

TANKAN Summary (June 2004)

121st Short-term Economic Survey of Enterprises in Japan

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July 1, 2004
Research and Statistics Department
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,243	6,173	10,416	97.1%
Large Enterprises	1,183	1,243	2,426	98.1%
Medium-sized Enterprises	1,151	1,678	2,829	97.5%
Small Enterprises	1,909	3,252	5,161	96.3%
Financial institutions	-	-	210	99.5%

Responding Period: May 26 to June 30

Memo: Average of predicted exchange rates expected by large manufacturing enterprises.

	FY 2003			FY 2004		
		1H	2H		1H	2H
March 2004 Survey	114.45	118.02	110.99	108.43	108.49	108.38
June 2004 Survey	113.81	117.99	109.85	106.21	106.36	106.07

(yen per US dollar)

1. Business Conditions

(Diffusion index of "Favorable" minus "Unfavorable", %points)

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	March 2004 Survey		June 2004 Survey				March 2004 Survey		June 2004 Survey				March 2004 Survey		June 2004 Survey			
	Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast				
				Changes					Changes					Changes				
Manufacturing	12	12	22	10	21	-1	5	1	11	6	7	-4	-3	-3	2	5	2	0
Textiles	-6	4	2	8	6	4	-13	-12	-11	2	-12	-1	-41	-37	-40	1	-34	6
Lumber & Wood products	15	8	0	-15	8	8	15	-8	-12	-9	-6	6	-24	-15	-17	7	-16	1
Pulp & Paper	15	22	13	-2	22	9	-2	-2	-2	0	-4	-2	-15	-15	-12	3	-2	10
Chemicals	6	6	14	8	10	-4	3	0	5	2	9	4	4	11	15	11	16	1
Petroleum & Coal products	5	14	23	18	14	-9	19	-4	20	1	5	-15	-14	-24	-32	-18	-25	7
Ceramics, Stone & Clay	-10	-8	10	20	6	-4	-28	-31	-28	0	-39	-11	-33	-36	-32	1	-31	1
Iron & Steel	-2	20	44	46	48	4	23	8	54	31	34	-20	17	15	30	13	24	-6
Nonferrous metals	10	11	31	21	21	-10	23	27	34	11	27	-7	15	4	13	-2	19	6
Food & Beverages	10	4	12	2	14	2	-4	-10	-5	-1	-2	3	-9	-7	-4	5	-1	3
Processed metals	3	-11	11	8	5	-6	-13	-13	0	13	-1	-1	5	1	12	7	8	-4
Industrial machinery	21	24	31	10	33	2	14	17	26	12	24	-2	11	9	13	2	14	1
Electrical machinery	6	17	25	19	30	5	15	7	15	0	11	-4	12	8	17	5	14	-3
Shipbuilding & Heavy machinery etc.	7	-3	0	-7	0	0	18	-4	11	-7	2	-9	-16	-9	0	16	-4	-4
Motor vehicles	42	25	38	-4	30	-8	27	7	27	0	15	-12	35	12	37	2	20	-17
Precision machinery	28	26	36	8	31	-5	30	39	43	13	38	-5	13	17	21	8	19	-2
Basic materials	3	8	18	15	17	-1	1	-2	7	6	1	-6	-15	-14	-11	4	-9	2
Processing	17	14	24	7	23	-1	7	3	13	6	10	-3	4	3	10	6	9	-1
Nonmanufacturing	5	7	9	4	11	2	-7	-6	-1	6	-3	-2	-20	-21	-18	2	-18	0
Construction	-20	-24	-14	6	-14	0	-24	-32	-27	-3	-29	-2	-30	-46	-33	-3	-42	-9
Real estate	19	15	7	-12	5	-2	-6	-3	3	9	3	0	-4	3	4	8	4	0
Wholesaling	12	13	21	9	25	4	-5	0	2	7	-1	-3	-22	-18	-13	9	-14	-1
Retailing	3	6	-4	-7	7	11	-11	-2	-16	-5	-8	8	-23	-17	-27	-4	-19	8
Transportation	0	-1	10	10	11	1	-18	-15	-10	8	-11	-1	-10	-13	-7	3	-11	-4
Communications	8	18	11	3	10	-1	21	19	31	10	23	-8	0	17	9	9	20	11
Information services	13	25	16	3	22	6	9	18	26	17	23	-3	-5	15	2	7	17	15
Electric & Gas utilities	15	9	11	-4	9	-2	20	13	24	4	15	-9	0	-6	0	0	-6	-6
Services for businesses	18	26	20	2	21	1	10	12	20	10	19	-1	-6	-14	-3	3	-7	-4
Services for individuals	4	4	8	4	16	8	-14	-3	0	14	-3	-3	-16	-9	-10	6	-3	7
Restaurants & Accommodations	-25	-7	4	29	8	4	-19	-8	-12	7	-10	2	-34	-21	-27	7	-19	8
Leasing	27	22	19	-8	6	-13	-2	-6	2	4	0	-2	-6	-19	-9	-3	-7	2
All industries	9	9	16	7	16	0	-2	-2	3	5	1	-2	-13	-15	-10	3	-10	0

	All Enterprises					
Manufacturing	4	2	10	6	9	-1
Nonmanufacturing	-11	-11	-8	3	-8	0
All industries	-5	-6	0	5	-1	-1

(Notes) 1. Response rate = The number of enterprises that responded to the question on Business Conditions / The number of sample enterprises*100

2. Actual result: Judgement at the time of the survey, Forecast: Judgement at the time of three months hence.

Changes in actual result = "Actual result of the current survey" minus "Actual result of the previous survey"

Changes in forecast = "Forecast of the current survey" minus "Actual result of the current survey"

3. "Shipbuilding & Heavy machinery etc." indicates Transportation machinery excluding Motor vehicles.

1. Business Conditions (Continued)

<Memo> Percentage share of the number of respondents choosing each alternative

(%, %points)

	March 2004 Survey			June 2004 Survey					
	Actual result			Actual result			Forecast		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises	Large Enterprises	Medium-sized Enterprises	Small Enterprises	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Manufacturing	12	5	-3	22	11	2	21	7	2
1.Favorable	24	24	22	30	28	24	26	22	22
2.Not so favorable	64	57	53	62	55	54	69	63	58
3.Unfavorable	12	19	25	8	17	22	5	15	20
Nonmanufacturing	5	-7	-20	9	-1	-18	11	-3	-18
1.Favorable	19	15	12	21	18	13	20	15	12
2.Not so favorable	67	63	56	67	63	56	71	67	58
3.Unfavorable	14	22	32	12	19	31	9	18	30

(Note) Business Conditions DI = Diffusion index of "Favorable" minus "Unfavorable"

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		March 2004 Survey		June 2004 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-15	-16	-10	5	-11	-1
	Basic materials	-16	-16	-12	4	-12	0
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-15	-16	-11	4	-11	0
	Nonmanufacturing	-28	-29	-26	2	-27	-1
Overseas Supply & Demand Conditions for Products:	Manufacturing	-2	-4	3	5	0	-3
	Basic materials	-6	-6	-1	5	-3	-2
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-2	-2	5	7	2	-3

Inventory Level of Finished Goods & Merchandise:	Manufacturing	16	/	13	-3	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	15	/	11	-4	/	/
	Processing	17	/	13	-4	/	/
Wholesalers' Inventory Level:	Manufacturing	14	/	10	-4	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	13	/	9	-4	/	/
	Processing	15	/	12	-3	/	/

Change in Output Prices:	Manufacturing	-15	-15	-10	5	-8	2
	Basic materials	2	0	4	2	7	3
Diffusion index of "Rise" minus "Fall"	Processing	-24	-22	-18	6	-17	1
	Nonmanufacturing	-20	-20	-19	1	-14	5
Change in Input Prices:	Manufacturing	15	18	30	15	28	-2
	Basic materials	31	30	40	9	34	-6
Diffusion index of "Rise" minus "Fall"	Processing	8	12	25	17	26	1
	Nonmanufacturing	-1	0	5	6	7	2

(%points)

		Small Enterprises					
		March 2004 Survey		June 2004 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-27	-28	-26	1	-26	0
	Basic materials	-38	-37	-37	1	-38	-1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-20	-22	-19	1	-21	-2
	Nonmanufacturing	-43	-43	-41	2	-41	0
Overseas Supply & Demand Conditions for Products:	Manufacturing	-10	-9	-9	1	-11	-2
	Basic materials	-15	-15	-17	-2	-18	-1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-7	-7	-5	2	-6	-1

Inventory Level of Finished Goods & Merchandise:	Manufacturing	13	/	13	0	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	18	/	18	0	/	/
	Processing	11	/	9	-2	/	/
Wholesalers' Inventory Level:	Manufacturing	16	/	15	-1	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	21	/	22	1	/	/
	Processing	13	/	10	-3	/	/

Change in Output Prices:	Manufacturing	-26	-24	-19	7	-18	1
	Basic materials	-14	-12	-10	4	-11	-1
Diffusion index of "Rise" minus "Fall"	Processing	-33	-32	-24	9	-23	1
	Nonmanufacturing	-32	-32	-28	4	-26	2
Change in Input Prices:	Manufacturing	26	31	39	13	42	3
	Basic materials	29	34	39	10	43	4
Diffusion index of "Rise" minus "Fall"	Processing	23	31	39	16	42	3
	Nonmanufacturing	1	5	14	13	18	4

3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	1.4	0.7	2.4	2.3
	Domestic Sales	0.6	0.7	1.6	1.8
	Exports	3.7	0.9	5.1	3.7
	Nonmanufacturing	0.7	-0.3	1.4	0.0
	All industries	1.0	0.1	1.8	0.9
Medium-sized Enterprises	Manufacturing	4.1	0.8	3.3	1.3
	Nonmanufacturing	-0.1	0.7	1.4	0.3
	All industries	0.9	0.7	1.9	0.5
Small Enterprises	Manufacturing	2.6	1.0	2.9	1.7
	Nonmanufacturing	-0.7	0.8	-0.4	0.3
	All industries	0.0	0.8	0.3	0.6
All Enterprises	Manufacturing	2.0	0.8	2.7	2.0
	Nonmanufacturing	0.1	0.2	0.8	0.1
	All industries	0.7	0.4	1.4	0.7

(Note) Revision rates are calculated as the percentage change of the figures between the current and the previous survey.

(Year-to-year % change)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
0.8	1.9	1.5	2.7	1.7	2.3	2.7
0.0	1.2	1.5	1.7	1.1	1.5	2.4
3.2	4.2	1.7	5.6	3.7	4.7	3.7
0.8	0.6	-0.3	1.8	0.6	1.0	-0.6
0.8	1.1	0.4	2.1	1.0	1.5	0.7
3.8	4.4	1.4	5.2	1.4	1.5	1.2
-0.9	0.6	1.0	1.5	0.4	1.4	0.1
0.2	1.5	1.1	2.4	0.6	1.4	0.4
1.0	4.2	1.8	4.2	1.6	1.7	1.8
-1.6	0.1	1.5	0.6	0.4	-1.3	0.2
-1.0	0.9	1.6	1.3	0.6	-0.7	0.5
1.3	2.7	1.5	3.3	1.7	2.0	2.3
-0.3	0.5	0.5	1.3	0.5	0.4	-0.2
0.2	1.1	0.8	2.0	0.9	0.9	0.6

Current Profits (Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	20.3	2.4	10.6	5.5
	Basic materials	22.5	2.9	14.0	7.3
	Processing	19.1	2.1	8.8	4.5
	Nonmanufacturing	10.7	4.2	7.0	4.5
	All industries	15.1	3.3	8.8	5.0
Medium-sized Enterprises	Manufacturing	30.4	7.1	14.9	7.1
	Nonmanufacturing	11.6	6.3	13.5	3.4
	All industries	17.3	6.6	14.0	4.7
Small Enterprises	Manufacturing	35.7	8.0	17.5	5.4
	Nonmanufacturing	2.2	5.5	9.2	-2.4
	All industries	9.8	6.2	11.5	-0.2
All Enterprises	Manufacturing	23.2	3.6	12.0	5.7
	Nonmanufacturing	8.7	4.9	8.6	2.6
	All industries	14.4	4.3	10.1	3.9

(Year-to-year % change)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
31.3	12.5	4.2	5.0	0.7	15.3	9.5
33.2	14.3	5.5	9.4	1.2	18.0	12.9
30.2	11.5	3.6	2.5	0.4	13.9	7.7
3.7	17.5	8.2	7.3	2.7	6.8	6.2
15.3	15.0	6.3	6.2	1.7	10.9	7.8
40.6	24.6	12.7	21.8	6.2	10.4	7.8
7.2	14.2	8.0	19.7	2.4	10.1	4.1
17.1	17.4	9.5	20.5	3.7	10.2	5.3
31.4	38.8	12.2	31.2	5.1	8.5	5.6
-8.7	8.9	8.6	27.6	-3.4	-0.3	-1.7
1.0	15.5	9.5	28.7	-0.9	2.0	0.2
32.2	16.9	6.3	9.8	1.9	13.7	8.8
1.5	14.5	8.3	13.1	1.2	5.5	3.7
12.9	15.5	7.4	11.6	1.5	8.9	5.8

3. Sales and Current Profits(Continued)

Ratio of Current Profit to Sales (% , %points)

		FY2003		FY2004	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	4.90	0.08	5.29	0.16
	Nonmanufacturing	3.40	0.15	3.59	0.15
	All industries	3.99	0.12	4.27	0.17
Medium-sized Enterprises	Manufacturing	3.28	0.20	3.65	0.20
	Nonmanufacturing	2.15	0.12	2.40	0.07
	All industries	2.43	0.14	2.72	0.11
Small Enterprises	Manufacturing	3.14	0.20	3.59	0.13
	Nonmanufacturing	2.07	0.09	2.27	-0.07
	All industries	2.29	0.11	2.55	-0.02
All Enterprises	Manufacturing	4.34	0.12	4.74	0.17
	Nonmanufacturing	2.72	0.12	2.93	0.07
	All industries	3.23	0.12	3.51	0.11

(% , %points)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
		Changes	(Forecast)	Changes	(Forecast)	Changes
4.64	5.14	0.13	4.74	-0.05	5.80	0.36
3.27	3.53	0.28	3.45	0.07	3.73	0.24
3.81	4.16	0.23	3.96	0.03	4.55	0.30
2.68	3.83	0.39	3.11	0.14	4.16	0.25
1.62	2.62	0.17	1.91	0.04	2.85	0.11
1.89	2.92	0.22	2.22	0.07	3.17	0.14
2.60	3.65	0.34	3.27	0.11	3.89	0.14
1.48	2.61	0.17	1.88	-0.07	2.64	-0.05
1.71	2.83	0.21	2.17	-0.04	2.90	-0.01
3.98	4.68	0.21	4.22	0.00	5.21	0.30
2.36	3.05	0.22	2.64	0.02	3.20	0.11
2.87	3.56	0.22	3.14	0.02	3.84	0.19

Net Income (Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	76.6	-11.0	58.4	15.0
	Basic materials	61.1	-21.9	147.0	49.6
	Processing	82.7	-6.4	27.9	-0.4
	Nonmanufacturing	216.9	-13.3	48.1	12.7
	All industries	127.4	-12.2	53.2	13.8
Medium-sized Enterprises	Manufacturing	41.5	1.6	46.5	9.4
	Nonmanufacturing	77.1	-19.8	69.2	3.0
	All industries	58.9	-11.3	58.9	5.6
Small Enterprises	Manufacturing	63.7	2.0	42.8	-0.4
	Nonmanufacturing	13.8	1.6	39.4	1.3
	All industries	25.8	1.7	40.5	0.8
All Enterprises	Manufacturing	69.7	-7.9	54.8	12.0
	Nonmanufacturing	103.3	-10.8	48.3	8.3
	All industries	86.6	-9.5	51.2	10.0

(Year-to-year % change)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
56.0	115.0	-22.8	29.4	15.0	97.6	15.0
60.0	65.0	-54.9	73.2	57.8	387.2	41.2
54.1	126.3	-12.5	6.9	-6.3	49.8	4.5
21.4	Profit	-29.8	8.9	13.4	118.5	12.0
35.5	Profit	-26.2	18.5	14.2	107.2	13.5
73.5	26.5	1.5	50.1	9.1	44.2	9.6
-31.2	161.2	-23.9	74.7	-9.9	68.1	6.3
14.0	86.0	-15.9	58.5	1.1	59.0	7.4
62.9	64.3	-1.2	39.0	-3.8	46.0	2.5
-31.8	39.1	4.5	114.0	6.0	19.1	-0.8
-4.5	44.4	3.1	77.2	2.0	25.5	0.0
58.2	85.2	-16.6	32.4	11.6	80.6	12.4
8.0	891.5	-18.1	24.0	10.1	70.3	7.2
27.6	249.7	-17.5	28.1	10.9	74.6	9.4

4. Fixed Investment etc.

Fixed Investment including Land Purchasing Expenses

(Year-to-year % change)

(Year-to-year % change)

		FY2003		FY2004		1H FY2003	2H FY2003		1H FY2004		2H FY2004	
			Revision rate	(Forecast)	Revision rate			Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.4	-3.7	20.4	8.0	-2.6	12.8	-6.0	42.5	16.3	2.9	0.1
	Nonmanufacturing	-0.1	-1.2	-0.5	2.5	0.2	-0.3	-2.1	2.6	2.5	-2.9	2.4
	All industries	1.5	-2.0	5.7	4.3	-0.6	3.3	-3.3	14.1	7.1	-1.2	1.7
Medium-sized Enterprises	Manufacturing	8.4	1.0	7.7	2.9	4.4	12.1	2.4	21.6	2.7	-4.2	3.0
	Nonmanufacturing	1.7	2.4	1.9	4.3	-10.0	13.8	3.1	8.4	0.2	-3.5	8.3
	All industries	3.5	2.0	3.5	3.9	-6.3	13.3	2.9	12.2	1.0	-3.7	6.8
Small Enterprises	Manufacturing	13.1	3.6	-0.9	14.9	14.1	12.2	5.2	10.3	11.1	-11.5	19.6
	Nonmanufacturing	12.3	5.6	-18.3	8.5	30.0	-3.3	9.0	-17.2	11.4	-19.6	5.2
	All industries	12.5	5.1	-14.1	10.2	26.1	0.4	8.0	-11.1	11.3	-17.5	8.9
All Enterprises	Manufacturing	7.0	-1.9	15.3	8.0	0.8	12.6	-3.4	34.1	13.4	-0.2	2.6
	Nonmanufacturing	2.3	0.5	-3.3	3.7	3.3	1.3	0.3	-0.6	3.6	-5.6	3.8
	All industries	3.5	-0.2	2.0	5.0	2.6	4.3	-0.8	8.9	6.7	-4.0	3.4

Software Investment

(Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	7.4	10.2	-7.3	2.7
	Nonmanufacturing	-8.7	3.3	-0.3	3.3
	All industries	-3.5	5.7	-2.8	3.1
Medium-sized Enterprises	Manufacturing	22.8	0.4	18.2	4.3
	Nonmanufacturing	-0.8	-1.7	5.6	-0.1
	All industries	1.0	-1.5	6.8	0.3
Small Enterprises	Manufacturing	-6.4	-7.1	21.4	3.2
	Nonmanufacturing	31.2	1.1	-11.1	6.8
	All industries	22.7	-0.5	-5.4	5.9
All Enterprises	Manufacturing	7.3	8.6	-4.5	2.9
	Nonmanufacturing	-4.1	1.9	0.0	2.7
	All industries	-1.0	3.8	-1.3	2.8

Software and Fixed Investment excluding Land Purchasing Expenses

(Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.6	-3.2	20.1	7.8
	Nonmanufacturing	-1.3	-1.7	2.6	2.5
	All industries	0.7	-2.2	7.9	4.3
Medium-sized Enterprises	Manufacturing	7.6	0.7	11.6	2.8
	Nonmanufacturing	1.6	0.9	5.9	3.3
	All industries	3.1	0.9	7.4	3.2
Small Enterprises	Manufacturing	8.8	3.8	9.4	13.6
	Nonmanufacturing	5.6	5.4	-6.3	6.4
	All industries	6.3	5.0	-2.4	8.3
All Enterprises	Manufacturing	6.3	-1.8	17.4	7.7
	Nonmanufacturing	0.2	-0.3	1.8	3.2
	All industries	1.9	-0.7	6.3	4.6

Land Purchasing Expenses

(Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	7.0	32.3	-65.3	-13.2
	Nonmanufacturing	11.2	21.4	-66.7	1.1
	All industries	10.3	23.6	-66.4	-2.5
Medium-sized Enterprises	Manufacturing	47.1	7.5	-74.0	8.3
	Nonmanufacturing	0.4	14.2	-36.9	14.2
	All industries	5.4	13.1	-42.5	13.8
Small Enterprises	Manufacturing	46.5	-0.4	-67.1	38.3
	Nonmanufacturing	68.3	5.0	-72.2	55.0
	All industries	63.8	4.0	-71.2	51.2
All Enterprises	Manufacturing	25.4	13.7	-67.3	4.7
	Nonmanufacturing	26.4	12.7	-63.3	18.5
	All industries	26.2	12.9	-64.0	15.9

Production Capacity

(Diffusion index of "Excessive capacity" minus "Insufficient capacity", %points)

		March 2004 Survey		June 2004 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	11	8	5	-6	5	0
	Nonmanufacturing	3	1	3	0	1	-2
	All industries	6	5	5	-1	3	-2
Medium-sized Enterprises	Manufacturing	9	8	6	-3	4	-2
	Nonmanufacturing	2	-1	1	-1	-1	-2
	All industries	5	3	3	-2	2	-1
Small Enterprises	Manufacturing	5	3	5	0	2	-3
	Nonmanufacturing	4	2	5	1	3	-2
	All industries	5	3	4	-1	2	-2
All Enterprises	Manufacturing	8	6	5	-3	3	-2
	Nonmanufacturing	3	1	4	1	1	-3
	All industries	5	4	4	-1	2	-2

4. Fixed Investment etc.(Continued)

Fixed Investment including Land Purchasing Expenses of Financial institutions (Year-to-year % change)

	FY2003		FY2004	
		Revision rate	(Forecast)	Revision rate
Financial institutions	37.4	-3.6	-18.0	2.0
Banks	-0.8	-3.1	8.6	2.6
Shinkin banks & Other financial institutions for small businesses	-1.3	6.5	1.6	9.9
Securities companies	11.5	2.3	6.7	17.8
Insurance companies	109.0	-6.5	-39.8	-1.9
Non-deposit money corporations	42.3	-1.9	-23.5	-0.1
(Memo) All industries including Financial institutions	4.3	-0.3	1.4	4.9
Nonmanufacturing including Financial institutions	3.3	0.3	-3.9	3.6

Software Investment of Financial institutions (Year-to-year % change)

Financial institutions	-0.7	-1.2	20.0	16.0
Banks	3.1	-0.7	16.4	18.0
Shinkin banks & Other financial institutions for small businesses	-12.0	0.6	12.6	1.7
Securities companies	15.7	2.9	44.8	45.7
Insurance companies	-12.6	-5.4	11.3	-4.5
Non-deposit money corporations	-11.9	-2.2	28.5	15.6
(Memo) All industries including Financial institutions	-0.9	2.9	2.1	5.0
Nonmanufacturing including Financial institutions	-3.4	1.2	4.3	5.7

Land Purchasing Expenses of Financial institutions (Year-to-year % change)

Financial institutions	236.3	0.7	-77.4	26.2
Banks	28.3	5.7	-28.2	83.9
Shinkin banks & Other financial institutions for small businesses	-16.9	14.5	-70.7	-14.1
Securities companies	-100.0	-	-	-
Insurance companies	420.1	-0.9	-79.7	16.2
Non-deposit money corporations	1630.7	0.0	-97.1	309.7
(Memo) All industries including Financial institutions	33.5	11.7	-65.2	16.5
Nonmanufacturing including Financial institutions	35.4	11.3	-64.8	19.0

Software and Fixed Investment excluding Land Purchasing Expenses of Financial institutions (Year-to-year % change)

Financial institutions	9.0	-3.4	7.9	7.1
Banks	0.4	-2.2	13.8	9.1
Shinkin banks & Other financial institutions for small businesses	-0.5	4.3	14.9	9.6
Securities companies	16.3	2.7	34.4	38.6
Insurance companies	31.6	-8.2	-11.2	-4.1
Non-deposit money corporations	-4.4	-2.6	16.6	4.4
(Memo) All industries including Financial institutions	2.1	-0.8	6.4	4.7
Nonmanufacturing including Financial institutions	0.6	-0.4	2.1	3.4

5. Employment

Employment Conditions (Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

		March 2004 Survey		June 2004 Survey			
		Actual result	Forecast	Actual result		Forecast	
					Changes		Changes
Large Enterprises	Manufacturing	13	11	10	-3	8	-2
	Nonmanufacturing	4	2	3	-1	1	-2
	All industries	8	7	6	-2	4	-2
Medium-sized Enterprises	Manufacturing	4	6	2	-2	0	-2
	Nonmanufacturing	4	0	3	-1	-3	-6
	All industries	4	3	3	-1	-2	-5
Small Enterprises	Manufacturing	3	2	5	2	2	-3
	Nonmanufacturing	2	3	5	3	1	-4
	All industries	2	2	5	3	1	-4
All Enterprises	Manufacturing	5	5	6	1	3	-3
	Nonmanufacturing	3	2	4	1	0	-4
	All industries	4	3	4	0	1	-3

Number of Employees (All industries) (Year-to-year % change)

	end of June 2003	end of Sept. 2003	end of Dec. 2003	end of Mar. 2004
Large Enterprises	-	-2.3	-1.8	-1.6
Medium-sized Enterprises	-	0.4	0.4	-0.1
Small Enterprises	-	0.8	1.5	0.9
All Enterprises	-	-0.4	0.1	-0.2
All Enterprises & Financial institutions	-	-0.5	-0.1	-0.3
Financial institutions	-	-3.7	-3.9	-1.9

Number of New Graduates Hired (All industries)

(Surveyed only in June and December) (Year-to-year % change)

	FY2003		FY2004		FY2005	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	-12.5	1.4	-0.4	3.8	7.4	-
Medium-sized Enterprises	-7.9	-1.8	1.8	-0.1	1.4	-
Small Enterprises	0.7	3.1	5.7	10.5	-5.9	-
All Enterprises	-6.2	1.3	2.7	5.7	0.2	-
All Enterprises & Financial institutions	-6.5	1.6	1.7	5.6	1.9	-
Financial institutions	-10.2	5.4	-11.4	3.9	27.1	-

6. Corporate Finance

Financial Position (All industries)

(Diffusion index of "Easy" minus "Tight", %points)

	March 2004 Survey		June 2004 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	15		18
Medium-sized Enterprises	1		5	4
Small Enterprises	-11		-8	3
All Enterprises	-1		2	3

Lending Attitude of Financial institutions (All industries)

(Diffusion index of "Accommodative" minus "Severe", %points)

	March 2004 Survey		June 2004 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	12		16
Medium-sized Enterprises	2		7	5
Small Enterprises	-2		2	4
All Enterprises	3		7	4

Change in Interest Rate on Loans (All industries)

(Diffusion index of "Rise" minus "Fall", %points)

	March 2004 Survey		June 2004 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Large Enterprises	3	11	3	0	16
Medium-sized Enterprises	7	18	6	-1	21	15
Small Enterprises	7	18	7	0	22	15
All Enterprises	6	17	6	0	20	14

Condition for CP Issuance (All industries)

(Diffusion index of "Easy" minus "Severe", %points)

	March 2004 Survey		June 2004 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	-4		-1

Ratio of Liquidity (All industries)

(Months)

	end of June 2003	end of Sept. 2003	end of Dec. 2003	end of March 2004
Large Enterprises	-	1.00	0.96	1.03
Medium-sized Enterprises	-	1.11	1.12	1.16
Small Enterprises	-	1.64	1.64	1.71
All Enterprises	-	1.19	1.18	1.24

Ratio of Liquidity =

Quarter-end balance of cash, deposits, and securities listed as liquid assets

Monthly average sales during the fiscal year, which includes the related quarter

7. Business Conditions of Financial institutions

Business Conditions

(Diffusion index of "Favorable" minus "Unfavorable", %points)

	March 2004 Survey		June 2004 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	33	43	36	3	40
Shinkin banks & Other financial institutions for small businesses	11	17	17	6	26	9
Securities companies	59	74	61	2	58	-3
Insurance companies	34	37	48	14	52	4
Non-deposit money corporations	22	45	41	19	64	23
Financial institutions	32	41	40	8	45	5

Production Capacity

(Diffusion index of "Excessive capacity" minus "Insufficient capacity", %points)

	March 2004 Survey		June 2004 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	6	5	4	-2	2
Shinkin banks & Other financial institutions for small businesses	-2	3	-6	-4	-3	3
Securities companies	-4	-4	-4	0	-8	-4
Insurance companies	-3	-3	5	8	2	-3
Non-deposit money corporations	-5	0	-9	-4	-14	-5
Financial institutions	1	1	0	-1	-1	-1

Employment Conditions

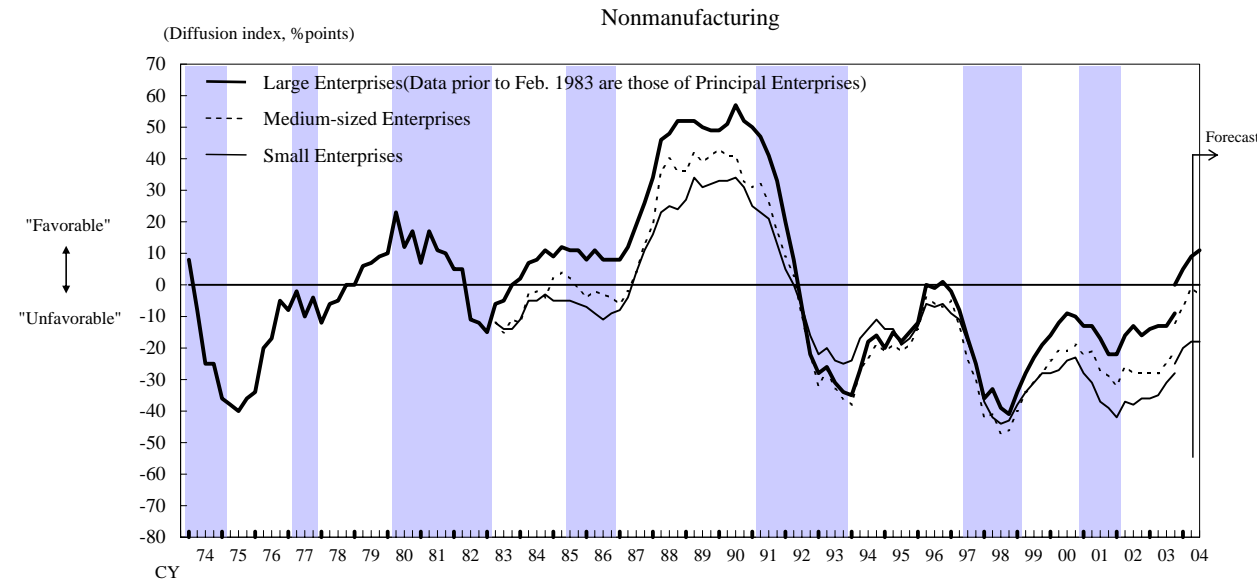
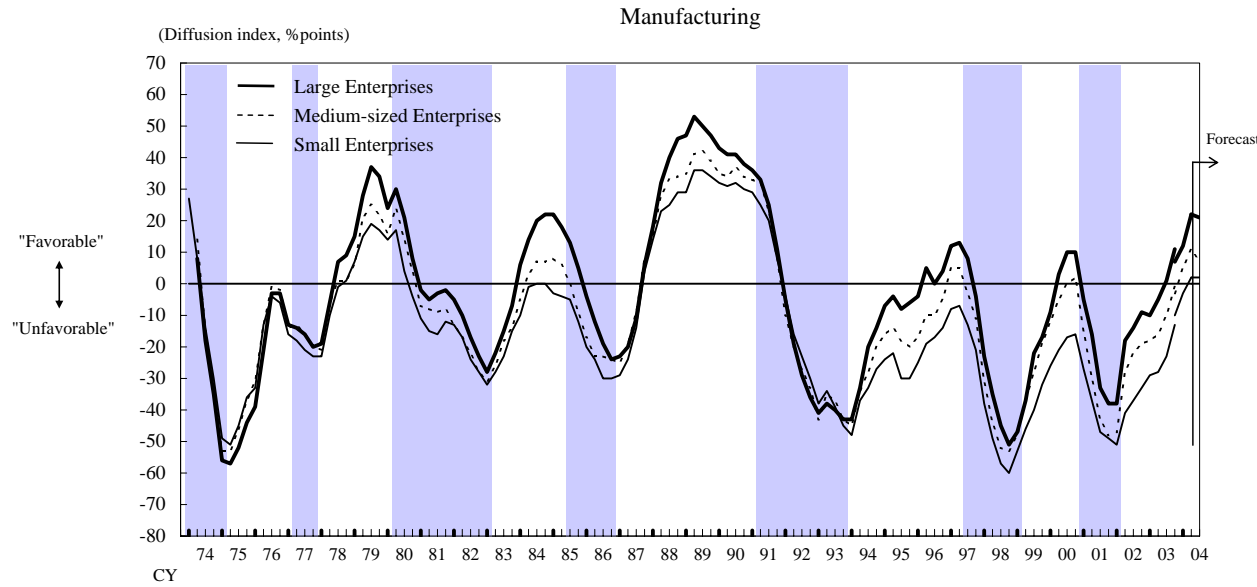
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	March 2004 Survey		June 2004 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	4	-3	0	-4	-4
Shinkin banks & Other financial institutions for small businesses	26	12	17	-9	6	-11
Securities companies	-22	-33	-31	-9	-35	-4
Insurance companies	2	-10	-6	-8	-10	-4
Non-deposit money corporations	-5	-9	-4	1	-9	-5
Financial institutions	3	-6	-2	-5	-8	-6

(Reference Charts)

- Notes: 1. Unless otherwise noted, shaded areas indicate periods of recession (according to the Cabinet Office).
 2. There is no continuity between the figures up to the December 2003 survey and those from the March 2004 survey (As for the December 2003 survey, the results of preliminary survey based on "Capital" are also shown.)
 3. The "Principal enterprise" survey has been abolished from the March 2004 survey.

[Business Conditions]



Peaks and Bottoms of Business Conditions (from May 1974)

(Diffusion index of "Favorable" minus "Unfavorable", %points)

Manufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-57 (75/5)		-53 (75/2,5)		-51 (75/5)
-3 (76/8,11)	-20 (77/11)	-1 (76/8)	-21 (78/2)	-4 (76/8)	-23 (77/11,78/2)
37 (79/8)	-28 (83/2)	25 (79/8)	-31 (83/2)	19 (79/8)	-32 (83/2)
22 (84/11,85/2)	-24 (86/11)	8 (85/2)	-25 (87/2)	0 (84/8,11)	-30 (86/8,11)
53 (89/5)	-43 (93/11,94/2)	42 (89/8)	-45 (94/2)	36 (89/5,8)	-48 (94/2)
13 (97/6)	-51 (98/12)	5 (97/3,6)	-53 (98/12)	-7 (97/6)	-60 (98/12)
10 (00/9,12)	-38 (01/12,02/3)	2 (00/12)	-48 (01/12)	-16 (00/12)	-51 (02/3)

	June 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	22	11	2
Forecast	21	7	2

Peaks and Bottoms of Business Conditions (from May 1983)

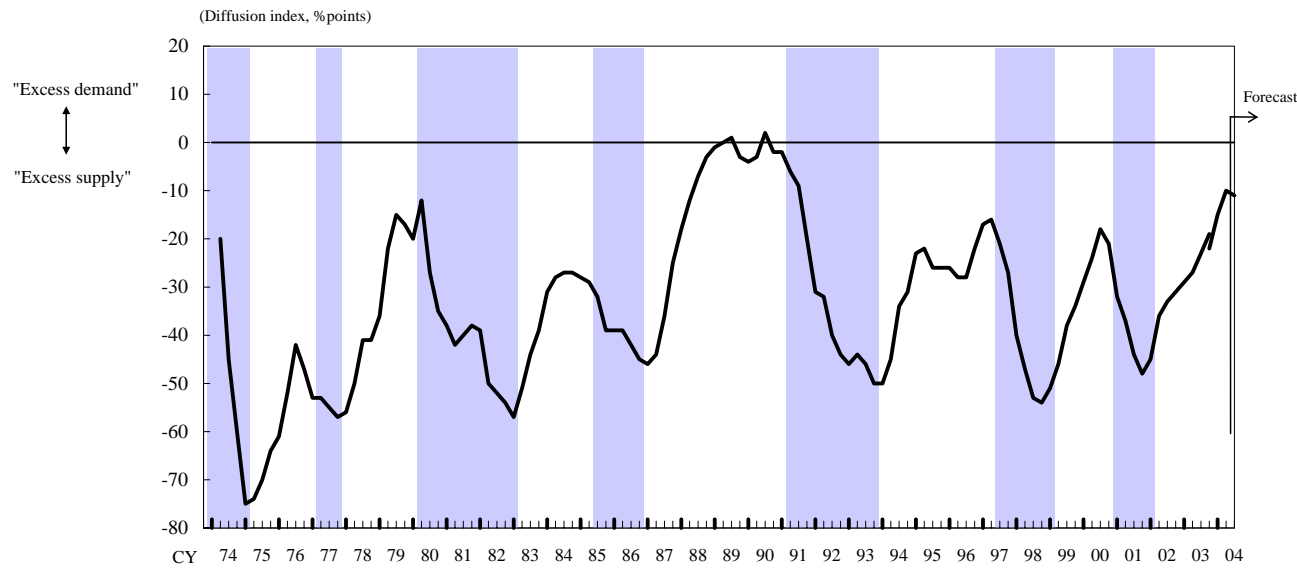
(Diffusion index of "Favorable" minus "Unfavorable", %points)

Nonmanufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (83/5)		-15 (83/8)		-14 (83/8,11)
12 (85/5)	8 (86/2,8,11,87/2)	4 (85/5)	-6 (87/2)	-3 (84/11)	-11 (86/8)
57 (90/8)	-35 (94/2)	43 (90/2)	-38 (94/2)	34 (89/5,90/8)	-25 (93/11)
1 (96/11)	-41 (98/12)	-4 (96/5)	-47 (98/9)	-6 (96/5,11)	-44 (98/9)
-9 (00/9)	-22 (01/12,02/3)	-19 (00/12)	-32 (02/3)	-23 (00/12)	-42 (02/3)

	June 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	9	-1	-18
Forecast	11	-3	-18

[Supply and Demand Conditions and Prices (Large Manufacturing Enterprises)]

Domestic Supply and Demand Conditions for Products and Services



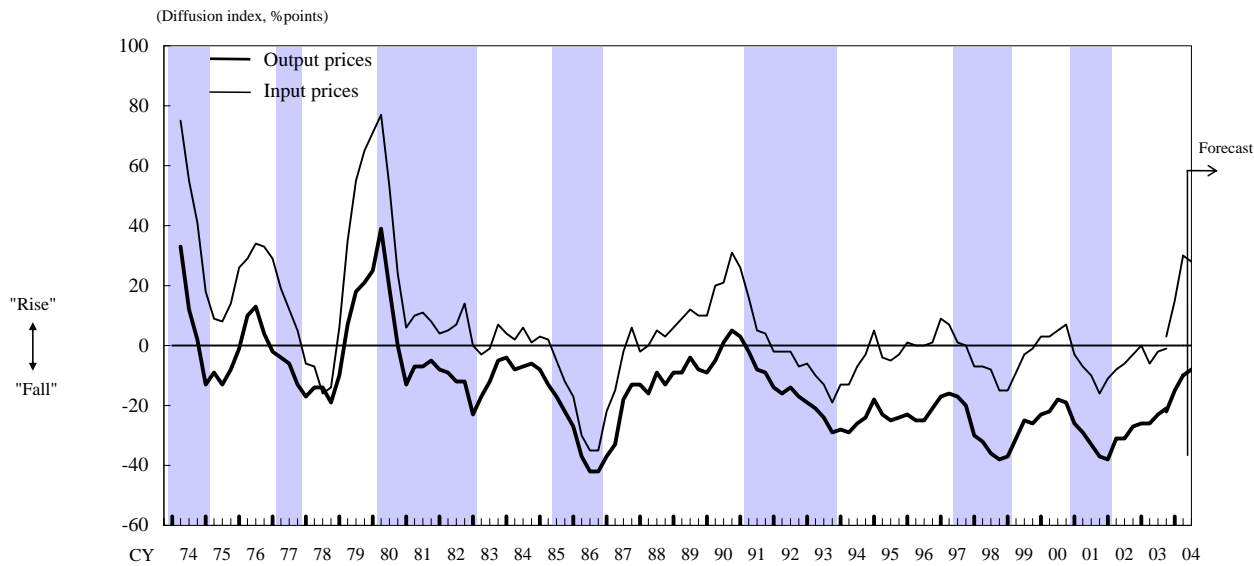
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(Diffusion index of "Excess demand" minus "Excess supply", %points)

Large Manufacturing Enterprises	
Peak	Bottom
	-75 (75/2)
-42 (76/8)	-57 (77/11)
-12 (80/5)	-57 (83/2)
-27 (84/8,11)	-46 (87/2)
2 (90/8)	-50 (93/11,94/2)
-16 (97/6)	-54 (98/12)
-18 (00/9)	-48 (01/12)

June 2004 survey	
Actual result	-10
Forecast	-11

Prices



Peaks and Bottoms of Prices (from May 1974)

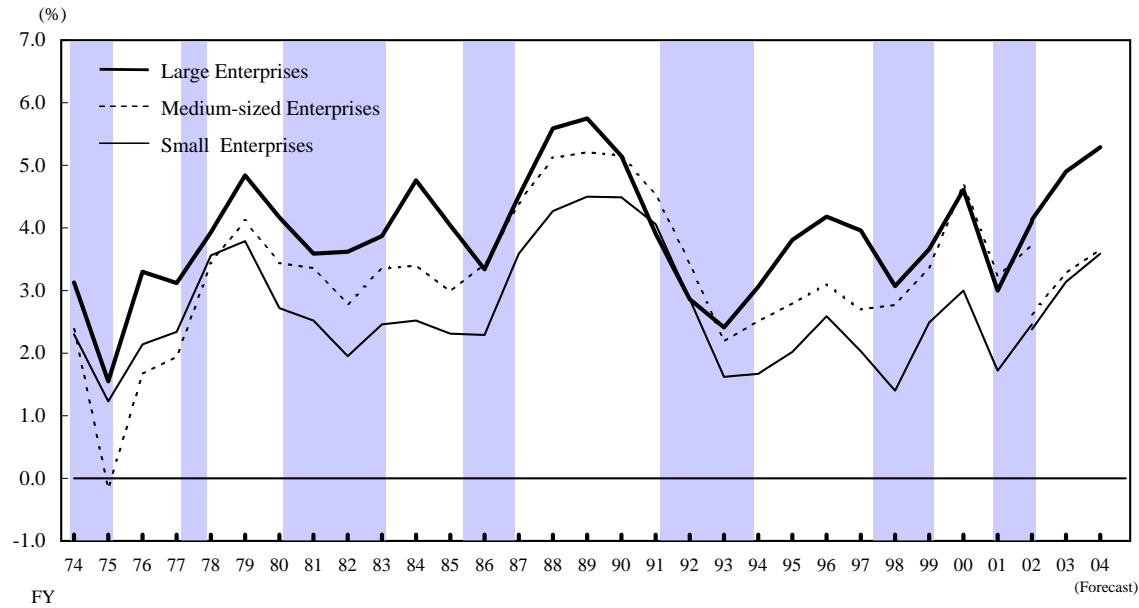
(Diffusion index of "Rise" minus "Fall", %points)

Large Manufacturing Enterprises			
Output Prices		Input Prices	
Peak	Bottom	Peak	Bottom
	-13 (75/2,8)		8 (75/8)
13 (76/8)	-19 (78/11)	34 (76/8)	-16 (78/8)
39 (80/5)	-23 (83/2)	77 (80/5)	4 (82/2)
-4 (84/2)	-42 (86/8,11)	14 (82/11)	-35 (86/8,11)
5 (90/11)	-29 (93/11,94/5)	31 (90/11)	-19 (93/11)
-16 (97/6)	-38 (98/12)	9 (97/3)	-15 (98/12,99/3)
-18 (00/9)	-38 (02/3)	7 (00/12)	-16 (01/12)

June 2004 survey		
	Output Prices	Input Prices
Actual result	-10	30
Forecast	-8	28

[Ratio of Current Profit to Sales]

Manufacturing

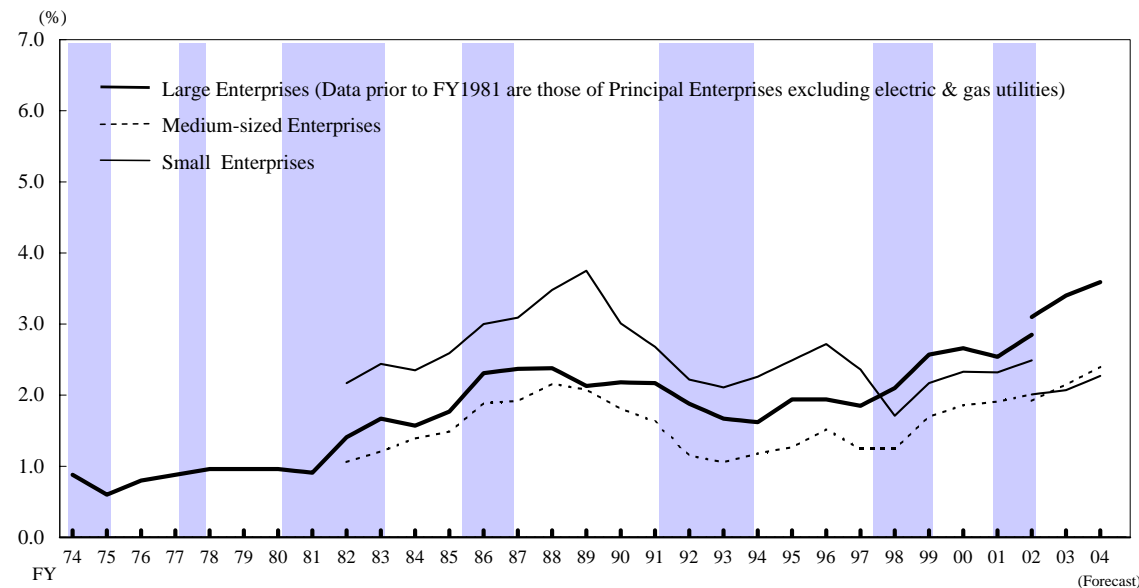


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974)

Manufacturing (%)					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	1.55 (FY75)		-0.16 (FY75)		1.23 (FY75)
4.84 (FY79)	3.59 (FY81)	4.12 (FY79)	2.78 (FY82)	3.79 (FY79)	1.95 (FY82)
4.76 (FY84)	3.34 (FY86)	3.40 (FY84)	2.99 (FY85)	2.52 (FY84)	2.29 (FY86)
5.75 (FY89)	2.41 (FY93)	5.21 (FY89)	2.19 (FY93)	4.50 (FY89)	1.62 (FY93)
4.18 (FY96)	3.07 (FY98)	3.10 (FY96)	2.70 (FY97)	2.59 (FY96)	1.40 (FY98)
4.61 (FY00)	3.00 (FY01)	4.70 (FY00)	3.24 (FY01)	3.00 (FY00)	1.72 (FY01)

	June 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2003	4.90	3.28	3.14
FY2004 (Forecast)	5.29	3.65	3.59

Nonmanufacturing



Peaks and Bottoms of Ratio of Current Profit to Sales (from 1982)

Nonmanufacturing (%)					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	1.41 (FY82)		1.06 (FY82)		2.17 (FY82)
1.67 (FY83)	1.57 (FY84)	—	—	2.44 (FY83)	2.35 (FY84)
2.38 (FY88)	1.62 (FY94)	2.16 (FY88)	1.06 (FY93)	3.75 (FY89)	2.11 (FY93)
1.94 (FY95,96)	1.85 (FY97)	1.52 (FY96)	1.25 (FY97,98)	2.72 (FY96)	1.71 (FY98)
2.66 (FY00)	2.54 (FY01)			2.33 (FY00)	2.32 (FY01)

	June 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2003	3.40	2.15	2.07
FY2004 (Forecast)	3.59	2.40	2.27

[Developments of Fixed Investment including Land Purchasing Expenses]

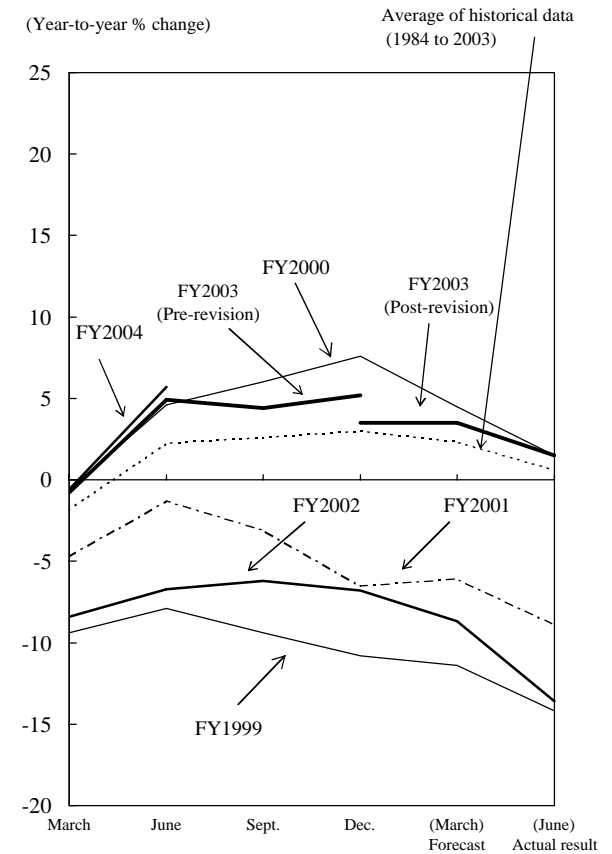
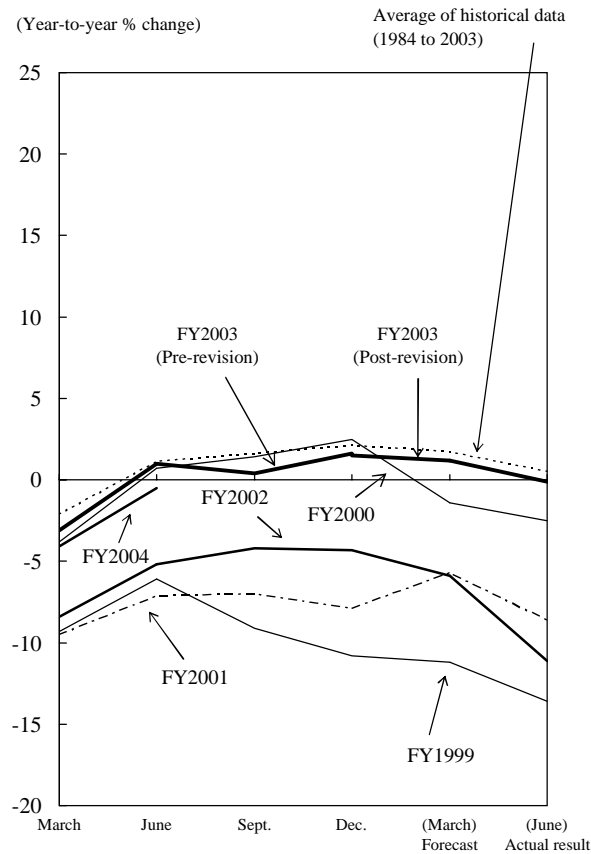
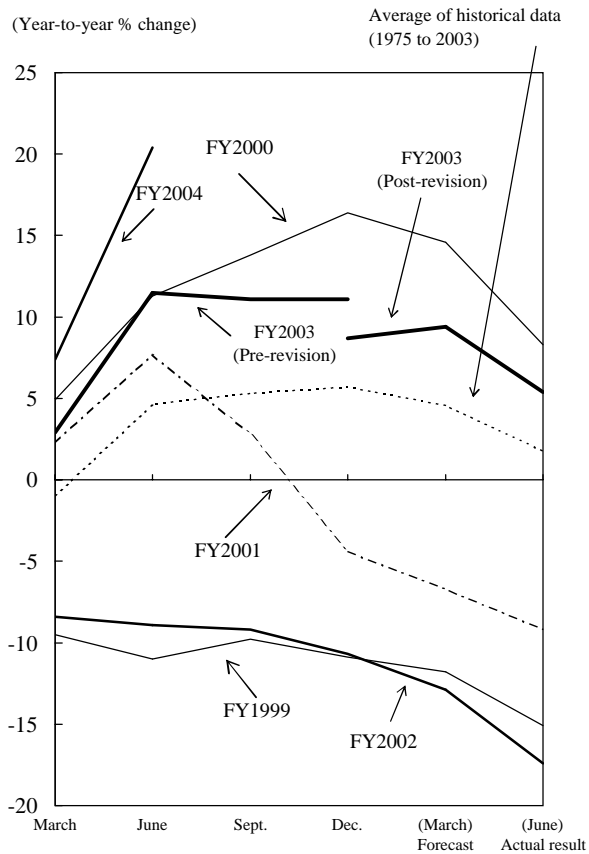
Note: This graph indicates the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year; actual result) is at the very right. The vertical axis represents the year-to-year percent change.

(1) Large Enterprises

Manufacturing

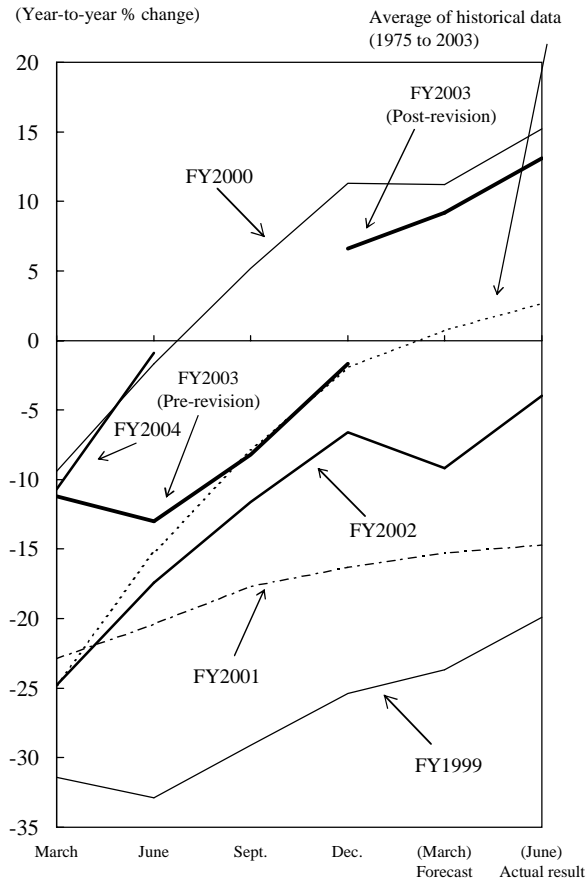
Nonmanufacturing

All industries

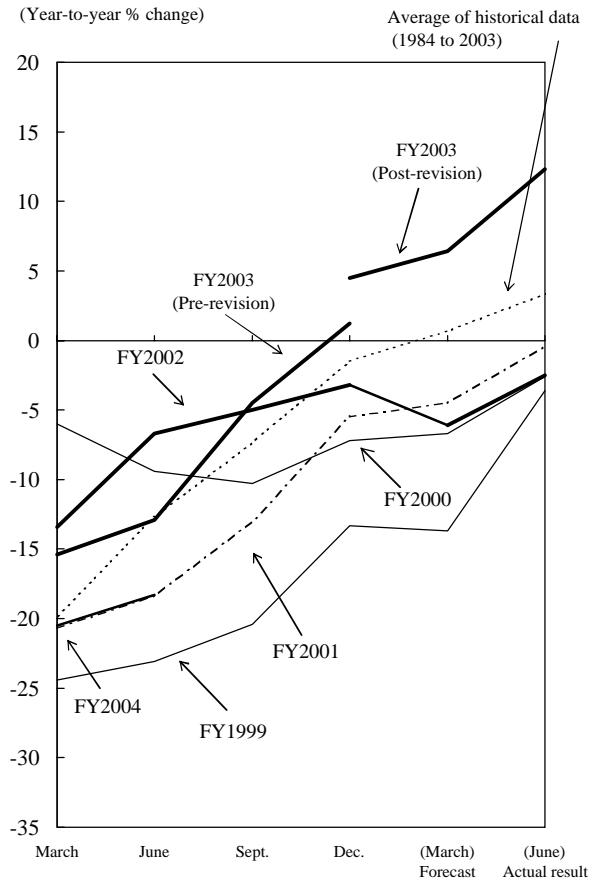


(2) Small Enterprises

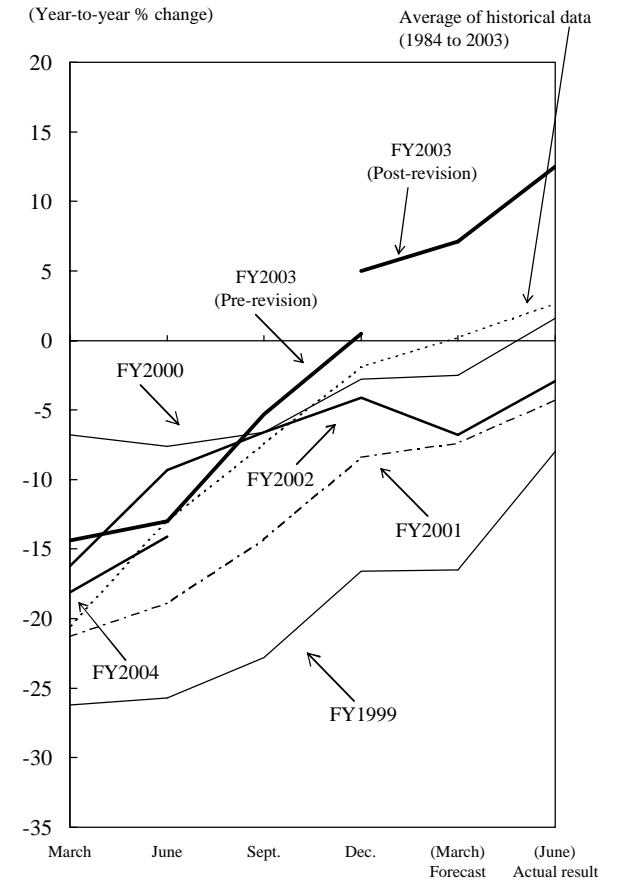
Manufacturing



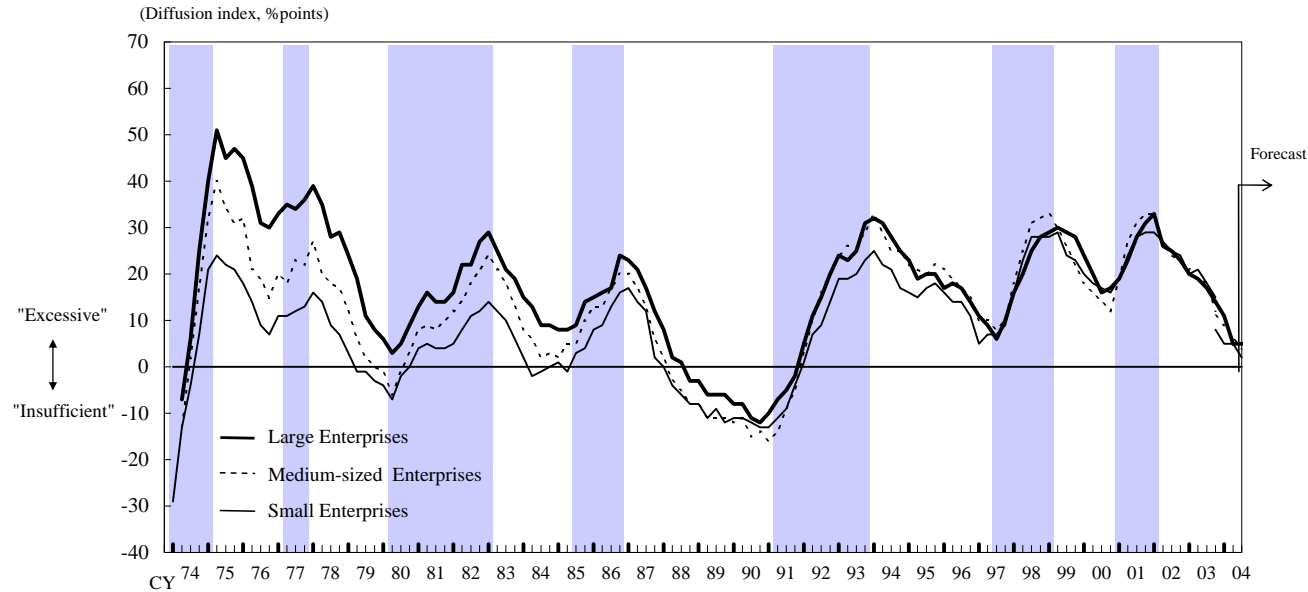
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



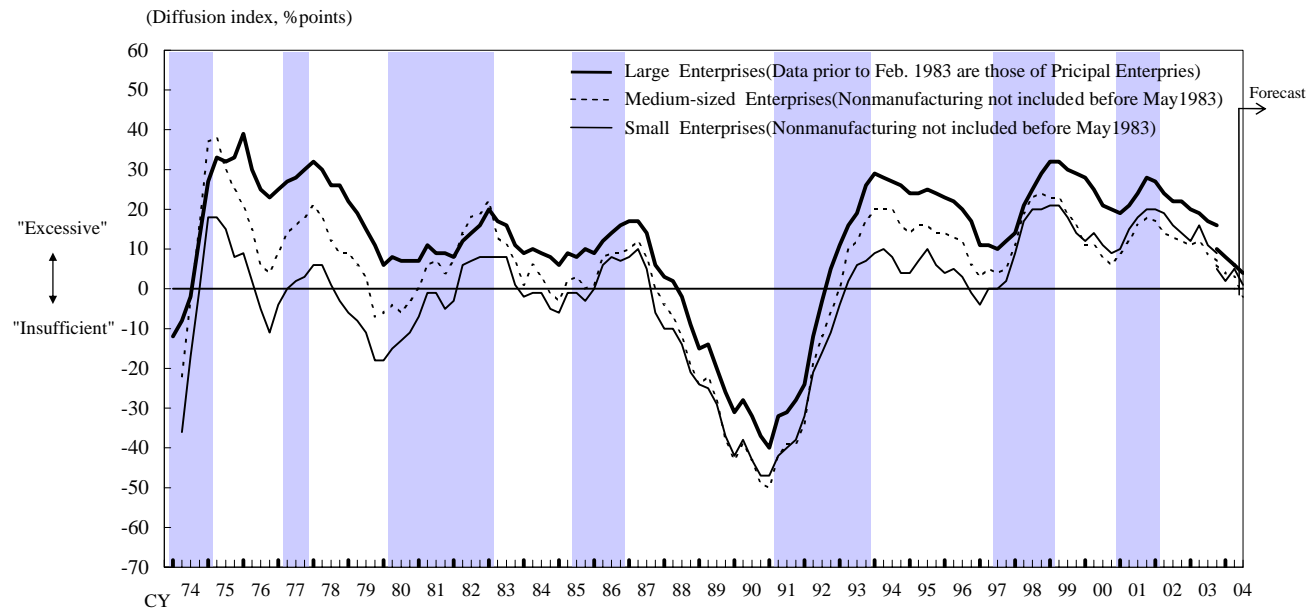
Peaks and Bottoms of Production Capacity (from May 1974)

(Diffusion index of "Excessive capacity" minus "Insufficient capacity", %points)

Manufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
51 (75/5)	30 (76/11)	40 (75/5)	15 (76/11)	24 (75/5)	7 (76/11)
39 (78/2)	3 (80/5)	27 (78/2)	-6 (80/5)	16 (78/2)	-7 (80/5)
29 (83/2)	8 (85/2,5)	24 (83/2)	2 (84/8,85/2)	14 (83/2)	-2 (84/5)
24 (86/11)	-12 (90/11)	20 (86/11,87/2)	-16 (91/2)	17 (87/2)	-13 (90/11,91/2)
32 (94/2)	6 (97/9)	33 (94/2)	8 (97/9)	25 (94/2)	5 (97/3)
30 (99/6)	16 (00/9)	33 (99/3)	12 (00/12)	29 (99/6)	16 (00/12)
33 (02/3)		33 (01/12,02/3)		29 (01/12,02/3)	

	June 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	5	6	5
Forecast	5	4	2

[Employment Condition (All industries)]



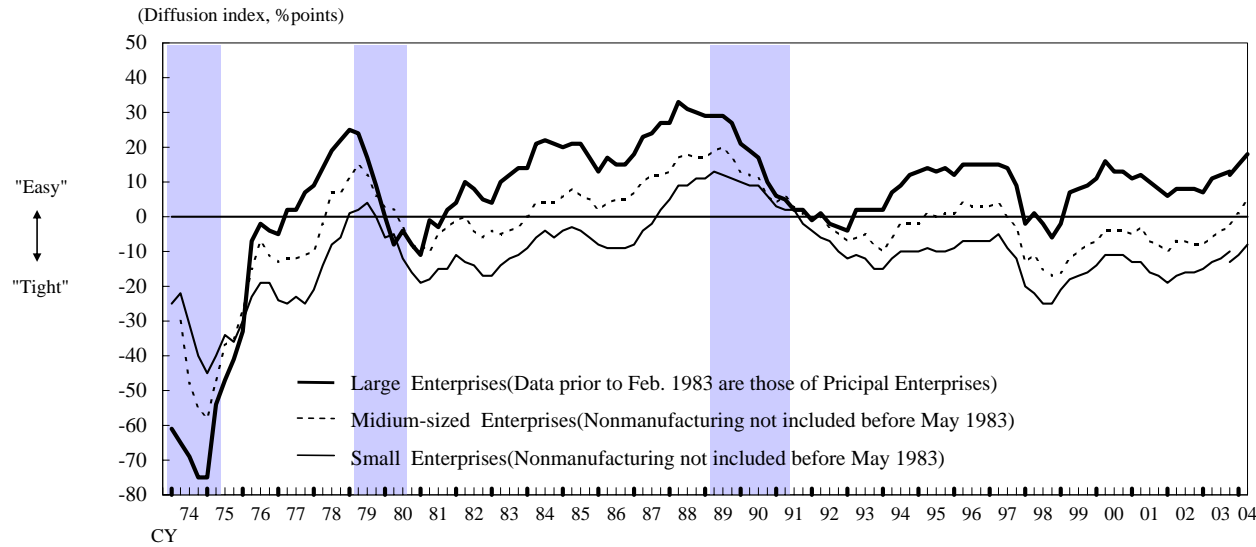
Peaks and Bottoms of Employment Condition (from May 1983)

(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

All industries					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
17 (83/5)	6 (85/2)	13 (83/5)	-3 (85/2)	8 (83/5,8)	-6 (85/2)
17 (87/2,5)	-40 (91/2)	12 (87/5)	-50 (91/2)	10 (87/5)	-47 (90/11,91/2)
29 (94/2)	10 (97/9)	20 (94/2,5,8)	3 (97/3)	10 (94/5,95/8)	-4 (97/3)
32 (99/3,6)	19 (01/3)	24 (98/12)	6 (00/12)	21 (99/3,6)	9 (00/12)
28 (01/12)		18 (01/12)		20 (01/12,02/3)	

	June 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	6	3	5
Forecast	4	-2	1

Financial Position



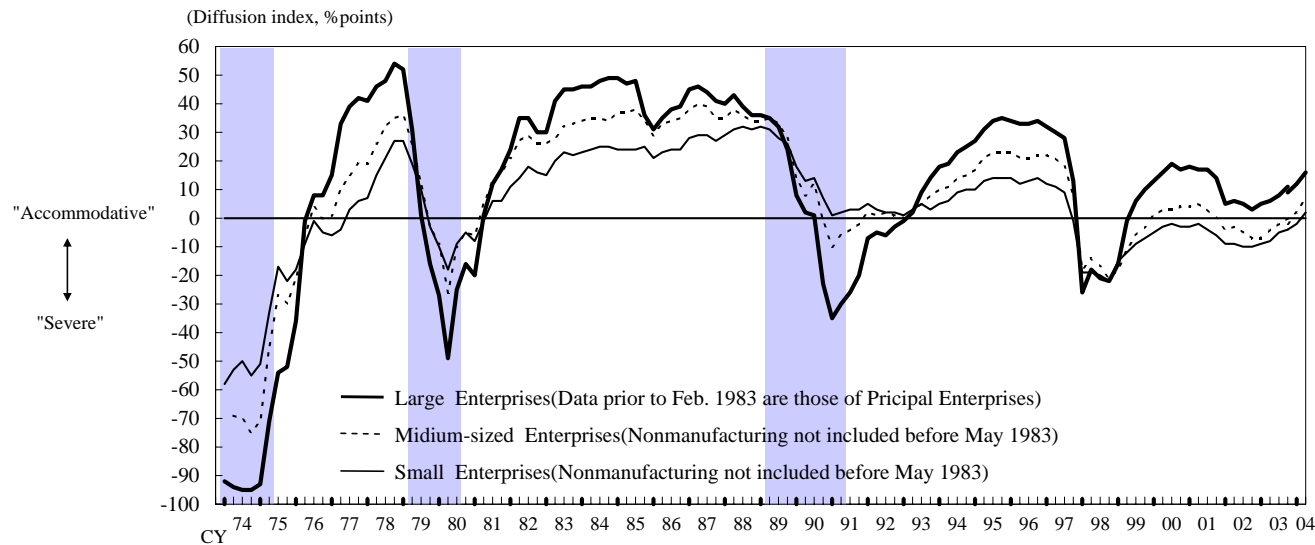
Peaks and Bottoms of Financial Position (from May 1983)

(Diffusion index of "Easy" minus "Tight", %points)

All industries					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
33	-6	20	-17	13	-25
(88/5)	(98/12)	(89/8)	(98/12)	(89/5)	(98/9,12)

	June 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	18	5	-8

Lending Attitude of Financial institutions



Peaks and Bottoms of Lending Attitude of Financial institutions (from May 1983)

(Diffusion index of "Accommodative" minus "Severe", %points)

All industries					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
49	-35	40	-21	32	-22
(84/11,85/2)	(91/2)	(87/5)	(98/12)	(88/8,89/2)	(98/12)

	June 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	16	7	2