

Duke's Fuqua School of Business / CFO Magazine Business Outlook

Results for 117 Japanese firms (own-firm changes expected during the next 12 months)

| | Dec 2012 |
|---|-----------------------|
| Weighted Averages for | Expected |
| Earnings growth* | growth in next |
| | 12 months |
| | -4.9% |
| Capital spending | 7.4% |
| Technology spending | 0.1% |
| R&D spending | 3.9% |
| Advertising and marketing spending | 2.7% |
| Employment – full-time | 0.2% |
| Employment – temporary | 0.3% |
| Outsourced Employment | 4.0% |
| Wages and Salaries | 0.7% |
| Productivity | 2.8% |
| Inflation (Chg in prices of own-firm products) | -3.0% |
| Dividends* | -2.9% |
| Share Repurchases* | 0.0% |
| Cash on balance sheet* | 2.1% |
| Revenue | 1.9% |
| Mergers and Acquisitions | Not asked. |

* indicates public firms only. All other numbers for all survey respondents (including private)

Japanese BUSINESS OPTIMISM

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| | Dec 2012 |
|---|---|
| | Compared to last qtr. |
| Optimism about the country's economy | More opt: 18.1% Less opt: 50.0% No chg: 31.9% |
| Country optimism level | 48.6 |
| Optimism about own company | More opt: 14.7% Less opt: 42.2% No chg: 43.1% |
| Own company optimism level | 51.2 |

Top Concerns for Japanese Businesses

MACRO CONCERNS

- Price Pressure
- Consumer Demand
- Slowing growth in major emerging markets
- National government policies

INTERNAL TO OWN FIRM

- Ability to forecast results
- Ability to maintain margins
- Attracting and retaining qualified employees
- Balance sheet weakness