

[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 Three Months Ended June 30, 2016**  
**<under IFRS>**

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Scheduled date of commencement of dividend payment : —

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

DATE: July 29, 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 three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)**

**(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2016	1,092,796	(1.2)	67,194	(22.5)	75,032	(29.9)	49,245	(36.5)
June 30, 2015	1,106,025	7.6	86,658	5.5	107,032	13.5	77,610	16.3

	Profit attributable to owners of the parent company		Comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended						
June 30, 2016	46,109	(37.6)	(147,808)	—	58.16	—
June 30, 2015	73,867	17.2	111,305	35.1	92.59	92.59

**(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, 2016	4,618,621	3,051,426	2,933,209	63.5
March 31, 2016	5,042,896	3,255,035	3,123,578	61.9

**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, 2016	—	60.00	—	60.00	120.00
Year ending March 31, 2017	—				
Year ending March 31, 2017 (Forecast)		60.00	—	60.00	120.00

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

(Percentages indicate the change of the same period of the previous year)

	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	2,170,000	(2.6)	127,000	(14.2)	136,000	(18.5)	86,000	(23.9)	108.48
Full year	4,400,000	(2.8)	284,000	(10.0)	310,000	(10.7)	203,000	(16.9)	256.06

# Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of Mar. 31, 2016	As of Jun. 30, 2016
<b>Assets</b>		
Current assets		
Cash and cash equivalents	672,482	607,000
Trade and other receivables	826,687	760,910
Inventories	476,574	450,387
Other financial assets	356,815	280,145
Other current assets	64,654	57,306
<b>Total current assets</b>	<b>2,397,212</b>	<b>2,155,748</b>
Non-current assets		
Property, plant and equipment	1,425,567	1,388,113
Intangible assets	21,156	20,696
Other financial assets	1,037,672	896,684
Investments accounted for using the equity method	71,096	67,999
Retirement benefit assets	25,791	24,556
Deferred tax assets	40,464	40,015
Other non-current assets	23,938	24,810
<b>Total non-current assets</b>	<b>2,645,684</b>	<b>2,462,873</b>
<b>Total assets</b>	<b>5,042,896</b>	<b>4,618,621</b>

(Unit: Millions of yen)

	As of Mar. 31, 2016	As of Jun. 30, 2016
Liabilities and equity		
Current liabilities		
Bonds and borrowings	261,973	98,916
Trade and other payables	812,936	819,776
Other financial liabilities	12,333	11,645
Income tax payables	36,494	13,148
Provisions	86,750	94,137
Other current liabilities	46,859	52,629
Total current liabilities	1,257,345	1,090,251
Non-current liabilities		
Bonds and borrowings	214,638	207,480
Other financial liabilities	10,099	8,945
Retirement benefit liabilities	231,120	230,644
Provisions	2,152	1,655
Deferred tax liabilities	54,417	11,019
Other non-current liabilities	18,090	17,201
Total non-current liabilities	530,516	476,944
Total liabilities	1,787,861	1,567,195
Equity		
Capital stock	187,457	187,457
Capital surplus	267,640	267,640
Treasury stock	(246,486)	(246,490)
Other components of equity	422,205	233,300
Retained earnings	2,492,762	2,491,302
Equity attributable to owners of the parent company	3,123,578	2,933,209
Non-controlling interests	131,457	118,217
Total equity	3,255,035	3,051,426
Total liabilities and equity	5,042,896	4,618,621

## Consolidated Statement of Income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2015	Three months ended Jun. 30, 2016
Revenue	1,106,025	1,092,796
Cost of revenue	(918,326)	(917,769)
Gross profit	187,699	175,027
Selling, general and administrative expenses	(100,545)	(100,410)
Other income	2,052	4,644
Other expenses	(2,548)	(12,067)
Operating profit	86,658	67,194
Finance income	17,365	16,445
Finance costs	(2,399)	(2,547)
Foreign exchange gains (losses)	3,472	(7,790)
Share of the profit of associates accounted for using the equity method	1,936	1,730
Profit before income taxes	107,032	75,032
Income tax expenses	(29,422)	(25,787)
Profit for the period	77,610	49,245
Attributable to:		
Owners of the parent company	73,867	46,109
Non-controlling interests	3,743	3,136

(Unit: Yen)

Earnings per share		
Basic	92.59	58.16
Diluted	92.59	—

## Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2015	Three months ended Jun. 30, 2016
Profit for the period	77,610	49,245
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net fair value gain (loss) on equity instruments designated as FVTOCI	15,923	(95,520)
Remeasurements of defined benefit pension plans	—	—
Share of other comprehensive income of investments accounted for using the equity method	3	(18)
Total	15,926	(95,538)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	17,366	(98,732)
Cash flow hedges	27	73
Share of other comprehensive income of investments accounted for using the equity method	376	(2,856)
Total	17,769	(101,515)
Total other comprehensive income	33,695	(197,053)
Comprehensive income for the period	111,305	(147,808)
Attributable to:		
Owners of the parent company	108,129	(142,796)
Non-controlling interests	3,176	(5,012)

# 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
<b>As of April 1, 2015</b>	187,457	268,611	(218,942)	148	552,324	—
Profit for the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	15,935	—
Comprehensive income for the period	—	—	—	—	15,935	—
Acquisition of treasury stock	—	—	(6)	—	—	—
Disposal of treasury stock (includes exercising stock options)	—	115	247	(77)	—	—
Dividends	—	—	—	—	—	—
Changes in the ownership interest in subsidiaries without loss of control	—	(208)	—	—	—	—
Transfer to retained earnings	—	—	—	—	1,635	—
Other	—	—	—	(2)	—	—
Total transactions with the owners	—	(93)	241	(79)	1,635	—
<b>As of June 30, 2015</b>	187,457	268,518	(218,701)	69	569,894	—

<b>As of April 1, 2016</b>	187,457	267,640	(246,486)	—	361,376	—
Profit for the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	(95,473)	—
Comprehensive income for the period	—	—	—	—	(95,473)	—
Acquisition of treasury stock	—	—	(4)	—	—	—
Disposal of treasury stock (includes exercising stock options)	—	—	—	—	—	—
Dividends	—	—	—	—	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with the owners	—	—	(4)	—	—	—
<b>As of June 30, 2016</b>	187,457	267,640	(246,490)	—	265,903	—

(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, 2015</b>	147,704	(238)	699,938	2,390,874	3,327,938	146,273	3,474,211
Profit for the period	—	—	—	73,867	73,867	3,743	77,610
Other comprehensive income	18,300	27	34,262	—	34,262	(567)	33,695
Comprehensive income for the period	18,300	27	34,262	73,867	108,129	3,176	111,305
Acquisition of treasury stock	—	—	—	—	(6)	—	(6)
Disposal of treasury stock (includes exercising stock options)	—	—	(77)	—	285	—	285
Dividends	—	—	—	(50,257)	(50,257)	(3,930)	(54,187)
Changes in the ownership interest in subsidiaries without loss of control	—	—	—	—	(208)	(83)	(291)
Transfer to retained earnings	—	—	1,635	(1,635)	—	—	—
Other	—	—	(2)	—	(2)	(14)	(16)
Total transactions with the owners	—	—	1,556	(51,892)	(50,188)	(4,027)	(54,215)
<b>As of June 30, 2015</b>	166,004	(211)	735,756	2,412,849	3,385,879	145,422	3,531,301

<b>As of April 1, 2016</b>	61,351	(522)	422,205	2,492,762	3,123,578	131,457	3,255,035
Profit for the period	—	—	—	46,109	46,109	3,136	49,245
Other comprehensive income	(93,505)	73	(188,905)	—	(188,905)	(8,148)	(197,053)
Comprehensive income for the period	(93,505)	73	(188,905)	46,109	(142,796)	(5,012)	(147,808)
Acquisition of treasury stock	—	—	—	—	(4)	—	(4)
Disposal of treasury stock (includes exercising stock options)	—	—	—	—	—	—	—
Dividends	—	—	—	(47,569)	(47,569)	(8,305)	(55,874)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	—	—	98	98
Transfer to retained earnings	—	—	—	—	—	—	—
Other	—	—	—	—	—	(21)	(21)
Total transactions with the owners	—	—	—	(47,569)	(47,573)	(8,228)	(55,801)
<b>As of June 30, 2016</b>	(32,154)	(449)	233,300	2,491,302	2,933,209	118,217	3,051,426



# Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
<b>Cash flows from operating activities</b>		
Profit before income taxes	107,032	75,032
Depreciation	58,426	58,237
Increase in retirement benefit liabilities	1,245	1,623
(Increase) Decrease in retirement benefit assets	(93)	1,234
Interest and dividend income	(17,237)	(16,021)
Interest expenses	1,856	2,125
Foreign exchange (gains) losses	(720)	2,781
Share of the profit of associates and joint ventures accounted for using the equity method	(1,936)	(1,730)
Losses on sales or disposal of property, plant and equipment	1,229	1,501
Decrease (Increase) in trade receivables	23,696	(373)
Increase in inventories	(4,527)	(2,650)
(Decrease) Increase in trade payables	(24,534)	25,158
(Decrease) Increase in provisions	(5,943)	8,395
Other	38,962	41,247
Subtotal	177,456	196,559
Interest received	3,290	1,598
Dividends received	16,183	15,425
Interest paid	(1,727)	(2,023)
Income taxes paid	(21,305)	(46,952)
Net cash provided by operating activities	173,897	164,607
<b>Cash flows from investing activities</b>		
Increase in time deposits	(191,534)	(9,243)
Purchases of property, plant and equipment	(80,321)	(79,460)
Proceeds from sales of property, plant and equipment	1,970	2,732
Purchases of intangible assets	(2,349)	(2,018)
Purchases of investments in equity instruments	(463)	(789)
Purchases of investments in debt instruments	(195,329)	(57,110)
Proceeds from sales and redemption of investments in debt instruments	22,601	123,664
Other	2,188	503
Net cash used in investing activities	(443,237)	(21,721)
<b>Cash flows from financing activities</b>		
Net (decrease) increase in short-term borrowings	(1,328)	87
Proceeds from borrowings	41,357	7,548
Repayments of long-term borrowings	(742)	(90,813)
Repayments of finance lease obligations	(2,435)	(2,927)
Redemption of bonds	—	(50,000)
Dividends paid	(50,257)	(47,569)
Dividends paid to non-controlling interests	(3,930)	(8,305)
Purchase of treasury stock	(6)	(4)
Purchase of subsidiary's treasury stock	(38)	—
Other	182	(180)
Net cash used in financing activities	(17,197)	(192,163)
Foreign currency translation adjustments on cash and cash equivalents	1,698	(16,205)
Net decrease in cash and cash equivalents	(284,839)	(65,482)
Cash and cash equivalents at beginning of period	792,414	672,482
Cash and cash equivalents of a newly consolidated subsidiary	106	—
Cash and cash equivalents at end of period	507,681	607,000

## Segment information

For the Three months ended June 30, 2015

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	418,096	276,185	145,831	250,022	1,090,134	15,891	—	1,106,025	
Intersegment	205,909	7,456	6,701	35,104	255,170	94	(255,264)	—	
Total	624,005	283,641	152,532	285,126	1,345,304	15,985	(255,264)	1,106,025	
Segment profit or losses	43,284	14,738	4,241	21,262	83,525	(868)	4,001	86,658	
Finance income									17,365
Finance costs									(2,399)
Foreign exchange gains									3,472
Share of the profit of associates and joint ventures accounted for using the equity method									1,936
Profit before income taxes									107,032

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

For the Three months ended June 30, 2016

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	428,547	259,426	148,345	240,920	1,077,238	15,558	—	1,092,796	
Intersegment	188,012	6,744	6,204	37,142	238,102	139	(238,241)	—	
Total	616,559	266,170	154,549	278,062	1,315,340	15,697	(238,241)	1,092,796	
Segment profit or losses	14,164	16,582	6,841	24,471	62,058	648	4,488	67,194	
Finance income									16,445
Finance costs									(2,547)
Foreign exchange losses									(7,790)
Share of the profit of associates and joint ventures accounted for using the equity method									1,730
Profit before income taxes									75,032

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