

# TANKAN Summary (March 2004)

120th Short-term Economic Survey of All Enterprises in Japan

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April 1, 2004  
Research and Statistics Department  
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,290	6,272	10,562	96.5%
Large Enterprises	1,187	1,253	2,440	98.2%
Medium-sized Enterprises	1,163	1,695	2,858	97.2%
Small Enterprises	1,940	3,324	5,264	95.3%
Financial institutions	-	-	210	100.0%

Responding Period: February 23 to March 31

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

	FY 2003			FY 2004		
		1H	2H		1H	2H
Dec. 2003 Survey	114.80	117.99	111.70	-	-	-
March 2004 Survey	114.45	118.02	110.99	108.43	108.49	108.38

(yen per US dollar)

## 1. Business Conditions

All figures are based on the post-revision in March 2004 survey.

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	Dec. 2003 Survey		March 2004 Survey				Dec. 2003 Survey		March 2004 Survey				Dec. 2003 Survey		March 2004 Survey			
	Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast				
				Changes					Changes					Changes				
Manufacturing	7	6	12	5	12	0	-3	-4	5	8	1	-4	-10	-11	-3	7	-3	0
Textiles	-21	-13	-6	15	4	10	-20	-17	-13	7	-12	1	-47	-39	-41	6	-37	4
Lumber & Wood products	16	0	15	-1	8	-7	16	-8	-21	-3	5	-8	-21	-21	-24	-3	-15	9
Pulp & Paper	10	16	15	5	22	7	-5	-7	-2	3	-2	0	-11	-16	-15	-4	-15	0
Chemicals	5	6	6	1	6	0	6	6	3	-3	0	-3	3	12	4	1	11	7
Petroleum & Coal products	4	9	5	1	14	9	13	4	19	6	-4	-23	-10	-16	-14	-4	-24	-10
Ceramics, Stone & Clay	-19	-16	-10	9	-8	2	-40	-47	-28	12	-31	-3	-42	-41	-33	9	-36	-3
Iron & Steel	17	16	-2	-19	20	22	14	16	12	23	9	8	-15	1	-1	17	16	15
Nonferrous metals	8	10	10	2	11	1	17	30	23	6	27	4	9	4	15	6	4	-11
Food & Beverages	4	-1	10	6	4	-6	-3	0	-4	-1	-10	-6	-14	-14	-9	5	-7	2
Processed metals	0	0	3	3	-11	-14	-24	-20	-13	11	-13	0	2	-7	5	3	1	-4
Industrial machinery	6	12	21	15	24	3	-1	-5	14	15	17	3	-5	-4	11	16	9	-2
Electrical machinery	6	7	6	0	17	11	6	4	-2	15	11	7	-8	-1	-6	12	13	8
Shipbuilding & Heavy machinery etc.	-7	-10	7	14	-3	-10	-8	-10	18	26	-4	-22	-23	-17	-16	7	-9	7
Motor vehicles	34	22	42	8	25	-17	17	15	27	10	7	-20	28	21	35	7	12	-23
Precision machinery	21	11	28	7	26	-2	14	9	30	16	39	9	6	8	13	7	17	4
Basic materials	2	3	3	1	8	5	-4	-5	1	5	-2	-3	-20	-18	-15	5	-14	1
Processing	9	8	17	8	14	-3	-2	-5	7	9	3	-4	-4	-7	4	8	3	-1
Nonmanufacturing	0	4	5	5	7	2	-12	-11	-7	5	-6	1	-25	-27	-20	5	-21	-1
Construction	-25	-25	-20	5	-24	-4	-31	-34	-24	7	-32	-8	-32	-43	-30	2	-46	-16
Real estate	6	6	19	13	15	-4	-8	-6	-6	2	-3	3	-9	-6	-4	5	3	7
Wholesaling	11	15	12	1	13	1	-10	-12	-5	5	0	5	-28	-26	-22	6	-18	4
Retailing	-9	-2	3	12	6	3	-16	-5	-11	5	-2	9	-39	-32	-23	16	-17	6
Transportation	0	-3	0	0	-1	-1	-23	-24	-18	5	-15	3	-17	-22	-10	7	-13	-3
Communications	5	17	8	3	18	10	32	23	21	-11	19	-2	30	16	0	-30	17	17
Information services	10	19	13	3	25	12	3	12	9	6	18	9	-11	-1	-5	6	15	20
Electric & Gas utilities	13	13	15	2	9	-6	16	15	20	4	13	-7	8	-5	0	-8	-6	-6
Services for businesses	13	22	18	5	26	8	0	2	10	10	12	2	-10	-12	-6	4	-14	-8
Services for personals	-2	-2	4	6	4	0	-9	-5	-14	-5	-3	11	-21	-18	-16	5	-9	7
Restaurants & Accommodations	-18	-8	-25	-7	-7	18	-22	-31	-19	3	-8	11	-39	-28	-34	5	-21	13
Leasing	19	16	27	8	22	-5	2	-4	-2	-4	-6	-4	-15	-17	-6	9	-19	-13
All industries	4	5	9	5	9	0	-8	-9	-2	6	-2	0	-19	-20	-13	6	-15	-2

	All Enterprises					
Manufacturing	-3	-5	4	7	2	-2
Nonmanufacturing	-16	-17	-11	5	-11	0
All industries	-11	-12	-5	6	-6	-1

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

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

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

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

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

1. Business Conditions (Continued)

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

(%, %points)

	Dec. 2003 Survey			March 2004 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	7	-3	-10	12	5	-3	12	1	-3
1.Favorable	21	20	19	24	24	22	21	19	20
2.Not so favorable	65	57	52	64	57	53	70	63	57
3.Unfavorable	14	23	29	12	19	25	9	18	23
Nonmanufacturing	0	-12	-25	5	-7	-20	7	-6	-21
1.Favorable	17	14	11	19	15	12	18	14	11
2.Not so favorable	66	60	53	67	63	56	71	66	57
3.Unfavorable	17	26	36	14	22	32	11	20	32

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		Dec. 2003 Survey		March 2004 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-22	-23	-15	7	-16	-1
	Basic materials	-25	-25	-16	9	-16	0
	Processing	-20	-22	-15	5	-16	-1
	Nonmanufacturing	-32	-32	-28	4	-29	-1
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-8	-9	-2	6	-4	-2
	Basic materials	-12	-14	-6	6	-6	0
	Processing	-7	-7	-2	5	-2	0

Inventory Level of Finished Goods & Merchandise:	Manufacturing	18	/	16	-2	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	24	/	15	-9	/	/
	Processing	16	/	17	1	/	/
Wholesalers' Inventory Level:	Manufacturing	21	/	14	-7	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	25	/	13	-12	/	/
	Processing	17	/	15	-2	/	/

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	-22	-24	-15	7	-15	0
	Basic materials	-9	-13	2	11	0	-2
	Processing	-29	-29	-24	5	-22	2
	Nonmanufacturing	-24	-22	-20	4	-20	0
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	3	1	15	12	18	3
	Basic materials	12	10	31	19	30	-1
	Processing	-2	-3	8	10	12	4
	Nonmanufacturing	-6	-5	-1	5	0	1

(%points)

		Small Enterprises					
		Dec. 2003 Survey		March 2004 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-34	-35	-27	7	-28	-1
	Basic materials	-47	-46	-38	9	-37	1
	Processing	-28	-29	-20	8	-22	-2
	Nonmanufacturing	-42	-44	-43	-1	-43	0
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-16	-17	-10	6	-9	1
	Basic materials	-23	-24	-15	8	-15	0
	Processing	-14	-14	-7	7	-7	0

Inventory Level of Finished Goods & Merchandise:	Manufacturing	15	/	13	-2	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	24	/	18	-6	/	/
	Processing	11	/	11	0	/	/
Wholesalers' Inventory Level:	Manufacturing	22	/	16	-6	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	29	/	21	-8	/	/
	Processing	18	/	13	-5	/	/

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	-33	-33	-26	7	-24	2
	Basic materials	-29	-25	-14	15	-12	2
	Processing	-35	-38	-33	2	-32	1
	Nonmanufacturing	-37	-37	-32	5	-32	0
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	10	12	26	16	31	5
	Basic materials	17	17	29	12	34	5
	Processing	6	8	23	17	31	8
	Nonmanufacturing	-5	-3	1	6	5	-4

### 3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2003		FY2004	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	0.6	0.6	0.9	-
	Domestic Sales	0.0	0.5	0.5	-
	Exports	2.8	1.0	2.3	-
	Nonmanufacturing	1.1	1.4	1.0	-
	All industries	0.9	1.1	1.0	-
Medium-sized Enterprises	Manufacturing	3.3	0.8	2.8	-
	Nonmanufacturing	-0.8	-0.8	1.9	-
	All industries	0.2	-0.4	2.1	-
Small Enterprises	Manufacturing	1.6	0.5	2.2	-
	Nonmanufacturing	-1.5	-0.5	0.1	-
	All industries	-0.9	-0.3	0.5	-
All Enterprises	Manufacturing	1.2	0.6	1.4	-
	Nonmanufacturing	-0.1	0.3	0.9	-
	All industries	0.3	0.4	1.1	-

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

(Year-to-year % change)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
	(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
0.9	0.4	0.8	0.8	-	1.0	-
0.2	-0.2	0.6	0.4	-	0.5	-
3.1	2.5	1.3	2.0	-	2.6	-
1.2	1.0	1.4	0.8	-	1.2	-
1.1	0.7	1.1	0.8	-	1.2	-
3.7	3.0	1.1	3.9	-	1.7	-
-1.4	-0.3	-1.1	1.5	-	2.2	-
-0.1	0.5	-0.6	2.1	-	2.1	-
0.8	2.4	1.1	2.8	-	1.7	-
-1.6	-1.4	-0.6	0.2	-	0.0	-
-1.1	-0.7	-0.2	0.7	-	0.3	-
1.3	1.1	0.9	1.6	-	1.2	-
-0.2	-0.1	0.2	0.8	-	1.1	-
0.3	0.3	0.4	1.0	-	1.1	-

Current Profits (Year-to-year % change)

		FY2003		FY2004	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	17.5	1.7	7.3	-
	Basic materials	19.1	-0.7	9.2	-
	Processing	16.7	3.1	6.3	-
	Nonmanufacturing	6.3	1.9	6.7	-
	All industries	11.5	1.8	7.0	-
Medium-sized Enterprises	Manufacturing	21.8	-0.5	14.9	-
	Nonmanufacturing	4.9	-2.2	16.7	-
	All industries	10.0	-1.6	16.1	-
Small Enterprises	Manufacturing	25.7	0.1	20.4	-
	Nonmanufacturing	-3.1	-6.6	18.0	-
	All industries	3.5	-4.8	18.7	-
All Enterprises	Manufacturing	18.9	1.2	9.8	-
	Nonmanufacturing	3.7	-0.9	11.1	-
	All industries	9.7	0.0	10.5	-

(Year-to-year % change)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
	(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
31.0	7.9	2.7	4.5	-	9.7	-
33.2	8.4	-2.2	8.1	-	10.3	-
29.8	7.7	5.4	2.4	-	9.5	-
3.9	8.6	1.5	4.4	-	8.9	-
15.3	8.2	2.1	4.5	-	9.3	-
41.3	10.6	-1.3	14.2	-	15.4	-
3.7	5.7	-4.0	20.9	-	14.2	-
14.8	7.2	-3.2	18.4	-	14.6	-
28.5	23.7	2.0	27.6	-	15.2	-
-8.7	0.3	-6.8	32.0	-	10.2	-
0.3	5.4	-4.7	30.7	-	11.5	-
31.7	10.1	2.1	8.2	-	11.1	-
1.1	5.7	-1.9	12.1	-	10.2	-
12.5	7.5	-0.2	10.4	-	10.6	-

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

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

		FY2003		FY2004	
		(Forecast)	Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	4.82	0.05	5.13	-
	Nonmanufacturing	3.25	0.01	3.44	-
	All industries	3.87	0.03	4.10	-
Medium-sized Enterprises	Manufacturing	3.08	-0.05	3.45	-
	Nonmanufacturing	2.03	-0.03	2.33	-
	All industries	2.29	-0.03	2.61	-
Small Enterprises	Manufacturing	2.94	-0.01	3.46	-
	Nonmanufacturing	1.98	-0.13	2.34	-
	All industries	2.18	-0.10	2.57	-
All Enterprises	Manufacturing	4.22	0.02	4.57	-
	Nonmanufacturing	2.60	-0.03	2.86	-
	All industries	3.11	-0.01	3.40	-

(% , %points)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
	(Forecast)	Changes	(Forecast)	Changes	(Forecast)	Changes
4.62	5.01	0.10	4.79	-	5.44	-
3.26	3.25	0.01	3.38	-	3.49	-
3.80	3.93	0.04	3.93	-	4.25	-
2.70	3.44	-0.09	2.97	-	3.91	-
1.57	2.45	-0.08	1.87	-	2.74	-
1.86	2.70	-0.07	2.15	-	3.03	-
2.55	3.31	0.03	3.16	-	3.75	-
1.48	2.44	-0.17	1.95	-	2.69	-
1.70	2.62	-0.12	2.21	-	2.91	-
3.96	4.47	0.05	4.22	-	4.91	-
2.35	2.83	-0.06	2.62	-	3.09	-
2.86	3.34	-0.02	3.12	-	3.65	-

Net Income (Year-to-year % change)

		FY2003		FY2004	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	98.4	-9.9	22.7	-
	Basic materials	106.3	-25.9	28.9	-
	Processing	95.2	-1.1	20.1	-
	Nonmanufacturing	265.7	-2.7	14.0	-
	All industries	158.9	-6.3	18.2	-
Medium-sized Enterprises	Manufacturing	39.3	-8.4	36.0	-
	Nonmanufacturing	120.9	-6.1	31.7	-
	All industries	79.2	-7.0	33.4	-
Small Enterprises	Manufacturing	60.5	-12.3	46.3	-
	Nonmanufacturing	12.1	-15.2	39.8	-
	All industries	23.6	-14.3	41.8	-
All Enterprises	Manufacturing	84.3	-10.0	27.2	-
	Nonmanufacturing	127.8	-6.3	22.2	-
	All industries	106.2	-8.0	24.4	-

(Year-to-year % change)

1H FY2003	2H FY2003		1H FY2004		2H FY2004	
	(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
55.3	178.6	-18.0	13.1	-	32.7	-
58.7	266.1	-46.4	10.6	-	55.5	-
53.7	158.8	-1.3	14.4	-	25.3	-
21.7	Profit	-3.8	-4.2	-	36.8	-
35.4	Profit	-11.7	3.9	-	34.7	-
70.6	24.7	-12.0	39.8	-	33.5	-
-36.7	243.2	-3.7	110.6	-	20.4	-
9.6	121.2	-6.5	63.1	-	24.5	-
53.5	66.3	-15.2	53.3	-	40.8	-
-26.0	33.1	-15.6	86.0	-	25.6	-
-3.1	40.0	-15.5	71.1	-	29.3	-
56.3	122.2	-16.9	20.1	-	33.9	-
9.0	1110.9	-7.7	11.6	-	30.1	-
27.4	323.9	-11.8	15.6	-	31.7	-

4. Fixed Investment etc.

Fixed Investment including Land Purchasing Expenses

(Year-to-year % change)

(Year-to-year % change)

		FY2003		FY2004		1H FY2003	2H FY2003		1H FY2004		2H FY2004	
		(Forecast)	Revision rate	(Forecast)	Revision rate		(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	9.4	0.7	7.4	-	-2.1	20.0	2.0	21.9	-	-3.5	-
	Nonmanufacturing	1.2	-0.3	-4.1	-	0.4	1.8	-0.9	-0.1	-	-7.2	-
	All industries	3.5	0.0	-0.6	-	-0.3	6.8	-0.1	6.3	-	-6.1	-
Medium-sized Enterprises	Manufacturing	7.4	-2.1	5.8	-	5.0	9.6	-3.1	17.7	-	-4.8	-
	Nonmanufacturing	-0.6	-1.3	0.0	-	-11.3	10.4	-1.8	9.8	-	-8.1	-
	All industries	1.5	-1.5	1.6	-	-7.1	10.2	-2.2	12.1	-	-7.2	-
Small Enterprises	Manufacturing	9.2	2.4	-10.7	-	11.9	6.7	3.1	1.2	-	-22.2	-
	Nonmanufacturing	6.4	1.9	-20.5	-	26.4	-11.3	6.3	-23.6	-	-16.7	-
	All industries	7.1	2.0	-18.1	-	22.9	-7.1	5.4	-18.1	-	-18.2	-
All Enterprises	Manufacturing	9.1	0.5	4.7	-	1.0	16.6	1.3	18.1	-	-6.0	-
	Nonmanufacturing	1.7	-0.1	-6.2	-	2.6	1.0	-0.1	-3.4	-	-8.7	-
	All industries	3.7	0.1	-3.1	-	2.2	5.2	0.3	2.6	-	-7.9	-

Software Investment

(Year-to-year % change)

		FY2003		FY2004	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-2.6	7.6	-0.6	-
	Nonmanufacturing	-11.6	-7.4	-0.3	-
	All industries	-8.7	-2.7	-0.4	-
Medium-sized Enterprises	Manufacturing	22.2	-2.6	13.8	-
	Nonmanufacturing	1.0	0.4	3.9	-
	All industries	2.6	0.1	4.8	-
Small Enterprises	Manufacturing	0.8	-1.5	9.3	-
	Nonmanufacturing	29.8	0.2	-15.8	-
	All industries	23.2	-0.1	-11.1	-
All Enterprises	Manufacturing	-1.2	6.4	0.9	-
	Nonmanufacturing	-5.8	-4.9	-0.8	-
	All industries	-4.6	-2.0	-0.3	-

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2003		FY2004	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	9.0	1.0	7.8	-
	Nonmanufacturing	0.5	-0.8	-1.7	-
	All industries	3.0	-0.3	1.2	-
Medium-sized Enterprises	Manufacturing	6.8	-2.9	9.3	-
	Nonmanufacturing	0.6	-1.0	3.4	-
	All industries	2.3	-1.6	5.0	-
Small Enterprises	Manufacturing	4.8	-0.3	0.0	-
	Nonmanufacturing	0.1	0.9	-7.1	-
	All industries	1.2	0.6	-5.4	-
All Enterprises	Manufacturing	8.2	0.3	7.1	-
	Nonmanufacturing	0.4	-0.6	-1.6	-
	All industries	2.6	-0.4	0.9	-

Land Purchasing Expenses

(Year-to-year % change)

		FY2003		FY2004	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-19.1	15.7	-47.0	-
	Nonmanufacturing	-8.4	-1.1	-60.0	-
	All industries	-10.7	1.8	-57.4	-
Medium-sized Enterprises	Manufacturing	36.8	23.6	-74.2	-
	Nonmanufacturing	-12.0	-2.6	-36.9	-
	All industries	-6.8	0.8	-42.8	-
Small Enterprises	Manufacturing	47.0	23.6	-76.3	-
	Nonmanufacturing	60.2	6.3	-81.1	-
	All industries	57.5	9.2	-80.2	-
All Enterprises	Manufacturing	10.3	20.4	-64.5	-
	Nonmanufacturing	12.1	1.7	-65.1	-
	All industries	11.8	4.8	-65.0	-

Production Capacity

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

		Dec. 2003 Survey		March 2004 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	14	12	11	-3	8	-3
	Nonmanufacturing	4	1	3	-1	1	-2
	All industries	9	7	6	-3	5	-1
Medium-sized Enterprises	Manufacturing	11	9	9	-2	8	-1
	Nonmanufacturing	2	-1	2	0	-1	-3
	All industries	6	3	5	-1	3	-2
Small Enterprises	Manufacturing	8	6	5	-3	3	-2
	Nonmanufacturing	2	0	4	2	2	-2
	All industries	4	3	5	1	3	-2
All Enterprises	Manufacturing	10	8	8	-2	6	-2
	Nonmanufacturing	3	1	3	0	1	-2
	All industries	6	4	5	-1	4	-1

#### 4. Fixed Investment etc.(Continued)

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

	FY2003		FY2004	
	(Forecast)	Revision rate	(Forecast)	Revision rate
Financial institutions	42.5	-8.3	-22.5	-
Banks	2.4	-12.4	2.5	-
Shinkin banks & Other financial institutions for small businesses	-7.3	1.2	-1.5	-
Securities companies	9.1	-6.4	-7.4	-
Insurance companies	123.4	-9.0	-42.6	-
Non-deposit money corporations	45.1	-0.5	-24.9	-
(Memo) All industries including Financial institutions	4.6	-0.2	-3.7	-
Nonmanufacturing including Financial institutions	3.0	-0.5	-6.9	-

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

Financial institutions	0.6	-7.5	2.2	-
Banks	3.8	-7.4	-2.1	-
Shinkin banks & Other financial institutions for small businesses	-12.5	-9.4	11.4	-
Securities companies	12.5	-9.8	2.2	-
Insurance companies	-7.6	-7.4	10.2	-
Non-deposit money corporations	-9.9	-2.8	8.8	-
(Memo) All industries including Financial institutions	-3.7	-2.9	0.1	-
Nonmanufacturing including Financial institutions	-4.5	-5.5	-0.2	-

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

Financial institutions	234.0	-1.7	-82.0	-
Banks	21.4	10.3	-58.7	-
Shinkin banks & Other financial institutions for small businesses	-27.4	59.3	-61.0	-
Securities companies	-100.0	-	-	-
Insurance companies	424.7	-6.4	-82.7	-
Non-deposit money corporations	1631.4	0.7	-99.3	-
(Memo) All industries including Financial institutions	19.5	4.1	-66.6	-
Nonmanufacturing including Financial institutions	21.6	1.3	-67.0	-

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

Financial institutions	12.8	-9.0	-2.6	-
Banks	2.6	-10.5	2.1	-
Shinkin banks & Other financial institutions for small businesses	-4.6	-5.7	9.4	-
Securities companies	13.3	-8.9	-0.4	-
Insurance companies	43.4	-9.5	-15.0	-
Non-deposit money corporations	-1.9	-1.6	8.8	-
(Memo) All industries including Financial institutions	3.0	-0.7	0.8	-
Nonmanufacturing including Financial institutions	1.0	-1.1	-1.7	-

#### 5. Employment

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

		Dec. 2003 Survey		March 2004 Survey			
		Actual result	Forecast	Actual result		Forecast	
					Changes		Changes
Large Enterprises	Manufacturing	16	13	13	-3	11	-2
	Nonmanufacturing	5	3	4	-1	2	-2
	All industries	10	8	8	-2	7	-1
Medium-sized Enterprises	Manufacturing	8	6	4	-4	6	2
	Nonmanufacturing	5	1	4	-1	0	-4
	All industries	6	3	4	-2	3	-1
Small Enterprises	Manufacturing	7	6	3	-4	2	-1
	Nonmanufacturing	4	2	2	-2	3	1
	All industries	5	3	2	-3	2	0
All Enterprises	Manufacturing	10	8	5	-5	5	0
	Nonmanufacturing	4	2	3	-1	2	-1
	All industries	7	5	4	-3	3	-1

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

	end of Mar. 2003	end of June 2003	end of Sept. 2003	end of Dec. 2003
Large Enterprises	-	-	-2.3	-1.8
Medium-sized Enterprises	-	-	0.4	0.4
Small Enterprises	-	-	0.8	1.5
All Enterprises	-	-	-0.4	0.1
All Enterprises & Financial institutions	-	-	-0.5	-0.1
Financial institutions	-	-	-3.7	-3.9

Number of New Graduates Hired (All industries)

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

	FY2002		FY2003		FY2004	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	-	-	-	-	-	-
Medium-sized Enterprises	-	-	-	-	-	-
Small Enterprises	-	-	-	-	-	-
All Enterprises	-	-	-	-	-	-
All Enterprises & Financial institutions	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-

## 6. Corporate Finance

### Financial Position (All industries)

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

	Dec. 2003 Survey		March 2004 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	12		15
Medium-sized Enterprises	-2		1	3
Small Enterprises	-13		-11	2
All Enterprises	-4		-1	3

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

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

	Dec. 2003 Survey		March 2004 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	9		12
Medium-sized Enterprises	-2		2	4
Small Enterprises	-4		-2	2
All Enterprises	0		3	3

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

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

	Dec. 2003 Survey		March 2004 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Large Enterprises	8	15	3	11	-5
Medium-sized Enterprises	12	22	7	18	-5	11
Small Enterprises	11	23	7	18	-4	11
All Enterprises	11	20	6	17	-5	11

### Condition for CP Issuance (All industries)

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

	Dec. 2003 Survey		March 2004 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	-11		-4

### Ratio of Liquidity (All industries)

(Months)

	end of March 2003	end of June 2003	end of Sept. 2003	end of Dec. 2003
Large Enterprises	-	-	1.00	0.96
Medium-sized Enterprises	-	-	1.11	1.12
Small Enterprises	-	-	1.64	1.64
All Enterprises	-	-	1.19	1.18

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

## 7. Business Conditions of Financial institutions

### Business Conditions

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

	Dec. 2003 Survey		March 2004 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	36	42	33	43	-3
Shinkin banks & Other financial institutions for small businesses	17	23	11	17	-6	6
Securities companies	70	52	59	74	-11	15
Insurance companies	30	39	34	37	4	3
Non-deposit money corporations	9	18	22	45	13	23
Financial institutions	34	37	32	41	-2	9

### Production Capacity

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

	Dec. 2003 Survey		March 2004 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	10	8	6	5	-4
Shinkin banks & Other financial institutions for small businesses	5	8	-2	3	-7	5
Securities companies	4	-7	-4	-4	-8	0
Insurance companies	0	-5	-3	-3	-3	0
Non-deposit money corporations	5	0	-5	0	-10	5
Financial institutions	6	2	1	1	-5	0

### Employment Conditions

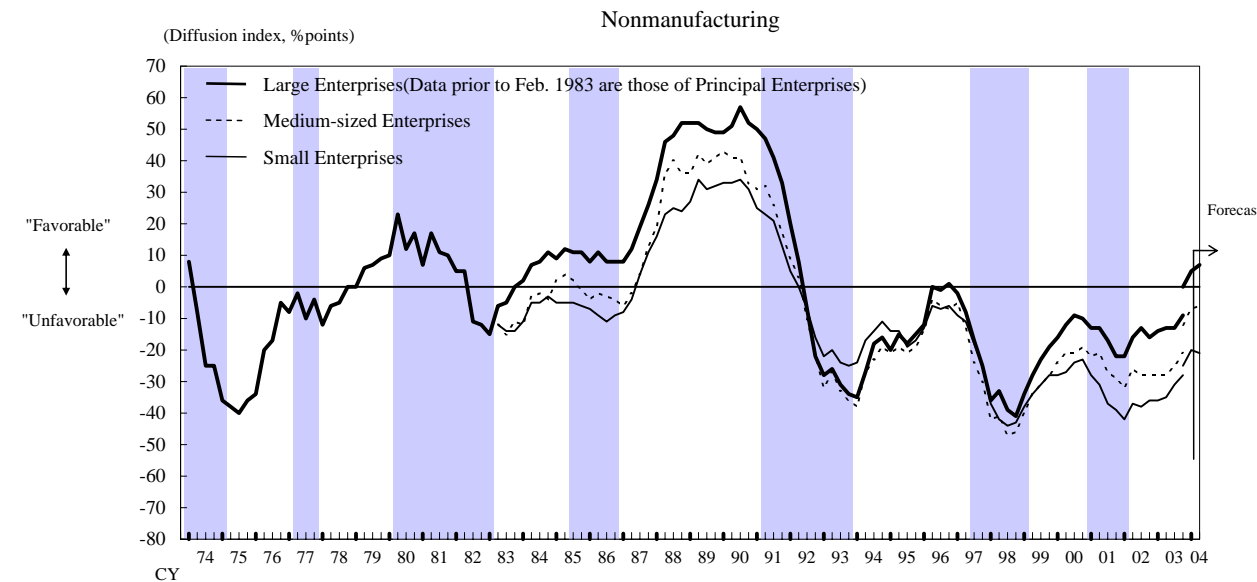
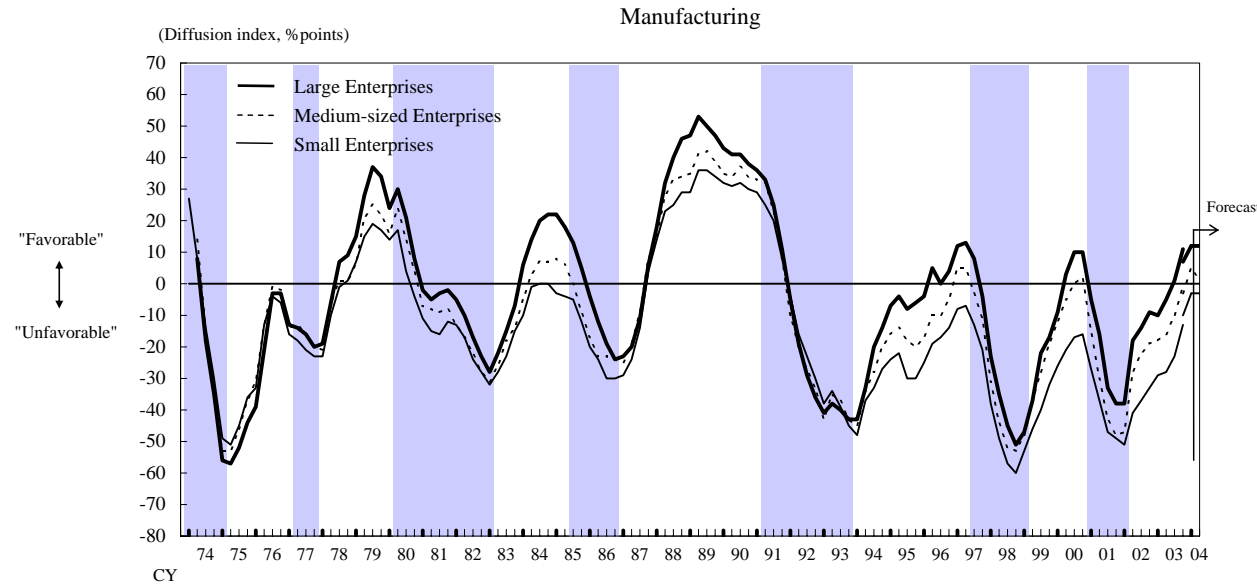
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	Dec. 2003 Survey		March 2004 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	9	3	4	-3	-5
Shinkin banks & Other financial institutions for small businesses	28	20	26	12	-2	-14
Securities companies	-18	-15	-22	-33	-4	-11
Insurance companies	16	-2	2	-10	-14	-12
Non-deposit money corporations	9	9	-5	-9	-14	-4
Financial institutions	10	3	3	-6	-7	-9

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

[Business Conditions]



Peaks and Bottoms of Business Conditions (from May 1974)

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

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

	March 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	12	5	-3
Forecast	12	1	-3

Peaks and Bottoms of Business Conditions (from May 1983)

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

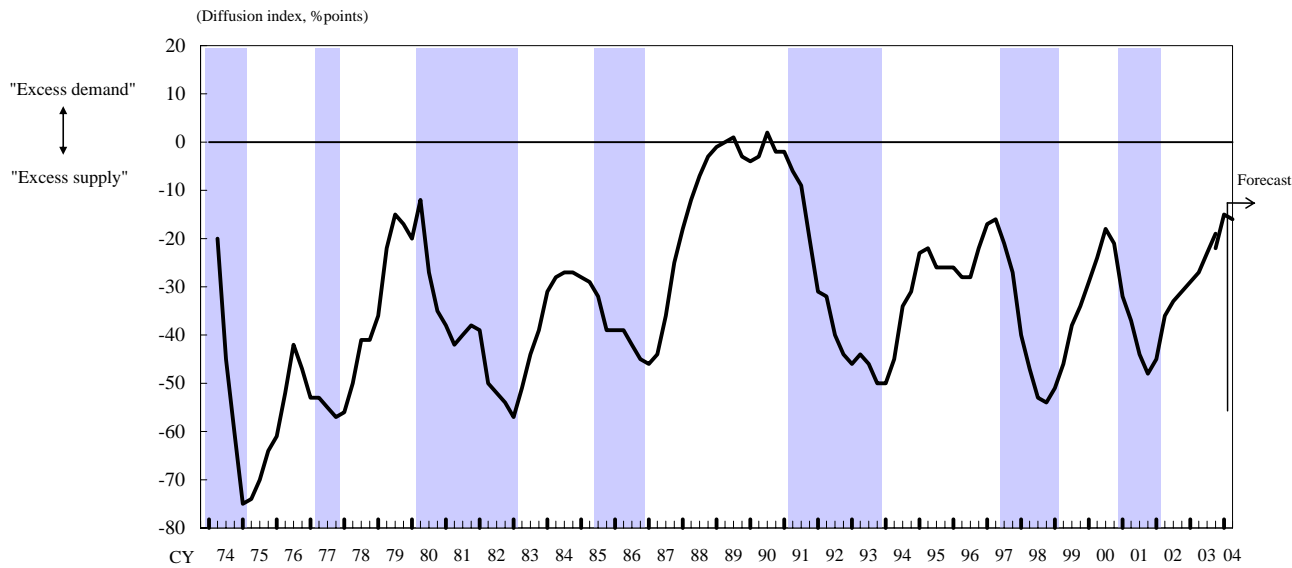
Nonmanufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (83/5)		-15 (83/8)		-14 (83/8,11)
12 (85/5)	8 (86/2,8,11,87/2)	4 (85/5)	-6 (87/2)	-3 (84/11)	-11 (86/8)
57 (90/8)	-35 (94/2)	43 (90/2)	-38 (94/2)	34 (89/5,90/8)	-25 (93/11)
1 (96/11)	-41 (98/12)	-4 (96/5)	-47 (98/9)	-6 (96/5,11)	-44 (98/9)
-9 (00/9)	-22 (01/12,02/3)	-19 (00/12)	-32 (02/3)	-23 (00/12)	-42 (02/3)

	March 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	5	-7	-20
Forecast	7	-6	-21



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

Domestic Supply and Demand Conditions for Products and Services



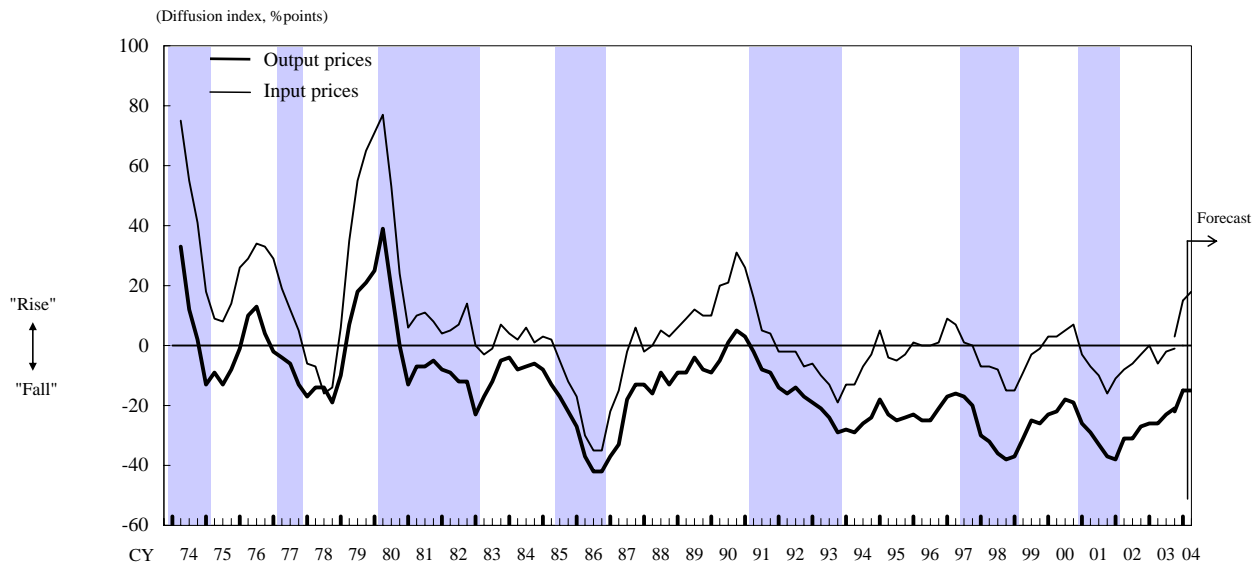
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

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

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

March 2004 survey	
Actual result	-15
Forecast	-16

Prices



Peaks and Bottoms of Prices (from May 1974)

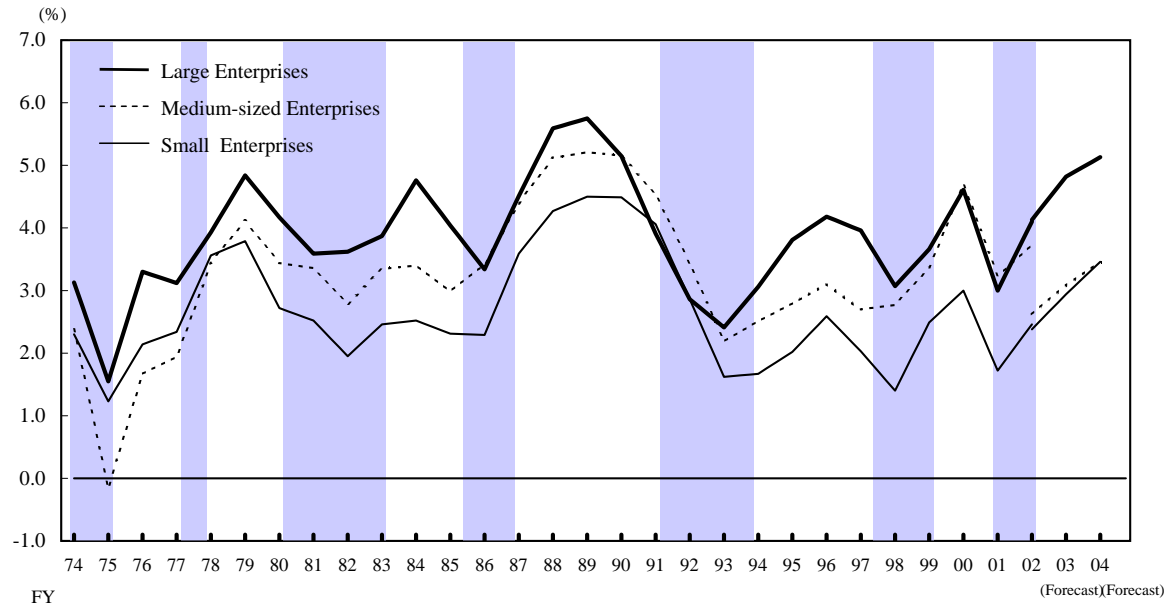
(Diffusion index of "Rise" minus "Fall", %points)

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

March 2004 survey		
	Output Prices	Input Prices
Actual result	-15	15
Forecast	-15	18

[Ratio of Current Profit to Sales]

Manufacturing

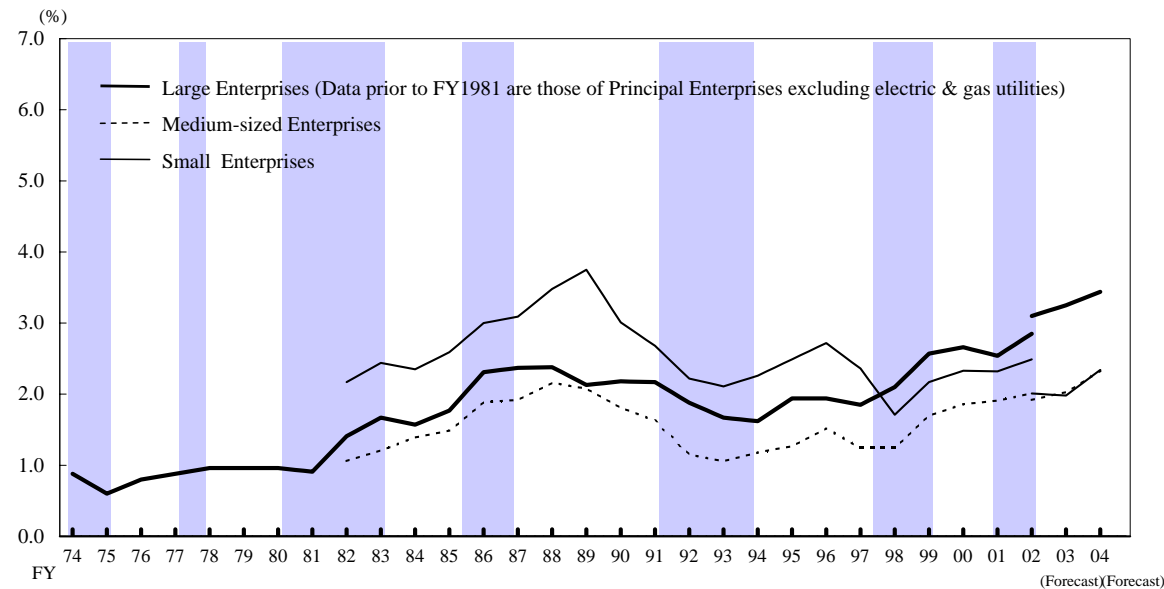


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974)

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

	March 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2003 (Forecast)	4.82	3.08	2.94
FY2004 (Forecast)	5.13	3.45	3.46

Nonmanufacturing



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

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

	March 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2003 (Forecast)	3.25	2.03	1.98
FY2004 (Forecast)	3.44	2.33	2.34

[Developments of Fixed Investment including Land Purchasing Expenses]

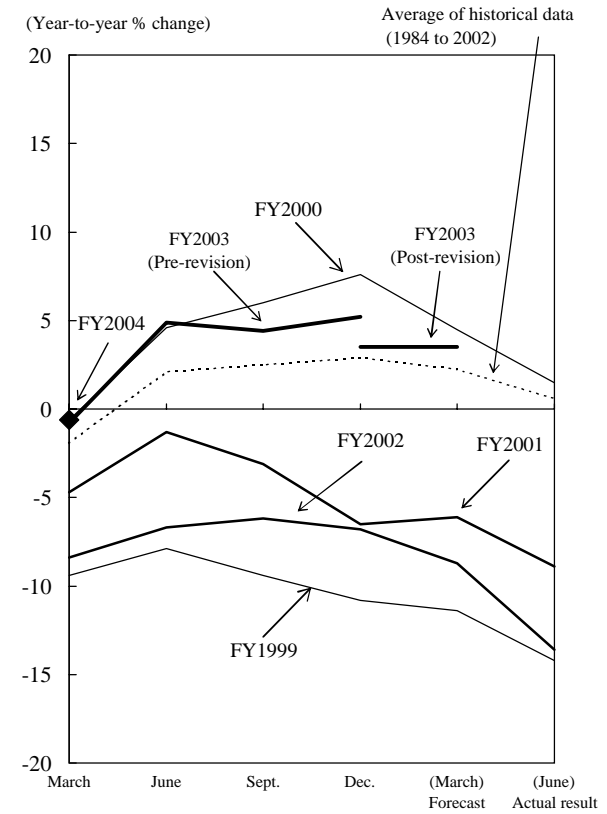
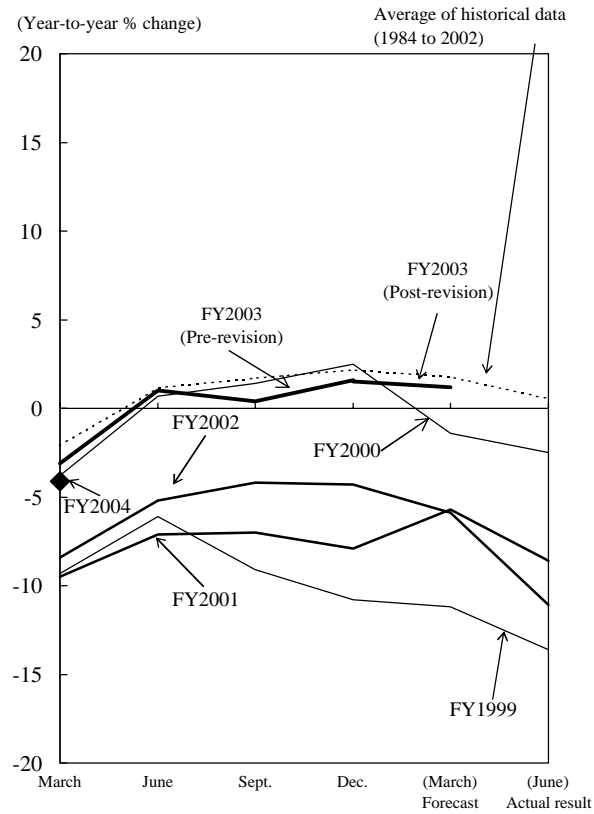
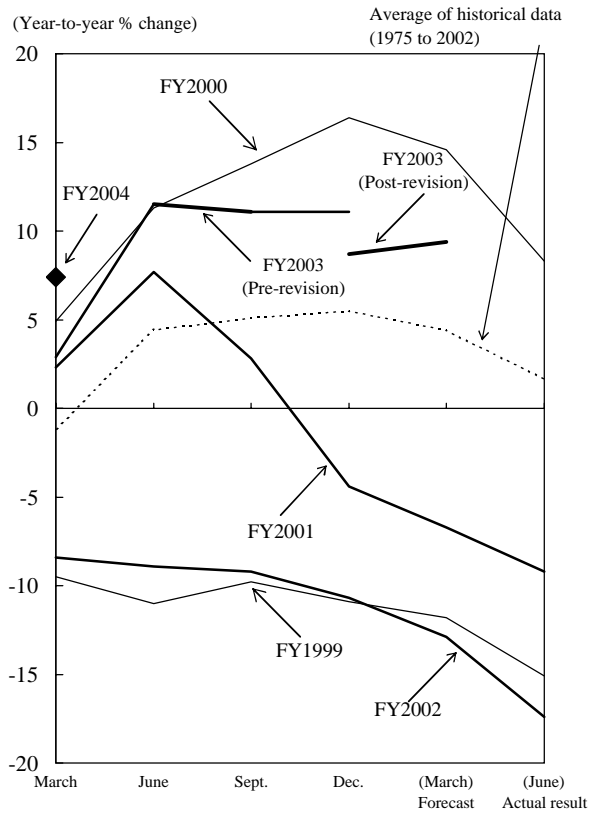
Note: This graph indicates the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year; actual result) is at the very right. The vertical axis represents the year-to-year percent change.

(1) Large Enterprises

Manufacturing

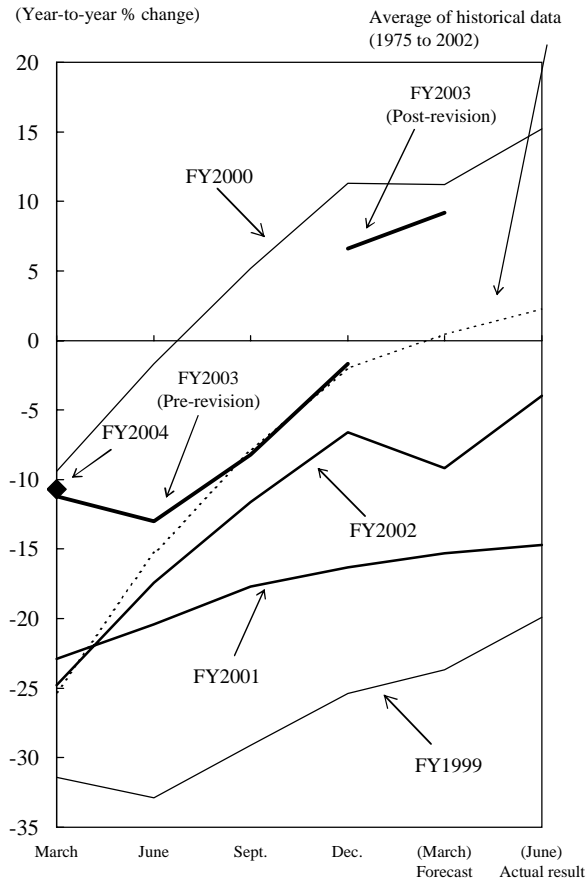
Nonmanufacturing

All industries

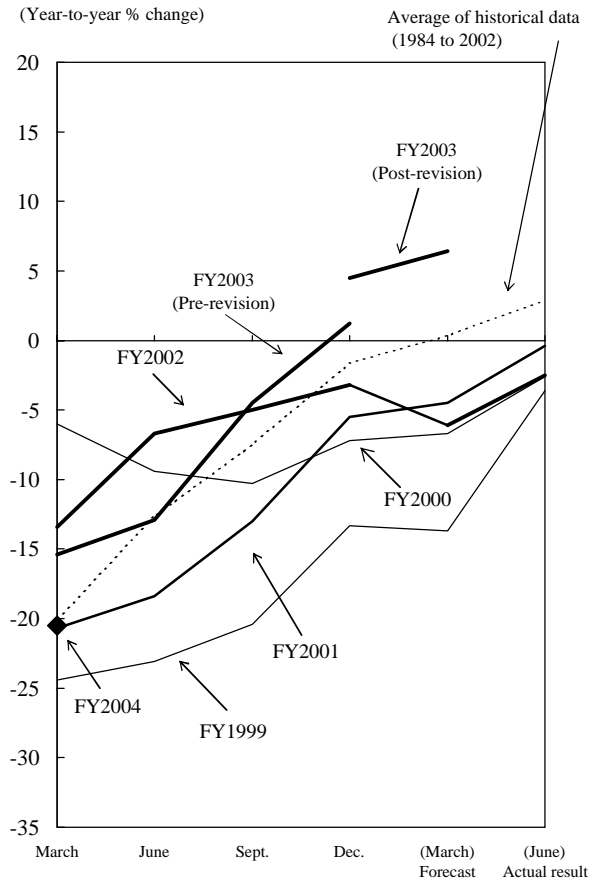


(2) Small Enterprises

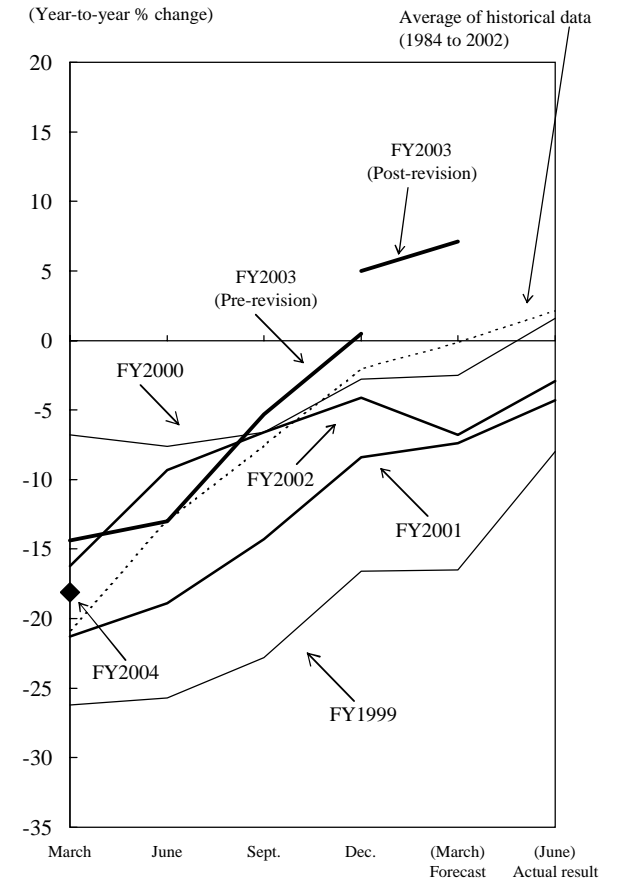
Manufacturing



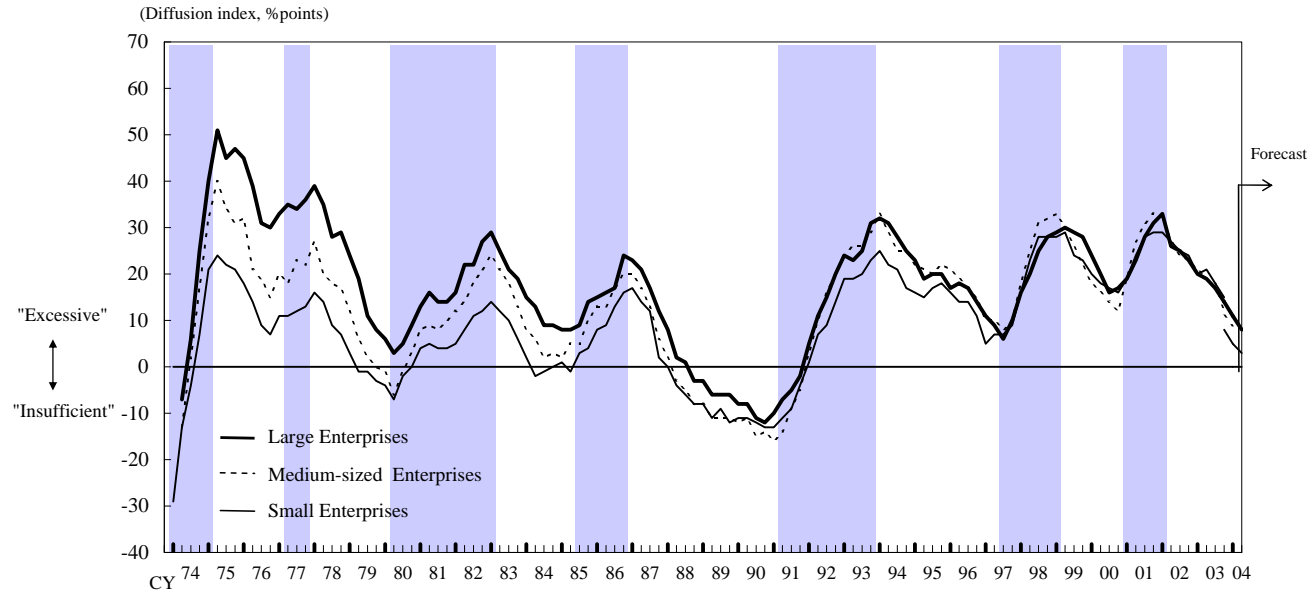
Nonmanufacturing



All industries



## [Production Capacity (Manufacturing)]



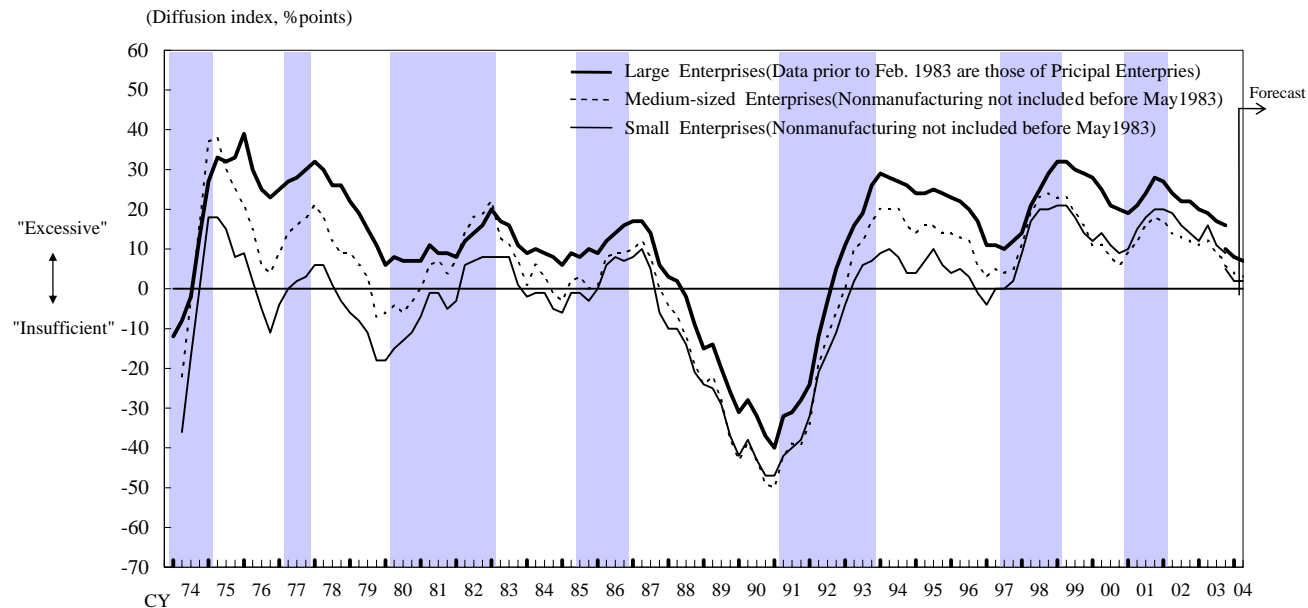
## Peaks and Bottoms of Production Capacity (from May 1974)

(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)	

	March 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	11	9	5
Forecast	8	8	3

## [Employment Condition (All industries)]



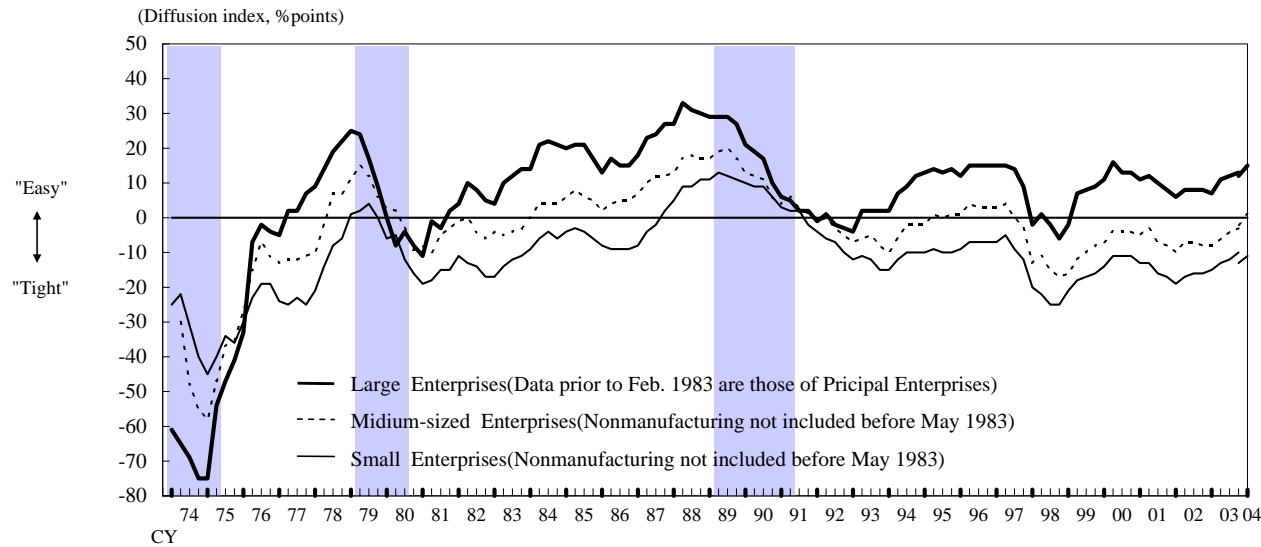
## Peaks and Bottoms of Employment Condition (from May 1983)

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

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

	March 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	8	4	2
Forecast	7	3	2

### Financial Position



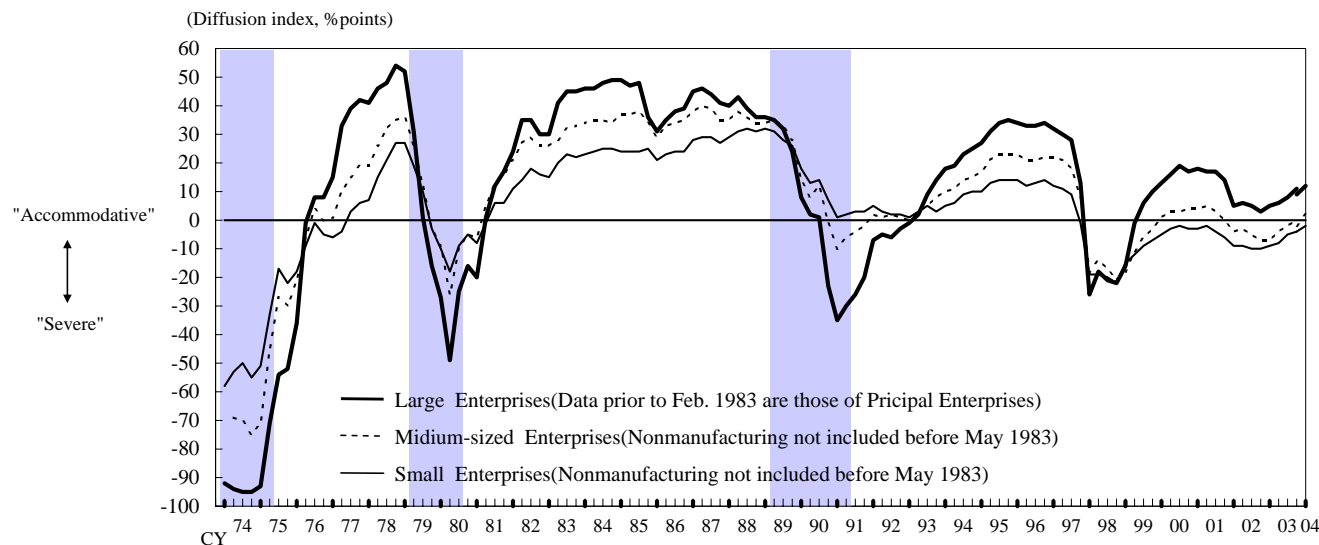
Peaks and Bottoms of Financial Position (from May 1983)

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

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

	March 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	15	1	-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)

	March 2004 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	12	2	-2