

# Outline of Survey of Trends in Business Activities of Foreign Affiliates

## 【Outline of the Survey】

### 1. Purpose of the survey

The purpose of the Survey of Trends in Business Activities of Foreign Affiliates is to understand the business trends of foreign affiliates in Japan to help push forward the Country's industrial and trade policies.

### 2. Survey target

The survey covers companies that satisfied the following conditions as of the end of March of the year 2014, or satisfied the following conditions during the year 2013.

- (1) A company in which more than one third of shares or holdings is owned by foreign investors.
- (2) 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%.

(Note 1) Since the FY2010 survey, the "finance and insurance" industry and the "real estate" industry were added to the targets of the survey.

(Note 2) Since the FY2011 survey, it covers not only indirect investments through holding companies, but also indirect investment from all Japanese domestic companies including business corporations.

(Note 3) In this survey, the term "foreign investor" refers to non-resident individuals, companies and other groups established conforming to foreign laws; or companies and other groups with headquarters located overseas.

(Note 4) Direct investment ratio means the ratio of a foreign investor's shares or holdings to the total capital. Indirect investment ratio means the ratio of investment in a holding company by foreign investors multiplied by the ratio of the holding company's investment in the company in question.

### 3. Date

The survey was conducted on August 1, 2014, in connection with the business results for FY 2013 and as of the end of FY2013.

### 4. Number of respondents

Survey targets: 5,771 (5,463 in the previous survey)

Respondents: 3,480 (3,292 in the previous survey)

Response rate: 60.3% (60.3% in the previous survey)

Valid respondents: 3,151 (Including the finance and insurance industry and the real estate industry)  
: 2,970 (Excluding the finance and insurance industry and the real estate industry)

## **【Instructions for Use】**

### **1. Definition of regions**

Unless otherwise specified, for the purpose of this survey, region of origin refers to the country or region where the foreign investor is located.

### **2. Classification of industries**

The industrial classifications used in the survey are based on the Japan Standard Industrial Classification.

### **3. Note on survey results**

(1) Only valid answers are included. Therefore, the number of respondents varies per item.

(2) When comparing the results of the current survey with previous surveys, it is necessary to note the differences in the response rate and the number of foreign affiliates covered, as some enterprises that fell outside the scope of previous surveys were included in the current survey, and vice versa.

(3) Notes for the marks in tables and figures

The mark “x” signifies that the data have been excluded because only either 1 or 2 enterprises fall under the category. This method is used even where there are 3 or more figures, if disclosure of such figures would help identify the origin of the excluded figures by calculation.

The mark “-” indicates that there is no relevant figure.

“0” indicates that the figure has a value of less than one.

The mark “...” indicates that the denominator is negative or the numerator is 0.

(4) The sum of individual items may disagree with a given total, due to the numbers being rounded off to the nearest number.

(5) Year-on-year comparisons and ratios mentioned in the text have been calculated in millions of yen, the counting unit of this survey.

### **4. Ratio calculation formula**

Ordinary profit to sales ratio = Ordinary profit/Sales × 100

Ratio of equity to total assets = Total net assets/Total assets × 100

### **5. Miscellaneous**

When reprinting the statistical figures given in this survey, the source must be cited as “Survey of Trends in Business Activities of Foreign Affiliates” (Ministry of Economy, Trade and Industry).

**Trade and Investment Facilitation Division  
Trade and Economic Cooperation Bureau  
Ministry of Economy, Trade and Industry**

## The 48th Survey of Trends in Business Activities of Foreign Affiliates (Summary)

### Summary of the trends among foreign affiliates in Japan in FY2013

- **The percentage of European and Asian affiliates increased, U.S. affiliates decreased.**
- **The number of regular employees increased.**
- **In Asia and Oceania regions, the majority of regional headquarters were in Singapore.**
- **Sales, ordinary profit, and capital investment increased.**
- **As for the hiring outlook, affiliates that answered “Will increase staff” increased.**
- **More than 50% of affiliates will expand their businesses.**

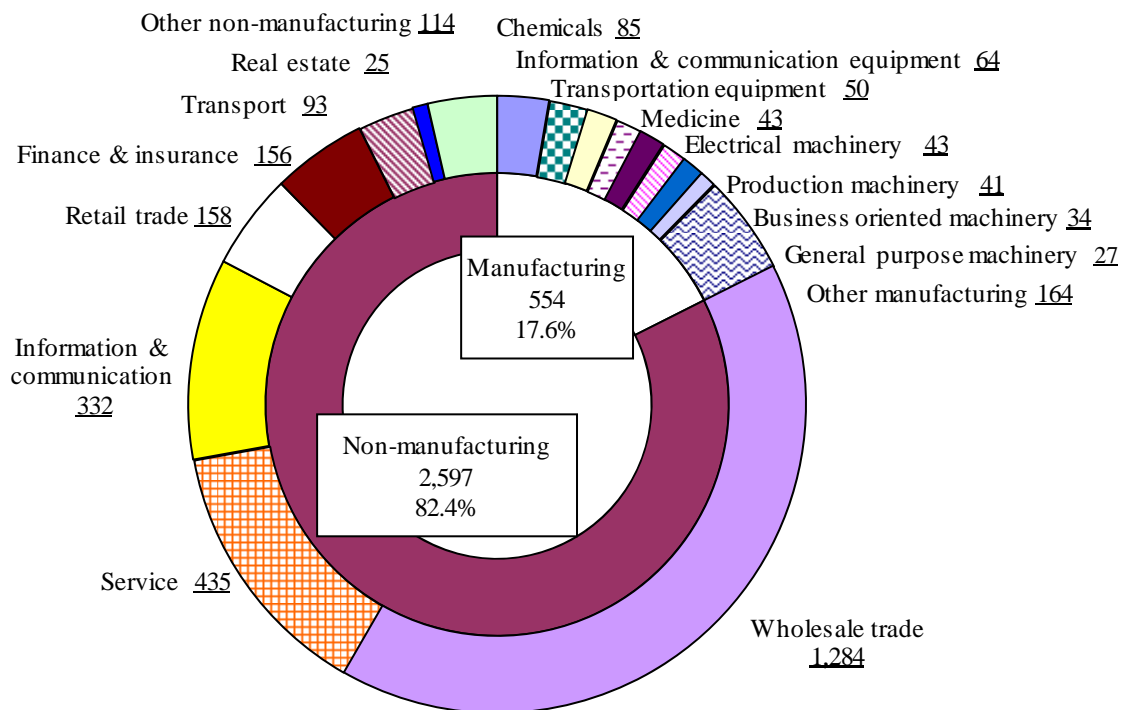
(Note) Since the FY2010 survey, the finance and insurance industry and the real estate industry were added to the targets of the survey. In this summary, from the viewpoint of comparison from the previous fiscal years, data excluding the finance and insurance industry and the real estate industry are used in Figure 8-3 and 8-4.

- **The percentage of European and Asian affiliates increased, U.S. affiliates decreased.**
  - European affiliates accounted for 44.4% of the total, up 0.3% points from the previous fiscal years, Asian affiliates accounted for 22.2% of the total, up 0.7% points (id.). In the meantime, U.S. affiliates accounted for 26.8%, down 0.9% points (id.).
- **The number of regular employees increased.**
  - The number of regular employees increased 14.1% from the previous fiscal year, mainly in the transportation equipment and service industry, to 610,426.
- **Regional headquarters in the Asia and Oceania regions were the largest in number in Singapore.**
  - The largest number of regional headquarters in the Asia and Oceania regions were in Singapore with 339, followed by 283 in China, 215 in Hong Kong, and 95 in Japan.  
\* The total number includes multiple answers.
- **Sales, ordinary profit, and capital investment increased.**
  - Sales were 46.2 trillion yen, a 12.5% increase from the previous fiscal year (a 0.9% increase when limited to companies that responded in both the previous fiscal year and the current year).
  - Ordinary profit was 3.1 trillion yen, a 43.0% increase from the previous fiscal year (a 33.0% increase when limited to companies that responded in both the previous fiscal year and the current year).
  - Capital investment was 999.5 billion yen, a 42.3% increase from the previous fiscal year (a 23.9% increase when limited to companies that responded in both the previous fiscal year and the current year).
- **As for the hiring outlook, affiliates that answered “Will increase staff” increased.**
  - As for the hiring outlook for this year, the top answer was “Maintain current conditions,” accounting for 62.2% of the total, but it was down by 3.2% points from the previous year. In the meantime, “Will increase staff” accounted for 34.3% (id.), up by 3.7% points from the previous year.
- **More than 50% of affiliates will expand their businesses.**
  - As for the future business expansion in Japan, affiliates that answered “planning business expansion” were the largest in number, accounting for 52.9%, followed by the affiliates that answered “maintain current conditions,” which accounted for 44.7%.

## 1. Distribution

- The survey as of the end of March 2014 covered 3,151 foreign affiliates (a 5.9% increase from the previous fiscal year), with 554 (a 9.1% increase (id.)) in the manufacturing sector and 2,597 (a 5.2% increase (id.)) in the non-manufacturing sector. The manufacturing sector accounted for 17.6% of all industries (up 0.5% points from the previous fiscal year), while the non-manufacturing sector accounted for 82.4% (down 0.5% points (id.)) (Fig. 1-1 and Table 1-1).
- By industry, wholesale trade numbered the highest, at 1,284, accounting for 40.7%, followed by services, and information and communications (Fig. 1-1).
- By region of origin, European affiliates reached 1,399, accounting for 44.4% (up 0.3% points from the previous fiscal year), U.S. affiliates came to 843 (26.8%, down 0.9% points (id.)), and Asian affiliates came to 700 (22.2%, up 0.7% points (id.)) (Table 1-1).

**Figure 1-1 Distribution of Foreign Affiliates by Industry**



**Table 1-1 Composition by Region of Origin and by Industry**

(Companies, %, % point)

	FY2013 Number of foreign affiliates	Composition percentage			
		FY2011	FY2012	FY2013	Year-on-year changes
Total	3,151	100.0	100.0	100.0	—
U.S.	843	27.8	27.7	26.8	-0.9
Asian	700	21.1	21.5	22.2	+0.7
Chinese	264	7.5	7.3	8.4	+1.1
European	1,399	43.8	44.1	44.4	+0.3
Others	209	7.3	6.7	6.6	-0.1
Manufacturing	554	17.4	17.1	17.6	+0.5
Non-manufacturing	2,597	82.6	82.9	82.4	-0.5

## 2. New entries

- Of the foreign affiliates covered by the survey in FY2013, 73 companies were newly established or newly started capital participation.<sup>(Note)</sup> They are broken down into 19 manufacturing companies and 54 non-manufacturing companies (Table 2-1).
- By region of origin, 16 were U.S. affiliates, 24 were Asian affiliates, and 25 were European affiliates. (Table 2-1).

**Table 2-1 Number of New Entries**

(Companies, %)

	World total			U.S. affiliates			Asian affiliates			European affiliates		
	FY2012	FY2013	Year-on-year changes	FY2012	FY2013	Year-on-year changes	FY2012	FY2013	Year-on-year changes	FY2012	FY2013	Year-on-year changes
All industries	80	73	-8.8	12	16	+33.3	32	24	-25.0	31	25	-19.4
Manufacturing	11	19	+72.7	1	6	+500.0	7	7	0.0	3	6	+100.0
Non-manufacturing	69	54	-21.7	11	10	-9.1	25	17	-32.0	28	19	-32.1

(Note) Including companies that have not yet reached the first accounting term after establishment or after foreign capitalization.

## 3. Dissolution, withdrawal, or foreign capital ratio reduction

- The number of companies that dissolved, withdrew, or reduced their foreign capital ratio<sup>(Note)</sup> in FY2013 was 168, of which 26 companies were in the manufacturing sector and 130 companies were in the non-manufacturing sector (Table 3-1).
- By region of origin, 43 were U.S. affiliates, 21 were Asian affiliates, and 74 were European affiliates (Table 3-1).

**Table 3-1 Number of Withdrawals**

(Companies, %)

	World total			U.S. affiliates			Asian affiliates			European affiliates		
	FY2012	FY2013	Year-on-year changes	FY2012	FY2013	Year-on-year changes	FY2012	FY2013	Year-on-year changes	FY2012	FY2013	Year-on-year changes
All industries	143	168	+17.5	52	43	-17.3	21	21	0.0	42	74	+76.2
Manufacturing	32	26	-18.8	14	8	-42.9	3	2	-33.3	10	13	+30.0
Non-manufacturing	105	130	+23.8	38	35	-7.9	18	19	+5.6	32	61	+90.6

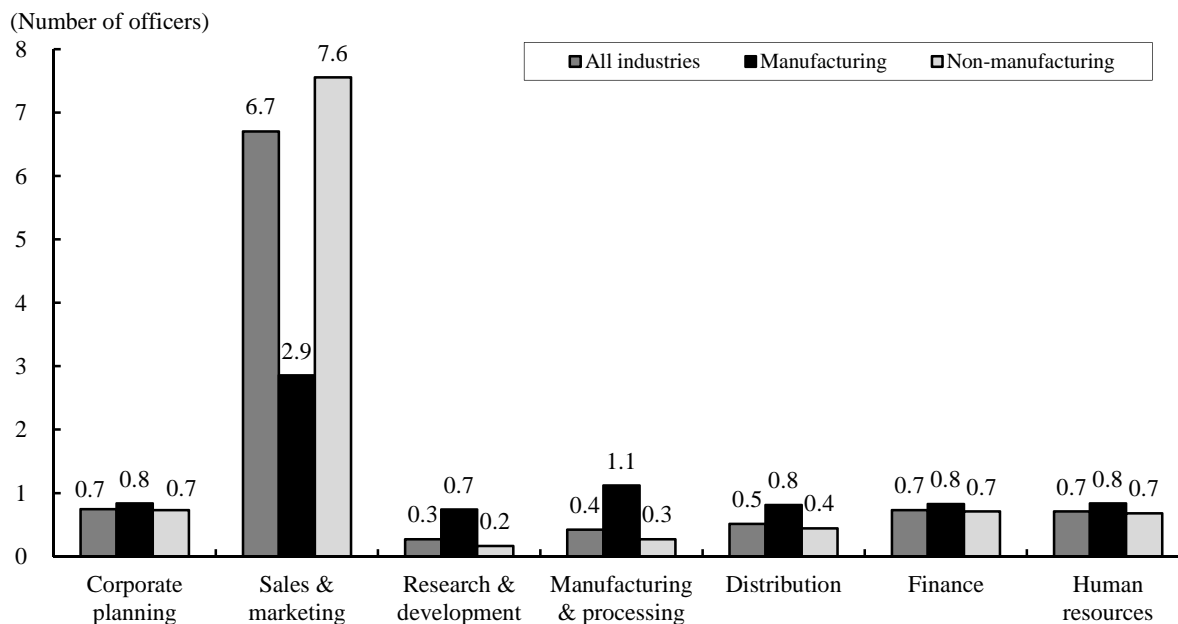
(Note 1) Foreign capital ratio reduction means that the ratio of capitalization by foreign investors has fallen to one-third or less, or the ratio of capitalization by principal foreign investors has fallen to less than 10%.

(Note 2) The values of all industries in the world total in FY2012 and FY2013 were different from the sum of values of manufacturing and non-manufacturing since 6 companies in FY2012 and 12 companies in FY2013 could not identify their type of industry.

#### 4. Offices in Japan by function

- Looking at the number of offices in Japan per company, by function, <sup>(Note)</sup> the average number of domestic offices with sales and marketing functions was 6.7 for companies in all industries, 2.9 for those in the manufacturing sector and 7.6 for those in the non-manufacturing sector (Fig. 4-1).

**Figure 4-1 Number of Offices of Foreign Affiliates in Japan by Function  
(Average per Company)**

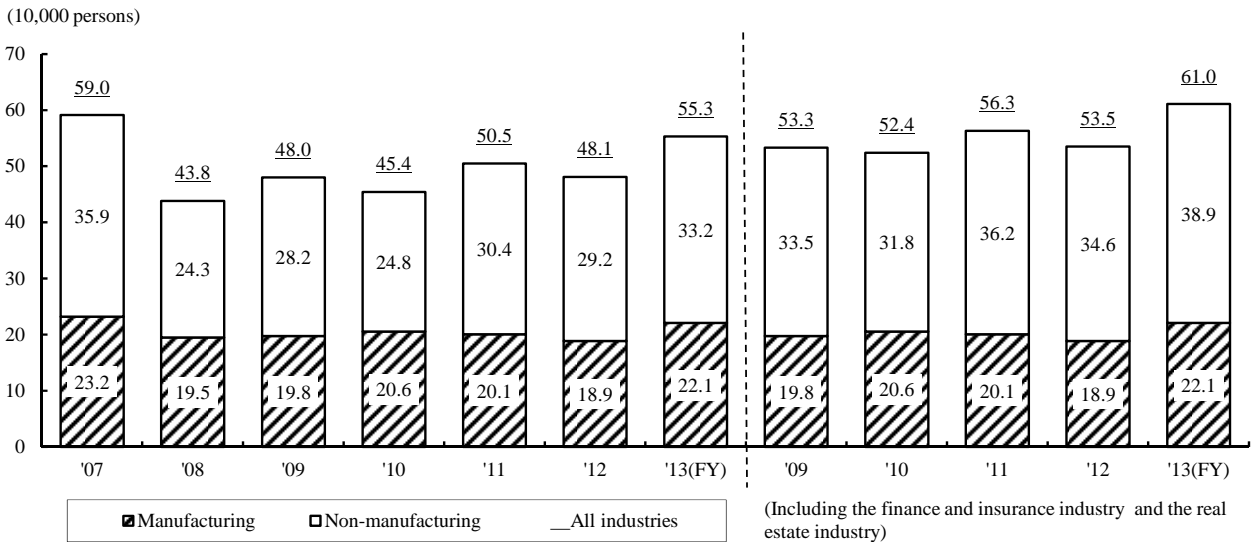


(Note) Offices with multiple functions are counted separately for each function.

**5. Employment**

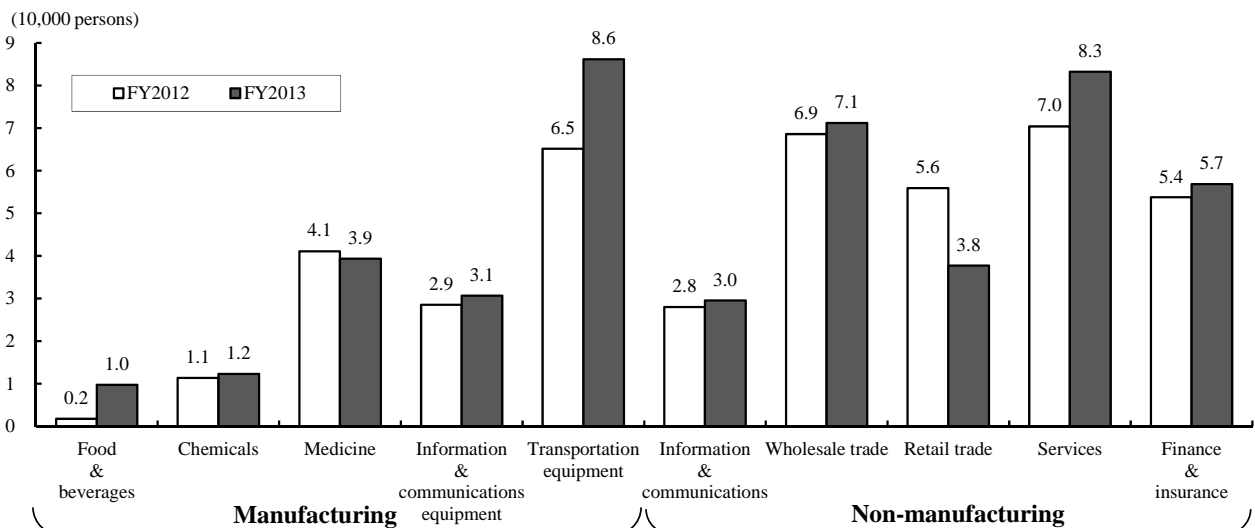
- The number of regular employees increased 14.1% from the previous fiscal year to 610,426 (increased 3.9% when limited to companies that responded in both the previous fiscal year and the current year). The manufacturing sector recorded a 17.1% increase from the previous fiscal year to 220,965 (decreased 1.4% when limited to companies that responded in both the previous fiscal year and the current year), and the non-manufacturing sector saw an increase of 12.5% (id.) to 389,461 (increased 7.3% when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 5-1).
- By industry, in the manufacturing sector, transportation equipment recorded an increase of 32.3% from the previous fiscal year to 86,210 (increased 0.2% when limited to companies that responded in both the previous fiscal year and the current year). In the non-manufacturing sector, retail trade recorded a decrease of 32.6% (id.) to 37,687 (increased 1.9% when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 5-2).

**Figure 5-1 Number of Regular Employees**



(Note) From the viewpoint of comparison from the previous fiscal years, data excluding the finance and insurance industry, and the real estate industry are also used.

**Figure 5-2 Number of Regular Employees by Industry**



## 6. Regional headquarters in the Asia and Oceania regions

- There were 339 regional headquarters located in Singapore, 283 in China, 215 in Hong Kong, and 95 in Japan that control all of their respective bases in the Asia and Oceania regions (Table 6-1, 6-2).

**Table 6-1 Regional Headquarters in Japan that control all of their respective bases in the Asia and Oceania Regions**

(Companies, bases)

	Number of regional headquarters in Japan (companies)	Number of bases controlled (by country and region)								
		China	Hong Kong	Taiwan	South Korea	Thailand	Malaysia	Singapore	Australia	Others
		All industries	95	42	20	29	50	18	11	20
Manufacturing	20	11	2	7	8	7	-	5	-	7
Non-manufacturing	75	31	18	22	42	11	11	15	8	50

(Note) The number of country and regional bases controlled is the total number according to multiple answers.

**Table 6-2 Regional Headquarters that control all of their respective bases in the Asia and Oceania Regions belonging to foreign parent companies (principal foreign investors)**

(Bases)

	China	Hong Kong	Taiwan	South Korea	India	Singapore	Australia	Others
All industries	283	215	48	46	49	339	70	237
Manufacturing	66	26	8	8	11	53	8	43
Non-manufacturing	217	189	40	38	38	286	62	194

(Note 1) Regional headquarters that control all of their respective bases in the Asia and Oceania regions belonging to foreign parent companies, which were not covered by this survey, are compiled by country and region.

(Note 2) The number of regional headquarters by country and region is the total number according to multiple answers.

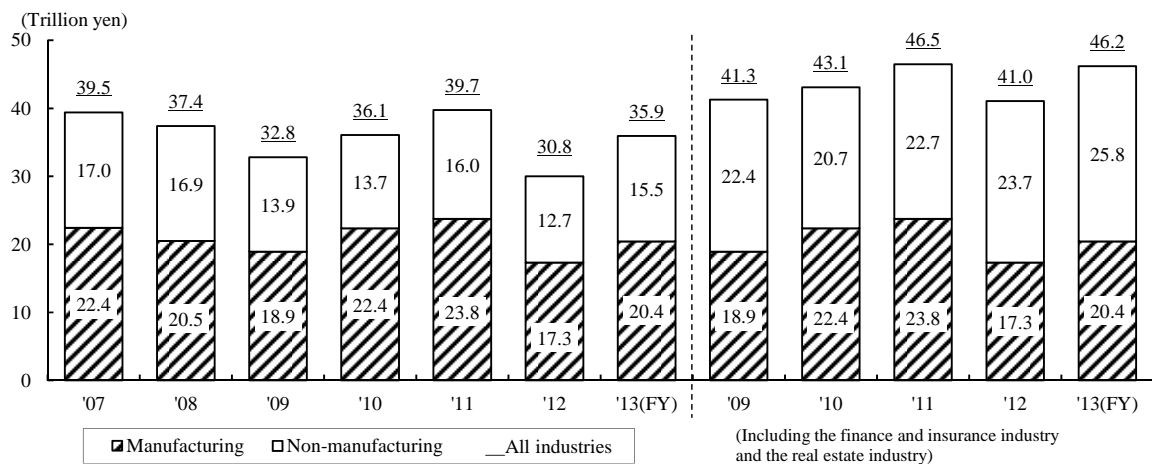
(Note 3) Duplications in cases where both the subsidiary and sub-subsidiary of one foreign parent company provided answers are excluded.



## 7. Sales, exports, and foreign investors

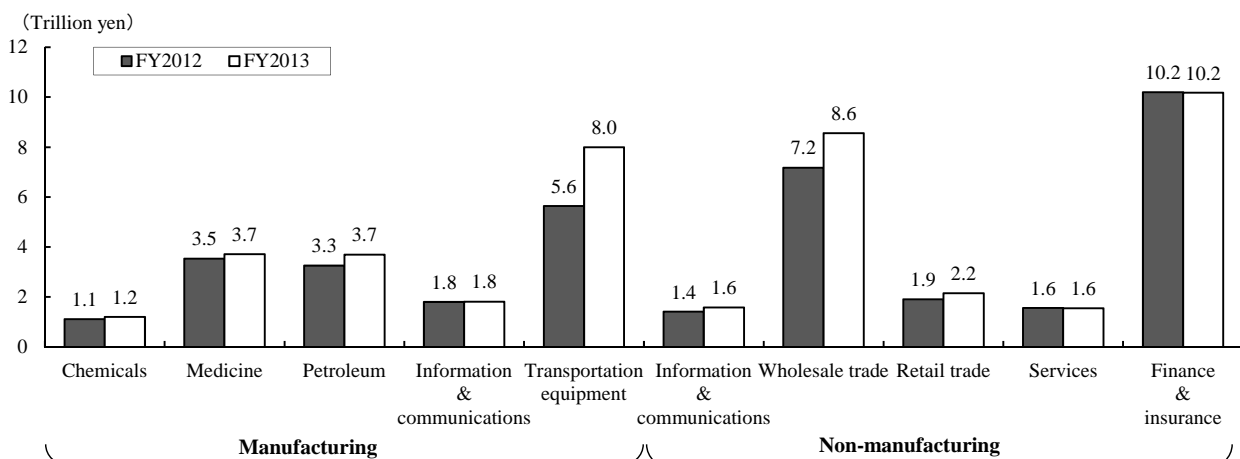
- Sales amounted to 46.2 trillion yen, a 12.5% increase from the previous fiscal year (a 0.9% increase when limited to companies that responded in both the previous fiscal year and the current year). The manufacturing sector posted 20.4 trillion yen, an 18.0% increase from the previous fiscal year (a 6.1% increase when limited to companies that responded in both the previous fiscal year and the current year), and the non-manufacturing sector marked 25.8 trillion yen, an 8.5% increase (id.) (a 2.9% decrease when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 7-1).
- By industry, in the manufacturing sector, transportation equipment increased 41.7% from the previous fiscal year to 8.0 trillion yen (a 4.4% increase when limited to companies that responded in both the previous fiscal year and the current year). In the non-manufacturing sector, wholesale trade increased 19.4% from the previous fiscal year to 8.6 trillion yen (a 7.0% decrease when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 7-2).
- Exports increased 20.9% from the previous fiscal year to 5.2 trillion yen (a 2.9% increase when limited to companies that responded in both the previous fiscal year and the current year) (Table 7-1).
- Looking at the proportion of sales to principal foreign investors to the total sales, the manufacturing sector posted 0.7% (down 0.4% points from the previous fiscal year), while the non-manufacturing sector posted 0.6% (down 0.4% points (id.)). By region of origin, Asian affiliates posted 3.4% (down 2.7% points (id.)). (Table 7-1).

Figure 7-1 Sales



(Note) From the viewpoint of comparison from the previous fiscal years, data excluding the finance and insurance industry and the real estate industry are also used.

Figure 7-2 Sales by Major Industry



**Table 7-1 Sales and Exports, and Sales to Principal Foreign Investors, and their Proportion to Total Sales**

(100 million yen, %)

	Sales		Exports		Sales to principal foreign investors	
	FY2013	Year-on-year changes	FY2013	Year-on-year changes	FY2013	Year-on-year changes
	Total	461,967	+12.5	52,451	+20.9	2,949
Manufacturing	204,409	+18.0	41,124	+19.0	1,507	-22.7
Non-manufacturing	257,558	+8.5	11,327	+28.6	1,442	-38.7
U.S.	142,310	-1.6	3,195	-24.9	802	-36.4
Asian	44,549	+13.0	8,436	+12.2	1,510	-36.8
European	224,983	+22.3	38,711	+27.1	579	-9.5

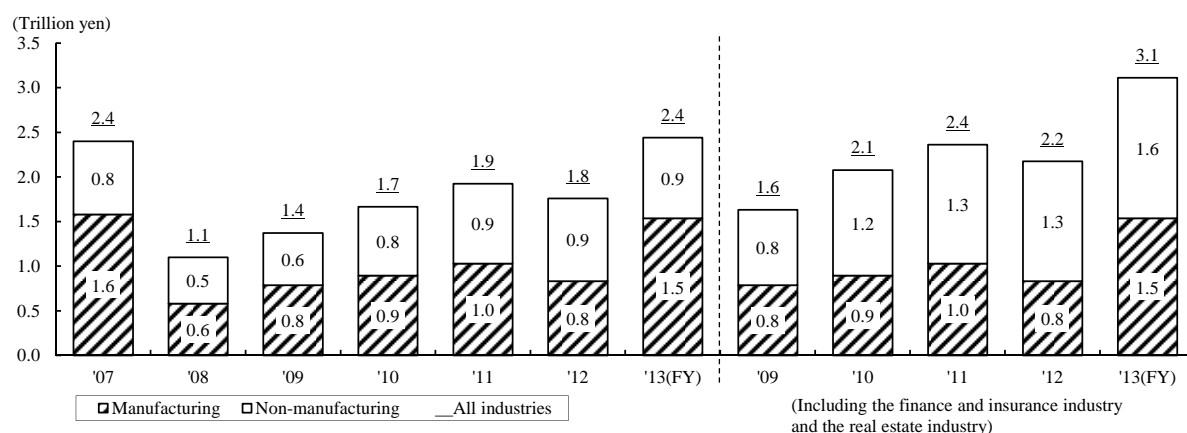
(%, % point)

	Proportion of sales to principal foreign investors to the total sales		
			Year-on-year changes (% point)
	FY2012	FY2013	
Total	1.0	0.6	-0.4
Manufacturing	1.1	0.7	-0.4
Non-manufacturing	1.0	0.6	-0.4
U.S.	0.9	0.6	-0.3
Asian	6.1	3.4	-2.7
European	0.3	0.3	0.0

## 8. Profit

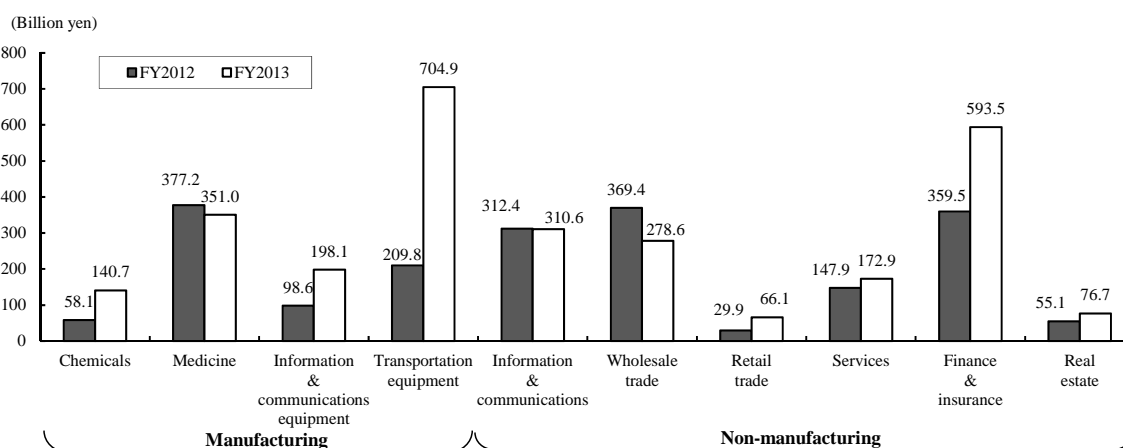
- Ordinary profit was 3.1 trillion yen, a 43.0% increase from the previous fiscal year (a 33.0% increase when limited to companies that responded in both the previous fiscal year and the current year). The manufacturing sector marked an increase of 84.7% from the previous fiscal year to 1.5 trillion yen (a 66.1% increase when limited to companies that responded in both the previous fiscal year and the current year), and the non-manufacturing sector recorded an increase of 17.2% (id.) to 1.6 trillion yen (a 12.1% increase when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 8-1).
- By industry, in the manufacturing sector, medicine decreased 6.9% from the previous fiscal year to 351.0 billion yen (an 8.6% decrease when limited to companies that responded in both the previous fiscal year and the current year), whereas transportation equipment increased 235.9% (id.) to 704.9 billion yen (a 188.9% increase when limited to companies that responded in both the previous fiscal year and the current year). In the non-manufacturing sector, retail trade increased 121.4% (id.) to 66.1 billion yen (a 39.7% increase when limited to companies that responded in both the previous fiscal year and the current year), finance & insurance increased 65.1% (id.) to 593.5 billion yen (a 38.5% increase when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 8-2).
- The ordinary profit to sales ratio <sup>(Note)</sup>, excluding the finance and insurance industry, and the real estate industry, was up 1.2% points from the previous fiscal year to 6.9%. This was 2.7% points higher than that for incorporated enterprises as a whole (Fig. 8-3).
- By region of origin, European affiliates were up 2.4% points from the previous fiscal year to 7.2%, whereas Asian affiliates were down 2.9% points from the previous fiscal year to 1.6% (Fig. 8-4).

Figure 8-1 Ordinary Profit

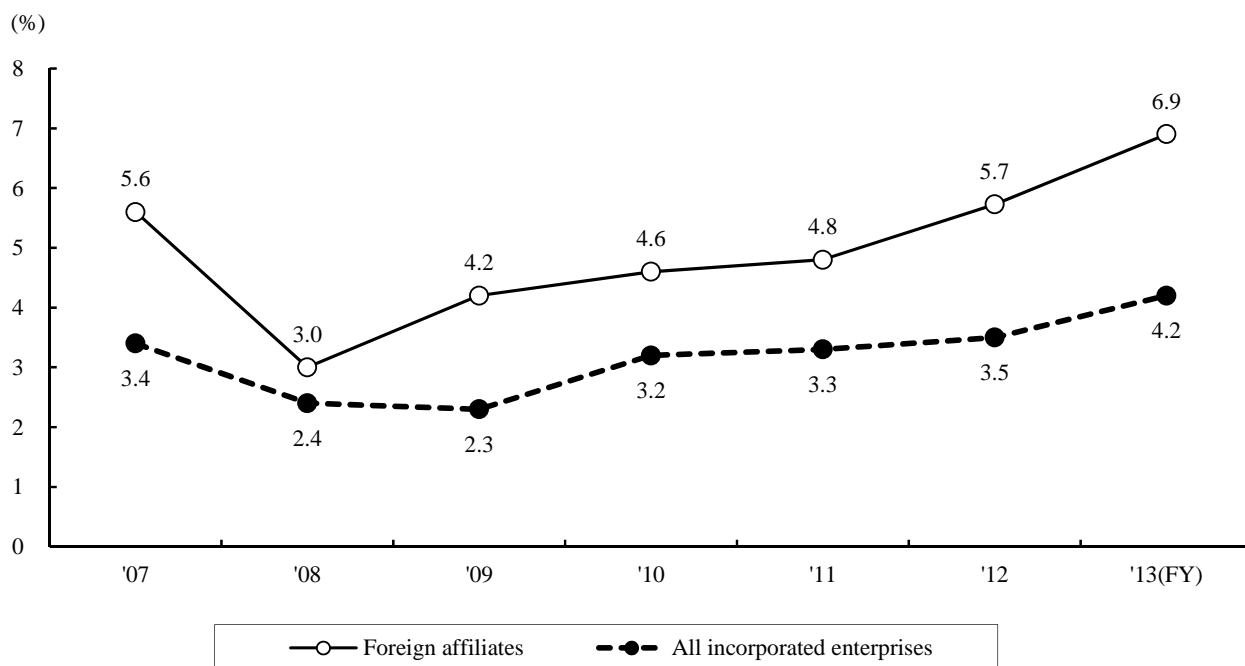


(Note) From the viewpoint of comparison from the previous fiscal years, data excluding the finance and insurance industry, and the real estate industry are also used.

Figure 8-2 Ordinary Profit by Major Industry



**Figure 8-3 Changes in Ordinary Profit to Sales Ratio**



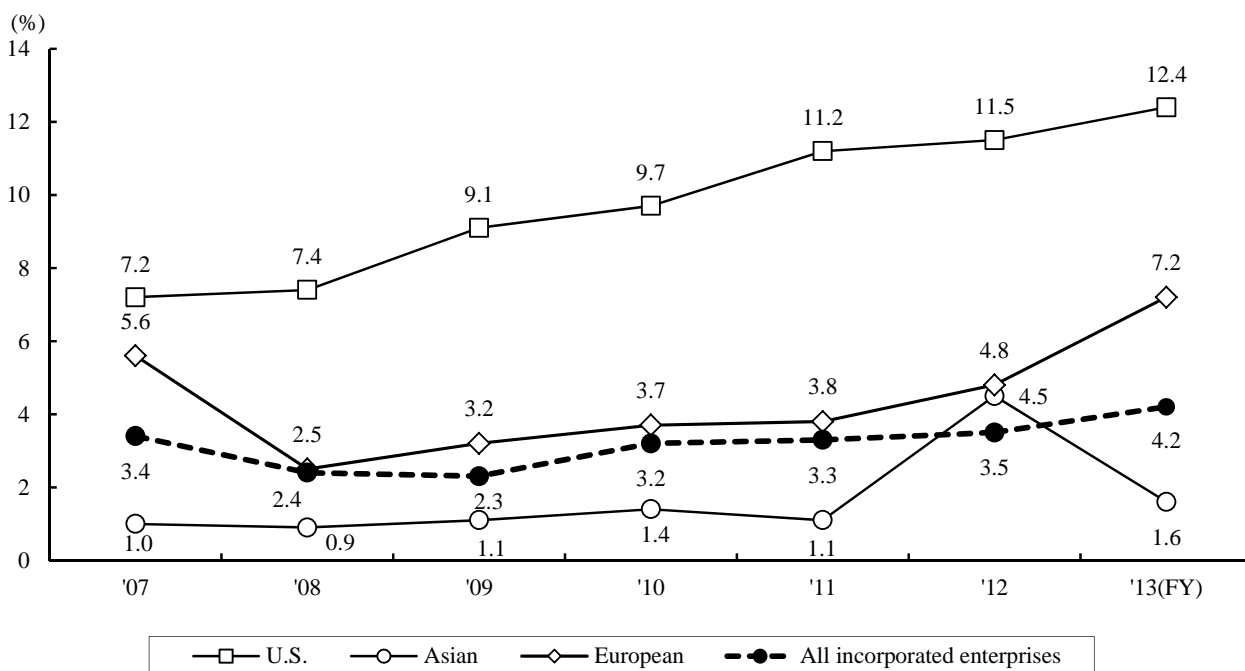
Source: All incorporated enterprises: "Financial Statement Statistics of Corporations by Industry" (Ministry of Finance)

(Note 1) Ordinary profit to sales ratio = Ordinary profit / Sales × 100.0

(Note 2) The values of the Survey of Trends in Business Activities of Foreign Affiliates exclude the values of the finance and insurance industry and the real estate industry.

(Note 3) The values of the Financial Statement Statistics of Corporations by Industry exclude the values of the finance and insurance industry.

**Figure 8-4 Ordinary Profit to Sales Ratio (by Region of Origin)**



Source: All incorporated enterprises: "Financial Statement Statistics of Corporations by Industry" (Ministry of Finance)

(Note 1) Ordinary profit to sales ratio = Ordinary profit / Sales × 100.0

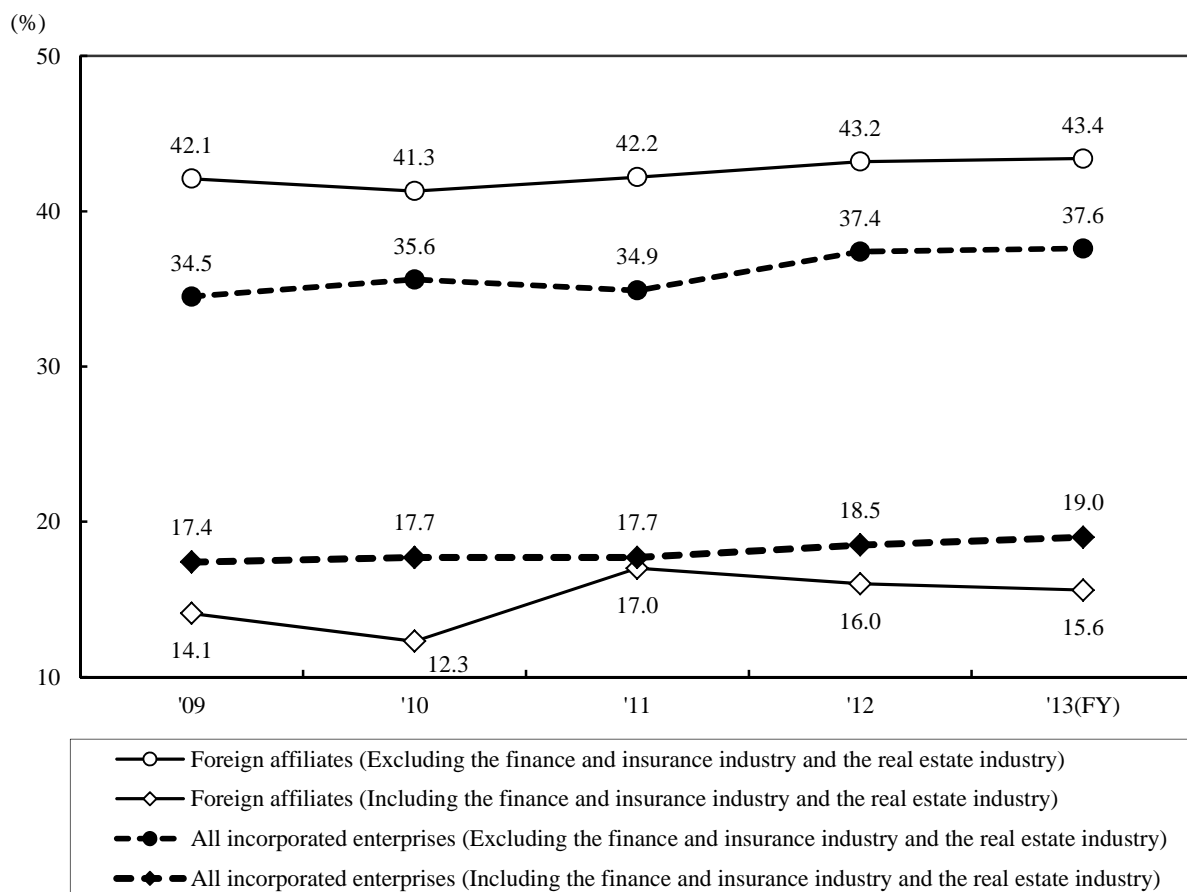
(Note 2) The values of the Survey of Trends in Business Activities of Foreign Affiliates exclude the values of the finance and insurance industry and the real estate industry.

(Note 3) The values of the Financial Statement Statistics of Corporations by Industry exclude the values of the finance and insurance industry.

## 9. Equity to total assets ratio

- The ratio of equity to total assets <sup>(Note)</sup> was 15.6%. This was 3.4% points lower than that for incorporated enterprises as a whole (Fig. 9-1).
- The ratio of equity to total assets, excluding the finance and insurance industry and the real estate industry, was 43.4%. This was 5.8% points higher than that for incorporated enterprises as a whole (Fig. 9-1).

Figure 9-1 Equity to Total Assets Ratio



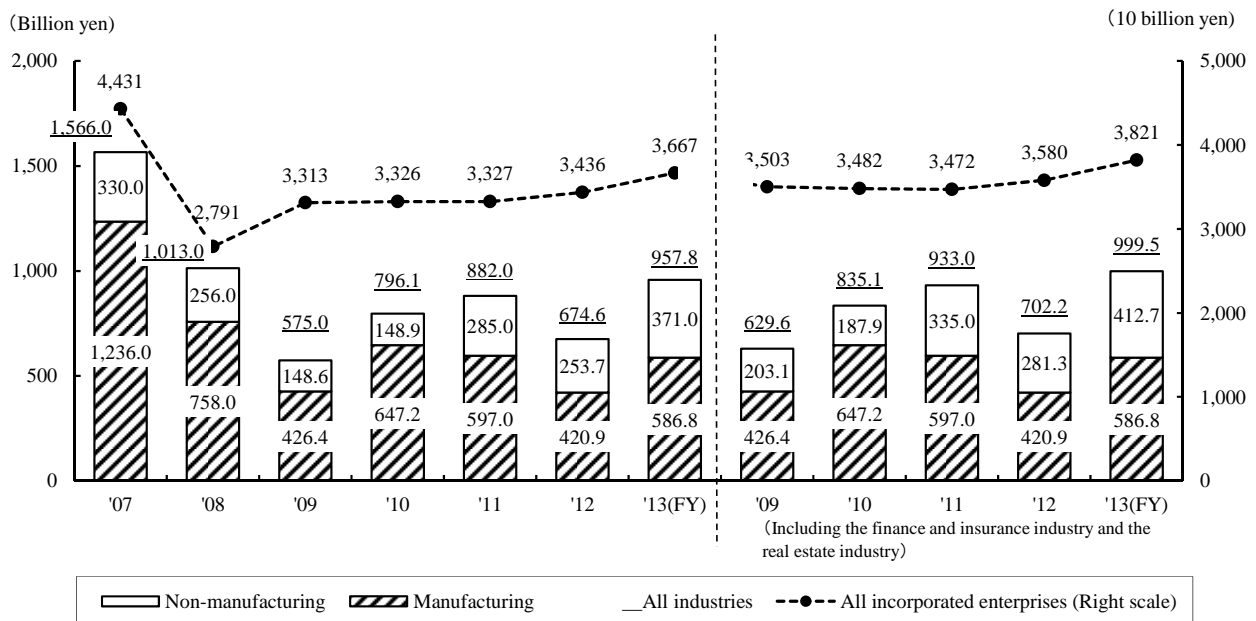
Source: All incorporated enterprises: "Financial Statement Statistics of Corporations by Industry" (Ministry of Finance)

(Note) Ratio of equity to total assets = Total net assets / Total assets × 100.0

## 10. Capital investment

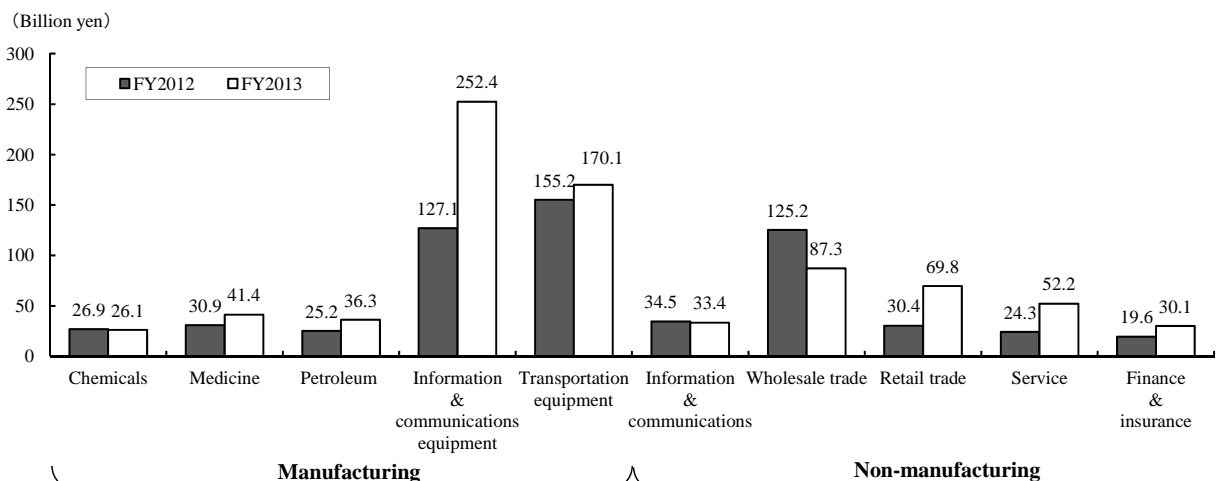
- Capital investment amounted to 999.5 billion yen, a 42.3% increase from the previous fiscal year (a 23.9% increase when limited to companies that responded in both the previous fiscal year and the current year). The manufacturing sector recorded an increase of 39.4% from the previous fiscal year to 586.8 billion yen (a 33.7% increase when limited to companies that responded in both the previous fiscal year and the current year), and the non-manufacturing sector saw a 46.7% increase (id.) to 412.7 billion yen (a 1.5% increase when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 10-1).
- The proportion of capital investment by foreign affiliates to the total by all incorporated enterprises was 2.6% (up 0.6% points from the previous fiscal year) (Fig. 10-1).
- By industry, retail trade increased 129.8% from the previous fiscal year to 69.8 billion yen (a 19.5% increase when limited to companies that responded in both the previous fiscal year and the current year), and information and communications equipment increased 98.5 % (id.) to 252.4 billion yen (a 102.2% increase when limited to companies that responded in both the previous fiscal year and the current year) (Fig. 10-2).

Figure 10-1 Capital Investment



Source: All incorporated enterprises: "Financial Statement Statistics of Corporations by Industry" (Ministry of Finance)

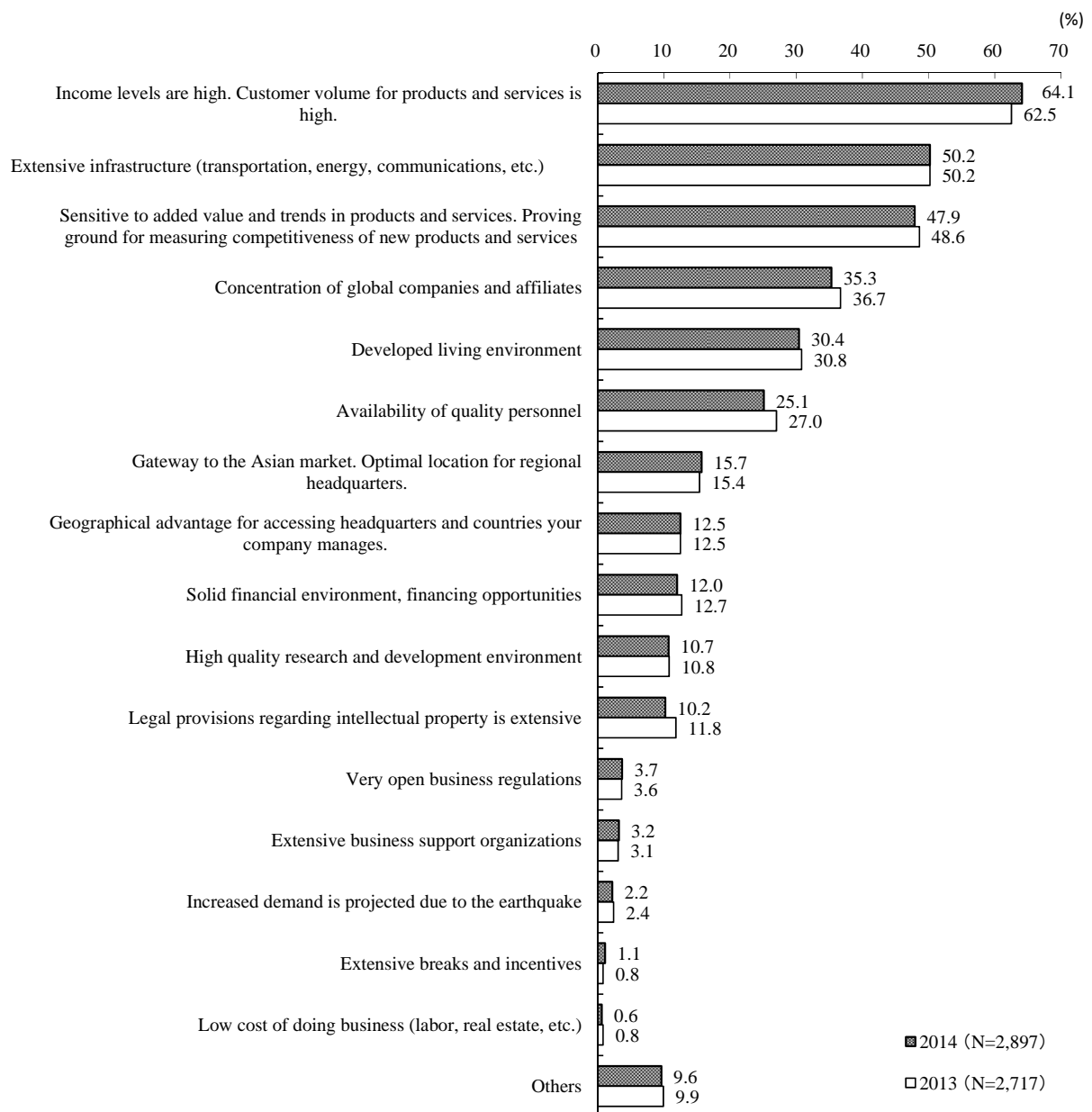
Figure 10-2 Capital Investment by Major Industry



### 11-1. Attractiveness of business expansion in Japan

- Regarding whether the business environment is attractive for business expansion in Japan, continuing from last survey, the top response was “Income levels are high, and customer volume for products and services is high,” accounting for 64.1% of the total.
- About 50% affiliates also said, “There is extensive infrastructure (transportation, energy, communications, etc.)” (a ratio of 50.2%), and, “The environment is sensitive to added value and trends in products and services. It is a proving ground for measuring the competitiveness of new products and services” (47.9%).

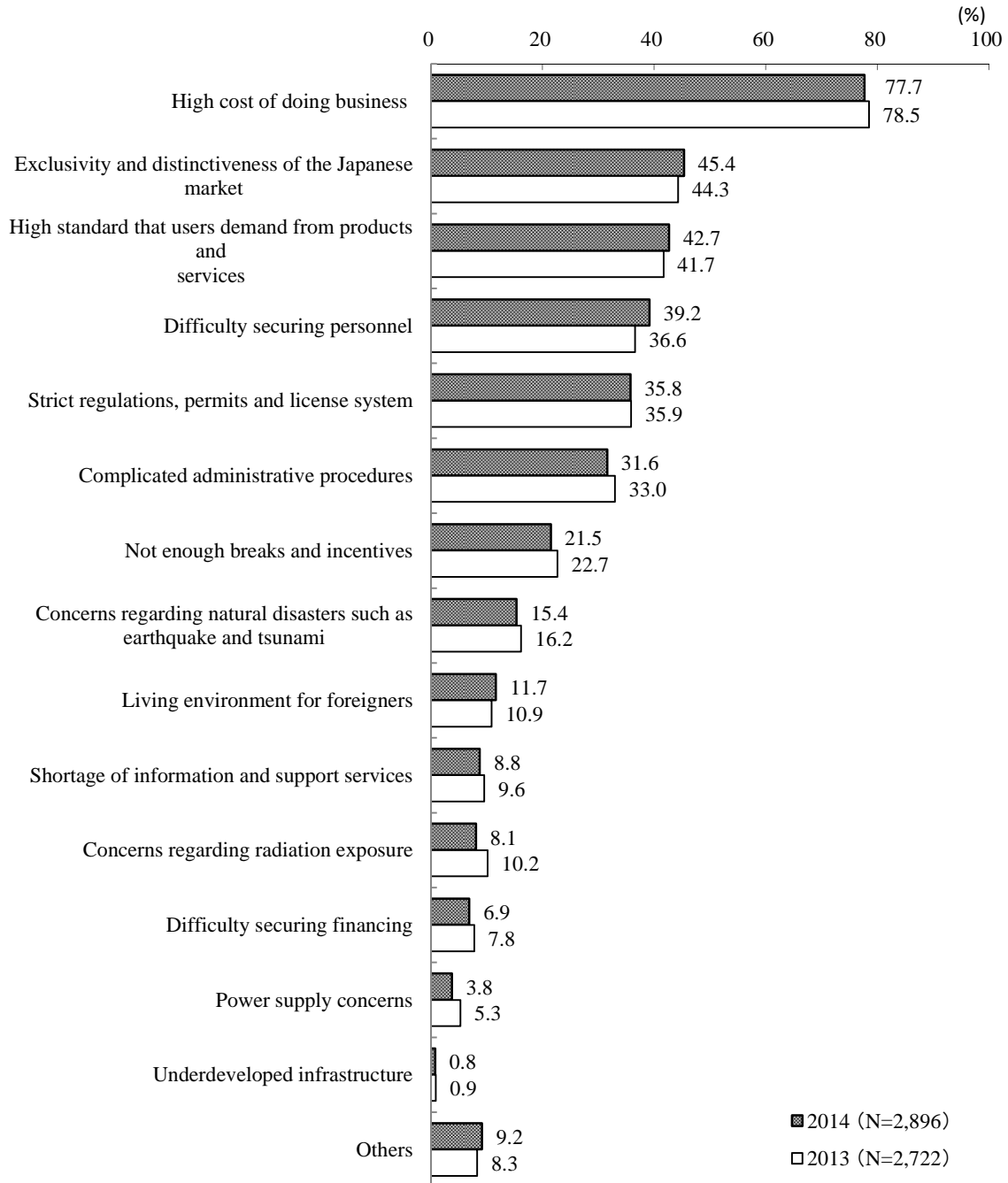
**Figure 11-1 Attractiveness of Business Expansion in Japan**  
(Multiple answers: top 5 responses per company)



## 11-2. Factors inhibiting business expansion in Japan

- As for factors inhibiting business expansion in Japan, continuing from last survey, the top answer was “High cost of doing business,” accounting for 77.7% of the total.
- “Exclusivity and distinctiveness of the Japanese market” (a ratio of 45.4%), “High standard that users demand from products and services” (42.7%), and “Difficulty securing personnel” (39.2%) followed.

**Figure 11-2 Factors Inhibiting Business Expansion in Japan**  
(Multiple answers: top 5 responses per company)

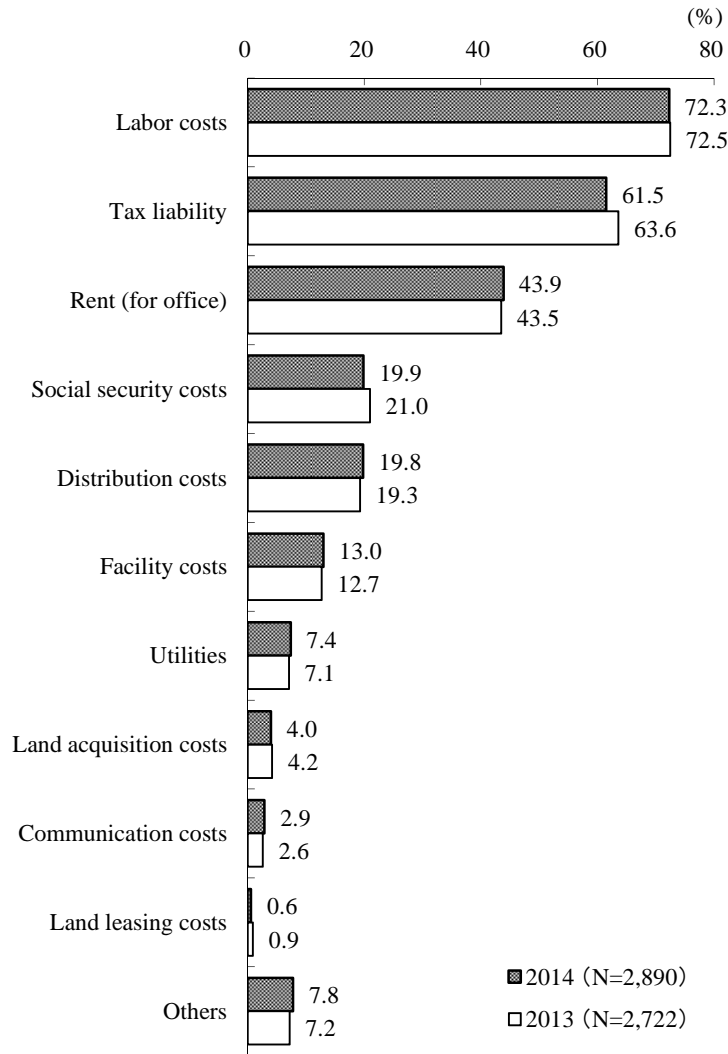




**12. Inhibiting factors with regard to the cost of doing business in Japan**

- As for inhibiting factors with regard to the cost of doing business in Japan, continuing from last survey, the top answer was “Labor costs,”(a ratio of 72.3%) was the response of the majority of affiliates, followed by “Tax liability” (61.5%) and “Rent (for offices)” (43.9%).

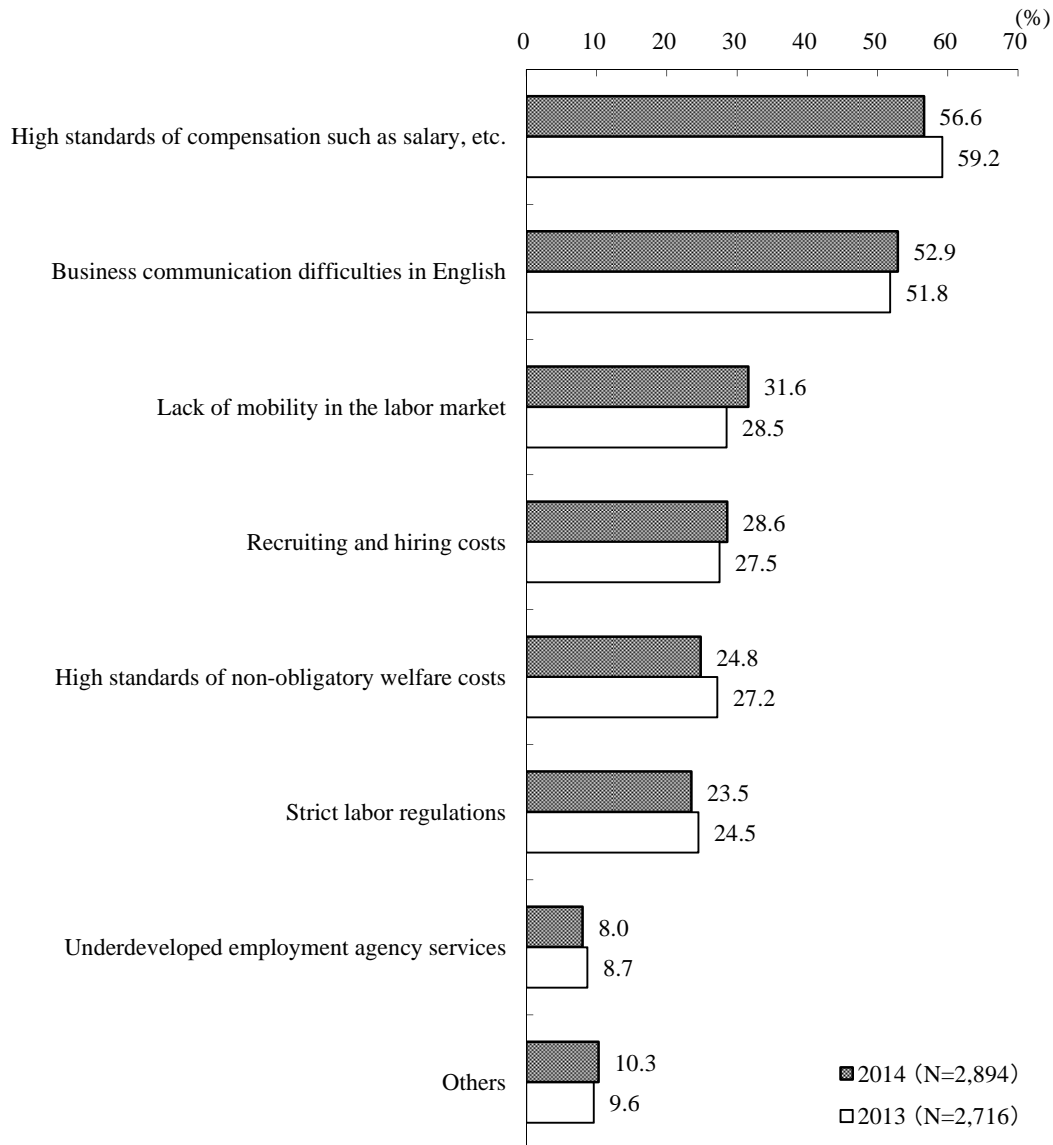
**Figure 12 Inhibiting Factors with regard to the Cost of Doing Business in Japan**  
**(Multiple answers: top 3 responses per company)**



### 13-1. Inhibiting factors in securing Japanese personnel

- As for inhibiting factors in securing Japanese personnel, continuing from last survey, the top answer was “High standards of compensation, such as salary, etc.” (a ratio of 56.6%) was the response of the majority of affiliates, together with “Business communication difficulties in English” (52.9%).
- “Lack of mobility in the labor market” (a ratio of 31.6%), “Recruiting and hiring costs” (28.6%), “High standards of non-obligatory welfare costs” (24.8%) and “Strict labor regulations” (23.5%) followed.

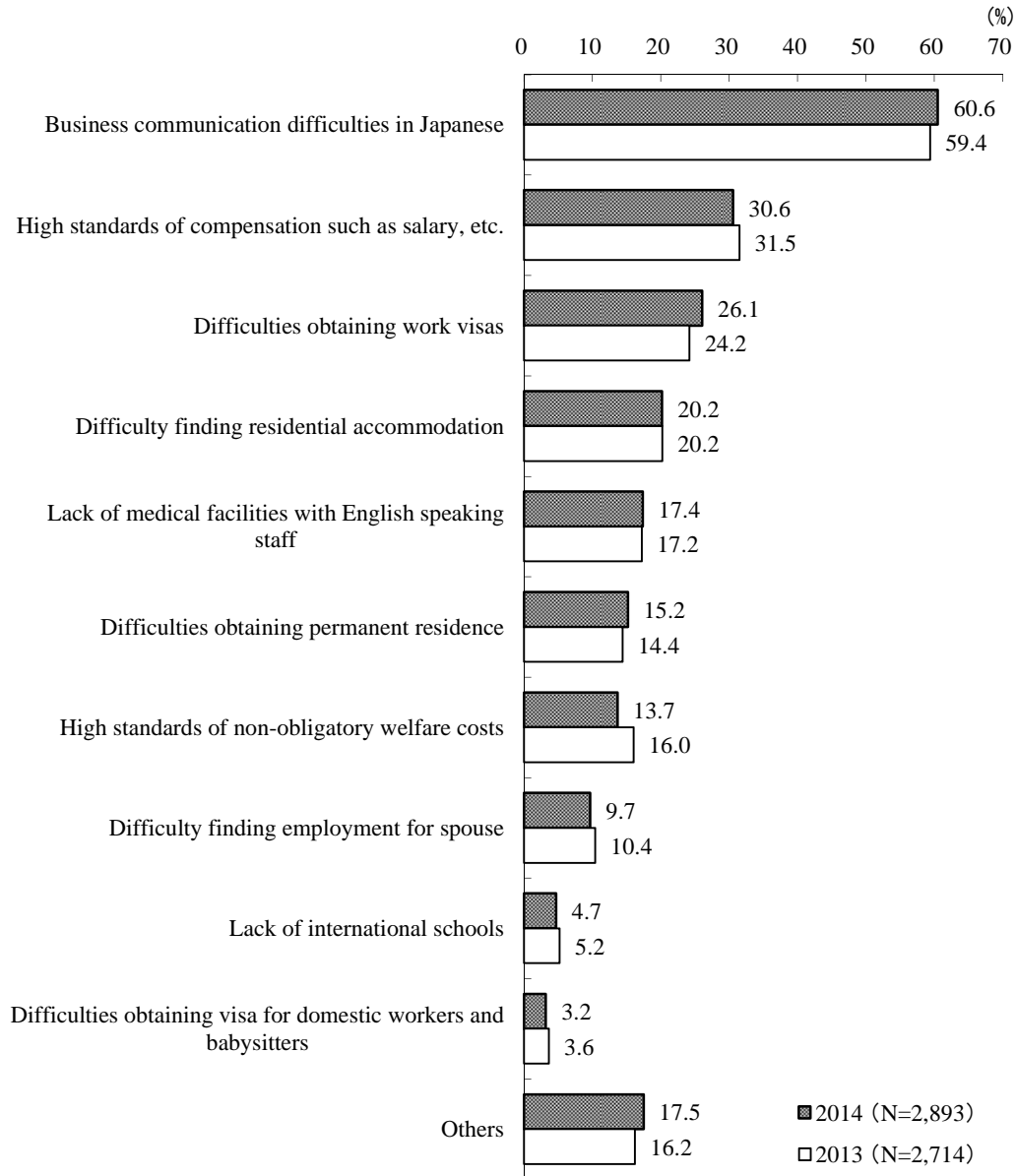
**Figure 13-1 Inhibiting Factors in Securing Japanese Personnel**  
 (Multiple answers: top 3 responses per company)



**13-2. Inhibiting factors in securing foreign personnel**

- As for inhibiting factors in securing foreign personnel, continuing from last survey, the top answer was “Business communication difficulties in Japanese,” (a ratio of 60.6%).
- “High standards of compensation such as salary, etc.” (a ratio of 30.6%), “Difficulties obtaining work visas” (26.1%), and “Difficulty finding residential accommodation” (20.2%) followed.

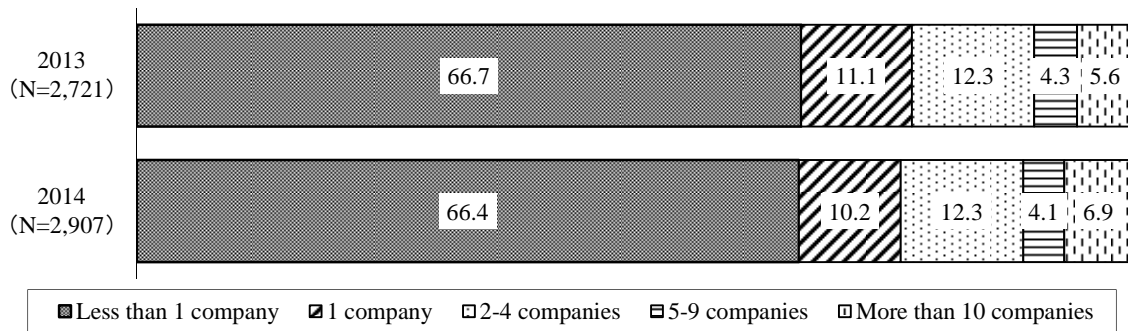
**Figure 13-2 Inhibiting Factors in Securing Foreign Personnel**  
 (Multiple answers: top 3 responses per company)



### 14-1. Business partnerships with Japanese companies

- The top answer regarding the total number of Japanese companies that foreign affiliates doing business in Japan partnered with was “Less than 1 company,” (a ratio of 66.4%), continuing from last survey.
- With regard to the affiliates that partnered with Japanese companies, “1 company” accounted for 10.2%, “2–4 companies” accounted for 12.3%, “5–9 companies” accounted for 4.1%, and “More than 10 companies” accounted for 6.9%.

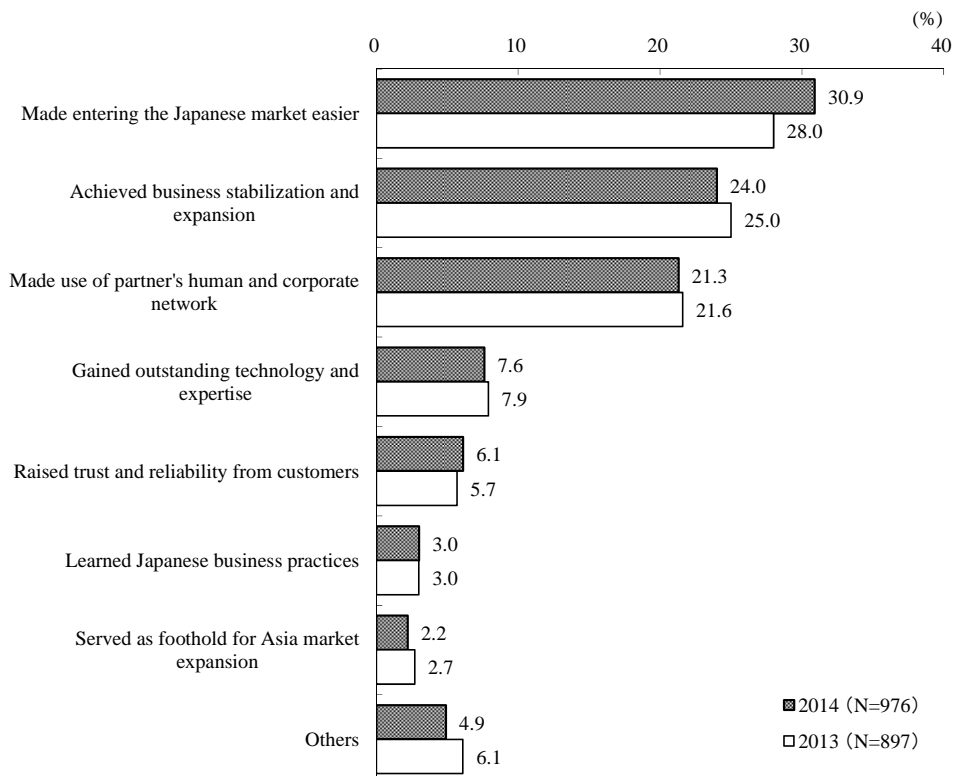
Figure 14-1 Business Partnerships with Japanese Companies



### 14-2. Advantage of partnering with Japanese companies

- As for the advantage of partnering with Japanese companies, continuing from last survey, the top answer was “It made entering the Japanese market easier,” (a ratio of 30.9%), up 2.9% points from the previous fiscal year, followed by “It achieved business stabilization and expansion” (24.0%), and “Made use of partner’s human and corporate network” (21.3%).

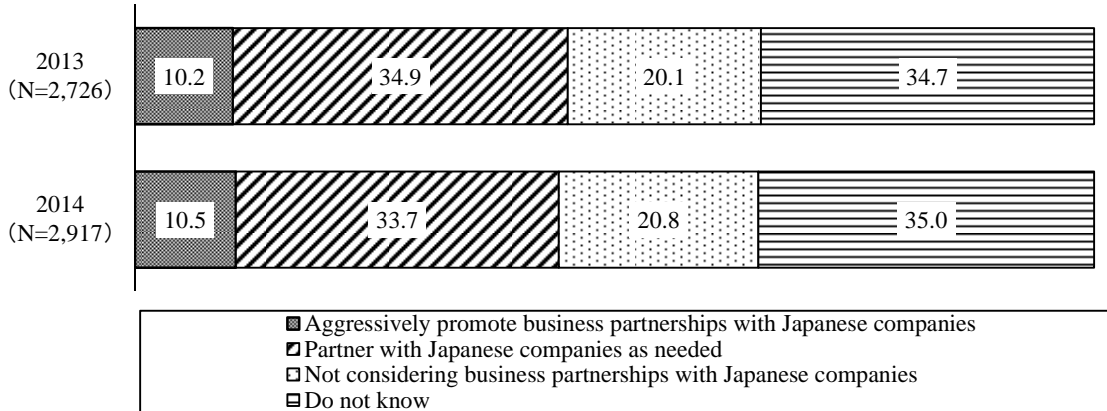
Figure 14-2 Advantage of partnering with Japanese Companies



**15. Future plans for business partnerships with Japanese companies**

- As for future plans for business partnerships with Japanese companies, continuing from last survey, a total of about 40% of affiliates took a positive view of partnering with Japanese companies, with the answers of “Aggressively promote business partnerships with Japanese companies” accounting for 10.5% and “Partner with Japanese companies as needed” accounting for 33.7%.

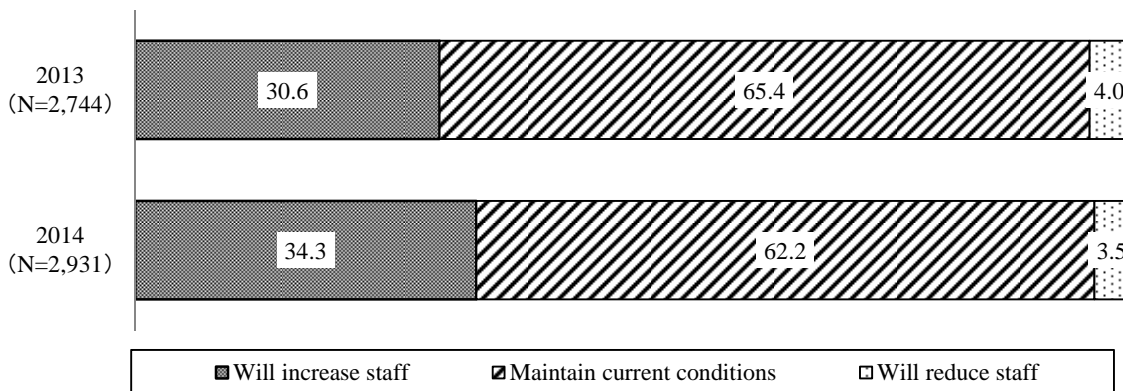
**Figure 15-1 Future Plans for Business Partnerships with Japanese Companies**



**16. Hiring outlook for this year**

- As for the hiring outlook for this year in foreign affiliates, continuing from last survey, the top answer was “Maintain current conditions,” accounting for 62.2% of the total, while “Will increase staff” accounted for 34.3% (up by 3.7% points from the previous year) and “Will reduce staff” accounted for 3.5% (down by 0.5% points from the previous year).

**Figure 16-1 Hiring Outlook for This Year**



### 17. Future business expansion in Japan

- As for future business expansion in Japan, continuing from last survey, the top answer was “Planning business expansion,” accounting for 52.9% of the total, followed by “Maintain current conditions,” accounting for 44.7%.
- Whereas, “Planning to downsize” stood at a ratio of 1.6%, and “Discontinue operations” stood at 0.8%.

Figure 17-1 Future Business Expansion in Japan

