

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

Results for 32 Japanese firms (own-firm changes expected during the next 12 months)

	Jun 2016	Mar 2016	Dec 2015	Sept 2015	Jun 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*	4.8%	1.3%	6.7%	23.1%	10.5%
Capital spending	3.8%	1.8%	6.7%	24.5% Median=10%	13.7%
Advertising and marketing spending	-1.2%	3.6%	4.7%	5.8%	2.1%
Technology spending	0.6%	2.4%	3.3%	8.3%	0.5%
R&D spending	1.5%	3.8%	5.5%	6.0%	2.1%
Employment – full-time	-1.1%	0.2%	-0.3%	-3.7%	0.9%
Employment – temporary	-3.9%	-3.4%	-1.0%	-33.3%	-3.5%
Outsourced Employment	0.8%	2.9%	1.0%	-3.3%	4.2%
Wages and Salaries	2.0%	0.9%	2.7%	2.6%	2.2%
Productivity	1.3%	3.1%	5.0%	14.5%	2.1%
Inflation (Chg in prices of own-firm products)	0.9%	-0.5%	-1.2%	-2.1%	-0.3%
Dividends*	2.7%	11.2%	7.1%	15.5%	7.7%
Cash on balance sheet*	3.9%	3.5%	-5.4%	-9.1%	2.1%
Share Repurchases*	0%	-9.4% Median=0%	24.7% Median=0%	19.3%	10.2%
Revenue	-3.1%	1.6%	8.1%	4.8%	5.6%
Mergers and Acquisitions	Not asked.	Not asked.	Not asked.	46.4% plan to acquire; mainly for product diversification and revenue synergies.	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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	Jun 2016	Mar 2016	Dec 2015	Sept 2015	Jun 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: 6.3% Less opt: 50.0% No chg: 43.8%	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%
Country optimism level	47.8	44.5	58.1	55.9	63.0
Optimism about own company	More opt: 15.6% Less opt: 37.5% No chg: 46.9%	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%
Own company optimism level	55.8	47.5	57.2	55.9	60.0

Top Concerns for Japanese Businesses

- Economic Uncertainty
- Currency risk
- Employee productivity
- Weak demand for your product/services
- Geopolitical/Health Crises
- Government policies
- Employee morale
- Attracting and retaining qualified employees
- Cost of benefits
- Regulatory requirements