

The Behavior of Overseas Subsidiaries

(Quarterly Survey of Japanese Business Activities)

Results for October –December 2002

Prospects for January-June 2003

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Research and Statistics Department,
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.

The presentation term of investigation is November 15, 2002 this term.

(4) Subject of the survey

As of March 31, 2002, 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 and 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 percent 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 =

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 countries (regions)

The countries (regions) in which overseas subsidiaries were located were classified as follows (in the order of the Japanese syllabary). In addition, the classification was changed the April-June quarter of 2001 term to separate "China (including Hong Kong)" from "China and other Asian countries".

<New classification>

- North America: USA and Canada
- Asia (In addition to the following three regions, India, Vietnam, Sri Lanka, Pakistan, Bangladeshi and Myanmar are included.)
 - ASEAN4: Indonesia, Thailand, Philippines, and Malaysia
 - NIES3: Singapore, Taiwan, and South Korea
 - China (including Hong Kong): the People's Republic of China (including Hong Kong Special Administrative District)
- Europe: Ireland, UK, Italy, Austria, Netherlands, Greece, Switzerland, Sweden, Spain, Slovak, Czech, Denmark, Germany, Turkey, Hungary, Finland, France, Belgium, Poland, Portugal, Romania and Russia
- 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

<Former classification>

- North America: USA and Canada
- Asia
 - ASEAN4: Indonesia, Thailand, Philippines, and Malaysia
 - NIES3: Singapore, Taiwan, and North Korea
 - China and other Asia: India, Vietnam, Sri Lanka, Pakistan, Bangladeshi, Myanmar, and the People's Republic of China (including Hong Kong Special Administrative District)
- Europe: Ireland, UK, Italy, Austria, Netherlands, Greece, Switzerland, Sweden, Spain, Slovak, Czech, Denmark, Germany, Turkey, Hungary, Finland, France, Belgium, Poland, Portugal, Romania and Russia
- 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
 - From the April-June term of FY 1998
 - From the April-June quarter of 1999
 - From the April-June quarter of 2001
 - From the April-June quarter of 2002
- A sample survey was conducted, and findings were published under the approval of the Management and Coordination Agency.
 - Survey periods for "the amount of acquired tangible fixed assets excluding land" (with regard to parent companies, 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. Accordingly, the results and prospects of surveys are conducted semi-annually in stead of quarterly. The contents of the surveys 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 parent companies, findings of "the Ministry of International Trade and Industry's Survey on Investment in Plant and Equipment" were used.
 - The quarterly prospects are also changed to semi-annual prospects.
 - 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.
 - "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 "Parent Company Edition".
 - The coefficient of connection was made, and used for data before fiscal 2000 (the January-March quarter of 2001) to maintain consistency with the past data because companies included in the survey, questions to be asked and other items surveyed were reviewed to reorganize and consolidate the surveys (the April-June quarter of 2001 and later).

- Region/country classification was revised to separate "China (including Hong Kong)" from "China and other Asian countries" to create another independent category.

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) Handling of the coefficient of connection

• The first time

The coefficient of connection was used for the processing of data before FY 1997 (the January-March quarter of 1998) to maintain the consistency with the past data because dropped companies were added to the survey from FY 1998 (the April-June quarter of 1998). As for the details, refer to materials published in each term.

• The second time

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 be asked 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.

At the publication of FY 2002 figures, comparison method used in the survey of 2001 was applied to only the companies consecutively surveyed and recalculated using connection coefficients to maintain the consistency with the past data.

(1) Periods to be connected

The quarters of FY 2000 (October-December quarter of 1998 to January-March quarter of 2001) and before and the quarters of FY 2001 (April-June quarter of 2001 to January-March quarter of 2002) shall be connected together for consistency.

(2) Coefficients of connection

To compare figures of FY 2001 with those of FY2000 and before, connection coefficients for the latter were produced by multiplying:

- factors which were newly included in the survey of FY 2001 and should be "increase", and
- factors which should be "decrease" because they were left out in FY 2001.

Connection coefficient = (A) [(companies consecutively surveyed+newly targeted companies) × actual results of FY 2001/FY 2001 actual results of the companies consecutively surveyed] × [actual results of FY 2000 of the companies consecutively surveyed/FY 2000 actual results]

- "Companies consecutively surveyed" means enterprises which were included in the surveys during FY2000 and FY 2001.

(3) Scope of adjustment by the coefficients

All the cells of Area x Industry x Item of the form for publication.

(4) Treatment of the published figures

- 1) "Actual results" ? The figures listed are the actual results before treatment by the coefficients. For reference, the "connection coefficients" for connection are listed in a separate sheet. Therefore, when using the actual results of FY 2000 and before in conjunction with those for later business years, you are requested to multiply the actual results of FY 2000 by the coefficients before use , to ensure consistency.
- 2) "Year-on-year comparison" ? Listed figures are those calculated from the actual results after adjustment by the coefficients. For reference, the figures of acquisition of tangible fixed assets have not been processed for smoothing gaps.

* Connection coefficients are listed in the statistical table on page 38.

(5) Exchange rates for this quarter and the collection rate

- The average exchange rate of the yen to the US dollar for this quarter was ¥122.90, an appreciation of 0.6% compared with the same quarter a year earlier (¥123.65) and a depreciation of 3.1% compared with the previous quarter (¥119.15).

The average exchange rate of the yen to the Euro for this quarter was ¥122.49, a depreciation of 10.6% from a year earlier (¥110.71) and a depreciation of 4.5% from the preceding quarter (¥117.18).

- The responses to the questionnaire survey are summarized below:

Number of companies subject to survey(overseas subsidiaries)	Number of companies which responded	Response rate
3,175 companies	2,046 companies	64.4%

. Findings of the survey

1. General trend

[Results]

(1) Sales made by overseas subsidiaries totaled 11,408.6 billion yen, up 5.9% on a year on year basis (an increase of 4.6% from the previous quarter) for the fourth straight term partly due to the help of brisk sales in transportation equipment.

- By the type of industry, sales by overseas subsidiaries increased in ten out of thirteen industries. Especially, transportation equipment saw a year-to-year rise of 13.4% in sales for the twelfth consecutive quarter of increase since the January-March quarter of 2000.

Electrical machinery rose 0.3% from a year earlier (a fall of 0.9% from the previous quarter) in all regions although it posted a large growth rate in China.

- By region (or country) (note: referring to the "Classification of regions and countries" on page 4. Hereinafter the same.), five out of all six regions, other than North America, increased in sales. Especially, sales showed a sharp rise of 21.2% on a year-on-year basis in ASEAN 4 to which transportation equipment contributed greatly, and they soared by 20.4% from the same period last year in China (including Hong Kong) due to a large growth in electrical machinery, both of which registered the largest growth rate since the October-December quarter of 1997 when figures became available for comparison with those in the previous fiscal year.

Incidentally, compared with the same quarter a year ago, the US dollar fell 0.6% (a depreciation of 2.1% from the preceding quarter) and the Euro rose 10.6% (an appreciation of 8.2% from the previous quarter) against the yen.

(2) Local sales was 8,327.5 billion yen and increased 4.8 % over a year ago (a rise of 4.6% from the preceding quarter) for the third straight quarter of growth.

- By the type of industry, like total sales made by overseas subsidiaries, local sales increased in ten industries including transportation equipment in this term. Transportation equipment saw a rise of 12.7% from a year ago marking an increase for the twelfth straight quarter like total sale. Electrical machinery fell 4.1% in local sales.

- By region (country), they rose in all regions (countries) except North America like total sales made by overseas subsidiaries. Especially, they soared by 39.7% on a year-on-year basis in ASEAN4 and by 23.7% from a year earlier in China (including Hong Kong).

(3) Exports to Japan (so-called Japan's reimports) were 998.7 billion yen, up 10.1% on a year-on-year basis (a rise of 2.0% from the previous quarter).

- Studying this by the type of industry, nine industries including transportation equipment saw exports to Japan increase. Electrical machinery, comprising at least 50% of total exports to Japan, turned to grow by 9.1% from a year earlier (a 0.3% fall from the previous quarter) after the fifth successive quarter of drop.

- By region (country), exports to Japan rose in four regions including in China (Hong Kong included) by 15.7% year-over-year and in ASEAN4 by 11.5% from a year ago. Especially, in NIES3 they grew for the first time in seven quarters. Meanwhile, they continued to decrease in North America and Europe.

(4) Exports to countries other than Japan, added to the survey from FY 2001, posted 2,082.4 billion yen, up 8.5% from the same quarter a year ago (a rise of 5.8% from the previous quarter) for the third consecutive quarter of growth.

- By the type of industry, exports to countries other than Japan rose in eleven industries including electrical machinery which accounts for 50% of the exports, seeing a year-on-year increase of 5.7%, and transportation equipment which accounts for a slightly more than 10% of them, seeing a 16.4% year-on-year rise.
- By region (country), the exports advanced in all regions (countries). In Asia where there was a large growth of 13.6% from the previous quarter, electrical machinery, accounting for just less than 70% of the exports, increased 10.0% on a year-on-year basis and transportation equipment soared 50.7% from a year ago, both of which contributed significantly to the rise in the exports.

(5) With regard to intra-company transactions (exports to parent companies in Japan and imports from them, added to this survey from FY 2001),

- Exports to parent companies in Japan was 657.8 billion yen, grew by 14.8% from the corresponding period of last year (up 6.1% from the previous quarter).

By the type of industries, exports to parent companies in Japan rose in eleven industries except industrial machinery and other industries. Electrical machinery's exports, comprising just less than 60% of total exports, increased 10.9% year-on-year. Some industries including transportation equipment showed a large growth.

By region (country), they advanced in five regions except Europe. ASEAN4, comprising 40% of total exports showed an increase of 15.5% from a year earlier and China (including Hong Kong), accounting for 30% of them, increased 17.5% on a year-on-year basis.

- Imports from parent companies in Japan was 1,418.8 billion yen, marking a 12.9% rise from a year earlier.

By industry, they increased in all thirteen industries. Transportation equipment, accounting for slightly less than 40% of total imports, posted an increase of 17.3% in the imports from the previous year and electrical machinery, also accounting for just less than 40% of them, registered a 0.4% rise from the previous year.

By region, they increased in all regions (countries). Especially Asian regions showed a double-digit growth.

- With regard to trade balance within companies, an excess of imports from parent companies in Japan totaled 761.0 billion yen, up 11.2% from the corresponding period of last year. Transportation equipment accounted for approximately 60% of the total excess of imports, up 13.1% from the previous year, and electrical machinery took up slightly more than 20% of the total, down 15.4% from a year earlier. By region (country), North America posted an excess of imports of 633.5 billion yen, up 7.5% from the previous year, of which transportation equipment saw a 14.9% of rise over a year ago. On the other hand, Asia marked an excess of exports of 162.8 billion yen, a 0.1% growth from the corresponding period of last year.

(6) Equipment investments (the amount of acquired tangible fixed assets excluding land), added to this survey from FY2001 (the surveys of equipment investments had been conducted on a

semi-annual basis before FY2000), totaled 233.0 billion yen, down 23.2% from the corresponding period of last year (down 26.3% from the previous quarter).

- By the type of industry, they declined in six industries including transportation equipment. Transportation equipment decreased in equipment investments by 38.8% from the corresponding quarter of last year, which influenced significantly the decline in all industries. Meanwhile, electrical machinery, which had slid for the second consecutive quarter since the April-June quarter of 2002 when figures became available for quarterly comparison, turned to increase 5.9% from a year earlier (down 42.6% from the preceding quarter) in this quarter.
- In terms of the comparison with the past data, it has become impossible to compare investments of this term with those of the same period a year earlier, because of the change in survey period from a semi-annual basis to quarterly in FY2001, and the change of the companies surveyed.

Incidentally, studying the changes in equipment investments of overseas subsidiaries, surveyed successively from FY 1999, on a semi-annual basis, they had turned to a decrease in all industries in the October 2001-March 2002 term as shown in the tables below. The latest semi-annual figures (for the April-September half of 2002) also dropped by 27.1% from a year earlier with the decrease rate widening, and declined in eleven out of thirteen industries.

Changes in Equipment Investments by Major Industry (Ratio over same period of last year)

	Oct.1999- Mar.2000	Apr.- Sep.2000	Oct.2000- Mar.2001	Apr.- Sep.2001	Oct.2001- Mar.2002	Apr.- Sep.2002	Oct.- Dec.2002
Total	-4.0	15.4	10.0	8.0	-5.6	-27.1	-23.2
Chemicals	40.7	-34.1	-42.8	8.5	-32.2	-9.1	21.7
Industrial machinery	-30.3	14.8	48.0	1.8	-32.8	-19.9	3.2
Electrical machinery	-8.2	43.4	33.2	-0.4	-42.7	-46.6	5.9
Transportation equipment	6.6	6.2	7.8	23.0	43.1	-13.2	-38.8

Changes in Equipment Investments by Region (Ratio over same period of last year)

	Oct.1999- Mar.2000	Apr.- Sep.2000	Oct.2000- Mar.2001	Apr.- Sep.2001	Oct.2001- Mar.2002	Apr.- Sep.2002	Oct.- Dec.2002
North America	-13.9	66.5	22.7	6.0	16.1	-32.8	-53.5
ASEAN4	0.2	59.4	35.1	-7.1	-33.8	-34.6	-8.5
NIES3	-23.4	-23.7	35.1	-31.0	-55.4	-11.8	40.2
China (Hong Kong is included)	-27.2	99.9	4.7	59.1	1.3	-47.2	32.6
Europe	29.7	-47.1	-27.7	24.4	-15.1	-12.9	11.6

Note: Semi-annual figures compared with the same period of last year were calculated using figures from consecutively surveyed companies. Figures for this quarter (quarterly) were calculated based on a usual comparison method.

(7) Employment (the number of employees) was 1,973,000 people, up 3.9% from the corresponding quarter of last year. Since the peak in the July-September quarter of 2000, the increase rate had diminished every quarter to post a minus figure for another three consecutive terms after the July-September quarter of 2001. It, however, turned positive for the third consecutive quarter with the rate of increase also widening (up 0.1% in the April-June quarter of 2002, up 2.4% in the July-September quarter and up 3.9% in this quarter, in the quarter-on-quarter comparison). Especially transportation equipment increased 12.6% from a year earlier partly due to a rise in the number of companies added to be surveyed.

- By the type of industry, the number of employees grew in eight out of thirteen industries,

including transportation equipment. Electrical machinery, comprising 40% of employment, increased 3.7% from a year earlier in this quarter for the second consecutive term of growth.

- By region (country), the number of employees increased in two regions (countries) alone, like in the previous quarter, that is, China (including Hong Kong) increased it by 15.7% from the corresponding quarter of last year and ASEAN4 by 4.8%.

[Prospects (the January-June period of 2003)]

The survey of this period was submitted by February 14, 2003.

(1) With regard to sales posted by overseas subsidiaries, the prospects (DI: note1) for this term (the January-June term of 2003) rose by 2.1 percentage points from the previous term (16.6 in the DI level in the October 2002-March 2003 half to 18.7 in the DI level in the January-June half of 2003, hereinafter the same), turning to increase from a fall of 7.7 percentage points from the preceding term in the previous period (the October 2002-March 2003 half). The DI level continued to be positive for the fifth straight term.

- By industry, the prospects for sales by overseas subsidiaries, which had worsened in ten out of thirteen industries in the previous term (the October 2002-March 2003 half), improved in seven industries, mainly in materials industries in this term (the January-June half of 2003). Transportation equipment, taking up a major part of sales, grew by 8.6 percentage points from the preceding term (25.3 to 33.9) in the sales prospects. Chemicals, ceramics and earthenware, non-ferrous metals and iron and steel improved as well. Meanwhile, electrical machinery fell by 2.0 percentage points from the preceding period (7.5 to 5.5) and its DI level remained on a positive but low level.

- By region (country), the prospects of sales by overseas subsidiaries turned to increase in all regions (countries) except Europe compared with the previous period (the October 2002-March 2003 term), but the rates of increase were generally small. The level of DI registered positive in double figures in all regions except NIES3. Especially it remained high at 32.4 in this term (the January-June period of 2003) in China (including Hong Kong).

(2) Local sales prospects grew by 2.8 percentage points from the preceding period (14.1 to 16.9) after having fallen for the second consecutive period, like total sales prospects. The DI level was positive for the fifth straight term like total sales prospects.

- By the type of industries, although they had improved in two industries alone in the previous period (the October 2002-March 2003 period), local sales prospects in this term (the January-June half of 2003) improved in seven industries including transportation equipment which increased 11.4 percentage points from the previous term (19.4 to 30.8). They deteriorated in electrical machinery for the second straight term, like total sales prospects.

- By region (country), local sales prospects improved in four regions other than NIES3 and Europe. The increase rates of the four regions (countries) posted a single-digit plus figure. In China (including Hong Kong), the rate of increase was 4.2 percentage points from the preceding term (31.9 to 36.1) but the level registered 36.1 which was the highest.

(3) The forecast of exports to Japan (so-called Japan's reimports) rose by 1.2 percentage points

from the previous term (1.5 to 2.7) in this term (the January-June term of 2003) after it had fallen for the second consecutive term. The DI level remained on a positive but low level (8.4 in the April-September half of 2002 to 4.2 in the July-December half of 2002 to 1.5 in the October 2002-March 2003 half to 2.7 in this term (the January-June half of 2003)).

- By the type of industry, the forecast turned to increase in seven industries including food and tobacco. The industries which increased in double figures were food and tobacco, precision instruments, non-ferrous metals and other industries. In electrical machinery, the forecast dropped by 0.1 percentage points from the previous period (minus 3.3 to minus 3.4) for the third consecutive term of decline and its DI level continued to be negative for the second straight term.

- By region (country), the forecast of exports to Japan improved in four regions (countries) other than China (including Hong Kong) and other regions for the first time in three periods. All of the increase rates in these regions registered a single-digit figure between 1 and 5. The DI level was negative in NIES3 and North America, and in the regions where it was positive remained on a single-digit level. China (including Hong Kong) alone kept its DI level positive in a double-digit figure although the level fell 0.8 percentage points from the previous period (14.5 to 13.7).

(4) With regard to exports to countries other than Japan, added to the survey from FY 2001, the prospects turned to increase 2.7 percentage points from the previous term (4.6 to 7.3) in this term (the January-June period of 2003) after having declined for the second consecutive term.

- By the type of industry, seven industries including food and tobacco, non-ferrous metals and chemicals improved in the prospects. Transportation equipment, accounting for a large portion of the total exports, saw a moderate increase rate of 1.6 percentage points from the preceding period (8.1 to 9.7). Electrical machinery which also accounts for a major part of the total exports saw a dip of 2.5 percentage points from the preceding term (1.4 to minus 1.1) for the third consecutive term of decline. The DI level also turned to be negative for the first time in five periods.

- By region (country), the prospects improved in four regions other than Europe and NIES3, but their increase rates posted a single-digit figure. China (including Hong Kong) saw the prospects increase by 6.5 percentage points from the previous term (12.8 to 19.3) and its DI level relatively higher than other regions in this term (the January-June term of 2003). The DI level remained positive in double figures in China (including Hong Kong) and ASEAN4 alone. Meanwhile, NIES3 alone saw the DI level minus (minus 10.3).

(5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them), added to this survey in FY 2001,

- The prospects for exports to parent companies in Japan turned to increase 2.3 percentage points from the previous term (1.2 to 3.5) in this term (the January-June term of 2003) after having declined for the second consecutive term, but the increase rate was small. The DI level was also a moderate plus figure.

By the type of industry, the prospects turned to increase in nine industries including electrical machinery. Electrical machinery, accounting for a large portion of the exports, rose by 1.3

percentage points from the previous term (minus 3.2 to minus 1.9) in this term (the January-June term of 2003) after having deteriorated for the second straight term. Its DI level, however, was minus. Food and tobacco and non-ferrous metals saw their increase rates relatively larger and their DI levels relatively higher in this term. Transportation equipment fell 4.1 percentage points from the preceding period (7.4 to 3.3) for the third straight period of decline in this term.

By region, the prospects improved in four regions (countries) except NIES3 and other regions. China (including Hong Kong), accounting for a major part of the exports, saw a moderate increase rate of 2.3 percentage points from the previous period (10.9 to 13.2) and, alone, continued to maintain its DI level in double figures.

- The outlook of imports from parent companies in Japan rose by 4.3 percentage points from the previous term (2.1 to 6.4) in this term (the January-June term of 2003) after having deteriorating for the second straight term. The level of DI also remained positive for the fourth consecutive term.

By the type of industry, the outlook in this term (the January-June term of 2003) improved in eleven industries except industrial machinery and precision instruments although it had turned to increase in no more than three industries in the previous period (the October 2002-March 2003 term). In electrical machinery which takes up slightly less than 40% of the imports, the outlook posted a moderate increase of 0.2 percentage points from the preceding term (minus 4.5 to minus 4.3), but its DI level was negative. In transportation equipment which also accounts for slightly less than 40% of them, it increased 3.4 percentage points from the previous period (14.2 to 17.6) and its DI level gradually rose.

By region (country), the outlook improved in five regions (countries) except other regions in this term (the January-June term of 2003) although it had improved in China (including Hong Kong) and Europe alone in the previous term (the October 2002-March 2003 term).

Especially, North America, accounting for slightly more than 40% of the imports, alone saw the outlook increase in double figures by 11.9 percentage points from the previous term (minus 1.4 to 10.5) in this term after a fall in the previous term. China (including Hong Kong) saw an increase of 6.4 percentage points from the preceding period (14.0 to 20.4) and its DI level registered the highest of other regions.

(6) With regard to the forecast of equipment investments (the amount of acquired tangible fixed assets excluding land), although it had increased for the third consecutive term when compared with the preceding period since the January-June half of 2002 with the rate of increase diminishing, the forecast had turned to decrease in the previous period (the October 2002-March 2003 term). It showed a modest increase of 0.3 percentage points from the preceding period (12.1 to 12.4) in this term (the January-June term of 2003). The level of DI registered a double-digit figure in nine industries including transportation equipment.

- By the type of industry, the forecast improved in seven industries including transportation equipment from the preceding term. It rose by 2.2 percentage points from the previous period (16.0 to 18.2) in transportations equipment which takes up the largest share in all industries. On the other hand, in electrical machinery, the forecast fell 0.9 percentage points

from the preceding term (7.8 to 6.9) and the DI level was a moderate plus figure.

- By region (country), the forecast improved in three regions (countries), that is, by 5.2 percentage points from the preceding period in China (including Hong Kong), by 2.2 percentage points in North America and by 3.5 percentage points in other regions. There were three regions where the forecast deteriorated, but their rates of decrease were small. While the level of DI continued to be positive in all regions (countries), China (including Hong Kong) and ASEAN4 alone registered a double-digit level, at 24.5 and at 14.6, respectively.

- With regard to the objectives of increasing investments (plural answers acceptable), "a boost in productivity" of the four objectives accounted for the highest percentage of 66.7% (64.1% from the previous term), followed by "renewal and repair", at 27.2% and "rationalization and streamlining", at 21.4%.

Studying the companies which expected "a boost in productivity" by region (country), those in China (including Hong Kong) took up 76.0% of the total number of overseas subsidiaries, 68.5% in North America, 64.8% in ASEAN4, 59.4% in Europe and 55.3 % in NIES3. Compared with a year earlier as for "a boost in productivity", China (including Hong Kong) increased by 16.2 percentage points, Europe by 14.7 percentage points and North America by 13.4 percentage points in equipment investments. Meanwhile, NIES3 decreased by 11.4 percentage points and ASEAN4 by 7.0 percentage points.

(7) The prospects of employment (the number of employments) increased 3.1 percentage points from the preceding term (0.7 to 3.8) in this term (the January-June term of 2003) for the second consecutive term of rise.

- By the type of industry, the employment prospects improved in ten industries including non-ferrous metals, food and tobacco and chemicals in this term. Although the prospects also increased in transportation equipment and electrical machinery, their rates of increase were small. The DI level remained relatively favorable in transportation equipment and metals.

- By region, the employment prospects improved in five regions (countries) except ASEAN4. Although the rate of increase was 10.6 percentage points from the previous term (minus 15.1 to minus 4.5) in NIES3 of which the increase rate was the largest of all regions, its DI level remained negative for the ninth consecutive term since the January-June term of 2001. The prospects increased 4.0 percentage points from the previous period (14.5 to 18.5) in China (including Hong Kong), in which alone its DI level remained a double-digit figure.

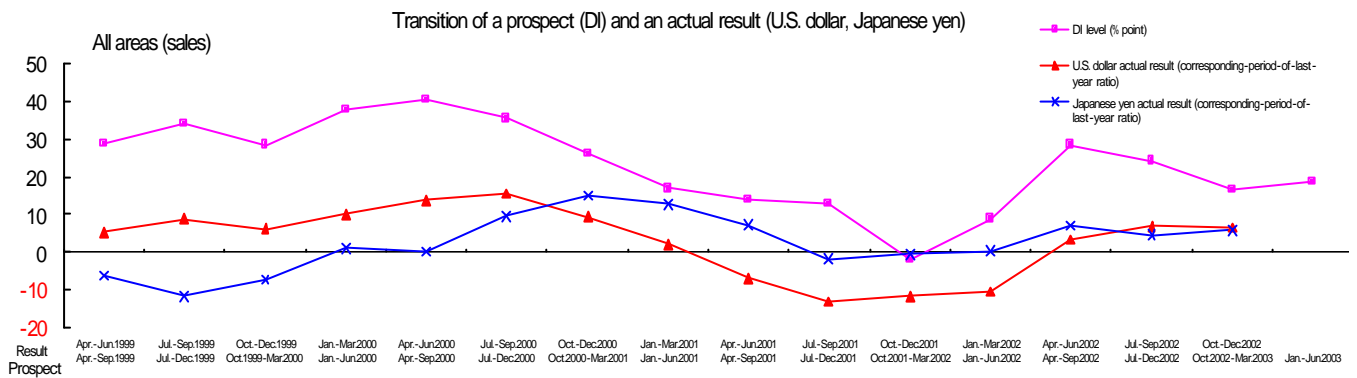
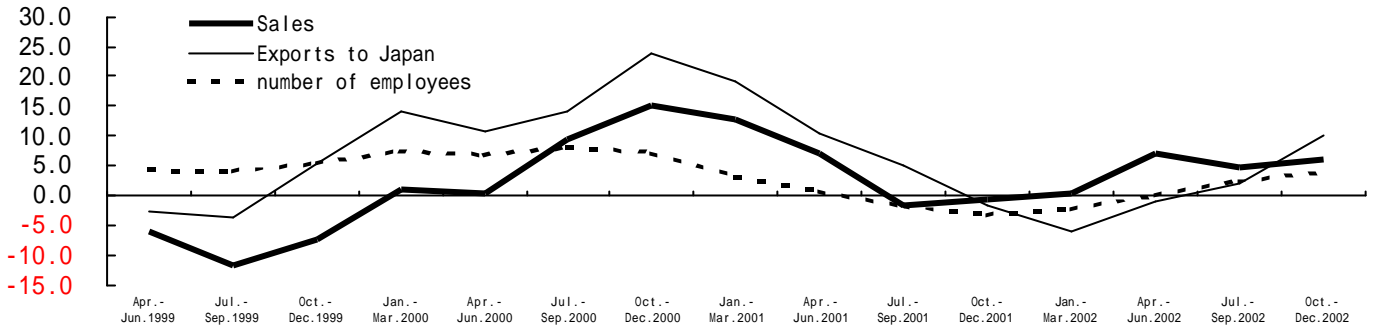
Note 1: $DI = \text{the ratio of companies expecting increase} - \text{the ratio of companies expecting decrease}$

$DI \text{ compared with the previous term} = DI \text{ for this term} - DI \text{ for the previous term}$

DI for this term: DI obtained from the survey of the October-December quarter of 2002 (prospects for the January-June term of 2003)

DI for the previous term: DI obtained from the survey of the July-September quarter of 2002 (prospects for the October 2002-March 2003 term)

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



1. Trends among Overseas Subsidiaries

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

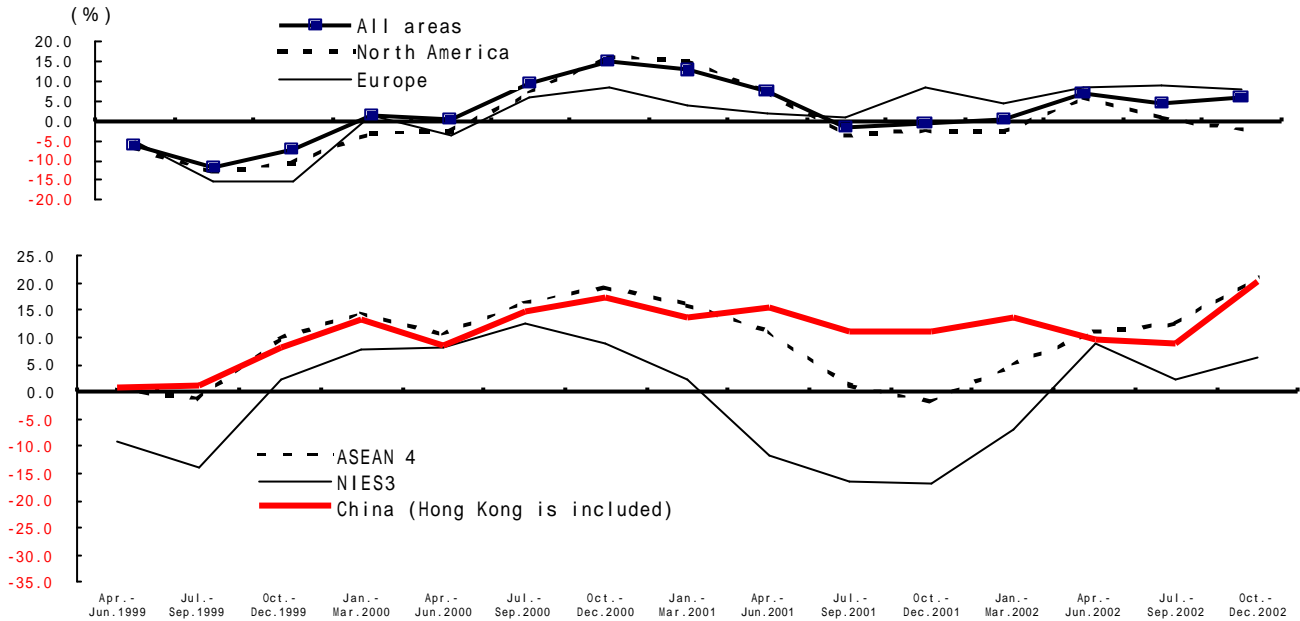
	Quarterly Performances				Ratio Over Same quarter of last year					
	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002
Sales	10,771,848	11,345,893	11,687,103	11,062,187	P 11,408,636	-0.5	0.5	7.1	4.6	P 5.9
Local sales	7,945,391	8,452,703	8,769,539	8,099,972	P 8,327,484	0.2	-0.5	8.9	4.6	P 4.8
Exports to Japan	907,088	888,835	916,720	951,286	P 998,743	-1.5	-6.1	-1.1	2.0	P 10.1
Exports to countries other than Japan	1,919,374	2,004,355	2,001,936	2,011,260	P 2,082,409			3.6	5.8	P 8.5
(Parent-subsidiary deals)										
Export to the parent company in Japan	572,813	556,481	602,939	643,095	P 657,800			0.3	6.1	P 14.8
Import from the parent company in Japan	1,257,154	1,225,069	1,448,066	1,411,053	P 1,418,752			3.5	8.0	P 12.9
Acquisition of tangible fixed assets	303,444	362,961	279,786	274,567	P 233,048			-19.8	-26.3	P -23.2
Number of employees	1,899,061	1,901,730	1,938,690	1,975,355	P 1,973,200	-3.2	-2.3	0.1	2.4	P 3.9

2. Outlook for Overseas Subsidiaries

(Unit:%points)

	D I				Ratio Over Previous Quarter					
	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003
Sales	8.9	28.5	24.3	16.6	P 18.7	10.7	19.6	-4.2	-7.7	P 2.1
Local sales	10.7	26.0	21.9	14.1	P 16.9	11.3	15.3	-4.1	-7.8	P 2.8
Exports to Japan	-4.7	8.4	4.2	1.5	P 2.7	3.8	13.1	-4.2	-2.7	P 1.2
Exports to countries other than Japan	3.1	15.7	10.5	4.6	P 7.3	8.0	12.6	-5.2	-5.9	P 2.7
(Parent-subsidiary deals)										
Export to the parent company in Japan	-3.8	7.9	2.6	1.2	P 3.5	3.5	11.7	-5.3	-1.4	P 2.3
Import from the parent company in Japan	-5.4	8.4	8.0	2.1	P 6.4	4.0	13.8	-0.4	-5.9	P 4.3
Acquisition of tangible fixed assets	8.2	12.8	12.9	12.1	P 12.4	7.9	4.6	0.1	-0.8	P 0.3
Number of employees	-8.0	1.5	-0.3	0.7	P 3.8	-1.4	9.5	-1.8	1.0	P 3.1

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



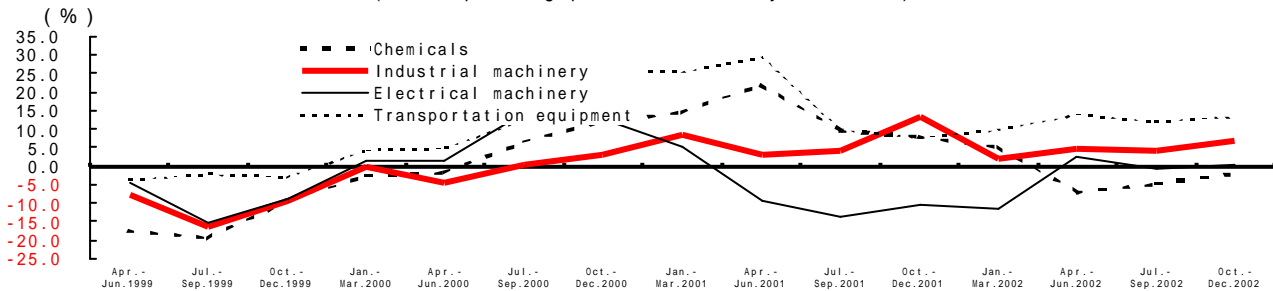
Trends in Sales of Overseas subsidiaries by region

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

	Quarterly Performances				P	Ratio Over Same quarter of last year						
	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002		Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002		
Total	10,771,848	11,345,893	11,687,103	11,062,187	P	11,408,636	-0.5	0.5	7.1	4.6	P	5.9
North America	5,322,350	5,602,315	5,717,717	5,206,803	P	5,207,792	-2.4	-2.9	5.7	0.7	P	-2.2
Asean4	1,366,021	1,465,430	1,555,674	1,585,572	P	1,655,434	-1.8	5.0	11.0	12.5	P	21.2
Nies3	713,541	760,699	839,757	771,941	P	757,821	-16.8	-6.9	8.7	2.4	P	6.2
China (Hong Kong is include)	773,165	773,491	847,986	884,596	P	930,850	11.2	13.6	9.6	8.7	P	20.4
Europe	1,910,330	2,010,543	1,922,198	1,873,212	P	2,065,203	8.2	4.4	8.2	9.0	P	8.1
Other	621,090	653,873	665,303	598,004	P	639,328	1.4	0.5	-7.7	-7.6	P	2.9

Note : The total figure of the sales of individual regions does not equal the total figure of overseas subsidiaries sales because some Asian regions are excluded from the "regions".

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



Trends in Sales of the main industry

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

	Quarterly Performances				P	Ratio Over Same quarter of last year						
	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002		Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002		
Manufacturing industry in total	10,771,848	11,345,893	11,687,103	11,062,187	P	11,408,636	-0.5	0.5	7.1	4.6	P	5.9
Chemicals	730,915	741,639	710,357	690,983	P	716,424	7.8	5.1	-7.1	-4.9	P	-2.0
Industrial machinery	696,523	753,771	758,657	701,742	P	745,713	13.4	1.9	4.5	4.2	P	7.1
Electrical machinery	3,718,369	3,637,037	3,650,768	3,612,878	P	3,731,356	-10.5	-11.4	2.5	-0.9	P	0.3
Transportation equipment	3,895,443	4,366,261	4,678,643	4,216,188	P	4,416,456	7.6	9.8	13.9	11.8	P	13.4

2. Trend by the type of industry

[Results]

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

(1) Transportation equipment's sales for this quarter amounted to 4,416.5 billion yen, up 13.4% from the same period of the preceding year for the twelfth straight quarter of increase since the January-March period of 2000. Exports of transportation equipment to countries other than Japan increased more than sales of that, amounting to 361.2 billion yen in this period, up 16.4% from a year earlier.

- By regions, sales of transportation equipment rose in all regions: they reached 2,656.9 billion yen, up 3.6% from a year earlier in North America, 618.5 billion yen, up 18.8% from a year earlier in Europe, 439.5 billion yen, up 71.5% from a year earlier, etc. In addition, sales in China (including Hong Kong) remained a high growth rate (up 57.6% from a year earlier in this period), although they account for a moderate portion of total sales.

(2) Electrical machinery's sales for this quarter registered 3,731.4 billion yen, a 0.3% increase from the corresponding period a year earlier. (down 11.4% from a year earlier in the January-March quarter of 2002 to up 2.5% from a year earlier in the April-June quarter of 2002 to a 0.9% drop on a year-on-year basis in the July-September quarter of 2002 to a 0.3% growth from a year earlier in this quarter).

Exports of electrical machinery to Japan (so-called Japan's reimports) increased 9.1% on a year-on-year basis in this term although they had declined for the fifth straight term since the July-September quarter of 2001.

- By region, electrical machinery's sales grew remarkably by 22.0% from a year ago in this quarter in China (including Hong Kong.) Especially they had registered a double-digit growth since the January-March quarter of 2002. ASEAN4 saw the sales increase for the third consecutive quarter. On the other hand, they dropped for the second consecutive quarter in North America (down 7.1% from a year earlier) and NIES3 (down 6.5% from a year earlier). Polarization is becoming distinctive among regions.

(3) Industrial machinery's sales reached 745.7 billion yen in this quarter, a 7.1% gain from the corresponding period a year earlier, for the tenth straight quarter of increase since the July-September quarter of 2000.

- By region, there was a rise in sales in all regions (countries) except other regions. North America, comprising 40% of total regional sales, saw a 3.6% growth from a year earlier and Europe, comprising slightly more than 20% of them, a 13.3% gain year-on-year. In addition, China (including Hong Kong), comprising slightly more than 10% of them, saw a 7.5% rise from a year earlier.

(4) Chemicals' sales for this quarter totaled 716.4 billion yen, down 2.0% from the same period of the preceding year, for the third consecutive quarter of decline. The rate of decrease was, however, shrinking (down 7.1% in the same quarter a year ago in the April-June quarter of 2002 to down 4.9% from a year earlier in the October-December quarter of 2002 to down 2.0% on a year-on-year basis in this quarter).

- By region, they fell by 14.5% from the same period of the preceding year in North America and by 7.0% from a year ago in Europe. On the other hand, in Asian regions they rose: by 31.1% from a year earlier in ASEAN4, by 26.3% from a year earlier in China (including Hong Kong) and by 16.0% from a year ago in NIES3.

[Prospects (the January-June term of 2003)]

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

(1) Transportation equipment's sales prospects turned to increase 8.6 percentage points from the previous period (25.3 to 33.9) in this term (the January-June term of 2003) after having deteriorated for the second consecutive term. The DI levels in the preceding two terms when the prospects had worsened had registered a relatively high positive figure (41.7 in the April-September term of 2002 to 29.3 in the July-December term of 2002 to 25.3 in the October 2002-March 2003 term to 33.9 in the January-June term of 2003). The prospects of local sales increased by 11.4 percentage points from the previous term (19.4 to 30.8) in this term, which was larger than the increase rate of total sales prospects.

- By region, they turned to increased by 19.6 percentage points from the preceding term (9.8 to 29.4) after having worsened for the second consecutive period in North America, by 18.8 percentage point from the previous term in NIES3 and by 14.2 percentage points from the preceding term in other regions. There was a moderate growth of 4.0 percentage points from the previous term in Europe. They slid by 12.2 percentage points from the preceding term (44.7 to 32.5) in ASEAN4 and by 4.3 percentage points from the previous term (64.3 to 60.0) in China (including Hong Kong). The DI level, however, continued to be relatively high in all regions (countries).

(2) Electrical machinery's sales prospects for this term (the January-June term of 2003) fell 2.0 percentage points from the previous term (7.5 to 5.5) for the second straight term of decline. The DI level also dropped to a single-digit figure (21.5 in the April-September term of 2002 to 22.7 in the July-December term of 2002 to 7.5 in the October 2002-March 2003 term to 5.5 in the January-June term of 2003). In this term, local sales prospects dropped more than the total sales prospects, a fall of 6.3 percentage points from the previous term (9.1 to 2.8).

- By region, they deteriorated in Europe, NIES3 and North America. There was a distinctive drop of 26.6 percentage points from the previous term (18.8 to minus 7.8) in Europe and its DI level turned to be negative for the first time in four terms. Meanwhile, they turned to increase by 4.5 percentage points from the preceding period (25.8 to 30.3) in China (including Hong Kong) and its DI level remained relatively high for the fifth straight period.

(3) Industrial machinery's sales prospects for this term (the January-June term of 2003) fell 8.9 percentage points from the previous term (19.1 to 10.2). The prospects for exports of industrial machinery to Japan which had improved in the previous term (the October 2002-March 2003 term) decreased by 5.5 percentage points from the previous term (6.3 to 0.8). The DI level of sales was on a downward trend, although remaining positive in double figures for the fourth straight term (23.1 in the April-September term of 2002 to 23.2 in the July-

December term of 2002 to 19.1 in the October 2002-March 2003 term to 10.2 in the January-June term of 2003).

- By region, the prospects deteriorated in all regions (countries) except ASEAN4. There was a sharp fall especially in NIES3, a plunge of 45.9 percentage points from the previous term (25.9 to minus 20.0) and in other regions, a plunge of 34.7 percentage points from the preceding term (22.2 to minus 12.5). ASEAN4, only in which the prospects improved, posted a rise of 9.0 percentage points from the preceding period (35.0 to 44.0).

(4) Chemicals' sales prospects for this term (the January-June term of 2003) turned to increase by 14.8 percentage points from the previous period (19.7 to 34.5) after having deteriorated for the second straight term. The level of DI continued to be a double-digit plus figure for the fifth consecutive term.

- By region, the sales prospects improved in all regions (countries) except other regions. Furthermore their sales prospects increased in double figures with Europe an exception. The increase rate was relatively large in Asia: the prospects increased by 22.6 percentage points from the previous term (22.8 to 45.4) in ASEAN4 and by 16.1 percentage points from the preceding term (35.5 to 51.6) in China (including Hong Kong). The DI level in Asia was relatively high: at 51.6 in China (including Hong Kong), at 45.4 in ASEAN4 and at 30.8 in NIES3. The level also registered 30.0 in Europe.

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				
		Oct. - Dec.	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Oct. - Dec.	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.
		2001	2002	2002	2002	2002	2001	2002	2002	2002	2001
Overseas subsidiaries Total		10,771,848	11,345,893	11,687,103	11,062,187	P 11,408,636	-0.5	0.5	7.1	4.6	P 5.9
Chemicals	Total	730,915	741,639	710,357	690,983	P 716,424	7.8	5.1	-7.1	-4.9	P -2.0
	North America	280,542	247,233	251,573	232,917	P 239,955	5.1	-10.2	-22.4	-22.6	P -14.5
	ASEAN4	73,973	83,466	94,683	100,466	P 97,012	-8.7	-2.3	15.3	22.5	P 31.1
	NIES3	65,707	72,809	74,250	71,123	P 76,229	-8.6	-0.6	8.5	6.9	P 16.0
	China(Hong Kong is included)	34,224	30,647	32,537	39,271	P 43,210	44.4	31.4	18.2	25.5	P 26.3
	Europe	264,403	295,353	243,601	235,160	P 245,941	17.7	24.4	-2.4	0.2	P -7.0
Industrial machinery	Total	696,523	753,771	758,657	701,742	P 745,713	13.4	1.9	4.5	4.2	P 7.1
	North America	288,738	322,835	324,752	282,695	P 299,171	12.0	-1.2	8.9	5.7	P 3.6
	ASEAN4	61,081	63,795	63,783	56,246	P 65,748	-1.1	0.9	20.4	-0.5	P 7.6
	NIES3	39,864	39,147	39,257	38,225	P 43,332	-9.7	-6.3	-0.3	-4.2	P 8.7
	China(Hong Kong is included)	113,743	121,524	112,524	113,015	P 122,283	33.4	28.3	-2.9	-0.1	P 7.5
	Europe	177,492	190,281	201,446	197,592	P 201,156	17.0	-4.6	-1.6	10.4	P 13.3
Electrical machinery	Total	3,718,369	3,637,037	3,650,768	3,612,878	P 3,731,356	-10.5	-11.4	2.5	-0.9	P 0.3
	North America	1,352,074	1,238,323	1,208,803	1,211,841	P 1,255,914	-13.0	-23.1	1.1	-7.2	P -7.1
	ASEAN4	726,923	767,602	782,607	802,929	P 779,434	-1.3	-1.8	4.0	5.9	P 7.2
	NIES3	402,706	432,468	467,817	420,998	P 376,706	-21.4	-9.6	6.4	-2.1	P -6.5
	China(Hong Kong is included)	428,195	424,238	484,883	497,645	P 522,290	5.4	16.4	14.8	10.8	P 22.0
	Europe	708,821	701,947	630,370	617,118	P 720,982	-12.6	-7.7	-1.9	3.7	P 1.7
Transportation equipment	Total	3,895,443	4,366,261	4,678,643	4,216,188	P 4,416,456	7.6	9.8	13.9	11.8	P 13.4
	North America	2,564,619	2,901,878	3,043,799	2,637,433	P 2,656,921	3.3	8.1	11.7	7.1	P 3.6
	ASEAN4	256,329	287,405	345,664	349,187	P 439,542	-5.7	30.8	29.1	31.7	P 71.5
	NIES3	79,850	81,262	100,457	91,534	P 105,325	-17.7	-13.6	19.9	13.5	P 31.9
	China(Hong Kong is included)	16,451	18,976	22,095	23,238	P 25,924	37.8	44.5	54.0	36.2	P 57.6
	Europe	520,533	557,359	595,315	574,819	P 618,479	44.6	11.5	24.5	20.4	P 18.8
Food and tobacco	Total	320,643	354,812	353,699	333,143	P 330,552	-1.4	13.6	9.6	1.5	P 3.1
Textiles	Total	126,115	135,941	145,247	133,611	P 133,325	-8.7	-7.4	-1.9	-2.4	P 5.7
Food, pulp and paper products	Total	54,291	44,184	47,884	52,991	P 53,826	-27.1	-37.3	-13.5	4.7	P -0.9
Ceramics, stone and clay	Total	207,276	223,197	207,450	223,006	P 228,864	7.3	4.2	-2.8	8.0	P 10.4
Iron and steel	Total	206,255	222,153	237,417	228,122	P 162,953	9.5	23.1	19.1	13.2	P -21.0
Non-ferrous metals	Total	75,135	85,256	88,693	82,214	P 85,711	-40.6	-23.4	-7.3	7.5	P 14.1
Metals	Total	48,862	49,717	54,694	53,222	P 51,904	7.7	7.7	8.4	8.6	P 6.2
Precision instruments	Total	187,139	194,631	197,821	213,789	P 219,558	-9.9	4.5	0.6	6.4	P 17.3

Note : The total figure of the sales of individual regions does not equal the total figure of overseas subsidiaries sales because other regions and some Asian regions are excluded from the "regions".

Outlook for sales of the main industry by region

(Unit:%points)

	D I	Ratio Over Previous Quarter									
		Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003
Overseas subsidiaries Total		8.9	28.5	24.3	16.6	P 18.7	10.7	19.6	-4.2	-7.7	P 2.1
Chemicals	Total	18.3	36.2	34.6	19.7	P 34.5	20.5	17.9	-1.6	-14.9	P 14.8
	North America	-4.4	28.9	27.3	0.0	P 12.5	7.4	33.3	-1.6	-27.3	P 12.5
	ASEAN4	27.0	54.1	50.0	22.8	P 45.4	28.7	27.1	-4.1	-27.2	P 22.6
	NIES3	-2.7	25.0	30.6	17.1	P 30.8	32.4	27.7	5.6	-13.5	P 13.7
	China(Hong Kong is included)	52.8	39.4	45.7	35.5	P 51.6	22.3	-13.4	6.3	-10.2	P 16.1
	Europe	18.2	28.1	6.1	22.6	P 30.0	12.7	9.9	-22.0	16.5	P 7.4
Industrial machinery	Total	-1.1	23.1	23.2	19.1	P 10.2	-4.4	24.2	0.1	-4.1	P -8.9
	North America	-2.3	4.0	7.3	12.0	P 5.4	0.1	6.3	3.3	4.7	P -6.6
	ASEAN4	3.7	42.3	47.9	35.0	P 44.0	-18.5	38.6	5.6	-12.9	P 9.0
	NIES3	-22.8	33.4	29.2	25.9	P -20.0	-5.4	56.2	-4.2	-3.3	P -45.9
	China(Hong Kong is included)	18.8	52.9	43.7	27.2	P 26.5	0.6	34.1	-9.2	-16.5	P -0.7
	Europe	-4.8	6.7	0.0	2.6	P -2.9	0.0	11.5	-6.7	2.6	P -5.5
Electrical machinery	Total	-1.3	21.5	22.7	7.5	P 5.5	14.1	22.8	1.2	-15.2	P -2.0
	North America	-5.7	13.4	24.7	-1.3	P -1.4	8.6	19.1	11.3	-26.0	P -0.1
	ASEAN4	-5.1	20.9	14.0	2.2	P 2.3	22.4	26.0	-6.9	-11.8	P 0.1
	NIES3	-5.1	27.3	14.3	-11.4	P -15.2	25.6	32.4	-13.0	-25.7	P -3.8
	China(Hong Kong is included)	21.1	31.5	38.2	25.8	P 30.3	12.3	10.4	6.7	-12.4	P 4.5
	Europe	-21.5	7.0	21.3	18.8	P -7.8	-11.7	28.5	14.3	-2.5	P -26.6
Transportation equipment	Total	23.6	41.7	29.3	25.3	P 33.9	20.4	18.1	-12.4	-4.0	P 8.6
	North America	15.2	38.4	17.8	9.8	P 29.4	35.0	23.2	-20.6	-8.0	P 19.6
	ASEAN4	27.2	38.1	52.9	44.7	P 32.5	0.9	10.9	14.8	-8.2	P -12.2
	NIES3	5.5	31.6	12.5	19.3	P 38.1	29.4	26.1	-19.1	6.8	P 18.8
	China(Hong Kong is included)	45.0	59.1	63.6	64.3	P 60.0	-10.0	14.1	4.5	0.7	P -4.3
	Europe	38.6	34.1	2.8	25.6	P 29.6	36.5	-4.5	-31.3	22.8	P 4.0
Food and tobacco	Total	44.8	32.2	39.8	31.1	P 45.2	5.0	-12.6	7.6	-8.7	P 14.1
Textiles	Total	-5.8	8.7	6.1	14.5	P 3.1	4.4	14.5	-2.6	8.4	P -11.4
Wood, pulp and paper products	Total	17.8	42.8	50.0	51.9	P 13.3	-0.4	25.0	7.2	1.9	P -38.6
Ceramics, stone and clay	Total	17.1	42.6	7.3	9.3	P 23.4	0.8	25.5	-35.3	2.0	P 14.1
Iron and steel	Total	17.8	37.3	13.5	11.8	P 21.7	19.8	19.5	-23.8	-1.7	P 9.9
Non-ferrous metals	Total	21.2	33.3	30.1	18.0	P 31.9	13.5	12.1	-3.2	-12.1	P 13.9
Metals	Total	-27.3	40.5	28.3	17.1	P 10.5	-11.0	67.8	-12.2	-11.2	P -6.6
Precision instruments	Total	-4.9	3.4	12.3	0.0	P -1.4	2.5	8.3	8.9	-12.3	P -1.4

3. Trend by region (country)

(1) North America

[Results]

- 1) Sales totaled 5,207.8 billion yen, down 2.2% from the same period last year for the first time in three quarters.
 - By the type of industry, they declined in ten out of thirteen industries. Especially in electrical machinery they fell 7.1% from the same period last year for the second straight quarter of decrease. In addition, chemicals saw a drop of 14.5% from a year earlier for the fourth consecutive quarter of decline and there was also a plunge in iron and steel (down 47.8% from a year ago). Transportation equipment, being in the important position, increase by 3.6% from the same period last year but its increase rate shrank.
- 2) Local sales, accounting for approximately 90% of total sales, amounted to 4,764.0 billion yen, down 2.2% from a year earlier, like total sales.
 - By the type of industry, local sales decreased by 7.5% from a year earlier for the second consecutive quarter of decline in electrical machinery. The increase rate in transportation equipment (up 3.5% from the same period last year) contracted.
- 3) Exports to Japan (Japan's reimports) recorded 73.6 billion yen, down 14.0% from a year earlier for the sixth consecutive quarter of decrease.
- 4) Exports to countries other than Japan totaled 370.1 billion yen, a rise of 1.8% from a year ago.
 - By the type of industry, they gained 24.7% on a year-on-year basis for the fifth straight quarter of increase in industrial machinery and grew by 3,8% from a year earlier in transportation equipment.
- 5) With regard to intra-company transactions (exports to parent companies in Japan and imports from them),
 - Exports to parent companies in Japan posted 40.3 billion yen, up 7.9% from the corresponding period of last year and imports from them recoded 673.8 billion yen, a 7.5% gain from the previous year for the second consecutive period of increase.
 - By the type of industry, exports to parent companies saw transportation equipment soar 67.0% year-on-year and electrical machinery plunge by 44.1% from the corresponding period of last year. Imports from them saw transportation equipment increase by 15.9% on a year-on-year basis and industrial machinery by 35.5%, while they saw electrical machinery decrease by 5.2% from a year earlier.
- 6) Equipment investments (the amount of acquired tangible fixed assets excluding land) posted 72.5 billion yen and continued to decrease, down 53.5% from a year earlier.
 - By the type of industry, they declined in nine industries. Especially there was a remarkable decrease in transportation equipment, a plunge of 62.5% over the past year.
- 7) The number of employees totaled 402,000 people, showing a 3.5% decrease for the seventh straight quarter of decline.
 - By industry, it decreased in eleven out of thirteen industries. While electrical machinery, accounting for a major part of the total number of employees, saw the number of employees

drop by 5.7% for the eighth consecutive period of decline, but transportation equipment, being the largest portion of the total number, increased 3.6% from a year earlier.

[Prospects (the January-June term of 2003)]

1) Sales prospects increased by 8.3 percentage points from the previous period (7.4 to 15.7) for the first time in three terms.

- By the type of industry, they turned to increase in transportation equipment, chemicals and food and tobacco, while they deteriorated for the second consecutive term in electrical machinery.

The DI level remained relatively high in transportation equipment and food and tobacco, but continued to be negative for the second straight term in electrical machinery.

2) The prospects of local sales turned to increase by 7.9 percentage points from the previous term (6.3 to 14.2) for the first time in three terms, like total sales prospects. Especially, there was a distinctive increase in transportation equipment.

3) The forecast for exports to Japan (Japan's reimports) turned to increase by 4.4 percentage points from the preceding period (minus 9.7 to minus 5.3) for the first time in three terms.

The DI level, however, continued to be minus.

4) The outlook for exports to countries other than Japan turned to rise by 6.5 percentage points from the preceding term (minus 1.2 to 5.3) for the first time in three terms. There was an increase in transportation equipment and electrical machinery.

5) With regard to intra-company transactions (exports to parent companies in Japan and imports from them),

- The prospects of exports to parent companies in Japan increased by 1.6 percentage points from the previous term (minus 7.5 to minus 5.9). The DI level, however, continued to be negative.

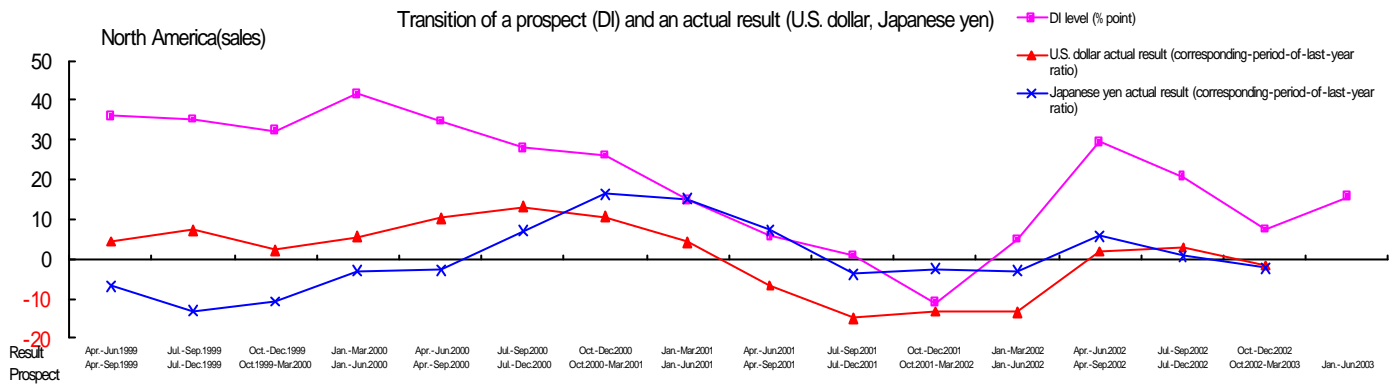
The outlook of imports from them gained 11.9 percentage points from the preceding term (minus 1.4 to 10.5). By industry, there was a large increase in transportation equipment and industrial machinery.

6) The prospects of equipment investments (the amount of acquired tangible fixed assets excluding land) turned to grow by 2.2 percentage points from the preceding term (3.9 to 6.1).

- By the type of industry, there was a distinctive increase in transportation equipment, food and tobacco and electrical machinery. The DI level turned to be positive after showing a negative figure for the fifth consecutive term in electrical machinery.

7) The forecast for employment rose by 2.6 percentage points from the preceding term (minus 5.0 to minus 2.4) for the second straight term of increase. On the other hand, the DI level showed a minus figure for the ninth consecutive term.

- By the type of industry, the forecast improved in ten industries including food and tobacco. The DI level remained on a minus level in eight out of thirteen industries. Among them, transportation equipment registered a positive figure in the level for the fourth consecutive term.



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					
	Oct. - Dec.	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Oct. - Dec.	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.
	2001	2002	2002	2002	2002	2001	2002	2002	2002	2002
Sales	5,322,350	5,602,315	5,717,717	5,206,803	P 5,207,792	-2.4	-2.9	5.7	0.7	P -2.2
Local sales	4,873,093	5,176,119	5,308,821	4,771,172	P 4,764,046	1.2	-1.9	7.5	0.9	P -2.2
Exports to Japan	85,605	77,420	81,000	74,775	P 73,609	-13.3	-28.8	-22.6	-19.1	P -14.0
Exports to countries other than Japan	363,652	348,776	328,728	360,856	P 370,137				3.3	P 1.8
(Parent-subsidiary deals)										
Export to the parent company in Japan	37,391	32,786	37,937	40,833	P 40,329				-8.8	P 7.9
Import from the parent company in Japan	626,863	592,364	706,764	691,898	P 673,819				6.6	P 7.5
Acquisition of tangible fixed assets	155,855	198,487	127,750	123,418	P 72,458				-29.6	P -53.5
Number of employees	417,202	404,408	411,107	413,358	P 402,458	-6.3	-8.2	-5.0	-4.0	P -3.5

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					
	Oct. - Dec.	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Oct. - Dec.	Jan. - Jun.	Apr. - Jun.	Jul. - Sep.	Oct. - Dec.
	2001	2002	2002	2002	2002	2001	2002	2002	2002	2002
Manufacturing industry in total	5,322,350	5,602,315	5,717,717	5,206,803	P 5,207,792	-2.4	-2.9	5.7	0.7	P -2.2
Chemicals	280,542	247,233	251,573	232,917	P 239,955	5.1	-10.2	-22.4	-22.6	P -14.5
Industrial machinery	288,738	322,835	324,752	282,695	P 299,171	12.0	-1.2	8.9	5.7	P 3.6
Electrical machinery	1,352,074	1,238,323	1,208,803	1,211,841	P 1,255,914	-13.0	-23.1	1.1	-7.2	P -7.1
Transportation equipment	2,564,619	2,901,878	3,043,799	2,637,433	P 2,656,921	3.3	8.1	11.7	7.1	P 3.6
Precision instruments	33,173	36,210	30,457	36,056	P 33,677	-54.1	-20.3	-34.8	-12.9	P 1.5

2. Outlook for North America

(Unit:%points)

	D I				Ratio Over Previous Quarter					
	Jan. - Jun.	Apr. - Sep.	Jul. - Dec.	Oct.2002	Jan. - Jun.	Jan. - Jun.	Apr. - Sep.	Jul. - Dec.	Oct.2002	Jan. - Jun.
	2002	2002	2002	-Mar.2003	2003	2002	2002	2002	-Mar.2003	2003
Sales	4.9	29.4	20.7	7.4	P 15.7	16.0	24.5	-8.7	-13.3	P 8.3
Local sales	6.4	29.5	22.2	6.3	P 14.2	15.7	23.1	-7.3	-15.9	P 7.9
Exports to Japan	-5.1	-0.4	-1.2	-9.7	P -5.3	8.1	4.7	-0.8	-8.5	P 4.4
Exports to countries other than Japan	0.4	14.5	7.3	-1.2	P 5.3	8.1	14.1	-7.2	-8.5	P 6.5
(Parent-subsidiary deals)										
Export to the parent company in Japan	-3.7	-3.2	-0.9	-7.5	P -5.9	7.4	0.5	2.3	-6.6	P 1.6
Import from the parent company in Japan	-1.6	6.2	9.7	-1.4	P 10.5	6.5	7.8	3.5	-11.1	P 11.9
Acquisition of tangible fixed assets	3.6	5.8	7.9	3.9	P 6.1	11.0	2.2	2.1	-4.0	P 2.2
Number of employees	-19.6	-5.3	-7.8	-5.0	P -2.4	-3.5	14.3	-2.5	2.8	P 2.6

(2) ASEAN4

[Results]

- 1) Sales totaled 1,655.4 billion yen and increased by 21.2% from the same quarter a year ago for the fourth consecutive quarter of rise, showing the largest growth since the survey started.
 - By the type of industry, there was an increase in all industries except precision instruments. Among them, transportation equipment (up 71.5% on a year-on-year basis) saw a significant growth for the fourth straight quarter partly due to a large increase in sales in Thailand and Indonesia and a rise in the number of companies added to be surveyed. In addition, electrical machinery, being in the important position, increased by 7.2% from a year earlier for the third consecutive quarter of growth, and chemicals also increased in double figures for the third consecutive quarter.
- 2) Local sales totaled 696.5 billion yen and increased by 39.7% for the fourth straight quarter of rise like total sales, continuing to increase in double figures.
 - By the type of industry, they soared in double figures in all six industries including transportation equipment (a 79.4% jump on a year-on-year basis) and chemicals (up 33.1% from a year earlier).
- 3) Exports to Japan (Japan's reimports) totaled 409.9 billion yen, up 11.5% from a year ago for the third straight quarter of increase.
 - By the type of industry, there was a rise in ten industries. The exports turned to increase for the first time in five quarters in electrical machinery (up 9.4% from a year earlier) which is in the important position, and rose significantly in transportation equipment (up 41.8% on a year-on-year basis).
- 4) Exports to countries other than Japan totaled 549.0 billion yen and showed an advance of 9.9% from a year earlier, continuing to be on an upward trend.
 - By industry, electrical machinery being in the important position continued to advance (a year-on-year increase of 5.2%), and transportation equipment also soared by 44.6% from a year earlier.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
 - Exports to parent companies in Japan totaled 278.9 billion yen, up 15.5% from the same quarter a year ago, and imports from them amounted to 178.8 billion yen, a year-on-year 24.0% rise.
 - By the type of industry, exports to parent companies in Japan advanced greatly in electrical machinery, up 13.4% compared with a year earlier. Imports from them rose significantly in electrical machinery, up 25.0% on a year-on-year basis, and in transportation equipment, up 29.8% from a year earlier.
- 6) Equipment investments (the amount of acquired tangible fixed assets excluding land) amounted to 48.1 billion yen, down 8.5% from a year ago, continuing to show a downward trend.
 - By the type of industry, electrical machinery being in the important position continued to decrease equipment investments, down 5.2% compared with a year earlier. In contrast, the

investments soared by 69.2% from a year ago for the third straight quarter of rise in transportation equipment.

7) Employment posted 639,000 people, increasing by 4.8% on a year-on-year basis for the second consecutive quarter of growth.

- By industry, it increased in double figures for the second straight quarter, up 35.2% from a year earlier, in transportation equipment. In addition, there was a moderate rise (up 0.7% on a year-on-year basis) in electrical machinery being in the important position for the first time in seven quarters, and a continued rise of 6.6% from a year earlier in precision instruments.

[Prospects (the January-June term of 2003)]

1) Sales prospects showed a moderate increase of 0.9 percentage points from the preceding term (18.6 to 19.5) for the first time in three periods.

- By industry, they improved in ten out of thirteen industries. While chemicals, food and tobacco and other industries showed a double-digit increase rate, sales prospects deteriorated for the second consecutive term in transportation equipment and textiles. The DI level turned negative in textiles, and continued to be plus in a single-digit figure for the second consecutive term in electrical machinery. Meanwhile, the level continued to be high in food and tobacco, chemicals and industrial machinery.

2) The outlook of local sales rose by 2.0 percentage points from the previous term (15.8 to 17.8) for the first time in three terms.

- By industry, there was a rise in the outlook in food and tobacco, non-ferrous metals and other industries with a significant growth in chemicals.

3) The forecast of exports to Japan (Japan's reimports) increased by 1.6 percentage points from the preceding term (3.6 to 5.2) for the first time in three terms.

- By industry, there was a large increase in chemicals and non-ferrous metals. Electrical machinery saw the forecast improve for the first time in three terms and its DI level turn to be positive.

4) The prospects for exports to countries other than Japan increase by 1.8 percentage points from the previous term (9.5 to 11.3) for the first time in three periods.

- By the type of industry, there was a significant rise in food and tobacco, non-ferrous metals and chemicals.

5) With regard to intra-company transactions (exports to parent companies in Japan and imports from them),

- The prospects of exports to parent companies in Japan increased by 4.5 percentage points from the previous term (2.4 to 6.9) for the first time in three terms partly due to a decline in transportation equipment. The prospects of imports from parent companies in Japan gained 2.6 percentage points from the preceding period (2.7 to 5.3) partly due to a drop in electrical machinery.

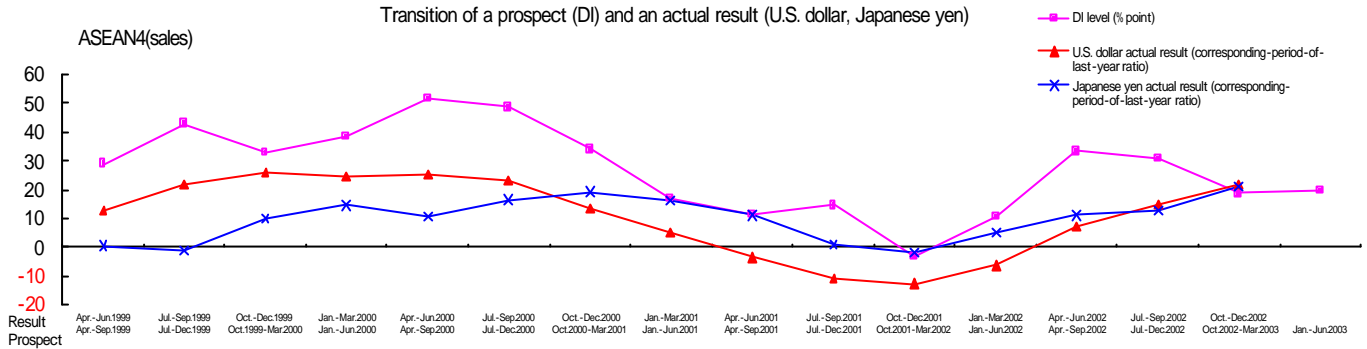
6) The forecast of equipment investments (the amount of acquired tangible fixed assets excluding land) fell 3.9 percentage points from the previous term (18.5 to 14.6).

- By the type of industry, there was a significant fall in electrical machinery and iron and

steel.

7) The prospects for employment slid by 0.8 percentage points from the previous term (4.7 to 3.9).

- By the type of industry, there was a distinctive fall in electrical machinery and iron and steel. On the other hand, there was an increase in food and tobacco and non-ferrous metals. The DI level turned to be negative in electrical machinery and dropped to 0.0 in iron and steel.



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				
	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002
Sales	1,366,021	1,465,430	1,555,674	1,585,572	P 1,655,434	-1.8	5.0	11.0	12.5	P 21.2
Local sales	498,675	556,072	621,692	622,325	P 696,524	-13.1	2.6	20.2	20.8	P 39.7
Exports to Japan	367,580	361,898	367,467	397,470	P 409,899	-4.2	-10.1	0.5	2.9	P 11.5
Exports to countries other than Japan	499,766	547,460	566,523	565,777	P 549,011				11.5	P 9.9
(Parent-subsidiary deals)										
Export to the parent company in Japan	241,453	237,014	242,099	270,659	P 278,878				4.9	P 15.5
Import from the parent company in Japan	144,217	152,908	174,832	176,514	P 178,844				16.5	P 24.0
Acquisition of tangible fixed assets	52,518	53,209	45,569	43,088	P 48,061				-37.8	P -8.5
Number of employees	609,258	614,745	614,925	625,970	P 638,504	-4.3	-2.5	-1.8	1.3	P 4.8

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				
	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002
Manufacturing industry in total	1,366,021	1,465,430	1,555,674	1,585,572	P 1,655,434	-1.8	5.0	11.0	12.5	P 21.2
Chemicals	73,973	83,466	94,683	100,466	P 97,012	-8.7	-2.3	15.3	22.5	P 31.1
Industrial machinery	61,081	63,795	63,783	56,246	P 65,748	-1.1	0.9	20.4	-0.5	P 7.6
Electrical machinery	726,923	767,602	782,607	802,929	P 779,434	-1.3	-1.8	4.0	5.9	P 7.2
Transportation equipment	256,329	287,405	345,664	349,187	P 439,542	-5.7	30.8	29.1	31.7	P 71.5
Precision instruments	28,144	27,725	35,570	38,886	P 27,051	36.9	26.4	39.4	50.4	P -3.9

2. Outlook for ASEAN4

(Unit:%points)

	D I					Ratio Over Previous Quarter				
	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003
Sales	10.7	33.3	30.8	18.6	P 19.5	13.9	22.6	-2.5	-12.2	P 0.9
Local sales	8.6	29.1	24.1	15.8	P 17.8	10.3	20.5	-5.0	-8.3	P 2.0
Exports to Japan	-4.8	14.0	8.2	3.6	P 5.2	4.2	18.8	-5.8	-4.6	P 1.6
Exports to countries other than Japan	2.9	20.3	15.5	9.5	P 11.3	7.2	17.4	-4.8	-6.0	P 1.8
(Parent-subsidiary deals)										
Export to the parent company in Japan	-4.3	16.5	5.5	2.4	P 6.9	2.8	20.8	-11.0	-3.1	P 4.5
Import from the parent company in Japan	-9.2	12.7	14.1	2.7	P 5.3	3.6	21.9	1.4	-11.4	P 2.6
Acquisition of tangible fixed assets	7.4	14.6	14.3	18.5	P 14.6	5.7	7.2	-0.3	4.2	P -3.9
Number of employees	-7.9	3.0	1.6	4.7	P 3.9	-6.4	10.9	-1.4	3.1	P -0.8

(3) NIES3

[Results]

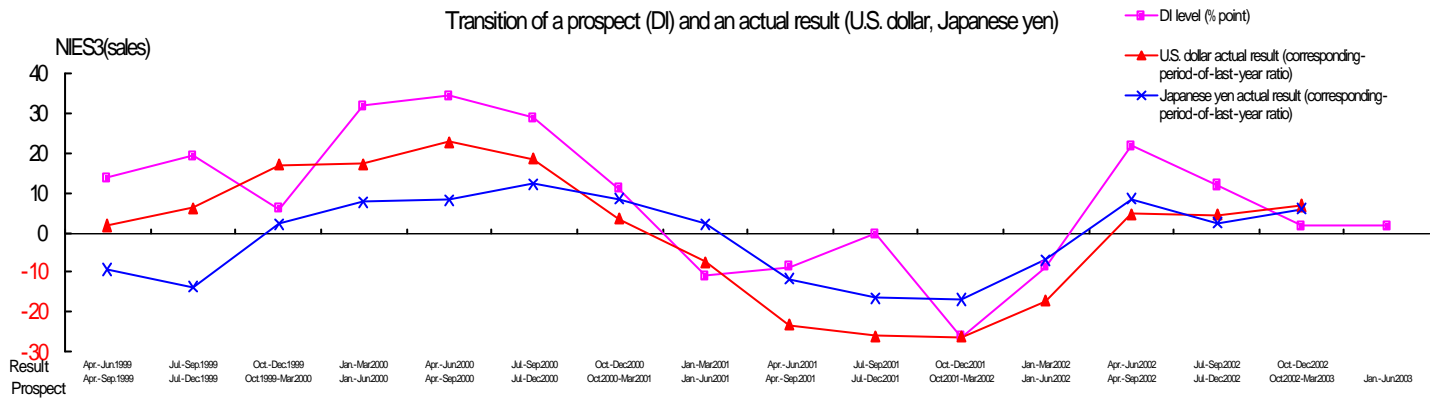
- 1) Sales totaled 757.8 billion yen, up 6.2% compared with a year earlier, for the third straight quarter of increase.
 - Studying this by the type of industry, there was a rise in nine industries. Among them, transportation equipment gained 31.9% from the same quarter a year ago for the third consecutive quarter of increase due to a rise in Taiwan, and chemicals also continued to increase by 16.0% compared with a year earlier. In contrast, electrical machinery being in the important position fell by 6.5% from a year ago for the second straight quarter of decline.
- 2) Local sales totaled 394.3 billion yen, up 3.4% compared with a year earlier, for the third consecutive quarter of increase.
 - By industry, there was a rise in eight industries including transportation equipment (up 31.0% on a year-on-year basis).
- 3) Exports to Japan (Japan's reimports) totaled 124.3 billion yen, up 5.1% from a year earlier, for the first time in seven quarters.
 - By industry, electrical machinery being in the important position increased by 4.2% from a year ago for the first time in seven quarters.
- 4) Exports to countries other than Japan amounted to 239.1 billion yen, showing a continued rise of 11.8% compared with the same quarter of last year.
 - By industry, there was an increase in ten industries. Among them, chemicals increased by 23.4% from a year earlier for the fourth straight quarter of gain, and electrical machinery (up 2.5% on a year-on-year basis) and transportation equipment (up 41.9% from a year ago) showed a continued rise in the exports.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
 - Exports to parent companies in Japan totaled 92.0 billion yen, up 3.6% from the same quarter a year ago, and imports from them amounted to 107.6 billion yen, up 13.7% from a year ago, both remaining on an upward trend.
 - By industry, the exports continued to rise in electrical machinery by 9.8% on a year-on-year basis, and the imports showed a remarkable increase in electrical machinery, up 5.1% from a year ago.
- 6) Equipment investments (the amount of acquired tangible fixed assets excluding land) amounted to 13.9 billion yen, a year-on-year rise of 40.2%.
 - By the type of industry, there was a significant gain in electrical machinery, up 43.3% from a year earlier.
- 7) The number of employees was 109,000 people, a year-on-year fall of 1.1% for the eighth straight quarter of decline.
 - By industry, it decreased by 5.5% compared with a year earlier for the seventh consecutive quarter of decline in industrial machinery and continued to drop in precision instruments, down 15.1% from a year ago. In addition, electrical machinery being in the important position saw a moderate fall of 0.8% on a year-on-year basis.

[Prospects (the January-June term of 2003)]

- 1) The prospects of sales turned to show the slight increase of 0.1 percentage points from the previous period (1.7 to 1.8), but the DI level remained at a single-digit figure for the second straight term.
 - By industry, there was a significant increase in food and tobacco and transportation equipment. Meanwhile, industrial machinery and electrical machinery continued to worsen in the sales prospects.

The DI level turned to be negative in four industries including industrial machinery.
- 2) The outlook for local sales fell 4.3 percentage points from the preceding term (1.0 to minus 3.3) for the third consecutive term of decline. The DI level also registered a negative figure for the first time in four periods.
 - By industry, there was a fall in six industries including industrial machinery and electrical machinery.
- 3) The forecast of exports to Japan (Japan's reimports) gained by 1.0 percentage points from the previous term (minus 8.9 to minus 7.9) for the first time in three terms.
 - By industry, it turned to advance in food and tobacco and other industries, while electrical machinery saw a continued fall.
- 4) The prospects for exports to countries other than Japan continued to deteriorate, down 0.2 percentage points from the previous term (minus 10.1 to minus 10.3).
 - By industry, there was a significant fall in electrical machinery and industrial machinery.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
 - The prospects of exports to parent companies in Japan showed a slight decline, down 0.3 percentage points from the preceding term (minus 7.0 to minus 7.3) partly due to a decrease in transportation equipment and the outlook of imports from parent companies in Japan dropped by 2.2 percentage points from the preceding term (minus 11.4 to minus 9.2).
- 6) The prospects of equipment investments (the amount of acquired tangible fixed assets excluding land) fell by 1.1 percentage points from the previous period (4.0 to 2.9).
 - By industry, there was a decline in five industries including electrical machinery and transportation equipment. The DI level also registered a negative figure in three industries including electrical machinery.
- 7) Employment turned to rise by 10.6 percentage points from the previous period (minus 15.1 to minus 4.5).
 - By industry, there was an increase in nine industries including chemicals and industrial machinery.

The DI level registered a negative figure in seven industries although it show a positive figure in chemicals and industrial machinery.



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					
	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002
Sales	713,541	760,699	839,757	771,941	P 757,821	-16.8	-6.9	8.7	2.4	P 6.2
Local sales	381,299	399,397	447,616	405,253	P 394,347	-19.5	-15.8	8.9	1.2	P 3.4
Exports to Japan	118,321	117,827	122,566	121,035	P 124,346	-22.4	-13.9	-9.0	-5.7	P 5.1
Exports to countries other than Japan		243,475	269,575	245,653	P 239,128				9.0	P 11.8
(Parent-subsidiary deals)										
Export to the parent company in Japan		85,514	94,887	96,471	P 92,011				1.7	P 3.6
Import from the parent company in Japan		104,881	127,775	110,955	P 107,560				12.8	P 13.7
Acquisition of tangible fixed assets	9,880	13,938	14,098	12,886	P 13,856				-9.0	P 40.2
Number of employees	110,147	109,285	111,468	109,624	P 108,907	-11.2	-9.4	-4.9	-3.6	P -1.1

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					
	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002
Manufacturing industry in total	713,541	760,699	839,757	771,941	P 757,821	-16.8	-6.9	8.7	2.4	P 6.2
Chemicals	65,707	72,809	74,250	71,123	P 76,229	-8.6	-0.6	8.5	6.9	P 16.0
Industrial machinery	39,864	39,147	39,257	38,225	P 43,332	-9.7	-6.3	-0.3	-4.2	P 8.7
Electrical machinery	402,706	432,468	467,817	420,998	P 376,706	-21.4	-9.6	6.4	-2.1	P -6.5
Transportation equipment	79,850	81,262	100,457	91,534	P 105,325	-17.7	-13.6	19.9	13.5	P 31.9
Precision instruments	18,795	17,540	19,204	20,400	P 21,431	3.1	8.2	1.0	2.2	P 14.0

2. Outlook for NIES3

(Unit: %points)

	D I					Ratio Over Previous Quarter				
	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003
Sales	-8.6	22.0	11.9	1.7	P 1.8	17.7	30.6	-10.1	-10.2	P 0.1
Local sales	-5.9	21.5	11.7	1.0	P -3.3	18.4	27.4	-9.8	-10.7	P -4.3
Exports to Japan	-9.2	3.0	-8.7	-8.9	P -7.9	13.3	12.2	-11.7	-0.2	P 1.0
Exports to countries other than Japan	-7.0	14.1	4.7	-10.1	P -10.3	16.9	21.1	-9.4	-14.8	P -0.2
(Parent-subsidiary deals)										
Export to the parent company in Japan	-12.4	1.9	-11.4	-7.0	P -7.3	9.3	14.3	-13.3	4.4	P -0.3
Import from the parent company in Japan	-12.9	6.6	-3.5	-11.4	P -9.2	14.8	19.5	-10.1	-7.9	P 2.2
Acquisition of tangible fixed assets	-9.3	2.1	3.4	4.0	P 2.9	8.2	11.4	1.3	0.6	P -1.1
Number of employees	-21.2	-13.5	-8.8	-15.1	P -4.5	-0.2	7.7	4.7	-6.3	P 10.6

(4) China (including Hong Kong)

[Results]

- 1) Sales totaled 930.9 billion yen, a gain of 20.4% from a year ago for the fifteenth consecutive quarter of increase.
 - By the type of industry, these was a rise in all industries except food and tobacco, among which eight industries saw their sales increase in double figures. Especially, sales gained by 22.0% from the same quarter a year ago for the fifteenth consecutive quarter and the rate of increase remained at a double-digit figure for the fourth straight quarter in electrical machinery being in the important position. In addition, sales rose by 57.6% from a year ago for the twelfth consecutive quarter of increase in transportation equipment due to strong demand. They also continued to grow in precision instruments (up 39.6% from a year earlier) and chemicals (up 26.3% on a year-on-year basis).
- 2) Local sales amounted to 321.2 billion yen, up 23.7% from a year ago for the twelfth consecutive quarter of increase like total sales.
 - By industry, these was a rise in all industries except food and tobacco. Electrical machinery (an increase of 20.5% from the same quarter a year ago), being in the important position, and precision instruments (a jump of 90.6% from a year ago) rose for the third straight quarter, and transportation equipment by 87.1% on a year-on-year basis for the twelfth consecutive quarter of significant increase. There was a large gain in industrial machinery, up 31.2% from a year earlier.
- 3) Exports to Japan (Japan's reimports) reached 324.7 billion yen, up 15.7% from the same quarter a year ago for the fifteenth consecutive quarter.
 - By industry, the exports increased by 18.7% from a year earlier for the fifteenth straight quarter in electrical machinery and by 16.2% on a year-on-year basis for the first time in four quarters in precision instruments. They continued to show a significant growth in chemicals as well (up 53.2% from a year ago).
- 4) Exports to countries other than Japan was 284.9 billion yen and continued to rise, up 22.4% from the same quarter a year ago.
 - By industry, the exports continued to rise in electrical machinery accounting for slightly less than 80% of total exports, up 25.3% on a year-on-year basis.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
 - Exports to parent companies in Japan amounted to 211.3 billion yen, up 17.5% from the same quarter a year ago, and imports from them totaled 126.0 billion yen, up 18.8% from a year ago.
 - By industry, the exports greatly rose in electrical machinery and precision instruments, and imports posted a large increase in industrial machinery and transportation equipment.
- 6) Equipment investments (the amount of acquired tangible fixed assets excluding land) posted 26.4 billion yen, up 32.6% on a year-on-year basis in this quarter after a decline in the previous period.
 - By industry, there was a distinctive growth in electrical machinery, textiles and

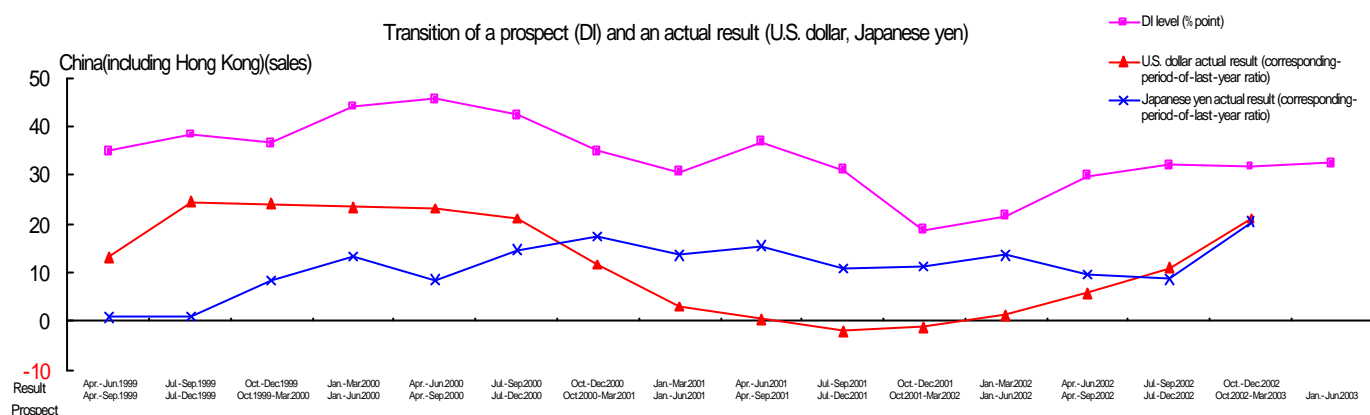
transportation equipment.

- 7) The number of employees was 446,000 people, a year-on-year increase of 15.7%, showing a continued increase since the survey started.
- By industry, there was a rise in nine industries. Among them, electrical machinery being in the important position increased 20.9% from a year earlier for the fourth straight quarter and transportation equipment increased 22.5% on a year-on-year basis for the fifteenth consecutive quarter. Precision instruments continued to increase, up 21.4% from a year earlier.

[Prospects (the January-June term of 2003)]

- 1) Sales prospects posted a slight gain of 0.6 percentage points from the preceding term (31.8 to 32.4) and the DI level still remained high.
- By industry, there was a distinctive rise in chemicals, food and tobacco and electrical machinery. The DI level continued to be generally at a high level except in textiles and precision instruments.
- 2) The outlook for local sales improved by 4.2 percentage points from the preceding period (31.9 to 36.1) for the third straight term.
- By industry, there was an increase in seven industries including transportation equipment, food and tobacco. The DI level generally remained on a high level except in textiles and precision instruments, registering at more than 50 in seven industries including in transportation equipment at 66.7. Many companies expected sales to increase.
- 3) The outlook for exports to Japan (Japan's reimports) showed a moderate drop of 0.8 percentage points from the previous term (14.5 to 13.7).
- By the type of industry, the outlook deteriorated in transportation equipment and textiles. The level of DI was positive in all industries except textiles.
- 4) The prospects for exports to countries other than Japan improved by 6.5 percentage points from the previous term (12.8 to 19.3) after having deteriorated in the previous term.
- By industry, there was an increase in electrical machinery and chemicals. The level of DI was positive in nine industries.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
- The forecast of exports to parent companies in Japan increased by 2.3 percentage points from the preceding period (10.9 to 13.2), and the outlook of imports from them improved by 6.4 percentage points from the previous term (14.0 to 20.4).
- 6) The outlook of equipment investments (the amount of acquired tangible fixed assets excluding land) improved by 5.2 percentage points from the previous term (19.3 to 24.5).
- By industry, there was an increase in six industries including chemicals and textiles. The level of DI was positive in twelve industries.
- 7) The forecast of employment improved by 4.0 percentage points from the previous period (14.5 to 18.5) for the second consecutive term of increase.
- By the type of industry, there was a rise in ten industries, among which the forecast remarkably improved in chemicals and textiles. The DI level was positive in all industries

except precision instruments.



1. Trends among Overseas Subsidiaries in China (Hong Kong is included)

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

	Quarterly Performances				Ratio Over Same quarter of last year					
	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2001	Oct. - Dec. 2002	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002
Sales	773,165	773,491	847,986	884,596	P 930,850	11.2	13.6	9.6	8.7	P 20.4
Local sales	259,628	266,497	297,519	307,160	P 321,164	1.9	1.1	8.4	8.5	P 23.7
Exports to Japan	280,793	272,572	288,454	301,903	P 324,746	23.1	17.8	8.7	12.2	P 15.7
Exports to countries other than Japan	232,749	234,422	262,265	275,864	P 284,940				5.3	P 22.4
(Parent-subsidiary deals)										
Export to the parent company in Japan	179,854	171,526	196,229	203,592	P 211,301				12.2	P 17.5
Import from the parent company in Japan	106,026	102,648	111,839	119,826	P 125,951				8.7	P 18.8
Acquisition of tangible fixed assets	19,910	22,203	21,561	20,024	P 26,409				-46.1	P 32.6
Number of employees	385,786	400,208	420,635	446,915	P 446,231	3.2	6.9	10.1	15.4	P 15.7

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					
	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2001	Oct. - Dec. 2002	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002
Manufacturing Industry in total	773,165	773,491	847,986	884,596	P 930,850	11.2	13.6	9.6	8.7	P 20.4
Chemicals	34,224	30,647	32,537	39,271	P 43,210	44.4	31.4	18.2	25.5	P 26.3
Industrial machinery	113,743	121,524	112,524	113,015	P 122,283	33.4	28.3	-2.9	-0.1	P 7.5
Electrical machinery	428,195	424,238	484,883	497,645	P 522,290	5.4	16.4	14.8	10.8	P 22.0
Transportation equipment	16,451	18,976	22,095	23,238	P 25,924	37.8	44.5	54.0	36.2	P 57.6
Precision instruments	61,599	54,960	63,351	71,379	P 85,967	5.2	-9.9	-8.3	2.0	P 39.6

2. Outlook for China (Hong Kong is included)

(Unit:%points)

	D I				Ratio Over Previous Quarter					
	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003
Sales	21.6	29.8	32.0	31.8	P 32.4	2.9	8.2	2.2	-0.2	P 0.6
Local sales	28.8	25.2	29.7	31.9	P 36.1	5.9	-3.6	4.5	2.2	P 4.2
Exports to Japan	1.0	16.6	13.9	14.5	P 13.7	2.0	15.6	-2.7	0.6	P -0.8
Exports to countries other than Japan	10.7	12.4	15.7	12.8	P 19.3	4.9	1.7	3.3	-2.9	P 6.5
(Parent-subsidiary deals)										
Export to the parent company in Japan	2.9	14.6	11.8	10.9	P 13.2	3.6	11.7	-2.8	-0.9	P 2.3
Import from the parent company in Japan	-2.0	12.7	12.0	14.0	P 20.4	-2.4	14.7	-0.7	2.0	P 6.4
Acquisition of tangible fixed assets	23.3	18.5	21.3	19.3	P 24.5	9.6	-4.8	2.8	-2.0	P 5.2
Number of employees	10.5	14.3	10.4	14.5	P 18.5	-0.1	3.8	-3.9	4.1	P 4.0

(5) Europe

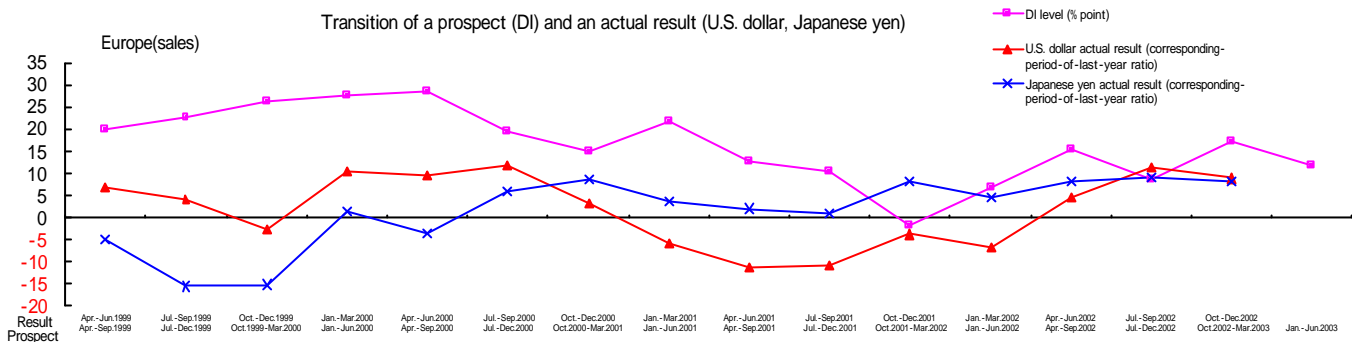
[Results]

- 1) Sales totaled 2,065.2 billion yen, up 8.1% from the same period a year ago for the tenth straight quarter of increase, partly due to the yen's fall against local currencies.
 - Studying this by the type of industry, they rose in eight industries. Among them, transportation equipment, up 18.8% from the same quarter a year ago, continued to increase for the eighth consecutive quarter partly due to a rise in England. In addition, industrial machinery and electrical machinery increased for the second consecutive quarter, by 13.3% and 1.7% on a year-on-year basis, respectively.
- 2) Local sales increased to 1,517.4 billion yen, up 10.1% year-on-year for the tenth straight quarter of rise like total sales.
 - By the type of industry, transportation equipment increased 21.3% in local sales, like in total sales, for the eighth consecutive quarter of rise. Electrical machinery continued to rise by 3.3% on a year-on-year basis and industrial machinery by 11.7% from a year earlier.
- 3) Exports to Japan (Japan's reimports) posted 24.0 billion yen, down 4.2% from the same period last year, for the fourth consecutive quarter of decline.
 - By industry, electrical machinery decreased by 12.8% from a year ago for the seventh straight quarter.
- 4) Exports to countries other than Japan totaled 523.8 billion yen, up 3.4% compared with the same quarter a year ago, for the second consecutive quarter.
 - Studying this by the type of industry, transportation equipment increased by 11.2% from a year earlier for the second straight quarter and industrial machinery also continued to increase, up 15.9% on a year-on-year basis.
- 5) With regard to intra-company transactions (exports to parent companies in Japan and imports from them),
 - Exports to parent companies in Japan was 8.7 billion yen, down 24.1% compared with the same quarter last year, for the second consecutive period of decline, and imports from them was 193.3 billion yen, up 17.4% from a year earlier, for the second consecutive period of increase.
 - By the type of industry, electrical machinery dropped in exports to parent companies in Japan, and imports from them saw a remarkable advance in industrial machinery and transportation equipment.
- 6) Equipment investments (the amount of acquired tangible fixed assets excluding land) amounted to 53.2 billion yen and increased by 11.6% from the same period a year ago, after having declined in the previous quarter.
 - By the type of industry, chemicals continued to increase and electrical machinery and precision instruments showed a remarkable growth.
- 7) The number of employees totaled 197,000 people, down 3.6% from the same quarter a year ago, for the eighth straight quarter of decrease.
 - By industry, there was a decline in eight industries. Electrical machinery (down 9.7% on a year-on-year basis) and chemicals (down 5.5% from a year earlier) dropped for the eighth

consecutive quarter.

[Prospects (the January-June term of 2003)]

- 1) Sales prospects decreased by 5.3 percentage points from the previous term (17.1 to 11.8) in this period after a rise in the previous term.
 - By the type of industry, there was a significant fall in electrical machinery and industrial machinery. The level of DI was negative in electrical machinery and industrial machinery, while continuing to be high in chemicals and transportation equipment.
- 2) The forecast of local sales showed a moderate drop of 0.9 percentage points from the preceding period (8.5 to 7.6), like total sales.
 - By the type of industry, electrical machinery showed a distinctive fall, while chemicals and transportation equipment improved in the forecast. The DI level turned to be negative in electrical machinery.
- 3) The outlook for exports to Japan (Japan's reimports) improved by 2.0 percentage points from the preceding period (minus 1.3 to 0.7) for the second consecutive period of gain.
- 4) The prospects for exports to countries other than Japan slightly fell by 0.4 percentage points from the previous term (5.7 to 5.3).
 - By industry, there was a distinctive fall in electrical machinery and industrial machinery, while an increase in textiles and chemicals.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
 - The forecast of exports to parent companies in Japan improved by 3.3 percentage points from the previous period (0.0 to 3.3), and that of imports from parent companies showed a moderate increase of 0.7 percentage points from the preceding period (minus 1.9 to minus 1.2).
- 6) The prospects of equipment investments (the amount of acquired tangible fixed assets excluding land) slid by 1.9 percentage points from the previous term (10.6 to 8.7) for the third straight term of decline.
 - By the type of industry, there was a remarkable decrease in transportation equipment and textiles.
- 7) The forecast of employment improved by 1.4 percentage points from the preceding period (minus 4.2 to minus 2.8) for the first time in three periods. The level of DI continued to be negative.
 - Studying this by industry, chemicals improved significantly, while industrial machinery and transportation equipment deteriorated.



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				
	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002
Sales	1,910,330	2,010,543	1,922,198	1,873,212	P 2,065,203	8.2	4.4	8.2	9.0	P 8.1
Local sales	1,378,543	1,454,998	1,429,186	1,386,570	P 1,517,365	10.4	4.5	12.4	12.5	P 10.1
Exports to Japan	25,115	23,645	21,243	18,077	P 24,048	2.5	-27.9	-13.1	-25.6	P -4.2
Exports to countries other than Japan	506,672	531,900	471,769	468,565	P 523,790				1.4	P 3.4
(Parent-subsidiary deals)										
Export to the parent company in Japan	11,526	9,778	9,160	8,157	P 8,746				-28.7	P -24.1
Import from the parent company in Japan	164,694	175,013	194,650	184,211	P 193,272				7.4	P 17.4
Acquisition of tangible fixed assets	47,656	49,025	49,301	52,691	P 53,163				-13.8	P 11.6
Number of employees	204,181	200,242	199,467	199,720	P 196,857	-1.2	-2.9	-3.4	-3.3	P -3.6

Trends in Sales of the main industry

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

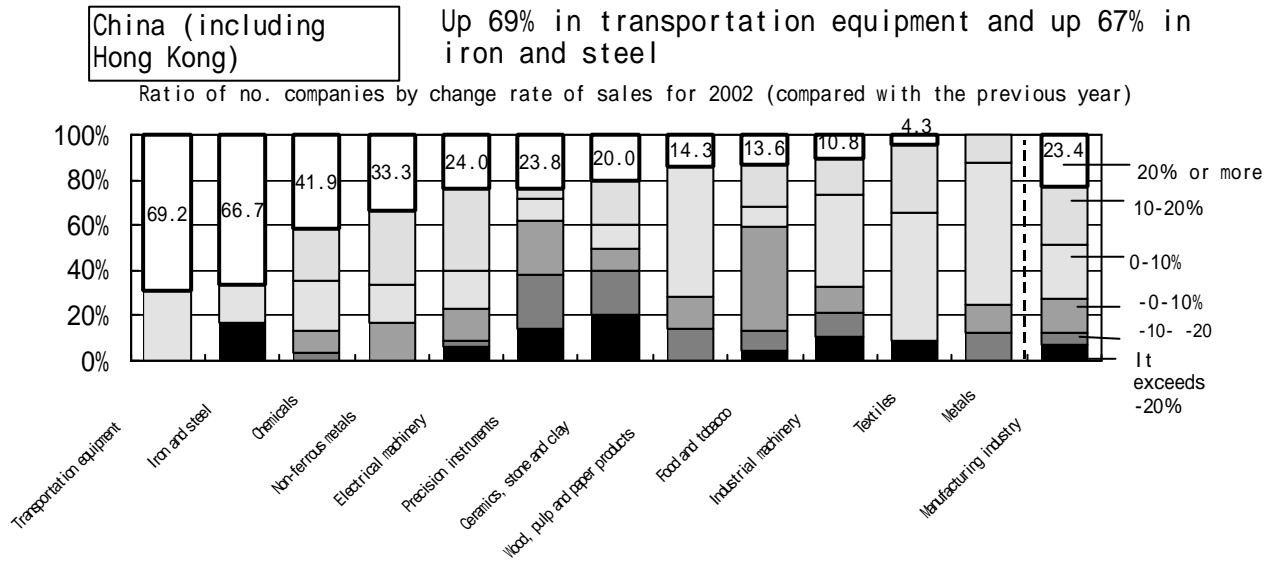
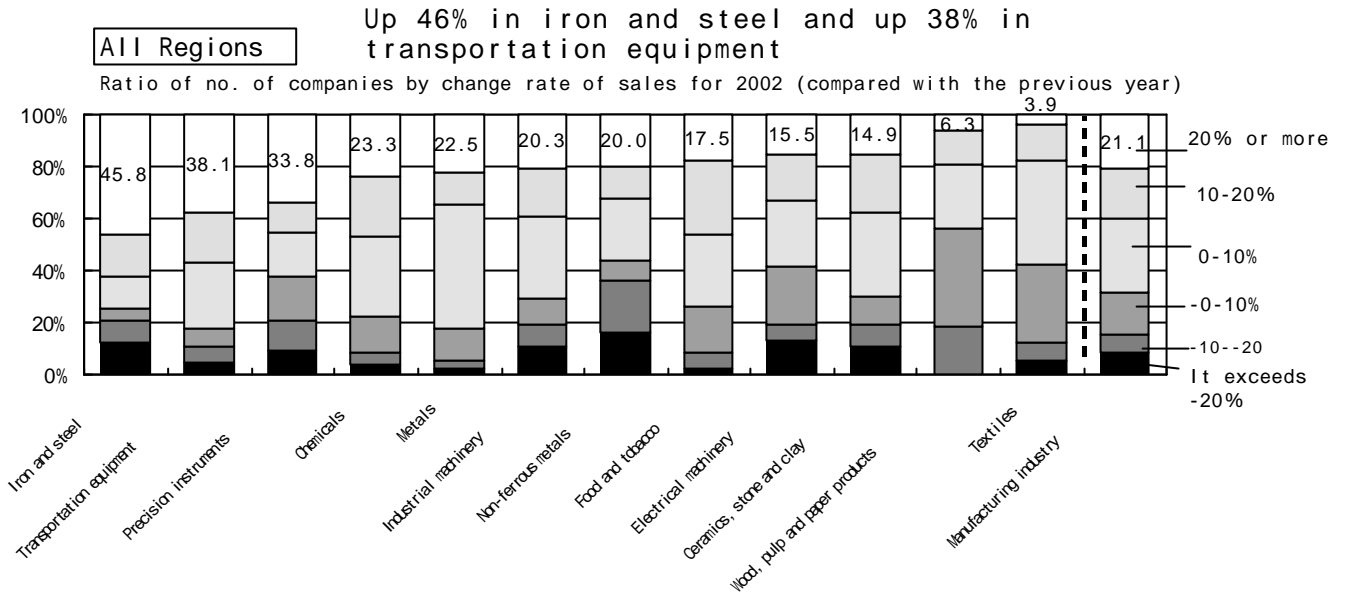
	Quarterly Performances					Ratio Over Same quarter of last year				
	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Oct. - Dec. 2002
Manufacturing industry in total	1,910,330	2,010,543	1,922,198	1,873,212	P 2,065,203	8.2	4.4	8.2	9.0	P 8.1
Chemicals	264,403	295,353	243,601	235,160	P 245,941	17.7	24.4	-2.4	0.2	P -7.0
Industrial machinery	177,492	190,281	201,446	197,592	P 201,156	17.0	-4.6	-1.6	10.4	P 13.3
Electrical machinery	708,821	701,947	630,370	617,118	P 720,982	-12.6	-7.7	-1.9	3.7	P 1.7
Transportation equipment	520,533	557,359	595,315	574,819	P 618,479	44.6	11.5	24.5	20.4	P 18.8
Precision instruments	41,628	53,803	45,081	43,774	P 48,347	24.5	43.3	37.9	8.4	P 16.1

2. Outlook for Europe

(Unit : %points)

	D I					Ratio Over Previous Quarter				
	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Jan. - Jun. 2003
Sales	6.9	15.4	8.7	17.1	P 11.8	8.8	8.5	-6.7	8.4	P -5.3
Local sales	6.1	17.4	9.6	8.5	P 7.6	6.1	11.3	-7.8	-1.1	P -0.9
Exports to Japan	-9.7	0.6	-4.3	-1.3	P 0.7	-5.7	10.3	-4.9	3.0	P 2.0
Exports to countries other than Japan	3.9	10.2	4.3	5.7	P 5.3	5.9	6.3	-5.9	1.4	P -0.4
(Parent-subsidiary deals)										
Export to the parent company in Japan	-8.6	0.6	-3.0	0.0	P 3.3	-4.5	9.2	-3.6	3.0	P 3.3
Import from the parent company in Japan	-1.7	0.6	-2.7	-1.9	P -1.2	5.3	2.3	-3.3	0.8	P 0.7
Acquisition of tangible fixed assets	4.8	16.5	12.1	10.6	P 8.7	5.2	11.7	-4.4	-1.5	P -1.9
Number of employees	-10.8	2.5	-1.4	-4.2	P -2.8	1.4	13.3	-3.9	-2.8	P 1.4

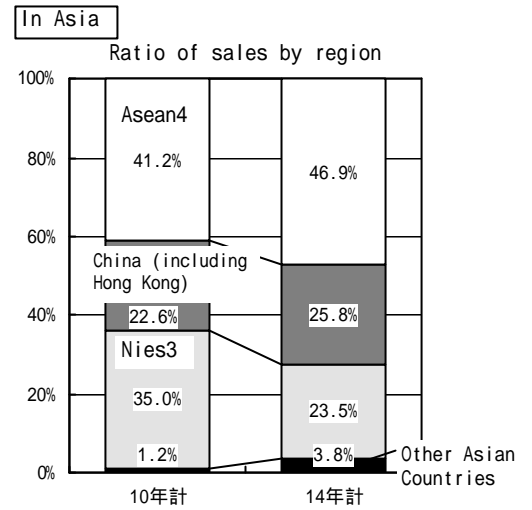
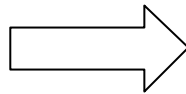
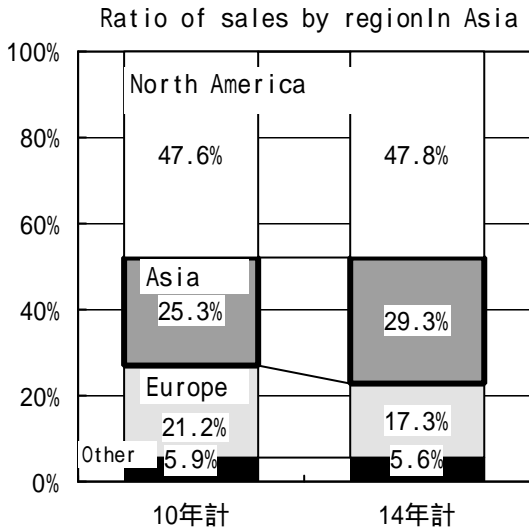
One out of five overseas subsidiaries increased sales by more than 20% in 2002.



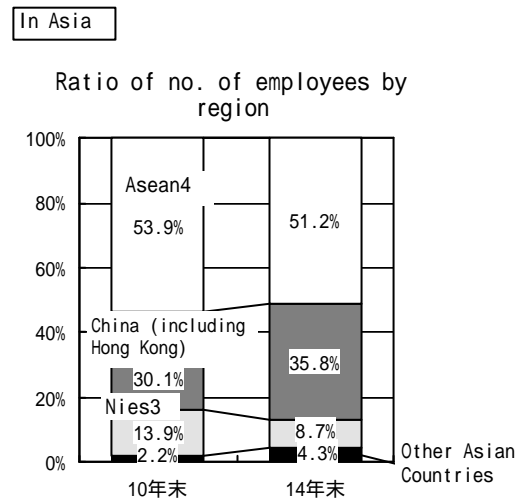
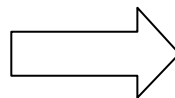
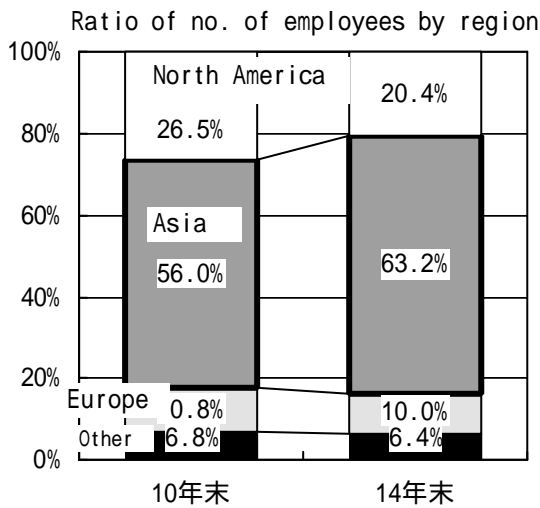
Note: Overseas subsidiaries posting more than ¥100 million in sales (quarterly) were surveyed.

[Topics 2]

Sales ratio increased in Asia, especially in ASEAN4 and China



The ratio of the number of employees remarkably increased in Asia, especially in China.



(Reference)

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

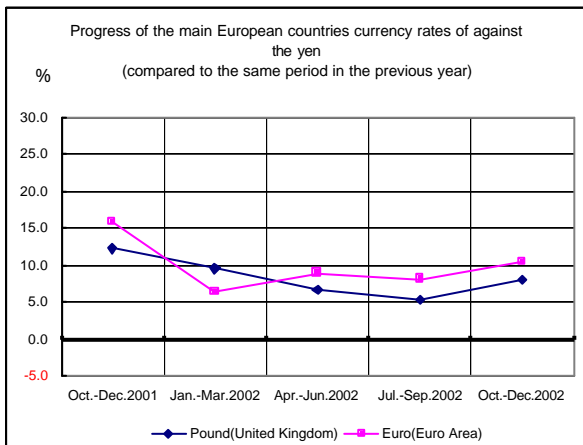
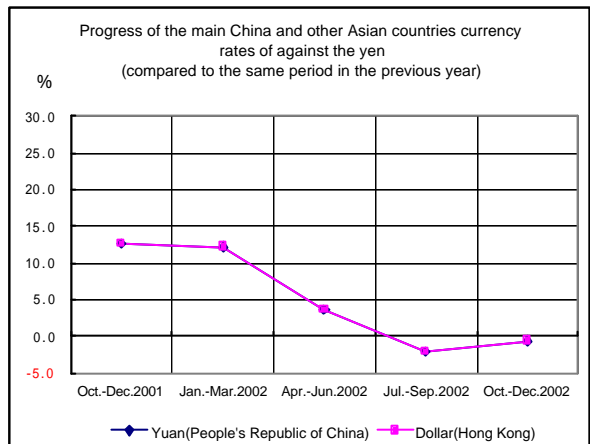
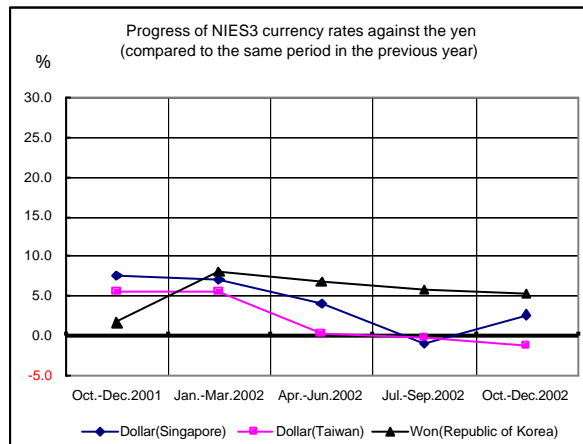
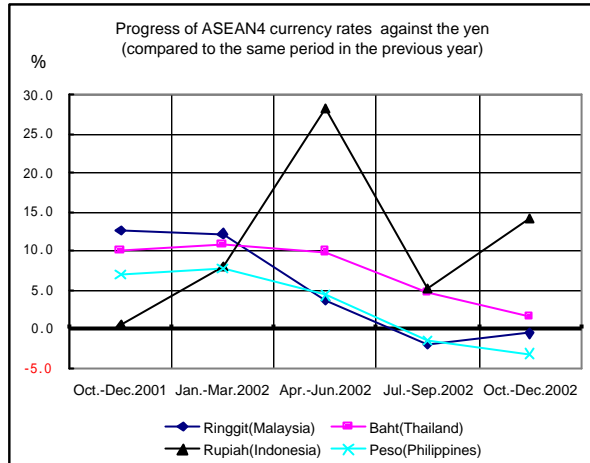
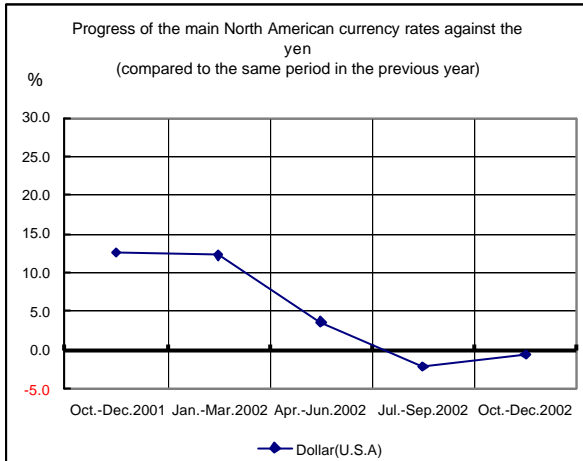
(Ratio Over Same quarter of last year : %)

Area	Item	Japanese yen equivalent					US dollar equivalent				
		2001		2002			2001		2002		
		Oct-Dec	Jan-Mar	Oct-Dec	Jul-Sep	Oct-Dec	Oct-Dec	Jan-Mar	Oct-Dec	Jul-Sep	Oct-Dec
All areas	Sales	-0.5	0.5	7.1	4.6	5.9	-11.6	-10.4	3.4	6.9	6.6
	Local sales	0.2	-0.5	8.9	4.6	4.8	-11.0	-11.3	5.1	6.9	5.4
	Exports to Japan	-1.5	-6.1	-1.1	2.0	10.1	-12.5	-16.3	-4.5	4.2	10.8
North America	Sales	-2.4	-2.9	5.7	0.7	-2.2	-13.3	-13.5	2.0	2.9	-1.6
	Local sales	1.2	-1.9	7.5	0.9	-2.2	-10.2	-12.6	3.8	3.1	-1.6
	Exports to Japan	-13.3	-28.8	-22.6	-19.1	-14.0	-23.0	-36.5	-25.3	-17.4	-13.5
Asia	Sales	-2.5	4.6	12.4	11.3	19.8	-13.4	-6.7	8.5	13.7	20.5
	Local sales	-11.1	-2.4	18.9	16.5	29.5	-21.0	-13.0	14.7	19.1	30.3
	Exports to Japan	0.6	-1.9	2.3	5.1	12.6	-10.6	-12.6	-1.2	7.4	13.3
ASEAN4	Sales	-1.8	5.0	11.0	12.5	21.2	-12.8	-6.4	7.1	14.9	21.9
	Local sales	-13.1	2.6	20.2	20.8	39.7	-22.8	-8.5	16.0	23.4	40.5
	Exports to Japan	-4.2	-10.1	0.5	2.9	11.5	-15.0	-19.9	-3.0	5.1	12.2
NIES3	Sales	-16.8	-6.9	8.7	2.4	6.2	-26.1	-17.0	4.9	4.6	6.9
	Local sales	-19.5	-15.8	8.9	1.2	3.4	-28.5	-24.9	5.2	3.4	4.1
	Exports to Japan	-22.4	-13.9	-9.0	-5.7	5.1	-31.1	-23.2	-12.2	-3.6	5.7
China (Hong Kong is included)	Sales	11.2	13.6	9.6	8.7	20.4	-1.2	1.3	5.8	11.0	21.1
	Local sales	1.9	1.1	8.4	8.5	23.7	-9.5	-9.8	4.7	10.9	24.5
	Exports to Japan	23.1	17.8	8.7	12.2	15.7	9.3	5.0	4.9	14.6	16.4
Europe	Sales	8.2	4.4	8.2	9.0	8.1	-3.9	-6.9	4.5	11.4	8.8
	Local sales	10.4	4.5	12.4	12.5	10.1	-1.9	-6.8	8.5	15.0	10.7
	Exports to Japan	2.5	-27.9	-13.1	-25.6	-4.2	-8.9	-35.7	-16.1	-23.9	-3.7
Other	Sales	1.4	0.5	-7.7	-7.6	2.9	-10.0	-10.4	-10.9	-5.6	3.6
	Local sales	-4.2	5.6	-8.4	-8.7	0.2	-14.9	-5.9	-11.6	-6.7	0.8
	Exports to Japan	-23.3	-7.8	-4.5	6.7	34.2	-31.8	-17.8	-7.9	9.0	35.0

2. Results in the main countries and areas

	Item	Results(million yen, persons)					Ratio Over Same quarter of last year(%)				
		2001		2002			2001		2002		
		Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
United States of America	Sales	4,925,346	5,172,694	5,227,316	4,795,426	4,768,486	-3.1	-3.0	4.6	-0.2	-3.2
	Local sales	4,514,130	4,778,800	4,859,704	4,399,127	4,366,073	0.7	-1.4	6.4	0.0	-3.3
	Exports to Japan	79,518	73,547	77,414	70,977	69,056	-10.8	-27.1	-20.7	-17.9	-13.2
	Number of employees	399,364	387,563	393,733	395,525	384,620	-6.4	-8.1	-5.1	-4.0	-3.7
Indonesia	Sales	233,963	252,591	275,367	286,969	305,351	-2.2	0.6	7.6	11.4	30.5
	Local sales	92,048	103,978	115,209	116,634	144,621	-5.0	10.6	18.8	13.2	57.1
	Exports to Japan	53,297	48,017	56,985	61,770	62,191	3.5	-28.6	-3.9	6.8	16.7
	Number of employees	166,424	166,391	167,809	170,500	179,646	3.9	3.5	-0.4	1.7	7.9
Malaysia	Sales	389,718	407,505	421,428	413,991	383,617	-5.1	-1.4	0.4	0.8	-1.6
	Local sales	102,972	109,870	114,364	111,159	100,288	-19.2	-7.2	1.9	2.5	-2.6
	Exports to Japan	93,712	87,355	91,898	93,058	88,324	-5.4	-16.8	-9.4	-10.3	-5.7
	Number of employees	158,601	154,942	151,879	148,535	146,754	-9.4	-9.2	-9.8	-9.5	-7.5
Philippines	Sales	239,410	261,760	260,640	265,418	293,205	4.5	10.9	15.1	11.3	22.5
	Local sales	42,848	47,524	50,401	47,659	51,853	-32.3	-35.2	14.7	12.3	21.0
	Exports to Japan	99,570	104,049	95,110	103,234	122,255	-10.2	-0.1	0.6	4.2	22.8
	Number of employees	102,346	108,471	110,214	112,278	115,305	-8.2	-3.1	-0.1	7.3	12.7
Thailand	Sales	502,930	543,574	598,239	619,194	673,261	0.4	12.2	19.7	23.2	33.9
	Local sales	260,807	294,700	341,718	346,873	399,762	-6.4	17.0	29.3	32.8	53.3
	Exports to Japan	121,001	122,477	123,474	139,408	137,129	0.8	-2.1	11.9	10.9	13.3
	Number of employees	181,887	184,941	185,023	194,657	196,799	-1.3	3.4	3.5	7.0	8.2
Republic of Korea	Sales	106,586	107,500	124,325	119,228	125,725	-5.2	1.7	10.8	1.0	18.0
	Local sales	65,169	66,597	79,625	77,016	76,866	2.0	4.9	14.7	11.6	17.9
	Exports to Japan	25,789	24,233	26,403	27,635	31,287	-9.6	-2.0	1.2	-10.3	21.3
	Number of employees	19,990	19,793	20,121	19,985	19,701	-6.5	-5.3	-4.5	-3.5	-1.4
Singapore	Sales	340,447	353,740	381,242	361,601	322,571	-22.6	-11.9	2.0	-2.0	-5.3
	Local sales	164,316	168,045	181,336	156,452	135,816	-27.3	-21.9	5.8	-7.2	-17.3
	Exports to Japan	55,209	56,862	59,147	58,364	52,129	-28.4	-14.6	-13.2	-3.3	-5.6
	Number of employees	44,935	45,071	47,620	46,699	45,978	-13.5	-10.6	-1.8	-0.3	2.3
Taiwan	Sales	266,508	299,459	334,190	291,112	309,525	-12.9	-2.9	16.5	9.0	16.1
	Local sales	151,814	164,755	186,655	171,785	181,665	-11.7	-13.6	9.8	5.4	19.7
	Exports to Japan	37,323	36,732	37,016	35,036	40,930	-22.9	-18.0	-8.6	-5.7	9.7
	Number of employees	45,222	44,421	43,727	42,940	43,228	-10.5	-9.6	-8.2	-7.0	-4.4
People's Republic of China (Hong Kong is included)	Sales	773,165	773,491	847,986	884,596	930,850	11.2	13.6	9.6	8.7	20.4
	Local sales	259,628	266,497	297,519	307,160	321,164	1.9	1.1	8.4	8.5	23.7
	Exports to Japan	280,793	272,572	288,454	301,903	324,746	23.1	17.8	8.7	12.2	15.7
	Number of employees	385,786	400,208	420,635	446,915	446,231	3.2	6.9	10.1	15.4	15.7
United Kingdom	Sales	688,166	712,779	643,224	687,520	762,533	1.8	2.3	3.3	16.1	10.8
	Local sales	517,767	543,283	496,766	528,998	584,474	14.6	17.4	6.7	18.8	12.9
	Exports to Japan	11,509	12,730	7,539	7,056	11,495	-4.7	-31.6	-24.5	-35.7	-0.1
	Number of employees	60,857	58,334	58,121	58,488	57,711	-15.8	-8.5	-9.0	-5.8	-5.2
France	Sales	213,095	210,499	214,159	184,811	234,343	-3.9	-6.0	11.4	3.8	10.0
	Local sales	137,909	144,129	137,228	116,552	153,333	-12.2	-16.7	4.5	3.6	11.2
	Exports to Japan	4,177	3,241	3,368	2,802	2,857	46.3	-0.3	0.1	-30.0	-31.6
	Number of employees	17,062	16,792	17,507	18,016	17,359	0.7	-5.1	-3.4	4.5	1.7
Germany	Sales	254,090	273,825	282,840	275,683	289,414	-17.3	-18.2	-4.4	13.1	13.9
	Local sales	171,551	195,378	206,788	196,247	199,298	-31.6	-32.5	-2.7	18.5	16.2
	Exports to Japan	4,478	2,534	3,509	2,771	4,357	-6.3	-21.9	-14.6	-22.8	-2.7
	Number of employees	21,741	22,509	22,176	22,478	22,291	0.6	1.9	0.1	3.0	2.5
Netherlands	Sales	320,275	360,662	322,517	310,091	323,870	54.5	57.5	34.6	5.3	1.1
	Local sales	262,094	264,262	273,890	262,410	272,823	68.2	52.9	56.0	12.9	4.1
	Exports to Japan	269	340	299	584	573	46.2	29.8	-16.7	-14.6	113.0
	Number of employees	30,517	30,454	28,881	28,574	28,650	8.1	9.3	3.8	-7.1	-6.1

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



International Financial Statistics (International Monetary Fund)

The reference of data

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* Time series tables for data in the past are on the Web page at the above-mentioned address.