



FY2025 1st Quarter Financial Results (2024/4-2024/6)

July 31st, 2024

DENSO CORPORATION



Overview of FY2025 1st Quarter Financial Results

1. Revenue increased compared to the previous year due in part to slowing depreciation of the yen, though suspensions of operations by Japanese customers and lower vehicle production volumes due to poor vehicle sales in Asia. Operating profit increased compared to the previous year due to foreign exchange gains and improvement efforts though lower production volumes.

2. In the first quarter, both sales revenue and operating profit decreased compared to the previous forecast. And from the second quarter onward, due to uncertainties in the external environment, the plan of the previous forecast will remain unchanged. Based on the above, our forecast of revenue and operating profit reflects only the downside of the first quarter and revise downward to 7,330.0 billion yen and 692.0 billion yen.

We would like to explain our financial results for the first quarter ending June 30, 2024, for the 2025 fiscal year, ending March 31, 2025.

There are two points.

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

Revenue increased compared to the previous year due in part to slowing depreciation of the yen, though suspensions of operations by Japanese customers and lower vehicle production volumes due to poor vehicle sales in Asia.

Operating profit increased compared to the previous year due to foreign exchange gains and improvement efforts though lower production volumes.

The second point is the annual forecast.

In this fiscal year, we forecast 7,330.0 billion yen (US\$45.5 billion) in revenue and 692.0 billion yen (US\$4.3 billion) in operating profit. In the first quarter, due to the idling of Japanese customers and lower vehicle production volumes in Asia, both revenue and operating profit decreased compared to the announced forecast at the beginning of the year. And from the second quarter onward, the impact of suspended operations by customers in Japan is expected to be reduced, but poor vehicle sales, especially in Asia, are expected to continue. On the other hand, the yen is also expected to continue to depreciate. As we navigate these uncertainties, we commit to execute our plan from the second quarter onward announced at the beginning of the year. Based on the above, our forecast of revenue and operating profit reflects only the downside of the first quarter and revise full-year financial forecast downward.”

FY2025 1st Quarter Consolidated Financial Results (2024/4-2024/6)

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

	2023/4-2023/6		2024/4-2024/6		Change	
Revenue		1,712.9		1,753.8	+41.0	+2.4%
Operating Profit	(5.5%)	94.4	(6.9%)	120.6	+26.2	+27.7%
Profit before Income Taxes	(7.5%)	129.3	(7.9%)	137.7	+8.4	+6.5%
Profit (*)	(5.0%)	85.5	(5.4%)	94.5	+9.0	+10.5%

Precondition	Foreign Exchange Rate	JPY 137.4/USD	JPY 155.9/USD	+18.5 JPY	-
		JPY 149.5/EUR	JPY 167.9/EUR	+18.4 JPY	-
		JPY 19.6/CNY	JPY 21.5/CNY	+1.9 JPY	-
	Domestic Vehicle Production	2.06Mil	1.95Mil	-0.11Mil	-5.3%
	Overseas Vehicle Production of Japanese Manufacturers	4.35Mil	4.00Mil	-0.35Mil	-8.0%

(*)Profit attributable to owners of the parent company



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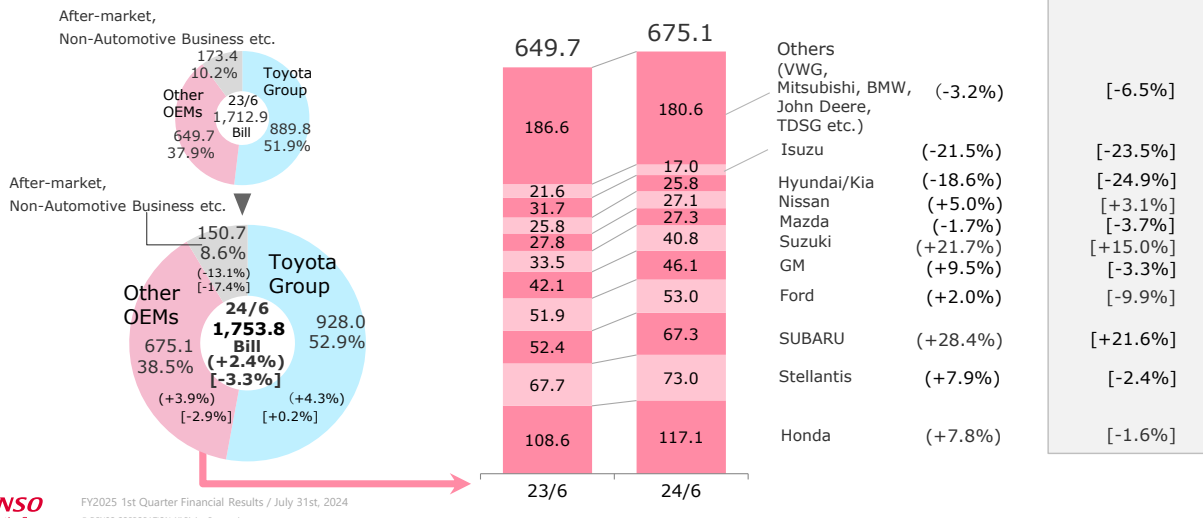
Next is overview of consolidated financial results in the first quarter.

Consolidated revenue totaled 1,753.8 billion yen, increased by 41.0 billion yen (+2.4%) from the previous year. Consolidated operating profit totaled 120.6 billion yen, increased by 26.2 billion yen (27.7%) from the previous year.

FY2025 1st Quarter Consolidated Revenue (By Customer)

(Unit: Billions of Yen)
 (vs 23/6 (3 months basis)
 INCR/DECR)
 [vs 24/6 (3 months basis)
 INCR/DECR excluding FX diff.]

Revenue	1,712.9 ⇒ 1,753.8	(+2.4%)	[-3.3%]
·Toyota group	889.8 ⇒ 928.0	(+4.3%)	[+0.2%]
·Other OEM s	649.7 ⇒ 675.1	(+3.9%)	[-2.9%]



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Next is consolidated revenue by customer and by product in the first quarter. This explanation is based on local currency, excluding the impact of FX rates.

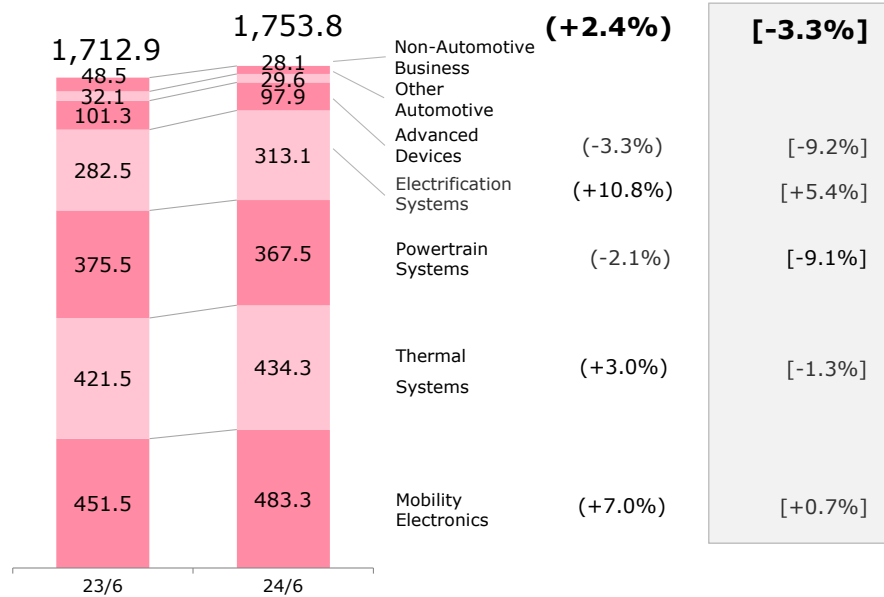
The first is consolidated revenue by customer.

The revenue from Toyota group increased compared to the previous year as result of increasing HEV vehicles for Toyota though lower vehicle production volumes due to suspensions of operations by Japanese customers.

On the other hand, the revenue from other OEMs decreased 2.9% from the previous year due to lower vehicle production volumes to poor vehicle sales in Asia.

FY2025 1st Quarter Consolidated Revenue (By Product)

(Unit: Billions of Yen)
 (vs 23/6 (3 months basis)
 INCR/DECR)
 [vs 24/6 (3 months basis)
 INCR/DECR excluding FX diff.]



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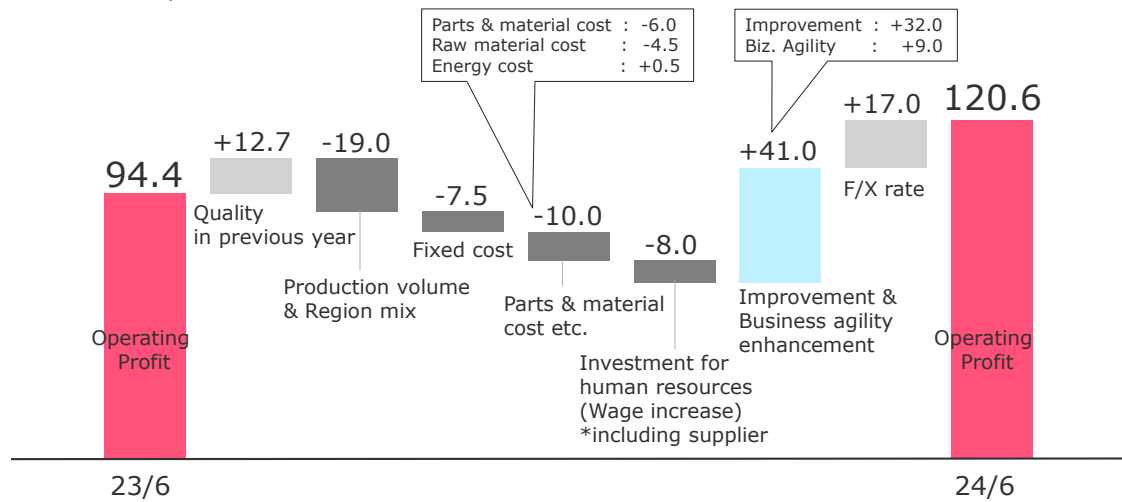
Next is revenue by product.

The revenue increased from the previous year as a result of increasing inverters and motor generators in Electrification Systems business, and products for electrification, safe and secure (GSP3 and HMI-ECU etc.) in Mobility Electronics business.

On the other hand, revenue of internal combustion engines in Powertrain Systems business, and sensors due to lower vehicle production volumes in Advanced Devices business, decreased. But revenue of the Advanced Devices business indicates sensors which are sold directly to customers. Internal parts such as power semiconductors and ASICs are included as part of revenue of Electrification Systems business and Mobility Electronics business.

Change in FY2025 1st Quarter Operating Profit

(Unit: Billions of Yen)



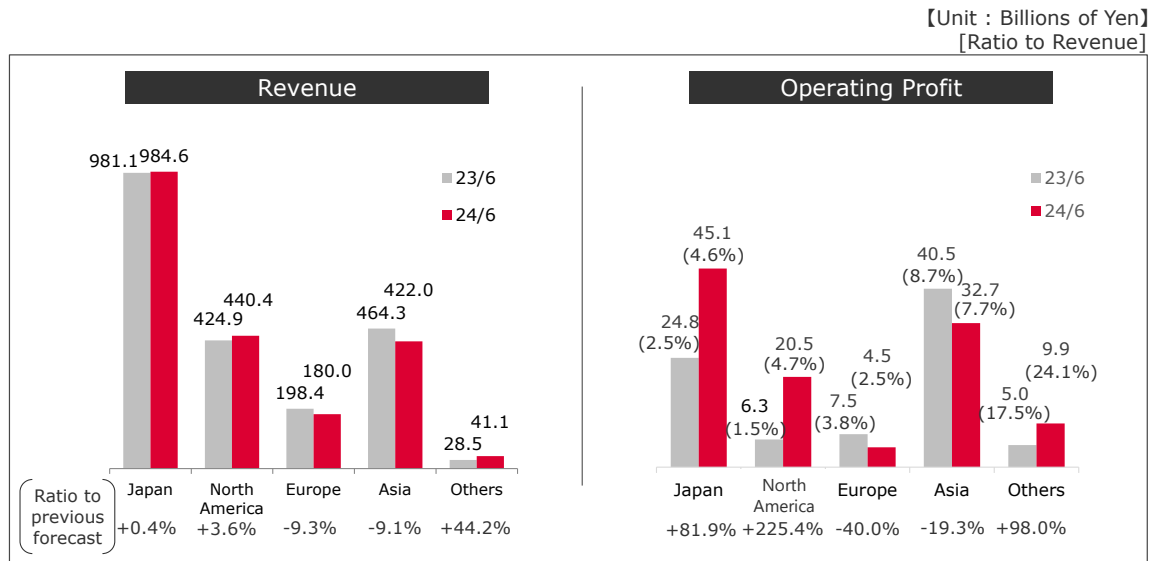
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Next is change of increases or decreases in operating profit in the first quarter.

Operating profit increased from the previous year as a result of foreign exchange gains and improvement efforts, though suspensions of operations in Japan and lower production volumes due to poor vehicle sales in China and Asia, in addition investment for human resources increase.

FY2025 1st Quarter Geographical Segments by Company Location



*Local currency basis excludes FX difference (137.4JPY/1USD, 149.5JPY/1EUR, 19.6JPY/1CNY)



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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.

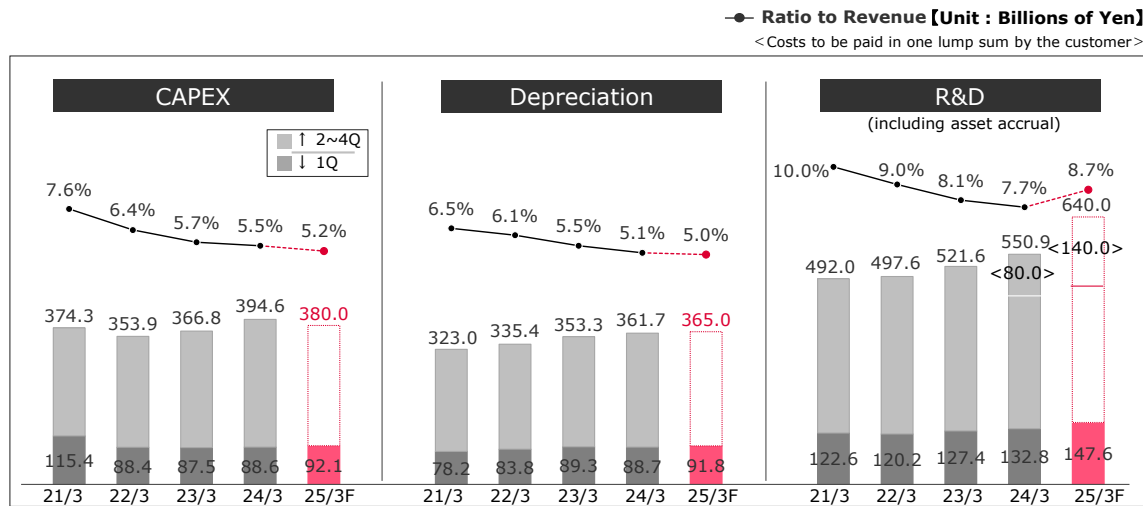
Revenue decreased in Asia and Europe from the previous year due to poor vehicle sales in Asia, decreasing business for internal combustion engines and slump for agriculture equipment maker in Europe.

On the other hand, revenue increased in Japan, North America and others from the previous year as a result of expansion of products for electrification, safe and secure.

Operating profit in Japan, North America and others increased from the previous year as a result of improvement of profitability on global.

On the other hand, operating profit in Asia and Europe decreased from the previous year due to lower production volumes.

Trend of Capital Expenditures, Depreciation and R&D Expenditures



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

The actual results for capital expenditures increased to 92.1 billion yen, up 3.5 billion yen from the previous year. The increase was as a result of foreign exchange gains.

As a recent capital expenditures example, DENSO MANUFACTURING HUNGARY add new production line for inverters to strengthen the production system in the electrification business. We have been making good progress in preparing for mass production of inverters for BEV vehicles.

The annual forecast was maintained 380 billion yen of announcement at the beginning of year. While ensuring disciplined investment, capital expenditures accelerate necessary investment in focus areas such as electrification and advanced safety.

The actual results for R&D Expenditures increased to 147.6 billion yen, up 14.8 billion yen from the previous year.

As a recent R&D example, we signed a basic agreement on strategic partnership with NTT DATA for software development. We will enhance our software value through integrated ECU development as a foundation for car intelligence.

The annual forecast was maintained 640 billion yen of announcement at the beginning of year.

We will accelerate the investment of development for future growth and realize efficient development.

FY2025 Financial Forecast

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

	Forecast as of Mar. 2024	2025/3 Forecast	Change from previous forecast		2024/3 Actual	Change from Mar. 2024		
Revenue	7,350.0	7,330.0	-20.0	-0.3%	7,144.7	+185.3	+2.6%	
Operating Profit	(9.7%) 714.0	(9.4%) 692.0	-22.0	-3.1%	(5.3%) 380.6	+311.4	+81.8%	
Profit before Income Taxes	(10.5%) 772.0	(10.2%) 745.0	-27.0	-3.5%	(6.1%) 436.2	+308.8	+70.8%	
Profit (*1)	(7.2%) 526.0	(7.2%) 525.0	-1.0	-0.2%	(4.4%) 312.8	+212.2	+67.8%	
Return on Equity	9.2%	9.3%	—	+0.1%	6.3%	—	+3.0%	
Precondition	Exchange Rate	JPY 145.0/USD	(*2) 147.7/USD	+2.7 JPY	—	JPY 144.6/USD	+3.1 JPY	—
		JPY 155.0/EUR	(*2) 158.2/EUR	+3.2 JPY	—	JPY 156.8/EUR	+1.4 JPY	—
		JPY 20.0/CNY	(*2) 20.4/CNY	+0.4 JPY	—	JPY 20.1/CNY	+0.2 JPY	—
	: Vehicle Production	8.84Mil	(*3) 8.62Mil	-0.22Mil	-2.5%	8.53Mil	+0.10Mil	+1.1%
	Overseas Vehicle Production of Japanese Manufacturers	17.96Mil	(*3) 17.48Mil	-0.48Mil	-2.7%	17.87Mil	-0.38Mil	-2.1%

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

(*2) Foreign exchange rate from the second quarter onward : The previous forecast will remain unchanged.

(*3) Vehicle production from the second quarter onward : The previous forecast will remain unchanged.



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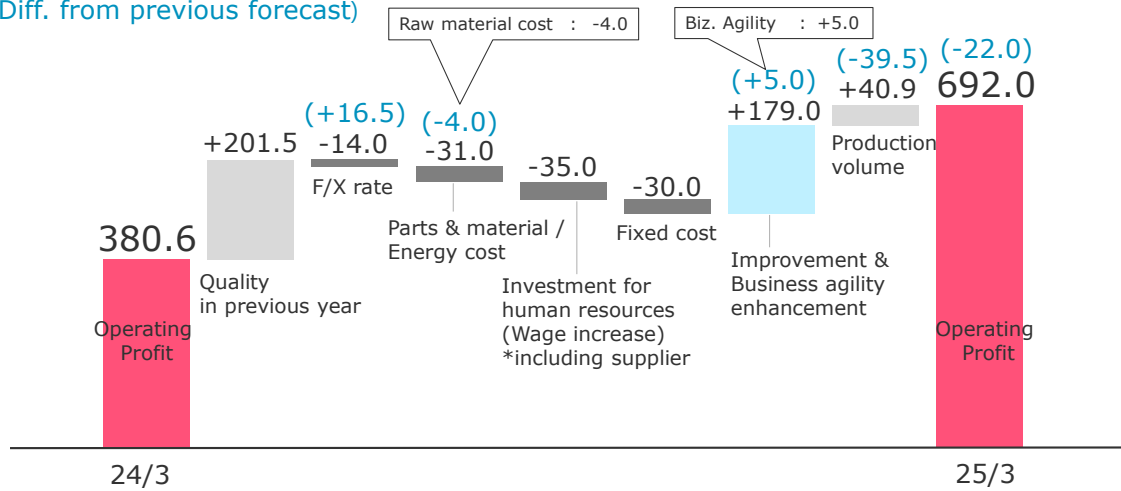
Next is annual forecast.

As we explained at the beginning, we expect revenue of 7,330.0 billion yen and operating profit of 692.0 billion yen.

Change in FY2025 Forecast Operating Profit

(Unit: Billions of Yen)

(Diff. from previous forecast)



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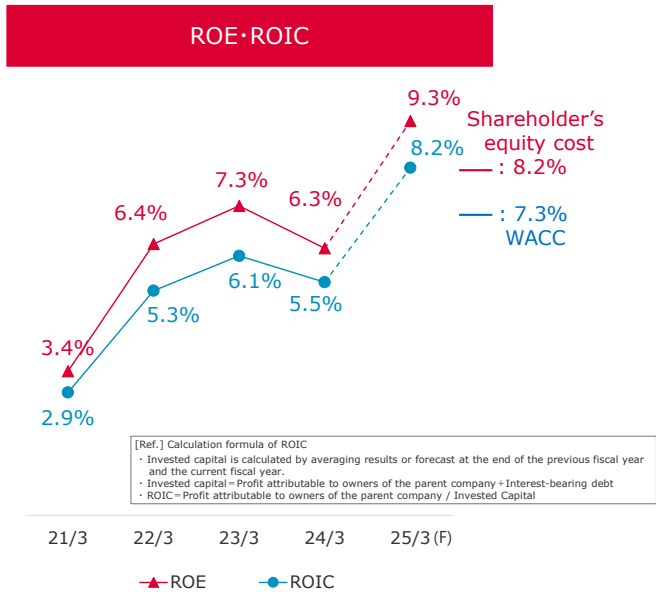
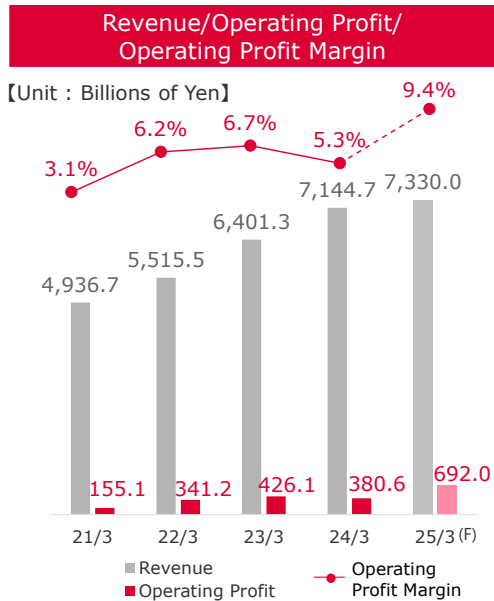
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Next is change of increases or decreases in operating profit for annual forecast. We would like to mainly explain the change in blue letters from the previous announcement.

Operating profit for annual forecast would decrease 22.0 billion yen from the previous year due to increasing material cost and lower production volumes, though foreign exchange gains and improvement efforts in the first quarter.

Major Financial Indicator



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Next is major financial indicator.

As a result of the annual forecast decrease, ROE would be 9.3% and ROIC will be 8.2%.

As for cross-shareholdings, we had completed sale of all 3 shares of the 14 shares, including Aisin by July, and partial sale of Toyota Industries and Renesas Electronics.

The sale price is 358.7 billion yen.

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 and shareholder returns.

Thank you very much.

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