

Results of the 26th Opinion Survey on the General Public's Views and Behavior

*This is an English translation of the Japanese original released on July 5, 2006.

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Public Relations Department
Bank of Japan

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I. Introduction

The Bank of Japan, through public relations activities conducted at its Head Office and branches, has been seeking to determine the concerns of a broad cross-section of the general public relative to its policy and operations. An example of such action is the Bank's *Opinion Survey on the General Public's Views and Behavior*, conducted since 1993 with a nationwide sample of 4,000 individuals who are at least 20 years of age. This survey is essentially an opinion poll designed to gain insight into the public's perceptions and actions, and therefore differs in character from the Bank's *Tankan* (Short-Term Economic Survey of Enterprises in Japan), which is conducted separately from this survey.

II. Survey Outline

Survey period:	From May 25 to June 8, 2006.
Sample size:	4,000 people (1,770 people [i.e., 44.3 percent of the overall sample size] provided valid responses to questions).
Survey sample participants:	Individuals living in Japan who are at least 20 years of age.
Sampling method:	Stratified two-stage random sampling method.
Survey methodology:	Questionnaire survey. (Researchers visit sample individuals, ask them to complete the questionnaire within a prescribed period, and then collect the finished questionnaires upon subsequent visits.)

III. Summary

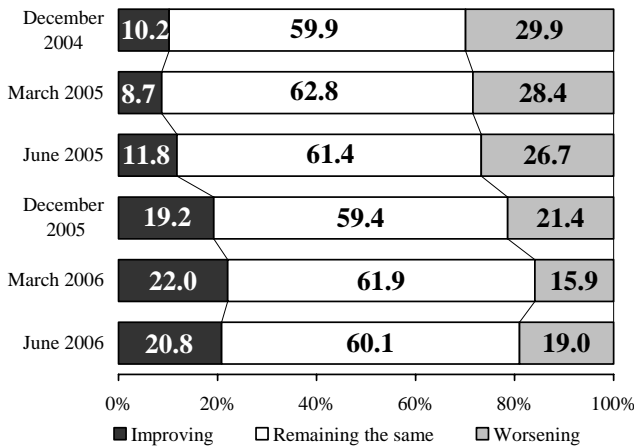
A. Impression of Economic Conditions

1. Economic conditions

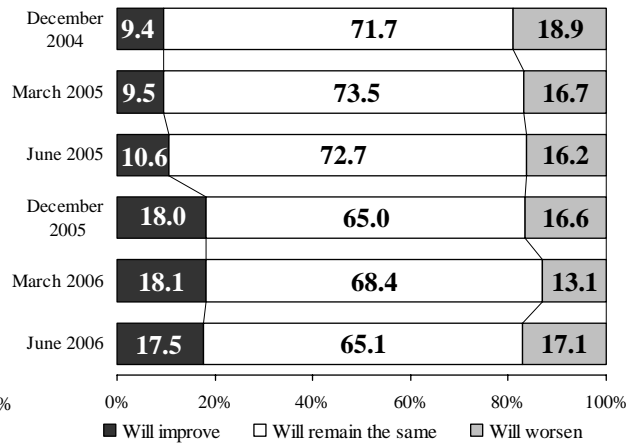
With regard to economic conditions compared with one year ago and the outlook for economic conditions over a one-year period, the proportion of respondents who answered that their economic conditions are "worsening" and "will worsen" rose, while those who stated that they are "improving" and "will improve" declined somewhat. As a result, the diffusion indices (D.I.) ("improving" minus "worsening" and "will improve" minus "will worsen") fell from the previous survey.

Chart 1 Economic Conditions (Questions 1 and 3)

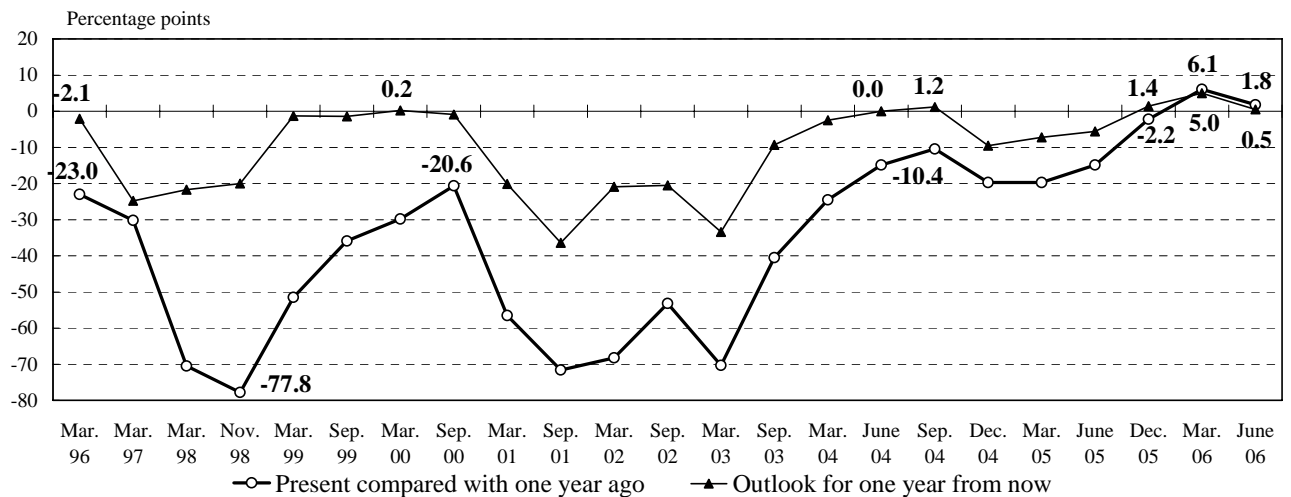
(1) Present Compared with One Year Ago



(2) One Year from Now Compared with the Present



(3) Developments in the Economic Conditions D.I.



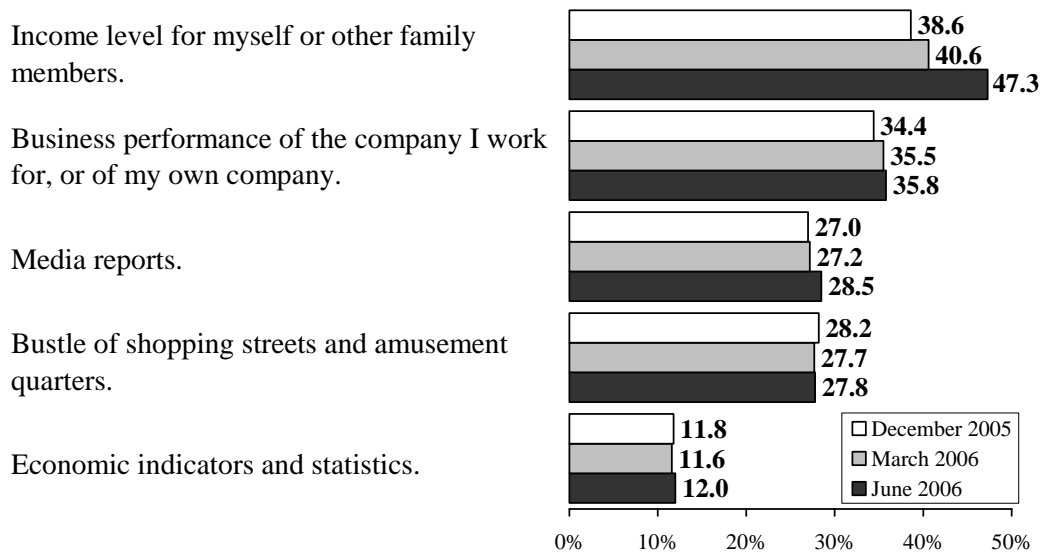
	Mar. 96	Mar. 97	Mar. 98	Nov. 98	Mar. 99	Sep. 99	Mar. 00	Sep. 00	Mar. 01	Sep. 01	Mar. 02	Sep. 02	Mar. 03	Sep. 03	Mar. 04	June 04	Sep. 04	Dec. 04	Mar. 05	June 05	Dec. 05	Mar. 06	June 06
Present compared with one year ago	-23.0	-30.2	-70.5	-77.8	-51.5	-35.9	-29.8	-20.6	-56.5	-71.6	-68.2	-53.2	-70.3	-40.5	-24.5	-14.9	-10.4	-19.7	-19.7	-14.9	-2.2	6.1	1.8
Changes from the previous survey		-7.2	-40.3	-7.3	+26.3	+15.6	+6.1	+9.2	-35.9	-15.1	+3.4	+15.0	-17.1	+29.8	+16.0	+9.6	+4.5	-9.3	0.0	+4.8	+12.7	+8.3	-4.3
Outlook for one year from now	-2.1	-24.8	-21.7	-20.0	-1.3	-1.4	0.2	-0.9	-20.1	-36.4	-20.9	-20.5	-33.4	-9.3	-2.5	0.0	1.2	-9.5	-7.2	-5.6	1.4	5.0	0.5
Changes from the previous survey		-22.7	+3.1	+1.7	+18.7	-0.1	+1.6	-1.1	-19.2	-16.3	+15.5	+0.4	-12.9	+24.1	+6.8	+2.5	+1.2	-10.7	+2.3	+1.6	+7.0	+3.6	-4.5

2. Basis for assessment of economic conditions

When asked their basis for assessment of economic conditions, "income level for myself or other family members" and "business performance of the company I work for, or of my own company" continued to be the responses chosen most often, followed by "media reports" and "bustle of shopping streets and amusement quarters."

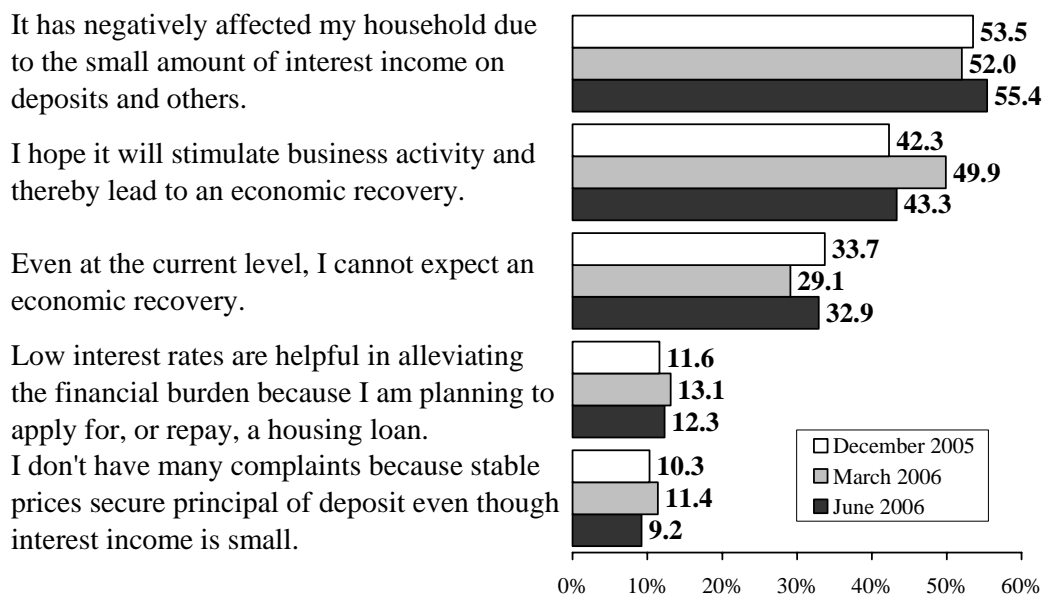
In terms of perception of the interest rate level, more than 50 percent of respondents stated that "it has negatively affected my household due to the small amount of interest income on deposits and others;" this choice continued to represent the highest percentage selected among those offered.

Chart 2 Basis for Assessment and Interpretation of Economic Conditions (Question 2)¹



Note: 1. Up to two answers were allowed.

Chart 3 Perception of the Interest Rate Level (Question 4)¹



Note: 1. Up to two answers were allowed.

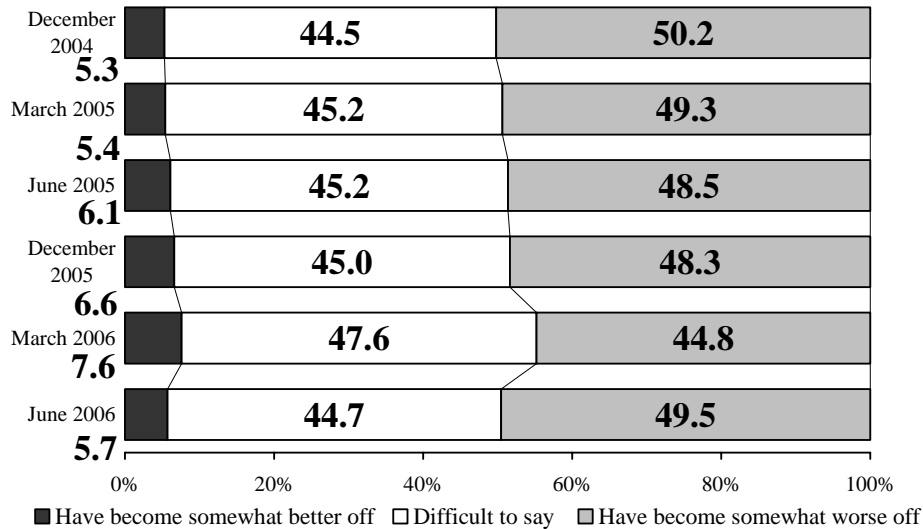
B. Household Circumstances and the General Public's Views

1. Present household circumstances

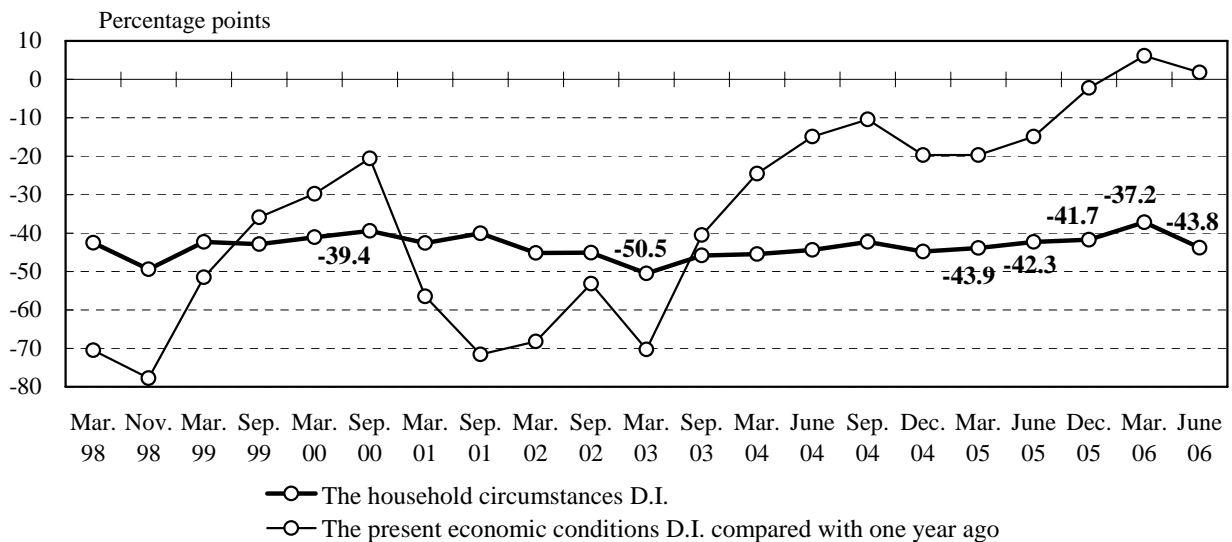
In terms of the general public's household circumstances compared with one year ago, the proportion of respondents who answered that their household circumstances "have become somewhat worse off" increased, while those who stated that they "have become somewhat better off" decreased somewhat. As a result, the D.I. ("have become somewhat better off" minus "have become somewhat worse off") declined.

Chart 4 Present Household Circumstances (Question 17)

(1) Present Household Circumstances



(2) Developments in the Household Circumstances D.I.



	Mar. 98	Nov. 98	Mar. 99	Sep. 99	Mar. 00	Sep. 00	Mar. 01	Sep. 01	Mar. 02	Sep. 02	Mar. 03	Sep. 03	Mar. 04	June 04	Sep. 04	Dec. 04	Mar. 05	June 05	Dec. 05	Mar. 06	June 06
The household circumstances D.I.	-42.5	-49.4	-42.3	-42.9	-41.1	-39.4	-42.6	-40.1	-45.2	-45.1	-50.5	-45.8	-45.5	-44.4	-42.3	-44.8	-43.9	-42.3	-41.7	-37.2	-43.8
Changes from the previous survey		-6.9	+7.1	-0.6	+1.8	+1.7	-3.2	+2.5	-5.1	+0.1	-5.4	+4.7	+0.3	+1.1	+2.1	-2.5	+0.9	+1.6	+0.6	+4.5	-6.6
The present economic conditions D.I. compared with one year ago	-70.5	-77.8	-51.5	-35.9	-29.8	-20.6	-56.5	-71.6	-68.2	-53.2	-70.3	-40.5	-24.5	-14.9	-10.4	-19.7	-19.7	-14.9	-2.2	6.1	1.8
Changes from the previous survey	-40.3	-7.3	+26.3	+15.6	+6.1	+9.2	-35.9	-15.1	+3.4	+15.0	-17.1	+29.8	+16.0	+9.6	+4.5	-9.3	0.0	+4.8	+12.7	+8.3	-4.3

2. Income and spending

With regard to income level compared with one year ago and the outlook for income over a one-year period, the proportion of respondents who answered that their income "has increased" and "will increase" declined somewhat, while those who stated that it "has decreased" and "will decrease" rose; thus, the proportions of positive responses to Questions 5 and 6 decreased slightly.

In terms of spending level compared with one year ago, the proportion of respondents who indicated that they "have decreased" their spending rose, while those who stated they "have increased" spending declined slightly; thus, the proportions of positive responses deteriorated somewhat. Concerning the outlook for spending over a one-year period, the proportions of responses was almost the same as in the previous surveys.

Chart 5 Income (Questions 5 and 6)

(1) Present Income Level Compared with One Year Ago (2) Income Level One Year from Now Compared with the Present

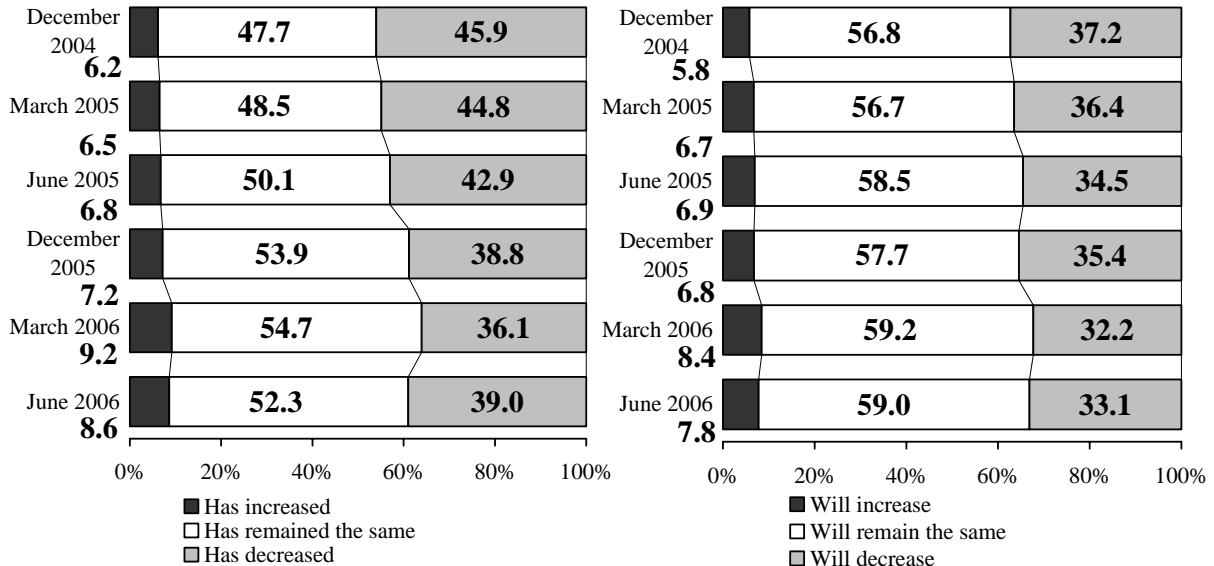
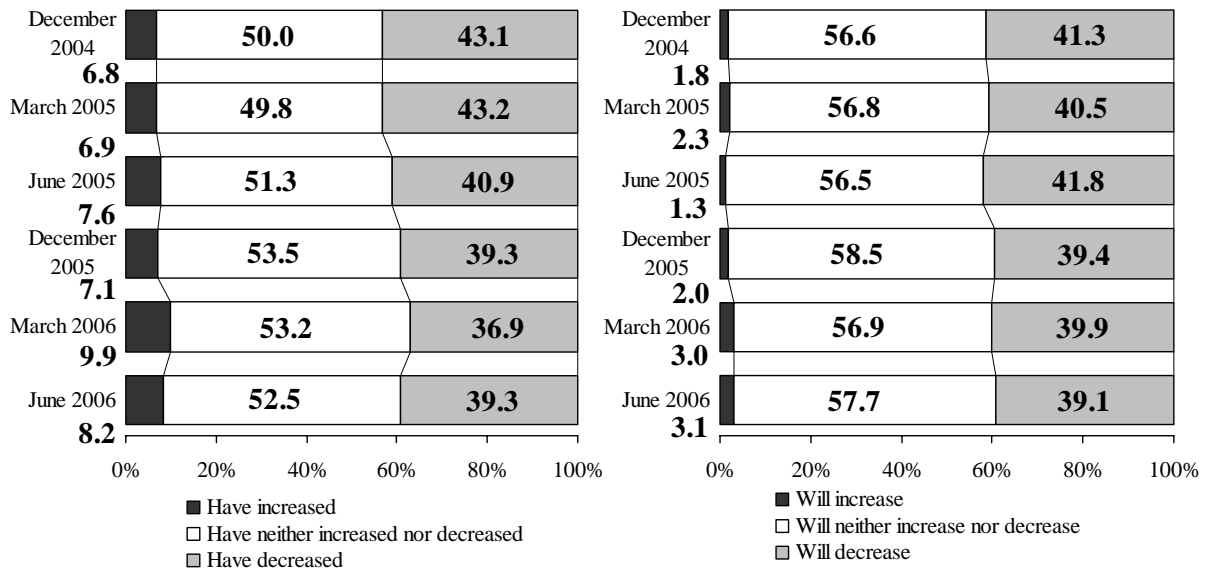


Chart 6 Spending (Questions 7 and 9)

(1) Present Spending Level Compared with One Year Ago (2) Spending Level One Year from Now Compared with the Present

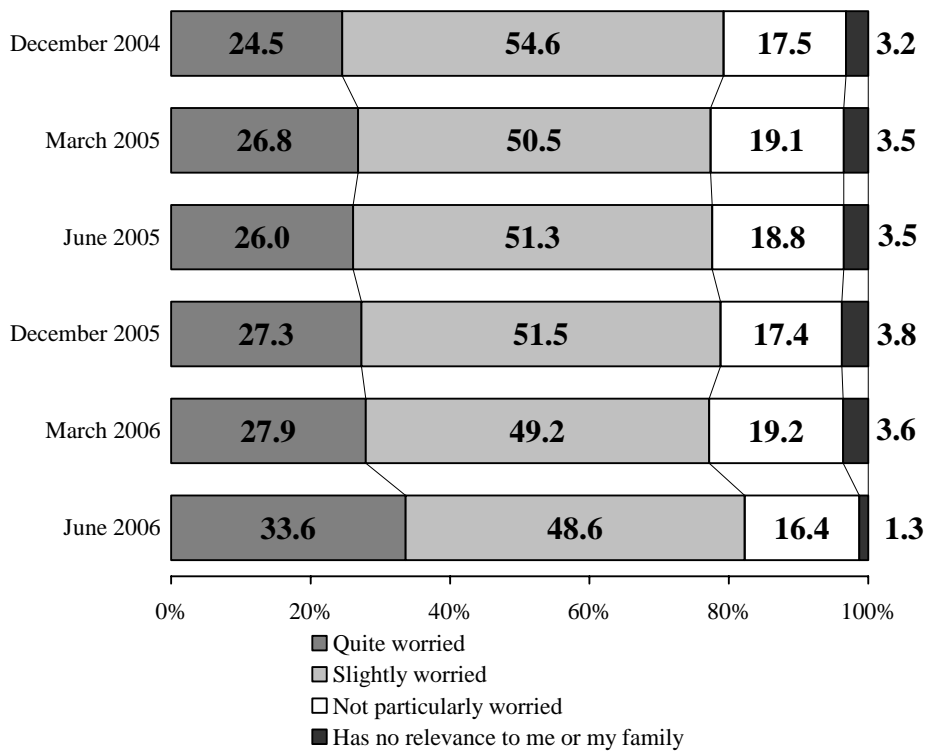


3. Employment conditions

When asked about concerns over employment and working arrangements, the proportion of respondents¹ who felt "quite worried" increased. As a result, the combined proportion of respondents who felt "quite worried" and "slightly worried" accounted for a little more than 80 percent.

¹ Respondents are workers who are company employees, civil servants, other types of employees, or part-timers.

Chart 7 Concerns over Employment and Working Arrangements (Question 19 [workers¹])



Note: 1. Workers are company employees, civil servants, other types of employees, or part-timers.

C. Perception of the Price Levels

1. Present price levels

Regarding their perception of the present price levels compared with one year ago, the proportion of respondents who felt that prices¹ "have gone up"² increased substantially, while those who felt that they "have gone down"³ decreased.

When asked to what extent the price levels have changed compared with one year ago in terms of a specific figure, the average was 2.4 percent, rising from 1.2 percent in the previous survey. The median continued to be 0.0 percent.

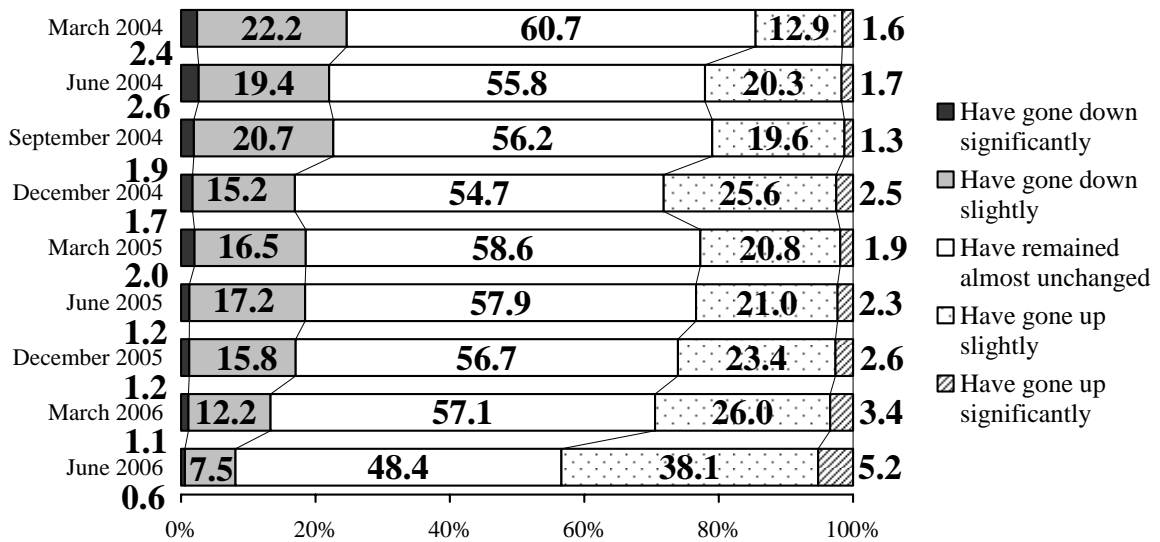
¹ Defined as "overall prices of goods and services the respondents purchase."

² "Have gone up" comprises "have gone up significantly" and "have gone up slightly."

³ "Have gone down" comprises "have gone down significantly" and "have gone down slightly."

Chart 8 Perception of the Present Price Levels (Questions 10 and 11)

(1) Present Compared with One Year Ago



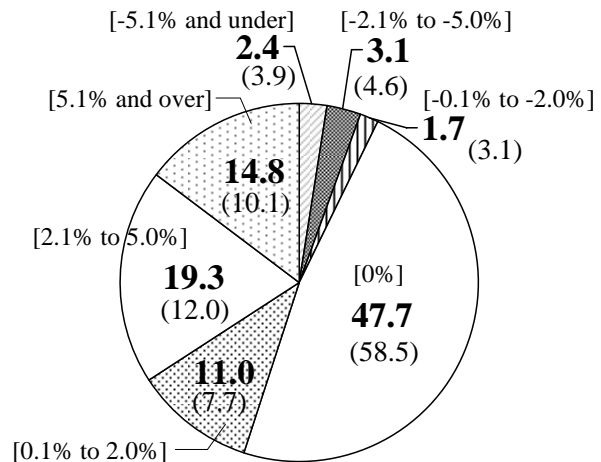
(2) Changes in the Price Levels Compared with One Year Ago

	Average ¹	Median ²
March 2004	-0.3%	0.0%
June 2004	+0.2%	0.0%
September 2004	+0.2%	0.0%
December 2004	+1.3%	0.0%
March 2005	+0.7%	0.0%
June 2005	+0.8%	0.0%
December 2005	+0.8%	0.0%
March 2006	+1.2%	0.0%
June 2006	+2.4%	0.0%

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is +2.5 percent). (The simple average of the last survey in March 2006 was +1.3 percent.)

2. The number that appears in the middle when the answers are listed in numerical order.

(3) Distribution of Current Survey Answers^{1,2}



Notes: 1. Percent.

2. Figures in parentheses represent results of the previous survey (March 2006).

2. Outlook for price levels one year from now

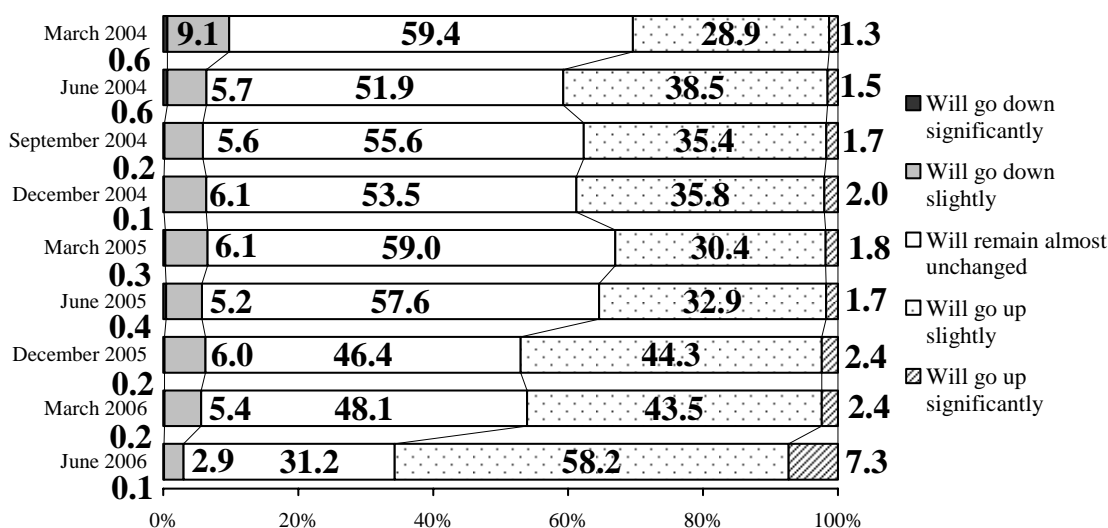
In terms of the outlook for price levels one year from now, the proportion of respondents who expected that prices "will go up"¹ increased substantially, accounting for about 65 percent.

When asked to what extent the price levels will change one year from now in terms of a specific figure, the average was 3.7 percent, rising from 2.1 percent in the previous survey. The median was 2.0 percent, rising from 0.0 percent in the previous survey.

¹ "Will go up" comprises "will go up significantly" and "will go up slightly."

Chart 9 Outlook for the Price Levels One Year from Now (Questions 12 and 13)

(1) One Year from Now Compared with the Present



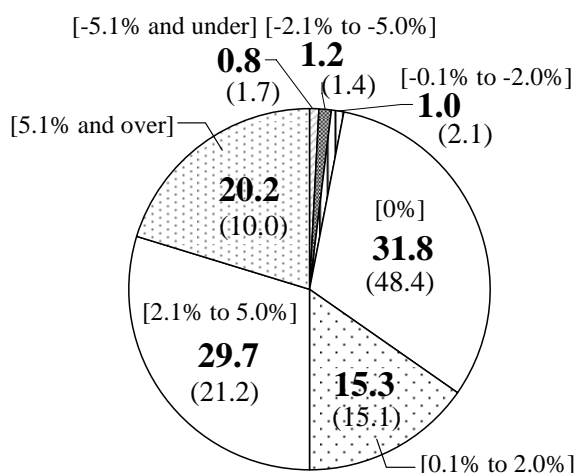
(2) Changes in the Price Levels One Year from Now

	Average ¹	Median ²
March 2004	+1.2%	0.0%
June 2004	+1.6%	0.0%
September 2004	+1.4%	0.0%
December 2004	+1.8%	0.0%
March 2005	+1.3%	0.0%
June 2005	+1.6%	0.0%
December 2005	+2.2%	0.0%
March 2006	+2.1%	0.0%
June 2006	+3.7%	+2.0%

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is +3.8 percent). (The simple average of the last survey in March 2006 was +2.1 percent.)

2. The number that appears in the middle when the answers are listed in numerical order.

(3) Distribution of Current Survey Answers^{1,2}



Notes: 1. Percent.

2. Figures in parentheses represent results of the previous survey (March 2006).

3. Outlook for price levels over the next five years

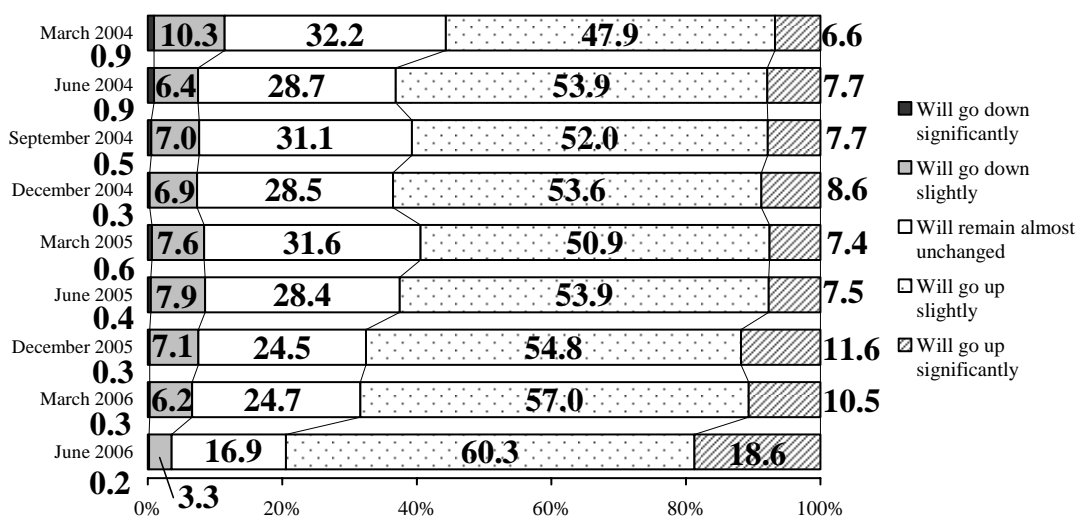
Regarding the outlook for price levels over the next five years, the proportion of respondents who answered that prices "will go up"¹ increased substantially, accounting for around 80 percent.

When asked about the specific rate of price change per year on average over the next five years, the average was 3.1 percent, rising from 2.3 percent in the previous survey. The median was 2.0 percent, rising from 1.0 percent in the previous survey.

¹ "Will go up" comprises "will go up significantly" and "will go up slightly."

Chart 10 Outlook for Price Levels over the Next Five Years (Questions 14 and 15)

(1) Outlook for the Next Five Years



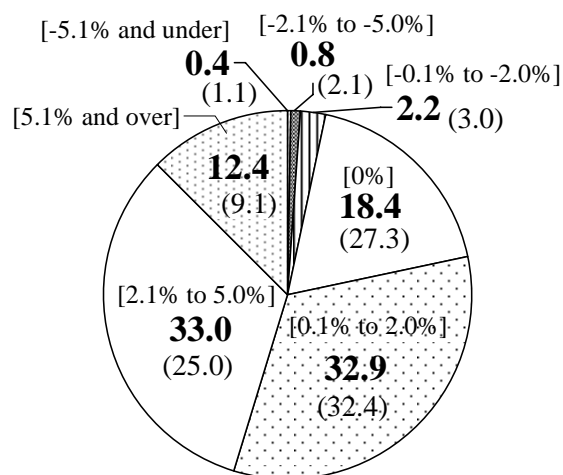
(2) Changes in the Price Levels per Year on Average over the Next Five Years

	Average ¹	Median ²
March 2004	+1.7%	+0.2%
June 2004	+1.9%	+1.0%
September 2004	+1.6%	+0.5%
December 2004	+2.1%	+1.0%
March 2005	+1.8%	+0.5%
June 2005	+1.9%	+1.0%
December 2005	+2.4%	+1.0%
March 2006	+2.3%	+1.0%
June 2006	+3.1%	+2.0%

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is +3.2 percent). (The simple average of the last survey in March 2006 was +2.3 percent.)

2. The number that appears in the middle when the answers are listed in numerical order.

(3) Distribution of Current Survey Answers^{1,2}



Notes: 1. Percent.

2. Figures in parentheses represent results of the previous survey (March 2006).

4. Comments on the decline and rise in prices

Among all respondents, 8.1 percent answered that prices compared with one year ago "have gone down"¹ and were asked for comments on the price decline; those who stated that the price decline was "rather favorable" accounted for about 60 percent, as in the previous survey, while those who indicated that it was "rather unfavorable" decreased slightly.

Among all respondents, 43.3 percent answered that prices compared with one year ago "have gone up"² and were asked for comments on the price rise; those who stated that the price rise was "rather unfavorable" accounted for about 80 percent, as in the previous surveys.

¹ "Have gone down" comprises "have gone down significantly" and "have gone down slightly."

² "Have gone up" comprises "have gone up significantly" and "have gone up slightly."

Chart 11 Comments on the Price Decline (Question 10-(a))

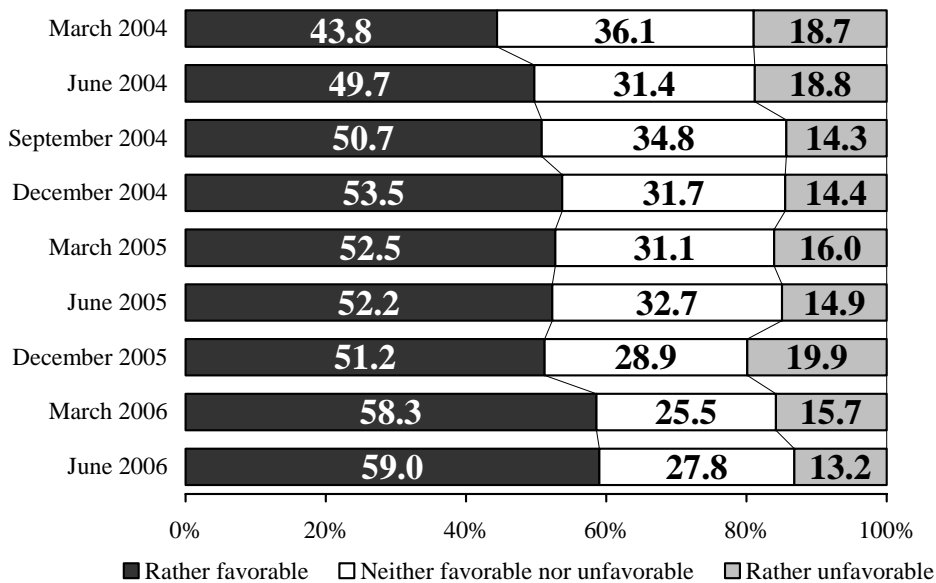
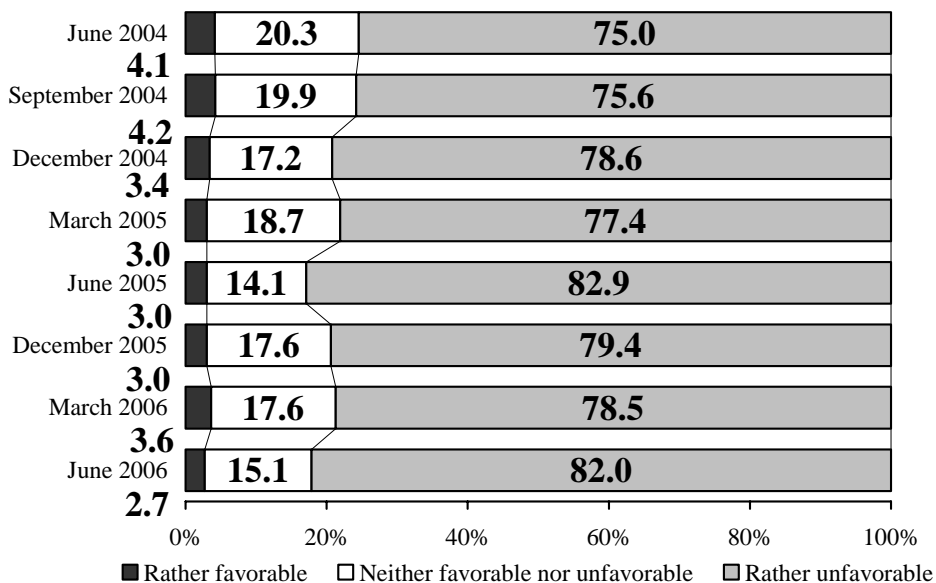


Chart 12 Comments on the Price Rise (Question 10-(b))¹



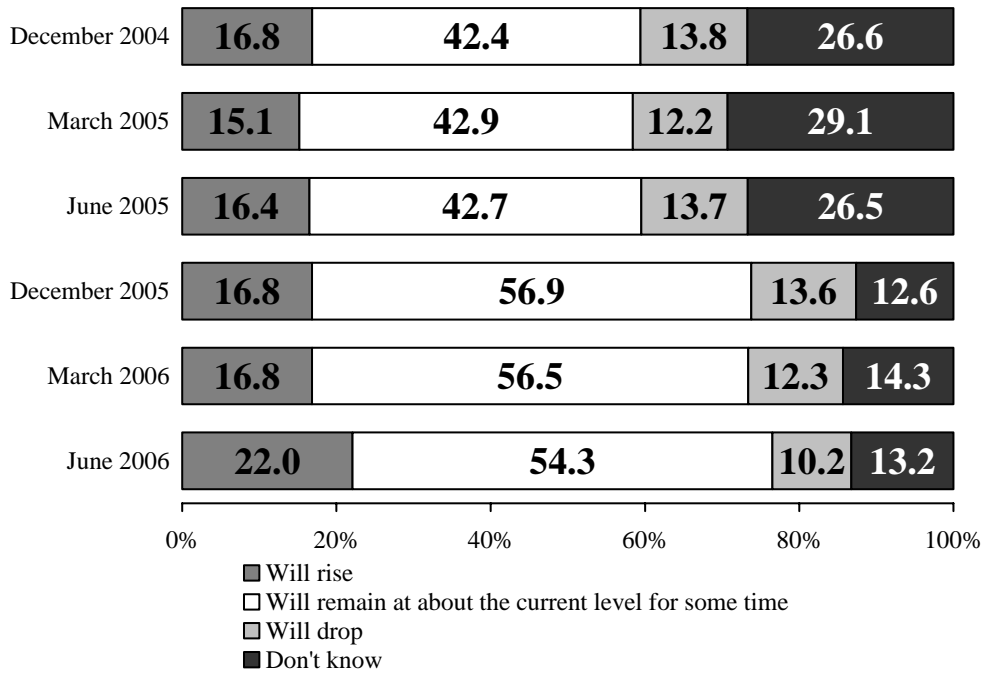
Note: 1. This question was introduced from the 19th round of the survey, conducted in June 2004.

D. Future Developments in Land Prices

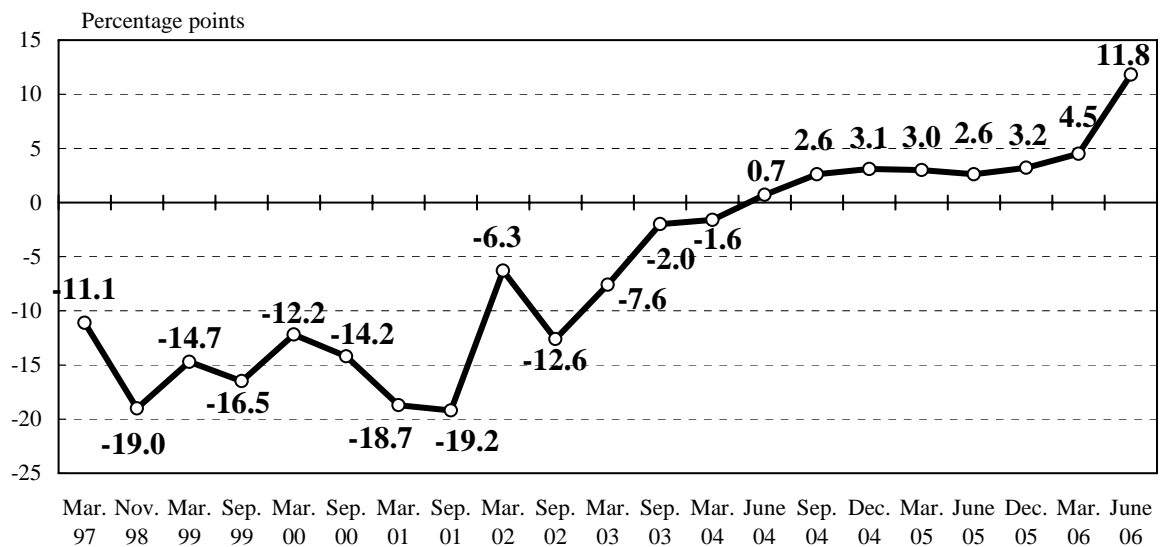
When asked about future developments in land prices, the proportion of respondents who answered that land prices "will drop" slightly decreased, while those who stated that they "will rise" increased (the largest proportion was recorded since this question's introduction in the fifth round of the survey, conducted in March 1997). As a result, the D.I. ("will rise" minus "will drop") substantially improved from the previous survey (the D.I. achieved a record high since this question's introduction, for the second consecutive survey).

Chart 13 Perception of the Future Development in Land Prices (Question 16)

(1) Perception of the Future Development in Land Prices



(2) Developments in the Land Prices D.I.¹

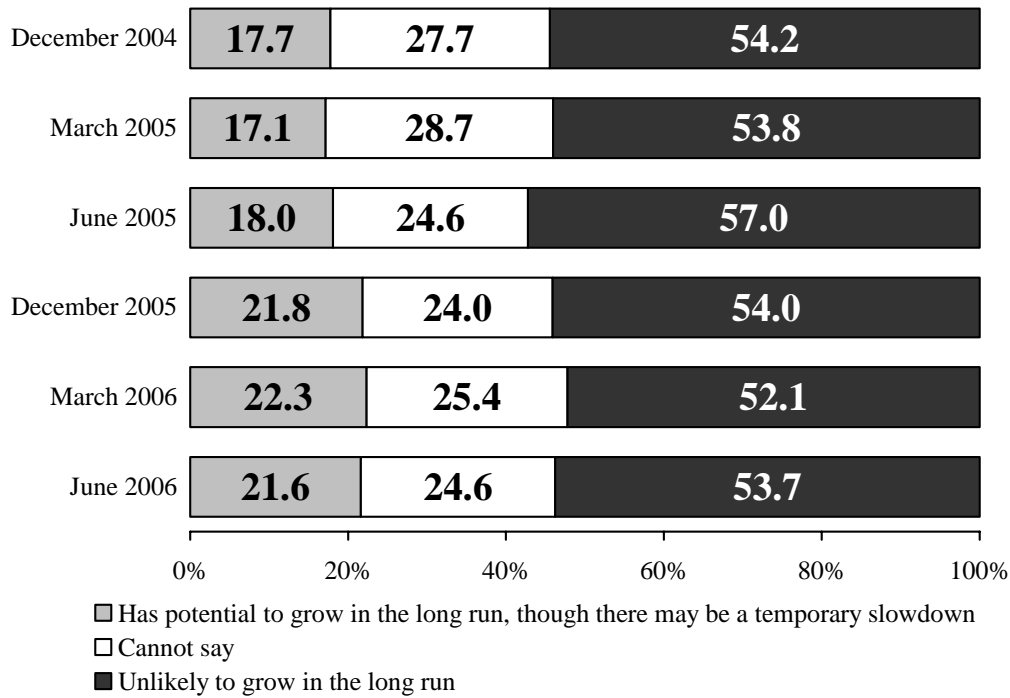


Note: 1. This question was not included in the sixth round of the survey, conducted in March 1998.

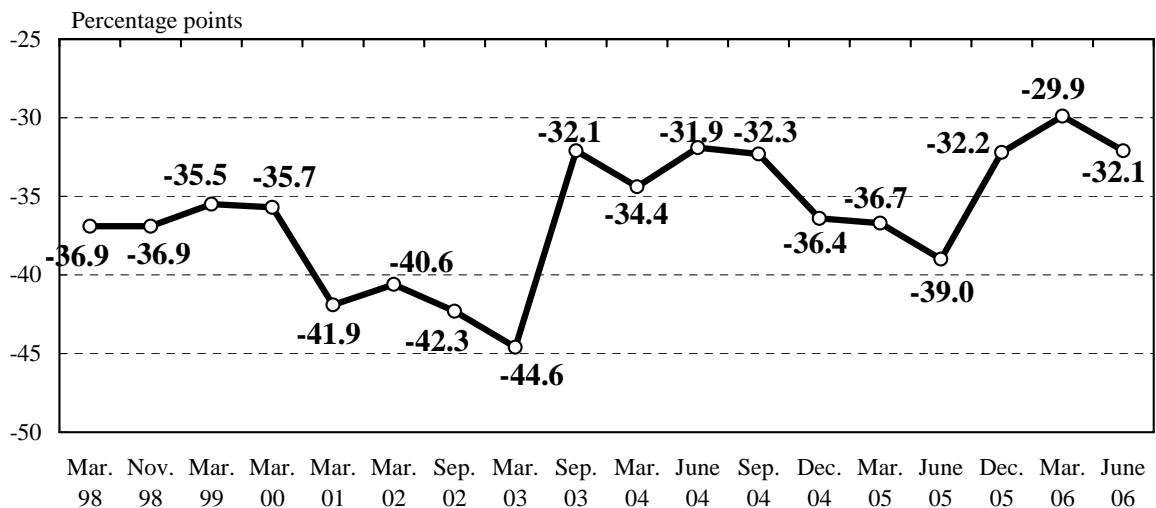
E. Growth Potential of the Japanese Economy

When asked about the Japanese economy's growth potential, the proportion of respondents who replied that the Japanese economy was "unlikely to grow in the long run" increased somewhat. As a result, the D.I. ("has potential to grow" minus "unlikely to grow") recorded a slightly larger negative percentage-point figure.

Chart 14 Perception of the Japanese Economy's Growth Potential (Question 18)
 (1) Perception of the Japanese Economy's Growth Potential



(2) Developments in the Japanese Economy's Growth Potential D.I.¹



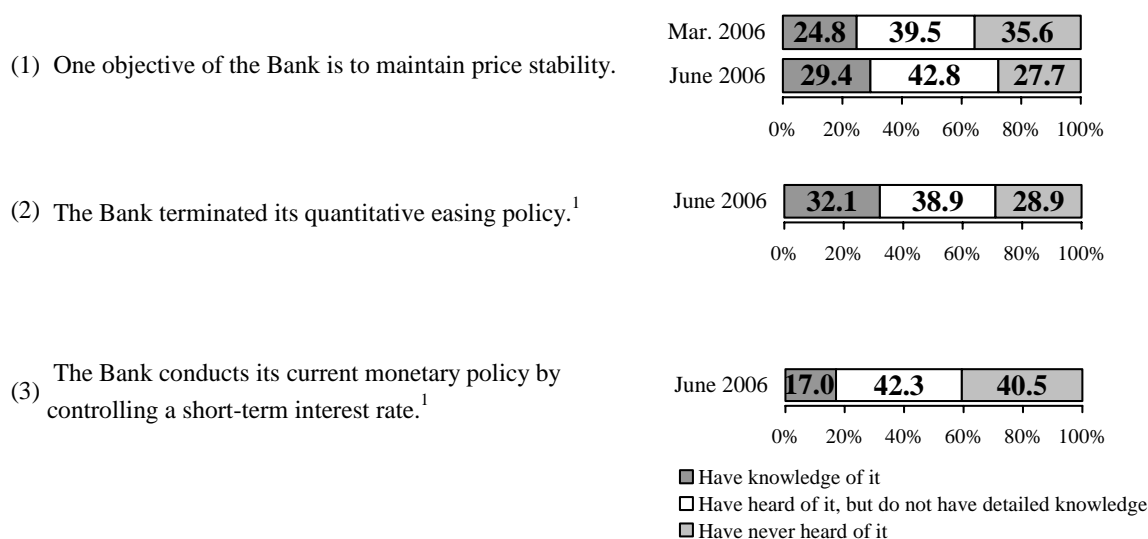
Note: 1. This question was not included in the ninth, eleventh, and thirteenth rounds of the survey, conducted respectively in September 1999, September 2000, and September 2001.

F. Degree of Recognition and Credibility of the Bank

1. Objectives of the Bank

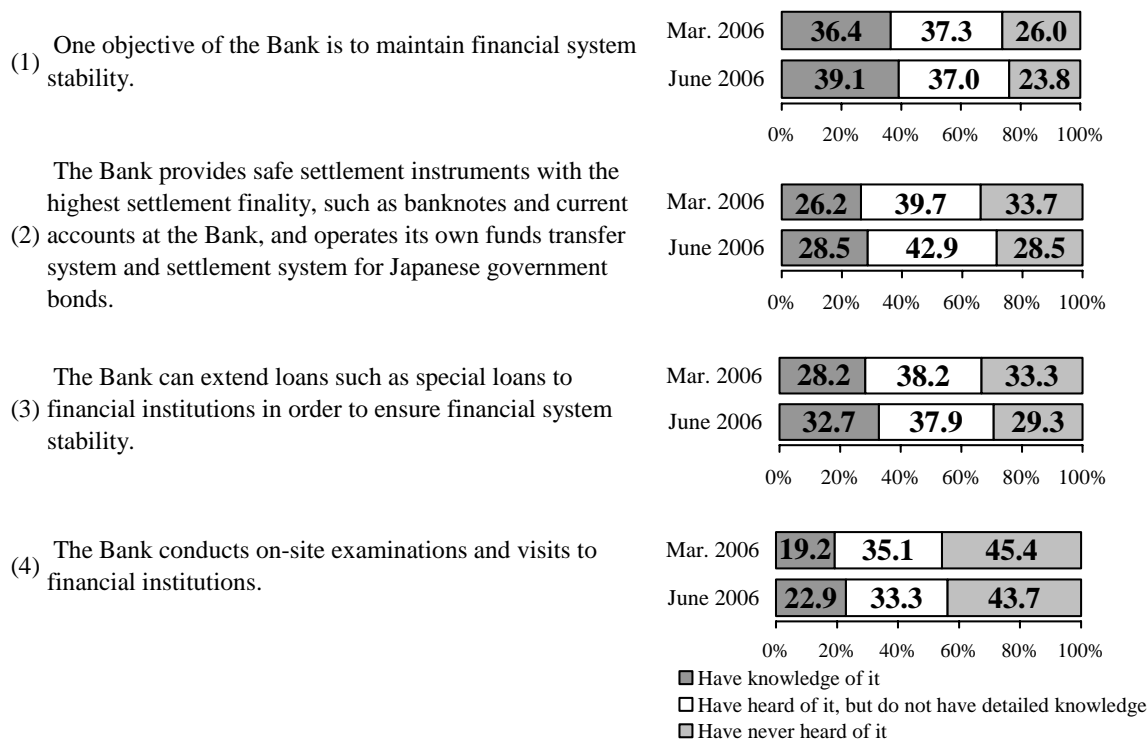
When asked about their recognition of two Bank objectives (price stability and financial system stability), the proportion of respondents who stated that they "have knowledge of it" showed a moderate increase.

Chart 15 Recognition of Price Stability (Question 20)



Note: 1. This item is new to the survey.

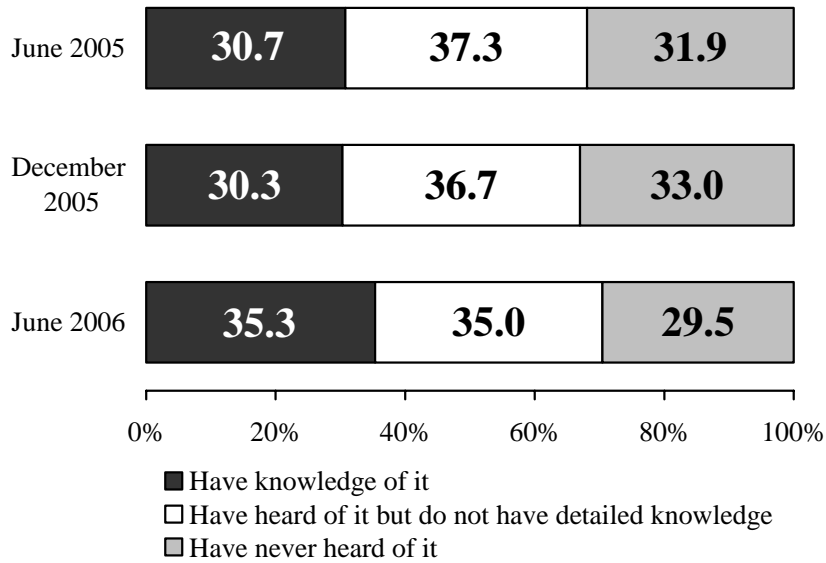
Chart 16 Recognition of Financial System Stability (Question 21)



2. Recognition of electronic payment of treasury funds

When asked whether they know that electronic payment of national taxes and social security premiums can be made without visiting a bank, by using banks' Automated Teller Machines (ATMs) and electronic banking services, the proportion of respondents who indicated that they "have knowledge of it" increased compared with the 24th round of the survey, conducted in December 2005 (the last time this question was previously asked).

Chart 17 Recognition of Electronic Payment of Treasury Funds (Question 22)



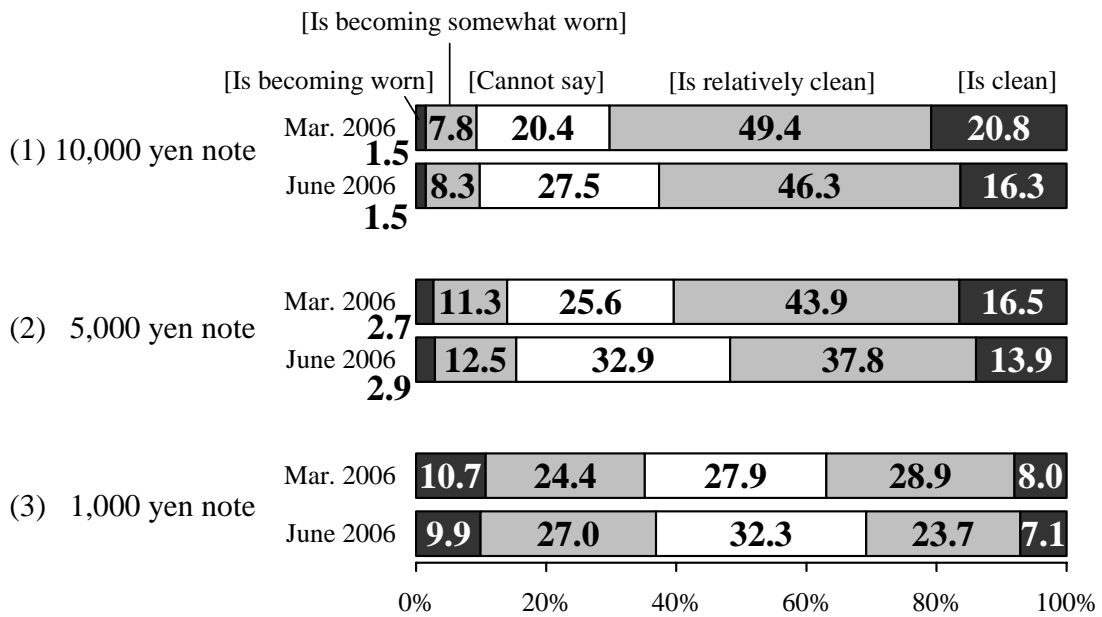
3. Condition of the new series of Bank of Japan notes

When asked about the condition of the new series of Bank of Japan notes issued since November 2004, high-denomination banknotes were considered cleaner than low-denomination banknotes, as in the previous survey.

The proportion of respondents who stated that each denomination of banknotes "is clean"¹ decreased, while those who indicated they "cannot say" increased.

¹ "Is clean" comprises "is clean" and "is relatively clean."

Chart 18 Condition of the New Series of Bank of Japan Notes (Question 23)



4. Comprehensive recognition and evaluation of the Bank

When asked about recognition of the Bank, the proportion of respondents who stated that they "do not know about the Bank's policy and operations"¹ accounted for a little more than 50 percent, decreasing from the previous survey's level of fewer than 60 percent.

The proportion of respondents who thought that "the Bank is related to our lives"² increased, accounting for about 55 percent. A little over 35 percent replied that "the Bank is contributing to our lives,"³ almost the same as in the previous survey.

The proportion of respondents who felt that "the Bank's explanations to the public are not clear enough"⁴ declined slightly, but still continued to account for a little more than 50 percent. Among all respondents, 53.6 percent felt that "the Bank's explanations to the public are not clear enough" and were asked for their reasons (Chart 20), with many stating that they "have never had the opportunity to read or hear the Bank's explanations" and have a "lack of basic knowledge about the Bank," as in the previous surveys.

About 30 percent of respondents stated that they "have confidence in the Bank,"⁵ while around 10 percent indicated that they "do not have confidence in the Bank," as in the previous survey.

When asked the reasons for having confidence in the Bank (Chart 21), "because the Bank is a neutral organization" was most frequently mentioned, followed by "because of the sincere and solid impression of the Bank" and "because I support the Bank's policy." In terms of reasons for not having confidence in the Bank (Chart 22), answers such as "because the Bank is distant and unfamiliar" and "because I cannot understand the content and intention of the Bank's policy" were frequently mentioned.

¹ "Do not know about the Bank's policy and operations" comprises "do not know" and "do not know very much."

² "The Bank is related to our lives" comprises "the Bank is related to our lives" and "the Bank is somewhat related to our lives."

³ "The Bank is contributing to our lives" comprises "the Bank is contributing to our lives" and "the Bank is somewhat contributing to our lives."

⁴ "The Bank's explanations to the public are not clear enough" comprises "the Bank's explanations to the public are not clear enough" and "the Bank's explanations to the public are somewhat unclear."

⁵ "Have confidence in the Bank" comprises "have confidence in the Bank" and "have confidence in the Bank to some extent."

Chart 19 Comprehensive Recognition and Evaluation of the Bank (Question 24)

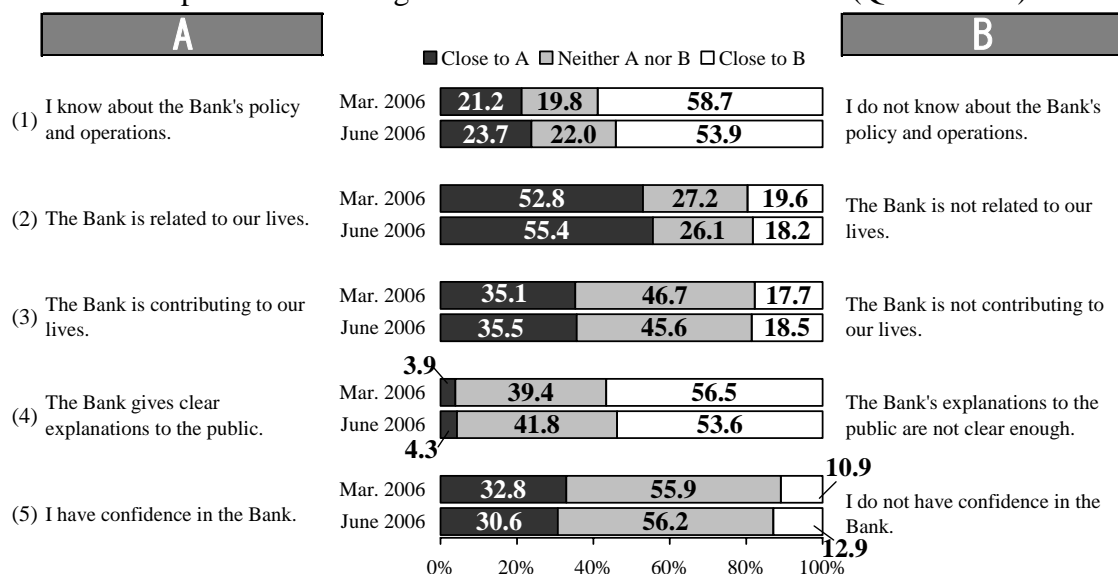
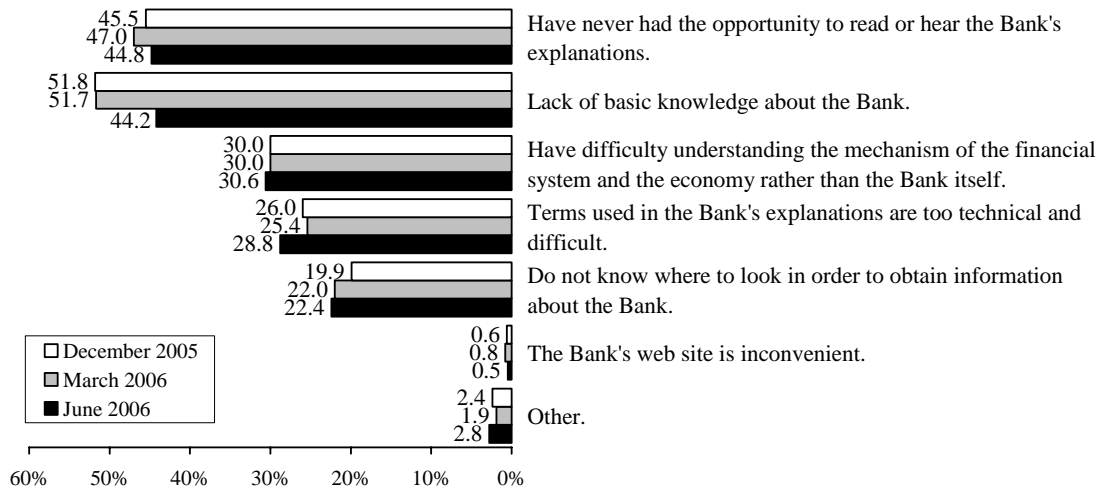
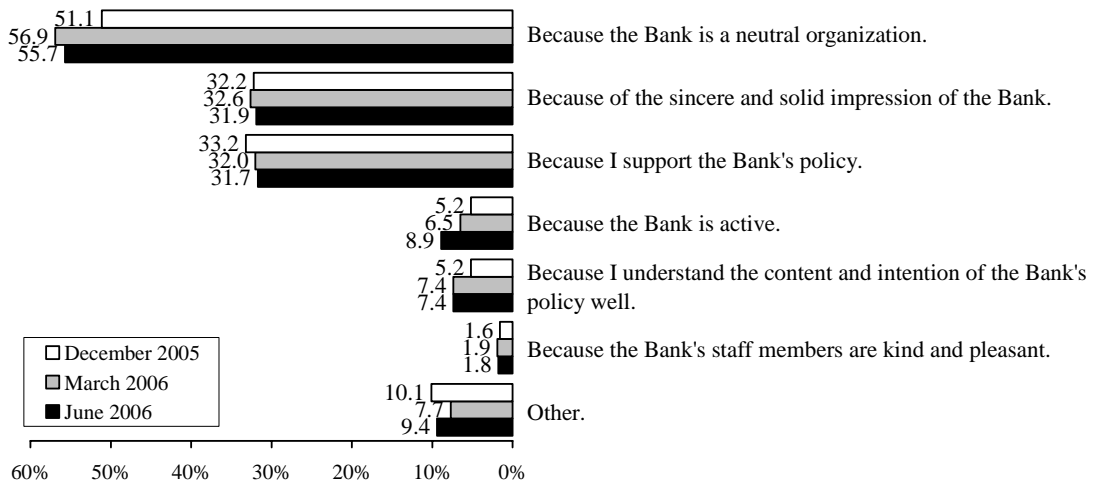


Chart 20 Reasons Why the Bank's Explanations Are Unclear (Question 24-(a))¹



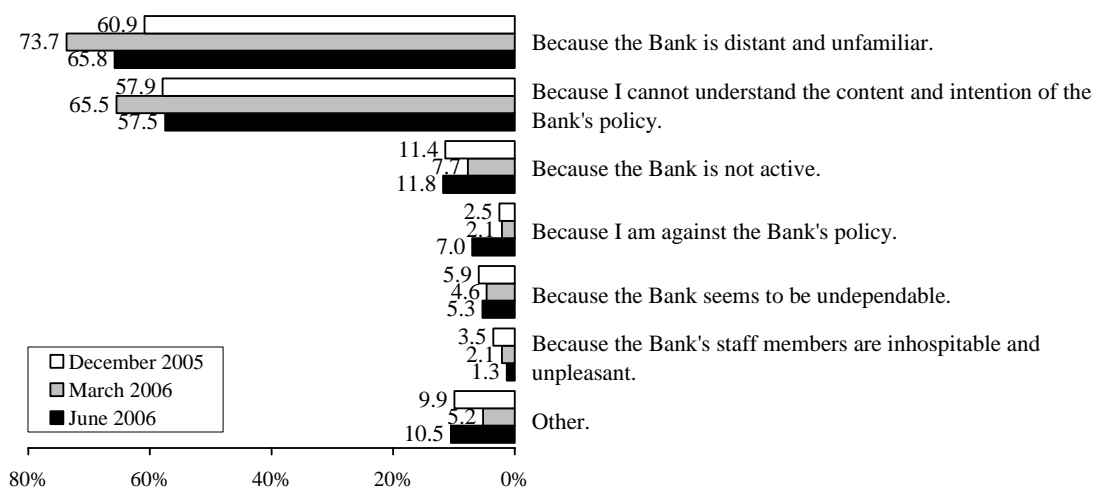
Note: 1. Up to two answers were allowed.

Chart 21 Reasons for Having Confidence in the Bank (Question 24-(b))¹



Note: 1. Up to two answers were allowed.

Chart 22 Reasons for Not Having Confidence in the Bank (Question 24-(c))¹



Note: 1. Up to two answers were allowed.

IV. Distribution of Aggregated Sample Population by Category

	26th round of the survey (June 2006) ¹ (A)	Population of the survey ^{1,2} (B)	Difference between (A) and (B) ³ (A) - (B)	Samples (reference) ¹
By sex				
Male	50.4	48.4	2.0	51.0
Female	49.6	51.6	-2.0	49.1
By age				
20–29	10.6	15.6	-5.0	13.3
30–39	17.0	18.0	-1.0	18.1
40–49	17.7	15.2	2.5	16.0
50–59	22.6	18.5	4.1	20.9
60–69	16.9	15.5	1.5	15.7
70–	15.1	17.3	-2.1	16.0
By region				
Hokkaido	4.5	4.5	0.0	4.5
Tohoku	9.0	7.6	1.4	7.9
Kanto	29.0	32.5	-3.5	32.6
Hokuriku	5.6	4.4	1.3	4.5
Chubu	15.3	13.9	1.4	14.2
Kinki	14.5	16.2	-1.8	16.1
Chugoku	6.6	6.0	0.5	5.6
Shikoku	3.0	3.3	-0.3	3.4
Kyushu	12.4	11.5	1.0	11.2

Notes: 1. Percent.

2. Based on the population of municipalities recorded in the Basic Resident Registers as of March 31, 2005.

3. Percentage points.

V. Complete Questionnaire and Results

Bold numbers refer to the rate of responses for each menu of choices against total respondents for each question (percent; the second decimal place is rounded off^{1,2}).

¹ Because of rounding, response ratios do not necessarily add up to 100 percent even for questions that allow for only one choice.

² Figures in parentheses represent results of the previous survey (March 2006).

Question 1

In your opinion, has the Japanese economy been improving or worsening compared with one year ago? (Choose one answer.)

- | | |
|-------------------------|----------------------|
| (a) Improving. | 20.8 (22.0) |
| (b) Remaining the same. | 60.1 (61.9) |
| (c) Worsening. | 19.0 (15.9) |

Question 2

With regard to Question 1, what makes you think so? (Choose up to two answers.)

- | | |
|---|----------------------|
| (a) Media reports. | 28.5 (27.2) |
| (b) Economic indicators and statistics. | 12.0 (11.6) |
| (c) Business performance of the company I work for, or of my own company. | 35.8 (35.5) |
| (d) Income level for myself or other family members. | 47.3 (40.6) |
| (e) Bustle of shopping streets and amusement quarters. | 27.8 (27.7) |
| (f) Other. | 6.3 (3.3) |

Question 3

How do you foresee economic conditions one year from now? (Choose one answer.)

- | | |
|---------------------------|----------------------|
| (a) Will improve. | 17.5 (18.1) |
| (b) Will remain the same. | 65.1 (68.4) |
| (c) Will worsen. | 17.1 (13.1) |

Question 4

What do you think about the current interest rate level? (Choose up to two answers.)

- | | |
|--|----------------------|
| (a) I hope it will stimulate business activity and thereby lead to an economic recovery. | 43.3 (49.9) |
| (b) Even at the current level, I cannot expect an economic recovery. | 32.9 (29.1) |
| (c) It has negatively affected my household due to the small amount of interest income on deposits and others. | 55.4 (52.0) |
| (d) I don't have many complaints because stable prices secure principal of deposit even though interest income is small. | 9.2 (11.4) |
| (e) Low interest rates are helpful in alleviating the financial burden because I am planning to apply for, or repay, a housing loan. | 12.3 (13.1) |
| (f) Other. | 2.8 (3.6) |

Question 5

How has your income (or other family members' income) changed from one year ago? (Choose one answer.)

- | | |
|----------------------------|----------------------|
| (a) Has increased. | 8.6 (9.2) |
| (b) Has remained the same. | 52.3 (54.7) |
| (c) Has decreased. | 39.0 (36.1) |

Question 6

What do you expect your income (or other family members' income) will be one year from now?
(Choose one answer.)

- | | |
|---------------------------|-----------------------------|
| (a) Will increase. | 7.8 (8.4) |
| (b) Will remain the same. | 59.0 (59.2) |
| (c) Will decrease. | 33.1 (32.2) |

Question 7

How have you (or other family members) changed spending patterns compared with one year ago? (Choose one answer.)

- | | |
|---|-----------------------------|
| (a) Have increased. | 8.2 (9.9) |
| (b) Have neither increased nor decreased. | 52.5 (53.2) |
| (c) Have decreased. | 39.3 (36.9) |

If you chose (a) in Question 7, please answer Question 7-(a). If you chose (c), please answer Question 7-(b). Otherwise, please skip questions 7-(a) and 7-(b) and go on to Question 8.

Question 7-(a)

Why have you increased your (or other family members') spending? (Choose all applicable answers.)

- | | |
|---|-----------------------------|
| (a) Because my income has increased. | 15.2 (19.3) |
| (b) Because my income is likely to increase in the future. | 7.6 (5.1) |
| (c) Because tax cuts and other factors have lessened the household budget burden. | 2.1 (4.0) |
| (d) Because pension and social security payments are expected to increase. | 4.1 (4.5) |
| (e) Because of the asset value of real estate purchased, for example a house, has increased in value. | - (1.1) |
| (f) Because the value of purchased financial assets such as stocks and bonds has increased. | 2.8 (4.5) |
| (g) Because loan payment amounts have decreased due to low interest rates. | - (0.6) |
| (h) Because I decided not to buy a house (or else postponed plans). | 2.1 (1.1) |
| (i) Because there are goods and services I want to purchase. | 27.6 (35.2) |
| (j) Because I made a big purchase in the past twelve months. | 39.3 (52.3) |
| (k) Other. ¹ | 38.6 |

Note: 1. This choice is new to the survey.

Question 7-(b)

Why have you decreased your (or other family members') spending? (Choose all applicable answers.)

- | | |
|---|-----------------------------|
| (a) Because my income has not increased or has been decreasing due to recession or restructuring. | 31.0 (35.1) |
| (b) Because I fear a future job loss or decline in income. | 57.8 (56.3) |
| (c) Because I fear future cuts in pension and social security payments. | 64.1 (65.8) |
| (d) Because I fear a tax increase or rise in the social security burden in the future. | 53.2 (49.5) |
| (e) Because of the asset value of real estate purchased, for example a house, has decreased in value as I pay back housing loans. | 4.5 (4.9) |
| (f) Because the value of purchased financial assets such as stocks and bonds has decreased. | 2.9 (0.9) |
| (g) Because interest income has decreased due to low interest rates. | 20.3 (21.1) |
| (h) Because there are only few goods or services I want to purchase. | 6.9 (7.2) |
| (i) Because there happened to be no big purchases during the past twelve months. | 4.7 (4.9) |
| (j) Other. ¹ | 6.5 |

Note: 1. This choice is new to the survey.

(For all respondents.)

Question 8

Spending is divided into two categories, as shown below. Please select the best description of your spending attitude from (a) to (e) for each category of spending. (Choose one answer for each category.)

Category 1. Everyday spending such as on living and educational expenses

Category 2. Selective spending such as on hobby and leisure activities (spending other than category 1)

- | | Category 1 | Category 2 |
|--|-----------------------------|-----------------------------|
| (a) Have decreased spending. | 21.8 (21.1) | 30.0 (29.2) |
| (b) Have unintentionally decreased spending. | 25.8 (22.8) | 31.9 (32.3) |
| (c) Unchanged. | 35.4 (37.8) | 29.9 (29.9) |
| (d) Have unwillingly increased spending. | 15.1 (16.7) | 4.9 (5.2) |
| (e) Have increased spending. | 1.7 (1.4) | 2.9 (3.2) |

Question 9

Do you plan to increase or decrease your spending within the next twelve months? (Choose one answer.)

- | | |
|---|-----------------------------|
| (a) Will increase. | 3.1 (3.0) |
| (b) Will neither increase nor decrease. | 57.7 (56.9) |
| (c) Will decrease. | 39.1 (39.9) |

Question 10

How do you think prices¹ have changed compared with one year ago? (Choose one answer.)

- | | |
|-------------------------------------|---------------|
| (a) Have gone down significantly. | 0.6 (1.1) |
| (b) Have gone down slightly. | 7.5 (12.2) |
| (c) Have remained almost unchanged. | 48.4 (57.1) |
| (d) Have gone up slightly. | 38.1 (26.0) |
| (e) Have gone up significantly. | 5.2 (3.4) |

Note: 1. They are defined as overall prices of goods and services you purchase (hereafter the same).

If you chose (a) or (b) in Question 10, please answer Question 10-(a). If you chose (d) or (e), please answer Question 10-(b). For remaining respondents, please skip questions 10-(a) and 10-(b) and go on to Question 11.

Question 10-(a)

What is your opinion of the price decline? (Choose one answer.)

- | | |
|--|---------------|
| (a) Rather favorable. | 59.0 (58.3) |
| (b) Rather unfavorable. | 13.2 (15.7) |
| (c) Neither favorable nor unfavorable. | 27.8 (25.5) |

Question 10-(b)

What is your opinion of the price rise? (Choose one answer.)

- | | |
|--|---------------|
| (a) Rather favorable. | 2.7 (3.6) |
| (b) Rather unfavorable. | 82.0 (78.5) |
| (c) Neither favorable nor unfavorable. | 15.1 (17.6) |

(For all respondents.)

Question 11

By what percent do you think the prices have gone up or down compared with one year ago? Please fill in the appropriate box below with a specific figure. If you think that they have been unchanged, please put a "0" in either box.

gone up about percent.

Compared with one year ago, the prices have

gone down about percent.

Average¹: +2.4 (+1.2) percent

Median²: 0.0 (0.0) percent

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is +2.5 percent). (The simple average of the last survey was +1.3 percent.)

2. The number that appears in the middle when the answers are listed in numerical order.

Question 12

In which direction do you think prices will move one year from now? (Choose one answer.)

- | | |
|-----------------------------------|---------------|
| (a) Will go down significantly. | 0.1 (0.2) |
| (b) Will go down slightly. | 2.9 (5.4) |
| (c) Will remain almost unchanged. | 31.2 (48.1) |
| (d) Will go up slightly. | 58.2 (43.5) |
| (e) Will go up significantly. | 7.3 (2.4) |

Question 13

By what percent do you think the prices will go up or down one year from now? Please fill in the appropriate box below with a specific figure. If you think that they will be unchanged, please put a "0" in either box.

The prices one year from now will go up percent compared with the present.
go down percent

Average¹: **+3.7 (+2.1)** percent

Median²: **+2.0 (0.0)** percent

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is **+3.8** percent). (The simple average of the last survey was **+2.1** percent.)

2. The number that appears in the middle when the answers are listed in numerical order.

Question 14

In which direction do you think the prices will move over the next five years? (Choose one answer.)

- | | |
|-----------------------------------|----------------------|
| (a) Will go down significantly. | 0.2 (0.3) |
| (b) Will go down slightly. | 3.3 (6.2) |
| (c) Will remain almost unchanged. | 16.9 (24.7) |
| (d) Will go up slightly. | 60.3 (57.0) |
| (e) Will go up significantly. | 18.6 (10.5) |

Question 15

By what percent do you think the prices will go up or down per year on average over the next five years? Please fill in the appropriate box below with a specific figure. If you think that they will be unchanged, please put a "0" in either box.

The prices will go up percent per year on average over the next five years.
go down percent

Average¹: **+3.1 (+2.3)** percent

Median²: **+2.0 (+1.0)** percent

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is **+3.2** percent). (The simple average of the last survey was **+2.3** percent.)

2. The number that appears in the middle when the answers are listed in numerical order.

Question 16

What do you foresee as the future development in land prices? (Choose one answer.)

- | | |
|---|----------------------|
| (a) Will rise. | 22.0 (16.8) |
| (b) Will remain at about the current level for some time. | 54.3 (56.5) |
| (c) Will drop. | 10.2 (12.3) |
| (d) Don't know. | 13.2 (14.3) |

Question 17

What do you think about your household circumstances compared with one year ago? (Choose one answer.)

- | | |
|--------------------------------------|---------------|
| (a) Have become somewhat better off. | 5.7 (7.6) |
| (b) Have become somewhat worse off. | 49.5 (44.8) |
| (c) Difficult to say. | 44.7 (47.6) |

If you chose (a) in Question 17, please answer Question 17-(a). If you chose (b), please answer Question 17-(b). For remaining respondents, please skip questions 17-(a) and 17-(b) and go on to Question 18.

Question 17-(a)

Why do you think your household circumstances have become better off? (Choose all applicable answers.)

- | | |
|--|---------------|
| (a) Regular income, for example salary, has increased. | 53.5 (51.9) |
| (b) Other income such as interest income has increased. | 4.0 (3.7) |
| (c) Gained special income from sales of real estate such as land and houses. | 1.0 (0.7) |
| (d) Abandoned or postponed plans to purchase a house. | - (0.7) |
| (e) Prices have declined or remained stable. | 9.9 (14.1) |
| (f) The value of assets held such as stocks and real estate has increased. | 5.9 (9.6) |
| (g) The number of dependents in my family has decreased. | 21.8 (21.5) |
| (h) Other. | 20.8 (23.0) |

Question 17-(b)

Why do you think your household circumstances have become worse off? (Choose all applicable answers.)

- | | |
|---|---------------|
| (a) Regular income, for example salary, has decreased. | 60.2 (67.8) |
| (b) Other income such as interest income has decreased. | 17.7 (14.6) |
| (c) Purchased or plan to purchase real estate such as land and houses. | 5.9 (6.9) |
| (d) Prices have increased. | 38.7 (26.5) |
| (e) The value of assets held such as stocks and real estate has declined. | 4.8 (3.4) |
| (f) The number of dependents in my family has increased. | 7.6 (10.8) |
| (g) Other. | 23.5 (23.8) |

(For all respondents.)

Question 18

How do you view the Japanese economy's growth potential? (Choose one answer.)

- | | |
|--|---------------|
| (a) Has potential to grow in the long run, though there may be a temporary slowdown. | 21.6 (22.3) |
| (b) Is unlikely to grow in the long run. | 53.7 (52.1) |
| (c) Cannot say. | 24.6 (25.4) |

Question 19

Are you worried about your (or other family members') employment or work arrangements (pay, job position, and benefits) at the current workplace? (Choose one answer.)

	All respondents	Workers ¹
(a) Not particularly worried.	14.2 (18.3)	16.4 (19.2)
(b) Slightly worried.	45.4 (41.7)	48.6 (49.2)
(c) Quite worried.	28.6 (23.9)	33.6 (27.9)
(d) Has no relevance to me or my family.	11.2 (15.7)	1.3 (3.6)

Note: 1. Workers are company employees, civil servants, other types of employees, or part-timers.

Questions 20 to 25 ask about your knowledge of the Bank of Japan (hereafter "the Bank").

(For all respondents.)

Question 20

The following three items are explanations of **price stability**, which is one of the two objectives of the Bank. Please choose the most applicable level of your knowledge relative to these items. (Choose one answer for each.)

- (a) Have knowledge of it.
- (b) Have heard of it, but do not have detailed knowledge.
- (c) Have never heard of it.

		(a)	(b)	(c)
(1)	One objective of the Bank is to maintain price stability.	29.4 (24.8)	42.8 (39.5)	27.7 (35.6)
(2)	The Bank terminated its quantitative easing policy. ¹	32.1	38.9	28.9
(3)	The Bank conducts its current monetary policy by controlling a short-term interest rate. ¹	17.0	42.3	40.5

Note: 1. This item is new to the survey.

Question 21

The following four items are explanations of **financial system stability**, which is one of the two objectives of the Bank. Please choose the most applicable level of your knowledge relative to these items. (Choose one answer for each.)

- (a) Have knowledge of it.
- (b) Have heard of it, but do not have detailed knowledge.
- (c) Have never heard of it.

		(a)	(b)	(c)
(1)	One objective of the Bank is to maintain financial system stability.	39.1 (36.4)	37.0 (37.3)	23.8 (26.0)
(2)	The Bank provides safe settlement instruments with the highest settlement finality, such as banknotes and current accounts at the Bank, and operates its own funds transfer system and settlement system for Japanese government bonds.	28.5 (26.2)	42.9 (39.7)	28.5 (33.7)
(3)	The Bank can extend loans such as special loans to financial institutions in order to ensure financial system stability.	32.7 (28.2)	37.9 (38.2)	29.3 (33.3)
(4)	The Bank conducts on-site examinations and visits to financial institutions.	22.9 (19.2)	33.3 (35.1)	43.7 (45.4)

Question 22

Do you know that electronic payments of national taxes, national pension premiums, and labor insurance premiums can be made without going to a bank, by using banks' Automated Teller Machines (ATMs) and electronic banking services? Please choose the most applicable level of your knowledge relative to these items. (Choose one answer. Figures in parentheses represent results of the 24th round of the survey because this question was not included in the previous survey.)

- (a) Have knowledge of it. **35.3** (**30.3**)
 (b) Have heard of it, but do not have detailed knowledge. **35.0** (**36.7**)
 (c) Have never heard of it. **29.5** (**33.0**)

Question 23

How do you view the condition of the new series of Bank of Japan notes issued since November 2004 that you use in your daily life? (Choose one answer.)

- (a) Is becoming worn.
 (b) Is becoming somewhat worn.
 (c) Cannot say.
 (d) Is relatively clean.
 (e) Is clean.

	(a)	(b)	(c)	(d)	(e)
(1) 10,000 yen note	1.5 (1.5)	8.3 (7.8)	27.5 (20.4)	46.3 (49.4)	16.3 (20.8)
(2) 5,000 yen note	2.9 (2.7)	12.5 (11.3)	32.9 (25.6)	37.8 (43.9)	13.9 (16.5)
(3) 1,000 yen note	9.9 (10.7)	27.0 (24.4)	32.3 (27.9)	23.7 (28.9)	7.1 (8.0)

Question 24

The following table indicates five pairs of contrasting views on the Bank. Toward which end, A or B, is your view closer? (Choose one answer for each pair.)

- (a) Close to A.
 (b) Somewhat closer to A.
 (c) Neither A nor B.
 (d) Somewhat closer to B.
 (e) Close to B.

	A	(a)	(b)	(c)	(d)	(e)	B
(1)	I know about the Bank's policy and operations.	4.7 (4.2)	19.0 (17.0)	22.0 (19.8)	30.1 (30.6)	23.8 (28.1)	I do not know about the Bank's policy and operations.
(2)	The Bank is related to our lives.	21.1 (18.9)	34.3 (33.9)	26.1 (27.2)	11.5 (11.7)	6.7 (7.9)	The Bank is not related to our lives.
(3)	The Bank is contributing to our lives.	11.9 (11.4)	23.6 (23.7)	45.6 (46.7)	11.9 (10.3)	6.6 (7.4)	The Bank is not contributing to our lives.
(4)	The Bank gives clear explanations to the public.	1.1 (1.1)	3.2 (2.8)	41.8 (39.4)	29.7 (27.6)	23.9 (28.9)	The Bank's explanations to the public are not clear enough.
(5)	I have confidence in the Bank.	10.6 (13.0)	20.0 (19.8)	56.2 (55.9)	8.7 (7.3)	4.2 (3.6)	I do not have confidence in the Bank.

If you chose (d) or (e) in Question 24-(4), please answer Question 24-(a). If you chose (a) or (b) in Question 24-(5), please answer Question 24-(b), but if you chose (d) or (e), please answer Question 24-(c). Otherwise, please skip questions 24-(a), 24-(b), and 24-(c) and go on to Question 25.

Question 24-(a)

Why do you think the Bank's explanations are unclear? (Choose up to two answers.)

- | | |
|--|-----------------------------|
| (a) Terms used in the Bank's explanations are too technical and difficult. | 28.8 (25.4) |
| (b) Lack of basic knowledge about the Bank. | 44.2 (51.7) |
| (c) Have difficulty understanding the mechanism of the financial system and the economy rather than the Bank itself. | 30.6 (30.0) |
| (d) Have never had the opportunity to read or hear the Bank's explanations. | 44.8 (47.0) |
| (e) Do not know where to look in order to obtain information about the Bank. | 22.4 (22.0) |
| (f) The Bank's web site is inconvenient. | 0.5 (0.8) |
| (g) Other. | 2.8 (1.9) |

Question 24-(b)

Why do you have confidence in the Bank? (Choose up to two answers.)

- | | |
|---|-----------------------------|
| (a) Because I support the Bank's policy. | 31.7 (32.0) |
| (b) Because the Bank is active. | 8.9 (6.5) |
| (c) Because I understand the content and intention of the Bank's policy well. | 7.4 (7.4) |
| (d) Because the Bank is a neutral organization. | 55.7 (56.9) |
| (e) Because the Bank's staff members are kind and pleasant. | 1.8 (1.9) |
| (f) Because of the sincere and solid impression of the Bank. | 31.9 (32.6) |
| (g) Other. | 9.4 (7.7) |

Question 24-(c)

Why do you not have confidence in the Bank? (Choose up to two answers.)

- | | |
|---|-----------------------------|
| (a) Because I am against the Bank's policy. | 7.0 (2.1) |
| (b) Because the Bank is not active. | 11.8 (7.7) |
| (c) Because I cannot understand the content and intention of the Bank's policy. | 57.5 (65.5) |
| (d) Because the Bank is distant and unfamiliar. | 65.8 (73.7) |
| (e) Because the Bank's staff members are inhospitable and unpleasant. | 1.3 (2.1) |
| (f) Because the Bank seems to be undependable. | 5.3 (4.6) |
| (g) Other. | 10.5 (5.2) |

Question 25

Please freely give us your comments or express wishes relative to the Bank's policy and/or operations.

- | | |
|--------------------------|-----------------------------|
| (a) Offered comments. | 19.0 (16.9) |
| (b) Offered no comments. | 81.0 (83.1) |

This last set of questions asks about you and your household. Although these include questions of a personal nature, they are only used for analyzing the survey results and we would be very grateful for your responses.

(For all respondents.)

Q1

Are you male or female? (Choose one answer.)

- | | |
|-------------|-----------------------------|
| (a) Male. | 50.4 (49.9) |
| (b) Female. | 49.6 (50.1) |

Q2

What age group are you in? (Choose one answer.)

- | | |
|------------|-----------------------------|
| (a) 20–29. | 10.6 (11.3) |
| (b) 30–39. | 17.0 (16.9) |
| (c) 40–49. | 17.7 (17.8) |
| (d) 50–59. | 22.6 (22.1) |
| (e) 60–69. | 16.9 (18.7) |
| (f) 70–. | 15.1 (13.3) |

Q3

What is your field of occupation? (Choose one answer.)

Self-employed or working for a family business

- | | |
|---|-----------------------------|
| (a) Agriculture, forestry, and fisheries. | 4.0 (3.0) |
| (b) Self-employed, working for a family business, or professional worker. | 13.1 (11.8) |

All other workers

- | | |
|---|-----------------------------|
| (c) Company employee, civil servant, or other type of employee. | 38.1 (38.6) |
| (d) Part-timer. | 13.8 (12.7) |

Unemployed

- | | |
|--------------------------|-----------------------------|
| (e) Full-time homemaker. | 12.5 (13.4) |
| (f) Student. | 1.4 (1.8) |
| (g) Pensioner. | 14.1 (14.6) |
| (h) Other. | 2.9 (3.8) |

Q4

How much income did you (and your partner) earn last year? (Annual income before deducting taxes; excludes temporary income such as retirement allowance and income from land sales, but includes pensions.) (Choose one answer.)

- | | |
|---|-----------------------------|
| (a) No income. | 3.5 (4.8) |
| (b) Less than 3 million yen. | 40.2 (39.1) |
| (c) 3 million or more but less than 5 million yen. | 27.2 (25.3) |
| (d) 5 million or more but less than 10 million yen. | 20.6 (21.6) |
| (e) 10 million yen or greater. | 5.3 (6.1) |

Q5

How large is your family? (Choose one answer.)

- | | |
|---|-----------------------------|
| (a) Live by myself (single-person household). | 7.3 (5.9) |
| (b) Myself and my partner (married-couple household). | 24.3 (25.1) |
| (c) Nuclear family (two-generation family). | 49.9 (51.7) |
| (d) Extended family (three-generation family). | 16.6 (15.8) |
| (e) Other. | 1.8 (1.0) |

(Attachment)

Results of the 26th Opinion Survey on the General Public's Views and Behavior (Mail Survey)

[Contents]

- I. Introduction**
- II. Survey Outline**
- III. Questionnaire and Results**
- IV. Distribution of Aggregated Sample Population by Category**

I. Introduction

The Bank of Japan intends to change the method of its *Opinion Survey on the General Public's Views and Behavior* to a mail survey, from the conventional method whereby researchers visit sample individuals, ask them to complete the questionnaire within a prescribed period, and then collect the finished questionnaires upon subsequent visits. This change reflects recent changes in the survey environment. As a preliminary survey, the 26th *Opinion Survey* was conducted by conventional and mail survey methods covering the same area.

II. Survey Outline

Survey period:	From May 25 to June 8, 2006.
Sample size:	4,000 people (2,242 people [i.e., 56.1 percent of the overall sample size] provided valid responses to questions).
Survey sample participants:	Individuals living in Japan who are at least 20 years of age.
Sampling method:	Stratified two-stage random sampling method.
Survey methodology:	Questionnaire survey. (Mail survey method.)

III. Questionnaire and Results

Bold numbers refer to the rate of responses for each menu of choices against total respondents for each question (percent; the second decimal place is rounded off^{1,2}).

¹ Only one choice is allowed except where otherwise noted.

² Because of rounding, response ratios do not necessarily add up to 100 percent even for questions that allow for only one choice.

Question 1

How do you think the Japanese economy has changed compared with one year ago?

- | | |
|----------------------------|-------------|
| (a) Has improved. | 15.1 |
| (b) Has remained the same. | 62.4 |
| (c) Has worsened. | 21.8 |

Question 2

With regard to Question 1, what makes you think so? (Choose up to two answers.)

- | | |
|---|-------------|
| (a) Media reports. | 20.0 |
| (b) Economic indicators and statistics. | 9.4 |
| (c) Business performance of the company I work for, or of my own company. | 38.0 |
| (d) Income level for myself or other family members. | 56.5 |
| (e) Bustle of shopping streets and amusement quarters. | 21.7 |
| (f) Other. | 4.4 |

Question 3

How do you foresee economic conditions one year from now?

- | | |
|---------------------------|-------------|
| (a) Will improve. | 16.5 |
| (b) Will remain the same. | 62.3 |
| (c) Will worsen. | 20.3 |

Question 4

Considering the current economic conditions, what do you think about the current interest rate level?

- | | |
|---------------------|-------------|
| (a) Is too low. | 64.8 |
| (b) Is appropriate. | 22.3 |
| (c) Is too high. | 9.9 |

Question 5

What do you think about your household circumstances compared with one year ago?

- | | |
|--------------------------------------|-------------|
| (a) Have become somewhat better off. | 4.8 |
| (b) Difficult to say. | 53.3 |
| (c) Have become somewhat worse off. | 41.8 |

If you chose (a) in Question 5, please answer Question 5-(a). If you chose (c), please answer Question 5-(b). For remaining respondents, please skip questions 5-(a) and 5-(b) and go on to Question 6.

Question 5-(a)

Why do you think your household circumstances have become better off? (Choose all applicable answers.)

- | | |
|---|-------------|
| (a) Salary and business income have increased. | 61.7 |
| (b) Income, such as interest income and dividend payments, has increased. | 8.4 |
| (c) Gained special income from sales of real estate. | 0.9 |
| (d) Prices have declined. | 9.3 |
| (e) The value of assets such as real estate and stocks has increased. | 14.0 |
| (f) The number of dependents in my family has decreased. | 15.0 |
| (g) Other. | 17.8 |

Question 5-(b)

Why do you think your household circumstances have become worse off? (Choose all applicable answers.)

- | | |
|---|-------------|
| (a) Salary and business income have decreased. | 63.9 |
| (b) Income, such as interest income and dividend payments, has decreased. | 14.7 |
| (c) Purchased real estate. | 4.2 |
| (d) Prices have increased. | 30.0 |
| (e) The value of assets such as stocks and real estate has declined. | 5.9 |
| (f) The number of dependents in my family has increased. | 7.7 |
| (g) Other. | 26.9 |

(For all respondents.)

Question 6

How has your income (or other family members' income) changed from one year ago?

- | | |
|----------------------------|-------------|
| (a) Has increased. | 10.5 |
| (b) Has remained the same. | 49.7 |
| (c) Has decreased. | 39.6 |

Question 7

What do you expect your income (or other family members' income) will be one year from now?

- | | |
|---------------------------|-------------|
| (a) Will increase. | 8.8 |
| (b) Will remain the same. | 57.6 |
| (c) Will decrease. | 33.1 |

Question 8

How have you (or other family members) changed spending patterns compared with one year ago?

- | | |
|---|-------------|
| (a) Have increased. | 35.5 |
| (b) Have neither increased nor decreased. | 45.0 |
| (c) Have decreased. | 19.3 |

If you chose (a) in Question 8, please answer Question 8-(a). If you chose (c), please answer Question 8-(b). Otherwise, please skip questions 8-(a) and 8-(b) and go on to Question 9.

Question 8-(a)

Why have you increased your (or other family members') spending? (Choose all applicable answers.)

- | | |
|---|------|
| (a) Because my income has increased. | 5.4 |
| (b) Because my income is likely to increase in the future. | 2.8 |
| (c) Because the value of non-financial assets such as real estate has increased in value. | 2.1 |
| (d) Because the value of financial assets such as stocks and bonds has increased. | 1.4 |
| (e) Because I purchased real estate such as a house. | 9.6 |
| (f) Because I purchased consumer durable goods such as a car. | 25.3 |
| (g) Because my spending rose due to an increased number of dependents in my family. | 26.7 |
| (h) Other. | 45.0 |

Question 8-(b)

Why have you decreased your (or other family members') spending? (Choose all applicable answers.)

- | | |
|---|------|
| (a) Because my income has decreased. | 68.1 |
| (b) Because my income is not likely to increase in the future. | 46.3 |
| (c) Because the value of non-financial assets such as real estate has decreased in value. | 3.2 |
| (d) Because the value of financial assets such as stocks and bonds has decreased. | 4.2 |
| (e) Because my spending has fallen due to a decreased number of dependents in my family. | 14.8 |
| (f) Other. | 11.6 |

(For all respondents.)

Question 9-1

How have you (or other family members) changed your attitude toward everyday spending such as on living and educational expenses compared with one year ago?

- | | |
|---|------|
| (a) Have increased. | 12.8 |
| (b) Have neither increased nor decreased. | 54.8 |
| (c) Have decreased. | 31.1 |

Question 9-2

How have you (or other family members) changed your attitude toward selective spending such as on hobby and leisure activities (spending other than asked in Question 9-1) compared with one year ago?

- | | |
|---|------|
| (a) Have increased. | 6.2 |
| (b) Have neither increased nor decreased. | 38.4 |
| (c) Have decreased. | 54.0 |

Question 10

Do you plan to increase or decrease your spending within the next twelve months?

- | | |
|---|------|
| (a) Will increase. | 5.5 |
| (b) Will neither increase nor decrease. | 45.5 |
| (c) Will decrease. | 48.4 |

Question 11

How do you think prices¹ have changed compared with one year ago?

- | | |
|-------------------------------------|------|
| (a) Have gone up significantly. | 9.8 |
| (b) Have gone up slightly. | 43.9 |
| (c) Have remained almost unchanged. | 40.4 |
| (d) Have gone down slightly. | 4.8 |
| (e) Have gone down significantly. | 0.4 |

Note: 1. They are defined as overall prices of goods and services you purchase (hereafter the same).

If you chose (a) or (b) in Question 11, please answer Question 11-(a). If you chose (d) or (e), please answer Question 11-(b). For remaining respondents, please skip questions 11-(a) and 11-(b) and go on to Question 12.

Question 11-(a)

What is your opinion of the price rise?

- | | |
|--|------|
| (a) Rather favorable. | 3.1 |
| (b) Rather unfavorable. | 83.2 |
| (c) Neither favorable nor unfavorable. | 12.4 |

Question 11-(b)

What is your opinion of the price decline?

- | | |
|--|------|
| (a) Rather favorable. | 67.0 |
| (b) Rather unfavorable. | 11.3 |
| (c) Neither favorable nor unfavorable. | 20.9 |

(For all respondents.)

Question 12

By what percent do you think the prices have changed compared with one year ago? Please choose "up" or "down" and fill in the box below with a specific figure. If you think that they have been unchanged, please put a "0."

Compared with one year ago, the prices have gone **up** about percent.
down

Average¹ : **+3.6** percent

Median² : **+1.5** percent

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is **+3.8** percent).
2. The number that appears in the middle when the answers are listed in numerical order.

Question 13

In which direction do you think prices will move one year from now?

- | | |
|-----------------------------------|------|
| (a) Will go up significantly. | 15.3 |
| (b) Will go up slightly. | 63.2 |
| (c) Will remain almost unchanged. | 18.8 |
| (d) Will go down slightly. | 1.5 |
| (e) Will go down significantly. | 0.1 |

Question 14

By what percent do you think the prices will change one year from now? Please choose "up" or "down" and fill in the box below with a specific figure. If you think that they will be unchanged, please put a "0."

The prices one year from now will go **up** about percent.
down

Average¹ : +4.8 percent

Median² : +3.0 percent

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is +5.0 percent).
2. The number that appears in the middle when the answers are listed in numerical order.

Question 15

In which direction do you think the prices will move over the next five years?

- | | |
|-----------------------------------|------|
| (a) Will go up significantly. | 38.4 |
| (b) Will go up slightly. | 48.1 |
| (c) Will remain almost unchanged. | 9.3 |
| (d) Will go down slightly. | 2.4 |
| (e) Will go down significantly. | 0.4 |

Question 16

By what percent do you think the prices will change per year on average over the next five years? Please choose "up" or "down" and fill in the box below with a specific figure. If you think that they will be unchanged, please put a "0."

The prices will go **up** about percent per year on average over the next five years.
down

Average¹ : +5.2 percent

Median² : +3.0 percent

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is +5.4 percent).
2. The number that appears in the middle when the answers are listed in numerical order.

Question 17

What do you foresee as the future development in land prices?

- | | |
|---------------------------|------|
| (a) Will rise. | 45.5 |
| (b) Will remain the same. | 35.9 |
| (c) Will drop. | 17.3 |

Question 18

How do you view the Japanese economy's growth potential in the long run?

- | | |
|---|------|
| (a) Has greater potential to grow above the current level. | 3.9 |
| (b) Has potential to grow at about the current level. | 53.8 |
| (c) Has less potential to grow compared to the current level. | 41.1 |

Question 19

In consideration of the situation over the next twelve months, are you worried about your (or other family members') employment or work arrangements (pay, job position, and benefits) at the current workplace?

	All respondents	Workers ¹
(a) Not particularly worried.	17.2	18.1
(b) Slightly worried.	46.0	46.1
(c) Quite worried.	35.0	35.8

Note: 1. Workers are company employees, civil servants, other types of employees, or part-timers.

Questions 20 to 24 ask about your knowledge of the Bank of Japan (hereafter "the Bank").

(For all respondents.)

Question 20

Questions 20-(1), 20-(2) and 20-(3) ask about price stability, which is one of the Bank's two objectives. Please choose the most applicable level of your knowledge relative to these questions.

Question 20-(1)

Do you know that one objective of the Bank is to maintain price stability?

(a) Have knowledge of it.	34.9
(b) Have read or heard of it, but do not have detailed knowledge.	44.2
(c) Have never heard of it.	20.5

Question 20-(2)

Do you know that the Bank terminated its quantitative easing policy?

(a) Have knowledge of it.	45.7
(b) Have read or heard of it, but do not have detailed knowledge.	31.3
(c) Have never heard of it.	22.7

Question 20-(3)

Do you know that the Bank conducts its current monetary policy by controlling a short-term interest rate?

(a) Have knowledge of it.	30.9
(b) Have read or heard of it, but do not have detailed knowledge.	40.9
(c) Have never heard of it.	27.6

Question 21

Questions 21-(1), 21-(2), 21-(3) and 21-(4) ask about financial system stability, which is one of the Bank's two objectives. Please choose the most applicable level of your knowledge relative to these questions.

Question 21-(1)

Do you know that one objective of the Bank is to maintain financial system stability?

(a) Have knowledge of it.	41.7
(b) Have read or heard of it, but do not have detailed knowledge.	38.4
(c) Have never heard of it.	19.7

Question 21-(2)

Do you know that the Bank provides safe settlement instruments with the highest settlement finality, such as banknotes and current accounts at the Bank, and operates its own funds transfer system and settlement system for Japanese government bonds?

- | | |
|---|------|
| (a) Have knowledge of it. | 38.4 |
| (b) Have read or heard of it, but do not have detailed knowledge. | 39.5 |
| (c) Have never heard of it. | 21.8 |

Question 21-(3)

Do you know that the Bank can extend loans such as special loans to financial institutions in order to ensure financial system stability?

- | | |
|---|------|
| (a) Have knowledge of it. | 43.0 |
| (b) Have read or heard of it, but do not have detailed knowledge. | 33.4 |
| (c) Have never heard of it. | 23.5 |

Question 21-(4)

Do you know that the Bank conducts on-site examinations and visits to financial institutions?

- | | |
|---|------|
| (a) Have knowledge of it. | 35.3 |
| (b) Have read or heard of it, but do not have detailed knowledge. | 32.5 |
| (c) Have never heard of it. | 31.7 |

Question 22

Questions 22-(1), 22-(2), 22-(3), 22-(4) and 22-(5) ask about your view of the Bank. Please make the most applicable choice relative to these questions.

Question 22-(1)

Do you have an interest in the Bank's activities?

- | | |
|--------------------------------------|------|
| (a) Often pay attention. | 6.0 |
| (b) Have an interest to some extent. | 20.1 |
| (c) No comment. | 30.4 |
| (d) Do not pay very much attention. | 31.7 |
| (e) Do not have any interest. | 11.6 |

Question 22-(2)

Do you think that the Bank is related to our lives?

- | | |
|--|------|
| (a) Is related to our lives. | 39.1 |
| (b) Is somewhat related to our lives. | 31.6 |
| (c) Difficult to say. | 18.2 |
| (d) Is not very much related to our lives. | 7.4 |
| (e) Is not related to our lives. | 3.5 |

Question 22-(3)

Do you think that the Bank is contributing to our lives?

- | | |
|---|------|
| (a) Is contributing to our lives. | 17.1 |
| (b) Is somewhat contributing to our lives. | 28.1 |
| (c) Difficult to say. | 41.3 |
| (d) Is not contributing to our lives very much. | 8.1 |
| (e) Is not contributing to our lives. | 4.9 |

Question 22-(4)**Do you think that the Bank gives clear explanations to the public?**

- | | |
|---|-------------|
| (a) Gives clear explanations. | 0.9 |
| (b) Give somewhat clear explanations. | 5.3 |
| (c) Difficult to say. | 32.5 |
| (d) The Bank's explanations to the public are somewhat unclear. | 38.8 |
| (e) The Bank's explanations to the public are not clear enough. | 21.7 |

Question 22-(5)**Do you have confidence in the Bank?**

- | | |
|---|-------------|
| (a) Have confidence in the Bank. | 17.0 |
| (b) Have confidence in the Bank to some extent. | 26.3 |
| (c) No comment. | 46.2 |
| (d) Do not have very much confidence. | 6.6 |
| (e) Do not have confidence in the Bank. | 2.5 |

If you chose (d) or (e) in Question 22-(4), please answer Question 22-(a). If you chose (a) or (b) in Question 22-(5), please answer Question 22-(b), but if you chose (d) or (e), please answer Question 22-(c). Otherwise, please skip questions 22-(a), 22-(b), and 22-(c) and go on to Question 23.

Question 22-(a)**Why do you think the Bank's explanations are unclear? (Choose up to two answers.)**

- | | |
|--|-------------|
| (a) Terms used in the Bank's explanations are too technical and difficult. | 38.4 |
| (b) Lack of basic knowledge about the Bank. | 42.3 |
| (c) Have difficulty understanding the mechanism of the financial system and the economy. | 40.4 |
| (d) Have never had the opportunity to read or hear the Bank's explanations. | 30.9 |
| (e) Do not know where to look in order to obtain information about the Bank. | 14.3 |
| (f) The Bank's web site is inconvenient. | 0.4 |
| (g) Other. | 2.8 |

Question 22-(b)**Why do you have confidence in the Bank? (Choose up to two answers.)**

- | | |
|--|-------------|
| (a) Because the Bank's activities are contributing to price stability and financial system stability. | 62.9 |
| (b) Because I support the content and intention of the Bank's policy. | 5.0 |
| (c) Because the Bank maintains a neutral position in conducting its policy. | 46.5 |
| (d) Because the Bank makes an effort to provide clear explanations to the general public about its activities, and to collect public opinion data. | 3.1 |
| (e) Because of my impression that the Bank and its staff are sincere. | 14.6 |
| (f) Other. | 3.3 |

Question 22-(c)**Why do you not have confidence in the Bank? (Choose up to two answers.)**

- | | |
|---|------|
| (a) Because the Bank's activities are not contributing to price stability and financial system stability. | 32.2 |
| (b) Because I am opposed to the content and intention of the Bank's policy. | 9.8 |
| (c) Because the Bank does not maintain a neutral position in conducting its policy. | 47.8 |
| (d) Because the Bank does not make enough effort either to provide clear explanations to the general public about its activities or to collect public opinion data. | 34.1 |
| (e) Because of my impression that the Bank and its staff are insincere. | 25.9 |
| (f) Other. | 8.3 |

Question 23**Do you know that electronic payments of national taxes, national pension premiums, and labor insurance premiums can be made without going to a bank, by using banks' Automated Teller Machines (ATMs) and electronic banking services?**

- | | |
|---|------|
| (a) Have knowledge of it. | 44.3 |
| (b) Have heard of it, but do not have detailed knowledge. | 32.5 |
| (c) Have never heard of it. | 22.8 |

Question 24

Questions 24-(1), 24-(2) and 24-(3) ask about the condition of the new series of Bank of Japan notes issued since November 2004 that you use in your daily life.

Question 24-(1)**How do you view the condition of 10,000 yen notes?**

- | | |
|--------------------------------|------|
| (a) Is becoming worn. | 1.1 |
| (b) Is becoming somewhat worn. | 5.2 |
| (c) Cannot say. | 26.9 |
| (d) Is relatively clean. | 47.9 |
| (e) Is clean. | 18.6 |

Question 24-(2)**How do you view the condition of 5,000 yen notes?**

- | | |
|--------------------------------|------|
| (a) Is becoming worn. | 1.7 |
| (b) Is becoming somewhat worn. | 8.3 |
| (c) Cannot say. | 30.2 |
| (d) Is relatively clean. | 42.6 |
| (e) Is clean. | 16.8 |

Question 24-(3)**How do you view the condition of 1,000 yen notes?**

- | | |
|--------------------------------|------|
| (a) Is becoming worn. | 6.9 |
| (b) Is becoming somewhat worn. | 19.2 |
| (c) Cannot say. | 34.4 |
| (d) Is relatively clean. | 28.7 |
| (e) Is clean. | 10.6 |

This last set of questions asks about you and your household. Although these include questions of a personal nature, they are only used for analyzing the survey results and we would be very grateful for your responses.

Question 25

Are you male or female?

- | | |
|-------------|-------------|
| (a) Male. | 48.9 |
| (b) Female. | 51.1 |

Question 26

What age group are you in?

- | | |
|------------|-------------|
| (a) 20–29. | 11.3 |
| (b) 30–39. | 18.2 |
| (c) 40–49. | 17.5 |
| (d) 50–59. | 20.2 |
| (e) 60–69. | 19.5 |
| (f) 70–. | 13.3 |

Question 27

What is your field of occupation?

Self-employed or working for a family business

- | | |
|---|-------------|
| (a) Agriculture, forestry, and fisheries. | 2.9 |
| (b) Self-employed, working for a family business, or professional worker. | 11.8 |

All other workers

- | | |
|---|-------------|
| (c) Company employee, civil servant, or other type of employee. | 39.0 |
| (d) Part-timer. | 12.4 |

Having no occupation

- | | |
|--------------------------|-------------|
| (e) Full-time homemaker. | 14.2 |
| (f) Student. | 1.7 |
| (g) Pensioner. | 12.6 |
| (h) Other. | 0.3 |
| (i) Unemployed. | 4.5 |

Question 28

How much income did you and your partner earn last year? (Annual income before deducting taxes; excludes temporary income such as retirement allowance and income from land sales, but includes pensions.)

- | | |
|---|-------------|
| (a) Less than 3 million yen. | 32.6 |
| (b) 3 million or more but less than 5 million yen. | 28.7 |
| (c) 5 million or more but less than 10 million yen. | 26.1 |
| (d) 10 million yen or greater. | 7.4 |
| (e) No income. | 3.8 |

Question 29

How large is your family?

- | | |
|---|-------------|
| (a) Live by myself (single-person household). | 8.7 |
| (b) Myself and my partner (married-couple household). | 26.2 |
| (c) Nuclear family (two-generation family). | 52.0 |
| (d) Extended family (three-generation family). | 11.0 |
| (e) Other. | 1.7 |

Please freely give us your comments or express wishes relative to the Bank's policy and/or operations.

- | | |
|--------------------------|-------------|
| (a) Offered comments. | 19.9 |
| (b) Offered no comments. | 80.1 |

IV. Distribution of Aggregated Sample Population by Category

26th round of the survey (June 2006) ¹ (A)	Population of the survey ^{1,2} (B)	Difference between (A) and (B) ³ (A) - (B)	Samples (reference) ¹
--	--	--	----------------------------------

By sex

Male	48.9	48.4	0.5	49.3
Female	51.1	51.6	-0.5	50.7

By age

20–29	11.3	15.6	-4.3	14.1
30–39	18.2	18.0	0.2	18.7
40–49	17.5	15.2	2.3	15.5
50–59	20.2	18.5	1.7	18.8
60–69	19.5	15.5	4.1	17.3
70–	13.3	17.3	-4.0	15.7

By region

Hokkaido	4.9	4.5	0.4	4.5
Tohoku	7.9	7.6	0.2	7.9
Kanto	33.6	32.5	1.1	32.6
Hokuriku	4.9	4.4	0.5	4.5
Chubu	13.9	13.9	-0.0	14.2
Kinki	16.3	16.2	0.1	16.1
Chugoku	5.8	6.0	-0.2	5.6
Shikoku	2.9	3.3	-0.3	3.4
Kyushu	9.8	11.5	-1.7	11.2

Notes: 1. Percent.

2. Based on the population of municipalities recorded in the Basic Resident Registers as of March 31, 2005.

3. Percentage points.