

## Main Survey Results (Key Findings):

### The 100 Company Survey on Economic Security

(Provisional Translation)

April 7, 2023

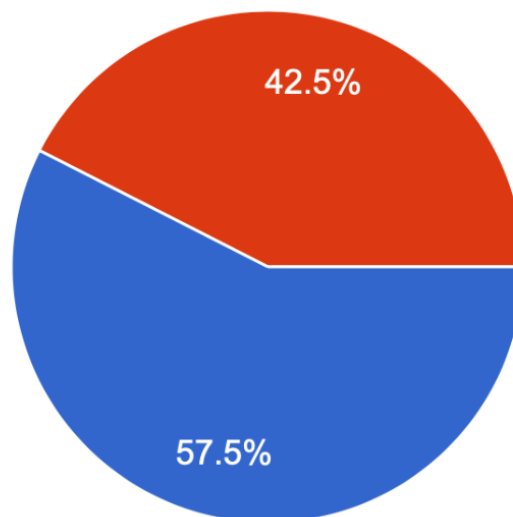
Institute of Geoeconomics  
International House of Japan

Total respondents: 100 companies (including research institutions) \*/

Survey period: December 2022 to February 2023

**\*/ Categories of Companies & Institutions Surveyed**

■ **Broad Categories (80 Respondents)**

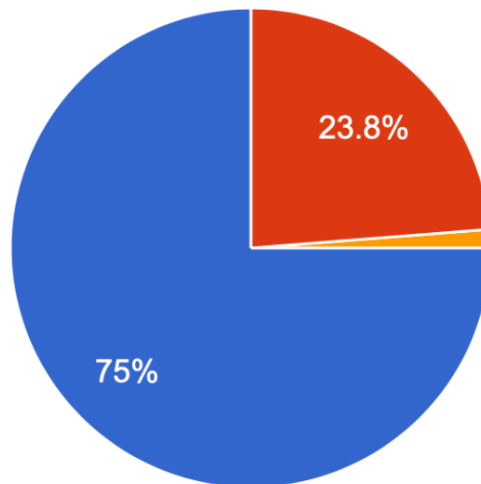


Blue: Within the manufacturing sector  
Red: Within non-manufacturing sectors

■ **Company sub-categories (80 responses)**

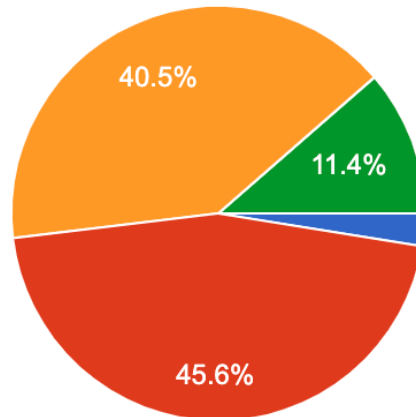
- Finance (10 companies)
- High-precision machines (9)
- Petroleum and petrochemistry (7)
- Iron, steel, and non-ferrous metals (7)
- Information and telecommunications (7)
- Semiconductors (6)
- Trading (5)
- Medicine and pharmaceuticals (3)
- Transport and storage (4)
- Industry and manufacturing production machinery (4)
- Transportation equipment and machinery (5)
- Construction and real estate (2)
- Heavy industry (2)
- Information Technology (IT) (2)
- Other service industries (2)
- Building materials, textiles, and paper (1)
- Other manufacturing industries (1)
- Retail (1)
- Electricity and gas (1)
- Public service, education, fisheries, agriculture, forestry, etc. (1)

**1. To what degree are you aware/mindful of economic security? (80 responses)**



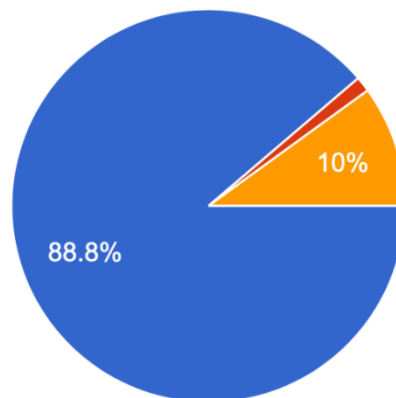
Blue: Strongly aware  
Red: To a degree  
Orange: Not very  
Green: Not at all

2. Is economic security ever on the agenda when discussing management policies (such as at board of directors and executive meetings)? (79 responses)



Blue: Every time  
Red: Often  
Orange: Sometimes  
Green: Rarely  
Purple: Not at all

3. Since the May 2022 enactment of the Economic Security Promotion Bill (hereinafter referred to as the Promotion Bill), are efforts being made toward economic security? (80 responses)



Blue: Efforts being made from before the Promotion Bill  
Red: Efforts being made after the Promotion Bill  
Orange: Efforts not being made

**4. For those who answered “efforts are being made” to Question 3, what specific initiatives have you taken from before the enactment of the Promotion Bill. Select all that apply. (71 responses)**

Strengthening information management	74.6%
Changing or diversifying suppliers	50.7%
Change of investment plans	26.8%
Changing or diversifying sales destinations	25.4%
Production base transfer	22.5%
Strengthening efforts toward advanced technologies	22.5%
Establishment of specialised departments	21.1%
Establishment of new officers and directors	21.1%
Strengthening efforts related to patents/patenting	18.3%
Change in management of specific goods	11.3%
Reviewing or strengthening infrastructure	8.5%
Change of sales portfolio	7%

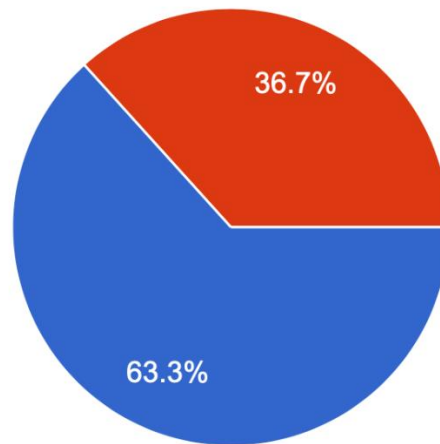
**5. For those who answered “efforts are being made” to Question 3, what specific initiatives have you taken since the enactment of the Promotion Bill. Select all that apply. (44 responses)**

Strengthening information management	25%
Establishment of specialised departments	15.9%
Strengthening efforts toward advanced technologies	11.4%
Establishment of new officers and directors	11.4%
Changing or diversifying suppliers	6.8%
Strengthening efforts related to patents/patenting	6.8%
Reviewing or strengthening infrastructure	4.5%
Production base transfer	4.5%
Changing or diversifying sales destinations	2.3%
Change of investment plans	2.3%
Change in management of specific goods	0%
Changing sales-mix	0%

**6. What are the biggest challenges in addressing economic security? Select all that apply. (80 responses)**

Uncertainty in US-China relations	72.5%
Gathering information on international affairs	66.3%
Risk assessment	63.7%
Gathering pertinent information	55%
Responses to prepare for a possible emergency in Taiwan	51.2%
Uncertainty of Japanese government policy	41.3%
Expertise and specialised knowledge	30%
Human resources	28.7%
Uncertainty about sanctions against Russia due to the situation in Ukraine	22.5%
Commitment from management and executive levels	18.8%
Budget allowance	11.3%

**7. Is the current conflict between the US and China affecting your business? (79 responses)**

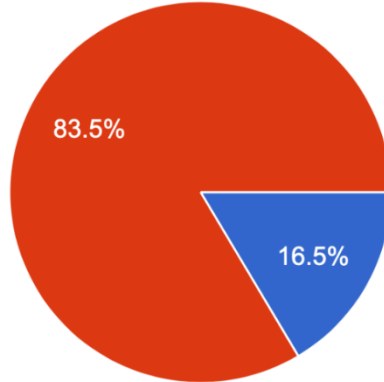


Blue: Yes, is affecting  
Red: No, is not affecting

**For those who are being affected, what are the specific impacts? For those who have had no impact, are there any expected impacts in the future? Select all that apply (60 responses).**

Increase in costs due to tightened US regulations (including tariffs)	65%
Supplier changes	36.7%
Increase in costs due to tightened Chinese regulations (including tariffs)	31.7%
Decrease in sales	26.7%
Increase costs due to sanctions against Russia due to the situation in Ukraine	26.7%
Increase in costs due to responses to a potential emergency in Taiwan	18.3%
Increase in costs due to US Inflation Reduction Act and CHIPS Act	13.3%
Transaction delays or cancellations due to declining motivations to invest	11.7%
Changes in consumer habits	3.3%

8. Have you ever been caught between the US and China, where you had to choose between them in some way? (79 responses)

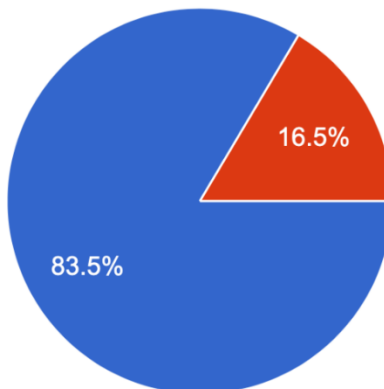


Blue: Yes  
Red: No

If you had to choose between US business and Chinese business, what would be the criteria to make that decision? (73 responses)

Business potential	57.5%
Current profit ratio	12.3%
Current sales ration	9.6%
Current profit margin	8.2%

9. Has Russia's invasion of Ukraine, and the resulting sanctions against Russia, affected your business in any way? (79 responses)

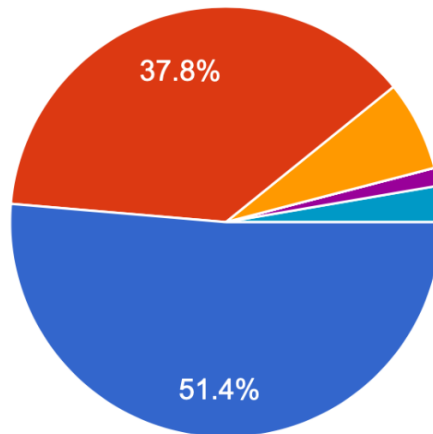


Blue: Affected  
Red: Not affected

**For those “affected”, how have you specifically been impacted? For those who were “not affected”, are there any specific impacts expected in the future? Select all that apply. (68 responses)**

Decrease in sales	48.5%
Suspension or closure of business establishments/offices	41.2%
Close examination of business partners, suppliers, and clients	39.7%
Increased costs from sanctions	36.8%
Change of suppliers	26.5%
Reviewing risk assessments of other regions	17.6%
Reviewing European business	13.2%
Strengthening security (includes cyber security)	11.8%
Securing appropriate human resources	11.8%
Transaction delays or cancellations from declining motivations to invest	5.9%
Changes in consumer habits	2.9%

**10. To what extent have overall costs increased due to the enactment of the Promotion Bill? (74 responses)**

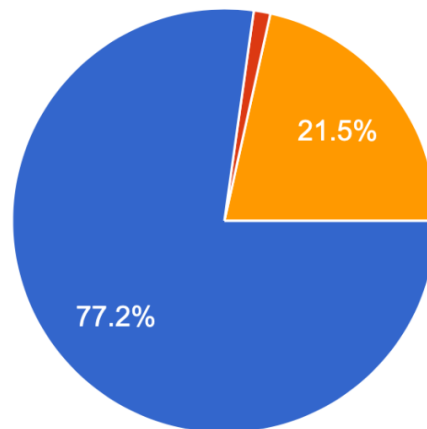


Blue: No increase  
 Red: Increased by under 5% before the Promotion Bill  
 Orange: Increased by under 5% since the Promotion Bill  
 Green: Increased by 5% to less than 10% before the Promotion Bill  
 Purple: Increased by 5% to less than 10% since the Promotion Bill  
 Teal: Increased by at least 10% before the Promotion Bill  
 Rose: Increased by at least 10% since the Promotion Bill

**11. In the event that further enforcement details of Japan's Promotion Bill are revealed, where do you expect to find the biggest impact on your business? (72 responses).**

Medium to long term business plans	70.8%
Sales	15.3%
Profit	15.3%
Expenses	12.5%
Opinions from shareholders/stockholders	4.2%

**12. In addition to conventional technology management and export control, have you made new efforts to prevent technology leaks? (79 responses)**



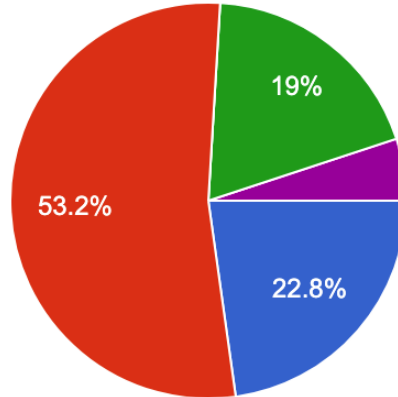
Blue: Yes, from before the Promotion Bill  
Red: Yes, since the Promotion Bill  
Orange: No

**For those who answered that there are new efforts, in what areas are these endeavours being made? (56 responses)**

Strengthening cybersecurity	78.6%
Reconsideration of technology management frameworks	42.9%
Close research on suppliers/clients	35.7%
Expanding the scope of technology management	33.9%
Gathering information surrounding the enforcement of the Promotion Bill	32.1%
Close research on business partners	30.4%
Expanding technology management personnel	16.1%



**13. Does Japan need a security clearance system? (78 responses)**



Blue: Yes, immediately necessary  
 Red: Yes, in respect to the future  
 Orange: Not necessary  
 Green: Couldn't say either way  
 Purple: Unsure what kind of system it is

**14. Have you ever been unable to participate in projects or meetings due to Japan's current lack of security clearance systems? Select all that apply. (72 responses)**

Never, but expecting to be unable to participate in the future	55.6%
Never and not expecting so in the future	41.7%
Cannot participate in a foreign governmental project in partnership with a foreign company	1.4%
Cannot participate in joint research with foreign companies	1.4%
Cannot bid on projects carried out by foreign governments	0%

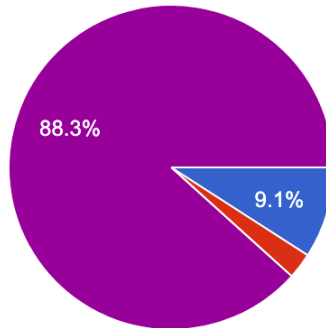
**15. To what extent are personnel with access to advanced technical information managed? (78 responses)**

Each department understands and manages personnel handling advanced technical information	44.9%
Each department is responsible for the management	25.6%
No special measures undertaken	12.8%
Manages and identifies personnel who are exposed to advanced technical information, including retirees	9%
Centralised understanding and management of in-house personnel who handle advanced technical information	9%

**16. Is there a compliance system in place in anticipation of extraterritorial applications of US and Chinese economic sanctions? (79 responses)**

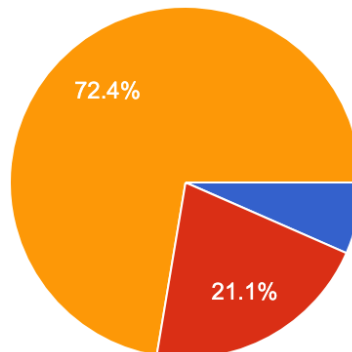
Yes, such compliance system is in place	51.9%
Currently working towards putting such compliance system in place	25.3%
No plans to start	7.6%

**17. In the past, have you ever received signals or attestations by Japanese, US, Chinese, or other governments regarding imports, exports, or transactions with sanctioned companies? (76 responses)**



Blue: Have received indications from the Japanese government  
 Red: Have received indications from the US government  
 Orange: Have received indications from the Chinese government  
 Green: Have received indications from other governments  
 Purple: Never received any such indications

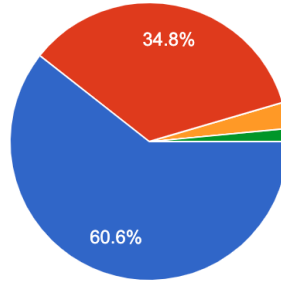
**18. Have you ever been subject to fines, transaction suspensions, or import/export suspensions in your business? (76 responses)**



Blue: Yes  
 Red: No, but can foresee a possibility of being subject in the future  
 Orange: No and not expecting to be subject in the future

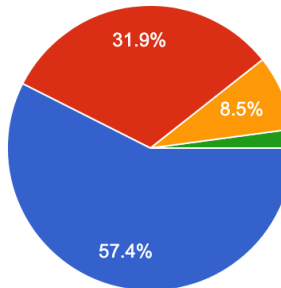
**\*Please answer Questions 19-22 if you do business in China.**

**19A. What ratio of your sales are in China? (67 responses)**



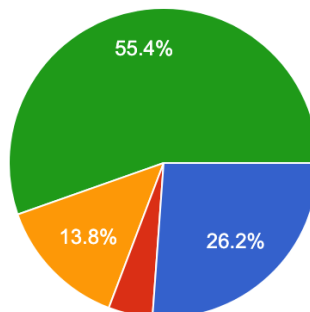
Blue: Under 10%  
Red: From 10% to under 30%  
Orange: From 30% to under 50%  
Green: 50% or over

**19B. Additionally if your business includes production processes, what ratio does this take? (47 responses)**



Blue: Under 10%  
Red: From 10% to under 30%  
Orange: From 30% to under 50%  
Green: 50% or over

**20. Do you have any medium to long term aims to change the sales ratio in China? (65 responses)**



Blue: Aiming to increase the sales ratio in China  
Red: Aiming to reduce the sales ratio in China  
Orange: Maintaining the current ratio  
Green: Not especially

**21. What are important topics to be attentive to for developing business in China? Select all that apply. (72 responses)**

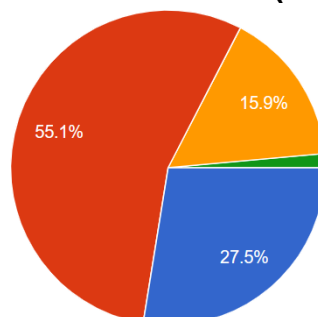
Geopolitical risks	84.7%
Business survival risks regarding potential changes in Chinese policy	77.8%
Responses assuming the possibility of a Taiwan emergency	72.2%
Information leaks, including technical information	65.3%
Impacts on performance due to Chinese policies restricting foreign investment	62.5%
Growth of Chinese competitors	61.1%
Supply chain disruptions	61.1%
Cyber-attacks	54.2%
Improving China's technological capabilities	52.8%
Requests for technology transfer (discretionary approval processes by administrations, joint venture requirements, foreign equity restrictions, government procurement etc.)	40.3%
Outflow of human resources	37.5%
Chinese Visa suspension or delay	36.1%

**22. To maintain a competitive edge in regard to China, where do you place most value? (68 responses)**

Strengthening the management of intellectual property rights and patents	44.1%
Strengthening technological research and development (R&D)	41.2%
Enhanced protection of data management/transfer	33.8%
Cybersecurity measures	32.4%
Measures to protect from global supply chain chokepoints	29.4%
Cooperation with governments on economic security policies	25%
Responses assuming the possibility of a Taiwan emergency	13.2%

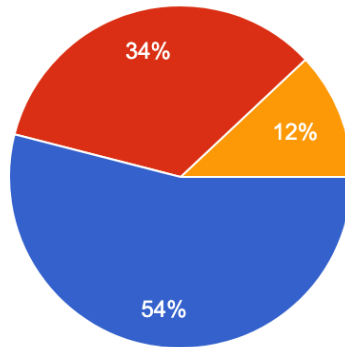
**\*Please answer Questions 23-25 if you do business in the US.**

**23A. What ratio of your sales are in the US? (69 responses)**



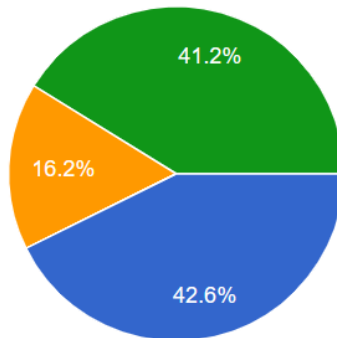
Blue: Under 10%  
Red: From 10% to under 30%  
Orange: From 30% to under 50%  
Green: 50% or over

**23B. Additionally if your business includes production processes, what ratio does this take? (50 responses)**



Blue: Under 10%  
Red: From 10% to under 30%  
Orange: From 30% to under 50%  
Green: 50% or over

**24. Do you have any medium to long term aims to change the sales ratio in the US? (68 responses)**



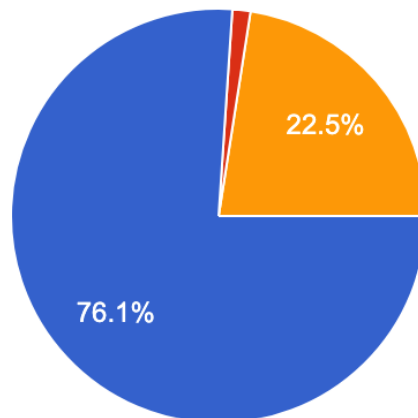
Blue: Aiming to increase the sales ratio in the US  
Red: Aiming to reduce the sales ratio in the US  
Orange: Maintaining the current ratio  
Green: Not especially

**25. What are important topics to be attentive to for developing business in the US? Select all that apply. (69 responses)**

Obscure mid to long term US policies toward China	59.4%
Intensification of US exclusion of Chinese companies	53.6%
Supply chain disruptions	44.9%
Geopolitical risks	39.1%
Local procurement rate demands	27.5%
Cost reductions from supply chain reorganisation, production transfer etc.	27.5%
Requirements for domestic production	24.6%
Restructuring of production and manufacturing systems	15.9%
Trends in the Indo-Pacific Economic Framework (IPEF)	11.6%

**\*Please answer Question 26 and Question 27 if you do business in the US or China.**

**26. Are you working to strengthen your supply chains? (71 responses)**



Blue: Working to strengthen from before the Promotion Bill  
Red: Working to strengthen since the Promotion Bill  
Orange: Not working to strengthen

**27. For those that answered that they are “working to strengthen” for Question 26, what specific efforts are being made? Select all that apply. (56 responses)**

Diversification or change in suppliers	80.4%
Gathering information surrounding international affairs	66.1%
Obtaining appropriate information	51.8%
Risk assessment	50%
Establishing specialised departments	32.1%
Production base transfer	28.6%
Appointing directors/officers in charge	25%
Change of investment plans	21.4%
Diversification or change in sales destination	19.6%
Increasing managerial and executive commitment and responsibility	19.6%
Specialised expertise	16.1%
Staffing restructures	12.5%
Change of sales portfolio	8.9%
Budget allowances	8.9%

**28A. What are your expectations from the Japanese government in terms of future economic security policy? Please select which of the following you consider to be the highest priority (79 responses)**

Clarification of the direction in future legislations and goals	27.8%
Policy making with the protection of corporate profits in mind	20.3%
Detailed clarification of the future enforcement of the Promotion Bill	20.3%
Supporting returns to domestic production through subsidies	7.6%
Establishment of public-private joint meetings/councils to discuss economic security	7.6%
Clarification of the process of future legal development and the promotion of law enforcement	6.3%
Provision of information US-China relations, the situation in Ukraine, Taiwan etc.	6.3%
Information disclosure	5.1%
Support for building new supply chains in countries other than China (Southeast Asia, etc.) through subsidies	5.1%
Introduction of experts	0%

**28B. Please place 3 points for the answer of top priority, 2 points for the answer of second priority, and 1 point for the answer of third priority in response to the previous question: “what are your expectations from the Japanese government in terms of future economic security policy?” (76 responses)**

Policy making with the protection of corporate profits in mind	19%
Clarification of the direction in future legislations and goals	18.5%
Detailed clarification of the future enforcement of the Promotion Bill	13.4%
Information disclosure	8.4%
Establishment of public-private joint meetings/councils to discuss economic security	8.4%
Provision of information US-China relations, the situation in Ukraine, Taiwan etc.	8.2%
Supporting returns to domestic production through subsidies	7.1%
Clarification of the process of future legal development and the promotion of law enforcement	6%
Support for building new supply chains in countries other than China (Southeast Asia, etc.) through subsidies	5%
Introduction of experts	0.4%

(Q29 will be published in May 2023.)

**30 A. In promoting Japan’s economic security strategy, what do you think should be done to maximise and make the most of Japan’s strengths? Please select which of the following you consider to be the highest priority. (78 responses)**

Maintaining competitive edge in craftsmanship/manufacturing	38.5%
Maintaining both domestic political stability and a peaceful international environment	32.1%
Strengthening responses to energy issues	14.1%
Preparing the automotive industry for a decarbonised era, and rebuilding the international competitive of related industries	5.1%
Establishment of public-private joint meetings/councils to discuss economic security	3.8%
Strengthening and supporting investments toward a decarbonised era	2.6%
Optimising the utilisation of financial assets	2.6%
Promoting public health and safety (includes COVID-19 measures and post-COVID-19)	1.3%
Strengthening and/or training experts and specialists	0%
Stabilising exchange rates and prices	0%

**30 B. Please place 3 points for the answer of top priority, 2 points for the answer of second priority, and 1 point for the answer of third priority in response to the previous question: “what do you think should be done to maximise and make the most of Japan’s strengths?” (76 responses)**

Maintaining competitive edge in craftsmanship/manufacturing	25.6%
Maintaining both domestic political stability and a peaceful international environment	21.4%
Strengthening responses to energy issues	18.3%
Strengthening and supporting investments toward a decarbonised era	9.7%
Preparing the automotive industry for a decarbonised era, and rebuilding the international competitive of related industries	8.2%
Establishment of public-private joint meetings/councils to discuss economic security	4%
Developing and strengthening experts and specialists	2.9%
Optimising the utilisation of financial assets	2.4%
Stabilisation of exchange rates and commodity prices	2.2%
Promoting public health and safety (includes COVID-19 measures and post-COVID-19)	1.8%



**31 A. What initiatives do you think Japan should strengthen in advancing its economic security strategy? Please select which of the following you consider to be the highest priority. (74 responses)**

Japan's leadership and trust within the Asia-Pacific region	36.4%
Maintain and strengthen the Japan-US alliance	37.7%
Demonstrate Japan's leadership at the G7 Summit	15.6%
Deepen and expand the CPTPP (specifically regarding US and Chinese accession)	5.2%
Demonstrate Japan's leadership in discussions over WTO (World Trade Organisation) reform	3.9%
Strengthen cooperation with the European Union (EU) and member states	1.3%
Cooperation with IPEF (the US Indo-Pacific Framework)	1.3%
Strengthen cooperation with QUAD (the Quadrilateral Security Dialogue)	1.3%
Strengthen cooperation with AUKUS (trilateral security pact between Australia, the UK and US) and/or Japanese accession	0%
Deepen and strengthen the RCEP (Regional Comprehensive Economic Partnership)	0%
Strengthen cooperation with NATO (the North Atlantic Treaty Organization)	0%
Improved relations with Russia	0%

**31 B. Please place 3 points for the answer of top priority, 2 points for the answer of second priority, and 1 point for the answer of third priority in response to the previous question: "what initiatives do you think Japan should strengthen in advancing its economic security strategy?" (76 responses)**

Japan's leadership and trust within the Asia-Pacific region	30.3%
Maintain and strengthen the Japan-US alliance	22.9%
Demonstrate Japan's leadership at the G7 Summit	18.5%
Deepen and expand the CPTPP (specifically regarding US and Chinese accession)	7%
Strengthen cooperation with QUAD (Japan, US, Australia, and India)	6.2%
Demonstrate Japan's leadership in discussions over WTO (World Trade Organisation) reform	4.8%
Cooperation with the IPEF (Indo-Pacific Economic Framework)	3.3%
Strengthen cooperation with the European Union (EU) and member states	3.1%
Deepen and strengthen the RCEP (Regional Comprehensive Economic Partnership)	1.5%
Strengthen cooperation with AUKUS (Australia, UK, US) or the accession of Japan	0.7%
Strengthen cooperation with the North Atlantic Treaty Organisation (NATO)	0.4%
Improved relations with Russia	0.4%

Ends.