

[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, 2021
<under IFRS>**

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Scheduled date of the general meeting of shareholders : June 22, 2021

Scheduled date of commencement of dividend payment : May 25, 2021

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

DATE: April 28, 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 fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	4,936,725	(4.2)	155,107	153.9	193,753	116.2	148,095	75.0
March 31, 2020	5,153,476	(3.9)	61,078	(80.7)	89,631	(74.8)	84,622	(69.7)

	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, 2021	125,055	83.6	635,886	—	161.39	—
March 31, 2020	68,099	(73.2)	(84,407)	—	87.89	—

	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, 2021	3.4	3.1	3.1
March 31, 2020	1.9	1.6	1.2

Reference: Share of the profit of associates and joint ventures accounted for using the equity method:

Fiscal year ended March 31, 2021: ¥1,801 million; Fiscal year ended March 31, 2020: ¥5,454 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, 2021	6,767,684	4,076,717	3,891,012	57.5	5,021.52
March 31, 2020	5,651,801	3,558,869	3,397,136	60.1	4,384.14

(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, 2021	437,235	(395,903)	238,657	897,395
March 31, 2020	595,320	(447,390)	(240,948)	597,816

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, 2020	—	70.00	—	70.00	140.00	108,486	159.3	3.1
Year ended March 31, 2021	—	70.00	—	70.00	140.00	108,486	86.7	3.0
Year ending March 31, 2022 (Forecast)	—	70.00	—	70.00	140.00		34.2	

Reference: The forecast of cash dividends for the fiscal year ending March 31, 2021 have yet to be determined at this point.

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

(Percentages indicate year-on-year changes)

	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	5,460,000	10.6	413,000	166.3	451,000	132.8	342,000	130.9	317,000	153.5	409.10

Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of Mar. 31, 2020	As of Mar. 31, 2021
Assets		
Current assets		
Cash and cash equivalents	597,816	897,395
Trade and other receivables	885,461	1,028,821
Inventories	651,670	726,159
Other financial assets	121,177	15,527
Other current assets	90,194	121,834
Total current assets	2,346,318	2,789,736
Non-current assets		
Property, plant and equipment	1,758,233	1,875,763
Right-of-use assets	47,254	47,834
Intangible assets	96,388	143,960
Other financial assets	1,121,066	1,681,582
Investments accounted for using the equity method	104,590	106,734
Retirement benefit assets	38,298	63,446
Deferred tax assets	117,856	36,951
Other non-current assets	21,798	21,678
Total non-current assets	3,305,483	3,977,948
Total assets	5,651,801	6,767,684

(Unit: Millions of yen)

	As of Mar. 31, 2020	As of Mar. 31, 2021
Liabilities and equity		
Current liabilities		
Bonds and borrowings	112,402	98,348
Trade and other payables	891,949	1,014,406
Other financial liabilities	53,436	48,647
Income tax payables	22,839	15,414
Provisions	269,733	248,517
Other current liabilities	72,708	73,327
Total current liabilities	1,423,067	1,498,659
Non-current liabilities		
Bonds and borrowings	352,970	755,874
Other financial liabilities	34,166	36,153
Retirement benefit liabilities	253,198	282,332
Provisions	4,429	1,369
Deferred tax liabilities	13,469	102,095
Other non-current liabilities	11,633	14,485
Total non-current liabilities	669,865	1,192,308
Total liabilities	2,092,932	2,690,967
Equity		
Capital stock	187,457	187,457
Capital surplus	272,375	272,517
Treasury stock	(56,815)	(56,830)
Other components of equity	226,653	691,417
Retained earnings	2,767,466	2,796,451
Equity attributable to owners of the parent company	3,397,136	3,891,012
Non-controlling interests	161,733	185,705
Total equity	3,558,869	4,076,717
Total liabilities and equity	5,651,801	6,767,684

Consolidated Statement of Income

(Unit: Millions of yen)

	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021
Revenue	5,153,476	4,936,725
Cost of revenue	(4,423,876)	(4,275,239)
Gross profit	729,600	661,486
Selling, general and administrative expenses	(668,509)	(514,492)
Other income	21,981	29,477
Other expenses	(21,994)	(21,364)
Operating profit	61,078	155,107
Finance income	47,250	42,718
Finance costs	(9,621)	(7,330)
Foreign exchange losses	(14,530)	1,457
Share of the profit of associates and joint ventures accounted for using the equity method	5,454	1,801
Profit before income taxes	89,631	193,753
Income tax expenses	(5,009)	(45,658)
Profit for the year	84,622	148,095
Attributable to:		
Owners of the parent company	68,099	125,055
Non-controlling interests	16,523	23,040

(Unit: Yen)

Earnings per share		
Basic	87.89	161.39
Diluted	—	—

Consolidated Statement of Other Comprehensive Income

(Unit: Millions of yen)

	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021
Profit for the year	84,622	148,095
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net fair value (loss) gain on equity instruments designated as FVTOCI	(91,690)	400,887
Remeasurements of defined benefit pension plans	436	4,763
Share of other comprehensive income of investments accounted for using the equity method	(34)	59
Total	(91,288)	405,709
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(76,037)	81,115
Cash flow hedges	(141)	50
Share of other comprehensive income of investments accounted for using the equity method	(1,563)	917
Total	(77,741)	82,082
Total other comprehensive income	(169,029)	487,791
Comprehensive income for the year	(84,407)	635,886
Attributable to:		
Owners of the parent company	(91,936)	601,712
Non-controlling interests	7,529	34,174

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, 2019	187,457	268,776	(56,803)	378,687	—
Profit for the year	—	—	—	—	—
Other comprehensive income	—	—	—	(91,768)	1,551
Comprehensive income for the year	—	—	—	(91,768)	1,551
Acquisition of treasury stock	—	—	(13)	—	—
Disposal of treasury stock	—	(1)	1	—	—
Retirement of treasury stock	—	—	—	—	—
Dividends	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	3,599	—	—	—
Changes by business combinations	—	—	—	—	—
Transfer to retained earnings	—	—	—	(13,343)	(1,551)
Transfer from retained earnings to capital surplus	—	1	—	—	—
Other	—	—	—	—	—
Total transactions with the owners	—	3,599	(12)	(13,343)	(1,551)
As of March 31, 2020	187,457	272,375	(56,815)	273,576	—
As of April 1, 2020	187,457	272,375	(56,815)	273,576	—
Profit for the year	—	—	—	—	—
Other comprehensive income	—	—	—	400,452	2,770
Comprehensive income for the year	—	—	—	400,452	2,770
Acquisition of treasury stock	—	—	(15)	—	—
Disposal of treasury stock	—	(0)	0	—	—
Retirement of treasury stock	—	—	—	—	—
Dividends	—	—	—	—	—
Changes in the ownership interest in subsidiaries without a loss of control	—	135	—	—	—
Changes by business combinations	—	—	—	—	—
Transfer to retained earnings	—	—	—	(9,123)	(2,770)
Transfer from retained earnings to capital surplus	—	0	—	—	—
Other	—	7	—	—	—
Total transactions with the owners	—	142	(15)	(9,123)	(2,770)
As of March 31, 2021	187,457	272,517	(56,830)	664,905	—

(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, 2019	22,764	131	401,582	2,794,682	3,595,694	174,672	3,770,366
Profit for the year	—	—	—	68,099	68,099	16,523	84,622
Other comprehensive income	(69,677)	(141)	(160,035)	—	(160,035)	(8,994)	(169,029)
Comprehensive income for the year	(69,677)	(141)	(160,035)	68,099	(91,936)	7,529	(84,407)
Acquisition of treasury stock	—	—	—	—	(13)	—	(13)
Disposal of treasury stock	—	—	—	—	0	—	0
Retirement of treasury stock	—	—	—	—	—	—	—
Dividends	—	—	—	(108,486)	(108,486)	(15,592)	(124,078)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	—	—	3,599	(4,953)	(1,354)
Changes by business combinations	—	—	—	—	—	28	28
Transfer to retained earnings	—	—	(14,894)	14,894	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	(1)	—	—	—
Other	—	—	—	(1,722)	(1,722)	49	(1,673)
Total transactions with the owners	—	—	(14,894)	(95,315)	(106,622)	(20,468)	(127,090)
As of March 31, 2020	(46,913)	(10)	226,653	2,767,466	3,397,136	161,733	3,558,869

As of April 1, 2020	(46,913)	(10)	226,653	2,767,466	3,397,136	161,733	3,558,869
Profit for the year	—	—	—	125,055	125,055	23,040	148,095
Other comprehensive income	73,385	50	476,657	—	476,657	11,134	487,791
Comprehensive income for the year	73,385	50	476,657	125,055	601,712	34,174	635,886
Acquisition of treasury stock	—	—	—	—	(15)	—	(15)
Disposal of treasury stock	—	—	—	—	0	—	0
Retirement of treasury stock	—	—	—	—	—	—	—
Dividends	—	—	—	(108,486)	(108,486)	(10,165)	(118,651)
Changes in the ownership interest in subsidiaries without a loss of control	—	—	—	—	135	(40)	95
Changes by business combinations	—	—	—	—	—	—	—
Transfer to retained earnings	—	—	(11,893)	11,893	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	(0)	—	—	—
Other	—	—	—	523	530	3	533
Total transactions with the owners	—	—	(11,893)	(96,070)	(107,836)	(10,202)	(118,038)
As of March 31, 2021	26,472	40	691,417	2,796,451	3,891,012	185,705	4,076,717

Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021
Cash flows from operating activities		
Profit before income taxes	89,631	193,753
Depreciation	312,888	335,578
Impairment losses	255	35
Increase in retirement benefit liabilities	1,593	1,020
Decrease in retirement benefit assets	3,994	6,158
Interest and dividend income	(45,139)	(39,259)
Interest expenses	7,324	4,510
Foreign exchange losses (gains)	5,933	(6,368)
Share of the profit of associates and joint ventures accounted for using the equity method	(5,454)	(1,801)
Losses on sales or disposal of property, plant and equipment	6,219	6,481
Decrease (Increase) in trade receivables	99,961	(104,405)
Increase in inventories	(57,299)	(45,320)
(Decrease) Increase in trade payables	(17,156)	71,880
Increase (Decrease) in provisions	187,575	(25,166)
Other	42,806	67,525
Subtotal	633,131	464,621
Interest received	13,588	7,095
Dividends received	35,679	32,495
Interest paid	(7,557)	(4,780)
Income taxes paid	(79,521)	(62,196)
Net cash provided by operating activities	595,320	437,235
Cash flows from investing activities		
Decrease in time deposits	50,764	101,834
Purchases of property, plant and equipment	(424,510)	(395,548)
Proceeds from sales of property, plant and equipment	9,744	13,576
Purchases of intangible assets	(42,121)	(39,133)
Purchases of equity instruments	(51,350)	(2,171)
Purchases of debt instruments	(30,342)	(218)
Proceeds from sales of equity instruments	24,473	26,755
Proceeds from sales and redemption of debt instruments	4,543	464
Proceeds (purchase) from (of) acquisition of subsidiaries and other businesses	142	(105,597)
Other	11,267	4,135
Net cash used in investing activities	(447,390)	(395,903)
Cash flows from financing activities		
Net Increase in short-term borrowings	18,061	(10,694)
Proceeds from borrowings	20,335	908,306
Repayments of long-term borrowings	(115,263)	(540,939)
Repayments of lease liabilities	(24,545)	(30,919)
Issuance of bonds	—	50,001
Redemption of bonds	(20,000)	(20,000)
Dividends paid	(108,486)	(108,486)
Dividends paid to non-controlling interests	(15,592)	(10,165)
Purchase of treasury stock	(13)	(15)
Other	4,555	1,568
Net cash used in financing activities	(240,948)	238,657
Foreign currency translation adjustments on cash and cash equivalents	(20,804)	19,590
Net (decrease) increase in cash and cash equivalents	(113,822)	299,579
Cash and cash equivalents at beginning of year	711,638	597,816
Cash and cash equivalents at end of year	597,816	897,395

Segment information

For the year ended March 31, 2020

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	2,313,046	1,145,230	548,301	1,086,862	5,093,439	60,037	—	5,153,476	
Intersegment	950,441	31,035	34,978	191,593	1,208,047	702	(1,208,749)	—	
Total	3,263,487	1,176,265	583,279	1,278,455	6,301,486	60,739	(1,208,749)	5,153,476	
Segment profit or losses	(88,763)	23,520	14,350	103,305	52,412	9,777	(1,111)	61,078	
Finance income									47,250
Finance costs									(9,621)
Foreign exchange losses									(14,530)
Share of the profit of associates and joint ventures accounted for using the equity method									5,454
Profit before income taxes									89,631

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

For the year ended March 31, 2021

(Unit: Millions of yen)

	Reportable segment					Others (Note)	Eliminations	Consolidated	
	Japan	North America	Europe	Asia	Total				
Revenue									
Customers	2,280,650	999,901	482,282	1,134,088	4,896,921	39,804	—	4,936,725	
Intersegment	896,303	26,285	37,420	169,734	1,129,742	602	(1,130,344)	—	
Total	3,176,953	1,026,186	519,702	1,303,822	6,026,663	40,406	(1,130,344)	4,936,725	
Segment profit or losses	22,607	14,642	3,114	111,422	151,785	6,999	(3,677)	155,107	
Finance income									42,718
Finance costs									(7,330)
Foreign exchange gains									1,457
Share of the profit of associates and joint ventures accounted for using the equity method									1,801
Profit before income taxes									193,753

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