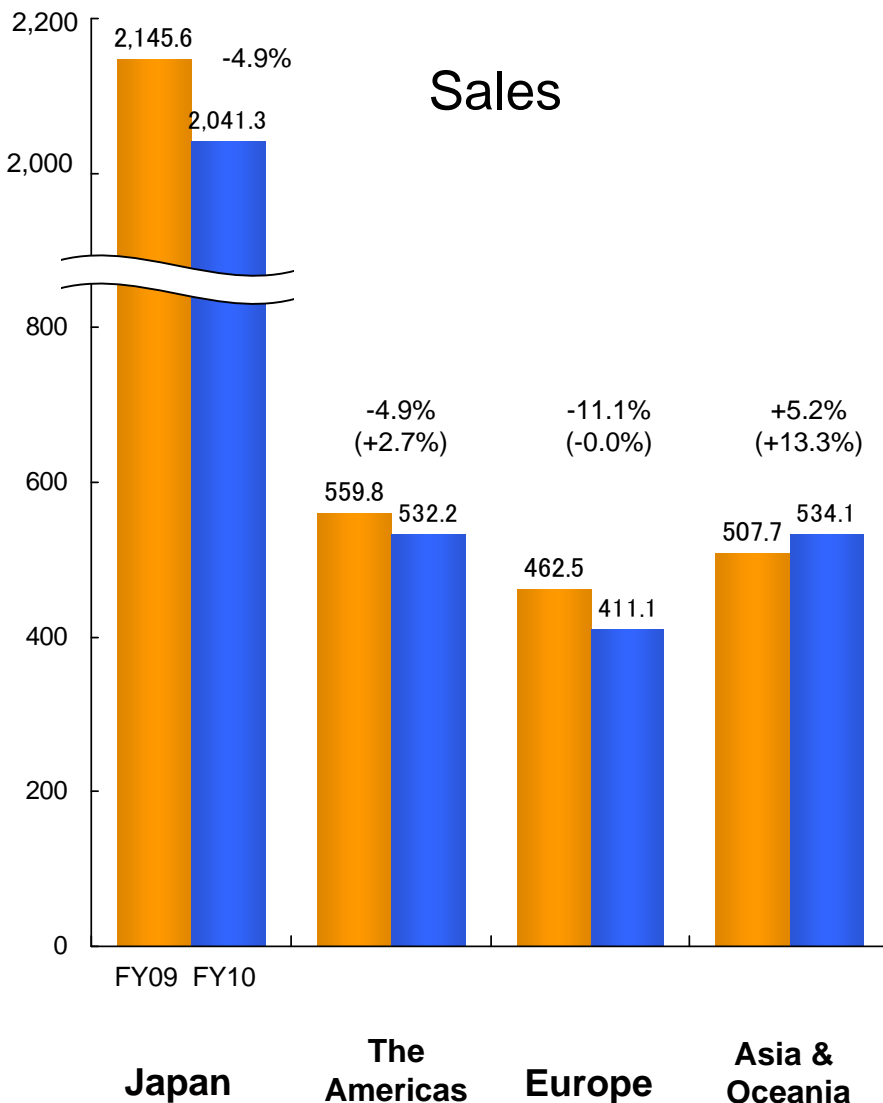
# Change in FY2010 Income before Income Taxes



# Geographical Segments by Company Location

(Unit: Billions of Yen)

( ): Local Currency Base

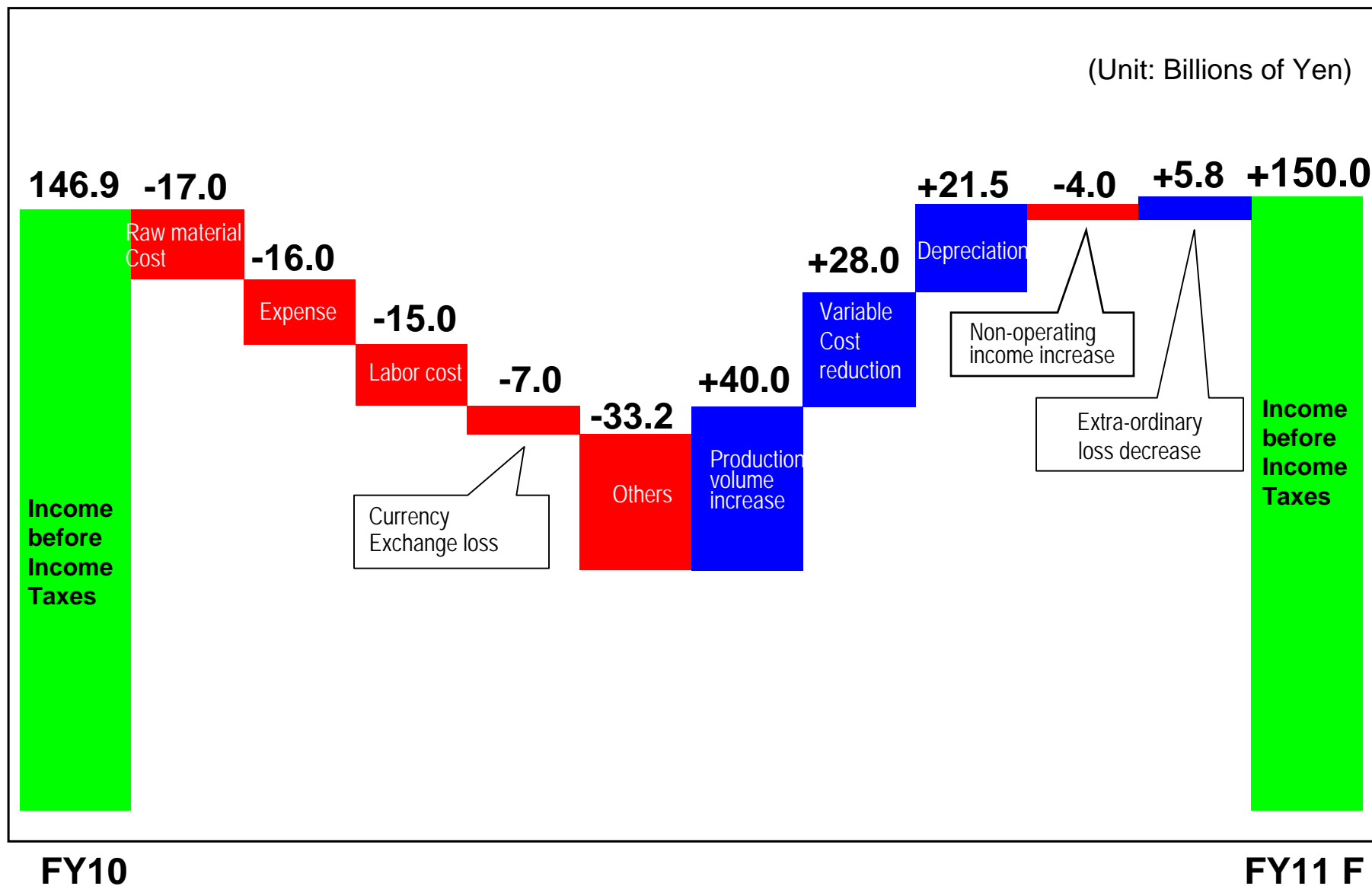


# FY2011 Financial Forecast

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	(Ratio to Sales)		(Unit: Billions of Yen)	
	FY2011 Forecast	FY2010	Change	
Sales	3060.0	2,976.7	+83.3	+2.8%
Operating Income	(4.5%) 138.0	(4.6%) 136.6	+1.4	+1.0%
Income before Income Taxes	(4.9%) 150.0	(4.9%) 146.9	+3.1	+2.1%
Net Income	(3.2%) 98.0	(2.5%) 73.4	+24.6	+33.5%
Foreign Exchange Rate	JPY 90/\$ JPY130/Euro	JPY 91/\$ JPY129/Euro	-JPY1 +JPY1	
			(Unit: Millions of Units)	
Domestic Car Production	8.86	8.87	-0.01	-0.1%
Overseas Car Production of Japanese Manufacturers (North America)	12.34 (3.78)	11.97 (3.55)	+0.37 (+0.23)	+3.1% (+6.5%)

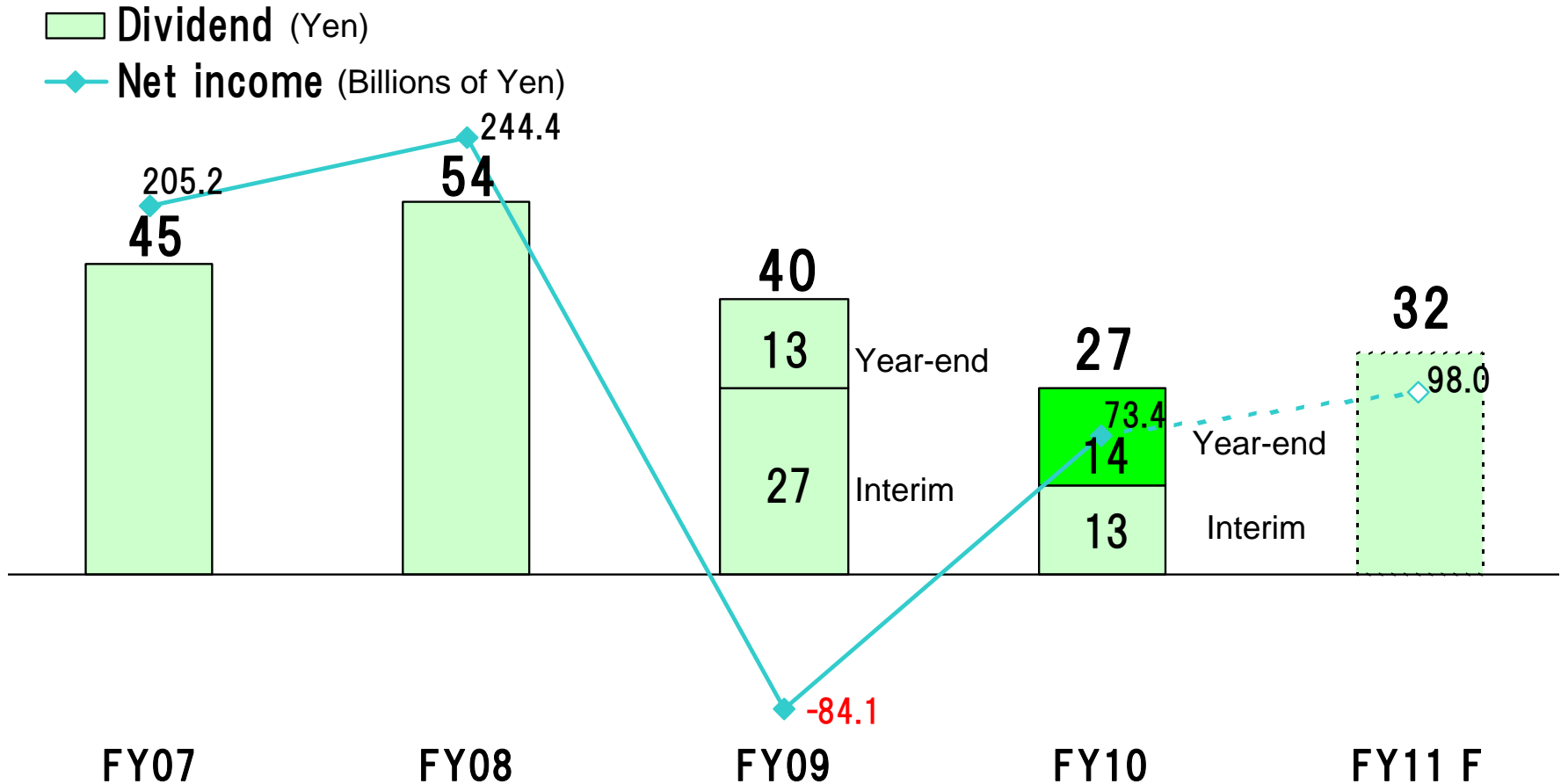
# Change in FY2011 Income before Income Taxes





**FY2010 Annual Dividend per Share: Decreased by 13 yen to 27 yen**

**FY2010 Annual Dividend per Share: Increase by 5 yen to 32 yen**



## **Mid-term Profit Recovery Activities**

## Build a Leaner and Stronger Corporate Structure

- Profit Recovery Plan : Reduce fixed costs
- Efficiency improvement of non-manufacturing sectors by standardization

## Our Approach for Future Growth: Strengthen business, cost and management

### Business

- Technology innovations for fuel efficiency/CO2 reduction
- Strengthening of regional competitiveness

### Cost

- Low-cost technology
- Value-added improvement

### Management

- Management to maximize group capability
- Challenge mind-set

**FY10 : Emphasis on Leaner and Stronger Corporate Structure**

**FY11 : Acceleration of Action for Future Growth**

## Our Approach for Future Growth: Strengthen business, cost and management - Technology Innovations for Fuel Efficiency/CO<sub>2</sub> Reduction -

### Smaller

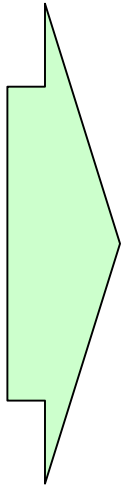
Fuel-efficient Compact Car  
Smaller and Lighter Components

### Electrification

Hybrid  
Electric Vehicle

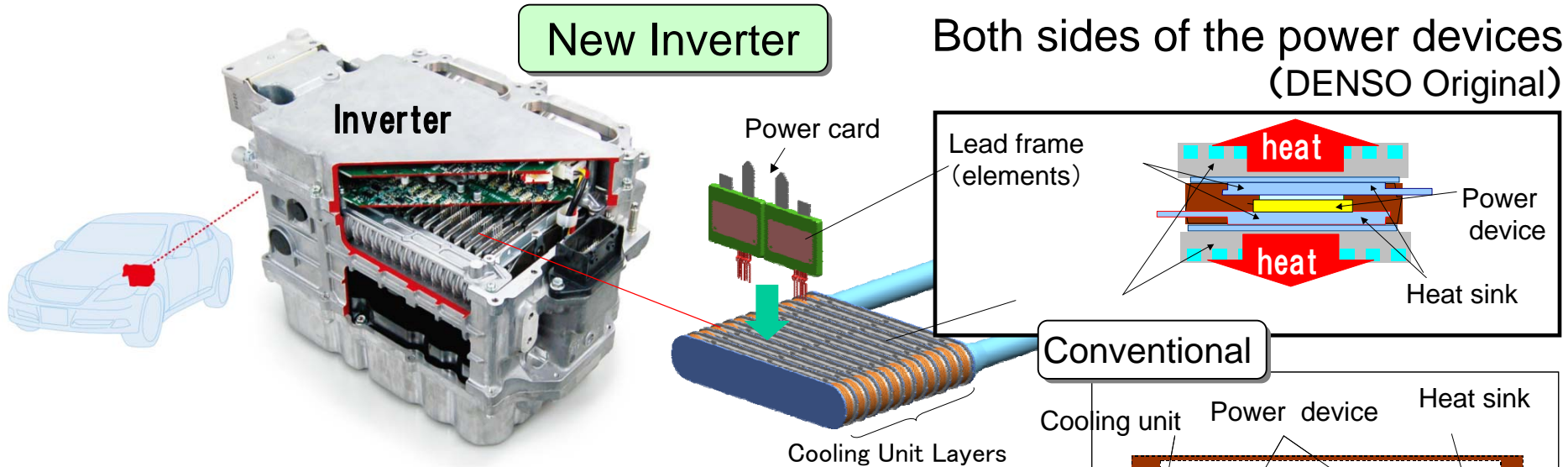
### System Approach

Fuel Saving through  
System Collaboration

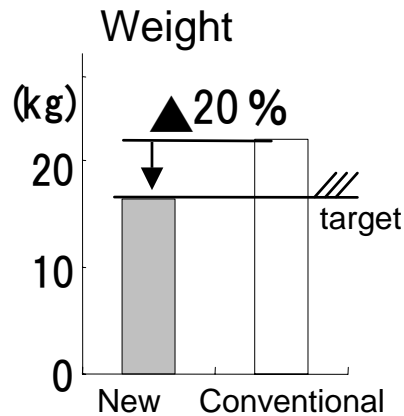
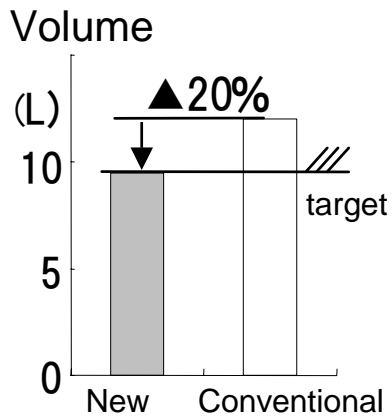
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- Higher Output Internal Combustion Engine
    - Gasoline Direct injection
    - Common Rail System
  - Stop -Start System
    - Improve Starter's Starting Efficiency and Durability
  - Smaller and Lighter Hybrid Components
    - Improvement of Inverter
  - Energy Management Systems
    - Heat Energy and Electric Management

Example

# Inverter: Standardization and Modularization



Sandwiching power devices enables smaller and lighter inverter



Both sides of the power devices are soldered to the heat sinks



Satisfy various output power by changing the power card number



Easily used in large and small vehicles with different output levels

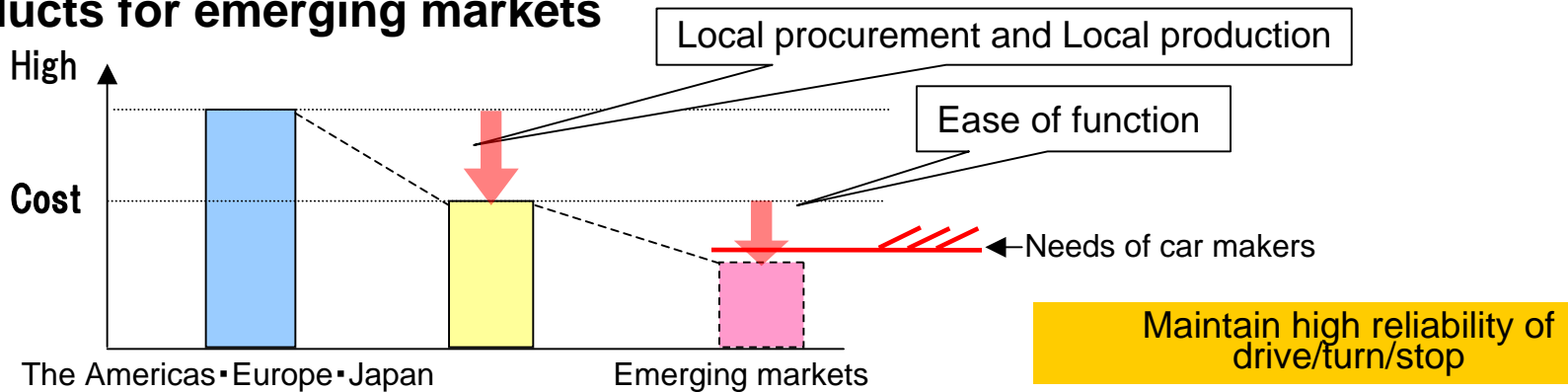
## Our Approach for Future Growth - Technology innovations in emerging markets -

**DP-EM** (DENSO Project for Emerging Markets) Established in July 2009

Company-wide project team including development, sales, procurement, production and quality management

Development process of competitive products that best meet customers' regional needs

### Products for emerging markets

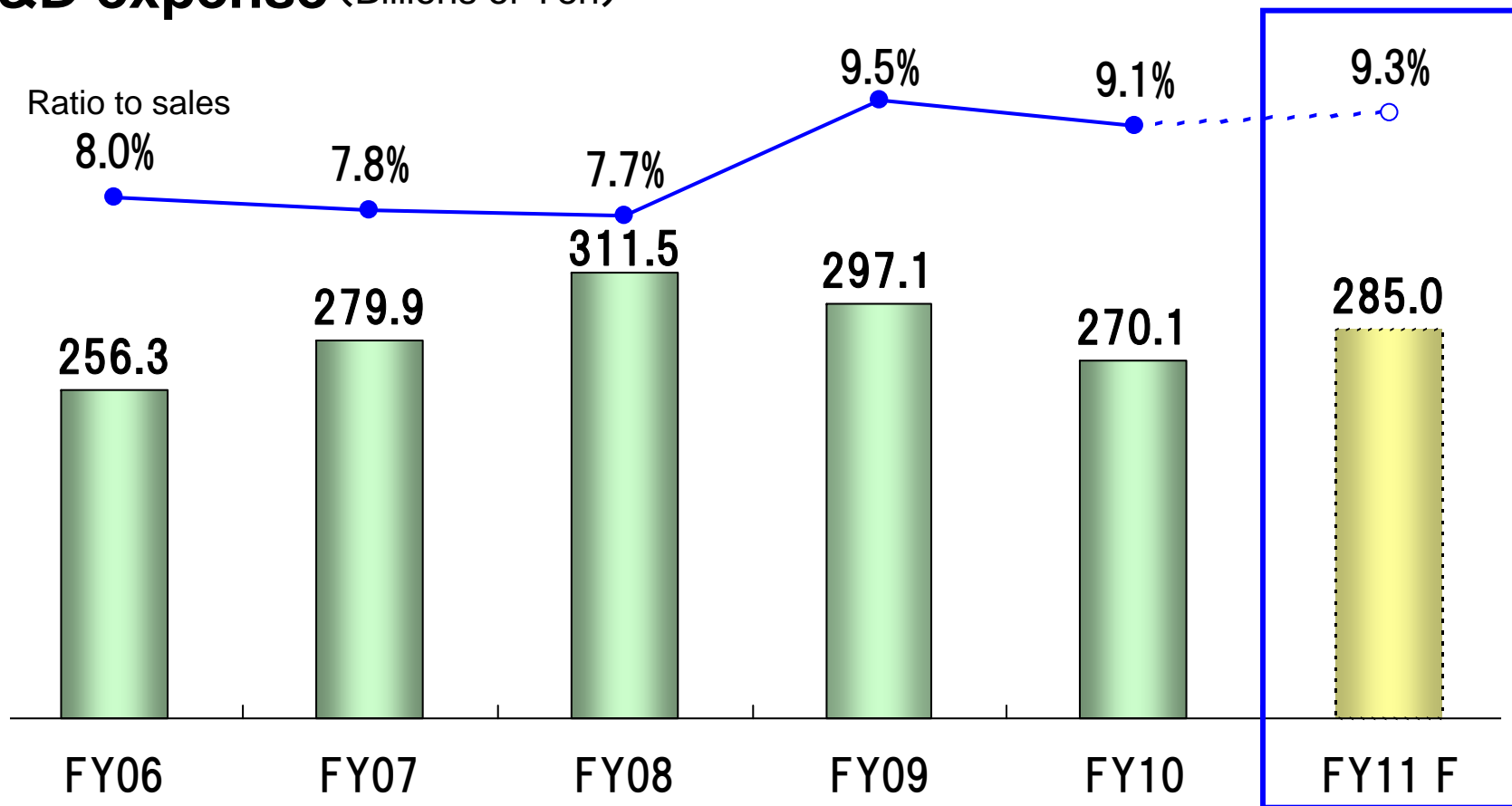


**Target of 50% cost reduction for 20 products → Achieved 30 percent cost reduction so far**

Accelerate efforts in finding local suppliers and promote local procurement

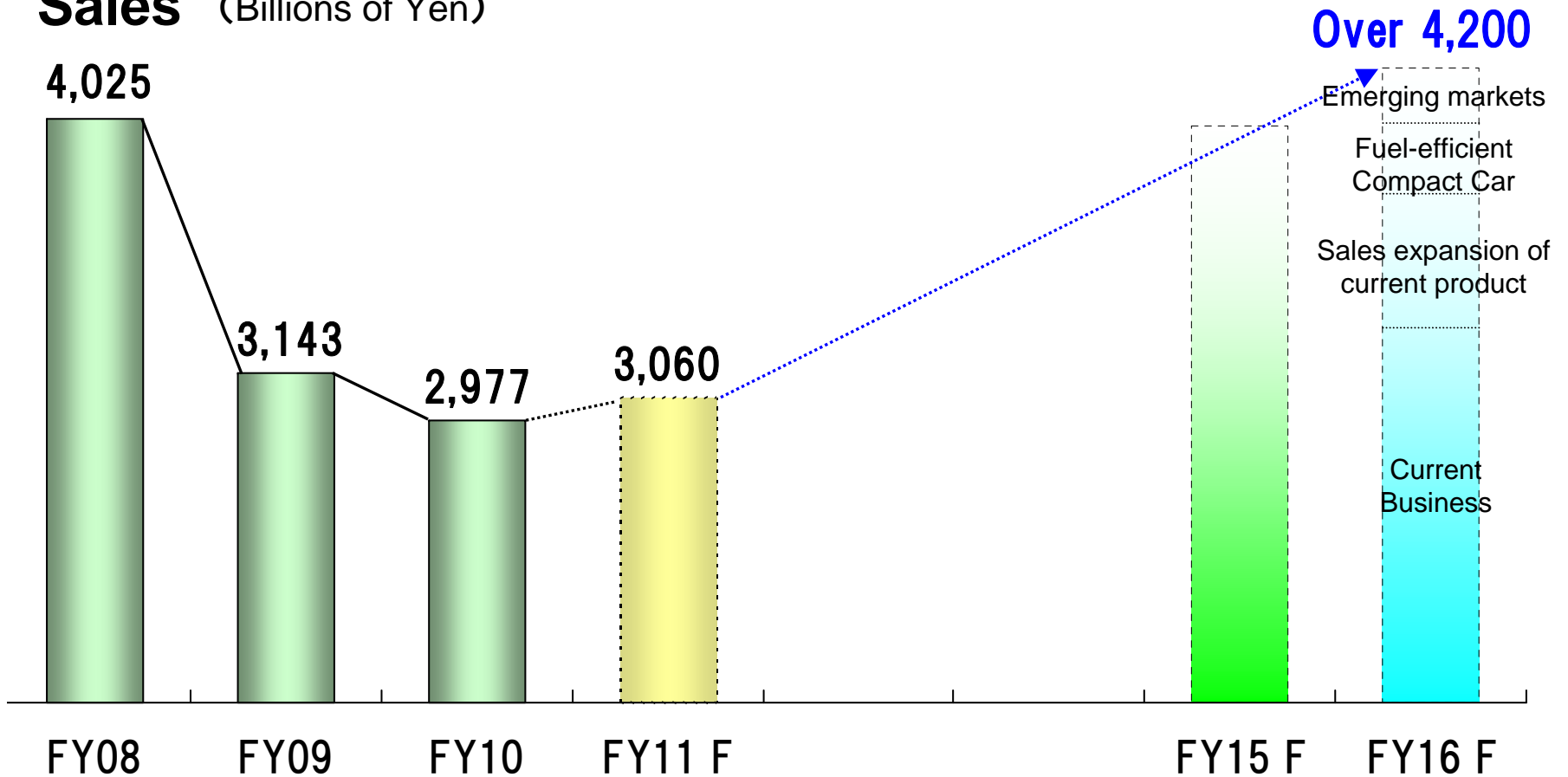
**Acceleration of business-expansion activities**

## R&D expense (Billions of Yen)



**Acceleration of R&D expense for future growth  
(Fuel efficiency, Electrification, Low-cost technology)**

## Sales (Billions of Yen)



**Target**

**FY15 : Over 4,000 billion Yen**

**FY16 : Over 4,200 billion yen**



***DENSO***

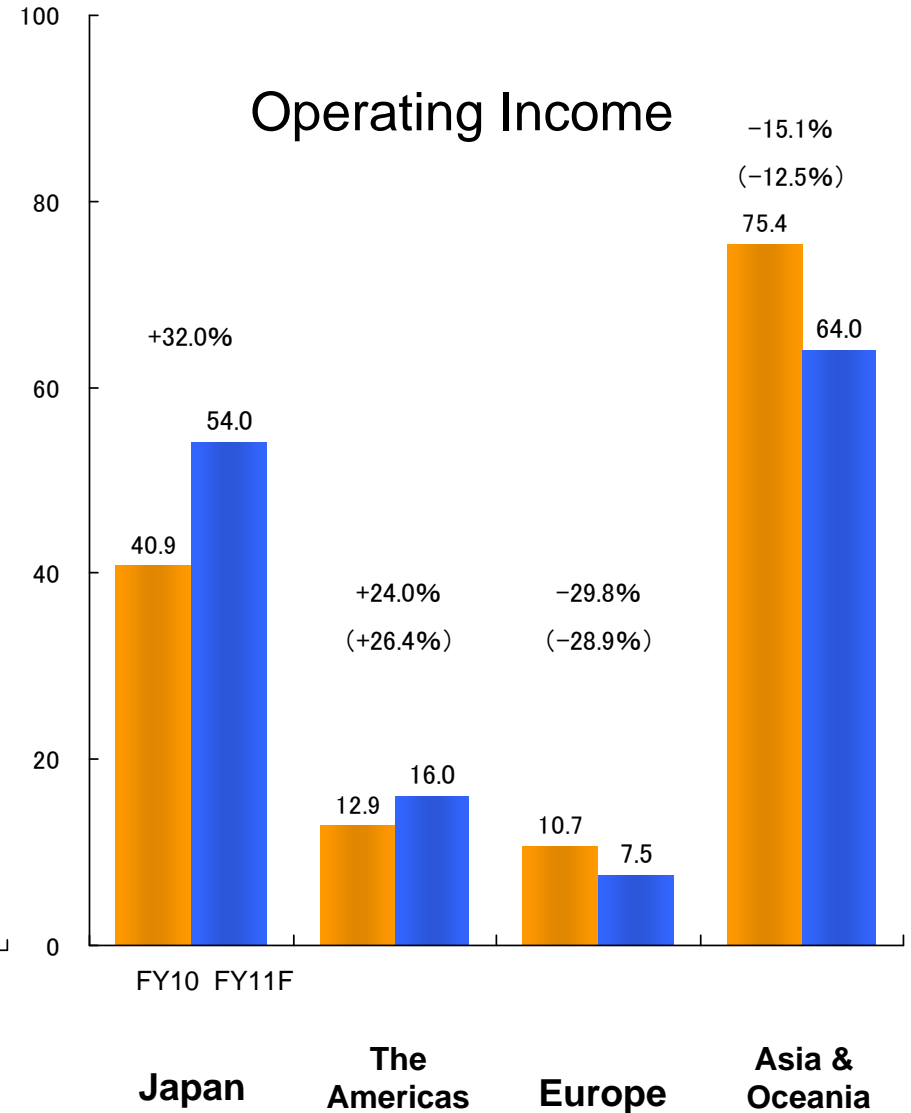
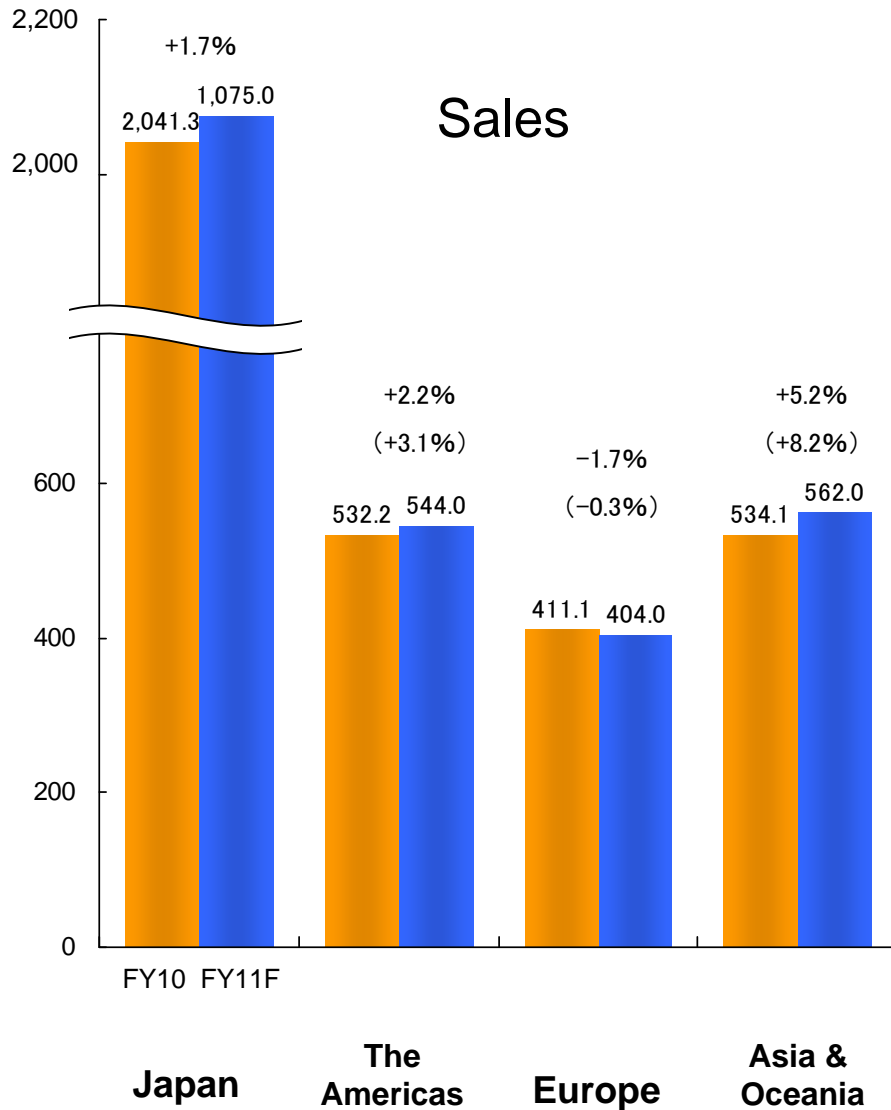
# Appendix

- Geographical Segments by Company Location
- Capital Expenditures, Depreciation and R&D
- Non-Consolidated Financial Results
- Pre-Conditions (Foreign Exchange Rate/Car Production)
- Consolidated Sales by Customer
- Consolidated Sales by Business Segment

# Geographical Segments by Company Location

(Unit: Billions of Yen)

( ): Local Currency Base

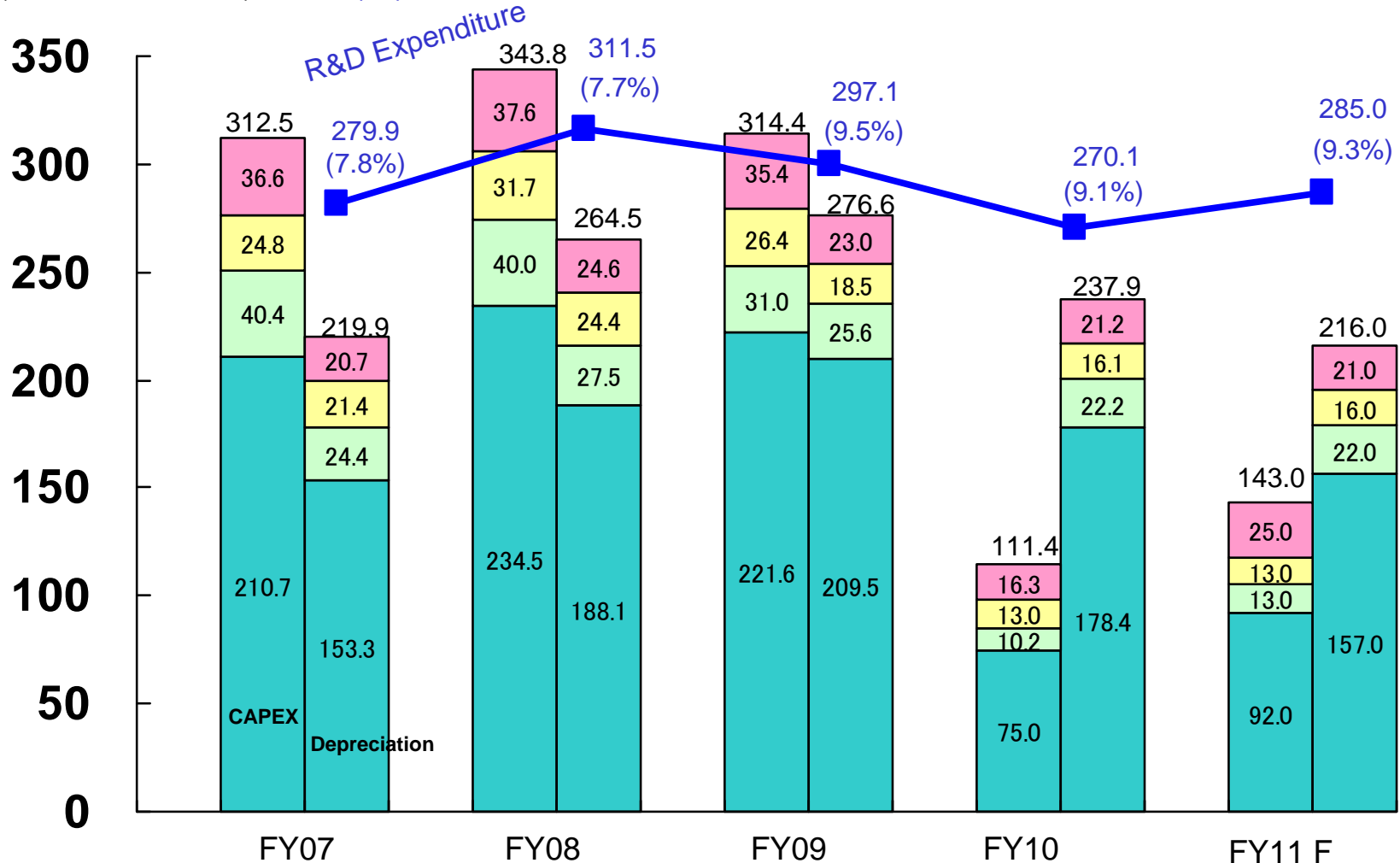


# Capital Expenditures, Depreciation and R&D

■ Japan ■ The Americas ■ Europe ■ Asia & Oceania

(Unit: Billions of Yen)

( ) : Ratio to Sales



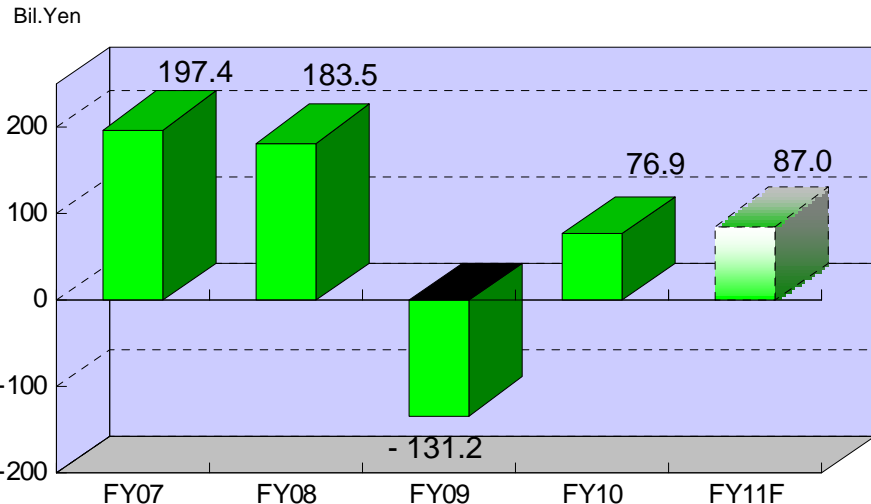
# Non-Consolidated Financial Results

## Income Statements

(Unit:Billions of Yen,%)

Account	FY2010		FY2009		Change		FY2011 Forecast		Change from FY10	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
<b>Net Sales</b>	( 100.0 )	1,885.3	( 100.0 )	1,939.8	-54.6	-2.8	( 100.0 )	1,930.0	44.7	2.4
Cost of Sales	( 91.4 )	1,723.8	( 97.3 )	1,887.4	-163.6					
SGA Expenses	( 6.5 )	123.5	( 8.3 )	161.3	-37.8					
<b>Operating Income</b>	( 2.0 )	38.0	( -5.6 )	-108.9	146.8	-	( 2.1 )	40.0	2.0	5.3
Non-Operating Income		44.6		43.8	0.8			47.0	2.4	
Extraordinary Income (Loss)		-5.7		-66.1	60.4			-	5.7	
<b>Income Before Income Taxes</b>	( 4.1 )	76.9	( -6.8 )	-131.2	208.1	-	( 4.5 )	87.0	10.1	13.2
<b>Net Income</b>	( 2.8 )	53.1	( -4.8 )	-92.7	145.8	-	( 3.2 )	62.0	8.9	16.7
Domestic Car Production (Mil.unit)		8.87		9.99				8.86		
Foreign Exchange Rate (US\$)		91 Yen		101 Yen				90 Yen		
Foreign Exchange Rate (Euro)		129 Yen		146 Yen				130 Yen		

## Income Before Income Taxes



## Changes in Income Before Income Taxes (FY09 => FY10)

(Unit:Billions of Yen)

Positive Factors		Negative Factors	
Fixed cost reduction	132.7	Currency exchange loss	-35.6
(Expense decrease)	88.0	Production volume decrease	-20.7
(Labor cost decrease)	16.6		
(Depreciation decrease)	28.1		
Variable cost reduction	41.2		
Raw material cost	11.8		
Others	17.5		
Non-operating income increase	0.8		
Extraordinary loss decrease	60.4		
<b>Sub Total</b>	<b>264.4</b>	<b>Sub Total</b>	<b>-56.3</b>
<b>Total Decrease</b>	<b>208.1</b>		

# Pre-Conditions (Foreign Exchange Rate/Car Production)

		FY2010 First-Half			FY2010 Second-Half			FY2010 Full Year			FY2011 Full Year	
		Prior Year	Actual	Change	Prior Year	Actual	Change	Prior Year	Actual	Change	Forecast	Change
Foreign Exchange Rate (Yen)	USD	105	94	- 11	95	89	- 6	101	91	- 10	90	- 1
	EUR	161	132	- 29	124	127	+ 3	146	129	- 17	130	+ 1
Forex Impact on Operating Income per Yen (Billions of Yen)	USD							1.9	2.3	+ 0.4	2.4	+ 0.1
	EUR							0.4	0.6	+ 0.2	0.6	-
Car Production of Japanese Manufacturers (Millions of Units)	Domestic	5.80	3.86	- 33%	4.19	5.02	+ 20%	9.99	8.87	- 11%	8.86	- 0%
	North America	2.15	1.56	- 27%	1.50	1.99	+ 33%	3.65	3.55	- 3%	3.78	+ 6%
	Overseas	6.25	5.46	- 13%	4.99	6.51	+ 30%	11.24	11.97	+ 7%	12.34	+ 3%

# Consolidated Sales by Customer

(Unit: Billions of Yen)

	FY2010 ended Mar.31,2010		FY2009 ended Mar.31,2009		Change	
	Amount	% to Total	Amount	% to Total	Amount	Percent
Toyota	1,442.7	48.5	1,397.3	44.5	45.4	3.2
Daihatsu	87.4	2.9	95.9	3.0	-8.5	-8.9
Hino	28.5	1.0	34.8	1.1	-6.3	-18.0
<b>Toyota Group</b>	<b>1,558.6</b>	<b>52.4</b>	<b>1,528.0</b>	<b>48.6</b>	<b>30.6</b>	<b>2.0</b>
Honda	204.9	6.9	239.3	7.6	-34.4	-14.4
Suzuki	79.7	2.7	90.9	2.9	-11.2	-12.4
Fuji	52.2	1.8	51.1	1.6	1.1	2.1
Mazda	52.0	1.8	49.0	1.6	3.0	6.2
Mitsubishi	30.7	1.0	38.4	1.2	-7.7	-20.0
Isuzu	32.8	1.1	38.9	1.2	-6.1	-15.6
Nissan	22.2	0.7	22.7	0.7	-0.5	-2.3
GM	76.1	2.6	100.9	3.2	-24.8	-24.6
Ford	52.0	1.7	55.4	1.8	-3.4	-6.1
Chrysler	33.4	1.1	43.2	1.4	-9.8	-22.8
VW/AUDI	44.5	1.5	48.2	1.5	-3.7	-7.7
Benz	17.3	0.6	18.4	0.6	-1.1	-6.2
BMW	21.1	0.7	18.3	0.6	2.8	15.1
Fiat	105.3	3.5	105.2	3.4	0.1	0.1
PSA	17.5	0.6	18.4	0.6	-0.9	-4.8
Land Rover	14.9	0.5	13.0	0.4	1.9	14.5
Hyundai/Kia	45.7	1.5	35.2	1.1	10.5	29.8
<b>OE Sales for others</b>	<b>212.2</b>	<b>7.1</b>	<b>262.0</b>	<b>8.3</b>	<b>-49.8</b>	<b>-19.0</b>
<b>OEM Total</b>	<b>2,673.1</b>	<b>89.8</b>	<b>2,776.5</b>	<b>88.3</b>	<b>-103.4</b>	<b>-3.7</b>
<b>After-market, New business &amp; Others</b>	<b>303.6</b>	<b>10.2</b>	<b>366.2</b>	<b>11.7</b>	<b>-62.6</b>	<b>-17.1</b>
<b>Total</b>	<b>2,976.7</b>	<b>100.0</b>	<b>3,142.7</b>	<b>100.0</b>	<b>-166.0</b>	<b>-5.3</b>

# Consolidated Sales by Business Segment

(Unit: Billions of Yen)

	FY2010 ended Mar.31,2010		FY2009 ended Mar.31,2009		Change	
	Amount	% to Total	Amount	% to Total	Amount	Percent
Thermal	901.7	30.3	1,006.9	32.0	-105.2	-10.4
Powertrain Control	684.4	23.0	741.9	23.6	-57.5	-7.8
Information & Safety Systems	526.8	17.7	471.4	15.0	55.4	11.7
Electric	265.8	8.9	293.6	9.3	-27.8	-9.5
Electronic	297.3	10.0	272.9	8.7	24.4	8.9
Small Motors	222.5	7.5	218.3	7.0	4.1	1.9
Others(*1)	29.2	1.0	37.6	1.2	-8.5	-22.5
<b>Automotive Total</b>	<b>2,927.7</b>	<b>98.4</b>	<b>3,042.7</b>	<b>96.8</b>	<b>-115.0</b>	<b>-3.8</b>
Industrial & Consumer Product	40.0	1.3	52.8	1.7	-12.8	-24.2
Others(*2)	9.0	0.3	47.1	1.5	-38.1	-80.9
<b>New Business Total</b>	<b>49.0</b>	<b>1.6</b>	<b>99.9</b>	<b>3.2</b>	<b>-50.9</b>	<b>-51.0</b>
<b>Total</b>	<b>2,976.7</b>	<b>100.0</b>	<b>3,142.7</b>	<b>100.0</b>	<b>-166.0</b>	<b>-5.3</b>

\*1 Repair parts, original brand products of subsidiaries

\*2 Communication (Agency), display