

TANKAN Summary (September 2005)
126th Short-term Economic Survey of Enterprises in Japan

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October 3, 2005
Research and Statistics Department
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,191	6,010	10,201	98.0%
Large Enterprises	1,185	1,226	2,411	98.8%
Medium-sized Enterprises	1,137	1,620	2,757	97.8%
Small Enterprises	1,869	3,164	5,033	97.7%
Financial institutions	-	-	207	99.0%

Responding Period: August 30 to September 30

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

	FY 2004			FY 2005		
		1H	2H		1H	2H
June 2005 Survey	107.48	109.08	105.89	103.95	104.09	103.83
Sept. 2005 Survey	-	-	-	105.18	105.42	104.95

1. Business Conditions

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	June 2005 Survey		Sept. 2005 Survey				June 2005 Survey		Sept. 2005 Survey				June 2005 Survey		Sept. 2005 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes	Actual result	Forecast	Actual result	Forecast		Changes	Actual result	Forecast	Actual result	Forecast		Changes
					Changes						Changes						Changes	
Manufacturing	18	17	19	1	18	-1	8	6	5	-3	6	1	2	1	3	1	4	1
Textiles	9	9	4	-5	-2	-6	-39	-35	-51	-12	-35	16	-25	-32	-31	-6	-34	-3
Lumber & Wood products	-9	17	0	9	17	17	-28	-13	-45	-17	-18	27	-21	-19	0	-10	27	11
Pulp & Paper	13	13	13	0	3	-10	0	-7	-8	-8	-5	3	-12	0	-7	5	-6	1
Chemicals	16	12	15	-1	13	-2	0	3	8	8	-3	-11	14	13	9	-5	17	8
Petroleum & Coal products	28	19	10	-18	14	4	42	26	45	3	25	-20	-11	-19	-11	0	-11	0
Ceramics, Stone & Clay	10	10	13	3	10	-3	-22	-31	-20	2	-22	-2	-16	-22	-24	-8	-20	4
Iron & Steel	60	47	52	-8	45	-7	58	39	57	-1	46	-11	41	25	39	-2	33	-6
Nonferrous metals	23	16	20	-3	26	6	13	20	11	-2	30	19	11	11	19	8	14	-5
Food & Beverages	10	9	6	-4	3	-3	2	5	1	-1	-1	-2	-19	-11	-20	-1	-9	11
Processed metals	3	1	-2	-5	-6	-4	9	12	5	-4	10	5	10	10	13	3	16	3
Industrial machinery	39	38	41	2	37	-4	38	29	25	-13	22	-3	25	22	32	7	27	-5
Electrical machinery	3	12	10	7	17	7	2	2	-2	-4	4	6	2	4	11	9	9	-2
Shipbuilding & Heavy machinery etc.	7	-13	4	-3	-3	-7	30	20	20	-10	11	-9	11	9	12	1	6	-6
Motor vehicles	33	33	38	5	35	-3	15	14	16	1	18	2	21	16	24	3	22	-2
Precision machinery	18	21	32	14	33	1	23	14	34	11	30	-4	1	9	11	10	6	-5
Basic materials	21	18	18	-3	16	-2	1	-2	-3	-2	0	3	-4	-6	-6	-2	-5	1
Processing	17	18	19	2	19	0	12	10	8	-4	10	2	5	7	8	3	9	1
Nonmanufacturing	15	14	15	0	16	1	1	1	0	-1	2	2	-12	-13	-11	1	-12	-1
Construction	-5	-8	-5	0	1	6	-21	-17	-15	6	-15	0	-28	-32	-24	4	-28	-4
Real estate	27	23	29	2	27	-2	11	5	16	5	9	-7	7	7	6	-1	7	1
Wholesaling	18	15	22	4	18	-4	3	2	-1	-4	2	3	-10	-8	-7	3	-7	0
Retailing	7	8	10	3	15	5	0	-1	-7	-7	-1	6	-13	-14	-18	-5	-13	5
Transportation	16	12	15	-1	9	-6	-9	-8	-4	5	-10	-6	-7	-7	-5	2	-10	-5
Communications	17	17	15	-2	24	9	7	14	12	5	24	12	0	15	6	6	12	6
Information services	30	35	24	-6	31	7	17	22	15	-2	25	10	13	18	14	1	14	0
Electric & Gas utilities	9	2	3	-6	4	1	21	13	24	3	15	-9	-12	-20	-14	-2	-11	3
Services for businesses	22	16	24	2	21	-3	24	21	17	-7	16	-1	-2	-3	-3	-1	3	6
Services for individuals	14	21	7	-7	11	4	-3	9	0	3	4	4	2	3	0	-2	4	4
Restaurants & Accommodations	2	11	9	7	8	-1	-25	-8	-17	8	-13	4	-36	-26	-30	6	-23	7
Leasing	17	20	28	11	31	3	19	7	12	-7	12	0	5	-3	3	-2	2	-1
All industries	16	16	17	1	17	0	4	3	2	-2	3	1	-7	-7	-6	1	-5	1

	All Enterprises					
Manufacturing	8	8	8	0	9	1
Nonmanufacturing	-3	-4	-3	0	-2	1
All industries	1	1	2	1	2	0

- (Notes) 1. Response rate = The number of enterprises that responded to the question on Business Conditions / The number of sample enterprises*100
 2. Actual result: Judgement at the time of the survey, Forecast: Judgement at the time of three months hence.
 Changes in actual result = "Actual result of the current survey" minus "Actual result of the previous survey"
 Changes in forecast = "Forecast of the current survey" minus "Actual result of the current survey"
 3. "Shipbuilding & Heavy machinery etc." indicates Transportation machinery excluding Motor vehicles.

1. Business Conditions (Continued)

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

(%, %points)

	June 2005 Survey			Sept. 2005 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	18	8	2	19	5	3	18	6	4
1.Favorable	26	24	22	27	23	23	24	21	21
2.Not so favorable	66	60	58	65	59	57	70	64	62
3.Unfavorable	8	16	20	8	18	20	6	15	17
Nonmanufacturing	15	1	-12	15	0	-11	16	2	-12
1.Favorable	22	18	14	22	17	14	21	16	12
2.Not so favorable	71	65	60	71	66	61	74	70	64
3.Unfavorable	7	17	26	7	17	25	5	14	24

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		June 2005 Survey		Sept. 2005 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-12	-11	-10	2	-11	-1
	Basic materials	-13	-12	-14	-1	-15	-1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-11	-10	-8	3	-8	0
	Nonmanufacturing	-21	-23	-23	-2	-23	0
Overseas Supply & Demand Conditions for Products:	Manufacturing	-3	-1	-2	1	-3	-1
	Basic materials	-6	-4	-7	-1	-8	-1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-2	0	0	2	0	0

Inventory Level of Finished Goods & Merchandise:	Manufacturing	16	15	-1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	16	17	1		
	Processing	17	14	-3		
Wholesalers' Inventory Level:	Manufacturing	13	12	-1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	16	15	-1		
	Processing	12	10	-2		

Change in Output Prices:	Manufacturing	-7	-9	-5	2	-8	-3
	Basic materials	12	4	13	1	12	-1
Diffusion index of "Rise" minus "Fall"	Processing	-17	-16	-14	3	-17	-3
	Nonmanufacturing	-9	-11	-8	1	-6	2
Change in Input Prices:	Manufacturing	37	27	39	2	36	-3
	Basic materials	43	30	51	8	43	-8
Diffusion index of "Rise" minus "Fall"	Processing	33	26	33	0	32	-1
	Nonmanufacturing	10	9	13	3	15	2

(%points)

		Small Enterprises					
		June 2005 Survey		Sept. 2005 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-26	-28	-23	3	-24	-1
	Basic materials	-34	-35	-32	2	-33	-1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-22	-23	-18	4	-19	-1
	Nonmanufacturing	-37	-38	-34	3	-35	-1
Overseas Supply & Demand Conditions for Products:	Manufacturing	-10	-12	-8	2	-10	-2
	Basic materials	-16	-19	-17	-1	-19	-2
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-8	-9	-4	4	-5	-1

Inventory Level of Finished Goods & Merchandise:	Manufacturing	16	13	-3		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	21	19	-2		
	Processing	13	11	-2		
Wholesalers' Inventory Level:	Manufacturing	21	17	-4		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	30	27	-3		
	Processing	16	11	-5		

Change in Output Prices:	Manufacturing	-14	-16	-12	2	-14	-2
	Basic materials	-6	-10	-6	0	-7	-1
Diffusion index of "Rise" minus "Fall"	Processing	-18	-19	-15	3	-17	-2
	Nonmanufacturing	-23	-25	-21	2	-18	3
Change in Input Prices:	Manufacturing	43	37	41	-2	43	2
	Basic materials	38	33	40	2	42	2
Diffusion index of "Rise" minus "Fall"	Processing	46	39	42	-4	43	1
	Nonmanufacturing	18	16	20	2	25	5

3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.3	-	3.9	0.8
	Domestic Sales	4.3	-	4.1	1.0
	Exports	8.7	-	3.5	0.3
	Nonmanufacturing	3.3	-	2.1	0.7
	All industries	4.1	-	2.8	0.7
Medium-sized Enterprises	Manufacturing	5.7	-	1.8	0.3
	Nonmanufacturing	2.6	-	0.7	-1.8
	All industries	3.4	-	1.0	-1.3
Small Enterprises	Manufacturing	5.8	-	2.7	0.6
	Nonmanufacturing	3.7	-	1.1	0.5
	All industries	4.2	-	1.5	0.5
All Enterprises	Manufacturing	5.5	-	3.4	0.7
	Nonmanufacturing	3.3	-	1.5	0.1
	All industries	4.0	-	2.1	0.3

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

(Year-to-year % change)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
6.0	4.7	-	3.4	0.9	4.4	0.7
4.4	4.1	-	4.0	0.9	4.1	1.0
10.9	6.7	-	1.7	0.6	5.4	-0.1
2.5	4.1	-	3.1	0.9	1.2	0.6
3.9	4.3	-	3.2	0.9	2.5	0.6
7.7	3.9	-	1.4	0.5	2.2	0.1
3.1	2.1	-	-0.1	-2.0	1.4	-1.7
4.3	2.5	-	0.3	-1.3	1.6	-1.2
7.4	4.3	-	2.9	0.7	2.6	0.6
3.6	3.8	-	1.3	-0.2	1.0	1.2
4.4	3.9	-	1.6	0.0	1.3	1.0
6.5	4.5	-	3.0	0.8	3.7	0.6
3.0	3.6	-	1.8	-0.1	1.2	0.3
4.1	3.9	-	2.2	0.2	2.0	0.4

Current Profits (Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	27.6	-	3.5	1.0
	Basic materials	46.9	-	5.6	3.7
	Processing	17.1	-	2.0	-0.8
	Nonmanufacturing	15.2	-	0.8	1.4
	All industries	21.2	-	2.2	1.2
Medium-sized Enterprises	Manufacturing	33.4	-	3.1	0.6
	Nonmanufacturing	15.2	-	5.1	0.2
	All industries	21.3	-	4.4	0.4
Small Enterprises	Manufacturing	23.2	-	3.5	-1.1
	Nonmanufacturing	14.1	-	8.4	-1.2
	All industries	16.7	-	6.9	-1.2
All Enterprises	Manufacturing	27.7	-	3.4	0.7
	Nonmanufacturing	14.9	-	3.3	0.5
	All industries	20.3	-	3.4	0.6

(Year-to-year % change)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
36.3	20.5	-	-2.2	7.2	8.8	-3.7
46.2	47.5	-	13.7	11.5	-1.5	-3.1
30.5	6.4	-	-12.5	3.8	16.2	-4.0
31.7	1.1	-	-10.1	2.6	12.9	0.4
33.9	10.5	-	-6.3	4.9	10.7	-1.8
60.3	16.1	-	-2.5	3.6	8.1	-1.7
28.9	7.4	-	-1.5	1.9	9.6	-0.8
40.1	10.2	-	-1.9	2.6	9.1	-1.1
46.7	7.7	-	2.5	1.2	4.5	-3.1
29.1	6.4	-	7.7	-4.1	8.8	0.6
34.6	6.7	-	5.9	-2.4	7.7	-0.4
40.0	18.2	-	-1.7	6.0	8.2	-3.4
30.8	3.7	-	-5.4	1.0	11.2	0.2
34.8	9.7	-	-3.7	3.2	9.8	-1.4

3. Sales and Current Profits(Continued)

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

		FY2004		FY2005	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	5.94	-	5.91	0.01
	Nonmanufacturing	3.79	-	3.75	0.03
	All industries	4.65	-	4.62	0.03
Medium-sized Enterprises	Manufacturing	4.14	-	4.19	0.01
	Nonmanufacturing	2.41	-	2.51	0.05
	All industries	2.85	-	2.94	0.04
Small Enterprises	Manufacturing	3.66	-	3.69	-0.07
	Nonmanufacturing	2.28	-	2.44	-0.05
	All industries	2.57	-	2.71	-0.04
All Enterprises	Manufacturing	5.26	-	5.26	0.00
	Nonmanufacturing	3.03	-	3.08	0.01
	All industries	3.74	-	3.79	0.02

(% , %points)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		Changes	(Forecast)	Changes	(Forecast)	Changes
5.96	5.92	-	5.63	0.33	6.17	-0.28
4.20	3.43	-	3.66	0.06	3.82	-0.01
4.90	4.41	-	4.45	0.17	4.76	-0.12
3.99	4.28	-	3.84	0.12	4.52	-0.08
2.03	2.76	-	2.00	0.08	2.98	0.03
2.54	3.14	-	2.48	0.10	3.37	0.01
3.55	3.77	-	3.53	0.01	3.84	-0.15
1.84	2.68	-	1.96	-0.08	2.88	-0.02
2.21	2.90	-	2.30	-0.06	3.08	-0.05
5.22	5.29	-	4.99	0.25	5.52	-0.22
3.00	3.05	-	2.79	0.03	3.35	0.00
3.72	3.76	-	3.50	0.10	4.05	-0.07

Net Income (Year-to-year % change)

		FY2004		FY2005	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	57.0	-	16.0	0.7
	Basic materials	188.5	-	2.8	3.7
	Processing	11.7	-	27.6	-1.3
	Nonmanufacturing	-28.2	-	151.2	3.2
	All industries	14.0	-	58.9	2.0
Medium-sized Enterprises	Manufacturing	49.3	-	15.7	-0.9
	Nonmanufacturing	131.6	-	3.7	-2.3
	All industries	94.2	-	7.9	-1.8
Small Enterprises	Manufacturing	38.2	-	6.6	-7.1
	Nonmanufacturing	1.0	-	56.3	-4.0
	All industries	12.6	-	37.3	-4.9
All Enterprises	Manufacturing	53.4	-	14.7	-0.4
	Nonmanufacturing	-1.8	-	84.8	0.6
	All industries	23.2	-	45.3	0.1

(Year-to-year % change)

1H FY2004	2H FY2004		1H FY2005		2H FY2005	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
57.2	56.6	-	-7.7	7.6	48.1	-4.4
101.0	473.4	-	-5.1	10.3	11.8	-1.9
34.6	-12.2	-	-9.7	5.5	87.2	-5.9
-3.9	-71.7	-	55.7	7.1	733.0	-0.9
24.7	-2.7	-	18.3	7.3	139.9	-2.8
82.2	28.3	-	1.3	-1.3	28.8	-0.6
654.8	24.6	-	-40.8	-8.8	58.7	0.9
278.6	26.0	-	-27.5	-5.6	47.1	0.4
46.3	31.4	-	-4.3	-10.6	16.8	-4.2
41.1	-9.8	-	59.5	-13.2	55.0	0.7
43.7	0.0	-	27.6	-12.2	43.0	-0.6
58.0	48.0	-	-6.4	4.1	40.8	-3.9
29.1	-29.6	-	32.5	1.5	171.4	-0.1
43.1	3.1	-	11.7	2.7	92.4	-1.8

4. Fixed Investment etc.

Fixed Investment including Land Purchasing Expenses*

(Year-to-year % change)

(Year-to-year % change)

		FY2004		FY2005		1H FY2004	2H FY2004	Revision rate	1H FY2005		2H FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate				(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	18.1	-	16.2	0.0	20.4	16.2	-	26.5	-3.4	7.9	3.5
	Nonmanufacturing	-1.2	-	5.9	-0.2	-1.1	-1.3	-	10.4	-2.2	2.1	1.7
	All industries	4.5	-	9.3	-0.1	5.1	3.9	-	15.7	-2.7	4.0	2.3
Medium-sized Enterprises	Manufacturing	10.3	-	15.1	4.0	12.3	8.6	-	24.7	-0.7	6.5	9.5
	Nonmanufacturing	2.3	-	2.6	1.6	9.0	-3.1	-	2.7	1.9	2.5	1.3
	All industries	4.6	-	6.3	2.4	9.9	0.1	-	9.1	1.0	3.7	3.7
Small Enterprises	Manufacturing	24.2	-	-3.7	10.1	14.6	33.3	-	11.5	0.3	-16.0	23.0
	Nonmanufacturing	6.4	-	-1.8	4.9	-2.0	16.5	-	3.7	2.5	-7.2	7.8
	All industries	10.7	-	-2.3	6.3	1.7	20.9	-	5.6	1.9	-9.8	11.5
All Enterprises	Manufacturing	17.7	-	13.0	1.8	18.2	17.4	-	23.9	-2.5	4.0	6.5
	Nonmanufacturing	0.7	-	3.9	1.0	0.3	1.1	-	7.7	-0.7	0.5	2.6
	All industries	5.5	-	6.8	1.3	5.2	5.8	-	12.7	-1.3	1.6	3.8

* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2004		FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-6.1	-	-5.5	-1.3
	Nonmanufacturing	-2.9	-	5.1	2.0
	All industries	-4.1	-	1.4	0.9
Medium-sized Enterprises	Manufacturing	27.4	-	1.0	3.4
	Nonmanufacturing	2.9	-	9.2	-0.3
	All industries	5.1	-	8.3	0.1
Small Enterprises	Manufacturing	12.6	-	10.3	3.3
	Nonmanufacturing	-11.4	-	14.8	2.6
	All industries	-7.2	-	13.9	2.7
All Enterprises	Manufacturing	-3.3	-	-4.1	-0.6
	Nonmanufacturing	-2.4	-	7.0	1.5
	All industries	-2.7	-	3.7	0.9

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2004		FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	15.1	-	16.8	-0.2
	Nonmanufacturing	-1.6	-	7.5	-0.3
	All industries	3.5	-	10.7	-0.2
Medium-sized Enterprises	Manufacturing	11.5	-	14.6	2.8
	Nonmanufacturing	2.9	-	7.5	0.6
	All industries	5.3	-	9.5	1.3
Small Enterprises	Manufacturing	29.9	-	-2.4	5.7
	Nonmanufacturing	7.0	-	8.2	5.2
	All industries	12.7	-	5.1	5.3
All Enterprises	Manufacturing	16.4	-	13.8	0.9
	Nonmanufacturing	0.5	-	7.6	0.7
	All industries	5.1	-	9.6	0.8

Land Purchasing Expenses

(Year-to-year % change)

		FY2004		FY2005	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	35.0	-	-54.7	11.6
	Nonmanufacturing	3.8	-	-29.4	7.7
	All industries	10.5	-	-36.0	8.4
Medium-sized Enterprises	Manufacturing	-4.8	-	16.8	51.6
	Nonmanufacturing	-3.5	-	-45.3	23.6
	All industries	-3.7	-	-36.1	30.1
Small Enterprises	Manufacturing	-17.8	-	-13.8	117.4
	Nonmanufacturing	-0.3	-	-47.7	1.5
	All industries	-3.5	-	-42.4	15.9
All Enterprises	Manufacturing	8.2	-	-33.2	48.5
	Nonmanufacturing	0.7	-	-39.8	7.7
	All industries	2.1	-	-38.5	14.5

Production Capacity

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

		June 2005 Survey		Sept. 2005 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	3	3	3	0	4	1
	Nonmanufacturing	1	0	0	-1	-2	-2
	All industries	2	1	1	-1	1	0
Medium-sized Enterprises	Manufacturing	4	2	4	0	0	-4
	Nonmanufacturing	1	-1	0	-1	-1	-1
	All industries	2	1	1	-1	-1	-2
Small Enterprises	Manufacturing	1	-2	2	1	-1	-3
	Nonmanufacturing	2	0	2	0	-1	-3
	All industries	2	-1	2	0	0	-2
All Enterprises	Manufacturing	2	1	3	1	1	-2
	Nonmanufacturing	2	0	1	-1	-1	-2
	All industries	3	0	2	-1	0	-2

5. Fixed Investment of Financial institutions

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

	FY2004		FY2005	
		Revision rate	(Forecast)	Revision rate
Financial institutions	-20.4	-	12.0	1.9
Banks	-2.1	-	24.2	-4.0
Shinkin banks & Other financial institutions for small businesses	-16.5	-	38.6	10.4
Securities companies	56.8	-	-1.9	-7.0
Insurance companies	-37.4	-	-4.7	9.2
Non-deposit money corporations	-21.8	-	7.0	1.1
(Memo) All industries including Financial institutions	4.8	-	6.9	1.3
Nonmanufacturing including Financial institutions	-0.1	-	4.1	1.0

* Excludes Software Investment

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

Financial institutions	13.2	-	16.4	3.0
Banks	10.4	-	15.0	-2.4
Shinkin banks & Other financial institutions for small businesses	-43.3	-	200.0	4.1
Securities companies	41.3	-	36.7	21.8
Insurance companies	-0.1	-	-6.1	-0.6
Non-deposit money corporations	45.8	-	-6.2	8.0
(Memo) All industries including Financial institutions	-0.1	-	6.0	1.3
Nonmanufacturing including Financial institutions	0.9	-	9.3	1.9

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

Financial institutions	-58.5	-	17.3	35.0
Banks	83.4	-	-48.3	93.8
Shinkin banks & Other financial institutions for small businesses	-67.2	-	314.8	22.0
Securities companies	-	-	-	-
Insurance companies	-65.6	-	28.9	29.8
Non-deposit money corporations	-100.0	-	-	0.0
(Memo) All industries including Financial institutions	-3.2	-	-36.4	15.7
Nonmanufacturing including Financial institutions	-5.6	-	-37.2	9.6

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

Financial institutions	0.0	-	13.6	0.5
Banks	1.5	-	23.3	-4.4
Shinkin banks & Other financial institutions for small businesses	-13.4	-	41.1	7.0
Securities companies	45.5	-	25.4	13.7
Insurance companies	-16.9	-	-10.5	2.1
Non-deposit money corporations	24.9	-	1.2	3.4
(Memo) All industries including Financial institutions	4.9	-	9.8	0.8
Nonmanufacturing including Financial institutions	0.5	-	7.9	0.7

6. Employment

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

		June 2005 Survey		Sept. 2005 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	4	2	3	-1	-1	-4
	Nonmanufacturing	-4	-6	-4	0	-8	-4
	All industries	0	-1	-1	-1	-4	-3
Medium-sized Enterprises	Manufacturing	0	-2	-1	-1	-3	-2
	Nonmanufacturing	-4	-8	-6	-2	-10	-4
	All industries	-3	-5	-4	-1	-7	-3
Small Enterprises	Manufacturing	2	-1	1	-1	-4	-5
	Nonmanufacturing	1	-4	-3	-4	-6	-3
	All industries	1	-3	-2	-3	-6	-4
All Enterprises	Manufacturing	2	0	1	-1	-3	-4
	Nonmanufacturing	-2	-5	-4	-2	-8	-4
	All industries	0	-3	-2	-2	-5	-3

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

	end of Sept. 2004	end of Dec. 2004	end of Mar. 2005	end of June 2005
Large Enterprises	-0.5	0.1	0.7	1.0
Medium-sized Enterprises	1.0	1.4	2.2	0.6
Small Enterprises	1.3	1.3	2.4	1.3
All Enterprises	0.6	0.9	1.8	1.0
All Enterprises & Financial institutions	0.5	0.9	1.6	1.0
Financial institutions	-1.7	-0.3	-0.8	-0.1

Number of New Graduates Hired (All industries)

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

	FY2004		FY2005		FY2006	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	-	-	-	-	-	-
Medium-sized Enterprises	-	-	-	-	-	-
Small Enterprises	-	-	-	-	-	-
All Enterprises	-	-	-	-	-	-
All Enterprises & Financial institutions	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-

7. Corporate Finance

Financial Position (All industries)

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

	June 2005 Survey		Sept. 2005 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	22		20
Medium-sized Enterprises	9		8	-1
Small Enterprises	-4		-3	1
All Enterprises	6		6	0

Lending Attitude of Financial institutions (All industries)

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

	June 2005 Survey		Sept. 2005 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	23		24
Medium-sized Enterprises	15		15	0
Small Enterprises	8		9	1
All Enterprises	13		15	2

Change in Interest Rate on Loans (All industries)

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

	June 2005 Survey		Sept. 2005 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Large Enterprises	-5	3	-3	2	7
Medium-sized Enterprises	-4	5	-3	1	7	10
Small Enterprises	-1	8	-1	0	10	11
All Enterprises	-3	6	-2	1	9	11

Condition for CP Issuance (All industries)

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

	June 2005 Survey		Sept. 2005 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	2		3

Ratio of Liquidity (All industries)

(Months)

	end of Sept. 2004	end of Dec. 2004	end of March 2005	end of June 2005
Large Enterprises	0.96	0.94	0.98	0.93
Medium-sized Enterprises	1.08	1.11	1.15	1.08
Small Enterprises	1.66	1.65	1.72	1.62
All Enterprises	1.17	1.17	1.21	1.14

Ratio of Liquidity =

Quarter-end balance of cash, deposits, and securities listed as liquid assets

Monthly average sales during the fiscal year, which includes the related quarter

8. Business Conditions of Financial institutions

Business Conditions

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

	June 2005 Survey		Sept. 2005 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	43	48	40	-3	43
Shinkin banks & Other financial institutions for small businesses	23	23	23	0	23	0
Securities companies	19	30	60	41	68	8
Insurance companies	42	47	49	7	53	4
Non-deposit money corporations	55	59	59	4	59	0
Financial institutions	38	42	44	6	47	3

Production Capacity

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

	June 2005 Survey		Sept. 2005 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	0	2	-1	-2	-1
Shinkin banks & Other financial institutions for small businesses	0	-3	0	-5	-5	-5
Securities companies	-4	-8	-12	-8	-16	-4
Insurance companies	-5	-5	-5	0	-4	1
Non-deposit money corporations	-5	-9	-14	-9	-5	9
Financial institutions	-2	-3	-4	-2	-6	-2

Employment Conditions

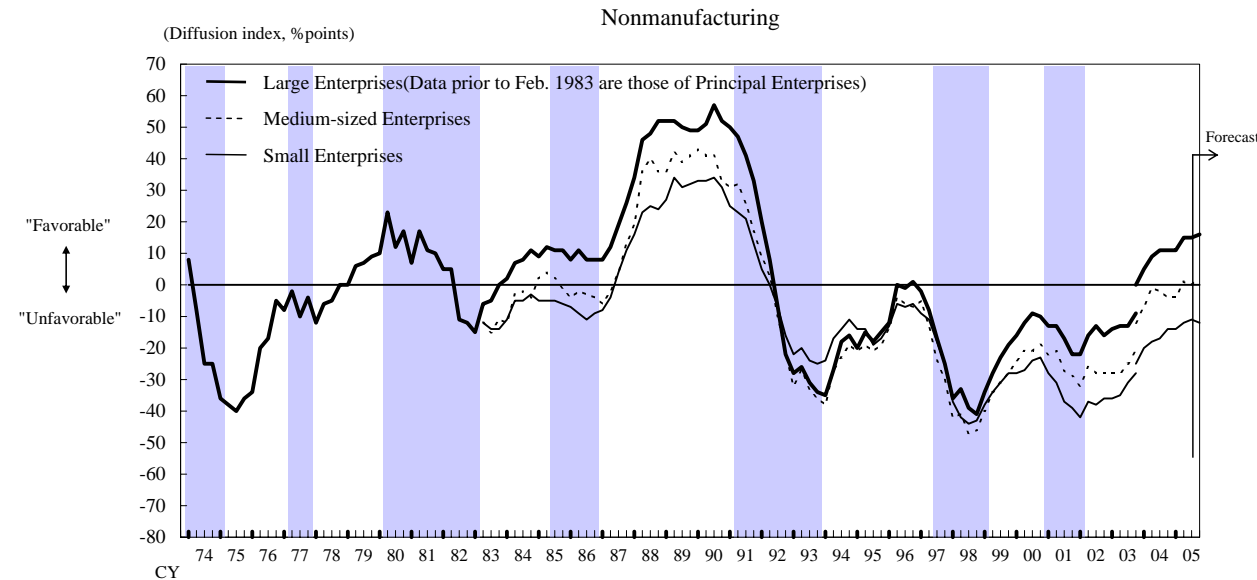
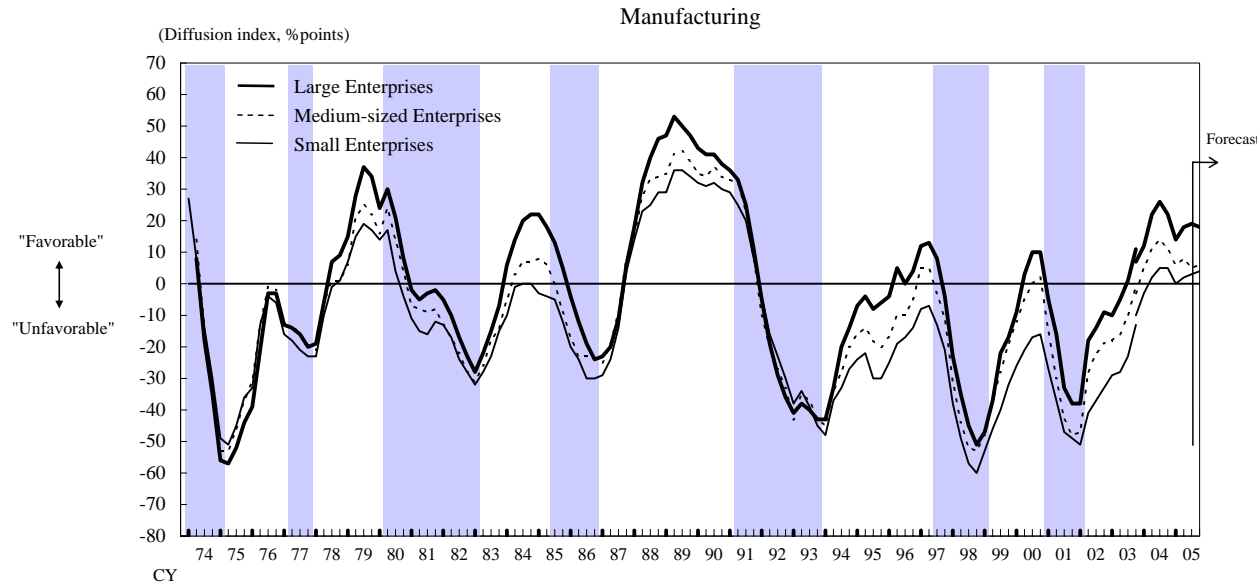
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	June 2005 Survey		Sept. 2005 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	-12	-13	-15	-3	-16
Shinkin banks & Other financial institutions for small businesses	5	-11	-8	-13	-12	-4
Securities companies	-38	-35	-32	6	-44	-12
Insurance companies	-15	-20	-25	-10	-20	5
Non-deposit money corporations	-27	-5	-18	9	-14	4
Financial institutions	-14	-16	-18	-4	-19	-1

(Reference Charts)

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

	September 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	19	5	3
Forecast	18	6	4

Peaks and Bottoms of Business Conditions (from May 1983)

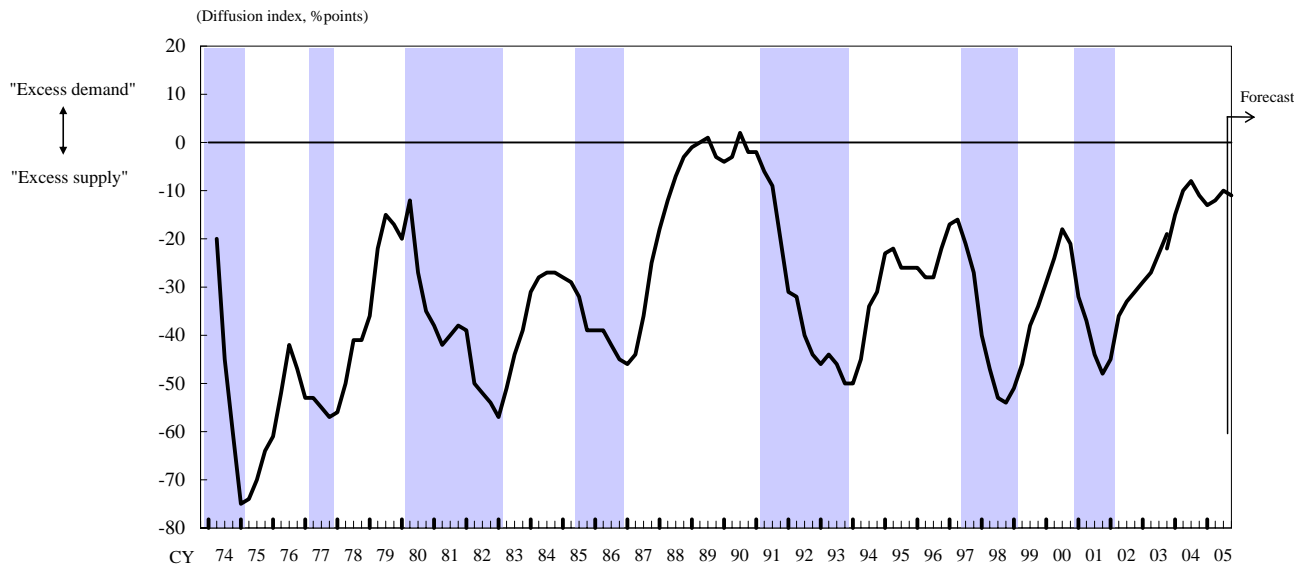
(Diffusion index of "Favorable" minus "Unfavorable", %points)

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

	September 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	15	0	-11
Forecast	16	2	-12

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

Domestic Supply and Demand Conditions for Products and Services



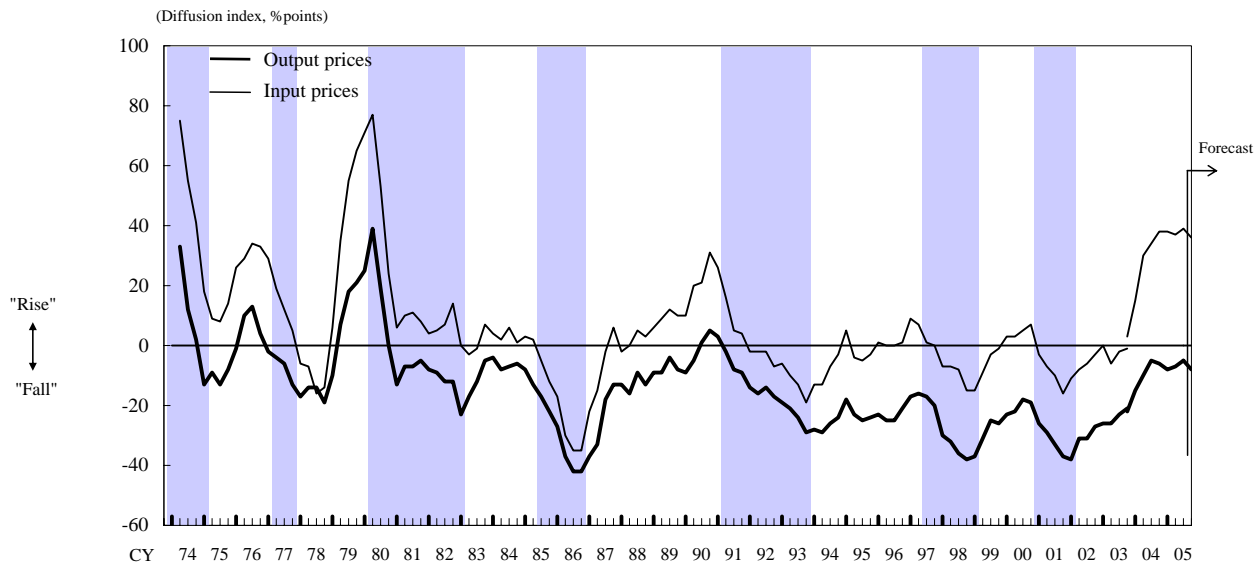
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

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

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

September 2005 survey	
Actual result	-10
Forecast	-11

Prices



Peaks and Bottoms of Prices (from May 1974)

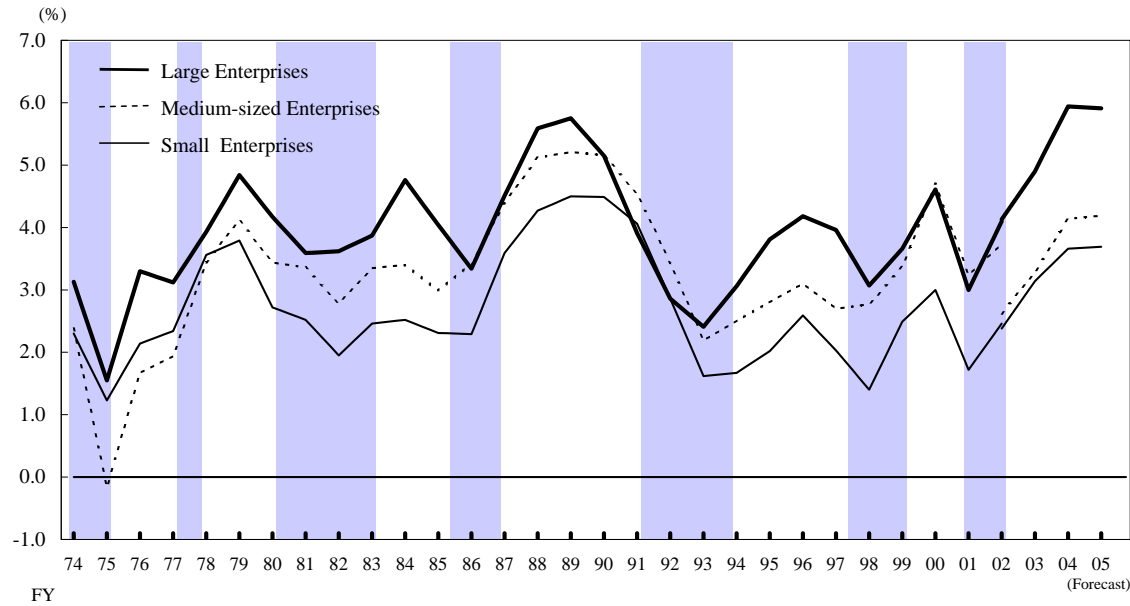
(Diffusion index of "Rise" minus "Fall", %points)

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

September 2005 survey		
	Output Prices	Input Prices
Actual result	-5	39
Forecast	-8	36

[Ratio of Current Profit to Sales]

Manufacturing

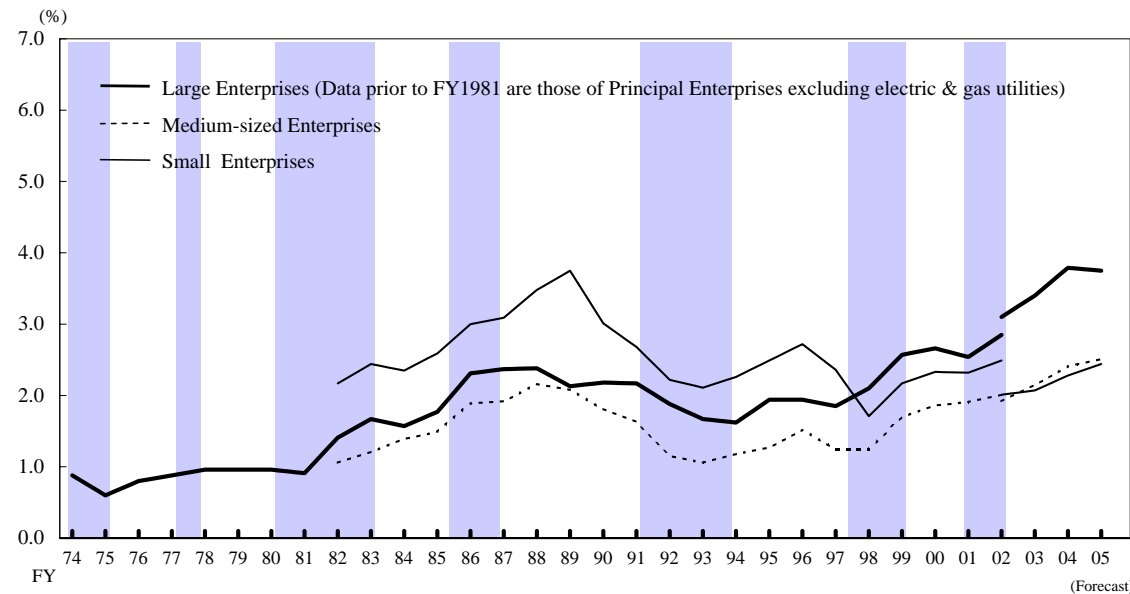


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974) (%)

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

	September 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2004	5.94	4.14	3.66
FY2005 (Forecast)	5.91	4.19	3.69

Nonmanufacturing



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

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

	September 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2004	3.79	2.41	2.28
FY2005 (Forecast)	3.75	2.51	2.44

[Developments of Fixed Investment including Land Purchasing Expenses]

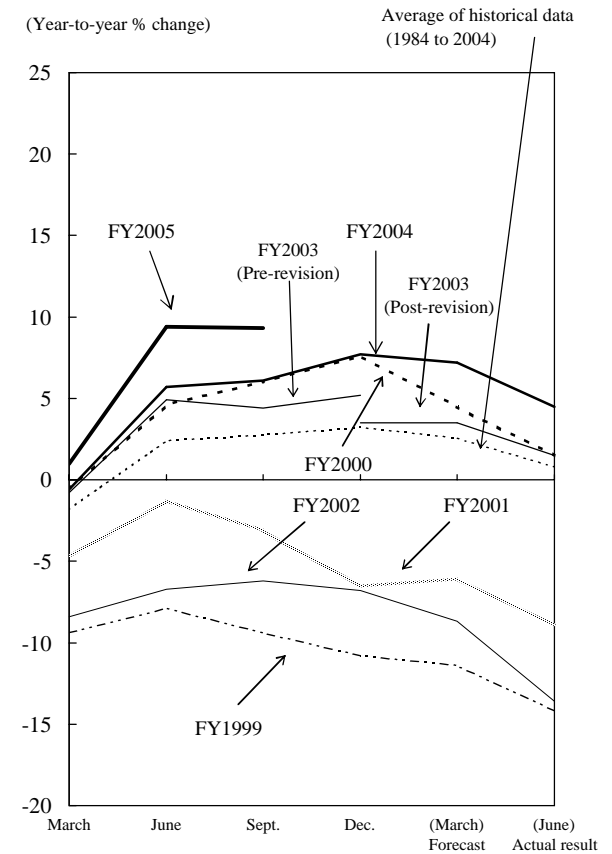
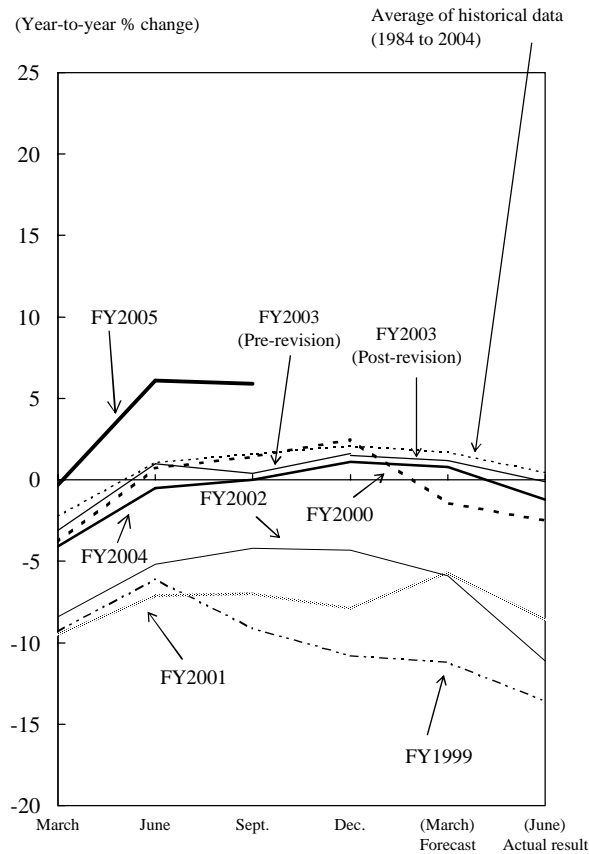
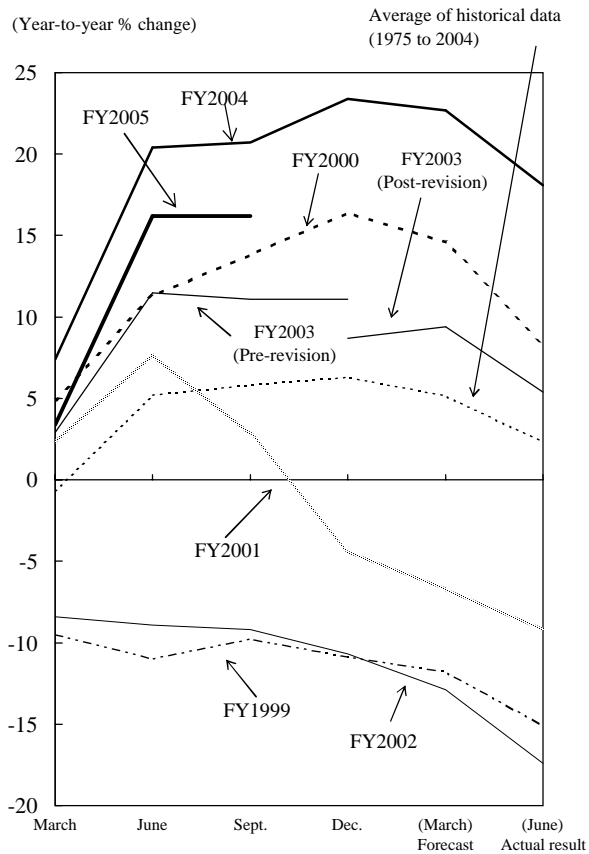
Note:1. This graph indicates the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year; actual result) is at the very right. The vertical axis represents the year-to-year percent change.
 2. Excludes Software Investment.

(1) Large Enterprises

Manufacturing

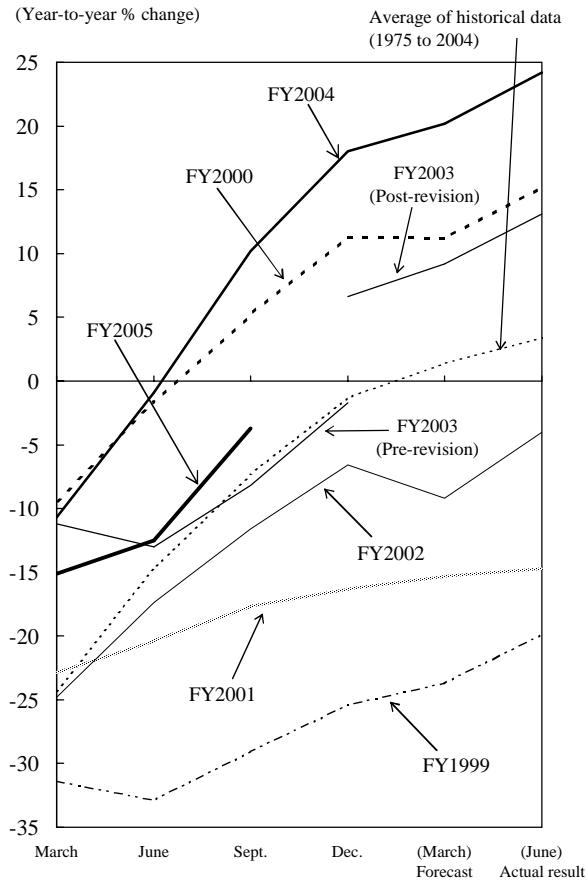
Nonmanufacturing

All industries

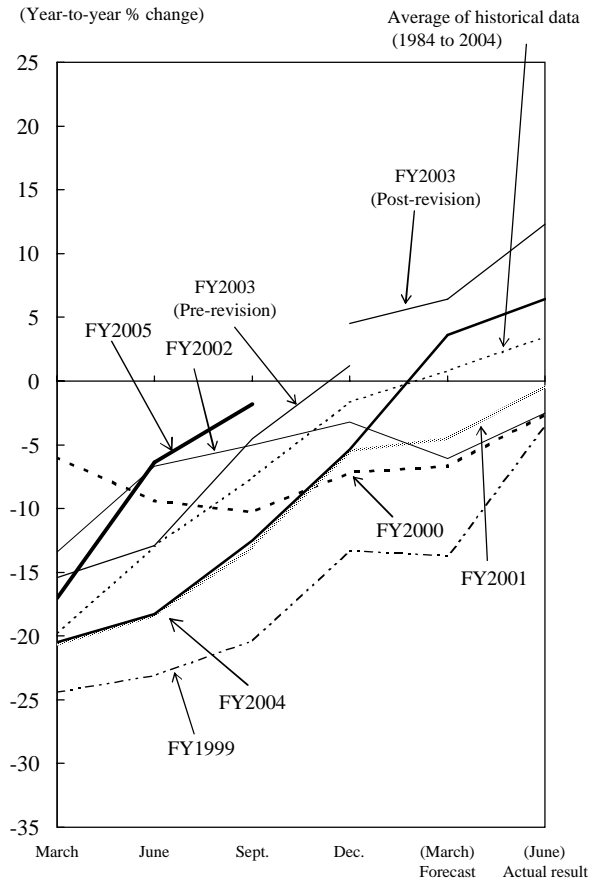


(2) Small Enterprises

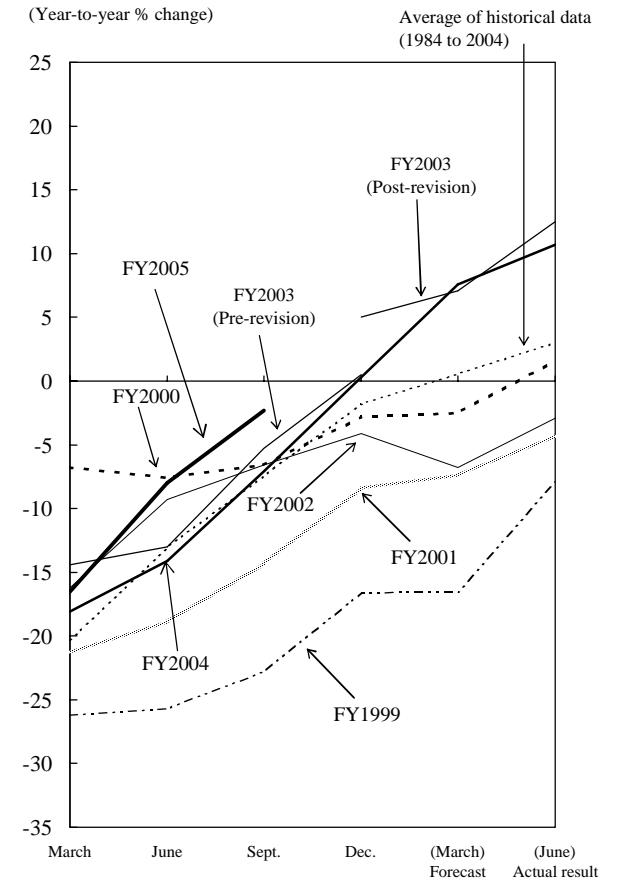
Manufacturing



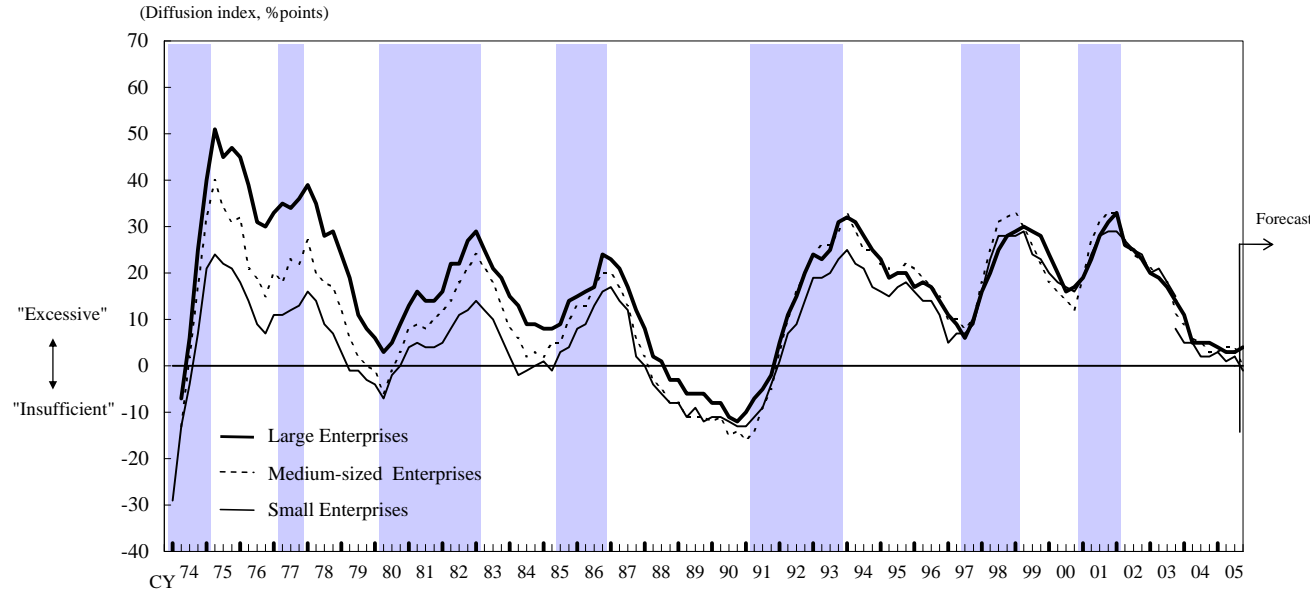
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



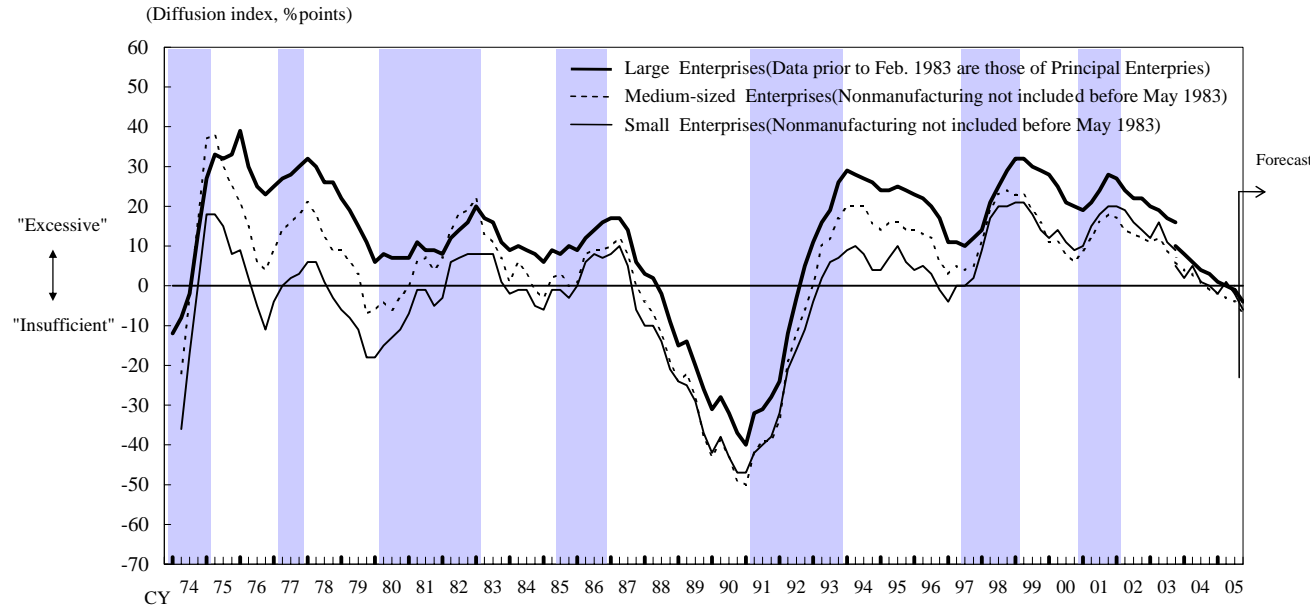
Peaks and Bottoms of Production Capacity (from May 1974)

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

Manufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
51 (75/5)	30 (76/11)	40 (75/5)	15 (76/11)	24 (75/5)	7 (76/11)
39 (78/2)	3 (80/5)	27 (78/2)	-6 (80/5)	16 (78/2)	-7 (80/5)
29 (83/2)	8 (85/2,5)	24 (83/2)	2 (84/8,85/2)	14 (83/2)	-2 (84/5)
24 (86/11)	-12 (90/11)	20 (86/11,87/2)	-16 (91/2)	17 (87/2)	-13 (90/11,91/2)
32 (94/2)	6 (97/9)	33 (94/2)	8 (97/9)	25 (94/2)	5 (97/3)
30 (99/6)	16 (00/9)	33 (99/3)	12 (00/12)	29 (99/6)	16 (00/12)
33 (02/3)		33 (01/12,02/3)		29 (01/12,02/3)	

	September 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	3	4	2
Forecast	4	0	-1

[Employment Condition (All industries)]



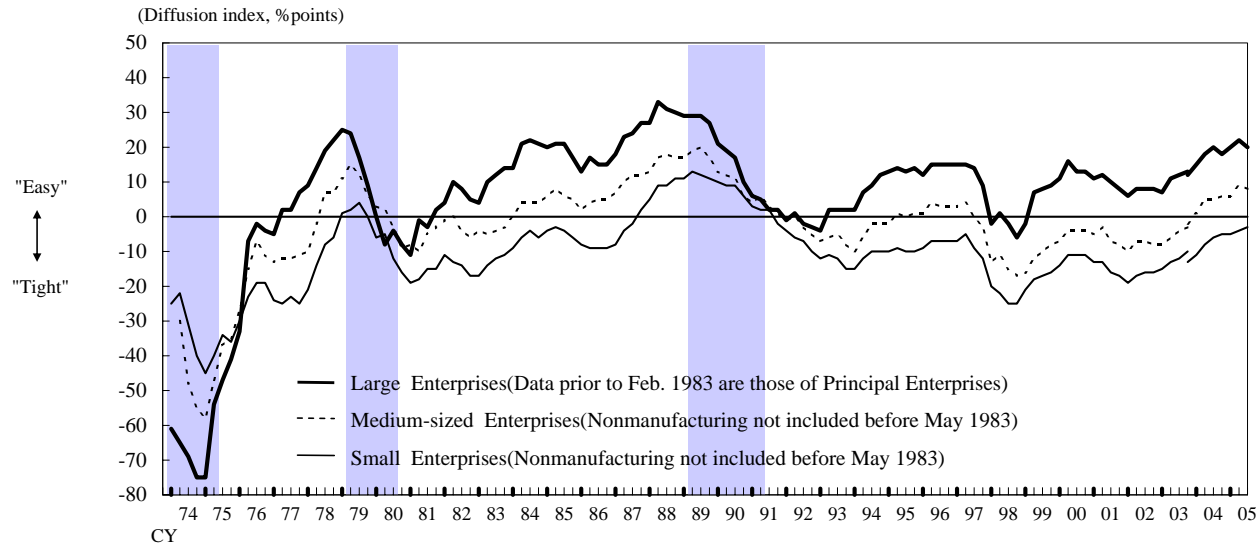
Peaks and Bottoms of Employment Condition (from May 1983)

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

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

	September 2005 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-1	-4	-2
Forecast	-4	-7	-6

Financial Position



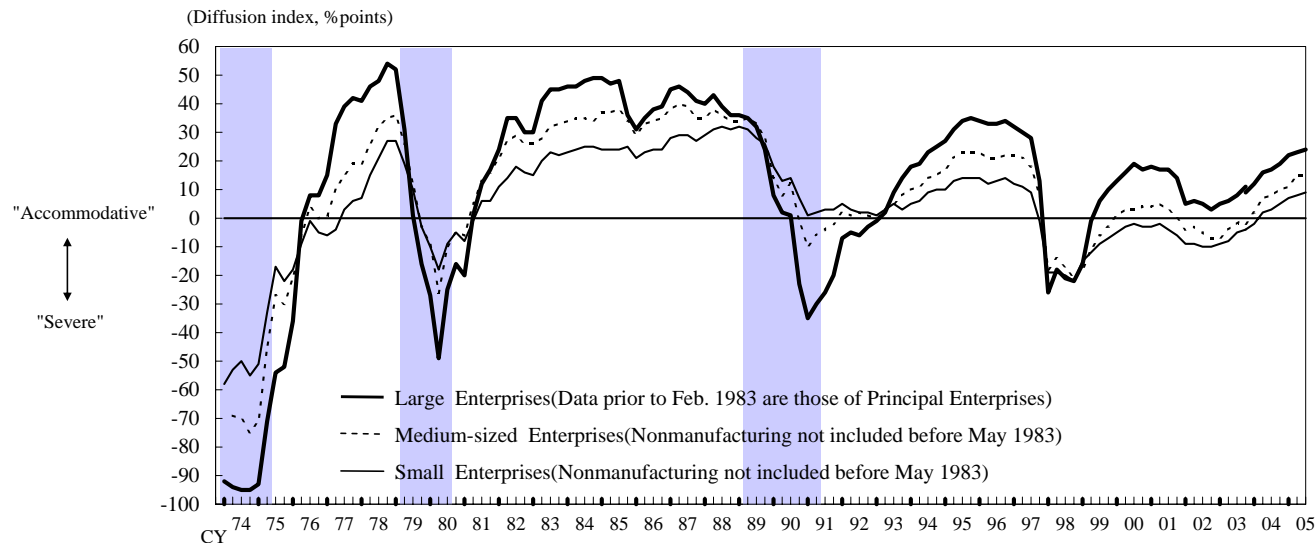
Peaks and Bottoms of Financial Position (from May 1983)

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

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

September 2005 survey			
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	20	8	-3

Lending Attitude of Financial institutions



Peaks and Bottoms of Lending Attitude of Financial institutions (from May 1983)

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

All industries					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
49	-35	40	-21	32	-22
(84/11,85/2)	(91/2)	(87/5)	(98/12)	(88/8,89/2)	(98/12)

September 2005 survey			
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	24	15	9