

DENSO

Crafting the Core

FY2025 2nd Quarter

Financial Results

(2024/4-2024/9)

October 31st, 2024

DENSO CORPORATION



Overview of FY2025 2nd Quarter Financial Results

1. Revenue decreased compared to the previous year due in part to suspensions of operations by Japanese customers and lower vehicle production volumes related to fewer vehicle sales in Asia, though slowing yen depreciation did contribute to overall performance. Operating profit increased compared to the previous year through foreign exchange gains and cost management efforts, despite, lower production volumes.
2. Our forecast of revenue and operating profit reflects on actuals of lower production volumes in the second quarter and forecast in the second half of the year and revises downward to 7,020.0 billion yen and 550.0 billion yen.
3. The annual dividends for the end of the fiscal year will be 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.
4. To achieve shareholder returns and improve capital efficiency, we decided repurchase of treasury stock up to 450.0 billion yen or 280 million shares, whichever is lesser in the board of directors meeting.

FY2025 2nd Quarter Consolidated Financial Results (2024/4-2024/9)

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

	2023/4-2023/9		2024/4-2024/9		Change	
Revenue		3,513.5		3,474.9	-38.6	-1.1%
Operating Profit	(6.0%)	211.8	(7.2%)	251.2	+39.4	+18.6%
Profit before Income Taxes	(7.0%)	247.7	(8.1%)	281.7	+34.1	+13.8%
Profit (*)	(4.8%)	168.9	(5.5%)	190.8	+21.9	+13.0%

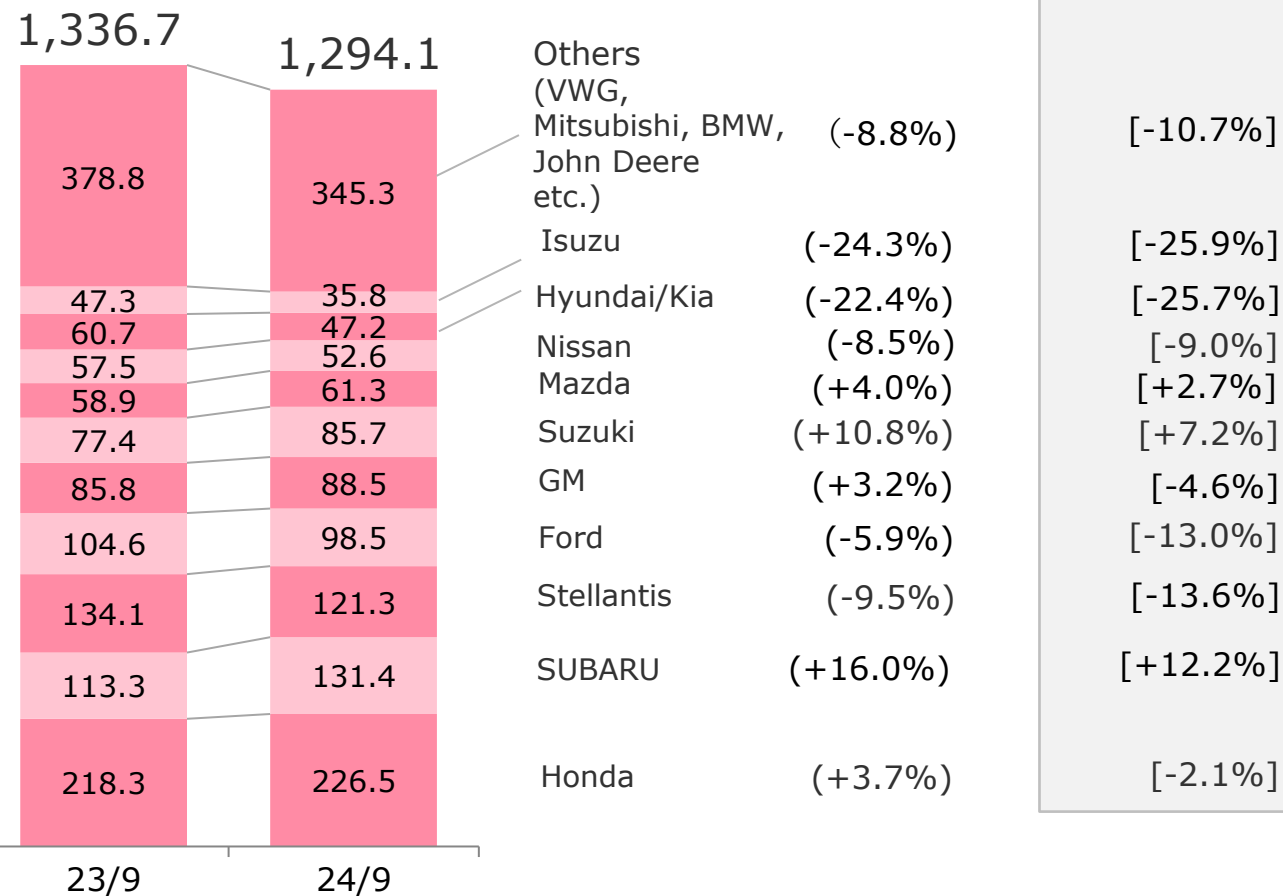
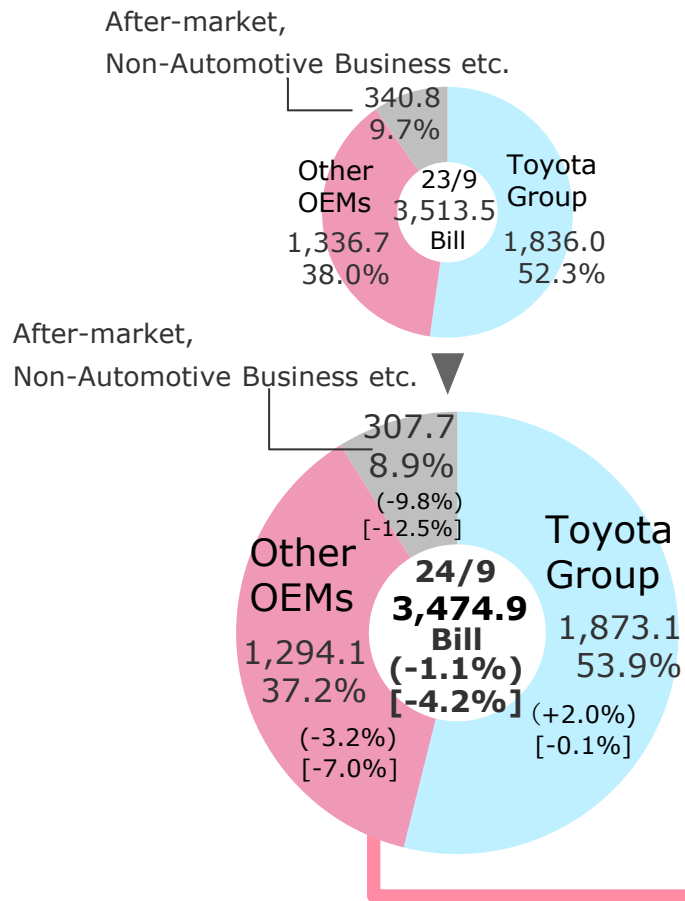
Precondition	Foreign Exchange Rate	JPY	141.0/USD	JPY	152.6/USD	+11.6 JPY	-
		JPY	153.4/EUR	JPY	165.9/EUR	+12.5 JPY	-
		JPY	19.7/CNY	JPY	21.1/CNY	+1.4 JPY	-
	Domestic Vehicle Production		4.26Mil		4.01Mil	-0.25Mil	-5.9%
	Overseas Vehicle Production of Japanese Manufacturers		9.00Mil		8.52Mil	-0.48Mil	-5.3%

(*) Profit attributable to owners of the parent company

FY2025 2nd Quarter Consolidated Revenue (By Customer)

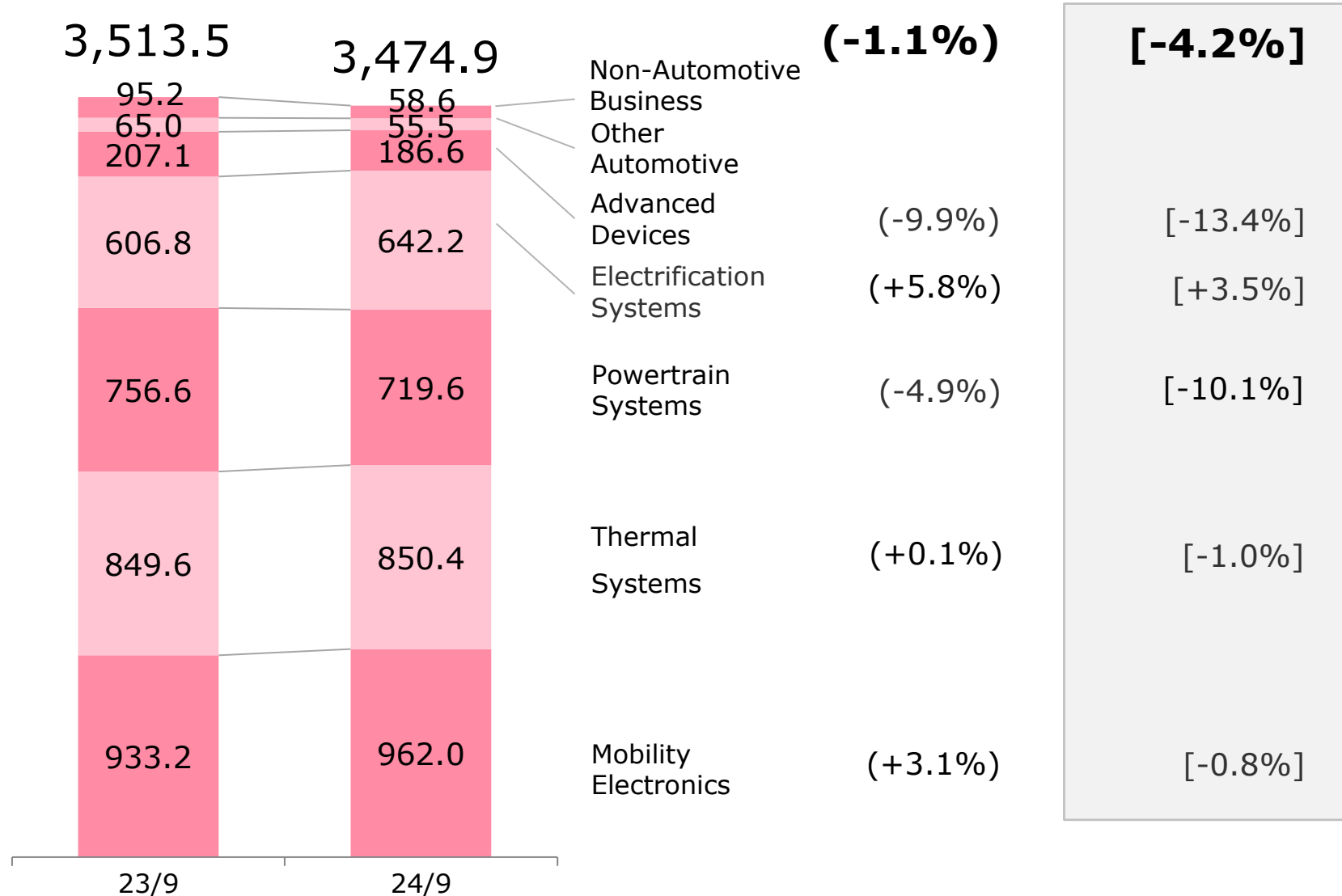
(Unit: Billions of Yen)
 (vs 23/9 (6 months basis)
 INCR/DECR)
 [vs 24/9 (6 months basis)
 INCR/DECR excluding FX diff.]

Revenue	3,513.5	⇒	3,474.9	(-1.1%)	[-4.2%]
•Toyota group	1,836.0	⇒	1,873.1	(+2.0%)	[-0.1%]
•Other OEMs	1,336.7	⇒	1,294.1	(-3.2%)	[-7.0%]



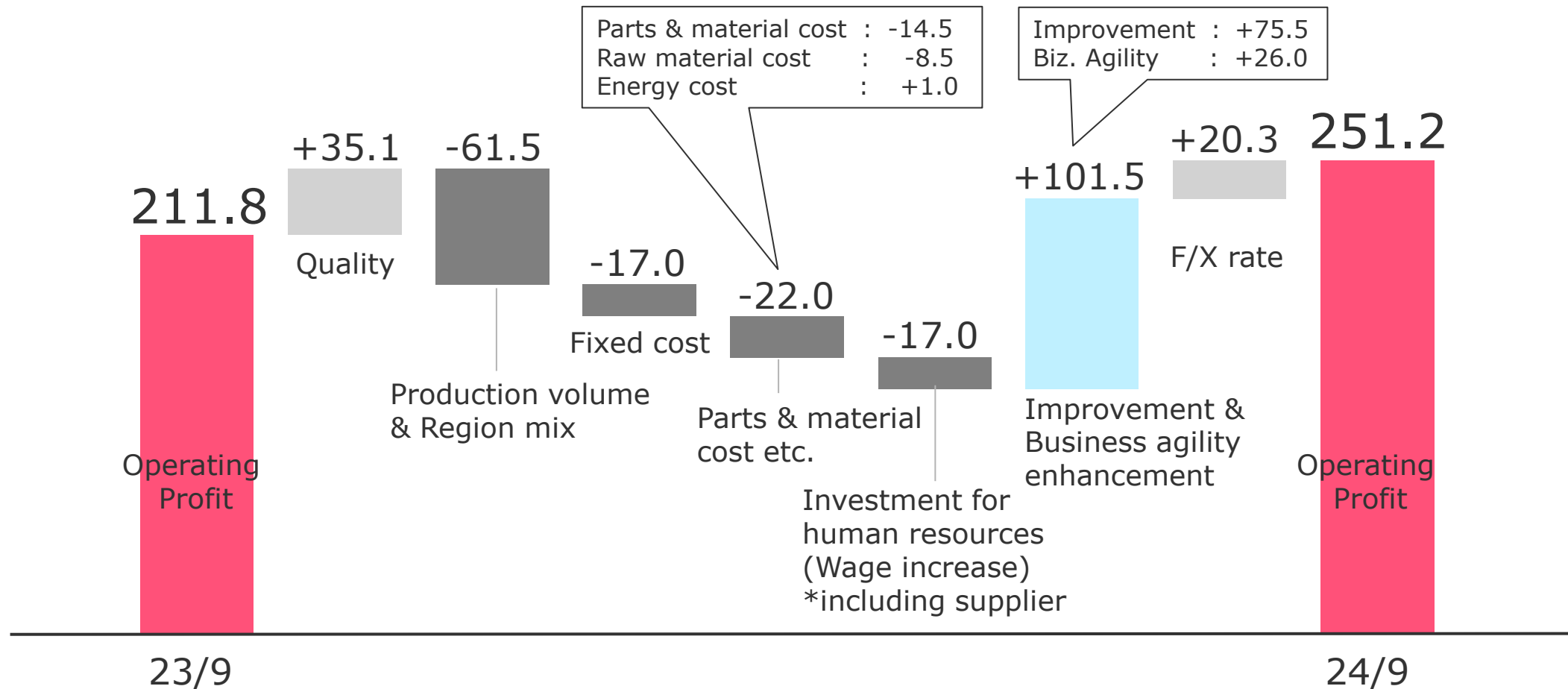
FY2025 2nd Quarter Consolidated Revenue (By Product)

(Unit: Billions of Yen)
 (vs 23/9 (6 months basis)
 INCR/DECR)
 [vs 24/9 (6 months basis)
 INCR/DECR excluding FX diff.]



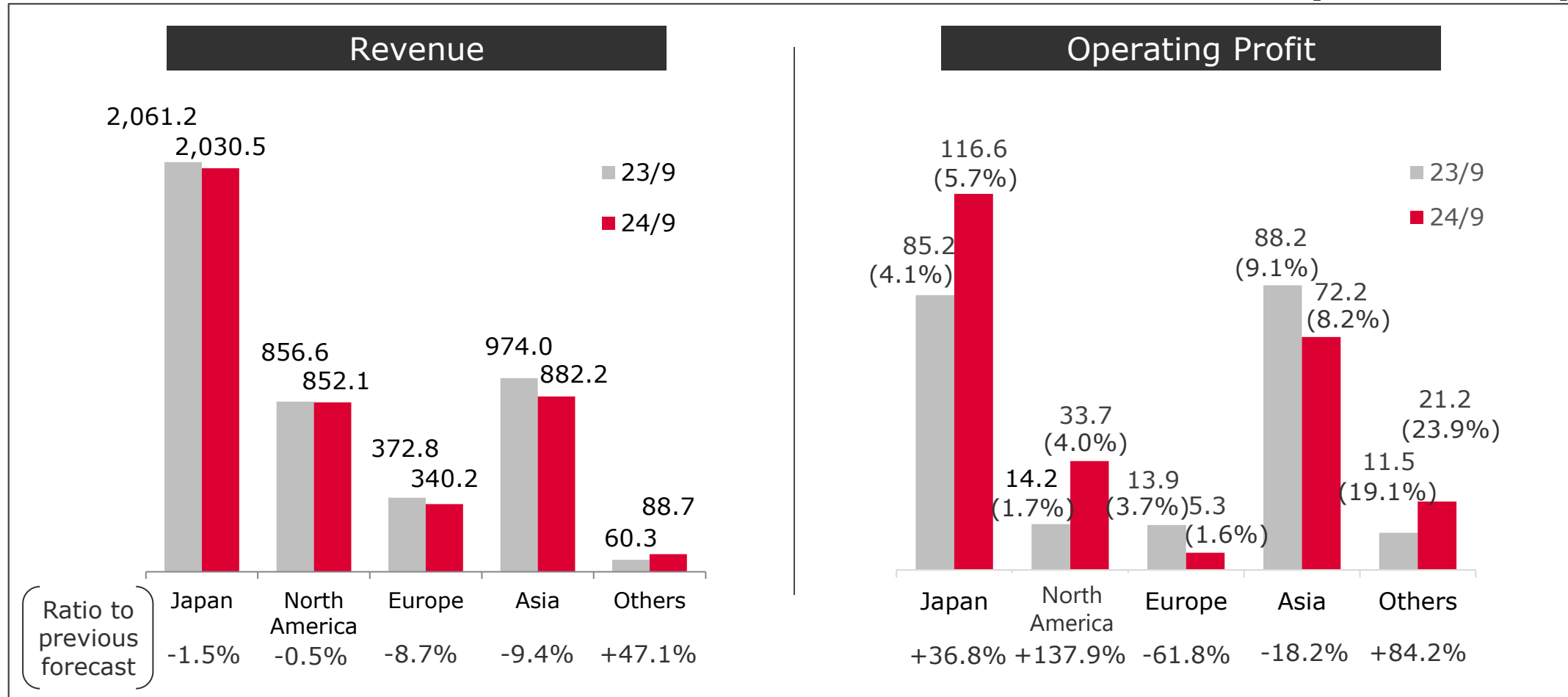
Change in FY2025 2nd Quarter Consolidated Operating Profit

(Unit: Billions of Yen)



FY2025 2nd Quarter Consolidated Geographical Segments by Company Location

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

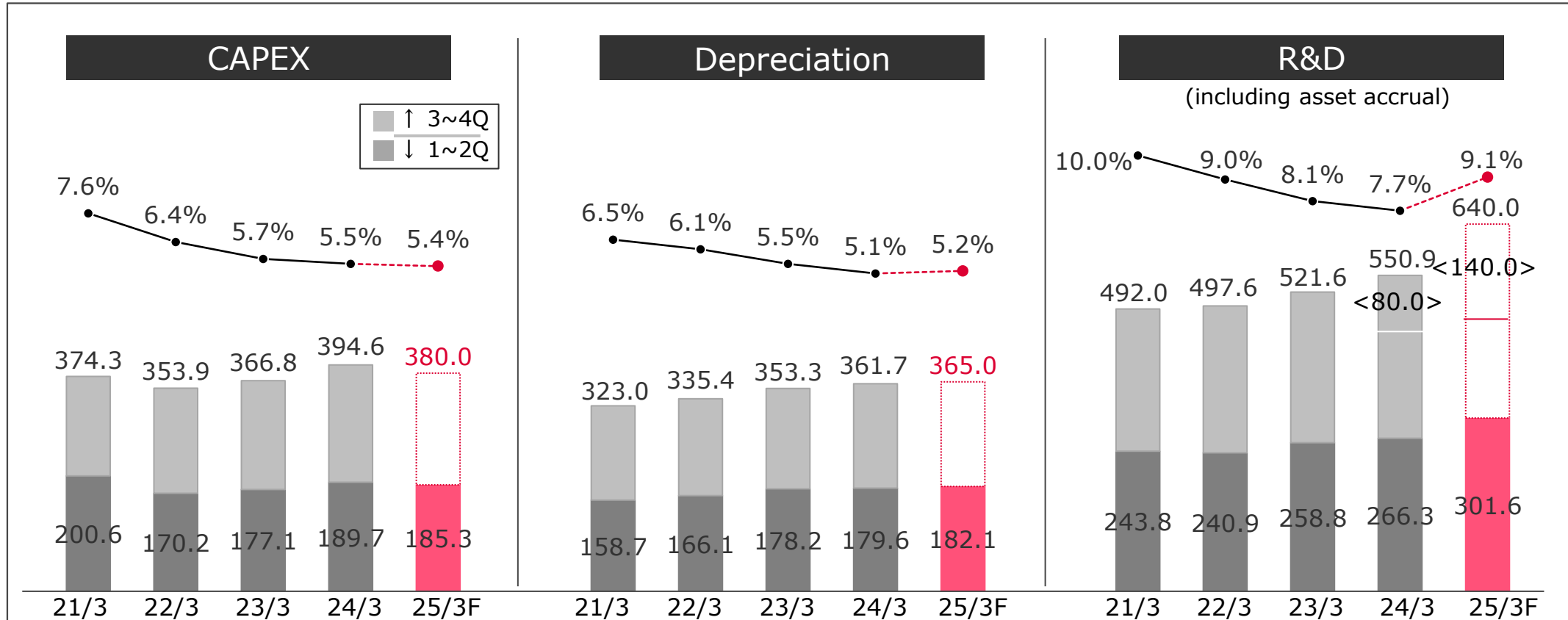


*Local currency basis excludes FX difference (141.0JPY/1USD, 153.4JPY/1EUR, 19.7JPY/1CNY)

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>



FY2025 Financial Forecast

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

	Forecast as of June 2024	2025/3 Forecast	Change from previous forecast		2024/3 Actual	Change from Mar. 2024	
Revenue	7,330.0	7,020.0	-310.0	-4.2%	7,144.7	-124.7	-1.7%
Operating Profit	(9.4%) 692.0	(7.8%) 550.0	-142.0	-20.5%	(5.3%) 380.6	+169.4	+44.5%
Profit before Income Taxes	(10.2%) 745.0	(8.7%) 609.0	-136.0	-18.3%	(6.1%) 436.2	+172.8	+39.6%
Profit (*1)	(7.2%) 525.0	(6.2%) 437.0	-88.0	-16.8%	(4.4%) 312.8	+124.2	+39.7%
Return on Equity	9.3%	8.3%	—	-1.0%	6.3%	—	+2.0%

Precondition	Exchange Rate	JPY 147.7/USD	(*2) 148.8/USD	+1.1 JPY	—	JPY 144.6/USD	+4.2 JPY	—
		JPY 158.2/EUR	(*2) 160.5/EUR	+2.3 JPY	—	JPY 156.8/EUR	+3.7 JPY	—
		JPY 20.4/CNY	(*2) 20.6/CNY	+0.2 JPY	—	JPY 20.1/CNY	+0.5 JPY	—
	Passenger Vehicle Production	8.62Mil	8.27Mil	-0.35Mil	-4.1%	8.53Mil	-0.26Mil	-3.0%
	Overseas Vehicle Production of Japanese Manufacturers	17.48Mil	16.80Mil	-0.68Mil	-3.9%	17.87Mil	-1.06Mil	-6.0%

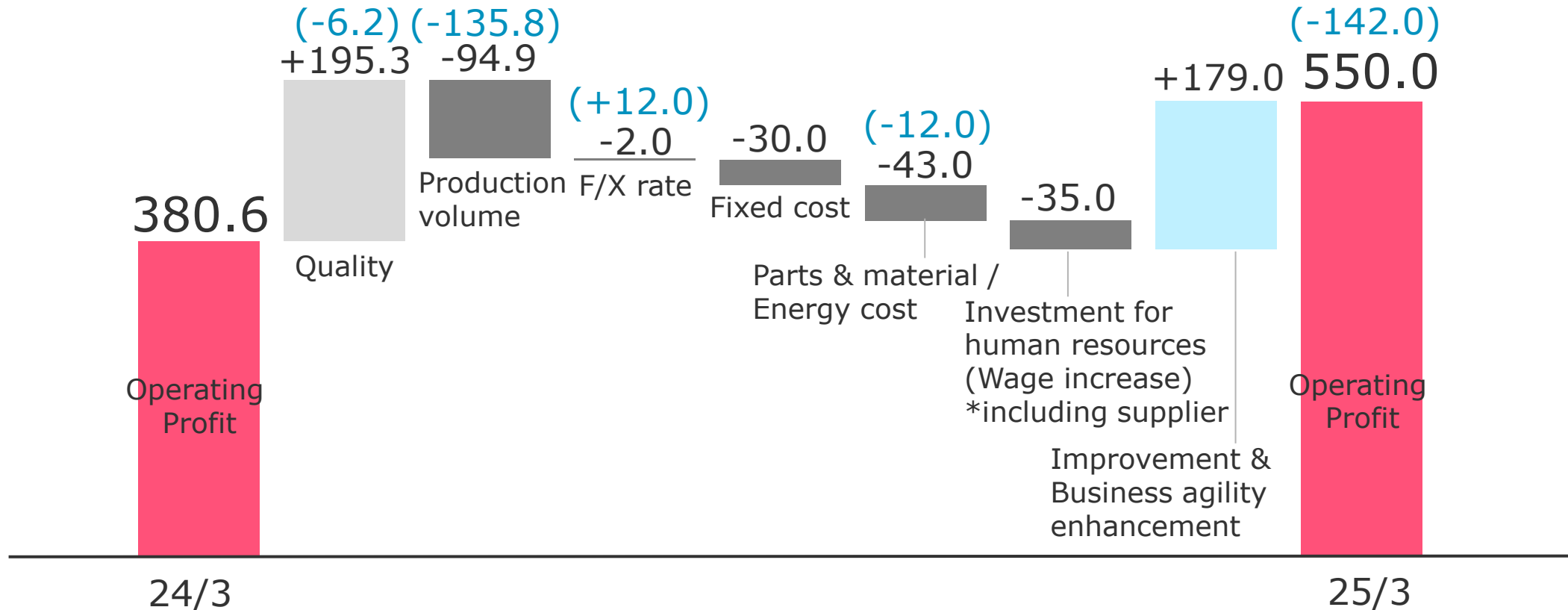
(*1) Profit attributable to owners of the parent company

(*2) Foreign exchange rate of forecast for the 3rd quarter and after : JPY 145.0/USD, 155.0/EUR, 20.0/CNY

Change in FY2025 Forecast Operating Profit

(Unit: Billions of Yen)

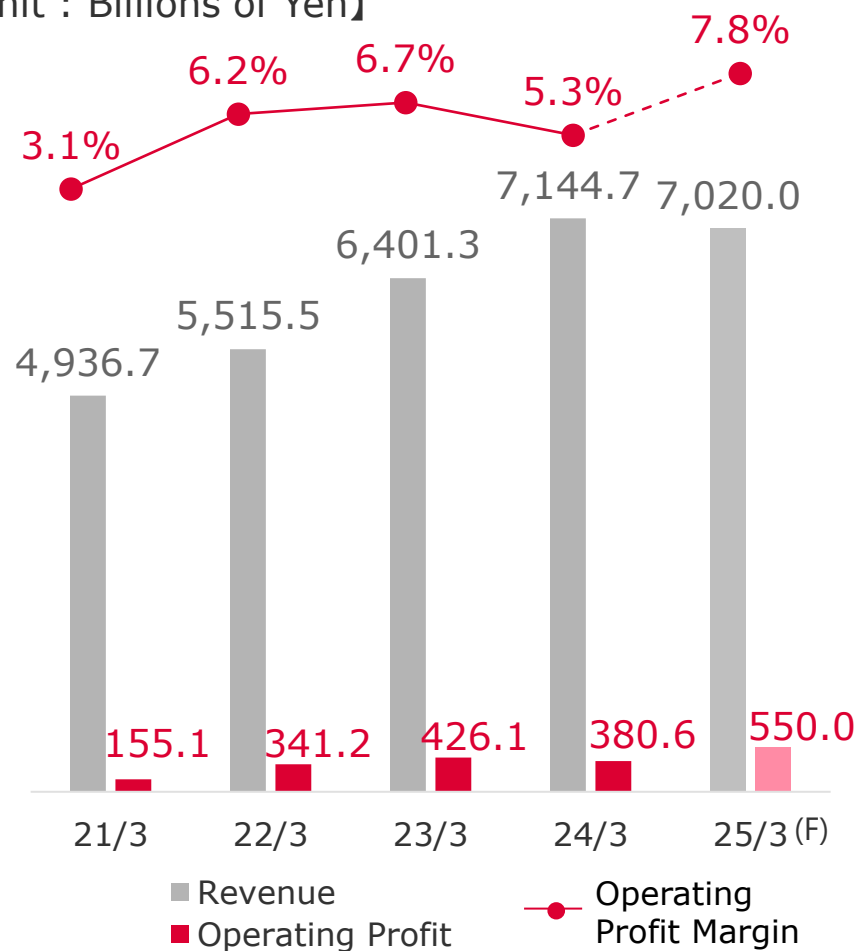
(Diff. from previous forecast)



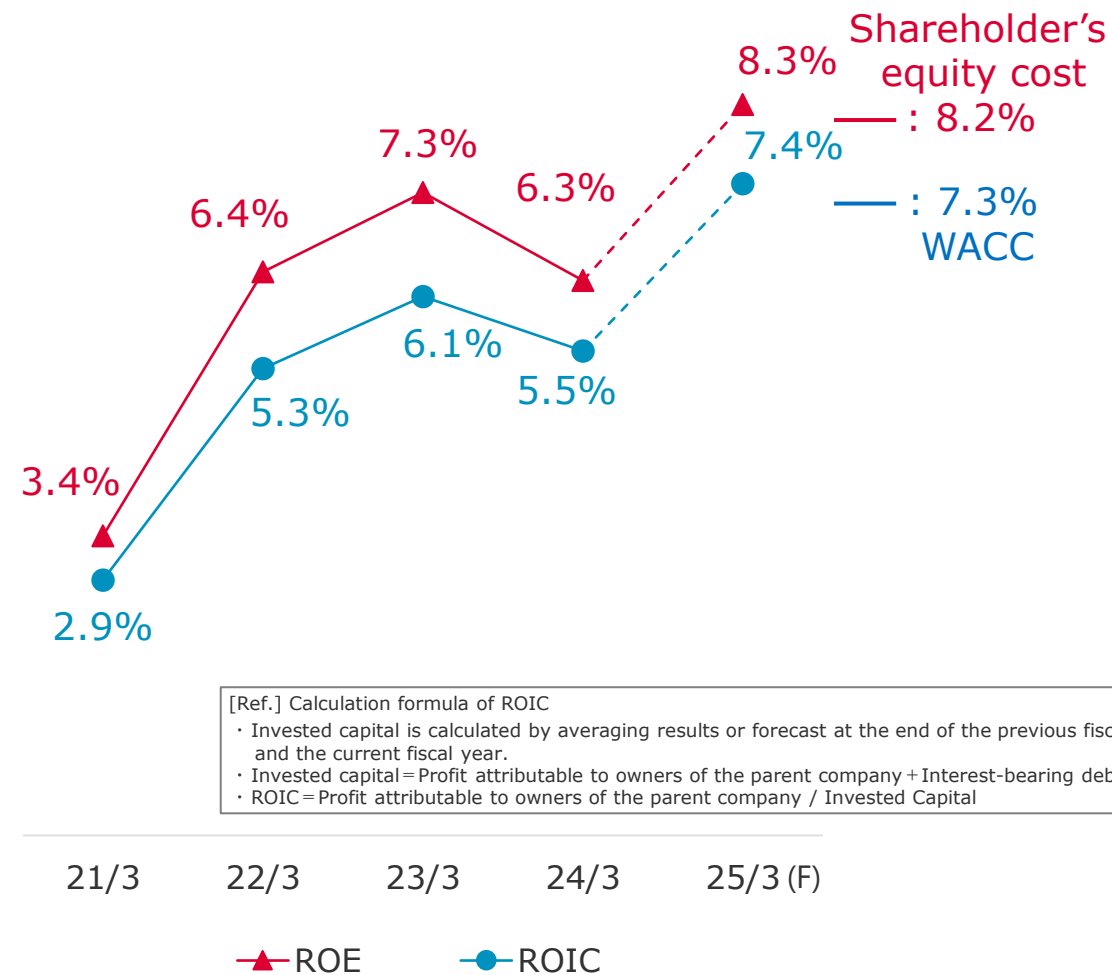
Major Financial Indicator

Revenue/Operating Profit/ Operating Profit Margin

【Unit : Billions of Yen】



ROE·ROIC



[Ref.] Calculation formula of ROIC

- Invested capital is calculated by averaging results or forecast at the end of the previous fiscal year and the current fiscal year.
- Invested capital = Profit attributable to owners of the parent company + Interest-bearing debt
- ROIC = Profit attributable to owners of the parent company / Invested Capital

Shareholder returns (Annual dividend/Repurchase of treasury stock)

Annual dividend

Policy

Continue to improve DOE* levels over the long term and in a stable manner.

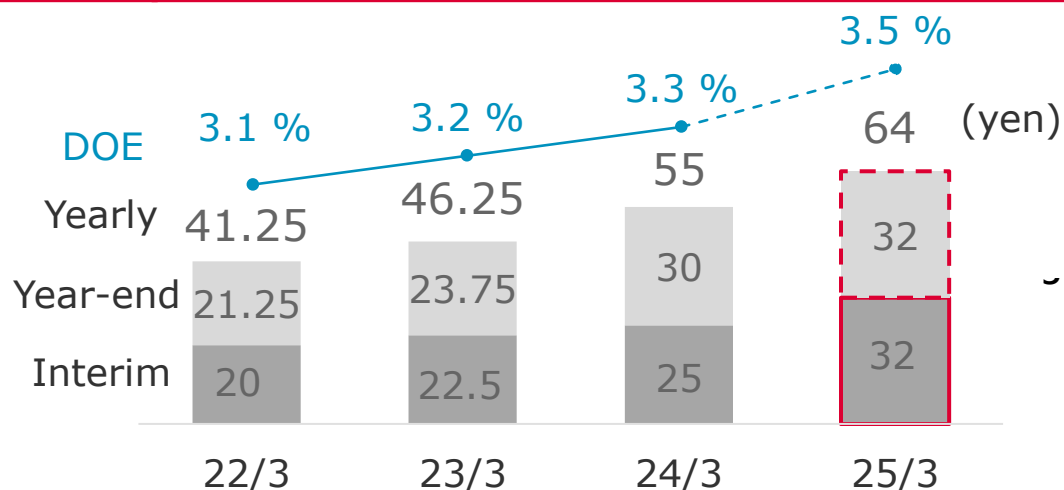
*Dividend on equity ratio

25/3

The announcement at the beginning of the year remains unchanged, and yearly dividend is 64 yen.

Interim dividend : 32 yen
(+7 yen from the previous year)

Year-end dividend forecast : 32 yen
(+2 yen from the previous year)



Repurchase of treasury stock

Policy

Agile implementation based on capital structure and stock price

Capital structure

Stock price level

Shareholders' Equity Ratio
Corrected more than 60%

Comparison with
theoretical stock
prices

25/3

Improve
capital efficiency



Agile
implementation
only FY2025

Repurchase of treasury stock up to 450.0 billion yen or 280 million shares, whichever is lesser.

*Cancellation of 241 million treasury stock
(Total amount held as of the end of September 2024)

DENSO published "Integrated Report 2024"



Integrated Report 2024 For the year ended March 31, 2024



Message from the President & CEO

DENSO's Corporate Management Centered on Its Purpose as a Company Aiming to Resolve Social Issues While Ensuring the Well-Being and Growth of People

Shimomasa Hayashi
President & CEO
Representative Director of the Board

Experience of Returning to Our Purpose as a Company—Our Corporate Strategy has been steadily implemented. The achievement of our purpose, the goal of management, has been demonstrated through the results of our business activities. The DENSO Group has been able to build the DENSO Group for the employees and customers. DENSO, as the parent company, could be a challenge to the employees and customers.

With the goal of our purpose, we will continue to work for the employees and customers, while ensuring the well-being and growth of people. We will continue to work for the employees and customers, while ensuring the well-being and growth of people.

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Dialogue with an Analyst Aiming to Highlight Capital Efficiency and Corporate Value through Bold Initiatives to Transform Entrenched Industrial Structures

Shin Sakurai, who is known as the leading analyst in the automotive components sector, and DENSO CEO, Naoki Matsuda, discuss the direction in which DENSO should move forward and the role it should play in these turbulent times.

Transforming Existing Industrial Structures
Question: How do you view the current industrial structure? Answer: We are currently in a period of transformation. We are currently in a period of transformation. We are currently in a period of transformation.

Dialogue with an Analyst
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Scheduled to be published on November 1, 2024

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