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**Consolidated Financial Results**  
**for the Three Months Ended June 30, 2019**  
**<under IFRS>**

1-1, Showa-cho, Kariya, Aichi 448-8661, Japan

Representative : Koji Arima  
 President and CEO

Contact : Yoshimasa Shinoda  
 Director

Telephone : +81-566-61-7910

Scheduled date of commencement of dividend payment : —  
 (URL <https://www.denso.com/global/>)

DATE: July 31, 2019

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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)**

**(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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2019	1,324,119	(0.5)	69,146	(23.9)	85,830	(21.3)	61,051	(26.5)
June 30, 2018	1,331,160	14.3	90,879	(2.4)	109,053	(4.1)	83,116	2.7

	Profit attributable to owners of the parent company		Comprehensive income for the period		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
June 30, 2019	57,158	(26.1)	42,178	(52.3)	73.76	—
June 30, 2018	77,295	0.8	88,350	(3.6)	99.01	—

**(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	%
June 30, 2019	5,764,620	3,750,056	3,581,893	62.1
March 31, 2019	5,792,414	3,770,366	3,595,694	62.1

**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, 2019	—	70.00	—	70.00	140.00
Year ending March 31, 2020	—				
Year ending March 31, 2020 (Forecast)		70.00	—	70.00	140.00

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)**

(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	5,500,000	2.6	380,000	20.2	429,000	20.5	333,000	19.1	305,000	19.8	393.61

# Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of Mar. 31, 2019	As of Jun. 30, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	711,638	716,066
Trade and other receivables	1,009,049	935,081
Inventories	612,539	602,836
Other financial assets	182,921	164,061
Other current assets	96,163	90,061
<b>Total current assets</b>	<b>2,612,310</b>	<b>2,508,105</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,689,949	1,686,254
Right-of-use assets	—	47,972
Intangible assets	86,292	87,121
Other financial assets	1,200,258	1,240,641
Investments accounted for using the equity method	106,138	105,461
Retirement benefit assets	38,324	37,323
Deferred tax assets	29,774	26,885
Other non-current assets	29,369	24,858
<b>Total non-current assets</b>	<b>3,180,104</b>	<b>3,256,515</b>
<b>Total assets</b>	<b>5,792,414</b>	<b>5,764,620</b>

(Unit: Millions of yen)

	As of Mar. 31, 2019	As of Jun. 30, 2019
Liabilities and equity		
Current liabilities		
Bonds and borrowings	144,038	102,368
Trade and other payables	939,550	941,007
Other financial liabilities	26,263	22,558
Income tax payables	26,474	16,967
Provisions	87,959	84,312
Other current liabilities	69,663	89,725
Total current liabilities	1,293,947	1,256,937
Non-current liabilities		
Bonds and borrowings	406,160	403,278
Other financial liabilities	8,595	38,044
Retirement benefit liabilities	250,634	250,095
Provisions	1,198	1,275
Deferred tax liabilities	42,352	45,981
Other non-current liabilities	19,162	18,954
Total non-current liabilities	728,101	757,627
Total liabilities	2,022,048	2,014,564
Equity		
Capital stock	187,457	187,457
Capital surplus	268,776	268,776
Treasury stock	(56,803)	(56,805)
Other components of equity	401,582	383,707
Retained earnings	2,794,682	2,798,758
Equity attributable to owners of the parent company	3,595,694	3,581,893
Non-controlling interests	174,672	168,163
Total equity	3,770,366	3,750,056
Total liabilities and equity	5,792,414	5,764,620

## Consolidated Statement of Income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019
Revenue	1,331,160	1,324,119
Cost of revenue	(1,120,800)	(1,141,970)
Gross profit	210,360	182,149
Selling, general and administrative expenses	(118,971)	(112,577)
Other income	3,005	2,654
Other expenses	(3,515)	(3,080)
Operating profit	90,879	69,146
Finance income	20,828	21,733
Finance costs	(3,181)	(2,621)
Foreign exchange losses	(4,961)	(4,010)
Share of the profit of associates and joint ventures accounted for using the equity method	5,488	1,582
Profit before income taxes	109,053	85,830
Income tax expenses	(25,937)	(24,779)
Profit for the period	83,116	61,051
Attributable to:		
Owners of the parent company	77,295	57,158
Non-controlling interests	5,821	3,893

(Unit: Yen)

Earnings per share		
Basic	99.01	73.76
Diluted	—	—

# Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019
Profit for the period	83,116	61,051
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net fair value gain on equity instruments designated as FVTOCI	11,880	16,182
Remeasurements of defined benefit pension plans	697	(312)
Share of other comprehensive income of investments accounted for using the equity method	3	(13)
Total	12,580	15,857
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(6,261)	(34,597)
Cash flow hedges	(43)	(56)
Share of other comprehensive income of investments accounted for using the equity method	(1,042)	(77)
Total	(7,346)	(34,730)
Total other comprehensive income	5,234	(18,873)
Comprehensive income for the period	88,350	42,178
Attributable to:		
Owners of the parent company	84,088	40,084
Non-controlling interests	4,262	2,094

# 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
<b>As of April 1, 2018</b>	187,457	265,985	(57,677)	499,730	—
Profit for the period	—	—	—	—	—
Other comprehensive income	—	—	—	11,711	330
Comprehensive income for the period	—	—	—	11,711	330
Acquisition of treasury stock	—	—	(3)	—	—
Disposal of treasury stock	—	2,067	4,648	—	—
Dividends	—	—	—	—	—
Changes in the ownership interest in a subsidiaries without a loss of control	—	5,306	—	—	—
Transfer to retained earnings	—	—	—	(291)	(330)
Other	—	—	—	—	—
Total transactions with the owners	—	7,373	4,645	(291)	(330)
<b>As of June 30, 2018</b>	187,457	273,358	(53,032)	511,150	—

<b>As of April 1, 2019</b>	187,457	268,776	(56,803)	378,687	—
Profit for the period	—	—	—	—	—
Other comprehensive income	—	—	—	16,117	(153)
Comprehensive income for the period	—	—	—	16,117	(153)
Acquisition of treasury stock	—	—	(2)	—	—
Disposal of treasury stock	—	0	0	—	—
Dividends	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	—	—	—	—
Transfer to retained earnings	—	—	—	(954)	153
Other	—	—	—	—	—
Total transactions with the owners	—	0	(2)	(954)	153
<b>As of June 30, 2019</b>	187,457	268,776	(56,805)	393,850	—

(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				
<b>As of April 1, 2018</b>	28,534	154	528,418	2,674,138	3,598,321	175,972	3,774,293
Profit for the period	—	—	—	77,295	77,295	5,821	83,116
Other comprehensive income	(5,312)	64	6,793	—	6,793	(1,559)	5,234
Comprehensive income for the period	(5,312)	64	6,793	77,295	84,088	4,262	88,350
Acquisition of treasury stock	—	—	—	—	(3)	—	(3)
Disposal of treasury stock	—	—	—	—	6,715	—	6,715
Dividends	—	—	—	(50,684)	(50,684)	(7,137)	(57,821)
Changes in the ownership interest in a subsidiaries without a loss of control	—	—	—	—	5,306	(12,190)	(6,884)
Transfer to retained earnings	—	—	(621)	621	—	—	—
Other	—	—	—	(6)	(6)	(11)	(17)
Total transactions with the owners	—	—	(621)	(50,069)	(38,672)	(19,338)	(58,010)
<b>As of June 30, 2018</b>	23,222	218	534,590	2,701,364	3,643,737	160,896	3,804,633

<b>As of April 1, 2019</b>	22,764	131	401,582	2,794,682	3,595,694	174,672	3,770,366
Profit for the period	—	—	—	57,158	57,158	3,893	61,051
Other comprehensive income	(32,982)	(56)	(17,074)	—	(17,074)	(1,799)	(18,873)
Comprehensive income for the period	(32,982)	(56)	(17,074)	57,158	40,084	2,094	42,178
Acquisition of treasury stock	—	—	—	—	(2)	—	(2)
Disposal of treasury stock	—	—	—	—	0	—	0
Dividends	—	—	—	(54,243)	(54,243)	(8,744)	(62,987)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	—	—	—	93	93
Transfer to retained earnings	—	—	(801)	801	—	—	—
Other	—	—	—	360	360	48	408
Total transactions with the owners	—	—	(801)	(53,082)	(53,885)	(8,603)	(62,488)
<b>As of June 30, 2019</b>	(10,218)	75	383,707	2,798,758	3,581,893	168,163	3,750,056



# Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019
Cash flows from operating activities		
Profit before income taxes	109,053	85,830
Depreciation	70,200	76,567
Increase (decrease) in retirement benefit liabilities	761	(207)
Decrease in retirement benefit assets	1,159	1,001
Interest and dividend income	(20,694)	(21,319)
Interest expenses	2,105	2,110
Foreign exchange losses (gains)	2,412	(1)
Share of the profit of associates and joint ventures accounted for using the equity method	(5,488)	(1,582)
Losses on sales or disposal of property, plant and equipment	1,115	1,488
Decrease in trade receivables	30,295	61,626
Increase in inventories	(8,982)	(117)
Decrease in trade payables	(8,337)	(24,082)
Increase (decrease) in provisions	975	(2,090)
Other	65,227	65,285
Subtotal	239,801	244,509
Interest received	2,889	3,583
Dividends received	18,236	18,676
Interest paid	(1,792)	(2,187)
Income taxes paid	(53,654)	(31,896)
Net cash provided by operating activities	205,480	232,685
Cash flows from investing activities		
(Increase) decrease in time deposits	(97,847)	17,376
Purchases of property, plant and equipment	(94,233)	(95,600)
Proceeds from sales of property, plant and equipment	1,478	1,468
Purchases of intangible assets	(10,243)	(7,333)
Purchases of equity instruments	(36,147)	(21,064)
Purchases of debt instruments	(14,108)	(1,211)
Proceeds from sales and redemption of equity instruments	452	1,274
Proceeds from sales and redemption of debt instruments	954	181
Increase from acquisition of control over subsidiaries	—	93
Other	3,158	1,337
Net cash used in investing activities	(246,536)	(103,479)
Cash flows from financing activities		
Net increase in short-term borrowings	3,515	17,500
Proceeds from borrowings	96,047	2,972
Repayments of long-term borrowings	(38,171)	(42,776)
Repayments of lease liabilities	(3,273)	(5,500)
Issuance of bonds	90,000	—
Redemption of bonds	(30,000)	(20,000)
Dividends paid	(50,684)	(54,243)
Dividends paid to non-controlling interests	(7,137)	(8,744)
Purchase of treasury stock	(3)	(2)
Other	(3,219)	1,815
Net cash used in financing activities	57,075	(108,978)
Foreign currency translation adjustments on cash and cash equivalents	(6,542)	(15,800)
Net increase in cash and cash equivalents	9,477	4,428
Cash and cash equivalents at beginning of period	783,338	711,638
Cash and cash equivalents at end of period	792,815	716,066

## Segment information

For the Three months ended June 30, 2018

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	531,454	303,223	170,993	308,488	1,314,158	17,002	—	1,331,160	
Intersegment	247,318	7,627	11,030	49,635	315,610	143	(315,753)	—	
Total	778,772	310,850	182,023	358,123	1,629,768	17,145	(315,753)	1,331,160	
Segment profit or losses	34,093	11,645	7,031	33,702	86,471	2,599	1,809	90,879	
Finance income									20,828
Finance costs									(3,181)
Foreign exchange losses									(4,961)
Share of the profit of associates and joint ventures accounted for using the equity method									5,488
Profit before income taxes									109,053

(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 Three months ended June 30, 2019

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	564,286	308,264	150,025	283,360	1,305,935	18,184	—	1,324,119	
Intersegment	232,182	7,093	8,665	45,704	293,644	232	(293,876)	—	
Total	796,468	315,357	158,690	329,064	1,599,579	18,416	(293,876)	1,324,119	
Segment profit or losses	23,530	8,177	3,242	25,106	60,055	4,139	4,952	69,146	
Finance income									21,733
Finance costs									(2,621)
Foreign exchange losses									(4,010)
Share of the profit of associates and joint ventures accounted for using the equity method									1,582
Profit before income taxes									85,830

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