

Confidential

Valid until March 31, 2005

Annual Survey of Corporate Behavior FY2004 corporate behavior questionnaire survey sheet

Cabinet Office
Submission deadline: January 14, 2005

This questionnaire will be handled in strict confidence.
Your replies will be used only for statistical purposes.

Corporate No.

How to fill in:

- 1 Enter applicable replies in or (enter:). Circle a number that applies in (1 2 3 ...).
- 2 Answer all the questions except for those asked only of indicated companies.
- 3 If you have changed your corporate name or address, please make correction by hand.

Company name		Capital (in billions of yen)				Entered by	Dept	
Address (where this questionnaire is filled in)	Zip code:	under 1.0	1.0 to 5.0 (not incl)	5.0 to 10.0 (not incl)	10.0 and over		Name	
		1	2	3	4		Phone	Extension ()

I. Business environment and basic management policy

(Business outlook and demand forecast)

Q1: Give your rough forecast about nominal and real growth rates of the Japanese economy and the demand in your industry for FY2005, the next three years (annual average rate for FY2005-07) and the next five years (annual average rate for FY2005-09), respectively. Enter in the blank below forecast figures to the first decimal point.

Growth rate	Period		
	FY2005	Next three years (FY2005-07 annual average)	Next five years (FY2005-09 annual average)
Nom. growth rate of JPN. economy	<input type="text"/> . <input type="text"/> %	<input type="text"/> . <input type="text"/> %	<input type="text"/> . <input type="text"/> %
Real growth rate of JPN. economy	<input type="text"/> . <input type="text"/> %	<input type="text"/> . <input type="text"/> %	<input type="text"/> . <input type="text"/> %
Nom. growth rate of demand in your industry	<input type="text"/> . <input type="text"/> %	<input type="text"/> . <input type="text"/> %	<input type="text"/> . <input type="text"/> %
Real growth rate of demand in your industry	<input type="text"/> . <input type="text"/> %	<input type="text"/> . <input type="text"/> %	<input type="text"/> . <input type="text"/> %

Note: If you are engaged in wide-ranging activities, please reply regarding the industry of your principal business line.

(Exchange rates)

Q2 (1): What do you forecast the exchange rate (yen to U.S. dollar) will be in one year from now (around January 2006)? Choose and circle only one number.

80 yen range	90 yen range	100 yen range	110 yen range	120 yen range	130 yen range
1	2	3	4	5	6
140 yen range	150 yen range	other range (enter:)		Not predictable	
7	8	9		10	

(2) To be answered only by exporting companies:

How much is the break-even exchange yen rate to the U.S. dollar for your business at present? Enter an integer number in the blank below.

US\$ = yen

(Price)

Q3: To be answered only by manufacturing, fishing, agricultural and mining companies.

Q3: How far drop or rise do you forecast the average price of purchase and sales to make your principal products over the next year? Choose and circle only one number below closest to your forecast prices of purchase and sales, respectively.

Annual average rate of change (%)	Price	
	Average purchase price	Average sales price
20% or more	1	1
10% to 20% (not inclusive)	2	2
5% to 10% (not inclusive)	3	3
0% (not incl.) to 5% (not incl.)	4	4
0%	5	5
-5% to 0% (not inclusive)	6	6
-10% (not inclusive) to -5%	7	7
-20% (not inclusive) to -10%	8	8
-20% and less	9	9
Not predictable	10	10

(The growth rate of capital investment)

Q4 (1): How did/will you increase or decrease your total capital investment (work-based) on an annual average over the past three years (FY2002-04) and the next three years (FY2005-07)? Choose and circle only one number of the past and next three years.

Period Annual average rate of change (%)	Past three years (FY2002-04)	Next three years (FY2005-07)
25% or more	1	1
20% to 25% (not inclusive)	2	2
15% to 20% (not inclusive)	3	3
10% to 15% (not inclusive)	4	4
5% to 10% (not inclusive)	5	5
0% (not incl.) to 5% (not incl.)	6	6
0%	7	7
-5% to 0% (not inclusive)	8	8
-10% (not inclusive) to -5%	9	9
-15% (not inclusive) to -10%	10	10
-20% (not inclusive) to -15%	11	11
-25% (not inclusive) to -20%	12	12
-25% and less	13	13

(Composition of capital investment)

(2) What was the ratio of investment you made over the past three years (FY2002-04) in each of capacity increase, rationalization and labor saving, replacement, maintenance and repair, R&D, and welfare facilities to total capital investment? And what will be such ratio for the next three years (FY2005-07)? Enter your forecast integer numbers in the blank below for each investment.

Investment area	Period	Past three years (FY2002-04)			Next three years (FY2005-07)		
Capacity increase				%			%
Rationalization & labor saving				%			%
Replacement, maintenance and repair				%			%
R&D (Note)				%			%
Welfare facilities				%			%
Miscellaneous				%			%
Total capital investment		1	0	0 %	1	0	0 %

Note: New product development, starting new business, associated R&D investment, etc.

(Changes in the number of employees)

Q5: How far did/will the number of your employees be changed in the whole company, production, sales, etc. and administration, planning, etc. over the past three years (FY2002-04) and for the next three years (FY2005-07)? Choose and circle only one number for each section.

Period Annual average rate of change (%)	Past three years (FY2002-04)			Next three years (FY2005-07)		
	Area Whole company	Production, Sales, etc.	Administration, Planning, etc.	Whole company	Production, Sales, etc.	Administration, Planning, etc.
15% or more	1	1	1	1	1	1
10% to 15% (not incl.)	2	2	2	2	2	2
5% to 10% (not incl.)	3	3	3	3	3	3
0% (not incl.) to 5% (not incl.)	4	4	4	4	4	4
0%	5	5	5	5	5	5
-5% to 0% (not incl.)	6	6	6	6	6	6
-10% (not incl.) to -5%	7	7	7	7	7	7
-15% (not incl.) to -10%	8	8	8	8	8	8
-15% and less	9	9	9	9	9	9

Note: Sales and counter-office work in the financial and insurance industries shall be classified into production, sales, etc.

(Ratios of overseas production and reverse imports)

Q6: To be answered only by manufacturing companies.

Q6 (1): What do you roughly estimate/forecast for the ratio of overseas production to the total of domestic and overseas production combined for FY2003, FY2004 and FY2009, respectively? Enter estimated/ forecast figures to the first decimal point in the blank below. Enter "0" if you have/will have no overseas production.

Note 1: Calculate production ratio in terms of yen amounts of sales based on selling prices by the following formula. For FY2009, use the current exchange rate for conversion of sales denominated in foreign currency.

$$\text{Ratio of overseas production (output)} = \frac{\text{Output of overseas production}}{\text{Output of domestic production} + \text{Output of overseas production}}$$

Note 2: Overseas production means "production by direct overseas investment" as registered under Article 23 of Foreign Exchange and Foreign Trade Control Law. If two or more partners jointly operate overseas production, the largest shareholder should answer this question (or the manager partner if all partners have the same share).

Ratio \ Year	Ratio achieved for FY2003			Ratio estimated for FY2004			Ratio forecast for FY2009		
Ratio of overseas production (output)									

(2) What do you roughly estimate/forecast for the ratio of reverse imports (ratio of exports to Japan to the total overseas production) for FY2003, FY2004 and FY2009, respectively? Enter estimated/forecast figures to the first decimal point in the blank below. If you entered "0" in (1) above for any year, do not enter any figure for that year.

Note: Calculate import ratios in terms of yen amounts of sales based on selling prices by the following formula. For FY2009, use the current exchange rate for conversion of sales denominated in any foreign currency.

$$\text{Ratio of reverse imports} = \frac{\text{Exports to Japan}}{\text{Output of overseas production}}$$

Ratio \ Year	Ratio achieved for FY2003			Ratio estimated for FY2004			Ratio forecast for FY2009		
Ratio of reverse imports									

(3) To be answered by those who maintain domestic production bases: Choose and circle only one number the most suitable reason to maintain domestic production for your situation from among replies given below.

Sophisticated technology is employed, which makes overseas production difficult.	1
It costs less to utilize the existing production facilities.	2
Given the availability of suppliers, domestic production costs less.	3
It had better to produce domestically for the relationship with customers.	4
Lack of know-how about international business management makes us uneasy.	5
Others	6