

TANKAN Summary (March 2006)
128th Short-term Economic Survey of Enterprises in Japan

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Research and Statistics Department
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,156	5,931	10,087	98.0%
Large Enterprises	1,182	1,212	2,394	98.6%
Medium-sized Enterprises	1,123	1,593	2,716	97.5%
Small Enterprises	1,851	3,126	4,977	98.0%
Financial institutions	-	-	205	99.0%

Responding Period: February 27 to March 31

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

	FY 2005		FY 2006		(yen per US dollar)	
	1H	2H	1H	2H		
Dec. 2005 Survey	108.23	108.43	108.04	-	-	-
March 2006 Survey	109.57	108.46	110.62	110.60	110.58	110.61

1. Business Conditions

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	Dec. 2005 Survey		March 2006 Survey				Dec. 2005 Survey		March 2006 Survey				Dec. 2005 Survey		March 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes	Actual result	Forecast	Actual result	Forecast	Changes	Changes	Actual result	Forecast	Actual result	Forecast	Changes	Changes
Manufacturing	21	19	20	-1	22	2	9	6	12	3	12	0	7	6	7	0	9	2
Textiles	13	4	-2	-15	0	2	-35	-33	-41	-6	-29	12	-30	-32	-25	5	-25	0
Lumber & Wood products	0	25	-8	-8	17	25	-27	-21	-34	-7	-15	19	-14	-12	-20	-6	-13	7
Pulp & Paper	12	15	0	-12	9	9	-3	-3	0	3	-10	-10	-5	-9	-12	-7	-9	3
Chemicals	19	14	21	2	24	3	3	-1	-1	-4	11	12	21	14	22	1	20	-2
Petroleum & Coal products	33	24	25	-8	20	-5	45	25	35	-10	30	-5	-8	-7	-19	-11	-19	0
Ceramics, Stone & Clay	14	16	6	-8	13	7	-11	-11	-5	6	-8	-3	-14	-19	-20	-6	-25	-5
Iron & Steel	54	47	49	-5	39	-10	62	47	34	-6	36	-20	46	32	38	-8	29	-9
Nonferrous metals	30	23	28	-2	28	0	25	28	25	0	34	9	22	16	22	0	24	2
Food & Beverages	0	1	1	1	9	8	0	0	4	4	2	-2	-14	-11	-16	-2	-4	12
Processed metals	-2	-6	-1	1	-5	-4	3	6	17	14	17	0	22	20	19	-3	23	4
Industrial machinery	41	43	39	-2	40	1	32	31	39	7	35	-4	34	32	35	1	38	3
Electrical machinery	14	19	20	6	26	6	12	3	21	9	17	-4	13	11	17	4	16	-1
Shipbuilding & Heavy machinery etc.	3	-13	0	-3	7	7	8	18	21	13	26	5	11	11	17	6	13	-4
Motor vehicles	37	36	38	1	32	-6	24	20	14	-10	7	-7	27	19	32	5	21	-11
Precision machinery	35	25	33	-2	28	-5	25	19	30	5	28	-2	10	19	18	8	29	11
Basic materials	23	19	19	-4	21	2	4	1	2	-2	4	2	1	-4	-2	-3	-4	-2
Processing	20	19	21	1	23	2	12	9	17	5	15	-2	11	12	14	3	16	2
Nonmanufacturing	17	17	18	1	19	1	1	3	3	2	5	2	-7	-9	-9	-2	-8	1
Construction	-2	0	0	2	-3	-3	-12	-13	-13	-1	-10	3	-18	-27	-20	-2	-29	-9
Real estate	39	37	39	0	43	4	17	15	21	4	16	-5	13	11	13	0	18	5
Wholesaling	20	16	22	2	18	-4	3	2	3	0	5	2	-6	-5	-2	4	-2	0
Retailing	7	15	16	9	21	5	-6	-3	1	7	4	3	-18	-12	-13	5	-10	3
Transportation	14	14	15	1	12	-3	-9	-6	-7	2	-5	2	0	-5	-8	-8	-9	-1
Communications	29	33	28	-1	25	-3	8	21	0	-8	17	17	10	18	13	3	22	9
Information services	29	32	32	3	33	1	20	24	21	1	27	6	16	16	22	6	30	8
Electric & Gas utilities	9	4	13	4	5	-8	22	15	26	4	11	-15	-6	-11	-12	-6	-20	-8
Services for businesses	25	26	27	2	23	-4	22	22	21	-1	21	0	2	1	1	-1	3	2
Services for individuals	17	16	11	-6	17	6	7	10	-4	-11	14	18	0	1	-6	-6	0	6
Restaurants & Accommodations	7	1	6	-1	12	6	-13	-8	-16	-3	-4	12	-22	-15	-22	0	-11	11
Leasing	31	31	31	0	28	-3	9	13	13	4	19	6	8	5	6	-2	1	-5
All industries	19	18	20	1	20	0	5	5	7	2	8	1	-2	-4	-3	-1	-2	1

		All Enterprises					
Manufacturing	12	10	12	0	13	1	
Nonmanufacturing	0	-1	0	0	1	1	
All industries	5	4	5	0	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. 2005 Survey			March 2006 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	21	9	7	20	12	7	22	12	9
1.Favorable	29	25	25	30	26	25	28	24	24
2.Not so favorable	63	59	57	60	60	57	66	64	61
3.Unfavorable	8	16	18	10	14	18	6	12	15
Nonmanufacturing	17	1	-7	18	3	-9	19	5	-8
1.Favorable	24	18	16	25	19	15	24	18	14
2.Not so favorable	69	65	61	68	65	61	71	69	64
3.Unfavorable	7	17	23	7	16	24	5	13	22

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		Dec. 2005 Survey		March 2006 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-9	-10	-8	1	-8	0
	Basic materials	-15	-16	-14	1	-11	3
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-7	-7	-6	1	-7	-1
	Nonmanufacturing	-21	-23	-18	3	-19	-1
Overseas Supply & Demand Conditions for Products:	Manufacturing	-1	-3	0	1	0	0
	Basic materials	-8	-9	-7	1	-6	1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	2	1	4	2	3	-1

Inventory Level of Finished Goods & Merchandise:	Manufacturing	16	14	-2		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	18	18	0		
	Processing	14	13	-1		
Wholesalers' Inventory Level:	Manufacturing	12	11	-1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	18	17	-1		
	Processing	10	8	-2		

Change in Output Prices:	Manufacturing	-4	-9	-8	-4	-11	-3
	Basic materials	14	5	10	-4	3	-7
Diffusion index of "Rise" minus "Fall"	Processing	-14	-16	-16	-2	-18	-2
	Nonmanufacturing	-8	-7	-4	4	-4	0
Change in Input Prices:	Manufacturing	37	28	34	-3	25	-9
	Basic materials	45	31	41	-4	29	-12
Diffusion index of "Rise" minus "Fall"	Processing	32	26	30	-2	23	-7
	Nonmanufacturing	15	10	14	-1	13	-1

(%points)

		Small Enterprises					
		Dec. 2005 Survey		March 2006 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply and Demand Conditions for Products and Services:	Manufacturing	-21	-24	-20	1	-21	-1
	Basic materials	-32	-35	-32	0	-32	0
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-15	-18	-14	1	-15	-1
	Nonmanufacturing	-34	-34	-32	2	-34	-2
Overseas Supply & Demand Conditions for Products:	Manufacturing	-8	-9	-10	-2	-10	0
	Basic materials	-16	-19	-18	-2	-20	-2
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-4	-6	-5	-1	-4	1

Inventory Level of Finished Goods & Merchandise:	Manufacturing	14	15	1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	18	21	3		
	Processing	13	12	-1		
Wholesalers' Inventory Level:	Manufacturing	18	14	-4		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	28	23	-5		
	Processing	11	10	-1		

Change in Output Prices:	Manufacturing	-11	-13	-9	2	-9	0
	Basic materials	-5	-4	-3	2	2	5
Diffusion index of "Rise" minus "Fall"	Processing	-15	-17	-14	1	-15	-1
	Nonmanufacturing	-20	-20	-17	3	-18	-1
Change in Input Prices:	Manufacturing	40	38	39	-1	42	3
	Basic materials	43	42	43	0	48	5
Diffusion index of "Rise" minus "Fall"	Processing	39	34	37	-2	38	1
	Nonmanufacturing	20	20	22	2	22	0

3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2005		FY2006	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.9	0.7	2.6	-
	Domestic Sales	5.1	0.4	2.6	-
	Exports	8.3	1.4	2.3	-
	Nonmanufacturing	4.4	0.7	1.7	-
	All industries	5.0	0.7	2.0	-
Medium-sized Enterprises	Manufacturing	2.9	0.3	3.0	-
	Nonmanufacturing	1.3	-0.2	3.2	-
	All industries	1.7	-0.1	3.1	-
Small Enterprises	Manufacturing	4.6	0.7	1.9	-
	Nonmanufacturing	2.6	1.0	0.6	-
	All industries	3.0	0.9	0.9	-
All Enterprises	Manufacturing	5.2	0.6	2.5	-
	Nonmanufacturing	3.2	0.6	1.7	-
	All industries	3.8	0.6	1.9	-

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

(Year-to-year % change)

1H FY2005	2H FY2005		1H FY2006		2H FY2006	
	(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
4.8	6.9	1.1	3.2	-	1.9	-
4.5	5.6	0.7	3.5	-	1.9	-
5.8	10.8	2.3	2.5	-	2.1	-
5.6	3.3	0.9	1.8	-	1.6	-
5.3	4.7	1.0	2.4	-	1.7	-
2.2	3.4	0.5	3.3	-	2.8	-
0.9	1.7	-0.4	2.9	-	3.4	-
1.2	2.1	-0.2	3.0	-	3.2	-
4.6	4.7	1.0	2.4	-	1.4	-
2.9	2.3	1.2	0.9	-	0.3	-
3.3	2.8	1.1	1.3	-	0.5	-
4.4	6.0	1.0	3.1	-	2.0	-
3.8	2.7	0.7	1.8	-	1.5	-
4.0	3.7	0.8	2.2	-	1.7	-

Current Profits (Year-to-year % change)

		FY2005		FY2006	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	8.9	1.1	2.0	-
	Basic materials	11.1	3.2	-1.2	-
	Processing	7.3	-0.3	4.3	-
	Nonmanufacturing	4.0	1.2	3.2	-
	All industries	6.5	1.2	2.6	-
Medium-sized Enterprises	Manufacturing	6.1	1.2	6.0	-
	Nonmanufacturing	9.9	0.8	5.4	-
	All industries	8.5	0.9	5.6	-
Small Enterprises	Manufacturing	3.8	-0.8	11.0	-
	Nonmanufacturing	3.7	-0.6	9.8	-
	All industries	3.8	-0.7	10.2	-
All Enterprises	Manufacturing	7.9	0.9	3.5	-
	Nonmanufacturing	5.0	0.7	5.1	-
	All industries	6.3	0.8	4.4	-

(Year-to-year % change)

1H FY2005	2H FY2005		1H FY2006		2H FY2006	
	(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
12.1	5.8	1.9	-1.8	-	5.8	-
28.4	-3.9	6.9	-5.5	-	3.9	-
1.6	12.9	-1.0	1.2	-	7.0	-
4.5	3.5	1.8	0.0	-	6.7	-
8.2	4.7	1.9	-0.9	-	6.2	-
6.6	5.7	0.9	-0.7	-	12.1	-
15.1	6.4	-0.9	-0.1	-	9.3	-
11.6	6.1	-0.3	-0.3	-	10.3	-
6.2	1.6	-3.1	8.2	-	13.6	-
3.1	4.1	-0.8	17.7	-	4.9	-
4.2	3.4	-1.4	14.4	-	7.2	-
10.7	5.3	1.1	-0.5	-	7.5	-
5.8	4.2	0.6	3.3	-	6.7	-
8.0	4.7	0.8	1.5	-	7.1	-

3. Sales and Current Profits(Continued)

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

		FY2005		FY2006	
		(Forecast)	Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	6.10	0.02	6.07	-
	Nonmanufacturing	3.78	0.02	3.84	-
	All industries	4.71	0.02	4.74	-
Medium-sized Enterprises	Manufacturing	4.27	0.04	4.39	-
	Nonmanufacturing	2.61	0.02	2.67	-
	All industries	3.04	0.03	3.11	-
Small Enterprises	Manufacturing	3.63	-0.06	3.96	-
	Nonmanufacturing	2.30	-0.04	2.52	-
	All industries	2.59	-0.04	2.83	-
All Enterprises	Manufacturing	5.39	0.01	5.45	-
	Nonmanufacturing	3.08	0.00	3.18	-
	All industries	3.83	0.01	3.92	-

(% , %points)

1H FY2005	2H FY2005		1H FY2006		2H FY2006	
	(Forecast)	Changes	(Forecast)	Changes	(Forecast)	Changes
6.37	5.86	0.05	6.06	-	6.08	-
4.16	3.43	0.03	4.08	-	3.60	-
5.04	4.41	0.04	4.88	-	4.60	-
4.17	4.37	0.02	4.00	-	4.76	-
2.31	2.89	-0.01	2.24	-	3.06	-
2.80	3.26	-0.01	2.70	-	3.49	-
3.60	3.66	-0.15	3.81	-	4.10	-
1.85	2.72	-0.06	2.15	-	2.85	-
2.23	2.92	-0.08	2.51	-	3.12	-
5.54	5.26	0.01	5.35	-	5.54	-
3.06	3.10	0.00	3.11	-	3.26	-
3.86	3.79	0.00	3.84	-	4.00	-

Net Income (Year-to-year % change)

		FY2005		FY2006	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	17.0	-2.2	7.4	-
	Basic materials	4.5	0.9	1.5	-
	Processing	28.2	-4.3	11.6	-
	Nonmanufacturing	114.6	-2.0	17.5	-
	All industries	48.0	-2.1	12.0	-
Medium-sized Enterprises	Manufacturing	13.1	-1.7	16.2	-
	Nonmanufacturing	-6.9	-10.3	21.9	-
	All industries	0.1	-7.1	19.6	-
Small Enterprises	Manufacturing	-0.6	-5.5	29.2	-
	Nonmanufacturing	43.9	-2.0	26.3	-
	All industries	26.9	-3.1	27.1	-
All Enterprises	Manufacturing	14.3	-2.5	10.8	-
	Nonmanufacturing	61.9	-3.4	20.3	-
	All industries	35.1	-3.0	15.8	-

(Year-to-year % change)

1H FY2005	2H FY2005		1H FY2006		2H FY2006	
	(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
3.1	36.0	-4.3	0.7	-	14.2	-
5.3	3.6	1.6	-4.3	-	8.2	-
1.4	70.9	-7.8	4.8	-	18.1	-
39.3	573.3	-6.7	5.4	-	32.7	-
17.9	108.0	-5.3	3.0	-	22.2	-
9.6	16.3	-3.8	9.8	-	21.6	-
-36.7	30.1	-14.8	26.6	-	19.0	-
-22.1	24.8	-11.1	19.1	-	19.9	-
-4.4	2.9	-10.8	31.1	-	27.4	-
37.9	46.4	-1.4	78.1	-	5.5	-
16.8	32.8	-3.9	58.8	-	10.8	-
2.9	28.4	-5.1	4.9	-	16.7	-
20.4	130.6	-6.7	18.9	-	21.5	-
11.1	68.7	-6.0	12.0	-	19.3	-

4. Fixed Investment etc.

Fixed Investment including Land Purchasing Expenses*

(Year-to-year % change)

(Year-to-year % change)

		FY2005		FY2006		1H FY2005	2H FY2005		1H FY2006		2H FY2006	
		(Forecast)	Revision rate	(Forecast)	Revision rate		(Forecast)	Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	16.9	-0.3	4.8	-	16.0	17.6	-0.9	14.1	-	-2.7	-
	Nonmanufacturing	7.0	-0.1	1.6	-	3.7	9.6	0.0	8.8	-	-4.0	-
	All industries	10.3	-0.2	2.7	-	7.8	12.3	-0.3	10.7	-	-3.5	-
Medium-sized Enterprises	Manufacturing	20.0	3.0	-7.4	-	16.8	22.9	4.5	8.8	-	-21.3	-
	Nonmanufacturing	11.4	4.2	1.3	-	2.4	19.7	5.1	14.9	-	-9.3	-
	All industries	14.0	3.8	-1.4	-	6.6	20.7	4.9	12.9	-	-12.9	-
Small Enterprises	Manufacturing	7.6	2.3	-14.8	-	16.5	0.5	2.3	-6.6	-	-22.4	-
	Nonmanufacturing	8.9	5.7	-16.6	-	8.1	9.8	10.5	-9.9	-	-23.3	-
	All industries	8.6	4.8	-16.1	-	10.2	7.1	8.1	-9.1	-	-23.0	-
All Enterprises	Manufacturing	16.0	0.5	0.1	-	16.2	15.8	0.3	10.1	-	-8.2	-
	Nonmanufacturing	8.1	1.7	-1.9	-	4.4	11.3	2.5	5.8	-	-8.3	-
	All industries	10.6	1.3	-1.3	-	8.0	12.7	1.8	7.3	-	-8.3	-

* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2005		FY2006	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-4.0	-0.7	-0.6	-
	Nonmanufacturing	9.7	-0.8	4.1	-
	All industries	4.9	-0.7	2.6	-
Medium-sized Enterprises	Manufacturing	-2.2	-8.0	7.4	-
	Nonmanufacturing	11.4	-0.4	0.6	-
	All industries	9.9	-1.2	1.3	-
Small Enterprises	Manufacturing	1.6	-2.6	-4.5	-
	Nonmanufacturing	8.3	-9.2	-6.0	-
	All industries	6.9	-8.0	-5.7	-
All Enterprises	Manufacturing	-3.5	-1.4	-0.2	-
	Nonmanufacturing	10.0	-1.5	2.3	-
	All industries	6.0	-1.5	1.7	-

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2005		FY2006	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	16.8	-0.7	5.3	-
	Nonmanufacturing	7.9	-0.2	2.5	-
	All industries	10.9	-0.4	3.5	-
Medium-sized Enterprises	Manufacturing	14.1	-0.7	-0.2	-
	Nonmanufacturing	12.3	1.9	2.2	-
	All industries	12.8	1.1	1.5	-
Small Enterprises	Manufacturing	5.7	0.8	-9.4	-
	Nonmanufacturing	14.1	2.7	-12.9	-
	All industries	11.7	2.2	-11.9	-
All Enterprises	Manufacturing	14.9	-0.5	2.6	-
	Nonmanufacturing	9.7	0.6	-0.2	-
	All industries	11.3	0.3	0.8	-

Land Purchasing Expenses

(Year-to-year % change)

		FY2005		FY2006	
		(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-31.7	16.7	-37.6	-
	Nonmanufacturing	-7.6	2.7	-15.6	-
	All industries	-13.9	5.3	-20.2	-
Medium-sized Enterprises	Manufacturing	159.5	71.3	-88.8	-
	Nonmanufacturing	1.4	34.6	-10.7	-
	All industries	24.8	44.1	-34.7	-
Small Enterprises	Manufacturing	27.1	15.9	-61.1	-
	Nonmanufacturing	-17.1	25.0	-39.5	-
	All industries	-10.2	22.9	-44.2	-
All Enterprises	Manufacturing	10.4	28.7	-61.1	-
	Nonmanufacturing	-9.8	16.2	-23.6	-
	All industries	-5.8	18.9	-32.4	-

Production Capacity

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

		Dec. 2005 Survey		March 2006 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	2	3	-1	-3	0	1
	Nonmanufacturing	-1	-1	0	1	-1	-1
	All industries	0	1	0	0	-1	-1
Medium-sized Enterprises	Manufacturing	2	-1	1	-1	-1	-2
	Nonmanufacturing	0	-2	-1	-1	-3	-2
	All industries	1	-2	0	-1	-2	-2
Small Enterprises	Manufacturing	0	-1	0	0	-3	-3
	Nonmanufacturing	1	-1	0	-1	-1	-1
	All industries	1	0	0	-1	-2	-2
All Enterprises	Manufacturing	1	1	0	-1	-1	-1
	Nonmanufacturing	0	-2	0	0	-2	-2
	All industries	0	-1	0	0	-1	-1

5. Fixed Investment of Financial institutions

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

	FY2005		FY2006	
	(Forecast)	Revision rate	(Forecast)	Revision rate
Financial institutions	9.8	-12.5	7.0	-
Banks	44.8	-7.8	-3.3	-
Shinkin banks & Other financial institutions for small businesses	22.2	-10.6	24.0	-
Securities companies	10.9	4.6	7.8	-
Insurance companies	-27.5	-27.2	14.5	-
Non-deposit money corporations	1.9	-0.3	19.1	-
(Memo) All industries including Financial institutions	10.5	1.0	-1.1	-
Nonmanufacturing including Financial institutions	8.1	1.2	-1.6	-

* Excludes Software Investment

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

Financial institutions	19.1	-6.8	2.2	-
Banks	24.4	-4.9	-9.3	-
Shinkin banks & Other financial institutions for small businesses	163.6	-5.3	14.0	-
Securities companies	25.8	-14.2	7.2	-
Insurance companies	-9.4	-6.5	26.6	-
Non-deposit money corporations	-0.4	-3.0	29.5	-
(Memo) All industries including Financial institutions	8.4	-2.6	1.8	-
Nonmanufacturing including Financial institutions	12.2	-2.9	2.3	-

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

Financial institutions	78.8	-23.6	-63.0	-
Banks	194.3	-5.5	-89.2	-
Shinkin banks & Other financial institutions for small businesses	356.4	1.7	-53.3	-
Securities companies	-	-	-	-
Insurance companies	-25.7	-54.2	-0.6	-
Non-deposit money corporations	-	120.9	-100.0	-
(Memo) All industries including Financial institutions	-2.6	14.5	-34.5	-
Nonmanufacturing including Financial institutions	-5.7	11.1	-27.1	-

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

Financial institutions	9.0	-8.1	12.9	-
Banks	24.6	-6.6	5.3	-
Shinkin banks & Other financial institutions for small businesses	19.0	-11.8	38.9	-
Securities companies	21.5	-9.8	7.4	-
Insurance companies	-22.3	-12.3	21.1	-
Non-deposit money corporations	-0.6	-2.2	25.0	-
(Memo) All industries including Financial institutions	11.2	0.0	1.2	-
Nonmanufacturing including Financial institutions	9.6	0.1	0.5	-

6. Employment

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

		Dec. 2005 Survey		March 2006 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	2	-2	-1	-3	-3	-2
	Nonmanufacturing	-6	-8	-9	-3	-9	0
	All industries	-2	-5	-6	-4	-6	0
Medium-sized Enterprises	Manufacturing	-2	-3	-4	-2	-6	-2
	Nonmanufacturing	-9	-12	-10	-1	-12	-2
	All industries	-6	-8	-8	-2	-10	-2
Small Enterprises	Manufacturing	-3	-4	-7	-4	-9	-2
	Nonmanufacturing	-6	-7	-8	-2	-8	0
	All industries	-5	-6	-8	-3	-8	0
All Enterprises	Manufacturing	-1	-3	-5	-4	-7	-2
	Nonmanufacturing	-7	-9	-9	-2	-9	0
	All industries	-4	-7	-7	-3	-8	-1

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

	end of Mar. 2005	end of June 2005	end of Sept. 2005	end of Dec. 2005
Large Enterprises	0.7	1.0	1.0	0.4
Medium-sized Enterprises	2.2	0.6	0.4	0.9
Small Enterprises	2.4	1.3	2.5	2.0
All Enterprises	1.8	1.0	1.5	1.2
All Enterprises & Financial institutions	1.6	1.0	1.4	1.2
Financial institutions	-0.8	-0.1	0.0	1.3

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)

	Dec. 2005 Survey		March 2006 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	21		22
Medium-sized Enterprises	9		9	0
Small Enterprises	-2		-1	1
All Enterprises	6		7	1

Lending Attitude of Financial institutions (All industries)

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

	Dec. 2005 Survey		March 2006 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	25		27
Medium-sized Enterprises	16		16	0
Small Enterprises	11		12	1
All Enterprises	15		16	1

Change in Interest Rate on Loans (All industries)

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

	Dec. 2005 Survey		March 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Large Enterprises	2	13	10	8	32
Medium-sized Enterprises	-1	16	5	6	31	26
Small Enterprises	1	17	5	4	29	24
All Enterprises	1	16	6	5	30	24

Condition for CP Issuance (All industries)

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

	Dec. 2005 Survey		March 2006 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	5		3

Ratio of Liquidity (All industries)

(Months)

	end of March 2005	end of June 2005	end of Sept. 2005	end of Dec. 2005
Large Enterprises	0.98	0.93	0.93	0.88
Medium-sized Enterprises	1.15	1.08	1.08	1.08
Small Enterprises	1.72	1.62	1.66	1.63
All Enterprises	1.21	1.14	1.15	1.12

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)

	Dec. 2005 Survey		March 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	47	50	47	0	47
Shinkin banks & Other financial institutions for small businesses	31	31	38	7	35	-3
Securities companies	80	84	88	8	76	-12
Insurance companies	49	56	51	2	62	11
Non-deposit money corporations	68	68	59	-9	59	0
Financial institutions	51	54	53	2	54	1

Production Capacity

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

	Dec. 2005 Survey		March 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	-2	-1	0	2	0
Shinkin banks & Other financial institutions for small businesses	-6	-6	-9	-3	-3	6
Securities companies	-16	-16	-16	0	-16	0
Insurance companies	-11	-9	-11	0	-9	2
Non-deposit money corporations	-14	-9	-9	5	-18	-9
Financial institutions	-8	-6	-7	1	-7	0

Employment Conditions

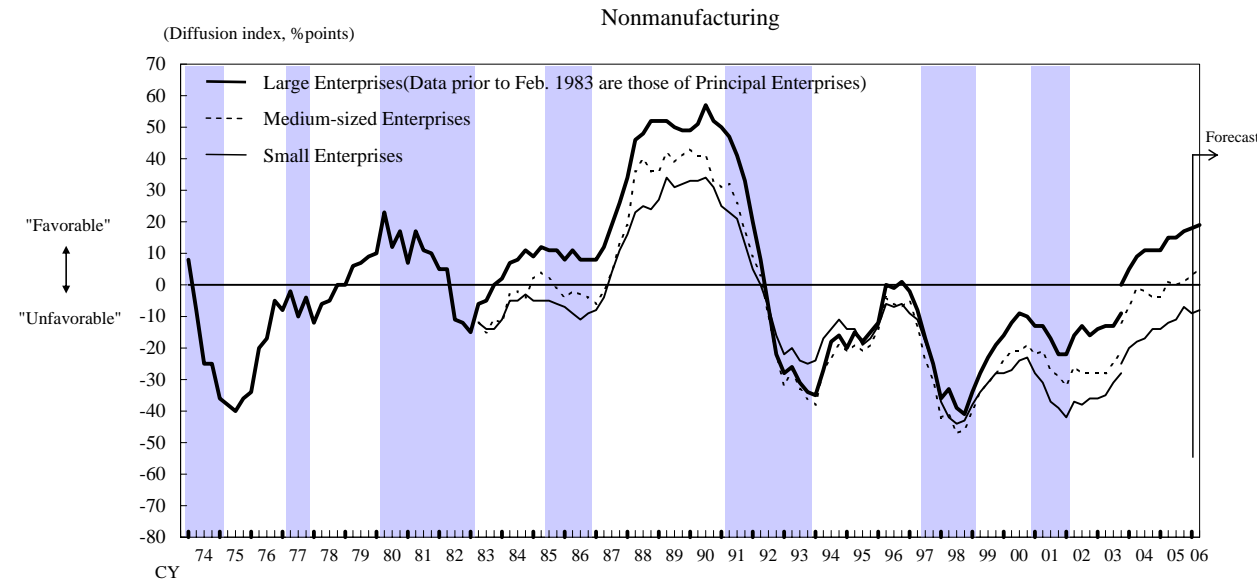
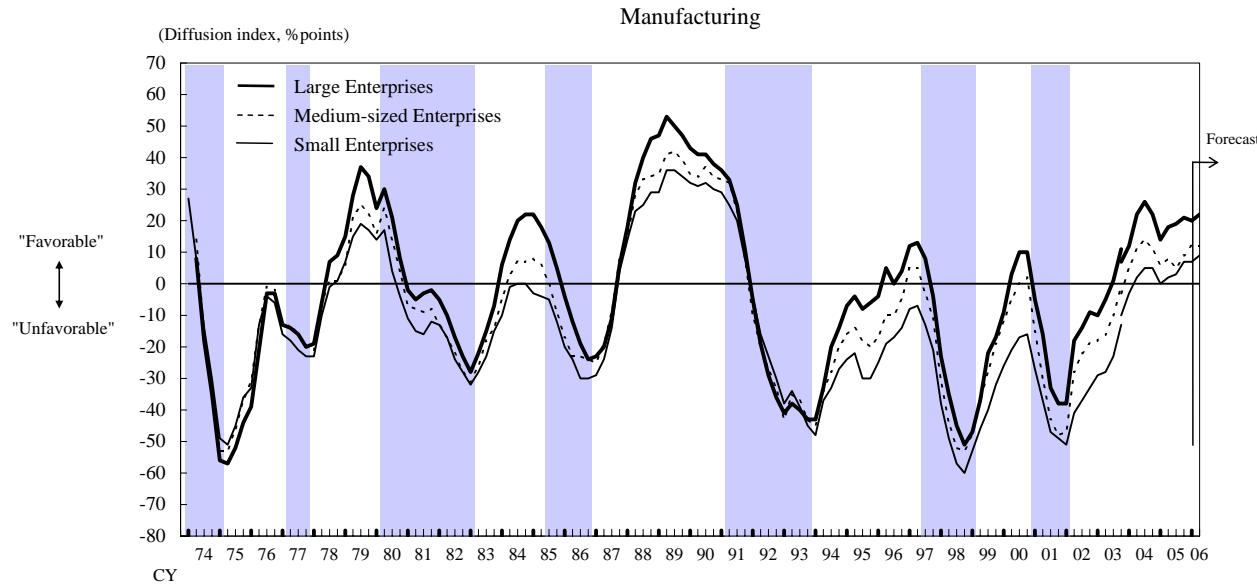
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	Dec. 2005 Survey		March 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
	Banks	-15	-14	-21	-6	-18
Shinkin banks & Other financial institutions for small businesses	0	-2	-9	-9	-17	-8
Securities companies	-40	-52	-56	-16	-48	8
Insurance companies	-23	-27	-34	-11	-36	-2
Non-deposit money corporations	-18	-23	-22	-4	-9	13
Financial institutions	-18	-21	-27	-9	-25	2

(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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	20	12	7
Forecast	22	12	9

Peaks and Bottoms of Business Conditions (from May 1983)

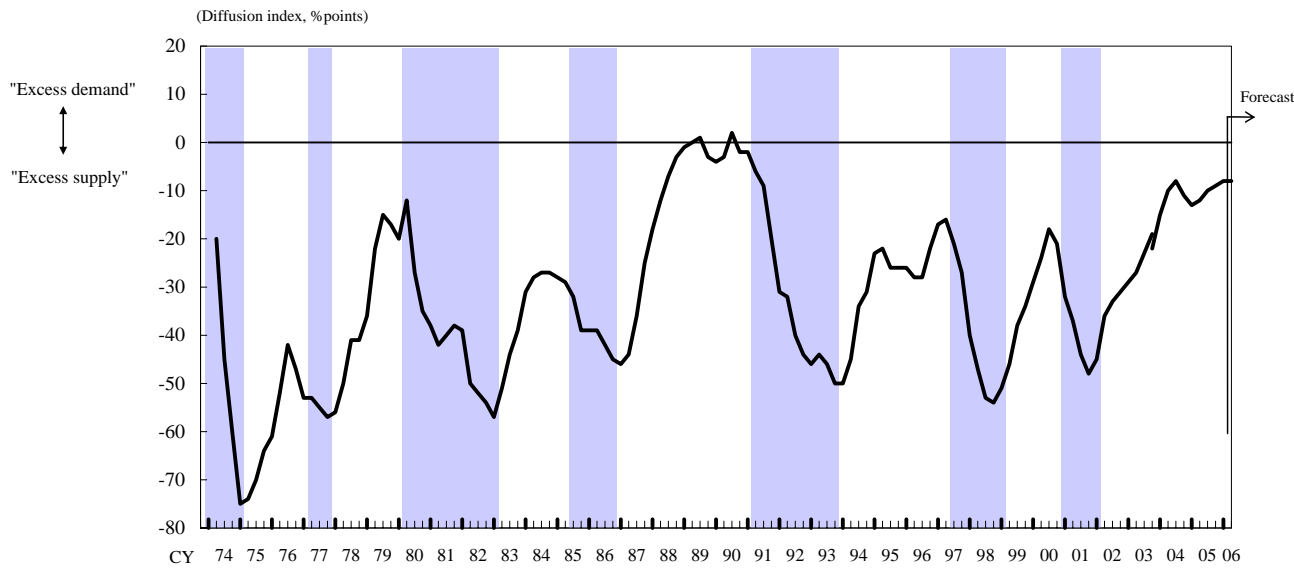
(Diffusion index of "Favorable" minus "Unfavorable", %points)

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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	18	3	-9
Forecast	19	5	-8

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

Domestic Supply and Demand Conditions for Products and Services



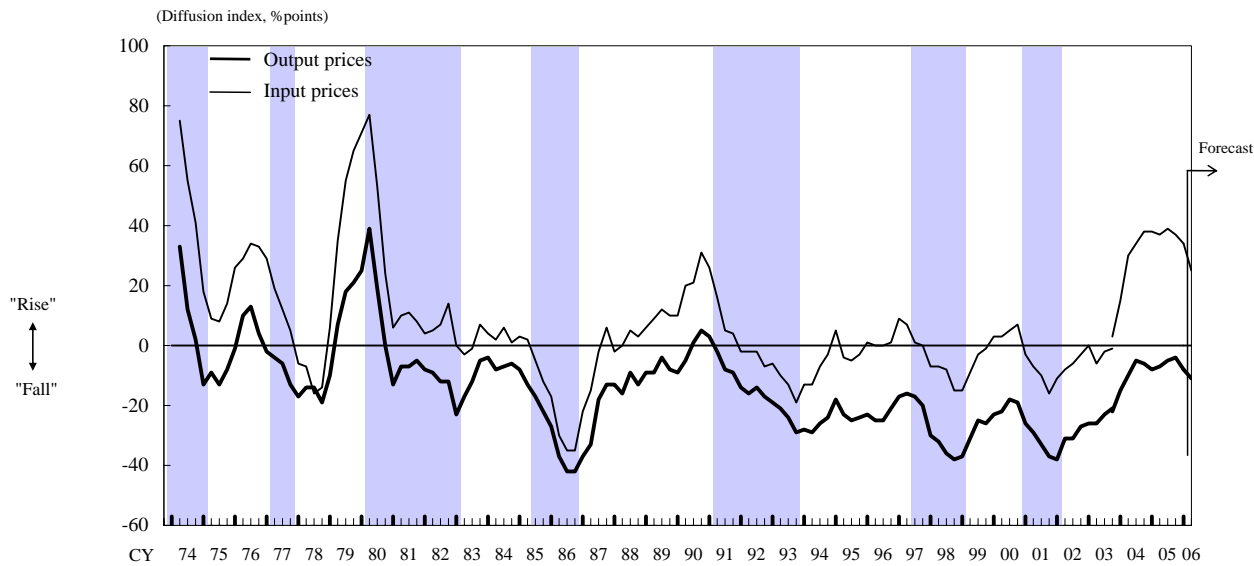
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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 2006 survey	
Actual result	-8
Forecast	-8

Prices



Peaks and Bottoms of Prices (from May 1974)

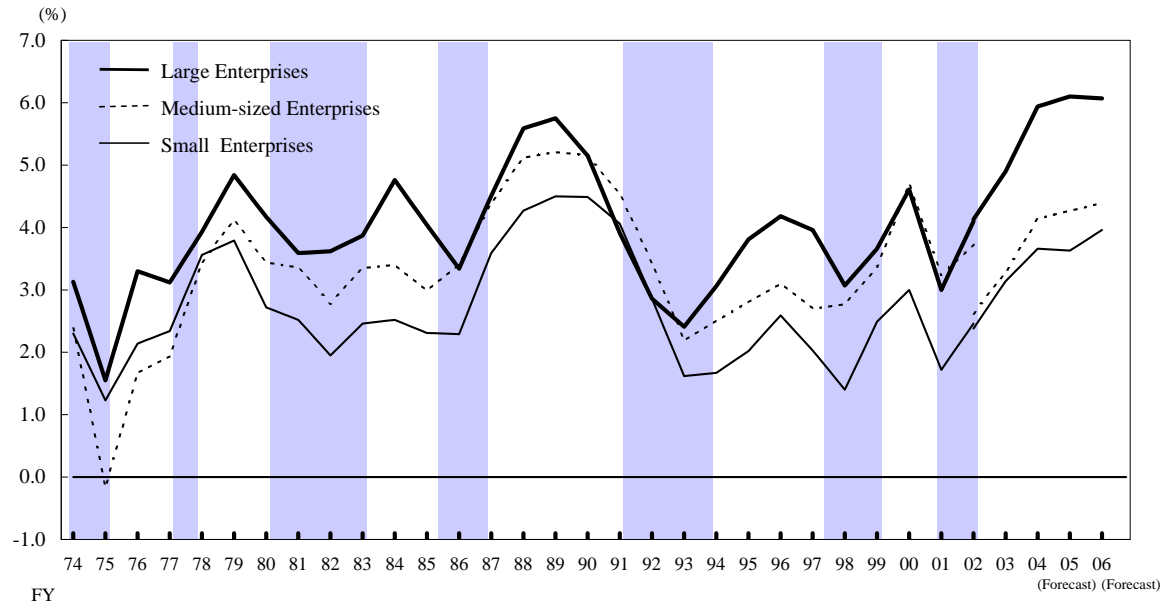
(Diffusion index of "Rise" minus "Fall", %points)

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 2006 survey		
	Output Prices	Input Prices
Actual result	-8	34
Forecast	-11	25

[Ratio of Current Profit to Sales]

Manufacturing

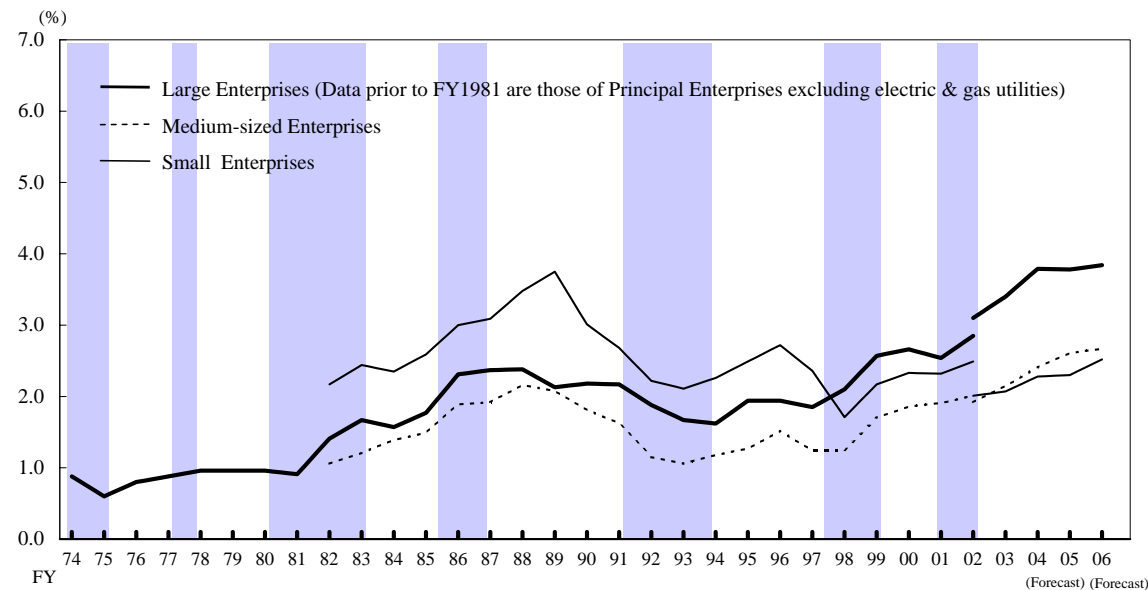


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974) (%)

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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2005 (Forecast)	6.10	4.27	3.63
FY2006 (Forecast)	6.07	4.39	3.96

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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2005 (Forecast)	3.78	2.61	2.30
FY2006 (Forecast)	3.84	2.67	2.52

[Developments of Fixed Investment including Land Purchasing Expenses]

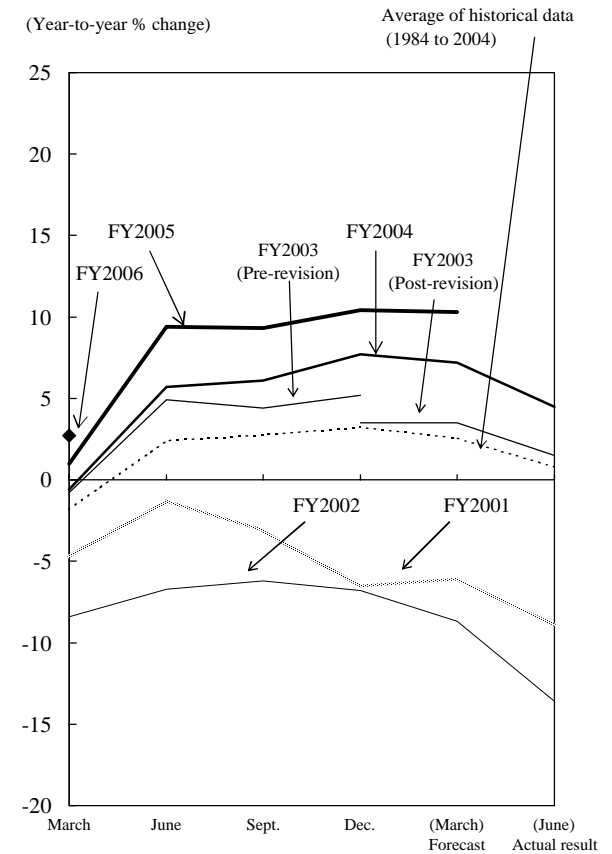
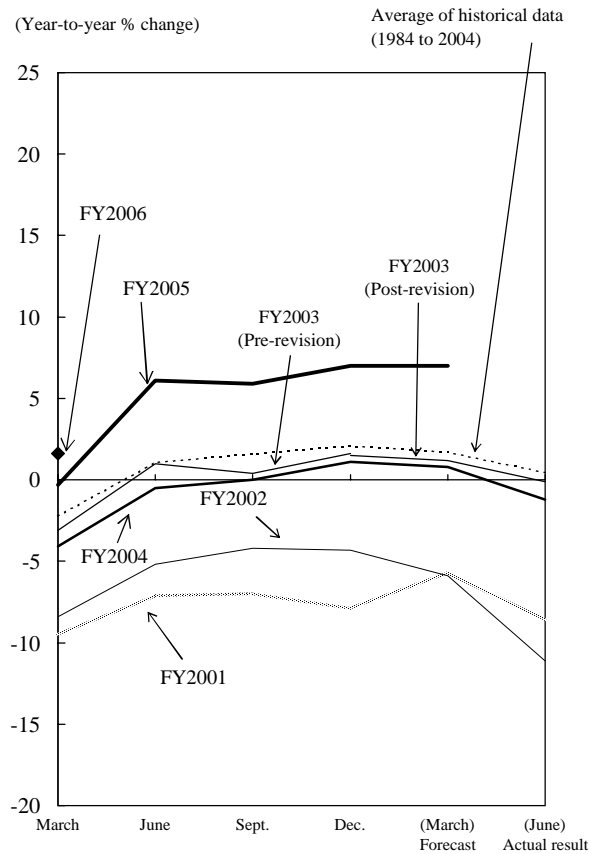
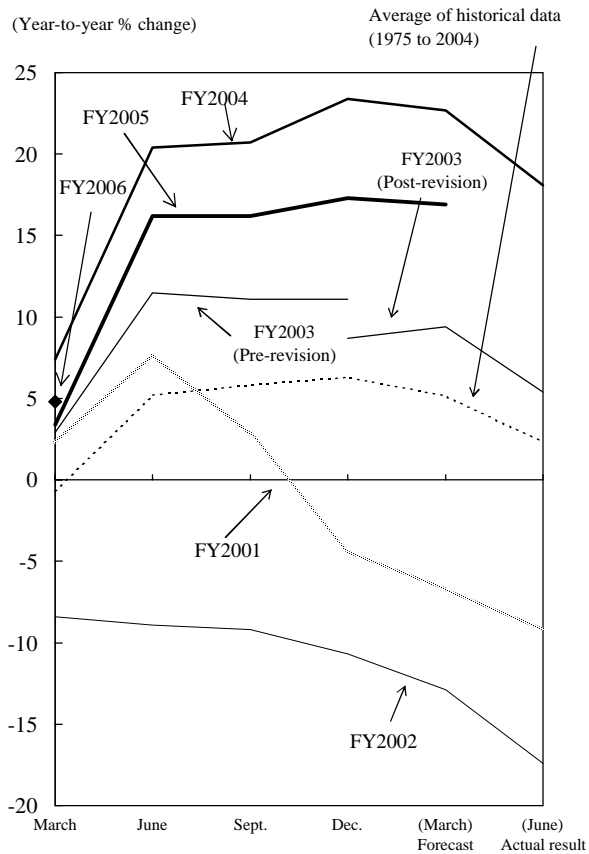
Note:1. This graph indicates the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year;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

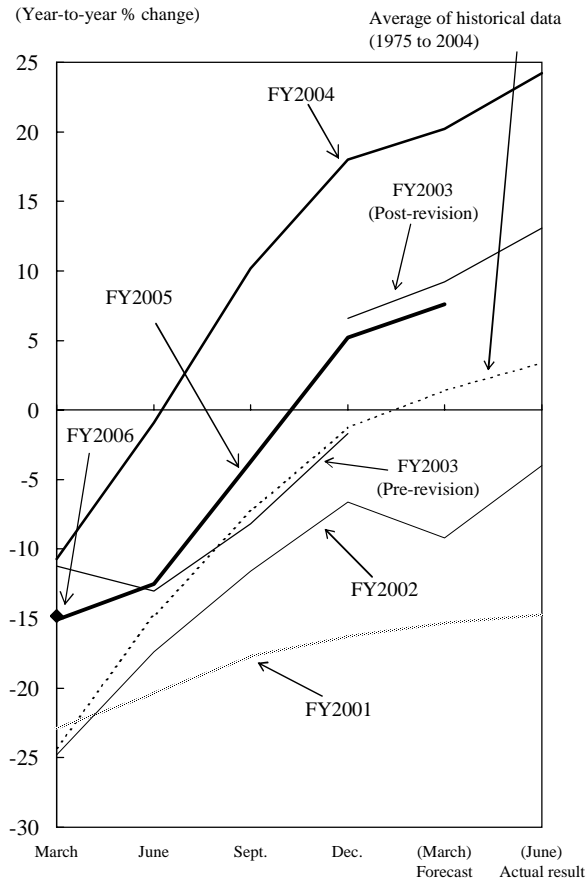
Nonmanufacturing

All industries

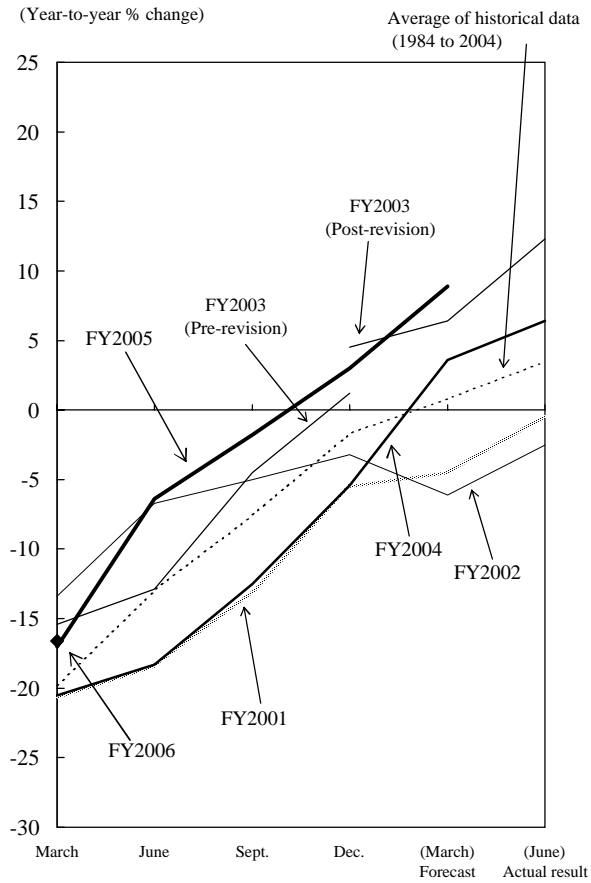


(2) Small Enterprises

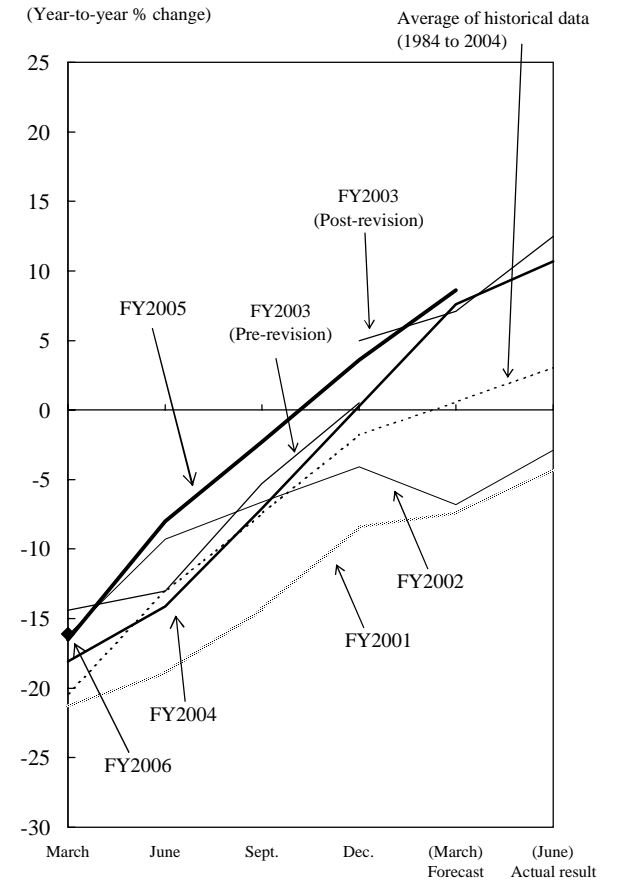
Manufacturing



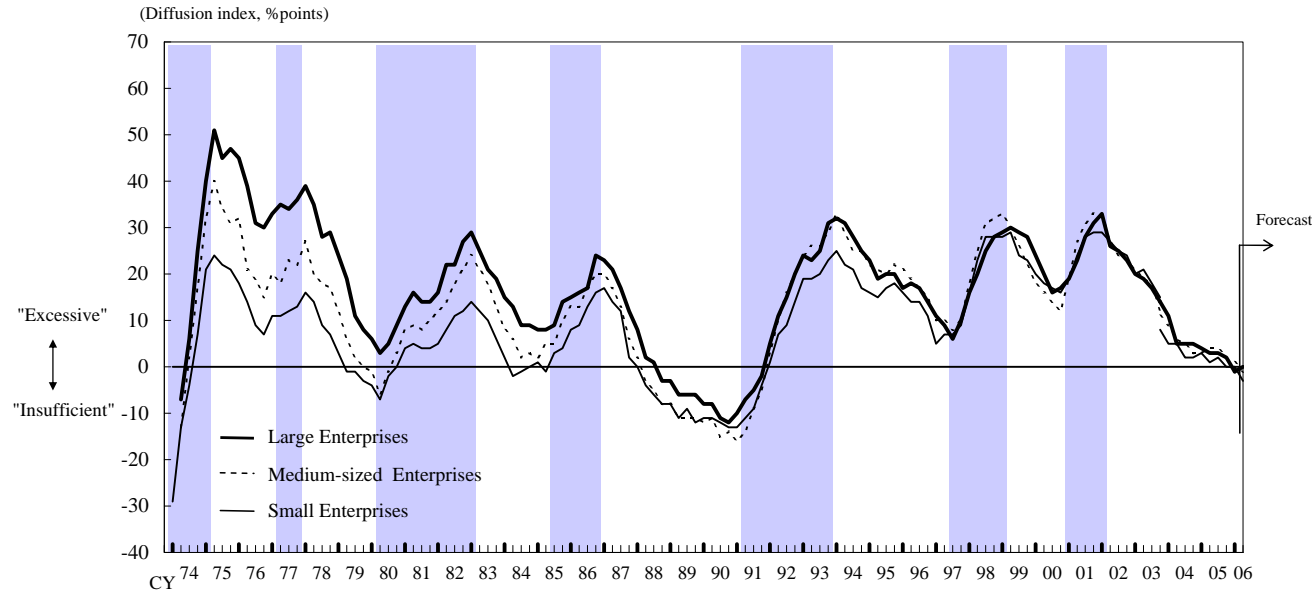
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



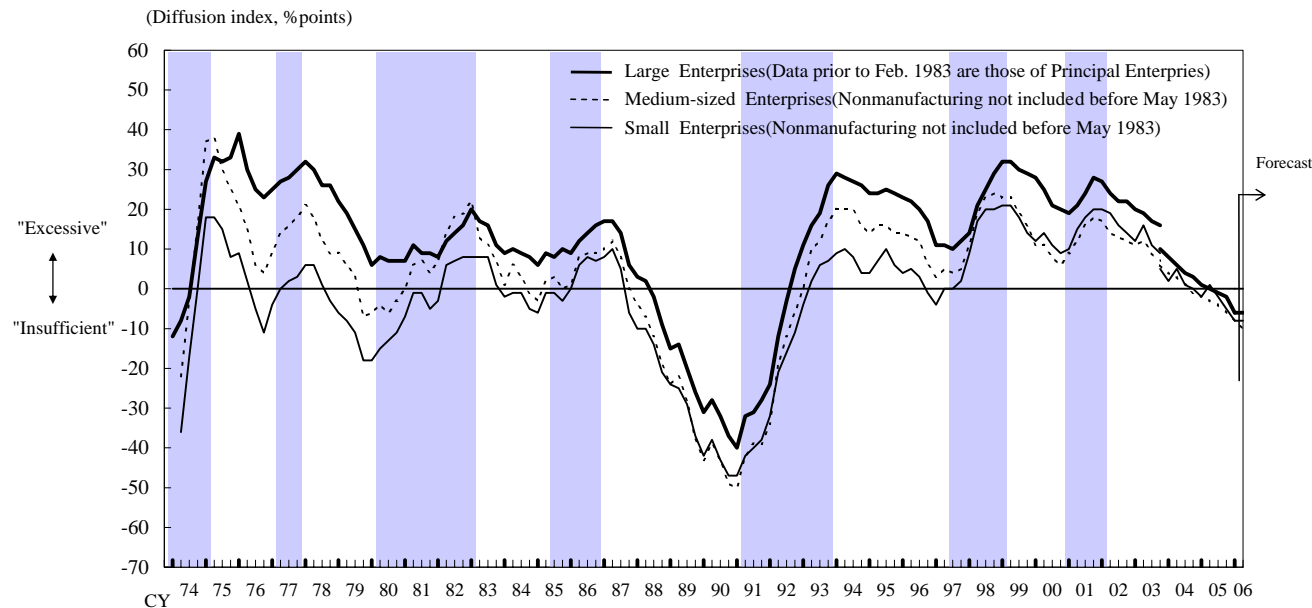
Peaks and Bottoms of Production Capacity (from May 1974)

(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)	

	March 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-1	1	0
Forecast	0	-1	-3

[Employment Condition (All industries)]



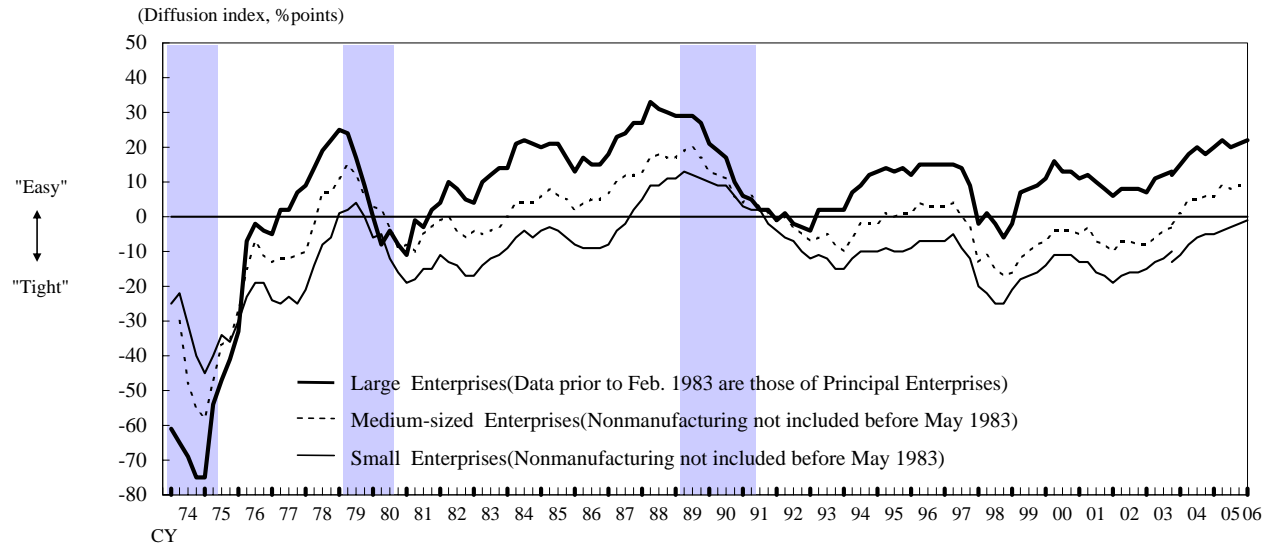
Peaks and Bottoms of Employment Condition (from May 1983)

(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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-6	-8	-8
Forecast	-6	-10	-8

Financial Position



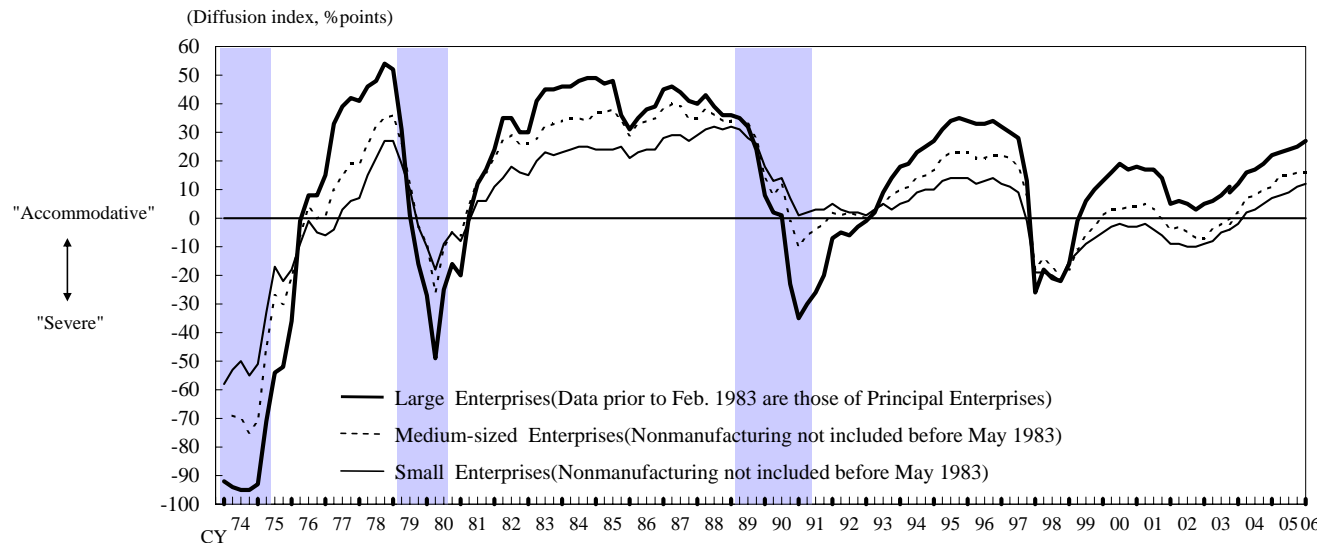
Peaks and Bottoms of Financial Position (from May 1983)

(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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	22	9	-1

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 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	27	16	12