

# FY2014 Annual Survey of Corporate Behavior

## Table of contents

Survey methodology	1
Results of the survey	3
1 Business outlook and demand forecast	3
2 Exchange rates	11
3 Prices	17
4 Change in capital investment	22
5 Change in the number of employees	30
6 Overseas production ratio and reverse imports ratio	35



# Survey methodology

- |   |                                |   |
|---|--------------------------------|---|
| 1 | Objective of the survey        | The objective of this survey is to clarify the actual state of the Japanese economy from the aspect of corporate activities, by continuously conducting surveys on how companies forecast future business outlook and industrial demand trends. |
| 2 | Period of the survey           | January 2015  |
| 3 | Survey items                   | Business outlook and demand forecast, exchange rates, prices, growth rate of capital investment, rate of change in the number of employees, ratios of overseas production and reverse imports   |
| 4 | Coverage                       | All companies listed in the First Section and Second Section of the Tokyo and Nagoya Stock Exchange (2,445 companies as of November 1, 2014)  |
| 5 | Survey method                  | Self-reporting survey by mail or online, using prescribed questionnaire   |
| 6 | Number of responding companies | 982 (491 in manufacturing industries, 491 in non-manufacturing industries)  |
| 7 | Response rate                  | 40.2%   |

(Note) The sectors used in this survey are based on the classifications for securities codes.  
The breakdown for manufacturing industries is as follows.

Material-type manufacturing industries:	Textiles & Apparels, Pulp & Paper, Chemicals, Iron & Steel, Nonferrous Metals
Processing-type manufacturing industries:	Machinery, Electric Appliances, Transportation Equipment, Precision Instruments
Other manufacturing industries:	Foods, Pharmaceutical, Oil & Coal Products, Rubber Products, Glass & Ceramics Products, Metal Products, Other Products



# Results of the survey

## 1 Business outlook and demand forecast

### (1) Forecast of Japan's economic growth rate

- The real economic growth rate forecast (all industries, average of reported numbers) for the “next fiscal year” (FY2015) was 1.3%, which was almost equal to the result in the previous year. The rate has been positive for the sixth consecutive year. The forecasts for the “next 3 years” and the “next 5 years” were both 1.4%.
- The nominal economic growth rate forecasts for the “next fiscal year,” the “next 3 years,” and the “next 5 years” were higher than the real rate forecasts (for the second consecutive year).

Japan's real economic growth rate forecast (all industries, average of reported numbers <sup>1)</sup>) for the “next fiscal year” (FY2015) based on the companies surveyed (companies listed on the first and second sections of the Tokyo and Nagoya Stock Exchanges, and hereinafter referred to as “companies”) was 1.3%, the same level as the one in the previous year's survey result (FY2013), 1.3%, and marked a positive for the sixth consecutive year. (Figure 1-1, Table 1-1)

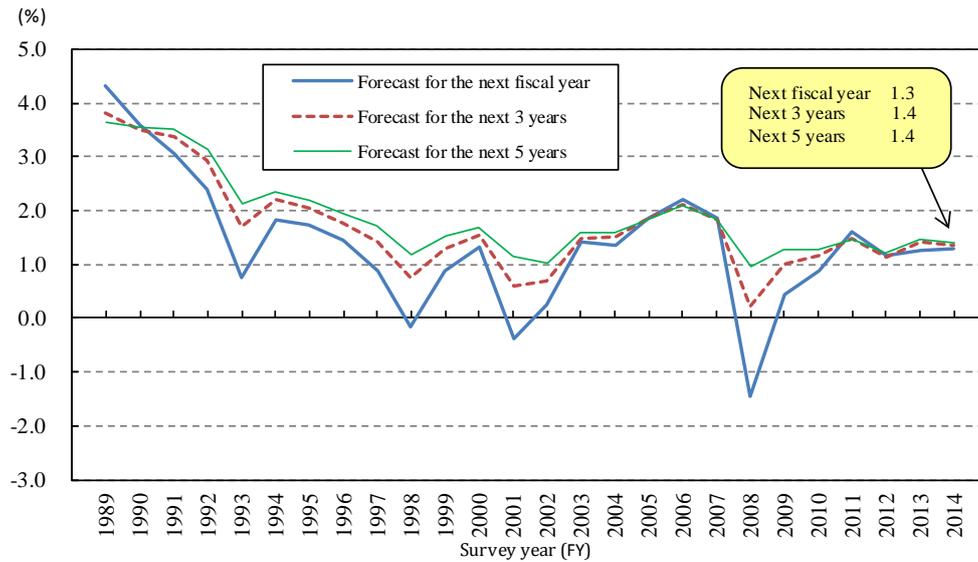
With respect to the medium-term forecast, those for the “next 3 years” (average of FY2015–FY2017) and the “next 5 years” (average of FY2015–FY2019) were both 1.4%.

In terms of the forecast for the “next fiscal year” by capital size, the forecast by companies with a capital of “less than 1 billion yen” was 1.1%, that by those with a capital of “1 to 5 billion yen (not incl.)” was 1.2%, that by those with a capital of “5 to 10 billion yen (not incl.)” was 1.3%, and that by those with a capital of “10 billion yen or more” was 1.4%. The companies with a larger capital had a higher forecast.

On the other hand, the nominal economic growth rate forecasts (all industries, average of reported numbers) for the “next fiscal year,” for the “next 3 years,” and for the “next 5 years” were respectively 1.7%, 1.8%, and 1.9%. The forecasts for the “next 3 years” and the “next 5 years” were the highest since the FY2003 survey. In addition, the nominal economic growth rate forecasts were all higher than the real economic growth rate forecasts (0.4% points for the “next fiscal year,” 0.4% points for the “next 3 years,” and 0.4% points for the “next 5 years”), suggesting that companies anticipated future price increases. As a result, the difference between the nominal rate and the real rate (nominal economic growth rate – real economic growth rate) was positive for the second consecutive year. (Figure 1-2)

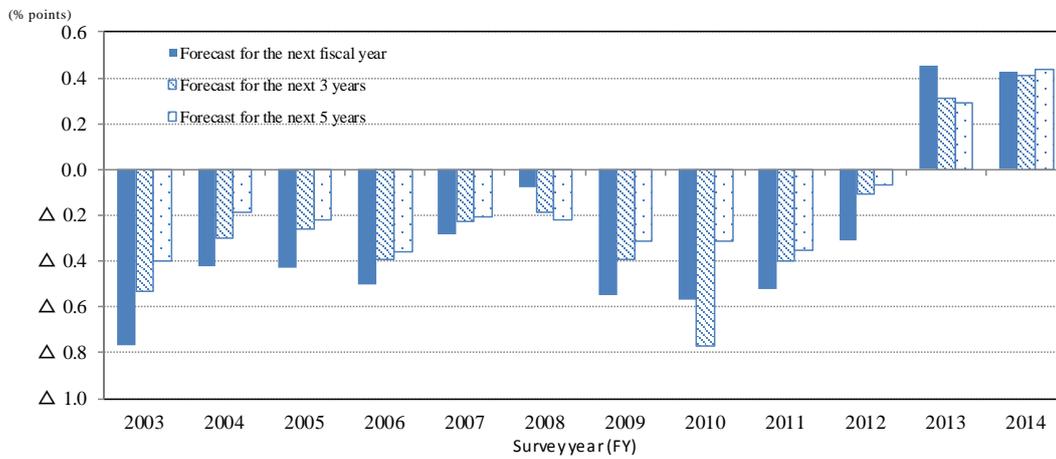
<sup>1)</sup> The averages used in this “Summary of the results” are values shown in the “Statistical Data,” rounded to the second decimal place. Values shown in the “Statistical Tables” (rounded to the second decimal place) are used for graphs in and after the following pages. The same applies hereinafter.

[Fig. 1-1] Transition of Japan's real economic growth rate forecasts (all industries basis)



Note) With regard to the “forecast” for each fiscal year, for example, the “forecast for the next fiscal year” in the FY2014 survey refers to the forecast for FY2015; the “forecast for the next 3 years” refers to the forecast for FY2015 to FY2017; and the “forecast for the next 5 years” refers to the forecast for FY2015 to FY2019 (fiscal year average).

[Fig. 1-2] Changes in the gap rate (nominal minus real economic growth forecast) for all industries



Note) With regard to the “forecast” for each fiscal year, for example, the “forecast for the next fiscal year” in the FY2014 survey refers to the forecast for FY2015; the “forecast for the next 3 years” refers to the forecast for FY2015 to FY2017; and the “forecast for the next 5 years” refers to the forecast for FY2015 to FY2019 (fiscal year average).

[Table 1-1] Transition of Japan's economic growth rate forecasts (all industries basis)

(%)

Survey year	Nominal economic growth rate			Real economic growth rate		
	Forecast for the next fiscal year	Forecast for the next 3 years	Forecast for the next 5 years	Forecast for the next fiscal year	Forecast for the next 3 years	Forecast for the next 5 years
FY 1989	-	-	-	4.3	3.8	3.6
1990	-	-	-	3.6	3.5	3.6
1991	-	-	-	3.1	3.4	3.5
1992	-	-	-	2.4	2.9	3.1
1993	-	-	-	0.8	1.7	2.1
1994	-	-	-	1.8	2.2	2.3
1995	-	-	-	1.7	2.0	2.2
1996	-	-	-	1.5	1.8	1.9
1997	-	-	-	0.9	1.4	1.7
1998	-	-	-	-0.2	0.8	1.2
1999	-	-	-	0.9	1.3	1.5
2000	-	-	-	1.3	1.5	1.7
2001	-	-	-	-0.4	0.6	1.2
2002	-	-	-	0.3	0.7	1.0
2003	0.7	0.9	1.2	1.4	1.5	1.6
2004	0.9	1.2	1.4	1.4	1.5	1.6
2005	1.4	1.6	1.6	1.9	1.9	1.9
2006	1.7	1.7	1.7	2.2	2.1	2.1
2007	1.6	1.6	1.6	1.9	1.8	1.9
2008	-1.5	0.0	0.8	-1.5	0.2	1.0
2009	-0.1	0.6	1.0	0.4	1.0	1.3
2010	0.3	0.7	1.0	0.9	1.2	1.3
2011	1.1	1.1	1.1	1.6	1.5	1.5
2012	0.8	1.0	1.1	1.2	1.1	1.2
2013	1.7	1.7	1.8	1.3	1.4	1.5
2014	1.7	1.8	1.9	1.3	1.4	1.4

Note 1) With regard to the “forecast” for each fiscal year, for example, the “forecast for the next fiscal year” in the FY2014 survey refers to the forecast for FY2015; the “forecast for the next 3 years” refers to the forecast for FY2015 to FY2017; and the “forecast for the next 5 years” refers to the forecast for FY2015 to FY2019 (fiscal year average).

Note 2) The survey of nominal economic growth rate forecasts started in FY2003.

Note 3) For the survey results before FY1988, please refer to “Long-term time-series data” at the end of the book.

## (2) Forecast of growth rate of industry demand

- The forecast of the real growth rate (all industries, average of reported numbers) for the “next fiscal year” was 1.2%, 0.2% points higher than the previous year’s survey result, and marked a positive forecast for the fifth consecutive year. The figures for both the manufacturing industries and for the non-manufacturing industries rose by 0.2% points each from the previous year’s survey results, to 1.5% and 0.9%, respectively.
- With respect to the medium-term forecast, those for the “next 3 years” and for the “next 5 years” were both 1.3%.
- In terms of the forecasts for the “next fiscal year” by segment of manufacturing industries, the processing-type manufacturing industries forecasts relatively high growth (2.1%).
- In terms of the forecasts for the “next fiscal year” by sector, the growth rate forecast was high in “Electric Appliances” (2.7%) and “Pharmaceutical” (2.0%) for the manufacturing industries, and in “Securities & Commodity Futures” (2.0%) and “Information & Communication” (1.8%) for the non-manufacturing industries.
- Compared to Japan’s real economic growth rate forecasts (all industries), the forecasts of the real growth rate of industry demand for the “next fiscal year,” the “next 3 years,” and the “next 5 years” were all lower.

The forecast of the real growth rate (all industries, average of reported numbers) for the “next fiscal year” was 1.2%, 0.2% points higher than the previous year’s survey result, and marked a positive forecast for the fifth consecutive year. (Figure 1-3, Table 1-2)

In addition, the figures for both the manufacturing industries and for the non-manufacturing industries rose by 0.2% points each from the previous year’s survey results, to 1.5% and 0.9%, respectively. (Figure 1-6, Table 1-7)

With respect to the medium-term forecast, those for the “next 3 years” and for the “next 5 years” were both 1.3%. (Figure 1-3, Table 1-2)

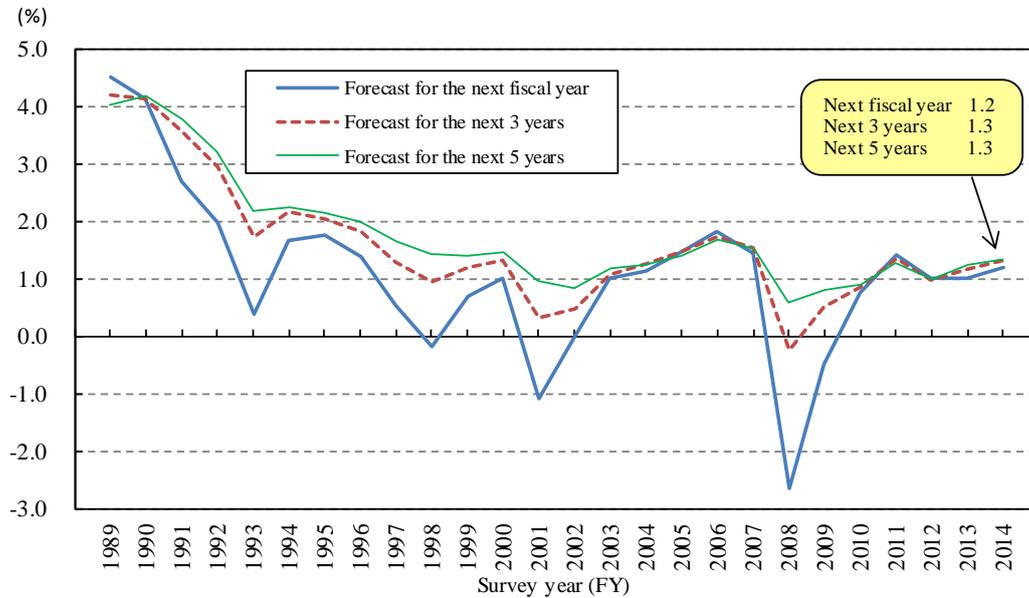
In terms of the forecasts by industry, those of the manufacturing industries for the “next fiscal year,” for the “next 3 years,” and for the “next 5 years” were all 1.5%. That of the non-manufacturing industries for the “next fiscal year” was 0.9%, and those for the “next 3 years” and for the “next 5 years” were both 1.2%. The manufacturing industries anticipate higher growth than the non-manufacturing industries in all forecasts. (Figure 1-4)

In terms of the forecasts by segment of manufacturing industries, that for the “material-type manufacturing industries” for the “next fiscal year” was 1.1%, and those for the “next 3 years” and the “next 5 years” were both 1.2%. Those for the “processing-type manufacturing industries” were respectively 2.1%, 1.8%, and 1.9%, and those for “other manufacturing industries” were respectively 0.8%, 1.1%, and 1.0%. The “processing-type manufacturing industries” forecast relatively high growth. (Figure 1-4)

In terms of the forecasts for the “next fiscal year” by sector (those with 5 or more companies

responding, 25 sectors), the growth rate forecast was high in “Electric Appliances” (2.7%) and “Pharmaceutical” (2.0%) for the manufacturing industries, and in “Securities & Commodity Futures” (2.0%) and “Information & Communication” (1.8%) for the non-manufacturing industries. (Figure 1-5)

[Fig. 1-3] Transition of real growth rate forecasts of industry demand (all industries basis)



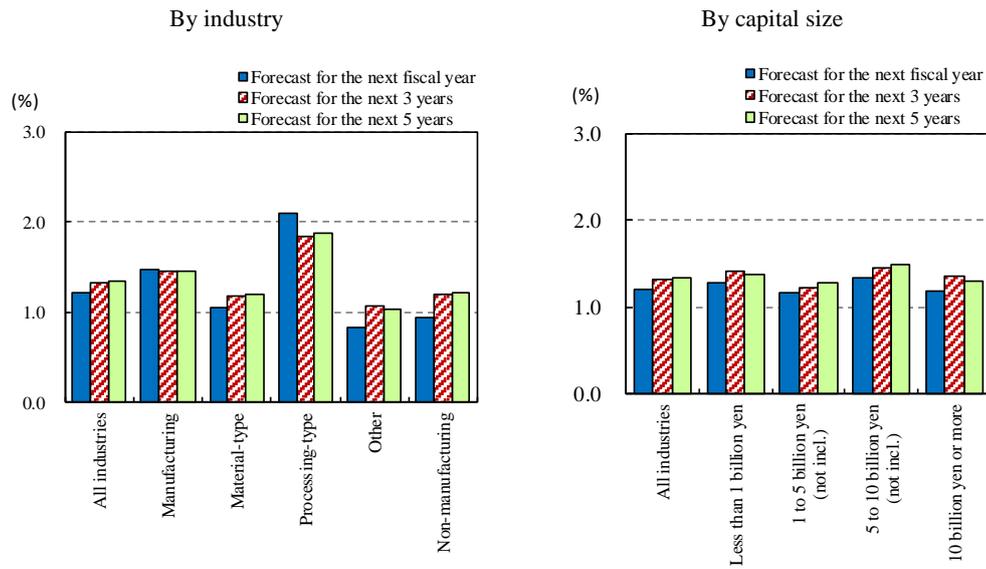
Note) With regard to the “forecast” for each fiscal year, for example, the “forecast for the next fiscal year” in the FY2014 survey refers to the forecast for FY2015; the “forecast for the next 3 years” refers to the forecast for FY2015 to FY2017; and the “forecast for the next 5 years” refers to the forecast for FY2015 to FY2019 (fiscal year average).

In terms of the forecasts for the “next fiscal year” by capital size, that by companies with a capital of “less than 1 billion yen” was 1.3%, that by those with a capital of “1 to 5 billion yen (not incl.)” was 1.2%, by those with a capital of “5 to 10 billion yen (not incl.)” was 1.3%, and by those with a capital of “10 billion yen or more” was 1.2%. (Figure 1-4)

On the other hand, the nominal growth rate forecasts (all industries, average of reported numbers) for the “next fiscal year,” for the “next 3 years,” and for the “next 5 years” were respectively 1.5%, 1.6%, and 1.6%. They were all higher than the previous year’s survey result. The nominal growth rate forecasts were all higher than the real growth rate forecasts (0.3% points for the “next fiscal year,” 0.3% points for the “next 3 years,” and 0.3% points for the “next 5 years”). (Table 1-2)

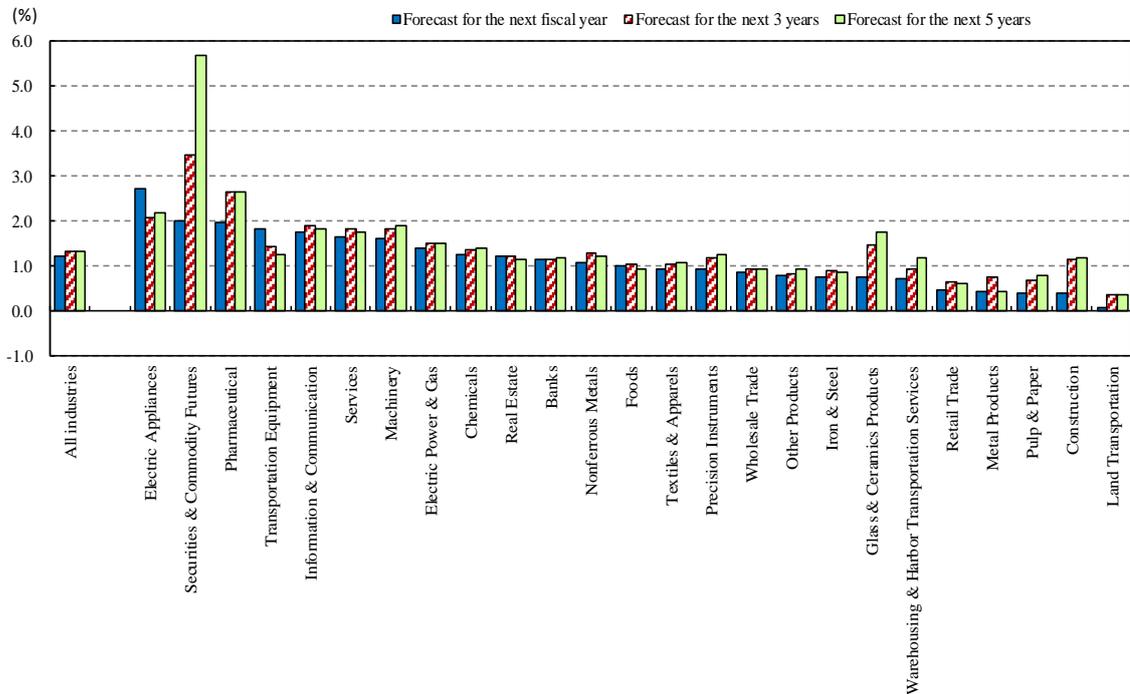
In addition, compared to Japan’s real economic growth rate forecasts (all industries), the forecasts of the real growth rate of industry demand for the “next fiscal year,” the “next 3 years,” and the “next 5 years” were all lower. (Table 1-1, Table 1-2)

[Fig. 1-4] Real growth rate forecasts of industry demand by industry and capital size



Note) The “forecast for the next fiscal year” in the FY2014 survey refers to the forecast for FY2015; the “forecast for the next 3 years” refers to the forecast for FY2015 to FY2017; and the “forecast for the next 5 years” refers to the forecast for FY2015 to FY2019 (fiscal year average).

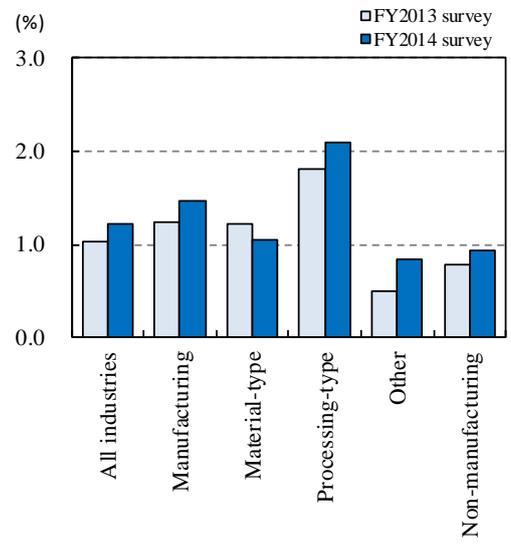
[Fig. 1-5] Real growth rate forecasts of industry demand by sector



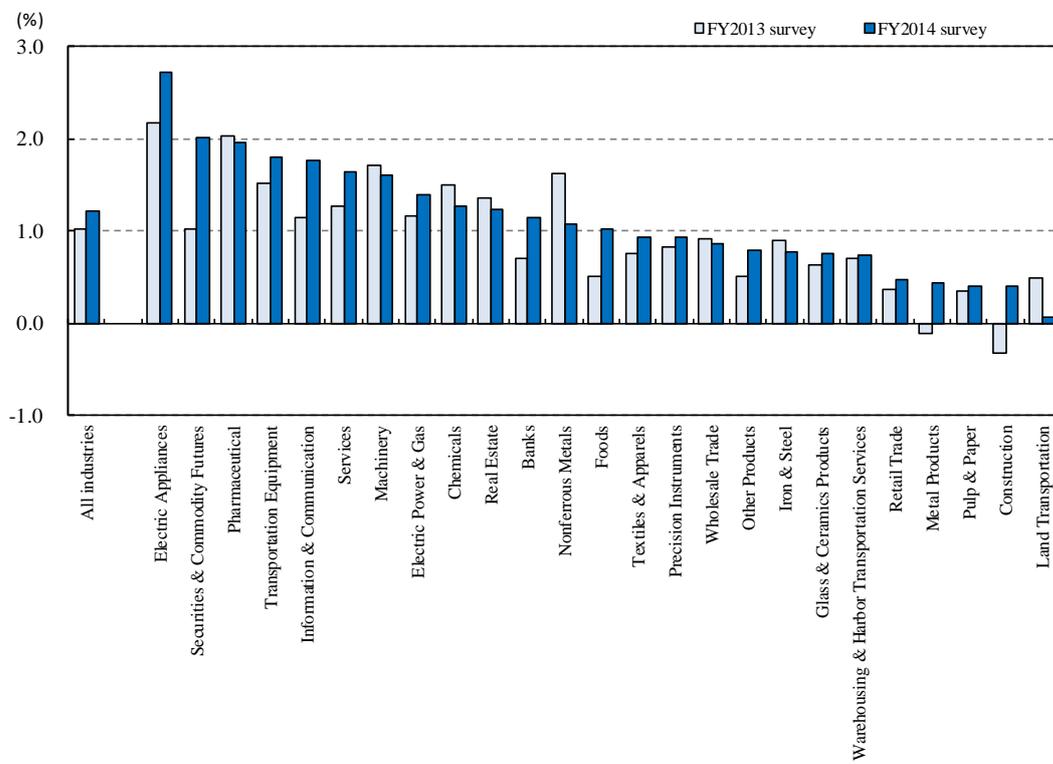
Note 1) The “forecast for the next fiscal year” in the FY2014 survey refers to the forecast for FY2015; the “forecast for the next 3 years” refers to the forecast for FY2015 to FY2017; and the “forecast for the next 5 years” refers to the forecast for FY2015 to FY2019 (fiscal year average).

Note 2) Only sectors with 5 or more responding companies are included for all of the “forecast for the next fiscal year,” “forecast for the next 3 years” and “forecast for the next 5 years.”

[Fig. 1-6] Real growth rate forecasts of industry demand by industry compared to the previous year's results (next fiscal year)



[Fig. 1-7] Real growth rate forecasts of industry demand by sector compared to the previous year's results (next fiscal year)



Note) Sectors include only those with 5 or more responding companies in the FY2013 and FY2014 survey.

[Table 1-2] Transition of growth rate forecasts of industry demand (all industries basis)

(%)

Survey year	Nominal growth rate of industry demand			Real growth rate of industry demand		
	Forecast for the next fiscal year	Forecast for the next 3 years	Forecast for the next 5 years	Forecast for the next fiscal year	Forecast for the next 3 years	Forecast for the next 5 years
FY 1989	-	-	-	4.5	4.2	4.0
1990	-	-	-	4.2	4.2	4.2
1991	-	-	-	2.7	3.6	3.8
1992	-	-	-	2.0	3.0	3.2
1993	-	-	-	0.4	1.7	2.2
1994	-	-	-	1.7	2.2	2.3
1995	-	-	-	1.8	2.0	2.2
1996	-	-	-	1.4	1.8	2.0
1997	-	-	-	0.5	1.3	1.7
1998	-	-	-	-0.2	0.9	1.4
1999	-	-	-	0.7	1.2	1.4
2000	-	-	-	1.0	1.3	1.5
2001	-	-	-	-1.1	0.3	1.0
2002	-	-	-	-0.0	0.5	0.8
2003	0.7	0.7	0.9	1.0	1.1	1.2
2004	0.9	1.1	1.1	1.1	1.3	1.3
2005	1.2	1.2	1.1	1.5	1.5	1.4
2006	1.6	1.5	1.4	1.8	1.7	1.7
2007	1.4	1.4	1.4	1.5	1.5	1.5
2008	-2.9	-0.5	0.4	-2.7	-0.2	0.6
2009	-0.9	0.3	0.6	-0.5	0.5	0.8
2010	0.4	0.6	0.7	0.8	0.9	0.9
2011	1.0	1.1	1.0	1.4	1.4	1.3
2012	0.8	0.8	0.8	1.0	1.0	1.0
2013	1.3	1.4	1.4	1.0	1.2	1.3
2014	1.5	1.6	1.6	1.2	1.3	1.3

Note 1) With regard to the “forecast” for each fiscal year, for example, the “forecast for the next fiscal year” in the FY2014 survey refers to the forecast for FY2015; the “forecast for the next 3 years” refers to the forecast for FY2015 to FY2017; and the “forecast for the next 5 years” refers to the forecast for FY2015 to FY2019 (fiscal year average).

Note 2) The survey of nominal growth rate forecasts started in FY2003.

Note 3) For the survey results before FY1988, please refer to “Long-term time-series data” at the end of the book.

## 2 Exchange rates

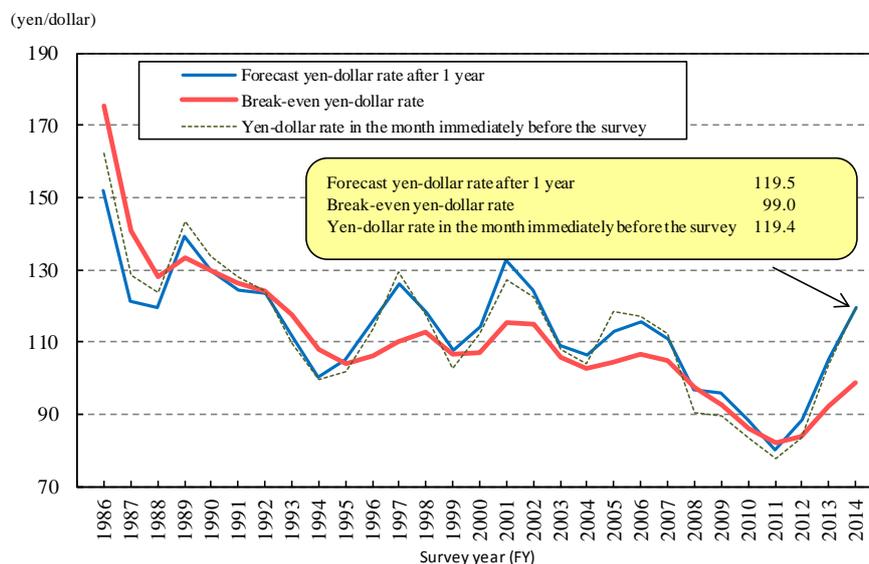
### (1) Forecast yen-dollar rate after 1 year

- The forecast yen-dollar rate after 1 year (around January 2016) (all industries, class value average) was 119.5 yen/dollar. This was 13.8 yen depreciation compared to the previous year's survey result (105.7 yen/dollar). The forecast rate has depreciated for the third consecutive year.
- Compared to the yen-dollar rate for the month immediately before the survey (119.4 yen/dollar in December 2014), the figure was by 0.1 yen weaker.

The forecast yen-dollar rate (against US dollar. The same applies hereinafter) after 1 year (around January 2016) (all industries, class value average<sup>2)</sup>) was 119.5 yen/dollar. The rate for the manufacturing industries was 118.9 yen/dollar, and that for the non-manufacturing industries was 120.3 yen/dollar. In both cases, the yen has been weakening for the third consecutive year. (Figure 2-1, Table 2-1)

Compared to the yen-dollar rate<sup>3)</sup> for the month immediately before the survey (119.4 yen/dollar in December 2014), the forecast yen-dollar rate after 1 year was by 0.1 yen weaker.

[Fig. 2-1] Transition of the forecast yen-dollar rate after 1 year and the break-even yen-dollar rate (all industries basis)



Note 1) "Forecast yen-dollar rate" is the average of the class values, while "break-even yen-dollar rate" is the average of the actual reported numbers.

Note 2) Calculation of "break-even yen-dollar rate" includes only companies that conduct exports.

<sup>2)</sup> "The class value average" is an average value calculated using the median value of each class (for example, if the class chosen is "10%-20% (not incl.)," the median would be 15%). Note that average values for classes that have no upper limit are calculated using the lower limit (e.g. for the class "20% or more," it will be 20%), and those for classes without a lower limit will use the upper limit (e.g. in "-20% or less," it will be -20%). The same applies hereinafter.

<sup>3)</sup> Interbank Rate(US dollar/yen Central Rate, Average in the Month, Tokyo Market). The same applies hereinafter.

## (2) Break-even yen-dollar rate

- The break-even yen-dollar rate (all industries, average of reported numbers) for exporting companies was 99.0 yen/dollar. This was 6.7 yen depreciation compared to the previous year's survey result (92.2 yen/dollar). The break-even rate has depreciated for the third consecutive year.
- Compared to the yen-dollar rate for the month immediately before the survey and the forecast yen-dollar rate after 1 year, the break-even yen-dollar rate has been on the highest appreciation trend since 1986. (It is 20.4 yen appreciation compared to the yen-dollar rate for the month immediately before the survey, and 20.5 yen appreciation compared to the forecast yen-dollar rate after 1 year.)
- In terms of the break-even yen-dollar rate by industry, the rate for manufacturing industries was 97.9 yen/dollar, and that for non-manufacturing industries was 107.2 yen/dollar. Compared to the yen-dollar rate for the month immediately before the survey (119.4 yen/dollar in December 2014), the rate for manufacturing industries was by 21.5 yen stronger, and that for non-manufacturing industries was by 12.2 yen stronger.
- In terms of the break-even yen-dollar rate by segment of manufacturing industries, the rate for the "processing-type manufacturing industries" was 95.4 yen/dollar, that for the "material-type manufacturing industries" was 100.2 yen/dollar, and that for the "other manufacturing industries" was 103.0 yen/dollar. The rate for the "processing-type manufacturing industries" was relatively stronger.
- In terms of the break-even yen-dollar rate by sector, compared to average (the break-even yen-dollar rate of all industries), the rate was lower in sectors such as "Retail Trade" (113.9 yen/dollar) and "Iron & Steel" (111.4 yen/dollar), while it was stronger in sectors such as "Precision Instruments" (88.3 yen/dollar) and "Transportation Equipment" (93.1 yen/dollar).
- Sectors with a stronger than average yen rate had higher "forecast of the real growth rate of industry demand," and higher "overseas production ratio," compared to those with a weaker yen rate.

The break-even yen-dollar rate (all industries, average of reported numbers) for exporting companies was 99.0 yen/dollar. This was 6.7 yen lower (depreciated by 7.3% y/y) than the previous year's survey result (92.2 yen/dollar). The break-even rate has depreciated for the third consecutive year. (Figure 2-1, Table 2-1)

Compared to the yen-dollar rate for the month immediately before the survey and the forecast yen-dollar rate after 1 year, the break-even yen-dollar rate has been on the highest appreciation trend since 1986. (It is 20.4 yen appreciation compared to the yen-dollar rate for the month immediately before the survey, and 20.5 yen appreciation compared to the forecast yen-dollar rate after 1 year.) (Table 2-1)

In terms of the break-even yen-dollar rate by industry, the rate of manufacturing industries was 97.9 yen/dollar, and that of non-manufacturing industries was 107.2 yen/dollar. Compared to the yen-dollar rate for the month immediately before the survey, the rate for manufacturing industries was by 21.5 yen stronger, and that for non-manufacturing industries was by 12.2 yen stronger. (Figure 2-2)

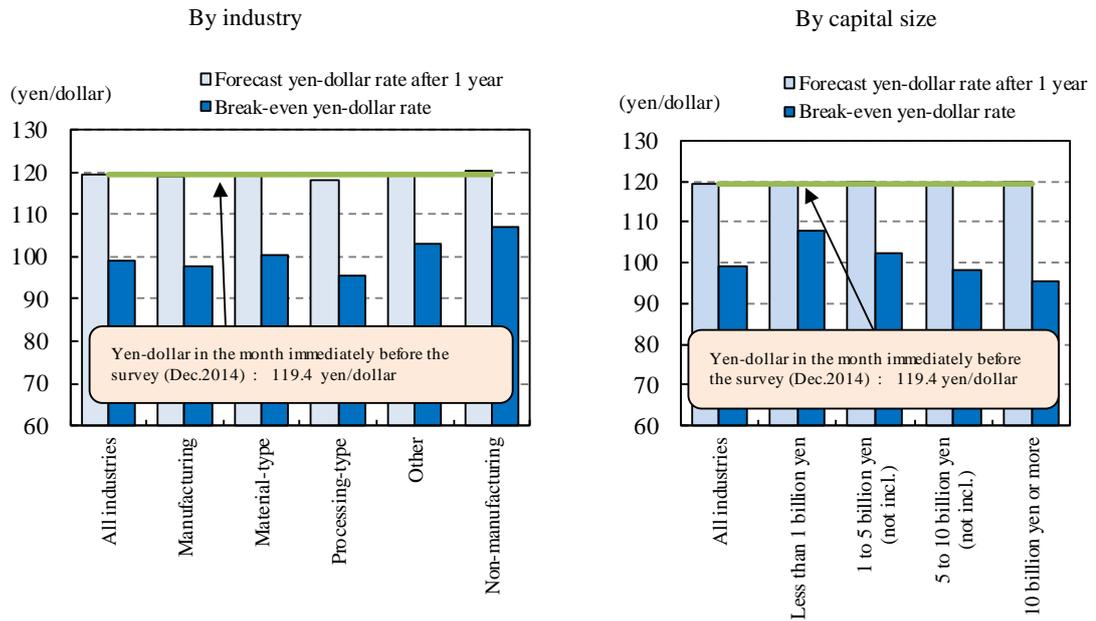
In terms of the break-even yen-dollar rate by segment of manufacturing industries, the rate for the “processing-type manufacturing industries” was 95.4 yen/dollar, that for the “material-type manufacturing industries” was 100.2 yen/dollar, and that for the “other manufacturing industries” was 103.0 yen/dollar. The rate for the “processing-type manufacturing industries” was relatively stronger. (Figure 2-2)

In terms of the break-even yen-dollar rate by sector, compared to the average (99.0 yen/dollar), the rate was weaker in sectors such as “Retail Trade” (113.9 yen/dollar) and “Iron & Steel” (111.4 yen/dollar), while it was stronger in sectors such as “Precision Instruments” (88.3 yen/dollar) and “Transportation Equipment” (93.1 yen/dollar). (Figure 2-3) In addition, sectors with a stronger yen rate than average had higher “forecast of the real growth rate of industry demand” and higher “overseas production ratio,” compared to those with a weaker yen rate. (Figure 2-4)

In terms of the break-even yen-dollar rate by capital size, the rate for companies with a capital of “less than 1 billion yen” was 107.9 yen/dollar, for those with a capital of “1 to 5 billion yen (not incl.)” 102.4 yen/dollar, for those with a capital of “5 to 10 billion yen (not incl.)” 98.0 yen/dollar, and for those with a capital of “10 billion yen or more” 95.5 yen/dollar. Compared to the yen-dollar rate for the month immediately before the survey, the rates were respectively 11.5 yen stronger, 17.0 yen stronger, 21.4 yen stronger, and 23.9 yen stronger. (Figure 2-2)

When comparing the composition ratio of responses regarding the break-even yen-dollar rate with the past survey, the class with the largest ratio of responses shifted to a weaker yen, and the composition ratio varies widely at the same time. (Figure 2-5)

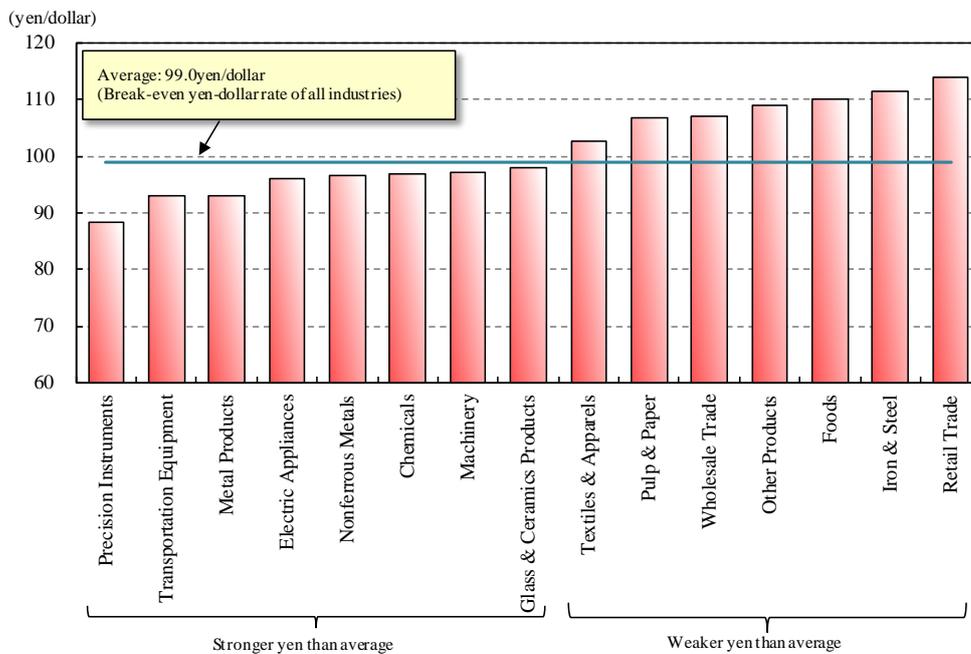
[Fig. 2-2] Forecast yen-dollar rate after 1 year and the break-even yen-dollar rate by industry and capital size



Note 1) "Forecast yen-dollar rate" is the average of the class values, while "break-even yen-dollar rate" is the average of the actual reported numbers.

Note 2) Calculation of "break-even yen-dollar rate" includes only companies that conduct exports.

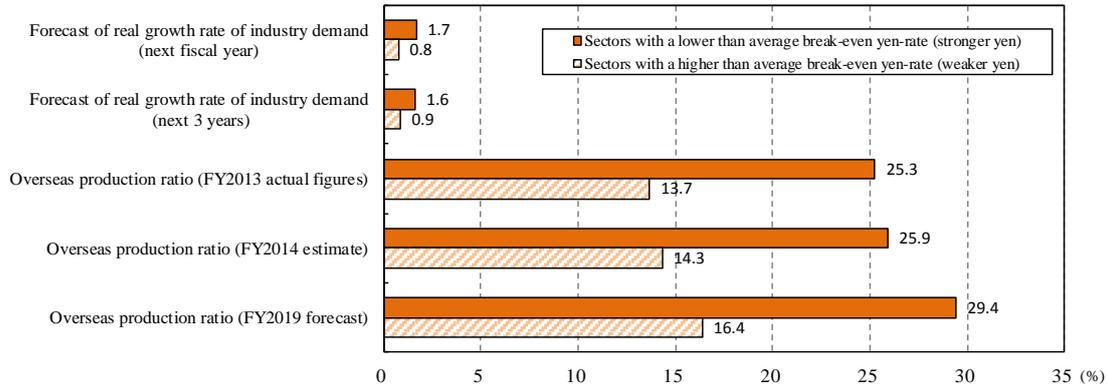
[Fig. 2-3] Break-even yen-dollar rate by sector



Note 1) Calculation of "break-even yen-dollar rate" includes only companies that conduct exports (average of reported numbers).

Note 2) Only sectors with 5 or more responding companies are included.

[Fig. 2-4] Real growth rate forecast of industry demand and overseas production ratio by break-even yen-dollar rate level



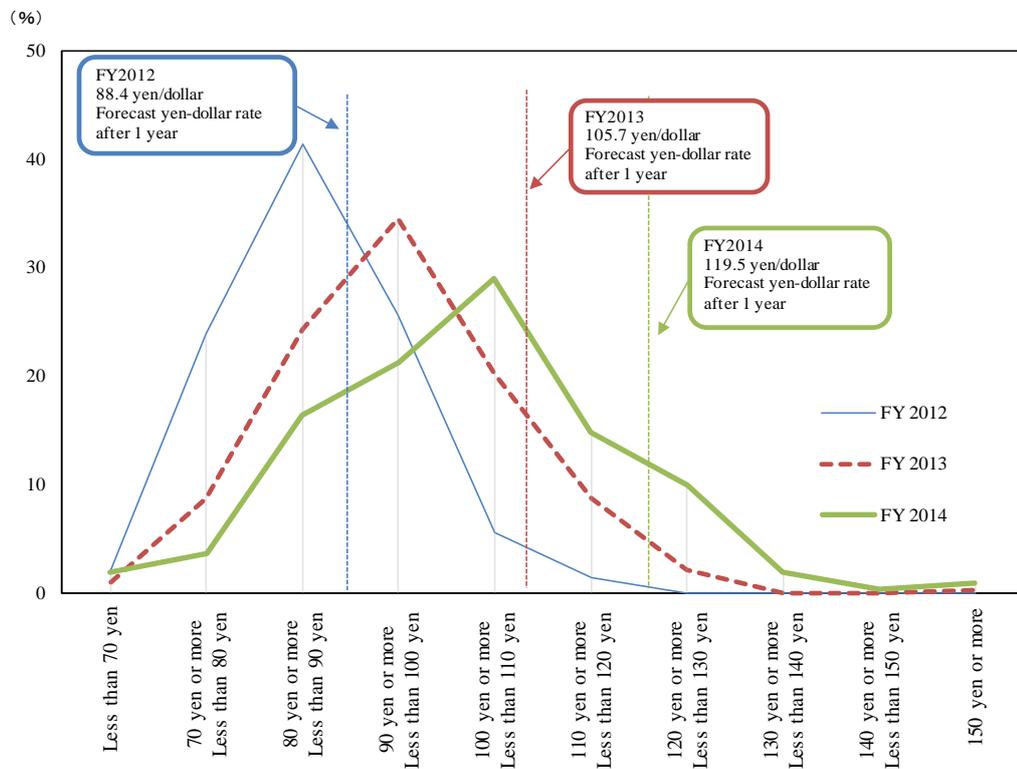
Note 1) Sectors are divided into two groups according to whether the break-even yen-dollar rate is lower (stronger yen) or higher (weaker yen) than the average. The real growth rate forecasts of industry demand of both groups, etc. are re-calculated (averages of reported numbers) and then compared.

Note 2) “Next fiscal year” refers to FY2015 and “next 3 years” refers to the average of FY2015-FY2017.

Note 3) Overseas production ratio = Volume of overseas production / (Volume of domestic production + Volume of overseas production)

Simple average of responding companies including those that reported 0.0% for the overseas production ratio.

[Figure 2-5] Change in composition ratio of responses regarding the break-even yen-dollar rate (all industries)



Note 1) “Forecast yen-dollar rate” is class value average.

Note 2) “Break-even yen-dollar rate” is composition ratio of exporting companies only.

Note 3) Standard deviation of “break-even yen-dollar rate” (reported numbers are used in the calculation):  
9.12 (Survey of FY2012), 12.85 (Survey of FY2013), 15.76 (Survey of FY2014)

[Table 2-1] Transition of the forecast yen-dollar rate after 1 year and the break-even yen-dollar rate  
(all industries basis)

(yen/dollar)

Survey year	Forecast yen-dollar rate after 1 year	Break-even yen-dollar rate	Yen-dollar rate in the month immediately before the survey	Difference	
				Forecast yen-dollar rate after 1 year – Break-even yen-dollar rate	Yen-dollar rate for the month immediately before the survey – Break-even yen-dollar rate
FY 1986	152.0	175.4	162.2	-23.4	-13.2
1987	121.5	140.9	128.4	-19.4	-12.6
1988	119.7	128.1	123.6	-8.4	-4.5
1989	139.2	133.3	143.6	5.9	10.3
1990	129.5	129.7	133.7	-0.2	4.1
1991	124.2	126.2	128.1	-2.0	1.9
1992	123.4	124.0	124.0	-0.6	0.0
1993	112.2	117.5	109.7	-5.3	-7.8
1994	100.2	107.8	99.8	-7.6	-8.0
1995	105.3	104.0	101.9	1.3	-2.1
1996	115.6	106.2	113.8	9.4	7.6
1997	126.2	110.4	129.5	15.8	19.1
1998	118.4	112.7	117.5	5.7	4.9
1999	107.6	106.5	102.7	1.1	-3.8
2000	114.2	107.0	112.2	7.3	5.3
2001	132.8	115.3	127.4	17.5	12.0
2002	124.5	114.9	122.3	9.6	7.4
2003	109.3	105.9	107.9	3.4	2.0
2004	106.4	102.6	103.8	3.8	1.2
2005	113.2	104.5	118.6	8.7	14.1
2006	115.5	106.6	117.3	8.9	10.8
2007	111.0	104.7	112.3	6.3	7.6
2008	97.0	97.3	90.4	-0.3	-6.9
2009	95.9	92.9	89.6	3.0	-3.3
2010	88.4	86.3	83.4	2.1	-2.9
2011	80.3	82.0	77.9	-1.7	-4.2
2012	88.4	83.9	83.6	4.5	-0.2
2013	105.7	92.2	103.5	13.5	11.2
2014	119.5	99.0	119.4	20.5	20.4

Note 1) "Forecast yen-dollar rate" is the average of the class values, while "break-even yen-dollar rate" is the average of the actual reported numbers.

Note 2) Calculation of "break-even yen-dollar rate" includes only companies that conduct exports.

Note 3) "Yen-dollar rate in the month immediately before the survey" refers to figures in December, except for FY1994 and FY2008 (Figures in FY1994 and FY2008 are rates in January since the survey was conducted in February in those years).

### 3 Prices

#### (1) Average purchase price

- Average purchase price after 1 year (all industries, class value average) increased by 2.7%. Although the increase was smaller than that of the previous year's survey result (3.0%), the price showed an increase for the sixth consecutive year.
- In terms of average purchase price by sector, the rate of increase was high in sectors such as "Foods" (4.9%) and "Textiles & Apparels" (4.9%) for manufacturing industries, and in sectors such as "Warehousing & Harbor Transportation Services" (4.7%) and "Construction" (4.1%) for non-manufacturing industries.

Average purchase price after 1 year (all industries, class value average) increased by 2.7%. Although the increase was smaller than that of the previous year's survey result (3.0%), the price showed an increase for the sixth consecutive year. In addition, average purchase price increased by 2.3% in the manufacturing industries (the previous year's survey result, 2.7%) and increased by 3.1% in the non-manufacturing industries (the previous year's survey result, 3.4%).

In terms of average purchase price by segment of manufacturing industries, it increased by 2.4% in the "material-type manufacturing industries" (the previous year's survey result, 3.7%), increased by 1.7% in the "processing-type manufacturing industries" (the previous year's survey result, 1.6%), and increased by 3.4% in "other manufacturing industries" (the previous year's survey result, 3.2%). The increase was bigger than in previous year's survey results for the "processing-type manufacturing industries" and "other manufacturing industries," while it was smaller than in previous year's survey results for the "material-type manufacturing industries." (Figure 3-1, Table 3-1)

In terms of average purchase price by sector (those with 5 or more companies responding), 22 out of 24 sectors forecast an increase, and the rate of increase was high in sectors such as "Foods" (4.9%) and "Textiles & Apparels" (4.9%) for manufacturing industries, and in sectors such as "Warehousing & Harbor Transportation Services" (4.7%) and "Construction" (4.1%) for non-manufacturing industries. (Figure 3-2)

In terms of average purchase price by capital size, it increased by 3.4% in companies with a capital of "less than 1 billion yen" (the previous year's survey result, 3.2%), increased by 3.5% in those with a capital of "1 to 5 billion yen (not incl.," the previous year's survey result, 3.6%), increased by 2.7% in those with a capital of "5 to 10 billion yen (not incl.," the previous year's survey result, 2.8%), and increased by 1.5% in those with a capital of "10 billion yen or more" (the previous year's survey result, 2.3%). Price was forecast to increase in all classes. The increase was bigger than in the previous year's survey result only in companies with a capital of "less than 1 billion yen." (Figure 3-1, Table 3-1)

## (2) Average sales price

- Average sales price after 1 year (all industries, class value average) increased by 1.3%, which was an increase for the second consecutive year.
- In terms of average sales price by sector, the rate of increase was high in sectors such as “Pulp & Paper” (3.8%) and “Foods” (3.1%) for manufacturing industries, and in sectors such as “Real Estate” (3.0%) and “Construction” (2.9%) for non-manufacturing industries.

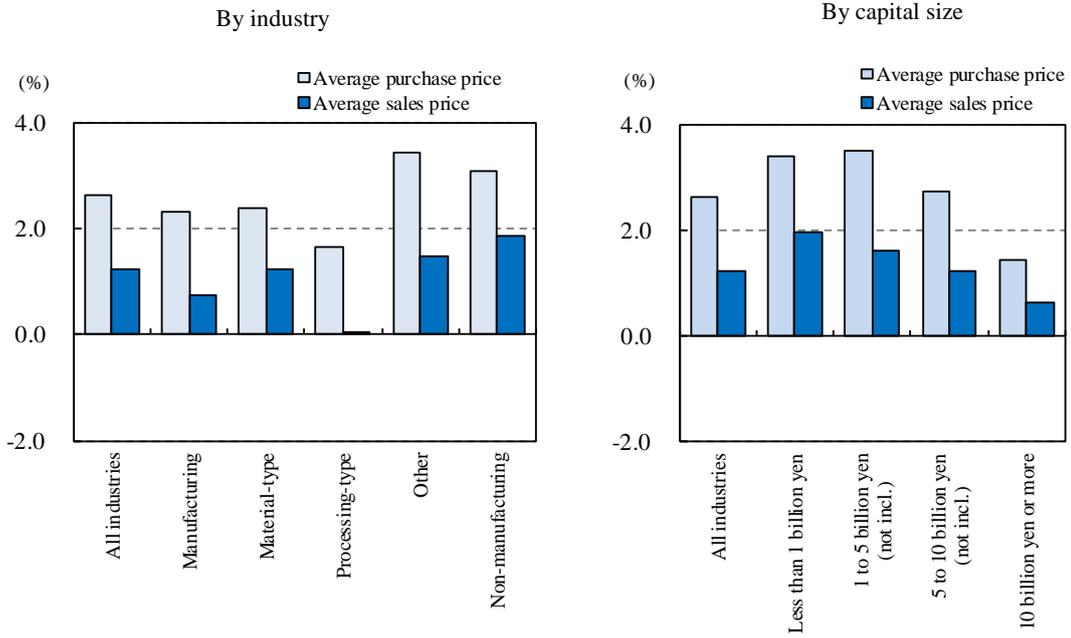
Average sales price after 1 year (all industries, class value average) increased by 1.3% (previous year’s survey result, 1.4%), which was an increase for the second consecutive year. In addition, average sales price increased by 0.7% in the manufacturing industries (previous year’s survey result, 0.8%), which was an increase for the second consecutive year. It increased by 1.9% in the non-manufacturing industries (previous year’s survey result, 2.1%), and showed an increase for the fifth consecutive year.

In terms of average sales price by segment of manufacturing industries, it increased by 1.2% in the “material-type manufacturing industries” (previous year’s survey result, 2.2%), increased by 0.0% in the “processing-type manufacturing industries” (previous year’s survey result, 0.1%), and increased by 1.5% in “other manufacturing industries” (previous year’s survey result, 0.3%).

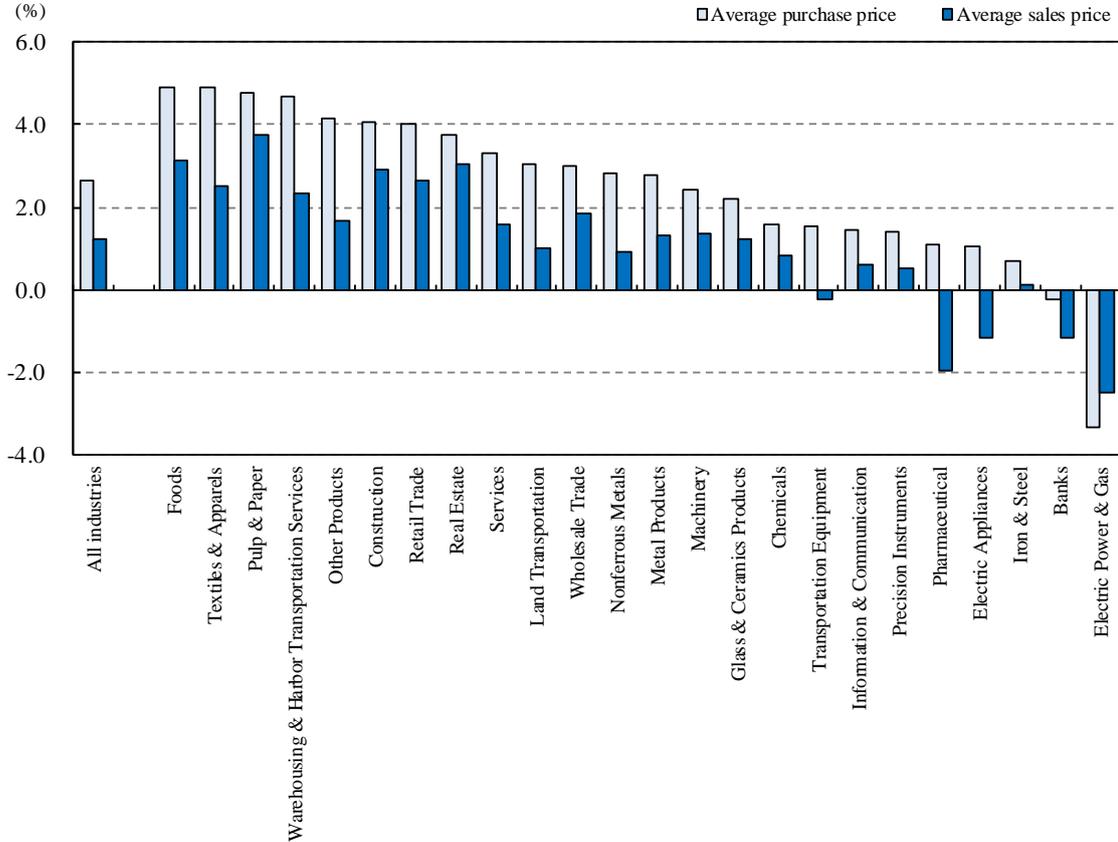
In terms of average sales price by sector (those with 5 or more companies responding), 19 out of 24 sectors forecast an increase, and the rate of increase was high in sectors such as “Pulp & Paper” (3.8%) and “Foods” (3.1%) for manufacturing industries, and in sectors such as “Real Estate” (3.0%) and “Construction” (2.9%) for non-manufacturing industries.(Figure 3-2)

In terms of average sales price by capital size, it increased by 2.0% in companies with a capital of “less than 1 billion yen,” increased by 1.6% in those with a capital of “1 to 5 billion yen (not incl.),” increased by 1.2% in those with a capital of “5 to 10 billion yen (not incl.),” and increased by 0.6% in those with a capital of “10 billion yen or more.” Price was forecast to increase in all classes. (Figure 3-1, Table 3-1)

[Fig. 3-1] Forecast rate of changes in average purchase and sales prices after 1 year  
by industry and capital size



[Fig. 3-2] Forecast rate of changes in average purchase and sales prices after 1 year by sector



Note) Sectors include only those with 5 or more responding companies for both “average purchase price” and “average sales price.”

(3) Terms of trade

- It is forecast that the increase in purchase price surpassed the increase in sales price in both manufacturing and non-manufacturing industries, worsening the terms of trade.

Companies' terms of trade<sup>4)</sup> were expected to be negative 1.4% points for all industries (negative 1.6% points in the previous year's survey result), negative 1.6% points for manufacturing industries (negative 1.9 points in the previous year's survey result), and negative 1.2% points for non-manufacturing industries (negative 1.3% points in the previous year's survey result). It is forecast that the increase in purchase price surpassed the increase in sales price in both manufacturing and non-manufacturing industries, worsening the terms of trade.(Table 3-1)

In terms of rate of change in average sales price after 1 year by average purchase price class, the classes that forecast a fall in the rate of change in average purchase price anticipated that average purchase price would drop further than the average sales price, and therefore terms of trade were forecast to take an upturn.

The classes that forecast 0% or more rate of change in average purchase price anticipated that average purchase price would rise further than the average sales price, and therefore terms of trade were forecast to worsen. (Table 3-2)

[Table 3-1] Forecast rate of changes in average purchase and sales prices and the change in the terms of trade after 1 year by industry and capital size

(% , % points)

		Average purchase price		Average sales price		Terms of trade	
		FY2014 survey	FY2013 survey	FY2014 survey	FY2013 survey	FY2014 survey	FY2013 survey
All industries		2.7	3.0	1.3	1.4	-1.4	-1.6
Industry	Manufacturing	2.3	2.7	0.7	0.8	-1.6	-1.9
	Material-type	2.4	3.7	1.2	2.2	-1.2	-1.5
	Processing-type	1.7	1.6	0.0	0.1	-1.6	-1.5
	Other	3.4	3.2	1.5	0.3	-1.9	-2.9
	Non-manufacturing	3.1	3.4	1.9	2.1	-1.2	-1.3
Capital size	Less than 1 billion yen	3.4	3.2	2.0	0.8	-1.5	-2.4
	1 to 5 billion yen (not incl.)	3.5	3.6	1.6	1.5	-1.9	-2.1
	5 to 10 billion yen (not incl.)	2.7	2.8	1.2	1.4	-1.5	-1.4
	10 billion yen or more	1.5	2.3	0.6	1.3	-0.8	-1.0

Note 1) Terms of Trade = Rate of change in average sales price – rate of change in average purchase price

Note 2) Terms of trade are derived from the rate of change of the average sales price and the rate of change of the average purchase price (Refer to FY2014 Statistical Tables 3-1 and 3-2) that include two decimal points. Therefore, they may not always coincide with figures calculated from the rate of change in average sales prices and the rate of change in average purchase price in the table above due to rounding.

<sup>4)</sup> Terms of Trade = Rate of change in average sales price – rate of change in average purchase price

[Table 3-2] Forecast rate of changes in average sales price by average purchase price class and changes in the terms of trade after 1 year (all industries basis)

(%, % points)

Average purchase price class	Number of responding companies		Average sales price		Terms of trade	
	FY2014 survey	FY2013 survey	FY2014 survey	FY2013 survey	FY2014 survey	FY2013 survey
-20% or less	3	-	-12.5	-	7.5	-
-20% (not incl.) to -10%	4	-	-11.9	-	3.1	-
-10% (not incl.) to -5%	18	11	-6.4	-6.6	1.1	0.9
-5% (not incl.) to 0% (not incl.)	96	71	-1.9	-2.0	0.7	0.5
0%	142	109	-0.3	-0.7	-0.3	-0.7
0% (not incl.) to 5% (not incl.)	382	372	1.6	1.3	-0.9	-1.2
5% to 10% (not incl.)	144	144	3.1	4.1	-4.4	-3.4
10% to 20% (not incl.)	34	25	9.6	8.1	-5.4	-6.9
20% or more	7	2	12.1	8.8	-7.9	-11.3

Note) The rate of change in average purchase price is derived using the median value of each average purchase price class (for example, if the class chosen is “-20% (not incl.)-10%,” the median would be -15%. However, the “-20% or less” class uses “-20%” and the “20% or more” class uses “20%.”

## 4 Change in capital investment

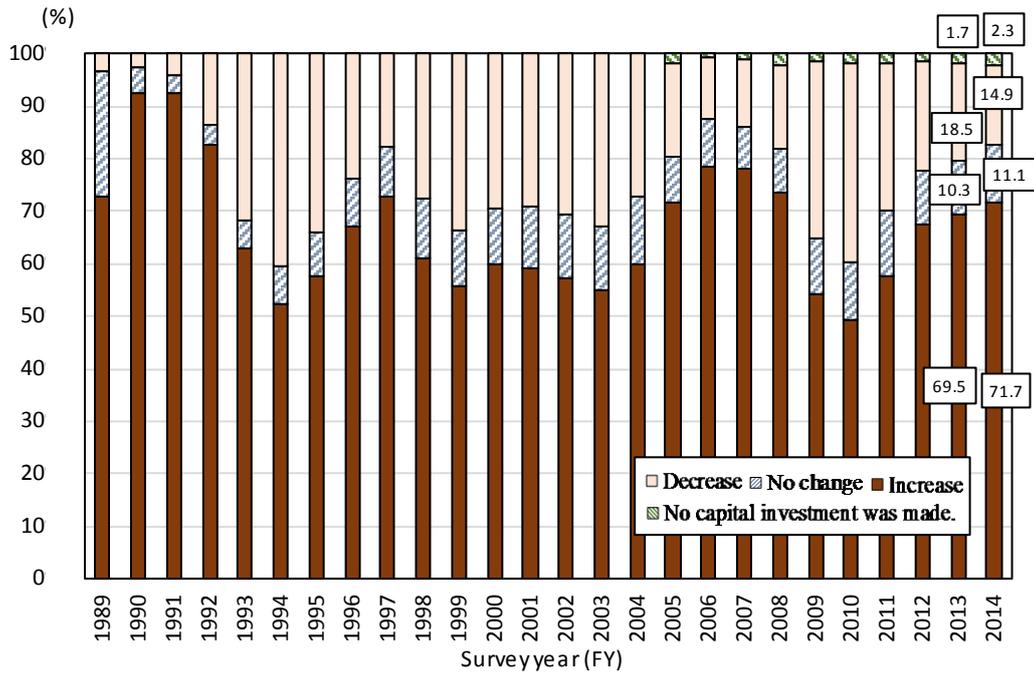
### (1) Capital investment for the past 3 years

- The percentage of companies that increased capital investment (all industries) for the “past 3 years” was 71.7%. (The previous year’s survey result was 69.5%.)
- The rate of change in capital investment for the “past 3 years” (all industries, class value average) was 8.4%. The scale of increase became larger than the previous year’s survey result of 7.1%.

The percentage of companies that increased capital investment (all industries) for the “past 3 years” (FY2012–FY2014) was 71.7%. (The previous year’s survey result was 69.5%.) The percentage of companies that decreased capital investment was 14.9%. (The previous year’s survey result was 18.5%.) (Figure 4-1, Table 4-1)

The rate of change in capital investment (class value average) for the “past 3 years” (average of FY2012–FY2014) was 8.4% for all industries, 9.0% for manufacturing industries, and 7.7% for non-manufacturing industries. In all cases, the size of increase was larger than in the previous year’s survey result. (Figure 4-2, Table 4-2)

[Figure 4-1] Change in the percentage of companies that increased or decreased capital investment for the past 3 years (all industries)

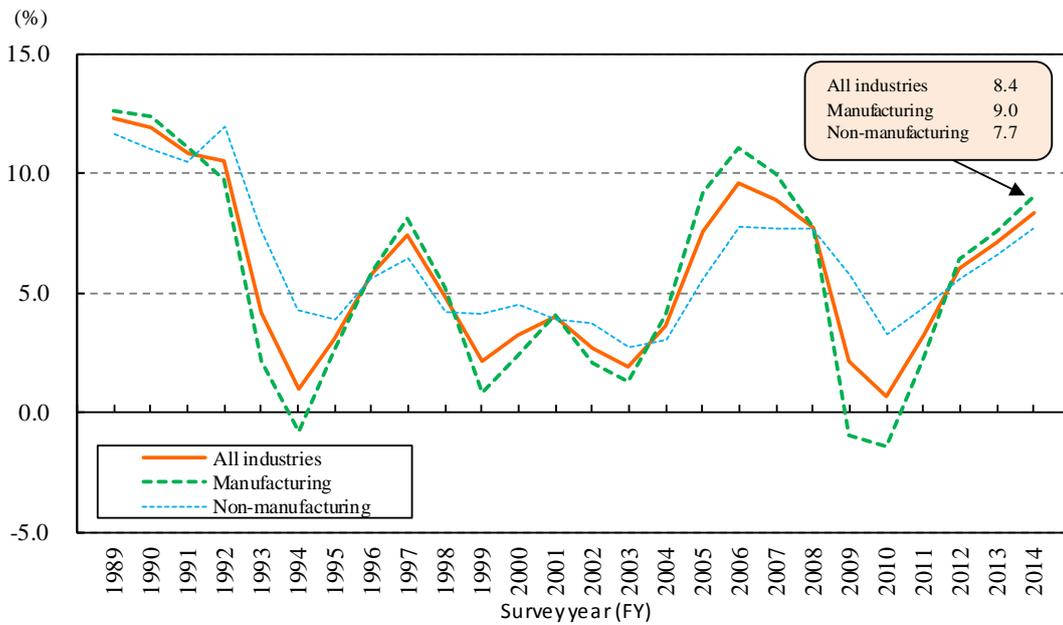


Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%, Decrease: Percentage of companies responding less than 0%.

Note 2) The alternative of “no capital investment was made/is planned” was added from the survey of FY2005.

Note 3) The “past 3 years” means that, for example, the “past 3 years” for the FY2014 survey represents from FY2012 to FY2014.

[Fig. 4-2] Transition of growth rate of capital investment over the past 3 years by industry



Note) With regard to the “past 3 years,” for example, the “past 3 years” in the FY2014 survey represents rate of change from FY2012 to FY2014 (fiscal year average).

## (2) Capital investment over the next 3 years

- The percentage of companies expecting an increase in capital investment (all industries) over the “next 3 years” was 64.5%. (The previous year’s survey result, 66.4%.)
- The rate of change in capital investment over the “next 3 years” (all industries, class value average) increased by 3.9%, and marked a positive for the sixth consecutive year.
- The rate of change in capital investment was forecast to increase in both manufacturing (4.2%) and non-manufacturing industries (3.5%).
- In terms of the rate of change in capital investment by sector, the increase rate was high in sectors such as “Other Products” (7.4%) and “Pharmaceutical” (7.2%) for manufacturing industries, and in sectors such as “Retail Trade” (5.8%) and “Real Estate” (5.6%) for non-manufacturing industries.
- Compared to the rate of change for the “past 3 years” (8.4% for all industries), the scale of increase was forecast to lessen.

The percentage of companies expecting an increase in capital investment (all industries) over the “next 3 years” (FY2015–FY2017) was 64.5%. (The previous year’s survey result was 66.4%.) The percentage of companies expecting a decrease in capital investment was 16.0%. (The previous year’s survey result was 14.6%.) (Figure 4-3, Table 4-1)

Compared to the percentage for the “past 3 years,” the percentage of companies expecting an increase in capital investment decreased. (Figure 4-1 and 4-3, Table 4-1)

The rate of change in capital investment (class value average) over the “next 3 years” (average of FY2015–FY2017) increased by 3.9% in all industries (the previous year’s survey result, 4.2%), increased by 4.2% in manufacturing industries (the previous year’s survey result 4.4%), and increased by 3.5% in non-manufacturing industries (the previous year’s survey result, 3.9%). Although the scale of increase in all cases was smaller than in the previous year’s survey results, the rate of change marked a positive for the sixth consecutive year. (Figure 4-4, Table 4-2)

In terms of the rate of change by segment of manufacturing industries, the rate increased by 2.9% in the “material-type manufacturing industries,” increased by 4.3% in the “processing-type manufacturing industries,” and increased by 5.6% in “other manufacturing industries.” The rate was forecast to increase in all cases.

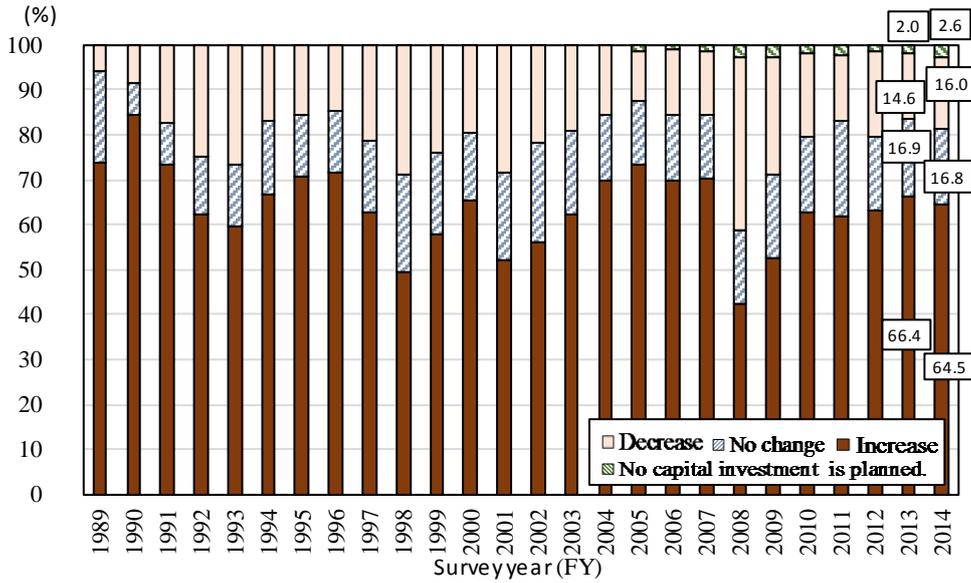
In terms of the rate of change by sector (those with 5 or more companies responding), 21 out of 25 sectors forecast an increase, and the increase rate was high in sectors such as “Other Products” (7.4%) and “Pharmaceutical” (7.2%) for manufacturing industries, and in sectors such as “Retail Trade” (5.8%) and “Real Estate” (5.6%) for non-manufacturing industries. (Figure 4-6)

In terms of the rate of change by capital size, it increased by 3.9% in companies with a capital of “less than 1 billion yen,” increased by 5.3% in those with a capital of “1 to 5 billion

yen (not incl.),” increased by 4.7% in those with a capital of “5 to 10 billion yen (not incl.),” and increased by 2.0% in those with a capital of “10 billion yen or more.” The rate was forecast to increase in all classes. (Figure 4-5)

In addition, the scale of increase by industry, and by capital size was forecast to lessen compared to the rates of change for the “past 3 years.” (Figure 4-5, Table 4-2)

[Figure 4-3] Change in the percentage of companies expecting an increase or a decrease in capital investment over the next 3 years (all industries)

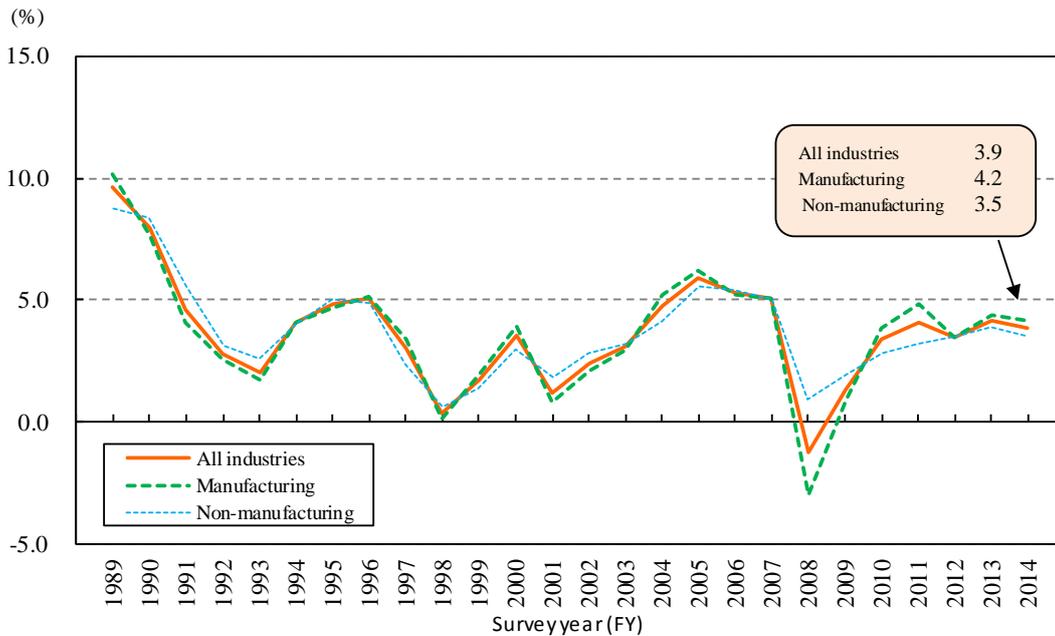


Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%,  
Decrease: Percentage of companies responding less than 0%.

Note 2) The alternative of “no capital investment was made/is planned” was added from the survey of FY2005.

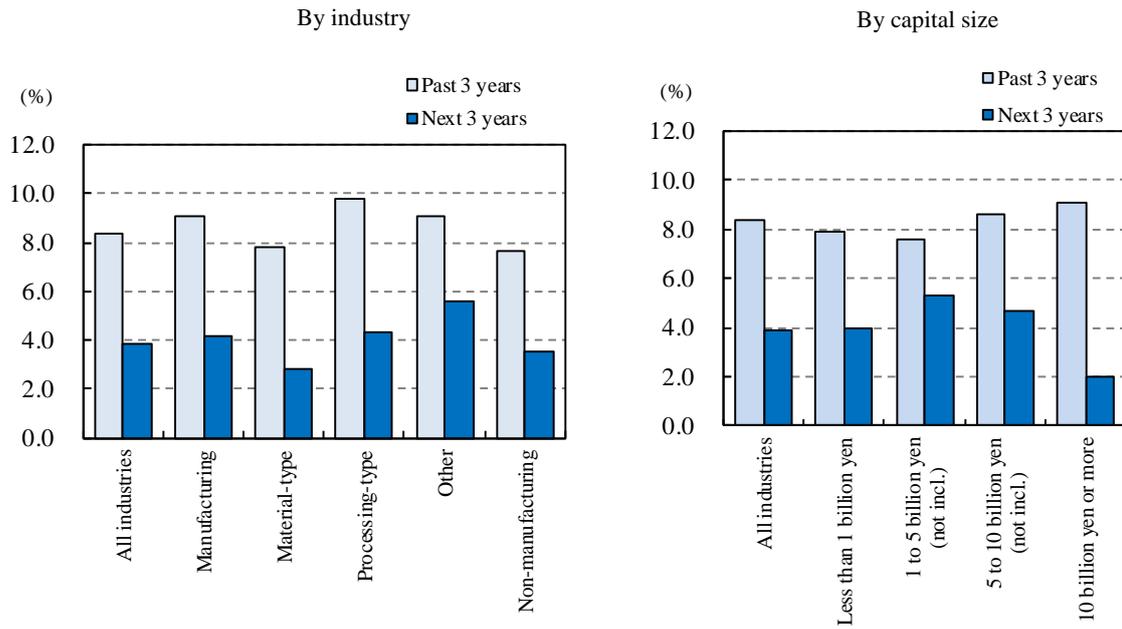
Note 3) The “next 3 years” means that, for example, the “next 3 years” for the FY2014 survey represents from FY2015 to FY2017.

[Fig. 4-4] Trend of growth rate forecasts of capital investment over the next 3 years by industry



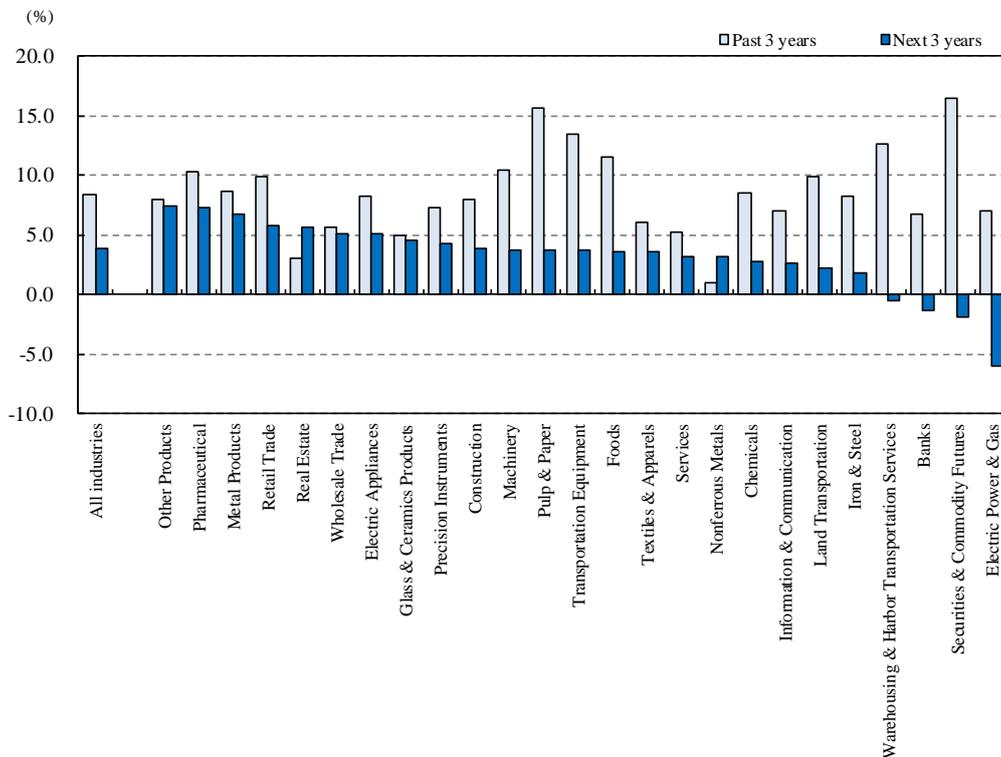
Note) With regard to the “next 3 years,” for example, the “next 3 years” in the FY2014 survey represents rate of change forecasts from FY2015 to FY2017 (fiscal year average).

[Fig. 4-5] Growth rate of capital investment by industry and capital size



Note) The “Past 3 years” represents the growth rate from FY2012 to FY2014 (fiscal year average), and the “next 3 years” represents growth rate forecasts from FY2015 to FY2017 (fiscal year average).

[Fig. 4-6] Growth rate of capital investment by sector



Note 1) The “Past 3 years” represents the growth rate from FY2012 to FY2014 (fiscal year average), and the “next 3 years” represents growth rate forecasts from FY2015 to FY2017 (fiscal year average).

Note 2) Sectors include only those with 5 or more responding companies for both “past 3 years” and “next 3 years.”

[Table 4-1] Change in the percentage of companies that increased or decreased in capital investment

(%)

Survey year	Past 3 years				Next 3 years			
	Increase	No change	Decrease	No capital investment was made.	Increase	No change	Decrease	No capital investment is planned.
FY 1987	54.8	36.5	8.8	-	62.2	32.1	5.7	-
1988	60.5	32.6	6.8	-	70.1	24.3	5.5	-
1989	72.9	23.6	3.5	-	73.9	20.3	6.0	-
1990	92.7	4.7	2.6	-	84.3	7.3	8.5	-
1991	92.4	3.4	4.1	-	73.3	9.3	17.4	-
1992	82.6	3.9	13.5	-	62.5	12.5	25.0	-
1993	62.9	5.2	31.9	-	59.7	13.8	26.6	-
1994	52.6	6.9	40.7	-	67.0	16.0	17.1	-
1995	57.4	8.7	33.8	-	70.6	13.8	15.7	-
1996	67.1	9.2	23.8	-	71.4	13.7	14.9	-
1997	72.9	9.3	17.7	-	62.6	15.9	21.5	-
1998	60.9	11.6	27.4	-	49.5	21.4	29.0	-
1999	55.9	10.5	33.7	-	57.7	18.3	24.0	-
2000	59.9	10.8	29.3	-	65.2	15.4	19.4	-
2001	59.4	11.6	29.1	-	52.3	19.5	28.2	-
2002	57.0	12.0	30.7	-	56.3	21.8	21.9	-
2003	54.7	12.1	33.0	-	62.3	18.8	19.0	-
2004	59.9	12.8	27.4	-	69.7	14.8	15.4	-
2005	71.8	8.6	17.9	1.7	73.2	14.1	11.0	1.6
2006	78.5	9.2	11.8	0.5	70.0	14.3	14.9	0.8
2007	78.2	7.9	12.8	1.0	70.2	13.9	14.1	1.5
2008	73.4	8.5	15.9	2.1	42.3	16.3	38.8	2.7
2009	54.4	10.4	33.7	1.6	52.7	18.2	26.2	2.8
2010	49.2	11.0	38.0	1.8	62.5	16.9	18.6	1.9
2011	57.6	12.4	28.1	1.9	61.9	21.3	14.5	2.3
2012	67.6	10.2	21.0	1.4	63.3	16.2	18.9	1.6
2013	69.5	10.3	18.5	1.7	66.4	16.9	14.6	2.0
2014	71.7	11.1	14.9	2.3	64.5	16.8	16.0	2.6

Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%,  
Decrease: Percentage of companies responding less than 0%.

Note 2) The alternative of "no capital investment was made/is planned" was added from the survey of FY2005.

Note 3) The "past 3 years" and the "next 3 years" means that, for example, the "past 3 years" and the "next 3 years" for the FY2014 survey represents from FY2012 to FY2014, and from FY2015 to FY2017, respectively.

[Table 4-2] Transition of growth rate of capital investment by industry

(%)

Survey year		Past 3 years			Next 3 years		
		All industries	Manufacturing	Non-manufacturing	All industries	Manufacturing	Non-manufacturing
FY	1987	6.5	6.0	7.4	6.3	6.3	6.3
	1988	8.7	8.3	9.6	9.2	9.6	8.5
	1989	12.3	12.7	11.7	9.7	10.2	8.7
	1990	11.9	12.4	11.1	7.9	7.7	8.4
	1991	10.9	11.1	10.5	4.6	4.1	5.5
	1992	10.5	9.7	11.9	2.8	2.6	3.2
	1993	4.1	2.1	7.7	2.0	1.7	2.6
	1994	0.9	-0.8	4.3	4.1	4.1	4.1
	1995	3.1	2.6	3.9	4.8	4.7	5.0
	1996	5.8	5.9	5.6	5.0	5.1	4.9
	1997	7.4	8.1	6.4	3.0	3.4	2.4
	1998	4.9	5.3	4.2	0.3	0.1	0.6
	1999	2.1	0.9	4.1	1.7	1.9	1.4
	2000	3.2	2.4	4.5	3.6	3.9	3.0
	2001	4.0	4.1	3.9	1.2	0.8	1.9
	2002	2.7	2.0	3.7	2.4	2.1	2.8
	2003	1.9	1.3	2.8	3.1	3.0	3.2
	2004	3.6	4.1	3.0	4.7	5.2	4.1
	2005	7.5	9.2	5.5	5.9	6.2	5.5
	2006	9.6	11.0	7.8	5.3	5.2	5.5
	2007	8.9	10.0	7.7	5.1	5.1	5.1
	2008	7.7	7.7	7.7	-1.2	-3.0	0.9
	2009	2.2	-1.0	5.7	1.4	0.9	1.9
	2010	0.7	-1.4	3.3	3.4	3.9	2.8
	2011	3.3	2.3	4.3	4.1	4.9	3.2
	2012	6.0	6.4	5.6	3.5	3.5	3.5
	2013	7.1	7.6	6.6	4.2	4.4	3.9
	2014	8.4	9.0	7.7	3.9	4.2	3.5

Note) With regard to the “past 3 years” and the “next 3 years,” for example, the “past 3 years” in the FY2014 survey represents rate of change from FY2012 to FY2014 (fiscal year average), and the “next 3 years” represents rate of change forecasts from FY2015 to FY2017 (fiscal year average).

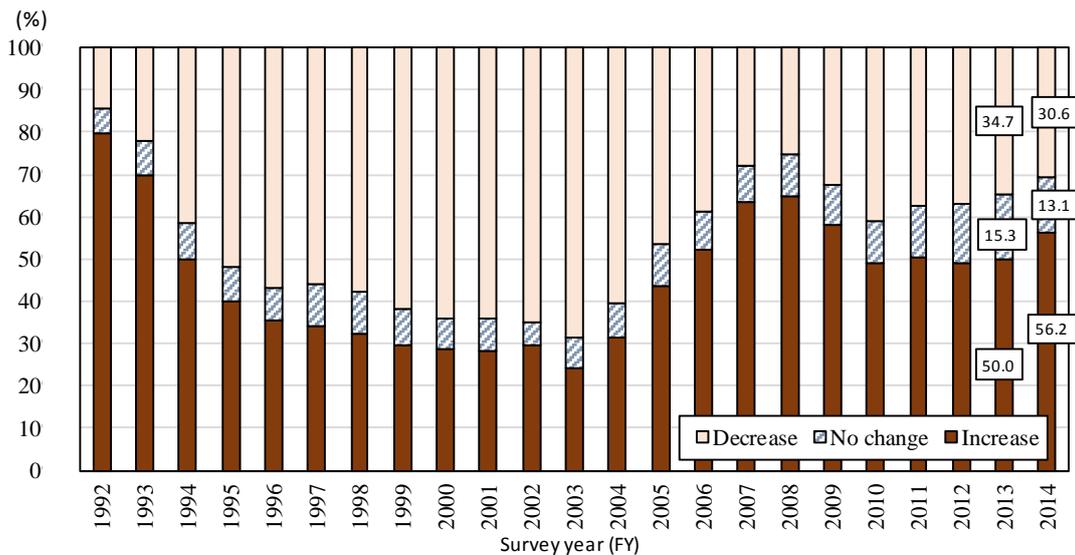
## 5 Change in the number of employees

### (1) Number of employees for the past 3 years

- The percentage of companies that increased employees for the “past 3 years” (all industries) was 56.2%. (The previous year’s survey result was 50.0%.)

The percentage of companies that increased employees for the “past 3 years” (FY2012–FY2014) (all industries) was 56.2%. (The previous year’s survey result was 50.0%.) The percentage of companies that decreased employees was 30.6%. (The previous year’s survey result was 34.7%.) (Figure 5-1, Table 5-1)

[Figure 5-1] Change in the percentage of companies that increased or decreased employees for the past 3 years (all industries)



Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%,  
Decrease: Percentage of companies responding less than 0%.

Note 2) The “past 3 years” means that, for example, the “past 3 years” for the FY2014 survey represents from FY2012 to FY2014.

Note 3) The survey for the rate of change in overall employees started from FY1992.

Note 4) The FY2003 survey shows the answers of “regular employees” only. (The FY2003 survey was conducted for “regular employees” and “part-time, temporary employees.”)

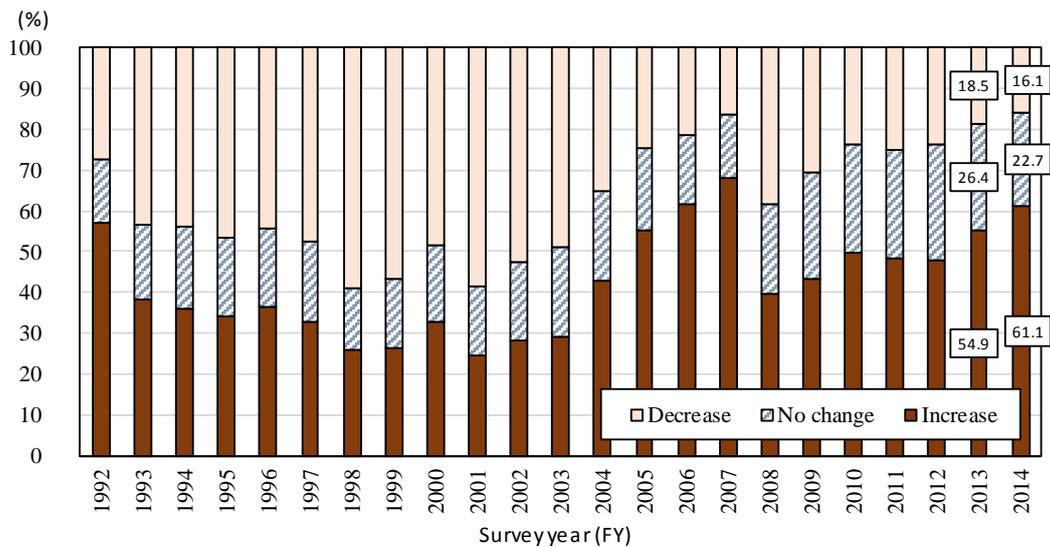
(2) Number of employees over the next 3 years

○ The percentage of companies expecting an increase in employees over the “next 3 years” (all industries) was 61.1%. (The previous year’s survey result was 54.9%)

The percentage of companies expecting an increase in employees over the “next 3 years” (FY2015-FY2017) (all industries) was 61.1%. (The previous year’s survey result was 54.9%.) The percentage of companies expecting a decrease in employees was 16.1%. (The previous year’s survey result was 18.5%.) (Figure 5-2, Table 5-1)

The percentage of companies expecting an increase in employees has grown compared to the “past 3 years.” (Figure 5-1 and 5-2, Table 5-1)

[Figure 5-2] Change in the percentage of companies expecting an increase or a decrease in employees over the next 3 years (all industries)



Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%, Decrease: Percentage of companies responding less than 0%.

Note 2) The “next 3 years” means that, for example, the “next 3 years” for the FY2014 survey represents from FY2015 to FY2017.

Note 3) The survey for the rate of change in overall employees started from FY1992.

Note 4) The FY2003 survey shows the answers of “regular employees” only. (The FY2003 survey was conducted for “regular employees” and “part-time, temporary employees.”)

### (3) Number of regular employees

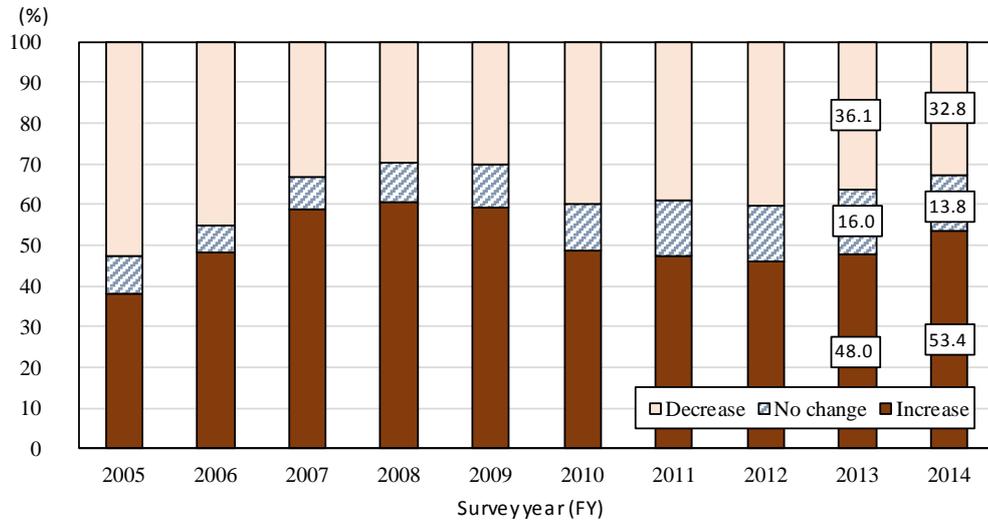
- The percentage of companies that increased regular employees among their employees for the “past 3 years” (all industries) was 53.4%. (The previous year’s survey result was 48.0%.)
- The percentage of companies expecting an increase in regular employees among the employees over the “next 3 years” (all industries) was 60.0%. (The previous year’s survey result was 53.5%.)

The percentage of companies that increased regular employees among their employees for the “past 3 years” (FY2012–FY2014) (all industries) was 53.4%. (The previous year’s survey result was 48.0%.) The percentage of companies that decreased regular employees was 32.8%. (The previous year’s survey result was 36.1%.) (Figure 5-3, Table 5-1)

The percentage of companies expecting an increase in regular employees among their employees over the “next 3 years” (FY2015–FY2017) (all industries) was 60.0%. (The previous year’s survey result was 53.5%.) The percentage of companies expecting a decrease in regular employees was 16.7%. (The previous year’s survey result was 20.0%.) (Figure 5-4, Table 5-1)

On the other hand, in terms of the percentage of companies expecting an increase in employees, companies that expected an increase in regular workers were smaller than those that expected an increase in overall workers. (Figure 5-2 and 5-4, Table 5-1)

[Figure 5-3] Change in the percentage of companies that increased or decreased regular employees among the number of employees for the past 3 years (all industries)

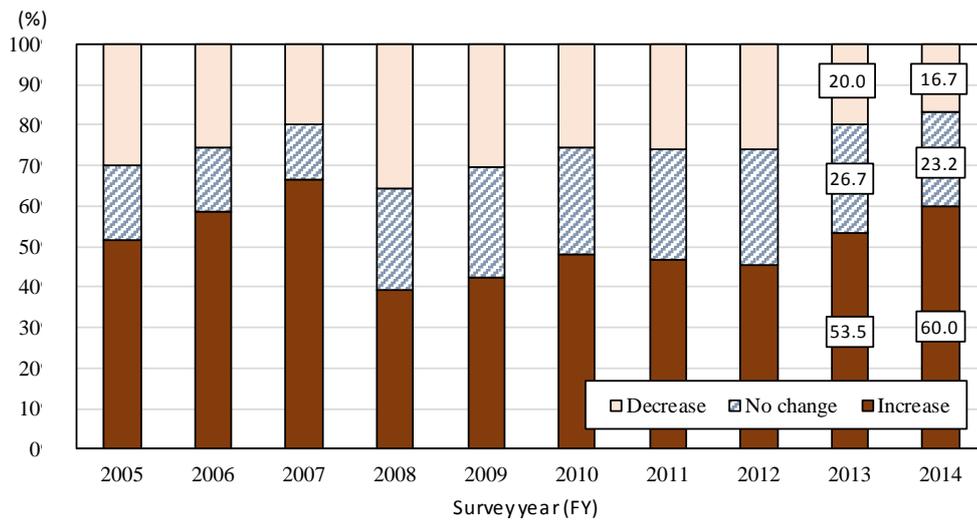


Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%, Decrease: Percentage of companies responding less than 0%.

Note 2) The “past 3 years” means that, for example, the “past 3 years” for the FY2014 survey represents from FY2012 to FY2014.

Note 3) The survey for the rate of change in regular employees (among overall employees) started from FY2005.

[Figure 5-4] Change in the percentage of companies expecting an increase or a decrease in regular employees among the number of employees over the next 3 years (all industries)



Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%, Decrease: Percentage of companies responding less than 0%.

Note 2) The “next 3 years” means that, for example, the “next 3 years” for the FY2014 survey represents from FY2015 to FY2017.

Note 3) The survey for the rate of change in regular employees (among overall employees) started from FY2005.

[Table 5-1] Change in the percentage of companies that increased or decreased in employees

(%)

Survey year	Past 3 years						Next 3 years					
				Regular employees						Regular employees		
	Increase	No change	Decrease	Increase	No change	Decrease	Increase	No change	Decrease	Increase	No change	Decrease
FY 1992	79.6	6.2	14.2	-	-	-	56.9	15.9	27.2	-	-	-
1993	69.9	7.9	22.2	-	-	-	38.4	18.4	43.3	-	-	-
1994	49.9	8.8	41.3	-	-	-	36.0	20.1	43.9	-	-	-
1995	40.1	8.1	51.8	-	-	-	34.4	19.0	46.7	-	-	-
1996	35.4	7.7	56.9	-	-	-	36.7	19.1	44.2	-	-	-
1997	34.1	10.0	56.0	-	-	-	32.8	19.6	47.6	-	-	-
1998	32.3	10.0	57.7	-	-	-	25.9	15.3	58.8	-	-	-
1999	29.6	8.5	61.8	-	-	-	26.6	17.0	56.5	-	-	-
2000	28.6	7.4	63.9	-	-	-	32.9	18.7	48.4	-	-	-
2001	28.2	7.6	64.2	-	-	-	24.7	16.7	58.6	-	-	-
2002	29.5	5.5	64.9	-	-	-	28.4	19.0	52.5	-	-	-
2003	24.4	7.2	68.5	-	-	-	29.2	21.8	49.2	-	-	-
2004	31.3	8.4	60.4	-	-	-	42.8	22.2	35.1	-	-	-
2005	43.6	10.0	46.4	38.0	9.6	52.4	55.2	20.1	24.7	51.5	18.5	30.0
2006	52.3	8.9	38.9	48.4	6.6	45.0	61.7	17.0	21.3	58.5	16.0	25.5
2007	63.3	8.6	28.1	59.0	8.1	33.0	68.3	15.3	16.5	66.5	13.8	19.6
2008	65.0	9.6	25.4	60.7	9.6	29.8	39.5	22.0	38.4	39.4	25.0	35.5
2009	58.2	9.3	32.4	59.1	10.8	30.0	43.2	26.0	30.8	42.3	27.1	30.6
2010	49.2	9.7	41.0	48.6	11.6	39.8	49.8	26.4	23.8	47.9	26.7	25.5
2011	50.6	12.0	37.4	47.4	13.7	38.8	48.3	26.7	25.1	46.7	27.5	25.8
2012	49.1	13.8	37.1	46.0	13.9	40.1	48.0	28.2	23.8	45.3	28.6	26.0
2013	50.0	15.3	34.7	48.0	16.0	36.1	54.9	26.4	18.5	53.5	26.7	20.0
2014	56.2	13.1	30.6	53.4	13.8	32.8	61.1	22.7	16.1	60.0	23.2	16.7

Note 1) Increase: Percentage of companies responding over 0%, No change; percentage of companies responding 0%,

Decrease; percentage of companies responding less than 0%

Note 2) The “past 3 years” and the “next 3 years” means that, for example, the “past 3 years” and the “next 3 years” for the FY2014 survey represents from FY2012 to FY2014, and from FY2015 to FY2017, respectively.

Note 3) Survey of ratio of change in overall employees started from FY1992. Survey of ratio of change in “regular employees” (among overall employees) started from FY2005.

Note 4) The FY2003 survey shows the answers of “regular employees” only. (The FY2003 survey was conducted for “regular employees” and “part-time, temporary employees.”)

## 6 Overseas production ratio and reverse imports ratio

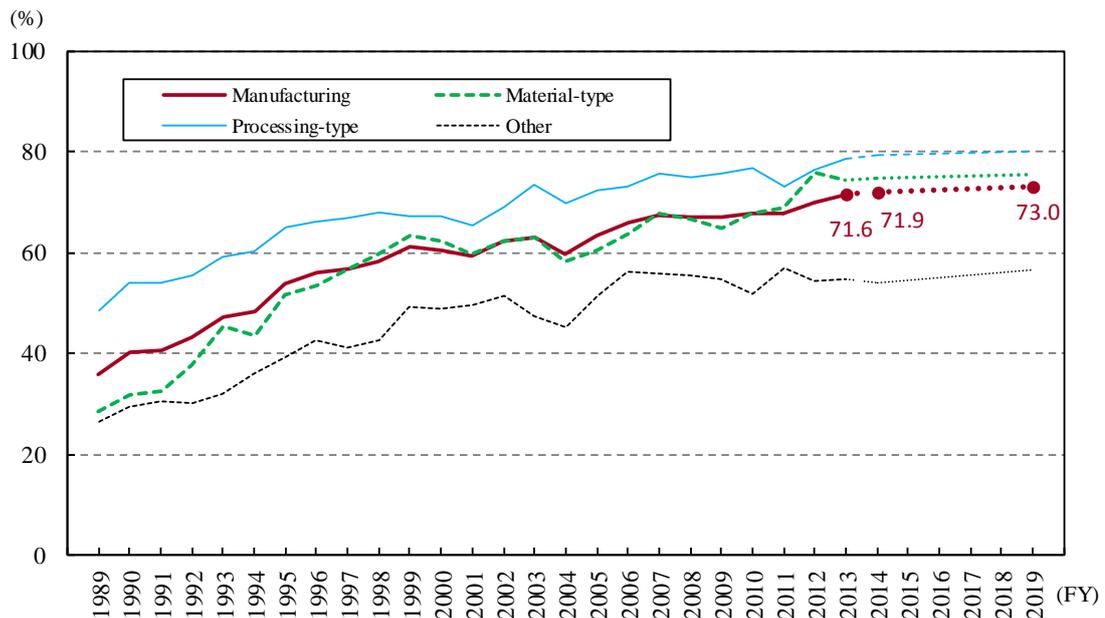
### (1) The ratio of companies conducting overseas production (manufacturing industries only)

- The “FY2013 actual result” for the percentage of companies conducting overseas production was 71.6%, a 1.8% increase from the previous year’s survey result (69.8%).
- The “FY2014 estimate” was 71.9%, and the “FY2019 forecast” was 73.0%. The growth was expected to continue.

The “FY2013 actual result” for the percentage of companies conducting overseas production (manufacturing industries only) was 71.6%, a 1.8% increase from the previous year’s survey result (69.8%). It was the highest ratio since the survey started in 1987.

In addition, the “FY2014 estimate” was 71.9%, and the “FY2019 forecast” was 73.0%. The growth was expected to continue. (Figure 6-1, Table 6-1)

[Fig. 6-1] Ratio of companies that conduct overseas production (manufacturing industries)



Note) FY2014 represents the actual figure estimate, FY2019 represents the forecast, and other years represent the actual result for the previous fiscal year in the survey for the following fiscal year. (For example, the value for FY2013 is the ratio of companies that entered the value for “FY2013 actual result” in the FY2014 survey.)

[Table 6-1] Ratio of companies that conduct overseas production (manufacturing industries)

(%)

Fiscal year	Manufacturing			
	Material-type	Processing-type	Other	
FY 1986	32.5	26.5	39.5	28.2
1987	27.7	21.3	38.2	19.7
1988	34.2	28.0	47.2	24.1
1989	36.0	28.5	48.7	26.5
1990	40.3	32.0	53.9	29.3
1991	40.8	32.5	54.2	30.4
1992	43.3	37.9	55.5	30.2
1993	47.4	45.3	59.2	32.1
1994	48.3	43.7	60.2	36.1
1995	53.9	51.8	65.0	39.2
1996	55.9	53.4	66.0	42.6
1997	56.7	56.9	66.7	41.2
1998	58.3	59.7	67.9	42.6
1999	61.1	63.5	67.4	49.3
2000	60.4	62.1	67.3	48.9
2001	59.4	59.6	65.4	49.7
2002	62.1	62.3	69.1	51.4
2003	63.0	62.9	73.6	47.6
2004	59.6	58.4	69.8	45.2
2005	63.2	60.5	72.5	51.5
2006	65.9	63.6	73.2	56.2
2007	67.3	67.7	75.5	55.9
2008	67.1	66.7	74.9	55.5
2009	67.1	64.7	75.8	54.6
2010	67.6	67.8	76.6	51.8
2011	67.7	68.7	73.2	57.1
2012	69.8	76.0	76.4	54.3
2013	71.6	74.2	78.5	54.8
2014	71.9	74.8	79.3	53.9
2019	73.0	75.5	80.1	56.5

Note) FY2014 represents the actual figure estimate, FY2019 represents the forecast, and other years represent the actual result for the previous fiscal year in the survey for the following fiscal year. (For example, the value for FY2013 is the ratio of companies that entered the value for “FY2013 actual result” in the FY2014 survey.)

## (2) Overseas production ratio (manufacturing industries only)

- The “FY2013 actual result” for the overseas production ratio (average of reported numbers) was 22.3%, an increase from the previous year’s actual result (20.6%). It was the highest level since the survey started in FY1987.
- The “FY2014 estimate” was 22.9% and the “FY2019 forecast” was 26.2%. Growth is expected to continue. In terms of the “FY2014 estimate” and “FY2019 forecast” by segment of manufacturing industries, the overseas production ratios for “processing-type manufacturing industries” were high (respectively 29.9% and 33.4%).
- In terms of the “FY2019 forecast” by sector, the level was high in sectors such as “Transportation Equipment” (40.0%) and “Electric Appliances” (37.0%), while it was low in sectors such as “Pharmaceutical” (0.0%) and “Foods” (8.5%).
- 52.9% of the companies expected the increase in overseas production ratio in the “FY2019 forecast” compared to the “FY2014 estimate.” The percentage of the former group of companies has dropped compared to the previous year’s survey result (61.0%) for the first time in 4 years.

The “FY2013 actual result” for the overseas production ratio<sup>5)</sup> (average of reported numbers) was 22.3%, an increase from the previous year’s actual result (20.6%). It was the highest level since the survey started in 1987. In addition, the “FY2014 estimate” was 22.9%, and the “FY2019 forecast” was 26.2%. Growth was expected to continue. (Figure 6-2, Table 6-2)

In terms of the “FY2019 forecast” by segment of manufacturing industries, the forecasts for the “material-type manufacturing industries”, for the “processing-type manufacturing industries”, and for “other manufacturing industries” were respectively 23.5%, 33.4%, and 15.1%, and increased from the “FY2014 estimates” (respectively 20.0%, 29.9%, and 12.5%). In particular, the level for the “processing-type manufacturing industries” was high. (Figure 6-3, Table 6-2)

In terms of the “FY2019 forecast” by sector (those with 5 or more companies responding), 11 out of 14 sectors forecast an increase, and the level was high in sectors such as “Transportation Equipment” (40.0%) and “Electric Appliances” (37.0%), while it was low in sectors such as “Pharmaceutical” (0.0%) and “Foods” (8.5%). (Figure 6-4)

In terms of the “FY2019 forecast” by capital size, the forecast by companies with a capital of “less than 1 billion yen” was 3.7% (“FY2014 estimate,” 2.4%), that by those with a capital of “1 to 5 billion yen (not incl.)” was 20.1% (“FY2014 estimate,” 18.0%), that by those with a capital of “5 to 10 billion yen (not incl.)” was 30.7% (“FY2014 estimate,” 25.5%), and that by those with a capital of “10 billion yen or more” was 35.5% (“FY2014 estimate,” 29.9%). The ratio was forecast to increase in all of these classes, as compared to the “FY2014 estimate.” (Figure 6-3)

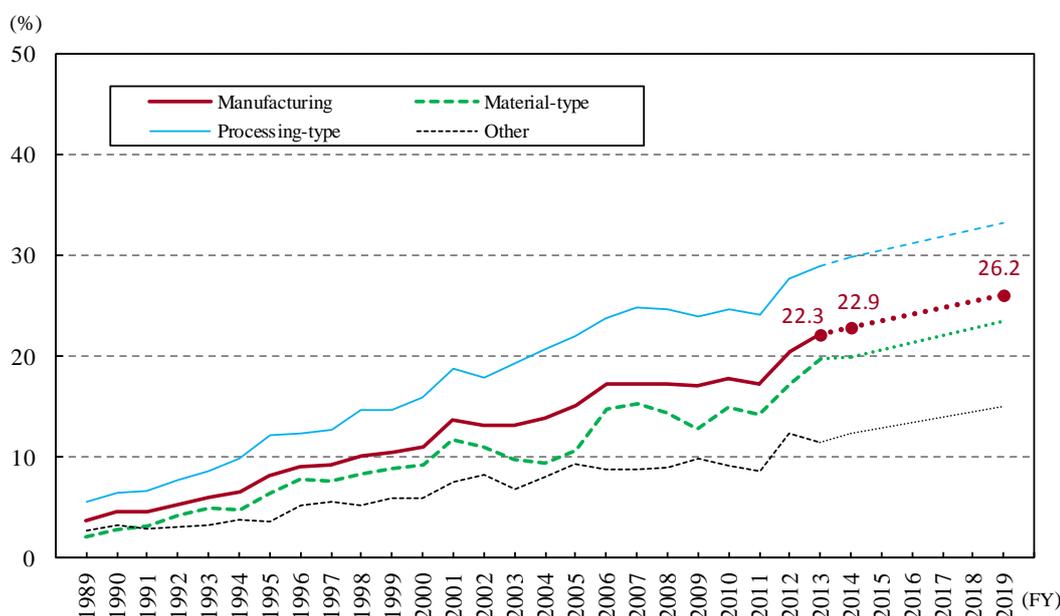
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<sup>5)</sup> Overseas production ratio = Volume of overseas production / (Volume of domestic production + Volume of overseas production)  
Simple average of responding companies including those that reported 0.0% for the overseas production ratio.

52.9% of the companies expected the increase in overseas production ratio in the “FY2019 forecast” compared to the “FY2014 estimate.” 4.6% of the companies expected the decrease. The percentage of the former group of companies has dropped compared to the previous year’s survey result (61.0%) for the first time in 4 years. (Figure 6-5, Table 6-3)

In addition, when calculating the achievement rate<sup>6)</sup> based on “actual result” for the overseas production ratio and “forecast” at the time of the survey 5 years ago, the achievement rate for 2013 was 115.7%, which was higher than the rate for 2012 (106.4%). (Figure 6-6)

[Fig. 6-2] Transition of overseas production ratios (manufacturing industries)

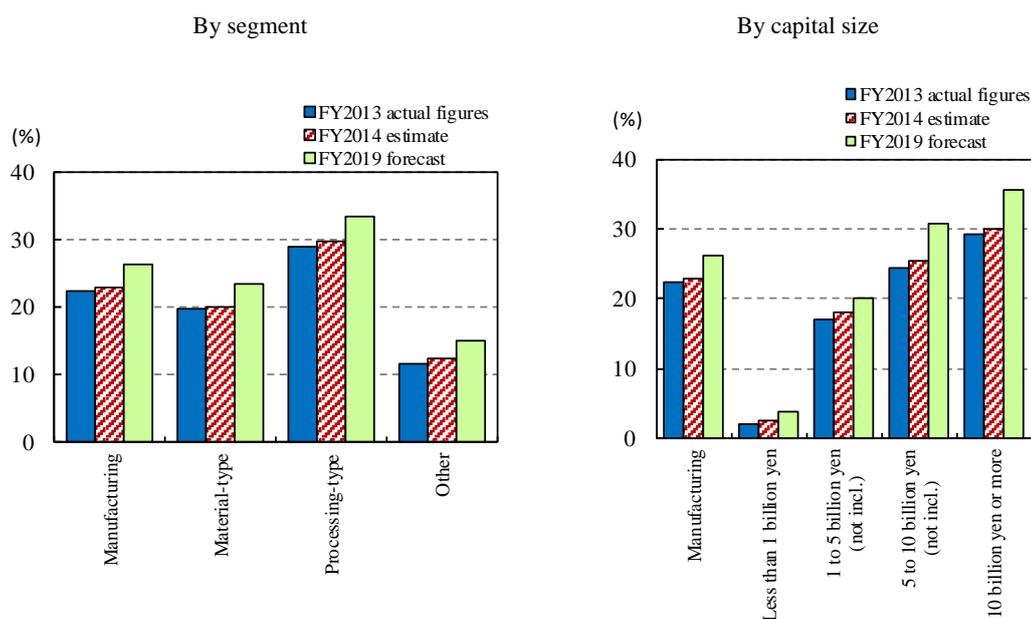


Note 1) FY2014 represents the actual figure estimate, FY2019 represents the forecast, and other years represent the actual result for the previous fiscal year in the survey for the following fiscal year. (For example, the value for FY2013 is the value for “FY2013 actual result” in the FY2014 survey.)

Note 2) Simple average of responding companies including those that reported 0.0% for the overseas production ratio.

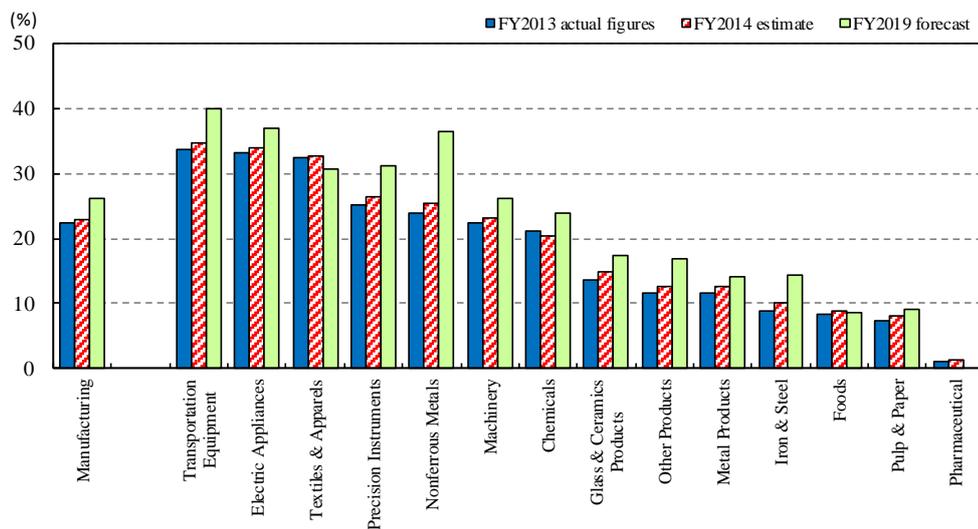
<sup>6)</sup> Achievement rate = Actual result of overseas production ratio/Forecast of overseas production ratio (at the time of the survey 5 years ago)  
 For instance, the actual result of FY2013 is the “actual result of FY2013” in the FY2014 survey, and the “5 years ago forecast” of FY2013 uses “forecast of FY2013” in the FY2008 survey.

[Fig. 6-3] Overseas production ratio by manufacturing industry segment and capital size



Note) Simple average of responding companies including those that reported 0.0% for the overseas production ratio.

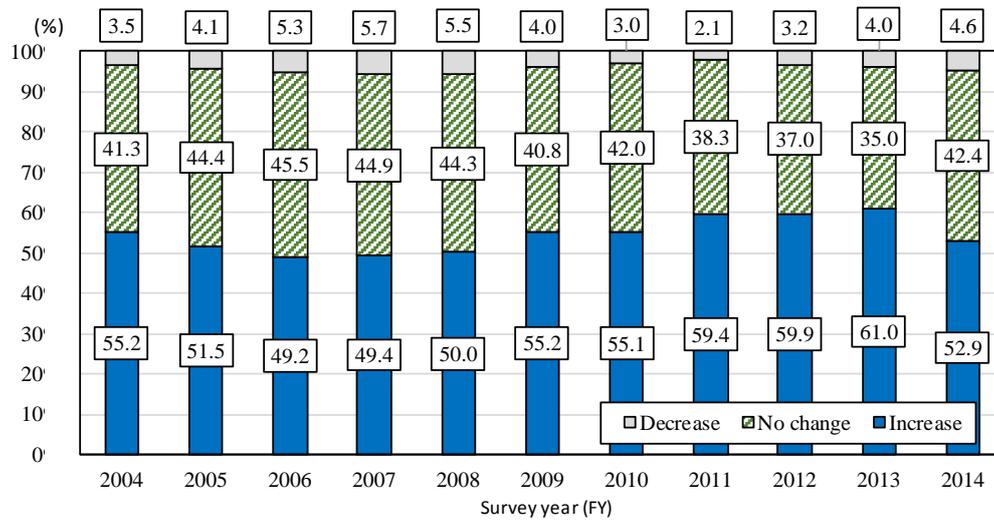
[Fig. 6-4] Overseas production ratio by sector (manufacturing industries)



Note 1) Simple average of responding companies including those that reported 0.0% for the overseas production ratio.

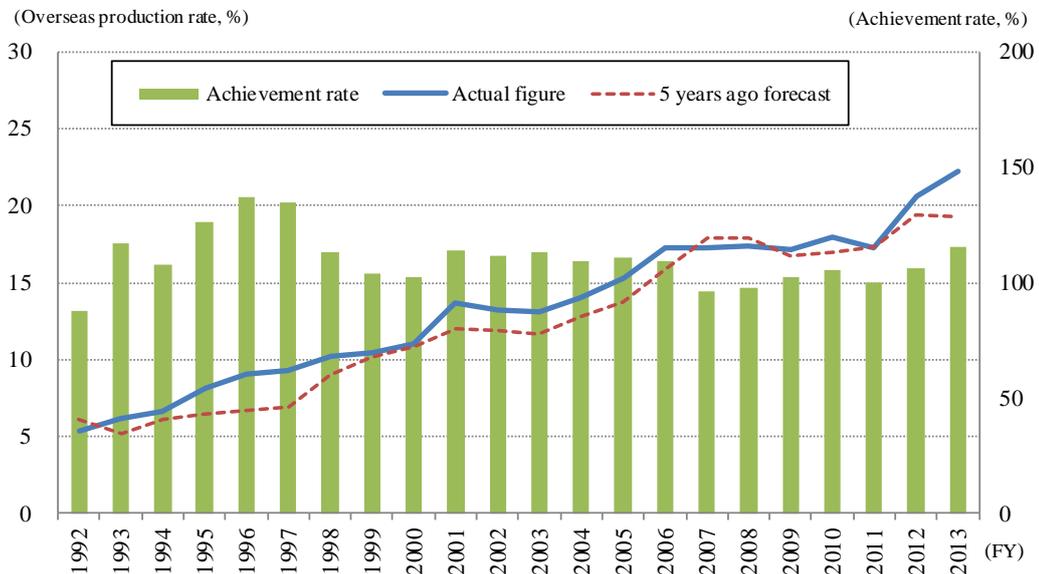
Note 2) Sectors include only those with 5 or more responding companies in all of "FY2013 actual result," "FY2014 estimate" and "FY2019 forecast."

[Figure 6-5] The percentage of companies expecting an increase or a decrease in overseas production ratio (Manufacturing)



Note) Increase: "Forecast" - "Estimate" > 0, No change: "Forecast" - "Estimate" = 0, Decrease: "Forecast" - "Estimate" < 0.  
 (In FY2014, if the values after subtracting "Estimate of FY2014" from "Forecast of FY2019" of each responding company are plus, equal, and minus, it is "Increase," "No change," and "Decrease.")

[Figure 6-6] Shift in the achievement rate of overseas production ratio (Manufacturing)



Note 1) Actual result values of each fiscal year are points at the time of the survey for the following fiscal year.  
 Note 2) Simple average of responding companies including those that reported 0.0% for the overseas production ratio.  
 Note 3) Achievement rate = Actual result / 5 years ago forecast

[Table 6-2] Transition of overseas production ratio (manufacturing industries)

(%)

Fiscal year		Manufacturing			
		Material-type	Processing-type	Other	
FY	1986	2.6	1.5	3.6	2.2
	1987	2.4	1.3	3.9	1.4
	1988	3.2	2.0	5.4	1.7
	1989	3.8	2.2	5.7	2.8
	1990	4.6	2.8	6.5	3.4
	1991	4.6	3.1	6.7	3.0
	1992	5.4	4.2	7.7	3.1
	1993	6.1	5.1	8.7	3.4
	1994	6.6	4.8	9.8	3.9
	1995	8.1	6.4	12.2	3.7
	1996	9.1	7.9	12.4	5.2
	1997	9.3	7.7	12.8	5.6
	1998	10.2	8.5	14.8	5.3
	1999	10.5	8.9	14.7	6.0
	2000	11.1	9.2	15.9	6.0
	2001	13.7	11.7	18.9	7.5
	2002	13.2	11.2	17.9	8.2
	2003	13.1	9.7	19.4	6.8
	2004	14.0	9.5	20.7	8.2
	2005	15.2	10.8	22.1	9.4
	2006	17.3	14.8	23.9	8.9
	2007	17.3	15.3	24.8	8.9
	2008	17.4	14.4	24.7	9.0
	2009	17.1	12.9	24.0	9.9
	2010	17.9	14.9	24.8	9.2
	2011	17.2	14.3	24.1	8.6
	2012	20.6	17.3	27.8	12.4
	2013	22.3	19.9	29.0	11.6
	2014	22.9	20.0	29.9	12.5
	2019	26.2	23.5	33.4	15.1

Note 1) FY2014 represents the actual figure estimate, FY2019 represents the forecast, and other years represent the actual result for the previous fiscal year in the survey for the following fiscal year. (For example, the value for FY2013 is the value for "FY2013 actual result" in the FY2014 survey.)

Note 2) Simple average of responding companies including those that reported 0.0% for the overseas production ratio.

[Table 6-3] The percentage of companies expecting an increase or a decrease  
in overseas production ratio (Manufacturing)

(%)

Survey year	Increase	No change	Decrease
FY 1987	44.0	55.0	1.0
1988	37.9	61.4	0.6
1989	39.7	59.4	0.9
1990	40.5	58.5	1.1
1991	41.1	57.0	1.9
1992	38.3	58.7	3.1
1993	44.9	53.3	1.7
1994	50.9	47.6	1.6
1995	52.1	46.2	1.7
1996	53.4	44.8	1.8
1997	50.5	46.3	3.3
1998	46.1	49.9	4.0
1999	47.6	48.8	3.7
2000	50.5	44.9	4.5
2001	53.8	43.6	2.6
2002	50.7	44.9	4.4
2003	55.7	41.2	3.1
2004	55.2	41.3	3.5
2005	51.5	44.4	4.1
2006	49.2	45.5	5.3
2007	49.4	44.9	5.7
2008	50.0	44.3	5.5
2009	55.2	40.8	4.0
2010	55.1	42.0	3.0
2011	59.4	38.3	2.1
2012	59.9	37.0	3.2
2013	61.0	35.0	4.0
2014	52.9	42.4	4.6

Note) Increase: "Forecast" – "Estimate" > 0, No change: "Forecast" – "Estimate" = 0, Decrease: "Forecast" – "Estimate" < 0.

(In FY2014, if the values after subtracting "Estimate of FY2014" from "Forecast of FY2019" of each responding company are plus, equal, and minus, it is "Increase," "No change," and "Decrease.")

### (3) Reverse imports ratio (manufacturing industries only)

- The “FY2013 actual result” for the reverse imports ratio (average of reported numbers) was 21.5%, an increase from the previous year’s actual result (18.8%), for the first time in the six years since FY2007.
- The “FY2014 estimate” was 21.5%, and the “FY2019 forecast” was 21.3%.
- In terms of the “FY2019 forecast” by sector, the level was high in sectors such as “Other Products” (36.3%) and “Precision Instruments” (33.7%), while it was low in “Transportation Equipment” (5.6%) and “Chemicals” (10.1%).

The “FY2013 actual result” for the reverse imports ratio<sup>7)</sup> (average of reported numbers) was 21.5%, an increase from the previous year’s actual result of 18.8%, for the first time in the six years since FY2007. The “FY2014 estimate” was 21.5%, and the “FY2019 forecast” was 21.3%. (Figure 6-7, Table 6-4)

In terms of the “FY2019 forecast” by segment of manufacturing industries, the forecast for the “material-type manufacturing industries” was 16.3%, that for the “processing-type manufacturing industries” was 22.4%, and that for “other manufacturing industries” was 25.4%. (Figure 6-8, Table 6-4)

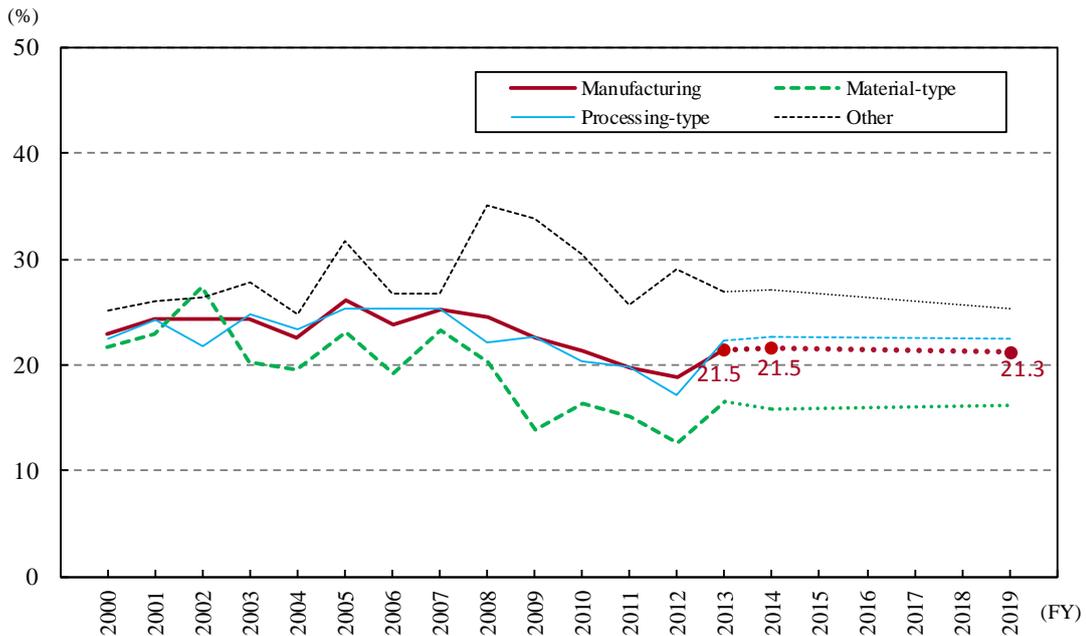
In terms of the “FY2019 forecast” by sector (those with 5 or more companies responding), the level was high in sectors such as “Other Products” (36.3%) and “Precision Instruments” (33.7%), while it was low in “Transportation Equipment” (5.6%) and “Chemicals” (10.1%). Compared to the “FY2014 estimate,” the forecast showed an increase in 7 out of 13 sectors, such as “Nonferrous Metals” (up 3.4% points), and “Pulp & Paper” (up 2.8% points), while it showed a decrease in 6 sectors such as “Iron & Steel” (down 4.6% points), and “Other Products” (down 4.2% points). (Figure 6-9)

In terms of the “FY2019 forecast” by capital size, the forecast by companies with a capital of “less than 1 billion yen” was 4.9% (“FY2014 estimate,” 3.6%), that by those with a capital of “1 to 5 billion yen (not incl.)” was 27.5% (“FY2014 estimate,” 31.5%), that by those with a capital of “5 to 10 billion yen (not incl.)” was 14.5% (“FY2014 estimate,” 15.8%), and that by those with a capital of “10 billion yen or more” was 21.1% (“FY2014 estimate,” 18.9%). The ratio was forecast to increase in the classes with a capital of “less than 1 billion yen” and “10 million yen or more,” compared to the “FY2014 estimate.” (Figure 6-8)

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<sup>7)</sup> Reverse imports ratio = Export volume to Japan / Volume of overseas local production  
Excludes companies that reported 0.0% in overseas production ratio.  
Simple average of responding companies including those that reported 0.0% in the ratio of reverse imports.

[Fig. 6-7] Transition of the ratio of reverse imports (manufacturing industries)

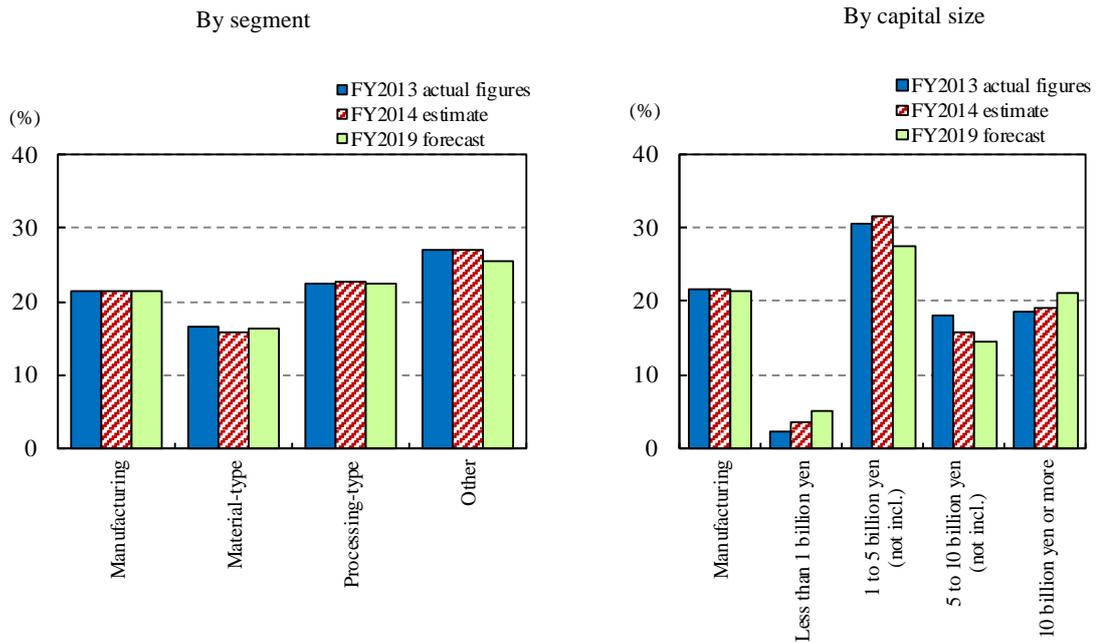


Note 1) FY2014 represents the actual figure estimate, FY2019 represents the forecast, and other years represent the actual result for the previous fiscal year in the survey for the following fiscal year. (For example, the value for FY2013 is the value for “FY2013 actual result” in the FY2014 survey.)

Note 2) This is a simple average which excludes companies reporting 0.0% overseas production ratio, while it includes companies answering 0.0% reverse imports ratio.

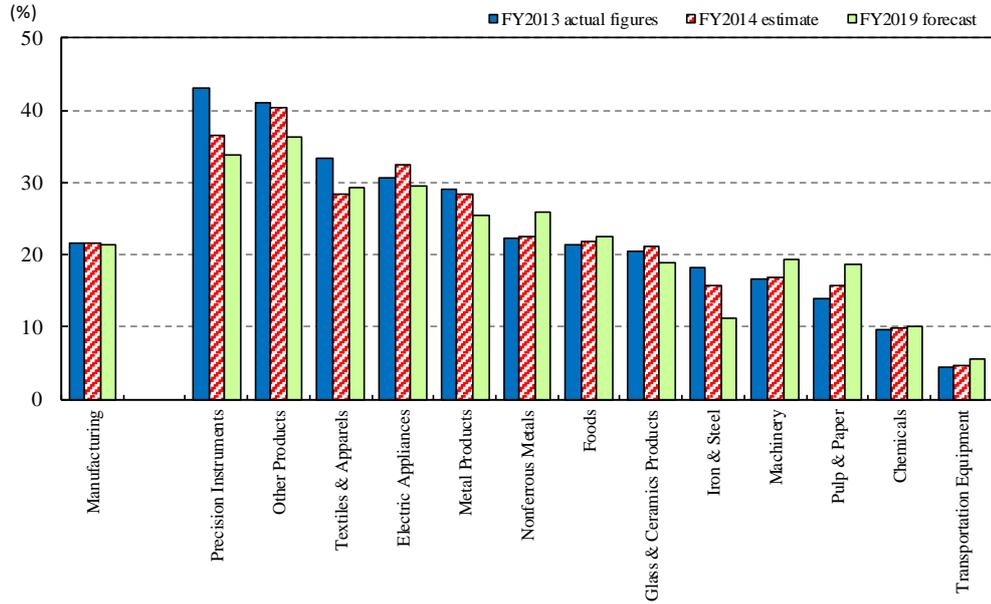
Note 3) The survey of the ratio of reverse imports started in FY2001.

[Fig. 6-8] Ratio of reverse imports by manufacturing industry segment and capital size



Note) This is a simple average which excludes companies reporting 0.0% overseas production ratio, while it includes companies answering 0.0% reverse imports ratio.

[Fig. 6-9] Ratio of reverse imports by sector (manufacturing industries)



Note 1) This is a simple average which excludes companies reporting 0.0% overseas production ratio, while it includes companies answering 0.0% reverse imports ratio.

Note 2) Sectors include only those with 5 or more responding companies in all of “FY2013 actual result,” “FY2014 estimate” and “FY2019 forecast.”

[Table 6-4] Transition of the ratio of reverse imports (manufacturing industries)

(%)

Fiscal year		Manufacturing			
		Material-type	Processing-type	Other	
FY	2000	22.9	21.7	22.5	25.1
	2001	24.4	22.9	24.3	26.1
	2002	24.4	27.3	21.8	26.4
	2003	24.3	20.3	24.9	27.8
	2004	22.6	19.6	23.4	24.8
	2005	26.1	23.2	25.3	31.6
	2006	23.9	19.2	25.4	26.7
	2007	25.2	23.4	25.4	26.8
	2008	24.5	20.3	22.1	35.1
	2009	22.6	13.9	22.7	33.9
	2010	21.3	16.4	20.4	30.5
	2011	19.8	15.2	19.8	25.6
	2012	18.8	12.6	17.2	29.1
	2013	21.5	16.5	22.4	27.0
	2014	21.5	15.8	22.6	27.1
	2019	21.3	16.3	22.4	25.4

Note 1) FY2014 represents the actual figure estimate, FY2019 represents the forecast, and other years represent the actual result for the previous fiscal year in the survey for the following fiscal year. (For example, the value for FY2013 is the value for “FY2013 actual result” in the FY2014 survey.)

Note 2) This is a simple average which excludes companies reporting 0.0% overseas production ratio, while it includes companies answering 0.0% reverse imports ratio.

Note 3) The survey of the ratio of reverse imports started in FY2001.

(4) “Main reason” and “Other relevant reasons” for having an overseas production base  
(manufacturing industries only)

- The top main reason for having an overseas production base was “Strong demand exists, or demand is forecast to expand, for our products in the local market(s) and markets in neighboring countries” (40.3%), and the second top reason was “Labor costs are low” (24.4%).
- After combining the main reason for having an overseas production base with other relevant reasons, the top reason was “Strong demand exists, or demand is forecast to expand for our products in the local market(s) and markets in neighboring countries” (68.4%), and the second top reason was “Labor costs are low” (47.7%).

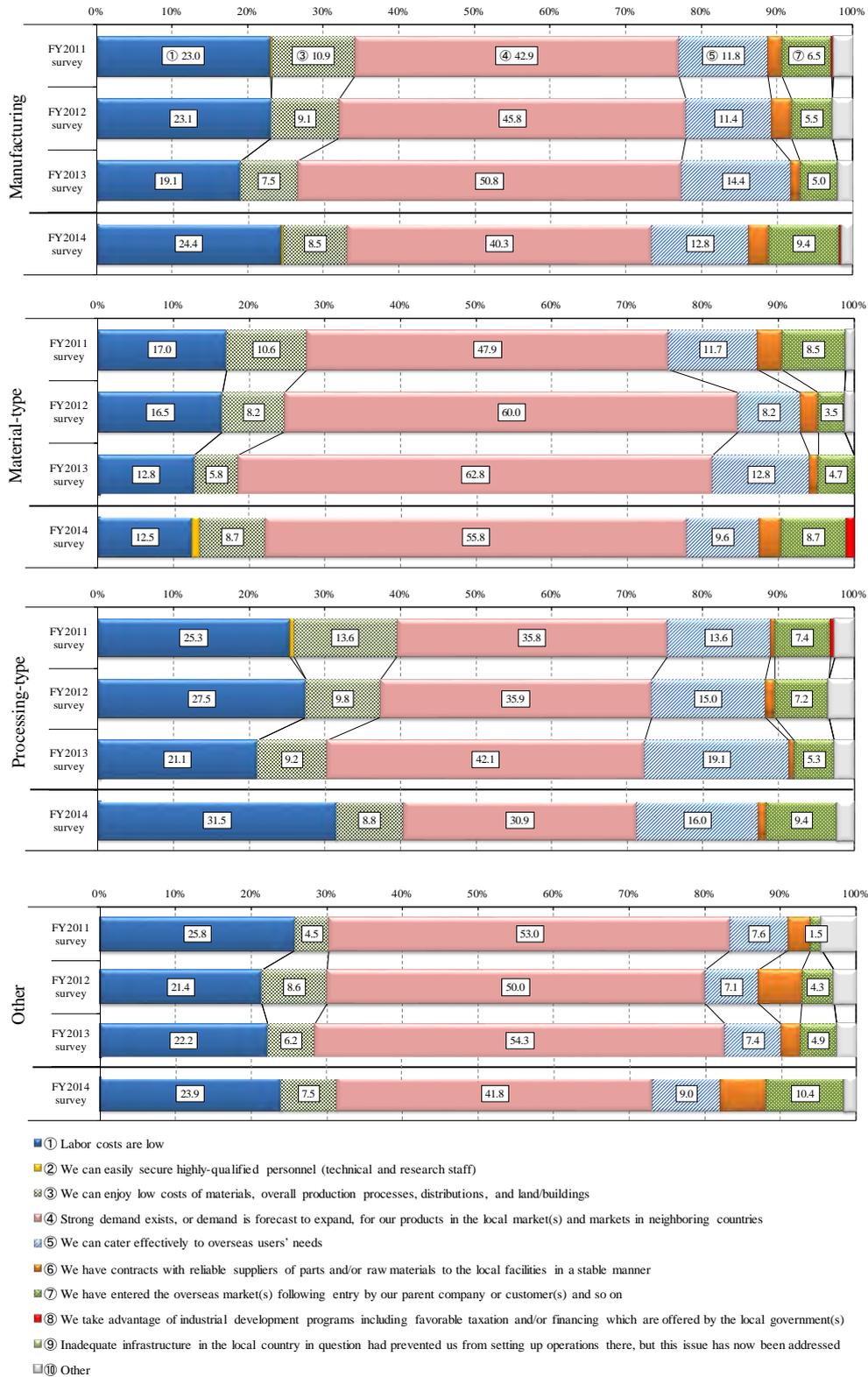
In terms of the “main reason” for having an overseas production base, “Strong demand exists, or demand is forecast to expand for our products in the local market(s) and markets in neighboring countries” was most commonly cited with 40.3%, followed by “Labor costs are low,” with 24.4%, “We can cater effectively to overseas users’ needs” with 12.8%, “We have entered the overseas market(s) following entry by our parent company or customer(s), and so on,” with 9.4%, and “We can enjoy low costs of materials, overall production processes, distribution, and land/buildings” with 8.5%. (Figure 6-10, Table 6-5).

After combining the main reason for having an overseas production base with other relevant reasons<sup>8)</sup>, the top reason was “Strong demand exists, or demand is forecast to expand for our products in the local market(s) and markets in neighboring countries” (68.4%), and the second top reason was that “Labor costs are low” (47.7%). (Table 6-6)

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<sup>8)</sup>Added up the number of the responses according to an item and calculated a composition ratio based on the number of companies that responded regarding “Main Reasons” and “Other relevant reasons” for having an overseas production base.

[Fig. 6-10] Changes in composition ratio of the “Main reason” for having an overseas production base  
(manufacturing industries)



Note) The question regarding the reason for having an overseas production base was changed in FY2014.  
 Until the FY2013 survey: “Please choose and circle the one that most applies to your company as the reason for having an overseas production base.”  
 FY2014 survey: “Please choose and circle the one that most applies to your company as the reason for having an overseas production base. (Main reason)  
 Please also circle the number in the section ‘Other relevant reasons (possible to choose up to two)’, if any other applies.”  
 Therefore, the “reason for having an overseas production base” until FY2013, and the “main reason for having an overseas production base” for FY2014 were used for this figure.



[Table 6-6] Reason for having an overseas production base (Main reason + Other relevant reasons)

Top 5 reasons (Manufacturing industries)

(%)

Manufacturing		Material-type		Processing-type		Other	
④ Strong demand exists, or demand is forecast to expand, for our products in the local market(s) and markets in neighboring countries	68.4	④ Strong demand exists, or demand is forecast to expand, for our products in the local market(s) and markets in neighboring countries	78.8	④ Strong demand exists, or demand is forecast to expand, for our products in the local market(s) and markets in neighboring countries	61.5	④ Strong demand exists, or demand is forecast to expand, for our products in the local market(s) and markets in neighboring countries	70.6
① Labor costs are low	47.7	⑤ We can cater effectively to overseas users' needs	45.2	① Labor costs are low	57.1	⑤ We can cater effectively to overseas users' needs	42.6
⑤ We can cater effectively to overseas users' needs	41.2	① Labor costs are low	35.6	⑤ We can cater effectively to overseas users' needs	38.5	① Labor costs are low	41.2
③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings	30.5	③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings	33.7	③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings	29.1	③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings	29.4
⑦ We have entered the overseas market(s) following entry by our parent company or customer(s) and so on	21.8	⑦ We have entered the overseas market(s) following entry by our parent company or customer(s) and so on	27.9	⑦ We have entered the overseas market(s) following entry by our parent company or customer(s) and so on	19.2	⑦ We have entered the overseas market(s) following entry by our parent company or customer(s) and so on	19.1

Note 1) The composition ratio of the “Main reason” and “Other relevant reasons” is based on the number of companies that responded.

Note 2) Responding companies can choose one “Main reason,” and up to two “Other relevant reasons.”