

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

Results for 16 Japanese firms (own-firm changes expected during the next 12 months)

	Sept 2019	Jun 2019	Mar 2019	Dec 2018	Sept 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*	-0.7% Median=1.4%	0.4% Median=1.4%		3.0%	21.9% Median=17.6%
Capital spending	7.6% Median = 6.0%	1.5% Median = 0.0%	38.0% Median=71.6%	3.5% Median=3.5%	3.9% Median=6.3%
Advertising and marketing spending	-0.1% Median=-1.1%	-0.1% Median=0.0%		0.4%	0.0%
Technology spending	4.3% Median=3.0%	0.1% Median=0.0%		1.7%	2.3%
R&D spending	2.3% Median=4.2%	0.3% Median=0.0%		1.1%	3.2%
Employment – full-time	2.0% Median=2.8%	1.1% Median=0.0%	1.8% Median=0.0%	1.8% Median=3.0%	2.7% Median=3.4%
Wages and Salaries	3.3% Median=2.2%	2.2% Median=2.7%	1.3% Median=1.6%	1.2% Median=1.0%	3.1% Median=3.0%
Inflation (Chg in prices of own-firm products)	-0.3% Median=0.0%	0.0% Median=0.0%		0.0%	4.9%
Healthcare cost	0.4% Median=0.0%	0.6% Median=0.0%		0.3%	0.1%
Revenue	0.8% Median=2.6%	-1.9% Median=-1.3%	4.0% Median=4.6%	1.8%	4.4%

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

Japanese BUSINESS OPTIMISM

	Sept 2019	Jun 2019	Mar 2019	Mar 2018	Sept 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: 0.0% Less opt: 81.3% No chg: 18.8%	More opt: 0.0% Less opt: 69.2% No chg: 30.8%	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%
Country optimism level	42.9	38.6	54.1	49.4	55.2
Optimism about own company	More opt: 37.5% Less opt: 50.0% No chg: 12.5%	More opt: 0.0% Less opt: 23.1% No chg: 76.9%	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%
Own company optimism level	57.3	52.0	58.2	48.5	52.1

Top Concerns for Japanese Businesses (September 2019)

- Economic uncertainty
- Difficulty attracting and retaining qualified employees
- Employee productivity
- Government policies
- Currency risk
- Weak demand for products/services
- Rising input/commodity prices
- Data security
- Employee morale
- Rising wages and salaries