

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

Results for 25 Japanese firms (own-firm changes expected during the next 12 months)

	Mar 2016	Dec 2015	Sept 2015	Jun 2015	Mar 2015
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*	1.3%	6.7%	23.1%	10.5%	6.6%
Capital spending	1.8%	6.7%	24.5% Median=10%	13.7%	-2.3%
Advertising and marketing spending	3.6%	4.7%	5.8%	2.1%	2.0%
Technology spending	2.4%	3.3%	8.3%	0.5%	1.6%
R&D spending	3.8%	5.5%	6.0%	2.1%	6.8%
Employment – full-time	0.2%	-0.3%	-3.7%	0.9%	-0.7%
Employment – temporary	-3.4%	-1.0%	-33.3%	-3.5%	0.5%
Outsourced Employment	2.9%	1.0%	-3.3%	4.2%	5.0%
Wages and Salaries	0.9%	2.7%	2.6%	2.2%	2.5%
Productivity	3.1%	5.0%	14.5%	2.1%	6.7%
Inflation (Chg in prices of own-firm products)	-0.5%	-1.2%	-2.1%	-0.3%	1.2%
Dividends*	11.2%	7.1%	15.5%	7.7%	11.3%
Cash on balance sheet*	3.5%	-5.4%	-9.1%	2.1%	-1.1%
Share Repurchases*	-9.4% Median=0%	24.7% Median=0%	19.3%	10.2%	0.0%
Revenue	1.6%	8.1%	4.8%	5.6%	11.5%
Mergers and Acquisitions	Not asked.	Not asked.	46.4% plan to acquire; mainly for product diversification and revenue synergies.	Not asked.	59.4% plan to acquire; Foreign targets in 44.3% of acq. 17.6% 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 2016	Dec 2015	Sept 2015	Jun 2015	Mar 2015
	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: 4.0% Less opt: 64.0% No chg: 32.0%	More opt: 17.6% Less opt: 35.3% No chg: 47.1%	More opt: 13.3% Less opt: 30.0% No chg: 56.7%	More opt: 54.8% Less opt: 4.8% No chg: 40.5%	More opt: 60.6% Less opt: 12.1% No chg: 27.3%
Country optimism level	44.5	58.1	55.9	63.0	64.0
Optimism about own company	More opt: 12.0% Less opt: 60.0% No chg: 28.0%	More opt: 14.7% Less opt: 47.1% No chg: 38.2%	More opt: 30.0% Less opt: 33.3% No chg: 36.7%	More opt: 45.2% Less opt: 14.3% No chg: 40.5%	More opt: 36.4% Less opt: 18.2% No chg: 45.5%
Own company optimism level	47.5	57.2	55.9	60.0	55.3

Top Concerns for Japanese Businesses

- Economic Uncertainty
- Currency risk
- Employee productivity
- Weak demand for your product/services
- Rising input or commodity costs
- Government policies
- Attracting and retaining qualified employees
- Geopolitical/Health Crises
- Access to capital
- Data security