

DENSO Announces Organization, Executive Structure and Management Changes

Changes support building a more flexible organization and accelerating decision making

KARIYA, Japan. (Dec. 7 2020) – DENSO, a leading mobility supplier, today announced changes to its organization, executive structure and personnel, effective January 1, 2021.

This year, DENSO has faced a dual challenge: the global impact of the COVID-19 pandemic and quality-related issues. That is why DENSO launched "Reborn 21," an internal plan to revolutionize operations to provide new value to society and customers and rebuild quality, which is the foundation of management and credibility. By the end of March 2021, DENSO aims to recommit to maximizing its pillars of "green" (environmentally friendly) and "peace of mind" (safer world for all) and transition to a leaner and more robust corporate structure.

The changes to DENSO's organization and executive structure will help the company respond flexibly to changes in the business environment and accelerate the speed of decision-making.

Planning and Implementing Strategies to Maximize the Value of "Green" and "Peace of Mind"

DENSO's Long-term Policy 2030 includes the concept of "Bringing hope for the future for our planet, society and all people." The company will rethink and redefine its activities around "green" and "peace of mind"; expand mobility, manufacturing and society-focused business domains; and execute strategies designed to strengthen the following:

- Green
 - Realizing a carbon-neutral manufacturing industry
- Peace of Mind
 - Eliminating traffic accidents and realizing freedom of mobility for all
 - Establishing a society where people are supported and their potential is nurtured
 - Creating peaceful, comfortable spaces

Transitioning to a Leaner and more Robust Corporate Structure

DENSO has instituted a Core & Customization Strategy, which comprehensively plans products and services in response to the needs of customers around the world. This allows the company to respond to diverse needs while achieving operational efficiency through standardization.

In addition, DENSO will continue to promote the digitalization of its business operations and transform its approach to streamlined and speedy work.

The industry is shifting from products to services and from hardware to software, so it is critical for companies to become more flexible and resilient in order to consistently provide new value to customers and consumers. DENSO will tackle these challenges through its organization and strategies and optimizing its employees' skills and abilities.

Organizational Changes

1. Establishing Divisions that Report Directly to the President and Accelerating Development of Technologies in Key Focus Areas and Future Business Opportunities

- To achieve a carbon-neutral manufacturing industry that includes the products DENSO develops and manufactures, as well as the production activities of its plants and facilities, the company will establish the Environment Neutral Systems Development Division and FC (Fuel Cell) System Business Development Division.
- To accelerate smart cities, DENSO will establish the Solution Planning for Smart City Department. Functions related to smart cities will be integrated, and the department will control and lead all activities related to this area.
- To strengthen abilities and expand areas utilizing software, DENSO will establish the Software Innovation Department. The department will lead the company's software reformation activities.

2. Reorganizing production and procurement-related functions and strengthening manufacturing capabilities and competitiveness of production goods

- To advance its manufacturing strategy and strengthen the core and competitiveness of production supply, DENSO will integrate production and procurement into the Global Production Center. The center will build a global strategy for DENSO, including group companies and suppliers around the world.
- To strengthen the core of global manufacturing, DENSO will establish the Production Engineering R&D Center. This center will develop production technologies that achieve "green" and "peace of mind."
- To strengthen the ability to provide manufacturing solutions, DENSO will set up a new Industrial Solution Business Unit. This is an integration of DENSO's FA (Factory Automation) Business Unit and other functions related to production goods.

3. Reorganizing sales functions and strengthening solutions business

- To strengthen the automobile and social solutions business, DENSO will create a new Solution Sales & Marketing Group. This group will include aftermarket sales and services function, which will be spun off from DENSO's current Sales & Marketing Group. That group will be renamed OEM Sales & Marketing Group.

Changes to Executive Structure and Executives

1. Changes to Executive Structure

DENSO is changing its global executive structure to quicken management decision making and execution, and build a more flexible organization:

- Consolidating four tiers – Executive Vice President, Senior Executive Officer, Executive Officer and Executive Fellow and Senior Director – into two tiers: Senior Executive Officer and Senior Director.
- Integrating the positions of Executive Officer, Executive Fellow and Senior Director into Senior Director, paving the way for new executives to experience a wide range of executive positions.

2. Changes to the Executives

*Representative

Name	New	Current
Yasushi Yamanaka	Member of the Board*	Member of the Board, Executive Vice President*
Hiroyuki Wakabayashi	Member of the Board*	Member of the Board, Executive Vice President*
Toshiyuki Kato	Senior Executive Officer	Executive Vice President
Sadahiro Usui	Member of the Board, Senior Executive Officer	Member of the Board, Executive Vice President
Yoshitaka Kajita	Retirement	Senior Executive Officer
Jiro Ebihara	Senior Executive Officer	Executive Officer
Shinnosuke Hayashi	Senior Executive Officer	Executive Officer

Structure of President of CEO and Senior Executive Officers as of January 1st

*Representative, Changes are underlined

Title	Name	New	Current
President & CEO*	Koji Arima	-	-
<u>Senior Executive Officer</u>	Toshiyuki Kato	Toyota, Toyota Group	CCO, Toyota, Toyota Group, GM of Olympic and Paralympic Games Preparation Dept.
Member of the Board, <u>Senior Executive Officer</u>	Sadahiro Usui	CRO, Overseas Business Development, Korea	CRO, Alliance, Head of Purchasing Group, Overseas Business Development, Korea

Senior Executive Officer	Hiroyuki Ina	<u>Sensor Business Unit, Semiconductor Business Unit</u> , Tokyo Office	Head of Sensor & Semiconductor Business Group, Tokyo Office
Senior Executive Officer	Katsuhisa Shimokawa	<u>CMzO, Production Eng. R&D Center, Global Production Center, Industrial Solution Business Unit</u>	Head of Powertrain Systems Business Group
Senior Executive Officer	Shoji Tsuzuki	CISO, Head of IT Digital Center	CISO, Head of IT Digital Center
Senior Executive Officer	Yoshifumi Kato	<u>CTO, Head of Research Development Center</u> , Advanced Mobility Systems Business Development Div., <u>Solution Planning for Smart City Dept., AD Business of Mobility Systems Business Group</u> , President of MIRISE Technologies	CSO, Head of Engineering Research & Development Center, Advanced Mobility Systems Business Development Div. , AD Business of Mobility Systems Business Group, President of MIRISE Technologies
Senior Executive Officer	Shingo Kuwamura	<u>Asia-Oceania (Deputy)</u>	CEO of Asia-Oceania, President of DENSO INTERNATIONAL ASIA CO., LTD.
Senior Executive Officer	Kazuaki Fujitani	<u>Head of OEM Sales & Marketing Group, Solution Sales & Marketing Group</u>	Head of Sales & Marketing Group
Senior Executive Officer	Yukihiro Shinohara	CCRO, <u>CQO, Head of Safety, Quality & Environment Center, Environment Neutral Systems Development Div., FC System Business Development Div., CV&OH Div.</u>	CCRO, Corporate Strategy, Corporate Management
Senior Executive Officer	Yasuhiro Iida	<u>Head of Global Production Center</u>	Head of Thermal Systems Business Group, South America

Senior Executive Officer	Kenichiro Ito	<u>CHRO, Head of General Administration & Human Resource Center</u>	CEO of North America, President of DENSO INTERNATIONAL AMERICA, INC.
Senior Executive Officer	Yasuhiko Yamazaki	<u>Head of Thermal Systems Business Group</u>	CMO, Head of Production Innovation Center, Manufacturing of Sensor & Semiconductor Business Group
Senior Executive Officer	Yasushi Matsui	CFO, Head of Corporate Strategy Center, Group Companies of Japan	CFO, Head of Corporate Strategy Center, Head of Corporate Management Center, Group Companies of Japan
Senior Executive Officer	Hirotsugu Takeuchi	<u>Head of Mobility Systems Business Group</u>	Head of Mobility Electronics Business Group
Senior Executive Officer	Hidehiro Yokoo	Head of Legal, External Affairs & Communications Center, Tokyo Office(External Affairs), Audit Dept., Managing of Japan Region Dept., Food Value Chain Business Development Div.	Head of Legal, External Affairs & Communications Center, Tokyo Office(External Affairs), Audit Dept., Managing of Japan Region Dept., Social Solution Business Development Div., Food Value Chain Business Development Div.
Senior Executive Officer	Jiro Ebihara	Head of Electrification Systems Business Group	Head of Electrification Systems Business Group
Senior Executive Officer	Shinnosuke Hayashi	<u>CSwO, GM of Software Innovation Dept., Head of Electronics PF / Software in Mobility Systems Group</u> , President of DENSO CREATE INC.	CSwO, Electronics Platform & Software of Mobility Electronics Business Group, President of DENSO CREATE INC.

Reference : Official name of CxO

CRO: Chief Risk Officer

CFO: Chief Financial Officer

CCRO: Chief Corporate Revolution Officer

CTO: Chief Technology Officer (Also includes the role of Chief Standardization Officer)

CHRO: Chief Human Resources Officer

CQO: Chief Quality Officer

CMzO: Chief Monozukuri Officer

CSwO: Chief Software Officer

CISO: Chief Information Security Officer

About DENSO

DENSO is a \$47.6 billion global mobility supplier that develops advanced technology and components for nearly every vehicle make and model on the road today. With manufacturing at its core, DENSO invests in its 200 facilities to produce thermal, powertrain, mobility, electrification, & electronic systems, to create jobs that directly change how the world moves. The company's 170,000+ employees are paving the way to a mobility future that improves lives, eliminates traffic accidents, and preserves the environment. Globally headquartered in Kariya, Japan, DENSO spent 9.9 percent of its global consolidated sales on research and development in the fiscal year ending March 31, 2020. For more information about global DENSO, visit <https://www.denso.com/global>.

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