

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

Results for 46 Japanese firms (own-firm changes expected during the next 12 months)

	Sept 2013	Jun 2013	Mar 2013	Dec 2012
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
Earnings growth*	14.4%	26.3%	-10.2%	-4.9%
Capital spending	23.2%	23.8%	19.2%	7.4%
Technology spending	0%	5.3%	1.1%	0.1%
R&D spending	6.5%	5.1%	2.0%	3.9%
Advertising and marketing spending	0.8%	1.0%	3.3%	2.7%
Employment – full-time	0.6%	-0.3%	1.6%	0.2%
Employment – temporary	-6.6%	0.5%	-1.4%	0.3%
Outsourced Employment	2.4%	7.0%	3.9%	4.0%
Wages and Salaries	2.3%	1.6%	1.2%	0.7%
Productivity	1.1%	6.6%	0.5%	2.8%
Inflation (Chg in prices of own-firm products)	0.6%	-2.4%	-1.4%	-3.0%
Dividends*	4.6%	8.5%	-2.7%	-2.9%
Share Repurchases*	0%	0.0%	1.0%	0.0%
Cash on balance sheet*	-8.6%	3.1%	0.9%	2.1%
Revenue	6.9%	6.2%	-0.2%	1.9%
Mergers and Acquisitions	Not asked.	Not asked.	18.9% plan to acquire; Foreign targets in 55.3% of acq. 2.9% plan to sell part or all of firm.	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>Sept 2013</b>	<b>Jun 2013</b>	<b>Mar 2013</b>	<b>Dec 2012</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: 45.7% Less opt: 10.9% No chg: 43.5%	More opt: 67.6% Less opt: 1.4% No chg: 31.1%	More opt: 63.6% Less opt: 5.1% No chg: 31.3%	More opt: 18.1% Less opt: 50.0% No chg: 31.9%
<b>Country optimism level</b>	57.5	62.9	60.0	48.6
<b>Optimism about own company</b>	More opt: 31.1% Less opt: 13.3% No chg: 55.6%	More opt: 40.5% Less opt: 13.5% No chg: 45.9%	More opt: 31.6% Less opt: 13.3% No chg: 55.1%	More opt: 14.7% Less opt: 42.2% No chg: 43.1%
<b>Own company optimism level</b>	56.3	55.3	53.1	51.2

Top Concerns for Japanese Businesses

**MACRO CONCERNS**

- Price Pressure
- Consumer Demand
- Cost of non-fuel commodities
- Currency Risk

**INTERNAL TO OWN FIRM**

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