

100 Company Survey on Economic Security 2024

Survey Results

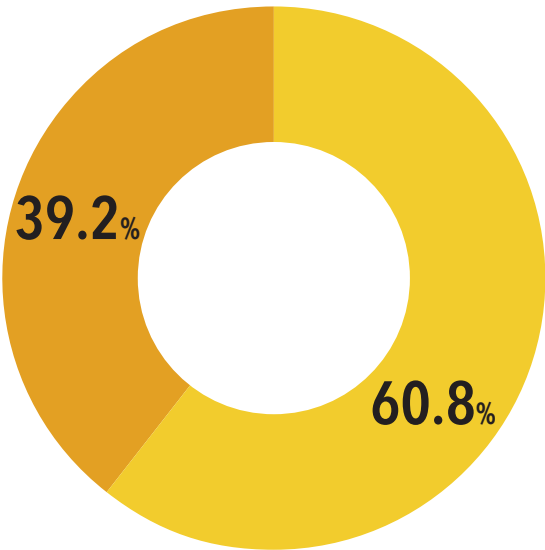
Total number of respondents:74 companies (inclusive of research institutions)
 Survey period: November 2023- January 2024

Industry-sector classification of surveyed companies and institutions

[74 responses]

Industry-sector classification

- Manufacturing sectors
- Non-manufacturing sectors



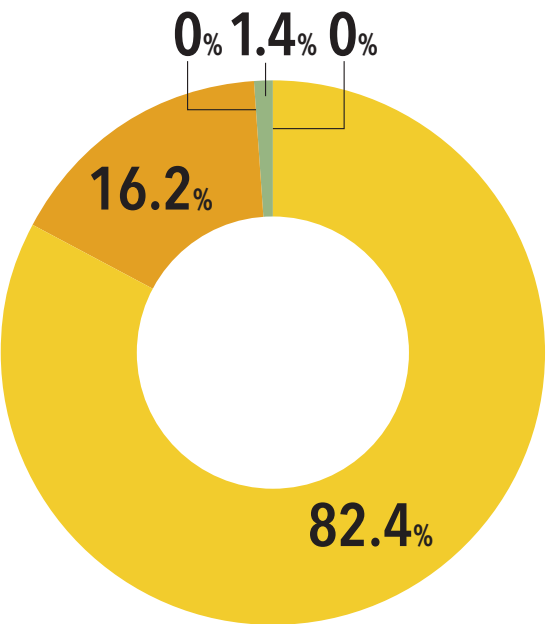
Industry classifications

- Other manufacturing(11)
- Finance(7)
- Transportation equipment and machinery(6)
- Petroleum and petrochemistry(5)
- Semiconductors(5)
- Trading(4)
- Information and telecommunications(4)
- Iron, steel, and non-ferrous metals(4)
- Transport & storage(4)
- High-precision machines(2)
- Industry and manufacturing production machinery(2)
- Information Technology(IT)(2)
- Food and beverages(2)
- Building materials, textiles, and paper(2)
- Construction and real estate(2)
- Electricity and gas(2)
- Other service industries(2)
- Heavy industry(1)
- Retail(1)
- Others(6)

1 To what degree are you aware/mindful of economic security?

[74 responses]

- Strongly aware
- To a degree
- Not very
- No answer
- Not at all

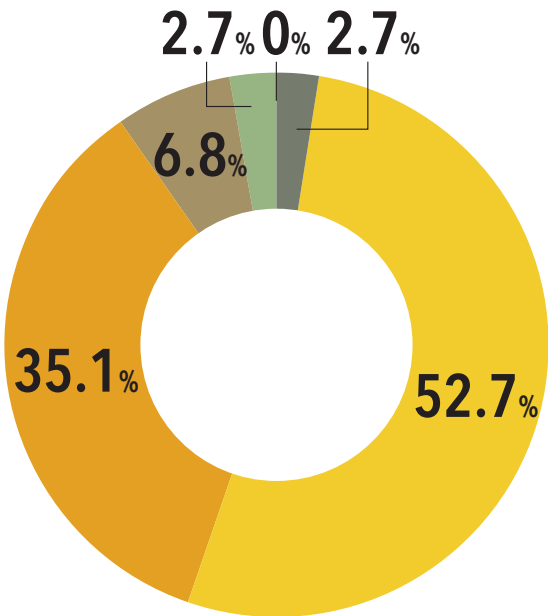


2

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

[74 responses]

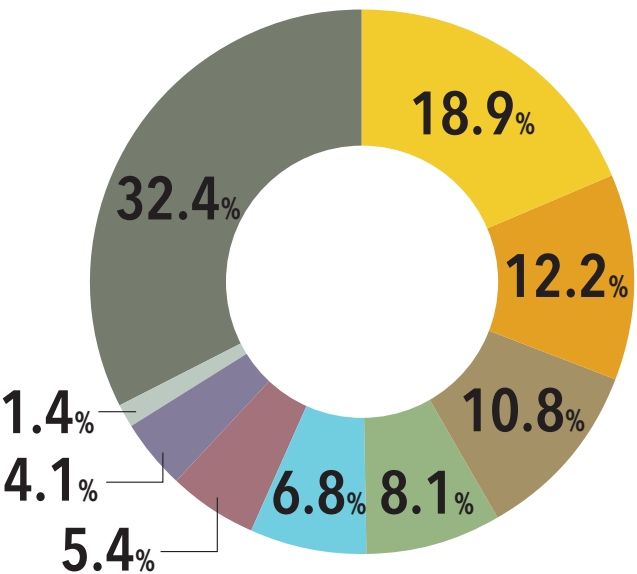
- Often
- Sometimes
- Rarely
- Every time
- Not at all
- No answer



3

When did you start your economic security initiatives?

[74 responses]

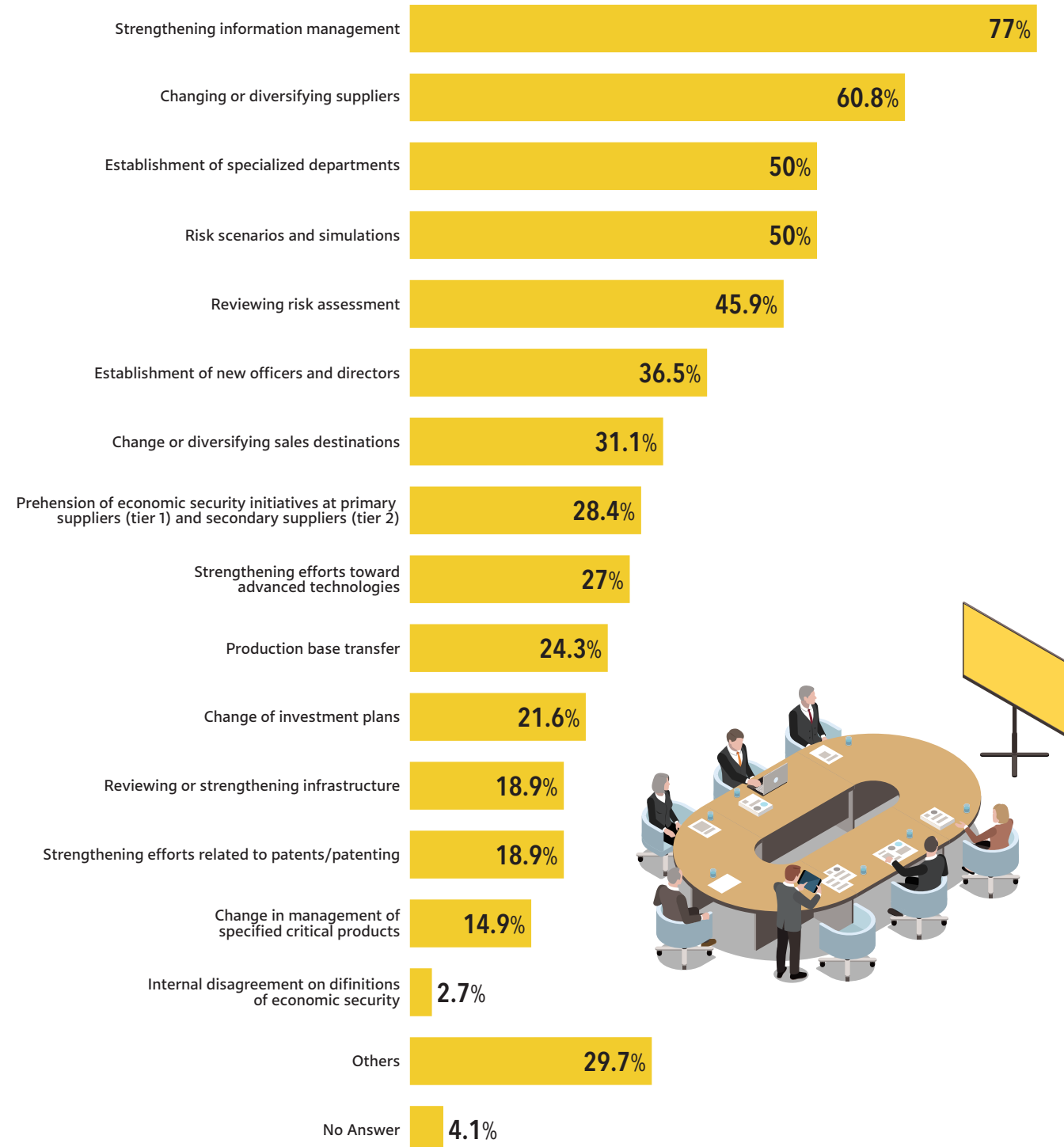


- Export Control Reform Act (ECRA), Foreign Investment Risk Review Modernization Act (FIRRMA) by the U.S. (2018, 2019)
- The National Security Service (NSS) established an "Economy Group" specializing in the economic field (Apr, 2020)
- Economic security promotion act passed into law (May, 2022)
- Russia's invasion of Ukraine (Feb, 2022)
- Export regulation by China regarding rare earth elements (2010)
- Have not started
- Tighter U.S. restrictions on semiconductors to China (Oct, 2022)
- Deteriorating situation in the Middle East (Oct, 2023)
- Others

4

What specific initiative have you taken in your firm? Select all that apply.

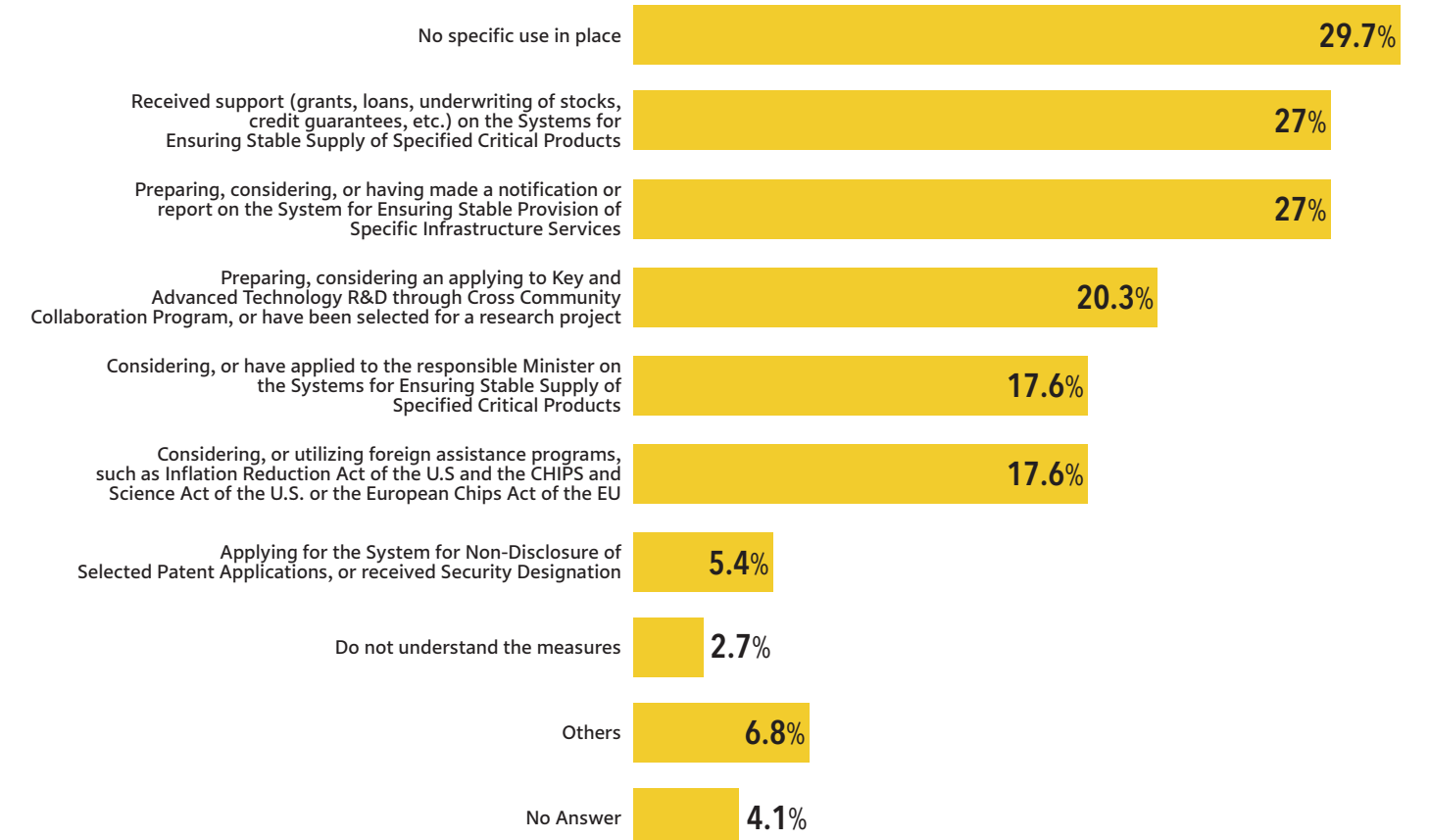
[74 responses]



5

How does your company utilize the support measures under the Economic Security Promotion Act? Select all that apply.

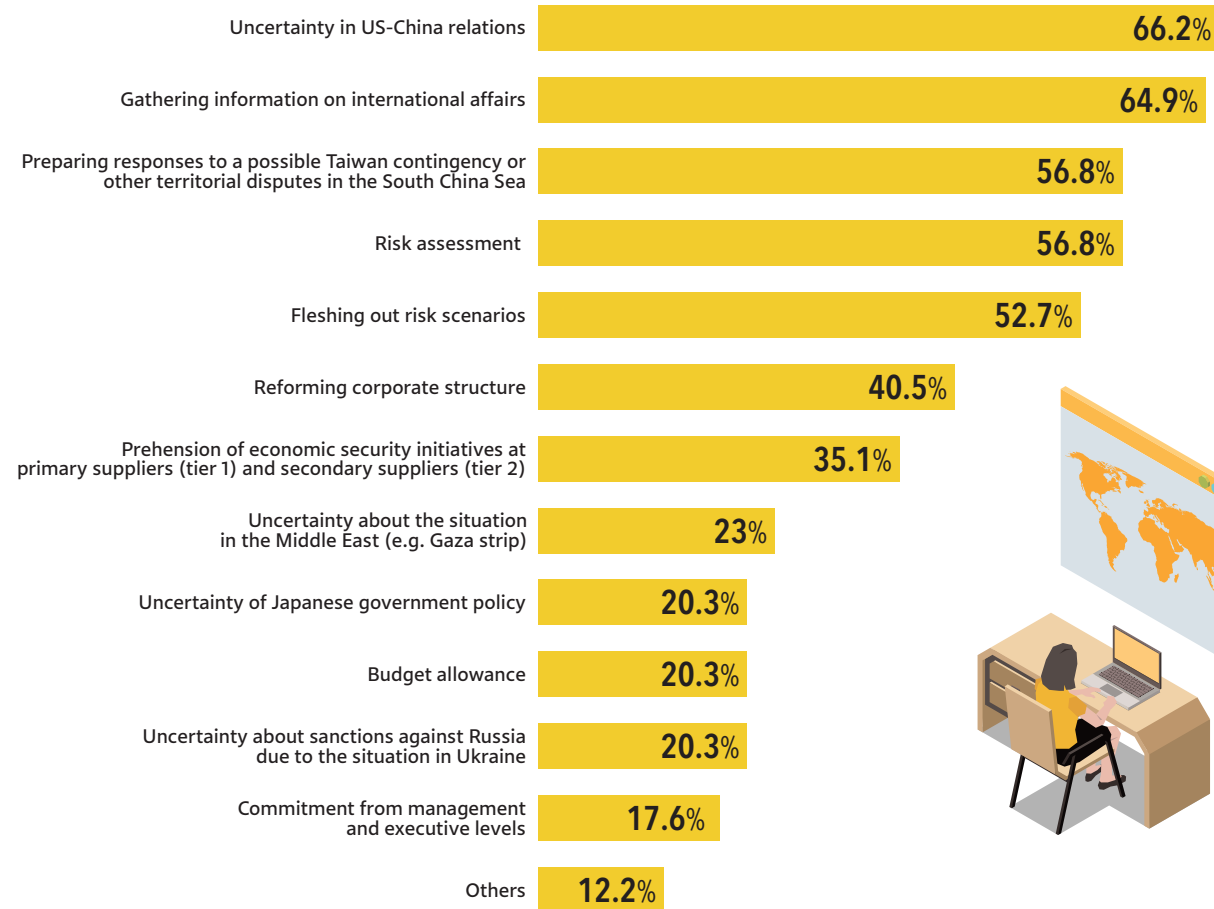
[74 responses]



6

What are the biggest challenges in addressing economic security? Select all that apply.

[74 responses]

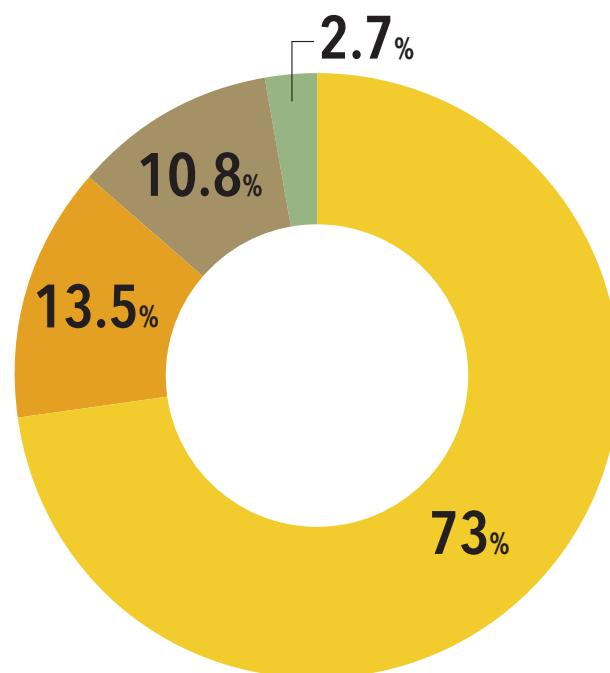


7

Has the current conflict between the US and China had an impact on your business in any way?

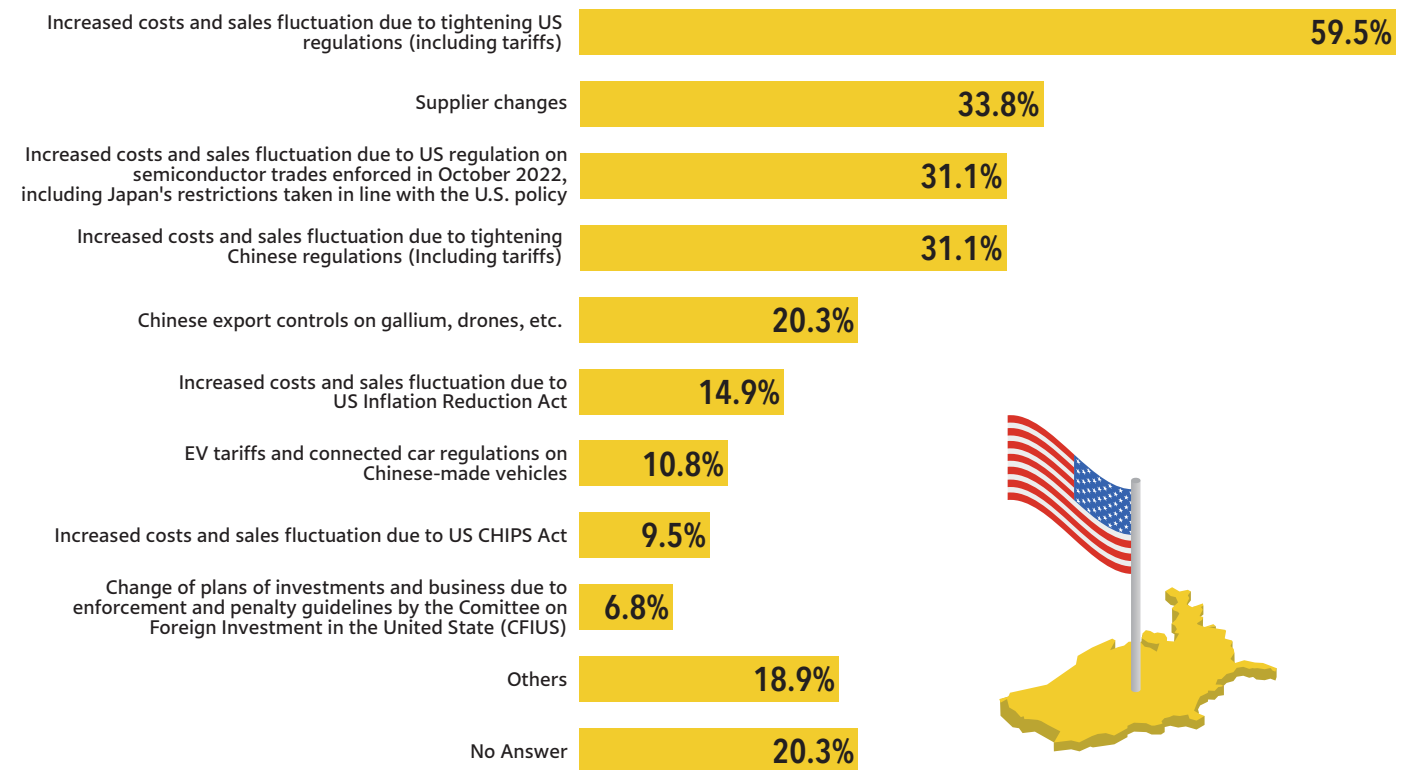
[74 responses]

● Yes, impacted ● No, not impacted
● Can't say either ● No Answer



For those who answered that there were impacts, what were the specific impacts? For those who have no impact, are there any expected impacts in the future? Select all that apply.

[74 responses]

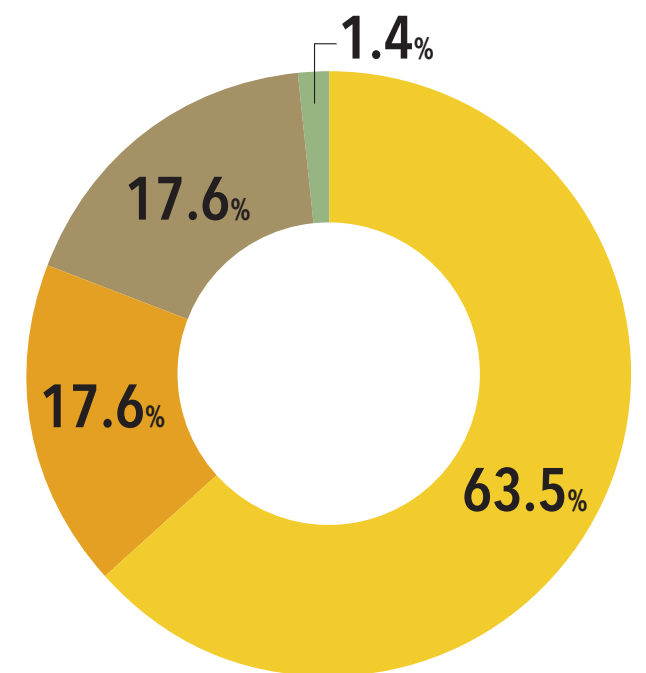


8

Have you ever been caught between the US and China, where you had to choose between them in some way?

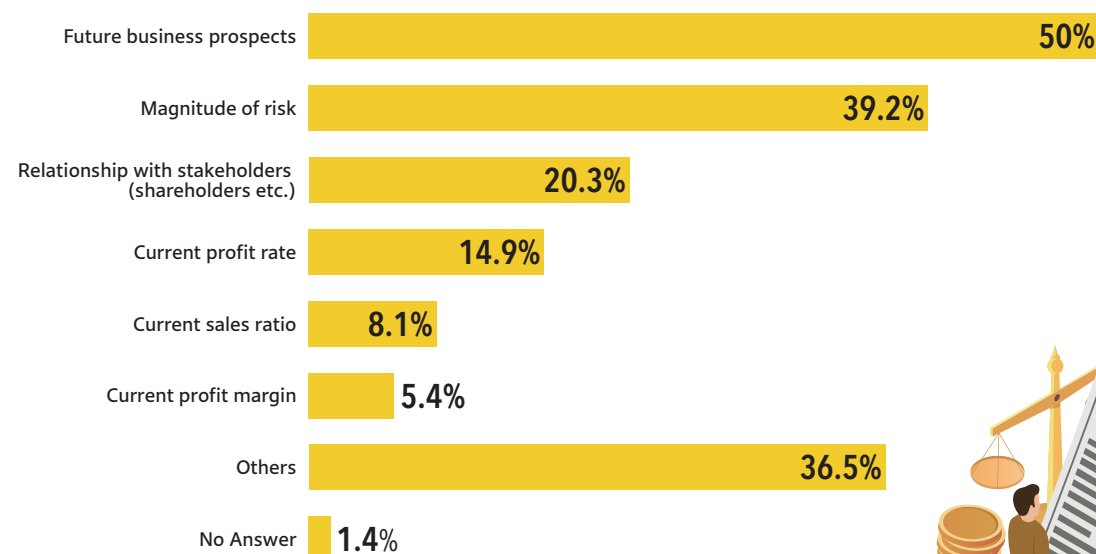
[74 responses]

● No
● Yes
● Can't say either
● No Answer



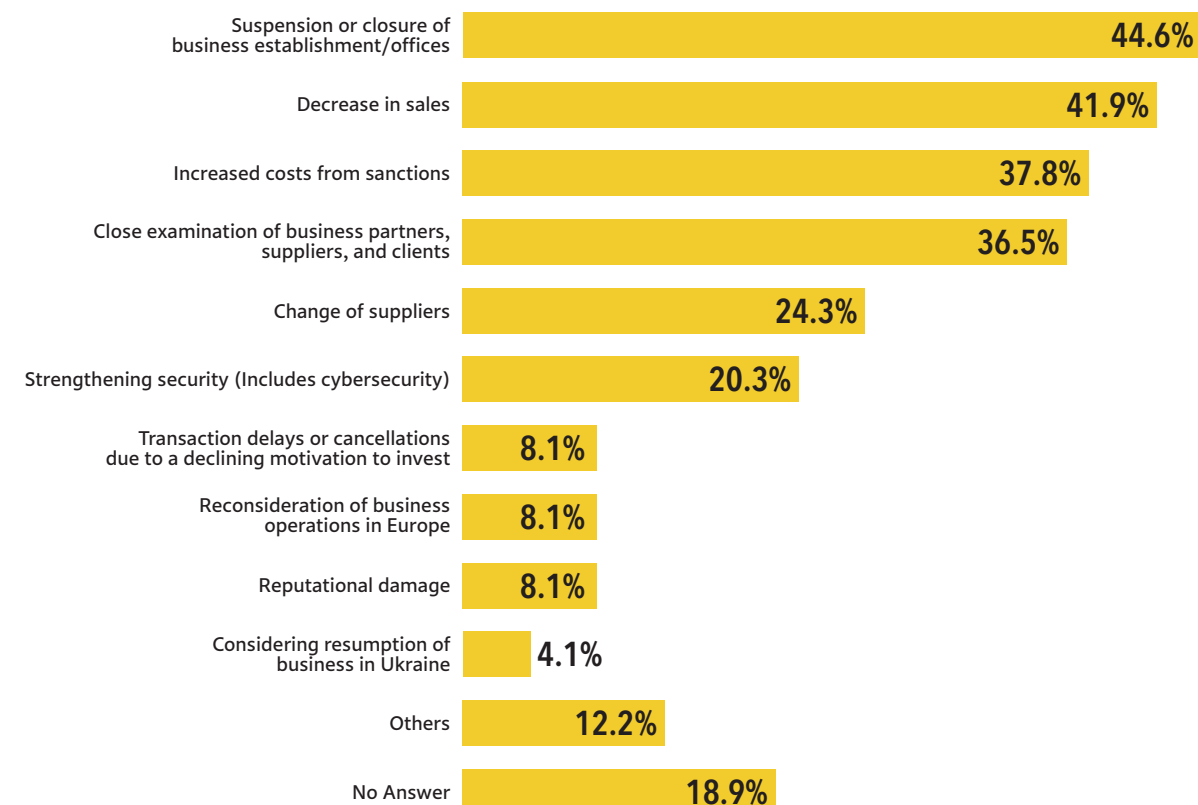
If you had to choose between US and Chinese business, what would be the criteria to make that decision?

[74 responses]



For those “impacted”, how have you specifically been impacted? For those who were “not impacted”, are there any specific impacts expected for the future? Select all that apply.

[74 responses]

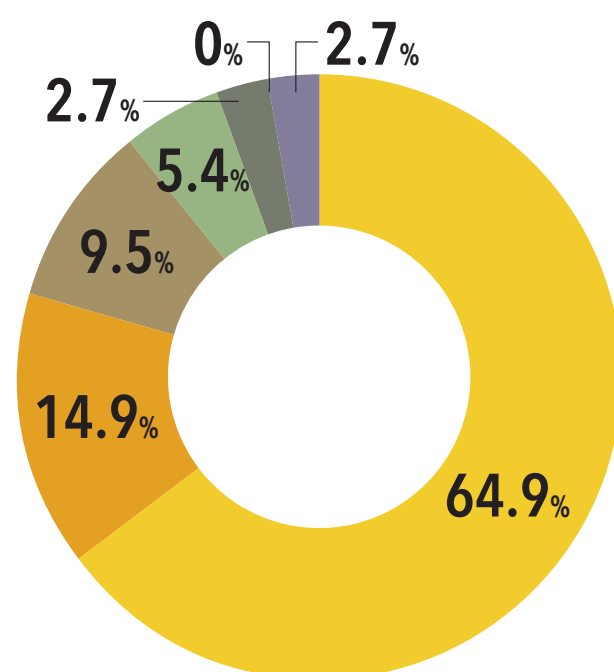


9

Has Russia's invasion of Ukraine and the resulting sanctions against Russia impacted your business in any way?

[74 responses]

- Impacted
- Impacted, but diminished
- Not impacted
- Can't say either
- Impacted, and increased
- Not impacted yet, but expected
- No Answer

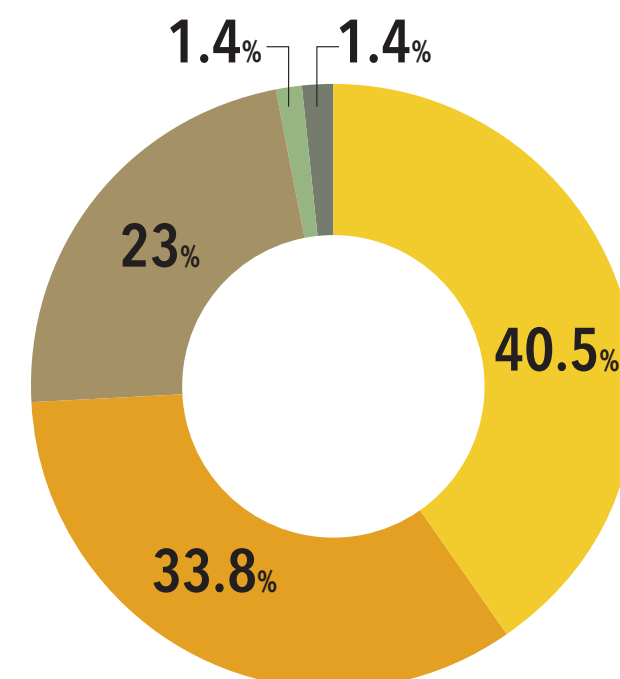


10

Has the worsening situation in the Middle East over the Gaza strip affected your company's business in any way?

[74 responses]

- Not impacted
- Impacted
- Can't say either
- Others
- No Answer

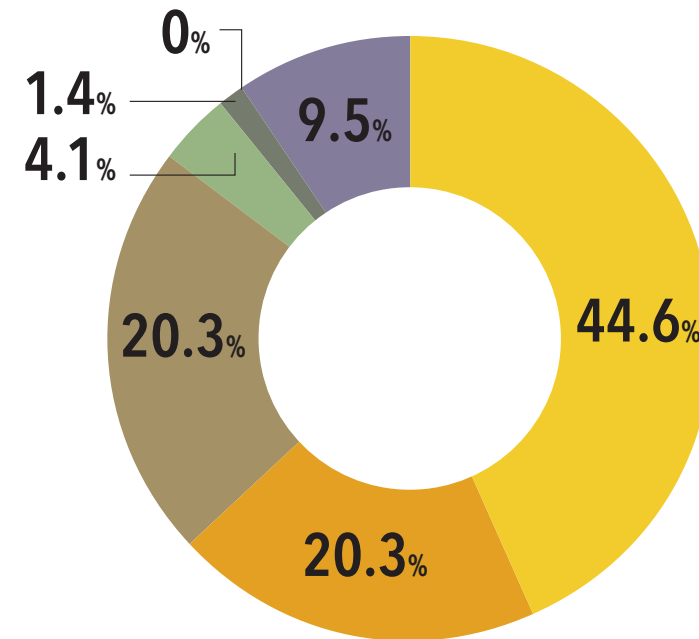


11

To what extent have overall costs increased due to the cost required to handle economic security?

[74 responses]

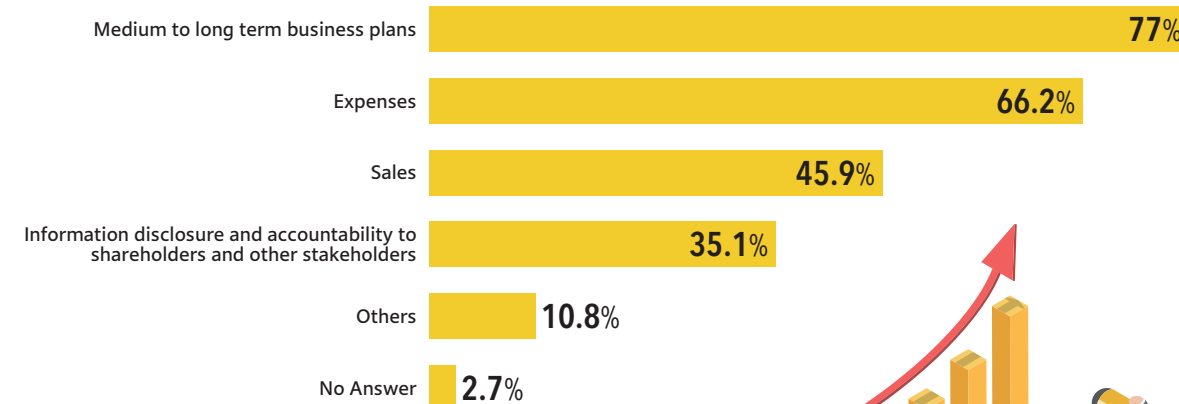
- Increased by under 5%
- No increase
- Not clear
- Increased by at least 10%
- Increased by 5% to less than 10%
- Decreased
- No Answer



12

In the event that further enforcement of Japan's economic security policies proceed, where do you expect to find the biggest impact on your business? Select all that apply.

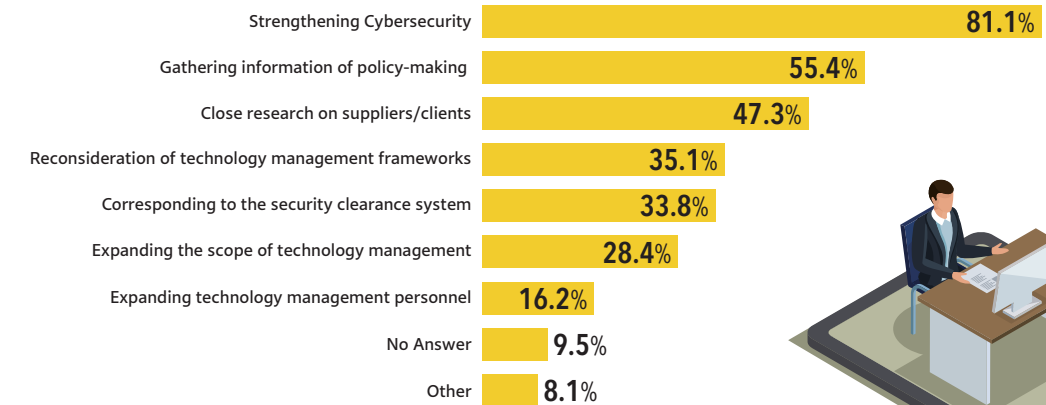
[74 responses]



13

In addition to conventional technology management and export control, what efforts have you made to prevent technology leaks? Select all that apply.

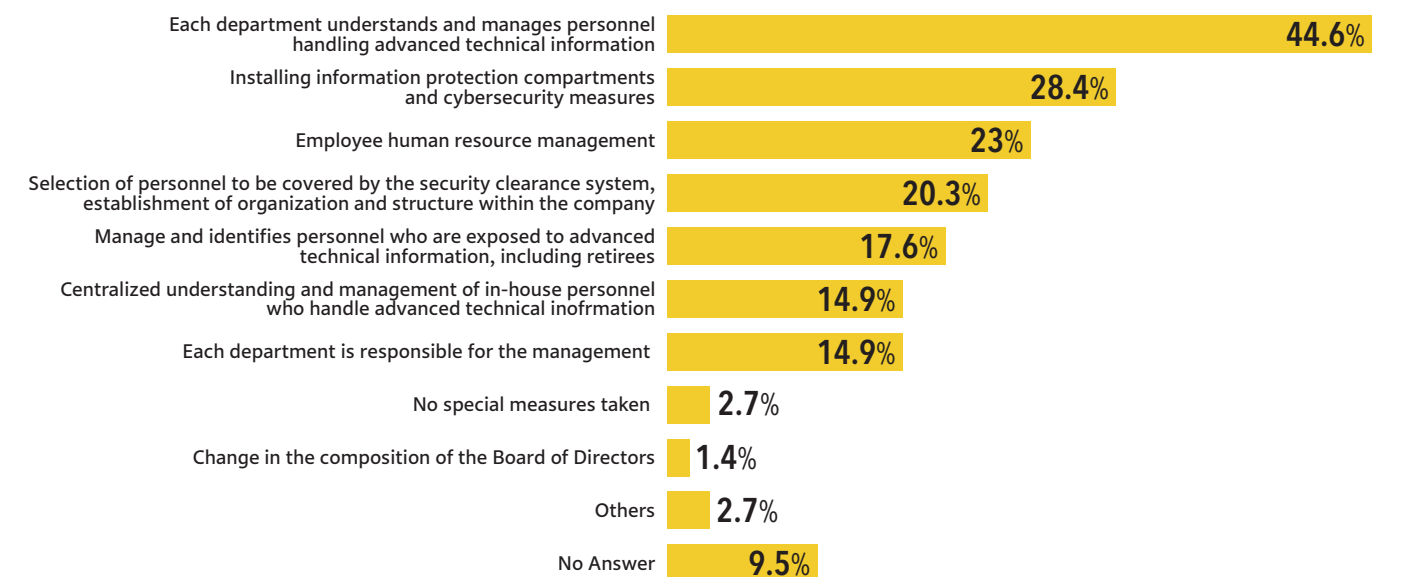
[74 responses]



14

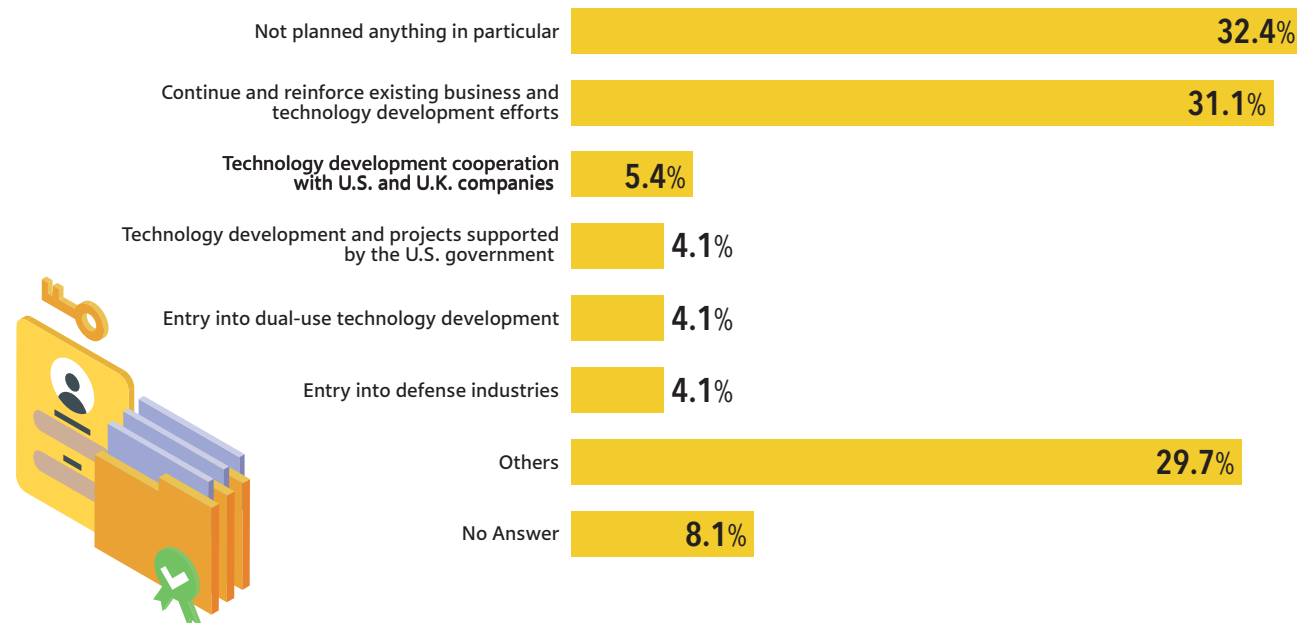
Regarding sensitive information and technology in your company, to what extent do you manage such information, employees who handle such information, and personnel who have access to highly technical information (e.g., manage such information as trade secrets, limit and control employees who have access to such information)? Select all that apply.

[74 responses]



How do you plan to utilize the security clearance system? Select all that apply.

[74 responses]

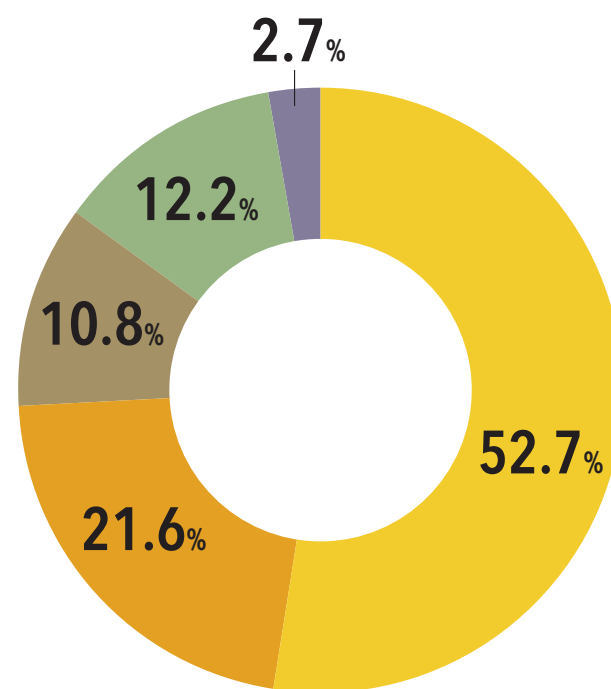


15

Is there a compliance system in place in anticipation of extraterritorial applications of US and Chinese economic sanctions or secondary sanctions?

[74 responses]

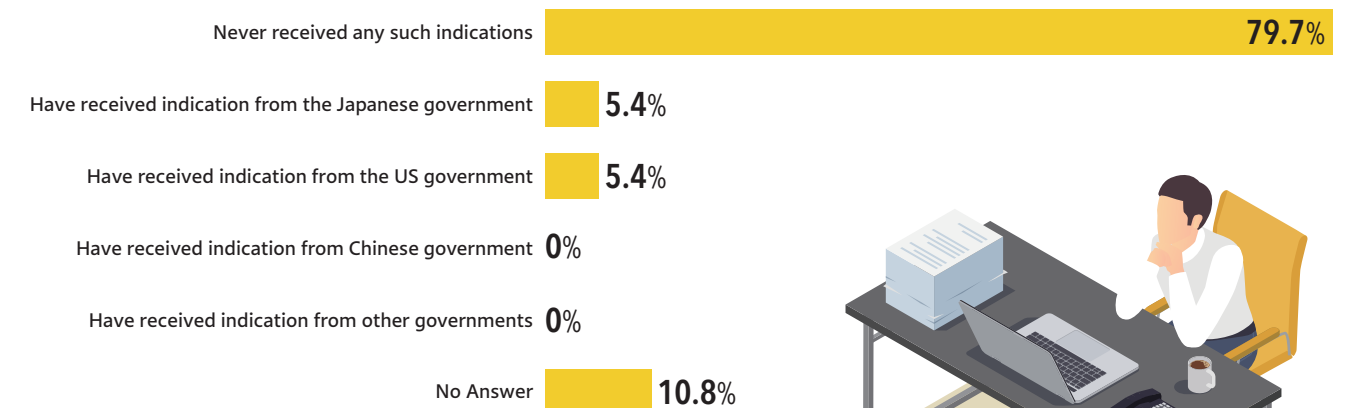
- Yes, such compliance system is in place
- Currently working towards putting such compliance system in place
- No plans to start
- others
- No Answer



16

In the past, have you ever received signals or attestations by Japanese, US, Chinese, or other governments regarding imports, exports, or transacton with sanctioned companies?

[74 responses]

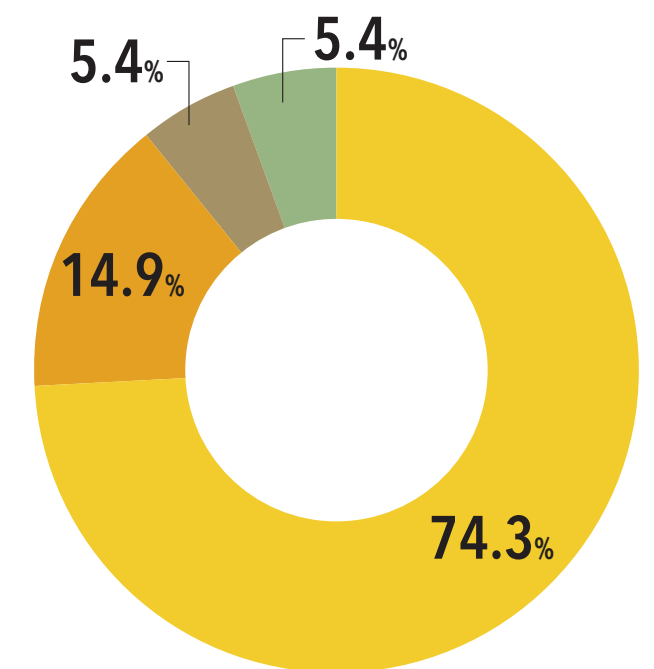


17

Have you ever been subject to fines, transaction suspensions, or import/export suspensions in your business?

[74 responses]

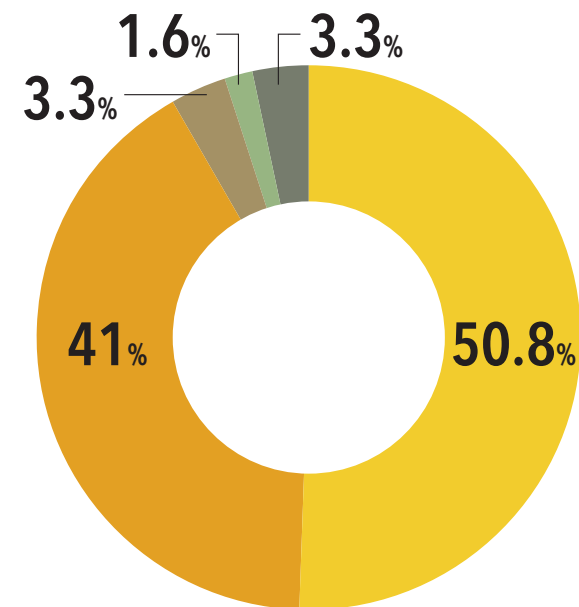
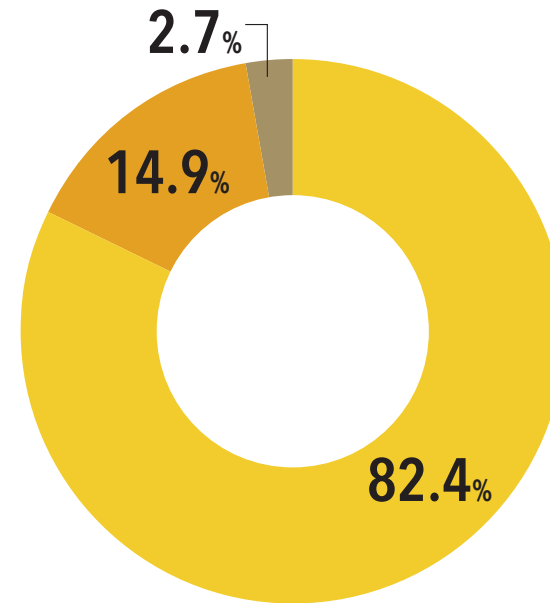
- No and not expecting to be subject in the future
- No but can foresee a possibility of being subject in the future
- Yes
- No Answer



18

Does your business operate in China? [74 responses]

- Yes
- No
- No Answer

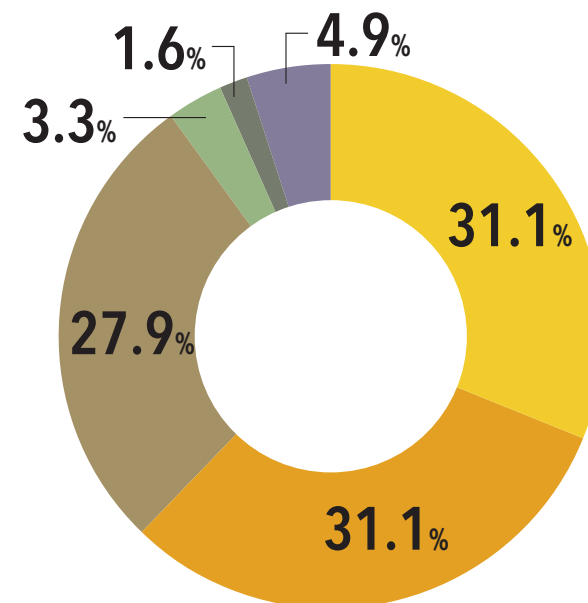


What ratio of your sales are in China? [61 responses]

- Under 10%
- 10% to 30%
- 30% to 50%
- 50% and over
- No Answer

If your business includes production process in China, what ratio does this take? [61 responses]

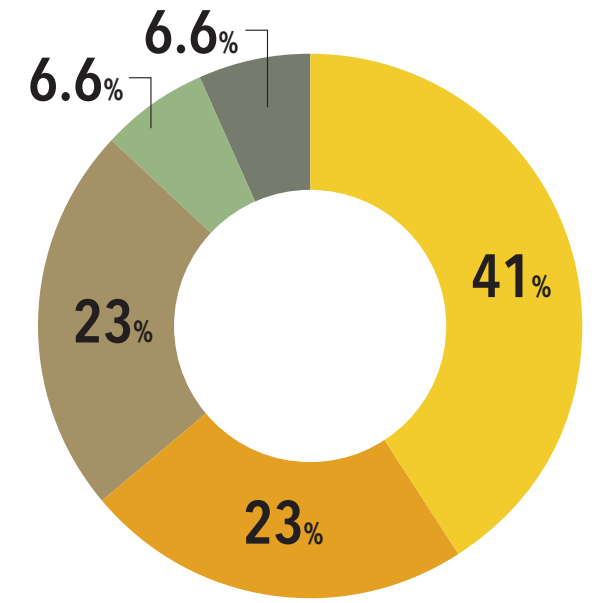
- No production process in China
- Under 10%
- 10% to 30%
- 30% to 50%
- 50% and over
- No Answer



19

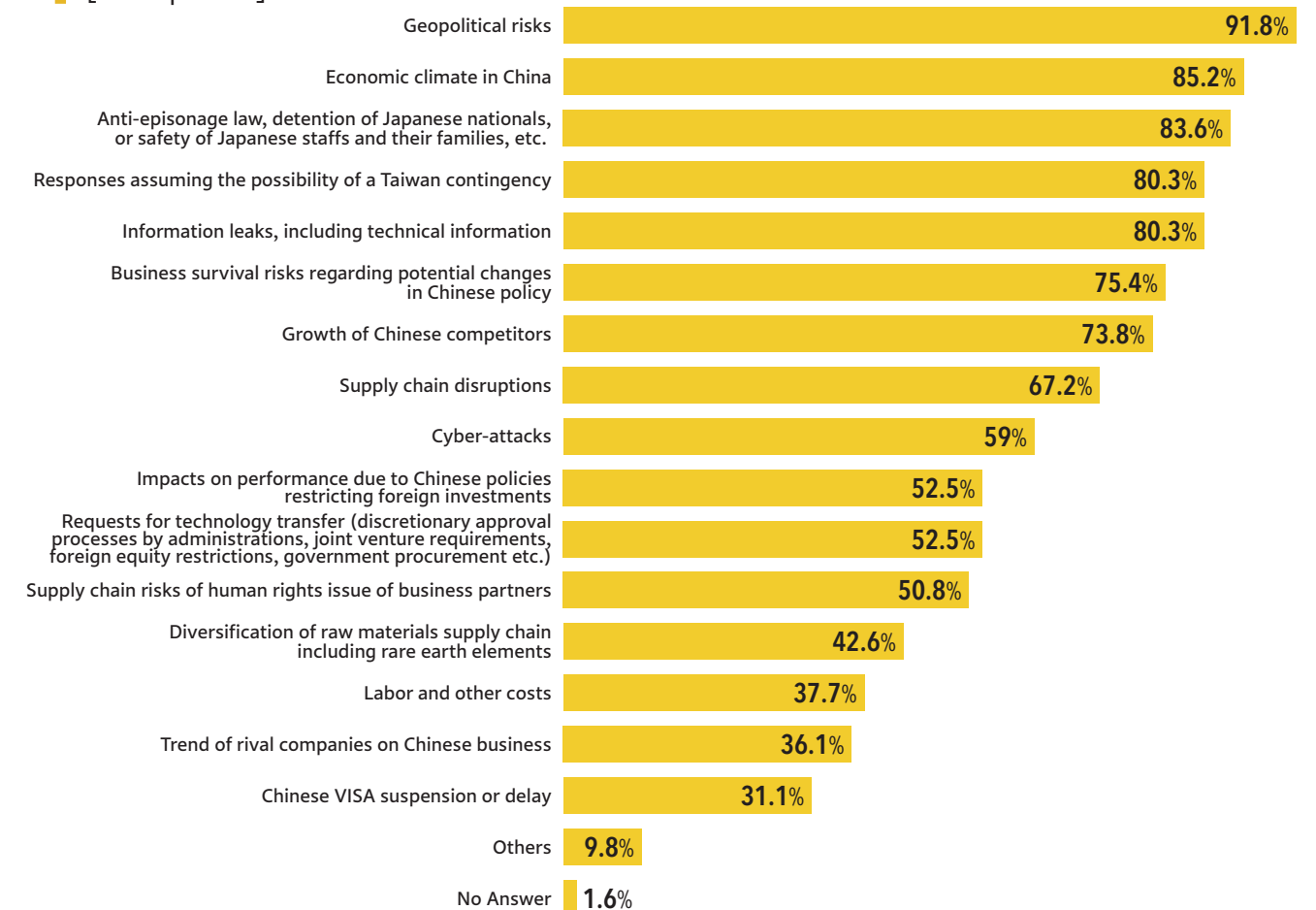
Do you have any medium to long term aims to change the sales ratio in China? [61 responses]

- Not especially
- Aiming to increase the sales ratio in China
- Maintaining the current ratio
- Aiming to reduce the sales ration in China
- No Answer



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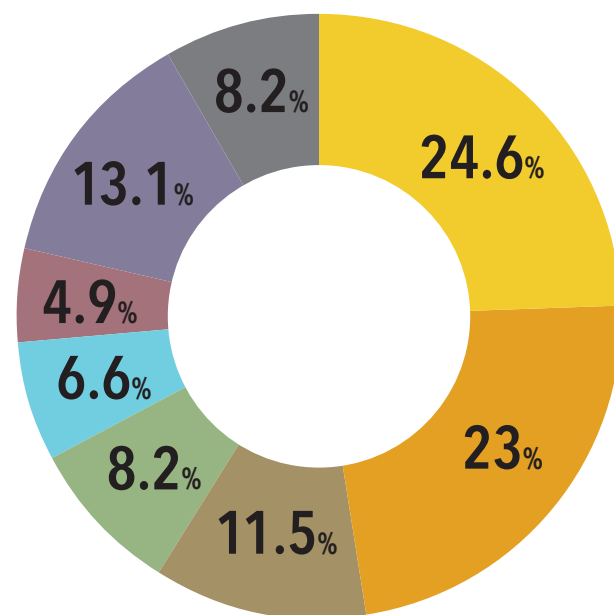
What are important topics to be attentive to for developing business in China? Select all that apply. [61 responses]



Is your company prepared for a possible Taiwan contingency and how far?

[61 responses]

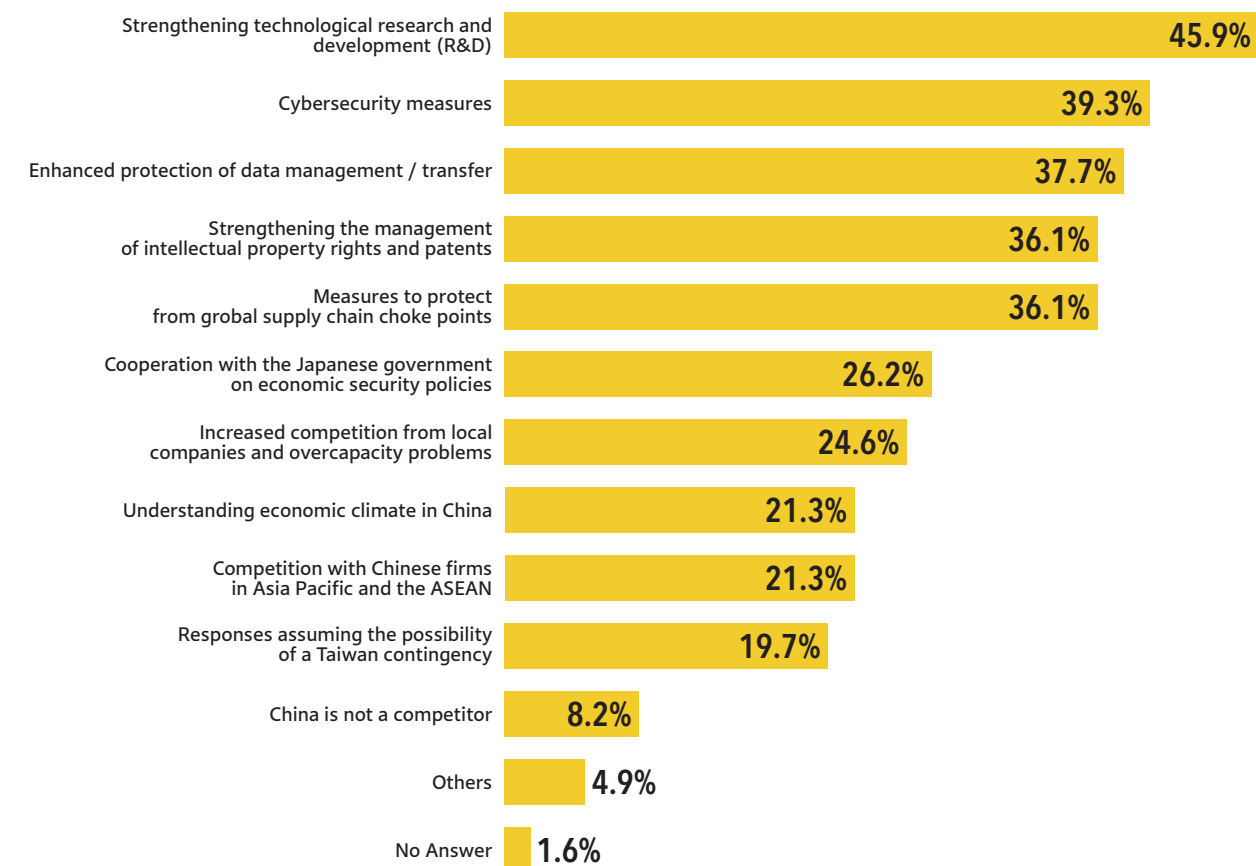
- Finished simulations and preparing a BCP (Business Continuity Plan)
- Planning Taiwan contingency simulation drills
- No simulations planned
- Finished simulations and prepared a BCP
- Conducted multiple simulations, and company-wide preparations are in place based on BCP
- Conducted multiple simulations, and reviewed existing BCP
- Others
- No Answer



21

To maintain a competitive edge in regard to China, where do you place the most value?

[61 responses]

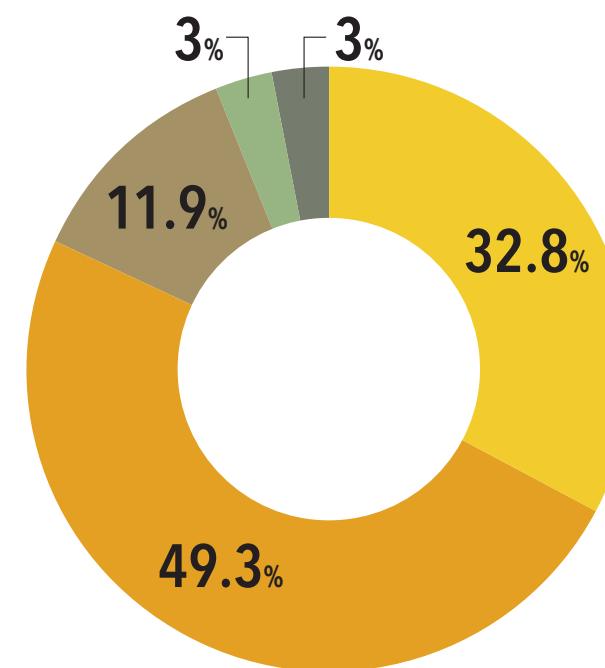
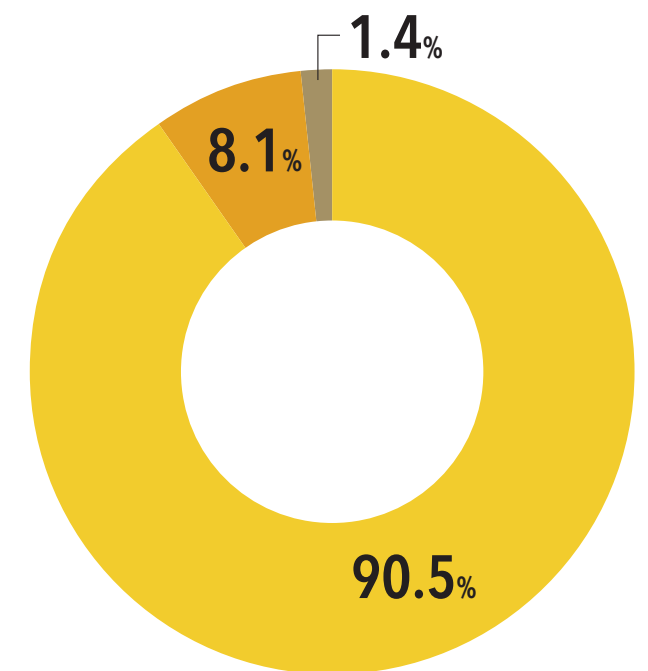


22

Does your company operate in the U.S.?

[74 responses]

- Yes
- No
- No Answer



What ratio of your sales are in the US?

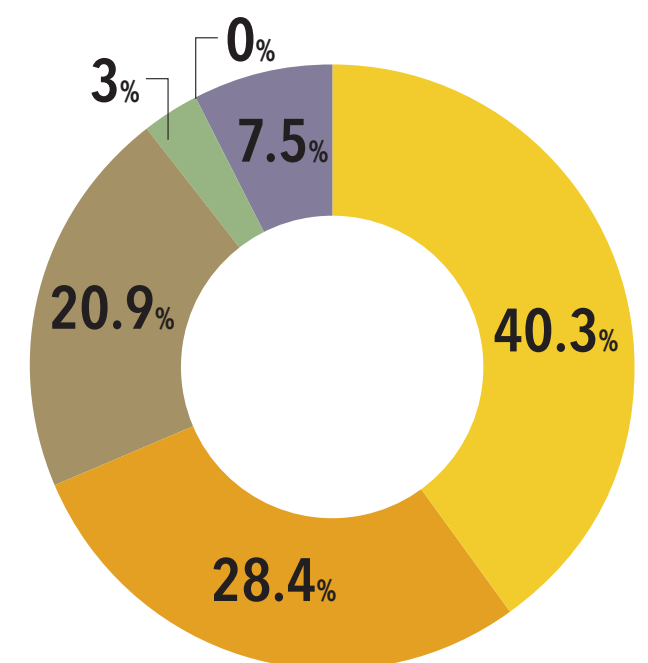
[67 responses]

- Under 10%
- 10% to 30%
- 30% to 50%
- 50% and over
- No Answer

Additionally if your business includes production processes, what ratio does this take?

[67 responses]

- Under 10%
- No production process included
- 10% to 30%
- 30% to 50%
- 50% and over
- No Answer

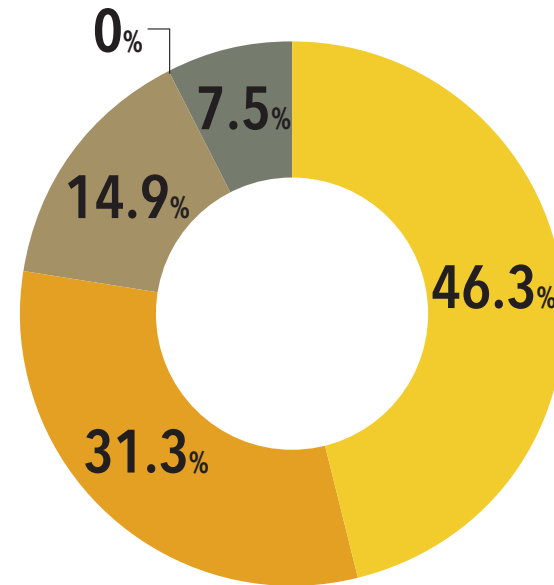


23

Do you have any medium to long term aims to change the sales ratio in the US?

[67 responses]

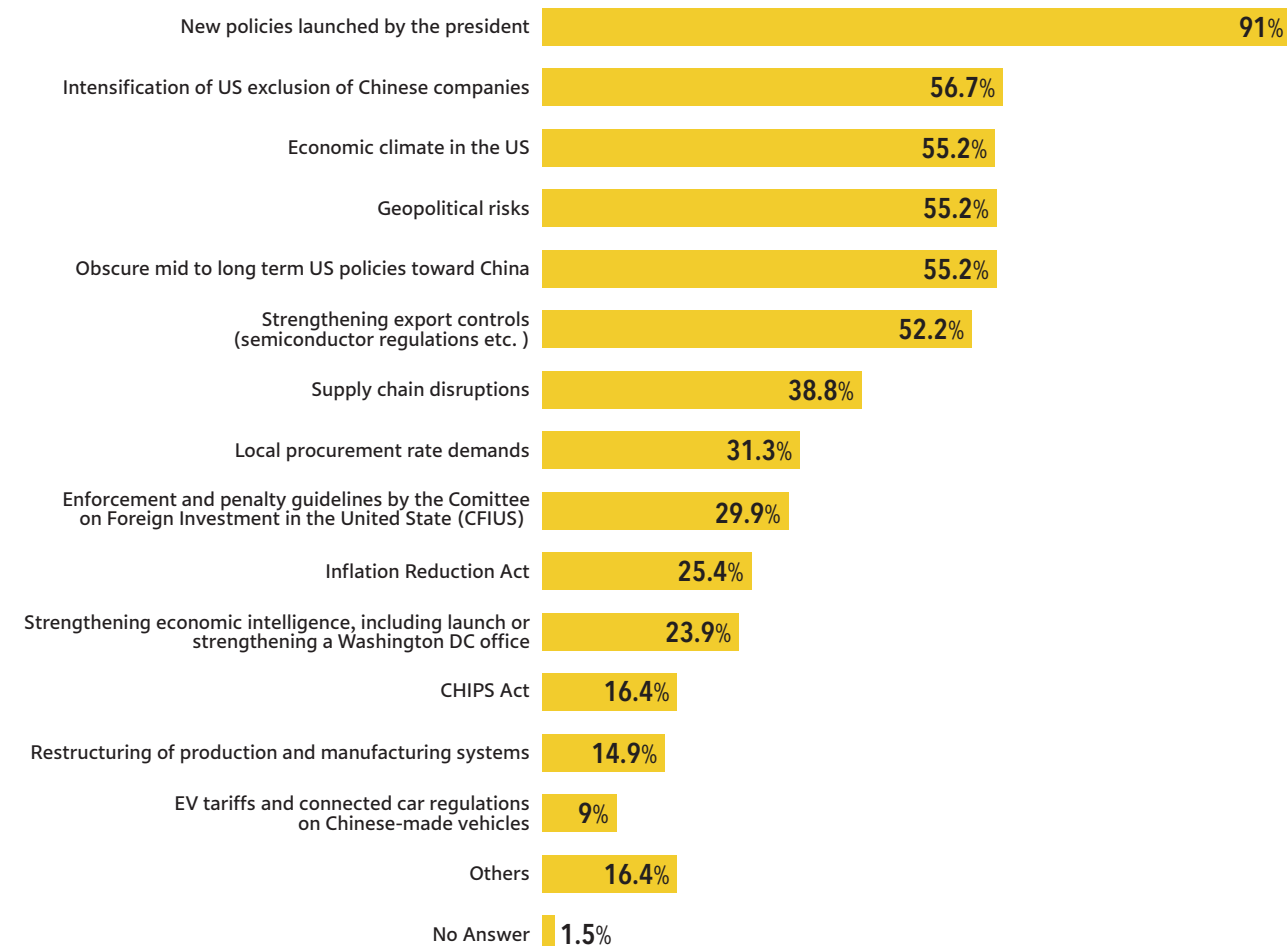
- Aiming to increase the sales ratio in the US
- Not especially
- Maintaining the current ratio
- Aiming to reduce the sales ratio in the US
- No Answer



24

What are important topics to be attentive to for developing business in the US? Select all that apply.

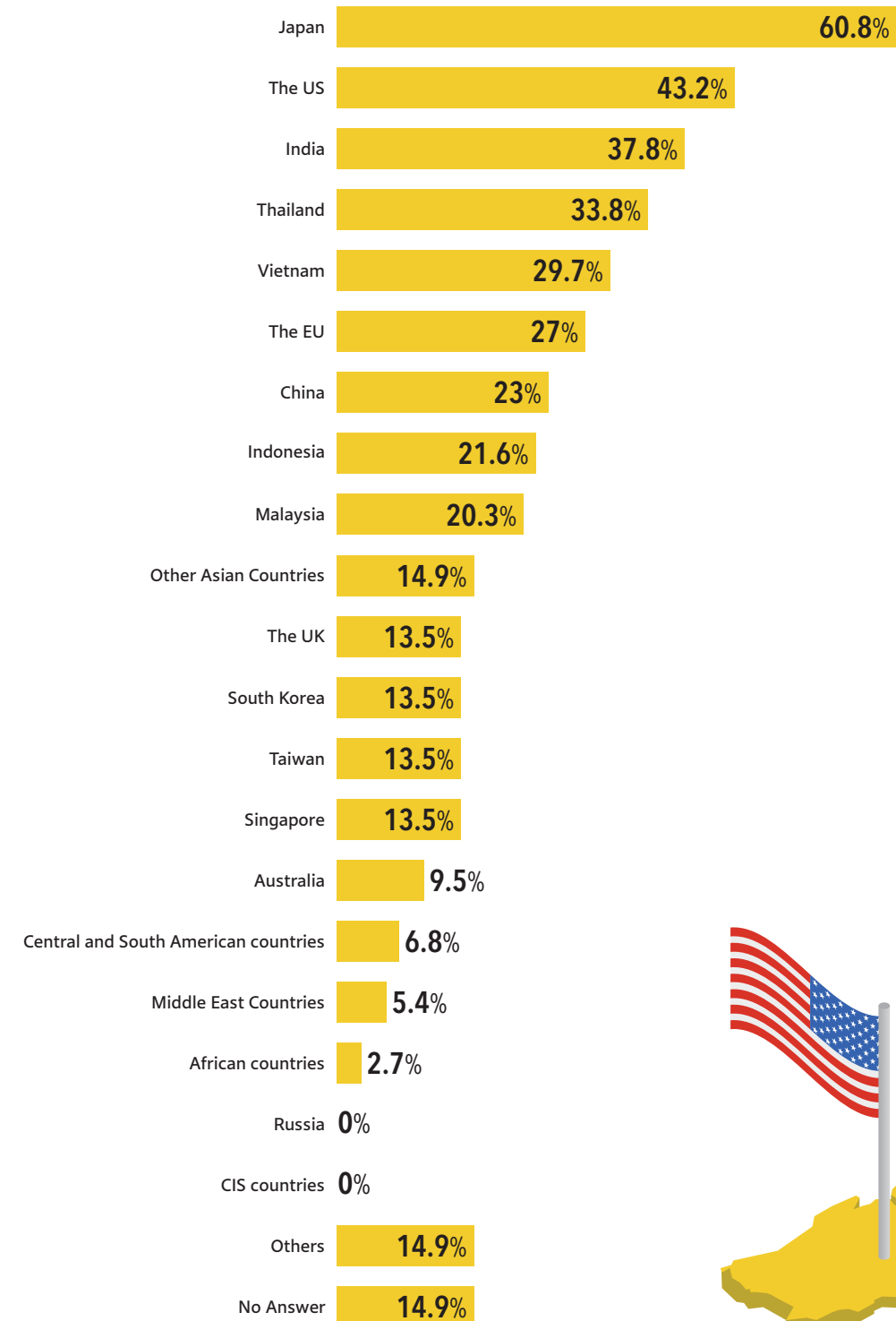
[67 responses]



25

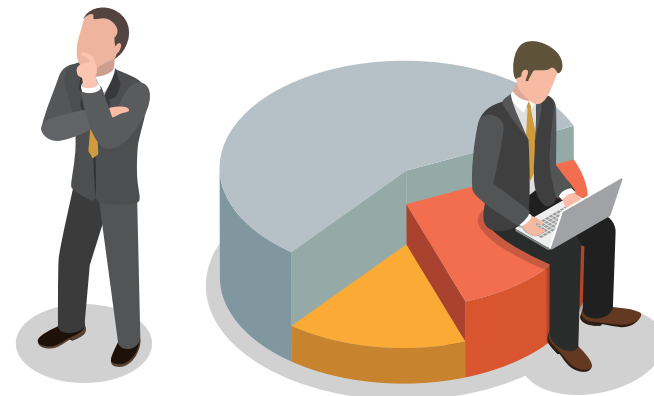
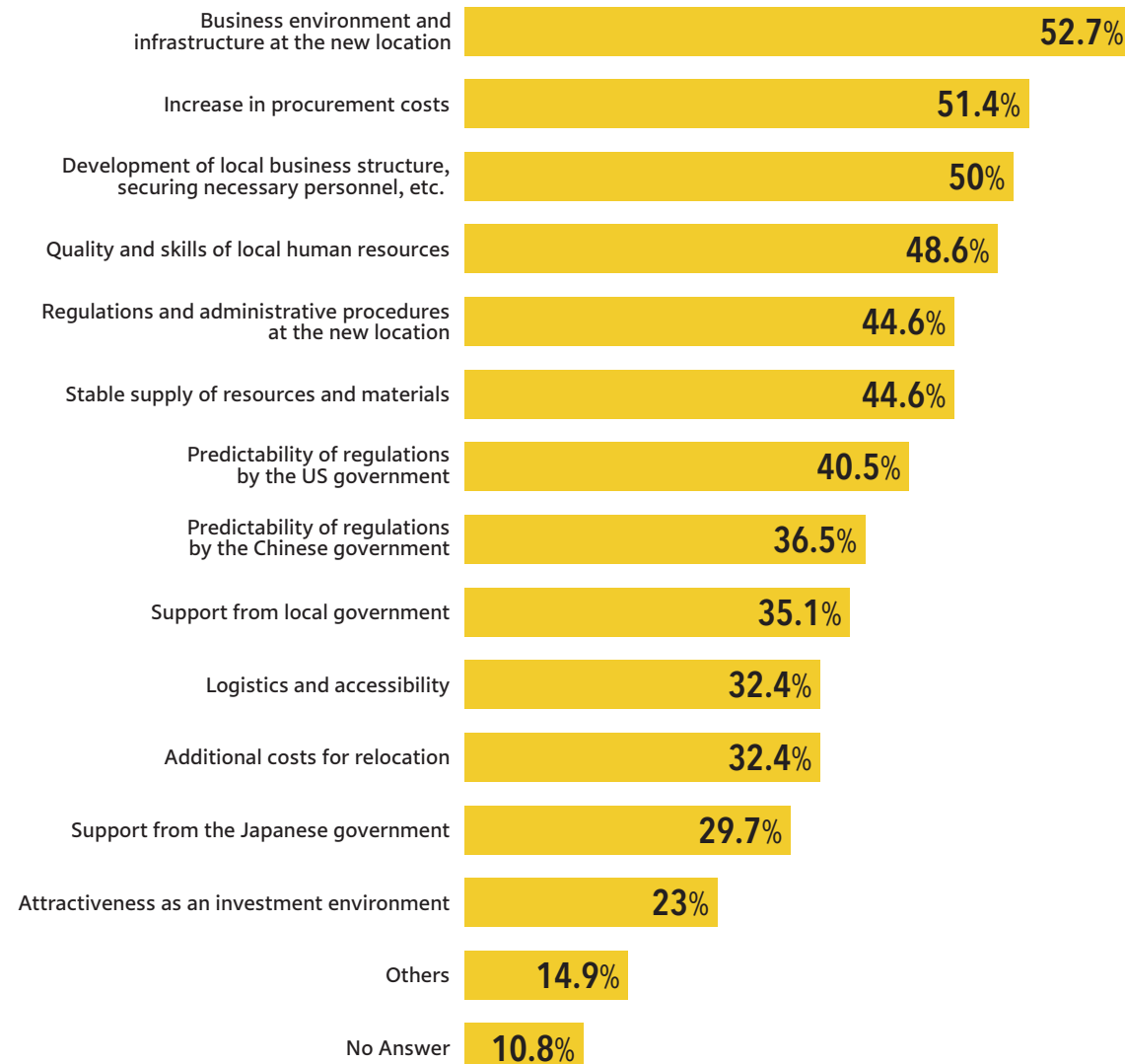
Select a country/region planned or designated for diversifying suppliers, changing or diversifying sales destinations, transferring production sites, or changing investment plans. Select all that apply.

[74 responses]



What are the important topics to be attentive to for supply chain diversification? Select all that apply.

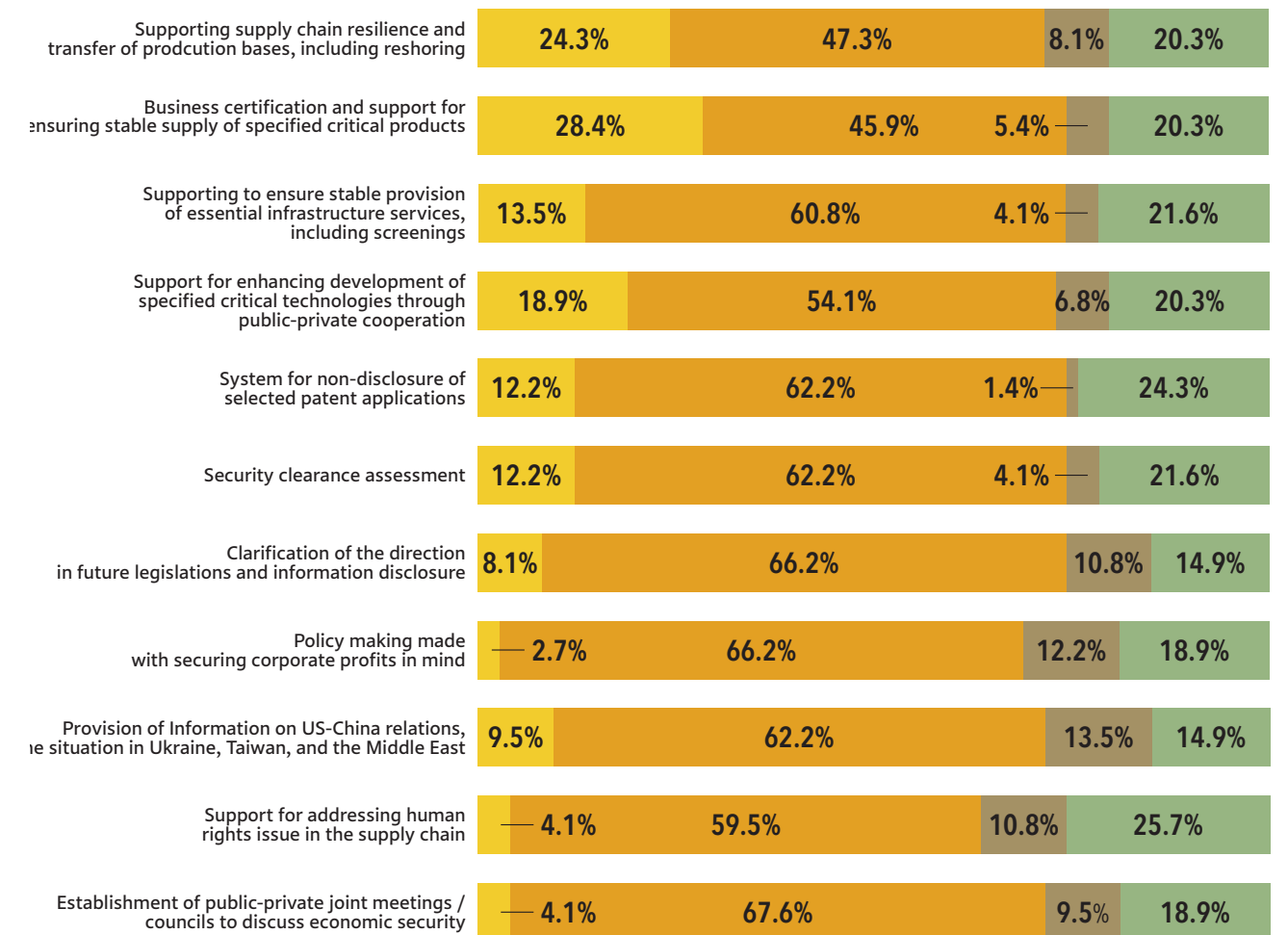
[74 responses]



26

Regarding the future economic security policy, please indicate your satisfaction with the Japanese Government's efforts in each of the following topics below. Of the items related, please put “○” to satisfied topics, “×” to unsatisfied topics, and “△” to neither topic.

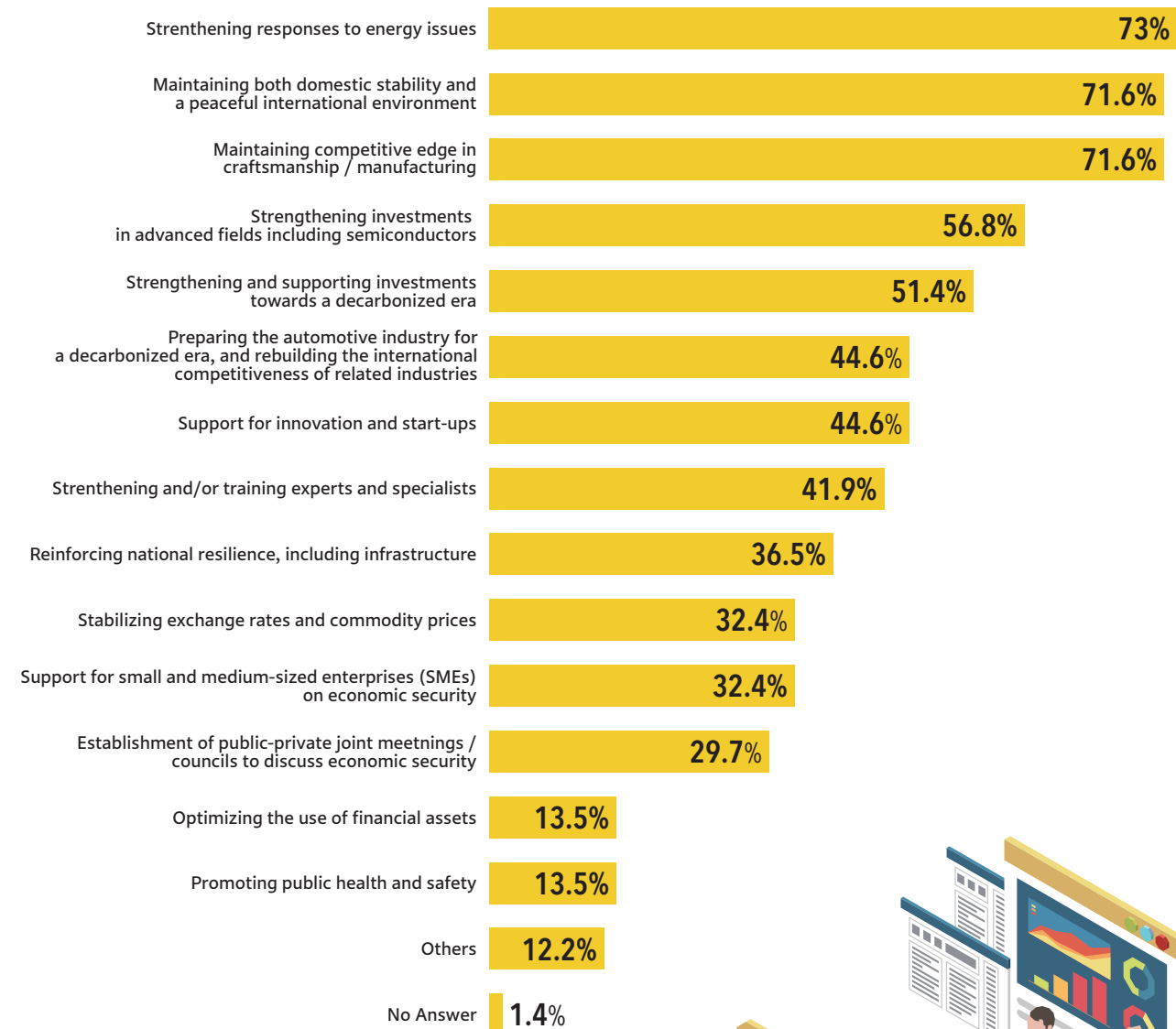
● Satisfied ● Neither ● Unsatisfied ● No Answer



28

In promoting Japan's economic security strategy, what should be done to maximize and make the most of Japan's strengths? Select all that apply.

[74 responses]



29

Which of the following frameworks / region do you think Japan should strengthen relations with in advancing economic security strategy? Select all that apply.

[74 responses]

