

Difference between International Financial Reporting Standards and Japanese accounting standards (Fiscal year ended March 31, 2015)

June 19th, 2015
DENSO CORPORATION

With regard to DENSO's Consolidated financial results for the fiscal year ended March 31, 2015, under International Financial Reporting Standards (hereinafter IFRS), major differences between IFRS and Japanese accounting standards (hereinafter Japanese GAAP) are reclassification and changing of accounts in Consolidated statement of Income, and changing of depreciation method of fixed assets in Consolidated statement of Financial position as following:

Consolidated statement of Income

	Japanese GAAP	→	IFRS	[Unit: Billions of Yen]
1. Operating income	355.1		331.4	
		(23.7)		
Major difference: Non-operating income / expenses and Extraordinary income / losses (Reclassification)				(24.7)
2. Net income	293.1		258.4	
		(34.7)		
Major difference: Gain on withdrawal of assets from retirement benefit trust (Changing of accounts)				(34.3) [*1]

Consolidated statement of Financial position

1. Shareholders' equity (IFRS: Equity attributable to owners of the parent company)	3,196.1	→	3,327.9	
		131.8		
Major difference: Fixed assets (Changing of depreciation method)				136.4 [*2]

[*1] Gain on withdrawal of assets from retirement benefit trust (Changing of accounts)
Under Japanese GAAP, gain on withdrawal of assets from retirement benefit trust was reported as net income through extraordinary income; however, under IFRS, it was not reported as net income because it was recognized directly under other comprehensive income. The difference amount shown above is after application of tax allocation.

[*2] Fixed assets (Changing of depreciation method)
Declining-balance method was mainly adopted under Japanese GAAP; however, straight-line method was adopted under IFRS. The difference amount shown above is after application of tax allocation.