

## Form for FY2018 Survey of Trends in Business Activities of Foreign Affiliates

Submission Deadline	2018/8/31
Submit To	Minister of Economy, Trade and Industry

(To be completed by Ministry of Economy, Trade and Industry)

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- This survey covers companies that satisfied the following conditions as of the end of March of the year 2018, or satisfied the following conditions during the year 2017.
  - Scope of the survey
    - 1) A company in which more than one third of shares or holdings is owned by a foreign investor, and in which the principal foreign investor's direct investment ratio is more than 10%.
    - 2) A company funded by a domestic company (in Japan) in which more than one third of shares or holdings is owned by foreign investors, in which the total ratio of the foreign investors' direct and indirect investment is more than one third of the shares or holdings of the company concerned, and in which the principal foreign investor's direct investment ratio is more than 10%.
- The entries in this survey will be used for statistical purposes only and will be kept confidential under the Statistics Law. They will not be used for any purposes that may cause concern to the respondent.
- The data of this survey is as of March 31, 2018. Please give annual figures for the fiscal year 2017. Please refer to "Notes for Completing the Survey Form" before completing this form.
- All monetary amounts should be indicated in yen denomination, rounded off to units of one million yen.
- "1 Company outline," "2-3," and "2-4" are pre-printed based on the information given in the previous survey. If any alterations need to be made, cross out the items with a ===== and input the correct entries.

(Since we may need to make some clarifications, please designate the contact details for the person completing the form.)

Name of respondent		Department	
Address (only provide the address if it differs from the address of the head office written in 102)		Telephone No.	

### 1. Company Outline

101	(katakana) Company name					* If the address of the head office differs from the address indicated in the registration, write the address of the office which is actually functioning as the head office.	
102	(Postal code) Address						
103	Business sector code	Business sector No.	Type of industry			* Please enter your industrial classification. * Please refer to the Industrial Classification Code Table in Appendix I of the Notes for Completing the Survey Form. If you are not sure of your type of industry, enter the specific details of your business.	
104	Foreign capital ratio					* Write figures up to the first decimal point and justify to the right. * If a foreign investor has made both direct and indirect investments, enter the combined total of the investment ratio and the indirect investment ratio.	
105	Name of the principal foreign investor					* Write the name of the principal foreign investor in Japanese katakana characters or Roman letters. * If it is a company, enter the company name. * If your company has both direct and indirect investments from foreign investors, enter the principal foreign investor with the higher ratio.	
106	Nationality of the principal foreign investor	No. of region/country	Name of region/country			* Refer to the Regional and National Classification Code Table in Appendix II of the Notes for Completing the Survey Form. * Write the nationality of the principal foreign investor you entered in Item 105 above, "Name of the principal foreign investor."	
107	Investment ratio of the principal foreign investor					* Write figures up to the first decimal point and justify to the right. * Enter the investment ratio of the principal foreign investor entered in Item 105 above, "Name of the principal foreign investor."	
	If you are under "Scope of the survey 2")	The domestic company name (which is owned by the principal foreign investor entered in item 105 "Name of the principal foreign investor")		Investment ratio of the domestic company (responded to the left column)			
108	Business sector code of the principal foreign investor	1. Same sector	Business sector No.	Type of industry		* If the business sector of the principal foreign investor you entered in Item 105 above, "Name of the principal foreign investor" is the same of your business sector, please circle 1, and if not, please circle 2 and answer the corresponding business sector number and type of industry.	
		2. Different sector					
109	Capital or investments	(¥ million)				* Enter the amount of paid-in capital or investments held. * If the principal foreign investor is an individual, leave the business sector no. blank and enter "individual" for type of industry.	
110	Accounting term	* Write the two-digit accounting month.					
111	Consumption tax	1. Tax included					* Circle the relevant number corresponding to whether consumption tax is included in the monetary amounts given below.
		2. Tax excluded					

## 2. Operation status

### 2-1. Operation status

Circle the relevant number for the operation status of your company as of March 31, 2018.

If "5. Dissolution, withdrawal and foreign capital reduced" is applicable, circle one of the two indicated corresponding periods during which the dissolution, withdrawal, or foreign capital reduction occurred.

211	1. In operation	Company is currently in operation.
	2. Before the first accounting term after establishment	Company has not yet reached the first accounting term after establishment or after foreign capitalization.
	3. Not yet established, not yet in operation	Company has not yet been established/ is not in operation
	4. Suspended	Company is temporarily out of business or in dormancy.
	5. Dissolution, withdrawal, or reduction of foreign capital ratio	Company dissolved due to liquidation, bankruptcy, takeover, merger or similar reason. Your company's foreign investors have withdrawn or your company's ratio of capitalization by foreign investors has fallen below one third.
	i. In FY2017	
	ii. In or before FY2016	

\* Fill in all the items from 2-2 amounts given below.

\* Fill in the items 231 "Year of establishment or foreign capitalization," 241 "Reason for which the ratio of shares or equity owned by foreign investors has surpassed one third of the total shares."

\* i. For those who selected fiscal 2017, please answer item 221, 222 "Transfer of functions" and item 231 "Year of establishment or foreign capitalization".

### 2-2. Transfer of functions (Please answer this question, only if you answered and selected "1" or "5 and i" in 2-1.)

Are there any functions that were transferred from Japan overseas during fiscal 2017?

Select an item and circle the corresponding number from below.

For the transferred functions, enter the country and region it was transferred to. (multiple answers possible)

221	1	Yes
	2	No

→ Only if you answered "Yes"

Transferred functions		Country and region transferred to	
222	1	Corporate planning	
	2	Sales and marketing	
	3	Research and development	
	4	Manufacturing and processing	
	5	Distribution	
	6	Finance	
	7	Human resources	
	8	Other	

\*Please refer to "Appendix II Regional and National Classification Code Table"

### 2-3. Year of establishment or foreign capitalization

Please write the two-digit month and four-digit year of the time when the ratio of shares or equity owned by foreign investors surpassed one third of the total shares in your company.

If the ratio of shares or equity owned by foreign investors was less than one third at the time of establishment, give the year when it surpassed one third of the total.

231	Year of establishment or foreign capitalization	YYYY	MM

\* If the company that invested in your company changed either from a foreign investor to another foreign investor or from a foreign investor to a foreign-affiliated holding company, write the initial "Year of establishment or foreign capitalization" instead of the time when the investing company changed.

### 2-4. Reason for which the ratio of shares or equity owned by foreign investors has surpassed one-third of the total shares

Select and circle one number from the following.

If your investing company changed from one foreign investor to another foreign investor or from a foreign investor to a foreign-affiliated holding company, write "Reason for which the ratio of shares or equity owned by foreign investors has surpassed one third of the total shares" referring to the initial time instead of at the time when the investor changed.

241	1. Newly established by a single company
	2. Newly established as a joint venture
	3. Merger & Acquisition
	4. Other

\* Please include cases in which the ratio of shares or equity owned by foreign investors has surpassed one third of the total shares due to a capital increase after the M&A.

**If you selected "1. In operation" under the "2-1. Operation status", please answer after "3 Employment (Total full-time persons employed)".**

However, if you responded to "The FY2018 Basic Survey of Japanese Business Structure and Activities of the Ministry of Economy, Trade and Industry," fill in the survey items only **within the red frames**. The "Basic Survey of Japanese Business Structure and Activities" is a designated statistical survey conducted by the Ministry of Economy, Trade and Industry for those companies with 50 employees or more and with capital of 30 million yen or more. For details, refer to page 5 of the "Notes for Completing the Survey Form."

**If you selected an answer other than "1. In operation" under the "2-1. Operation status", please answer after 9 Investment environment in Japan.**

**3. Employment (Total full-time persons employed)**

**3-1. Types and functions of establishments in Japan**

(Persons)

311	Total full-time persons employed (Number of foreign full-time persons included in the figure above)						
312							
313	Salaried directors (Number of foreign salaried directors included in the figure above)						
314							
315	Full-time employees (Number of foreign full-time employees included in the figure above)						
316							
317	Regular employees, regular staff (Number of foreign regular employees, regular staff included in the figure above)						
318							
319	Part-timers, casual employees						

\* "Full-time employees" refers to regular employees, regular staff, part-timers, and casual employees

\* "Full-time employees" refers to those who have been employed for a period unspecified or at least one month

\* "Regular employees and regular staff" means a person who is a regular employee, for whom generally there is no limit on the term of employment contract (including retirement system), at your company and works a prescribed number of hours a week.

\* Please do not include the number of temporary workers contracted from a temporary staffing agency.

\* If there are no applicable figures, write "-."

**3-2. Total full-time persons employed (entered in 311 "Total") for each prefecture**

		321	322			321	322
		Total full-time persons employed	Number of foreign full-time persons included in the figure above			Total full-time persons employed	Number of foreign full-time persons included in the figure above
1	Hokkaido			25	Shiga		
2	Aomori			26	Kyoto		
3	Iwate			27	Osaka		
4	Miyagi			28	Hyogo		
5	Akita			29	Nara		
6	Yamagata			30	Wakayama		
7	Fukushima			31	Tottori		
8	Ibaragi			32	Shimane		
9	Tochigi			33	Okayama		
10	Gunma			34	Hiroshima		
11	Saitama			35	Yamaguchi		
12	Chiba			36	Tokushima		
13	Tokyo			37	Kagawa		
14	Kanagawa			38	Aichi		
15	Niigata			39	Kochi		
16	Toyama			40	Fukuoka		
17	Ishikawa			41	Saga		
18	Fukui			42	Nagasaki		
19	Yamanashi			43	Kumamoto		
20	Nagano			44	Oita		
21	Gifu			45	Miyazaki		
22	Shizuoka			46	Kagoshima		
23	Aichi			47	Okinawa		
24	Mie				Total		

**4. Types and functions of establishments**

**4-1. Types and functions of establishments in Japan**

Please enter the **number of establishments** for each of the functions below. (Units: No. of establishments)

		411	412	413	414	415	416	417
		Corporate planning	Sales and marketing	Research and development	Manufacturing and processing	Distribution	Finance	Human resources
1	No. of establishments							

\*If an establishment bears multiple functions, enter it in each applicable function. Enter "." if there is no applicable figure.

**4-2. Location of regional headquarters**

421 Does your company serve as a regional headquarters that controls functions (Note 2) of bases that have a capital relationship with the foreign parent company (Note 1) in the Asia and Oceania region?  
 Circle the corresponding number.  
 1. Yes                      2. No

(Note 1) Parent company hereafter refers to the principal foreign investor entered in item 105 "Name of the principal foreign investor."

(Note 2) Function refers to those listed in the following under "Functions".

422 This is for companies that answered "1. Yes" in item 421.  
 Which countries and regional bases does your company control? Also, what functions in those bases does your company control?  
 Circle the corresponding country and region's number and select the corresponding function(s) from the function column below and enter that number. (multiple answers possible)

Country/Region	Function	Country/Region	Function	Country/Region	Function
1. China		7. Thailand		13. Australia	
2. Hong Kong		8. Indonesia		14. New Zealand	
3. Taiwan		9. Cambodia		15. Japan (Japanese companies other than your company)	
4. South Korea		10. The Philippines		16. Other Asia and Oceania regions (Country/Region: )	
5. India		11. Malaysia			
6. Vietnam		12. Singapore			

423 This is for those that answered in item 421 "2. No", or answered "1. Yes", but has a regional headquarters in the Asia and Oceania region other than your company.  
 Where is your parent company's regional headquarters that controls all of the bases in the Asia and Oceania regions located (excluding your company)? Also, what functions are controlled by that regional headquarters? Circle the corresponding country and region's number and select the corresponding function from the function column below and enter that number (multiple answers possible). Select "21. Not established" if the foreign parent company acts as the Asia and Oceania regional headquarters.

Country/Region	Function	Country/Region	Function	Country/Region	Function
1. China		9. Cambodia		16. Other Asia and Oceania regions (Country/Region: )	
2. Hong Kong		10. The Philippines		17. North America	
3. Taiwan		11. Malaysia		18. Central and South America	
4. South Korea		12. Singapore		19. Europe	
5. India		13. Australia		20. Middle East/Africa	
6. Vietnam		14. New Zealand		21. Not established	
7. Thailand		15. Japan (Japanese companies other than your company)			
8. Indonesia					

Functions	1. Corporate Planning	2. Sales and Marketing	3. Research and development	4. Manufacturing and processing
	5. Distribution	6. Finance	7. Human resources	8. Other

## 5. Sales turnover and purchase turnover

### 5-1. Sales turnover

(¥ million)

511	Total sales turnover								
512	Exports (included in 511)								
513	Exports to principal foreign investors (included in 512)								
514	Exports to Asian region (included in 512)								
515	Royalty income (included in 511)								

\* If your business is banking, life insurance or non-life insurance, write the current expenses. If your business is other finance, write the operating expenses.

\* Write the amount of goods directly exported by your company carrying out customs procedures in its own name.

\* Enter the exports from the principal foreign investor you put in Item 105 "Name of the principal foreign investor."

\* If there are no applicable figures, write "-."

\* If the amount is less than 1 million, write "0".

### 5-2. Purchase turnover

(¥ million)

521	Total purchase turnover								
522	Imports (included in 521)								
523	Imports from the principal foreign investors (included in 522)								
524	Imports from Asian region (included in 522)								

\* If your business is banking, life insurance or non-life insurance, write the current expenses. If your business is other finance, write the operating expenses.

\* Write the amount of goods directly imported by your company carrying out customs procedures in its own name.

\* Enter the imports from the principal foreign investor you put in Item 105 "Name of the principal foreign investor."

\* If there are no applicable figures, write "-."

\* If the amount is less than 1 million, write "0".

## 6. Expenses

### 6-1. Payments to the principal foreign investor

Enter the payments to the principal foreign investor you entered in Item 105 "Name of the principal foreign investor" based on accounting data.

(¥ million)

611	Dividends								
612	Interest on loans								
613	Royalties								

\* If there are no applicable figures, write "-."

\* If the amount is less than 1 million, write "0".

### 6-2. R&D expenses

(¥ million)

621	In-house R&D expenses								
622	Expenses for R&D commission								
623	Research grants								

\* If there are no applicable figures, write "-."

\* If the amount is less than 1 million, write "0".

### 6-3. Plant and equipment investments

(¥ million)

631	Plant and equipment investment (excluding land)								
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\* Write the amount of acquisition of tangible fixed assets (including construction in process account and excluding land) during fiscal year 2013 before depreciation.

\* If there are no applicable figures, write "-."

\* If the amount is less than 1 million, write "0".

## 7. Profit

(¥ million)

701	Current profit ( $\Delta$ indicates a loss)								
702	Current net income ( $\Delta$ indicates a loss)								

\* Add  $\Delta$  before figures when you have made a loss in the current profit or the current net income.

## 8. Assets

(¥ million)

801	Total assets								
802	Total net assets								

**9. Investment environment in Japan**

**9-1. What is attractive about expanding business in Japan?**

Please select **up to 5 top items** from the following and circle the corresponding number.

911	1	Income levels are high. Customer volume for products and services is high (large market).	9	Extensive infrastructure (transportation, energy, communications, etc.)
	2	Sensitive to added value and trends in products and services. Proving ground for measuring competitiveness of new products and services	10	Solid financial environment, financing opportunities
	3	Concentration of global companies and affiliates	11	Extensive breaks and incentives
	4	Gateway to the Asian market. Optimal location for regional headquarters.	12	Extensive business support organizations
	5	Availability of quality personnel	13	Low cost of doing business (labor, real estate, etc.)
	6	Geographical advantage for accessing headquarters and countries your company manages.	14	Developed living environment
	7	Very open business regulations	15	Legal provisions regarding intellectual property is extensive
	8	High quality research and development environment	16	Increased demand is projected due to the Olympic Paralympic Games 2020
			17	Other (specify": )

**9-2. What do you think are factors inhibiting expanding business in Japan?**

Please select **up to 5 top items** from the following and circle the corresponding number.

921	1	Difficulty securing personnel. (management, engineers, persons with language skills, common labor, etc.)	8	Complicated administrative procedures (long time required from application to approval, complicated procedures, etc.)
	2	High standard that users demand from products and services (quality, delivery, price, etc.)	9	Shortage of information and support services (shortage of market information in English, underdeveloped support organizations, etc.)
	3	High cost of doing business (labor, tax, real estate, etc.)	10	Difficulty securing financing (difficult loan conditions, regulations regarding financing)
	4	Exclusivity and distinctiveness of the Japanese market (intragroup transactions, connections, business practices, etc.)	11	Living environment for foreigners (admittance system of schools, hospitals, etc. for foreigners; lifestyle differences, etc.)
	12		Concerns regarding radiation exposure	
	5	Difficult M&A environment (legal system, resistance to foreign capital)	13	Concerns regarding natural disasters such as earthquakes and tsunamis
	6	Not enough breaks and incentives (tax privileges, lack of available assistance, etc.)	14	Other (specify": )
7	Strict regulations, permits and license system (legal restraints, product planning and inspection, etc.)			

**10. Cost of doing business in Japan**

**What do you think are inhibiting factors with regards to the cost of doing business in Japan?**

Please select **up to 3 top items** from the following and circle the corresponding number.

1001	1	Labor costs	5	Facility costs (plant, information systems, office equipment, etc.)	9	Utilities (electric, gas, plumbing, etc.)
	2	Rent (office space)	6	Distribution costs	10	Land leasing costs
	3	Tax liability	7	Communication costs	11	Other(specify": )
	4	Land acquisition costs	8	Social security costs		

**11. Employment and human resources in Japan**

**11-1. What do you think are inhibiting factors in securing Japanese personnel?**

Please select **up to 3 top items** from the following and circle the corresponding number.

1111	1	High standards of compensation such as salary, etc.
	2	High standards of non-obligatory welfare costs
	3	Recruiting and hiring costs
	4	Strict labor regulations
	5	Lack of mobility in the labor market
	6	Underdeveloped employment agency services
	7	Business communication difficulties in English
	8	Other (specify": )

**11-2. What do you think are inhibiting factors in securing foreign personnel?**

Please select **up to 3 top items** from the following and circle the corresponding number.

1121	1	High standards of compensation such as salary, etc.
	2	High standards of non-obligatory welfare costs
	3	Difficulties obtaining permanent residence
	4	Difficulties obtaining work visas
	5	Difficulties obtaining visa for domestic workers and babysitters
	6	Difficulty finding residential accommodation
	7	Lack of medical facilities with English speaking staff
	8	Lack of international schools
	9	Difficulty finding employment for spouse
	10	Business communication difficulties in Japanese
	11	Other (specify": )

**12. Business Partnerships with Japanese companies**

**12-1. What is the total number of Japanese companies that your company partnered with?**

Please select **only one** from the following and circle the corresponding number.

1211	1	Less than 1 company
	2	1 company
	3	2-4 companies
	4	5-9 companies
	5	More than 10 companies

**12-2. What was the advantage in partnering with a Japanese company?**

Please select **only one** from the following and circle the corresponding number.

\* Please respond only if you answered no. 2-5 in 12-1.

1221	1	Made entering the Japanese market easier
	2	Achieved business stabilization and expansion
	3	Served as foothold for Asia market expansion
	4	Gained outstanding technology and expertise
	5	Learned Japanese business practices
	6	Made use of partner's human and corporate network
	7	Raised trust and reliability from customers
	8	Other (specify": )

**13. What are your future plans for business partnerships with Japanese companies?**

Please select **only one** from the following and circle the corresponding number.

1301	1	Aggressively promote business partnerships with Japanese companies
	2	Partner with Japanese companies as needed
	3	Not considering business partnerships with Japanese companies
	4	Do not know

**14. What are your thoughts on your company's hiring outlook for this year?**

Please select **only one** from the following and circle the corresponding number.

1401	1	Will increase staff
	2	Maintain current conditions
	3	Will reduce staff

**15. Future business expansion in Japan**

What are your thoughts on future business expansion in Japan? Please select just one from the following and circle the corresponding number.

1501	1	Planning business expansion
	2	Maintain current conditions
	3	Planning to downsize
	4	Discontinue operations

**This completes the survey. Thank you for your cooperation.**