

Outline of Survey of Trends in Business Activities of Foreign Affiliates

1. Outline of the Survey

(1) Purpose of the survey

The purpose of the Survey of Trends in Business Activities of Foreign Affiliates is to understand the business trends of foreign affiliates in Japan to help push forward the Country's industrial and trade policies.

(2) Legal basis for the survey and protection of confidentiality

This survey is conducted by the Ministry of Economy, Trade and Industry (METI) pursuant to the Statistics Act. The confidentiality of information provided in response to the survey is protected under the Statistics Act (Article 41 of the Statistics Act).

(3) Survey target

The survey covers companies that satisfied the following conditions as of the end of March of the year 2015, or satisfied the following conditions during the year 2014.

- (a) A company in which more than one third of shares or holdings is owned by foreign investors.
- (b) A company funded by a domestic company (in Japan) in which more than one third of shares or holdings is owned by foreign investors, in which the total ratio of the foreign investors' direct and indirect investment is more than one third of the shares or holdings of the company concerned.
- (c) Companies that fall under 1) or 2) above, in which the principal foreign investor's direct investment ratio is more than 10%.

(Note 1) In this survey, the term "foreign investor" refers to non-resident individuals, companies and other groups established conforming to foreign laws; or companies and other groups with headquarters located overseas.

(Note 2) Direct investment ratio means the ratio of a foreign investor's shares or holdings to the total capital. Indirect investment ratio means the ratio of investment in a holding company by foreign investors multiplied by the ratio of the holding company's investment in the company in question.

(4) Survey method

This survey was delivered using the Japan Postal Service. The survey forms are mailed to the subject companies from METI and are then sent back after being completed by the respective companies.

(5) Date

The survey was conducted on August 1, 2015, in connection with the business results for FY 2014 and as of the end of FY2014.

(6) Number of respondents

Survey targets: 5,950 (5,771 in the previous survey)

Respondents: 3,592(3,480 in the previous survey)

Response rate: 60.4% (60.3% in the previous survey)

Valid respondents: 3,332 (Including the finance and insurance industry and the real estate industry)

: 3,131 (Excluding the finance and insurance industry and the real estate industry)

(Note 1) Since FY2010 survey, the “finance and insurance” industry and the “real estate” industry were added to the targets of the survey.

(Note 2) Since FY2011 survey, it covers not only indirect investments through holding companies, but also indirect investment from all Japanese domestic companies including business corporations.

2. Instructions for Use

(1) Note on survey results

- (a) Only valid answers are included. Therefore, the number of respondents varies per item.
- (b) When comparing the results of the current survey with previous surveys, it is necessary to take into account the differences in the response rate and the number of foreign affiliates covered, as some companies that fell outside the scope of previous surveys were included in the current survey, and vice versa.

(2) Definition of regions

Unless otherwise specified, for the purpose of this survey, region of origin refers to the country or region where the foreign investor is located.

(3) Classification of industries

The industrial classifications used in the survey are based on the Japan Standard Industrial Classification.

(4) Note on survey results

- (a) Notes on the terminology used in the Summary

“Number of Foreign affiliates”: Number of Companies that are currently in operation (excluding those with less than 1 million yen in monetary amounts)

“All incorporated enterprises”: All domestic corporations (refers to “Financial Statement statistics of corporations by Industry / Ministry of Finance”)

- (b) Notes for the symbols in tables and figures

The “x” signifies that the data is hidden because only 1 or 2 companies fall into the category. This method is used even where there are 3 or more companies, if a simple calculation using these disclosed figures would help identify the company corresponding to the “x”.

The “-” indicates that there is no relevant figure.

“0” indicates that the figure has a value of less than one.

- (c) There may be discrepancies between the exact sums of individual items and the totals provided, due to the numbers being rounded off to the nearest number.
- (d) Year-on-year comparisons and ratios mentioned in the text have been calculated in millions of yen, the counting unit of this survey, unless otherwise indicated.

(5) Ratio calculation formula

Calculated based on foreign affiliates that responded to questionnaires for both denominator and numerator.

Ordinary profit to sales ratio= Ordinary profit/Sales × 100

Ratio of equity to total assets = Total net assets/Total assets × 100

(6) Miscellaneous

When reprinting the statistical figures given in this survey, the source must be cited as “Survey of Trends in Business Activities of Foreign Affiliates” (Ministry of Economy, Trade and Industry).

**Trade and Investment Facilitation Division
Trade and Economic Cooperation Bureau
Ministry of Economy, Trade and Industry**

The 49th Survey of Trends in Business Activities of Foreign Affiliates (Summary)

Summary of the trends among foreign affiliates in Japan in FY2014

- **The percentage of Asian affiliates increased, U.S. and European affiliates decreased.**
 - **The number of regular employees increased.**
 - **Asia and Oceania regions, most regional headquarters were in Singapore.**
 - **Sales, and capital investment increased, ordinary profit decreased.**
 - **As for factors inhibiting ability to secure Japanese personnel, the top answer was “Business communication difficulties in English”.**
 - **As for the hiring outlook, affiliates that answered “Will increase staff” increased.**
 - **More than 50% of affiliates will expand their businesses.**
-
- **The percentage of Asian affiliates increased, U.S. and European affiliates decreased.**
 - Asian affiliates accounted for 23.8% of the total, up 1.6% points from the previous fiscal years, U.S.. affiliates accounted for 25.9% of the total, down 0.9% points (id.). In the meantime, European affiliates accounted for 43.9%, down 0.5% points (id.).
 - **The number of regular employees increased.**
 - The number of regular employees increased 4.6% from the previous fiscal year, mainly in information & communication equipment, to 638,381.
 - **Regional headquarters in the Asia and Oceania regions were the largest in number in Singapore.**
 - The largest number of regional headquarters in the Asia and Oceania regions were in Singapore with 339, followed by 278 in China, 227 in Hong Kong, and 84 in Japan.
* The total number includes multiple answers.
 - **Sales, ordinary profit, and capital investment increased.**
 - Sales were 47.7 trillion yen, a 3.2% increase from the previous fiscal year (a 5.8% increase when limited to companies that responded in both the previous fiscal year and the current year).
 - Ordinary profit was 3.0 trillion yen, a 3.3% decrease from the previous fiscal year (a 2.3% decrease when limited to companies that responded in both the previous fiscal year and the current year).
 - Capital investment was 1.1 trillion yen, a 14.0% increase from the previous fiscal year (a 3.0% increase when limited to companies that responded in both the previous fiscal year and the current year).
 - **As for factors inhibiting ability to secure Japanese personnel, the top answer was “Business communication difficulties in English”.**
 - “Business communication difficulties in English” was the response of the majority of affiliates (up 2.0 points from previous survey, with a ratio of 54.9%). “High expected standards of compensation, such as salary, etc.”, the top answer in the previous survey, accounting for 53.3% (down 3.3% points from previous survey).
 - **As for the hiring outlook, affiliates that answered “Will increase staff” increased.**
 - As for the hiring outlook for this year, the top answer was “Maintain current conditions,” accounting for 61.4% of the total. In the meantime, “Will increase staff” accounted for 35.0% (id.), it was up by 0.7% points from the previous year.
 - **More than 50% of affiliates will expand their businesses.**
 - As for the future business expansion in Japan, affiliates that answered “planning business expansion” were the largest in number, accounting for 55.2%, followed by the affiliates that answered “maintain current conditions,” which accounted for 42.2%.

1. Distribution

- The survey as of the end of March 2015 covered 3,332 foreign affiliates (a 5.7% increase from the previous fiscal year), with 594 (a 7.2% increase (id.)) in the manufacturing sector and 2,738 (a 5.4% increase (id.)) in the non-manufacturing sector. The manufacturing sector accounted for 17.8% of all industries, while the non-manufacturing sector accounted for 82.2% (Fig. 1-1 and Table 1-1).
- By industry, wholesale trade numbered the highest at 1,317, accounting for 39.5%, followed by services, and information & communications (Fig. 1-1).
- By region of origin, European affiliates reached 1,464, accounting for 43.9% (down 0.5% points from the previous fiscal year), U.S. affiliates came to 862 (25.9%, down 0.9% points (id.)), and Asian affiliates came to 792 (23.8%, up 1.6% points (id.)) (Table 1-1).
- By headquarters offices per region, there were 2,768 foreign affiliates in Kanto area. Tokyo numbered the highest at 2,284, followed by Kanagawa (9.6%) and Osaka (4.9%) (Fig 1-2 and Table 1-2)

Figure 1-1 Distribution of Foreign Affiliates by Industry

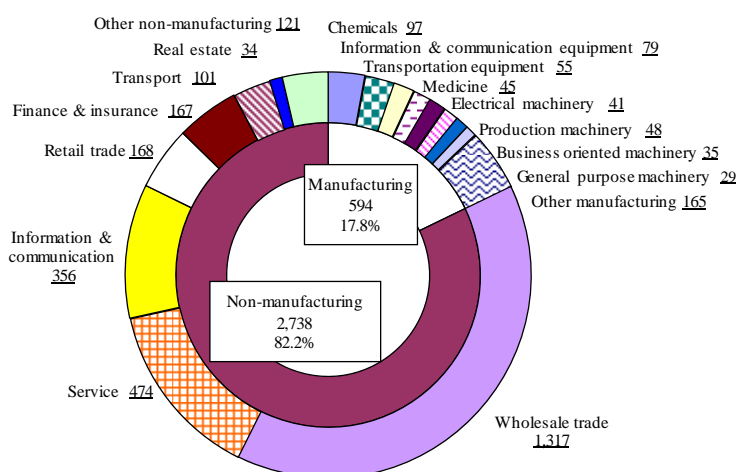


Table 1-1 Percentage by Region of Origin and by Industry

(Companies, %, % point)

	FY2014 Number of foreign affiliates	Percentage			
		FY2011	FY2012	FY2013	Year-on-year changes
Total	3,332	100.0	100.0	100.0	—
U.S.	862	27.7	26.8	25.9	-0.9
Asian	792	21.5	22.2	23.8	+1.6
Chinese	279	7.3	8.4	8.4	0
European	1,464	44.1	44.4	43.9	-0.5
Others	214	6.7	6.6	6.4	-0.2
Manufacturing	594	17.1	17.6	17.8	+0.2
Non-manufacturing	2,738	82.9	82.4	82.2	-0.2

Figure 1-2 Number of companies by Area in Japan

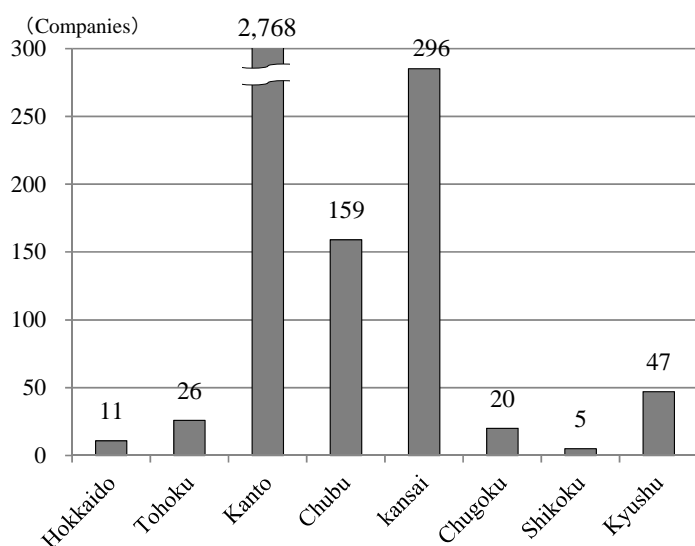


Table 1-2 Ranking of number of companies (by Prefecture)

(Companies, %)

Ranking	Prefecture	Companies	Percentages
1	Tokyo	2,284	68.5
2	Kanagawa	319	9.6
3	Osaka	164	4.9
4	Hyogo	85	2.6
5	Aichi	70	2.1
6	Saitama	63	1.9
7	Chiba	61	1.8
8	Shizuoka	28	0.8
9	Fukuoka	25	0.8
10	Ibaraki	18	0.5
Total		3,332	100

2. New entries

- Of the foreign affiliates covered by the survey in FY2014, 113 companies were newly established or newly started capital participation.^(Note) They are broken down into 31 manufacturing companies and 82 non-manufacturing companies (Table 2-1).
- By industry, wholesale trade numbered the highest at 24, followed by service at 22. (Table 2-1).
- As for Reason for which the ratio of shares or equity owned by foreign investors has surpassed one-third of the total shares, the top answer was “Newly established by a single company” (a ratio of 61.1%), followed by ”Mergers & Acquisitions” (20.4%) followed (Figure 2-2).

Table 2-1 Trends in number of New Entries by Industry

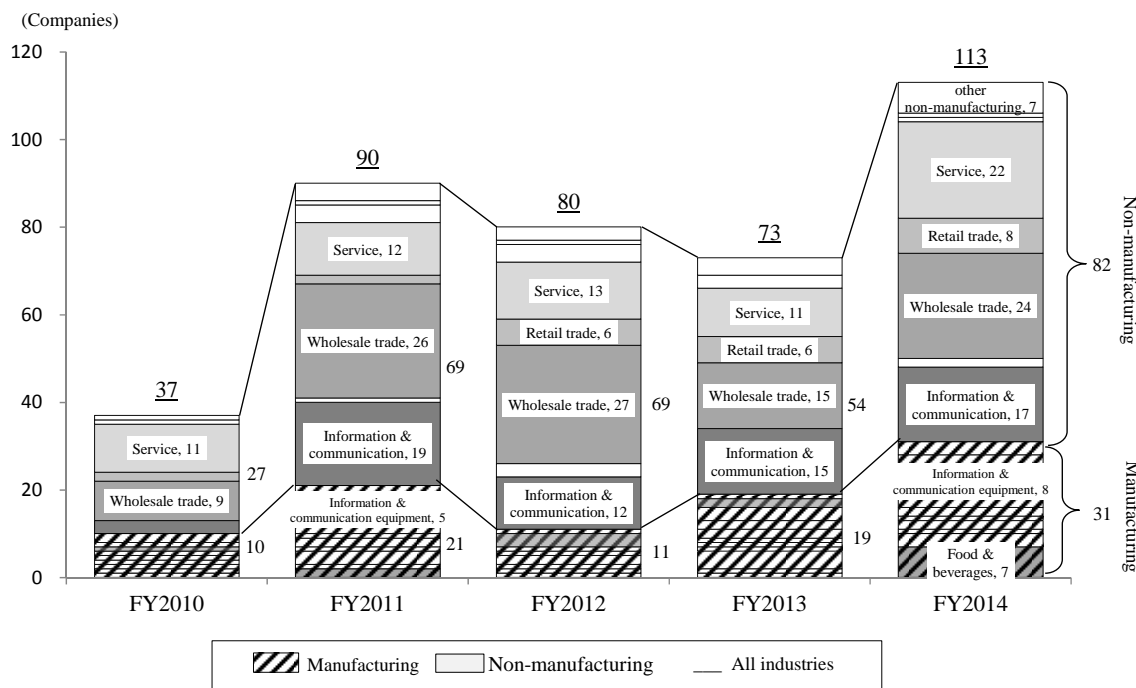
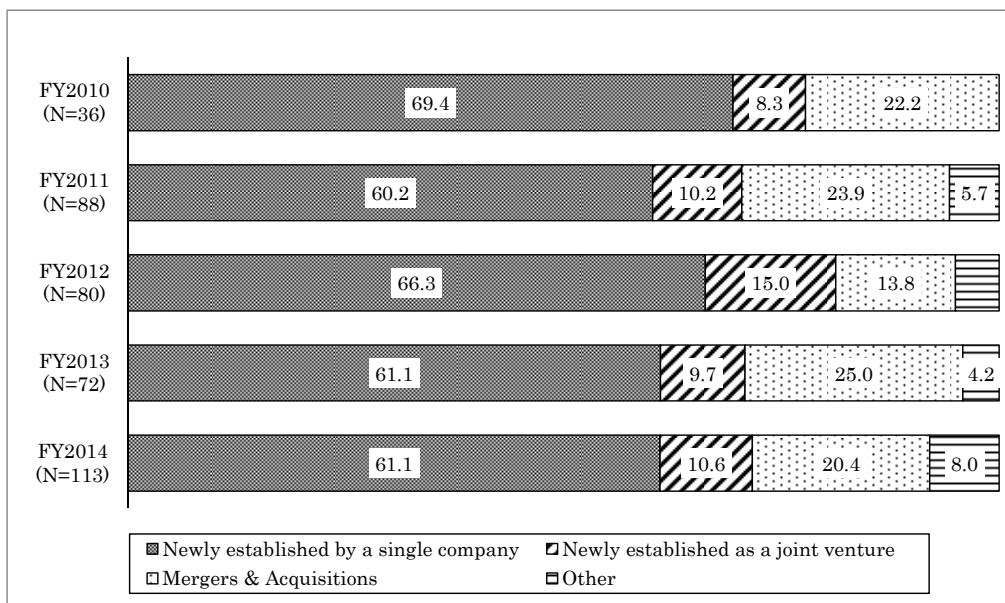


Figure 2-1 Trends in the Reasons for which the ratio of shares or equity owned by foreign investors has surpassed one-third of the total shares

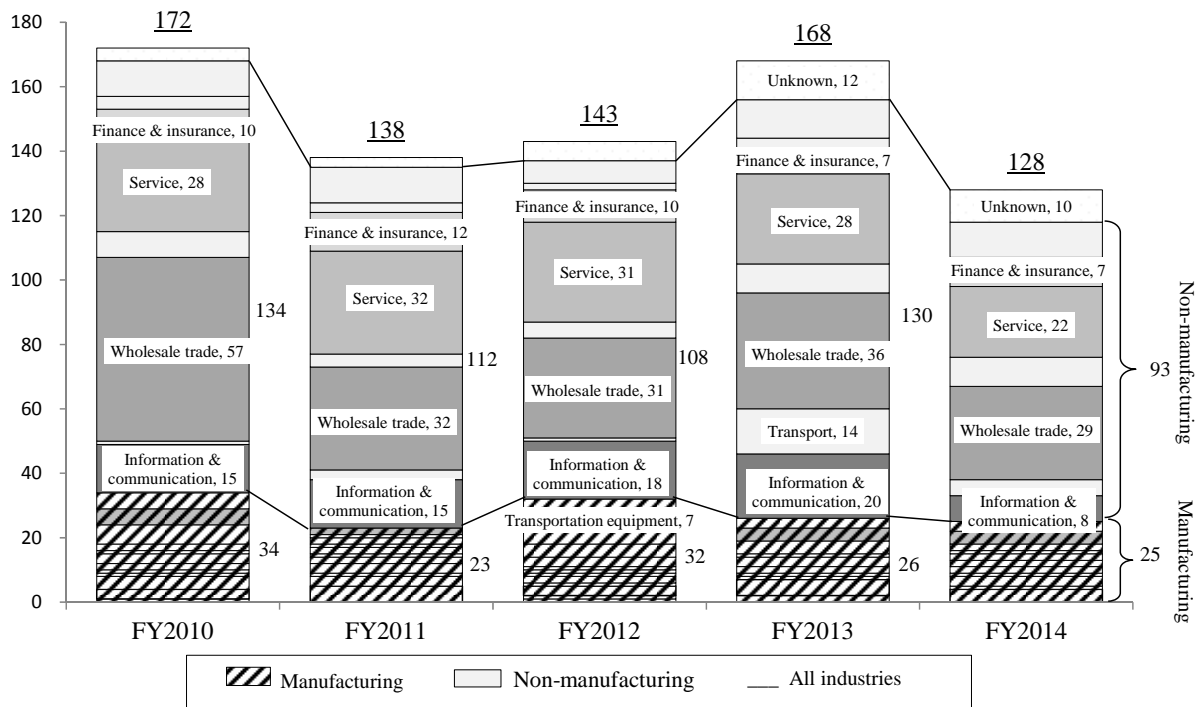


(Note) "Trends in the Reasons for which the ratio of shares or equity owned by foreign investors has surpassed one-third of the total shares" counts only responses of new entries.

3. Dissolution, withdrawal, or foreign capital ratio reduction

- The number of companies that dissolved, withdrew, or reduced their foreign capital ratio ^(Note) in FY2014 was 128, of which 25 companies were in the manufacturing sector and 93 companies were in the non-manufacturing sector (Table 3-1).
- By industry, wholesale trade numbered the highest at 29, followed by service at 22 (Table 3-1).

Table 3-1 Trends in number of Withdrawals



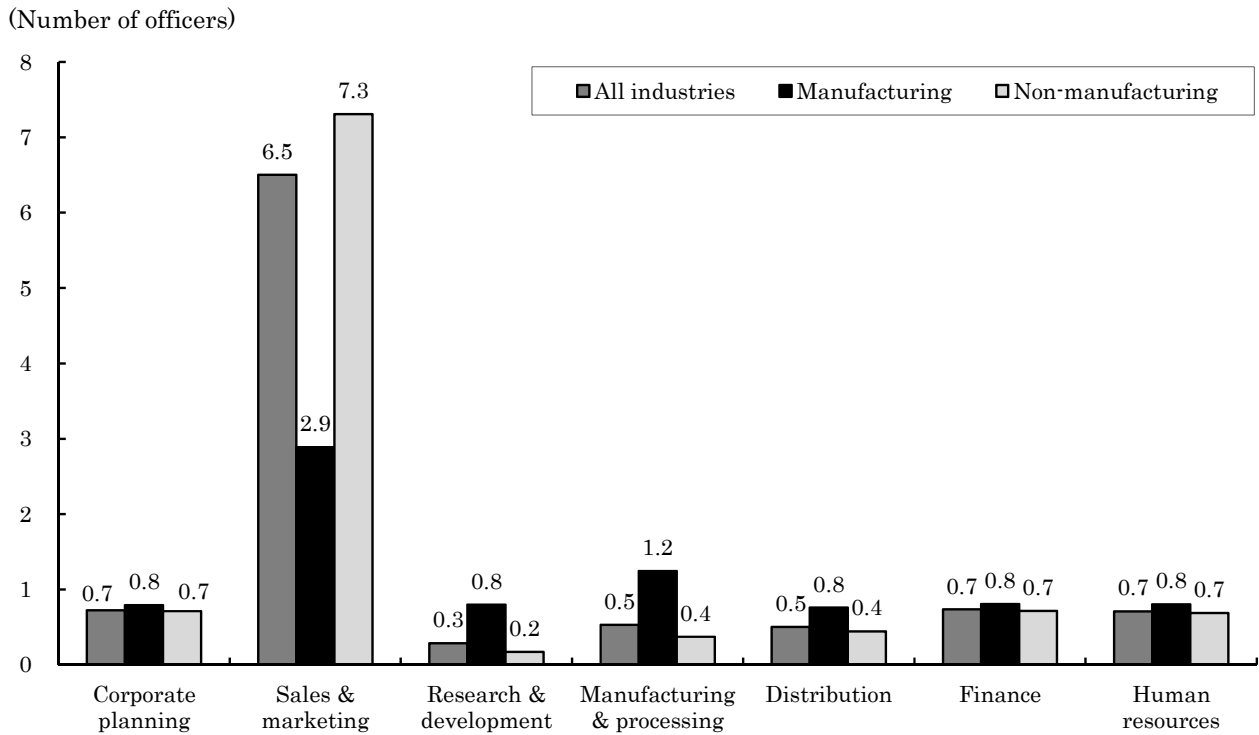
(Note 1) Foreign capital ratio reduction means that the ratio of capitalization by foreign investors has fallen to one-third or less, or the ratio of capitalization by principal foreign investors has fallen to less than 10%.

(Note 2) The total number of companies which withdrew their foreign capital ratio for all industries is different from the sum of manufacturing and non-manufacturing companies, due to the fact that some companies did not identify their type of industry.

4. Offices in Japan by function

- Looking at the number of offices in Japan per company, by function, ^(Note) the average number of domestic offices with sales and marketing functions was 6.5 for companies in the all industries, 2.9 for those in the manufacturing sector and 7.3 for those in the non-manufacturing sector (Fig. 4-1).

**Figure 4-1 Number of Offices of Foreign Affiliates in Japan by Function
(Average per Company)**



(Note) Offices with multiple functions are counted separately for each function.

5. Employment

- The number of regular employees increased 4.6% from the previous fiscal year to 638,381 (increased 3.1% when limited to companies that responded in both the previous fiscal year and the current year). The manufacturing sector recorded a 0.5% increase from the previous fiscal year to 221,965 (increased 0.1% when limited to companies that responded in both the previous fiscal year and the current year), and the non-manufacturing sector saw an increase of 6.9% (id.) to 416,416 (increased 4.8% when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 5-1).
- By industry, in the manufacturing sector, transportation equipment recorded an increase of 2.1% from the previous fiscal year to 88,003 (increased 3.3% when limited to companies that responded in both the previous fiscal year and the current year). In the non-manufacturing sectors, the service sector recorded the highest at 82,462, but it was down by 1.0% (id.) (a 3.9% increase when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 5-2).

Figure 5-1 Number of Regular Employees

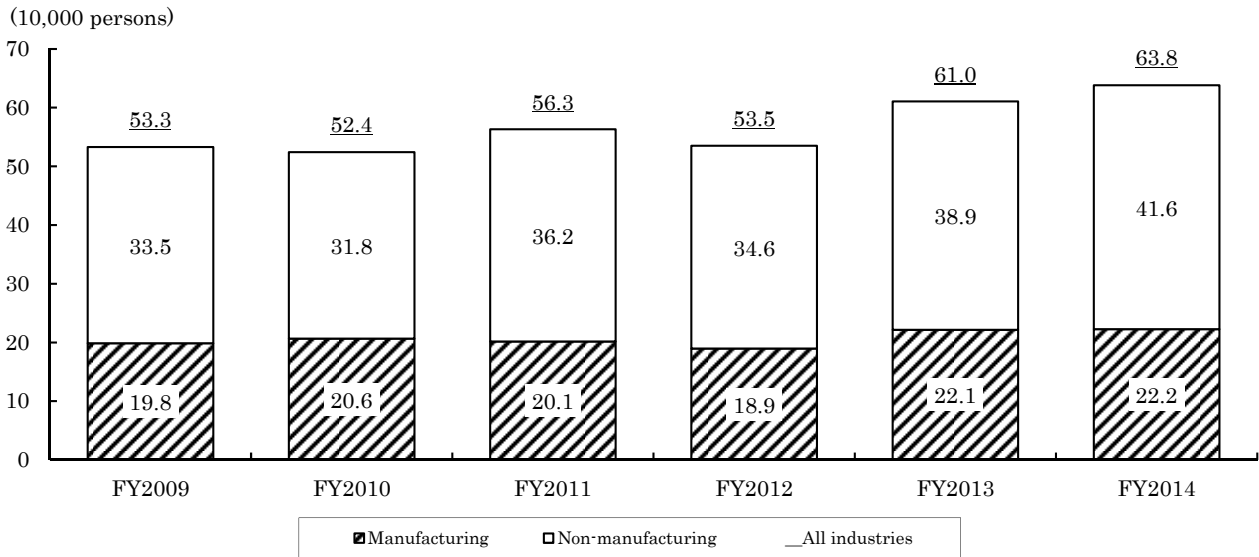
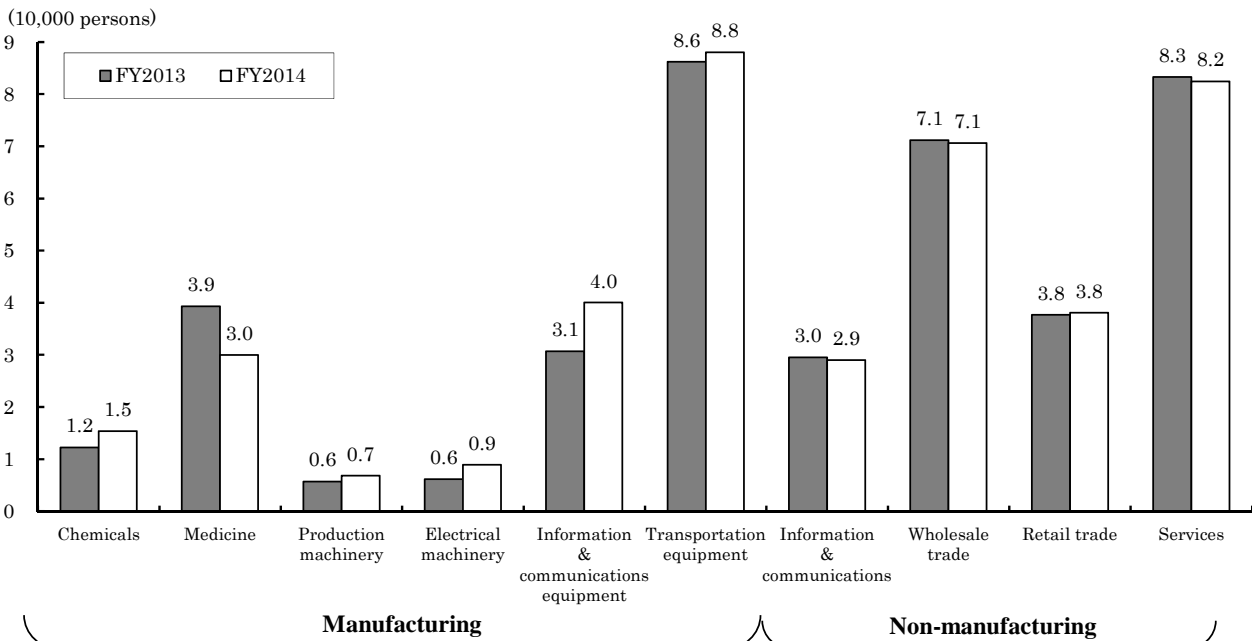


Figure 5-2 Number of Regular Employees by Industry



6. Regional headquarters in the Asia and Oceania regions

- There were 339 regional headquarters located in Singapore, 278 in China, 227 in Hong Kong, and 84 in Japan that control all of their respective bases in the Asia and Oceania regions (Table 6-1, 6-2).

Table 6-1 Regional Headquarters in Japan that control all of their respective bases in the Asia and Oceania Regions

(Companies, bases)

	Number of regional headquarters in Japan (companies)	Number of bases controlled (by country and region)								
		China	Hong Kong	Taiwan	South Korea	Thailand	Malaysia	Singapore	Australia	Others
		All industries	84	33	15	24	37	11	13	20
Manufacturing	22	12	1	7	7	4	3	7	3	16
Non-manufacturing	62	21	14	17	30	7	10	13	8	46

(Note) The number of country and regional bases controlled is the total number according to multiple answers.

Table 6-2 Regional Headquarters that control all of their respective bases in the Asia and Oceania Regions belonging to foreign parent companies (principal foreign investors)

(Bases)

	China	Hong Kong	Taiwan	South Korea	India	Singapore	Australia	Others
All industries	278	227	45	49	43	339	70	227
Manufacturing	56	23	8	6	9	43	10	32
Non-manufacturing	222	204	37	43	34	296	60	195

(Note 1) Regional headquarters that control all of their respective bases in the Asia and Oceania regions belonging to foreign parent companies, which were not covered by this survey, are compiled by country and region.

(Note 2) The number of regional headquarters by country and region is the total number according to multiple answers.

(Note 3) Duplications in cases where both the subsidiary and sub-subsidiary of one foreign parent company provided answers are excluded.

7. Sales, exports, and foreign investors

- Sales amounted to 47.7 trillion yen, a 3.2% increase from the previous fiscal year (a 5.8% increase when limited to companies that responded in both the previous fiscal year and the current year). The manufacturing sector posted 20.4 trillion yen, an 18.0%, continuing from the previous fiscal year (a 2.1% decrease when limited to companies that responded in both the previous fiscal year and the current year), and the non-manufacturing sector marked 27.3 trillion yen, an 5.9% increase (id.) (a 12.9% increase when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 7-1).
- By industry, in the manufacturing sector, transportation equipment increased 41.7% from the previous fiscal year to 7.9 trillion yen (a 0.6% decrease when limited to companies that responded in both the previous fiscal year and the current year). In the non-manufacturing sector, wholesale trade increased 13.2% from the previous fiscal year to 9.7 trillion yen (a 4.8% increase when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 7-2).
- Exports decreased 3.4% from the previous fiscal year to 5.1 trillion yen (a 1.9% decrease when limited to companies that responded in both the previous fiscal year and the current year) (Table 7-1).
- Looking at the ratio of the value of sales to principal foreign investors to the value of total sales, the manufacturing sector posted 0.7%, continuing from the previous fiscal year, while the non-manufacturing sector posted 0.4% (down 0.2% points (id.)). By region of origin, Asian affiliates posted 3.0% (down 0.4% points (id.)). (Table 7-1).

Figure 7-1 Sales

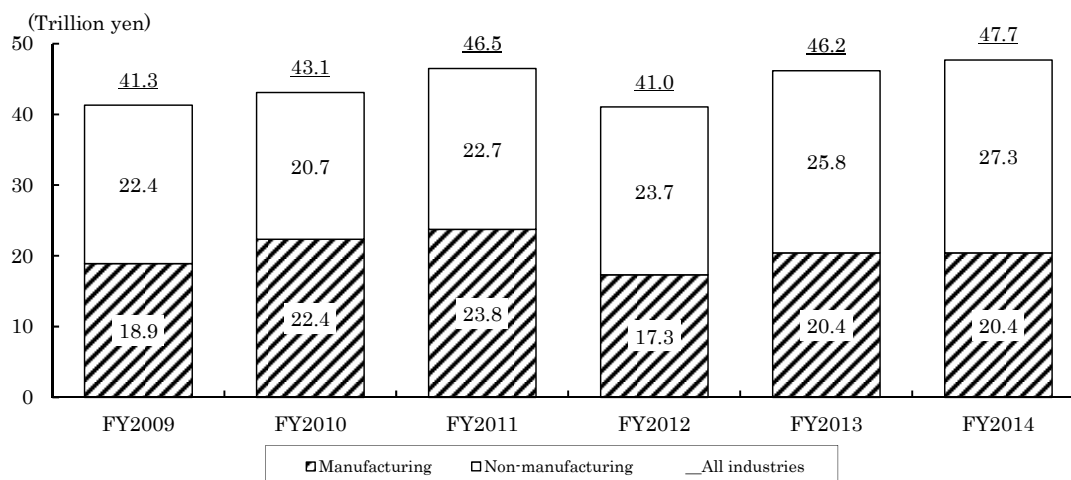


Figure 7-2 Sales by Major Industry

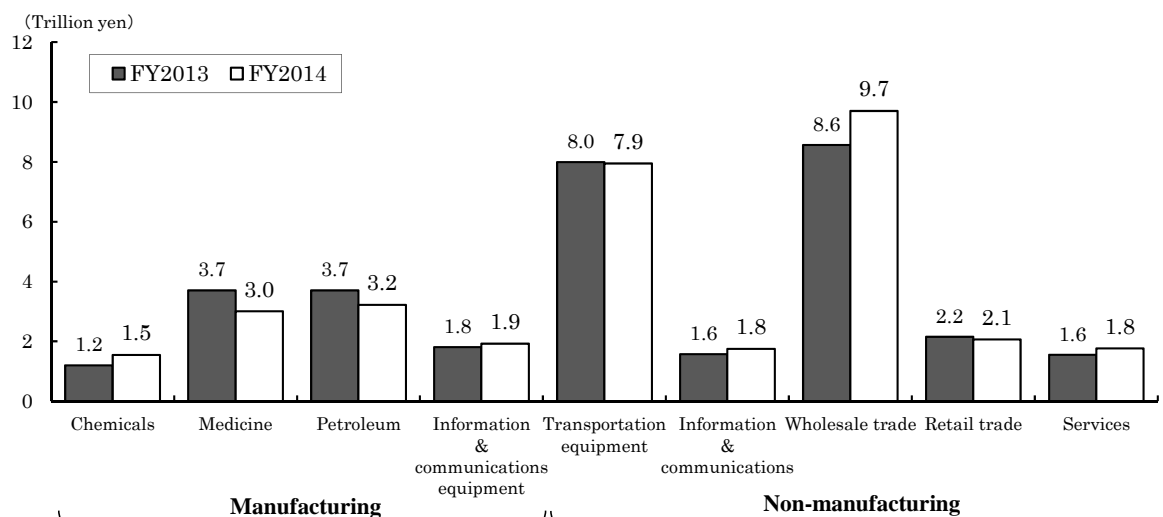


Table 7-1 Sales and Exports, and Sales to Principal Foreign Investors, and their Proportion to Total Sales

(100 million yen, %)

	Sales		Exports		Sales to principal foreign investors	
	FY2014	Year-on-year changes	FY2014	Year-on-year changes	FY2014	Year-on-year changes
	Total	476,946	+3.2	50,682	-3.4	2,712
Manufacturing	204,317	0.0	40,825	-0.7	1,528	+1.4
Non-manufacturing	272,629	+5.9	9,857	-13.	1,184	-17.9
U.S.	134,641	-5.4	4,052	+26.8	661	-17.5
Asian	43,091	-3.3	7,477	-11.4	1,297	-14.1
European	254,472	+13.1	36,808	-4.9	736	+27.0

(%, % point)

	Proportion of sales to principal foreign investors to the total sales		
			Year-on-year changes (% point)
	FY2013	FY2014	
Total	+0.6	+0.6	0.0
Manufacturing	+0.7	+0.7	0.0
Non-manufacturing	+0.6	+0.4	-0.2
U.S.	+0.6	+0.5	-0.1
Asian	+3.4	+3.	-0.4
European	+0.3	+0.3	0.0

8. Profit

- Ordinary profit was 3.0 trillion yen, a 3.3% decrease from the previous fiscal year (a 2.3% decrease when limited to companies that responded in both the previous fiscal year and the current year). The manufacturing sector marked a decrease of 5.5% from the previous fiscal year to 1.5 trillion yen (a 8.0% decrease when limited to companies that responded in both the previous fiscal year and the current year), and the non-manufacturing sector recorded a decrease of 1.1% (id.) to 1.6 trillion yen (a 3.5% increase when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 8-1).
- By industry, in the manufacturing sector, transportation equipment increased 11.6% from the previous fiscal year to 786.9 billion yen (a 10.6% increase when limited to companies that responded in both the previous fiscal year and the current year). In the non-manufacturing sector, finance & insurance decreased 20.9% (id.) to 469.5 billion yen (a 8.4% increase when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 8-2).
- The ordinary profit to sales ratio ^(Note), excluding the finance and insurance industry, was down 0.3% points from the previous fiscal year to 6.8%. This was 2.3% points higher than that for incorporated enterprises as a whole (Fig. 8-3).
- By region of origin, Asian affiliates were up 1.9% points from the previous fiscal year to 3.4%, whereas U.S. affiliates were down 1.8% points from the previous fiscal year to 10.7% (Fig. 8-4).

Figure 8-1 Ordinary Profit

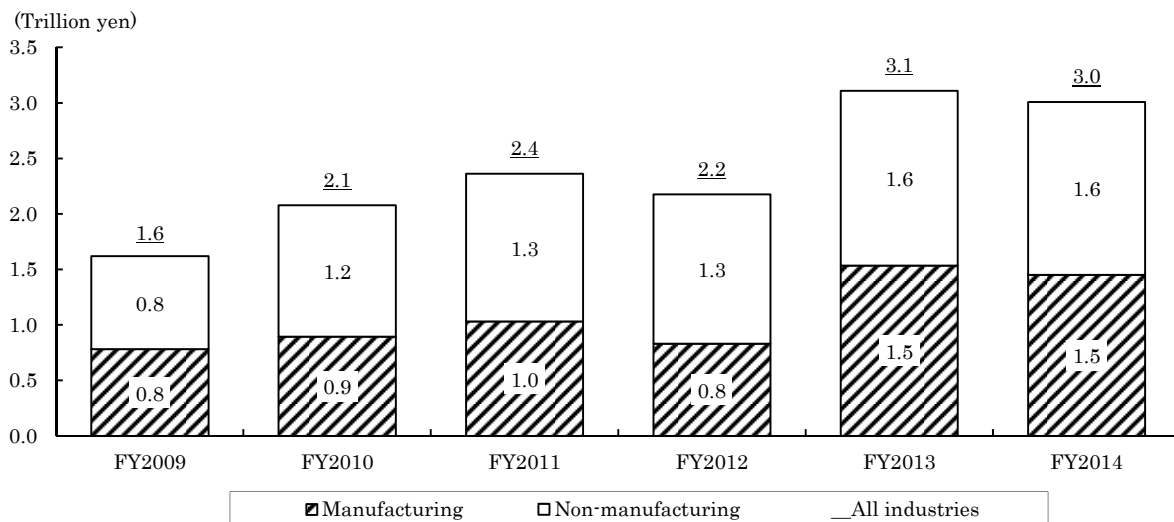


Figure 8-2 Ordinary Profit by Major Industry

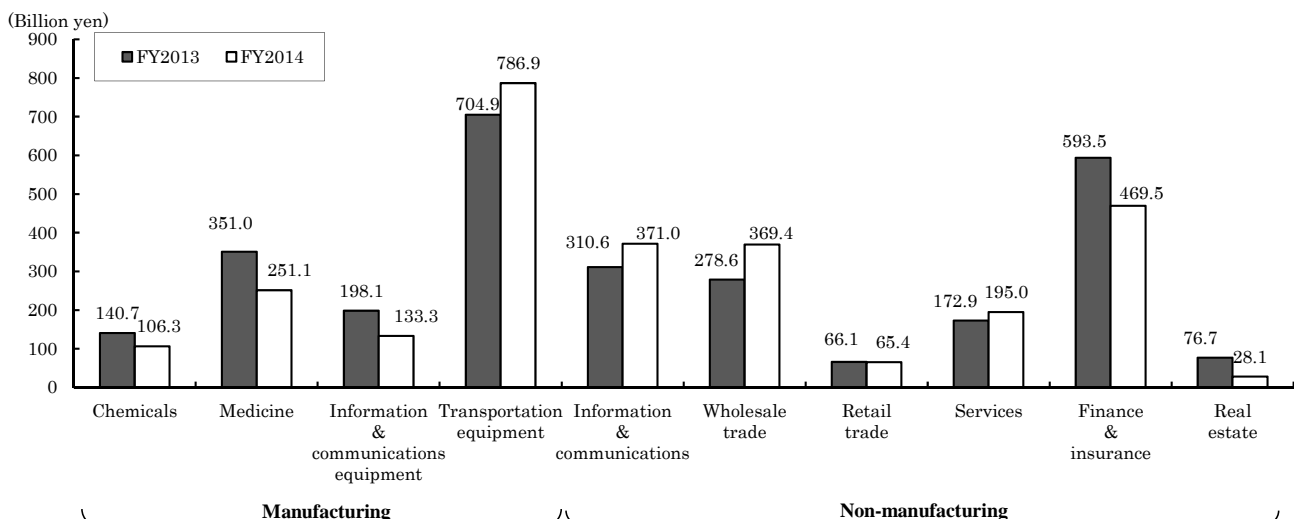
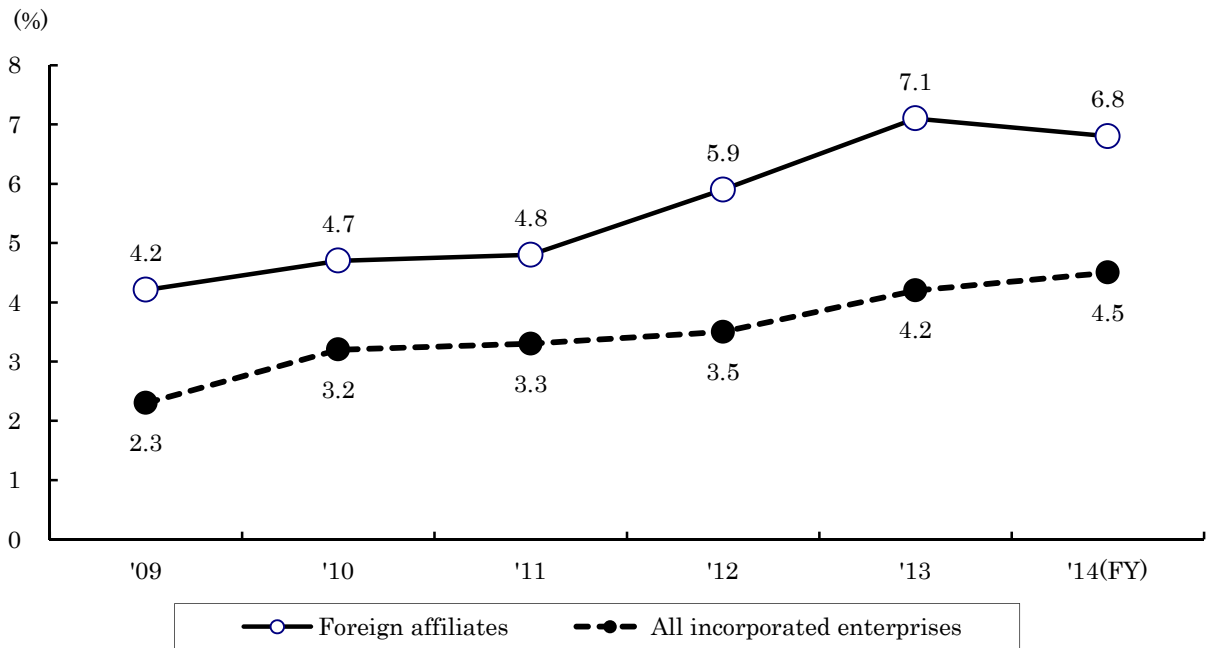


Figure 8-3 Changes in Ordinary Profit to Sales Ratio

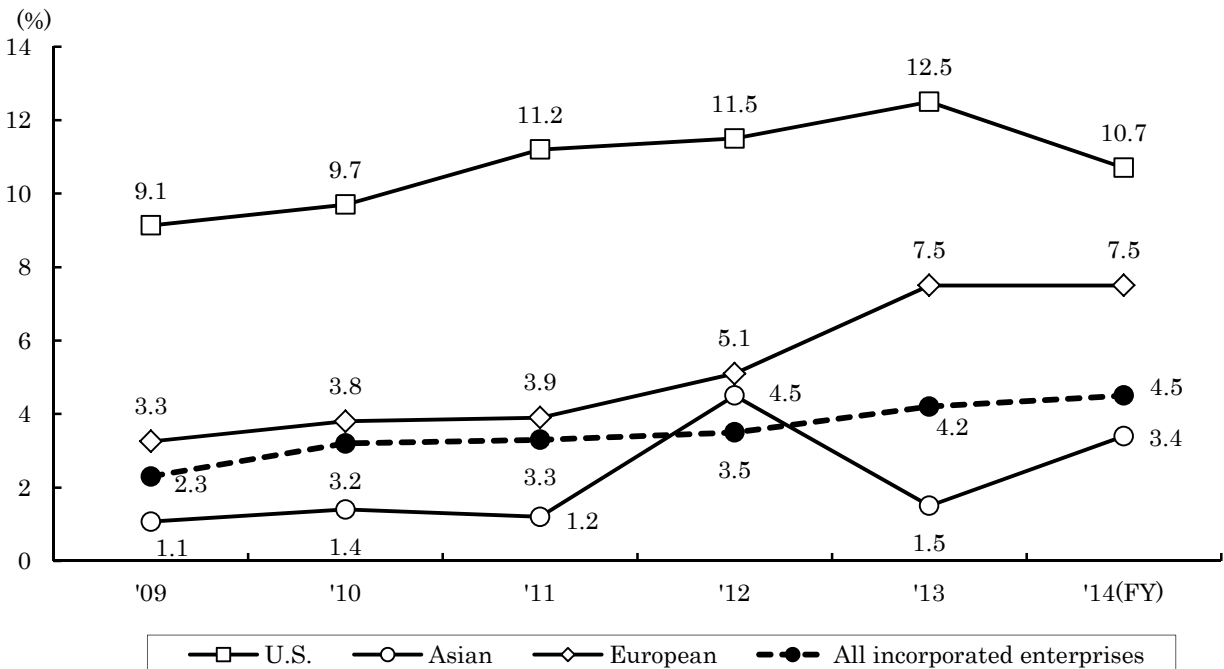


Source: All incorporated enterprises: "Financial Statement Statistics of Corporations by Industry" (Ministry of Finance)

(Note 1) Ordinary profit to sales ratio = Ordinary profit / Sales × 100.0

(Note 2) The values of all exclude the values of the finance and insurance industry.

Figure 8-4 Ordinary Profit to Sales Ratio (by Region of Origin)



Source: All incorporated enterprises: "Financial Statement Statistics of Corporations by Industry" (Ministry of Finance)

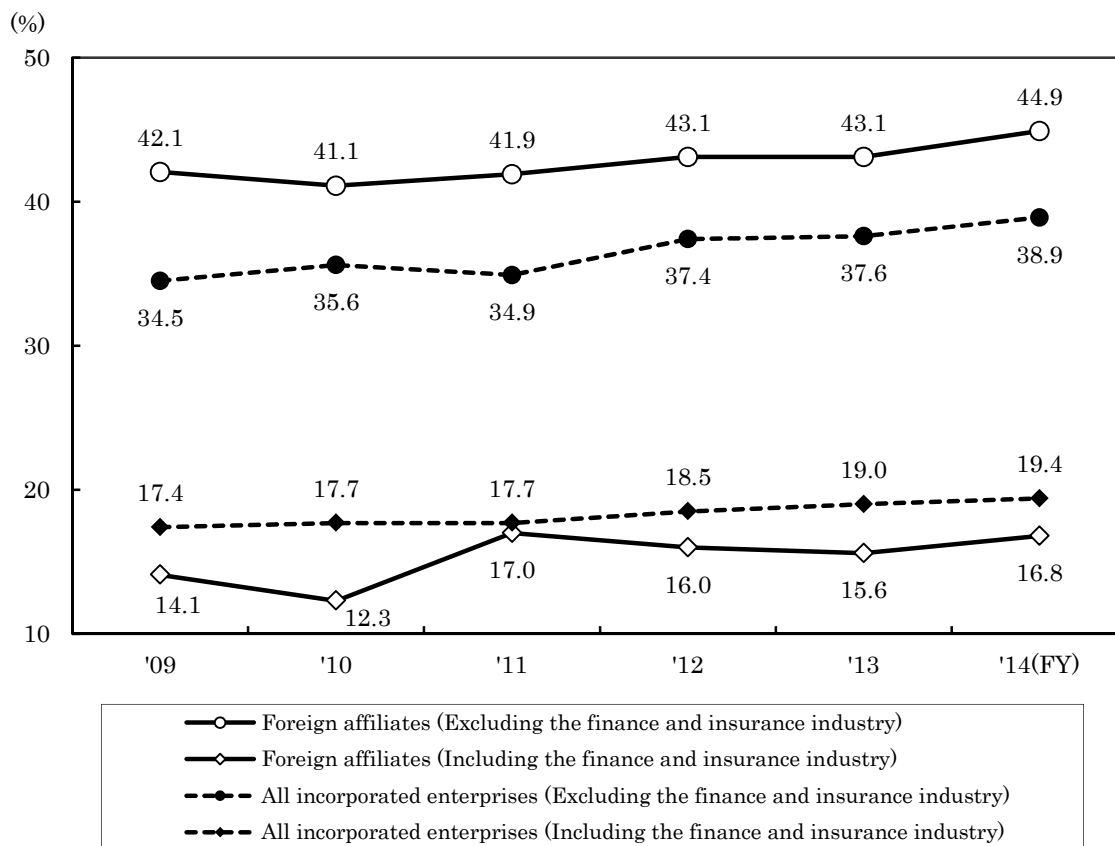
(Note 1) Ordinary profit to sales ratio = Ordinary profit / Sales × 100.0

(Note 2) The values of all exclude the values of the finance and insurance industry.

9. Equity to total assets ratio

- The ratio of equity to total assets ^(Note) was 16.8%. This was 2.8% points lower than that for incorporated enterprises as a whole (Fig. 9-1).
- The ratio of equity to total assets, excluding the finance and insurance industry, was 44.9%. This was 6.0% points higher than that for incorporated enterprises as a whole (Fig. 9-1).

Figure 9-1 Equity to Total Assets Ratio



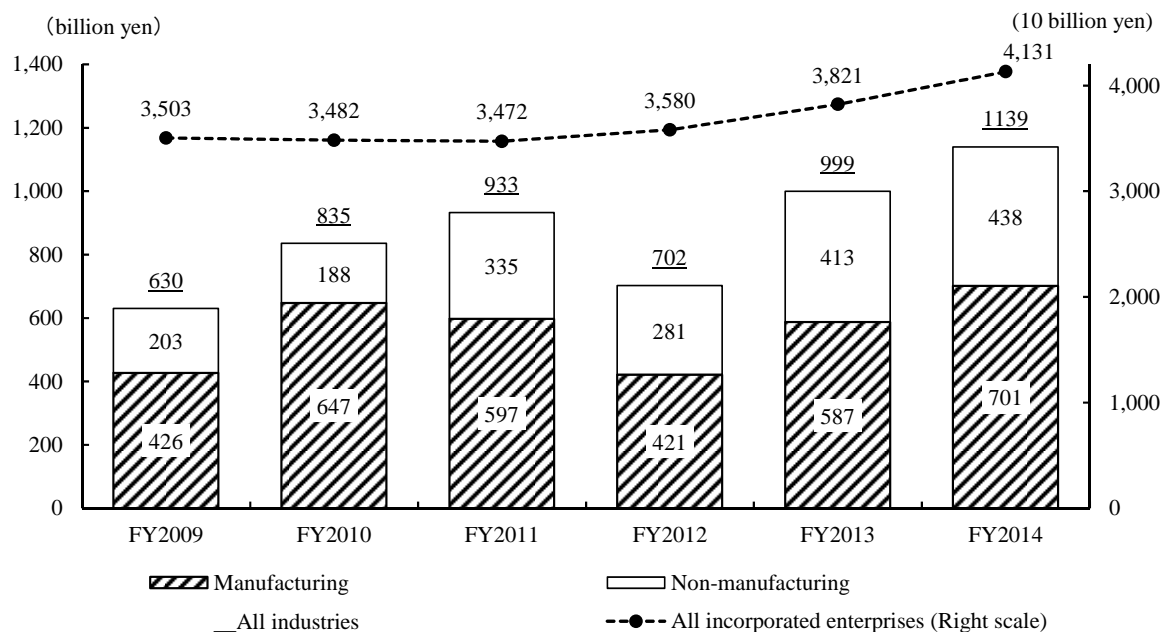
Source: All incorporated enterprises: "Financial Statement Statistics of Corporations by Industry" (Ministry of Finance)

(Note) Ratio of equity to total assets = Total net assets / Total assets × 100.0

10. Capital investment

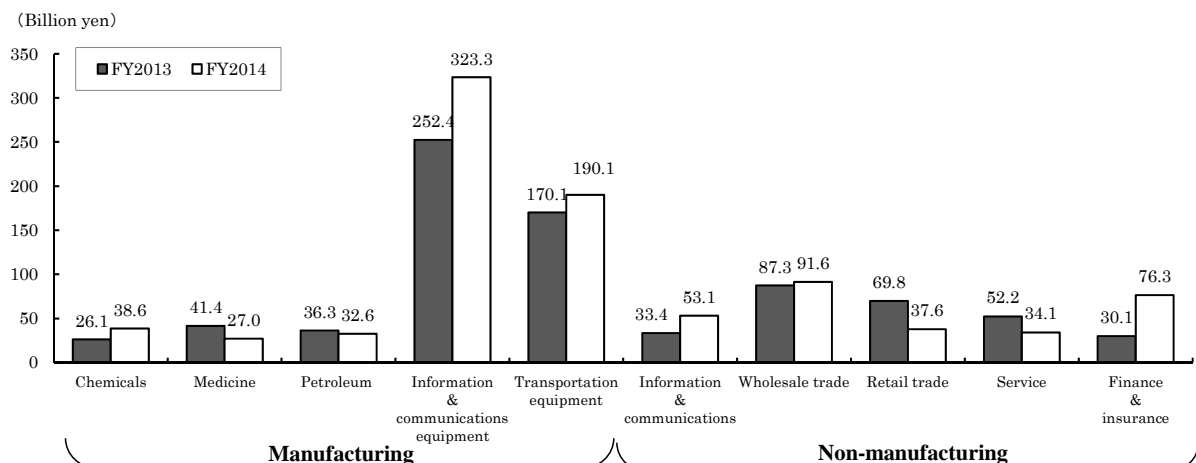
- Capital investment amounted to 1.1 trillion yen, a 14.0% increase from the previous fiscal year (a 3.0% increase when limited to companies that responded in both the previous fiscal year and the current year). The manufacturing sector recorded an increase of 19.5% from the previous fiscal year to 701.3 billion yen (a 17.6% increase when limited to companies that responded in both the previous fiscal year and the current year), and the non-manufacturing sector saw a 6.2% increase (id.) to 438.1 billion yen (a 18.2% decrease when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 10-1).
- The proportion of capital investment by foreign affiliates to the total by all incorporated enterprises was 2.8% (up 0.1% points from the previous fiscal year) (Fig. 10-1).
- By industry, in the manufacturing sector, information and communications equipment increased 28.1% from the previous fiscal year to 323.2 billion yen (a 25.2% increase when limited to companies that responded in both the previous fiscal year and the current year). In the non-manufacturing sector, wholesale trade increased 4.9% (id.) to 91.6 billion yen (a 28.0% decrease when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 10-2).

Figure 10-1-1 Capital Investment



Source: All incorporated enterprises: "Financial Statement Statistics of Corporations by Industry" (Ministry of Finance)

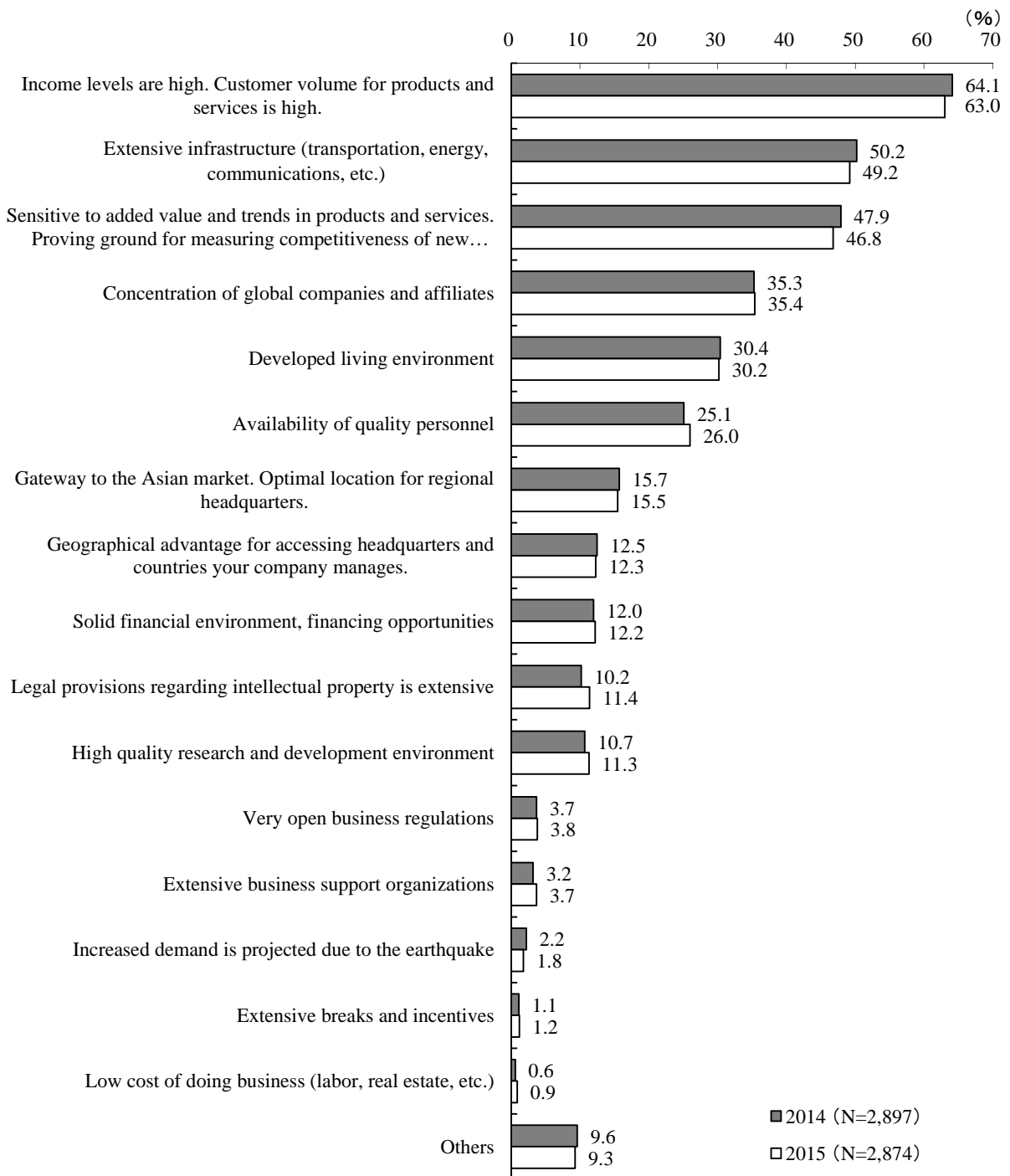
Figure 10-2 Capital Investment by Major Industry



11-1. Attractiveness of business expansion in Japan

- Regarding whether the business environment is attractive for business expansion in Japan, continuing from previous survey, the top response was “Income levels are high, and customer volume for products and services is high,” accounting for 63.0% of the total.
- About 50% affiliates also said, “There is extensive infrastructure (transportation, energy, communications, etc.)” (a ratio of 49.2%), and, “The environment is sensitive to added value and trends in products and services. It is a proving ground for measuring the competitiveness of new products and services” (46.8%).

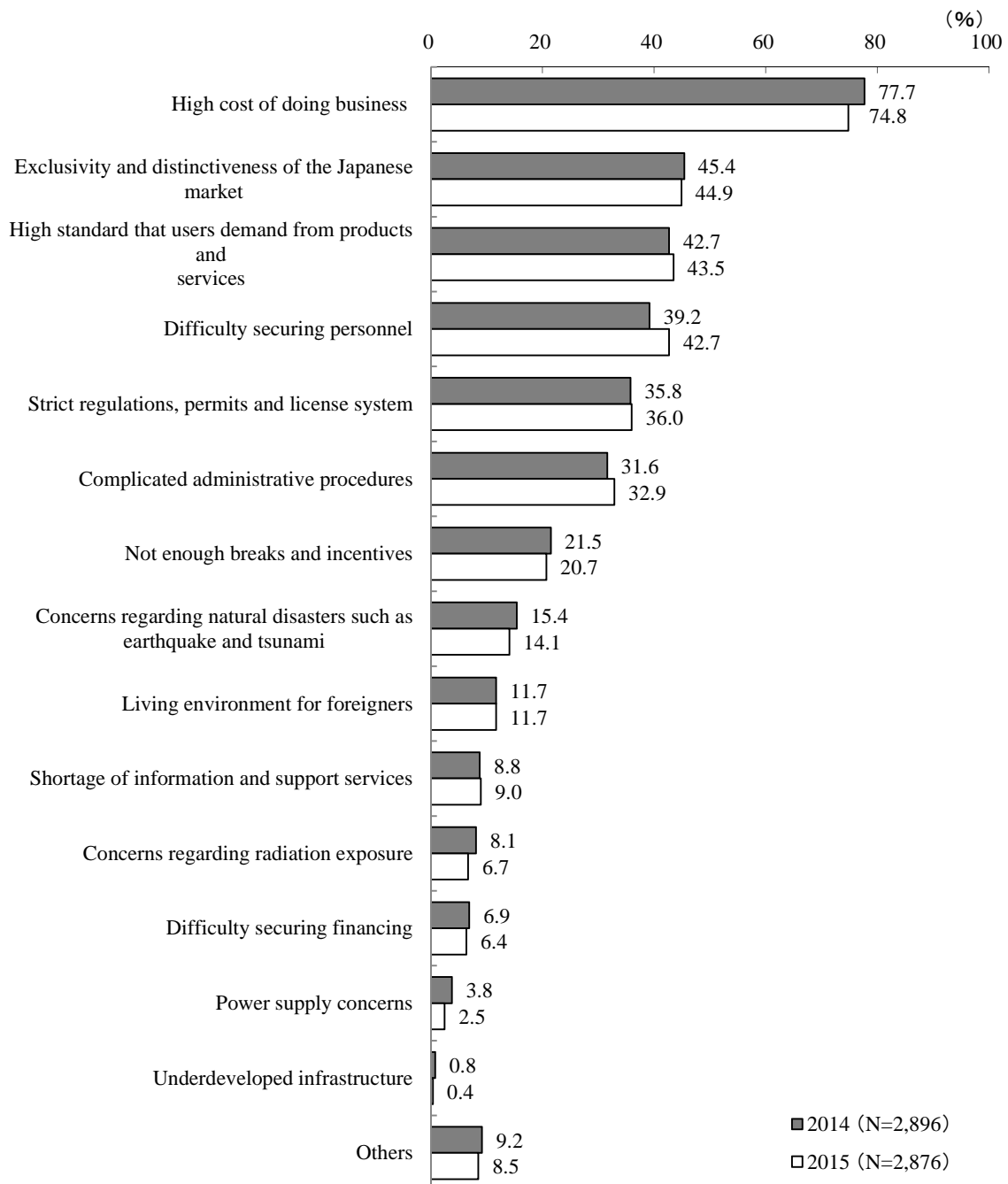
Figure 11-1 Attractiveness of Business Expansion in Japan
 (Multiple answers: top 5 responses per company)



11-2. Factors inhibiting business expansion in Japan

- As for factors inhibiting business expansion in Japan, the top answer was “High cost of doing business (74.8%),” it was down 2.9% points from previous survey.
- “Exclusivity and distinctiveness of the Japanese market” (a ratio of 44.9%), “High standard that users demand from products and services” (43.5%), and “Difficulty securing personnel” (42.7%) followed (“Difficulty securing personnel” was up 3.5% points from the previous survey).

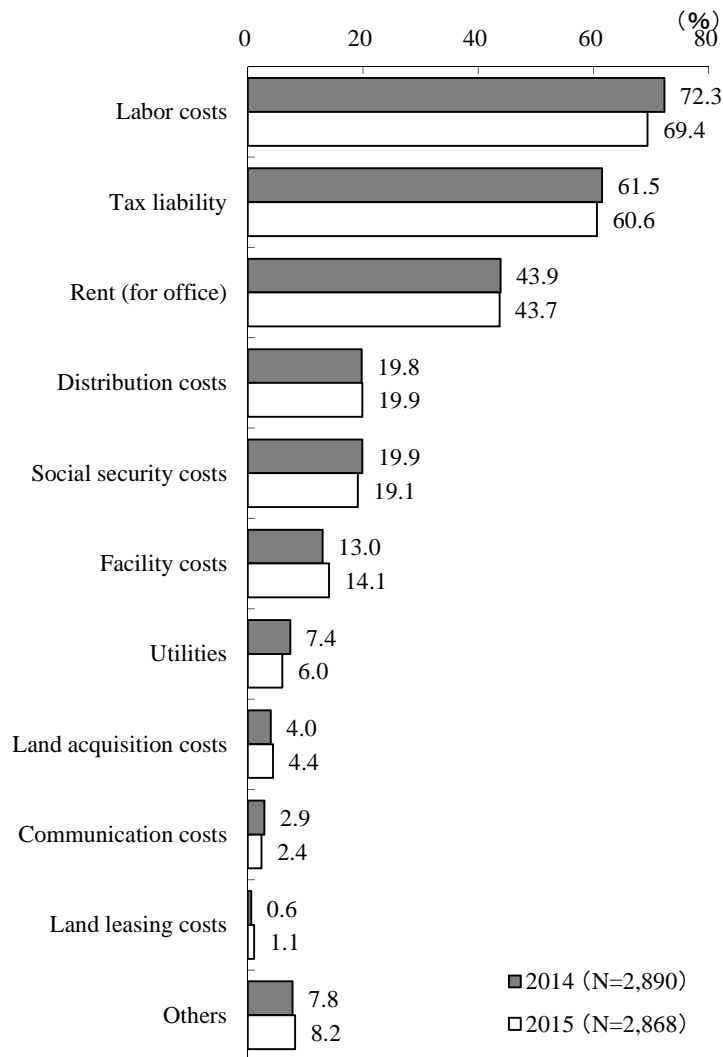
Figure 11-2 Factors Inhibiting Business Expansion in Japan
(Multiple answers: top 5 responses per company)



12. Inhibiting factors with regard to the cost of doing business in Japan

- For inhibiting factors with regard to the cost of doing business in Japan, as with the previous survey, the top answer was “Labor costs” (with a ratio of 69.4%), followed by “Tax liability” (60.6%) and “Rent (for offices)” (43.7%). “Labor costs” was the response of the majority of affiliates, but it was down 2.9% points from previous survey.

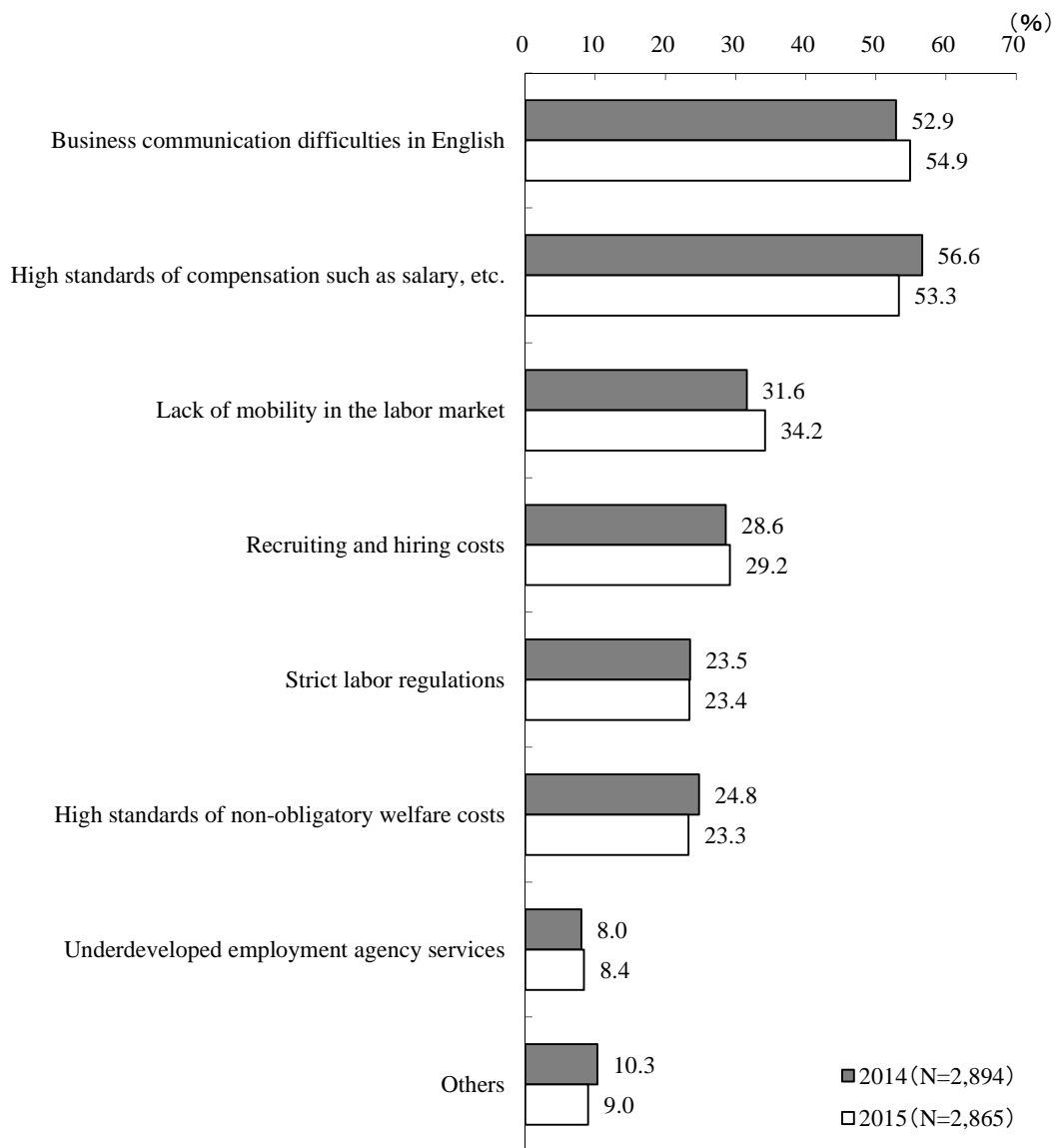
Figure 12 Inhibiting Factors with regard to the Cost of Doing Business in Japan
(Multiple answers: top 3 responses per company)



13-1. Inhibiting factors in securing Japanese personnel

- As for inhibiting factors in terms of securing Japanese personnel, the top answer was “Business communication difficulties in English” (a ratio of 54.9%) (up 2.0 points from previous survey). “High standards of compensation, such as salary, etc.”, the top answer in the previous survey, accounting for 53.3% (down 3.3% points from previous survey).
- “Lack of mobility in the labor market” (a ratio of 34.2%), “Recruiting and hiring costs” (29.2%), “Strict labor regulations” (23.4%) and “High standards of non-obligatory welfare costs” (23.3%) followed.

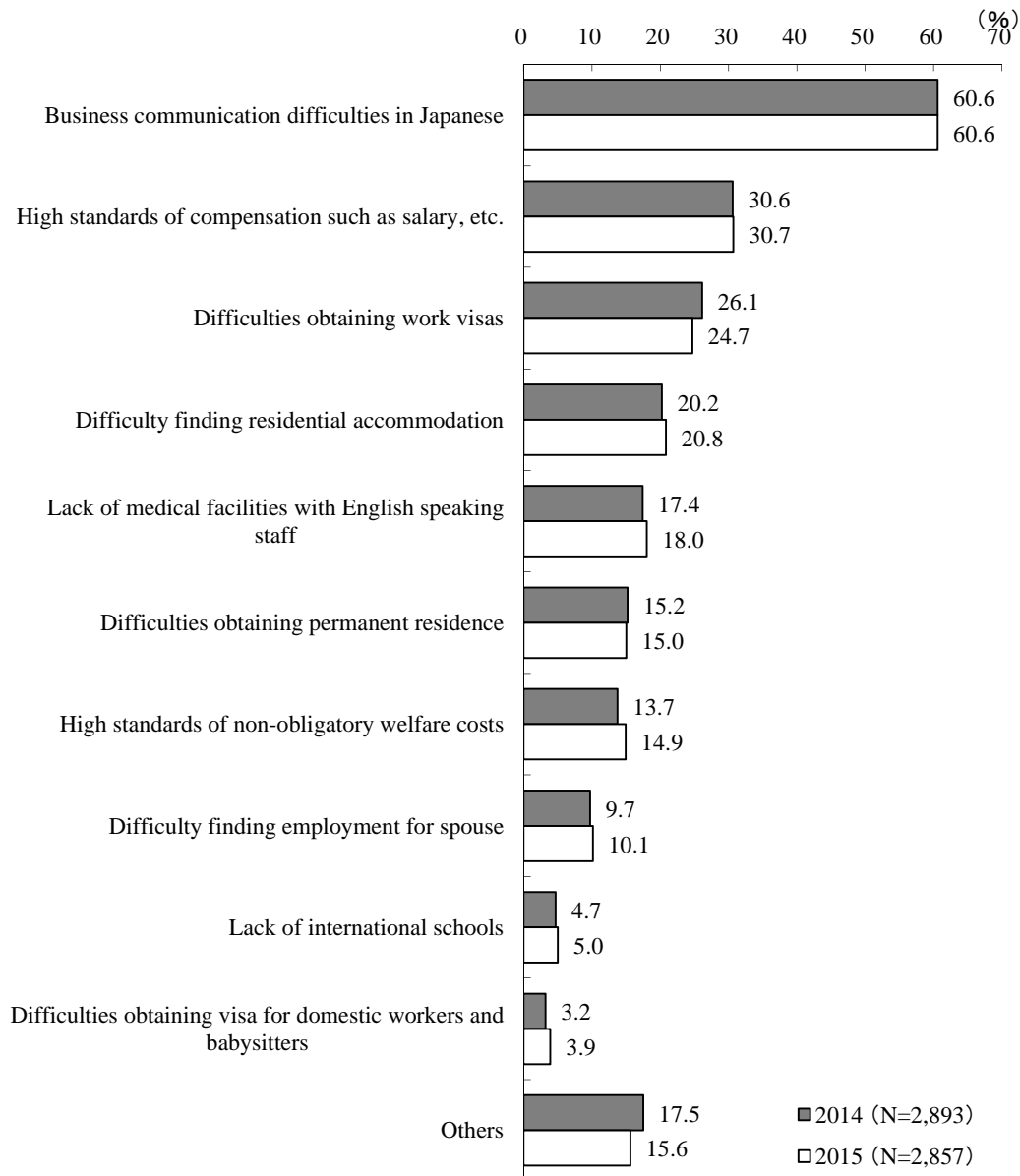
Figure 13-1 Inhibiting Factors in Securing Japanese Personnel
 (Multiple answers: top 3 responses per company)



13-2. Inhibiting factors in securing foreign personnel

- As for inhibiting factors in securing foreign personnel, continuing from previous survey, the top answer was “Business communication difficulties in Japanese,” (a ratio of 60.6%).
- “High standards of compensation such as salary, etc.” (a ratio of 30.7%), “Difficulties obtaining work visas” (24.7%), and “Difficulty finding residential accommodation” (20.8%) followed.

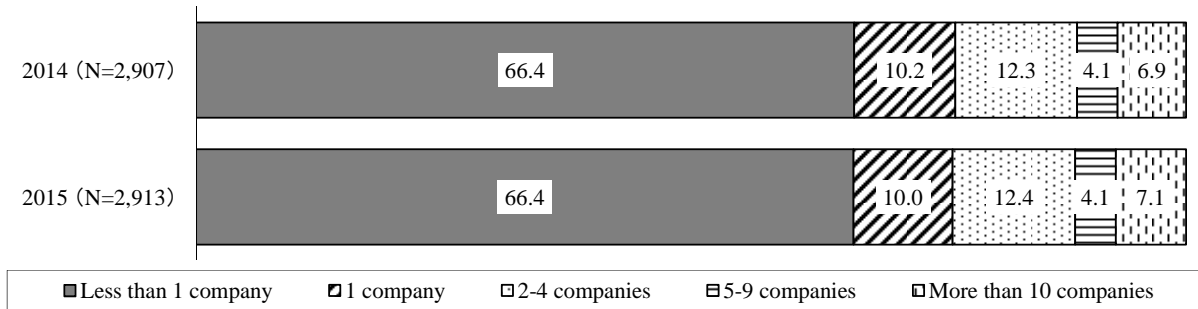
Figure 13-2 Inhibiting Factors in Securing Foreign Personnel
(Multiple answers: top 3 responses per company)



14-1. Business partnerships with Japanese companies

- The top answer regarding the total number of Japanese companies that foreign affiliates doing business in Japan partnered with was “Less than 1 company,” (a ratio of 66.4%), continuing from previous survey.
- With regard to the affiliates that partnered with Japanese companies, “1 company” accounted for 10.0%, “2–4 companies” accounted for 12.4%, “5–9 companies” accounted for 4.1%, and “More than 10 companies” accounted for 7.1%.

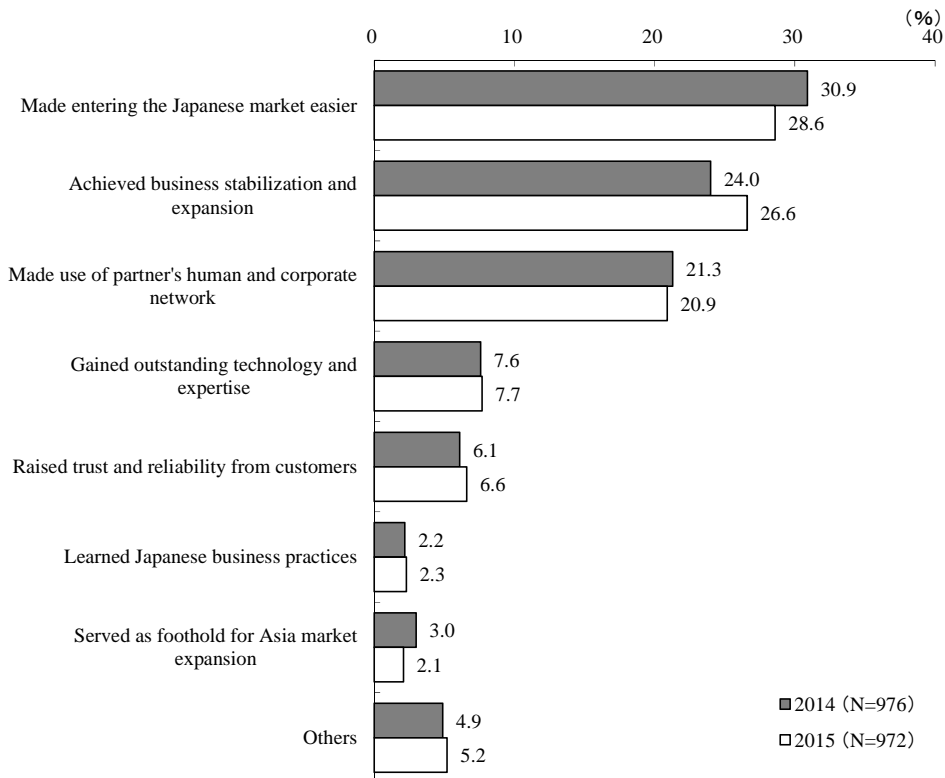
Figure 14-1 Business Partnerships with Japanese Companies



14-2. Advantage of partnering with Japanese companies

- As for the advantage of partnering with Japanese companies, continuing from previous survey, the top answer was “It made entering the Japanese market easier,” (a ratio of 28.6%), down 2.3% points from the previous fiscal year, followed by “It achieved business stabilization and expansion” (26.6%), and “Made use of partner’s human and corporate network” (20.9%).

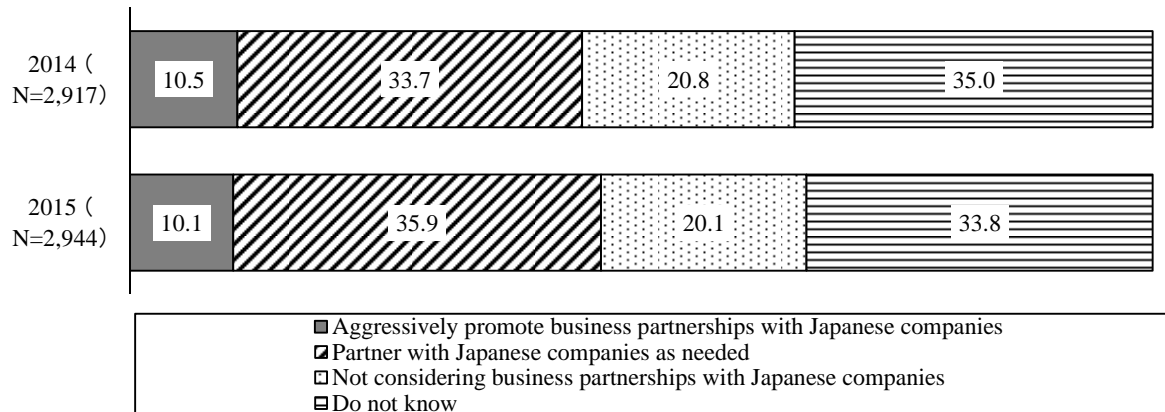
Figure 14-2 Advantage of partnering with Japanese Companies



15. Future plans for business partnerships with Japanese companies

- As for future plans for business partnerships with Japanese companies, continuing from previous survey, a total of about 40% of affiliates took a positive view of partnering with Japanese companies, with the answers of “Aggressively promote business partnerships with Japanese companies” accounting for 10.1% and “Partner with Japanese companies as needed” accounting for 35.9%.

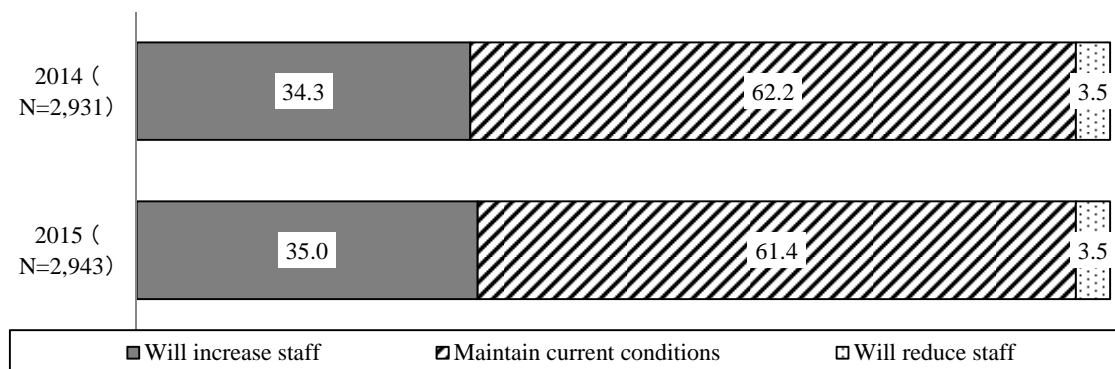
Figure 15-1 Future Plans for Business Partnerships with Japanese Companies



16. Hiring outlook for this year

- As for the hiring outlook for this year in foreign affiliates, continuing from previous survey, the top answer was “Maintain current conditions,” accounting for 61.4% of the total, while “Will increase staff” accounted for 35.0% and “Will reduce staff” accounted for 3.5%..

Figure 16-1 Hiring Outlook for This Year



17. Future business expansion in Japan

- As for future business expansion in Japan, continuing from previous survey, the top answer was “Planning business expansion,” accounting for 52.9% of the total (up by 2.3% points from the previous year), followed by “Maintain current conditions,” accounting for 42.2%.
- Whereas, “Planning to downsize” stood at a ratio of 1.7%, and “Discontinue operations” stood at 0.9%.

Figure 17-1 Future Business Expansion in Japan

