

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

Results for 42 Japanese firms (own-firm changes expected during the next 12 months)

	Jun 2015	Mar 2015	Dec 2014	Sept 2014	Jun 2014
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*	10.5%	6.6%	1.1%	20.3%	7.6%
Capital spending	13.7%	-2.3%	6.6%	0.9%	10.7%
Technology spending	0.5%	1.6%	1.0%	1.7%	9.7%
R&D spending	2.1%	6.8%	5.4%	4.4%	5.6%
Advertising and marketing spending	2.1%	2.0%	3.7%	5.8%	8.3%
Employment – full-time	0.9%	-0.7%	1.9%	1.3%	0.5%
Employment – temporary	-3.5%	0.5%	0.8%	-1.4%	-0.5%
Outsourced Employment	4.2%	5.0%	3.7%	3.1%	4.8%
Wages and Salaries	2.2%	2.5%	2.6%	2.9%	2.2%
Productivity	2.1%	6.7%	2.0%	3.1%	3.4%
Inflation (Chg in prices of own-firm products)	-0.3%	1.2%	1.0%	2.2%	0.3%
Dividends*	7.7%	11.3%	11.3%	11.9%	19.9%
Share Repurchases*	10.2%	0.0%	2.5%	-6.8%	0.0%
Cash on balance sheet*	2.1%	-1.1%	-6.3%	-3.2%	6.2%
Revenue	5.6%	11.5%	4.0%	3.6%	3.6%
Mergers and Acquisitions	Not asked.	59.4% plan to acquire; Foreign targets in 44.3% of acq. 17.6% plan to sell part or all of firm.	Not asked.	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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	<b>Jun 2015</b>	<b>Mar 2015</b>	<b>Dec 2014</b>	<b>Sept 2014</b>	<b>Jun 2014</b>
	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>	<b>Compared to last qtr.</b>
<b>Optimism about the country's economy</b>	More opt: 54.8% Less opt: 4.8% No chg: 40.5%	More opt: 60.6% Less opt: 12.1% No chg: 27.3%	More opt: 26.3% Less opt: 26.3% No chg: 47.4%	More opt: 35.3% Less opt: 5.9% No chg: 58.8%	More opt: 47.8% Less opt: 6.5% No chg: 45.7%
<b>Country optimism level</b>	63.0	64.0	54.9	59.2	62.7
<b>Optimism about own company</b>	More opt: 45.2% Less opt: 14.3% No chg: 40.5%	More opt: 36.4% Less opt: 18.2% No chg: 45.5%	More opt: 33.3% Less opt: 23.1% No chg: 43.6%	More opt: 29.4% Less opt: 9.8% No chg: 60.8%	More opt: 34.8% Less opt: 17.4% No chg: 47.8%
<b>Own company optimism level</b>	60.0	55.3	55.4	60.7	59.3

Top Concerns for Japanese Businesses

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