

Survey on corporate attitudes towards the upper-house election

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44.9% of companies see policy change as necessary

~More than half demand enhancement of corporate support as the companies themselves are at their limit ~

The House of Councilors election (for 121 seats) will be announced on June 24 and voted and counted on July 11 as the first national election after the change of government. The agenda of the election is the ruling coalition's ability to handle the political situation after starting with high approval rates. Teikoku Databank conducted a survey on corporate attitudes towards the House of Councilors election.

Research Period: June 21 to 30, 2010

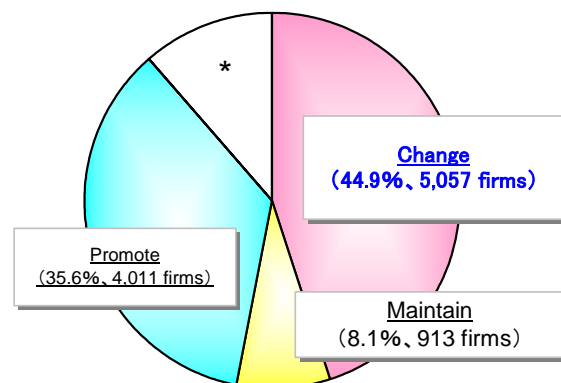
Research Subject: 21,924 corporations across the nation

Valid Responses: 11,257 corporations (response rate 51.3%)

44.9% of companies think the government should change policies after the election

More companies think the government should change its policies after the House of Councilors election than those who think it should continue to promote current policies.

How the govt. should direct current policies



Note2: Population parameter: 11,257 firms that made valid responses

About 50% think the government should change policies to support households, incl. support for families raising children and providing education

More than a half of the companies said they think the government should reconsider its household support policies. Meanwhile, more than 80% of companies think the government should promote administrative reform to identify waste of tax revenues, 71.2% said the government should lower the corporate tax rate, and 64.3% think that employment support should be provided. Thus, many of the companies said the government should work on reducing the burden of companies.

Domestic

Policies that the government should change (multiple answers allowed)

		Percent distribution	Valid responses (firms)
1	Eliminate highway tolls	57.1	6,423
	Support for households	54.0	6,079
2	Support for families raising children (incl. child allowance)	46.7	5,256
3	Educational support (incl. virtually eliminating high school tuitions)	39.7	4,466
4	Reduce public project costs	37.8	4,260
5	Raise consumption tax rate	30.1	3,384

Policies that the government should promote (multiple answers allowed)

		Percent distribution	Valid responses (firms)
1	Administrative reform to identify waste of tax revenues	85.0	9,564
2	Lower the corporate tax rate	71.2	8,015
3	Support for employment	64.3	7,236
4	Financial measures (incl. Act on facilitating financing for mid-so-small companies)	60.1	6,761
5	Medical reform	59.2	6,659
6	Elderly nursing system reform	58.0	6,525
7	Transfer revenue sources and authority from the central government to local governments	57.8	6,512
8	Pension reform	57.4	6,466
9	Improve the earnings environment	56.7	6,381
10	Work on environmental issues (incl. cutting greenhouse gas	55.1	6,200

Note: Population parameter: 11,257 firms that made valid responses

Note: "Support for households" consists of answers that are either "Support for families raising children" or "Educational support"

More than half can't afford any more company effort, incl. measures to raise profitability

More than a half of the 11,257 companies said that they are at or near their limit, and could not afford any more company effort, such as by raising profitability through cutting costs.

Foreign

Policies that the government should change (multiple answers allowed)

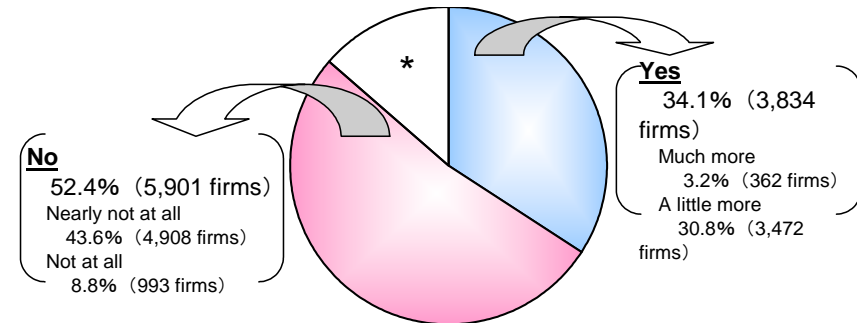
	Percent distribution	Valid responses (firms)
① Japan-U.S. relations	24.4	2,750
② North Korea policy (incl. nuclear issues and abduction issues)	20.5	2,311
③ Relationship with neighboring Asian nations such as China and South Korea	13.0	1,468
④ Trade policy such as free trade agreements (FTA) and economic partnership agreements (EPA)	12.7	1,433

Policies that the government should promote (multiple answers allowed)

	Percent distribution	Valid responses (firms)
① Relationship with neighboring Asian nations such as China and South Korea	68.9	7,760
② Trade policy such as free trade agreements (FTA) and economic partnership agreements (EPA)	62.7	7,059
③ North Korea policy (incl. nuclear issues and abduction issues)	57.8	6,509
④ Japan-U.S. relations	57.6	6,485

Note: Population parameter: 11,257 firms that made valid responses

Can and to what extent can companies afford to increase efforts to raise profitability by cutting costs and other measures



Note 1: * indicates "Don't know" (13.5%, 1,522 firms)

Note 2: Population parameter: 11,257 firms that made valid responses