

Duke's Fuqua School of Business / CFO Magazine Business Outlook

Results for 51 Japanese firms (own-firm changes expected during the next 12 months)

	Sept 2014	Jun 2014	Mar 2014	Dec 2013	Sept 2013
Weighted Averages for	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months
Earnings growth*	20.3%	7.6%	8.3%	28.1%	14.4%
Capital spending	0.9%	10.7%	7.8%	3.0%	23.2%
Technology spending	1.7%	9.7%	3.8%	2.8%	0%
R&D spending	4.4%	5.6%	5.3%	5.4%	6.5%
Advertising and marketing spending	5.8%	8.3%	2.3%	1.6%	0.8%
Employment – full-time	1.3%	0.5%	2.4%	0.2%	0.6%
Employment – temporary	-1.4%	-0.5%	1.7%	-3.7%	-6.6%
Outsourced Employment	3.1%	4.8%	1.7%	7.6%	2.4%
Wages and Salaries	2.9%	2.2%	1.8%	2.5%	2.3%
Productivity	3.1%	3.4%	3.0%	4.4%	1.1%
Inflation (Chg in prices of own-firm products)	2.2%	0.3%	1.9%	2.5%	0.6%
Dividends*	11.9%	19.9%	7.9%	10.4%	4.6%
Share Repurchases*	-6.8%	0.0%	-13.5%	0.6%	0%
Cash on balance sheet*	-3.2%	6.2%	-1.6%	4.2%	-8.6%
Revenue	3.6%	3.6%	4.4%	6.4%	6.9%
Mergers and Acquisitions	Not asked.	Not asked.	47.8% plan to acquire; Foreign targets in 43.9% of acq. 18.5% plan to sell part or all of firm.	Not asked.	Not asked.

* indicates public firms only. All other numbers are for all survey respondents (including private). The reported averages are weighted by revenue or number of employees, so that large firms are weighted more heavily.

Japanese BUSINESS OPTIMISM
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	Sept 2014	Jun 2014	Mar 2014	Dec 2013	Sept 2013
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More opt: 35.3% Less opt: 5.9% No chg: 58.8%	More opt: 47.8% Less opt: 6.5% No chg: 45.7%	More opt: 56.9% Less opt: 13.7% No chg: 29.4%	More opt: 64.5% Less opt: 3.9% No chg: 31.6%	More opt: 45.7% Less opt: 10.9% No chg: 43.5%
Country optimism level	59.2	62.7	61.3	63.6	57.5
Optimism about own company	More opt: 29.4% Less opt: 9.8% No chg: 60.8%	More opt: 34.8% Less opt: 17.4% No chg: 47.8%	More opt: 44.0% Less opt: 16.0% No chg: 40.0%	More opt: 48.7% Less opt: 13.2% No chg: 38.2%	More opt: 31.1% Less opt: 13.3% No chg: 55.6%
Own company optimism level	60.7	59.3	61.0	60.2	56.3

Top Concerns for Japanese Businesses

- Rising input or commodity costs
- Economic Uncertainty
- Government policy
- Attracting and retaining qualified employees
- Regulatory requirements
- Currency risk
- Rising wages and salaries
- Geopolitical/Health Crises
- Weak demand for your product/services
- Employee productivity