

# Trends in Overseas Subsidiaries

## (Quarterly Survey of Overseas Subsidiaries)

Survey from July to September 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 September 2007.

(The deadline for submitting survey responses for this quarter was November 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
4,162	3,240	77.8%

## 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

- : Calculation impossible ones.

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

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

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

### (5) Tabulation method

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

Estimated values for this quarter for companies not submitting data =

Value for corresponding quarter in previous year for relevant companies ×

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

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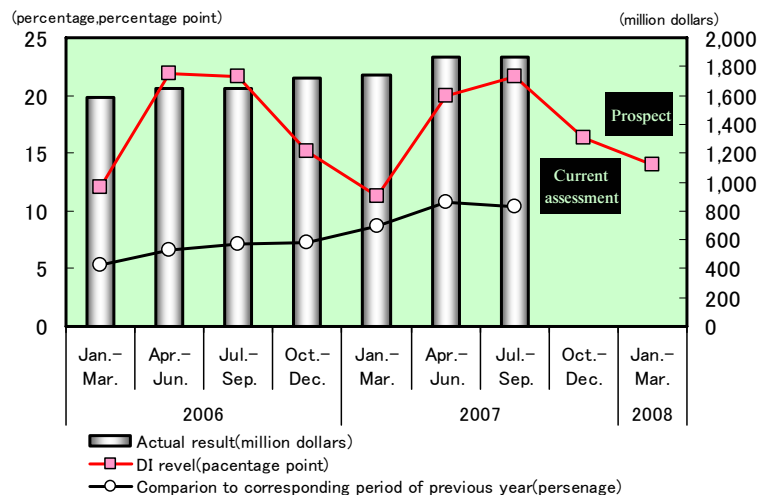
Total values for same quarter of the previous year for companies that submitted data both this quarter and  
in the same quarter of the previous year

## II. Survey Results

### 1. Trends in sales

- The sales Current Assessment DI (October - December 2007) declined by 5.3 percentage points from the previous quarter, down in positive margin. The Prospect DI (January - March 2007) decreased by 2.3 percentage points, further falling in positive margin.
  - As for the Current Assessment DI, Europe turned into a positive figure, but North America and Asia decreased in positive margin.
  - As for the Prospects DI, North America and ASEAN4 increased in positive margin. NIEs3 reported a less than ten percentage point DI, but all the regions maintained in positive figures.
- The actual results increased by 10.4% from the same quarter in the previous year, registering double-digit growth for the second consecutive quarter. In Asia, China reported large growth for the third consecutive quarter as transportation equipment and other sectors continued to grow fast and electrical machinery increased further to a double-digit figure. ASEAN4 reported double-digit growth for the third consecutive quarter as industrial machinery and other sectors increased fast and electrical machinery increased for the third consecutive quarter. NIEs3 increased for the third consecutive quarter as transportation equipment grew by more than 10% and industrial machinery and other sectors also grew, though electrical equipment declined. North America grew by less than 10% for the ninth consecutive quarter as chemicals and transportation equipment increased by not more than 10%, though iron & steel and industrial machinery declined. Europe reported large growth for the third consecutive quarter as industrial machinery increased fast and electrical machinery tuned to an increase. **(Chart 1)**

**Chart 1 Sales DI and Actual result**



#### (1) DI

The Sales Current Assessment DI (October - December 2007) stood at 16.3 percentage points, declining in positive margin by 5.3 percentage points from the Current Assessment DI for the previous quarter (July - September 2007). The Prospects DI (January - March 2008) stood at 14.0 percentage points, further declining in positive margin by 2.3 percentage points from the Current Assessment DI for the current quarter (October - December 2007) **(Table 1)**

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

According to area	DI			Comparison to the previous quarter	
	Survey of previous term	Survey of present term		Current assessment [②-①]	Prospect [③-②]
	① Current assessment (2007 Jul.-Sep.)	② Current assessment (2007 Oct.-Dec.)	③ Prospect (2008 Jan.-Mar.)		
Total (All areas)	21.6	→ 16.3	→ 14.0	( -5.3 )	-2.3
North america	10.9	→ 9.9	→ 16.0	( -1.0 )	6.1
Asia	26.5	→ 18.5	→ 14.0	( -8.0 )	-4.5
ASEAN4	21.5	→ 9.3	→ 12.9	( -12.2 )	3.6
NIEs3	19.3	→ 16.6	→ 6.6	( -2.7 )	-10.0
China(including Hong Kong)	31.5	→ 23.8	→ 13.5	( -7.7 )	-10.3
Europe	-1.8	→ 15.4	→ 13.8	( 17.2 )	-1.6

Industrial classification	DI			Comparison to the previous quarter	
	Survey of previous term	Survey of present term		Current assessment [②-①]	Prospect [③-②]
	① Current assessment (2007 Jul.-Sep.)	② Current assessment (2007 Oct.-Dec.)	③ Prospect (2008 Jan.-Mar.)		
Total (All manufacturing industry)	21.6	→ 16.3	→ 14.0	( -5.3 )	-2.3
Transportation equipment	14.3	→ 20.8	→ 24.5	( 6.5 )	3.7
Electrical machinery	18.1	→ 12.8	→ 4.3	( -5.3 )	-8.5
Industrial machinery	26.1	→ 23.4	→ 13.2	( -2.7 )	-10.2
Chemicals	32.1	→ 17.2	→ 24.6	( -14.9 )	7.4
Iron and steel	28.4	→ 11.0	→ 20.0	( -17.4 )	9.0

(Unit : percentage point)

As for the Current Assessment DI\*<sup>1</sup>, Europe turned to a positive figure, while North America and Asia declined in positive margin. As for the Prospects DI, North America and ASEAN4\*<sup>2</sup> increased in positive margin, while China\*<sup>3</sup>, NIEs3\*<sup>4</sup>, and Europe declined in positive margin.

The Prospects DI fell by 2.3 percentage points from the previous quarter, declining in positive margin. Asia fell by 4.5 percentage points from the previous quarter, declining in positive margin. China declined in positive margin as industrial machinery fell fast in positive margin and transportation equipment and electrical machinery declined in positive margin, though chemicals grew in positive margin and iron & steel also increased slightly in positive margin. NIEs3 declined in positive margin as industrial machinery turned to a negative figure, iron & steel fell fast in positive margin, and chemicals, transportation equipment, and other sectors also declined in positive margin. ASEAN4 increased in positive margin as chemicals, transportation equipment, and other sectors grew in positive margin, though industrial machinery fell fast and electrical machinery turned to a negative figure. North America grew in positive margin as iron & steel shrunk its negative margin rapidly and industrial machinery, chemicals, and other sectors increased in positive figure. Europe declined in positive figure as electrical machinery turned to a negative figure and industrial machinery and transportation equipment declined in positive margin, though chemicals turned to a positive figure.

(Table 2)

Table2 Sales DI for main industries classified by area

**North america**

Sales	Survey of previous term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	10.9	9.9	-1.0	16.0	6.1
Transportation equipment	0.0	14.8	14.8	17.1	2.3
Electrical machinery	22.0	15.8	-6.2	20.6	4.8
Industrial machinery	8.8	6.8	-2.0	28.9	22.1
Chemicals	23.6	4.1	-19.5	18.8	14.7
Iron and steel	0.0	-38.5	-38.5	-7.7	30.8

**Asia**

(Unit : percentage point)

Sales	Survey of previous term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	26.5	18.5	-8.0	14.0	-4.5
Transportation equipment	26.4	27.6	1.2	29.3	1.7
Electrical machinery	18.9	11.3	-7.6	3.2	-8.1
Industrial machinery	31.6	25.5	-6.1	7.5	-18.0
Chemicals	40.7	23.8	-16.9	27.3	3.5
Iron and steel	33.9	22.5	-11.4	29.1	6.6

**ASEAN4**

Sales	Survey of previous term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	21.5	9.3	-12.2	12.9	3.6
Transportation equipment	23.9	16.7	-7.2	25.3	8.6
Electrical machinery	16.9	4.3	-12.6	-3.4	-7.7
Industrial machinery	28.8	30.0	1.2	14.0	-16.0
Chemicals	31.9	0.0	-31.9	14.1	14.1
Iron and steel	27.0	16.0	-11.0	25.0	9.0

**NIEs3**

Sales	Survey of previous term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	19.3	16.6	-2.7	6.6	-10.0
Transportation equipment	-3.2	28.1	31.3	23.3	-4.8
Electrical machinery	18.3	2.7	-15.6	1.5	-1.2
Industrial machinery	15.4	14.3	-1.1	-9.5	-23.8
Chemicals	31.8	22.2	-9.6	11.3	-10.9
Iron and steel	20.0	40.0	20.0	25.0	-15.0

**China(including HongKong)**

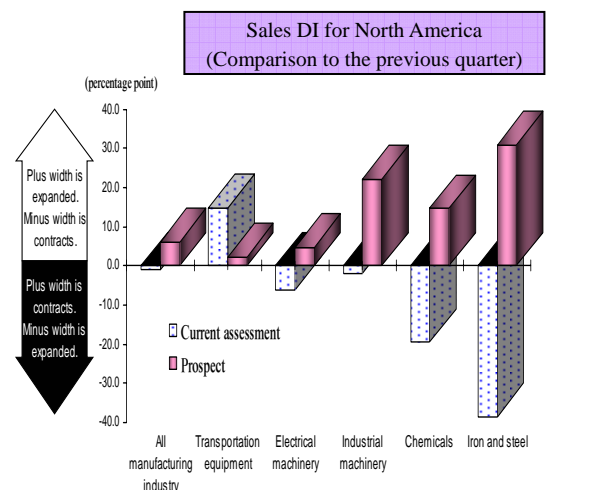
Sales	Survey of previous term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	31.5	23.8	-7.7	13.5	-10.3
Transportation equipment	33.6	38.2	4.6	28.5	-9.7
Electrical machinery	20.4	16.9	-3.5	5.3	-11.6
Industrial machinery	38.7	24.4	-14.3	5.8	-18.6
Chemicals	54.4	45.3	-9.1	47.6	2.3
Iron and steel	42.3	28.0	-14.3	29.2	1.2

**Europe**

Sales	Survey of previous term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	-1.8	15.4	17.2	13.8	-1.6
Transportation equipment	-19.5	17.8	37.3	14.5	-3.3
Electrical machinery	0.0	18.2	18.2	-3.7	-21.9
Industrial machinery	17.8	36.9	19.1	21.0	-15.9
Chemicals	4.6	-7.5	-12.1	19.5	27.0
Iron and steel	0.0	0.0	0.0	0.0	0.0

**North America**

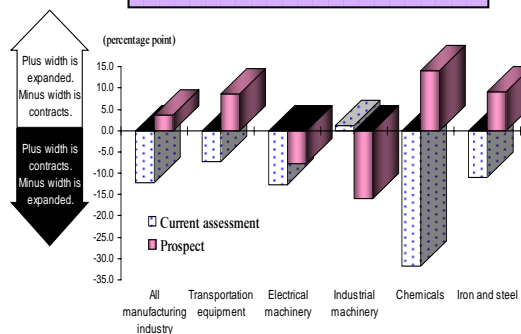
The Prospects DI (16.0 percentage points)\*<sup>5</sup> grew by 6.1 percentage points from the previous quarter, increasing in positive margin. Iron & steel (minus 7.7 percentage points) increased by 30.8 percentage points from the previous quarter, shrinking the negative figure rapidly. Industrial machinery (28.9 percentage points) grew by 22.1 percentage points from the previous quarter, increasing fast in positive margin. Chemicals (18.8 percentage points) grew by 14.7 percentage points from the previous quarter, increasing in positive margin. Electrical machinery (20.6 percentage points) grew by 4.8 percentage points from the previous quarter, and transportation equipment (17.1 percentage points) also grew by 2.3 percentage points from the previous quarter, increasing in positive margin.



## ASEAN4

The Prospects DI (12.9 percentage points) grew by 3.6 percentage points from the previous quarter, increasing in positive margin. Chemicals (14.1 percentage point) grew by 14.1 percentage points from the previous quarter, increasing in positive margin. Iron & steel (25.0 percentage points) grew by 9.0 percentage points from the previous quarter, increasing in positive margin, and transportation equipment (25.3 percentage points) also grew by 8.6 percentage points, increasing in positive margin. Industrial machinery (14.0 percentage points) fell by 16.0 percentage points from the previous quarter, declining fast in positive margin. Electrical machinery (minus 3.4 percentage points) fell by 7.7 percentage points, turning to a negative figure.

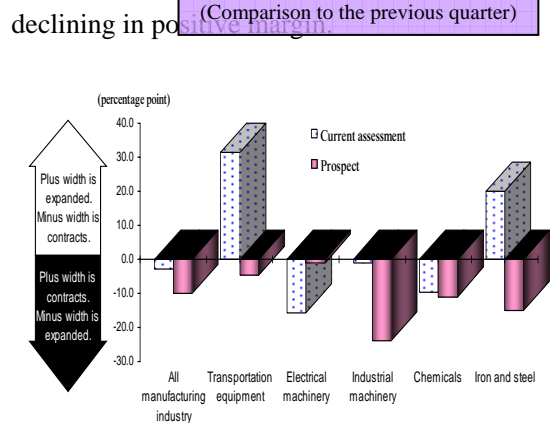
Sales DI for ASEAN4  
(Comparison to the previous quarter)



## NIEs3

The Prospects DI (6.6 percentage points) fell by 10.0 percentage points from the previous quarter, falling in positive margin. Industrial machinery (minus 9.5 percentage points) declined by 23.8 percentage points from the previous quarter, turning to a negative figure. Iron & steel (25.0 percentage points) fell by 15.0 percentage points from the previous quarter, rapidly declining in positive margin. Chemicals (11.3 percentage points) fell by 10.9 percentage points from the previous quarter, declining in positive margin, and transportation equipment (23.3 percentage points) fell by 4.8 percentage points from the previous quarter, declining in positive margin. Electrical machinery (1.5 percentage points) declined by 1.2 percentage points from the previous quarter, slightly

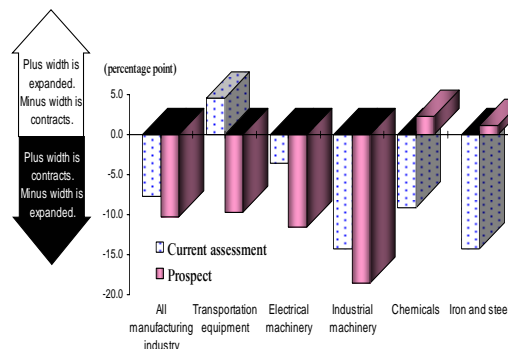
Sales DI for NIEs3  
(Comparison to the previous quarter)



## China (including Hong Kong)

The Prospects DI (13.5 percentage points) declined by 10.3 percentage points from the previous quarter, falling in positive margin. Industrial machinery (5.8 percentage points) declined by 18.6 percentage points from the previous quarter, falling rapidly in positive margin. Electrical machinery (5.3 percentage points) declined by 11.6 percentage points from the previous quarter, falling in positive margin. Transportation equipment (28.5 percentage points) declined by 9.7 percentage points from the previous quarter, falling in positive margin. Chemicals (47.6 percentage points) grew by 2.3 percentage points from the previous quarter, increasing in positive margin. Iron & steel (29.2 percentage points) grew by 1.2 percentage points from the previous quarter, slightly increasing in positive margin.

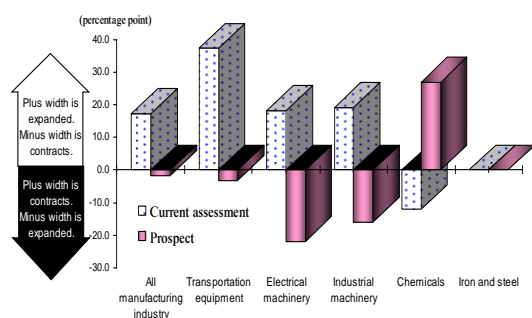
Sales DI for China  
(Comparison to the previous quarter)



## Europe

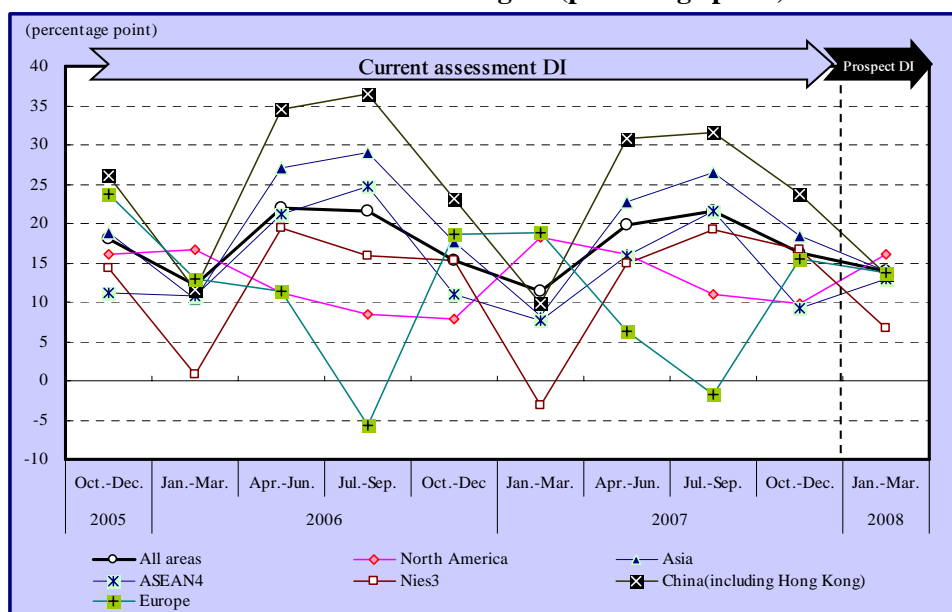
The Prospects DI (13.8 percentage points) fell by 1.6 percentage points from the previous quarter, slightly declining in positive margin. Electrical machinery (minus 3.7 percentage points) fell by 21.9 percentage points from the previous quarter, turning to a negative figure. Industrial machinery (21.0 percentage points) fell by 15.9 percentage points from the previous quarter, sharply declining in positive margin. Transportation equipment (14.5 percentage points) fell by 3.3 percentage points from the previous quarter, declining in positive margin. Chemicals (19.5 percentage points) grew by 27.0 percentage points from the previous quarter, turning to a positive figure. Iron & steel (0.0 percentage points) remained unchanged from the previous quarter, leveling off.

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 July to September 2007 at the April - June 2007 survey);  
 Current Assessment DI for the current quarter: (current assessment figures for the period from October to December 2007 at the July - September 2007 survey);  
 Prospects DI for the current quarter: (prospects figures for the period from January to March 2008 at the July - September 2007 survey);
- \*2 ASEAN4: Indonesia, Thailand, the Philippines, and Malaysia;  
 \*3 China: including Hong Kong  
 \*4 NIEs3: Singapore, Taiwan, and South Korea  
 \*5 Figures in parentheses represent levels.

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



**(2) Actual Results**

Total sales amounted to US\$186,154,980,000, up 10.4% from the same quarter of the previous year, representing double-digit growth for the second consecutive quarter. By industry, transportation equipment grew by 13.1% from the same quarter of the previous year, reporting double-digit increase for the fourth consecutive quarter. Chemicals grew by 10.3% from the same quarter of the previous year, reporting double-digit increase for the third consecutive quarter. Industrial machinery increased by 5.6% from the same quarter of the previous year, reporting only single-digit growth. Electrical machinery grew by 4.7% from the same quarter of the previous year, increasing less than 10% for the 12<sup>th</sup>. Iron & steel fell by 1.5% from the same quarter of the previous year, slightly declining for the first time in six quarters. **(Table 3)**

**Table 3 Actual result of sales**

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Total (All areas)	7.1	7.2	8.7	10.7	10.4
North america	1.8	1.6	0.9	0.1	2.2
Asia	10.6	8.9	11.6	15.2	13.9
ASEAN4	9.3	7.9	10.4	14.4	10.8
NIEs3	-0.5	-0.1	0.4	2.5	4.6
China(including Hong Kong)	16.5	12.2	15.3	19.5	18.9
Europe	6.7	10.5	15.9	19.1	18.2

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Total (All manufacturing industry)	7.1	7.2	8.7	10.7	10.4
Transportation equipment	4.9	10.0	11.3	14.0	13.1
Electrical machinery	6.4	2.0	3.3	0.6	4.7
Industrial machinery	16.2	14.1	12.4	10.6	5.6
Chemicals	8.6	6.9	10.2	12.3	10.3
Iron and steel	7.1	3.4	1.8	4.9	-1.5

(Unit : percentage)

By region, Asia grew by 13.9% from the same quarter of the previous year, reporting double-digit growth for the third consecutive quarter. In the region, transportation equipment remained strong, and all the industries reported growth for the third consecutive quarter. China reported a sharp increase for the third consecutive quarter as transportation equipment and chemicals continued to grow fast and electrical machinery grew further by more than 10%, though industrial machinery turned to a negative figure. ASEAN4 reported a double-digit increase for the third consecutive quarter as industrial machinery and transportation equipment grew fast and electrical equipment also grew for the third consecutive quarter. NIEs3 grew for the third consecutive quarter as transportation equipment grew by more than 10% for the first time in seven quarters and industrial equipment and chemicals also increased, though electrical equipment declined for the second consecutive quarter. North America grew only by less than 10% for the ninth consecutive quarter as chemicals and transportation equipment reported only single-digit growth, though iron & steel decreased sharply and industrial machinery also declined for the third consecutive quarter. Europe reported a sharp increase for the third consecutive quarter as industrial machinery and transportation equipment grew fast, and electrical machinery turned to an increase. (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		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	1.8	1.6	0.9	0.1	2.2
Transportation equipment	-2.5	1.2	1.0	0.6	2.0
Electrical machinery	9.1	-0.5	0.7	-5.6	0.0
Industrial machinery	4.5	1.5	-0.7	-7.7	-5.3
Chemicals	6.8	6.8	6.3	6.3	4.5
Iron and steel	12.7	-13.2	-13.0	-13.8	-21.6

**Asia**

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	10.6	8.9	11.6	15.2	13.9
Transportation equipment	15.6	21.0	21.4	28.3	28.7
Electrical machinery	3.4	0.2	3.5	5.4	6.0
Industrial machinery	25.7	19.7	9.7	11.8	4.9
Chemicals	11.8	7.0	11.7	12.5	9.3
Iron and steel	4.9	14.0	13.9	15.7	10.2

**ASEAN4**

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	9.3	7.9	10.4	14.4	10.8
Transportation equipment	10.7	16.0	13.0	20.5	16.9
Electrical machinery	1.1	-1.1	5.3	5.3	3.0
Industrial machinery	12.4	10.7	11.8	16.0	18.5
Chemicals	14.2	11.3	11.4	9.2	5.7
Iron and steel	0.7	5.6	10.4	16.8	14.5

**NIEs3**

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	-0.5	-0.1	0.4	2.5	4.6
Transportation equipment	-28.3	-14.4	-22.5	-7.6	18.0
Electrical machinery	5.4	-0.1	0.7	-2.4	-0.1
Industrial machinery	13.4	9.6	12.0	2.8	9.4
Chemicals	5.0	1.1	8.3	9.4	4.2
Iron and steel	x	x	x	x	x

**China(including Hong Kong)**

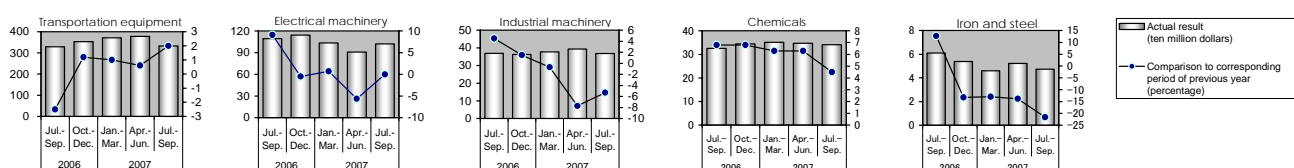
Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	16.5	12.2	15.3	19.5	18.9
Transportation equipment	42.0	41.9	43.9	49.7	48.5
Electrical machinery	4.7	1.1	2.7	8.6	11.1
Industrial machinery	29.1	21.5	7.1	9.2	-1.7
Chemicals	28.7	16.4	21.2	28.2	29.0
Iron and steel	9.5	9.3	11.0	10.7	6.8

**Europe**

Sales	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	6.7	10.5	15.9	19.1	18.2
Transportation equipment	-0.5	11.8	21.3	26.6	18.3
Electrical machinery	11.0	7.6	5.6	-4.3	5.6
Industrial machinery	17.5	22.1	35.4	32.7	18.5
Chemicals	6.2	7.1	12.0	17.7	16.9
Iron and steel	x	x	x	x	x

**North America**

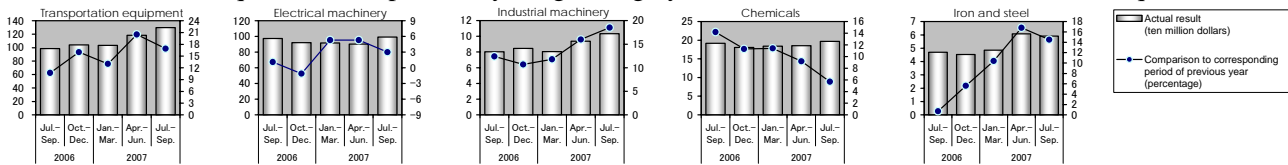
Total sales amounted to US\$60,932,700,000 (32.7% of total sales in all regions), down 2.2% from the same quarter of the previous year, growing by less than 10% for the ninth consecutive quarter. Chemicals increased by 4.5% from the same quarter of the previous year, growing by less than 10% for the sixth consecutive quarter. Transportation equipment increased by 2.0% from the same quarter of the previous year, growing by less than 10% for the fourth consecutive quarter. Electrical machinery increased by 0.0% from the same quarter of the previous year, leveling off. Industrial machinery declined by 5.3% from the same quarter of the previous year, falling by less than 10% for the third consecutive quarter. Iron & steel fell by 21.6% from the same quarter of the previous year, reporting a double-digit decline for the fourth consecutive quarter.





## ASEAN4

Total sales amounted to US\$31,762,660,000 (17.1% of total sales in all regions), up 10.8% from the same quarter of the previous year, representing double-digit growth for the third consecutive quarter. Industrial machinery increased fast, up 18.5% from the same quarter of the previous year, reporting double-digit growth for the fifth consecutive quarter. Transportation equipment grew fast, up 16.9% from the same quarter of the previous year, reporting double-digit growth for the fifth consecutive quarter. Domestic sales increased sharply in Indonesia, and exports from Thailand continued to grow fast. Iron and steel increased by 14.5% from the same quarter of the previous year, growing by more than 10% for the third consecutive quarter. Chemicals increased by 5.7% from the same quarter of the previous year, growing less than 10% for the second consecutive quarter. Electrical machinery increased by 3.0% from the same quarter of the previous year, growing by less than 10% for the third consecutive quarter.



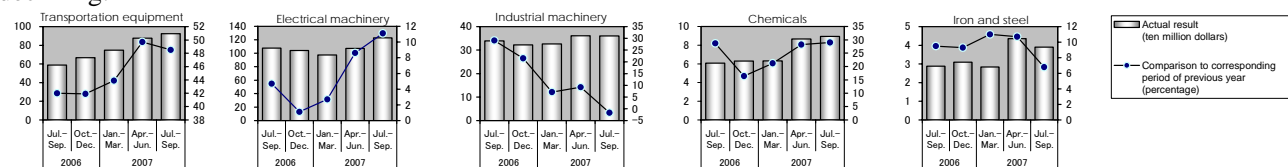
## NIEs3

Total sales amounted to US\$10,223,440,000 (5.5% of total sales in all regions), up 4.6% from the same quarter of the previous year, growing for the third consecutive quarter. Transportation equipment grew by 18.0% from the same quarter of the previous year, increasing for the first time in seven quarters. In the sector, domestic sales increased sharply in Taiwan, and exports from South Korea to third countries grew fast. Industrial machinery increased by 9.4% from the same quarter of the previous year, growing for the sixth consecutive quarter. Chemicals increased by 4.2%, from the same quarter of the previous year, growing by less than 10% for the eighth consecutive quarter. Electrical machinery fell by 0.1% from the same quarter of the previous year, declining marginally.



## China (including Hong Kong)

Total sales amounted to US\$30,486,770,000 (16.4% of total sales in all regions), up 18.9% from the same quarter of the previous year, maintaining double-digit growth. Transportation equipment continued to grow fast, up 48.5% from the same quarter of the previous year. Chemicals also increased rapidly, up 29.0% from the same quarter of the previous year. Electrical machinery increased by 11.1% from the same quarter of the previous year, growing by more than 10% for the first time in seven quarters. In the sector, visual-related equipment, such as liquid crystal and plasma panels, increased, mainly for export. Iron & steel increased by 6.8% from the same quarter of the previous year, continuing to grow. Industrial machinery fell by 1.7% from the same quarter of the previous year, slightly declining.

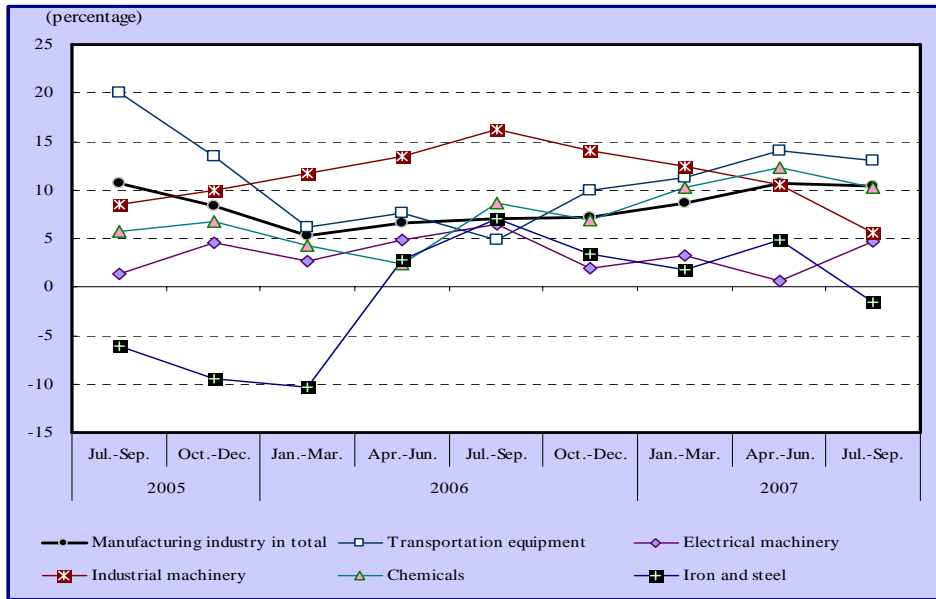


## Europe

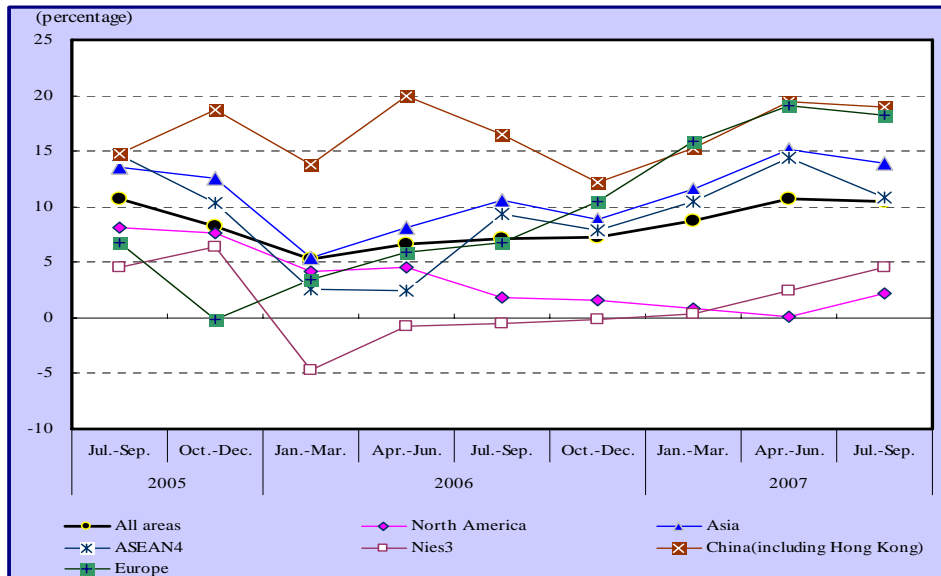
Total sales amounted to US\$34,957,370,000 (18.8% of total sales in all regions), up 18.2% from the same quarter of the previous year, growing fast for the third consecutive quarter. Industrial machinery increased by 18.5% from the same quarter of the previous year, growing fast for the fifth consecutive quarter. Transportation equipment increased by 18.3% from the same quarter of the previous year, growing fast for the third consecutive quarter. Chemicals increased by 16.9% from the same quarter of the previous year, growing fast for the second consecutive quarter. Electric machinery increased by 5.6% from the same quarter of the previous year, turning to an increase.



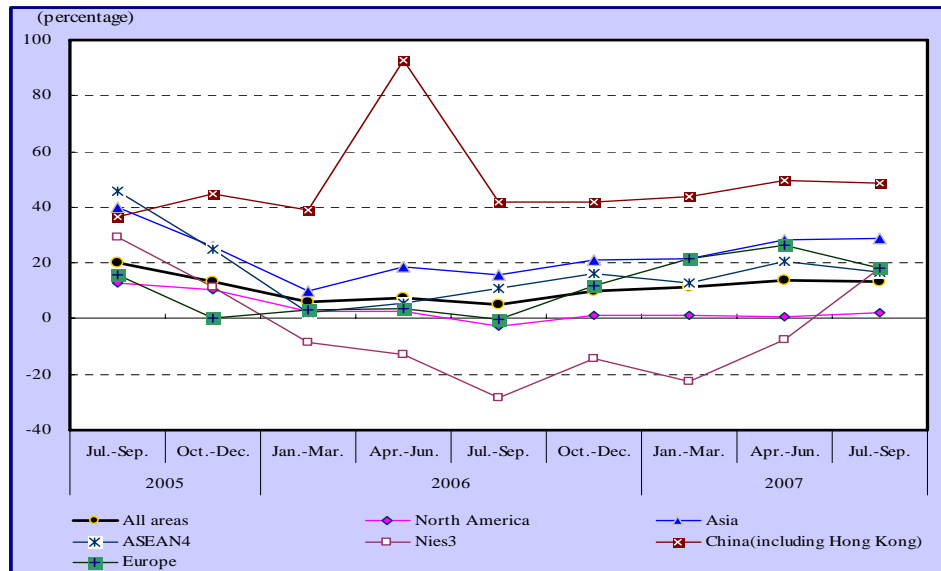
**Chart 1-2 Transition of the actual sales track record according to main industries  
(Comparison of the same quarter of the previous year)**



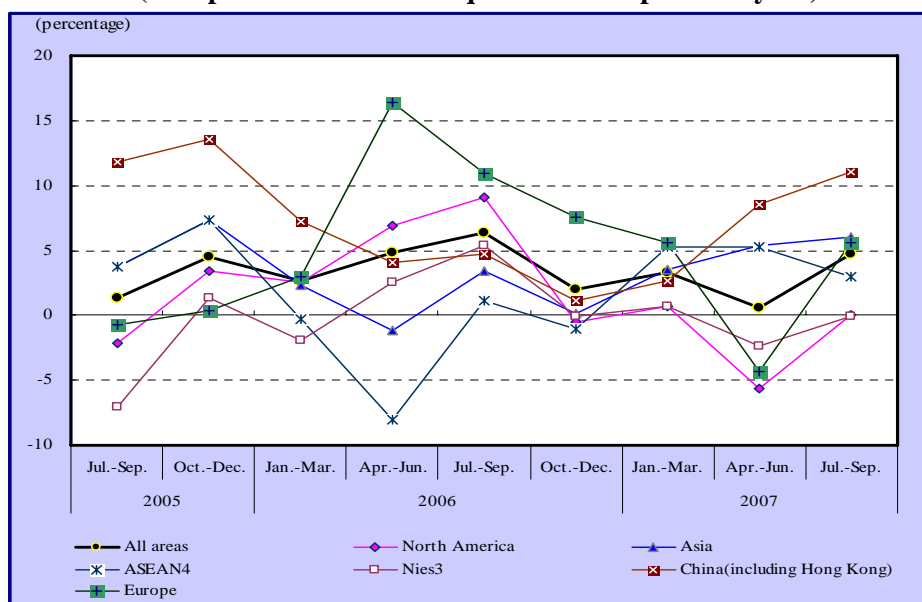
**Chart 1-3 Transition of the actual sales track record according to area  
(Comparison of the same quarter of the previous year)**



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



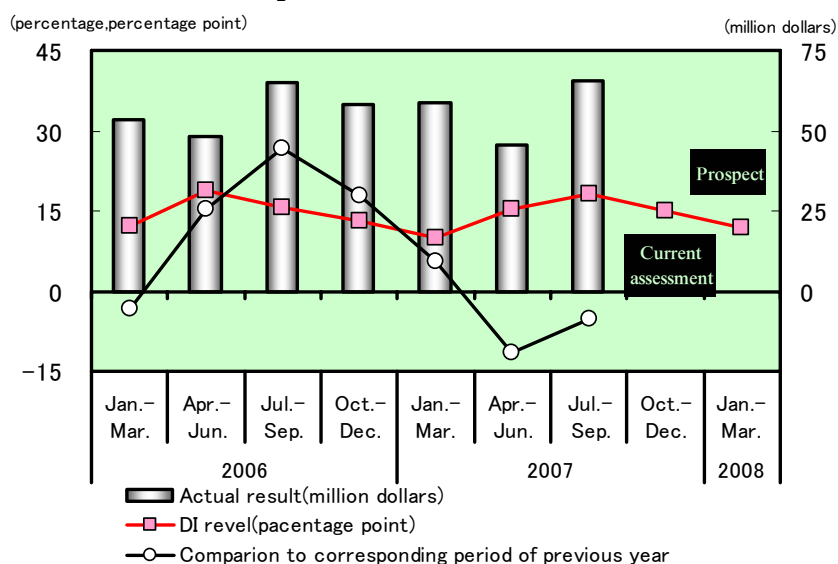
**Chart 1-5 Actual sales track record according to electrical machinery  
(Comparison of the same quarter of the previous year)**



## 2. Trends in capital investment

- The Capital Investment Current Assessment DI (October - December 2007) fell by 3.0 percentage points from the previous quarter, declining in positive margin. The Prospect DI (January - March 2008) decreased by 3.3 percentage points, further falling in positive margin.
  - As for the Current Assessment DI, all the regions stood at more than 10 percentage points, though they all fell in positive margin.
  - As for the Prospects DI, all the regions except North America declined in positive margin, and NIEs3 and Europe stood at single-digit positive figures.
- The actual results declined by 5.2% from the same quarter in the previous year, falling for the second consecutive quarter. Asia (down 6.9% from the same quarter in the previous year) declined for the second consecutive quarter. NIEs3 fell sharply for the second consecutive quarter as major four sectors all declined. ASEAN4 fell sharply for the second consecutive quarter as transportation equipment declined rapidly, though electrical machinery turned to a sharp increase. China declined for the second consecutive quarter as transportation equipment fell fast, though iron & steel grew significantly and electrical machinery increased rapidly. North America increased for the third consecutive quarter as iron & steel increased rapidly and electrical machinery and transportation equipment increased, though chemicals fell sharply for the second consecutive quarter. Europe declined by more than 10% for the second consecutive quarter as chemicals and transportation equipment fell rapidly though industrial machinery and electrical machinery grew fast. **(Chart2)**

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



## (1) DI

The Capital Investment Current Assessment DI (October - December 2007) stood at 15.1 percentage points, declining in positive margin by 3.0 percentage points from the Current Assessment DI for the previous quarter (July - September 2007). All the regions declined in positive margin. The Prospects DI (January - March 2008) stood at 11.8 percentage points, further declining in positive margin by 3.3 percentage points from the Current Assessment DI for the current quarter (October - December 2007). (Table 5)

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

According to area	DI				
	Survey of present term			Comparison to the previous quarter	
	①Current assessment (2007.Jul.-Sep.)	②Current assessment (2007.Oct.-Dec.)	③Prospect (2008.Jan.-Mar.)	Current assessment [②-①]	Prospect [③-②]
Total (All areas)	18.1	→ 15.1	→ 11.8	( -3.0 )	<b>-3.3</b>
North america	12.8	→ 10.3	→ 10.8	( -2.5 )	<b>0.5</b>
Asia	19.5	→ 17.0	→ 13.4	( -2.5 )	<b>-3.6</b>
ASEAN4	16.3	→ 14.6	→ 11.2	( -1.7 )	<b>-3.4</b>
NIEs3	21.7	→ 13.5	→ 3.6	( -8.2 )	<b>-9.9</b>
China(including Hong Kong)	19.5	→ 17.4	→ 14.9	( -2.1 )	<b>-2.5</b>
Europe	17.0	→ 12.5	→ 3.9	( -4.5 )	<b>-8.6</b>

Industrial classification	DI				
	Survey of present term			Comparison to the previous quarter	
	①Current assessment (2007.Jul.-Sep.)	②Current assessment (2007.Oct.-Dec.)	③Prospect (2008.Jan.-Mar.)	Current assessment [②-①]	Prospect [③-②]
Total (All manufacturing industry)	18.1	→ 15.1	→ 11.8	( -3.0 )	<b>-3.3</b>
Transportation equipment	21.5	→ 22.4	→ 15.0	( 0.9 )	<b>-7.4</b>
Electrical machinery	17.6	→ 12.2	→ 2.0	( -5.4 )	<b>-10.2</b>
Industrial machinery	10.4	→ 6.9	→ 8.9	( -3.5 )	<b>2.0</b>
Chemicals	15.0	→ 9.7	→ 20.0	( -5.3 )	<b>10.3</b>
Iron and steel	22.8	→ 21.4	→ 19.7	( -1.4 )	<b>-1.7</b>

(Unit : percentage point)

The Prospects DI fell by 3.3 percentage points from the previous quarter as all the regions except North America declined in positive margin. In Asia (down 3.6 percentage points from the previous quarter), NIEs3 (down 9.9 percentage points from the previous quarter) declined in positive margin as electrical machinery turned to a negative figure and industrial machinery also declined in positive margin, though chemicals grew in positive margin and transportation equipment also increased slightly in positive margin. ASEAN4 (down 3.4 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 chemicals, iron & steel increased, and others increased in positive margin. China (down 2.5 percentage points from the previous quarter) declined in positive margin as iron & steel declined fast in positive margin and electrical machinery also fell in positive margin, though chemicals increased fast in positive margin and transportation equipment, industrial machinery, and others increased in positive margin. North America (up 0.5 percentage points from the previous quarter) increased slightly in positive margin as electrical machinery turned to a positive figure and chemicals and iron & steel increased in positive margin, though transportation equipment and industrial machinery declined in positive margin. Europe (down 8.6 percentage points from the previous quarter) declined in positive margin as transportation equipment and chemicals declined in positive margin and electrical machinery declined further in negative margin, though industrial machinery and iron & steel leveled off.

(Table 6)

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

### North america

Capital Investment	Survey of previos term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	12.8	10.3	-2.5	10.8	0.5
Transportation equipment	14.5	15.2	0.7	5.2	-10.0
Electrical machinery	20.5	-2.1	-22.6	6.1	8.2
Industrial machinery	10.0	13.5	3.5	5.0	-8.5
Chemicals	6.6	7.1	0.5	20.9	13.8
Iron and steel	20.0	14.3	-5.7	42.9	28.6

### Asia

(Unit : percentage point)

Capital Investment	Survey of previos term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	19.5	17.0	-2.5	13.4	-3.6
Transportation equipment	25.8	25.8	0.0	20.9	-4.9
Electrical machinery	17.4	15.5	-1.9	3.1	-12.4
Industrial machinery	9.7	7.1	-2.6	11.9	4.8
Chemicals	17.8	10.1	-7.7	22.8	12.7
Iron and steel	22.4	22.9	0.5	16.7	-6.2

### ASEAN4

Capital Investment	Survey of previos term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	16.3	14.6	-1.7	11.2	-3.4
Transportation equipment	21.0	27.3	6.3	13.6	-13.7
Electrical machinery	13.4	16.2	2.8	-2.2	-18.4
Industrial machinery	2.3	6.7	4.4	11.1	4.4
Chemicals	16.9	10.6	-6.3	19.0	8.4
Iron and steel	17.4	4.3	-13.1	13.1	8.8

### NIEs3

Capital Investment	Survey of previos term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	21.7	13.5	-8.2	3.6	-9.9
Transportation equipment	35.7	14.3	-21.4	15.4	1.1
Electrical machinery	21.0	10.9	-10.1	-8.1	-19.0
Industrial machinery	15.0	12.5	-2.5	0.0	-12.5
Chemicals	18.4	0.0	-18.4	5.0	5.0
Iron and steel	50.0	0.0	-50.0	0.0	0.0

### China(including HongKong)

Capital Investment	Survey of previos term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	19.5	17.4	-2.1	14.9	-2.5
Transportation equipment	25.8	22.8	-3.0	26.1	3.3
Electrical machinery	18.0	15.5	-2.5	9.1	-6.4
Industrial machinery	10.6	4.0	-6.6	13.0	9.0
Chemicals	15.3	14.1	-1.2	35.2	21.1
Iron and steel	26.1	47.6	21.5	19.0	-28.6

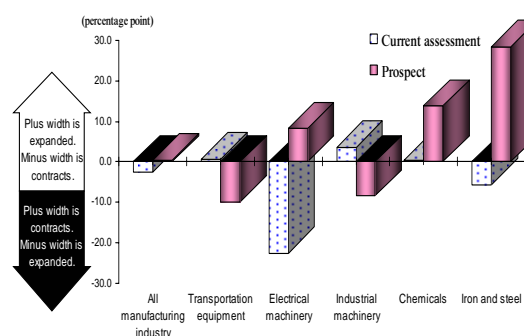
### Europe

Capital Investment	Survey of previos term (Apr.-Jun.2007)	Survey of the present term(Jul.-Sep.2007)			
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	comparison to the previous quarter
All manufacturing industry	17.0	12.5	-4.5	3.9	-8.6
Transportation equipment	22.8	25.4	2.6	11.8	-13.6
Electrical machinery	15.9	-2.1	-18.0	-10.6	-8.5
Industrial machinery	11.9	0.0	-11.9	0.0	0.0
Chemicals	12.1	16.7	4.6	0.0	-16.7
Iron and steel	0.0	0.0	0.0	0.0	0.0

## North America

The Prospects DI (10.8 percentage points) increased by 0.5 percentage points from the previous quarter, growing in positive margin. Iron & steel (42.9 percentage points) increased by 28.6 percentage points from the previous quarter, growing sharply in positive margin. Chemicals (20.9 percentage points) increased by 13.8 percentage points from the previous quarter, growing in positive margin. Electrical machinery (6.1 percentage points) declined by 10.0 percentage points from the previous quarter, falling in positive margin. Transportation equipment (5.2 percentage points) declined by 10.0 percentage points from the previous quarter, falling in positive margin. Industrial machinery (5.0 percentage points) also declined by 8.5 percentage points from the previous quarter, falling in positive margin.

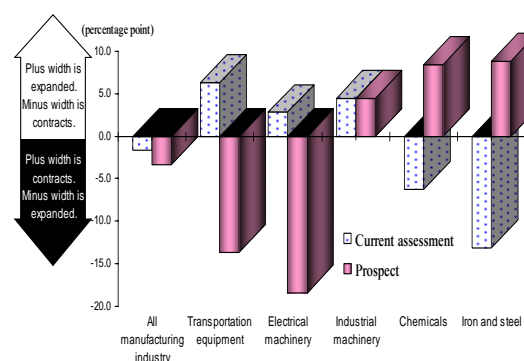
Capita Investment DI for North America  
(Comparison to the previous quarter)



## ASEAN4

The Prospects DI (11.2 percentage points) declined by 3.4 percentage points from the previous quarter, falling in positive margin. Electrical machinery (minus 2.2 percentage points) declined by 18.4 percentage points from the previous quarter, turning to a negative figure. Transportation equipment (13.6 percentage points) declined by 13.7 percentage points from the previous quarter, falling in positive margin. Iron & steel (13.1 percentage points) increased by 8.8 percentage points from the previous quarter, growing in positive margin, and chemicals (19.0 percentage points) also increased by 8.4 percentage points from the previous quarter, growing in positive margin. Industrial machinery (11.1 percentage points) increased by 4.4 percentage points from the previous quarter, growing in positive margin.

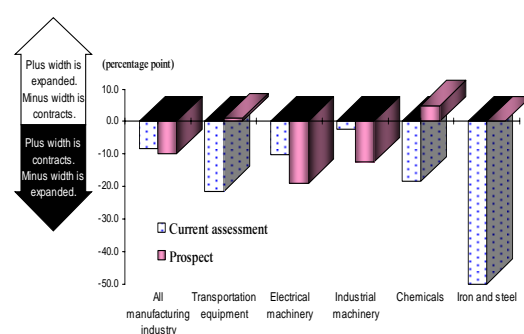
Capita Investment DI for ASEAN4  
(Comparison to the previous quarter)



## NIEs3

The Prospects DI (3.6 percentage points) declined by 9.9 percentage points from the previous quarter, falling in positive margin. Electrical machinery (minus 8.1 percentage points) declined by 19.0 percentage points from the previous quarter, turning to a negative figure. Industrial machinery (0.0 percentage points) fell by 12.5 percentage points from the previous quarter, declining in positive margin. Chemicals (5.0 percentage points) increased by 5.0 percentage points from the previous quarter, growing in positive margin. Transportation equipment (15.4 percentage points) increased by 1.1 percentage points from the previous quarter, growing marginally in positive margin. Iron & steel (0.0 percentage points) remained unchanged from the previous quarter, leveling off.

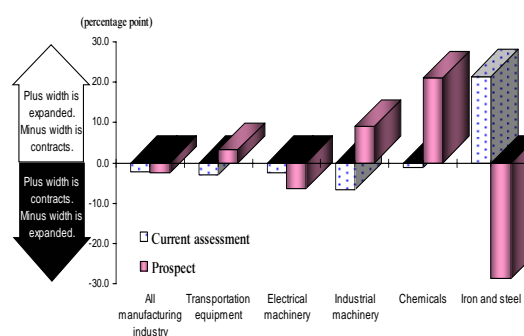
Capita Investment DI for NIEs3  
(Comparison to the previous quarter)



## China(including Hong Kong)

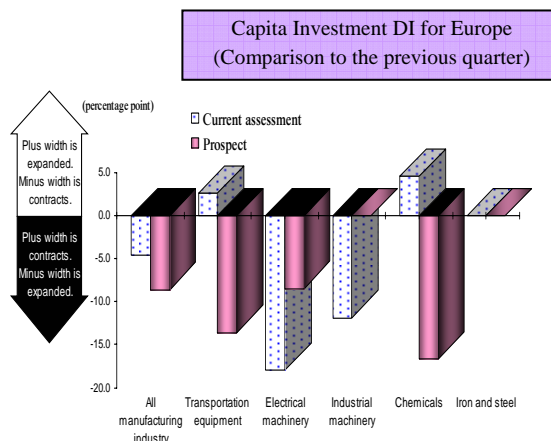
The Prospects DI (14.9 percentage points) declined by 2.5 percentage points from the previous quarter, falling in positive margin. Iron & steel (19.0 percentage points) fell by 28.6 percentage points from the previous quarter, declining sharply in positive margin. Electrical machinery (9.1 percentage points) also declined by 6.4 percentage points from the previous quarter, falling in positive margin. Chemicals (35.2 percentage points) increased by 21.1 percentage points from the previous quarter, growing fast in positive margin. Industrial machinery (13.0 percentage points) increased by 9.0 percentage points from the previous quarter, growing in positive margin. Transportation equipment (26.1 percentage points) increased by 3.3 percentage points from the previous quarter, growing in positive margin.

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

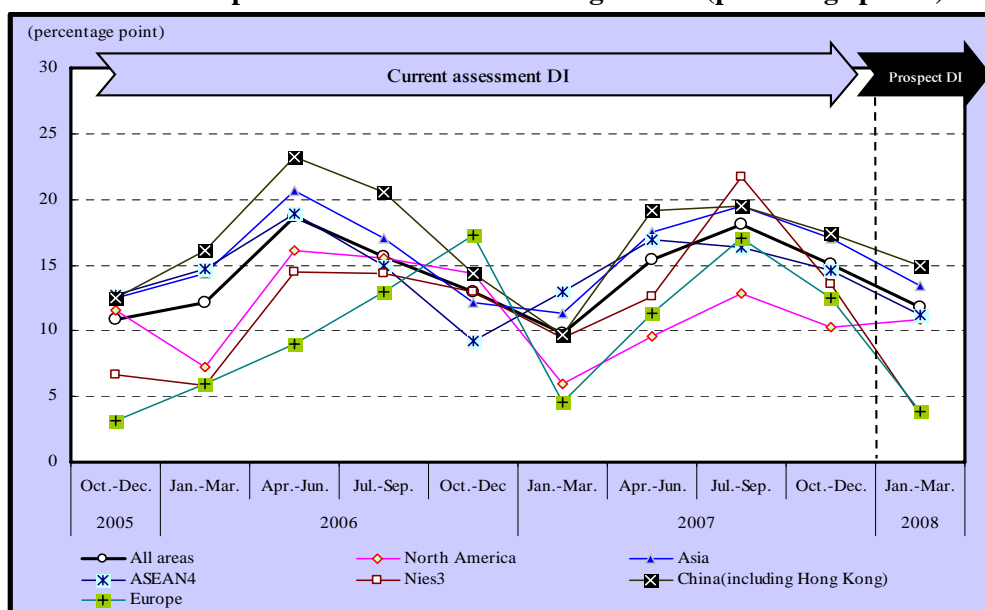


## Europe

The Prospects DI (3.9 percentage points) declined by 8.6 percentage points from the previous quarter, falling in positive margin. Chemicals (0.0 percentage points) declined by 16.7 percentage points from the previous quarter, falling sharply in positive margin. Transportation equipment (11.8 percentage points) declined by 13.6 percentage points from the previous quarter, falling in positive margin. Electrical machinery (minus 10.6 percentage points) declined by 13.6 percentage points from the previous quarter, falling in positive margin. Electrical machinery (minus 10.6 percentage points) declined by 8.5 percentage points from the previous quarter, falling sharply in negative margin. Industrial machinery (0.0 percentage points) and 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 tangible fixed assets except land) amounted to US\$6,528,460,000, down 5.2% from the same quarter of the previous year, declining for the second consecutive quarter. By industry, chemicals declined by 34.2% from the same quarter of the previous year, falling sharply for the second consecutive quarter. Transportation equipment declined by 10.9% from the same quarter of the previous year, falling for the third consecutive quarter. Iron & steel grew by 19.9% from the same quarter of the previous year, turning to a sharp increase. Industrial machinery increased by 19.6% from the same quarter of the previous year, reporting double-digit growth for the fourth consecutive quarter. Electrical machinery grew by 16.6% from the same quarter of the previous year, turning to a sharp increase.

(Table 7)

**Table 7 Actual result of Capital investment**

Capital investment	Actual result (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Total (All areas)	26.6	17.8	5.6	-11.5	-5.2
North america	39.2	-13.1	14.1	6.3	1.6
Asia	27.8	48.7	4.7	-16.0	-6.9
ASEAN4	9.6	39.3	2.9	-24.4	-1.5
NIEs3	57.3	28.1	6.9	-16.1	-28.1
China(including Hong Kong)	14.0	37.8	2.2	-16.7	-1.0
Europe	21.4	15.9	20.6	-14.2	-12.8

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Total (All manufacturing industry)	26.6	17.8	5.6	-11.5	-5.2
Transportation equipment	35.2	8.1	-0.4	-10.1	-10.9
Electrical machinery	19.2	58.1	10.6	-15.5	16.6
Industrial machinery	6.5	32.7	38.3	13.4	19.6
Chemicals	93.6	13.9	28.3	-44.6	-34.2
Iron and steel	-30.5	27.2	5.9	-21.7	19.9

(Unit : percentage)

By region, Asia (down 6.9% from the same quarter of the previous year) declined for the second consecutive quarter. In the region, transportation equipment, in particular, fell sharply for the second consecutive quarter. NIEs3 (down 28.1% from the same quarter of the previous year) declined sharply for the second consecutive quarter as transportation equipment, chemicals, and industrial machinery fell fast and electrical machinery also declined by more than 10% for the first time in eight quarters. ASEAN 4 (down 1.5% from the same quarter of the previous year) fell slightly, as transportation equipment declined for the third consecutive quarter and iron & steel and other sectors also fell, though electrical machinery turned to a sharp increase. China (down 1.0% from the same quarter of the previous year) declined slightly, as transportation equipment fell fast for the second consecutive quarter and chemicals also declined for the second consecutive quarter, though iron & steel increased remarkably and electrical machinery grew sharply for the first time in three quarters. North America (up 1.6% from the same quarter of the previous year) increased slightly as iron & steel grew rapidly and electrical machinery and transportation equipment increased sharply, though chemicals fell sharply for the second consecutive quarter and industrial machinery also declined for the second consecutive quarter. Europe (down 12.8% from the same quarter of the previous year) declined by more than 10% for the second consecutive quarter as chemicals reported large decline for the fourth consecutive quarter and transportation equipment turned to a sharp decline, though electrical machinery turned to rapid growth and industrial machinery increased sharply for the second consecutive quarter. (Table 8)

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

**North america**

Capital investment	Actual resuat (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	39.2	-13.1	14.1	6.3	1.6
Transportation equipment	49.2	-19.0	12.1	8.1	3.1
Electrical machinery	-3.0	-0.2	9.6	17.4	4.5
Industrial machinery	15.6	-5.8	30.2	-32.1	-5.9
Chemicals	80.3	38.3	8.8	-33.4	-20.5
Iron and steel	-18.8	-22.1	5.6	1.8	69.2

**Asia**

Capital investment	Actual resuat (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	27.8	48.7	4.7	-16.0	-6.9
Transportation equipment	47.5	51.1	-12.9	-21.3	-23.3
Electrical machinery	22.3	74.0	11.6	-16.6	17.6
Industrial machinery	-12.3	29.3	61.3	28.9	12.0
Chemicals	122.5	35.1	98.3	-14.5	-22.7
Iron and steel	-47.5	46.5	15.1	-28.9	42.8

**ASEAN4**

Capital investment	Actual resuat (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	9.6	39.3	2.9	-24.4	-1.5
Transportation equipment	-0.3	13.7	-32.1	-36.1	-25.9
Electrical machinery	49.1	77.4	27.9	-23.2	25.6
Industrial machinery	-20.1	59.7	102.5	57.0	-2.2
Chemicals	12.4	4.0	117.2	-30.9	-1.1
Iron and steel	-31.6	53.1	-58.9	-36.3	-11.1

**NIEs3**

Capital investment	Actual resuat (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	57.3	28.1	6.9	-16.1	-28.1
Transportation equipment	-28.2	-38.4	-42.6	-37.7	-50.9
Electrical machinery	81.1	100.3	12.5	0.3	-10.2
Industrial machinery	-24.3	-32.7	-24.8	-6.8	-31.3
Chemicals	334.0	112.1	164.1	-0.9	-35.3
Iron and steel	x	x	x	x	x

**China(including Hong Kong)**

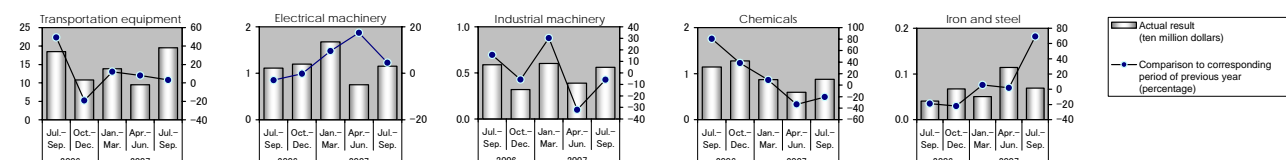
Capital investment	Actual resuat (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	14.0	37.8	2.2	-16.7	-1.0
Transportation equipment	117.3	67.2	47.4	-18.3	-17.2
Electrical machinery	-20.4	58.6	-17.4	-7.3	25.6
Industrial machinery	-0.7	5.3	15.4	-11.2	8.7
Chemicals	77.4	-3.0	5.0	-32.0	-9.3
Iron and steel	-58.9	-53.1	413.8	488.8	394.5

**Europe**

Capital investment	Actual resuat (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	21.4	15.9	20.6	-14.2	-12.8
Transportation equipment	3.9	22.1	35.9	1.7	-26.6
Electrical machinery	17.5	11.6	4.9	-36.5	25.7
Industrial machinery	70.3	82.2	9.2	51.0	46.8
Chemicals	73.7	-26.8	-21.7	-74.3	-64.7
Iron and steel	x	x	x	x	x

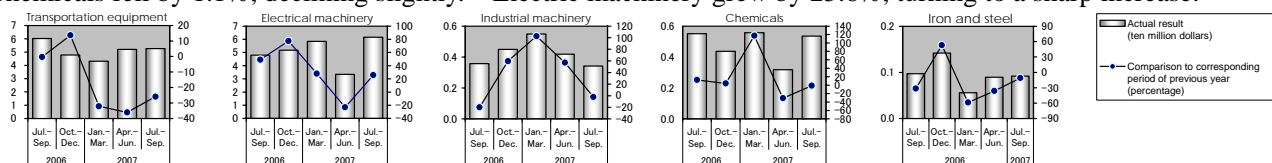
**North America**

Total capital investment amounted to US\$2,330,210,000 (35.7% of total capital investment in all regions), up 1.6% from the same quarter of the previous year, growing slightly. Iron & steel increased by 69.2% from the same quarter of the previous year, growing fast. Electric machinery increased by 4.5% from the same quarter of the previous year, growing for the third consecutive quarter. Transportation equipment increased by 3.1% from the same quarter of the previous year, growing for the third consecutive quarter, though at a slower pace than before. Chemicals declined by 20.5% from the same quarter of the previous year, falling sharply for the second consecutive quarter. Industrial machinery also declined by 5.9% from the same quarter of the previous year for the second consecutive quarter.



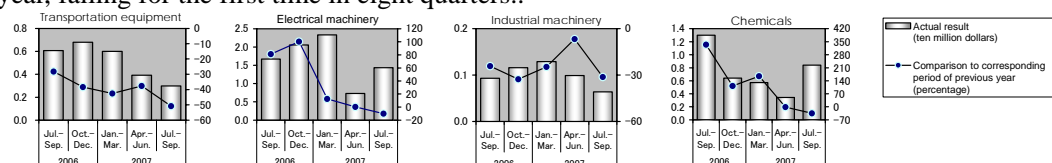
## ASEAN4

Total capital investment amounted to US\$1,456,270,000 (22.3% of total capital investment in all regions) down 1.5% from the same quarter of the previous year, declining for the second consecutive quarter. Transportation equipment declined by 25.9% from the same quarter of the previous year, falling sharply for the third consecutive quarter. Iron & steel declined by 11.1% from the same quarter of the previous year, falling by more than 10% for the third consecutive quarter. Industrial machinery declined by 2.2%, falling for the first time in four quarters. Chemicals fell by 1.1%, declining slightly. Electric machinery grew by 25.6%, turning to a sharp increase.



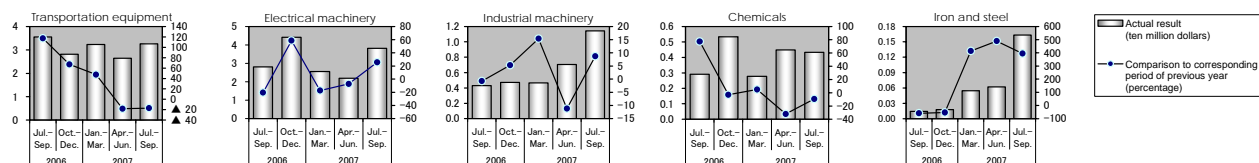
## NIEs3

Total capital investment amounted to US\$284,180,000 (4.4% of total capital investment in all regions) down 28.1% from the same quarter of the previous year, falling sharply for the second consecutive quarter. Transportation equipment declined by 50.9% from the same quarter of the previous year, reporting a large decline for the fifth consecutive quarter, affected by a decrease mainly in the expansion of automobile-related facilities in Taiwan and South Korea. Chemicals declined by 35.3% from the same quarter of the previous year, falling sharply. The sector fell fast, especially in South Korea. Industrial machinery also declined by 31.3% from the same quarter of the previous year, falling sharply. Electric machinery declined by 10.2% from the same quarter of the previous year, falling for the first time in eight quarters..



## China(including Hong Kong)

Total capital investment amounted to US\$1,029,100,000 (15.8% of total capital investment in all regions) down 1.0% from the same quarter of the previous year, falling for the second consecutive quarter, though at a slower pace. Transportation equipment declined by 17.2% from the same quarter of the previous year, falling sharply for the second consecutive quarter, largely affected by a decrease in capital investment in auto parts manufacturers, automobile-related industry, and reaction to prior high growth. Chemicals declined by 9.3% from the same quarter of the previous year, falling for the second consecutive quarter. Iron & steel increased by 394.5% from the same quarter of the previous year, reporting significant growth for the third consecutive quarter. Electric machinery grew by 25.6% from the same quarter of the previous year, increasing sharply for the first time in three quarters. Industrial machinery grew by 8.7% from the same quarter of the previous year, turning to increase.



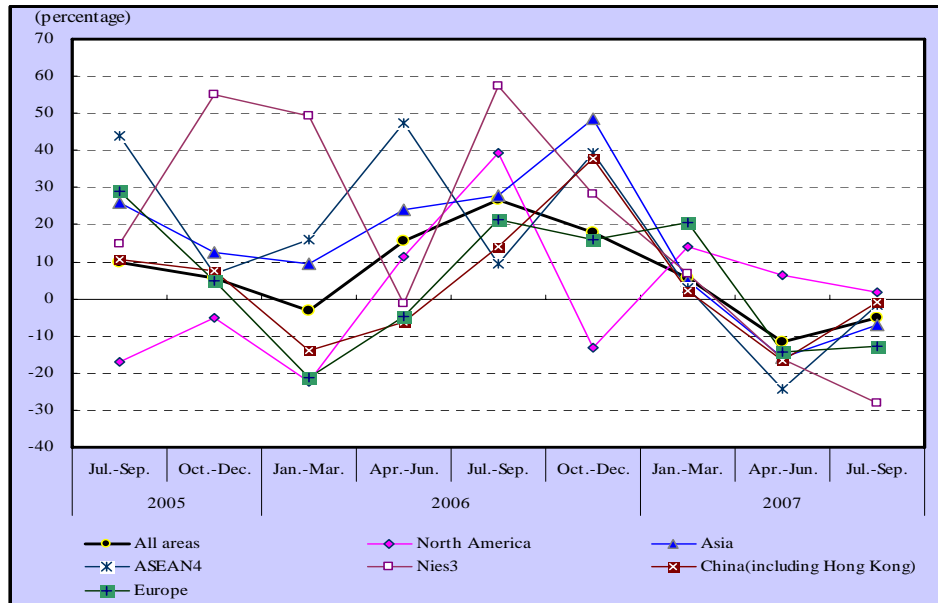
## Europe

Total capital investment amounted to US\$816,000,000 (12.5% of total capital investment in all regions) down 12.8% from the same quarter of the previous year, falling by more than 10% for the second consecutive quarter. Chemicals fell by 64.7% from the same quarter of the previous year, reporting a sharp decline for the fourth consecutive quarter. Transportation equipment declined by 26.6% from the same quarter of the previous year, falling sharply for the first time in five quarters, largely affected by a decrease in expansion of facilities for automobile-related industry, reaction to large growth in the previous year. Industrial machinery increased by 46.8% from the same quarter of the previous year, growing fast for the second consecutive quarter. Electric machinery grew by 25.7% from the same quarter of the previous year, turning to a large increase.





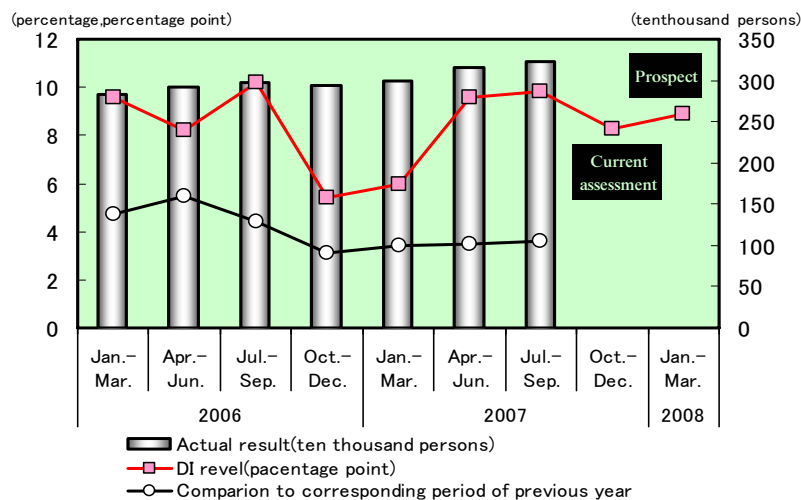
**Chart 2-2 Actual result of capital investment according to area  
(Comparison of the same quarter of the previous year)**



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

- The Current Assessment DI of the number of employees (October - December 2007) declined by 1.5 percentage points from the previous quarter, slightly falling in positive margin. The Prospect DI (January - March 2008) increased by 0.6 percentage points from the previous quarter, growing slightly in positive margin.
  - As for the Current Assessment DI, all the regions except NIEs3 declined in positive margin. Europe remained at a negative DI.
  - As for the Prospects DI, all the regions except China increased in positive margin. China maintained a double-digit positive DI.
- The actual results (at the end of September 2007) increased by 3.6% from the same quarter in the previous year, continuing to grow. In Asia, NIEs3 continued to decline for the fourth consecutive quarter, but China continued to grow. North America continued to grow for the third consecutive quarter, and Europe also increased. (Chart 3)

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



#### (1) DI

The Current Assessment DI of the number of employees (October - December 2007) stood at 8.3 percentage points, declining slightly in positive margin by 1.5 percentage points from the Current Assessment DI for the previous quarter (July - September 2007). The Prospects DI (January - March 2008) stood at 8.9 percentage points, slightly increasing in positive margin by 0.6 percentage points from the Current Assessment DI for the current quarter (October - December 2007) (Table 9)

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

According to area	DI					Comparison to the previous quarter
	Survey of previous term		Survey of present term			
	① Current assessment (2007.Jul.-Sep.)	② Current assessment (2007.Oct.-Dec.)	③ Prospect (2008.Jan.-Mar.)	Current assessment [②-①]	Prospect [③-②]	
Total (All areas)	9.8	→ 8.3	→ 8.9	( -1.5 )	<b>0.6</b>	
North america	8.0	→ 2.8	→ 3.5	( -5.2 )	<b>0.7</b>	
Asia	12.3	→ 10.9	→ 11.7	( -1.4 )	<b>0.8</b>	
ASEAN4	8.3	→ 5.8	→ 8.1	( -2.5 )	<b>2.3</b>	
NIEs3	1.3	→ 3.0	→ 3.2	( 1.7 )	<b>0.2</b>	
China(including Hong Kong)	17.8	→ 15.8	→ 15.7	( -2.0 )	<b>-0.1</b>	
Europe	-1.0	→ -1.8	→ -0.3	( -0.8 )	<b>1.5</b>	

Industrial classification	DI					Comparison to the previous quarter
	Survey of previous term		Survey of present term			
	① Current assessment (2007.Jul.-Sep.)	② Current assessment (2007.Oct.-Dec.)	③ Prospect (2008.Jan.-Mar.)	Current assessment [②-①]	Prospect [③-②]	
Total (All manufacturing industry)	9.8	→ 8.3	→ 8.9	( -1.5 )	<b>0.6</b>	
Transportation equipment	14.0	→ 12.0	→ 13.5	( -2.0 )	<b>1.5</b>	
Electrical machinery	6.0	→ 9.5	→ 5.6	( 3.5 )	<b>-3.9</b>	
Industrial machinery	13.5	→ 10.6	→ 8.9	( -2.9 )	<b>-1.7</b>	
Chemicals	8.2	→ 8.2	→ 8.0	( 0.0 )	<b>-0.2</b>	
Iron and steel	18.9	→ 15.3	→ 25.4	( -3.6 )	<b>10.1</b>	

(Unit : percentage point)

The Prospects DI increased by 0.6 percentage points from the previous quarter, slightly growing in positive margin. All the regions except China grew in positive margin. In Asia (up 0.8 percentage points from the previous quarter), ASEAN4 (up 2.3 percentage points from the previous quarter) increased in positive margin as iron & steel turned to a positive figure and transportation equipment and chemicals increased in positive margin, though electrical machinery turned to a negative figure and industrial machinery declined in positive margin. NIEs3 (up 0.2 percentage points from the previous quarter) slightly increased in positive margin as transportation equipment turned to a positive margin and industrial machinery and chemicals increased in positive margin, iron & steel fell sharply in positive margin and electrical machinery turned to a negative figure. China (down 0.1 percentage points from the previous quarter) declined slightly in positive margin as chemicals and electrical machinery declined in positive margin, though iron & steel and industrial machinery grew in positive margin and transportation equipment also slightly increased in positive margin. North America (down 0.7 percentage points from the previous quarter) grew slightly in positive margin as iron & steel shrunk the negative margin and chemicals grew in positive margin, though industrial machinery turned to a negative margin and transportation equipment and electrical machinery slightly declined in positive margin. Europe (up 1.5 percentage points from the previous quarter) increased slightly in positive margin as chemicals grew in positive margin and transportation equipment increased slightly in positive margin, though electrical machinery and industrial machinery turned to a negative figure. (Table 10)

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

North america						Asia							
Number of employee	Survey of previous term (Apr.-Jun.2007)	Survey of the present term (Jul.-Sep.2007)				Comparison to the previous quarter	Number of employee	Survey of previous term (Apr.-Jun.2007)	Survey of the present term (Jul.-Sep.2007)				Comparison to the previous quarter
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	Current assessment (Jul.-Sep.2007)			Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)			
	All manufacturing industry	8.0	2.8	-5.2	3.5			0.7	12.3	10.9	-1.4	11.7	
Transportation equipment	10.7	2.7	-8.0	2.3	-0.4	21.6	18.7	-2.9	21.4	2.7			
Electrical machinery	13.8	9.6	-4.2	9.5	-0.1	5.0	10.2	5.2	6.6	-3.6			
Industrial machinery	2.1	0.0	-2.1	-2.1	-2.1	19.6	16.8	-2.8	15.5	-1.3			
Chemicals	7.5	2.1	-5.4	8.3	6.2	11.8	10.7	-1.1	8.5	-2.2			
Iron and steel	-7.1	-15.4	-8.3	-7.7	7.7	24.5	22.8	-1.7	33.9	11.1			

ASEAN4						NIEs3							
Number of employee	Survey of previous term (Apr.-Jun.2007)	Survey of the present term (Jul.-Sep.2007)				Comparison to the previous quarter	Number of employee	Survey of previous term (Apr.-Jun.2007)	Survey of the present term (Jul.-Sep.2007)				Comparison to the previous quarter
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	Current assessment (Jul.-Sep.2007)			Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)			
	All manufacturing industry	8.3	5.8	-2.5	8.1			2.3	1.3	3.0	1.7	3.2	
Transportation equipment	17.5	18.4	0.9	24.0	5.6	-9.7	-3.1	6.6	3.3	6.4			
Electrical machinery	-1.9	1.4	3.3	-1.4	-2.8	2.9	4.4	1.5	-1.4	-5.8			
Industrial machinery	15.4	20.8	5.4	10.4	-10.4	0.0	0.0	0.0	5.0	5.0			
Chemicals	5.2	2.7	-2.5	4.1	1.4	2.2	4.5	2.3	9.1	4.6			
Iron and steel	12.0	-8.3	-20.3	16.7	25.0	20.0	20.0	0.0	0.0	-20.0			

China(including HongKong)						Europe							
Number of employee	Survey of previous term (Apr.-Jun.2007)	Survey of the present term (Jul.-Sep.2007)				Comparison to the previous quarter	Number of employee	Survey of previous term (Apr.-Jun.2007)	Survey of the present term (Jul.-Sep.2007)				Comparison to the previous quarter
	Current assessment (Jul.-Sep.2007)	Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)	Current assessment (Jul.-Sep.2007)			Current assessment (Oct.-Dec.2007)	comparison to the previous quarter	Prospect (Jan.-Mar.2008)			
	All manufacturing industry	17.8	15.8	-2.0	15.7			-0.1	-1.0	-1.8	-0.8	-0.3	
Transportation equipment	30.4	23.9	-6.5	24.2	0.3	-5.0	2.7	7.7	4.3	1.6			
Electrical machinery	10.9	17.2	6.3	13.5	-3.7	7.7	0.0	-7.7	-7.4	-7.4			
Industrial machinery	26.5	18.1	-8.4	19.3	1.2	2.3	0.0	-2.3	-5.2	-5.2			
Chemicals	22.1	17.7	-4.4	9.4	-8.3	-11.6	-2.3	9.3	2.5	4.8			
Iron and steel	41.6	56.0	14.4	58.3	2.3	0.0	0.0	0.0	0.0	0.0			

## North America

The Prospects DI (3.5 percentage points) increased by 0.7 percentage points from the previous quarter, slightly growing in positive margin. Iron & steel (minus 7.7 percentage points) increased by 7.7 percentage point from the previous quarter, shrinking the negative margin. Chemicals (8.3 percentage points) increased by 6.2 percentage points from the previous quarter, growing in positive margin. Industrial machinery (minus 2.1 percentage points) declined by 2.1 percentage points from the previous quarter, turning to a negative figure. Transportation equipment (2.3 percentage points) declined by 0.4 percentage points from the previous quarter, falling slightly in positive margin, and electrical machinery (9.5 percentage points) also declined by 0.1 percentage points from the previous quarter, falling slightly in positive margin.

## ASEAN4

The Prospects DI (8.1 percentage points) increased by 2.3 percentage points from the previous quarter, growing in positive margin. Iron & steel (16.7 percentage points) increased by 25.0 percentage points from the previous quarter, turning to a positive figure. Transportation equipment (24.0 percentage points) increased by 5.6 percentage points from the previous quarter, growing in positive margin. Chemicals (4.1 percentage points) increased by 1.4 percentage points from the previous quarter, slightly growing in positive margin. Industrial machinery (10.4 percentage points) declined by 10.4 percentage points from the previous quarter, falling in positive margin. Electrical machinery (minus 1.4 percentage points) declined by 2.8 percentage points from the previous quarter, turning to a negative figure.

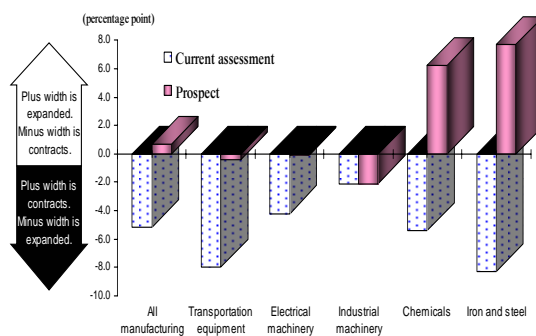
## NIEs3

The Prospects DI (3.2 percentage points) increased by 0.2 percentage points from the previous quarter, slightly growing in positive margin. Transportation equipment (3.3 percentage points) increased by 6.4 percentage points from the previous quarter, turning to a positive figure. Industrial machinery (5.0 percentage points) increased by 5.0 percentage points from the previous quarter, growing in positive margin. Chemicals (9.1 percentage points) increased by 4.6 percentage points from the previous quarter, growing in positive margin. Iron & steel (0.0 percentage points) declined by 20.0 percentage points from the previous quarter, falling sharply in positive margin. Electrical machinery (minus 1.4 percentage points) declined by 5.8 percentage points from the previous quarter, turning to a negative figure.

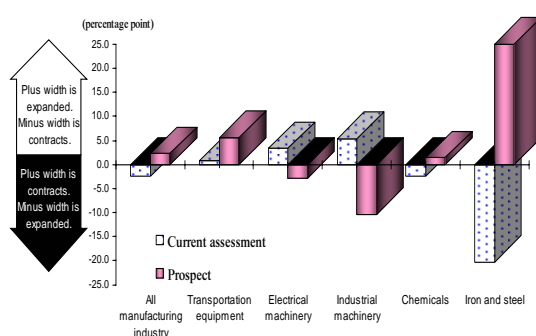
## China(including Hong Kong)

The Prospects DI (15.7 percentage points) declined by 0.1 percentage points from the previous quarter, falling slightly in positive margin. Chemicals (9.4 percentage points) declined by 8.3 percentage points from the previous quarter, falling in positive margin. Electrical machinery (13.5 percentage points) declined by 3.7 percentage points from the previous quarter, falling in positive margin. Iron & steel (58.3 percentage points) increased by 2.3 percentage points from the previous quarter, growing in positive margin. Industrial machinery (19.3 percentage points) increased by 1.2 percentage points from the previous quarter, growing slightly in positive margin. Transportation equipment (24.2 percentage points) increased by 0.3 percentage points from the previous quarter, growing slightly in positive margin.

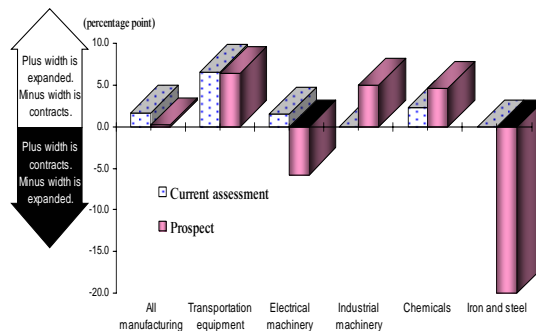
Number of employee DI for North America  
(Comparison to the previous quarter)



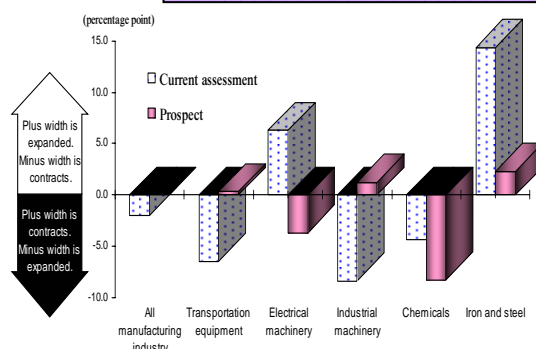
Number of employee DI for ASEAN4  
(Comparison to the previous quarter)



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 (minus 0.3 percentage points) increased by 1.5 percentage points from the previous quarter, growing slightly in positive margin. Chemicals (2.5 percentage points) increased by 4.8 percentage points from the previous quarter, growing in positive margin. Transportation equipment (4.3 percentage points) increased by 1.6 percentage points from the previous quarter, growing slightly in positive margin. Electrical machinery (minus 7.4 percentage points) and industrial machinery (minus 5.2 percentage points) declined by 7.4 and 5.2 percentage points respectively, turning to a negative figure. Iron & steel (0.0 percentage points) remained unchanged from the previous quarter, leveling off.

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

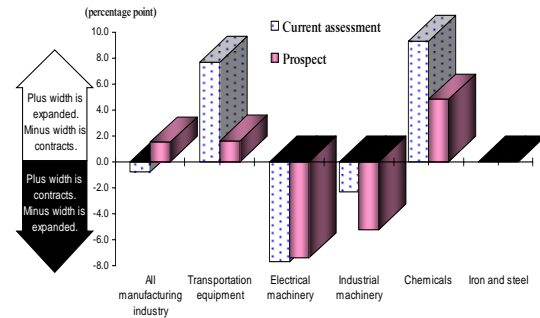
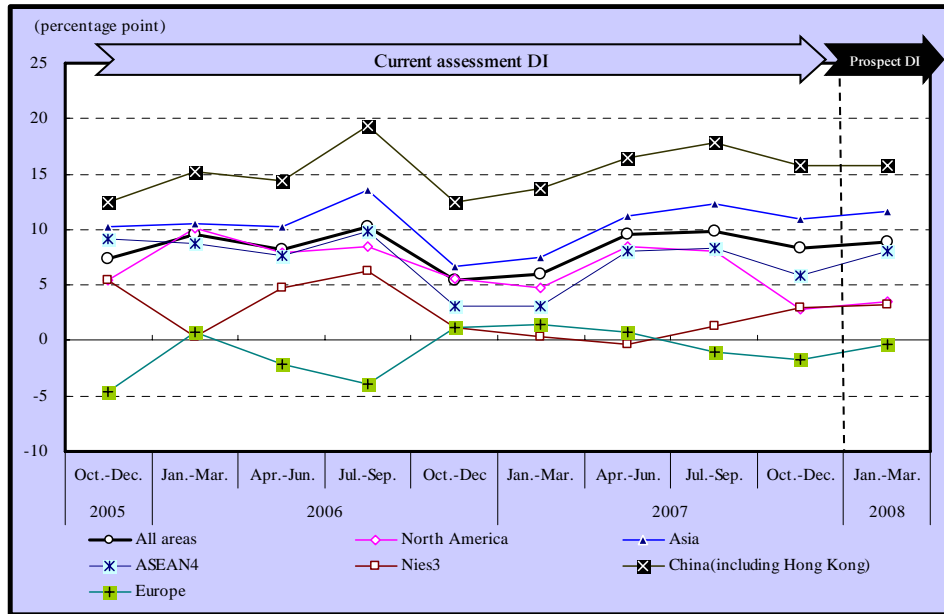


Chart 3-1 Number of employee DI according to area (percentage points)



## (2) Actual Results

The number of employees amounted to 3,230,000 people, up 3.6% from the same quarter of the previous year, continuing to grow. By industry, transportation equipment (940,000 employees) increased by 10.9% from the same quarter of the previous year, continuing to grow. Industry machinery (190,000 employees) increased by 3.7% from the same quarter of the previous year, growing less than 10% for the fifth consecutive quarter. Iron & steel (20,000 employees) declined by 7.2% from the same quarter of the previous year, falling for the first time in six quarters. Electrical machinery (1,240,000 employees) declined 2.2% from the same quarter of the previous year, falling for the third consecutive quarter. Chemicals (120,000 employees) declined by 1.9% from the same quarter of the previous year, falling for the first time in five quarters.

(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		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Total (All areas)	4.4	3.1	3.4	3.5	3.6
North america	-1.5	-3.0	1.1	0.5	3.4
Asia	5.4	4.4	4.0	3.5	3.0
ASEAN4	2.8	0.4	1.7	0.1	0.0
NIEs3	2.9	-0.3	-3.1	-1.5	-4.7
China(including Hong Kong)	6.9	7.2	5.1	5.5	4.7
Europe	1.7	0.1	0.3	9.1	9.8

Industrial classification	Actual result (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Total (All manufacturing industry)	4.4	3.1	3.4	3.5	3.6
Transportation equipment	7.4	7.9	13.1	10.0	10.9
Electrical machinery	3.8	1.6	-1.6	-2.4	-2.2
Industrial machinery	9.1	5.9	3.1	3.9	3.7
Chemicals	2.6	1.2	0.9	1.8	-1.9
Iron and steel	3.4	14.0	15.6	2.1	-7.2

(Unit : percentage)

Asia increased by 3.0% from the same quarter of the previous year, continuing to grow. China (up 4.7% from the same quarter of the previous year) continued to increase as transportation equipment continued to grow fast. Iron & steel grew by more than 10% for the second consecutive quarter, and industrial machinery and chemicals also grew. ASEAN4 (0.0% from the same quarter of the previous year) leveled off as iron & steel, industrial machinery and other sectors increased, though chemicals fell for the first time in four quarters and electrical machinery declined for the fourth consecutive quarter. NIEs3 (down 4.7% from the same quarter of the previous year) declined for the fourth consecutive quarter as transportation equipment and electrical machinery declined and chemicals also turned to a slight decline, though industrial machinery slightly increased. North America (up 3.4% from the same quarter of the previous year) increased for the third consecutive quarter as transportation equipment grew by more than 10% and industrial machinery and chemicals increased slightly, though iron & steel declined by more than 10% for the second consecutive quarter. In Europe (up 9.8% from the same quarter of the previous year) industrial machinery declined by more than 10% for the fourth consecutive quarter, and electrical machinery also fell for the fourth consecutive quarter, while transportation equipment continued to grow and, among industries other than major sectors, ceramics and stone & clay grew remarkably by 150.5% (more than 20,000 employees) from the same quarter of the previous year. (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		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	-1.5	-3.0	1.1	0.5	3.4
Transportation equipment	0.8	0.6	7.2	7.3	10.6
Electrical machinery	-5.0	-6.1	-2.7	-9.3	0.0
Industrial machinery	-7.9	-9.4	-5.5	-7.4	0.5
Chemicals	5.0	1.8	1.8	0.7	0.2
Iron and steel	1.7	36.8	34.6	-12.1	-11.7

**Asia**

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	5.4	4.4	4.0	3.5	3.0
Transportation equipment	10.9	11.1	15.7	11.9	11.8
Electrical machinery	3.8	2.3	-0.7	-1.1	-1.5
Industrial machinery	14.6	14.1	8.8	11.1	9.0
Chemicals	4.9	2.7	3.1	2.9	-3.5
Iron and steel	3.6	7.1	10.0	5.7	-4.9

**ASEAN4**

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	2.8	0.4	1.7	0.1	0.0
Transportation equipment	7.9	4.6	11.3	3.9	6.4
Electrical machinery	0.9	-2.6	-3.5	-4.1	-4.5
Industrial machinery	5.0	4.5	1.5	6.0	5.6
Chemicals	-0.6	0.4	2.4	1.4	-10.6
Iron and steel	-2.1	0.8	6.0	4.9	8.0

**NIEs3**

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	2.9	-0.3	-3.1	-1.5	-4.7
Transportation equipment	-8.6	-9.7	-15.8	-9.7	-7.5
Electrical machinery	4.9	1.5	-4.4	-1.7	-6.3
Industrial machinery	2.9	0.8	3.6	2.0	0.3
Chemicals	16.1	4.0	1.2	0.3	-1.1
Iron and steel	x	x	x	x	x

**China(including Hong Kong)**

Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	6.9	7.2	5.1	5.5	4.7
Transportation equipment	15.9	23.1	21.7	25.9	17.0
Electrical machinery	5.7	5.8	1.4	0.7	0.0
Industrial machinery	19.7	17.7	9.7	10.4	7.9
Chemicals	9.4	4.8	4.0	5.4	3.2
Iron and steel	-0.3	3.6	4.3	11.8	18.3

**Europe**

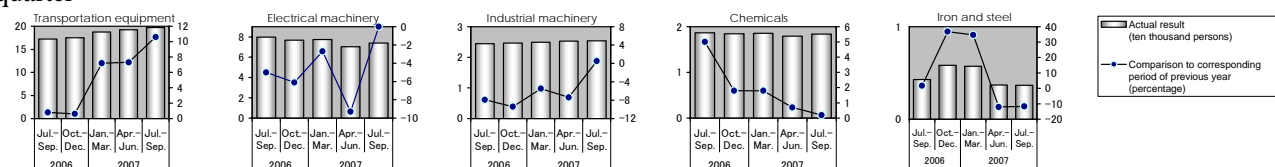
Number of employee	Actual resaut (comparison to corresponding period of previous year : percentage)				
	2006		2007		
	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
All manufacturing industry	1.7	0.1	0.3	9.1	9.8
Transportation equipment	5.1	6.6	6.9	7.2	7.6
Electrical machinery	0.6	-1.8	-4.2	-5.2	-4.3
Industrial machinery	5.8	-10.7	-11.4	-13.6	-15.0
Chemicals	-3.7	-2.6	-4.6	-0.1	0.3
Iron and steel	x	x	x	x	x

(Ceramics, stone and clay)

145.4 150.5

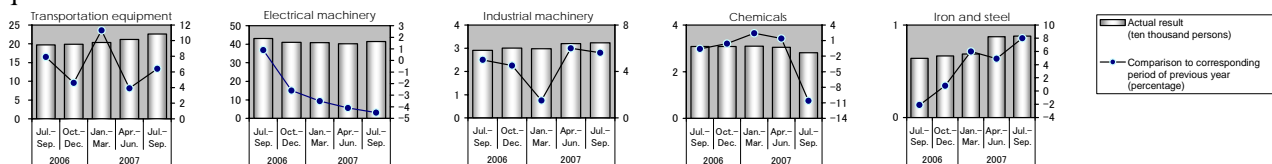
**North America**

The number of employees was 440,000 (13.5% of the total number of employees in all regions), up 3.4% from the same quarter of the previous year, growing for the third consecutive quarter. Transportation equipment (200,000 employees) increased by 10.6% from the same quarter of the previous year, continuing to grow. Industrial machinery (30,000 employees) increased by 0.5% from the same quarter of the previous year, growing slightly for the first time in five quarters. Chemicals (20,000 employees) increased by 0.2% from the same quarter of the previous year, growing less than 10% for the fifth consecutive quarter. Electrical machinery (70,000 employees) remained unchanged from the same quarter of the previous year, leveling off. Iron & steel (4,000 employees) declined by 11.7% from the same quarter of the previous year, falling by more than 10% for the second consecutive quarter



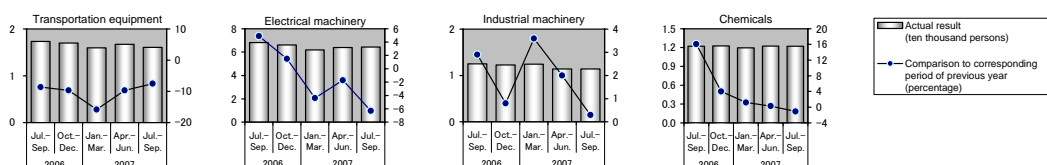
## ASEAN4

The number of employees was 910,000 (28.3% of the total number of employees in all regions), remaining unchanged from the same quarter of the previous year, leveling off. Iron & steel (9,000 employees) increased by 8.0% from the same quarter of the previous year, growing by less than 10% for the fourth consecutive quarter. Transportation equipment (230,000 employees) increased by 6.4% from the same quarter of the previous year, continuing to grow. Industrial machinery (30,000 employees) increased by 5.6% from the same quarter of the previous year, growing for the eleventh consecutive quarter. Chemicals (30,000 employees) declined by 10.6% from the same quarter of the previous year, falling for the first time in four quarters. Electrical machinery (410,000 employees) declined by 4.5% from the same quarter of the previous year, falling for the fourth consecutive quarter.



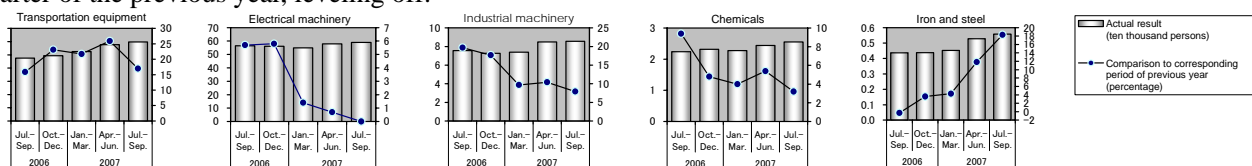
## NIEs3

The number of employees was 130,000 (4.1% of the total number of employees in all regions), down 4.7% from the same quarter of the previous year, declining by less than 10% for the fourth consecutive quarter. Transportation equipment (20,000 employees) declined by 7.5% from the same quarter of the previous year, falling for the sixth consecutive quarter. Electrical machinery (60,000 employees) declined by 6.3% from the same quarter of the previous year, falling for the third consecutive quarter. Chemicals (10,000 employees) fell by 1.1% from the same quarter of the previous year, declining for the first time after the period of January - March 2003, 18 quarters before. Industrial machinery (10,000 employees) increased by 0.3% from the same quarter of the previous year, growing for the seventh consecutive quarter.



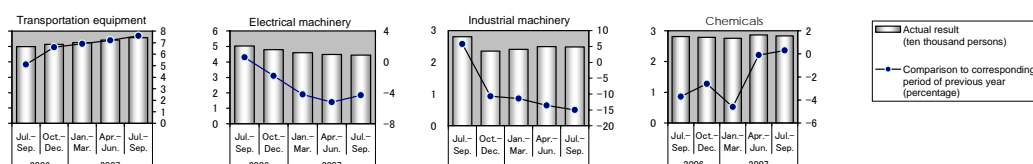
## China(including Hong Kong)

The number of employees was 1,100,000 (34.1% of the total number of employees in all regions), up 4.7% from the same quarter of the previous year, continuing to grow. Iron & steel (6,000 employees) increased by 18.3% from the same quarter of the previous year, growing for the fourth consecutive quarter. Transportation equipment (180,000 employees) increased by 17.0% from the same quarter of the previous year, continuing to grow. Industrial machinery (90,000 employees) also increased by 7.9% from the same quarter of the previous year, continuing to grow, and chemicals (30,000 employees) increased by 3.2% from the same quarter of the previous year, growing for the fifth consecutive quarter. Electrical machinery (590,000 employees) remained unchanged from the same quarter of the previous year, leveling off.

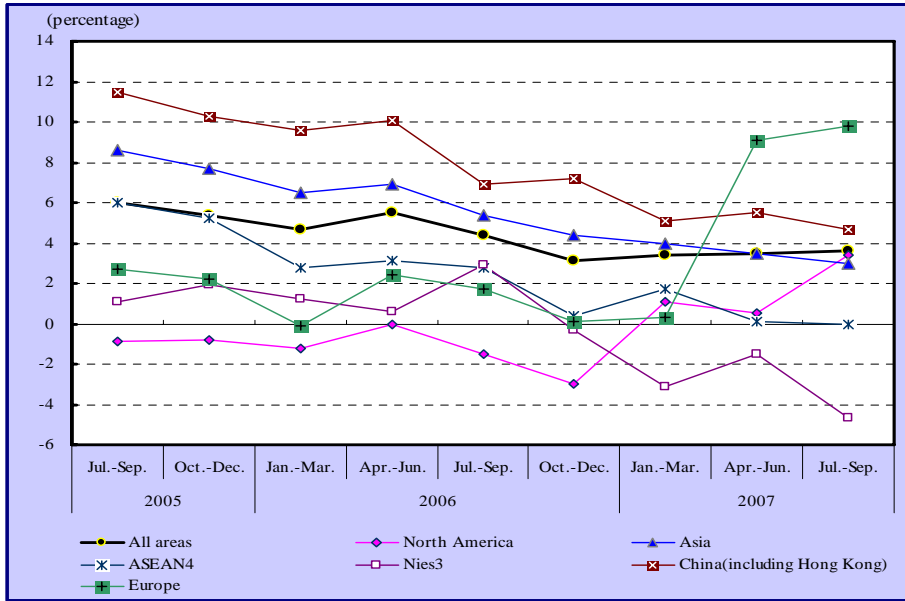


## Europe

The number of employees was 280,000 (8.8% of the total number of employees in all regions), up 9.8% from the same quarter of the previous year, continuing to grow. Transportation equipment (110,000 employees) increased by 7.6% from the same quarter of the previous year, continuing to grow. Chemicals (30,000 employees) increased by 0.3% from the same quarter of the previous year, growing for the first time in nine quarters. Industrial machinery (20,000 employees) declined by 15.0% from the same quarter of the previous year, falling by more than 10% for the fourth consecutive quarter. Electrical machinery (40,000 employees) declined by 4.3% from the same quarter of the previous year, also falling for the fourth consecutive quarter. Among industries other than major sectors, ceramics and stone & clay (40,000 employees) increased significantly, up 150.5% 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)**

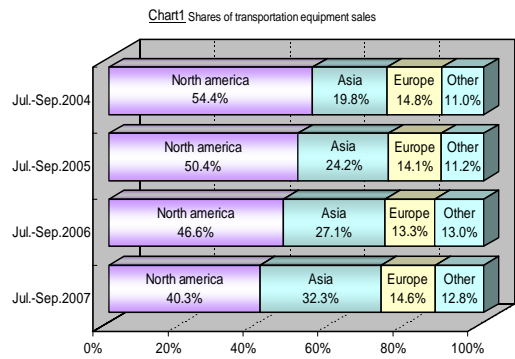


**【Topics】**

**Trends of transportation equipment - The North America market is shrinking, but sales of Japanese manufacturers remain steady.-**

■ According to the survey for the current quarter (July - September 2007), actual sales of transportation equipment steadily increased by 13.1% from the same quarter in the previous year, double-digit growth for the fourth consecutive quarter. The survey of sales by region shows that transportation equipment sold in Asia increased by 28.7% from the same quarter in the previous year (up 16.9% in ASEAN4, up 18.0% in NIEs3, up 48.5% in China, and up 33.5% in the other areas in Asia), and that sales in Europe grew fast by 18.3%, while growth in North America turned out to be low, up only 2.0%.

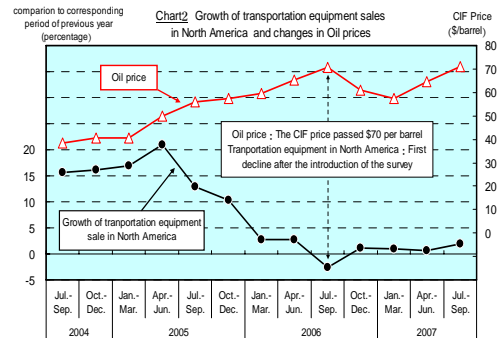
The analysis of shares of transportation equipment sales among regions shows that while North America accounted for more than half of the total sales, 54.4% in the quarter of July - September 2004, its share declined year by year thereafter and shrunk to 40.3% in the current quarter. On the other hand, Asia's share grew rapidly from 19.8% in the quarter of July - September 2004 to 32.3% in the current quarter. Shares of Europe and the other regions remained almost unchanged. The results demonstrate that the growth of transportation equipment sales in the current quarter, up 13.1%, was contributed by large increases in the regions other than North America.



(Chart1)

■ To examine the trend in detail, we examine below how sales of transportation equipment in North America had been.

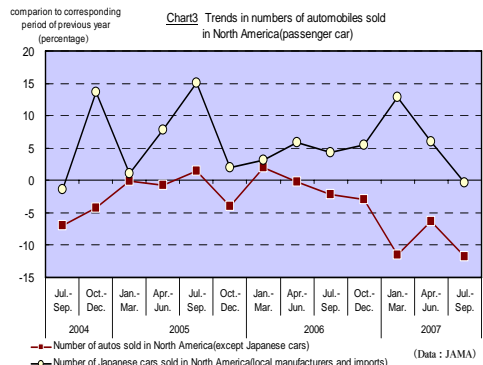
Since the quarter of April - June 2005, when crude oil prices started to rise remarkably, growth of transportation equipment sales have been gradually slowing down. After the sales declined in the quarter of July - September 2006, posting negative growth for the first time since the introduction of this survey, the growth rate stayed around one or two percent for a year. The fact shows the weak sales of transportation equipment in North America were largely attributed to rising crude oil prices.



(Chart2)

Next, we examine below the number of automobiles sold in North America.

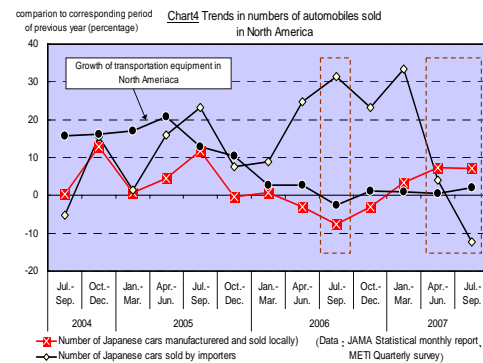
According to statistics by JAMA\*, the growth of automobiles sales in North America, except those produced by Japanese manufacturers, have been slowing down since the quarter of April - June 2006 while in contrast the number of Japanese cars sold in the region has been increasing, which suggests their competitiveness.



(Chart3)

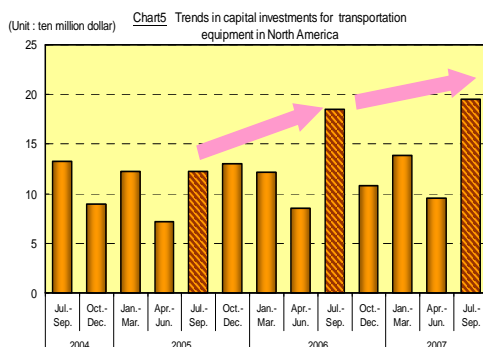
Of transportation equipment manufactured in North America, 94 percent was sold in domestic markets. As gas prices are rising, purchases of large-size vehicles have been avoided even in the North American market, and demand has shifted to more fuel-efficient models, mainly middle and small-size vehicles.

Breakdowns of sales of Japanese cars show the growth of the number of Japanese cars manufactured and sold in North America moved almost in accordance with that of sales of transportation equipment in North America on this survey. In the quarter of July - September 2006, when sales of transportation equipment in North America declined for the first time, the number of Japanese cars manufactured and sold there also fell while that of cars imported from Japan and sold in North America increased sharply.



(Chart4)

This probably this happened because Japanese manufacturers expanded local production facilities for middle and small-size automobiles, especially fuel-efficient models, in the region, to increase production there. Capital investments for transportation equipment increased approximately 1.5 times those of the quarter of July - September 2006, when sales turned to a decline, but the large-scale capital expenditure was surpassed by investments in the current quarter.



(Chart5)

As for future outlooks at the time of the current quarter, the positive margin widened between current and prospect DIs of transportation equipment sales; the Current Assessment DI (October - December 2007) was 14.8 percentage points while the Prospect DI (January - March 2008) was 17.1 percentage points. But a comparison of the figures with those in the survey conducted for the same quarter in the previous year (July - September 2006), Current DI (October - December 2006) of 21.1 points and Prospect DI (January - March 2007) of 30.0 points, demonstrates that respondents had more conservative outlook at the time of the current quarter with soaring crude oil prices, though oil had been as expensive the previous year.

While the automobile market in North America was shrinking, sales of cars manufactured by Japanese companies in the region, especially those of fuel-efficient models remained steady. Now the focus is placed on how the trend will be effected by the continuing rise of crude oil prices and credit concerns caused by the subprime problem.

\* JAMA: Japan Automobile Manufacturers Association, Inc.



## (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)

	Apr.-Jun. 2006	Jul.-Sep. 2006	Oct.-Dec. 2006	Jan.-Mar. 2007	Apr.-Jun. 2007	Jul.-Sep. 2007
Yen	114.42	116.19	117.71	119.43	120.74	117.78
ASEAN4						
Rupiah (Indonesia)	9115.0	9122.5	9124.9	9107.2	8968.3	9257.8
Ringgit (Malaysia)	3.6627	3.6681	3.6252	3.4984	3.4284	3.4667
Peso (Philippines)	52.215	51.387	49.771	48.604	46.932	45.943
Baht (Thailand)	38.071	37.643	36.526	35.544	34.647	34.064
NIEs3						
Won (Republic of Korea)	949.77	954.98	938.48	939.10	928.62	928.59
Dollar (Singapore)	1.5897	1.5793	1.5588	1.5322	1.5245	1.5174
Dollar (Taiwan)	32.1843	32.7763	32.8510	32.9163	32.9937	32.9083
People's Republic of China (Hong Kong is including)						
Yuan (People's Republic of China)	8.0123	7.9668	7.8644	7.7611	7.6774	7.5597
Dollar (Hong Kong)	7.758	7.776	7.780	7.808	7.816	7.806
Europe						
Pound (United Kingdom)	1.8266	1.8745	1.9168	1.9545	1.9864	2.0198
Euro (Euro Area)	0.7963	0.7849	0.7754	0.7632	0.7418	0.7277

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, Statistics (US\$10, 000))					comparison to the same quarter of the previous year					2007					2006					comparison to the same quarter of the previous year					2007								
	FY 2005	FY 2006	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	FY 2005	FY 2006	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	FY 2005	FY 2006	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	FY 2005	FY 2006	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	FY 2005	FY 2006	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
Total value of electrical machinery	17,673,322	18,621,206	4,709,799	4,966,516	4,550,677	4,350,708	P	4,821,685	2.7	4.0	6.4	2.0	3.3	0.6P	4.7																			
Electrical machines and apparatuses	3,688,915	3,904,045	1,001,306	900,334	1,018,149	996,841	P	1,074,742	0.1	3.5	6.9	3.4	3.9	9.5P	10.3																			
Information and communications machines and equipment	8,456,472	8,934,296	2,256,302	2,443,499	2,185,127	1,905,938	P	2,151,939	1.9	4.6	8.2	2.1	4.7	▲ 1.8P	1.3																			
Electronic parts and devices	5,527,934	5,782,865	1,452,191	1,562,683	1,347,401	1,447,929	P	1,595,004	5.7	3.5	3.4	1.1	0.5	▲ 1.6P	5.8																			
Total value of transportation equipment	27,074,730	30,153,688	7,051,785	7,571,269	8,079,039	8,808,926	P	8,241,246	16.0	8.5	4.9	10.0	11.3	14.0P	13.1																			
Transportation machines and equipment	20,134,713	21,970,436	5,148,885	5,506,758	5,848,936	6,275,316	P	5,814,319	18.7	7.5	4.2	8.7	9.7	12.3P	11.4																			
Parts and accessories for transportation machinery	6,940,017	8,183,252	1,902,900	2,070,511	2,230,103	2,531,609	P	2,426,926	8.8	11.7	7.0	13.4	15.9	18.7P	17.8																			
North America	Statistics (US\$10, Statistics (US\$10, 000))																																	
Total value of electrical machinery	4,042,533	4,292,916	1,095,157	1,142,510	1,034,369	907,668	P	1,020,226	0.8	3.8	9.1	▲ 0.5	0.7	▲ 5.6P	0.0																			
Electrical machines and apparatuses	747,415	793,769	196,785	190,685	212,361	175,864	P	172,788	8.1	3.1	1.7	4.5	3.1	0.4P	▲ 3.7																			
Information and communications machines and equipment	2,701,960	2,867,382	738,947	799,866	664,198	577,839	P	676,201	▲ 2.3	3.4	11.8	▲ 1.6	▲ 0.1	▲ 7.8P	▲ 1.1																			
Electronic parts and devices	593,158	631,765	159,425	151,960	157,810	153,965	P	171,237	7.9	6.5	6.5	▲ 0.4	1.2	▲ 3.7P	9.0																			
Total value of transportation equipment	13,959,693	14,242,588	3,286,022	3,531,375	3,713,466	3,774,826	P	3,320,260	11.3	0.7	▲ 2.5	▲ 0.1	1.0	0.6P	2.0																			
Transportation machines and equipment	10,593,824	10,520,428	2,413,592	2,608,932	2,712,370	2,759,553	P	2,343,325	12.5	▲ 0.7	▲ 4.2	0.0	▲ 0.8	▲ 0.9P	0.4																			
Parts and accessories for transportation machinery	3,365,869	3,722,160	872,430	922,442	1,001,097	1,015,273	P	976,935	7.9	5.0	3.0	4.8	6.4	5.4P	6.5																			
Asia	Statistics (US\$10, Statistics (US\$10, 000))																																	
Total value of electrical machinery	9,152,524	9,408,096	2,503,501	2,390,412	2,295,036	2,395,787	P	2,694,140	3.9	1.5	3.4	0.2	3.5	5.4P	6.0																			
Electrical machines and apparatuses	2,500,607	2,696,008	709,145	650,736	702,596	722,686	P	797,913	0.5	5.6	11.1	5.2	6.2	12.9P	13.5																			
Information and communications machines and equipment	3,212,879	3,277,911	891,684	899,196	781,427	765,933	P	875,780	5.1	1.8	2.6	2.7	6.9	5.2P	1.8																			
Electronic parts and devices	3,439,039	3,434,177	902,671	880,480	811,013	907,168	P	1,020,447	5.5	▲ 1.8	▲ 1.2	▲ 5.4	▲ 1.7	▲ 0.1P	▲ 4.3																			
Total value of transportation equipment	6,304,659	7,969,201	1,910,511	2,064,496	2,177,239	2,491,859	P	2,665,661	27.2	19.2	15.6	21.0	21.4	28.3P	28.7																			
Transportation machines and equipment	4,006,938	5,043,498	1,216,787	1,311,047	1,384,629	1,945,679	P	1,695,065	38.8	18.9	15.5	24.0	21.0	30.9P	30.3																			
Parts and accessories for transportation machinery	2,297,720	2,925,703	693,724	753,448	792,610	946,179	P	970,596	11.3	19.7	15.8	16.2	22.0	24.3P	25.9																			
ASEAN4	Statistics (US\$10, Statistics (US\$10, 000))																																	
Total value of electrical machinery	3,687,151	3,674,191	974,749	919,639	917,084	901,957	P	992,314	2.2	▲ 0.7	1.1	▲ 1.1	5.3	5.3P	3.0																			
Electrical machines and apparatuses	994,197	1,037,036	250,028	247,055	286,278	284,348	P	296,675	▲ 0.4	4.3	6.2	4.9	7.0	14.3P	22.0																			
Information and communications machines and equipment	1,413,243	1,396,937	396,062	366,502	324,332	295,971	P	349,444	▲ 0.3	▲ 1.2	2.9	▲ 0.6	7.6	0.9P	▲ 7.4																			
Electronic parts and devices	1,279,712	1,240,218	328,659	306,083	306,474	321,638	P	346,195	7.4	▲ 4.2	▲ 4.3	▲ 5.9	1.4	2.3P	0.7																			
Total value of transportation equipment	3,421,257	3,962,802	985,272	1,041,109	1,033,462	1,185,415	P	1,297,625	26.2	11.4	10.7	16.0	13.0	20.5P	16.9																			
Transportation machines and equipment	2,329,566	2,678,767	670,976	702,679	702,200	802,585	P	896,302	41.9	11.0	10.8	15.0	12.7	21.9P	17.6																			
Parts and accessories for transportation machinery	1,091,692	1,283,834	314,296	338,429	331,263	382,830	P	401,324	1.6	12.2	10.3	18.1	13.6	17.8P	15.3																			
NIEs3	Statistics (US\$10, Statistics (US\$10, 000))																																	
Total value of electrical machinery	1,544,764	1,587,927	423,456	402,980	374,658	394,063	P	440,809	▲ 4.9	2.2	5.4	▲ 0.1	0.7	▲ 2.4P	▲ 0.1																			
Electrical machines and apparatuses	231,128	243,190	64,637	58,772	58,203	52,338	P	57,158	▲ 15.0	1.0	5.1	2.2	▲ 5.6	▲ 4.9P	▲ 1.3																			
Information and communications machines and equipment	451,221	508,229	133,444	127,184	127,620	114,835	P	113,425	0.9	12.6	11.0	6.5	16.0	0.6P	▲ 8.9																			
Electronic parts and devices	862,415	836,508	225,374	217,024	188,834	226,890	P	270,226	▲ 4.8	▲ 3.0	2.5	▲ 4.1	▲ 6.1	0.3P	5.1																			
Total value of transportation equipment	565,317	488,748	105,336	123,194	119,095	130,796	P	124,651	18.4	▲ 19.4	▲ 28.3	▲ 14.4	▲ 22.5	▲ 7.6P	18.0																			
Transportation machines and equipment	337,862	234,571	46,962	55,711	59,585	66,401	P	63,143	16.4	▲ 30.6	▲ 43.6	▲ 28.2	▲ 28.1	▲ 8.2P	34.5																			
Parts and accessories for transportation machinery	227,455	254,178	58,374	67,483	59,510	64,395	P	61,508	21.5	▲ 2.8	▲ 4.1	4.4	▲ 14.6	▲ 6.9P	4.8																			

	Statistics (US\$10 Statistics (US\$10,000))											comparison to the same quarter of the previous year										
	2006						2007					2006										
	FY 2005	FY 2006	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	2006			2007		2006		2007		2006		2007			
								Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
China(including Hong Kong)																						
Total value of electrical machinery	3,818,912	4,035,051	1,077,359	1,039,979	974,172	1,227,915																
Electrical machines and apparatuses	1,253,702	1,393,472	389,114	339,771	362,040	379,231																
Information and communications machines and equipment	1,282,703	1,303,493	344,441	347,880	311,453	339,555																
Electronic parts and devices	1,282,507	1,338,086	343,805	352,329	310,680	352,929																
Total value of transportation equipment	1,529,841	2,585,595	589,179	666,787	746,951	875,234																
Transportation machines and equipment	661,318	1,316,548	298,774	353,353	388,976	433,442																
Parts and accessories for transportation machinery	868,522	1,249,047	290,405	313,434	357,975	441,791																
Other Asia																						
Total value of electrical machinery	101,696	110,927	27,937	27,814	29,121	28,050																
Electrical machines and apparatuses	21,580	22,309	5,366	5,138	6,075	6,768																
Information and communications machines and equipment	65,712	69,253	17,737	17,631	18,021	15,571																
Electronic parts and devices	14,404	19,365	4,833	5,045	5,025	5,711																
Total value of transportation equipment	788,244	952,256	230,724	233,406	277,732	300,414																
Transportation machines and equipment	678,192	813,612	200,076	199,303	233,869	243,251																
Parts and accessories for transportation machinery	110,052	138,644	30,648	34,102	43,863	57,163																
Europe																						
Total value of electrical machinery	4,191,135	4,617,556	1,041,683	1,331,869	1,156,096	983,850																
Electrical machines and apparatuses	404,828	375,010	87,115	105,896	93,435	90,280																
Information and communications machines and equipment	2,400,013	2,631,415	587,728	734,864	703,141	532,702																
Electronic parts and devices	1,386,294	1,611,131	366,840	491,109	359,520	360,869																
Total value of transportation equipment	3,811,171	4,199,837	935,246	1,020,223	1,184,666	1,441,531																
Transportation machines and equipment	2,823,454	3,058,345	689,614	732,506	857,419	1,012,580																
Parts and accessories for transportation machinery	987,716	1,141,492	245,631	287,716	327,247	428,951																
Other																						
Total value of electrical machinery	287,129	302,639	69,458	101,725	65,176	63,403																
Electrical machines and apparatuses	36,066	39,259	8,260	13,018	9,757	8,011																
Information and communications machines and equipment	141,620	157,588	37,943	49,573	36,361	29,465																
Electronic parts and devices	109,444	105,792	23,255	39,134	19,058	25,927																
Total value of transportation equipment	2,999,208	3,742,061	920,006	961,176	1,003,667	1,098,710																
Transportation machines and equipment	2,710,496	3,348,164	828,891	854,272	894,517	957,505																
Parts and accessories for transportation machinery	288,711	393,897	91,115	106,903	109,149	141,206																



(Unit:Percentage point)

	D I											
	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		Jul-Sep 2007 period investigation	
	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect
Other Asia	0.0	14.3	13.6	30.0	21.7	31.9	23.5	31.2	42.1	18.6	52.6	10.5
Total value of electrical machinery	0.0	0.0	0.0	0.0	16.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Electrical machines and apparatuses	0.0	12.5	12.5	50.0	-14.3	28.6	28.6	28.6	50.0	21.4	62.5	12.5
Information and communications machines and equipment	0.0	28.6	25.0	28.6	50.0	50.0	25.0	42.8	44.5	19.5	55.6	11.1
Electronic parts and devices	22.2	34.6	54.9	46.7	41.9	46.7	36.8	36.1	38.8	0.0	55.6	18.8
Total value of transportation equipment	27.3	60.0	45.5	20.0	27.3	30.0	36.4	10.0	25.0	-11.4	36.4	11.4
Transportation machines and equipment	18.8	18.8	60.0	60.0	50.0	55.0	37.0	46.2	42.3	5.3	64.0	21.7
Parts and accessories for transportation machinery												

	D I											
	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		Jul-Sep 2007 period investigation	
	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect
Europe	23.5	-3.2	12.5	-11.1	-8.9	14.8	0.0	25.5	18.2	18.2	-3.7	-21.9
Total value of electrical machinery	22.7	9.1	55.0	-5.3	-14.3	-5.0	-15.0	35.0	19.1	34.1	0.0	-19.1
Electrical machines and apparatuses	33.3	-13.0	-22.7	4.8	4.5	33.3	19.0	10.0	8.7	-10.3	0.0	-8.7
Information and communications machines and equipment	11.1	-6.3	7.1	-42.9	-23.1	15.4	-9.1	36.4	36.4	45.5	-18.2	-54.6
Electronic parts and devices	17.7	10.1	22.5	15.9	12.7	-6.7	-19.5	14.5	17.8	37.3	14.5	-3.3
Total value of transportation equipment	11.1	0.0	55.6	14.3	33.3	-14.3	-22.2	14.3	-22.2	0.0	0.0	22.2
Transportation machines and equipment	18.9	11.5	17.7	16.1	9.3	-5.7	-19.1	14.5	23.5	42.6	16.1	-7.4
Parts and accessories for transportation machinery												

	D I											
	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		Jul-Sep 2007 period investigation	
	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect
Other's	-8.7	8.7	-4.4	0.0	13.6	18.2	33.3	16.7	30.0	-3.3	5.0	-25.0
Total value of electrical machinery	0.0	25.0	14.3	0.0	-14.3	0.0	66.7	16.7	-14.3	-81.0	42.9	57.2
Electrical machines and apparatuses	-25.0	0.0	-25.0	0.0	25.0	25.0	12.5	12.5	55.6	43.1	-11.1	-66.7
Information and communications machines and equipment	33.3	0.0	25.0	0.0	33.3	33.3	25.0	25.0	50.0	25.0	-25.0	-75.0
Total value of transportation equipment	0.0	21.6	29.2	24.4	18.6	31.0	22.9	16.9	-4.2	-27.1	28.9	33.1
Transportation machines and equipment	9.1	44.4	27.3	33.3	16.7	40.0	33.3	0.0	-36.4	-69.7	44.5	80.9
Parts and accessories for transportation machinery	-3.4	14.3	29.7	22.2	19.4	28.1	20.4	20.4	5.4	-15.0	25.0	19.6

	D I											
	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		Jul-Sep 2007 period investigation	
	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect	Current assessment	Prospect
Other's	-8.7	8.7	-4.4	0.0	13.6	18.2	33.3	16.7	30.0	-3.3	5.0	-25.0
Total value of electrical machinery	0.0	25.0	14.3	0.0	-14.3	0.0	66.7	16.7	-14.3	-81.0	42.9	57.2
Electrical machines and apparatuses	-25.0	0.0	-25.0	0.0	25.0	25.0	12.5	12.5	55.6	43.1	-11.1	-66.7
Information and communications machines and equipment	33.3	0.0	25.0	0.0	33.3	33.3	25.0	25.0	50.0	25.0	-25.0	-75.0
Total value of transportation equipment	0.0	21.6	29.2	24.4	18.6	31.0	22.9	16.9	-4.2	-27.1	28.9	33.1
Transportation machines and equipment	9.1	44.4	27.3	33.3	16.7	40.0	33.3	0.0	-36.4	-69.7	44.5	80.9
Parts and accessories for transportation machinery	-3.4	14.3	29.7	22.2	19.4	28.1	20.4	20.4	5.4	-15.0	25.0	19.6





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## **URL**

<http://www.meti.go.jp/statistics/index.html>

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