

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

Results for 77 Japanese firms (own-firm changes expected during the next 12 months)

	Mar 2020	Dec 2019	Sept 2019	Jun 2019	Mar 2019
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*		-7.7% Median=4.0%	-0.7% Median=1.4%	0.4% Median=1.4%	
Capital spending	1.9% Median=0.0%	4.9% Median = 7.4%	7.6% Median = 6.0%	1.5% Median = 0.0%	38.0% Median=71.6%
Advertising and marketing spending		-4.4% Median=0.0%	-0.1% Median=-1.1%	-0.1% Median=0.0%	
Technology spending		4.5% Median=5.0%	4.3% Median=3.0%	0.1% Median=0.0%	
R&D spending		4.6% Median=5.0%	2.3% Median=4.2%	0.3% Median=0.0%	
Employment – full-time	4.8% Median=0.0%	3.8% Median=3.9%	2.0% Median=2.8%	1.1% Median=0.0%	1.8% Median=0.0%
Wages and Salaries	1.8% Median=1.0%	3.3% Median=3.5%	3.3% Median=2.2%	2.2% Median=2.7%	1.3% Median=1.6%
Inflation (Chg in prices of own-firm products)		-2.0% Median=-1.0%	-0.3% Median=0.0%	0.0% Median=0.0%	
Healthcare cost		1.8% Median=1.0%	0.4% Median=0.0%	0.6% Median=0.0%	
Revenue	3.4% Median=1.0%	-2.1% Median=-2.4%	0.8% Median=2.6%	-1.9% Median=-1.3%	4.0% Median=4.6%

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

Japanese BUSINESS OPTIMISM

	Mar 2020	Dec 2019	Sept 2019	Jun 2019	Mar 2019
	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: 1.4% Less opt: 86.3% No chg: 12.3%	More opt: 5.9% Less opt: 64.7% No chg: 29.4%	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%
Country optimism level	34.5	46.1	42.9	38.6	54.1
Optimism about own company	More opt: 9.7% Less opt: 59.7% No chg: 30.6%	More opt: 35.3% Less opt: 35.3% No chg: 29.4%	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%
Own company optimism level	45.3	55.33	57.3	52.0	58.2

Top Concerns for Japanese Businesses (December 2019)

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