

Factory Automation (FA)

We provide solutions that enable reliable *Monozukuri*, contributing to the sustainable growth of the manufacturing industry as a whole. Through standardization and digital technologies, we are able to improve quality, lower costs, and shorten lead times, offering optimal solutions to customers facing on-site challenges caused by inadequate production technology. While supporting the continuous evolution of *Monozukuri* at customers, we also act as a line builder that innovates the art of *Monozukuri* itself across the entire industry, helping to enhance the competitiveness of the manufacturing industry as a whole.

Yasushi Mukai Executive Officer



Business Strengths	Opportunities	Risks
• <i>Monozukuri</i> expertise cultivated over 75 years across a wide range of fields • Expertise spanning the entire engineering chain, from conceptual design to maintenance • In-house production capabilities for equipment and robots, refined for optimized production across over 130 global sites	• Declining labor population and shortages of production technology personnel in terms of both quantity and quality • Rising demand for automation and utilization of standardization technologies and DX to flexibly handle product variety and volume • Increasing needs to enhance customer engineering capabilities and develop talent	• Low-cost competition from equipment manufacturers in emerging markets • Heavier capital investment amid rapidly changing and uncertain market conditions • Demand for significantly shorter lead times in production preparation due to the emergence of new EV manufacturers

Business Strategy

We provide optimal solutions for customers dealing with inadequate production technology, centered on our line-building services that cover everything from conceptual design to maintenance. In addition to upstream engineering services, such as conceptual design and specifications, we continue to engage with customers through production improvement services after mass production commences. This accelerates standardization of on-site data and know-how, informing the continuous evolution of *Monozukuri* at customers. We also collaborate with partners who share our vision to drive cross-industry *Monozukuri* innovation as a line builder, enhancing the overall competitiveness of the manufacturing industry through standardization and digital technologies that transcend individual customers and industries.

Progress on Mid-term Policy for 2025 and Outlook

Helping Customers in Manufacturing Sector with LA School and F-IoT Production Improvement

As part of our production technology training services that support the conceptual design of production lines, we operate the Lean Automation (LA) School, where we have shared our *Monozukuri* philosophy and know-how with over 130 companies and nearly 500 participants to date. By introducing our equipment and robots that embody this philosophy based on customer needs, we have achieved a 10% reduction in investment amounts and 50% labor savings through automation. In the maintenance stage after equipment is installed, we also provide services that visualize the production site using our F-IoT tools and deliver practical production improvements. As a result of these improvements, we have increased line operating rates and production volumes. With implementation across more than 200 lines at 30 companies, we are expanding our services globally, including in Thailand and Australia.



Digital classroom



Robot training

Dynamic and Rapid Business Expansion through Alliances

Going forward, we aim to expand our business, centered on comprehensive line-building solutions that encompass upstream engineering, downstream production improvement services, equipment development, and logistics systems. Leveraging the engineering expertise we have honed through diverse experience in *Monozukuri*, we will combine DENSO WAVE's integrated mechanical and electrical design capabilities, DENSO SI's logistics system development capabilities, and DENSO FA Yamagata's equipment-building capabilities to deliver solutions that allow customers to confidently continue *Monozukuri*. We will actively pursue alliances to build partnerships and dynamically and rapidly expand our business as a large-scale line builder that provides cross-industry solutions that transcend individual manufacturers and specific industries. By combining the comprehensive *Monozukuri* capabilities of the DENSO FA Group with new partners, we aim to enhance the value added by everyone involved in *Monozukuri* and help realize a society where people around the world have greater happiness in their lives.

