

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

Results for 22 Japanese firms (own-firm changes expected during the next 12 months)

| | Sept 2017 | Jun 2017 | Mar 2017 | Dec 2016 | Sept 2016 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| 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* | 4.7% | 11.0% | 9.2% | 6.4% | -1.2% |
| Capital spending | 15.9% Median = 1.3% | 6.9% | 19.9% Median = 13.3% | -5.4% | 0.1% |
| Advertising and marketing spending | 0.3% | 2.3% | -1.6% | 0.1% | -1.8% |
| Technology spending | 6.9% | 1.2% | 5.4% | 2.7% | 4.6% |
| R&D spending | 6.5% | 0.6% | 2.2% | 2.5% | 4.0% |
| Employment – full-time | 1.4% | 0.7% | 2.8% | 2.4% | 0.6% |
| Wages and Salaries | -0.1% | 1.1% | 2.5% | 3.0% | 2.6% |
| Inflation (Chg in prices of own-firm products) | 1.9% | -1.7% | -0.6% | -0.6% | -5.2% Median=-3% |
| Healthcare cost | 1.4% | 8.1% | 4.6% | 2.4% | 4.9% |
| Revenue | 2.2% | 2.2% | -1.0% | -3.6% | -6.7% Median=-5% |

* indicates public firms only. All other numbers are for all survey respondents (including private).

Japanese BUSINESS OPTIMISM

| | Sept 2017 | Jun 2017 | Mar 2017 | Dec 2016 | Sept 2016 |
|--------------------------------------|---|---|---|---|---|
| | 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: 18.2% Less opt: 13.6% No chg: 68.2% | More opt: 40.0% Less opt: 16.0% No chg: 44.0% | More opt: 40.0% Less opt: 16.7% No chg: 43.3% | More opt: 33.3% Less opt: 12.5% No chg: 54.2% | More opt: 12.5% Less opt: 56.3% No chg: 31.3% |
| Country optimism level | 52.4 | 55.6 | 55.7 | 53.9 | 48.0 |
| Optimism about own company | More opt: 31.8% Less opt: 50.0% No chg: 18.2% | More opt: 37.5% Less opt: 25.0% No chg: 37.5% | More opt: 30.0% Less opt: 30.0% No chg: 40.0% | More opt: 16.7% Less opt: 33.3% No chg: 50.0% | More opt: 15.6% Less opt: 34.4% No chg: 50.0% |
| Own company optimism level | 57.6 | 58.0 | 58.4 | 48.9 | 54.4 |

Top Concerns for Japanese Businesses

- Difficulty attracting and retaining qualified employees
- Geopolitical/Health Crises
- Access to capital
- Employee productivity
- Rising input/commodity costs
- Employee morale
- Currency risk
- Economic Uncertainty
- Weak demand for your product/services
- Cost of benefit