

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

DENSO

Crafting the Core

FY2023

**Financial Results
(2022/4-2023/3)**

Apr. 27 , 2023

DENSO CORPORATION

A decorative graphic on the right side of the slide consists of several overlapping, diagonal bands of color. The colors include light blue, red, and pink, creating a dynamic, abstract background element.

Overview of FY2023 Financial Results

1. Revenue and operating profit increased compared to the previous year, reaching their highest-ever levels, due to sales recovery and expansion, foreign exchange gains and profit improvements.

2. In the next fiscal year, we forecast 6,300.0 billion yen in revenue and 510.0 billion yen in operating income.

Revenue will be based on strong sales expansions in focus areas.

On the other hand, we also forecast the potential risk of a vehicle production cut of around 10 percent, given uncertainties in the external environment.

Operating income will be based on the extent of growth, as well as disciplined control of fixed costs and further strengthening of our ability to respond to fluctuations.

3. The annual dividend for the concluded fiscal year is 185 yen, a 5 yen increase from the previous announcement, and the forecast for the next fiscal year is 190 yen, a 5 yen increase from the previous year. We will continue to improve DOE levels over the long term and in a stable manner.

FY2023 Financial Results (2022/4-2023/3)

P/L (IFRS)

	(Ratio to Revenue)		[Unit: Billions of Yen, %]	
	2021/4-2022/3	2022/4-2023/3	Change	
Revenue	5,515.5	6,401.3	+885.8	+16.1%
Operating Profit	(6.2%) 341.2	(6.7%) 426.1	+84.9	+24.9%
Profit before Income Taxes	(7.0%) 384.8	(7.1%) 456.9	+72.1	+18.7%
Profit (*)	(4.8%) 263.9	(4.9%) 314.6	+50.7	+19.2%
Return on Equity	6.4%	7.3%	-	+0.9%

* Profit attributable to owners of the parent company

		[Unit: Millions of Units]					
Precondition	Foreign Exchange Rate	JPY	112.4/USD	JPY	135.5/USD	+23.1 JPY	-
		JPY	130.6/EUR	JPY	141.0/EUR	+10.4 JPY	-
		JPY	17.5/CNY	JPY	19.7/CNY	+2.2 JPY	-
	Domestic Vehicle Production		7.33		7.92	+0.60	+8.1%
	Overseas Vehicle Production of Japanese Manufacturers		17.21		16.96	-0.25	-1.4%

Quarterly Revenue & Operating Profit Trends

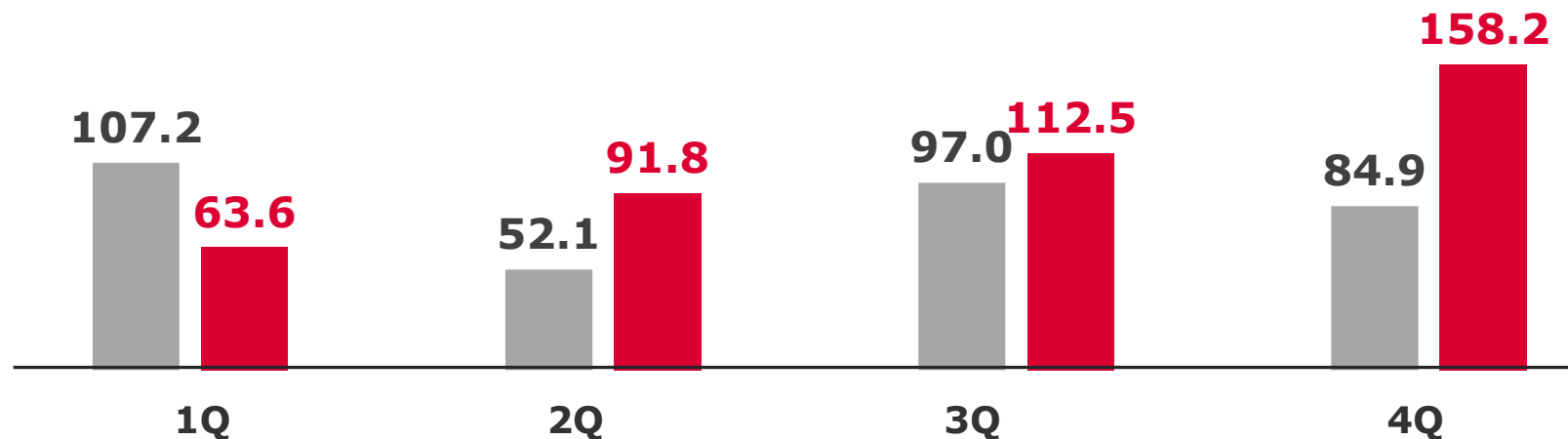
Revenue

(Unit: Billions of yen)

1Q		2Q		3Q		4Q		
21/4-22/3	22/4-23/4	21/4-22/3	22/4-23/4	21/4-22/3	22/4-23/4	21/4-22/3	22/4-23/4	
1,356.9	1,415.0	1,226.0	1,605.1	1,426.1	1,615.6	1,506.5	1,765.5	
[100]	[104]	[100]	[131]	[100]	[113]	[100]	[117]	
						Yearly	5,515.5	6,401.3
							[100]	[116]

Operating profit

Yearly 341.2 426.1



FY2023 Consolidated Revenue (By Customer)

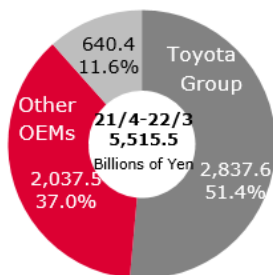
(Unit: Billions of Yen)

():vs 22/4Q
(12 months basis)
INCR/DECR

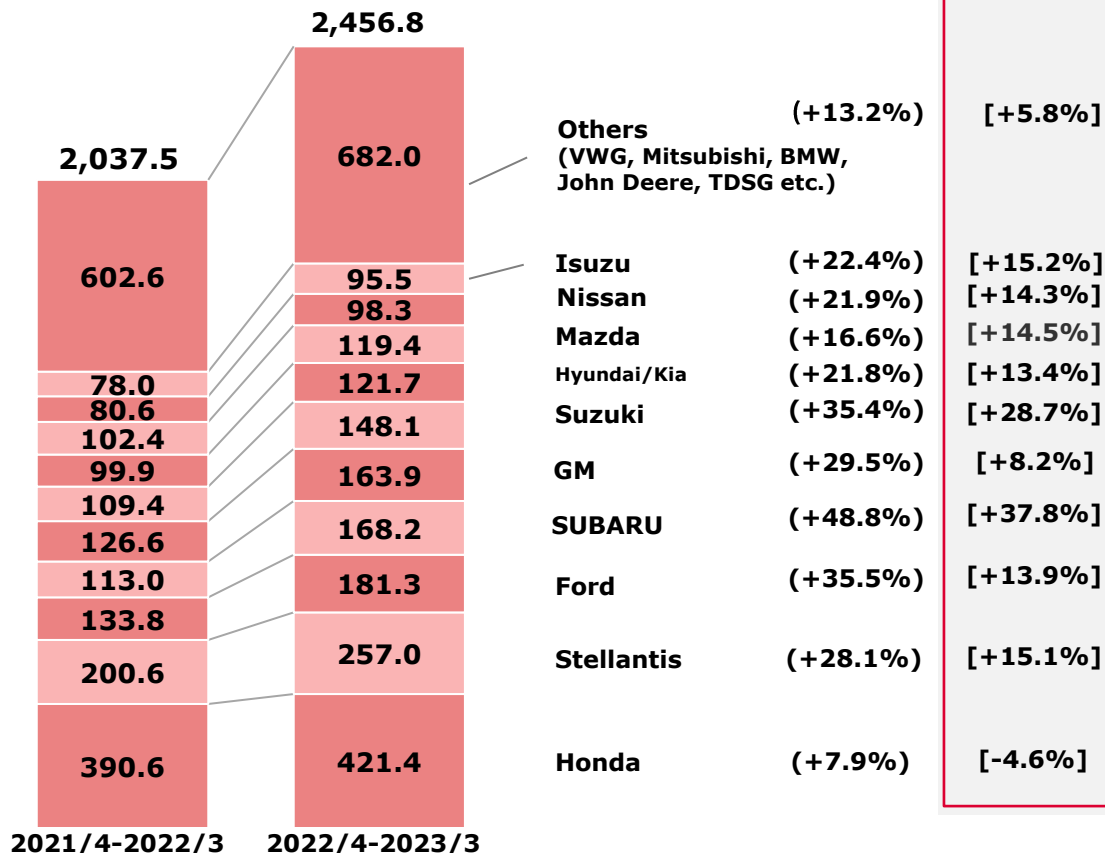
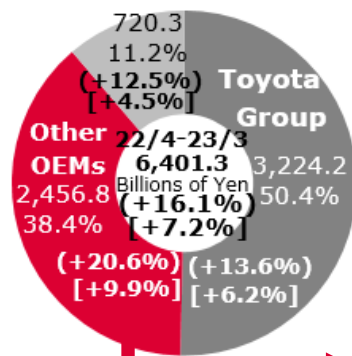
[]:vs 22/4Q
(12 months basis)
INCR/DECR excluding FX diff.

Revenue	5,515.5 ⇒ 6,401.3	(+16.1%)	[+7.2%]
• Toyota group	2,837.6 ⇒ 3,224.2	(+13.6%)	[+6.2%]
• Other OEMs	2,037.5 ⇒ 2,456.8	(+20.6%)	[+9.9%]

After-market,
Non-Automotive Business etc.



After-market,
Non-Automotive Business etc.



FY2023 Consolidated Revenue (By Product)

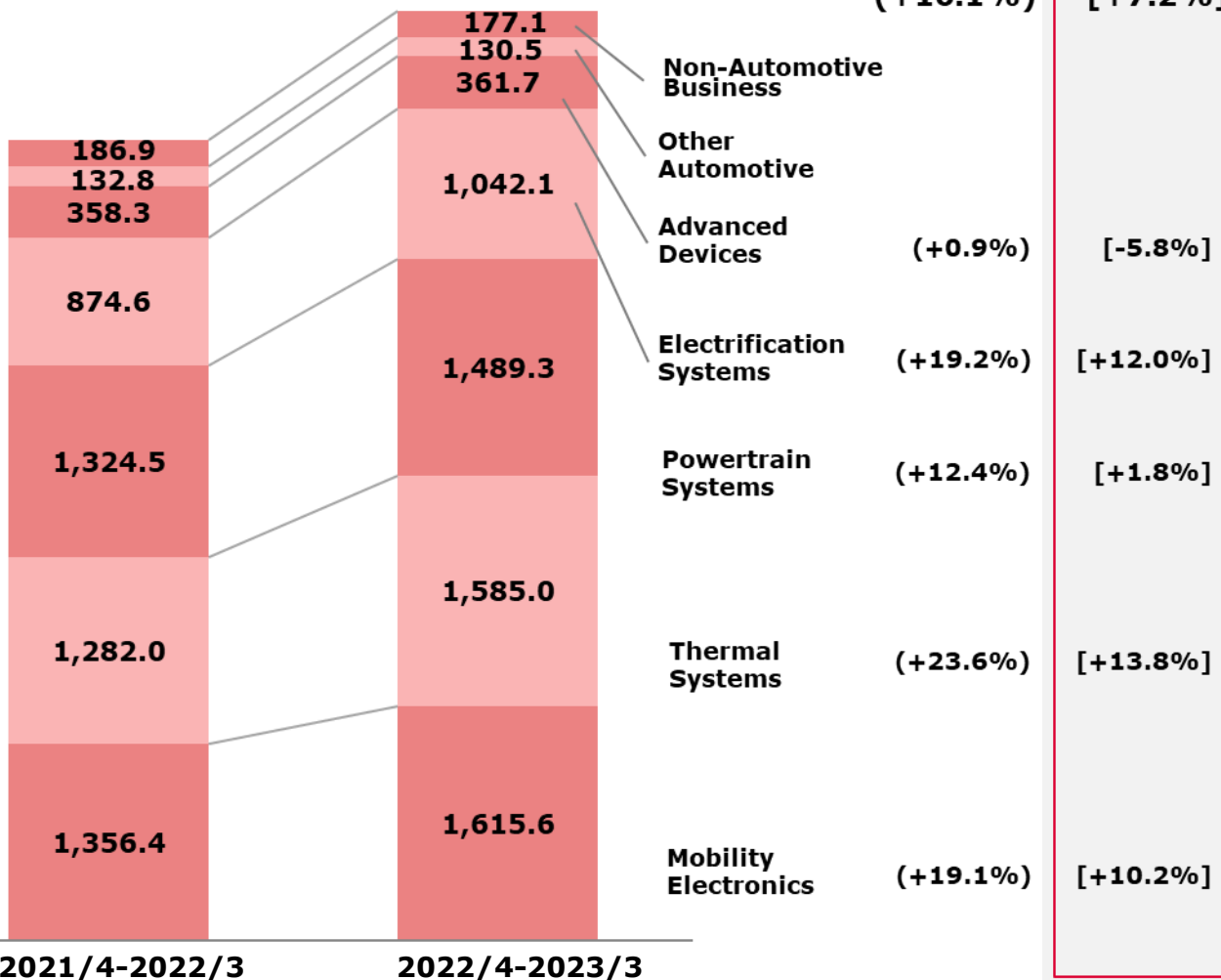
(Unit: Billions of Yen)

():vs 22/4Q
(12 months basis)
INCR/DECR

[]:vs 22/4Q
(12 months basis)
INCR/DECR excluding FX diff.

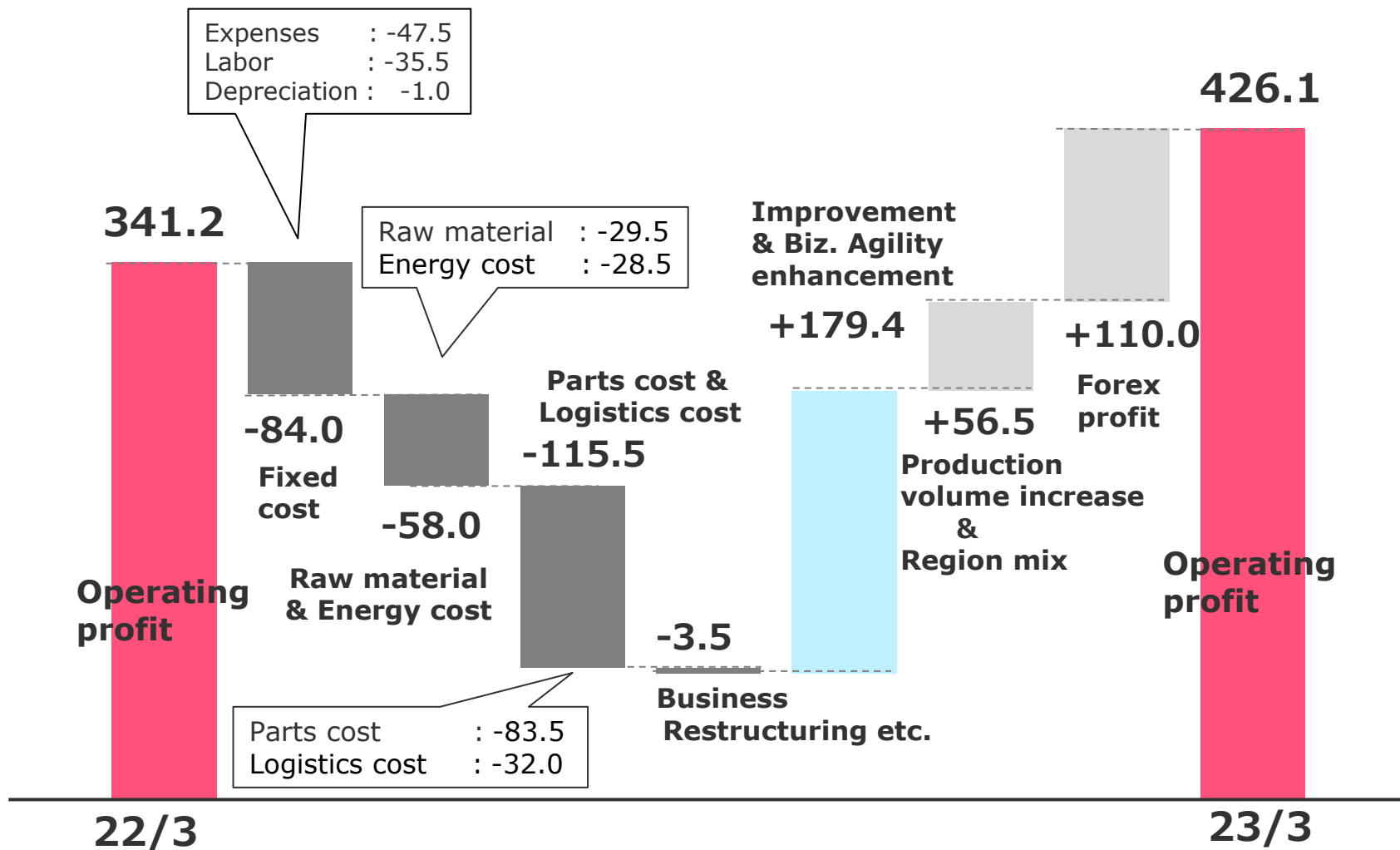
5,515.5

6,401.3



Change in FY2023 Operating Profit

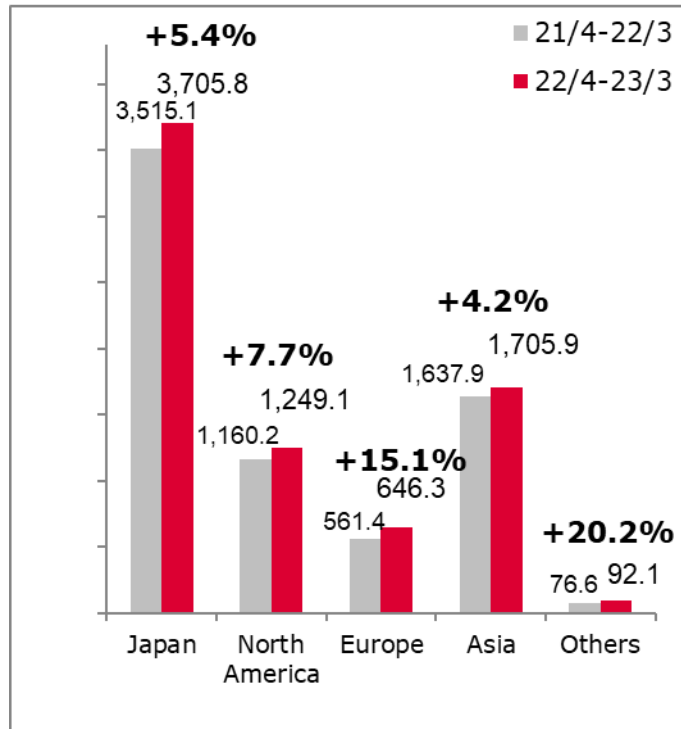
(Unit: Billions of Yen)



FY2023 Geographical Segments by Company Location

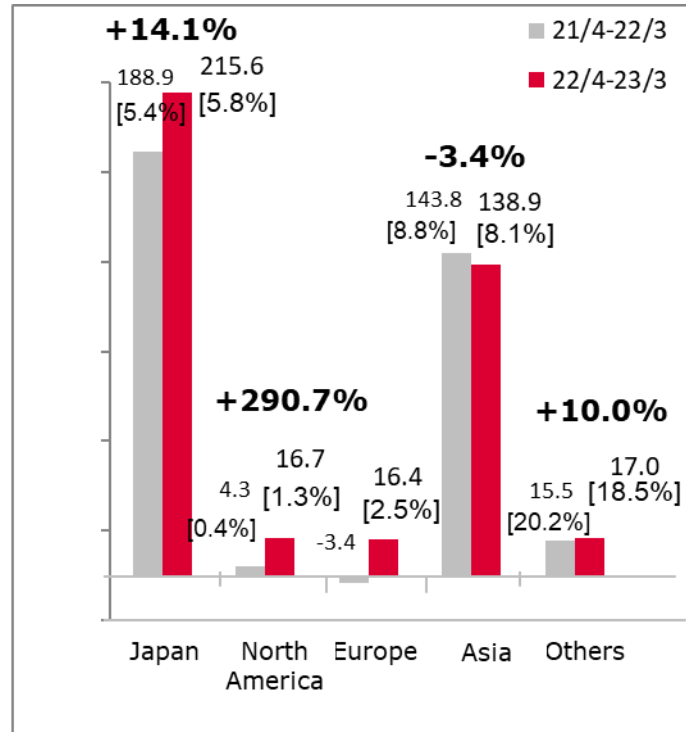
Local currency basis excludes FX difference
 (112.4JPY/1USD, 130.6JPY/1EUR, 17.5JPY/1CNY)

Revenue

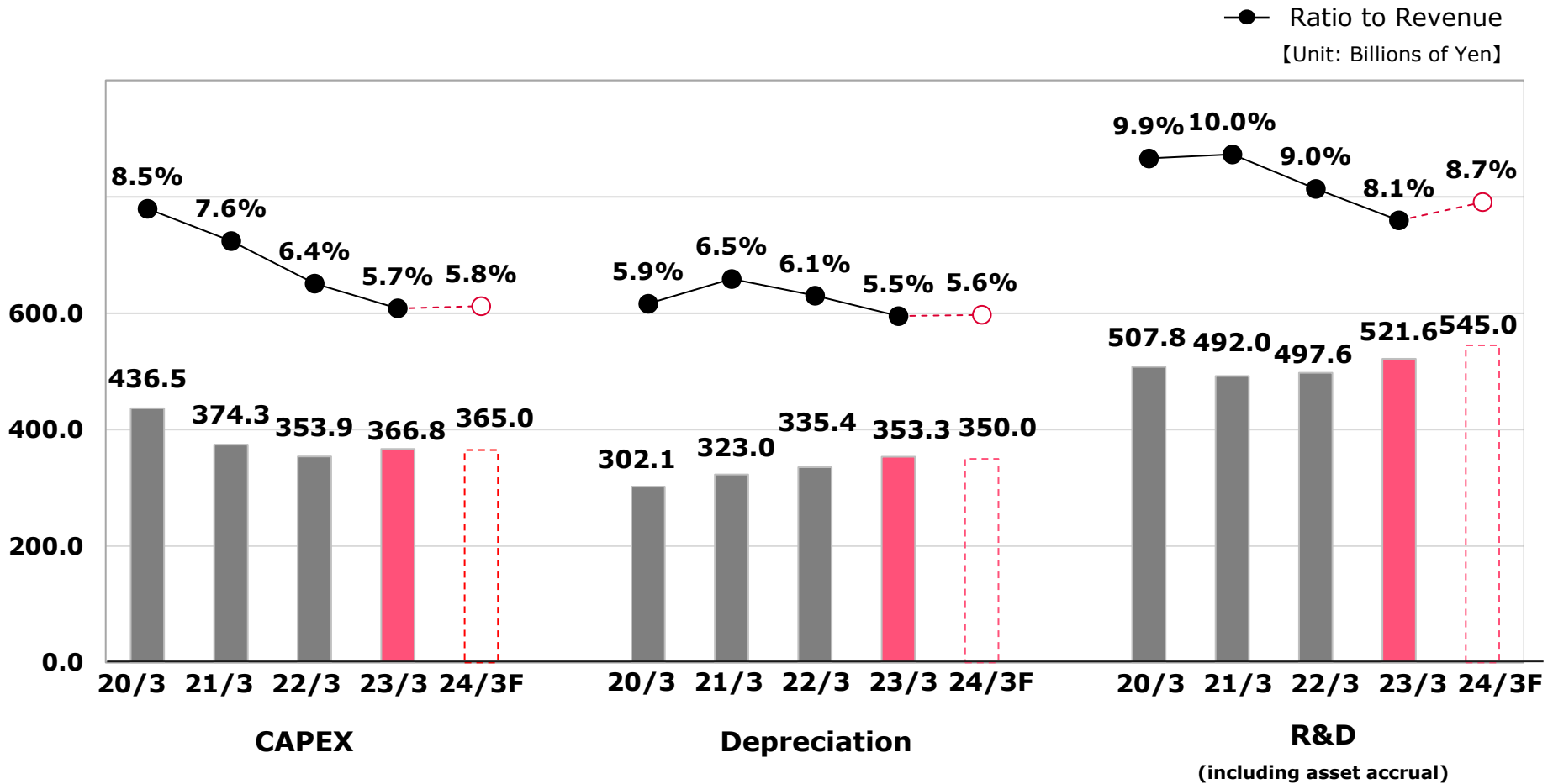


Operating Profit

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



Trend of Capital Expenditures, Depreciation and R&D Expenditures



FY2024 Financial Forecast

P/L (IFRS)

	(Ratio to Revenue)		[Unit: Billions of Yen, %]	
	2023/3 Actual	2024/3 Forecast	Change	
Revenue	6,401.3	6,300.0	-101.3	-1.6%
Operating Profit	(6.7%) 426.1	(8.1%) 510.0	+83.9	+19.7%
Profit before Income Taxes	(7.1%) 456.9	(8.8%) 555.0	+98.1	+21.5%
Profit (*)	(4.9%) 314.6	(6.1%) 383.0	+68.4	+21.7%
Return on Equity	7.3%	8.5%	-	+1.2%

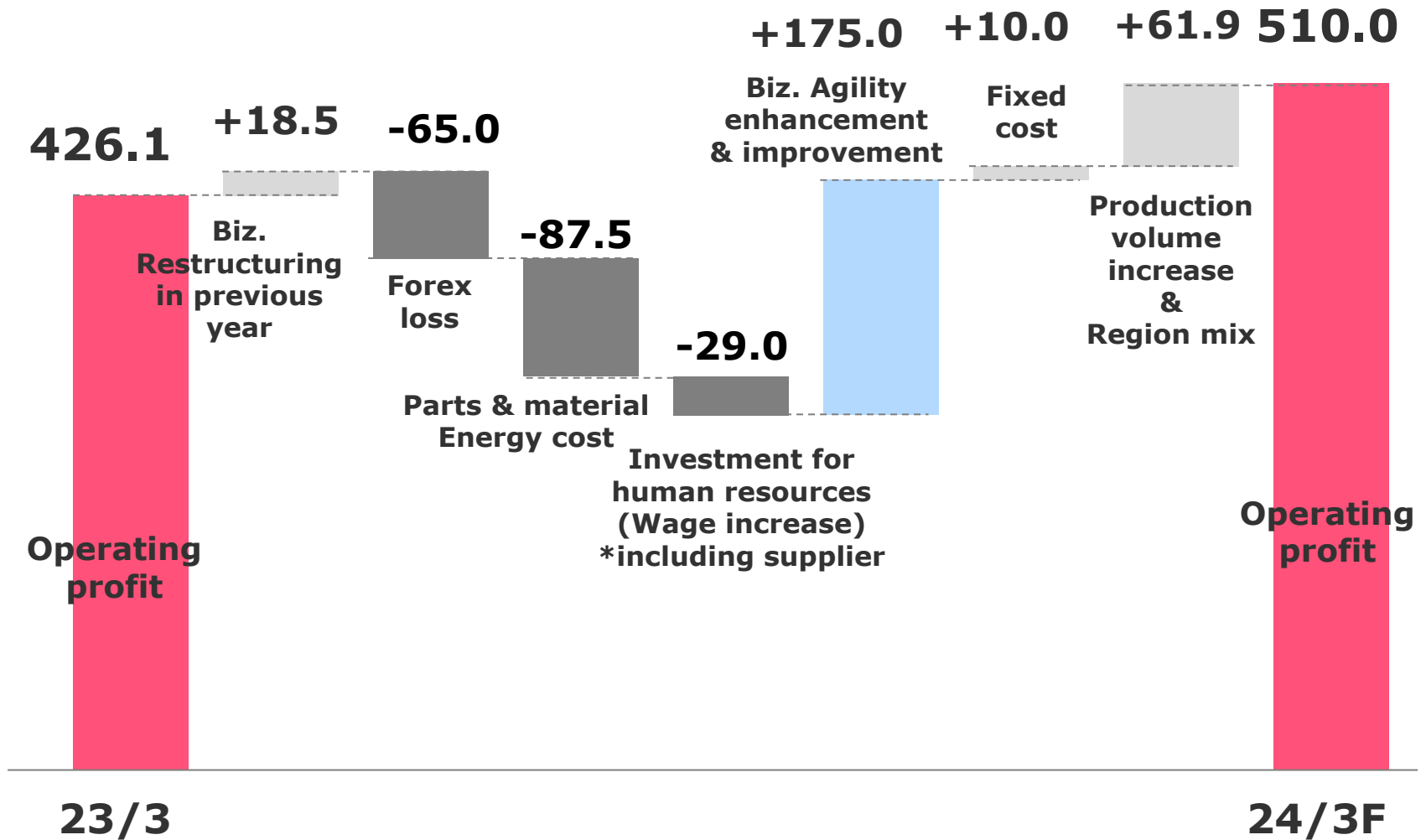
* Profit attributable to owners of the parent company

		[Unit: Millions of Units]					
Precondition	Foreign Exchange Rate	JPY	135.5/USD	JPY	125.0/USD	-10.5 JPY	-
		JPY	141.0/EUR	JPY	135.0/EUR	-6.0 JPY	-
		JPY	19.7/CNY	JPY	18.4/CNY	-1.3 JPY	-
	Domestic Vehicle Production		7.92	(*2)	9.15	+1.23	+15.5%
	Overseas Vehicle Production of Japanese Manufacturers		16.96	(*2)	19.40	+2.44	+14.4%

*2 the potential risk of a vehicle production cut is not included

Change in FY2024 Forecast Operating Profit

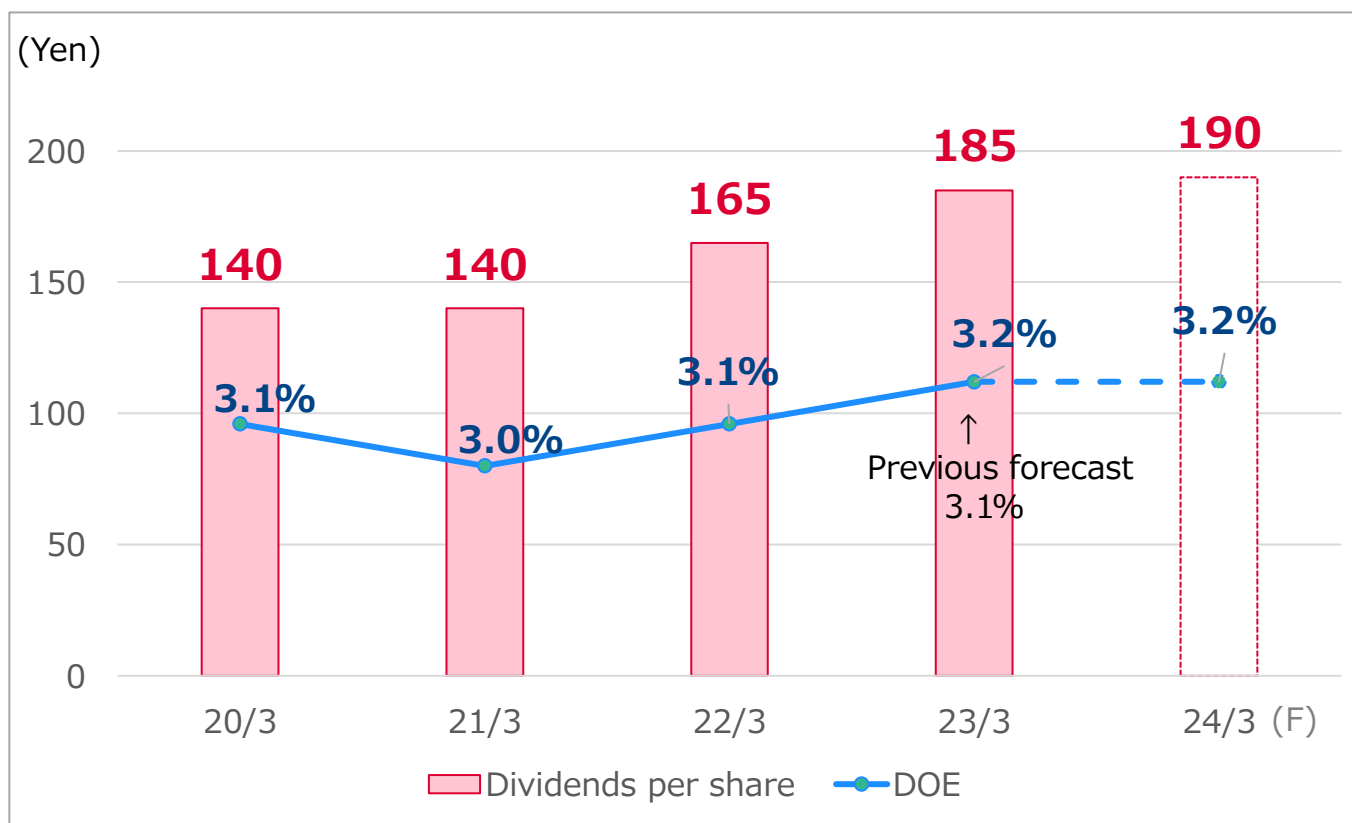
(Unit: Billions of Yen)



Year-end Dividend

23/3 : 185 yen (+5 yen from the previous announcement)

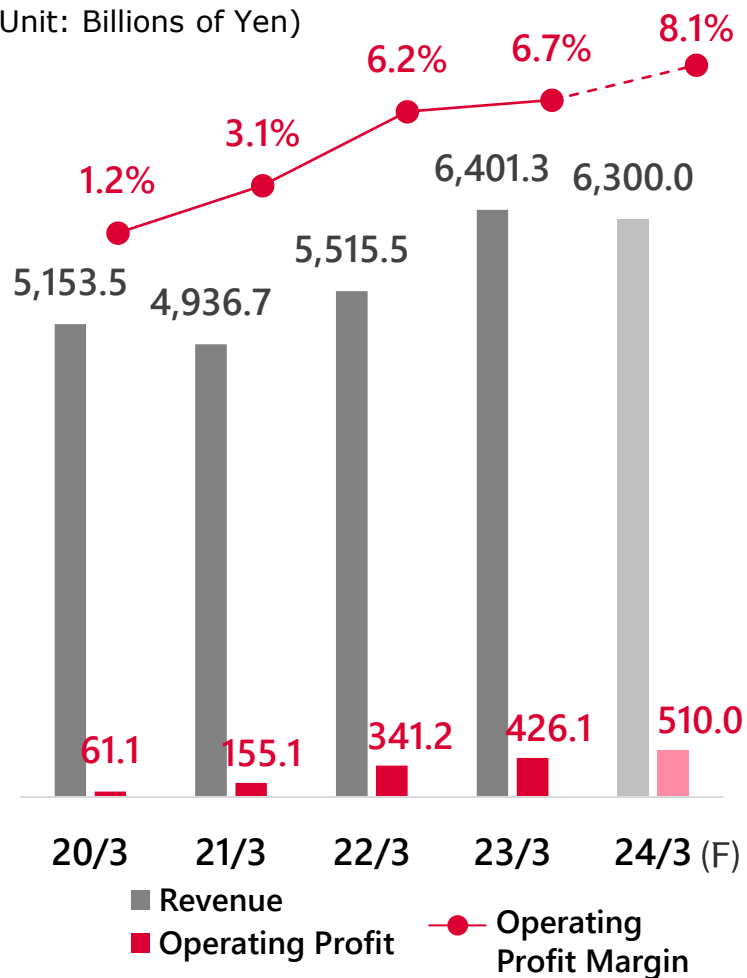
24/3F : 190 yen (interim 95 yen and year-end 95 yen)



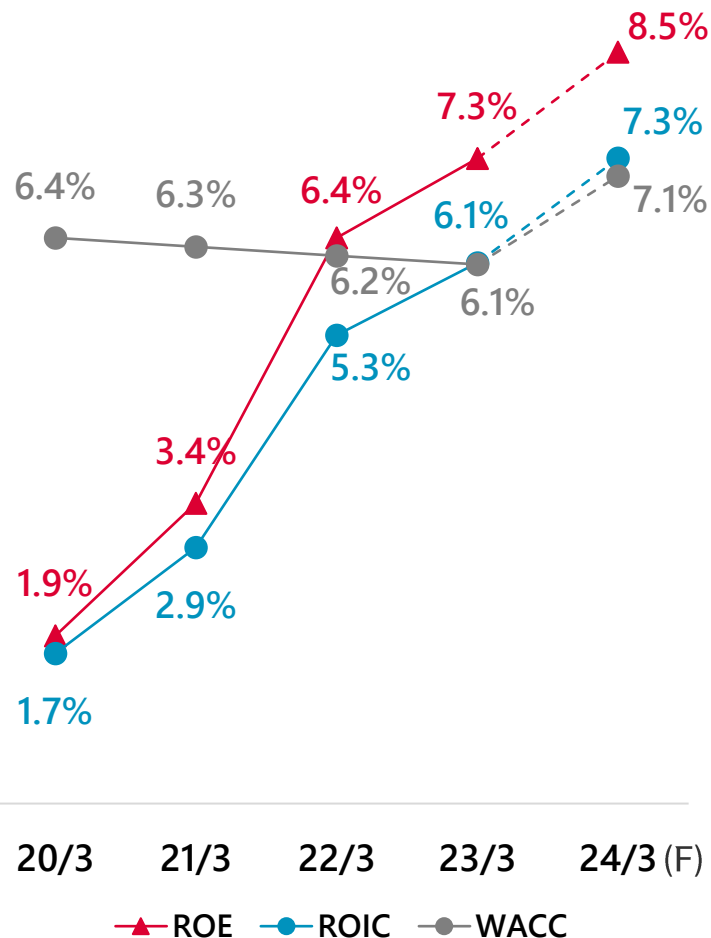
Major Financial Indicator

Revenue · Operating Profit · Operating Profit Margin

(Unit: Billions of Yen)



Capital Efficiency (ROE · ROIC · WACC)



Denso will meet stakeholder expectations and improve corporate value.

DENSO

Crafting the Core

Appendix

- 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

Pre-Conditions (Foreign Exchange Rate/Vehicle Production)

		FY2023 Full Year									23/4-24/3	
		22/4-22/9			22/10-23/3							
		Prior Year	Actual	Change	Prior Year	Actual	Change from prior year	Prior Year	Actual	Change	Forecast	Change
Foreign Exchange Rate (Yen)	USD	109.8	134.0	+ 24.2	115.0	137.0	+ 22.0	112.4	135.5	+ 23.1	125.0	- 10.5
	EUR	130.9	138.7	+ 7.8	130.2	143.2	+ 13.0	130.6	141.0	+ 10.4	135.0	- 6.0
	CNY	17.0	19.9	+ 2.9	18.0	19.6	+ 1.6	17.5	19.7	+ 2.2	18.4	- 1.3
Forex Impact on Operating Income per Yen (Billions of Yen)	USD	/						3.3	2.1	- 1.2	2.1	+0.0
	EUR	/						1.1	0.6	- 0.5	0.9	+0.3
	CNY	/						19.0	15.7	- 3.3	15.6	- 0.1
Vehicle Production of Japanese Manufacturers (Millions of Units)	Domestic	3.53	3.58	+ 1.6%	3.80	4.34	+ 14.2%	7.33	7.92	+ 8.1%	* 9.15	+ 15.5%
	Overseas	8.36	8.43	+ 0.7%	8.85	8.54	- 3.5%	17.21	16.96	- 1.4%	* 19.40	+ 14.4%

*the potential risk of a vehicle production cut is not included

Consolidated Revenue (By Customer)

(Unit: Billions of Yen)

	21/4-22/3		22/4-23/3		Change		Change excludes FX difference, etc. %
	Amount	% to Total	Amount	% to Total	Amount	%	
Toyota	2,642.5	47.9	2,993.1	46.8	+350.6	+13.3	+5.7
Daihatsu	139.5	2.5	177.0	2.8	+37.5	+26.9	+21.1
Hino	55.6	1.0	54.1	0.8	-1.6	-2.8	-5.0
Toyota Group	2,837.6	51.4	3,224.2	50.4	+386.6	+13.6	+6.2
Honda	390.6	7.2	421.4	6.6	+30.8	+7.9	-4.6
Stellantis	200.6	3.6	257.0	4.0	+56.4	+28.1	+15.1
(FCA)	159.9	2.9	209.3	3.3	+49.4	+30.9	+16.7
(PSA)	40.7	0.7	47.7	0.7	+7.0	+17.1	+8.8
Ford	133.8	2.4	181.3	2.8	+47.5	+35.5	+13.9
SUBARU	113.0	2.0	168.2	2.6	+55.2	+48.8	+37.8
GM	126.6	2.3	163.9	2.6	+37.3	+29.5	+8.2
Suzuki	109.4	2.0	148.1	2.3	+38.8	+35.4	+28.7
Hyundai/Kia	99.9	1.8	121.7	1.9	+21.8	+21.8	+13.4
Mazuda	102.4	1.9	119.4	1.9	+17.0	+16.6	+14.5
Nissan	80.6	1.5	98.3	1.5	+17.6	+21.9	+14.3
ISUZU	78.0	1.4	95.5	1.5	+17.5	+22.4	+15.2
VW·AUDI	50.6	0.9	65.9	1.0	+15.2	+30.1	+18.0
Mitsubishi	49.1	0.9	56.5	0.9	+7.4	+15.0	+6.0
BMW	49.1	0.9	46.1	0.7	-3.0	-6.1	-14.1
Benz	26.3	0.5	36.7	0.6	+10.4	+39.3	+28.7
Volvo	27.7	0.5	31.2	0.5	+3.5	+12.7	+2.9
OE Sales for others	399.7	7.2	445.7	7.0	+46.0	+11.5	+5.4
OEM Total	4,875.1	88.4	5,681.0	88.7	+805.9	+16.5	+7.8
Non-Automotive Business(*)	640.4	11.6	720.3	11.3	+80.0	+12.5	+4.5
Total	5,515.5	100.0	6,401.3	100.0	+885.8	+16.1	+7.2

Consolidated Revenue (By Product)

(Unit: Billions of Yen)

	21/4-22/3		22/4-23/3		Change		Change excludes FX difference
	Amount	% to Total	Amount	% to Total	Amount	%	
Mobility Electronics	1,356.4	24.6	1,615.6	25.2	+259.1	+19.1	+10.2
Thermal Systems	1,282.0	23.2	1,585.0	24.8	+302.9	+23.6	+13.8
Powertrain Systems	1,324.5	24.0	1,489.3	23.3	+164.8	+12.4	+1.8
Electrification Systems	874.6	15.9	1,042.1	16.3	+167.6	+19.2	+12.0
Advanced Devices	358.3	6.5	361.7	5.6	+3.4	+0.9	- 5.8
Others(*)	132.8	2.4	130.5	2.0	- 2.3	- 1.7	- 2.3
Automotive Total	5,328.6	96.6	6,224.2	97.2	+895.6	+16.8	+7.9
Non-Automotive Business Total	186.9	3.4	177.1	2.8	- 9.8	- 5.2	- 8.1
Total	5,515.5	100.0	6,401.3	100.0	+885.8	+16.1	+7.2

* Including revenue of equipment and repair parts etc.

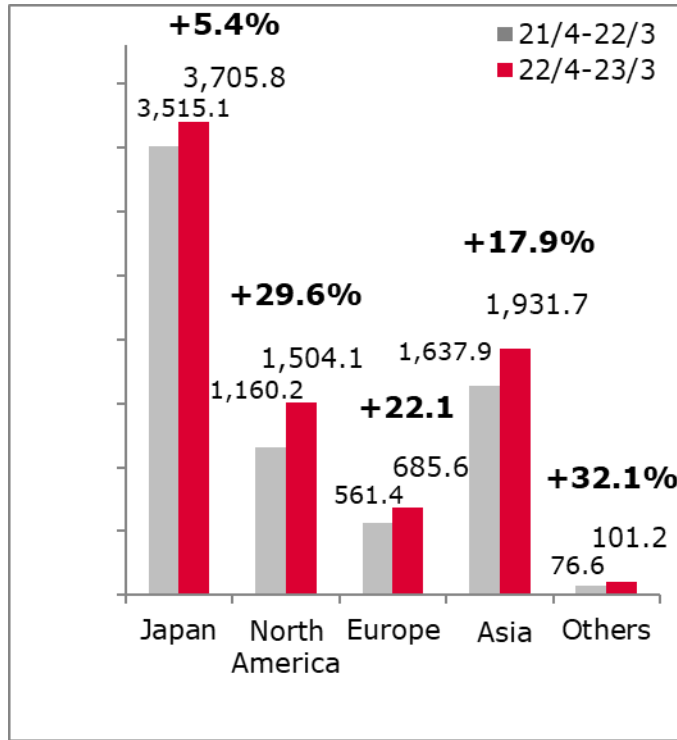
FY2023 Geographical Segments by Company Location

JPY basis

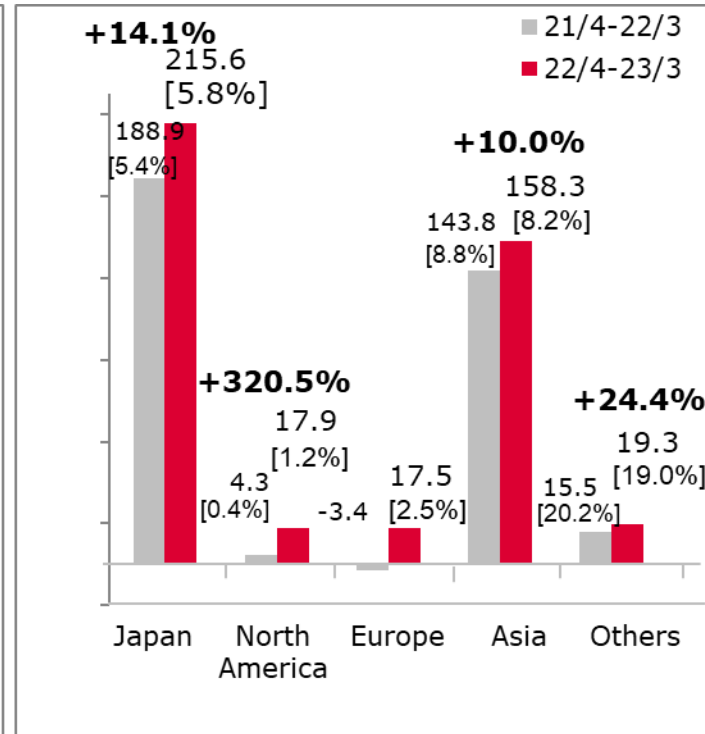
(Unit: Billions of Yen)

[]: Ratio to Revenue

Revenue



Operating Profit



Capital Expenditures, Depreciation and R&D Expenditures

(including asset accrual)

(Unit: Billions of Yen)

	21/4-22/3	22/4-23/3	ratio to change	24/3F	ratio to change
Japan	219.2	217.1	-1.0%	228.0	+5.0%
North America	40.6	52.5	+29.3%	40.0	-23.8%
Europe	19.3	22.8	+18.1%	24.0	+5.3%
Asia	71.6	70.2	-2.0%	69.0	-1.7%
Others	3.2	4.2	+31.3%	4.0	-4.8%
Capital Expenditures	353.9	366.8	+3.6%	365.0	-0.5%
Japan	211.6	212.5	+0.4%	214.3	+0.8%
North America	40.8	47.7	+16.9%	45.2	-5.2%
Europe	25.2	24.5	-2.8%	23.1	-5.7%
Asia	56.2	66.2	+17.8%	64.9	-2.0%
Others	1.6	2.4	+50.0%	2.5	+4.2%
Depreciation	335.4	353.3	+5.3%	350.0	-0.9%
R&D Expenditure (Ratio to Revenue)	497.6 (9.0%)	521.6 (8.1%)	+4.8%	545.0 (8.7%)	+4.5%