

Trends in Overseas Subsidiaries

(Quarterly Survey of Overseas Subsidiaries)

Survey from April to June 2007 (Actual result/DI)

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Enterprise Statistics Office

Research and Statistics Department

Ministry of Economy, Trade and Industry

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 June 2007.

(The deadline for submitting survey responses for this quarter was August 15, 2007.)

(4) Survey targets

The survey covers companies that met all the following criteria as of the end of March 2007:

- 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 25-26 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
4,170	3,232	77.5%

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 24.)

(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 (new establishment company is included) 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

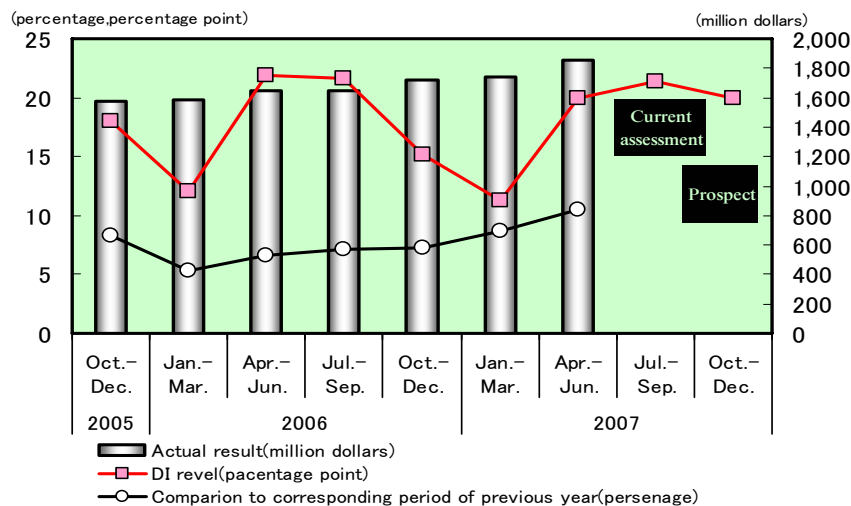
Total values for same quarter of the previous year for companies that submitted data both this quarter and
in the same quarter of the previous year

II. Survey Results

1. Trends in sales

- The Sales Current Assessment DI (July - September 2007) increased by 1.5 percentage points from the previous quarter, slightly growing in positive margin. The Prospects DI (October - December 2007) decreased by 1.5 percentage points, slightly falling in positive margin.
 - As for the Current Assessment DI, Europe turned into a negative figure, and North America decreased in positive margin, while Asia grew in positive margin.
 - As for the Prospects DI, Asia declined in positive margin, while North America slightly grew in positive margin, and Europe turned to a positive figure. All the regions stood at a double-digit positive DI, maintaining high business confidence.
- The actual results increased by 10.5% from the same quarter in the previous year, double-digit growth for the first time in seven quarters. In Asia, China reported a large growth for the second consecutive quarter as electrical machinery accelerated growth, though less than 10%, and transportation equipment and other sectors continued to grow. ASEAN4 reported a double-digit growth for the second consecutive quarter as transportation equipment and industrial machinery increased fast and electrical machinery increased for the second consecutive quarter. NIEs3 increased for the second consecutive quarter as chemicals and other sectors grew though transportation equipment continued to fall and electrical equipment also declined. North America turned to declining for the first time in seventeen quarters as iron & steel declined rapidly and industrial machinery and electrical machinery also declined though chemicals and transportation equipment grew. Europe reported a large growth for the second consecutive quarter as industrial machinery and transportation equipment increased fast though electrical machinery turned to declining. **(Chart 1)**

Chart 1 Sales DI and Actual result



(1) DI

The Sales Current Assessment DI (July - September 2007) stood at 21.4 percentage points, increasing in positive margin by 1.5 percentage points from the Current Assessment DI for the previous quarter (April - June 2007). The Prospects DI (October - December 2007) stood at 19.9 percentage points, slightly declining in positive margin by 1.5 percentage points from the Current Assessment DI for the current quarter (July - September 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]
	①Current assessment (2007.Apr.-Jun.)	②Current assessment (2007.Jul.-Sep.)	③Prospect (2007.Oct.-Dec.)		
Total (All areas)	19.9	→ 21.4	→ 19.9	(1.5)	-1.5
North america	16.0	→ 11.2	→ 12.4	(-4.8)	1.2
Asia	22.8	→ 26.3	→ 21.6	(3.5)	-4.7
ASEAN4	15.8	→ 21.4	→ 13.2	(5.6)	-8.2
NIEs3	14.9	→ 19.3	→ 13.7	(4.4)	-5.6
China(including Hong Kong)	30.7	→ 31.0	→ 28.7	(0.3)	-2.3
Europe	6.2	→ -1.8	→ 20.2	(-8.0)	22.0

Industrial classification	DI			Comparison to the previous quarter	
	Survey of previous term	Survey of present term		Current assessment [②-①]	Prospect [③-②]
	①Current assessment (2007.Apr.-Jun.)	②Current assessment (2007.Jul.-Sep.)	③Prospect (2007.Oct.-Dec.)		
Total (All manufacturing industry)	19.9	→ 21.4	→ 19.9	(1.5)	-1.5
Transportation equipment	20.5	→ 15.0	→ 22.0	(-5.5)	7.0
Electrical machinery	10.7	→ 18.0	→ 11.4	(7.3)	-6.6
Industrial machinery	23.2	→ 26.5	→ 26.3	(3.3)	-0.2
Chemicals	27.2	→ 32.2	→ 27.3	(5.0)	-4.9
Iron and steel	22.9	→ 26.4	→ 18.3	(3.5)	-8.1

(Unit : percentage point)

As for the Current Assessment DI^{*1}, North America declined in positive margin, and Europe turned to a negative figure, while all the regions in Asia increased in positive margin. As for the Prospects DI, all the regions in Asia declined in positive margin, while North America slightly increased in positive margin, and Europe turned to a large positive margin.

The Prospects DI fell by 1.5 percentage points from the previous quarter, slightly declining in positive margin. Asia fell by 4.7 percentage points from the previous quarter, declining in positive margin. ASEAN4^{*2} declined in positive margin as electrical machinery, chemicals and other sectors sharply declined in positive margin though transportation equipment and industrial machinery increased in positive margin. NIEs3^{*3} declined in positive margin as industrial machinery declined in positive margin and electrical machinery turned to a negative figure though iron & steel grew sharply in positive margin. China^{*4} declined in positive margin as industrial machinery and electrical machinery declined in positive margin and transportation equipment slightly declined in positive margin though chemicals and other sectors grew in positive margin. North America grew slightly in positive margin as transportation equipment and other sectors increased in positive margin though iron & steel turned to a negative figure and chemicals and electrical machinery declined in positive margin. Europe turned to a positive figure as transportation equipment turned to a positive figure and industrial machinery and other sectors grew fast in positive margin though chemicals declined in positive margin (Table 2)

Table2 Sales DI for main industries classified by area

North america

Sales	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	16.0	11.2	-4.8	12.4	1.2
Transportation equipment	17.6	0.5	-17.1	14.3	13.8
Electrical machinery	6.0	22.8	16.8	19.7	-3.1
Industrial machinery	14.6	8.8	-5.8	11.1	2.3
Chemicals	21.0	23.6	2.6	9.1	-14.5
Iron and steel	-7.7	0.0	7.7	-30.0	-30.0

Asia

(Unit : percentage point)

Sales	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	22.8	26.3	3.5	21.6	-4.7
Transportation equipment	24.0	27.0	3.0	28.1	1.1
Electrical machinery	13.1	18.5	5.4	8.9	-9.6
Industrial machinery	31.5	32.5	1.0	25.8	-6.7
Chemicals	33.2	41.5	8.3	38.2	-3.3
Iron and steel	28.9	31.6	2.7	29.9	-1.7

ASEAN4

Sales	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	15.8	21.4	5.6	13.2	-8.2
Transportation equipment	11.1	24.7	13.6	28.1	3.4
Electrical machinery	3.8	15.3	11.5	0.0	-15.3
Industrial machinery	25.5	31.5	6.0	34.0	2.5
Chemicals	26.3	32.4	6.1	8.5	-23.9
Iron and steel	9.1	24.0	14.9	8.0	-16.0

NIEs3

Sales	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	14.9	19.3	4.4	13.7	-5.6
Transportation equipment	13.3	-3.1	-16.4	-3.3	-0.2
Electrical machinery	7.6	18.8	11.2	-2.9	-21.7
Industrial machinery	11.5	16.0	4.5	8.3	-7.7
Chemicals	20.0	34.1	14.1	34.1	0.0
Iron and steel	20.0	20.0	0.0	40.0	20.0

China(including HongKong)

Sales	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	30.7	31.0	0.3	28.7	-2.3
Transportation equipment	38.4	33.8	-4.6	32.7	-1.1
Electrical machinery	22.2	20.5	-1.7	17.5	-3.0
Industrial machinery	44.3	38.7	-5.6	26.1	-12.6
Chemicals	46.5	54.4	7.9	66.6	12.2
Iron and steel	52.9	40.0	-12.9	48.0	8.0

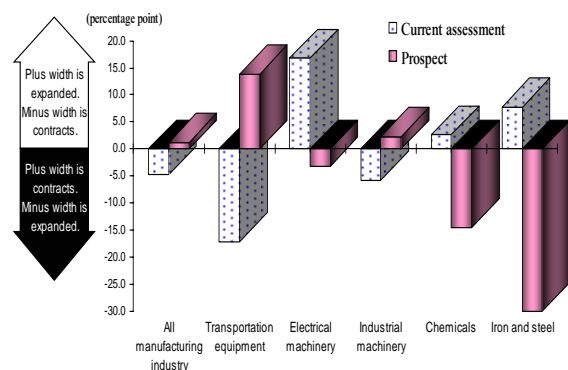
Europe

Sales	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	6.2	-1.8	-8.0	20.2	22.0
Transportation equipment	12.7	-18.4	-31.1	13.3	31.7
Electrical machinery	-8.9	1.9	10.8	27.0	25.1
Industrial machinery	10.6	16.2	5.6	44.2	28.0
Chemicals	6.3	2.4	-3.9	0.0	-2.4
Iron and steel	0.0	0.0	0.0	0.0	0.0

North America

The Prospects DI (12.4 percentage points)^{*5} grew by 1.2 percentage points from the previous quarter, slightly increasing in positive margin. Transportation equipment (14.3 percentage points) grew by 13.8 percentage points from the previous quarter, increasing in positive margin. Industrial machinery (11.1 percentage points) also grew by 2.3 percentage points from the previous quarter, increasing in positive margin. Iron & steel (minus 30.0 percentage points) declined by 30.0 percentage points from the previous quarter, turning to a negative figure. Chemicals (9.1 percentage points) declined by 14.5 percentage points from the previous quarter, falling in positive margin. Electrical machinery (19.7 percentage points) also declined by 3.1 percentage points from the previous quarter, falling in positive margin.

Sales DI for North America (Comparison to the previous quarter)



ASEAN4

The Prospects DI (13.2 percentage points) fell by 8.2 percentage points from the previous quarter, declining in positive margin. Chemicals (8.5 percentage point) declined by 23.9 percentage points from the previous quarter, sharply declined in positive margin. Iron & steel (8.0 percentage points) fell by 16.0 percentage points from the previous quarter, sharply declined in positive margin, and electrical machinery (0.0 percentage points) fell by 15.3 percentage points, sharply declined in positive margin. Transportation equipment (28.1 percentage points) grew by 3.4 percentage points from the previous quarter, increasing in positive margin. Industrial machinery (34.0 percentage points) also grew by 2.5 percentage points from the previous quarter, increasing in positive margin.

NIEs3

The Prospects DI (13.7 percentage points) declined by 5.6 percentage points from the previous quarter, falling in positive margin. Electrical machinery (minus 2.9 percentage points) declined by 21.7 percentage points from the previous quarter, turning to a negative figure. Industrial machinery (8.3 percentage points) declined by 7.7 percentage points from the previous quarter, falling in positive margin. Transportation equipment (minus 3.3 percentage points) declined by 0.2 percentage points from the previous quarter, slightly falling in positive margin. Iron & steel (40.0 percentage points) grew by 20.0 percentage points from the previous quarter, rapidly increasing in positive margin. Chemicals (34.1 percentage points) remained unchanged from the previous quarter, leveling off.

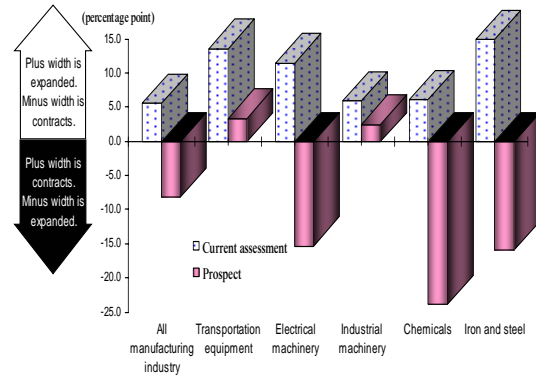
China(including Hong Kong)

The Prospects DI (28.7 percentage points) declined by 2.3 percentage points from the previous quarter, falling in positive margin. Industrial machinery (26.1 percentage points) declined by 12.6 percentage points from the previous quarter, falling in positive margin, and electrical machinery (17.5 percentage points) also declined by 3.0 percentage points from the previous quarter, falling in positive margin. Transportation equipment (32.7 percentage points) declined by 1.1 percentage points from the previous quarter, slightly falling in positive margin, but maintained a high level. Chemicals (66.6 percentage points) grew by 12.2 percentage points from the previous quarter, increasing in positive margin. Iron & steel (48.0 percentage points) also grew by 8.0 percentage points from the previous quarter, increasing in positive margin.

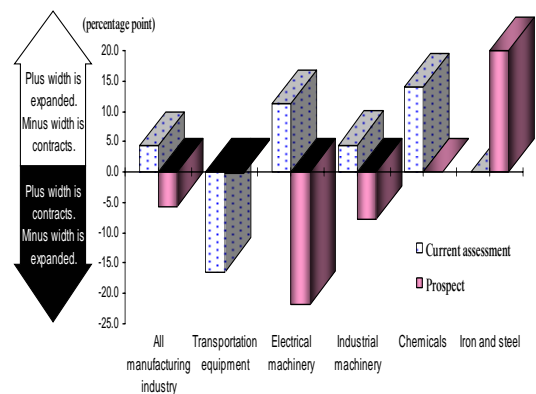
Europe

The Prospects DI (20.2 percentage points) grew by 22.0 percentage points from the previous quarter, sharply increasing in positive margin. Transportation equipment (13.3 percentage points) grew by 31.7 percentage points from the previous quarter, turning to a positive figure. Industrial machinery (44.2 percentage points) grew by 28.0 percentage points from the previous quarter, sharply increasing in positive margin. Electrical machinery (27.0 percentage points) also grew by 25.1 percentage points from the previous quarter, sharply increasing in positive margin. Iron & steel (0.0 percentage points) remained unchanged from the previous quarter, leveling off. Chemicals (0.0 percentage points) declined by 2.4 percentage points from the previous quarter, falling in positive margin.

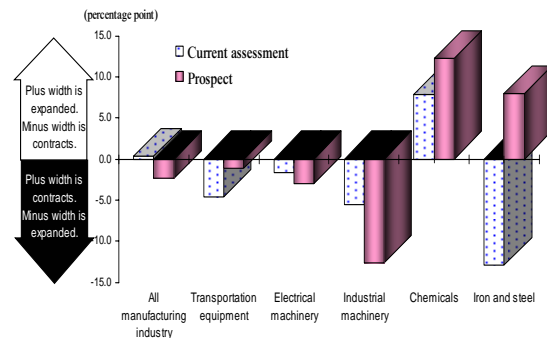
Sales DI for ASEAN4
(Comparison to the previous quarter)



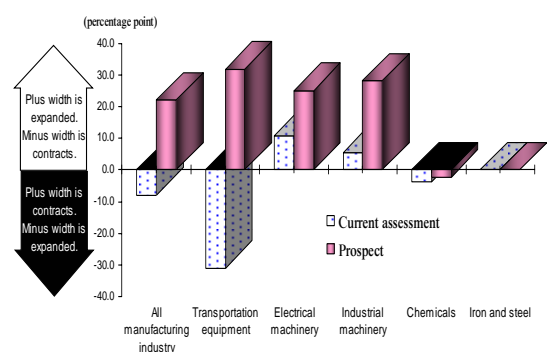
Sales DI for NIEs3
(Comparison to the previous quarter)



Sales DI for China
(Comparison to the previous quarter)

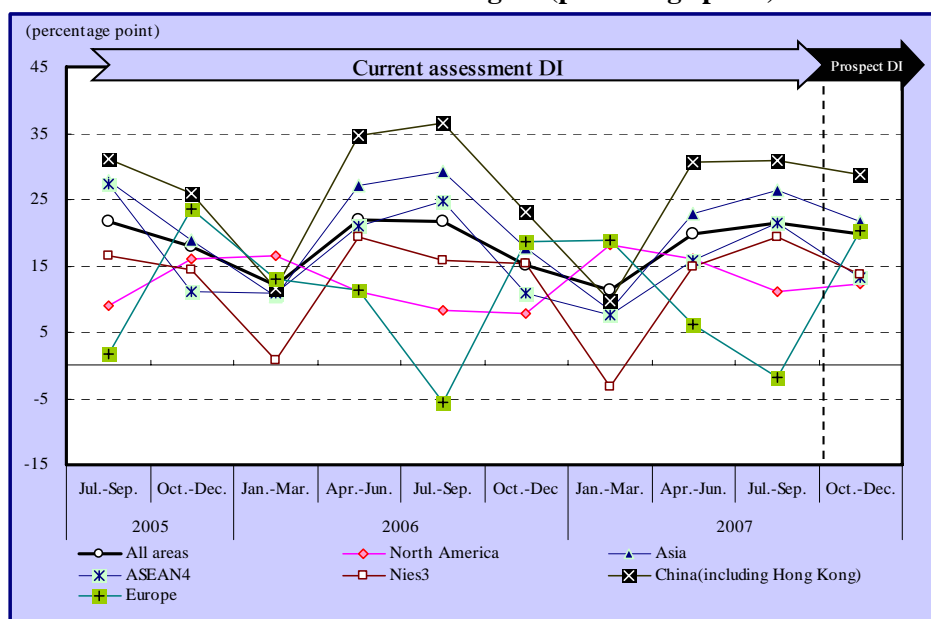


Sales DI for Europe
(Comparison to the previous quarter)



- Notes: *1 DI = [Proportion of companies that responded they would expect an increase] - [Proportion of companies that responded they would expect 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 Current Assessment DI= [Current Assessment DI for the current quarter] - [Current Assessment DI for the previous quarter];
 Current Assessment DI for the previous quarter: (current assessment figures for the period from April to June 2007 at the January - March 2007 survey);
 Current Assessment DI for the current quarter: (current assessment figures for the period from July to September 2007 at the April - June 2007 survey);
 Prospects DI for the current quarter: (prospects figures for the period from October to December 2007 at the April - June 2007 survey);
- *2 ASEAN4: Indonesia, Thailand, the Philippines, and Malaysia;
 *3 NIEs3: Singapore, Taiwan, and South Korea;
 *4 China: including Hong Kong;
 *5 Figures in parentheses represent levels.

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



(2) Actual Results

Total sales amounted to US\$185,495,810,000, up 10.5% from the same quarter of the previous year, returning to double-digit growth for the first time in seven quarters. By industry, transportation equipment grew by 13.7% from the same quarter of the previous year, reporting double-digit increase for the third consecutive quarter. Chemicals grew by 12.5% from the same quarter of the previous year, reporting double-digit increase for the second consecutive quarter. Industry machinery increased by 10.5% from the same quarter of the previous year, continuing to grow steadily. Iron & steel grew by 3.3% from the same quarter of the previous year, increasing less than 10% for the fifth consecutive quarter. Electrical machinery grew by 0.7% from the same quarter of the previous year, increasing less than 10% for the eleventh consecutive quarter. **(Table 3)**

Table 3 Actual result of sales

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
Total (All areas)	6.6	7.1	7.2	8.7	10.5
North america	4.6	1.8	1.6	0.9	-0.1
Asia	8.1	10.6	8.9	11.6	15.0
ASEAN4	2.4	9.3	7.9	10.4	14.0
NIEs3	-0.7	-0.5	-0.1	0.4	2.6
China(including Hong Kong)	19.9	16.5	12.2	15.3	19.4
Europe	5.9	6.7	10.5	15.9	19.4

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
Total (All manufacturing industry)	6.6	7.1	7.2	8.7	10.5
Transportation equipment	7.7	4.9	10.0	11.3	13.7
Electrical machinery	4.8	6.4	2.0	3.3	0.7
Industrial machinery	13.5	16.2	14.1	12.4	10.5
Chemicals	2.3	8.6	6.9	10.2	12.5
Iron and steel	2.8	7.1	3.4	1.8	3.3

(Unit : percentage)

By region, Asia grew by 15.0% from the same quarter of the previous year, reporting sharp increase. In the region, transportation equipment remained strong, and electrical machinery recovered growth for the second consecutive quarter. China reported sharp increase for the second consecutive quarter as electrical machinery accelerated growth, though less than 10%, for the second consecutive period, and transportation equipment and chemicals continued to grow fast. ASEAN4 reported double-digit increase for the second consecutive quarter as transportation equipment, industrial machinery and other sectors grew fast and electrical equipment also grew for the second consecutive quarter. NIEs3 grew for the second consecutive quarter as chemicals and industrial equipment increased though transportation equipment declined for sixth consecutive quarter and electrical equipment turned to declining. North America declined slightly as iron & steel decreased sharply and industrial machinery and electrical machinery fell though transportation equipment slightly grew. Europe reported sharp increase for the second consecutive quarter as industrial machinery, transportation equipment, and other sectors grew fast though electrical machinery turned to declining for the first time in seven quarters. (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	
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
All manufacturing industry	4.6	1.8	1.6	0.9	-0.1
Transportation equipment	2.8	-2.5	1.2	1.0	0.6
Electrical machinery	6.9	9.1	-0.5	0.7	-5.5
Industrial machinery	12.8	4.5	1.5	-0.7	-7.5
Chemicals	7.0	6.8	6.8	6.3	7.1
Iron and steel	8.3	12.7	-13.2	-13.0	-17.4

Asia

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006			2007	
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
All manufacturing industry	8.1	10.6	8.9	11.6	15.0
Transportation equipment	18.6	15.6	21.0	21.4	28.2
Electrical machinery	-1.2	3.4	0.2	3.5	4.9
Industrial machinery	18.1	25.7	19.7	9.7	12.0
Chemicals	10.2	11.8	7.0	11.7	12.5
Iron and steel	-1.3	4.9	14.0	13.9	14.9

ASEAN4

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006			2007	
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
All manufacturing industry	2.4	9.3	7.9	10.4	14.0
Transportation equipment	5.7	10.7	16.0	13.0	20.5
Electrical machinery	-8.0	1.1	-1.1	5.3	4.1
Industrial machinery	8.3	12.4	10.7	11.8	17.0
Chemicals	11.0	14.2	11.3	11.4	8.6
Iron and steel	-10.0	0.7	5.6	10.4	16.8

NIEs3

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006			2007	
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
All manufacturing industry	-0.7	-0.5	-0.1	0.4	2.6
Transportation equipment	-13.0	-28.3	-14.4	-22.5	-7.6
Electrical machinery	2.6	5.4	-0.1	0.7	-2.1
Industrial machinery	5.6	13.4	9.6	12.0	3.6
Chemicals	5.1	5.0	1.1	8.3	9.9
Iron and steel	-	-	-	-	-

China(including Hong Kong)

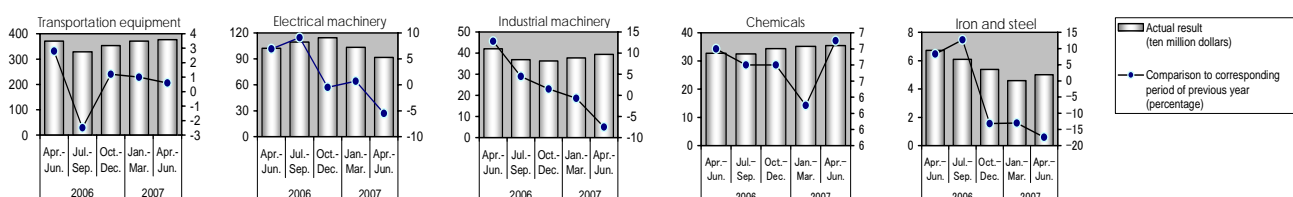
Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006			2007	
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
All manufacturing industry	19.9	16.5	12.2	15.3	19.4
Transportation equipment	92.9	42.0	41.9	43.9	49.6
Electrical machinery	4.1	4.7	1.1	2.7	8.5
Industrial machinery	19.0	29.1	21.5	7.1	9.8
Chemicals	31.5	28.7	16.4	21.2	28.2
Iron and steel	19.4	9.5	9.3	11.0	10.7

Europe

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006			2007	
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
All manufacturing industry	5.9	6.7	10.5	15.9	19.4
Transportation equipment	3.6	-0.5	11.8	21.3	26.7
Electrical machinery	16.4	11.0	7.6	5.6	-3.2
Industrial machinery	6.7	17.5	22.1	35.4	32.4
Chemicals	-10.3	6.2	7.1	12.0	18.1
Iron and steel	-	-	-	-	-

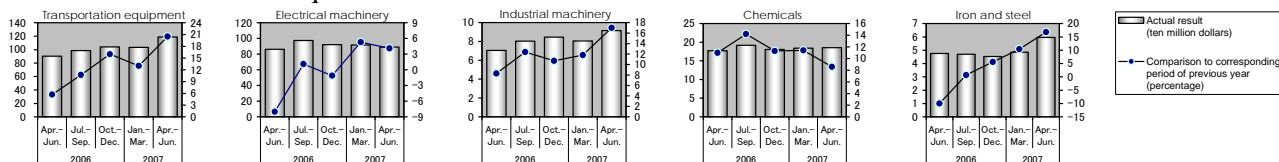
North America

Total sales amounted to US\$62,989,390,000 (34.0% of total sales in all regions), down 0.1% from the same quarter of the previous year, declining for the first time after the period of April - June 2003, 17 quarters before. Iron & steel declined by 17.4% from the same quarter of the previous year, falling for the third consecutive quarter. Industrial machinery declined by 7.5% from the same quarter of the previous year, falling for the second consecutive quarter. Electrical machinery declined by 5.5% from the same quarter of the previous year, reporting decrease. Chemicals increased by 7.1% from the same quarter of the previous year, growing less than 10% for the fifth consecutive quarter. Transportation equipment increased only marginally, up 0.6% from the same quarter of the previous year, due in large part to low growth in sales of large vehicles, affected mainly by higher gas prices resulting from soaring prices of crude oil.



ASEAN4

Total sales amounted to US\$29,005,540,000 (15.6% of total sales in all regions), up 14.0% from the same quarter of the previous year, double-digit growth for the second consecutive quarter. Transportation equipment grew fast, up 20.5% from the same quarter of the previous year, double-digit growth for the fourth consecutive quarter. In the sector, domestic sales increased sharply in Indonesia and others, and exports from Thailand continued to grow fast. Industrial machinery increased fast, up 17.0% from the same quarter of the previous year, double-digit growth for the fourth consecutive quarter. Iron & steel increased by 16.8% from the same quarter of the previous year, growing rapidly. Chemicals increased by 8.6% from the same quarter of the previous year, growing less than 10% for the first time in five quarters. Electrical machinery increased by 4.1% from the same quarter of the previous year, growing for the second consecutive quarter.



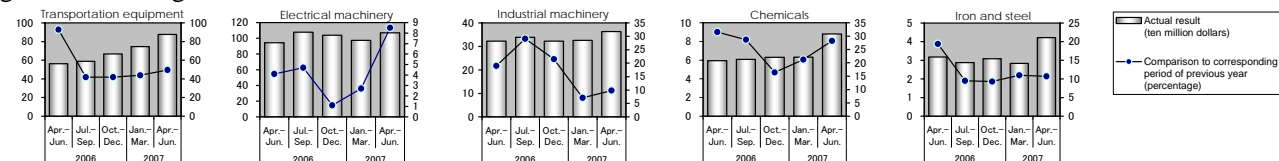
NIEs3

Total sales amounted to US\$10,162,860,000 (5.5% of total sales in all regions), up 2.6% from the same quarter of the previous year, growing for the second consecutive quarter. Chemicals continued to grow, up 9.9% from the same quarter of the previous year. Industrial machinery increased by 3.6% from the same quarter of the previous year, growing for the fifth consecutive quarter. Transportation equipment declined by 7.6% from the same quarter of the previous year, falling for the sixth consecutive quarter, largely affected by weakness of automobile-related industries in Taiwan. Electrical machinery fell by 2.1% from the same quarter of the previous year, turning to declining, largely affected by lower demand for digital-related machines, especially exports from Singapore



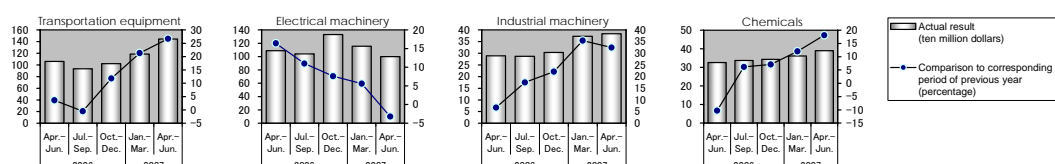
China(including Hong Kong)

Total sales amounted to US\$28,199,400,000 (15.2% of total sales in all regions), up 19.4% from the same quarter of the previous year, maintaining double-digit growth and growing faster. Transportation equipment continued to grow fast, up 49.6% from the same quarter of the previous year. Chemicals also increased rapidly, up 28.2% from the same quarter of the previous year. Iron & steel increased by 10.7% from the same quarter of the previous year, double-digit growth for the second consecutive quarter. Industrial machinery increased by 9.8% from the same quarter of the previous year, growing less than 10% for the second consecutive quarter. Electrical machinery increased only less than 10%, up 8.5% from the same quarter of the previous year, but grew faster as digital household appliances and others increased sharply in the number of units sold, though affected by falling prices, and demand grew for white goods, such as air conditioners and washers

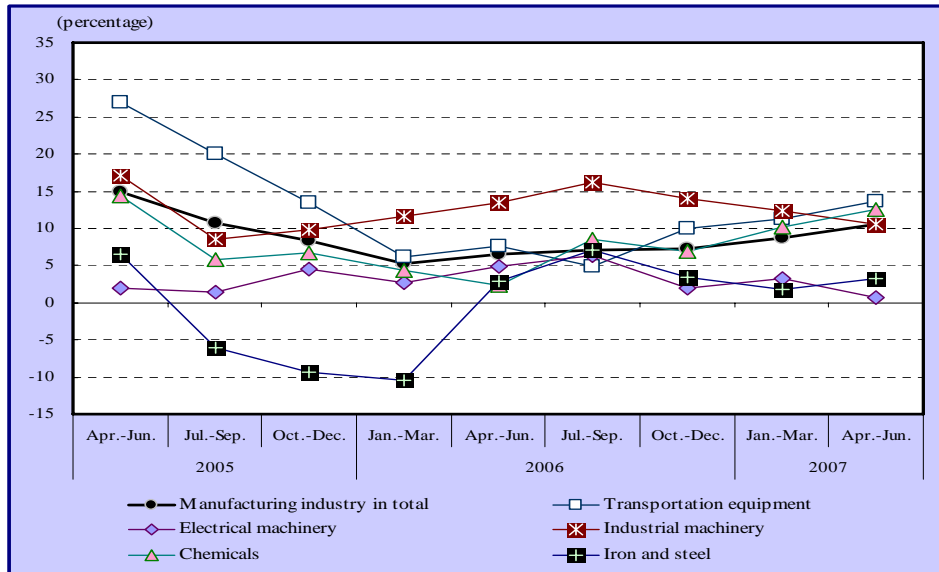


Europe

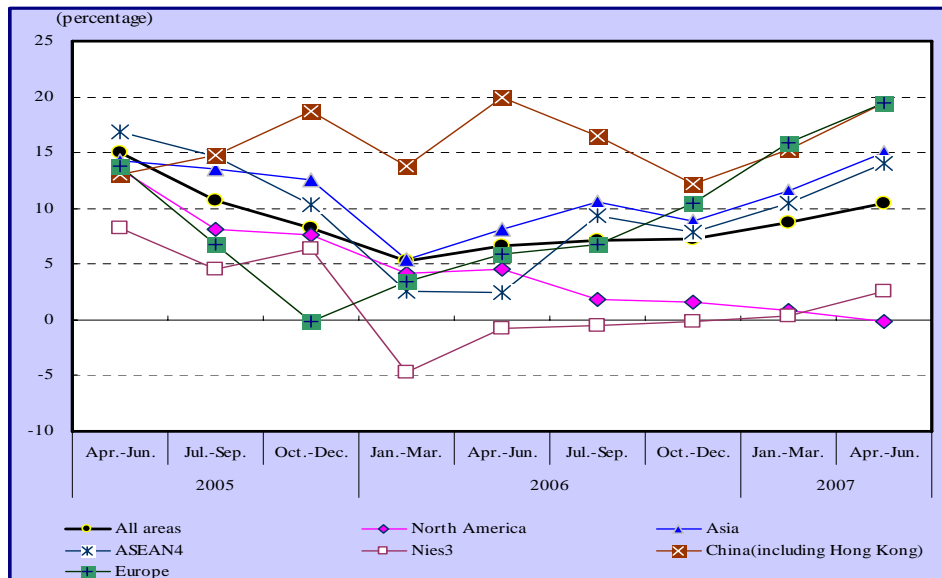
Total sales amounted to US\$37,445,710,000 (20.2% of total sales in all regions), up 19.4% from the same quarter of the previous year, growing fast for the second consecutive quarter. Industrial machinery increased by 32.4% from the same quarter of the previous year, growing fast for the fourth consecutive quarter. Transportation equipment increased by 26.7% from the same quarter of the previous year, growing fast for the second consecutive quarter. Chemicals increased sharply, up 18.1% from the same quarter of the previous year, double-digit growth for the second consecutive quarter. Electric machinery declined by 3.2% from the same quarter of the previous year, falling for the first time in seven quarters, affected largely by slower growth in demand for digital household appliances, especially liquid crystal, in United Kingdom, the Netherlands, and others.



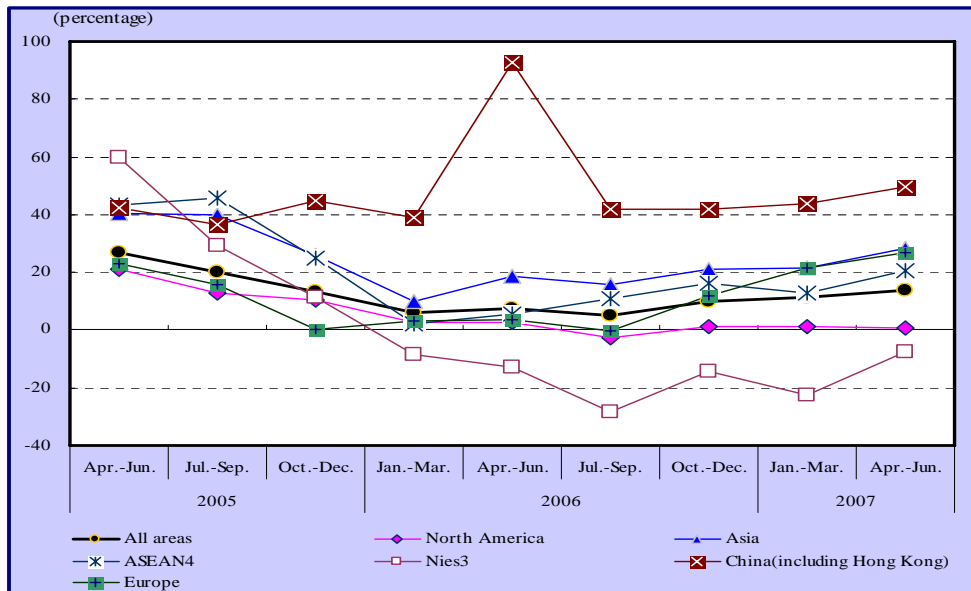
**Chart 1-2 Transition of the actual sales track record according to main industries
(Comparison of the same quarter of the previous year)**



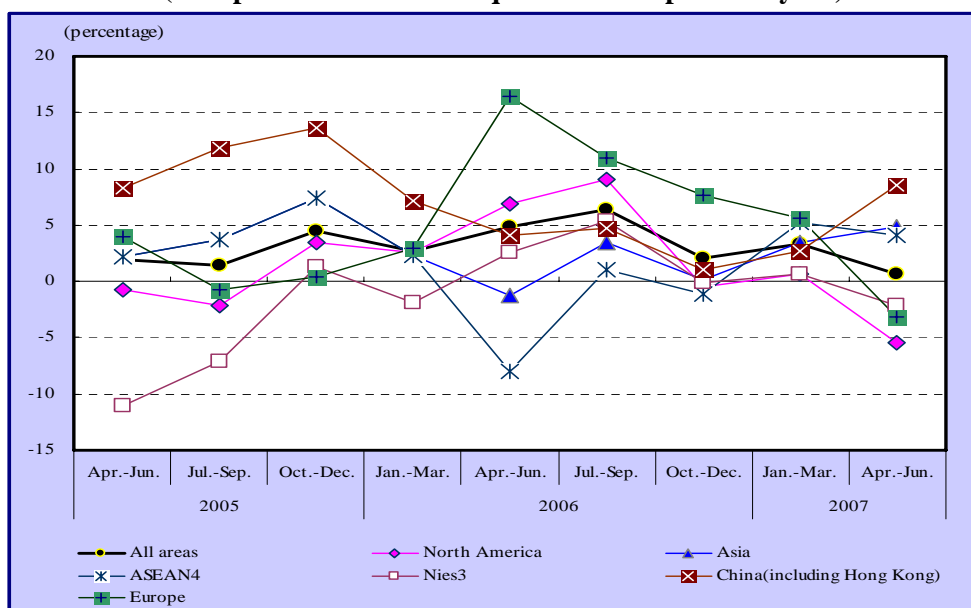
**Chart 1-3 Transition of the actual sales track record according to area
(Comparison of the same quarter of the previous year)**



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



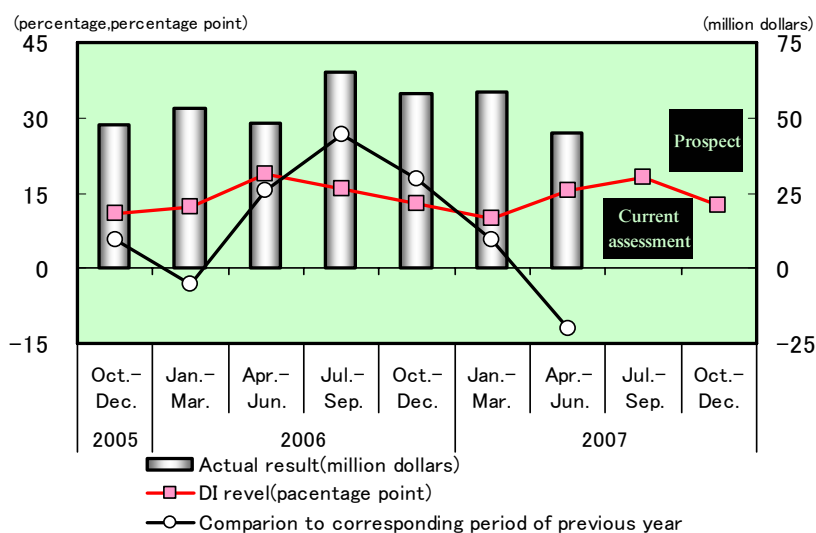
**Chart 1-5 Actual sales track record according to electrical machinery
(Comparison of the same quarter of the previous year)**



2. Trends in capital investment

- The Capital Investment Current Assessment DI (July - September 2007) increased by 2.8 percentage points from the previous quarter, growing in positive margin. The Prospects DI (October - December 2007) decreased by 5.8 percentage points, falling in positive margin.
 - As for the Current Assessment DI, all the regions stood at more than 10 percentage points though ASEAN4 slightly fell in positive margin.
 - As for the Prospects DI, NIEs3 sharply declined in positive margin, and the other regions also declined in positive margin. North America, ASEAN4 and NIEs3 maintained positive DI, though less than 10 percentage points.
- The actual results declined by 11.9% from the same quarter in the previous year, falling for the first time in five quarters. Asia (down 16.2% from the same quarter in the previous year) declined for the first time in 20 quarters. ASEAN4 declined sharply as major four industries, which include transportation equipment, fell rapidly though industrial machinery increased. NIEs3 declined sharply as transportation equipment fell fast and industrial machinery, electrical machinery and others also decreased. China declined sharply as transportation equipment and others fell fast and electrical machinery decreased rapidly though iron & steel grew significantly. Europe declined for the first time in four quarters as chemicals and electrical machinery fell rapidly though industrial machinery grew fast and transportation equipment slightly increased. North America increased for the second consecutive quarter as electrical machinery grew fast and transportation equipment slightly increased though industrial machinery and others declined rapidly. **(Chart2)**

Chart 2 Capital Investment DI and Actual Result



(1) DI

The Capital Investment Current Assuagement DI (July - September 2007) stood at 18.2 percentage points, increasing in positive margin by 2.8 percentage points from the Current Assessment DI for the previous quarter (April - June 2007). All the regions except ASEAN4 grew in positive margin. The Prospects DI (October - December 2007) stood at 12.4 percentage points, declining in positive margin by 5.8 percentage points from the Current Assessment DI for the current quarter (July - September 2007) (Table 5)

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

According to area	DI					
	Survey of previous term		Survey of present term		Comparison to the previous quarter	
	① Current assessment	② Current assessment	③ Prospect	Current assessment	Prospect	Comparison to the previous quarter
	(2007.Apr.-Jun.)	(2007.Jul.-Sep.)	(2007.Oct.-Dec.)			
Total (All areas)	15.4	→ 18.2	→ 12.4	(2.8)	-5.8	
North america	9.6	→ 13.2	→ 5.1	(3.6)	-8.1	
Asia	17.5	→ 19.7	→ 14.5	(2.2)	-5.2	
ASEAN4	16.9	→ 16.7	→ 9.8	(-0.2)	-6.9	
NIEs3	12.6	→ 22.1	→ 6.1	(9.5)	-16.0	
China(including Hong Kong)	19.2	→ 19.5	→ 18.5	(0.3)	-1.0	
Europe	11.3	→ 17.0	→ 13.1	(5.7)	-3.9	

Industrial classification	DI					
	Survey of previous term		Survey of present term		Comparison to the previous quarter	
	① Current assessment	② Current assessment	③ Prospect	Current assessment	Prospect	Comparison to the previous quarter
	(2007.Apr.-Jun.)	(2007.Jul.-Sep.)	(2007.Oct.-Dec.)			
Total (All manufacturing industry)	15.4	→ 18.2	→ 12.4	(2.8)	-5.8	
Transportation equipment	16.1	→ 21.6	→ 10.3	(5.5)	-11.3	
Electrical machinery	9.9	→ 18.5	→ 7.2	(8.6)	-11.3	
Industrial machinery	15.5	→ 8.5	→ 12.8	(-7.0)	4.3	
Chemicals	13.5	→ 16.0	→ 16.2	(2.5)	0.2	
Iron and steel	25.5	→ 23.3	→ 26.2	(-2.2)	2.9	

(Unit : percentage point)

The Prospects DI fell by 5.8 percentage points from the previous quarter as all the regions declining in positive margin. In Asia (down 5.2 percentage points from the previous quarter), NIEs 3 (down 16.0 percentage points from the previous quarter) declined significantly in positive margin as transportation equipment and electrical machinery sharply declined in positive margin and chemicals also fell in positive margin though industrial machinery increased in positive margin. ASEAN4 (down 6.9 percentage points from the previous quarter) declined in positive margin as electrical machinery turned to a negative figure and transportation equipment declined in positive margin though industrial machinery and iron & steel increased in positive margin. China (down 1.0 percentage points from the previous quarter) declined slightly in positive margin as transportation equipment and electrical machinery declined in positive margin though industrial machinery and iron & steel increased in positive margin. North America (down 8.1 percentage points from the previous quarter) declined in positive margin as industrial machinery turned to a negative figure and electrical machinery and transportation equipment declined in positive margin though iron & steel increased in positive margin. Europe (down 3.9 percentage points from the previous quarter) declined in positive margin as electrical machinery declined sharply in positive margin and transportation equipment and industrial machinery also fell in positive margin though chemicals increased in positive margin. (Table 6)

Table 6 Capital investment DI for main industries by area

North america						Asia							
Capital Investment	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)				Comparison to the previous quarter	Capital Investment	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)				Comparison to the previous quarter
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	Current assessment (Apr.-Jun.2007)			Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)			
	All manufacturing industry	9.6	13.2	3.6	5.1			-8.1	All manufacturing industry	17.5	19.7	2.2	
Transportation equipment	14.8	15.3	0.5	4.6	-10.7	Transportation equipment	16.6	25.8	9.2	13.0	-12.8		
Electrical machinery	-2.1	20.5	22.6	9.3	-11.2	Electrical machinery	11.3	18.4	7.1	8.1	-10.3		
Industrial machinery	2.7	10.0	7.3	-2.5	-12.5	Industrial machinery	23.0	8.9	-14.1	19.7	10.8		
Chemicals	6.8	8.9	2.1	4.2	-4.7	Chemicals	18.1	18.1	0.0	19.0	0.9		
Iron and steel	25.0	20.0	-5.0	22.2	2.2	Iron and steel	27.5	22.9	-4.6	28.6	5.7		

ASEAN4						NIEs3							
Capital Investment	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)				Comparison to the previous quarter	Capital Investment	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)				Comparison to the previous quarter
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	Current assessment (Apr.-Jun.2007)			Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)			
	All manufacturing industry	16.9	16.7	-0.2	9.8			-6.9	All manufacturing industry	12.6	22.1	9.5	
Transportation equipment	15.8	20.7	4.9	4.2	-16.5	Transportation equipment	22.2	35.7	13.5	7.7	-28.0		
Electrical machinery	11.9	15.8	3.9	-2.4	-18.2	Electrical machinery	5.8	21.4	15.6	4.9	-16.5		
Industrial machinery	28.2	0.0	-28.2	13.1	13.1	Industrial machinery	16.6	15.0	-1.6	19.0	4.0		
Chemicals	14.1	17.2	3.1	20.3	3.1	Chemicals	10.0	19.4	9.4	5.7	-13.7		
Iron and steel	30.0	18.2	-11.8	31.8	13.6	Iron and steel	33.3	50.0	16.7	0.0	-50.0		

China(including HongKong)						Europe							
Capital Investment	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)				Comparison to the previous quarter	Capital Investment	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)				Comparison to the previous quarter
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	Current assessment (Apr.-Jun.2007)			Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)			
	All manufacturing industry	19.2	19.5	0.3	18.5			-1.0	All manufacturing industry	11.3	17.0	5.7	
Transportation equipment	13.5	26.2	12.7	20.0	-6.2	Transportation equipment	21.4	21.6	0.2	17.5	-4.1		
Electrical machinery	12.7	18.0	5.3	15.5	-2.5	Electrical machinery	10.7	17.8	7.1	0.0	-17.8		
Industrial machinery	22.4	10.6	-11.8	22.6	12.0	Industrial machinery	5.4	7.5	2.1	5.0	-2.5		
Chemicals	26.9	15.3	-11.6	20.0	4.7	Chemicals	5.7	15.7	10.0	21.9	6.2		
Iron and steel	25.0	26.1	1.1	31.8	5.7	Iron and steel	0.0	0.0	0.0	0.0	0.0		

North America

The Prospects DI (5.1 percentage points) declined by 8.1 percentage points from the previous quarter, falling in positive margin. Industrial machinery (minus 2.5 percentage points) declined by 12.5 percentage points from the previous quarter, turning to a negative figure. Electrical machinery (9.3 percentage points) declined by 11.2 percentage points from the previous quarter, falling in positive margin. Transportation equipment (4.6 percentage points) declined by 10.7 percentage points from the previous quarter, falling in positive margin, and chemicals (4.2 percentage points) also declined by 4.7 percentage points from the previous quarter, falling in positive margin. Iron & steel (22.2 percentage points) increased by 2.2 percentage points from the previous quarter, growing in positive margin

ASEAN4

The Prospects DI (9.8 percentage points) declined by 6.9 percentage points from the previous quarter, falling in positive margin. Electrical machinery (minus 2.4 percentage points) declined by 18.2 percentage points from the previous quarter, turned to a negative figure. Transportation equipment (4.2 percentage points) declined by 16.5 percentage points from the previous quarter, falling sharply in positive margin. Iron & steel (31.8 percentage points) increased by 13.6 percentage points from the previous quarter, growing in positive margin. Industrial machinery (13.1 percentage points) increased by 13.1 percentage points from the previous quarter, growing in positive margin, and chemicals (20.3 percentage points) also increased by 3.1 percentage points from the previous quarter, growing in positive margin.

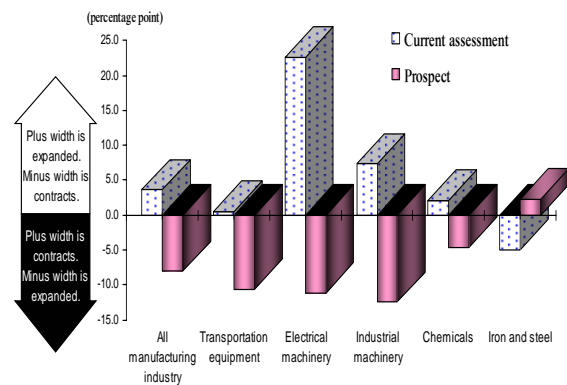
NIEs3

The Prospects DI (6.1 percentage points) declined by 16.0 percentage points from the previous quarter, falling sharply in positive margin. Iron & steel (0.0 percentage points) declined by 50.0 percentage points from the previous quarter, falling in positive margin. Transportation equipment (7.7 percentage points) declined by 28.0 percentage points from the previous quarter, falling sharply in positive margin, and electrical machinery (4.9 percentage points) also declined by 16.5 percentage points from the previous quarter, falling sharply in positive margin. Chemicals (5.7 percentage points) declined by 13.7 percentage points from the previous quarter, falling in positive margin. Industrial machinery (19.0 percentage points) increased by 4.0 percentage points from the previous quarter, growing in positive margin.

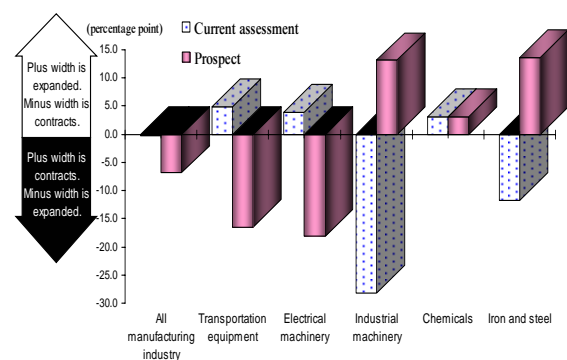
China(including Hong Kong)

The Prospects DI (18.5 percentage points) declined by 1.0 percentage points from the previous quarter, falling slightly in positive margin. Transportation equipment (20.0 percentage points) declined by 6.2 percentage points from the previous quarter, falling in positive margin. Electrical machinery (15.5 percentage points) also declined by 2.5 percentage points from the previous quarter, falling in positive margin. Industrial machinery (22.6 percentage points) increased by 12.0 percentage points from the previous quarter, growing in positive margin. Iron & steel (31.8 percentage points) increased by 5.7 percentage points from the previous quarter, growing in positive margin, and chemicals (20.0 percentage points) also increased by 4.7 percentage points from the previous quarter, growing in positive margin.

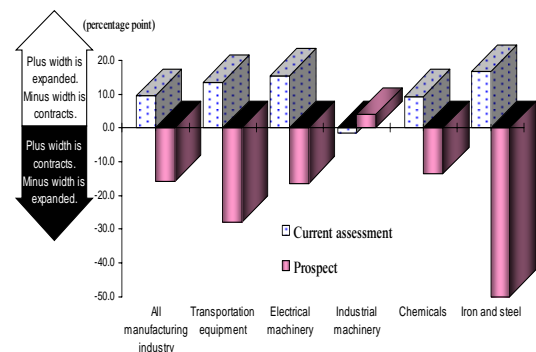
Capita Investment DI for North America
(Comparison to the previous quarter)



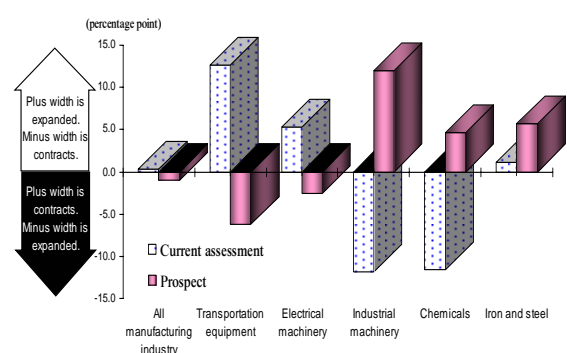
Capita Investment DI for ASEAN4
(Comparison to the previous quarter)



Capita Investment DI for NIEs3
(Comparison to the previous quarter)



Capita Investment DI for China
(Comparison to the previous quarter)



Europe

The Prospects DI (13.1 percentage points) declined by 3.9 percentage points from the previous quarter, falling in positive margin. Electrical machinery (0.0 percentage points) declined by 17.8 percentage points from the previous quarter, falling sharply in positive margin. Transportation equipment (17.5 percentage points) declined by 4.1 percentage points from the previous quarter, falling in positive margin, and industrial machinery (5.0 percentage points) declined by 2.5 percentage points from the previous quarter, falling in positive margin. Chemicals (21.9 percentage points) increased by 6.2 percentage points from the previous quarter, growing in positive margin. Iron & steel (0.0 percentage points) remained unchanged from the previous quarter, leveling off.

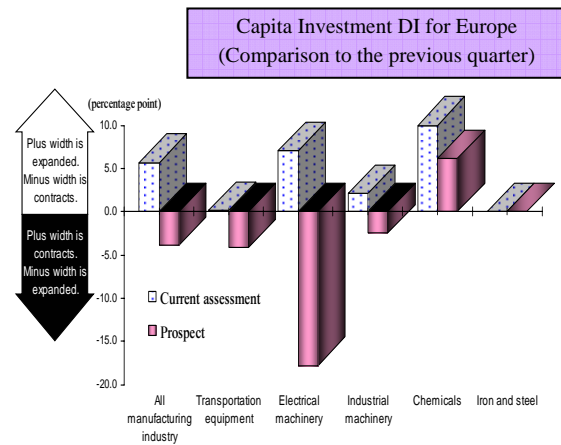
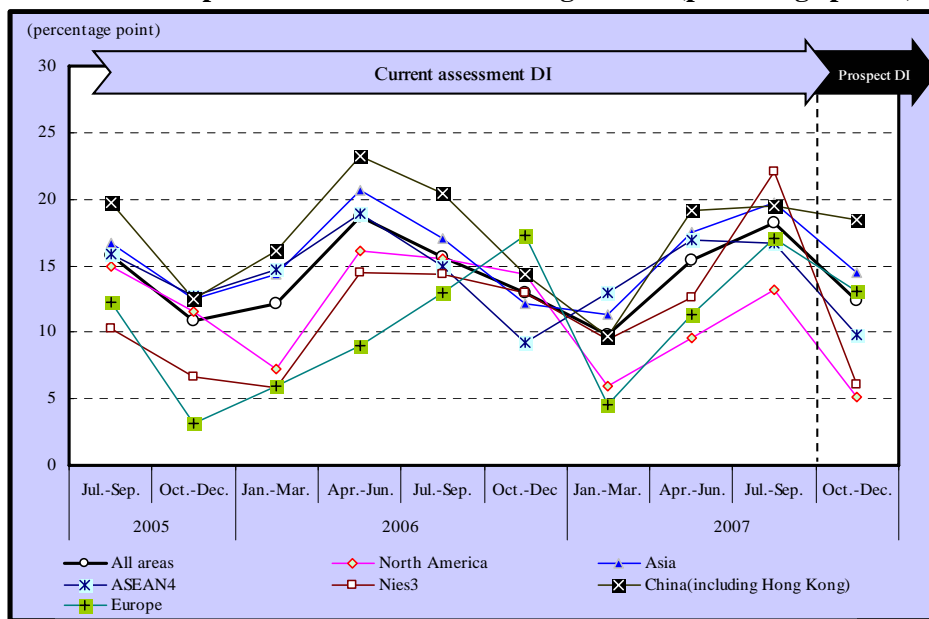


Chart 2-1 Capital investment DI according to area (percentage points)



(2)Actual Results

Total capital investment (acquisition costs of fixed assets except land) amounted to US\$4,507,590,000, down 11.9% from the same quarter of the previous year, declining for the first time in five quarters. By industry, chemicals declined by 45.2% from the same quarter of the previous year, falling sharply. Iron & steel chemicals declined by 21.9% from the same quarter of the previous year, falling sharply. Electrical machinery declined by 16.1% from the same quarter of the previous year, falling sharply. Transportation equipment declined by 10.3% from the same quarter of the previous year, falling for the second consecutive quarter. Industrial machinery increased by 13.7% from the same quarter of the previous year, reporting double-digit growth for third consecutive quarter. **(Table 7)**

Table 7 Actual result of Capital investment

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)				
	2006			2007	
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
Total (All areas)	15.4	26.6	17.8	5.6	-11.9
North america	11.5	39.2	-13.1	14.1	5.7
Asia	24.0	27.8	48.7	4.7	-16.2
ASEAN4	47.5	9.6	39.3	2.9	-24.6
NIEs3	-1.2	57.3	28.1	6.9	-17.2
China(including Hong Kong)	-6.2	14.0	37.8	2.2	-16.8
Europe	-4.7	21.4	15.9	20.6	-14.9

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006			2007	
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
Total (All manufacturing industry)	15.4	26.6	17.8	5.6	-11.9
Transportation equipment	33.3	35.2	8.1	-0.4	-10.3
Electrical machinery	-2.5	19.2	58.1	10.6	-16.1
Industrial machinery	-22.6	6.5	32.7	38.3	13.7
Chemicals	8.8	93.6	13.9	28.3	-45.2
Iron and steel	5.4	-30.5	27.2	5.9	-21.9

(Unit : percentage)

By region, Asia (down 16.2% from the same quarter of the previous year) turned to declining for the first time after the period of July - September 2002, 20 quarters before. In the region, transportation equipment, which accounted for more than 40%, declined sharply. ASEAN 4 (down 24.6% from the same quarter of the previous year) fell sharply, turning to declining for the first time after the period of April - June 2003, four years before, as major four industries, which include transportation equipment and electrical machinery, decreased significantly though industrial machinery reported sharp increase for the third consecutive quarter. NIEs 3 (down 17.2% from the same quarter of the previous year) declined sharply as transportation equipment fell fast and chemicals, electrical machinery and others also decreased. China (down 16.8% from the same quarter of the previous year) declined sharply, as chemicals and transportation equipment fell fast and industrial machinery and electrical machinery also decreased though iron & steel increased significantly. Europe (down 14.9% from the same quarter of the previous year) declined as chemicals reported large decline for the third consecutive quarter and electrical machinery decreased fast though industrial machinery increased sharply and transportation equipment also grew slightly. North America (up 5.7% from the same quarter of the previous year) increased for the second consecutive quarter as electrical machinery increased sharply and transportation equipment and iron & steel also grew though industrial machinery and chemical fell sharply. (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		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	11.5	39.2	-13.1	14.1	5.7	
Transportation equipment	15.4	49.2	-19.0	12.1	7.5	
Electrical machinery	-15.5	-3.0	-0.2	9.6	17.6	
Industrial machinery	83.2	15.6	-5.8	30.2	-32.1	
Chemicals	48.6	80.3	38.3	8.8	-35.9	
Iron and steel	175.6	-18.8	-22.1	5.6	1.8	

Asia

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)					
	2006			2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	24.0	27.8	48.7	4.7	-16.2	
Transportation equipment	91.4	47.5	51.1	-12.9	-21.3	
Electrical machinery	-3.2	22.3	74.0	11.6	-17.4	
Industrial machinery	-2.7	-12.3	29.3	61.3	28.9	
Chemicals	-34.0	122.5	35.1	98.3	-14.3	
Iron and steel	-32.5	-47.5	46.5	15.1	-29.4	

ASEAN4

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)					
	2006			2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	47.5	9.6	39.3	2.9	-24.6	
Transportation equipment	97.3	-0.3	13.7	-32.1	-36.1	
Electrical machinery	31.3	49.1	77.4	27.9	-23.7	
Industrial machinery	22.7	-20.1	59.7	102.5	57.0	
Chemicals	-47.3	12.4	4.0	117.2	-31.0	
Iron and steel	26.6	-31.6	53.1	-58.9	-37.6	

NIEs3

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)					
	2006			2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	-1.2	57.3	28.1	6.9	-17.2	
Transportation equipment	-10.8	-28.2	-38.4	-42.6	-37.7	
Electrical machinery	0.6	81.1	100.3	12.5	-3.1	
Industrial machinery	10.2	-24.3	-32.7	-24.8	-6.8	
Chemicals	-6.5	334.0	112.1	164.1	-1.0	
Iron and steel	-	-	-	-	-	

China(including Hong Kong)

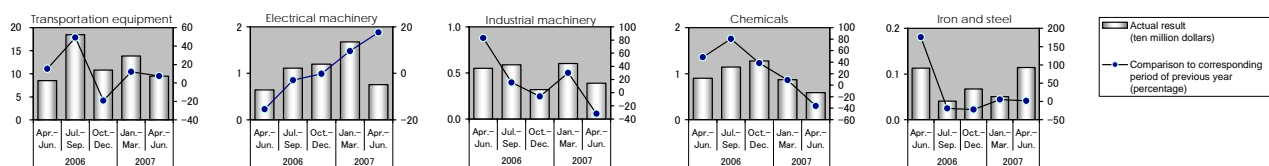
Capital investment	Actual result (comparison to corresponding period of previous year : percentage)					
	2006			2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	-6.2	14.0	37.8	2.2	-16.8	
Transportation equipment	123.1	117.3	67.2	47.4	-18.3	
Electrical machinery	-36.9	-20.4	58.6	-17.4	-7.6	
Industrial machinery	-20.3	-0.7	5.3	15.4	-11.2	
Chemicals	-28.4	77.4	-3.0	5.0	-30.7	
Iron and steel	-79.9	-58.9	-53.1	413.8	488.8	

Europe

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)					
	2006			2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	-4.7	21.4	15.9	20.6	-14.9	
Transportation equipment	-18.7	3.9	22.1	35.9	1.7	
Electrical machinery	24.4	17.5	11.6	4.9	-36.7	
Industrial machinery	-72.5	70.3	82.2	9.2	53.8	
Chemicals	61.9	73.7	-26.8	-21.7	-74.6	
Iron and steel	-	-	-	-	-	

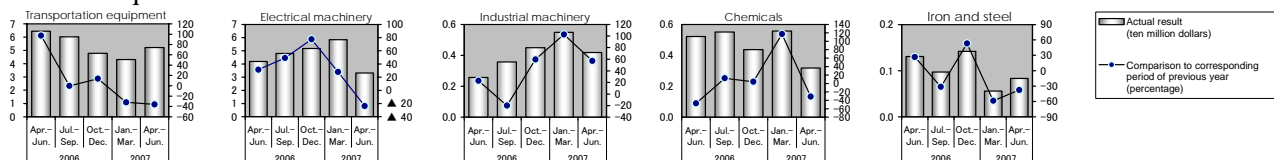
North America

Total capital investment amounted to US\$1,231,490,000 (27.3% of total capital investment in all regions), up 5.7% from the same quarter of the same year, growing for the second consecutive quarter. Electric machinery increased by 17.6% from the same quarter of the same year, growing sharply. Transportation equipment increased by 7.5% from the same quarter of the same year, growing for the second consecutive quarter. Iron & steel increased by 1.8% from the same quarter of the same year, growing for the second consecutive quarter. Chemicals declined by 35.9% from the same quarter of the same year, falling sharply. Industrial machinery also declined sharply, down 32.1% from the same quarter of the same year.



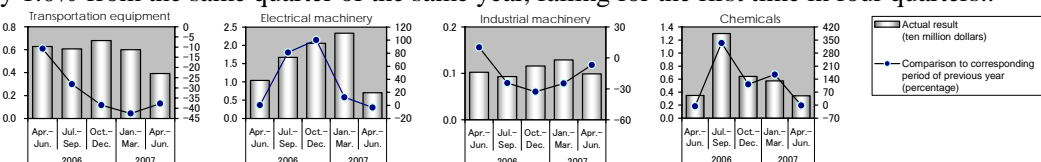
ASEAN4

Total capital investment amounted to US\$1,137,790,000 (25.2% of total capital investment in all regions) down 24.6% from the same quarter of the same year, reporting sharp decline for the first time after the period of April - June 2003. Iron & steel declined by 37.6% from the same quarter of the same year, reporting large decline for the second consecutive quarter. Transportation equipment also declined by 36.1% from the same quarter of the same year, also reporting large decline for the second consecutive quarter, due largely decrease in automobile-related production facilities in Thailand, reaction to large increase in the previous year. Chemicals declined 31.0% from the same quarter of the same year, falling sharply. Electric machinery declined by 23.7% from the same quarter of the same year, falling sharply, due largely to decrease in peripheral equipment for PCs, especially devices, reaction to large increase in the previous year. Industrial machinery increased by 57.0%, reporting large growth for the third consecutive quarter.



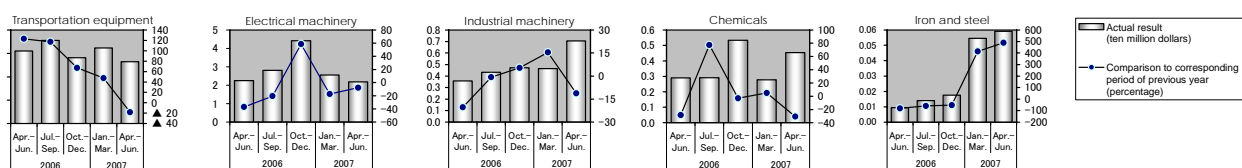
NIEs3

Total capital investment amounted to US\$193,560,000 (4.3% of total capital investment in all regions) down 17.2% from the same quarter of the same year, falling sharply. Transportation equipment declined by 37.7% from the same quarter of the same year, reporting large decline for the fourth consecutive quarter, still affected by decrease in expansion of automobile-related facilities in Taiwan. Industrial machinery declined by 6.8% from the same quarter of the same year, reporting large decline for the fourth consecutive quarter. Electric machinery declined by 3.1% from the same quarter of the same year, falling for the first time in seven quarters, due to decrease in capital investment for semiconductor-related facilities in Singapore, reaction to former large increase. Chemicals declined by 1.0% from the same quarter of the same year, falling for the first time in four quarters..



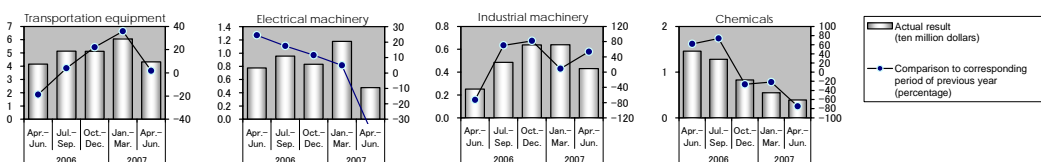
China(including Hong Kong)

Total capital investment amounted to US\$721,770,000 (16.0% of total capital investment in all regions) down 16.8% from the same quarter of the same year, falling for the first time in four quarters. Chemicals declined by 30.7% from the same quarter of the same year, falling sharply. Transportation equipment declined by 18.3% from the same quarter of the same year, falling for the first time after the period of January - March 2004, largely affected by decrease in capital investment in automobile-related industries, reaction to former large growth. Industrial machinery declined by 11.2% from the same quarter of the same year, falling for the first time in three quarters. Electric machinery declined by 7.6% from the same quarter of the same year, falling for the second consecutive quarter. Iron & steel increased by 488.8% from the same quarter of the same year, reporting significant growth for the second consecutive quarter.

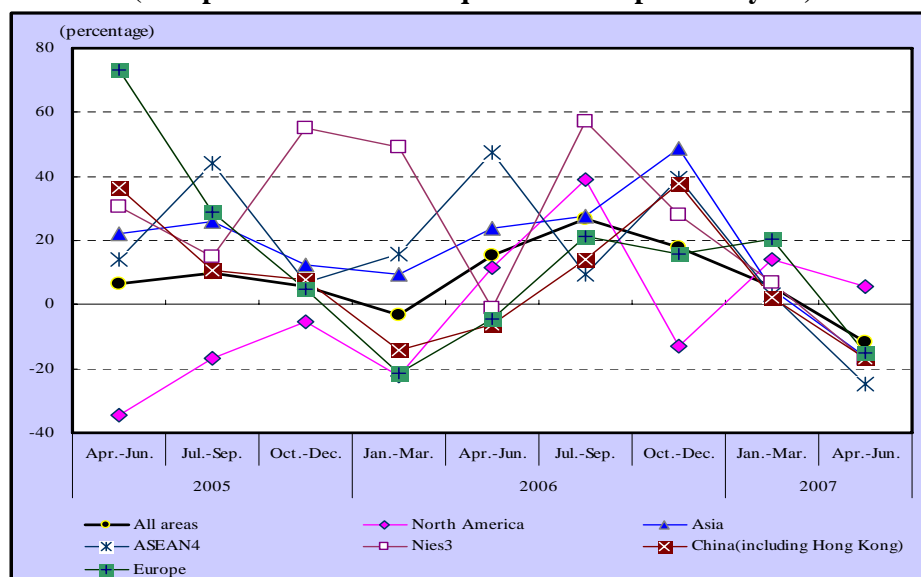


Europe

Total capital investment amounted to US\$703,590,000 (15.6% of total capital investment in all regions) down 14.9% from the same quarter of the same year, falling for the first time in four quarters. Chemicals fell by 74.6% from the same quarter of the same year, reporting sharp decline for the third consecutive quarter. Electric machinery declined by 36.7% from the same quarter of the same year, falling for the first time in five quarters, affected by decrease in capital investment for digital equipment, such as liquid crystal, reaction to former large growth. Industrial machinery increased by 53.8% from the same quarter of the same year, growing fast for the first time in two quarters. Transportation equipment increased by 1.7% from the same quarter of the same year, growing less than 10% for the first time in three quarters.



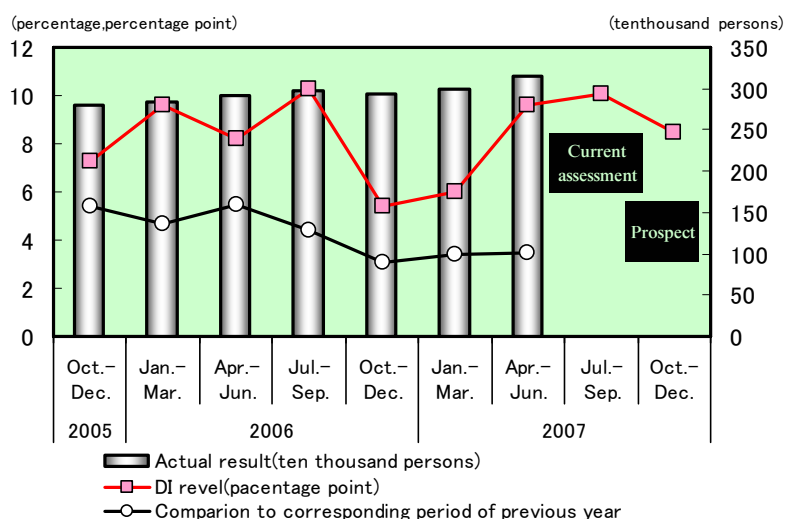
**Chart 2-2 Actual result of capital investment according to area
(Comparison of the same quarter of the previous year)**



3. Trends in employment (the number of employees)

- The Current Assessment DI of the number of employees (July - September 2007) increased by 0.5 percentage points from the previous quarter, slightly growing in positive margin. The Prospects DI (October - December 2007) decreased by 1.6 percentage points, falling in positive margin.
 - As for the Current Assessment DI, all the regions, except Europe, which turned to a negative figure, grew in positive margin.
 - As for the Prospects DI, all the regions, except NIEs3 and Europe, declined in positive margin. China maintained a double-digit DI.
- The actual results (at the end of June 2007) increased by 3.5% from the same quarter in the previous year, continuing to grow. In Asia, NIEs3 continued to decline for the third consecutive quarter, but China and ASEAN4 continued to grow. North America continued to grow for the second consecutive quarter, and Europe also increased (Chart 3)

Chart 3 Number of employee DI and actual result



(1) DI

The Current Assuagement DI of the number of employees (July - September 2007) stood at 10.1 percentage points, increasing slightly in positive margin by 0.5 percentage points from the Current Assessment DI for the previous quarter (April - June 2007). The Prospects DI (October - December 2007) stood at 8.5 percentage points, slightly declining in positive margin by 1.6 percentage points from the Current Assessment DI for the current quarter (July - September 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 (2007.Apr.-Jun.)	②Current assessment (2007.Jul.-Sep.)	③Prospect (2007.Oct.-Dec.)	Current assessment [②-①]	Prospect [③-②]
Total (All areas)	9.6	→ 10.1	→ 8.5	(0.5)	-1.6
North america	8.5	→ 8.9	→ 8.2	(0.4)	-0.7
Asia	11.2	→ 12.4	→ 10.3	(1.2)	-2.1
ASEAN4	8.1	→ 8.4	→ 4.6	(0.3)	-3.8
NIEs3	-0.4	→ 0.8	→ 1.7	(1.2)	0.9
China(including Hong Kong)	16.5	→ 18.1	→ 16.0	(1.6)	-2.1
Europe	0.7	→ -0.7	→ 0.7	(-1.4)	1.4

Industrial classification	DI				
	Survey of present term			Comparison to the previous quarter	
	①Current assessment (2007.Apr.-Jun.)	②Current assessment (2007.Jul.-Sep.)	③Prospect (2007.Oct.-Dec.)	Current assessment [②-①]	Prospect [③-②]
Total (All manufacturing industry)	9.6	→ 10.1	→ 8.5	(0.5)	-1.6
Transportation equipment	14.3	→ 14.5	→ 16.2	(0.2)	1.7
Electrical machinery	8.0	→ 6.4	→ 3.7	(-1.6)	-2.7
Industrial machinery	5.5	→ 12.8	→ 10.9	(7.3)	-1.9
Chemicals	10.3	→ 8.1	→ 6.9	(-2.2)	-1.2
Iron and steel	13.5	→ 19.4	→ 15.2	(5.9)	-4.2

(Unit : percentage point)

The Prospects DI fell by 1.6 percentage points from the previous quarter, slightly declining in positive margin, but Europe turned to a positive figure and NIEs3 increased in positive margin. In Asia (down 2.1 percentage points from the previous quarter), ASEAN4 (down 3.8 percentage points from the previous quarter) declined in positive margin as transportation equipment increased in positive margin though industrial machinery and chemicals declined in positive margin and electrical machinery expanded its negative margin. China (down 2.1 percentage points from the previous quarter) declined in positive margin as industrial machinery, electrical machinery and other sectors declined in positive margin though transportation equipment slightly increased in positive margin. NIEs3 (up 0.9 percentage points from the previous quarter) slightly increased in positive margin as transportation equipment shrunk its negative margin and chemical increased in positive margin though iron & steel fell sharp in positive margin. North America (down 0.7 percentage points from the previous quarter) declined slightly in positive margin as electrical machinery declined in positive margin and transportation equipment also declined in positive margin though industrial machinery and chemicals increased in positive margin. Europe (up 1.4 percentage points from the previous quarter) increased in positive margin as industrial machinery increased in positive margin and transportation equipment shrunk its negative margin though electrical machinery turned to a negative figure. **(Table 10)**

Table 10 Number of employee DI for main industries by area

North america

Number of employee	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	8.5	8.9	0.4	8.2	-0.7
Transportation equipment	11.3	12.0	0.7	11.2	-0.8
Electrical machinery	5.5	14.3	8.8	9.1	-5.2
Industrial machinery	0.0	2.1	2.1	4.3	2.2
Chemicals	15.4	5.6	-9.8	7.5	1.9
Iron and steel	-15.4	-7.1	8.3	-7.1	0.0

Asia

(Unit : percentage point)

Number of employee	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	11.2	12.4	1.2	10.3	-2.1
Transportation equipment	17.1	21.2	4.1	24.5	3.3
Electrical machinery	8.5	5.3	-3.2	3.7	-1.6
Industrial machinery	9.6	18.8	9.2	13.0	-5.8
Chemicals	12.0	12.0	0.0	9.8	-2.2
Iron and steel	20.9	25.5	4.6	21.9	-3.6

ASEAN4

Number of employee	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	8.1	8.4	0.3	4.6	-3.8
Transportation equipment	10.9	17.4	6.5	23.1	5.7
Electrical machinery	5.3	-1.5	-6.8	-4.6	-3.1
Industrial machinery	15.2	12.9	-2.3	3.7	-9.2
Chemicals	6.3	5.3	-1.0	0.0	-5.3
Iron and steel	4.6	12.5	7.9	12.5	0.0

NIEs3

Number of employee	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	-0.4	0.8	1.2	1.7	0.9
Transportation equipment	-17.2	-9.7	7.5	-6.9	2.8
Electrical machinery	3.8	3.0	-0.8	3.0	0.0
Industrial machinery	0.0	0.0	0.0	0.0	0.0
Chemicals	4.0	2.4	-1.6	4.9	2.5
Iron and steel	20.0	20.0	0.0	0.0	-20.0

China(including HongKong)

Number of employee	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	16.5	18.1	1.6	16.0	-2.1
Transportation equipment	29.7	29.4	-0.3	30.2	0.8
Electrical machinery	12.9	10.9	-2.0	9.8	-1.1
Industrial machinery	10.0	26.5	16.5	20.9	-5.6
Chemicals	24.0	22.1	-1.9	19.0	-3.1
Iron and steel	46.7	43.5	-3.2	39.2	-4.3

Europe

Number of employee	Survey of previous term (Jan.-Mar.2007)	Survey of the present term(Apr.-Jun.2007)			
	Current assessment (Apr.-Jun.2007)	Current assessment (Jul.-Sep.2007)	comparison to the previous quarter	Prospect (Oct.-Dec.2007)	comparison to the previous quarter
All manufacturing industry	0.7	-0.7	-1.4	0.7	1.4
Transportation equipment	12.5	-3.8	-16.3	-2.6	1.2
Electrical machinery	3.6	9.4	5.8	-1.9	-11.3
Industrial machinery	-6.6	0.0	6.6	11.6	11.6
Chemicals	-4.2	-11.9	-7.7	-11.9	0.0
Iron and steel	0.0	0.0	0.0	0.0	0.0

North America

The Prospects DI (8.2 percentage points) declined by 0.7 percentage points from the previous quarter, slightly falling in positive margin. Electrical machinery (9.1 percentage points) declined by 5.2 percentage points from the previous quarter, falling in positive margin. Transportation equipment (11.2 percentage points) declined by 0.8 percentage points from the previous quarter, falling slightly in positive margin. Industrial machinery (4.3 percentage points) increased by 2.2 percentage points from the previous quarter, growing in positive margin. Chemicals (7.5 percentage points) increased by 1.9 percentage points from the previous quarter, growing slightly in positive margin. Iron & steel (minus 7.1 percentage points) remained unchanged from the previous quarter, leveling off.

ASEAN4

The Prospects DI (4.6 percentage points) declined by 3.8 percentage points from the previous quarter, falling in positive margin. Industrial machinery (3.7 percentage points) declined by 9.2 percentage points from the previous quarter, falling in positive margin. Chemicals (0.0 percentage points) declined by 5.3 percentage points from the previous quarter, falling in positive margin. Electrical machinery (minus 4.6 percentage points) declined by 3.1 percentage points from the previous quarter, expanding its negative margin. Transportation equipment (23.1 percentage points) increased by 5.7 percentage points from the previous quarter, growing in positive margin. Iron & steel (12.5 percentage points) remained unchanged from the previous quarter, leveling off..

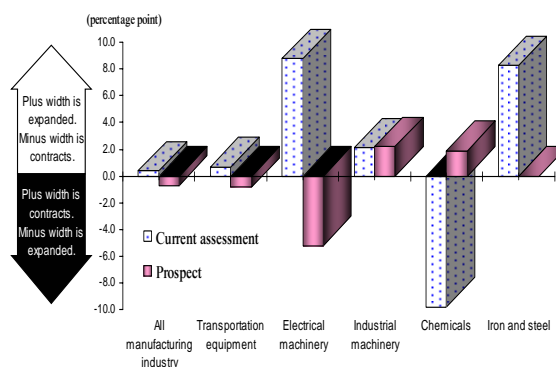
NIEs3

The Prospects DI (1.7 percentage points) increased by 0.9 percentage points from the previous quarter, slightly growing in positive margin. Transportation equipment (minus 6.9 percentage points) increased by 2.8 percentage points from the previous quarter, shrinking its negative positive margin. Chemicals (4.9 percentage points) increased by 2.5 percentage points from the previous quarter, growing in positive margin. Electrical machinery (3.0 percentage points) and industrial machinery (0.0 percentage points) remained unchanged from the previous quarter, leveling off. Iron & steel (0.0 percentage points) declined by 20.0 percentage points from the previous quarter, falling sharply in positive margin.

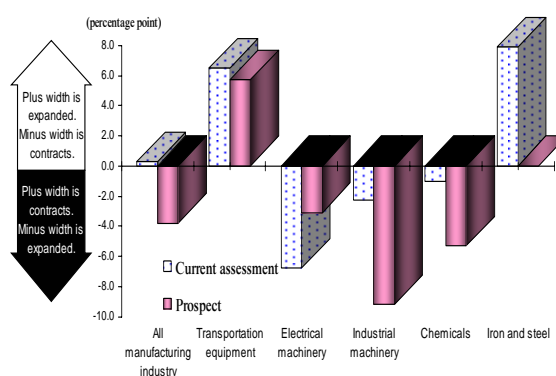
China(including Hong Kong)

The Prospects DI (16.0 percentage points) declined by 2.1 percentage points from the previous quarter, falling in positive margin. Industrial machinery (20.9 percentage points) declined by 5.6 percentage points from the previous quarter, falling in positive margin. Iron & steel (39.2 percentage points) declined by 4.3 percentage points from the previous quarter, falling in positive margin, and chemicals (19.0 percentage points) declined by 3.1 percentage points from the previous quarter, falling in positive margin. Electrical machinery (9.8 percentage points) declined by 1.1 percentage points from the previous quarter, falling slightly in positive margin. Transportation equipment (30.2 percentage points) increased by 0.8 percentage points from the previous quarter, growing slightly in positive margin.

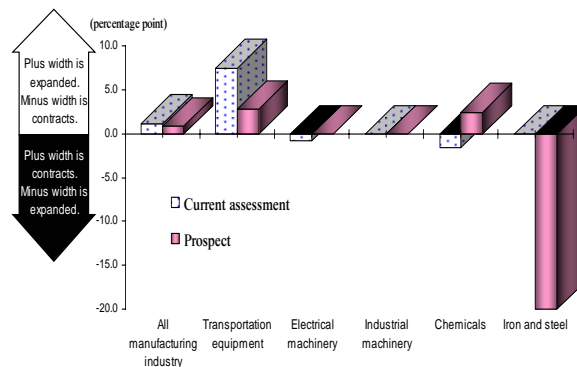
Number of employee DI for North America
(Comparison to the previous quarter)



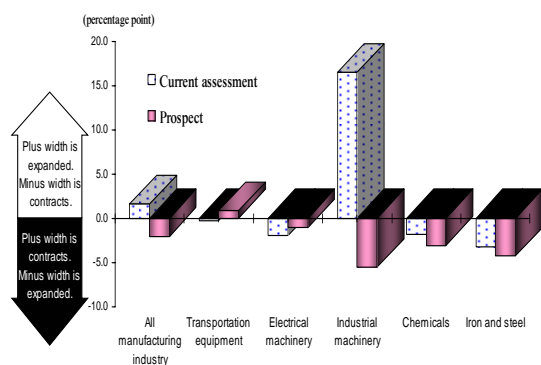
Number of employee DI for ASEAN4
(Comparison to the previous quarter)



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



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



Europe

The Prospects DI (0.7 percentage points) increased by 1.4 percentage points from the previous quarter, growing slightly in positive margin. Industrial machinery (11.6 percentage points) increased by 11.6 percentage points from the previous quarter, growing in positive margin. Transportation equipment (minus 2.6 percentage points) increased by 1.2 percentage points from the previous quarter, growing slightly in positive margin. Chemicals (minus 11.9 percentage points) and iron & steel (0.0 percentage points) remained unchanged from the previous quarter, leveling off. Electrical machinery (minus 1.9 percentage points) declined by 11.3 percentage points from the previous quarter, falling in negative margin.

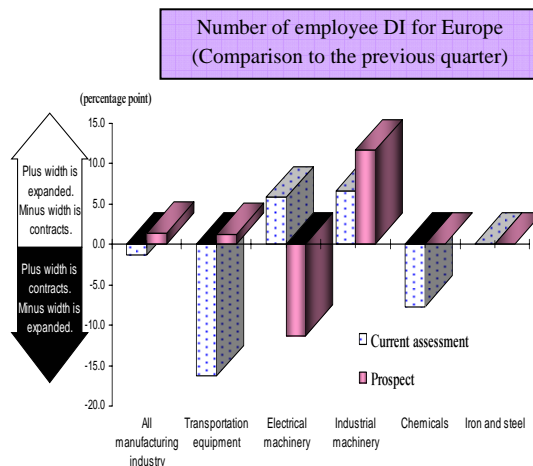
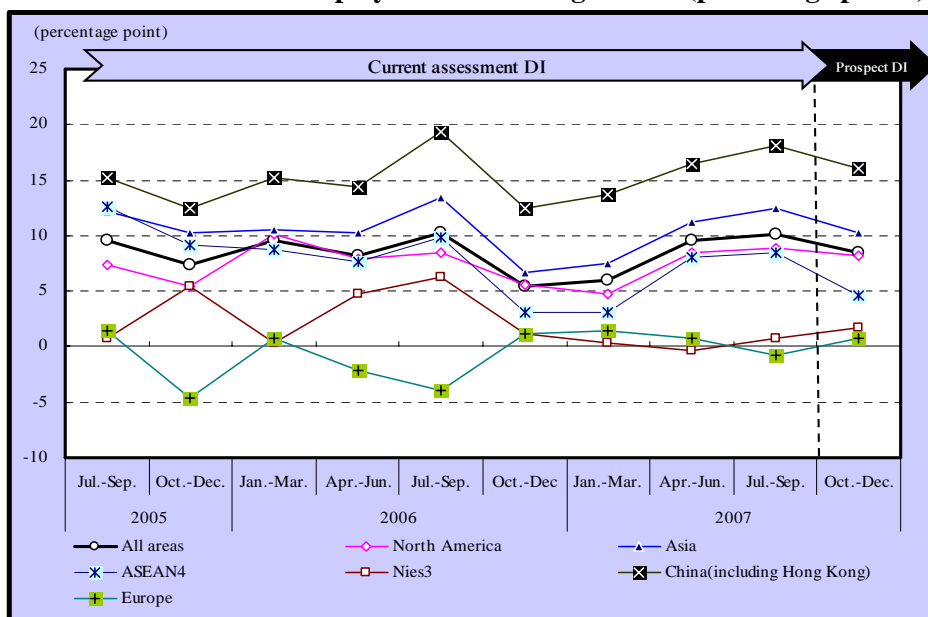


Chart 3-1 Number of employee DI according to area (percentage points)



(2) Actual Results

The number of employees amounted to 3,150,000 people, up 3.5% from the same quarter of the previous year, continuing to grow. By industry, employees increased in ten sectors among 13 industries. Transportation equipment (910,000 employees) increased by 9.9% from the same quarter of the previous year, continuing to grow. Industry machinery (190,000 employees) increased by 3.9% from the same quarter of the previous year, growing less than 10% for the fourth consecutive quarter. Iron & steel (20,000 employees) increased by 2.1% from the same quarter of the previous year, growing less than 10% for the first time in three quarters. Chemicals (120,000 employees) increased by 1.5% from the same quarter of the previous year, slightly growing. Electrical machinery (1,220,000 employees) declined 2.5% from the same quarter of the previous year, falling for the second consecutive quarter. (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	
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
Total (All areas)	5.5	4.4	3.1	3.4	3.5
North america	0.0	-1.5	-3.0	1.1	0.6
Asia	6.9	5.4	4.4	4.0	3.4
ASEAN4	3.1	2.8	0.4	1.7	0.1
NIEs3	0.6	2.9	-0.3	-3.1	-1.3
China(including Hong Kong)	10.1	6.9	7.2	5.1	5.3
Europe	2.4	1.7	0.1	0.3	9.3

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006			2007	
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
Total (All manufacturing industry)	5.5	4.4	3.1	3.4	3.5
Transportation equipment	8.4	7.4	7.9	13.1	9.9
Electrical machinery	5.8	3.8	1.6	-1.6	-2.5
Industrial machinery	11.9	9.1	5.9	3.1	3.9
Chemicals	-1.7	2.6	1.2	0.9	1.5
Iron and steel	4.6	3.4	14.0	15.6	2.1

(Unit : percentage)

Asia increased by 3.4% from the same quarter of the previous year, continuing to grow. China (up 5.3% from the same quarter of the previous year) continued to increase as transportation equipment continued to grow fast and iron & steel, industrial machinery and other sectors also grew. ASEAN4 (up 0.1 from the same quarter of the previous year) continued to grow as iron & steel, industrial machinery and other sectors increased and chemicals also slightly increased though electrical machinery declined for the third consecutive quarter. NIEs3 (down 1.3% from the same quarter of the previous year) declined for the third consecutive quarter as transportation equipment and electrical machinery declined though chemicals slightly increased. Europe (up 9.3% from the same quarter of the previous year) increased as transportation equipment increased and, two minor sectors, ceramics and stone & clay, grew by 148.5% (more than 20,000 employees) though industrial machinery, electrical machinery and other sectors declined. North America (up 0.6% from the same quarter of the previous year) increased slightly as transportation and chemicals increased though iron & steel, electrical machinery and other sectors declined. (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		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	0.0	-1.5	-3.0	1.1	0.6	
Transportation equipment	2.4	0.8	0.6	7.2	7.4	
Electrical machinery	-1.7	-5.0	-6.1	-2.7	-8.9	
Industrial machinery	4.0	-7.9	-9.4	-5.5	-7.5	
Chemicals	-0.9	5.0	1.8	1.8	1.0	
Iron and steel	1.2	1.7	36.8	34.6	-12.1	

Asia

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)					
	2006			2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	6.9	5.4	4.4	4.0	3.4	
Transportation equipment	12.7	10.9	11.1	15.7	11.8	
Electrical machinery	6.0	3.8	2.3	-0.7	-1.2	
Industrial machinery	16.0	14.6	14.1	8.8	11.0	
Chemicals	0.6	4.9	2.7	3.1	2.4	
Iron and steel	5.4	3.6	7.1	10.0	6.1	

ASEAN4

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)					
	2006			2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	3.1	2.8	0.4	1.7	0.1	
Transportation equipment	6.9	7.9	4.6	11.3	3.8	
Electrical machinery	0.8	0.9	-2.6	-3.5	-4.1	
Industrial machinery	4.4	5.0	4.5	1.5	5.4	
Chemicals	-0.1	-0.6	0.4	2.4	0.7	
Iron and steel	0.4	-2.1	0.8	6.0	5.6	

NIEs3

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)					
	2006			2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	0.6	2.9	-0.3	-3.1	-1.3	
Transportation equipment	-0.1	-8.6	-9.7	-15.8	-9.7	
Electrical machinery	1.1	4.9	1.5	-4.4	-1.7	
Industrial machinery	0.6	2.9	0.8	3.6	3.8	
Chemicals	14.6	16.1	4.0	1.2	0.5	
Iron and steel	-	-	-	-	-	

China(including Hong Kong)

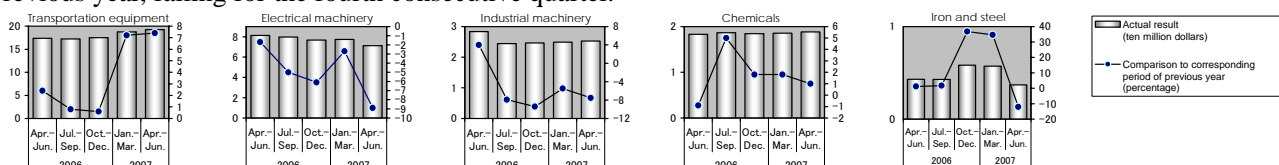
Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)					
	2006			2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	10.1	6.9	7.2	5.1	5.3	
Transportation equipment	24.2	15.9	23.1	21.7	25.8	
Electrical machinery	10.6	5.7	5.8	1.4	0.5	
Industrial machinery	24.3	19.7	17.7	9.7	10.4	
Chemicals	-4.3	9.4	4.8	4.0	4.6	
Iron and steel	0.9	-0.3	3.6	4.3	11.8	

Europe

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)					
	2006			2007		
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	
All manufacturing industry	2.4	1.7	0.1	0.3	9.3	
Transportation equipment	4.7	5.1	6.6	6.9	7.2	
Electrical machinery	3.3	0.6	-1.8	-4.2	-4.9	
Industrial machinery	5.4	5.8	-10.7	-11.4	-14.2	
Chemicals	-7.2	-3.7	-2.6	-4.6	-0.2	
Iron and steel	-	-	-	-	-	
(Ceramics, stone and clay)	-	-	-	-	148.5	

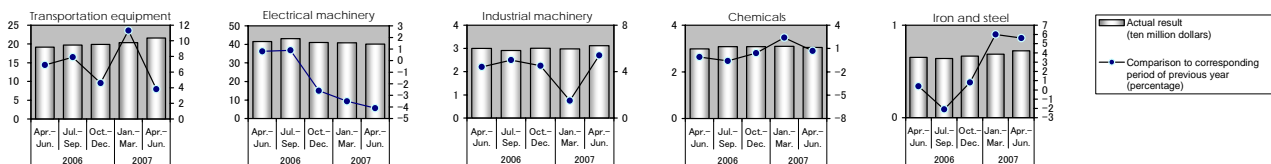
North America

The number of employees was 430,000 (13.6% of the total number of employees in all regions), up 0.6% from the same quarter of the previous year, growing slightly. Transportation equipment (190,000 employees) increased by 7.4% from the same quarter of the previous year, continuing to grow. Chemicals (20,000 employees) increased by 1.0% from the same quarter of the previous year, growing less than 10% for the fourth consecutive quarter. Iron & steel (4,000 employees) declined by 12.1% from the same quarter of the previous year, falling for the first time in five quarters. Electrical machinery (80,000 employees) declined by 8.9% from the same quarter of the previous year, continuing to fall. Industrial machinery (30,000 employees) declined by 7.5% from the same quarter of the previous year, falling for the fourth consecutive quarter.



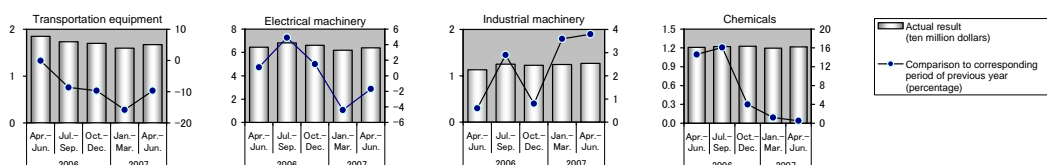
ASEAN4

The number of employees was 880,000 (28.1% of the total number of employees in all regions), up 0.1% from the same quarter of the previous year, continuing to grow only slightly. Iron & steel (7,000 employees) increased by 5.6% from the same quarter of the previous year, growing for the third consecutive quarter. Industrial machinery (30,000 employees) increased by 5.4% from the same quarter of the previous year, growing for the tenth consecutive quarter. Transportation equipment (220,000 employees) increased by 3.8% from the same quarter of the previous year, continuing to grow. Chemicals (30,000 employees) increased by 0.7% from the same quarter of the previous year, growing slightly. Electrical machinery (400,000 employees) declined by 4.1% from the same quarter of the previous year, falling for the third consecutive quarter.



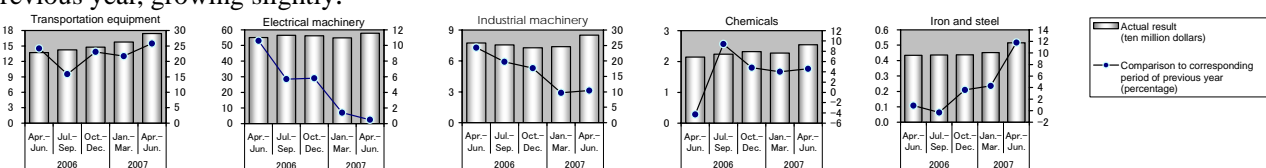
NIEs3

The number of employees was 140,000 (4.3% of the total number of employees in all regions), down 1.3% from the same quarter of the previous year, declining for the third consecutive quarter. Transportation equipment (20,000 employees) declined by 9.7% from the same quarter of the previous year, falling for the fifth consecutive quarter. In the sector, employees remarkably decreased in Taiwan and Republic of Korea. Electrical machinery (60,000 employees) declined by 1.7% from the same quarter of the previous year, falling for the second consecutive quarter. Industrial machinery (10,000 employees) increased by 3.8% from the same quarter of the previous year, growing for the sixth consecutive quarter. Chemicals (10,000 employees) increased by 0.5% from the same quarter of the previous year, continuing to grow.



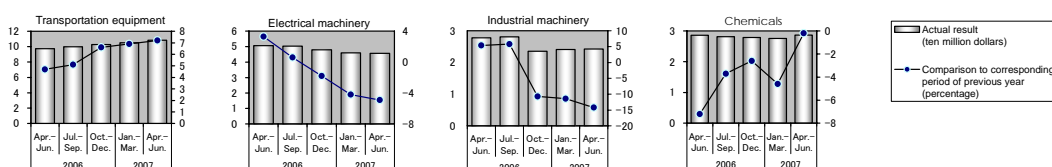
China(including Hong Kong)

The number of employees was 1,070,000 (34.0% of the total number of employees in all regions), up 5.3% from the same quarter of the previous year, continuing to grow. Transportation equipment (170,000 employees) increased by 25.8% from the same quarter of the previous year, continuing to grow. Iron & steel (10,000 employees) increased by 11.8% from the same quarter of the previous year, growing for the third consecutive quarter. Industrial machinery (90,000 employees) increased by 10.4% from the same quarter of the previous year, continuing to grow. Chemicals (30,000 employees) increased by 4.6% from the same quarter of the previous year, also continuing to grow. Electrical machinery (580,000 employees) increased by 0.5% from the same quarter of the previous year, growing slightly.

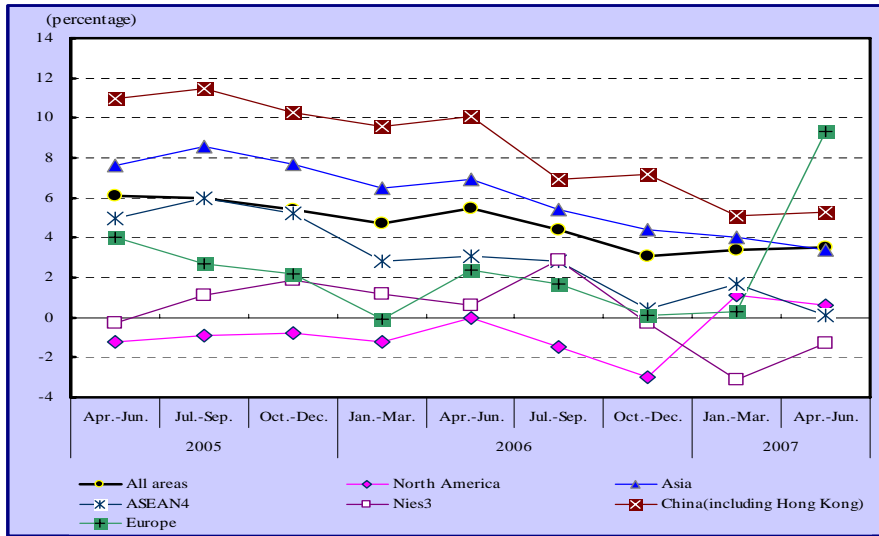


Europe

The number of employees was 280,000 (8.9% of the total number of employees in all regions), up 9.3% from the same quarter of the previous year, continuing to grow. Transportation equipment (110,000 employees) increased by 7.2% from the same quarter of the previous year, continuing to grow. Industrial machinery (20,000 employees) declined by 14.2% from the same quarter of the previous year, falling for the third consecutive quarter. Electrical machinery (50,000 employees) declined by 4.9% from the same quarter of the previous year, also falling for the third consecutive quarter. Chemicals (30,000 employees) declined by 0.2% from the same quarter of the previous year, falling for eighth consecutive quarter. In addition to major sectors, ceramics and stone & clay (40,000 employees) increased significantly, up 148.5% from the same quarter of the previous year.



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



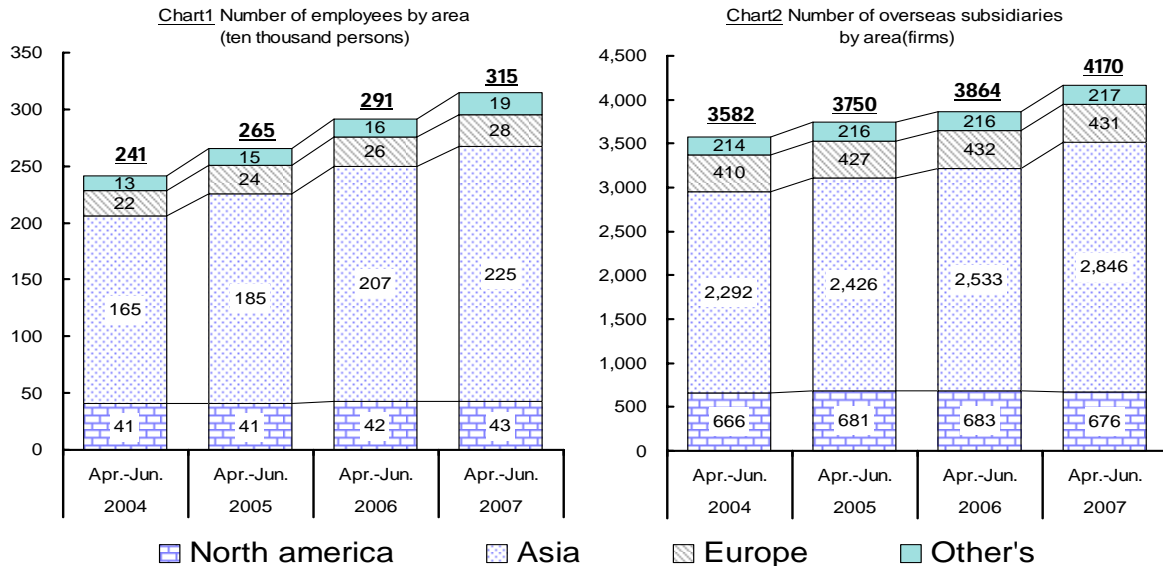
【Topics】 The number of employees of Japanese manufacturers is increasing mainly in Asia.

- Driven by growth in China -

The April - June 2007 survey showed the number of people employed by Japanese manufacturing subsidiaries overseas*1 had increased by 740,000 people from the period of April - June 2004 to 3,150,000 people. The number of Japanese overseas subsidiaries turned out to have increased by 588 companies to 4,170 companies.(Chart 1)

(*1) The survey covered manufacturers in which their parents had 50% or more of a stake directly or indirectly that employed 50 people or more.

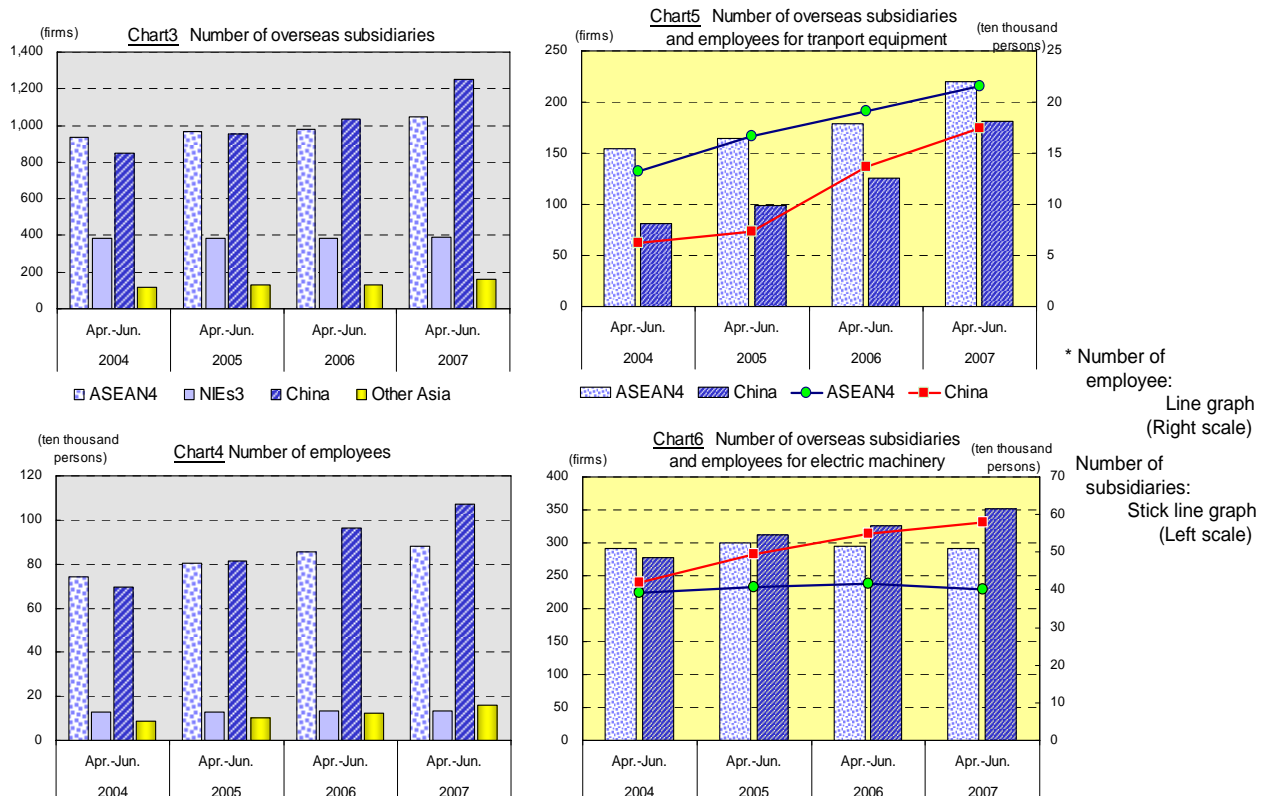
By region, the number of employees increased in Asia by 600,000 people, that is, more than 80% of the whole growth (740,000 people) took place in Asia. The number of Japanese overseas subsidiaries also increased significantly in Asia, 554 companies among 588 new subsidiaries, that is more than 90%. (Chart 2)



Among the Japanese subsidiaries in Asia, those in ASEAN4 and China accounted for more than 70%, and they employed around 87% of people working for Japanese subsidiaries. China had surpassed ASEAN4 in the number of Japanese subsidiaries and that of people employed by them since the of April - June 2006 survey and since the April - June 2005 survey, respectively, and held the largest member of Japanese subsidiaries and employees in Asia. (Chart 3 and Chart 4)

As for transportation equipment and electrical machinery in ASEAN4 and China, China had the largest number of Japanese subsidiaries and the largest number of people employed by Japanese subsidiaries in the sector of electrical machinery. In the sector of transportation equipment, ASEAN4 had the largest number of Japanese subsidiaries and the largest number of employees, but the growth was faster in China than in ASEAN4: 2.2-fold for the number of subsidiaries and 2.8-fold*2 for that of employees in China while 1.4-fold for the number of subsidiaries and 1.6-fold for that of employees in ASEAN4. (Chart 5 and Chart 6)

(*2) Number of the actual number for the April - June 2007 survey divided by that for the April - June 2004 survey.



(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)

	Jan.-Mar. 2006	Apr.-Jun. 2006	Jul.-Sep. 2006	Oct.-Dec. 2006	Jan.-Mar. 2007	Apr.-Jun. 2007
Yen	116.88	114.42	116.19	117.71	119.43	120.74
ASEAN4						
Rupiah (Indonesia)	9274.9	9115.0	9122.5	9124.9	9107.2	8968.3
Ringgit (Malaysia)	3.7275	3.6627	3.6681	3.6252	3.4984	3.4284
Peso (Philippines)	51.884	52.215	51.387	49.771	48.604	46.932
Baht (Thailand)	39.288	38.071	37.643	36.526	35.544	34.647
NIEs3						
Won (Republic of Korea)	976.35	949.77	954.98	938.48	939.10	928.62
Dollar (Singapore)	1.6280	1.5897	1.5793	1.5588	1.5322	1.5245
Dollar (Taiwan)	32.3223	32.1843	32.7763	32.8510	32.9163	32.9937
People's Republic of China (Hong Kong is including)						
Yuan (People's Republic of China)	8.0503	8.0123	7.9668	7.8644	7.7611	7.6774
Dollar (Hong Kong)	7.757	7.758	7.776	7.780	7.808	7.816
Europe						
Pound (United Kingdom)	1.7526	1.8266	1.8745	1.9168	1.9545	1.9864
Euro (Euro Area)	0.8320	0.7963	0.7849	0.7754	0.7632	0.7418

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.

○ **The April – June quarter of FY2007**

- The coefficient of connection was calculated and used for data before FY2005 (the January – March quarter of 2006) to maintain consistency with past data, because companies included in the survey were reviewed.

4. Connecting coefficients for FY2006

As some of the companies to be surveyed were replaced before the April - June 2006 survey, there are discontinuities between actual results of the April - June 2006 survey and those of surveys conducted for the period of January - March 2006 and before it.

To bridge the discontinuities, changes (percentage and percentage point) for the quarters in FY2006 from the same quarter of the previous year are calculated on the basis of totals of Japanese overseas subsidiaries that have been surveyed straightly since FY2005 (including newly established companies).

When definitive figures were published, connecting coefficients based on companies surveyed for the 2006 surveys were calculated to maintain continuity with former series of data.

*Tables of connecting coefficients can be found on page 46 and 47 in the statistics table.

(1) Connecting period

The period of FY2005 and those before it (from the period of October - December 1996 to the period of January - March 2006) are connected to the period of FY2006 (from the period of April - June 2006 to the period of January - March 2007).

(2) Connecting coefficient

When figures for FY2005 or those before the year are compared with those for FY2006, connecting coefficients to be applied to the former figures are calculated by multiplying

-Factors to be added for FY2006 (to be attached to companies surveyed (excluding newly established companies)).....(A)
- by
-Factors to be subtracted for FY2006 (to be excluded from companies surveyed (excluding companies liquidated, etc.)).....(B)

$$\text{Coefficient of connection} = \left(\frac{\text{Actual results for FY2006}}{\text{Actual results for FY2006 of Companies surveyed straightly}} \right) \times \left(\frac{\text{Actual results for FY2005 of Companies surveyed straightly}}{\text{Actual results for FY2005}} \right)$$

* "Companies surveyed straightly" are composed of those which were surveyed for both FY2005 and FY2006 and those newly established.

(3) Cells which connecting coefficients are applied to

Publication format, or all the cells of [region] × [sector] × [items].

For "acquisition costs of fixed assets except land", one of the survey items, connecting coefficients are not calculated.

(4) Processing to be done for published data

- "Actual figures" → Coefficient processing is not conducted, and actual results are published.
If you connect actual results, you must multiply actual results for FY2005 or those for before the year by relevant connecting coefficients.
To find "connecting coefficients," see the statistics table.
- Changes (percentage and percentage point) from the same quarter of the previous year

→ Changes calculated on the basis of totals of Japanese overseas subsidiaries that have been surveyed straightly since the previous year are published.

< 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) Statistics (US\$10,000)													
	2006						2007							
	FY 2005	FY 2006	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		
Total value of electrical machinery	17,673,322	18,621,206	4,394,215	4,709,799	4,966,516	4,550,677	4,362,839	2.7	4.0	4.8	6.4	2.0	3.3	0.7
Electrical machines and apparatuses	3,688,915	3,904,045	924,257	1,001,306	960,334	1,018,149	1,005,114	0.1	3.5	-0.2	6.9	3.4	3.9	8.9
Information and communications machines and equipment	8,456,472	8,934,296	2,049,368	2,256,302	2,443,499	2,185,127	1,911,070	1.9	4.6	3.8	8.2	2.1	4.7	-1.0
Electronic parts and devices	5,527,934	5,782,865	1,420,590	1,452,191	1,562,683	1,347,401	1,446,655	5.7	3.5	9.8	3.4	1.1	0.5	-2.3
Total value of transportation equipment	27,074,730	30,153,688	7,445,595	7,051,785	7,577,269	8,079,039	8,785,310	16.0	8.5	7.7	4.9	10.0	11.3	13.7
Transportation machines and equipment	20,134,713	21,970,436	5,465,857	5,148,885	5,506,758	5,848,936	6,254,646	18.7	7.5	7.0	4.2	8.7	9.7	11.9
Parts and accessories for transportation machinery	6,940,017	8,183,252	1,979,738	1,902,900	2,070,511	2,230,103	2,530,663	8.8	11.7	9.9	7.0	13.4	15.9	18.8

North America	Statistics (US\$10,000) Statistics (US\$10,000)													
	2006						2007							
	FY 2005	FY 2006	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		
Total value of electrical machinery	4,042,533	4,292,916	1,020,879	1,095,157	1,142,510	1,034,369	914,902	0.8	3.8	6.9	9.1	-0.5	0.7	-5.5
Electrical machines and apparatuses	747,415	793,769	193,937	196,785	190,685	212,361	180,597	8.1	3.1	3.3	1.7	4.5	3.1	-1.1
Information and communications machines and equipment	2,701,960	2,867,382	664,372	738,947	799,866	664,198	580,215	-2.3	3.4	5.0	11.8	-1.6	-0.1	-7.4
Electronic parts and devices	593,158	631,765	162,570	159,425	151,960	157,810	154,090	7.9	6.5	20.5	6.5	-0.4	1.2	-3.6
Total value of transportation equipment	13,959,693	14,242,588	3,711,725	3,286,022	3,531,375	3,713,466	3,767,098	11.3	0.7	2.8	-2.5	1.2	1.0	0.6
Transportation machines and equipment	10,593,824	10,520,428	2,785,534	2,413,592	2,608,932	2,712,370	2,755,288	12.5	-0.7	2.0	-4.2	0.0	-0.8	-1.1
Parts and accessories for transportation machinery	3,365,869	3,722,160	926,191	872,430	922,442	1,001,097	1,011,810	7.9	5.0	5.6	4.8	4.8	6.4	5.6

Asia	Statistics (US\$10,000) Statistics (US\$10,000)													
	2006						2007							
	FY 2005	FY 2006	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		
Total value of electrical machinery	9,152,524	9,408,096	2,219,147	2,503,501	2,390,412	2,295,036	2,384,641	-3.9	1.5	-1.2	3.4	0.2	3.5	4.9
Electrical machines and apparatuses	2,500,607	2,696,008	633,531	709,145	650,736	702,596	721,874	0.5	5.6	-0.2	11.1	5.2	6.2	12.8
Information and communications machines and equipment	3,212,879	3,277,911	745,604	891,684	859,196	781,427	756,788	5.1	1.8	-4.8	2.6	2.7	6.9	5.3
Electronic parts and devices	3,439,039	3,434,177	840,012	802,671	880,480	811,013	905,978	5.5	-1.8	1.5	-1.2	-5.4	-1.7	-1.4
Total value of transportation equipment	6,304,659	7,369,201	1,816,954	1,910,511	2,064,496	2,177,239	2,495,474	27.2	19.2	18.6	15.6	21.0	21.4	28.2
Transportation machines and equipment	4,006,938	5,043,498	1,131,034	1,216,787	1,311,047	1,384,629	1,545,663	38.8	18.9	14.7	15.5	24.0	21.0	30.9
Parts and accessories for transportation machinery	2,297,720	2,925,703	685,920	693,724	753,448	792,610	949,811	11.3	19.7	25.4	15.8	16.2	22.0	24.1

ASEAN4	Statistics (US\$10,000) Statistics (US\$10,000)													
	2006						2007							
	FY 2005	FY 2006	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		
Total value of electrical machinery	3,687,151	3,674,191	862,718	974,749	919,639	917,084	890,405	2.2	-0.7	-8.0	1.1	-1.1	5.3	4.1
Electrical machines and apparatuses	994,197	1,037,036	253,675	250,028	247,055	286,278	284,044	-0.4	4.3	-0.7	6.2	4.9	7.0	14.3
Information and communications machines and equipment	1,413,243	1,396,937	310,041	396,062	366,502	324,332	295,148	-0.3	-1.2	-13.5	2.9	-0.6	7.6	0.6
Electronic parts and devices	1,279,712	1,240,218	299,002	328,659	306,083	306,474	311,213	7.4	-4.2	-7.5	-4.3	-5.9	1.4	-0.9
Total value of transportation equipment	3,421,257	3,962,602	902,758	985,272	1,041,109	1,033,462	1,189,257	26.2	11.4	5.7	10.7	16.0	13.0	20.5
Transportation machines and equipment	2,329,566	2,678,767	602,912	670,976	702,679	702,200	802,764	41.9	11.0	5.4	10.8	15.0	12.7	21.9
Parts and accessories for transportation machinery	1,091,692	1,283,834	299,846	314,296	338,429	331,263	386,493	1.6	12.2	6.3	10.3	18.1	13.6	17.8

NIEs3	Statistics (US\$10,000) Statistics (US\$10,000)													
	2006						2007							
	FY 2005	FY 2006	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		
Total value of electrical machinery	1,544,764	1,587,927	386,834	423,456	402,980	374,658	395,342	-4.9	2.2	2.6	5.4	-0.1	0.7	-2.1
Electrical machines and apparatuses	231,128	243,190	61,578	64,637	58,772	58,203	52,087	-15.0	1.0	2.2	5.1	2.2	-5.6	-5.3
Information and communications machines and equipment	451,221	508,229	119,981	133,444	127,184	127,620	106,416	0.9	12.6	18.2	11.0	6.5	16.0	-5.0
Electronic parts and devices	862,415	836,508	205,275	225,374	217,024	188,834	236,839	-4.8	-3.0	-4.7	2.5	-4.1	-6.1	0.5
Total value of transportation equipment	565,317	488,748	141,123	105,336	123,194	119,095	130,801	18.4	-19.4	-13.0	-28.3	-14.4	-22.5	-7.6
Transportation machines and equipment	337,862	234,571	72,313	46,962	55,711	59,585	66,401	16.4	-30.6	-23.1	-43.6	-28.2	-28.1	-8.2
Parts and accessories for transportation machinery	227,455	254,178	68,811	58,374	67,483	59,510	64,400	21.5	-2.8	3.6	-4.1	4.4	-14.6	-6.9

	Statistics (US\$10,0 Statistics (US\$10,000)																	
	FY 2005						FY 2006						FY 2007					
	Apr.-Jun.		Jul.-Sep.		Oct.-Dec.		Jan.-Mar.		Apr.-Jun.		Jul.-Sep.		Oct.-Dec.		Jan.-Mar.		Apr.-Jun.	
Total value of electrical machinery	3,818,912	4,035,051	943,540	1,077,359	1,039,979	974,172	1,070,883	10.2	3.1	4.1	4.7	1.1	1.1	2.7	8.5			
Electrical machines and apparatuses	1,253,702	1,393,472	312,549	389,114	339,771	352,040	378,998	4.6	7.5	-0.3	16.0	5.9	5.9	7.8	14.9			
Information and communications machines and equipment	1,282,703	1,303,493	299,719	344,441	347,880	311,453	339,662	14.9	1.1	-2.4	-0.5	4.6	4.6	2.6	14.7			
Electronic parts and devices	1,292,507	1,338,086	331,273	343,805	352,329	310,680	352,223	12.3	1.0	16.8	-0.8	-6.1	-2.2	-3.1				
Total value of transportation equipment	1,529,841	2,565,595	562,679	589,179	666,787	746,951	876,319	40.6	50.4	92.9	42.0	41.9	43.9	49.6				
Transportation machines and equipment	661,318	1,316,548	275,446	298,774	353,353	388,976	433,414	94.7	71.3	154.1	57.3	89.1	49.2	72.3				
Parts and accessories for transportation machinery	868,522	1,249,047	287,233	290,405	313,434	357,975	442,905	21.3	34.5	65.9	28.1	16.0	38.3	35.1				

Other Asia	Statistics (US\$10,0 Statistics (US\$10,000)																	
	FY 2005						FY 2006						FY 2007					
	Apr.-Jun.		Jul.-Sep.		Oct.-Dec.		Jan.-Mar.		Apr.-Jun.		Jul.-Sep.		Oct.-Dec.		Jan.-Mar.		Apr.-Jun.	
Total value of electrical machinery	101,696	110,927	26,055	27,937	27,814	29,121	28,011	14.1	8.9	3.4	6.7	15.0	10.8	5.1				
Electrical machines and apparatuses	21,580	22,309	5,730	5,386	5,138	6,075	6,745	29.4	3.4	2.3	0.9	5.8	4.7	17.7				
Information and communications machines and equipment	65,712	69,253	15,863	17,737	17,631	18,021	15,562	9.0	5.4	-3.8	1.4	13.0	11.7	-1.9				
Electronic parts and devices	14,404	19,365	4,463	4,833	5,045	5,025	5,704	18.3	33.2	43.8	42.9	35.5	15.8	13.8				
Total value of transportation equipment	788,244	952,256	210,394	230,724	233,406	277,732	299,096	18.3	20.1	8.2	14.0	26.0	31.9	37.5				
Transportation machines and equipment	678,192	813,612	180,364	200,076	199,303	233,869	243,083	17.4	19.4	6.9	14.1	26.3	30.2	34.8				
Parts and accessories for transportation machinery	110,052	138,644	30,031	30,648	34,102	43,863	56,013	24.4	24.7	16.1	13.4	24.7	42.5	54.0				

Europe	Statistics (US\$10,0 Statistics (US\$10,000)																	
	FY 2005						FY 2006						FY 2007					
	Apr.-Jun.		Jul.-Sep.		Oct.-Dec.		Jan.-Mar.		Apr.-Jun.		Jul.-Sep.		Oct.-Dec.		Jan.-Mar.		Apr.-Jun.	
Total value of electrical machinery	4,191,135	4,617,556	1,087,909	1,041,683	1,331,869	1,156,096	1,000,157	1.6	9.8	16.4	11.0	7.6	5.6	-3.2				
Electrical machines and apparatuses	404,828	375,010	88,564	87,115	105,896	93,435	94,705	-14.3	-9.0	-8.0	-11.0	-8.3	-9.0	3.8				
Information and communications machines and equipment	2,400,013	2,631,415	605,682	587,728	734,864	703,141	544,789	2.3	9.4	15.1	11.9	4.7	7.7	-3.5				
Electronic parts and devices	1,386,294	1,611,131	393,663	366,840	491,109	359,520	360,663	5.8	16.0	26.1	16.3	16.5	5.8	4.3				
Total value of transportation equipment	3,811,171	4,199,837	1,059,703	935,246	1,020,223	1,184,666	1,442,490	10.0	9.0	3.6	-0.5	11.8	21.3	26.7				
Transportation machines and equipment	2,823,454	3,058,345	778,805	689,614	732,506	857,419	1,013,488	12.0	8.3	7.4	0.9	5.8	18.6	21.6				
Parts and accessories for transportation machinery	987,716	1,141,492	280,898	245,631	287,716	327,247	429,003	4.6	11.1	-6.2	-4.4	31.5	29.3	40.8				

Other	Statistics (US\$10,0 Statistics (US\$10,000)																	
	FY 2005						FY 2006						FY 2007					
	Apr.-Jun.		Jul.-Sep.		Oct.-Dec.		Jan.-Mar.		Apr.-Jun.		Jul.-Sep.		Oct.-Dec.		Jan.-Mar.		Apr.-Jun.	
Total value of electrical machinery	287,129	302,639	66,280	69,458	101,725	65,176	63,139	5.9	5.4	12.8	7.5	5.7	-3.4	13.6				
Electrical machines and apparatuses	36,066	39,259	8,225	8,260	13,018	9,757	7,938	5.5	8.9	19.6	10.2	6.4	3.1	-3.5				
Information and communications machines and equipment	141,620	157,588	33,711	37,943	49,573	36,361	29,278	10.0	11.3	7.4	26.3	17.8	-4.6	32.7				
Electronic parts and devices	109,444	105,792	24,345	23,255	39,134	19,058	25,923	1.1	-3.3	18.6	-14.1	-6.7	-4.2	2.2				
Total value of transportation equipment	2,989,208	3,742,061	857,213	920,006	961,176	1,003,667	1,080,248	26.6	22.1	17.0	21.8	24.6	24.1	25.7				
Transportation machines and equipment	2,710,496	3,348,164	770,484	828,891	854,272	894,517	940,208	27.9	21.5	17.7	21.6	23.6	22.7	23.6				
Parts and accessories for transportation machinery	288,711	393,897	86,729	91,115	106,903	109,149	140,040	14.7	27.3	10.8	23.9	36.0	36.8	44.6				

Previously omitted parts were added, before investigation of the April - June quarter of 2007, 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 (A new establishment company is included.) continuously subject to the survey since the corresponding quarter of the previous year

<Appendix table 2> Prospect for sale (DI) (Unit:Percentage point)

All area	DI											
	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		Jul-Sep. 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	19.1	15.7	7.0	4.2	-3.2	11.4	10.7	18.5	18.0	7.3	11.4	6.6
Electrical machines and apparatuses information and communications machines and equipment	11.8	16.5	3.3	10.5	4.8	13.4	6.9	8.5	10.3	3.4	13.8	3.5
Electronic parts and devices	19.7	13.4	10.2	2.2	-9.9	9.1	12.9	24.6	22.3	9.4	13.6	-8.7
Total value of transportation equipment	15.7	19.4	20.1	26.6	29.2	24.6	20.5	22.0	15.0	-5.5	22.0	7.0
Transportation machines and equipment	27.9	5.6	16.3	30.6	31.8	19.4	17.4	19.2	18.0	0.6	9.3	-8.7
Parts and accessories for transportation machinery	13.4	21.3	20.7	25.8	28.7	25.2	20.9	22.2	14.3	-6.6	23.4	9.1

North America	DI											
	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		Jul-Sep. 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	-6.9	-1.4	-5.5	-2.8	-2.9	15.0	6.0	21.2	22.8	16.8	19.7	-3.1
Electrical machines and apparatuses information and communications machines and equipment	-22.2	3.7	-34.6	-7.7	0.0	34.6	23.1	23.1	20.0	-3.1	20.0	0.0
Electronic parts and devices	8.7	4.3	16.0	-4.0	0.0	9.1	36.4	29.4	20.3	25.0	13.3	-6.7
Total value of transportation equipment	-4.5	-14.3	4.8	5.3	-10.0	-5.3	-21.1	0.0	20.0	41.1	13.3	13.8
Transportation machines and equipment	-5.6	14.3	21.1	30.0	31.4	22.3	17.6	5.7	0.5	-17.1	14.3	13.8
Parts and accessories for transportation machinery	0.0	0.0	27.8	38.5	33.3	42.9	17.6	0.0	-5.8	-23.2	21.4	27.0

ASEAN4	DI											
	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		Jul-Sep. 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	23.9	6.8	6.1	4.8	-4.4	13.2	3.8	16.3	15.3	11.5	0.0	-15.3
Electrical machines and apparatuses information and communications machines and equipment	13.3	3.3	5.1	11.9	0.0	1.9	-5.3	-3.7	2.0	7.3	2.0	0.0
Electronic parts and devices	37.3	15.3	13.2	1.9	2.0	28.0	13.0	24.1	31.5	18.5	-5.6	-37.1
Total value of transportation equipment	22.3	4.0	3.0	2.0	-10.3	11.8	3.9	23.0	12.9	9.0	2.1	-10.8
Transportation machines and equipment	29.7	23.7	10.9	24.1	22.5	15.1	11.1	28.0	24.7	13.6	28.1	3.4
Parts and accessories for transportation machinery	32.0	8.7	3.8	20.8	19.2	12.5	8.0	26.1	19.2	11.2	8.3	-10.9

Asia	DI											
	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		Jul-Sep. 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	25.0	17.4	7.4	5.7	-4.7	13.9	13.1	18.5	18.5	5.4	8.9	-9.6
Electrical machines and apparatuses information and communications machines and equipment	18.2	17.7	6.5	12.6	-0.6	12.7	7.9	8.2	9.3	1.4	9.9	0.6
Electronic parts and devices	33.6	18.9	3.5	2.1	2.2	15.8	12.8	16.4	20.9	8.1	2.2	-18.7
Total value of transportation equipment	24.8	16.4	10.3	2.5	-11.5	13.4	17.1	26.7	23.8	6.7	12.3	-11.5
Transportation machines and equipment	35.6	30.8	22.9	28.9	29.7	27.7	24.0	35.5	27.0	3.0	28.1	1.1
Parts and accessories for transportation machinery	40.4	12.2	14.6	30.2	27.7	9.5	14.6	25.6	29.4	14.8	6.7	-22.7

China(including Hong Kong)	DI											
	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		Jul-Sep. 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	29.0	27.3	10.5	7.5	-3.6	17.0	22.2	20.1	20.5	-1.7	17.5	-3.0
Electrical machines and apparatuses information and communications machines and equipment	22.0	28.6	7.4	10.6	-2.3	22.9	16.3	13.6	13.9	-2.4	13.9	0.0
Electronic parts and devices	34.8	26.2	0.0	3.0	1.6	6.3	18.6	10.0	15.4	-3.2	9.2	-6.2
Total value of transportation equipment	31.4	27.0	21.3	7.5	-8.3	18.9	29.9	32.3	30.9	1.0	26.8	-4.1
Transportation machines and equipment	51.6	41.9	46.2	41.8	38.1	37.9	38.4	45.6	33.8	-4.6	32.7	-1.1
Parts and accessories for transportation machinery	62.5	16.7	50.0	28.6	25.0	-14.3	11.1	25.0	45.5	34.4	11.1	-34.4

NIES3	DI											
	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		Jul-Sep. 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	14.3	11.1	2.5	0.0	-13.9	1.3	7.6	15.6	18.8	11.2	-2.9	-21.7
Electrical machines and apparatuses information and communications machines and equipment	16.7	16.7	8.3	25.0	4.2	4.3	4.3	17.4	5.3	1.0	10.5	5.2
Electronic parts and devices	6.3	-6.3	-13.3	-6.7	0.0	-8.3	0.0	7.7	0.0	0.0	-15.4	-15.4
Total value of transportation equipment	15.9	14.6	4.8	-12.2	-27.9	2.3	11.6	17.1	32.4	20.8	-5.4	-37.8
Transportation machines and equipment	0.0	19.4	6.7	3.7	6.9	33.3	13.3	21.4	-3.1	-16.4	-3.3	-0.2
Parts and accessories for transportation machinery	0.0	-50.0	-33.3	0.0	50.0	0.0	33.3	0.0	33.3	0.0	-50.0	-83.3

	DI											
	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		Apr-Jun. 2007 period investigation	
	Current assessment Jul-Sep. 2006	Prospect assessment Oct-Dec. 2006	Current assessment Jul-Sep. 2006	Prospect assessment Oct-Dec. 2006	Current assessment Jan-Mar. 2007	Prospect assessment Apr-Jun. 2007	Current assessment Jul-Sep. 2007	Prospect assessment Oct-Dec. 2007	Current assessment Apr-Jun. 2007	Prospect assessment Jul-Sep. 2007	Current assessment Jul-Sep. 2007	Prospect assessment Oct-Dec. 2007
Other Asia												
Total value of electrical machinery	30.4	30.5	0.0	14.3	13.6	30.0	21.7	31.9	P 23.5	P 1.8	P 31.3	P 7.8
Electrical machines and apparatuses	16.7	0.0	0.0	0.0	0.0	0.0	16.7	0.0	P 0.0	P -16.7	P 0.0	P 0.0
Information and communications machines and equipment	50.0	37.5	0.0	12.5	12.5	50.0	-14.3	28.6	P 28.6	P 42.9	P 28.6	P 0.0
Electronic parts and devices	22.2	44.4	0.0	28.6	25.0	28.6	50.0	50.0	P 25.0	P -25.0	P 42.9	P 17.9
Total value of transportation equipment	51.6	40.0	22.2	34.6	54.9	46.7	41.9	46.7	P 36.8	P -5.1	P 36.1	P -0.7
Transportation machines and equipment	54.5	30.0	27.3	60.0	45.5	20.0	27.3	30.0	P 36.4	P 9.1	P 10.0	P -26.4
Parts and accessories for transportation machinery	50.0	45.0	18.8	18.8	60.0	60.0	50.0	55.0	P 37.0	P -13.0	P 46.2	P 9.2

	DI											
	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		Apr-Jun. 2007 period investigation	
	Current assessment Jul-Sep. 2006	Prospect assessment Oct-Dec. 2006	Current assessment Jul-Sep. 2006	Prospect assessment Oct-Dec. 2006	Current assessment Jan-Mar. 2007	Prospect assessment Apr-Jun. 2007	Current assessment Jul-Sep. 2007	Prospect assessment Oct-Dec. 2007	Current assessment Apr-Jun. 2007	Prospect assessment Jul-Sep. 2007	Current assessment Jul-Sep. 2007	Prospect assessment Oct-Dec. 2007
Europe												
Total value of electrical machinery	-4.9	23.3	23.5	-3.2	12.5	-11.1	-8.9	14.8	P 1.9	P 10.8	P 27.0	P 25.1
Electrical machines and apparatuses	-9.5	23.8	22.7	9.1	55.0	-5.3	-14.3	-5.0	P -9.5	P 4.8	P 38.1	P 47.6
Information and communications machines and equipment	8.3	39.1	33.3	-13.0	-22.7	4.8	4.5	33.3	P 19.0	P 14.5	P 10.0	P -9.0
Electronic parts and devices	-18.8	0.0	11.1	-6.3	7.1	-42.9	-23.1	15.4	P -9.1	P 14.0	P 36.4	P 45.5
Total value of transportation equipment	-27.6	-13.2	17.7	10.1	22.5	15.9	12.7	-6.7	P -18.4	P -31.1	P 13.3	P 31.7
Transportation machines and equipment	-11.1	-28.6	11.1	0.0	55.6	14.3	33.3	-14.3	P -22.2	P -55.5	P 14.3	P 36.5
Parts and accessories for transportation machinery	-30.0	-11.5	18.9	11.5	17.7	16.1	9.3	-5.7	P -17.9	P -27.2	P 13.2	P 31.1

	DI											
	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		Apr-Jun. 2007 period investigation	
	Current assessment Jul-Sep. 2006	Prospect assessment Oct-Dec. 2006	Current assessment Jul-Sep. 2006	Prospect assessment Oct-Dec. 2006	Current assessment Jan-Mar. 2007	Prospect assessment Apr-Jun. 2007	Current assessment Jul-Sep. 2007	Prospect assessment Oct-Dec. 2007	Current assessment Apr-Jun. 2007	Prospect assessment Jul-Sep. 2007	Current assessment Jul-Sep. 2007	Prospect assessment Oct-Dec. 2007
Others												
Total value of electrical machinery	13.0	4.3	-8.7	8.7	-4.4	0.0	13.6	18.2	P 33.3	P 19.7	P 16.7	P -16.6
Electrical machines and apparatuses	37.5	12.5	0.0	25.0	14.3	0.0	-14.3	0.0	P 66.7	P 81.0	P 16.7	P -50.0
Information and communications machines and equipment	9.1	-9.1	-25.0	0.0	-25.0	0.0	25.0	25.0	P 12.5	P -12.5	P 12.5	P 0.0
Electronic parts and devices	-25.0	25.0	33.3	0.0	25.0	0.0	33.3	33.3	P 25.0	P -8.3	P 25.0	P 0.0
Total value of transportation equipment	25.5	13.4	0.0	21.6	29.2	24.4	18.6	31.0	P 23.7	P 5.1	P 17.5	P -6.2
Transportation machines and equipment	50.0	10.0	9.1	44.4	27.3	33.3	16.7	40.0	P 36.4	P 19.7	P 0.0	P -36.4
Parts and accessories for transportation machinery	17.1	14.3	-3.4	14.3	29.7	22.2	19.4	28.1	P 20.8	P 1.4	P 20.8	P 0.0

	DI											
	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		Apr-Jun. 2007 period investigation	
	Current assessment Jul-Sep. 2006	Prospect assessment Oct-Dec. 2006	Current assessment Jul-Sep. 2006	Prospect assessment Oct-Dec. 2006	Current assessment Jan-Mar. 2007	Prospect assessment Apr-Jun. 2007	Current assessment Jul-Sep. 2007	Prospect assessment Oct-Dec. 2007	Current assessment Apr-Jun. 2007	Prospect assessment Jul-Sep. 2007	Current assessment Jul-Sep. 2007	Prospect assessment Oct-Dec. 2007
Others												
Total value of electrical machinery	13.0	4.3	-8.7	8.7	-4.4	0.0	13.6	18.2	P 33.3	P 19.7	P 16.7	P -16.6
Electrical machines and apparatuses	37.5	12.5	0.0	25.0	14.3	0.0	-14.3	0.0	P 66.7	P 81.0	P 16.7	P -50.0
Information and communications machines and equipment	9.1	-9.1	-25.0	0.0	-25.0	0.0	25.0	25.0	P 12.5	P -12.5	P 12.5	P 0.0
Electronic parts and devices	-25.0	25.0	33.3	0.0	25.0	0.0	33.3	33.3	P 25.0	P -8.3	P 25.0	P 0.0
Total value of transportation equipment	25.5	13.4	0.0	21.6	29.2	24.4	18.6	31.0	P 23.7	P 5.1	P 17.5	P -6.2
Transportation machines and equipment	50.0	10.0	9.1	44.4	27.3	33.3	16.7	40.0	P 36.4	P 19.7	P 0.0	P -36.4
Parts and accessories for transportation machinery	17.1	14.3	-3.4	14.3	29.7	22.2	19.4	28.1	P 20.8	P 1.4	P 20.8	P 0.0

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