

[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, 2017**  
**<under IFRS>**

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Scheduled date of commencement of dividend payment : —

(URL <https://www.denso.com/global/>)

DATE: July 28, 2017

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, 2017 (from April 1, 2017 to June 30, 2017)**

**(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, 2017	1,164,914	6.6	93,157	38.6	113,743	51.6	80,896	64.3
June 30, 2016	1,092,796	(1.2)	67,194	(22.5)	75,032	(29.9)	49,245	(36.5)

	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, 2017	76,698	66.3	91,609	—	97.72	—
June 30, 2016	46,109	(37.6)	(147,808)	—	58.16	—

**(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, 2017	5,216,254	3,457,959	3,325,888	63.8
March 31, 2017	5,150,762	3,447,082	3,312,724	64.3

**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, 2017	—	60.00	—	60.00	120.00
Year ending March 31, 2018	—				
Year ending March 31, 2018 (Forecast)		60.00	—	60.00	120.00

**3. Consolidated earnings forecasts for the three months ending March 31, 2018 (from April 1, 2017 to March 31, 2018)**

(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	%	
First half	2,330,000	7.0	161,000	12.8	179,000	18.9	123,000	26.2	Yen 157.75
Full year	4,740,000	4.7	353,000	6.8	388,000	7.5	280,000	8.7	359.10

# Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of Mar. 31, 2017	As of Jun. 30, 2017
<b>Assets</b>		
Current assets		
Cash and cash equivalents	793,550	825,798
Trade and other receivables	876,454	842,243
Inventories	485,867	494,949
Other financial assets	93,781	107,311
Other current assets	82,398	80,706
<b>Total current assets</b>	<b>2,332,050</b>	<b>2,351,007</b>
Non-current assets		
Property, plant and equipment	1,490,531	1,510,199
Intangible assets	22,451	24,229
Other financial assets	1,111,945	1,138,462
Investments accounted for using the equity method	92,198	93,934
Retirement benefit assets	43,868	40,118
Deferred tax assets	30,266	28,544
Other non-current assets	27,453	29,761
<b>Total non-current assets</b>	<b>2,818,712</b>	<b>2,865,247</b>
<b>Total assets</b>	<b>5,150,762</b>	<b>5,216,254</b>

(Unit: Millions of yen)

	As of Mar. 31, 2017	As of Jun. 30, 2017
Liabilities and equity		
Current liabilities		
Bonds and borrowings	84,139	145,023
Trade and other payables	861,161	839,156
Other financial liabilities	14,484	16,859
Income tax payables	24,890	16,231
Provisions	70,549	72,504
Other current liabilities	48,588	56,685
Total current liabilities	1,103,811	1,146,458
Non-current liabilities		
Bonds and borrowings	266,116	271,228
Other financial liabilities	9,819	9,018
Retirement benefit liabilities	228,576	231,664
Provisions	1,529	1,502
Deferred tax liabilities	78,243	83,010
Other non-current liabilities	15,586	15,415
Total non-current liabilities	599,869	611,837
Total liabilities	1,703,680	1,758,295
Equity		
Capital stock	187,457	187,457
Capital surplus	265,985	265,985
Treasury stock	(31,191)	(57,653)
Other components of equity	454,445	464,409
Retained earnings	2,436,028	2,465,690
Equity attributable to owners of the parent company	3,312,724	3,325,888
Non-controlling interests	134,358	132,071
Total equity	3,447,082	3,457,959
Total liabilities and equity	5,150,762	5,216,254

## Consolidated Statement of Income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2016	Three months ended Jun. 30, 2017
Revenue	1,092,796	1,164,914
Cost of revenue	(917,769)	(969,178)
Gross profit	175,027	195,736
Selling, general and administrative expenses	(100,410)	(103,254)
Other income	4,644	3,982
Other expenses	(12,067)	(3,307)
Operating profit	67,194	93,157
Finance income	16,445	17,414
Finance costs	(2,547)	(2,429)
Foreign exchange (losses) gains	(7,790)	2,151
Share of the profit of associates accounted for using the equity method	1,730	3,450
Profit before income taxes	75,032	113,743
Income tax expenses	(25,787)	(32,847)
Profit for the period	49,245	80,896
Attributable to:		
Owners of the parent company	46,109	76,698
Non-controlling interests	3,136	4,198

(Unit: Yen)

Earnings per share		
Basic	58.16	97.72
Diluted	—	—

## Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Three months ended Jun. 30, 2016	Three months ended Jun. 30, 2017
Profit for the period	49,245	80,896
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net fair value loss on equity instruments designated as FVTOCI	(95,520)	(917)
Remeasurements of defined benefit pension plans	—	27
Share of other comprehensive income of investments accounted for using the equity method	(18)	(3)
Total	(95,538)	(893)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(98,732)	11,692
Cash flow hedges	73	123
Share of other comprehensive income of investments accounted for using the equity method	(2,856)	(209)
Total	(101,515)	11,606
Total other comprehensive income	(197,053)	10,713
Comprehensive income for the period	(147,808)	91,609
Attributable to:		
Owners of the parent company	(142,796)	86,691
Non-controlling interests	(5,012)	4,918

# 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, 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	—	—	—	—	—
Retirement of treasury stock	—	—	—	—	—
Dividends	—	—	—	—	—
Changes in the ownership interest in subsidiary without 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	—

<b>As of April 1, 2017</b>	187,457	265,985	(31,191)	418,337	—
Profit for the period	—	—	—	—	—
Other comprehensive income	—	—	—	(913)	27
Comprehensive income for the period	—	—	—	(913)	27
Acquisition of treasury stock	—	—	(26,462)	—	—
Disposal of treasury stock	—	—	—	—	—
Retirement of treasury stock	—	—	—	—	—
Dividends	—	—	—	—	—
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	—	—
Transfer to retained earnings	—	—	—	(2)	(27)
Other	—	—	—	—	—
Total transactions with the owners	—	—	(26,462)	(2)	(27)
<b>As of June 30, 2017</b>	187,457	265,985	(57,653)	417,422	—

(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, 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	—	—	—	—	—	—	—
Retirement of treasury stock	—	—	—	—	—	—	—
Dividends	—	—	—	(47,569)	(47,569)	(8,305)	(55,874)
Changes in the ownership interest in subsidiary without 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

<b>As of April 1, 2017</b>	36,153	(45)	454,445	2,436,028	3,312,724	134,358	3,447,082
Profit for the period	—	—	—	76,698	76,698	4,198	80,896
Other comprehensive income	10,756	123	9,993	—	9,993	720	10,713
Comprehensive income for the period	10,756	123	9,993	76,698	86,691	4,918	91,609
Acquisition of treasury stock	—	—	—	—	(26,462)	—	(26,462)
Disposal of treasury stock	—	—	—	—	—	—	—
Retirement of treasury stock	—	—	—	—	—	—	—
Dividends	—	—	—	(47,153)	(47,153)	(7,192)	(54,345)
Changes in the ownership interest in a subsidiary without a loss of control	—	—	—	—	—	—	—
Transfer to retained earnings	—	—	(29)	29	—	—	—
Other	—	—	—	88	88	(13)	75
Total transactions with the owners	—	—	(29)	(47,036)	(73,527)	(7,205)	(80,732)
<b>As of June 30, 2017</b>	46,909	78	464,409	2,465,690	3,325,888	132,071	3,457,959

# Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
<b>Cash flows from operating activities</b>		
Profit before income taxes	75,032	113,743
Depreciation	58,237	63,869
Increase in retirement benefit liabilities	1,623	2,517
Decrease in retirement benefit assets	1,234	3,750
Interest and dividend income	(16,021)	(17,301)
Interest expenses	2,125	1,704
Foreign exchange losses (gains)	2,781	(1,763)
Share of the profit of associates and joint ventures accounted for using the equity method	(1,730)	(3,450)
Losses on sales or disposal of property, plant and equipment	1,501	942
(Increase) Decrease in trade receivables	(373)	41,462
Increase in inventories	(2,650)	(3,439)
Increase (Decrease) in trade payables	25,158	(61,444)
Increase in provisions	8,395	1,727
Other	41,247	45,785
Subtotal	196,559	188,102
Interest received	1,598	2,225
Dividends received	15,425	16,514
Interest paid	(2,023)	(1,532)
Income taxes paid	(46,952)	(28,309)
Net cash provided by operating activities	164,607	177,000
<b>Cash flows from investing activities</b>		
Increase in time deposits	(9,243)	(14,655)
Purchases of property, plant and equipment	(79,460)	(77,266)
Proceeds from sales of property, plant and equipment	2,732	2,357
Purchases of intangible assets	(2,018)	(2,413)
Purchases of equity instruments	(789)	(29,771)
Purchases of debt instruments	(57,110)	(13,986)
Proceeds from sales and redemption of equity instruments	—	3
Proceeds from sales and redemption of debt instruments	123,664	12,591
Other	503	(641)
Net cash used in investing activities	(21,721)	(123,781)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	87	(1,323)
Proceeds from borrowings	7,548	397
Repayments of long-term borrowings	(90,813)	(7,625)
Repayments of finance lease obligations	(2,927)	(3,095)
Issuance of bonds	—	70,000
Redemption of bonds	(50,000)	—
Dividends paid	(47,569)	(47,153)
Dividends paid to non-controlling interests	(8,305)	(7,192)
Purchase of treasury stock	(4)	(26,462)
Other	(180)	(358)
Net cash used in financing activities	(192,163)	(22,811)
Foreign currency translation adjustments on cash and cash equivalents	(16,205)	1,840
Net (decrease) increase in cash and cash equivalents	(65,482)	32,248
Cash and cash equivalents at beginning of period	672,482	793,550
Cash and cash equivalents of a newly consolidated subsidiary	—	—
Cash and cash equivalents at end of period	607,000	825,798

## Segment information

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 gains									(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.

For the Three months ended June 30, 2017

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	458,767	274,631	150,077	262,475	1,145,950	18,964	—	1,164,914	
Intersegment	216,957	6,409	9,539	37,107	270,012	165	(270,177)	—	
Total	675,724	281,040	159,616	299,582	1,415,962	19,129	(270,177)	1,164,914	
Segment profit or losses	37,357	16,963	5,836	28,505	88,661	3,346	1,150	93,157	
Finance income									17,414
Finance costs									(2,429)
Foreign exchange gains									2,151
Share of the profit of associates and joint ventures accounted for using the equity method									3,450
Profit before income taxes									113,743

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