

[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, 2021**  
**<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/en>)

DATE: July 30, 2021

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, 2021 (from April 1, 2021 to June 30, 2021)**

**(1) Consolidated operating results**

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

	Revenue		Operating (loss) profit		(Loss) profit before income taxes		(Loss) profit for the period	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2021	1,356,866	77.3	107,181	—	131,608	—	96,271	—
June 30, 2020	765,098	(42.2)	(106,616)	—	(92,247)	—	(94,068)	—

	(Loss) profit attributable to owners of the parent company		Comprehensive (loss) 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, 2021	89,345	—	194,979	—	115.25	—
June 30, 2020	(90,069)	—	(11,301)	—	(116.24)	—

**(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, 2021	6,948,788	4,187,111	4,028,319	58.0
March 31, 2021	6,767,684	4,076,717	3,891,012	57.5

## 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, 2021	—	70.00	—	70.00	140.00
Year ending March 31, 2022	—				
Year ending March 31, 2022 (Forecast)		70.00	—	70.00	140.00

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	5,540,000	12.2	440,000	183.7	481,000	148.3	363,000	145.1	336,000	168.7	433.36

# Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of Mar. 31, 2021	As of Jun. 30, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	897,395	950,504
Trade and other receivables	1,028,821	966,256
Inventories	726,159	783,344
Other financial assets	15,527	15,901
Other current assets	121,834	121,788
<b>Total current assets</b>	<b>2,789,736</b>	<b>2,837,793</b>
Non-current assets		
Property, plant and equipment	1,875,763	1,889,737
Right-of-use assets	47,834	47,584
Intangible assets	143,960	143,952
Other financial assets	1,681,582	1,804,135
Investments accounted for using the equity method	106,734	106,072
Retirement benefit assets	63,446	62,930
Deferred tax assets	36,951	35,215
Other non-current assets	21,678	21,370
<b>Total non-current assets</b>	<b>3,977,948</b>	<b>4,110,995</b>
<b>Total assets</b>	<b>6,767,684</b>	<b>6,948,788</b>

(Unit: Millions of yen)

	As of Mar. 31, 2021	As of Jun. 30, 2021
Liabilities and equity		
Current liabilities		
Bonds and borrowings	98,348	160,501
Trade and other payables	1,014,406	1,039,316
Other financial liabilities	48,647	45,167
Income tax payables	15,414	15,986
Provisions	248,517	216,065
Other current liabilities	73,327	87,526
Total current liabilities	1,498,659	1,564,561
Non-current liabilities		
Bonds and borrowings	755,874	720,608
Other financial liabilities	36,153	36,278
Retirement benefit liabilities	282,332	284,243
Provisions	1,369	1,598
Deferred tax liabilities	102,095	139,584
Other non-current liabilities	14,485	14,805
Total non-current liabilities	1,192,308	1,197,116
Total liabilities	2,690,967	2,761,677
Equity		
Capital stock	187,457	187,457
Capital surplus	272,517	273,796
Treasury stock	(56,830)	(54,812)
Other components of equity	691,417	785,274
Retained earnings	2,796,451	2,836,604
Equity attributable to owners of the parent company	3,891,012	4,028,319
Non-controlling interests	185,705	158,792
Total equity	4,076,717	4,187,111
Total liabilities and equity	6,767,684	6,948,788

## Consolidated Statement of Income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021
Revenue	765,098	1,356,866
Cost of revenue	(777,232)	(1,145,316)
Gross (loss) profit	(12,134)	211,550
Selling, general and administrative expenses	(97,339)	(111,654)
Other income	6,798	14,363
Other expenses	(3,941)	(7,078)
Operating (loss) profit	(106,616)	107,181
Finance income	20,007	20,035
Finance costs	(1,957)	(1,490)
Foreign exchange (losses) gains	(2,182)	2,675
Share of the (loss) profit of associates and joint ventures accounted for using the equity method	(1,499)	3,207
(Loss) Profit before income taxes	(92,247)	131,608
Income tax expenses	(1,821)	(35,337)
(Loss) Profit for the period	(94,068)	96,271
Attributable to:		
Owners of the parent company	(90,069)	89,345
Non-controlling interests	(3,999)	6,926

(Unit: Yen)

Earnings per share		
Basic	(116.24)	115.25
Diluted	—	—

# Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021
(Loss) Profit for the period	(94,068)	96,271
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net fair value gain on equity instruments designated as FVTOCI	75,791	90,083
Remeasurements of defined benefit pension plans	136	(0)
Share of other comprehensive income of investments accounted for using the equity method	6	6
Total	75,933	90,089
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	7,874	6,687
Cash flow hedges	107	(13)
Share of other comprehensive (loss) income of investments accounted for using the equity method	(1,147)	1,945
Total	6,834	8,619
Total other comprehensive income	82,767	98,708
Comprehensive (loss) income for the period	(11,301)	194,979
Attributable to:		
Owners of the parent company	(10,833)	188,355
Non-controlling interests	(468)	6,624

# 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, 2020</b>	187,457	272,375	(56,815)	273,576	—
(Loss) Profit for the period	—	—	—	—	—
Other comprehensive income	—	—	—	75,741	136
Comprehensive income for the period	—	—	—	75,741	136
Acquisition of treasury stock	—	—	(1)	—	—
Disposal of treasury stock	—	(0)	0	—	—
Dividends	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	4	—	—	—
Transfer to retained earnings	—	—	—	(1,408)	(136)
Transfer from retained earnings to capital surplus	—	0	—	—	—
Other	—	7	—	—	—
Total transactions with the owners	—	11	(1)	(1,408)	(136)
<b>As of June 30, 2020</b>	187,457	272,386	(56,816)	347,909	—

<b>As of April 1, 2021</b>	187,457	272,517	(56,830)	664,905	—
(Loss) Profit for the period	—	—	—	—	—
Other comprehensive (loss) income	—	—	—	89,882	(0)
Comprehensive (loss) income for the period	—	—	—	89,882	(0)
Acquisition of treasury stock	—	—	(7)	—	—
Disposal of treasury stock	—	1,280	2,025	—	—
Dividends	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	(0)	—	—	—
Transfer to retained earnings	—	—	—	(5,153)	0
Transfer from retained earnings to capital surplus	—	—	—	—	—
Other	—	(1)	—	—	—
Total transactions with the owners	—	1,279	2,018	(5,153)	0
<b>As of June 30, 2021</b>	187,457	273,796	(54,812)	749,634	—

(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, 2020</b>	(46,913)	(10)	226,653	2,767,466	3,397,136	161,733	3,558,869
(Loss) Profit for the period	—	—	—	(90,069)	(90,069)	(3,999)	(94,068)
Other comprehensive income	3,252	107	79,236	—	79,236	3,531	82,767
Comprehensive (loss) income for the period	3,252	107	79,236	(90,069)	(10,833)	(468)	(11,301)
Acquisition of treasury stock	—	—	—	—	(1)	—	(1)
Disposal of treasury stock	—	—	—	—	0	—	0
Dividends	—	—	—	(54,243)	(54,243)	(4,305)	(58,548)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	—	—	4	115	119
Transfer to retained earnings	—	—	(1,544)	1,544	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	(0)	—	—	—
Other	—	—	—	1,710	1,717	0	1,717
Total transactions with the owners	—	—	(1,544)	(50,989)	(52,523)	(4,190)	(56,713)
<b>As of June 30, 2020</b>	(43,661)	97	304,345	2,626,408	3,333,780	157,075	3,490,855

<b>As of April 1, 2021</b>	26,472	40	691,417	2,796,451	3,891,012	185,705	4,076,717
(Loss) Profit for the period	—	—	—	89,345	89,345	6,926	96,271
Other comprehensive income	9,141	(13)	99,010	—	99,010	(302)	98,708
Comprehensive income for the period	9,141	(13)	99,010	89,345	188,355	6,624	194,979
Acquisition of treasury stock	—	—	—	—	(7)	—	(7)
Disposal of treasury stock	—	—	—	—	3,305	—	3,305
Dividends	—	—	—	(54,243)	(54,243)	(33,529)	(87,772)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	—	—	(0)	(6)	(6)
Transfer to retained earnings	—	—	(5,153)	5,153	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—
Other	—	—	—	(102)	(103)	(2)	(105)
Total transactions with the owners	—	—	(5,153)	(49,192)	(51,048)	(33,537)	(84,585)
<b>As of June 30, 2021</b>	35,613	27	785,274	2,836,604	4,028,319	158,792	4,187,111



# Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021
<b>Cash flows from operating activities</b>		
(Loss) Profit before income taxes	(92,247)	131,608
Depreciation	81,380	86,797
Increase in retirement benefit liabilities	1,497	1,269
Decrease in retirement benefit assets	1,380	1,075
Interest and dividend income	(18,086)	(19,357)
Interest expenses	1,172	995
Foreign exchange losses (gains)	209	(3,562)
Share of the loss (profit) of associates and joint ventures accounted for using the equity method	1,499	(3,207)
Losses (gains) on sales or disposal of property, plant and equipment	1,285	(370)
Decrease in trade receivables	174,751	68,975
Increase in inventories	(49,131)	(51,787)
Decrease in trade payables	(98,024)	(15,462)
Decrease in provisions	(5,369)	(32,339)
Other	43,180	29,627
Subtotal	43,496	194,262
Interest received	1,254	1,281
Dividends received	16,809	18,859
Interest paid	(1,291)	(868)
Income taxes paid	(28,194)	(23,534)
Net cash provided by operating activities	32,074	190,000
<b>Cash flows from investing activities</b>		
Decrease in time deposits	10,248	110
Purchases of property, plant and equipment	(111,010)	(77,393)
Proceeds from sales of property, plant and equipment	6,079	5,165
Purchases of intangible assets	(12,515)	(6,565)
Purchases of equity instruments	(152)	(151)
Purchases of debt instruments	(106)	(110)
Proceeds from sales and redemption of equity instruments	1,836	8,148
Proceeds from sales and redemption of debt instruments	127	178
(Payments for) Proceeds from acquisition of subsidiaries and other businesses	(105,140)	960
Other	1,143	1,609
Net cash used in investing activities	(209,490)	(68,049)
<b>Cash flows from financing activities</b>		
Net increase in short-term borrowings	105,189	29,692
Proceeds from borrowings	500,841	1,752
Repayments of long-term borrowings	(1,799)	(942)
Repayments of lease liabilities	(12,797)	(6,405)
Dividends paid	(54,243)	(54,243)
Dividends paid to non-controlling interests	(4,305)	(33,447)
Purchase of treasury stock	(1)	(7)
Other	1,816	(573)
Net cash provided by (used in) financing activities	534,701	(64,173)
Foreign currency translation adjustments on cash and cash equivalents	561	(4,669)
Net increase in cash and cash equivalents	357,846	53,109
Cash and cash equivalents at beginning of period	597,816	897,395
Cash and cash equivalents at end of period	955,662	950,504

## Segment information

For the Three months ended June 30, 2020

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	382,832	117,153	62,831	199,383	762,199	2,899	—	765,098	
Intersegment	145,481	4,662	4,345	28,825	183,313	45	(183,358)	—	
Total	528,313	121,815	67,176	228,208	945,512	2,944	(183,358)	765,098	
Segment profit or losses	(90,758)	(26,317)	(8,250)	3,519	(121,806)	1,311	13,879	(106,616)	
Finance income									20,007
Finance costs									(1,957)
Foreign exchange losses									(2,182)
Share of the loss of associates and joint ventures accounted for using the equity method									(1,499)
(Loss) before income taxes									(92,247)

(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, 2021

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	595,790	294,234	138,361	311,810	1,340,195	16,671	—	1,356,866	
Intersegment	277,638	4,175	14,502	52,788	349,103	319	(349,422)	—	
Total	873,428	298,409	152,863	364,598	1,689,298	16,990	(349,422)	1,356,866	
Segment profit	58,163	7,337	3,284	33,751	102,535	3,210	1,436	107,181	
Finance income									20,035
Finance costs									(1,490)
Foreign exchange gains									2,675
Share of the profit of associates and joint ventures accounted for using the equity method									3,207
Profit before income taxes									131,608

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