

Summary of the 50th Basic Survey on Overseas Business Activities (Conducted in September 2020)

Trends of overseas affiliates in the fiscal year (FY) 2019 survey

- The number of overseas affiliates was 25,693. The percentage accounted for by overseas affiliates of ASEAN10 among the total continued to increase.
- The number of employees at overseas affiliates was 5.64 million, down by 6.9% from the previous fiscal year.
- Sales of overseas affiliates decreased by 9.6% from the previous fiscal year to 263.1 trillion yen. Ordinary profits and current net profits decreased.
- The overseas production ratio for manufacturing industries (based on all domestic companies) was 23.4%, decrease by 1.7 percentage points (pp) from the previous fiscal year.
- Research and development expenses increased slightly and the amount of capital investment decreased in manufacturing industries.

Summary of findings

1. The percentage accounted for by overseas affiliates of ASEAN10 continued to increase.

- (1) The number of overseas affiliates as of the end of FY2019 was 25,693. It consists of 11,199 companies in the manufacturing industries and 14,494 companies in the non-manufacturing industries.
- (2) Manufacturing companies accounted for 43.6% and non-manufacturing companies accounted for 56.4% of the total.
- (3) By region, the number of overseas affiliates decreased all in Asia, Europe and North America. In Asia, the percentage of ASEAN10 increased for nine consecutive years, and that of China also increased for the first time in seven years.

2. The number of employees at overseas affiliates decreased.

- (1) The number of employees at overseas affiliates as of the end of FY2019 was 5.64 million, down by 6.9% from the previous fiscal year.
- (2) By sector, the number of employees decreased both in manufacturing industries (4.20 million, down by 8.2% from the previous fiscal year) and in non-manufacturing industries (1.44 million, down by 2.9% (id.)).
- (3) By region, decreases were seen all in Asia, Europe and North America. In Asia, the number decreased both in ASEAN10 and China.

3. Sales, ordinary profits and current net profits of overseas affiliates decreased.

- (1) Sales amounted to 263.1 trillion yen, down by 9.6% from the previous fiscal year. By sector, the amount decreased in the wholesale trade sector, the transportation equipment sector, etc. By region, decreases were seen all in Asia, North America and Europe.
- (2) Ordinary profits decreased by 21.1% from the previous fiscal year to 10.8 trillion yen, while current net profits decreased to 7.9 trillion yen, down by 27.9% (id.).
- (3) The amount of current retained earnings was 1.6 trillion yen (down by 56.9% from the previous fiscal year), and the balance of retained earnings was 38.3 trillion yen (down by 8.7% (id.)).

4. Overseas production ratio of overseas affiliates in manufacturing industries decreased.

- (1) The overseas production ratio for manufacturing industries (based on all domestic companies) was 23.4%, decrease by 1.7 percentage points (pp) from the previous fiscal year.
- (2) By sector, overseas production ratios decreased in almost all sectors including the transportation equipment sector (44.2%) and the general-purpose machinery sector (28.2%).

5. Research and development expenses increased slightly and the amount of capital investment decreased in manufacturing industries.

- (1) Research and development expenses in manufacturing industries increased by 0.8% from the previous fiscal year to 700.4 billion yen.
- (2) Research and development expenses per company in manufacturing industries amounted to 0.46 billion yen, up by 5.0% from the previous fiscal year. By sector, the amount increased in the transportation equipment sector, the business oriented machinery sector, etc.
- (3) The amount of capital investment in manufacturing industries amounted to 4.3 trillion yen, down by 2.1% from the previous fiscal year. By sector, the amount decreased in the transportation equipment sector, the food sector, etc.

1. Distribution of overseas affiliates

- The number of overseas affiliates as of the end of FY2019 was 25,693. It consists of 11,199 companies in the manufacturing industries and 14,494 companies in the non-manufacturing industries. Overseas affiliates in the manufacturing industries accounted for 43.6% of the total number of overseas affiliates of all industries (a 0.4 pp increase from the previous fiscal year), and those in the non-manufacturing industries accounted for 56.4% of the total (a 0.4 pp decrease (id.)). (Table 1)
- By region, the number of overseas affiliates decreased all in Asia, Europe and North America. (Table 2)
- In Asia (which accounted for 67.6% of all regions), ASEAN10's share increased for nine consecutive years and reached 28.5% of all regions (up by 0.1 pp from the previous fiscal year), and China's share increased for the first time in seven years and was 29.7% (up by 0.1 pp (id.)). (Table 2, Figure 1)

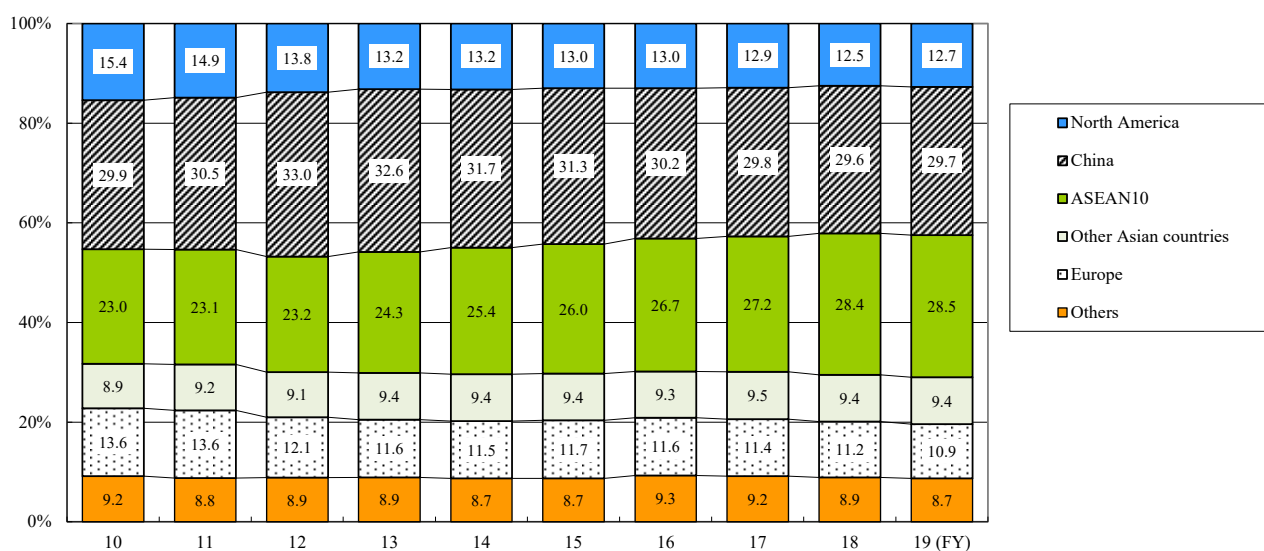
Table 1. Distribution of overseas affiliates by sector

	End of FY2019 Number of overseas affiliates	Breakdown by sector			
		FY2018		FY2019	
		Breakdown	Breakdown	Change in points	
All industries	25,693	100.0	100.0	-	
Manufacturing industries	11,199	43.2	43.6	0.4	
		100.0	100.0	-	
Food	528	4.8	4.7	▲ 0.1	
Textiles	468	4.3	4.2	▲ 0.1	
Lumber, wood, paper, and pulp	205	1.8	1.8	0.0	
Chemicals	1,085	9.9	9.7	▲ 0.2	
Petroleum and coal	44	0.4	0.4	0.0	
Ceramic, stone, and clay products	251	2.3	2.2	▲ 0.1	
Iron and steel	327	3.1	2.9	▲ 0.2	
Non-ferrous metals	353	3.3	3.2	▲ 0.1	
Metal products	646	5.6	5.8	0.2	
General-purpose machinery	449	4.0	4.0	0.0	
Production machinery	858	7.6	7.7	0.1	
Business oriented machinery	406	3.6	3.6	0.0	
Electrical machinery	677	5.7	6.0	0.3	
Information and communication electronics equipment	972	9.0	8.7	▲ 0.3	
Transportation equipment	2,398	20.8	21.4	0.6	
Miscellaneous manufacturing industries	1,532	13.9	13.7	▲ 0.2	
Non-manufacturing industries	14,494	56.8	56.4	▲ 0.4	
		100.0	100.0	-	
Agriculture, forestry, and fisheries	89	0.7	0.6	▲ 0.1	
Mining	165	1.3	1.1	▲ 0.2	
Construction	414	2.7	2.9	0.2	
Information and communications	827	5.9	5.7	▲ 0.2	
Transport	1,406	9.7	9.7	0.0	
Wholesale trade	7,279	49.8	50.2	0.4	
Retail trade	705	4.9	4.9	0.0	
Services	2,520	18.1	17.4	▲ 0.7	
Miscellaneous non-manufacturing industries	1,089	7.1	7.5	0.4	

Table 2. Distribution of overseas affiliates by region

	FY2018	FY2019
All regions	26,233	25,693
	100.0	100.0
North America	3,277	3,273
	12.5	12.7
Asia	17,672	17,372
	67.4	67.6
China	7,754	7,639
	29.6	29.7
ASEAN10	7,441	7,312
	28.4	28.5
Other Asian countries	2,477	2,421
	9.4	9.4
Europe	2,937	2,803
	11.2	10.9
Others	2,347	2,245
	8.9	8.7

Figure 1. Trends in distribution ratio of overseas affiliates by region



2. Advances and withdrawals of overseas affiliates

- The number of overseas affiliates that advanced to overseas markets (new establishment^{Note 1}) in FY2019 was 266 (a decrease by 99 companies from the previous fiscal year). When looking at the percentage by region, increases were seen in the percentage of companies that advanced to ASEAN10, North America and China, while the percentage decreased for companies that advanced to other Asian countries and Europe. (Figure 2)
- The number of overseas affiliates withdrawn from overseas markets^{Note 2} in FY2019 was 603 (a decrease by 9 companies from the previous fiscal year), of which 216 were companies in the manufacturing industries (down by 12 companies (id.)) and 387 were companies in the non-manufacturing industries (up by 3 companies (id.)). (Figure 3)
- The ratio of withdrawals^{Note 3} was 2.3% (same as the previous fiscal year). By region, the ratio increased in North America and ASEAN10 and decreased in China and Europe. (Table 3)

Figure 2. Ratio of overseas affiliates by year of establishment or capital participation (by region)

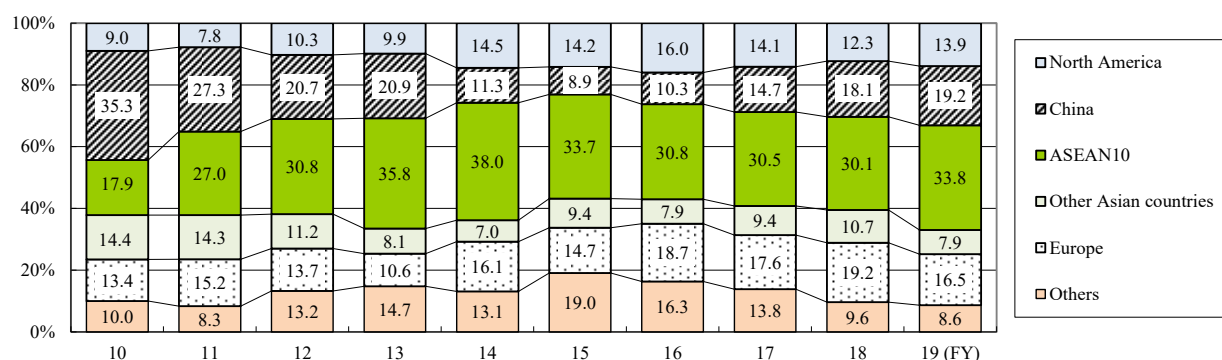


Figure 3. Trends in the number of overseas withdrawals

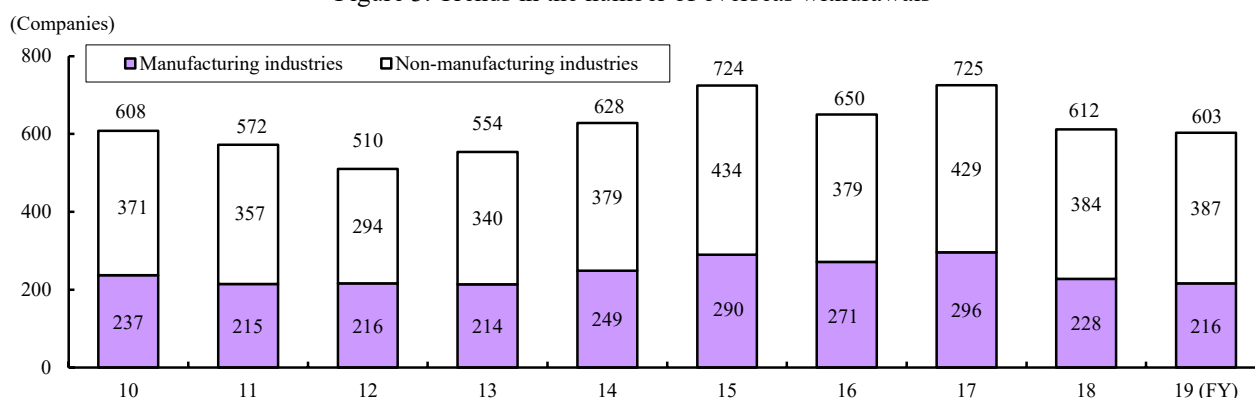


Table 3. Trends in the number of overseas withdrawals and ratio of overseas withdrawals by region

	(Unit:Companies)					(Unit:%)				
	Number of overseas withdrawals					Ratio of overseas withdrawals				
	15	16	17	18	19 (FY)	15	16	17	18	19 (FY)
All regions	724	650	725	612	603	2.8	2.5	2.8	2.3	2.3
North America	103	76	94	61	76	3.1	2.3	2.8	1.8	2.3
Asia	466	435	472	402	385	2.7	2.6	2.8	2.2	2.2
China	278	269	270	232	219	3.4	3.5	3.5	2.9	2.8
ASEAN10	121	119	141	117	123	1.8	1.6	2.0	1.5	1.7
Europe	93	79	80	80	76	3.1	2.7	2.7	2.7	2.6

Note 1: "Year of establishment or capital participation" counts the overseas affiliates that were newly established in the fiscal year being surveyed.

Note 2: "Withdrawal" includes "dissolution, withdrawal/transfer" and "decline in control share (where the ratio of investments from the Japan side declines to between 0% and 10%)".

Note 3: Ratio of withdrawals = Number of overseas withdrawals in FY2018 / (Total number of overseas affiliates with valid responses in FY2018 + Number of overseas withdrawals in FY2017) × 100.0

3. Employment at overseas affiliates

- The number of employees at overseas affiliates as of the end of FY2019 was 5.64 million, down by 6.9% from the previous fiscal year (or down by 0.8% when comparing only companies that gave valid responses for this year and the previous year). (Table 4)
- The number of employees in manufacturing industries was 4.20 million, down by 8.2% from the previous fiscal year. By sector, the number of employees decreased in almost all sectors including the transportation equipment sector (1.68 million, down by 7.4% from the previous fiscal year), the information and communication electronics equipment sector (0.57 million, down by 8.1% (id.)) and the electrical machinery sector (0.24 million, down by 11.4% (id.)).
The number of employees in non-manufacturing industries was 1.44 million, down by 2.9% (id.). By sector, decreases were observed in the services sector (0.21 million, down by 12.4% (id.)), the wholesale trade sector (0.58 million, down by 1.6% (id.)), etc. (Table 4, Figure 4)
- By region, the number of employees decreased all in Asia (3.79 million, down by 8.3% from the previous fiscal year), Europe (0.61 million, down by 5.7% (id.)), and North America (0.79 million, down by 2.6% (id.)). (Figure 5)
- In Asia, ASEAN10, China and other Asian countries all saw decreases. (Figure 6)

Table 4. Trends in the number of employees at overseas affiliates

(Units: 10,000 persons, %)

	15		16		17		18		19 (FY)	
		Y/Y		Y/Y		Y/Y		Y/Y		Y/Y
All industries	557	▲ 3.0	559	0.3	595	6.5	605	1.7	564	▲ 6.9
Manufacturing industries	442	▲ 3.2	433	▲ 2.1	457	5.6	457	0.1	420	▲ 8.2
Non-manufacturing industries	116	▲ 2.3	126	9.3	139	9.5	148	6.7	144	▲ 2.9

Figure 4. Number of employees at overseas affiliates (by major sector)

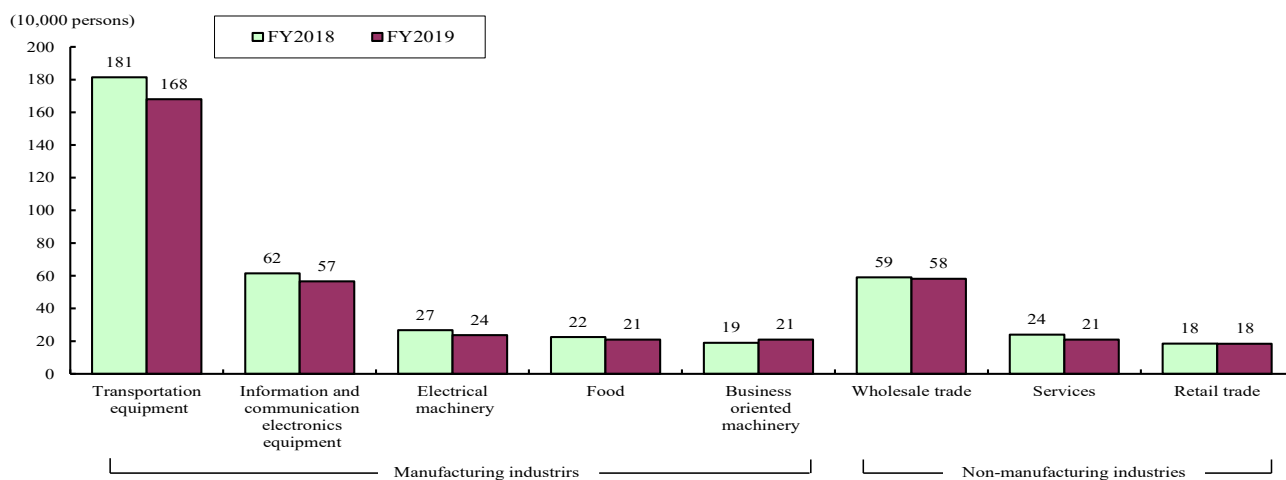


Figure 5. Number of employees at overseas affiliates (by region)

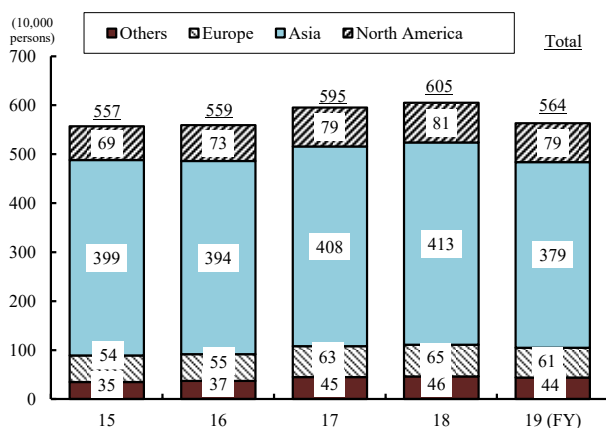
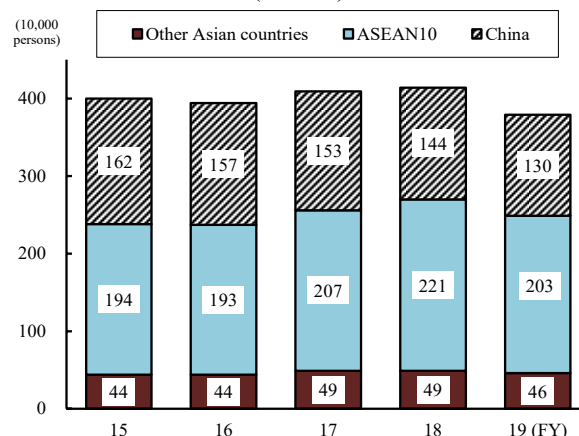


Figure 6. Number of employees at overseas affiliates (in Asia)



4. Sales of overseas affiliates

- Sales of overseas affiliates in FY2019 amounted to 263.1 trillion yen, down by 9.6% from the previous fiscal year (or down by 5.6% when comparing only companies that gave valid responses for this year and the previous year). (Figure 7)
- Manufacturing industries saw a decrease to 121.6 trillion yen, down by 12.2% from the previous fiscal year. By sector, sales decreased in the transportation equipment sector (62.7 trillion yen, down by 10.6% from the previous fiscal year), the chemicals sector (9.1 trillion yen, down by 13.5% (id.)) and others. Non-manufacturing industries saw a 7.1% decrease to 141.5 trillion yen (id.). By sector, sales decreased in the wholesale trade sector (97.9 trillion yen, down by 8.1% (id.)), the services sector (13.3 trillion yen, down by 11.7% (id.)) and others. (Figure 7, Figure 8)
- By region, sales decreased all in Asia (116.2 trillion yen, down by 11.8% from the previous fiscal year), North America (88.0 trillion yen, down by 7.6% (id.)), and Europe (37.7 trillion yen, down by 8.4% (id.)). (Figure 9)
- In Asia, ASEAN10, China and other Asian countries all saw decreases. (Figure 10)

Figure 7. Sales trends of overseas affiliates

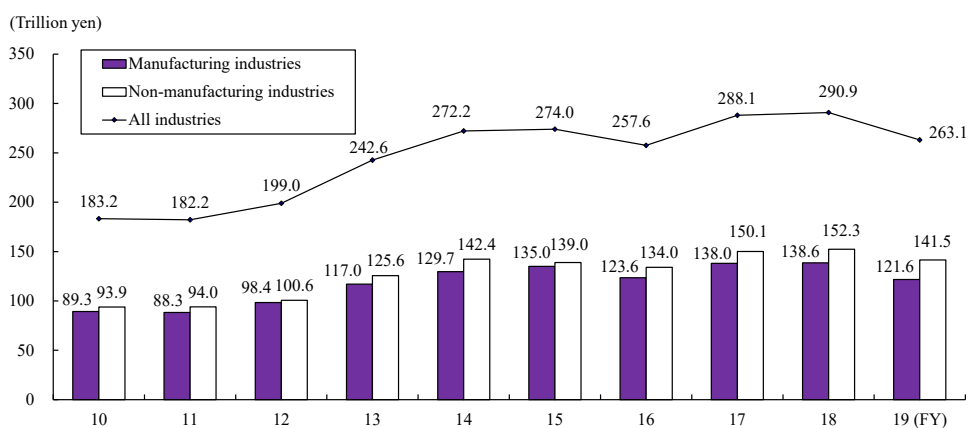


Figure 8. Sales of overseas affiliates (by major sector)

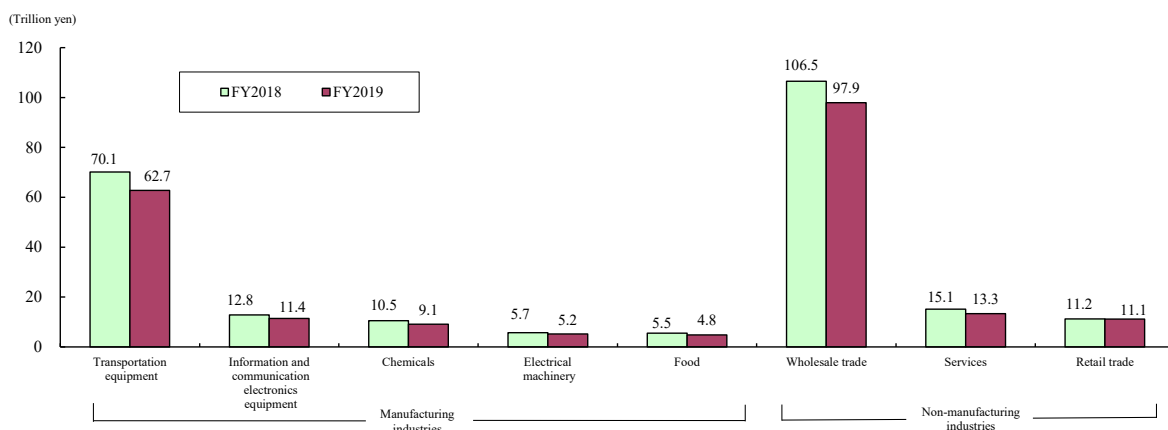


Figure 9. Sales trends of overseas affiliates (by region)

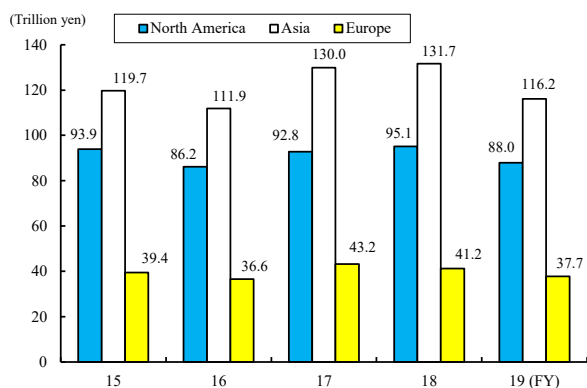
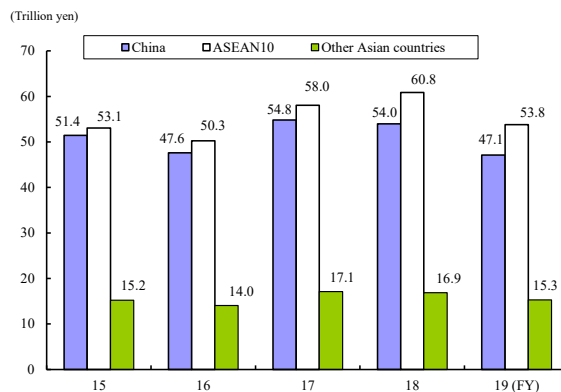


Figure 10. Sales trends of overseas affiliates (in Asia)



5. Overseas production ratio of overseas affiliates in manufacturing industries

- The overseas production ratio for manufacturing industries (based on all domestic companies)^{Note} in FY2019 was 23.4%, decrease by 1.7 percentage points (pp) from the previous fiscal year. (Figure 11)
- By sector^{Note 2}, overseas production ratios decreased in all sectors including the transportation equipment sector (44.2%), the general-purpose machinery sector (28.2%), and the iron and steel sector (20.0%), with the exception of the information and communication electronics equipment sector (28.7%). (Table 5)

Figure 11. Trends in the overseas production ratio (manufacturing industries)

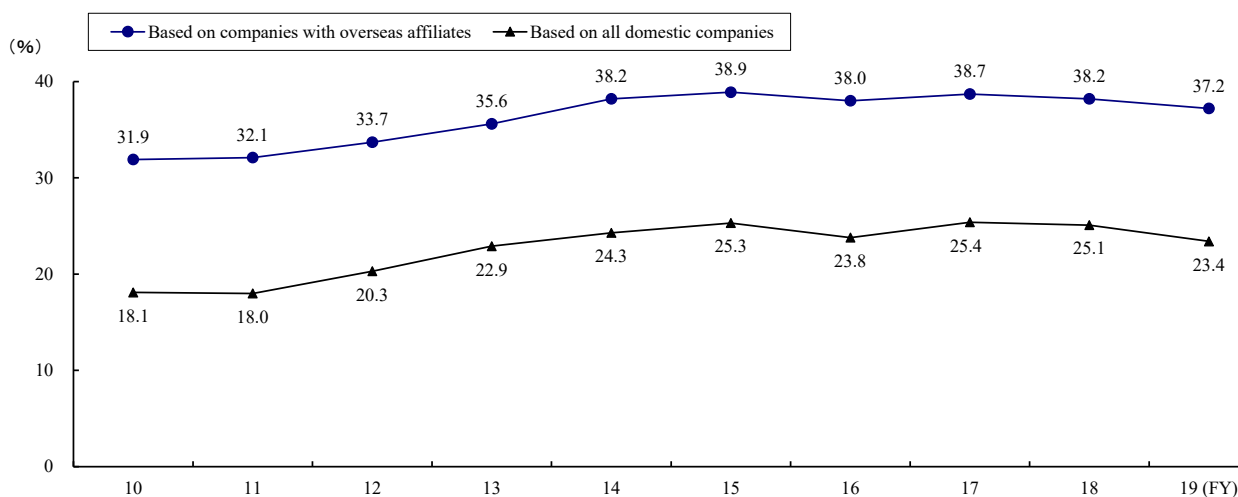


Table 5. Trends in the overseas production ratio by sector (calculated based on the total number of domestic companies (manufacturing industries))

(Unit: %)

	10	11	12	13	14	15	16	17	18	19 (FY)
Total for manufacturing industries	18.1	18.0	20.3	22.9	24.3	25.3	23.8	25.4	25.1	23.4
Food	5.0	4.9	5.7	8.3	11.4	12.2	10.6	11.4	10.7	9.8
Textiles	6.2	8.3	11.9	12.3	12.4	12.9	11.1	14.0	14.2	13.2
Lumber, wood, paper, and pulp	4.5	4.3	4.7	5.7	7.8	9.7	8.2	9.8	10.3	10.0
Chemicals	17.4	18.5	19.5	20.5	22.4	19.4	18.0	20.1	19.8	18.0
Petroleum and coal	2.4	5.2	9.8	12.5	10.1	9.6	6.3	12.8	17.4	3.1
Ceramic, stone, and clay products	13.6	10.7	15.2	16.2	14.1	17.4	16.3	19.0	19.5	17.4
Iron and steel	11.2	10.2	11.5	13.6	14.5	14.0	17.6	19.3	20.8	20.0
Non-ferrous metals	14.7	14.8	15.3	17.5	19.1	18.8	19.0	20.7	21.5	18.1
Metal products	3.9	3.7	5.3	6.2	8.1	6.4	5.7	7.9	7.2	6.7
General-purpose machinery	28.3	24.8	26.6	27.6	34.2	33.8	32.9	31.9	29.2	28.2
Production machinery	11.1	11.5	11.8	13.6	14.6	15.7	13.9	15.9	14.7	14.4
Business oriented machinery	13.8	15.0	18.4	18.4	19.6	18.5	16.2	17.0	17.5	17.0
Electrical machinery	11.8	12.8	14.3	17.7	17.2	17.3	14.5	16.3	15.3	14.6
Information and communication electronics equipment	28.4	26.7	28.3	30.4	30.7	29.4	27.3	29.3	27.8	28.7
Transportation equipment	39.2	38.6	40.2	43.7	46.9	48.8	46.1	47.2	46.9	44.2
Miscellaneous manufacturing industries	9.1	11.5	12.8	14.8	12.0	14.3	12.6	12.9	13.4	12.5

Note: Overseas production ratio based on all domestic companies = Sales of overseas affiliates (manufacturing industries) / (Sales of overseas affiliates (manufacturing industries) + Sales of domestic companies (manufacturing industries)) × 100.0

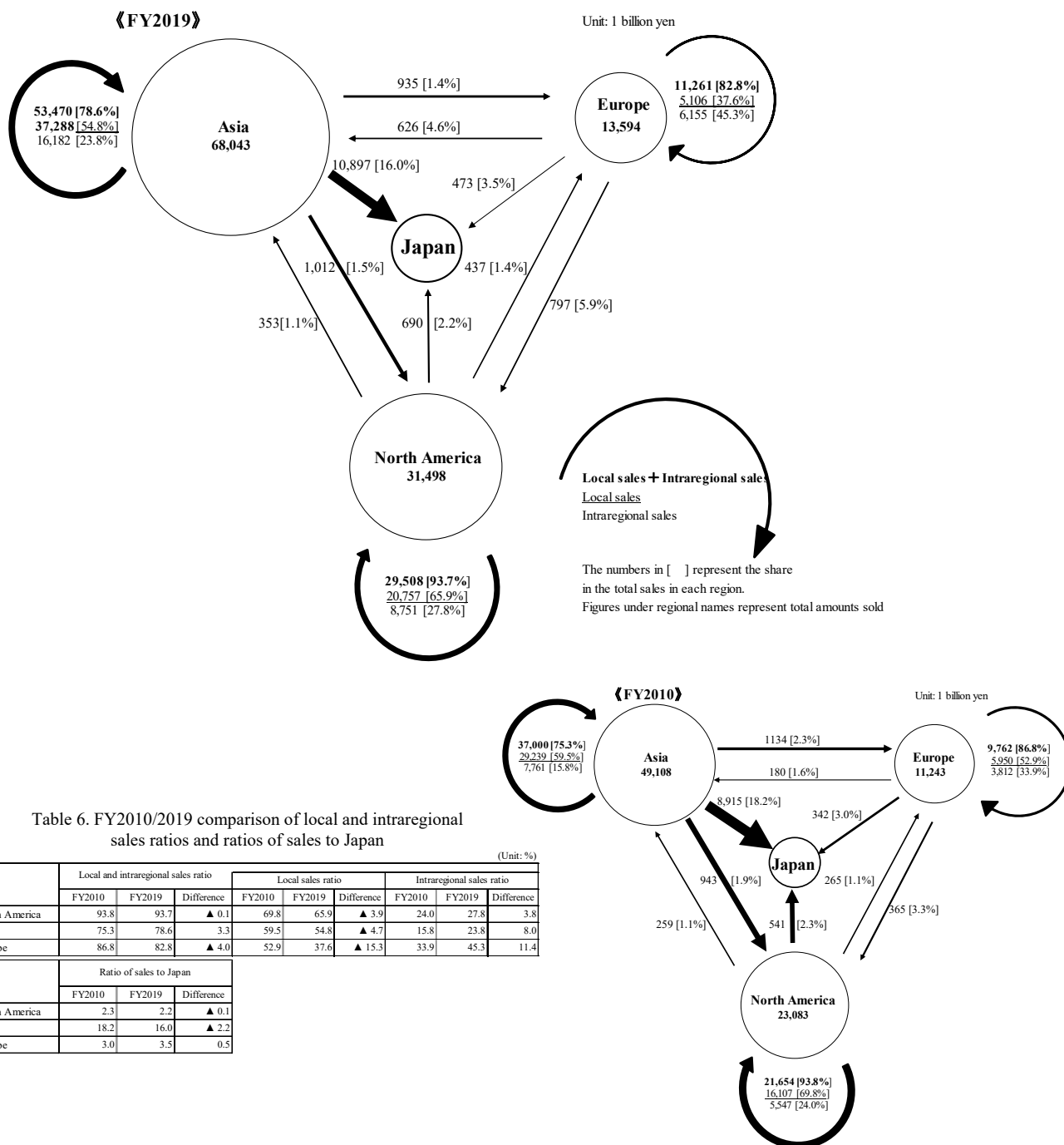
Overseas production ratio based on companies with overseas affiliates = Sales of overseas affiliates (manufacturing industries) / (Sales of overseas affiliates (manufacturing industries) + Sales of parent companies (manufacturing industries)) × 100.0

Source: Sales of domestic companies: "Financial Statements Statistics of Corporations by Industry" (Ministry of Finance)

6. Sale destinations of overseas affiliates in manufacturing industries

- When looking at the local and intraregional sales ratio^{Note 1} of overseas affiliates in manufacturing industries by region, in FY2019, the ratio was 93.7% in North America, 82.8% in Europe, and 78.6% in Asia.
- The ratio of sales to Japan was 16.0% in Asia, 3.5% in Europe, and 2.2% in North America.
- Compared to FY2010, the ratio of local sales at overseas affiliates decreased in North America, Asia, and Europe, whereas the ratio of intraregional sales increased in all of these three regions. (Figure 12, Table 6)

Figure 12. Sale destinations (sales) of overseas affiliates in manufacturing industries



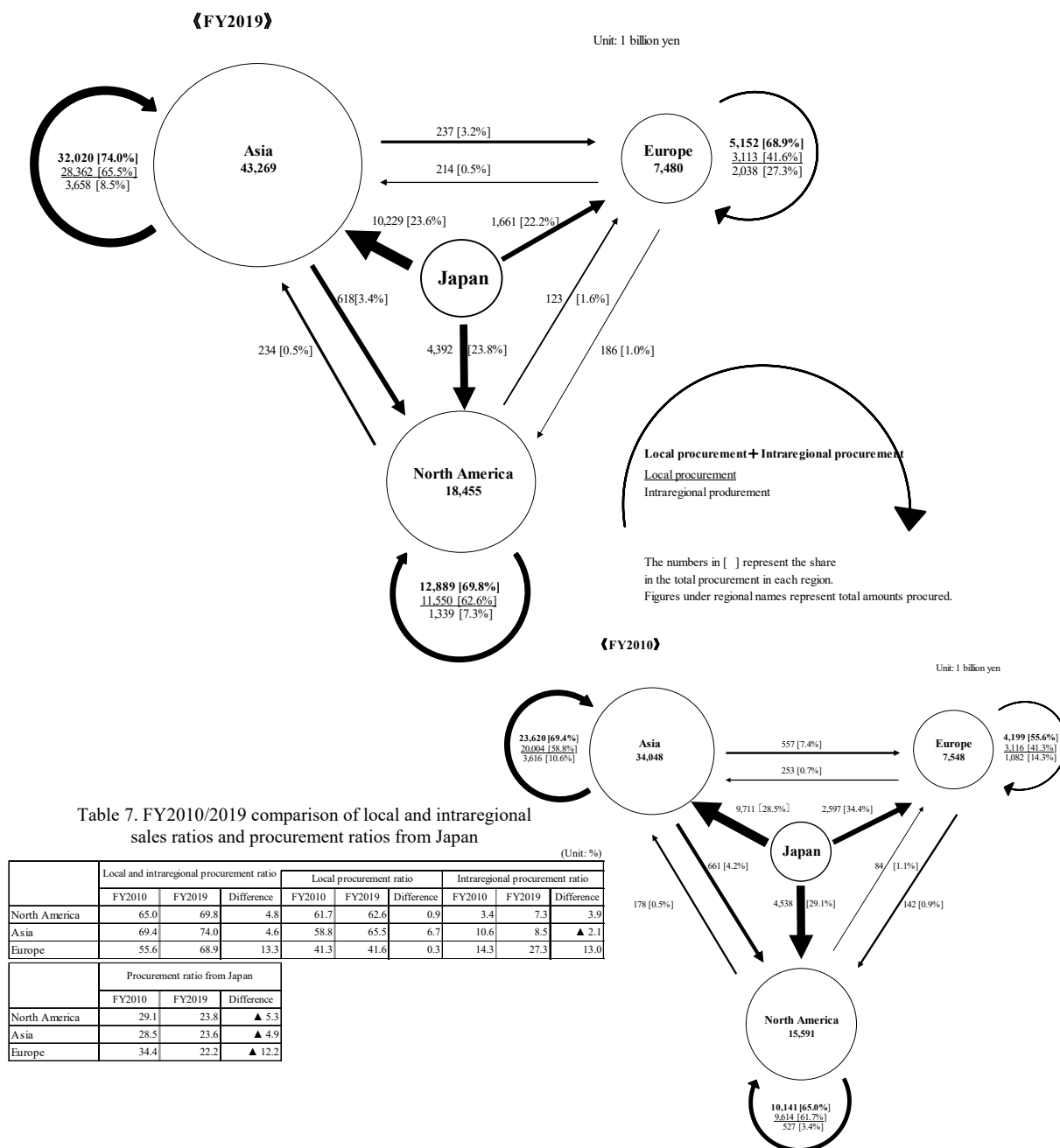
Note 1: Local: Country in which overseas affiliates of Japanese companies are located
 Intraregional: Same region other than the country in which overseas affiliates of Japanese companies are located (regional classifications: North America, Asia, Europe, etc.)
 Local and intraregional sales ratio = Local and intraregional sales (sales) / Total sales of the region (total sales) × 100.0

Note 2: The amount of total sales includes the amount of sales to other regions.

7. Procurement destinations of overseas affiliates in manufacturing industries

- When looking at the local and intraregional procurement ratio^{Note 1} of overseas affiliates in manufacturing industries by region, in FY2019, the ratio was 74.0% in Asia, 69.8% in North America, and 68.9% in Europe.
- The procurement ratio from Japan was 23.6% in Asia, 23.8% in North America, and 22.2% in Europe.
- Compared to FY2010, the local procurement ratio increased all in Asia, North America and Europe. In the meantime, North America, Asia and Europe all saw a drop in the procurement ratio from Japan. (Figure 13, Table 7)

Figure 13. Procurement destinations (purchases) of overseas affiliates in manufacturing industries



Note 1: Local: Country in which overseas affiliates of Japanese companies are located
 Intraregional: Same region other than the country in which overseas affiliates of Japanese companies are located (regional classifications: North America, Asia, Europe, etc.)
 Local and intraregional procurement ratio = Local and intraregional procurement (purchases) / Total procurement of the region (total purchases) × 100.0

Note 2: The amount of total procurement includes the amount of procurement from other regions.

8. Profits of overseas affiliates

- In FY2019, ordinary profits of overseas affiliates were 10.8 trillion yen, down by 21.1% from the previous fiscal year (or decreased by 17.6% when comparing only companies that gave valid responses for this year and the previous year). Ordinary profits for manufacturing industries were 5.2 trillion yen, down by 21.4% from the previous fiscal year, and those for non-manufacturing industries were 5.7 trillion yen, down by 20.8% (id.). (Figure 14)
- By region, the amount decreased in all regions: Asia (down by 17.3% from the previous fiscal year), Europe (down by 35.8% (id.)), and North America (down by 6.8% (id.)). (Figure 15)
- The ratio of ordinary profits to sales^{Note} was 4.9%, down by 0.4 pp from the previous fiscal year. The ratio decreased both for manufacturing industries to 5.0% (down by 0.5 pp from the previous fiscal year) and for non-manufacturing industries to 4.9% (down by 0.2 pp (id.)). (Table 8)

Figure 14. Trends in ordinary profits of overseas affiliates

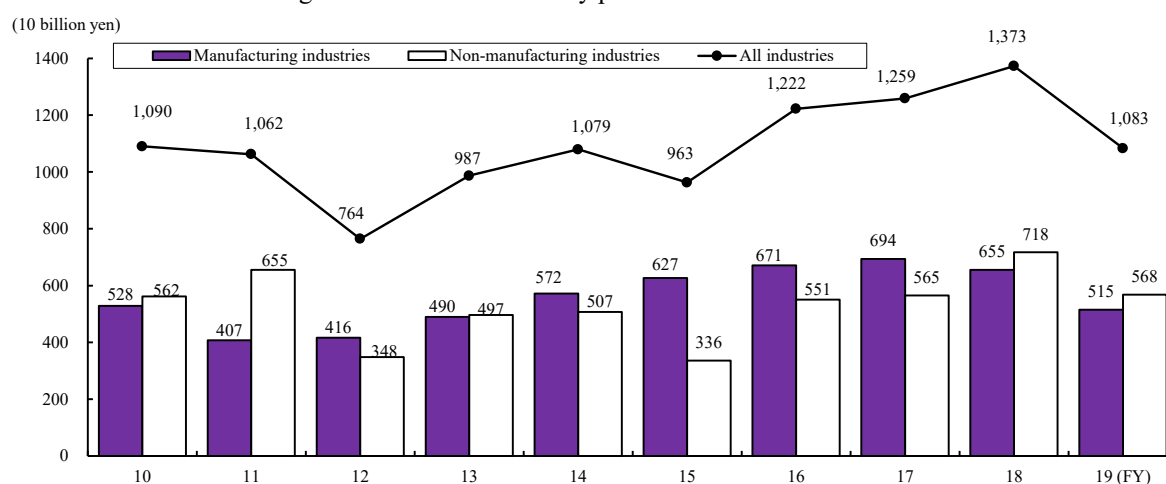


Figure 15. Trends in ordinary profits of overseas affiliates (by region)

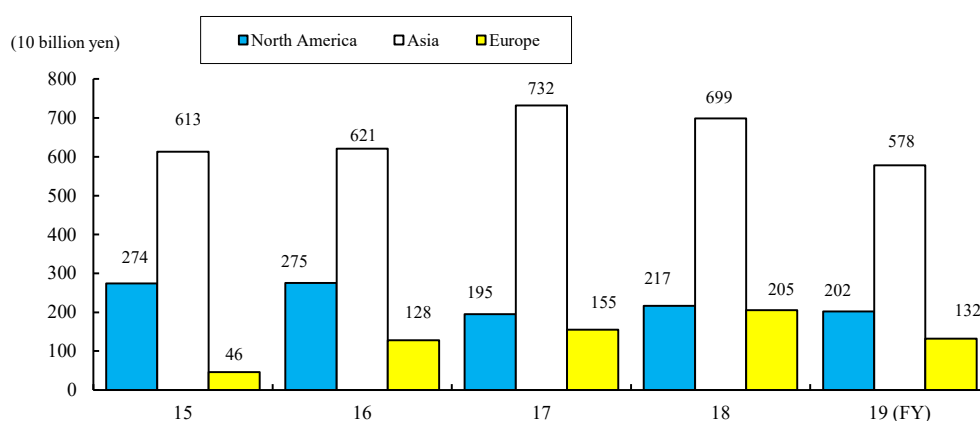


Table 8. Trends in the ratio of ordinary profits to sales of overseas affiliates

	(Unit: %)										
	10	11	12	13	14	15	16	17	18	19 (FY)	
All industries	6.1	5.9	3.9	4.2	4.1	4.0	4.9	4.6	5.3	4.9	
Manufacturing industries	6.2	4.9	4.6	4.6	4.7	5.0	5.8	5.4	5.5	5.0	
Non-manufacturing industries	6.1	6.8	3.3	3.9	3.5	3.0	4.1	3.7	5.1	4.9	
(Reference) Domestic companies	3.2	3.3	3.5	4.2	4.5	4.8	5.2	5.4	5.5	4.8	
Manufacturing industries	3.9	3.7	4.1	5.5	5.9	5.9	6.1	7.0	6.6	5.7	
Non-manufacturing industries	2.8	3.1	3.3	3.7	3.9	4.3	4.8	4.9	5.0	4.5	

Note: Ratio of ordinary profit to sales = Ordinary profits / Sales × 100.0 (Calculated based on overseas affiliates that responded to questionnaires for both ordinary profits and sales.)

Source: Ratio of ordinary profits to sales in domestic companies: "Financial Statements Statistics of Corporations by Industry" (Ministry of Finance)

9. Profit appropriation of overseas affiliates

- In FY2019, current net profits of overseas affiliates decreased to 7.9 trillion yen, down by 27.9% from the previous fiscal year (or down by 23.6% when comparing only companies that gave valid responses for this year and the previous year). Manufacturing industries saw a decrease to 3.5 trillion yen, down by 31.6% (id.), and non-manufacturing industries 4.4 trillion yen, down by 24.6% (id.). (Figure 16)
- The amount of current retained earnings^{Note 1} of overseas affiliates in FY2019 was 1.6 trillion yen, down by 56.9% from the previous fiscal year (or decreased by 55.6% when comparing only companies that gave valid responses for this year and the previous year).
- The balance of retained earnings^{Note 2} was 38.3 trillion yen, down by 8.7% from the previous fiscal year (or down by 6.5% when comparing only companies that gave valid responses for this year and the previous year). (Figure 17, Table 9)

Figure 16. Trends in current net profits

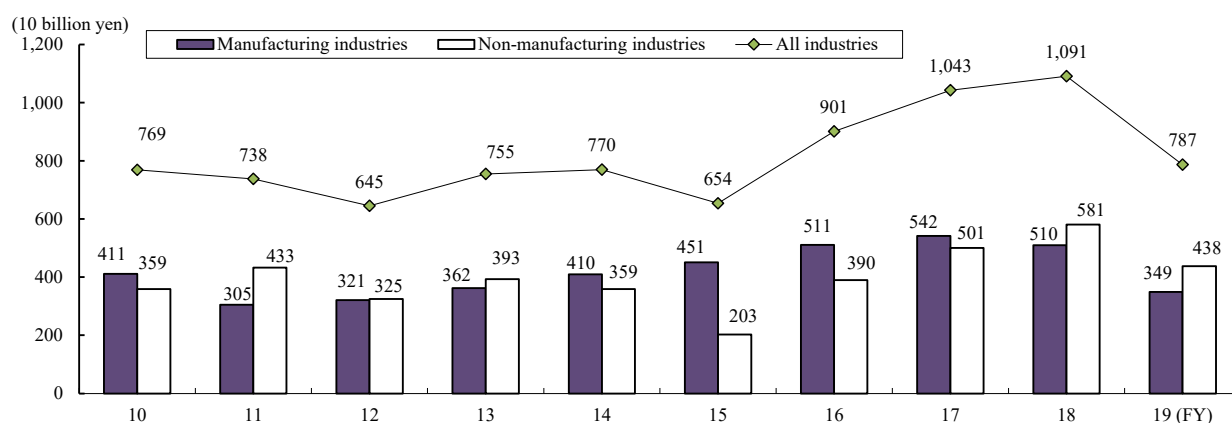


Figure 17. Trends in current retained earnings and balance of retained earnings

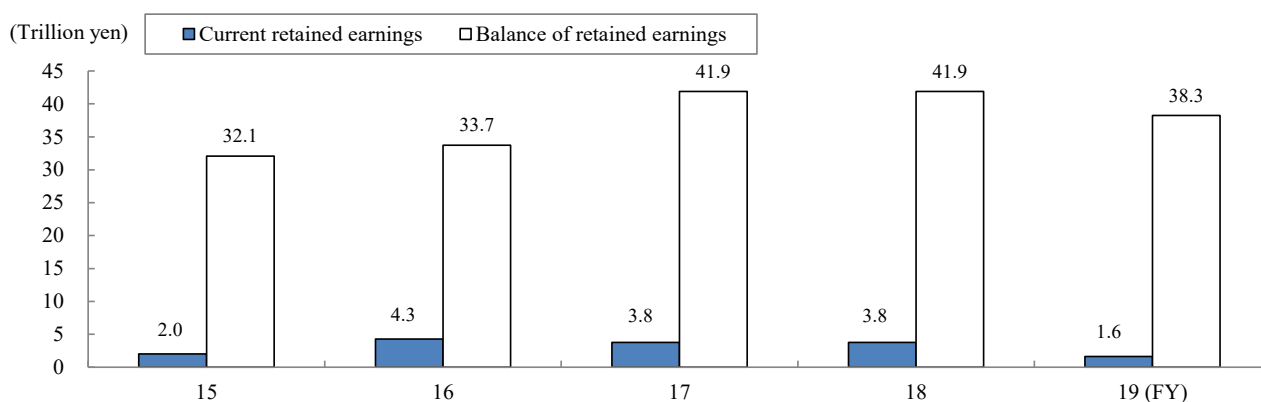


Table 9. Trends in current retained earnings and balance of retained earnings

(Units: 100 million yen, %)

	Current retained earnings			Balance of retained earnings		
	FY2018	FY2019	Y/Y	FY2018	FY2019	Y/Y
All industries	37,774	16,289	▲ 56.9	418,891	382,597	▲ 8.7
Manufacturing industries	17,315	9,345	▲ 46.0	183,028	177,992	▲ 2.8
Non-manufacturing industries	20,459	6,944	▲ 66.1	235,863	204,606	▲ 13.3

Note 1: Current retained earnings = Current net profit or loss - Dividends

Note 2: Year-end balance of retained earnings = Proprietary capital - Capital - Capital reserve

10. Research and development expenses of overseas affiliates in manufacturing industries

- In FY2019, research and development expenses in manufacturing industries were 700.4 billion yen, up by 0.8% from the previous fiscal year (or up by 1.5% when comparing only companies that gave valid responses for this year and the previous year).
- The ratio of overseas research and development expenses^{Note} was 5.5%, the same as the previous fiscal year. (Figure 18)
- Research and development expenses per company in the manufacturing industries increased by 5.0% from the previous fiscal year to 460 million yen. By sector, increases were seen in the transportation equipment sector and the business oriented machinery sector, while the chemicals sector and others saw decreases. (Table 10) By region, increases were seen all in North America, Asia and Europe. (Table 11)

Figure 18. Trends in research and development expenses of overseas affiliates and in the ratio of overseas research and development expenses (manufacturing industries)

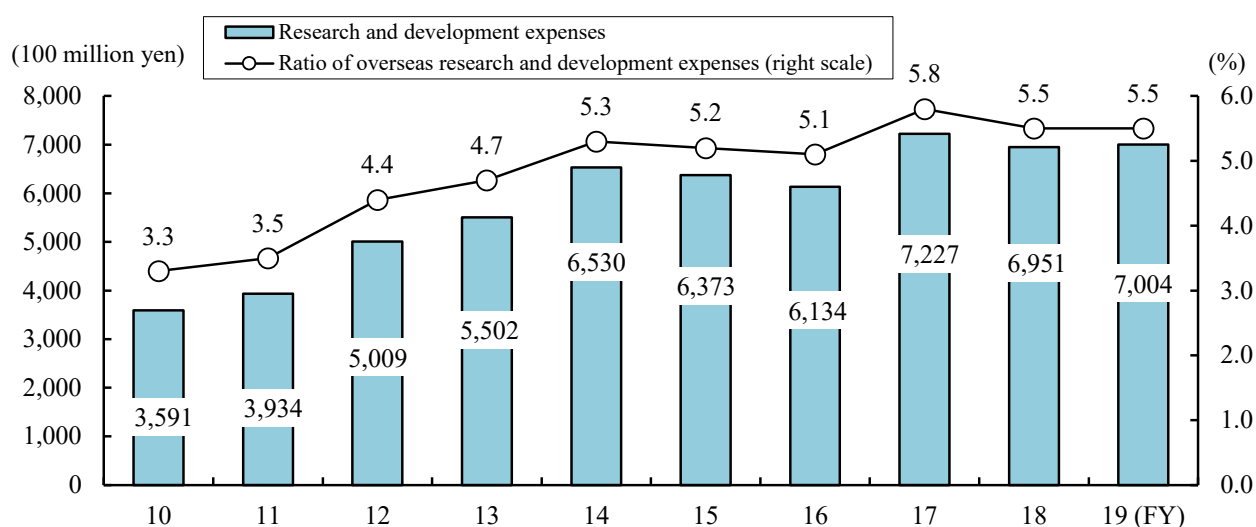


Table 10. Research and development expenses per company in manufacturing industries (by major sector)

(Units: Million yen, %)

	FY2018	FY2019	
		Y/Y difference	Y/Y ratio
Manufacturing industries	437	459	5.0
Transportation equipment	700	794	13.4
Chemicals	702	692	▲ 1.4
Information and communication electronics equipment	561	541	▲ 3.6
Business oriented machinery	475	500	5.3
Production machinery	429	392	▲ 8.6

Table 11. Research and development expenses per company in manufacturing industries (by region)

(Units: Million yen, %)

	FY2018		FY2019	
	Y/Y difference	Y/Y ratio	Y/Y difference	Y/Y ratio
All regions	▲ 48	▲ 9.9	22	5.0
North America	▲ 142	▲ 11.7	50	4.7
Asia	▲ 10	▲ 3.9	35	14.2
Europe	▲ 61	▲ 9.3	31	5.2

Note: Ratio of overseas research and development expenses (manufacturing industries) = Research and development expenses of overseas affiliates (manufacturing industries) / (Research and development expenses of overseas affiliates (manufacturing industries) + Research and development expenses of domestic companies (manufacturing industries)) × 100.0

Source: Research and development expenses of domestic companies: Total of labor costs, raw material costs, lease costs, other costs and depreciation costs in "Intramural expenditure on R&D of companies, etc. (costs)" in the Report on the Survey of Research and Development in Japan (Ministry of Internal Affairs and Communications)

11. Capital investment in overseas affiliates in manufacturing industries

- In FY2019, the amount of capital investment in overseas affiliates in manufacturing industries decreased to 4.3 trillion yen, down by 2.1% from the previous fiscal year (and decreased by 5.1% when comparing only companies that gave valid responses for this year and the previous year). The ratio of overseas capital investment^{Note} was 22.1%, up by 0.6 pp from the previous fiscal year. (Figure 19)
- By sector, the ratio of overseas capital investment decreased in the transportation equipment sector (down by 13.9% from the previous fiscal year), the food sector (down by 27.3% (id.)), the information and communication electronics equipment sector (down by 9.5% (id.)) and others. (Figure 20)
- By region, the ratio increased in Asia but decreased in North America and Europe. In Asia, ASEAN10 saw an increase, while China and other Asian countries saw a decrease. (Figure 21, Figure 22)

Figure 19. Trends in capital investment in overseas affiliates and the ratio of overseas capital investment (manufacturing industries)

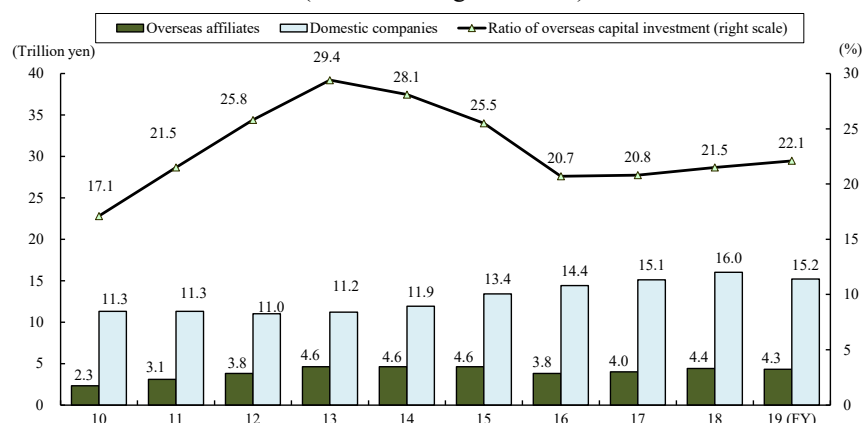


Figure 20. Capital investment in overseas affiliates (by major manufacturing sector)

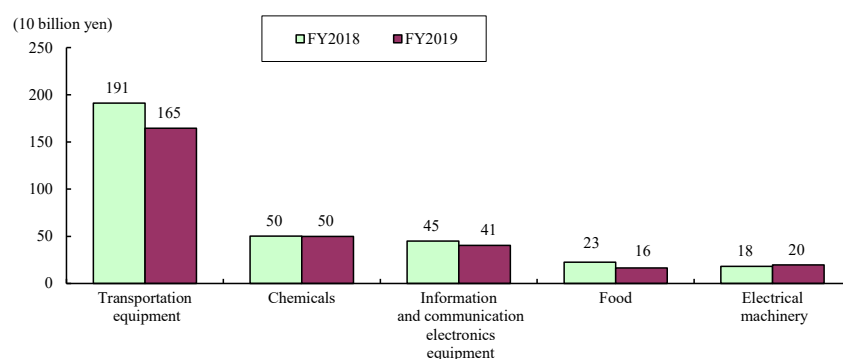


Figure 21. Capital investment in overseas affiliates in manufacturing industries (by region)

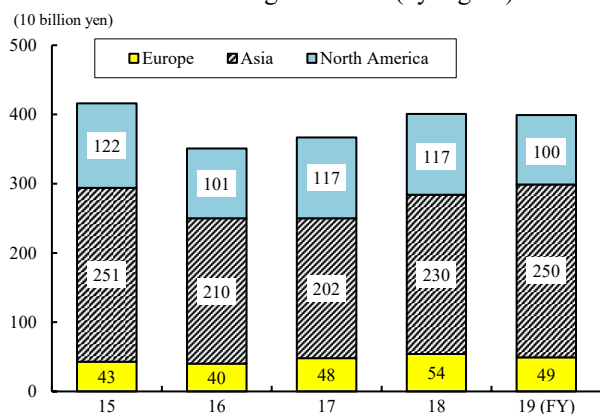
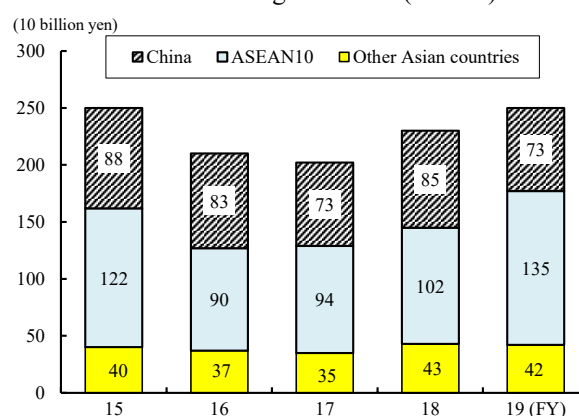


Figure 22. Capital investment in overseas affiliates in manufacturing industries (in Asia)



Note: Ratio of overseas capital investment (manufacturing industries) = Amount of capital investment in overseas affiliates (manufacturing industries) / (Amount of capital investment in overseas affiliates (manufacturing industries) + Amount of capital investment in domestic companies (manufacturing industries)) × 100.0

Source: Amount of capital investment in domestic companies: "Financial Statements Statistics of Corporations by Industry" (Ministry of Finance)

12. Payments from overseas affiliates to Japanese investors

- Payments (such as dividends and royalties) from overseas affiliates to Japanese investors in FY2019 amounted to 4.6 trillion yen, down by 7.9% from the previous fiscal year. (Figure 24)
- Looking at payments from overseas affiliates to Japanese investors by region, payments decreased from all regions: North America (down by 17.9% from the previous fiscal year), Europe (down by 24.0% (id.)), and Asia (down by 2.7% (id.)). In Asia, ASEAN10 saw an increase, while China and other Asian countries saw a decrease. (Figure 25, Figure 26)
- By major sector, payments increased in the transportation equipment sector (up by 1.2% from the previous fiscal year), and decreased in the services sector (down by 37.7% (id.)), the chemicals sector (down by 20.7% (id.)) and others. (Figure 27)

Figure 23. Changes in payments from overseas affiliates to Japanese investors (all industries)

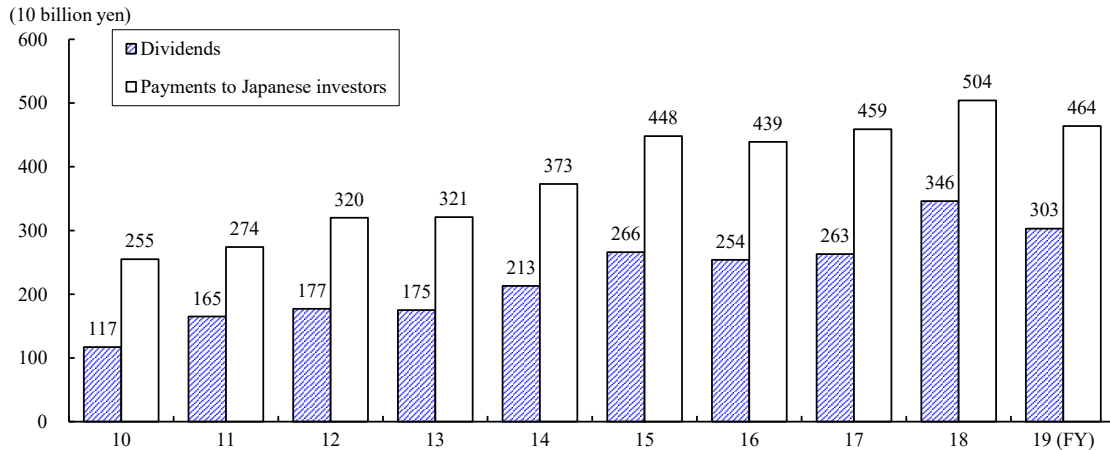


Figure 24. Payments from overseas affiliates to Japanese investors (by region)

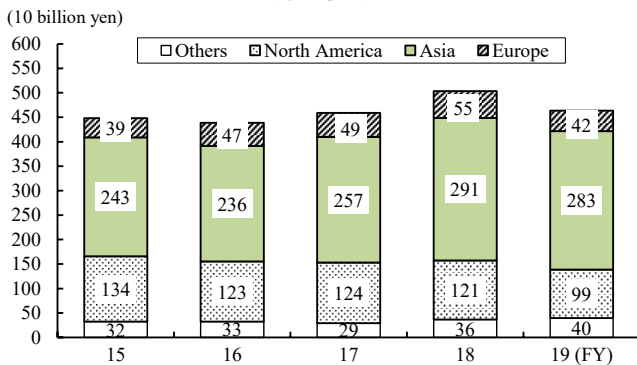


Figure 25. Payments from overseas affiliates to Japanese investors (in Asia)

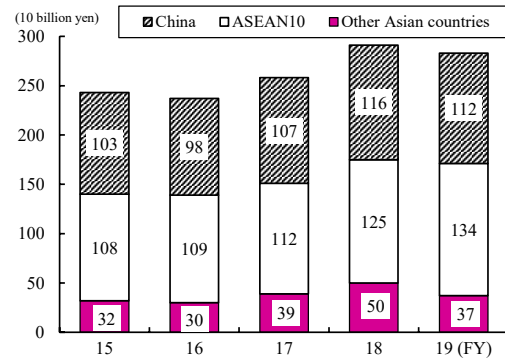


Figure 26. Payments from overseas affiliates to Japanese investors (by major sector)

