

# TANKAN Summary (September 2008)

138th Short-term Economic Survey of Enterprises in Japan

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Research and Statistics Department

Bank of Japan

## Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,381	6,107	10,488	98.9%
Large Enterprises	1,226	1,189	2,415	99.2%
Medium-sized Enterprises	1,199	1,622	2,821	99.0%
Small Enterprises	1,956	3,296	5,252	98.7%
Financial institutions	-	-	208	100.0%

Responding Period: August 27 to September 30

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

(yen per US dollar)

	FY 2007			FY 2008		
		1H	2H		1H	2H
June 2008 Survey	114.38	118.43	110.45	102.74	102.88	102.61
Sept. 2008 Survey	-	-	-	102.82	103.17	102.48

## 1. Business Conditions

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	June 2008 Survey		Sept. 2008 Survey				June 2008 Survey		Sept. 2008 Survey				June 2008 Survey		Sept. 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	5	-4	-3	-8	-4	-1	-2	-5	-8	-6	-12	-4	-10	-15	-17	-7	-25	-8
Textiles	-10	-12	-22	-12	-19	3	-27	-39	-43	-16	-43	0	-34	-44	-49	-15	-50	-1
Lumber & Wood products	-23	-5	-36	-13	-14	22	-42	-36	-36	6	-39	-3	-45	-35	-45	0	-47	-2
Pulp & Paper	-3	0	0	3	3	3	-32	-25	-33	-1	-28	5	-22	-21	-25	-3	-28	-3
Chemicals	8	5	0	-8	1	1	-3	-5	-2	1	-12	-10	-9	-22	-16	-7	-17	-1
Petroleum & Coal products	-19	-33	-15	4	-10	5	21	6	11	-10	-5	-16	-32	-43	-26	6	-40	-14
Ceramics, Stone & Clay	-16	-12	-10	6	-14	-4	-20	-22	-23	-3	-22	1	-44	-41	-47	-3	-44	3
Iron & Steel	-6	15	19	25	13	-6	14	5	19	5	0	-19	23	-5	16	-7	-16	-32
Nonferrous metals	10	13	-3	-13	-10	-7	-17	-8	-24	-7	-19	5	5	-3	-9	-14	-15	-6
Food & Beverages	4	2	2	-2	0	-2	-3	-8	-1	2	-3	-2	-6	-12	-17	-11	-20	-3
Processed metals	-16	-16	-24	-8	-30	-6	16	8	16	0	6	-10	-3	-12	-11	-8	-18	-7
Industrial machinery	22	16	2	-20	3	1	13	7	2	-11	-13	-15	2	-3	-3	-5	-20	-17
Electrical machinery	3	7	-9	-12	-4	5	-6	-6	-16	-10	-16	0	-10	-12	-15	-5	-24	-9
Shipbuilding & Heavy machinery etc.	17	10	13	-4	-3	-16	29	16	34	5	19	-15	27	21	22	-5	11	-11
Motor vehicles	15	6	5	-10	-11	-16	13	1	-2	-15	-6	-4	13	2	7	-6	-15	-22
Precision machinery	16	11	0	-16	-2	-2	21	21	10	-11	7	-3	-3	-6	-14	-11	-20	-6
Basic materials	-3	0	-3	0	-4	-1	-14	-16	-17	-3	-21	-4	-22	-28	-27	-5	-34	-7
Processing	8	6	-3	-11	-4	-1	5	0	-2	-7	-8	-6	-4	-8	-12	-8	-19	-7
Nonmanufacturing	10	8	1	-9	-1	-2	-5	-10	-12	-7	-17	-5	-20	-27	-24	-4	-31	-7
Construction	-1	0	-7	-6	-5	2	-18	-27	-25	-7	-30	-5	-31	-41	-33	-2	-43	-10
Real estate	22	12	5	-17	5	0	-1	-5	-3	-2	-7	-4	-3	-12	-9	-6	-24	-15
Wholesaling	12	11	11	-1	1	-10	-2	-8	-4	-2	-13	-9	-17	-24	-22	-5	-28	-6
Retailing	0	1	-5	-5	-2	3	-14	-11	-23	-9	-19	4	-22	-30	-30	-8	-32	-2
Transportation	16	9	6	-10	-2	-8	-4	-12	-13	-9	-25	-12	-20	-31	-24	-4	-34	-10
Communications	34	27	25	-9	18	-7	0	7	-3	-3	0	3	-23	-14	-14	9	-13	1
Information services	32	32	13	-19	10	-3	20	13	13	-7	12	-1	17	11	8	-9	-2	-10
Electric & Gas utilities	-4	-6	-20	-16	-25	-5	2	-7	-9	-11	-14	-5	-20	-29	-22	-2	-22	0
Services for businesses	20	19	4	-16	13	9	10	-1	3	-7	-6	-9	-5	-9	-11	-6	-16	-5
Services for individuals	10	11	6	-4	3	-3	4	-1	-15	-19	-9	6	-16	-20	-14	2	-20	-6
Restaurants & Accommodations	-14	-22	-13	1	-14	-1	-29	-22	-29	0	-29	0	-30	-32	-33	-3	-38	-5
Leasing	0	-3	-21	-21	-13	8	2	-7	-10	-12	-19	-9	-10	-6	-16	-6	-23	-7
All industries	7	6	0	-7	-2	-2	-4	-9	-10	-6	-15	-5	-16	-22	-21	-5	-29	-8

	All Enterprises					
Manufacturing	-3	-7	-11	-8	-16	-5
Nonmanufacturing	-10	-16	-16	-6	-22	-6
All industries	-7	-12	-14	-7	-19	-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)

	June 2008 Survey			Sept. 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	5	-2	-10	-3	-8	-17	-4	-12	-25
1.Favorable	17	19	17	13	17	15	10	12	9
2.Not so favorable	71	60	56	71	58	53	76	64	57
3.Unfavorable	12	21	27	16	25	32	14	24	34
Nonmanufacturing	10	-5	-20	1	-12	-24	-1	-17	-31
1.Favorable	20	14	10	16	12	10	13	9	6
2.Not so favorable	70	67	60	69	64	56	73	65	57
3.Unfavorable	10	19	30	15	24	34	14	26	37

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		June 2008 Survey		Sept. 2008 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services:	Manufacturing	-10	-10	-18	-8	-19	-1
	Basic materials	-10	-9	-17	-7	-16	1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-10	-11	-19	-9	-20	-1
	Nonmanufacturing	-19	-19	-22	-3	-22	0
Overseas Supply & Demand Conditions for Products:	Manufacturing	1	2	-6	-7	-6	0
Diffusion index of "Excess demand" minus "Excess supply"	Basic materials	1	2	-4	-5	-5	-1
	Processing	2	2	-6	-8	-8	-2

(%points)

		Small Enterprises					
		June 2008 Survey		Sept. 2008 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services:	Manufacturing	-25	-28	-31	-6	-34	-3
	Basic materials	-34	-33	-38	-4	-42	-4
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-21	-24	-27	-6	-30	-3
	Nonmanufacturing	-37	-38	-39	-2	-42	-3
Overseas Supply & Demand Conditions for Products:	Manufacturing	-7	-7	-12	-5	-15	-3
Diffusion index of "Excess demand" minus "Excess supply"	Basic materials	-9	-8	-19	-10	-23	-4
	Processing	-6	-7	-9	-3	-12	-3

Inventory Level of Finished Goods & Merchandise:	Manufacturing	13	/	17	4	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	12	/	15	3	/	/
	Processing	13	/	17	4	/	/
Wholesalers' Inventory Level:	Manufacturing	12	/	19	7	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	12	/	22	10	/	/
	Processing	12	/	18	6	/	/

Inventory Level of Finished Goods & Merchandise:	Manufacturing	16	/	20	4	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	18	/	23	5	/	/
	Processing	14	/	18	4	/	/
Wholesalers' Inventory Level:	Manufacturing	18	/	24	6	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	25	/	29	4	/	/
	Processing	15	/	21	6	/	/

Change in Output Prices:	Manufacturing	10	14	11	1	8	-3
Diffusion index of "Rise" minus "Fall"	Basic materials	32	36	36	4	26	-10
	Processing	-1	4	-1	0	-1	0
	Nonmanufacturing	10	9	5	-5	0	-5
Change in Input Prices:	Manufacturing	59	59	55	-4	48	-7
Diffusion index of "Rise" minus "Fall"	Basic materials	68	67	57	-11	46	-11
	Processing	55	56	55	0	48	-7
	Nonmanufacturing	41	42	38	-3	33	-5

Change in Output Prices:	Manufacturing	8	15	8	0	6	-2
Diffusion index of "Rise" minus "Fall"	Basic materials	16	23	13	-3	15	2
	Processing	4	10	4	0	1	-3
	Nonmanufacturing	-4	0	-6	-2	-8	-2
Change in Input Prices:	Manufacturing	71	74	67	-4	62	-5
Diffusion index of "Rise" minus "Fall"	Basic materials	71	75	62	-9	61	-1
	Processing	71	75	70	-1	63	-7
	Nonmanufacturing	54	61	53	-1	48	-5

### 3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.1	-	4.5	1.0
	Domestic Sales	4.6	-	5.3	1.1
	Exports	9.9	-	2.4	0.7
	Nonmanufacturing	4.5	-	4.6	0.9
	All industries	5.2	-	4.5	0.9
Medium-sized Enterprises	Manufacturing	3.7	-	3.5	0.0
	Nonmanufacturing	4.2	-	2.3	0.5
	All industries	4.1	-	2.6	0.4
Small Enterprises	Manufacturing	2.5	-	1.8	-0.4
	Nonmanufacturing	1.8	-	-0.8	0.1
	All industries	2.0	-	-0.3	0.0
All Enterprises	Manufacturing	5.1	-	3.9	0.6
	Nonmanufacturing	3.6	-	2.5	0.6
	All industries	4.1	-	3.0	0.6

(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	-	4.3	0.9	4.7	1.0
3.8	5.3	-	5.9	1.0	4.8	1.2
13.1	7.0	-	0.4	0.8	4.4	0.6
4.9	4.1	-	4.4	0.7	4.8	1.0
5.5	4.8	-	4.3	0.8	4.7	1.0
3.5	3.9	-	3.7	0.0	3.4	0.0
4.8	3.7	-	3.5	0.7	1.2	0.4
4.4	3.8	-	3.5	0.5	1.7	0.3
2.1	2.9	-	2.6	-0.2	1.1	-0.6
1.7	1.9	-	-0.7	-0.1	-1.0	0.4
1.8	2.1	-	0.1	-0.1	-0.6	0.1
5.3	5.0	-	3.9	0.6	3.9	0.6
3.9	3.4	-	2.7	0.4	2.3	0.7
4.4	3.9	-	3.1	0.5	2.8	0.7

Current Profits (Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	0.8	-	-10.4	-0.5
	Basic materials	-4.9	-	-10.3	1.3
	Processing	4.5	-	-10.5	-1.6
	Nonmanufacturing	0.3	-	-8.4	-4.7
	All industries	0.6	-	-9.4	-2.6
Medium-sized Enterprises	Manufacturing	-9.8	-	-2.7	-3.1
	Nonmanufacturing	-0.4	-	-5.9	-9.3
	All industries	-4.1	-	-4.7	-7.0
Small Enterprises	Manufacturing	-12.3	-	-3.0	-10.4
	Nonmanufacturing	-1.6	-	-6.1	-3.6
	All industries	-4.9	-	-5.2	-5.7
All Enterprises	Manufacturing	-2.0	-	-8.8	-2.0
	Nonmanufacturing	-0.2	-	-7.5	-5.3
	All industries	-1.0	-	-8.1	-3.8

(Year-to-year % change)

1H FY2007	2H FY2007		1H FY2008		2H FY2008	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
11.1	-8.8	-	-20.7	1.8	1.4	-2.5
7.5	-17.0	-	-20.5	5.2	2.6	-2.2
13.5	-3.6	-	-20.9	-0.3	0.7	-2.7
3.0	-2.6	-	-15.3	-2.5	-0.5	-6.8
7.1	-5.9	-	-18.1	-0.4	0.5	-4.6
-0.8	-17.5	-	-15.2	-0.2	10.2	-5.3
2.9	-2.7	-	-4.2	-5.6	-7.1	-12.0
1.3	-8.3	-	-8.8	-3.6	-1.3	-9.6
-9.4	-14.8	-	-10.0	-8.4	3.7	-12.0
5.1	-6.3	-	-16.3	-7.5	1.9	-1.0
0.1	-8.7	-	-14.4	-7.8	2.4	-4.2
7.4	-10.6	-	-19.1	0.4	2.7	-4.0
3.4	-3.5	-	-13.9	-3.9	-1.1	-6.4
5.2	-6.8	-	-16.4	-2.0	0.6	-5.3

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

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

		FY2007		FY2008	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	6.42	-	5.51	-0.08
	Nonmanufacturing	4.12	-	3.61	-0.21
	All industries	5.06	-	4.39	-0.15
Medium-sized Enterprises	Manufacturing	4.41	-	4.15	-0.13
	Nonmanufacturing	2.54	-	2.34	-0.25
	All industries	3.01	-	2.80	-0.22
Small Enterprises	Manufacturing	3.33	-	3.18	-0.35
	Nonmanufacturing	2.40	-	2.27	-0.09
	All industries	2.61	-	2.48	-0.15
All Enterprises	Manufacturing	5.61	-	4.92	-0.14
	Nonmanufacturing	3.28	-	2.96	-0.18
	All industries	4.05	-	3.62	-0.16

(% , %points)

1H FY2007	2H FY2007		1H FY2008		2H FY2008	
		Changes	(Forecast)	Changes	(Forecast)	Changes
7.13	5.77	-	5.42	0.04	5.59	-0.20
4.58	3.69	-	3.72	-0.12	3.50	-0.30
5.63	4.54	-	4.42	-0.05	4.36	-0.25
4.62	4.22	-	3.78	0.00	4.49	-0.26
2.29	2.77	-	2.12	-0.14	2.54	-0.35
2.89	3.13	-	2.54	-0.11	3.04	-0.33
3.35	3.32	-	2.94	-0.26	3.40	-0.44
2.20	2.58	-	1.85	-0.15	2.66	-0.03
2.46	2.75	-	2.10	-0.18	2.83	-0.13
6.12	5.13	-	4.76	-0.01	5.07	-0.25
3.40	3.17	-	2.85	-0.13	3.06	-0.23
4.31	3.82	-	3.49	-0.09	3.73	-0.24

Net Income (Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.4	-	-4.6	-0.2
	Basic materials	-14.1	-	0.8	2.3
	Processing	19.8	-	-7.4	-1.6
	Nonmanufacturing	-4.7	-	2.5	-5.5
	All industries	0.7	-	-1.4	-2.7
Medium-sized Enterprises	Manufacturing	-12.3	-	6.6	-5.6
	Nonmanufacturing	5.0	-	14.5	-10.5
	All industries	-2.5	-	11.4	-8.8
Small Enterprises	Manufacturing	-11.6	-	6.7	-11.4
	Nonmanufacturing	-7.0	-	7.1	-8.1
	All industries	-8.5	-	7.0	-9.1
All Enterprises	Manufacturing	1.5	-	-2.4	-2.1
	Nonmanufacturing	-3.8	-	5.3	-6.9
	All industries	-1.2	-	1.5	-4.7

(Year-to-year % change)

1H FY2007	2H FY2007		1H FY2008		2H FY2008	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
9.0	1.0	-	-20.2	1.7	16.1	-1.9
-7.6	-22.1	-	-14.6	7.1	23.3	-2.1
21.4	18.0	-	-23.4	-1.4	12.6	-1.7
3.2	-14.1	-	-13.9	-5.0	26.1	-5.9
6.3	-6.2	-	-17.3	-1.6	20.4	-3.8
1.1	-24.0	-	-14.6	-3.8	31.1	-7.0
21.5	-7.6	-	1.8	-5.0	27.3	-14.5
12.3	-14.5	-	-4.9	-4.6	28.7	-11.8
-16.7	-5.8	-	-13.4	-12.5	26.9	-10.7
-3.3	-9.3	-	-8.9	-17.9	17.7	-2.1
-8.6	-8.4	-	-10.5	-16.1	20.2	-4.7
5.5	-3.2	-	-19.1	-0.3	18.8	-3.6
4.5	-11.8	-	-10.8	-7.2	24.1	-6.6
5.0	-7.8	-	-15.0	-4.0	21.6	-5.2

#### 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				(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	4.6	-	5.6	-1.0	6.6	2.9	-	10.1	-3.6	1.6	1.7
	Nonmanufacturing	5.0	-	-0.7	-0.5	4.4	5.5	-	3.0	-3.1	-3.6	1.7
	All industries	4.9	-	1.7	-0.7	5.3	4.6	-	5.8	-3.3	-1.7	1.7
Medium-sized Enterprises	Manufacturing	1.4	-	0.5	-0.4	-2.1	4.5	-	8.8	-4.5	-6.5	3.9
	Nonmanufacturing	-1.1	-	-3.0	-5.3	0.1	-2.2	-	0.9	-2.2	-6.8	-8.2
	All industries	-0.3	-	-1.9	-3.7	-0.6	-0.1	-	3.4	-3.0	-6.7	-4.4
Small Enterprises	Manufacturing	-3.5	-	-7.2	11.3	-3.5	-3.4	-	3.4	0.1	-15.9	25.5
	Nonmanufacturing	5.1	-	-15.7	8.0	7.6	2.3	-	-15.3	9.5	-16.2	6.2
	All industries	2.1	-	-12.9	9.1	4.1	0.1	-	-9.8	6.2	-16.1	12.6
All Enterprises	Manufacturing	2.9	-	3.0	0.6	3.8	2.1	-	9.0	-3.3	-2.3	4.6
	Nonmanufacturing	4.0	-	-3.6	-0.2	4.3	3.7	-	-1.0	-1.1	-5.9	0.6
	All industries	3.6	-	-1.3	0.1	4.1	3.1	-	2.6	-1.9	-4.6	2.0

\* Excludes Software Investment

##### Software Investment

(Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.9	-	7.2	-0.1
	Nonmanufacturing	2.0	-	5.0	-0.2
	All industries	3.5	-	5.7	-0.2
Medium-sized Enterprises	Manufacturing	0.5	-	8.8	-1.0
	Nonmanufacturing	6.8	-	0.6	2.1
	All industries	6.1	-	1.5	1.7
Small Enterprises	Manufacturing	-1.6	-	20.4	0.7
	Nonmanufacturing	2.4	-	4.0	2.4
	All industries	1.5	-	7.7	1.9
All Enterprises	Manufacturing	5.9	-	8.0	-0.2
	Nonmanufacturing	3.1	-	3.9	0.5
	All industries	3.9	-	5.0	0.3

##### Software and Fixed Investment excluding Land

##### Purchasing Expenses

(Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.2	-	6.8	-1.1
	Nonmanufacturing	1.2	-	4.5	-1.6
	All industries	2.7	-	5.3	-1.4
Medium-sized Enterprises	Manufacturing	1.2	-	0.8	-1.8
	Nonmanufacturing	2.9	-	-0.6	-2.6
	All industries	2.4	-	-0.2	-2.3
Small Enterprises	Manufacturing	-4.5	-	-0.4	10.4
	Nonmanufacturing	3.9	-	-9.3	2.7
	All industries	0.9	-	-6.3	5.3
All Enterprises	Manufacturing	3.2	-	5.0	0.1
	Nonmanufacturing	1.9	-	1.5	-1.2
	All industries	2.4	-	2.8	-0.7

##### Land Purchasing Expenses

(Year-to-year % change)

		FY2007		FY2008	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-7.7	-	-33.7	10.1
	Nonmanufacturing	55.1	-	-43.0	22.7
	All industries	42.5	-	-41.8	20.6
Medium-sized Enterprises	Manufacturing	6.4	-	0.7	61.2
	Nonmanufacturing	-24.3	-	-22.9	-24.0
	All industries	-21.0	-	-19.5	-16.0
Small Enterprises	Manufacturing	7.4	-	-61.3	28.2
	Nonmanufacturing	11.0	-	-44.8	84.8
	All industries	10.1	-	-48.7	71.3
All Enterprises	Manufacturing	-0.5	-	-40.4	22.9
	Nonmanufacturing	24.4	-	-40.6	18.4
	All industries	19.6	-	-40.6	19.1

##### Production Capacity

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

		June 2008 Survey		Sept. 2008 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	0	-1	2	2	2	0
	Nonmanufacturing	-1	-1	0	1	-1	-1
	All industries	0	-1	1	1	1	0
Medium-sized Enterprises	Manufacturing	1	-1	4	3	2	-2
	Nonmanufacturing	-1	-3	0	1	-1	-1
	All industries	0	-1	2	2	0	-2
Small Enterprises	Manufacturing	5	4	9	4	8	-1
	Nonmanufacturing	2	0	3	1	2	-1
	All industries	4	1	5	1	4	-1
All Enterprises	Manufacturing	2	2	6	4	4	-2
	Nonmanufacturing	1	-1	2	1	1	-1
	All industries	2	0	3	1	3	0

## 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	-	-0.5	0.2
Banks	4.3	-	4.7	-4.0
Shinkin banks & Other financial institutions for small businesses	35.8	-	-3.5	0.1
Securities companies	28.1	-	-60.8	-16.5
Insurance companies	36.9	-	5.4	9.1
Non-deposit money corporations	-6.1	-	20.1	1.5
(Memo) All industries including Financial institutions	3.9	-	-1.3	0.1
Nonmanufacturing including Financial institutions	4.4	-	-3.5	-0.2

\* Excludes Software Investment

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

	FY2007	Revision rate	FY2008	Revision rate
Financial institutions	16.2	-	6.2	2.5
Banks	8.2	-	2.7	0.0
Shinkin banks & Other financial institutions for small businesses	-18.3	-	17.9	5.2
Securities companies	46.9	-	-10.7	11.9
Insurance companies	29.0	-	37.4	1.8
Non-deposit money corporations	10.0	-	-0.5	-0.2
(Memo) All industries including Financial institutions	6.2	-	5.3	0.7
Nonmanufacturing including Financial institutions	6.3	-	4.5	1.0

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

	FY2007	Revision rate	FY2008	Revision rate
Financial institutions	52.6	-	-29.8	56.6
Banks	-47.5	-	-38.4	17.7
Shinkin banks & Other financial institutions for small businesses	47.2	-	-10.6	27.8
Securities companies	-95.4	-	174.4	0.0
Insurance companies	326.0	-	-32.9	90.4
Non-deposit money corporations	-17.7	-	4492.3	-5.7
(Memo) All industries including Financial institutions	20.7	-	-40.1	20.5
Nonmanufacturing including Financial institutions	25.6	-	-40.0	20.1

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

	FY2007	Revision rate	FY2008	Revision rate
Financial institutions	13.7	-	6.0	-1.3
Banks	11.6	-	5.8	-2.6
Shinkin banks & Other financial institutions for small businesses	16.9	-	2.4	-1.3
Securities companies	41.4	-	-27.2	5.6
Insurance companies	6.3	-	34.6	-2.2
Non-deposit money corporations	1.5	-	7.7	0.8
(Memo) All industries including Financial institutions	2.7	-	2.9	-0.7
Nonmanufacturing including Financial institutions	2.5	-	1.7	-1.2

## 6. Employment

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

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

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

	end of Sept. 2007	end of Dec. 2007	end of March 2008	end of June 2008
Large Enterprises	1.8	1.9	2.6	2.7
Medium-sized Enterprises	4.9	4.6	3.7	2.7
Small Enterprises	1.9	2.2	2.4	1.9
All Enterprises	2.6	2.7	2.8	2.4
All Enterprises & Financial institutions	2.6	2.7	2.7	2.3
Financial institutions	1.8	0.9	1.0	1.2

### 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	-	-	-	-	-	-
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)

	June 2008 Survey		Sept. 2008 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	18		15	-3
Medium-sized Enterprises	7		3	-4
Small Enterprises	-8		-11	-3
All Enterprises	2		0	-2

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

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

	June 2008 Survey		Sept. 2008 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	17		13	-4
Medium-sized Enterprises	11		7	-4
Small Enterprises	2		-3	-5
All Enterprises	8		3	-5

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

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

	June 2008 Survey		Sept. 2008 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
Large Enterprises	15	26	6	-9	15	9
Medium-sized Enterprises	18	30	10	-8	17	7
Small Enterprises	18	31	12	-6	21	9
All Enterprises	17	30	10	-7	18	8

### Condition for CP Issuance (All industries)

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

	June 2008 Survey		Sept. 2008 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	3		1	-2

### Ratio of Liquidity (All industries)

(Months)

	end of Sept. 2007	end of Dec. 2007	end of March 2008	end of June 2008
Large Enterprises	0.77	0.74	0.79	0.72
Medium-sized Enterprises	0.97	0.99	0.97	0.94
Small Enterprises	1.69	1.70	1.67	1.65
All Enterprises	1.04	1.03	1.04	0.99

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)

	June 2008 Survey		Sept. 2008 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
Banks	23	31	16	-7	18	2
Shinkin banks & Other financial institutions for small businesses	29	24	18	-11	18	0
Securities companies	-45	0	-70	-25	-44	26
Insurance companies	21	30	12	-9	19	7
Non-deposit money corporations	-13	-9	-29	-16	-25	4
Financial institutions	11	20	-1	-12	5	6

### Production Capacity

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

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

### Employment Conditions

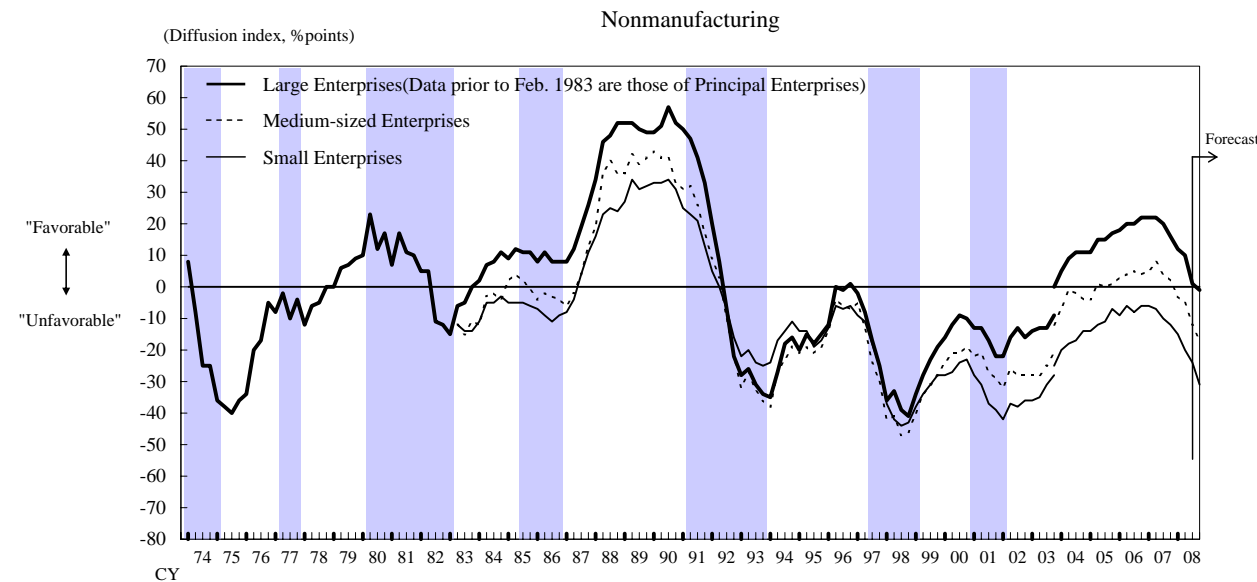
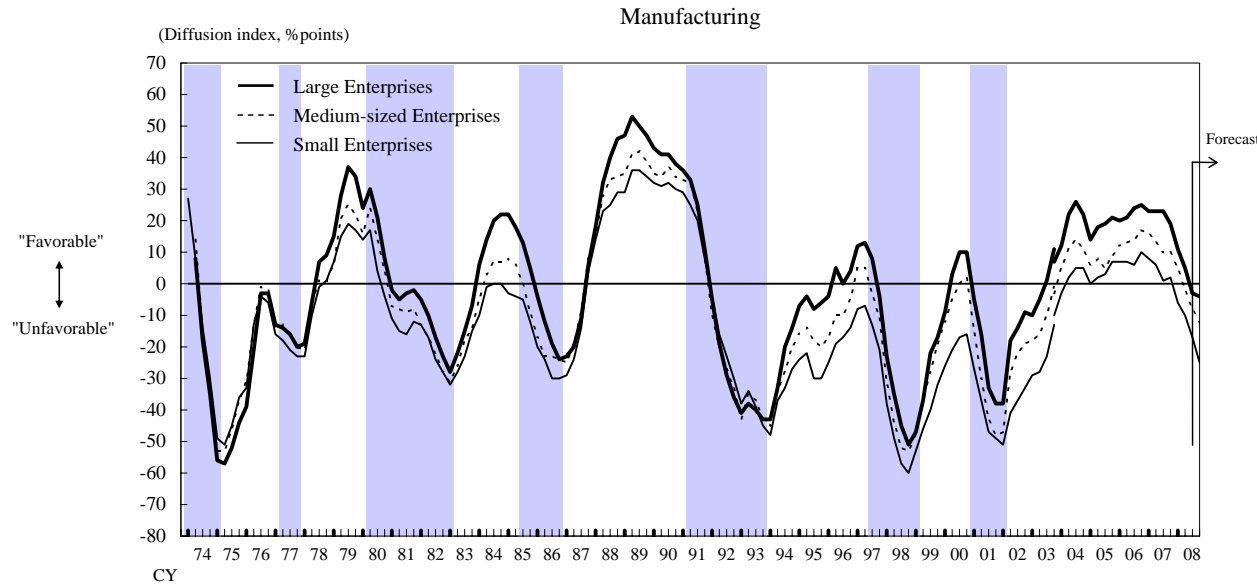
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	June 2008 Survey		Sept. 2008 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
Banks	-16	-16	-14	2	-13	1
Shinkin banks & Other financial institutions for small businesses	-12	-15	-9	3	-15	-6
Securities companies	-26	-33	-8	18	-15	-7
Insurance companies	-36	-28	-32	4	-26	6
Non-deposit money corporations	17	13	8	-9	13	5
Financial institutions	-18	-18	-14	4	-13	1

(Reference Charts)

- Notes: 1. Unless otherwise noted, shaded areas indicate periods of recession (according to the Cabinet Office).  
 2. There is no continuity between the figures up to the December 2003 survey and those from the March 2004 survey (as for the December 2003 survey, the results of preliminary survey based on "Capital" are also shown).  
 3. The "Principal 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)

	September 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-3	-8	-17
Forecast	-4	-12	-25

Peaks and Bottoms of Business Conditions (from May 1983)

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

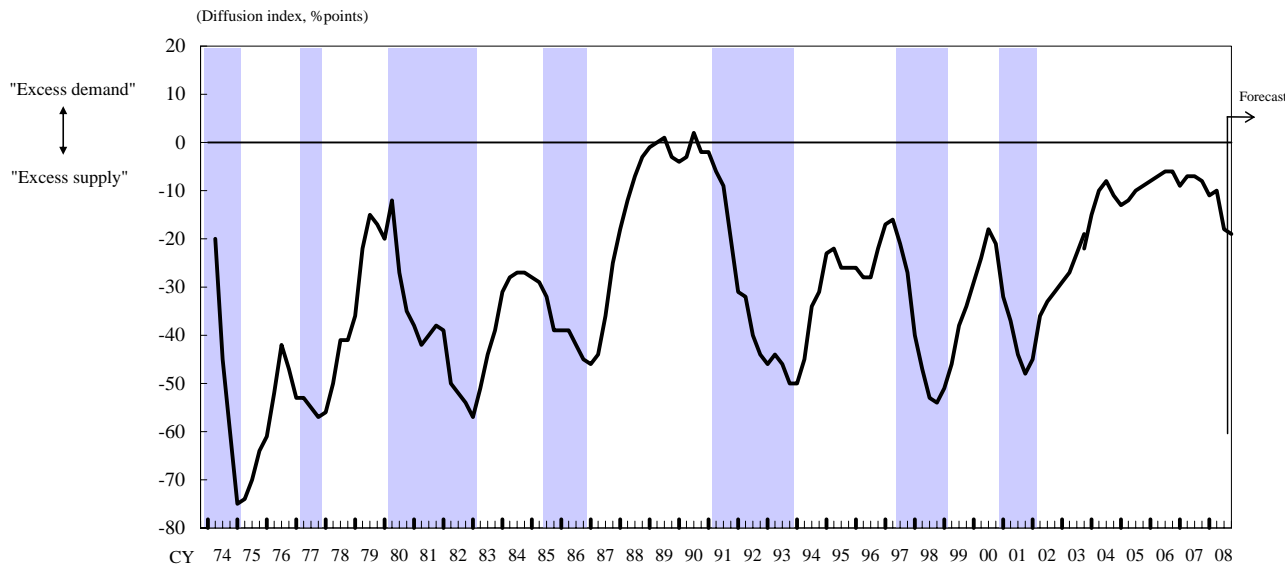
Nonmanufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (83/5)		-15 (83/8)		-14 (83/8,11)
12 (85/5)	8 (86/2,8,11,87/2)	4 (85/5)	-6 (87/2)	-3 (84/11)	-11 (86/8)
57 (90/8)	-35 (94/2)	43 (90/2)	-38 (94/2)	34 (89/5,90/8)	-25 (93/11)
1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

	September 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	1	-12	-24
Forecast	-1	-17	-31



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

Domestic Supply and Demand Conditions for Products and Services



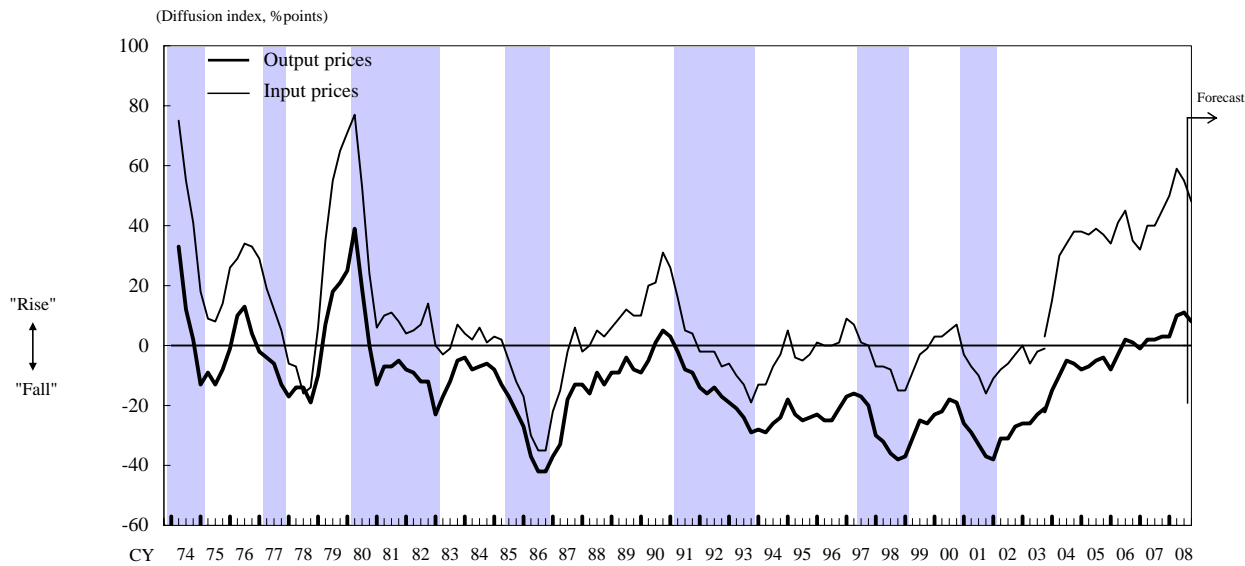
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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)

September 2008 survey	
Actual result	-18
Forecast	-19

Prices



Peaks and Bottoms of Prices (from May 1974)

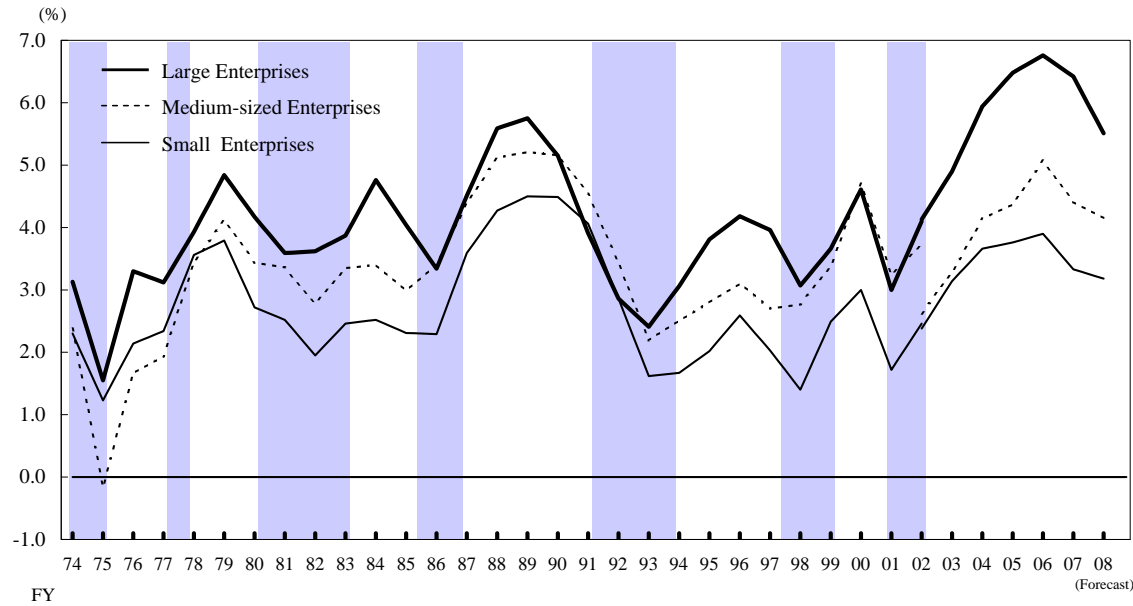
(Diffusion index of "Rise" minus "Fall", %points)

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)

September 2008 survey		
	Output Prices	Input Prices
Actual result	11	55
Forecast	8	48

[Ratio of Current Profit to Sales]

Manufacturing

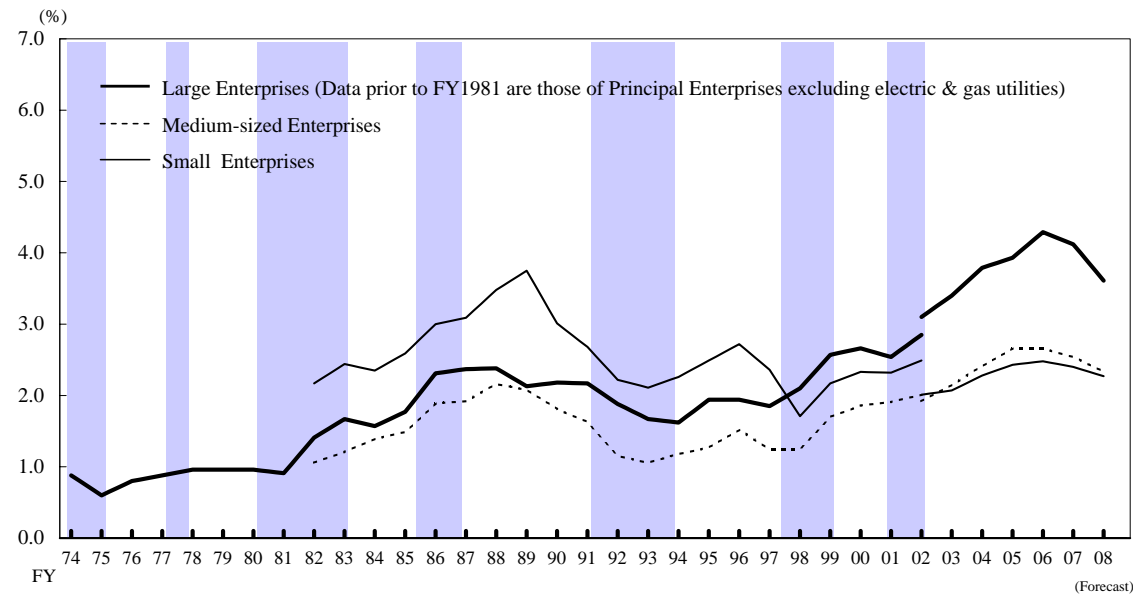


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974)

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)

	September 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2007	6.42	4.41	3.33
FY2008 (Forecast)	5.51	4.15	3.18

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)

	September 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2007	4.12	2.54	2.40
FY2008 (Forecast)	3.61	2.34	2.27

[Developments of Fixed Investment including Land Purchasing Expenses]

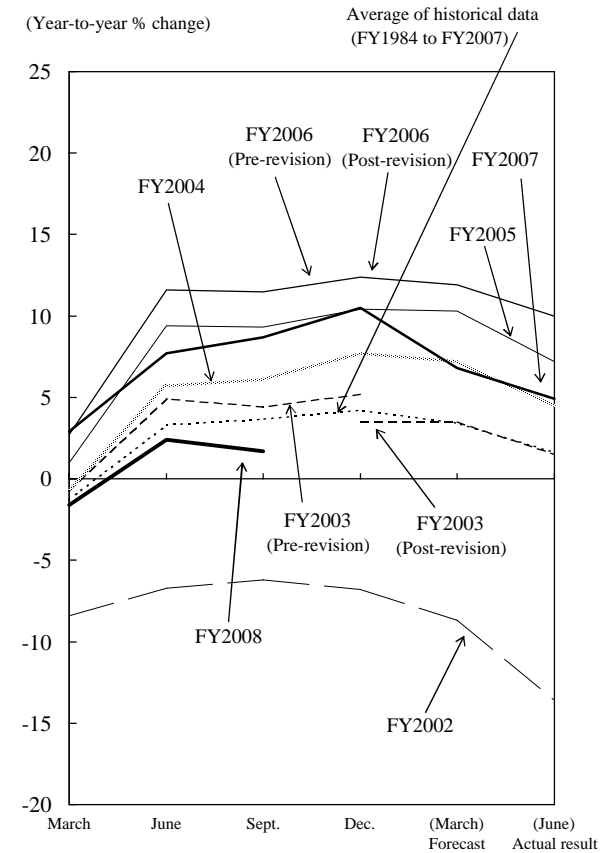
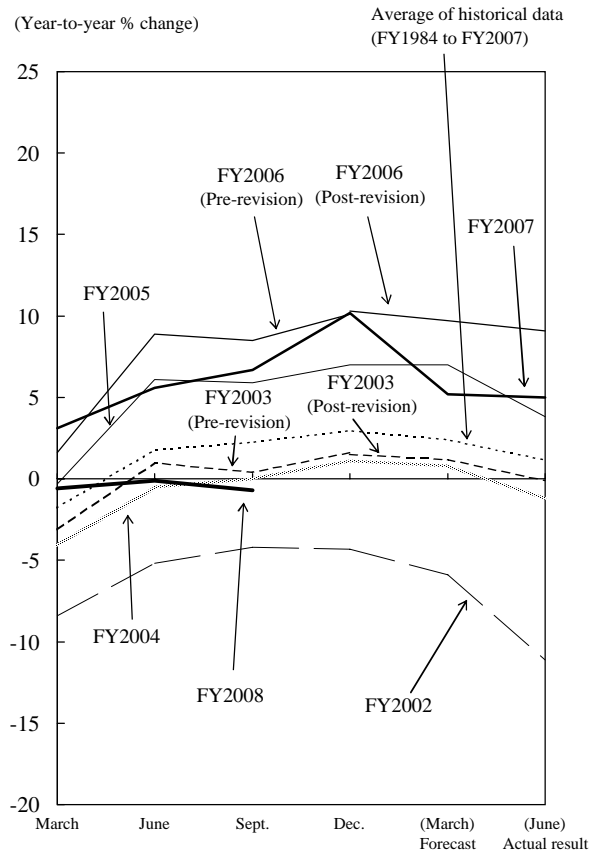
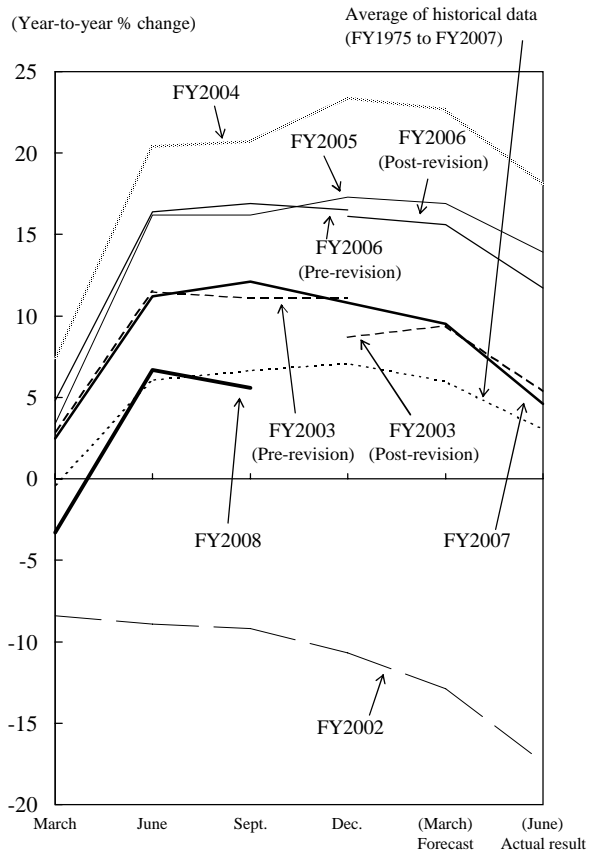
- Note:1. The graphs indicate the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year;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

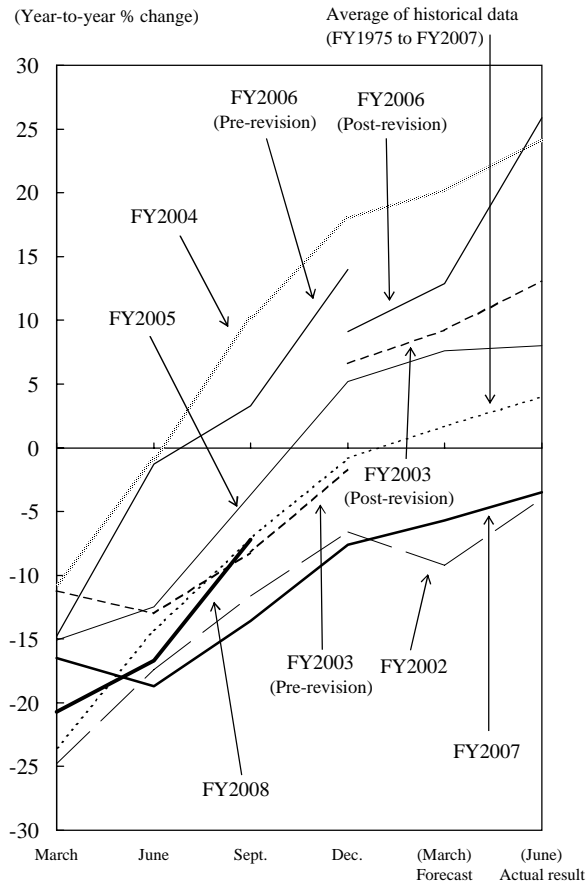
Nonmanufacturing

All industries

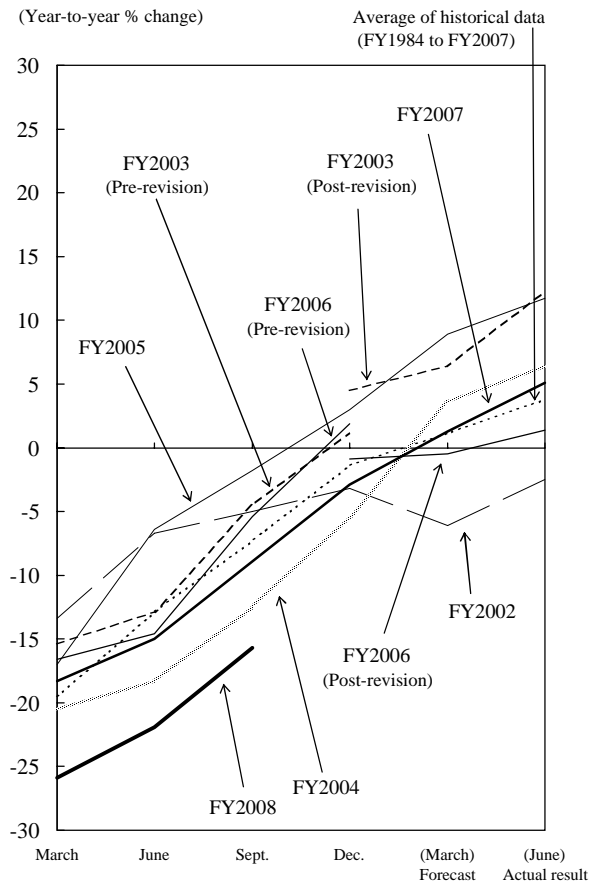


(2) Small Enterprises

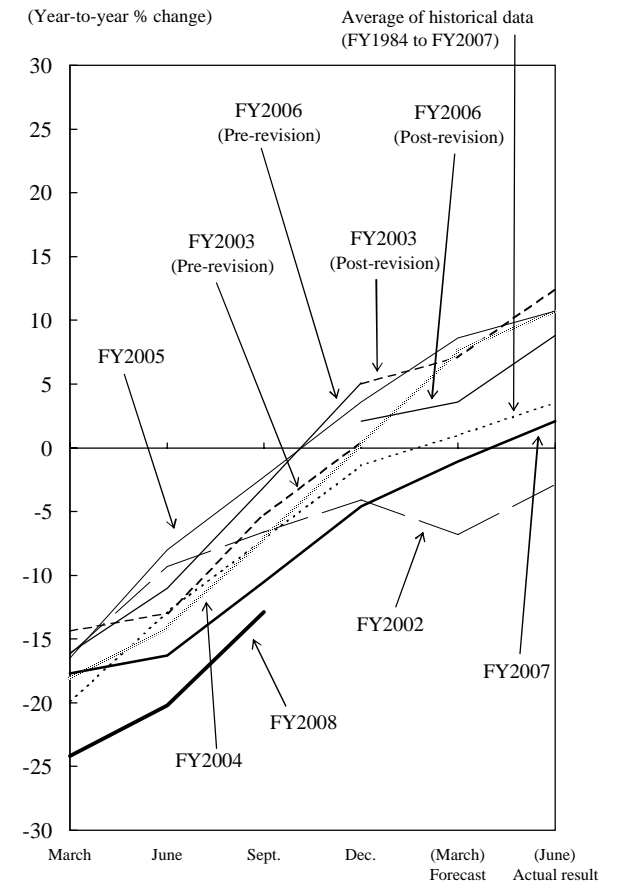
Manufacturing



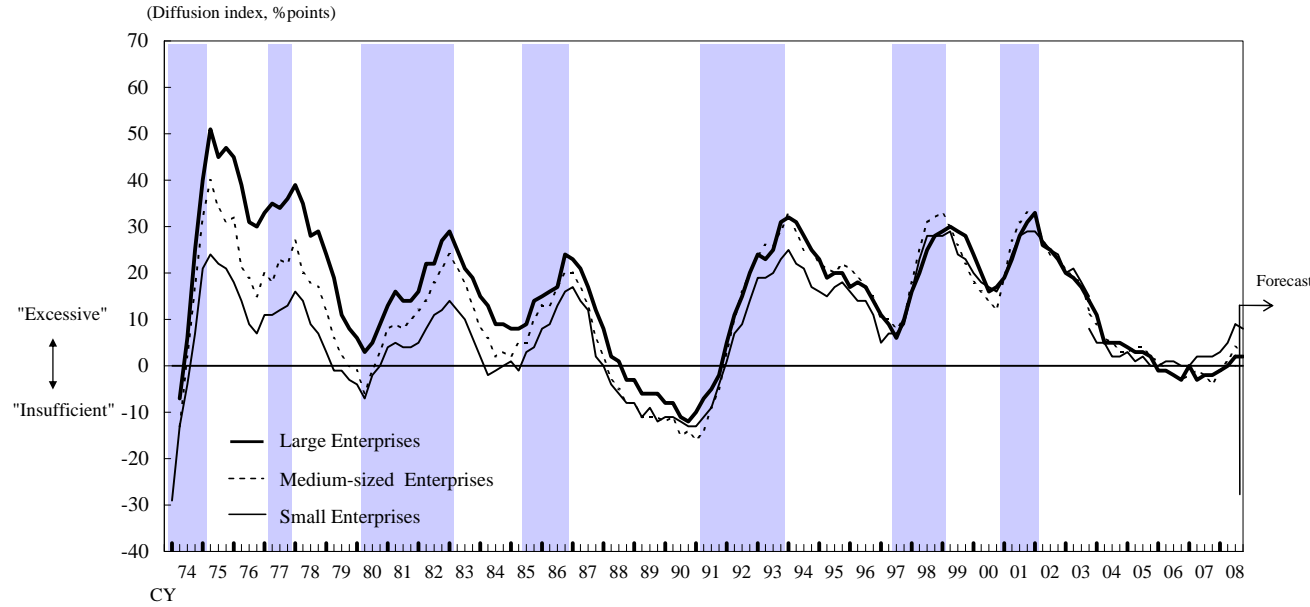
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



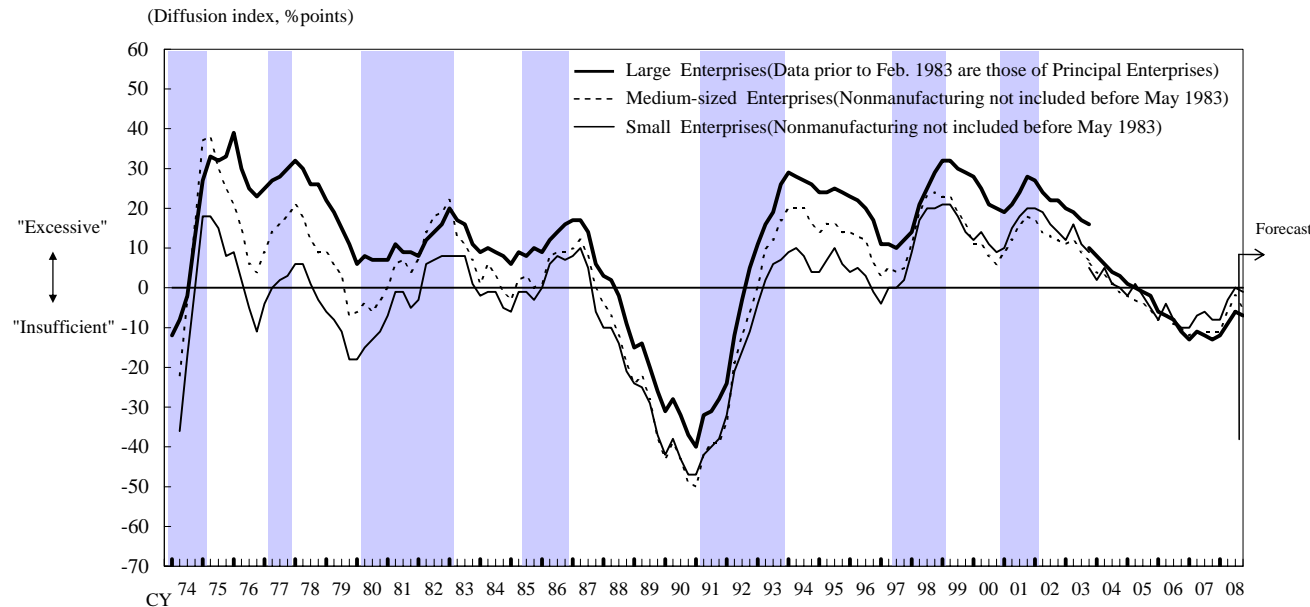
Peaks and Bottoms of Production Capacity (from May 1974)

(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)	

	September 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	2	4	9
Forecast	2	2	8

[Employment Condition (All industries)]



Peaks and Bottoms of Employment Condition (from May 1983)

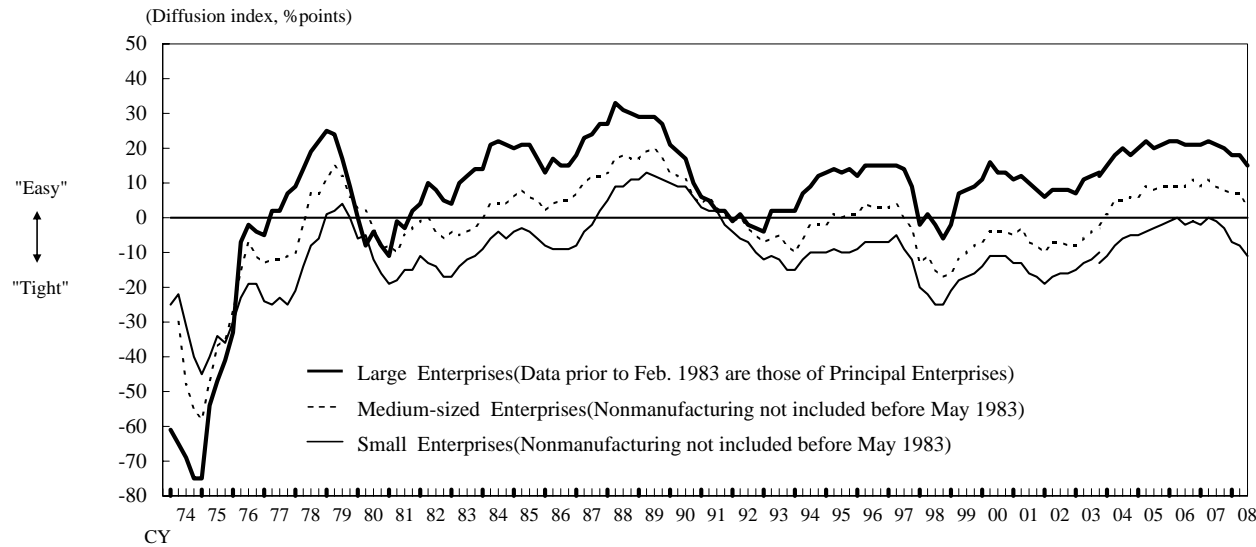
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

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)	

	September 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-6	-2	0
Forecast	-7	-5	-1

[Corporate Finance (All industries)]

Financial Position



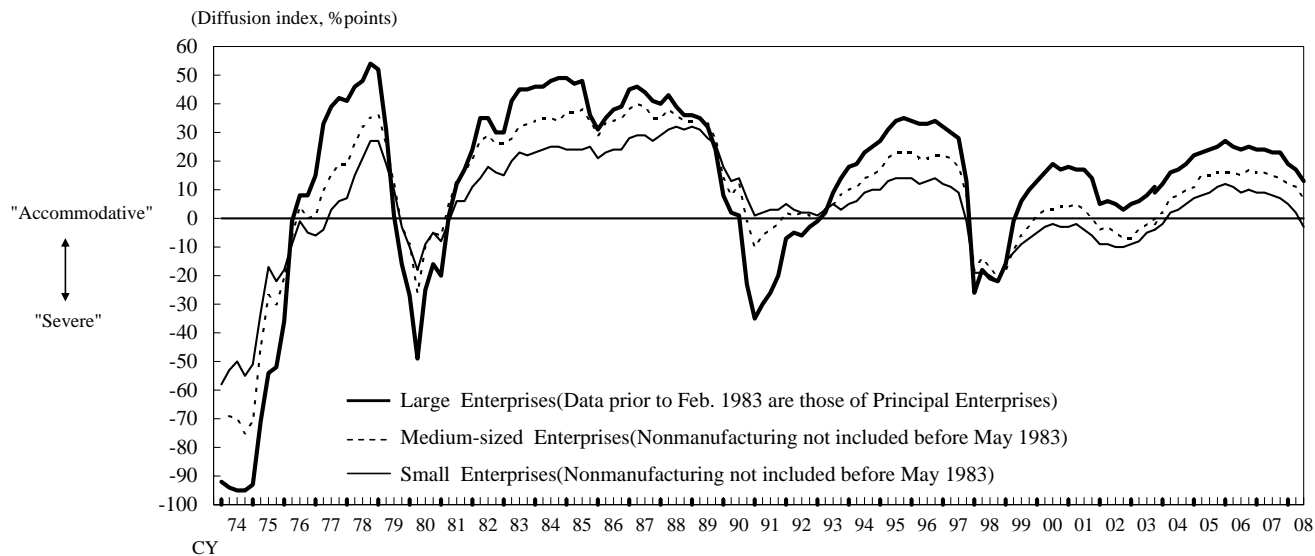
Peaks and Bottoms of Financial Position (from May 1983)

(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)

	September 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	15	3	-11

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)

	September 2008 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	13	7	-3