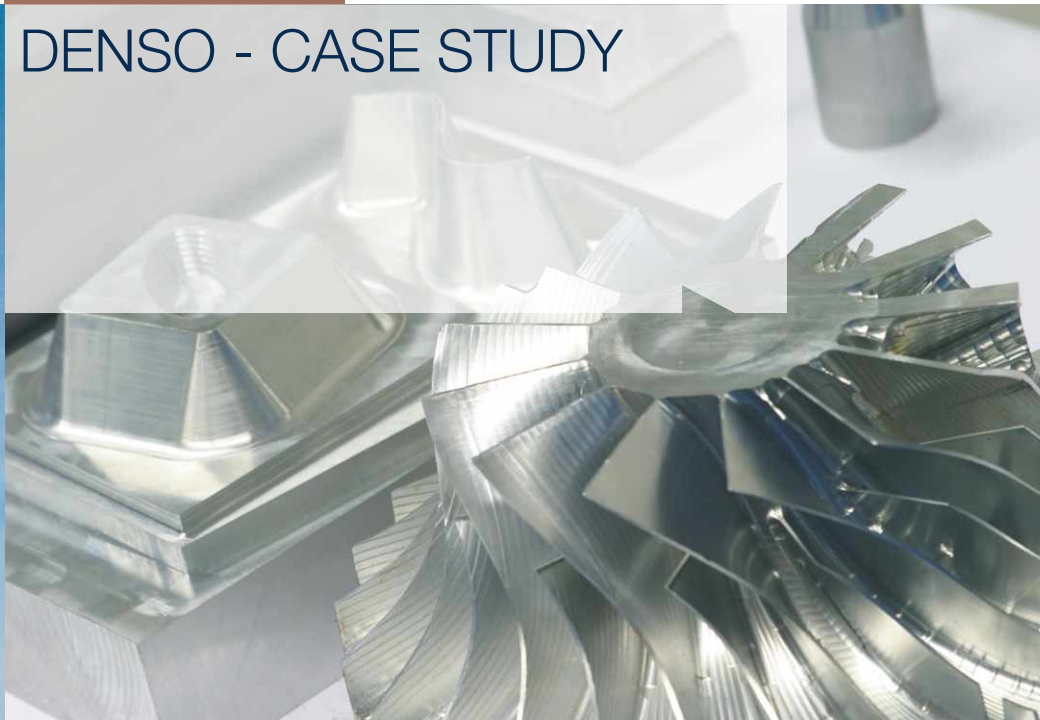




**CZECHINVEST**  
Investment and Business Development Agency

INVESTMENT OPPORTUNITIES

## DENSO - CASE STUDY



# ***DENSO***



## DENSO's Choice for its Strategic Investment

DENSO Corporation (DENSO) is a leading global supplier of advanced automotive technologies, systems and components, and its headquarters is located in Kariya, Aichi, Japan. Its presence in Europe dates from the opening of an office in Amsterdam in 1973. It has since established sales offices in the United Kingdom, Germany, France, Italy, Sweden and Belgium. The first European production company was DENSO Barcelona S.A. established in Spain in 1989. This company manufactures engine-control components and automotive electronic products. Today DENSO has 16 production companies and 16 companies involved in sales and other activities in Europe. Among these DENSO has four plants manufacturing car air-conditioning units in Great Britain, Germany, Italy and the Czech Republic.

## DENSO - Giving Drive to the Czech Automotive Sector

One of the largest Japanese investments in the Czech automotive industry has been made by **DENSO Corporation in the Liberec industrial zone**. DENSO, one of the world's leading automotive suppliers, has decided to locate its car air-conditioner manufacturing plant in Liberec, bringing to this region the most modern technology and several hundred new jobs. The planned total investment amount should reach CZK 3 billion (approximately USD 130 mil.) and about 1,700 jobs should be created. The DENSO plant was the 25th Japanese manufacturing project in the Czech Republic.

DENSO MANUFACTURING CZECH (DENSO CZECH) came into existence on July 12th 2001. The mass production of air-conditioning units, evaporators, condensers and radiators for the automotive industry started after one year of very focused preparation and construction work that began in February 2002. The company's products are being delivered to DENSO CZECH's main customers: VW, Audi, BMW, TPCA and Magyar Suzuki. The foreseen turnover for 2005 should reach CZK 6 billion (approximately USD 260 mil.). Its current president is Mr. Fumiaki Nagata.

In 2002, DENSO was followed by DENSO's key supplier of aluminum tubes. DENSO's operations in the Czech Republic are becoming the core manufacturing location of DENSO in Europe, strongly oriented towards new technologies and product development.

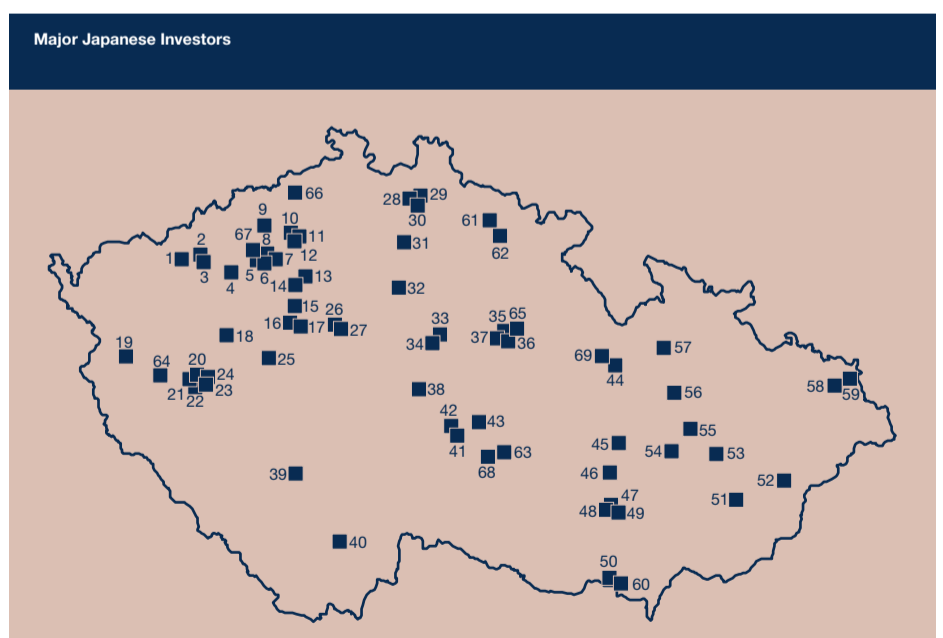
Products manufactured at DENSO CZECH	
Product	Units/ year
HVAC (Heaters, Ventilators and Air Conditioners)	1,400,000+
Heater cores	1,400,000+
Evaporators	2,800,000+
Condensers	1,400,000+
DL pulleys	1,000,000+
Radiators	216,000

"Due to the rapidly increasing demand for air-conditioning equipment in Europe, we have decided to build a new plant and thus strengthen our market position,"

Koichi Fukaya, President and CEO, DENSO Corporation

## Japanese Projects in the Czech Republic

There are now 160 Japanese companies registered in the Czech Republic, including 88 trading companies, 65 manufacturers, three R&D companies and four others. Another 60 potential Japanese projects are currently in the negotiation stage. Japanese investors altogether have committed to invest a total of USD 2.6 billion and will create over 32,000 direct new jobs and all companies are planning further expansion and reinvestment in the future. Investment incentives have been granted to 44 Japanese investors, while another 9 are in the application process. More than 150 enquiries from Japanese companies have been received and negotiated by CzechInvest. (Feb. 2006)



Source: CzechInvest, 2006

# DENSO

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