

Hardships and Challenges at the Time of Our Founding

DENSO overcame the numerous hardships it faced at the time of its founding and continued to develop since with the desire to realize an even better society, which is encapsulated in the DENSO Creed. The desire serves as the starting point of DENSO and remains with the Company even to this day. Recently, as DENSO enters into the period of its second founding, there is a need to boldly take on unprecedented challenges, such as promoting initiatives toward CASE and realizing carbon neutrality. By once again reflecting on the desire embodied in the DENSO Creed and returning to our starting point as a company, we will steadily move forward toward our aim of bringing happiness to people and society as a whole.

1935

Taking on the Challenge of Producing Electrical Equipment In-House

During an extremely difficult period in which we did not possess the proper tools and equipment, our determination alone is what allowed us to achieve success.

In 1933, an automobile department was established within Toyoda Automatic Loom Works, Ltd. (currently Toyota Industries Corporation). In 1935, executive director of Toyoda Automatic Loom Works, Kiichiro Toyoda, instructed Ryuichi Suzuki (who would later become a member of the Board at DENSO) to take on the challenge of producing electrical equipment in-house. However, developing such equipment internally became an extremely difficult task. At the time, the quality of electrical equipment was unstable, and there was a growing opinion that promoting the in-house production of such equipment was not a task the company should undertake. As a result, Mr. Toyoda stated to Mr. Suzuki that this task seemed to be far harder than he imagined, and he asked Mr. Suzuki whether they should quit at that juncture. Mr. Suzuki pleaded to Mr. Toyoda to allow him to continue his efforts to realize in-house production for one more month. Sometime after doing so, the enthusiasm and the persistence of Mr. Suzuki and the young engineers on his team led to the official adoption of electrical equipment in Toyoda vehicles.



Team in Charge of Electrical Equipment Development

At the time, a team of approximately 30 engineers and technicians devoted themselves to the in-house development of electrical equipment, often going without sleeping and eating.

Initiatives after Splitting Off and Being Established as a Separate Entity

Development of Electric Vehicles

In 1950, we commenced production of a battery electric vehicle (BEV) that could travel up to 195 km with one charge.

Development of Electric Washing Machine

In 1950, we launched a drum-type electric washing machine, which at one point was the best-selling washing machine in Japan, selling over 1,000 units per month.

Modernization of Facilities

In 1952, we decided to purchase new facilities over a four-month period for a total of ¥160.0 million (net sales at the time were ¥1,148 million).



1949

The Birth of NIPPONDENSO

Even without a clear path forward, we were resolved to make one on our own and move forward on it no matter what the outcome.

In 1949, with the Japanese economy in an extremely difficult state due to the promotion of the Dodge Line by the General Headquarters of the Supreme Commander for the Allied Powers, the electrical equipment department split off from Toyota Motor Co., Ltd., and was established as NIPPONDENSO CO., LTD. The company's first president, Torao Hayashi, aimed to rapidly expand the company not just in Japan but also overseas. For that reason, he chose the name NIPPONDENSO ("Nippon" meaning Japan), rather than KARIYADENSO, AICHIDENSO, or TOKAIDENSO, which are names of the local area where the company was founded, to display his conviction toward becoming self-reliant and expanding the company. Amid a recession and a lack of materials and equipment, NIPPONDENSO got off to a rough start. However, a strong bond was formed among the company's employees.

1950

Moving Forward with a Strong Labor-Management Relationship after Settling Labor Disputes

Pursuing the Highest Quality and the Lowest Price through the United Efforts of All Employees to Become No. 1 in the Industry

Chaotic economic conditions continued after NIPPONDENSO split off from Toyota Motor to become its own company, and in 1950, the company declared its intention to rebuild itself. Then company member of the Board Tatsuo Iwatsuki (who would later become president of DENSO) stated that, "we are approaching rough seas as a company, and I would like to see management make a proposal in order to stop this ship from sinking." A workforce reduction of 473 employees, which was roughly one-third of all employees at the time, was subsequently carried out. In addition, Mr. Iwatsuki also penned a startling article in the company newsletter, titled "Will NIPPONDENSO fail?" in which he stated how it would be difficult to protect the company from failure in the domestic market if dramatic changes were not made. He also communicated to employees that, "to be the No. 1 company in the industry, we have no choice but to compete by offering the highest quality at the lowest price." After a 29-day labor dispute, labor and management achieved mutual trust, and this trust helped commence efforts to build a management foundation that aimed for the highest quality and the lowest price through the united efforts of all employees.



Initiatives That Leveraged the Knowledge Gained from Robert Bosch

Origins of Hitozukuri

In 1954, we established a technical training center offering a three-year course to people who have graduated from junior high school, thereby fostering the principle of "Monozukuri is Hitozukuri (our performance relies on our people)."

Establishment of Standards and Regulations

We created the original DENSO Design Standard based on the German "Bosch" standards (a rigorous set of standards that cover everything from production to management).

Establishment of a Service Station Network

In 1954, we commenced plans to establish a network of service stations in an effort to enhance quality for end-users in each region across Japan.



1953

Start of Technical Cooperation with Robert Bosch GmbH

Becoming a Trusted Company That Customers Could Feel Confident in Choosing

After resolving labor disputes and beginning efforts to rebuild, the special demand stemming from the Korean War breathed new life into NIPPONDENSO's management. However, in terms of technology, there was a clear disparity between NIPPONDENSO and companies in Europe and the United States, resulting in an urgent need to achieve international-level technology and quality as quickly as possible. At the time, the German-based Robert Bosch GmbH was roughly 10 times larger than NIPPONDENSO, but through the mediation of Dr. Tokushichi Mishima (inventor of MKM steel), the recommendation of Kazuo Kawamata (the president of Toyo Motors), and the determination and agility of our management, we were able to enter into a technical alliance with Robert Bosch. While learning various aspects from this company, we established a technological, quality, and business foundation that could compete on an international level.

1956 Formulation of the DENSO Creed

Of the 1,450 employees of NIPPONDENSO at the time, roughly 40% joined the company after it split off to become its own company. This meant that there were a growing number of employees who did not know about the struggles the company had faced since its founding. To that end, we established the DENSO Creed based on ideas submitted by employees in order to clarify our purpose and our vision for employees.