

TANKAN Summary (September 2004)

122nd Short-term Economic Survey of Enterprises in Japan

Not to be released before 8:50 a.m.
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October 1, 2004
Research and Statistics Department
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,213	6,099	10,312	97.4%
Large Enterprises	1,171	1,236	2,407	98.6%
Medium-sized Enterprises	1,143	1,664	2,807	97.6%
Small Enterprises	1,899	3,199	5,098	96.7%
Financial institutions	-	-	209	99.0%

Responding Period: August 24 to September 30

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

	FY 2003			FY 2004		
		1H	2H		1H	2H
June 2004 Survey	113.81	117.99	109.85	106.21	106.36	106.07
Sept. 2004 Survey	-	-	-	106.54	106.98	106.12

(yen per US dollar)

1. Business Conditions

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	June 2004 Survey		Sept. 2004 Survey				June 2004 Survey		Sept. 2004 Survey				June 2004 Survey		Sept. 2004 Survey			
	Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast				
				Changes					Changes					Changes				
Manufacturing	22	21	26	4	21	-5	11	7	14	3	10	-4	2	2	5	3	3	-2
Textiles	2	6	0	-2	5	5	-11	-12	-16	-5	-11	5	-40	-34	-34	6	-31	3
Lumber & Wood products	0	8	15	15	8	-7	0	-12	-6	-9	3	-9	0	-17	-5	12	-10	-5
Pulp & Paper	13	22	25	12	22	-3	-2	-4	2	4	2	0	-12	-2	-9	3	-2	7
Chemicals	14	10	21	7	11	-10	5	9	7	2	8	1	15	16	13	-2	16	3
Petroleum & Coal products	23	14	33	10	28	-5	20	5	42	22	21	-21	-32	-25	-32	0	-25	7
Ceramics, Stone & Clay	10	6	23	13	13	-10	-28	-39	-31	-3	-25	6	-32	-31	-34	-2	-28	6
Iron & Steel	44	48	58	14	54	-4	54	34	63	9	45	-18	30	24	37	7	36	-1
Nonferrous metals	31	21	34	3	21	-13	34	27	36	2	16	-20	13	19	17	4	14	-3
Food & Beverages	12	14	20	8	12	-8	-5	-2	0	5	6	6	-4	-1	-11	-7	-3	8
Processed metals	11	5	4	-7	7	3	0	-1	6	6	3	-3	12	8	16	4	13	-3
Industrial machinery	31	33	38	7	36	-2	26	24	36	10	31	-5	13	14	21	8	21	0
Electrical machinery	25	30	28	3	21	-7	15	11	18	3	8	-10	17	14	16	-1	6	-10
Shipbuilding & Heavy machinery etc.	0	0	16	16	3	-13	11	2	9	-2	-4	-13	0	-4	4	4	0	-4
Motor vehicles	38	30	41	3	31	-10	27	15	35	8	22	-13	37	20	39	2	21	-18
Precision machinery	36	31	18	-18	18	0	43	38	32	-11	28	-4	21	19	13	-8	8	-5
Basic materials	18	17	25	7	18	-7	7	1	9	2	4	-5	-11	-9	-7	4	-6	1
Processing	24	23	27	3	21	-6	13	10	17	4	12	-5	10	9	11	1	8	-3
Nonmanufacturing	9	11	11	2	10	-1	-1	-3	-2	-1	-2	0	-18	-18	-17	1	-16	1
Construction	-14	-14	-13	1	-14	-1	-27	-29	-32	-5	-30	2	-33	-42	-32	1	-39	-7
Real estate	7	5	15	8	12	-3	3	3	8	5	0	-8	4	4	3	-1	3	0
Wholesaling	21	25	24	3	20	-4	2	-1	5	3	2	-3	-13	-14	-12	1	-8	4
Retailing	-4	7	-5	-1	7	12	-16	-8	-17	-1	-6	11	-27	-19	-28	-1	-18	10
Transportation	10	11	7	-3	5	-2	-10	-11	-12	-2	-12	0	-7	-11	-7	0	-12	-5
Communications	11	10	13	2	8	-5	31	23	32	1	25	-7	9	20	3	-6	3	0
Information services	16	22	19	3	22	3	26	23	19	-7	28	9	2	17	17	15	14	-3
Electric & Gas utilities	11	9	18	7	5	-13	24	15	34	10	24	-10	0	-6	-6	-6	-11	-5
Services for businesses	20	21	19	-1	16	-3	20	19	22	2	27	5	-3	-7	-4	-1	-4	0
Services for individuals	8	16	9	1	16	7	0	-3	-2	-2	4	6	-10	-3	-1	9	-3	-2
Restaurants & Accommodations	4	8	7	3	5	-2	-12	-10	-18	-6	-11	7	-27	-19	-33	-6	-23	10
Leasing	19	6	19	0	20	1	2	0	6	4	3	-3	-9	-7	-12	-3	-7	5
All industries	16	16	19	3	15	-4	3	1	5	2	3	-2	-10	-10	-9	1	-9	0

	All Enterprises					
Manufacturing	10	9	13	3	10	-3
Nonmanufacturing	-8	-8	-7	1	-7	0
All industries	0	-1	2	2	0	-2

(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)

	June 2004 Survey			Sept. 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	22	11	2	26	14	5	21	10	3
1.Favorable	30	28	24	33	31	26	26	23	21
2.Not so favorable	62	55	54	60	52	53	69	64	61
3.Unfavorable	8	17	22	7	17	21	5	13	18
Nonmanufacturing	9	-1	-18	11	-2	-17	10	-2	-16
1.Favorable	21	18	13	22	18	13	19	15	12
2.Not so favorable	67	63	56	67	62	57	72	68	60
3.Unfavorable	12	19	31	11	20	30	9	17	28

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		June 2004 Survey		Sept. 2004 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-10	-11	-8	2	-11	-3
	Basic materials	-12	-12	-10	2	-9	1
	Processing	-11	-11	-7	4	-11	-4
	Nonmanufacturing	-26	-27	-26	0	-29	-3
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	3	0	1	-2	-1	-2
	Basic materials	-1	-3	0	1	-3	-3
	Processing	5	2	1	-4	-2	-3

Inventory Level of Finished Goods & Merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	13	/	13	0	/	/
	Basic materials	11	/	10	-1	/	/
	Processing	13	/	15	2	/	/
Wholesalers' Inventory Level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	10	/	12	2	/	/
	Basic materials	9	/	12	3	/	/
	Processing	12	/	12	0	/	/

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	-10	-8	-5	5	-9	-4
	Basic materials	4	7	12	8	10	-2
	Processing	-18	-17	-14	4	-19	-5
	Nonmanufacturing	-19	-14	-13	6	-12	1
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	30	28	34	4	31	-3
	Basic materials	40	34	46	6	41	-5
	Processing	25	26	28	3	27	-1
	Nonmanufacturing	5	7	8	3	8	0

(%points)

		Small Enterprises					
		June 2004 Survey		Sept. 2004 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-26	-26	-25	1	-26	-1
	Basic materials	-37	-38	-36	1	-34	2
	Processing	-19	-21	-19	0	-22	-3
	Nonmanufacturing	-41	-41	-38	3	-38	0
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-9	-11	-8	1	-11	-3
	Basic materials	-17	-18	-14	3	-14	0
	Processing	-5	-6	-5	0	-10	-5

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

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	-19	-18	-16	3	-18	-2
	Basic materials	-10	-11	-9	1	-11	-2
	Processing	-24	-23	-20	4	-23	-3
	Nonmanufacturing	-28	-26	-25	3	-24	1
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	39	42	40	1	41	1
	Basic materials	39	43	41	2	41	0
	Processing	39	42	40	1	40	0
	Nonmanufacturing	14	18	16	2	20	4

3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	1.4	-	3.6	1.1
	Domestic Sales	0.6	-	2.8	1.2
	Exports	3.7	-	5.9	0.7
	Nonmanufacturing	0.7	-	0.7	-0.7
	All industries	1.0	-	1.8	0.0
Medium-sized Enterprises	Manufacturing	4.1	-	4.2	0.9
	Nonmanufacturing	-0.1	-	2.1	0.6
	All industries	0.9	-	2.6	0.7
Small Enterprises	Manufacturing	2.6	-	3.7	0.8
	Nonmanufacturing	-0.7	-	-0.5	-0.1
	All industries	0.0	-	0.4	0.1
All Enterprises	Manufacturing	2.0	-	3.7	1.0
	Nonmanufacturing	0.1	-	0.6	-0.2
	All industries	0.7	-	1.6	0.2

(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	-	4.5	1.8	2.8	0.5
0.0	1.2	-	3.7	1.9	2.1	0.6
3.2	4.2	-	7.0	1.2	4.9	0.3
0.8	0.6	-	0.5	-1.2	0.8	-0.2
0.8	1.1	-	2.1	0.0	1.6	0.1
3.8	4.4	-	6.7	1.4	1.9	0.4
-0.9	0.6	-	2.2	0.7	2.0	0.6
0.2	1.5	-	3.3	0.9	1.9	0.5
1.0	4.2	-	5.3	1.0	2.3	0.6
-1.6	0.1	-	0.2	-0.4	-1.2	0.1
-1.0	0.9	-	1.2	-0.1	-0.4	0.2
1.3	2.7	-	5.0	1.6	2.6	0.5
-0.3	0.5	-	0.8	-0.6	0.4	0.1
0.2	1.1	-	2.1	0.1	1.1	0.2

Current Profits (Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	20.3	-	18.0	6.6
	Basic materials	22.5	-	26.4	10.9
	Processing	19.1	-	13.4	4.2
	Nonmanufacturing	10.7	-	9.2	2.0
	All industries	15.1	-	13.4	4.3
Medium-sized Enterprises	Manufacturing	30.4	-	23.0	7.1
	Nonmanufacturing	11.6	-	10.7	-2.5
	All industries	17.3	-	14.8	0.8
Small Enterprises	Manufacturing	35.7	-	19.9	2.0
	Nonmanufacturing	2.2	-	7.4	-1.7
	All industries	9.8	-	10.9	-0.6
All Enterprises	Manufacturing	23.2	-	18.8	6.1
	Nonmanufacturing	8.7	-	9.0	0.4
	All industries	14.4	-	13.2	2.8

(Year-to-year % change)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
31.3	12.5	-	18.2	12.6	17.8	2.2
33.2	14.3	-	27.8	16.8	25.1	6.0
30.2	11.5	-	12.6	9.9	14.0	0.1
3.7	17.5	-	14.2	6.4	5.0	-1.7
15.3	15.0	-	16.1	9.3	11.2	0.3
40.6	24.6	-	41.2	15.9	11.2	0.8
7.2	14.2	-	15.3	-3.8	8.2	-1.7
17.1	17.4	-	24.5	3.3	9.2	-0.9
31.4	38.8	-	39.3	6.1	7.1	-1.3
-8.7	8.9	-	20.6	-5.4	0.5	0.8
1.0	15.5	-	26.5	-1.7	2.3	0.2
32.2	16.9	-	23.0	12.1	15.5	1.6
1.5	14.5	-	15.6	2.2	4.4	-1.1
12.9	15.5	-	18.8	6.4	9.0	0.1

3. Sales and Current Profits(Continued)

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

		FY2003		FY2004	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	4.90	-	5.58	0.29
	Nonmanufacturing	3.40	-	3.69	0.10
	All industries	3.99	-	4.45	0.18
Medium-sized Enterprises	Manufacturing	3.28	-	3.87	0.22
	Nonmanufacturing	2.15	-	2.33	-0.07
	All industries	2.43	-	2.72	0.00
Small Enterprises	Manufacturing	3.14	-	3.63	0.04
	Nonmanufacturing	2.07	-	2.24	-0.03
	All industries	2.29	-	2.53	-0.02
All Enterprises	Manufacturing	4.34	-	4.97	0.23
	Nonmanufacturing	2.72	-	2.95	0.02
	All industries	3.23	-	3.60	0.09

(% , %points)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
		Changes	(Forecast)	Changes	(Forecast)	Changes
4.64	5.14	-	5.25	0.51	5.89	0.09
3.27	3.53	-	3.71	0.26	3.67	-0.06
3.81	4.16	-	4.33	0.37	4.56	0.01
2.68	3.83	-	3.55	0.44	4.18	0.02
1.62	2.62	-	1.83	-0.08	2.78	-0.07
1.89	2.92	-	2.27	0.05	3.13	-0.04
2.60	3.65	-	3.44	0.17	3.82	-0.07
1.48	2.61	-	1.78	-0.10	2.66	0.02
1.71	2.83	-	2.14	-0.03	2.90	0.00
3.98	4.68	-	4.66	0.44	5.27	0.06
2.36	3.05	-	2.71	0.07	3.17	-0.03
2.87	3.56	-	3.34	0.20	3.84	0.00

Net Income (Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	76.6	-	65.5	4.5
	Basic materials	61.1	-	161.6	5.9
	Processing	82.7	-	32.5	3.6
	Nonmanufacturing	216.9	-	38.9	-6.2
	All industries	127.4	-	52.1	-0.7
Medium-sized Enterprises	Manufacturing	41.5	-	51.5	3.5
	Nonmanufacturing	77.1	-	63.9	-3.1
	All industries	58.9	-	58.3	-0.4
Small Enterprises	Manufacturing	63.7	-	45.5	1.9
	Nonmanufacturing	13.8	-	34.7	-3.4
	All industries	25.8	-	38.0	-1.7
All Enterprises	Manufacturing	69.7	-	61.0	4.0
	Nonmanufacturing	103.3	-	40.8	-5.1
	All industries	86.6	-	49.9	-0.9

(Year-to-year % change)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
56.0	115.0	-	40.0	8.1	100.1	1.3
60.0	65.0	-	84.5	6.5	412.7	5.2
54.1	126.3	-	17.0	9.5	48.5	-0.8
21.4	Profit	-	7.8	-1.0	94.7	-10.9
35.5	Profit	-	22.9	3.7	97.6	-4.6
73.5	26.5	-	64.6	9.7	43.2	-0.7
-31.2	161.2	-	82.9	4.7	60.1	-4.8
14.0	86.0	-	70.9	7.8	53.7	-3.4
62.9	64.3	-	40.7	1.3	49.5	2.4
-31.8	39.1	-	87.8	-12.3	20.2	0.9
-4.5	44.4	-	64.7	-7.1	27.2	1.3
58.2	85.2	-	42.2	7.4	82.8	1.2
8.0	891.5	-	20.4	-3.0	59.2	-6.5
27.6	249.7	-	30.9	2.2	69.1	-3.2

4. Fixed Investment etc.

Fixed Investment including Land Purchasing Expenses

(Year-to-year % change)

(Year-to-year % change)

		FY2003		FY2004		1H FY2003	2H FY2003	Revision rate	1H FY2004		2H FY2004	
			Revision rate	(Forecast)	Revision rate				(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.4	-	20.7	0.3	-2.6	12.8	-	38.5	-2.8	6.6	3.7
	Nonmanufacturing	-0.1	-	0.0	0.4	0.2	-0.3	-	2.6	0.0	-2.2	0.8
	All industries	1.5	-	6.1	0.4	-0.6	3.3	-	13.0	-1.0	0.4	1.7
Medium-sized Enterprises	Manufacturing	8.4	-	11.3	3.3	4.4	12.1	-	17.5	-3.3	5.9	10.5
	Nonmanufacturing	1.7	-	1.2	-0.6	-10.0	13.8	-	7.0	-1.3	-3.4	0.0
	All industries	3.5	-	4.0	0.5	-6.3	13.3	-	10.0	-2.0	-0.9	2.9
Small Enterprises	Manufacturing	13.1	-	10.2	11.2	14.1	12.2	-	9.3	-0.9	11.0	25.4
	Nonmanufacturing	12.3	-	-12.5	7.1	30.0	-3.3	-	-12.9	5.2	-12.1	9.3
	All industries	12.5	-	-7.1	8.2	26.1	0.4	-	-8.0	3.5	-6.0	13.9
All Enterprises	Manufacturing	7.0	-	17.7	2.1	0.8	12.6	-	30.5	-2.7	7.1	7.3
	Nonmanufacturing	2.3	-	-2.1	1.2	3.3	1.3	-	0.0	0.7	-3.9	1.8
	All industries	3.5	-	3.5	1.5	2.6	4.3	-	8.4	-0.4	-0.8	3.4

Software Investment

(Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	7.4	-	-6.3	1.1
	Nonmanufacturing	-8.7	-	0.5	0.8
	All industries	-3.5	-	-1.9	0.9
Medium-sized Enterprises	Manufacturing	22.8	-	29.2	9.4
	Nonmanufacturing	-0.8	-	3.1	-2.4
	All industries	1.0	-	5.5	-1.1
Small Enterprises	Manufacturing	-6.4	-	18.5	-2.4
	Nonmanufacturing	31.2	-	-13.2	-2.4
	All industries	22.7	-	-7.7	-2.4
All Enterprises	Manufacturing	7.3	-	-3.1	1.4
	Nonmanufacturing	-4.1	-	-0.2	-0.2
	All industries	-1.0	-	-1.1	0.3

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.6	-	20.4	0.3
	Nonmanufacturing	-1.3	-	2.6	0.0
	All industries	0.7	-	8.0	0.1
Medium-sized Enterprises	Manufacturing	7.6	-	14.6	2.6
	Nonmanufacturing	1.6	-	3.4	-2.4
	All industries	3.1	-	6.4	-1.0
Small Enterprises	Manufacturing	8.8	-	18.2	8.0
	Nonmanufacturing	5.6	-	-3.0	3.5
	All industries	6.3	-	2.3	4.8
All Enterprises	Manufacturing	6.3	-	19.2	1.5
	Nonmanufacturing	0.2	-	1.9	0.1
	All industries	1.9	-	6.9	0.6

Land Purchasing Expenses

(Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	7.0	-	-63.4	5.3
	Nonmanufacturing	11.2	-	-56.6	30.5
	All industries	10.3	-	-58.0	24.9
Medium-sized Enterprises	Manufacturing	47.1	-	-52.1	84.2
	Nonmanufacturing	0.4	-	-19.5	27.6
	All industries	5.4	-	-24.4	31.5
Small Enterprises	Manufacturing	46.5	-	-43.4	72.1
	Nonmanufacturing	68.3	-	-56.8	55.2
	All industries	63.8	-	-54.3	58.8
All Enterprises	Manufacturing	25.4	-	-53.8	41.0
	Nonmanufacturing	26.4	-	-49.5	37.3
	All industries	26.2	-	-50.3	38.0

Production Capacity

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

		June 2004 Survey		Sept. 2004 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	5	5	5	0	7	2
	Nonmanufacturing	3	1	2	-1	2	0
	All industries	5	3	4	-1	4	0
Medium-sized Enterprises	Manufacturing	6	4	5	-1	3	-2
	Nonmanufacturing	1	-1	2	1	0	-2
	All industries	3	2	4	1	1	-3
Small Enterprises	Manufacturing	5	2	2	-3	0	-2
	Nonmanufacturing	5	3	4	-1	2	-2
	All industries	4	2	3	-1	1	-2
All Enterprises	Manufacturing	5	3	4	-1	2	-2
	Nonmanufacturing	4	1	3	-1	1	-2
	All industries	4	2	3	-1	2	-1

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	-	-15.6	2.9
Banks	-0.8	-	8.7	0.1
Shinkin banks & Other financial institutions for small businesses	-1.3	-	4.6	2.9
Securities companies	11.5	-	26.4	18.4
Insurance companies	109.0	-	-36.8	5.1
Non-deposit money corporations	42.3	-	-22.7	1.1
(Memo) All industries including Financial institutions	4.3	-	3.0	1.5
Nonmanufacturing including Financial institutions	3.3	-	-2.6	1.3

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

Financial institutions	-0.7	-	21.6	1.3
Banks	3.1	-	16.8	0.3
Shinkin banks & Other financial institutions for small businesses	-12.0	-	-16.5	-25.8
Securities companies	15.7	-	56.0	7.7
Insurance companies	-12.6	-	15.6	3.9
Non-deposit money corporations	-11.9	-	28.3	-0.2
(Memo) All industries including Financial institutions	-0.9	-	2.6	0.4
Nonmanufacturing including Financial institutions	-3.4	-	4.5	0.1

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

Financial institutions	236.3	-	-77.0	1.8
Banks	28.3	-	-4.9	32.4
Shinkin banks & Other financial institutions for small businesses	-16.9	-	-64.0	23.0
Securities companies	-100.0	-	-	-
Insurance companies	420.1	-	-82.6	-14.2
Non-deposit money corporations	1630.7	-	-97.1	0.0
(Memo) All industries including Financial institutions	33.5	-	-52.7	35.9
Nonmanufacturing including Financial institutions	35.4	-	-52.4	34.9

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

Financial institutions	9.0	-	10.3	2.2
Banks	0.4	-	13.3	-0.5
Shinkin banks & Other financial institutions for small businesses	-0.5	-	11.5	-2.9
Securities companies	16.3	-	47.9	10.0
Insurance companies	31.6	-	-5.5	6.5
Non-deposit money corporations	-4.4	-	17.3	0.6
(Memo) All industries including Financial institutions	2.1	-	7.0	0.6
Nonmanufacturing including Financial institutions	0.6	-	2.3	0.2

5. Employment

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

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

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

	end of Sept. 2003	end of Dec. 2003	end of Mar. 2004	end of June 2004
Large Enterprises	-2.3	-1.8	-1.6	-0.7
Medium-sized Enterprises	0.4	0.4	-0.1	1.1
Small Enterprises	0.8	1.5	0.9	0.8
All Enterprises	-0.4	0.1	-0.2	0.4
All Enterprises & Financial institutions	-0.5	-0.1	-0.3	0.3
Financial institutions	-3.7	-3.9	-1.9	-1.5

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	-	-	-	-	-	-
Medium-sized Enterprises	-	-	-	-	-	-
Small Enterprises	-	-	-	-	-	-
All Enterprises	-	-	-	-	-	-
All Enterprises & Financial institutions	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-

6. Corporate Finance

Financial Position (All industries)

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

	June 2004 Survey		Sept. 2004 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	18		20
Medium-sized Enterprises	5		5	0
Small Enterprises	-8		-6	2
All Enterprises	2		3	1

Lending Attitude of Financial institutions (All industries)

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

	June 2004 Survey		Sept. 2004 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	16		17
Medium-sized Enterprises	7		8	1
Small Enterprises	2		3	1
All Enterprises	7		8	1

Change in Interest Rate on Loans (All industries)

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

	June 2004 Survey		Sept. 2004 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Large Enterprises	3	16	1	-2	13
Medium-sized Enterprises	6	21	4	-2	18	14
Small Enterprises	7	22	8	1	22	14
All Enterprises	6	20	6	0	18	12

Condition for CP Issuance (All industries)

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

	June 2004 Survey		Sept. 2004 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	-1		1

Ratio of Liquidity (All industries)

(Months)

	end of Sept. 2003	end of Dec. 2003	end of March 2004	end of June 2004
Large Enterprises	1.00	0.96	1.03	0.97
Medium-sized Enterprises	1.11	1.12	1.16	1.09
Small Enterprises	1.64	1.64	1.71	1.64
All Enterprises	1.19	1.18	1.24	1.17

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)

	June 2004 Survey		Sept. 2004 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	36	40	38	2	41
Shinkin banks & Other financial institutions for small businesses	17	26	17	0	26	9
Securities companies	61	58	38	-23	31	-7
Insurance companies	48	52	43	-5	49	6
Non-deposit money corporations	41	64	45	4	64	19
Financial institutions	40	45	37	-3	41	4

Production Capacity

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

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

Employment Conditions

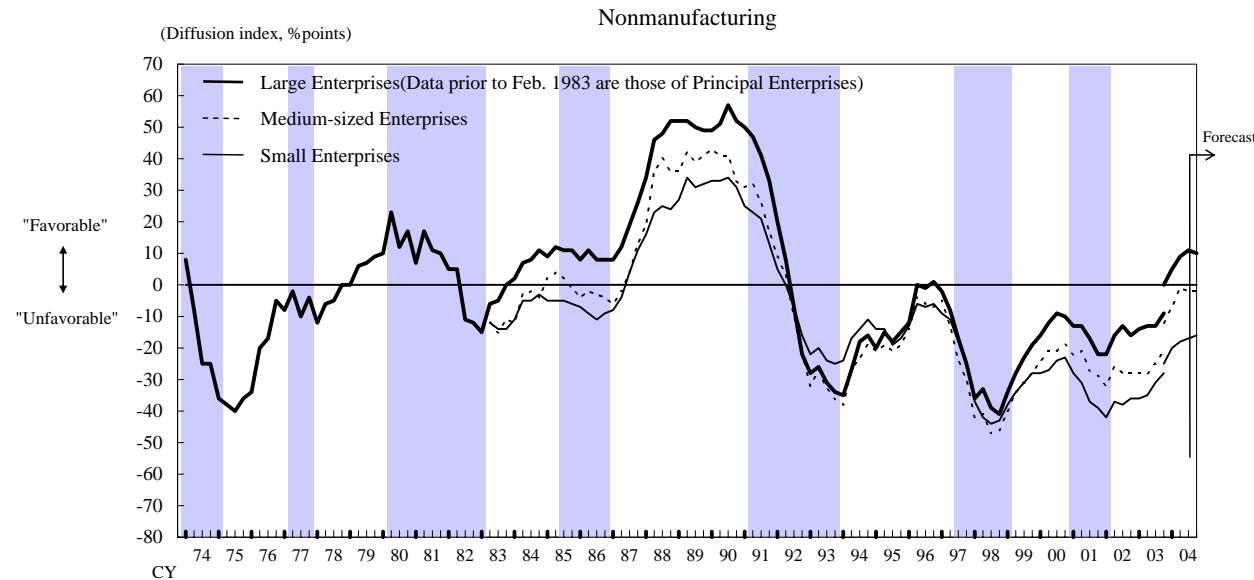
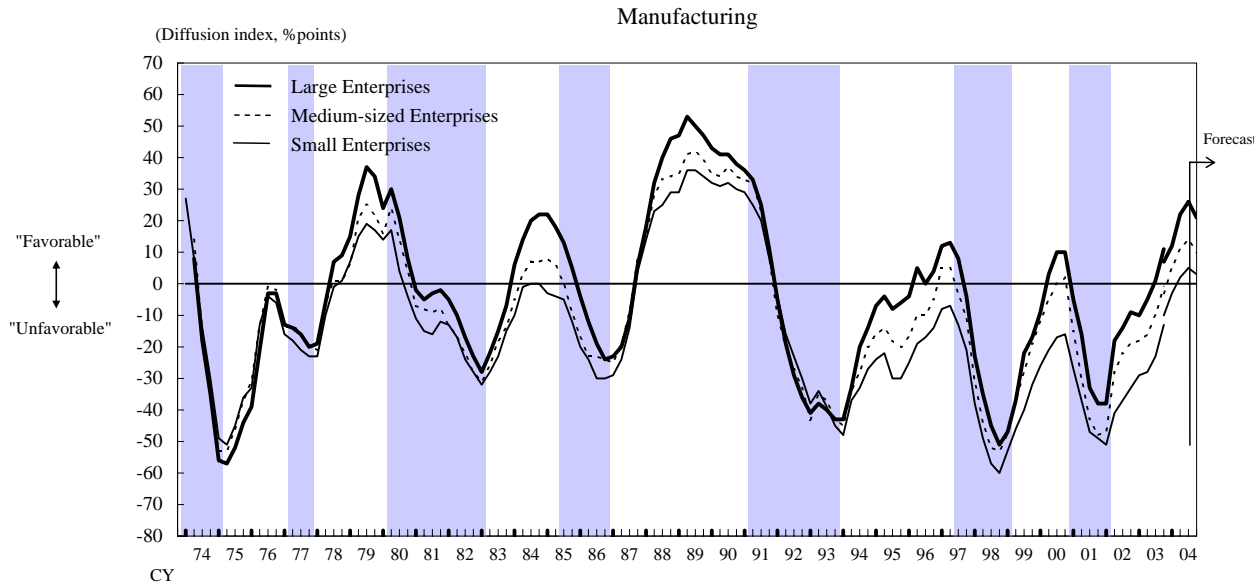
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	June 2004 Survey		Sept. 2004 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	0	-4	-4	-4	-6
Shinkin banks & Other financial institutions for small businesses	17	6	11	-6	-6	-17
Securities companies	-31	-35	-31	0	-31	0
Insurance companies	-6	-10	-2	4	-2	0
Non-deposit money corporations	-4	-9	-9	-5	-13	-4
Financial institutions	-2	-8	-5	-3	-9	-4

(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)

	September 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	26	14	5
Forecast	21	10	3

Peaks and Bottoms of Business Conditions (from May 1983)

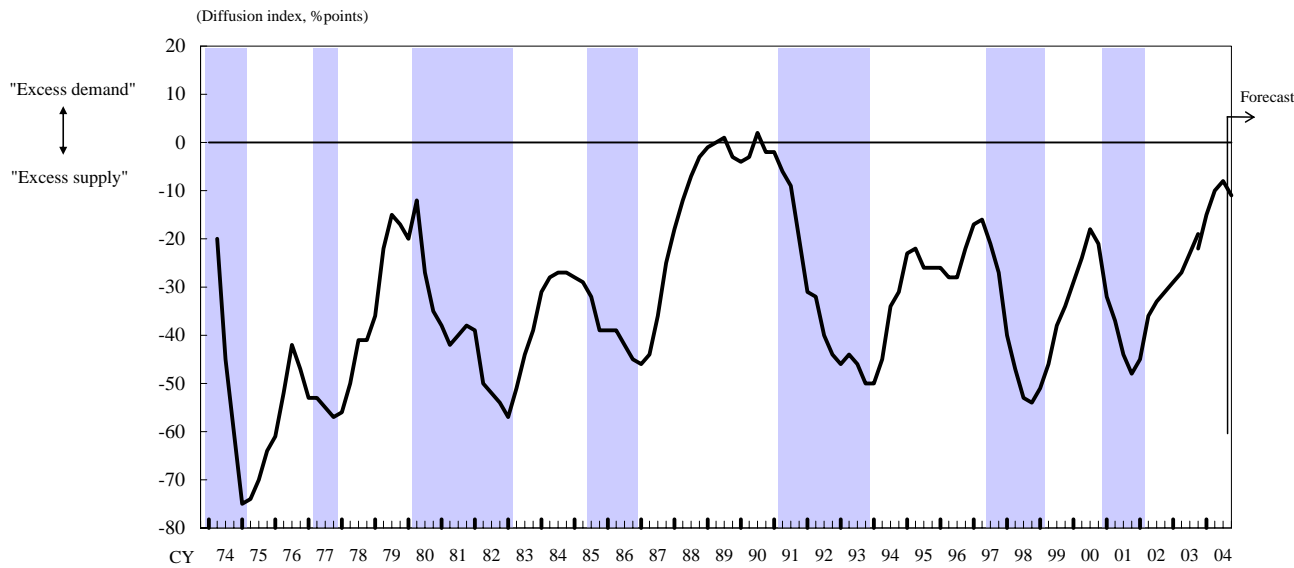
(Diffusion index of "Favorable" minus "Unfavorable", %points)

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)

	September 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	11	-2	-17
Forecast	10	-2	-16

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

Domestic Supply and Demand Conditions for Products and Services



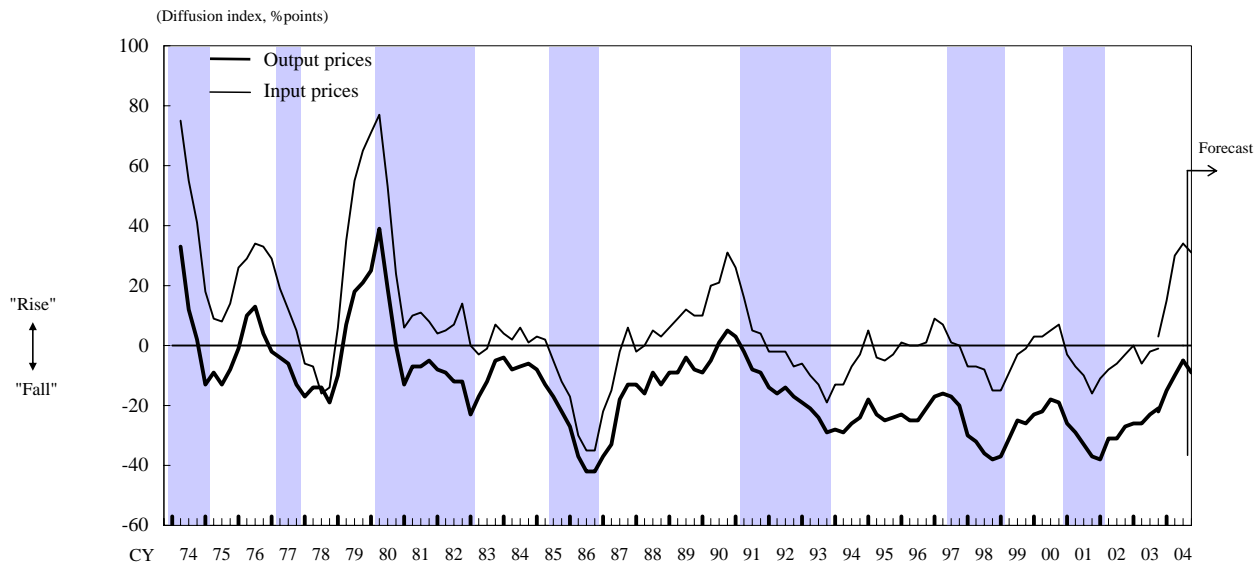
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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)

September 2004 survey	
Actual result	-8
Forecast	-11

Prices



Peaks and Bottoms of Prices (from May 1974)

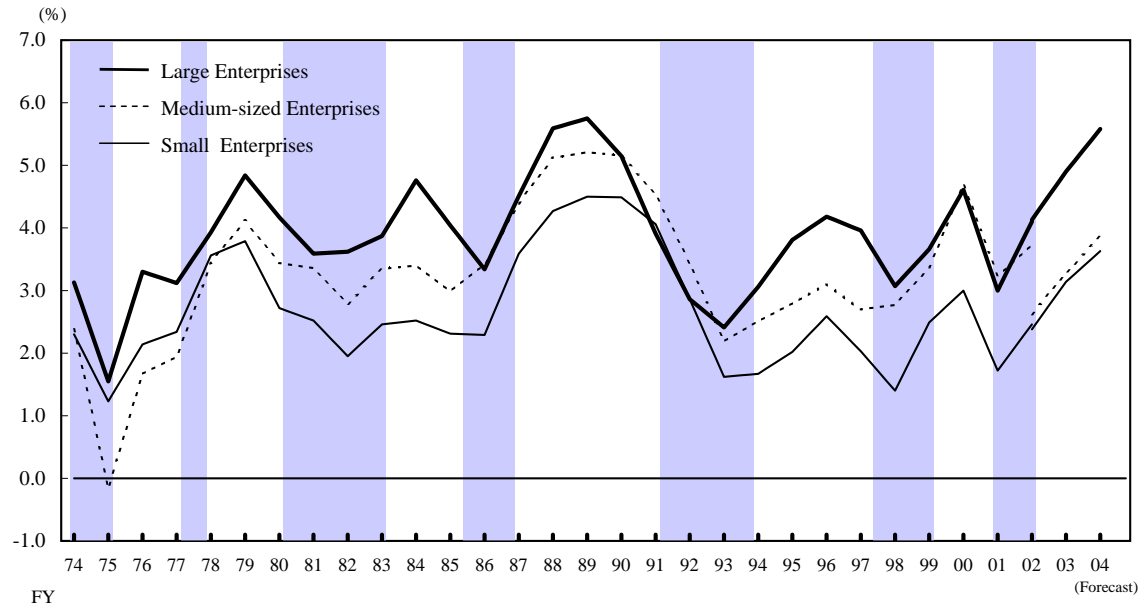
(Diffusion index of "Rise" minus "Fall", %points)

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)

September 2004 survey		
	Output Prices	Input Prices
Actual result	-5	34
Forecast	-9	31

[Ratio of Current Profit to Sales]

Manufacturing

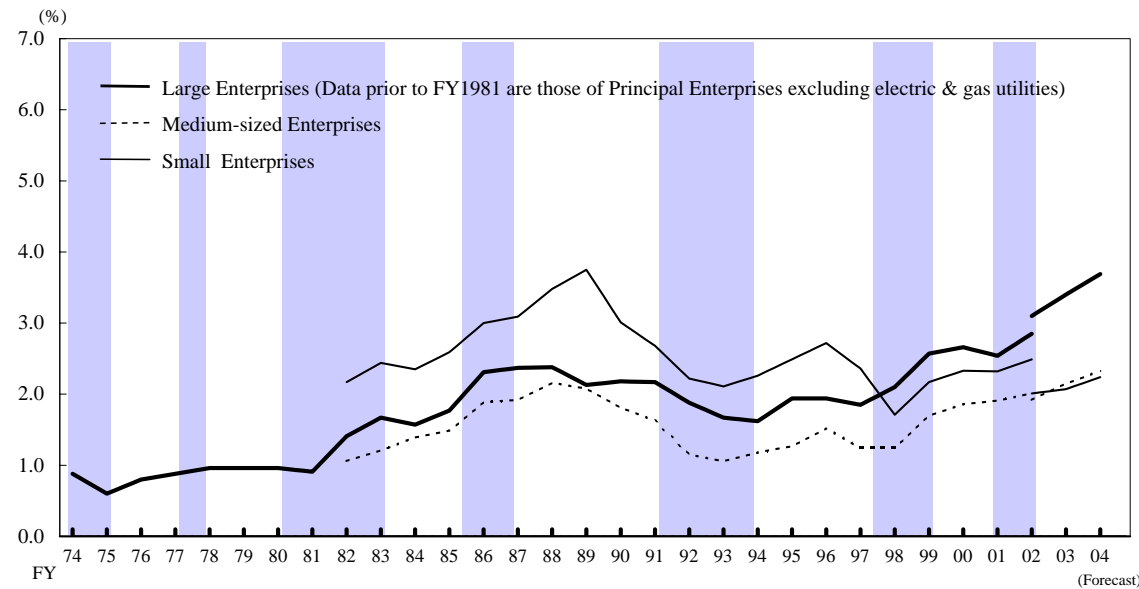


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974)

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)

	September 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2003	4.90	3.28	3.14
FY2004 (Forecast)	5.58	3.87	3.63

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)

	September 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2003	3.40	2.15	2.07
FY2004 (Forecast)	3.69	2.33	2.24

[Developments of Fixed Investment including Land Purchasing Expenses]

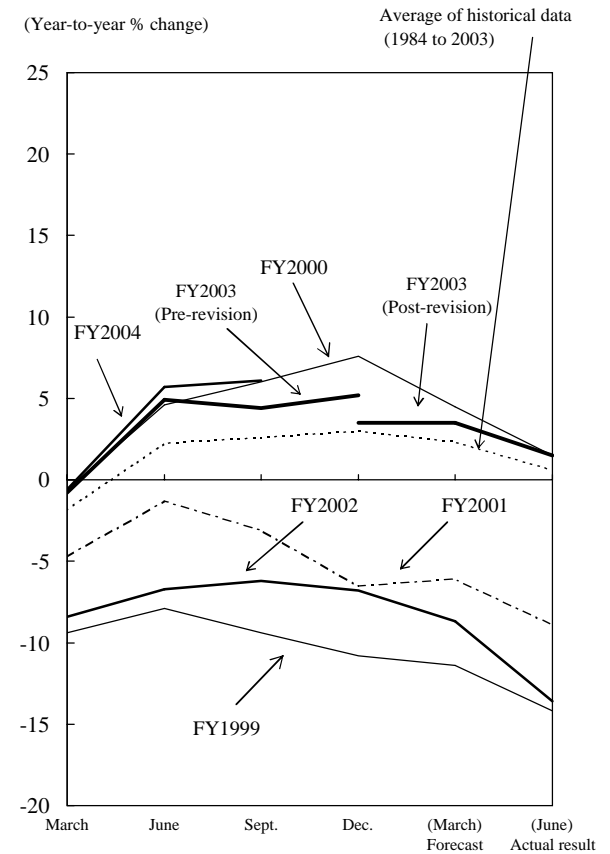
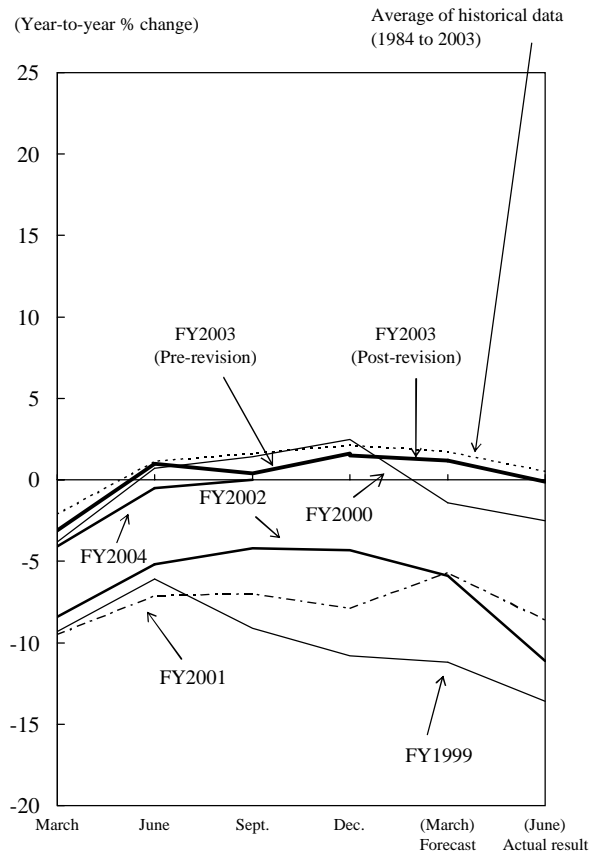
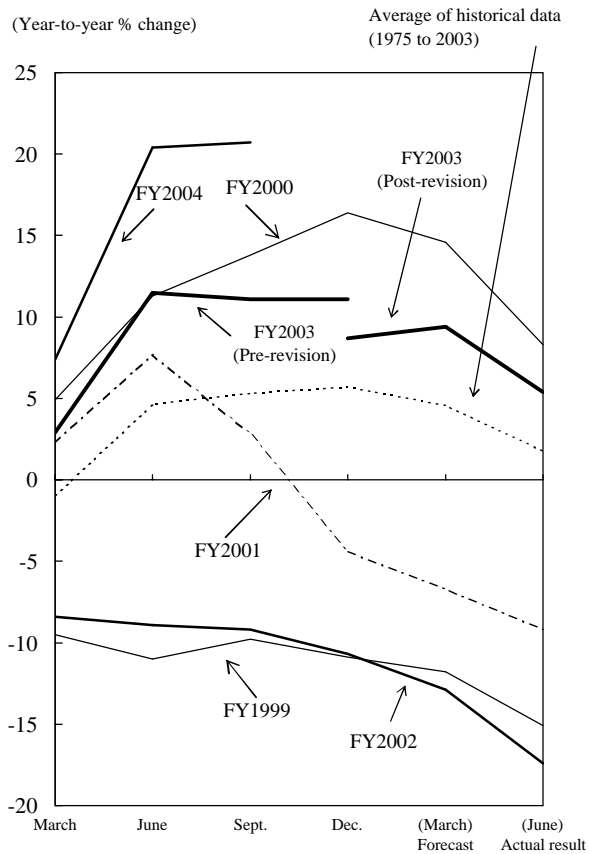
Note: This graph indicates the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year; actual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

(1) Large Enterprises

Manufacturing

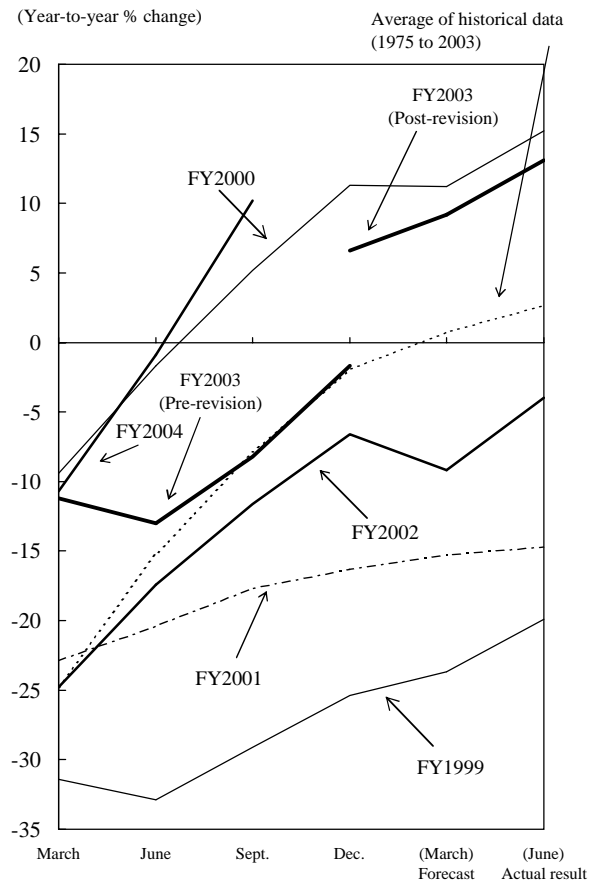
Nonmanufacturing

All industries

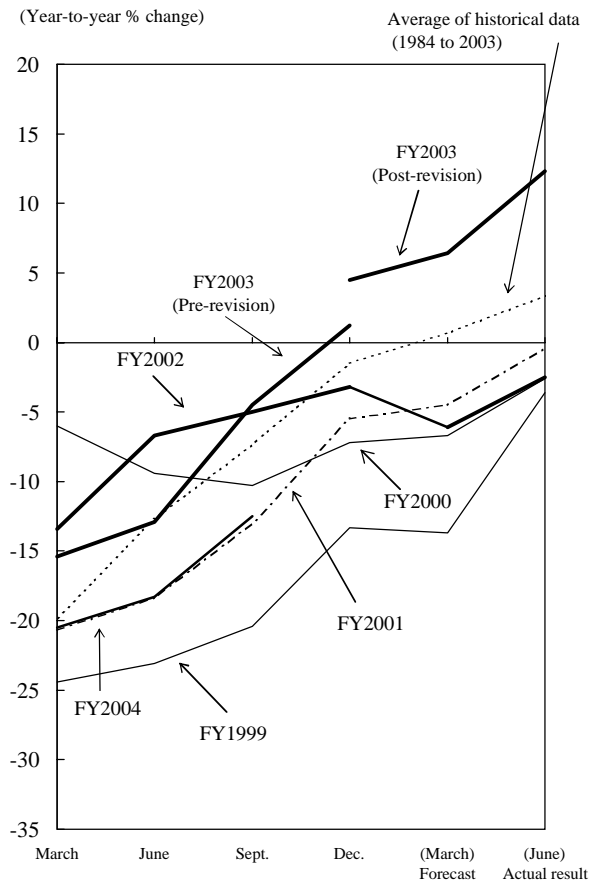


(2) Small Enterprises

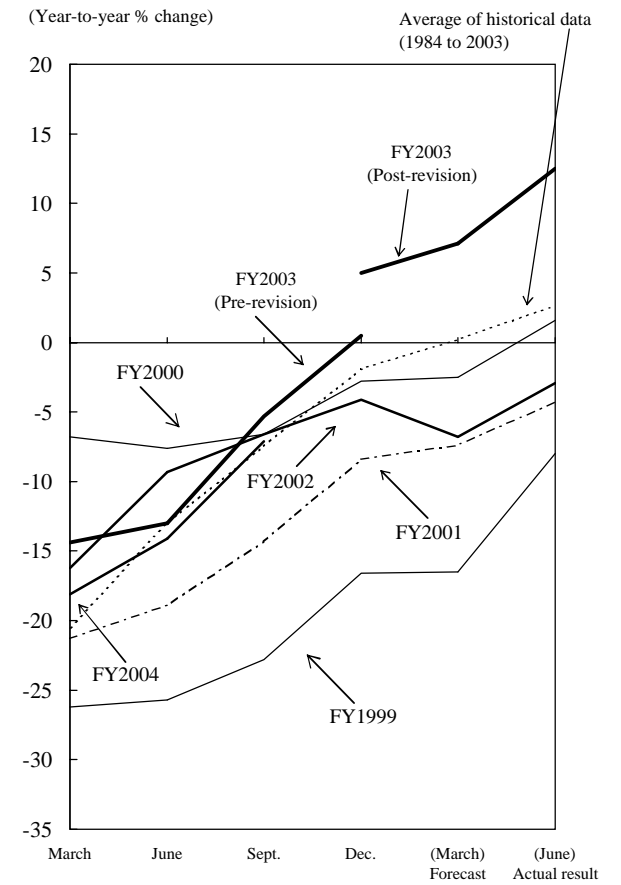
Manufacturing



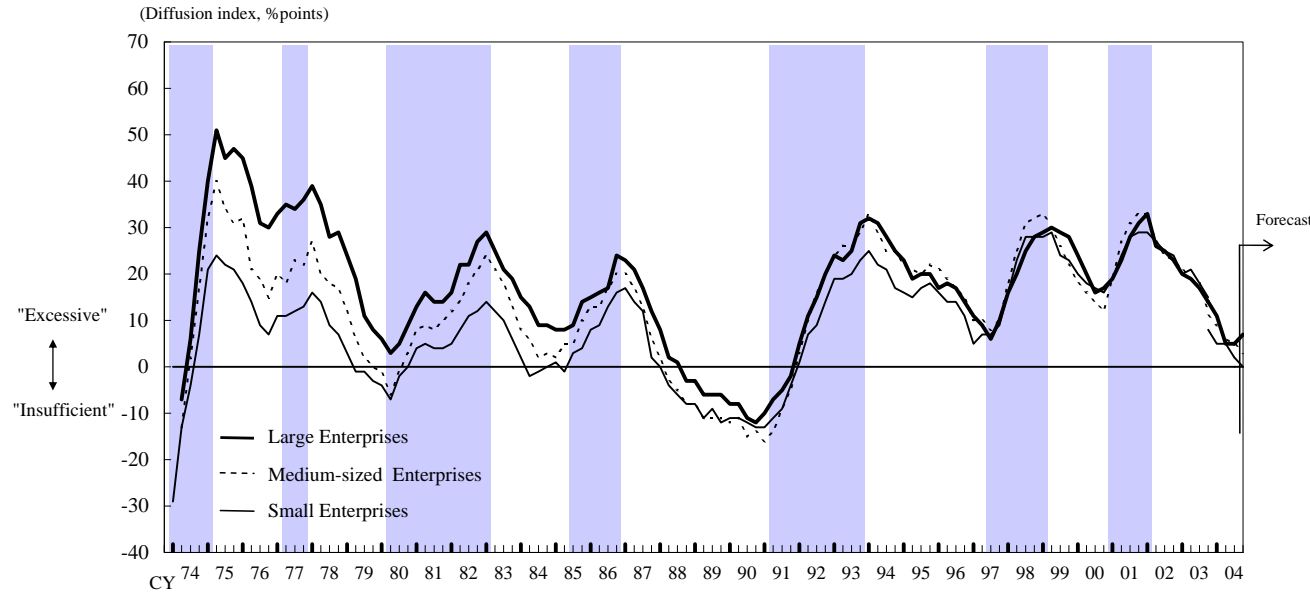
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



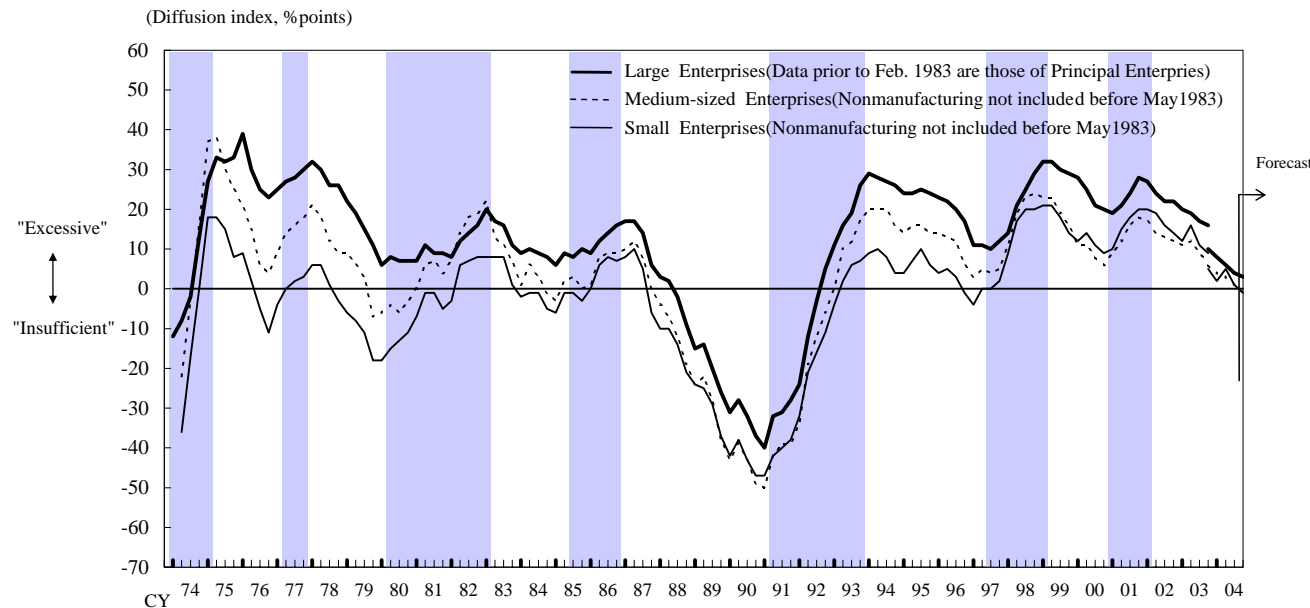
Peaks and Bottoms of Production Capacity (from May 1974)

(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)	

	September 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	5	5	2
Forecast	7	3	0

[Employment Condition (All industries)]



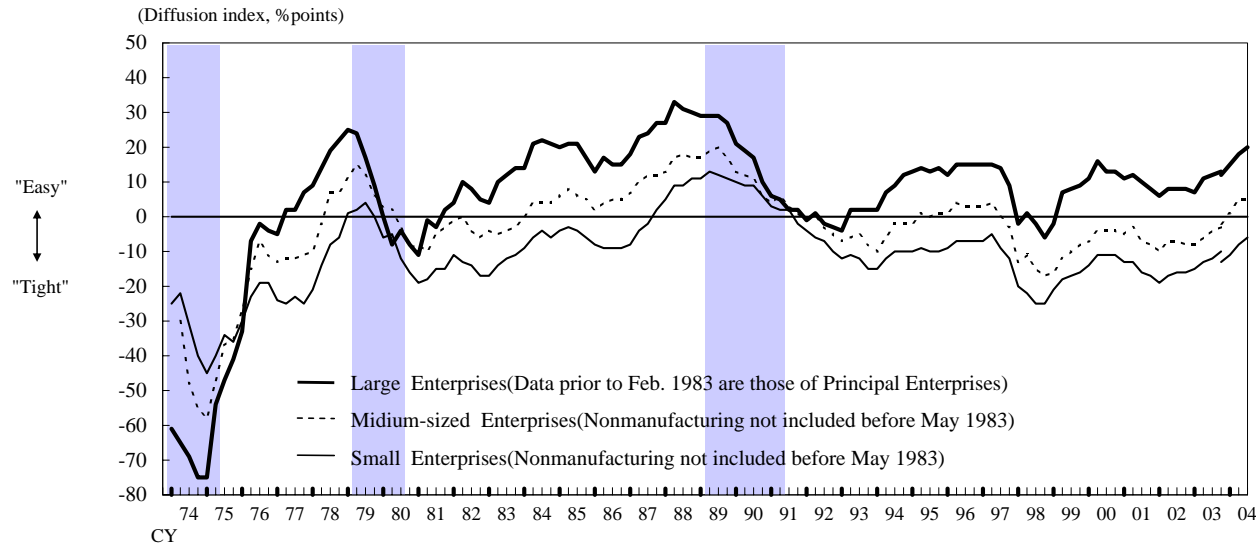
Peaks and Bottoms of Employment Condition (from May 1983)

(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)	

	September 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	4	1	1
Forecast	3	-1	-1

Financial Position



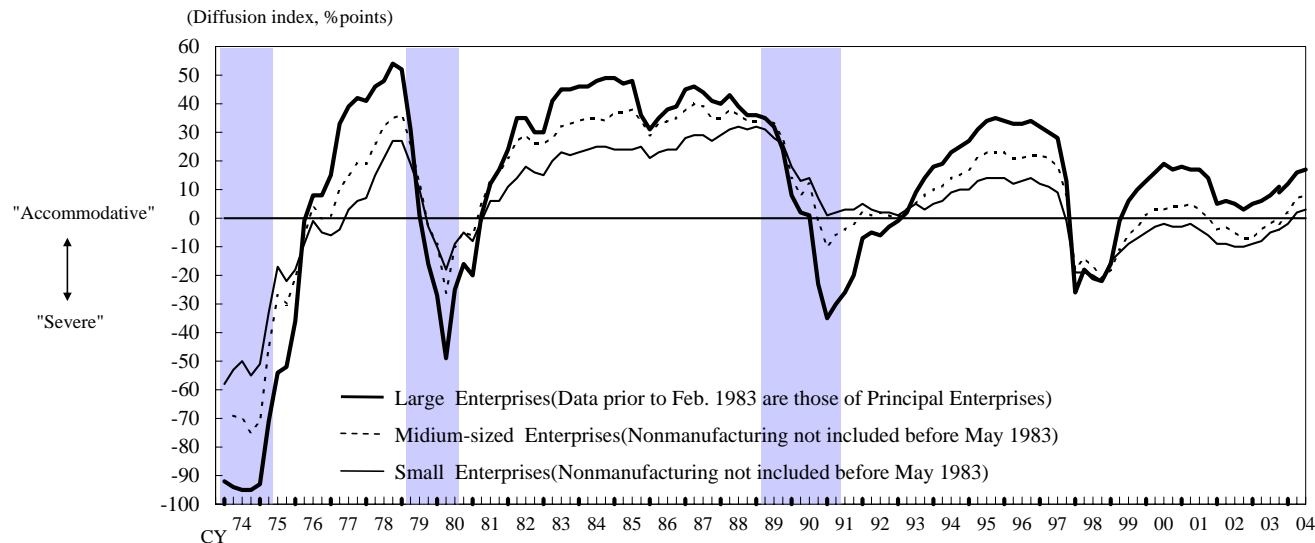
Peaks and Bottoms of Financial Position (from May 1983)

(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)

	September 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	20	5	-6

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)

	September 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	17	8	3