

# TANKAN Summary (March 2007)

132nd Short-term Economic Survey of Enterprises in Japan

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April 2, 2007  
Research and Statistics Department  
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,538	6,420	10,958	98.7%
Large Enterprises	1,252	1,227	2,479	99.3%
Medium-sized Enterprises	1,240	1,707	2,947	98.3%
Small Enterprises	2,046	3,486	5,532	98.6%
Financial institutions	-	-	208	100.0%

Responding Period: February 23 to March 30

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

	FY 2006			FY 2007		
		1H	2H		1H	2H
Dec. 2006 Survey	114.06	114.71	113.44	-	-	-
March 2007 Survey	115.01	114.74	115.26	114.32	114.37	114.27

(yen per US dollar)

## 1. Business Conditions

Figures are based on sample enterprises after the March 2007 revision.

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	Dec. 2006 Survey		March 2007 Survey				Dec. 2006 Survey		March 2007 Survey				Dec. 2006 Survey		March 2007 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes	Actual result	Forecast	Actual result	Forecast		Changes	Actual result	Forecast	Actual result	Forecast		Changes
Manufacturing	25	22	23	-2	20	-3	21	13	16	-5	12	-4	12	7	8	-4	7	-1
Textiles	5	0	14	9	9	-5	-13	-22	-17	-4	-21	-4	-21	-21	-33	-12	-25	8
Lumber & Wood products	23	23	27	4	13	-14	6	-2	3	-3	-5	-8	-3	-14	-8	-5	-10	-2
Pulp & Paper	3	6	-6	-9	-3	3	-22	-17	-34	-12	-24	10	-5	-6	-19	-14	-2	17
Chemicals	24	21	27	3	21	-6	22	15	18	-4	9	-9	16	8	12	-4	7	-5
Petroleum & Coal products	23	5	14	-9	5	-9	27	6	32	5	21	-11	-6	-12	-2	4	-15	-13
Ceramics, Stone & Clay	20	12	12	-8	20	8	6	-2	8	2	-2	-10	-10	-15	-12	-2	-22	-10
Iron & Steel	43	43	46	3	31	-15	64	50	63	-1	43	-20	48	34	49	1	36	-13
Nonferrous metals	47	42	37	-10	45	8	47	35	32	-15	26	-6	27	22	35	8	22	-13
Food & Beverages	10	6	6	-4	6	0	-6	-6	-5	1	1	6	0	1	-7	-7	-1	6
Processed metals	-5	-9	-6	-1	-7	-1	37	34	29	-8	28	-1	26	20	21	-5	13	-8
Industrial machinery	47	42	46	-1	42	-4	46	30	42	-4	31	-11	28	26	30	2	25	-5
Electrical machinery	26	20	20	-6	23	3	27	15	11	-16	8	-3	19	13	15	-4	14	-1
Shipbuilding & Heavy machinery etc.	-3	6	13	16	17	4	23	31	28	5	38	10	22	12	24	2	26	2
Motor vehicles	33	34	30	-3	25	-5	9	15	18	9	8	-10	28	20	25	-3	16	-9
Precision machinery	28	30	20	-8	20	0	40	32	38	-2	34	-4	14	12	9	-5	15	6
Basic materials	24	21	24	0	19	-5	17	9	12	-5	6	-6	4	-2	0	-4	-3	-3
Processing	25	22	22	-3	20	-2	23	16	18	-5	16	-2	16	12	14	-2	12	-2
Nonmanufacturing	22	21	22	0	23	1	7	5	5	-2	4	-1	-4	-9	-6	-2	-10	-4
Construction	2	-3	-1	-3	0	1	-7	-13	-11	-4	-15	-4	-16	-23	-14	2	-26	-12
Real estate	52	44	53	1	47	-6	23	15	27	4	17	-10	18	12	12	-6	12	0
Wholesaling	26	26	22	-4	24	2	12	7	6	-6	6	0	-2	-5	-6	-4	-6	0
Retailing	15	14	13	-2	20	7	-9	0	-6	3	0	6	-21	-16	-20	1	-19	1
Transportation	21	19	22	1	24	2	2	-3	-3	-5	-7	-4	-1	-6	-2	-1	-3	-1
Communications	31	25	34	3	25	-9	34	43	26	-8	38	12	7	16	12	5	28	16
Information services	41	45	41	0	45	4	23	32	21	-2	30	9	18	22	19	1	25	6
Electric & Gas utilities	18	9	11	-7	9	-2	7	4	2	-5	3	1	3	0	-2	-5	0	2
Services for businesses	32	26	37	5	31	-6	20	17	23	3	21	-2	11	4	9	-2	7	-2
Services for individuals	10	13	19	9	26	7	7	8	2	-5	12	10	0	-5	-1	-1	-7	-6
Restaurants & Accommodations	13	13	17	4	11	-6	-9	-3	-3	6	0	3	-15	-19	-14	1	-13	1
Leasing	30	22	33	3	22	-11	18	19	19	1	7	-12	24	19	25	1	13	-12
All industries	23	21	23	0	22	-1	13	9	10	-3	8	-2	1	-3	0	-1	-4	-4

	All Enterprises					
Manufacturing	17	13	15	-2	12	-3
Nonmanufacturing	4	0	3	-1	1	-2
All industries	10	5	8	-2	5	-3

(Notes) 1. Response rate = The number of enterprises that responded to the question on Business Conditions / The number of sample enterprises\*100

2. Actual result: Judgement at the time of the survey, Forecast: Judgement at the time of three months hence.

Changes in actual result = "Actual result of the current survey" minus "Actual result of the previous survey"

Changes in forecast = "Forecast of the current survey" minus "Actual result of the current survey"

3. "Shipbuilding & Heavy machinery etc." indicates Transportation machinery excluding Motor vehicles.

1. Business Conditions (Continued)

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

(%, %points)

	Dec. 2006 Survey			March 2007 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	25	21	12	23	16	8	20	12	7
1.Favorable	32	33	28	31	29	27	26	24	23
2.Not so favorable	61	55	56	61	58	54	68	64	61
3.Unfavorable	7	12	16	8	13	19	6	12	16
Nonmanufacturing	22	7	-4	22	5	-6	23	4	-10
1.Favorable	29	21	18	30	21	17	28	17	14
2.Not so favorable	64	65	60	62	63	60	67	70	62
3.Unfavorable	7	14	22	8	16	23	5	13	24

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		Dec. 2006 Survey		March 2007 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-6	-9	-9	-3	-8	1
	Basic materials	-8	-9	-11	-3	-9	2
	Processing	-5	-8	-9	-4	-8	1
	Nonmanufacturing	-17	-17	-17	0	-17	0
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	3	0	1	-2	1	0
	Basic materials	0	-2	-1	-1	-1	0
	Processing	4	1	2	-2	2	0

		Large Enterprises					
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Inventory Level of Finished Goods & Merchandise:	Manufacturing	14		13	-1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	12		13	1		
	Processing	15		15	0		
Wholesalers' Inventory Level:	Manufacturing	11		12	1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	11		13	2		
	Processing	10		11	1		

		Large Enterprises					
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	0	-5	-1	-1	-5	-4
	Basic materials	21	13	16	-5	11	-5
	Processing	-11	-13	-9	2	-14	-5
	Nonmanufacturing	-1	0	0	1	-2	-2
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	35	26	32	-3	26	-6
	Basic materials	41	29	40	-1	27	-13
	Processing	32	25	29	-3	25	-4
	Nonmanufacturing	14	15	15	1	15	0

(%points)

		Small Enterprises					
		Dec. 2006 Survey		March 2007 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-18	-22	-19	-1	-21	-2
	Basic materials	-27	-30	-27	0	-29	-2
	Processing	-14	-17	-15	-1	-18	-3
	Nonmanufacturing	-31	-32	-30	1	-31	-1
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-3	-5	-4	-1	-4	0
	Basic materials	-10	-12	-8	2	-9	-1
	Processing	0	-2	-2	-2	-3	-1

		Small Enterprises					
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Inventory Level of Finished Goods & Merchandise:	Manufacturing	14		15	1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	16		19	3		
	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	18		21	3		
	Processing	11		11	0		

		Small Enterprises					
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	-4	-6	-4	0	-6	-2
	Basic materials	6	2	4	-2	2	-2
	Processing	-9	-11	-8	1	-12	-4
	Nonmanufacturing	-14	-15	-15	-1	-13	2
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	47	42	43	-4	44	1
	Basic materials	50	43	44	-6	47	3
	Processing	46	42	42	-4	42	0
	Nonmanufacturing	25	27	23	-2	27	4

### 3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2006		FY2007	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.6	0.4	1.5	-
	Domestic Sales	3.1	0.1	1.5	-
	Exports	12.6	1.4	1.7	-
	Nonmanufacturing	3.9	0.2	1.6	-
	All industries	4.6	0.3	1.6	-
Medium-sized Enterprises	Manufacturing	5.6	0.4	2.1	-
	Nonmanufacturing	5.3	0.2	3.3	-
	All industries	5.4	0.3	3.0	-
Small Enterprises	Manufacturing	4.0	0.8	1.9	-
	Nonmanufacturing	1.6	0.5	0.3	-
	All industries	2.1	0.5	0.6	-
All Enterprises	Manufacturing	5.3	0.5	1.7	-
	Nonmanufacturing	3.5	0.3	1.6	-
	All industries	4.1	0.4	1.6	-

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

(Year-to-year % change)

		2H FY2006		1H FY2007		2H FY2007	
		(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
1H FY2006		7.4	4.0	0.6	1.4	-	1.6
		4.4	1.9	0.0	1.5	-	1.5
		15.6	9.8	2.3	1.3	-	2.1
		5.1	2.8	0.3	2.1	-	1.2
		6.0	3.3	0.5	1.8	-	1.4
		7.1	4.3	0.7	1.5	-	2.7
		5.1	5.5	0.1	4.1	-	2.5
		5.6	5.2	0.2	3.5	-	2.6
		5.3	2.7	1.0	1.6	-	2.1
		3.1	0.3	0.3	0.2	-	0.4
		3.6	0.8	0.4	0.5	-	0.8
		7.0	3.8	0.7	1.5	-	1.9
		4.5	2.6	0.3	1.9	-	1.3
		5.3	3.0	0.4	1.8	-	1.5

Current Profits (Year-to-year % change)

		FY2006		FY2007	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	7.7	1.5	0.0	-
	Basic materials	2.8	3.5	-0.9	-
	Processing	11.1	0.2	0.6	-
	Nonmanufacturing	6.5	1.9	-1.3	-
	All industries	7.1	1.7	-0.6	-
Medium-sized Enterprises	Manufacturing	8.4	-0.5	0.9	-
	Nonmanufacturing	4.3	0.8	8.8	-
	All industries	5.9	0.3	5.6	-
Small Enterprises	Manufacturing	3.6	0.5	8.8	-
	Nonmanufacturing	2.3	-1.2	6.7	-
	All industries	2.7	-0.7	7.4	-
All Enterprises	Manufacturing	7.3	1.1	1.1	-
	Nonmanufacturing	5.2	1.0	2.1	-
	All industries	6.2	1.1	1.6	-

(Year-to-year % change)

		2H FY2006		1H FY2007		2H FY2007	
		(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
1H FY2006		14.8	1.6	2.6	-4.4	-	4.4
		2.6	2.9	6.8	-3.2	-	1.7
		24.7	0.8	0.3	-5.2	-	6.1
		16.0	-2.9	3.3	-5.1	-	3.2
		15.4	-0.5	2.9	-4.8	-	3.9
		14.6	3.1	-1.8	-6.0	-	7.3
		5.5	3.4	1.6	6.2	-	10.7
		9.2	3.3	0.3	1.0	-	9.4
		10.3	-2.0	1.3	7.0	-	10.6
		16.0	-5.5	-0.9	7.7	-	6.0
		13.9	-4.6	-0.3	7.4	-	7.3
		14.2	1.3	1.9	-3.3	-	5.5
		14.4	-2.5	1.9	-1.2	-	5.3
		14.3	-0.7	1.9	-2.2	-	5.4

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

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

		FY2006		FY2007	
		(Forecast)	Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	6.64	0.06	6.55	-
	Nonmanufacturing	4.14	0.07	4.02	-
	All industries	5.15	0.07	5.04	-
Medium-sized Enterprises	Manufacturing	4.87	-0.05	4.81	-
	Nonmanufacturing	2.54	0.01	2.68	-
	All industries	3.13	0.00	3.21	-
Small Enterprises	Manufacturing	3.79	-0.01	4.05	-
	Nonmanufacturing	2.40	-0.04	2.55	-
	All industries	2.71	-0.03	2.89	-
All Enterprises	Manufacturing	5.89	0.04	5.86	-
	Nonmanufacturing	3.28	0.02	3.30	-
	All industries	4.14	0.03	4.14	-

(% , %points)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
	(Forecast)	Changes	(Forecast)	Changes	(Forecast)	Changes
6.86	6.44	0.12	6.46	-	6.62	-
4.67	3.65	0.11	4.35	-	3.72	-
5.56	4.78	0.12	5.20	-	4.89	-
4.86	4.89	-0.13	4.50	-	5.11	-
2.28	2.78	0.04	2.32	-	3.00	-
2.94	3.31	0.00	2.87	-	3.53	-
3.79	3.80	0.01	3.98	-	4.12	-
2.06	2.71	-0.04	2.21	-	2.87	-
2.44	2.95	-0.02	2.61	-	3.14	-
6.02	5.76	0.06	5.74	-	5.97	-
3.38	3.19	0.05	3.28	-	3.31	-
4.26	4.03	0.06	4.09	-	4.18	-

Net Income (Year-to-year % change)

		FY2006		FY2007	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	17.6	-4.3	2.6	-
	Basic materials	12.7	0.0	-5.9	-
	Processing	21.1	-6.9	8.2	-
	Nonmanufacturing	15.1	-1.6	3.8	-
	All industries	16.4	-3.0	3.1	-
Medium-sized Enterprises	Manufacturing	16.0	-4.1	4.9	-
	Nonmanufacturing	26.3	1.0	15.9	-
	All industries	21.9	-1.1	11.4	-
Small Enterprises	Manufacturing	17.6	-5.3	14.3	-
	Nonmanufacturing	14.0	-6.8	15.9	-
	All industries	15.1	-6.3	15.4	-
All Enterprises	Manufacturing	17.4	-4.3	4.1	-
	Nonmanufacturing	16.5	-2.4	8.2	-
	All industries	16.9	-3.3	6.2	-

(Year-to-year % change)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
	(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
30.4	5.4	-8.4	-8.5	-	15.6	-
24.5	0.0	0.3	-15.8	-	7.5	-
35.3	8.9	-12.8	-3.1	-	20.4	-
13.3	17.3	-1.3	2.8	-	5.0	-
21.8	10.6	-5.3	-3.2	-	10.7	-
16.3	15.6	-7.9	-1.8	-	11.0	-
13.8	36.1	3.1	14.6	-	16.7	-
15.0	27.7	-1.3	7.2	-	14.6	-
27.6	8.9	-8.3	7.6	-	21.0	-
51.8	-0.9	-6.7	20.7	-	13.1	-
41.3	1.7	-7.1	15.5	-	15.3	-
28.5	7.0	-8.3	-6.2	-	15.6	-
18.2	14.8	-2.0	7.2	-	9.2	-
23.2	11.0	-5.0	0.5	-	12.2	-

4. Fixed Investment etc.

Fixed Investment including Land Purchasing Expenses\*

(Year-to-year % change)

(Year-to-year % change)

		FY2006		FY2007		1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		(Forecast)	Revision rate	(Forecast)	Revision rate		(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	15.6	-0.4	2.5	-	13.0	17.8	-1.7	11.3	-	-4.5	-
	Nonmanufacturing	9.7	-0.6	3.1	-	8.4	10.8	-1.4	5.2	-	1.5	-
	All industries	11.9	-0.5	2.9	-	10.1	13.3	-1.5	7.5	-	-0.8	-
Medium-sized Enterprises	Manufacturing	8.1	-1.1	1.2	-	13.4	3.6	-3.0	5.3	-	-2.5	-
	Nonmanufacturing	4.9	-3.2	3.9	-	17.2	-4.6	-4.7	12.0	-	-3.8	-
	All industries	5.9	-2.6	3.0	-	16.0	-2.1	-4.2	9.9	-	-3.4	-
Small Enterprises	Manufacturing	12.9	3.5	-16.5	-	4.9	20.6	4.7	3.4	-	-32.9	-
	Nonmanufacturing	-0.5	0.5	-18.3	-	9.5	-9.9	2.1	-12.6	-	-24.9	-
	All industries	3.6	1.5	-17.7	-	8.1	-0.8	3.0	-7.9	-	-27.8	-
All Enterprises	Manufacturing	14.1	0.1	-0.4	-	11.8	16.1	-1.0	9.2	-	-8.3	-
	Nonmanufacturing	7.1	-0.9	-0.3	-	10.1	4.6	-1.5	3.0	-	-3.2	-
	All industries	9.5	-0.5	-0.3	-	10.7	8.5	-1.3	5.2	-	-5.1	-

\* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2006		FY2007	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	3.3	2.7	-3.5	-
	Nonmanufacturing	3.8	1.2	-4.2	-
	All industries	3.7	1.7	-4.0	-
Medium-sized Enterprises	Manufacturing	0.7	-0.1	-7.8	-
	Nonmanufacturing	-3.8	-1.9	17.4	-
	All industries	-3.3	-1.7	14.4	-
Small Enterprises	Manufacturing	5.2	3.0	-6.7	-
	Nonmanufacturing	-3.4	-4.7	-6.0	-
	All industries	-1.5	-3.0	-6.2	-
All Enterprises	Manufacturing	3.2	2.5	-4.0	-
	Nonmanufacturing	1.5	0.1	0.4	-
	All industries	2.0	0.7	-0.8	-

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2006		FY2007	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	15.3	-0.5	3.3	-
	Nonmanufacturing	8.8	-0.9	4.6	-
	All industries	11.2	-0.8	4.1	-
Medium-sized Enterprises	Manufacturing	12.0	-2.1	3.3	-
	Nonmanufacturing	-0.4	-2.9	8.1	-
	All industries	3.3	-2.7	6.6	-
Small Enterprises	Manufacturing	12.6	1.6	-12.6	-
	Nonmanufacturing	-0.7	-0.5	-8.9	-
	All industries	3.4	0.2	-10.2	-
All Enterprises	Manufacturing	14.5	-0.5	1.2	-
	Nonmanufacturing	5.7	-1.2	3.2	-
	All industries	8.7	-0.9	2.5	-

Land Purchasing Expenses

(Year-to-year % change)

		FY2006		FY2007	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-6.0	18.5	-52.6	-
	Nonmanufacturing	16.0	7.8	-30.8	-
	All industries	11.5	9.5	-34.6	-
Medium-sized Enterprises	Manufacturing	-48.8	49.0	-69.9	-
	Nonmanufacturing	58.3	-4.5	-18.0	-
	All industries	28.7	-0.6	-23.7	-
Small Enterprises	Manufacturing	14.3	24.0	-47.4	-
	Nonmanufacturing	0.4	5.2	-68.6	-
	All industries	3.6	9.4	-63.3	-
All Enterprises	Manufacturing	-9.0	24.2	-52.6	-
	Nonmanufacturing	18.2	3.9	-38.7	-
	All industries	12.1	7.1	-41.3	-

Production Capacity

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

		Dec. 2006 Survey		March 2007 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	-3	-1	0	3	-2	-2
	Nonmanufacturing	-2	-3	-2	0	-4	-2
	All industries	-3	-2	-1	2	-2	-1
Medium-sized Enterprises	Manufacturing	-3	-3	-2	1	-4	-2
	Nonmanufacturing	-2	-4	-2	0	-4	-2
	All industries	-2	-4	-2	0	-4	-2
Small Enterprises	Manufacturing	-1	-2	0	1	-3	-3
	Nonmanufacturing	0	-3	-1	-1	-2	-1
	All industries	-1	-3	-1	0	-2	-1
All Enterprises	Manufacturing	-3	-2	-1	2	-3	-2
	Nonmanufacturing	-1	-3	-2	-1	-2	0
	All industries	-1	-2	-1	0	-2	-1

## 5. Fixed Investment of Financial institutions

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

	FY2006		FY2007	
	(Forecast)	Revision rate	(Forecast)	Revision rate
Financial institutions	1.0	-17.3	28.8	-
Banks	-7.5	-11.2	26.7	-
Shinkin banks & Other financial institutions for small businesses	-2.9	-21.8	51.3	-
Securities companies	45.5	-5.3	19.6	-
Insurance companies	21.0	-29.8	35.8	-
Non-deposit money corporations	-16.9	-4.5	-1.6	-
(Memo) All industries including Financial institutions	9.3	-0.9	0.2	-
Nonmanufacturing including Financial institutions	6.9	-1.5	0.6	-

\* Excludes Software Investment

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

Financial institutions	6.3	-15.7	21.0	-
Banks	-6.5	-8.2	8.3	-
Shinkin banks & Other financial institutions for small businesses	32.9	-7.7	-13.8	-
Securities companies	18.7	-6.9	49.0	-
Insurance companies	24.8	-41.2	51.8	-
Non-deposit money corporations	34.4	-11.5	14.5	-
(Memo) All industries including Financial institutions	2.8	-2.9	3.4	-
Nonmanufacturing including Financial institutions	2.7	-4.3	5.5	-

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

Financial institutions	-52.7	-41.0	6.9	-
Banks	-69.0	-0.5	-71.5	-
Shinkin banks & Other financial institutions for small businesses	-42.2	-19.1	-53.2	-
Securities companies	-	1042.0	-96.6	-
Insurance companies	-9.8	-64.4	132.6	-
Non-deposit money corporations	-96.9	0.0	-100.0	-
(Memo) All industries including Financial institutions	8.2	4.9	-40.0	-
Nonmanufacturing including Financial institutions	12.8	1.4	-37.3	-

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

Financial institutions	10.2	-14.7	26.3	-
Banks	2.0	-10.1	21.8	-
Shinkin banks & Other financial institutions for small businesses	16.8	-18.1	42.5	-
Securities companies	25.9	-7.1	39.7	-
Insurance companies	26.5	-28.2	32.5	-
Non-deposit money corporations	3.1	-8.0	6.1	-
(Memo) All industries including Financial institutions	8.8	-1.5	3.3	-
Nonmanufacturing including Financial institutions	5.9	-2.0	4.4	-

## 6. Employment

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

		Dec. 2006 Survey		March 2007 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	-6	-8	-7	-1	-8	-1
	Nonmanufacturing	-16	-19	-19	-3	-19	0
	All industries	-11	-14	-13	-2	-14	-1
Medium-sized Enterprises	Manufacturing	-9	-10	-8	1	-9	-1
	Nonmanufacturing	-13	-18	-15	-2	-17	-2
	All industries	-11	-15	-12	-1	-14	-2
Small Enterprises	Manufacturing	-7	-10	-6	1	-8	-2
	Nonmanufacturing	-12	-14	-13	-1	-14	-1
	All industries	-11	-12	-10	1	-11	-1
All Enterprises	Manufacturing	-7	-9	-7	0	-8	-1
	Nonmanufacturing	-13	-16	-14	-1	-16	-2
	All industries	-11	-13	-12	-1	-13	-1

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

	end of March 2006	end of June 2006	end of Sept. 2006	end of Dec. 2006
Large Enterprises	1.7	2.1	1.5	1.8
Medium-sized Enterprises	1.1	3.0	3.7	3.9
Small Enterprises	1.0	1.2	0.8	0.9
All Enterprises	1.3	1.9	1.8	2.0
All Enterprises & Financial institutions	1.3	1.9	1.8	2.0
Financial institutions	1.2	2.6	2.0	1.0

\* Figures before (including) the end of June 2006 are based on pre-revision sample enterprises.

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	-	-	-	-	-	-
Medium-sized Enterprises	-	-	-	-	-	-
Small Enterprises	-	-	-	-	-	-
All Enterprises	-	-	-	-	-	-
All Enterprises & Financial institutions	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-

## 7. Corporate Finance

### Financial Position (All industries)

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

	Dec. 2006 Survey		March 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	22		21
Medium-sized Enterprises	10		9	-1
Small Enterprises	-1		-2	-1
All Enterprises	7		6	-1

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

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

	Dec. 2006 Survey		March 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	25		24
Medium-sized Enterprises	18		16	-2
Small Enterprises	10		9	-1
All Enterprises	16		15	-1

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

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

	Dec. 2006 Survey		March 2007 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Large Enterprises	33	43	44	11	54
Medium-sized Enterprises	44	49	48	4	67	19
Small Enterprises	45	50	44	-1	66	22
All Enterprises	42	48	45	3	63	18

### Condition for CP Issuance (All industries)

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

	Dec. 2006 Survey		March 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	3		4

### Ratio of Liquidity (All industries)\*

(Months)

	end of March 2006	end of June 2006	end of Sept. 2006	end of Dec. 2006
Large Enterprises	0.94	0.88	0.85	0.82
Medium-sized Enterprises	1.13	1.03	1.01	1.04
Small Enterprises	1.70	1.63	1.69	1.70
All Enterprises	1.17	1.10	1.10	1.09

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

\* Figures before (including) the end of June 2006 are based on pre-revision sample enterprises.

## 8. Business Conditions of Financial institutions

### Business Conditions

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

	Dec. 2006 Survey		March 2007 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	50	53	46	-4	47
Shinkin banks & Other financial institutions for small businesses	44	38	32	-12	29	-3
Securities companies	0	40	34	34	52	18
Insurance companies	41	49	47	6	53	6
Non-deposit money corporations	21	25	12	-9	16	4
Financial institutions	37	45	38	1	43	5

### Production Capacity

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

	Dec. 2006 Survey		March 2007 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	-2	0	0	2	0
Shinkin banks & Other financial institutions for small businesses	-3	3	0	3	0	0
Securities companies	-30	-33	-30	0	-30	0
Insurance companies	-9	-6	-13	-4	-11	2
Non-deposit money corporations	4	0	4	0	8	4
Financial institutions	-7	-6	-6	1	-5	1

### Employment Conditions

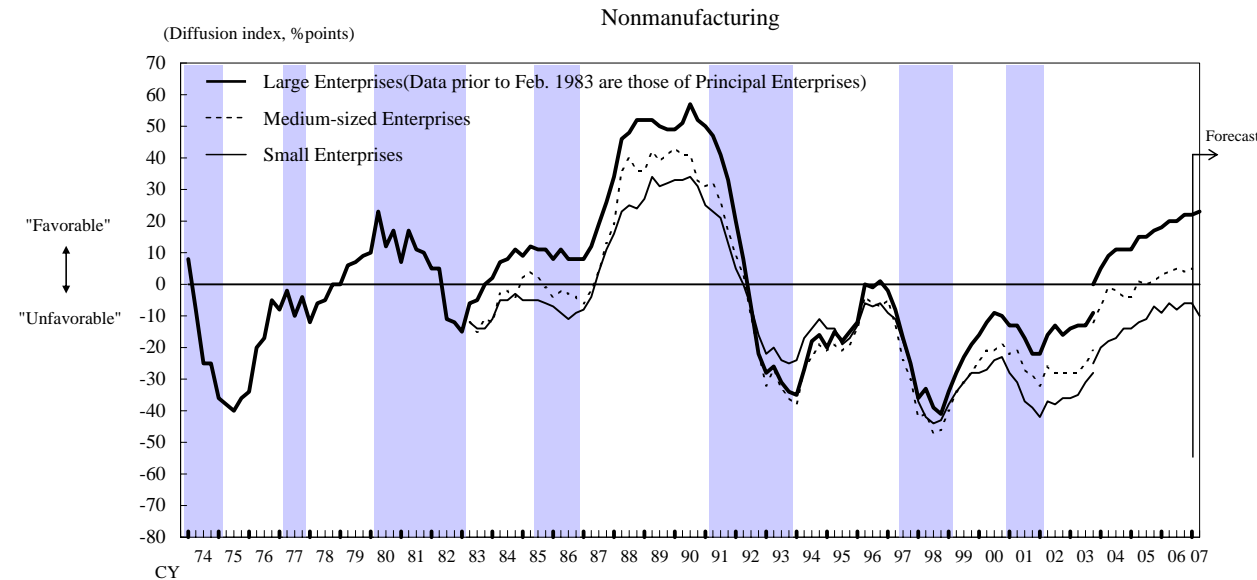
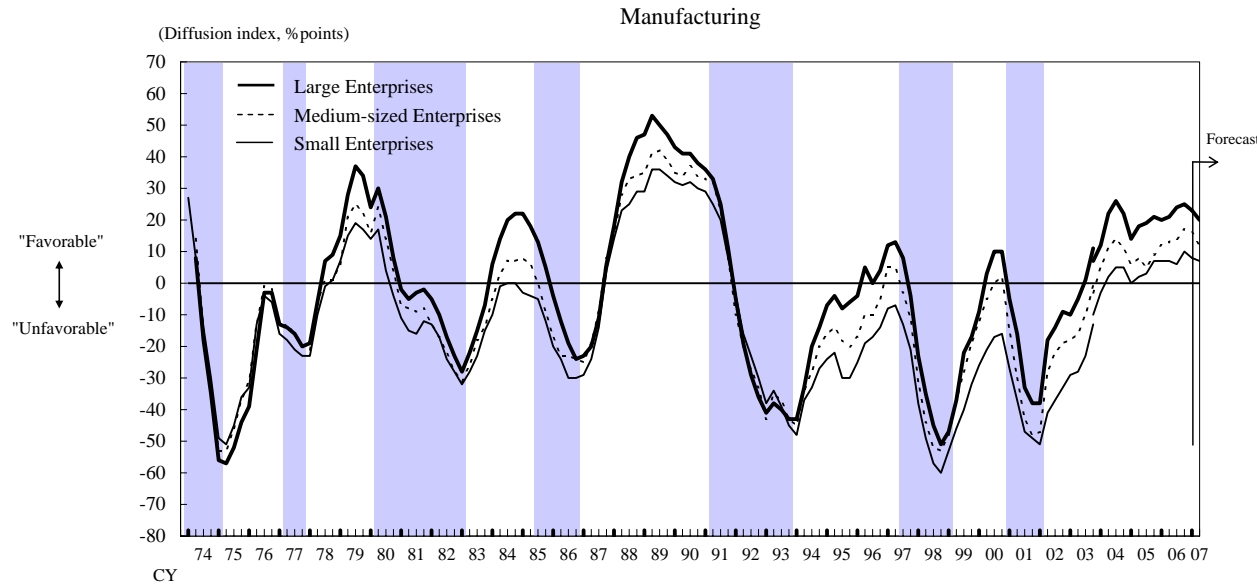
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	Dec. 2006 Survey		March 2007 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	-27	-31	-25	2	-21
Shinkin banks & Other financial institutions for small businesses	-9	-17	-17	-8	-9	8
Securities companies	-44	-63	-52	-8	-48	4
Insurance companies	-47	-38	-53	-6	-47	6
Non-deposit money corporations	-25	-13	-17	8	0	17
Financial institutions	-31	-32	-33	-2	-26	7

(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 Enterprises" survey has been abolished from the March 2004 survey.

[Business Conditions]



Peaks and Bottoms of Business Conditions (from May 1974)

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

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

	March 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	23	16	8
Forecast	20	12	7

Peaks and Bottoms of Business Conditions (from May 1983)

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

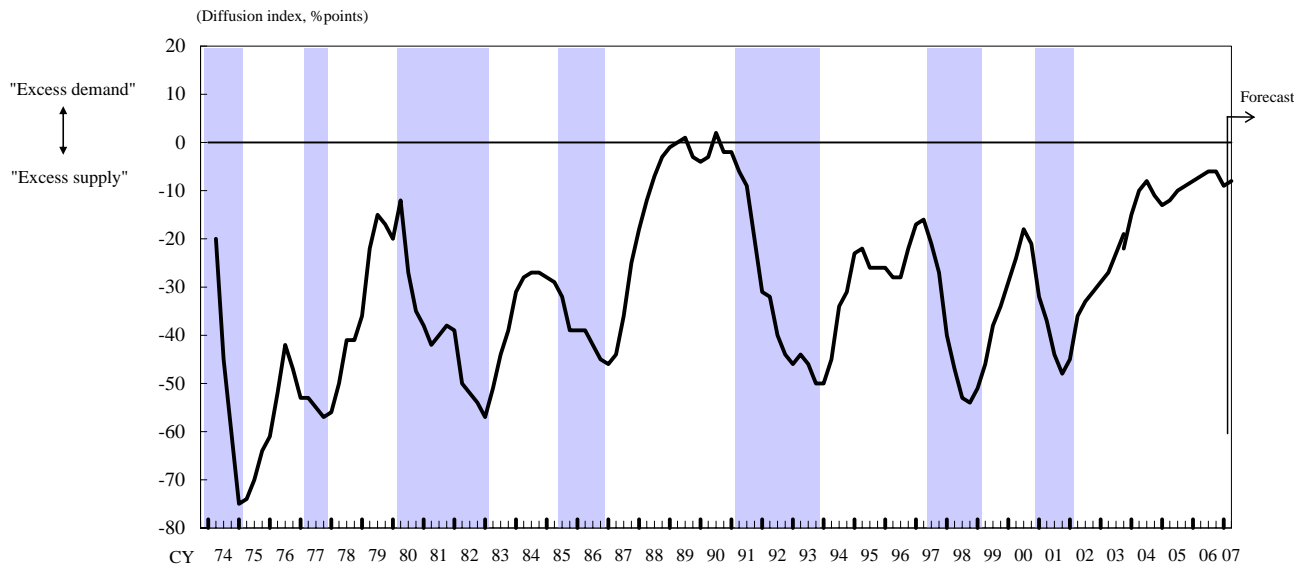
Nonmanufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (83/5)		-15 (83/8)		-14 (83/8,11)
12 (85/5)	8 (86/2,8,11,87/2)	4 (85/5)	-6 (87/2)	-3 (84/11)	-11 (86/8)
57 (90/8)	-35 (94/2)	43 (90/2)	-38 (94/2)	34 (89/5,90/8)	-25 (93/11)
1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

	March 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	22	5	-6
Forecast	23	4	-10



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

Domestic Supply and Demand Conditions for Products and Services



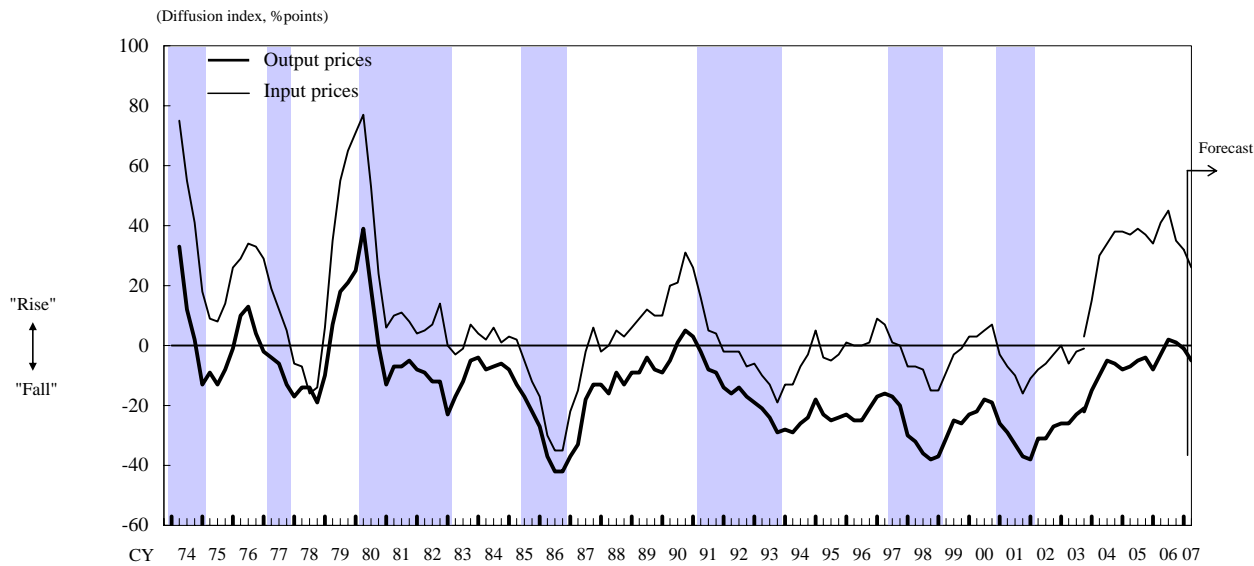
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

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

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

March 2007 survey	
Actual result	-9
Forecast	-8

Prices



Peaks and Bottoms of Prices (from May 1974)

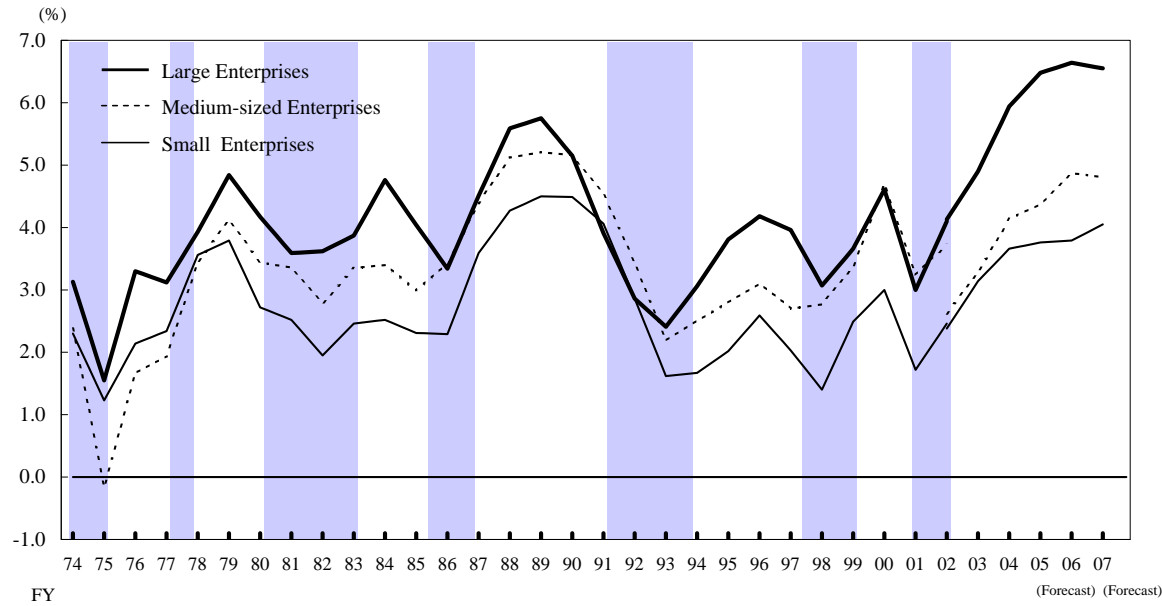
(Diffusion index of "Rise" minus "Fall", %points)

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

March 2007 survey		
	Output Prices	Input Prices
Actual result	-1	32
Forecast	-5	26

[Ratio of Current Profit to Sales]

Manufacturing

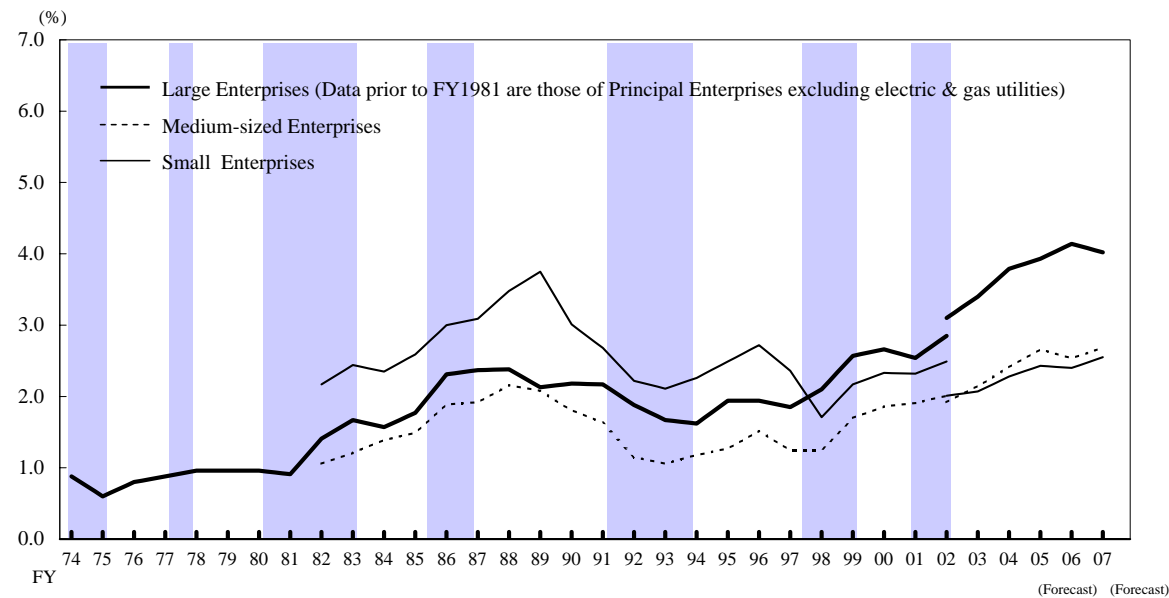


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974) (%)

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

	March 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2006 (Forecast)	6.64	4.87	3.79
FY2007 (Forecast)	6.55	4.81	4.05

Nonmanufacturing



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

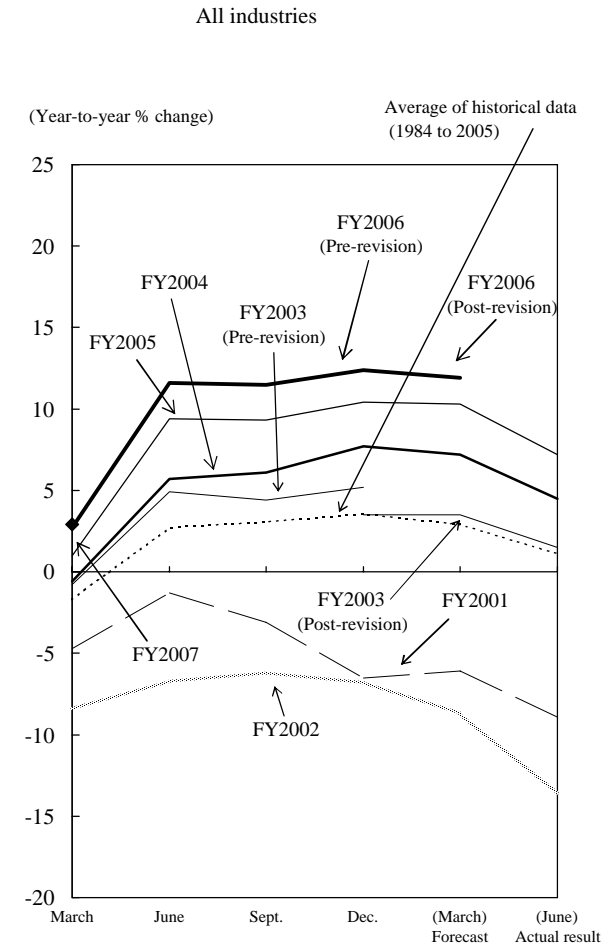
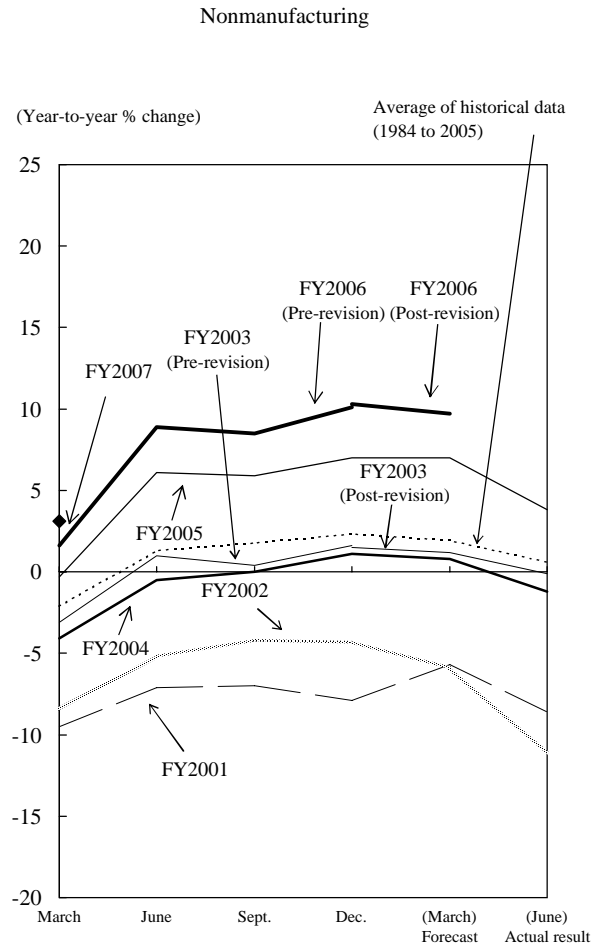
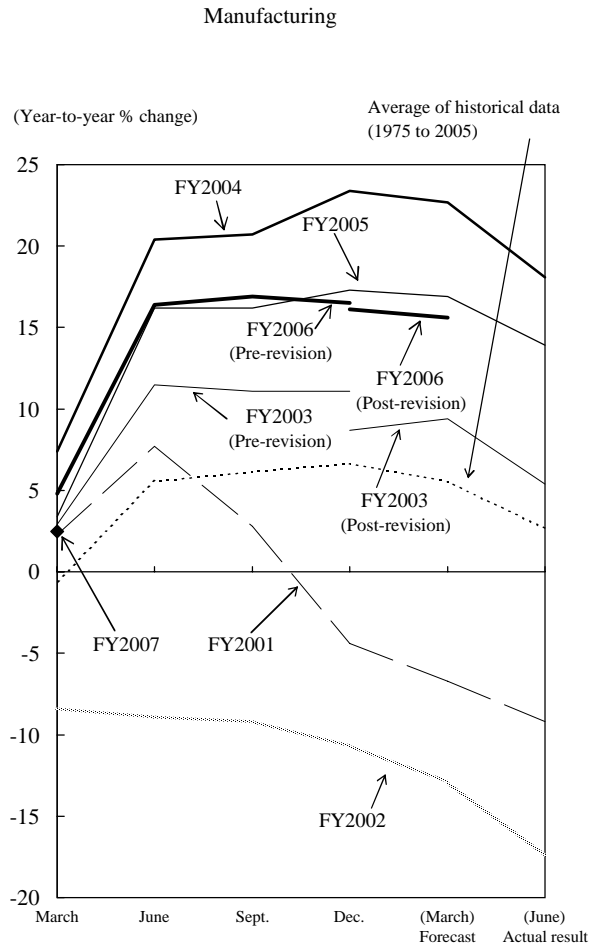
Nonmanufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	1.41 (FY82)		1.06 (FY82)		2.17 (FY82)
1.67 (FY83)	1.57 (FY84)	—	—	2.44 (FY83)	2.35 (FY84)
2.38 (FY88)	1.62 (FY94)	2.16 (FY88)	1.06 (FY93)	3.75 (FY89)	2.11 (FY93)
1.94 (FY95,96)	1.85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

	March 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2006 (Forecast)	4.14	2.54	2.40
FY2007 (Forecast)	4.02	2.68	2.55

[Developments of Fixed Investment including Land Purchasing Expenses]

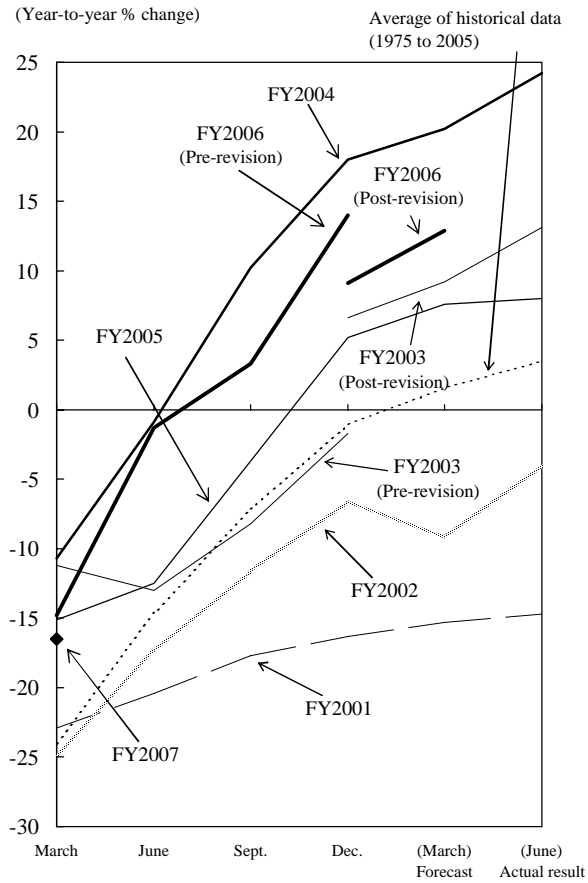
- Note:1. The graphs indicate the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year; actual result) is at the very right. The vertical axis represents the year-to-year percent change.
2. The graphs also show December 2006 survey figures that have been recalculated with sample enterprises after the March 2007 revision.
3. Excludes Software Investment.

(1) Large Enterprises

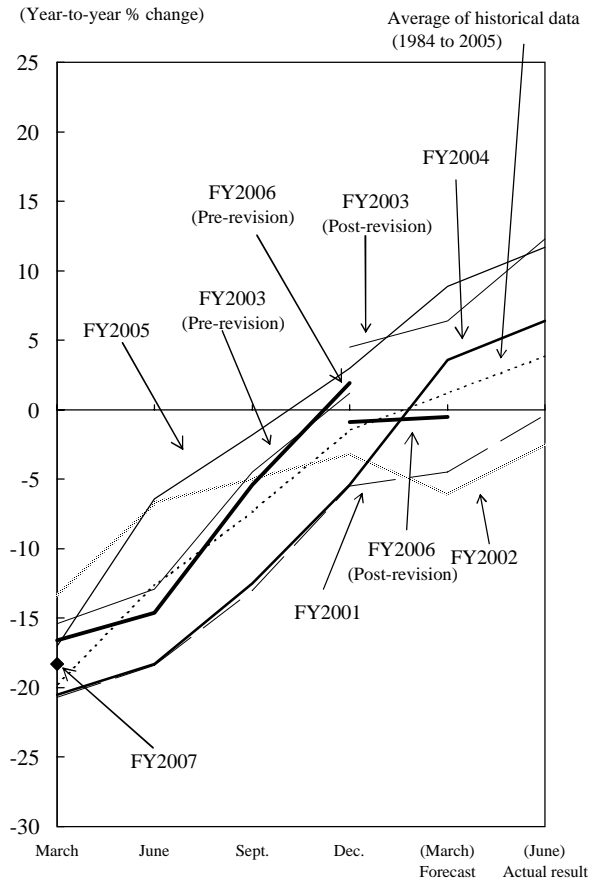


(2) Small Enterprises

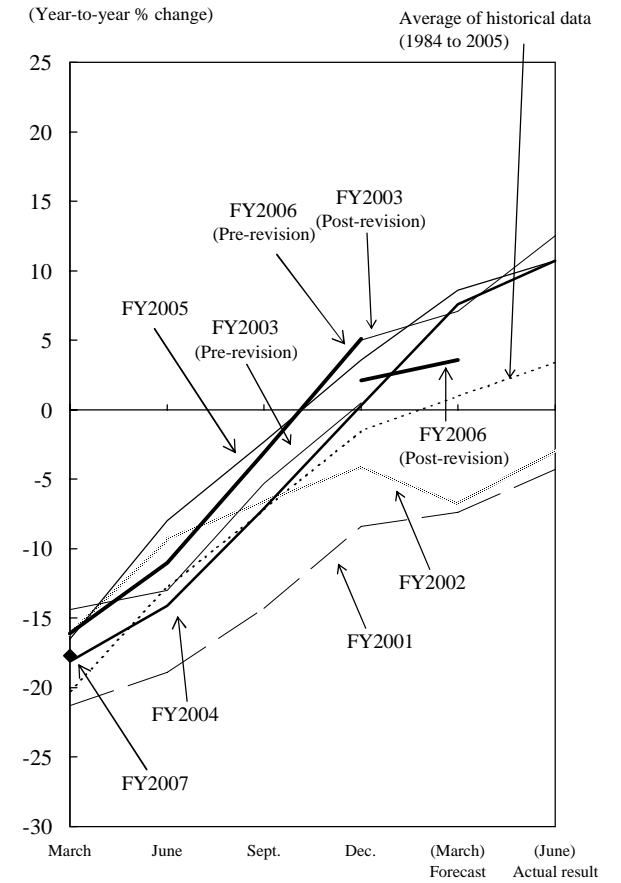
Manufacturing



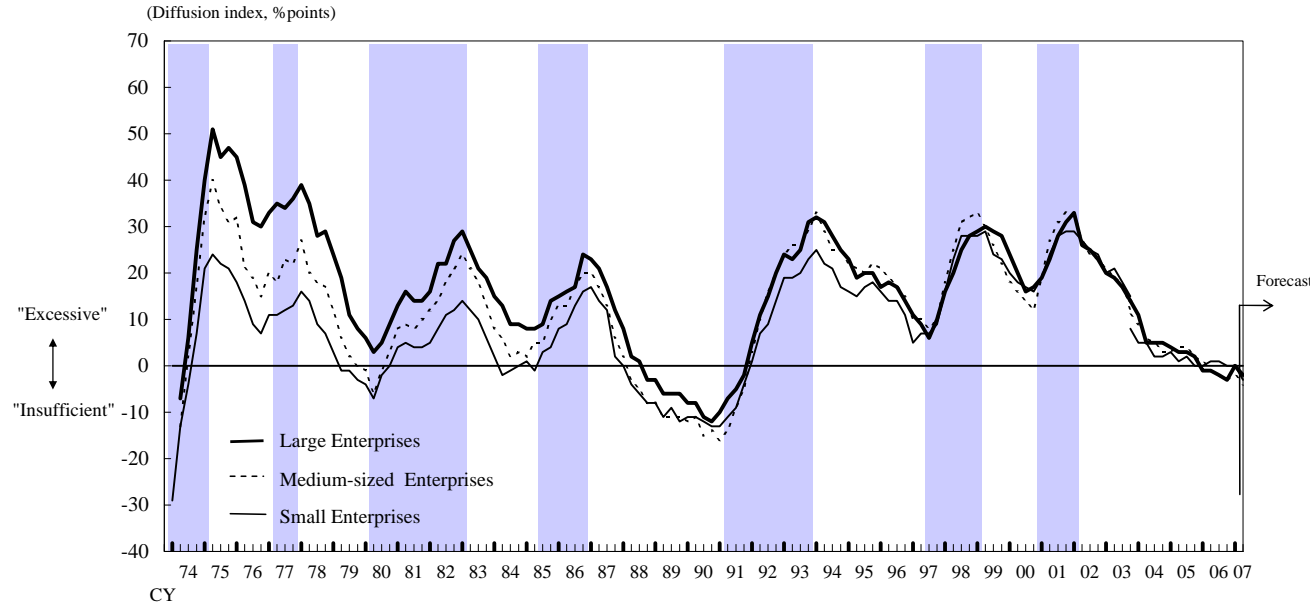
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



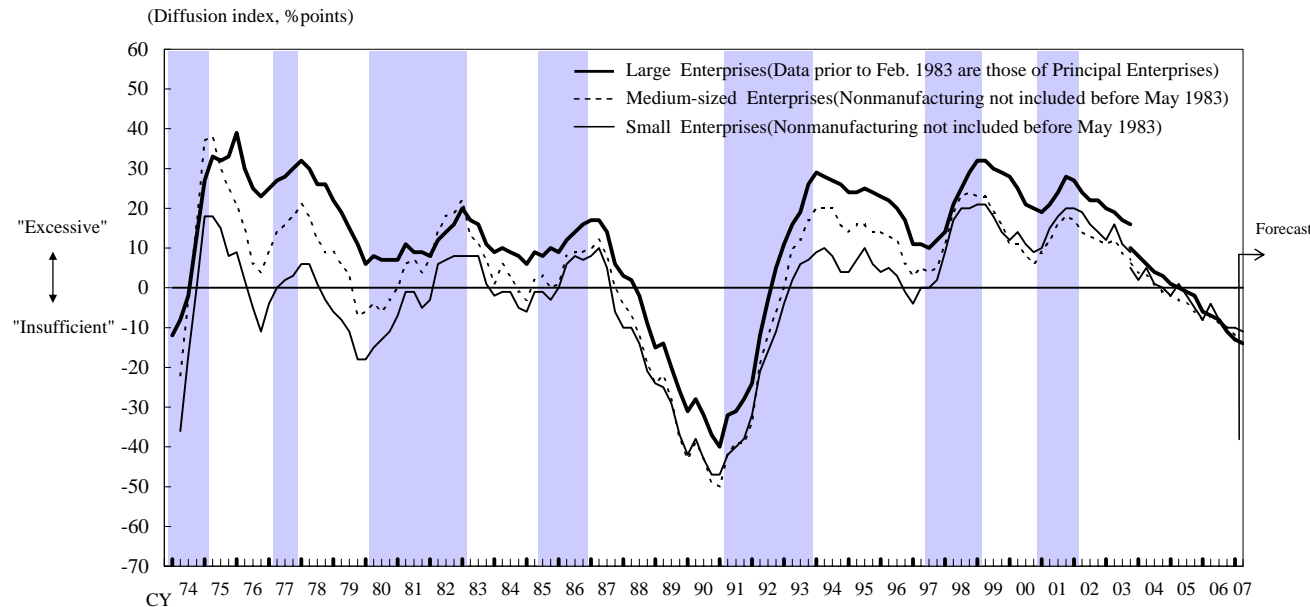
Peaks and Bottoms of Production Capacity (from May 1974)

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

Manufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
51 (75/5)	30 (76/11)	40 (75/5)	15 (76/11)	24 (75/5)	7 (76/11)
39 (78/2)	3 (80/5)	27 (78/2)	-6 (80/5)	16 (78/2)	-7 (80/5)
29 (83/2)	8 (85/2,5)	24 (83/2)	2 (84/8,85/2)	14 (83/2)	-2 (84/5)
24 (86/11)	-12 (90/11)	20 (86/11,87/2)	-16 (91/2)	17 (87/2)	-13 (90/11,91/2)
32 (94/2)	6 (97/9)	33 (94/2)	8 (97/9)	25 (94/2)	5 (97/3)
30 (99/6)	16 (00/9)	33 (99/3)	12 (00/12)	29 (99/6)	16 (00/12)
33 (02/3)		33 (01/12,02/3)		29 (01/12,02/3)	

	March 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	0	-2	0
Forecast	-2	-4	-3

[Employment Condition (All industries)]



Peaks and Bottoms of Employment Condition (from May 1983)

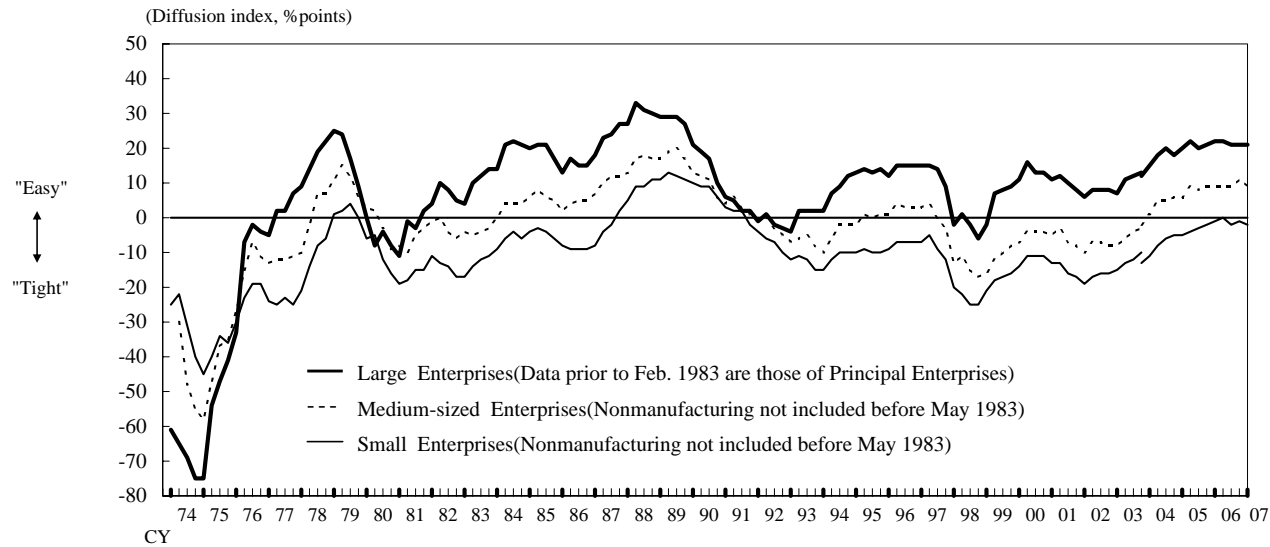
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

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)	

	March 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-13	-12	-10
Forecast	-14	-14	-11

[Corporate Finance (All industries)]

Financial Position



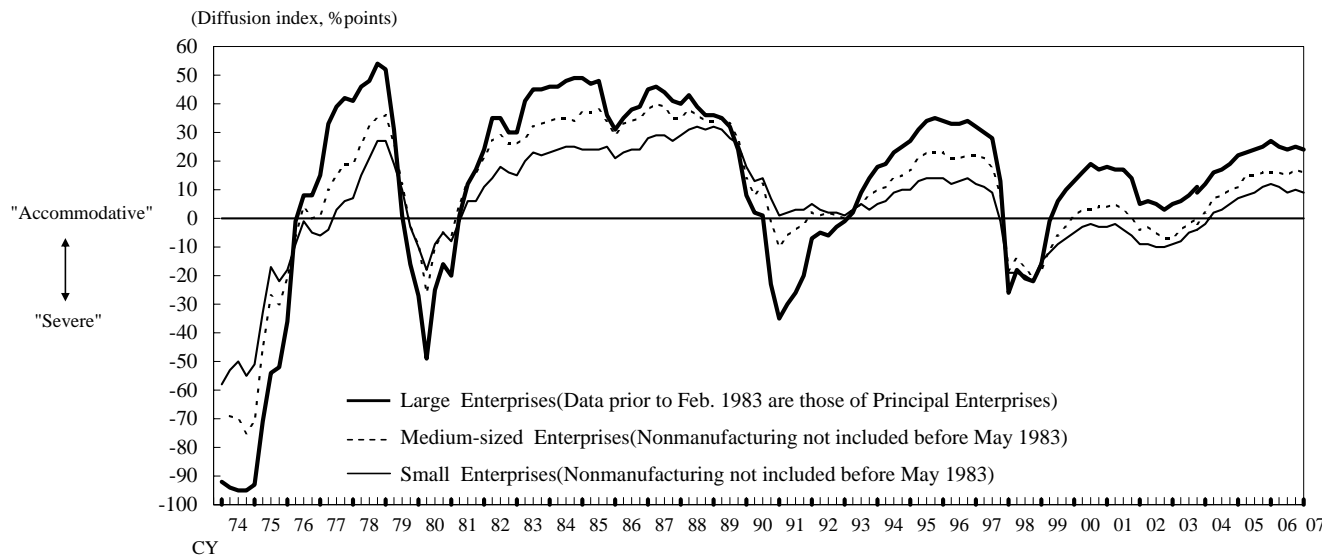
Peaks and Bottoms of Financial Position (from May 1983)

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

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

	March 2007 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)

	March 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	24	16	9