

Trends in Overseas Subsidiaries

(Quarterly Survey of Overseas Subsidiaries)

Survey from July to September 2004 (Results/DI)

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Enterprise Statistics Office

Research and Statistics Department

Ministry of Economy, Trade and Industry

Contents

	Page
I. Quarterly Survey of Overseas Subsidiaries	
1. Outline of the survey	1
2. Usage notes	2
II. Findings of the Survey	
1. Sales trends	3 - 6
2. Equipment investment trends	7 - 8
3. Employment trends (number of employees)	9 - 10
[Topics]	11
<Reference>	
1. Classification of regions and countries	12
2. Exchange rates of major currencies relative to US dollar	12
3. Record of changes in the content of the survey	13 - 14
4. Calculation of coefficient of connection	15
<Appendix table 1> Sales results	16
<Appendix table 2> Prospects for sales (DI)	18
<Appendix table 3> Results and DI in the main countries	20

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 September 2004.

(The deadline for submitting the survey for this quarter was November 15, 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 “assessment of the current situation” and “prospects” and both were surveyed for three months respectively.

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

After revision: Assessment of the current situation (prospects for the three months after the survey period)

Future prospects (Prospects for the three months after the assessment of the current 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
3585	2604	72.6%

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 12)

(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

$\times \frac{\text{Total values for this quarter for companies that submitted data both this quarter and in the same quarter of the previous year}}{\text{Total values for same quarter of the previous year for companies that submitted data both this quarter and in the same quarter of the previous year}}$

II. Findings of the survey

1. Sales trends

[DI]

With regard to the sales DI, it was decided from the previous survey that the survey would be conducted for three months and divided into the current assessment DI (October to December 2004) and prospects DI (January to March 2005). Compared to the previous quarter the current assessment DI is a comparison between the DI surveyed for the previous quarter and that for this quarter, while the prospects DI compared to the previous quarter is a comparison between the current assessment DI surveyed for this quarter and the prospects DI.

The sales current assessment DI (October to December 2004) was positive at 12.8 percentage points. Compared to the previous quarter, the sales DI showed a significant decrease, down 10.3 points. The prospects DI (January to March 2005), remained positive at 14.0 percentage points, while compared to the previous quarter it showed a moderate rise, up 1.2 (see Chart 1).

<<By region>>

The prospects DI remained positive in all regions except NIEs3. NIEs3 remained in negative territory due to a decrease in electrical machinery caused by IT-related production adjustments, etc. Compared to the previous quarter, the sales prospects DI improved in North America and began to increase in Asia as well, up 1.8 percentage points. While it improved in ASEAN4, the DI worsened in both NIEs3 and China

- **North America** The prospects DI (17.1 percentage points) increased by 6.5 points compared to the previous quarter. Transportation equipment increased by 3.8 points (to 15.6), while electrical machinery decreased by 4.0 points (to 0.0).
- **ASEAN4** The prospects DI (14.4 percentage points) increased by 8.0 points compared to the previous quarter. Transportation equipment increased by 10.8 points (to 34.2). While electrical machinery also increased by 6.9 points (to 0.9), industrial machinery decreased by 2.4 points (to 9.5).
- **NIEs3** The prospects DI (minus 4.4 percentage points) decreased by 4.0 points compared to the previous quarter. Electrical machinery dropped by 6.6 points (to minus 17.3). Industrial machinery also dropped by 16.7 points (to 0.0). By contrast, transportation equipment significantly increased by 17.8 points (to 14.3).
- **China** The prospects DI (20.0 percentage points) continued to deteriorate, down 3.3 points compared to the previous quarter. Decreases were observed in electrical machinery (19.1), down 6.7 points, and in transportation equipment (38.7), down 6.8 points.
- **Europe** The prospects DI (13.1 percentage points) declined by 7.5 points compared to the previous quarter. Electrical machinery fell significantly, down 17.5 points, (to minus 5.9). Transportation equipment dropped considerably, down 10.9 points, (to 6.5).

Notes:

*1 China: including Hong Kong

*2 NIEs3: Singapore, Taiwan, and the Republic of Korea

*3 ASEAN4: Indonesia, Thailand, the Philippines, and Malaysia

*4 DI = Ratio of companies expecting an increase – Ratio of companies expecting a decrease

Current assessment DI compared to the previous quarter = Current assessment DI for this quarter –

Current assessment DI for the previous quarter

Prospects DI compared with the previous quarter = Prospects DI for this quarter –

Current assessment DI for this quarter

- Current assessment DI for the previous quarter: (Current assessment figure for July to September 2004 gained from the survey of the April-June quarter of 2004)
- Current assessment DI for this quarter: (Current assessment figure for October to December 2004 gained from the survey of the July-September quarter of 2004)
- Prospects DI for this quarter: (Prospects from January to March 2005 gained from the survey of the July-September quarter of 2004)

Chart 1 Sales DI by Region (Prospects: percentage points)

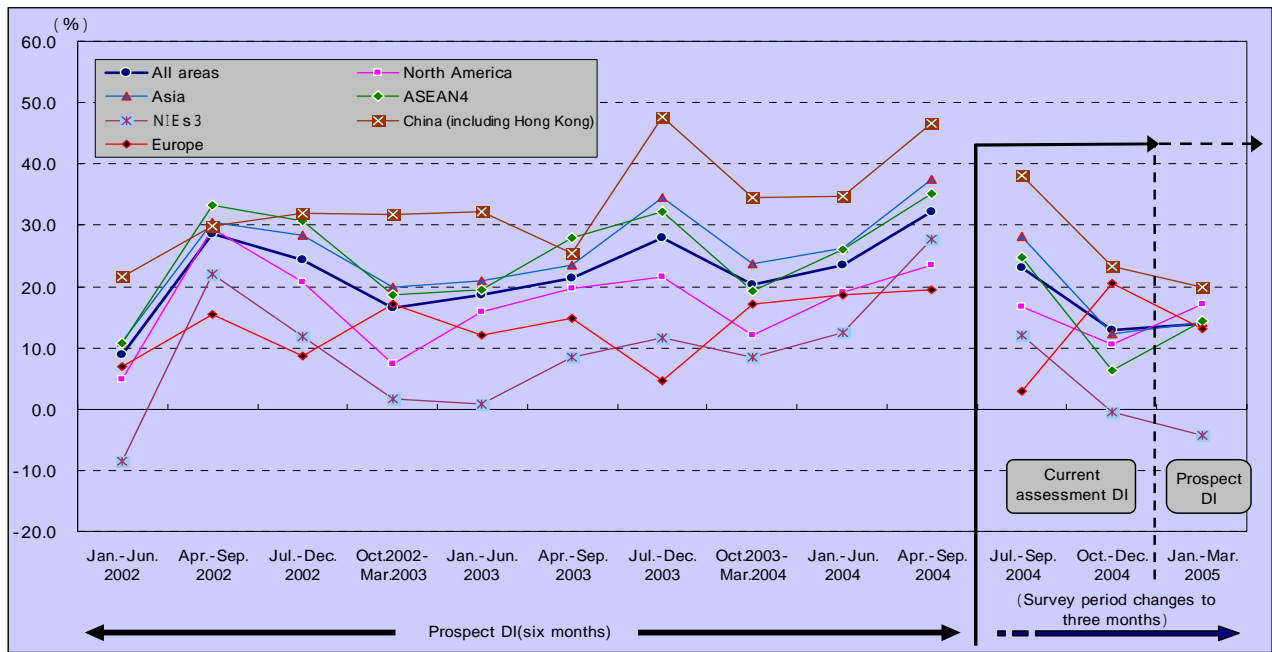


Table 1 Sales DI by Region

Sales	Survey of previous term (Apr.-Jun.2004)	Survey of the present term (Jul.-Sep.2004)			
	Current assessment (Jul.-Sep.2004)	Current assessment (Oct.-Dec.2004)	comparison to the previous quarter	Prospect (Jan.-Mar.2005)	comparison to the previous quarter
All areas	23.1	12.8	-10.3	14.0	1.2
North America	16.7	10.6	-6.1	17.1	6.5
Asia	28.1	12.3	-15.8	14.1	1.8
ASEAN4	24.8	6.4	-18.4	14.4	8.0
NIEs3	12.1	-0.4	-12.5	-4.4	-4.0
China (including Hong Kong)	38.2	23.3	-14.9	20.0	-3.3
Europe	2.9	20.6	17.7	13.1	-7.5

Table 2 Sales DI of Main Industries

Sales	Survey of previous term (Apr.-Jun.2004)	Survey of the present term (Jul.-Sep.2004)			
	Current assessment (Jul.-Sep.2004)	Current assessment (Oct.-Dec.2004)	comparison to the previous quarter	Prospect (Jan.-Mar.2005)	comparison to the previous quarter
Manufacturing industry in total	23.1	12.8	-10.3	14.0	1.2
Transportation equipment	16.6	17.7	1.1	22.3	4.6
Electrical machinery	22.1	7.0	-15.1	3.5	-3.5
Industrial machinery	27.8	22.5	-5.3	20.1	-2.4
Chemicals	20.3	16.7	-3.6	21.4	4.7
Iron and Steel	20.6	7.5	-13.1	20.8	13.3

Sales DI of Main Industries in North America

Sales	Survey of previous term (Apr.-Jun.2004)	Survey of the present term (Jul.-Sep.2004)			
	Current assessment (Jul.-Sep.2004)	Current assessment (Oct.-Dec.2004)	comparison to the previous quarter	Prospect (Jan.-Mar.2005)	comparison to the previous quarter
Transportation equipment	7.9	11.8	3.9	15.6	3.8
Electrical machinery	16.1	4.0	-12.1	0.0	-4.0
Industrial machinery	26.1	18.6	-7.5	30.9	12.3
Chemicals	16.4	15.2	-1.2	28.8	13.6
Iron and Steel	-13.3	-16.7	-3.4	-8.3	8.4

Sales DI of Main Industries in Asia

Sales	Survey of previous term (Apr.-Jun.2004)	Survey of the present term (Jul.-Sep.2004)			
	Current assessment (Jul.-Sep.2004)	Current assessment (Oct.-Dec.2004)	comparison to the previous quarter	Prospect (Jan.-Mar.2005)	comparison to the previous quarter
Transportation equipment	26.3	23.2	-3.1	31.4	8.2
Electrical machinery	25.4	6.4	-19.0	5.3	-1.1
Industrial machinery	30.3	15.6	-14.7	9.6	-6.0
Chemicals	27.1	17.7	-9.4	19.7	2.0
Iron and Steel	32.6	10.3	-22.3	28.2	17.9

Sales DI of Main Industries in ASEAN4

Sales	Survey of previous term (Apr.-Jun.2004)	Survey of the present term (Jul.-Sep.2004)			
	Current assessment (Jul.-Sep.2004)	Current assessment (Oct.-Dec.2004)	comparison to the previous quarter	Prospect (Jan.-Mar.2005)	comparison to the previous quarter
Transportation equipment	30.1	23.4	-6.7	34.2	10.8
Electrical machinery	21.2	-6.0	-27.2	0.9	6.9
Industrial machinery	23.9	11.9	-12.0	9.5	-2.4
Chemicals	28.6	8.4	-20.2	24.7	16.3
Iron and Steel	25.0	-15.8	-40.8	26.3	42.1

Sales DI of Main Industries in NIEs3

Sales	Survey of previous term (Apr.-Jun.2004)	Survey of the present term (Jul.-Sep.2004)			
	Current assessment (Jul.-Sep.2004)	Current assessment (Oct.-Dec.2004)	comparison to the previous quarter	Prospect (Jan.-Mar.2005)	comparison to the previous quarter
Transportation equipment	0.0	-3.5	-3.5	14.3	17.8
Electrical machinery	12.7	-10.7	-23.4	-17.3	-6.6
Industrial machinery	28.6	16.7	-11.9	0.0	-16.7
Chemicals	2.2	9.4	7.2	3.8	-5.6
Iron and Steel	75.0	50.0	-25.0	50.0	0.0

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

Sales	Survey of previous term (Apr.-Jun.2004)	Survey of the present term (Jul.-Sep.2004)			
	Current assessment (Jul.-Sep.2004)	Current assessment (Oct.-Dec.2004)	comparison to the previous quarter	Prospect (Jan.-Mar.2005)	comparison to the previous quarter
Transportation equipment	35.9	45.5	9.6	38.7	-6.8
Electrical machinery	35.3	25.8	-9.5	19.1	-6.7
Industrial machinery	36.0	16.6	-19.4	12.4	-4.2
Chemicals	41.4	33.4	-8.0	22.2	-11.2
Iron and Steel	40.0	46.1	6.1	23.1	-23.0

Sales DI of Main Industries in Europe

Sales	Survey of previous term (Apr.-Jun.2004)	Survey of the present term (Jul.-Sep.2004)			
	Current assessment (Jul.-Sep.2004)	Current assessment (Oct.-Dec.2004)	comparison to the previous quarter	Prospect (Jan.-Mar.2005)	comparison to the previous quarter
Transportation equipment	0.0	17.4	17.4	6.5	-10.9
Electrical machinery	1.5	11.6	10.1	-5.9	-17.5
Industrial machinery	18.6	47.6	29.0	45.2	-2.4
Chemicals	0.0	13.6	13.6	18.2	4.6
Iron and Steel	-	-	-	-	-

[Results]

Sales totaled 133.87101 billion dollars, increasing by 16.7% compared to the same quarter of the previous year, up by double digits for the fourth quarter in a row. Transportation equipment increased by 17.1%, up by double digits for the ninth consecutive quarter, industrial machinery by 20.3%, up by double digits for the fifth consecutive quarter, electrical machinery by 15.0%, up by double figures for fourth quarter in a row, and iron and steel by 29.9%, up by double digits for the second consecutive quarter (see Chart 2).

<<By region>>

Sales continued to increase in all regions, up for the fifth consecutive quarter. Asia continued to rise, with China, in particular, showing a double-digit increase for the ninth consecutive quarter. Europe increased by double digits for the fourth consecutive quarter and North America grew for the fifth consecutive quarter.

- **North America** Sales totaled 52.71714 billion dollars (share of total sales: 39.4%), increasing by 12.3% compared to the same quarter of the previous year, up for the fifth consecutive quarter. Transportation equipment increased by 15.6%, up for the tenth consecutive quarter, and electrical machinery by 6.2%, up for the second quarter in a row. Iron and steel gained by 39.1%, growing considerably for the second consecutive quarter.
- **ASEAN4** Sales totaled 20.89739 billion dollars (share of total sales: 15.6%), increasing by 18.2% compared to the same quarter of the previous year, up by double digits for the ninth consecutive quarter. Transportation equipment increased by 19.3%, up by double digits for the eleventh consecutive quarter, and registering especially positive results in Thailand. Electrical machinery increased by 14.3%, up by double digits for the third consecutive quarter. Iron and steel grew by 19.9%, up for the second consecutive quarter.
- **NIEs3** Sales totaled 8.70756 billion dollars (share of total sales: 6.5%), increasing by 13.1% compared to the same quarter of the previous year, up by double digits for the fourth consecutive quarter. However, electrical machinery, which accounted for the half of total sales in the region, showed a large decrease in the growth rate, to 5.1%.
- **China** Sales totaled 16.36160 billion dollars (share of total sales: 12.2%), increasing by 27.4% compared to the same quarter of the previous year, up by double digits for the ninth consecutive quarter. Electrical machinery increased by 31.8% and maintained brisk sales partly due to rises in digital household electrical appliances, semiconductor electronic parts, etc. including liquid crystal TVs and DVD equipment. Transportation equipment also increased, up 23.3%.
- **Europe** Sales totaled 24.98912 billion dollars (share of total sales: 18.7%), increasing by 19.9% compared to the same quarter of the previous year, up by double digits for the fourth consecutive quarter. Electrical machinery increased by 19.3% and transportation equipment by 18.7%, with all industries showing increases.

Chart 2 Sales in Main Industries (Comparison to the same quarter of the previous year)

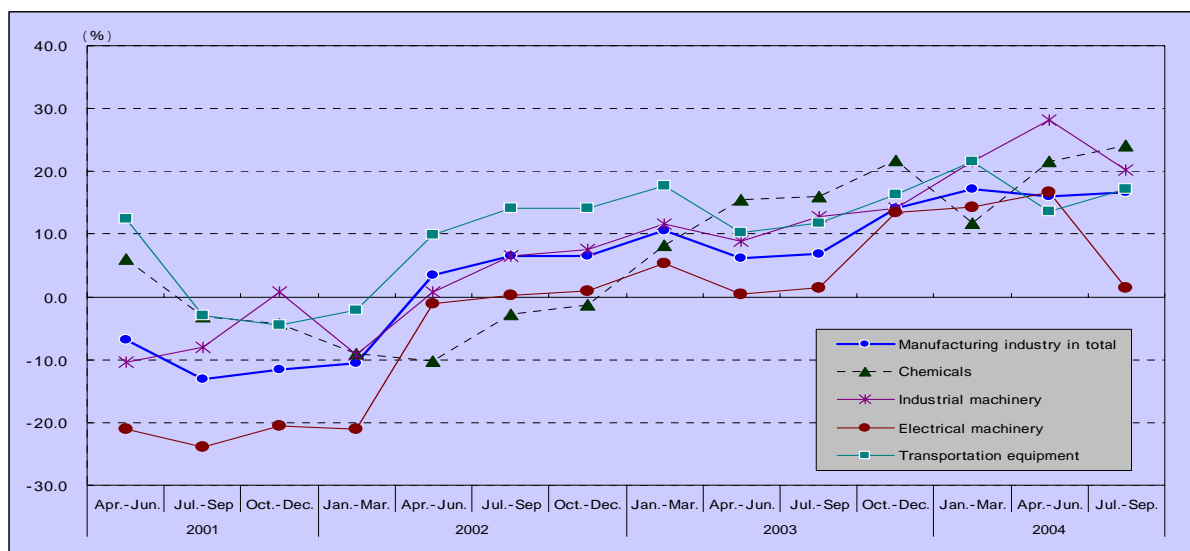


Chart 3 Sales by Region (Comparison to the same quarter of the previous year)

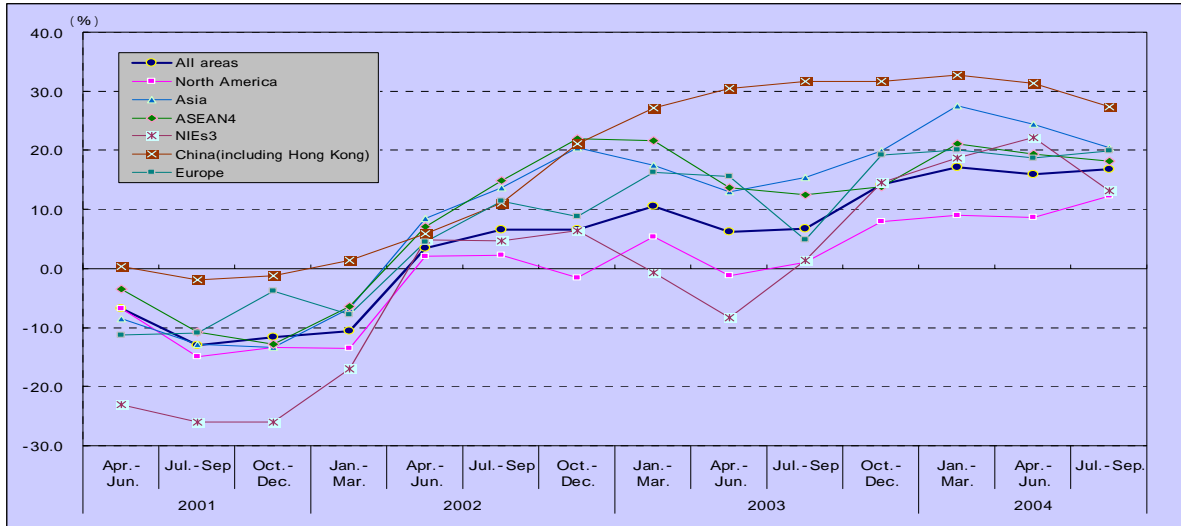


Chart 4 Sales of Transportation Equipment by Region (Comparison to the same quarter of the previous year)

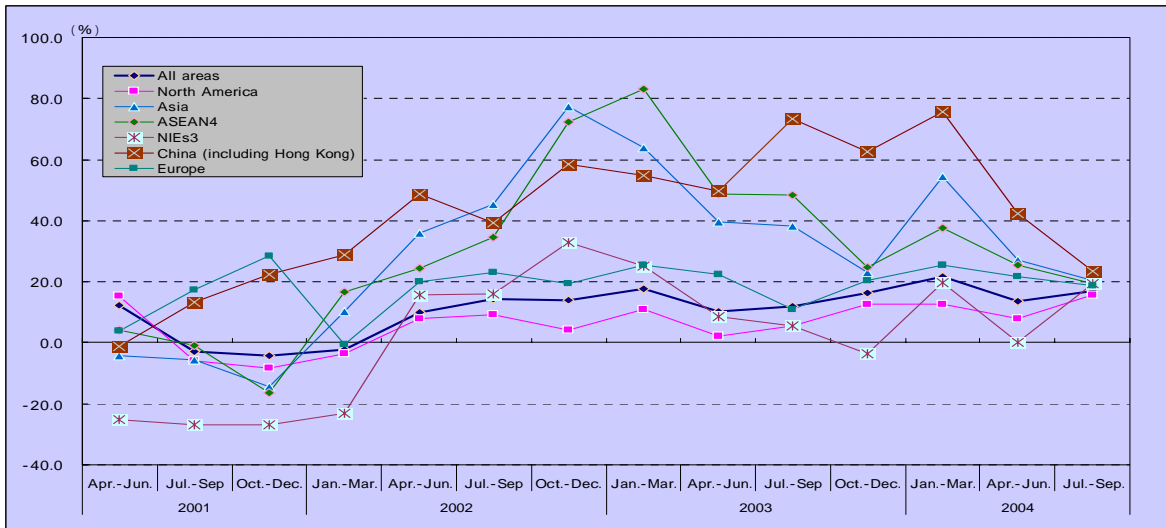
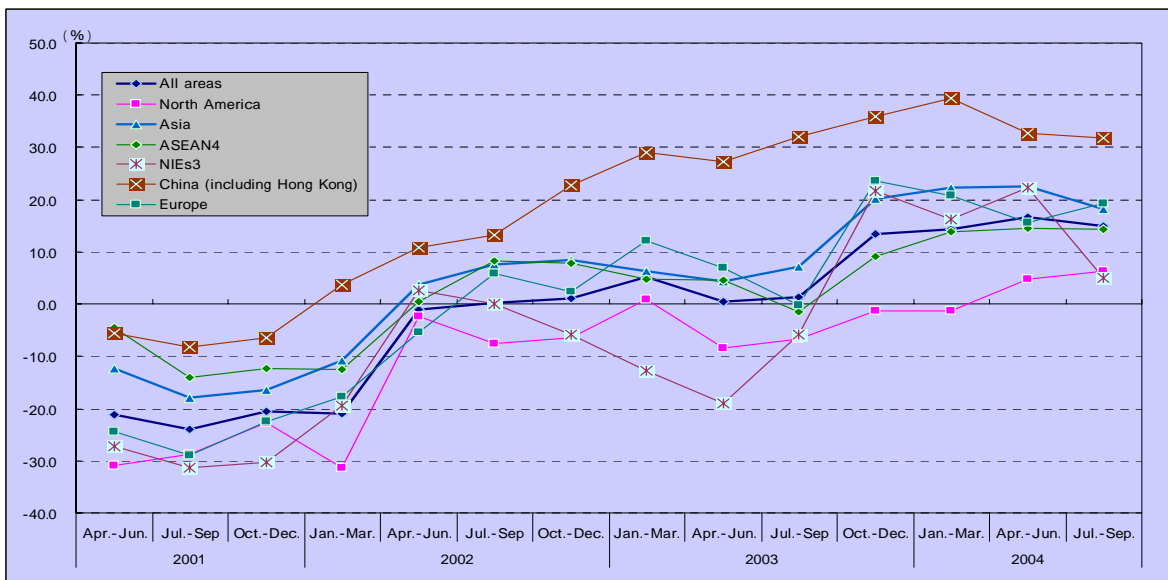


Chart 5 Sales of Electrical Machinery by Region (Comparison to the same quarter of the previous year)



2. Equipment investment trends

[DI]

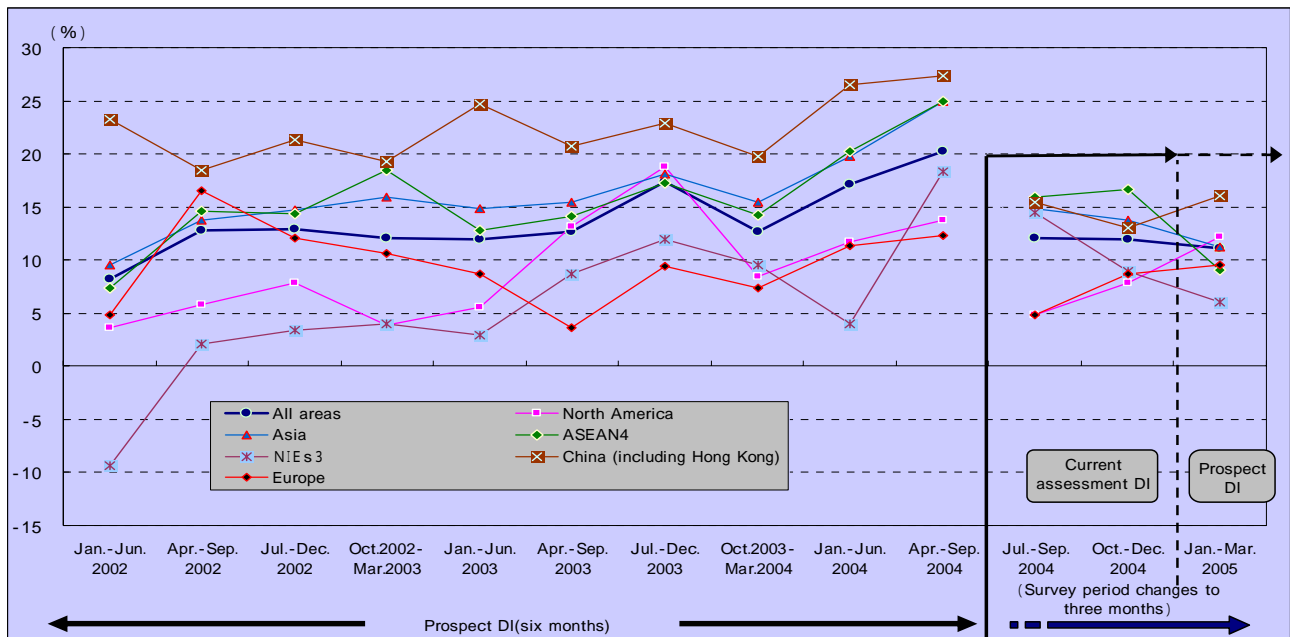
The equipment investment DI for the current assessment (October to December 2004) was positive at 11.9 percentage points. It showed a slight decrease of 0.2 points compared to the previous quarter. The prospects DI (January to March 2005) remained positive at 11.1 percentage points, but decreased by 0.8 points compared to the previous quarter.

《By region》

The prospects DI remained positive in all regions. However, compared to the previous quarter, the DI increased in North America and Europe, while it continued to decrease in Asia. In particular, ASEAN4 showed a remarkable decline.

- **North America** The prospects DI (12.2 percentage points) increased by 4.3 points compared to the previous quarter. Transportation equipment (15.6) increased by 9.4 points, while electrical machinery (0.0) decreased by 8.0 points.
- **ASEAN4** The prospects DI (9.1 percentage points) decreased by 7.5 points compared to the previous quarter. Electrical machinery (0.0) declined sharply, down 12.7 points, and transportation equipment (22.5) decreased by 7.9 points.
- **NIEs3** The prospects DI (6.0 percentage points) dropped by 2.9 points compared to the previous quarter. Electrical machinery (4.4) declined by 4.0 points. By contrast, transportation equipment (9.6) increased by 4.9 points.
- **China** The prospects DI (16.0 percentage points) increased by 3.0 points compared to the previous quarter. Transportation equipment (17.6) rose by 8.8 points. Meanwhile, electrical machinery (19.8) fell by 0.9 points, although the DI level still remained high.
- **Europe** The prospects DI (9.6 percentage points) increased by 0.9 points compared to the previous quarter. Transportation equipment (28.6) gained by 4.7 points, while electrical machinery (3.8) remained unchanged at 0.0 points.

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



[Results]

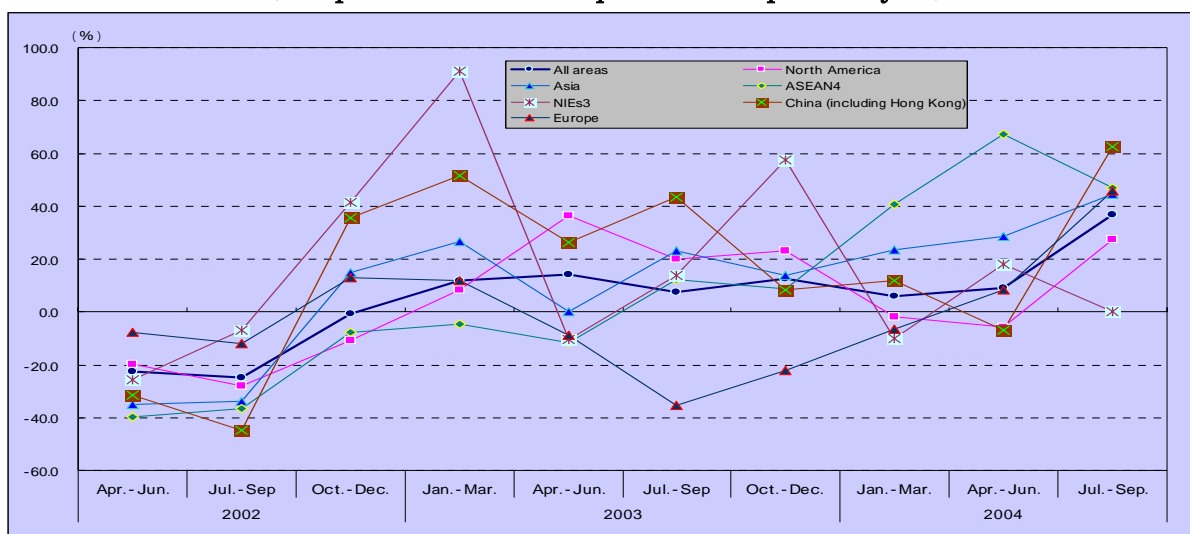
Equipment investment (amount of acquired tangible fixed assets, excluding land) totaled 4.33216 billion dollars, an increase of 36.7% compared to the same quarter of the previous year, up for the seventh consecutive quarter. Electrical machinery increased sharply for the fourth consecutive quarter, up 76.5%, and transportation equipment also rose sharply, up 30.2%, for the first time in three quarters.

<<By region>>

Asia increased by 44.4% compared to the same quarter of the previous year, showing significant growth for the fifth quarter in a row. ASEAN4 increased by double digits for the third consecutive quarter, while NIEs3 was flat, at 0.0%. Europe increased greatly by 45.6%.

- **North America** Equipment investment totaled 1.89487 billion dollars (share of total equipment investment: 43.7%), increasing significantly by 27.5% compared to the same quarter of the previous year. Transportation equipment increased by 12.0%, up by double digits for the first time in three quarters, and electrical machinery increased by 166.1%, registering a remarkable rise for the sixth consecutive quarter.
- **ASEAN4** Equipment investment totaled 0.80637 billion dollars (share of total equipment investment: 18.6%), increasing by 46.8% compared to the same quarter of the previous year, up for the third consecutive quarter. Transportation equipment increased significantly by 72.3% and electrical machinery also increased by 32.9%, up for the third consecutive quarter, showing distinctive growth in Thailand.
- **NIEs3** Equipment investment totaled 0.20657 billion dollars (share of total equipment investment: 4.8%), remaining flat at 0.0% compared with the same quarter of the previous year. Transportation equipment increased sharply by 43.1% and electrical machinery rose by 28.2%, up for the second consecutive quarter. By contrast, chemicals showed a significant drop, down 57.0%.
- **China** Equipment investment totaled 0.50608 billion dollars (share of total equipment investment: 11.7%), increasing greatly by 62.5% compared to the same quarter of the previous year. Electrical machinery grew significantly by 97.0%, and transportation equipment also increased steadily, up 22.8%.
- **Europe** Equipment investment totaled 0.56054 billion dollars (share of total equipment investment: 12.9%), increasing sharply by 45.6%. Transportation equipment increased by 62.3%, and electrical machinery also showed a significant rise, up 63.2%.

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



3. Employment trends (number of employees)

[DI]

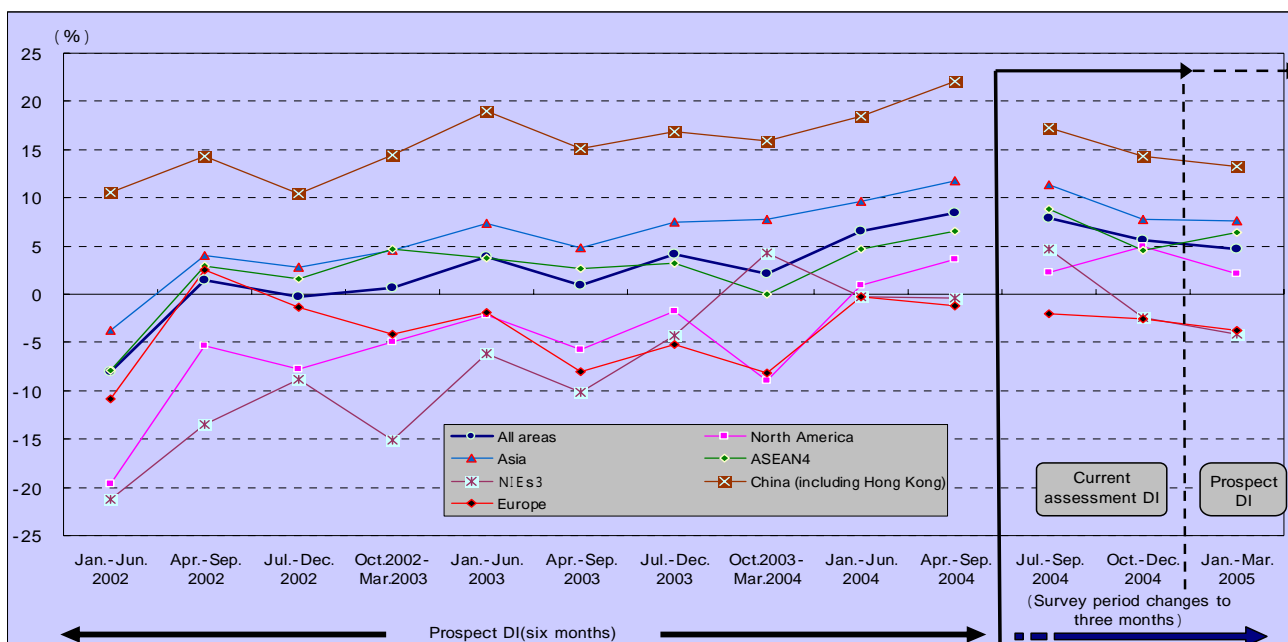
The employment DI for the current assessment (October to December 2004) was positive at 5.6 percentage points. Compared to the previous quarter, it decreased by 2.3 points. The prospects DI (January to March 2005) was 4.7 points, remaining positive but down by 0.9 points compared to the previous quarter.

<<By region>>

The prospects DI remained positive in all regions except Europe and NIEs3. Compared to the previous quarter, the DI declined in all regions except ASEAN4.

- **North America** The prospects DI (2.1 percentage points) decreased by 2.9 points compared to the previous quarter. Transportation equipment (minus 2.2) declined by 2.9 points, while electrical machinery (8.2) increased by 0.1 points.
- **ASEAN4** The prospects DI (6.4 percentage points) increased by 1.9 points compared to the previous quarter. Electrical machinery (2.9) increased by 4.8 points, while transportation equipment (16.7) decreased by 1.3 points.
- **NIEs3** The prospects DI (minus 4.1 percentage points) dropped by 1.7 points compared to the previous quarter. Transportation equipment (minus 18.5) fell by 11.1 points and electrical machinery (minus 10.1) also dropped by 0.4 points.
- **China** The prospects DI (13.2 percentage points) decreased by 1.1 points compared to the previous quarter. Transportation equipment (13.5) declined by 5.4 points, and electrical machinery (11.1) also declined, down 0.4 points.
- **Europe** The prospects DI (minus 3.8 percentage points) decreased by 1.2 points compared to the previous quarter. Electrical machinery (minus 4.4) dropped by 8.9 points, and transportation equipment (minus 6.5) also dropped by 4.4 points.

Chart 8 Employment DI by Region (Prospects: percentage points)



[Results]

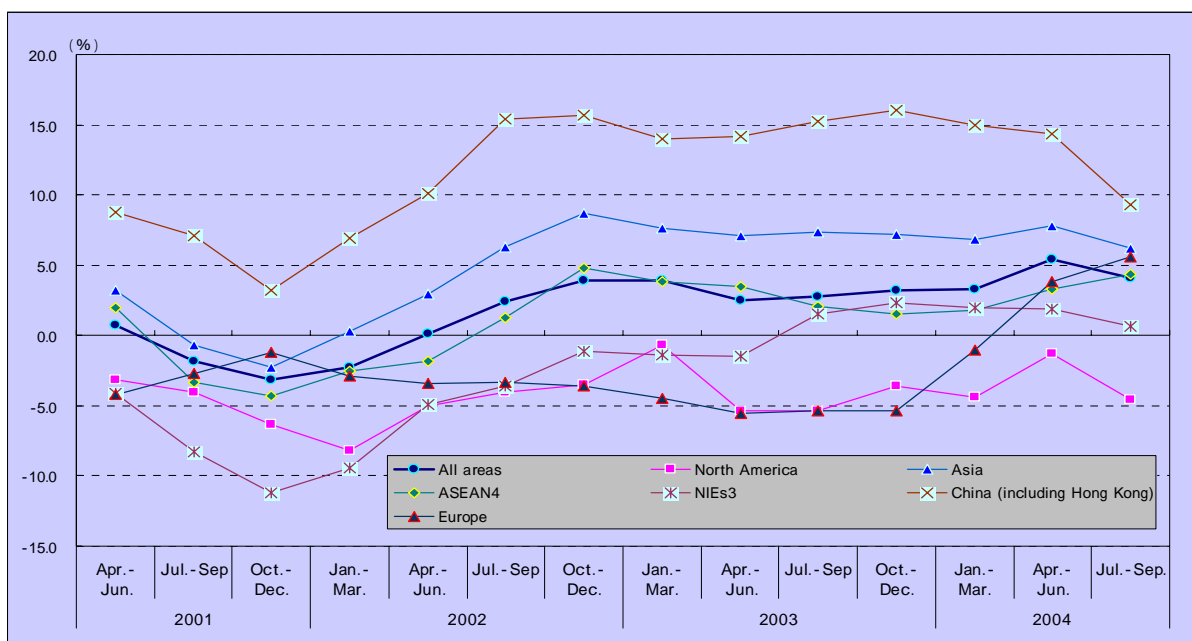
The number of employees stood at 2.46 million, a 4.1% increase compared to the same quarter of the previous year, up for the tenth consecutive quarter. By industry, employment increased in 7 out of 13 industries, due to an increase of 8.6% in transportation equipment (570,000 persons) and a 4.7% rise in electrical machinery (1.06 million persons).

<<By region>>

Increases were observed in all regions except North America. Asia (1.69 million persons, share of total employees: 68.9%) increased by 6.2% compared to the same quarter of the previous year, up for the eleventh consecutive quarter. Both ASEAN4 and China increased, while NIEs3 remained flat.

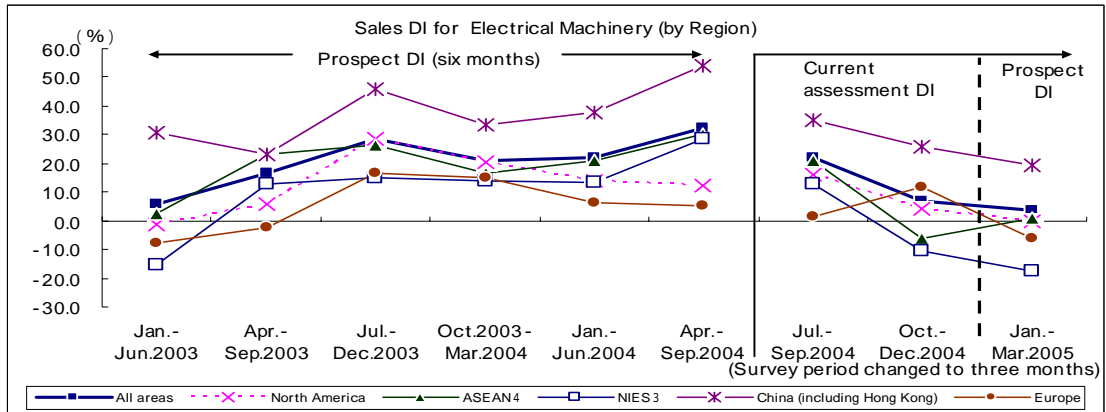
- **North America** The number of employees stood at 400,000 (share of total employees: 16.3%), decreasing by 4.6% compared to the same quarter of the previous year, down for the fourteenth consecutive quarter. Decreases were observed in 7 industries including electrical machinery (80,000 persons) which declined by 17.9%. By contrast, transportation equipment (160,000 persons) increased by 2.3%, up for the ninth consecutive quarter.
- **ASEAN4** The number of employees stood at 760,000 (share of total employees: 30.7%), increasing by 4.4% compared to the same quarter of the previous year, up for the ninth consecutive quarter. Transportation equipment (140,000 persons) increased significantly by 11.5%. Electrical machinery (400,000 persons) also rose steadily, up 5.5%.
- **NIEs3** The number of employees stood at 130,000 (share of total employees: 5.2%), increasing slightly by 0.6% compared to the same quarter of the previous year. Transportation equipment (10,000 persons) increased by double digits, up 10.8%, while electrical machinery (70,000 persons) slightly declined, down 0.1%.
- **China** The number of employees stood at 720,000 (share of total employees: 29.1%), increasing by 9.3% compared to the same quarter of the previous year, up for the tenth consecutive quarter. Electrical machinery (430,000 persons) increased by 12.8%, up for the tenth consecutive quarter. Transportation equipment (60,000 persons) saw a double-digit rise of 10.2%, up for the thirteenth consecutive quarter.
- **Europe** The number of employees stood at 230,000 (share of total employees: 9.2%), increasing by 5.6% compared to the same quarter of the previous year, up for the second quarter in a row. Transportation equipment (70,000 persons) increased considerably, up 24.5%, while electrical machinery (50,000 persons) declined by 5.7%, down for the twelfth consecutive quarter.

Chart 9 Number of Employees by Region
(Comparison to corresponding period of previous year)



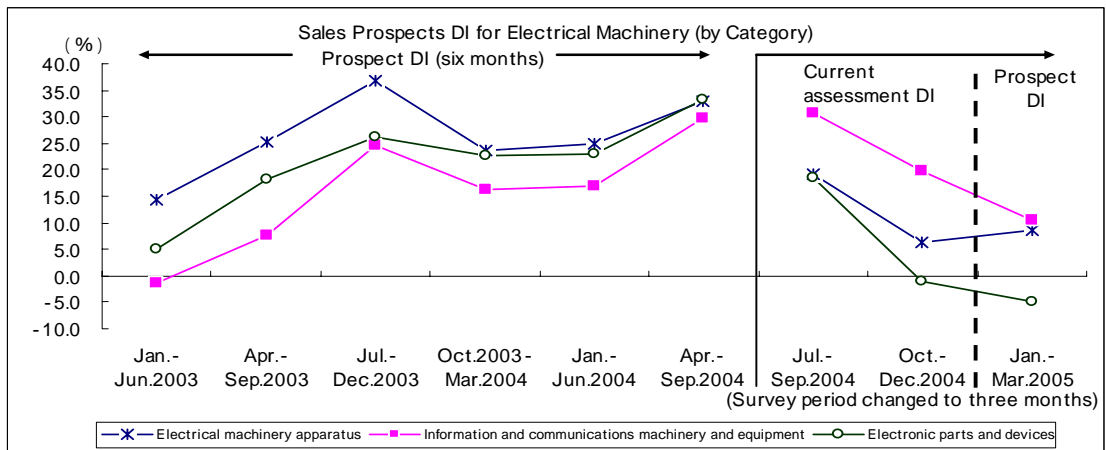
[Topics] The sales prospects DI in electrical machinery decreased by 3.5% points partly due to worldwide IT-related production adjustments for the January-March quarter of 2005.

In particular, NIES3 deteriorated further, remaining in negative territory, and Europe was expected to drop to a negative level.



<<Current assessment DI>> Decreases were observed in electrical machinery and apparatus; information and telecommunications machinery and equipment; and electronic parts and devices.

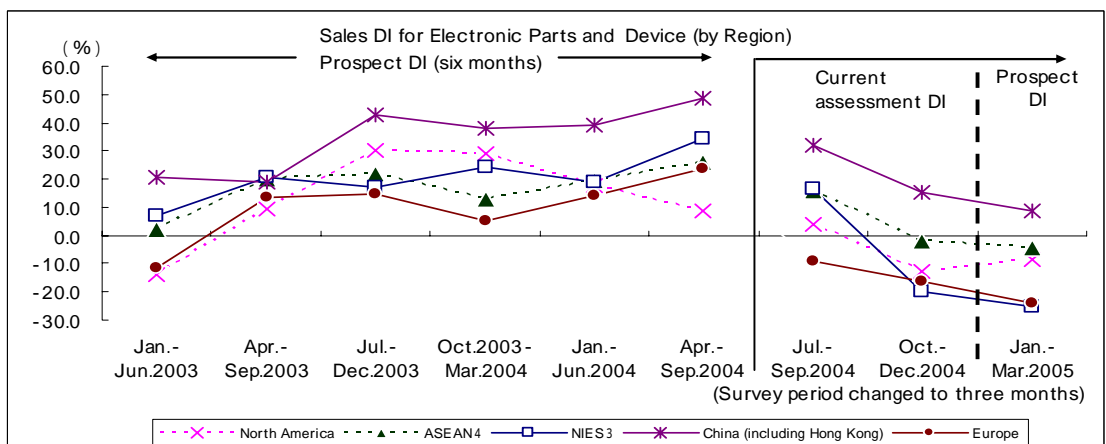
<<Prospects DI>> Electrical machinery and apparatus was expected to increase, while electronic parts and devices was expected to deteriorate further at the negative level.



<Sales DI for electronic parts and devices>

<<Current assessment DI>> While China registered a positive level in double digits, all other regions (countries) fell to a negative level.

<<Prospects DI>> In particular, NIES3 and Europe were expected to fall to the minus 20% point range.



Note: Electrical machinery and apparatus: includes industrial and commercial electrical machinery and apparatuses, electronic application equipment and other electrical machines and apparatuses
 Information and telecommunications machinery and equipment includes TVs, radios, telephone sets, stereos, computers, etc.
 Electronic parts and devices: semiconductors, integrated circuits, capacitors, etc.

(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	Jul.-Sep. 2004
Yen	118.44	117.57	108.9	107.23	109.75	109.91
ASEAN4						
Rupiah (Indonesia)	8479.3	8441.3	8482.5	8469.6	9001.4	9156.2
Ringgit (Malaysia)	3.8	3.8	3.8	3.8	3.8	3.8
Peso (Philippines)	52.904	54.576	55.256	55.966	55.911	55.997
Baht (Thailand)	42.18	41.29	39.733	39.166	40.221	41.253
NIES3						
Won (Republic of Korea)	1207.88	1174.32	1181.92	1171.58	1162.29	1154.65
Dollar(Singapore)	1.7521	1.7516	1.7243	1.6948	1.7019	1.7075
Dollar(Taiwan)	34.721	34.0757	34.0013	33.4067	33.3843	33.9766
People's Republic of China (Hong Kong is						
Yuan (People's Republic of China	8.277	8.2771	8.2769	8.2771	8.2769	8.2767
Dollar (Hong Kong)	7.798	7.8	7.756	7.777	7.796	7.8
Europe						
Pound (United Kingdom	1.6193	1.61	1.7052	1.839	1.8055	1.8179
Euro (Euro Area)	0.8814	0.8897	0.8413	0.7998	0.8305	0.8184

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 “assessment of the current situation” and the “prospects,” 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)

Coefficient of connection

$$= \left[\frac{\text{Results of FY2003 (companies covered continuously + Newly covered companies)}}{\text{Results of FY2003 companies covered continuously}} \right] \times \left[\frac{\text{Results of FY2002 companies covered continuously}}{\text{Results of FY2002}} \right]$$

* 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.

< Appendix table 1 > Sales result

Units (results : US\$10,000; number of employees:persons, comparison to the same quarter of the previous year:percentage)

All areas	Statistics (US\$10,000)						comparison to the same quarter of the previous year							
	FY 2003	2003			2004			FY 2003	2003			2004		
		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Jul.-Sep.		Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		
Total value of electrical machinery	14,924,917.6	3,587,247.6	4,120,984.4	3,839,647.5	3,987,426.9	P 4,203,392.8	5.7	1.4	13.4	14.3	16.7	P 15.0		
Electrical machines and apparatuses	3,334,867.3	824,399.1	874,075.3	839,132.7	878,331.7	P 890,765.2	12.1	7.3	15.6	20.2	9.9	P 7.7		
Information and communications machines and equipment	7,274,341.6	1,740,870.1	2,018,197.4	1,857,061.5	1,888,484.7	P 2,037,927.4	5.1	0.6	12.0	9.0	13.5	P 16.4		
Electronic parts and devises	4,315,708.7	1,021,978.4	1,228,711.7	1,143,453.3	1,220,610.5	P 1,274,700.2	8.7	-1.9	14.8	21.4	28.2	P 18.4		
Total value of transportation equipment	18,832,908.1	4,424,645.7	4,679,840.2	5,181,518.2	5,210,006.4	P 5,373,982.3	14.9	11.8	16.3	21.6	13.6	P 17.1		
Transportation machines and equipment	13,908,959.7	3,243,505.1	3,413,112.9	3,857,139.8	3,794,013.7	P 3,956,152.3	15.9	12.0	16.4	23.9	11.7	P 17.6		
Parts and accessories for transportation machinery	4,923,948.4	1,181,140.6	1,266,727.3	1,324,378.4	1,415,992.7	P 1,417,830.0	12.8	11.5	15.9	15.1	19.2	P 15.7		

North America	Statistics (US\$10,000)						comparison to the same quarter of the previous year							
	FY 2003	2003			2004			FY 2003	2003			2004		
		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Jul.-Sep.		Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		
Total value of electrical machinery	3,770,113	928,999	1,014,931	950,635	918,305	P 987,011	-8.4	-6.7	-1.3	-1.3	4.8	P 6.2		
Electrical machines and apparatuses	584,920	146,771	150,781	152,867	159,015	P 163,081	4.7	2.4	5.1	11.2	18.2	P 11.1		
Information and communications machines and equipment	2,719,025	671,329	748,610	668,286	621,710	P 681,444	-3.9	-4.4	0.3	-5.1	-1.4	P 1.5		
Electronic parts and devises	466,169	110,899	115,541	129,482	137,580	P 142,487	-15.9	-25.6	-15.9	4.9	24.2	P 28.3		
Total value of transportation equipment	10,772,506	2,513,569	2,626,602	2,935,169	2,924,396	P 2,916,786	8.2	5.5	12.7	12.6	8.0	P 15.6		
Transportation machines and equipment	8,102,766	1,877,478	1,960,920	2,213,246	2,192,887	P 2,214,132	9.4	6.4	13.3	13.8	6.9	P 17.9		
Parts and accessories for transportation machinery	2,669,740	636,091	665,682	721,923	731,510	P 702,654	4.7	3.0	10.9	9.1	11.7	P 8.9		

Asia	Statistics (US\$10,000)						comparison to the same quarter of the previous year							
	FY 2003	2003			2004			FY 2003	2003			2004		
		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Jul.-Sep.		Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		
Total value of electrical machinery	7,406,484	1,854,368	1,966,443	1,869,273	2,122,733	P 2,222,899	13.3	7.1	20.2	22.3	22.5	P 18.3		
Electrical machines and apparatuses	2,286,409	574,434	583,441	574,465	606,026	P 615,960	15.3	11.3	18.6	25.5	9.1	P 6.9		
Information and communications machines and equipment	2,412,921	621,513	640,381	568,116	741,809	P 807,351	9.4	6.7	18.9	14.7	26.3	P 28.2		
Electronic parts and devises	2,707,153	658,421	742,621	726,691	774,898	P 799,588	15.7	4.2	22.6	27.0	31.5	P 19.0		
Total value of transportation equipment	3,567,862	871,309	914,532	1,007,098	994,579	P 1,066,448	36.5	38.3	23.2	54.6	27.0	P 20.3		
Transportation machines and equipment	2,111,956	509,041	517,452	609,982	590,205	P 602,264	41.3	39.8	21.8	67.2	23.5	P 17.7		
Parts and accessories for transportation machinery	1,455,906	362,268	397,080	397,116	404,374	P 464,184	33.9	35.6	25.6	36.2	32.6	P 24.0		

ASEAN4	Statistics (US\$10,000)						comparison to the same quarter of the previous year							
	FY 2003	2003			2004			FY 2003	2003			2004		
		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Jul.-Sep.		Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		
Total value of electrical machinery	3,188,369	788,322	838,282	803,178	873,619	P 907,247	6.3	-1.4	9.1	13.8	14.5	P 14.3		
Electrical machines and apparatuses	1,165,538	291,731	317,157	292,492	252,771	P 247,059	12.3	7.3	19.2	18.5	-4.5	P -15.6		
Information and communications machines and equipment	968,272	242,475	246,511	230,698	335,911	P 368,148	2.3	-3.7	4.9	9.2	35.1	P 51.8		
Electronic parts and devises	1,054,560	254,116	274,614	279,988	284,938	P 292,040	6.0	-4.9	6.7	14.5	14.0	P 12.9		
Total value of transportation equipment	1,989,861	482,068	495,683	560,876	569,926	P 586,147	35.6	48.3	24.8	37.5	25.4	P 19.3		
Transportation machines and equipment	1,225,783	302,895	301,641	339,432	342,663	P 353,771	40.6	53.5	24.8	38.5	21.6	P 16.8		
Parts and accessories for transportation machinery	764,078	179,172	194,042	221,444	227,263	P 232,376	36.2	41.0	24.7	36.0	31.7	P 23.6		

NIEs3	Statistics (US\$10,000)						comparison to the same quarter of the previous year							
	FY 2003	2003			2004			FY 2003	2003			2004		
		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Jul.-Sep.		Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		
Total value of electrical machinery	1,601,419	406,867	449,162	397,664	425,807	P 427,877	1.7	-5.8	21.7	16.3	22.4	P 5.1		
Electrical machines and apparatuses	265,883	73,496	66,183	63,326	72,056	P 69,221	-6.3	-4.3	-5.9	1.3	14.6	P -5.8		
Information and communications machines and equipment	458,657	117,899	128,610	100,823	111,659	P 118,882	-6.8	-11.7	24.7	6.2	0.3	P 0.8		
Electronic parts and devises	876,879	215,472	254,369	233,514	242,092	P 239,774	12.9	-1.5	33.6	30.7	39.4	P 11.2		
Total value of transportation equipment	368,437	86,431	89,814	99,173	95,128	P 105,182	7.2	5.7	-3.7	19.7	0.0	P 19.4		
Transportation machines and equipment	224,044	54,220	52,078	61,608	56,414	P 66,977	4.7	6.4	-11.1	21.0	-3.2	P 19.9		
Parts and accessories for transportation machinery	144,393	32,211	37,736	37,565	38,714	P 38,206	12.5	4.3	12.3	17.0	5.0	P 18.6		

China(including Hong Kong)	Statistics (US\$10,000)						comparison to the same quarter of the previous year					
	FY 2003	2003		2004			FY 2003	2003		2004		
		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Total value of electrical machinery	2,549,583	640,731	662,118	652,231	803,954	P 865,977	33.8	32.0	36.0	39.3	32.8	P 31.8
Electrical machines and apparatuses	839,812	205,207	196,433	215,177	277,292	P 295,701	30.4	24.0	31.0	47.3	23.9	P 43.5
Information and communications machines and equipment	940,369	248,012	254,058	225,841	281,278	P 305,353	32.3	40.1	34.6	26.6	29.7	P 19.0
Electronic parts and devises	769,403	187,512	211,627	211,213	245,384	P 264,922	40.2	32.2	43.6	48.0	49.5	P 35.7
Total value of transportation equipment	661,343	177,937	192,624	177,929	163,059	P 222,455	66.1	73.3	62.7	75.8	42.2	P 23.3
Transportation machines and equipment	177,535	41,896	44,309	58,292	44,271	P 48,990	295.9	406.7	192.1	367.9	34.0	P 16.9
Parts and accessories for transportation machinery	483,808	136,041	148,316	119,637	118,788	P 173,465	44.4	45.5	47.7	50.7	45.5	P 25.3

Other Asia	Statistics (US\$10,000)						comparison to the same quarter of the previous year					
	FY 2003	2003		2004			FY 2003	2003		2004		
		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Total value of electrical machinery	67,112	18,447	16,881	16,200	19,352	P 21,798	-6.6	-7.2	-0.4	-6.4	21.7	P 15.9
Electrical machines and apparatuses	15,176	4,000	3,668	3,470	3,907	P 3,980	-7.9	-6.5	-0.9	-20.0	-3.3	P -0.5
Information and communications machines and equipment	45,623	13,127	11,203	10,754	12,960	P 14,967	-13.3	-15.3	-11.0	-2.5	23.0	P 14.0
Electronic parts and devises	6,312	1,320	2,010	1,976	2,485	P 2,851	13.5	16.4	28.5	18.1	108.1	P 84.9
Total value of transportation equipment	548,221	124,874	136,410	169,121	166,467	P 152,664	62.3	26.2	32.7	231.5	39.8	P 20.7
Transportation machines and equipment	484,595	110,030	119,424	150,651	146,857	P 132,526	65.5	25.2	32.7	278.8	39.5	P 19.4
Parts and accessories for transportation machinery	63,626	14,844	16,986	18,470	19,609	P 20,138	40.3	34.5	32.5	58.5	42.3	P 29.7

Europe	Statistics (US\$10,000)						comparison to the same quarter of the previous year					
	FY 2003	2003		2004			FY 2003	2003		2004		
		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Total value of electrical machinery	3,508,353	740,287	1,060,483	962,762	887,134	P 932,171	13.4	-0.3	23.5	20.9	15.5	P 19.3
Electrical machines and apparatuses	435,695	96,868	131,039	105,058	106,785	P 104,865	11.3	-5.0	23.3	11.4	3.3	P 7.5
Information and communications machines and equipment	2,009,417	413,229	593,890	589,509	494,639	P 522,262	15.0	0.2	24.7	24.0	19.8	P 26.3
Electronic parts and devises	1,063,241	230,190	335,555	268,195	285,711	P 305,044	7.2	1.8	16.8	11.9	13.3	P 11.6
Total value of transportation equipment	2,665,549	604,705	675,585	742,578	808,608	P 798,599	19.9	10.9	20.5	25.4	21.9	P 18.7
Transportation machines and equipment	2,051,916	466,787	518,029	586,762	579,927	P 600,469	20.1	9.0	19.9	31.0	20.7	P 16.7
Parts and accessories for transportation machinery	613,634	137,919	157,556	155,816	228,681	P 198,129	19.4	18.1	22.7	7.0	25.3	P 25.3

Other	Statistics (US\$10,000)						comparison to the same quarter of the previous year					
	FY 2003	2003		2004			FY 2003	2003		2004		
		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.
Total value of electrical machinery	239,968	63,594	79,128	56,978	59,255	P 61,312	-12.9	10.7	-0.7	5.0	47.1	P -4.4
Electrical machines and apparatuses	27,844	6,326	8,815	6,743	6,507	P 6,859	-3.3	2.4	-2.4	2.8	9.2	P 8.4
Information and communications machines and equipment	132,979	34,800	35,317	31,151	30,327	P 26,871	0.3	11.1	-2.6	2.9	-4.4	P -24.2
Electronic parts and devises	79,146	22,469	34,995	19,084	22,421	P 27,582	71.7	55.3	133.1	122.0	763.3	P 22.8
Total value of transportation equipment	1,826,991	435,063	463,121	496,674	482,423	P 592,150	19.7	16.2	21.1	29.2	11.5	P 16.6
Transportation machines and equipment	1,642,322	390,200	416,712	447,149	430,995	P 539,288	20.5	17.1	21.3	30.3	11.0	P 16.5
Parts and accessories for transportation machinery	184,669	44,863	46,410	49,524	51,428	P 52,862	16.8	14.1	18.3	25.9	16.4	P 16.7

<Appendix table 2> Prospect for sale(DI)

(Unit:Percentage point)

	D I									
	Jul.-Sep. 2003 period investigation	Oct.-Dec. 2003 period investigation	Jan.-Mar. 2004 period investigation	Apr.-Jun. 2004 period investigation		Jul.-Sep. 2004 period investigation				
	Oct. 2003-Mar. 2004	Jan.-Jun. 2004	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep. 2004	Future from Oct.-Dec. 2004	Recognition of the current condition	comparison to previous quarter	Future	comparison to previous quarter	
All area										
Total value of electrical machinery	21.1	21.8	32.2	22.1	18.6	7.0	-15.1	3.5	-3.5	
Electrical machines and apparatuses	23.6	25.0	33.0	19.3	26.6	6.5	-12.8	8.5	2.0	
Information and communications machines and equipment	16.3	16.9	29.7	30.7	21.3	19.9	-10.8	10.5	-9.4	
Electronic parts and devises	22.8	23.1	33.3	18.4	11.0	-1.0	-19.4	-4.9	-3.9	
Total value of transportation equipment	19.3	26.0	32.3	16.6	19.4	17.7	1.1	22.3	4.6	
Transportation machines and equipment	21.2	20.9	19.4	14.3	17.1	17.6	3.3	19.4	1.8	
Parts and accessories for transportation machinery	18.6	26.8	34.3	16.6	19.4	17.3	0.7	22.4	5.1	

	D I									
	Jul.-Sep. 2003 period investigation	Oct.-Dec. 2003 period investigation	Jan.-Mar. 2004 period investigation	Apr.-Jun. 2004 period investigation		Jul.-Sep. 2004 period investigation				
	Oct. 2003-Mar. 2004	Jan.-Jun. 2004	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep. 2004	Future from Oct.-Dec. 2004	Recognition of the current condition	comparison to previous quarter	Future	comparison to previous quarter	
Asia										
Total value of electrical machinery	22.6	25.1	39.5	25.4	16.7	6.4	-19.0	5.3	-1.1	
Electrical machines and apparatuses	24.6	27.9	40.7	22.0	23.8	3.7	-18.3	6.2	2.5	
Information and communications machines and equipment	17.5	22.0	42.7	34.8	18.2	17.6	-17.2	17.6	0.0	
Electronic parts and devises	24.2	24.9	36.8	22.3	10.8	2.1	-20.2	-2.1	-4.2	
Total value of transportation equipment	29.5	36.9	43.0	26.3	27.2	23.2	-3.1	31.4	8.2	
Transportation machines and equipment	28.9	18.4	15.4	15.4	12.8	15.0	-0.4	23.1	8.1	
Parts and accessories for transportation machinery	29.6	40.9	48.1	27.7	29.5	24.3	-3.4	32.5	8.2	

	D I									
	Jul.-Sep. 2003 period investigation	Oct.-Dec. 2003 period investigation	Jan.-Mar. 2004 period investigation	Apr.-Jun. 2004 period investigation		Jul.-Sep. 2004 period investigation				
	Oct. 2003-Mar. 2004	Jan.-Jun. 2004	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep. 2004	Future from Oct.-Dec. 2004	Recognition of the current condition	comparison to previous quarter	Future	comparison to previous quarter	
NIEs3										
Total value of electrical machinery	13.7	13.2	28.6	12.7	11.8	-10.7	-23.4	-17.3	-6.6	
Electrical machines and apparatuses	5.0	9.1	22.7	4.8	14.3	9.5	4.7	-5.0	-14.5	
Information and communications machines and equipment	-5.6	0.0	17.6	12.5	6.3	-11.8	-24.3	-11.8	0.0	
Electronic parts and devises	24.0	18.9	34.6	16.3	12.5	-19.6	-35.9	-25.0	-5.4	
Total value of transportation equipment	-8.0	20.0	31.1	0.0	17.3	-3.5	-3.5	14.3	17.8	
Transportation machines and equipment	100.0	0.0	100.0	-50.0	-50.0	-50.0	0.0	0.0	50.0	
Parts and accessories for transportation machinery	-12.5	20.7	28.6	3.7	22.2	0.0	-3.7	14.8	14.8	

	D I									
	Jul.-Sep. 2003 period investigation	Oct.-Dec. 2003 period investigation	Jan.-Mar. 2004 period investigation	Apr.-Jun. 2004 period investigation		Jul.-Sep. 2004 period investigation				
	Oct. 2003-Mar. 2004	Jan.-Jun. 2004	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep. 2004	Future from Oct.-Dec. 2004	Recognition of the current condition	comparison to previous quarter	Future	comparison to previous quarter	
North America										
Total value of electrical machinery	20.6	13.7	12.2	16.1	19.2	4.0	-12.1	0.0	-4.0	
Electrical machines and apparatuses	39.1	22.7	21.7	31.6	31.6	20.8	-10.8	16.7	-4.1	
Information and communications machines and equipment	-3.8	3.6	7.1	16.0	20.0	3.7	-12.3	-7.4	-11.1	
Electronic parts and devises	29.2	17.4	8.7	4.2	8.3	-12.5	-16.7	-8.7	3.8	
Total value of transportation equipment	5.1	14.1	22.3	7.9	15.1	11.8	3.9	15.6	3.8	
Transportation machines and equipment	0.0	30.8	13.3	14.3	35.7	23.1	8.8	23.1	0.0	
Parts and accessories for transportation machinery	5.7	12.2	23.4	7.1	12.8	10.6	3.5	14.8	4.2	

	D I									
	Jul.-Sep. 2003 period investigation	Oct.-Dec. 2003 period investigation	Jan.-Mar. 2004 period investigation	Apr.-Jun. 2004 period investigation		Jul.-Sep. 2004 period investigation				
	Oct. 2003-Mar. 2004	Jan.-Jun. 2004	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep. 2004	Future from Oct.-Dec. 2004	Recognition of the current condition	comparison to previous quarter	Future	comparison to previous quarter	
ASEAN4										
Total value of electrical machinery	16.6	20.8	30.1	21.2	3.3	-6.0	-27.2	0.9	6.9	
Electrical machines and apparatuses	25.5	22.0	25.4	14.1	9.4	-15.6	-29.7	4.7	20.3	
Information and communications machines and equipment	13.5	21.4	42.1	36.7	5.0	-1.8	-38.5	5.4	7.2	
Electronic parts and devises	12.8	19.5	25.8	15.7	-2.3	-2.1	-17.8	-4.4	-2.3	
Total value of transportation equipment	24.5	28.4	46.9	30.1	24.1	23.4	-6.7	34.2	10.8	
Transportation machines and equipment	13.6	13.0	21.7	30.4	17.4	17.4	-13.0	30.4	13.0	
Parts and accessories for transportation machinery	27.6	32.6	52.8	29.2	25.0	24.1	-5.1	34.5	10.4	

	D I									
	Jul.-Sep. 2003 period investigation	Oct.-Dec. 2003 period investigation	Jan.-Mar. 2004 period investigation	Apr.-Jun. 2004 period investigation		Jul.-Sep. 2004 period investigation				
	Oct. 2003-Mar. 2004	Jan.-Jun. 2004	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep. 2004	Future from Oct.-Dec. 2004	Recognition of the current condition	comparison to previous quarter	Future	comparison to previous quarter	
China(including Hong Kong)										
Total value of electrical machinery	33.7	38.0	53.8	35.3	31.5	25.8	-9.5	19.1	-6.7	
Electrical machines and apparatuses	31.5	42.6	59.4	36.1	41.7	23.9	-12.2	16.9	-7.0	
Information and communications machines and equipment	28.9	29.3	54.5	40.0	34.0	47.1	7.1	40.4	-6.7	
Electronic parts and devises	38.0	39.2	48.8	31.8	21.6	15.4	-16.4	8.8	-6.6	
Total value of transportation equipment	57.1	61.8	56.2	35.9	43.4	45.5	9.6	38.7	-6.8	
Transportation machines and equipment	57.1	0.0	16.7	0.0	60.0	66.7	66.7	16.7	-50.0	
Parts and accessories for transportation machinery	57.1	69.4	60.0	38.3	40.4	40.5	2.2	40.5	0.0	

Other Asia	D I									
	Jul.-Sep. 2003 period investigation	Oct.-Dec. 2003 period investigation	Jan.-Mar. 2004 period investigation	Apr.-Jun. 2004 period investigation		Jul.-Sep. 2004 period investigation				
	Oct. 2003-Mar. 2004	Jan.-Jun. 2004	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep. 2004	Future from Oct.-Dec. 2004	Recognition of the current condition		Future		
						Oct.-Dec. 2004	comparison to previous quarter	Jan.-Mar. 2005	comparison to previous quarter	
Total value of electrical machinery	20.0	0.0	45.0	20.0	25.0	4.8	-15.2	-4.8	-9.6	
Electrical machines and apparatuses	0.0	0.0	50.0	0.0	0.0	-42.9	-42.9	-57.1	-14.2	
Information and communications machines and equipment	40.0	40.0	33.3	33.3	50.0	33.3	0.0	16.7	-16.6	
Electronic parts and devises	0.0	-33.3	50.0	28.6	28.6	25.0	-3.6	25.0	0.0	
Total value of transportation equipment	40.0	40.0	13.8	20.0	20.0	14.8	-5.2	25.9	11.1	
Transportation machines and equipment	37.5	50.0	-11.1	0.0	-11.1	-11.1	-11.1	11.1	22.2	
Parts and accessories for transportation machinery	41.2	35.3	25.0	28.6	33.3	27.8	-0.8	33.3	5.5	

Other's	D I									
	Jul.-Sep. 2003 period investigation	Oct.-Dec. 2003 period investigation	Jan.-Mar. 2004 period investigation	Apr.-Jun. 2004 period investigation		Jul.-Sep. 2004 period investigation				
	Oct. 2003-Mar. 2004	Jan.-Jun. 2004	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep. 2004	Future from Oct.-Dec. 2004	Recognition of the current condition		Future		
						Oct.-Dec. 2004	comparison to previous quarter	Jan.-Mar. 2005	comparison to previous quarter	
Total value of electrical machinery	9.6	23.8	0.0	21.0	36.8	20.0	-1.0	0.0	-20.0	
Electrical machines and apparatuses	14.3	42.9	20.0	20.0	20.0	20.0	0.0	0.0	-20.0	
Information and communications machines and equipment	10.0	20.0	-20.0	20.0	50.0	36.4	16.4	9.1	-27.3	
Electronic parts and devises	0.0	0.0	25.0	25.0	25.0	-25.0	-50.0	-25.0	0.0	
Total value of transportation equipment	14.7	11.4	25.0	16.2	-2.7	6.7	-9.5	13.4	6.7	
Transportation machines and equipment	50.0	12.5	55.6	22.2	0.0	25.0	2.8	12.5	-12.5	
Parts and accessories for transportation machinery	0.0	7.7	14.8	14.3	-3.6	0.0	-14.3	13.6	13.6	

Europe	D I									
	Jul.-Sep. 2003 period investigation	Oct.-Dec. 2003 period investigation	Jan.-Mar. 2004 period investigation	Apr.-Jun. 2004 period investigation		Jul.-Sep. 2004 period investigation				
	Oct. 2003-Mar. 2004	Jan.-Jun. 2004	Apr.-Sep. 2004	Recognition of the current condition from Jul.-Sep. 2004	Future from Oct.-Dec. 2004	Recognition of the current condition		Future		
						Oct.-Dec. 2004	comparison to previous quarter	Jan.-Mar. 2005	comparison to previous quarter	
Total value of electrical machinery	15.0	6.5	5.0	1.5	29.0	11.6	10.1	-5.9	-17.5	
Electrical machines and apparatuses	0.0	0.0	-25.0	-15.8	47.4	9.1	24.9	18.2	9.1	
Information and communications machines and equipment	36.4	4.5	8.7	27.3	28.6	45.5	18.2	-9.5	-55.0	
Electronic parts and devises	5.0	14.3	23.8	-9.1	13.6	-16.0	-6.9	-24.0	-8.0	
Total value of transportation equipment	17.1	19.2	17.9	0.0	13.0	17.4	17.4	6.5	-10.9	
Transportation machines and equipment	-14.3	25.0	11.1	0.0	25.0	14.3	14.3	0.0	-14.3	
Parts and accessories for transportation machinery	22.5	18.2	19.1	0.0	10.9	17.9	17.9	7.7	-10.2	

< Appendix table 3 >

Result and DI in the main countries

(Units : results=US\$10,000, number of employees=persons, comparison to the same quarter of the previous year=percentage, DI=percentage point)

		Result										DI								
		2003					2004					2003		2004		Jul-Sep. period				
		Jul.-Sep. period	comparison to the same quarter of the previous year	Oct.-Dec. period	comparison to the same quarter of the previous year	Jan.-Mar. period	comparison to the same quarter of the previous year	Apr.-Jun. period	comparison to the same quarter of the previous year	Jul.-Sep. period	comparison to the same quarter of the previous year	Jul.-Sep. period	Oct.-Dec. period	Jan.-Mar. period	Apr.-Jun. period		Jul.-Sep. period			
															Recognition of the Current condition	Future	Recognition of the Current condition	Future		
Oct.-Mar.	Jan.-Jun.	Apr.-Sep.	Jul.-Sep.	Oct.Dec.	Oct.Dec.	Jan.-Mar.2005	comparison to previous quarter	comparison to previous quarter												
U.S.A	Sales	4,234,129	0.8	4,394,389	7.8	4,679,085	9.5	4,689,133	8.6	4,763,101	10.8	12.1	19.1	23.7	16.9	15.2	10.0	-6.9	16.6	6.6
	fixed assets (excluding land)	132,916	22.4	150,288	18.4	176,172	4.2	136,404	-5.7	182,787	36.1	8.6	11.4	13.6	4.0	11.1	9.4	5.4	12.6	3.2
	Number of employees	395,314	-5.5	392,941	-3.3	383,821	-4.1	389,269	-1.2	382,130	-4.7	-9.8	1.2	4.0	2.4	0.7	4.8	2.4	1.5	-3.3
Indonesia	Sales	322,130	18.9	332,393	17.7	337,687	24.2	372,874	19.3	414,142	24.3	15.9	20.8	39.0	28.7	9.9	-0.6	-29.3	18.0	18.6
	fixed assets (excluding land)	7,698	18.4	8,133	34.9	9,762	21.6	13,739	84.3	9,680	20.2	7.4	15.3	31.5	14.3	2.1	15.9	1.6	5.2	-10.7
	Number of employees	190,946	4.6	193,974	1.2	197,966	2.6	203,244	4.5	201,835	4.4	-7.5	-4.8	1.1	3.4	-5.2	-1.2	-4.6	3.8	5.0
Malaysia	Sales	460,174	2.1	461,982	7.9	410,807	11.1	469,214	13.4	513,160	11.3	3.9	21.3	26.1	9.4	-7.5	-11.8	-21.1	-6.0	5.8
	fixed assets (excluding land)	11,460	-2.2	13,802	-14.4	20,598	2.1	17,829	125.7	15,706	37.0	3.6	24.5	16.9	8.3	2.9	7.8	-0.5	-4.3	-12.1
	Number of employees	167,200	-4.2	165,273	-4.8	163,836	-3.7	157,936	-3.2	158,330	-5.5	-9.5	-3.8	-6.7	6.3	-7.7	-2.6	-9.0	-3.3	-0.7
Philippines	Sales	232,246	1.8	240,289	-1.6	244,061	2.4	245,044	0.6	244,545	3.9	22.0	30.0	25.6	23.3	19.1	1.1	-22.2	10.3	9.2
	fixed assets (excluding land)	4,120	-26.0	5,174	-26.8	8,263	121.7	7,085	4.4	9,009	111.6	21.6	27.0	33.8	12.3	12.2	23.2	10.9	13.0	-10.1
	Number of employees	116,622	-0.1	120,164	0.4	113,368	-4.7	118,939	-3.8	125,056	5.3	1.1	6.8	3.3	5.5	11.1	6.9	1.4	3.4	-3.4
Thailand	Sales	702,389	21.1	745,055	22.1	821,123	32.9	873,234	30.4	917,892	24.6	33.2	40.1	42.6	33.9	29.6	22.4	-11.5	25.3	2.9
	fixed assets (excluding land)	28,616	26.6	30,012	22.6	29,051	62.2	34,421	58.9	46,242	48.5	25.8	17.8	22.5	22.4	15.0	20.2	-2.2	16.9	-3.3
	Number of employees	236,187	5.9	241,337	7.2	248,364	8.8	258,679	10.8	271,333	11.1	13.1	18.0	21.9	15.5	12.7	10.7	-4.8	15.3	4.6
South Korea	Sales	181,495	11.1	190,678	12.6	185,671	19.2	189,308	17.5	179,644	-4.3	0.0	14.1	32.8	5.0	13.1	21.3	16.3	8.3	-13.0
	fixed assets (excluding land)	10,977	76.7	9,522	304.1	9,376	32.5	8,571	1.9	7,666	-30.7	1.8	-19.6	1.8	15.4	22.6	-4.2	-19.6	17.0	21.2
	Number of employees	26,781	-4.4	25,964	-5.1	25,700	-6.2	25,778	-6.0	25,329	-6.8	3.1	-9.4	-3.2	3.3	-11.5	-6.8	-10.1	-5.3	1.5
Singapore	Sales	270,245	-11.1	307,431	14.2	304,880	21.4	335,138	38.9	345,259	27.4	15.2	19.2	15.0	13.8	6.3	-6.7	-20.4	-16.2	-9.5
	fixed assets (excluding land)	5,446	-5.3	9,969	110.9	8,445	-39.4	6,433	54.1	5,767	5.0	12.7	13.6	15.9	3.3	3.2	1.7	-1.6	-3.5	-5.2
	Number of employees	48,971	4.3	49,821	7.4	49,035	8.2	52,450	11.0	51,913	5.5	-7.7	-5.2	-7.6	4.0	0.0	-6.8	-10.8	-6.8	0.0
Taiwan	Sales	308,232	12.9	323,735	15.8	312,072	15.9	332,702	10.9	345,853	10.8	8.8	6.8	33.6	16.1	11.3	-7.1	-23.2	-1.8	5.3
	fixed assets (excluding land)	3,329	4.5	4,472	-40.7	6,045	80.9	3,683	13.0	7,224	93.4	12.1	11.4	29.8	22.0	17.0	20.7	-1.3	7.7	-13.0
	Number of employees	49,490	1.3	49,279	0.2	48,475	-0.6	50,142	-2.4	50,764	-0.4	13.0	7.4	5.8	6.3	6.5	2.7	-3.7	0.0	-2.7
China	Sales	1,245,483	31.7	1,271,601	31.7	1,251,400	32.8	1,479,380	31.4	1,636,160	27.4	34.5	34.8	46.7	38.2	35.2	23.3	-14.9	20.0	-3.3
	fixed assets (excluding land)	30,389	43.5	28,903	8.3	33,774	11.9	39,719	-7.0	50,608	62.5	19.8	26.5	27.3	15.5	15.0	13.0	-2.5	16.0	3.0
	Number of employees	626,068	15.2	632,282	16.0	639,019	15.0	694,447	14.3	715,534	9.3	15.9	18.5	22.0	17.2	15.1	14.3	-2.9	13.2	-1.1
India	Sales	108,466	21.4	117,990	34.4	145,420	347.5	144,381	38.4	132,044	21.6	42.9	19.2	31.3	17.6	23.5	17.2	-0.4	24.1	6.9
	fixed assets (excluding land)	3,435	69.5	4,549	17.5	4,213	115.0	3,892	46.7	8,472	143.3	14.3	29.2	34.5	-6.7	-3.4	11.1	17.8	0.0	-11.1
	Number of employees	28,399	5.4	28,408	2.2	25,893	-13.8	27,371	-5.1	27,904	-2.8	23.8	23.1	27.6	12.1	12.1	10.3	-1.8	3.4	-6.9
Vietnam	Sales	53,162	19.3	54,854	16.0	58,555	48.0	65,581	24.2	70,861	24.9	35.9	7.5	23.8	38.1	24.4	23.7	-14.4	26.3	2.6
	fixed assets (excluding land)	2,624	52.5	1,237	-58.7	3,607	214.9	1,958	-13.8	2,574	-7.0	16.1	9.1	34.3	21.6	11.1	15.2	-6.5	12.9	-2.2
	Number of employees	45,095	30.3	46,429	23.0	47,892	24.6	52,472	18.5	54,827	14.7	30.8	30.8	23.3	9.5	2.4	21.6	12.1	18.9	-2.7
UK	Sales	720,318	3.1	935,529	20.2	948,718	31.5	879,404	19.2	892,085	17.0	7.7	11.4	9.7	11.8	21.1	26.7	14.8	12.0	-14.7
	fixed assets (excluding land)	11,101	-42.4	10,778	-30.4	16,968	-61.4	8,391	-44.4	14,468	19.5	7.5	4.7	16.9	-4.8	-1.6	-3.3	1.5	6.7	9.9
	Number of employees	61,298	-5.5	57,725	-11.8	72,035	-3.6	68,052	9.6	67,775	9.6	-16.9	-2.6	-15.3	1.4	-7.0	-6.7	-8.0	-6.7	0.0
France	Sales	202,912	6.8	274,017	23.0	285,534	14.4	278,600	18.5	247,672	21.9	12.2	23.1	21.4	-15.8	5.3	20.5	36.3	28.2	7.7
	fixed assets (excluding land)	4,952	-30.0	5,791	-1.3	7,175	179.9	4,920	34.1	4,572	-7.7	9.7	6.5	9.1	16.1	12.9	3.3	-12.8	0.0	-3.3
	Number of employees	18,641	-11.2	19,909	-0.6	20,535	1.7	18,468	-5.7	19,565	4.7	-7.5	4.9	11.6	-2.8	-2.8	-2.6	0.2	0.0	2.6
Germany	Sales	284,981	0.5	333,925	13.7	340,350	12.5	340,168	9.0	327,573	13.4	11.6	12.5	23.9	-10.9	22.2	6.7	17.5	8.9	2.2
	fixed assets (excluding land)	4,613	-17.9	4,279	-38.2	4,645	104.7	3,554	25.6	4,363	-7.5	-10.8	7.5	0.0	2.9	0.0	0.0	-2.9	7.7	7.7
	Number of employees	27,357	-0.9	27,269	-1.3	25,097	-7.3	24,792	-8.9	24,395	-12.9	-28.9	-23.9	-17.1	-4.8	-4.9	-9.1	-4.3	-6.8	2.3
Netherland	Sales	321,710	7.4	385,723	22.3	330,064	4.8	372,730	16.3	390,328	20.9	15.8	27.3	24.0	-4.3	13.0	22.7	27.1	27.3	4.5
	fixed assets (excluding land)	2,298	-67.9	4,661	-62.4	5,514	102.2	4,611	-29.6	2,965	14.7	5.9	0.0	11.8	-6.3	0.0	10.5	16.8	15.8	5.3
	Number of employees	30,679	-3.0	31,397	-3.7	29,885	-1.0	30,165	-0.5	30,446	-1.4	13.6	4.0	18.2	-5.3	-5.3	-4.3	0.9	-8.7	-4.3

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