

TANKAN Summary (June 2006)
129th Short-term Economic Survey of Enterprises in Japan

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July 3, 2006
Research and Statistics Department
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,121	5,843	9,964	98.1%
Large Enterprises	1,175	1,200	2,375	99.1%
Medium-sized Enterprises	1,113	1,571	2,684	97.9%
Small Enterprises	1,833	3,072	4,905	97.7%
Financial institutions	-	-	205	99.0%

Responding Period: May 31 to June 30

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

	FY 2005		FY 2006		(yen per US dollar)	
	1H	2H	1H	2H	1H	2H
March 2006 Survey	109.57	108.46	110.62	110.60	110.58	110.61
June 2006 Survey	111.47	108.60	114.07	111.09	111.19	110.99

1. Business Conditions

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	March 2006 Survey		June 2006 Survey				March 2006 Survey		June 2006 Survey				March 2006 Survey		June 2006 Survey			
	Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast				
				Changes					Changes					Changes				
Manufacturing	20	22	21	1	22	1	12	12	13	1	13	0	7	9	7	0	7	0
Textiles	-2	0	5	7	0	-5	-41	-29	-28	13	-23	5	-25	-25	-25	0	-22	3
Lumber & Wood products	-8	17	0	8	0	0	-34	-15	-13	21	-3	10	-20	-13	-21	-1	-19	2
Pulp & Paper	0	9	7	7	3	-4	0	-10	-8	-8	-5	3	-12	-9	-5	7	-12	-7
Chemicals	21	24	16	-5	23	7	-1	11	3	4	7	4	22	20	13	-9	14	1
Petroleum & Coal products	25	20	15	-10	20	5	35	30	16	-19	26	10	-19	-19	-15	4	-23	-8
Ceramics, Stone & Clay	6	13	15	9	15	0	-5	-8	-12	-7	-11	1	-20	-25	-26	-6	-20	6
Iron & Steel	49	39	39	-10	36	-3	56	36	62	6	48	-14	38	29	35	-3	31	-4
Nonferrous metals	28	28	28	0	30	2	25	34	17	-8	23	6	22	24	28	6	16	-12
Food & Beverages	1	9	9	8	4	-5	4	2	-5	-9	-4	1	-16	-4	-9	7	-3	6
Processed metals	-1	-5	-9	-8	-9	0	17	17	15	-2	23	8	19	23	18	-1	15	-3
Industrial machinery	39	40	46	7	47	1	39	35	43	4	36	-7	35	38	32	-3	30	-2
Electrical machinery	20	26	23	3	29	6	21	17	19	-2	22	3	17	16	13	-4	14	1
Shipbuilding & Heavy machinery etc.	0	7	0	0	3	3	21	26	21	0	30	9	17	13	18	1	14	-4
Motor vehicles	38	32	35	-3	32	-3	14	7	19	5	16	-3	32	21	25	-7	18	-7
Precision machinery	33	28	25	-8	22	-3	30	28	33	3	25	-8	18	29	20	2	13	-7
Basic materials	19	21	18	-1	19	1	2	4	3	1	5	2	-2	-4	-4	-2	-5	-1
Processing	21	23	23	2	23	0	17	15	17	0	17	0	14	16	13	-1	12	-1
Nonmanufacturing	18	19	20	2	21	1	3	5	4	1	6	2	-9	-8	-6	3	-9	-3
Construction	0	-3	3	3	4	1	-13	-10	-13	0	-11	2	-20	-29	-19	1	-28	-9
Real estate	39	43	39	0	33	-6	21	16	20	-1	19	-1	13	18	13	0	13	0
Wholesaling	22	18	22	0	24	2	3	5	6	3	7	1	-2	-2	-2	0	-4	-2
Retailing	16	21	14	-2	20	6	1	4	-4	-5	-1	3	-13	-10	-15	-2	-12	3
Transportation	15	12	17	2	15	-2	-7	-5	-7	0	-5	2	-8	-9	-6	2	-9	-3
Communications	28	25	28	0	28	0	0	17	18	18	18	0	13	22	-3	-16	19	22
Information services	32	33	42	10	42	0	21	27	26	5	34	8	22	30	24	2	31	7
Electric & Gas utilities	13	5	11	-2	5	-6	26	11	12	-14	7	-5	-12	-20	-15	-3	-26	-11
Services for businesses	27	23	14	-13	13	-1	21	21	18	-3	17	-1	1	3	8	7	6	-2
Services for individuals	11	17	9	-2	20	11	-4	14	12	16	12	0	-6	0	3	9	0	-3
Restaurants & Accommodations	6	12	24	18	22	-2	-16	-4	-4	12	0	4	-22	-11	-8	14	-8	0
Leasing	31	28	29	-2	29	0	13	19	14	1	12	-2	6	1	7	1	6	-1
All industries	20	20	20	0	21	1	7	8	8	1	9	1	-3	-2	-2	1	-4	-2

	All Enterprises					
Manufacturing	12	13	12	0	12	0
Nonmanufacturing	0	1	2	2	1	-1
All industries	5	6	6	1	6	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 2006 Survey			June 2006 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	20	12	7	21	13	7	22	13	7
1.Favorable	30	26	25	29	27	25	27	25	22
2.Not so favorable	60	60	57	63	59	57	68	63	63
3.Unfavorable	10	14	18	8	14	18	5	12	15
Nonmanufacturing	18	3	-9	20	4	-6	21	6	-9
1.Favorable	25	19	15	26	18	16	25	18	13
2.Not so favorable	68	65	61	68	68	62	71	70	65
3.Unfavorable	7	16	24	6	14	22	4	12	22

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		March 2006 Survey		June 2006 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-8	-8	-7	1	-7	0
	Basic materials	-14	-11	-10	4	-8	2
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-6	-7	-6	0	-7	-1
	Nonmanufacturing	-18	-19	-19	-1	-19	0
Overseas Supply & Demand Conditions for Products:	Manufacturing	0	0	3	3	2	-1
	Basic materials	-7	-6	-1	6	-2	-1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	4	3	5	1	4	-1

Inventory Level of Finished Goods & Merchandise:	Manufacturing	14	14	0		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	18	16	-2		
	Processing	13	12	-1		
Wholesalers' Inventory Level:	Manufacturing	11	11	0		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	17	16	-1		
	Processing	8	9	1		

Change in Output Prices:	Manufacturing	-8	-11	-3	5	-3	0
	Basic materials	10	3	17	7	16	-1
Diffusion index of "Rise" minus "Fall"	Processing	-16	-18	-14	2	-12	2
	Nonmanufacturing	-4	-4	-3	1	-2	1
Change in Input Prices:	Manufacturing	34	25	41	7	31	-10
	Basic materials	41	29	53	12	34	-19
Diffusion index of "Rise" minus "Fall"	Processing	30	23	33	3	30	-3
	Nonmanufacturing	14	13	18	4	19	1

(%points)

		Small Enterprises					
		March 2006 Survey		June 2006 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-20	-21	-21	-1	-21	0
	Basic materials	-32	-32	-30	2	-31	-1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-14	-15	-14	0	-16	-2
	Nonmanufacturing	-32	-34	-32	0	-33	-1
Overseas Supply & Demand Conditions for Products:	Manufacturing	-10	-10	-7	3	-7	0
	Basic materials	-18	-20	-13	5	-15	-2
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-5	-4	-4	1	-4	0

Inventory Level of Finished Goods & Merchandise:	Manufacturing	15	16	1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	21	21	0		
	Processing	12	13	1		
Wholesalers' Inventory Level:	Manufacturing	14	15	1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	23	23	0		
	Processing	10	12	2		

Change in Output Prices:	Manufacturing	-9	-9	-7	2	-6	1
	Basic materials	-3	2	3	6	4	1
Diffusion index of "Rise" minus "Fall"	Processing	-14	-15	-12	2	-12	0
	Nonmanufacturing	-17	-18	-14	3	-14	0
Change in Input Prices:	Manufacturing	39	42	47	8	50	3
	Basic materials	43	48	52	9	54	2
Diffusion index of "Rise" minus "Fall"	Processing	37	38	44	7	48	4
	Nonmanufacturing	22	22	27	5	30	3

3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.7	0.8	2.6	0.8
	Domestic Sales	5.1	0.0	1.7	-0.9
	Exports	11.7	3.1	5.2	6.0
	Nonmanufacturing	6.1	1.7	2.0	2.0
	All industries	6.4	1.3	2.2	1.5
Medium-sized Enterprises	Manufacturing	3.6	0.7	5.3	3.0
	Nonmanufacturing	1.8	0.5	3.6	1.0
	All industries	2.3	0.6	4.1	1.5
Small Enterprises	Manufacturing	5.6	1.0	1.8	0.9
	Nonmanufacturing	2.9	0.3	0.6	0.3
	All industries	3.5	0.4	0.8	0.4
All Enterprises	Manufacturing	6.1	0.8	2.9	1.2
	Nonmanufacturing	4.2	1.0	1.9	1.3
	All industries	4.8	0.9	2.2	1.2

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

(Year-to-year % change)

1H FY2005	2H FY2005		1H FY2006		2H FY2006	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
4.9	8.4	1.4	3.9	0.8	1.4	0.9
4.4	5.7	0.1	2.8	-0.8	0.7	-1.1
6.5	16.8	5.4	7.3	5.4	3.3	6.6
5.9	6.3	2.9	2.9	1.3	1.3	2.6
5.5	7.2	2.3	3.3	1.1	1.3	1.9
2.4	4.8	1.3	5.7	2.4	5.0	3.5
0.8	2.7	1.0	4.1	1.0	3.3	0.9
1.2	3.3	1.1	4.5	1.4	3.7	1.6
4.9	6.4	1.6	3.0	0.9	0.6	0.9
2.7	3.1	0.7	1.5	0.3	-0.2	0.3
3.2	3.7	0.9	1.8	0.4	0.0	0.4
4.5	7.5	1.4	4.0	1.0	1.8	1.3
3.8	4.6	1.9	2.7	0.9	1.2	1.5
4.0	5.5	1.7	3.1	1.0	1.4	1.5

Current Profits (Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	16.5	7.0	-0.3	4.6
	Basic materials	16.8	5.1	-7.7	-1.9
	Processing	16.3	8.4	4.7	8.9
	Nonmanufacturing	10.0	5.7	2.1	4.7
	All industries	13.3	6.4	0.8	4.6
Medium-sized Enterprises	Manufacturing	9.4	3.1	4.3	1.4
	Nonmanufacturing	12.4	2.3	4.5	1.5
	All industries	11.3	2.6	4.4	1.5
Small Enterprises	Manufacturing	8.4	4.4	2.3	-3.7
	Nonmanufacturing	9.7	5.7	1.1	-2.7
	All industries	9.3	5.3	1.5	-3.0
All Enterprises	Manufacturing	14.6	6.3	0.5	3.1
	Nonmanufacturing	10.3	5.1	2.3	2.3
	All industries	12.3	5.6	1.5	2.7

(Year-to-year % change)

1H FY2005	2H FY2005		1H FY2006		2H FY2006	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
12.5	20.2	13.6	-6.0	-3.9	4.6	12.4
29.4	5.8	10.1	-15.8	-10.2	1.0	7.0
1.6	30.7	15.8	2.1	0.9	6.8	15.6
5.0	15.5	11.6	-0.4	0.0	4.7	9.6
8.7	18.0	12.7	-3.2	-2.0	4.7	11.1
5.9	12.6	6.6	-1.2	-1.2	8.9	3.5
15.1	10.6	3.9	-0.9	-0.7	8.3	2.9
11.4	11.3	4.8	-1.0	-0.9	8.5	3.1
7.0	9.6	7.9	4.0	-3.1	0.9	-4.3
5.1	12.6	8.1	8.0	-6.5	-2.9	0.0
5.7	11.8	8.0	6.6	-5.4	-1.9	-1.2
11.1	18.0	12.0	-4.3	-3.5	4.7	9.1
6.5	13.8	9.2	1.1	-1.5	3.3	5.7
8.6	15.6	10.4	-1.4	-2.4	3.9	7.2

3. Sales and Current Profits(Continued)

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

		FY2005		FY2006	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	6.48	0.38	6.30	0.23
	Nonmanufacturing	3.93	0.15	3.94	0.10
	All industries	4.95	0.24	4.88	0.14
Medium-sized Enterprises	Manufacturing	4.37	0.10	4.33	-0.06
	Nonmanufacturing	2.66	0.05	2.68	0.01
	All industries	3.10	0.06	3.11	0.00
Small Enterprises	Manufacturing	3.76	0.13	3.78	-0.18
	Nonmanufacturing	2.43	0.13	2.44	-0.08
	All industries	2.71	0.12	2.73	-0.10
All Enterprises	Manufacturing	5.68	0.29	5.55	0.10
	Nonmanufacturing	3.20	0.12	3.22	0.04
	All industries	4.01	0.18	3.98	0.06

(% , %points)

1H FY2005	2H FY2005		1H FY2006		2H FY2006	
		Changes	(Forecast)	Changes	(Forecast)	Changes
6.39	6.56	0.70	5.78	-0.28	6.77	0.69
4.17	3.72	0.29	4.03	-0.05	3.85	0.25
5.05	4.86	0.45	4.73	-0.15	5.02	0.42
4.13	4.60	0.23	3.86	-0.14	4.76	0.00
2.32	2.97	0.08	2.21	-0.03	3.12	0.06
2.79	3.38	0.12	2.64	-0.06	3.54	0.05
3.62	3.88	0.22	3.66	-0.15	3.89	-0.21
1.88	2.92	0.20	2.01	-0.14	2.84	-0.01
2.26	3.13	0.21	2.37	-0.14	3.07	-0.05
5.55	5.80	0.54	5.11	-0.24	5.97	0.43
3.08	3.32	0.22	3.03	-0.08	3.39	0.13
3.88	4.12	0.33	3.71	-0.13	4.22	0.22

Net Income (Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	23.4	5.5	16.3	14.2
	Basic materials	10.4	5.6	-2.8	1.1
	Processing	35.0	5.3	30.2	22.9
	Nonmanufacturing	119.3	2.2	20.9	5.2
	All industries	53.9	4.0	18.4	9.8
Medium-sized Enterprises	Manufacturing	10.1	-2.7	21.3	1.6
	Nonmanufacturing	-11.0	-4.4	34.9	5.8
	All industries	-3.6	-3.7	29.5	4.2
Small Enterprises	Manufacturing	0.3	0.9	25.6	-1.9
	Nonmanufacturing	45.1	0.9	19.5	-4.5
	All industries	28.0	0.9	21.3	-3.7
All Enterprises	Manufacturing	18.9	4.0	17.8	10.6
	Nonmanufacturing	63.2	0.8	22.7	2.8
	All industries	38.3	2.3	20.3	6.4

(Year-to-year % change)

1H FY2005	2H FY2005		1H FY2006		2H FY2006	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
4.1	49.7	10.1	6.5	6.7	25.6	21.1
7.1	14.1	10.2	-10.1	-4.4	5.0	6.9
1.8	88.0	10.0	19.9	14.8	39.0	29.6
39.5	605.5	4.8	8.5	3.0	35.9	7.3
18.6	124.2	7.8	7.5	4.9	29.9	14.6
8.5	11.5	-4.1	9.8	-0.9	31.4	3.6
-37.9	22.5	-5.9	31.0	1.4	37.3	8.6
-23.3	18.2	-5.3	21.5	0.5	35.2	6.8
-3.8	4.1	1.2	24.9	-4.2	26.1	0.1
39.3	47.6	0.8	62.7	-7.7	2.2	-2.3
17.7	34.0	0.9	47.2	-6.5	8.0	-1.7
3.6	37.8	7.3	8.7	4.4	26.3	16.1
20.4	134.1	1.5	19.4	0.4	25.5	4.9
11.5	75.8	4.2	14.1	2.3	25.9	9.9

4. Fixed Investment etc.

Fixed Investment including Land Purchasing Expenses*

(Year-to-year % change)

(Year-to-year % change)

		FY2005		FY2006		1H FY2005	2H FY2005		1H FY2006		2H FY2006	
			Revision rate	(Forecast)	Revision rate			Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	13.9	-2.6	16.4	8.2	16.2	11.9	-4.9	25.3	10.0	8.8	6.4
	Nonmanufacturing	3.8	-2.9	8.9	4.1	2.8	4.7	-4.5	14.3	4.2	4.6	4.0
	All industries	7.2	-2.8	11.6	5.6	7.3	7.1	-4.6	18.3	6.3	6.0	4.9
Medium-sized Enterprises	Manufacturing	21.0	0.8	-1.6	7.1	16.1	25.3	1.9	18.3	8.1	-18.2	5.9
	Nonmanufacturing	10.9	-0.5	6.2	4.3	3.2	18.0	-1.5	19.3	4.8	-4.3	3.9
	All industries	13.9	-0.1	3.7	5.1	7.0	20.1	-0.4	19.0	5.8	-8.6	4.5
Small Enterprises	Manufacturing	8.0	0.4	-1.3	16.3	17.4	0.4	0.0	0.1	8.1	-2.6	25.5
	Nonmanufacturing	11.7	2.6	-14.6	5.1	9.2	14.2	4.1	-6.5	4.9	-22.3	5.4
	All industries	10.7	2.0	-11.0	8.2	11.2	10.2	3.0	-4.7	5.8	-17.1	10.9
All Enterprises	Manufacturing	14.0	-1.7	11.0	9.0	16.4	12.1	-3.2	20.4	9.5	2.8	8.5
	Nonmanufacturing	6.5	-1.4	3.8	4.3	4.2	8.5	-2.5	10.7	4.4	-2.0	4.2
	All industries	8.9	-1.5	6.2	5.9	8.0	9.7	-2.7	14.0	6.1	-0.4	5.6

* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-4.3	-0.4	-2.1	-1.8
	Nonmanufacturing	10.4	0.6	4.1	0.7
	All industries	5.2	0.3	2.2	-0.1
Medium-sized Enterprises	Manufacturing	-3.3	-1.1	7.5	-1.0
	Nonmanufacturing	15.3	3.5	3.8	6.8
	All industries	13.2	3.1	4.2	6.0
Small Enterprises	Manufacturing	-8.6	-10.1	16.1	9.3
	Nonmanufacturing	14.0	5.2	-5.2	6.2
	All industries	9.2	2.2	-1.4	6.8
All Enterprises	Manufacturing	-4.5	-1.0	-0.4	-1.1
	Nonmanufacturing	11.9	1.8	3.2	2.6
	All industries	7.1	1.0	2.3	1.6

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	13.3	-3.0	16.7	7.5
	Nonmanufacturing	3.5	-4.1	9.8	2.7
	All industries	6.8	-3.7	12.2	4.4
Medium-sized Enterprises	Manufacturing	15.0	0.7	5.5	6.5
	Nonmanufacturing	12.6	0.3	2.6	0.7
	All industries	13.3	0.4	3.5	2.4
Small Enterprises	Manufacturing	5.0	-0.6	3.9	14.0
	Nonmanufacturing	16.0	1.6	-11.1	3.7
	All industries	12.8	1.0	-7.1	6.6
All Enterprises	Manufacturing	12.4	-2.1	13.3	8.1
	Nonmanufacturing	7.1	-2.4	4.8	2.5
	All industries	8.8	-2.3	7.6	4.4

Land Purchasing Expenses

(Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-15.2	24.1	-44.2	11.0
	Nonmanufacturing	22.1	32.1	-13.1	36.1
	All industries	12.4	30.4	-19.2	32.0
Medium-sized Enterprises	Manufacturing	160.9	0.6	-83.7	45.5
	Nonmanufacturing	-2.9	-4.2	50.4	61.3
	All industries	21.4	-2.7	7.7	60.5
Small Enterprises	Manufacturing	35.5	6.6	-41.8	59.2
	Nonmanufacturing	-8.9	9.9	-34.0	19.8
	All industries	-2.0	9.1	-35.7	25.9
All Enterprises	Manufacturing	22.6	11.0	-54.2	30.8
	Nonmanufacturing	4.7	16.2	-9.7	37.3
	All industries	8.3	15.0	-19.8	36.4

Production Capacity

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

		March 2006 Survey		June 2006 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	-1	0	-1	0	0	1
	Nonmanufacturing	0	-1	-1	-1	-1	0
	All industries	0	-1	-2	-2	-1	1
Medium-sized Enterprises	Manufacturing	1	-1	-1	-2	-1	0
	Nonmanufacturing	-1	-3	-1	0	-3	-2
	All industries	0	-2	-1	-1	-2	-1
Small Enterprises	Manufacturing	0	-3	1	1	-3	-4
	Nonmanufacturing	0	-1	2	2	-2	-4
	All industries	0	-2	1	1	-2	-3
All Enterprises	Manufacturing	0	-1	0	0	-2	-2
	Nonmanufacturing	0	-2	0	0	-2	-2
	All industries	0	-1	0	0	-2	-2

5. Fixed Investment of Financial institutions

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

	FY2005		FY2006	
		Revision rate	(Forecast)	Revision rate
Financial institutions	8.0	-1.6	17.2	7.8
Banks	43.6	-0.8	7.6	10.3
Shinkin banks & Other financial institutions for small businesses	23.5	1.0	42.0	15.7
Securities companies	24.2	12.0	2.6	6.6
Insurance companies	-34.9	-10.2	38.8	8.9
Non-deposit money corporations	6.5	4.5	-2.0	-14.0
(Memo) All industries including Financial institutions	8.9	-1.5	6.4	5.9
Nonmanufacturing including Financial institutions	6.6	-1.5	4.2	4.4

* Excludes Software Investment

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

Financial institutions	12.0	-5.9	13.1	4.1
Banks	18.8	-4.5	-2.9	2.2
Shinkin banks & Other financial institutions for small businesses	182.4	7.1	44.5	35.8
Securities companies	7.9	-14.2	24.1	-0.8
Insurance companies	-14.5	-5.6	31.8	-1.8
Non-deposit money corporations	-4.0	-3.6	61.5	20.2
(Memo) All industries including Financial institutions	8.0	-0.4	4.3	2.1
Nonmanufacturing including Financial institutions	11.9	-0.2	5.6	3.0

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

Financial institutions	73.7	-2.8	-48.0	36.6
Banks	201.4	2.4	-71.7	167.8
Shinkin banks & Other financial institutions for small businesses	378.2	4.8	-50.4	11.3
Securities companies	-	-	-	-
Insurance companies	-41.0	-20.6	34.6	7.5
Non-deposit money corporations	-	-1.2	-100.0	-
(Memo) All industries including Financial institutions	10.8	13.7	-21.5	36.4
Nonmanufacturing including Financial institutions	8.0	14.5	-12.6	37.3

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

Financial institutions	5.1	-3.7	23.0	5.0
Banks	20.4	-3.4	13.5	4.2
Shinkin banks & Other financial institutions for small businesses	21.1	1.8	64.2	20.3
Securities companies	12.7	-7.2	17.1	1.2
Insurance companies	-27.7	-6.9	36.8	5.1
Non-deposit money corporations	0.9	1.5	22.9	-0.3
(Memo) All industries including Financial institutions	8.7	-2.3	8.2	4.4
Nonmanufacturing including Financial institutions	7.0	-2.4	5.7	2.6

6. Employment

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

		March 2006 Survey		June 2006 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	-1	-3	-2	-1	-6	-4
	Nonmanufacturing	-9	-9	-11	-2	-14	-3
	All industries	-6	-6	-7	-1	-10	-3
Medium-sized Enterprises	Manufacturing	-4	-6	-4	0	-8	-4
	Nonmanufacturing	-10	-12	-10	0	-14	-4
	All industries	-8	-10	-7	1	-11	-4
Small Enterprises	Manufacturing	-7	-9	-2	5	-8	-6
	Nonmanufacturing	-8	-8	-5	3	-10	-5
	All industries	-8	-8	-4	4	-9	-5
All Enterprises	Manufacturing	-5	-7	-2	3	-6	-4
	Nonmanufacturing	-9	-9	-8	1	-12	-4
	All industries	-7	-8	-5	2	-10	-5

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

	end of June 2005	end of Sept. 2005	end of Dec. 2005	end of Mar. 2006
Large Enterprises	1.0	1.0	0.4	1.7
Medium-sized Enterprises	0.6	0.4	0.9	1.1
Small Enterprises	1.3	2.5	2.0	1.0
All Enterprises	1.0	1.5	1.2	1.3
All Enterprises & Financial institutions	1.0	1.4	1.2	1.3
Financial institutions	-0.1	0.0	1.3	1.2

Number of New Graduates Hired (All industries)

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

	FY2005		FY2006		FY2007	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	15.3	-0.2	14.4	1.7	8.2	-
Medium-sized Enterprises	10.4	0.4	10.4	6.1	-0.3	-
Small Enterprises	3.1	-0.7	8.3	-0.6	4.0	-
All Enterprises	8.8	-0.3	10.9	1.8	4.5	-
All Enterprises & Financial institutions	10.2	-0.2	11.5	1.8	5.5	-
Financial institutions	33.3	0.1	19.7	2.7	18.3	-

7. Corporate Finance

Financial Position (All industries)

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

	March 2006 Survey		June 2006 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	22		22
Medium-sized Enterprises	9		9	0
Small Enterprises	-1		0	1
All Enterprises	7		8	1

Lending Attitude of Financial institutions (All industries)

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

	March 2006 Survey		June 2006 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	27		25
Medium-sized Enterprises	16		16	0
Small Enterprises	12		11	-1
All Enterprises	16		16	0

Change in Interest Rate on Loans (All industries)

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

	March 2006 Survey		June 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Large Enterprises	10	32	27	17	42
Medium-sized Enterprises	5	31	20	15	41	21
Small Enterprises	5	29	16	11	38	22
All Enterprises	6	30	20	14	40	20

Condition for CP Issuance (All industries)

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

	March 2006 Survey		June 2006 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	3		2

Ratio of Liquidity (All industries)

(Months)

	end of June 2005	end of Sept. 2005	end of Dec. 2005	end of March 2006
Large Enterprises	0.93	0.93	0.88	0.94
Medium-sized Enterprises	1.08	1.08	1.08	1.13
Small Enterprises	1.62	1.66	1.63	1.70
All Enterprises	1.14	1.15	1.12	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)

	March 2006 Survey		June 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	47	47	48	1	47
Shinkin banks & Other financial institutions for small businesses	38	35	41	3	35	-6
Securities companies	88	76	20	-68	36	16
Insurance companies	51	62	58	7	60	2
Non-deposit money corporations	59	59	54	-5	59	5
Financial institutions	53	54	46	-7	48	2

Production Capacity

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

	March 2006 Survey		June 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	0	0	1	-1	-2
Shinkin banks & Other financial institutions for small businesses	-9	-3	-3	6	-3	0
Securities companies	-16	-16	-28	-12	-32	-4
Insurance companies	-11	-9	-5	6	-7	-2
Non-deposit money corporations	-9	-18	0	9	0	0
Financial institutions	-7	-7	-4	3	-7	-3

Employment Conditions

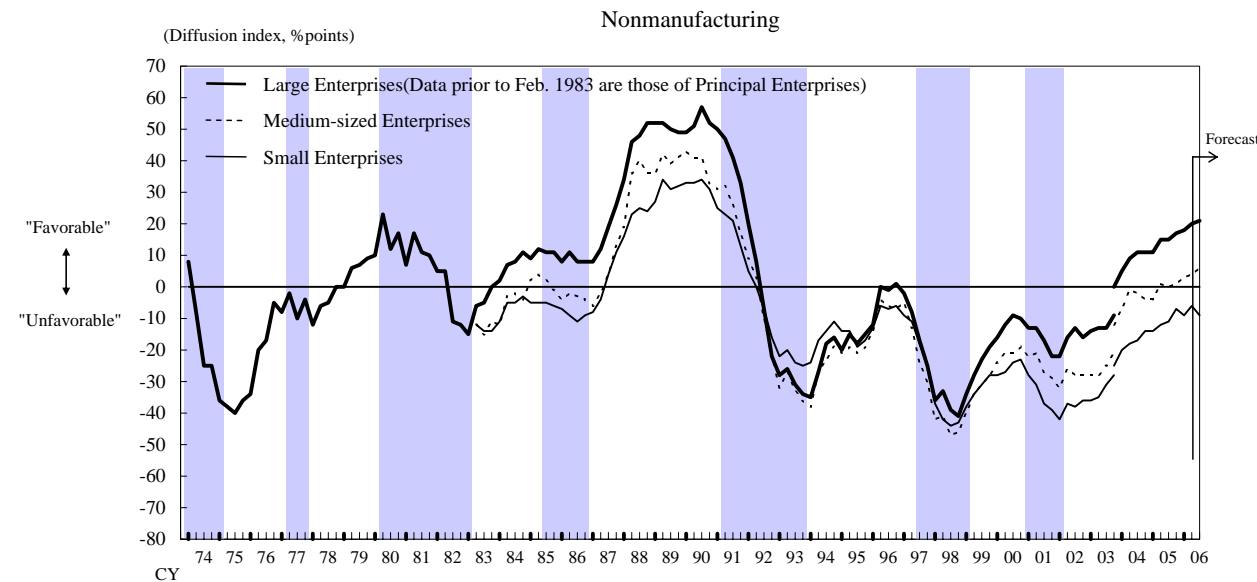
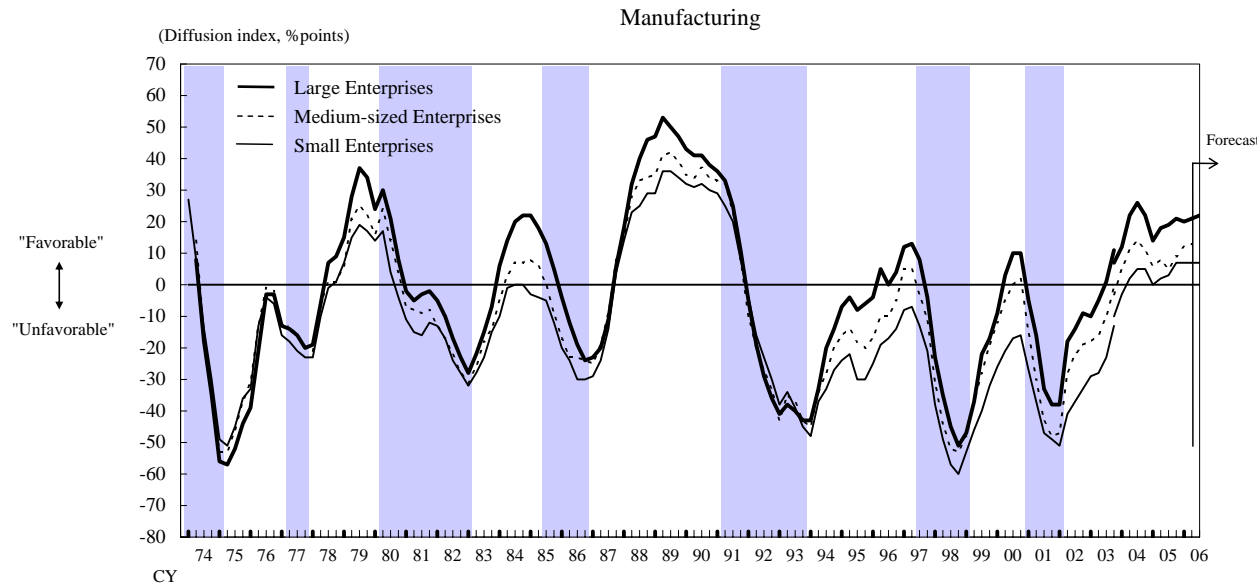
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	March 2006 Survey		June 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	-21	-18	-13	8	-14
Shinkin banks & Other financial institutions for small businesses	-9	-17	-9	0	-20	-11
Securities companies	-56	-48	-52	4	-44	8
Insurance companies	-34	-36	-34	0	-34	0
Non-deposit money corporations	-22	-9	-18	4	-13	5
Financial institutions	-27	-25	-22	5	-23	-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)

	June 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	21	13	7
Forecast	22	13	7

Peaks and Bottoms of Business Conditions (from May 1983)

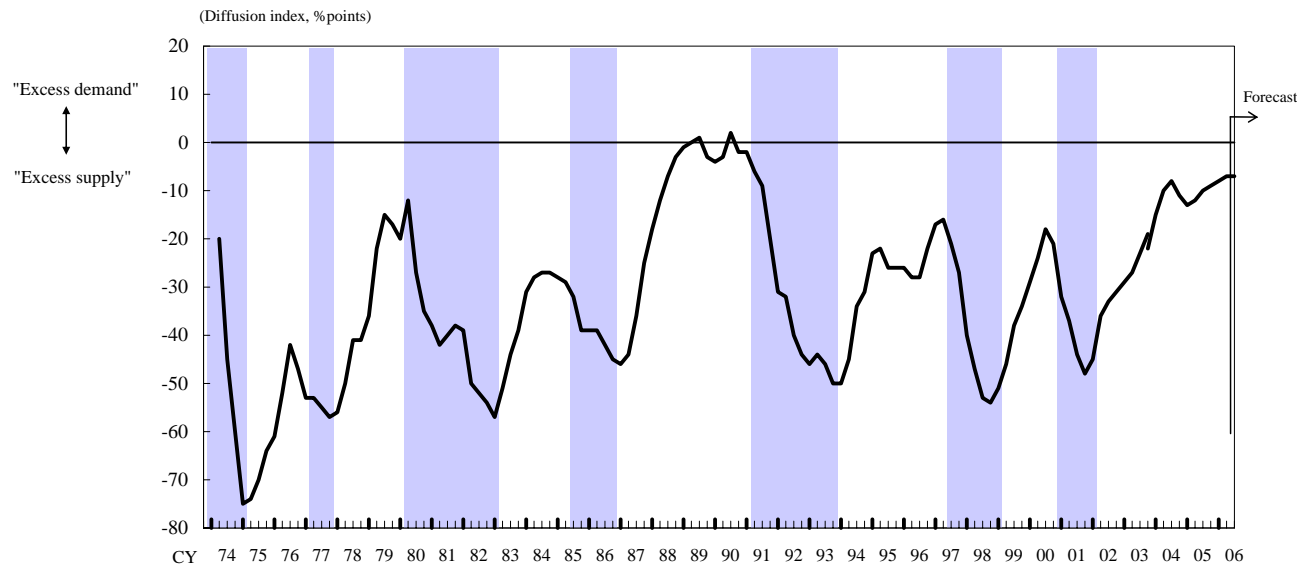
(Diffusion index of "Favorable" minus "Unfavorable", %points)

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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	20	4	-6
Forecast	21	6	-9

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

Domestic Supply and Demand Conditions for Products and Services



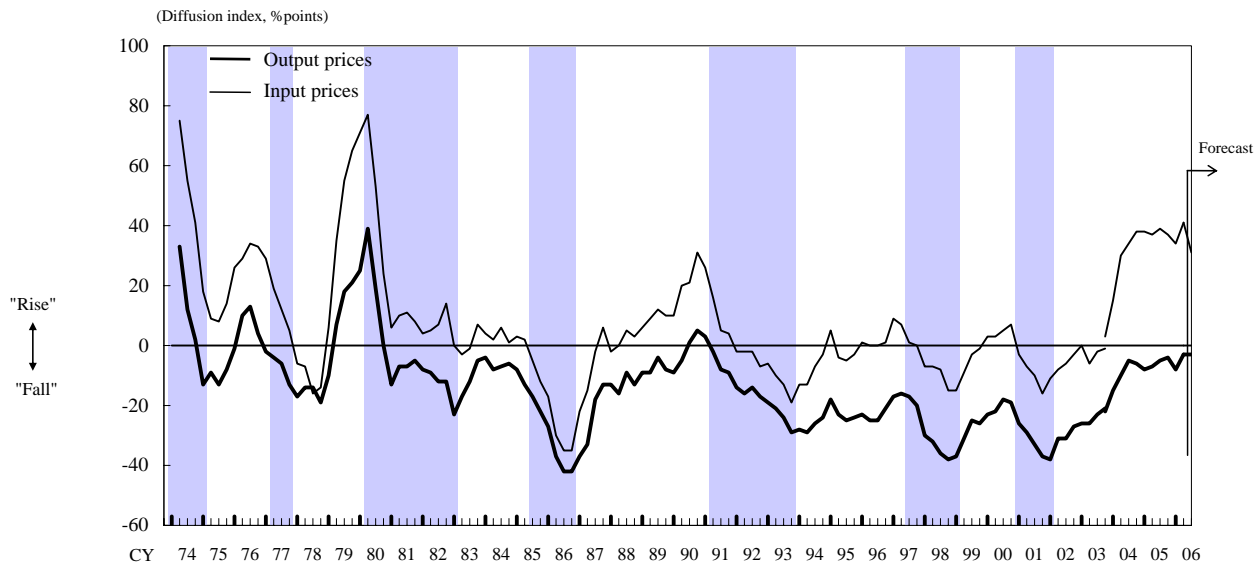
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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)

June 2006 survey	
Actual result	-7
Forecast	-7

Prices



Peaks and Bottoms of Prices (from May 1974)

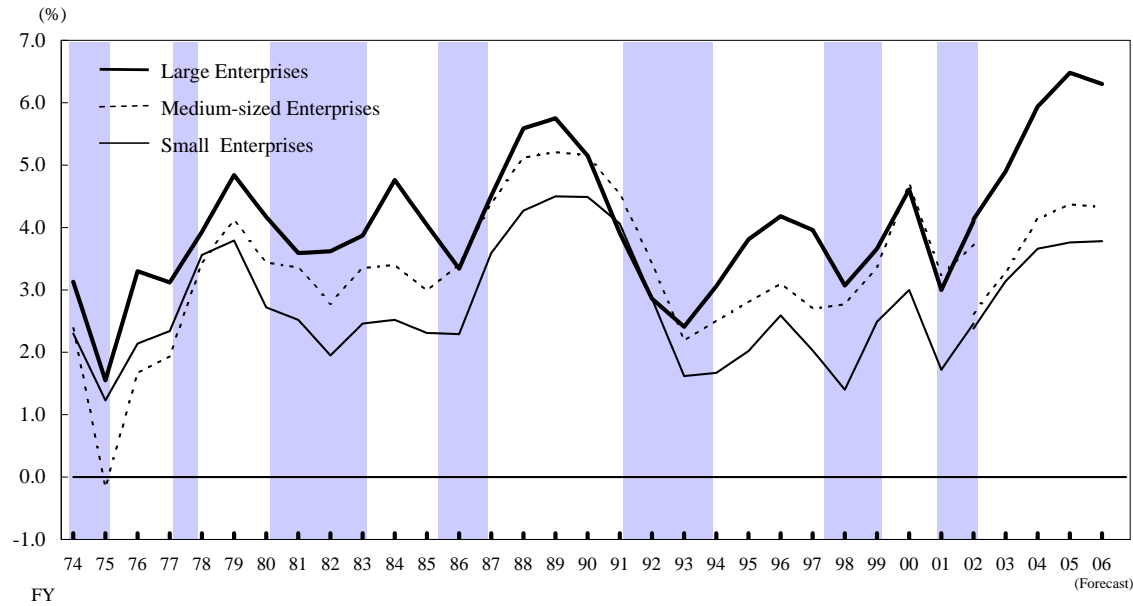
(Diffusion index of "Rise" minus "Fall", %points)

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 2006 survey		
	Output Prices	Input Prices
Actual result	-3	41
Forecast	-3	31

[Ratio of Current Profit to Sales]

Manufacturing

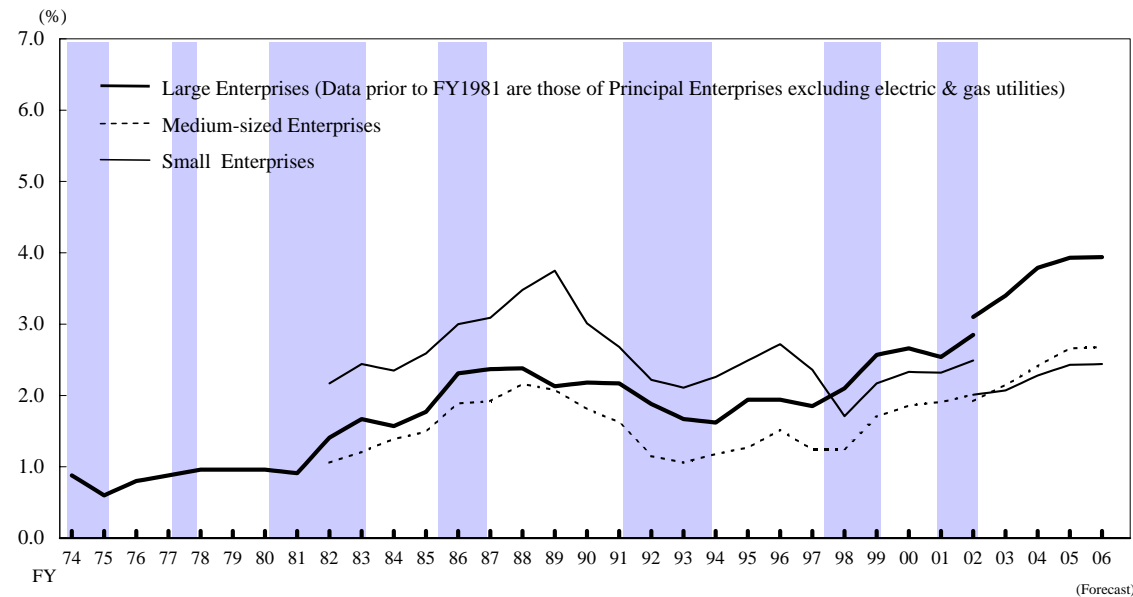


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974)

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)

	June 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2005	6.48	4.37	3.76
FY2006 (Forecast)	6.30	4.33	3.78

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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2005	3.93	2.66	2.43
FY2006 (Forecast)	3.94	2.68	2.44

[Developments of Fixed Investment including Land Purchasing Expenses]

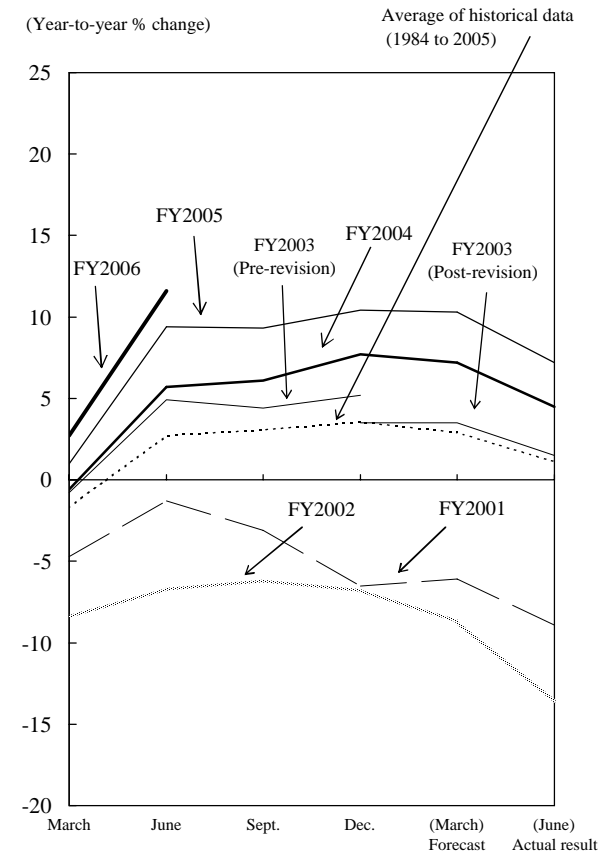
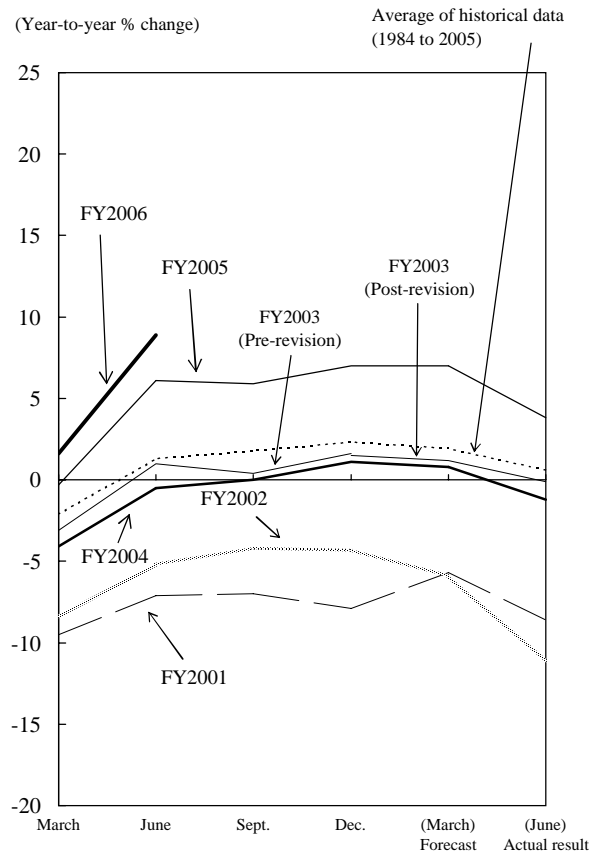
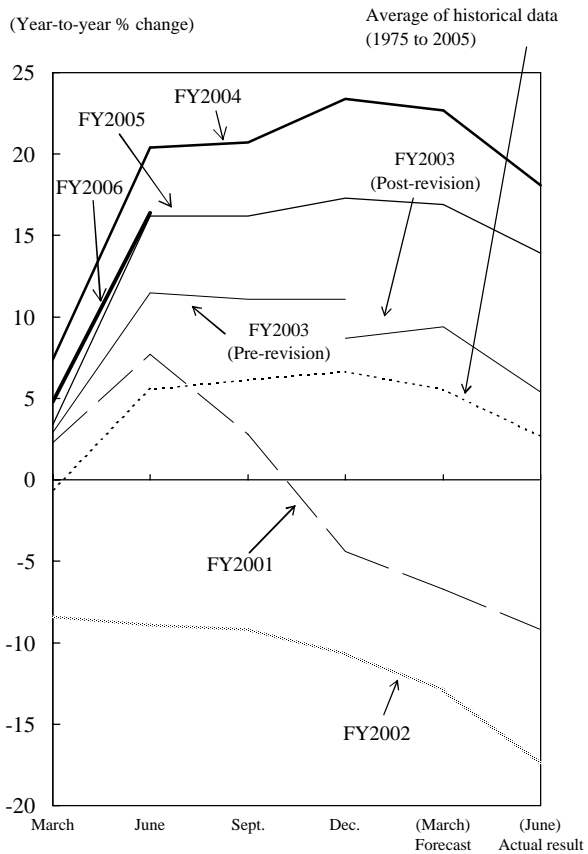
Note:1. This graph indicates the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year;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

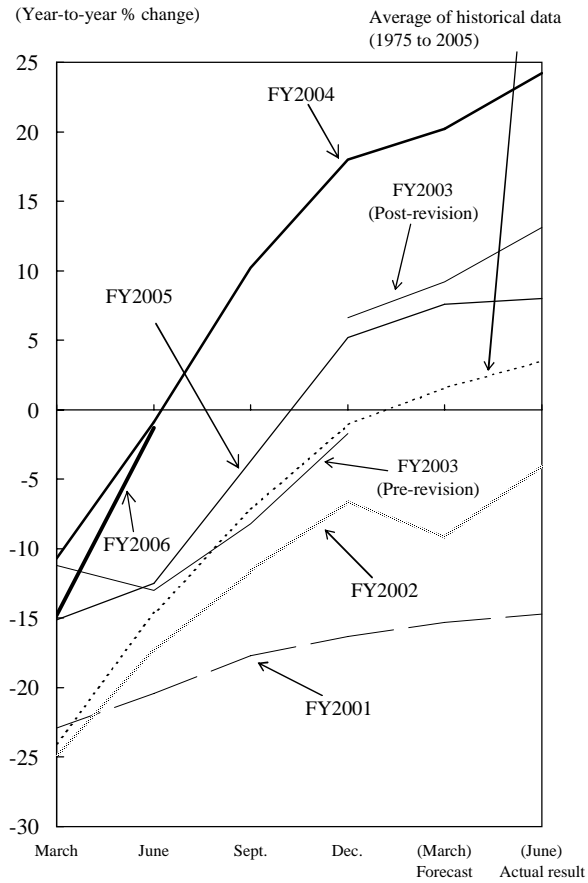
Nonmanufacturing

All industries

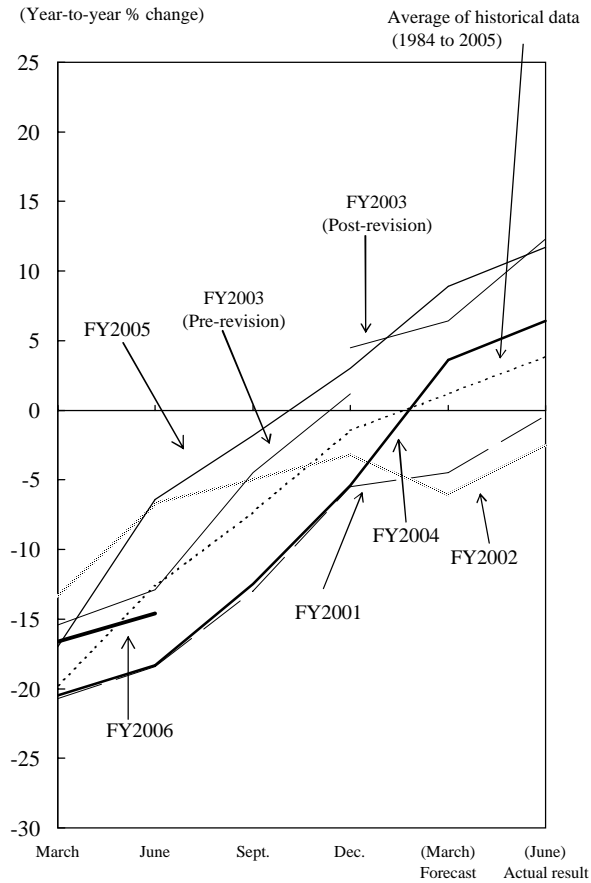


(2) Small Enterprises

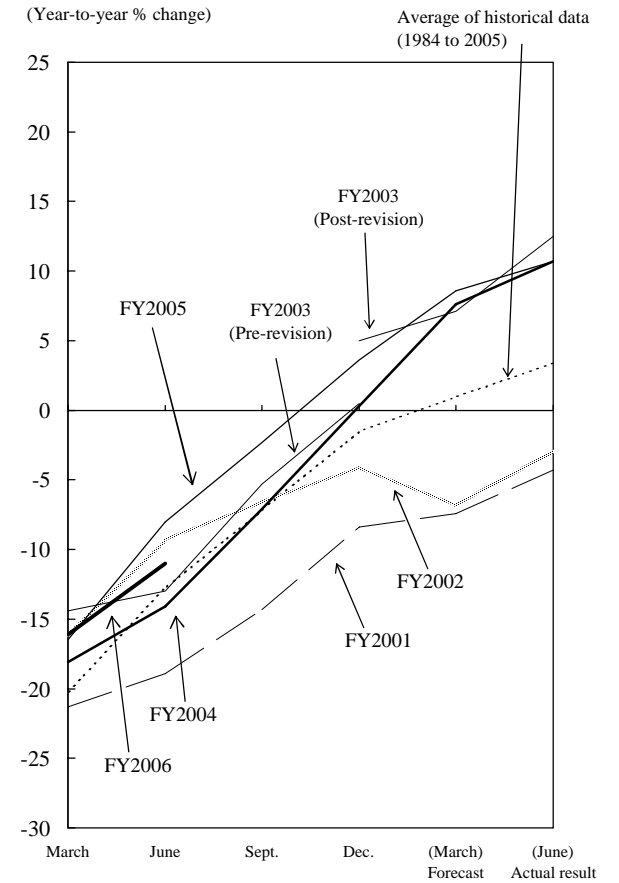
Manufacturing



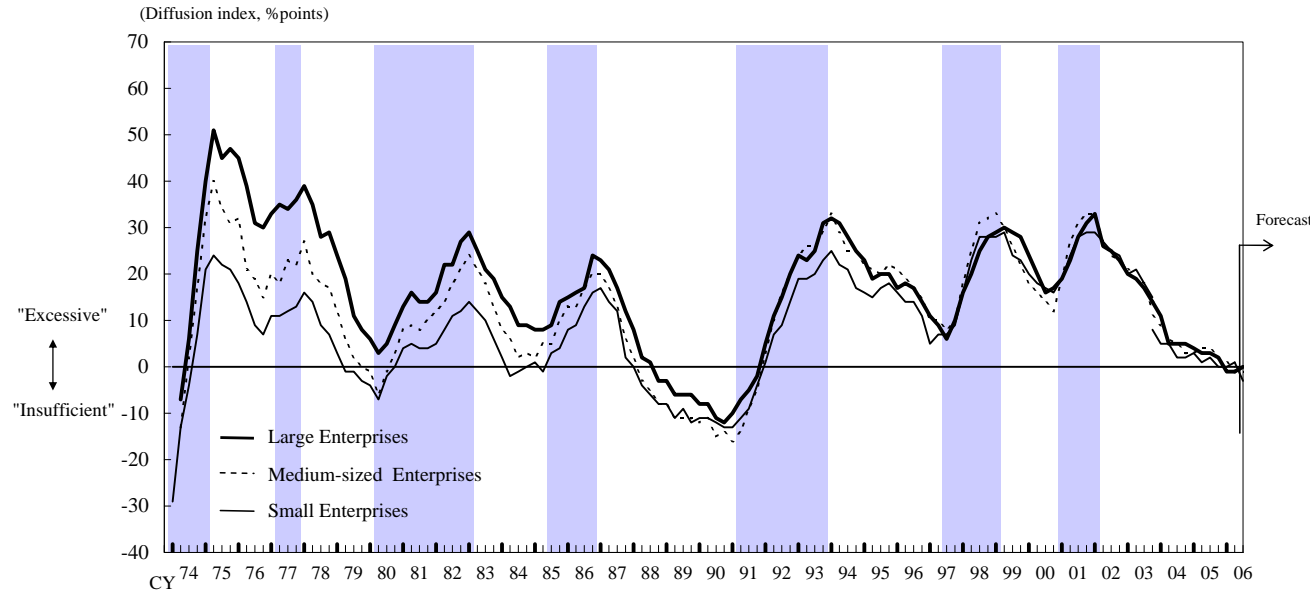
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



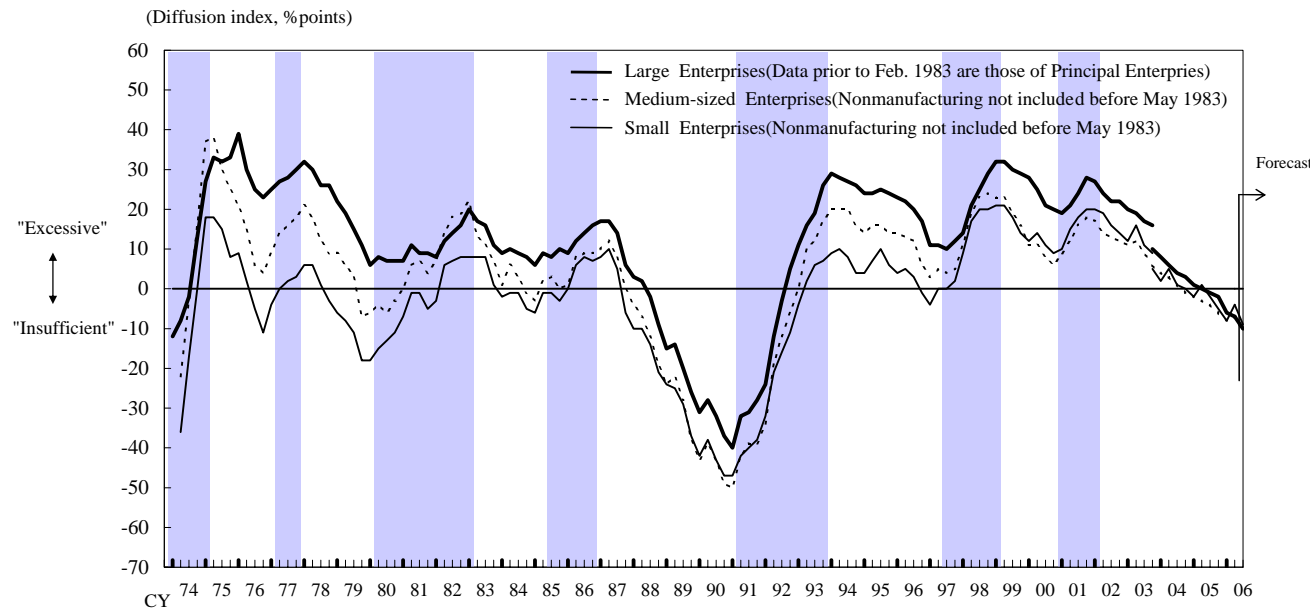
Peaks and Bottoms of Production Capacity (from May 1974)

(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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-1	-1	1
Forecast	0	-1	-3

[Employment Condition (All industries)]



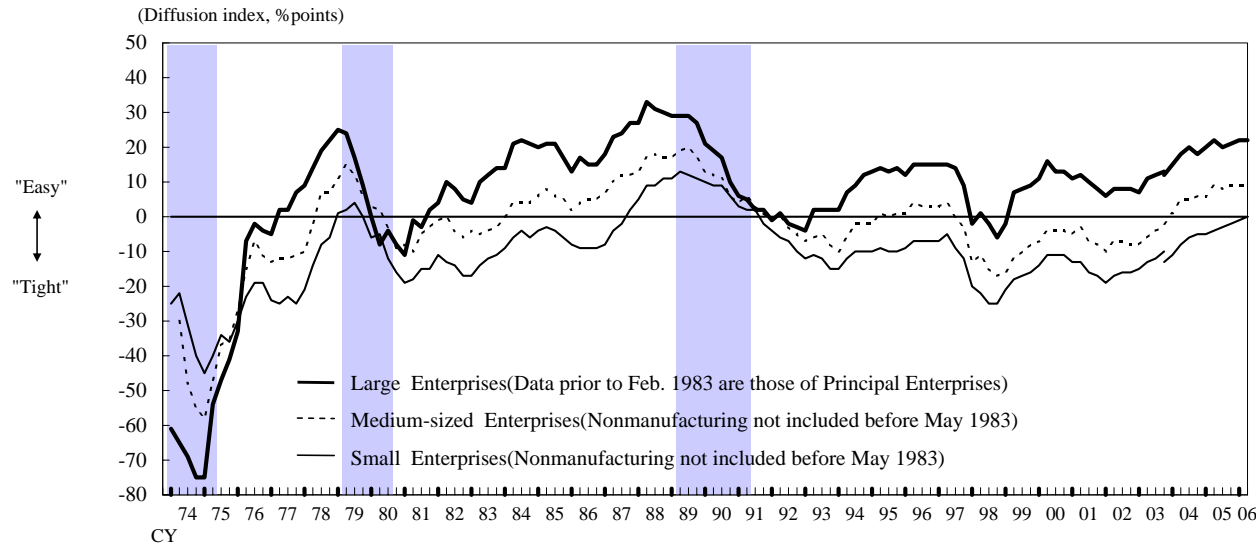
Peaks and Bottoms of Employment Condition (from May 1983)

(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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-7	-7	-4
Forecast	-10	-11	-9

Financial Position



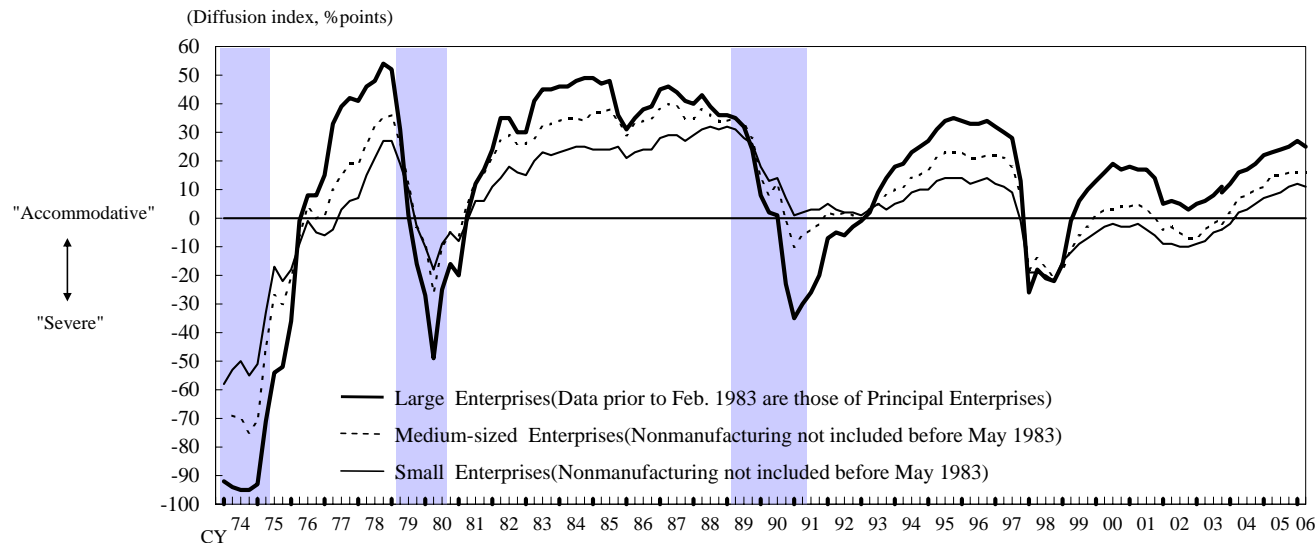
Peaks and Bottoms of Financial Position (from May 1983)

(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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	22	9	0

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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	25	16	11