

II. Current situation of profit and related items

(Your business conditions)

Q7: Choose and circle only one number for your business conditions, now (FY2005) and over the next three years (FY2006-08).

Current conditions (FY2005)		Conditions over next three years (FY2006-2008)	
Good	1	Will be better	1
Neither good nor bad	2	Unchanged	2
Bad	3	Will be worse	3
		Not predictable	4

(Trends in sales, current profit, etc.)

Q8: How do you forecast your sales, cost of sales, selling, general and administrative expenses, current profit, labor cost and R&D expenses over the next three years (FY2006-2008, on an average annual basis) as compared with those for the current year (FY2005)? Choose and circle only one number.

Accounting item	Incr. or decr.	Years		
		Will increase	Unchanged	Will decrease
Sales		1	2	3
Cost of sales		1	2	3
Selling, general & administrative expenses		1	2	3
Current profit		1	2	3
Labor costs		1	2	3
R&D expenses		1	2	3

Note: Sales, cost of sales, selling, general and administrative expenses and current profit shall be the same as those stated in your income statement.

(Measures to boost sales)

Q9: What do you think about measures to boost sales? Choose and circle up to three of the means given below for the current year (FY2005) and the next three years (FY2006-2008), respectively. Of the three, choose and mark with a double circle the most important.

Measures	Years	
	Current year (FY2005)	Next three years (FY 2006-2008)
Raising sales price	1	1
Increasing sales quantities by cutting down sales price	2	2
Developing new products	3	3
Strengthening brand power by product differentiation	4	4
Increasing advertisement expenses	5	5
Improving quality	6	6
Differentiating products by sales territory	7	7
Improving network for sales and distribution	8	8
Strengthening production capacity	9	9
Other measures	10	10
Non planned in particular	11	11

(Shortage or Excess felt of inventory level)

Q10: To be answered only by manufacturing companies.

Q10(1): How do you find the level of your raw materials or product stock? Choose and circle only one number that applies for the current year (FY2005).

Situation	Year Stock	Current year (FY2005)	
		Raw materials	Product
Short		1	1
Appropriate		2	2
Excessive		3	3

(2): To be answered by only those who replied 1 (Short) or 3 (excessive) in Q10(1) above.

(2) By around when do you expect the level of your raw materials or product stock to become appropriate? Choose and circle one number that applies.

Time required	Stock	
	Raw materials	Product
Within a half year	1	1
Within a half to one year	2	2
Within 1-2 years	3	3
Within 2-3 years	4	4
Over three years	5	5