

FY2018 Annual Survey of Corporate Behavior

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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 2019
- 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 **«I. Listed Companies»**
All companies listed in the First Section and Second Section of the Tokyo and Nagoya Stock Exchange (2,669 companies as of November 1, 2018)
«II. Medium-sized and SMEs»
Medium-sized and SMEs with a capital of 0.1 to 1 billion yen (not incl.) among enterprises all over Japan (excl. enterprises covered in I. Listed Companies)
(7,672 enterprises) * The survey of Medium-sized and SMEs started in FY2016.
- 5 Survey method Self-reporting survey by mail or online, using prescribed questionnaire
- 6 Number of responding companies **«I. Listed Companies»**
1,106 (535 in manufacturing industries,
571 in non-manufacturing industries)
«II. Medium-sized and SMEs»
2,972 (1,343 in manufacturing industries,
1,629 in non-manufacturing industries)
- 7 Response rate **«I. Listed Companies»**
41.4%
«II. Medium-sized and SMEs»
38.7%

(Note) The sectors used in this survey were created by the Cabinet Office in accordance with the Industrial Classification (middle division) of the Securities Identification Code Committee. The breakdown for manufacturing industries is as follows.

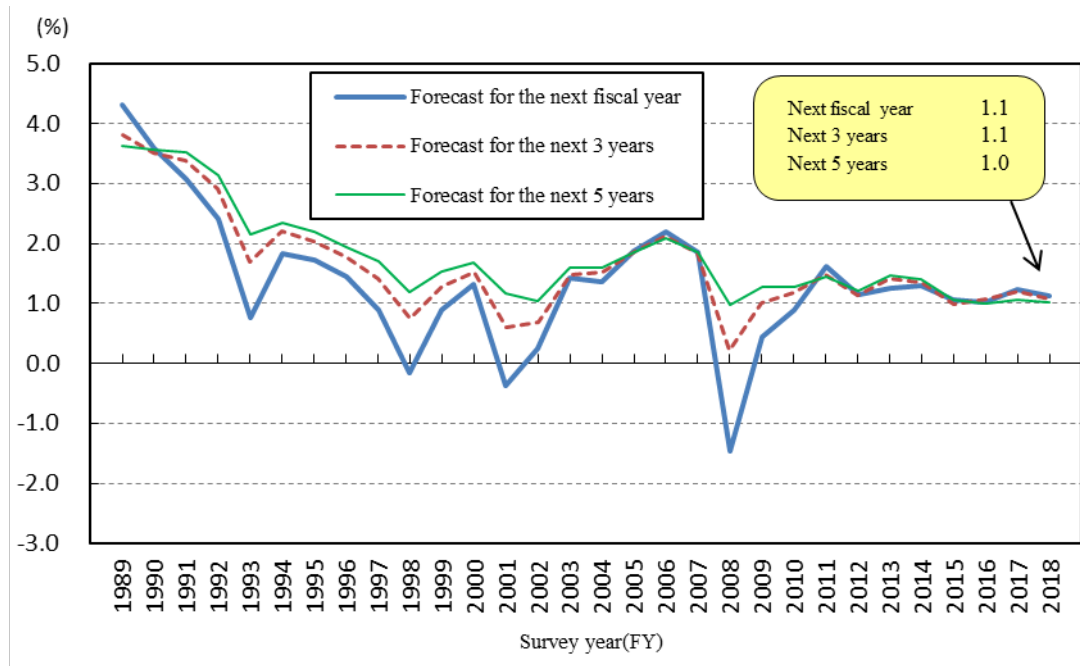
Material-type manufacturing industries:	Textiles & Apparels, Pulp & Paper, Chemicals, Iron & Steel, Nonferrous Metals
Processing-type manufacturing industries:	Machinery, Electric Appliances, Transportation Equipment, Precision Instruments
Other manufacturing industries:	Foods, Pharmaceutical, Oil &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

Results of the survey

《I. Listed Companies》

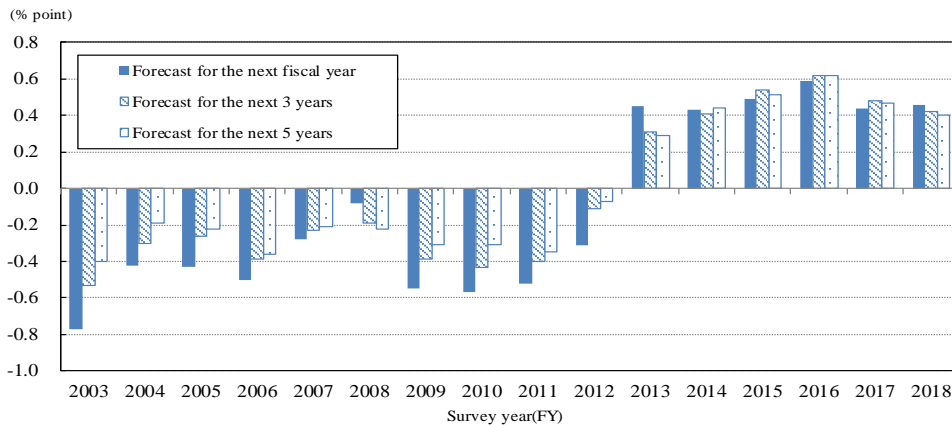
1 Business outlook and demand forecast

[Fig. 1-1-1] 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 FY2018 survey refers to the forecast for FY2019; the “forecast for the next 3 years” refers to the forecast for FY2019 to FY2021; and the “forecast for the next 5 years” refers to the forecast for FY2019 to FY2023 (fiscal year average).

[Fig. 1-1-2] 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 FY2018 survey refers to the forecast for FY2019; the “forecast for the next 3 years” refers to the forecast for FY2019 to FY2021; and the “forecast for the next 5 years” refers to the forecast for FY2019 to FY2023 (fiscal year average).

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

(%)

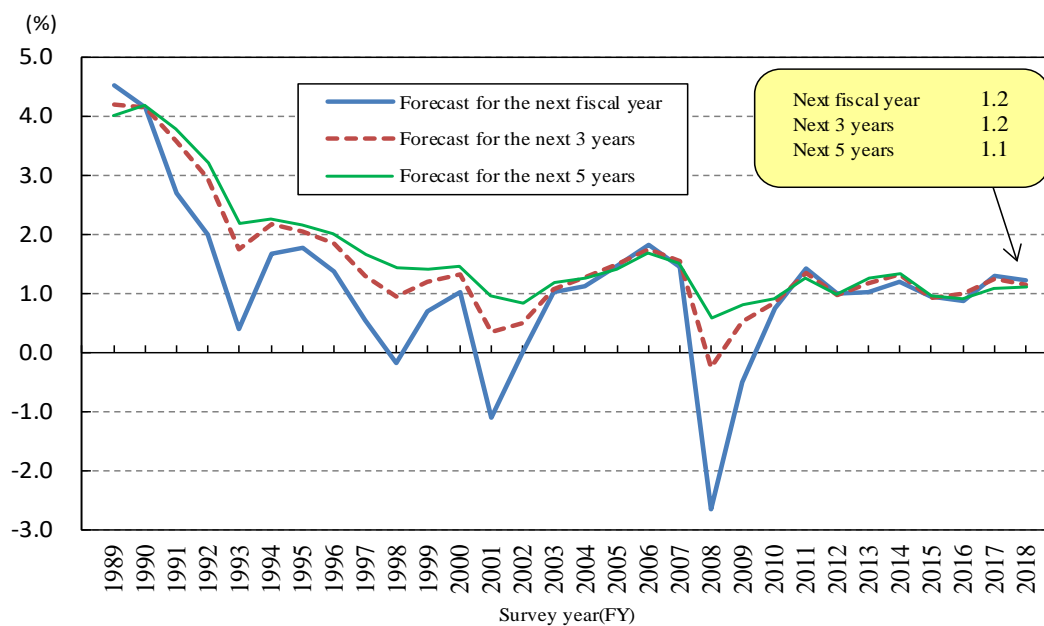
Survey year	Nominal economic growth rate			Real economic growth rate		
	Forecast for the next fiscal year	Forecast for the next 3 years	Forecast for the next 5 years	Forecast for the next fiscal year	Forecast for the next 3 years	Forecast for the next 5 years
FY 1989	-	-	-	4.3	3.8	3.6
1990	-	-	-	3.6	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
2015	1.6	1.5	1.6	1.1	1.0	1.1
2016	1.6	1.7	1.6	1.0	1.1	1.0
2017	1.7	1.7	1.5	1.2	1.2	1.1
2018	1.6	1.5	1.4	1.1	1.1	1.0

Note 1) With regard to the “forecast” for each fiscal year, for example, the “forecast for the next fiscal year” in the FY2018 survey refers to the forecast for FY2019; the “forecast for the next 3 years” refers to the forecast for FY2019 to FY2021; and the “forecast for the next 5 years” refers to the forecast for FY2019 to FY2023 (fiscal year average).

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

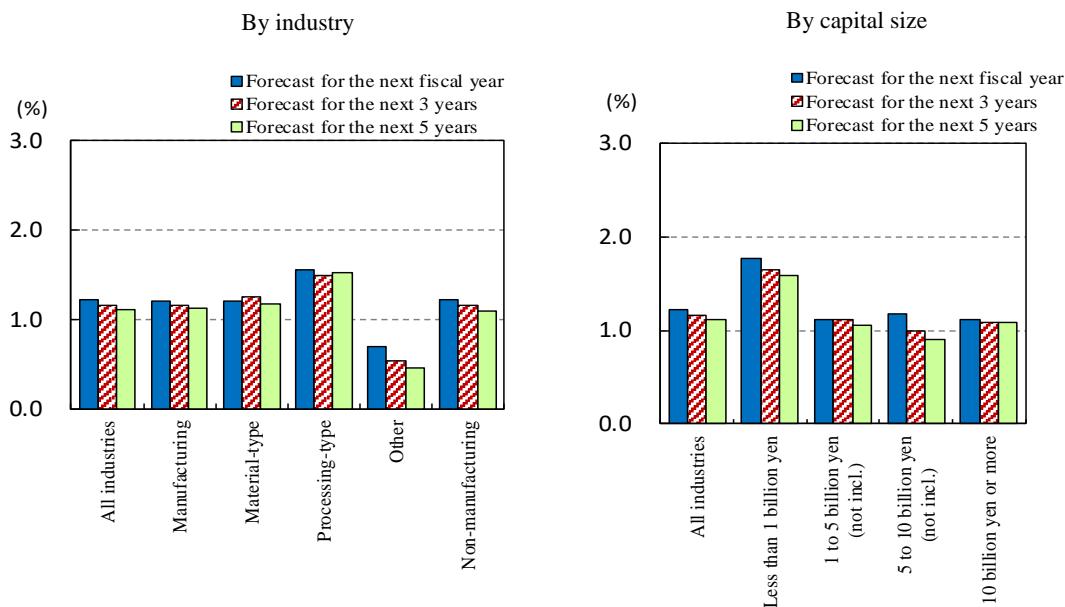
Note 3) For the survey results before FY1988, please refer to “Long-term time-series data” at the end of the book.

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



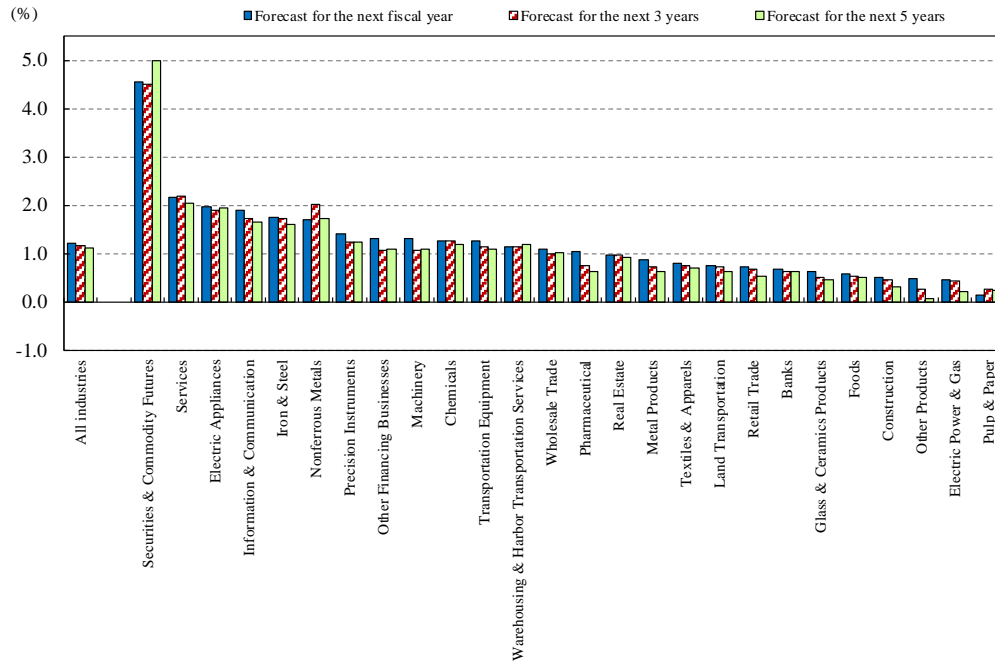
Note) With regard to the “forecast” for each fiscal year, for example, the “forecast for the next fiscal year” in the FY2018 survey refers to the forecast for FY2019; the “forecast for the next 3 years” refers to the forecast for FY2019 to FY2021; and the “forecast for the next 5 years” refers to the forecast for FY2019 to FY2023 (fiscal year average).

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



Note) The “forecast for the next fiscal year” in the FY2018 survey refers to the forecast for FY2019; the “forecast for the next 3 years” refers to the forecast for FY2019 to FY2021; and the “forecast for the next 5 years” refers to the forecast for FY2019 to FY2023 (fiscal year average).

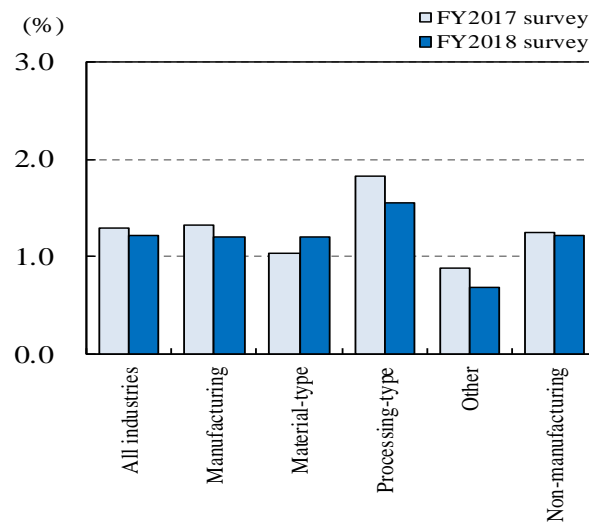
[Fig. 1-1-5] Real growth rate forecasts of industry demand by sector



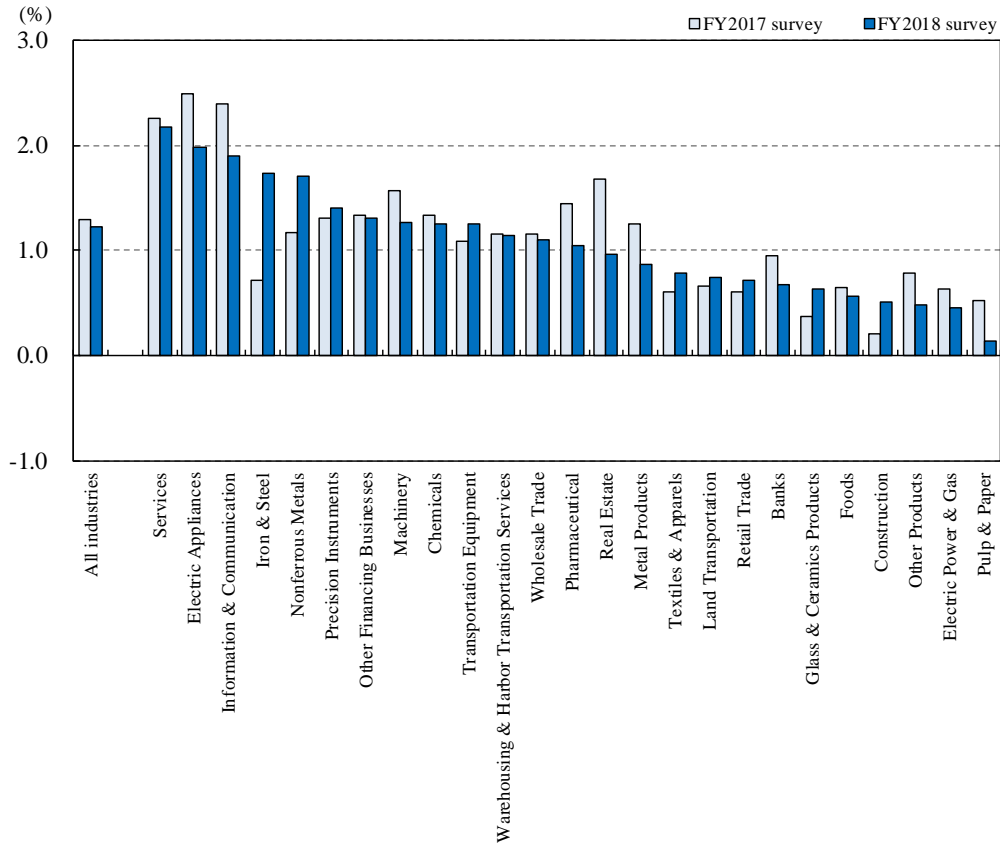
Note 1) The “forecast for the next fiscal year” in the FY2018 survey refers to the forecast for FY2019; the “forecast for the next 3 years” refers to the forecast for FY2019 to FY2021; and the “forecast for the next 5 years” refers to the forecast for FY2019 to FY2023 (fiscal year average).

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



[Fig. 1-1-7] 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 FY2017 and FY2018 survey.

[Table 1-1-2] 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
2015	1.3	1.3	1.3	1.0	0.9	1.0
2016	1.3	1.4	1.3	0.9	1.0	0.9
2017	1.6	1.6	1.4	1.3	1.3	1.1
2018	1.5	1.5	1.4	1.2	1.2	1.1

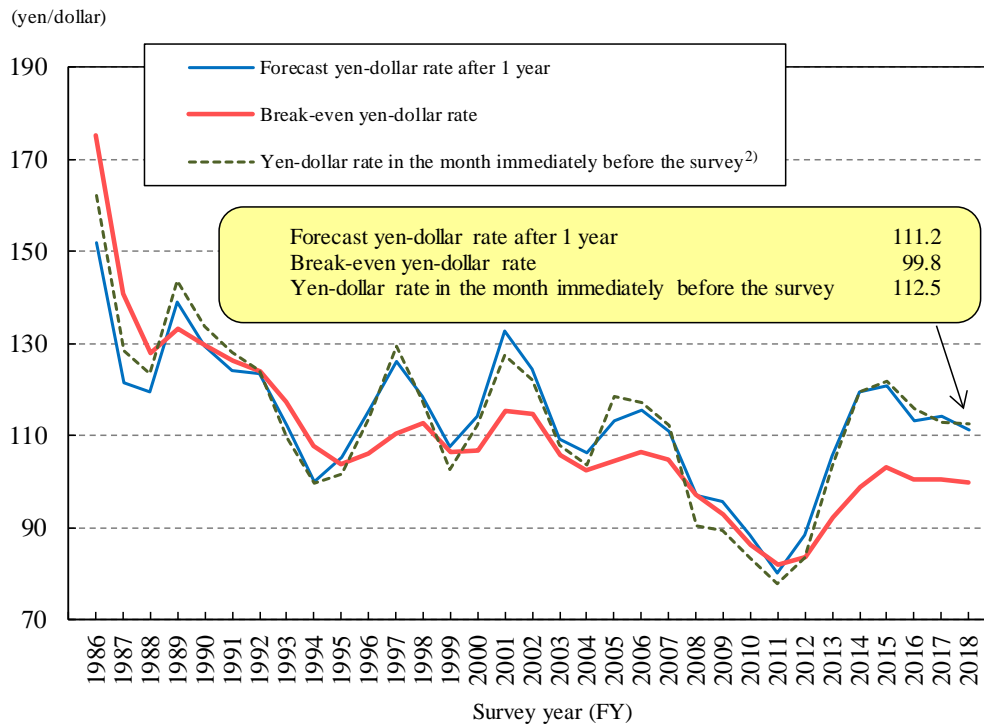
Note 1) With regard to the “forecast” for each fiscal year, for example, the “forecast for the next fiscal year” in the FY2018 survey refers to the forecast for FY2019; the “forecast for the next 3 years” refers to the forecast for FY2019 to FY2021; and the “forecast for the next 5 years” refers to the forecast for FY2019 to FY2023 (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

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



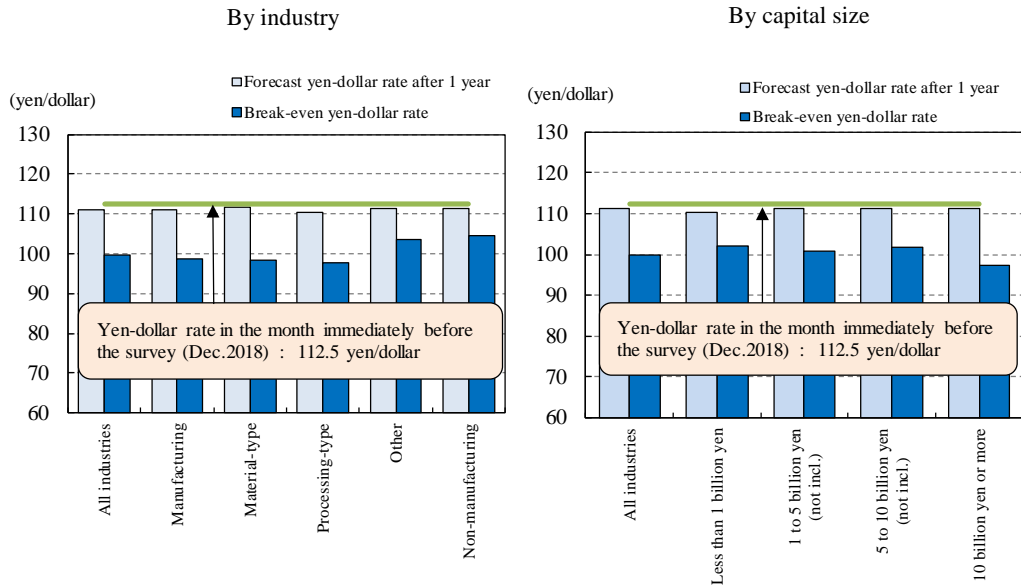
Note 1) “Forecast yen-dollar rate” is the average of the class values¹⁾, while “break-even yen-dollar rate” is the average of the actual reported numbers.

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

1) “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.

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

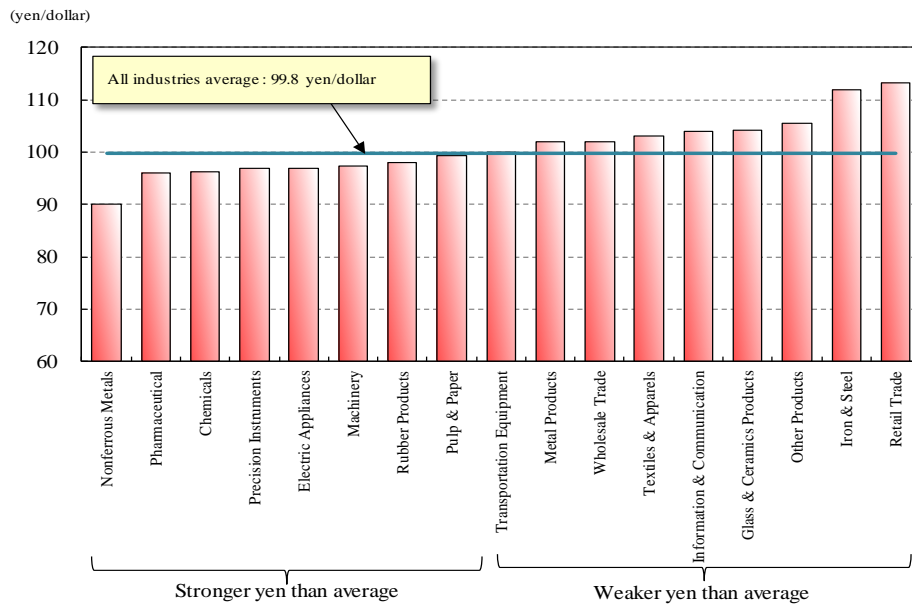
[Fig. 1-2-2] Forecast yen-dollar rate after 1 year and the break-even yen-dollar rate by industry and capital size



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. 1-2-3] 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.

[Table 1-2-1] 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
2015	120.9	103.2	121.8	17.7	18.7
2016	113.1	100.5	116.0	12.7	15.5
2017	114.3	100.6	113.0	13.7	12.4
2018	111.2	99.8	112.5	11.4	12.7

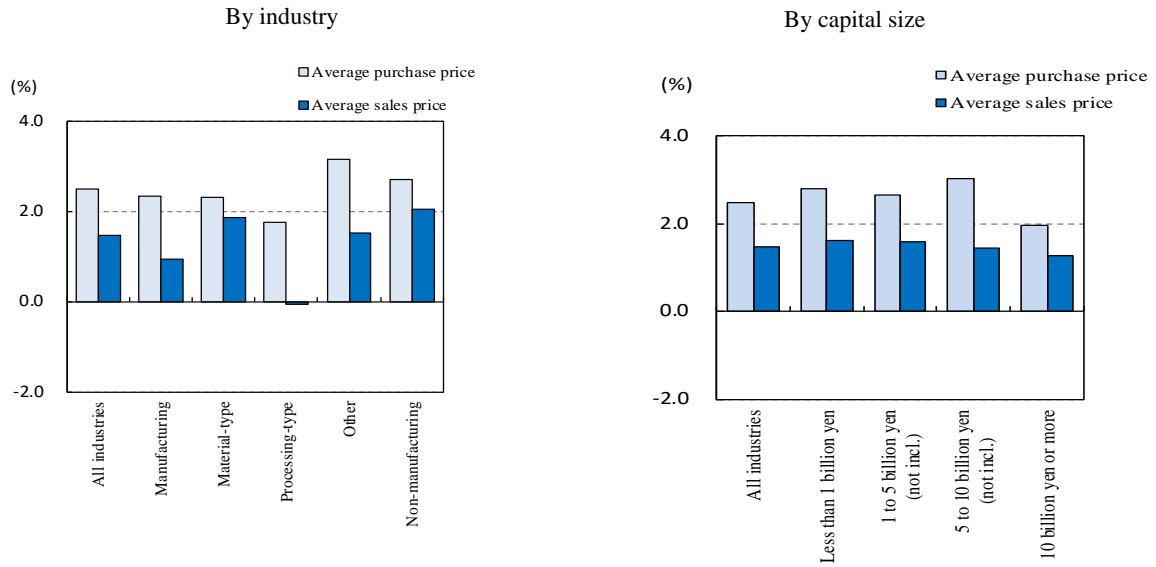
Note 1) "Forecast yen-dollar rate" is the average of the class values, while "break-even yen-dollar rate" is the average of the actual reported numbers.

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

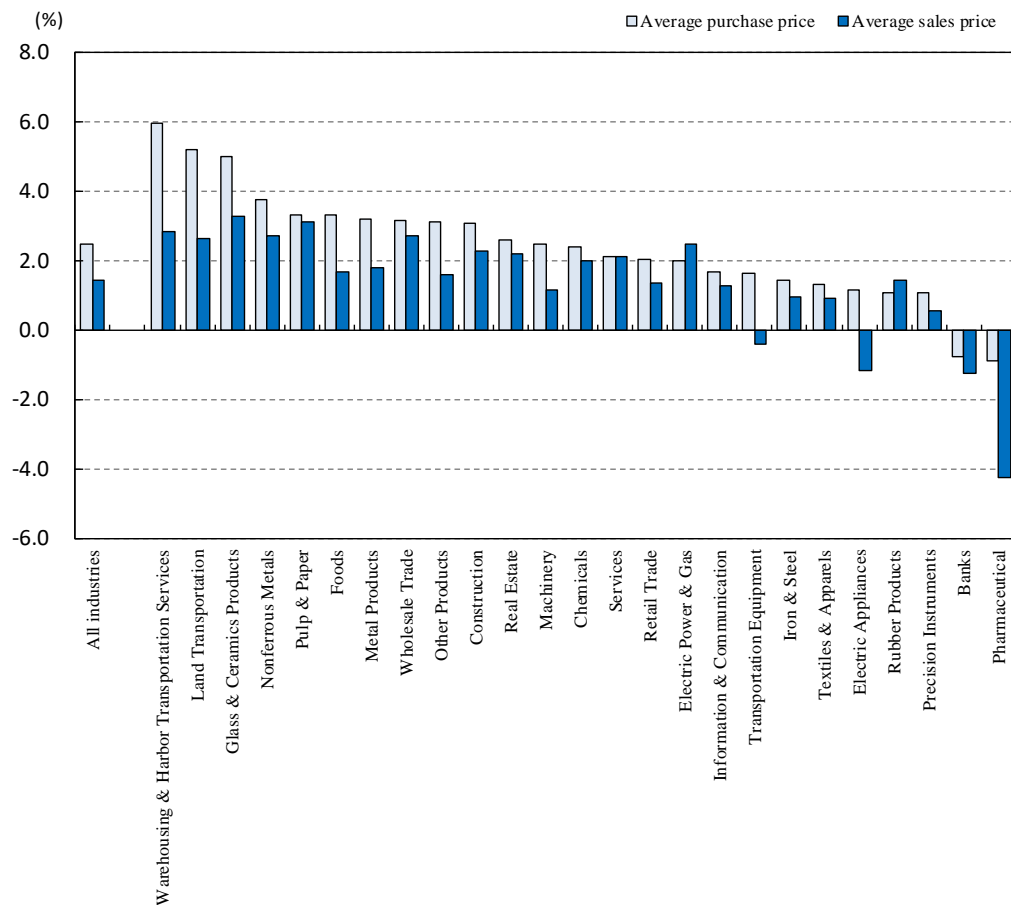
Note 3) "Yen-dollar rate in the month immediately before the survey" refers to figures in December, except for FY1994 and FY2008 (Figures in FY1994 and FY2008 are rates in January since the survey was conducted in February in those years).

3 Prices

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



[Fig. 1-3-2] 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."

[Table 1-3-1] Forecast rate of changes in average purchase and sales prices and the change in the terms of trade³⁾ after 1 year by industry and capital size

(%, %point)

		Average purchase price		Average sales price		Terms of trade	
		FY2018 survey	FY2017 survey	FY2018 survey	FY2017 survey	FY2018 survey	FY2017 survey
All industries		2.5	2.5	1.5	1.4	-1.0	-1.1
Industry	Manufacturing	2.3	2.3	0.9	0.9	-1.4	-1.4
	Material-type	2.3	3.1	1.9	2.2	-0.4	-0.9
	Processing-type	1.7	1.4	-0.1	-0.1	-1.8	-1.5
	Other	3.2	2.8	1.5	0.9	-1.6	-1.9
	Non-manufacturing	2.7	2.8	2.1	2.0	-0.7	-0.8
Capital size	Less than 1 billion yen	2.8	2.7	1.6	1.2	-1.2	-1.5
	1 to 5 billion yen (not incl.)	2.7	2.9	1.6	1.7	-1.1	-1.2
	5 to 10 billion yen (not incl.)	3.0	2.4	1.4	1.6	-1.6	-0.9
	10 billion yen or more	2.0	2.2	1.3	1.2	-0.7	-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 FY2018 Statistical Tables <I. Listed Companies> 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.

³⁾ Terms of Trade = Rate of change in average sales price – rate of change in average purchase price

[Table 1-3-2] 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)

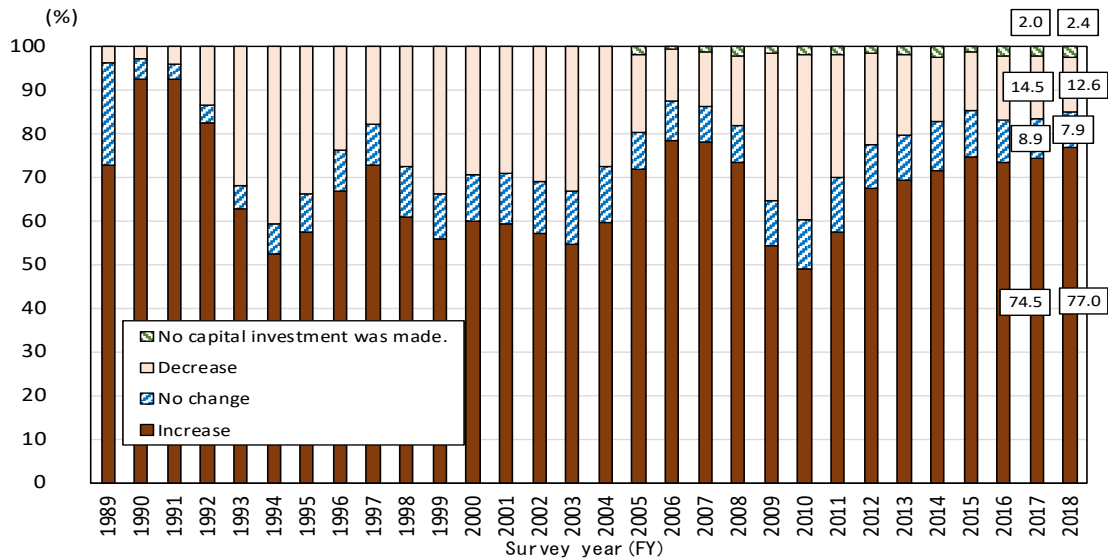
(%, %points)

Average purchase price class	Number of responding companies		Average sales price		terms of trade	
	FY2018 survey	FY2017 survey	FY2018 survey	FY2017 survey	FY2018 survey	FY2017 survey
- 20% or less	-	-	-	-	-	-
- 20%(not incl.)to -10%	3	2	-7.5	0.0	7.5	15.0
- 10%(not incl.)to - 5%	14	12	-4.5	-5.6	3.0	1.9
- 5%(not incl.)to 0%(not incl.)	70	76	-2.3	-2.3	0.2	0.2
0%	181	189	-0.1	-0.2	-0.1	-0.2
0%(not incl.)to 5%(not incl.)	499	486	1.6	1.7	-0.9	-0.8
5% to 10%(not incl.)	119	133	3.8	4.3	-3.7	-3.3
10% to 20%(not incl.)	25	24	10.1	10.0	-4.9	-5.0
20% or more	5	4	16.5	5.6	-3.5	-14.4

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

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

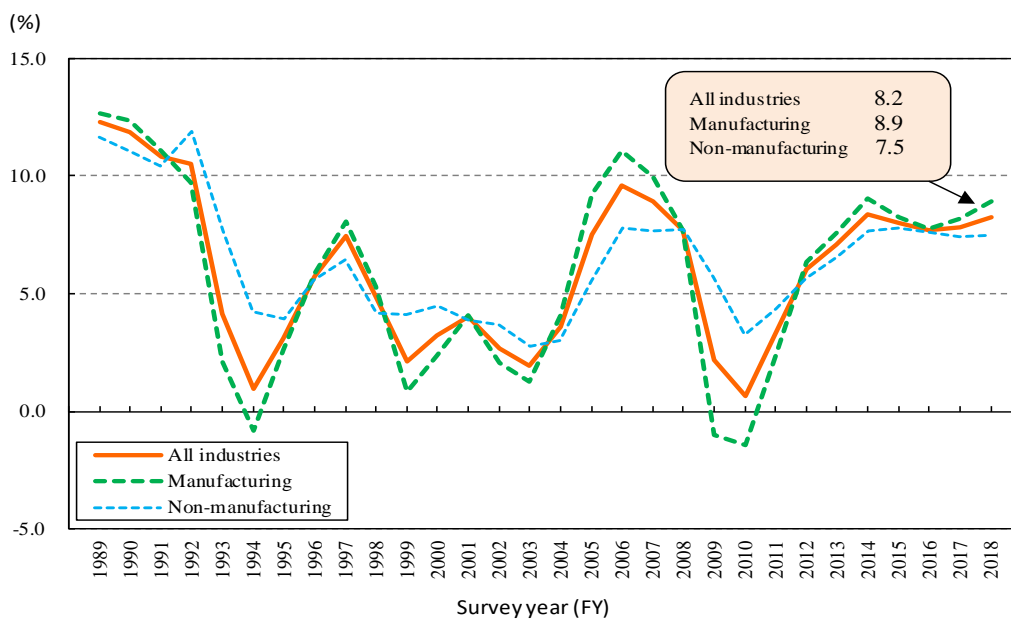


Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%, Decrease: Percentage of companies responding less than 0%.

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

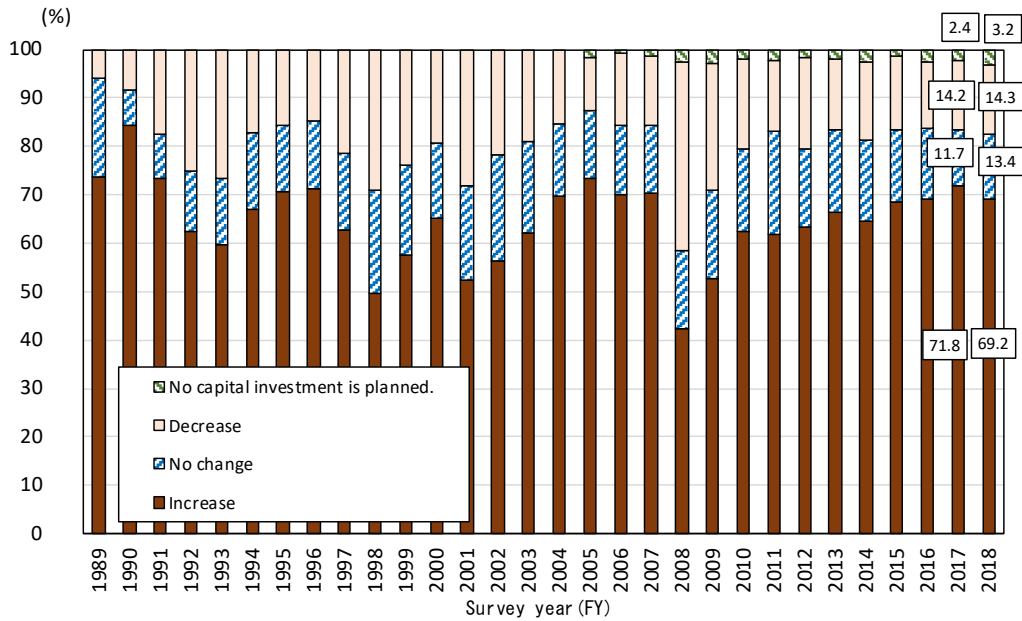
Note 3) The “past 3 years” means that, for example, the “past 3 years” for the FY2018 survey represents the period from FY2016 to FY2018

[Fig. 1-4-2] 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 FY2018 survey represents rate of change from FY2016 to FY2018 (fiscal year average).

[Fig. 1-4-3] Change in the percentage of companies expecting an increase or a decrease in capital investment over the next 3 years (all industries)

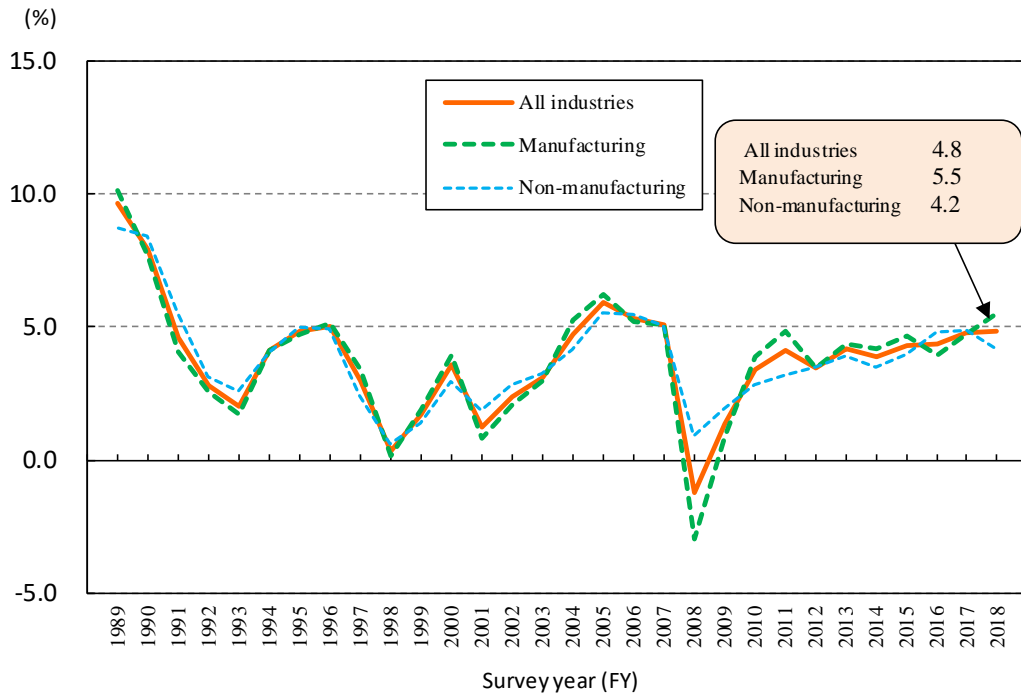


Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%, Decrease: Percentage of companies responding less than 0%.

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

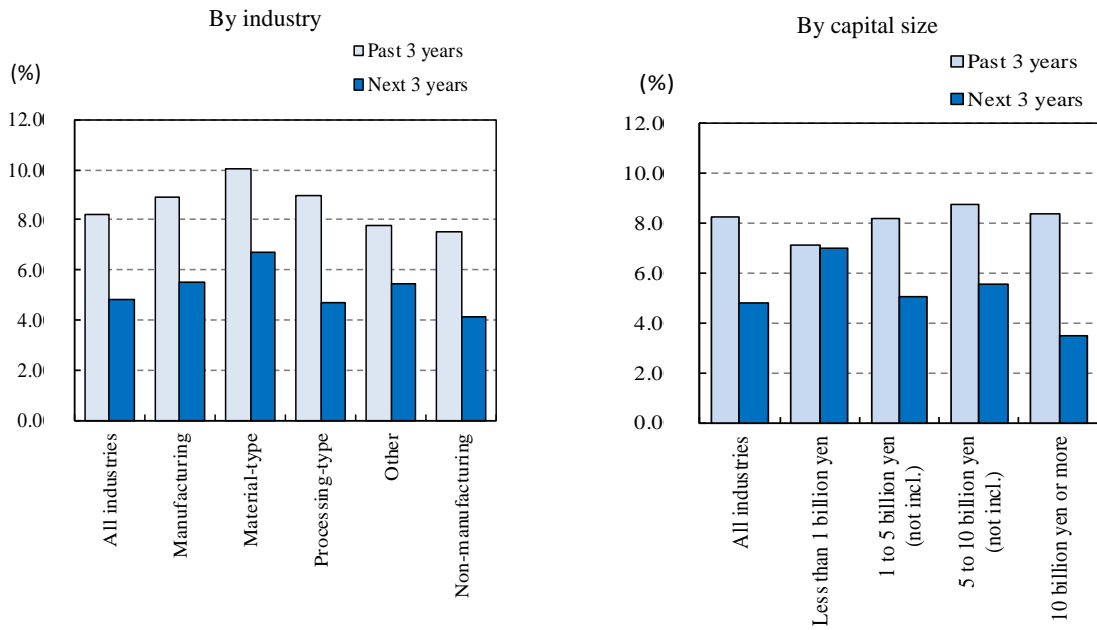
Note 3) The “next 3 years” means that, for example, the “next 3 years” for the FY2018 survey represents the period from FY2019 to FY2021.

[Fig. 1-4-4] Trend of growth rate forecasts of capital investment over the next 3 years by industry



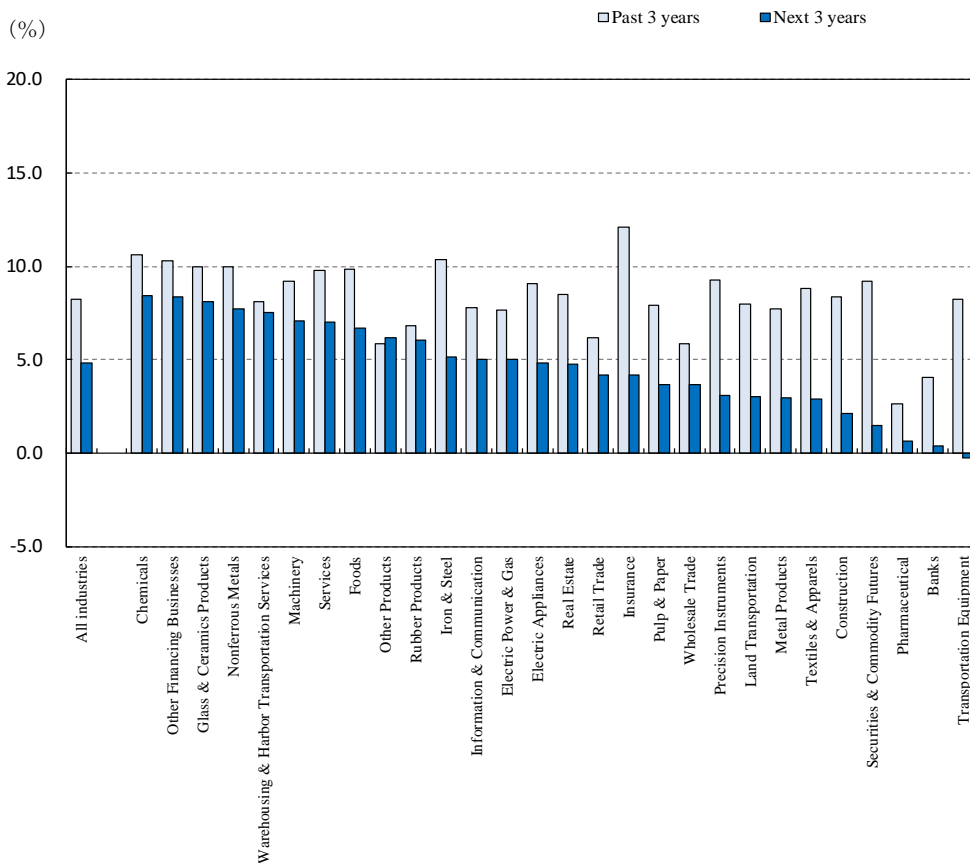
Note) With regard to the “next 3 years,” for example, the “next 3 years” in the FY2018 survey represents rate of change forecasts from FY2019 to FY2021 (fiscal year average).

[Fig. 1-4-5] Growth rate of capital investment by industry and capital size



Note) The “Past 3 years” represents the growth rate from FY2016 to FY2018 (fiscal year average), and the “next 3 years” represents growth rate forecasts from FY2019 to FY2021 (fiscal year average).

[Fig. 1-4-6] Growth rate of capital investment by sector



Note 1) The “Past 3 years” represents the growth rate from FY2016 to FY2018 (fiscal year average), and the “next 3 years” represents growth rate forecasts from FY2019 to FY2021 (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 1-4-1] 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
2015	74.6	10.7	13.5	1.2	68.4	15.1	15.0	1.5
2016	73.6	9.8	14.6	2.1	68.9	14.7	13.6	2.6
2017	74.5	8.9	14.5	2.0	71.8	11.7	14.2	2.4
2018	77.0	7.9	12.6	2.4	69.2	13.4	14.3	3.2

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 FY2018 survey represents from FY2016 to FY2018, and from FY2019 to FY2021, respectively.

[Table 1-4-2] Transition of growth rate of capital investment by industry

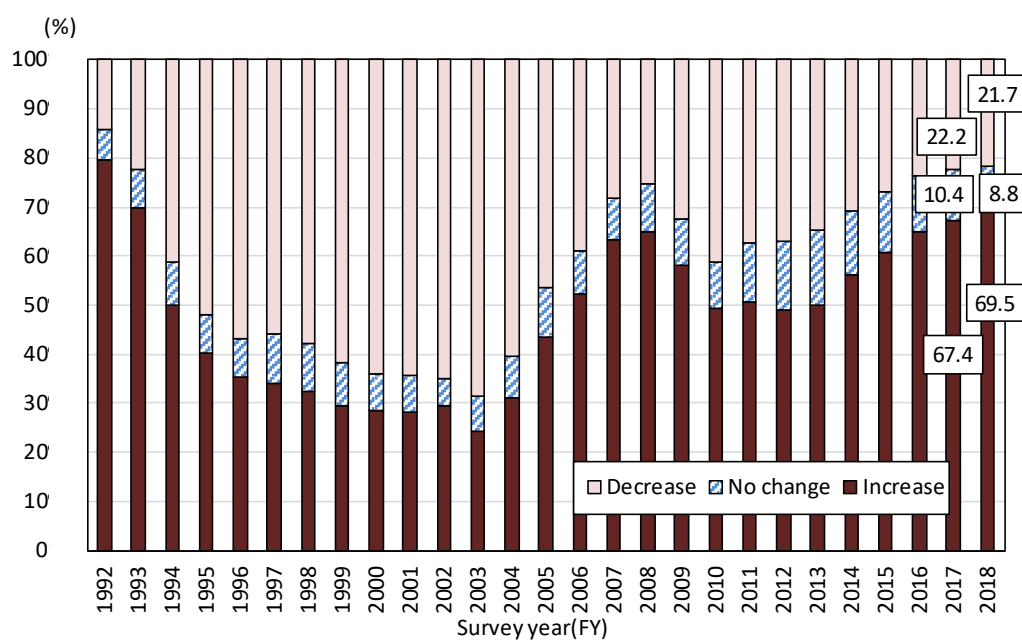
(%)

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
2015	8.0	8.3	7.8	4.3	4.7	4.0
2016	7.7	7.8	7.6	4.4	4.0	4.8
2017	7.8	8.2	7.5	4.8	4.7	4.9
2018	8.2	8.9	7.5	4.8	5.5	4.2

Note) With regard to the “past 3 years” and the “next 3 years,” for example, the “past 3 years” in the FY2018 survey represents rate of change from FY2016 to FY2018 (fiscal year average), and the “next 3 years” represents rate of change forecasts from FY2019 to FY2021 (fiscal year average).

5 Change in the number of employees

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



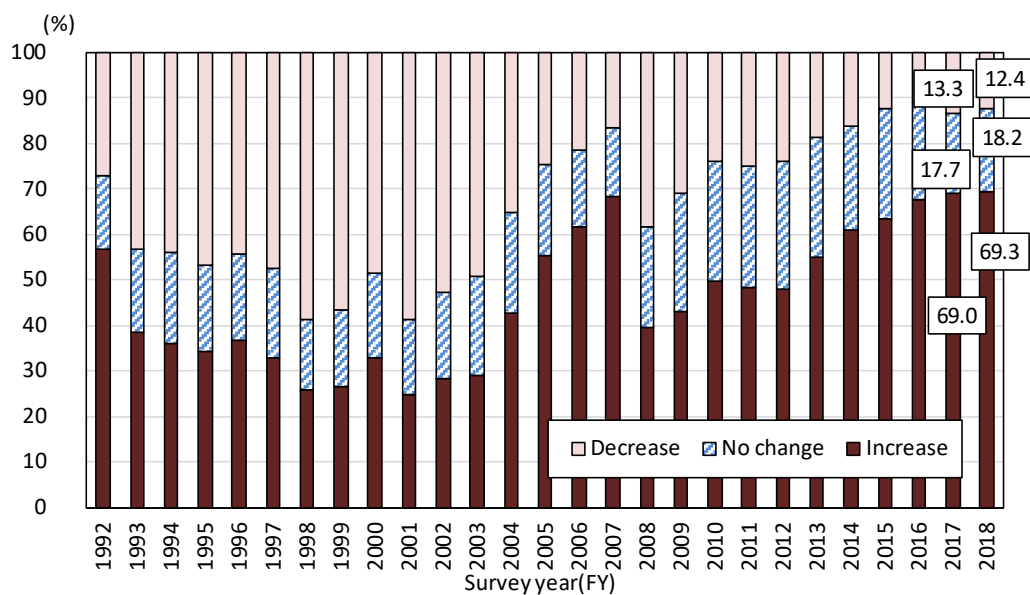
Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%, Decrease: Percentage of companies responding less than 0%.

Note 2) The “past 3 years” means that, for example, the “past 3 years” for the FY2018 survey represents the period from FY2016 to FY2018.

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.”)

[Fig. 1-5-2] Change in the percentage of companies expecting an increase or a decrease in employees over the next 3 years (all industries)



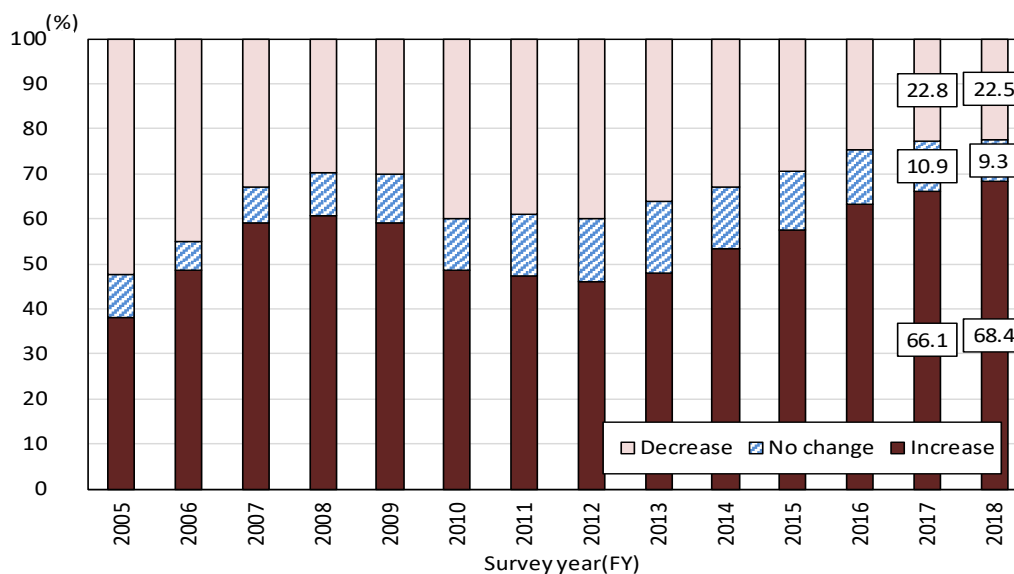
Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%,
Decrease: Percentage of companies responding less than 0%.

Note 2) The “next 3 years” means that, for example, the “next 3 years” for the FY2018 survey represents the period from FY2019 to FY2021.

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.”)

[Fig. 1-5-3] Change in the percentage of companies that increased or decreased full-time employees among their employees for the past 3 years (all industries)



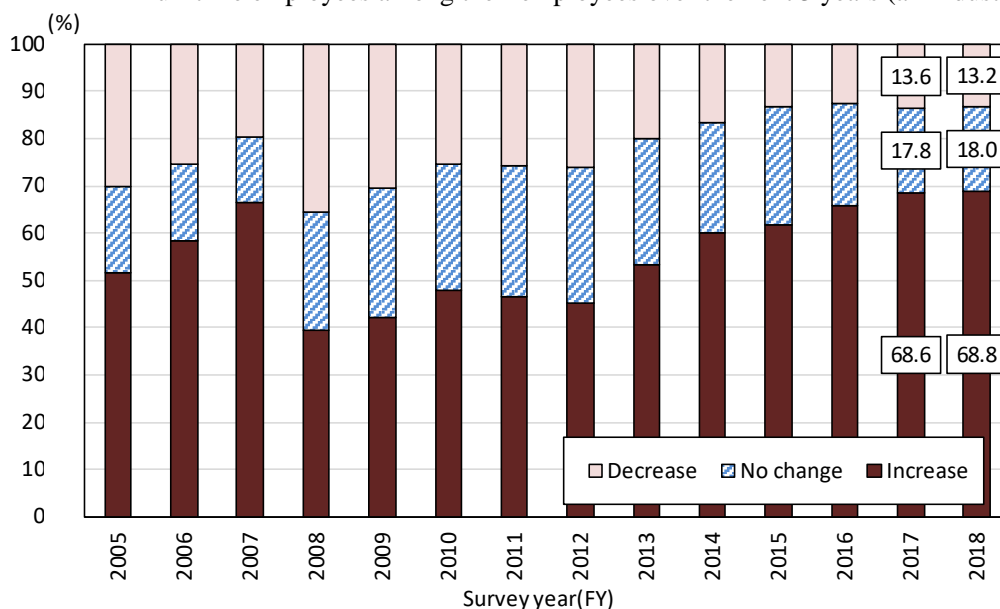
Note 1) Increase: Percentage of companies responding over 0%, No change: Percentage of companies responding 0%, Decrease: Percentage of companies responding less than 0%.

Note 2) The “past 3 years” means that, for example, the “past 3 years” for the FY2018 survey represents the period from FY2016 to FY2018.

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

Note 4) The item name “regular employees” was changed to “full-time employees” in FY2016.

[Fig. 1-5-4] Change in the percentage of companies expecting an increase or a decrease in full-time employees among their 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 FY2018 survey represents the period from FY2019 to FY2021.

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

Note 4) The item name “regular employees” was changed to “full-time employees” in FY2016.

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

(%)

Survey year	Past 3 years						Next 3 years					
				Full-time employees						Full-time 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
2015	60.9	12.1	27.0	57.4	13.2	29.3	63.6	24.1	12.4	61.7	25.1	13.2
2016	64.9	11.4	23.6	63.2	12.2	24.7	67.8	21.3	11.0	65.9	21.6	12.6
2017	67.4	10.4	22.2	66.1	10.9	22.8	69.0	17.7	13.3	68.6	17.8	13.6
2018	69.5	8.8	21.7	68.4	9.3	22.5	69.3	18.2	12.4	68.8	18.0	13.2

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 FY2018 survey represents from FY2016 to FY2018, and from FY2019 to FY2021, respectively.

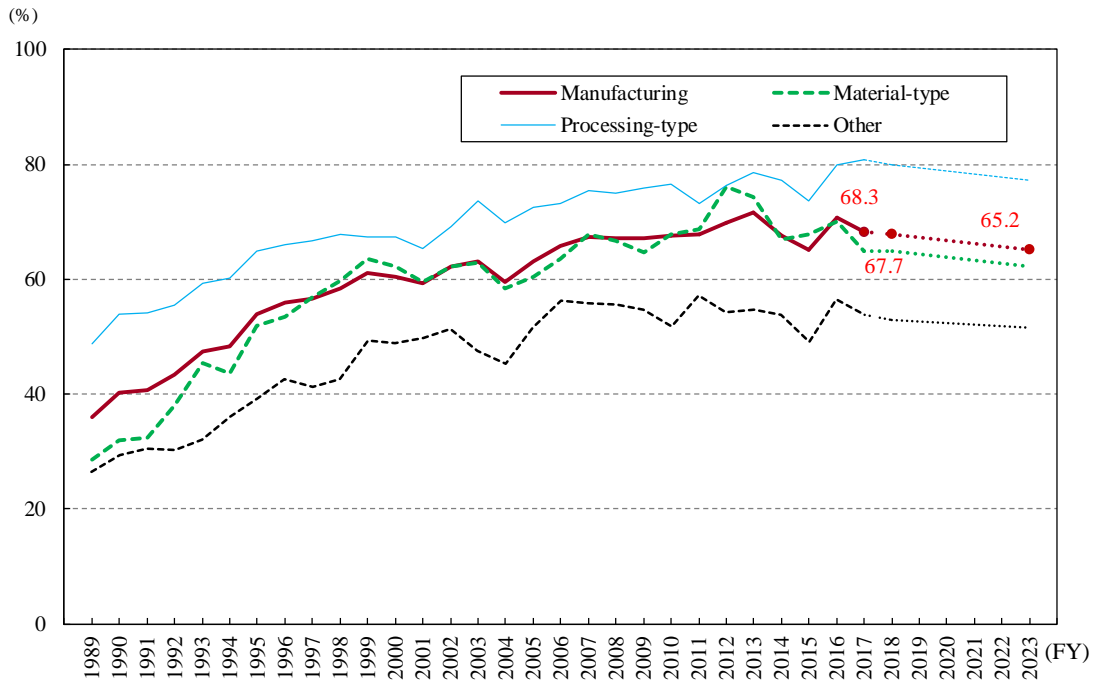
Note 3) Survey of ratio of change in overall employees started from FY1992. Survey of ratio of change in “regular employees” (among overall employees) started from FY2005.

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.”)

Note 5) The item name “regular employees” was changed to “full-time employees” in FY2016.

6 Overseas production ratio and reverse imports ratio

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



Note) FY2018 represents the estimate of the actual result, FY2023 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 FY2017 is the ratio of companies that entered the value for “FY2017 actual result” in the FY2018 survey.)

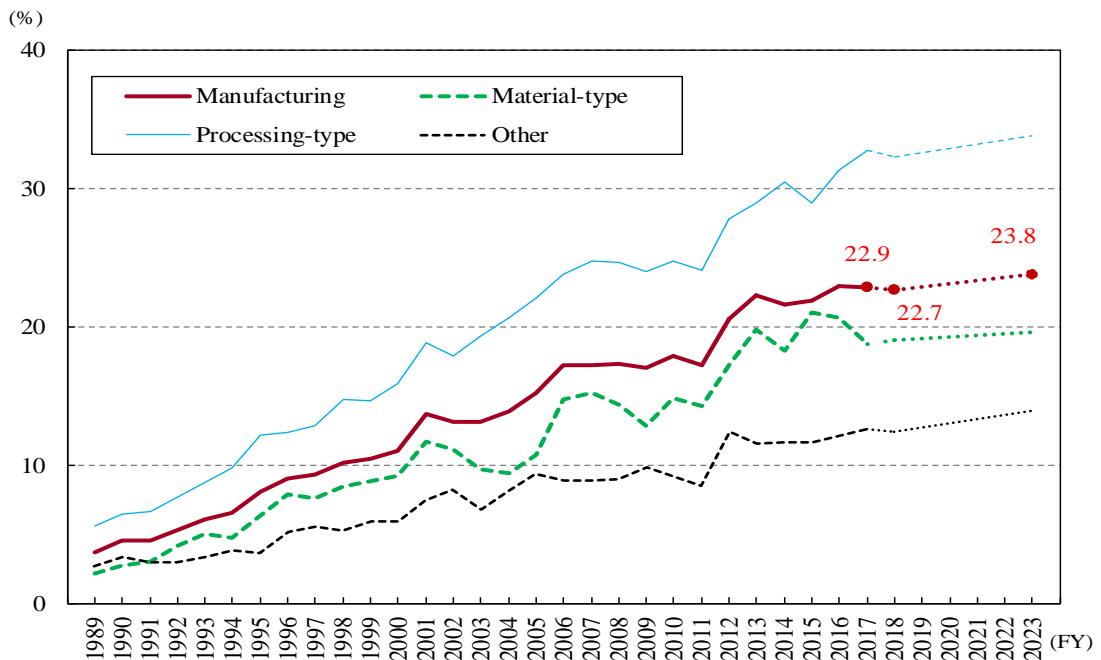
[Table 1-6-1] Ratio of companies that conduct overseas production (manufacturing industries)

(%)

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	67.5	66.9	77.2	53.7
2015	65.1	67.9	73.7	49.0
2016	70.7	70.1	80.0	56.5
2017	68.3	64.9	80.8	53.7
2018	67.7	64.9	80.0	52.8
2023	65.2	62.2	77.3	51.5

Note) FY2018 represents the estimate of the actual result, FY2023 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 FY2017 is the ratio of companies that entered the value for “FY2017 actual result” in the FY2018 survey.)

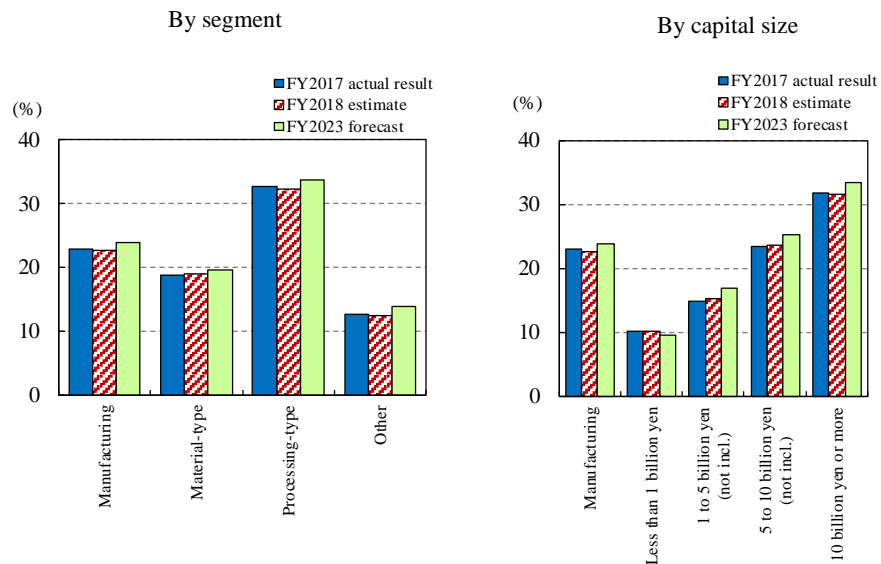
[Fig. 1-6-2] Transition of overseas production ratios (manufacturing industries)



Note 1) FY2018 represents the estimate of the actual result, FY2023 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 FY2017 is the value for “FY2017 actual result” in the FY2018 survey.)

Note 2) Simple average of responding companies including those that reported 0.0% for the overseas production ratio⁴⁾.

[Fig. 1-6-3] Overseas production ratio by manufacturing industry segment and capital size

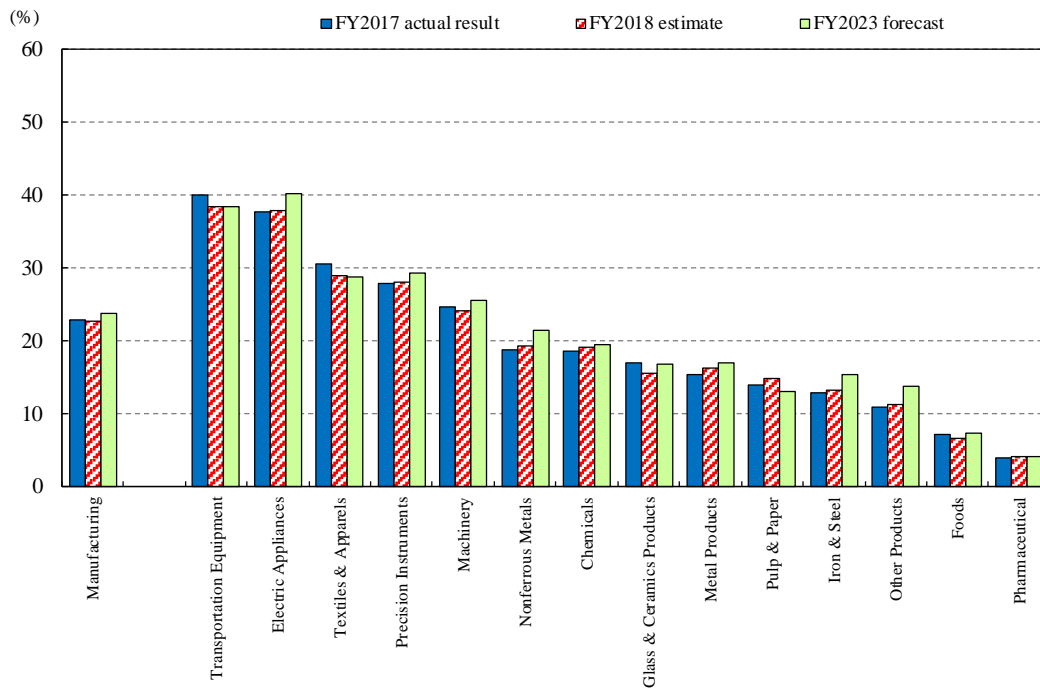


Note) Simple average of responding companies including those that reported 0.0% for the overseas production ratio.

⁴⁾ 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.

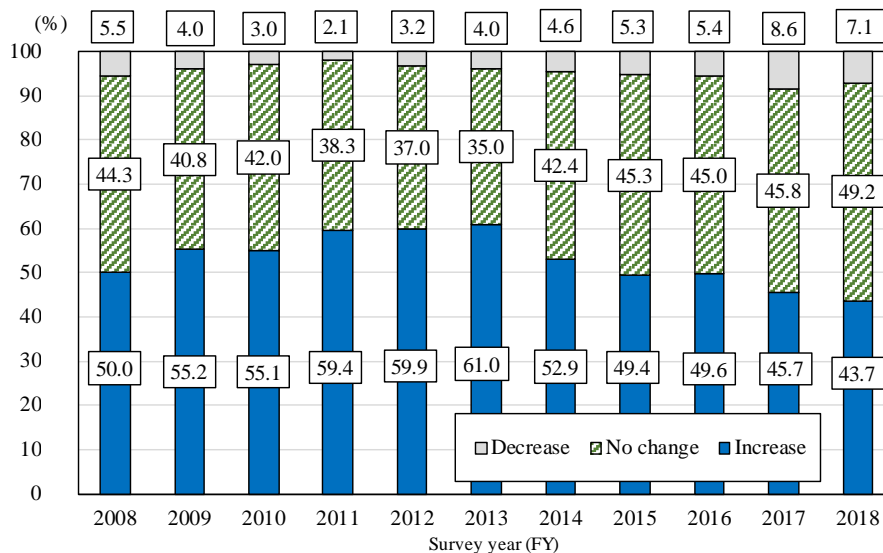
[Fig. 1-6-4] Overseas production ratio by sector (manufacturing industries)



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 “FY2017 actual result,” “FY2018 estimate” and “FY2023 forecast.”

[Fig. 1-6-5] 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 FY2018, if the values after subtracting “FY2018 estimate” from “FY2023 forecast” of each responding company are plus, equal, and minus, it is “Increase,” “No change,” and “Decrease.”)

[Table 1-6-2] 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	21.6	18.4	30.5	11.7
2015	21.9	21.1	29.0	11.7
2016	23.0	20.7	31.3	12.2
2017	22.9	18.8	32.7	12.7
2018	22.7	19.1	32.3	12.5
2023	23.8	19.6	33.8	13.9

Note 1) FY2018 represents the estimate of the actual figure, FY2023 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 FY2017 is the value for “FY2017 actual result” in the FY2018 survey.)

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

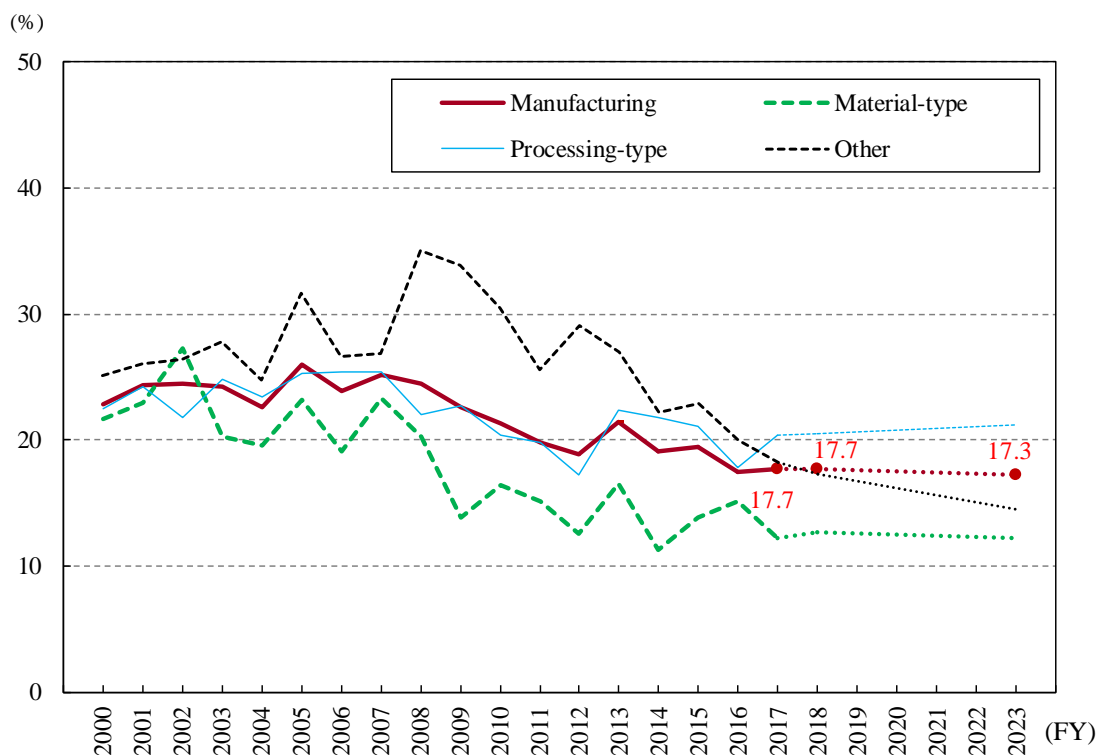
[Table 1-6-3] The percentage of companies expecting an increase or a decrease
in overseas production ratio (Manufacturing)

(%)

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
2015	49.4	45.3	5.3
2016	49.6	45.0	5.4
2017	45.7	45.8	8.6
2018	43.7	49.2	7.1

Note) Increase: "Forecast" – "Estimate" > 0, No change: "Forecast" – "Estimate" = 0, Decrease: "Forecast" – "Estimate" < 0.
(In FY2018, if the values after subtracting "FY2018 estimate" from "FY2023 forecast" of each responding company are plus, equal, and minus, it is "Increase," "No change," and "Decrease.")

[Fig. 1-6-6] Transition of the ratio of reverse imports (manufacturing industries)



Note 1) FY2018 represents the estimate of the actual result, FY2023 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 FY2017 is the value for “FY2017 actual result” in the FY2018 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 ratio⁵⁾.

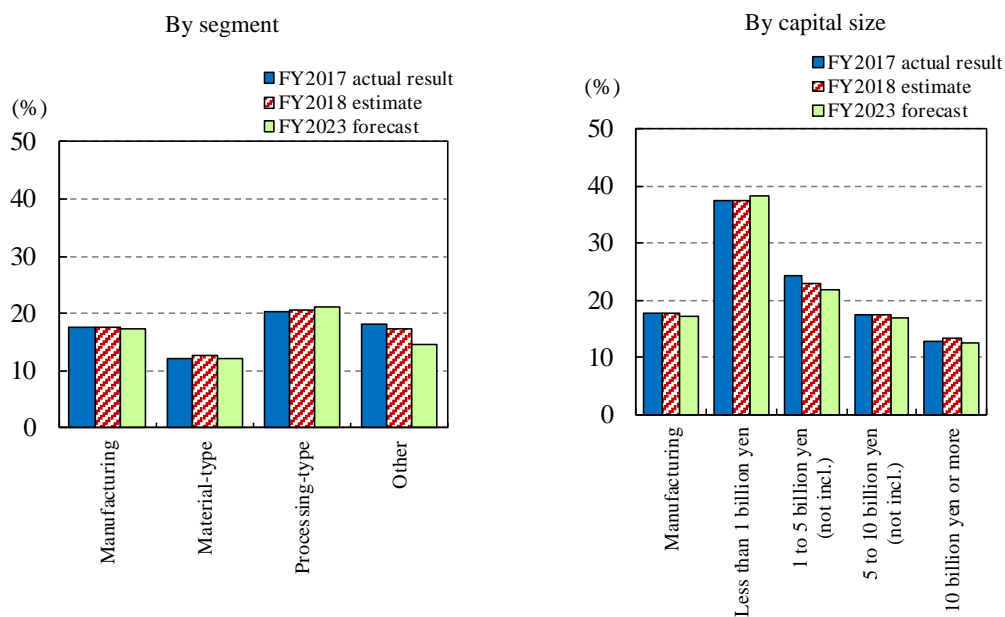
Note 3) The survey of the ratio of reverse imports started in FY2001.

⁵⁾ Reverse imports ratio = Export volume to Japan / Volume of overseas local production

The ratio excludes companies that reported 0.0% in overseas production ratio.

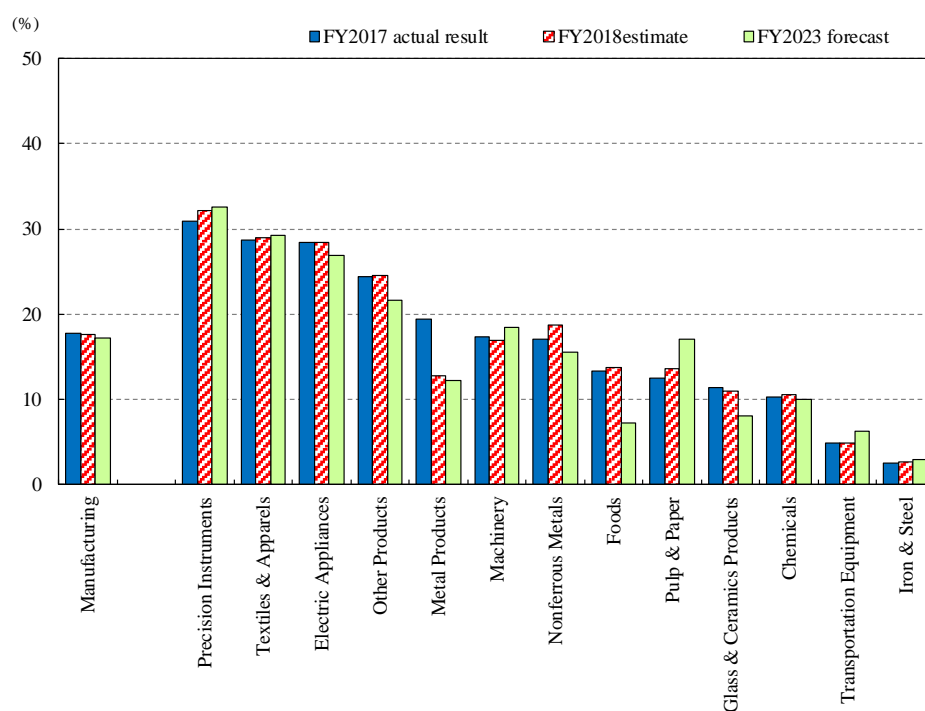
Simple average of responding companies including those that reported 0.0% in the ratio of reverse imports.

[Fig. 1-6-7] 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. 1-6-8] 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 "FY2017 actual result," "FY2018 estimate" and "FY2023 forecast."

[Table 1-6-4] 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	19.1	11.3	21.8	22.3
2015	19.5	13.8	21.2	22.9
2016	17.5	15.1	17.9	20.0
2017	17.7	12.2	20.4	18.2
2018	17.7	12.6	20.5	17.3
2023	17.3	12.2	21.2	14.5

Note 1) FY2018 represents the estimate of the actual result, FY2023 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 FY2017 is the value for “FY2017 actual result” in the FY2018 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.

[Table 1-6-5] Reason for having an overseas production base (Main reason + Other relevant reasons)⁶⁾
Top 5 reasons (Manufacturing industries)

FY2018 survey

(%)

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	70.8	④ Strong demand exists, or demand is forecast to expand, for our products in the local market(s) and markets in neighboring countries	82.3	④ Strong demand exists, or demand is forecast to expand, for our products in the local market(s) and markets in neighboring countries	63.1	④ Strong demand exists, or demand is forecast to expand, for our products in the local market(s) and markets in neighboring countries	74.1
⑤ We can cater effectively to overseas users' needs	48.6	⑤ We can cater effectively to overseas users' needs	51.0	⑤ We can cater effectively to overseas users' needs	48.0	⑤ We can cater effectively to overseas users' needs	47.1
① Labor costs are low	40.6	① Labor costs are low	31.3	① Labor costs are low	46.9	① Labor costs are low	37.6
③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings	27.5	⑦ We have entered the overseas market(s) following entry by our parent enterprise or customer(s) and so on	27.1	③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings	34.1	③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings	20.0
⑦ We have entered the overseas market(s) following entry by our parent enterprise or customer(s) and so on	21.7	③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings	21.9	⑦ We have entered the overseas market(s) following entry by our parent enterprise or customer(s) and so on	20.1	⑦ We have entered the overseas market(s) following entry by our parent enterprise or customer(s) and so on	18.8

FY2017 survey

(%)

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	74.8	④ Strong demand exists, or demand is forecast to expand, for our products in the local market(s) and markets in neighboring countries	80.6	④ Strong demand exists, or demand is forecast to expand, for our products in the local market(s) and markets in neighboring countries	67.8	④ Strong demand exists, or demand is forecast to expand, for our products in the local market(s) and markets in neighboring countries	82.9
⑤ We can cater effectively to overseas users' needs	51.8	⑤ We can cater effectively to overseas users' needs	51.5	⑤ We can cater effectively to overseas users' needs	52.8	⑤ We can cater effectively to overseas users' needs	50.0
① Labor costs are low	41.4	③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings ⑦ We have entered the overseas market(s) following entry by our parent enterprise or customer(s) and so on	34.0	① Labor costs are low	48.9	① Labor costs are low	36.6
③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings	34.2	① Labor costs are low	32.0	③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings	36.7	③ We can enjoy low costs of materials, overall production processes, distributions, and land/buildings	29.3
⑦ We have entered the overseas market(s) following entry by our parent enterprise or customer(s) and so on	23.8	⑥ We have contracts with reliable suppliers of parts and/or raw materials to the local facilities in a stable manner	11.7	⑦ We have entered the overseas market(s) following entry by our parent enterprise or customer(s) and so on	20.0	⑦ We have entered the overseas market(s) following entry by our parent enterprise or customer(s) and so on	19.5

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."

⁶⁾ 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

[Fig. 1-6-9] Changes in composition ratio of the "Main reason" for having an overseas production

base (manufacturing industries)

