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# ManpowerGroup Employment Outlook Survey Q2 2017 Results Announced: Japanese employers continue to report optimistic hiring plans for the second quarter 2017

Yokohama-City, Kanagawa, Japan (14 March 2017) - ManpowerGroup Co., Ltd. (Masahiro Ikeda, Representative Executive Officer, and President), today announced the results of the ManpowerGroup Employment Outlook Survey conducted to measure employer hiring intentions for the April-June period of 2017. Japanese employers report optimistic hiring plans for the next three months. With 33% of employers forecasting an increase in staffing levels, 3% anticipating a decrease and 37% expecting no change. Once the data is adjusted to allow for seasonal variation, the Outlook stands at +23%. Hiring plans are unchanged both quarter-over-quarter and year-over-year.

Payrolls are expected to increase in all three regions during 2Q 2017. Employers report the strongest hiring intentions in Nagoya with a Net Employment Outlook of +28%, while Outlooks of +23% and +19% are reported in Tokyo and Osaka, respectively. Nagoya employers report an improvement of 3 percentage points when compared with the previous quarter, but the Outlook for Osaka declines by 5 percentage points. Meanwhile, Tokyo employers report no change. When compared with this time one year ago, employers report a considerable improvement of 9 percentage points in Nagoya. Elsewhere, Outlooks are unchanged in both Osaka and Tokyo.

**Nagoya:** Job seekers can expect the strongest hiring pace in nine years during the April-June period, according to employers who report a solid Net Employment Outlook of +28%. Hiring intentions are 3 percentage points stronger quarter-over-quarter and improve by 9 percentage points when compared with 2Q 2016.

**Osaka:** Employers anticipate a favorable hiring climate in the forthcoming quarter, reporting a Net Employment Outlook of +19%. The Outlook declines by 5 percentage points when compared with the previous quarter but is unchanged year-over-year.

**Tokyo:** Healthy hiring activity is forecast for 2Q 2017 with employers reporting a Net Employment Outlook of +23%. Hiring prospects are unchanged both quarter-over-quarter and year-over-year.

\*Throughout this report, we use the term "<u>Net Employment Outlook</u>." This figure is derived by taking the percentage of employers anticipating total employment to increase, and subtracting from this, the percentage expecting to see a decrease in employment at their location in the next quarter. The result of this calculation is the <u>Net Employment Outlook</u>.

Employers in all seven industry sectors expect to increase staffing levels during the upcoming quarter. Transportation & Utilities sector employers report the strongest hiring intentions with a bright Net Employment Outlook of +31%, while healthy job gains are forecast for the Mining & Construction sector where the Outlook is +30%. Elsewhere, active labor markets are anticipated in the Wholesale Trade & Retail Trade sector, with an Outlook of +27%, and in both the Finance, Insurance & Real Estate sector and the Services sector, where Outlooks stand at +22%. Manufacturing sector employers report steady hiring intentions with an Outlook of +20% while the Outlook for the Public Administration & Education sector is +10%.

**Finance, Insurance & Real Estate sector:** Healthy hiring activity is forecast for the April-June time frame with employers reporting a Net Employment Outlook of +22%. Hiring intentions remain relatively stable both quarter-over-quarter and year-over-year.

**Manufacturing sector:** Reporting a Net Employment Outlook of +20%, employers anticipate a favorable hiring climate in the second quarter of 2017. However, the Outlook declines by 4 percentage points quarter-over-quarter. When compared with 2Q 2016, hiring plans remain relatively stable.

**Mining & Construction sector:** Solid workforce gains are forecast for the next three months with employers reporting a Net Employment Outlook of +30%. Hiring intentions decline by 2 percentage points quarter-over-quarter but remain relatively stable year-over-year.

**Public Administration & Education sector:** Employers continue to expect a cautiously optimistic hiring pace, reporting a Net Employment Outlook of +10% for the coming quarter. Hiring plans are unchanged for the third consecutive quarter and improve by 2 percentage points when compared with the second quarter of 2016.

**Services sector:** Healthy hiring activity is anticipated in the April-June period, with employers reporting a Net Employment Outlook of 22%. However, the Outlook declines by 6 and 2 percentage points quarter-over-quarter and year-over-year, respectively, and is the weakest reported in two years.

**Transportation & Utilities sector:** The strongest labor market in nine years is forecast for the upcoming quarter. Employers report a Net Employment Outlook of +31%, improving by 2 percentage points quarter-over-quarter and by 9 percentage points when compared with this time one year ago.

**Wholesale Trade & Retail Trade sector:** Reporting a Net Employment Outlook of +27%, employers expect the strongest hiring pace in 10 years during 2Q 2017. Hiring plans are 2 percentage points stronger when compared with the previous quarter and improve by 5 percentage points year-over-year.

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- Survey Period: 18 January 2017 1 February 2017
- Survey Target: HR Directors in 7 sectors in Tokyo, Osaka, and Nagoya
  1) Finance, Insurance & Real Estate, 2) Manufacturing, 3) Mining & Construction,
  4) Public Administration & Education (including government offices and schools),
  5) Services (including information processing, software, entertainment), 6) Transportation & Utilities,
  7) Wholesale Trade & Retail Trade
- Survey Questionnaire: "How do you anticipate total employment at your location to change in the three months to the end of June 2017 as compared to the current quarter (including contract and temporary)?"
- > Method: Collected by a.) telephone contacts and b) e-mail questionnaires
- No. of valid replies: 1,106 employers all over Japan (over 58,000 employers in 43 countries and territories worldwide)

### **Global Employment Outlook:**

ManpowerGroup interviewed over 58,000 employers across 43 countries and territories to forecast labor market activity in Quarter 2 2017. All participants were asked, "How do you anticipate total employment at your location to change in the three months to the end of June 2017 as compared to the current quarter?" ManpowerGroup's second-quarter research reveals that employers in 39 of 43 countries and territories intend to add to their payrolls by varying degrees in the April-June time frame.\* Overall, opportunities for job seekers are expected to remain similar to those available in the first three months of 2017, with employers in most countries and territories signaling that they are content to either maintain current staffing levels or engage in modest levels of payroll growth while they monitor ongoing developments in the marketplace. Hiring plans improve in 17 of 43 countries and territories when compared quarter-over-quarter, decline in 15, and are unchanged in 11. The year-over-year trend reveals a more pronounced uptick with Outlooks strengthening in 25 countries and territories, weakening in 14, and remaining unchanged in three.\*\* Second-quarter hiring confidence is strongest in Taiwan, Japan, Slovenia and India. The weakest forecasts are reported in Brazil, Italy, Belgium and Switzerland.

\* Commentary is based on seasonally adjusted data where available. Data is not seasonally adjusted for Portugal.

\*\* Portugal launched the survey in Q3 2016 and has no year-over-year trend data to compare at this point.

## About the ManpowrGroup Employment Outlook Survey

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The ManpowerGroup Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. ManpowerGroup's comprehensive forecast of employer hiring plans has been running for more than 50 years and is one of the most trusted surveys of employment activity in the world. Various factors underpin the success of the ManpowerGroup Employment Outlook Survey:

Unique: It is unparalleled in its size, scope, longevity and area of focus.

**Projective:** The ManpowerGroup Employment Outlook Survey is the most extensive, forward-looking employment survey in the world, asking employers to forecast employment over the next quarter. In contrast, other surveys and studies focus on retrospective data to report on what occurred in the past. **Independent:** The survey is conducted with a representative sample of employers from throughout the countries and territories in which it is conducted. The survey participants are not derived from ManpowerGroup's customer base.

**Robust:** The survey is based on interviews with over 58,000 public and private employers across 43 countries and territories to measure anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and regions to provide more detailed information. **Focused**: For more than five decades the survey has derived all of its information from a single question:

For the 2Q 2017 research, all employers participating in the survey worldwide are asked the same question, "How do you anticipate total employment at your location to change in the three months to the end of June 2017 as compared to the current quarter?"

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### About ManpowerGroup:

ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative workforce solutions for nearly 70 years. As workforce experts, we connect more than 600,000 people to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2016, ManpowerGroup was named one of the World's Most Ethical Companies for the sixth consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup makes powering the world of work humanly possible: www.manpowergroup.com.

### About ManpowerGroup Co., Ltd.

ManpowerGroup Co., Ltd. was established in 1966 as a wholly owned Japanese subsidiary of ManpowerGroup. As the first temporary work services company in the country, ManpowerGroup has built foundation of the temporary work services and has been providing high-quality services. We now have 484,300 temporary staff. More information on ManpowerGroup Co., Ltd. can be found at the company's Web site, <u>www.manpowergroup.jp</u>