The Group’s greatest strength lies in monozukuri, which Denso has cultivated over many years. The competitiveness of this expertise is due to the integration of activities from the R&D stage through close cooperation across the areas of product development and manufacturing technology. By factoring in both quality and cost from the R&D stage, it is possible to minimize ineffectiveness and improve quality while reducing costs over a short period. The Company has been committed to honing this monozukuri method since the 1970s and, since then, has pioneered a large number of world-first and leading-edge products with quality unrivaled globally.

Going forward, the automotive industry is expected to expand, particularly in developing countries, necessitating initiatives toward further globalization of monozukuri. In light of that, we intend to build on our existing expertise and expand the establishment of dantotsu* plants, which has been centered in Japan, to all our plants around the world. By aligning plants with product specificity and leveraging the unique features that define each country and region, we aspire to make each plant No.1 in its respective region for monozukuri through dantotsu productive efficiency. Furthermore, the Company has embarked on initiatives to utilize rapidly evolving information processing technology to share production information across approximately 130 plants around the world in real time. By collecting information on monozukuri technology and know-how on a global scale and monitoring the current status of plants, we are enhancing the visibility and accessibility of information. Through such initiatives, we aim to identify and prevent problems associated with defective products and improve productivity. Going forward, the Company will continue to contribute widely to society by working together with the Group toward the realization of innovative monozukuri.

* Dantotsu plants are those that demonstrate increased competitiveness through the introduction of speedy, efficient production lines, the development of unique, space-saving facilities, and the streamlining of distribution and inspection protocols.
Concerning the return of profits to shareholders, we will continuously strive to raise the dividend threshold while maintaining long-term stability, giving careful consideration to a comprehensive range of factors, including consolidated performance, the dividend payout ratio, and the dividend amount. Denso uses retained earnings after the payment of dividends for investment in such areas as infrastructure, R&D, and M&A to maintain the long-term growth of its businesses and allocates funds for the repurchase of treasury stock following thorough consideration of the Company’s financial position.

In line with these policies, in fiscal 2015, we declared an annual dividend of ¥110 per share, an increase of ¥5 per share from the previous fiscal year. Also, we intend to conduct an equity repurchase capped at 5 million shares, or ¥30 billion, during fiscal 2016.

Going forward, we will continue to work toward further enhancing corporate value and raising shareholder returns.