

**TANKAN Summary (June 2005)**  
125th Short-term Economic Survey of Enterprises in Japan

Not to be released before 8:50 a.m.  
on Friday, July 1, 2005

July 1, 2005  
Research and Statistics Department  
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,213	6,103	10,316	97.8%
Large Enterprises	1,186	1,239	2,425	98.6%
Medium-sized Enterprises	1,142	1,630	2,772	98.1%
Small Enterprises	1,885	3,234	5,119	97.1%
Financial institutions	-	-	207	100.0%

Responding Period: May 30 to June 30

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

	FY 2004		FY 2005		(yen per US dollar)	
	1H	2H	1H	2H		
March 2005 Survey	107.45	109.02	105.88	104.52	104.57	104.48
June 2005 Survey	107.48	109.08	105.89	103.95	104.09	103.83

**1. Business Conditions**

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	March 2005 Survey		June 2005 Survey				March 2005 Survey		June 2005 Survey				March 2005 Survey		June 2005 Survey			
	Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	
				Changes					Changes					Changes				
Manufacturing	14	14	18	4	17	-1	6	2	8	2	6	-2	0	-2	2	2	1	-1
Textiles	-2	-5	9	11	9	0	-43	-27	-39	4	-35	4	-33	-35	-25	8	-32	-7
Lumber & Wood products	-7	7	-9	-2	17	26	-15	-6	-28	-13	-13	15	-28	-17	-21	7	-19	2
Pulp & Paper	-7	10	13	20	13	0	-16	2	0	16	-7	-7	-13	-5	-12	1	0	12
Chemicals	15	10	16	1	12	-4	0	4	0	0	3	3	17	9	14	-3	13	-1
Petroleum & Coal products	33	23	28	-5	19	-9	50	15	42	-8	26	-16	-7	-15	-11	-4	-19	-8
Ceramics, Stone & Clay	0	2	10	10	10	0	-16	-33	-22	-6	-31	-9	-15	-28	-16	-1	-22	-6
Iron & Steel	56	51	60	4	47	-13	64	43	58	-6	39	-19	41	18	41	0	25	-16
Nonferrous metals	21	21	23	2	16	-7	9	17	13	4	20	7	6	9	11	5	11	0
Food & Beverages	3	8	10	7	9	-1	-2	6	2	4	5	3	-23	-14	-19	4	-11	8
Processed metals	4	-9	3	-1	1	-2	9	6	9	0	12	3	15	5	10	-5	10	0
Industrial machinery	35	31	39	4	38	-1	32	21	38	6	29	-9	24	19	25	1	22	-3
Electrical machinery	-3	7	3	6	12	9	-7	-10	2	9	2	0	0	-1	2	2	4	2
Shipbuilding & Heavy machinery etc.	4	-20	7	3	-13	-20	9	-7	30	21	20	-10	7	0	11	4	9	-2
Motor vehicles	32	28	33	1	33	0	26	10	15	-11	14	-1	27	12	21	-6	16	-5
Precision machinery	22	20	18	-4	21	3	16	20	23	7	14	-9	-1	8	1	2	9	8
Basic materials	16	15	21	5	18	-3	0	0	-1	-1	-2	-1	-6	-10	-4	2	-6	-2
Processing	13	14	17	4	18	1	8	3	12	4	10	-2	3	1	5	2	7	2
Nonmanufacturing	11	10	15	4	14	-1	-4	-4	1	5	1	0	-14	-15	-12	2	-13	-1
Construction	-5	-15	-5	0	-8	-3	-26	-28	-21	5	-17	4	-27	-35	-28	-1	-32	-4
Real estate	20	11	27	7	23	-4	10	4	11	1	5	-6	4	6	7	3	7	0
Wholesaling	16	11	18	2	15	-3	1	-4	3	2	2	-1	-13	-11	-10	3	-8	2
Retailing	0	6	7	7	8	1	-12	-6	0	12	-1	-1	-16	-18	-13	3	-14	-1
Transportation	7	10	16	9	12	-4	-16	-14	-9	7	-8	1	-10	-8	-7	3	-7	0
Communications	22	20	17	-5	17	0	19	9	7	-12	14	7	5	11	0	-5	15	15
Information services	24	27	30	6	35	5	16	19	17	1	22	5	10	20	13	3	18	5
Electric & Gas utilities	11	3	9	-2	2	-7	17	14	21	4	13	-8	-9	-14	-12	-3	-20	-8
Services for businesses	20	19	22	2	16	-6	13	17	24	11	21	-3	2	0	-2	-4	-3	-1
Services for individuals	-1	6	14	15	21	7	-16	-3	-3	13	9	12	-5	0	2	7	3	1
Restaurants & Accommodations	4	10	2	-2	11	9	-30	-8	-25	5	-8	17	-40	-26	-36	4	-26	10
Leasing	26	23	17	-9	20	3	11	5	19	8	7	-12	-4	-13	5	9	-3	-8
All industries	13	12	16	3	16	0	0	-1	4	4	3	-1	-9	-11	-7	2	-7	0

	All Enterprises					
Manufacturing	6	3	8	2	8	0
Nonmanufacturing	-6	-7	-3	3	-4	-1
All industries	-2	-2	1	3	1	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)

	March 2005 Survey			June 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	14	6	0	18	8	2	17	6	1
1.Favorable	25	25	23	26	24	22	23	20	19
2.Not so favorable	64	56	54	66	60	58	71	66	63
3.Unfavorable	11	19	23	8	16	20	6	14	18
Nonmanufacturing	11	-4	-14	15	1	-12	14	1	-13
1.Favorable	22	17	13	22	18	14	20	16	12
2.Not so favorable	67	62	60	71	65	60	74	69	63
3.Unfavorable	11	21	27	7	17	26	6	15	25

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		March 2005 Survey		June 2005 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-13	-13	-12	1	-11	1
	Basic materials	-13	-13	-13	0	-12	1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-13	-14	-11	2	-10	1
	Nonmanufacturing	-24	-26	-21	3	-23	-2
Overseas Supply & Demand Conditions for Products:	Manufacturing	-3	-1	-3	0	-1	2
	Basic materials	-2	-2	-6	-4	-4	2
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-3	-1	-2	1	0	2

Inventory Level of Finished Goods & Merchandise:	Manufacturing	18	/	16	-2	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	16	/	16	0	/	/
	Processing	19	/	17	-2	/	/
Wholesalers' Inventory Level:	Manufacturing	14	/	13	-1	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	13	/	16	3	/	/
	Processing	15	/	12	-3	/	/

Change in Output Prices:	Manufacturing	-8	-10	-7	1	-9	-2
	Basic materials	12	7	12	0	4	-8
Diffusion index of "Rise" minus "Fall"	Processing	-17	-19	-17	0	-16	1
	Nonmanufacturing	-13	-13	-9	4	-11	-2
Change in Input Prices:	Manufacturing	38	31	37	-1	27	-10
	Basic materials	47	38	43	-4	30	-13
Diffusion index of "Rise" minus "Fall"	Processing	34	27	33	-1	26	-7
	Nonmanufacturing	6	6	10	4	9	-1

(%points)

		Small Enterprises					
		March 2005 Survey		June 2005 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-25	-26	-26	-1	-28	-2
	Basic materials	-31	-32	-34	-3	-35	-1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-22	-23	-22	0	-23	-1
	Nonmanufacturing	-36	-39	-37	-1	-38	-1
Overseas Supply & Demand Conditions for Products:	Manufacturing	-10	-10	-10	0	-12	-2
	Basic materials	-15	-14	-16	-1	-19	-3
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-8	-8	-8	0	-9	-1

Inventory Level of Finished Goods & Merchandise:	Manufacturing	14	/	16	2	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	15	/	21	6	/	/
	Processing	12	/	13	1	/	/
Wholesalers' Inventory Level:	Manufacturing	19	/	21	2	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	25	/	30	5	/	/
	Processing	16	/	16	0	/	/

Change in Output Prices:	Manufacturing	-13	-15	-14	-1	-16	-2
	Basic materials	-7	-6	-6	1	-10	-4
Diffusion index of "Rise" minus "Fall"	Processing	-17	-20	-18	-1	-19	-1
	Nonmanufacturing	-25	-24	-23	2	-25	-2
Change in Input Prices:	Manufacturing	41	41	43	2	37	-6
	Basic materials	35	39	38	3	33	-5
Diffusion index of "Rise" minus "Fall"	Processing	43	42	46	3	39	-7
	Nonmanufacturing	15	18	18	3	16	-2

### 3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.3	0.4	3.1	1.9
	Domestic Sales	4.3	0.3	3.1	1.5
	Exports	8.7	0.7	3.3	3.1
	Nonmanufacturing	3.3	1.0	1.4	1.2
	All industries	4.1	0.7	2.1	1.4
Medium-sized Enterprises	Manufacturing	5.7	0.9	1.5	1.3
	Nonmanufacturing	2.6	0.5	2.6	1.3
	All industries	3.4	0.6	2.3	1.3
Small Enterprises	Manufacturing	5.8	0.5	2.1	1.1
	Nonmanufacturing	3.7	0.3	0.6	0.1
	All industries	4.2	0.4	0.9	0.4
All Enterprises	Manufacturing	5.5	0.5	2.7	1.7
	Nonmanufacturing	3.3	0.7	1.4	0.9
	All industries	4.0	0.6	1.8	1.1

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

(Year-to-year % change)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
6.0	4.7	0.8	2.6	1.0	3.7	2.7
4.4	4.1	0.6	3.1	0.8	3.1	2.1
10.9	6.7	1.4	1.1	1.6	5.4	4.6
2.5	4.1	1.9	2.2	0.4	0.7	1.9
3.9	4.3	1.5	2.3	0.6	1.8	2.2
7.7	3.9	1.5	0.9	0.9	2.1	1.7
3.1	2.1	0.6	2.0	1.2	3.2	1.3
4.3	2.5	0.8	1.7	1.1	2.9	1.4
7.4	4.3	0.6	2.2	1.2	1.9	1.1
3.6	3.8	1.0	1.5	0.0	-0.1	0.3
4.4	3.9	0.9	1.6	0.3	0.3	0.4
6.5	4.5	0.9	2.2	1.0	3.1	2.2
3.0	3.6	1.3	1.9	0.5	0.9	1.2
4.1	3.9	1.2	2.0	0.6	1.6	1.6

Current Profits (Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	27.6	2.2	2.4	3.6
	Basic materials	46.9	4.7	1.9	8.3
	Processing	17.1	0.6	2.9	0.7
	Nonmanufacturing	15.2	4.2	-0.6	4.3
	All industries	21.2	3.1	1.0	3.9
Medium-sized Enterprises	Manufacturing	33.4	4.5	2.4	3.0
	Nonmanufacturing	15.2	3.9	4.9	-0.6
	All industries	21.3	4.1	4.0	0.7
Small Enterprises	Manufacturing	23.2	3.4	4.7	2.4
	Nonmanufacturing	14.1	3.2	9.7	-0.4
	All industries	16.7	3.3	8.2	0.4
All Enterprises	Manufacturing	27.7	2.6	2.7	3.4
	Nonmanufacturing	14.9	3.9	2.8	2.2
	All industries	20.3	3.3	2.7	2.7

(Year-to-year % change)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
36.3	20.5	4.8	-8.8	-3.0	12.9	9.2
46.2	47.5	10.6	2.0	3.1	1.7	13.2
30.5	6.4	1.1	-15.7	-7.4	21.0	7.0
31.7	1.1	8.6	-12.4	-5.3	12.5	14.3
33.9	10.5	6.6	-10.6	-4.2	12.7	11.5
60.3	16.1	8.2	-6.0	0.5	9.9	4.9
28.9	7.4	5.6	-3.3	-5.3	10.4	2.4
40.1	10.2	6.5	-4.4	-3.0	10.2	3.2
46.7	7.7	5.1	1.2	0.5	7.9	4.0
29.1	6.4	5.3	12.3	-4.3	8.1	2.3
34.6	6.7	5.3	8.5	-2.8	8.1	2.8
40.0	18.2	5.3	-7.2	-2.2	11.9	8.0
30.8	3.7	7.1	-6.4	-5.1	10.9	8.5
34.8	9.7	6.3	-6.7	-3.8	11.4	8.3

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

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

		FY2004		FY2005	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	5.94	0.11	5.90	0.10
	Nonmanufacturing	3.79	0.11	3.72	0.11
	All industries	4.65	0.11	4.59	0.11
Medium-sized Enterprises	Manufacturing	4.14	0.14	4.18	0.07
	Nonmanufacturing	2.41	0.08	2.46	-0.05
	All industries	2.85	0.10	2.90	-0.01
Small Enterprises	Manufacturing	3.66	0.10	3.76	0.05
	Nonmanufacturing	2.28	0.06	2.49	-0.01
	All industries	2.57	0.07	2.75	0.00
All Enterprises	Manufacturing	5.26	0.11	5.26	0.09
	Nonmanufacturing	3.03	0.10	3.07	0.04
	All industries	3.74	0.10	3.77	0.06

(% , %points)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		Changes	(Forecast)	Changes	(Forecast)	Changes
5.96	5.92	0.23	5.30	-0.22	6.45	0.39
4.20	3.43	0.22	3.60	-0.22	3.83	0.42
4.90	4.41	0.21	4.28	-0.22	4.88	0.41
3.99	4.28	0.27	3.72	-0.02	4.60	0.14
2.03	2.76	0.13	1.92	-0.13	2.95	0.03
2.54	3.14	0.17	2.38	-0.11	3.36	0.06
3.55	3.77	0.16	3.52	-0.02	3.99	0.11
1.84	2.68	0.11	2.04	-0.09	2.90	0.06
2.21	2.90	0.12	2.36	-0.07	3.13	0.08
5.22	5.29	0.22	4.74	-0.16	5.74	0.31
3.00	3.05	0.16	2.76	-0.16	3.35	0.22
3.72	3.76	0.18	3.40	-0.15	4.12	0.26

Net Income (Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	57.0	-4.2	15.1	5.3
	Basic materials	188.5	7.3	-0.9	12.4
	Processing	11.7	-12.5	29.3	0.9
	Nonmanufacturing	-28.2	-35.0	143.5	20.8
	All industries	14.0	-16.7	55.9	12.4
Medium-sized Enterprises	Manufacturing	49.3	2.2	16.7	2.0
	Nonmanufacturing	131.6	-3.9	6.2	-4.1
	All industries	94.2	-1.9	9.8	-1.9
Small Enterprises	Manufacturing	38.2	0.0	14.7	3.2
	Nonmanufacturing	1.0	-3.6	62.8	-0.5
	All industries	12.6	-2.2	44.4	0.6
All Enterprises	Manufacturing	53.4	-2.9	15.2	4.6
	Nonmanufacturing	-1.8	-21.0	83.7	10.6
	All industries	23.2	-11.7	45.1	7.8

(Year-to-year % change)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
57.2	56.6	-9.1	-14.2	-5.3	54.9	14.9
101.0	473.4	17.8	-14.0	5.7	14.0	18.9
34.6	-12.2	-27.1	-14.4	-12.3	99.0	12.5
-3.9	-71.7	-78.6	45.4	22.2	740.8	19.4
24.7	-2.7	-36.7	10.2	7.8	146.8	16.9
82.2	28.3	5.6	2.6	-1.8	29.5	4.9
654.8	24.6	-9.6	-35.1	-12.0	57.2	0.6
278.6	26.0	-4.2	-23.2	-8.0	46.5	2.0
46.3	31.4	-0.4	7.0	-0.4	21.9	6.4
41.1	-9.8	-6.9	83.8	-6.5	53.9	2.9
43.7	0.0	-5.0	45.4	-4.4	43.9	3.8
58.0	48.0	-6.1	-10.1	-4.3	46.5	12.5
29.1	-29.6	-41.1	30.5	10.7	171.7	10.4
43.1	3.1	-24.0	8.8	3.6	96.0	11.4

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	
			Revision rate	(Forecast)	Revision rate			Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	18.1	-3.8	16.2	8.2	20.4	16.2	-6.0	30.9	12.0	4.2	4.5
	Nonmanufacturing	-1.2	-1.9	6.1	4.3	-1.1	-1.3	-4.0	12.9	6.8	0.4	2.1
	All industries	4.5	-2.5	9.4	5.6	5.1	3.9	-4.7	18.9	8.6	1.7	2.9
Medium-sized Enterprises	Manufacturing	10.3	-1.3	10.7	8.2	12.3	8.6	-3.5	25.6	8.4	-2.7	7.9
	Nonmanufacturing	2.3	0.0	1.0	1.6	9.0	-3.1	-0.5	0.8	-2.7	1.2	5.8
	All industries	4.6	-0.4	3.8	3.6	9.9	0.1	-1.4	8.0	0.8	0.0	6.4
Small Enterprises	Manufacturing	24.2	3.3	-12.5	6.5	14.6	33.3	4.6	11.2	7.1	-31.7	5.7
	Nonmanufacturing	6.4	2.7	-6.4	15.9	-2.0	16.5	4.7	1.1	17.3	-13.9	14.2
	All industries	10.7	2.9	-8.0	13.3	1.7	20.9	4.7	3.6	14.4	-19.1	12.0
All Enterprises	Manufacturing	17.7	-2.4	11.0	8.0	18.2	17.4	-4.1	27.1	10.8	-2.4	5.1
	Nonmanufacturing	0.7	-0.8	2.9	5.7	0.3	1.1	-2.0	8.4	7.0	-2.0	4.5
	All industries	5.5	-1.3	5.4	6.4	5.2	5.8	-2.7	14.2	8.2	-2.1	4.7

\* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-6.1	1.6	-4.3	-0.6
	Nonmanufacturing	-2.9	2.9	3.1	4.1
	All industries	-4.1	2.5	0.5	2.5
Medium-sized Enterprises	Manufacturing	27.4	-1.2	-2.3	9.1
	Nonmanufacturing	2.9	-5.2	9.6	-0.9
	All industries	5.1	-4.7	8.2	0.0
Small Enterprises	Manufacturing	12.6	3.8	6.8	10.2
	Nonmanufacturing	-11.4	4.1	11.9	19.1
	All industries	-7.2	4.1	10.9	17.2
All Enterprises	Manufacturing	-3.3	1.5	-3.5	0.7
	Nonmanufacturing	-2.4	1.0	5.4	4.0
	All industries	-2.7	1.1	2.8	3.1

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	15.1	-4.1	17.1	7.5
	Nonmanufacturing	-1.6	-2.6	7.8	3.5
	All industries	3.5	-3.1	10.9	4.9
Medium-sized Enterprises	Manufacturing	11.5	-1.5	11.5	7.7
	Nonmanufacturing	2.9	-1.1	6.8	0.3
	All industries	5.3	-1.2	8.2	2.4
Small Enterprises	Manufacturing	29.9	3.0	-7.6	6.5
	Nonmanufacturing	7.0	1.8	2.8	13.2
	All industries	12.7	2.2	-0.2	11.3
All Enterprises	Manufacturing	16.4	-2.8	12.8	7.4
	Nonmanufacturing	0.5	-1.7	6.8	4.4
	All industries	5.1	-2.0	8.8	5.4

Land Purchasing Expenses

(Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	35.0	24.8	-59.4	7.3
	Nonmanufacturing	3.8	25.5	-34.5	40.2
	All industries	10.5	25.3	-41.0	32.9
Medium-sized Enterprises	Manufacturing	-4.8	2.5	-23.0	31.8
	Nonmanufacturing	-3.5	7.2	-55.7	41.2
	All industries	-3.7	6.5	-50.9	38.9
Small Enterprises	Manufacturing	-17.8	6.9	-60.3	9.3
	Nonmanufacturing	-0.3	7.9	-48.5	54.3
	All industries	-3.5	7.7	-50.3	46.8
All Enterprises	Manufacturing	8.2	15.8	-55.1	12.4
	Nonmanufacturing	0.7	14.3	-44.1	45.4
	All industries	2.1	14.6	-46.3	38.6

Production Capacity

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

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

## 5. Fixed Investment of Financial institutions

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

	FY2004		FY2005 (Forecast)	
		Revision rate		Revision rate
Financial institutions	-20.4	-0.2	9.9	2.2
Banks	-2.1	-4.1	29.4	0.1
Shinkin banks & Other financial institutions for small businesses	-16.5	-1.8	25.5	5.0
Securities companies	56.8	7.0	5.5	10.4
Insurance companies	-37.4	4.5	-12.7	4.5
Non-deposit money corporations	-21.8	-2.6	5.9	-1.7
(Memo) All industries including Financial institutions	4.8	-1.2	5.5	6.3
Nonmanufacturing including Financial institutions	-0.1	-0.7	3.1	5.6

\* Excludes Software Investment

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

Financial institutions	13.2	1.2	13.0	4.6
Banks	10.4	3.9	17.8	10.8
Shinkin banks & Other financial institutions for small businesses	-43.3	1.4	188.2	-1.6
Securities companies	41.3	-2.0	12.2	6.8
Insurance companies	-0.1	-2.3	-5.5	-3.3
Non-deposit money corporations	45.8	-1.7	-13.1	-19.8
(Memo) All industries including Financial institutions	-0.1	1.1	4.7	3.4
Nonmanufacturing including Financial institutions	0.9	1.0	7.3	4.2

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

Financial institutions	-58.5	19.2	-13.1	6.7
Banks	83.4	60.8	-73.3	19.6
Shinkin banks & Other financial institutions for small businesses	-67.2	-1.5	239.9	7.0
Securities companies	-	-	-	-
Insurance companies	-65.6	4.1	-0.7	2.7
Non-deposit money corporations	-100.0	-	-	-
(Memo) All industries including Financial institutions	-3.2	14.7	-45.1	36.1
Nonmanufacturing including Financial institutions	-5.6	14.5	-42.7	41.8

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

Financial institutions	0.0	-0.7	13.0	3.1
Banks	1.5	-2.2	29.0	5.1
Shinkin banks & Other financial institutions for small businesses	-13.4	-1.5	31.9	2.9
Securities companies	45.5	0.5	10.3	7.8
Insurance companies	-16.9	2.4	-12.4	2.1
Non-deposit money corporations	24.9	-2.2	-2.2	-9.3
(Memo) All industries including Financial institutions	4.9	-2.0	8.9	5.3
Nonmanufacturing including Financial institutions	0.5	-1.6	7.1	4.3

## 6. Employment

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

		March 2005 Survey		June 2005 Survey			
		Actual result	Forecast	Actual result		Forecast	
					Changes		Changes
Large Enterprises	Manufacturing	6	4	4	-2	2	-2
	Nonmanufacturing	-2	-4	-4	-2	-6	-2
	All industries	1	0	0	-1	-1	-1
Medium-sized Enterprises	Manufacturing	2	1	0	-2	-2	-2
	Nonmanufacturing	-5	-6	-4	1	-8	-4
	All industries	-2	-3	-3	-1	-5	-2
Small Enterprises	Manufacturing	-1	1	2	3	-1	-3
	Nonmanufacturing	-3	-3	1	4	-4	-5
	All industries	-2	-2	1	3	-3	-4
All Enterprises	Manufacturing	2	2	2	0	0	-2
	Nonmanufacturing	-4	-4	-2	2	-5	-3
	All industries	-1	-1	0	1	-3	-3

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

	end of June 2004	end of Sept. 2004	end of Dec. 2004	end of Mar. 2005
Large Enterprises	-0.7	-0.5	0.1	0.7
Medium-sized Enterprises	1.1	1.0	1.4	2.2
Small Enterprises	0.8	1.3	1.3	2.4
All Enterprises	0.4	0.6	0.9	1.8
All Enterprises & Financial institutions	0.3	0.5	0.9	1.6
Financial institutions	-1.5	-1.7	-0.3	-0.8

Number of New Graduates Hired (All industries)

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

	FY2004		FY2005 (Forecast)		FY2006 (Forecast)	
		Revision rate		Revision rate		Revision rate
Large Enterprises	2.8	1.6	13.1	3.5	10.9	-
Medium-sized Enterprises	6.9	2.9	7.5	6.1	0.1	-
Small Enterprises	9.5	1.3	5.8	7.3	-2.0	-
All Enterprises	6.6	1.8	8.6	5.7	2.9	-
All Enterprises & Financial institutions	5.2	1.5	9.9	5.2	3.8	-
Financial institutions	-13.8	-3.3	31.8	-1.5	15.6	-

## 7. Corporate Finance

### Financial Position (All industries)

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

	March 2005 Survey		June 2005 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	20		22
Medium-sized Enterprises	6		9	3
Small Enterprises	-5		-4	1
All Enterprises	3		6	3

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

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

	March 2005 Survey		June 2005 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	22		23
Medium-sized Enterprises	11		15	4
Small Enterprises	7		8	1
All Enterprises	11		13	2

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

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

	March 2005 Survey		June 2005 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Large Enterprises	-3	7	-5	-2	3
Medium-sized Enterprises	-1	8	-4	-3	5	9
Small Enterprises	1	12	-1	-2	8	9
All Enterprises	-1	10	-3	-2	6	9

### Condition for CP Issuance (All industries)

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

	March 2005 Survey		June 2005 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	1		2

### Ratio of Liquidity (All industries)

(Months)

	end of June 2004	end of Sept. 2004	end of Dec. 2004	end of March 2005
Large Enterprises	0.97	0.96	0.94	0.98
Medium-sized Enterprises	1.09	1.08	1.11	1.15
Small Enterprises	1.64	1.66	1.65	1.72
All Enterprises	1.17	1.17	1.17	1.21

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)

	March 2005 Survey		June 2005 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	34	42	43	9	48
Shinkin banks & Other financial institutions for small businesses	23	29	23	0	23	0
Securities companies	34	50	19	-15	30	11
Insurance companies	38	49	42	4	47	5
Non-deposit money corporations	64	73	55	-9	59	4
Financial institutions	36	45	38	2	42	4

### Production Capacity

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

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

### Employment Conditions

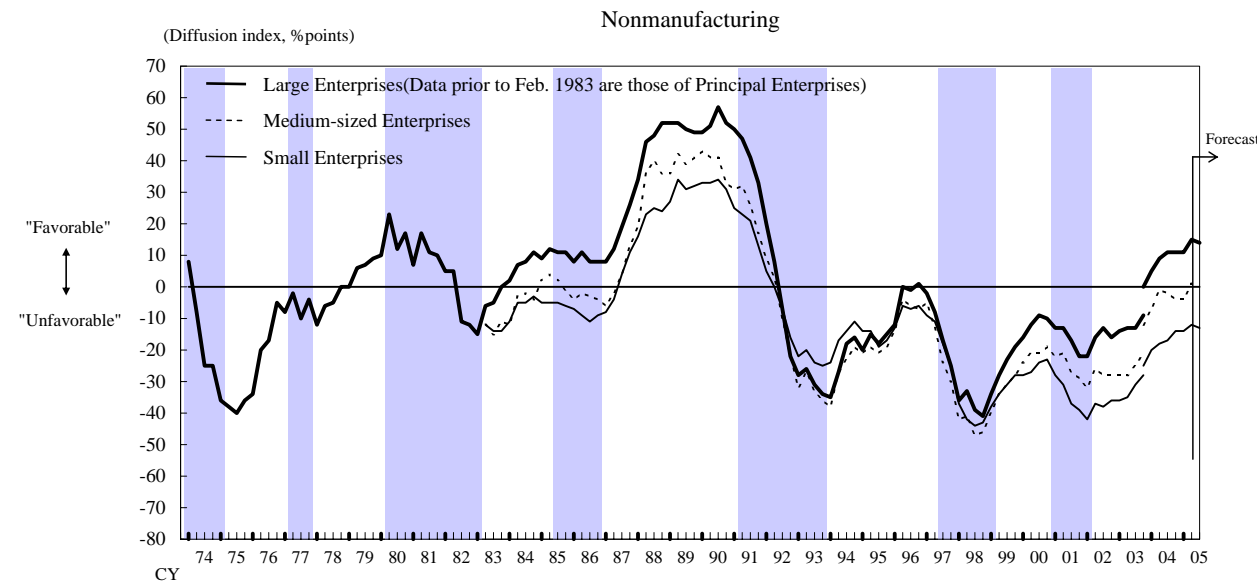
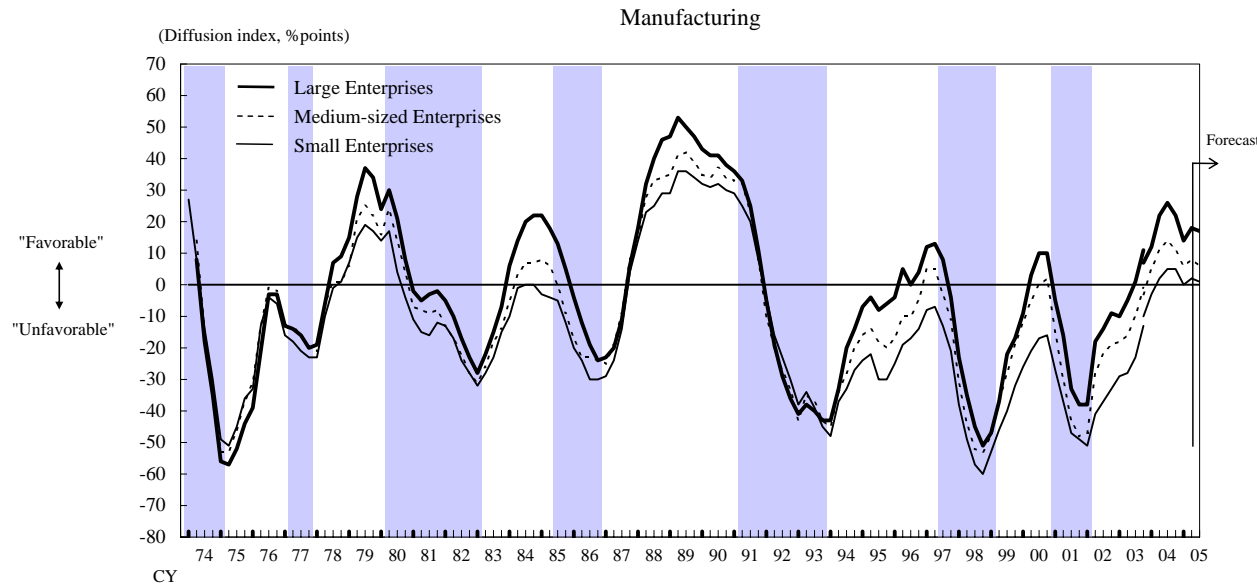
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	March 2005 Survey		June 2005 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	-17	-15	-12	5	-13
Shinkin banks & Other financial institutions for small businesses	-3	6	5	8	-11	-16
Securities companies	-35	-38	-38	-3	-35	3
Insurance companies	-15	-22	-15	0	-20	-5
Non-deposit money corporations	-14	0	-27	-13	-5	22
Financial institutions	-16	-15	-14	2	-16	-2

(Reference Charts)

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

[Business Conditions]



Peaks and Bottoms of Business Conditions (from May 1974)

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

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

	June 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	18	8	2
Forecast	17	6	1

Peaks and Bottoms of Business Conditions (from May 1983)

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

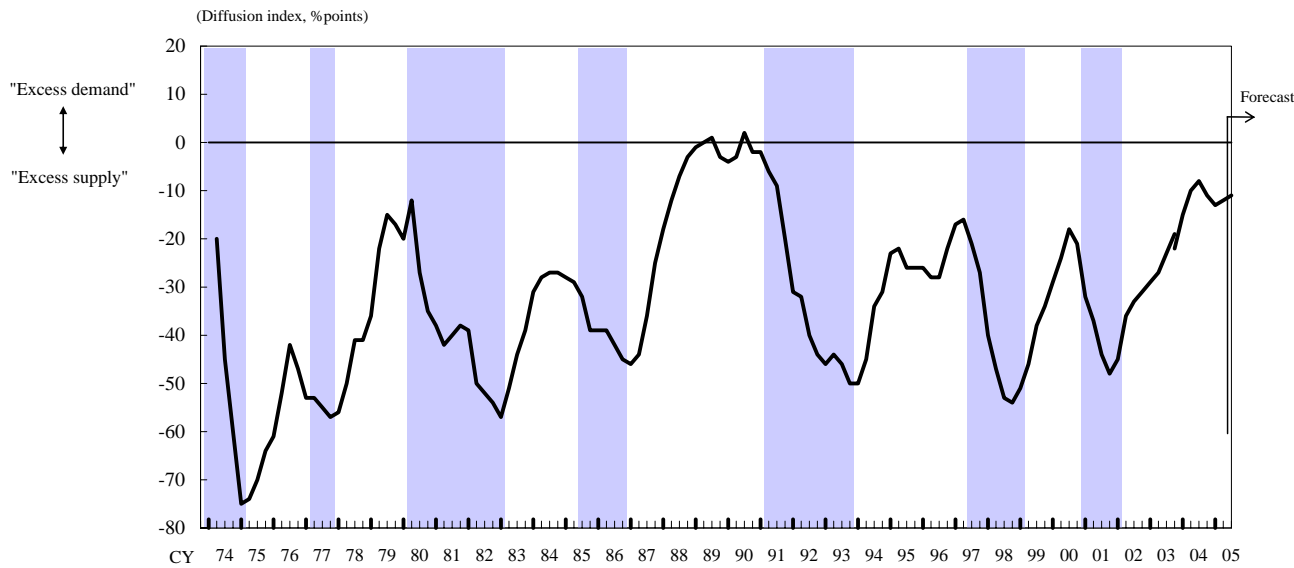
Nonmanufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (83/5)		-15 (83/8)		-14 (83/8,11)
12 (85/5)	8 (86/2,8,11,87/2)	4 (85/5)	-6 (87/2)	-3 (84/11)	-11 (86/8)
57 (90/8)	-35 (94/2)	43 (90/2)	-38 (94/2)	34 (89/5,90/8)	-25 (93/11)
1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

	June 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	15	1	-12
Forecast	14	1	-13



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

Domestic Supply and Demand Conditions for Products and Services



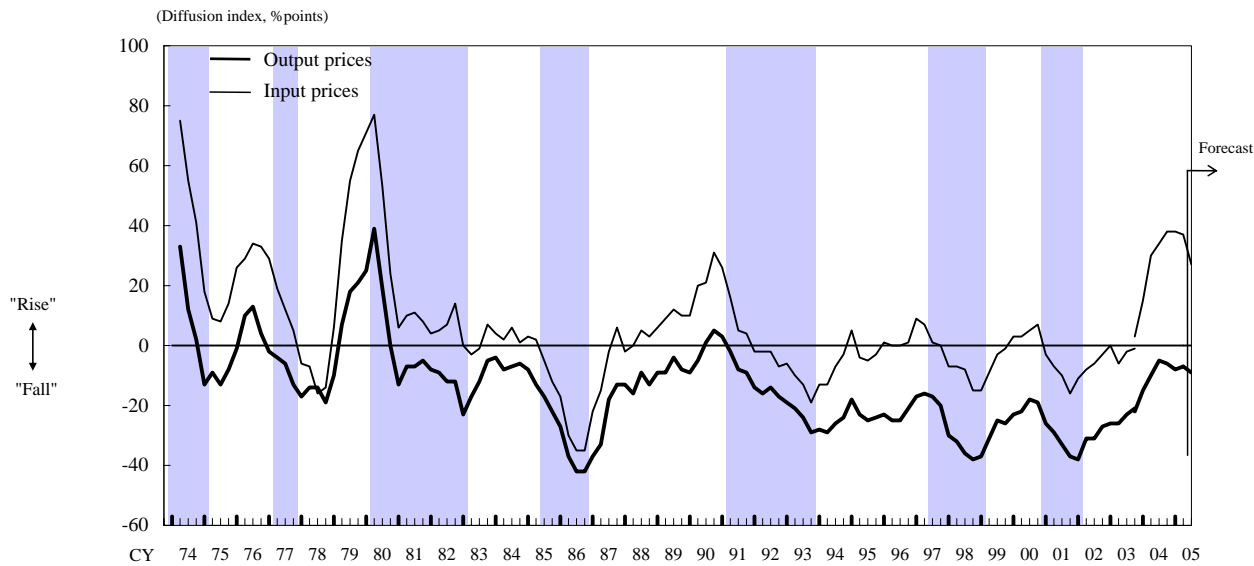
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

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

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

June 2005 survey	
Actual result	-12
Forecast	-11

Prices



Peaks and Bottoms of Prices (from May 1974)

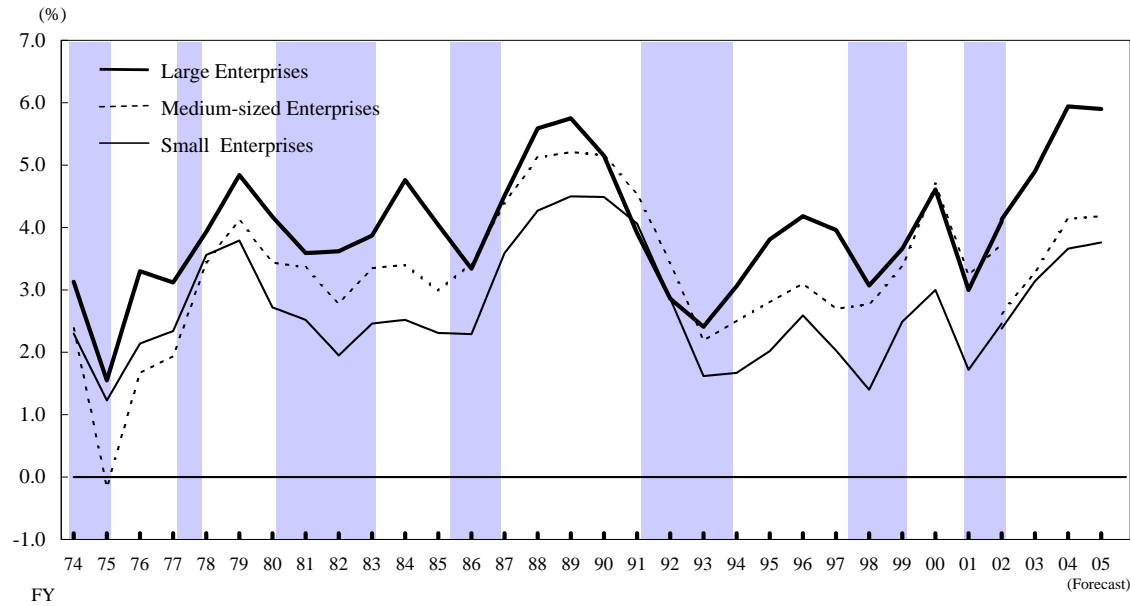
(Diffusion index of "Rise" minus "Fall", %points)

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

June 2005 survey		
	Output Prices	Input Prices
Actual result	-7	37
Forecast	-9	27

[Ratio of Current Profit to Sales]

Manufacturing

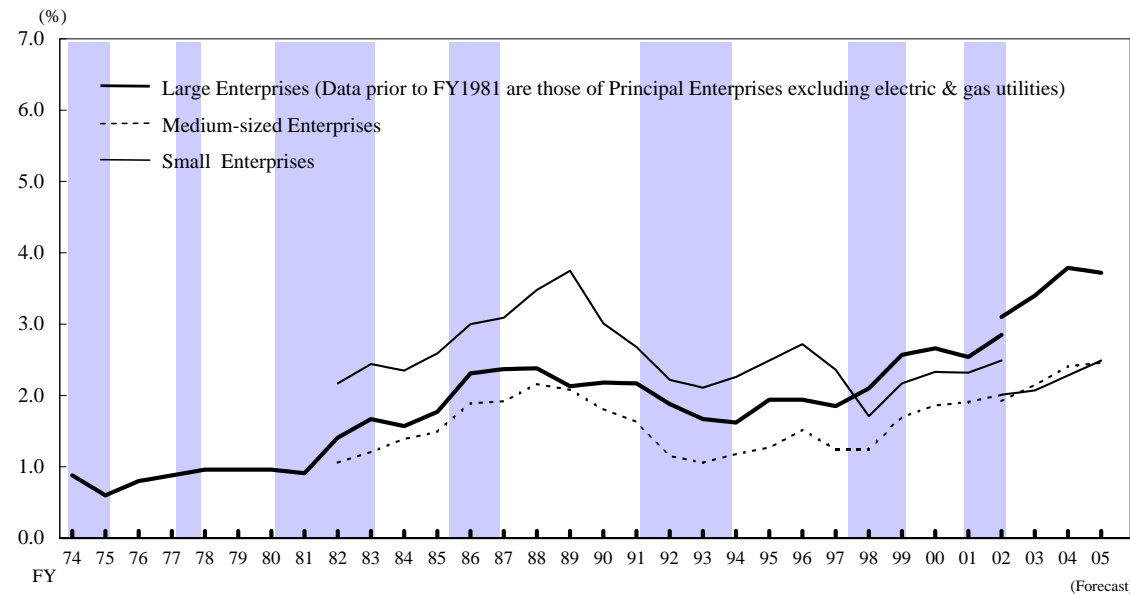


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974) (%)

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

	June 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2004	5.94	4.14	3.66
FY2005 (Forecast)	5.90	4.18	3.76

Nonmanufacturing



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

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

	June 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2004	3.79	2.41	2.28
FY2005 (Forecast)	3.72	2.46	2.49

[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.

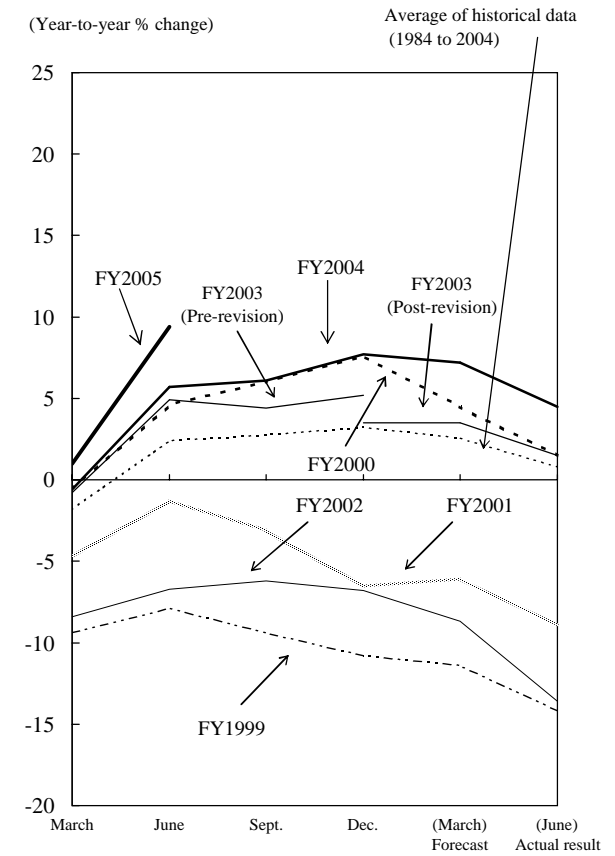
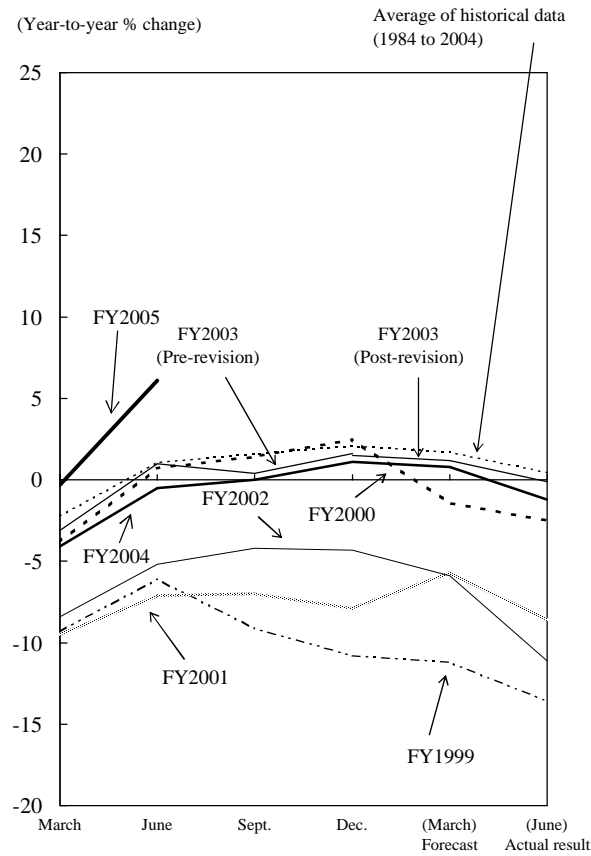
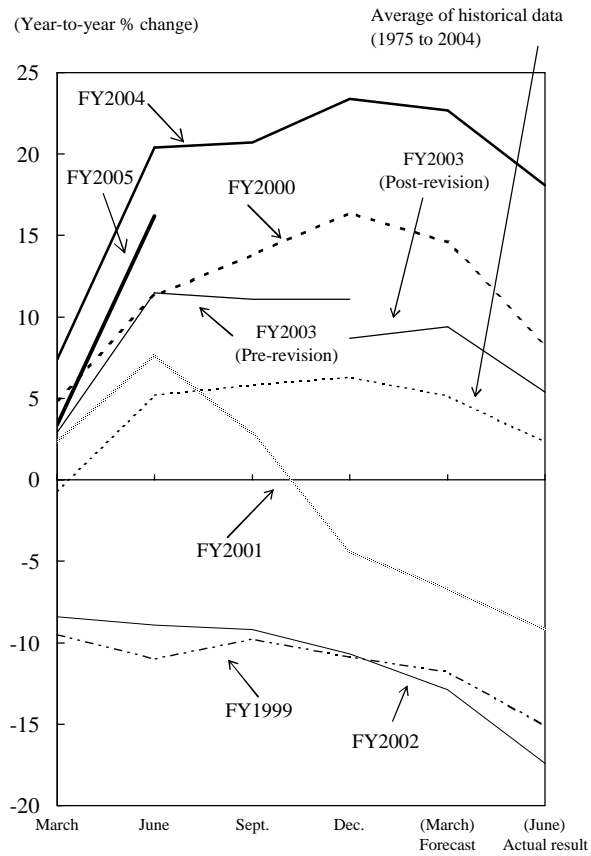
2. Excludes Software Investment.

(1) Large Enterprises

Manufacturing

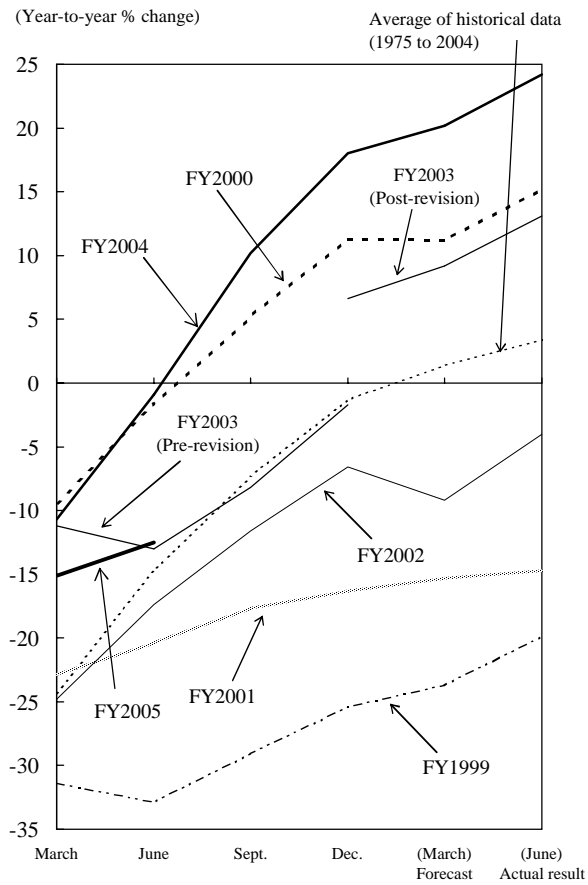
Nonmanufacturing

All industries

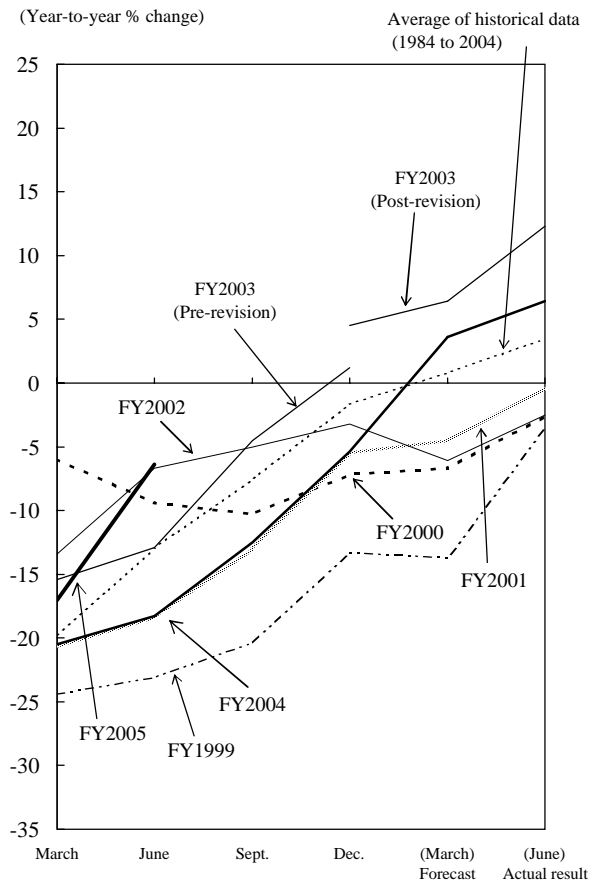


(2) Small Enterprises

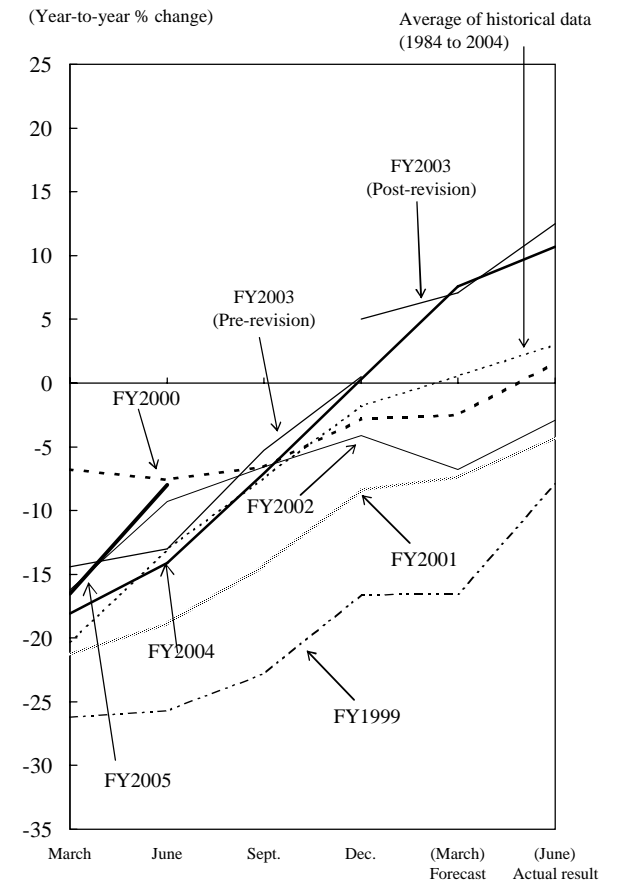
Manufacturing



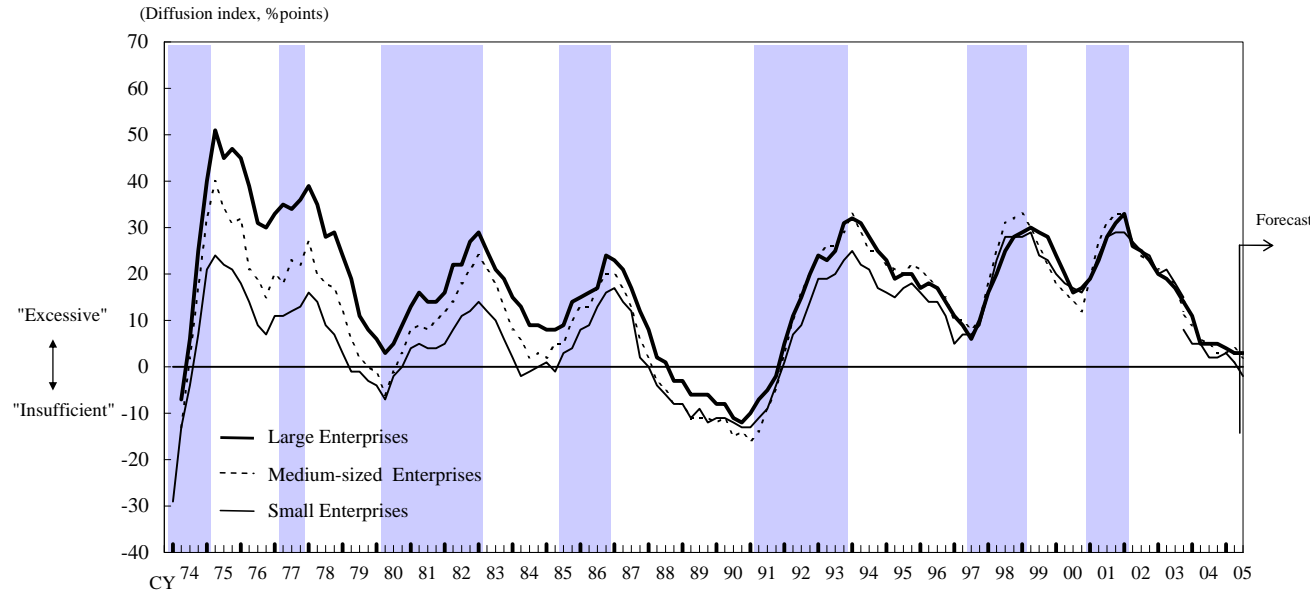
Nonmanufacturing



All industries



## [Production Capacity (Manufacturing)]



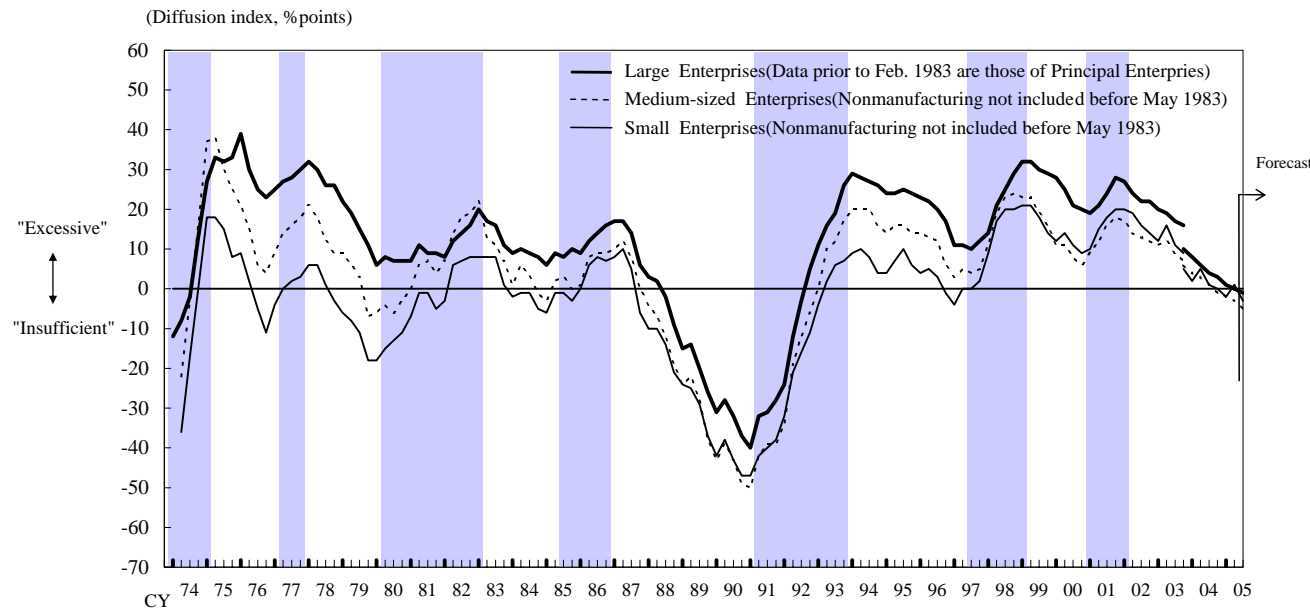
## Peaks and Bottoms of Production Capacity (from May 1974)

(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)	

	June 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	3	4	1
Forecast	3	2	-2

## [Employment Condition (All industries)]



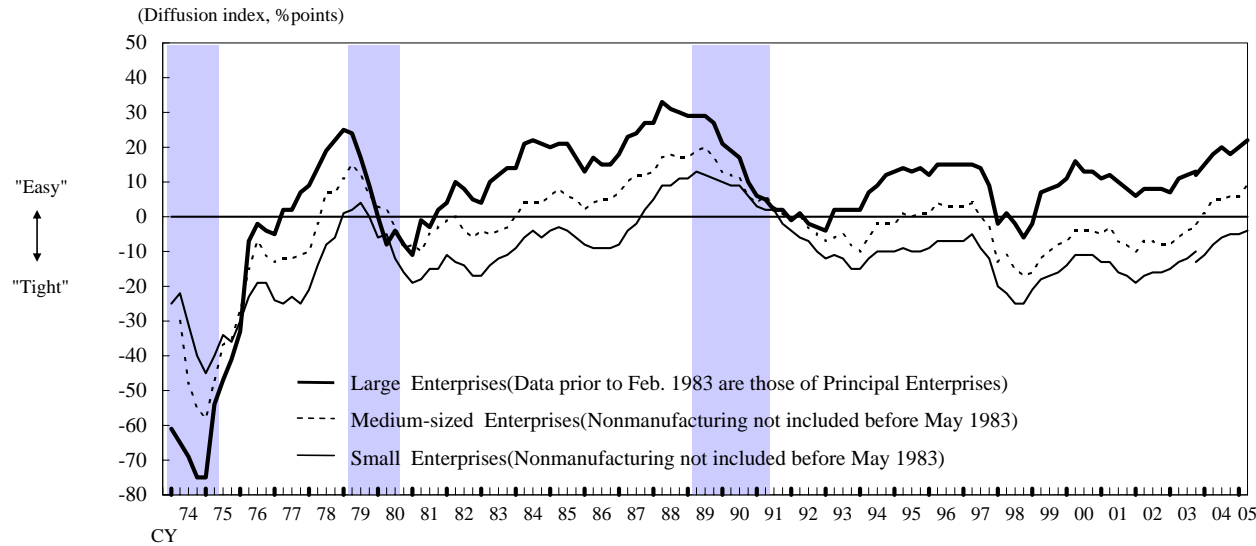
## Peaks and Bottoms of Employment Condition (from May 1983)

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

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

	June 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	0	-3	1
Forecast	-1	-5	-3

### Financial Position



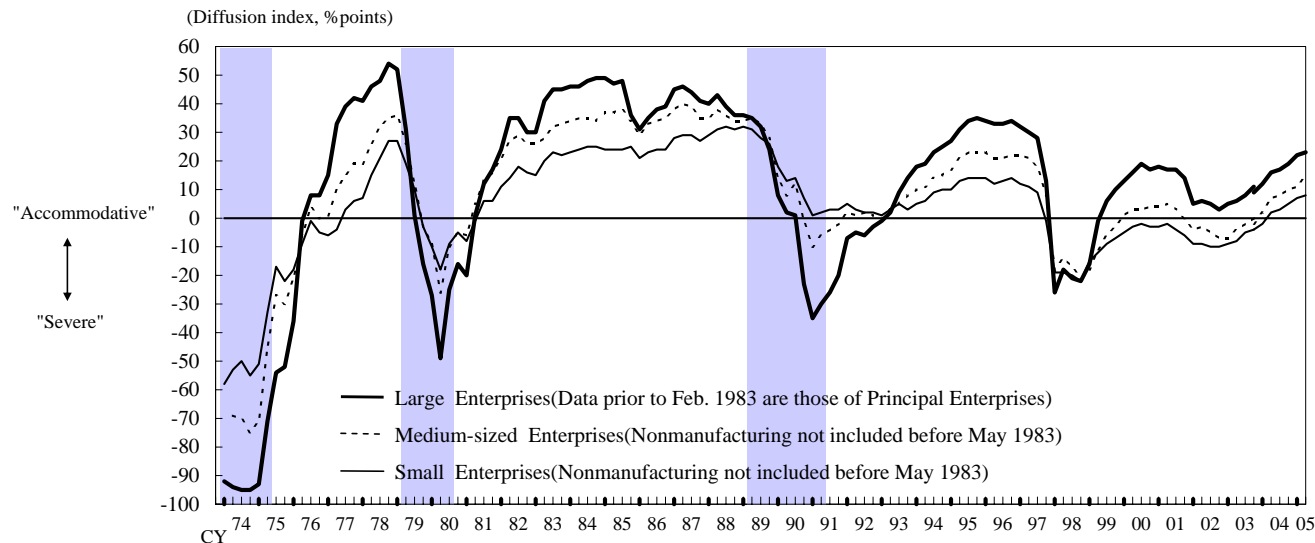
Peaks and Bottoms of Financial Position (from May 1983)

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

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

	June 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	22	9	-4

### Lending Attitude of Financial institutions



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

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

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

	June 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	23	15	8