

TANKAN Summary (March 2005)  
124th Short-term Economic Survey of Enterprises in Japan

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April 1, 2005  
Research and Statistics Department  
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,252	6,191	10,443	97.6%
Large Enterprises	1,191	1,244	2,435	98.6%
Medium-sized Enterprises	1,148	1,658	2,806	97.9%
Small Enterprises	1,913	3,289	5,202	97.0%
Financial institutions	-	-	207	100.0%

Responding Period: February 24 to March 31

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

	FY 2004			FY 2005		
		1H	2H		1H	2H
Dec. 2004 Survey	107.64	108.96	106.31	-	-	-
March 2005 Survey	107.45	109.02	105.88	104.52	104.57	104.48

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	Dec. 2004 Survey		March 2005 Survey				Dec. 2004 Survey		March 2005 Survey				Dec. 2004 Survey		March 2005 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes	Actual result	Forecast	Actual result	Forecast		Changes	Actual result	Forecast	Actual result	Forecast		Changes
Manufacturing	22	15	14	-8	14	0	11	2	6	-5	2	-4	5	-1	0	-5	-2	-2
Textiles	-5	-5	-2	3	-5	-3	-22	-21	-43	-21	-27	16	-34	-30	-33	1	-35	-2
Lumber & Wood products	15	8	-7	-22	7	14	-15	-15	-15	0	-6	9	-11	-20	-28	-17	-17	11
Pulp & Paper	13	3	-7	-20	10	17	-2	-4	-16	-14	2	18	-9	-9	-13	-4	-5	8
Chemicals	14	5	15	1	10	-5	4	0	0	-4	4	4	22	14	17	-5	9	-8
Petroleum & Coal products	38	33	33	-5	23	-10	40	30	50	10	15	-35	-22	-18	-7	15	-15	-8
Ceramics, Stone & Clay	23	9	0	-23	2	2	-34	-23	-16	18	-33	-17	-15	-21	-15	0	-28	-13
Iron & Steel	60	53	56	-4	51	-5	68	44	64	-4	43	-21	47	34	41	-6	18	-23
Nonferrous metals	32	10	21	-11	21	0	26	22	9	-17	17	8	30	12	6	-24	9	3
Food & Beverages	12	6	3	-9	8	5	-4	-2	-2	2	6	8	-17	-14	-23	-6	-14	9
Processed metals	5	3	4	-1	-9	-13	14	3	9	-5	6	-3	23	11	15	-8	5	-10
Industrial machinery	43	32	35	-8	31	-4	34	24	32	-2	21	-11	25	17	24	-1	19	-5
Electrical machinery	11	10	-3	-14	7	7	6	-11	-7	-13	-10	-3	9	0	0	-9	-1	-1
Shipbuilding & Heavy machinery etc.	0	-7	4	4	-20	-24	11	-7	9	-2	-7	-16	4	0	7	3	0	-7
Motor vehicles	37	33	32	-5	28	-4	30	20	26	-4	10	-16	34	14	27	-7	12	-15
Precision machinery	31	18	22	-9	20	-2	32	18	16	-16	20	4	7	-1	-1	-8	8	9
Basic materials	22	13	16	-6	15	-1	5	2	0	-5	0	0	-1	-6	-6	-5	-10	-4
Processing	22	16	13	-9	14	1	13	2	8	-5	3	-5	8	2	3	-5	1	-2
Nonmanufacturing	11	10	11	0	10	-1	-4	-3	-4	0	-4	0	-14	-18	-14	0	-15	-1
Construction	-12	-8	-5	7	-15	-10	-28	-29	-26	2	-28	-2	-28	-38	-27	1	-35	-8
Real estate	14	10	20	6	11	-9	4	1	10	6	4	-6	6	3	4	-2	6	2
Wholesaling	19	16	16	-3	11	-5	4	1	1	-3	-4	-5	-11	-12	-13	-2	-11	2
Retailing	-1	5	0	1	6	6	-15	-7	-12	3	-6	6	-22	-20	-16	6	-18	-2
Transportation	12	7	7	-5	10	3	-15	-20	-16	-1	-14	2	-10	-15	-10	0	-8	2
Communications	2	-3	22	20	20	-2	23	28	19	-4	9	-10	3	6	5	2	11	6
Information services	23	19	24	1	27	3	24	27	16	-8	19	3	8	15	10	2	20	10
Electric & Gas utilities	11	9	11	0	3	-8	29	13	17	-12	14	-3	0	-19	-9	-9	-14	-5
Services for businesses	20	20	20	0	19	-1	17	15	13	-4	17	4	-3	-7	2	5	0	-2
Services for individuals	6	11	-1	-7	6	7	-9	-1	-16	-7	-3	13	-5	-3	-5	0	0	5
Restaurants & Accommodations	-4	0	4	8	10	6	-34	-16	-30	4	-8	22	-36	-28	-40	-4	-26	14
Leasing	25	31	26	1	23	-3	8	0	11	3	5	-6	0	-10	-4	-4	-13	-9
All industries	16	12	13	-3	12	-1	2	-1	0	-2	-1	-1	-7	-12	-9	-2	-11	-2

	All Enterprises					
Manufacturing	11	4	6	-5	3	-3
Nonmanufacturing	-7	-9	-6	1	-7	-1
All industries	1	-3	-2	-3	-2	0

- (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)

	Dec. 2004 Survey			March 2005 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	5	14	6	0	14	2	-2
1.Favorable	31	28	25	25	25	23	21	19	18
2.Not so favorable	60	55	55	64	56	54	72	64	62
3.Unfavorable	9	17	20	11	19	23	7	17	20
Nonmanufacturing	11	-4	-14	11	-4	-14	10	-4	-15
1.Favorable	22	17	14	22	17	13	18	14	11
2.Not so favorable	67	62	58	67	62	60	74	68	63
3.Unfavorable	11	21	28	11	21	27	8	18	26

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		Dec. 2004 Survey		March 2005 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	-11	-13	-13	-2	-13	0
	Basic materials	-10	-11	-13	-3	-13	0
	Processing	-11	-14	-13	-2	-14	-1
	Nonmanufacturing	-25	-27	-24	1	-26	-2
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-1	-4	-3	-2	-1	2
	Basic materials	1	-2	-2	-3	-2	0
	Processing	-3	-5	-3	0	-1	2

Inventory Level of Finished Goods & Merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	13	18	5		
	Basic materials	13	16	3		
	Processing	14	19	5		
Wholesalers' Inventory Level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	13	14	1		
	Basic materials	10	13	3		
	Processing	15	15	0		

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	-6	-9	-8	-2	-10	-2
	Basic materials	13	11	12	-1	7	-5
	Processing	-16	-19	-17	-1	-19	-2
	Nonmanufacturing	-13	-13	-13	0	-13	0
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	38	32	38	0	31	-7
	Basic materials	47	39	47	0	38	-9
	Processing	33	27	34	1	27	-7
	Nonmanufacturing	11	6	6	-5	6	0

(%points)

		Small Enterprises					
		Dec. 2004 Survey		March 2005 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	-23	-26	-25	-2	-26	-1
	Basic materials	-29	-31	-31	-2	-32	-1
	Processing	-20	-24	-22	-2	-23	-1
	Nonmanufacturing	-36	-38	-36	0	-39	-3
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-8	-12	-10	-2	-10	0
	Basic materials	-12	-14	-15	-3	-14	1
	Processing	-6	-11	-8	-2	-8	0

Inventory Level of Finished Goods & Merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	11	14	3		
	Basic materials	14	15	1		
	Processing	11	12	1		
Wholesalers' Inventory Level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	16	19	3		
	Basic materials	22	25	3		
	Processing	13	16	3		

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	-13	-15	-13	0	-15	-2
	Basic materials	-7	-9	-7	0	-6	1
	Processing	-16	-19	-17	-1	-20	-3
	Nonmanufacturing	-23	-24	-25	-2	-24	1
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	43	40	41	-2	41	0
	Basic materials	40	37	35	-5	39	4
	Processing	44	42	43	-1	42	-1
	Nonmanufacturing	21	18	15	-6	18	3

### 3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2004		FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	4.9	-0.2	1.6	-
	Domestic Sales	4.0	0.0	1.9	-
	Exports	7.9	-0.7	0.9	-
	Nonmanufacturing	2.3	0.3	1.2	-
	All industries	3.3	0.1	1.4	-
Medium-sized Enterprises	Manufacturing	4.8	-0.1	1.1	-
	Nonmanufacturing	2.0	-0.1	1.8	-
	All industries	2.7	-0.1	1.6	-
Small Enterprises	Manufacturing	5.2	0.8	1.4	-
	Nonmanufacturing	3.4	2.9	0.8	-
	All industries	3.8	2.4	1.0	-
All Enterprises	Manufacturing	5.0	0.0	1.5	-
	Nonmanufacturing	2.6	1.0	1.2	-
	All industries	3.3	0.7	1.3	-

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

(Year-to-year % change)

		2H FY2004		1H FY2005		2H FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
1H FY2004	6.1	3.9	-0.4	1.5	-	1.7	-
	4.5	3.5	-0.2	2.1	-	1.6	-
	10.8	5.2	-0.9	-0.5	-	2.2	-
	2.5	2.1	0.3	1.7	-	0.7	-
	3.9	2.8	0.0	1.6	-	1.1	-
	7.5	2.3	-0.1	0.2	-	2.0	-
	2.6	1.5	-0.2	1.2	-	2.4	-
	3.9	1.7	-0.1	0.9	-	2.3	-
	7.0	3.6	0.8	1.4	-	1.5	-
	4.0	2.8	3.3	1.1	-	0.6	-
	4.7	3.0	2.7	1.1	-	0.8	-
	6.5	3.6	-0.1	1.3	-	1.7	-
	3.0	2.2	1.1	1.4	-	1.0	-
	4.1	2.6	0.7	1.4	-	1.3	-

Current Profits (Year-to-year % change)

		FY2004		FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	24.9	0.8	1.1	-
	Basic materials	40.4	2.6	-1.5	-
	Processing	16.5	-0.4	2.8	-
	Nonmanufacturing	10.6	0.2	-0.7	-
	All industries	17.5	0.5	0.2	-
Medium-sized Enterprises	Manufacturing	27.7	0.1	3.9	-
	Nonmanufacturing	10.8	1.6	9.6	-
	All industries	16.5	1.0	7.5	-
Small Enterprises	Manufacturing	19.2	-1.4	5.8	-
	Nonmanufacturing	10.6	5.0	13.7	-
	All industries	13.0	3.0	11.3	-
All Enterprises	Manufacturing	24.5	0.4	2.0	-
	Nonmanufacturing	10.6	1.5	4.4	-
	All industries	16.5	1.0	3.3	-

(Year-to-year % change)

		2H FY2004		1H FY2005		2H FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
1H FY2004	36.9	14.9	0.4	-6.4	-	8.4	-
	48.2	33.5	4.1	-2.5	-	-0.6	-
	30.5	5.3	-1.9	-9.0	-	14.4	-
	31.1	-6.9	0.2	-7.1	-	7.0	-
	33.9	3.7	0.3	-6.8	-	7.7	-
	59.4	7.2	-0.7	-5.9	-	13.4	-
	27.0	1.7	-0.8	3.6	-	13.9	-
	38.5	3.5	-0.8	-0.3	-	13.7	-
	44.4	2.5	-4.5	2.3	-	9.0	-
	29.1	1.0	4.0	17.3	-	11.3	-
	33.9	1.4	1.6	12.2	-	10.7	-
	40.1	12.3	-0.4	-5.3	-	9.1	-
	30.1	-3.2	1.0	-0.9	-	9.5	-
	34.5	3.2	0.4	-2.9	-	9.3	-

### 3. Sales and Current Profits(Continued)

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

		FY2004		FY2005	
		(Forecast)	Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	5.83	0.05	5.80	-
	Nonmanufacturing	3.68	0.00	3.61	-
	All industries	4.54	0.02	4.48	-
Medium-sized Enterprises	Manufacturing	4.00	0.01	4.11	-
	Nonmanufacturing	2.33	0.04	2.51	-
	All industries	2.75	0.03	2.91	-
Small Enterprises	Manufacturing	3.56	-0.08	3.71	-
	Nonmanufacturing	2.22	0.05	2.50	-
	All industries	2.50	0.02	2.75	-
All Enterprises	Manufacturing	5.15	0.02	5.17	-
	Nonmanufacturing	2.93	0.01	3.03	-
	All industries	3.64	0.01	3.71	-

(% , %points)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
	(Forecast)	Changes	(Forecast)	Changes	(Forecast)	Changes
5.99	5.69	0.05	5.52	-	6.06	-
4.18	3.21	-0.01	3.82	-	3.41	-
4.90	4.20	0.01	4.50	-	4.47	-
3.98	4.01	-0.02	3.74	-	4.46	-
2.01	2.63	-0.02	2.05	-	2.92	-
2.52	2.97	-0.02	2.49	-	3.30	-
3.51	3.61	-0.20	3.54	-	3.88	-
1.84	2.57	0.02	2.13	-	2.84	-
2.19	2.78	-0.03	2.43	-	3.05	-
5.23	5.07	-0.01	4.90	-	5.43	-
2.98	2.89	0.00	2.92	-	3.13	-
3.71	3.58	-0.01	3.55	-	3.86	-

Net Income (Year-to-year % change)

		FY2004		FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	63.8	-3.6	4.8	-
	Basic materials	169.0	-1.4	-5.4	-
	Processing	27.6	-5.1	12.2	-
	Nonmanufacturing	10.3	-11.4	31.1	-
	All industries	36.8	-6.9	15.5	-
Medium-sized Enterprises	Manufacturing	46.0	-4.8	17.0	-
	Nonmanufacturing	141.1	12.3	6.3	-
	All industries	97.9	5.9	9.9	-
Small Enterprises	Manufacturing	38.2	-3.0	11.2	-
	Nonmanufacturing	4.8	-15.4	57.8	-
	All industries	15.2	-11.2	40.4	-
All Enterprises	Manufacturing	58.0	-3.6	6.9	-
	Nonmanufacturing	24.3	-7.9	31.3	-
	All industries	39.5	-5.8	18.8	-

(Year-to-year % change)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
	(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
57.5	72.4	-7.5	-9.6	-	22.5	-
102.0	386.8	-2.7	-19.1	-	12.9	-
34.4	20.5	-10.4	-2.2	-	28.9	-
-1.9	32.3	-20.7	16.6	-	50.4	-
25.9	53.9	-13.2	1.3	-	33.6	-
84.5	21.5	-10.5	3.2	-	30.5	-
646.3	37.8	-10.4	-25.4	-	41.4	-
277.2	31.6	-10.4	-16.2	-	37.6	-
45.7	32.0	-7.8	8.0	-	14.1	-
33.9	-3.1	-13.8	107.2	-	39.2	-
39.7	5.2	-12.1	56.4	-	31.7	-
58.3	57.7	-7.9	-6.3	-	22.3	-
29.6	19.5	-16.5	17.4	-	44.9	-
43.5	35.6	-12.5	4.8	-	33.8	-

4. Fixed Investment etc.

Fixed Investment including Land Purchasing Expenses\*

(Year-to-year % change)

(Year-to-year % change)

		FY2004		FY2005		1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate		(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	22.7	-0.6	3.4	-	21.5	23.6	-1.4	15.8	-	-6.2	-
	Nonmanufacturing	0.8	-0.3	-0.3	-	-1.8	2.9	-0.8	6.5	-	-5.7	-
	All industries	7.2	-0.4	1.0	-	4.9	9.0	-1.0	9.6	-	-5.9	-
Medium-sized Enterprises	Manufacturing	11.8	0.1	0.9	-	11.1	12.5	0.6	17.2	-	-12.9	-
	Nonmanufacturing	2.3	-1.9	-0.6	-	8.3	-2.6	-1.2	4.2	-	-4.9	-
	All industries	5.0	-1.3	-0.1	-	9.1	1.5	-0.7	8.0	-	-7.3	-
Small Enterprises	Manufacturing	20.2	1.8	-15.1	-	12.6	27.3	3.0	5.6	-	-32.4	-
	Nonmanufacturing	3.6	9.5	-17.0	-	-2.9	11.3	13.1	-13.0	-	-21.1	-
	All industries	7.6	7.3	-16.5	-	0.6	15.5	10.0	-8.4	-	-24.4	-
All Enterprises	Manufacturing	20.6	-0.2	0.4	-	18.4	22.4	-0.5	14.5	-	-10.9	-
	Nonmanufacturing	1.5	1.1	-3.4	-	-0.5	3.2	1.2	2.2	-	-8.1	-
	All industries	6.9	0.7	-2.2	-	4.7	8.8	0.6	6.0	-	-9.0	-

\* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2004		FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-7.6	0.6	-2.2	-
	Nonmanufacturing	-5.7	-6.3	1.9	-
	All industries	-6.4	-3.9	0.5	-
Medium-sized Enterprises	Manufacturing	29.0	-2.5	-11.6	-
	Nonmanufacturing	8.5	-1.4	4.8	-
	All industries	10.4	-1.5	3.1	-
Small Enterprises	Manufacturing	8.5	-9.8	0.7	-
	Nonmanufacturing	-14.9	-3.7	-2.1	-
	All industries	-10.8	-5.1	-1.5	-
All Enterprises	Manufacturing	-4.8	-0.3	-2.7	-
	Nonmanufacturing	-3.3	-4.8	2.3	-
	All industries	-3.8	-3.5	0.8	-

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2004		FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	20.0	-1.2	4.5	-
	Nonmanufacturing	1.1	-1.1	1.4	-
	All industries	6.8	-1.1	2.4	-
Medium-sized Enterprises	Manufacturing	13.2	-0.9	2.0	-
	Nonmanufacturing	4.1	-2.5	5.3	-
	All industries	6.6	-2.0	4.3	-
Small Enterprises	Manufacturing	26.1	0.5	-10.6	-
	Nonmanufacturing	5.1	5.5	-7.5	-
	All industries	10.3	4.0	-8.4	-
All Enterprises	Manufacturing	19.7	-0.9	2.1	-
	Nonmanufacturing	2.2	-0.4	0.7	-
	All industries	7.3	-0.5	1.1	-

Land Purchasing Expenses

(Year-to-year % change)

		FY2004		FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	8.2	33.4	-52.8	-
	Nonmanufacturing	-17.3	9.0	-41.4	-
	All industries	-11.8	14.5	-44.4	-
Medium-sized Enterprises	Manufacturing	-7.2	37.0	-40.1	-
	Nonmanufacturing	-10.0	7.1	-66.4	-
	All industries	-9.6	10.8	-62.3	-
Small Enterprises	Manufacturing	-23.1	14.8	-61.2	-
	Nonmanufacturing	-7.6	31.9	-64.0	-
	All industries	-10.5	28.9	-63.5	-
All Enterprises	Manufacturing	-6.5	27.2	-53.7	-
	Nonmanufacturing	-11.9	17.5	-56.1	-
	All industries	-10.9	19.3	-55.6	-

Production Capacity

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

		Dec. 2004 Survey		March 2005 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Large Enterprises	Manufacturing	5	5	4	-1	4	0
	Nonmanufacturing	2	0	1	-1	-1	-2
	All industries	3	2	3	0	2	-1
Medium-sized Enterprises	Manufacturing	3	4	3	0	3	0
	Nonmanufacturing	1	-1	0	-1	-1	-1
	All industries	2	1	1	-1	1	0
Small Enterprises	Manufacturing	2	2	3	1	0	-3
	Nonmanufacturing	3	2	3	0	2	-1
	All industries	3	1	3	0	1	-2
All Enterprises	Manufacturing	3	3	4	1	2	-2
	Nonmanufacturing	2	1	1	-1	1	0
	All industries	3	2	3	0	1	-2

## 5. Fixed Investment of Financial institutions

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

	FY2004		FY2005	
	(Forecast)	Revision rate	(Forecast)	Revision rate
Financial institutions	-20.2	-7.0	7.4	-
Banks	2.1	-7.2	24.0	-
Shinkin banks & Other financial institutions for small businesses	-15.0	-16.5	17.5	-
Securities companies	46.5	5.7	2.3	-
Insurance companies	-40.1	-6.9	-12.7	-
Non-deposit money corporations	-19.7	-1.5	4.9	-
(Memo) All industries including Financial institutions	6.1	0.5	-2.0	-
Nonmanufacturing including Financial institutions	0.6	0.8	-3.1	-

\* Excludes Software Investment

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

Financial institutions	11.8	-6.2	9.3	-
Banks	6.2	-5.7	10.5	-
Shinkin banks & Other financial institutions for small businesses	-44.1	-34.7	197.0	-
Securities companies	44.1	-1.9	3.0	-
Insurance companies	2.3	-10.3	-4.6	-
Non-deposit money corporations	48.3	-1.1	6.5	-
(Memo) All industries including Financial institutions	-1.2	-4.0	2.4	-
Nonmanufacturing including Financial institutions	-0.1	-5.2	4.0	-

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

Financial institutions	-65.2	30.4	-2.9	-
Banks	14.1	0.2	-64.1	-
Shinkin banks & Other financial institutions for small businesses	-66.7	-31.0	212.8	-
Securities companies	-	-	-	-
Insurance companies	-66.9	66.1	0.6	-
Non-deposit money corporations	-100.0	-	-	-
(Memo) All industries including Financial institutions	-15.6	19.6	-53.7	-
Nonmanufacturing including Financial institutions	-17.5	18.0	-53.7	-

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

Financial institutions	0.7	-8.3	8.9	-
Banks	3.8	-6.7	20.0	-
Shinkin banks & Other financial institutions for small businesses	-12.1	-18.1	26.4	-
Securities companies	44.8	0.1	2.8	-
Insurance companies	-18.8	-14.0	-12.2	-
Non-deposit money corporations	27.8	-1.3	5.5	-
(Memo) All industries including Financial institutions	7.0	-0.8	1.4	-
Nonmanufacturing including Financial institutions	2.1	-0.8	1.1	-

## 6. Employment

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

		Dec. 2004 Survey		March 2005 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	6	4	6	0	4	-2
	Nonmanufacturing	-1	-3	-2	-1	-4	-2
	All industries	3	0	1	-2	0	-1
Medium-sized Enterprises	Manufacturing	2	2	2	0	1	-1
	Nonmanufacturing	-2	-4	-5	-3	-6	-1
	All industries	-1	-2	-2	-1	-3	-1
Small Enterprises	Manufacturing	0	0	-1	-1	1	2
	Nonmanufacturing	-1	-2	-3	-2	-3	0
	All industries	0	-1	-2	-2	-2	0
All Enterprises	Manufacturing	2	2	2	0	2	0
	Nonmanufacturing	-2	-3	-4	-2	-4	0
	All industries	0	0	-1	-1	-1	0

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

	end of Mar. 2004	end of June 2004	end of Sept. 2004	end of Dec. 2004
Large Enterprises	-1.6	-0.7	-0.5	0.1
Medium-sized Enterprises	-0.1	1.1	1.0	1.4
Small Enterprises	0.9	0.8	1.3	1.3
All Enterprises	-0.2	0.4	0.6	0.9
All Enterprises & Financial institutions	-0.3	0.3	0.5	0.9
Financial institutions	-1.9	-1.5	-1.7	-0.3

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	-	-	-	-	-	-

## 7. Corporate Finance

### Financial Position (All industries)

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

	Dec. 2004 Survey		March 2005 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	18		20	2
Medium-sized Enterprises	6		6	0
Small Enterprises	-5		-5	0
All Enterprises	3		3	0

### Lending Attitude of Financial institutions (All industries)

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

	Dec. 2004 Survey		March 2005 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	19		22	3
Medium-sized Enterprises	10		11	1
Small Enterprises	5		7	2
All Enterprises	10		11	1

### Change in Interest Rate on Loans (All industries)

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

	Dec. 2004 Survey		March 2005 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
Large Enterprises	-3	7	-3	7	0	10
Medium-sized Enterprises	0	9	-1	8	-1	9
Small Enterprises	4	14	1	12	-3	11
All Enterprises	1	12	-1	10	-2	11

### Condition for CP Issuance (All industries)

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

	Dec. 2004 Survey		March 2005 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	1		1	0

### Ratio of Liquidity (All industries)

(Months)

	end of March 2004	end of June 2004	end of Sept. 2004	end of Dec. 2004
Large Enterprises	1.03	0.97	0.96	0.94
Medium-sized Enterprises	1.16	1.09	1.08	1.11
Small Enterprises	1.71	1.64	1.66	1.65
All Enterprises	1.24	1.17	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)

	Dec. 2004 Survey		March 2005 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
Banks	35	37	34	-1	42	8
Shinkin banks & Other financial institutions for small businesses	23	26	23	0	29	6
Securities companies	7	23	34	27	50	16
Insurance companies	38	49	38	0	49	11
Non-deposit money corporations	55	59	64	9	73	9
Financial institutions	33	38	36	3	45	9

### Production Capacity

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

	Dec. 2004 Survey		March 2005 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
Banks	0	2	3	3	0	-3
Shinkin banks & Other financial institutions for small businesses	-6	-6	-3	3	-3	0
Securities companies	-12	-15	-8	4	-8	0
Insurance companies	7	0	-9	-16	-7	2
Non-deposit money corporations	-5	-9	0	5	-5	-5
Financial institutions	-2	-3	-2	0	-3	-1

### Employment Conditions

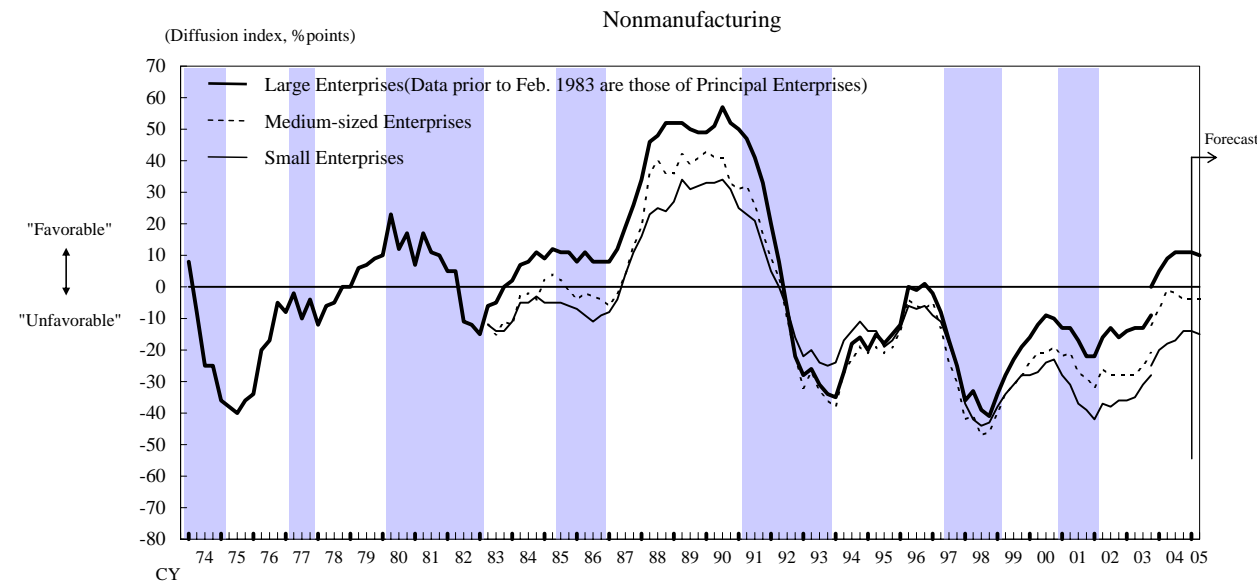
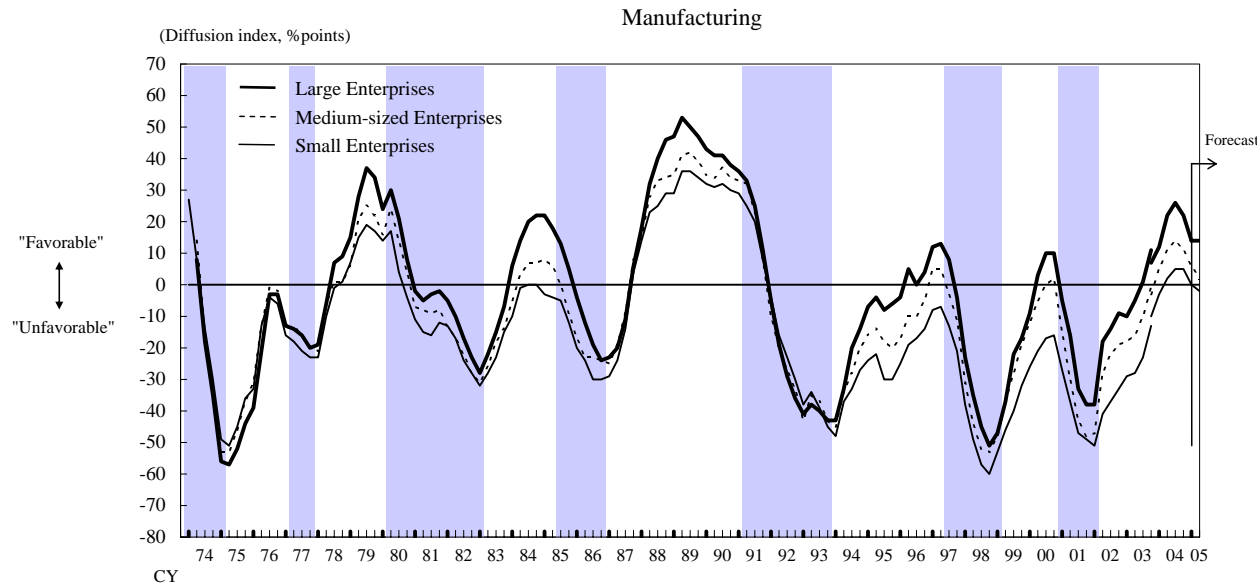
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	Dec. 2004 Survey		March 2005 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
Banks	-5	-5	-17	-12	-15	2
Shinkin banks & Other financial institutions for small businesses	8	0	-3	-11	6	9
Securities companies	-31	-31	-35	-4	-38	-3
Insurance companies	-2	-9	-15	-13	-22	-7
Non-deposit money corporations	-18	-14	-14	4	0	14
Financial institutions	-6	-9	-16	-10	-15	1

(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)

	March 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	14	6	0
Forecast	14	2	-2

Peaks and Bottoms of Business Conditions (from May 1983)

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

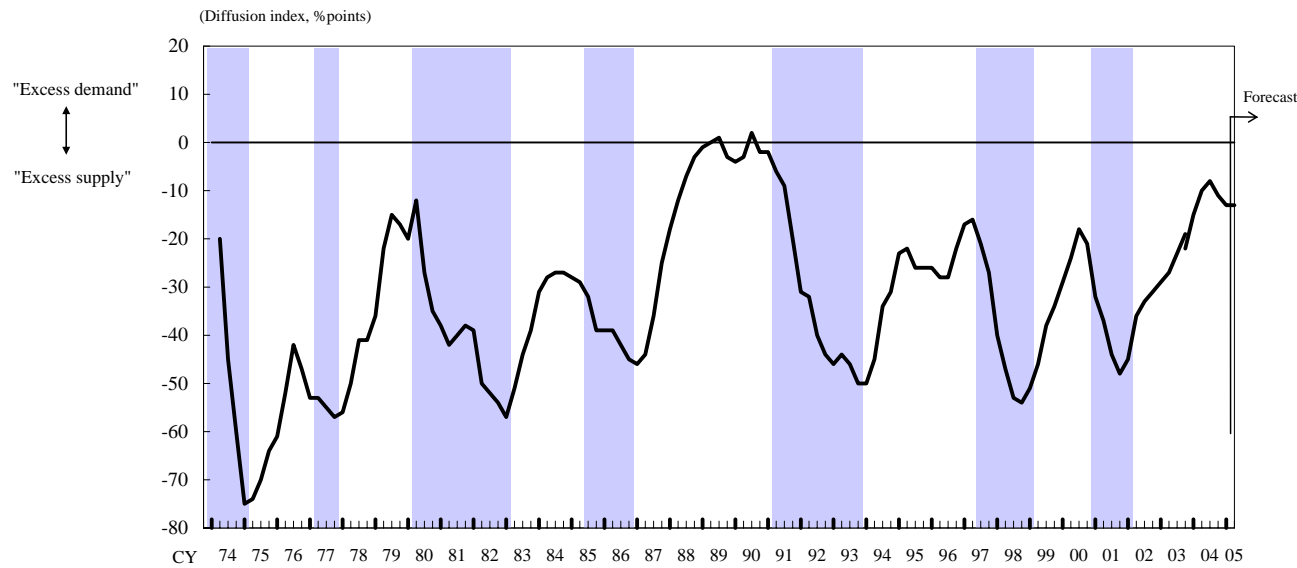
Nonmanufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (83/5)		-15 (83/8)		-14 (83/8,11)
12 (85/5)	8 (86/2,8,11,87/2)	4 (85/5)	-6 (87/2)	-3 (84/11)	-11 (86/8)
57 (90/8)	-35 (94/2)	43 (90/2)	-38 (94/2)	34 (89/5,90/8)	-25 (93/11)
1 (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)

	March 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	11	-4	-14
Forecast	10	-4	-15



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

Domestic Supply and Demand Conditions for Products and Services



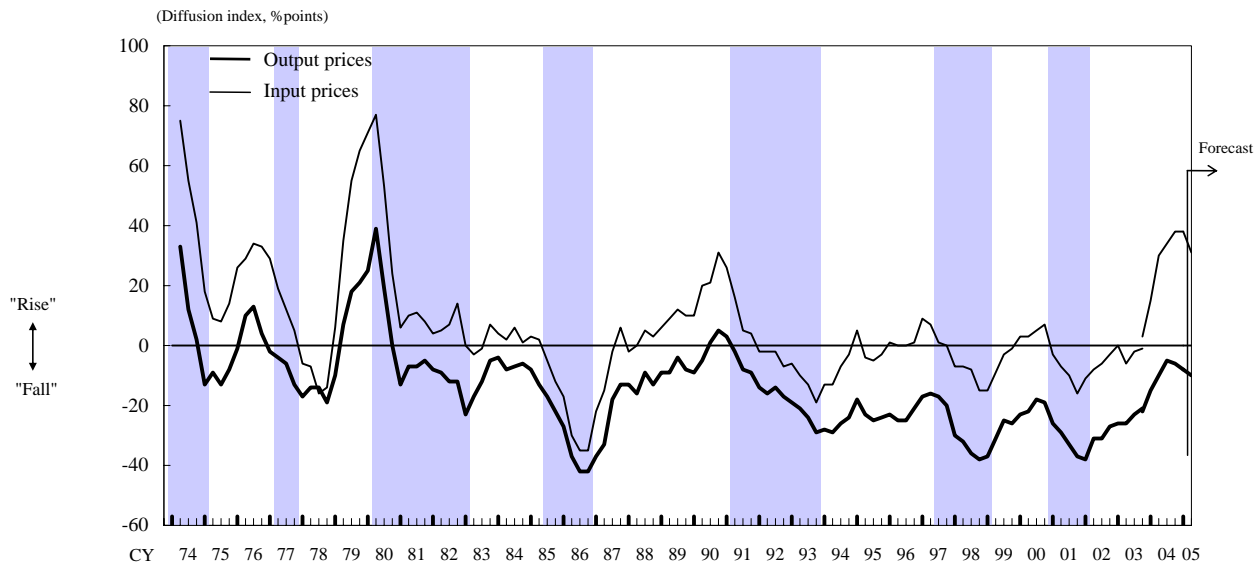
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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)

March 2005 survey	
Actual result	-13
Forecast	-13

Prices



Peaks and Bottoms of Prices (from May 1974)

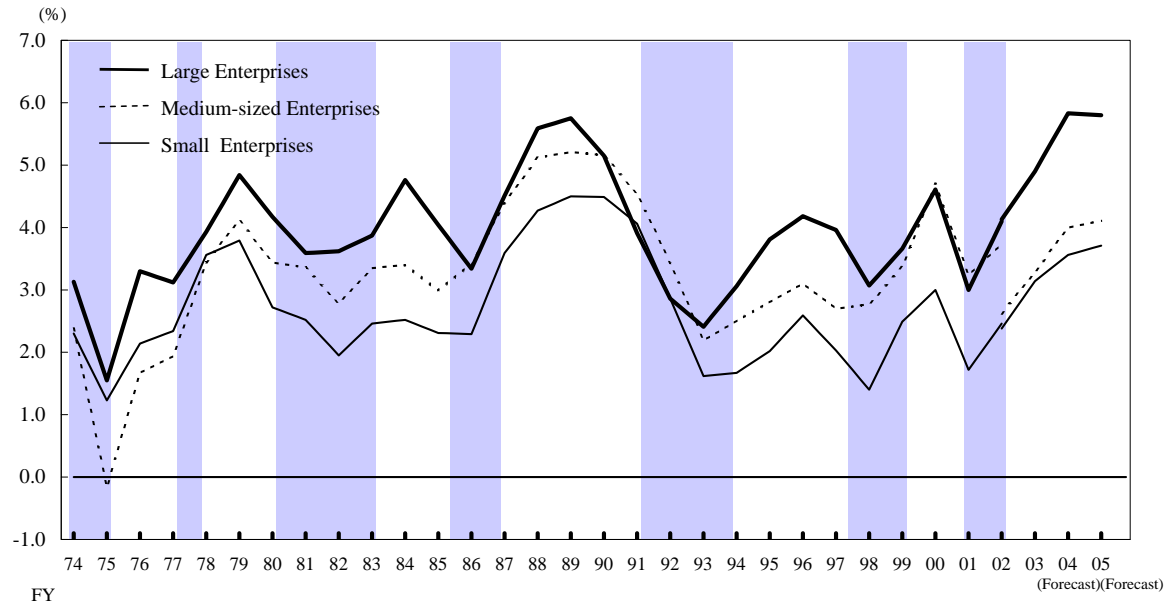
(Diffusion index of "Rise" minus "Fall", %points)

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)

March 2005 survey		
	Output Prices	Input Prices
Actual result	-8	38
Forecast	-10	31

[Ratio of Current Profit to Sales]

Manufacturing

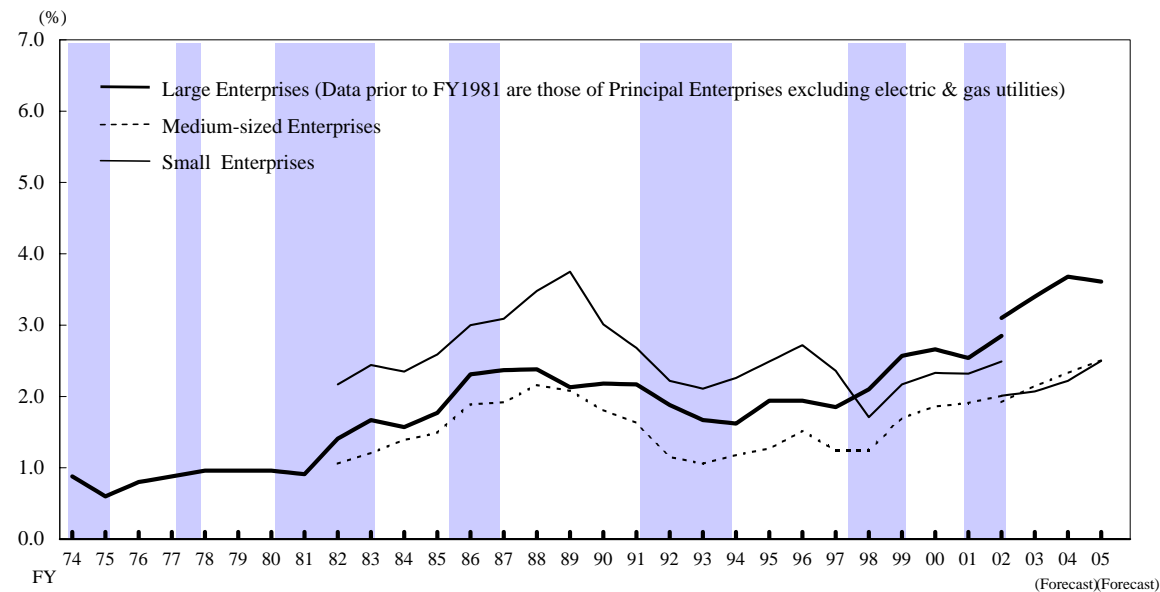


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974) (%)

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)

	March 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2004 (Forecast)	5.83	4.00	3.56
FY2005 (Forecast)	5.80	4.11	3.71

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)

	March 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2004 (Forecast)	3.68	2.33	2.22
FY2005 (Forecast)	3.61	2.51	2.50

[Developments of Fixed Investment including Land Purchasing Expenses]

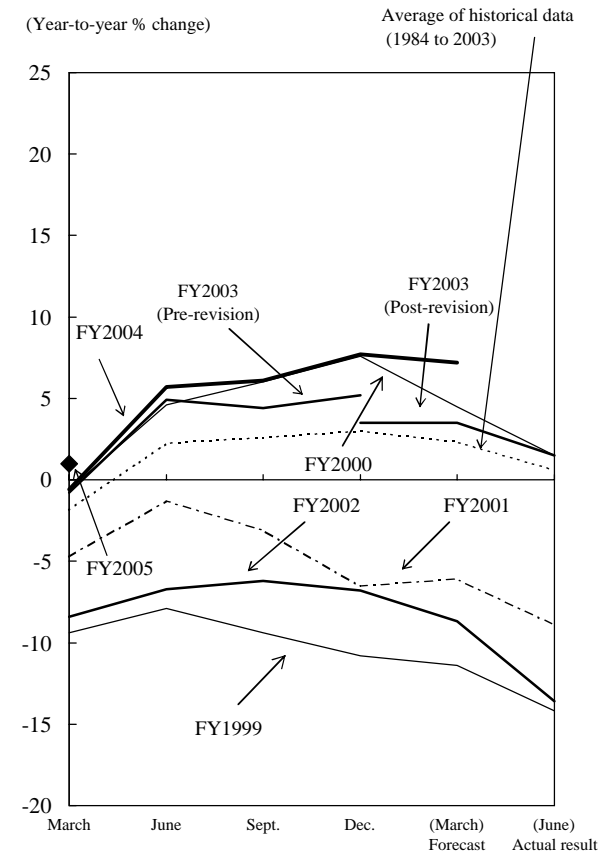
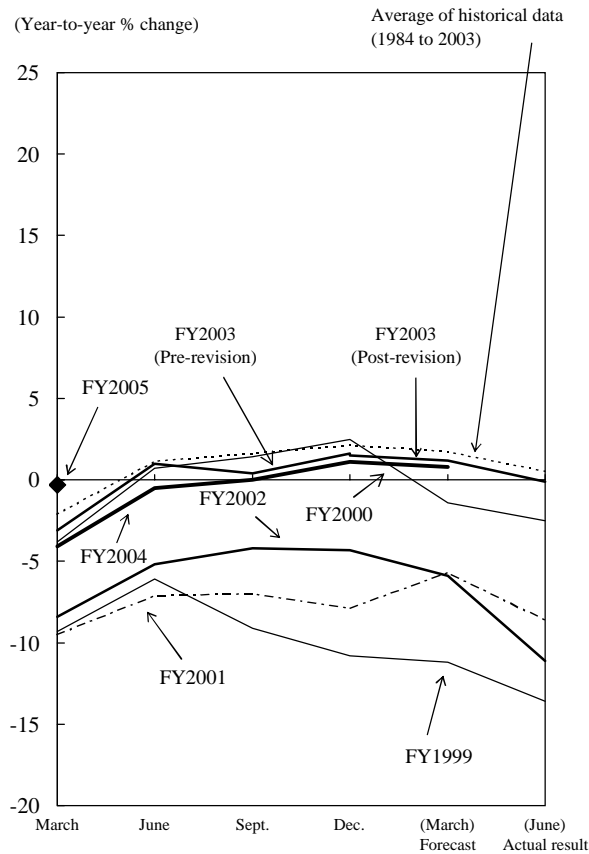
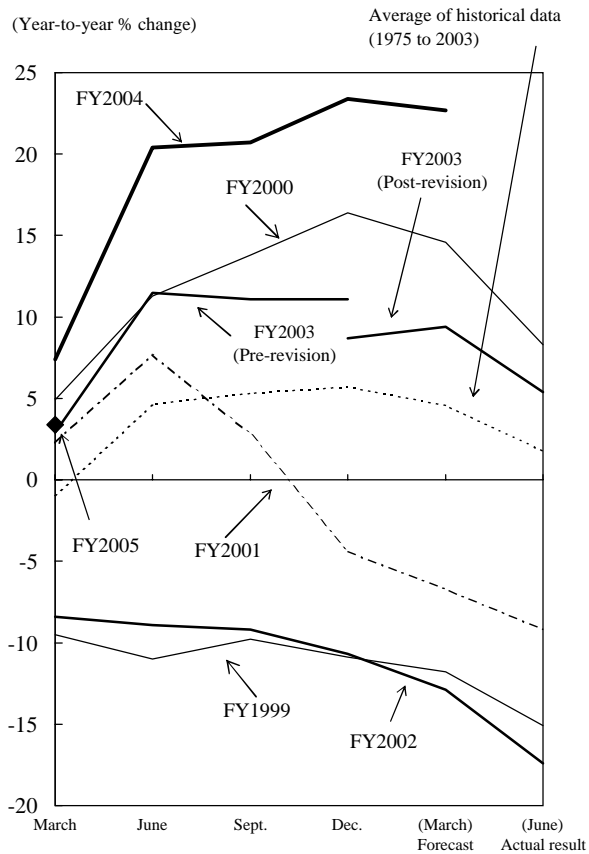
Note:1. This graph indicates the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year; 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

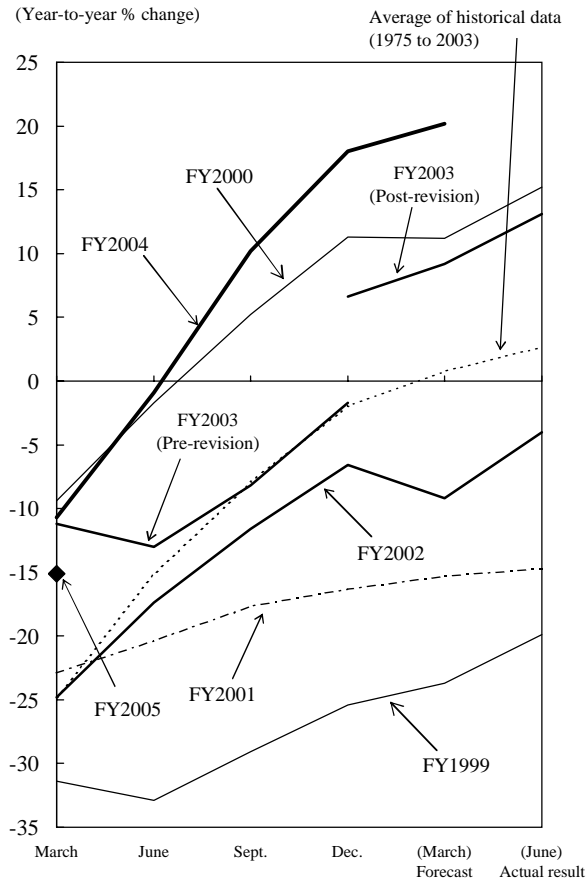
Nonmanufacturing

All industries

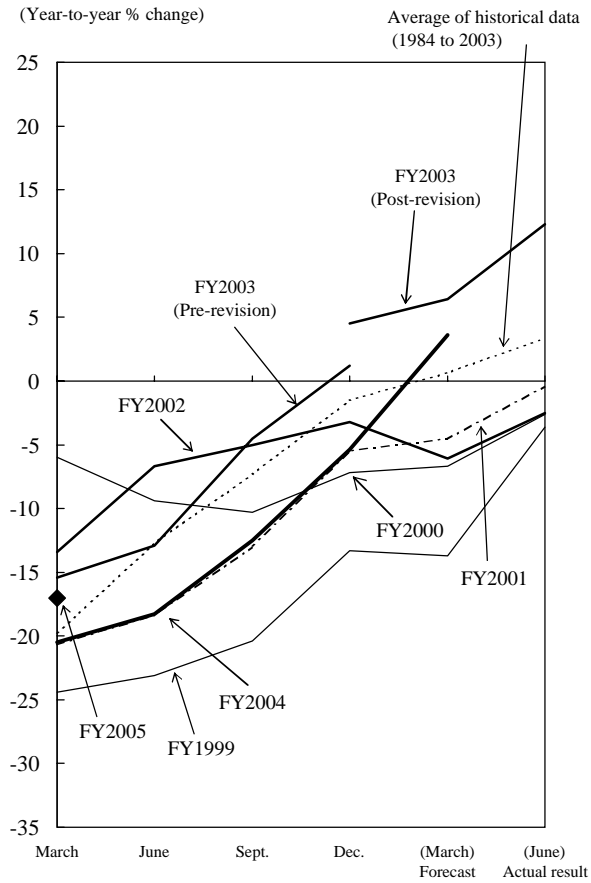


(2) Small Enterprises

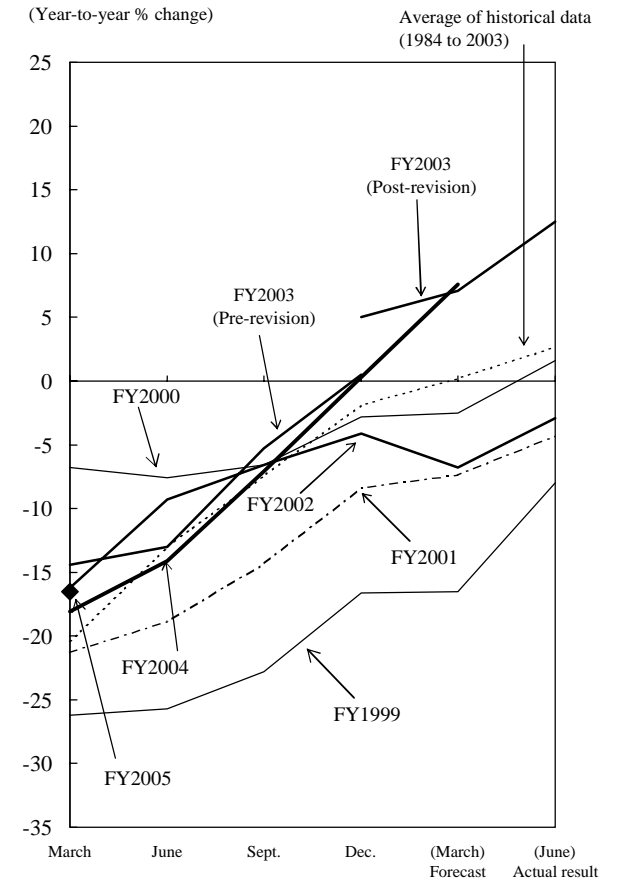
Manufacturing



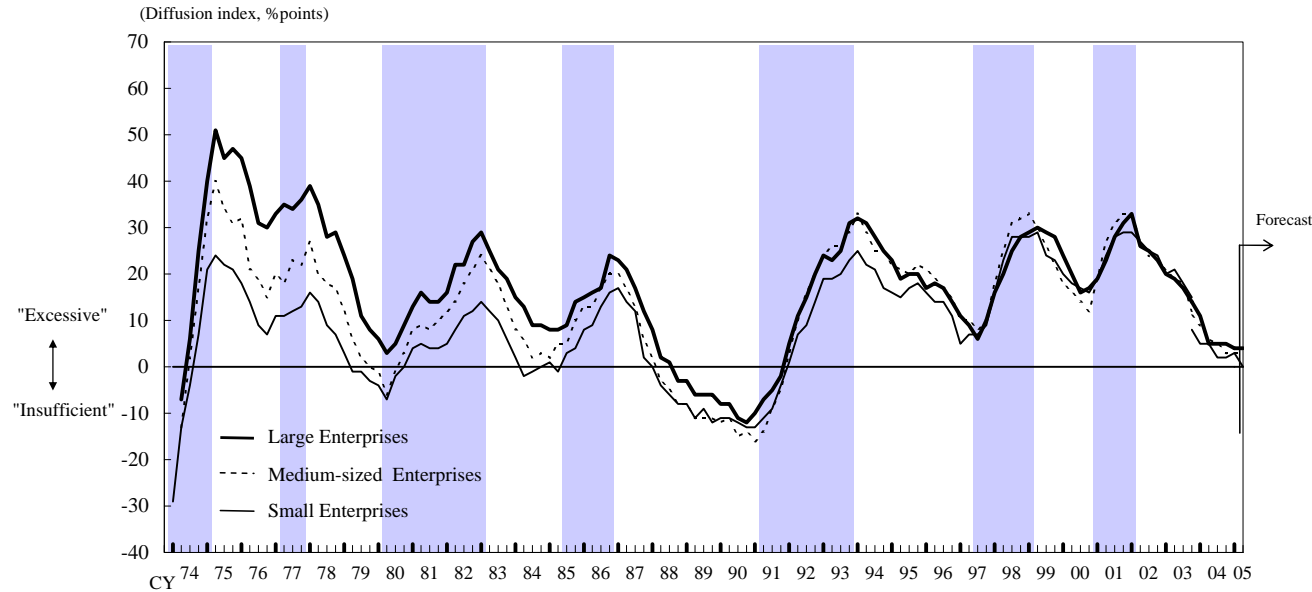
Nonmanufacturing



All industries



## [Production Capacity (Manufacturing)]



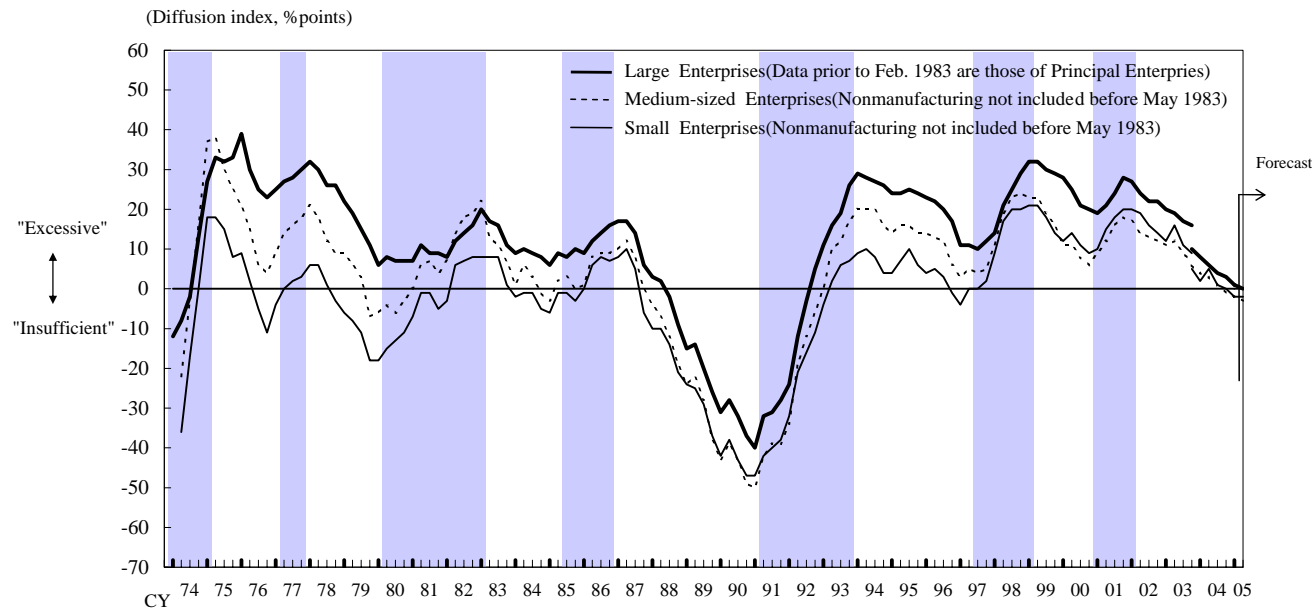
## Peaks and Bottoms of Production Capacity (from May 1974)

(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)	

	March 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	4	3	3
Forecast	4	3	0

## [Employment Condition (All industries)]



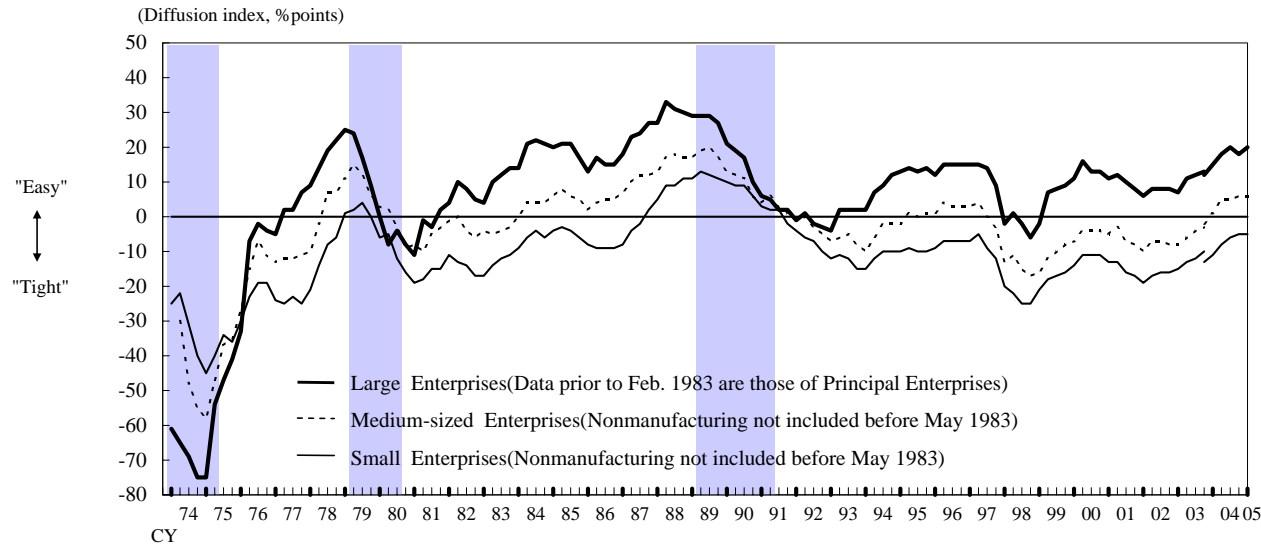
## Peaks and Bottoms of Employment Condition (from May 1983)

(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)	

	March 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	1	-2	-2
Forecast	0	-3	-2

### Financial Position



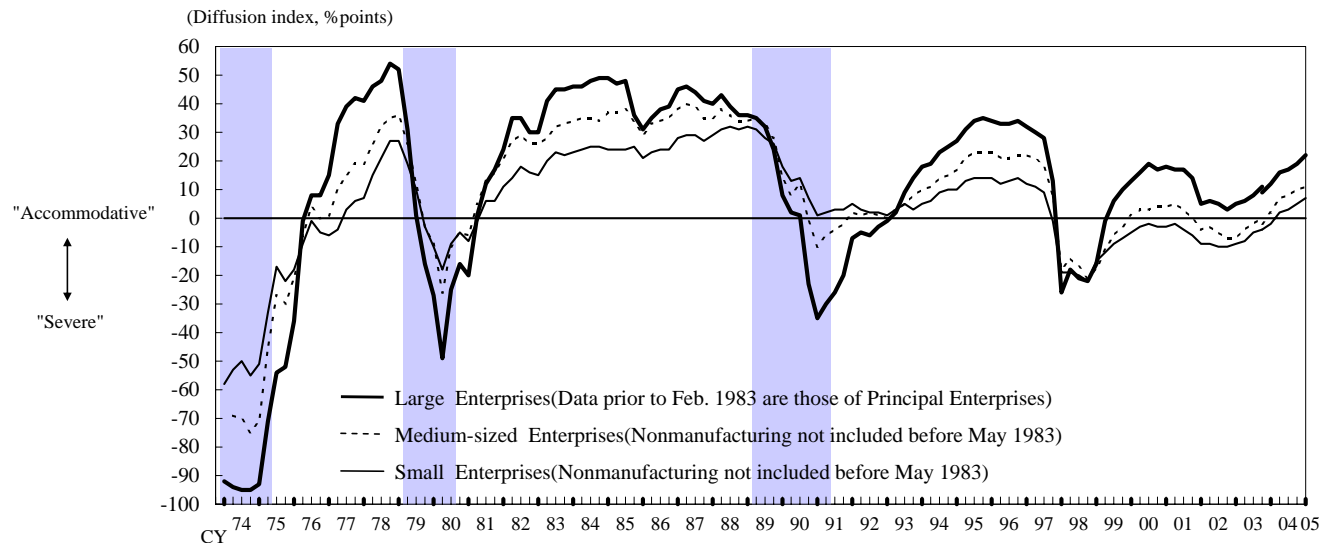
Peaks and Bottoms of Financial Position (from May 1983)

(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)

	March 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	20	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)

	March 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	22	11	7