

DENSO Group's Mid-term Policy 2018

Special Feature

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Targeting
New Value Creation



With a view to realizing its long-term aspirations, and in accordance with the DENSO Group Long-term Policy 2020 formulated in April 2013, DENSO formulated a Mid-term Policy, which will run through 2018. Under its new Mid-term Policy, the DENSO Group firstly continues to focus on heading toward realizing an automotive society in which automobiles place less of a burden on the environment and drivers have fewer worries about traffic accidents and, secondly, targets sustainable growth by further evolving its traditional operations.

Major Policies



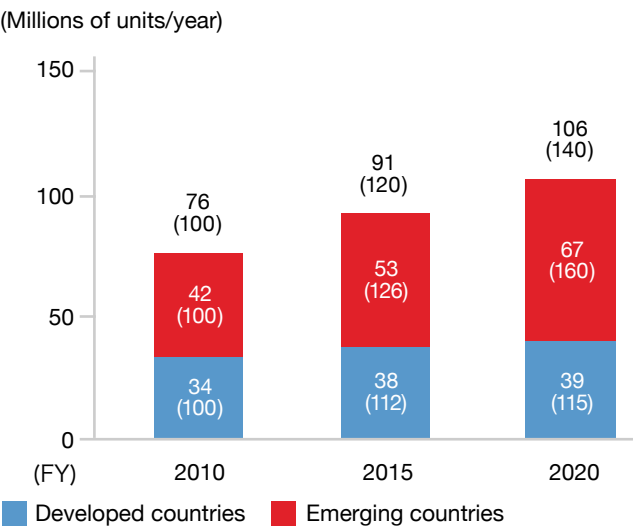
Recognition of the Current Business Environment (Formulation Background)

1. Emerging Countries Continuously Lead Automobile Market

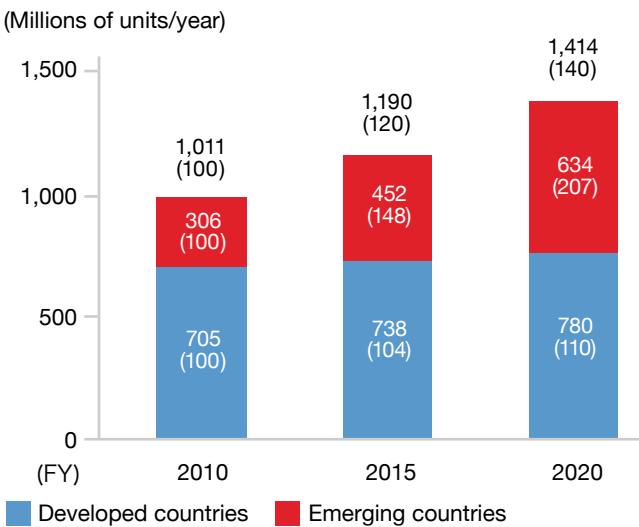
Expand both sales volume and number of vehicles owned in emerging countries.

→ Strengthen global manufacturing capabilities by responding to growing markets

Sales Volume Forecast



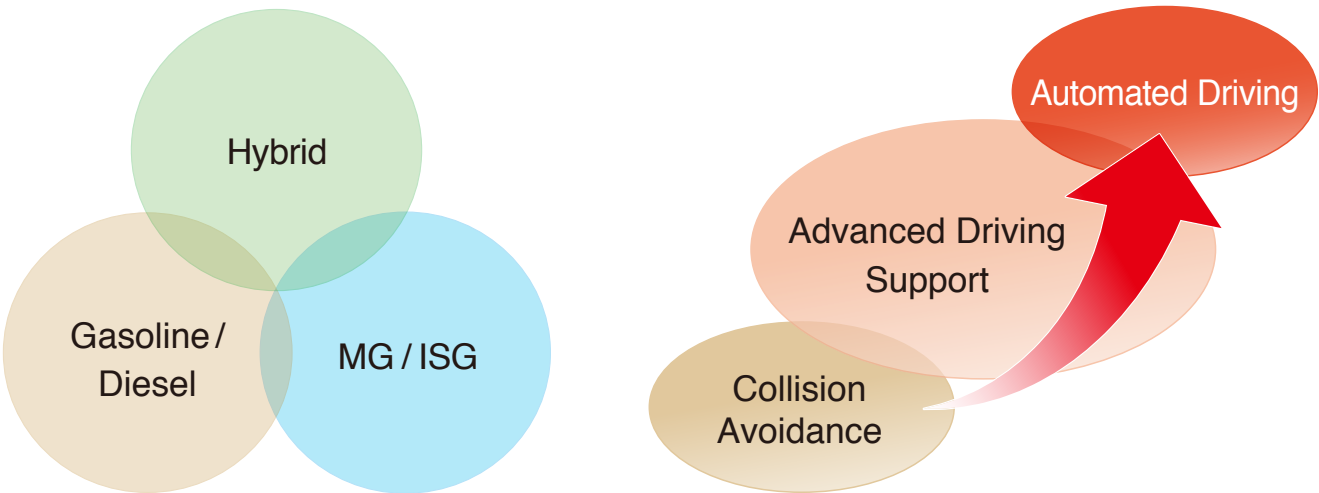
Number of Vehicles Owned Forecast



2. Expand upon Environment, Security & Safety Needs

Need proposals for the most suitable combination of ICE efficiency electrification

→ Enhance customer support as a Tire 1 supplier

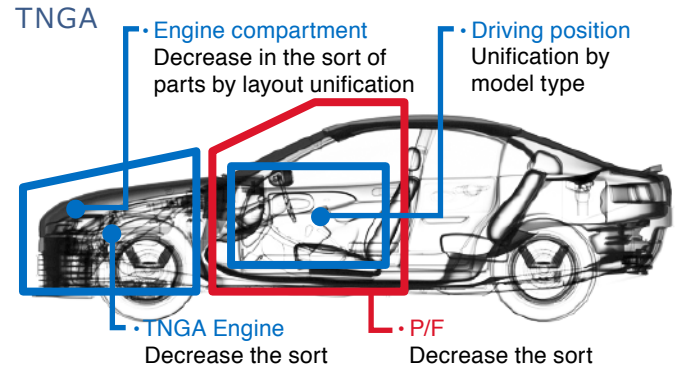


3. Accelerate Standardization of Parts and Units

Accelerate standardization of parts and units

to be compatible with vehicle competitiveness and support cost reductions

→ Preparation to quality risks due to standardization needed



2018 Goal



Policies and Key Actions

○ Policies

1. Contribute to society focusing on Environment and Security & Safety
2. Evolve technological development and manufacturing to satisfy diverse needs
3. Promote continuous development of our employees

○ Key Actions



Business fields to focus on

We will address expanding the relevant businesses in the priority business fields of “**Environment, Security & Safety**,” “**Aftermarket & New Business**” and “**Global Market**.”



Environment, Security & Safety

Create system products that address social issues toward the reduction of the environmental footprint and traffic accidents

Aftermarket & New Business

Challenge for aftermarket and new business expansion to create new customer value from social needs and end users' perspectives

Global Market

Reinforce the relationship of mutual trust and raise DENSO's presence in each region to deliver the convenience and pleasure of automobile use and driving for people in many countries



Functions to reinforce

We will reinforce the following functions to lead and support the expansion of priority businesses: “**World-first & regional innovation products,**” “**Outstanding manufacturing competitiveness,**” and “**Management speed.**”



World-first & regional innovation products

Take on the challenge of advanced technological development that creates world-first and regional innovation products by realizing regional strengths and community-based wisdom

Specific initiatives

1. Accelerate advanced technology research and reinforce study on human and society science
2. By predicting the trend of regional needs, enhance the ability to design product concepts and develop advanced technologies

Outstanding manufacturing competitiveness

Enhance *monozukuri* capability and the global expansion of *DANTOTSU* through enhanced competitiveness to realize a regional No. 1 production structure and the *DANTOTSU* plant

Specific initiatives

1. Reinforce simultaneous development of products and *monozukuri* for product evolution (high difficulty level, systems) and expansion of overseas production
2. Establish strong *MONOZUKURI* capabilities by One DENSO and realize regional No.1 production supply structure and the *DANTOTSU* plant

Management speed

Speed up management by promoting global collaboration by changing our way of working to improve the speed of business operations

Specific initiatives

1. Collaborate with diverse people
2. Implement global next-generation information systems and change our way of working to improve speed of business operations