

Quality Is In DENSO Indonesia's DNA

Guided by DENSO's "Quality First" principle, PT DENSO INDONESIA embeds customer focus, disciplined manufacturing and continuous improvement in every stage of its operations to deliver safe, reliable and high-quality automotive components.

For PT DENSO INDONESIA (DNIA), quality is not simply confirmed through final inspection. It is created and protected throughout the business process—from planning and new-product preparation to manufacturing, delivery, servicing, review and improvement. This approach supports the company's commitment to providing reliable, safe and high-quality products, delivered on time, that meet customer expectations and earn lasting trust.

DNIA's quality policy is translated into three practical commitments: prevent the occurrence of defective parts (Tsukuranai), prevent defective parts from flowing to the next process or customer (Nagasanai), and share lessons learned horizontally to prevent recurrence (Yokotenkai). Together, these principles connect individual responsibility with company-wide prevention.

Quality Built into Every Process

DNIA manufactures a broad range of thermal, powertrain and electronic products at its Bekasi and Fajar plants. The company's quality management system is supported by formal procedures, customer requirements, defined responsibilities and applicable standards, including IATF 16949 certification. Cross-functional teams in quality assurance, production, production engineering, procurement and related functions work together to identify risks early, confirm process readiness and maintain stable operations.

Standardised work, process controls and timely checks help associates maintain consistency at the genba. When an abnormality or potential risk is found, DNIA promotes Bad News First communication so that teams can contain the issue, investigate the root cause and implement corrective and preventive actions without delay. The company also strengthens process reliability by reducing dependence on human judgement and introducing more robust controls.

From Reactive Recovery to Proactive Prevention

DNIA has been transforming its quality approach by strengthening awareness, process reliability and risk visibility. Company-wide campaigns, management involvement and practical learning reinforce the message that one defect can have a significant impact on an individual customer. At the same time, quality activities increasingly focus on identifying foreseeable risks before they become defects, claims or disruptions.

These efforts have delivered measurable progress. From FY21 to FY25, DNIA reduced total zero-kilometre customer claims by 67%, decreased supplier problems by 46% to 0.096 ppm, and lowered the quality-cost-loss ratio by 55%, from 0.31% of sales to 0.14% as of August 2025. Human-error-related zero-kilometre claims fell by approximately 64% following stronger quality awareness, rule compliance and communication, while process-reliability-related claims declined by approximately 42% through reinforced assurance and hardware-focused improvements.

Digital Tools for Faster Quality Management

Digitalisation supports DNIA's efforts to visualise quality conditions and strengthen management response. Its Quality Integrated System, known as QUINS, brings together applications for quality information, process-change control, inspection and calibration, project management and abnormality handling. By connecting rules with real-time monitoring and traceable information, DNIA aims to make quality operations more consistent, efficient and transparent.

People Are the Foundation of Quality

Quality ultimately depends on people who understand both the standard and the purpose behind it. Through hitozukuri, DNIA develops technical expertise, problem-solving capability and ownership. Through monozukuri, associates apply that capability to create reliable products and continuously improve the way they are made. Quality awareness activities—including practical learning based on actual defect cases and the customer's point of view—help associates understand how their own work protects the next process and end user.

One DENSO Quality Across the Supply Chain

Reliable quality depends on the entire value chain. DNIA works with suppliers to strengthen quality systems, process control, traceability, change management and technical capability. Its supplier-development approach prioritises risk, product importance, process complexity and operational stability, allowing resources to be directed to the areas with the greatest potential customer impact. Through the Indonesia DENSO Group quality collaboration, DNIA, DMIA, HDI and DSIA align activities in supplier development, material quality, customer-claim handling, quality digitalization and human-resource development.

In FY25, the Indonesia DENSO Group conducted supplier development with 42 out of 164 suppliers. This collaboration also supports the development of certified specialists for material and special-process audits, helping the group prepare for localisation requirements and future mobility technologies while maintaining consistent quality expectations.

Quality for the Future of Mobility

As mobility becomes more electrified, connected and software-driven, quality risks and customer expectations will continue to evolve. DNIA is therefore strengthening early detection, data-based decision-making, traceability, process reliability and collaboration across functions and companies. Its roadmap targets zero customer claims and No. 1 quality performance in Asia by the end of FY2027.

For DNIA, quality is a promise expressed through daily action: follow the standard, identify risk, share bad news quickly, solve root causes and improve without compromise. By keeping the customer at the centre of every decision, DNIA will continue to deliver dependable value and strengthen trust in Indonesia and beyond.

More information is available online at:

www.denso.com/id/id/

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People Are the Foundation of Quality

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