

Tankan Summary of "Inflation Outlook of Enterprises" (December 2014)

163rd Short-Term Economic Survey of Enterprises in Japan

1. Output Prices(Rate of Changes Relative to the Current Level)

(%, % points)

| | | | | Percentage Share of the Number of Respondents Choosing Each Alternative | | | | | | | | | | (Reference) | |
|-------------------|------------------|---------------|---|---|-------------|-------------|------------|-----------|------------|-------------|-------------|----------------------|------------|---|---------|
| | | | | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. | 9. | 10. | The Average of Enterprises' Inflation Outlook | Changes |
| | | | | around +20% or higher | around +15% | around +10% | around +5% | around 0% | around -5% | around -10% | around -15% | around -20% or lower | Don't Know | | |
| All Enterprises | All industries | 1 Year ahead | P | 0 | 1 | 3 | 20 | 61 | 6 | 1 | 0 | 0 | 8 | 1.1 | 0.0 |
| | | | C | 0 | 1 | 2 | 20 | 62 | 6 | 1 | 0 | 0 | 9 | 1.0 | -0.1 |
| | | 3 Years ahead | P | 0 | 1 | 6 | 26 | 33 | 8 | 2 | 0 | 0 | 23 | 1.8 | -0.1 |
| | | | C | 0 | 1 | 6 | 26 | 33 | 8 | 2 | 0 | 0 | 24 | 1.7 | -0.1 |
| | | 5 Years ahead | P | 1 | 2 | 8 | 22 | 23 | 7 | 3 | 1 | 1 | 35 | 2.1 | -0.2 |
| | | | C | 1 | 1 | 7 | 22 | 23 | 7 | 2 | 1 | 1 | 36 | 2.0 | -0.1 |
| Large Enterprises | Manufacturing | 1 Year ahead | P | 0 | 0 | 0 | 11 | 64 | 6 | 1 | 0 | 0 | 17 | 0.2 | -0.1 |
| | | | C | 0 | 0 | 1 | 12 | 61 | 7 | 1 | 0 | 0 | 18 | 0.3 | 0.1 |
| | | 3 Years ahead | P | 0 | 0 | 2 | 15 | 33 | 10 | 2 | 1 | 1 | 37 | 0.1 | -0.1 |
| | | | C | 0 | 0 | 2 | 14 | 32 | 10 | 2 | 1 | 1 | 39 | 0.1 | 0.0 |
| | | 5 Years ahead | P | 0 | 1 | 3 | 12 | 22 | 8 | 3 | 1 | 1 | 49 | -0.1 | 0.0 |
| | | | C | 0 | 1 | 2 | 12 | 20 | 8 | 3 | 1 | 1 | 52 | -0.2 | -0.1 |
| | Nonmanufacturing | 1 Year ahead | P | 0 | 0 | 1 | 17 | 64 | 2 | 0 | 0 | 0 | 15 | 1.0 | 0.0 |
| | | | C | 0 | 0 | 1 | 16 | 65 | 2 | 0 | 0 | 0 | 16 | 0.9 | -0.1 |
| | | 3 Years ahead | P | 0 | 0 | 3 | 20 | 37 | 4 | 1 | 0 | 0 | 35 | 1.5 | -0.1 |
| | | | C | 0 | 0 | 3 | 19 | 38 | 4 | 1 | 0 | 0 | 35 | 1.5 | 0.0 |
| | | 5 Years ahead | P | 0 | 0 | 3 | 19 | 27 | 4 | 1 | 0 | 0 | 45 | 1.8 | 0.0 |
| | | | C | 0 | 0 | 3 | 18 | 28 | 4 | 1 | 1 | 0 | 46 | 1.7 | -0.1 |
| Small Enterprises | Manufacturing | 1 Year ahead | P | 0 | 1 | 3 | 22 | 60 | 8 | 1 | 0 | 0 | 5 | 1.1 | 0.0 |
| | | | C | 0 | 1 | 3 | 22 | 60 | 7 | 1 | 0 | 0 | 6 | 1.0 | -0.1 |
| | | 3 Years ahead | P | 0 | 1 | 7 | 30 | 30 | 10 | 4 | 1 | 0 | 18 | 1.8 | -0.3 |
| | | | C | 0 | 1 | 8 | 29 | 28 | 10 | 3 | 0 | 0 | 19 | 1.9 | 0.1 |
| | | 5 Years ahead | P | 1 | 2 | 10 | 23 | 21 | 8 | 4 | 1 | 1 | 30 | 2.1 | -0.2 |
| | | | C | 1 | 2 | 10 | 23 | 20 | 8 | 4 | 1 | 1 | 31 | 2.2 | 0.1 |
| | Nonmanufacturing | 1 Year ahead | P | 0 | 1 | 4 | 25 | 57 | 5 | 1 | 0 | 0 | 6 | 1.5 | -0.1 |
| | | | C | 0 | 1 | 4 | 23 | 59 | 6 | 1 | 0 | 0 | 6 | 1.3 | -0.2 |
| | | 3 Years ahead | P | 1 | 2 | 9 | 30 | 31 | 8 | 2 | 0 | 0 | 17 | 2.7 | -0.1 |
| | | | C | 0 | 2 | 8 | 31 | 32 | 7 | 2 | 0 | 0 | 18 | 2.4 | -0.3 |
| | | 5 Years ahead | P | 1 | 3 | 11 | 25 | 22 | 6 | 2 | 1 | 0 | 29 | 3.3 | -0.2 |
| | | | C | 1 | 2 | 10 | 26 | 22 | 5 | 2 | 1 | 0 | 31 | 3.1 | -0.2 |

Notes : 1.P...Previous projection,C...Current projection.

2. Respondents are asked to select the alternative nearest to their institution's expectation of the rate of price change for their mainstay domestic products and services, as adjusted to exclude the effects of changes due to institutional factors such as the consumption tax, for "1 year ahead," "3 years ahead," and "5 years ahead" relative to the current level.
3. "The Average of Enterprises' Inflation Outlook" is the weighted average by response percentages and is calculated excluding "Don't know." Response numbers are rounded for calculation purposes: for example, "around +15%" and "around +20% or higher" are rounded to +15% and +20%, respectively.
4. Figures for percentage share of the number of respondents choosing each alternative in this table are those rounded to the nearest integers. The figures rounded to the first decimal place of percentage are available at "The Comprehensive Data Set" of the Tankan Survey as well as the "BOJ Time-Series Data Search."

2. General Prices(Annual Percent Rate Change)

(%, %points)

| | | | | Percentage Share of the Number of Respondents Choosing Each Alternative | | | | | | | | | | | | | (Reference) The Average of Enterprises' Inflation Outlook | | |
|-------------------|-----------------------|---------------|---|---|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|------------------------------|---|-------------------------|------------------------|--|-----|---------|
| | | | | 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. | 9. | 10. | 11-13. Don't have clear views on General Prices | | | | | Changes |
| | | | | around +6% or higher | around +5% | around +4% | around +3% | around +2% | around +1% | around 0% | around -1% | around -2% | around -3% or lower | | 11. Un- certainty | 12. No Influence | 13. Other | | |
| All Enterprises | All industries | 1 Year ahead | P | 1 | 3 | 2 | 11 | 21 | 28 | 18 | 1 | 0 | 0 | 15 | 12 | 2 | 1 | 1.5 | 0.0 |
| | | | C | 1 | 3 | 2 | 9 | 20 | 30 | 19 | 1 | 0 | 0 | 15 | 12 | 2 | 1 | 1.4 | -0.1 |
| | | 3 Years ahead | P | 1 | 3 | 3 | 8 | 20 | 23 | 12 | 1 | 0 | 0 | 30 | 26 | 2 | 1 | 1.6 | 0.0 |
| | | | C | 1 | 3 | 2 | 8 | 20 | 22 | 11 | 1 | 0 | 0 | 31 | 27 | 2 | 1 | 1.6 | 0.0 |
| | | 5 Years ahead | P | 1 | 3 | 3 | 8 | 16 | 16 | 12 | 1 | 0 | 0 | 40 | 36 | 2 | 2 | 1.7 | 0.0 |
| | | | C | 1 | 3 | 2 | 7 | 16 | 16 | 11 | 1 | 0 | 0 | 41 | 37 | 2 | 1 | 1.7 | 0.0 |
| Large Enterprises | Manu- facturing | 1 Year ahead | P | 0 | 0 | 1 | 5 | 15 | 33 | 20 | 0 | 0 | 0 | 26 | 22 | 3 | 2 | 1.1 | 0.0 |
| | | | C | 0 | 1 | 1 | 5 | 16 | 31 | 21 | 1 | 0 | 0 | 27 | 22 | 3 | 1 | 1.1 | 0.0 |
| | | 3 Years ahead | P | 0 | 1 | 1 | 3 | 14 | 23 | 13 | 1 | 0 | 0 | 44 | 39 | 3 | 2 | 1.2 | 0.0 |
| | | | C | 0 | 1 | 1 | 4 | 13 | 24 | 12 | 1 | 0 | 0 | 46 | 41 | 3 | 2 | 1.2 | 0.0 |
| | | 5 Years ahead | P | 0 | 1 | 1 | 3 | 11 | 15 | 12 | 1 | 0 | 0 | 56 | 51 | 3 | 2 | 1.2 | 0.0 |
| | | | C | 0 | 1 | 1 | 3 | 9 | 16 | 11 | 0 | 0 | 0 | 58 | 53 | 3 | 2 | 1.2 | 0.0 |
| | Nonmanu- facturing | 1 Year ahead | P | 0 | 1 | 1 | 5 | 17 | 32 | 20 | 0 | 0 | 0 | 25 | 20 | 3 | 2 | 1.2 | 0.1 |
| | | | C | 0 | 1 | 0 | 5 | 17 | 31 | 22 | 0 | 0 | 0 | 24 | 20 | 3 | 2 | 1.1 | -0.1 |
| | | 3 Years ahead | P | 0 | 1 | 1 | 3 | 16 | 24 | 12 | 1 | 0 | 0 | 42 | 37 | 3 | 2 | 1.2 | 0.0 |
| | | | C | 0 | 1 | 1 | 4 | 15 | 24 | 13 | 1 | 0 | 0 | 42 | 37 | 3 | 2 | 1.2 | 0.0 |
| | | 5 Years ahead | P | 0 | 1 | 1 | 4 | 11 | 18 | 12 | 1 | 0 | 0 | 52 | 47 | 3 | 2 | 1.2 | 0.0 |
| | | | C | 0 | 1 | 1 | 4 | 12 | 16 | 14 | 1 | 0 | 0 | 53 | 48 | 3 | 2 | 1.2 | 0.0 |
| Small Enterprises | Manu- facturing | 1 Year ahead | P | 1 | 4 | 2 | 13 | 24 | 27 | 16 | 1 | 0 | 0 | 12 | 10 | 2 | 1 | 1.7 | 0.0 |
| | | | C | 1 | 5 | 2 | 12 | 24 | 28 | 15 | 1 | 0 | 0 | 12 | 10 | 2 | 1 | 1.7 | 0.0 |
| | | 3 Years ahead | P | 1 | 4 | 4 | 10 | 21 | 23 | 11 | 1 | 1 | 0 | 25 | 22 | 2 | 1 | 1.8 | 0.0 |
| | | | C | 1 | 4 | 3 | 11 | 23 | 22 | 9 | 1 | 1 | 0 | 25 | 23 | 2 | 1 | 1.8 | 0.0 |
| | | 5 Years ahead | P | 2 | 5 | 3 | 9 | 17 | 16 | 11 | 1 | 1 | 1 | 35 | 32 | 2 | 1 | 1.8 | -0.1 |
| | | | C | 2 | 4 | 3 | 9 | 18 | 17 | 10 | 1 | 1 | 0 | 36 | 33 | 2 | 1 | 1.9 | 0.1 |
| | Nonmanu- facturing | 1 Year ahead | P | 1 | 5 | 3 | 13 | 23 | 25 | 17 | 1 | 0 | 0 | 11 | 9 | 2 | 1 | 1.7 | 0.0 |
| | | | C | 1 | 4 | 2 | 12 | 21 | 28 | 19 | 1 | 0 | 0 | 12 | 9 | 2 | 1 | 1.6 | -0.1 |
| | | 3 Years ahead | P | 2 | 5 | 4 | 12 | 22 | 21 | 11 | 1 | 1 | 0 | 23 | 20 | 2 | 1 | 1.8 | 0.0 |
| | | | C | 1 | 4 | 3 | 11 | 22 | 21 | 11 | 2 | 1 | 0 | 24 | 22 | 2 | 1 | 1.8 | 0.0 |
| | | 5 Years ahead | P | 3 | 4 | 3 | 10 | 18 | 15 | 12 | 1 | 1 | 0 | 33 | 30 | 2 | 1 | 1.9 | 0.0 |
| | | | C | 2 | 4 | 3 | 9 | 17 | 15 | 11 | 1 | 1 | 0 | 35 | 32 | 2 | 1 | 1.9 | 0.0 |

Notes : 1.P...Previous projection,C...Current projection.

2. Respondents are asked to select the alternative nearest to their institution's expectation of the annual percentage change in general prices (as measured by the consumer price index) , as adjusted to exclude the effects of changes due to institutional factors such as the consumption tax, for "1 year ahead," "3 years ahead," and "5 years ahead."
3. "11. Uncertainty" and "12. No Influence" represent "Uncertainty over the future outlook is high" and "Not really conscious of inflation fluctuations because they should not influence the strategy of the institution."
4. "The Average of Enterprises' Inflation Outlook" is the weighted average by response percentages and is calculated excluding "Don't have clear views on General Prices." Response numbers are rounded for calculation purposes: for example, "around +5%" and "around +6% or higher" are rounded to +5% and +6%, respectively.
5. Figures for percentage share of the number of respondents choosing each alternative in this table are those rounded to the nearest integers. The figures rounded to the first decimal place of percentage are available at "The Comprehensive Data Set" of the Tankan Survey as well as the "BOJ Time-Series Data Search."

(Reference Charts)

Distribution of "Inflation Outlook of Enterprises"

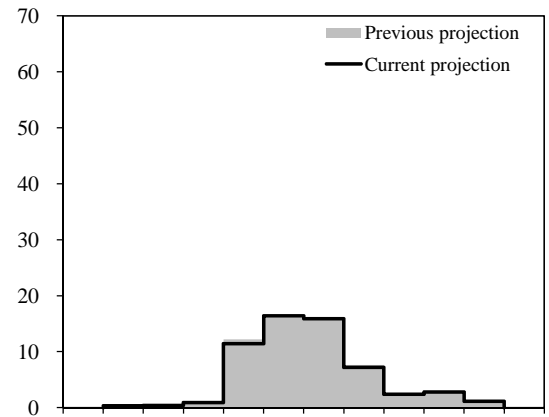
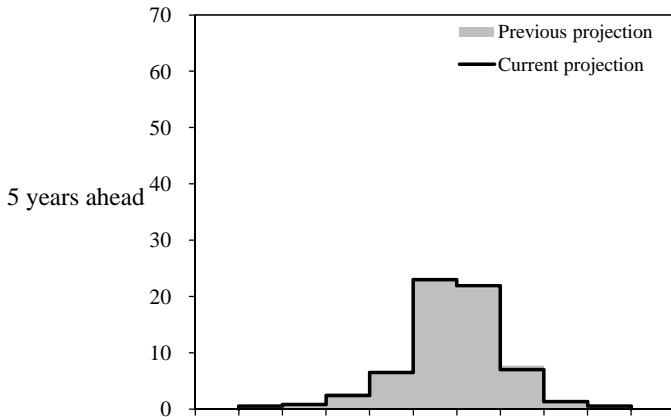
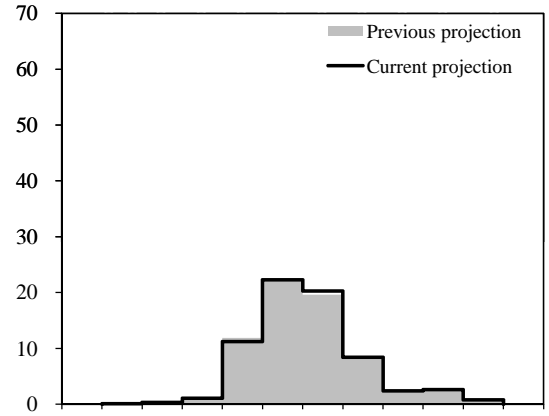
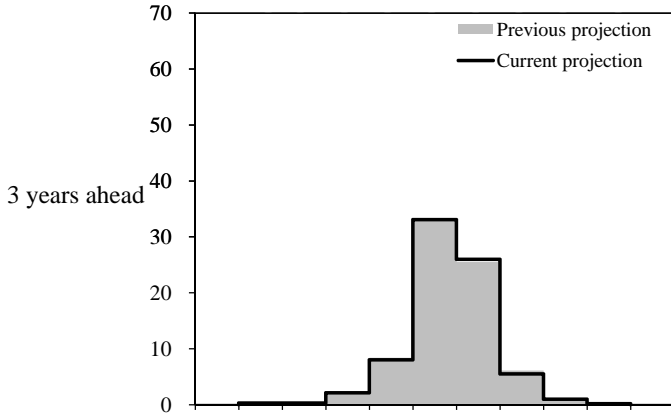
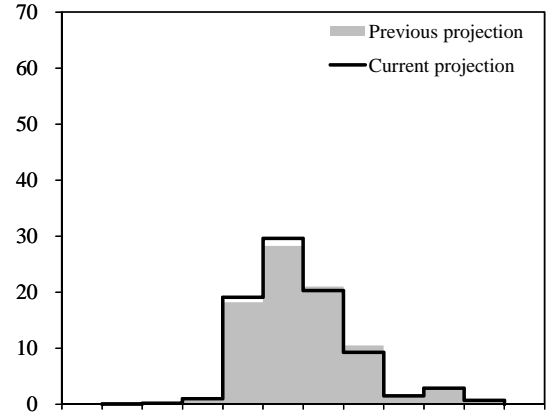
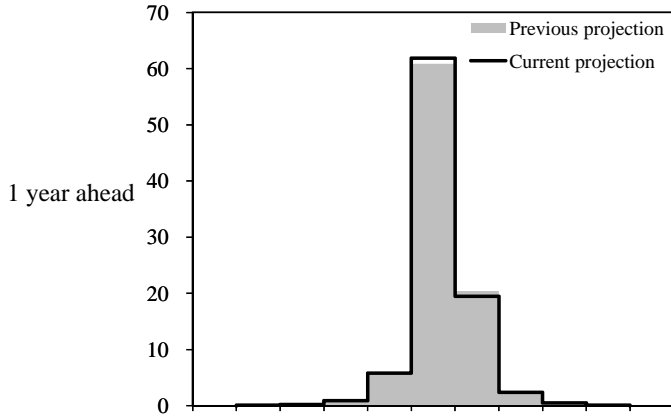
[All Enterprises / All industries]

Output Prices

General Prices

(Percentage Share of the Number of Respondents Choosing Each Alternative,%)

(Percentage Share of the Number of Respondents Choosing Each Alternative,%)



(Rate of Changes Relative to the Current Level)

(Annual Percent Rate Change)

Note : "Don't know" for Output Prices and "Don't have clear views" for General Prices are not shown on the charts.