

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

Results for 22 Japanese firms (own-firm changes expected during the next 12 months)

	Mar 2019	Dec 2018	Sept 2018	Jun 2018	Mar 2018
Weighted Averages for	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months
Earnings growth*		3.0%	21.9% Median=17.6%	4.9%	4.4%
Capital spending	38.0% Median=71.6%	3.5% Median=3.5%	3.9% Median=6.3%	6.4% Median=9.6%	14.2% Median = 9.1%
Advertising and marketing spending		0.4%	0.0%	4.0%	5.5%
Technology spending		1.7%	2.3%	4.3%	3.3%
R&D spending		1.1%	3.2%	4.7%	3.2%
Employment – full-time	1.8% Median=0.0%	1.8% Median=3.0%	2.7% Median=3.4%	3.5% Median=5.0%	0.9%
Wages and Salaries	1.3% Median=1.6%	1.2% Median=1.0%	3.1% Median=3.0%	3.7% Median=3.0%	2.1%
Inflation (Chg in prices of own-firm products)		0.0%	4.9%	6.6%	6.3%
Healthcare cost		0.3%	0.1%	2.2%	8.5%
Revenue	4.0% Median=4.6%	1.8%	4.4%	3.5%	6.1%

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

Japanese BUSINESS OPTIMISM

	Mar 2019	Mar 2018	Sept 2018	Jun 2018	Mar 2018
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the country's economy	More opt: 15.4% Less opt: 61.5% No chg: 23.1%	More opt: 8.3% Less opt: 41.7% No chg: 50.0%	More opt: 11.1% Less opt: 16.7% No chg: 72.2%	More opt: 40.0% Less opt: 6.7% No chg: 53.3%	More opt: 43.8% Less opt: 18.8% No chg: 37.5%
Country optimism level	54.1	49.4	55.2	58.9	52.9
Optimism about own company	More opt: 30.8% Less opt: 30.8% No chg: 38.5%	More opt: 0.0% Less opt: 50.0% No chg: 50.0%	More opt: 11.8% Less opt: 35.3% No chg: 52.9%	More opt: 40.0% Less opt: 26.7% No chg: 33.3%	More opt: 26.7% Less opt: 26.7% No chg: 46.7%
Own company optimism level	58.2	48.5	52.1	58.9	47.1

Top Concerns for Japanese Businesses (December 2018)

- Difficulty attracting and retaining qualified employees
- Economic uncertainty
- Rising input or commodity costs
- Employee morale
- Employee productivity
- Regulatory requirements
- Geopolitical/Health Crises
- Government policies
- Currency risk
- Access to capital