

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

Results for 33 Japanese firms (own-firm changes expected during the next 12 months)

	Mar 2015	Dec 2014	Sept 2014	Jun 2014	Mar 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*	6.6%	1.1%	20.3%	7.6%	8.3%
Capital spending	-2.3%	6.6%	0.9%	10.7%	7.8%
Technology spending	1.6%	1.0%	1.7%	9.7%	3.8%
R&D spending	6.8%	5.4%	4.4%	5.6%	5.3%
Advertising and marketing spending	2.0%	3.7%	5.8%	8.3%	2.3%
Employment – full-time	-0.7%	1.9%	1.3%	0.5%	2.4%
Employment – temporary	0.5%	0.8%	-1.4%	-0.5%	1.7%
Outsourced Employment	5.0%	3.7%	3.1%	4.8%	1.7%
Wages and Salaries	2.5%	2.6%	2.9%	2.2%	1.8%
Productivity	6.7%	2.0%	3.1%	3.4%	3.0%
Inflation (Chg in prices of own-firm products)	1.2%	1.0%	2.2%	0.3%	1.9%
Dividends*	11.3%	11.3%	11.9%	19.9%	7.9%
Share Repurchases*	0.0%	2.5%	-6.8%	0.0%	-13.5%
Cash on balance sheet*	-1.1%	-6.3%	-3.2%	6.2%	-1.6%
Revenue	11.5%	4.0%	3.6%	3.6%	4.4%
Mergers and Acquisitions	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.	47.8% plan to acquire; Foreign targets in 43.9% of acq. 18.5% plan to sell part or all of firm.

* 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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	Mar 2015	Dec 2014	Sept 2014	Jun 2014	Mar 2014
	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: 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%	More opt: 56.9% Less opt: 13.7% No chg: 29.4%
Country optimism level	64.0	54.9	59.2	62.7	61.3
Optimism about own company	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%	More opt: 44.0% Less opt: 16.0% No chg: 40.0%
Own company optimism level	55.3	55.4	60.7	59.3	61.0

Top Concerns for Japanese Businesses

- Currency risk
- Rising input or commodity costs
- Attracting and retaining qualified employees
- Economic Uncertainty
- Weak demand for your product/services
- Geopolitical/Health Crises
- Access to capital
- Employee productivity
- Volatility of political situation
- Government policy