

[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, 2016
<under IFRS>

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

Representative : Koji Arima

President and CEO

Contact : Hiroyuki Shinyashiki

Director

Telephone : +81-566-25-5850

Scheduled date of the general meeting of shareholders : June 21, 2016

Scheduled date of commencement of dividend payment : May 30, 2016

(URL <http://www.globaldenso.com>)

DATE: April 28, 2016

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 fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(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, 2016	4,524,522	5.0	315,728	(4.7)	347,293	(6.6)	260,565	(5.8)
March 31, 2015	4,309,787	5.2	331,376	(10.8)	371,915	(7.2)	276,709	(6.2)

	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, 2016	244,251	(5.5)	(75,245)	—	307.19	307.18
March 31, 2015	258,382	(6.8)	634,988	30.6	324.01	323.93

	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, 2016	7.6	6.7	7.0
March 31, 2015	8.4	7.5	7.7

Reference: Share of profit (loss) in investments accounted for using the equity method:

Fiscal year ended March 31, 2016: ¥5,130 million; Fiscal year ended March 31, 2015: ¥5,956 million

(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, 2016	5,042,896	3,255,035	3,123,578	61.9	3,939.97
March 31, 2015	5,283,257	3,474,211	3,327,938	63.0	4,171.93

(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, 2016	552,862	(544,834)	(104,663)	672,482
March 31, 2015	383,156	(111,504)	(135,686)	792,414

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, 2015	—	47.00	—	63.00	110.00	87,741	34.0	2.9
Year ended March 31, 2016	—	60.00	—	60.00	120.00	95,290	39.1	3.0
Year ending March 31, 2017 (Forecast)	—	60.00	—	60.00	120.00		40.5	

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2017
(from April 1, 2016 to March 31, 2017)**

(Percentages indicate year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent company		Basic earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
First half	2,200,000	(1.3)	133,000	(10.2)	148,000	(11.3)	102,000	(9.8)	128.66	
Full year	4,500,000	(0.5)	313,000	(0.9)	342,000	(1.5)	235,000	(3.8)	296.42	

Consolidated Statement of Financial Position

(Unit: Millions of yen)

	2015	2016
Assets		
Current assets		
Cash and cash equivalents	792,414	672,482
Trade and other receivables	807,669	826,687
Inventories	479,527	476,574
Other financial assets	183,580	356,815
Other current assets	69,019	64,654
Total current assets	2,332,209	2,397,212
Non-current assets		
Property, plant and equipment	1,395,706	1,425,567
Intangible assets	19,637	21,156
Other financial assets	1,302,739	1,037,672
Investments accounted for using the equity method	71,819	71,096
Retirement benefit assets	92,676	25,791
Deferred tax assets	44,457	40,464
Other non-current assets	24,014	23,938
Total non-current assets	2,951,048	2,645,684
Total assets	5,283,257	5,042,896

(Unit: Millions of yen)

	2015	2016
Liabilities and equity		
Current liabilities		
Bonds and borrowings	98,959	261,973
Trade and other payables	804,816	812,936
Other financial liabilities	11,695	12,333
Income tax payables	14,182	36,494
Provisions	51,737	86,750
Other current liabilities	47,299	46,859
Total current liabilities	1,028,688	1,257,345
Non-current liabilities		
Bonds and borrowings	348,241	214,638
Other financial liabilities	12,204	10,099
Retirement benefit liabilities	219,173	231,120
Provisions	1,066	2,152
Deferred tax liabilities	181,304	54,417
Other non-current liabilities	18,370	18,090
Total non-current liabilities	780,358	530,516
Total liabilities	1,809,046	1,787,861
Equity		
Capital stock	187,457	187,457
Capital surplus	268,611	267,640
Treasury stock	(218,942)	(246,486)
Other components of equity	699,938	422,205
Retained earnings	2,390,874	2,492,762
Equity attributable to owners of the parent company	3,327,938	3,123,578
Non-controlling interests	146,273	131,457
Total equity	3,474,211	3,255,035
Total liabilities and equity	5,283,257	5,042,896

Consolidated Statement of Income

(Unit: Millions of yen)

	2015	2016
Revenue	4,309,787	4,524,522
Cost of revenue	(3,552,192)	(3,747,311)
Gross profit	757,595	777,211
Selling, general and administrative expenses	(399,464)	(412,015)
Other income	12,797	12,453
Other expenses	(39,552)	(61,921)
Operating profit	331,376	315,728
Finance income	27,446	34,267
Finance costs	(9,376)	(8,797)
Foreign exchange gains	16,513	965
Share of the profit of associates accounted for using the equity method	5,956	5,130
Profit before income taxes	371,915	347,293
Income tax expenses	(95,206)	(86,728)
Profit for the year	276,709	260,565
Attributable to:		
Owners of the parent company	258,382	244,251
Non-controlling interests	18,327	16,314

(Unit: Yen)

Earnings per share		
Basic	324.01	307.19
Diluted	323.93	307.18

Consolidated Statement of Other Comprehensive Income

(Unit: Millions of yen)

	2015	2016
Profit for the year	276,709	260,565
Other comprehensive income (loss)		
Items that will not be reclassified subsequently to profit or loss		
Net fair value gain (loss) on equity instruments designated as FVTOCI	227,663	(192,717)
Remeasurements of defined benefit pension plans	33,997	(43,659)
Total	261,660	(236,376)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	96,710	(99,150)
Cash flow hedges	(91)	(284)
Total	96,619	(99,434)
Total other comprehensive income (loss)	358,279	(335,810)
Comprehensive income for the year	634,988	(75,245)
Attributable to:		
Owners of the parent company	605,906	(77,720)
Non-controlling interests	29,082	2,475

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		
				Stock acquisition rights	Net fair value gain on equity instruments designated as FVTOCI	Remeasurements of defined benefit pension plans
As of April 1, 2014	187,457	263,607	(220,120)	488	324,866	—
Profit for the year	—	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	—	227,458	34,029
Comprehensive income for the year	—	—	—	—	227,458	34,029
Acquisition of treasury stock	—	—	(31)	—	—	—
Disposal of treasury stock (includes exercising stock options)	—	585	1,209	(290)	—	—
Dividends	—	—	—	—	—	—
Changes in the ownership interest in subsidiaries without loss of control	—	4,419	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	(34,029)
Other increase (decrease)	—	—	—	(50)	—	—
Total transactions with the owners	—	5,004	1,178	(340)	—	(34,029)
As of March 31, 2015	187,457	268,611	(218,942)	148	552,324	—
As of April 1, 2015	187,457	268,611	(218,942)	148	552,324	—
Profit for the year	—	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	—	(192,565)	(42,769)
Comprehensive income for the year	—	—	—	—	(192,565)	(42,769)
Acquisition of treasury stock	—	—	(27,829)	—	—	—
Disposal of treasury stock (includes exercising stock options)	—	133	285	(89)	—	—
Dividends	—	—	—	—	—	—
Changes in the ownership interest in subsidiaries without loss of control	—	(1,104)	—	—	—	—
Transfer to retained earnings	—	—	—	—	1,617	42,769
Other increase (decrease)	—	—	—	(59)	—	—
Total transactions with the owners	—	(971)	(27,544)	(148)	1,617	42,769
As of March 31, 2016	187,457	267,640	(246,486)	—	361,376	—

(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				
As of April 1, 2014	61,576	(147)	386,783	2,182,188	2,799,915	132,586	2,932,501
Profit for the year	—	—	—	258,382	258,382	18,327	276,709
Other comprehensive income (loss)	86,128	(91)	347,524	—	347,524	10,755	358,279
Comprehensive income for the year	86,128	(91)	347,524	258,382	605,906	29,082	634,988
Acquisition of treasury stock	—	—	—	—	(31)	—	(31)
Disposal of treasury stock (includes exercising stock options)	—	—	(290)	—	1,504	—	1,504
Dividends	—	—	—	(83,725)	(83,725)	(7,814)	(91,539)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	—	4,419	(7,562)	(3,143)
Transfer to retained earnings	—	—	(34,029)	34,029	—	—	—
Other increase (decrease)	—	—	(50)	—	(50)	(19)	(69)
Total transactions with the owners	—	—	(34,369)	(49,696)	(77,883)	(15,395)	(93,278)
As of March 31, 2015	147,704	(238)	699,938	2,390,874	3,327,938	146,273	3,474,211

As of April 1, 2015	147,704	(238)	699,938	2,390,874	3,327,938	146,273	3,474,211
Profit for the year	—	—	—	244,251	244,251	16,314	260,565
Other comprehensive income (loss)	(86,353)	(284)	(321,971)	—	(321,971)	(13,839)	(335,810)
Comprehensive income for the year	(86,353)	(284)	(321,971)	244,251	(77,720)	2,475	(75,245)
Acquisition of treasury stock	—	—	—	—	(27,829)	—	(27,829)
Disposal of treasury stock (includes exercising stock options)	—	—	(89)	—	329	—	329
Dividends	—	—	—	(97,977)	(97,977)	(11,354)	(109,331)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	—	(1,104)	(5,919)	(7,023)
Transfer to retained earnings	—	—	44,386	(44,386)	—	—	—
Other increase (decrease)	—	—	(59)	—	(59)	(18)	(77)
Total transactions with the owners	—	—	44,238	(142,363)	(126,640)	(17,291)	(143,931)
As of March 31, 2016	61,351	(522)	422,205	2,492,762	3,123,578	131,457	3,255,035

Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	2015	2016
Cash flows from operating activities		
Profit before income taxes	371,915	347,293
Depreciation	220,112	236,845
Impairment losses	1,712	1,257
(Decrease) Increase in retirement benefit liabilities	(637)	1,165
(Increase) Decrease in retirement benefit assets	(5,713)	1,874
Interest and dividend income	(26,955)	(33,984)
Interest expenses	7,626	6,821
Foreign exchange losses	1,700	4,124
Share of the profit of associates accounted for using the equity method	(5,956)	(5,130)
Losses on sales or disposal of property, plant and equipment	2,862	4,706
Increase in trade receivables	(3,956)	(63,210)
Increase in inventories	(43,120)	(23,367)
(Decrease) Increase in trade payables	(7,698)	41,484
(Decrease) Increase in provisions	(9,374)	37,721
Other	10,765	28,067
Subtotal	513,283	585,666
Interest received	7,991	7,798
Dividends received	21,422	30,690
Interest paid	(7,596)	(6,515)
Income taxes paid	(151,944)	(64,777)
Net cash provided by operating activities	383,156	552,862
Cash flows from investing activities		
Decrease (Increase) in time deposits	56,510	(62,670)
Purchases of property, plant and equipment	(356,085)	(334,896)
Proceeds from sales of property, plant and equipment	6,892	5,627
Purchases of intangible assets	(8,531)	(9,484)
Purchases of investments in equity instruments	(2,269)	(64,263)
Purchases of investments in debt instruments	(340,096)	(574,611)
Proceeds from sales and redemption of investments in equity instruments	—	99
Proceeds from sales and redemption of investments in debt instruments	528,520	489,269
Other	3,555	6,095
Net cash used in investing activities	(111,504)	(544,834)
Cash flows from financing activities		
Net decrease in short-term borrowings	(5,642)	(489)
Proceeds from borrowings	62,340	120,250
Repayments of long-term borrowings	(66,389)	(104,865)
Repayments of finance lease obligations	(9,182)	(10,592)
Issuance of bonds	20,000	30,000
Redemption of bonds	(40,000)	—
Dividends paid	(83,725)	(97,977)
Dividends paid to non-controlling interests	(8,522)	(11,354)
Purchase of treasury stock	(31)	(27,829)
Purchase of subsidiary's treasury stock	(4,583)	(7,254)
Other	48	5,447
Net cash used in financing activities	(135,686)	(104,663)
Foreign currency translation adjustments on cash and cash equivalents	13,902	(23,403)
Net increase (decrease) in cash and cash equivalents	149,868	(120,038)
Cash and cash equivalents at beginning of year	641,694	792,414
Cash and cash equivalents of a newly consolidated subsidiary	852	106
Cash and cash equivalents at end of year	792,414	672,482

Segment information

For the year ended March 31, 2015

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	1,838,448	942,251	524,754	930,792	4,236,245	73,542	—	4,309,787	
Intersegment	826,077	24,206	29,999	118,933	999,215	261	(999,476)	—	
Total	2,664,525	966,457	554,753	1,049,725	5,235,460	73,803	(999,476)	4,309,787	
Segment profit (loss)	196,872	39,491	16,823	80,916	334,102	269	(2,995)	331,376	
Finance income									27,446
Finance expense									(9,376)
Foreign exchange gains									16,513
Share of the profit of associates accounted for using the equity method									5,956
Profit before income taxes									371,915

(Note)"Others" is a business segment that is not included in reportable segments. It includes business activities of subsidiaries in South America, etc.

For the year ended March 31, 2016

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	1,801,547	1,081,058	568,183	1,014,708	4,465,496	59,026	—	4,524,522	
Intersegment	845,023	31,625	25,394	146,525	1,048,567	474	(1,049,041)	—	
Total	2,646,570	1,112,683	593,577	1,161,233	5,514,063	59,500	(1,049,041)	4,524,522	
Segment profit (loss)	154,531	47,706	14,417	96,585	313,239	(2,005)	4,494	315,728	
Finance income									34,267
Finance expense									(8,797)
Foreign exchange gains									965
Share of the profit of associates accounted for using the equity method									5,130
Profit before income taxes									347,293

(Note) "Others" is a business segment that is not included in reportable segments. It includes business activities of subsidiaries in South America, etc.