

Overseas Subsidiaries Trend

(Quarterly Survey of Japanese Business Activities)

Results for July-September 2001

Prospects for October 2001-March 2002

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Ministry of Economy, Trade and Industry

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. **With regard to company trend survey**

1. Outline of company trend survey (overseas subsidiaries edition)

(1) Objectives of the survey

To grasp Japanese company's overseas business activities and to contribute to the planning of flexible industrial policy and trade policy

(2) Legal grounds of survey

Statistics approved by the Article 4 of the Statistics Report Adjustment Law

(3) Date of the survey conducted

The survey was conducted at the end of each term.

(4) Subject of the survey

As of March 31, 2001, overseas subsidiaries that were possessed by Japanese companies (note) and that satisfied the following conditions (including overseas subsidiaries that were established during the period of the survey).

Note 1) All industry except finance & insurance, and real estate industry, 2) with a capital of 100 million and more, 3) with 50 employees and more, 4) Japanese companies that have reported or declared the acquisition of foreign currencies securities under the provision of "the Foreign Exchange and Foreign Trade Law", and that have possessed overseas subsidiaries

1) Manufacturing firms

2) With 50 employees and more

3) With over 50% of investment rate of the head office' direct and indirect investment

(5) Method of survey

The survey was conducted by mail, and data gained by the head office's calculation was reported.

(6) Method of totalizing

According to its industry and region, performance figures of companies that did not report were estimated by the following formula. As for total number of employees, the number of the previous term was used. After that, figures of all companies subject to survey were totalized. Estimated items included all items except "this term's amount of money for the acquisition of tangible fixed assets".

This term's estimated figures of companies did not report =

$$\text{The previous year's figures} \times \frac{\text{Total of this term's figures of companies that reported for both this term and the same period of last year}}{\text{Total of previous year's figures of companies that reported for both this term and the same period of last year}}$$

(7) Classification of industry

If overseas subsidiaries conduct plural business, as a rule, business with highest sales is chosen in order to decide the type of industry according to the middle classification of Japan's standard industry classification.

(8) Classification of country (region)

The countries (regions) in which overseas subsidiaries were located were classified as follows (in the order of the Japanese syllabary).

- North America: USA and Canada
- Asia
 - ASEAN4: Indonesia, Thailand, Philippines, and Malaysia
 - Three countries belonging to NIES: Singapore, Taiwan, and South Korea
 - China & other Asia: India, Vietnam, Sri Lanka, Pakistan, Bangladesh, and the People's Republic of China (including Hong Kong Special Administrative District)
- Europe: Ireland, UK, Italy, Austria, Netherlands, Greece, Switzerland, Sweden, Spain, Denmark, Germany, Turkey, Hungary, Finland, France, Belgium, Poland, and Portugal
- Others: UAE, Argentina, Venezuela, Egypt, El Salvador, Australia, Guatemala, Costa Rica, Colombia, Swaziland, Tanzania, Chile, Nicaragua, New Zealand, Papua New Guinea, Puerto Rico (USA), Brazil, Peru, Mexico, The Republic of Ivory Coast, and South Africa

2. Record of changes in the contents of the survey

(with regard to the details, refer to materials published for each term)

- The October-December quarter of 1996, The January-March quarter of 1997
- A sample survey was conducted, and findings were published under the approval of the Management and Coordination Agency
- From fiscal 1998
- Results and prospects for “the amount of money for the acquisition of tangible fixed assets excluding land”(with regard to the head offices, together with “overseas direct investment”) were excluded from quarterly surveys, and researched every other quarter such as the July-September quarter and the January-March quarter. The contents of the survey were also changed from “tangible fixed assets completed or acquired except land during the term” to “tangible fixed assets acquired (including construction temporary accounts) except land during the term”. With regard to the head offices, findings of “the Ministry of International Trade and Industry’s Survey on Investment in Plant and Equipment” were used.

- From the April-June quarter of 1999
 - The coefficient of connection was made, and used for data before fiscal 1997(the January-March quarter of 1998) to maintain consistency with the past data because dropped companies were added to the survey from fiscal 1998(the April- June quarter of 1998).
 - Because of a change in estimating method, results were decided not by the increase rate of the previous term but by the increase rate of the same period last year.
- From the April-June quarter of 2001
 - “Company Trend Survey” was renewed by combining “Industry Economic Trend Survey” with “Company Trend Survey”, both of which were under the control of the Ministry of Economy, Trade and Industry. In addition, “Overseas Affiliated Company Edition” was published separately from “Head Office Edition”.

3. For your information

(1) Exchange of currencies

If the amount of money was written in local currency units, these currencies were exchanged to the Japanese yen at the term’s average rate published by IMF.

(2) With regard to marks in the table of statistics

Mark –: No results

Mark p: Since the mark means a preliminary figure, the figure is likely to be changed in the next term.

Mark X: The figure was concealed for the protection of secrets because the number of overseas subsidiaries was one or two.

Mark r: These figures were changed from ones published in the previous term except preliminary figures.

(3) Method of deciding figures

1) Decision of quarterly figures

This term’s figures are decided in the next term.

2) Decision of the previous fiscal year’s figures (quarterly figures and the total figures of fiscal years)

The figures are decided in the next quarter (the April-June quarter) of fiscal year’s last quarter (adjustment between fiscal years). The total figures of fiscal year are published with the mark “P” in the January-March quarter.

(4) With regard to the processing of the coefficient of connection

The coefficient of connection was used for the processing of data before fiscal 1997(the

January-March quarter of 1998) to maintain the consistency with the past data because dropped companies were added to the survey from fiscal 1998(the April-June quarter of 1998). As for the details, refer to materials published in each term.

(5) This term's average exchange rate and collection rate

- The exchange rate of the yen to the US dollar is 121.74 yen, a 13.2% of fall from the same period last year (107.57 yen), a 0.7% of crease from the previous term (122.64 yen).
- This term's collection rate was as follows.

Number of companies subject to survey	Number of companies that responded	Collection rate
3,260	2,145	65.8%

(6) With regard to the handling of differences.

- Since the previous term (the April-June quarter of 2001), "Quarterly Survey of Japanese Business Activities" has been renewed after being combined with "The Survey of Industrial and Economic Activities" under the control of Ministry of Economy, Trade and Industry. In addition, since companies included in the survey and questions to ask were reviewed, differences have come to the fore between findings in the April-June quarter of 2001 and those in the quarters before that. Therefore, the ratio over the same period of the previous year was estimated only on the basis of the total figures of companies which continued to be included in the survey from the previous fiscal year to the April-June quarter of 2001.
- Results for each term are not adjusted.

• **Findings of the survey**

1. General trend

[Results]

- (1) Sales posted by overseas subsidiaries totaled 10,355.4 billion yen. They fell to minus digits by 1.3% from the same period of last year after a lapse of seven periods (10.2% up in the previous term) in spite of the local currencies' appreciation against the yen (the dollar: up 13.2% and the euro: up 11.4%). Seen on a US dollar base, sales slid 12.8% in relation to the corresponding period of last year (refer to p26).
 - By industry, five out of thirteen industries declined in sales. Specifically, electrical machinery expanded its negative growth rate from -5.4% in the previous period to -11.7% in this term, affecting the total decrease significantly. On the contrary, transport equipments saw a rise of 7.9% from the same period a year earlier for the seventh consecutive period of increase.
 - By region, sales dropped in three out of six regions such as North America, NIES3 and Europe. Especially due to a drop in electrical machinery (-22.0% from the same period of last year), NIES3 saw a sharp fall in sales, widening the negative growth rate from -9.8% in the previous term to -15.8% in this term. North America saw a 1.3% sales decline (up 13.1% in the previous term) from the equivalent term of last year, and Europe fell 4.3% (up 3.9% in the previous term). On the other hand, China & other Asia saw a year-on-year increase of 9.5% in this term, following a rise of 14.7% in the previous term.
- (2) Local sales were 7,575.1 billion yen, down 3.2% from the same period of last year, which was a decrease after a lapse of seven periods together with sales.
 - By industry, six industries saw falls. Specifically, non-ferrous metals and electrical machinery dropped by 31.7% and 19.7% respectively in local sales from the corresponding period of the previous year for the second consecutive period of decrease. In contrast, transport equipments saw a rise of 7.8% ,marking an increase for the forth consecutive period.
 - By region, four regions decreased their local sales, excluding China & other Asia and other.
- (3) Exports to Japan (so-called Japan's reimports) were 919.1 billion yen, up 2.4% from the same term of the previous year, marking an increase for the eighth period in a row. The growth rate, however, has slowed (up 24.3% in the October-December quarter of 2001, up 19.1% in the January-March quarter of 2001, up 9.0% in the April-June quarter of 2001 and up 2.4% in this term).
 - By industry, seven industries faced sales growth. Above all, general machinery, increasing 16.0% from the same period of last year, substantially contributed to the total growth. Electrical machinery, which accounted for a large percentage of

the exports, saw a year-on-year fall of 1.6% after a lapse of eight periods.

- By region, exports to Japan climbed in two regions such as China & other Asia and ASEAN4, which accounted for a large percentage of the total. The increase rate, however, diminished in this term in both of the regions (China & other Asia :up 23.3% in the April-June quarter of 2001 and up 12.7% in the July-September quarter of 2001, ASEAN4: up 7.9% in the April-June quarter of 2001 and up 2.4% for the July-September quarter of 2001).
- (4) Exports to countries other than Japan, added to the survey from this fiscal year, were 1,860.8 billion yen, which marked a 3.4% decrease from the previous term.
- By industry, six industries including electrical machinery and transport equipments saw drops in exports to countries other than Japan from the previous term. Electrical machinery, comprising a large percentage of the total, declined 4.7% from the previous term, and transport equipments dropped 8.5%.
 - By region, four regions saw declines other than China & other Asia (up 7.5% from the previous period) and ASEAN4 (up 1.1% from the previous period).
- (5) With regard to internal transactions (exports to the parent company in Japan and imports from the parent company in Japan added to the survey from this fiscal year),
- exports to the parent company in Japan totaled 569.9 billion yen, down 3.7% from the previous term.
 - By industry, five industries showed falls from the preceding period. Electrical machinery, making up 60.1% of the exports, fell 6.3% to 342.7 billion yen. General machinery, accounting for the second largest percentage of the total, declined 2.9%.
By region, all regions saw drops from the previous term.
 - Imports from the parent company in Japan declined 9.4% from the preceding term to 1,229.2 billion yen.
By industry, eight industries such as electrical machinery decreased from the previous term. Electrical machinery showed a sharp fall of 17.3% to 551.8 billion yen. On the other hand, transport equipments and general machinery showed rises of 1.3% and 1.9% respectively from the previous term.
 - As for trade balance within companies, an excess of imports from the parent company in Japan totaled 659.3 billion yen, down 13.8 % from the previous term. By industry, electrical machinery and transport equipments accounted for 92.9% of the total imports. By region, overseas subsidiaries in North America marked an excess of imports of 584.5 billion yen, while those in Asia posted an excess of exports of 168.8 billion yen.

(6) In terms of equipment investments (the total amount of money for acquisition of fixed assets except land), it has become impossible to compare them directly with those a year earlier because of the change from semi-annual survey to quarterly in this fiscal year. Total investments in plant and equipment, however, have developed upward in the past halves (552.7 billion yen in the second half of the fiscal year 1999 577.3 billion yen in the first half of the fiscal year 2000 603.5 billion yen in the second half of the fiscal year 2000). Investments in the first half of the fiscal year 2001 including this term were 718.7 billion yen, including an increase caused by a rise in the number of overseas subsidiaries comprising the survey.

With regard to overseas subsidiaries which have continued to be included in the survey from the previous fiscal year, the percentage terms in total equipment investments are shown as follows.

- Percentage terms of total equipment investments of the main industry (Ratio over the same period of the previous year) (Unit : %)

	April-September of 2000	October 2000-March 2001	April-September 2001
all regions	11.4%	9.2%	7.6%
chemicals	-32.9	-42.8	6.4
electrical machinery	42.5	30.7	-0.6
transport equipments	5.2	7.7	22.9

- Percentage terms of total equipment investments by region (Ratio over the same period of the previous year)

	April-September 2000	October 2000-March 2001	April-September 2001
North America	57.1%	21.0%	5.3%
ASEAN4	64.4	36.0	-7.5
NIES3	-26.1	35.7	-31.1
China & other Asia	84.9	- 8.3	54.0
Europe	-49.7	-28.0	24.4

(7) The total number of employees was 1,932,000 persons, down 1.9% from the corresponding period of last year. After reaching its peak in the July-September quarter of 2000, the increase rate has slowed in every term, and this term's number fell to minus digits for the first time in ten periods (8.3% in the July-September quarter of 2000 7.4% in the October-December quarter of 2000 2.9% in the January-March quarter of 2001 1.3% in the April-June quarter of 2001 - 1.9% in this term).

- By industry, the number of employees decreased in five industries such as electrical machinery. It has declined since the previous term in electrical machinery, which comprised a large percentage of the total (-1.5% in the previous term, -6.2% in this term). Although transport equipment saw a rise of 3.4% in employment, the rate of increase diminished compared with the previous term.

- By region, the number of employees slid in all regions except China & other Asia (up 3.6% from the same period a year earlier). ASEAN4 saw a drop of 3.0% after a lapse of ten periods.

[Prospects(the October 2001-March 2002 term)]

- (1) With regard to the sales of overseas subsidiaries, the prospects for the October 2001-March 2002 term (DI: Note1) decreased 14.1% points (the level of DI, hereinafter same as this, 12.9 -1.2), posting the biggest negative growth rate since the survey began. Moreover the outlook deteriorated for the sixth consecutive period since the July-December term of 2000 (- 4.9 in the July-December term of 2000 -9.4 in the October 2000-March 2001 term -9.0 in the January-June term of 2001 -3.1 in the April-September term of 2001 - 1.1 in the July-December term of 2001). The level of DI fell to minus digits for the first time since the survey began for the October-December term of 1996.
 - By industry, the prospects deteriorated in ten out of thirteen industries including electrical machinery and transport equipments. Moreover eight industries marked double digit negative growth rates such as electrical machinery and transport equipments. In contrast, improving industries were non-ferrous metals, wood and pulp, paper and paper products , foods and tobacco.
 - By region, the DIs decreased in all six regions. Especially, NIES3 posted a sharp fall, down 26.3% points (0.0 -26.3) from the previous term. Although China & other Asia slid 11.5% points (31.4 19.9) in the DI, only they developed at a double-digit plus level in the level of DI.
- (2) The DI of local sales deteriorated by 9.2% points (9.1 -0.1) from the previous term for the sixth consecutive term of decrease together with sales. The level of DI turned to negative digits for the first time along with sales.
 - By industry, the DIs declined in eleven industries such as electrical machinery and transport equipments.
 - By region, the prospects deteriorated in all regions. Specifically in NIES3 countries, the DI dropped 18.3% points (-5.9 -24.2) from the preceding term. The level of DI has remained minus for four straight terms only in the region. North America fell 11.8% points (2.7 -9.1) in the DI. It also marked a negative figure in the level of DI for the first time since the survey started.
- (3) The DI of exports to Japan (so-called Japan's reimports) saw a drop of 9.3% points (1.2 -8.1) from the previous term.
 - By industry, the number of deteriorating industries increased form five industries in the previous term to eleven in this term. Although transport equipments posted

an increase in the DI in the previous term, they declined 9.4% points (9.4 - 0.0) in this term.

- By region, the DIs decreased in all the six regions in this term, (in the previous term, three regions such as North America saw drops). Especially, China & other Asia showed a sharp fall of 17.8% points (19.0 - 1.2) from the previous term. Although the region posted a slight plus of 1.2 in the level of DI, it was the second lowest level, following the lowest level of -2.0 in the October-March term of 1998 - 1999.

(4) With regard to exports to countries other than Japan, added to the survey from this fiscal year, the DI dropped 5.0% points (0.5 - 4.5), and the level was minus.

- By industry, the DIs fell in nine industries including electrical machinery and transport equipments.
- By region, four regions saw drops in the DIs other than North America and other. Specifically, NIES 3 countries and ASEAN 4 countries fell remarkably by 12.5% points (- 11.2 - 23.7) and 11.5% points (7.5 - 4.0) respectively.

(5) With regard to internal transactions (exports to the parent company in Japan and imports from it), added to the survey from this fiscal year,

- the prospects for exports to the parent company in Japan slid 7.8% points (1.1 - 6.7) from the previous term.

By industry, the DIs deteriorated in eleven industries such as transport equipments and electrical machinery. Although only non-ferrous metals and chemicals improved the DIs, both of them showed minus digits in the levels of DI.

By region, the DIs were minus compared with the previous term in five regions other than North America.

In terms of imports from the parent company in Japan, the DI declined 3.9% points (-5.2 - 9.1) from the previous period, and the level was minus.

By industry, the DIs deteriorated in ten industries such as electrical machinery and transport equipments. By region, the DIs fell in three Asian regions and Europe. Although North America improved the prospects by 3.4% points (-11.2 - 7.8) from the preceding term, the level of DI remained minus for the second straight term. China & other Asia saw a fall of 6.7% points (8.8 - 2.1) from the preceding term in the DI. The level of DI, however, remained at a plus level (2.1) only in that region.

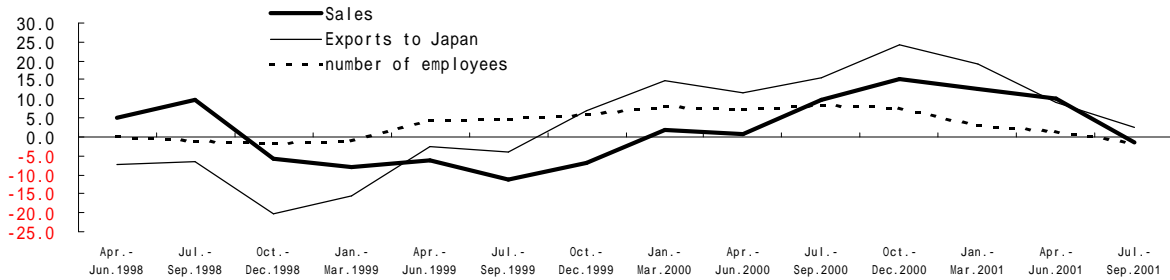
(6) The DI of total equipment investments (the total amount of money for acquisition of fixed assets except land) fell 12.7% points (12.9 - 0.2) from the previous term.

- By industry, the prospects declined in eight out of thirteen industries. They dropped remarkably in electrical machinery, down 22.4% points (6.0 - 16.4), non-ferrous metals, down 22.3% points (11.9 - 10.4) and chemicals, down

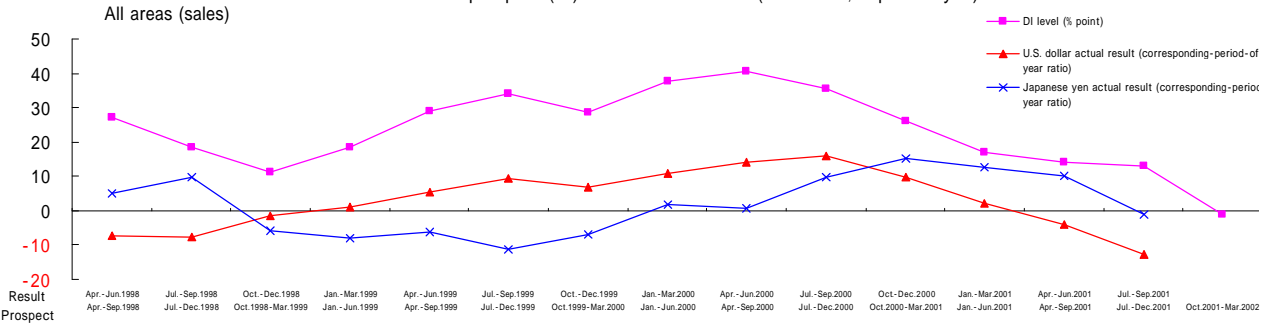
- 18.2% points (27.8 - 9.6).
- By region, the outlook for total equipment investments deteriorated in all regions except other. Especially, North America saw a sharp fall of 22.8% points (15.3 -7.5), followed by a drop of 16.1% points in NIES3 (-1.1 -17.2). Although China & other saw a 8.1% points fall (23.2 -15.1) in the DI, only they marked double digit plus points in the level of DI.
 - 377 out of 1,721 overseas subsidiaries, 21.9% of the total respondents (27.7% in the July-December term of 2001), forecasted that total equipment investments would increase. In terms of the objectives of increasing investments (plural answers acceptable), " a boost in productivity" accounted for the highest percentage of 66.7%, followed by "renewal and repair" , 35.6%, and "rationalization and streamlining", 19.4%. When observing by region the ratio of the companies which supported "a boost in productivity", it showed 73.8% of the total in China & other, 70.3% in ASEAN4, 63.5% in North America, 55.6% in NIES3 and 51.4% in Europe.
- (7) The DI of the number of employees declined 5.4% points (-1.0 -6.4) over the preceding term. The level of DI was also minus for the third consecutive term, reaching the lowest level (-6.4) since the survey began.
- By industry, the DI of employment declined in eleven industries such as transport equipments. Foods & tobacco and textiles showed substantial falls of 15.3% points and 12.7% points in the prospects respectively. Transport equipments saw a 6.9% points decrease ,and electrical machinery saw a 1.9% points decline.
 - By region, the outlook for employment deteriorated in all regions. In terms of the level of DI, however, China and other marked 11.2, remaining at a double digit plus level for the ninth straight term.

Note 1. $DI = \frac{\text{ratio of companies said yes} - \text{ratio of companies said no}}{\text{DI compared with the previous term}} = \frac{\text{this term's DI} - \text{the previous term's DI}}{\text{This term's DI}}$
 This term's DI : the DI when conducting the survey for the July-September quarter of 2001(prospects for the October 2001-March 2002 term)
 The previous term's DI : the DI when conducting the survey for the April-June term of 2001(the forecast for the July-December term of 2001)

The actual result frame of all overseas subsidiary areas
(corresponding-period-of-last-year ratio)



Transition of a prospect (DI) and an actual result (U.S. dollar, Japanese yen)



1. Trends among Overseas Subsidiaries

Unit(Results : million yen, Ratio over same quarter of last year : %)

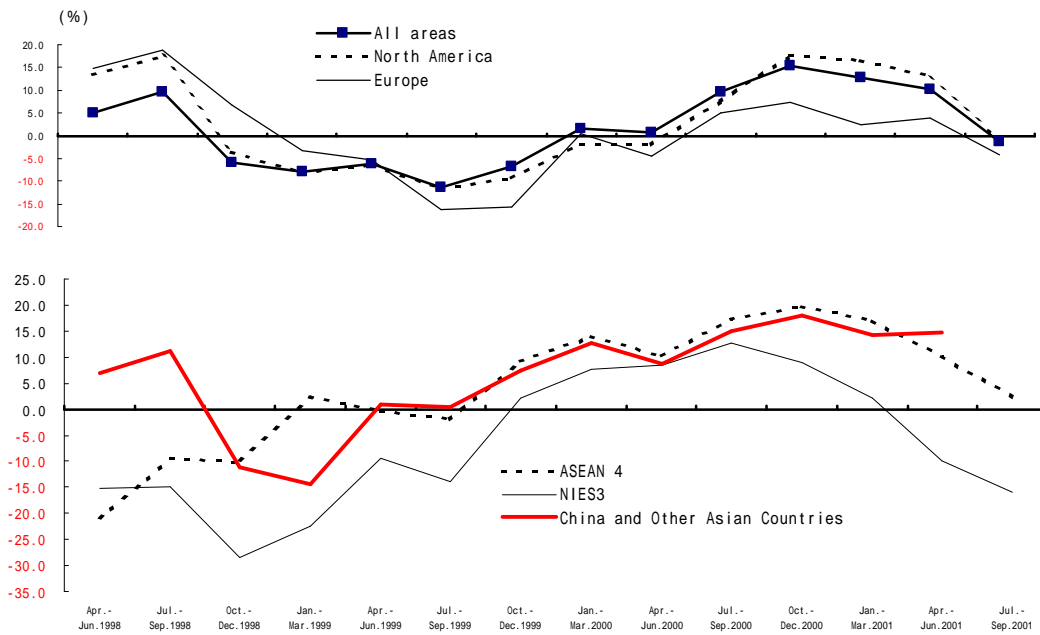
	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Sales	9,625,367	9,694,682	10,149,710	10,873,777	P 10,355,409	9.7	15.3	12.8	10.2	P -1.3
Local sales	5,565,603	5,663,753	6,036,673	8,034,769	P 7,575,079	6.4	12.4	9.9	8.3	P -3.2
Exports to Japan	771,647	800,381	817,062	913,497	P 919,143	15.5	24.3	19.1	9.0	P 2.4
Exports to countries other than Japan				1,925,572	P 1,860,751					
(Parent-subsidiary deals)										
Export to the parent company in Japan				591,889	P 569,907					
Import from the parent company in Japan				1,356,638	P 1,229,218					
Number of employees	1,748,803	1,747,818	1,730,649	1,936,133	P 1,932,119	8.3	7.4	2.9	1.3	P -1.9
Acquisition of tangible fixed assets	Apr. - Sep. 2000		Oct. 2000 - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Apr. - Sep. 2000		Oct. 2000 - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
	577,284		603,496	348,667	P 370,062	11.4		9.2		

2. Outlook for Overseas Subsidiaries

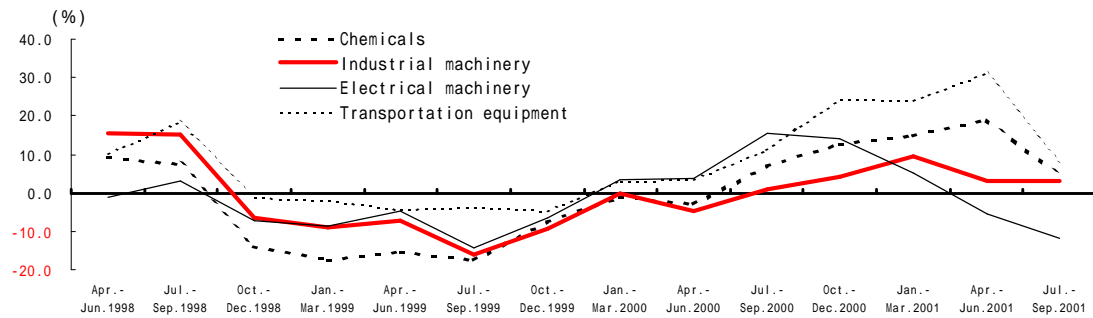
(Unit:%points)

	D I					Ratio Over Previous Quarter				
	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002
Sales	26.1	17.1	14.0	12.9	P -1.2	-9.4	-9.0	-3.1	-1.1	P -14.1
Local sales	23.4	15.4	12.9	9.1	P -0.1	-7.4	-8.0	-2.5	-3.8	P -9.2
Exports to Japan	7.6	-0.1	-1.1	1.2	P -8.1	-3.5	-7.7	-1.0	2.3	P -9.3
Exports to countries other than Japan				0.5	P -4.5					P -5.0
(Parent-subsidiary deals)										
Export to the parent company in Japan				1.1	P -6.7					P -7.8
Import from the parent company in Japan				-5.2	P -9.1					P -3.9
Acquisition of tangible fixed assets	17.4		7.9	12.9	P 0.2	-2.5		-9.5	5.0	P -12.7
Number of employees	9.2	2.4	-2.3	-1.0	P -6.4	-2.4	-6.8	-4.7	1.3	P -5.4

Local option top quantity actual result (corresponding-period-of-last-year ratio)



The sales actual result of the main types of industry (corresponding-period-of-last-year ratio)



Trends in Sales of Overseas subsidiaries by region Unit(Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Total	9,625,367	9,694,682	10,149,710	10,873,777	P 10,355,409	9.7	15.3	12.8	10.2	P -1.3
North America	4,466,687	4,554,790	4,840,811	5,411,791	P 5,082,191	7.7	17.6	16.5	13.1	P -1.3
Asean4	1,260,387	1,247,916	1,260,430	1,374,262	P 1,378,068	17.1	19.8	17.0	10.2	P 2.4
Nies3	882,120	839,141	797,791	782,666	P 757,560	12.7	8.8	2.2	-9.8	P -15.8
China and other	703,082	666,062	653,105	827,473	P 850,208	15.0	17.9	14.3	14.7	P 9.5
Europe	1,758,765	1,814,521	1,992,397	1,756,852	P 1,649,115	4.9	7.3	2.5	3.9	P -4.3
Other	554,326	572,252	605,176	720,733	P 638,267	15.9	21.5	29.1	34.1	P 9.2

Trends in Sales of the main industry Unit(Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Manufacturing industry in total	9,625,367	9,694,682	10,149,710	10,873,777	P 10,355,409	9.7	15.3	12.8	10.2	P -1.3
Chemicals	539,136	550,618	573,490	764,449	P 702,849	7.0	12.6	14.9	18.9	P 4.6
Industrial machinery	597,440	570,012	683,138	715,018	P 646,194	0.9	4.0	9.5	3.0	P 3.0
Electrical machinery	3,670,183	3,617,196	3,548,584	3,568,837	P 3,619,984	15.6	14.0	5.2	-5.4	P -11.7
Transportation equipment	3,263,086	3,435,222	3,801,302	4,070,155	P 3,717,349	11.4	24.4	23.9	31.3	P 7.9

2. Trend by the type of industry

[Results]

With regard to sales by the types of the main industries in all regions,

- (1) Chemicals marked 702.8 billion yen in sales in this term, up 4.6% from the same period a year earlier. The growth rate, which had developed showing an expanding trend, diminished significantly in this term (7.0% in the July-September term of 2000 12.6% in the October-December term of 2000 14.9% in the January-March term of 2001 18.9% in the April-June term of 2001 4.6% in the July-September term of 2001).
 - By region, North America saw a 6.5% sales growth from the corresponding period of last year in this term (20.4% in the previous term) ,and Europe saw an increase of 6.4% (29.8% in the previous term). The rate of increase diminished in both regions. On the other hand, it expanded in China & other from 19.9% in the previous term to 32.3% in this term.
However the sales in China & other accounted for 4.6%, a small percentage of the total sales. Sales in NIES3 and ASEAN4 declined 11.2% and 6.4% respectively for the second consecutive period of decrease.
- (2) General machinery posted 646.2 billion yen in sales in this term, up 3.0% from the corresponding term of last year for the fifth straight period of increase.
 - By region, sales increased in four regions such as China & other, up 30.1%, and Europe, up 11.9%, whereas they declined by 9.8% in North America, and by 7.0% in ASEAN4. As a whole, the rate of increase has slowed, after reaching its peak of 9.5% in the period before the previous. In contrast, sales in China & other have increased substantially, and showed a sharp rise in this term again (12.3% in the July-September term of 2000 31.7% in the October-December term of 2000 37.6% in the January-March term of 2001 52.1% in the April-June term of 2001 30.1% in the July-September term of 2001). On the other hand, North America has seen a decline for six straight terms.
- (3) In terms of electrical machinery, after reaching its peak in sales in the July-September quarter of 2000, the rate of increase has diminished ,and it has fallen to minus digits since the previous period. Sales in this period were 3,620 billion yen, posting a year-on-year fall of 11.7%. (15.6% in the July-September term of 2000 14.0% in the October-December term of 2000 5.2% in the January-March term of 2001 -5.4% in the April-June term of 2001 -11.7% in the July-September term of 2001).
 - By region, North America marked 1,277.5 billion yen in sales, down 18.1% from the corresponding period a year earlier. Europe saw a 18.7% fall in sales to 586.4 billion yen ,and NIES3 decreased by 22.0% to 427.2 billion yen. The rate of

decrease has expanded in those regions. On the contrary, China & other and ASEAN4 marked a 2.7% and 1.2% slight increase respectively, while the growth rate slowed.

- (4) Transport equipments reached 3,717.3 billion yen in sales in this term, showing a 7.9% increase from the same period of the previous year, whereas the growth rate began to shrink (11.4% in the July-September quarter of 2000 24.4% in the October-December quarter of 2000 23.9% in the January-March quarter of 2001 31.3% in the April-June quarter of 2001 7.9% in the July-September quarter of 2001).
- By region, North America saw a 6.2% rise in sales to 2,442.5 billion yen, and Europe saw a 14.5% increase to 454.1 billion yen. As a whole, sales of transport equipments have increased in all regions other than NIES3, partly being contributed by the industrial mergers in North America until the previous term.

[Prospects (the October 2001-March 2002 half)]

With regard to total sales prospect by the types of the main industries in all regions,

- (1) Chemicals' sales prospects for the October-March quarter of 2001-2002 fell 22.0% points (20.2 -1.8) from the previous term, showing the widest negative growth rate since the survey began (-6.9 in the October-March term of 2000-2001 -0.6 in the January-June term of 2001 -12.8 in the April-September term of 2001 1.1 in the July-December term of 2001). The level of DI fell to minus digits for the first time.
- By region, the prospects saw a slight improvement in China & other over the previous term, whereas they deteriorated in all the remaining five regions. The outlook plummeted by 44.0% points (7.9 -36.1) in NIES3, by 29.6% points (17.8 -11.8) in North America ,and it also fell 9.1% points (17.7 8.6) in Europe. On the other hand, the prospects in China & other improved by 0.6% points (29.4 30.0). The level of DI remained at a high level only in that region.
- (2) General machinery's sales prospects declined 2.7% points (6.0 3.3) from the previous term for the three consecutive period of decrease. The high level of DI, which was posted in the previous year, has been falling gradually (35.8 in the July-December term of 2000 28.4 in the October-March term of 2000-2001 28.9 in the January-June term of 2001 19.0 in the April-September term of 2001 6.0 in the July-December term of 2001 3.3 in the October 2001-March 2002 term).
- By region, the prospects declined 20.8% points (0.0 -20.8) from the previous term in NIES3, and 0.4% points (-2.0 -2.4) in North America for the third consecutive period of decrease. The outlook in Europe also fell 11.6% points (6.8

-4.8) for the second straight term of decrease. The levels of DI in these three regions also showed minus. On the other hand, the prospects in China & other and ASEAN4 saw single-digit slight rises, marking 17.6 and 22.2 respectively in the levels of DI, higher than those in the other regions.

- (3) Electrical machinery's sales prospects turned to a deterioration of 16.6% points (2.9 -13.7) in this term from an improvement in the previous term. The level of DI marked the lowest since the survey began. (40.3 in the July-December term of 2000 26.8 in the October-March term of 2000-2001 2.8 in the January-June term of 2001 -4.7 in the April-September term of 2001 2.9 in the July-December term of 2001 -13.7 in the October-March term of 2001-2002).
- By region, the outlook declined in all regions. The rate of decrease was more than ten percent in all regions except other. The prospects dropped 26.8% points (17.0 -9.8) in Europe, 18.5% points (-6.4 -24.9) in ASEAN4, 14.6% points (25.5 10.9) in China & other, 13.0% points (-1.3 -14.3) in North America, 12.3% points (-16.7 -29.0) in NIES3
The level of DI has fluctuated on a plus level only in China & other.
- (4) Transport equipments' sales prospects fell 12.2% points (15.4 3.2) from the previous term for the fourth consecutive term of decrease, widening the negative growth rate. Although the level of DI showed plus, it was the lowest level since the survey began.
- By region, the prospects for transport equipments dropped in all regions except other regions. North America saw a 4.8% points fall in DI (-15.2 -20.0) for the fourth consecutive period of drop. The level of DI posted minus in the previous term (the July-December term of 2001) for the first time since the survey started. In this term, the DI level marked lower than that in the previous term. In Europe, the DI fell 14.2% points (16.3 2.1) for the third straight term of drop. ASEAN4 showed a decrease of 10.2% points (37.0 26.8), while the rate of decrease was relatively small compared with the other regions, and the outlook has developed on a high level (39.3 in the October-March term of 2000-2001 30.8 in the January-June term of 2001 50.0 in the April-September term of 2001 37.0 in the July-December term of 2001 26.8 in this period).

Trends in Sales of the main industry by region

Unit(Results : million yen, Ratio over same quarter of last year : %)

		Quarterly Performances					Ratio Over Same quarter of last year				
		Jul. - Sep.	Oct. - Dec.	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Jul. - Sep.	Dec.	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.
		2000	2000	2001	2001	2001	2000	2000	2001	2001	2001
Overseas subsidiaries	Total	9,625,367	9,694,682	10,149,710	10,873,777	P 10,355,409	9.7	15.3	12.8	10.2	P -1.3
Chemicals	Total	539,136	550,618	573,490	764,449	P 702,849	7.0	12.6	14.9	18.9	P 4.6
	North America	178,374	186,069	191,847	324,154	P 290,444	2.4	8.6	17.0	20.4	P 6.5
	ASEAN4	54,289	53,970	56,919	82,104	P 73,544	10.1	12.7	3.0	-0.3	P -6.4
	NIES3	59,683	59,067	60,217	68,414	P 64,813	8.6	8.7	4.9	-3.1	P -11.2
	China and other	22,958	23,239	22,909	29,036	P 32,090	5.1	22.5	9.1	19.9	P 32.3
	Europe	218,648	222,956	235,763	249,517	P 233,295	9.9	16.7	19.4	29.8	P 6.4
Industrial machinery	Total	597,440	570,012	683,138	715,018	P 646,194	0.9	4.0	9.5	3.0	P 3.0
	North America	256,488	224,435	284,558	298,283	P 261,803	-6.5	-7.5	-2.0	-12.0	P -9.8
	ASEAN4	63,971	64,372	65,883	52,982	P 55,848	37.8	52.0	43.9	10.4	P -7.0
	NIES3	38,745	44,540	43,664	40,700	P 43,381	2.4	18.0	21.5	-2.4	P 8.8
	China and other	75,671	84,696	93,121	105,518	P 98,903	12.3	31.7	37.6	52.1	P 30.1
	Europe	150,365	140,079	184,044	204,636	P 171,305	-1.1	-5.9	7.8	8.5	P 11.9
Electrical machinery	Total	3,670,183	3,617,196	3,548,584	3,568,837	P 3,619,984	15.6	14.0	5.2	-5.4	P -11.7
	North America	1,100,920	1,056,606	1,094,364	1,195,137	P 1,277,481	5.1	5.5	4.3	-14.5	P -18.1
	ASEAN4	767,458	725,170	769,377	752,360	P 772,969	19.7	20.7	18.9	10.0	P 1.2
	NIES3	555,875	515,583	481,069	439,661	P 427,238	17.6	8.8	-1.4	-15.2	P -22.0
	China and other	412,100	386,555	346,957	438,535	P 456,757	17.0	17.0	3.6	8.0	P 2.7
	Europe	735,345	805,367	754,461	642,396	P 586,374	26.8	21.5	-4.1	-11.5	P -18.7
Transportation equipment	Total	3,263,086	3,435,222	3,801,302	4,070,155	P 3,717,349	11.4	24.4	23.9	31.3	P 7.9
	North America	2,143,020	2,300,777	2,488,985	2,726,188	P 2,442,452	17.0	34.8	31.6	33.7	P 6.2
	ASEAN4	183,836	211,613	170,981	240,269	P 246,665	6.6	19.2	3.9	13.5	P 10.3
	NIES3	95,035	94,592	91,646	92,427	P 90,212	12.1	16.7	17.2	-4.2	P -5.7
	China and other	22,063	18,523	20,493	51,837	P 58,082	10.8	4.4	12.0	27.5	P 54.6
	Europe	458,964	458,885	616,159	459,140	P 454,133	-10.5	-7.3	3.1	26.2	P 14.5
Food and tobacco	Total	230,715	253,217	243,944	322,779	P 320,045	4.1	9.0	17.3	13.4	P 11.1
Textiles	Total	120,154	118,855	126,495	148,107	P 128,278	-2.7	-2.1	4.1	3.0	P -3.7
Wood, pulp and paper products	Total	48,575	44,961	42,614	55,332	P 39,196	2.5	4.4	-2.4	-2.0	P -13.2
Ceramics, stone and clay	Total	228,332	195,404	216,661	213,399	P 217,213	25.7	19.3	25.6	2.3	P -2.7
Iron and steel	Total	129,689	126,153	120,410	199,287	P 170,027	-18.5	-5.2	-13.9	1.4	P 6.3
Non-ferrous metals	Total	106,226	111,215	96,761	95,635	P 82,113	3.3	16.4	-0.3	-19.2	P -30.2
Metals	Total	40,281	37,397	38,277	50,463	P 46,021	-1.2	-2.7	-1.6	0.8	P 7.9
Precision instruments	Total	205,221	196,183	178,351	198,794	P 195,279	18.4	10.1	4.3	18.4	P 5.5

Outlook for sales of the main industry by region

(Unit:%points)

		D I					Ratio Over Previous Quarter				
		Oct.2000	Jan. - Jun.	Apr. - Sep.	Jul. - Dec.	Oct.2001	Oct.2000	Jan. - Jun.	Apr. - Sep.	Jul. - Dec.	Oct.2001
		-Mar.2001	2001	2001	2001	-Mar.2002	-Mar.2001	2001	2001	2001	-Mar.2002
Overseas subsidiaries Total		26.1	17.1	14.0	12.9	P -1.2	-9.4	-9.0	-3.1	-1.1	P -14.1
Chemicals	Total	32.5	31.9	19.1	20.2	P -1.8	-6.9	-0.6	-12.8	1.1	P -22.0
	North America	25.0	26.7	9.8	17.8	P -11.8	-14.5	1.7	-16.9	8.0	P -29.6
	ASEAN4	42.2	40.0	26.8	17.9	P -1.9	-15.7	-2.2	-13.2	-8.9	P -19.8
	NIES3	23.5	-3.1	9.7	7.9	P -36.1	-1.5	-26.6	12.8	-1.8	P -44.0
	China and other	48.6	58.8	54.5	29.4	P 30.0	12.9	10.2	-4.3	-25.1	P 0.6
	Europe	23.7	35.9	-5.9	17.7	P 8.6	4.5	12.2	-41.8	23.6	P -9.1
Industrial machinery	Total	28.4	28.9	19.0	6.0	P 3.3	-7.4	0.5	-9.9	-13.0	P -2.7
	North America	22.2	35.9	2.3	-2.0	P -2.4	4.3	13.7	-33.6	-4.3	P -0.4
	ASEAN4	17.4	-23.8	-4.0	13.8	P 22.2	-17.6	-41.2	19.8	17.8	P 8.4
	NIES3	48.0	15.8	-13.6	0.0	P -20.8	-17.2	-32.2	-29.4	13.6	P -20.8
	China and other	48.6	56.3	68.8	8.3	P 17.6	-1.4	7.7	12.5	-60.5	P 9.3
	Europe	14.6	28.1	30.8	6.8	P -4.8	-17.8	13.5	2.7	-24.0	P -11.6
Electrical machinery	Total	26.8	2.8	-4.7	2.9	P -13.7	-13.5	-24.0	-7.5	7.6	P -16.6
	North America	25.9	-2.8	-14.3	-1.3	P -14.3	-5.7	-28.7	-11.5	13.0	P -13.0
	ASEAN4	31.1	1.3	-13.1	-6.4	P -24.9	-12.2	-29.8	-14.4	6.7	P -18.5
	NIES3	5.4	-22.4	-21.4	-16.7	P -29.0	-24.8	-27.8	1.0	4.7	P -12.3
	China and other	39.4	18.1	20.0	25.5	P 10.9	-10.1	-21.3	1.9	5.5	P -14.6
	Europe	22.0	11.1	5.7	17.0	P -9.8	-14.5	-10.9	-5.4	11.3	P -26.8
Transportation equipment	Total	24.0	21.2	20.3	15.4	P 3.2	1.7	-2.8	-0.9	-4.9	P -12.2
	North America	25.7	9.0	0.0	-15.2	P -20.0	11.1	-16.7	-9.0	-15.2	P -4.8
	ASEAN4	39.3	30.8	50.0	37.0	P 26.8	-14.4	-8.5	19.2	-13.0	P -10.2
	NIES3	0.0	5.9	16.7	30.0	P -23.9	5.6	5.9	10.8	13.3	P -53.9
	China and other	29.6	55.6	50.0	63.6	P 30.5	-6.1	26.0	-5.6	13.6	P -33.1
	Europe	-2.6	25.0	18.2	16.3	P 2.1	6.2	27.6	-6.8	-1.9	P -14.2
Food and tobacco	Total	48.8	49.4	55.8	37.9	P 39.8	-6.4	0.6	6.4	-17.9	P 1.9
Textiles	Total	20.0	34.3	40.4	17.9	P -10.2	-0.8	14.3	6.1	-22.5	P -28.1
Wood, pulp and paper products	Total	57.1	45.0	27.3	14.8	P 20.0	-4.8	-12.1	-17.7	-12.5	P 5.2
Ceramics, stone and clay	Total	16.4	1.8	13.1	20.0	P 15.0	-18.4	-14.6	11.3	6.9	P -5.0
Iron and steel	Total	23.1	12.0	30.4	26.5	P -2.0	-24.9	-11.1	18.4	-3.9	P -28.5
Non-ferrous metals	Total	29.5	21.4	-2.5	-14.0	P 9.8	-12.7	-8.1	-23.9	-11.5	P 23.8
Metals	Total	39.5	28.9	-2.9	4.1	P -16.3	-11.9	-10.6	-31.8	7.0	P -20.4
Precision instruments	Total	5.6	-14.8	7.9	24.7	P -7.5	-17.4	-20.4	22.7	16.8	P -32.2

3. Trend by region

(1) North America

Results

- 1) In spite of the yen's fall against local currencies, sales were 5,082.2 billion yen, down 1.3% from the same period a year earlier for the first time in five periods partly due to the economic recession.
 - By industry, sales dropped in six industries. Electrical machinery's sales saw a year-on-year decline of 18.1% for the second straight period of drop, partly because of a fall in demand for IT-related electrical machinery. Its decline made a large contribution to the decrease of total sales. General machinery's sales fell for the sixth straight period to -9.8%, and non-ferrous metals continued to drop by 43.1%. Transport equipments and chemicals showed an increase of 6.2% and 6.5% respectively, whereas the rate of growth diminished to less than ten percent after a sharp expansion in the previous term.
- 2) Local sales totaled 4,654.5 billion yen, down 1.0% in relation to the same period of last year after a lapse of five periods together with sales.
- 5) Exports to Japan (Japan's total reimports) declined 6.6% after a lapse of seven periods to 91.6 billion yen.
- 4) Exports to countries other than Japan were 336.1 billion yen.
- 5) With regard to internal transactions (exports to the parent company in Japan and imports from it),
 - exports to the parent company in Japan were 44.0 billion yen, and imports from it were 628.5 billion yen.
- 6) The number of employees totaled 431,000 persons, down 3.7% from the same period of the previous year, partly because of a deterioration of employment situation. The rate of decrease posted the largest (-1.6%) in the previous term since the survey started, and the rate expanded in this term.
 - By industry, a decrease in electrical machinery (-6.5%) contributed significantly to the total fall in the number of employees. Moreover, eleven out of thirteen industries saw drops in employment.

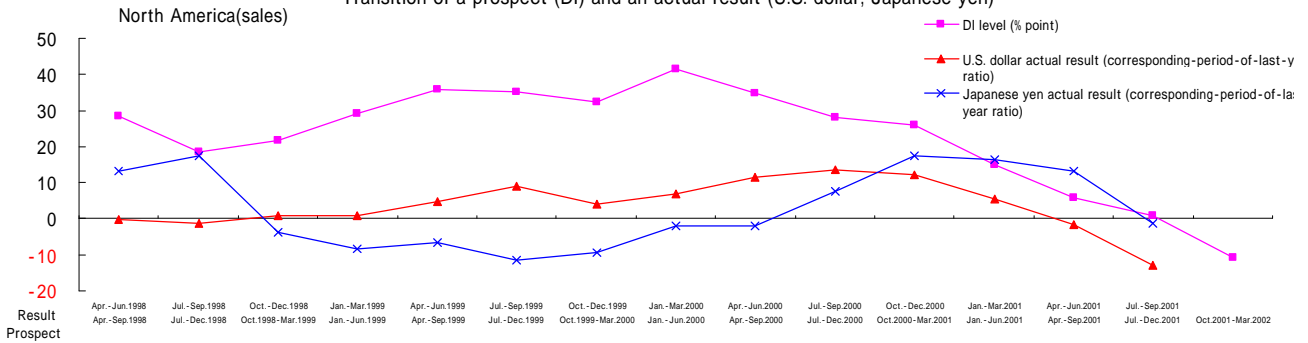
[Prospects (the October-March term of 2001-2002)]

- 1) Sales prospects fell 11.9% points (1.0 -10.9) from the previous term for the

seventh consecutive term of decline. The level of DI fell to minus digits for the first time since the survey began, indicating that increasing number of companies anticipated the sales decrease in the future.

- By industry, the DI of sales deteriorated in ten out of thirteen industries. Eight industries out of them saw minus figures in the level of DI, which showed that a feeling of slowdown for future sales spread among industries. The outlook for electrical machinery dropped 13.0% points (-1.3 -14.3), and the level of DI has fluctuated on a minus level for four straight terms. Moreover, transport equipments showed a deterioration in the DI for the fourth term in a row, and general machinery saw a fall for the third consecutive term.
- 2) The prospects for local sales dropped 11.8% points (2.7 -9.1) from the previous term, posting a decrease for the seventh consecutive period together with sales. The level of DI fell to minus digits for the first time since the survey began.
 - 3) The outlook for exports to Japan (Japan's reimports) declined 0.8% points (-12.5 -13.3) from the preceding period, posting a drop for the fifth consecutive period.
 - 4) Although the forecast for exports to countries other than Japan saw a slight improvement of 0.5% points (-7.9 -7.4) from the previous term, the level of DI has remained minus.
 - 5) In terms of the outlook for internal transactions (exports to the parent company in Japan and imports from it),
 - exports to the parent company in Japan increased 1.1% points (-11.9 -10.8), and imports from it rose 3.4% points (-11.2 -7.8) from the previous term. The level of DI has remained minus in both of them.
 - 6) The prospects for total equipment investments (the amount of money for acquisition of fixed assets except land) dropped 22.8% points (15.3 -7.5) from the previous term. The level of DI was minus for the first time since the survey began.
 - By industry, the outlook decreased in eight out of thirteen industries. The level of DI showed the minus digits in a key industry, transport equipments, and also in general machinery and chemicals for the first time since the survey started.
 - 7) The forecast for the number of employees declined for the sixth straight period to -6.4% points (-9.2 -15.6) in this term. It has continued to deteriorate.
 - By industry, the prospects dropped in ten out of thirteen industries such as transport equipments and electrical machinery.

Transition of a prospect (DI) and an actual result (U.S. dollar, Japanese yen)



1. Trends among Overseas Subsidiaries in North America

Unit(Results : million yen(Number of employees:persons), Ratio over same quarter of last year

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Sales	4,466,687	4,554,790	4,840,811	5,411,791	P 5,082,191	7.7	17.6	16.5	13.1	P -1.3
Local sales	2,969,905	3,030,856	3,306,842	4,946,897	P 4,654,542	2.1	8.8	10.3	12.2	P -1.0
Exports to Japan	81,703	78,452	85,782	104,653	P 91,573	13.6	16.7	10.2	7.8	P -6.6
Exports to countries other than Japan				360,241	P 336,076					
(Parent-subsidiary deals)										
Export to the parent company in Japan				46,518	P 44,000					
Import from the parent company in Japan				710,957	P 628,538					
Number of employees	407,009	403,830	400,030	432,760	P 430,798	1.3	1.8	0.1	-1.6	P -3.7
Acquisition of tangible fixed assets	268,036		255,801	154,006	P 173,261	57.1		21.0		

Trends in Sales of the main industry

Unit(Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Manufacturing industry in total	4,466,687	4,554,790	4,840,811	5,411,791	P 5,082,191	7.7	17.6	16.5	13.1	P -1.3
Chemicals	178,374	186,069	191,847	324,154	P 290,444	2.4	8.6	17.0	20.4	P 6.5
Industrial machinery	256,488	224,435	284,558	298,283	P 261,803	-6.5	-7.5	-2.0	-12.0	P -9.8
Electrical machinery	1,100,920	1,056,606	1,094,364	1,195,137	P 1,277,481	5.1	5.5	4.3	-14.5	P -18.1
Transportation equipment	2,143,020	2,300,777	2,488,985	2,726,188	P 2,442,452	17.0	34.8	31.6	33.7	P 6.2
Precision instruments	58,730	61,563	38,699	48,921	P 36,622	19.1	25.3	-26.9	39.7	P -1.9

2. Outlook for North America

(Unit:%points)

	D I					Ratio Over Previous Quarter				
	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002
Sales	26.0	14.9	5.7	1.0	P -10.9	-2.0	-11.1	-9.2	-4.7	P -11.9
Local sales	26.0	14.7	4.4	2.7	P -9.1	-1.5	-11.3	-10.3	-1.7	P -11.8
Exports to Japan	1.3	-1.9	-6.2	-12.5	P -13.3	-3.3	-3.2	-4.3	-6.3	P -0.8
Exports to countries other than Japan				-7.9	P -7.4					P 0.5
(Parent-subsidiary deals)										
Export to the parent company in Japan				-11.9	P -10.8					P 1.1
Import from the parent company in Japan				-11.2	P -7.8					P 3.4
Acquisition of tangible fixed assets	14.5		12.4	15.3	P -7.5	1.4		-2.1	2.9	P -22.8
Number of employees	6.3	-0.8	-8.4	-9.2	P -15.6	-4.0	-7.1	-7.6	-0.8	P -6.4

(2) ASEAN4

[Results]

- 1) Sales reached 1,378.1 billion yen, up 2.4% from the same period of the previous year, while the growth rate diminished.
 - By industry, transport equipments saw sales growth for the eleventh consecutive period, up 10.3%, contributed by a lively demand. And precision instruments rose 24.6% for the seventh consecutive term of increase. Electrical machinery, a key industry, edged up 1.2% in sales, while the rate of increase dropped significantly from the previous term (10.0%) partly because of falling demand for IT-related electrical machinery. Moreover, general machinery declined 7.0% in sales, and chemicals saw a 6.4% fall.
- 2) Local sales were 479.3 billion yen, down 7.6% from the corresponding term a year earlier, showing a decrease for the second consecutive period.
 - By industry, electrical machinery fell drastically in local sales for the second consecutive period, showing a year-on-year decrease of 27.7%. Ceramics, stone and clay products also continued to drop 43.1%. In total, six industries decreased local sales. On the other hand, local sales of transport equipments climbed 13.5%, showing an increase for the eleventh consecutive period.
- 3) Exports to Japan (Japan's reimports) were 375.8 billion yen, up 2.4% from the corresponding period of last year. The rate of increase, however, diminished to less than ten percent in both of the previous and this term, after reaching its peak in the October-December quarter of 2000 (27.5%).
 - By industry, ceramics, stone and clay products and textiles have continued to rise by 26.6% and 24.1% respectively in exports to Japan. Although electrical machinery had continued to rise substantially, the growth rate has slowed partly because of falling demand for IT-related electrical machinery. Therefore electrical machinery saw only a slight increase of 0.8% in exports in this term. General machinery posted a fall of 6.1% after a lapse of ten periods.
- 4) Exports to countries other than Japan were 522.9 billion.
- 5) In terms of internal transactions (exports to the parent company in Japan and imports from it),
 - exports to the parent company in Japan reached 249.3 billion yen, and imports from it totaled 142.6 billion yen.
- 6) The number of employees totaled 619,000 persons, down 3.0% from the same period of the previous year, showing a decrease after a lapse of ten periods.
 - By industry, electrical machinery marked a 7.5% slide in the number of employees

for the second consecutive period of fall, partly due to deterioration of employment situation following sluggish demand for electrical machinery. The rate of decrease in electrical machinery also expanded. General machinery's employment continued to shrink 5.1%. On the contrary, transport equipments rose 10.7% for the tenth consecutive period of increase.

[Prospects (the October-March term of 2001-2002)]

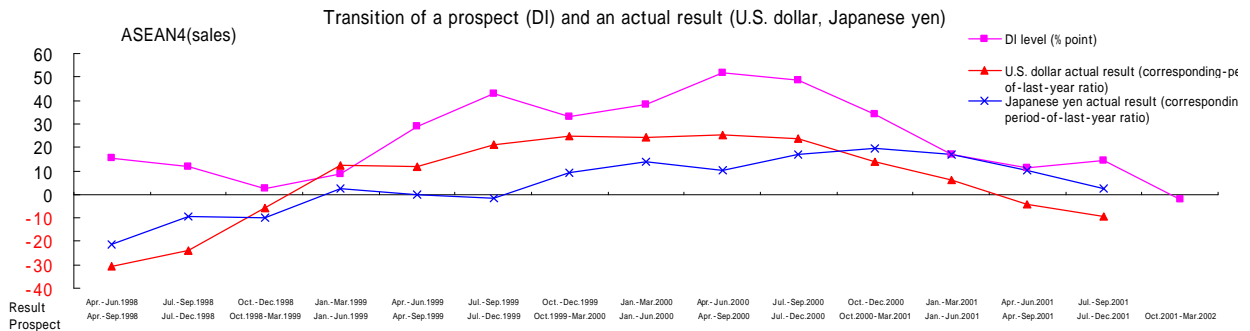
- 1) The prospects for sales fell 16.7% (14.5 -2.2) from the previous term. The level of DI fell to minus digits for the first time since the survey began, showing an increase of the number of companies which anticipated a decline in sales in the future.
 - By industry, the prospects deteriorated in nine industries such as electrical machinery, chemicals and textiles. The DI level was minus in six industries, which indicated that a feeling of slowdown for future sales spread among industries.
- 2) The prospects for local sales fell for the sixth straight period, down 9.4% points from the previous term (8.5 -0.9). The level of DI turned to minus digits for the first time in twelve periods.
 - By industry, the outlook for electrical machinery deteriorated for the sixth straight period, and it also declined in eight industries such as transport equipments and chemicals.
- 3) The outlook for exports to Japan (Japan's reimports) dropped 12.0% points (3.8 -8.2) from the preceding term, and the level of DI showed minus.
 - By industry, the prospects for electrical machinery slid for the fourth period in a row, and they also deteriorated in ten industries such as chemicals and textiles.
- 4) The outlook for exports to countries other than Japan saw a drop of 11.5% points (7.5 -4.0) from the previous period..
 - By industry, the DI declined in electrical machinery, chemicals and textiles, and the level of DI also marked minus. In total, nine industries saw falls in the prospects.
- 5) With regard to the prospects for internal transactions (exports to the parent company in Japan and imports from it),
 - the DI of exports to the parent company in Japan fell 11.2% points (5.2 -6.0) from the previous term. The outlook for imports from it also dropped 11.0% points (-1.4 -12.4).
- 6) The prospects for equipment investments (the amount of money for acquisition of fixed assets except land) declined 13.0% points (14.4 1.4) from the previous

term..

- By industry, the DI dropped in nine industries including electrical machinery, which saw a sharp fall.

7) The forecast for the number of employees slid 4.5% points (2.9 -1.6) from the preceding term.

- By industry, the outlook for electrical machinery deteriorated for the sixth straight period ,and it also dropped in eight industries such as chemicals, foods and tobacco. On the other hand, the prospects improved in transport equipments and general machinery.



1 . Trends among Overseas Subsidiaries in ASEAN4

Unit(Results :million yen(Number of employees:persons), Ratio over same quarter of last year

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Sales	1,260,387	1,247,916	1,260,430	1,374,262	P 1,378,068	17.1	19.8	17.0	10.2	P 2.4
Local sales	478,214	500,993	477,077	492,069	P 479,335	20.8	23.5	15.6	-1.6	P -7.6
Exports to Japan	310,594	328,247	343,258	365,141	P 375,809	13.0	27.5	22.6	7.9	P 2.4
Exports to countries other than Japan				517,113	P 522,924					
(Parent-subsidiary deals)										
Export to the parent company in Japan				250,806	P 249,272					
Import from the parent company in Japan				148,761	P 142,636					
Number of employees	569,553	568,437	559,031	625,943	P 618,633	13.1	9.4	5.3	2.5	P -3.0
Acquisition of tangible fixed assets	Apr. - Sep. 2000		Oct. 2000 - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Apr. - Sep. 2000		Oct. 2000 - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
	119,718		134,733	73,115	P 68,733	64.4		36.0		

Trends in Sales of the main industry

Unit(Results :million yen, Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Manufacturing industry in total	1,260,387	1,247,916	1,260,430	1,374,262	P 1,378,068	17.1	19.8	17.0	10.2	P 2.4
Chemicals	54,289	53,970	56,919	82,104	P 73,544	10.1	12.7	3.0	-0.3	P -6.4
Industrial machinery	63,971	64,372	65,883	52,982	P 55,848	37.8	52.0	43.9	10.4	P -7.0
Electrical machinery	767,458	725,170	769,377	752,360	P 772,969	19.7	20.7	18.9	10.0	P 1.2
Transportation equipment	183,836	211,613	170,981	240,269	P 246,665	6.6	19.2	3.9	13.5	P 10.3
Precision instruments	20,391	20,315	21,690	25,508	P 25,850	17.7	15.7	37.4	29.4	P 24.6

2 . Outlook for ASEAN4

(Unit:%points)

	D I					Ratio Over Previous Quarter				
	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002
Sales	34.0	16.9	11.3	14.5	P -2.2	-14.5	-17.1	-5.6	3.2	P -16.7
Local sales	25.7	12.5	10.1	8.5	P -0.9	-8.2	-13.2	-2.4	-1.6	P -9.4
Exports to Japan	17.6	-0.2	0.2	3.8	P -8.2	-3.2	-17.8	0.4	3.6	P -12.0
Exports to countries other than Japan				7.5	P -4.0					P -11.5
(Parent-subsidiary deals)										
Export to the parent company in Japan				5.2	P -6.0					P -11.2
Import from the parent company in Japan				-1.4	P -12.4					P -11.0
Acquisition of tangible fixed assets		0.0		14.4	P 1.4	-7.8		-14.6	7.2	P -13.0
Number of employees	20.8	6.0	-0.7	2.9	P -1.6	-1.3	-14.8	-6.7	3.6	P -4.5

(3) NIES3

[Results]

- 1) Sales by overseas subsidiaries fell 15.8% from the corresponding period a year earlier to 757.6 billion yen, marking a decrease for the second consecutive period, in spite of the yen's fall against local currencies.
 - By industry, in terms of electrical machinery accounting for a large percentage of total sales, the rate of decrease expanded for the third consecutive period partly because of falling demand for IT-related electrical machinery (8.8% in the October-December quarter of 2000 -1.4% in the January-March quarter of 2001 -15.2% in the April-June quarter of 2001 -22.0% in the July-September quarter of 2001). Sales dropped substantially in chemicals (down 11.2%), ceramics, stone and clay products (down 35.9%) and non-ferrous metals (down 34.8%). In contrast, sales rose in general machinery (up 8.8%) and foods and tobacco (up 5.0%).
- 2) Local sales were 401.8 billion yen, down 18.8% from the same period of the previous year, showing a decrease for the second consecutive period along with sales.
 - By industry, electrical machinery fell 28.6% in local sales for the second straight period of decrease together with sales. As a whole, eight industries saw drops in local sales.
- 3) Exports to Japan (Japan's reimports) slid 4.9% from the same period of last year to 144.2 billion yen, showing a decrease for the second consecutive period.
 - By industry, electrical machinery, which accounted for a sizable percentage of total exports, saw a 4.6% fall for the second straight period of decrease. As a whole, six industries showed drops in exports to Japan.
- 4) Exports to countries other than Japan were 211.6 billion yen.
- 5) In terms of internal transactions (exports to the parent company in Japan and imports from it),
 - exports to the parent company in Japan were 87.7 billion yen, and imports from it were 81.4 billion yen.
- 6) The number of employees totaled 115,000 persons, down 8.1% in relation to the same period a year earlier. The negative growth rate has risen for three straight periods.
 - By industry, the rate of decrease expanded in electrical machinery for the third straight period (5.6% in the October-December quarter of 2000 -0.9% in the January-March quarter of 2001 -6.1% in the April-June quarter of 2001 -

13.4% in the July-September quarter of 2001). Falling demand for employment has aggravated the job situation.

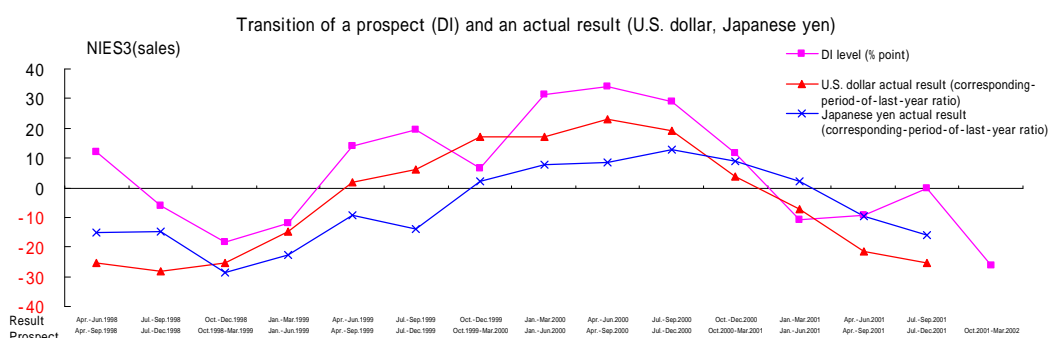
[Prospects (the October- March term of 2001-2002)]

- 1) The prospects for sales saw a sharp fall of 26.3% points (0.0 -26.3) from the previous period. The level of DI marked the lowest since the survey began, indicating that a growing number of companies has been anticipating a decline of sales in the future.
 - By industry, the DI deteriorated in nine industries including electrical machinery. Eleven industries marked minus in the level of DI, showing that most industries have intensified a feeling of slowdown in sales in the future.
- 2) The prospects for local sales fell substantially by 18.3% points (-5.9 -24.2) from the previous term as in the case of sales. The level of DI marked the lowest since the survey began.
 - By industry, the outlook deteriorated in ten industries including electrical machinery and chemicals.
- 3) The outlook for exports to Japan (Japan's reimports) dropped 10.9% points (-10.8 -21.7) from the preceding period. The level of DI fell to the second lowest since the survey began (the lowest level, -22.1% points, was marked in the October-March quarter of 1998-1999).
 - By industry, electrical machinery showed a fall for the fifth straight period. In total, seven industries deteriorated in the prospects.
- 4) The prospects for exports to countries other than Japan dropped 12.5% points (-11.2 -23.7) from the previous term. Seven industries worsened the DIs, including chemicals and general machinery.
- 5) With regard to the outlook for internal transactions (exports to the parent company in Japan and imports from it),
 - by industry, the DI for exports to the parent company slid 10.6% points (-10.2 -20.8) from the previous term. Exports deteriorated in eight industries such as electrical machinery. The DI for imports from the parent company declined 1.9% points (-25.4 -27.4) from the previous period. Imports diminished in precision instruments and transport equipments, etc.
- 6) The outlook for equipment investments (the total amount of money for acquisition of fixed assets except land) saw a fall of 16.1% points (-1.1 -17.2) from the previous term. The level of DI marked the lowest since the survey began.
 - By industry, equipment investments dropped in nine industries including electrical

machinery, chemicals and general machinery. The level of DI was minus in eight industries, indicating that a growing number of industries intended to restrain investments in the future.

7) The prospects for the number of employees declined 5.0% points (-15.0 -20.0) from the preceding period, showing a decrease for the fourth straight period. The level of DI marked the lowest in the previous term since the beginning of the survey. In this term, the level dropped lower than that in the previous term, which showed that worries about deterioration of job situation have been growing.

- By industry, employment saw sharp falls in general machinery, transport equipments and precision instruments. In total, seven industries deteriorated.



1. Trends among Overseas Subsidiaries in NIES3 Unit(Results : million yen(Number of employees:persons), Ratio over same quarter of last year

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Sales	882,120	839,141	797,791	782,666	P 757,560	12.7	8.8	2.2	-9.8	P -15.8
Local sales	412,355	389,522	385,299	420,416	P 401,796	13.3	11.0	7.9	-14.8	P -18.8
Exports to Japan	150,794	162,186	146,022	134,433	P 144,191	19.1	21.5	10.9	-1.6	P -4.9
Exports to countries other than Japan				227,817	P 211,573					
(Parent-subsidiary deals)										
Export to the parent company in Japan				97,396	P 87,739					
Import from the parent company in Japan				93,600	P 81,429					
Number of employees	122,186	122,041	118,710	118,452	P 115,030	4.8	4.7	-0.5	-3.1	P -8.1
Acquisition of tangible fixed assets	42,787		50,264	18,299	P 14,151	-26.1		35.7		

Trends in Sales of the main industry Unit(Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Manufacturing industry in total	882,120	839,141	797,791	782,666	P 757,560	12.7	8.8	2.2	-9.8	P -15.8
Chemicals	59,683	59,067	60,217	68,414	P 64,813	8.6	8.7	4.9	-3.1	P -11.2
Industrial machinery	38,745	44,540	43,664	40,700	P 43,381	2.4	18.0	21.5	-2.4	P 8.8
Electrical machinery	555,875	515,583	481,069	439,661	P 427,238	17.6	8.8	-1.4	-15.2	P -22.0
Transportation equipment	95,035	94,592	91,646	92,427	P 90,212	12.1	16.7	17.2	-4.2	P -5.7
Precision instruments	18,868	19,669	17,489	19,011	P 20,081	10.8	16.5	-4.6	-5.0	P 3.9

2. Outlook for NIES3

	D I					Ratio Over Previous Quarter				
	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002
Sales	11.5	-10.8	-9.1	0.0	P -26.3	-17.5	-22.3	1.7	9.1	P -26.3
Local sales	16.5	-11.0	-7.0	-5.9	P -24.2	-10.4	-27.5	4.0	1.1	P -18.3
Exports to Japan	-3.2	-7.9	-14.6	-10.8	P -21.7	-10.8	-4.7	-6.7	3.8	P -10.9
Exports to countries other than Japan				-11.2	P -23.7					P -12.5
(Parent-subsidiary deals)										
Export to the parent company in Japan				-10.2	P -20.8					P -10.6
Import from the parent company in Japan				-25.5	P -27.4					P -1.9
Acquisition of tangible fixed assets	12.8		-7.1	-1.1	P -17.2	-2.8		-19.9	6.0	P -16.1
Number of employees	3.0	-8.5	-14.4	-15.0	P -20.0	0.3	-11.5	-5.9	-0.6	P -5.0

(4) China & other Asia

[Results]

- 1) Sales reached 850.2 billion yen, marking an increase of 9.5% from the same period of the previous year for the tenth straight period of growth, partly because of the yen's fall against local currencies.
 - By industry, all industries except ceramics, stone and clay products saw sales grow. General machinery marked a 30.1% rise in sales for the eighth straight term of growth, contributed by the lively sales of office machinery. Transport equipments climbed by 54.6% for the fifth straight term of growth due to a brisk demand. In addition, chemicals (up 32.3%), foods and tobacco (up 21.2%) and textiles (up 16.5%) saw increases. Electrical machinery rose 2.7%, whereas the rate of increase diminished.
- 2) Local sales were 329.5 billion yen, marking a year-on-year rise of 5.6% for the seventh straight period of growth together with sales.
 - By industry, transport equipments skyrocketed by 63.4% for the second straight period of increase. Chemicals and general machinery also saw sizable gains, up 50.9% and 26.8% respectively. In total, seven industries saw sales growth. On the other hand, electrical machinery's sales dropped 5.8%, swinging from increase to decrease after a lapse of six periods.
- 3) Exports to Japan (Japan's reimports) reached 261.9 billion yen, up 12.7% from the same period of last year for the ninth consecutive period of growth.
 - By industry, general machinery's exports continued to climb substantially by 39.3%. Precision instruments also have seen a rise of 11.5%. In total, nine industries saw gains in exports to Japan. Electrical machinery grew by 4.4%, while the growth rate has slowed down after reaching its peak (23.4%) in the October-December quarter of 2000.
- 4) Exports to countries other than Japan were 258.4 billion yen.
- 5) In terms of internal transactions (exports to the parent company in Japan and imports from it),
 - exports to the parent company in Japan were 166.3 billion yen, and imports from it were 110.4 billion yen.
- 6) The number of employees reached 429,000 persons, showing a year-on-year increase of 3.6%. The growth rate, however, has diminished after reaching its peak (19.6%) in the January-March term of 2000.
 - By industry, ten industries increased the number of employees, including general machinery (up 14.6%), foods and tobacco (up 34.7%), chemicals (up 8.9%) and

transport equipments (up 7.2%). On the other hand, electrical machinery, comprising a large percentage of total employment, shifted from an increase to a 1.8% slide for the first time since the survey began, partly because of falling demand for IT-related electrical machinery.

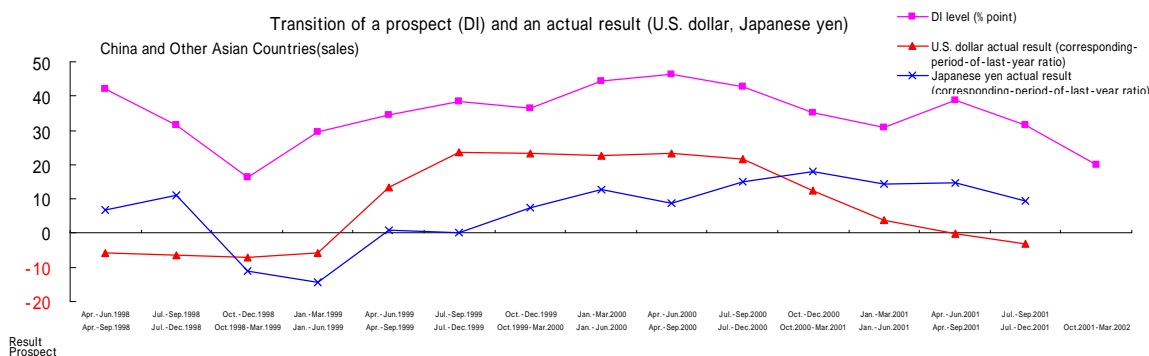
[Prospects (the October-March term of 2001-2002)]

- 1) The outlook for sales saw a drop of 11.5% points (31.4 → 19.9) from the previous term for the second consecutive term of fall. In contrast, the level of DI stayed at more than ten percent points.
 - By industry, precision instruments' sales deteriorated, and the level of DI also fell to minus digits. Electrical machinery, transport equipments and textiles saw sharp drops. On the other hand, general machinery, and foods and tobacco improved.
- 2) The forecast for local sales saw a decline of 5.3% points (26.9 → 21.6) from the previous term, posting a slide for the second term in a row along with sales. The level of DI, however, stayed at a plus of more than ten percent .
 - By industry, local sales turned worse in six industries including electrical machinery and precision instruments. In contrast, general machinery and foods and tobacco saw rises.
- 3) The outlook for exports to Japan (Japan's reimports) fell 17.8% points (19.0 → 1.2) from the previous term. The level of DI fell to a single-digit plus, marking the second lowest level since the survey began (the lowest level of -2.0 was posted in the October-March term of 1998-1999).
 - By industry, exports plummeted in electrical machinery and textiles, and the level of DI fell to negative digits for the first time in eleven terms. As a whole, ten industries, comprising a large percentage of all industries, deteriorated.
- 4) The prospects for exports to countries other than Japan shrank 2.4% points (8.0 → 5.6) from the previous term. By industry, they turned worse in seven industries such as precision instruments.
- 5) With regard to the outlook for internal transactions (exports to the parent company in Japan and imports from it),
 - the outlook for exports to the parent company in Japan decreased 15.8% points (17.4 → 1.6), and that for imports from it declined 6.7% points (8.8 → 2.1).
- 6) The forecast for equipment investments (the total amount of money for acquisition of fixed assets except land) fell 8.1% points (23.2 → 15.1). The level of DI, however, remained at a plus of more than ten percent points.
 - By industry, nine industries saw deterioration. Textiles and non-ferrous metals

swung to minus digits in the level of DI.

7) The outlook for the number of employees turned worse by 1.4% points (12.6 11.2) after a lapse of three terms, while the level of DI remained at a plus of more than ten percent points.

- By industry, the outlook for employment dropped in six industries including precision instruments. On the other hand, general machinery and electrical machinery saw gains.



1. Trends among Overseas Subsidiaries in China and Other Asian Countries

(Unit: Results : million yen (Number of employees: persons), Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Sales	703,082	666,062	653,105	827,473	P 850,208	15.0	17.9	14.3	14.7	P 9.5
Local sales	270,290	245,594	253,945	326,392	P 329,463	20.7	21.1	23.6	7.5	P 5.6
Exports to Japan	201,788	202,250	206,992	260,611	P 261,879	23.8	27.0	24.2	23.3	P 12.7
Exports to countries other than Japan				240,470	P 258,430					
(Parent-subsidiary deals)										
Export to the parent company in Japan				173,245	P 166,309					
Import from the parent company in Japan				114,069	P 110,440					
Number of employees	350,976	360,195	360,064	419,540	P 428,937	14.3	12.9	7.6	5.6	P 3.6
Acquisition of tangible fixed assets	Apr. - Sep. 2000		Oct. 2000 - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Apr. - Sep. 2000		Oct. 2000 - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
	41,233		35,979	35,211	P 39,384	84.9		-8.3		

Trends in Sales of the main industry

(Unit: Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Manufacturing industry in total	703,082	666,062	653,105	827,473	P 850,208	15.0	17.9	14.3	14.7	P 9.5
Chemicals	22,958	23,239	22,909	29,036	P 32,090	5.1	22.5	9.1	19.9	P 32.3
Industrial machinery	75,671	84,696	93,121	105,518	P 98,903	12.3	31.7	37.6	52.1	P 30.1
Electrical machinery	412,100	386,555	346,957	438,535	P 456,757	17.0	17.0	3.6	8.0	P 2.7
Transportation equipment	22,063	18,523	20,493	51,837	P 58,082	10.8	4.4	12.0	27.5	P 54.6
Precision instruments	67,558	59,081	61,483	69,328	P 70,125	20.2	11.1	26.4	24.0	P 5.2

2. Outlook for China and Other Asian Countries

(Unit: %:points)

	D I					Ratio Over Previous Quarter				
	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002
Sales	35.1	30.8	38.9	31.4	P 19.9	-7.8	-4.3	8.1	-7.5	P -11.5
Local sales	28.7	30.3	36.7	26.9	P 21.6	-11.1	1.6	6.4	-9.8	P -5.3
Exports to Japan	14.7	9.2	11.9	19.0	P 1.2	-3.3	-5.5	2.7	7.1	P -17.8
Exports to countries other than Japan				8.0	P 5.6					P -2.4
(Parent-subsidiary deals)										
Export to the parent company in Japan				17.4	P 1.6					P -15.8
Import from the parent company in Japan				8.8	P 2.1					P -6.7
Acquisition of tangible fixed assets	25.7		13.3	23.2	P 15.1	2.3		-12.4	9.9	P -8.1
Number of employees	12.5	10.1	11.0	12.6	P 11.2	-3.0	-2.4	0.9	1.6	P -1.4

(5) Europe

Results

- 1) Sales totaled 1,649.1 billion yen, showing a year-on-year decrease of 4.3% after a lapse of five periods, in spite of the yen's fall against local currencies.
 - By industry, electrical machinery expanded the rate of decrease in sales for the third consecutive term, partly because of falling demand for IT-related electrical machinery (21.5% in the October-December quarter of 2000 -4.1% in the January-March quarter of 2001 -11.5% in the April-June quarter of 2001 -18.7% in the July-September quarter of 2001). On the other hand, transport equipments and general machinery saw a double-digit increase of 14.5% and 11.9% respectively.
- 2) Local sales slid 9.5% from the same period of the previous year together with sales to 1,181.2 billion yen, showing a drop for the second period in a row.
 - By industry, seven industries decreased local sales along with sales, such as electrical machinery (down 21.4%) and chemicals (down 6.4%). In contrast, transport equipments saw a rise of 13.6%, showing an increase of more than ten percent for the second straight term.
- 3) Exports to Japan (Japan's reimports) were 23.4 billion yen, marking a year-on-year decrease of 7.5% for the second straight term of drop
 - By industry, electrical machinery fell sharply (down 19.9%) for the second consecutive period.
- 4) Exports to countries other than Japan were 444.5 billion yen.
- 5) In terms of internal transactions (exports to the parent company in Japan and imports from it),
 - exports to the parent company in Japan were 11.3 billion yen, and imports from it were 151.6 billion yen.
- 6) The number of employees totaled 207,000 persons, marking a fall of 0.7% from the corresponding period of last year for the third straight period of decline.
 - By industry, chemicals marked a 5.0% slide in the number of employees for the third straight period of decrease. Electrical machinery also shifted to a fall of 1.4% in employment. Although transport equipments showed a rise of 2.5%, the growth rate diminished from a double-digit percent increase in the previous term (14.6%) to a single-digit in this term.

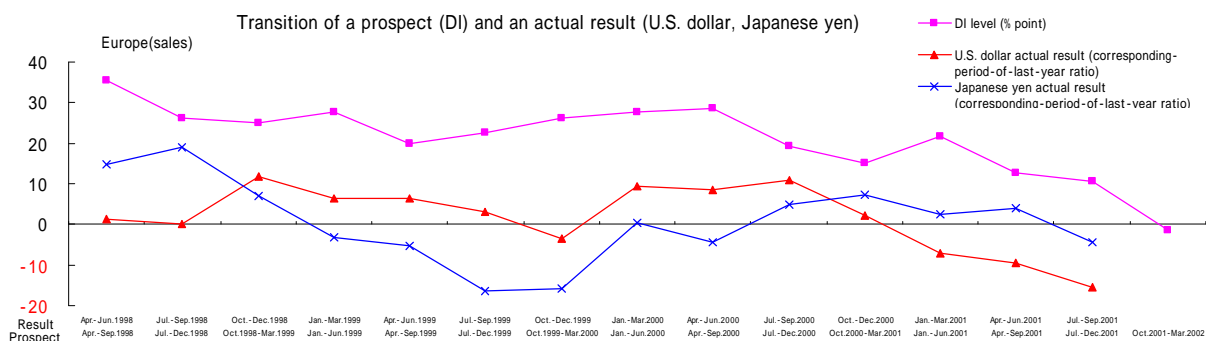
[Prospects (the October-March term of 2001-2002)]

- 1) The prospects for sales decreased by 12.0% points (10.5 -1.5) from the previous

term, showing a deterioration for the third term in a row.

- By industry, electrical machinery and general machinery posted drops. The levels of DI in both of them fell to minus digits for the first time since the survey began. Transport equipments shrank for the third consecutive term in the DI, and chemicals also decreased. In total, seven industries turned worse.
- 2) The prospects for local sales fell 6.5% points (6.9 → 0.4) from the preceding term, marking a decrease for the third consecutive term together with sales.
 - By industry, local sales' prospects slid in electrical machinery and general machinery. The DI levels in these industries showed negative digits for the first time since the survey started.
 - 3) The outlook for exports to Japan (Japan's reimports) deteriorated by 0.5% points (-3.5 → -4.0) from the previous term for the fourth consecutive term of decrease.
 - 4) The outlook for exports to countries other than Japan declined 2.5% points (1.0 → -1.5) from the preceding term.
 - By industry, the prospects for exports other than Japan slid in electrical machinery, and the level of DI showed minus.
 - 5) In terms of the outlook for internal transactions (exports to the parent company in Japan and imports from it),
 - the outlook for exports to the parent company in Japan saw a fall of 0.5% points (-3.6 → -4.1) from the previous term, and that for imports from the parent company shrank 0.3% points (-6.2 → -6.5).
 - 6) The forecast for equipment investments (the amount of money for acquisition of fixed assets except land) declined for the third consecutive term, down 3.6% points (3.1 → -0.5) from the preceding term. The level of DI has become minus for the first time since the beginning of the survey.
 - By industry, the prospects for equipment investments dropped in electrical machinery for the third straight term. General machinery and chemicals also saw falls. On the other hand, the outlook for transport equipments increased by more than ten percent points after a lapse of three terms.
 - 7) The outlook for the number of employees decreased for the third term in a row, down 6.3% points (-5.6 → -11.9) from the previous term. The level of DI marked the lowest figure since the survey began.
 - By industry, electrical machinery saw a drop in the prospects for employment for the third straight period. The level of DI of electrical machinery fell to the lowest

since the survey began. Moreover, the forecast for employment saw double-digit decreases in chemicals and transport equipments, and the levels of DI also showed minus.



1. Trends among Overseas Subsidiaries in Europe

Unit(Results : million yen(Number of employees:persons), Ratio over same quarter of last year

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Sales	1,758,765	1,814,521	1,992,397	1,756,852	P 1,649,115	4.9	7.3	2.5	3.9	P -4.3
Local sales	1,151,883	1,186,873	1,326,486	1,252,579	P 1,181,221	6.6	13.5	3.4	-0.1	P -9.5
Exports to Japan	17,946	17,355	23,871	24,432	P 23,374	-21.7	-6.9	3.5	-19.8	P -7.5
Exports to countries other than Japan				479,841	P 444,520					
(Parent-subsidiary deals)										
Export to the parent company in Japan				12,331	P 11,257					
Import from the parent company in Japan				153,279	P 151,564					
Number of employees	188,374	182,750	184,384	206,423	P 206,725	4.5	9.9	-1.8	-0.4	P -0.7
Acquisition of tangible fixed assets	Apr. - Sep. 2000		Oct. 2000 - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Apr. - Sep. 2000		Oct. 2000 - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
	87,315		100,841	51,670	P 61,103	-49.7		-28.0		

Trends in Sales of the main industry

Unit(Results : million yen, Ratio over (実績 : 百万円、前年同期比 : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001	Jul. - Sep. 2000	Oct. - Dec. 2000	Jan. - Mar. 2001	Apr. - Jun. 2001	Jul. - Sep. 2001
Manufacturing industry in total	1,758,765	1,814,521	1,992,397	1,756,852	P 1,649,115	4.9	7.3	2.5	3.9	P -4.3
Chemicals	218,648	222,956	235,763	249,517	P 233,295	9.9	16.7	19.4	29.8	P 6.4
Industrial machinery	150,365	140,079	184,044	204,636	P 171,305	-1.1	-5.9	7.8	8.5	P 11.9
Electrical machinery	735,345	805,367	754,461	642,396	P 586,374	26.8	21.5	-4.1	-11.5	P -18.7
Transportation equipment	458,964	458,885	616,159	459,140	P 454,133	-10.5	-7.3	3.1	26.2	P 14.5
Precision instruments	35,596	31,466	35,340	32,692	P 39,507	16.1	-18.3	8.0	-3.5	P 6.2

2. Outlook for Europe

(Unit:%points)

	D I					Ratio Over Previous Quarter				
	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002	Oct.2000 -Mar.2001	Jan. - Jun. 2001	Apr. - Sep. 2001	Jul. - Dec. 2001	Oct.2001 -Mar.2002
Sales	15.0	21.6	12.7	10.5	P -1.5	-4.3	6.6	-8.9	-2.2	P -12.0
Local sales	14.0	20.4	11.7	6.9	P 0.4	-5.6	6.4	-8.7	-4.8	P -6.5
Exports to Japan	4.1	-1.0	-1.5	-3.5	P -4.0	5.1	-5.1	-0.5	-2.0	P -0.5
Exports to countries other than Japan				1.0	P -1.5					P -2.5
(Parent-subsidiary deals)										
Export to the parent company in Japan				-3.6	P -4.1					P -0.5
Import from the parent company in Japan				-6.2	P -6.5					P -0.3
Acquisition of tangible fixed assets	11.3		4.3	3.1	P -0.5	-5.4		-7.0	-1.2	P -3.6
Number of employees	-2.1	-1.8	-5.0	-5.6	P -11.9	-0.7	0.3	-3.2	-0.6	P -6.3

(Reference)

1 . Comparison with the exchange rates of the Japanese yen and the US dollar

(Ratio Over Same quarter of last year : %)

Area	Item	Japanese yen equivalent					US dollar equivalent				
		2000		2001			2000		2001		
		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
All areas	Sales	9.7	15.3	12.8	10.2	-1.3	15.9	9.7	2.3	-4.2	-12.8
	Local sales	6.4	12.4	9.9	8.3	-3.2	12.4	7.0	-0.4	-5.8	-14.4
	Exports to Japan	15.5	24.3	19.1	9.0	2.4	21.9	18.4	7.9	-5.2	-9.6
North America	Sales	7.7	17.6	16.5	13.1	-1.3	13.7	12.0	5.6	-1.6	-12.8
	Local sales	2.1	8.8	10.3	12.2	-1.0	7.9	3.6	-0.0	-2.5	-12.5
	Exports to Japan	13.6	16.7	10.2	7.8	-6.6	20.0	11.1	-0.1	-6.3	-17.4
Asia	Sales	15.2	15.8	11.6	4.7	-1.6	21.6	10.2	1.2	-8.9	-13.0
	Local sales	18.0	18.4	14.4	-5.0	-9.1	24.6	12.7	3.7	-17.4	-19.7
	Exports to Japan	17.5	25.9	20.4	10.4	3.9	24.1	19.9	9.2	-4.0	-8.2
ASEAN4	Sales	17.1	19.8	17.0	10.2	2.4	23.7	14.0	6.1	-4.2	-9.5
	Local sales	20.8	23.5	15.6	-1.6	-7.6	27.5	17.6	4.8	-14.5	-18.4
	Exports to Japan	13.0	27.5	22.6	7.9	2.4	19.3	21.4	11.2	-6.2	-9.5
NIES3	Sales	12.7	8.8	2.2	-9.8	-15.8	19.0	3.6	-7.4	-21.6	-25.6
	Local sales	13.3	11.0	7.9	-14.8	-18.8	19.7	5.6	-2.2	-25.9	-28.3
	Exports to Japan	19.1	21.5	10.9	-1.6	-4.9	25.8	15.6	0.6	-14.4	-15.9
China and other	Sales	15.0	17.9	14.3	14.7	9.5	21.5	12.3	3.7	-0.3	-3.2
	Local sales	20.7	21.1	23.6	7.5	5.6	27.5	15.2	12.0	-6.5	-6.7
	Exports to Japan	23.8	27.0	24.2	23.3	12.7	30.8	20.9	12.6	7.2	-0.4
Europe	Sales	4.9	7.3	2.5	3.9	-4.3	10.8	2.2	-7.1	-9.6	-15.5
	Local sales	6.6	13.5	3.4	-0.1	-9.5	12.6	8.1	-6.3	-13.2	-20.1
	Exports to Japan	-21.7	-6.9	3.5	-19.8	-7.5	-17.3	-11.4	-6.2	-30.3	-18.2
Other	Sales	15.9	21.5	29.1	34.1	9.2	22.4	15.6	17.0	16.6	-3.5
	Local sales	10.5	24.9	22.2	34.0	9.5	16.7	18.9	10.8	16.5	-3.2
	Exports to Japan	-1.6	52.6	53.6	4.7	-3.2	3.9	45.2	39.2	-9.0	-14.5

2 .Results in the main countries and areas

	Item	Results(million yen, persons)					Ratio Over Same quarter of last year(%)				
		2000		2001		2000		2001			
		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
United States of America	Sales	4,161,948	4,201,952	4,419,653	5,001,123	4,720,732	8.6	18.0	15.9	12.5	-3.1
	Local sales	2,758,482	2,768,110	2,976,921	4,578,896	4,330,706	2.0	7.4	7.9	11.3	-3.0
	Exports to Japan	74,349	72,410	79,881	97,660	85,624	12.2	17.0	12.2	9.6	-4.5
	Number of employees	389,141	385,669	381,596	414,710	412,632	1.0	1.6	-0.0	-1.8	-4.1
Indonesia	Sales	222,473	207,131	216,726	255,885	265,652	24.9	15.4	19.1	17.2	15.0
	Local sales	97,853	88,511	86,307	96,993	96,343	37.5	16.0	8.7	14.3	4.0
	Exports to Japan	24,752	26,239	34,657	59,284	54,317	-4.1	-4.4	24.0	19.2	3.6
	Number of employees	143,395	140,915	141,369	168,485	168,211	17.5	10.8	6.8	6.3	2.4
Malaysia	Sales	438,879	408,023	410,821	419,617	408,373	13.7	13.9	12.4	4.1	-6.4
	Local sales	131,093	130,612	121,284	112,212	108,113	25.6	19.7	9.9	-0.5	-14.8
	Exports to Japan	81,640	91,709	97,010	101,421	101,274	-1.4	15.9	19.4	5.3	7.9
	Number of employees	178,319	177,889	172,987	168,473	164,193	9.2	6.3	0.6	-2.3	-7.2
Philippines	Sales	214,424	212,231	220,448	226,501	235,976	23.4	23.7	18.6	15.4	3.5
	Local sales	50,496	49,649	58,620	43,935	40,644	13.1	15.0	32.8	-23.1	-36.4
	Exports to Japan	95,794	97,596	91,912	94,521	98,081	17.4	30.1	1.8	-1.6	-9.5
	Number of employees	103,390	102,017	101,970	110,302	104,590	14.1	8.2	9.4	0.7	-9.4
Thailand	Sales	384,611	420,531	412,435	472,259	468,067	13.6	26.5	19.9	10.5	5.0
	Local sales	198,772	232,221	210,866	238,929	234,235	13.0	31.2	17.8	-3.5	0.9
	Exports to Japan	108,408	112,703	119,679	109,915	122,137	27.9	48.7	49.0	15.7	9.1
	Number of employees	144,449	147,616	142,705	178,683	181,639	13.0	12.9	7.0	6.1	1.6
Republic of Korea	Sales	98,995	94,291	88,319	112,158	113,612	28.3	22.8	11.4	7.1	-0.6
	Local sales	53,198	51,910	51,650	69,422	66,033	30.3	27.2	22.2	11.7	2.4
	Exports to Japan	30,917	26,919	23,430	26,079	30,453	35.4	14.6	-0.4	-2.9	-6.4
	Number of employees	17,501	17,490	17,123	21,014	20,643	9.3	7.5	2.0	-0.7	-4.4
Singapore	Sales	459,605	430,392	391,098	392,643	383,262	13.1	11.5	-0.3	-10.3	-18.3
	Local sales	218,639	203,842	190,340	190,297	181,818	17.2	16.8	9.4	-18.2	-24.2
	Exports to Japan	52,758	61,767	52,803	68,173	60,243	17.6	45.5	15.2	-1.8	-19.0
	Number of employees	50,278	51,692	50,166	49,244	47,629	8.3	12.1	4.6	-0.8	-6.8
Taiwan	Sales	321,731	312,266	314,763	277,865	260,686	8.1	2.0	2.4	-13.9	-17.0
	Local sales	140,518	133,770	143,309	160,697	153,945	2.8	-1.4	1.7	-17.9	-18.4
	Exports to Japan	67,119	73,500	69,789	40,181	53,495	13.9	8.8	12.1	-0.4	18.8
	Number of employees	53,877	52,318	50,877	48,194	46,758	0.5	-2.4	-5.9	-6.2	-10.7
People's Republic of China (Hong Kong is included)	Sales	674,242	639,486	625,763	767,971	788,816	14.9	18.0	14.1	14.3	8.3
	Local sales	247,382	225,460	232,772	279,279	281,593	21.8	22.6	25.4	6.3	2.9
	Exports to Japan	199,999	200,462	204,739	252,995	253,578	23.5	26.7	23.6	23.0	12.6
	Number of employees	327,703	338,904	338,917	380,011	387,769	14.3	13.8	8.2	5.7	3.7
United Kingdom	Sales	687,144	717,824	783,166	622,670	580,843	13.5	9.3	-6.8	1.2	-5.9
	Local sales	457,478	493,684	546,391	465,362	440,131	12.7	20.0	-6.0	5.7	-1.7
	Exports to Japan	9,629	8,359	14,742	9,982	10,921	4.0	-20.5	26.0	-29.0	-20.7
	Number of employees	60,700	61,412	58,473	63,888	62,254	3.4	10.4	-7.8	0.9	1.3
France	Sales	201,504	229,155	240,266	192,252	176,724	5.8	16.7	28.2	-2.9	-5.5
	Local sales	165,786	188,837	202,130	131,300	111,888	11.2	18.9	37.9	-7.0	-20.4
	Exports to Japan	3,056	3,121	3,565	3,365	4,000	-44.4	64.2	-27.1	-36.4	37.4
	Number of employees	17,287	16,644	17,361	18,125	17,237	-2.0	11.8	15.5	18.8	-2.6
Germany	Sales	301,032	298,573	325,648	295,842	243,160	-5.5	-0.1	-5.1	-2.0	-15.7
	Local sales	247,268	235,398	273,579	212,466	165,154	-5.2	3.3	-3.4	-15.7	-31.1
	Exports to Japan	3,090	4,103	2,747	4,108	3,588	-38.1	10.3	-20.4	60.0	2.7
	Number of employees	20,301	20,101	20,604	22,147	21,828	-13.4	2.3	2.4	2.6	3.3
Netherlands	Sales	208,386	211,436	214,086	220,701	276,147	8.1	15.4	12.8	18.5	1.2
	Local sales	81,571	79,241	79,149	156,657	214,083	-2.7	-4.6	0.7	8.0	-7.0
	Exports to Japan	204	184	262	359	684	-9.3	-27.3	-0.8	-42.8	235.3
	Number of employees	28,397	28,092	27,727	27,811	30,761	25.2	24.3	-21.0	-19.4	-7.5

Trends of IT-related electrical machinery exported to Japan from Asia

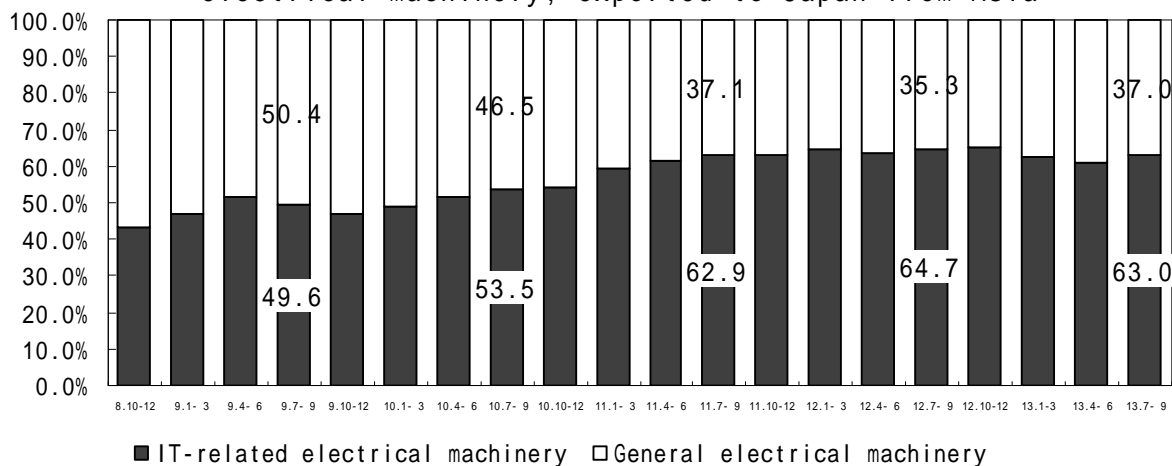
Transition of actual results of IT-related electrical machinery and general electrical machinery

(Unit: million yen, %)

		2000		2001		
		Jul. - Sept.	Oct. - Dec.	Jan. - Mar.	Apr. - Jun.	Jul. - Sept.
IT-related electrical machinery	results	265,984	283,025	266,173	273,701	295,312
	Ratio Over Same quarter of last year	20.3	29.5	8.6	-0.4	-5.5
General electrical machinery	results	145,322	151,836	161,268	183,674	182,671
	Ratio Over Same quarter of last year	11.5	17.8	21.3	14.8	11.8

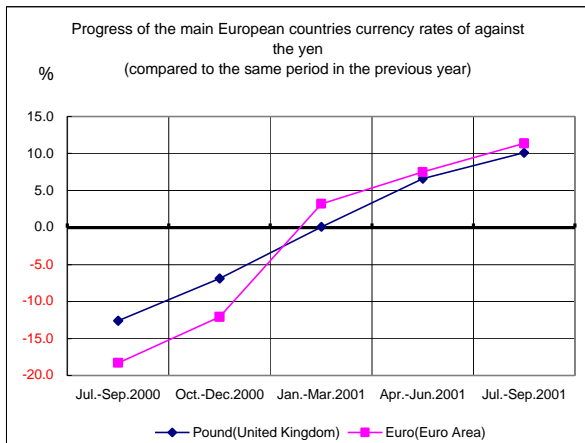
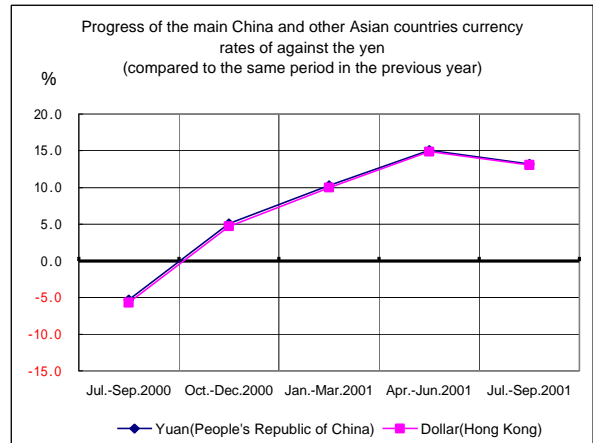
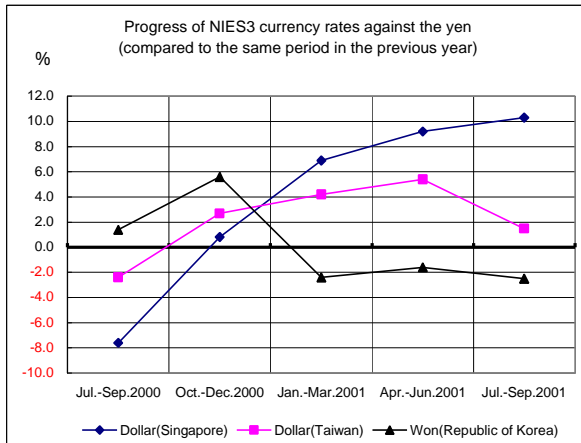
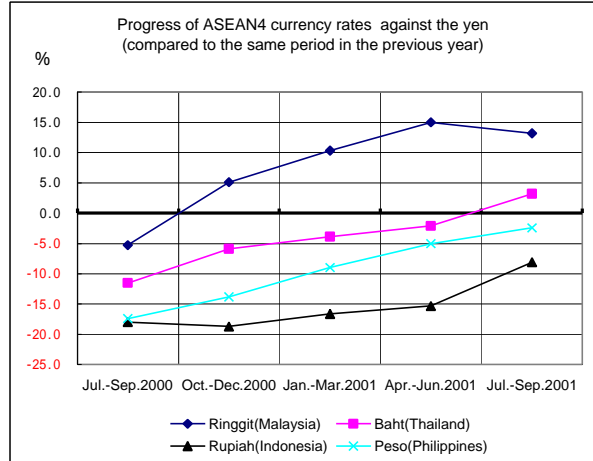
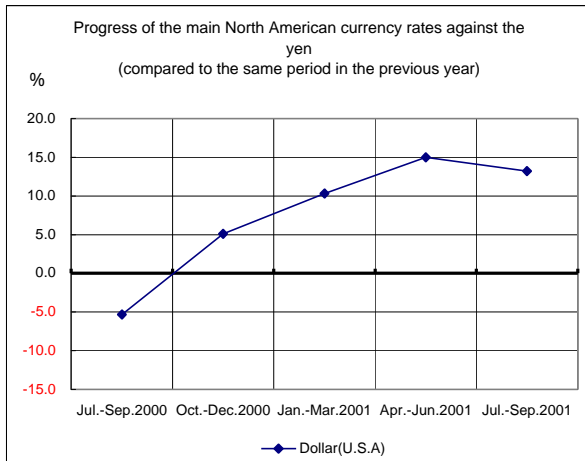
Note) With regard to the ratio over the same period of the previous year after the April-June term of 2001, the percentage was estimated only on the basis of the total figures of companies, which continued to be included in the survey from the fiscal year 2000 to the fiscal year 2001. (As for more information, refer to "For your information".)

Ratios of IT-related electrical machinery in the total electrical machinery, exported to Japan from Asia



(Note) Of electrical machinery, IT-related electrical machinery represents electronic computers, electronic and communication equipments and parts and integrated circuits, etc. General electrical machinery represents household electric machinery, acoustic equipments and heavy electrical equipments, etc. other than IT-related electrical machinery.

Progress of the currency rates of the main regions against the yen



The reference of data

〒100 - 8902

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