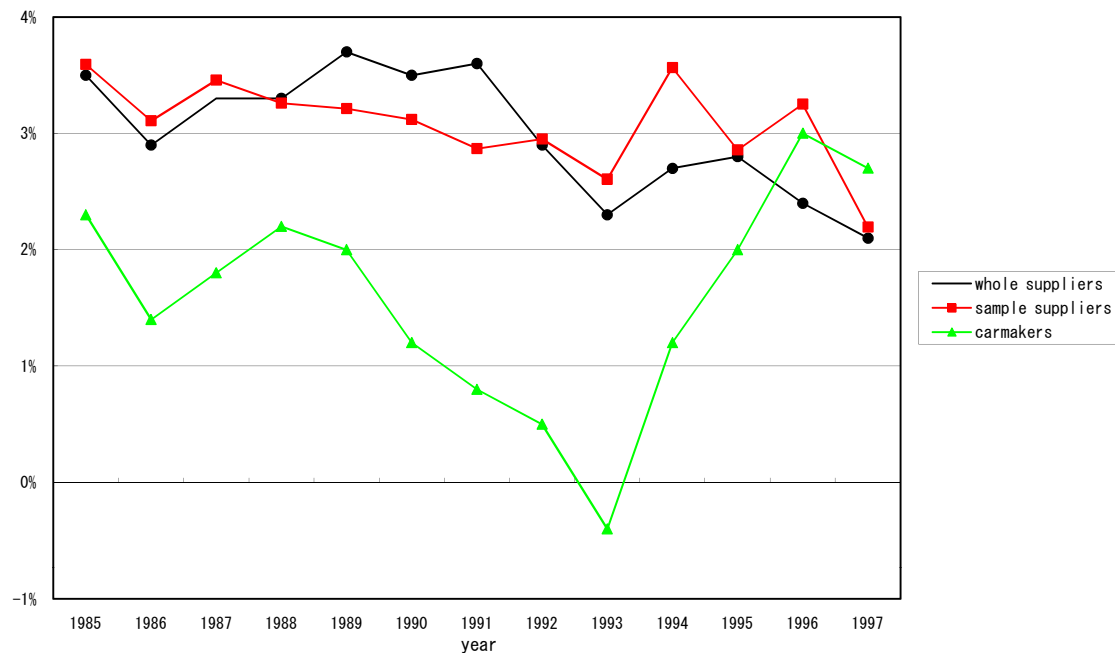


Figure1: Profit Rate of Carmakers and Parts Suppliers

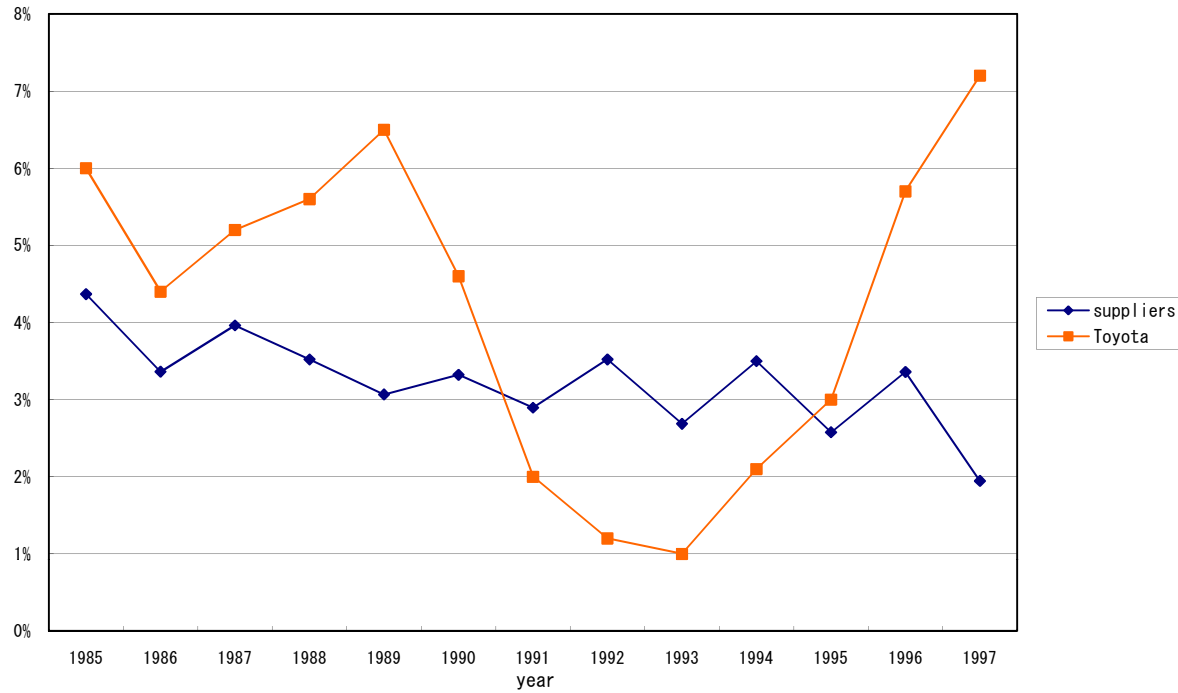


Notes:

- 1) Profit rate: the ratio of operating income to sales
- 2) Carmakers: unweighted average value of all the 11 automotive manufacturers
- 3) Whole suppliers: all corporations in the transportation equipment industry with less than 1 billion yen capital
- 4) Sample suppliers: unweighted average value of 74 automotive parts suppliers in our sample

Data Sources: Ministry of Finance, Hojin Kigyo Tokei Chosa Nenpo.  
 Nihon Keizai Shinbunsha (Nikkei), Kaisha Nenkan, and Kaisha Sokan.  
 Nikkei Quick Information, NIKKEI NEEDS Financial Database.

Figure2: Profit Rate of Toyota and Its Suppliers



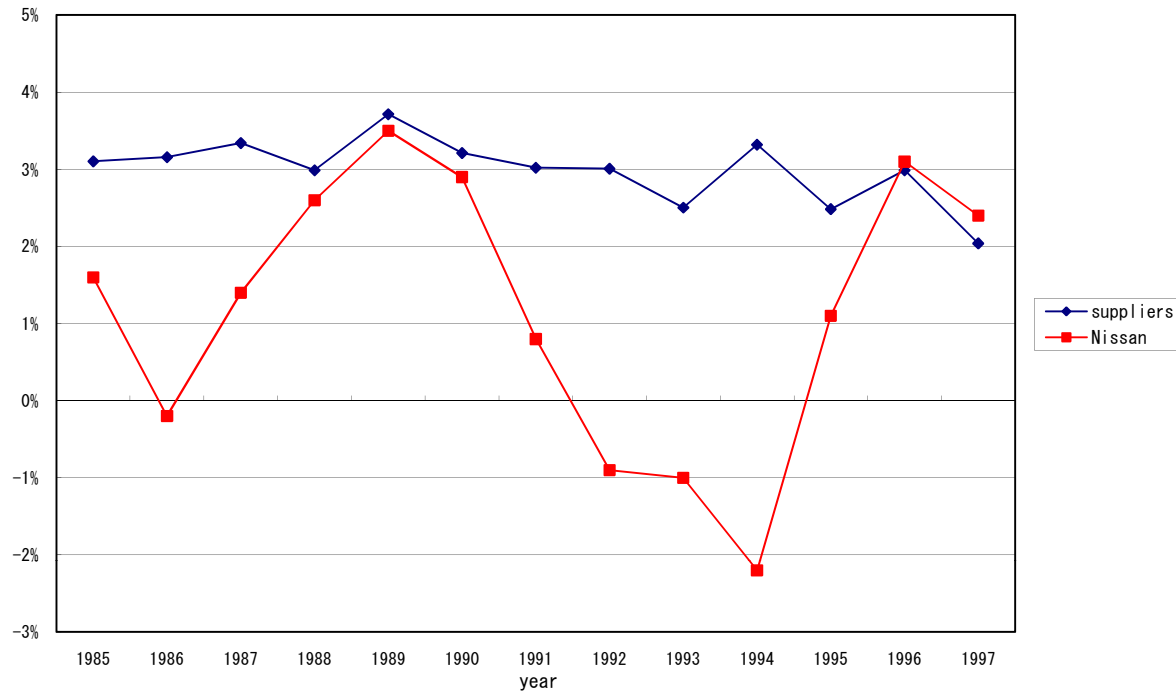
notes:

- 1) profit rate: the ratio of operating income to sales
- 2) suppliers: unweighted average value of 19 suppliers whose main customer is Toyota

data sources:

Nihon Keizai Shinbunsha (Nikkei), Kaisha Nenkan, and Kaisha Soken.  
Nikkei Quick Information, NIKKEI NEEDS Financial Database.

Figure3: Profit Rate of Nissan and Its Suppliers



notes:

1) profit rate: the ratio of operating income to sales

2) suppliers: unweighted average value of 24 suppliers whose main customer is Nissan

data sources:

Nihon Keizai Shinbunsha (Nikkei), Kaisha Nenkan, and Kaisha Soken.

Nikkei Quick Information, NIKKEI NEEDS Financial Database.

Figure 4: Distribution of MCR in the Sample

