



# FY2024 Financial Results (2023/4-2024/3)

April 26<sup>th</sup>, 2024  
DENSO CORPORATION



## Overview of FY2024 Financial Results

1. Revenue increased compared to the previous year due to strong vehicle sales mainly in Japan and North America, foreign exchange gains and the expansion of products for electrification, safety and Peace of Mind areas.  
Operating profit decreased compared to the previous year due to the provision for quality, but there were production volumes, foreign exchange gains and improvement efforts.
2. In the next fiscal year, we forecast 7,350.0 billion yen in revenue and 714.0 billion yen in operating profit. Our forecast of revenue and operating profit will be based on the expansion of products for electrification, safety and Peace of Mind areas and improvement efforts and agile business enhancements, though, the external environment is uncertain, such as the reduction of products and sales in Japan and China and Asia and so on.
3. The annual dividend for the concluded fiscal year is 55 yen, a 3 yen increase from the previous announcement, and the forecast for the next fiscal year is 64 yen, a 9 yen increase from the previous year. We will continue to improve DOE levels over the long term and in a stable manner.

We would like to explain our year-end financial results for the 2024 fiscal year, ending March 31, 2024.

There are three points.

The first point is the results of the current fiscal year.

Revenue increased compared to the previous year due to the strong vehicle sales mainly in Japan and North America,

Foreign exchange gains and expansion of products for electrification, Safety and peace of mind areas.

Operating profit decreased compared to the previous year due to the provision for quality, though production volumes, foreign exchange gains and improvement efforts.

The second point is the plan of the next fiscal year.

We forecast 7,350.0 billion yen in revenue and 714.0 billion yen in operating profit. Our forecast of revenue and operating profit will be based on the expansion of products for electrification, safety and Peace of Mind areas and improvement efforts and agile business enhancements, though, the external environment is uncertain, such as the reduction of products and sales in Japan and China and Asia and so on.

The third point is the annual dividend.

The annual dividend for the concluded fiscal year is 55 yen, a 3 yen increase from the previous announcement, and the forecast for the next fiscal year is 64 yen, a 9 yen increase from the previous year. We will continue to improve DOE levels over the long term and in a stable manner.

# FY2024 Consolidated Financial Results (2023/4-2024/3)

【Unit : Billions of Yen, %】  
(Ratio to Revenue)

	2022/4-2023/3		2023/4-2024/3		Change	
Revenue		6,401.3		7,144.7	+743.4	+11.6%
Operating Profit	(6.7%)	426.1	(5.3%)	380.6	-45.5	-10.7%
Profit before Income Taxes	(7.1%)	456.9	(6.1%)	436.2	-20.6	-4.5%
Profit (*)	(4.9%)	314.6	(4.4%)	312.8	-1.8	-0.6%
Return on Equity		7.3%		6.3%	-	-1.0%

Precondition	Foreign Exchange Rate	JPY 135.5/USD	JPY 144.6/USD	+9.1 JPY	-
		JPY 141.0/EUR	JPY 156.8/EUR	+15.8 JPY	-
		JPY 19.7/CNY	JPY 20.1/CNY	+0.4 JPY	-
	Domestic Vehicle Production	7.92Mil	8.53Mil	+0.61Mil	+7.7%
	Overseas Vehicle Production of Japanese Manufacturers	16.96Mil	17.87Mil	+0.91Mil	+5.4%

(\*)Profit attributable to owners of the parent company

Next is overview of consolidated financial results for the 2024 fiscal year.

Consolidated revenue totaled 7,144.7 billion yen, increased by 743.4 billion yen (+11.6%) from the previous year.

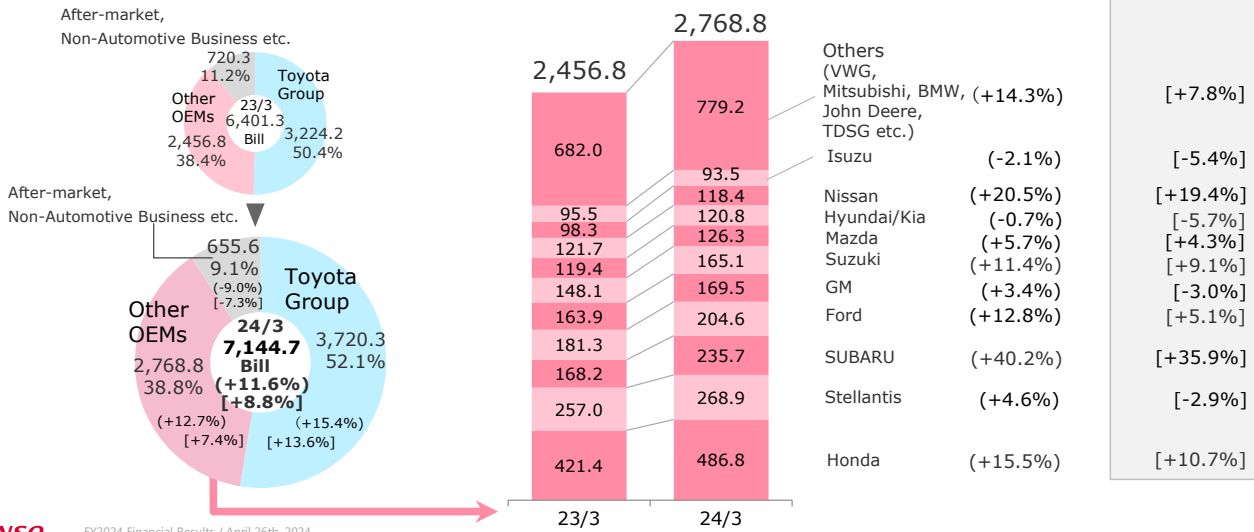
Consolidated operating profit totaled 380.6 billion yen, decreased by -45.5 billion yen (-10.7%) from the previous year.

# FY2024 Consolidated Revenue (By Customer)

(Unit: Billions of Yen)  
 (vs 23/3 (12 months basis)  
 INCR/DECR)  
 [vs 23/3 (12 months basis)  
 INCR/DECR excluding FX diff.]

**Revenue 6,401.3 ⇒ 7,144.7 (+11.6%)**  
 ·Toyota group 3,224.2 ⇒ 3,720.3 (+15.4%)  
 ·Other OEM s 2,456.8 ⇒ 2,768.8 (+12.7%)

**[+8.8%]**  
**[+13.6%]**  
**[+7.4%]**



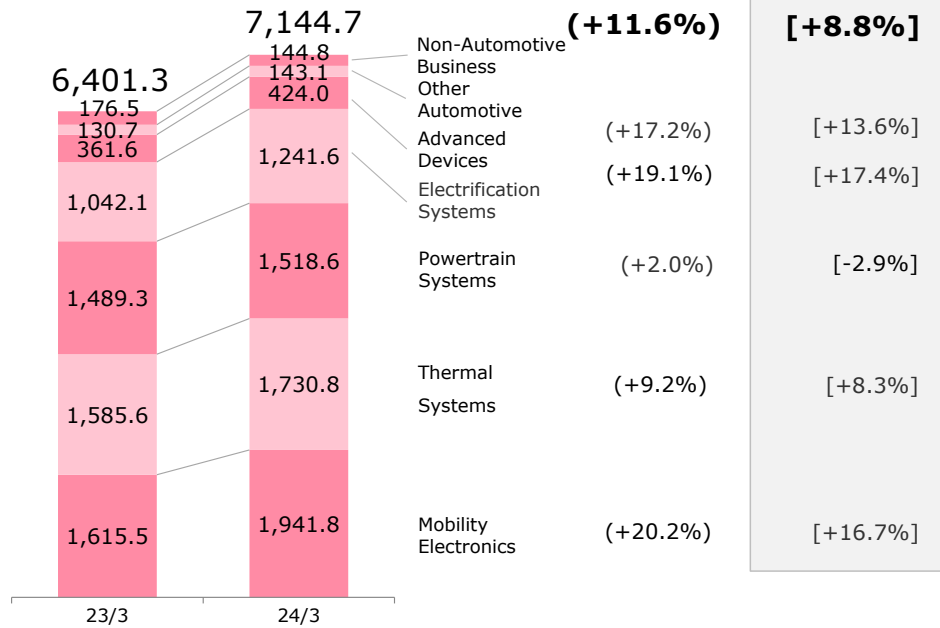
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Next is consolidated revenue by customer in the 2024 fiscal year. This explanation is based on local currency, excluding the impact of FX rates.

Revenue by customer increased 8.8% from the previous year as a result of the easing of semiconductor shortages and the vehicle production increase. Especially, the recovery of vehicle production in Japan and North America has been strong, and Japanese customers lead the recovery.

# FY2024 Consolidated Revenue (By Product)

(Unit: Billions of Yen)  
 (vs 23/3 (12 months basis)  
 INCR/DECR)  
 [vs 23/3 (12 months basis)  
 INCR/DECR excluding FX diff.]



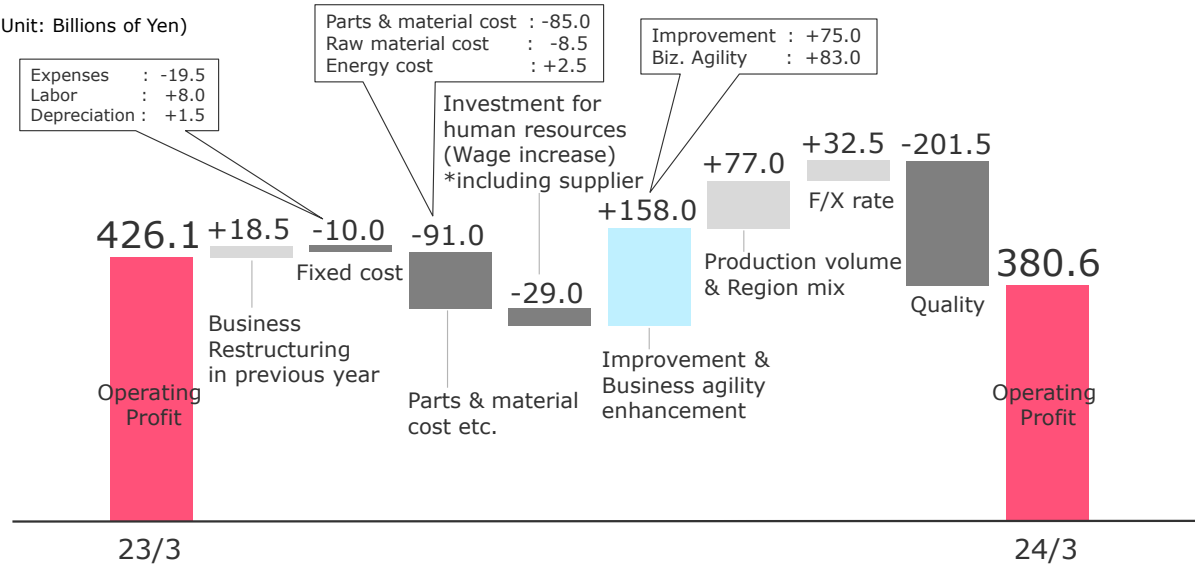
Revenue by product increased from the previous year as a result of the expansion of products for electrification, safe and peace of mind areas in the 2024 fiscal year.

For example, revenue of inverters and motor generators increased in Electrification Systems business.

Revenue of increase advanced safety systems such as GSP3 and HMI-ECU increased in Mobility Electronics business.

# Change in FY2024 Operating Profit

(Unit: Billions of Yen)



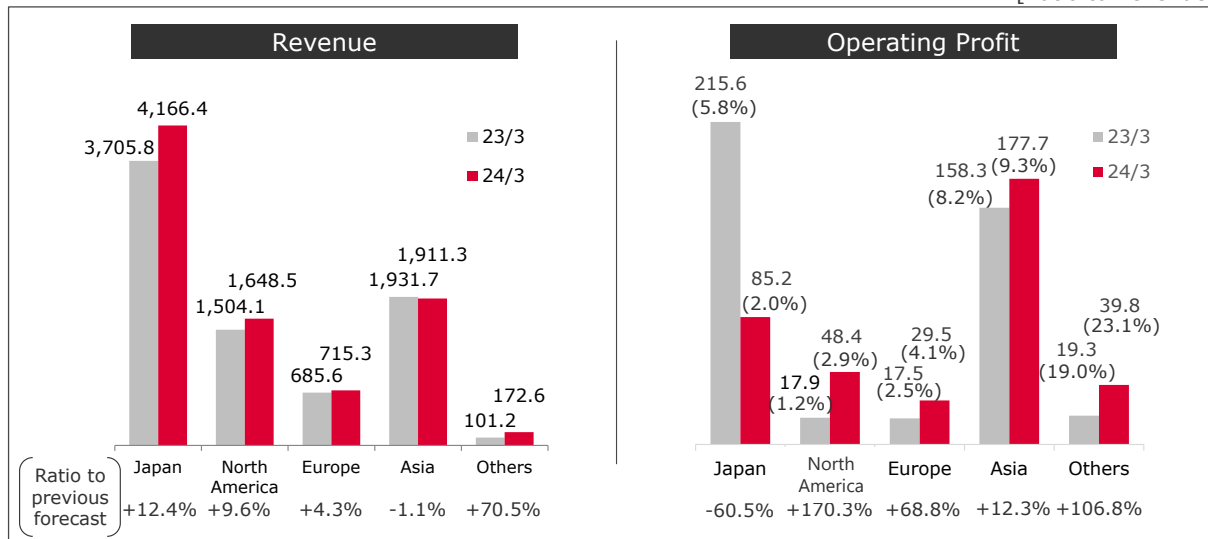
Next is change of increases or decreases in operating profit.

The efforts to improvement & business agility enhancement covered rising in the cost of materials, especially electronic components and Investment for human resources. In addition, there are effects of production volume by recovery of vehicle production.

But operating profit decreased from the previous year due to the provision for quality.

# FY2024 Geographical Segments by Company Location

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



\*Local currency basis excludes FX difference (135.5JPY/1USD, 141.0JPY/1EUR, 19.7JPY/1CNY)

Next is revenue and operating profit by each region.

This explanation is based on local currency, excluding the impact of FX rates, for regions other than Japan.

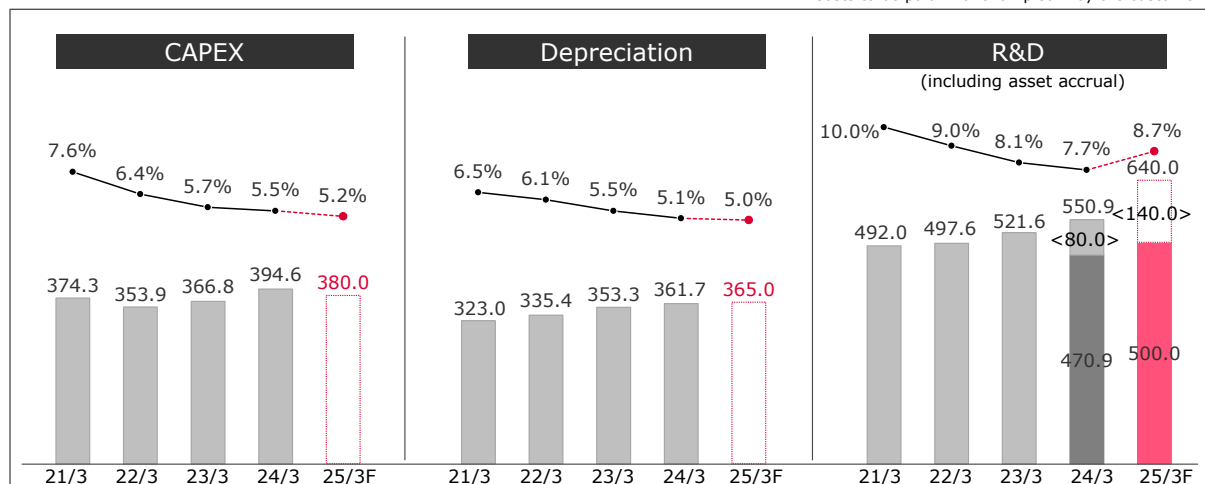
Revenue increased in each region exclude Asia from the previous year as a result of the easing of semiconductor shortages and expanded sales. On the other hand, revenue decreased in Asia because vehicle sales in China decreased.

Operating profit increased in each region exclude Japan from the previous year by efforts to production volume and improvement of profitability. On the other hand, operating profit decreased in Japan from the previous year due to the provision for quality.

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

● Ratio to Revenue [Unit : Billions of Yen]

< Costs to be paid in one lump sum by the customer >



Next is capital expenditures, depreciation and R&D expenditures.

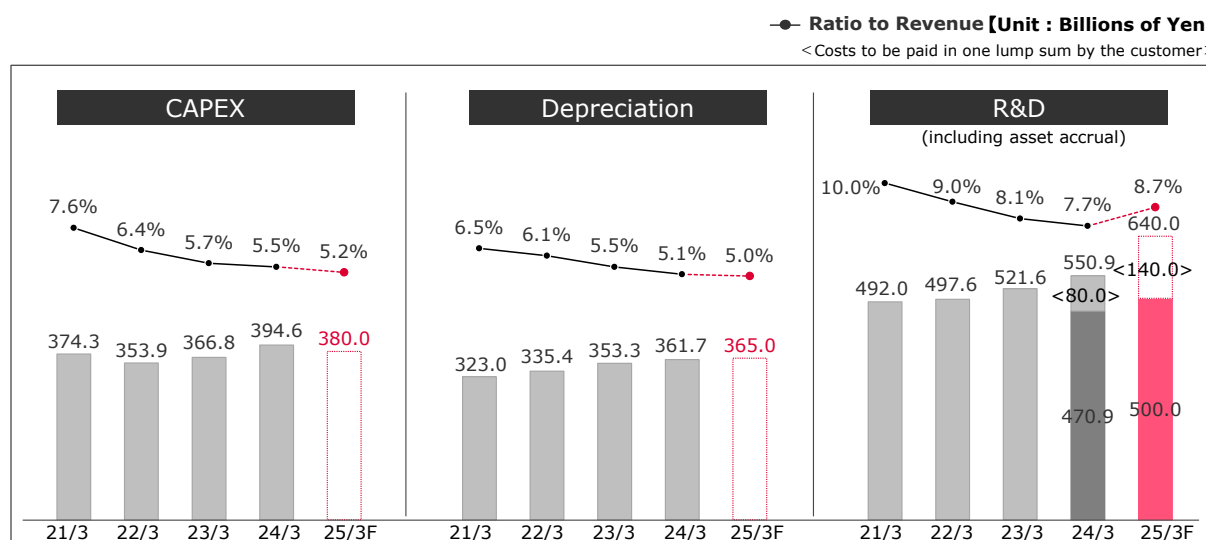
The actual results for capital expenditures increased to 394.6 billion yen, up 27.8 billion yen from the previous year as a result of starting mass production of electrification products in Hungary and China.

In the next fiscal year, we forecast 380 billion yen.

While ensuring disciplined investment, capital expenditures accelerate necessary investment in focus areas such as electrification and advanced safety.



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



The actual results for R&D Expenditures increased to 550.9 billion yen, up 29.3 billion yen from the previous year.

In the next fiscal year, we forecast 640.0 billion yen based on ratio of R&D expenditures to revenue within 9%.

This is a significant increase from the previous year due to the strengthened system centered on large-scale software development. But this costs, 140.0 billion yen, an increase of 60 billion yen from the previous year, will be paid in one lump sum by customers.

We believe that this is a change in our business model.

Not only the payment process of R&D expenditures is speeded up, but also we believe the intangible value created by our technological capabilities has been recognized by customers.

We will continue to strengthen R & D because it is a source of competitiveness and promote activities that encourage customers to recognize its value.

# FY2025 Financial Forecast

【Unit : Billions of Yen, %】  
(Ratio to Revenue)

	2024/3 Actual		2025/3 Forecast		Change	
Revenue		7,144.7		7,350.0	+205.3	+2.9%
Operating Profit	(5.3%)	380.6	(9.7%)	714.0	+333.4	+87.6%
Profit before Income Taxes	(6.1%)	436.2	(10.5%)	772.0	+335.8	+77.0%
Profit (*)	(4.4%)	312.8	(7.2%)	526.0	+213.2	+68.2%
Return on Equity		6.3%		9.2%	-	+2.9%

Precondition	Foreign Exchange Rate	JPY	144.6/USD	JPY	145.0/USD	+0.4 JPY	-
		JPY	156.8/EUR	JPY	155.0/EUR	-1.8 JPY	-
		JPY	20.1/CNY	JPY	20.0/CNY	-0.1 JPY	-
	Domestic Vehicle Production		8.53Mil		8.84Mil	+0.31Mil	+3.7%
	Overseas Vehicle Production of Japanese Manufacturers		17.87Mil		17.96Mil	+0.09Mil	+0.5%

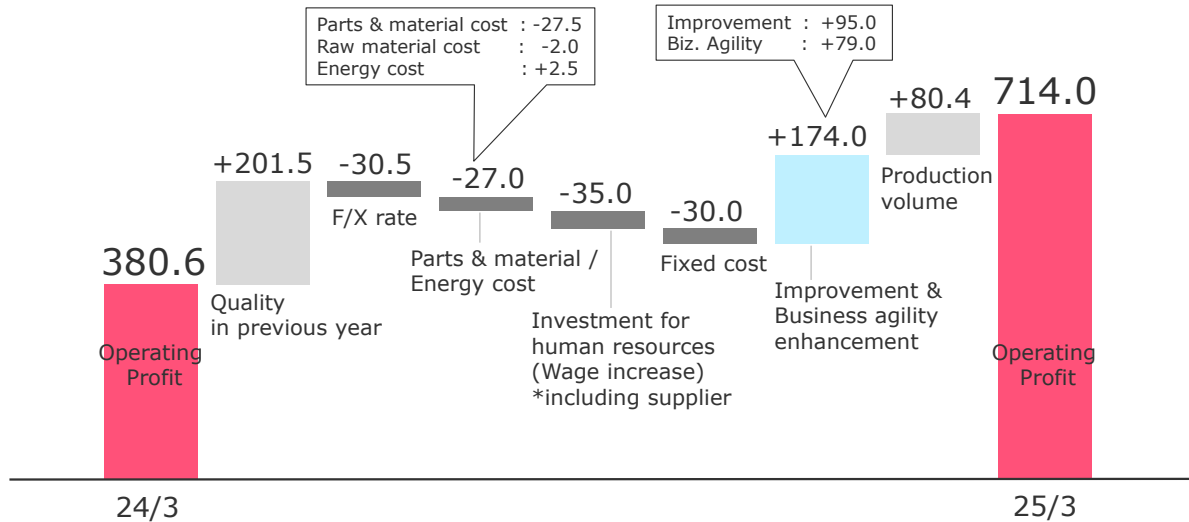
(\*)Profit attributable to owners of the parent company

Next is financial plan for the 2025 fiscal year.

As we explained at the beginning, we expect revenue of 7,350.0 billion yen and Operating profit of 714.0 billion yen.

# Change in FY2025 Forecast Operating Profit

(Unit: Billions of Yen)



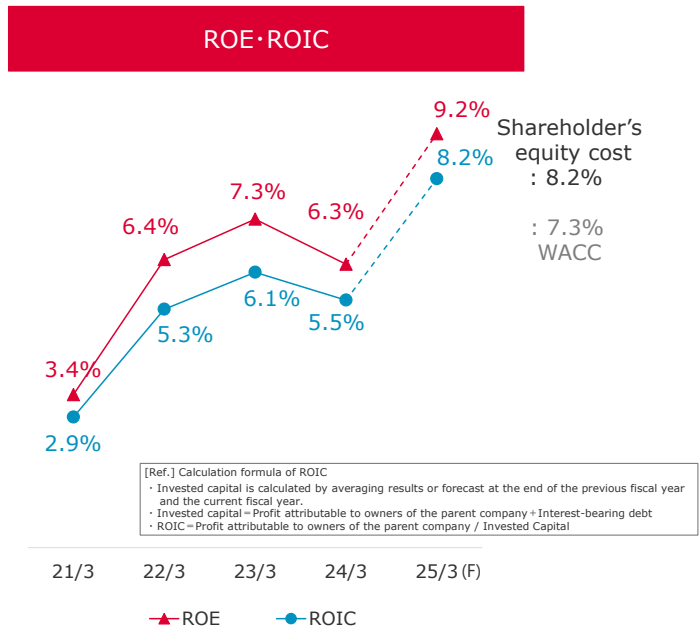
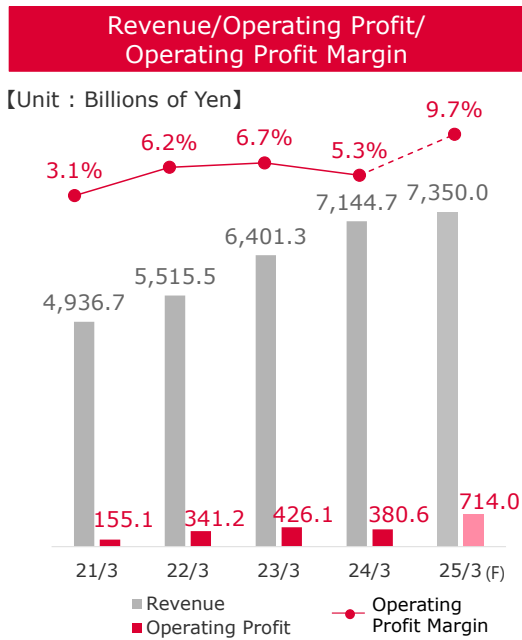
Next is change of increases or decreases in operating profit from the 2024 fiscal year to the 2025 fiscal year.

We would like to explain point only.

We will continue to the effects of rising material costs, and investment for human resources including reflecting the effects of wage increases including those of suppliers.

However, we expect operating profit 714.0 billion yen to increase 333.4 billion yen through Improvement & Business agility enhancement.

# Major Financial Indicator



Next is major financial indicator.

ROE was 6.3% and ROIC was 5.5%.

In the next fiscal year, ROE will be 9.2% and ROIC will be 8.2%. We will steadily improve our earnings structure in order to achieve our 2025 medium-term target of ROE exceeding 10%.

We would continue to promote the replacement of business portfolio taking into account the cost of shareholder's equity, based on the three criteria of philosophy, growth potential, and ROIC.

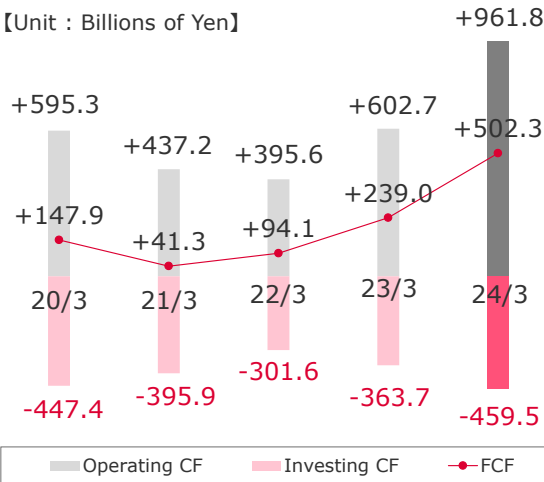
# Cash Flow

## Points

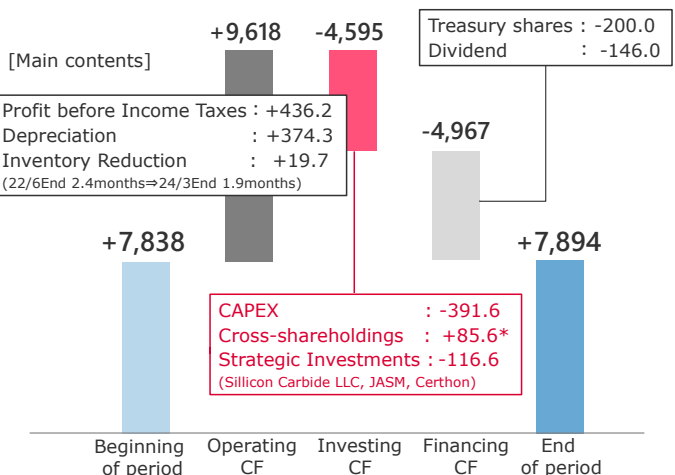
- Increase in cash from the offering of 11 cross-shareholdings (including partial offering) (+85.6 billion yen\*)
- In addition to capital expenditures(-391.6 billion yen) to expand growth areas, strategic investments(-116.6Billion yen) were made

### Trends of Consolidated Cash Flows

[Unit : Billions of Yen]



### Details of Cash Flows for FY2024



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\*The partial offering of shares of Toyota Industries Corporation in March 2024 (offering price of 40.2 billion yen) is not included because the payment will be made in April 2024.

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Next is cash flow.

In addition to capital expenditures of 391.6 billion yen, we implemented strategic investments of 116.6 billion yen to invest cash gained from operating activities into growth areas.

In addition, in order to eliminate temporary inventories that had been increasing globally due to fluctuations the volume caused by external factors, we revised our inventory standards and promoted activities to strengthen our structure.

As a result, we were able to reduce our inventory from a monthly volume of 2.4 months in June 2022 to a monthly volume of 1.9 months.

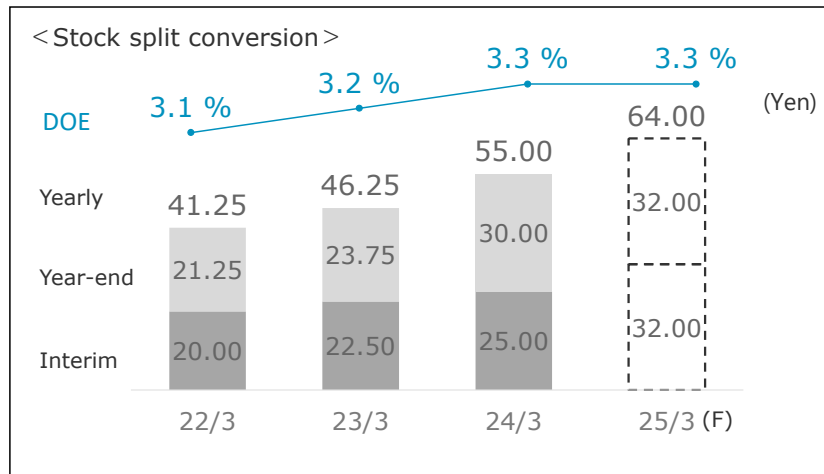
Others, our cross-shareholdings decreased to 14 shares at the end of March 2024 as a result of the reduction 11 shares (a sale price of 125.8 billion yen), including the sale of all 8 shares and partial sale of 3 shares, the largest reduction ever. Cash flow for the current fiscal year increases by 85.6 billion yen because the partial offering of shares of TOYOTA INDUSTRIES CORPORATION in March 2024 is not included due to payment in April 2024.

We will continue to enhance our corporate value by promoting further reductions through careful dialogue with investee companies, and by using the cash for growth investments.

## Year-end Dividend

24/3 : 55 yen (+3 yen from the previous announcement)

25/3 : 64 yen (interim 32 yen and year-end 32 yen)



Final is the annual dividend.

The annual dividend for the concluded fiscal year is 55 yen, a 3 yen increase from the previous announcement, and the forecast for the next fiscal year is 64 yen(DOE:3.3%), a 9 yen increase from the previous year. We will continue to improve DOE levels over the long term and in a stable manner.

Thank you very much.

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