

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

Results for 99 Japanese firms (own-firm changes expected during the next 12 months)

	Mar 2013	Dec 2012
Weighted Averages for	Expected growth in next 12 months	Expected growth in next 12 months
Earnings growth*	-10.2%	-4.9%
Capital spending	19.2%	7.4%
Technology spending	1.1%	0.1%
R&D spending	2.0%	3.9%
Advertising and marketing spending	3.3%	2.7%
Employment – full-time	1.6%	0.2%
Employment – temporary	-1.4%	0.3%
Outsourced Employment	3.9%	4.0%
Wages and Salaries	1.2%	0.7%
Productivity	0.5%	2.8%
Inflation (Chg in prices of own-firm products)	-1.4%	-3.0%
Dividends*	-2.7%	-2.9%
Share Repurchases*	1.0%	0.0%
Cash on balance sheet*	0.9%	2.1%
Revenue	-0.2%	1.9%
Mergers and Acquisitions	18.9% plan to acquire; Foreign targets in 55.3% of acq.	Not asked.

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

Japanese BUSINESS OPTIMISM

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	Mar 2013	Dec 2012
	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More opt: 63.6% Less opt: 5.1% No chg: 31.3%	More opt: 18.1% Less opt: 50.0% No chg: 31.9%
Country optimism level	60	48.6
Optimism about own company	More opt: 31.6% Less opt: 13.3% No chg: 55.1%	More opt: 14.7% Less opt: 42.2% No chg: 43.1%
Own company optimism level	53.1	51.2

Top Concerns for Japanese Businesses

MACRO CONCERNS

- Price Pressure
- Currency Risk
- Consumer Demand
- National government policies

INTERNAL TO OWN FIRM

- Ability to forecast results
- Ability to maintain margins
- Maintaining morale/productivity
- Attracting and retaining qualified employees