

[This is an English translation prepared for the convenience of non-resident shareholders. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.]

Consolidated Financial Results
for the Six Months Ended September 30, 2023
<under IFRS>

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Scheduled date of commencement of dividend payment : November 27, 2023

(URL <https://www.denso.com/global/en/>)

DATE: October 31, 2023

DENSO CORPORATION

CODE: 6902

Listed on the Tokyo and
 Nagoya Stock Exchanges

(Millions of yen, except per share figures)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results

(Percentages indicate the change of the same period of the previous year)

| | Revenue | | Operating profit | | Profit before income taxes | | Profit for the period | |
|--------------------|-----------------|------|------------------|-------|----------------------------|-------|-----------------------|-------|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2023 | 3,513,498 | 16.3 | 211,820 | 36.3 | 247,663 | 45.1 | 185,601 | 59.3 |
| September 30, 2022 | 3,020,114 | 16.9 | 155,413 | (2.5) | 170,644 | (6.7) | 116,507 | (5.7) |

| | Profit attributable to owners of the parent company | | Comprehensive income for the period | | Basic earnings per share | Diluted earnings per share |
|--------------------|-----------------------------------------------------|-------|-------------------------------------|--------|--------------------------|----------------------------|
| Six months ended | Millions of yen | % | Millions of yen | % | Yen | Yen |
| September 30, 2023 | 168,923 | 59.7 | 824,801 | 563.7 | 56.40 | — |
| September 30, 2022 | 105,798 | (6.1) | 124,264 | (49.1) | 34.68 | — |

(Note) On October 1, 2023, the Company effected a 4-for-1 split of common stock. Basic earnings per share is calculated on the assumption that the stock split was implemented at the beginning of the year ended Mar. 2023.

(2) Consolidated financial position

| | Total assets | Total equity | Equity attributable to owners of the parent company | Ratio of equity attributable to owners of the parent company to total assets |
|--------------------|-----------------|-----------------|-----------------------------------------------------|------------------------------------------------------------------------------|
| As of | Millions of yen | Millions of yen | Millions of yen | % |
| September 30, 2023 | 8,416,234 | 5,305,151 | 5,105,265 | 60.7 |
| March 31, 2023 | 7,408,662 | 4,579,711 | 4,376,928 | 59.1 |

2. Cash dividends

| | Annual dividends per share | | | | |
|---------------------------------------|----------------------------|--------------------|-------------------|-----------------|--------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 31, 2023 | — | 90.00 | — | 95.00 | 185.00 |
| Year ending March 31, 2024 | — | 100.00 | | | |
| Year ending March 31, 2024 (Forecast) | | | — | 27.00 | — |

(Note) Change in cash dividends: Yes

On October 1, 2023, the Company effected a 4-for-1 split of common stock. Due to the stock split, the total dividend for the year ending Mar. 2024 is not disclosed. If the stock split is not considered, the year-end dividend for the year ending Mar. 2024 would be ¥108.00 and the total dividend for the year ending Mar. 2024 would be ¥208.00.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate the change of the same period of the previous year)

| | Revenue | | Operating profit | | Profit before income taxes | | Profit for the year | | Profit attributable to owners of the parent company | | Basic earnings per share |
|-----------|-----------------|-----|------------------|------|----------------------------|------|---------------------|------|-----------------------------------------------------|------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 7,000,000 | 9.4 | 630,000 | 47.9 | 684,000 | 49.7 | 518,000 | 48.9 | 470,000 | 49.4 | 156.91 |

(Note) Change in consolidated earnings forecasts for the fiscal year ending March 31, 2024: Yes

On October 1, 2023, the Company effected a 4-for-1 split of common stock. Basic earnings per share is calculated on the assumption that the stock split was implemented at the beginning of the year ended Mar. 2023.

※ Notes

(1) Significant changes in scope of consolidated subsidiaries: None

In : - (Company Name :) Out : - (Company Name :)

(2) Changes in accounting policies and accounting estimates

1) Changes in accounting policies due to the revision of the accounting standards : None

2) Changes in accounting policies except for those in 1) : None

3) Changes in accounting estimates : None

(3) Number of shares issued (ordinary shares)

1) Number of shares issued at the end of the period (including treasury shares)

2) Number of treasury shares at the end of the period

3) Average number of shares issued during the six months ended September 30

| | | | |
|-----------------------|-------------------------|-----------------------|-------------------------|
| FY2024 2nd quarter | 3,151,779,804 shares | FY2023 | 3,151,779,804 shares |
| FY2024 2nd quarter | 156,406,288 shares | FY2023 | 156,491,724 shares |
| FY2024 2nd quarter | 2,995,338,453 shares | FY2023 2nd quarter | 3,050,335,147 shares |

(Note) On October 1, 2023, the Company effected a 4-for-1 split of common stock. Number of shares issued (ordinary shares) is calculated on the assumption that the stock split was implemented at the beginning of the year ended Mar. 2023.

※ This Financial Results report is not required to be audited by certified public accountants or audit firm.

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023

1. Summary of Management Results

Amid the progression of global warming, aging societies and the increase in traffic accidents are becoming serious social issues, the Group has formulated the DENSO Group Long-term Policy 2030. In addition to strength the value of “green” and “peace of mind,” the Group has been contributing to the creation of a society with smiling faces through the provision of new value that will be inspired by the Group's initiatives. In order to realize the Denso Group 2030 Long-Term Policy and respond to the drastically changing industrial structure and business environment, the Group has formulated the Mid-term Policy for 2025, which outlines the path and goals of what activities we will focus on and what vision we will take over the medium term. Mid-term Policy for 2025 focuses on human resources, and the Group believes that the development of human resources that create “a group of professionals with the ability to turn ideas into reality,” the strong promotion of diversity and inclusion, and the creation of an organization that is strong in change and full of vitality will bring together the strengths of each and every employee and become the driving force behind the realization of the policy. The Group will establish a solid business foundation in safety/quality, risk management, and profitability improvement, and promote the creation of new value through business portfolio reform to achieve both solutions to social issues and business growth.

For the six months ended September 30, 2023, revenue increased by ¥493.4 billion or 16.3%, year over year, to ¥3,513.5 billion due to strong vehicle sales mainly in Japan and North America, depreciation of the yen and sales expansion mainly in focus field such as electrification and safety, in spite of Japanese and Western vehicles in China continue slow sales.

Operating profit increased by ¥56.4 billion or 36.3%, year over year, to ¥211.8 billion due to production volume increase, depreciation of the yen and efforts of cost reduction, despite continue to rise costs of parts mainly in electronic components and accelerate investments such as R&D expenses. Profit before income taxes increased by ¥77.0 or 45.1%, year over year, to ¥247.7 billion. Profit for the period increased by ¥69.1 or 59.3%, year over year to ¥185.6 billion. Profit attributable to owners of the parent company increased by ¥63.1 billion or 59.7% to ¥168.9 billion.

By geographical segment, revenue increased in all regions, year over year, due to strong vehicle sales mainly in Japan and North America in spite of Japanese and Western vehicles in China continue slow sales. Operating profit increased except Japan, where there were soaring costs of parts mainly in electronic components and allowance of quality costs, due to production volume increase and global profitability improvement activities.

Revenue in Japan increased by ¥322.3 billion, or 18.5%, year over year, to ¥2,061.2 billion due to strong vehicle sales. Operating profit decreased by ¥5.8 billion, or 6.4%, year over year, to ¥85.2 billion due to rise costs of parts mainly in electronic components and allowance of quality costs despite improvement of profitability.

Revenue in North America increased by ¥141.6 billion, or 19.8%, year over year, to ¥856.6 billion due to sales expansion mainly in focus field such as electrification and safety. An operating profit of ¥14.2 billion was recorded in contrast to operating loss of ¥13.0 billion in the previous year due to improvement of profitability.

Revenue in Europe increased by ¥50.9 billion, or 15.8%, year over year, to ¥372.8 billion due to strong vehicle sales. Operating profit increased of ¥10.3 billion, or 285.0%, year over year, to ¥13.9 billion due to improvement of profitability.

Revenue in Asia increased by ¥13.1 billion, or 1.4%, year over year, to ¥974.0 billion due to strong vehicle sales except China and depreciation of the yen in spite of slow sales of Japanese and Western vehicles in China. Operating profit increased by ¥20.8 billion, or 30.9%, year over year, to ¥88.2 billion due to improvement of profitability.

Revenue in other regions increased by ¥6.7 billion, or 12.4%, year over year, to ¥60.3 billion. Operating profit increased by ¥0.1 billion, or 0.8%, year over year, to ¥11.5 billion due to improvement of profitability.

2. Summary of Financial Position

Total assets as of September 30, 2023, increased by ¥1,007.6 billion, to ¥8,416.2 billion mainly due to an increase in other financial assets.

The total for current and non-current liabilities increased by ¥282.1 billion, to ¥3,111.1 billion mainly due to an increase in deferred tax liabilities.

Equity increased by ¥725.4 billion, to ¥5,305.2 billion mainly due to an increase in mark-to-market of investment securities.

3. Summary of Financial Forecast

The full-year forecast for the fiscal year ending March 31, 2024, reflecting strong performance for the six months ended September 30, 2023, revision of the annual foreign exchange rate assumptions toward depreciation of the yen and increase in vehicle production in the third quarter, the Group expect revenue is ¥7,000.0 billion, operating profit is ¥630.0 billion.

Profit before income taxes is ¥684.0 billion, profit for the year is ¥518.0 billion, profit attributable to owners of the parent company is ¥470.0 billion.

The exchange rate assumption is 1USD = 141 yen. 1EUR= 152 yen.

The above is included future forecast based on information currently available. Actual results may differ materially from these forecasts due to changes in business operations, exchange rate fluctuations, and other internal and external factors.

Consolidated Statement of Financial Position

(Unit: Millions of yen)

| | As of Mar. 31, 2023 | As of Sep. 30, 2023 |
|---------------------------------------------------|---------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 733,850 | 918,966 |
| Trade and other receivables | 1,263,768 | 1,286,772 |
| Inventories | 1,119,780 | 1,149,363 |
| Other financial assets | 33,716 | 18,820 |
| Other current assets | 126,472 | 121,221 |
| Subtotal | 3,277,586 | 3,495,142 |
| Assets held for sale | – | 25,509 |
| Total current assets | 3,277,586 | 3,520,651 |
| Non-current assets | | |
| Property, plant and equipment | 1,955,240 | 2,026,917 |
| Right-of-use assets | 43,642 | 41,981 |
| Intangible assets | 170,212 | 186,773 |
| Other financial assets | 1,699,202 | 2,366,838 |
| Investments accounted for using the equity method | 110,173 | 117,896 |
| Retirement benefit assets | 78,212 | 77,339 |
| Deferred tax assets | 42,967 | 44,757 |
| Other non-current assets | 31,428 | 33,082 |
| Total non-current assets | 4,131,076 | 4,895,583 |
| Total assets | 7,408,662 | 8,416,234 |

(Unit: Millions of yen)

| | As of Mar. 31, 2023 | As of Sep. 30, 2023 |
|-----------------------------------------------------------|---------------------|---------------------|
| Liabilities and equity | | |
| Current liabilities | | |
| Bonds and borrowings | 303,509 | 350,375 |
| Trade and other payables | 1,219,317 | 1,257,211 |
| Other financial liabilities | 54,641 | 53,805 |
| Income tax payables | 42,630 | 34,858 |
| Provisions | 106,524 | 138,750 |
| Other current liabilities | 70,163 | 103,840 |
| Subtotal | 1,796,784 | 1,938,839 |
| Liabilities directly associated with assets held for sale | – | 10,375 |
| Total current liabilities | 1,796,784 | 1,949,214 |
| Non-current liabilities | | |
| Bonds and borrowings | 585,765 | 537,290 |
| Other financial liabilities | 30,929 | 26,934 |
| Retirement benefit liabilities | 249,266 | 249,217 |
| Provisions | 1,643 | 1,645 |
| Deferred tax liabilities | 151,507 | 335,786 |
| Other non-current liabilities | 13,057 | 10,997 |
| Total non-current liabilities | 1,032,167 | 1,161,869 |
| Total liabilities | 2,828,951 | 3,111,083 |
| Equity | | |
| Capital stock | 187,457 | 187,457 |
| Capital surplus | 273,664 | 273,711 |
| Treasury stock | (252,270) | (252,136) |
| Other components of equity | 955,829 | 1,587,359 |
| Retained earnings | 3,212,248 | 3,308,874 |
| Equity attributable to owners of the parent company | 4,376,928 | 5,105,265 |
| Non-controlling interests | 202,783 | 199,886 |
| Total equity | 4,579,711 | 5,305,151 |
| Total liabilities and equity | 7,408,662 | 8,416,234 |

Consolidated Statement of Income

(Unit: Millions of yen)

| | Six months ended Sep. 30, 2022 | Six months ended Sep. 30, 2023 |
|------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Revenue | 3,020,114 | 3,513,498 |
| Cost of revenue | (2,626,450) | (3,011,459) |
| Gross profit | 393,664 | 502,039 |
| Selling, general and administrative expenses | (240,644) | (290,033) |
| Other income | 18,612 | 12,471 |
| Other expenses | (16,219) | (12,657) |
| Operating profit | 155,413 | 211,820 |
| Finance income | 25,646 | 37,202 |
| Finance costs | (5,043) | (11,550) |
| Foreign exchange (losses) gains | (4,410) | 31 |
| Share of the (loss) profit of associates and joint ventures accounted for using the equity method | (962) | 10,160 |
| Profit before income taxes | 170,644 | 247,663 |
| Income tax expenses | (54,137) | (62,062) |
| Profit for the period | 116,507 | 185,601 |
| Attributable to: | | |
| Owners of the parent company | 105,798 | 168,923 |
| Non-controlling interests | 10,709 | 16,678 |

(Unit: Yen)

| | | |
|--------------------|-------|-------|
| Earnings per share | | |
| Basic | 34.68 | 56.40 |
| Diluted | — | — |

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

| | Six months ended Sep. 30, 2022 | Six months ended Sep. 30, 2023 |
|-------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Profit for the period | 116,507 | 185,601 |
| Other comprehensive (loss) income | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| Net fair value (loss) gain on equity instruments designated as FVTOCI | (202,564) | 449,790 |
| Remeasurements of defined benefit pension plans | (135) | 40 |
| Share of other comprehensive (loss) income of investments accounted for using the equity method | (7) | 36 |
| Total | (202,706) | 449,866 |
| Items that may be reclassified subsequently to profit or loss | | |
| Exchange differences on translating foreign operations | 205,546 | 184,089 |
| Cash flow hedges | (3,263) | (1,006) |
| Share of other comprehensive income of investments accounted for using the equity method | 8,180 | 6,251 |
| Total | 210,463 | 189,334 |
| Total other comprehensive income | 7,757 | 639,200 |
| Comprehensive income for the period | 124,264 | 824,801 |
| Attributable to: | | |
| Owners of the parent company | 104,807 | 799,295 |
| Non-controlling interests | 19,457 | 25,506 |

Consolidated Statement of Changes in Equity

(Unit: Millions of yen)

| | Equity attributable to owners of the parent company | | | | |
|-----------------------------------------------------------------------------|-----------------------------------------------------|-----------------|----------------|----------------------------------------------------------------|-------------------------------------------------|
| | Capital stock | Capital surplus | Treasury stock | Other components of equity | |
| | | | | Net fair value gain on equity instruments designated as FVTOCI | Remeasurements of defined benefit pension plans |
| As of April 1, 2022 | 187,457 | 273,803 | (152,346) | 788,476 | — |
| Profit for the period | — | — | — | — | — |
| Other comprehensive (loss) income | — | — | — | (202,272) | (139) |
| Comprehensive (loss) income for the period | — | — | — | (202,272) | (139) |
| Acquisition of treasury stock | — | — | (59,961) | — | — |
| Disposal of treasury stock | — | 19 | 87 | — | — |
| Dividends | — | — | — | — | — |
| Changes in the ownership interest in subsidiaries without a loss of control | — | — | — | — | — |
| Transfer to retained earnings | — | — | — | (11,339) | 139 |
| Other | — | — | — | — | — |
| Total transactions with the owners | — | 19 | (59,874) | (11,339) | 139 |
| As of September 30, 2022 | 187,457 | 273,822 | (212,220) | 574,865 | — |
| As of April 1, 2023 | 187,457 | 273,664 | (252,270) | 660,038 | — |
| Profit for the period | — | — | — | — | — |
| Other comprehensive income (loss) | — | — | — | 449,122 | 42 |
| Comprehensive income (loss) for the period | — | — | — | 449,122 | 42 |
| Acquisition of treasury stock | — | — | (19) | — | — |
| Disposal of treasury stock | — | 43 | 153 | — | — |
| Dividends | — | — | — | — | — |
| Changes in the ownership interest in subsidiaries without a loss of control | — | 4 | — | — | — |
| Transfer to retained earnings | — | — | — | 1,200 | (42) |
| Other | — | — | — | — | — |
| Total transactions with the owners | — | 47 | 134 | 1,200 | (42) |
| As of September 30, 2023 | 187,457 | 273,711 | (252,136) | 1,110,360 | — |

(Unit: Millions of yen)

| | Equity attributable to owners of the parent company | | | | | Non-controlling interests | Total equity |
|-----------------------------------------------------------------------------|--------------------------------------------------------|------------------|----------|-------------------|-----------|---------------------------|--------------|
| | Other components of equity | | | Retained earnings | Total | | |
| | Exchange differences on translating foreign operations | Cash flow hedges | Total | | | | |
| As of April 1, 2022 | 187,086 | (2,779) | 972,783 | 3,017,660 | 4,299,357 | 190,169 | 4,489,526 |
| Profit for the period | – | – | – | 105,798 | 105,798 | 10,709 | 116,507 |
| Other comprehensive (loss) income | 204,683 | (3,263) | (991) | – | (991) | 8,748 | 7,757 |
| Comprehensive (loss) income for the period | 204,683 | (3,263) | (991) | 105,798 | 104,807 | 19,457 | 124,264 |
| Acquisition of treasury stock | – | – | – | – | (59,961) | – | (59,961) |
| Disposal of treasury stock | – | – | – | – | 106 | – | 106 |
| Dividends | – | – | – | (64,886) | (64,886) | (20,873) | (85,759) |
| Changes in the ownership interest in subsidiaries without a loss of control | – | – | – | – | – | – | – |
| Transfer to retained earnings | – | – | (11,200) | 11,200 | – | – | – |
| Other | – | – | – | 1,271 | 1,271 | (886) | 385 |
| Total transactions with the owners | – | – | (11,200) | (52,415) | (123,470) | (21,759) | (145,229) |
| As of September 30, 2022 | 391,769 | (6,042) | 960,592 | 3,071,043 | 4,280,694 | 187,867 | 4,468,561 |

| | | | | | | | |
|-----------------------------------------------------------------------------|---------|---------|-----------|-----------|-----------|----------|-----------|
| As of April 1, 2023 | 300,274 | (4,483) | 955,829 | 3,212,248 | 4,376,928 | 202,783 | 4,579,711 |
| Profit for the period | – | – | – | 168,923 | 168,923 | 16,678 | 185,601 |
| Other comprehensive income (loss) | 182,214 | (1,006) | 630,372 | – | 630,372 | 8,828 | 639,200 |
| Comprehensive income (loss) for the period | 182,214 | (1,006) | 630,372 | 168,923 | 799,295 | 25,506 | 824,801 |
| Acquisition of treasury stock | – | – | – | – | (19) | – | (19) |
| Disposal of treasury stock | – | – | – | – | 196 | – | 196 |
| Dividends | – | – | – | (71,141) | (71,141) | (28,426) | (99,567) |
| Changes in the ownership interest in subsidiaries without a loss of control | – | – | – | – | 4 | (5) | (1) |
| Transfer to retained earnings | – | – | 1,158 | (1,158) | – | – | – |
| Other | – | – | – | 2 | 2 | 28 | 30 |
| Total transactions with the owners | – | – | 1,158 | (72,297) | (70,958) | (28,403) | (99,361) |
| As of September 30, 2023 | 482,488 | (5,489) | 1,587,359 | 3,308,874 | 5,105,265 | 199,886 | 5,305,151 |

Consolidated Statement of Cash Flows

(Unit: Millions of yen)

| | Six months ended Sep. 30, 2022 | Six months ended Sep. 30, 2023 |
|---------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 170,644 | 247,663 |
| Depreciation | 181,893 | 186,990 |
| Decrease in retirement benefit liabilities | (1,134) | (2,159) |
| Decrease in retirement benefit assets | 2,024 | 1,041 |
| Interest and dividend income | (24,621) | (36,888) |
| Interest expenses | 4,174 | 7,098 |
| Foreign exchange gains | (10,919) | (9,742) |
| Share of the loss (profit) of associates and joint ventures accounted for using the equity method | 962 | (10,160) |
| (Gains) losses on sales or disposal of property, plant and equipment | (847) | 3,484 |
| Decrease in trade receivables | 47,176 | 71,842 |
| (Increase) decrease in inventories | (34,766) | 26,749 |
| Decrease in trade payables | (63,721) | (30,842) |
| (Decrease) increase in provisions | (28,735) | 30,443 |
| Other | 32,153 | 71,006 |
| Subtotal | 274,283 | 556,525 |
| Interest received | 5,731 | 13,529 |
| Dividends received | 24,124 | 23,254 |
| Interest paid | (3,923) | (7,480) |
| Income taxes paid | (59,846) | (84,741) |
| Net cash provided by operating activities | 240,369 | 501,087 |
| Cash flows from investing activities | | |
| Decrease in time deposits | 5,049 | 23,213 |
| Purchases of property, plant and equipment | (184,210) | (194,410) |
| Proceeds from sales of property, plant and equipment | 11,571 | 6,937 |
| Purchases of intangible assets | (22,266) | (23,977) |
| Purchases of equity instruments | (16,999) | (21,035) |
| Purchases of debt instruments | (130) | (133) |
| Proceeds from sales of equity instruments | 18,570 | 746 |
| Proceeds from sales and redemption of debt instruments | 126 | 247 |
| Payments for acquisition of subsidiaries and other businesses | – | (11,110) |
| Proceeds from sales of subsidiaries or other businesses | 17,980 | 9,451 |
| Other | 601 | (894) |
| Net cash used in investing activities | (169,708) | (210,965) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 32,880 | (52,703) |
| Proceeds from borrowings | 39,098 | 84,141 |
| Repayments of long-term borrowings | (51,118) | (54,156) |
| Repayments of lease liabilities | (14,151) | (20,046) |
| Redemption of bonds | (40,000) | – |
| Dividends paid | (64,886) | (71,141) |
| Dividends paid to non-controlling interests | (20,873) | (28,426) |
| Purchase of treasury stock | (59,961) | (19) |
| Other | 6,101 | (2,445) |
| Net cash used in financing activities | (172,910) | (144,795) |
| Foreign currency translation adjustments on cash and cash equivalents | 54,214 | 45,974 |
| Net (decrease) increase in cash and cash equivalents | (48,035) | 191,301 |
| Cash and cash equivalents at beginning of period | 867,808 | 733,850 |
| Cash and cash equivalents included in assets held for sales | – | (6,185) |
| Cash and cash equivalents at end of period | 819,773 | 918,966 |

Notes to Consolidated Financial Statements

Assumption for Going Concern

There are no applicable items.

Segment information

(1) Outline of reportable segments

In the six-month period ended September 30, 2023, there were no material changes to the method used to identify the reportable segments, the businesses activities carried out by each reportable segment, or the measurement standards used to determine segment profits.

(2) Revenue, profit/loss for each reportable segment

For the Six months ended September 30, 2022

(Unit: Millions of yen)

| | Reportable segment | | | | | Others (Note) | Eliminations | Consolidated | |
|------------------------------------------------------------------------------------------|--------------------|------------------|---------|---------|-----------|------------------|--------------|--------------|---------|
| | Japan | North America | Europe | Asia | Total | | | | |
| Revenue | | | | | | | | | |
| Customers | 1,126,684 | 707,704 | 292,644 | 840,152 | 2,967,184 | 52,930 | – | 3,020,114 | |
| Intersegment | 612,259 | 7,272 | 29,281 | 120,770 | 769,582 | 692 | (770,274) | – | |
| Total | 1,738,943 | 714,976 | 321,925 | 960,922 | 3,736,766 | 53,622 | (770,274) | 3,020,114 | |
| Segment profit or losses | 91,031 | (12,980) | 3,605 | 67,357 | 149,013 | 11,403 | (5,003) | 155,413 | |
| Finance income | | | | | | | | | 25,646 |
| Finance costs | | | | | | | | | (5,043) |
| Foreign exchange losses | | | | | | | | | (4,410) |
| Share of the loss of associates and joint ventures accounted for using the equity method | | | | | | | | | (962) |
| Profit before income taxes | | | | | | | | | 170,644 |

(Note) "Others" is an operating segment that is not included in the reportable segments, such as business activities of subsidiaries in South America.

For the Six months ended September 30, 2023

(Unit: Millions of yen)

| | Reportable segment | | | | | Others (Note) | Eliminations | Consolidated | |
|--------------------------------------------------------------------------------------------|--------------------|------------------|---------|---------|-----------|------------------|--------------|--------------|----------|
| | Japan | North America | Europe | Asia | Total | | | | |
| Revenue | | | | | | | | | |
| Customers | 1,439,068 | 847,078 | 337,376 | 830,622 | 3,454,144 | 59,354 | – | 3,513,498 | |
| Intersegment | 622,129 | 9,513 | 35,428 | 143,404 | 810,474 | 925 | (811,399) | – | |
| Total | 2,061,197 | 856,591 | 372,804 | 974,026 | 4,264,618 | 60,279 | (811,399) | 3,513,498 | |
| Segment profit | 85,188 | 14,180 | 13,879 | 88,200 | 201,447 | 11,499 | (1,126) | 211,820 | |
| Finance income | | | | | | | | | 37,202 |
| Finance costs | | | | | | | | | (11,550) |
| Foreign exchange gains | | | | | | | | | 31 |
| Share of the profit of associates and joint ventures accounted for using the equity method | | | | | | | | | 10,160 |
| Profit before income taxes | | | | | | | | | 247,663 |

(Note) "Others" is an operating segment that is not included in the reportable segments, such as business activities of subsidiaries in South America.

Subsequent events

Stock split and partial amendment of Articles of Incorporation

At the meeting of the Board of Directors held on July 28, 2023, Denso corporation (hereinafter referred to as the "Company") resolved to implement a stock split and partial amendment of Articles of Incorporation.

(1) Purpose of the stock split

The purpose is to create an environment that makes it easier to invest in DENSO stocks and to grow the number of company investors by reducing the amount per investment unit.

(2) Overview of the stock split

1) Method of the stock split

As of Saturday, September 30, 2023, the shares of common stock owned by shareholders on that date were split into 4 shares per share.

2) The number of shares to be increase by the stock split

Total number of issued shares before the stock split : 787,944,951 shares

Increase in number of shares due to the stock split : 2,363,834,853 shares

Total number of issued shares after the stock split : 3,151,779.804 shares

Total number of issuable shares after the stock split : 6,000,000,000 shares

3) Schedule for the stock split

Public notice of record date : Thursday, September 14, 2023

Record date : Saturday, September 30, 2023

Effective date : Sunday, October 1, 2023

(3) Partial amendment to the Articles of Incorporation due to the stock split

Due to the stock split described above, the Company partially amend its Articles of Incorporation, to increase the total number of shares which the Company is authorized to issue from 1,500,000,000 to 6,000,000,000, effective as of Sunday, October 1, 2023, pursuant to Article 184, Paragraph 2 of the Companies Act.

(4) Impact on per share information

Per share information assuming that the stock split was performed at the beginning of the six months ended September 30, 2022 is as follows.

| | Six months ended September 30, 2022 | Six months ended September 30, 2023 |
|----------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Basic earnings per share (Yen) | 34.68 | 56.40 |
| Diluted earnings per share (Yen) | — | — |
| Equity per share: attributable to owners of the parent company (Yen) | 1,418.73 | 1,704.38 |

(Note) Earnings per share-diluted is not presented as there are no shares with dilutive effect.