

[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 Fiscal Year Ended March 31, 2024 <under IFRS>

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DENSO CORPORATION
CODE: 6902
Listed on the Tokyo and
Nagoya Stock Exchanges

Scheduled date of the general meeting of shareholders : June 20, 2024

Scheduled date of commencement of dividend payment : May 23, 2024

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

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit for the year	
Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	7,144,733	11.6	380,599	(10.7)	436,237	(4.5)	355,573	2.2
March 31, 2023	6,401,320	16.1	426,099	24.9	456,870	18.7	347,861	20.5

	Profit attributable to owners of the parent company		Comprehensive income for the year		Basic earnings per share	Diluted earnings per share
Year ended	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2024	312,791	(0.6)	1,557,640	346.6	104.97	—
March 31, 2023	314,633	19.2	348,749	(46.8)	104.00	—

	Ratio of profit to equity attributable to owners of the parent company	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
Year ended	%	%	%
March 31, 2024	6.3	5.3	5.3
March 31, 2023	7.3	6.2	6.7

Reference: Share of the profit (loss) of associates and joint ventures accounted for using the equity method:

Fiscal year ended March 31, 2024: ¥16,866 million; Fiscal year ended March 31, 2023: ¥(2,931) million

(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	Equity attributable to owners of the parent company per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2024	9,093,370	5,746,505	5,534,986	60.9	1,901.56
March 31, 2023	7,408,662	4,579,711	4,376,928	59.1	1,461.27

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of year
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	961,826	(459,487)	(496,659)	789,390
March 31, 2023	602,720	(363,676)	(400,099)	733,850

2. Cash dividends

	Annual dividends per share					Total amount of dividends (total)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of the parent company (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	—	90.00	—	95.00	185.00	139,033	44.5	3.2
Year ended March 31, 2024	—	100.00	—	30.00		162,215	52.4	3.3
Year ending March 31, 2025 (Forecast)	—	32.00	—	32.00	64.00		35.4	

(Note) 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.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025
(from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes)

	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	7,350,000	2.9	714,000	87.6	772,000	77.0	582,000	63.7	526,000	68.2	180.71

※ 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 : Yes

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

3) Changes in accounting estimates : Yes

(Note) For more information, see "Notes to Consolidated Financial Statements (Changes in accounting estimates)."

(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 period

FY2024	3,151,779,804 shares	FY2023	3,151,779,804 shares
FY2024	241,014,828 shares	FY2023	156,491,722 shares
FY2024	2,979,854,509 shares	FY2023	3,025,269,888 shares

(Note) For the number of shares used as the basis of calculating basic earnings per share (consolidated), see "Earnings per share."

(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.

[Reference] Overview of non-consolidated financial results

1. Non-Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-Consolidated operating results

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Ordinary profit		Profit for the year	
Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	3,660,723	13.7	6,730	(95.9)	155,572	(36.3)	229,747	1.0
March 31, 2023	3,221,034	4.2	162,604	24.6	244,281	15.0	227,434	12.9

	Basic earnings per share	Diluted earnings per share
Year ended	Yen	Yen
March 31, 2024	77.10	—
March 31, 2023	75.17	—

(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) Non-Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	5,597,935	3,121,900	55.8	1,072.49
March 31, 2023	4,370,332	2,403,830	55.0	802.50

Reference: Equity:

As of March 31, 2024: ¥3,121,900 million; As of March 31, 2023: ¥2,403,830 million

(Note) On October 1, 2023, the Company effected a 4-for-1 split of common stock. Net assets per share 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 fiscal year ending March 31, 2024

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 fiscal year ended March 31, 2024, the global economy was on a growth trend as the disruption in economic activity caused by COVID-19 subsided despite the stagnation in Chinese and the slowdown in emerging countries. In addition, global inflation continued, including rising wage pressures due to the recovery in demand for services following economic reopening from COVID-19. Uncertainties regarding the future became more apparent, such as the prolongation of the conflict in Ukraine and the escalation of tensions in the Middle East. In financial markets, the yen weakened due to interest rate hikes by Western and Japanese monetary easing stance.

For the fiscal year ended March 31, 2024, revenue increased by ¥743.4 billion or 11.6%, year over year, to ¥7,144.7 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 advanced safety.

Operating profit decreased by ¥45.5 billion or 10.7%, year over year, to ¥380.6 billion on due to incurred of quality cost, in spite of production volume increase, exchange gain and efforts of cost reduction. Profit before income taxes decreased by ¥20.6 billion or 4.5%, year over year, to ¥436.2 billion. Profit attributable to owners of the parent company decreased by ¥1.8 billion or 0.6% to ¥312.8 billion.

By geographical segment, revenue increased in all regions, year over year, due to strong vehicle sales for easing semiconductor shortages mainly in Japan and North America. Operating profit increased in each region due to production volume increase and improvement of profitability, except in Japan, where there was incurred of quality cost.

Revenue in Japan increased by ¥460.5 billion, or 12.4%, year over year, to ¥4,166.4 billion due to strong vehicle sales and depreciation of yen. Operating profit decreased by ¥130.4 billion, or 60.5%, year over year, to ¥85.2 billion due to incurred of quality cost despite production volume increase and efforts of cost reduction.

Revenue in North America increased by ¥263.0 billion, or 17.5%, year over year, to ¥1,767.0 billion. due to sales expansion mainly in focus field such as electrification and safety. Operating profit increased by ¥36.6 billion, or 204.4%, year over year, to ¥54.6 billion due to production volume increase and efforts of cost reduction .

Revenue in Europe increased by ¥95.8 billion, or 14.0%, year over year, to ¥781.3 billion. due to strong vehicle sales. Operating profit increased by ¥13.5 billion, or 77.6%, year over year, to ¥31.0 billion due to production volume increase and efforts of cost reduction.

Revenue in Asia increased by ¥53.4 billion, or 2.8%, year over year, to ¥1,985.1 billion. Operating profit increased by ¥26.2 billion, or 16.6%, year over year, to ¥184.5 billion due to efforts of cost reduction.

Revenue in other regions increased by ¥13.9 billion, or 13.8%, year over year, to ¥115.2 billion. Operating profit increased by ¥5.5 billion, or 28.7%, year over year, to ¥24.8 billion.

2. Summary of Financial Position

Total assets as of March 31, 2024, increased by ¥1,684.7 billion, to ¥9,093.4 billion mainly due to an increase in other financial assets.

The total of current and non-current liabilities increased by ¥517.9 billion, to ¥3,346.9 billion mainly due to an increase in deferred tax liabilities.

Equity increased by ¥1,166.8 billion, to ¥5,746.5 billion mainly due to an increase in mark-to-market of investment securities.

3. Cash flows

In terms of cash flows for the fiscal year ended March 31, 2024, operating activities provided net cash of ¥961.8 billion, investing activities used net cash of ¥459.5 billion, and financing activities used net cash of ¥496.7 billion. As a result, cash and cash equivalents increased by ¥55.5 billion, to ¥789.4 billion.

Net cash provided by operating activities for the fiscal year ended March 31, 2024 increased by ¥359.1 billion from ¥602.7 billion in the previous fiscal year to ¥961.8 billion. This increase was mainly due to the ¥20.6 billion decrease in profit before income taxes and ¥215.2 billion increase in increase in trade receivables.

Net cash used in investing activities increased by ¥95.8 billion from ¥363.7 billion in the previous fiscal year to ¥459.5 billion. This increase was mainly due to an investment in Silicon Carbide LLC, a SiC wafer manufacturing company that is a subsidiary of Coherent Corp.

Net cash used in financing activities increased by ¥96.6 billion from ¥400.1 billion in the previous fiscal year to ¥496.7 billion. This increase mainly reflected the ¥100.0 billion increase in purchase of treasury stock.

Purchases of property, plant and equipment increased by 8.6% from ¥360.6 billion in the previous fiscal year to ¥391.6 billion. This increase was due to the promotion of investments while simultaneously strengthening investments in focused areas and disciplined business operations.

4. Summary of Financial Forecast

The full-year forecast for the fiscal year ending March 31, 2025, due to global sales expansion in electrification and advanced safety area in spite of continued investment in human resources and R&D in the future, the Group expect revenue increased by ¥205.3 billion, or increased by 2.9%, year over year, to ¥7,350.0 billion.

Operating profit increased by ¥333.4 billion, or increased by 87.6%, year over year, to ¥714.0 billion due to sales expansion, efforts of cost reduction and business agility enhancement. Profit before income taxes increased by ¥335.8 billion, or increased by 77.0%, year over year, to ¥772.0 billion. Profit for the year increased by ¥226.4 billion, or increased by 63.7%, year over year, to ¥582.0 billion. Profit attributable to owners of the parent company increased by ¥213.2 billion, or increased by 68.2% year over year, to ¥526.0 billion.

The exchange rate assumption is 1USD = 145 yen. 1EUR= 155 yen.

The above is included full-year 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.

Basis of Policy

The Group has adopted International Financial Reporting Standards ("IFRS") for preparing its consolidated financial statements in the annual report since the fiscal year ended March 31, 2015.

Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024
Assets		
Current assets		
Cash and cash equivalents	733,850	789,390
Trade and other receivables	1,263,768	1,281,279
Inventories	1,119,780	1,172,257
Other financial assets	33,716	48,398
Other current assets	126,472	156,477
Subtotal	3,277,586	3,447,801
Assets held for sale	—	417,578
Total current assets	3,277,586	3,865,379
Non-current assets		
Property, plant and equipment	1,955,240	2,043,600
Right-of-use assets	43,642	46,347
Intangible assets	170,212	199,761
Other financial assets	1,699,202	2,624,839
Investments accounted for using the equity method	110,173	124,430
Retirement benefit assets	78,212	105,937
Deferred tax assets	42,967	56,057
Other non-current assets	31,428	27,020
Total non-current assets	4,131,076	5,227,991
Total assets	7,408,662	9,093,370

(Unit: Millions of yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024
Liabilities and equity		
Current liabilities		
Bonds and borrowings	303,509	332,516
Trade and other payables	1,219,317	1,232,463
Other financial liabilities	54,641	47,672
Income tax payables	42,630	61,768
Provisions	106,524	295,239
Other current liabilities	70,163	83,972
Subtotal	1,796,784	2,053,630
Liabilities directly associated with assets held for sale	—	111,343
Total current liabilities	1,796,784	2,164,973
Non-current liabilities		
Bonds and borrowings	585,765	518,205
Other financial liabilities	30,929	29,115
Retirement benefit liabilities	249,266	238,201
Provisions	1,643	1,716
Deferred tax liabilities	151,507	382,752
Other non-current liabilities	13,057	11,903
Total non-current liabilities	1,032,167	1,181,892
Total liabilities	2,828,951	3,346,865
Equity		
Capital stock	187,457	187,457
Capital surplus	273,664	273,481
Treasury stock	(252,270)	(452,140)
Other components of equity	955,829	1,815,558
Other comprehensive income associated with assets held for sale	—	258,936
Retained earnings	3,212,248	3,451,694
Equity attributable to owners of the parent company	4,376,928	5,534,986
Non-controlling interests	202,783	211,519
Total equity	4,579,711	5,746,505
Total liabilities and equity	7,408,662	9,093,370

Consolidated Statement of Income

(Unit: Millions of yen)

	Year ended Mar. 31, 2023	Year ended Mar. 31, 2024
Revenue	6,401,320	7,144,733
Cost of revenue	(5,490,176)	(6,054,780)
Gross profit	911,144	1,089,953
Selling, general and administrative expenses	(490,454)	(715,164)
Other income	37,361	49,500
Other expenses	(31,952)	(43,690)
Operating profit	426,099	380,599
Finance income	51,483	78,711
Finance costs	(13,666)	(22,246)
Foreign exchange losses	(4,115)	(17,693)
Share of the (loss) profit of associates and joint ventures accounted for using the equity method	(2,931)	16,866
Profit before income taxes	456,870	436,237
Income tax expenses	(109,009)	(80,664)
Profit for the year	347,861	355,573
Attributable to:		
Owners of the parent company	314,633	312,791
Non-controlling interests	33,228	42,782

(Unit: Yen)

Earnings per share		
Basic	104.00	104.97
Diluted	—	—

Consolidated Statement of Other Comprehensive Income

(Unit: Millions of yen)

	Year ended Mar. 31, 2023	Year ended Mar. 31, 2024
Profit for the year	347,861	355,573
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	(102,637)	956,433
Remeasurements of defined benefit pension plans	(14,092)	17,477
Share of other comprehensive income of investments accounted for using the equity method	7	55
Total	(116,722)	973,965
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	114,556	220,172
Cash flow hedges	(1,704)	342
Share of other comprehensive income of investments accounted for using the equity method	4,758	7,588
Total	117,610	228,102
Total other comprehensive income	888	1,202,067
Comprehensive income for the year	348,749	1,557,640
Attributable to:		
Owners of the parent company	309,087	1,504,137
Non-controlling interests	39,662	53,503

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 (loss) on equity instruments designated as FVTOCI	Remeasurements of defined benefit pension plans	Exchange differences on translating foreign operations
As of April 1, 2022	187,457	273,803	(152,346)	788,476	—	187,086
Profit for the year	—	—	—	—	—	—
Other comprehensive (loss) income	—	—	—	(102,304)	(14,726)	113,188
Comprehensive (loss) income for the year	—	—	—	(102,304)	(14,726)	113,188
Acquisition of treasury stock	—	—	(100,012)	—	—	—
Disposal of treasury stock	—	18	88	—	—	—
Dividends	—	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	(157)	—	—	—	—
Transfer to retained earnings	—	—	—	(26,134)	14,726	—
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with the owners	—	(139)	(99,924)	(26,134)	14,726	—
As of March 31, 2023	187,457	273,664	(252,270)	660,038	—	300,274

As of April 1, 2023	187,457	273,664	(252,270)	660,038	—	300,274
Profit for the year	—	—	—	—	—	—
Other comprehensive income	—	—	—	954,695	18,329	217,980
Comprehensive income for the year	—	—	—	954,695	18,329	217,980
Acquisition of treasury stock	—	—	(200,024)	—	—	—
Disposal of treasury stock	—	44	154	—	—	—
Dividends	—	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	(227)	—	—	—	—
Transfer to retained earnings	—	—	—	(54,352)	(18,329)	—
Transfer to other comprehensive (loss) income associated with assets held for sale	—	—	—	(258,936)	—	—
Other	—	—	—	—	—	—
Total transactions with the owners	—	(183)	(199,870)	(313,288)	(18,329)	—
As of March 31, 2024	187,457	273,481	(452,140)	1,301,445	—	518,254

(Unit: Millions of yen)

	Equity attributable to owners of the parent company					Non-controlling interests	Total equity
	Other components of equity		Other comprehensive income associated with assets held for sale	Retained earnings	Total		
	Cash flow hedges	Total					
As of April 1, 2022	(2,779)	972,783	—	3,017,660	4,299,357	190,169	4,489,526
Profit for the year	—	—	—	314,633	314,633	33,228	347,861
Other comprehensive (loss) income	(1,704)	(5,546)	—	—	(5,546)	6,434	888
Comprehensive (loss) income for the year	(1,704)	(5,546)	—	314,633	309,087	39,662	348,749
Acquisition of treasury stock	—	—	—	—	(100,012)	—	(100,012)
Disposal of treasury stock	—	—	—	—	106	—	106
Dividends	—	—	—	(132,777)	(132,777)	(25,890)	(158,667)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	—	—	(157)	(420)	(577)
Transfer to retained earnings	—	(11,408)	—	11,408	—	—	—
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—	—	—	—
Other	—	—	—	1,324	1,324	(738)	586
Total transactions with the owners	—	(11,408)	—	(120,045)	(231,516)	(27,048)	(258,564)
As of March 31, 2023	(4,483)	955,829	—	3,212,248	4,376,928	202,783	4,579,711

As of April 1, 2023	(4,483)	955,829	—	3,212,248	4,376,928	202,783	4,579,711
Profit for the year	—	—	—	312,791	312,791	42,782	355,573
Other comprehensive income	342	1,191,346	—	—	1,191,346	10,721	1,202,067
Comprehensive income for the year	342	1,191,346	—	312,791	1,504,137	53,503	1,557,640
Acquisition of treasury stock	—	—	—	—	(200,024)	—	(200,024)
Disposal of treasury stock	—	—	—	—	198	—	198
Dividends	—	—	—	(146,029)	(146,029)	(42,559)	(188,588)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	—	—	(227)	(2,251)	(2,478)
Transfer to retained earnings	—	(72,681)	—	72,681	—	—	—
Transfer to other comprehensive (loss) income associated with assets held for sale	—	(258,936)	258,936	—	—	—	—
Other	—	—	—	3	3	43	46
Total transactions with the owners	—	(331,617)	258,936	(73,345)	(346,079)	(44,767)	(390,846)
As of March 31, 2024	(4,141)	1,815,558	258,936	3,451,694	5,534,986	211,519	5,746,505

Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Year ended Mar. 31, 2023	Year ended Mar. 31, 2024
Cash flows from operating activities		
Profit before income taxes	456,870	436,237
Depreciation	364,635	374,269
Impairment losses	1,240	—
Decrease in retirement benefit liabilities	(10,314)	(15,590)
Decrease in retirement benefit assets	3,920	7,241
Interest and dividend income	(50,202)	(76,449)
Interest expenses	9,346	14,279
Foreign exchange gains	(13,040)	(9,416)
Share of the loss (profit) of associates and joint ventures accounted for using the equity method	2,931	(16,866)
Losses on sales or disposal of property, plant and equipment	904	9,294
(Increase) decrease in trade receivables	(75,342)	139,924
(Increase) decrease in inventories	(46,338)	19,670
Increase (decrease) in trade payables	14,141	(73,960)
(Decrease) increase in provisions	(38,577)	186,960
Other	41,584	64,035
Subtotal	661,758	1,059,628
Interest received	15,078	31,226
Dividends received	41,800	48,301
Interest paid	(9,075)	(14,528)
Income taxes paid	(106,841)	(162,801)
Net cash provided by operating activities	602,720	961,826
Cash flows from investing activities		
Increase in time deposits	(15,007)	(8,816)
Purchases of property, plant and equipment	(360,576)	(391,641)
Proceeds from sales of property, plant and equipment	18,431	17,738
Purchases of intangible assets	(53,738)	(54,764)
Purchases of equity instruments	(18,875)	(105,827)
Purchases of debt instruments	(690)	(277)
Proceeds from sales of equity instruments	46,145	85,587
Proceeds from sales and redemption of debt instruments	503	605
Payments for acquisition of subsidiaries and other businesses	—	(11,110)
Proceeds from sales of subsidiaries or other businesses	17,980	5,096
Other	2,151	3,922
Net cash used in investing activities	(363,676)	(459,487)
Cash flows from financing activities		
Net (decrease) increase in short-term borrowings	(35,771)	11,300
Proceeds from borrowings	69,299	84,375
Repayments of long-term borrowings	(82,522)	(111,619)
Repayments of lease liabilities	(30,100)	(37,954)
Redemption of bonds	(70,000)	(50,000)
Dividends paid	(132,777)	(146,029)
Dividends paid to non-controlling interests	(25,890)	(41,433)
Purchase of treasury stock	(100,012)	(200,024)
Other	7,674	(5,275)
Net cash used in financing activities	(400,099)	(496,659)
Foreign currency translation adjustments on cash and cash equivalents	27,097	49,860
Net (decrease) increase in cash and cash equivalents	(133,958)	55,540
Cash and cash equivalents at beginning of period	867,808	733,850
Cash and cash equivalents at end of year	733,850	789,390

Notes to Consolidated Financial Statements

Assumption for Going Concern

There are no applicable items.

Basis of Presenting Consolidated Financial Statements

(1) Compliance with IFRS

The Group meets all of the requirements for a "Specified Company for the designated IFRS" to prepare its consolidated financial statements by applying the designated IFRS as stipulated under Article 1-2 of the "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements"

(Ministry of Finance of Japan Regulation No. 28, 1976, hereafter "the Regulation"). Hence, in accordance with Article 93 of the Regulation, the Group's consolidated financial statements have been prepared in accordance with IFRS.

(2) Material accounting policies

Material accounting policies used in the condensed interim consolidated financial statements are the same as those for the previous fiscal year.

Changes in accounting policies

For the year ended March 31, 2024, the Group adopted the amendments of IAS 12 "Income Taxes."

Deferred tax related to assets and liabilities arising from a single transaction

Due to the application of IAS 12 "Income Taxes" (amended in May 2021), the accounting treatment was clarified for the initial recognition, etc. concerning transactions that give rise to equal taxable and deductible temporary differences at the time of the transaction, and the deferred tax liabilities and deferred tax assets regarding the taxable and deductible temporary differences are each recognized in the consolidated statement of financial position. This amendment is an immaterial impact on consolidated statement.

International Tax Reform Pillar Two Model Rules

Due to the application of IAS 12, "Income Taxes" (amended in May 2023), the Group has applied a temporary exception to the requirement to recognize and disclose deferred tax assets and deferred tax liabilities pertaining to income taxes arising from the tax system related to the Pillar Two model rules announced by the Organisation for Economic Co-operation and Development (OECD). As this standard was applied retrospectively, deferred tax assets and deferred tax liabilities pertaining to income taxes arising from the tax system related to the Pillar Two model rules have not been recognized or disclosed.

In the reforms to the Japanese tax system made in 2023, a corporate tax complying with the global minimum tax was newly created, with the tax reform act ("Act for Partial Revision of the Income Tax Act, etc.," "Act No.3 of 2023") (hereinafter "Revised Corporation Tax ACT") enacted on March 28, 2023 that includes the relevant regulations for the global minimum tax. Within the global minimum tax rules in the Revised Corporation Tax Act, an income inclusion rule ("IIR") has been introduced. Applicable from the business year starting on or after April 1, 2024, an additional tax will be imposed on parent companies located in Japan up to the minimum tax rate (15%) of the taxes borne by the subsidiaries, etc. of those parent companies located in Japan.

In the Group, the tax burden may be lower than the minimum tax rate (15%) in subsidiaries located in the United Arab Emirates and other countries, but this taxation is an immaterial impact on consolidated statement.

Changes in accounting estimates

Provision for warranty reserve was recorded as an expense related to defects in some of the products produced by the consolidated companies in the past. However, the estimate was changed for the fiscal year ended March 31, 2024 based on the subsequent situations.

As a result of this change, provisions for current liabilities, selling, general and administrative expenses increased by ¥179.0 billion, respectively.

Segment information

(1) Outline of reportable segments

The Group's reportable segments are operating segments, or aggregations of operating segments, which are components of an entity for which separate financial information is available. Such information is evaluated regularly by the president of the Company for the purposes of making decisions on how to allocate resources and assessing performance.

The Group mainly manufactures and sells automotive parts and has directors in charge in Japan, North America, Europe, and Asia. As independent management units, subsidiaries in each region have developed business activities, as exemplified by establishment or expansion of manufacturing companies, aiming for optimum production and supply for orders received through operating activities to regional customers.

The Company is in charge of business activities in Japan. Meanwhile, DENSO INTERNATIONAL AMERICA, INC. is in charge in the United States of America, Canada, and Mexico as the North America region, DENSO INTERNATIONAL EUROPE B.V. is in charge in Europe regions (mainly Netherlands, United Kingdom, Italy, Spain, Hungary, and Czech, etc.), respectively. In Asia (mainly Thailand, Malaysia, Indonesia, India, Taiwan, China, and Korea, etc.), DENSO INTERNATIONAL ASIA CO., LTD. (Thailand), DENSO INTERNATIONAL ASIA PTE. LTD. (Singapore), and DENSO (CHINA) INVESTMENT CO., LTD. have been cooperating together as a management unit to strengthen the system that is closely linked to the region for both sides of optimal production and supply system.

Since the Group is composed of regional segments based on manufacturing and selling systems, the Group determined that "Japan," "North America," "Europe," and "Asia" are its reportable segments. The Group has been manufacturing and selling mainly automotive parts in each reportable segment.

Intersegment transactions are priced with reference to those applicable to transactions with external parties.

Reportable segment profit is measured on the basis of operating profit in the consolidated statement of income. Finance income, finance costs, foreign exchange gains/losses, share of profit/loss of associates and joint ventures accounted for using the equity method, and income tax expenses are excluded from the reportable segment profit, since they are not included in the financial information evaluated by the president of the Company.

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

For the year ended March 31, 2023

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated
	Japan	North America	Europe	Asia	Total			
Revenue								
Customers	2,509,604	1,486,718	624,329	1,680,872	6,301,523	99,797	—	6,401,320
Intersegment	1,196,230	17,370	61,223	250,783	1,525,606	1,436	(1,527,042)	—
Total	3,705,834	1,504,088	685,552	1,931,655	7,827,129	101,233	(1,527,042)	6,401,320
Segment profit	215,573	17,921	17,460	158,286	409,240	19,260	(2,401)	426,099
Finance income								51,483
Finance costs								(13,666)
Foreign exchange losses								(4,115)
Share of the loss of associates and joint ventures accounted for using the equity method								(2,931)
Profit before income taxes								456,870

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

Other material items

(Unit: Millions of yen)

	Reportable segment					Others (Note 1)	Eliminations	Consolidated
	Japan	North America	Europe	Asia	Total			
Depreciation and amortization	252,587	50,708	25,606	71,636	400,537	2,578	—	403,115
Impairment losses	1,240	—	—	—	1,240	—	—	1,240
Reversal of impairment losses	—	—	—	—	—	—	—	—
Investments accounted for using the equity method	73,491	5,687	9,800	21,496	110,474	—	(301)	110,173
Increase in non-current assets (Note 2)	275,380	53,620	25,098	75,228	429,326	4,378	—	433,704

(Note 1) "Others" is an operating segment that is not included in the reportable segments, such as business activities of subsidiaries in South America.

(Note 2) Non-current assets are a total of property, plant and equipment, right-of-use assets, and intangible assets.

For the year ended March 31, 2024

(Unit: Millions of yen)

	Reportable segment					Others (Note 1)	Eliminations	Consolidated
	Japan (Note 2)	North America	Europe	Asia	Total			
Revenue								
Customers	2,885,718	1,745,443	709,679	1,689,807	7,030,647	114,086	—	7,144,733
Intersegment	1,280,637	21,599	71,670	295,265	1,669,171	1,072	(1,670,243)	—
Total	4,166,355	1,767,042	781,349	1,985,072	8,699,818	115,158	(1,670,243)	7,144,733
Segment profit	85,181	54,551	31,002	184,489	355,223	24,781	595	380,599
Finance income								78,711
Finance costs								(22,246)
Foreign exchange losses								(17,693)
Share of the profit of associates and joint ventures accounted for using the equity method								16,866
Profit before income taxes								436,237

(Note 1) "Others" is an operating segment that is not included in reportable segments, such as business activities of subsidiaries in South America.

(Note 2) Provision for warranty reserve of ¥202,711 million is included in the segment profit of Japan segment.

Other material items

(Unit: Millions of yen)

	Reportable segment					Others (Note 1)	Eliminations	Consolidated
	Japan	North America	Europe	Asia	Total			
Depreciation and amortization	251,785	55,079	28,573	74,489	409,926	3,010	—	412,936
Impairment losses	—	—	—	—	—	—	—	—
Reversal of impairment losses	—	—	—	—	—	—	—	—
Investments accounted for using the equity method	92,414	6,771	2,459	23,081	124,725	—	(295)	124,430
Increase in non-current assets (Note 2)	287,838	58,543	54,123	78,535	479,039	6,508	—	485,547

(Note 1) "Others" is an operating segment that is not included in the reportable segments, such as business activities of subsidiaries in South America.

(Note 2) Non-current assets are a total of property, plant and equipment, right-of-use assets, and intangible assets.

(3) Assets for each reportable segment

(Unit: Millions of yen)

	FY2023 As of March 31, 2023	FY2024 As of March 31, 2024
Japan	4,715,599	6,092,424
North America	830,651	998,791
Europe	489,271	540,949
Asia	1,637,956	1,806,093
Others (Note 1)	80,312	89,010
Corporate assets (Note 2)	(345,127)	(433,897)
Consolidated	7,408,662	9,093,370

(Note 1) "Others" is an operating segment that is not included in the reportable segments, such as business activities of subsidiaries in South America.

(Note 2) Corporate assets mainly consist of funds which are not attributable to the reportable segments.

(4) Information about products and services

For the year ended March 31, 2023

Revenue of automotive parts account for most of revenue in consolidated statement of income.

For the year ended March 31, 2024

Revenue of automotive parts account for most of revenue in consolidated statement of income.

(5) Geographic information

1) Revenue

(Unit: Millions of yen)

	FY2023 2022/4-2023/3	FY2024 2023/4-2024/3
Japan	2,415,938	2,780,082
The United States	1,236,514	1,442,620
China	831,431	799,320
Others	1,917,437	2,122,711
Total	6,401,320	7,144,733

(Note) 1. Countries which have significant impact on the consolidated financial statements are individually presented.

2. Revenue is attributed to geographic areas based on customer locations.

2) Non-current assets

(Unit: Millions of yen)

	FY2023 As of March 31, 2023	FY2024 As of March 31, 2024
Japan	1,349,153	1,357,105
China	235,859	248,470
Others	584,082	684,133
Total	2,169,094	2,289,708

(Note) 1. Countries which have significant impact on the consolidated financial statements are individually presented.

2. Non-current assets, a total of property, plant and equipment, right-of-use assets, and intangible assets, are attributed to geographic areas based on locations of assets.

(6) Information about major customers

The major customer is Toyota Motor Corporation and its subsidiaries. Revenue from the major customer is recorded in all segments, such as Japan, North America, Europe, and Asia.

(Unit: Millions of yen)

FY2023 2022/4-2023/3	FY2024 2023/4-2024/3
3,158,814	3,667,452

Earnings per share

(1) Basis of calculating basic earnings per share

1) Profit for the year attributable to owners of the parent company

(Unit: Millions of yen)

	FY2023 2022/4-2023/3	FY2024 2023/4-2024/3
Profit attributable to owners of the parent company	314,633	312,791

2) Average number of shares—basic

(Unit: Thousands of shares)

	FY2023 2022/4-2023/3	FY2024 2023/4-2024/3
Average number of shares—basic	3,025,270	2,979,855

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) Basis of determination of profit used to determine diluted earnings per share

Earnings per share-diluted is not presented since shares with a dilutive effect do not exist.

Subsequent events

There are no applicable items.