

***DENSO***

Crafting the Core

**FY2020 1st Quarter  
Financial Results  
( 2019/4-6 )**

July 31, 2019  
DENSO CORPORATION



# Overview of FY2020 1st Quarter Financial Results

1. Despite market slowdown in Europe and China, revenue not including foreign exchange fluctuations increased due to an increase in car production. However foreign exchange fluctuations led to slight decrease in revenue. Operating profit decreased due to an increase in investment for future growth and currency exchange loss of Chinese yuan and Euro.
2. Expense in 1st Quarter increased from the previous year but this result was as planned.
3. We have not revised full-year forecast due to the uncertainty of market and currency.

# FY2020 1st Quarter Financial Results(2019/4-6)

		(Ratio to Revenue)		(Unit:Billions of Yen)	
		19/4-19/6	18/4-18/6	Change	
<b>Revenue</b>		<b>1,324.1</b>	1,331.2	-7.0	-0.5%
<b>Operating Profit</b>		<b>(5.2%) 69.1</b>	(6.8%) 90.9	-21.7	-23.9%
Finance income/ costs & others (※ 1)		<b>16.7</b>	18.2	-1.5	
<b>Profit before Income Taxes</b>		<b>(6.5%) 85.8</b>	(8.2%) 109.1	-23.2	-21.3%
<b>Profit (※ 2)</b>		<b>(4.3%) 57.2</b>	(5.8%) 77.3	-20.1	-26.1%

				(Unit:Millions of Units)	
<b>Precondition</b>	Foreign Exchange Rate	JPY 110/\$	JPY 109/\$	+1 JPY	
		JPY 123/Euro	JPY 130/Euro	-7 JPY	
	Domestic Car Production	2.34	2.25	+0.10	+4.3%
	Overseas Car Production of Japanese Manufacturers (North America)	4.80 (1.46)	5.12 (1.53)	-0.33 (-0.06)	-6.3% (-4.2%)

※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 1st Quarter Consolidated Revenue (By Customer)

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

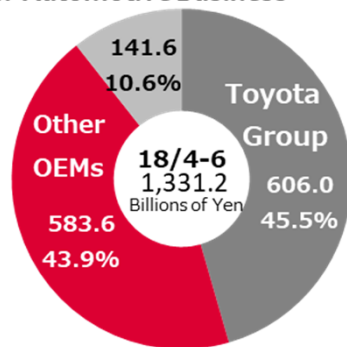
Unit: Billions of Yen  
( ):Change from previous year  
[ ]:Change from previous year  
excludes FX difference

**Revenue** 1,331.2 ⇒ 1,324.1 (-0.5%) [+1.1%]

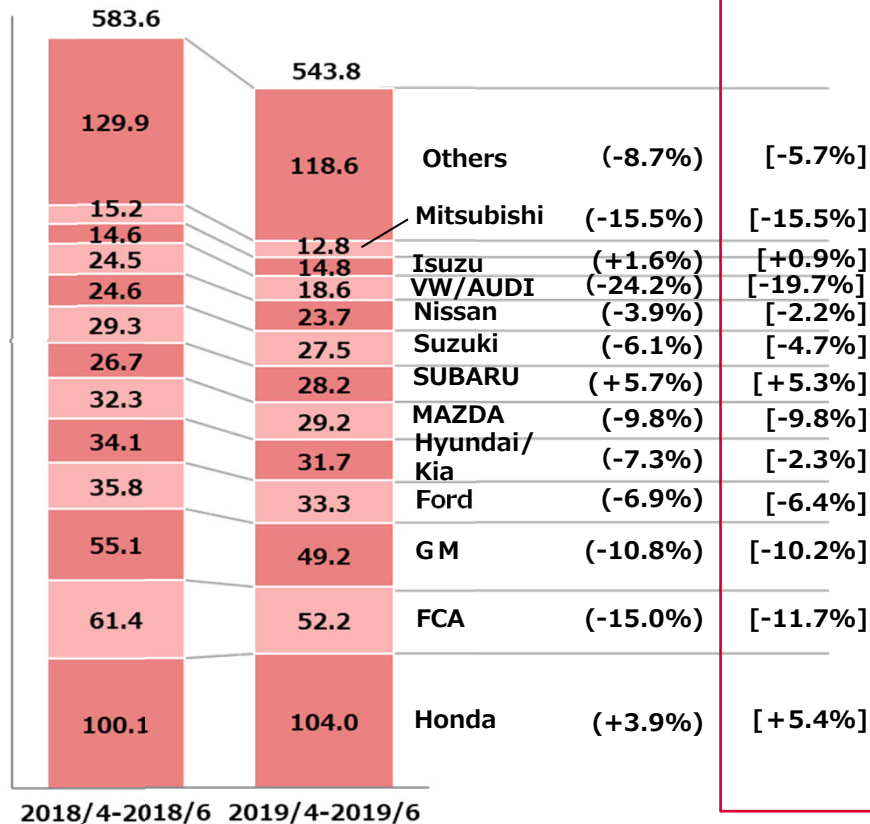
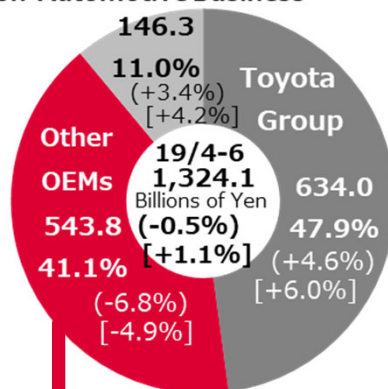
• **Toyota group** 606.0 ⇒ 634.0 (+4.6%) [+6.0%]

• **Other OEMs** 583.6 ⇒ 543.8 (-6.8%) [-4.9%]

After-market, Non-Automotive Business



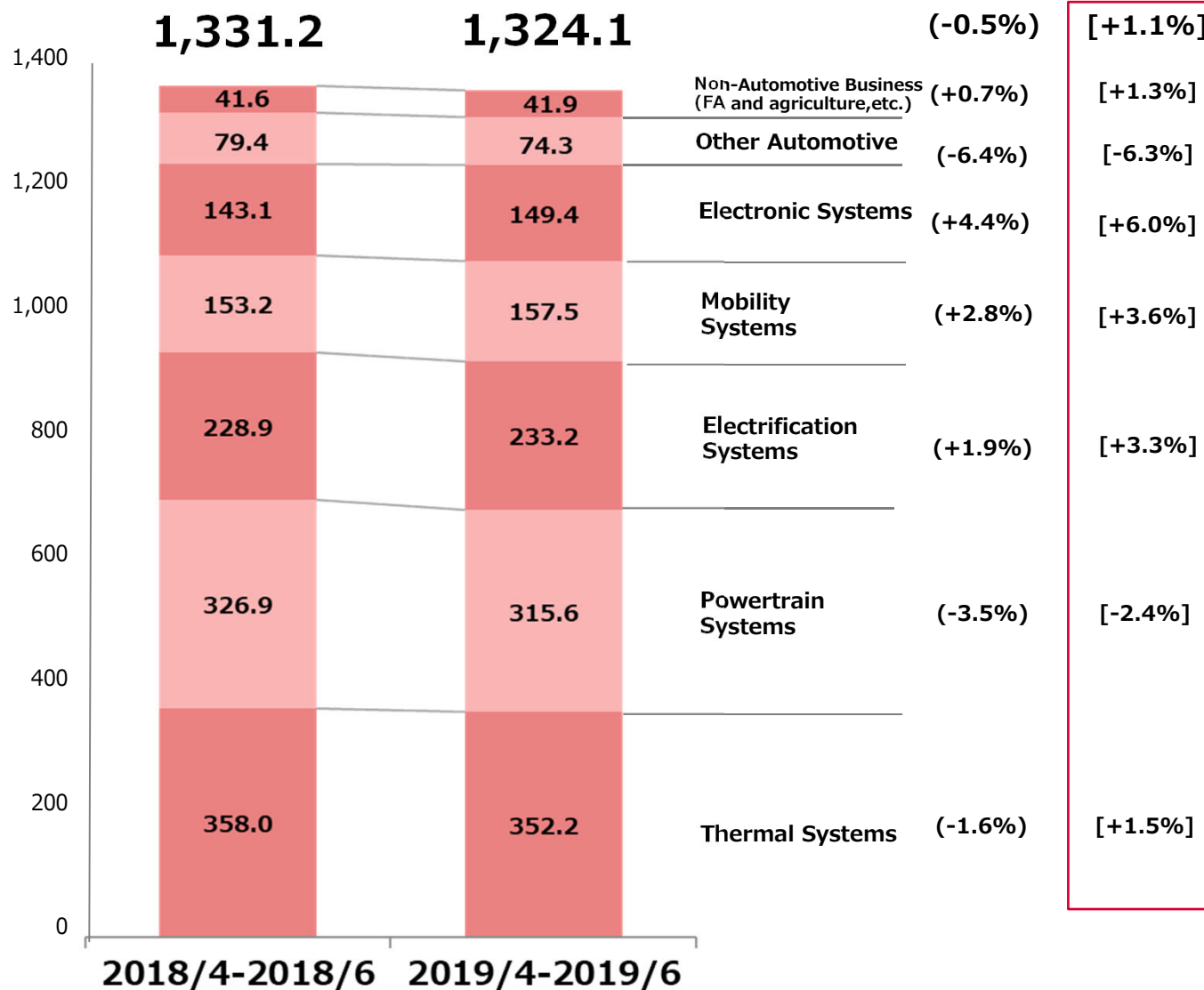
After-market, Non-Automotive Business



# FY2020 1st Quarter Consolidated Revenue ( By Product )

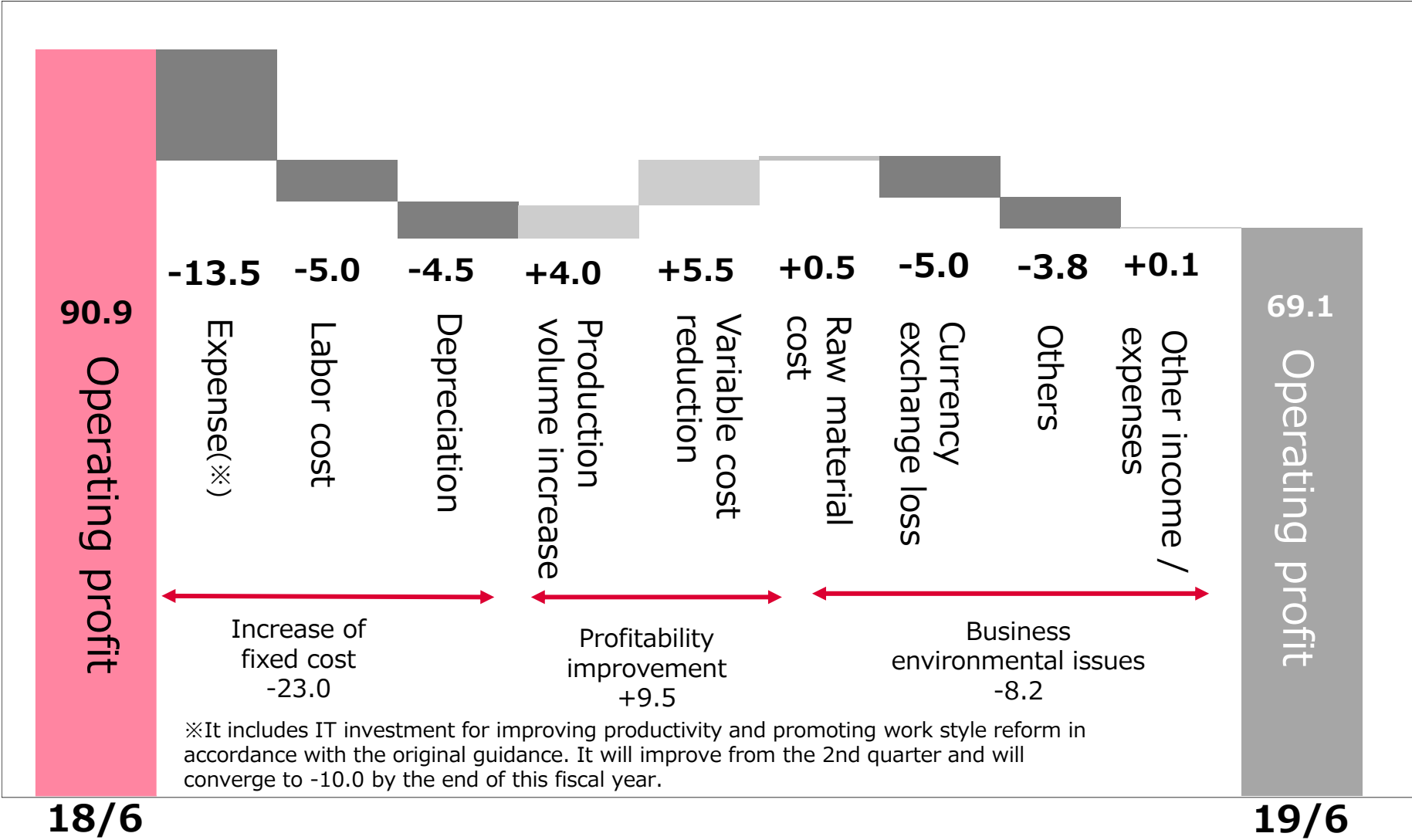
Unit: Billions of Yen  
 [ ]: INCR/DECR excludes FX difference

(Unit: Billions of Yen)



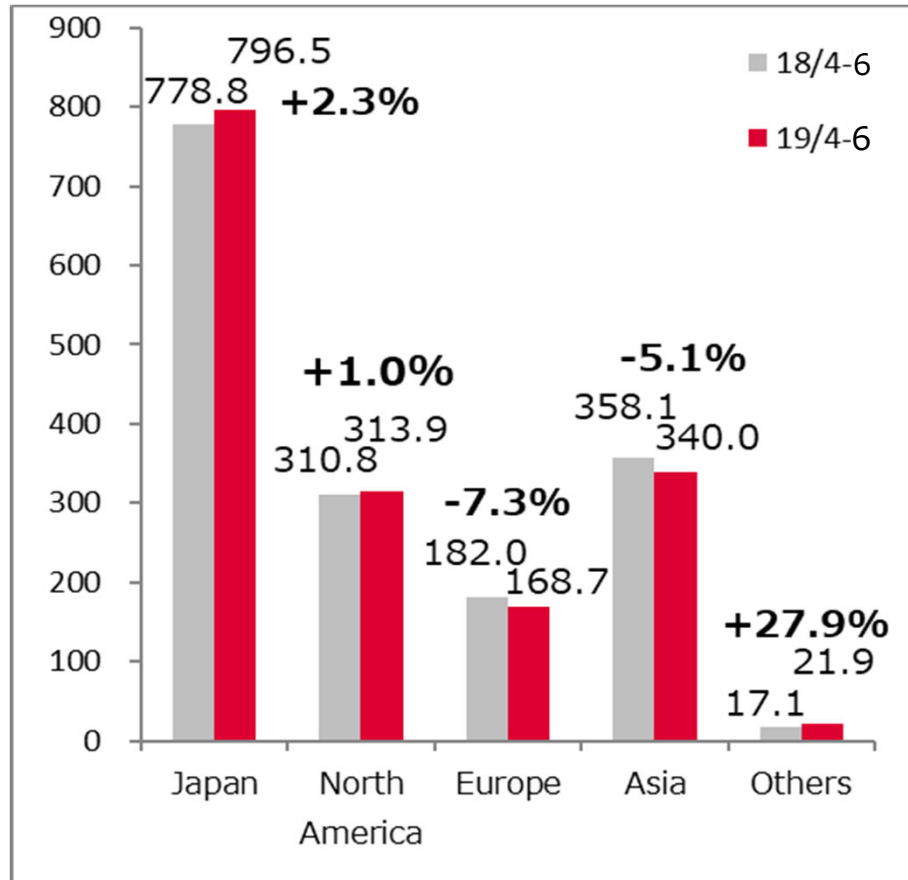
# Change in FY2020 1st Quarter Operating Profit

(Unit: Billion of Yen)



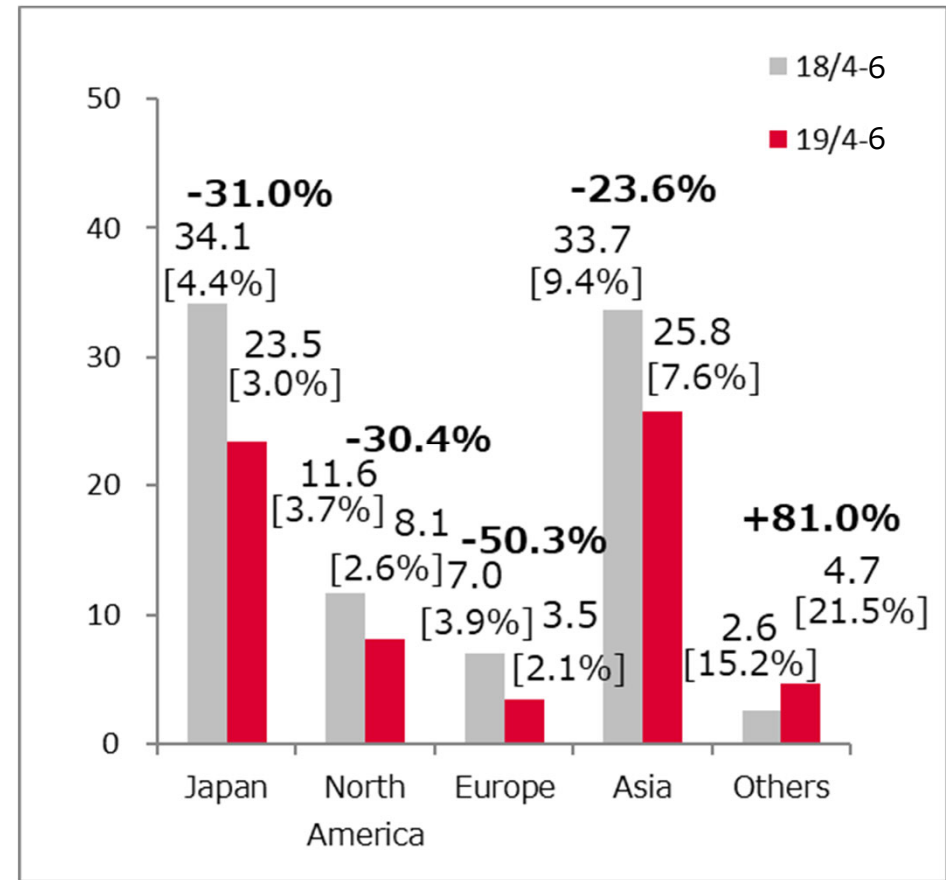
# Geographical Segments by Company Location (Local Currency Base)

## Revenue



## Operating Profit

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



# FY2020 Financial Forecast

		(Ratio to Revenue)				(Unit: Billions of Yen)		
		As of	20/3 Forecast	Change from March 2019		19/3 Actual	Change from March 2019	
		March 2019		Amount	Ratio		Amount	Ratio
<b>Revenue</b>		5,500.0	<b>5,500.0</b>	-	-	5,362.8	+137.2	+2.6%
<b>Operating Profit</b>		(6.9%) 380.0	(6.9%) <b>380.0</b>	-	-	(5.9%) 316.2	+63.8	+20.2%
Finance income/ costs & others (※ 1)		49.0	<b>49.0</b>	-	-	39.8	+9.2	
<b>Profit before Income Taxes</b>		(7.8%) 429.0	(7.8%) <b>429.0</b>	-	-	(6.6%) 356.0	+73.0	+20.5%
<b>Profit</b>		(5.5%) 305.0	(5.5%) <b>305.0</b>	-	-	(4.7%) 254.5	+50.5	+19.8%
		(Unit: Millions of Units)						
Precondition	Foreign Exchange Rate	JPY 110/\$	JPY 110/\$	-	-	JPY 111/\$	-1 JPY	
		JPY 125/Euro	JPY 125/Euro	-	-	JPY 128/Euro	-3 JPY	
	Domestic Car Production	9.61	9.61	-	-	9.43	+0.18	+1.9%
	Overseas Car Production of Japanese Manufacturers	20.46	20.46	-	-	20.11	+0.35	+1.7%
	(North America)	(5.83)	(5.83)	-	-	(5.91)	(-0.08)	(-1.3%)

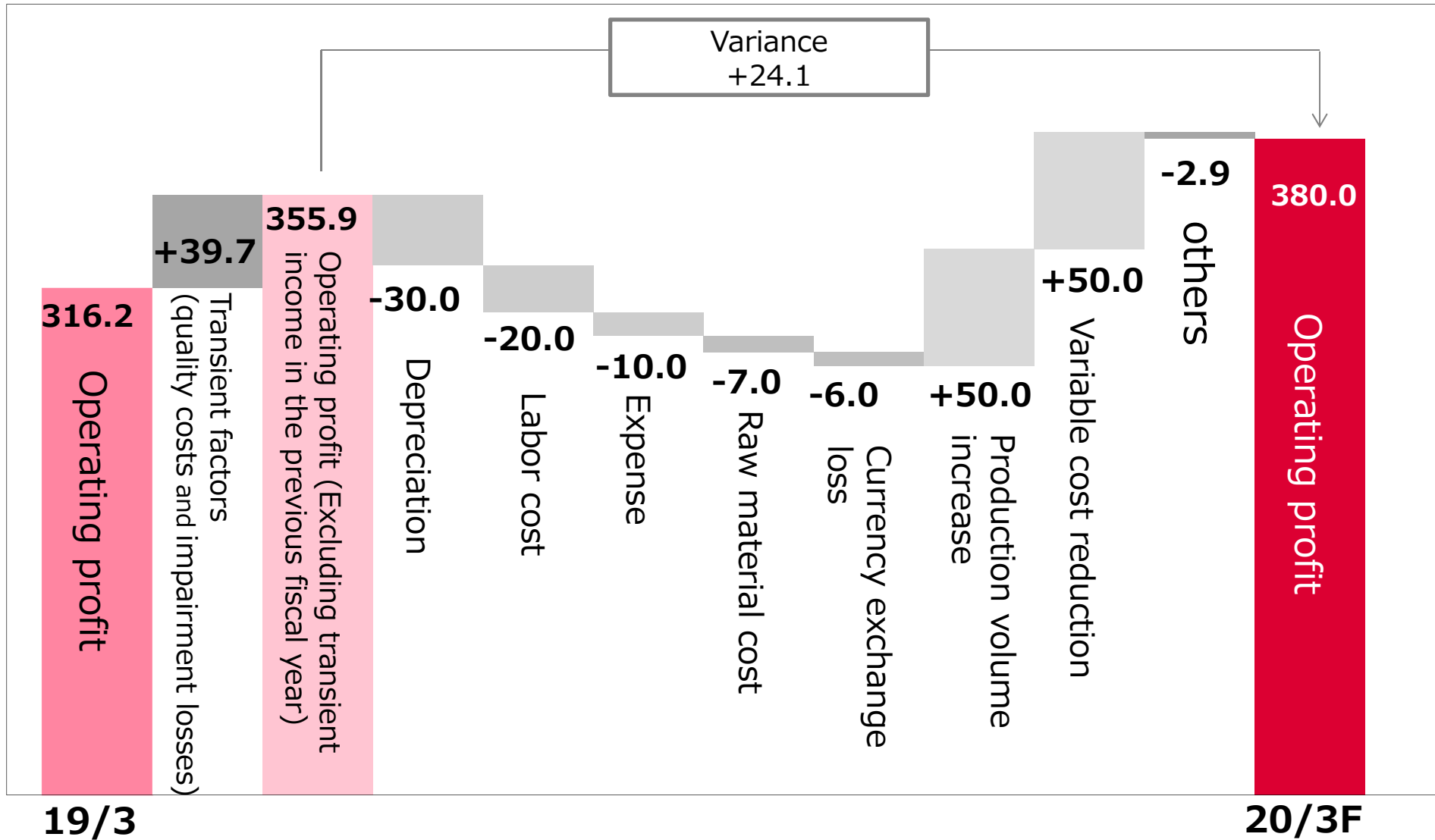
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※2 Profit attributable to owners of the parent company



# Change in FY2020 Operating Profit

(Unit: Billion of Yen)



19/3

20/3F

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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						
		1Q						
		Prior Year	Actual	Change	Prior Year	Forecast (Original)	Forecast (Revised)	Change
Foreign Exchange Rate (Yen)	USD	109	110	+ 1	111	110	110	- 1
	EUR	130	123	- 7	128	125	125	- 3
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	2.25	2.34	+ 4%	9.43	9.61	9.61	+ 2%
	North America	1.53	1.46	- 4%	5.91	5.83	5.83	- 1%
	Overseas	5.12	4.80	- 6%	20.11	20.46	20.46	+ 2%

# Consolidated Revenue (By Customer)

(Unit: Billions of Yen)

	2019/4-2019/6		2018/4-2018/6		Change		Change excludes FX difference,etc.
	Amount	% to Total	Amount	% to Total	Amount	%	%
Toyota	588.1	44.5	559.2	42.0	28.9	5.2	6.6
Daihatsu	30.8	2.3	29.6	2.2	1.2	4.0	4.7
Hino	15.1	1.1	17.3	1.3	-2.2	-12.6	-12.6
<b>Toyota Group</b>	<b>634.0</b>	<b>47.9</b>	<b>606.0</b>	<b>45.5</b>	<b>27.9</b>	<b>4.6</b>	<b>6.0</b>
Honda	104.0	7.9	100.1	7.5	3.9	3.9	5.4
FCA	52.2	3.9	61.4	4.6	-9.2	-15.0	-11.7
GM	49.2	3.7	55.1	4.1	-5.9	-10.8	-10.2
Ford	33.3	2.5	35.8	2.7	-2.5	-6.9	-6.4
Hyundai/Kia	31.7	2.4	34.1	2.6	-2.5	-7.3	-2.3
Mazuda	29.2	2.2	32.3	2.4	-3.2	-9.8	-9.8
SUBARU	28.2	2.1	26.7	2.0	1.5	5.7	5.3
Suzuki	27.5	2.1	29.3	2.2	-1.8	-6.1	-4.7
Nissan	23.7	1.8	24.6	1.8	-0.9	-3.9	-2.2
VW·AUDI	18.6	1.4	24.5	1.8	-5.9	-24.2	-19.7
Isuzu	14.8	1.1	14.6	1.1	0.2	1.6	0.9
Mitsubishi	12.8	1.0	15.2	1.1	-2.4	-15.5	-15.5
BMW	12.1	0.9	11.3	0.9	0.8	6.9	12.2
Volvo	11.4	0.9	11.7	0.9	-0.3	-2.5	2.6
PSA	8.3	0.6	9.2	0.7	-0.9	-10.3	-4.8
Daimler	6.5	0.5	7.7	0.6	-1.2	-15.2	-11.3
OE Sales for others	80.5	6.1	89.9	6.9	-9.4	-10.5	-8.7
<b>OEM Total</b>	<b>1,177.8</b>	<b>89.0</b>	<b>1,189.6</b>	<b>89.4</b>	<b>-11.8</b>	<b>-1.0</b>	<b>0.6</b>
<b>After-market, Non-Automotive Business(*)</b>	<b>146.3</b>	<b>11.0</b>	<b>141.6</b>	<b>10.6</b>	<b>4.8</b>	<b>3.4</b>	<b>4.2</b>
<b>Total</b>	<b>1,324.1</b>	<b>100.0</b>	<b>1,331.2</b>	<b>100.0</b>	<b>-7.0</b>	<b>-0.5</b>	<b>1.1</b>

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

# Consolidated Revenue (By Product)

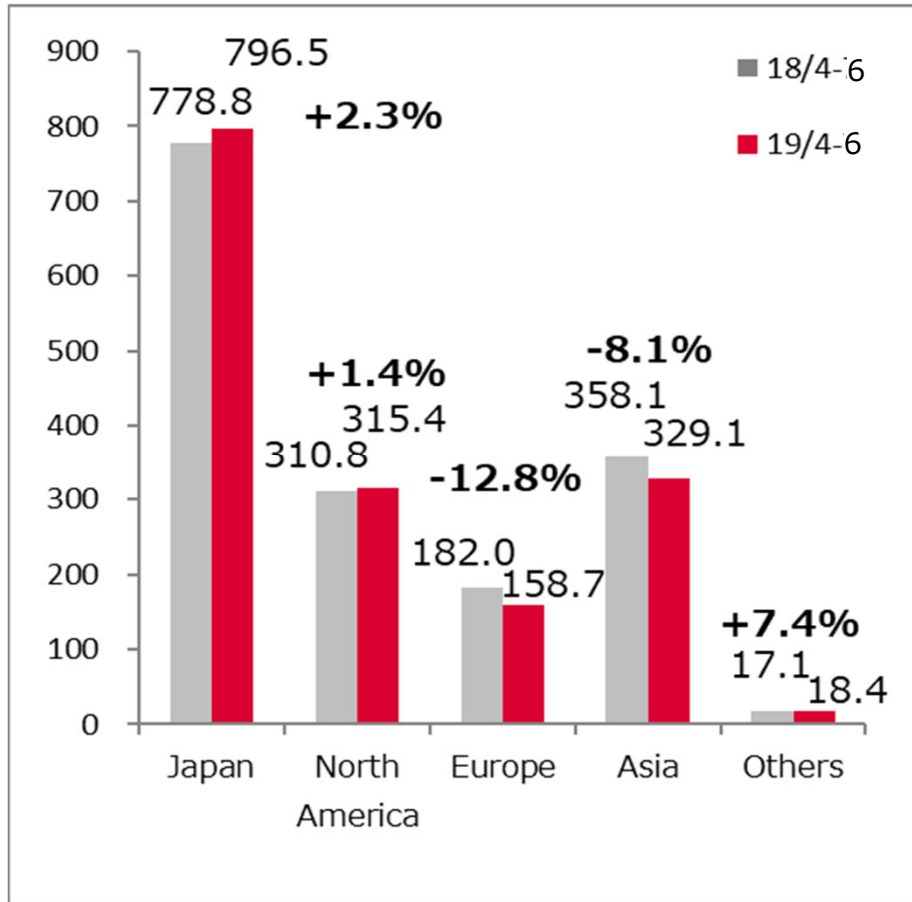
(Unit: Billions of Yen,%)

	19/4-19/6		18/4-18/6		Change		Change excludes FX difference
	Amount	% to Total	Amount	% to Total	Amount	%	%
Thermal Systems	352.2	26.6	358.0	27.0	-5.8	-1.6	1.5
Powertrain Systems	315.6	23.9	326.9	24.5	-11.4	-3.5	-2.4
Electrification Systems	233.2	17.6	228.9	17.2	4.3	1.9	3.3
Mobility Systems	157.5	11.9	153.2	11.5	4.3	2.8	3.6
Electronic Systems	149.4	11.3	143.1	10.8	6.3	4.4	6.0
Others(*)	74.3	5.5	79.4	6.0	-5.1	-6.4	-6.3
<b>Automotive Total</b>	<b>1,282.2</b>	<b>96.8</b>	<b>1,289.6</b>	<b>97.0</b>	<b>-7.3</b>	<b>-0.6</b>	<b>1.1</b>
<b>Non-Automotive Business(FA and agriculture, etc.) Total</b>	<b>41.9</b>	<b>3.2</b>	<b>41.6</b>	<b>3.0</b>	<b>0.3</b>	<b>0.7</b>	<b>1.3</b>
<b>Total</b>	<b>1,324.1</b>	<b>100.0</b>	<b>1,331.2</b>	<b>100.0</b>	<b>△ 7.0</b>	<b>△ 0.5</b>	<b>1.1</b>

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

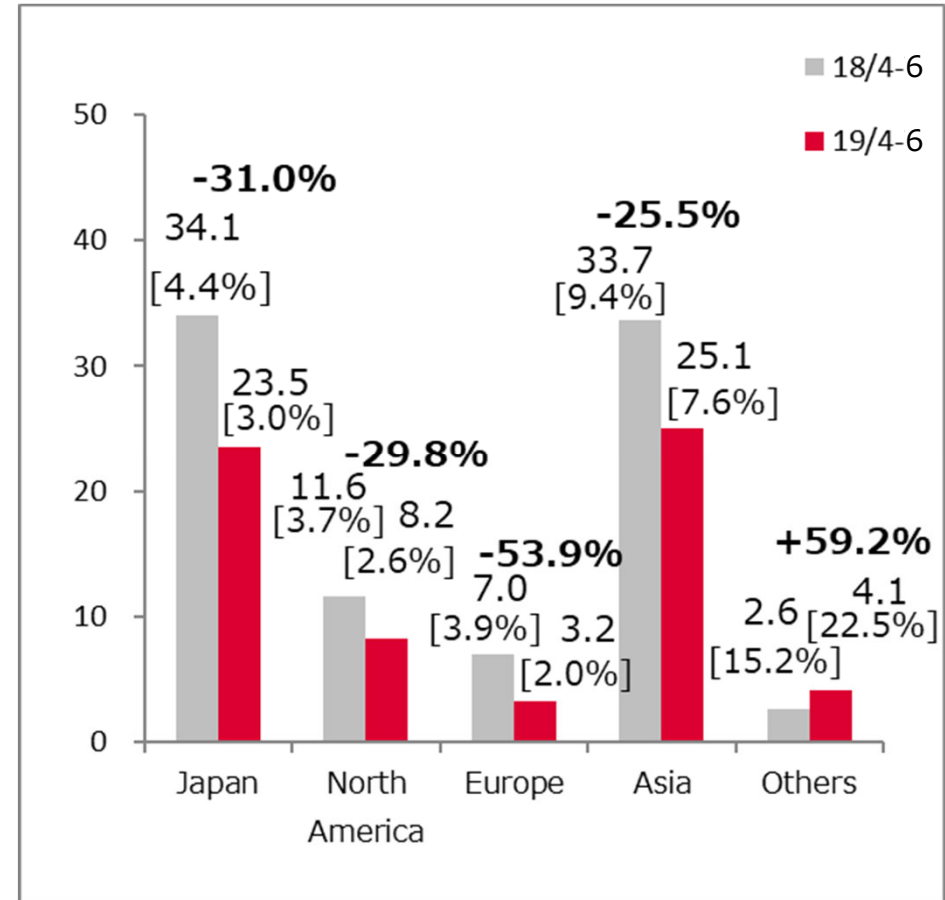
# Geographical Segments by Company Location

## Revenue

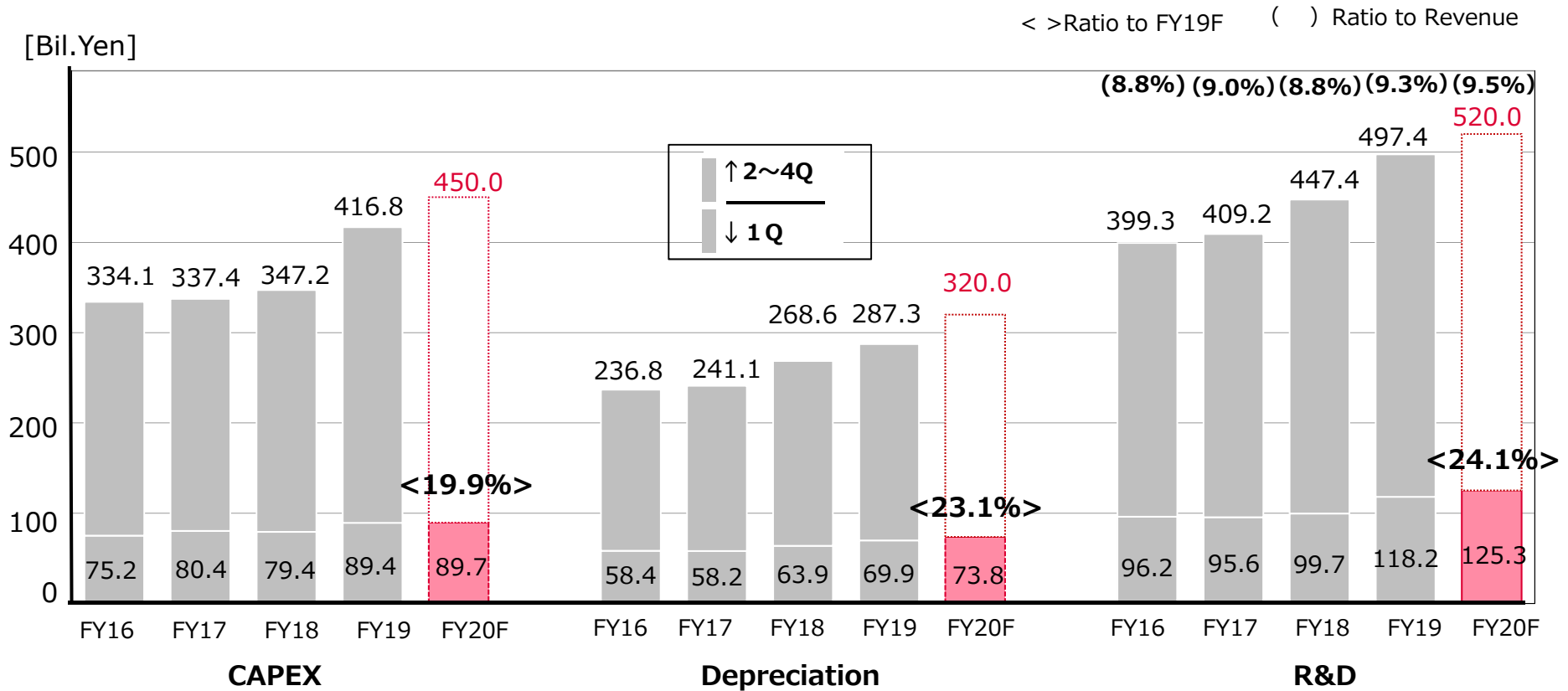


## Operating Profit

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



# Trend of Capital Expenditures, Depreciation and R&D Expenditures





# Capital Expenditures, Depreciation and R&D Expenditures

(Unit: Billions of Yen)

	19/3		20/3F		Change (%)	Progress to 20/3 Forecast
	18/6	19/6	19/6	20/3F		
Japan	52.6	258.2	57.0	261.5	8.4%	21.8%
North America	15.0	60.3	9.6	60.0	-35.9%	16.0%
Europe	5.3	25.5	5.8	25.0	9.7%	23.3%
Asia	15.7	69.5	16.7	100.0	6.1%	16.7%
Others	0.7	3.4	0.5	3.5	-28.6%	14.3%
Capital Exp.	89.4	416.8	89.7	450.0	0.3%	19.9%
Japan	40.5	168.6	43.6	189.0	7.7%	23.1%
North America	8.6	36.8	10.2	44.5	18.6%	22.9%
Europe	6.0	24.0	6.0	26.0	0.0%	23.1%
Asia	14.2	55.7	13.5	58.0	-4.9%	23.3%
Others	0.6	2.1	0.5	2.5	-16.7%	20.0%
Depreciation	69.9	287.3	73.8	320.0	5.6%	23.1%
R&D Expenditure (Ratio to Revenue)	118.2 (8.9%)	497.4 (9.3%)	125.3 (9.5%)	520.0 (9.5%)	6.0%	24.1%