

TANKAN Summary (June 2007)  
133rd Short-term Economic Survey of Enterprises in Japan

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July 2, 2007  
Research and Statistics Department  
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,501	6,338	10,839	98.9%
Large Enterprises	1,247	1,222	2,469	99.3%
Medium-sized Enterprises	1,229	1,686	2,915	98.8%
Small Enterprises	2,025	3,430	5,455	98.7%
Financial institutions	-	-	208	100.0%

Responding Period: May 28 to June 29

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

	FY 2006		FY 2007		
		1H	2H	1H	2H
March 2007 Survey	115.01	114.74	115.26	114.32	114.37
June 2007 Survey	116.01	114.80	117.12	114.40	114.58

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

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

		All Enterprises				
Manufacturing	15	12	13	-2	12	-1
Nonmanufacturing	3	1	3	0	1	-2
All industries	8	5	7	-1	6	-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)

	March 2007 Survey			June 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	23	16	8	23	13	6	22	14	4
1.Favorable	31	29	27	30	26	25	27	24	21
2.Not so favorable	61	58	54	63	61	56	68	66	62
3.Unfavorable	8	13	19	7	13	19	5	10	17
Nonmanufacturing	22	5	-6	22	8	-7	23	7	-10
1.Favorable	30	21	17	28	21	16	27	18	13
2.Not so favorable	62	63	60	66	66	61	69	71	64
3.Unfavorable	8	16	23	6	13	23	4	11	23

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		March 2007 Survey		June 2007 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services:	Manufacturing	-9	-8	-7	2	-10	-3
Diffusion index of "Excess demand" minus "Excess supply"	Basic materials	-11	-9	-6	5	-9	-3
	Processing	-9	-8	-8	1	-9	-1
	Nonmanufacturing	-17	-17	-16	1	-17	-1
Overseas Supply & Demand Conditions for Products:	Manufacturing	1	1	4	3	3	-1
Diffusion index of "Excess demand" minus "Excess supply"	Basic materials	-1	-1	3	4	0	-3
	Processing	2	2	4	2	5	1

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

Change in Output Prices:	Manufacturing	-1	-5	2	3	-2	-4
Diffusion index of "Rise" minus "Fall"	Basic materials	16	11	23	7	17	-6
	Processing	-9	-14	-9	0	-10	-1
	Nonmanufacturing	0	-2	1	1	1	0
	Manufacturing	32	26	40	8	35	-5
Change in Input Prices:	Basic materials	40	27	50	10	38	-12
	Processing	29	25	36	7	34	-2
	Nonmanufacturing	15	15	22	7	23	1

(%points)

		Small Enterprises					
		March 2007 Survey		June 2007 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services:	Manufacturing	-19	-21	-21	-2	-23	-2
Diffusion index of "Excess demand" minus "Excess supply"	Basic materials	-27	-29	-30	-3	-31	-1
	Processing	-15	-18	-16	-1	-18	-2
	Nonmanufacturing	-30	-31	-31	-1	-31	0
Overseas Supply & Demand Conditions for Products:	Manufacturing	-4	-4	-3	1	-4	-1
Diffusion index of "Excess demand" minus "Excess supply"	Basic materials	-8	-9	-8	0	-10	-2
	Processing	-2	-3	0	2	-3	-3

Inventory Level of Finished Goods & Merchandise:	Manufacturing	15	16	1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	19	20	1		
	Processing	13	13	0		
	Nonmanufacturing	15	16	1		
Wholesalers' Inventory Level:	Manufacturing	15	16	1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	21	22	1		
	Processing	11	12	1		

Change in Output Prices:	Manufacturing	-4	-6	-3	1	-2	1
Diffusion index of "Rise" minus "Fall"	Basic materials	4	2	3	-1	6	3
	Processing	-8	-12	-6	2	-7	-1
	Nonmanufacturing	-15	-13	-13	2	-11	2
	Manufacturing	43	44	51	8	55	4
Change in Input Prices:	Basic materials	44	47	49	5	55	6
	Processing	42	42	52	10	55	3
	Nonmanufacturing	23	27	32	9	35	3

### 3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.6	0.9	3.5	2.9
	Domestic Sales	3.5	0.4	3.4	2.3
	Exports	15.1	2.2	3.7	4.2
	Nonmanufacturing	4.2	0.3	2.3	1.0
	All industries	5.2	0.6	2.8	1.7
Medium-sized Enterprises	Manufacturing	6.9	1.2	2.4	1.6
	Nonmanufacturing	6.1	0.8	4.1	1.6
	All industries	6.3	0.9	3.7	1.6
Small Enterprises	Manufacturing	5.3	1.3	1.8	1.3
	Nonmanufacturing	2.2	0.5	0.0	0.2
	All industries	2.9	0.7	0.4	0.5
All Enterprises	Manufacturing	6.4	1.1	3.0	2.4
	Nonmanufacturing	4.0	0.5	2.0	0.9
	All industries	4.8	0.7	2.3	1.4

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

(Year-to-year % change)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
7.6	5.7	1.6	3.7	2.5	3.2	3.2
4.5	2.7	0.8	3.5	2.0	3.3	2.6
16.3	13.9	3.8	4.5	3.7	3.0	4.7
5.2	3.4	0.5	2.8	0.9	1.8	1.1
6.2	4.3	1.0	3.2	1.5	2.4	1.9
7.7	6.2	1.8	2.4	1.5	2.5	1.6
5.7	6.5	1.0	4.8	1.2	3.6	2.0
6.2	6.4	1.2	4.2	1.3	3.3	1.9
5.8	4.9	2.1	2.2	1.1	1.4	1.5
2.9	1.5	1.2	0.7	0.3	-0.7	0.2
3.5	2.3	1.4	1.1	0.5	-0.2	0.5
7.3	5.6	1.7	3.3	2.1	2.8	2.6
4.6	3.5	0.8	2.6	0.8	1.4	1.0
5.5	4.2	1.1	2.8	1.2	1.9	1.6

Current Profits (Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	10.6	2.7	0.2	2.9
	Basic materials	7.3	4.4	-3.3	1.8
	Processing	12.9	1.6	2.5	3.5
	Nonmanufacturing	10.7	4.0	-1.7	3.5
	All industries	10.7	3.3	-0.7	3.2
Medium-sized Enterprises	Manufacturing	14.2	5.4	-4.6	-0.3
	Nonmanufacturing	9.9	5.3	3.7	0.4
	All industries	11.5	5.4	0.4	0.1
Small Enterprises	Manufacturing	7.9	4.1	2.8	-1.6
	Nonmanufacturing	6.5	4.1	0.2	-2.3
	All industries	6.9	4.1	1.0	-2.1
All Enterprises	Manufacturing	10.8	3.2	-0.1	2.0
	Nonmanufacturing	9.6	4.2	-0.4	1.7
	All industries	10.1	3.7	-0.3	1.8

(Year-to-year % change)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
14.6	7.2	5.5	-4.8	-0.6	4.9	6.0
2.1	12.9	9.7	-6.5	-3.9	-0.2	7.7
24.8	3.9	3.1	-3.6	1.8	8.1	5.0
15.9	5.5	8.7	-6.7	-1.7	3.7	9.1
15.3	6.4	7.0	-5.7	-1.1	4.3	7.4
14.5	14.0	10.6	-9.4	-3.8	-0.4	2.6
8.8	10.7	7.0	-1.5	-4.4	7.3	3.8
11.1	11.9	8.3	-4.8	-4.2	4.4	3.4
10.6	5.6	7.7	2.1	-4.3	3.5	0.9
19.6	-1.0	4.7	-1.4	-5.6	1.3	0.1
16.4	0.8	5.6	-0.3	-5.1	2.0	0.3
14.1	7.8	6.4	-4.6	-1.4	4.1	5.0
15.5	4.7	7.4	-4.9	-2.9	3.8	5.8
14.9	6.1	6.9	-4.8	-2.2	3.9	5.4

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

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

		FY2006		FY2007	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	6.76	0.12	6.55	0.00
	Nonmanufacturing	4.29	0.15	4.12	0.10
	All industries	5.29	0.14	5.11	0.07
Medium-sized Enterprises	Manufacturing	5.07	0.20	4.73	-0.08
	Nonmanufacturing	2.66	0.12	2.64	-0.04
	All industries	3.27	0.14	3.17	-0.04
Small Enterprises	Manufacturing	3.90	0.11	3.94	-0.11
	Nonmanufacturing	2.48	0.08	2.49	-0.06
	All industries	2.80	0.09	2.81	-0.08
All Enterprises	Manufacturing	6.01	0.12	5.83	-0.03
	Nonmanufacturing	3.40	0.12	3.32	0.02
	All industries	4.26	0.12	4.16	0.02

(% , %points)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Changes	(Forecast)	Changes	(Forecast)	Changes
6.83	6.69	0.25	6.27	-0.19	6.80	0.18
4.67	3.94	0.29	4.24	-0.11	4.02	0.30
5.55	5.06	0.28	5.07	-0.13	5.16	0.27
4.82	5.31	0.42	4.26	-0.24	5.16	0.05
2.33	2.95	0.17	2.19	-0.13	3.06	0.06
2.98	3.54	0.23	2.72	-0.15	3.58	0.05
3.78	4.01	0.21	3.77	-0.21	4.09	-0.03
2.13	2.81	0.10	2.08	-0.13	2.86	-0.01
2.50	3.07	0.12	2.47	-0.14	3.14	0.00
6.00	6.03	0.27	5.54	-0.20	6.10	0.13
3.41	3.39	0.20	3.16	-0.12	3.47	0.16
4.27	4.26	0.23	3.95	-0.14	4.34	0.16

Net Income (Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	14.9	-2.2	10.1	4.9
	Basic materials	16.3	3.2	-5.0	4.2
	Processing	13.9	-5.9	21.2	5.3
	Nonmanufacturing	15.9	0.7	8.3	5.1
	All industries	15.4	-0.9	9.2	5.0
Medium-sized Enterprises	Manufacturing	20.0	3.5	1.3	-0.1
	Nonmanufacturing	16.2	-8.0	30.9	3.9
	All industries	17.8	-3.4	18.0	2.4
Small Enterprises	Manufacturing	12.8	-4.1	18.7	-0.3
	Nonmanufacturing	12.0	-1.7	15.8	-1.8
	All industries	12.3	-2.5	16.7	-1.3
All Enterprises	Manufacturing	15.3	-1.8	9.9	3.7
	Nonmanufacturing	15.1	-1.2	13.2	3.3
	All industries	15.2	-1.5	11.6	3.5

(Year-to-year % change)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
30.3	0.4	-4.8	-6.3	2.3	30.2	7.3
23.8	8.2	8.2	-17.3	-2.3	10.2	11.0
35.6	-4.7	-12.5	1.8	5.3	44.8	5.3
13.5	18.9	1.3	-0.2	-2.8	18.6	14.4
21.8	8.4	-2.0	-3.5	-0.2	24.7	10.4
17.0	22.7	6.1	-6.8	-4.6	8.4	3.6
13.9	18.0	-13.4	16.1	1.4	42.2	5.6
15.3	19.9	-6.1	5.8	-1.1	28.0	4.9
29.1	-1.4	-9.4	4.3	-1.9	35.0	1.0
51.9	-3.7	-2.8	13.7	-5.7	17.2	0.7
42.0	-3.1	-4.6	10.0	-4.3	21.9	0.8
28.7	2.7	-3.9	-5.3	1.1	27.7	6.1
18.4	12.0	-2.4	4.1	-2.7	22.0	9.0
23.4	7.6	-3.1	-0.6	-0.9	24.6	7.6

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	
			Revision rate	(Forecast)	Revision rate			Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	11.7	-3.4	11.2	4.8	13.1	10.5	-6.2	18.9	7.0	4.6	2.7
	Nonmanufacturing	9.1	-0.6	5.6	1.9	7.9	10.0	-0.6	11.3	5.4	1.1	-1.0
	All industries	10.0	-1.6	7.7	3.0	9.9	10.2	-2.7	14.2	6.0	2.4	0.3
Medium-sized Enterprises	Manufacturing	9.2	1.0	5.4	5.1	13.6	5.5	1.8	9.9	4.5	1.3	5.7
	Nonmanufacturing	6.2	1.3	3.7	1.1	16.7	-1.9	2.8	13.9	1.3	-5.7	0.8
	All industries	7.1	1.2	4.2	2.3	15.7	0.3	2.5	12.7	2.3	-3.5	2.4
Small Enterprises	Manufacturing	25.9	11.5	-18.7	8.6	16.2	35.2	12.1	2.3	9.6	-35.8	7.3
	Nonmanufacturing	1.4	1.9	-15.0	6.0	9.4	-6.1	4.1	-12.0	0.6	-18.4	13.2
	All industries	8.8	5.0	-16.3	6.9	11.5	6.2	7.0	-7.5	3.6	-25.0	11.2
All Enterprises	Manufacturing	13.4	-0.6	5.5	5.3	13.7	13.2	-2.5	14.9	7.0	-2.6	3.6
	Nonmanufacturing	7.2	0.2	1.8	2.3	9.7	5.2	0.6	7.3	3.8	-2.9	0.9
	All industries	9.4	-0.1	3.1	3.4	11.1	7.9	-0.5	10.1	5.0	-2.8	1.8

\* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.0	2.6	-4.1	2.0
	Nonmanufacturing	4.4	0.5	-5.3	-0.6
	All industries	4.9	1.2	-4.9	0.2
Medium-sized Enterprises	Manufacturing	-1.1	-1.8	-0.2	6.2
	Nonmanufacturing	-1.8	2.1	7.7	-6.3
	All industries	-1.7	1.7	6.8	-5.1
Small Enterprises	Manufacturing	-0.3	-5.2	5.0	6.7
	Nonmanufacturing	-2.7	0.7	-0.4	6.7
	All industries	-2.2	-0.7	0.8	6.7
All Enterprises	Manufacturing	5.1	1.8	-3.3	2.6
	Nonmanufacturing	2.4	0.9	-2.1	-1.6
	All industries	3.1	1.1	-2.4	-0.5

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	10.9	-3.9	11.9	4.2
	Nonmanufacturing	7.3	-1.4	8.2	2.0
	All industries	8.6	-2.3	9.6	2.8
Medium-sized Enterprises	Manufacturing	12.9	0.8	7.7	5.1
	Nonmanufacturing	0.1	0.6	7.2	-0.3
	All industries	3.9	0.6	7.4	1.3
Small Enterprises	Manufacturing	26.7	12.6	-16.0	8.2
	Nonmanufacturing	0.6	1.4	-6.1	4.6
	All industries	8.7	5.2	-9.6	5.8
All Enterprises	Manufacturing	13.2	-1.1	7.2	4.7
	Nonmanufacturing	5.0	-0.6	5.9	1.9
	All industries	7.9	-0.8	6.3	2.9

Land Purchasing Expenses

(Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	29.3	37.6	-47.5	52.5
	Nonmanufacturing	32.4	14.1	-42.9	-5.9
	All industries	31.7	18.1	-43.8	1.4
Medium-sized Enterprises	Manufacturing	-46.3	5.0	-66.4	17.4
	Nonmanufacturing	70.1	7.5	-18.7	6.6
	All industries	38.0	7.2	-23.8	7.1
Small Enterprises	Manufacturing	13.2	-1.0	-39.9	13.1
	Nonmanufacturing	4.8	4.4	-61.0	29.7
	All industries	6.7	3.1	-55.9	23.7
All Enterprises	Manufacturing	6.2	16.6	-46.9	30.6
	Nonmanufacturing	29.7	9.7	-42.3	3.4
	All industries	24.4	11.0	-43.2	7.4

Production Capacity

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

		March 2007 Survey		June 2007 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	0	-2	-3	-3	-3	0
	Nonmanufacturing	-2	-4	-2	0	-3	-1
	All industries	-1	-2	-2	-1	-3	-1
Medium-sized Enterprises	Manufacturing	-2	-4	-1	1	-5	-4
	Nonmanufacturing	-2	-4	-3	-1	-4	-1
	All industries	-2	-4	-2	0	-5	-3
Small Enterprises	Manufacturing	0	-3	2	2	-2	-4
	Nonmanufacturing	-1	-2	1	2	-2	-3
	All industries	-1	-2	0	1	-2	-2
All Enterprises	Manufacturing	-1	-3	0	1	-4	-4
	Nonmanufacturing	-2	-2	-1	1	-3	-2
	All industries	-1	-2	0	1	-3	-3

## 5. Fixed Investment of Financial institutions

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

	FY2006		FY2007	
		Revision rate	(Forecast)	Revision rate
Financial institutions	1.2	0.2	32.0	2.7
Banks	-4.0	3.7	25.0	2.4
Shinkin banks & Other financial institutions for small businesses	1.7	4.7	49.1	3.2
Securities companies	46.4	0.6	18.4	-0.4
Insurance companies	13.1	-6.5	52.2	4.8
Non-deposit money corporations	-20.5	-4.4	1.5	-1.3
(Memo) All industries including Financial institutions	9.2	-0.1	3.7	3.3
Nonmanufacturing including Financial institutions	7.0	0.2	2.7	2.3

\* Excludes Software Investment

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

Financial institutions	5.5	-0.7	27.9	4.9
Banks	-6.1	0.5	20.9	12.2
Shinkin banks & Other financial institutions for small businesses	39.8	5.2	-5.4	15.4
Securities companies	17.8	-0.7	58.7	5.7
Insurance companies	19.8	-4.0	39.1	-12.0
Non-deposit money corporations	26.8	-5.7	18.3	-2.5
(Memo) All industries including Financial institutions	3.6	0.8	3.3	0.7
Nonmanufacturing including Financial institutions	3.1	0.5	5.2	0.2

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

Financial institutions	-29.5	49.1	-19.4	12.4
Banks	-31.5	120.7	-84.8	17.7
Shinkin banks & Other financial institutions for small businesses	-41.8	0.7	-23.7	64.1
Securities companies	-	0.0	-95.4	34.4
Insurance companies	-13.7	-4.4	158.5	6.3
Non-deposit money corporations	-96.7	6.8	-100.0	-
(Memo) All industries including Financial institutions	21.2	12.0	-42.3	7.6
Nonmanufacturing including Financial institutions	25.2	11.0	-41.3	3.9

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

Financial institutions	7.1	-2.8	34.2	3.3
Banks	-1.1	-3.1	34.0	6.6
Shinkin banks & Other financial institutions for small businesses	23.0	5.3	39.7	3.2
Securities companies	25.6	-0.3	45.4	3.8
Insurance companies	19.2	-5.8	37.2	-2.5
Non-deposit money corporations	-2.1	-5.0	9.5	-1.9
(Memo) All industries including Financial institutions	7.8	-0.9	7.3	2.9
Nonmanufacturing including Financial institutions	5.1	-0.8	7.3	2.0

## 6. Employment

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

		March 2007 Survey		June 2007 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	-7	-8	-6	1	-9	-3
	Nonmanufacturing	-19	-19	-17	2	-19	-2
	All industries	-13	-14	-11	2	-14	-3
Medium-sized Enterprises	Manufacturing	-8	-9	-6	2	-9	-3
	Nonmanufacturing	-15	-17	-14	1	-17	-3
	All industries	-12	-14	-11	1	-14	-3
Small Enterprises	Manufacturing	-6	-8	-3	3	-7	-4
	Nonmanufacturing	-13	-14	-9	4	-13	-4
	All industries	-10	-11	-7	3	-11	-4
All Enterprises	Manufacturing	-7	-8	-5	2	-9	-4
	Nonmanufacturing	-14	-16	-12	2	-16	-4
	All industries	-12	-13	-8	4	-13	-5

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

	end of June 2006	end of Sept. 2006	end of Dec. 2006	end of March 2007
Large Enterprises	2.1	1.5	1.8	0.8
Medium-sized Enterprises	3.0	3.7	3.9	4.7
Small Enterprises	1.2	0.8	0.9	1.4
All Enterprises	1.9	1.8	2.0	2.0
All Enterprises & Financial institutions	1.9	1.8	2.0	2.0
Financial institutions	2.6	2.0	1.0	0.9

\* Figures of 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)

	FY2006		FY2007		FY2008	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	15.0	0.0	11.6	2.1	4.6	-
Medium-sized Enterprises	11.7	2.0	4.0	1.9	4.7	-
Small Enterprises	2.3	-2.0	6.9	-4.5	1.5	-
All Enterprises	9.1	-0.3	8.0	-0.5	3.5	-
All Enterprises & Financial institutions	9.6	-0.5	9.4	-0.5	3.1	-
Financial institutions	16.7	-2.7	27.8	0.2	-0.3	-

## 7. Corporate Finance

### Financial Position (All industries)

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

	March 2007 Survey		June 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	21		22
Medium-sized Enterprises	9		11	2
Small Enterprises	-2		0	2
All Enterprises	6		8	2

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

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

	March 2007 Survey		June 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	24		24
Medium-sized Enterprises	16		16	0
Small Enterprises	9		9	0
All Enterprises	15		15	0

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

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

	March 2007 Survey		June 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Large Enterprises	44	54	38	-6	49
Medium-sized Enterprises	48	67	47	-1	56	9
Small Enterprises	44	66	51	7	58	7
All Enterprises	45	63	47	2	55	8

### Condition for CP Issuance (All industries)

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

	March 2007 Survey		June 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	4		4

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

(Months)

	end of June 2006	end of Sept. 2006	end of Dec. 2006	end of March 2007
Large Enterprises	0.88	0.85	0.82	0.87
Medium-sized Enterprises	1.03	1.01	1.04	1.04
Small Enterprises	1.63	1.69	1.70	1.73
All Enterprises	1.10	1.10	1.09	1.13

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 of 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)

	March 2007 Survey		June 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	46	47	51	5	50
Shinkin banks & Other financial institutions for small businesses	32	29	35	3	35	0
Securities companies	34	52	34	0	52	18
Insurance companies	47	53	49	2	55	6
Non-deposit money corporations	12	16	9	-3	16	7
Financial institutions	38	43	41	3	45	4

### Production Capacity

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

	March 2007 Survey		June 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	0	0	2	2	0
Shinkin banks & Other financial institutions for small businesses	0	0	-6	-6	3	9
Securities companies	-30	-30	-26	4	-30	-4
Insurance companies	-13	-11	-19	-6	-19	0
Non-deposit money corporations	4	8	8	4	0	-8
Financial institutions	-6	-5	-8	-2	-8	0

### Employment Conditions

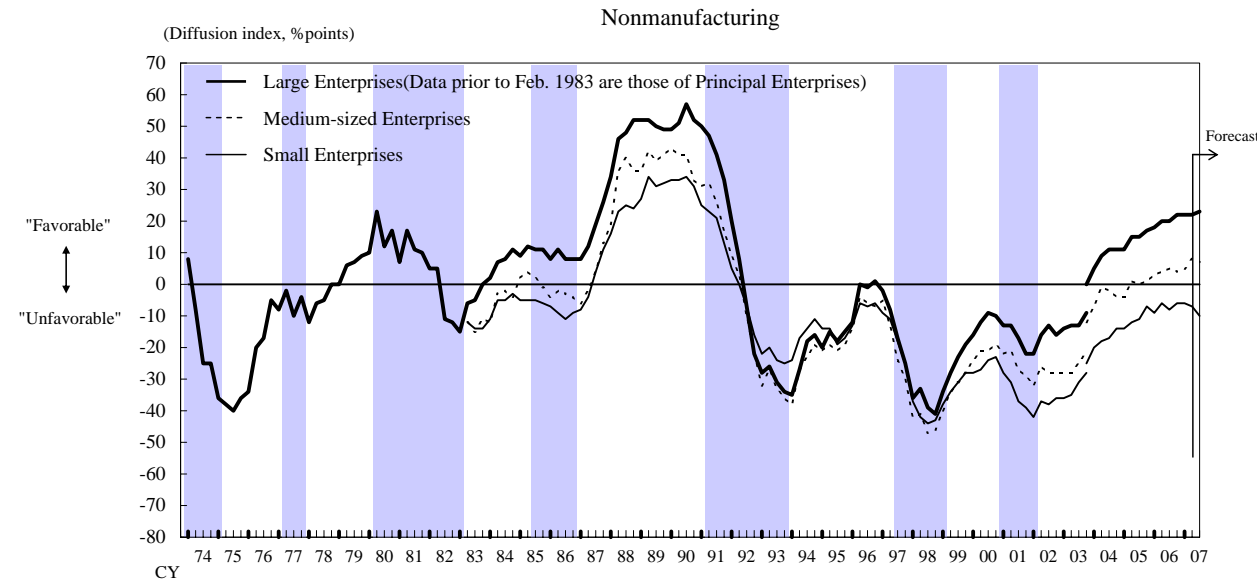
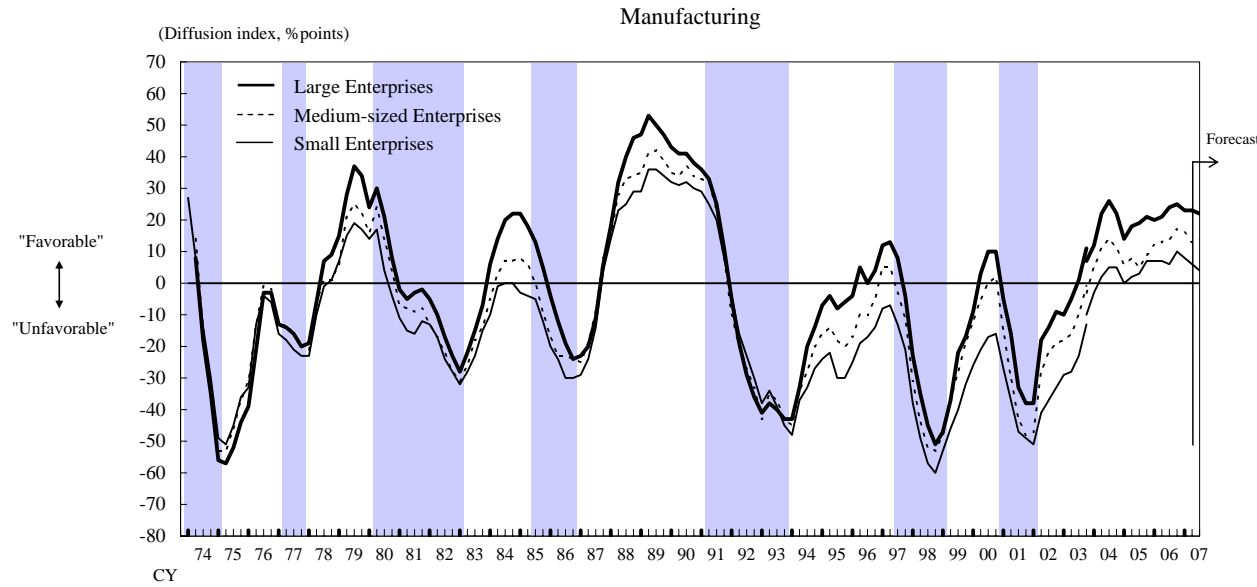
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	March 2007 Survey		June 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	-25	-21	-22	3	-26
Shinkin banks & Other financial institutions for small businesses	-17	-9	-12	5	-18	-6
Securities companies	-52	-48	-44	8	-33	11
Insurance companies	-53	-47	-60	-7	-40	20
Non-deposit money corporations	-17	0	-4	13	0	4
Financial institutions	-33	-26	-30	3	-26	4

(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)

	June 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	23	13	6
Forecast	22	14	4

Peaks and Bottoms of Business Conditions (from May 1983)

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

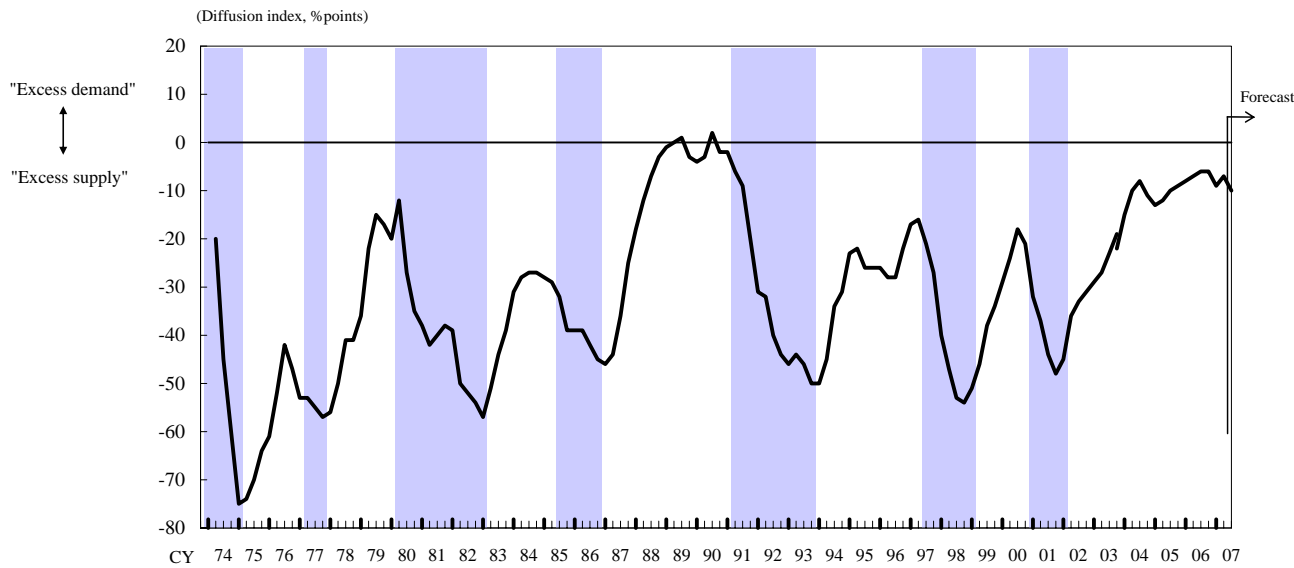
Nonmanufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (83/5)		-15 (83/8)		-14 (83/8,11)
12 (85/5)	8 (86/2,8,11,87/2)	4 (85/5)	-6 (87/2)	-3 (84/11)	-11 (86/8)
57 (90/8)	-35 (94/2)	43 (90/2)	-38 (94/2)	34 (89/5,90/8)	-25 (93/11)
1 (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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	22	8	-7
Forecast	23	7	-10



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

Domestic Supply and Demand Conditions for Products and Services



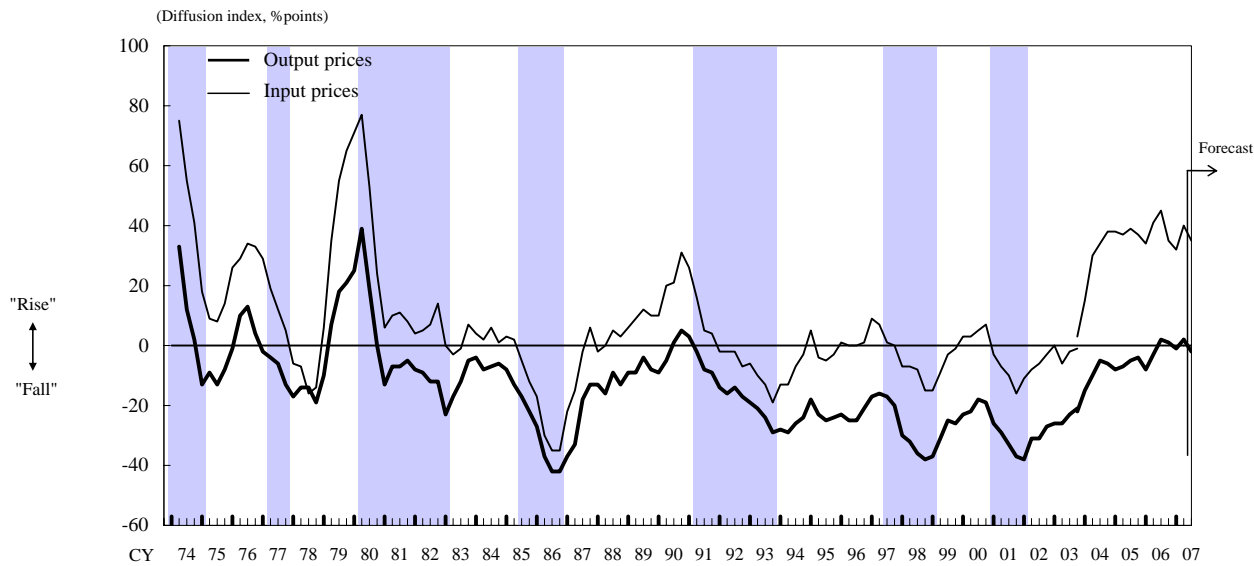
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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)

June 2007 survey	
Actual result	-7
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)

June 2007 survey		
	Output Prices	Input Prices
Actual result	2	40
Forecast	-2	35

[Ratio of Current Profit to Sales]

Manufacturing

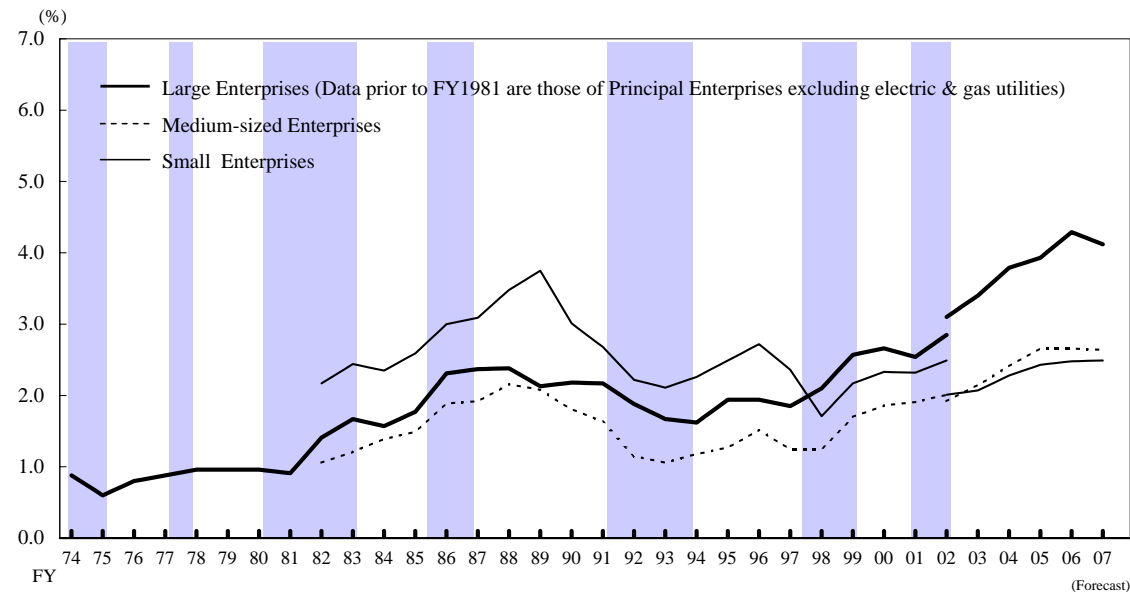


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974) (%)

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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2006	6.76	5.07	3.90
FY2007 (Forecast)	6.55	4.73	3.94

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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2006	4.29	2.66	2.48
FY2007 (Forecast)	4.12	2.64	2.49

[Developments of Fixed Investment including Land Purchasing Expenses]

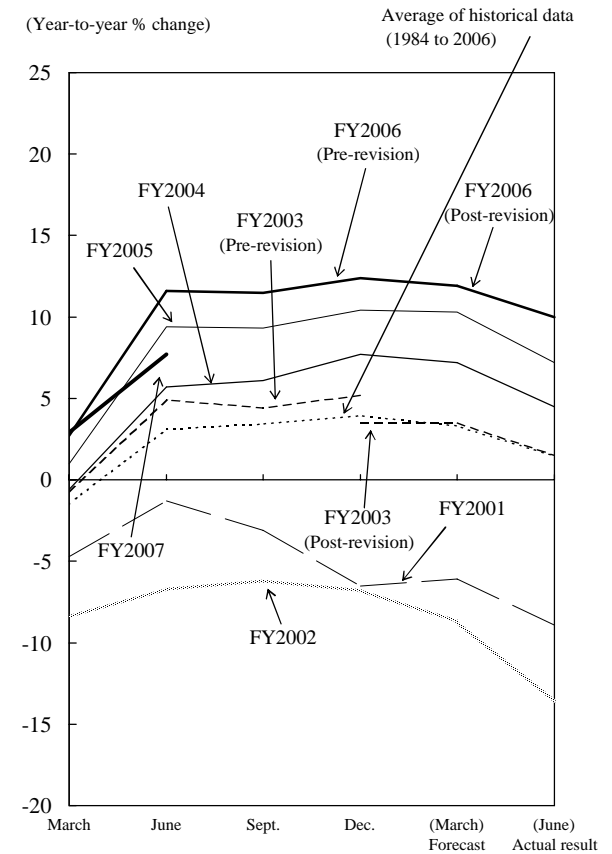
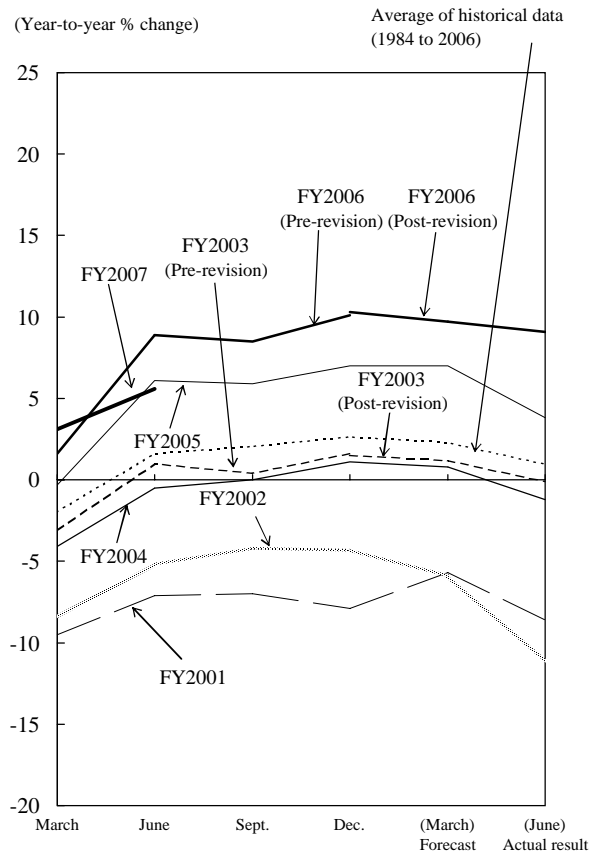
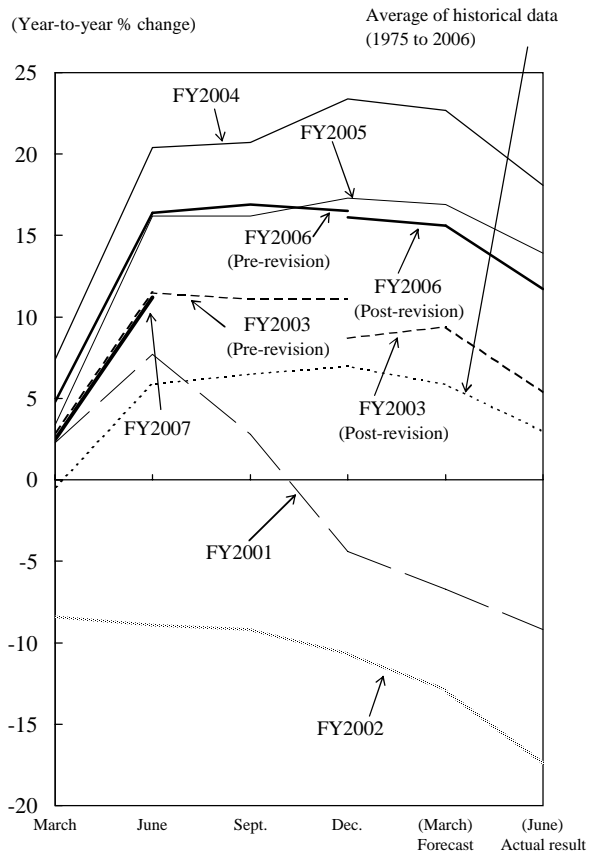
- Note:1. The graphs indicate the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year;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

Manufacturing

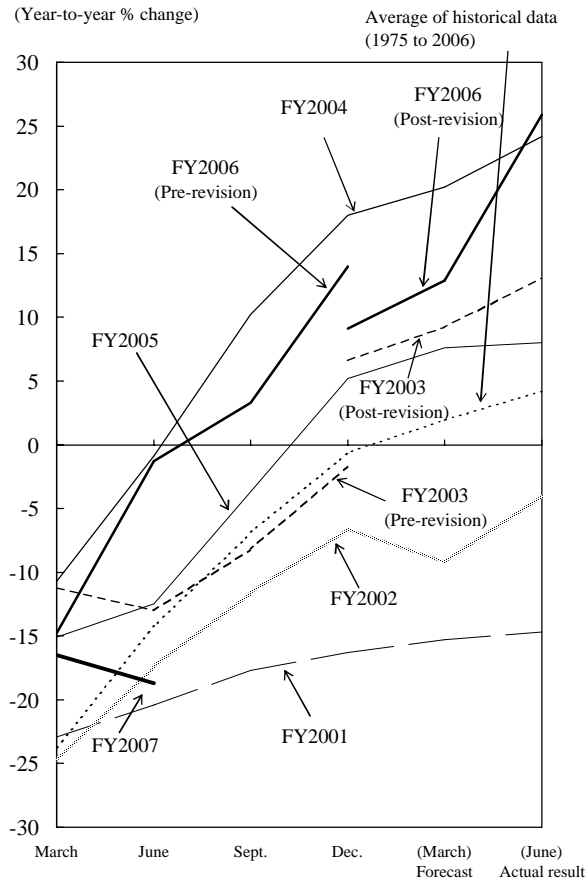
Nonmanufacturing

All industries

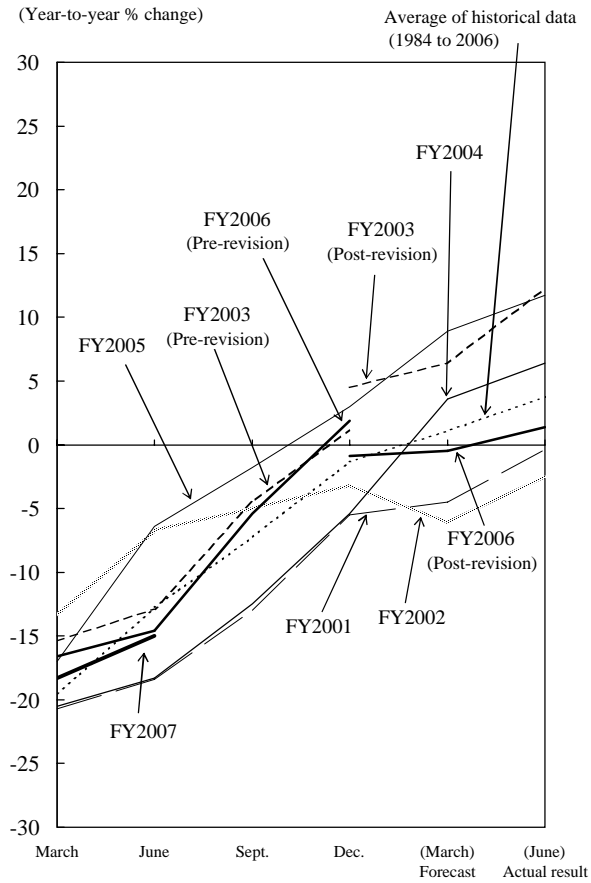


(2) Small Enterprises

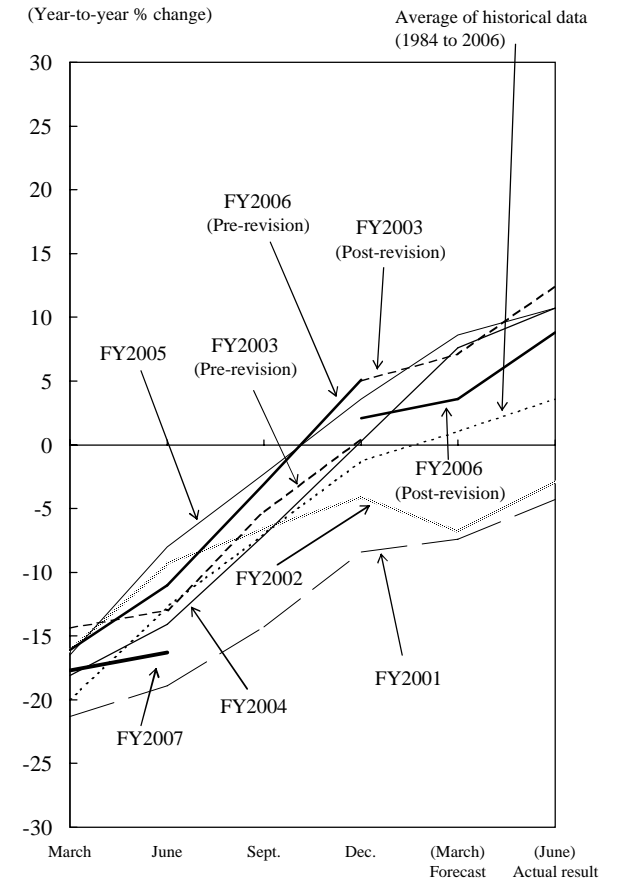
Manufacturing



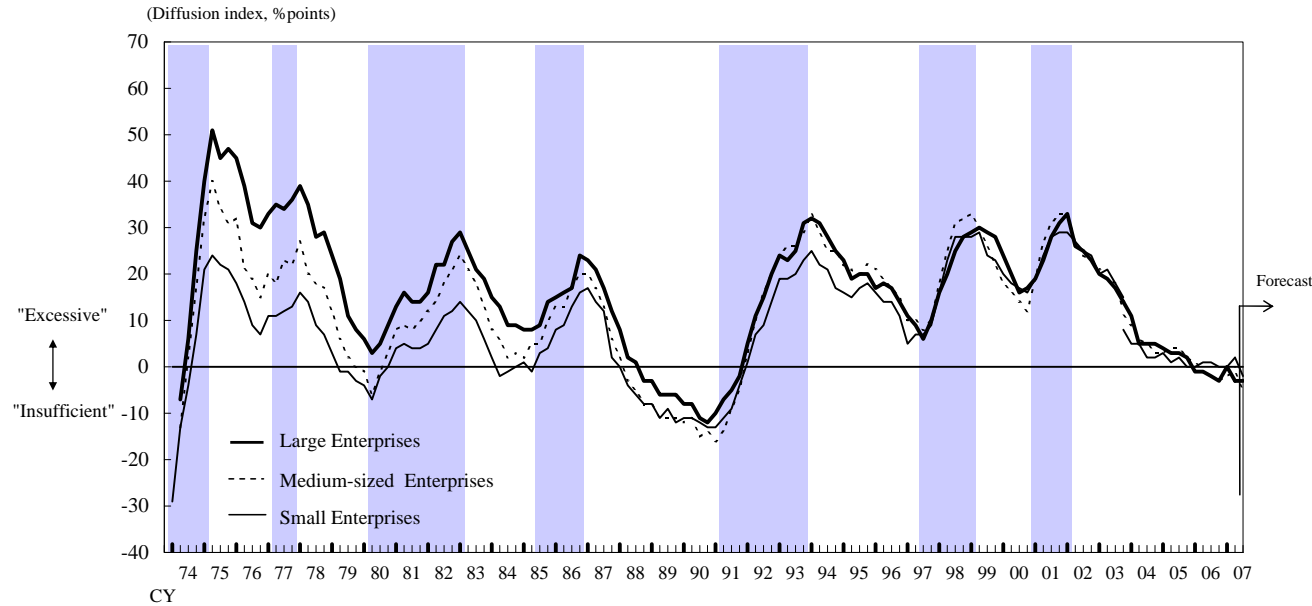
Nonmanufacturing



All industries



## [Production Capacity (Manufacturing)]



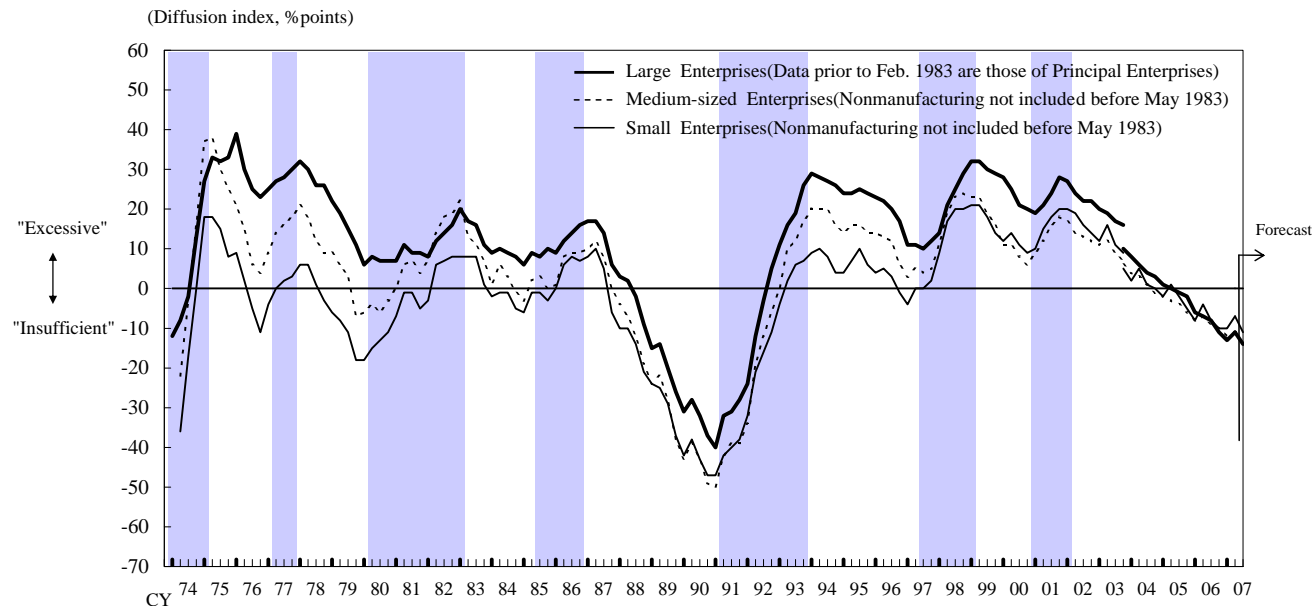
## Peaks and Bottoms of Production Capacity (from May 1974)

(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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-3	-1	2
Forecast	-3	-5	-2

## [Employment Condition (All industries)]



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

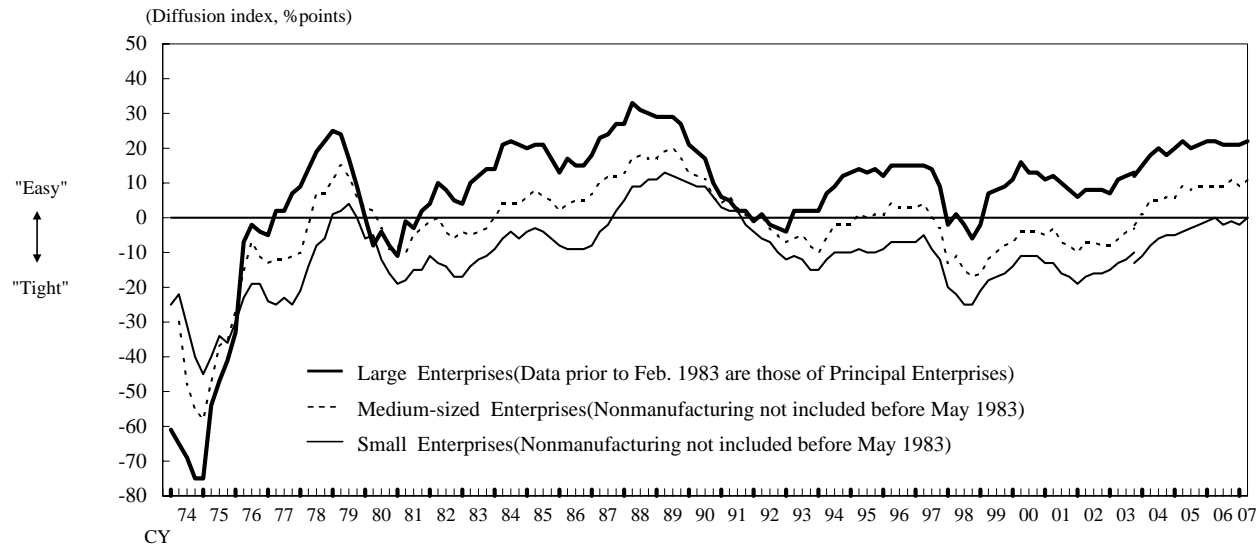
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

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

	June 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-11	-11	-7
Forecast	-14	-14	-11

[Corporate Finance (All industries)]

Financial Position



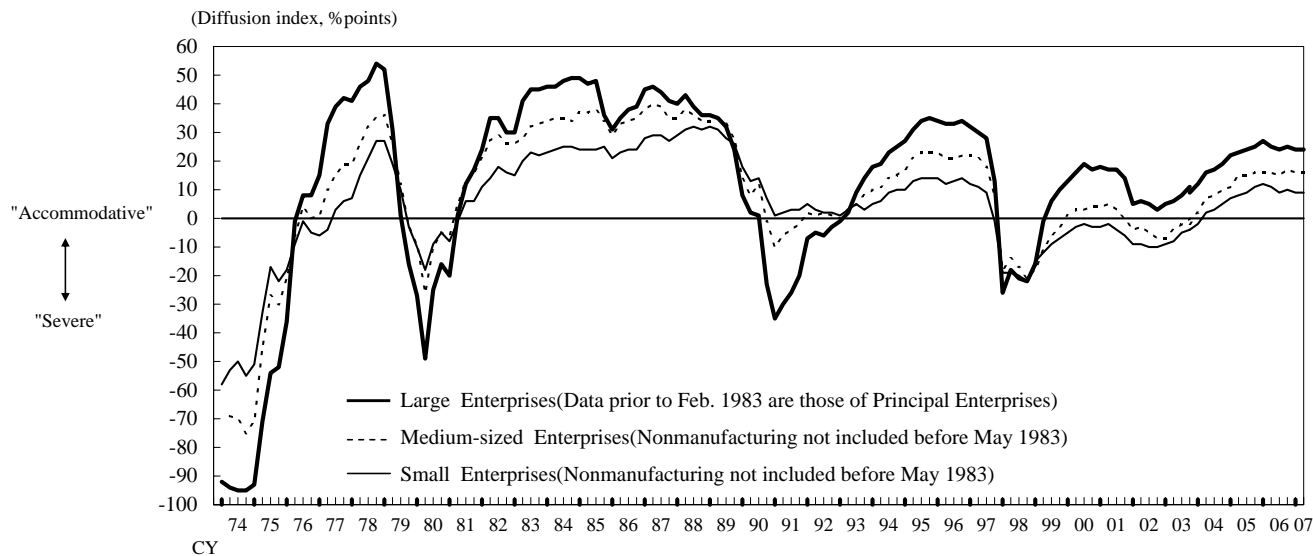
Peaks and Bottoms of Financial Position (from May 1983)

(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)

	June 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	22	11	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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	24	16	9