

# **Trends in Overseas Subsidiaries**

(Quarterly Survey of Overseas Subsidiaries)

**Survey from April to June 2004 (Actual figures/DI)**

September 30, 2004

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

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## I. Quarterly Survey of Overseas Subsidiaries

### 1. Outline of the survey

#### (1) Purpose of the survey

The purpose of this survey is to identify overseas economic trends in advance by surveying the results and prospects of overseas business activities of Japanese companies, and to understand the economic trends of Japanese companies overseas and actual conditions of economic globalization. An additional purpose is to contribute to drafting flexible industrial and trade policy.

#### (2) Legal basis of the survey

These are the authorized statistics based on Article 4 of the Statistics Report Adjustment Law.

#### (3) Date of the survey

The survey was based on the period ending the last day of June 2004.

(The deadline for submitting the survey for this quarter was August 13, 2004.)

#### (4) Survey target

The survey covers companies that meet all the following conditions as of the end of March 2004:

All industries except finance, insurance and real estate

Companies with 100 million yen or more in capital

Companies with 50 or more employees

Companies with overseas subsidiaries

Among overseas subsidiaries of the above Japanese parent companies, this survey is conducted for overseas subsidiaries that meet all of the following conditions (including overseas subsidiaries that were established during the term of the survey) as of the end of each quarter:

Manufacturing companies

Companies with 50 or more employees

Companies with 50% or more investment rate (totaling direct investment and indirect investment) by parent companies.

#### (5) Survey method

The survey was conducted via mail, using self-declarations made by parent companies covered by the survey.

#### (6) Survey content

The survey covers actual figures and DI (business confidence) for sales, the purchase value of tangible fixed assets, and the number of employees. From the April – June 2004 survey, the survey period for the DI was changed to three months. The former six-month survey period was divided into “estimation of the present situation” and “future” and both were surveyed for three months respectively.

Before revision: Prospects for the six months after the survey period

After revision: Estimation of present situation (Prospects for the three months after the survey period)

Future prospects (Prospects for the three months after the estimation of the present situation)

#### (7) Response rate

• The responses to the survey for this quarter are summarized below:

Number of companies covered by survey (overseas subsidiaries)	Number of companies that responded	Response rate
3582	2677	74.7%

## 2. Usage notes

### (1) With regard to publicized currencies

This “Quarterly Survey of Overseas Subsidiaries,” which consists of the former “Trend Survey of Japanese Companies” (excluding the “Survey of Parent Companies”), has been conducted since the April – June quarter of 2003, and focuses on overseas subsidiaries that engage in manufacturing overseas. Accordingly, amounts relating to overseas subsidiaries listed in local currencies are analyzed by converting them into US dollars at the average exchange rate for the quarter announced by the IMF.

(For exchange rates of major currencies relative to the US dollar, please see Page 13)

### (2) Adjustment to deal with gap in published values

Omitted parts have been added since the April – June quarter of 2004. There is a gap between the results of that quarter and those of previous quarters. Therefore, comparisons between the current quarter and the corresponding quarter of the previous year are calculated and estimated by totaling the figures only for overseas subsidiaries continuously subject to the survey since the corresponding quarter of the previous year.

### (3) Method for determining numerical values

#### Quarterly numerical values

The numerical values for this quarter will be finalized in the following quarter.

#### Numerical values for previous year (quarter; fiscal year total)

Finalized in the quarter following the last quarter of the fiscal year (i.e. the April – June quarter)  
(Inter-fiscal-year amendment)

Therefore, the value of 2003 is different from the official value of January – March quarter of 2004.

### (4) Annotations in the statistical tables

- : No results.

p : Preliminary estimated values. The numerical values for this quarter are preliminary estimates, and may be changed in the following quarter.

x : Signifies that data is not being disclosed because there are only one or two parent companies for overseas subsidiaries. This may even be done in cases where there are three or more companies, in order to avoid the risk of enabling the calculation of “x” from the data provided.

r : Shows the change from the publicized value (other than preliminary estimate) for the previous quarter.

### (5) Tabulation method

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

Estimated values for this quarter for companies not submitting data

= Value for corresponding quarter in previous year for relevant companies

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

×

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

## II. Findings of the survey

### 1. Sales trends

#### 【DI】

The sales DI originally surveyed the prospects for the six months following the survey period, but from the current survey it is divided into estimation of the present situation (July to September 2004) and future prospects (October to December 2004), and each are surveyed for three months. Therefore, the comparison of the current prospects DI to the previous quarter is a comparison between the DI for the previous quarter for six months (April to September 2004) and the current DI for three months (October to December 2004).

Compared to the previous quarter, the sales prospects DI surveyed between April and June 2004 decreased by 12.1 points, down for the first time in three quarters. The sales DI was 22.9 points for the estimation of the present situation (July to September 2004) and 20.1 points for the future (October to December 2004) (see Chart1).

#### 《By region》

The sales prospects DI remained positive in all regions, but compared to the previous quarter it decreased in all regions except Europe, down for the first time in three quarters, due to concerns about a slowdown of the world economy caused by the high price of crude oil and China's tight monetary policy, etc. Asia registered a double-digit decrease of 15.9 points. In particular, ASEAN4 decreased by 21.5 points due to decreases in 12 out of 13 industries including electrical machinery.

- **North America**: The DI (15.3 points) decreased by 8.2 points compared to the previous quarter. Transportation equipment decreased sharply (to 15.1 points, down by 7.2 points), while electrical machinery increased (to 17.9 points, up by 5.7 points).

- **ASEAN4**<sup>\*1</sup>: The DI (13.6 points) decreased by 21.5 points compared to the previous quarter. Decreases were observed in 12 industries including electrical machinery (down by 26.8 points) and transportation equipment (down by 22.8 points).

- **NIES3**<sup>\*2</sup>: The DI (9.4 points) decreased by 18.3 points compared to the previous quarter. A decrease was observed in electrical machinery, which had been favorable, (down by 16.7).

- **China**<sup>\*3</sup>: The DI remained in high double digits for the 11th consecutive quarter, but at 35.0 points decreased by 11.7 points compared to the previous quarter.

- **Europe**: The DI (20.7 points) increased by 1.2 points compared to the previous quarter. Electrical machinery increased significantly (to 27.9 points, up by 22.9 points).

Notes

- DI = Ratio of companies expecting an increase – ratio of companies expecting a decrease
- DI compared with the previous quarter = DI – DI for the previous quarter

DI for the previous quarter: Prospects from April to September 2004

Estimation of the coincident DI: Prospects between July and September 2004

Future DI: Prospects from October to December 2004

\*1 : ASEAN4: Indonesia, Thailand, the Philippines, and Malaysia

\*2 : NIES3: Singapore, Taiwan, and the Republic of Korea

\*3 : China: including Hong Kong

Chart 1 Sales Prospects by Region (DI value)

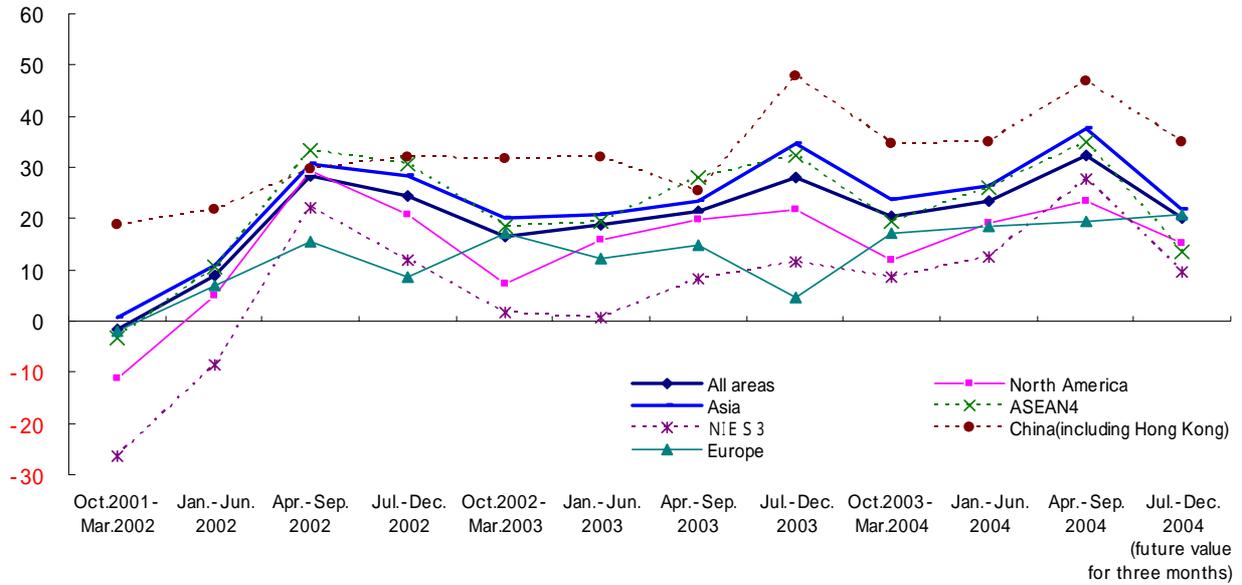


Table 1 Sales DI by Region

Sales	DI			
	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep.2004	Future from Oct.-Dec.2004	comparison to previous quarter
All areas	32.2	22.9	20.1	-12.1
North America	23.5	16.3	15.3	-8.2
Asia	37.6	28.0	21.7	-15.9
ASEAN4	35.1	24.6	13.6	-21.5
NIE S3	27.7	11.2	9.4	-18.3
China(including Hong Kong)	46.7	38.5	35.0	-11.7
Europe	19.5	2.6	20.7	1.2

Table 2 Sales DI of Main Industries

Sales	DI			
	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep.2004	Future from Oct.-Dec.2004	comparison to previous quarter
Manufacturing industry in total	32.2	22.9	20.1	-12.1
Transportation equipment	32.3	16.6	19.4	-12.9
Electrical machinery	32.2	22.1	18.3	-13.9
Industrial machinery	34.0	26.7	30.4	-3.6
Chemicals	36.9	20.0	23.8	-13.1

Sale DI of Main Industries in North America

Sales	DI			
	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep.2004	Future from Oct.-Dec.2004	comparison to previous quarter
Transportation equipment	22.3	7.1	15.1	-7.2
Electrical machinery	12.2	16.5	17.9	5.7
Industrial machinery	20.9	24.4	22.0	1.1
Chemicals	25.0	15.0	13.3	-11.7

Sale DI of Main Industries in Asia

Sales	DI			
	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep.2004	Future from Oct.-Dec.2004	comparison to previous quarter
Transportation equipment	43.0	26.3	27.2	-15.8
Electrical machinery	39.5	25.3	16.6	-22.9
Industrial machinery	39.2	29.2	31.2	-8.0
Chemicals	43.5	27.6	26.9	-16.6

Sale DI of Main Industries in ASEAN4

Sales	DI			
	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep.2004	Future from Oct.-Dec.2004	comparison to previous quarter
Transportation equipment	46.9	30.1	24.1	-22.8
Electrical machinery	30.1	21.2	3.3	-26.8
Industrial machinery	28.9	23.1	18.0	-10.9
Chemicals	46.2	28.0	20.5	-25.7

Sale DI of Main Industries in NIES3

Sales	DI			
	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep.2004	Future from Oct.-Dec.2004	comparison to previous quarter
Transportation equipment	31.1	0.0	17.3	-13.8
Electrical machinery	28.6	11.8	11.9	-16.7
Industrial machinery	46.5	28.0	37.5	-9.0
Chemicals	34.0	0.0	8.7	-25.3

Sale DI of Main Industries in China(including Hong Kong)

Sales	DI			
	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep.2004	Future from Oct.-Dec.2004	comparison to previous quarter
Transportation equipment	56.2	35.9	43.4	-12.8
Electrical machinery	53.8	35.5	31.3	-22.5
Industrial machinery	41.3	34.0	38.3	-3.0
Chemicals	50.0	45.4	47.2	-2.8

Sale DI of Main Industries in Europe

Sales	DI			
	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep.2004	Future from Oct.-Dec.2004	comparison to previous quarter
Transportation equipment	17.9	1.9	13.0	-4.9
Electrical machinery	5.0	1.7	27.9	22.9
Industrial machinery	26.3	17.5	32.5	6.2
Chemicals	29.2	-2.0	16.7	-12.5

**【Results】**

Sales totaled 129.04795 billion dollars, increasing by 15.5% compared to the same quarter of the previous year, up by double digits for the third consecutive quarter. Transportation equipment increased by double digits for the eighth consecutive quarter, general machinery remained positive, up by double digits for the fourth consecutive quarter, and electrical machinery also increased by double digits for the third consecutive quarter (see Table 2).

《By region》

Sales continued to increase in all regions, up for the fourth consecutive quarter. In particular, Asia increased by double digits for the eighth consecutive quarter. China registered an increase in the 20% range for the sixth consecutive quarter, maintaining a high rate of growth. Europe continued to increase for the ninth consecutive quarter, and North America also continued to increase with an expanding economy.

- **North America:** Sales totaled 51.80835 billion dollars (share of total sales: 40.8%), increasing by 8.7% compared to the same quarter of the previous year, up for the fourth consecutive quarter. Transportation equipment (up by 8.0%) continued to increase for the ninth consecutive quarter, and electrical machinery (up by 4.8%) increased for the first time after decreasing for the fourth consecutive quarters.

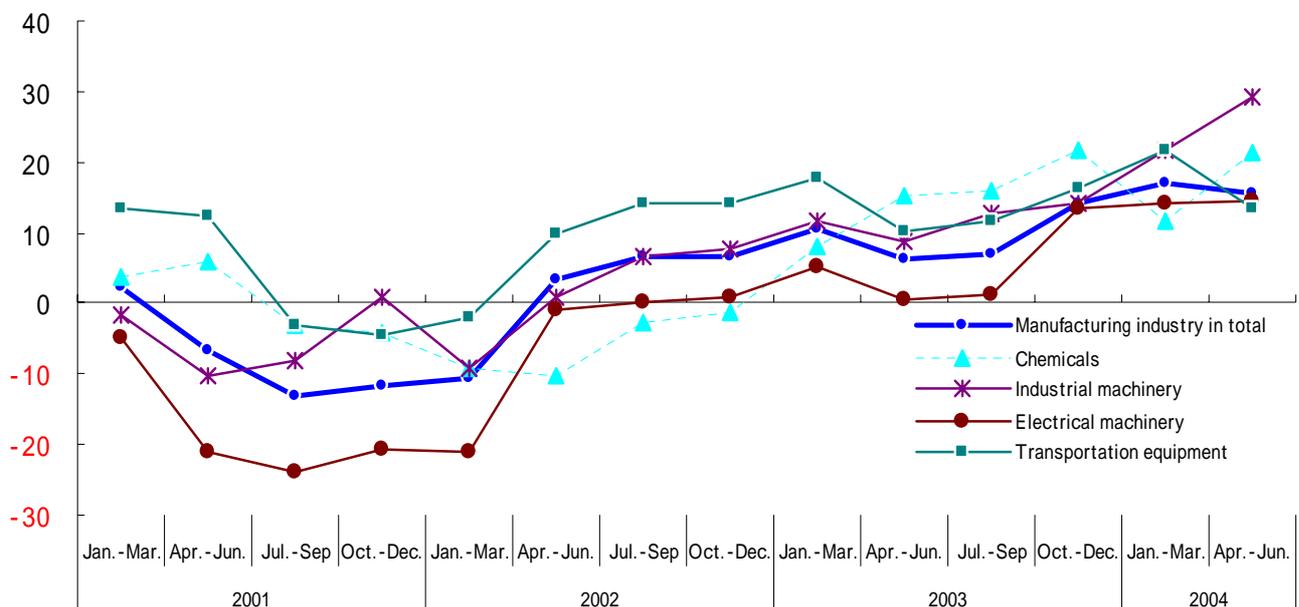
- **ASEAN4:** Sales totaled 19.62261 billion dollars (share of total sales: 15.2%), increasing by 15.3% compared to the same quarter of the previous year, up by double digits for the eighth consecutive quarter. Transportation equipment increased by double digits for the tenth consecutive quarter, and registered especially positive results in Thailand. Electrical machinery, which accounted for 45% of total sales in the region, increased by 5.3% due to favorable conditions in digital household electrical appliances.

- **NIES3:** Sales totaled 8.60651 billion dollars (share of total sales: 6.7%), increasing by 22.6% compared to the same quarter of the previous year, up by double digits for the third consecutive quarter. Electrical machinery (up by 22.1%), which accounted for 49.4% of total sales in the region, registered a sharp increase.

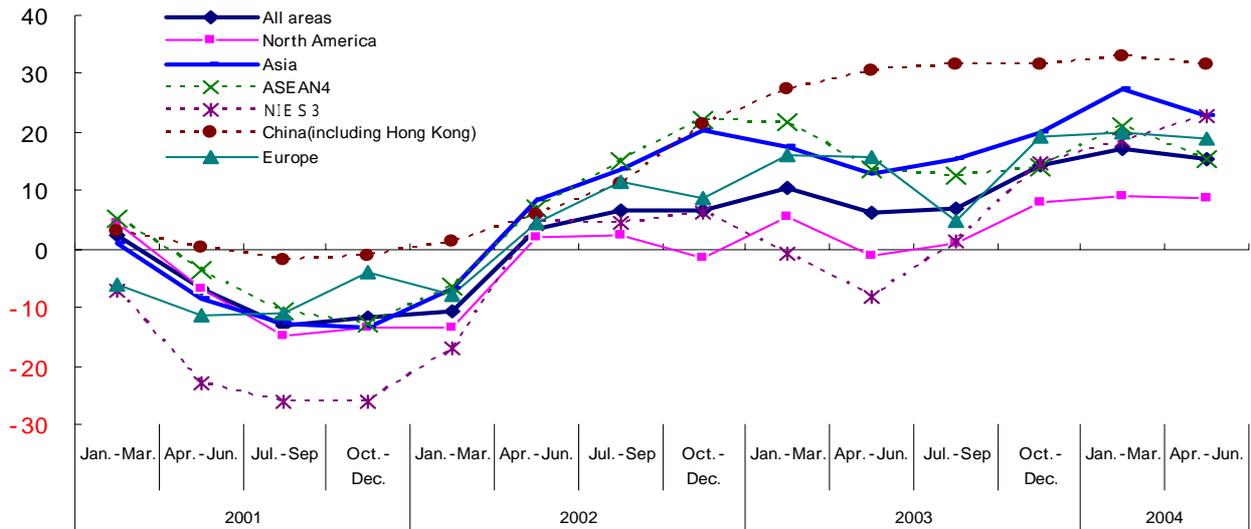
- **China:** Sales totaled 14.78980 billion dollars (share of total sales: 11.5%), increasing by 31.6% compared to the same quarter of the previous year, an increase in the 30% range for the fifth consecutive quarter. Electrical machinery (up by 32.9%) remained positive due to increases in digital household electrical appliances and electronic parts. Transportation equipment, which has a small share, increased by 42.2%, an increase in or above the 30% range for the ninth consecutive quarter.

- **Europe:** Sales totaled 25.15024 billion dollars (share of total sales: 19.5%), increasing by 18.8% compared to the same quarter of the previous year, up by double digits for the third consecutive quarter. Transportation equipment (up by 21.9%) continued its trend of successive increases from the previous quarter in the 20% range. Increases in electrical machinery (up by 15.4%), etc. were also notable.

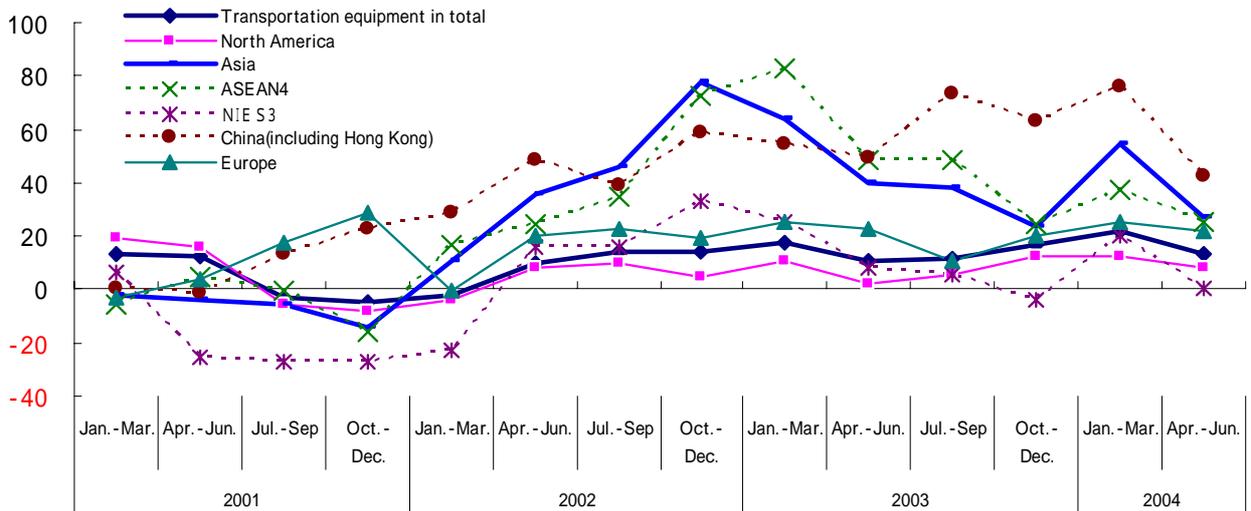
**Chart 2 Sales in Main Industries (comparison to corresponding period of previous year)**



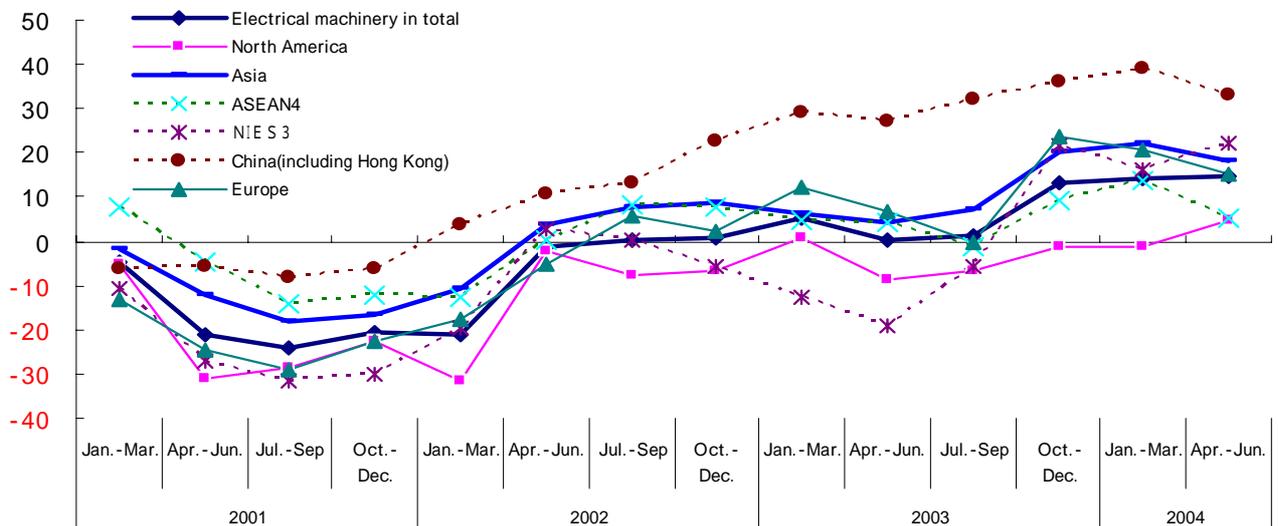
**Chart 3 Sales by Region (comparison to the same quarter of the previous year)**



**Chart 4 Sales of Transportation Equipment by Region**  
(comparison to the same quarter of the previous year)



**Chart 5 Sales of Electrical Machinery by Region**  
(comparison to the same quarter of the previous year)



## 2. Equipment investment trends

### 【DI】

The equipment investment prospects DI decreased by 9.0 points compared to the previous quarter, down for the first time in three quarters. The DI was 12.5 percentage points for the estimation of the present situation (July to September 2004) and 11.3 percentage points for the future (October to December 2004), maintaining a positive double-digit increase.

#### 《By region》

The DI remained positive in all regions, but decreased compared to the previous quarter in all regions except “Others.” In particular, Asia registered a double-digit fall, decreasing by 13.1 points.

- **North America:** The DI (12.0 points) decreased by 1.8 points compared to the previous quarter. Transportation equipment (9.6 points, down by 7.7 points) decreased sharply, while electrical machinery (2.2 points, down by 1.7 points) decreased slightly.

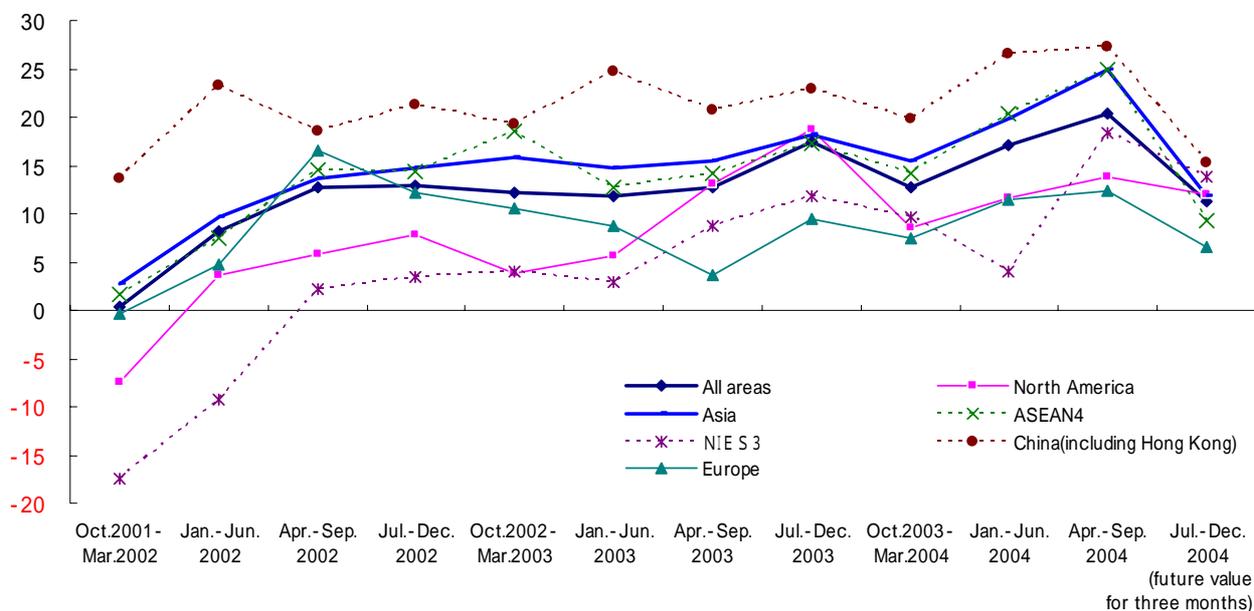
- **ASEAN4:** The DI (9.2 points) decreased by 15.7 points compared to the previous quarter, falling to the lowest level since the survey of the October to December quarter of 2001 (prospects for January to June 2002, 7.4 points). Decreases were observed in 10 industries including electrical machinery (down by 15.4 points) and transportation equipment (down by 15.5 points). The DI for transportation equipment (9.0 points) was the lowest since the start of the quarterly surveys (April – June period of 2001).

- **NIES3:** The DI (13.9 points) decreased by 4.4 points compared to the previous quarter. A decrease was observed in electrical machinery, which had been favorable (down by 8.8 points).

- **China:** The DI (15.2 points) decreased by 12.1 points compared to the previous quarter, down by double digits. Transportation equipment (down by 5.2 points), and electrical machinery (down by 13.7 points) decreased, although the DI remains high.

- **Europe:** The DI (6.6 points) decreased by 5.7 points compared to the previous quarter. Electrical machinery (2.1 points, down by 10.7 points) decreased significantly.

Chart 6 Equipment Investment Prospects by Region (DI value, percentage points)



**【Results】**

Equipment investment (amount of acquired tangible fixed assets, excluding land) totaled 3.43133 billion dollars, an increase of 7.6% compared to the same quarter of the previous year, up for the sixth consecutive quarter. Electrical machinery (up by 27.9%) increased by double digits for the fourth consecutive quarter, while transportation equipment (down by 1.7%) decreased slightly.

《By region》

Asia increased by double digits for the fourth consecutive quarter. In particular, ASEAN4 continued its trend of successive increases from the previous quarter. Europe turned upward this quarter.

• **North America:** Equipment investment totaled 1.47437 billion dollars (share of total equipment investment: 43.0%), decreasing by 5.9% compared to the same quarter of the previous year, down for the second consecutive quarter. Transportation equipment (down by 19.6%) continued to decrease by double digits for the second consecutive quarter, while electrical machinery (up by 78.9%) increased for the fifth consecutive quarter.

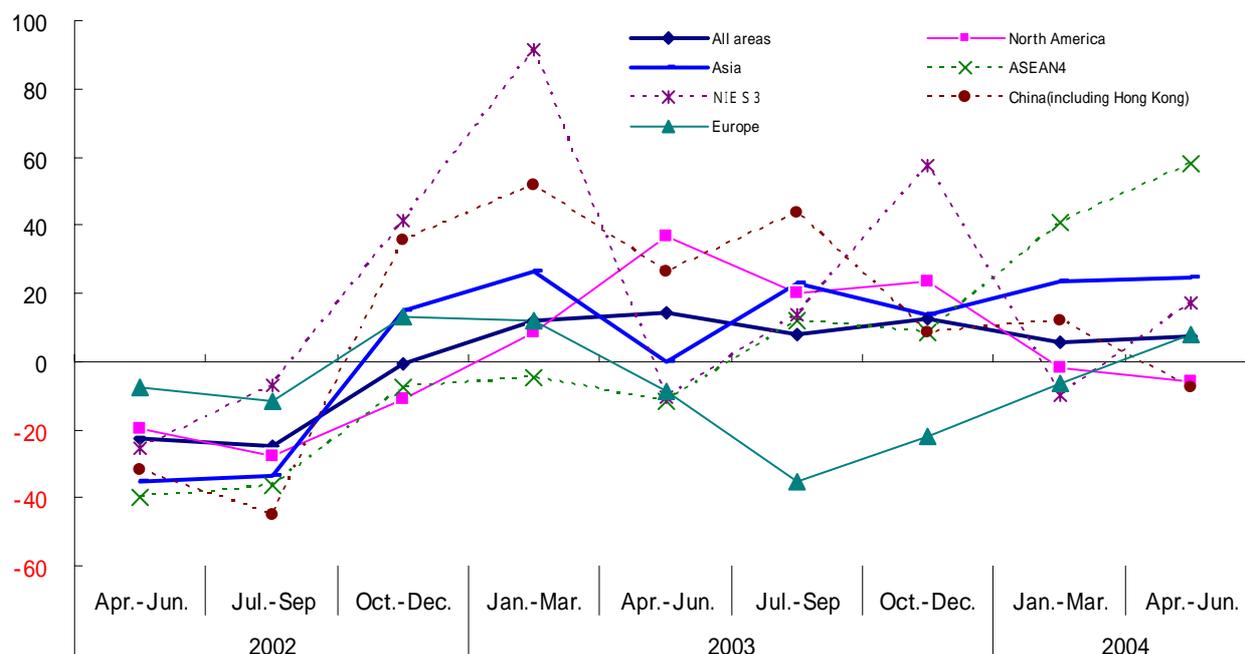
• **ASEAN4:** Equipment investment totaled 0.70937 billion dollars (share of total equipment investment: 20.7%), increasing significantly by 58.0% compared to the same quarter of the previous year, up for the second consecutive quarter. Transportation equipment (up by 112.8%) increased notably, especially in Thailand. Electrical machinery (up by 44.9%) also showed a significant increase from the previous quarter.

• **NIES3:** Equipment investment totaled 0.18573 billion dollars (share of total equipment investment: 5.4%), increasing by 17.3% compared to the same quarter of the previous year. Electrical machinery (up by 83.7%) registered a sharp increase. In contrast, transportation equipment (down by 32.9%) decreased for the second consecutive quarter.

• **China:** Equipment investment totaled 0.39515 billion dollars (share of total equipment investment: 11.5%), decreasing by 7.4% compared to the same quarter of the previous year, down for the first time after increasing for sixth consecutive quarters, due to the influence of investment restrictions, etc. Electrical machinery (down by 18.7%) decreased for the first time after increasing for ninth consecutive quarters, and 7 other industries also registered decreases, while transportation equipment (up by 8.9%) increased.

• **Europe:** Equipment investment totaled 0.43575 billion dollars (share of total equipment investment: 12.7%), increasing by 8.2% compared to the same quarter of the previous year, up for the first time after a decrease of the fourth consecutive quarters. Transportation equipment (up by 8.9%) and electrical machinery (up by 15.2%), etc. increased notably.

**Chart 7 Equipment Investment by Region (country)**  
(comparison to the same quarter of the previous year)



### 3. Employment trends (number of employees)

#### 【DI】

The employment prospects DI decreased by 4.2 points compared to the previous quarter, down for the first time in three quarters. The DI was 8.0 points for the estimation of the present situation (July to September 2004) and 4.2 points for the future (October to December 2004), remaining positive.

#### 《By region》

The DI remained positive in all regions except Europe and NIES3 (0.0 points), but compared to the previous quarter decreased in all regions except NIES3 (which remained broadly flat). In particular, Asia decreased by 4.7 points, and the decrease in China was notable.

- **North America:** The DI (0.5 points) decreased by 3.1 points compared to the previous quarter. Decreases were observed in 8 industries including transportation equipment (down by 9.9 points), while electrical machinery (up by 4.2 points) continued its trend of successive increases from the previous quarter.

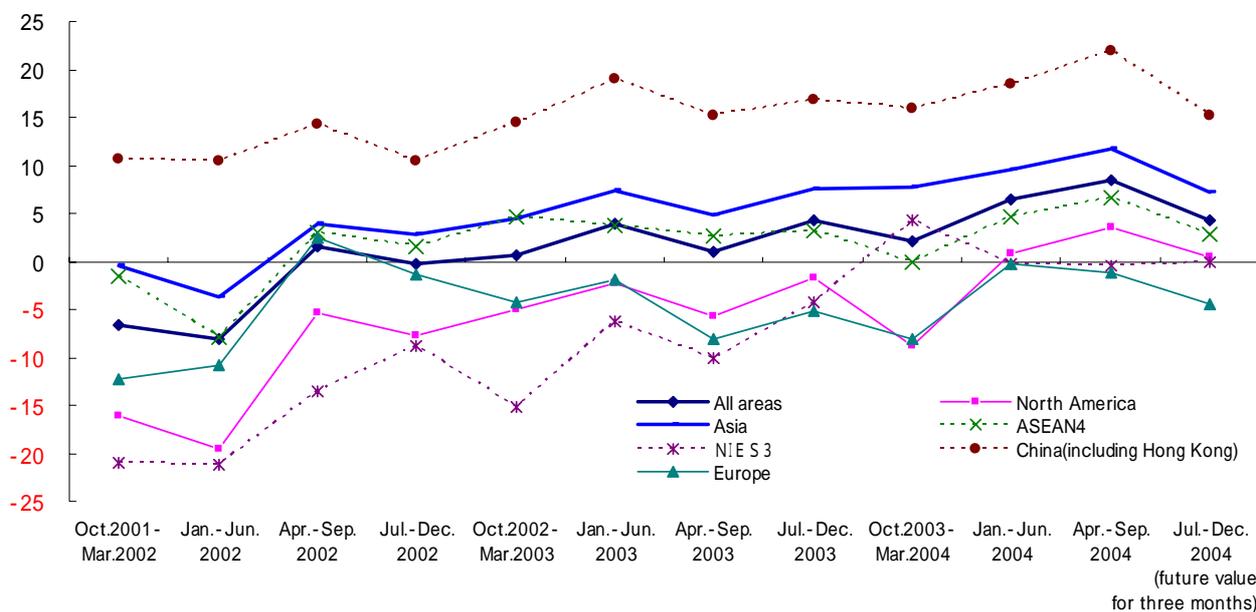
- **ASEAN4:** The DI (2.9 points) decreased by 3.7 points compared to the previous quarter. Decreases were observed in 7 industries including electrical machinery (down by 6.9 points) and transportation equipment (down by 11.3), which decreased by double digits.

- **NIES3:** The DI (0.0 points) increased by 0.4 points compared to the previous quarter. Transportation equipment (minus 10.4 percentage points) decreased for the first time in eight quarters.

- **China:** The DI (15.1 points) decreased by 6.9 points compared to the previous quarter, although it remains high.

- **Europe:** The DI (minus 4.4 points) decreased by 3.2 points compared to the previous quarter. Electrical machinery (minus 12.1 percentage points) continued to decrease.

Chart 8 Employment Prospects by Region (DI value, percentage points)



**【Results】**

The number of employees stood at 2.41 million persons, a 4.9% increase compared to the same quarter of the previous year, up for the ninth consecutive quarter. By industry, employment increased in 7 out of 13 industries. In particular, increases were significant in transportation equipment (550,000 persons, up by 8.4%) and electrical machinery (1.05 million persons, up by 7.4%).

《By region》

Asia continued to increase, up by 7.0%. In particular, China continued to increase by double digits for the ninth consecutive quarter. In contrast, Europe continued to decrease for the 13th consecutive quarter.

- **North America:** The number of employees stood at 410,000 persons (share of total employees: 17.0%), decreasing by 1.3% compared to the same quarter of the previous year, down for the 13th consecutive quarter. Decreases were observed in 11 industries including electrical machinery (down by 3.7%), while transportation equipment (up by 3.3%) increased for the eighth consecutive quarter.

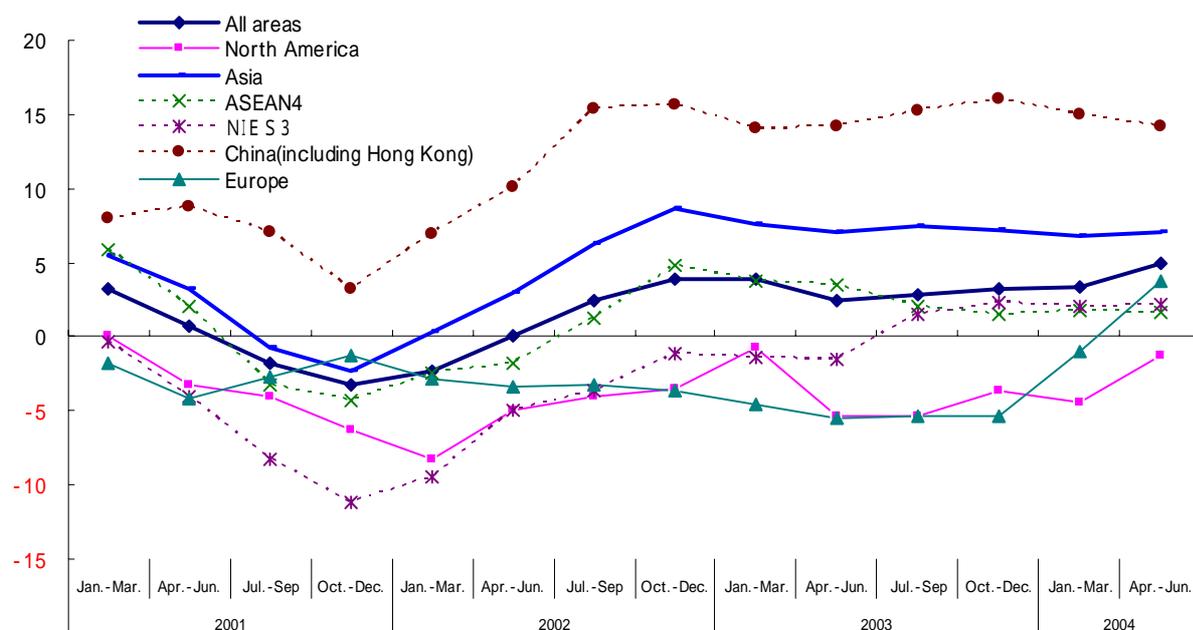
- **ASEAN4:** The number of employees stood at 740,000 persons (share of total employees: 30.7%), increasing by 1.7% compared to the same quarter of the previous year. Transportation equipment (up by 11.0%) increased notably. Electrical machinery (up by 1.4%) increased slightly.

- **NIES3:** The number of employees stood at 130,000 persons (share of total employees: 5.3%), increasing by 2.2% compared to the same quarter of the previous year. Increases were observed in electrical machinery (up by 6.0%) and transportation equipment (up by 5.0%).

- **China:** The number of employees stood at 690,000 persons (share of total employees: 28.9%), increasing by 14.2% compared to the same quarter of the previous year, up by double digits for the ninth consecutive quarter. Electrical machinery (up by 20.9%) continued to increase for the ninth consecutive quarter, and transportation equipment (up by 11.4%) continued to increase by double digits for the 12th consecutive quarter.

- **Europe:** The number of employees stood at 220,000 persons (share of total employees: 9.3%), increasing by 3.8% compared to the same quarter of the previous year, up for the first time after a decrease of 13th consecutive quarters. The increase was notable in transportation equipment (up by 22.4%).

**Chart 9** Number of Employees by Region  
(comparison to the same quarter of the previous year)



## (Reference)

### 1. Classification of countries (regions)

The countries (regions) in which overseas subsidiaries were located were classified as follows (in alphabetical order):

#### 《Classification》

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

### 2. Changes in the exchange rates of major currencies against the US dollar, by region (average term rates published by IMF)

	Apr. - Jun. 2003	Jul. - Sep. 2003	Oct. - Dec. 2003	Jan. - Mar. 2004	Apr. - Jun. 2004
Yen	118.44	117.57	108.9	107.23	109.75
ASEAN4					
Rupiah(Indonesia)	8479.3	8441.3	8482.5	8469.6	9001.4
Ringgit(Malaysia)	3.8	3.8	3.8	3.8	3.8
Peso(Philippines)	52.904	54.576	55.256	55.966	55.911
Baht(Thailand)	42.18	41.29	39.733	39.166	40.221
NIES3					
Won(Republic of Korea)	1207.88	1174.32	1181.92	1171.58	1162.29
Dollar(Singapore)	1.7521	1.7516	1.7243	1.6948	1.7019
Dollar(Taiwan)	34.721	34.0757	34.00133	33.4067	33.3843
People's Republic of China(including Hong Kong)					
Yuan(People's Republic of China)	8.277	8.2771	8.2769	8.2771	8.2769
Dollar(Hong Kong)	7.798	7.8	7.756	7.777	7.796
Europe					
Pound(United Kingdom)	1.6193	1.61	1.7052	1.839	1.8055
Euro(Euro Area)	0.8814	0.8897	0.8413	0.7998	0.8305

INTERNATIONAL FINANCIAL STATISTICS (IMF)

### 3. Record of changes in the content of the survey (For details, refer to materials published for each term.)

The October-December quarter of 1996, and January-March quarter of 1997

· A test survey was conducted, and findings were published under the approval of the Management and Coordination Agency.

From the April-June quarter of FY 1998

· Survey periods for "the amount of acquired tangible fixed assets excluding land" (with regard to parent companies, together with "overseas direct investment") were excluded from quarterly surveys, and researched every other quarter, such as July-September, and January-March. Accordingly, the results and prospects of surveys are conducted semi-annually instead of quarterly. The content of the surveys was also changed from "tangible fixed assets completed or acquired except land during the term" to "tangible fixed assets acquired (including temporary construction accounts) except land during the term." With regard to parent companies, findings of the "Ministry of International Trade and Industry Survey on Investment in Plant and Equipment" were used.

· Quarterly prospects were also changed to semi-annual prospects.

From the April-June quarter of FY 1999

· A coefficient of connection was created and used for data before fiscal 1997 (the January-March quarter of 1998) to maintain consistency with past data, because dropped companies were added to the survey from fiscal 1998 (the April-June quarter of 1998).

· Because of a change in estimating methods, results were decided not by the rate of increase compared with the previous term, but by the rate of increase compared with the same period of the previous year.

From the April-June quarter of FY 2001

· "Company Trends Survey" was renewed by combining the "Industry Economic Trends Survey" with the "Company Trends Survey," both of which had been under the control of the Ministry of Economy, Trade and Industry. In addition, the "Overseas Affiliated Company Edition" was published separately from the "Parent Company Edition."

From the April-June quarter of FY 2002

· A coefficient of connection was created and used for data before fiscal 2000 (the January-March quarter of 2001) to maintain consistency with past data, because companies included in the survey, questions to be asked, and other items surveyed were reviewed in order to reorganize and consolidate the surveys (the April-June quarter of 2001 and later).

· Region/country classifications were revised to separate "China (including Hong Kong)" from "China and other Asian countries," and create another independent category.

The April-June quarter of FY 2003

· The "Parent Company Survey" in the former "Company Trend Survey" was discontinued, and from the April-June quarter of 2003 the survey was conducted as the "Quarterly Survey of Overseas Subsidiaries," which was focused on overseas subsidiaries conducting manufacturing abroad.

Since companies included in the survey were reviewed and the scope of the survey was expanded (as noted in (4)-( ), from "over 50% of a controlling share" to "50% or more" of that) from the April-June quarter of 2003, differences between results in this quarter and those in the previous quarter or earlier have become apparent. The ratio to the same period of the previous year is estimated only on the basis of the total figures of companies which continued to be included in the survey from the previous fiscal year to the current quarter.

#### The April – June quarter of FY 2004

- From the survey of the April – June quarter of 2004, the period of the DI survey was changed. The former six-month survey period was divided into the “estimation of the present situation” and the “future,” and both were surveyed for three months respectively.
- The coefficient of connection was calculated. (Companies subject to the survey were reviewed and the scope of the survey was expanded in FY2003.)
- Due to the review of companies covered by the survey from the April – June quarter of 2004, there is a gap between the results of that quarter and those of previous quarters. Comparisons between the current quarter and the corresponding quarter of the previous year are calculated by totaling figures only for overseas subsidiaries continuously covered to the survey since the corresponding quarter of the previous year.
- Classification of regions and countries was changed, and the category of “other Asian countries,” which used to be included under the totals for Asia, was extracted and listed separately.

#### 4. Calculation of the coefficient of connection

There is a gap between the results of the April – June quarter of 2003 and the totals before the January – March quarter of 2003, due to the expansion of the scope of the survey since the April – June quarter of 2003. Therefore, comparisons between the current quarter and the corresponding quarter of the previous year since the April – June quarter of 2003 are calculated by totaling the figures only for overseas subsidiaries continuously covered by the survey from FY2002 to the April – June quarter of 2003. On publication of the survey results of FY2004, to retain continuity with the past results, the coefficient of connection was calculated based on the scope of the FY2003 survey.

##### (1) Period of connection

Pre-FY2003 figures (October – December quarter of 1996 to January – March quarter of 2003) are connected to FY2003 figures (April – June quarter of 2003 to January – March quarter of 2004).

##### (2) Coefficient of connection

When comparing the period up to FY2002 with FY2003, the coefficient of connection used for the former period is calculated by multiplying the following two factors.

- Factors that were newly included in the survey in FY2003 and should be considered to be an increase  
----- (A)
- Factors that were outside the scope of the survey in FY2003 and should be considered to be a decrease  
----- (B)

$$\begin{aligned} \text{Coefficient of connection} & \quad (A) \\ = & \left[ \frac{\text{Results of FY2003 (companies covered continuously + Newly covered companies)}}{\text{Results of FY2003 companies covered continuously}} \right] \\ & \quad (B) \\ & \times \left[ \frac{\text{Results of FY2002 companies covered continuously}}{\text{Results of FY2002}} \right] \end{aligned}$$

\* Companies covered continuously are those covered by the survey continuously through FY2002 and FY2003

##### (3) Scope of coefficient processing

All cells for regions × industries × items, which are the officially published form.

Among the survey items, the coefficient of connection is not calculated with regard to the purchase value of tangible fixed assets (other than land).

##### (4) Processing of official value

- “Actual figure”      The actual figure without coefficient processing is given.  
                                 “Coefficient of connection” is given separately for connection.  
                                 Therefore, when the actual figure is used in connection, the actual figure before FY2002 should be multiplied with the coefficient of connection, which is given separately.
- “Ratio compared to same quarter of previous year”  
                                 The published ratio compared to the same quarter of the previous year was calculated by totaling figures only for overseas subsidiaries continuously covered by the survey from FY2002 to the April – June quarter of FY2003.

\* Coefficient of connection table is on p.46 and p.47 of Statistical Tables.

## Data reference

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## Data printing (Internet)

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

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