

DENSO

Crafting the Core

FY2022

Financial Results

(2021/4-2022/3)

Apr. 28 , 2022

DENSO CORPORATION



Overview of FY2022 Financial Results

1. Both revenue and operating profit increased compared to the previous year due to recovery of vehicle sales from COVID-19 and profit improvements, though semiconductor shortages and other challenging business conditions occurred.
2. DENSO forecast for the next fiscal year 6,350.0 billion yen in revenue and 560.0 billion yen in operating income.
While it is difficult to project how the business environment might change, we will expand ADAS and Electrification product sales, make gains through profit improvements and enhance our management foundation, strengthening our ability to cope with market changes.
3. Dividends per share in 22/3 is 165 yen (+5 yen from the previous announcement), forecast in 23/3 is 180 yen (both interim and year-end are 90 yen).
DENSO continue to improve level of dividends per share stable and long-term.

FY2022 Financial Results (2021/4-2022/3)

P/L (IFRS)

	(Ratio to Revenue)		[Unit: Billions of Yen, %]		
	2020/4-2021/3	2021/4-2022/3	Change		
Revenue	4,936.7	5,515.5	+578.8	+11.7%	
Operating Profit	(3.1%) 155.1	(6.2%) 341.2	+186.1	+120.0%	
Profit before Income Taxes	(3.9%) 193.8	(7.0%) 384.8	+191.1	+98.6%	
Profit (*)	(2.5%) 125.1	(4.8%) 263.9	+138.8	+111.0%	

* Profit attributable to owners of the parent company

		[Unit: Millions of Units]			
Precondition	Foreign Exchange Rate	JPY 106.1/USD	JPY 112.4/USD	+6.3 JPY	-
		JPY 123.7/EUR	JPY 130.6/EUR	+6.9 JPY	-
		JPY 15.7/CNY	JPY 17.5/CNY	+1.8 JPY	-
	Domestic Vehicle Production	7.88	7.33	-0.55	-6.9%
	Overseas Vehicle Production of Japanese Manufacturers	15.85	17.22	+1.37	+8.7%

[Overview of the Consolidated Financial Results]

1. Consolidated revenue totaled 5,515.5 billion yen, increased by 578.8 billion yen(+11.7%) from previous year.
2. Consolidated operating profit totaled 341.2 billion yen, increased by 186.1 billion yen(+120.0%) from the previous year.
3. Consolidated profit attributable to owners of the parent company totaled 263.9 billion yen, increased by 138.8 billion yen(+111.0%) from the previous year.

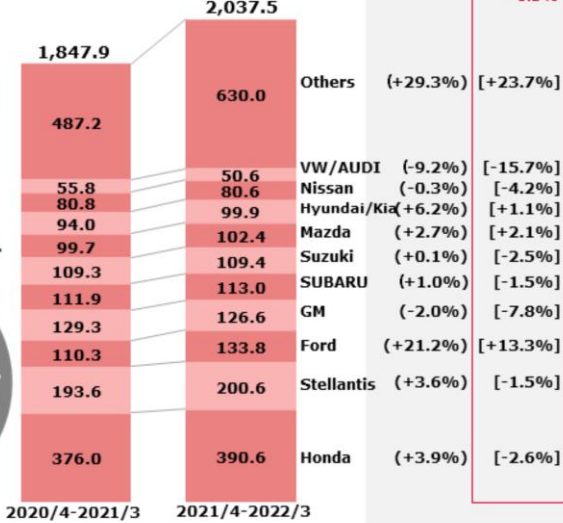
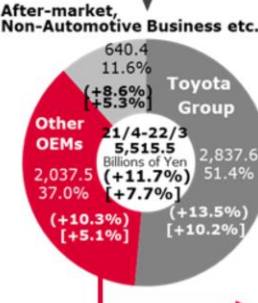
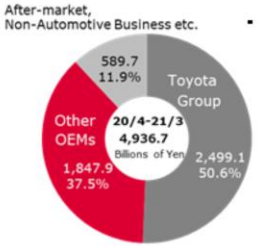
FY2022 Consolidated Revenue (By Customer)

(Unit: Billions of Yen)
 () : vs 21/4Q (12 months basis)
 INCR/DECR
 [] : vs 21/4Q (12 months basis)
 INCR/DECR exduding FX diff.
 * : vs 21/4Q (3 months basis)
 INCR/DECR exduding FX diff.

Revenue 4,936.7 ⇒ 5,515.5 (+11.7%) [+7.7%]
 *+1.3%

• Toyota group 2,499.1 ⇒ 2,837.6 (+13.5%) [10.2%]
 *+3.7%

• Other OEMs 1,847.9 ⇒ 2,037.5 (+10.3%) [+5.1%]
 *-0.3%



Financial Announcements / © DENSO CORPORATION All rights reserved.

[Revenue by Customer(Quantity Base)]

Although each customer is affected by the shortage of semiconductors , revenue increased due to increased sales and mounting rates for electrification and advanced safety products from the previous year.

Toyota Group

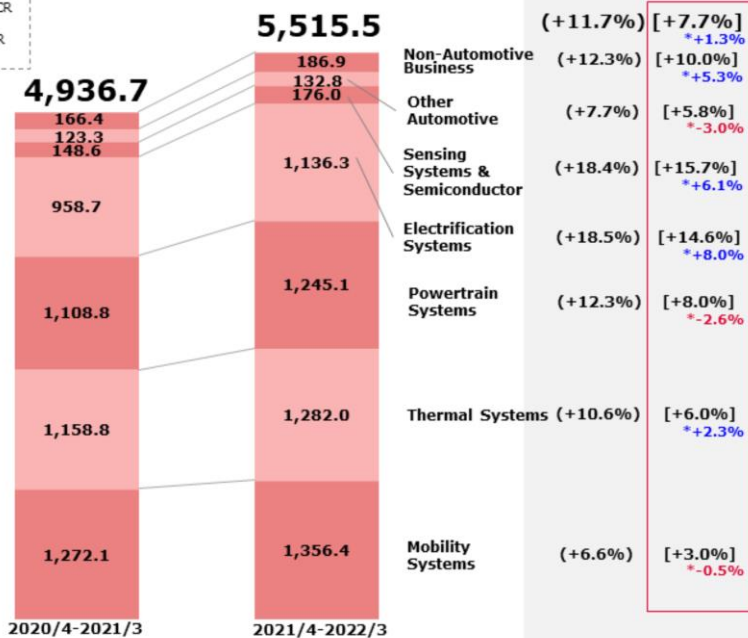
Revenue increased by 10.2% year-on-year, mainly for hybrid vehicle products and ADAS products.

Non-Toyota Group

Revenue increase of 5.1% over the previous year.

FY2022 Consolidated Revenue (By Product)

(Unit: Billions of Yen)
 (): vs 21/4Q (12 months basis) INCR/DECR
 [] : vs 21/4Q (12 months basis) INCR/DECR
 excluding FX diff.
 * : vs 21/4Q (3 months basis) INCR/DECR
 excluding FX diff.



Financial Announcements / © DENSO CORPORATION All rights reserved.

<Revenue by Product (Quantity base)>

Although there is an impact of vehicle production reduction due to semiconductor shortages etc., year-on-year revenue growth in all business groups.

Sensing systems / semiconductor

Pressure sensors for ADAS vehicles increased.

Electrification systems

Revenue of inverters increased in Japan, North America and China.

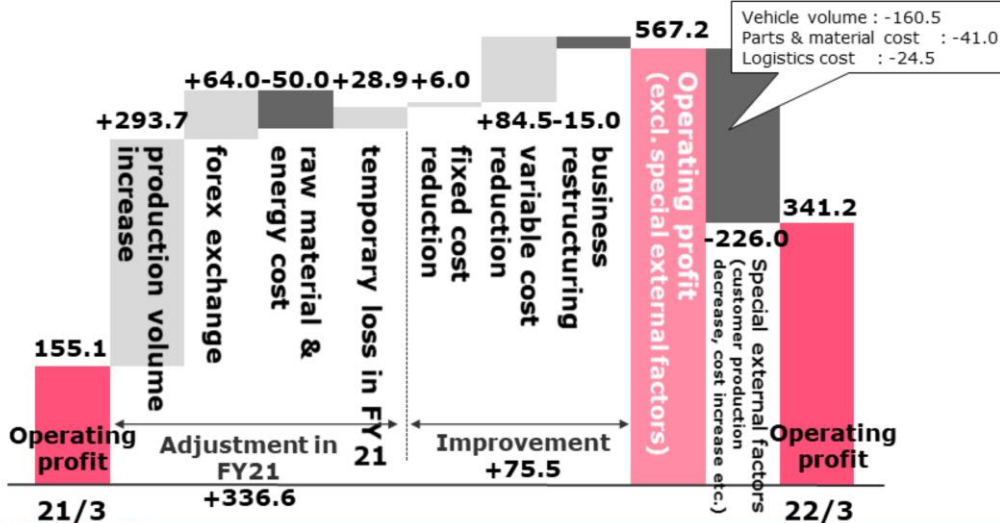
Mobility system

Revenue increased due to improved installation rates of ADAS products, including the new GSP3.

Change in FY2022 Operating Profit

(Unit: Billions of Yen)

Both revenue and operating profit increased compared to the previous year due to recovery of vehicle sales from COVID-19 and profit improvements. Though vehicle production decrease (-160.5), parts & material cost increase (-65.5) due to the shortage of semiconductors and raw material & energy cost increase (-50.0) occurred.



DENSO
Crafting the Core

Financial Announcements / © DENSO CORPORATION All Rights Reserved.

5/10

[Factor that Contributed to increases or Decreases in Operating Profit]

Positive Factors

- Previous FY adjustment 336.6 billion yen.
- Streamlining through corporate reform "reborn21" 84.5 billion yen.

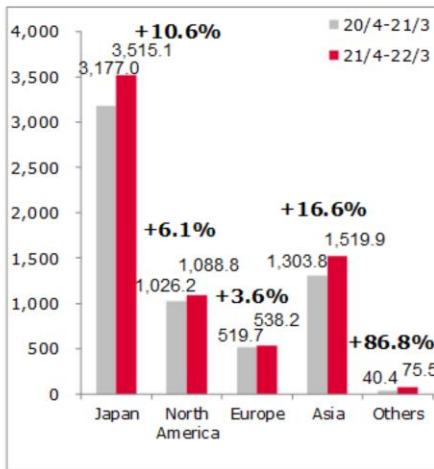
Negative Factors

- Business Restructuring 15.0 billion yen.
- Parts and logistics costs 65.5 billion yen.

Geographical Segments by Company Location

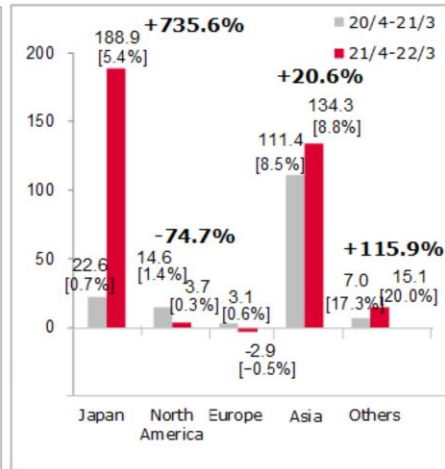
Local currency basis excludes FX difference
(106.1JPY/1USD, 123.7JPY/1EUR, 15.7JPY/1CNY)

Revenue



Operating Profit

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



Financial Announcements / © DENSO CORPORATION All Rights Reserved.

6/10

[Revenue and Operating Profit by Each Region*]

*Excluding the effect of foreign exchange

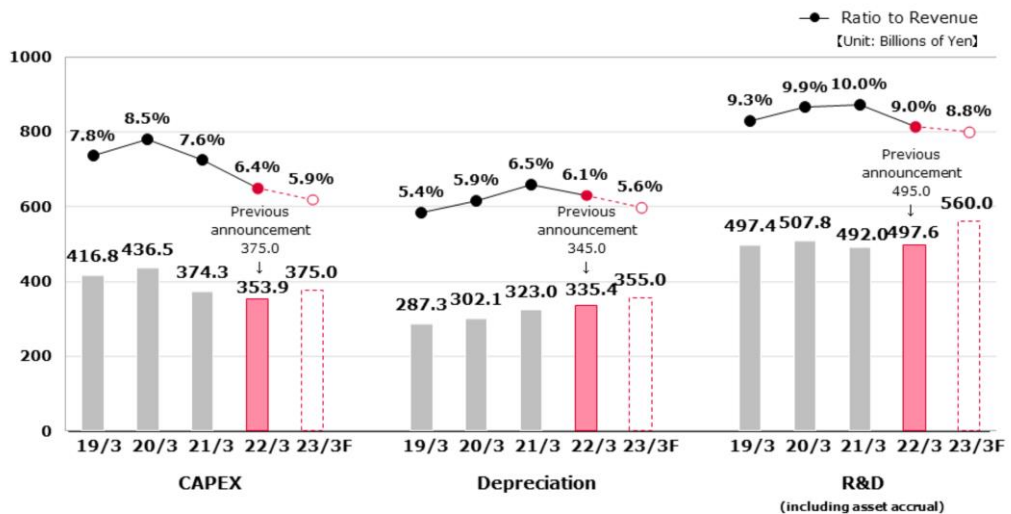
Revenue

Revenues increased compared to the previous year in all regions in line with the recovery from the Covid-19 pandemic despite the impact of the recent vehicle production decrease.

Operating Profit

Even amid the worsening external environment, the operating profit increased due to the increase in production volume in the first half of the year and the benefits derived from the global activity to change operations, except for North America which was significantly impacted by the external environment and Europe where business restructuring costs were posted.

Trend of Capital Expenditures, Depreciation and R&D Expenditures



DENSO
Crafting the Core

Financial Announcements / © DENSO CORPORATION All Rights Reserved.

7/10

[Capital Expenditures , Depreciation and R&D Expenditures]

Capital Expenditure

Actual capital investment 353.9billion yen.

In fiscal year we expect of 375.0billion yen.

Regarding capital expenditure in FY2022, accelerated necessary investments in the focus fields (electrification and advanced safety) and scrutinized investments .

while taking into account the uncertain business environment.

Capital expenditure during the next fiscal year will increase due to delays in receipt of FY2022's, full-scale global deployment in the fields of electrification and advanced safety, and increased investments in the "green" field.

R&D expenditure

Actual R&D expenses were 497.6 billion yen.

In fiscal year we expect of 560.0billion yen.

Further acceleration both of advanced safety technology development, aimed at responding to a wide range of accident scenarios and spreading the use of such technologies in society, with the aim of achieving zero fatal road traffic accidents and of electrification technology development .

FY2023 Financial Forecast

P/L (IFRS)

	(Ratio to Revenue)		[Unit: Billions of Yen, %]	
	2022/3 Actual	2023/3 Forecast	Change	
Revenue	5,515.5	6,350.0	+834.5	+15.1%
Operating Profit	(6.2%) 341.2	(8.8%) 560.0	+218.8	+64.1%
Profit before Income Taxes	(7.0%) 384.8	(9.5%) 603.0	+218.2	+56.7%
Profit (*1)	(4.8%) 263.9	(6.8%) 434.0	+170.1	+64.5%

*1 Profit attributable to owners of the parent company

		[Unit: Millions of Units]			
Precondition	Foreign Exchange Rate	JPY 112.4/USD	JPY 115.0/USD	+2.6 JPY	—
		JPY 130.6/EUR	JPY 130.0/EUR	-0.6 JPY	—
		JPY 17.5/CNY	JPY 18.1/CNY	+0.6 JPY	—
	Domestic Vehicle Production (*2)	7.33	9.42	+2.09	+28.5%
	Overseas Vehicle Production of Japanese Manufacturers (*2)	17.22	21.56	+4.34	+25.2%

*2 Risk of external environment deterioration is not reflected to 2023/3 Forecast.

[Full year Financial Forecast]

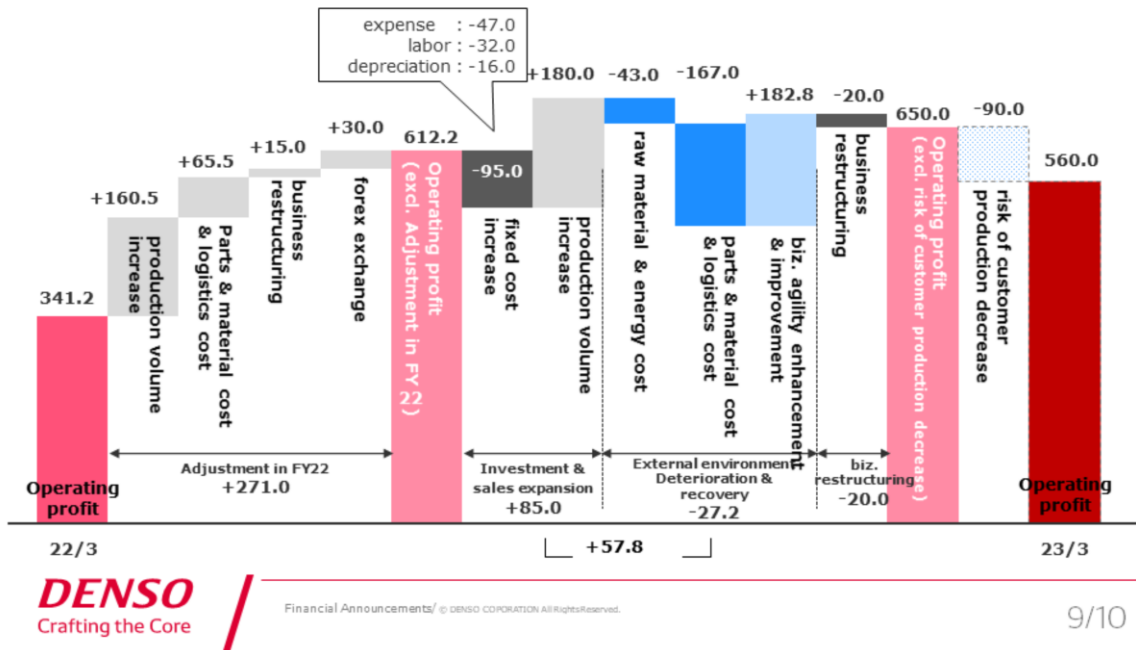
- We expect revenue of 6,350.0 billion yen.
- We expect revenue of 560.0 billion yen.
- We used 115.0 yen to the U.S. dollar and 130.0 yen to the Euro, 18.1 yen to the CNY.

Change in FY2023 Forecast Operating Profit

(Unit: Billions of Yen)

External environment is getting worse due to parts & material cost up and logistics cost up by semiconductor shortages(-167.0), raw material & energy cost up (-43.9) and labor cost up etc.

Despite the risk of vehicle production decrease by customers, DENSO forecast for the next fiscal year 560.0 billion yen in operating income through profit improvements and strengthening our ability to cope with market changes.



[Full-year operating income]

Positive Factors

- Previous FY adjustment 271.0 billion yen.
- biz. agility enhancement & improvement 182.8 billion yen.

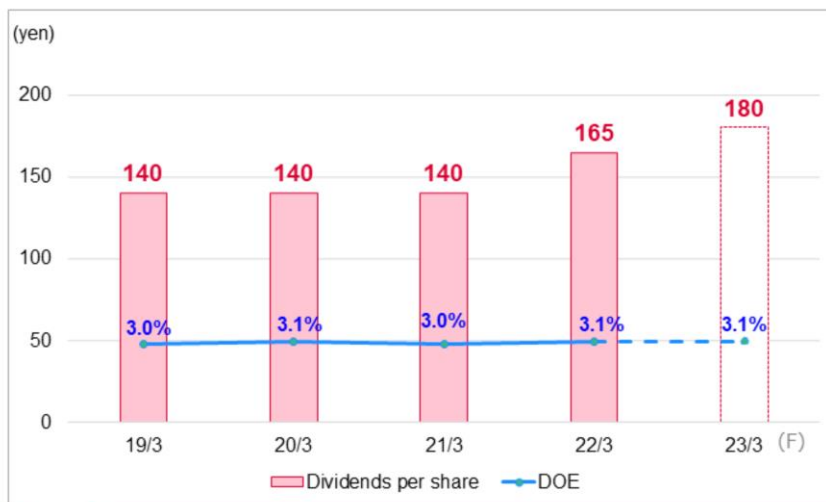
Negative Factors

- Fixed costs (R&D expenses, labor costs in North America, etc.) 95.0 billion yen
 - Raw Material and energy costs 43.0 billion,
 - Parts materials, mainly electronic components, and logistics expenses of 167.0 billion yen
- We will strengthen our responses to these measures after increasing profitability improvement.
- Business restructuring costs 20.0 billion yen
 - Risk of customer production decrease vehicle production 90.0 billion yen.

Year-end Dividend

22/3 : 165 yen (+5 yen from the previous announcement)

23/3 forecast : 180 yen (interim 90 yen and year-end 90 yen)



DENSO
Crafting the Core

Financial Announcements / © DENSO CORPORATION All rights reserved.

9/10

[Return to Shareholders]

In line with our shareholder return policy of maintaining and improving the level of dividends on a long-term and stable basis, 22/3 Year-end dividend increased by 5 yen from the announcement to 165 yen for the year.
23/3 forecast 180 yen

Due to the uncertain business environment, the DOE will be at the same level as the current fiscal year, we will continue to consider improvement in the future.

DENSO
Crafting the Core

Appendix

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

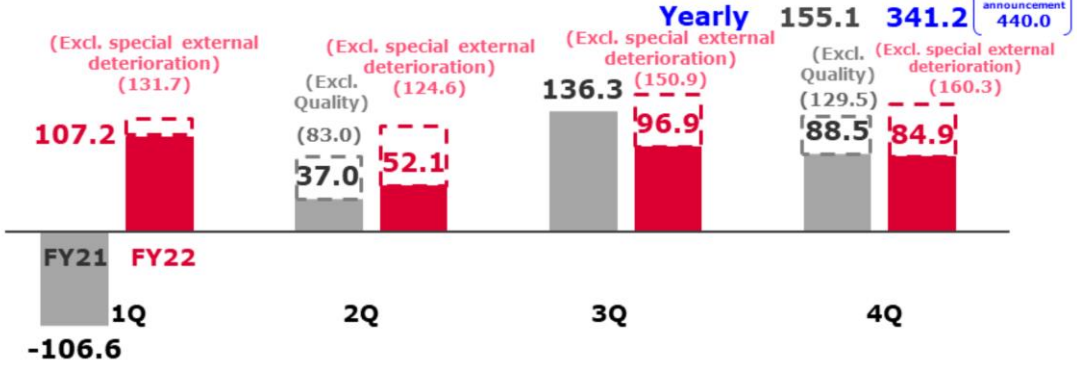
Quarterly Revenue & Operating Profit Trends

(Unit: Billions of yen)

Revenue

1Q		2Q		3Q		4Q	
FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22
765.1	1,356.9	1,309.6	1,226.1	1,433.9	1,426.1	1,428.1	1,506.5
[100]	[177]	[100]	[94]	[100]	[99]	[100]	[105]
Yearly						4,936.7	5,515.5
						[100]	[112]

Operating profit



Pre-Conditions (Foreign Exchange Rate/Vehicle Production)

		FY2022 Full Year									22/4-23/3	
		21/4-21/9			21/10-22/3							
		Prior Year	Actual	Change	Prior Year	Actual	Change from prior year	Prior Year	Actual	Change	Forecast	Change
Foreign Exchange Rate (Yen)	USD	106.9	109.8	+ 2.9	105.2	115.0	+ 9.8	106.1	112.4	+ 6.3	115.0	+2.6
	EUR	121.3	130.9	+ 9.6	126.1	130.2	+ 4.1	123.7	130.6	+ 6.9	130.0	- 0.6
	CNY	15.3	17.0	+ 1.7	16.1	18.0	+ 1.9	15.7	17.5	+ 1.8	18.1	+0.6
Forex Impact on Operating Income per Yen (Billions of Yen)	USD	/						2.1	3.3	+ 1.2	3.4	+0.1
	EUR	/						0.8	1.1	+ 0.3	0.8	- 0.3
	CNY	/						15.4	19.0	+ 3.6	22.3	+3.3
Vehicle Production of Japanese Manufacturers (Millions of Units)	Domestic	3.34	3.53	+ 5.5%	4.54	3.81	- 16.1%	7.88	7.33	- 6.9%	9.42	+ 28.5%
	Overseas	6.25	8.36	+ 33.9%	9.60	8.86	- 7.7%	15.85	17.22	+ 8.7%	21.56	+ 25.2%

Consolidated Revenue (By Customer)

(Unit: Billions of Yen)

	20/4-21/3		21/4-22/3		Change		Change excludes FX difference, etc. %
	Amount	% to Total	Amount	% to Total	Amount	%	
Toyota	2,331.0	47.2	2,642.5	47.9	+311.5	+13.4	+9.9
Daihatsu	120.4	2.4	139.5	2.5	+19.1	+15.8	+13.4
Hino	47.7	1.0	55.6	1.0	+7.9	+16.5	+16.1
Toyota Group	2,499.1	50.6	2,837.6	51.4	+338.5	+13.5	+10.2
Honda	376.0	7.7	390.6	7.1	+14.6	+3.9	-2.6
Stellantis	193.6	3.9	200.6	3.6	+7.0	+3.6	-1.5
(FCA)	151.9	3.1	159.9	2.9	+7.9	+5.2	+0.1
(PSA)	41.7	0.8	40.7	0.7	-1.0	-2.3	-7.4
Ford	110.3	2.2	133.8	2.4	+23.4	+21.2	+13.3
GM	129.3	2.6	126.6	2.3	-2.7	-2.0	-7.8
SUBARU	111.9	2.3	113.0	2.0	+1.1	+1.0	-1.5
Suzuki	109.3	2.2	109.4	2.0	+0.1	+0.1	-2.5
Mazuda	99.7	2.0	102.4	1.9	+2.7	+2.7	+2.1
Hyundai/Kia	94.0	1.9	99.9	1.8	+5.9	+6.2	+1.1
Nissan	80.8	1.6	80.6	1.5	-0.2	-0.3	-4.2
ISUZU	60.3	1.2	78.0	1.4	+17.7	+29.3	+28.8
VW·AUDI	55.8	1.1	50.6	0.9	-5.1	-9.2	-15.7
Mitsubishi	33.8	0.7	49.1	0.9	+15.3	+45.3	+42.9
BMW	47.7	1.0	49.1	0.9	+1.4	+3.1	-2.4
Volvo	28.1	0.6	27.7	0.5	-0.4	-1.5	-8.2
Daimler	20.4	0.4	26.3	0.5	+5.9	+28.8	+22.5
OE Sales for others	296.9	6.0	399.8	7.3	+103.0	+34.7	+27.7
OEM Total	4,347.0	88.1	4,875.1	88.4	+528.2	+12.1	+8.0
Non-Automotive Business(*)	589.7	11.9	640.4	11.6	+50.6	+8.6	+5.3
Total	4,936.7	100.0	5,515.5	100.0	+578.8	+11.7	+7.7

* Including revenue of industrial systems and consumer products, revenue for After Market, and revenue of property/equipment etc.

DENSO
Crafting the Core

Financial Announcements / © DENSO CORPORATION All Rights Reserved.

Consolidated Revenue (By Product)

(Unit: Billions of Yen)

	20/4-21/3		21/4-22/3		Change		Change excludes FX difference
	Amount	% to Total	Amount	% to Total	Amount	%	
Mobility Electronics	1,272.1	25.8	1,356.4	24.6	+84.3	+6.6	+3.0
Thermal Systems	1,158.8	23.5	1,282.0	23.2	+123.2	+10.6	+6.0
Powertrain Systems	1,108.8	22.5	1,245.1	22.6	+136.3	+12.3	+8.0
Electrification Systems	958.7	19.4	1,136.3	20.6	+177.6	+18.5	+14.6
Sensing Systems & Semiconductor	148.6	3.0	176.0	3.2	+27.4	+18.4	+15.7
Others (*)	123.3	2.5	132.8	2.4	+9.5	+7.7	+5.8
Automotive Total	4,770.3	96.6	5,328.6	96.6	+558.3	+11.7	+7.6
Non-Automotive Business Total	166.4	3.4	186.9	3.4	+20.5	+12.3	+10.0
Total	4,936.7	100.0	5,515.5	100.0	+578.8	+11.7	+7.7

* Including revenue of equipment and repair parts etc.

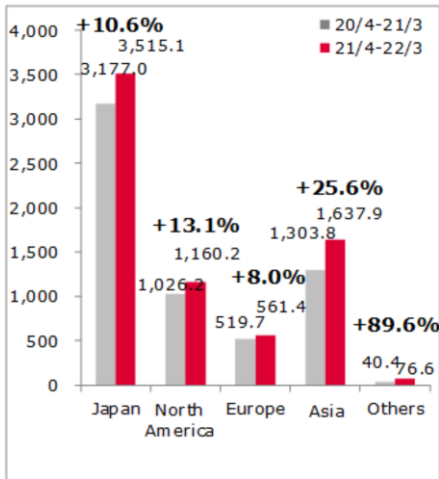
Geographical Segments by Company Location

JPY basis

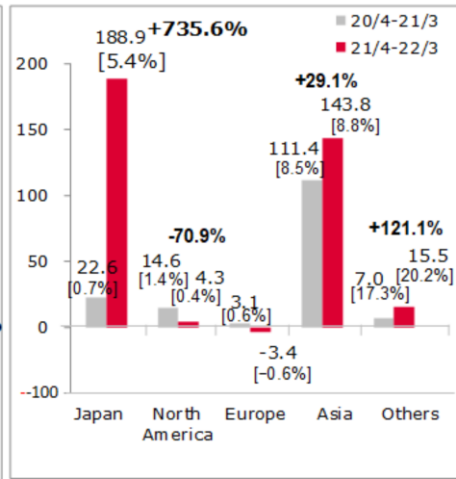
(Unit: Billions of Yen)

[]: Ratio to Revenue

Revenue



Operating Profit



Capital Expenditures, Depreciation and R&D Expenditures

(Unit: Billions of Yen)

	21/3	22/3	ratio to change	23/3F	ratio to change
Japan	257.6	219.2	-14.9%	231.0	+5.4%
North America	34.3	40.6	+18.4%	40.0	-1.5%
Europe	16.8	19.3	+14.9%	21.0	+8.8%
Asia	63.5	71.6	+12.8%	79.0	+10.3%
Others	2.1	3.2	+52.4%	4.0	+25.0%
Capital Expenditures	374.3	353.9	-5.5%	375.0	+6.0%
Japan	205.7	211.6	+2.9%	219.0	+3.5%
North America	39.5	40.8	+3.3%	43.0	+5.4%
Europe	24.5	25.2	+2.9%	26.0	+3.2%
Asia	51.9	56.2	+8.3%	64.0	+13.9%
Others	1.4	1.6	+14.3%	3.0	+87.5%
Depreciation	323.0	335.4	+3.8%	355.0	+5.8%
R&D Expenditure (Ratio to Sales)	492.0 (10.0%)	497.6 (9.0%)	+1.1%	560.0 (8.8%)	+12.5%

*R&D Expenditures includes asset accrual