

Annual Survey of Corporate Behavior

FY2005 corporate behavior questionnaire survey sheet

Cabinet Office

Submission deadline: January 24, 2006

Valid until March 31, 2006

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

Corporate No.				
Industry				

How to fill in:

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

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

I. Business environment and basic management policy

(Business outlook and demand forecast)

Q1: Give your rough forecast about nominal and real growth rates ^(Note1) of the Japanese economy and the demand in your industry ^(Note2) for FY 2006, the next three years (annual average rate for FY2006-2008) and the next five years (annual average rate for FY2006-2010), respectively. Enter in the blank below forecast figures to the first decimal point.

Years	FY2006	Next three years (FY2006- 2008 annual average)	Next five years (FY2006- 2010 annual average)
Growth rate			
Nom. growth rate of JPN. economy	. %	. %	. %
Real growth rate of JPN. economy	. %	. %	. %
Nom. growth rate of demand in your industry	. %	. %	. %
Real growth rate of demand in your industry	. %	. %	. %

Note 1: Given below are GDP growth rates of the past three years that indicate the growth rates of the Japanese economy (source: Results of the Annual Revision for FY2004 and the 2000 benchmark Revision of GDP(Expenditure series) released on Dec.2, 2005).

	FY2002	FY2003	FY2004
Nominal growth rate	-0.7%	1.0%	0.5%
Real growth rate	1.1%	2.3%	1.7%

Note 2: For the classification of your industry, refer to the industry classification made by stock exchanges (medium category). If your company covers a wide range of businesses, please reply relating to 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 2007)? 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 (enter: range)	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.

Note: If the conditions to determine the rate substantially differ from one product or factory to another and make a uniform calculation difficult, please reply relating to your mainstay product.

US\$ = yen

(Price)

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

Q3: How far drop or rise do you forecast the average price of purchase and sales to make your principal products one year from now (around January 2007) and three years from now (around January 2009)? Choose and circle the only one number closest to your forecast. For three years later, please reply on an annualized price basis.

Price When: Annual average Rate of change (%)	Average purchase price		Average sales price	
	One year later (around Jan. 2007)	Three years later (around Jan. 2009)	One year later (around Jan. 2007)	Three years later (around Jan. 2009)
20% or more	1	1	1	1
10% to 20% (not incl.)	2	2	2	2
5% to 10% (not incl.)	3	3	3	3
0 % (not incl.) to 5% (not incl.)	4	4	4	4
0%	5	5	5	5
-5% (not incl.) to 0% (not incl.)	6	6	6	6
-10% (not incl.) to -5%	7	7	7	7
-20% (not incl.) to -10%	8	8	8	8
-20% and less	9	9	9	9

(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 (FY2003-2005) and the next three years (FY2006-2008)? Choose and circle only one number of the past and next three years, respectively.

Note: Capital investment should not include land, used items, and a transfer from construction in progress.

Years Annual average Rate of change (%)	Past three years (FY2003-2005)	Next three years (FY2006-2008)
25% or more	1	1
20% to 25% (not incl.)	2	2
15% to 20% (not incl.)	3	3
10% to 15% (not incl.)	4	4
5% to 10% (not incl.)	5	5
0% (not incl.) to 5% (not incl.)	6	6
0%	7	7
-5% (not incl.) to 0% (not incl.)	8	8
-10% (not incl.) to -5%	9	9
-15% (not incl.) to -10%	10	10
-20% (not incl.) to -15%	11	11
-25% (not incl.) to -20%	12	12
-25% and less	13	13
No capital investment was made/is planned.	14	14

(Purpose of capital investment)

(2) What purpose do you consider of importance for capital investment? Choose and circle up to three of the purpose given below for the past three years (FY2003-2005) and the next three years (FY2006-2008), respectively. Of the three, choose and mark with a double circle the most important.

Years Purpose	Past three years (FY2003-2005)	Next three years (FY2006-2008)
Expansion of production capacity or sales capabilities	1	1
Improvement of product or service quality	2	2
Response to informatization	3	3
Laborsaving and rationalization	4	4
Environmental protection	5	5
Overseas investment	6	6
Research and development	7	7
Branching out into new businesses	8	8
Maintenance and replacement	9	9
Others	10	10
No capital investment was made/is planned.	11	11

(Shortage/excess felt of equipment)

(3) How did/will you find your equipment for production or sales, short or excessive? Choose and circle only one number of the past three years (FY2003-2005) and the next three years (FY2006-2008), respectively.

Years Situation	Past three years (FY2003-2005)	Next three years (FY2006-2008)
Short	1	1
Appropriate	2	2
Excessive	3	3

(Change in the number of employees)

Q5: Did/will you increase or decrease the number of your employees over the past three years (FY2003-2005) and the next three years (FY 2006-2008)? Choose and circle only one number that applies to all personnel and regular employees/staffers for the past and next three years, respectively.

Years Form of employment Annual average Rate of change (%)	Past three years (FY 2003-2005)		Next three years (FY 2006-2008)	
	All personnel	Regular employees/ staffers	All personnel	Regular employees/ staffers
15% or more	1	1	1	1
10% to 15% (not incl.)	2	2	2	2
5% to 10% (not incl.)	3	3	3	3
0% (not incl.) to 5% (not incl.)	4	4	4	4
0%	5	5	5	5
-5% (not incl.) to 0% (not incl.)	6	6	6	6
-10% (not incl.) to -5%	7	7	7	7
-15% (not incl.) to -10%	8	8	8	8
-15% and less	9	9	9	9

Note: "Regular employees/staffers" mean those who are generally called "regular employees" or "regular staffers."

(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 FY2004, FY2005 and FY2010, 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 FY2010, use the current exchange rate for conversion of sales denominated in foreign currency.

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

Note 2: Overseas production means "production by direct overseas investment" 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 FY2004	Ratio estimated for FY2005	Ratio forecast for FY2010
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 FY2004, FY2005 and FY2010, 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 FY2010, 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 FY2004	Ratio estimated for FY2005	Ratio forecast for FY2010
Ratio of reverse imports		• %	• %	• %

(3) As to the reason for maintaining domestic or overseas production bases, choose and circle only one number closest to your situation.

a. Reason for maintaining domestic production bases

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
Domestic production enables flexible response to domestic demand such as supply of a wide variety of products in small batches.	6
Others	7

b. Reason for maintaining overseas production bases

Possibility to secure good-quality and low-cost labor.	1
It is easy to secure engineers.	2
Local product demand is brisk or is expected to grow in the future.	3
Overseas production enables flexible response to local customer needs.	4
Others	5