Confidential

Survey of Trends in Business Activities of Foreign Affiliates

Form for FY2012 Survey of Trends in Business Activities of Foreign Affiliates

Submit To Minister of Economy, Trade and Industry To be completed by Ministry of Economy, Trade and Industry) — — — — — — — — — — — — — — — — — — —		Submission Deadline	2012/8/31				
To be completed by Ministry of Economy, Trade and Industry)		Submit To	Minister of Economy, Trade and Industry				
	o be co	mpleted by Ministry of Economy, Tra	ade and Industry)				

- This survey covers companies that will satisfy the following conditions by the end of March of year 2012, or have satisfied the following conditions during year 2011.
 - 1) A company in which more than one third of shares or holdings is owned by a foreign investor
 - A company funded by a domestic company (in Japan) in which more than one third of shares or holdings is owned by foreign investors, in which the total ratio of the foreign investors' direct and indirect investment is more than one third of the shares or holdings of the company concerned.
 - 3) Companies that fall under 1) or 2) above, in which the principal foreign investor's direct investment ratio is more than 10%.
- o The entries in this survey will be used for statistical purposes only and will be kept confidential under the Statistics Law. They will not be used for any purposes that may cause concern to the respondent.
- The data of this survey is as of March 31, 2012. Please give annual figures for fiscal year 2011. Please refer to the "Notes for Completing the Survey Form" before completing the form.
- All monetary amounts should be indicated in yen denomination, rounded off to units of one million yen.
- "1 Company outline," "2-3," and "2-4" are pre-printed based on the information given in the previous survey. If any alterations cross out the items with a == == and make the correct entrie

(Since we may need to make some clarifications, please designate the place of contact for the person completing the form.)

Name of respondent		Assigned department	
Address (write the head office a	ne address if it differs from the address of as written in 102)	Telephone No.	

1. Company Outline

101	(katakana) Company name		
102	(Postal code) Address		* When the address of the head office differs from the address indicated in the registration, write the address of the office which is actually functioning as the head office.
103	Business sector code	*Please refer Table in Ap Survey For	er your industrial classification. er to the Industrial Classification Code pendix I of the Notes for Completing the m. If you are not sure about your type of ter the specific details of your business.
104	Foreign capital ratio	*Write figures up to the first decimal point and justify to the right. *If your company has both direct and indirect investments from foreign investors, enter the total of the direct and indirect investment ratio.	
105	Name of the principal foreign investor		* Write the name of the principal foreigr investor in Japanese katakana characters or Roman letters. * If it is a company, enter the company name. *If your company has both direct and indirect investments from foreign
106	Nationality of the principal foreign investor	Country code Name of region/country * Refer to the Regional and National Classification Code Table in Appendix II of the Notes for Completing the Survey Form. * Write the nationality of the principal foreign investor you entered in the above Item 105 "Name of principal foreign investor."	investors, enter the principal foreign investor with the higher ratio.
107	Investment ratio of the principal foreign investor	"Write figures up to the first decimal point and justify to the right. "Enter the investment ratio of the principal foreign investor you wrote in the above Item 105 "Name of the principal foreign investor."	
108	Business sector code of the principal foreign investor	1.Same sector Business sector No. Type of industry 2.Different sector	*If the business sector of the principal foreign investor you wrote in the above Item 105 "Name of the principal foreign investor" is the same of your business sector, please circle
109	Capital or investments	(¥ million) * Enter the amount of paid-in capital or investments held	and if not, please circle 2 and answer the corresponding business sector number and type of industry. If the principal foreign investor is an individual, leave the business sector no. blank and enter "individual" for
110	Accounting term	* Write the two-digit accounting month.	type of industry.
111	Consumption tax	1. Tax included * Circle the relevant number as to whether consumption tax is included in the monetary amounts given below	

2.Tax excluded

included in the monetary amounts given below.

2. Operation status

2-1. Operation status

Circle the relevant number for the operation status of your company as of March 31, 2012.

If "5. Dissolution, withdrawal and foreign capital reduced" is applicable, circle one of the corresponding periods during which the dissolution, withdrawal, or foreign capital reduction occurred.

Joidillo	ii, willidiawai, or ioreigii capitai reduc	don occanca.					
211	1. In operation	Company is currently in operation.					
	Before the first accounting term after establishment	Company has not yet reached the first accounting term after establishment or after foreign capitalization.					
	Not yet established, not yet in operation	Company has not yet been established/ is not in operation					
	4. Suspended	Company is temporarily out of business or in dormancy.					
	Dissolution, withdrawal and reduction of foreign capital ratio reduced	Company dissolved due to liquidation, bankruptcy, takeover, merger or similar reason. Your company's foreign investors have withdrawn or your company's ratio of capitalization by foreign investors has fallen below one third.					
	i. In FY2011 ii. In or before FY2010						

- * Fill in all the items from 2-2 amounts given below.
- * Fill in the items 231 "Year of establishment or foreign capitalization," 241 "Reason for which the ratio of shares or equity owned by foreign investors has surpassed one third of the total shares."
- * i. For those who selected fiscal 2011, please enter item 221, 222 "Transfer of functions" and item 231 "Year of establishment or foreign capitalization".

2-2. Transfer of functions

2-1. This question is for those who answered <u>"i. Fiscal 2011" in "1. In operation" or "5. Dissolution, withdrawal and foreign capital ratio reduced" for "Operation status".</u>

Are there any functions that were transferred from Japan to overseas during fiscal 2011?

Select an item and circle the corresponding number from below.

For the transferred functions, enter the country and region it was transferred to. (multiple answers possible)

			_			Transferred functions	Country and region transferred to
221	1 Yes			1	Corporate planning		
221	2	No	Only if you answered "Yes"		2	Sales and marketing	
ies		222	3	Research and development			
			222	4	Manufacturing and processing		
					5	Distribution	
					6	Finance	

^{*}Please refer to "Appendix II .Regional and National Classification Cord Table"

2-3. Year of establishment or foreign capitalization

Please write the two-digit month and four-digit year of the time when the ratio of shares or equity owned by foreign investors surpassed one third of the total shares in your company.

Human resources

If the ratio of shares or equity owned by foreign investors was less than one third at the time of establishment, give the year when it surpassed one third of the total.

		YYYY	MM
231	Year of establishment or		
	foreign capitalization	1 1 1	1

^{*} If the company that invested in your company was changed either from a foreign investor to another foreign investor or from a foreign investor to a foreign-affiliated holding company, write the initial "Year of establishment or foreign capitalization" instead of the time when the investing company was changed.

2-4. Reason for which the ratio of shares or equity owned by foreign investors has surpassed one-third of the total shares Select and circle one number from the following.

If your investing company was changed from one foreign investor to another foreign investor or from a foreign investor to a foreign-affiliated holding company, write "Reason for which the ratio of shares or equity owned by foreign investors has surpassed one third of the total shares" at the initial time instead of at the time when the investing company was changed.

241	1. Newly established by a single company	
	2. Newly established as a joint venture	
	3. Merger & Acquisition	
	4. Other	

Please include the case in which the ratio of shares or equity owned by foreign investors has surpassed one third of the total shares due to capital increase in the M&A.

2-1. For those that selected "1. In operation" under "Operation status", please answer every survey item after "3 Employment (Total full-time persons employed)".

However, if you responded to "The FY2012 Basic Survey of Japanese Business Structure and Activities of the Ministry of

Economy, Trade and Industry," fill in the survey items within the red frame below.

The "Basic Survey of Japanese Business Structure and Activities" is a designated statistical survey conducted by the Ministry of Economy, Trade and Industry for those companies with 50 employees or more and with capital of 30 million yen or more. For details, refer to page 5 of the "Notes for Completing the Survey Form."

2-1. If you selected an answer other than "1. In operation" under "Operation status", please answer 9 Investment environment in Japan and 15 Future business expansion in Japan.

3. Employment (Total full-time persons employed)

	byment (Total full-time persons employed)	(Feisons)
301	Total full-time persons employed	
302	(Of which, number of foreign full-time persons employed)	
303		
304	(Of which, number of foreign salaried directors)	
305		
306	(Of which, number of foreign full-time employees)	
307	Regular employees, regular staff	
308	(Of which, number of foreign regular employees, regular staff)	
309	Part-timers, casual employees	

"Full-time employees" refers to regular employees. regular staff, part-timers, and casual employees

(Persons)

- "Full-time employees" refers to those who have employed for a period unspecified or at least one month, and those for at least 18 days within the previous two months at the time the survey conducted.
- *Please do not include the number of dispatched workers from a worker dispatching business operator.
- If there are no applicable figures, write down "0."

4. Types and functions of establishments

4-1. Types and functions of establishments in Japan

Please enter the number of establishments for each of the below functions. (Units: No. of establishments)

		411	412	413	414	415	416	417	
		Corporate planning	Sales and marketing	Research and development	Manufacturing and processing	Distribution	Finance	Human resources	
								: : :	
1 1	No. of establishments								

^{*}If an establishment bears multiple functions, enter it in each applicable function. Enter "0" if there is no applicable figure.

4-2. Location of regional headquarters

Does your company serve as a regional headquarters that controls functions (Note 2) of bases that have a capital relationship with the foreign parent company (Note 1) in the Asia and Oceania region?

Circle the corresponding number.

1. Yes

421

(Note 1) Parent company refers to the principal foreign investor entered in item 105 "Name of the principal foreign investor." (hereinafter the same)

Function refers to those listed in the following under "Functions".

This is for companies that answered "1. Yes" in item 421.

Which country and regional base does your company control? Also, what functions in those bases does your company control?

Circle the corresponding country and region's number and select the corresponding function from the function column

			multiple answers poss		is consoperium granous. Hen une raneus			
	Country/Region	Function	Country/Region	Function	Country/Region	Function		
422	1. China		7. Thailand		13. Australia			
	2. Hong Kong		8. Indonesia		14. New Zealand			
	3. Taiwan		9. Cambodia		15. Japan			
	4. South Korea		10.The Philippines		(Japanese companies other than your company)			
	5. India		11. Malaysia		16. Other Asia and Oceania regions			
ı	6. Vietnam		12. Singapore		(Country/Region)			

This is for those that answered in item 421 "2. No", or answered "1. Yes", but has a regional headquarters in the Asia and Oceania region other than your company.

Where is your parent company's regional headquarters located that controls all of the bases in the Asia and Oceania regions (excluding your company)? Also, what functions are controlled by that regional headquarters? Circle the corresponding country and region's number and select the corresponding function from the function column below and enter that number (multiple answers possible). Select "21. Not

established" if the foreign parent company acts as the Asia and Oceania regional headquarters.

I ⊢		- 3							
	Country/Region	Country/Region Function		Function	Country/Region	Function			
	1. China		9. Cambodia		16. Other Asia and Oceania regions				
423	2. Hong Kong		10. The Philippines		(Country/Region)				
I ⊢	3. Taiwan		11. Malaysia		17. North America				
	4. South Korea		12. Singapore		18. Central and South America				
	5. India		13. Australia		19. Europe				
	6. Vietnam		14. New Zealand		20. Middle East/Africa				
	7. Thailand		15. Japan		21. Not established				
8. Indonesia			(Japanese companies						
			other than your company)						

Functions

- 1. Corporate Planning 3. Research and development 2. Sales and Marketing 4. Manufacturing and processing
- 5. Distribution 6. Finance 8. Other 7. Human resources

5. Sales turnover and purchase turnover

5-1. Sa	iles t	urno	ver				 (¥	million)	1
511			Sales turnover					1	
512		Of	which, exports						
513			Of which, exports to principal foreign investors						
514			Of which, exports to Asian region		1 1 1 1	1 1 1 1	1 1 1 1	1	
515		Of	which, royalty income		 	 	! ! !	! ! !	

- * If your business is banking, life insurance or non-life insurance, write the current expenses. If your business is other finance, write the operating expenses.
- * Write the amount of goods directly exported by your company carrying out customs procedures in its own name.
- Enter the purchase turnover from the principal foreign investor you put in Item 105 "Name of the principal foreign investor.
- * If there are no applicable figures, write

5-2. Pι	urchase t	rurnover	(¥ millio	on) ,
521		Purchase turnover		
522	Of	which, imports		,
523		Of which, imports from the principal foreign investors		7
524		Of which, imports from Asian region		,

- * If your business is banking, life insurance or non-life insurance, write the current expenses. If your business is other finance, write the operating expenses.
- * Write the amount of goods directly imported by your company carrying out customs procedures in its own name.
- * Enter the purchase turnover from the principal foreign investor you put in Item 105 "Name of the principal foreign investor."
- * If there are no applicable figures, write down "0."

6. Expenses

6-1. Payments for the principal foreign investor

Enter the payments for the principal foreign investor you put in Item 105 "Name of the principal foreign investor" based on accounting data.

				(¥	million)
					i
611	Dividends				
612	Interest on loans				
613	Royalties				

* If there are no applicable figures, write down "0."

6-2. R&D expenses

		!	1	1	
621	In-house R&D expenses		! ! !	! ! !	
622	Expenses for R&D commission				1
623	Research grants				1

^{*} If there are no applicable figures, write down "0."

6-3. Plant and equipment investments

631 Plant and equipment investment (excluding land)	_						
631 Plant and equipment investment (excluding land)	Γ					1	
		631	Plant and equipment investment (excluding land)		! !	! ! !	

* Please write the amount of acquisition of tangible fixed assets (including construction in process account and excluding land) during fiscal year 2011 before depreciation. before depreciation.

If there are no applicable figures, write down "0."

7. Profit

			 	(¥	million)
701	Current profit (△ indicates a loss)				
702	Current net income (\triangle indicates a loss)		1 1 1 1	1 1 1 1	1

 $^{\star}\, \mathrm{Add} \ \triangle$ before figures when you have made a loss in the current profit or the current net income.

8. Assets

				(¥	million)
			!		
801	Total assets				
802	Total net assets				

complicated procedures, etc.)

9. Investment environment in Japan 9-1. What is attractive about expanding business in Japan?

Please select up to 5 top items from the following and circle the corresponding number.

		Income levels are high. Customer volume for products and services is high.	9	Extensive infrastructure (transportation, energy, communications, etc.)
		Sensitive to added value and trends in products and services.	10	Solid financial environment, financing opportunities
		Proving ground for measuring competitiveness of new products and services	11	Extensive breaks and incentives
	3	Concentration of global companies and affiliates	12	Extensive business support organizations
911	4	Gateway to the Asian market. Optimal location for regional headquarters.	13	Low cost of doing business (labor, real estate, etc.)
	5	Availability of quality personnel	14	Developed living environment
		Geographical advantage for accessing headquarters and countries your company manages.	15	Legal provisions regarding intellectual property is extensive
	7	Very open business regulations	16	Increased demand is projected due to the earthquake
	8	High quality research and development environment	17	Other (specify":)

9-2. What do you think are inhibiting factors in expanding business in Japan?

Please select **up to 5 top items** from the following and circle the corresponding number.

	1	Difficulty securing personnel. (management, engineers, persons with language skills, common labor, etc.)	8	Shortage of information and support services (shortage of market information in English, underdeveloped support organizations, etc.)
	2	High standard that users demand from products and services (quality, delivery, price, etc.)	9	Difficulty securing financing (difficult loan conditions, regulations regarding financing)
	3	High cost of doing business (labor, tax, real estate, etc.)	10	Living environment for foreigners (admittance system of schools, hospitals, etc. for foreigners; lifestyle differences, etc.)
921	4	Exclusivity and distinctiveness of the Japanese market (intragroup transactions, connections, business practices, etc.)	11 12	Underdeveloped infrastructure (transportation, energy, communications, etc.) Concerns regarding radiation exposure
	5	Not enough breaks and incentives (tax privileges, lack of available assistance, etc.)	13	Concerns regarding natural disasters such as earthquake and tsunami
		, , , , , , , , , , , , , , , , , , , ,	14	Power supply concerns
	6	Strict regulations, permits and license system (legal restraints, product planning and inspection, etc.)	15	Other (specify":
	7	Complicated administrative procedures (long time required from application to approval,		

10. Cost of doing business in Japan

What do you think are inhibiting factors with regards to the cost of doing business in Japan?

Please select **up to 3 top items** from the following and circle the corresponding number.

	1	Labor costs		Facility costs (plant, information systems, office equipment, etc.)	9	Utilities (electric, gas, plumbing, etc.)
1001	2	Rent (for office)	6	Distribution costs	10	Land leasing costs
	3	Tax liability	7	Communication costs	11	Other(specify":)
	4	Land acquisition costs	8	Social security costs		

11. Employment and human resources in Japan

11-1. What do you think are inhibiting factors in securing Japanese personnel?

Please select **up to 3 top items** from the following and circle the corresponding number.

	1	High standards of compensation such as salary, etc.
	2	High standards of non-obligatory welfare costs
	3	Recruiting and hiring costs
	4	Strict labor regulations
1111	5	Lack of mobility in the labor market
	6	Underdeveloped employment agency services
	7	Business communication difficulties in English
	8	Other (specify":)

11-2. What do you think are inhibiting factors in securing a foreign personnel?

Please select **up to 3 top items** from the following and circle the corresponding number.

			_						
	1	High standards of compensation such as salary, etc.							
	2	High standards of non-obligatory welfare costs							
	3	Difficulties obtaining permanent residence							
	4 Difficulties obtaining work visas								
5 Difficulties obtaining visa for domestic workers and babysitters									
1121	6	Difficulty finding residential accommodation							
	7	Lack of medical facilities with English speaking staff							
	8	Lack of international schools							
	9	Difficulty finding employment for spouse							
	10	Business communication difficulties in Japanese							
	11	Other (specify":)						

12. Business Partnerships with Japanese companies

12-1. What is the total number of Japanese companies that your company partnered with?

Please select **only one** from the following and circle the corresponding number.

	1	Less than 1 company
	2	1 company
1211	3	2-4 companies
	4	5-9 companies
	5	More than 10 companies

12-2. What was the advantage in partnering with a Japanese company?

Please select **only one** from the following and circle the corresponding number.

* Please respond only if you answered no. 2-5 in 12-1.

	1	Made entering the Japanese market easier
	2	Achieved business stabilization and expansion
	3	Served as foothold for Asia market expansion
1221	4	Gained outstanding technology and expertise
	5	Learned Japanese business practices
	6	Made use of partner's human and corporate network
	7	Raised trust and reliability from customers
	8	Other (specify:)

13. What are your future plans for business partnerships with Japanese companies?

Please select **only one** from the following and circle the corresponding number.

	, and the same of					
1301		Aggressively promote business partnerships with Japanese companies				
	2	Partner with Japanese companies as needed				
		Not considering business partnerships with Japanese companies				
	4	Do not know				

14. What are your thoughts on your company's hiring outlook for this year?

Please select only one from the following and circle the corresponding number.

			j
		1	Will increase staff
	1401	2	Maintain current conditions
		3	Will reduce staff

15. Future business expansion in Japan

What are your thoughts on future business expansion in Japan? Please select just one from the following that corresponds and circle the number.

	1	Planning business expansion
1501	2	Maintain current conditions
1301	3	Planning to downsize
	4	Discontinue operations