

DENSO CORPORATION and Consolidated Subsidiaries

Consolidated Financial Results of the Fiscal Year Ended March 31, 2013

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DENSO CORPORATION

CODE: 6902

Listed on the Tokyo and
Nagoya stock exchanges

Results of the fiscal year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

(1) Operating Results

(Millions of yen, except per share figures)

	Year ended Mar. 31, 2013	Year ended Mar. 31, 2012
Net sales.....	3,580,923	3,154,630
% change from the previous corresponding period.....	13.5%	0.7%
Operating income.....	262,376	160,732
% change from the previous corresponding period.....	63.2%	(14.7%)
Income before income taxes and minority interests.....	281,890	163,483
% change from the previous corresponding period.....	72.4%	(22.8%)
Net income.....	181,682	89,298
% change from the previous corresponding period.....	103.5%	(37.6%)
Basic net income per share.....	226.59 yen	110.81 yen
Diluted net income per share	- yen	- yen
Return on equity.....	8.4 %	4.5 %

Notes 1. Equity in earnings of affiliates Year ended Mar. 31, 2013 : 5,132 millions of yen
Year ended Mar. 31, 2012 : 4,671 millions of yen

2. Basic net income per share is based upon the average number of shares outstanding.

(2) Financial Position

(Millions of yen, except per share figures)

	As of Mar. 31, 2013	As of Mar. 31, 2012
Total assets.....	3,979,093	3,607,697
Total equity.....	2,426,861	2,117,201
Equity ratio.....	57.8 %	55.7 %
Equity per share.....	2,891.39 yen	2,492.92 yen

Note: Equity per share is based upon the number of shares outstanding as of the respective balance sheet dates.

(3) Cash Flows

(Millions of yen)

	Year ended Mar. 31, 2013	Year ended Mar. 31, 2012
Net cash provided by operating activities.....	374,775	176,682
Net cash used in investing activities.....	(269,183)	(271,239)
Net cash (used in) provided by financing activities.....	(98,519)	78,819
Cash and Cash Equivalents at End of Period.....	707,330	665,409

(4) Consolidation Scope

Number of consolidated subsidiaries : 183

Number of affiliates : 32 (Affiliates accounted for by the equity method : 32)

(5) Changes in Consolidation Scope and Application of the Equity Method

Consolidated subsidiaries

Added : 4

Excluded : 9

Companies accounted for by the equity method

Added : 1

Excluded : 0

Consolidated Balance Sheets

	Millions of yen		
Assets	As of Mar. 31, 2013	As of Mar. 31, 2012	Increase (Decrease)
Current Assets:			
Cash and cash equivalents	707,330	665,410	
Short-term investments	387,874	356,732	
Notes and accounts receivable, less allowance for doubtful accounts	638,222	618,518	
Inventories	370,662	324,513	
Deferred tax assets	62,969	61,274	
Other current assets	114,829	93,661	
Total current assets	2,281,886	2,120,108	161,778
Property, Plant and Equipment:			
Land	165,740	159,762	
Buildings and structures	759,708	715,533	
Machinery and equipment	2,779,936	2,598,104	
Construction in progress	90,075	65,280	
	3,795,459	3,538,679	
Less: Accumulated depreciation	(2,909,299)	(2,737,791)	
Net property, plant and equipment	886,160	800,888	85,272
Investments and Other Assets	811,047	686,701	124,346
Total	3,979,093	3,607,697	371,396
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Liabilities and Equity	As of Mar. 31, 2013	As of Mar. 31, 2012	Increase (Decrease)
Current Liabilities:			
Short-term borrowings	7,445	7,519	
Current portion of long-term debt	148,827	52,237	
Notes and accounts payable	456,603	457,782	
Income taxes payable	55,128	18,881	
Accrued expenses	215,879	198,280	
Other current liabilities	89,664	78,643	
Total current liabilities	973,546	813,342	160,204
Long-term Liabilities:			
Long-term debt	351,248	463,344	
Liabilities for retirement benefits to employees, directors, corporate auditors and managing officers	199,059	191,816	
Deferred tax liabilities	13,866	7,461	
Other long-term liabilities	14,513	14,533	
Total long-term liabilities	578,686	677,154	(98,468)
Shareholders' Equity:			
Common stock	187,457	187,457	
Capital surplus	267,332	266,624	
Retained earnings	1,933,814	1,792,428	
Treasury stock - at cost	(224,505)	(198,498)	
Total shareholders' equity	2,164,098	2,048,011	116,087
Variance of the Estimate/Conversion:			
Unrealized gain on available-for-sale securities	226,354	146,458	
Deferred gain (loss) on derivatives under hedge accounting	17	(297)	
Foreign currency translation adjustments	(90,405)	(185,128)	
Total variance of the estimate/conversion	135,966	(38,967)	174,933
Stock Acquisition Rights	2,293	3,530	(1,237)
Minority Interests	124,504	104,627	19,877
Total equity	2,426,861	2,117,201	309,660
Total	3,979,093	3,607,697	371,396

Consolidated Statements of Income

	Year ended Mar. 31, 2013	Year ended Mar. 31, 2012	Millions of yen Increase (Decrease)
Net Sales	3,580,923	3,154,630	426,293
Cost of Sales	3,007,614	2,719,890	287,724
Gross Profit	573,309	434,740	138,569
Selling, General and Administrative Expenses	310,933	274,008	
Operating Income	262,376	160,732	101,644
Other Income (Expenses):			
Interest and dividend income	15,906	16,082	
Interest expense	(6,681)	(6,596)	
Equity in earnings of affiliates	5,132	4,671	
Gain on sales of property, plant and equipment	2,053	1,442	
Loss on sales or disposal of property, plant and equipment	(3,256)	(3,963)	
Impairment loss on long-lived assets	(956)	(183)	
Impairment loss on investment securities	(80)	(579)	
Loss on sales of investment securities	-	(11)	
Foreign exchange gain	12,312	4,183	
Retirement benefit plan of subsidiaries at transition	-	534	
Loss on antitrust law	-	(6,142)	
Pension cost of subsidiaries	(13,836)	(10,960)	
Other, net	8,920	4,273	
Income before income taxes and minority interests	281,890	163,483	118,407
Income Taxes:			
Current	86,980	42,761	
Deferred	(2,890)	18,563	
Minority Interests in Net Income	16,118	12,861	
Net Income	181,682	89,298	92,384

Statements of Changes in Equity

Millions of yen

	Year ended Mar. 31, 2013	Year ended Mar. 31, 2012
Common Stock:		
Balance at beginning of period	187,457	187,457
Balance at end of period	187,457	187,457
Capital Surplus:		
Balance at beginning of period	266,624	266,616
Gain on disposal of treasury stock	708	8
Balance at end of period	267,332	266,624
Retained Earnings:		
Balance at beginning of period	1,792,428	1,741,008
Cash dividends	(40,296)	(37,878)
Net income	181,682	89,298
Balance at end of period	1,933,814	1,792,428
Treasury Stock – at cost:		
Balance at beginning of period	(198,498)	(198,584)
Purchase of treasury stock	(27,505)	(12)
Disposal of treasury stock	1,498	98
Balance at end of period	(224,505)	(198,498)
Unrealized Gain on Available-for-sale Securities:		
Balance at beginning of period	146,458	129,215
Net change	79,896	17,243
Balance at end of period	226,354	146,458
Deferred Gain (Loss) on Derivatives under Hedge Accounting:		
Balance at beginning of period	(297)	59
Net change	314	(356)
Balance at end of period	17	(297)
Foreign Currency Translation Adjustments:		
Balance at beginning of period	(185,128)	(163,372)
Net change	94,723	(21,756)
Balance at end of period	(90,405)	(185,128)
Stock Acquisition Rights		
Balance at beginning of period	3,530	3,462
Net change	(1,237)	68
Balance at end of period	2,293	3,530
Minority Interests		
Balance at beginning of period	104,627	106,582
Net change	19,877	(1,955)
Balance at end of period	124,504	104,627
Total Equity at End of Period	2,426,861	2,117,201

Consolidated Statements of Cash Flows

	Year ended Mar. 31, 2013	Year ended Mar. 31, 2012	Millions of yen Increase (Decrease)
Operating Activities:			
Income before income taxes and minority interests	281,890	163,483	
Adjustments for:			
Payment of income taxes	(53,199)	(48,124)	
Depreciation	181,132	180,648	
Impairment loss on long-lived assets	956	183	
Amortization of goodwill	340	—	
Amortization of negative goodwill	—	(708)	
Increase in liability for retirement benefits	6,741	6,618	
Equity in earnings of affiliates	(5,132)	(4,671)	
Loss on sale or disposal of property, plant and equipment, net	1,202	2,522	
(Gain) Loss on sale of investment securities	(814)	10	
Loss on valuation of investment securities	80	579	
Foreign exchange (gain) loss	(4,318)	80	
Changes in assets and liabilities:			
Decrease (Increase) in notes and accounts receivable	35,238	(107,414)	
Increase in inventories	(18,676)	(42,427)	
(Decrease) Increase in notes and accounts payable	(19,411)	63,326	
Increase in prepaid pension cost	(10,162)	(9,547)	
Other, net	(21,092)	(27,876)	
Total adjustments	92,885	13,199	79,686
Net cash provided by operating activities	374,775	176,682	198,093
Investing Activities:			
Acquisition of property, plant and equipment	(226,406)	(173,469)	
Purchase of available-for-sale securities	(731,302)	(377,693)	
Proceeds from sale and redemption of available-for-sale securities	678,218	376,057	
Other, net	10,307	(96,134)	
Net cash used in by investing activities	(269,183)	(271,239)	2,056
Financing Activities:			
Net decrease in short-term borrowings	784	(40,081)	
Proceeds from long-term borrowings	27,052	159,745	
Repayments of long-term borrowings	(2,243)	(42,381)	
Proceeds from issuance of bonds	—	50,000	
Repayments of bonds	(50,000)	—	
Dividends paid	(40,297)	(37,878)	
Purchase of treasury stock	(27,505)	(12)	
Other, net	(6,310)	(10,574)	
Net cash (used in) provided by financing activities	(98,519)	78,819	(177,338)
Foreign Currency Translation Adjustments on			
Cash and Cash Equivalents	34,831	(7,479)	
Net Increase (Decrease) in Cash and Cash Equivalents	41,904	(23,217)	
Cash and Cash Equivalents of Newly Consolidated Subsidiary	17	—	
Cash and Cash Equivalents at Beginning of Period	665,409	688,626	
Cash and Cash Equivalents at End of Period	707,330	665,409	41,921

Segment Information

Geographical Segments (by company location)

Millions of yen

		Year ended Mar. 31, 2013	Year ended Mar. 31, 2012	
Sales	Japan	Customers	1,808,850	1,639,962
		Intersegment	654,775	557,670
		Total	2,463,625	2,197,632
	North America	Customers	624,974	504,075
		Intersegment	10,424	8,042
		Total	635,398	512,117
	Europe	Customers	348,769	373,214
		Intersegment	23,467	13,978
		Total	372,236	387,192
	Asia & Oceania	Customers	734,525	579,752
		Intersegment	59,516	46,969
		Total	794,041	626,721
	Others	Customers	63,805	57,627
		Intersegment	123	101
		Total	63,928	57,728
Total	Customers	3,580,923	3,154,630	
	Intersegment	748,305	626,760	
	Total	4,329,228	3,781,390	
Eliminations		(748,305)	(626,760)	
Consolidated		3,580,923	3,154,630	
Operating Income	Japan	170,676	83,866	
	North America	13,429	8,771	
	Europe	3,910	6,379	
	Asia & Oceania	73,696	59,491	
	Others	3,135	3,169	
	Total	264,846	161,676	
	Eliminations	(2,470)	(944)	
Consolidated		262,376	160,732	
Assets	Japan	1,989,799	1,862,160	
	North America	279,093	224,071	
	Europe	322,421	273,975	
	Asia & Oceania	646,545	501,109	
	Others	59,963	49,881	
	Total	3,297,821	2,911,196	
	Corporate and eliminations	681,272	696,501	
Consolidated		3,979,093	3,607,697	