

2015 JETRO Survey on Business Conditions of Japanese Companies in Asia and Oceania

Thank you for participating in this survey. It will take 15 to 20 minutes to answer.

1. This survey is conducted annually in order to understand the business activities of Japanese-affiliated firms (i.e., **companies for which the Japanese direct or indirect investment ratio is 10% or more**). As the objective of the survey is to ask about business environments of Japanese-affiliated companies in Asia and Oceania, we kindly ask you to **respond from the local subsidiary's point of view**. Please note that in this survey "your company" refers to the local subsidiary (or local branch office).
2. **No individual company information will be publicized as your answers will be dealt with as statistical data.** We will use the information you fill in this survey only for the research of JETRO. Please check the following HP, regarding privacy policy of JETRO.
<http://www.jetro.go.jp/en/privacy/>
3. If you have any technical problems, please contact the persons mentioned below. Please contact your local JETRO office if you have any questions regarding the contents of the survey.
4. In addition, "country/region" are mentioned in some queries, please note that it does not mean regional economic zone, like "ASEAN region", but Hong Kong/Taiwan.

If the ratio of Japanese (direct or indirect) investment in your affiliated company is less than 10%, or your company operates as a representative office, please do not complete this survey as you are not included in its scope. For such cases, please fill in Company name, Name, Telephone number, E-mail below, and send us by Self-addressed envelope or FAX. Thank you.

Please reply to this survey no later than November 13, 2015.

Corporate Information (Sections with "★" must be completed.)

★Company Name: (In Japanese or English)

★Answerer's Name:

★Telephone Number:

★E-mail address

:

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★Industry: (Please select a key area of your business from the list below)

<Manufacturing*>

(*Companies that engage in production or processing activities in your area come under “Manufacturing.*” Even if your Japanese parent company is a manufacturer, your company should be regarded as a “Sales company” in the <Non-Manufacturing> category if your company engages only in product sales in your area.)

- Foods, processed agricultural or marine products
- Textiles (yarn, cloth, synthetic fabrics)
- Apparel and textile products
- Lumber and wood products
- Furniture and interior products
- Paper and pulp
- Chemicals and Petroleum products
- Plastic products
- Pharmaceuticals
- Rubber products
- Ceramics and cement
- Iron and steel (including cast and forged products)
- Nonferrous metals and products
- Fabricated metal products (including plated products)
- General machinery (including metal molds and machine tools)
- Electric machinery and electronic equipment
- Electric and electronic parts and components
- Motor vehicles and motorcycles
- Motor vehicle and motorcycle parts and accessories
- Precision instruments
- Medical Devices
- Printed and Published
- Other Manufacturing industries ()

<Non-Manufacturing>

- | | | |
|--|---|--|
| <input type="checkbox"/> Fishery | <input type="checkbox"/> Agriculture and forestry | <input type="checkbox"/> Mining |
| <input type="checkbox"/> Distribution | <input type="checkbox"/> Trading company | <input type="checkbox"/> Sales company |
| <input type="checkbox"/> Banking | <input type="checkbox"/> Insurance | <input type="checkbox"/> Securities |
| <input type="checkbox"/> Transport/warehousing | <input type="checkbox"/> Real estate | <input type="checkbox"/> Judicial affairs/taxation |
| <input type="checkbox"/> Hotel/travel/restaurant | <input type="checkbox"/> Communications/software | <input type="checkbox"/> Construction/plants |
| <input type="checkbox"/> Other service business () | | |

★Type of Operation: (Please select the main clients of the major products that your company produces or distributes.)

- Companies
- General consumers
- Others ()

★Classification: Your parent company in Japan is:

- A Large Enterprise
- A Small and Medium-Sized Enterprise*

*Companies that fall under the categories specified in Japan’s Small and Medium-Sized Enterprise Basic Act are regarded as small and medium-sized enterprises.

- (1) Manufacturing, construction, transport, and other industries except (2) to (4) below: Corporations capitalized at 300 million yen or less or with 300 or fewer employees
- (2) Wholesaling: Corporations capitalized at 100 million yen or less or with 100 or fewer employees
- (3) Services: Corporations capitalized at 50 million yen or less or with 100 or fewer employees
- (4) Retailing: Corporations capitalized at 50 million yen or less or with 50 or fewer employees

★Type of Market Entry (Please select an item below that applies to your company’s case.)

- 1) Wholly Owned Subsidiary
- 2) Joint Venture (Capital -to-Asset ratio of more than 50%)

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Japanese partner Local partner Others (Nationality:
 3) Joint Venture (Capital-to-Asset ratio of 50% or less) Japanese partner Local partner Others (Nationality:

★Year of Establishment:

*Year when your parent company entered a local market or made investment into a local market

★Number of Employees: (Please fill out boxes below with the current number of employees) (In round figures)

The total number of employees: , including the number of regular staff:

The number of managers: , including the number of local managers:

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< Manufacturing and Non-Manufacturing >

1. Sales forecast

Q1. What is your operating profit forecast for 2015 (from January to December)?

- 1) Profit 2) Breakeven 3) Loss

Q2. How will your operating profits for 2015 (from January to December) change compared to 2014?

- 1) Increase 2) Remain the same 3) Decrease
→Go to Q3 →Go to Q5 →Go to Q4

Q3. (This question is only for those who answered “1” in Q2.) What are the reasons for increased operating profits forecast for 2015? (Multiple answers allowed.)

- 1) Sales increase due to export expansion
 2) Sales increase in local markets
 3) Effects of exchange rate fluctuation
 4) Reduction of procurement costs
 5) Reduction of labor costs
 6) Reduction of other expenditures (e.g., administrative/utility/fuel costs)
 7) Improvement of production efficiency* (the manufacturing industry only)
 8) Improvement of sales efficiency
 9) Others ()

* “Improvement of production efficiency” here includes improvement of manufacturing procedures (e.g., introduction of a cell production system) and computerized production management.

Q4. (This question is only for those who answered “3” in Q2.) What are the reasons for decreased operating profits forecast for 2015? (Multiple answers allowed.)

- 1) Sales decrease due to export slowdown
 2) Sales decrease in local markets
 3) Effects of exchange rate fluctuation
 4) Increase of procurement costs
 5) Increase of labor costs
 6) Increase of other expenditures (e.g., administrative/utility/fuel costs)
 7) Rising interest rates
 8) Production costs insufficiently shifted to selling price of goods
 9) Others (_____)

Q5. What is your operating profit forecast for 2016 compared to 2015?

- 1) Increase 2) Remain the same 3) Decrease
→Go to Q6 →Go to Q8 →Go to Q7

Q6. (This question is only for those who answered “1” in Q5.) What are the reasons for increased operating profits forecast for 2016? (Multiple answers allowed.)

- 1) Sales increase due to export expansion
 2) Sales increase in local markets
 3) Effects of exchange rate fluctuation
 4) Reduction of procurement costs
 5) Reduction of labor costs
 6) Reduction of other expenditures (e.g., administrative/utility/fuel costs)
 7) Improvement of production efficiency* (the manufacturing industry only)
 8) Improvement of sales efficiency
 9) Others (_____)

* “Improvement of production efficiency” here includes improvement of manufacturing procedures (e.g., introduction of a cell production system) and computerized production management.

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Q7. (This question is only for those who answered “3” in Q5.) What are the reasons for decreased operating profits forecast for 2016? (Multiple answers allowed.)

- 1) Sales decrease due to export slowdown
- 2) Sales decrease in local markets
- 3) Effects of exchange rate fluctuation
- 4) Increase of procurement costs
- 5) Increase of labor costs
- 6) Increase of other expenditures (e.g., administrative/utility/fuel costs)
- 7) Rising interest rates
- 8) Production costs insufficiently shifted to selling price of goods
- 9) Others (_____)

2. Future business plan

Q8. What is your approach to future business challenges in the next one or two years?

- 1) Expansion
→Go to Q9&10
- 2) Remaining the same
→Go to Q12
- 3) Reduction
→Go to Q11
- 4) Transferring to a third country/region or withdrawal from current local markets
→Go to Q11

Q9. (This question is only for those who answered “1” in Q8.) What are the reasons for the future business expansion? (Multiple answers allowed.)

- 1) Sales increase
- 2) High growth potential
- 3) High receptivity for high-value added products
- 4) Reduction of costs (e.g., procurement/labor costs)
- 5) Deregulations
- 6) Easy to secure labor force
- 7) Reviewing production and distribution networks
- 8) Relationship with clients
- 9) Others (_____)

Q10. (This question is only for those who answered “1” in Q8.) What functions would you like to expand? (Multiple answers allowed.)

- 1) Sales function
- 2) Production (ubiquitous products)
- 3) Production (high-value added products)
- 4) R&D
- 5) Function of regional headquarters
- 6) Logistics function
- 7) Administrative functions in providing services (e.g., shared services center, call center)
- 8) Others (_____)

Q11. (This question is only for those who answered “3” or “4” in Q8.) What are the reasons for the future reduction, transfer or withdrawal? (Multiple answers allowed.)

- 1) Sales decrease
- 2) Low growth potential
- 3) Low receptivity for high-value added products
- 4) Increase of costs (e.g., procurement/labor costs)
- 5) Tightening of regulations
- 6) Difficulty in securing labor force
- 7) Reviewing production and distribution networks
- 8) Relationship with clients
- 9) Others (_____)

Q12. Which of the following measures is your company taking to encourage localization of corporate management? (Multiple answers allowed)

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- 1) To strengthen system to train/cultivate local human resources by focusing on localization of corporate management
- 2) To encourage mid-hiring activities to obtain competent local staff by focusing on localization of corporate management
- 3) To reform personnel systems, such as a merit-based promotion system, by focusing on localization of corporate management
- 4) To assign local staff to an executive position
- 5) To assign local staff to a general manager/manager position
- 6) To strengthen R&D capacity to develop quality of products/services for local markets
- 7) To strengthen authority in local office to allow them to make their decision for sales strategy
- 8) To delegate authority to local office from headquarters
- 9) To obtain human resources/management resources through M&As
- 10) No particular actions are taken
- 11) Others ()

Q13. Which of the followings does your company face in promoting management localization? (Multiple answers allowed)

- 1) (Issue with the headquarters/Japan side) Disagreement over policy for recruitment between local office and headquarters
- 2) (Issue with the headquarters/Japan side) Difficulty in reducing the number of Japanese expatriate staff
- 3) (Issue with the headquarters/Japan side) Shortage of positions to be allocated to local staff
- 4) (Issue with the headquarters/Japan side) Little progress in delegating authority from the headquarters to local offices
- 5) (Issue with the headquarters/Japan side) Insufficient management capabilities of Japanese expatriate staff
- 6) (Issue with the headquarters/Japan side) Inadequate language skills of Japanese expatriate staff (English and local languages)
- 7) Other issues with the headquarters/Japan side ()
- 8) (Issue with the local side) Difficulty in recruiting local candidates for executive positions
- 9) (Issue with the local side) A high turnover rate of local candidates for executive positions
- 10) (Issue with the local side) Inadequate language skills of local staff (Japanese and English)
- 11) (Issue with the local side) Insufficient performance/awareness among local staff
- 12) (Issue with the local side) Insufficient capabilities for local planning and marketing
- 13) (Issue with the local side) Insufficient capabilities to develop local products and services
- 14) Other issues with the local side ()
- 15) There is no particular issue
- 16) No particular actions will be taken
- 17) Others ()

Q14. Please check the boxes below regarding the number of employees in your company.

	Number of local employees			Number of Japanese expatriates		
	Increase	No change	Decrease	Increase	No change	Decrease
Changes in the number of employees in a year-on-year comparison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Future plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q15. A. Given the possibility that your production lines/supply chains could be suspended due to possible negative factors, such as exchange rate fluctuation or natural disaster, has your company set up the alternative system to produce/supply goods through both domestic and overseas?

- 1) Yes
- 2) No

B. If you answered, "yes", please choose its country or area.

- 1) Indonesia
- 2) Malaysia
- 3) Vietnam
- 4) Philippines
- 5) Singapore
- 6) Thailand
- 7) CLM (Cambodia, Laos, Myanmar)
- 8) India
- 9) Japan
- 10) South Korean
- 11) China
- 12) Hong Kong

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- 13) Taiwan 14) Other Asian countries () 15) USA
 16) Europe 17) Oceania 18) Russia
 19) Middle East 20) Others () 21) Operating country and/or within its regions

3. Management matters

Regarding management of Japanese affiliated companies in local markets, which of the followings do you consider as serious problems in management? Please check boxes below for each category.

Q16 Problem(s) in sales or other business activities (Multiple answers allowed)

- 1) Decrease in production orders from headquarters
 2) Decrease in orders from clients
 3) Major clients requesting lower prices
 4) Sluggishness in major sales markets (consumption downturn)
 5) Difficulty in developing in new clients on market
 6) Decrease in sales prices due to global oversupply
 7) Inflow of cheap imported goods into local markets
 8) Competitors' market shares are growing (quality-wise competition)
 9) Competitors' market shares are growing (cost-wise competition)
 10) Stagnant progress in local deregulations
 11) Accounts receivable in arrears
 12) Difficulty in developing new outlet 13) Others ()
 14) No particular problem

Q17 Problem(s) in financial affairs, financing, or foreign exchange (Multiple answers allowed)

- 1) Cash flow shortage for expansion of business scale
 2) Difficulty in finance from local financial institutions
 3) Volatility of the local currency's exchange rate against the US dollar
 4) Volatility of the local currency's exchange rate against the Japanese yen
 5) Volatility of the Japanese yen against the US dollar
 6) Restrictions on finance and settlements
 7) Restrictions on foreign remittance
 8) Tax burdens (i.e. corporate taxes and transfer pricing taxes)
 9) Rising interest rates
 10) Others ()
 11) No particular problem

Q18 Problem(s) with labor or employment (Multiple answers allowed)

- 1) Wage increase
 2) Difficulty in recruiting general staff
 3) Difficulty in recruiting middle management staff
 4) Difficulty in recruiting general workers (Manufacturing only)
 5) Difficulty in recruiting engineer staff (Manufacturing only)
 6) Employee retention rate
 7) Quality of employees
 8) Personnel costs of Japanese (expatriate) officers and staff
 9) Visa restrictions on Japanese (expatriate) officers and staff
 10) Restrictions on staff dismissal and reduction
 11) Difficulty in localizing managers and site supervisors
 12) Restrictions on employing foreign workers
 13) Others ()
 14) No particular problem

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Q19 Problem(s) in the foreign trade system (Multiple answers allowed)

- 1) Complicated customs clearance procedures
- 2) Time-consuming customs procedures
- 3) Lack of thorough information of trade rules and regulations
- 4) Unclear methods for assessing customs duties, obscure criteria for determining classification of customs duties
- 5) High import duties
- 6) Unclear inspection system
- 7) High non-tariff barriers*
- 8) Strict or unclear quarantine system
- 9) Export restrictions and export taxes
- 10) Others ()
- 11) No particular problem

* Non-tariff barriers, measures other than tariffs to restrict imports, are used to protect domestic industries from imported goods. They include import quotas and means not directly related to trade, such as production subsidies and consumption tax.

Q20 (Manufacturers only. Non-manufacturers go to Q21) Problems in production (Multiple answers allowed)

- 1) Insufficient production capacity due to lack of facilities
- 2) No more room for cost-cutting
- 3) Increase in financing costs
- 4) Difficulty in local procurement of raw materials and parts
- 5) Difficulty in changeover of production items within a short period of time
- 6) Difficulty in quality control
 - a) Low stability of skilled workers
 - b) Lots of human errors by inspectors' overlooking
 - c) Difficult to mechanize the inspection procedures
 - d) Low quality awareness of workers
- 7) High tariffs on imported capital goods and intermediary goods
- 8) Power shortage or blackout
- 9) Inadequate logistics infrastructure
- 10) Tightening environmental regulations
- 11) Others ()
- 12) No particular problem

4. Merits and risks related to investment environments

Q21 Which of the following factors can be considered as merits when you make an investment? (Multiple answers allowed)

- 1) Political/social stability
- 2) Market scale/Growth potential
- 3) Plentiful land/offices, low land prices/rent
- 4) Sufficient infrastructures (power/logistics/communications)
 - a) Electric Power
 - b) Communication
 - c) Industrial Water
 - d) Gas
 - e) Road
 - f) Port
 - g) Others () (Multiple answers allowed)
- 5) Formation of local industrial clusters, i.e. it is easier to procure local goods
- 6) Local industrial clusters formed by client companies
- 7) Cheaper labor power
- 8) Easy to hire local staff (general worker/staff/clerk)
- 9) Easy to hire local staff (specialist/engineer/middle-manager)
- 10) High employee retention rates
- 11) High quality of employees (general worker)
- 12) High quality of employees (specialist/engineer)

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- 13) High quality of employees (middle-manager)
- 14) Tax incentives (corporate taxes/customs duties)
- 15) Well-established system to encourage investments
- 16) Quick administrative procedures
- 17) Less linguistic/communication problems
- 18) Good living environment for Japanese expatriates
- 19) Others ()

Q22 Which of the following factors can be considered as risks when you make an investment? (Multiple answers allowed)

- 1) Political or social instability
- 2) Insufficient infrastructure (power, logistics, communications)
 - a) Electric Power
 - b) Communication
 - c) Industrial Water
 - d) Gas
 - e) Road
 - f) Port
 - g) Others () (Multiple answers allowed)
- 3) Unclear policy management by a local government
- 4) Time-consuming administrative procedures
- 5) Time-consuming tax procedures
- 6) Underdeveloped legal systems and unclear legal system operation
- 7) Restrictions on foreign investment including restrictions on foreign capital ratio
- 8) Lack of protection of intellectual property rights
- 9) Immature formation of local industrial clusters
- 10) Currency volatility)
- 11) Labor shortage or difficulty in recruiting
- 12) Shortages of land/offices, rising land prices/rent
- 13) Increase of labor costs
- 14) Labor disputes/lawsuits
- 15) Transaction risks (such as debt collecting risk)
- 16) Consumer/Boycott movements
- 17) Difficulty in obtaining visa and work permit with time consuming procedures
- 18) Others ()
- 19) No particular problem

5. Rising Costs of Production and Services

Rising costs of production and services have become prominent in Asia and Oceania economic zones due to soaring prices of payroll, energy, and some of raw materials.

Q23 The soaring costs of production and services have (negative) impact on your business?

- 1) Significantly affected
- 2) Slightly affected
- 3) Hardly any impact
- 4) No impact

Q24 If you answered “Significantly affected” or “Slightly affected” in Q23, please select the specific type(s) of inflation countermeasure(s). **(Multiple answers allowed)**

- 1) Raised the prices of products (services)
- 2) Cost-cutting by mass production and volume sales
- 3) Complicated/Reconsidered productions (Consolidation of lineup, improvement, adding of value)
- 4) Complicated/Reconsidered suppliers of raw materials and procurement content
- 5) Cost-cutting by increasing local procurement rate
- 6) Encouraged automation and power-saving (e.g., introduced industrial robots)
- 7) Shifted production/service capabilities to the third country/areas
- 8) Cost-cutting (e.g., administration cost, indirect cost)
- 9) Encouraged recruitment of local staff, reduced payroll cost

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- 10) Others ()
- 11) No particular measures

6. Procurement of Raw Materials and Parts (Manufactures only)

Q25 Regarding your major products, please indicate the following rates: (1) cost of materials/parts to production cost, (2) cost of labor to production cost (: Based on monetary amounts; using a scale that the rate of production cost is set 100%; Possible rates for 2015)

(1) Material costs (raw materials, parts)	()%
(2) Labor costs	()%

(Please indicate rates above by using integer numbers from 0 to 100. The total numbers of (1) + (2) should be below 100.)

*Production cost includes the costs of all resources consumed in producing a good, such as materials, labor, and others.

Q26 Regarding your major local products, please indicate their production costs by compared to the costs of products in Japan which is set 100. (Based on monetary amounts)

Around ()

Note 1: Please indicate the figures above by using numbers from 1 to 200.

Note 2: Production cost includes the costs of all resources consumed in producing a good, such as materials, labor, and others.

Q27 What is the breakdown of your procurement sources? (Based on monetary amounts. Please ensure that the rates of all items below total to 100%)

- | | | |
|--|---|--|
| <input type="checkbox"/> 1) Local (____%) | <input type="checkbox"/> 2) Japan (____%) | <input type="checkbox"/> 3) ASEAN (____%) |
| <input type="checkbox"/> 4) Mainland China (____%) | <input type="checkbox"/> 5) South Korea (____%) | <input type="checkbox"/> 6) Taiwan (____%) |
| <input type="checkbox"/> 7) India (____%) | <input type="checkbox"/> 8) Other Asian countries (____%) | <input type="checkbox"/> 9) Oceania (____%) |
| <input type="checkbox"/> 10) US (____%) | <input type="checkbox"/> 11) Europe (____%) | <input type="checkbox"/> 12) Middle East (____%) |
| <input type="checkbox"/> 12) Others (____%) | | |

Q28 If you selected "Local" in Q27, please indicate the rates for each item below. (Based on monetary amounts. Please ensure that the rates of all items below total to 100%.

- 1) Japanese-affiliated companies (____%)
- 2) Local companies (____%)
- 3) Other foreign-affiliated companies (____%)

Q29 A. (This question is only for manufacturers which procure raw materials/parts from Japan) Are there any raw materials/parts that can be purchased only in Japan?

- Yes No

B. (This question is only for those who selected "Yes" in A.) Please specifically indicate what they are.

(Name of parts/raw materials:)

C. Please indicate the reason why it is difficult to procure the raw materials/parts mentioned in B from countries other than Japan.

- 1) Because they cannot be produced in areas other than Japan in terms of quality/technology
- 2) Because those Japanese products have competitive advantage in terms of their production costs
- 3) Because Japanese providers have competitive advantage by providing stable supply/timely delivery services.
- 4) Because we have no choice but to procure raw materials/parts from Japan since our client company asks us to do so.
- 5) Because of the prevention of our technology drain/protection of our intellectual property
- 6) Because it is difficult to dissolve relationship with our Japanese providers
- 7) Because it is essential for our deals to be treated swiftly and flexibly in teams of specification

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- changes/services/maintenance
 8) Others ()

Q30 On which country or region do you plan to raise dependency rate when procuring raw materials and parts under your procurement policy in the future? (Multiple answers allowed)

Country/Region on which your company will raise dependency rate when purchasing raw materials and parts	Reasons
<input type="checkbox"/> (1) Local market	<input type="checkbox"/> 1:to make costs lower <input type="checkbox"/> 2:to improve quality <input type="checkbox"/> 3:to follow instructions by clients <input type="checkbox"/> 4:to diversify risks <input type="checkbox"/> 5:to shorten lead time <input type="checkbox"/> 6:to speed up after-sales/maintenance services <input type="checkbox"/> 7:tariff reduction in line with FTA <input type="checkbox"/> 8:Others
<input type="checkbox"/> (2) ASEAN	<input type="checkbox"/> 1:to make costs lower <input type="checkbox"/> 2:to improve quality <input type="checkbox"/> 3:to follow instructions by clients <input type="checkbox"/> 4:to diversify risks <input type="checkbox"/> 5:to shorten lead time <input type="checkbox"/> 6:to speed up after-sales/maintenance services <input type="checkbox"/> 7:tariff reduction in line with FTA <input type="checkbox"/> 8:Others
<input type="checkbox"/> (3) Mainland China	<input type="checkbox"/> 1:to make costs lower <input type="checkbox"/> 2:to improve quality <input type="checkbox"/> 3:to follow instructions by clients <input type="checkbox"/> 4:to diversify risks <input type="checkbox"/> 5:to shorten lead time <input type="checkbox"/> 6:to speed up after-sales/maintenance services <input type="checkbox"/> 7:tariff reduction in line with FTA <input type="checkbox"/> 8:Others
<input type="checkbox"/> (4) India	<input type="checkbox"/> 1:to make costs lower <input type="checkbox"/> 2:to improve quality <input type="checkbox"/> 3:to follow instructions by clients <input type="checkbox"/> 4:to diversify risks <input type="checkbox"/> 5:to shorten lead time <input type="checkbox"/> 6:to speed up after-sales/maintenance services <input type="checkbox"/> 7:tariff reduction in line with FTA <input type="checkbox"/> 8:Others
<input type="checkbox"/> (5) Japan	<input type="checkbox"/> 1:to make costs lower <input type="checkbox"/> 2:to improve quality <input type="checkbox"/> 3:to follow instructions by clients <input type="checkbox"/> 4:to diversify risks <input type="checkbox"/> 5:to shorten lead time <input type="checkbox"/> 6:to speed up after-sales/maintenance services <input type="checkbox"/> 7:tariff reduction in line with FTA <input type="checkbox"/> 8:Others
<input type="checkbox"/> (6) To maintain status quo	<input type="checkbox"/> 1:to make costs lower <input type="checkbox"/> 2:to improve quality <input type="checkbox"/> 3:to follow instructions by clients <input type="checkbox"/> 4:to diversify risks <input type="checkbox"/> 5:to shorten lead time <input type="checkbox"/> 6:to speed up after-sales/maintenance services <input type="checkbox"/> 7:tariff reduction in line with FTA <input type="checkbox"/> 8:Others
<input type="checkbox"/> (7) Others	<input type="checkbox"/> 1:to make costs lower <input type="checkbox"/> 2:to improve quality <input type="checkbox"/> 3:to follow instructions by clients <input type="checkbox"/> 4:to diversify risks <input type="checkbox"/> 5:to shorten lead time <input type="checkbox"/> 6:to speed up after-sales/maintenance services <input type="checkbox"/> 7:tariff reduction in line with FTA <input type="checkbox"/> 8:Others

Q31 This question is only for those who selected "1" in Q30. Which of the following suppliers are important for you to raise local dependency rate? (Multiple answers allowed)

- | | | |
|--|---|--|
| <input type="checkbox"/> 1) Local companies | <input type="checkbox"/> 2) Japanese-affiliated companies | <input type="checkbox"/> 3) Chinese companies |
| <input type="checkbox"/> 4) Korean companies | <input type="checkbox"/> 5) Taiwanese companies | <input type="checkbox"/> 6) European companies |
| <input type="checkbox"/> 7) US companies | <input type="checkbox"/> 8) Others () | <input type="checkbox"/> 9) Not particular suppliers |

6. Exports/Imports

Q32 What is the proportion of export sales to the total sales of your company? (____ %)

Indirect exports are included (Sales for bonded factory are included).
 Products that are sold in mainland China after re-imported to the mainland via Hong Kong, etc., should not be added to the amount of export.

Q33 What is the breakdown of your export destinations? (Based on monetary amounts. Please ensure that the percentages total to 100%)

- | | |
|---|---|
| <input type="checkbox"/> 1) Japan (____ %) | <input type="checkbox"/> 2) ASEAN (____ %) |
| <input type="checkbox"/> 3) Mainland China (____ %) | <input type="checkbox"/> 4) South Korea (____ %) |
| <input type="checkbox"/> 5) Hong Kong (____ %) | <input type="checkbox"/> 6) Taiwan (____ %) |
| <input type="checkbox"/> 7) India (____ %) | <input type="checkbox"/> 8) Other Asia (____ %) |
| <input type="checkbox"/> 9) Oceania(Australia, New Zealand) (____ %) | <input type="checkbox"/> 10) US (____ %) |
| <input type="checkbox"/> 11) Europe (____ %) | <input type="checkbox"/> 12) Russia (____ %) |

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13) Middle East (____%)

14) Other (____%)

Q34 Which of the following countries/territories do you see as the most promising export market for your company's business/products over the next one to three years? Please select one from the list below.

- | | | |
|---|---|--|
| <input type="checkbox"/> 1) Indonesia | <input type="checkbox"/> 2) Malaysia | <input type="checkbox"/> 3) Vietnam |
| <input type="checkbox"/> 4) Philippines | <input type="checkbox"/> 5) Singapore | <input type="checkbox"/> 6) Thailand |
| <input type="checkbox"/> 7) CLM (Cambodia, Laos, Myanmar) | <input type="checkbox"/> 8) India | <input type="checkbox"/> 9) Japan |
| <input type="checkbox"/> 10) South Korea | <input type="checkbox"/> 11) Mainland China | <input type="checkbox"/> 12) Hong Kong |
| <input type="checkbox"/> 13) Taiwan | <input type="checkbox"/> 14) Other Asia (_____) | <input type="checkbox"/> 15) US |
| <input type="checkbox"/> 16) Europe | <input type="checkbox"/> 17) Oceania (Australia, New Zealand) | <input type="checkbox"/> 18) Russia |
| <input type="checkbox"/> 19) Middle East | <input type="checkbox"/> 20) Others (_____) | |

East Asia has been on the process of introducing bilateral and multilateral free trade agreements (FTAs) and economic partnership agreements (EPAs) for various sectors. The following questions concern your company's use of such agreements.

Q35 How has your company been utilizing existing bilateral or multilateral FTAs/ EPAs including prior tariff reduction measures and/or Early Harvest*¹? Furthermore, has your company been utilizing accumulation*² in multilateral FTAs/ EPAs? (Multiple answers allowed)

\	Does your company currently exporting to or importing from the following countries/territory?		< For export activities > Is your company using or considering the use of preferential tariff measures under the FTA?				< For import activities > Is your company using or considering the use of preferential tariff measures under the FTA?			
	Export	Import	Current ly in use	Consider ing using	No plan to use	Using accum ulation	Current ly in use	Considerin g using	No plan to use	Using accum ulation
(Country or region)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅	<input type="checkbox"/> ₆	<input type="checkbox"/> ₇	<input type="checkbox"/> ₈	<input type="checkbox"/> ₉	<input type="checkbox"/> ₁₀

*¹ Early Harvest refers to an early tariff reduction undertaken on specified products.

*² "Accumulation" means that, when the production of goods using the raw materials or parts originated from one of FTA contracting country, those materials and parts shall be considered to originate in the other country where working or processing of the finished good has taken place.

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Q35 How has your company been utilizing existing bilateral or multilateral FTAs/ EPAs including prior tariff reduction measures and/or Early Harvest*¹? Has your company been utilizing accumulation*² in multilateral FTAs/ EPAs? Does your company consider to utilize the Trans-Pacific Partnership (TPP) Agreement*³? (Multiple answers allowed)

	Does your company currently exporting to or importing from the following countries/territory?		< For export activities > Is your company using or considering the use of preferential tariff measures under the FTA?				< For import activities > Is your company using or considering the use of preferential tariff measures under the FTA?			
	Export	Import	Currently in use	Considering using	No plan to use	Using accumulation	Currently in use	Considering using	No plan to use	Using accumulation
Existing bilateral or multilateral FTAs/ EPAs										
(Country or region)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9	<input type="checkbox"/> 10
TPP										
(Country or region)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9	<input type="checkbox"/> 10

*¹ Early Harvest refers to an early tariff reduction undertaken on specified products.

*² "Accumulation" means that, when the production of goods using the raw materials or parts originated from one of FTA contracting country, those materials and parts shall be considered to originate in the other country where working or processing of the finished good has taken place.

*³ [TPP (Trans-Pacific Partnership) agreement]

Currently, 12 countries such as Japan, United States, Singapore, New Zealand, Chile, Brunei, Australia, Peru, Vietnam, Malaysia, Mexico, and Canada are negotiating the Trans-Pacific Strategic Economic Partnership Agreement which aims at high liberalization that encompasses elimination of non-tariff barriers and new trade issues as a comprehensive agreement in the Asia-Pacific region.

Q36 What is the breakdown of currencies for import/export settlement? (Please ensure that the percentages total to 100%)

Export Settlement

- 1) US dollar (____%) 2) Yen (____%) 3) Euro (____%)
 4) Local currency (____%) 5) Yuan (____%) 6) Others (____%)

Import Settlement

- 1) US dollar (____%) 2) Yen (____%) 3) Euro (____%)
 4) Local currency (____%) 5) Yuan (____%) 6) Others (____%)

(For ASEAN companies only)

Q37 ASEAN economy community (AEC) in ASEAN being expected to be started at the end of 2015, target setting for 2016-2025 is being performed. Please select the applicable answers regarding your expectations for the ASEAN Economic Community (AEC). (Multiple answers allowed)

- 1) Mutual duty exemption among CLMV (Cambodia, Laos, Myanmar and Vietnam)
 2) Free movement of skilled labor
 3) Relaxation of capital control in the service sector (ASEAN corporations at most 70%)
 4) Deregulation of investment by ASEAN corporations in manufacturing, mining, agriculture and forestry industries
 5) Infrastructure development in CLMV
 6) Further deregulation of capital transfers (Financing by cross border, reinforcement of investment system by regional headquarters, etc.)
 7) Harmonized policy within the region (e.g. fair competition, consumer protection)
 8) Improvement of protection of intellectual property rights
 9) Simplified customs clearance (Unified customs declaration and introduction of a single window system for import and export)
 10) Integration of interpretation and management concerning the rules of origin
 11) Reduction of non-tariff barriers (license requirements and mandatory standards)
 12) Avoidance of double taxation and correction of irregular withholding tax rates
 13) Establishment of an environment for fair competition in the region
 14) Introduction of standardization, certification and labeling system standards for the ASEAN nations
 15) There is no effect on the company's operations
 16) We don't know well what kind of effect to have
 17) Others ()

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(For ASEAN, India, Australia and New Zealand companies only)

Q38 Please select the applicable answers to the issues that you expect to be discussed in the negotiations for the RCEP* agreement. (Multiple answers allowed)

- 1) Participation by all the relevant countries, including ASEAN and Japan, China, South Korea, India, Australia and New Zealand
- 2) Introduction of facilitated rules of origin
(Introduction of change in selection-type rules etc. for Tariff Classification Criteria & Value-Added Criteria)
- 3) Accumulative effect from the rules of origin
- 4) Establishment of an environment for fair competition in the region
- 5) Tariff elimination of items that have not been realized in the existing FTA · EPA
- 6) Relaxation or elimination of non-tariff barriers
- 7) Relaxation or elimination of service trade barriers
- 8) Relaxation or elimination of influx of foreign capital
- 9) Simplified customs-related systems/ procedures
- 10) Relaxation of issuance of work visas-related systems/ procedures
- 11) Economic and technical cooperation for correcting any development gap between member countries
- 12) Improvement for protection of intellectual property rights
- 13) No concern with our operation
- 14) Not sure about its effect
- 15) Others ()

*The Regional Comprehensive Economic Partnership (RCEP) is a wide-area economic partnership between sixteen nations, including the ten ASEAN nations and Japan, China, South Korea, India, Australia and New Zealand, which was established by the leaders of the above nations at a top-level meeting held by ASEAN in November 2012. The member nations are continuing negotiations, aiming to reach agreement before the end of 2015. It is expected that, as a significant step before conclusion of the RCEP, that the member nations will achieve a consensus on the method and standard of liberalization in major areas, including goods, services, and investments, at cabinet-level meetings to be held during the summer 2014.

Q39 Currently, the Trans-Pacific Partnership (TPP) Agreement*¹ is being negotiated aiming at liberalization of goods, services trade and investment. Please select the issues that you expect to be discussed and realized. (Multiple answers allowed)

- 1) Market Access for Goods
- 2) Rules of origin (Accumulation rules of origin that enable the value and processing to be added among multiple contracted countries, etc.)
- 3) Facilitation of trade and customs authorities
- 4) SPS(Sanitary and Phytosanitary measures)
- 5) TBT(Technical Barriers Trade)
- 6) Government procurement
- 7) Intellectual property
- 8) Competition policy and state-owned enterprise
- 9) Service (crossing border service, financial service and telecommunication service)
- 10) Temporary entry of the business person
- 11) e-commerce
- 12) Investment (indiscriminate principles between investors and resolution of conflict procedures, etc.)
- 13) Others ()

*¹ [TPP (Trans-Pacific Partnership) agreement]

Currently, 12 countries such as Japan, United States, Singapore, New Zealand, Chile, Brunei, Australia, Peru, Vietnam, Malaysia, Mexico and Canada are negotiating the Trans-Pacific Strategic Economic Partnership Agreement which aims at high liberalization that encompasses elimination of non-tariff barriers and new trade issues as a comprehensive agreement in the Asia-Pacific region.

8. Wages

Q40 What are the approximate average wages of employees in the following job types in your company?

Please indicate an average wage per employee, not a range of wages.

Please fill in a "base salary" and a "annual amount of real obligation fees" by an integer number.

Please fill in a "bonus" by an integer number or rounding to the first decimal place.

<Manufacturers >

A. Worker (Regular general workers with 3 years of work experience, not including contract-based and probationary workers)

Base salary* only (monthly):_____ [local currency]

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Bonus: Base salary × _____ months
Annual salary** : _____ [local currency]

- B.** Engineer (Regular employees who are core technicians, graduates of a vocational college or university, and have 5 years of experience)

Base salary* only (monthly): _____ [local currency]

Bonus: Base salary × _____ months

Annual salary** : _____ [local currency]

- C.** Manager (Regular employees who are section managers in charge of sales, university graduates, and who have 10 years of work experience)

Base salary* only (monthly): _____ [local currency]

Bonus: Base salary × _____ months

Annual salary** : _____ [local currency]

- D.** Wage increase rate for the previous fiscal year, by compared to the previous year (FY2014 to FY2015, average in all job types: _____ %)

- E.** Outlook for wage increase rate for the next fiscal year, compared to the previous year (FY2015 to FY2016, average in all job types: _____ %)

<Non-Manufacturers>

- A.** Staff (Regular general workers with 3 years of work experience, not including dispatched and probationary workers)

Base salary* only (monthly): _____ [local currency]

Bonus: Base salary × _____ months

Annual salary** : _____ [local currency]

- B.** Manager (Regular employees who are section managers in charge of sales, university graduates, and who have 10 years of work experience)

Base salary* only (monthly): _____ [local currency]

Bonus: Base salary × _____ months

Annual salary** : _____ [local currency]

- C.** Wage increase rate for the previous fiscal year, by compared to the previous year (FY2014 to FY2015, average in all job types: _____ %)

- D.** Outlook for wage increase rate for the next fiscal year, compared to the previous year (FY2015 to FY2016, average in all job types: _____ %)

* The base salary excludes benefits, as of October 2015.

** The total liability to an employee means the total of annual base salary, benefits, social security, overtime allowances, and bonuses are added; but excluding severance benefits. As of FY2015

Thank you for your cooperation.