



Trends in Overseas Subsidiaries

**(Quarterly Survey of Overseas Subsidiaries)
Survey from April to June 2005 (Results/DI)**

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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 for overseas business activities of Japanese companies, as well as to understand trends in overseas activities and the degree of globalization of Japanese enterprise. A further purpose is to contribute to the development of flexible industrial and trade policy.

(2) Legal basis of the survey

These are officially authorized statistics compiled in accordance with Article 4 of the Statistical Reports Coordination Law.

(3) Date of the survey

The survey was based on the period ending the last day of June, 2005.
(The deadline for submitting survey responses for this quarter was August 15, 2005.)

(4) Survey targets

The survey covers companies that meet all the following criteria as of the end of March 2005:

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

This survey also targets overseas subsidiaries of the above Japanese parent companies (including overseas subsidiaries that were established during the term of the survey) that meet all of the following criteria as of the end of the surveyed quarter:

Manufacturing companies

Companies with 50 or more employees

Companies with 50% or more of their capital coming from parent companies, including both direct and indirect funds (such as funds provided via local subsidiaries).

(5) Survey method

The survey was conducted via mail, using self-declarations submitted by parent companies.

(6) Survey content

The survey covers actual figures and DI (business confidence) in the three areas of: sales, the acquisition price of tangible fixed assets, and the number of employees. Starting with the April – June 2004 survey, the DI survey period was revised to three months (please see Page 15 for details).

(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 |
|---------------------------------------------------------------|------------------------------------|---------------|
| 3750 | 2873 | 76.6% |

2. Usage notes

(1) Regarding listed 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 engaged 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 17.)

(2) Adjustment to deal with gaps in reported values

Previously omitted parts were added, starting with the April – June quarter of 2004, resulting in a gap between results for that quarter and those for 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

Numerical values for the current quarter are finalized in the succeeding quarter.

Numerical values for the previous year (quarterly values, fiscal year totals)

Previous-year figures are finalized in the quarter immediately following the last quarter of the fiscal year (i.e., the April – June quarter) (with inter-fiscal-year adjustments). Therefore, final figures for FY 2004 (April 2004 – March 2005) will differ from cumulative totals seen in the January – March quarter of 2005.

(4) Annotations in the statistical tables

- : Indicates no results.

p : Indicates preliminary estimated values. Numerical values for this quarter are preliminary estimates, and may be revised in the succeeding quarter.

x : Indicates that data is not being disclosed because there are only one or two overseas subsidiaries involved. Data may also be undisclosed when there are three or more companies, in order to avoid the risk of enabling the calculation of “x” from the data provided.

r : Indicates changes from released figures (other than preliminary estimates) for the previous quarter. However, this mark is not attached when change occurs due to compensation between fiscal years.

(5) Tabulation method

Data for all companies covered by the survey is tabulated after estimating the results for companies that did not submit 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. Survey Results

1. Trends in Sales

DI

The Sales Current Assessment DI (for the July – September quarter of 2005) was positive at 21.3 percentage points, which was 4.7 points lower than in the previous quarter (compared to the previous survey).

The Sales Prospects DI (for the October – December quarter of 2005) was positive at 21.8 percentage points, which was 0.5 points higher than the Sales Current Assessment DI for the current quarter (see Chart1).

《By Region》

Compared to the previous quarter, the Current Assessment DI^{*4} deteriorated in all regions except ASEAN4^{*3}. It declined by 1.8 percentage points in Asia, showing deterioration in China^{*1} and NIEs3^{*2}, in spite of an improvement in ASEAN4. It also deteriorated significantly in North America and Europe. The Current Assessment DI stayed positive in all regions, despite being at a low level in Europe. Compared to the Current Assessment DI for the current quarter, the Prospects DI showed a significant improvement in Europe and a slight improvement in North America and China, while showing a decline in ASEAN4 and NIEs3. The Prospects DI was positive in all regions, showing double-digit growth.

North America

The overall Prospects DI (10.3 percentage points)^{*5} was 2.2 points higher than the overall Current Assessment DI. The Prospects DI for the transportation equipment sector (8.9 percentage points) improved by 13.2 points (id.) and that for the electrical machinery sector (11.0 percentage points) also improved, up by 6.9 points (id.). The Prospects DI for the iron and steel sector (-5.6 percentage points) continued to be negative, despite improving by 4.9 points (id.). The Prospects DI for the industrial machinery sector (16.2 percentage points) also fell, down by 12.7 points (id.).

ASEAN

The overall Prospects DI (20.5 percentage points) was 7.0 points lower than the overall Current Assessment DI. The Prospects DI for the transportation equipment sector (39.3 percentage points) fell by 11.1 points (id.), that for the industrial machinery sector (27.8 percentage points) fell by 18.3 points (id.), and that for the chemical sector (24.7 percentage points) also fell, down by 11.3 points (id.). The Prospects DI for the iron and steel sector (-4.7 percentage points) declined by 4.7 points (id.). It is notable that the Prospects DI for the electrical machinery sector (19.0 percentage points) improved by 4.0 points (id.).

NIEs3

The overall Prospects DI (15.0 percentage points) was 0.4 points lower than the overall Current Assessment DI. The Prospects DI for the electricity machinery sector (10.7 percentage points) fell by 8.2 points (id.), while that for the chemical sector (32.6 percentage points) improved by 18.6 points (id.) and that for the industrial machinery sector (40.0 percentage points) also improved, up by 12.0 points (id.). The Prospects DI for the transportation equipment sector (10.4 percentage points) also showed an improvement, up by 0.7 points (id.).

CHINA

The overall Prospects DI (33.3 percentage points) was 2.1 points higher than the overall Current Assessment DI. The Prospects DI for the electricity machinery sector (30.3 percentage points) improved by 3.9 points (id.) and that for the transportation equipment sector (53.7 percentage points) also improved, up by 8.1 points (id.). The Prospects DI for the industrial machinery sector (44.1 percentage points) improved significantly by 22.8 points (id.), that for the chemical sector (50.8 percentage points) improved by 4.9 points (id.), and that for the iron and steel sector (29.4 percentage points) also improved significantly, up by 23.5 points (id.).

Europe

The overall Prospects DI (20.3 percentage points) was 19.9 points higher than the overall Current Assessment DI. The Prospects DI for the transportation equipment sector (11.5 percentage points) improved significantly by 28.9 points (id.), and that for the electric machinery sector (35.0 percentage points) also improved significantly, up by 31.9 points (id.). The Prospects DI for the industrial machinery sector (29.2 percentage points) also showed an improvement, up by 17.0 points (id.).

*1: China includes Hong Kong.

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

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

*4: $DI = (\text{Percentage of companies that responded that they expect an increase}) - (\text{Percentage of companies responding that that they expect a decrease})$

$\text{Quarterly Changes in Current Assessment DI} = (\text{Current Assessment DI for the current quarter}) - (\text{Current Assessment DI for the previous quarter})$

$\text{Quarterly Changes in Prospects DI} = (\text{Prospects DI for the current quarter}) - (\text{Current Assessment DI for the current quarter})$

- The Current Assessment DI for the previous quarter is based on current assessment figures for the period from April to June 2005 collected in the January – March, 2005 survey.
- The Current Assessment DI for the current quarter is based on current assessment figures for the period from July to September, 2005 collected in the April – June, 2005 survey.
- The Prospects DI for the current quarter is based on prospects figures for the period from October to December, 2005 collected in the April – June 2005, survey.

*5: Percentage points in parentheses represent levels.

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

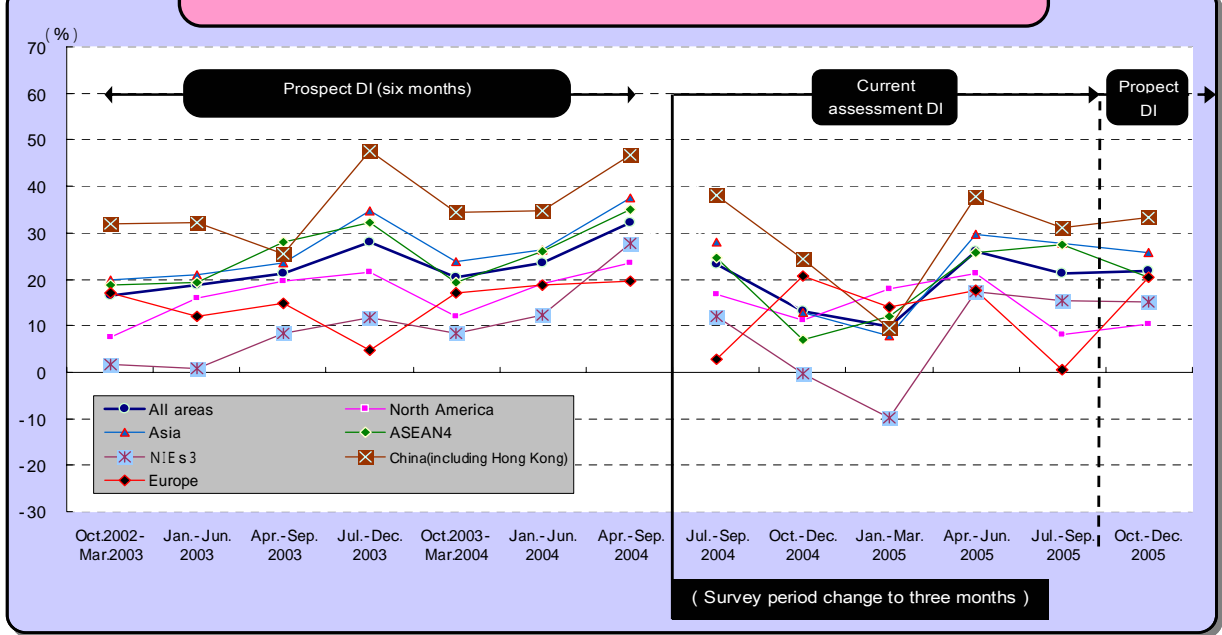


Table 1 Sales DI by Region

| Sales | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|----------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| All areas | 26.0 | 21.3 | -4.7 | 21.8 | 0.5 |
| North America | 21.4 | 8.1 | -13.3 | 10.3 | 2.2 |
| Asia | 29.6 | 27.8 | -1.8 | 25.8 | -2.0 |
| ASEAN4 | 25.8 | 27.5 | 1.7 | 20.5 | -7.0 |
| NIEs3 | 17.4 | 15.4 | -2.0 | 15.0 | -0.4 |
| China(including Hong Kong) | 37.8 | 31.2 | -6.6 | 33.3 | 2.1 |
| Europe | 17.6 | 0.4 | -17.2 | 20.3 | 19.9 |

Table 2 Sales DI of Main Industries

| Sales | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|---------------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Manufacturing industry in total | 26.0 | 21.3 | -4.7 | 21.8 | 0.5 |
| Transportation equipment | 28.2 | 21.3 | -6.9 | 24.9 | 3.6 |
| Electrical machinery | 18.5 | 19.0 | 0.5 | 23.2 | 4.2 |
| Industrial machinery | 26.4 | 26.3 | -0.1 | 30.9 | 4.6 |
| Chemicals | 33.0 | 25.8 | -7.2 | 26.4 | 0.6 |
| Iron and Steel | 41.2 | 0.0 | -41.2 | 6.0 | 6.0 |

Sale DI of Main Industries in North America

| Sales | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 23.4 | -4.3 | -27.7 | 8.9 | 13.2 |
| Electrical machinery | 4.3 | 4.1 | -0.2 | 11.0 | 6.9 |
| Industrial machinery | 24.0 | 28.9 | 4.9 | 16.2 | -12.7 |
| Chemicals | 28.0 | 6.8 | -21.2 | 5.0 | -1.8 |
| Iron and Steel | 25.0 | -10.5 | -35.5 | -5.6 | 4.9 |

Sale DI of Main Industries in Asia

| Sales | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 33.3 | 44.1 | 10.8 | 39.6 | -4.5 |
| Electrical machinery | 22.7 | 21.6 | -1.1 | 23.2 | 1.6 |
| Industrial machinery | 24.4 | 30.7 | 6.3 | 39.3 | 8.6 |
| Chemicals | 38.3 | 34.1 | -4.2 | 35.7 | 1.6 |
| Iron and Steel | 50.0 | 2.1 | -47.9 | 8.7 | 6.6 |

Sale DI of Main Industries in ASEAN4

| Sales | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 33.9 | 50.4 | 16.5 | 39.3 | -11.1 |
| Electrical machinery | 12.9 | 15.0 | 2.1 | 19.0 | 4.0 |
| Industrial machinery | 31.7 | 46.1 | 14.4 | 27.8 | -18.3 |
| Chemicals | 33.7 | 36.0 | 2.3 | 24.7 | -11.3 |
| Iron and Steel | 50.0 | 0.0 | -50.0 | -4.7 | -4.7 |

Sale DI of Main Industries in NIEs3

| Sales | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 14.8 | 9.7 | -5.1 | 10.4 | 0.7 |
| Electrical machinery | 8.7 | 18.9 | 10.2 | 10.7 | -8.2 |
| Industrial machinery | 17.8 | 28.0 | 10.2 | 40.0 | 12.0 |
| Chemicals | 27.3 | 14.0 | -13.3 | 32.6 | 18.6 |
| Iron and Steel | 25.0 | 0.0 | -25.0 | 0.0 | 0.0 |

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

| Sales | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 40.4 | 45.6 | 5.2 | 53.7 | 8.1 |
| Electrical machinery | 37.3 | 26.4 | -10.9 | 30.3 | 3.9 |
| Industrial machinery | 20.7 | 21.3 | 0.6 | 44.1 | 22.8 |
| Chemicals | 54.9 | 45.9 | -9.0 | 50.8 | 4.9 |
| Iron and Steel | 76.9 | 5.9 | -71.0 | 29.4 | 23.5 |

Sale DI of Main Industries in Europe

| Sales | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 20.0 | -17.4 | -37.4 | 11.5 | 28.9 |
| Electrical machinery | 5.3 | 3.1 | -2.2 | 35.0 | 31.9 |
| Industrial machinery | 37.2 | 12.2 | -25.0 | 29.2 | 17.0 |
| Chemicals | 20.4 | 9.8 | -10.6 | 11.7 | 1.9 |
| Iron and Steel | 0.0 | 100.0 | 100.0 | -100.0 | -200.0 |

Actual Results

Total sales amounted to US\$150,613,500,000, up by 15.3% compared to the same quarter of the previous year, for the seventh straight quarter of double-digit growth. Sales in the transportation equipment sector increased by 28.3% (id.), registering the twelfth straight quarter of double-digit growth. Sales in the chemical sector increased by 13.8% (id.), also registering the ninth straight quarter of double-digit growth. Sales in the iron and steel sector saw an increase of 6.6% (id.), registering one-digit growth for the first time in five quarters. Sales in the electrical machinery sector increased by 2.8%, for the third straight quarter of one-digit growth.

《By Region》

Sales increased in all regions, up for the eighth consecutive quarter. Sales in Asia registered the twelfth straight quarter of double-digit growth, with a significant increase in the transportation equipment sector. However, sales in the electrical machinery sector in China and ASEAN4 slowed down mainly in digital appliances, due to the backlash decline in demand due to the Athens Olympics the year before, and sales in NIEs3 decreased for the third consecutive quarter. Sales in North America continued their double-digit quarterly growth rate for the fourth consecutive quarter, due to continued positive conditions in the transportation equipment sector. Sales in the electrical machinery sector decreased for the first time in five quarters. In Europe, sales registered double-digit growth for the first time in two quarters, due to a significant increase in the transportation equipment sector, despite inactive sales in the electrical machinery sector.

North America

Total sales amounted to US\$58,574,790,000 (38.9% of total sales in all regions), up by 12.3% compared to the same quarter of the previous year, marking the eighth straight quarter of growth. Sales in the transportation equipment sector maintained their strong momentum with an increase of 20.9% (id.), registering the fourteenth straight quarter of growth. Sales in the chemical sector saw an increase of 7.5% (id.), up for the fifth consecutive quarter. Sales decreased in the electrical machinery sector by 0.8% (id.), down for the first time in five quarters, and in the iron and steel sector by 21.9% (id.), down for the first time in six quarters.

ASEAN4

Total sales amounted to US\$24,080,870,000 (16.0% of total sales in all regions), up by 20.5% compared to the same quarter of the previous year, marking the twelfth straight quarter of growth. Sales in the transportation equipment sector saw an increase of 55.8%, registering the fourteenth straight quarter of double-digit growth, with a significant increase especially in Thailand. Sales in the iron and steel sector registered an increase of 25.5% (id.), for the fifth consecutive quarter of double-digit growth, due to active demand for steel sheets for vehicle parts. Sales in the electrical machinery sector increased by 3.0% (id.), registering the third straight quarter of one-digit growth.

NIEs3

Total sales amounted to US\$9,397,480,000 (6.2% of total sales in all regions), up by 9.5% compared to the same quarter of the previous year, registering one-digit growth. Sales in the transportation equipment sector maintained their strong momentum with an increase of 58.5% (id.), registering the fourth straight quarter of significant growth. Sales in the chemical sector saw a sharp increase of 27.5% (id.), and sales in the industrial machinery sector also increased by 9.9% (id.). Sales in the electrical machinery sector decreased by 8.6% (id.), down for the third consecutive quarter, due to a shift from cathode-ray tubes to liquid crystal panels.

China

Total sales amounted to US\$17,312,630,000 (11.5% of total sales in all regions), up by 13.7% compared to the same quarter of the previous year, marking the twelfth straight quarter of double-digit growth. Sales in the transportation equipment sector maintained a strong increase, of 42.3% (id.). Due to a sharp fall in the price of digital appliances (liquid crystal televisions and plasma televisions), sales in the electrical machinery sector increased by only 9.7% (id.), showing a one-digit level for the first time in fourteenth quarters. Sales in the chemical sector registered a significant increase of 27.2% (id.), and sales in the iron and steel sector also increased by 22.5% (id.) for the eighth straight quarter of double-digit growth.

Europe

Total sales amounted to US\$29,056,230,000 (19.3% of total sales in all regions), up by 14.1% compared to the same quarter of the previous year. Sales in the transportation equipment sector saw an increase of 22.9% (id.), registering the thirteenth straight quarter of double-digit growth. Sales in the chemical sector increased by 15.4% (id.), registering the ninth straight quarter of double-digit growth. Sales in the industrial machinery sector also increased, up by 23.8%, registering the seventh straight quarter of double-digit growth. Sales in the electrical machinery sector increased, but by 5.7% (id.), for the second straight quarter of one-digit growth.

Chart 2 Sales in Main Industries

(Comparison to the same quarter of the previous year)

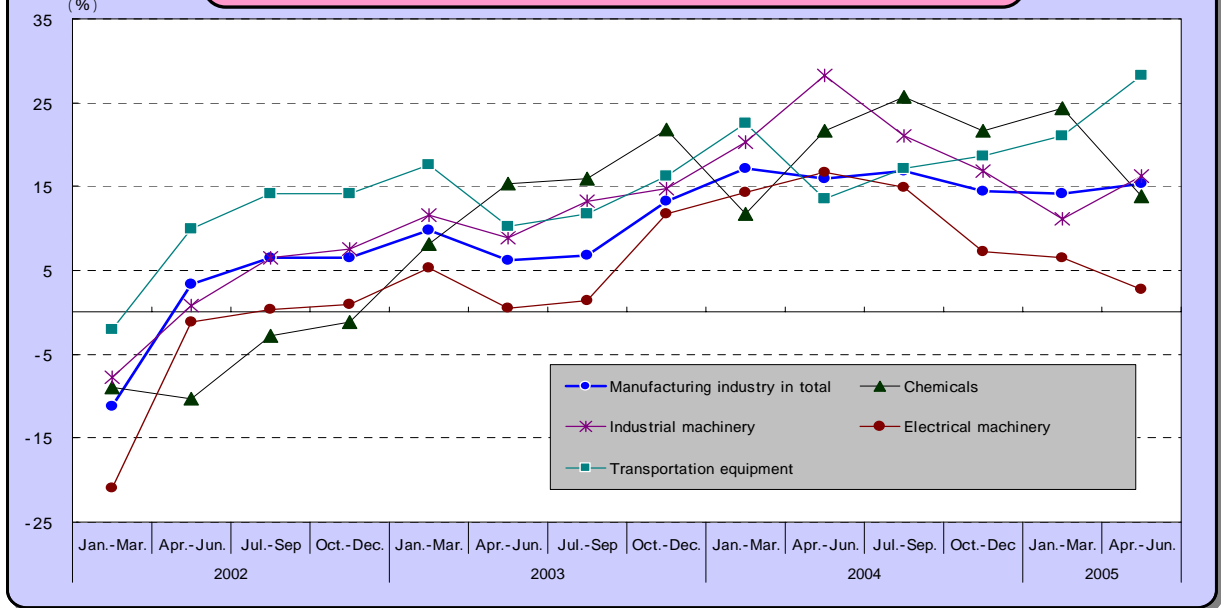


Chart 3 Sales by Region

(Comparison to the same quarter of the previous year)

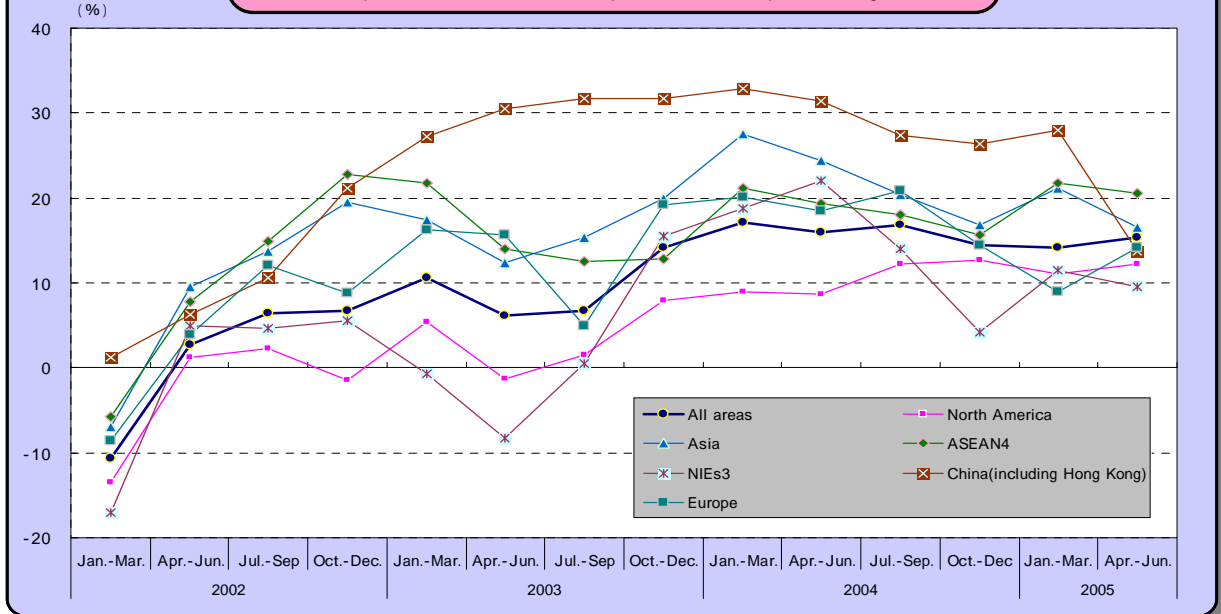


Chart 4 Sales of Transportation Equipment by Region
(Comparison to the same quarter of the previous year)

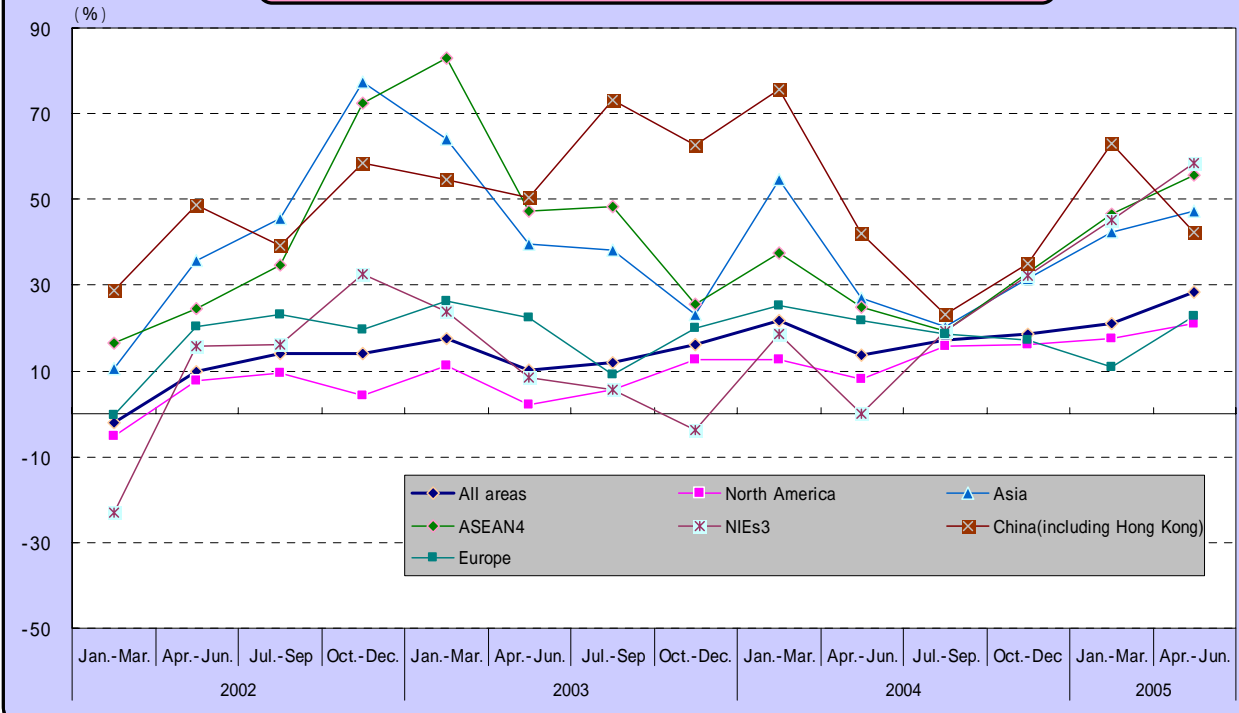
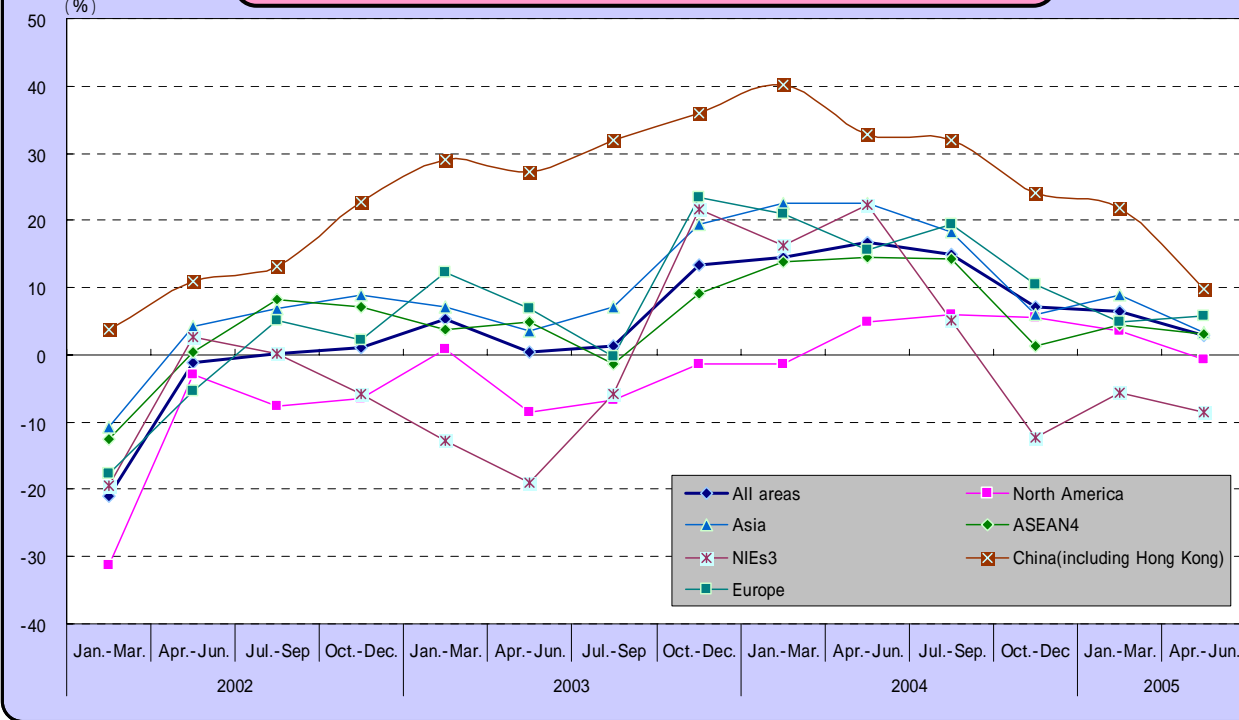


Chart 5 Sales of Electrical Machinery by Region
(Comparison to the same quarter of the previous year)



2. Trends in Capital Investment

[DI]

The Capital Investment Current Assessment DI (for the July – September quarter of 2005) was positive at 15.9 percentage points, remaining flat at 0.0 points compared to the previous quarter. The Capital Investment Prospects DI (for the October – December quarter of 2005) stood at 11.0 percentage points, which was 4.9 points lower than the Capital Investment Current Assessment DI for the current quarter.

《By Region》

The Current Assessment DI compared to the previous quarter in Asia deteriorated in ASEAN4 and NIEs3, and improved slightly in China. It also improved slightly in North America and Europe. The Current Assessment DI maintained a double-digit level in all regions. Compared to the Current Assessment DI for the current quarter, the Prospects DI deteriorated in all regions. It deteriorated in NIEs3 and ASEAN4, and in China due to review of high-tech-related production bases, and also in North America and Europe. The Prospects DI maintained double-digit levels in all regions except NIEs3, for which it became negative, and North America, for which it was at a one-digit level.

North America

The overall Prospects DI (8.3 percentage points) was 6.8 points lower than the overall Current Assessment DI. The Prospects DI for the transportation equipment sector (9.3 percentage points) worsened by 16.0 points (id.) and that for the electrical machinery sector (-6.8 percentage points) also worsened by 13.5 points (id.). The Prospects DI for the iron and steel sector (15.4 percentage points) improved significantly, by 21.6 points (id.).

ASEAN4

The overall Prospects DI (13.8 percentage points) was 1.9 points lower than the overall Current Assessment DI. The Prospects DI for the electrical machinery sector (4.3 percentage points) fell by 5.3 points (id.), while that for the transportation equipment sector (26.1 percentage points) improved by 1.8 points (id.), that for the iron and steel sector (15.8 percentage points) improved by 5.2 points (id.), and that for the chemical sector (15.4 percentage points) improved by 4.9 points (id.).

NIEs3

The overall Prospects DI (-0.4 percentage points) was 11.3 points lower than the overall Current Assessment DI. The Prospects DI for the transportation equipment sector (-32.0 percentage points) declined sharply by 32.0 points (id.), and that for the electrical machinery sector (-2.9 percentage points) also declined, down by 14.4 points (id.). The Prospects DI for the chemical sector (13.9 percentage points) also showed a decline, down by 5.2 points (id.).

China

The overall Prospects DI (14.7 percentage points) was 5.3 points lower than the overall Current Assessment DI. The Prospects DI for the electricity machinery sector (9.4 percentage points) fell by 8.4 points (id.), and that for the chemical sector (11.5 percentage points) also worsened sharply, down by 21.8 points (id.). It is notable that the Prospects DI for the transportation equipment sector (23.8 percentage points) improved slightly by 1.2 points (id.).

Europe

The overall Prospects DI (10.1 percentage points) was 1.5 points lower than the overall Current Assessment DI. The Prospects DI for the transportation equipment sector (10.2 percentage points) worsened by 10.2 points (id.), and that for the electric machinery sector (6.6 percentage points) worsened by 9.4 points (id.).

Chart6 Capital Investment DI by Region (Prospect: percentage points)

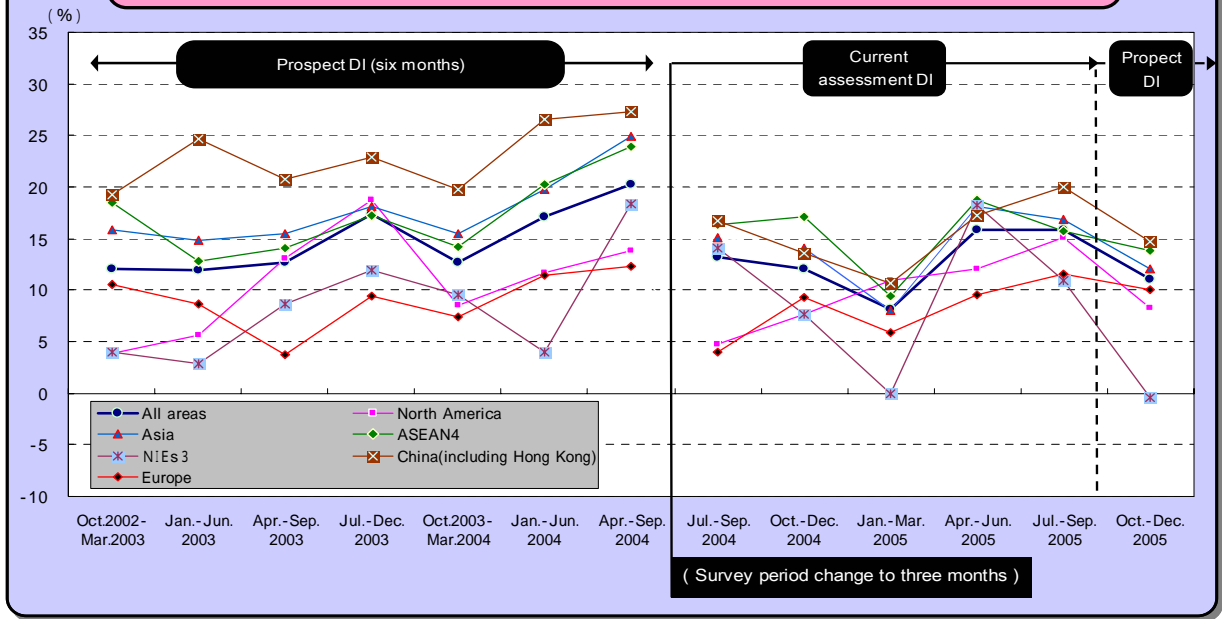


Table 1 Capital Investment DI by Region

| Capital Investment | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|----------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| All areas | 15.9 | 15.9 | 0.0 | 11.0 | -4.9 |
| North America | 12.1 | 15.1 | 3.0 | 8.3 | -6.8 |
| Asia | 18.1 | 16.8 | -1.3 | 12.0 | -4.8 |
| ASEAN4 | 18.8 | 15.7 | -3.1 | 13.8 | -1.9 |
| NIEs3 | 18.2 | 10.9 | -7.3 | -0.4 | -11.3 |
| China(including Hong Kong) | 17.2 | 20.0 | 2.8 | 14.7 | -5.3 |
| Europe | 9.6 | 11.6 | 2.0 | 10.1 | -1.5 |

Table 2 Capital Investment DI of Main Industries

| Capital Investment | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|---------------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Manufacturing industry in total | 15.9 | 15.9 | 0.0 | 11.0 | -4.9 |
| Transportation equipment | 19.3 | 22.5 | 3.2 | 13.4 | -9.1 |
| Electrical machinery | 9.8 | 13.6 | 3.8 | 4.5 | -9.1 |
| Industrial machinery | 16.1 | 9.0 | -7.1 | 12.7 | 3.7 |
| Chemicals | 16.2 | 13.9 | -2.3 | 12.9 | -1.0 |
| Iron and Steel | 20.5 | 6.6 | -13.9 | 19.7 | 13.1 |

Capital Investment DI of Main Industries in North America

| Capital Investment | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 5.0 | 25.3 | 20.3 | 9.3 | -16.0 |
| Electrical machinery | -2.1 | 6.7 | 8.8 | -6.8 | -13.5 |
| Industrial machinery | 23.8 | 2.7 | -21.1 | 2.8 | 0.1 |
| Chemicals | 15.0 | -4.5 | -19.5 | 8.7 | 13.2 |
| Iron and Steel | 30.0 | -6.2 | -36.2 | 15.4 | 21.6 |

Capital Investment DI of Main Industries in Asia

| Capital Investment | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 24.8 | 22.3 | -2.5 | 17.0 | -5.3 |
| Electrical machinery | 11.8 | 13.6 | 1.8 | 5.7 | -7.9 |
| Industrial machinery | 22.2 | 16.8 | -5.4 | 18.9 | 2.1 |
| Chemicals | 20.9 | 20.0 | -0.9 | 14.7 | -5.3 |
| Iron and Steel | 18.8 | 9.8 | -9.0 | 20.0 | 10.2 |

Capital Investment DI of Main Industries in ASEAN4

| Capital Investment | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 30.4 | 24.3 | -6.1 | 26.1 | 1.8 |
| Electrical machinery | 14.6 | 9.6 | -5.0 | 4.3 | -5.3 |
| Industrial machinery | 20.0 | 22.3 | 2.3 | 29.4 | 7.1 |
| Chemicals | 20.8 | 10.5 | -10.3 | 15.4 | 4.9 |
| Iron and Steel | 6.3 | 10.6 | 4.3 | 15.8 | 5.2 |

Capital Investment DI of Main Industries in NIEs3

| Capital Investment | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 34.8 | 0.0 | -34.8 | -32.0 | -32.0 |
| Electrical machinery | 11.6 | 11.5 | -0.1 | -2.9 | -14.4 |
| Industrial machinery | 38.1 | 5.3 | -32.8 | 5.3 | 0.0 |
| Chemicals | 2.4 | 19.1 | 16.7 | 13.9 | -5.2 |
| Iron and Steel | 0.0 | -33.3 | -33.3 | -33.3 | 0.0 |

Capital Investment DI of Main Industries in China (including Hong Kong)

| Capital Investment | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 10.9 | 22.6 | 11.7 | 23.8 | 1.2 |
| Electrical machinery | 9.9 | 17.8 | 7.9 | 9.4 | -8.4 |
| Industrial machinery | 16.7 | 17.6 | 0.9 | 17.7 | 0.1 |
| Chemicals | 30.8 | 33.3 | 2.5 | 11.5 | -21.8 |
| Iron and Steel | 38.5 | 20.0 | -18.5 | 42.9 | 22.9 |

Capital Investment DI of Main Industries in Europe

| Capital Investment | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 23.0 | 20.4 | -2.6 | 10.2 | -10.2 |
| Electrical machinery | 8.0 | 16.0 | 8.0 | 6.6 | -9.4 |
| Industrial machinery | -9.1 | -2.7 | 6.4 | 3.0 | 5.7 |
| Chemicals | 2.6 | 7.7 | 5.1 | 12.5 | 4.8 |
| Iron and Steel | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Actual Results

Total capital investment (total acquisition costs of fixed assets except land) was US\$3,899,790,000, up by 4.3% compared to the same quarter of the previous year, marking the tenth straight quarter of growth in spite of a one-digit level for the current quarter. Capital investment in the iron and steel sector increased by 66.5% (id.), registering a significant growth for the first time in three quarters. Capital investment in the chemical sector also increased, up by 28.4% (id.). In contrast, capital investment decreased in the electrical machinery sector by 9.1% (id.), down for the first time in eight quarters, and in the transportation equipment sector, down slightly by 0.6% (id.).

《By Region》

Capital investment in Asia registered the eighth straight quarter of double-digit growth with an increase of 20.6% compared to the same quarter of the previous year. Capital investment in China increased by 35.4% (id.) due to a significant increase in the transportation equipment sector for the fifth consecutive quarter. Capital investment in ASEAN4 registered the sixth straight quarter of double-digit growth, and that in NIEs3 shifted to increase for the first time in three quarters with a growth of 22.3% (id.), due to a significant increase in the transportation equipment sector. Capital investment in Europe was up by 72.6% (id.), registering the fourth straight quarterly gain due to continued active investment in the transportation equipment sector. In contrast, capital investment in North America decreased by 34.6% (id.), due to a sharp decline in the electrical machinery sector.

North America

Total capital investment amounted to US\$988,590,000 (25.3% of total capital investment in all regions), declining sharply by 34.6% compared to the same quarter of the previous year. Capital investment in the electrical machinery sector decreased significantly, by 70.5% (id.), down for the first time in nine quarters, due to the retroaction of former active investment in semiconductor facilities. Capital investment in the transportation equipment sector decreased by 31.8%, down for the third consecutive quarter, and that in the iron and steel sector decreased by 38.0%, registering the sixth straight quarter of double-digit decline. Capital investment in the industrial machinery sector also saw a decrease of 3.8%, down for the first time in nine quarters. Capital investment in the chemical sector also decreased for the second consecutive quarter, down by 8.5% (id.).

ASEAN4

Total capital investment amounted to US\$862,450,000 (22.1% of total capital investment in all regions), up by 13.8% compared to the same quarter of the previous year, marking the sixth straight quarter of double-digit growth. Capital investment in the transportation equipment sector maintained favorable conditions, growing by 17.2% (id.), with a notable increase especially in the automobile industry in Thailand. Capital investment in the electrical machinery sector registered a slight increase of 1.7%. Capital investment increased significantly in the industrial machinery sector, up by 39.1% (id.), and in the chemical sector, up by 30.2% (id.).

NIEs3

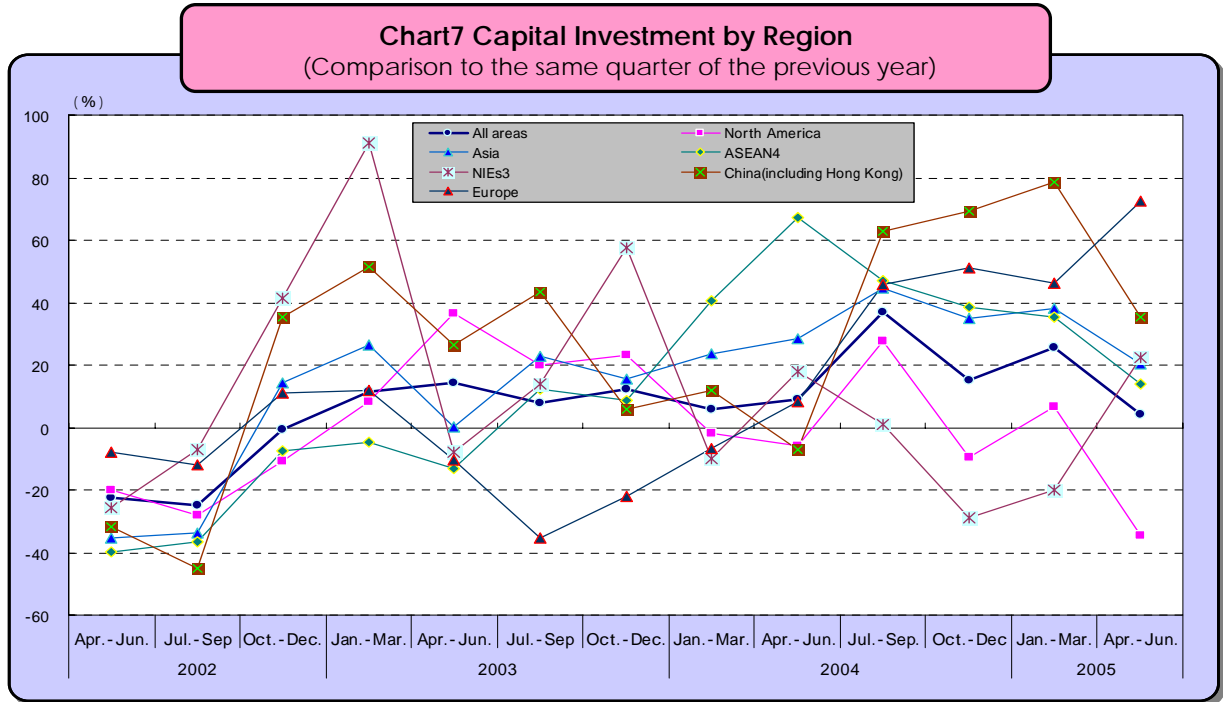
Total capital investment amounted to US\$325,440,000 (8.3% of total capital investment in all regions), up by 22.3% compared to the same quarter of the previous year, registering growth for the first time in three quarters. Capital investment in the transportation equipment sector increased by 211.1% (id.), registering significant growth for the first time in three quarters (in particular, in Taiwan). In contrast, capital investment decreased in the electrical machinery sector by 4.6% (id.), down for the third consecutive quarter, and in the industrial machinery sector by 12.6% (id.), down for the fourth consecutive quarter. Capital investment in the chemical sector decreased sharply by 39.6% (id.).

China

Total capital investment amounted to US\$625,880,000 (16.0% of total capital investment in all regions), up by 35.4% compared to the same quarter of the previous year, marking the fourth straight quarter of significant growth. Capital investment increased in the electrical machinery sector by 21.4% (id.), up for the fourth consecutive quarter, in the transportation equipment sector by 56.1% (id.), up for the fifth consecutive quarter, in the chemical sector by 221.0% (id.), up for the fourth consecutive quarter, and in the iron and steel sector by 169.0% (id.), up for the third consecutive quarter.

Europe

Total capital investment amounted to US\$798,380,000 (20.5% of total capital investment in all regions), up by 72.6% compared to the same quarter of the previous year, registering the fourth straight quarter of significant growth. Capital investment in the transportation equipment sector increased by 64.0% (id.), registering the fourth straight quarter of significant growth, due to continuous favorable investment in parts of the Eastern European region such as the Czech Republic. Capital investment increased significantly in the electrical machinery sector, by 65.5% (id.), and in the industrial machinery sector, by 205.5%, for the second straight quarter of significant growth, and in the chemical sector, by 65.7% (id.).



3. Trends in Employment (the number of employees)

DI

The Employee Current Assessment DI (for the July – September quarter of 2005) was positive at 9.7 percentage points. It was 1.3 points lower than that for the previous quarter, showing a decline for the first time in three quarters. The Employment Prospects DI (for the October – December quarter of 2005) stood at 4.9 percentage points, which was 4.8 points lower than the Employment Current Assessment DI for the current quarter.

《By Region》

Compared to the previous quarter, the Current Assessment DI improved slightly in Asia. Although it improved in China and NIEs³, it deteriorated in ASEAN⁴. Meanwhile, it deteriorated in North America and Europe. The Current Assessment DI remained positive in all regions, although it was at a comparatively low level in Europe and NIEs³. Compared to the Current Assessment DI for the current quarter, the Prospects DI maintained positive levels in China and ASEAN⁴, while it turned to negative in North America, NIEs³, and Europe.

North America

The overall Prospects DI (-0.7 percentage points) was 7.9 points lower than the overall Current Assessment DI. Decreases were observed in the Prospects DI for the transportation equipment sector (-1.4 percentage points) by 9.7 points (id.), for the electrical machinery sector (6.1 percentage points) by 2.6 points (id.), for the iron and steel sector (-11.1 percentage points) by 5.9 points (id.), and for the industrial machinery sector (7.3 percentage points) by 2.3 points.

ASEAN⁴

The overall Prospects DI (6.5 percentage points) was 6.3 points lower than the overall Current Assessment DI. Decreases were observed in the Prospects DI for the electrical machinery sector (-0.5 percentage points) by 9.8 points (id.), for the transportation equipment sector (26.2 percentage points) by 5.1 points (id.), for the industrial machinery sector (17.9 percentage points) by 4.6 points (id.), and for the chemical sector (2.2 percentage points) by 6.7 points.

NIEs³

The overall Prospects DI (-2.3 percentage points) was 3.1 points lower than the overall Current Assessment DI. Decreases were observed in the Prospects DI for the electrical machinery sector (-10.6 percentage points) by 5.9 points (id.), for the transportation equipment sector (-10.0 percentage points) by 3.7 points (id.), for the industrial machinery sector (7.7 percentage points) by 11.6 points (id.), and for the chemical sector (3.8 percentage points) by 1.8 points.

China

The overall Prospects DI (12.9 percentage points) was 2.4 points lower than the overall Current Assessment DI. The Prospects DI for the industrial machinery sector (5.2 percentage points) decreased by 6.5 points (id.) and that for the chemical sector (20.3 percentage points) decreased by 3.9 points (id.). Meanwhile, the Prospects DI for the electrical machinery sector (10.7 percentage points) slightly improved, by 0.5 points (id.), and that for the transportation equipment sector (43.6 percentage points) maintained a high level, with an improvement of 2.4 points (id.). The Prospects DI for the iron and steel sector (11.7 percentage points) also improved, up by 17.5 points (id.).

Europe

The overall Prospects DI (-1.9 percentage points) was 2.6 points lower than the overall Current Assessment DI. The Prospects DI for the electrical machinery sector (-4.8 percentage points) worsened by 9.4 points (id.), and that for the industrial machinery sector (-2.4 percentage points) worsened by 9.7 points (id.). Meanwhile, the Prospects DI for the transportation equipment sector (1.6 percentage points) improved by 4.9 points (id.) and that for the chemical sector (2.1 percentage points) also improved, up by 6.1 points (id.).

Chart8 Employment DI by Region (Prospect: percentage points)

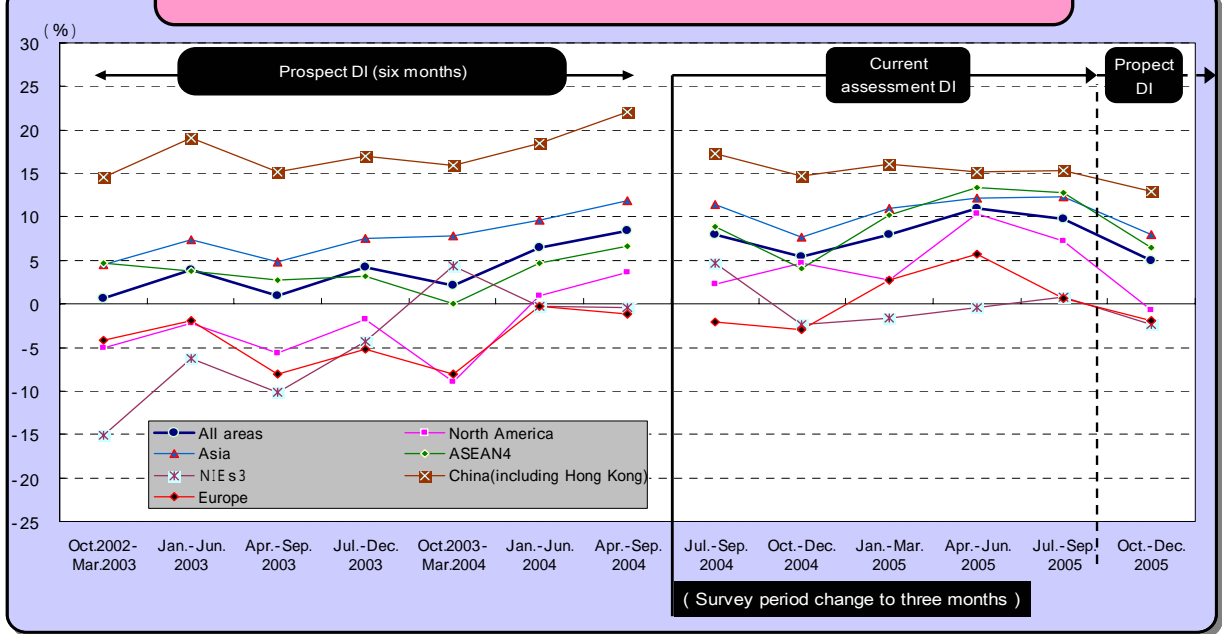


Table 1 Number of Employees DI by Region

| Number of Employees | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|----------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| All areas | 11.0 | 9.7 | -1.3 | 4.9 | -4.8 |
| North America | 10.4 | 7.2 | -3.2 | -0.7 | -7.9 |
| Asia | 12.1 | 12.3 | 0.2 | 8.0 | -4.3 |
| ASEAN4 | 13.3 | 12.8 | -0.5 | 6.5 | -6.3 |
| NIEs3 | -0.4 | 0.8 | 1.2 | -2.3 | -3.1 |
| China(including Hong Kong) | 15.2 | 15.3 | 0.1 | 12.9 | -2.4 |
| Europe | 5.7 | 0.7 | -5.0 | -1.9 | -2.6 |

Table 2 Number of Employees DI of Main Industries

| Number of Employees | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|---------------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Manufacturing industry in total | 11.0 | 9.7 | -1.3 | 4.9 | -4.8 |
| Transportation equipment | 16.4 | 16.3 | -0.1 | 12.3 | -4.0 |
| Electrical machinery | 8.5 | 7.5 | -1.0 | 2.9 | -4.6 |
| Industrial machinery | 16.1 | 14.1 | -2.0 | 6.6 | -7.5 |
| Chemicals | 8.8 | 8.4 | -0.4 | 5.5 | -2.9 |
| Iron and Steel | 14.8 | 1.4 | -13.4 | 3.0 | 1.6 |

Number of Employees DI of Main Industries in North America

| Number of Employees | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 10.2 | 8.3 | -1.9 | -1.4 | -9.7 |
| Electrical machinery | 8.6 | 8.7 | 0.1 | 6.1 | -2.6 |
| Industrial machinery | 12.5 | 9.6 | -2.9 | 7.3 | -2.3 |
| Chemicals | 1.9 | -1.8 | -3.7 | -3.6 | -1.8 |
| Iron and Steel | 0.0 | -5.2 | -5.2 | -11.1 | -5.9 |

Number of Employees DI of Main Industries in Asia

| Number of Employees | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 23.1 | 28.3 | 5.2 | 25.8 | -2.5 |
| Electrical machinery | 7.9 | 7.7 | -0.2 | 3.2 | -4.5 |
| Industrial machinery | 21.9 | 18.0 | -3.9 | 9.6 | -8.4 |
| Chemicals | 13.4 | 13.9 | 0.5 | 8.6 | -5.3 |
| Iron and Steel | 20.5 | 4.3 | -16.2 | 6.5 | 2.2 |

Number of Employees DI of Main Industries in ASEAN4

| Number of Employees | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 26.4 | 31.3 | 4.9 | 26.2 | -5.1 |
| Electrical machinery | 4.9 | 9.3 | 4.4 | -0.5 | -9.8 |
| Industrial machinery | 28.2 | 22.5 | -5.7 | 17.9 | -4.6 |
| Chemicals | 11.9 | 8.9 | -3.0 | 2.2 | -6.7 |
| Iron and Steel | 33.3 | 18.2 | -15.1 | 9.5 | -8.7 |

Number of Employees DI of Main Industries in NIEs3

| Number of Employees | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 0.0 | -6.3 | -6.3 | -10.0 | -3.7 |
| Electrical machinery | -2.6 | -4.7 | -2.1 | -10.6 | -5.9 |
| Industrial machinery | 10.3 | 19.3 | 9.0 | 7.7 | -11.6 |
| Chemicals | 3.6 | 5.6 | 2.0 | 3.8 | -1.8 |
| Iron and Steel | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Number of Employees DI of Main Industries in China(including Hong Kong)

| Number of Employees | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 31.4 | 41.2 | 9.8 | 43.6 | 2.4 |
| Electrical machinery | 14.4 | 10.2 | -4.2 | 10.7 | 0.5 |
| Industrial machinery | 22.2 | 11.7 | -10.5 | 5.2 | -6.5 |
| Chemicals | 23.7 | 24.2 | 0.5 | 20.3 | -3.9 |
| Iron and Steel | 21.5 | -5.8 | -27.3 | 11.7 | 17.5 |

Number of Employees DI of Main Industries in Europe

| Number of Employees | Survey of previous term (Jan.-Mar.2005) | Survey of the present term (Apr.-Jun.2005) | | | |
|--------------------------|-----------------------------------------|--------------------------------------------|------------------------------------|--------------------------|------------------------------------|
| | Current assessment (Apr.-Jun.2005) | Current assessment (Jul.-Sep.2005) | comparison to the previous quarter | Prospect (Oct.-Dec.2005) | comparison to the previous quarter |
| Transportation equipment | 13.7 | -3.3 | -17.0 | 1.6 | 4.9 |
| Electrical machinery | 14.5 | 4.6 | -9.9 | -4.8 | -9.4 |
| Industrial machinery | 2.3 | 7.3 | 5.0 | -2.4 | -9.7 |
| Chemicals | -2.1 | -4.0 | -1.9 | 2.1 | 6.1 |
| Iron and Steel | 0.0 | -100.0 | -100.0 | -100.0 | 0.0 |

Actual Results

The overall number of employees stood at 2.65 million, up by 6.0% compared to the same quarter of the previous year. By industry, the number of employees in the transportation equipment sector increased by 14.4% (id.) to 650,000, marking the fifteenth straight quarter of increase, and employment in the electrical machinery sector stood at 1.14 million people, up by 2.6% (id.), for the twelfth consecutive quarter of growth. Employment in the industrial machinery sector increased by 9.1% (id.) to 150,000, up for the tenth consecutive quarter, and that in the iron and steel sector increased by 1.3% (id.) to 20,000, up for the second consecutive quarter. The number of employees increased in eleven out of thirteen industries.

《By Region》

The number of employees in Asia increased by 7.6% compared to the same quarter of the previous year, up for the fourteenth consecutive quarter. Employment increased in ASEAN4, but slightly decreased in NIEs3. The number of employees in China continued to increase, due to steady conditions in the electrical machinery sector. The number of employees in North America decreased for the thirteenth consecutive quarter, while that in Europe increased, due to a significant increase in the transportation machinery sector.

North America

The overall number of employees was 410,000 (15.4% of the total number of employees in all regions), down by 1.5% compared to the same quarter of the previous year, registering the thirteenth straight quarter of decline. The number of employees in the electrical machinery sector stood at 80,000, a decrease of 13.5% (id.), for the fourteenth consecutive quarterly drop. In contrast, employment in the transportation equipment sector stood at 160,000, an increase of 3.6% (id.), for the twelfth consecutive quarterly gain.

ASEAN4

The overall number of employees was 800,000 (30.3% of the total number of employees in all regions), up by 5.0% compared to the same quarter of the previous year, registering the twelfth straight quarter of increase. The number of employees in the transportation equipment sector stood at 170,000, an increase of 21.3% (id.), for the fifth consecutive quarterly double-digit growth. Meanwhile, employment in the electrical machinery sector stood at 410,000, a slight decrease of 0.2% (id.).

NIEs3

The overall number of employees was 130,000 (4.9% of the total number of employees in all regions), a continued slight decrease, down by 0.3% compared to the same quarter of the previous year. The number of employees in the electrical machinery sector stood at 60,000, a decrease of 7.2% (id.), while that in the transportation equipment sector stood at 20,000, increasing significantly by 21.0% (id.). Employment in the industrial machinery sector also increased, up by 2.0% (id.) to 10,000.

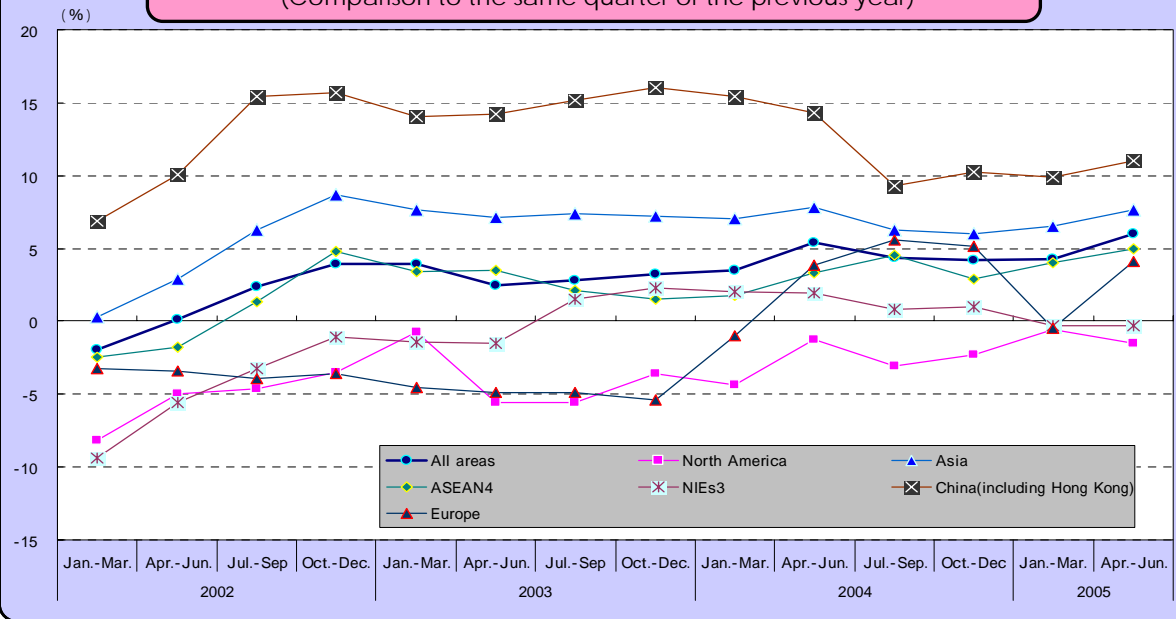
China

The overall number of employees was 820,000 (30.7% of the total number of employees in all regions), a continued increase of 11.0% compared to the same quarter of the previous year. The number of employees in the electrical machinery sector remained favorable at 490,000, an increase of 10.9% (id.), for the fourteenth consecutive quarterly double-digit growth. Employment in the transportation equipment sector stood at 70,000, an increase of 16.0% (id.), for the eighteenth consecutive quarterly double-digit growth.

Europe

The overall number of employees was 240,000 (9.2% of the total number of employees in all regions), up by 4.1% compared to the same quarter of the previous year. The number of employees in the transportation equipment sector stood at 90,000, an increase of 14.7% (id.), showing a double-digit increase for the first time in two quarters. However, employment in the electrical machinery sector stood at 50,000, a decrease of 7.3% (id.), for the fifteenth consecutive quarterly decline.

Chart9 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):

• North America: Canada and USA

• Asia

ASEAN4: Indonesia, Malaysia, the Philippines, Thailand

NIEs3: Singapore, Taiwan, Republic of Korea

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)

| | Jan.-Mar. 2004 | Apr.-Jun. 2004 | Jul.-Sep. 2004 | Oct.-Dec. 2004 | Jan.-Mar. 2005 | Apr.-Jun. 2005 |
|--------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Yen | 107.23 | 109.75 | 109.91 | 105.89 | 104.71 | 107.63 |
| ASEAN4 | | | | | | |
| Rupiah (Indonesia) | 8469.6 | 9001.4 | 9156.2 | 9128.2 | 9274.3 | 9550.5 |
| Ringgit (Malaysia) | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 |
| Peso (Philippines) | 55.966 | 55.911 | 55.997 | 56.282 | 55.006 | 54.671 |
| Baht (Thailand) | 39.166 | 40.221 | 41.253 | 40.250 | 38.566 | 40.040 |
| NIEs3 | | | | | | |
| Won (Republic of Korea) | 1171.58 | 1162.29 | 1154.65 | 1093.12 | 1022.22 | 1008.11 |
| Dollar (Singapore) | 1.6948 | 1.7019 | 1.7075 | 1.6568 | 1.6356 | 1.6587 |
| Dollar (Taiwan) | 33.4067 | 33.3843 | 33.9766 | 32.9360 | 31.5400 | 31.3990 |
| People's Republic of China (Hong Kong is including) | | | | | | |
| Yuan (People's Republic of China) | 8.2771 | 8.2769 | 8.2767 | 8.2765 | 8.2765 | 8.2765 |
| Dollar (Hong Kong) | 7.777 | 7.796 | 7.800 | 7.780 | 7.798 | 7.788 |
| Europe | | | | | | |
| Pound (United Kingdom) | 1.839 | 1.8055 | 1.8179 | 1.8648 | 1.8924 | 1.8570 |
| Euro (Euro Area) | 0.7998 | 0.8305 | 0.8184 | 0.7728 | 0.7606 | 0.7943 |

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 defined on Page 1: "Outline of the survey" (4)-(iii) , from "over 50% of a controlling share" to "50% or more of a controlling share") beginning with the April-June quarter of 2003, differences between results for this quarter and those of previous quarters 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 were continuously included in the survey from the previous fiscal year to the current quarter.

The April – June quarter of FY 2004

- From the survey for the April – June quarter of 2004, the period of the DI survey was changed. The former six-month survey period was divided into: “estimation of the present assessment of the current situation” and “future prospects,” and both were surveyed for three months respectively.
- 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 by the survey since the corresponding quarter of the previous year.
- The coefficient of connection was calculated and used for data before FY2002 (the January – March quarter of 2003) to maintain consistency with past data, because companies included in the survey were reviewed and the scope of the survey was expanded.
- 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.

The April – June quarter of FY2005

- The coefficient of connection was calculated and used for data before FY2003 (the January – March quarter of 2004) to maintain consistency with past data, because companies included in the survey were reviewed.

| China (including Hong Kong) | Statistics (US\$10,000) | | | | | | | | | | | |
|-------------------------------------------------------|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 2004 | | | 2005 | | | comparison to the same quarter of the previous year | | | | | |
| | FY 2004 | Apr.-Jun. | Jul.-Sep. | Oct.-Dec. | Jan.-Mar. | Apr.-Jun. | FY 2004 | Apr.-Jun. | Jul.-Sep. | Oct.-Dec. | Jan.-Mar. | Apr.-Jun. |
| Total value of electrical machinery | 3,347,678 | 803,174 | 869,166 | 842,647 | 832,691 | 891,285 | 27.5 | 32.5 | 32.1 | 24.0 | 21.8 | 9.7 |
| Electrical machines and apparatuses | 1,152,182 | 275,572 | 297,996 | 292,372 | 286,242 | 310,478 | 36.0 | 23.1 | 44.6 | 47.5 | 30.5 | 8.5 |
| Information and communications machines and equipment | 1,169,057 | 282,219 | 306,248 | 287,243 | 293,347 | 304,731 | 18.8 | 29.7 | 19.0 | 9.4 | 19.0 | 13.8 |
| Electronic parts and devices | 1,026,440 | 245,384 | 264,922 | 263,031 | 253,102 | 276,076 | 40.7 | 49.5 | 35.7 | 19.8 | 15.7 | 7.1 |
| Total value of transportation equipment | 946,137 | 163,059 | 222,318 | 264,637 | 296,124 | 235,480 | 28.7 | 42.2 | 23.2 | 35.2 | 63.2 | 42.3 |
| Transportation machines and equipment | 248,143 | 44,271 | 48,854 | 64,047 | 90,972 | 72,158 | 39.8 | 34.0 | 16.6 | 44.5 | 56.1 | 60.2 |
| Parts and accessories for transportation machinery | 697,994 | 118,788 | 173,465 | 200,590 | 205,151 | 163,322 | 41.1 | 45.5 | 25.3 | 32.4 | 66.7 | 35.7 |

| Other Asia | Statistics (US\$10,000) | | | | | | | | | | | |
|-------------------------------------------------------|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 2004 | | | 2005 | | | comparison to the same quarter of the previous year | | | | | |
| | FY 2004 | Apr.-Jun. | Jul.-Sep. | Oct.-Dec. | Jan.-Mar. | Apr.-Jun. | FY 2004 | Apr.-Jun. | Jul.-Sep. | Oct.-Dec. | Jan.-Mar. | Apr.-Jun. |
| Total value of electrical machinery | 89,148 | 19,352 | 21,798 | 22,719 | 25,279 | 25,191 | 30.2 | 21.7 | 15.9 | 32.0 | 52.8 | 30.2 |
| Electrical machines and apparatuses | 16,682 | 3,907 | 3,980 | 4,486 | 4,309 | 5,601 | 9.9 | -3.3 | -0.5 | 22.3 | 24.2 | 43.3 |
| Information and communications machines and equipment | 60,294 | 12,960 | 14,967 | 15,028 | 17,339 | 16,487 | 32.2 | 23.0 | 14.0 | 34.1 | 61.2 | 27.2 |
| Electronic parts and devices | 12,172 | 2,485 | 2,851 | 3,205 | 3,631 | 3,103 | 64.9 | 108.1 | 84.9 | 37.7 | 57.1 | 24.9 |
| Total value of transportation equipment | 666,356 | 166,467 | 152,664 | 166,412 | 180,813 | 193,932 | 20.0 | 39.8 | 20.7 | 20.4 | 5.5 | 16.5 |
| Transportation machines and equipment | 577,891 | 146,857 | 132,526 | 144,280 | 154,228 | 168,058 | 18.4 | 39.5 | 19.4 | 19.9 | 1.7 | 14.4 |
| Parts and accessories for transportation machinery | 88,465 | 19,609 | 20,138 | 22,132 | 26,585 | 25,874 | 32.7 | 42.3 | 29.7 | 24.1 | 36.3 | 31.9 |

| Europe | Statistics (US\$10,000) | | | | | | | | | | | |
|-------------------------------------------------------|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 2004 | | | 2005 | | | comparison to the same quarter of the previous year | | | | | |
| | FY 2004 | Apr.-Jun. | Jul.-Sep. | Oct.-Dec. | Jan.-Mar. | Apr.-Jun. | FY 2004 | Apr.-Jun. | Jul.-Sep. | Oct.-Dec. | Jan.-Mar. | Apr.-Jun. |
| Total value of electrical machinery | 4,089,553 | 887,857 | 932,171 | 1,219,077 | 1,050,448 | 944,919 | 11.8 | 15.6 | 19.3 | 10.4 | 4.8 | 5.7 |
| Electrical machines and apparatuses | 454,141 | 106,785 | 104,865 | 132,202 | 110,289 | 95,061 | 3.5 | 3.3 | 7.5 | 0.1 | 4.1 | -13.8 |
| Information and communications machines and equipment | 2,343,846 | 494,639 | 522,262 | 693,634 | 633,311 | 525,032 | 16.6 | 19.8 | 26.3 | 16.8 | 7.4 | 6.1 |
| Electronic parts and devices | 1,291,566 | 286,434 | 305,044 | 393,241 | 306,847 | 324,826 | 6.2 | 13.6 | 11.6 | 3.1 | -0.8 | 12.2 |
| Total value of transportation equipment | 3,417,843 | 808,608 | 794,980 | 882,878 | 931,377 | 1,012,720 | 17.0 | 21.9 | 18.7 | 17.3 | 11.0 | 22.9 |
| Transportation machines and equipment | 2,521,248 | 579,927 | 600,469 | 662,786 | 678,065 | 724,920 | 14.0 | 20.7 | 16.7 | 15.6 | 5.0 | 25.0 |
| Parts and accessories for transportation machinery | 896,595 | 228,681 | 194,511 | 220,092 | 253,312 | 287,801 | 26.8 | 25.3 | 25.3 | 22.9 | 33.7 | 17.4 |

| Other | Statistics (US\$10,000) | | | | | | | | | | | |
|-------------------------------------------------------|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 2004 | | | 2005 | | | comparison to the same quarter of the previous year | | | | | |
| | FY 2004 | Apr.-Jun. | Jul.-Sep. | Oct.-Dec. | Jan.-Mar. | Apr.-Jun. | FY 2004 | Apr.-Jun. | Jul.-Sep. | Oct.-Dec. | Jan.-Mar. | Apr.-Jun. |
| Total value of electrical machinery | 269,074 | 59,255 | 61,311 | 87,985 | 60,523 | 58,783 | 11.5 | 47.1 | -4.4 | 10.6 | 5.3 | -1.7 |
| Electrical machines and apparatuses | 32,075 | 6,507 | 6,858 | 11,530 | 7,180 | 6,874 | 15.2 | 9.2 | 8.4 | 30.8 | 6.5 | -2.4 |
| Information and communications machines and equipment | 128,726 | 30,327 | 26,871 | 38,629 | 32,899 | 31,377 | -4.3 | -4.4 | -24.2 | 8.0 | 3.9 | 3.5 |
| Electronic parts and devices | 108,273 | 22,421 | 27,582 | 37,826 | 20,444 | 20,531 | 36.8 | 763.3 | 22.8 | 8.1 | 7.1 | -8.4 |
| Total value of transportation equipment | 2,350,627 | 482,423 | 592,151 | 610,868 | 665,186 | 695,744 | 13.1 | 11.5 | 16.6 | 9.9 | 14.3 | 43.2 |
| Transportation machines and equipment | 2,119,564 | 430,995 | 539,288 | 552,555 | 596,726 | 624,861 | 11.8 | 11.0 | 16.5 | 8.3 | 11.7 | 45.0 |
| Parts and accessories for transportation machinery | 231,063 | 51,428 | 52,863 | 58,312 | 68,460 | 70,883 | 24.0 | 16.4 | 16.7 | 24.5 | 37.1 | 28.7 |

<Appendix table 2> Prospect for sale(D1)

(Unit:Percentage point)

| | D I | | | | | | | | | | | |
|-------------------------------------------------------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|----------------------------------|----------|
| | Apr.-Jun. 2004 | | Jul.-Sep. 2004 | | Oct.-Dec. 2004 | | Jan.-Mar. 2005 | | Apr.-Jun. 2005 | | Apr.-Jun. 2005 period investment | |
| | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect |
| Total value of electrical machinery | 22.6 | 18.4 | 6.1 | 3.5 | -3.3 | 21.5 | 19.5 | 26.9 | 19.0 | 0.5 | 23.2 | 4.2 |
| Electrical machines and apparatuses | 19.7 | 26.9 | 6.3 | 10.5 | 2.2 | 31.1 | 28.3 | 30.7 | 11.3 | -17.0 | 28.0 | 16.7 |
| Information and communications machines and equipment | 31.8 | 19.9 | 18.1 | 10.1 | -0.6 | 16.7 | 19.6 | 24.2 | 29.3 | 15.7 | 25.5 | -3.8 |
| Electronic parts and devices | 18.7 | 11.3 | -1.7 | -5.8 | -8.5 | 18.5 | 15.1 | 26.3 | 18.0 | 2.9 | 17.7 | -0.3 |
| Total value of transportation equipment | 16.6 | 19.4 | 18.4 | 22.7 | 22.5 | 25.5 | 28.2 | 19.8 | 21.3 | -6.9 | 24.9 | 3.6 |
| Transportation machines and equipment | 14.3 | 17.1 | 18.8 | 19.1 | 15.7 | 17.1 | 18.2 | 5.8 | 25.6 | 7.4 | 18.1 | -7.5 |
| Parts and accessories for transportation machinery | 16.6 | 19.4 | 17.9 | 23.0 | 23.4 | 26.5 | 29.9 | 22.0 | 20.1 | -9.8 | 26.0 | 5.9 |

| | D I | | | | | | | | | | | |
|-------------------------------------------------------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|----------------------------------|----------|
| | Apr.-Jun. 2004 | | Jul.-Sep. 2004 | | Oct.-Dec. 2004 | | Jan.-Mar. 2005 | | Apr.-Jun. 2005 | | Apr.-Jun. 2005 period investment | |
| | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect |
| Total value of electrical machinery | 16.1 | 19.2 | 2.6 | -1.3 | 4.7 | 17.2 | 4.3 | 16.0 | 4.1 | -0.2 | 11.0 | 6.9 |
| Electrical machines and apparatuses | 31.6 | 31.6 | 20.8 | 16.7 | 21.1 | 42.1 | 13.0 | 8.7 | 16.7 | 3.7 | 29.2 | 12.5 |
| Information and communications machines and equipment | 16.0 | 20.0 | 3.6 | -7.1 | 12.5 | 4.2 | 0.0 | 28.0 | 12.5 | 12.5 | 8.3 | -4.2 |
| Electronic parts and devices | 4.2 | 8.3 | -16.0 | -12.5 | -19.0 | 9.5 | 0.0 | 9.5 | 0.0 | -16.0 | -4.0 | 12.0 |
| Total value of transportation equipment | 7.9 | 15.1 | 12.4 | 16.1 | 19.1 | 23.3 | 23.4 | 8.7 | -4.3 | -27.7 | 8.9 | 13.2 |
| Transportation machines and equipment | 14.3 | 35.7 | 23.1 | 23.1 | 46.2 | 30.8 | 17.6 | -8.3 | -5.6 | -23.2 | 15.4 | 21.0 |
| Parts and accessories for transportation machinery | 7.1 | 12.8 | 11.2 | 15.3 | 16.4 | 22.6 | 24.2 | 10.2 | -4.1 | -28.3 | 8.3 | 12.4 |

| | D I | | | | | | | | | | | |
|-------------------------------------------------------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|----------------------------------|----------|
| | Apr.-Jun. 2004 | | Jul.-Sep. 2004 | | Oct.-Dec. 2004 | | Jan.-Mar. 2005 | | Apr.-Jun. 2005 | | Apr.-Jun. 2005 period investment | |
| | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect |
| Total value of electrical machinery | 25.8 | 16.3 | 5.6 | 5.3 | -4.5 | 26.0 | 22.7 | 32.3 | 21.6 | -1.1 | 23.2 | 1.6 |
| Electrical machines and apparatuses | 22.4 | 24.2 | 4.1 | 8.3 | -2.1 | 34.3 | 31.6 | 39.4 | 9.8 | -21.8 | 22.3 | 12.5 |
| Information and communications machines and equipment | 36.3 | 16.3 | 15.2 | 16.7 | 0.8 | 22.7 | 21.8 | 28.9 | 34.0 | 12.2 | 26.5 | -7.5 |
| Electronic parts and devices | 22.6 | 11.2 | 1.6 | -2.9 | -8.3 | 22.9 | 17.4 | 29.8 | 22.9 | 5.5 | 21.8 | -1.1 |
| Total value of transportation equipment | 26.3 | 27.2 | 23.9 | 31.6 | 26.9 | 30.8 | 33.3 | 33.1 | 44.1 | 10.8 | 39.6 | -4.5 |
| Transportation machines and equipment | 15.4 | 12.8 | 17.1 | 22.5 | 9.8 | 9.8 | 15.9 | 4.9 | 35.4 | 19.5 | 16.3 | -19.1 |
| Parts and accessories for transportation machinery | 27.7 | 29.5 | 24.7 | 32.9 | 29.6 | 34.5 | 36.9 | 33.8 | 46.1 | 9.2 | 44.5 | -1.6 |

| | D I | | | | | | | | | | | |
|-------------------------------------------------------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|----------------------------------|----------|
| | Apr.-Jun. 2004 | | Jul.-Sep. 2004 | | Oct.-Dec. 2004 | | Jan.-Mar. 2005 | | Apr.-Jun. 2005 | | Apr.-Jun. 2005 period investment | |
| | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect |
| Total value of electrical machinery | 22.2 | 2.8 | -7.2 | 0.4 | -5.4 | 25.0 | 12.9 | 24.8 | 15.0 | 2.1 | 19.0 | 4.0 |
| Electrical machines and apparatuses | 15.4 | 10.8 | -13.4 | 7.5 | 5.8 | 25.0 | 12.1 | 29.3 | -7.6 | -19.7 | 15.2 | 22.8 |
| Information and communications machines and equipment | 38.7 | 1.6 | -4.8 | 3.2 | -6.0 | 26.0 | 16.7 | 20.0 | 29.5 | 12.8 | 31.1 | 1.6 |
| Electronic parts and devices | 16.7 | -1.1 | -3.1 | -5.4 | -10.7 | 25.3 | 11.9 | 26.2 | 21.1 | 9.2 | 13.7 | -7.4 |
| Total value of transportation equipment | 30.1 | 24.1 | 24.1 | 34.8 | 31.9 | 35.3 | 33.9 | 36.8 | 50.4 | 16.5 | 39.3 | -11.1 |
| Transportation machines and equipment | 30.4 | 17.4 | 17.4 | 30.4 | 8.7 | 21.7 | 12.5 | 4.3 | 46.2 | 33.7 | 4.2 | -42.0 |
| Parts and accessories for transportation machinery | 29.2 | 25.0 | 25.0 | 35.2 | 36.8 | 37.9 | 38.9 | 44.4 | 52.0 | 13.1 | 48.5 | -3.5 |

| | D I | | | | | | | | | | | |
|-------------------------------------------------------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|----------------------------------|----------|
| | Apr.-Jun. 2004 | | Jul.-Sep. 2004 | | Oct.-Dec. 2004 | | Jan.-Mar. 2005 | | Apr.-Jun. 2005 | | Apr.-Jun. 2005 period investment | |
| | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect |
| Total value of electrical machinery | 12.7 | 11.8 | -11.5 | -16.7 | -20.5 | 8.9 | 8.7 | 25.0 | 18.9 | 10.2 | 10.7 | -8.2 |
| Electrical machines and apparatuses | 4.8 | 14.3 | 4.5 | 0.0 | -22.2 | 11.1 | 36.8 | 36.8 | 18.2 | -18.6 | 27.3 | 9.1 |
| Information and communications machines and equipment | 12.5 | 6.3 | -11.8 | -11.8 | -9.1 | 0.0 | 12.5 | 18.8 | 31.3 | 18.8 | 0.0 | -31.3 |
| Electronic parts and devices | 16.3 | 12.5 | -18.8 | -26.1 | -22.4 | 10.2 | -4.4 | 22.2 | 14.9 | 19.3 | 6.5 | -8.4 |
| Total value of transportation equipment | 0.0 | 17.3 | -3.5 | 14.3 | 6.7 | 13.8 | 14.8 | 3.9 | 9.7 | -5.1 | 10.4 | 0.7 |
| Transportation machines and equipment | -50.0 | -50.0 | 0.0 | 50.0 | 0.0 | 50.0 | -50.0 | 0.0 | 0.0 | 50.0 | 0.0 | 0.0 |
| Parts and accessories for transportation machinery | 3.7 | 22.2 | 0.0 | 14.8 | 3.6 | 14.8 | 20.0 | 4.0 | 10.3 | -9.7 | 10.7 | 0.4 |

| | D I | | | | | | | | | | | |
|-------------------------------------------------------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|----------------------------------|----------|
| | Apr.-Jun. 2004 | | Jul.-Sep. 2004 | | Oct.-Dec. 2004 | | Jan.-Mar. 2005 | | Apr.-Jun. 2005 | | Apr.-Jun. 2005 period investment | |
| | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect |
| Total value of electrical machinery | 35.5 | 31.3 | 26.0 | 19.9 | 0.5 | 33.3 | 37.3 | 42.2 | 26.4 | -10.9 | 30.3 | 3.9 |
| Electrical machines and apparatuses | 36.1 | 41.7 | 24.7 | 17.8 | -2.9 | 46.4 | 49.3 | 49.3 | 18.0 | -31.3 | 27.0 | 9.0 |
| Information and communications machines and equipment | 41.2 | 33.3 | 46.2 | 41.5 | 5.7 | 24.5 | 39.5 | 42.4 | 38.1 | 7.6 | 26.6 | -9.5 |
| Electronic parts and devices | 31.8 | 21.6 | 15.4 | 8.8 | 0.0 | 28.4 | 32.2 | 36.4 | 26.5 | -5.7 | 34.3 | 7.8 |
| Total value of transportation equipment | 35.9 | 43.4 | 46.7 | 37.8 | 27.4 | 36.1 | 40.4 | 35.7 | 45.6 | 5.2 | 53.7 | 8.1 |
| Transportation machines and equipment | 0.0 | 60.0 | 71.4 | 14.3 | 14.3 | 14.3 | 25.0 | 0.0 | 30.0 | 5.0 | 55.6 | 25.6 |
| Parts and accessories for transportation machinery | 38.3 | 40.4 | 40.5 | 40.5 | 27.8 | 37.7 | 41.7 | 40.4 | 47.4 | 5.7 | 52.6 | 5.2 |

| | D I | | | | | | | | | | | |
|-------------------------------------------------------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|
| | Apr.-Jun. 2004 period investigation | | Jul.-Sep. 2004 period investigation | | Oct.-Dec. 2004 period investigation | | Jan.-Mar. 2005 period investigation | | Apr.-Jun. 2005 period investigation | | Jul.-Sep. 2005 period investigation | |
| | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect |
| Europe | | | | | | | | | | | | |
| Total value of electrical machinery | 1.5 | 29.0 | 11.6 | -5.9 | -14.0 | 5.3 | 0.0 | 3.1 | -2.2 | 35.0 | 31.9 | |
| Electrical machines and apparatuses | -15.8 | 47.4 | 9.1 | 18.2 | 11.1 | -5.6 | 30.0 | 5.0 | 6.7 | -21.3 | 60.9 | |
| Information and communications machines and equipment | 27.3 | 28.6 | 45.5 | -9.5 | -23.8 | -15.0 | -14.3 | -5.0 | 4.3 | 18.6 | 31.8 | |
| Electronic parts and devices | -9.1 | 13.6 | -16.0 | -24.0 | -5.3 | -21.1 | 0.0 | 0.0 | -5.6 | -5.6 | 0.0 | |
| Total value of transportation equipment | 0.0 | 13.0 | 19.1 | 8.5 | 26.6 | 21.6 | 20.0 | -4.0 | -17.4 | 11.5 | 28.9 | |
| Transportation machines and equipment | 0.0 | 25.0 | 14.3 | 0.0 | -14.3 | 14.3 | 14.3 | 0.0 | -14.3 | 28.6 | 28.6 | |
| Parts and accessories for transportation machinery | 0.0 | 10.9 | 20.0 | 10.0 | 32.1 | 22.6 | 20.9 | -7.0 | -20.4 | -41.3 | 29.7 | |

| | D I | | | | | | | | | | | |
|-------------------------------------------------------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|
| | Apr.-Jun. 2004 period investigation | | Jul.-Sep. 2004 period investigation | | Oct.-Dec. 2004 period investigation | | Jan.-Mar. 2005 period investigation | | Apr.-Jun. 2005 period investigation | | Jul.-Sep. 2005 period investigation | |
| | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect |
| Other Asia | | | | | | | | | | | | |
| Total value of electrical machinery | 20.0 | 25.0 | 4.7 | -4.8 | 23.1 | 23.1 | 18.2 | 27.3 | 43.5 | 25.3 | 30.4 | -13.1 |
| Electrical machines and apparatuses | 0.0 | 0.0 | -42.9 | -57.1 | 0.0 | 100.0 | 0.0 | 28.6 | 42.9 | 42.9 | 14.3 | -28.6 |
| Information and communications machines and equipment | 33.3 | 50.0 | 33.3 | 16.7 | 40.0 | 20.0 | 14.3 | 14.3 | 42.9 | 28.6 | 28.6 | -14.3 |
| Electronic parts and devices | 28.6 | 28.6 | 25.0 | 25.0 | 14.3 | 14.3 | 37.5 | 37.5 | 44.4 | 6.9 | 44.4 | 0.0 |
| Total value of transportation equipment | 20.0 | 20.0 | 14.8 | 25.9 | 25.8 | 19.4 | 34.7 | 40.0 | 50.0 | 15.3 | 37.0 | -13.0 |
| Transportation machines and equipment | 0.0 | -11.1 | -11.1 | 11.1 | 0.0 | -22.2 | 30.0 | 11.1 | 20.0 | -10.0 | 11.1 | -8.9 |
| Parts and accessories for transportation machinery | 28.6 | 33.3 | 27.8 | 33.3 | 36.4 | 36.4 | 37.5 | 56.3 | 66.7 | 29.2 | 50.0 | -16.7 |

| | D I | | | | | | | | | | | |
|-------------------------------------------------------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|
| | Apr.-Jun. 2004 period investigation | | Jul.-Sep. 2004 period investigation | | Oct.-Dec. 2004 period investigation | | Jan.-Mar. 2005 period investigation | | Apr.-Jun. 2005 period investigation | | Jul.-Sep. 2005 period investigation | |
| | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect | Current assessment | Prospect |
| Other's | | | | | | | | | | | | |
| Total value of electrical machinery | 21.0 | 36.8 | 14.3 | 4.7 | 10.0 | 30.0 | 0.0 | 4.6 | 43.5 | 43.5 | 30.5 | -13.0 |
| Electrical machines and apparatuses | 20.0 | 20.0 | 0.0 | 16.7 | 16.7 | 33.3 | 0.0 | -14.3 | 37.5 | 37.5 | 37.5 | 0.0 |
| Information and communications machines and equipment | 20.0 | 50.0 | 36.4 | 9.1 | 0.0 | 36.4 | -9.1 | 9.1 | 54.5 | 63.6 | 36.4 | -18.1 |
| Electronic parts and devices | 25.0 | 25.0 | -25.0 | -25.0 | 33.3 | 0.0 | 25.0 | 25.0 | 25.0 | 0.0 | 0.0 | -25.0 |
| Total value of transportation equipment | 16.2 | -2.7 | 6.5 | 12.9 | 2.6 | 5.3 | 26.7 | 13.3 | 27.0 | 0.3 | 5.9 | -21.1 |
| Transportation machines and equipment | 22.2 | 0.0 | 25.0 | 12.5 | 22.2 | 33.3 | 33.3 | 22.2 | 54.5 | 21.2 | 22.2 | -32.3 |
| Parts and accessories for transportation machinery | 14.3 | -3.6 | 0.0 | 13.0 | -3.4 | -3.4 | 23.8 | 9.5 | 15.4 | -8.4 | 0.0 | -15.4 |

< Appendix table 3 >

Result and DI in the main countries (Units : result=US\$10,000, number of employees=persons, comparison to the same quarter of the previous year=percentage, DI=percentage point)

| | Result | | | | | | | | | | | | DI | | | | | | | | | | |
|-------------------|------------------|------------------|-----------------------------------------------------|------------------|------------------|-----------------------------------------------------|------------------|------------------|-----------------------------------------------------|------------------|------------------|-----------------------------------------------------|------------------|------------------|------------------|-----------------------------------------------------|------------------|------------------|-----------------------------------------------------|---------|-------|-------|-----|
| | 2004 | | | 2005 | | | 2004 | | | 2005 | | | 2005 | | 2005 | | | | | | | | |
| | Apr.-Jun. period | Jul.-Sep. period | comparison to the same quarter of the previous year | Jan.-Mar. period | Apr.-Jun. period | comparison to the same quarter of the previous year | Apr.-Jun. period | Jul.-Sep. period | comparison to the same quarter of the previous year | Jul.-Sep. period | Oct.-Dec. period | comparison to the same quarter of the previous year | Oct.-Dec. period | Jan.-Mar. period | Apr.-Jun. period | comparison to the same quarter of the previous year | Jan.-Mar. period | Apr.-Jun. period | comparison to the same quarter of the previous year | | | | |
| U. S. A | 136,404 | 389,287 | -1.2 | 388,503 | -3.1 | 385,233 | -2.2 | 386,523 | -2.2 | 2.1 | 0.7 | 4.7 | 2.2 | 2.7 | 4.9 | 10.7 | 4.0 | 7.4 | -0.2 | -7.6 | | | |
| Indonesia | 17,834 | 125.7 | 15,828 | 38.0 | 15,820 | 14.6 | 18,632 | -9.5 | 13,136 | 8.1 | 2.9 | 8.1 | -4.1 | 5.5 | 6.3 | 7.6 | 9.8 | 14.9 | 7.3 | -9.2 | | | |
| Malaysia | 15,418 | 157,402 | -5.3 | 157,402 | -7.6 | 154,755 | -8.2 | 153,358 | -7.7 | 148,928 | -8.2 | 148,928 | -7.7 | 148,928 | -8.2 | 148,928 | -7.7 | 148,928 | -8.2 | 148,928 | -7.7 | | |
| Philippines | 7,085 | 4.4 | 9,009 | 111.6 | 7,479 | 41.1 | 8,540 | 3.0 | 7,933 | 8.2 | 12.0 | 11.8 | 13.7 | 9.9 | 18.3 | 24.3 | 21.1 | 16.3 | -8.0 | 16.0 | -0.3 | | |
| Thailand | 34,421 | 58.9 | 46,275 | 48.6 | 49,322 | 43.1 | 61,612 | 84.2 | 41,309 | 17.7 | 23.2 | 17.2 | 21.3 | 18.7 | 23.6 | 27.8 | 21.7 | 16.0 | -11.8 | 21.7 | 5.7 | | |
| Republic of Korea | 258,679 | 10.8 | 271,921 | 11.2 | 282,560 | 13.3 | 289,760 | 12.7 | 304,665 | 15.3 | 18.9 | 13.8 | 12.0 | 15.5 | 25.1 | 26.9 | 21.6 | 20.9 | 23.8 | 2.2 | 14.2 | -9.6 | |
| Singapore | 328,469 | 9.4 | 344,195 | 10.2 | 335,000 | 1.4 | 362,088 | 14.2 | 366,331 | 11.0 | 14.6 | 10.0 | -8.9 | -0.8 | -9.4 | 16.2 | 14.8 | 8.8 | 14.4 | -0.4 | 10.4 | -4.0 | |
| Taiwan | 3,683 | 13.0 | 7,285 | 95.3 | 5,372 | 19.3 | 3,967 | -44.6 | 18,599 | 146.7 | 21.1 | 16.3 | 18.2 | 8.2 | 13.5 | 26.8 | 5.3 | 13.1 | -13.7 | -6.3 | -19.4 | | |
| China | 1,478,600 | 31.2 | 1,638,828 | 27.5 | 1,661,146 | 26.3 | 1,671,378 | 27.9 | 1,731,263 | 13.7 | 38.3 | 38.3 | 35.3 | 24.2 | 20.5 | 9.2 | 34.3 | 37.8 | 39.7 | 31.2 | -6.6 | 33.3 | 2.1 |
| India | 3,892 | 46.7 | 8,499 | 144.1 | 7,310 | 60.1 | 11,359 | 189.0 | 3,133 | 16.6 | -9.7 | -3.3 | 10.7 | 3.4 | 0.0 | 17.9 | 16.0 | 25.0 | 18.5 | 2.5 | 18.5 | 0.0 | |
| Vietnam | 52,472 | 18.5 | 54,827 | 14.7 | 57,044 | 14.5 | 57,961 | 12.7 | 62,760 | 19.1 | 11.1 | 2.3 | 22.5 | 22.5 | 17.0 | 19.1 | 27.9 | 26.2 | 28.8 | 0.9 | 15.4 | -13.4 | |
| UK | 8,391 | -44.4 | 13,497 | 10.8 | 20,055 | 72.0 | 36,579 | 114.6 | 13,944 | 63.8 | -6.1 | -1.6 | -3.0 | 6.2 | 4.5 | 4.8 | 4.7 | 3.1 | 13.0 | 8.3 | 3.0 | -10.0 | |
| France | 278,600 | 18.5 | 247,337 | 21.7 | 310,460 | 13.1 | 266,564 | -0.3 | 274,942 | 0.2 | 61,927 | -15.6 | -5.4 | -4.9 | -6.2 | -2.5 | 0.0 | 11.0 | 2.4 | -2.3 | -13.3 | -3.7 | |
| Germany | 340,047 | 8.9 | 327,466 | 13.4 | 364,049 | 7.6 | 376,923 | 9.3 | 364,764 | 2.5 | -10.6 | 21.7 | 6.5 | 8.7 | 16.7 | 7.1 | 21.4 | 9.5 | 11.1 | -10.3 | 26.7 | 15.6 | |
| Netherlands | 4,611 | -29.6 | 3,997 | 59.6 | 4,915 | -15.5 | 4,533 | -18.8 | 9,327 | 102.3 | -5.9 | 0.0 | 14.3 | 19.0 | 0.0 | 0.0 | 0.0 | 0.0 | 11.8 | 18.5 | 17.6 | 5.8 | |

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URL

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

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