

TANKAN Summary (December 2004)
123rd Short-term Economic Survey of Enterprises in Japan

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December 15, 2004
Research and Statistics Department
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,187	6,040	10,227	97.8%
Large Enterprises	1,163	1,231	2,394	99.0%
Medium-sized Enterprises	1,139	1,649	2,788	98.4%
Small Enterprises	1,885	3,160	5,045	97.0%
Financial institutions	-	-	207	100.0%

Responding Period: November 10 to December 14

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
Dec. 2004 Survey	-	-	-	107.64	108.96	106.31

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	Sept. 2004 Survey		Dec. 2004 Survey				Sept. 2004 Survey		Dec. 2004 Survey				Sept. 2004 Survey		Dec. 2004 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes	Actual result	Forecast	Actual result	Forecast		Changes	Actual result	Forecast	Actual result	Forecast		Changes
					Changes						Changes						Changes	
Manufacturing	26	21	22	-4	15	-7	14	10	11	-3	2	-9	5	3	5	0	-1	-6
Textiles	0	5	-5	-5	-5	0	-16	-11	-22	-6	-21	1	-34	-31	-34	0	-30	4
Lumber & Wood products	15	8	15	0	8	-7	15	-9	-15	-6	-15	0	-5	-10	-11	-6	-20	-9
Pulp & Paper	25	22	13	-12	3	-10	2	2	-2	-4	-4	-2	-9	-2	-9	0	-9	0
Chemicals	21	11	14	-7	5	-9	7	8	4	-3	0	-4	13	16	22	9	14	-8
Petroleum & Coal products	33	28	38	5	33	-5	42	21	40	-2	30	-10	-32	-25	-22	10	-18	4
Ceramics, Stone & Clay	23	13	23	0	9	-14	-31	-25	-34	-3	-23	11	-34	-28	-15	19	-21	-6
Iron & Steel	58	54	60	2	53	-7	63	45	68	5	44	-24	37	36	47	10	34	-13
Nonferrous metals	34	21	32	-2	10	-22	36	16	26	-10	22	-4	17	14	30	13	12	-18
Food & Beverages	20	12	12	-8	6	-6	0	6	-4	-4	-2	2	-11	-3	-17	-6	-14	3
Processed metals	4	7	5	1	3	-2	6	3	14	8	3	-11	16	13	23	7	11	-12
Industrial machinery	38	36	43	5	32	-11	36	31	34	-2	24	-10	21	21	25	4	17	-8
Electrical machinery	28	21	11	-17	10	-1	18	8	6	-12	-11	-17	16	6	9	-7	0	-9
Shipbuilding & Heavy machinery etc.	16	3	0	-16	-7	-7	9	-4	11	2	-7	-18	4	0	4	0	0	-4
Motor vehicles	41	31	37	-4	33	-4	35	22	30	-5	20	-10	39	21	34	-5	14	-20
Precision machinery	18	18	31	13	18	-13	32	28	32	0	18	-14	13	8	7	-6	-1	-8
Basic materials	25	18	22	-3	13	-9	9	4	5	-4	2	-3	-7	-6	-1	6	-6	-5
Processing	27	21	22	-5	16	-6	17	12	13	-4	2	-11	11	8	8	-3	2	-6
Nonmanufacturing	11	10	11	0	10	-1	-2	-2	-4	-2	-3	1	-17	-16	-14	3	-18	-4
Construction	-13	-14	-12	1	-8	4	-32	-30	-28	4	-29	-1	-32	-39	-28	4	-38	-10
Real estate	15	12	14	-1	10	-4	8	0	4	-4	1	-3	3	3	6	3	3	-3
Wholesaling	24	20	19	-5	16	-3	5	2	4	-1	1	-3	-12	-8	-11	1	-12	-1
Retailing	-5	7	-1	4	5	6	-17	-6	-15	2	-7	8	-28	-18	-22	6	-20	2
Transportation	7	5	12	5	7	-5	-12	-12	-15	-3	-20	-5	-7	-12	-10	-3	-15	-5
Communications	13	8	2	-11	-3	-5	32	25	23	-9	28	5	3	3	3	0	6	3
Information services	19	22	23	4	19	-4	19	28	24	5	27	3	17	14	8	-9	15	7
Electric & Gas utilities	18	5	11	-7	9	-2	34	24	29	-5	13	-16	-6	-11	0	6	-19	-19
Services for businesses	19	16	20	1	20	0	22	27	17	-5	15	-2	-4	-4	-3	1	-7	-4
Services for individuals	9	16	6	-3	11	5	-2	4	-9	-7	-1	8	-1	-3	-5	-4	-3	2
Restaurants & Accommodations	7	5	-4	-11	0	4	-18	-11	-34	-16	-16	18	-33	-23	-36	-3	-28	8
Leasing	19	20	25	6	31	6	6	3	8	2	0	-8	-12	-7	0	12	-10	-10
All industries	19	15	16	-3	12	-4	5	3	2	-3	-1	-3	-9	-9	-7	2	-12	-5

	All Enterprises					
Manufacturing	13	10	11	-2	4	-7
Nonmanufacturing	-7	-7	-7	0	-9	-2
All industries	2	0	1	-1	-3	-4

- (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)

	Sept. 2004 Survey			Dec. 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	26	14	5	22	11	5	15	2	-1
1.Favorable	33	31	26	31	28	25	23	20	19
2.Not so favorable	60	52	53	60	55	55	69	62	61
3.Unfavorable	7	17	21	9	17	20	8	18	20
Nonmanufacturing	11	-2	-17	11	-4	-14	10	-3	-18
1.Favorable	22	18	13	22	17	14	18	14	11
2.Not so favorable	67	62	57	67	62	58	74	69	60
3.Unfavorable	11	20	30	11	21	28	8	17	29

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		Sept. 2004 Survey		Dec. 2004 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-8	-11	-11	-3	-13	-2
	Basic materials	-10	-9	-10	0	-11	-1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-7	-11	-11	-4	-14	-3
	Nonmanufacturing	-26	-29	-25	1	-27	-2
Overseas Supply & Demand Conditions for Products:	Manufacturing	1	-1	-1	-2	-4	-3
	Basic materials	0	-3	1	1	-2	-3
Diffusion index of "Excess demand" minus "Excess supply"	Processing	1	-2	-3	-4	-5	-2

Inventory Level of Finished Goods & Merchandise:	Manufacturing	13		13	0		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	10		13	3		
	Processing	15		14	-1		
Wholesalers' Inventory Level:	Manufacturing	12		13	1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	12		10	-2		
	Processing	12		15	3		

Change in Output Prices:	Manufacturing	-5	-9	-6	-1	-9	-3
	Basic materials	12	10	13	1	11	-2
Diffusion index of "Rise" minus "Fall"	Processing	-14	-19	-16	-2	-19	-3
	Nonmanufacturing	-13	-12	-13	0	-13	0
Change in Input Prices:	Manufacturing	34	31	38	4	32	-6
	Basic materials	46	41	47	1	39	-8
Diffusion index of "Rise" minus "Fall"	Processing	28	27	33	5	27	-6
	Nonmanufacturing	8	8	11	3	6	-5

(%points)

		Small Enterprises					
		Sept. 2004 Survey		Dec. 2004 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-25	-26	-23	2	-26	-3
	Basic materials	-36	-34	-29	7	-31	-2
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-19	-22	-20	-1	-24	-4
	Nonmanufacturing	-38	-38	-36	2	-38	-2
Overseas Supply & Demand Conditions for Products:	Manufacturing	-8	-11	-8	0	-12	-4
	Basic materials	-14	-14	-12	2	-14	-2
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-5	-10	-6	-1	-11	-5

Inventory Level of Finished Goods & Merchandise:	Manufacturing	11		11	0		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	16		14	-2		
	Processing	9		11	2		
Wholesalers' Inventory Level:	Manufacturing	16		16	0		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	22		22	0		
	Processing	13		13	0		

Change in Output Prices:	Manufacturing	-16	-18	-13	3	-15	-2
	Basic materials	-9	-11	-7	2	-9	-2
Diffusion index of "Rise" minus "Fall"	Processing	-20	-23	-16	4	-19	-3
	Nonmanufacturing	-25	-24	-23	2	-24	-1
Change in Input Prices:	Manufacturing	40	41	43	3	40	-3
	Basic materials	41	41	40	-1	37	-3
Diffusion index of "Rise" minus "Fall"	Processing	40	40	44	4	42	-2
	Nonmanufacturing	16	20	21	5	18	-3

3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	1.4	-	5.1	1.5
	Domestic Sales	0.6	-	4.0	1.1
	Exports	3.7	-	8.8	2.7
	Nonmanufacturing	0.7	-	2.0	1.3
	All industries	1.0	-	3.2	1.4
Medium-sized Enterprises	Manufacturing	4.1	-	4.9	0.7
	Nonmanufacturing	-0.1	-	2.1	0.1
	All industries	0.9	-	2.8	0.2
Small Enterprises	Manufacturing	2.6	-	4.3	0.6
	Nonmanufacturing	-0.7	-	0.5	1.0
	All industries	0.0	-	1.3	0.9
All Enterprises	Manufacturing	2.0	-	5.0	1.2
	Nonmanufacturing	0.1	-	1.5	0.9
	All industries	0.7	-	2.6	1.0

(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		Revision rate	(Forecast)	Revision rate
0.8	1.9	-	6.1	1.5	4.3	1.5
0.0	1.2	-	4.3	0.6	3.7	1.5
3.2	4.2	-	11.5	4.2	6.2	1.2
0.8	0.6	-	2.2	1.6	1.8	1.0
0.8	1.1	-	3.7	1.6	2.8	1.2
3.8	4.4	-	7.6	0.8	2.4	0.5
-0.9	0.6	-	2.6	0.5	1.7	-0.3
0.2	1.5	-	3.9	0.6	1.8	-0.1
1.0	4.2	-	6.0	0.7	2.8	0.5
-1.6	0.1	-	1.5	1.3	-0.4	0.8
-1.0	0.9	-	2.5	1.2	0.2	0.7
1.3	2.7	-	6.3	1.3	3.7	1.1
-0.3	0.5	-	2.1	1.3	1.1	0.6
0.2	1.1	-	3.4	1.3	1.9	0.8

Current Profits (Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	20.3	-	24.0	5.1
	Basic materials	22.5	-	36.9	8.3
	Processing	19.1	-	16.9	3.1
	Nonmanufacturing	10.7	-	10.4	1.0
	All industries	15.1	-	16.9	3.1
Medium-sized Enterprises	Manufacturing	30.4	-	27.6	3.7
	Nonmanufacturing	11.6	-	9.1	-1.5
	All industries	17.3	-	15.3	0.4
Small Enterprises	Manufacturing	35.7	-	20.8	0.8
	Nonmanufacturing	2.2	-	5.3	-2.0
	All industries	9.8	-	9.6	-1.1
All Enterprises	Manufacturing	23.2	-	24.0	4.4
	Nonmanufacturing	8.7	-	8.9	-0.1
	All industries	14.4	-	15.3	1.9

(Year-to-year % change)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
		Revision rate		Revision rate	(Forecast)	Revision rate
31.3	12.5	-	35.4	14.6	14.5	-2.8
33.2	14.3	-	46.7	14.8	28.2	2.5
30.2	11.5	-	28.9	14.5	7.3	-5.9
3.7	17.5	-	30.9	14.6	-7.1	-11.6
15.3	15.0	-	33.1	14.6	3.4	-7.1
40.6	24.6	-	58.0	11.8	8.0	-2.9
7.2	14.2	-	20.6	4.7	2.6	-5.2
17.1	17.4	-	33.9	7.6	4.3	-4.4
31.4	38.8	-	41.1	1.3	7.4	0.3
-8.7	8.9	-	21.0	0.3	-2.9	-3.4
1.0	15.5	-	27.4	0.7	-0.2	-2.4
32.2	16.9	-	38.4	12.5	12.7	-2.4
1.5	14.5	-	27.5	10.3	-4.2	-8.2
12.9	15.5	-	32.2	11.3	2.8	-5.7

3. Sales and Current Profits(Continued)

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

		FY2003		FY2004	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	4.90	-	5.78	0.20
	Nonmanufacturing	3.40	-	3.68	-0.01
	All industries	3.99	-	4.52	0.07
Medium-sized Enterprises	Manufacturing	3.28	-	3.99	0.12
	Nonmanufacturing	2.15	-	2.29	-0.04
	All industries	2.43	-	2.72	0.00
Small Enterprises	Manufacturing	3.14	-	3.64	0.01
	Nonmanufacturing	2.07	-	2.17	-0.07
	All industries	2.29	-	2.48	-0.05
All Enterprises	Manufacturing	4.34	-	5.13	0.16
	Nonmanufacturing	2.72	-	2.92	-0.03
	All industries	3.23	-	3.63	0.03

(% , %points)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
		Changes		Changes	(Forecast)	Changes
4.64	5.14	-	5.92	0.67	5.64	-0.25
3.27	3.53	-	4.19	0.48	3.22	-0.45
3.81	4.16	-	4.88	0.55	4.19	-0.37
2.68	3.83	-	3.94	0.39	4.03	-0.15
1.62	2.62	-	1.91	0.08	2.65	-0.13
1.89	2.92	-	2.43	0.16	2.99	-0.14
2.60	3.65	-	3.46	0.02	3.81	-0.01
1.48	2.61	-	1.76	-0.02	2.55	-0.11
1.71	2.83	-	2.13	-0.01	2.81	-0.09
3.98	4.68	-	5.18	0.52	5.08	-0.19
2.36	3.05	-	2.95	0.24	2.89	-0.28
2.87	3.56	-	3.67	0.33	3.59	-0.25

Net Income (Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	76.6	-	69.9	2.6
	Basic materials	61.1	-	172.8	4.3
	Processing	82.7	-	34.4	1.5
	Nonmanufacturing	216.9	-	24.5	-10.4
	All industries	127.4	-	47.0	-3.4
Medium-sized Enterprises	Manufacturing	41.5	-	53.4	1.3
	Nonmanufacturing	77.1	-	114.6	30.9
	All industries	58.9	-	86.8	18.0
Small Enterprises	Manufacturing	63.7	-	42.4	-2.1
	Nonmanufacturing	13.8	-	23.9	-8.0
	All industries	25.8	-	29.6	-6.1
All Enterprises	Manufacturing	69.7	-	64.0	1.9
	Nonmanufacturing	103.3	-	34.9	-4.1
	All industries	86.6	-	48.1	-1.2

(Year-to-year % change)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
		Revision rate		Revision rate	(Forecast)	Revision rate
56.0	115.0	-	57.7	12.6	86.3	-6.9
60.0	65.0	-	102.8	10.0	400.4	-2.4
54.1	126.3	-	34.4	14.8	34.5	-9.5
21.4	Profit	-	0.8	-6.4	66.8	-14.3
35.5	Profit	-	27.5	3.8	77.3	-10.3
73.5	26.5	-	81.2	10.1	35.7	-5.2
-31.2	161.2	-	412.4	180.2	53.7	-4.0
14.0	86.0	-	194.8	72.5	46.9	-4.4
62.9	64.3	-	41.6	0.6	43.1	-4.3
-31.8	39.1	-	66.3	-11.5	12.4	-6.6
-4.5	44.4	-	54.1	-6.4	19.7	-5.9
58.2	85.2	-	57.7	10.9	71.2	-6.3
8.0	891.5	-	25.9	4.6	43.1	-10.1
27.6	249.7	-	41.3	7.9	54.9	-8.4

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	
Large Enterprises	Manufacturing	5.4	-	23.4	2.2	-2.6	12.8	-	20.9	-12.7	25.4	17.6
	Nonmanufacturing	-0.1	-	1.1	1.1	0.2	-0.3	-	-2.1	-4.6	3.7	6.1
	All industries	1.5	-	7.7	1.5	-0.6	3.3	-	4.6	-7.5	10.2	9.7
Medium-sized Enterprises	Manufacturing	8.4	-	11.7	0.4	4.4	12.1	-	11.6	-5.1	11.9	5.7
	Nonmanufacturing	1.7	-	4.2	2.9	-10.0	13.8	-	11.1	3.9	-1.4	2.1
	All industries	3.5	-	6.3	2.2	-6.3	13.3	-	11.3	1.1	2.2	3.2
Small Enterprises	Manufacturing	13.1	-	18.0	7.2	14.1	12.2	-	12.1	2.6	23.6	11.4
	Nonmanufacturing	12.3	-	-5.4	8.2	30.0	-3.3	-	-8.5	5.1	-1.7	11.9
	All industries	12.5	-	0.3	7.9	26.1	0.4	-	-3.9	4.4	5.0	11.8
All Enterprises	Manufacturing	7.0	-	20.8	2.6	0.8	12.6	-	18.0	-9.6	23.0	14.8
	Nonmanufacturing	2.3	-	0.4	2.6	3.3	1.3	-	-1.4	-1.4	2.0	6.2
	All industries	3.5	-	6.2	2.6	2.6	4.3	-	4.0	-4.1	8.1	8.9

* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	7.4	-	-8.2	-2.0
	Nonmanufacturing	-8.7	-	0.6	0.1
	All industries	-3.5	-	-2.5	-0.6
Medium-sized Enterprises	Manufacturing	22.8	-	32.3	2.4
	Nonmanufacturing	-0.8	-	10.0	6.7
	All industries	1.0	-	12.1	6.2
Small Enterprises	Manufacturing	-6.4	-	20.2	1.5
	Nonmanufacturing	31.2	-	-11.6	1.8
	All industries	22.7	-	-6.1	1.7
All Enterprises	Manufacturing	7.3	-	-4.5	-1.5
	Nonmanufacturing	-4.1	-	1.6	1.8
	All industries	-1.0	-	-0.2	0.9

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.6	-	21.4	0.8
	Nonmanufacturing	-1.3	-	2.2	-0.4
	All industries	0.7	-	8.0	0.0
Medium-sized Enterprises	Manufacturing	7.6	-	14.3	-0.3
	Nonmanufacturing	1.6	-	6.7	3.3
	All industries	3.1	-	8.8	2.2
Small Enterprises	Manufacturing	8.8	-	25.5	6.2
	Nonmanufacturing	5.6	-	-0.4	2.7
	All industries	6.3	-	6.1	3.7
All Enterprises	Manufacturing	6.3	-	20.8	1.3
	Nonmanufacturing	0.2	-	2.6	0.7
	All industries	1.9	-	7.9	0.9

Land Purchasing Expenses

(Year-to-year % change)

		FY2003		FY2004	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	7.0	-	-18.9	121.8
	Nonmanufacturing	11.2	-	-24.1	74.8
	All industries	10.3	-	-23.0	83.6
Medium-sized Enterprises	Manufacturing	47.1	-	-32.3	41.5
	Nonmanufacturing	0.4	-	-16.0	4.3
	All industries	5.4	-	-18.4	7.9
Small Enterprises	Manufacturing	46.5	-	-33.1	18.2
	Nonmanufacturing	68.3	-	-30.0	62.0
	All industries	63.8	-	-30.5	52.1
All Enterprises	Manufacturing	25.4	-	-26.5	59.2
	Nonmanufacturing	26.4	-	-25.0	48.7
	All industries	26.2	-	-25.3	50.5

Production Capacity

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

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

5. Fixed Investment of Financial institutions

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

	FY2003		FY2004	
		Revision rate	(Forecast)	Revision rate
Financial institutions	37.4	-	-14.2	1.7
Banks	-0.8	-	10.0	1.2
Shinkin banks & Other financial institutions for small businesses	-1.3	-	1.8	-2.7
Securities companies	11.5	-	38.6	9.6
Insurance companies	109.0	-	-35.6	1.8
Non-deposit money corporations	42.3	-	-18.5	5.4
(Memo) All industries including Financial institutions	4.3	-	5.6	2.6
Nonmanufacturing including Financial institutions	3.3	-	-0.1	2.5

* Excludes Software Investment

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

Financial institutions	-0.7	-	19.3	-1.9
Banks	3.1	-	12.6	-3.5
Shinkin banks & Other financial institutions for small businesses	-12.0	-	-14.3	2.6
Securities companies	15.7	-	46.9	-5.8
Insurance companies	-12.6	-	14.0	-1.4
Non-deposit money corporations	-11.9	-	49.9	16.9
(Memo) All industries including Financial institutions	-0.9	-	2.9	0.3
Nonmanufacturing including Financial institutions	-3.4	-	5.4	0.9

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

Financial institutions	236.3	-	-73.3	16.0
Banks	28.3	-	13.8	19.7
Shinkin banks & Other financial institutions for small businesses	-16.9	-	-51.8	33.7
Securities companies	-100.0	-	-	-
Insurance companies	420.1	-	-80.1	14.1
Non-deposit money corporations	1630.7	-	-100.0	-100.0
(Memo) All industries including Financial institutions	33.5	-	-29.5	49.1
Nonmanufacturing including Financial institutions	35.4	-	-30.1	47.0

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

Financial institutions	9.0	-	9.8	-0.4
Banks	0.4	-	11.2	-1.8
Shinkin banks & Other financial institutions for small businesses	-0.5	-	7.3	-3.8
Securities companies	16.3	-	44.6	-2.2
Insurance companies	31.6	-	-5.6	-0.1
Non-deposit money corporations	-4.4	-	29.5	10.4
(Memo) All industries including Financial institutions	2.1	-	7.9	0.8
Nonmanufacturing including Financial institutions	0.6	-	2.9	0.6

6. Employment

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

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

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

	end of Dec. 2003	end of Mar. 2004	end of June 2004	end of Sept. 2004
Large Enterprises	-1.8	-1.6	-0.7	-0.5
Medium-sized Enterprises	0.4	-0.1	1.1	1.0
Small Enterprises	1.5	0.9	0.8	1.3
All Enterprises	0.1	-0.2	0.4	0.6
All Enterprises & Financial institutions	-0.1	-0.3	0.3	0.5
Financial institutions	-3.9	-1.9	-1.5	-1.7

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	-	1.2	1.6	11.0	5.0
Medium-sized Enterprises	-7.9	-	3.9	2.0	4.2	5.0
Small Enterprises	0.7	-	8.1	2.2	-0.1	8.5
All Enterprises	-6.2	-	4.8	2.0	4.6	6.4
All Enterprises & Financial institutions	-6.5	-	3.7	1.9	6.1	6.1
Financial institutions	-10.2	-	-10.8	0.7	29.4	2.5

7. Corporate Finance

Financial Position (All industries)

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

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

Lending Attitude of Financial institutions (All industries)

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

	Sept. 2004 Survey		Dec. 2004 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	17		19	2
Medium-sized Enterprises	8		10	2
Small Enterprises	3		5	2
All Enterprises	8		10	2

Change in Interest Rate on Loans (All industries)

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

	Sept. 2004 Survey		Dec. 2004 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
Large Enterprises	1	13	-3	-4	7	10
Medium-sized Enterprises	4	18	0	-4	9	9
Small Enterprises	8	22	4	-4	14	10
All Enterprises	6	18	1	-5	12	11

Condition for CP Issuance (All industries)

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

	Sept. 2004 Survey		Dec. 2004 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	1		1	0

Ratio of Liquidity (All industries)

(Months)

	end of Dec. 2003	end of March 2004	end of June 2004	end of Sept. 2004
Large Enterprises	0.96	1.03	0.97	0.96
Medium-sized Enterprises	1.12	1.16	1.09	1.08
Small Enterprises	1.64	1.71	1.64	1.66
All Enterprises	1.18	1.24	1.17	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

8. Business Conditions of Financial institutions

Business Conditions

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

	Sept. 2004 Survey		Dec. 2004 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
Banks	38	41	35	-3	37	2
Shinkin banks & Other financial institutions for small businesses	17	26	23	6	26	3
Securities companies	38	31	7	-31	23	16
Insurance companies	43	49	38	-5	49	11
Non-deposit money corporations	45	64	55	10	59	4
Financial institutions	37	41	33	-4	38	5

Production Capacity

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

	Sept. 2004 Survey		Dec. 2004 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
Banks	-1	1	0	1	2	2
Shinkin banks & Other financial institutions for small businesses	-3	-6	-6	-3	-6	0
Securities companies	-4	-8	-12	-8	-15	-3
Insurance companies	2	0	7	5	0	-7
Non-deposit money corporations	0	-9	-5	-5	-9	-4
Financial institutions	-1	-3	-2	-1	-3	-1

Employment Conditions

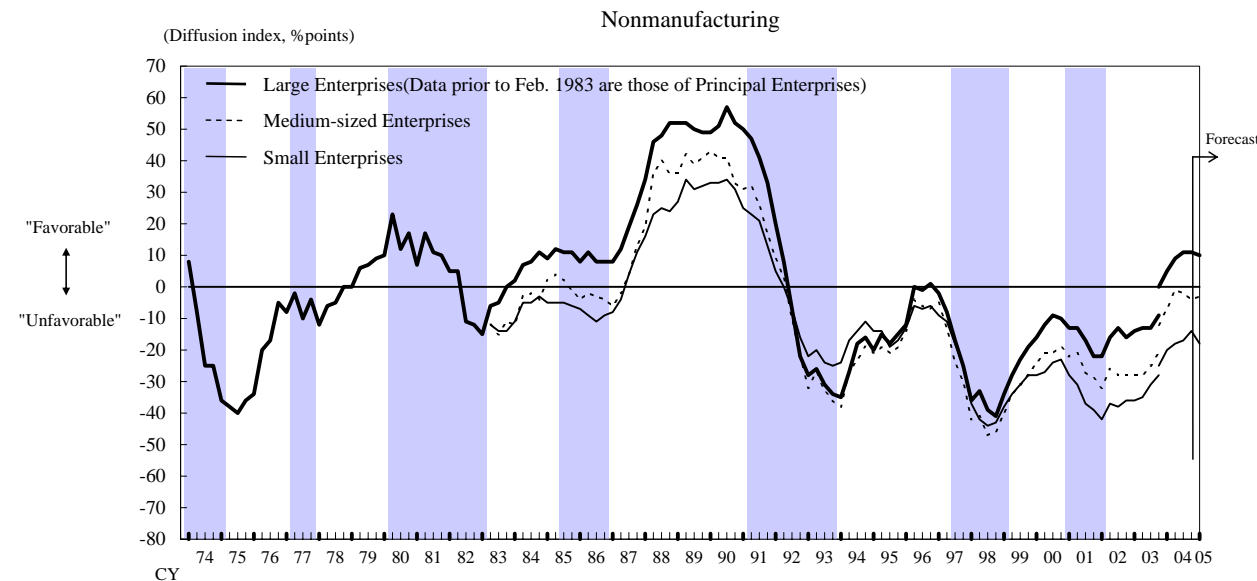
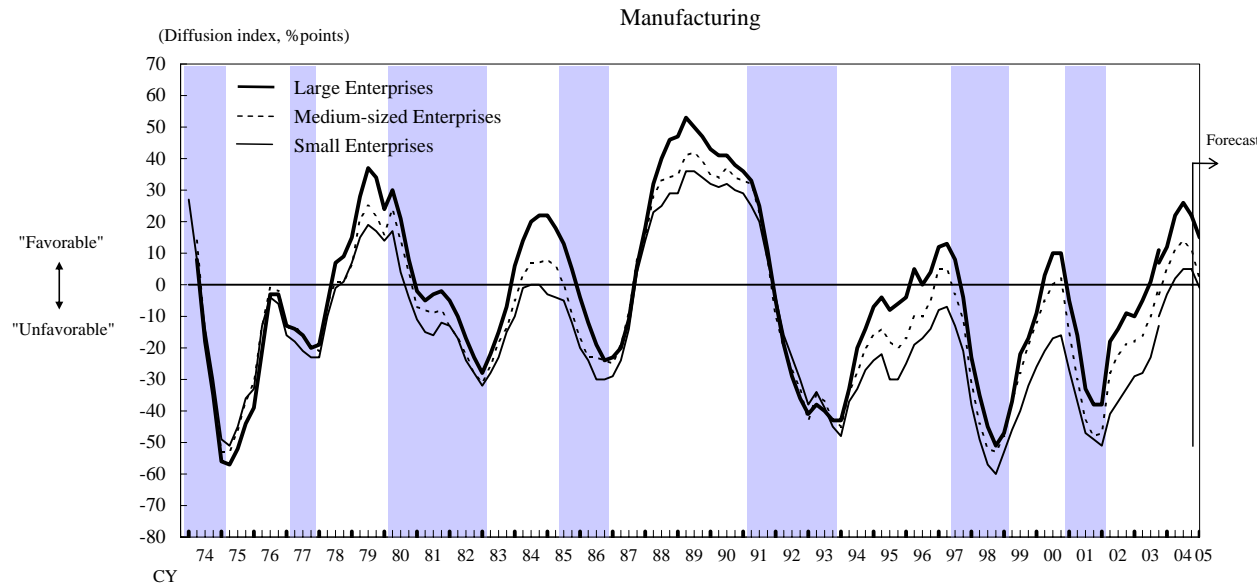
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	Sept. 2004 Survey		Dec. 2004 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
Banks	-4	-6	-5	-1	-5	0
Shinkin banks & Other financial institutions for small businesses	11	-6	8	-3	0	-8
Securities companies	-31	-31	-31	0	-31	0
Insurance companies	-2	-2	-2	0	-9	-7
Non-deposit money corporations	-9	-13	-18	-9	-14	4
Financial institutions	-5	-9	-6	-1	-9	-3

(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)

	December 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	22	11	5
Forecast	15	2	-1

Peaks and Bottoms of Business Conditions (from May 1983)

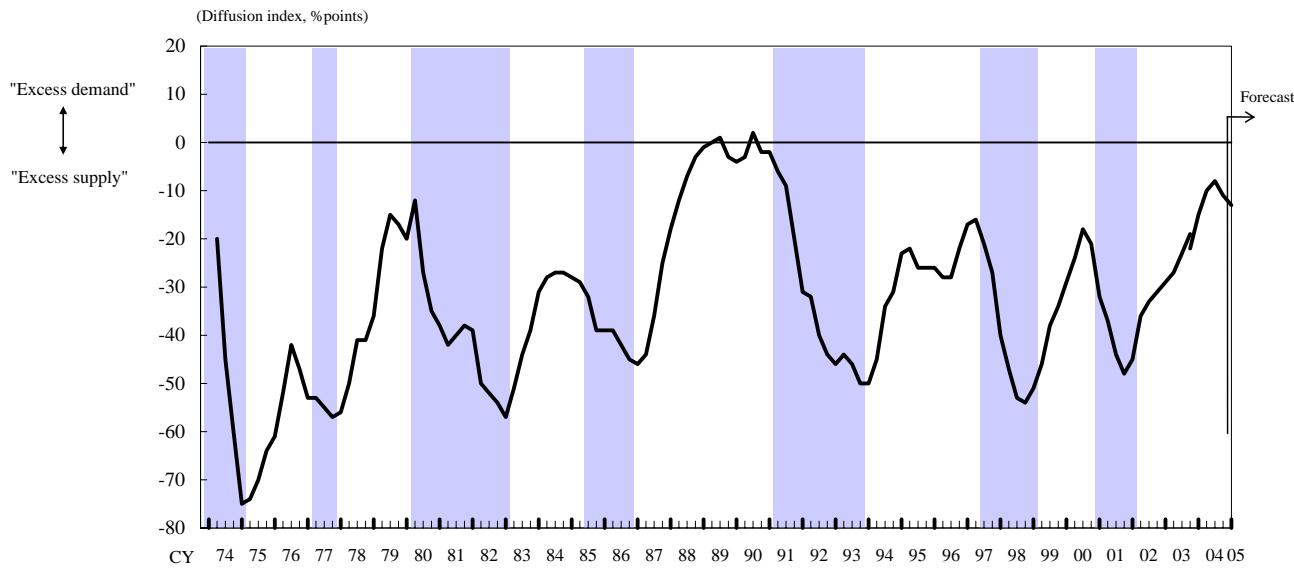
(Diffusion index of "Favorable" minus "Unfavorable", %points)

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)

	December 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	11	-4	-14
Forecast	10	-3	-18

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

Domestic Supply and Demand Conditions for Products and Services



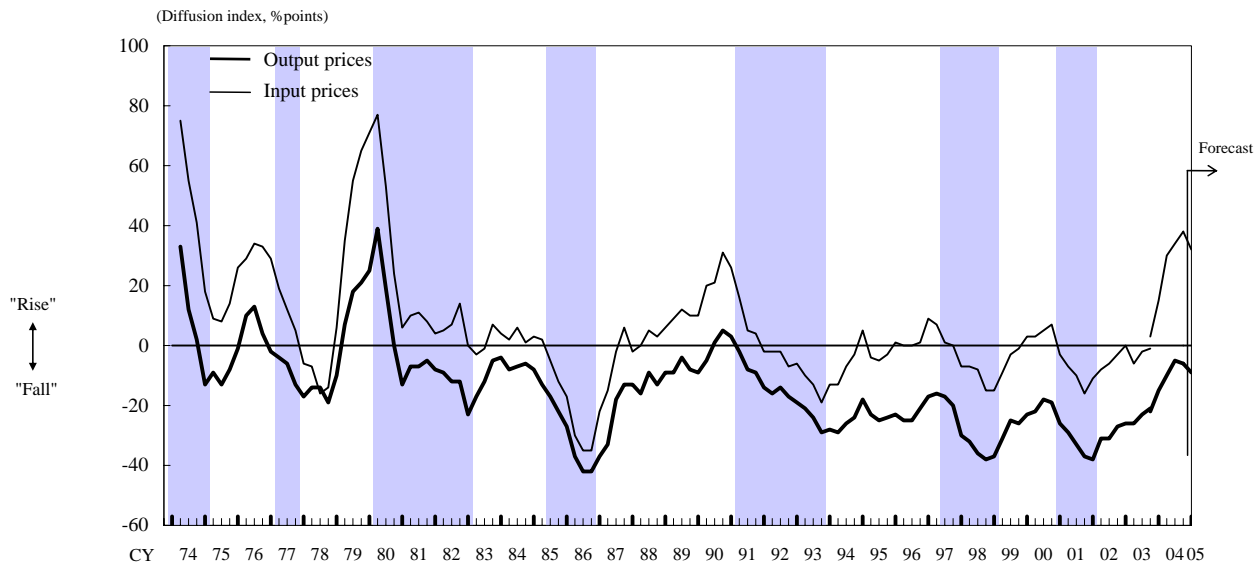
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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)

December 2004 survey	
Actual result	-11
Forecast	-13

Prices



Peaks and Bottoms of Prices (from May 1974)

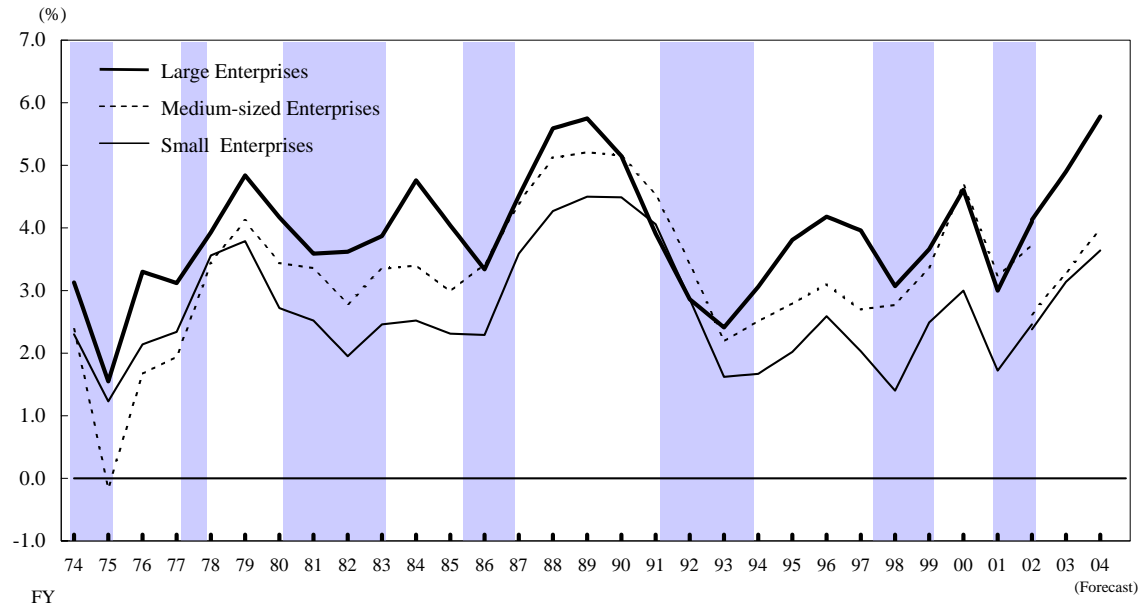
(Diffusion index of "Rise" minus "Fall", %points)

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)

December 2004 survey		
	Output Prices	Input Prices
Actual result	-6	38
Forecast	-9	32

[Ratio of Current Profit to Sales]

Manufacturing

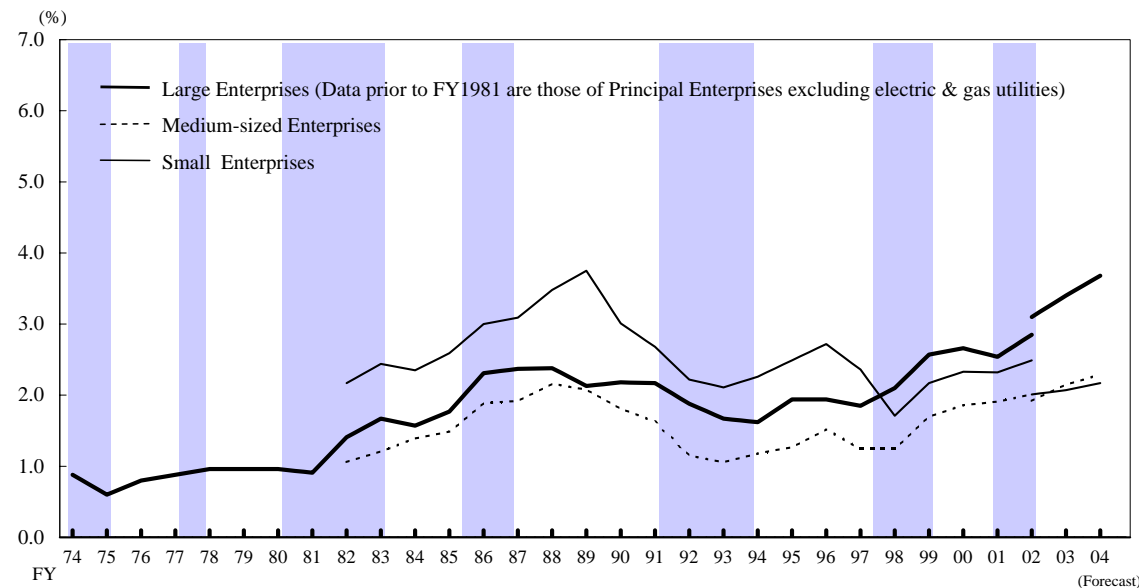


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974)

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)

	December 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2003	4.90	3.28	3.14
FY2004 (Forecast)	5.78	3.99	3.64

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)

	December 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2003	3.40	2.15	2.07
FY2004 (Forecast)	3.68	2.29	2.17

[Developments of Fixed Investment including Land Purchasing Expenses]

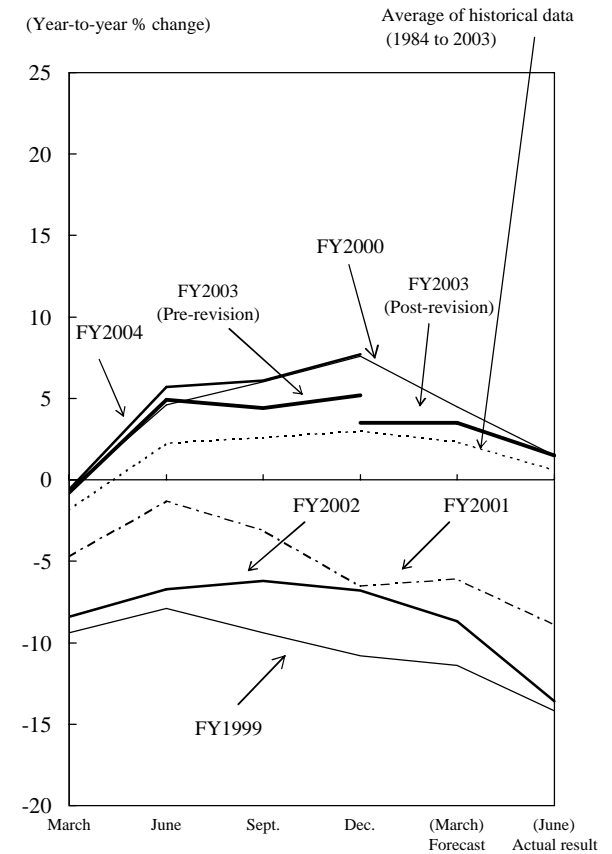
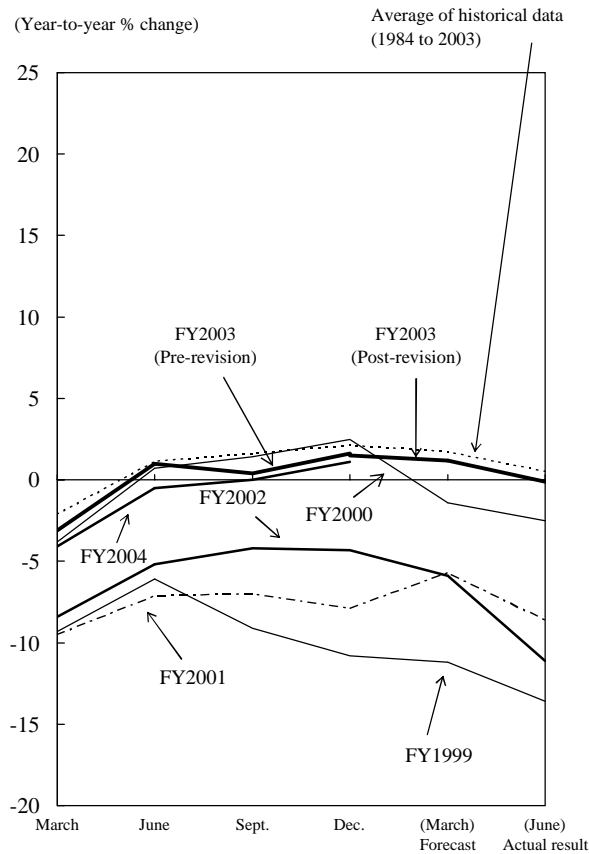
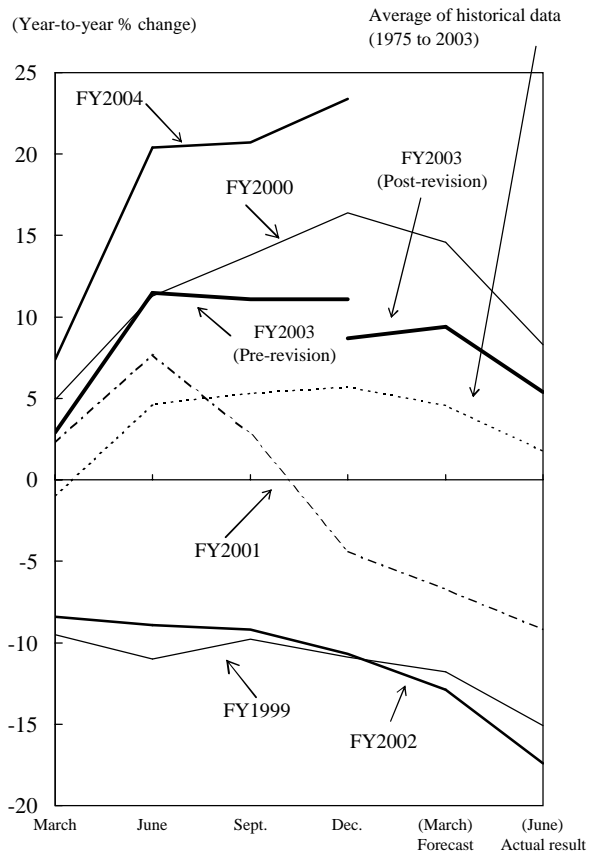
Note:1. This graph indicates the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year; actual result) is at the very right. The vertical axis represents the year-to-year percent change.
 2. Excludes Software Investment.

(1) Large Enterprises

Manufacturing

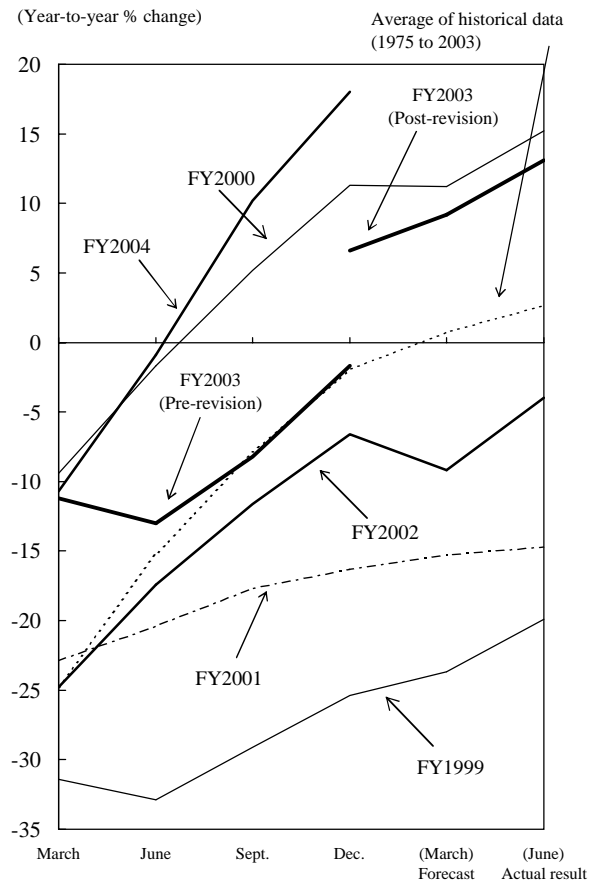
Nonmanufacturing

All industries

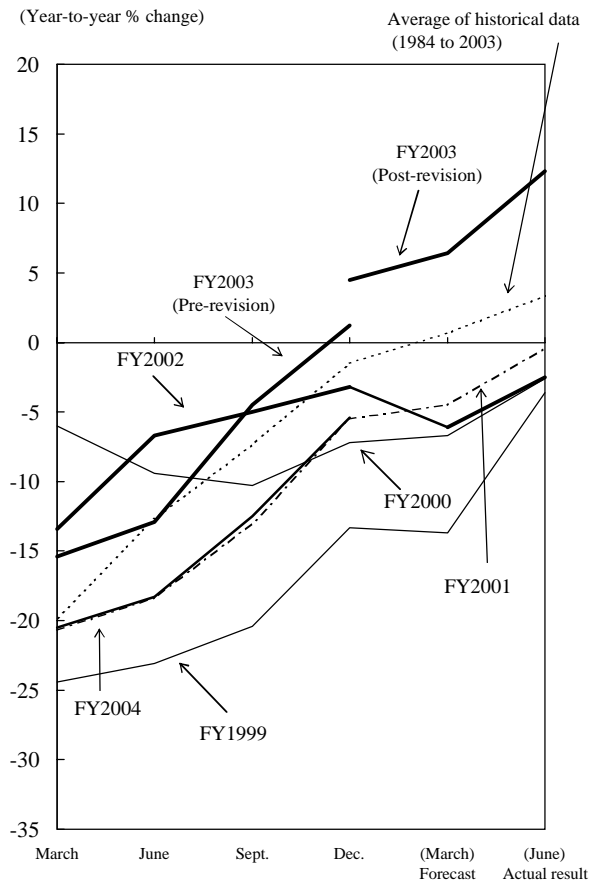


(2) Small Enterprises

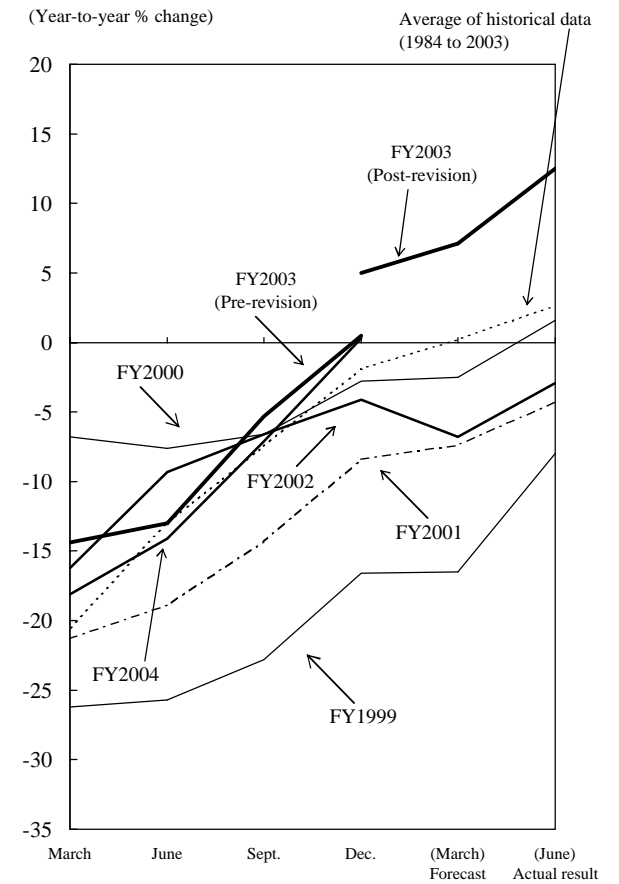
Manufacturing



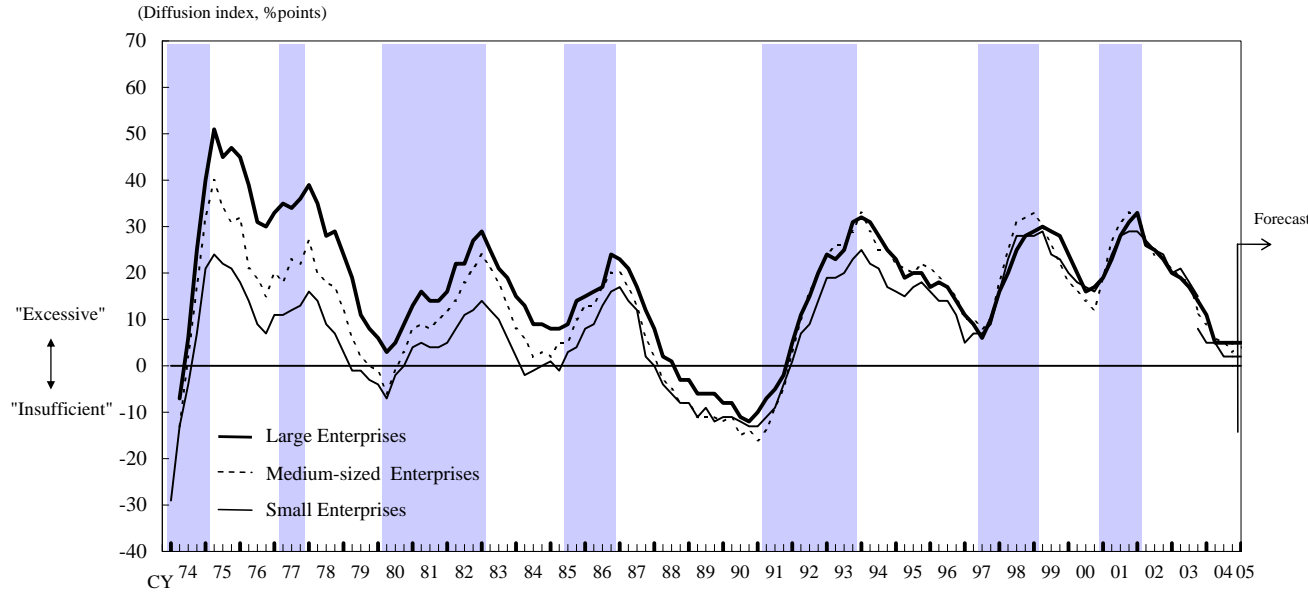
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



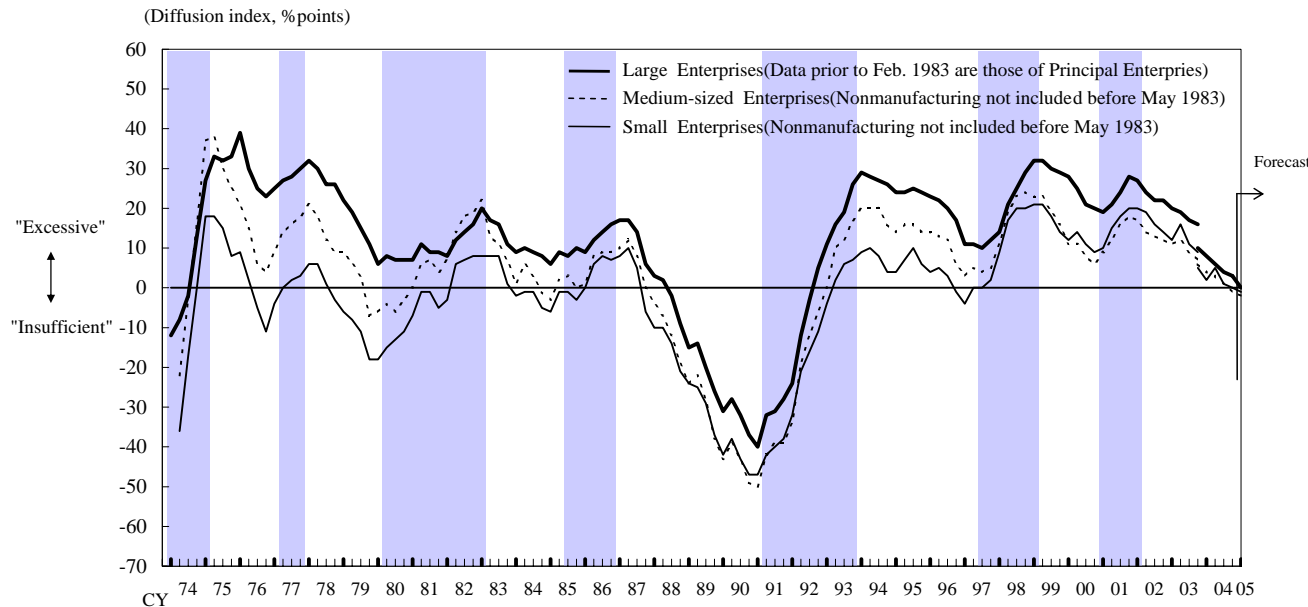
Peaks and Bottoms of Production Capacity (from May 1974)

(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)	

	December 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	5	3	2
Forecast	5	4	2

[Employment Condition (All industries)]



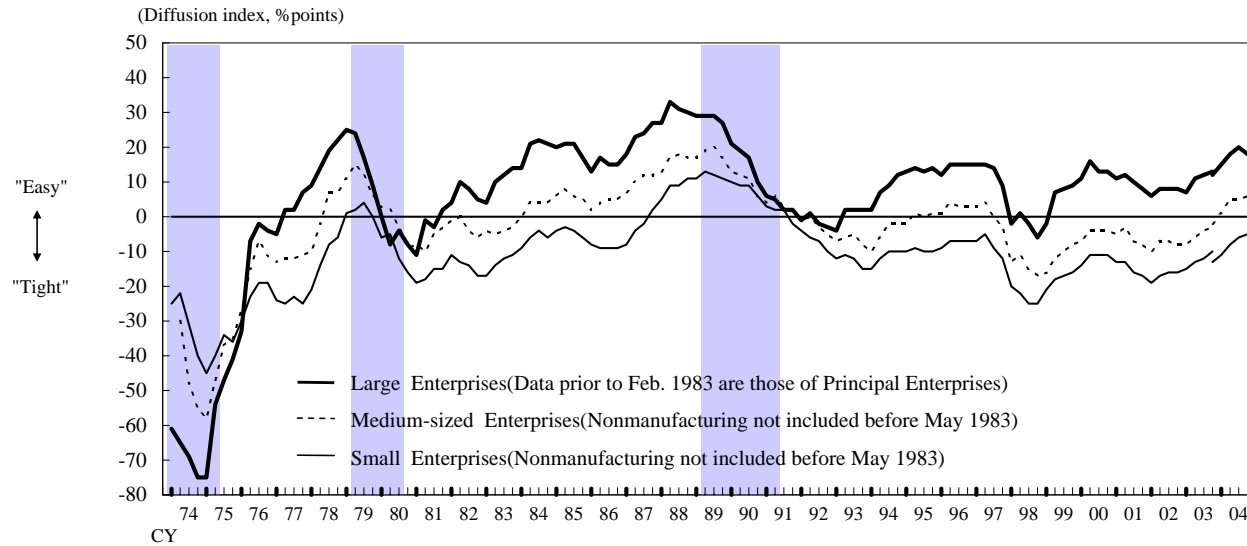
Peaks and Bottoms of Employment Condition (from May 1983)

(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)	

	December 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	3	-1	0
Forecast	0	-2	-1

Financial Position



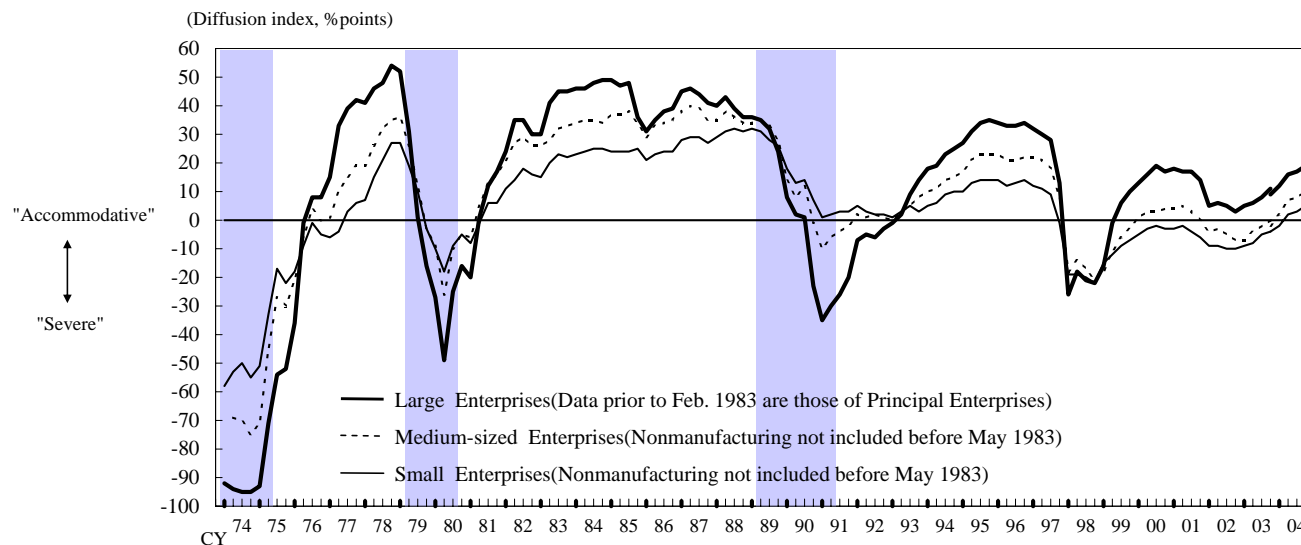
Peaks and Bottoms of Financial Position (from May 1983)

(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)

	December 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	18	6	-5

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)

	December 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	19	10	5