

TANKAN Summary (December 2005)
127th Short-term Economic Survey of Enterprises in Japan

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December 14, 2005
Research and Statistics Department
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,166	5,941	10,107	98.4%
Large Enterprises	1,184	1,216	2,400	99.2%
Medium-sized Enterprises	1,127	1,601	2,728	98.4%
Small Enterprises	1,855	3,124	4,979	98.1%
Financial institutions	-	-	206	99.0%

Responding Period: November 10 to December 13

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

	FY 2004			FY 2005		
		1H	2H		1H	2H
June 2005 Survey	107.48	109.08	105.89	103.95	104.09	103.83
Sept. 2005 Survey	-	-	-	105.18	105.42	104.95
Dec. 2005 Survey	-	-	-	108.23	108.43	108.04

1. Business Conditions

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	Sept. 2005 Survey		Dec. 2005 Survey				Sept. 2005 Survey		Dec. 2005 Survey				Sept. 2005 Survey		Dec. 2005 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	19	18	21	2	19	-2	5	6	9	4	6	-3	3	4	7	4	6	-1
Textiles	4	-2	13	9	4	-9	-51	-35	-35	16	-33	2	-31	-34	-30	1	-32	-2
Lumber & Wood products	0	17	0	0	25	25	-45	-18	-27	18	-21	6	-21	-10	-14	7	-12	2
Pulp & Paper	13	3	12	-1	15	3	-8	-5	-3	5	-3	0	-7	-6	-5	2	-9	-4
Chemicals	15	13	19	4	14	-5	8	-3	3	-5	-1	-4	9	17	21	12	14	-7
Petroleum & Coal products	10	14	33	23	24	-9	45	25	45	0	25	-20	-11	-11	-8	3	-7	1
Ceramics, Stone & Clay	13	10	14	1	16	2	-20	-22	-11	9	-11	0	-24	-20	-14	10	-19	-5
Iron & Steel	52	45	54	2	47	-7	57	46	62	5	34	-28	39	33	46	7	32	-14
Nonferrous metals	20	26	30	10	23	-7	11	30	25	14	28	3	19	14	22	3	16	-6
Food & Beverages	6	3	0	-6	1	1	1	-1	0	-1	0	0	-20	-9	-14	6	-11	3
Processed metals	-2	-6	-2	0	-6	-4	5	10	3	-2	6	3	13	16	22	9	20	-2
Industrial machinery	41	37	41	0	43	2	25	22	32	7	31	-1	32	27	34	2	32	-2
Electrical machinery	10	17	14	4	19	5	-2	4	12	14	3	-9	11	9	13	2	11	-2
Shipbuilding & Heavy machinery etc.	4	-3	3	-1	-13	-16	20	11	8	-12	18	10	12	6	11	-1	11	0
Motor vehicles	38	35	37	-1	36	-1	16	18	24	8	20	-4	24	22	27	3	19	-8
Precision machinery	32	33	35	3	25	-10	34	30	25	-9	19	-6	11	6	10	-1	19	9
Basic materials	18	16	23	5	19	-4	-3	0	4	7	1	-3	-6	-5	1	7	-4	-5
Processing	19	19	20	1	19	-1	8	10	12	4	9	-3	8	9	11	3	12	1
Nonmanufacturing	15	16	17	2	17	0	0	2	1	1	3	2	-11	-12	-7	4	-9	-2
Construction	-5	1	-2	3	0	2	-15	-15	-12	3	-13	-1	-24	-28	-18	6	-27	-9
Real estate	29	27	39	10	37	-2	16	9	17	1	15	-2	6	7	13	7	11	-2
Wholesaling	22	18	20	-2	16	-4	-1	2	3	4	2	-1	-7	-7	-6	1	-5	1
Retailing	10	15	7	-3	15	8	-7	-1	-6	1	-3	3	-18	-13	-18	0	-12	6
Transportation	15	9	14	-1	14	0	-4	-10	-9	-5	-6	3	-5	-10	0	5	-5	-5
Communications	15	24	29	14	33	4	12	24	8	-4	21	13	6	12	10	4	18	8
Information services	24	31	29	5	32	3	15	25	20	5	24	4	14	14	16	2	16	0
Electric & Gas utilities	3	4	9	6	4	-5	24	15	22	-2	15	-7	-14	-11	-6	8	-11	-5
Services for businesses	24	21	25	1	26	1	17	16	22	5	22	0	-3	3	2	5	1	-1
Services for individuals	7	11	17	10	16	-1	0	4	7	7	10	3	0	4	0	0	1	1
Restaurants & Accommodations	9	8	7	-2	1	-6	-17	-13	-13	4	-8	5	-30	-23	-22	8	-15	7
Leasing	28	31	31	3	31	0	12	12	9	-3	13	4	3	2	8	5	5	-3
All industries	17	17	19	2	18	-1	2	3	5	3	5	0	-6	-5	-2	4	-4	-2

	All Enterprises					
Manufacturing	8	9	12	4	10	-2
Nonmanufacturing	-3	-2	0	3	-1	-1
All industries	2	2	5	3	4	-1

- (Notes) 1. Response rate = The number of enterprises that responded to the question on Business Conditions / The number of sample enterprises*100
 2. Actual result: Judgement at the time of the survey, Forecast: Judgement at the time of three months hence.
 Changes in actual result = "Actual result of the current survey" minus "Actual result of the previous survey"
 Changes in forecast = "Forecast of the current survey" minus "Actual result of the current survey"
 3. "Shipbuilding & Heavy machinery etc." indicates Transportation machinery excluding Motor vehicles.

1. Business Conditions (Continued)

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

(%, %points)

	Sept. 2005 Survey			Dec. 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	19	5	3	21	9	7	19	6	6
1.Favorable	27	23	23	29	25	25	25	20	22
2.Not so favorable	65	59	57	63	59	57	69	66	62
3.Unfavorable	8	18	20	8	16	18	6	14	16
Nonmanufacturing	15	0	-11	17	1	-7	17	3	-9
1.Favorable	22	17	14	24	18	16	22	16	14
2.Not so favorable	71	66	61	69	65	61	73	71	63
3.Unfavorable	7	17	25	7	17	23	5	13	23

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		Sept. 2005 Survey		Dec. 2005 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-10	-11	-9	1	-10	-1
	Basic materials	-14	-15	-15	-1	-16	-1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-8	-8	-7	1	-7	0
	Nonmanufacturing	-23	-23	-21	2	-23	-2
Overseas Supply & Demand Conditions for Products:	Manufacturing	-2	-3	-1	1	-3	-2
	Basic materials	-7	-8	-8	-1	-9	-1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	0	0	2	2	1	-1

Inventory Level of Finished Goods & Merchandise:	Manufacturing	15	/	16	1	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	17	/	18	1	/	/
	Processing	14	/	14	0	/	/
Wholesalers' Inventory Level:	Manufacturing	12	/	12	0	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	15	/	18	3	/	/
	Processing	10	/	10	0	/	/

Change in Output Prices:	Manufacturing	-5	-8	-4	1	-9	-5
	Basic materials	13	12	14	1	5	-9
Diffusion index of "Rise" minus "Fall"	Processing	-14	-17	-14	0	-16	-2
	Nonmanufacturing	-8	-6	-8	0	-7	1
Change in Input Prices:	Manufacturing	39	36	37	-2	28	-9
	Basic materials	51	43	45	-6	31	-14
Diffusion index of "Rise" minus "Fall"	Processing	33	32	32	-1	26	-6
	Nonmanufacturing	13	15	15	2	10	-5

(%points)

		Small Enterprises					
		Sept. 2005 Survey		Dec. 2005 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-23	-24	-21	2	-24	-3
	Basic materials	-32	-33	-32	0	-35	-3
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-18	-19	-15	3	-18	-3
	Nonmanufacturing	-34	-35	-34	0	-34	0
Overseas Supply & Demand Conditions for Products:	Manufacturing	-8	-10	-8	0	-9	-1
	Basic materials	-17	-19	-16	1	-19	-3
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-4	-5	-4	0	-6	-2

Inventory Level of Finished Goods & Merchandise:	Manufacturing	13	/	14	1	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	19	/	18	-1	/	/
	Processing	11	/	13	2	/	/
Wholesalers' Inventory Level:	Manufacturing	17	/	18	1	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	27	/	28	1	/	/
	Processing	11	/	11	0	/	/

Change in Output Prices:	Manufacturing	-12	-14	-11	1	-13	-2
	Basic materials	-6	-7	-5	1	-4	1
Diffusion index of "Rise" minus "Fall"	Processing	-15	-17	-15	0	-17	-2
	Nonmanufacturing	-21	-18	-20	1	-20	0
Change in Input Prices:	Manufacturing	41	43	40	-1	38	-2
	Basic materials	40	42	43	3	42	-1
Diffusion index of "Rise" minus "Fall"	Processing	42	43	39	-3	34	-5
	Nonmanufacturing	20	25	20	0	20	0

3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.3	-	5.2	1.2
	Domestic Sales	4.3	-	4.6	0.6
	Exports	8.7	-	6.9	3.2
	Nonmanufacturing	3.3	-	3.6	1.5
	All industries	4.1	-	4.3	1.4
Medium-sized Enterprises	Manufacturing	5.7	-	2.6	0.7
	Nonmanufacturing	2.6	-	1.6	0.8
	All industries	3.4	-	1.8	0.8
Small Enterprises	Manufacturing	5.8	-	3.9	1.1
	Nonmanufacturing	3.7	-	1.6	0.4
	All industries	4.2	-	2.1	0.6
All Enterprises	Manufacturing	5.5	-	4.6	1.1
	Nonmanufacturing	3.3	-	2.6	1.0
	All industries	4.0	-	3.2	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		Revision rate	(Forecast)	Revision rate
6.0	4.7	-	4.6	1.2	5.7	1.3
4.4	4.1	-	4.4	0.3	4.9	0.8
10.9	6.7	-	5.4	3.6	8.3	2.8
2.5	4.1	-	5.0	1.9	2.4	1.1
3.9	4.3	-	4.8	1.6	3.7	1.2
7.7	3.9	-	2.2	0.7	2.9	0.7
3.1	2.1	-	1.0	1.0	2.1	0.7
4.3	2.5	-	1.3	0.9	2.3	0.7
7.4	4.3	-	4.1	1.1	3.7	1.1
3.6	3.8	-	2.1	0.8	1.1	0.1
4.4	3.9	-	2.5	0.9	1.6	0.3
6.5	4.5	-	4.2	1.1	4.9	1.2
3.0	3.6	-	3.2	1.4	1.9	0.7
4.1	3.9	-	3.5	1.3	2.9	0.9

Current Profits (Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	27.6	-	7.7	4.1
	Basic materials	46.9	-	7.7	2.0
	Processing	17.1	-	7.7	5.6
	Nonmanufacturing	15.2	-	2.8	1.9
	All industries	21.2	-	5.3	3.0
Medium-sized Enterprises	Manufacturing	33.4	-	4.9	1.7
	Nonmanufacturing	15.2	-	9.1	3.8
	All industries	21.3	-	7.5	3.0
Small Enterprises	Manufacturing	23.2	-	4.7	1.1
	Nonmanufacturing	14.1	-	4.4	-3.7
	All industries	16.7	-	4.5	-2.3
All Enterprises	Manufacturing	27.7	-	7.0	3.4
	Nonmanufacturing	14.9	-	4.2	0.9
	All industries	20.3	-	5.4	2.0

(Year-to-year % change)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		Revision rate		Revision rate	(Forecast)	Revision rate
36.3	20.5	-	11.7	14.2	3.9	-4.5
46.2	47.5	-	28.1	12.7	-10.1	-8.8
30.5	6.4	-	1.2	15.6	14.0	-1.8
31.7	1.1	-	3.8	15.5	1.6	-10.0
33.9	10.5	-	7.7	14.8	2.8	-7.1
60.3	16.1	-	5.0	7.8	4.7	-3.1
28.9	7.4	-	11.6	13.3	7.4	-2.0
40.1	10.2	-	8.9	11.1	6.5	-2.4
46.7	7.7	-	4.4	1.9	4.9	0.3
29.1	6.4	-	3.4	-4.0	5.0	-3.5
34.6	6.7	-	3.8	-2.0	5.0	-2.5
40.0	18.2	-	10.1	11.9	4.1	-3.7
30.8	3.7	-	4.8	10.9	3.6	-6.8
34.8	9.7	-	7.2	11.4	3.9	-5.4

3. Sales and Current Profits(Continued)

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

		FY2004		FY2005	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	5.94	-	6.08	0.17
	Nonmanufacturing	3.79	-	3.76	0.01
	All industries	4.65	-	4.69	0.07
Medium-sized Enterprises	Manufacturing	4.14	-	4.23	0.04
	Nonmanufacturing	2.41	-	2.59	0.08
	All industries	2.85	-	3.01	0.07
Small Enterprises	Manufacturing	3.66	-	3.69	0.00
	Nonmanufacturing	2.28	-	2.34	-0.10
	All industries	2.57	-	2.63	-0.08
All Enterprises	Manufacturing	5.26	-	5.38	0.12
	Nonmanufacturing	3.03	-	3.08	0.00
	All industries	3.74	-	3.82	0.03

(% , %points)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		Changes		Changes	(Forecast)	Changes
5.96	5.92	-	6.36	0.73	5.81	-0.36
4.20	3.43	-	4.15	0.49	3.40	-0.42
4.90	4.41	-	5.04	0.59	4.37	-0.39
3.99	4.28	-	4.11	0.27	4.35	-0.17
2.03	2.76	-	2.24	0.24	2.90	-0.08
2.54	3.14	-	2.73	0.25	3.27	-0.10
3.55	3.77	-	3.56	0.03	3.81	-0.03
1.84	2.68	-	1.87	-0.09	2.78	-0.10
2.21	2.90	-	2.23	-0.07	3.00	-0.08
5.22	5.29	-	5.52	0.53	5.25	-0.27
3.00	3.05	-	3.05	0.26	3.10	-0.25
3.72	3.76	-	3.85	0.35	3.79	-0.26

Net Income (Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	57.0	-	19.6	3.2
	Basic materials	188.5	-	3.6	0.8
	Processing	11.7	-	33.9	4.9
	Nonmanufacturing	-28.2	-	119.1	-12.8
	All industries	14.0	-	51.2	-4.8
Medium-sized Enterprises	Manufacturing	49.3	-	15.1	-0.5
	Nonmanufacturing	131.6	-	3.9	0.2
	All industries	94.2	-	7.8	-0.1
Small Enterprises	Manufacturing	38.2	-	5.2	-1.3
	Nonmanufacturing	1.0	-	46.8	-6.1
	All industries	12.6	-	30.9	-4.7
All Enterprises	Manufacturing	53.4	-	17.3	2.2
	Nonmanufacturing	-1.8	-	67.7	-9.3
	All industries	23.2	-	39.3	-4.2

(Year-to-year % change)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		Revision rate		Revision rate	(Forecast)	Revision rate
57.2	56.6	-	3.1	11.7	42.1	-4.0
101.0	473.4	-	5.1	10.7	2.0	-8.8
34.6	-12.2	-	1.6	12.5	85.4	-1.0
-3.9	-71.7	-	36.6	-12.3	621.3	-13.4
24.7	-2.7	-	16.8	-1.2	119.8	-8.4
82.2	28.3	-	8.6	7.3	20.9	-6.1
654.8	24.6	-	-35.5	8.9	52.6	-3.8
278.6	26.0	-	-21.6	8.2	40.4	-4.6
46.3	31.4	-	-5.6	-1.4	15.3	-1.2
41.1	-9.8	-	42.6	-10.6	48.5	-4.2
43.7	0.0	-	18.5	-7.1	38.1	-3.4
58.0	48.0	-	2.7	9.7	35.3	-3.9
29.1	-29.6	-	19.6	-9.7	147.2	-8.9
43.1	3.1	-	10.6	-1.0	79.5	-6.7

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	
Large Enterprises	Manufacturing	18.1	-	17.3	0.9	20.4	16.2	-	15.6	-8.5	18.7	10.1
	Nonmanufacturing	-1.2	-	7.0	1.1	-1.1	-1.3	-	3.8	-6.0	9.7	7.4
	All industries	4.5	-	10.4	1.0	5.1	3.9	-	7.7	-6.9	12.7	8.3
Medium-sized Enterprises	Manufacturing	10.3	-	16.5	1.2	12.3	8.6	-	15.2	-7.6	17.7	10.4
	Nonmanufacturing	2.3	-	7.0	4.2	9.0	-3.1	-	-0.7	-3.3	13.9	11.1
	All industries	4.6	-	9.8	3.3	9.9	0.1	-	4.0	-4.7	15.0	10.9
Small Enterprises	Manufacturing	24.2	-	5.2	9.2	14.6	33.3	-	13.9	2.2	-1.8	16.8
	Nonmanufacturing	6.4	-	3.0	4.9	-2.0	16.5	-	6.7	2.9	-0.6	7.1
	All industries	10.7	-	3.6	6.0	1.7	20.9	-	8.5	2.7	-1.0	9.8
All Enterprises	Manufacturing	17.7	-	15.4	2.1	18.2	17.4	-	15.3	-6.9	15.4	11.0
	Nonmanufacturing	0.7	-	6.2	2.3	0.3	1.1	-	3.6	-3.8	8.5	8.0
	All industries	5.5	-	9.1	2.2	5.2	5.8	-	7.2	-4.9	10.7	8.9

* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-6.1	-	-3.4	2.3
	Nonmanufacturing	-2.9	-	10.6	5.2
	All industries	-4.1	-	5.7	4.2
Medium-sized Enterprises	Manufacturing	27.4	-	6.3	5.2
	Nonmanufacturing	2.9	-	11.9	2.4
	All industries	5.1	-	11.2	2.7
Small Enterprises	Manufacturing	12.6	-	4.3	-5.5
	Nonmanufacturing	-11.4	-	19.3	3.9
	All industries	-7.2	-	16.1	2.0
All Enterprises	Manufacturing	-3.3	-	-2.2	2.0
	Nonmanufacturing	-2.4	-	11.7	4.4
	All industries	-2.7	-	7.6	3.7

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	15.1	-	17.6	0.6
	Nonmanufacturing	-1.6	-	8.1	0.6
	All industries	3.5	-	11.3	0.6
Medium-sized Enterprises	Manufacturing	11.5	-	14.9	0.3
	Nonmanufacturing	2.9	-	10.2	2.6
	All industries	5.3	-	11.6	1.9
Small Enterprises	Manufacturing	29.9	-	4.8	7.3
	Nonmanufacturing	7.0	-	11.1	2.7
	All industries	12.7	-	9.3	3.9
All Enterprises	Manufacturing	16.4	-	15.4	1.4
	Nonmanufacturing	0.5	-	9.0	1.2
	All industries	5.1	-	11.0	1.3

Land Purchasing Expenses

(Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	35.0	-	-41.4	29.3
	Nonmanufacturing	3.8	-	-10.0	27.6
	All industries	10.5	-	-18.2	27.9
Medium-sized Enterprises	Manufacturing	-4.8	-	51.5	29.7
	Nonmanufacturing	-3.5	-	-24.7	37.5
	All industries	-3.7	-	-13.4	35.4
Small Enterprises	Manufacturing	-17.8	-	9.7	27.2
	Nonmanufacturing	-0.3	-	-33.7	26.7
	All industries	-3.5	-	-26.9	26.9
All Enterprises	Manufacturing	8.2	-	-14.2	28.6
	Nonmanufacturing	0.7	-	-22.4	29.0
	All industries	2.1	-	-20.8	28.9

Production Capacity

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

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

5. Fixed Investment of Financial institutions

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

	FY2004		FY2005	
		Revision rate	(Forecast)	Revision rate
Financial institutions	-20.4	-	25.5	12.0
Banks	-2.1	-	57.1	26.5
Shinkin banks & Other financial institutions for small businesses	-16.5	-	36.7	-1.3
Securities companies	56.8	-	6.1	8.1
Insurance companies	-37.4	-	-0.4	4.5
Non-deposit money corporations	-21.8	-	2.2	-4.5
(Memo) All industries including Financial institutions	4.8	-	9.5	2.4
Nonmanufacturing including Financial institutions	-0.1	-	6.9	2.6

* Excludes Software Investment

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

Financial institutions	13.2	-	27.8	9.8
Banks	10.4	-	30.9	13.8
Shinkin banks & Other financial institutions for small businesses	-43.3	-	178.4	-7.2
Securities companies	41.3	-	46.6	7.3
Insurance companies	-0.1	-	-3.0	3.3
Non-deposit money corporations	45.8	-	2.7	9.4
(Memo) All industries including Financial institutions	-0.1	-	11.3	5.0
Nonmanufacturing including Financial institutions	0.9	-	15.6	5.8

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

Financial institutions	-58.5	-	134.1	99.5
Banks	83.4	-	211.3	501.6
Shinkin banks & Other financial institutions for small businesses	-67.2	-	348.6	8.2
Securities companies	-	-	-	-
Insurance companies	-65.6	-	62.3	26.0
Non-deposit money corporations	-100.0	-	-	-0.1
(Memo) All industries including Financial institutions	-3.2	-	-15.0	33.8
Nonmanufacturing including Financial institutions	-5.6	-	-15.1	35.1

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

Financial institutions	0.0	-	18.6	4.4
Banks	1.5	-	33.3	8.1
Shinkin banks & Other financial institutions for small businesses	-13.4	-	34.9	-4.4
Securities companies	45.5	-	34.7	7.5
Insurance companies	-16.9	-	-11.4	-0.9
Non-deposit money corporations	24.9	-	1.7	0.5
(Memo) All industries including Financial institutions	4.9	-	11.3	1.4
Nonmanufacturing including Financial institutions	0.5	-	9.5	1.4

6. Employment

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

		Sept. 2005 Survey		Dec. 2005 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	3	-1	2	-1	-2	-4
	Nonmanufacturing	-4	-8	-6	-2	-8	-2
	All industries	-1	-4	-2	-1	-5	-3
Medium-sized Enterprises	Manufacturing	-1	-3	-2	-1	-3	-1
	Nonmanufacturing	-6	-10	-9	-3	-12	-3
	All industries	-4	-7	-6	-2	-8	-2
Small Enterprises	Manufacturing	1	-4	-3	-4	-4	-1
	Nonmanufacturing	-3	-6	-6	-3	-7	-1
	All industries	-2	-6	-5	-3	-6	-1
All Enterprises	Manufacturing	1	-3	-1	-2	-3	-2
	Nonmanufacturing	-4	-8	-7	-3	-9	-2
	All industries	-2	-5	-4	-2	-7	-3

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

	end of Dec. 2004	end of Mar. 2005	end of June 2005	end of Sept. 2005
Large Enterprises	0.1	0.7	1.0	1.0
Medium-sized Enterprises	1.4	2.2	0.6	0.4
Small Enterprises	1.3	2.4	1.3	2.5
All Enterprises	0.9	1.8	1.0	1.5
All Enterprises & Financial institutions	0.9	1.6	1.0	1.4
Financial institutions	-0.3	-0.8	-0.1	0.0

Number of New Graduates Hired (All industries)

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

	FY2004		FY2005		FY2006	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	2.8	-	15.5	2.2	12.2	3.4
Medium-sized Enterprises	6.9	-	9.9	2.2	4.5	6.7
Small Enterprises	9.5	-	3.8	-1.9	8.1	8.2
All Enterprises	6.6	-	9.1	0.4	8.7	6.1
All Enterprises & Financial institutions	5.2	-	10.5	0.5	9.2	5.8
Financial institutions	-13.8	-	33.2	1.1	16.6	1.9

7. Corporate Finance

Financial Position (All industries)

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

	Sept. 2005 Survey		Dec. 2005 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	20		21	1
Medium-sized Enterprises	8		9	1
Small Enterprises	-3		-2	1
All Enterprises	6		6	0

Lending Attitude of Financial institutions (All industries)

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

	Sept. 2005 Survey		Dec. 2005 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	24		25	1
Medium-sized Enterprises	15		16	1
Small Enterprises	9		11	2
All Enterprises	15		15	0

Change in Interest Rate on Loans (All industries)

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

	Sept. 2005 Survey		Dec. 2005 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
Large Enterprises	-3	7	2	5	13	11
Medium-sized Enterprises	-3	7	-1	2	16	17
Small Enterprises	-1	10	1	2	17	16
All Enterprises	-2	9	1	3	16	15

Condition for CP Issuance (All industries)

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

	Sept. 2005 Survey		Dec. 2005 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	3		5	2

Ratio of Liquidity (All industries)

(Months)

	end of Dec. 2004	end of March 2005	end of June 2005	end of Sept. 2005
Large Enterprises	0.94	0.98	0.93	0.93
Medium-sized Enterprises	1.11	1.15	1.08	1.08
Small Enterprises	1.65	1.72	1.62	1.66
All Enterprises	1.17	1.21	1.14	1.15

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. 2005 Survey		Dec. 2005 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
Banks	40	43	47	7	50	3
Shinkin banks & Other financial institutions for small businesses	23	23	31	8	31	0
Securities companies	60	68	80	20	84	4
Insurance companies	49	53	49	0	56	7
Non-deposit money corporations	59	59	68	9	68	0
Financial institutions	44	47	51	7	54	3

Production Capacity

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

	Sept. 2005 Survey		Dec. 2005 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
Banks	-1	-2	-2	-1	-1	1
Shinkin banks & Other financial institutions for small businesses	0	-5	-6	-6	-6	0
Securities companies	-12	-16	-16	-4	-16	0
Insurance companies	-5	-4	-11	-6	-9	2
Non-deposit money corporations	-14	-5	-14	0	-9	5
Financial institutions	-4	-6	-8	-4	-6	2

Employment Conditions

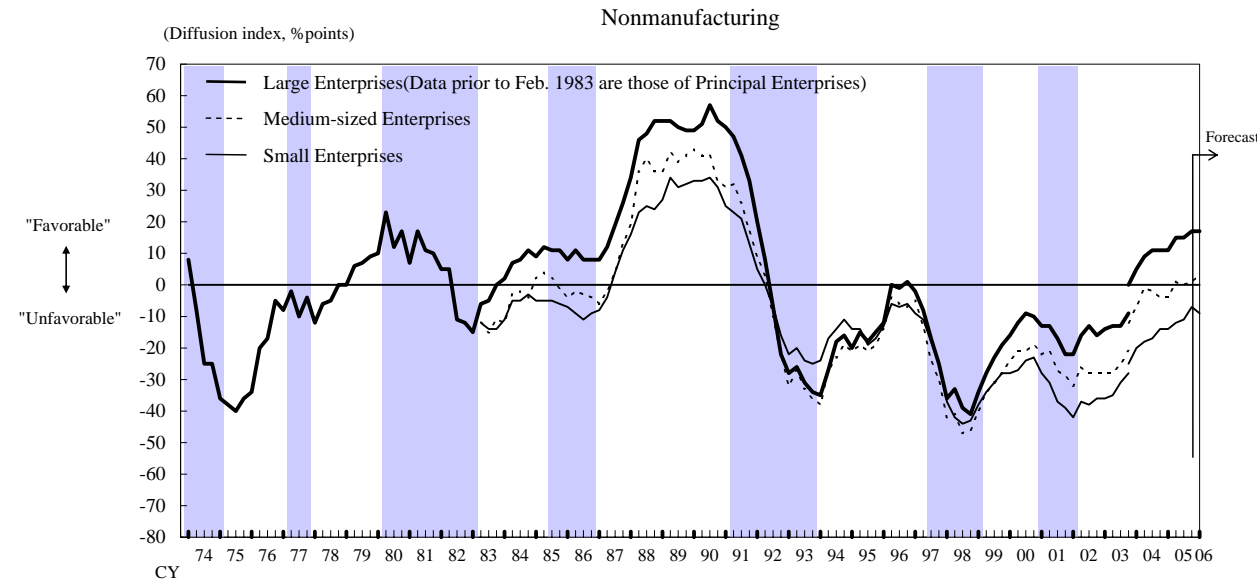
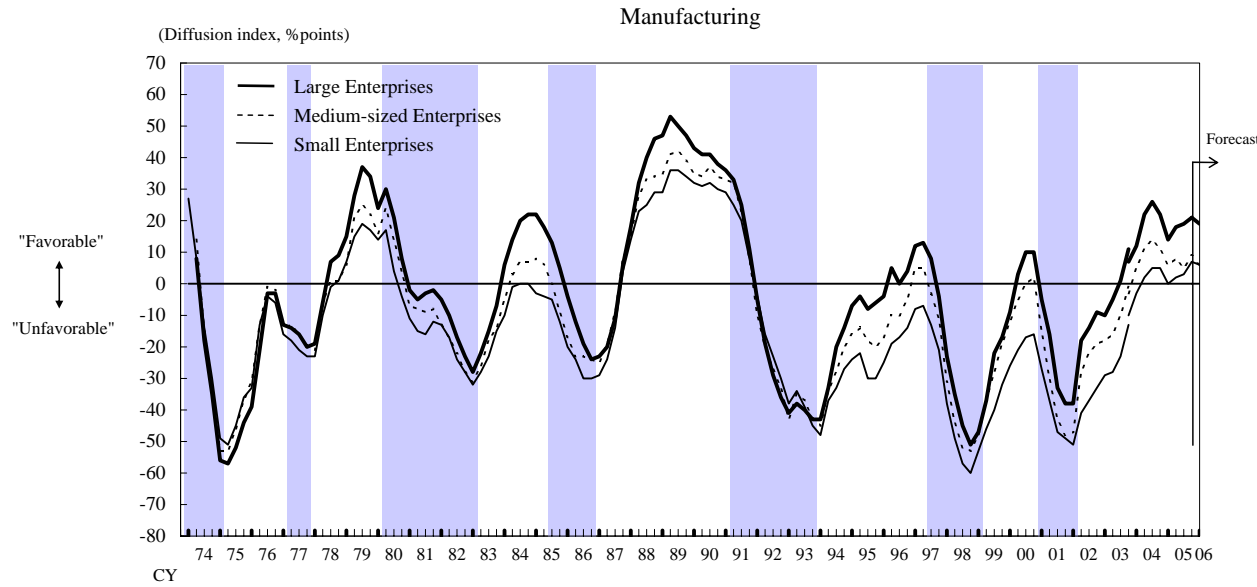
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	Sept. 2005 Survey		Dec. 2005 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
Banks	-15	-16	-15	0	-14	1
Shinkin banks & Other financial institutions for small businesses	-8	-12	0	8	-2	-2
Securities companies	-32	-44	-40	-8	-52	-12
Insurance companies	-25	-20	-23	2	-27	-4
Non-deposit money corporations	-18	-14	-18	0	-23	-5
Financial institutions	-18	-19	-18	0	-21	-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 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	21	9	7
Forecast	19	6	6

Peaks and Bottoms of Business Conditions (from May 1983)

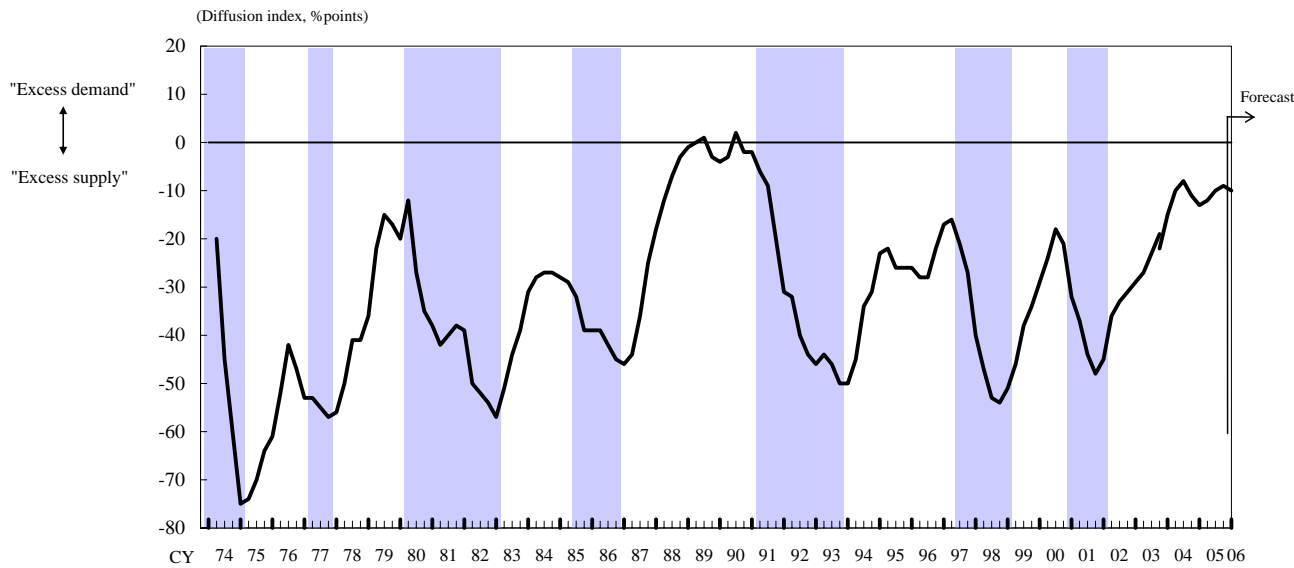
(Diffusion index of "Favorable" minus "Unfavorable", %points)

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 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	17	1	-7
Forecast	17	3	-9

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

Domestic Supply and Demand Conditions for Products and Services



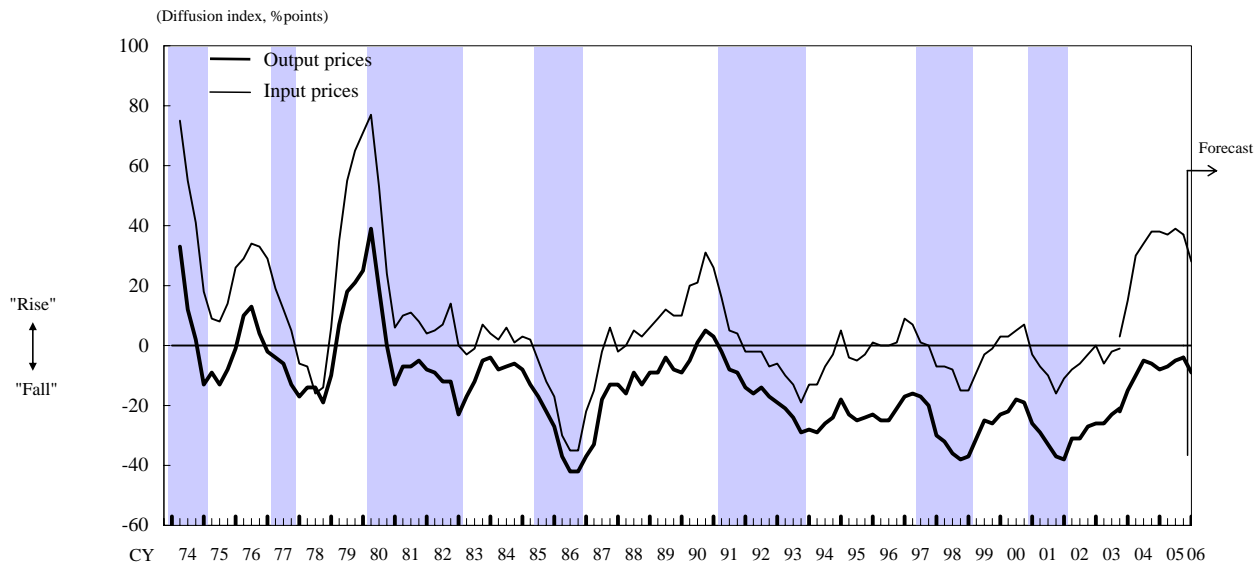
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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 2005 survey	
Actual result	-9
Forecast	-10

Prices



Peaks and Bottoms of Prices (from May 1974)

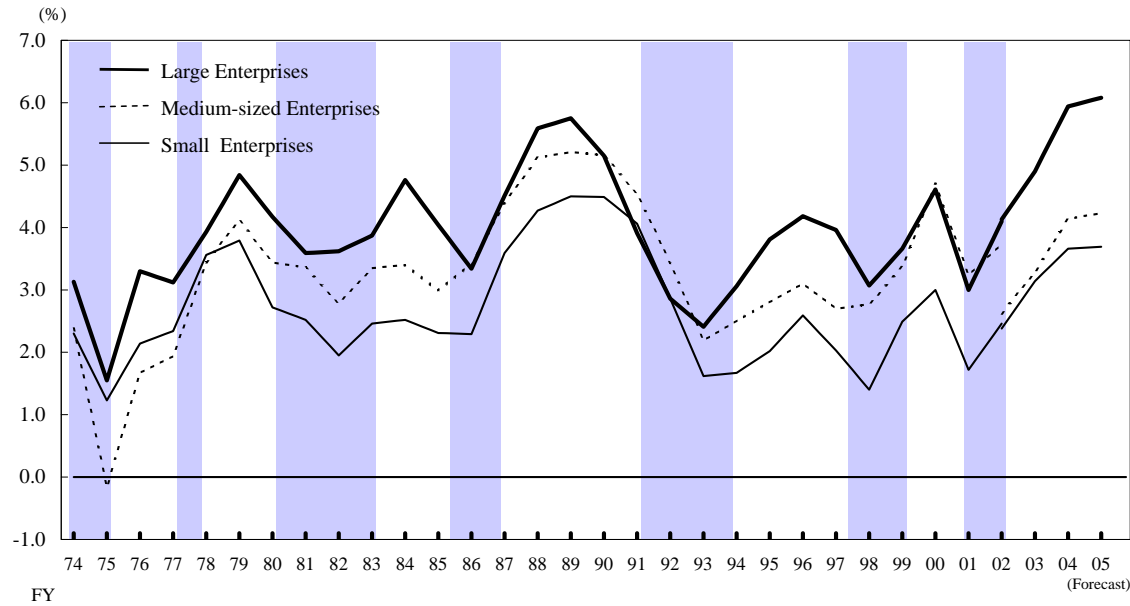
(Diffusion index of "Rise" minus "Fall", %points)

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 2005 survey		
	Output Prices	Input Prices
Actual result	-4	37
Forecast	-9	28

[Ratio of Current Profit to Sales]

Manufacturing

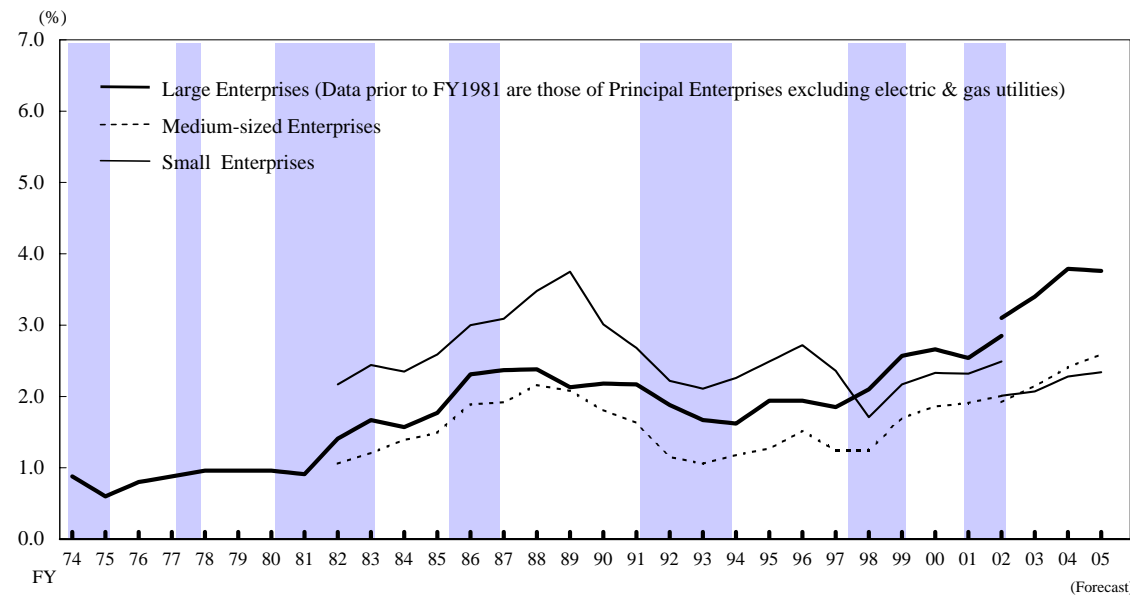


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974) (%)

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

	December 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2004	5.94	4.14	3.66
FY2005 (Forecast)	6.08	4.23	3.69

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 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2004	3.79	2.41	2.28
FY2005 (Forecast)	3.76	2.59	2.34

[Developments of Fixed Investment including Land Purchasing Expenses]

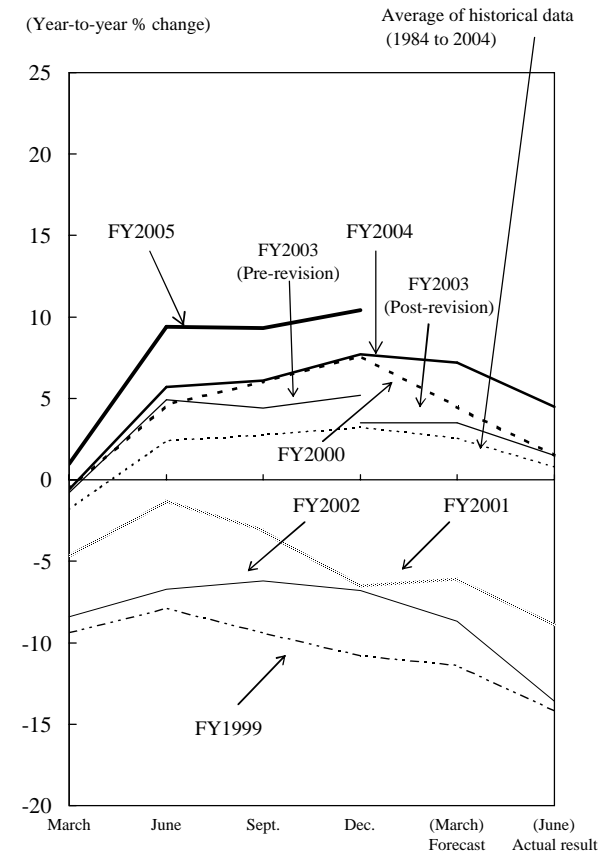
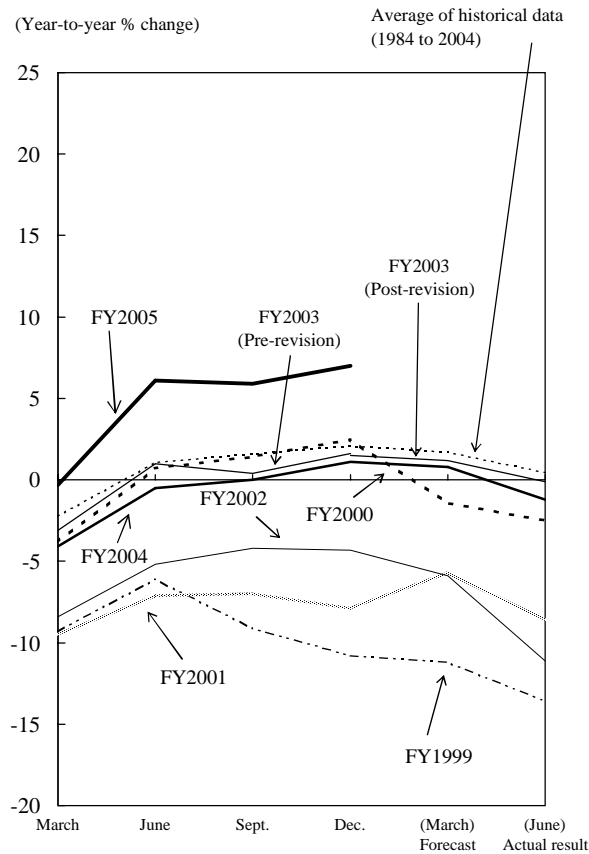
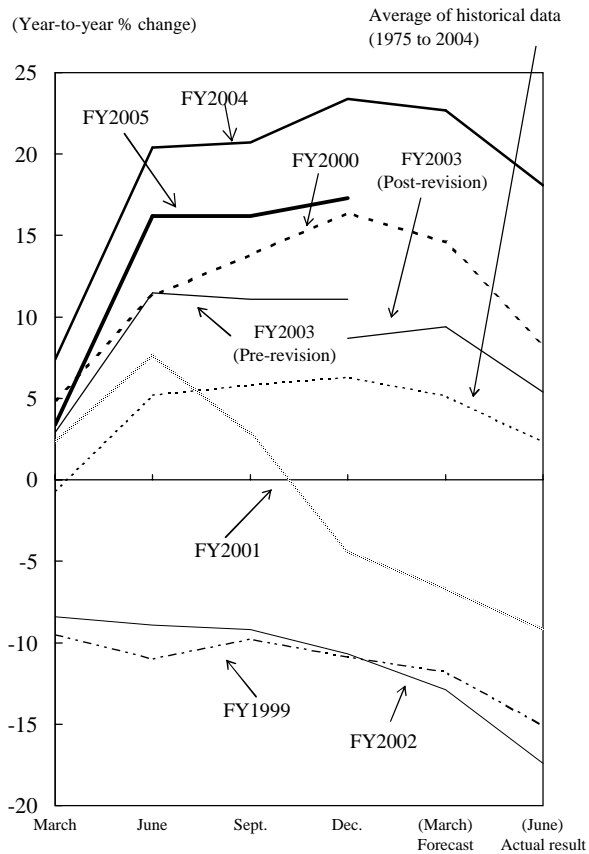
Note:1. This graph indicates the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year;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

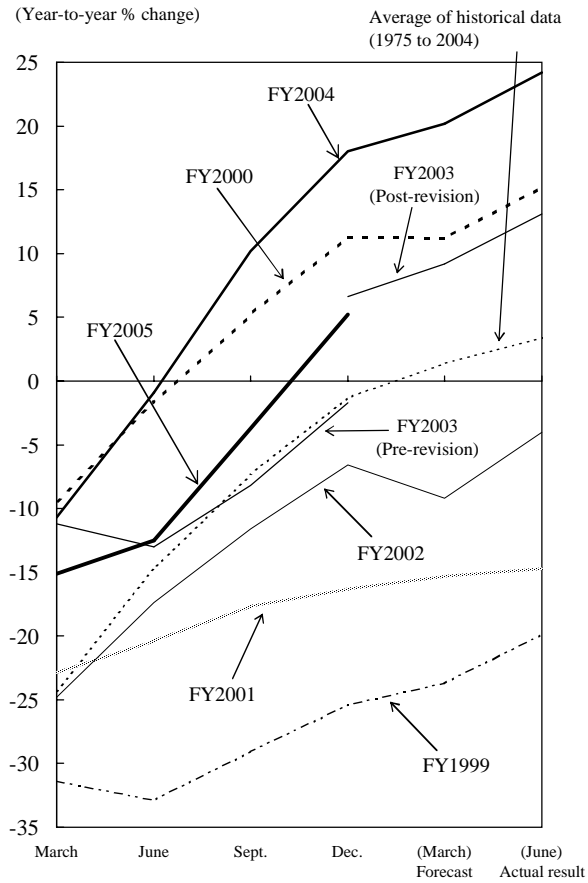
Nonmanufacturing

All industries

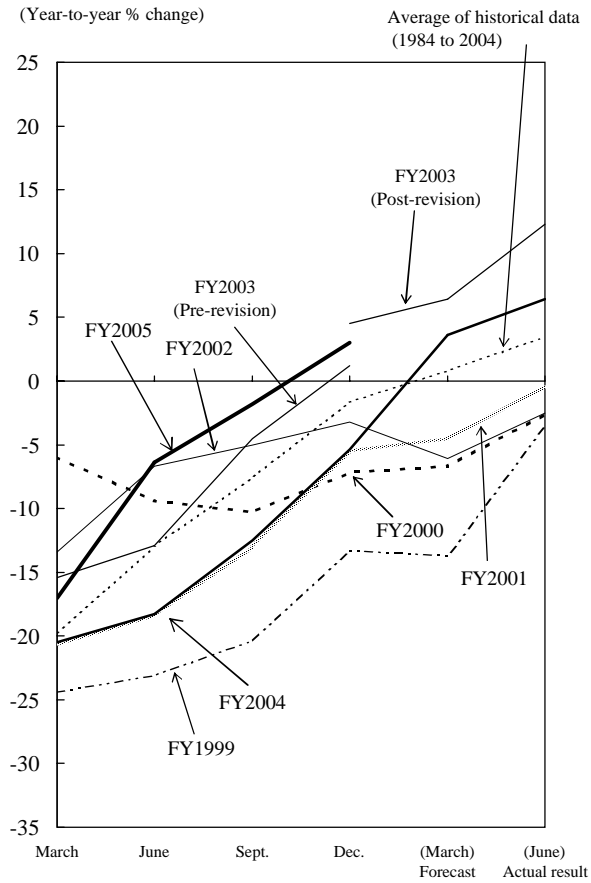


(2) Small Enterprises

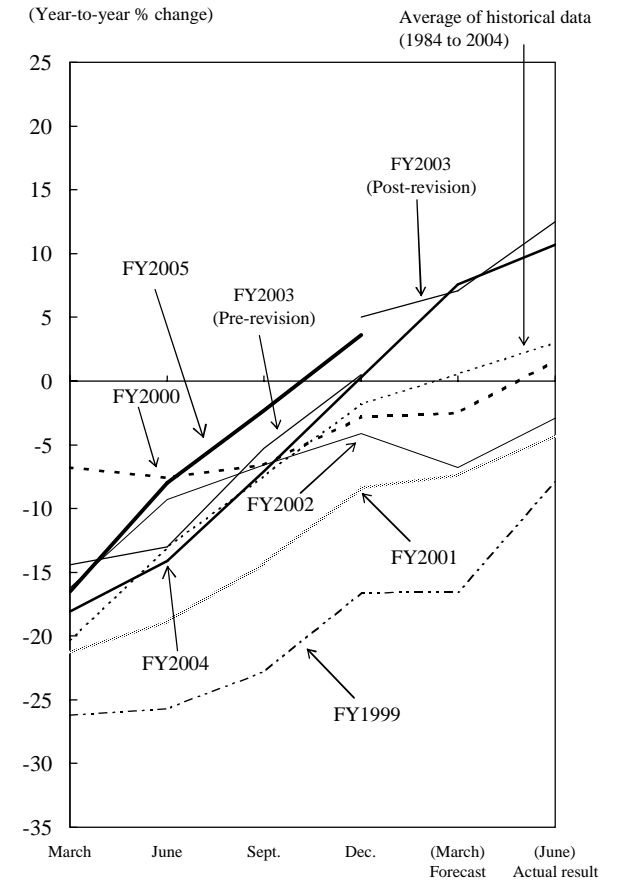
Manufacturing



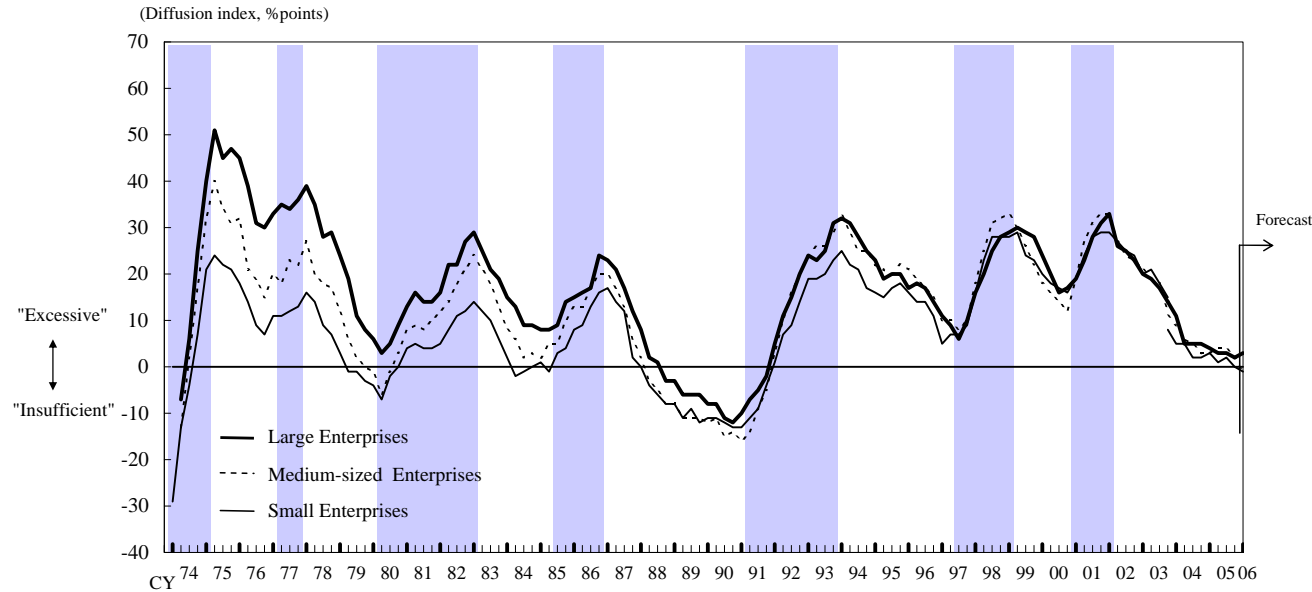
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



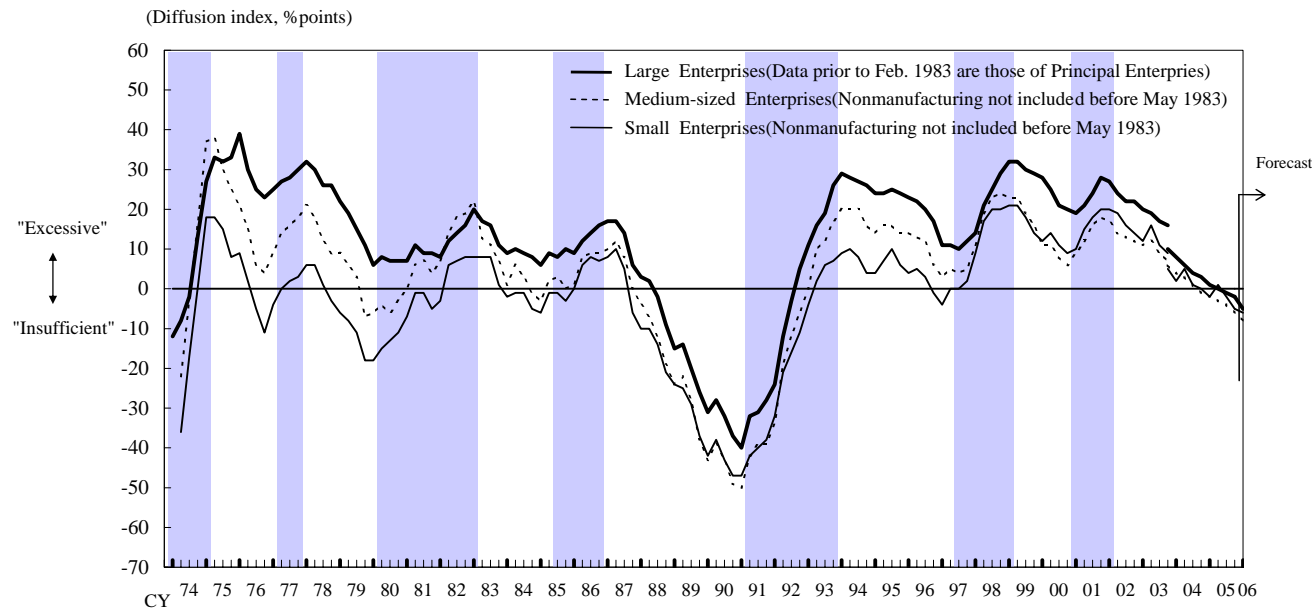
Peaks and Bottoms of Production Capacity (from May 1974)

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

[Employment Condition (All industries)]



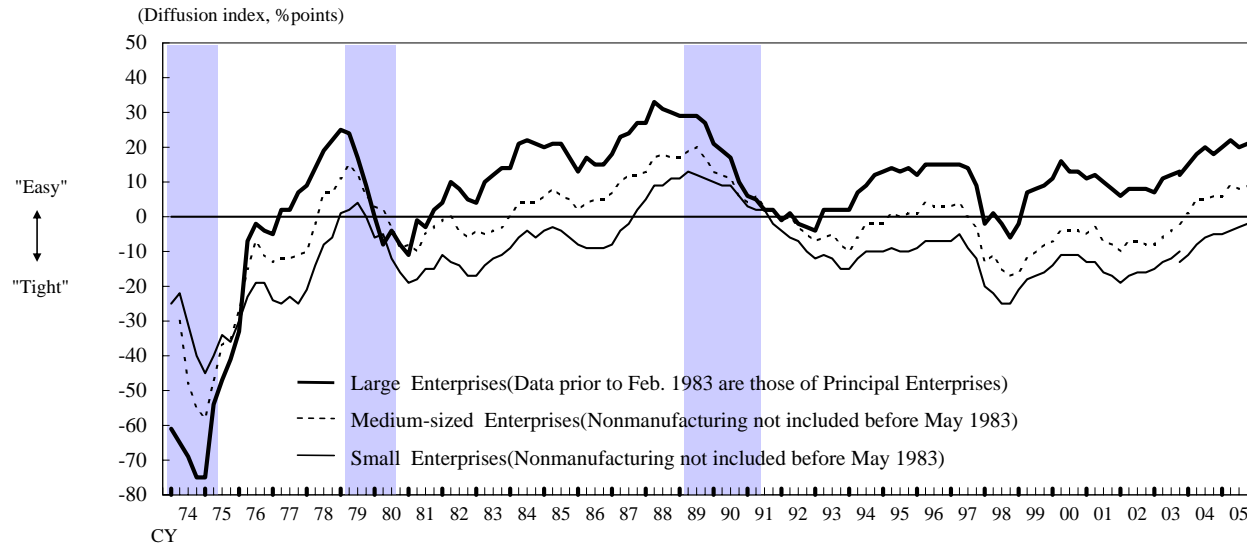
Peaks and Bottoms of Employment Condition (from May 1983)

(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 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-2	-6	-5
Forecast	-5	-8	-6

Financial Position



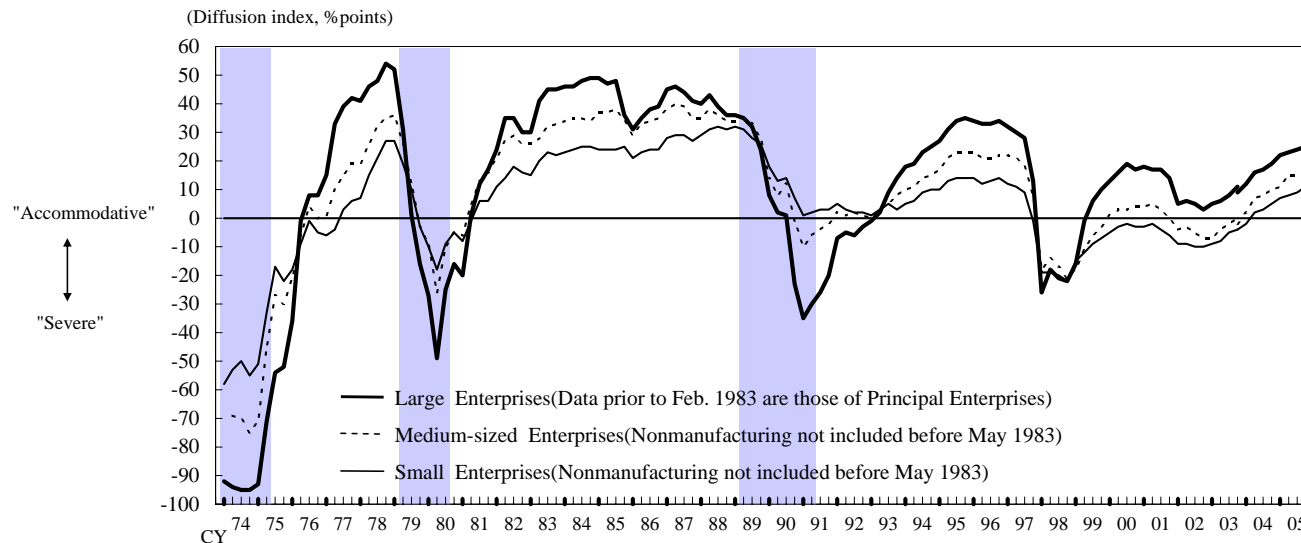
Peaks and Bottoms of Financial Position (from May 1983)

(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 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	21	9	-2

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 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	25	16	11