



# I. Quarterly Survey of Overseas Subsidiaries

## 1. Outline of the survey

### (1) Purpose of the survey

The purpose of this survey is to identify overseas economic trends in advance by surveying the results and prospects for the overseas business activities of Japanese companies, as well as to understand trends in overseas activities and the degree of globalization of Japanese enterprises. A further purpose is to contribute to the development of flexible industrial and trade policies.

### (2) Legal basis of the survey

These are officially authorized statistics compiled in accordance with Article 4 of the Statistical Reports Coordination Law.

### (3) Date of the survey

The survey was based on the period ending on the last day of March 2007.  
(The deadline for submitting survey responses for this quarter was May 15, 2007.)

### (4) Survey targets

The survey covers companies that met all the following criteria as of the end of March 2006:

- ① All industries except finance, insurance, and real estate
- ② Companies with 100 million yen or more in capital
- ③ Companies with 50 or more employees
- ④ Companies with overseas subsidiaries

This survey also targets overseas subsidiaries of the above Japanese parent companies (including overseas subsidiaries that were established during the term of the survey) that meet all of the following criteria as of the end of the surveyed quarter:

- ① Manufacturing companies
- ② Companies with 50 or more employees
- ③ Companies with 50% or more of their capital coming from parent companies, including both direct and indirect funds (such as funds provided via local subsidiaries).

### (5) Survey method

The survey was conducted via mail, using self-declarations submitted by parent companies.

### (6) Survey content

The survey covers actual figures and DI (business confidence) in the three areas of: Sales, the acquisition price of tangible fixed assets, and the number of employees. Starting with the April – June 2004 survey, the DI survey period was revised to three months (please see Page 24-25 for details).

### (7) Response rate

The responses to the survey for this quarter are summarized below:

Number of companies covered by the survey (overseas subsidiaries)	Number of companies that responded	Response rate
3,832	2,902	75.7%

## 2. Usage notes

### (1) Regarding listed currencies

This “Quarterly Survey of Overseas Subsidiaries”, which consists of the former “Trend Survey of Japanese Companies” (excluding the “Survey of Parent Companies”), has been conducted since the April – June quarter of 2003, and focuses on overseas subsidiaries engaged in manufacturing overseas. Accordingly, amounts relating to overseas subsidiaries listed in local currencies are analyzed by converting them into US dollars at the average exchange rate for the quarter announced by the IMF.

(For exchange rates of major currencies relative to the US dollar, please see Page 23.)

### (2) Adjustments to deal with gaps in reported values

Previously omitted parts were added, starting with the April – June quarter of 2004, resulting in a gap between results for that quarter and those for previous quarters. Therefore, comparisons between the current quarter and the corresponding quarter of the previous year are calculated and estimated by totaling the figures only for overseas subsidiaries continuously subject to the survey since the corresponding quarter of the previous year.

### (3) Method for determining numerical values

#### ① Quarterly numerical values

Numerical values for the current quarter are finalized in the succeeding quarter.

#### ② Numerical values for the previous year (quarterly values, fiscal year totals)

Previous-year figures are finalized in the quarter immediately following the last quarter of the fiscal year (i.e., the April – June quarter) with inter-fiscal year adjustments. Therefore, final figures for FY 2004 (April 2004 – March 2005) will differ from cumulative totals seen in the January – March quarter of 2005.

### (4) Annotations in the statistical tables

- : Indicates no results.

p : Indicates preliminary estimated values. Numerical values for this quarter are preliminary estimates, and may be revised in the succeeding quarter.

x : Indicates that data is not being disclosed because there are only one or two overseas subsidiaries involved. Data may also be undisclosed when there are three or more companies, in order to avoid the risk of enabling the calculation of “x” from the data provided.

r : Indicates changes from released figures (other than preliminary estimates) for the previous quarter. However, this mark is not attached when a change occurs due to compensation between fiscal years.

### (5) Tabulation method

Data for all companies covered by the survey is tabulated after estimating the results for companies that did not submit responses, based on the following formula in each region and industry (the number of employees given in the previous quarter is used in the case of employees). All items are estimated except the “amount of acquired tangible fixed assets.”

Estimated values for this quarter for companies not submitting data =

Value for corresponding quarter in previous year for relevant companies ×

Total values for this quarter for companies that submitted data both this quarter and  
in the same quarter of the previous year

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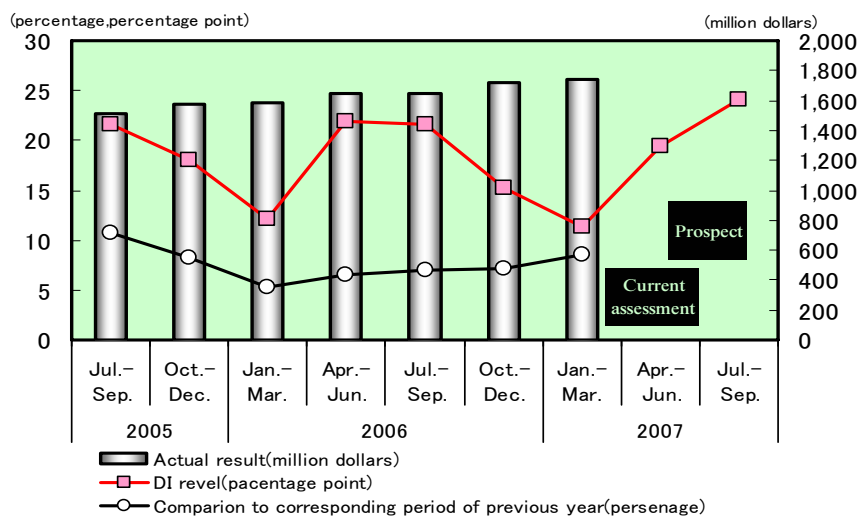
Total values for same quarter of the previous year for companies that submitted data both this quarter and  
in the same quarter of the previous year

## II. Survey Results

### 1. Trends in sales

- The Sales Current Assessment DI (April – June, 2007) improved by 8.1 percentage points compared to the previous quarter. The Sales Prospects DI (July – September, 2007) further improved by 4.6 percentage points (id.).
  - The Sales Current Assessment DI improved in Asia and other regions except North America and Europe.
  - The Sales Prospects DI deteriorated in North America, but improved in Asia and Europe. It marked a positive double-digit level in all regions except Europe, with high business confidence maintained.
- Actual sales increased by 8.6% compared to the same quarter of the previous year, with moderate recovery in the growth rate for the fourth consecutive quarter. In Asia, China saw a double-digit increase, with a recovery observed in the growth rate. This was because there was a continued increase in the transportation equipment sector, although the electrical machinery sector registered only a single-digit increase. In ASEAN4, actual sales registered a double-digit increase for the first time in five quarters, because there were double-digit increases in the transportation equipment sector and the industrial machinery sector, and the electrical machinery sector turned to show an increase. NIEs3 saw a decrease for the fifth consecutive quarter, but the rate of decrease diminished, because the electrical machinery sector showed a slight increase, although there was a significant decrease in the transportation equipment sector. In North America, the chemicals sector increased and the electrical machinery sector turned to increase, but the transportation equipment sector showed only a slight increase. As a result, the growth in actual sales slowed down for the fourth consecutive quarter. Europe saw a double-digit increase for the second consecutive quarter, due to increases in all major industries and a significant increase in the industrial machinery sector and the transportation equipment sector. (Chart 1)

**Chart 1 Sales DI and Actual result**



#### (1) DI

The Sales Current Assessment DI (April – June, 2007) stood at 19.5 percentage points, 8.1 points higher than that for the January-March quarter of 2007. The Prospects DI (July – September, 2007) stood at 24.1 percentage points, 4.6 points higher than that for the April-June quarter of 2007. (Table 1)

**Table 1 Sales DI (according to area/industrial classifications)**

According to area	DI			Comparison to the previous quarter	
	Survey of previous term	Survey of present term		Current assessment [②-①]	Prospect [③-②]
	① Current assessment (2007.Jan.-Mar.)	② Current assessment (2007.Apr.-Jun.)	③ Prospect (2007.Jul.-Sep.)		
Total (All areas)	11.4	→ 19.5	→ 24.1	( 8.1 )	4.6
North america	18.9	→ 15.2	→ 13.3	( -3.7 )	-1.9
Asia	8.2	→ 22.6	→ 28.5	( 14.4 )	5.9
ASEAN4	7.5	→ 16.0	→ 24.8	( 8.5 )	8.8
NIEs3	-2.8	→ 13.4	→ 18.1	( 16.2 )	4.7
China(including Hong Kong)	9.5	→ 30.3	→ 33.7	( 20.8 )	3.4
Europe	18.6	→ 6.1	→ 8.6	( -12.5 )	2.5

Industrial classification	DI			Comparison to the previous quarter	
	Survey of previous term	Survey of present term		Current assessment [②-①]	Prospect [③-②]
	① Current assessment (2007.Jan.-Mar.)	② Current assessment (2007.Apr.-Jun.)	③ Prospect (2007.Jul.-Sep.)		
Total (All manufacturing industry)	11.4	→ 19.5	→ 24.1	( 8.1 )	4.6
Transportation equipment	29.2	→ 20.5	→ 22.3	( -8.7 )	1.8
Electrical machinery	-3.2	→ 10.6	→ 18.5	( 13.8 )	7.9
Industrial machinery	14.6	→ 22.5	→ 20.7	( 7.9 )	-1.8
Chemicals	17.2	→ 26.8	→ 27.9	( 9.6 )	1.1
Iron and steel	12.9	→ 23.3	→ 25.5	( 10.4 )	2.2

(Unit : percentage point)

The Sales Current Assessment DI<sup>\*1</sup> improved in all regions in Asia, in spite of deterioration in North America and Europe. In particular, that for NIEs3<sup>\*2</sup> improved significantly, registering a positive double-digit level. That for China<sup>\*3</sup> also improved significantly. The Prospects DI deteriorated in North America slightly, but improved in all regions in Asia, marking positive double-digit levels in all regions except Europe.

The overall Prospects DI from the previous quarter improved by 4.6 percentage points. In Asia, it improved by 5.9% (id.). ASEAN4<sup>\*4</sup> saw an improvement because the transportation equipment sector showed a significant improvement and the electrical machinery sector and the industrial machinery sector also showed improvements. In spite of deterioration in the electrical machinery sector and the industrial machinery sector, etc., the Prospects DI improved in China, maintaining a high level, due to an improvement in the transportation equipment sector. It also improved in NIEs3, due to improvements in the industrial machinery sector, the electrical machinery sector and the transportation equipment sector, although deterioration was observed in the iron and steel sector. In spite of a significant improvement in the iron and steel sector and the electrical machinery sector, North America saw deterioration due to significant deterioration in the industrial machinery sector, as well as deterioration in the transportation equipment sector. The Prospects DI improved in Europe, due to a significant improvement in the electrical machinery sector, as well as an improvement in the industrial machinery sector and the chemicals sector, although there was significant deterioration in the transportation equipment sector. (Table 2)

**Table 2 Sales DI for main industries classified by area**

**North America**

Sales	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
		All manufacturing industry	18.9	15.2	-3.7
Transportation equipment	31.4	17.7	-13.7	6.3	-11.4
Electrical machinery	-2.9	6.0	8.9	21.2	15.2
Industrial machinery	10.6	9.5	-1.1	-12.2	-21.7
Chemicals	28.1	19.6	-8.5	22.2	2.6
Iron and steel	-38.5	-7.7	30.8	18.2	25.9

**Asia**

(Unit : percentage point)

Sales	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
		All manufacturing industry	8.2	22.6	14.4
Transportation equipment	29.7	24.1	-5.6	35.6	11.5
Electrical machinery	-4.7	12.9	17.6	18.5	5.6
Industrial machinery	13.0	30.4	17.4	31.3	0.9
Chemicals	13.9	33.5	19.6	33.3	-0.2
Iron and steel	20.0	29.5	9.5	26.2	-3.3

**ASEAN4**

Sales	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
		All manufacturing industry	7.5	16.0	8.5
Transportation equipment	22.5	11.2	-11.3	28.2	17.0
Electrical machinery	-4.4	4.3	8.7	17.1	12.8
Industrial machinery	4.6	27.3	22.7	30.3	3.0
Chemicals	8.6	25.7	17.1	28.6	2.9
Iron and steel	9.1	9.5	0.4	10.5	1.0

**NIEs3**

Sales	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
		All manufacturing industry	-2.8	13.4	16.2
Transportation equipment	6.9	13.3	6.4	21.4	8.1
Electrical machinery	-13.9	6.4	20.3	14.5	8.1
Industrial machinery	-8.0	8.3	16.3	22.7	14.4
Chemicals	10.9	19.2	8.3	23.9	4.7
Iron and steel	25.0	20.0	-5.0	0.0	-20.0

**China(including HongKong)**

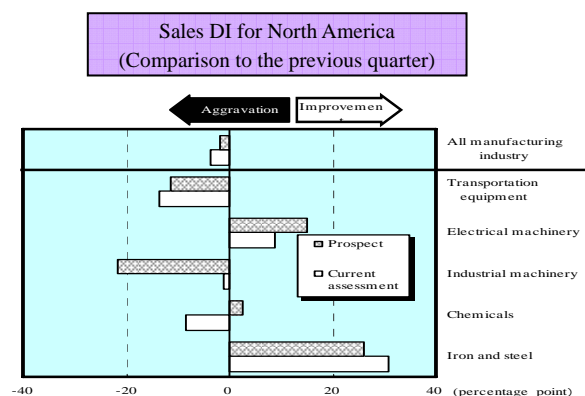
Sales	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
		All manufacturing industry	9.5	30.3	20.8
Transportation equipment	38.1	38.4	0.3	45.6	7.2
Electrical machinery	-3.6	21.6	25.2	19.8	-1.8
Industrial machinery	25.0	41.5	16.5	34.4	-7.1
Chemicals	20.8	48.5	27.7	47.7	-0.8
Iron and steel	23.5	52.9	29.4	47.0	-5.9

**Europe**

Sales	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
		All manufacturing industry	18.6	6.1	-12.5
Transportation equipment	22.5	12.7	-9.8	-6.7	-19.4
Electrical machinery	12.5	-8.9	-21.4	14.8	23.7
Industrial machinery	20.0	10.3	-9.7	23.6	13.3
Chemicals	20.5	4.4	-16.1	6.7	2.3
Iron and steel	100.0	0.0	-100.0	0.0	0.0

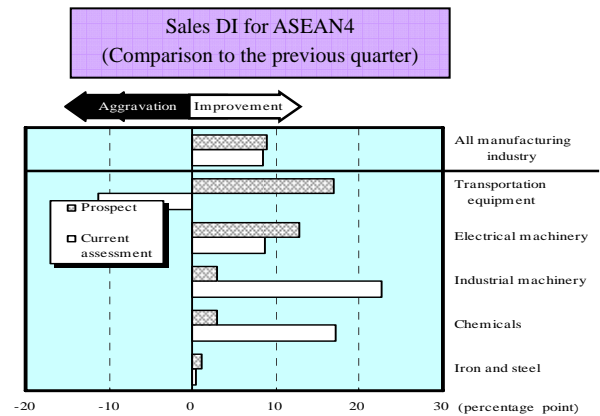
**North America**

The overall Prospects DI (13.3 percentage points)<sup>\*5</sup> was 1.9 points lower than the overall Current Assessment DI. The Prospects DI for the industrial machinery sector (-12.2 percentage points) deteriorated considerably by 21.7 points (id.) and that for the transportation equipment sector (6.3 percentage points) also deteriorated by 11.4 points (id.). The Prospects DI for the iron and steel sector (18.2 percentage points) improved significantly by 25.9 points (id.). The Prospects DI for the electrical machinery sector (21.2 percentage points) also improved significantly by 15.2 points (id.), and that for the chemicals sector (22.2 percentage points) improved by 2.6 points (id.)



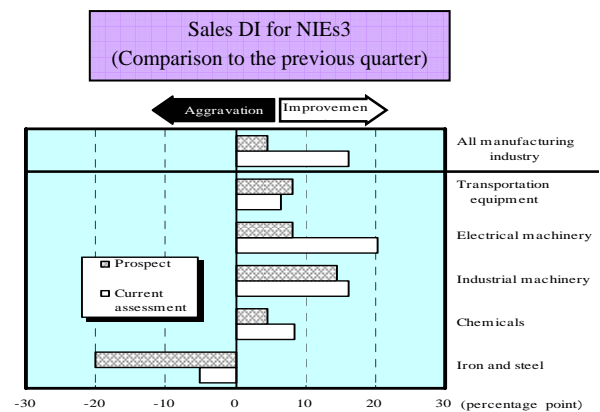
## ASEAN4

The overall Prospects DI (24.8 percentage points) showed an improvement, up by 8.8 points from the overall Current Assessment DI. The Prospects DI for the transportation equipment sector (28.2 percentage points) improved significantly by 17.0 points (id.), and that for the electrical machinery sector (17.1 percentage points), the industrial machinery sector (30.3 percentage points) and the chemicals sector (28.6 percentage points) improved by 12.8 points (id.), 3.0 point (id.) and 2.9 points (id.), respectively. The Prospects DI for the iron and steel sector (10.5 percentage points) improved slightly by 1.0 points (id.).



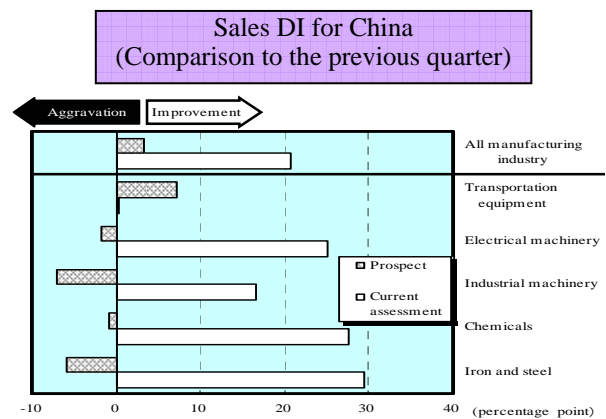
## NIEs3

The overall Prospects DI (18.1 percentage points) improved by 4.7 points from the overall Current Assessment DI. Improvements were observed in the Prospects DI for the industrial machinery sector (22.7 percentage points, up by 14.4 points (id.)), the electrical machinery sector (14.5 percentage points, up by 8.1 points (id.)), the transportation equipment sector (21.4 percentage points, up by 8.1 points (id.)) and the chemicals sector (23.9 percentage points, up by 4.7 points (id.)). The Prospects DI for the iron and steel sector (0.0 percentage points) worsened significantly by 20.0 points (id.).



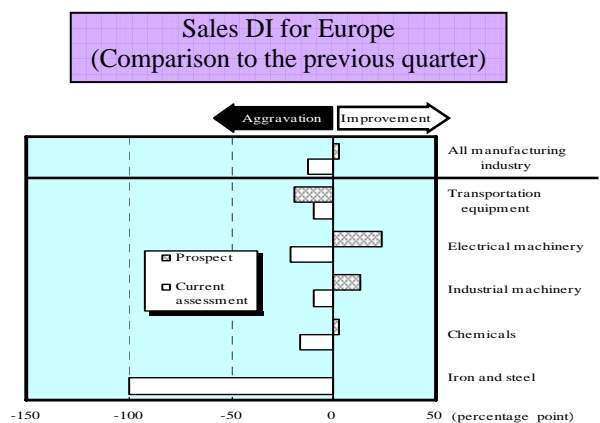
## China(including Hong Kong)

The overall Prospects DI (33.7 percentage points) improved by 3.4 points from the overall Current Assessment DI. The Prospects DI for the transportation equipment sector (45.6 percentage points) improved by 7.2 points (id.). However, the Prospects DI for the industrial machinery sector (34.4 percentage points) and the iron and steel sector (47.0 percentage points) worsened by 7.1 points (id.) and 5.9 points (id.), respectively. The Prospects DI for the electrical machinery sector (19.8 percentage points) and the chemicals sector (47.7 percentage points) also worsened slightly by 1.8 points (id.) and 0.8 points (id.), respectively.



## Europe

The overall Prospects DI (8.6 percentage points) improved by 2.5 points from the overall Current Assessment DI. The Prospects DI for the electrical machinery sector (14.8 percentage points) improved sharply by 23.7 points (id.), up into positive territory. The Prospects DI for the industrial machinery sector (23.6 percentage points) and the chemicals sector (6.7 percentage points) improved by 13.3 points (id.) and 2.3 points (id.), respectively. The Prospects DI for the iron and steel sector (0.0 percentage points) remained flat at 0.0 points, but that for the transportation equipment sector (6.7 percentage points) deteriorated by 19.4 points (id.).



Notes:

\*1: DI = (Percentage of companies responding that they expected an increase) – (Percentage of companies responding that they expected a decrease)

Quarterly Changes in Current Assessment DI = (Current Assessment DI for the current quarter) – (Current Assessment DI for the previous quarter)

Quarterly Changes in Prospects DI = (Prospects DI for the current quarter) – (Current Assessment DI for the current quarter)

The Current Assessment DI for the previous quarter is based on current assessment figures for the period from January to March 2007 collected in the survey from October to December 2006.

The Current Assessment DI for the current quarter is based on current assessment figures for the period from April to June 2007 collected in the survey from January to March 2007.

The Prospects DI for the current quarter is based on prospects figures for the period from July to September 2007 collected in the survey from January to March 2007.

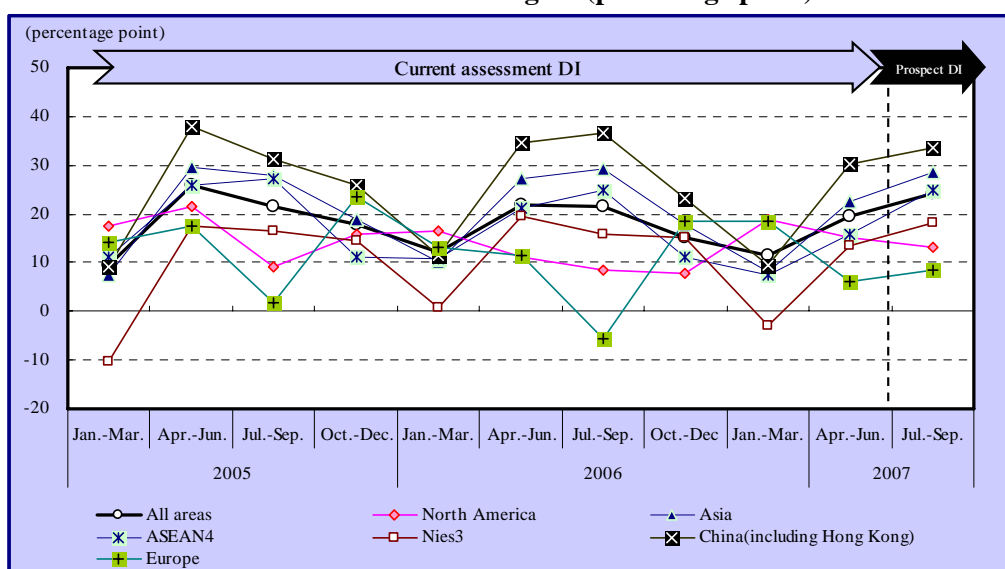
\*2: NIEs3: Singapore, Taiwan and the Republic of Korea

\*3: China: including Hong Kong

\*4: ASEAN4: Indonesia, Thailand, the Philippines and Malaysia

\*5: Percentage points in parentheses represent levels.

**Chart 1-1 Sales DI for region (percentage point)**



## (2) Actual Results

Total sales amounted to US\$174,221,780,000, up by 8.6% compared to the same quarter of the previous year, and a moderate recovery in the growth rate for the fourth consecutive quarter. By industry, the industrial machinery sector continued to show a steady increase, up by 12.3% (id.). The transportation equipment sector increased by 11.2% (id.), showing a double-digit increase for the first time in five quarters. The chemicals sector increased by 9.6% (id.), maintaining a single-digit increase for the seventh consecutive quarter. The electrical machinery sector continued to show a single-digit increase, up by 3.6% (id.). The iron and steel sector also registered a single-digit increase for the fourth consecutive quarter, up by 1.8% (id.). **(Table 3)**

**Table 3 Actual result of sales**

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
<b>Total (All areas)</b>	5.3	6.6	7.0	7.2	8.6
North america	4.2	4.6	1.7	1.6	0.8
Asia	5.4	8.0	10.6	9.1	11.6
ASEAN4	2.6	2.4	9.2	7.8	10.2
NIEs3	-4.7	-0.7	-0.5	-0.1	-0.1
China(including Hong Kong)	13.8	19.9	16.4	13.1	15.8
Europe	3.4	5.9	6.8	10.4	15.9

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
<b>Total (All manufacturing industry)</b>	5.3	6.6	7.0	7.2	8.6
Transportation equipment	6.2	7.7	4.9	9.8	11.2
Electrical machinery	2.7	4.7	6.7	2.5	3.6
Industrial machinery	11.7	13.4	14.9	13.8	12.3
Chemicals	4.3	2.5	8.6	6.9	9.6
Iron and steel	-10.4	2.8	7.1	3.4	1.8

(Unit : percentage)



By Region, sales in Asia registered a double-digit growth of 11.6% compared to the same quarter of the previous year. The transport equipment sector maintained favorable conditions, and the electrical machinery sector restored its growth. Sales in China showed a double-digit increase, with significant increases continuing in the transportation equipment sector and the chemicals sector, although increases in the industrial machinery sector and the electrical machinery sector were at a single-digit level. In ASEAN4, the transportation equipment sector and the industrial machinery sector registered double-digit increases, and the electrical machinery sector also turned to show an increase. As a result, an increase in sales in ASEAN4 was at a double-digit level for the first time in five quarters. In NIEs3, the transportation equipment sector decreased for the fifth consecutive quarter, but the chemicals sector and the industrial machinery sector increased and the electrical machinery sector also turned to increase. As a result, NIEs3 saw a decrease for the fourth consecutive quarter, but the decline became smaller. In North America, the chemicals sector showed an increase and the electrical machinery sector also turned to increase, but an increase in the transportation equipment sector remained small for the second consecutive quarter. In addition to these factors, decreases in the iron and steel sector and the industrial machinery sector slowed down the growth in sales in North America for the fourth consecutive quarter. Europe saw a significant increase with a steady growth for the fourth consecutive quarter, due to significant increases in the transportation equipment sector and the industrial machinery sector and an increase in the chemicals sector, although an increase in the electrical machinery sector remained at a single-digit level for the second consecutive quarter. (Table 4)

**Table 4 Sales actual result for main industries**

**North america**

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	4.2	4.6	1.7	1.6	0.8
Transportation equipment	2.8	2.8	-2.5	1.1	1.0
Electrical machinery	2.6	6.9	9.1	-0.5	0.7
Industrial machinery	8.5	12.8	4.5	0.8	-0.7
Chemicals	12.5	7.0	6.8	6.7	6.3
Iron and steel	-19.3	8.3	12.7	-13.2	-13.0

**Asia**

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	5.4	8.0	10.6	9.1	11.6
Transportation equipment	10.1	18.6	15.6	20.8	21.4
Electrical machinery	2.3	-1.3	3.9	0.9	4.1
Industrial machinery	14.8	18.1	22.4	19.5	8.9
Chemicals	3.9	10.4	11.8	7.0	10.3
Iron and steel	-6.4	-1.3	4.9	14.0	14.0

**ASEAN4**

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	2.6	2.4	9.2	7.8	10.2
Transportation equipment	2.2	5.7	10.7	15.9	12.9
Electrical machinery	-0.3	-8.1	1.1	-1.1	5.4
Industrial machinery	1.3	8.3	12.4	10.5	11.9
Chemicals	4.1	11.0	14.3	11.3	11.4
Iron and steel	-15.5	-10.0	0.7	5.6	10.6

**NIEs3**

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	-4.7	-0.7	-0.5	-0.1	-0.1
Transportation equipment	-8.3	-13.0	-28.3	-14.4	-22.5
Electrical machinery	-1.9	2.6	5.4	-0.1	0.7
Industrial machinery	-1.5	5.6	13.4	9.1	11.8
Chemicals	1.5	5.1	5.0	1.1	5.3
Iron and steel	-	-	-	-	-

**China(including Hong Kong)**

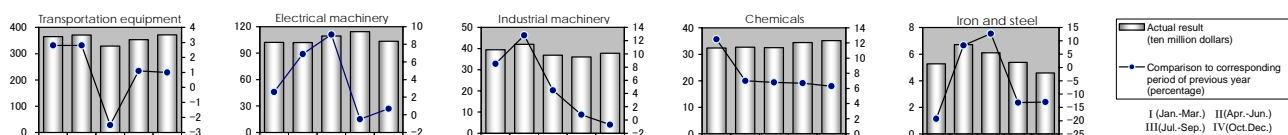
Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	13.8	19.9	16.4	13.1	15.8
Transportation equipment	39.0	92.9	42.0	41.4	44.3
Electrical machinery	7.2	4.1	5.8	2.8	4.2
Industrial machinery	19.9	19.1	24.1	21.4	5.9
Chemicals	18.4	27.9	29.4	16.1	20.4
Iron and steel	19.0	19.4	9.5	9.3	11.0

**Europe**

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	3.4	5.9	6.8	10.4	15.9
Transportation equipment	3.2	3.6	-0.5	11.1	20.7
Electrical machinery	3.0	16.4	11.3	7.8	5.9
Industrial machinery	9.4	6.7	17.5	22.1	36.4
Chemicals	-2.3	-10.3	6.2	7.1	12.0
Iron and steel	-	-	-	-	-

**North America**

Total sales amounted to US\$62,645,880,000 (36.0% of total sales in all regions), up slightly by 0.8% from the same quarter of the previous year, but the growth rate further declined. Sales in the chemicals sector registered a single-digit increase for the fourth consecutive quarter, up by 6.3% (id.), and those in the transportation equipment sector also increased slightly by 1.0% (id.), up for the second consecutive quarter. This was due to sluggish sales of large-size vehicles, although those of fuel-efficient vehicles were favorable. Sales in the electrical machinery sector increased slightly, up by 0.7% (id.). In contrast, those in the iron and steel sector registered a double-digit decrease for the second consecutive quarter, down by 13.0%, and those in the industrial machinery sector decreased slightly by 0.7% (id.), down for the first time in eight quarters.





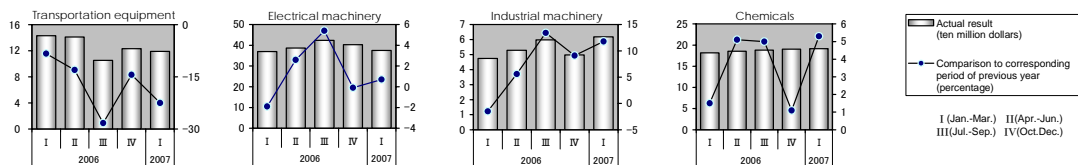
## ASEAN4

Total sales amounted to US\$26,979,600,000 (15.5% of total sales in all regions), up by 10.2% compared to the same quarter of the previous year, marking a double-digit growth for the first time in five quarters. Sales in the transportation equipment sector registered a double-digit increase for the third consecutive quarter, up by 12.9% (id.). Sales in Indonesia and Philippines increased significantly, and the automobile business continued to be favorable in Thailand with active demand mainly for exports. Sales in the industrial machinery sector registered a double-digit increase for the third consecutive quarter, up by 11.9% (id.), and those in the chemicals sector also registered a double-digit increase for the fourth consecutive quarter, up by 11.4% (id.). Sales in the iron and steel sector increased for the third consecutive quarter, up by 10.6% (id.), and those in the electrical machinery industry turned to increase, up by 5.4% (id.).



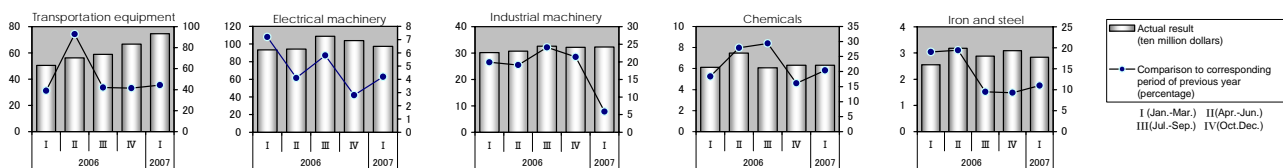
## NIEs3

Total sales amounted to US\$9,199,250,000 (5.3% of total sales in all regions), down by 0.1% from the same quarter of the previous year, registering a slight decrease for the fourth consecutive quarter. Sales in the transportation equipment sector showed a significant decrease of 22.5% (id.). In Taiwan, decreases were notable in sales of automobiles and automobile-related items, due to sluggish demand in the domestic market. Sales in the industrial machinery sector increased by 11.8% (id.), up for the fourth consecutive quarter, and those in the chemicals sector showed a single-digit increase for the sixth consecutive quarter, up by 5.3% (id.). Sales turned to increase slightly by 0.7% (id.) in the electrical machinery sector.



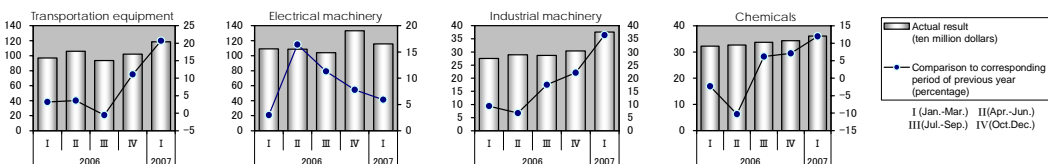
## China(including Hong Kong)

Total sales amounted to US\$24,486,380,000 (14.1% of total sales in all regions), up by 15.8% compared to the same quarter of the previous year, marking a double-digit growth, with the growth rate improved for the first time in three quarters. Sales in the transportation equipment sector continued to be favorable, registering a significant increase of 44.3% (id.). Sales in the chemicals sector remained active, registering a double-digit increase for the 13th consecutive quarter, up by 20.4% (id.). Sales in the iron and steel sector registered a double-digit increase for the first time in three quarters, up by 11.0% (id.). The industrial machinery sector only showed a single-digit increase of 5.9% (id.). The electrical machinery sector registered a single-digit increase for the fifth consecutive quarter, up by 4.2% (id.), significantly influenced by the emergence of low-priced products and a falling of prices mainly of digital home appliances.

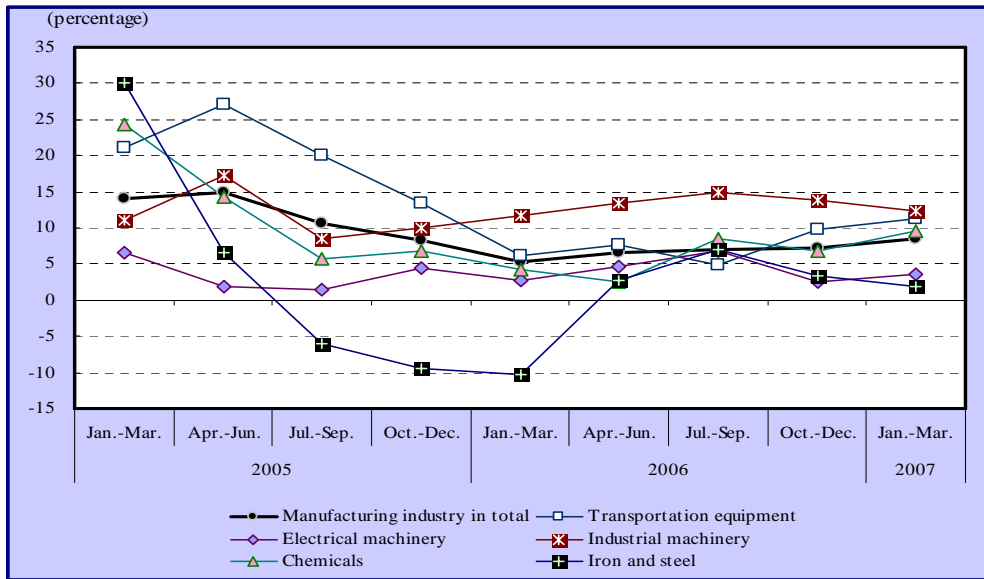


## Europe

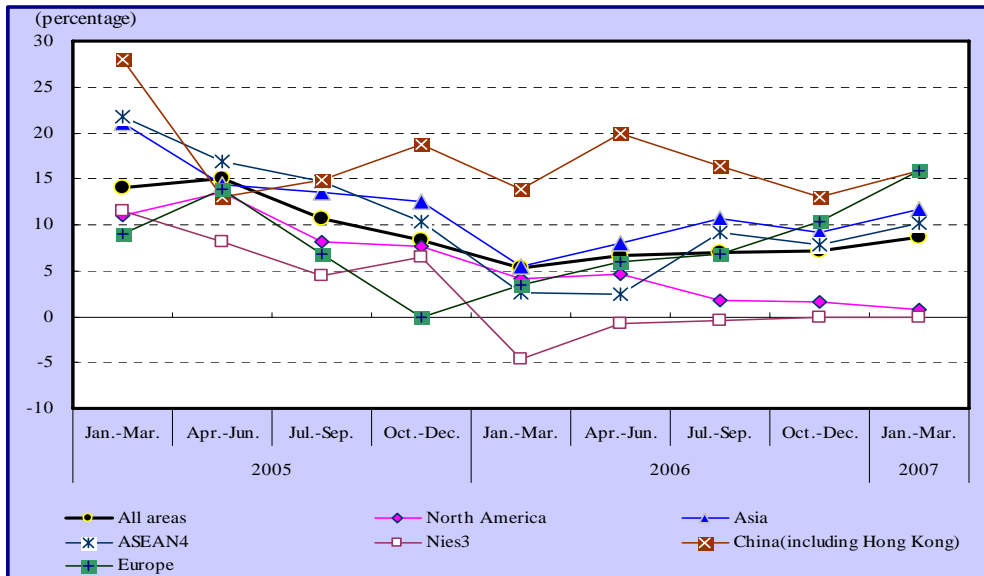
Total sales amounted to US\$34,674,980,000 (19.9% of total sales in all regions), up by 15.9% from the same quarter of the previous year, registering a double-digit increase for the second consecutive quarter. Sales in the industrial machinery sector showed a double-digit increase for the third consecutive quarter, up significantly by 36.4% (id.). Sales in the transportation equipment sector increased by 20.7% (id.), showing a double-digit increase for the second consecutive quarter. Sales in the chemicals sector also showed a double-digit increase for the first time in seven quarters, up by 12.0% (id.), and those in the electrical machinery sector only registered a single-digit increase of 5.9% (id.) and the growth rate declined for the third consecutive quarter.



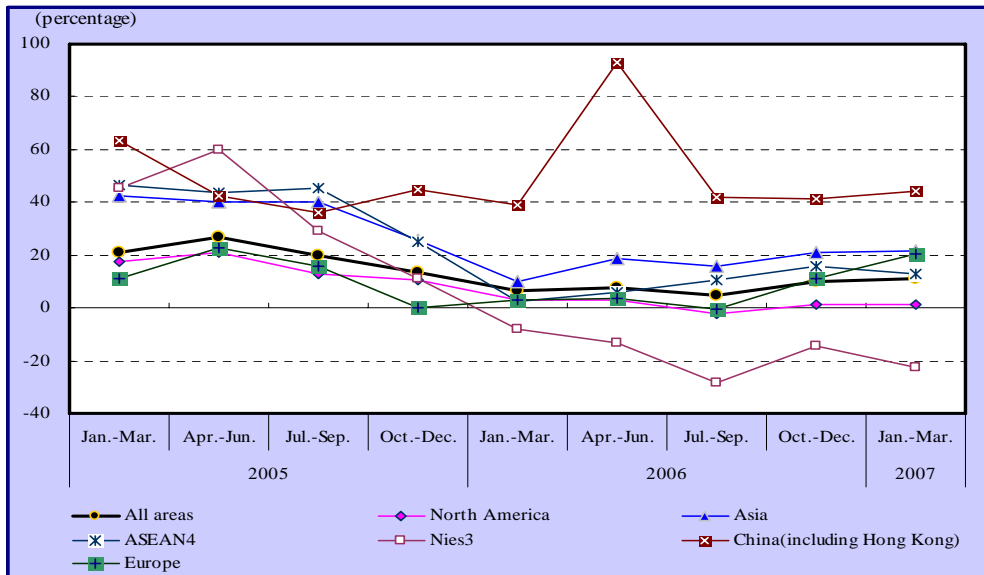
**Chart 1-2 Transition of the actual sales track record according to main industries  
(Comparison of the same quarter of the previous year)**



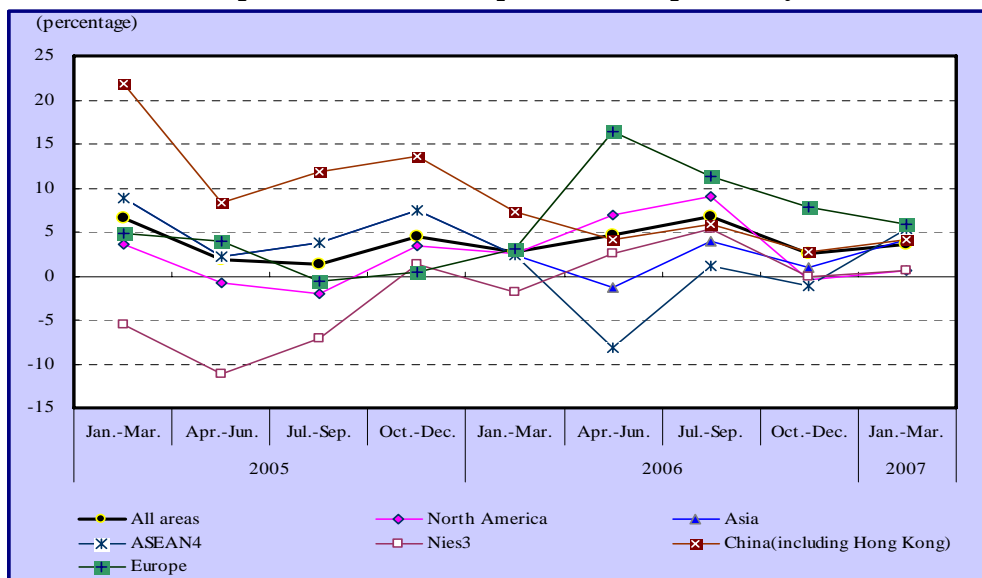
**Chart 1-3 Transition of the actual sales track record according to area  
(Comparison of the same quarter of the previous year)**



**Chart 1-4 Actual sales track record according to transportation machinery  
(Comparison of the same quarter of the previous year)**



**Chart 1-5 Actual sales track record according to electrical machinery  
(Comparison of the same quarter of the previous year)**

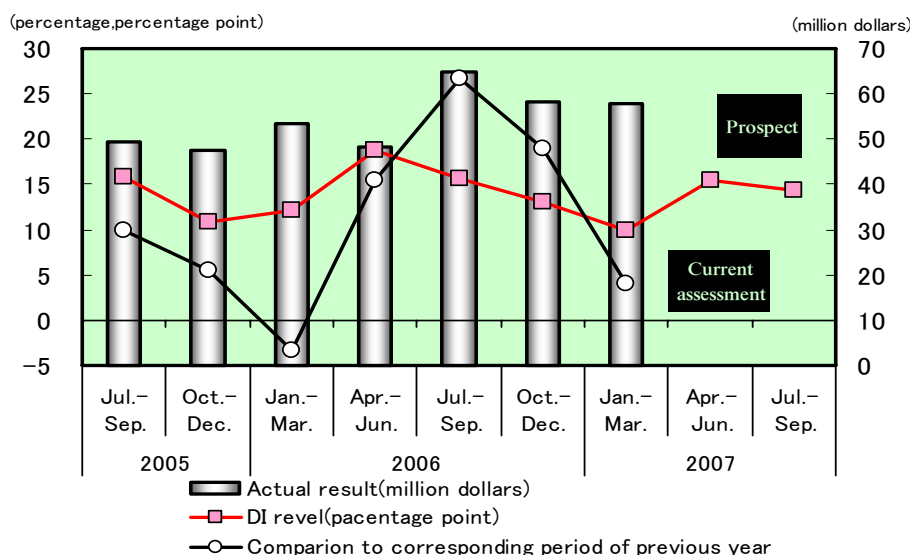


## 2. Trends in capital investment

- The Current Capital Investment Assessment DI (April – June, 2007) improved by 5.6 percentage points from the previous quarter. The Capital Investment Prospects DI (July – September, 2007) slightly deteriorated by 1.2 percentage points (id.).
  - The Current Assessment DI improved in all regions.
  - The Prospects DI deteriorated in all regions except North America but marked double-digit positive levels in all regions except NIEs3.
- Actual capital investment increased by 4.1% from the same quarter a year earlier, only registering a single-digit increase. In Asia, capital investment registered a single-digit increase in NIEs3, because the chemicals sector increased significantly and the electrical machinery sector also increased but there were significant decreases in the transportation equipment sector and the industrial machinery sector. In spite of sharp increases in the industrial machinery sector, the chemicals sector and the electrical machinery sector, NIEs3 only saw a single-digit increase due to significant decreases in the iron and steel sector and the transportation equipment sector. In spite of a significant increase in the transportation equipment sector, China saw a decrease for the first time in three quarters, due to sharp decreases in the electrical machinery sector and the chemicals sector. North America turned to increase due to a significant increase in the industrial machinery sector and increases in the transportation equipment sector, the electrical machinery sector and the chemicals sector, etc. In spite of a sharp decline in the chemicals sector, Europe saw a significant increase for the third consecutive quarter, due to a significant increase in the transportation equipment sector and increases in the electrical machinery sector and the industrial machinery sector.

(Chart 2)

**Chart 2 Capital Investment DI and Actual Result**



## (1) DI

The Capital Investment Current Assessment DI (April – June, 2007) improved to 15.5 percentage points, registering an increase of 5.6 points compared to that for the previous quarter (January – March, 2007). It improved in all regions, registering double-digit levels in all regions except North America. The Capital Investment Prospects DI (July – September, 2007) stood at 14.3 percentage points, which was 1.2 points lower than the Capital Investment Current Assessment DI for the current quarter (April – June, 2007). The Prospects DI deteriorated in all regions except North America. (Table 5)

**Table 5 Capital Investment DI (according to area/industrial classification)**

According to area	DI				
	Survey of present term			Comparison to the previous quarter	
	① Current assessment (2006.Oct.-Dec.)	② Current assessment (2007.Jan.-Mar.)	③ Prospect (2007.Apr.-Jun.)	Current assessment [(2)-①]	Prospect [(3)-②]
<b>Total (All areas)</b>	<b>9.9</b>	<b>→ 15.5</b>	<b>→ 14.3</b>	<b>( 5.6 )</b>	<b>-1.2</b>
North america	6.2	→ 9.6	→ 10.1	( 3.4 )	0.5
Asia	11.3	→ 17.8	→ 15.9	( 6.5 )	-1.9
ASEAN4	12.9	→ 17.3	→ 13.9	( 4.4 )	-3.4
NIEs3	9.5	→ 12.4	→ 9.3	( 2.9 )	-3.1
China(including Hong Kong)	9.7	→ 19.4	→ 18.4	( 9.7 )	-1.0
Europe	5.0	→ 11.7	→ 11.2	( 6.7 )	-0.5

Industrial classification	DI				
	Survey of present term			Comparison to the previous quarter	
	① Current assessment (2006.Oct.-Dec.)	② Current assessment (2007.Jan.-Mar.)	③ Prospect (2007.Apr.-Jun.)	Current assessment [(2)-①]	Prospect [(3)-②]
<b>Total (All manufacturing industry)</b>	<b>9.9</b>	<b>→ 15.5</b>	<b>→ 14.3</b>	<b>( 5.6 )</b>	<b>-1.2</b>
Transportation equipment	12.8	→ 16.3	→ 12.9	( 3.5 )	-3.4
Electrical machinery	5.7	→ 10.0	→ 10.1	( 4.3 )	0.1
Industrial machinery	16.7	→ 16.6	→ 11.4	( -0.1 )	-5.2
Chemicals	8.8	→ 13.7	→ 15.4	( 4.9 )	1.7
Iron and steel	20.0	→ 26.0	→ 19.6	( 6.0 )	-6.4

(Unit : percentage point)

The Prospects DI showed deterioration of 1.2 points from the previous quarter, down in all regions except North America. In Asia (down by 1.9 points (id.)), ASEAN4 showed deterioration of 3.4 points (id.), due to deterioration in the transportation equipment sector and the iron and steel sector and a slight decline in the electrical machinery sector, although the chemicals sector saw improvement. NIEs3 saw deterioration of 3.1 points (id.), due to declines in the transportation equipment sector and the chemicals sector, although the industrial machinery sector and the electrical machinery sector showed improvements. China saw a slight deterioration of 1.0 points (id.) due to a sharp decline in the industrial machinery sector, declines in the chemicals sector and the iron and steel sector and a slight decline in the electrical machinery, although the transportation equipment sector showed an improvement. In spite of an improvement in the chemicals sector, Europe also saw a slight decline of 0.5 points due to deterioration in the electrical machinery sector, the transportation equipment sector and the industrial machinery sector. North America saw a slight improvement of 0.5 points (id.), due to improvements in the electrical machinery sector and the industrial machinery sector, although the iron and steel sector and the transportation equipment sector, etc. showed deterioration.

(Table 6)

**Table 6 Capital investment DI for main industries by area**

North america						Asia							
Capital Investment	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)				Comparison to the previous quarter	Capital Investment	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)				Comparison to the previous quarter
	Current assessment (Jan.-Mar.2007)	Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	Current assessment (Jan.-Mar.2007)			Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter		
	All manufacturing industry	6.2	9.6	3.4	10.1			0.5	All manufacturing industry	11.3	17.8	6.5	
Transportation equipment	5.6	14.9	9.3	11.0	-3.9	Transportation equipment	18.6	16.6	-2.0	13.8	-2.8		
Electrical machinery	-6.8	-2.1	4.7	8.4	10.5	Electrical machinery	9.0	11.3	2.3	11.7	0.4		
Industrial machinery	11.7	2.9	-8.8	5.8	2.9	Industrial machinery	20.1	23.5	3.4	14.9	-8.6		
Chemicals	6.4	4.7	-1.7	2.3	-2.4	Chemicals	8.5	19.0	10.5	18.6	-0.4		
Iron and steel	11.1	25.0	13.9	16.7	-8.3	Iron and steel	23.8	28.2	4.4	18.4	-9.8		

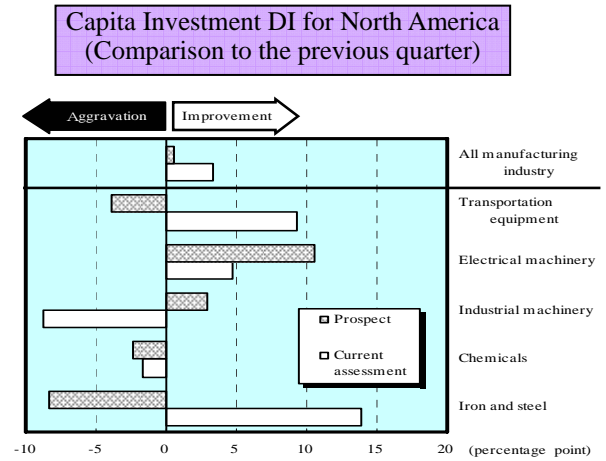
ASEAN4						NIEs3							
Capital Investment	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)				Comparison to the previous quarter	Capital Investment	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)				Comparison to the previous quarter
	Current assessment (Jan.-Mar.2007)	Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	Current assessment (Jan.-Mar.2007)			Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter		
	All manufacturing industry	12.9	17.3	4.4	13.9			-3.4	All manufacturing industry	9.5	12.4	2.9	
Transportation equipment	17.1	16.0	-1.1	3.6	-12.4	Transportation equipment	8.0	22.2	14.2	12.0	-10.2		
Electrical machinery	7.2	12.5	5.3	11.4	-1.1	Electrical machinery	14.7	4.4	-10.3	8.7	4.3		
Industrial machinery	25.7	28.2	2.5	21.0	-7.2	Industrial machinery	0.0	16.6	16.6	27.7	11.1		
Chemicals	11.8	14.5	2.7	17.7	3.2	Chemicals	2.7	10.8	8.1	8.8	-2.0		
Iron and steel	14.3	31.6	17.3	22.2	-9.4	Iron and steel	0.0	33.3	33.3	0.0	-33.3		

China(including HongKong)						Europe							
Capital Investment	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)				Comparison to the previous quarter	Capital Investment	Survey of previos term (Oct.-Dec.2006)	Survey of the present term (Jan.-Mar.2007)				Comparison to the previous quarter
	Current assessment (Jan.-Mar.2007)	Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	Current assessment (Jan.-Mar.2007)			Current assessment (Apr.-Jun.2007)	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter		
	All manufacturing industry	9.7	19.4	9.7	18.4			-1.0	All manufacturing industry	5.0	11.7	6.7	
Transportation equipment	19.0	13.5	-5.5	21.9	8.4	Transportation equipment	-1.6	21.4	23.0	17.3	-4.1		
Electrical machinery	7.4	12.8	5.4	12.2	-0.6	Electrical machinery	-11.1	10.7	21.8	2.2	-8.5		
Industrial machinery	23.8	23.2	-0.6	7.1	-16.1	Industrial machinery	17.1	6.4	-10.7	3.5	-2.9		
Chemicals	8.8	28.1	19.3	25.0	-3.1	Chemicals	10.5	5.9	-4.6	18.2	12.3		
Iron and steel	43.8	25.0	-18.8	18.7	-6.3	Iron and steel	0.0	0.0	0.0	0.0	0.0		

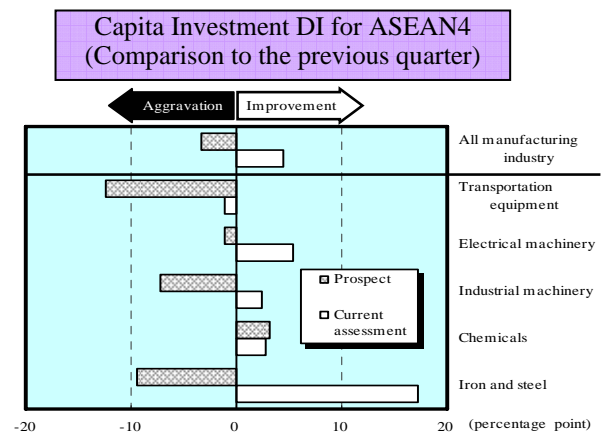
## North America

The overall Prospects DI (10.1 percentage points) was 0.5 points higher than the overall Current Assessment DI for the current quarter. The Prospects DI for the electrical machinery sector (8.4 percentage points) improved by 10.5 points (id.), and that for the industrial machinery sector (5.8 percentage points) also improved by 2.9 points (id.). In the meantime, the Prospects DI deteriorated for the iron and steel sector (16.7 percentage points) by 8.3 points (id.), for the transportation equipment sector (11.0 percentage points) by 3.9 points (id.), and for the chemicals sector (2.3 percentage points) by 2.4 points (id.).



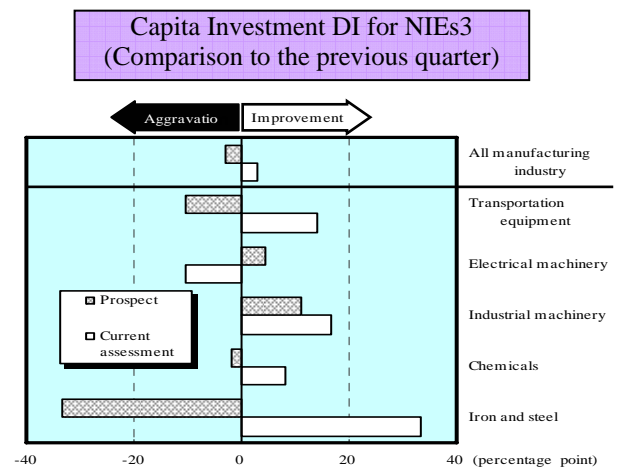
## ASEAN4

The overall Prospects DI (13.9 percentage points) was 3.4 points lower than the overall Current Assessment DI for the current quarter. The Prospects DI for the transportation equipment sector (3.6 percentage points) worsened by 12.4 points (id.), and that for the iron and steel sector (22.2 percentage points) and for the industrial machinery sector (21.0 percentage points) declined by 9.4 points (id.) and 7.2 points, respectively. The Prospects DI for the electrical machinery sector (11.4 percentage points) deteriorated slightly, down by 1.1 points (id.). In contrast, the Prospects DI for the chemicals sector (17.7 percentage points) improved by 3.2 points (id.).



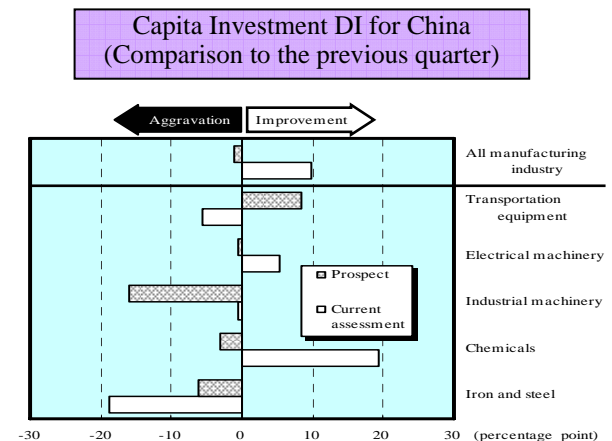
## NIEs3

The overall Prospects DI (9.3 percentage points) was 3.1 points lower than the overall Current Assessment DI for the current quarter. The Prospects DI for the iron and steel sector (0.0 percentage points) worsened significantly by 33.3 points (id.). The Prospects DI for the transportation equipment sector (12.0 percentage points) and the chemicals sector (8.8 percentage points) declined by 10.2 points (id.) and 2.0 points (id.), respectively. In contrast, the Prospects DI for the industrial machinery sector (27.7 percentage points) and the electrical machinery sector (8.7 percentage points) improved by 11.1 points (id.) and 4.3 points (id.), respectively.



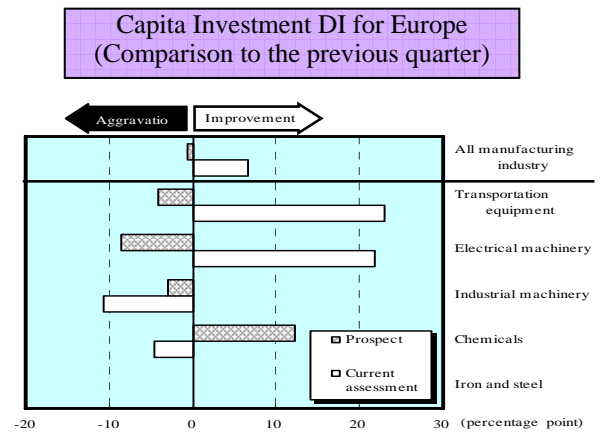
## China(including Hong Kong)

The overall Prospects DI (18.4 percentage points) was 1.0 points lower than the overall Current Assessment DI for the current quarter. The Prospects DI for the industrial machinery sector (7.1 percentage points) deteriorated significantly by 16.1 points (id.). Deterioration was also observed in the iron and steel sector (18.7 percentage points), down by 6.3 points (id.), in the chemicals sector (25.0 percentage points), down by 3.1 points (id.), and in the electrical machinery sector (12.2 percentage points), down by 0.6 points. Meanwhile, the Prospects DI for the transportation equipment sector (21.9 percentage points) improved by 8.4 points (id.).

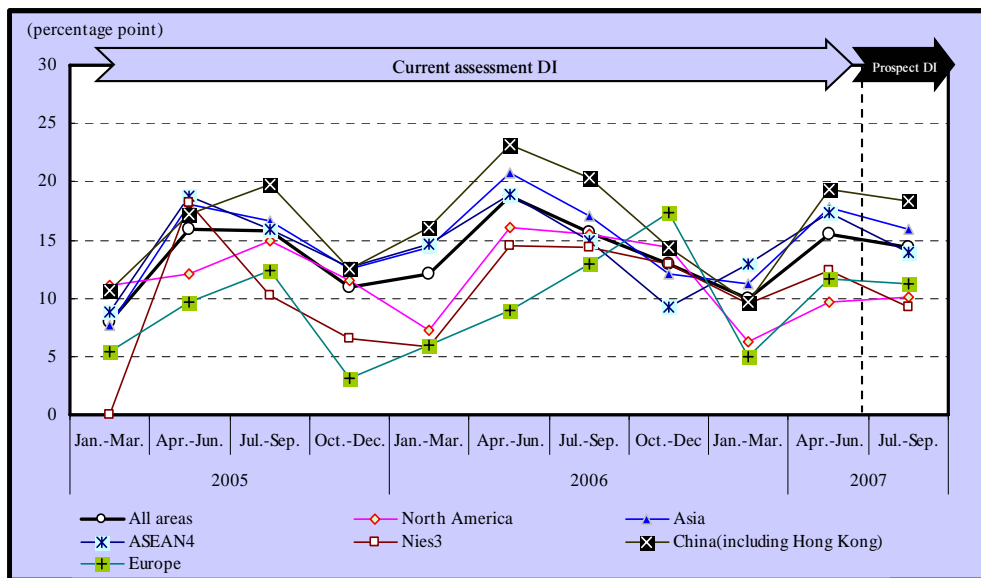


## Europe

The overall Prospects DI (11.2 percentage points) was 0.5 points lower than the overall Current Assessment DI for the current quarter. The Prospects DI for the electrical machinery sector (2.2 percentage points), the transportation equipment sector (17.3 percentage points) and the industrial machinery sector (3.5 percentage points) deteriorated by 8.5 points (id.), 4.1 points (id.) and 2.9 points (id.), respectively. The Prospects DI for the chemicals sector (18.2 percentage points) improved by 12.3 points (id.) and that for the iron and steel sector (0.0 percentage points) remained flat at 0.0 points (id.).



**Chart 2-1 Capital investment DI according to area (percentage points)**



## (2) Actual Results

Total capital investment (acquisition costs of fixed asset except land) amounted to US\$5,775,000,000, up by 4.1% compared to the same quarter of the previous year, only registering a single-digit increase. By industry, capital investment in the industrial machinery sector increased significantly by 33.5% (id.), registering the second consecutive quarter of significant increase. Capital investment in the chemicals sector showed a significant increase of 26.2% (id.) and that in the electrical machinery sector increased by 10.2% (id.), which was a double-digit increase for the third consecutive quarter. Capital investment in the iron and steel sector registered a single-digit increase for the first time in three quarters, up by 5.5%, while that in the transportation equipment sector turned to decrease for the first time in seven quarters, down by 2.0% (id.). (Table 7)

**Table 7 Actual result of Capital investment**

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
Total (All areas)	-3.3	15.4	26.7	18.9	4.1
North america	-22.4	11.5	39.4	-12.7	14.0
Asia	9.6	23.9	27.9	49.7	2.6
ASEAN4	15.9	47.5	9.6	40.5	2.3
NIEs3	49.2	-1.2	57.3	28.1	7.0
China(including Hong Kong)	-14.1	-6.2	14.2	38.8	-4.2
Europe	-21.3	-4.7	21.4	16.4	19.8

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
Total (All manufacturing industry)	-3.3	15.4	26.7	18.9	4.1
Transportation equipment	9.0	33.3	35.3	9.4	-2.0
Electrical machinery	-23.1	-2.6	19.6	58.1	10.2
Industrial machinery	-13.0	-22.6	5.7	32.7	33.5
Chemicals	-16.2	8.8	93.7	13.1	26.2
Iron and steel	28.0	5.4	-30.5	27.2	5.5

(Unit : percentage)



By Region, capital investment increased by 2.6% in Asia, compared to the same quarter of the previous year, only at a single-digit level for the first time in four quarters. NIEs3 (up by 7.0% (id.)) only saw a single-digit increase after a significant increase for the two consecutive quarters. The chemicals sector increased significantly for the third consecutive quarter. The electrical machinery sector registered a double-digit increase, but the growth has been slowing down. Capital investment declined sharply in the transportation equipment sector and the industrial machinery sector for the third consecutive quarter. ASEAN4 (up by 2.3% (id.)) also saw a single-digit increase, because capital investment declined sharply in the iron and steel sector and the transportation equipment sector, although there were significant increases in the industrial machinery sector and the chemicals sector and the electrical machinery sector increased significantly. China (down by 4.2% (id.)) registered a decrease for the first time in three quarters, because there was a significant increase in the transportation equipment sector but the growth diminished for the third consecutive quarter, and the electrical machinery sector turned to decrease sharply and the chemicals sector also registered a sharp decline. In spite of a sharp decline in the chemicals sector, Europe (up by 19.8% (id.)) registered a significant increase for the third consecutive quarter, due to a significant increase for the second consecutive quarter in the transportation equipment sector and increases in the industrial machinery sector and the electrical machinery sector. North America (up by 14.0% (id.)) saw an increase after a decline in the previous quarter, because the industrial machinery sector increased significantly, the transportation equipment sector turned to increase, and the electrical machinery sector also showed an increase for the first time in eight quarters. (Table 8)

**Table 8 Actual result of capital investment for main industries by area**

**North america**

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	-22.4	11.5	39.4	-12.7	14.0
Transportation equipment	-4.0	15.4	49.6	-19.0	12.4
Electrical machinery	-72.0	-15.5	-3.0	-0.2	9.7
Industrial machinery	-13.2	83.2	15.6	-5.8	28.9
Chemicals	2.1	48.3	80.3	35.3	8.7
Iron and steel	33.9	175.6	-18.8	-22.1	5.6

**Asia**

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	9.6	23.9	27.9	49.7	2.6
Transportation equipment	33.5	91.4	47.5	53.7	-13.3
Electrical machinery	7.5	-3.3	22.8	74.0	11.3
Industrial machinery	-4.6	-2.7	-14.0	29.3	54.5
Chemicals	-42.8	-34.0	122.9	35.2	93.2
Iron and steel	17.9	-32.5	-47.5	46.5	14.5

**ASEAN4**

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	15.9	47.5	9.6	40.5	2.3
Transportation equipment	22.0	97.3	-0.3	15.7	-32.0
Electrical machinery	40.0	31.0	49.1	77.4	27.5
Industrial machinery	-34.7	22.7	-20.1	59.7	101.7
Chemicals	-63.1	-47.3	12.7	4.2	118.1
Iron and steel	38.3	26.6	-31.6	53.1	-59.6

**NIEs3**

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	49.2	-1.2	57.3	28.1	7.0
Transportation equipment	159.9	-10.8	-28.2	-38.4	-42.6
Electrical machinery	28.1	0.6	81.1	100.3	12.5
Industrial machinery	124.9	10.2	-24.3	-32.7	-24.8
Chemicals	56.8	-6.5	334.0	112.1	161.6
Iron and steel	-	-	-	-	-

**China(including Hong Kong)**

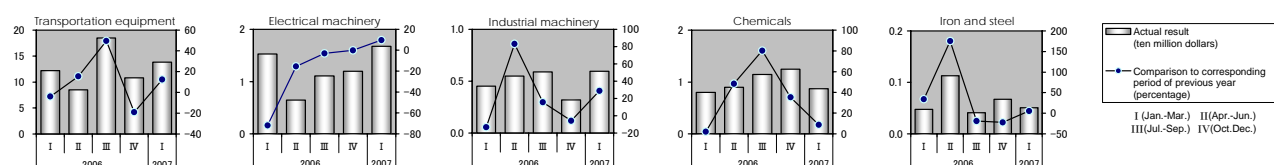
Capital investment	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	-14.1	-6.2	14.2	38.8	-4.2
Transportation equipment	79.7	123.1	117.3	73.0	47.2
Electrical machinery	-26.9	-36.9	-19.7	58.6	-17.6
Industrial machinery	3.3	-20.3	-4.8	5.3	-0.1
Chemicals	-34.2	-28.4	75.9	-3.0	-15.1
Iron and steel	-78.3	-79.9	-58.9	-53.1	-413.8

**Europe**

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	-21.3	-4.7	21.4	16.4	19.8
Transportation equipment	-30.8	-18.7	3.9	23.0	29.9
Electrical machinery	-20.1	24.4	17.5	11.6	3.3
Industrial machinery	-20.6	-72.5	70.3	82.2	5.7
Chemicals	10.6	61.9	73.7	-26.8	-21.7
Iron and steel	-	-	-	-	-

**North America**

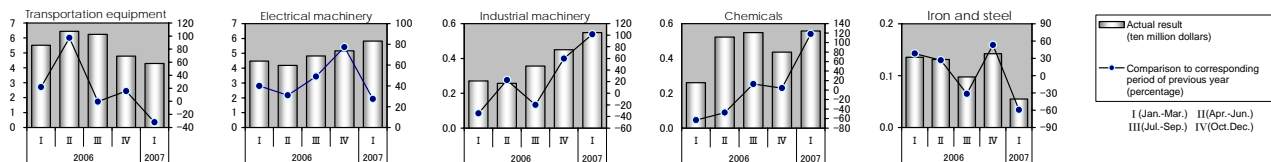
Total capital investment amounted to US\$1,834,420,000 (31.7% of total capital investment in all regions), showing an increase of 14.0% from the same quarter of the previous year after a decrease in the previous quarter. Capital investment in the industrial machinery sector increased sharply by 28.9% (id.), and that in the transportation equipment sector turned to increase, up by 12.4% (id.). Capital investment in the electrical machinery sector increased by 9.7% (id.), up for the first time in eight quarters, and that in the chemicals sector registered a single-digit increase for the first time in four quarters, up by 8.7% (id.). Capital investment in the iron and steel sector posted an increase for the first time in three quarters, up by 5.6% (id.).





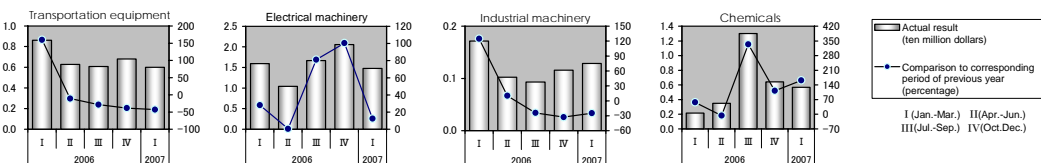
## ASEAN4

Total capital investment amounted to US\$1,272,960,000 (22.0% of total capital investment in all regions), up by 2.3% from the same quarter of the previous year, registering a single-digit increase. Capital investment in the chemicals sector increased significantly, up by 118.1% (id.), and that in the industrial machinery sector and the electrical machinery sector increased sharply by 101.7% (id.) and by 27.5% (id.), up for the second and fifth consecutive quarter, respectively. In contrast, capital investment in the iron and steel sector and the transportation equipment sector decreased significantly by 59.6% (id.) and 32.0% (id.), respectively. Automobile-related capital investment decreased in Indonesia, etc. and the backlash of the former increase was significant in Thailand.



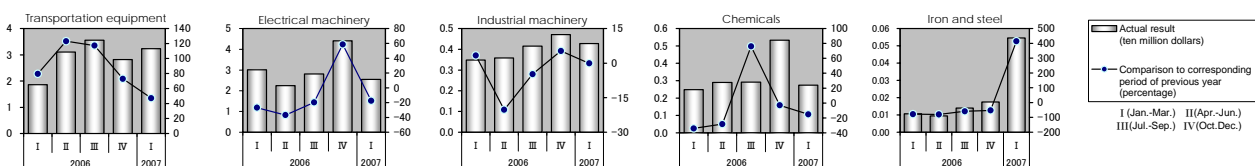
## NIEs3

Total capital investment amounted to US\$303,490,000 (5.3% of total capital investment in all regions), up by 7.0% from the same quarter of the previous year, with the growth slowing down at a single-digit level. Capital investment in the chemicals sector increased by 161.6% (id.), registering a significant growth for the third consecutive quarter, due to active IT-related capital investment which caused a significant increase in South Korea. Capital investment in the electrical machinery sector registered a double-digit increase of 12.5% (id.), with a notable increase continuing in Singapore. In the meantime, capital investment in the transportation equipment sector decreased for the fourth consecutive quarter, down by 42.6% (id.), with the magnitude of decrease expanding. This was due to the backlash of the increase in automobile-related capital investment in Taiwan. Capital investment in the industrial machinery sector also decreased sharply for the third consecutive quarter, down by 24.8% (id.).



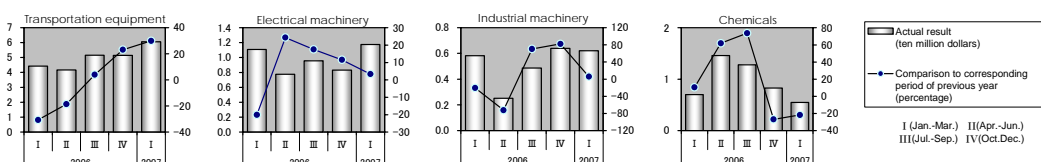
## China(including Hong Kong)

Total capital investment amounted to US\$752,040,000 (13.0% of total capital investment in all regions), down by 4.2% from the same quarter of the previous year, marking a decrease for the first time in three quarters. Capital investment in the electrical machinery sector decrease significantly, down by 17.6% (id.), and that in the chemicals sector showed a decrease for the second consecutive quarter, down by 15.1% (id.). Capital investment in the industrial machinery sector decreased slightly, down by 0.1% (id.). In contrast, capital investment in the iron and steel sector registered a significant increase of 413.8% (id.), and that in the transportation equipment sector continued to increase significantly by 47.2% (id.).

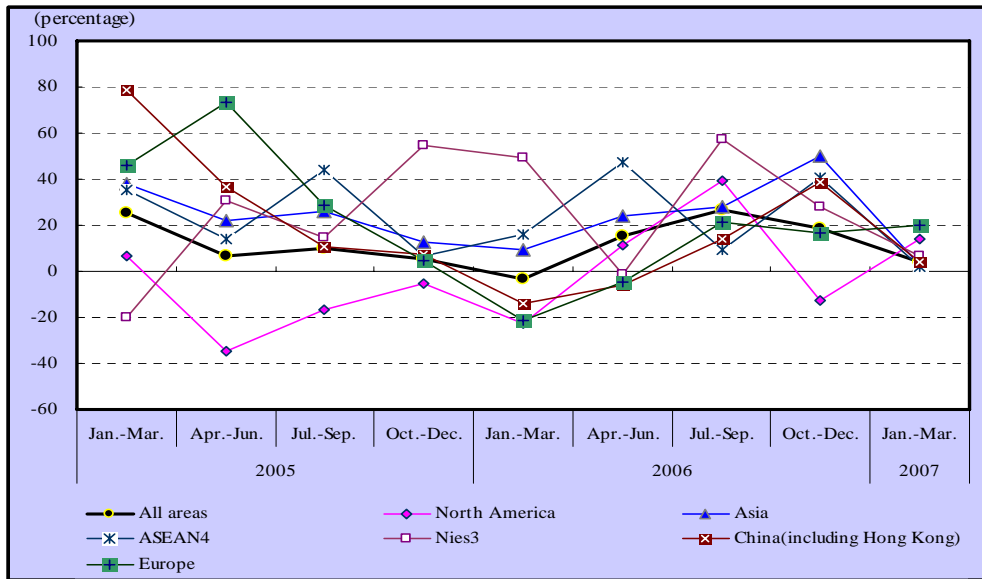


## Europe

Total capital investment amounted to US\$940,250,000 (16.3% of total capital investment in all regions), up by 19.8% from the same quarter of the previous year, registering a significant increase for the third consecutive quarter. Capital investment in the transportation equipment sector increased significantly for the second consecutive quarter, up by 29.9% (id.). Capital investment in the industrial machinery sector registered a single-digit increase of 5.7% (id.), and the growth in the electrical machinery sector slowed down at a single-digit level, up by 3.3% (id.). Capital investment in the chemicals sector decreased by 21.7% (id.), registering a significant decrease for the second consecutive quarter.



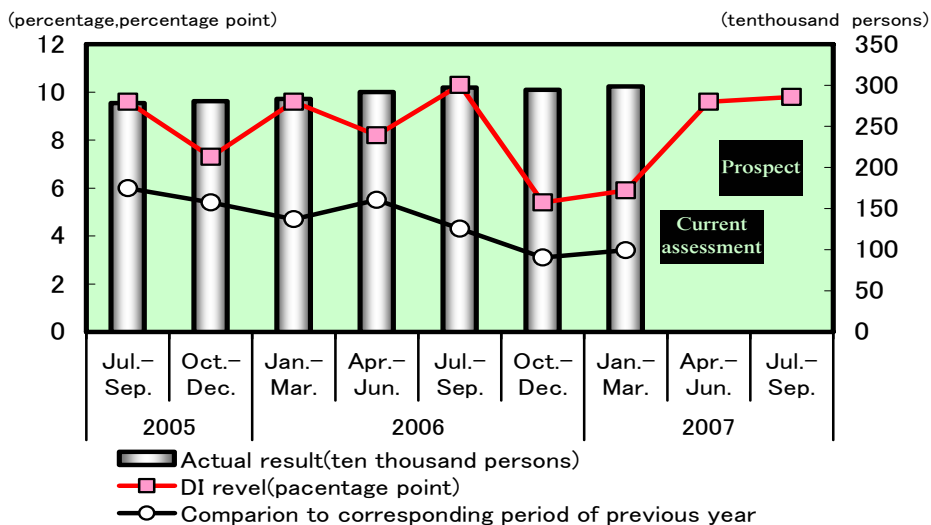
**Chart 2-2 Actual result of capital investment according to area  
(Comparison of the same quarter of the previous year)**



**3. Trends in employment (the number of employees)**

- The Employment Current Assessment DI (April – June, 2007) improved by 3.7 percentage points compared to the previous quarter. The Prospects DI (July – September, 2007) improved slightly by 0.2 percentage points (id.).
  - The Employment Current Assessment DI improved in all regions except NIEs3 and Europe.
  - The overall Prospects DI improved slightly, but it turned negative in Europe. China continued to maintain a double-digit level.
  
- The actual number of employees (as of the end of March 2007) continued to increase, up by 3.4% from the same quarter of the previous year. In Asia, the number of employees continued to decrease in NIEs3 for the second consecutive quarter, but continued to increase in China and ASEAN4. The number of employees increased in North America for the first time in six years (24 quarters) and remained flat in Europe. (Chart 3)

**Chart 3 Number of employee DI and actual result**



## (1) DI

The Employment Current Assessment DI (April – June, 2007) stood at 9.6 percentage points, improving by 3.7 points from that for the January-March quarter of 2007. The Prospects DI (July – September, 2007) stood at 9.8 percentage points, improving slightly by 0.2 points higher than that for the April-June quarter of 2007. (Table 9)

**Table 9 Number of employee DI (according to area /industrial classification)**

According to area	DI				
	Survey of present term			Comparison to the previous quarter	
	①Current assessment (2006.Oct.-Dec.)	②Current assessment (2007.Jan.-Mar.)	③Prospect (2007.Apr.-Jun.)	Current assessment [②-①]	Prospect [③-②]
Total (All areas)	5.9	→ 9.6	→ 9.8	( 3.7 )	0.2
North america	4.4	→ 8.2	→ 10.2	( 3.8 )	2.0
Asia	7.4	→ 11.3	→ 12.2	( 3.9 )	0.9
ASEAN4	3.2	→ 8.3	→ 11.0	( 5.1 )	2.7
NIEs3	0.4	→ -1.3	→ 0.9	( -1.7 )	2.2
China(including Hong Kong)	13.4	→ 16.7	→ 15.4	( 3.3 )	-1.3
Europe	1.9	→ 0.8	→ -3.2	( -1.1 )	-4.0

Industrial classification	DI				
	Survey of present term			Comparison to the previous quarter	
	①Current assessment (2006.Oct.-Dec.)	②Current assessment (2007.Jan.-Mar.)	③Prospect (2007.Apr.-Jun.)	Current assessment [②-①]	Prospect [③-②]
Total (All manufacturing industry)	5.9	→ 9.6	→ 9.8	( 3.7 )	0.2
Transportation equipment	8.4	→ 14.4	→ 15.1	( 6.0 )	0.7
Electrical machinery	4.0	→ 7.9	→ 8.0	( 3.9 )	0.1
Industrial machinery	12.2	→ 4.0	→ 8.2	( -8.2 )	4.2
Chemicals	6.0	→ 10.4	→ 4.9	( 4.4 )	-5.5
Iron and steel	10.6	→ 13.8	→ 16.7	( 3.2 )	2.9

(Unit : percentage point)

The Prospects DI improved slightly, standing at 0.2 percentage points, but deterioration was observed in China and Europe. In Asia (0.9 percentage points compared to the previous quarter), the Prospects DI for ASEAN4 (2.7 percentage points (id.)) improved due to improvement in the electrical machinery sector and the transportation equipment sector, although the chemicals sector showed deterioration. In spite of deterioration in the chemicals sector and electrical machinery sector and a slight decline in the industrial machinery sector, NIEs3 (2.2 percentage points (id.)) saw improvement due to significant improvement in the transportation equipment sector. The Prospects DI for China (-1.3 percentage points (id.)) worsened slightly due to deterioration in the chemicals sector and the electrical machinery sector, although the industrial machinery sector and the transportation equipment sector showed improvement. The Prospects DI for North America (2.0 percentage points (id.)) improved due to a significant improvement in the iron and steel sector and improvement in the electrical machinery sector, the industrial machinery sector and the transportation equipment sector, while deterioration was observed in the chemicals sector. The Prospects DI for Europe (-4.0 percentage points (id.)) worsened due to deterioration in the transportation equipment sector and the electrical machinery sector and chemicals sector, although the industrial machinery sector remained flat. (Table 10)

**Table 10 Number of employee DI for main industries by area**

### North america

Number of employee	Survey of previos term (Oct.-Dec.2006)	Survey of the present term(Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment Apr.-Jun.2007	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
All manufacturing industry	4.4	8.2	3.8	10.2	2.0
Transportation equipment	2.4	11.4	9.0	13.8	2.4
Electrical machinery	15.3	5.5	-9.8	10.9	5.4
Industrial machinery	8.5	0.0	-8.5	4.7	4.7
Chemicals	7.5	13.7	6.2	11.7	-2.0
Iron and steel	-7.7	-15.4	-7.7	0.0	15.4

### Asia

(Unit : percentage point)

Number of employee	Survey of previos term (Oct.-Dec.2006)	Survey of the present term(Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment Apr.-Jun.2007	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
All manufacturing industry	7.4	11.3	3.9	12.2	0.9
Transportation equipment	13.7	17.1	3.4	22.0	4.9
Electrical machinery	2.8	8.5	5.7	8.5	0.0
Industrial machinery	16.6	7.4	-9.2	13.7	6.3
Chemicals	7.7	12.4	4.7	6.1	-6.3
Iron and steel	14.6	21.5	6.9	19.6	-1.9

### ASEAN4

Number of employee	Survey of previos term (Oct.-Dec.2006)	Survey of the present term(Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment Apr.-Jun.2007	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
All manufacturing industry	3.2	8.3	5.1	11.0	2.7
Transportation equipment	6.4	10.9	4.5	14.1	3.2
Electrical machinery	0.5	5.4	4.9	11.3	5.9
Industrial machinery	16.3	14.0	-2.3	16.7	2.7
Chemicals	4.9	6.5	1.6	2.6	-3.9
Iron and steel	0.0	4.7	4.7	15.0	10.3

### NIEs3

Number of employee	Survey of previos term (Oct.-Dec.2006)	Survey of the present term(Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment Apr.-Jun.2007	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
All manufacturing industry	0.4	-1.3	-1.7	0.9	2.2
Transportation equipment	0.0	-17.2	-17.2	0.0	17.2
Electrical machinery	-1.3	2.6	3.9	0.0	-2.6
Industrial machinery	0.0	-4.1	-4.1	-4.4	-0.3
Chemicals	0.0	4.2	4.2	0.0	-4.2
Iron and steel	0.0	20.0	20.0	0.0	-20.0

### China

Number of employee	Survey of previos term (Oct.-Dec.2006)	Survey of the present term(Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment Apr.-Jun.2007	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
All manufacturing industry	13.4	16.7	3.3	15.4	-1.3
Transportation equipment	26.9	29.7	2.8	37.0	7.3
Electrical machinery	5.0	12.9	7.9	7.9	-5.0
Industrial machinery	23.5	7.7	-15.8	17.2	9.5
Chemicals	16.4	25.0	8.6	12.1	-12.9
Iron and steel	37.6	46.7	9.1	33.3	-13.4

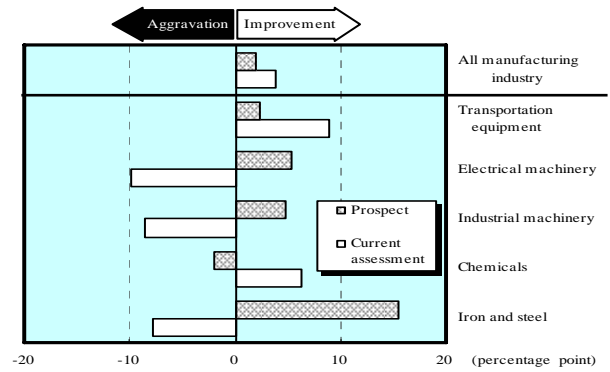
### Europe

Number of employee	Survey of previos term (Oct.-Dec.2006)	Survey of the present term(Jan.-Mar.2007)			
	Current assessment (Jan.-Mar.2007)	Current assessment Apr.-Jun.2007	comparison to the previous quarter	Prospect (Jul.-Sep.2007)	comparison to the previous quarter
All manufacturing industry	1.9	0.8	-1.1	-3.2	-4.0
Transportation equipment	1.4	12.5	11.1	-1.6	-14.1
Electrical machinery	7.6	3.6	-4.0	0.0	-3.6
Industrial machinery	2.5	-7.9	-10.4	-7.9	0.0
Chemicals	-2.1	-4.4	-2.3	-6.8	-2.4
Iron and steel	0.0	0.0	0.0	0.0	0.0

## North America

The overall Prospects DI (10.2 percentage points) was 2.0 points higher than the overall Current Assessment DI for the current quarter. The Prospects DI for the iron and steel sector (0.0 percentage points) improved significantly by 15.4 points (id.), and improvement was also observed for the electrical machinery sector (10.9 percentage points) by 5.4 points (id.), for the industrial machinery sector (4.7 percentage points) by 4.7 points (id.) and for the transportation equipment sector (13.8 percentage points) by 2.4 points. The Prospects DI for the chemicals sector (11.7 percentage points) worsened by 2.0 points (id.).

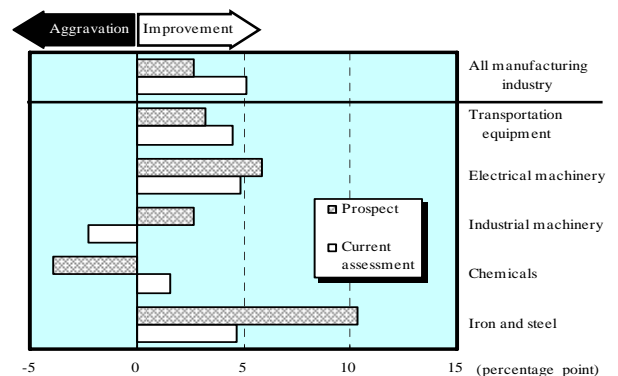
Number of employee DI for North America  
(Comparison to the previous quarter)



## ASEAN4

The overall Prospects DI (11.0 percentage points) was 2.7 points higher than the overall Current Assessment DI for the current quarter. Increases were observed in the Prospects DI for the iron and steel sector (15.0 percentage points) by 10.3 points (id.), for the electrical machinery sector (11.3 percentage points) by 5.9 points (id.), for the transportation equipment sector (14.1 percentage points) by 3.2 points (id.), and for the industrial machinery sector (16.7 percentage points) by 2.7 points (id.). The Prospects DI for the chemicals sector (2.6 percentage points) worsened by 3.9 points (id.).

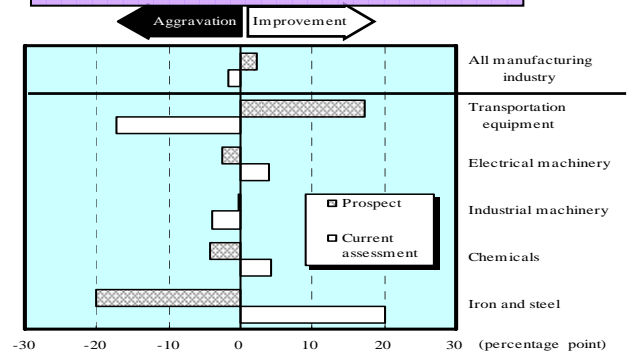
Number of employee DI for ASEAN4  
(Comparison to the previous quarter)



## NIEs3

The overall Prospects DI (0.9 percentage points) improved by 2.2 points compared to the overall Current Assessment DI for the current quarter. The Prospects DI for the transportation equipment sector (0.0 percentage points) improved significantly by 17.2 points (id.). The Prospects DI for the iron and steel sector (0.0 percentage points) worsened significantly by 20.0 points (id.), and that for the chemicals sector (0.0 percentage points) and the electrical machinery sector (0.0 percentage points) also worsened by 4.2 points (id.) and 2.6 points (id.), respectively. The Prospects DI for the industrial machinery sector (4.4 percentage points) deteriorated slightly by 0.3 points (id.).

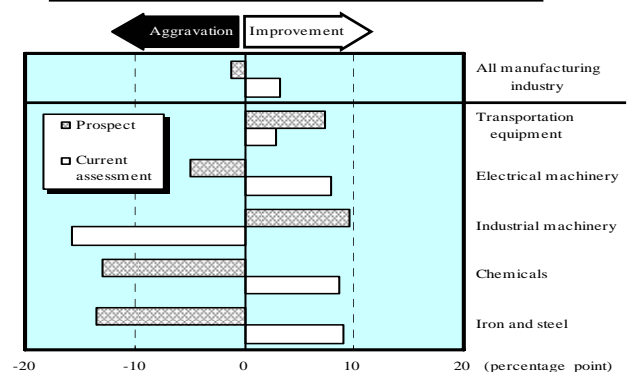
Number of employee DI for NIEs3  
(Comparison to the previous quarter)



## China(including Hong Kong)

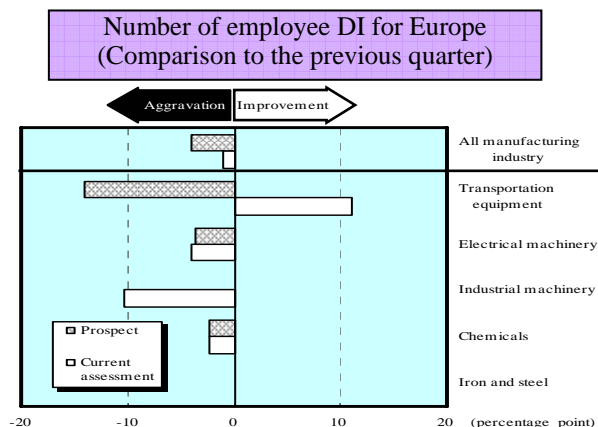
The overall Prospects DI (15.4 percentage points) declined slightly by 1.3 points compared to the overall Current Assessment DI for the current quarter. The Prospects DI for the iron and steel sector (33.3 percentage points) worsened by 13.4 points (id.), while that for the chemicals sector (12.1 percentage points) and the electrical machinery sector (7.9 percentage points) worsened by 12.9 points (id.) and 5.0 points (id.), respectively. The Prospects DI for the industrial machinery sector (17.2 percentage points) showed an increase of 9.5 points (id.), and that for the transportation equipment sector (37.0 percentage points) also increased by 7.3 points (id.).

Number of employee DI for China  
(Comparison to the previous quarter)

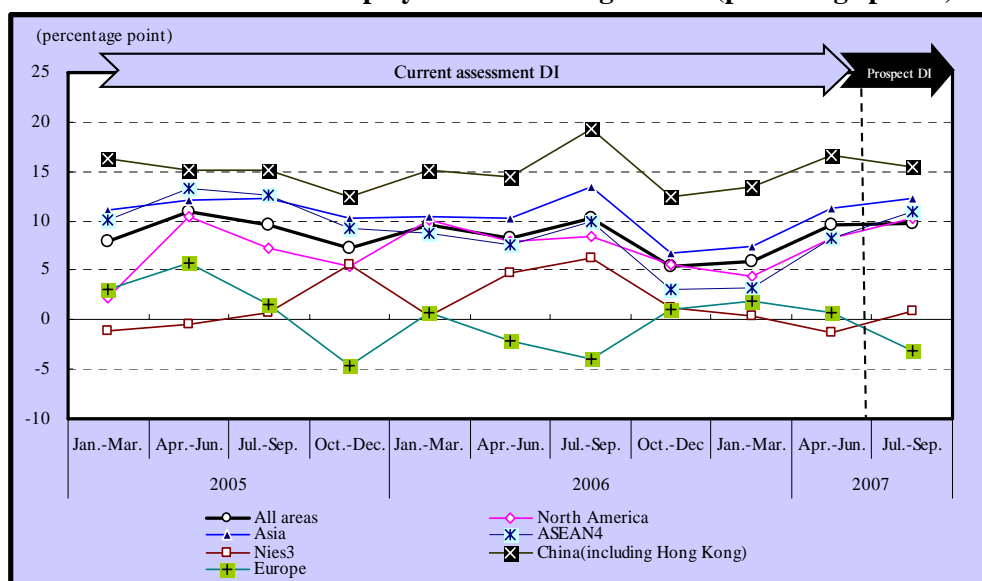


## Europe

The overall Prospects DI (-3.2 percentage points) worsened by 4.0 points compared to the overall Current Assessment DI for the current quarter. The Prospects DI for the transportation equipment sector (-1.6 percentage points), the electrical machinery sector (0.0 percentage points) and the chemicals sector (-6.8 percentage points) declined by 14.1 points (id.), 3.6 points (id.) and 2.4 points (id.), respectively. The Prospects DI for the industrial machinery sector (7.9 percentage points) and the iron and steel sector (0.0 percentage points) remained flat at 0.0 points (id.).



**Chart 3-1 Number of employee DI according to area (percentage points)**



## (2) Actual Results

The overall number of employees stood at 2.99 million, registering a continued increase of 3.4% from the same quarter of the previous year. By industry, the number of employees increased in nine out of 13 industries. The number of employees in the iron and steel sector stood at 20,000, up by 15.6%, registering an increase for the fourth consecutive quarter, and that in the transportation equipment sector stood at 860,000, up by 13.3% (id.), registering an increase for the fifth consecutive quarter. The number of employees in the industrial machinery sector continued to increase, up by 2.9% (id.) to 180,000, registering a single-digit increase for the third consecutive quarter. The number of employees in the chemicals sector increased to 120,000, up slightly by 0.7% (id.). Employment in the electrical machinery sector showed a decrease of 1.5% (id.) to 1,190,000, down for the first time in 19 quarters since the July-September quarter of 2002.

(Table 11)

**Table 11 Actual result of Number of employee (according to area /industrial classification)**

Number of employee	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
Total (All areas)	4.7	5.5	4.3	3.1	3.4
North america	-1.2	0.0	-1.9	-3.3	1.0
Asia	6.5	6.9	5.4	4.4	4.0
ASEAN4	2.8	3.1	2.8	0.3	1.8
NIEs3	1.2	0.6	2.9	-0.3	-3.1
China(including Hong Kong)	9.6	10.1	6.9	7.2	5.0
Europe	-0.1	2.4	1.8	0.1	0.0

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
Total (All manufacturing industry)	4.7	5.5	4.3	3.1	3.4
Transportation equipment	7.3	8.4	7.4	7.9	13.3
Electrical machinery	4.2	5.8	4.3	1.6	-1.5
Industrial machinery	11.6	11.6	5.2	5.8	2.9
Chemicals	-1.0	-0.8	2.7	1.2	0.7
Iron and steel	-1.9	4.6	3.4	14.0	15.6

(Unit : percentage)



In Asia, the number of employees continued to increase, up by 4.0% from the same quarter of the previous year. The number of employees in China continued to increase, up by 5.0% (id.), because the number continued to increase significantly in the transportation equipment sector, up by 21.9% (id.), and increases were also observed in the industrial machinery sector and the iron and steel sector. The number of employees in ASEAN4 continued to increase, up by 1.8% (id.), because there were continued increases in the transportation equipment sector and the iron and steel sector and the industrial machinery sector also showed a slight increase, although the electrical machinery sector showed a decrease for the second consecutive quarter. In spite of increases in the industrial machinery sector and the chemicals sector, employment in NIEs3 decreased by 3.1% (id.), down for the second consecutive quarter, due to a significant decrease in the transportation equipment sector and a decrease in the electrical machinery sector. In spite of a continued increase in the transportation equipment sector, employment in Europe remained flat at 0.0% (id.), because the industrial machinery sector registered a decrease for the second consecutive quarter and the electrical machinery sector and the chemicals sector also showed decreases. In North America, employment increased slightly by 1.0% (id.), because the iron and steel sector increased significantly for the second consecutive quarter and there were also increases in the transportation equipment sector and the chemicals sector, although the industrial machinery sector registered a decrease for the third consecutive quarter and the electrical machinery sector also showed a decrease. (Table 12)

**Table 12 Actual result of number of employee for main industries by area**

**North america**

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	-1.2	0.0	-1.9	-3.3	1.0
Transportation equipment	2.5	2.4	0.7	0.7	7.4
Electrical machinery	-8.0	-1.7	-5.0	-6.1	-2.7
Industrial machinery	3.3	4.0	-7.9	-9.4	-5.6
Chemicals	-1.7	-1.0	5.0	1.7	1.7
Iron and steel	-13.4	1.2	1.7	36.8	34.6

**Asia**

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	6.5	6.9	5.4	4.4	4.0
Transportation equipment	10.3	12.7	10.9	11.1	15.8
Electrical machinery	5.5	6.0	4.4	2.3	-0.6
Industrial machinery	16.7	15.8	8.5	14.1	8.6
Chemicals	1.5	2.0	5.0	2.7	2.7
Iron and steel	1.8	5.4	3.6	7.1	10.0

**ASEAN4**

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	2.8	3.1	2.8	0.3	1.8
Transportation equipment	3.4	6.9	7.9	4.5	11.5
Electrical machinery	1.3	0.8	0.8	-2.7	-3.3
Industrial machinery	8.5	4.4	5.0	4.5	1.4
Chemicals	-0.7	-0.1	-0.5	0.4	2.4
Iron and steel	1.3	0.4	-2.1	0.8	6.1

**NIEs3**

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	1.2	0.6	2.9	-0.3	-3.1
Transportation equipment	7.4	-0.1	-8.6	-9.7	-15.8
Electrical machinery	0.6	1.1	4.9	1.5	-4.4
Industrial machinery	0.3	0.6	2.9	0.8	3.7
Chemicals	10.1	14.6	16.1	4.0	1.3
Iron and steel	-	-	-	-	-

**China(including Hong Kong)**

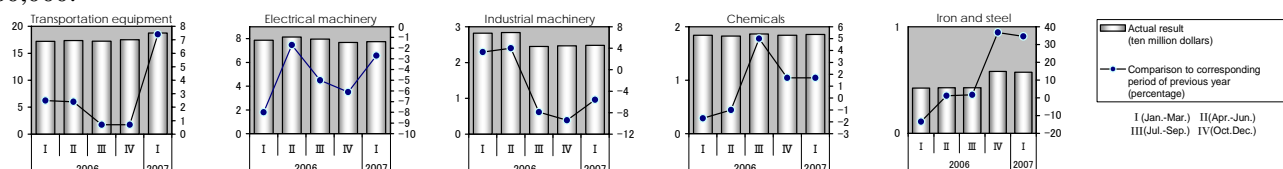
Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	9.6	10.1	6.9	7.2	5.0
Transportation equipment	18.8	24.2	15.9	23.6	21.9
Electrical machinery	9.1	10.6	6.8	5.8	1.4
Industrial machinery	25.1	24.6	9.2	17.5	9.4
Chemicals	1.5	0.4	9.5	4.8	2.7
Iron and steel	5.6	0.9	-0.3	3.6	4.3

**Europe**

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006				2007
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
All manufacturing industry	-0.1	2.4	1.8	0.1	0.0
Transportation equipment	5.4	4.7	5.1	6.2	6.5
Electrical machinery	-7.6	3.3	1.2	-1.0	-3.6
Industrial machinery	3.7	5.4	5.8	-10.7	-11.8
Chemicals	-6.7	-7.2	-3.7	-2.6	-4.6
Iron and steel	-	-	-	-	-

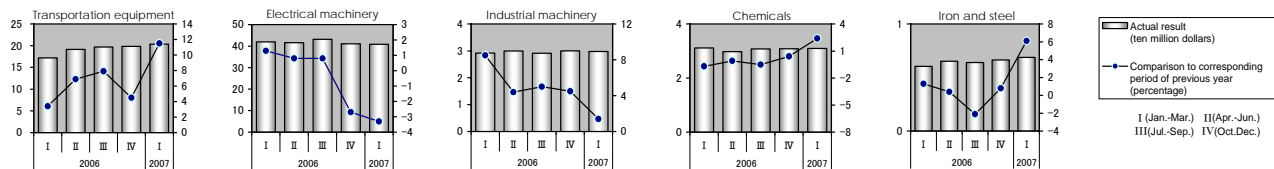
**North America**

The overall number of employees was 420,000 (14.2% of the total number of employees in all regions), showing an increase for the first time in three quarters, up by 1.0% from the same quarter of the previous year. The number of employees in the iron and steel sector increased significantly for the second consecutive quarter, up by 34.6% to 6000, and that in the transportation equipment sector continued to increase, up by 7.4% (id.) to 190,000. Employment in the chemicals sector increased slightly for the second consecutive quarter, up by 1.7% (id.) to 20,000. In contrast, employment in the industrial machinery sector decreased by 5.6% (id.) to 20,000, down for the third consecutive quarter, and that for the electrical machinery sector also continued to decrease, falling by 2.7% (id.) to 80,000.



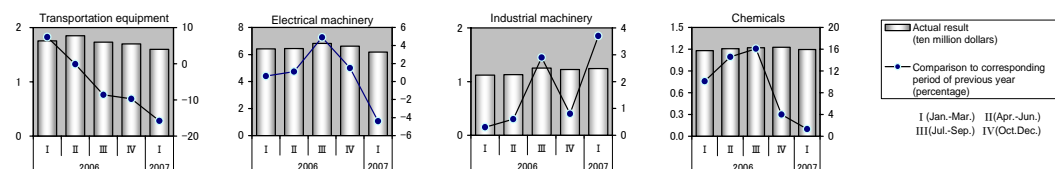
## ASEAN4

The overall number of employees continued to increase to 870,000 (29.0% of the total number of employees in all regions), up by 1.8% compared to the same quarter of the previous year. The number of employees in the transportation equipment sector continued to increase, up by 11.5% (id.) to 200,000. Employment in the iron and steel sector and the chemicals sector increased for the second consecutive quarter, up by 6.1% to 7000 and up by 2.4% (id.) to 30,000, respectively. Employment in the industrial machinery sector increased slightly, up by 1.4% (id.) to 30,000. Meanwhile, the number of employees in the electrical machinery sector showed a decrease of 3.3% (id.) to 410,000, down for the second consecutive quarter.



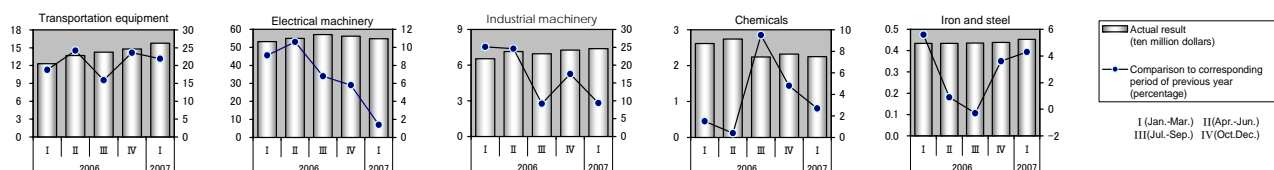
## NIEs3

The overall number of employees was 130,000 (4.4% of the total number of employees in all regions), down by 3.1% from the same quarter of the previous year. This was a decrease for the second consecutive quarter. The number of employees in the transportation equipment sector stood at 20,000, down significantly by 15.8% (id.). A decrease was continuously notable in Taiwan. Employment in the electrical machinery sector showed a decrease of 4.4% (id.) to 60,000, registering the first decrease in five quarters. Employment in the industrial machinery sector increased by 3.7% (id.) to 10,000, up for the fifth consecutive quarter, and that in the chemicals sector continued to increase, up by 1.3% (id.) to 10,000.



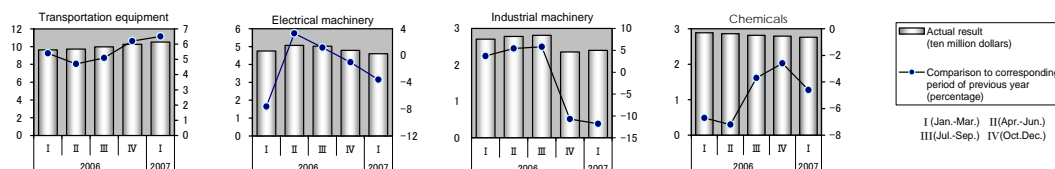
## China(including Hong Kong)

The overall number of employees was 990,000 (33.2% of the total number of employees in all regions), a continued increase of 5.0% from the same quarter of the previous year. There were continued increases in the number of employees in the transportation equipment sector (up by 21.9% (id.) to 160,000) and the industrial machinery sector (up by 9.4% (id.) to 70,000). Employment in the iron and steel sector increased by 4.3% (id.) to 4,000, up for the second consecutive quarter, and that in the chemicals sector also continued to increase, up by 2.7% (id.) to 20,000. Employment in the electrical machinery sector increased slightly by 1.4% (id.) to 550,000, but the growth rate declined for the fourth consecutive quarter.



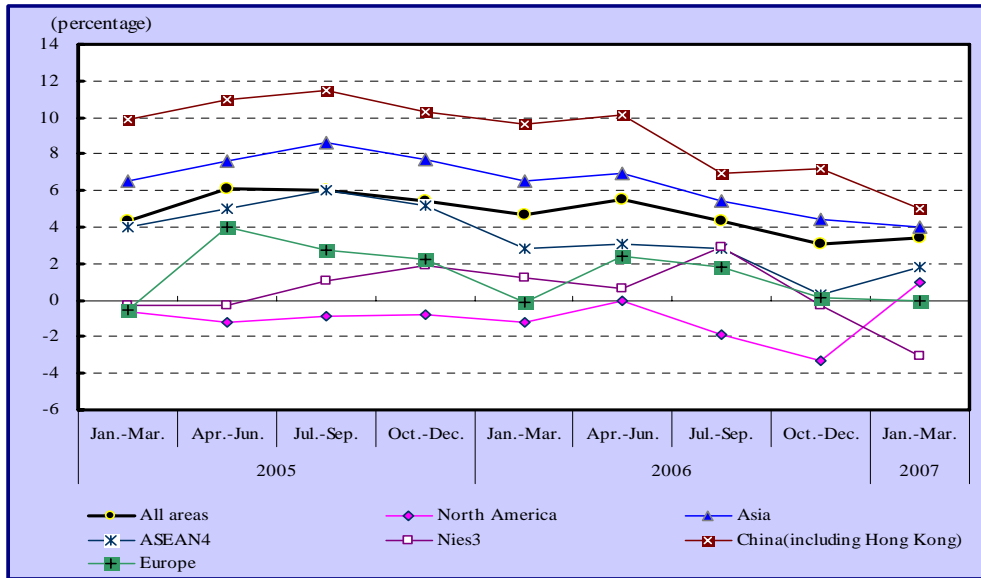
## Europe

The overall number of employees was 250,000 (8.5% of the total number of employees in all regions), remaining flat at 0.0% from the same quarter of the previous year. The number of employees in the transportation equipment sector was 110,000, up by 6.5% (id.), marking 13 consecutive quarters of growth. The number of employees in the industrial machinery sector stood at 20,000, down by 11.8% (id.), a decrease for the second consecutive quarter. Employment in the chemicals sector was 30,000, down by 4.6% (id.), marking the seventh consecutive decline. There was also a decrease in employment in the electrical machinery sector, down by 3.6% (id.) to 50,000, which was a decrease for the second consecutive quarter.





**Chart 3-2 Actual result of the number of employee according to area  
(Comparison of the same quarter of the previous year)**



## (Reference)

### 1. Classification of countries (regions)

The countries (regions) in which overseas subsidiaries were located were classified as follows (in alphabetical order):

• North America: Canada and USA

• Asia

ASEAN4: Indonesia, Malaysia, the Philippines, Thailand

NIEs3: Singapore, Taiwan, Republic of Korea

China (including Hong Kong): the People's Republic of China

(including Hong Kong Special Administrative District)

Other Asia: (including Bangladesh, India, Myanmar, Pakistan, Sri Lanka and Vietnam )

• Europe: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Poland, Portugal, Romania, Russia, Slovakia, Spain, Sweden, Switzerland, Turkey, UK

• Others: Argentina, Australia, Brazil, Chile, Colombia, Costa Rica, Egypt, El Salvador, Guatemala, the Republic of Ivory Coast, Mexico, New Zealand, Nicaragua, Papua New Guinea, Peru, Puerto Rico (USA), South Africa, Swaziland, Tanzania, UAE, Venezuela

### 2. Changes in the exchange rates of major currencies against the US dollar, by region

(Average term rates published by IMF)

	Oct.-Dec. 2005	Jan.-Mar. 2006	Apr.-Jun. 2006	Jul.-Sep. 2006	Oct.-Dec. 2006	Jan.-Mar. 2007
Yen	117.29	116.88	114.42	116.19	117.71	119.43
ASEAN4						
Rupiah (Indonesia)	9999.6	9274.9	9115	9122.5	9124.9	9107.2
Ringgit (Malaysia)	3.7768	3.7275	3.6627	3.6681	3.6252	3.4984
Peso (Philippines)	54.627	51.884	52.215	51.387	49.771	48.604
Baht (Thailand)	40.987	39.288	38.071	37.643	36.526	35.544
NIEs3						
Won (Republic of Korea)	1036.63	976.35	949.77	954.98	938.48	939.1
Dollar (Singapore)	1.881	1.6280	1.5897	1.5793	1.5588	1.5322
Dollar (Taiwan)	33.457	32.3223	32.1843	32.7763	32.851	32.9163
People's Republic of China (Hong Kong is including)						
Yuan (People's Republic of China)	8.0831	8.0503	8.0123	7.9668	7.8644	7.7611
Dollar (Hong Kong)	7.754	7.757	7.758	7.776	7.78	7.808
Europe						
Pound (United Kingdom)	1.7481	1.7526	1.8266	1.8745	1.9168	1.9545
Euro (Euro Area)	0.8415	0.8320	0.7963	0.7849	0.7754	0.7632

INTERNATIONAL FINANCIAL STATISTICS (IMF)

3. Record of changes in the content of the survey (For details, refer to materials published for each term.)

○ **The October-December quarter of 1996, and January-March quarter of 1997**

A test survey was conducted, and findings were published under the approval of the Management and Coordination Agency.

○ **From the April-June quarter of FY 1998**

- 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 July-September, and January-March. Accordingly, the results and prospects of surveys are conducted semi-annually instead of quarterly. The content of the surveys was also changed from "tangible fixed assets completed or acquired except land during the term" to "tangible fixed assets acquired (including temporary construction accounts) except land during the term." With regard to parent companies, findings of the "Ministry of International Trade and Industry Survey on Investment in Plant and Equipment" were used.
- Quarterly prospects were also changed to semi-annual prospects.

○ **From the April-June quarter of FY 1999**

- A coefficient of connection was created and used for data before fiscal 1997 (the January-March quarter of 1998) to maintain consistency with 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 methods, results were decided not by the rate of increase compared with the previous term, but by the rate of increase compared with the same period of the previous year.

○ **From the April-June quarter of FY 2001**

- "Company Trends Survey" was renewed by combining the "Industry Economic Trends Survey" with the "Company Trends Survey," both of which had been under the control of the Ministry of Economy, Trade and Industry. In addition, the "Overseas Affiliated Company Edition" was published separately from the "Parent Company Edition."

○ **From the April-June quarter of FY 2002**

- A coefficient of connection was created and used for data before fiscal 2000 (the January-March quarter of 2001) to maintain consistency with past data, because companies included in the survey, questions to be asked, and other items surveyed were reviewed in order to reorganize and consolidate the surveys (the April-June quarter of 2001 and later).
- Region/country classifications were revised to separate "China (including Hong Kong)" from "China and other Asian countries," and create another independent category.

○ **The April-June quarter of FY 2003**

- The "Parent Company Survey" in the former "Company Trend Survey" was discontinued, and from the April-June quarter of 2003 the survey was conducted as the "Quarterly Survey of Overseas Subsidiaries," which was focused on overseas subsidiaries conducting manufacturing abroad.  
Since companies included in the survey were reviewed and the scope of the survey was expanded (as defined on Page 1: "Outline of the survey" (4)-(iii)③, from "over 50% of a controlling share" to "50% or more of a controlling share") beginning with the April-June quarter of 2003, differences between results for this quarter and those of previous quarters have become apparent. The ratio to the same period of the previous year is estimated only on the basis of the total figures of companies which were continuously included in the survey from the previous fiscal year to the current quarter.

#### ○ **The April – June quarter of FY 2004**

- From the survey for the April – June quarter of 2004, the period of the DI survey was changed. The former six-month survey period was divided into: “estimation of the present assessment of the current situation” and “future prospects,” and both were surveyed for three months respectively.
- Due to the review of companies covered by the survey from the April – June quarter of 2004, there is a gap between the results of that quarter and those of previous quarters. Comparisons between the current quarter and the corresponding quarter of the previous year are calculated by totaling figures only for overseas subsidiaries continuously covered by the survey since the corresponding quarter of the previous year.
- The coefficient of connection was calculated and used for data before FY2002 (the January – March quarter of 2003) to maintain consistency with past data, because companies included in the survey were reviewed and the scope of the survey was expanded.
- Classification of regions and countries was changed, and the category of “other Asian countries,” which used to be included under the totals for “Asia”, was extracted and listed separately.

#### ○ **The April – June quarter of FY2005**

- The coefficient of connection was calculated and used for data before FY2003 (the January – March quarter of 2004) to maintain consistency with past data, because companies included in the survey were reviewed.

#### ○ **The April – June quarter of FY2006**

- The coefficient of connection was calculated and used for data before FY2004 (the January – March quarter of 2005) to maintain consistency with past data, because companies included in the survey were reviewed.

#### 4. Calculation of the coefficient of connection

There is a gap between the results of the April - June quarter of 2005 and the totals before the January - March quarter of 2005, due to the expansion of the scope of the survey since the April - June quarter of 2005.

Therefore, comparisons between the current quarter and the corresponding quarter of the previous year since the April - June quarter of 2005 are calculated by totaling the figures only for overseas subsidiaries continuously covered by the survey from FY2004 to the April - June quarter of 2005.

On publication of the survey results of FY2006, to retain continuity with the past results, the coefficient of connection was calculated based on the scope of the FY2005 survey.

##### (1) Period of connection

Pre-FY2004 figures (October - December quarter of 1996 to January - March quarter of 2005) are connected to FY2005 figures (April - June quarter of 2005 to January - March quarter of 2006).

##### (2) Coefficient of connection

When comparing the period up to FY2004 with FY2005, the coefficient of connection used for the former period is calculated by multiplying the following two factors.

- Factors that were newly included in the survey in FY2005 and should be considered to be an increase ----- (A)
- Factors that were outside the scope of the survey in FY2005 and should be considered to be a decrease ----- (B)

Coefficient of connection

(A)

$$= \left[ \frac{\text{Results of FY2005 (companies covered continuously + Newly covered companies)}}{\text{Results of FY2005 companies covered continuously}} \right] \times \left[ \frac{\text{Results of FY2004 companies covered continuously}}{\text{Results of FY2004}} \right]$$

(B)

\*Companies covered continuously are those covered by the survey continuously through FY2004 and FY2005

##### (3) Scope of coefficient processing

All cells for regions × industries × items, which are the officially published form.

Among the survey items, the coefficient of connection is not calculated with regard to the purchase value of tangible fixed assets (other than land).

##### (4) Processing of official value

- “Actual figure” → The actual figure without coefficient processing is given.  
 “Coefficient of connection” is given separately for connection.  
 Therefore, when the actual figure is used in connection, the actual figure before FY2004 should be multiplied with the coefficient of connection, which is given separately.
- “Ratio compared to same quarter of previous year”  
 → The published ratio compared to the same quarter of the previous year was calculated by totaling figures only for overseas subsidiaries continuously covered by the survey from FY2004 to the April - June quarter of FY2005.

\*Coefficient of connection table is on p.46 and p.47 of Statistical Tables.

< Appendix table 1 > Sales result

Units (results : US\$10,000; number of employees:persons, comparison to the same quarter of the previous year :percentage)

All areas	Statistics (US\$10,000)																	
	FY 2005						FY 2006						comparison to the same quarter of the previous year					
	2006		2007		2006		2007		2006		2007		2006		2007			
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.		
Total value of electrical machinery	17,673,322	18,629,880	4,378,960	4,392,575	4,720,440	4,966,516	4,550,359	4,960,334	4,960,334	4,960,334	4,960,334	4,960,334	4,960,334	4,960,334	4,960,334	4,960,334		
Electrical machines and apparatuses	3,688,915	3,900,145	960,312	922,617	999,255	960,334	1,017,939	960,334	960,334	960,334	960,334	960,334	960,334	960,334	960,334	960,334		
Information and communications machines and equipment	8,456,472	8,946,508	2,083,007	2,049,368	2,184,647	2,443,499	2,184,647	2,443,499	2,443,499	2,443,499	2,443,499	2,443,499	2,443,499	2,443,499	2,443,499	2,443,499		
Electronic parts and devices	5,527,934	5,783,237	1,335,641	1,420,590	1,452,191	1,562,683	1,347,773	1,562,683	1,562,683	1,562,683	1,562,683	1,562,683	1,562,683	1,562,683	1,562,683	1,562,683		
Total value of transportation equipment	27,074,730	30,153,667	7,145,774	7,445,595	7,051,785	7,577,269	8,079,018	7,577,269	7,577,269	7,577,269	7,577,269	7,577,269	7,577,269	7,577,269	7,577,269	7,577,269		
Transportation machines and equipment	20,134,713	21,970,436	5,297,248	5,465,857	5,148,885	5,506,768	5,848,936	5,506,768	5,506,768	5,506,768	5,506,768	5,506,768	5,506,768	5,506,768	5,506,768	5,506,768		
Parts and accessories for transportation machinery	6,940,017	8,183,231	1,848,527	1,979,738	1,902,900	2,070,511	2,230,082	2,070,511	2,070,511	2,070,511	2,070,511	2,070,511	2,070,511	2,070,511	2,070,511	2,070,511		

North America	Statistics (US\$10,000)																	
	FY 2005						FY 2006						comparison to the same quarter of the previous year					
	2006		2007		2006		2007		2006		2007		2006		2007			
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.		
Total value of electrical machinery	4,042,533	4,292,916	1,022,962	1,020,879	1,095,157	1,142,510	1,034,369	1,142,510	1,142,510	1,142,510	1,142,510	1,142,510	1,142,510	1,142,510	1,142,510	1,142,510		
Electrical machines and apparatuses	747,415	793,769	203,937	193,937	196,785	190,685	212,361	190,685	190,685	190,685	190,685	190,685	190,685	190,685	190,685	190,685		
Information and communications machines and equipment	2,701,960	2,867,382	663,024	664,372	738,947	799,866	664,198	799,866	799,866	799,866	799,866	799,866	799,866	799,866	799,866	799,866		
Electronic parts and devices	593,158	631,765	156,002	162,570	159,425	151,960	157,810	151,960	151,960	151,960	151,960	151,960	151,960	151,960	151,960	151,960		
Total value of transportation equipment	13,959,693	14,242,639	3,644,670	3,711,725	3,286,022	3,531,375	3,713,517	3,531,375	3,531,375	3,531,375	3,531,375	3,531,375	3,531,375	3,531,375	3,531,375	3,531,375		
Transportation machines and equipment	10,593,824	10,520,428	2,733,937	2,785,534	2,413,592	2,608,932	2,712,370	2,608,932	2,608,932	2,608,932	2,608,932	2,608,932	2,608,932	2,608,932	2,608,932	2,608,932		
Parts and accessories for transportation machinery	3,365,869	3,722,210	910,732	926,191	872,430	922,442	1,001,147	922,442	922,442	922,442	922,442	922,442	922,442	922,442	922,442	922,442		

Asia	Statistics (US\$10,000)																	
	FY 2005						FY 2006						comparison to the same quarter of the previous year					
	2006		2007		2006		2007		2006		2007		2006		2007			
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.		
Total value of electrical machinery	9,152,524	9,416,779	2,196,105	2,217,507	2,514,142	2,390,412	2,294,718	2,390,412	2,390,412	2,390,412	2,390,412	2,390,412	2,390,412	2,390,412	2,390,412	2,390,412		
Electrical machines and apparatuses	2,500,607	2,692,107	645,947	631,890	707,094	650,736	702,986	650,736	650,736	650,736	650,736	650,736	650,736	650,736	650,736	650,736		
Information and communications machines and equipment	3,212,879	3,290,124	730,160	745,604	904,376	859,196	780,947	859,196	859,196	859,196	859,196	859,196	859,196	859,196	859,196	859,196		
Electronic parts and devices	3,439,039	3,434,549	819,993	840,012	902,671	880,480	811,385	880,480	880,480	880,480	880,480	880,480	880,480	880,480	880,480	880,480		
Total value of transportation equipment	6,304,659	7,969,129	1,731,915	1,816,954	1,910,511	2,064,496	2,177,168	2,064,496	2,064,496	2,064,496	2,064,496	2,064,496	2,064,496	2,064,496	2,064,496	2,064,496		
Transportation machines and equipment	4,006,938	5,043,498	1,117,079	1,131,034	1,216,787	1,311,047	1,384,629	1,311,047	1,311,047	1,311,047	1,311,047	1,311,047	1,311,047	1,311,047	1,311,047	1,311,047		
Parts and accessories for transportation machinery	2,297,720	2,925,631	614,836	685,920	693,724	753,448	792,539	753,448	753,448	753,448	753,448	753,448	753,448	753,448	753,448	753,448		

ASEAN4	Statistics (US\$10,000)																	
	FY 2005						FY 2006						comparison to the same quarter of the previous year					
	2006		2007		2006		2007		2006		2007		2006		2007			
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.		
Total value of electrical machinery	3,687,151	3,672,822	868,588	861,078	974,749	919,639	917,357	919,639	919,639	919,639	919,639	919,639	919,639	919,639	919,639	919,639		
Electrical machines and apparatuses	994,197	1,035,438	267,590	252,035	250,028	247,055	286,320	247,055	247,055	247,055	247,055	247,055	247,055	247,055	247,055	247,055		
Information and communications machines and equipment	1,413,243	1,396,973	301,319	310,041	396,062	366,502	324,368	366,502	366,502	366,502	366,502	366,502	366,502	366,502	366,502	366,502		
Electronic parts and devices	1,279,712	1,240,412	299,679	299,021	328,659	306,083	306,668	306,083	306,083	306,083	306,083	306,083	306,083	306,083	306,083	306,083		
Total value of transportation equipment	3,421,257	3,962,530	875,841	902,758	985,272	1,041,109	1,033,391	1,041,109	1,041,109	1,041,109	1,041,109	1,041,109	1,041,109	1,041,109	1,041,109	1,041,109		
Transportation machines and equipment	2,329,566	2,678,767	594,615	602,912	670,976	702,679	702,200	702,679	702,679	702,679	702,679	702,679	702,679	702,679	702,679	702,679		
Parts and accessories for transportation machinery	1,091,692	1,283,763	281,226	299,846	314,296	338,429	331,191	338,429	338,429	338,429	338,429	338,429	338,429	338,429	338,429	338,429		

NIEs3	Statistics (US\$10,000)																	
	FY 2005						FY 2006						comparison to the same quarter of the previous year					
	2006		2007		2006		2007		2006		2007		2006		2007			
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.		
Total value of electrical machinery	1,544,764	1,588,105	369,351	386,834	423,456	402,980	374,835	402,980	402,980	402,980	402,980	402,980	402,980	402,980	402,980	402,980		
Electrical machines and apparatuses	231,128	243,190	58,526	61,578	64,637	58,772	58,203	58,772	58,772	58,772	58,772	58,772	58,772	58,772	58,772	58,772		
Information and communications machines and equipment	451,221	508,229	110,015	119,981	133,444	127,184	127,620	127,184	127,184	127,184	127,184	127,184	127,184	127,184	127,184	127,184		
Electronic parts and devices	862,415	836,685	200,811	205,275	225,374	217,024	189,012	217,024	217,024	217,024	217,024	217,024	217,024	217,024	217,024	217,024		
Total value of transportation equipment	565,317	488,748	143,144	141,123	105,336	123,194	119,095	123,194	123,194	123,194	123,194	123,194	123,194	123,194	123,194	123,194		
Transportation machines and equipment	337,862	234,571	82,903	72,313	46,962	55,711	59,585	55,711	55,711	55,711	55,711	55,711	55,711	55,711	55,711	55,711		
Parts and accessories for transportation machinery	227,455	254,178	60,241	68,811	58,374	67,483	59,510	67,483	67,483	67,483	67,483	67,483	67,483	67,483	67,483	67,483		

	Statistics (US\$10,000)												comparison to the same quarter of the previous year											
	FY 2005						FY 2006						FY 2005						FY 2006					
	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.				
China(including Hong Kong)	Statistics (US\$10,000)												comparison to the same quarter of the previous year											
Total value of electrical machinery	3,818,912	P	4,044,925	931,960	943,540	1,088,001	1,039,979	P	973,405	10.2	P	4.3	7.2	4.1	5.8	2.8	P	4.2						
Electrical machines and apparatuses	1,253,702	P	1,391,170	314,029	312,549	387,063	339,771	P	351,788	4.6	P	7.3	4.8	-0.3	15.4	5.9	P	7.7						
Information and communications machines and equipment	1,282,703	P	1,315,669	302,698	299,719	357,133	347,880	P	310,937	14.9	P	2.0	10.0	-2.4	3.2	4.6	P	2.4						
Electronic parts and devices	1,282,507	P	1,338,086	315,234	331,273	343,805	352,329	P	310,680	12.3	P	3.5	7.0	16.8	-0.8	-1.5	P	2.1						
Total value of transportation equipment	1,529,841	P	2,565,595	504,262	562,679	589,179	666,787	P	746,951	40.6	P	50.5	39.0	92.9	42.0	41.4	P	44.3						
Transportation machines and equipment	661,318	P	1,316,548	260,700	275,446	298,774	353,353	P	388,976	94.7	P	71.3	95.4	154.1	57.3	89.1	P	49.2						
Parts and accessories for transportation machinery	868,522	P	1,249,047	243,563	287,233	290,405	313,434	P	357,975	21.3	P	34.4	13.9	65.9	28.1	14.8	P	38.9						
Other Asia	Statistics (US\$10,000)												comparison to the same quarter of the previous year											
Total value of electrical machinery	101,696	P	110,927	26,206	26,055	27,937	27,814	P	29,121	14.1	P	8.9	3.7	3.4	6.7	15.0	P	10.8						
Electrical machines and apparatuses	21,580	P	22,309	5,803	5,730	5,366	5,138	P	6,075	29.4	P	3.4	34.7	2.3	0.9	5.8	P	4.7						
Information and communications machines and equipment	65,712	P	69,253	16,134	15,863	17,737	17,631	P	18,021	9.0	P	5.4	-7.0	-3.8	1.4	13.0	P	11.7						
Electronic parts and devices	14,404	P	19,365	4,269	4,463	4,833	5,045	P	5,025	18.3	P	33.2	17.6	43.8	42.9	35.5	P	15.8						
Total value of transportation equipment	788,244	P	952,256	208,667	210,394	230,724	233,406	P	277,732	18.3	P	20.1	15.4	8.2	14.0	26.0	P	31.9						
Transportation machines and equipment	678,192	P	813,612	178,861	180,364	200,076	199,303	P	233,869	17.4	P	19.4	16.0	6.9	14.1	26.3	P	30.2						
Parts and accessories for transportation machinery	110,052	P	138,644	29,806	30,031	30,648	34,102	P	43,863	24.4	P	24.7	12.1	16.1	13.4	24.7	P	42.5						
Europe	Statistics (US\$10,000)												comparison to the same quarter of the previous year											
Total value of electrical machinery	4,191,135	P	4,617,556	1,092,425	1,087,909	1,041,683	1,331,869	P	1,156,096	1.6	P	10.0	3.0	16.4	11.3	7.8	P	5.9						
Electrical machines and apparatuses	404,828	P	375,010	100,966	88,564	87,115	106,896	P	93,435	-14.3	P	-9.1	-13.7	-8.0	-11.0	-8.3	P	-9.3						
Information and communications machines and equipment	2,400,013	P	2,631,415	651,702	605,682	587,728	734,864	P	703,141	2.3	P	9.4	2.9	15.1	11.9	4.7	P	7.7						
Electronic parts and devices	1,386,294	P	1,611,131	339,757	393,663	366,840	491,109	P	359,520	5.8	P	16.7	9.3	26.1	17.1	17.4	P	6.9						
Total value of transportation equipment	3,811,171	P	4,199,837	969,213	1,059,703	935,246	1,020,223	P	1,184,666	10.0	P	8.7	3.2	3.6	-0.5	11.1	P	20.7						
Transportation machines and equipment	2,823,454	P	3,058,345	723,014	778,805	689,614	732,506	P	857,419	12.0	P	8.3	6.6	7.4	0.9	5.8	P	18.6						
Parts and accessories for transportation machinery	987,716	P	1,141,492	246,199	280,898	245,631	287,716	P	327,247	4.6	P	9.9	-5.8	-6.2	-4.4	28.8	P	27.1						
Other	Statistics (US\$10,000)												comparison to the same quarter of the previous year											
Total value of electrical machinery	287,129	P	302,639	67,467	66,280	69,458	101,725	P	65,176	5.9	P	5.4	10.4	12.8	7.5	5.7	P	-3.4						
Electrical machines and apparatuses	36,066	P	39,259	9,463	8,225	8,260	13,018	P	9,757	5.5	P	8.9	22.3	19.6	10.2	6.4	P	3.1						
Information and communications machines and equipment	141,620	P	157,588	38,116	33,711	37,943	49,573	P	36,361	10.0	P	11.3	15.9	7.4	26.3	17.8	P	-4.6						
Electronic parts and devices	109,444	P	105,792	19,889	24,345	23,255	39,134	P	19,058	1.1	P	-3.3	-2.7	18.6	-14.1	-6.7	P	-4.2						
Total value of transportation equipment	2,999,208	P	3,742,061	799,977	857,213	920,006	961,176	P	1,003,667	26.6	P	21.9	19.2	17.0	21.8	24.6	P	23.9						
Transportation machines and equipment	2,710,496	P	3,348,164	723,217	770,484	828,891	854,272	P	894,517	27.9	P	21.5	21.2	17.7	21.6	23.6	P	22.7						
Parts and accessories for transportation machinery	288,711	P	393,897	76,760	86,729	91,115	106,903	P	109,149	14.7	P	26.2	1.5	10.8	23.9	34.1	P	36.0						



<Appendix table 2 > Prospect for sale (D1)

(Unit:Percentage point)

All area	D 1											
	Jan-Mar. 2006 period investigation		Apr-Jun. 2006 period investigation		Jul-Sep. 2006 period investigation		Oct-Dec. 2006 period investigation		Jan-Mar. 2007 period investigation		Apr-Jun. 2007 period investigation	
	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment
Total value of electrical machinery	15.5	19.5	19.1	15.7	7.0	4.2	-3.2	11.4	10.6	13.8	18.5	7.9
Electrical machines and apparatuses	18.6	12.1	11.8	16.5	3.3	10.5	4.8	13.4	7.0	2.2	8.6	1.6
Information and communications machines and equipment	13.2	18.3	26.6	18.0	6.8	-0.5	-2.6	12.8	12.3	14.9	21.9	9.6
Electronic parts and devices	14.6	26.4	19.7	13.4	10.2	2.2	-9.9	9.1	12.3	22.2	24.0	11.7
Total value of transportation equipment	14.9	10.4	15.7	19.4	20.1	26.6	29.2	24.6	20.5	-8.7	22.3	1.8
Transportation machines and equipment	27.7	10.1	27.9	5.6	16.3	30.6	31.8	19.4	17.4	-14.4	19.2	1.8
Parts and accessories for transportation machinery	12.5	10.6	13.4	21.3	20.7	25.8	28.8	25.3	21.1	-7.7	22.7	1.6

North America	D 1											
	Jan-Mar. 2006 period investigation		Apr-Jun. 2006 period investigation		Jul-Sep. 2006 period investigation		Oct-Dec. 2006 period investigation		Jan-Mar. 2007 period investigation		Apr-Jun. 2007 period investigation	
	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment
Total value of electrical machinery	-10.9	8.0	-6.9	-1.4	-5.5	-2.8	-2.9	15.0	6.0	8.9	21.2	15.2
Electrical machines and apparatuses	-18.2	-13.6	-22.2	3.7	-34.6	-7.7	0.0	34.6	23.1	23.1	23.1	0.0
Information and communications machines and equipment	-8.7	17.4	8.7	4.3	16.0	-4.0	0.0	9.1	9.1	9.1	36.4	27.3
Electronic parts and devices	-5.3	22.2	-4.5	-14.3	4.8	5.3	-10.0	-5.3	-21.1	-11.1	0.0	21.1
Total value of transportation equipment	4.6	1.4	-5.6	14.3	21.1	30.0	31.4	22.3	17.7	-13.7	6.3	-11.4
Transportation machines and equipment	23.5	16.7	0.0	0.0	27.8	38.5	33.3	42.9	17.6	-15.7	0.0	-17.6
Parts and accessories for transportation machinery	2.2	0.0	-6.3	15.6	20.3	29.2	31.1	20.3	17.7	-13.4	6.8	-10.9

Asia	D 1											
	Jan-Mar. 2006 period investigation		Apr-Jun. 2006 period investigation		Jul-Sep. 2006 period investigation		Oct-Dec. 2006 period investigation		Jan-Mar. 2007 period investigation		Apr-Jun. 2007 period investigation	
	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment
Total value of electrical machinery	20.1	23.8	25.0	17.4	7.4	5.6	-4.7	13.9	12.9	17.6	18.5	5.6
Electrical machines and apparatuses	24.4	16.7	18.2	17.7	6.5	12.6	-0.6	12.7	8.0	8.6	8.3	0.3
Information and communications machines and equipment	15.5	22.3	33.6	18.9	3.5	2.1	2.2	15.8	13.0	10.8	17.4	4.4
Electronic parts and devices	19.8	29.7	24.8	16.4	10.3	2.5	-11.5	13.4	16.4	27.9	26.1	9.7
Total value of transportation equipment	21.8	24.5	35.6	30.8	22.9	28.9	29.7	27.7	24.1	-5.6	35.6	11.5
Transportation machines and equipment	25.5	14.3	40.4	12.2	14.6	30.2	27.7	9.5	14.6	-13.1	25.6	11.0
Parts and accessories for transportation machinery	21.2	26.9	34.5	33.7	24.4	28.4	30.0	30.7	25.9	-4.1	37.3	11.4

ASEAN4	D 1											
	Jan-Mar. 2006 period investigation		Apr-Jun. 2006 period investigation		Jul-Sep. 2006 period investigation		Oct-Dec. 2006 period investigation		Jan-Mar. 2007 period investigation		Apr-Jun. 2007 period investigation	
	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment
Total value of electrical machinery	16.6	22.3	23.9	6.8	6.1	4.8	-4.4	13.2	4.3	8.7	17.1	12.8
Electrical machines and apparatuses	17.5	11.1	13.3	3.3	5.1	11.9	0.0	1.9	-3.6	-3.6	-1.9	1.7
Information and communications machines and equipment	25.0	28.3	37.3	15.3	13.2	1.9	2.0	28.0	15.1	13.1	26.4	11.3
Electronic parts and devices	11.1	25.8	22.3	4.0	3.0	2.0	-10.3	11.8	3.0	13.3	22.2	19.2
Total value of transportation equipment	8.9	20.8	29.7	23.7	10.9	24.1	22.5	15.1	11.2	-11.3	28.2	17.0
Transportation machines and equipment	8.0	17.4	32.0	8.7	3.8	20.8	19.2	12.5	8.0	-11.2	26.1	18.1
Parts and accessories for transportation machinery	9.3	21.9	29.5	27.0	12.6	25.0	23.3	15.7	11.9	-11.4	28.7	16.8

NIES3	D 1											
	Jan-Mar. 2006 period investigation		Apr-Jun. 2006 period investigation		Jul-Sep. 2006 period investigation		Oct-Dec. 2006 period investigation		Jan-Mar. 2007 period investigation		Apr-Jun. 2007 period investigation	
	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment
Total value of electrical machinery	14.1	15.5	14.3	11.1	2.5	0.0	-13.9	1.3	6.4	20.3	14.5	8.1
Electrical machines and apparatuses	8.7	13.0	16.7	16.7	8.3	25.0	4.2	4.3	4.3	0.1	17.4	13.1
Information and communications machines and equipment	-16.7	-5.6	6.3	-6.3	-13.3	-6.7	0.0	-8.3	0.0	0.0	7.7	7.7
Electronic parts and devices	29.5	25.6	15.9	14.6	4.8	-12.2	-27.9	2.3	9.5	37.4	15.0	5.5
Total value of transportation equipment	3.4	-28.5	0.0	19.4	6.7	3.7	6.9	33.3	13.3	6.4	21.4	8.1
Transportation machines and equipment	-33.3	-100.0	0.0	-50.0	-33.3	0.0	50.0	0.0	33.3	-16.7	0.0	-33.3
Parts and accessories for transportation machinery	7.4	-23.1	0.0	24.1	11.1	4.0	3.7	34.6	11.1	7.4	23.1	12.0

China (including Hong Kong)	D 1											
	Jan-Mar. 2006 period investigation		Apr-Jun. 2006 period investigation		Jul-Sep. 2006 period investigation		Oct-Dec. 2006 period investigation		Jan-Mar. 2007 period investigation		Apr-Jun. 2007 period investigation	
	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment
Total value of electrical machinery	25.6	28.1	29.0	27.3	10.5	7.4	-3.6	17.0	21.6	25.2	19.8	-1.8
Electrical machines and apparatuses	35.6	23.0	22.0	28.6	7.4	10.6	-2.3	22.9	15.4	17.7	12.6	-2.8
Information and communications machines and equipment	16.1	22.6	34.8	26.2	0.0	2.9	1.6	6.3	17.2	15.6	10.2	-7.0
Electronic parts and devices	22.8	36.0	31.4	27.0	21.3	7.5	-8.3	18.9	29.9	38.2	32.3	2.4
Total value of transportation equipment	44.4	47.9	51.6	41.9	46.2	41.8	38.1	37.9	38.4	0.3	45.6	7.2
Transportation machines and equipment	55.6	25.0	62.5	16.7	50.0	28.6	25.0	-14.3	11.1	-13.9	25.0	13.9
Parts and accessories for transportation machinery	43.5	51.6	50.0	43.0	45.2	42.2	39.2	41.7	41.1	1.9	47.4	6.3

	D I															
	Jan-Mar. 2006 period investigation		Apr.-Jun. 2006 period investigation		Jul-Sep. 2006 period investigation		Oct.-Dec. 2006 period investigation		Jan.-Mar. 2007 period investigation		Apr.-Jun. 2007 period investigation					
	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment				
Europe	4.8	-1.6	4.9	23.3	23.5	-3.2	12.5	-11.1	P	-8.9	P	-21.4	P	14.8	P	-23.7
Total value of electrical machinery	19.0	9.5	-9.5	23.8	22.7	9.1	55.0	-5.3	P	-14.3	P	-69.3	P	-5.0	P	9.3
Electrical machines and apparatuses Information and communications machines and equipment	17.4	0.0	8.3	39.1	33.3	-13.0	-22.7	4.8	P	4.5	P	27.2	P	33.3	P	28.8
Electronic parts and devices	-26.3	-16.7	-18.8	0.0	11.1	-6.3	7.1	-42.9	P	-23.1	P	-30.2	P	15.4	P	38.5
Total value of transportation equipment	13.8	-25.0	-27.6	-13.2	17.7	10.1	22.5	15.9	P	12.7	P	-9.8	P	-6.7	P	-19.4
Transportation machines and equipment	44.4	-28.6	-11.1	-28.6	11.1	0.0	55.6	14.3	P	33.3	P	-22.3	P	-14.3	P	-47.6
Parts and accessories for transportation machinery	8.2	-24.5	-30.0	-11.5	18.9	11.5	17.7	16.1	P	9.3	P	-8.4	P	-5.7	P	-15.0

	D I															
	Jan-Mar. 2006 period investigation		Apr.-Jun. 2006 period investigation		Jul-Sep. 2006 period investigation		Oct.-Dec. 2006 period investigation		Jan.-Mar. 2007 period investigation		Apr.-Jun. 2007 period investigation					
	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment				
Other Asia	16.7	20.9	30.4	30.5	0.0	14.3	13.6	30.0	P	21.7	P	8.1	P	31.9	P	10.2
Total value of electrical machinery	0.0	0.0	16.7	0.0	0.0	0.0	0.0	0.0	P	16.7	P	16.7	P	0.0	P	-16.7
Electrical machines and apparatuses Information and communications machines and equipment	12.5	37.5	50.0	37.5	0.0	12.5	12.5	50.0	P	-14.3	P	-26.8	P	28.6	P	42.9
Electronic parts and devices	33.3	22.2	22.2	44.4	0.0	28.6	25.0	28.6	P	50.0	P	25.0	P	50.0	P	0.0
Total value of transportation equipment	40.7	34.7	51.6	40.0	22.2	34.6	54.9	46.7	P	41.9	P	-13.0	P	46.7	P	4.8
Transportation machines and equipment	60.0	22.2	54.5	30.0	27.3	60.0	45.5	20.0	P	27.3	P	-18.2	P	30.0	P	2.7
Parts and accessories for transportation machinery	29.4	41.2	50.0	45.0	18.8	18.8	60.0	60.0	P	50.0	P	-10.0	P	55.0	P	5.0

	D I															
	Jan-Mar. 2006 period investigation		Apr.-Jun. 2006 period investigation		Jul-Sep. 2006 period investigation		Oct.-Dec. 2006 period investigation		Jan.-Mar. 2007 period investigation		Apr.-Jun. 2007 period investigation					
	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment	Current assessment	Prospect assessment				
Other's	0.0	0.0	13.0	4.3	-8.7	8.7	-4.4	0.0	P	13.6	P	18.0	P	18.2	P	4.6
Total value of electrical machinery	-12.5	-12.5	37.5	12.5	0.0	25.0	14.3	0.0	P	-14.3	P	-28.6	P	0.0	P	14.3
Electrical machines and apparatuses Information and communications machines and equipment	20.0	0.0	9.1	-9.1	-25.0	0.0	-25.0	0.0	P	25.0	P	50.0	P	25.0	P	0.0
Electronic parts and devices	-33.3	33.3	-25.0	25.0	33.3	0.0	25.0	0.0	P	33.3	P	8.3	P	33.3	P	0.0
Total value of transportation equipment	12.1	6.4	25.5	13.4	0.0	21.6	29.2	24.4	P	18.6	P	-10.6	P	31.0	P	12.4
Transportation machines and equipment	30.0	12.5	50.0	10.0	9.1	44.4	27.3	33.3	P	16.7	P	-10.6	P	40.0	P	23.3
Parts and accessories for transportation machinery	4.3	4.3	17.1	14.3	-3.4	14.3	29.7	22.2	P	19.4	P	-10.3	P	28.1	P	8.7



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\* Time series tables for past data are available on the website at the above address.