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Consolidated Financial Results
for the Nine Months Ended December 31,
2021
<under IFRS>

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Scheduled date of commencement of dividend payment : —
 (URL <https://www.denso.com/global/en>)

DATE: February 2, 2022
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	4,009,048	14.3	256,274	284.6	296,541	199.2	211,611	282.5
December 31, 2020	3,508,595	(9.9)	66,625	(59.0)	99,105	(49.9)	55,318	(62.7)

	Profit attributable to owners of the parent company		Comprehensive income for the period		Basic earnings per share	Diluted earnings per share
Nine months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
December 31, 2021	193,364	348.9	425,561	21.4	250.47	—
December 31, 2020	43,076	(68.4)	350,445	35.0	55.59	—

(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	%
December 31, 2021	7,083,526	4,276,271	4,102,654	57.9
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	—	80.00			
Year ending March 31, 2022 (Forecast)			—	80.00	160.00

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	5,480,000	11.0	400,000	157.9	442,000	128.1	329,000	122.2	301,000	140.7	393.43

Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of Mar. 31, 2021	As of Dec. 31, 2021
Assets		
Current assets		
Cash and cash equivalents	897,395	782,485
Trade and other receivables	1,028,821	1,026,840
Inventories	726,159	948,364
Other financial assets	15,527	34,896
Other current assets	121,834	104,189
Total current assets	2,789,736	2,896,774
Non-current assets		
Property, plant and equipment	1,875,763	1,900,965
Right-of-use assets	47,834	44,991
Intangible assets	143,960	152,500
Other financial assets	1,681,582	1,858,478
Investments accounted for using the equity method	106,734	108,584
Retirement benefit assets	63,446	63,425
Deferred tax assets	36,951	34,536
Other non-current assets	21,678	23,273
Total non-current assets	3,977,948	4,186,752
Total assets	6,767,684	7,083,526

(Unit: Millions of yen)

	As of Mar. 31, 2021	As of Dec. 31, 2021
Liabilities and equity		
Current liabilities		
Bonds and borrowings	98,348	212,062
Trade and other payables	1,014,406	995,054
Other financial liabilities	48,647	41,352
Income tax payables	15,414	49,943
Provisions	248,517	163,764
Other current liabilities	73,327	98,591
Total current liabilities	1,498,659	1,560,766
Non-current liabilities		
Bonds and borrowings	755,874	754,877
Other financial liabilities	36,153	33,596
Retirement benefit liabilities	282,332	282,703
Provisions	1,369	2,133
Deferred tax liabilities	102,095	158,193
Other non-current liabilities	14,485	14,987
Total non-current liabilities	1,192,308	1,246,489
Total liabilities	2,690,967	2,807,255
Equity		
Capital stock	187,457	187,457
Capital surplus	272,517	273,800
Treasury stock	(56,830)	(135,513)
Other components of equity	691,417	873,276
Retained earnings	2,796,451	2,903,634
Equity attributable to owners of the parent company	3,891,012	4,102,654
Non-controlling interests	185,705	173,617
Total equity	4,076,717	4,276,271
Total liabilities and equity	6,767,684	7,083,526

Consolidated Statement of Income

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021
Revenue	3,508,595	4,009,048
Cost of revenue	(3,094,888)	(3,422,436)
Gross profit	413,707	586,612
Selling, general and administrative expenses	(355,716)	(341,767)
Other income	21,798	30,658
Other expenses	(13,164)	(19,229)
Operating profit	66,625	256,274
Finance income	39,625	39,374
Finance costs	(5,552)	(5,756)
Foreign exchange (losses) gains	(1,918)	1,663
Share of the profit of associates and joint ventures accounted for using the equity method	325	4,986
Profit before income taxes	99,105	296,541
Income tax expenses	(43,787)	(84,930)
Profit for the period	55,318	211,611
Attributable to:		
Owners of the parent company	43,076	193,364
Non-controlling interests	12,242	18,247

(Unit: Yen)

Earnings per share		
Basic	55.59	250.47
Diluted	—	—

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021
Profit for the period	55,318	211,611
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net fair value gain on equity instruments designated as FVTOCI	292,850	159,964
Remeasurements of defined benefit pension plans	99	53
Share of other comprehensive income of investments accounted for using the equity method	37	52
Total	292,986	160,069
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	3,376	52,002
Cash flow hedges	53	(720)
Share of other comprehensive (loss) income of investments accounted for using the equity method	(1,288)	2,599
Total	2,141	53,881
Total other comprehensive income	295,127	213,950
Comprehensive income for the period	350,445	425,561
Attributable to:		
Owners of the parent company	334,177	404,754
Non-controlling interests	16,268	20,807

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
As of April 1, 2020	187,457	272,375	(56,815)	273,576	—
Profit for the period	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	292,482	100
Comprehensive income (loss) for the period	—	—	—	292,482	100
Acquisition of treasury stock	—	—	(8)	—	—
Disposal of treasury stock	—	(0)	0	—	—
Dividends	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	(51)	—	—	—
Changes by business combinations	—	—	—	—	—
Transfer to retained earnings	—	—	—	(20,059)	(100)
Transfer from retained earnings to capital surplus	—	0	—	—	—
Other	—	7	—	—	—
Total transactions with the owners	—	(44)	(8)	(20,059)	(100)
As of December 31, 2020	187,457	272,331	(56,823)	545,999	—

As of April 1, 2021	187,457	272,517	(56,830)	664,905	—
Profit for the period	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	159,753	36
Comprehensive income (loss) for the period	—	—	—	159,753	36
Acquisition of treasury stock	—	—	(80,708)	—	—
Disposal of treasury stock	—	1,281	2,025	—	—
Dividends	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	3	—	—	—
Changes by business combinations	—	—	—	—	—
Transfer to retained earnings	—	—	—	(29,495)	(36)
Transfer from retained earnings to capital surplus	—	—	—	—	—
Other	—	(1)	—	—	—
Total transactions with the owners	—	1,283	(78,683)	(29,495)	(36)
As of December 31, 2021	187,457	273,800	(135,513)	795,163	—

(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, 2020	(46,913)	(10)	226,653	2,767,466	3,397,136	161,733	3,558,869
Profit for the period	—	—	—	43,076	43,076	12,242	55,318
Other comprehensive income (loss)	(1,534)	53	291,101	—	291,101	4,026	295,127
Comprehensive income (loss) for the period	(1,534)	53	291,101	43,076	334,177	16,268	350,445
Acquisition of treasury stock	—	—	—	—	(8)	—	(8)
Disposal of treasury stock	—	—	—	—	0	—	0
Dividends	—	—	—	(108,486)	(108,486)	(9,815)	(118,301)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	—	—	(51)	170	119
Changes by business combinations	—	—	—	—	—	—	—
Transfer to retained earnings	—	—	(20,159)	20,159	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	(0)	—	—	—
Other	—	—	—	416	423	2	425
Total transactions with the owners	—	—	(20,159)	(87,911)	(108,122)	(9,643)	(117,765)
As of December 31, 2020	(48,447)	43	497,595	2,722,631	3,623,191	168,358	3,791,549

As of April 1, 2021	26,472	40	691,417	2,796,451	3,891,012	185,705	4,076,717
Profit for the period	—	—	—	193,364	193,364	18,247	211,611
Other comprehensive income (loss)	52,321	(720)	211,390	—	211,390	2,560	213,950
Comprehensive income (loss) for the period	52,321	(720)	211,390	193,364	404,754	20,807	425,561
Acquisition of treasury stock	—	—	—	—	(80,708)	—	(80,708)
Disposal of treasury stock	—	—	—	—	3,306	—	3,306
Dividends	—	—	—	(115,865)	(115,865)	(39,109)	(154,974)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	—	—	3	(19)	(16)
Changes by business combinations	—	—	—	—	—	6,309	6,309
Transfer to retained earnings	—	—	(29,531)	29,531	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—
Other	—	—	—	153	152	(76)	76
Total transactions with the owners	—	—	(29,531)	(86,181)	(193,112)	(32,895)	(226,007)
As of December 31, 2021	78,793	(680)	873,276	2,903,634	4,102,654	173,617	4,276,271

Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021
Cash flows from operating activities		
Profit before income taxes	99,105	296,541
Depreciation	249,514	258,127
Impairment losses	—	908
Increase in retirement benefit liabilities	4,051	(578)
Decrease in retirement benefit assets	3,968	569
Interest and dividend income	(36,731)	(37,913)
Interest expenses	3,712	3,336
Foreign exchange gains	(2,077)	(1,542)
Share of the profit of associates and joint ventures accounted for using the equity method	(325)	(4,986)
Losses on sales or disposal of property, plant and equipment	2,667	3,028
(Increase) Decrease in trade receivables	(42,559)	34,915
Increase in inventories	(3,160)	(197,426)
Increase (Decrease) in trade payables	67,873	(23,400)
Decrease in provisions	(23,585)	(84,199)
Other	32,391	(1,076)
Subtotal	354,844	246,304
Interest received	3,910	3,903
Dividends received	31,220	36,353
Interest paid	(3,696)	(3,144)
Income taxes paid	(63,178)	(36,332)
Net cash provided by operating activities	323,100	247,084
Cash flows from investing activities		
Decrease in time deposits	1,760	4,504
Purchases of property, plant and equipment	(308,354)	(243,088)
Proceeds from sales of property, plant and equipment	12,508	13,096
Purchases of intangible assets	(27,649)	(23,288)
Purchases of equity instruments	(1,372)	(1,676)
Purchases of debt instruments	(218)	(250)
Proceeds from sales and redemption of equity instruments	25,443	54,265
Proceeds from sales and redemption of debt instruments	334	330
Payments for acquisition of subsidiaries and other businesses	(105,597)	(4,003)
Other	(1,216)	(4,889)
Net cash used in investing activities	(404,361)	(204,999)
Cash flows from financing activities		
Net increase in short-term borrowings	4,148	97,071
Proceeds from borrowings	907,831	16,520
Repayments of long-term borrowings	(40,649)	(47,534)
Repayments of lease liabilities	(24,670)	(20,050)
Issuance of bonds	50,001	55,960
Redemption of bonds	(20,000)	(10,000)
Dividends paid	(108,486)	(115,865)
Dividends paid to non-controlling interests	(9,815)	(39,109)
Purchase of treasury stock	(8)	(80,708)
Increase in deposits for purchase of treasury shares	—	(19,340)
Other	1,698	(183)
Net cash provided by (used in) financing activities	760,050	(163,238)
Foreign currency translation adjustments on cash and cash equivalents	1,001	6,243
Net increase (decrease) in cash and cash equivalents	679,790	(114,910)
Cash and cash equivalents at beginning of period	597,816	897,395
Cash and cash equivalents at end of period	1,277,606	782,485

Segment information

For the Nine months ended December 31, 2020

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	1,620,730	712,461	334,748	814,280	3,482,219	26,376	—	3,508,595	
Intersegment	629,280	17,918	24,692	118,611	790,501	297	(790,798)	—	
Total	2,250,010	730,379	359,440	932,891	4,272,720	26,673	(790,798)	3,508,595	
Segment profit or losses	(12,017)	1,452	2,723	71,775	63,933	4,754	(2,062)	66,625	
Finance income									39,625
Finance costs									(5,552)
Foreign exchange losses									(1,918)
Share of the loss of associates and joint ventures accounted for using the equity method									325
Profit before income taxes									99,105

(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 Nine months ended December 31, 2021

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	1,744,417	832,094	365,743	1,013,894	3,956,148	52,900	—	4,009,048	
Intersegment	845,649	10,516	41,614	166,685	1,064,464	948	(1,065,412)	—	
Total	2,590,066	842,610	407,357	1,180,579	5,020,612	53,848	(1,065,412)	4,009,048	
Segment profit or losses	144,121	(1,908)	3,341	105,018	250,572	11,659	(5,957)	256,274	
Finance income									39,374
Finance costs									(5,756)
Foreign exchange gains									1,663
Share of the profit of associates and joint ventures accounted for using the equity method									4,986
Profit before income taxes									296,541

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