

TANKAN Summary (June 2008)

137th Short-term Economic Survey of Enterprises in Japan

Not to be released before 8:50 a.m.
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July 1, 2008
Research and Statistics Department
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,401	6,178	10,579	98.9%
Large Enterprises	1,230	1,198	2,428	99.1%
Medium-sized Enterprises	1,200	1,632	2,832	99.3%
Small Enterprises	1,971	3,348	5,319	98.6%
Financial institutions	-	-	208	100.0%

Responding Period: May 28 to June 30

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

	FY 2007		FY 2008		(yen per US dollar)	
	1H	2H	1H	2H	1H	2H
March 2008 Survey	115.17	118.40	112.00	109.21	109.56	108.86
June 2008 Survey	114.38	118.43	110.45	102.74	102.88	102.61

1. Business Conditions

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	March 2008 Survey		June 2008 Survey				March 2008 Survey		June 2008 Survey				March 2008 Survey		June 2008 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes	Actual result	Forecast	Actual result	Forecast	Changes	Changes	Actual result	Forecast	Actual result	Forecast	Changes	Changes
Manufacturing	11	-7	5	-6	4	-1	5	-1	-2	-7	-5	-3	-6	-9	-10	-4	-15	-5
Textiles	-3	5	-10	-7	-12	-2	-29	-24	-27	2	-39	-12	-31	-32	-34	-3	-44	-10
Lumber & Wood products	-36	-27	-23	13	-5	18	-50	-35	-42	8	-36	6	-42	-35	-45	-3	-35	10
Pulp & Paper	0	-6	-3	-3	0	3	-34	-11	-32	2	-25	7	-18	-15	-22	-4	-21	1
Chemicals	13	9	8	-5	5	-3	2	5	-3	-5	-5	-2	-4	-13	-9	-5	-22	-13
Petroleum & Coal products	-5	-5	-19	-14	-33	-14	27	16	21	-6	6	-15	-8	-28	-32	-24	-43	-11
Ceramics, Stone & Clay	-8	-14	-16	-8	-12	4	-14	-20	-20	-6	-22	-2	-35	-33	-44	-9	-41	3
Iron & Steel	13	13	-6	-19	15	21	23	10	14	-9	5	-9	25	8	23	-2	-5	-28
Nonferrous metals	8	16	10	2	13	3	0	2	-17	-17	-8	9	12	2	5	-7	-3	-8
Food & Beverages	0	-4	4	4	2	-2	-4	-11	-3	1	-8	-5	-8	-8	-6	2	-12	-6
Processed metals	-23	-19	-16	7	-16	0	18	13	16	-2	8	-8	-4	-9	-3	1	-12	-9
Industrial machinery	28	27	22	-6	16	-6	21	12	13	-8	7	-6	13	5	2	-11	-3	-5
Electrical machinery	10	11	3	-7	7	4	2	-7	-6	-8	-6	0	-5	-6	-10	-5	-12	-2
Shipbuilding & Heavy machinery etc.	39	13	17	-22	10	-7	42	28	29	-13	16	-13	33	23	27	-6	21	-6
Motor vehicles	33	12	15	-18	6	-9	29	12	13	-16	1	-12	30	14	13	-17	2	-11
Precision machinery	8	10	16	8	11	-5	25	17	21	-4	21	0	-1	3	-3	-2	-6	-3
Basic materials	4	3	-3	-7	0	3	-9	-8	-14	-5	-16	-2	-15	-20	-22	-7	-28	-6
Processing	14	10	8	-6	6	-2	12	2	5	-7	0	-5	0	-3	-4	-4	-8	-4
Nonmanufacturing	12	13	10	-2	8	-2	-3	-6	-5	-2	-10	-5	-15	-21	-20	-5	-27	-7
Construction	-9	-2	-1	8	0	1	-16	-20	-18	-2	-27	-9	-23	-37	-31	-8	-41	-10
Real estate	21	14	22	1	12	-10	3	-1	-1	-4	-5	-4	-1	-7	-3	-2	-12	-9
Wholesaling	14	13	12	-2	11	-1	-2	-8	-2	0	-8	-6	-16	-18	-17	-1	-24	-7
Retailing	0	10	0	0	1	1	-9	-7	-14	-5	-11	-3	-23	-24	-22	1	-30	-8
Transportation	17	15	16	-1	9	-7	-6	-9	-4	2	-12	-8	-15	-19	-20	-5	-31	-11
Communications	29	18	34	5	27	-7	7	10	0	-7	7	7	-5	13	-23	-18	-14	9
Information services	42	33	32	-10	32	0	19	18	20	1	13	-7	23	16	17	-6	11	-6
Electric & Gas utilities	-7	-2	-4	3	-6	-2	5	1	2	-3	-7	-9	-17	-17	-20	-3	-29	-9
Services for businesses	22	22	20	-2	19	-1	13	1	10	-3	-1	-11	3	-1	-5	-8	-9	-4
Services for individuals	13	16	10	-3	11	1	0	2	4	4	-1	-5	-16	-14	-16	0	-20	-4
Restaurants & Accommodations	-3	-3	-14	-11	-22	-8	-10	-15	-29	-19	-22	7	-30	-28	-30	0	-32	-2
Leasing	5	6	0	-5	-3	-3	5	5	2	-3	-7	-9	3	-8	-10	-13	-6	4
All industries	12	10	7	-5	6	-1	1	-4	-4	-5	-9	-5	-11	-17	-16	-5	-22	-6

	All Enterprises					
Manufacturing	2	-2	-3	-5	-7	-4
Nonmanufacturing	-7	-11	-10	-3	-16	-6
All industries	-4	-7	-7	-3	-12	-5

(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 2008 Survey			June 2008 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	11	5	-6	5	-2	-10	4	-5	-15
1.Favorable	22	23	19	17	19	17	14	14	13
2.Not so favorable	67	59	56	71	60	56	76	67	59
3.Unfavorable	11	18	25	12	21	27	10	19	28
Nonmanufacturing	12	-3	-15	10	-5	-20	8	-10	-27
1.Favorable	22	16	12	20	14	10	17	10	8
2.Not so favorable	68	65	61	70	67	60	74	70	57
3.Unfavorable	10	19	27	10	19	30	9	20	35

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		March 2008 Survey		June 2008 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	-11	-11	-10	1	-10	0
	Basic materials	-12	-11	-10	2	-9	1
	Processing	-11	-11	-10	1	-11	-1
	Nonmanufacturing	-16	-19	-19	-3	-19	0
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	2	2	1	-1	2	1
	Basic materials	1	-1	1	0	2	1
	Processing	3	3	2	-1	2	0

Inventory Level of Finished Goods & Merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	15	13	-2		
	Basic materials	16	12	-4		
	Processing	15	13	-2		
Wholesalers' Inventory Level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	13	12	-1		
	Basic materials	14	12	-2		
	Processing	12	12	0		

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	3	5	10	7	14	4
	Basic materials	21	25	32	11	36	4
	Processing	-5	-4	-1	4	4	5
	Nonmanufacturing	5	7	10	5	9	-1
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	50	51	59	9	59	0
	Basic materials	58	52	68	10	67	-1
	Processing	48	50	55	7	56	1
	Nonmanufacturing	34	36	41	7	42	1

(%points)

		Small Enterprises					
		March 2008 Survey		June 2008 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	-24	-25	-25	-1	-28	-3
	Basic materials	-31	-33	-34	-3	-33	1
	Processing	-20	-20	-21	-1	-24	-3
	Nonmanufacturing	-34	-36	-37	-3	-38	-1
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-4	-4	-7	-3	-7	0
	Basic materials	-8	-9	-9	-1	-8	1
	Processing	-3	-2	-6	-3	-7	-1

Inventory Level of Finished Goods & Merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	14	16	2		
	Basic materials	18	18	0		
	Processing	13	14	1		
Wholesalers' Inventory Level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	15	18	3		
	Basic materials	19	25	6		
	Processing	13	15	2		

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	2	8	8	6	15	7
	Basic materials	9	20	16	7	23	7
	Processing	-1	2	4	5	10	6
	Nonmanufacturing	-10	-5	-4	6	0	4
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	63	69	71	8	74	3
	Basic materials	65	70	71	6	75	4
	Processing	63	68	71	8	75	4
	Nonmanufacturing	45	52	54	9	61	7

3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.1	0.3	3.5	1.9
	Domestic Sales	4.6	0.2	4.2	2.4
	Exports	9.9	0.7	1.7	0.8
	Nonmanufacturing	4.5	1.1	3.7	3.0
	All industries	5.2	0.8	3.6	2.5
Medium-sized Enterprises	Manufacturing	3.7	0.9	3.5	1.4
	Nonmanufacturing	4.2	0.6	1.8	0.9
	All industries	4.1	0.7	2.2	1.0
Small Enterprises	Manufacturing	2.5	0.8	2.2	0.7
	Nonmanufacturing	1.8	0.9	-1.0	0.4
	All industries	2.0	0.9	-0.3	0.5
All Enterprises	Manufacturing	5.1	0.5	3.3	1.6
	Nonmanufacturing	3.6	0.9	1.9	1.8
	All industries	4.1	0.8	2.4	1.7

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

(Year-to-year % change)

1H FY2007	2H FY2007		1H FY2008		2H FY2008	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
6.5	5.8	0.7	3.3	1.4	3.6	2.4
3.8	5.3	0.5	4.9	2.4	3.6	2.3
13.1	7.0	1.4	-0.3	-1.0	3.7	2.6
4.9	4.1	1.7	3.7	2.2	3.7	3.7
5.5	4.8	1.3	3.5	1.8	3.7	3.2
3.5	3.9	1.4	3.7	1.1	3.3	1.6
4.8	3.7	0.9	2.8	1.2	0.8	0.6
4.4	3.8	1.0	3.0	1.2	1.4	0.9
2.1	2.9	1.4	2.8	0.4	1.7	1.0
1.7	1.9	1.5	-0.6	0.2	-1.4	0.5
1.8	2.1	1.4	0.2	0.2	-0.7	0.6
5.3	5.0	0.9	3.3	1.2	3.3	2.1
3.9	3.4	1.5	2.3	1.4	1.6	2.1
4.4	3.9	1.3	2.6	1.3	2.2	2.1

Current Profits (Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	0.8	-1.9	-9.9	-11.6
	Basic materials	-4.9	-3.4	-11.4	-12.2
	Processing	4.5	-0.9	-9.0	-11.2
	Nonmanufacturing	0.3	3.4	-3.8	-1.2
	All industries	0.6	0.6	-7.0	-6.7
Medium-sized Enterprises	Manufacturing	-9.8	-2.0	0.4	-5.0
	Nonmanufacturing	-0.4	1.5	3.7	-2.8
	All industries	-4.1	0.2	2.5	-3.6
Small Enterprises	Manufacturing	-12.3	-2.0	8.3	-9.0
	Nonmanufacturing	-1.6	2.3	-2.5	-4.4
	All industries	-4.9	1.0	0.6	-5.8
All Enterprises	Manufacturing	-2.0	-1.9	-6.9	-10.5
	Nonmanufacturing	-0.2	2.8	-2.3	-2.2
	All industries	-1.0	0.6	-4.4	-6.1

(Year-to-year % change)

1H FY2007	2H FY2007		1H FY2008		2H FY2008	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
11.1	-8.8	-3.8	-22.1	-18.8	4.0	-4.4
7.5	-17.0	-7.5	-24.5	-19.5	4.9	-4.3
13.5	-3.6	-1.6	-20.6	-18.3	3.4	-4.4
3.0	-2.6	6.1	-13.1	-10.4	6.9	9.1
7.1	-5.9	0.7	-17.8	-14.7	5.3	1.7
-0.8	-17.5	-3.7	-15.1	-9.6	16.3	-1.2
2.9	-2.7	2.1	1.4	-2.8	5.5	-2.7
1.3	-8.3	0.0	-5.3	-5.4	9.2	-2.2
-9.4	-14.8	-3.1	-1.8	-14.5	17.7	-4.2
5.1	-6.3	3.5	-9.5	-5.9	2.9	-3.2
0.1	-8.7	1.7	-7.1	-8.9	6.9	-3.5
7.4	-10.6	-3.7	-19.4	-17.3	6.9	-3.9
3.4	-3.5	4.7	-10.3	-8.4	5.7	3.7
5.2	-6.8	0.8	-14.6	-12.6	6.2	0.1

3. Sales and Current Profits(Continued)

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

		FY2007		FY2008	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	6.42	-0.15	5.59	-0.86
	Nonmanufacturing	4.12	0.10	3.82	-0.16
	All industries	5.06	-0.01	4.54	-0.46
Medium-sized Enterprises	Manufacturing	4.41	-0.13	4.28	-0.29
	Nonmanufacturing	2.54	0.02	2.59	-0.10
	All industries	3.01	-0.02	3.02	-0.15
Small Enterprises	Manufacturing	3.33	-0.10	3.53	-0.38
	Nonmanufacturing	2.40	0.03	2.36	-0.12
	All industries	2.61	0.00	2.63	-0.18
All Enterprises	Manufacturing	5.61	-0.13	5.06	-0.68
	Nonmanufacturing	3.28	0.06	3.14	-0.13
	All industries	4.05	-0.01	3.78	-0.32

(% , %points)

1H FY2007	2H FY2007		1H FY2008		2H FY2008	
		Changes	(Forecast)	Changes	(Forecast)	Changes
7.13	5.77	-0.27	5.38	-1.33	5.79	-0.41
4.58	3.69	0.15	3.84	-0.54	3.80	0.19
5.63	4.54	-0.03	4.47	-0.86	4.61	-0.07
4.62	4.22	-0.22	3.78	-0.45	4.75	-0.13
2.29	2.77	0.04	2.26	-0.09	2.89	-0.10
2.89	3.13	-0.03	2.65	-0.19	3.37	-0.10
3.35	3.32	-0.15	3.20	-0.56	3.84	-0.21
2.20	2.58	0.05	2.00	-0.13	2.69	-0.11
2.46	2.75	0.01	2.28	-0.23	2.96	-0.12
6.12	5.13	-0.25	4.77	-1.07	5.32	-0.33
3.40	3.17	0.10	2.98	-0.32	3.29	0.05
4.31	3.82	-0.02	3.58	-0.57	3.97	-0.08

Net Income (Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.4	-5.7	-4.4	-11.9
	Basic materials	-14.1	-7.8	-1.5	-10.2
	Processing	19.8	-4.6	-5.9	-12.8
	Nonmanufacturing	-4.7	-3.8	8.4	-0.1
	All industries	0.7	-4.9	1.3	-6.6
Medium-sized Enterprises	Manufacturing	-12.3	-7.8	12.9	-5.9
	Nonmanufacturing	5.0	-10.6	28.0	-3.7
	All industries	-2.5	-9.5	22.1	-4.5
Small Enterprises	Manufacturing	-11.6	-6.5	20.5	-10.3
	Nonmanufacturing	-7.0	-3.8	16.5	-7.0
	All industries	-8.5	-4.7	17.8	-8.1
All Enterprises	Manufacturing	1.5	-6.0	-0.3	-11.1
	Nonmanufacturing	-3.8	-4.9	13.1	-2.3
	All industries	-1.2	-5.5	6.5	-6.6

(Year-to-year % change)

1H FY2007	2H FY2007		1H FY2008		2H FY2008	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
9.0	1.0	-12.4	-21.5	-18.9	18.3	-4.7
-7.6	-22.1	-17.3	-20.2	-18.2	26.0	-1.3
21.4	18.0	-9.8	-22.3	-19.3	14.6	-6.4
3.2	-14.1	-10.2	-9.4	-8.0	34.0	9.0
6.3	-6.2	-11.4	-16.0	-13.9	25.2	1.2
1.1	-24.0	-14.7	-11.3	-10.4	40.9	-2.3
21.5	-7.6	-18.9	7.2	-6.9	49.0	-1.2
12.3	-14.5	-17.3	-0.3	-8.2	46.0	-1.6
-16.7	-5.8	-11.8	-1.0	-18.6	42.1	-3.4
-3.3	-9.3	-6.0	10.9	-8.4	20.2	-6.2
-8.6	-8.4	-7.7	6.6	-12.1	26.1	-5.3
5.5	-3.2	-12.6	-18.8	-18.0	23.3	-4.2
4.5	-11.8	-10.8	-3.9	-7.9	32.9	3.0
5.0	-7.8	-11.6	-11.5	-12.9	28.3	-0.5

4. Fixed Investment etc.

Fixed Investment including Land Purchasing Expenses*

(Year-to-year % change)

(Year-to-year % change)

		FY2007		FY2008		1H FY2007	2H FY2007		1H FY2008		2H FY2008	
			Revision rate	(Forecast)	Revision rate			Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	4.6	-4.5	6.7	5.5	6.6	2.9	-8.3	14.3	7.6	0.0	3.4
	Nonmanufacturing	5.0	-0.1	-0.1	0.3	4.4	5.5	-0.4	6.3	-2.2	-5.2	2.7
	All industries	4.9	-1.8	2.4	2.3	5.3	4.6	-3.3	9.4	1.5	-3.4	3.0
Medium-sized Enterprises	Manufacturing	1.4	-1.0	1.0	3.4	-2.1	4.5	-2.7	14.0	5.1	-10.0	1.6
	Nonmanufacturing	-1.1	1.1	2.3	5.7	0.1	-2.2	2.6	3.2	3.2	1.5	8.1
	All industries	-0.3	0.4	1.9	4.9	-0.6	-0.1	0.8	6.6	3.8	-2.3	6.0
Small Enterprises	Manufacturing	-3.5	2.4	-16.7	7.5	-3.5	-3.4	5.8	3.2	9.1	-33.0	5.6
	Nonmanufacturing	5.1	3.8	-21.9	9.3	7.6	2.3	7.1	-22.6	11.4	-21.2	7.1
	All industries	2.1	3.3	-20.2	8.7	4.1	0.1	6.6	-15.1	10.6	-25.5	6.6
All Enterprises	Manufacturing	2.9	-3.0	2.4	5.4	3.8	2.1	-5.6	12.6	7.4	-6.6	3.4
	Nonmanufacturing	4.0	0.7	-3.5	2.4	4.3	3.7	1.1	0.1	0.6	-6.5	4.1
	All industries	3.6	-0.6	-1.4	3.5	4.1	3.1	-1.3	4.6	3.1	-6.6	3.9

* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.9	0.3	7.4	9.0
	Nonmanufacturing	2.0	7.4	5.2	8.8
	All industries	3.5	5.0	5.9	8.9
Medium-sized Enterprises	Manufacturing	0.5	0.5	9.9	0.9
	Nonmanufacturing	6.8	1.6	-1.4	3.3
	All industries	6.1	1.4	-0.2	3.0
Small Enterprises	Manufacturing	-1.6	-1.2	19.6	18.1
	Nonmanufacturing	2.4	0.9	1.6	19.0
	All industries	1.5	0.5	5.6	18.8
All Enterprises	Manufacturing	5.9	0.3	8.2	8.9
	Nonmanufacturing	3.1	5.5	3.4	8.1
	All industries	3.9	4.0	4.7	8.3

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.2	-4.4	8.0	5.8
	Nonmanufacturing	1.2	-1.2	6.2	1.9
	All industries	2.7	-2.5	6.9	3.4
Medium-sized Enterprises	Manufacturing	1.2	-1.6	2.6	2.8
	Nonmanufacturing	2.9	0.9	2.0	4.8
	All industries	2.4	0.1	2.2	4.1
Small Enterprises	Manufacturing	-4.5	2.2	-9.7	5.8
	Nonmanufacturing	3.9	2.5	-11.7	7.7
	All industries	0.9	2.4	-11.0	7.1
All Enterprises	Manufacturing	3.2	-3.2	4.8	5.4
	Nonmanufacturing	1.9	-0.3	2.7	3.1
	All industries	2.4	-1.4	3.5	3.9

Land Purchasing Expenses

(Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-7.7	7.6	-39.8	-1.0
	Nonmanufacturing	55.1	17.7	-53.6	-14.6
	All industries	42.5	16.3	-51.8	-12.6
Medium-sized Enterprises	Manufacturing	6.4	20.0	-37.5	32.9
	Nonmanufacturing	-24.3	3.6	1.5	12.2
	All industries	-21.0	5.7	-4.1	13.8
Small Enterprises	Manufacturing	7.4	3.5	-69.8	104.7
	Nonmanufacturing	11.0	10.2	-70.1	51.8
	All industries	10.1	8.6	-70.0	61.7
All Enterprises	Manufacturing	-0.5	7.3	-51.5	19.2
	Nonmanufacturing	24.4	13.6	-49.8	-1.5
	All industries	19.6	12.6	-50.1	1.2

Production Capacity

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

		March 2008 Survey		June 2008 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	-1	-1	0	1	-1	-1
	Nonmanufacturing	-3	-2	-1	2	-1	0
	All industries	-2	-1	0	2	-1	-1
Medium-sized Enterprises	Manufacturing	-1	-4	1	2	-1	-2
	Nonmanufacturing	-1	-2	-1	0	-3	-2
	All industries	-2	-3	0	2	-1	-1
Small Enterprises	Manufacturing	3	2	5	2	4	-1
	Nonmanufacturing	1	0	2	1	0	-2
	All industries	2	1	4	2	1	-3
All Enterprises	Manufacturing	0	0	2	2	2	0
	Nonmanufacturing	0	-1	1	1	-1	-2
	All industries	0	-1	2	2	0	-2

5. Fixed Investment of Financial institutions

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

	FY2007		FY2008	
		Revision rate	(Forecast)	Revision rate
Financial institutions	16.9	-1.4	-0.7	0.6
Banks	4.3	-2.8	9.0	-5.0
Shinkin banks & Other financial institutions for small businesses	35.8	0.8	-3.6	19.5
Securities companies	28.1	7.2	-53.1	5.2
Insurance companies	36.9	-2.3	-3.3	2.5
Non-deposit money corporations	-6.1	-2.9	18.3	-0.2
(Memo) All industries including Financial institutions	3.9	-0.7	-1.4	3.4
Nonmanufacturing including Financial institutions	4.4	0.6	-3.4	2.3

* Excludes Software Investment

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

Financial institutions	16.2	-2.0	3.6	2.8
Banks	8.2	-2.9	2.7	4.2
Shinkin banks & Other financial institutions for small businesses	-18.3	7.2	12.1	14.8
Securities companies	46.9	2.2	-20.2	-0.5
Insurance companies	29.0	-4.6	35.0	-0.9
Non-deposit money corporations	10.0	-5.3	-0.4	5.7
(Memo) All industries including Financial institutions	6.2	2.7	4.5	7.2
Nonmanufacturing including Financial institutions	6.3	3.4	3.5	6.7

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

Financial institutions	52.6	4.5	-55.2	18.9
Banks	-47.5	24.2	-47.7	37.4
Shinkin banks & Other financial institutions for small businesses	47.2	-0.7	-30.0	47.2
Securities companies	-95.4	0.0	174.4	0.0
Insurance companies	326.0	0.3	-64.8	6.0
Non-deposit money corporations	-17.7	1.6	4769.2	0.0
(Memo) All industries including Financial institutions	20.7	12.2	-50.3	1.8
Nonmanufacturing including Financial institutions	25.6	13.1	-50.1	-0.7

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

Financial institutions	13.7	-2.3	7.3	1.0
Banks	11.6	-3.9	8.5	-1.5
Shinkin banks & Other financial institutions for small businesses	16.9	2.4	3.8	16.2
Securities companies	41.4	3.8	-31.1	0.7
Insurance companies	6.3	-4.3	37.5	0.7
Non-deposit money corporations	1.5	-4.1	6.8	2.5
(Memo) All industries including Financial institutions	2.7	-1.4	3.6	3.8
Nonmanufacturing including Financial institutions	2.5	-0.4	3.0	3.0

6. Employment

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

		March 2008 Survey		June 2008 Survey			
		Actual result	Forecast	Actual result		Forecast	
					Changes		Changes
Large Enterprises	Manufacturing	-7	-7	-5	2	-5	0
	Nonmanufacturing	-18	-19	-14	4	-17	-3
	All industries	-12	-13	-9	3	-11	-2
Medium-sized Enterprises	Manufacturing	-7	-8	-3	4	-5	-2
	Nonmanufacturing	-14	-17	-8	6	-13	-5
	All industries	-11	-13	-6	5	-9	-3
Small Enterprises	Manufacturing	-3	-3	3	6	0	-3
	Nonmanufacturing	-9	-9	-6	3	-6	0
	All industries	-8	-7	-3	5	-4	-1
All Enterprises	Manufacturing	-6	-5	-1	5	-3	-2
	Nonmanufacturing	-13	-13	-7	6	-10	-3
	All industries	-9	-10	-5	4	-7	-2

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

	end of June 2007	end of Sept. 2007	end of Dec. 2007	end of March 2008
Large Enterprises	1.4	1.8	1.9	2.6
Medium-sized Enterprises	5.0	4.9	4.6	3.7
Small Enterprises	1.4	1.9	2.2	2.4
All Enterprises	2.3	2.6	2.7	2.8
All Enterprises & Financial institutions	2.3	2.6	2.7	2.7
Financial institutions	1.4	1.8	0.9	1.0

Number of New Graduates Hired (All industries)

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

	FY2007		FY2008		FY2009	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	12.7	0.3	4.9	1.4	1.0	-
Medium-sized Enterprises	5.0	-1.1	5.6	0.8	-2.6	-
Small Enterprises	1.6	-0.5	2.2	-4.9	-3.0	-
All Enterprises	6.6	-0.3	4.1	-1.1	-1.3	-
All Enterprises & Financial institutions	8.0	-0.4	3.9	-1.1	-1.4	-
Financial institutions	26.2	-1.0	1.9	-1.1	-3.0	-

7. Corporate Finance

Financial Position (All industries)

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

	March 2008 Survey		June 2008 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	18		18
Medium-sized Enterprises	7		7	0
Small Enterprises	-7		-8	-1
All Enterprises	2		2	0

Lending Attitude of Financial institutions (All industries)

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

	March 2008 Survey		June 2008 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	19		17
Medium-sized Enterprises	12		11	-1
Small Enterprises	5		2	-3
All Enterprises	10		8	-2

Change in Interest Rate on Loans (All industries)

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

	March 2008 Survey		June 2008 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Large Enterprises	5	14	15	10	26
Medium-sized Enterprises	12	20	18	6	30	12
Small Enterprises	16	23	18	2	31	13
All Enterprises	12	21	17	5	30	13

Condition for CP Issuance (All industries)

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

	March 2008 Survey		June 2008 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	3		3

Ratio of Liquidity (All industries)

(Months)

	end of June 2007	end of Sept. 2007	end of Dec. 2007	end of March 2008
Large Enterprises	0.78	0.77	0.74	0.79
Medium-sized Enterprises	0.98	0.97	0.99	0.97
Small Enterprises	1.70	1.69	1.70	1.67
All Enterprises	1.05	1.04	1.03	1.04

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 2008 Survey		June 2008 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	29	33	23	-6	31
Shinkin banks & Other financial institutions for small businesses	29	26	29	0	24	-5
Securities companies	-55	-15	-45	10	0	45
Insurance companies	19	30	21	2	30	9
Non-deposit money corporations	-21	-13	-13	8	-9	4
Financial institutions	10	19	11	1	20	9

Production Capacity

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

	March 2008 Survey		June 2008 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	3	-2	2	-1	-3
Shinkin banks & Other financial institutions for small businesses	0	-3	-3	-3	0	3
Securities companies	-15	-11	-7	8	-11	-4
Insurance companies	-13	-11	-11	2	-13	-2
Non-deposit money corporations	17	13	17	0	8	-9
Financial institutions	-2	-3	-2	0	-5	-3

Employment Conditions

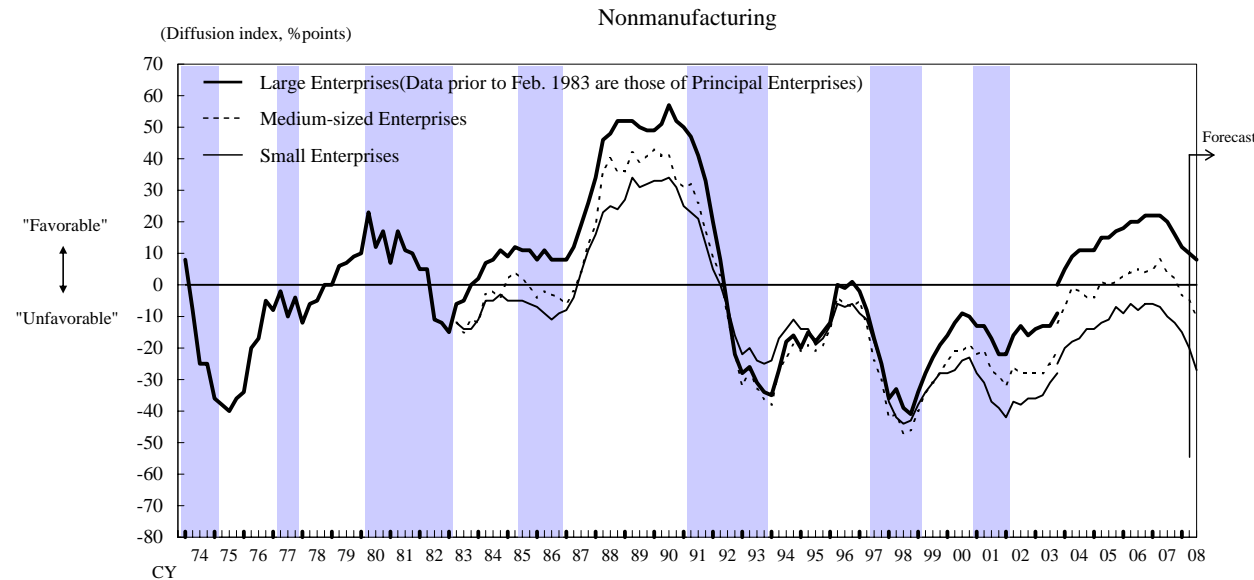
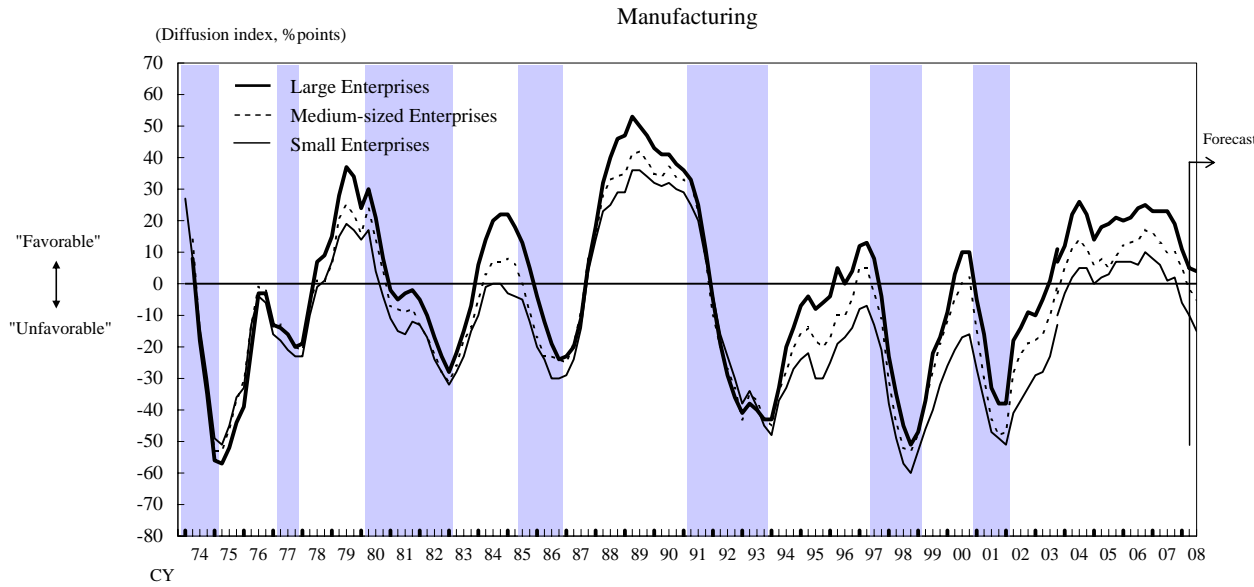
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	March 2008 Survey		June 2008 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	-21	-22	-16	5	-16
Shinkin banks & Other financial institutions for small businesses	-12	-15	-12	0	-15	-3
Securities companies	-19	-15	-26	-7	-33	-7
Insurance companies	-41	-30	-36	5	-28	8
Non-deposit money corporations	0	4	17	17	13	-4
Financial institutions	-21	-19	-18	3	-18	0

(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 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	5	-2	-10
Forecast	4	-5	-15

Peaks and Bottoms of Business Conditions (from May 1983)

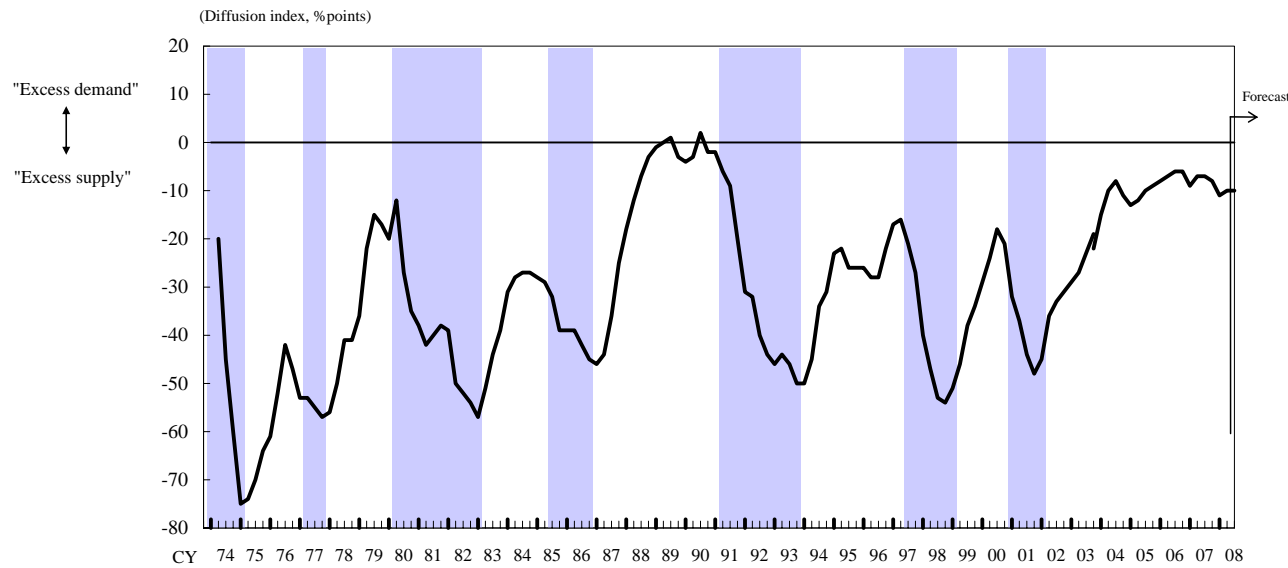
(Diffusion index of "Favorable" minus "Unfavorable", %points)

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 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	10	-5	-20
Forecast	8	-10	-27

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

Domestic Supply and Demand Conditions for Products and Services



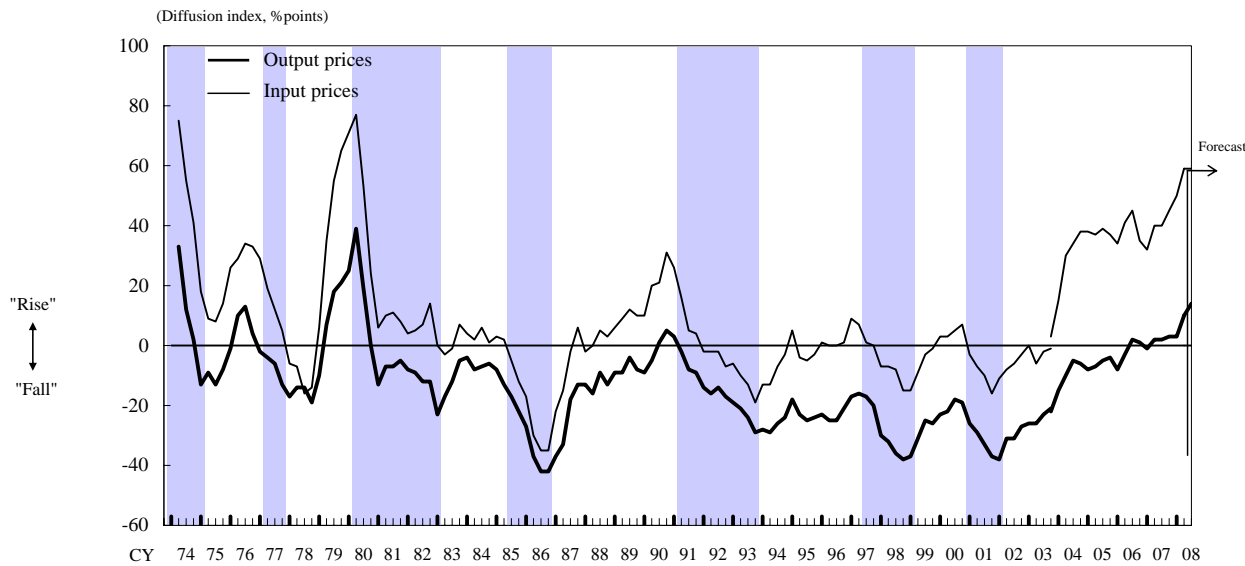
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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 2008 survey	
Actual result	-10
Forecast	-10

Prices



Peaks and Bottoms of Prices (from May 1974)

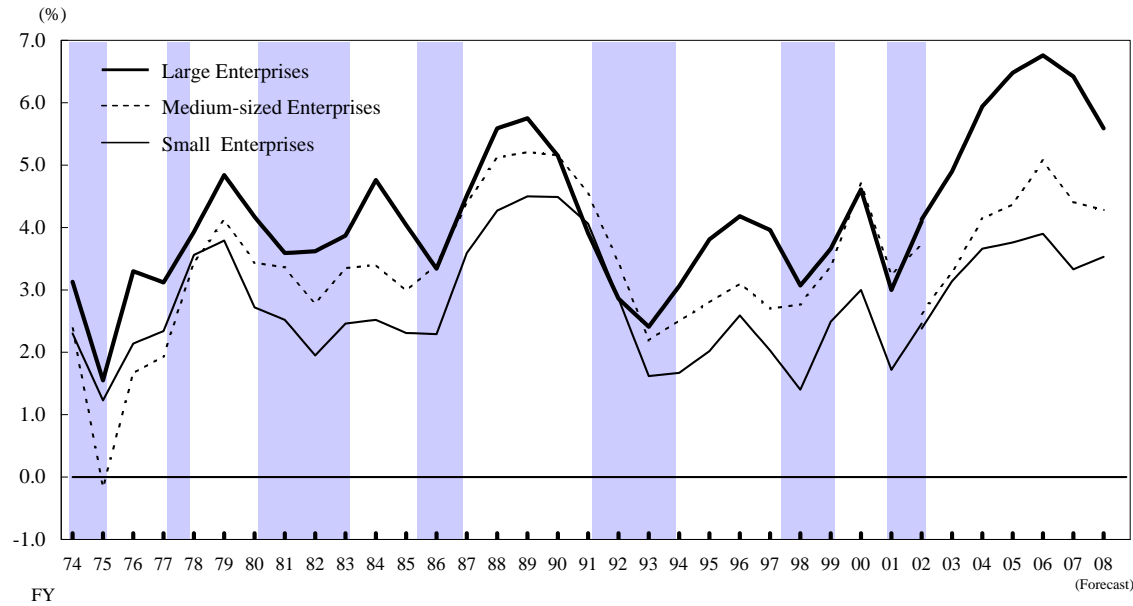
(Diffusion index of "Rise" minus "Fall", %points)

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 2008 survey		
	Output Prices	Input Prices
Actual result	10	59
Forecast	14	59

[Ratio of Current Profit to Sales]

Manufacturing

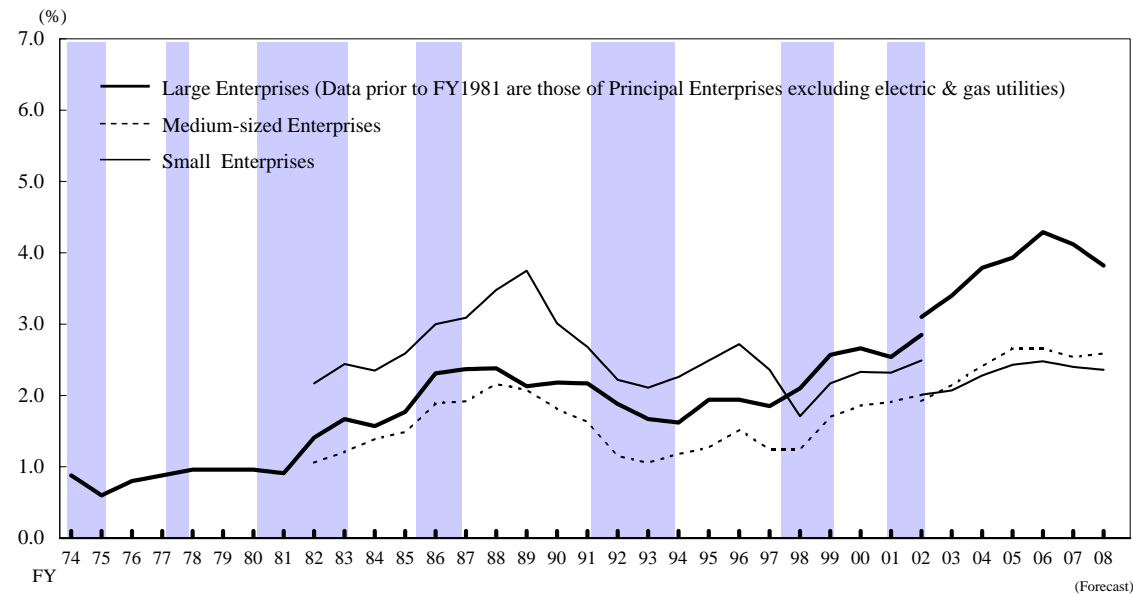


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974) (%)

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 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2007	6.42	4.41	3.33
FY2008 (Forecast)	5.59	4.28	3.53

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 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2007	4.12	2.54	2.40
FY2008 (Forecast)	3.82	2.59	2.36

[Developments of Fixed Investment including Land Purchasing Expenses]

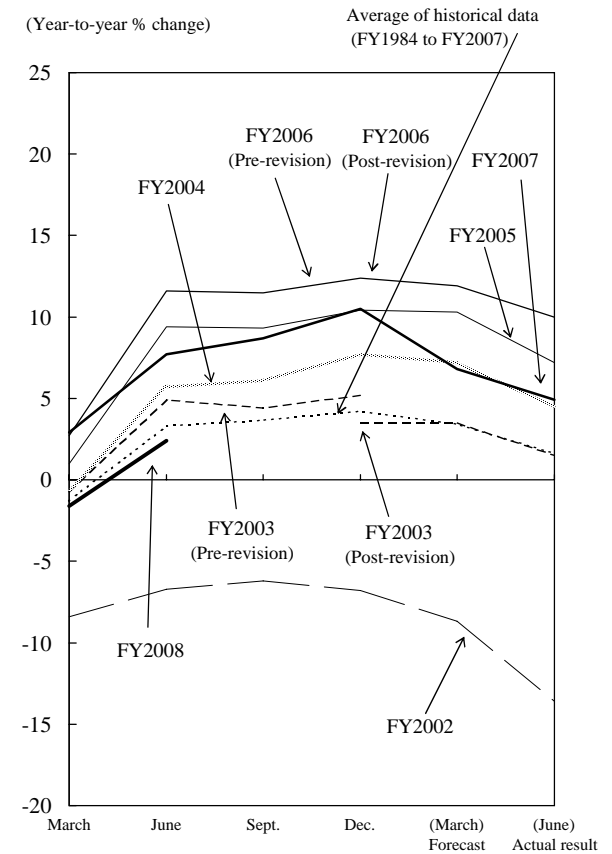
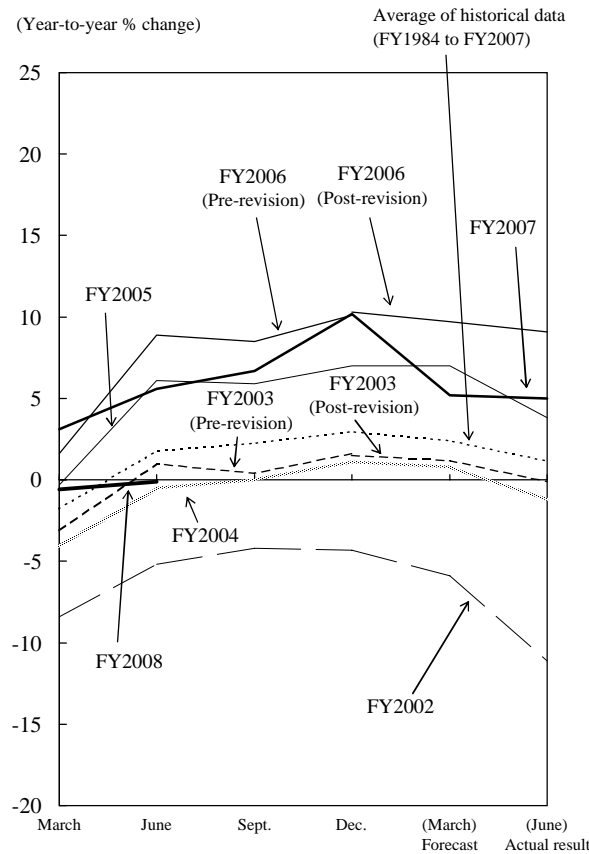
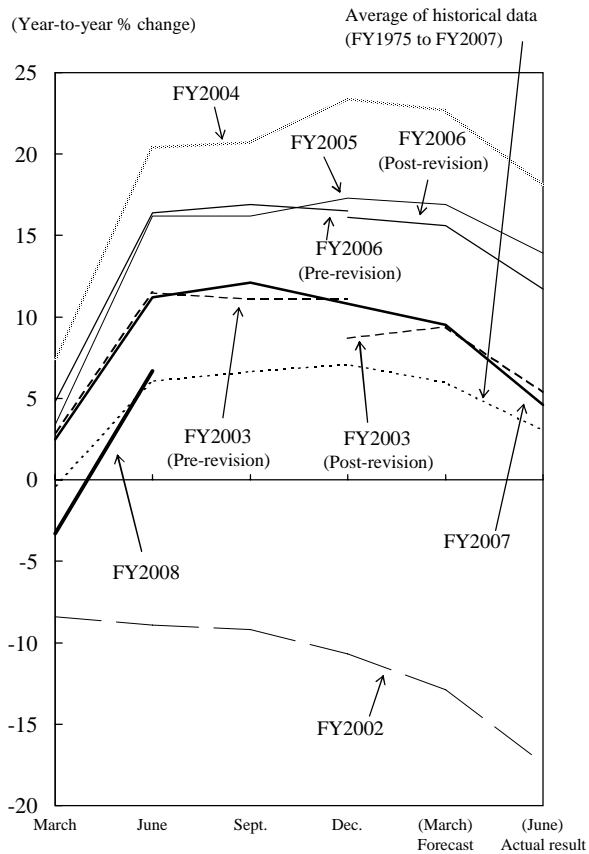
- Note:1. The graphs indicate the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year;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

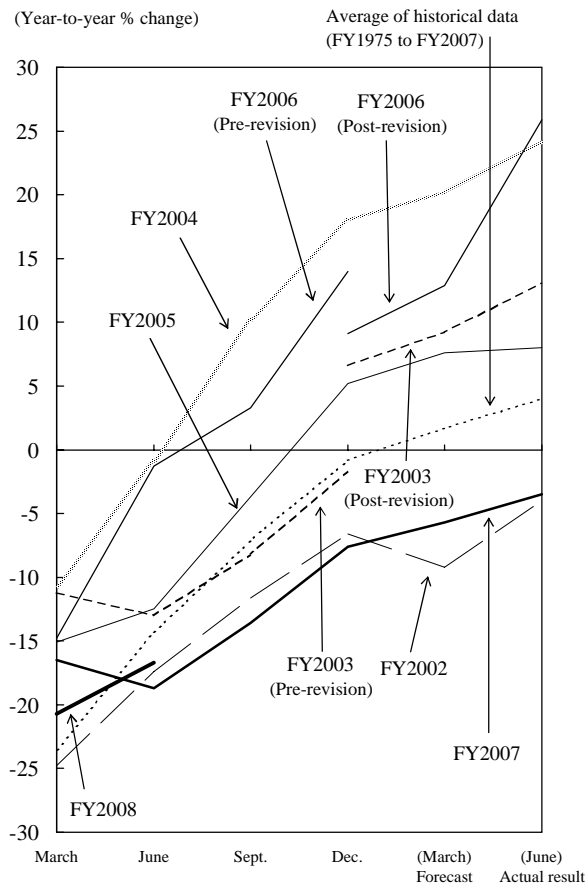
Nonmanufacturing

All industries

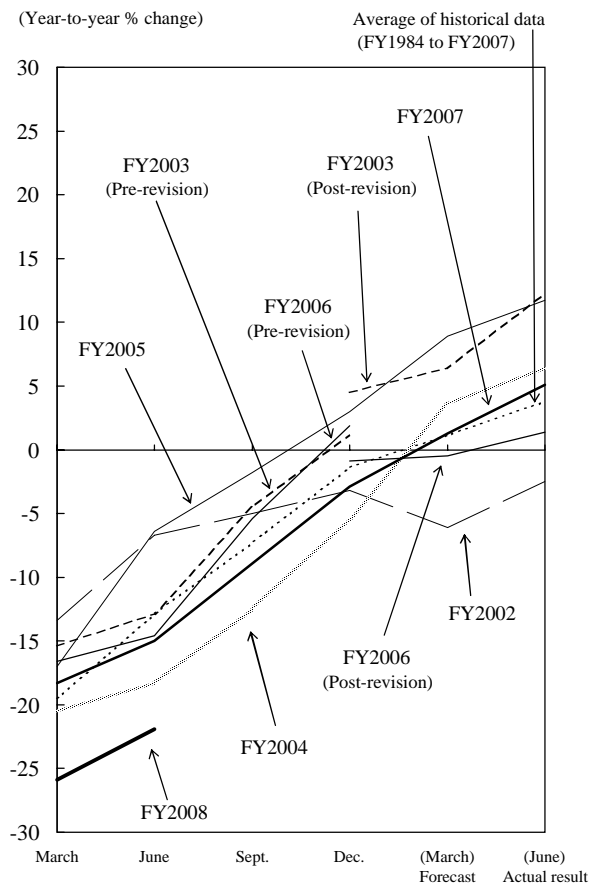


(2) Small Enterprises

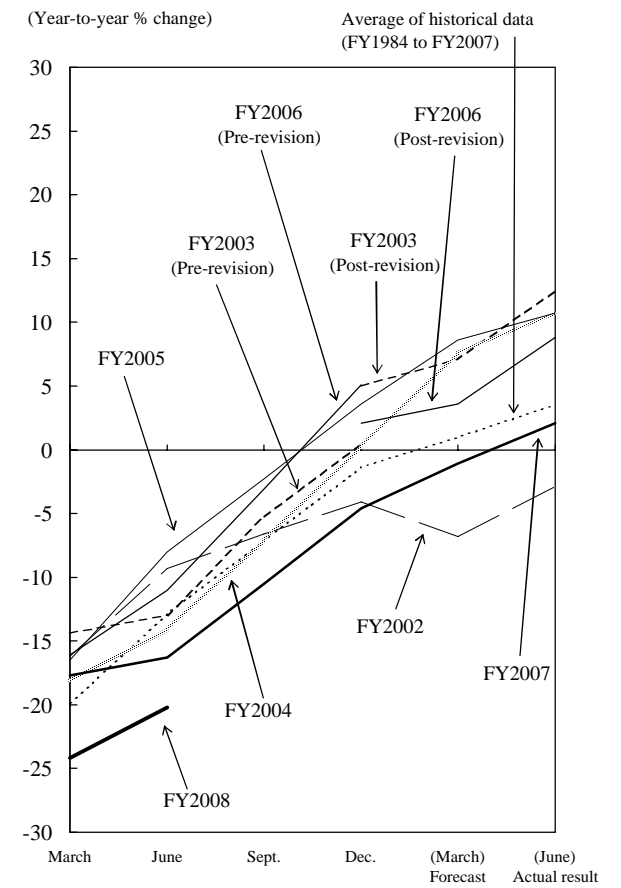
Manufacturing



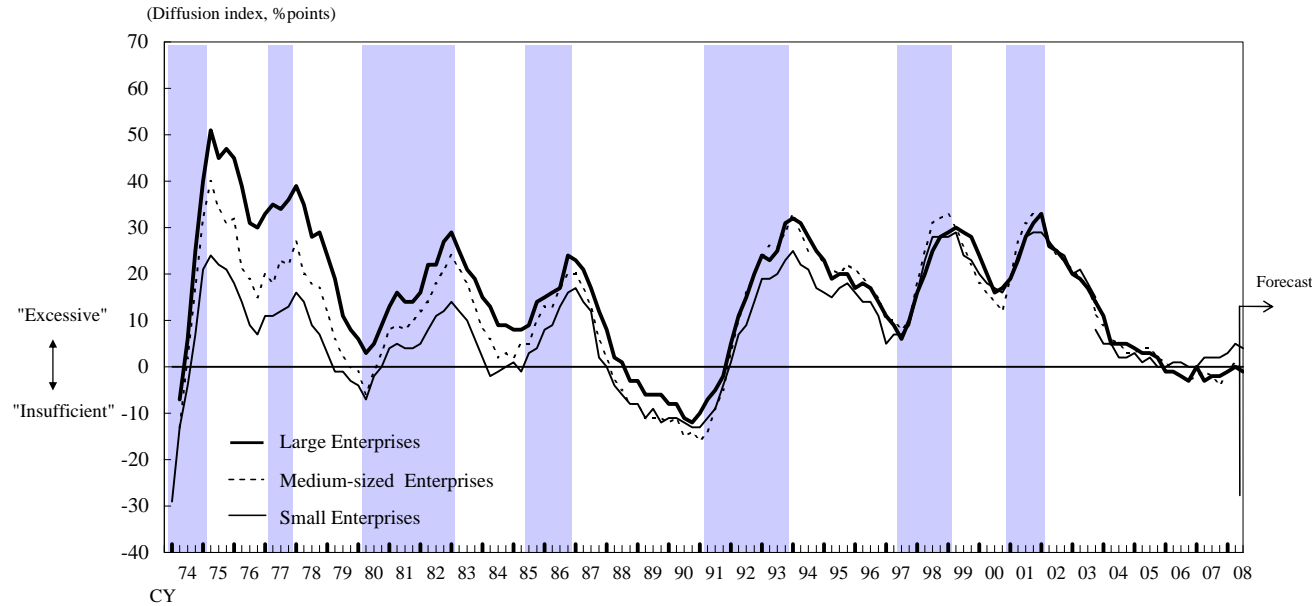
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



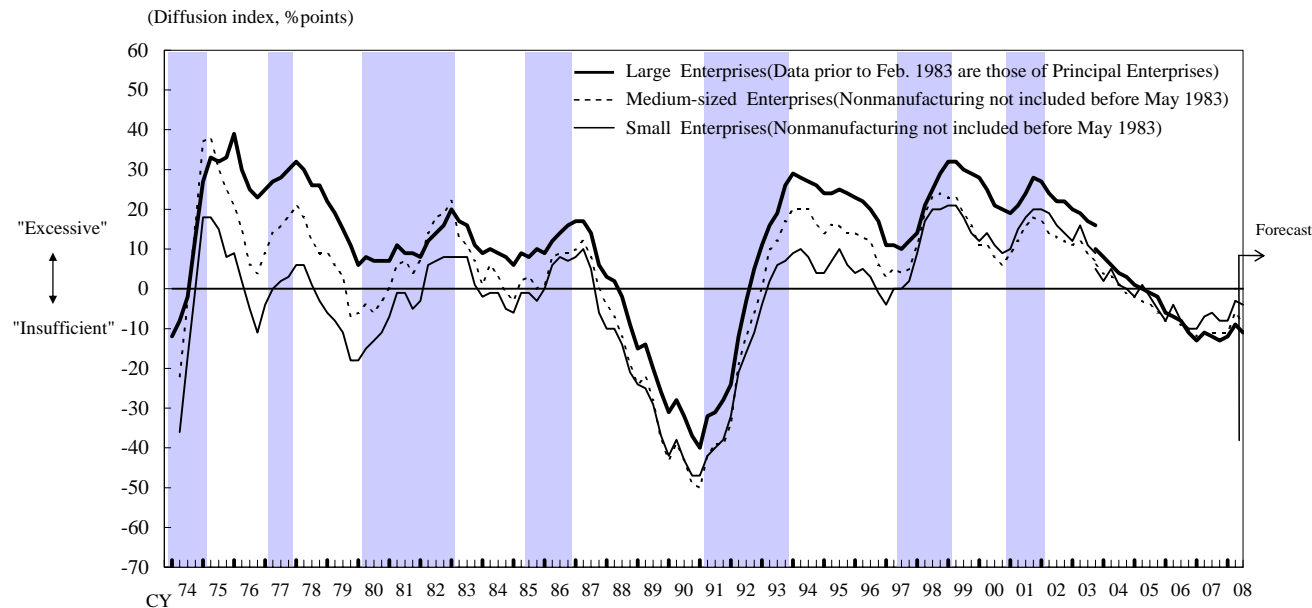
Peaks and Bottoms of Production Capacity (from May 1974)

(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 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	0	1	5
Forecast	-1	-1	4

[Employment Condition (All industries)]



Peaks and Bottoms of Employment Condition (from May 1983)

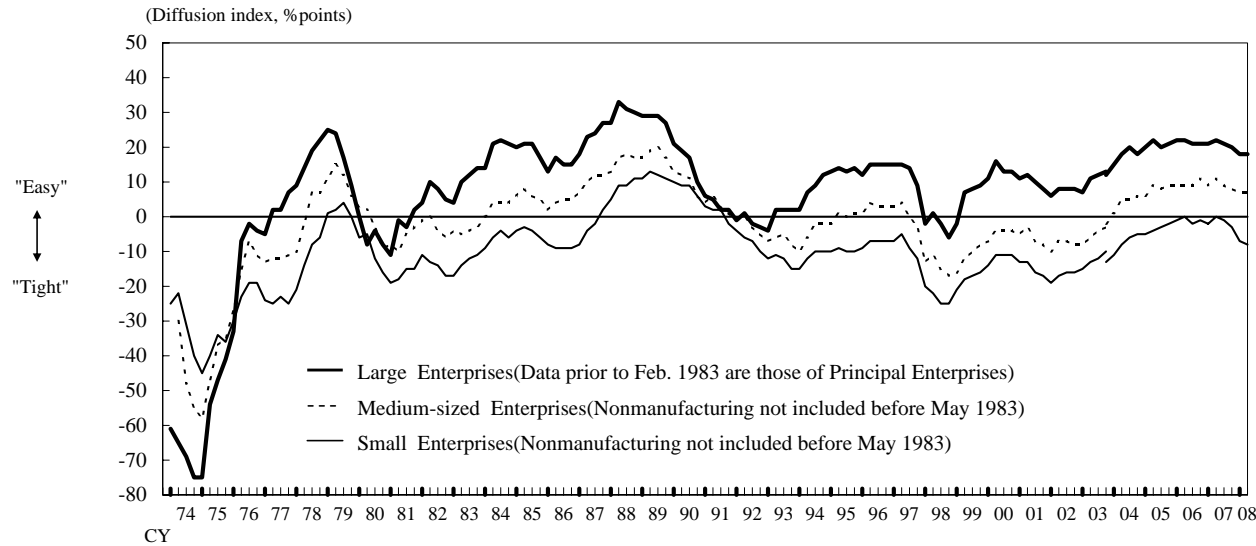
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

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 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-9	-6	-3
Forecast	-11	-9	-4

[Corporate Finance (All industries)]

Financial Position



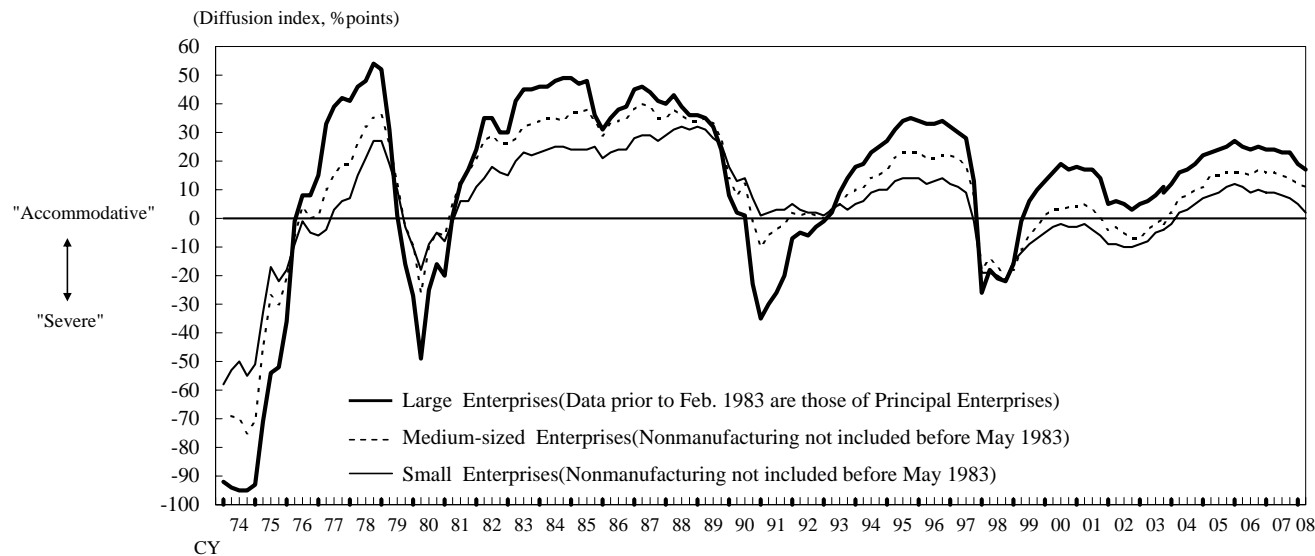
Peaks and Bottoms of Financial Position (from May 1983)

(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 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	18	7	-8

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 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	17	11	2