

# **The Behavior of Overseas Subsidiaries**

( Quarterly Survey of Japanese Business Activities )

Results for July -September 2002

Prospects for October 2002-March 2003

December 25, 2002

Enterprise Statistics Office,  
Research and Statistics Department,  
Ministry of Economy, Trade and Industry

## Contents

(Page number)

. With regard to quarterly survey of japanese business activities	
1. Outline of quarterly survey of japanese business activities (Overseas subsidiaries Edition) .....	3
2. Record of changes in the contents of the survey (with regard to the details, refer to materials published for each term) .....	5
3. For your information.....	6
. Findings of the survey	
1. General trend .....	9-17
2. Trend by the type of industry .....	18-22
3. Trend by region	
(1) North America .....	23-25
(2) ASEAN4.....	26-28
(3) NIES3.....	29-31
(4) China (including Hong Kong).....	32-34
(5) Europe .....	35-37
[Topics]	
Sales of electrical machinery	
One out of three subsidiaries in China increased in the sales of electrical machinery more than 20% from a year earlier. ....	38
(Reference)	
1. Comparison with the exchange rates of the Japanese yen and the US dollar.....	39
2. Results in the main countries and areas.....	40
3. Changes in the exchange rates of the major currencies to the Japanese yen in each region .....	41

• **With regard to company trend survey**

**1. Outline of company trend survey (overseas subsidiaries edition)**

(1) Objectives of the survey

To grasp Japanese company's overseas business activities and to contribute to the planning of flexible industrial policy and trade policy

(2) Legal grounds of survey

Statistics approved by the Article 4 of the Statistics Report Adjustment Law

(3) Date of the survey conducted

The survey was conducted at the end of each term.

The presentation term of investigation is November 15, 2002 this term.

(4) Subject of the survey

As of March 31, 2002, overseas subsidiaries that were possessed by Japanese companies (note) and that satisfied the following conditions (including overseas subsidiaries that were established during the period of the survey).

Note 1) All industry except finance and insurance, and real estate industry, 2) with a capital of 100 million and more, 3) with 50 employees and more, 4) Japanese companies that have reported or declared the acquisition of foreign currencies securities under the provision of "the Foreign Exchange and Foreign Trade Law", and that have possessed overseas subsidiaries

1) Manufacturing firms

2) With 50 employees and more

3) With over 50parent of investment rate of the head office' direct and indirect investment

(5) Method of survey

The survey was conducted by mail, and data gained by the head office's calculation was reported.

(6) Method of totalizing

According to its industry and region, performance figures of companies that did not report were estimated by the following formula. As for total number of employees, the number of the previous term was used. After that, figures of all companies subject to survey were totalized. Estimated items included all items except "this term's amount of money for the acquisition of tangible fixed assets".

This term's estimated figures of companies did not report =

The previous year'figures  $\times \frac{\text{Total of this term's figures of companies that reported for both this term and the same period of last year}}{\text{Total of previous year'figures of companies that reported for both this term and the same period of last year}}$

(7) Classification of industry

If overseas subsidiaries conduct plural business, as a rule, business with highest sales is chosen in order to decide the type of industry according to the middle classification of Japan's standard industry classification.

(8) Classification of countries (regions)

The countries (regions) in which overseas subsidiaries were located were classified as follows (in the order of the Japanese syllabary). In addition, the classification was changed the April-June quarter of 2001 term to separate "China (including Hong Kong)" from "China and other Asian countries".

<New classification>

- North America: USA and Canada
- Asia(In addition to the following three regions, India, Vietnam, Sri Lanka, Pakistan, Bangladeshi and Myanmar are included.)
  - ASEAN4: Indonesia, Thailand, Philippines, and Malaysia
  - NIES3: Singapore, Taiwan, and South Korea
  - China (including Hong Kong): the People's Republic of China (including Hong Kong Special Administrative District)
- Europe: Ireland, UK, Italy, Austria, Netherlands, Greece, Switzerland, Sweden, Spain, Slovak, Czech, Denmark, Germany, Turkey, Hungary, Finland, France, Belgium, Poland, Portugal, Romania and Russia
- Others: UAE, Argentina, Venezuela, Egypt, El Salvador, Australia, Guatemala, Costa Rica, Colombia, Swaziland, Tanzania, Chile, Nicaragua, New Zealand, Papua New Guinea, Puerto Rico (USA), Brazil, Peru, Mexico, the Republic of Ivory Coast and South Africa

<Former classification>

- North America: USA and Canada
- Asia
  - ASEAN4: Indonesia, Thailand, Philippines, and Malaysia
  - NIES3: Singapore, Taiwan, and North Korea
  - China and other Asia: India, Vietnam, Sri Lanka, Pakistan, Bangladeshi, Myanmar, and the People's Republic of China (including Hong Kong Special Administrative District)
- Europe: Ireland, UK, Italy, Austria, Netherlands, Greece, Switzerland, Sweden, Spain, Slovak, Czech, Denmark, Germany, Turkey, Hungary, Finland, France, Belgium, Poland, Portugal, Romania and Russia
- Others: UAE, Argentina, Venezuela, Egypt, El Salvador, Australia, Guatemala, Costa Rica, Colombia, Swaziland, Tanzania, Chile, Nicaragua, New Zealand, Papua New Guinea, Puerto Rico (USA), Brazil, Peru, Mexico, the Republic of Ivory Coast and South Africa

## 2. Record of changes in the contents of the survey

(with regard to the details, refer to materials published for each term)

- The October-December quarter of 1996, The January-March quarter of 1997
  - From the April-June term of FY 1998
  - From the April-June quarter of 1999
  - From the April-June quarter of 2001
  - From the April-June quarter of 2002
- A sample survey was conducted, and findings were published under the approval of the Management and Coordination Agency.
  - 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 the July-September quarter and the January-March quarter. Accordingly, the results and prospects of surveys are conducted semi-annually in stead of quarterly. The contents of the surveys were also changed from "tangible fixed assets completed or acquired except land during the term" to "tangible fixed assets acquired (including construction temporary accounts) except land during the term". With regard to parent companies, findings of "the Ministry of International Trade and Industry's Survey on Investment in Plant and Equipment" were used.
  - The quarterly prospects are also changed to semi-annual prospects.
  - The coefficient of connection was made, and used for data before fiscal 1997(the January-March quarter of 1998) to maintain consistency with the 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 method, results were decided not by the increase rate of the previous term but by the increase rate of the same period last year.
  - "Company Trend Survey" was renewed by combining "Industry Economic Trend Survey" with "Company Trend Survey", both of which were under the control of the Ministry of Economy, Trade and Industry. In addition, "Overseas Affiliated Company Edition" was published separately from "Parent Company Edition".
  - The coefficient of connection was made, and used for data before fiscal 2000 (the January-March quarter of 2001) to maintain consistency with the past data because companies included in the survey, questions to be asked and other items surveyed were reviewed to reorganize and consolidate the surveys ( the April-June quarter of 2001 and later).

- Region/country classification was revised to separate "China (including Hong Kong)" from "China and other Asian countries" to create another independent category.

### 3. For your information

(1) Exchange of currencies

If the amount of money was written in local currency units, these currencies were exchanged to the Japanese yen at the term's average rate published by IMF.

(2) With regard to marks in the table of statistics

Mark –: No results

Mark p: Since the mark means a preliminary figure, the figure is likely to be changed in the next term.

Mark X: The figure was concealed for the protection of secrets because the number of overseas subsidiaries was one or two.

Mark r: These figures were changed from ones published in the previous term except preliminary figures.

(3) Method of deciding figures

1) Decision of quarterly figures

This term's figures are decided in the next term.

2) Decision of the previous fiscal year's figures (quarterly figures and the total figures of fiscal years)

The figures are decided in the next quarter (the April-June quarter) of fiscal year's last quarter (adjustment between fiscal years). The total figures of fiscal year are published with the mark "P" in the January-March quarter.

(4) Handling of the coefficient of connection

• The first time

The coefficient of connection was used for the processing of data before FY 1997 (the January-March quarter of 1998) to maintain the consistency with the past data because dropped companies were added to the survey from FY 1998 (the April-June quarter of 1998). As for the details, refer to materials published in each term.

• The second time

Since the previous term (the April-June quarter of 2001), "Quarterly Survey of Japanese Business Activities" has been renewed after being combined with "The Survey of Industrial and Economic Activities" under the control of Ministry of Economy, Trade and Industry. In addition, since companies included in the survey and questions to be asked were reviewed, differences have come to the fore between findings in the April-June quarter of 2001 and those

in the quarters before that. Therefore, the ratio over the same period of the previous year was estimated only on the basis of the total figures of companies which continued to be included in the survey from the previous fiscal year to the April-June quarter of 2001.

At the publication of FY 2002 figures, comparison method used in the survey of 2001 was applied to only the companies consecutively surveyed and recalculated using connection coefficients to maintain the consistency with the past data.

(1) Periods to be connected

The quarters of FY 2000 (October-December quarter of 1998 to January-March quarter of 2001) and before and the quarters of FY 2001 (April-June quarter of 2001 to January-March quarter of 2002) shall be connected together for consistency.

(2) Coefficients of connection

To compare figures of FY 2001 with those of FY2000 and before, connection coefficients for the latter were produced by multiplying:

- factors which were newly included in the survey of FY 2001 and should be "increase", and
- factors which should be "decrease" because they were left out in FY 2001.

Connection coefficient = (A) [(companies consecutively surveyed+newly targeted companies) × actual results of FY 2001/FY 2001 actual results of the companies consecutively surveyed] × [actual results of FY 2000 of the companies consecutively surveyed/FY 2000 actual results]

- "Companies consecutively surveyed" means enterprises which were included in the surveys during FY2000 and FY 2001.

(3) Scope of adjustment by the coefficients

All the cells of Area x Industry x Item of the form for publication.

(4) Treatment of the published figures

- 1) "Actual results" ? The figures listed are the actual results before treatment by the coefficients. For reference, the "connection coefficients" for connection are listed in a separate sheet. Therefore, when using the actual results of FY 2000 and before in conjunction with those for later business years, you are requested to multiply the actual results of FY 2000 by the coefficients before use , to ensure consistency.
- 2) "Year-on-year comparison" ? Listed figures are those calculated from the actual results after adjustment by the coefficients. For reference, the figures of acquisition of tangible fixed assets have not been processed for smoothing gaps.

\* Connection coefficients are listed in the statistical table on page 38.

(5) Yen/dollar exchange rate for this quarter and the response rate

- The average exchange rate of the yen to the U.S.dollar for this quarter was ¥119.15, an appreciation of 2.1% compared with the same quarter a year earlier (¥121.74) and an appreciation of 6.2% compared with the previous quarter (¥127.05).
- The responses to the questionnaire survey are summarized below:

Number of companies subject to survey	Number of companies that responded	Collection rate
3,196 companies	2,098 companies	65.6%



## • **Findings of the survey**

### **1. General trend**

[Results]

(1) Sales made by overseas subsidiaries totaled 11,057.5 billion yen, up 4.5% on a year on year basis (an increase of 7.1% from the previous quarter) for the third straight term partly due to the help of brisk sales in transportation equipment.

- By the type of industry, sales by overseas subsidiaries increased in ten out of thirteen industries. Especially, transportation equipment saw a year-to-year rise of 11.8 % in sales for the eleventh consecutive quarter of increase since the January-March quarter of 2000 partly because the number of new companies subject to survey increased in India since the preceding quarter. Meanwhile, electrical machinery dropped by 1.1% in sales from a year earlier (a fall of 2.5 % from the previous quarter).
- By region (or country) (note: referring to the "Classification of regions and countries" on page 4. Hereinafter the same.), five out of six regions, except "other regions", posted a rise in sales for the second consecutive quarter. Especially, China including Hong Kong increased 8.7 % from a year earlier for the fourteenth straight quarter since the April-June quarter of 1999. In addition, North America saw a 0.6 % rise in sales and showed the significantly diminished rate of increase.

Incidentally, compared with the same quarter a year ago, the US dollar fell 2.1% (an appreciation of 3.6% from the preceding quarter) and the Euro rose 8.2% (an appreciation of 9.0% from the previous quarter) against the yen.

(2) Local sales was 8,091.7 billion yen and increased 4.5% over a year ago (a rise of 8.9% from the previous quarter) for the second straight quarter, but the rate of increase shrank.

- By the type of industry, like total sales made by overseas subsidiaries, local sales increased in ten industries including transportation equipment in this term. Transportation equipment saw a rise of 11.9% from a year ago marking an increase for the eleventh straight quarter like total sales. Electrical machinery fell 4.7% in local sales.
- By region (country), they rose in all regions (countries) except other regions like total sales made by overseas subsidiaries.

(3) Exports to Japan (so-called Japan's reimports) were 954.4 billion yen, up 2.3% on a year-on-year basis, for the first time in four quarters.

- Studying this by the type of industry, eight industries including transportation equipment saw exports to Japan increase. Electrical machinery, comprising 50% of total exports to Japan, turned to be flat at 0.0% from a year earlier (a 3.1% fall in the previous quarter) after the fourth successive quarter of drop. Furthermore, industrial machinery turned to slide by 3.9% on a year-on-year basis, after the eleventh consecutive rise since the July-September quarter of 1999.
- By region (country), exports to Japan rose in ASEAN4, China including Hong Kong and other regions. Especially, China including Hong Kong, accounting for 30% of total exports to Japan, saw a 12.1% year-on-year rise for the fourteenth straight quarter since the April-June quarter of 1999.

(4) Exports to countries other than Japan, added to the survey from FY 2001, reached 2,011.3 billion yen, up 5.8% from the same quarter a year ago (a rise of 3.6% from the previous quarter).

- By the type of industry, exports to countries other than Japan rose in nine industries including electrical machinery, accounting for 50 % of them, increasing 5.7% year-on-year, and transportation equipment, accounting for a slightly more than 10% of them, saw a 10.9% year-on-year rise.
- By region (country), the exports advanced in all regions (countries) except other regions. In Asia where there was a large growth of 9.3% from the previous quarter, electrical machinery, accounting for 70% of the exports, increased 8.7% on a year on year basis. There was also a significant rise in transportation equipment (up 39.0% from the preceding quarter) and other industries.

(5) With regard to intra-company transactions (exports to parent companies in Japan and imports from them, added to this survey from FY 2001),

- Exports to parent companies in Japan was 652.0 billion yen, grew 7.5% from the corresponding period of last year (up 0.3% from the previous quarter).

By the type of industries, exports to parent companies in Japan rose in eleven industries except industrial machinery, wood, pulp, paper and paper products. Electrical machinery's exports, comprising slightly less than 60% of total exports, turned to increase 5.2% year-on-year which contributed to the rise in the exports.

By region (country), they advanced in four regions except North America and Europe. ASEAN4, comprising 40% of total exports showed an increase of 5.0% from a year earlier and China including Hong Kong, accounting for 30% of them, increased 12.3% on a year-on-year basis.

- Imports from parent companies in Japan was 1,410.2 billion yen, marking a 7.9% rise from a year earlier.

By industry, they increased in eleven industries except other industries. Transportation equipment, accounting for slightly more than 30% of total exports, posted an increase of 10.9% in the imports from the previous year and electrical machinery, accounting for 40% of them, registered a 3.5% rise from the previous year.

- With regard to trade balance within companies, an excess of imports from parent companies in Japan totaled 758.2 billion yen, up 8.2% from the corresponding period of last year. Transportation equipment accounted for approximately 60% of the total excess of imports, up 10.0% from the previous year, and electrical machinery took up slightly less than 30% of the total, up 0.8% from a year earlier. By region (country), North America posted an excess of imports of 655.2 billion yen, up 8.4% from the previous year, of which transportation equipment saw a 11.7% of rise over a year ago. On the other hand, Asia marked an excess of exports of 162.3 billion yen, a 5.3% dip from the corresponding period of last year.

(6) Equipment investments (the amount of acquired tangible fixed assets excluding land) totaled

269.7 billion yen, down 27.6% from the corresponding period of last year.

- By the type of industry, they declined in all industries except food and tobacco. Especially, transportation equipment turned to decrease from an increase in the previous quarter and electrical machinery posted a significant fall for the second consecutive quarter.
- In terms of the comparison with the past data, it has become impossible to compare investment of this term with those of the same period a year earlier, because of the change in survey period from a semi-annual basis to quarterly in FY 2001, and the change of the companies surveyed.

Incidentally, studying the changes in equipment investments of overseas subsidiaries, surveyed successively from FY 1999, on a semi-annual basis, they had turned to a decrease in all industries for October 2001 to March 2002 as shown in the tables below. Figures for the half term including this quarter (the April-September term of 2002) also showed the growing rate of decrease, which was greatly influenced by a drop in electrical machinery. In addition, transportation equipment, which had continued to increase since the April-September term of 2000, turned, in this quarter, to plunge 14.4% from the corresponding period of last year. The drop was influenced by a decline of 21.0% from a year earlier in North America accounting for 60% of total equipment investment in transportation equipment.

Changes in Equipment Investments by Major Industry (Ratio over same period of last year) (Unit : %)

	Oct.1999- Mar.2000	Apr.- Sep.2000	Oct.2000- Mar.2001	Apr.- Sep.2001	Oct.2001- Mar.2002	Apr.- Sep.2002
Total	-8.8	11.4	9.2	8.0	-5.6	-27.8
Chemicals	26.0	-32.9	-42.8	8.5	-32.2	-9.1
Industrial machinery	-29.2	14.6	46.5	1.8	-32.8	-20.0
Electrical machinery	-10.7	42.5	30.7	-0.4	-42.7	-47.3
Transportation equipment	4.6	5.2	7.8	23.0	43.1	-14.4

Changes in Equipment Investments by Region (Ratio over same period of last year) (Unit : %)

	Oct.1999- Mar.2000	Apr.- Sep.2000	Oct.2000- Mar.2001	Apr.- Sep.2001	Oct.2001- Mar.2002	Apr.- Sep.2002
North America	-18.1	57.1	21.0	6.0	16.1	-33.4
ASEAN4	-1.8	64.4	36.0	-7.1	-33.8	-35.5
NIES3	-24.1	-26.1	35.6	-31.0	-55.4	-12.8
China (Hong Kong is included)	-29.1	98.1	3.1	59.1	1.3	-47.2
Europe	16.4	-49.7	-28.0	24.4	-15.1	-13.2

Note: "Year-on-year figures" were calculated using consecutively surveyed companies.

(7) The number of employees was 1,975,000 people, up 2.4% from the corresponding period of last year. Since the peak in the July-September quarter of 2000, the increase rate had diminished every quarter to post a minus figure for another three consecutive terms. It, however, turned positive for the second consecutive quarter. In this quarter, the number increased partly due to a rise in electrical machinery and transportation equipment.

- By the type of industry, the number of employees grew in nine industries including transportation equipment (up 8.8% from the previous quarter). Electrical machinery, comprising 40% of employment, turned to increase 1.5% in this quarter despite the fifth straight quarter of decline since the April-June quarter of 2001.
- By region (country), China including Hong Kong increased the number of employees by 15.4% from a year earlier and ASEAN4 rose 1.3% on a year-on-year basis.

[Prospects (the October 2002 – March 2003 term)]

The survey of this term was submitted by November 15, 2002.

- (1) With regard to sales posted by overseas subsidiaries, the prospects (DI: note 1) for this term (the October 2002-March 2003 term) decreased by 7.3 percentage points from the previous term (24.3 in the DI level in the July-December half of 2002 to 17.0 in the DI level in the October 2002-March 2003 half, hereinafter the same) and the rate of decline widened from a fall of 4.2 percentage points from the previous term (the July-December half of 2002). The DI level continued to be positive for the fourth straight term.
- By industry, the prospects for sales by overseas subsidiaries worsened in ten out of thirteen industries including transportation equipment. Electrical machinery, which had posted an increase for the third straight term, turned to drop 13.9 percentage points from the preceding term (22.7 to 8.8). Transportation equipment also declined 3.6 percentage points from the preceding term (29.3 to 25.7). Industrial machinery and precision machinery turned to fall as well. In Chemicals, the rate of decline widened.
  - By region (country), the prospects of sales by overseas subsidiaries dropped in all regions (countries) except Europe. In China including Hong Kong, the sales prospects fell 0.3 percentage points from the previous term (32.0 to 31.7) for the first time in four quarters, but the DI level remained high. The level of DI dropped to a single digit in North America and NIES3, while other regions (countries) maintained a double-digit figure.
- (2) Local sales prospects fell by 7.2 percentage points from the previous period (21.9 to 14.7) for the second consecutive term like sales prospects by overseas subsidiaries. The DI level posted a positive figure for the fourth straight term.
- By the type of industries, eleven industries other than ceramics, stone and clay products and textiles saw the prospects deteriorating.
  - By region (country), local sales prospects worsened in four regions other than China including Hong Kong and Europe. China including Hong Kong improved 2.6 percentage points from the preceding period (29.7 to 32.3) but the rate of increase was reduced from the preceding period (the July-December half of 2002). The prospects declined significantly in North America, a fall of 15.7 percentage points from the previous term (22.2 to 6.5) and in other regions, a plunge of 18.2 percentage points from the preceding period (26.1 to 7.9).
- (3) The forecast of exports to Japan (so-called Japan's reimports) dropped 2.3 percentage points from the preceding term (4.2 to 1.9) for the second consecutive term. The DI level, showing a positive figure, has continued to show a diminishing rate of increase (8.4 in the April-September half of 2002 to 4.2 in the July-December half of 2002 to 1.9 in this term (the October 2002-March 2003 half)).
- By the type of industry, the forecast declined in eight industries including electrical machinery. While electrical machinery saw the rate of decline widen (a drop of 3.1 percentage points in the previous term (the July-December half of 2002) to a drop of 8.3 percentage points in this term (the October 2002-March 2003 half)), industrial machinery

turned to increased in the forecast.

- By region (country), the forecast of exports to Japan deteriorated in North America, ASEAN4 and NIES3. In this term (the October 2002-March 2003 half), ASEAN4, accounting for a large portion of the exports, fell 4.1 percentage points from the previous period (8.1 to 4.1) in the forecast. China including Hong Kong, also accounting for a large portion of the exports, showed a slight advance. Furthermore, China including Hong Kong alone saw the DI level remain a double-digit plus figure.

(4) With regard to exports to countries other than Japan, added to the survey from FY 2001, the prospects showed a drop of 5.7 percentage points from the previous term (10.5 to 4.8) in this term (the October 2000-March 2003 term) for the second consecutive period.

- By the type of industry, nine industries including electrical machinery deteriorated in the prospects. Electrical machinery, accounting for a large portion of the total exports, saw a dip of 11.9 percentage points from the previous term (14.0 to 2.1), industrial machinery a 7.3 percentage points dip from the previous term (6.6 to minus 0.7) and chemicals a 9.8 percentage points fall from the previous period (14.9 to 5.1). On the other hand, the prospects in transportation equipment turned to increase 2.3 percentage points from the preceding period (6.5 to 8.8) from a fall of 1.2 percentage points in the previous term (the July-December half of 2002).
- By region (country), the prospects deteriorated in all five regions other than Europe. China including Hong Kong, having increased for the third consecutive term, also fell 2.8 percentage points from the previous term (15.7 to 12.9) in this term (the October 2002 – March 2003 half). The DI level has continued to be a double-digit positive figure in China including Hong Kong and ASEAN4 alone.

(5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them), added to this survey in FY 2001,

- The prospects for exports to parent companies in Japan fell 1.2 percentage points from the preceding term (2.6 to 1.4) for the second straight term.

By the type of industry, the prospects declined in nine industries including electrical machinery. Electrical machinery which accounts for a large portion of the exports fell 6.2 percentage points from the previous term (4.0 to minus 2.2), and transportation equipment and chemicals also declined in the prospects. The DI level of electrical machinery turned negative in this period (the October 2002-March 2003 term) from a plus figure for the second consecutive period.

On the other hand, industrial machinery improved 6.4 percentage points from the previous term (minus 1.6 to 4.8) in the prospects.

By region (country), the prospects for exports to parent companies in Japan deteriorated in North America, ASEAN4 and China including Hong Kong. ASEAN4 which accounts for a large portion of the exports fell 2.5 percentage points from the previous term (5.5 to 3.0) and China including Hong Kong fell 0.8 percentage points from the preceding period (11.8 to 11.0) in the prospects, but in either case, the rate of decline was reduced from the previous term (the July-December half of 2002). China including Hong Kong alone has maintained

a double-digit DI level.

- The outlook of imports from parent companies in Japan dropped to 5.6 percentage points from the previous period (8.0 to 2.4) in this term (the October 2002-March 2003 term) for the second successive term of decline. The DI level was a moderate plus figure.

By the type of industry, the outlook in this term (the October 2002-March 2003 term) fell in ten industries from in seven industries in the previous term (the July-December half of 2002). Especially, it significantly dropped by 15.4 percentage points from the previous period (12.1 to minus 3.3).

The DI level in this term showed negative in six industries including electrical machinery although in three industries alone in the previous period.

By region (country), the outlook deteriorated in North America, ASEAN4 and NIES3. Especially, North America, accounting a large portion of the imports, in this term (the October 2002-March 2003 term) fell 11.5 percentage points from the previous term (9.7 to minus 1.8) after showing an increase for the fourth straight term, and ASEAN4 showed a large drop of 10.5 percentage points from the preceding period (14.1 to 3.6). China including Hong Kong turned to increase 2.5 percentage points from the previous period (12.0 to 14.5) in the outlook. In the DI level, China including Hong Kong alone registered a double-digit plus figure.

- (6) With regard to the forecast of equipment investments (the amount of acquired tangible fixed assets excluding land), although it had increased for the third consecutive term since the January-June half of 2002, the rate of increase had been diminishing. In this term (the October 2002-March 2003 term), the forecast fell 0.8 percentage points from the previous term (12.9 to 12.1), which was greatly influenced by a decline in transportation equipment.

- By the type of industry, it declined in five industries including transportation equipment. Transportation equipment fell 13.3 percentage points from the preceding period (28.4 to 15.1) for the first time in four periods since the October 2001-March 2002 term, but its DI level remained positive in double figures. On the other hand, electrical machinery turned to increase 1.0 percentage points from the preceding period (7.6 to 8.6) in the forecast.
- By region (country), the forecast of the equipment investments declined in all regions (countries) other than ASEAN4. North America fell 3.7 percentage points, China including Hong Kong dipped 2.8 percentage points and Europe slid by 1.1 percentage points in the forecast. Meanwhile, ASEAN4 turned to increase 4.7 percentage points from the previous term. The level of DI remained positive in all regions (countries).
- With regard to the objectives of increasing investments (plural answers acceptable), "a boost in productivity" of the four objectives accounted for the highest percentage of 62.9% (62.1% in the previous term), followed by "renewal and repair", at 35.5% and "rationalization and streamlining", at 18.5%.

Studying the companies which expected "a boost in productivity" by region (country), those in China including Hong Kong took up 74.0% of the total number of overseas subsidiaries, 66.7% in ASEAN4, 65.9% in Europe, 49.2% in North America and 45.7% in NIES3.

Compared with a year earlier as for "a boost in productivity", Europe increased investments

- by 14.5 percentage points due to the help of a rise in industrial machinery and electrical machinery. Meanwhile, North America plunged 14.3 percentage points and NIES3 fell 9.9 percentage points in the equipment investments for the purpose of "a boost in productivity".
- (7) The prospects of employment turned to increase 0.8 percentage points from the previous period (minus 0.3 to .05) in this period (the October 2002-March 2003 term) after having fallen 1.8 percentage points from the term before the previous in the previous term (the July-December half of 2002). The rate of increase, however, was moderate.
- By the type of industry, the employment prospects improved in seven industries including electrical machinery in this term (the October 2002-March 2003 term) although having improved in three industries including transportation equipment in the previous term (the July-December term of 2002). Although transportation equipment turned to decrease in the prospects, the DI level remained relatively strong (13.3 in the April-September term of 2002 to 15.2 in the July-December term of 2002 to 13.3 in this term (the October 2002-March 2003 term)).
  - By region, although the prospects of employment had turned to increase in NIES3 alone in the previous period (the September-December half of 2002), NIES3 saw them fall by 7.1 percentage points (minus 8.8 to minus 15.9) in this term (the October 2002-March 2003 term). Meanwhile, the prospects increased to 3.7 percentage points from the preceding term (10.4 to 14.1) in China including Hong Kong. ASEAN4 improved 3.7 percentage points from the previous period (1.6 to 5.3) and North America rose 1.8 percentage points from the preceding term (minus 7.8 to minus 6.6) in the prospects.

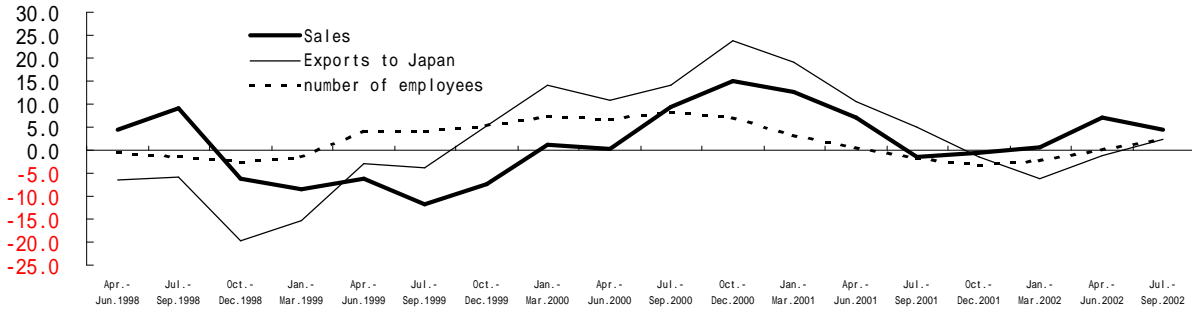
Note 1: DI = the ratio of companies expecting increase – the ratio of companies expecting decrease

DI compared with the previous term = DI for this term – DI for the previous term

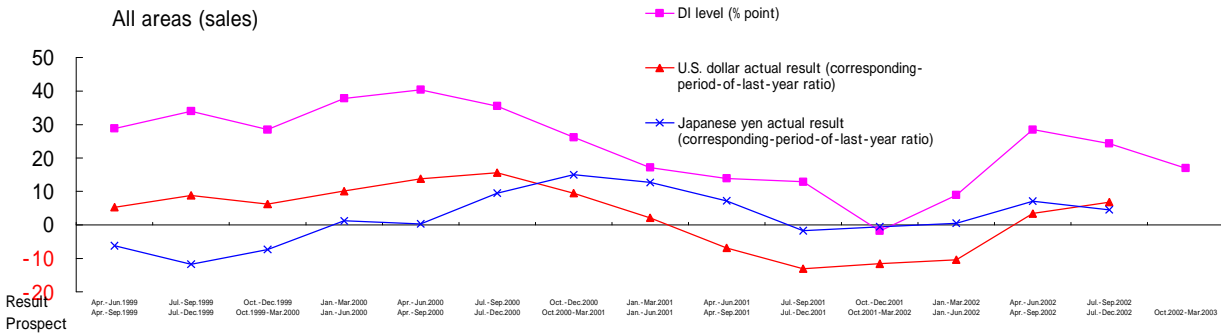
DI for this term: DI obtained from the survey of the July-September quarter of 2002 (prospects for the October 2002-March 2003 term)

DI for the previous term: DI obtained from the survey of the April-June quarter of 2002 (prospects for the July-December term of 2002)

The actual result frame of all overseas subsidiary areas  
(corresponding-period-of-last-year ratio)



Transition of a prospect (DI) and an actual result (U.S. dollar, Japanese yen)



1. Trends among Overseas Subsidiaries

Unit(Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001
Sales	10,577,651	10,771,848	11,345,893	11,687,103	P 11,057,489	-1.7	-0.5	0.5	7.1	P 4.5
Local sales	7,743,452	7,945,391	8,452,703	8,769,539	P 8,091,697	-0.4	0.2	-0.5	8.9	P 4.5
Exports to Japan	932,919	907,088	888,835	916,720	P 954,492	5.1	-1.5	-6.1	-1.1	P 2.3
Exports to countries other than Japan	1,900,736	1,919,374	2,004,355	2,001,936	P 2,011,300				3.6	P 5.8
(Parent-subsidiary deals)										
Export to the parent company in Japan	606,358	572,813	556,481	602,939	P 651,977				0.3	P 7.5
Import from the parent company in Japan	1,307,001	1,257,154	1,225,069	1,448,066	P 1,410,175				3.5	P 7.9
Acquisition of tangible fixed assets	372,573	303,444	362,961	279,786	P 269,740				-19.8	P -27.6
Number of employees	1,928,943	1,899,061	1,901,730	1,938,690	P 1,974,512	-1.8	-3.2	-2.3	0.1	P 2.4

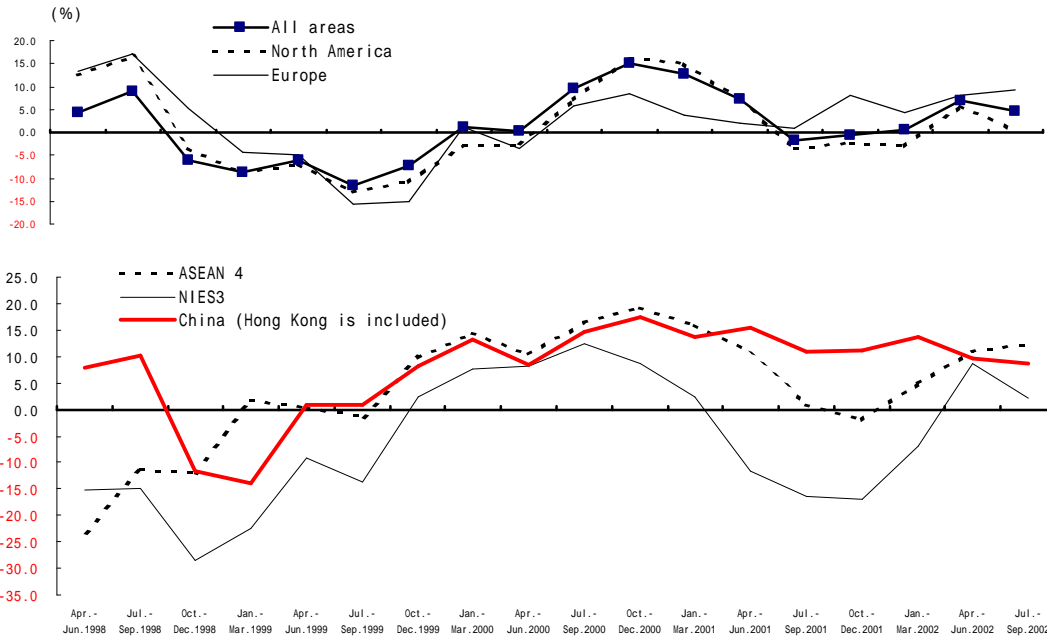
2. Outlook for Overseas Subsidiaries

(Unit:%points)

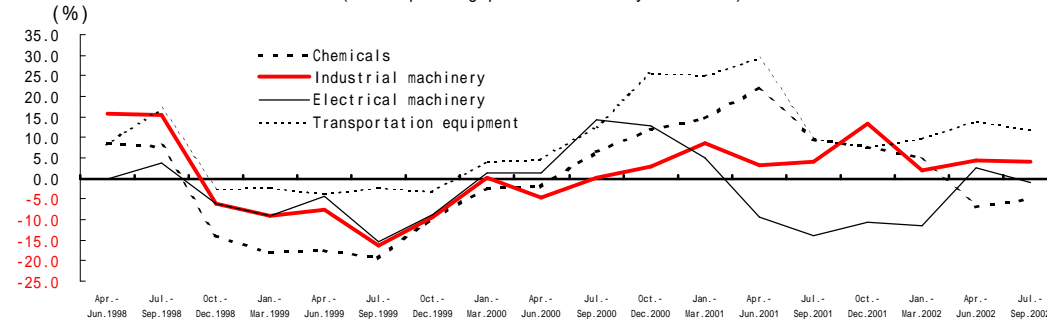
	D I					Ratio Over Previous Quarter				
	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003
Sales	-1.8	8.9	28.5	24.3	P 17.0	-14.7	10.7	19.6	-4.2	P -7.3
Local sales	-0.6	10.7	26.0	21.9	P 14.7	-9.7	11.3	15.3	-4.1	P -7.2
Exports to Japan	-8.5	-4.7	8.4	4.2	P 1.9	-9.7	3.8	13.1	-4.2	P -2.3
Exports to countries other than Japan	-4.9	3.1	15.7	10.5	P 4.8	-5.4	8.0	12.6	-5.2	P -5.7
(Parent-subsidiary deals)										
Export to the parent company in Japan	-7.3	-3.8	7.9	2.6	P 1.4	-8.4	3.5	11.7	-5.3	P -1.2
Import from the parent company in Japan	-9.4	-5.4	8.4	8.0	P 2.4	-4.2	4.0	13.8	-0.4	P -5.6
Acquisition of tangible fixed assets	0.3	8.2	12.8	12.9	P 12.1	-12.6	7.9	4.6	0.1	P -0.8
Number of employees	-6.6	-8.0	1.5	-0.3	P 0.5	-5.6	-1.4	9.5	-1.8	P 0.8



Local option top quantity actual result (corresponding-period-of-last-year ratio)



The sales actual result of the main types of industry (corresponding-period-of-last-year ratio)



Trends in Sales of Overseas subsidiaries by region Unit(Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances				Ratio Over Same quarter of last year					
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	
Total	10,577,651	10,771,848	11,345,893	11,687,103	P 11,057,489	-1.7	-0.5	0.5	7.1	P 4.5
North America	5,170,398	5,322,350	5,602,315	5,717,717	P 5,201,551	-3.8	-2.4	-2.9	5.7	P 0.6
Asean4	1,409,449	1,366,021	1,465,430	1,555,674	P 1,585,863	1.0	-1.8	5.0	11.0	P 12.5
Nies3	754,213	713,541	760,699	839,757	P 769,969	-16.4	-16.8	-6.9	8.7	P 2.1
China (Hong Kong is include)	814,057	773,165	773,491	847,986	P 884,483	10.9	11.2	13.6	9.6	P 8.7
Europe	1,718,705	1,910,330	2,010,543	1,922,198	P 1,878,795	0.8	8.2	4.4	8.2	P 9.3
Other	647,435	621,090	653,873	665,303	P 596,132	8.8	1.4	0.5	-7.7	P -7.9

Note : The total figure of the sales of individual regions does not equal the total figure of overseas subsidiaries sales because some Asian regions are excluded from the "regions".

Trends in Sales of the main industry Unit(Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances				Ratio Over Same quarter of last year					
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	
Manufacturing industry in total	10,577,651	10,771,848	11,345,893	11,687,103	P 11,057,489	-1.7	-0.5	0.5	7.1	P 4.5
Chemicals	726,608	730,915	741,639	710,357	P 690,989	9.5	7.8	5.1	-7.1	P -4.9
Industrial machinery	673,402	696,523	753,771	758,657	P 701,398	4.1	13.4	1.9	4.5	P 4.2
Electrical machinery	3,647,311	3,718,369	3,637,037	3,650,768	P 3,607,170	-13.8	-10.5	-11.4	2.5	P -1.1
Transportation equipment	3,772,317	3,895,443	4,366,261	4,678,643	P 4,219,002	9.9	7.6	9.8	13.9	P 11.8

## 2. Trend by the type of industry

[Results]

With regard to sales by the types of the main industries in all regions,

(1) Chemicals' sales for this term totaled 691.0 billion yen, down 4.9% from the same period of the preceding year, for the second consecutive term of decrease.

- By region, they plunged in North America (down 22.6% in the same quarter a year ago) and other regions (down 7.1% from a year ago), whereas they soared by 25.4% year before in China including Hong Kong and by 22.5% year on year in ASEAN4.

Europe, accounting for 30% of total sales, showed a moderate increase after a fall in the previous quarter.

(2) Industrial machinery's sales reached 701.4 billion yen in this quarter, a 4.2% gain from the corresponding period a year earlier for the ninth straight quarter of increase since the July-September quarter of 2000.

- By region, there was a rise in sales in North America and Europe. Sales in North America, comprising 40% of total regional sales, saw a 5.7% rise from a year earlier and Europe a 10.4% gain year on year in this quarter. China including Hong Kong declined in sales for the second straight quarter, posting a 0.1% fall from a year earlier in this quarter.

(3) Electrical machinery's sales for this quarter registered 3,607.2 billion yen, a 1.1% drop from the corresponding period a year earlier. (Down 11.4% from a year earlier in the January-March quarter of 2001 to up 2.5% from a year earlier in the April-June quarter of 2001 to a 1.1% drop on a year-on-year basis in this quarter)

Exports of electrical machinery to Japan (so-called Japan's reimports) remained unchanged in this quarter after having continued to decline since the July-September quarter of 2001.

- By region, electrical machinery's sales dropped by 7.5% from a year earlier in North America and by 1.7% from a year ago in NIES3. They also dropped in other regions. On the other hand, they turned to increase 3.6% on a year-on-year basis in this term after having decreased for the sixth straight term since the January-March term of 2001. China including Hong Kong also remained strong in sales, posting a 10.7% increase from a year earlier in this period.

(4) Transportation equipment's sales for this quarter amounted to 4,219.0 billion yen, up 11.8% from the same period of the preceding year for the eleventh straight quarter of increase since the January-March period of 2000. Exports of transportation equipment to countries other than Japan increased more than sales of that, amounting to 327.1 billion yen in this period, up 10.9% from a year earlier.

- By region, sales of transportation equipment reached 2,635.0 billion yen, up 7.0% from a year earlier in North America, 580.6 billion yen, up 21.6% from a year earlier in Europe and 349.3 billion yen, up 31.8% from a year earlier in ASEAN4. They advanced in all regions other than other regions. In addition, sales in China including Hong Kong remains a high growth rate (up 37.2% from a year earlier in this period), although they account for a moderate portion of total sales.

[Prospects (the October 2002-March 2003 term)]

With regard to sales prospects by the types of main industries in all regions,

(1) Chemicals' sales prospects for the October 2002-March 2003 term fell 15.2 percentage points from the previous term (34.6 to 19.4) for the second straight term. The level of DI remains positive in double figures.

- By region, they dropped in all regions (countries) except Europe. In Europe, they turned to increased significantly from a plunge of 22.0 percentage points from the previous term (the July-December term of 2002) to 16.5 percentage points from the previous term (6.1 to 22.6).

The level of DI remains relatively high in all regions except North America.

(2) Industrial machinery's sales prospects for this term (the October 2002-March 2003 term) dropped 4.6 percentage points from the previous term (23.2 to 18.6). Meanwhile, the prospects for exports of industrial machinery to Japan improved 5.6 percentage points from the preceding term (0.0 to 5.6).

In addition, the DI level of sales for this term (the October 2002-March 2003 term) remained positive in double figures.

- By region, industrial machinery's sales prospects fell in Asian regions (countries): a plunge of 16.5 percentage points from the preceding term (43.7 to 27.2) in China including Hong Kong, a fall of 12.9 percentage points from the previous term (47.9 to 35.0) in ASEAN4, a decrease of 6.1 percentage points from the previous period (29.2 to 23.1) in NIES, but in all Asian regions (countries) the DI level remained relatively high.

(3) Electrical machinery's sales prospects for this term (the October 2002-March 2003 term) decreased 13.9 percentage points from the previous period (22.7 to 8.8), marking the first drop in four terms since the October 2001-March 2002 term. The level of DI also dropped to a single-digit figure.

- By region, the sales prospects in this term (the October 2002-March 2003 term) fell in all regions (countries), despite the fact that NIES3 and ASEAN4 alone declined in the prospects in the previous period (the July-December period of 2002). Especially, there was a significant fall in North America, down 24.7 percentage points from the previous period (24.7 to 0.0) and in NIES3, down 23.4 percentage points from the previous term (14.3 to minus 9.1).

Although the DI level declined in many regions (countries), it showed a high level in China including Hong Kong at 26.8 and in Europe at 20.0.

(4) With regard to transportation equipment's sales prospects, in the previous period (the July-December half of 2002), they fell 12.4 percentage points from the previous term after having increased for the second straight term, and in this term (the October 2002-March 2003 half) they fell, again, 3.6 percentage points from the previous term (29.3 to 25.7). The DI level, however, had continued to be relatively high. (23.6 in the January-June term of 2002 to 41.7 in the April-September term of 2002 to 29.3 in the July-December term of 2002 to 25.7 in this

term (the October 2002-March 2003 term)).

- By region, the sales prospects fell 9.2 percentage points from the previous period (17.8 to 8.6) for the second consecutive period in North America, and there was a decline in ASEAN4 and other regions. On the other hand, they advanced significantly, up 28.3 percentage points from the previous period (2.8 to 31.1) in Europe. In Asia, ASEAN4 turned to decline, NIES 3 improved and China including Hong Kong showed a slight increase in the sales prospects.

The level of DI remained relatively high in all regions (countries) other than North America and other regions.

## Trends in Sales of the main industry by region

Unit(Results : million yen, Ratio over same quarter of last year : %)

		Quarterly Performances					Ratio Over Same quarter of last year				
		Jul. - Sep.	Oct. - Dec.	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.	Jul. - Sep.	Oct. - Dec.	Jan. - Mar.	Apr. - Jun.	Jul. - Sep.
		2001	2001	2002	2002	2002	2001	2001	2002	2002	2002
Overseas subsidiaries Total		10,577,651	10,771,848	11,345,893	11,687,103	P 11,057,489	-1.7	-0.5	0.5	7.1	P 4.5
Chemicals	Total	726,608	730,915	741,639	710,357	P 690,989	9.5	7.8	5.1	-7.1	P -4.9
	North America	301,058	280,542	247,233	251,573	P 232,959	17.7	5.1	-10.2	-22.4	P -22.6
	ASEAN4	82,026	73,973	83,466	94,683	P 100,466	0.7	-8.7	-2.3	15.3	P 22.5
	NIES3	66,547	65,707	72,809	74,250	P 71,123	-8.3	-8.6	-0.6	8.5	P 6.9
	China(Hong Kong is included)	31,280	34,224	30,647	32,537	P 39,235	33.3	44.4	31.4	18.2	P 25.4
	Europe	234,587	264,403	295,353	243,601	P 235,160	6.5	17.7	24.4	-2.4	P 0.2
Industrial machinery	Total	673,402	696,523	753,771	758,657	P 701,398	4.1	13.4	1.9	4.5	P 4.2
	North America	267,380	288,738	322,835	324,752	P 282,695	-9.3	12.0	-1.2	8.9	P 5.7
	ASEAN4	56,508	61,081	63,795	63,783	P 56,246	-8.0	-1.1	0.9	20.4	P -0.5
	NIES3	39,899	39,864	39,147	39,257	P 37,881	3.5	-9.7	-6.3	-0.3	P -5.1
	China(Hong Kong is included)	113,085	113,743	121,524	112,524	P 113,015	48.6	33.4	28.3	-2.9	P -0.1
	Europe	China(Hong Kong is included)	177,492	190,281	201,446	P 197,592	9.9	17.0	-4.6	-1.6	P 10.4
Electrical machinery	Total	3,647,311	3,718,369	3,637,037	3,650,768	P 3,607,170	-13.8	-10.5	-11.4	2.5	P -1.1
	North America	1,305,328	1,352,074	1,238,323	1,208,803	P 1,207,484	-19.4	-13.0	-23.1	1.1	P -7.5
	ASEAN4	757,891	726,923	767,602	782,607	P 803,023	-2.8	-1.3	-1.8	4.0	P 6.0
	NIES3	429,817	402,706	432,468	467,817	P 422,376	-22.2	-21.4	-9.6	6.4	P -1.7
	China(Hong Kong is included)	449,320	428,195	424,238	484,883	P 497,520	3.8	5.4	16.4	14.8	P 10.7
	Europe	595,340	708,821	701,947	630,370	P 616,874	-19.6	-12.6	-7.7	-1.9	P 3.6
Transportation equipment	Total	3,772,317	3,895,443	4,366,261	4,678,643	P 4,219,002	9.9	7.6	9.8	13.9	P 11.8
	North America	2,462,991	2,564,619	2,901,878	3,043,799	P 2,635,014	6.5	3.3	8.1	11.7	P 7.0
	ASEAN4	265,098	256,329	287,405	345,664	P 349,434	12.2	-5.7	30.8	29.1	P 31.8
	NIES3	80,613	79,850	81,262	100,457	P 91,309	-17.3	-17.7	-13.6	19.9	P 13.3
	China(Hong Kong is included)	17,059	16,451	18,976	22,095	P 23,403	28.4	37.8	44.5	54.0	P 37.2
	Europe	477,606	520,533	557,359	595,315	P 580,646	32.7	44.6	11.5	24.5	P 21.6
Food and tobacco	Total	328,363	320,643	354,812	353,699	P 333,143	11.6	-1.4	13.6	9.6	P 1.5
Textiles	Total	136,860	126,115	135,941	145,247	P 133,611	-1.9	-8.7	-7.4	-1.9	P -2.4
Wood, pulp and paper products	Total	50,593	54,291	44,184	47,884	P 52,991	-36.7	-27.1	-37.3	-13.5	P 4.7
Ceramics, stone and clay	Total	206,499	207,276	223,197	207,450	P 223,006	-8.6	7.3	4.2	-2.8	P 8.0
Iron and steel	Total	201,575	206,255	222,153	237,417	P 225,775	4.9	9.5	23.1	19.1	P 12.0
Non-ferrous metals	Total	76,505	75,135	85,256	88,693	P 82,157	-36.8	-40.6	-23.4	-7.3	P 7.4
Metals	Total	49,029	48,862	49,717	54,694	P 53,222	0.9	7.7	7.7	8.4	P 8.6
Precision instruments	Total	200,914	187,139	194,631	197,821	P 214,837	-7.2	-9.9	4.5	0.6	P 6.9

Note : The total figure of the sales of individual regions does not equal the total figure of overseas subsidiaries sales because other regions and some Asian regions are excluded from the "regions".

## Outlook for sales of the main industry by region

(Unit:%points)

	D I	Ratio Over Previous Quarter									
		Oct.2001	Jan. - Jun.	Apr. - Sep.	Jul. - Dec.	Oct.2002	Oct.2001	Jan. - Jun.	Apr. - Sep.	Jul. - Dec.	Oct.2002
		-Mar.2002	2002	2002	2002	-Mar.2003	-Mar.2002	2002	2002	2002	-Mar.2003
Overseas subsidiaries Total		-1.8	8.9	28.5	24.3	P 17.0	-14.7	10.7	19.6	-4.2	P -7.3
Chemicals	Total	-2.2	18.3	36.2	34.6	P 19.4	-22.4	20.5	17.9	-1.6	P -15.2
	North America	-11.8	-4.4	28.9	27.3	P 0.0	-29.6	7.4	33.3	-1.6	P -27.3
	ASEAN4	-1.7	27.0	54.1	50.0	P 22.8	-19.6	28.7	27.1	-4.1	P -27.2
	NIES3	-35.1	-2.7	25.0	30.6	P 17.1	-43.0	32.4	27.7	5.6	P -13.5
	China(Hong Kong is included)	30.5	52.8	39.4	45.7	P 33.3	-5.0	22.3	-13.4	6.3	P -12.4
	Europe	5.5	18.2	28.1	6.1	P 22.6	-12.2	12.7	9.9	-22.0	P 16.5
Industrial machinery	Total	3.3	-1.1	23.1	23.2	P 18.6	-2.7	-4.4	24.2	0.1	P -4.6
	North America	-2.4	-2.3	4.0	7.3	P 12.0	-0.4	0.1	6.3	3.3	P 4.7
	ASEAN4	22.2	3.7	42.3	47.9	P 35.0	8.4	-18.5	38.6	5.6	P -12.9
	NIES3	-17.4	-22.8	33.4	29.2	P 23.1	-13.7	-5.4	56.2	-4.2	P -6.1
	China(Hong Kong is included)	18.2	18.8	52.9	43.7	P 27.2	3.5	0.6	34.1	-9.2	P -16.5
	Europe	-4.8	-4.8	6.7	0.0	P 2.6	-11.6	0.0	11.5	-6.7	P 2.6
Electrical machinery	Total	-15.4	-1.3	21.5	22.7	P 8.8	-18.3	14.1	22.8	1.2	P -13.9
	North America	-14.3	-5.7	13.4	24.7	P 0.0	-13.0	8.6	19.1	11.3	P -24.7
	ASEAN4	-27.5	-5.1	20.9	14.0	P 2.9	-21.1	22.4	26.0	-6.9	P -11.1
	NIES3	-30.7	-5.1	27.3	14.3	P -9.1	-14.0	25.6	32.4	-13.0	P -23.4
	China(Hong Kong is included)	8.8	21.1	31.5	38.2	P 26.8	-16.4	12.3	10.4	6.7	P -11.4
	Europe	-9.8	-21.5	7.0	21.3	P 20.0	-26.8	-11.7	28.5	14.3	P -1.3
Transportation equipment	Total	3.2	23.6	41.7	29.3	P 25.7	-12.2	20.4	18.1	-12.4	P -3.6
	North America	-19.8	15.2	38.4	17.8	P 8.6	-4.6	35.0	23.2	-20.6	P -9.2
	ASEAN4	26.3	27.2	38.1	52.9	P 46.4	-10.7	0.9	10.9	14.8	P -6.5
	NIES3	-23.9	5.5	31.6	12.5	P 17.4	-53.9	29.4	26.1	-19.1	P 4.9
	China(Hong Kong is included)	55.0	45.0	59.1	63.6	P 64.3	-9.7	-10.0	14.1	4.5	P 0.7
	Europe	2.1	38.6	34.1	2.8	P 31.1	-14.2	36.5	-4.5	-31.3	P 28.3
Food and tobacco	Total	39.8	44.8	32.2	39.8	P 31.1	1.9	5.0	-12.6	7.6	P -8.7
Textiles	Total	-10.2	-5.8	8.7	6.1	P 14.5	-28.1	4.4	14.5	-2.6	P 8.4
Wood, pulp and paper products	Total	18.2	17.8	42.8	50.0	P 51.9	3.4	-0.4	25.0	7.2	P 1.9
Ceramics, stone and clay	Total	16.3	17.1	42.6	7.3	P 9.3	-3.7	0.8	25.5	-35.3	P 2.0
Iron and steel	Total	-2.0	17.8	37.3	13.5	P 12.0	-28.5	19.8	19.5	-23.8	P -1.5
Non-ferrous metals	Total	7.7	21.2	33.3	30.1	P 20.4	21.7	13.5	12.1	-3.2	P -9.7
Metals	Total	-16.3	-27.3	40.5	28.3	P 17.1	-20.4	-11.0	67.8	-12.2	P -11.2
Precision instruments	Total	-7.4	-4.9	3.4	12.3	P 0.0	-32.1	2.5	8.3	8.9	P -12.3

Note : The total figure of the sales of individual regions does not equal the total figure of overseas subsidiaries sales because other regions and some Asian regions are excluded from the "regions".

### 3. Trend by region (country)

#### (1) North America

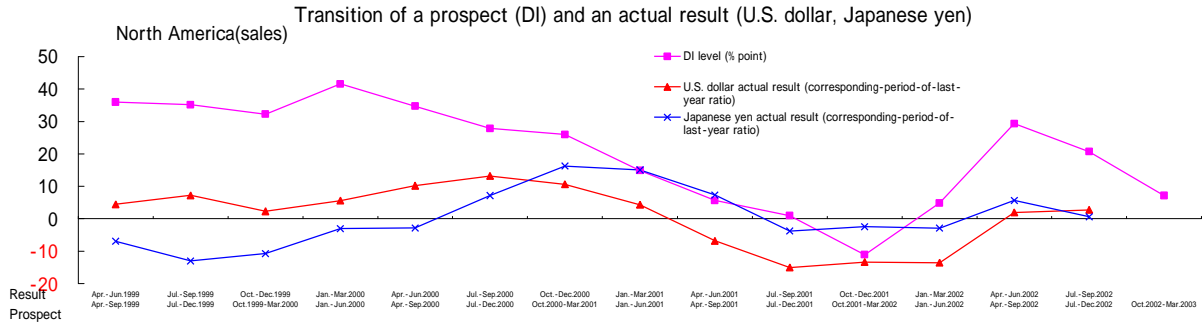
[Results]

- 1) Despite the yen's appreciation against local currencies, sales reached 5,201.6 billion yen, up 0.6% from the same period last year for the second straight quarter.
  - By the type of industry, transportation equipment due to continued strong demand increased in sales (up 7.0% year-on-year) for the eleventh consecutive quarter. Industrial machinery's sales gained 5.7% from a year earlier and the sales of iron and steel also increased 6.5% on a year-on-year basis for the second straight quarter. Meanwhile, electrical machinery' sales, which had turned to advance in the previous quarter, fell again, down 7.5% from the same period last year. Chemicals also continued to fall, a plunge of 22.6% from a year earlier.
- 2) Local sales amounted to 4,764.9 billion yen, up 0.8% from the same period of last year, like sales.
- 3) Exports to Japan (Japan's reimports) recorded 76.2 billion yen, down 17.6% from the same period of last year for the fifth straight quarter of decline.
- 4) Exports to countries other than Japan totaled 360.5 billion yen, up 3.2% on a year-on-year basis.
  - By the type of industry, industrial machinery increased in sales for the second consecutive quarter, a year-on-year 27.5% up. Transportation equipment's sales also increased 6.4% from a year earlier.
- 5) With regard to intra-company transactions (exports to parent companies in Japan and imports from them),
  - Exports to parent companies in Japan posted 40.8 billion yen, down 8.8% from the corresponding period of last year and imports from them recoded 696.1 billion yen, a 7.2% gain from the previous year.
  - By the type of industry, exports to parent companies saw electrical machinery plunge by 51.2% from a year earlier. Imports from them saw transportation equipment increase by 11.5% from the corresponding period of last year.
- 6) Equipment investments (the amount of acquired tangible fixed assets excluding land) posted 121.8 billion yen, down 30.5% from a year earlier for the second straight term.
  - By the type of industry, transportation equipment turned to decrease (down 12.8% year-on-year), and electrical machinery also declined, a drop of 48.2% from a year earlier.
- 7) The number of employees totaled 413,000 people and showed a year-on-year decrease of 4.2% for the sixth consecutive term of decline.
  - By the type of industry, there was a fall in eleven out of thirteen industries. Electrical machinery, accounting for a large portion of the total number of employees, decreased 8.3% on a year-on-year basis for the seventh consecutive quarter of fall.

[Prospects (the October 2002-March 2003 term)]

- 1) Sales prospects slid by 13.5 percentage points from the previous term (20.7 to 7.2) for the second consecutive term of decline and the DI level also dropped to a single figure.
  - By industry, there was a fall in sales prospects in ten out of thirteen industries with the number of worsening industries increased from the previous term. Among them, transportation equipment and chemicals deteriorated for the second straight term, and electrical machinery also turned to fall. The DI level of transportation equipment dropped to a single figure, and chemicals and electrical machinery fell to 0.0 in the level.
- 2) The prospects of local sales fell 15.7 percentage points from the previous term (22.2 to 6.5) for the second straight term of decline, like total sales prospects. Especially, electrical machinery saw the DI level turn negative.
- 3) The forecast for exports to Japan (Japan's reimports) slid by 7.9 percentage points from the preceding term (minus 1.2 to minus 9.1) for the second consecutive term.
- 4) The outlook for exports to countries other than Japan dropped 8.5 percentage points from the previous term (7.3 to minus 1.2). There was a significant drop in electrical machinery and industrial machinery.
- 5) With regard to intra-company transactions (exports to parent companies in Japan and imports from them),
  - The prospects of exports to parent companies decreased 6.6 percentage points from the preceding term (minus 0.9 to minus 7.5), and the outlook of imports from them slid by 11.5 percentage points from the preceding term (9.7 to minus 1.8).
- 6) The prospects of equipment investments (the amount of acquired tangible fixed assets excluding land) decreased 3.7 percentage points from the previous term (7.9 to 4.2).
  - By the type of industry, the prospects for transportation equipment, chemicals and food and tobacco turned to fall. The DI level showed a negative figure for the fifth consecutive term in electrical machinery, and transportation equipment saw the level drop to a single figure from a double-digit figure registered in the previous term.
- 7) The forecast for employment showed a moderate gain, up 1.8 percentage points from the preceding term (minus 7.8 to minus 6.0).
  - By the type of industries, transportation equipment saw the forecast for employment increase for the fourth consecutive term. The number of improving industries in the forecast increased to eight in this term from four industries in the previous term. The DI level, however, showed negative in eleven out of thirteen industries.





**1. Trends among Overseas Subsidiaries in North America**

Unit(Results : million yen(Number of employees:persons), Ratio over same quarter of last year : %

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001
Sales	5,170,398	5,322,350	5,602,315	5,717,717	P 5,201,551	-3.8	-2.4	-2.9	5.7	P 0.6
Local sales	4,728,527	4,873,093	5,176,119	5,308,821	P 4,764,922	0.6	1.2	-1.9	7.5	P 0.8
Exports to Japan	92,446	85,605	77,420	81,000	P 76,157	-10.8	-13.3	-28.8	-22.6	P -17.6
Exports to countries other than Japan	349,425	363,652	348,776	328,728	P 360,472				-10.7	P 3.2
(Parent-subsidiary deals)										
Export to the parent company in Japan	44,783	37,391	32,786	37,937	P 40,838				-18.4	P -8.8
Import from the parent company in Japan	649,165	626,863	592,364	706,764	P 696,087				-0.4	P 7.2
Acquisition of tangible fixed assets	175,202	155,855	198,487	127,750	P 121,829				-17.0	P -30.5
Number of employees	430,379	417,202	404,408	411,107	P 412,504	-4.0	-6.3	-8.2	-5.0	P -4.2

**Trends in Sales of the main industry**

Unit(Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001
Manufacturing industry in total	5,170,398	5,322,350	5,602,315	5,717,717	P 5,201,551	-3.8	-2.4	-2.9	5.7	P 0.6
Chemicals	301,058	280,542	247,233	251,573	P 232,959	17.7	5.1	-10.2	-22.4	P -22.6
Industrial machinery	267,380	288,738	322,835	324,752	P 282,695	-9.3	12.0	-1.2	8.9	P 5.7
Electrical machinery	1,305,328	1,352,074	1,238,323	1,208,803	P 1,207,484	-19.4	-13.0	-23.1	1.1	P -7.5
Transportation equipment	2,462,991	2,564,619	2,901,878	3,043,799	P 2,635,014	6.5	3.3	8.1	11.7	P 7.0
Precision instruments	41,377	33,173	36,210	30,457	P 37,104	-40.0	-54.1	-20.3	-34.8	P -10.3

**2. Outlook for North America**

(Unit:%points)

	D I					Ratio Over Previous Quarter				
	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003
Sales	-11.1	4.9	29.4	20.7	P 7.2	-12.1	16.0	24.5	-8.7	P -13.5
Local sales	-9.3	6.4	29.5	22.2	P 6.5	-12.0	15.7	23.1	-7.3	P -15.7
Exports to Japan	-13.2	-5.1	-0.4	-1.2	P -9.1	-0.7	8.1	4.7	-0.8	P -7.9
Exports to countries other than Japan	-7.7	0.4	14.5	7.3	P -1.2	0.2	8.1	14.1	-7.2	P -8.5
(Parent-subsidiary deals)										
Export to the parent company in Japan	-11.1	-3.7	-3.2	-0.9	P -7.5	0.8	7.4	0.5	2.3	P -6.6
Import from the parent company in Japan	-8.1	-1.6	6.2	9.7	P -1.8	3.1	6.5	7.8	3.5	P -11.5
Acquisition of tangible fixed assets	-7.4	3.6	5.8	7.9	P 4.2	-22.7	11.0	2.2	2.1	P -3.7
Number of employees	-16.1	-19.6	-5.3	-7.8	P -6.0	-6.9	-3.5	14.3	-2.5	P 1.8

(2) ASEAN4

[Results]

- 1) Sales totaled 1,585.9 billion yen, increasing 12.5% from the same quarter a year ago, for the third consecutive quarter and showed a double-digit increase for the second straight quarter.
  - By the type of industry, there was an increase in sales in nine out of thirteen industries. Especially, transportation equipment's sales posted a significant rise (up 31.8% from a year ago) partly due to a large increase in Thailand. In addition, electrical machinery being in the important position increased 6.0% compared with a year earlier for the second consecutive quarter, and chemicals registered a double-digit increase (up 22.5% from a year ago) for the second consecutive period. Precision machinery also gained 50.4% on a year-on-year basis, for the eleventh straight quarter of growth.
- 2) Local sales totaled 623.2 billion yen, up 21.0% from a year earlier for the third consecutive quarter like total sales, showing a double-digit increase for the second consecutive quarter.
  - By the type of industry, they rose significantly in double figures in six industries including transportation equipment (up 34.5% from the same quarter a year ago) and chemicals (up 27.8% compared with a year earlier).
- 3) Exports to Japan (Japan's reimports) totaled 398.8 billion yen, up 3.2% from a year ago for the second straight quarter of growth.
  - By industry, they soared by 61.7% for the eleventh consecutive quarter of growth in precision machinery. In addition, electrical machinery being in the important position showed a slight drop, down 0.1% compared with a year earlier, but the decrease rate shrank.
- 4) Exports to countries other than Japan totaled 563.9 billion yen, an advance of 11.1% from a year ago for the second straight quarter.
  - By industry, electrical machinery being in the important position continued to advance (a year-on-year increase of 11.0%) , and transportation equipment also increased significantly by 31.1%.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
  - Exports to parent companies totaled 270.9 billion yen, up 5.0% from the same quarter a year ago, and imports from them amounted to 176.3 billion yen, a year-on-year 16.3% rise.
  - By the type of industry, exports to parent companies advanced greatly in electrical machinery, up 2.4% compared with a year earlier, and in chemicals, up 50.4% from a year ago. Imports from parent companies in Japan rose significantly in electrical machinery, up 20.8% on a year-on-year basis.
- 6) Equipment investments (the amount of acquired tangible fixed assets excluding land) amounted to 42.0 billion yen, down 39.4% from a year ago, following the previous quarter available for comparison.
  - By the type of industry, electrical machinery being in the important position decreased equipment investments by 55.4% compared with a year earlier for the second straight quarter. In contrast, transportation equipment saw them increase greatly (up 33.0% from a year ago) for the second straight quarter of significant growth.

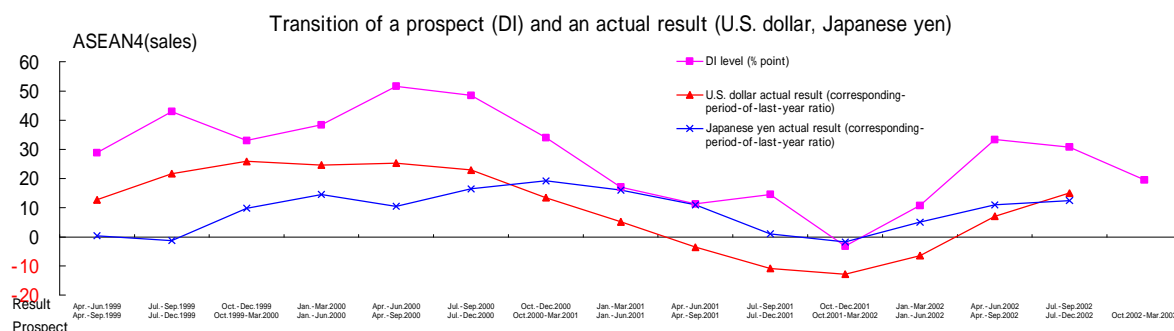
- 7) Employment posted 626,000 people, increasing 1.3% from a year earlier after the fourth consecutive quarter of decline.
- By the type of industry, transportation equipment increased the number of employees in double figures (up 17.7% year-on-year). Electrical machinery being in the important position decreased 1.4% from the same quarter a year ago, but the decrease rate was reduced.

[Prospects (the October 2002-March 2003 term)]

- 1) Sales prospects fell 11.3 percentage points from the previous term (30.8 to 19.5) for the second straight term.
- By the type of industry, they declined in ten out of thirteen industries. The rate of decline showed a double-digit figure in nine industries including electrical machinery and chemicals. The DI level turned negative in precision machinery and chemicals, and electrical machinery saw the level fall to a single-digit figure in this term though on a positive level. In contrast, the DI level remained high at 46.4 in transportation equipment in this term again.
- 2) The outlook of local sales dropped 7.1 percentage points from the previous term (24.1 to 17.0) for the second straight term.
- By the type of industry, like total sales' prospects, there was a fall in ten out of thirteen industries.
- 3) The forecast of exports to Japan (Japan's reimports) slid by 4.1 percentage points from the preceding period (8.2 to 4.1) for the second consecutive period.
- By the type of industry, transportation equipment, in particular, suffered a great fall in the forecast. The DI level also turned negative in transportation equipment, and electrical machine also saw the level fall to 0.0.
- 4) The prospects for exports to countries other than Japan declined 4.9 percentage points from the previous period (15.5 to 10.6) for the second consecutive term of decline.
- By the type of industry, the prospects worsened in eight industries including textiles and chemicals, while they improved in transportation equipment for the second straight term.
- 5) With regard to intra-company transactions (exports to parent companies in Japan and imports from them),
- The prospects of exports to parent companies decreased 2.5 percentage points from the previous term (5.5 to 3.0) for the second straight period partly due to a decline in transportation equipment. The prospects of imports from parent companies in Japan dropped 10.5 percentage points from the preceding term (14.1 to 3.6) partly due to a fall in electrical machinery.
- 6) The forecast of equipment investments (the amount of acquired tangible fixed assets excluding land) turned to increase by 4.7 percentage points from the preceding term (14.3 to 19.0).
- By industry, there was an increase in nine out of thirteen industries. Chemicals and textiles saw the forecast greatly improve.
- 7) The prospects for employment turned to gain 3.7 percentage points from the previous term

(1.6 to 5.3).

- By the type of industry, they improved significantly in electrical machinery and industrial machinery. The DI level of electrical machinery turned positive in this term from negative in the previous term.



### 1. Trends among Overseas Subsidiaries in ASEAN4

Unit(Results : million yen(Number of employees:persons), Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001
Sales	1,409,449	1,366,021	1,465,430	1,555,674	P 1,585,863	1.0	-1.8	5.0	11.0	P 12.5
Local sales	515,100	498,675	556,072	621,692	P 623,244	-5.5	-13.1	2.6	20.2	P 21.0
Exports to Japan	386,367	367,580	361,898	367,467	P 398,761	6.5	-4.2	-10.1	0.5	P 3.2
Exports to countries other than Japan	507,425	499,766	547,460	566,523	P 563,858				9.2	P 11.1
(Parent-subsidiary deals)										
Export to the parent company in Japan	258,067	241,453	237,014	242,099	P 270,932				-0.1	P 5.0
Import from the parent company in Japan	151,571	144,217	152,908	174,832	P 176,340				15.0	P 16.3
Acquisition of tangible fixed assets	69,275	52,518	53,209	45,569	P 42,012				-37.7	P -39.4
Number of employees	618,152	609,258	614,745	614,925	P 626,142	-3.3	-4.3	-2.5	-1.8	P 1.3

### Trends in Sales of the main industry

Unit(Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001
Manufacturing industry in total	1,409,449	1,366,021	1,465,430	1,555,674	P 1,585,863	1.0	-1.8	5.0	11.0	P 12.5
Chemicals	82,026	73,973	83,466	94,683	P 100,466	0.7	-8.7	-2.3	15.3	P 22.5
Industrial machinery	56,508	61,081	63,795	63,783	P 56,246	-8.0	-1.1	0.9	20.4	P -0.5
Electrical machinery	757,891	726,923	767,602	782,607	P 803,023	-2.8	-1.3	-1.8	4.0	P 6.0
Transportation equipment	265,098	256,329	287,405	345,664	P 349,434	12.2	-5.7	30.8	29.1	P 31.8
Precision instruments	25,850	28,144	27,725	35,570	P 38,886	25.3	36.9	26.4	39.4	P 50.4

### 2. Outlook for ASEAN4

(Unit : %points)

	D I					Ratio Over Previous Quarter				
	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003
Sales	-3.2	10.7	33.3	30.8	P 19.5	-17.7	13.9	22.6	-2.5	P -11.3
Local sales	-1.7	8.6	29.1	24.1	P 17.0	-10.2	10.3	20.5	-5.0	P -7.1
Exports to Japan	-9.0	-4.8	14.0	8.2	P 4.1	-12.8	4.2	18.8	-5.8	P -4.1
Exports to countries other than Japan	-4.3	2.9	20.3	15.5	P 10.6	-11.8	7.2	17.4	-4.8	P -4.9
(Parent-subsidiary deals)										
Export to the parent company in Japan	-7.1	-4.3	16.5	5.5	P 3.0	-12.3	2.8	20.8	-11.0	P -2.5
Import from the parent company in Japan	-12.8	-9.2	12.7	14.1	P 3.6	-11.4	3.6	21.9	1.4	P -10.5
Acquisition of tangible fixed assets	1.7	7.4	14.6	14.3	P 19.0	-12.7	5.7	7.2	-0.3	P 4.7
Number of employees	-1.5	-7.9	3.0	1.6	P 5.3	-4.4	-6.4	10.9	-1.4	P 3.7

### (3) NIES3

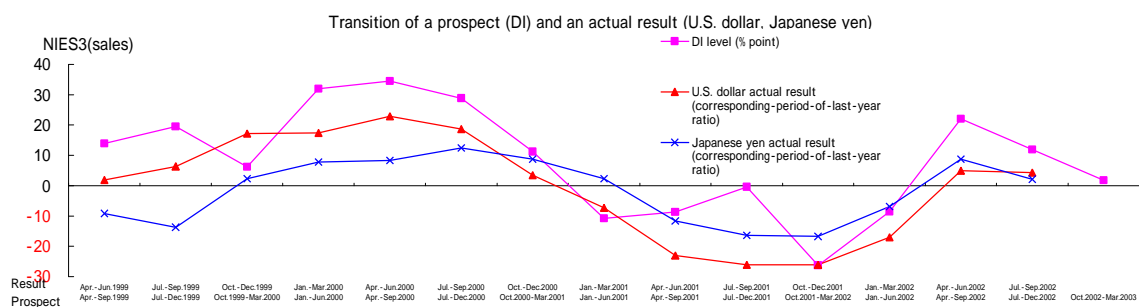
#### [Results]

- 1) Sales totaled 770.0 billion yen, up 2.1% compared with a year earlier, for the second consecutive quarter.
  - By the type of industry, they rose in nine industries. Among them, transportation equipment gained 13.3% from the same quarter a year ago for the second straight quarter due to a rise in Taiwan and South Korea, and chemicals also increased 6.9% compared with a year earlier for the second consecutive quarter. In contrast, electrical machinery being in the important position declined in sales again, down 1.7% from a year ago, after having turned to increase in the previous quarter.
- 2) Local sales totaled 403.2 billion yen, showing a moderate rise of 0.7% on a year-on-year basis, like total sales.
  - By industry, they advanced in nine industries including transportation equipment (up 11.7% from the same quarter a year ago), like total sales.
- 3) Exports to Japan (Japan's reimports) totaled 121.8 billion yen, a year-on-year fall of 5.1% for the sixth straight quarter.
  - By the type of industry, electrical machinery accounting for a large portion of the exports continued to drop (down 4.8% from a year earlier).
- 4) Exports to countries other than Japan amounted to 245.0 billion yen, up 8.7% compared with the same quarter a year ago for the second consecutive quarter.
  - By industry, they rose in eight industries. Among them, electrical machinery continued to increase for the second consecutive quarter, up 6.4% on a year-on-year basis, and industrial machinery and transportation equipment increased in two digit figures, up 13.5% and up 35.9% from a year earlier, respectively.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
  - Exports to parent companies in Japan totaled 96.3 billion yen, up 1.5% from the same quarter a year ago, and imports from them amounted to 110.8 billion yen, up 12.6% from a year ago for the second consecutive quarter.
  - By industry, the exports rose in industrial machinery (up 40.0% year on year) and electrical machinery (up 1.8% from a year ago), and the imports gained greatly in electrical machinery (up 14.3% from the same quarter a year ago).
- 6) Equipment investments (the amount of acquired tangible fixed assets excluding land) amounted to 12.6 billion yen, a fall of 11.1% from a year ago, following the previous quarter available for comparison.
  - By industry, they continued to decrease, down 19.8% on a year-on-year basis, following the previous quarter.
- 7) The number of employees was 110,000 people, a year-on-year fall of 3.4% for the seventh consecutive quarter.
  - By industry, electrical machinery being in the important position dropped 5.4% from a year earlier for the seventh straight quarter of decline and industrial machinery decreased

10.5% on a year-on-year basis for the sixth consecutive quarter. On the other hand, transportation equipment increased the number of employees by 14.6% from a year ago for the second consecutive quarter.

[Prospects (the October 2002-March 2003 term)]

- 1) The prospects of sales decreased 10.1 percentage points from the previous period (11.9 to 1.8) for the second consecutive term of decline. The DI level also dropped to a single figure.
  - By industry, they declined in seven industries including a significant drop in electrical machinery, chemicals and food and tobacco. In contrast, they turned to increase in transportation equipment.The DI level fell in all industries, but it was clear that the level turned negative in electrical machinery.
- 2) The outlook for local sales fell 10.7 percentage points from the preceding period (11.7 to 1.0) for the second straight term, like total sales prospects.
  - By industry, it deteriorated in ten industries including electrical machinery.
- 3) The forecast of exports to Japan (Japan's reimports) showed a slight decrease of 0.5 percentage points from the preceding period (minus 8.7 to minus 9.2).
  - By industry, it fell in electrical machinery and the DI level also turned negative.
- 4) The prospects for exports to countries other than Japan dropped 16.2 percentage points from the preceding period (4.7 to minus 11.5) for the second consecutive term.
  - By industry, they fell significantly in electrical machinery, chemicals and industrial machinery. The DI level also dropped to be negative.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
  - The prospects of exports to parent companies turned to increase 4.3 percentage points from the previous term (minus 11.4 to minus 7.1) partly due to a rise in transportation equipment, and the outlook of imports from parent companies in Japan decreased 8.7 percentage points from the previous term (minus 3.5 to minus 12.2) due to a significant decline in electrical machinery.
- 6) The prospects of equipment investments (the amount of acquired tangible fixed assets excluding land) posted a moderate fall of 0.3 percentage points from the previous term (3.4 to 3.1).
  - By industry, they dropped in five industries including transportation equipment. The level of DI also registered a significant fall in transportation equipment.
- 7) Employment turned to drop by 7.1 percentage points from the preceding period (minus 8.8 to minus 15.9) after having increased for the second consecutive term.
  - By industry, there was a dip in eight industries including electrical machinery and industrial machinery, and the level of DI also registered to be negative in nine industries. On the other hand, transportation equipment advanced in the DI level for the fourth straight term.



### 1. Trends among Overseas Subsidiaries in NIES3

Unit:(Results : million yen)(Number of employees:persons), Ratio over same quarter of last year : %

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001
Sales	754,213	713,541	760,699	839,757	P 769,969	-16.4	-16.8	-6.9	8.7	P 2.1
Local sales	400,539	381,299	399,397	447,616	P 403,204	-19.9	-19.5	-15.8	8.9	P 0.7
Exports to Japan	128,333	118,321	117,827	122,566	P 121,801	-9.4	-22.4	-13.9	-9.0	P -5.1
Exports to countries other than Japan		213,921	243,475	269,575	P 244,964				18.7	P 8.7
(Parent-subsidiary deals)										
Export to the parent company in Japan		88,813	85,514	94,887	P 96,316				-8.2	P 1.5
Import from the parent company in Japan		94,616	104,881	127,775	P 110,793				16.1	P 12.6
Acquisition of tangible fixed assets	14,163	9,880	13,938	14,098	P 12,596				-23.0	P -11.1
Number of employees	113,709	110,147	109,285	111,468	P 109,877	-8.3	-11.2	-9.4	-4.9	P -3.4

### Trends in Sales of the main industry

Unit:(Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001
Manufacturing industry in total	754,213	713,541	760,699	839,757	P 769,969	-16.4	-16.8	-6.9	8.7	P 2.1
Chemicals	66,547	65,707	72,809	74,250	P 71,123	-8.3	-8.6	-0.6	8.5	P 6.9
Industrial machinery	39,899	39,864	39,147	39,257	P 37,881	3.5	-9.7	-6.3	-0.3	P -5.1
Electrical machinery	429,817	402,706	432,468	467,817	P 422,376	-22.2	-21.4	-9.6	6.4	P -1.7
Transportation equipment	80,613	79,850	81,262	100,457	P 91,309	-17.3	-17.7	-13.6	19.9	P 13.3
Precision instruments	19,967	18,795	17,540	19,204	P 20,400	14.2	3.1	8.2	1.0	P 2.2

### 2. Outlook for NIES3

(Unit : %points)

	D I					Ratio Over Previous Quarter				
	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003
Sales	-26.3	-8.6	22.0	11.9	P 1.8	-25.9	17.7	30.6	-10.1	P -10.1
Local sales	-24.3	-5.9	21.5	11.7	P 1.0	-18.4	18.4	27.4	-9.8	P -10.7
Exports to Japan	-22.5	-9.2	3.0	-8.7	P -9.2	-11.7	13.3	12.2	-11.7	P -0.5
Exports to countries other than Japan	-23.9	-7.0	14.1	4.7	P -11.5	-12.7	16.9	21.1	-9.4	P -16.2
(Parent-subsidiary deals)										
Export to the parent company in Japan	-21.7	-12.4	1.9	-11.4	P -7.1	-11.5	9.3	14.3	-13.3	P 4.3
Import from the parent company in Japan	-27.7	-12.9	6.6	-3.5	P -12.2	-2.2	14.8	19.5	-10.1	P -8.7
Acquisition of tangible fixed assets	-17.5	-9.3	2.1	3.4	P 3.1	-16.4	8.2	11.4	1.3	P -0.3
Number of employees	-21.0	-21.2	-13.5	-8.8	P -15.9	-5.5	-0.2	7.7	4.7	P -7.1

#### **(4) China (including Hong Kong)**

##### **[Results]**

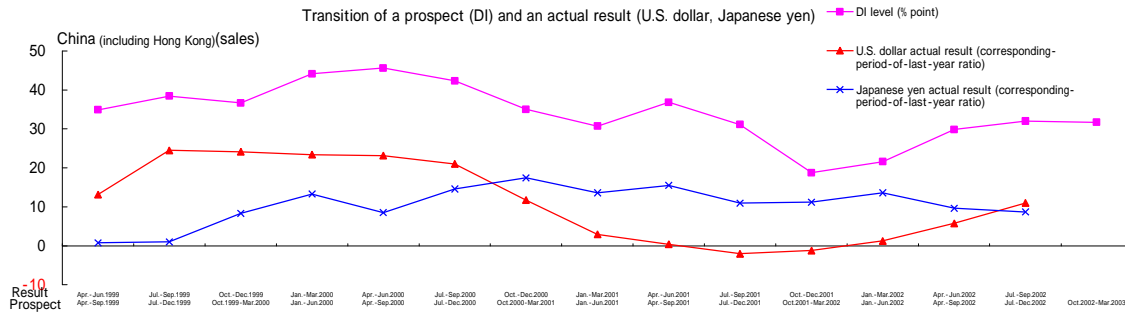
- 1) Sales totaled 884.5 billion yen, an increase of 8.7% from a year ago for the fourteenth consecutive quarter, despite the weakness in the local currency against the yen. They continue to advance partly due to the entry of new companies into the Chinese market.
  - By the type of industry, sales rose in nine industries. Among them, electrical machinery being in the important position gained 10.7% on a year-on-year basis for the fourteenth consecutive quarter and the rate of increase registered a double-digit figure for the third straight quarter. They increased 37.2% from a year ago for the eleventh straight quarter in transportation equipment due to strong demand. Chemicals also continued to grow, up 25.4% from a year earlier.
- 2) Local sales amounted to 307.0 billion yen, up 8.5% from a year ago for the eleventh consecutive quarter, like total sales.
  - Studying this by the type of industry, electrical machinery being in the important position increased 10.6% from the same quarter a year ago for the second consecutive quarter and transportation equipment soared by 50.2% from a year ago for the eleventh straight quarter of significant growth. There was a large gain in chemicals (up 13.7% from a year ago) and precision machinery (12.7%) for the second consecutive quarter.
- 3) Exports to Japan (Japan's reimports) reached 301.7 billion yen, up 12.1% from the same quarter a year ago for the fourteenth straight quarter.
  - By industry, electrical machinery increased 19.1% from a year ago for the fourteenth consecutive quarter, and there was a large rise in chemicals (up 59.5% year on year) and precision machinery (up 32.0% from a year earlier).
- 4) Exports to countries other than Japan was 275.8 billion yen, increasing 5.3% on a year-on-year basis.
  - Studying this by industry, electrical machinery, accounting for slightly less than 80% of total exports, grew 6.0% from the same quarter a year ago for the second consecutive quarter.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
  - Exports to parent companies in Japan amounted to 203.8 billion yen, up 12.3% from the same quarter a year ago, and imports from them totaled 115.3 billion yen, an increase of 4.6% from a year ago.
  - By industry, the exports rose in electrical machinery, precision machinery and transportation equipment, and the imports posted a large increase in transportation equipment and non-ferrous metals.
- 6) Equipment investments (the amount of acquired tangible fixed assets excluding land) posted 19.7 billion yen, down 46.9% from the same quarter a year ago, following the previous quarter available for comparison.
  - By industry, they declined in eight industries and electrical machinery showed a significant drop (down 37.5% year on year).



- 7) The number of employees was 447,000 people and increased 15.4% from a year earlier partly due to the entry of new companies into the Chinese market, continuing to increase since the survey had started.
- By industry, the number of employees increased in eight industries. Among them, electrical machinery being in the important position increased 19.0% from a year earlier for the third consecutive quarter. Transportation equipment increased 35.6% on a year-on-year basis for the fourteenth consecutive quarter and the rate of increase grew significantly for the fifth straight quarter.

[Prospects (the October 2002-March 2003 term)]

- 1) Sales prospects posted a slight drop of 0.3 percentage points from the previous period (32.0 to 31.7), but the DI level remained high.
  - By industry, they fell in electrical machinery and industrial machinery. The level of DI showed positive in all industries, following the previous term.
- 2) The outlook for local sales improved by 2.6 percentage points from the preceding period (29.7 to 32.3) for the second consecutive period.
  - By industry, it improved in seven industries including precision machinery and food and tobacco. The level of DI also improved in all industries excluding non-ferrous metals.
- 3) The outlook for exports to Japan (Japan's reimports) posted a moderate rise of 0.8 percentage points from the previous term (13.9 to 14.7).
  - By industry, there was a distinctive rise in textiles and transportation equipment.
- 4) The prospects of exports to countries other than Japan fell 2.8 percentage points from the preceding term (15.7 to 12.9) after having increased for the third consecutive term.
  - By industry, electrical machinery and chemicals showed a significant fall.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
  - The forecast of exports to parent companies in Japan posted a moderate drop of 0.8 percentage points from the previous period (11.8 to 11.0), and the outlook of imports from them turned to increase 2.5 percentage points from the preceding term (12.0 to 14.5) partly due to a rise in textiles.
- 6) The outlook of equipment investments (the amount of acquired tangible fixed assets excluding land) fell 2.8 percentage points from the previous term (21.3 to 18.5).
  - By industry, it deteriorated in seven industries including chemicals. The DI level showed a positive figure in eleven industries.
- 7) The forecast of employment improved by 3.7 percentage points from the previous term (10.4 to 14.1).
  - By industry, there was an increase in seven industries. Among them, transportation equipment, electrical machinery and industrial machinery improved in the forecast. The level of DI also remained positive in ten industries for the second consecutive term.



1. Trends among Overseas Subsidiaries in China (Hong Kong is included)

Unit(Results : million yen(Number of employees:persons), Ratio over same quarter of last year : % )

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002
Sales	814,057	773,165	773,491	847,986	P 884,483	10.9	11.2	13.6	9.6	P 8.7
Local sales	283,030	259,628	266,497	297,519	P 306,968	1.0	1.9	1.1	8.4	P 8.5
Exports to Japan	269,062	280,793	272,572	288,454	P 301,726	18.1	23.1	17.8	8.7	P 12.1
Exports to countries other than Japan	261,978	232,749	234,422	262,265	P 275,789				12.0	P 5.3
(Parent-subsidiary deals)										
Export to the parent company in Japan	181,461	179,854	171,526	196,229	P 203,787				8.0	P 12.3
Import from the parent company in Japan	110,188	106,026	102,648	111,839	P 115,273				3.3	P 4.6
Acquisition of tangible fixed assets	37,145	19,910	22,203	21,561	P 19,719				-29.1	P -46.9
Number of employees	387,145	385,786	400,208	420,635	P 446,695	7.1	3.2	6.9	10.1	P 15.4

Trends in Sales of the main industry

Unit(Results : million yen, Ratio over same quarter of last year : % )

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2002
Manufacturing industry in total	814,057	773,165	773,491	847,986	P 884,483	10.9	11.2	13.6	9.6	P 8.7
Chemicals	31,280	34,224	30,647	32,537	P 39,235	33.3	44.4	31.4	18.2	P 25.4
Industrial machinery	113,085	113,743	121,524	112,524	P 113,015	48.6	33.4	28.3	-2.9	P -0.1
Electrical machinery	449,320	428,195	424,238	484,883	P 497,520	3.8	5.4	16.4	14.8	P 10.7
Transportation equipment	17,059	16,451	18,976	22,095	P 23,403	28.4	37.8	44.5	54.0	P 37.2
Precision instruments	69,985	61,599	54,960	63,351	P 71,379	4.5	5.2	-9.9	-8.3	P 2.0

2. Outlook for China (Hong Kong is included)

(Unit:%points)

	D I					Ratio Over Previous Quarter				
	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003
Sales	18.7	21.6	29.8	32.0	P 31.7	-12.4	2.9	8.2	2.2	P -0.3
Local sales	22.9	28.8	25.2	29.7	P 32.3	-4.2	5.9	-3.6	4.5	P 2.6
Exports to Japan	-1.0	1.0	16.6	13.9	P 14.7	-20.0	2.0	15.6	-2.7	P 0.8
Exports to countries other than Japan	5.8	10.7	12.4	15.7	P 12.9	-1.9	4.9	1.7	3.3	P -2.8
(Parent-subsidiary deals)										
Export to the parent company in Japan	-0.7	2.9	14.6	11.8	P 11.0	-18.0	3.6	11.7	-2.8	P -0.8
Import from the parent company in Japan	0.4	-2.0	12.7	12.0	P 14.5	-8.6	-2.4	14.7	-0.7	P 2.5
Acquisition of tangible fixed assets	13.7	23.3	18.5	21.3	P 18.5	-10.0	9.6	-4.8	2.8	P -2.8
Number of employees	10.6	10.5	14.3	10.4	P 14.1	-1.4	-0.1	3.8	-3.9	P 3.7

## **(5) Europe**

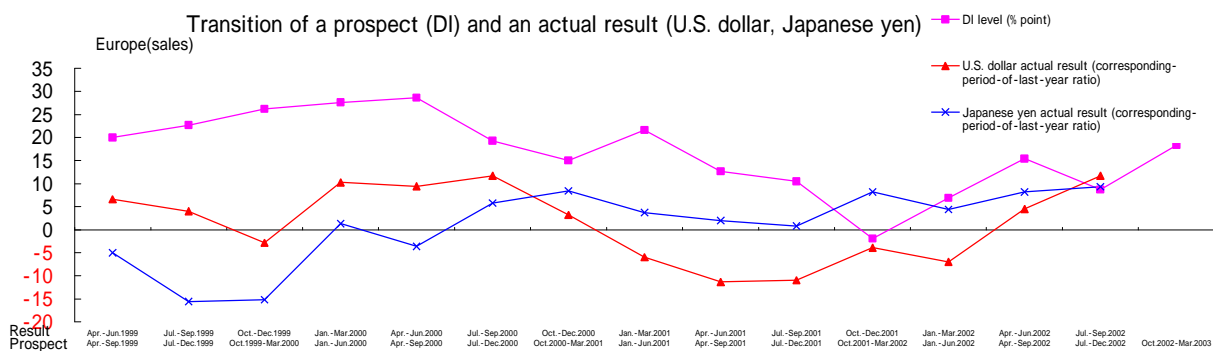
### **Results**

- 1) Sales totaled 1,878.8 billion yen, up 9.3% from the same period a year ago for the ninth consecutive quarter, partly due to the yen's fall against local currencies.
  - Studying this by the type of industry, they rose in eight industries. Among them, transportation equipment, up 21.6% from the same quarter a year ago, continues to increase for the seventh consecutive quarter partly due to a rise in England. Electrical machinery and industrial machinery turned to increase, up 3.6% and up 10.4% on a year-on-year basis respectively.
- 2) Local sales, like total sales, increased to 1,388.0 billion yen, up 12.6% year on year for the fifth consecutive quarter.
  - By industry, as in total sales, transportation equipment increased 25.8% in local sales for the seventh consecutive quarter, and electrical machinery and chemicals also rose, up 5.6% and up 11.8% on a year-on-year basis respectively.
- 3) Exports to Japan (Japan's reimports) posted 18.1 billion yen, down 25.4% from the same period last year, for the third consecutive quarter.
  - By industry, electrical machinery dropped 45.0% in them from a year earlier for the sixth straight quarter.
- 4) Exports to countries other than Japan totaled 472.7 billion yen, up 2.3% compared with the same quarter a year ago.
  - By industry, transportation equipment grew 9.8% in the exports from a year earlier, and industrial machinery and precision machinery also continued to increase, up 10.1% and up 40.1% on a year-on-year basis respectively.
- 5) With regard to intra-company transactions (exports to parent companies in Japan and imports from them),
  - Exports to parent companies was 9.0 billion yen, a 21.5% plunge from the previous year for the second consecutive quarter, and imports from them was 184.2 billion yen, a year-on-year rise of 7.4% for the second consecutive quarter.
  - By the type of industry, electrical machinery dropped in exports to parent companies, and imports from them saw a remarkable advance in transportation equipment and precision machinery.
- 6) Equipment investments (the amount of acquired tangible fixed assets excluding land) amounted to 52.4 billion yen, down 14.2% from the corresponding quarter of last year following the previous quarter available for comparison.
  - Studying this by the type of industry, transportation equipment continued to decline (down 22.5% from a year earlier) and there was a remarkable drop of 51.0% from a year ago in precision machinery.
- 7) The number of employees totaled 200,000 people, down 3.2% from the same quarter a year ago for the seventh consecutive quarter.
  - By industry, employment saw electrical machinery decrease 9.6% from a year earlier for the seventh consecutive quarter, and chemicals and industrial machinery continued to

decline in employment, down 7.1% and down 4.4% on a year-on-year basis respectively.

[Prospects (the October 2002-March 2003 term)]

- 1) Sales prospects advanced 9.7 percentage points from the preceding term (8.7 to 18.4) after having dropped in the previous period.
  - Studying this by industry, transportation equipment turned to increase after having declined for the second consecutive term, and chemicals also turned to increase. The level of DI turned positive in eight industries.
- 2) The forecast of local sales showed a moderate rise of 0.3 percentage points from the previous term (9.6 to 9.9), like total sales prospects.
  - By the type of industry, transportation equipment improved in the forecast after having declined for the second consecutive term, while industrial machinery worsened for the second straight term.
- 3) The outlook for exports to Japan (Japan's reimports) improved 3.7 percentage points from the previous period (minus 4.3 to minus 0.6).
- 4) The prospects for exports to countries other than Japan turned to rise 3.3 percentage points from the preceding term (4.3 to 7.6).
  - Studying this by industry, there was a rise in five industries including transportation equipment.
- 5) In terms of intra-company transactions (exports to parent companies in Japan and imports from them),
  - The forecast of exports to parent companies turned to rise 3.0 percentage points from the preceding term (minus 3.0 to 0.0), and that of imports from parent companies turned to increase 1.5 percentage points from the previous term (minus 2.7 to minus 1.2) partly due to a rise in transportation equipment.
- 6) The prospects of equipment investments (the amount of acquired tangible fixed assets excluding land) slid by 1.1 percentage points from the previous term (12.1 to 11.0) for the second straight term.
  - By the type of industry, electrical machinery and industrial machinery turned to decline in the prospects. On the other hand, transportation equipment turned to increase in them, and showed a high DI level.
- 7) The forecast of employment dropped 1.6 percentage points from the previous term (minus 1.4 to minus 3.0) for the second straight term.
  - Studying this by industry, electrical machinery declined for the second straight term, while transportation equipment rose for the second consecutive term.



### 1. Trends among Overseas Subsidiaries in Europe

Unit:(Results : million yen(Number of employees:persons), Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001
Sales	1,718,705	1,910,330	2,010,543	1,922,198	P 1,878,795	0.8	8.2	4.4	8.2	P 9.3
Local sales	1,232,188	1,378,543	1,454,998	1,429,186	P 1,388,028	1.5	10.4	4.5	12.4	P 12.6
Exports to Japan	24,286	25,115	23,645	21,243	P 18,115	-5.2	2.5	-27.9	-13.1	P -25.4
Exports to countries other than Japan	462,231	506,672	531,900	471,769	P 472,652				-1.7	P 2.3
(Parent-subsidiary deals)										
Export to the parent company in Japan	11,446	11,526	9,778	9,160	P 8,986				-26.8	P -21.5
Import from the parent company in Japan	171,592	164,694	175,013	194,650	P 184,249				13.0	P 7.4
Acquisition of tangible fixed assets	61,119	47,656	49,025	49,301	P 52,411				-4.6	P -14.2
Number of employees	206,471	204,181	200,242	199,467	P 199,821	-2.7	-1.2	-2.9	-3.4	P -3.2

### Trends in Sales of the main industry

Unit:(Results : million yen, Ratio over same quarter of last year : %)

	Quarterly Performances					Ratio Over Same quarter of last year				
	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001	Jul. - Sep. 2001	Oct. - Dec. 2001	Jan. - Mar. 2002	Apr. - Jun. 2002	Jul. - Sep. 2001
Manufacturing industry in total	1,718,705	1,910,330	2,010,543	1,922,198	P 1,878,795	0.8	8.2	4.4	8.2	P 9.3
Chemicals	234,587	264,403	295,353	243,601	P 235,160	6.5	17.7	24.4	-2.4	P 0.2
Industrial machinery	179,050	177,492	190,281	201,446	P 197,592	9.9	17.0	-4.6	-1.6	P 10.4
Electrical machinery	595,340	708,821	701,947	630,370	P 616,874	-19.6	-12.6	-7.7	-1.9	P 3.6
Transportation equipment	477,606	520,533	557,359	595,315	P 580,646	32.7	44.6	11.5	24.5	P 21.6
Precision instruments	40,388	41,628	53,803	45,081	P 43,774	6.8	24.5	43.3	37.9	P 8.4

### 2. Outlook for Europe

(Unit:%points)

	D I					Ratio Over Previous Quarter				
	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003	Oct.2001 -Mar.2002	Jan. - Jun. 2002	Apr. - Sep. 2002	Jul. - Dec. 2002	Oct.2002 -Mar.2003
Sales	-1.9	6.9	15.4	8.7	P 18.4	-12.4	8.8	8.5	-6.7	P 9.7
Local sales	0.0	6.1	17.4	9.6	P 9.9	-6.9	6.1	11.3	-7.8	P 0.3
Exports to Japan	-4.0	-9.7	0.6	-4.3	P -0.6	-0.5	-5.7	10.3	-4.9	P 3.7
Exports to countries other than Japan	-2.0	3.9	10.2	4.3	P 7.6	-3.0	5.9	6.3	-5.9	P 3.3
(Parent-subsidiary deals)										
Export to the parent company in Japan	-4.1	-8.6	0.6	-3.0	P 0.0	-0.5	-4.5	9.2	-3.6	P 3.0
Import from the parent company in Japan	-7.0	-1.7	0.6	-2.7	P -1.2	-0.8	5.3	2.3	-3.3	P 1.5
Acquisition of tangible fixed assets	-0.4	4.8	16.5	12.1	P 11.0	-3.5	5.2	11.7	-4.4	P -1.1
Number of employees	-12.2	-10.8	2.5	-1.4	P -3.0	-6.6	1.4	13.3	-3.9	P -1.6

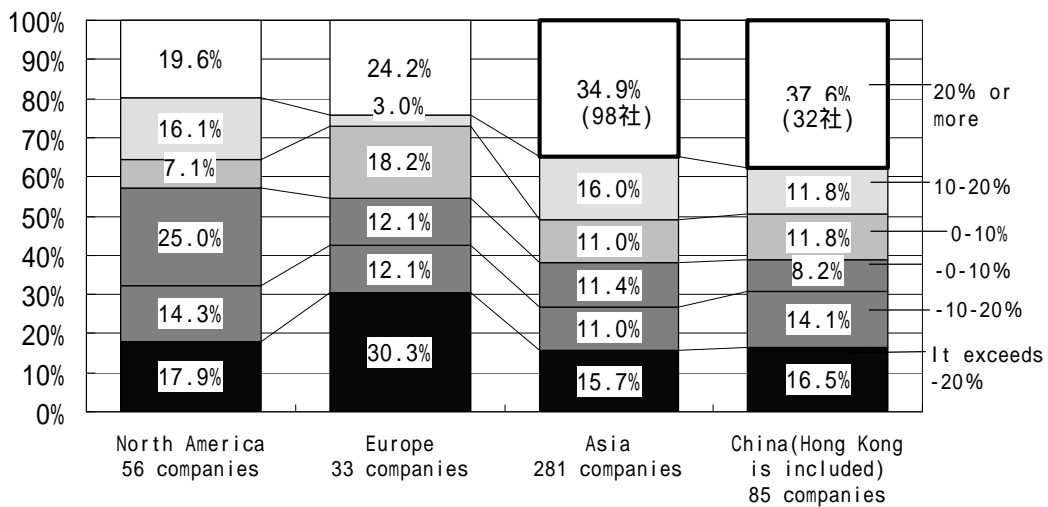
[Topics]

Sales of electrical machinery for the July-September quarter of 2002

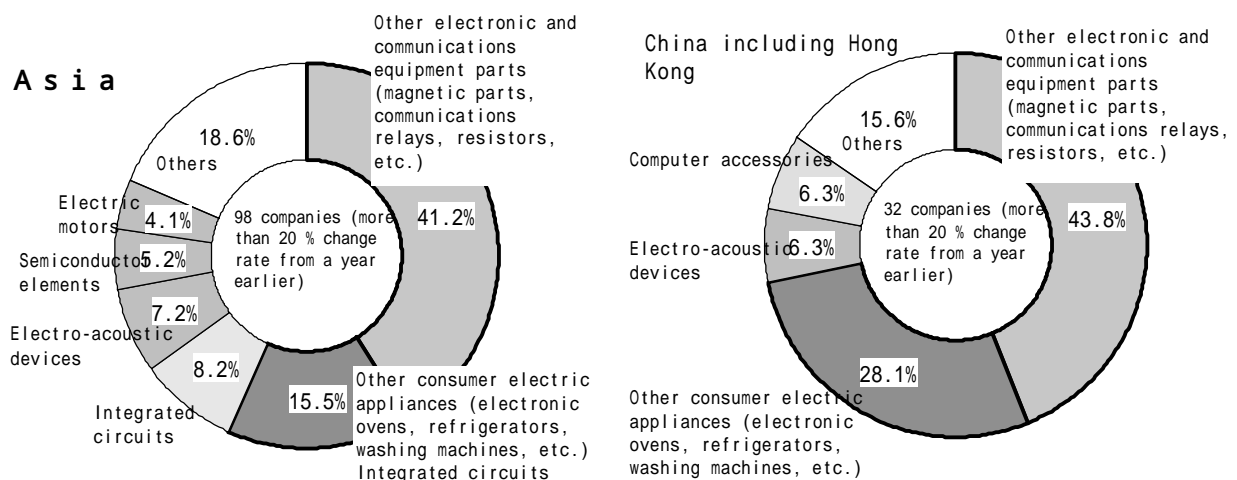
**One out of three subsidiaries in China increased in the sales of electrical machinery more than 20% from a year earlier.**

**1. Sales of electrical machinery was active in Asia, and increased more than 20% from a year earlier in one out of three subsidiaries in China.**

Year-on-year changes in the number of subsidiaries by region/country



**2. Electronic parts other than ICs and white goods played the role of an engine for brisk sales by subsidiaries in China**



Note: Overseas subsidiaries posting more than ¥100 million in sales were surveyed.

## (Reference)

## 1 . Comparison with the exchange rates of the Japanese yen and the US dollar

(Ratio Over Same quarter of last year : % )

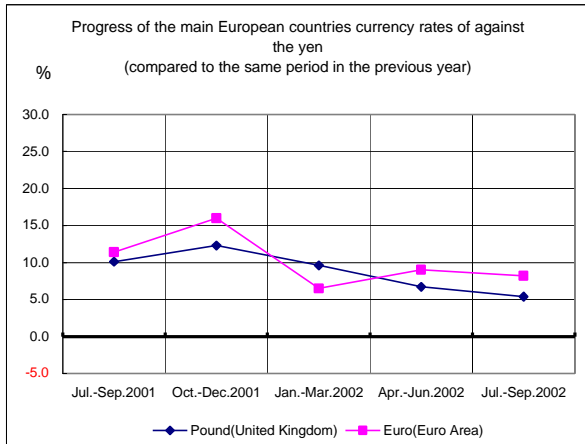
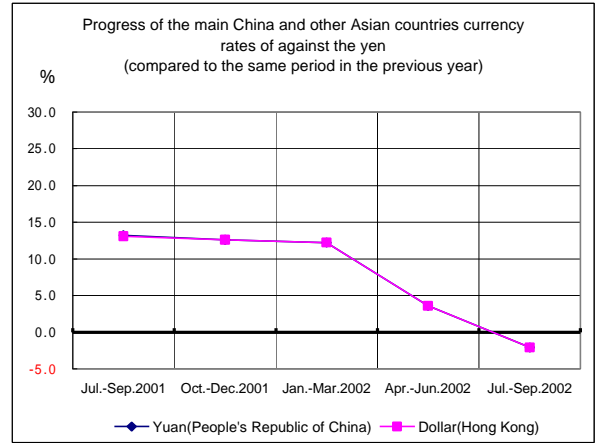
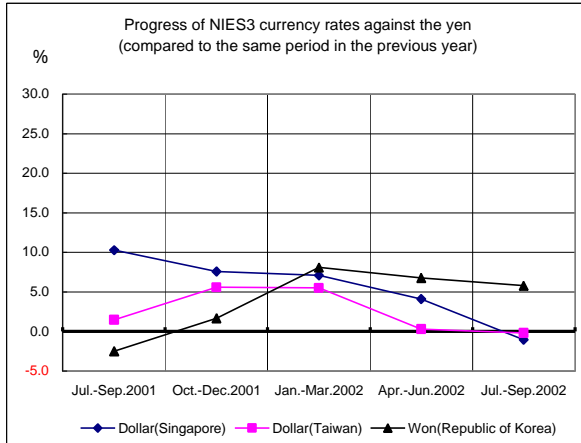
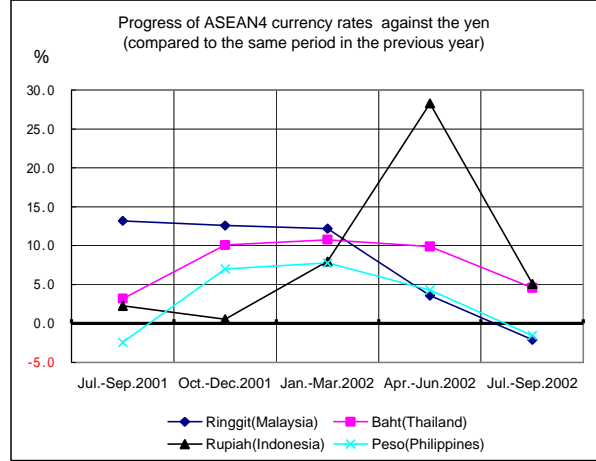
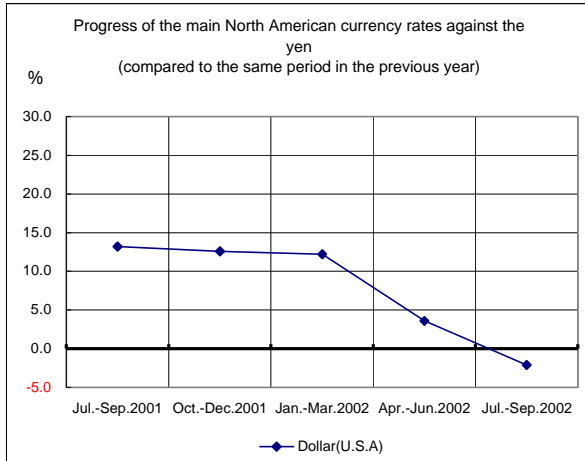
Area	Item	Japanese yen equivalent					US dollar equivalent				
		2001		2002			2001		2002		
		Jul-Sep	Oct-Dec	Jan-Mar	Oct-Dec	Jul-Sep	Jul-Sep	Oct-Dec	Jan-Mar	Oct-Dec	Jul-Sep
All areas	Sales	-1.7	-0.5	0.5	7.1	4.5	-13.1	-11.6	-10.4	3.4	6.8
	Local sales	-0.4	0.2	-0.5	8.9	4.5	-12.0	-11.0	-11.3	5.1	6.8
	Exports to Japan	5.1	-1.5	-6.1	-1.1	2.3	-7.2	-12.5	-16.3	-4.5	4.5
North America	Sales	-3.8	-2.4	-2.9	5.7	0.6	-15.0	-13.3	-13.5	2.0	2.8
	Local sales	0.6	1.2	-1.9	7.5	0.8	-11.1	-10.2	-12.6	3.8	3.0
	Exports to Japan	-10.8	-13.3	-28.8	-22.6	-17.6	-21.2	-23.0	-36.5	-25.3	-15.8
Asia	Sales	-1.4	-2.5	4.6	12.4	11.2	-12.8	-13.4	-6.7	8.5	13.6
	Local sales	-8.6	-11.1	-2.4	18.9	16.4	-19.3	-21.0	-13.0	14.7	18.9
	Exports to Japan	7.2	0.6	-1.9	2.3	5.4	-5.2	-10.6	-12.6	-1.2	7.6
ASEAN4	Sales	1.0	-1.8	5.0	11.0	12.5	-10.8	-12.8	-6.4	7.1	15.0
	Local sales	-5.5	-13.1	2.6	20.2	21.0	-16.5	-22.8	-8.5	16.0	23.6
	Exports to Japan	6.5	-4.2	-10.1	0.5	3.2	-5.9	-15.0	-19.9	-3.0	5.5
NIES3	Sales	-16.4	-16.8	-6.9	8.7	2.1	-26.1	-26.1	-17.0	4.9	4.3
	Local sales	-19.9	-19.5	-15.8	8.9	0.7	-29.2	-28.5	-24.9	5.2	2.9
	Exports to Japan	-9.4	-22.4	-13.9	-9.0	-5.1	-19.9	-31.1	-23.2	-12.2	-3.0
China (Hong Kong is included)	Sales	10.9	11.2	13.6	9.6	8.7	-2.0	-1.2	1.3	5.8	11.0
	Local sales	1.0	1.9	1.1	8.4	8.5	-10.7	-9.5	-9.8	4.7	10.8
	Exports to Japan	18.1	23.1	17.8	8.7	12.1	4.4	9.3	5.0	4.9	14.6
Europe	Sales	0.8	8.2	4.4	8.2	9.3	-10.9	-3.9	-6.9	4.5	11.7
	Local sales	1.5	10.4	4.5	12.4	12.6	-10.3	-1.9	-6.8	8.5	15.1
	Exports to Japan	-5.2	2.5	-27.9	-13.1	-25.4	-16.3	-8.9	-35.7	-16.1	-23.8
Other	Sales	8.8	1.4	0.5	-7.7	-7.9	-3.8	-10.0	-10.4	-10.9	-5.9
	Local sales	7.1	-4.2	5.6	-8.4	-9.1	-5.4	-14.9	-5.9	-11.6	-7.1
	Exports to Japan	19.6	-23.3	-7.8	-4.5	6.6	5.7	-31.8	-17.8	-7.9	9.0

2. Results in the main countries and areas

	Item	Results(million yen, persons)					Ratio Over Same quarter of last year(%)				
		2001		2002			2001		2002		
		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
United States of America	Sales	4,803,538	4,925,346	5,172,694	5,227,316	4,790,192	-4.9	-3.1	-3.0	4.6	-0.3
	Local sales	4,399,290	4,514,130	4,778,800	4,859,704	4,392,888	-1.1	0.7	-1.4	6.4	-0.1
	Exports to Japan	86,497	79,518	73,547	77,414	72,360	-6.6	-10.8	-27.1	-20.7	-16.3
	Number of employees	412,213	399,364	387,563	393,733	394,671	-4.1	-6.4	-8.1	-5.1	-4.3
Indonesia	Sales	257,632	233,963	252,591	275,367	287,326	0.6	-2.2	0.6	7.6	11.5
	Local sales	103,042	92,048	103,978	115,209	116,837	-2.8	-5.0	10.6	18.8	13.4
	Exports to Japan	57,860	53,297	48,017	56,985	62,344	22.3	3.5	-28.6	-3.9	7.7
	Number of employees	167,605	166,424	166,391	167,809	170,358	2.9	3.9	3.5	-0.4	1.6
Malaysia	Sales	410,797	389,718	407,505	421,428	413,082	-7.0	-5.1	-1.4	0.4	0.6
	Local sales	108,454	102,972	109,870	114,364	111,666	-15.3	-19.2	-7.2	1.9	3.0
	Exports to Japan	103,694	93,712	87,355	91,898	93,070	18.2	-5.4	-16.8	-9.4	-10.2
	Number of employees	164,043	158,601	154,942	151,879	148,687	-6.5	-9.4	-9.2	-9.8	-9.4
Philippines	Sales	238,405	239,410	261,760	260,640	265,688	2.9	4.5	10.9	15.1	11.4
	Local sales	42,446	42,848	47,524	50,401	47,811	-34.2	-32.3	-35.2	14.7	12.6
	Exports to Japan	99,057	99,570	104,049	95,110	103,279	-9.1	-10.2	-0.1	0.6	4.3
	Number of employees	104,614	102,346	108,471	110,214	112,278	-7.4	-8.2	-3.1	-0.1	7.3
Thailand	Sales	502,615	502,930	543,574	598,239	619,767	11.0	0.4	12.2	19.7	23.3
	Local sales	261,158	260,807	294,700	341,718	346,930	10.2	-6.4	17.0	29.3	32.8
	Exports to Japan	125,756	121,001	122,477	123,474	140,068	9.2	0.8	-2.1	11.9	11.4
	Number of employees	181,890	181,887	184,941	185,023	194,819	0.7	-1.3	3.4	3.5	7.1
Republic of Korea	Sales	118,040	106,586	107,500	124,325	119,154	0.0	-5.2	1.7	10.8	0.9
	Local sales	68,997	65,169	66,597	79,625	77,009	5.7	2.0	4.9	14.7	11.6
	Exports to Japan	30,824	25,789	24,233	26,403	27,643	-5.6	-9.6	-2.0	1.2	-10.3
	Number of employees	20,705	19,990	19,793	20,121	19,979	-3.4	-6.5	-5.3	-4.5	-3.5
Singapore	Sales	369,131	340,447	353,740	381,242	360,084	-21.1	-22.6	-11.9	2.0	-2.5
	Local sales	168,531	164,316	168,045	181,336	154,808	-30.7	-27.3	-21.9	5.8	-8.1
	Exports to Japan	60,346	55,209	56,862	59,147	59,363	-6.8	-28.4	-14.6	-13.2	-1.6
	Number of employees	46,823	44,935	45,071	47,620	47,008	-7.4	-13.5	-10.6	-1.8	0.4
Taiwan	Sales	267,042	266,508	299,459	334,190	290,731	-15.2	-12.9	-2.9	16.5	8.9
	Local sales	163,011	151,814	164,755	186,655	171,387	-9.5	-11.7	-13.6	9.8	5.1
	Exports to Japan	37,163	37,323	36,732	37,016	34,795	-15.2	-22.9	-18.0	-8.6	-6.4
	Number of employees	46,181	45,222	44,421	43,727	42,890	-11.0	-10.5	-9.6	-8.2	-7.1
People's Republic of China (Hong Kong is included)	Sales	814,057	773,165	773,491	847,986	884,483	10.9	11.2	13.6	9.6	8.7
	Local sales	283,030	259,628	266,497	297,519	306,968	1.0	1.9	1.1	8.4	8.5
	Exports to Japan	269,062	280,793	272,572	288,454	301,726	18.1	23.1	17.8	8.7	12.1
	Number of employees	387,145	385,786	400,208	420,635	446,695	7.1	3.2	6.9	10.1	15.4
United Kingdom	Sales	592,368	688,166	712,779	643,224	687,326	-8.3	1.8	2.3	3.3	16.0
	Local sales	445,374	517,767	543,283	496,766	528,796	6.5	14.6	17.4	6.7	18.7
	Exports to Japan	10,971	11,509	12,730	7,539	7,089	-18.3	-4.7	-31.6	-24.5	-35.4
	Number of employees	62,076	60,857	58,334	58,121	58,431	-12.9	-15.8	-8.5	-9.0	-5.9
France	Sales	177,978	213,095	210,499	214,159	187,931	-7.8	-3.9	-6.0	11.4	5.6
	Local sales	112,454	137,909	144,129	137,228	117,061	-19.4	-12.2	-16.7	4.5	4.1
	Exports to Japan	4,000	4,177	3,241	3,368	2,807	43.3	46.3	-0.3	0.1	-29.8
	Number of employees	17,241	17,062	16,792	17,507	18,058	-2.1	0.7	-5.1	-3.4	4.7
Germany	Sales	243,714	254,090	273,825	282,840	275,667	-21.3	-17.3	-18.2	-4.4	13.1
	Local sales	165,626	171,551	195,378	206,788	196,236	-37.2	-31.6	-32.5	-2.7	18.5
	Exports to Japan	3,588	4,478	2,534	3,509	2,771	-1.2	-6.3	-21.9	-14.6	-22.8
	Number of employees	21,828	21,741	22,509	22,176	22,478	0.1	0.6	1.9	0.1	3.0
Netherlands	Sales	294,442	320,275	360,662	322,517	310,091	43.9	54.5	57.5	34.6	5.3
	Local sales	232,351	262,094	264,262	273,890	262,410	42.8	68.2	52.9	56.0	12.9
	Exports to Japan	684	269	340	299	584	235.3	46.2	29.8	-16.7	-14.6
	Number of employees	30,761	30,517	30,454	28,881	28,574	7.8	8.1	9.3	3.8	-7.1



## Progress of the currency rates of the main regions against the yen



## The reference of data

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\* Time series tables for data in the past are on the Web page at the above-mentioned address.