

TANKAN Summary (December 2006)
131st Short-term Economic Survey of Enterprises in Japan

Not to be released before 8:50 a.m.
on Friday, December 15, 2006

December 15, 2006
Research and Statistics Department
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,072	5,717	9,789	98.8%
Large Enterprises	1,173	1,189	2,362	99.3%
Medium-sized Enterprises	1,102	1,544	2,646	98.6%
Small Enterprises	1,797	2,984	4,781	98.7%
Financial institutions	-	-	204	99.0%

Responding Period: November 10 to December 14

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

	FY 2005			FY 2006		
		1H	2H		1H	2H
June 2006 Survey	111.47	108.60	114.07	111.09	111.19	110.99
Sept. 2006 Survey	-	-	-	111.64	111.99	111.31
Dec. 2006 Survey	-	-	-	114.04	114.71	113.40

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	Sept. 2006 Survey		Dec. 2006 Survey				Sept. 2006 Survey		Dec. 2006 Survey				Sept. 2006 Survey		Dec. 2006 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	24	21	25	1	22	-3	14	11	17	3	12	-5	6	7	10	4	5	-5
Textiles	6	9	9	3	4	-5	-26	-22	-21	5	-28	-7	-30	-28	-23	7	-25	-2
Lumber & Wood products	8	25	25	17	17	-8	-6	3	3	9	-10	-13	-17	-15	-4	13	-15	-11
Pulp & Paper	0	7	-3	-3	0	3	-10	-10	-8	2	-10	-2	-5	-4	-5	0	-5	0
Chemicals	16	20	24	8	23	-1	11	1	13	2	10	-3	8	14	16	8	8	-8
Petroleum & Coal products	25	25	25	0	15	-10	26	5	33	7	6	-27	-19	-23	-4	15	-16	-12
Ceramics, Stone & Clay	17	17	23	6	14	-9	-5	-2	10	15	2	-8	-24	-19	-10	14	-18	-8
Iron & Steel	53	51	41	-12	43	2	50	52	62	12	52	-10	35	36	46	11	34	-12
Nonferrous metals	41	28	46	5	41	-5	29	25	46	17	34	-12	30	22	28	-2	23	-5
Food & Beverages	8	4	10	2	8	-2	-6	-2	-7	-1	-6	1	-8	-4	-7	1	-4	3
Processed metals	-5	-7	-4	1	-9	-5	24	15	33	9	27	-6	18	23	26	8	17	-9
Industrial machinery	52	44	49	-3	44	-5	40	31	42	2	30	-12	28	24	26	-2	23	-3
Electrical machinery	28	22	25	-3	22	-3	25	17	26	1	15	-11	15	16	18	3	12	-6
Shipbuilding & Heavy machinery etc.	0	0	-3	-3	7	10	26	33	25	-1	33	8	16	17	20	4	8	-12
Motor vehicles	30	27	33	3	34	1	16	6	7	-9	13	6	23	17	24	1	15	-9
Precision machinery	30	25	33	3	32	-1	28	23	28	0	21	-7	15	16	19	4	15	-4
Basic materials	21	22	24	3	22	-2	7	6	16	9	7	-9	-4	-3	3	7	-3	-6
Processing	25	20	25	0	23	-2	18	13	18	0	14	-4	11	12	14	3	10	-4
Nonmanufacturing	20	21	22	2	20	-2	5	4	4	-1	2	-2	-8	-9	-6	2	-10	-4
Construction	4	5	3	-1	-2	-5	-7	-8	-9	-2	-13	-4	-19	-25	-18	1	-25	-7
Real estate	45	39	46	1	39	-7	21	18	23	2	14	-9	10	13	12	2	8	-4
Wholesaling	21	22	24	3	24	0	7	5	9	2	5	-4	-2	-1	-1	1	-3	-2
Retailing	15	19	13	-2	13	0	-5	1	-8	-3	-3	5	-16	-12	-20	-4	-17	3
Transportation	15	14	21	6	18	-3	-2	-4	-4	-2	-8	-4	-8	-9	0	8	-6	-6
Communications	28	25	28	0	28	0	9	20	15	6	23	8	6	29	3	-3	10	7
Information services	42	47	46	4	48	2	25	27	23	-2	25	2	13	19	15	2	24	9
Electric & Gas utilities	14	5	18	4	9	-9	12	6	8	-4	4	-4	-18	-23	-9	9	-9	0
Services for businesses	20	24	32	12	22	-10	21	17	21	0	15	-6	0	1	3	3	-5	-8
Services for individuals	13	21	10	-3	14	4	4	-2	10	6	6	-4	2	-3	2	0	-4	-6
Restaurants & Accommodations	18	16	19	1	18	-1	-8	-3	-11	-3	-5	6	-11	-13	-14	-3	-15	-1
Leasing	26	28	30	4	24	-6	15	17	19	4	17	-2	7	1	13	6	6	-7
All industries	22	20	23	1	20	-3	9	7	10	1	6	-4	-3	-3	0	3	-4	-4

	All Enterprises					
Manufacturing	13	12	16	3	12	-4
Nonmanufacturing	1	1	2	1	-1	-3
All industries	6	6	8	2	5	-3

- (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)

	Sept. 2006 Survey			Dec. 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	24	14	6	25	17	10	22	12	5
1.Favorable	31	28	25	32	30	27	28	24	21
2.Not so favorable	62	58	56	61	57	56	66	64	63
3.Unfavorable	7	14	19	7	13	17	6	12	16
Nonmanufacturing	20	5	-8	22	4	-6	20	2	-10
1.Favorable	26	20	15	28	19	16	25	16	13
2.Not so favorable	68	65	62	66	66	62	70	70	64
3.Unfavorable	6	15	23	6	15	22	5	14	23

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		Sept. 2006 Survey		Dec. 2006 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services:	Manufacturing	-6	-7	-6	0	-8	-2
	Basic materials	-7	-9	-9	-2	-9	0
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-5	-6	-5	0	-8	-3
	Nonmanufacturing	-17	-17	-17	0	-18	-1
Overseas Supply & Demand Conditions for Products:	Manufacturing	3	2	2	-1	-1	-3
	Basic materials	-1	-1	-2	-1	-4	-2
Diffusion index of "Excess demand" minus "Excess supply"	Processing	5	4	3	-2	1	-2

Inventory Level of Finished Goods & Merchandise:	Manufacturing	15	/	14	-1	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	15	/	13	-2	/	/
	Processing	14	/	15	1	/	/
Wholesalers' Inventory Level:	Manufacturing	11	/	11	0	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	12	/	12	0	/	/
	Processing	10	/	10	0	/	/

Change in Output Prices:	Manufacturing	2	-2	1	-1	-2	-3
	Basic materials	27	18	21	-6	14	-7
Diffusion index of "Rise" minus "Fall"	Processing	-11	-13	-10	1	-11	-1
	Nonmanufacturing	0	0	-1	-1	0	1
Change in Input Prices:	Manufacturing	45	34	35	-10	26	-9
	Basic materials	60	40	42	-18	30	-12
Diffusion index of "Rise" minus "Fall"	Processing	37	30	32	-5	25	-7
	Nonmanufacturing	21	21	15	-6	14	-1

(%points)

		Small Enterprises					
		Sept. 2006 Survey		Dec. 2006 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services:	Manufacturing	-21	-22	-18	3	-21	-3
	Basic materials	-30	-32	-29	1	-32	-3
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-16	-16	-13	3	-16	-3
	Nonmanufacturing	-31	-32	-31	0	-32	-1
Overseas Supply & Demand Conditions for Products:	Manufacturing	-7	-8	-5	2	-7	-2
	Basic materials	-11	-15	-12	-1	-15	-3
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-4	-5	-2	2	-3	-1

Inventory Level of Finished Goods & Merchandise:	Manufacturing	13	/	13	0	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	16	/	15	-1	/	/
	Processing	12	/	12	0	/	/
Wholesalers' Inventory Level:	Manufacturing	16	/	14	-2	/	/
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	23	/	19	-4	/	/
	Processing	12	/	11	-1	/	/

Change in Output Prices:	Manufacturing	-4	-2	-4	0	-7	-3
	Basic materials	7	8	7	0	1	-6
Diffusion index of "Rise" minus "Fall"	Processing	-10	-7	-9	1	-12	-3
	Nonmanufacturing	-12	-10	-13	-1	-14	-1
Change in Input Prices:	Manufacturing	52	54	46	-6	42	-4
	Basic materials	56	56	50	-6	44	-6
Diffusion index of "Rise" minus "Fall"	Processing	50	53	45	-5	41	-4
	Nonmanufacturing	32	36	23	-9	25	2

3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.7	-	4.7	1.0
	Domestic Sales	5.1	-	2.5	-0.1
	Exports	11.7	-	10.9	4.0
	Nonmanufacturing	6.1	-	3.5	0.7
	All industries	6.4	-	4.0	0.8
Medium-sized Enterprises	Manufacturing	3.6	-	6.2	0.9
	Nonmanufacturing	1.8	-	4.6	0.7
	All industries	2.3	-	5.0	0.7
Small Enterprises	Manufacturing	5.6	-	3.1	0.7
	Nonmanufacturing	2.9	-	1.4	0.7
	All industries	3.5	-	1.8	0.7
All Enterprises	Manufacturing	6.1	-	4.6	0.9
	Nonmanufacturing	4.2	-	3.1	0.7
	All industries	4.8	-	3.6	0.8

(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	
		Revision rate		Revision rate	(Forecast)	Revision rate
4.9	8.4	-	6.7	1.0	3.0	1.0
4.4	5.7	-	3.6	-0.5	1.5	0.2
6.5	16.8	-	15.1	4.9	7.1	3.1
5.9	6.3	-	4.7	1.2	2.4	0.3
5.5	7.2	-	5.5	1.1	2.6	0.6
2.4	4.8	-	6.9	0.8	5.5	1.0
0.8	2.7	-	4.4	0.6	4.7	0.7
1.2	3.3	-	5.1	0.7	4.9	0.8
4.9	6.4	-	4.6	0.9	1.8	0.4
2.7	3.1	-	2.5	1.0	0.4	0.5
3.2	3.7	-	2.9	0.9	0.7	0.5
4.5	7.5	-	6.3	1.0	3.1	0.9
3.8	4.6	-	4.0	1.0	2.2	0.4
4.0	5.5	-	4.7	1.0	2.5	0.6

Current Profits (Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	16.5	-	6.6	5.1
	Basic materials	16.8	-	-1.0	4.3
	Processing	16.3	-	11.8	5.6
	Nonmanufacturing	10.0	-	4.4	2.3
	All industries	13.3	-	5.5	3.8
Medium-sized Enterprises	Manufacturing	9.4	-	8.2	2.8
	Nonmanufacturing	12.4	-	2.3	-0.2
	All industries	11.3	-	4.4	0.9
Small Enterprises	Manufacturing	8.4	-	3.0	2.4
	Nonmanufacturing	9.7	-	1.6	0.4
	All industries	9.3	-	2.0	1.0
All Enterprises	Manufacturing	14.6	-	6.4	4.5
	Nonmanufacturing	10.3	-	3.3	1.4
	All industries	12.3	-	4.7	2.9

(Year-to-year % change)

1H FY2005	2H FY2005		1H FY2006		2H FY2006	
		Revision rate		Revision rate	(Forecast)	Revision rate
12.5	20.2	-	14.8	13.0	-0.6	-1.8
29.4	5.8	-	1.6	14.3	-3.8	-5.0
1.6	30.7	-	25.6	12.1	1.3	0.1
5.0	15.5	-	14.1	12.2	-5.5	-7.6
8.7	18.0	-	14.4	12.6	-2.8	-4.5
5.9	12.6	-	11.5	8.0	5.5	-1.5
15.1	10.6	-	3.8	5.7	1.2	-4.0
11.4	11.3	-	6.8	6.6	2.7	-3.1
7.0	9.6	-	8.0	5.5	-1.4	-0.5
5.1	12.6	-	12.5	3.4	-4.8	-1.6
5.7	11.8	-	10.9	4.1	-3.9	-1.3
11.1	18.0	-	13.6	11.5	0.0	-1.6
6.5	13.8	-	12.2	9.5	-4.1	-5.3
8.6	15.6	-	12.8	10.4	-2.2	-3.7

3. Sales and Current Profits(Continued)

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

		FY2005		FY2006	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	6.48	-	6.60	0.26
	Nonmanufacturing	3.93	-	3.97	0.07
	All industries	4.95	-	5.02	0.14
Medium-sized Enterprises	Manufacturing	4.37	-	4.46	0.09
	Nonmanufacturing	2.66	-	2.60	-0.02
	All industries	3.10	-	3.08	0.00
Small Enterprises	Manufacturing	3.76	-	3.75	0.06
	Nonmanufacturing	2.43	-	2.43	-0.01
	All industries	2.71	-	2.72	0.01
All Enterprises	Manufacturing	5.68	-	5.78	0.20
	Nonmanufacturing	3.20	-	3.21	0.02
	All industries	4.01	-	4.05	0.08

(% , %points)

1H FY2005	2H FY2005		1H FY2006		2H FY2006	
		Changes		Changes	(Forecast)	Changes
6.39	6.56	-	6.88	0.73	6.34	-0.18
4.17	3.72	-	4.54	0.45	3.44	-0.29
5.05	4.86	-	5.48	0.56	4.60	-0.24
4.13	4.60	-	4.31	0.29	4.60	-0.11
2.32	2.97	-	2.30	0.11	2.87	-0.14
2.79	3.38	-	2.84	0.16	3.31	-0.14
3.62	3.88	-	3.74	0.16	3.76	-0.03
1.88	2.92	-	2.07	0.05	2.77	-0.06
2.26	3.13	-	2.44	0.08	2.98	-0.06
5.55	5.80	-	5.93	0.56	5.63	-0.15
3.08	3.32	-	3.32	0.26	3.12	-0.19
3.88	4.12	-	4.18	0.36	3.93	-0.17

Net Income (Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	23.4	-	23.0	8.0
	Basic materials	10.4	-	11.7	11.7
	Processing	35.0	-	31.3	5.8
	Nonmanufacturing	119.3	-	26.2	4.4
	All industries	53.9	-	24.5	6.3
Medium-sized Enterprises	Manufacturing	10.1	-	22.7	0.6
	Nonmanufacturing	-11.0	-	23.3	-6.9
	All industries	-3.6	-	23.1	-4.0
Small Enterprises	Manufacturing	0.3	-	28.5	3.7
	Nonmanufacturing	45.1	-	11.0	-6.7
	All industries	28.0	-	16.2	-3.5
All Enterprises	Manufacturing	18.9	-	23.6	6.7
	Nonmanufacturing	63.2	-	22.1	-0.1
	All industries	38.3	-	22.8	3.1

(Year-to-year % change)

1H FY2005	2H FY2005		1H FY2006		2H FY2006	
		Revision rate		Revision rate	(Forecast)	Revision rate
4.1	49.7	-	31.0	20.6	15.6	-2.9
7.1	14.1	-	23.5	29.4	-0.9	-5.5
1.8	88.0	-	37.0	14.8	26.3	-1.5
39.5	605.5	-	27.2	13.5	24.9	-5.1
18.6	124.2	-	29.2	17.1	19.5	-3.9
8.5	11.5	-	20.4	6.5	24.7	-4.0
-37.9	22.5	-	18.0	-7.6	26.7	-6.4
-23.3	18.2	-	19.0	-1.7	26.0	-5.6
-3.8	4.1	-	38.4	6.1	19.9	1.5
39.3	47.6	-	38.7	-11.0	-0.1	-4.1
17.7	34.0	-	38.6	-4.7	4.7	-2.6
3.6	37.8	-	30.7	17.3	17.0	-2.5
20.4	134.1	-	27.8	6.0	17.3	-5.1
11.5	75.8	-	29.2	11.4	17.2	-3.9

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	
			Revision rate	(Forecast)	Revision rate			Revision rate		Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	13.9	-	16.5	-0.3	16.2	11.9	-	10.7	-9.2	21.5	7.8
	Nonmanufacturing	3.8	-	10.1	1.5	2.8	4.7	-	8.0	-3.2	11.9	5.5
	All industries	7.2	-	12.4	0.8	7.3	7.1	-	9.0	-5.5	15.2	6.3
Medium-sized Enterprises	Manufacturing	21.0	-	6.9	5.4	16.1	25.3	-	12.6	-0.6	2.2	11.6
	Nonmanufacturing	10.9	-	10.0	-0.9	3.2	18.0	-	19.9	-2.0	2.0	0.1
	All industries	13.9	-	9.0	0.9	7.0	20.1	-	17.6	-1.6	2.1	3.4
Small Enterprises	Manufacturing	8.0	-	14.0	10.3	17.4	0.4	-	1.7	4.6	25.6	15.2
	Nonmanufacturing	11.7	-	1.9	7.7	9.2	14.2	-	12.9	10.2	-8.6	4.9
	All industries	10.7	-	5.1	8.4	11.2	10.2	-	9.9	8.8	0.5	8.1
All Enterprises	Manufacturing	14.0	-	14.6	1.9	16.4	12.1	-	9.7	-6.1	18.9	9.4
	Nonmanufacturing	6.5	-	8.5	2.1	4.2	8.5	-	11.0	-0.4	6.3	4.4
	All industries	8.9	-	10.5	2.1	8.0	9.7	-	10.6	-2.4	10.4	6.1

* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-4.3	-	1.8	3.0
	Nonmanufacturing	10.4	-	4.4	1.2
	All industries	5.2	-	3.6	1.8
Medium-sized Enterprises	Manufacturing	-3.3	-	14.2	2.5
	Nonmanufacturing	15.3	-	2.4	-0.4
	All industries	13.2	-	3.5	-0.1
Small Enterprises	Manufacturing	-8.6	-	12.9	-1.9
	Nonmanufacturing	14.0	-	-1.3	-0.3
	All industries	9.2	-	1.2	-0.6
All Enterprises	Manufacturing	-4.5	-	3.4	2.6
	Nonmanufacturing	11.9	-	3.4	0.7
	All industries	7.1	-	3.4	1.2

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	13.3	-	16.4	-0.5
	Nonmanufacturing	3.5	-	9.5	0.3
	All industries	6.8	-	12.0	0.0
Medium-sized Enterprises	Manufacturing	15.0	-	13.2	4.5
	Nonmanufacturing	12.6	-	3.0	-1.2
	All industries	13.3	-	6.0	0.5
Small Enterprises	Manufacturing	5.0	-	16.2	8.4
	Nonmanufacturing	16.0	-	1.8	6.6
	All industries	12.8	-	5.7	7.1
All Enterprises	Manufacturing	12.4	-	15.9	1.3
	Nonmanufacturing	7.1	-	7.0	1.1
	All industries	8.8	-	10.0	1.1

Land Purchasing Expenses

(Year-to-year % change)

		FY2005		FY2006	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-15.2	-	-17.7	29.9
	Nonmanufacturing	22.1	-	12.2	25.4
	All industries	12.4	-	6.3	26.0
Medium-sized Enterprises	Manufacturing	160.9	-	-65.1	49.1
	Nonmanufacturing	-2.9	-	91.2	1.7
	All industries	21.4	-	41.4	4.3
Small Enterprises	Manufacturing	35.5	-	-4.6	30.6
	Nonmanufacturing	-8.9	-	1.5	12.5
	All industries	-2.0	-	0.2	15.8
All Enterprises	Manufacturing	22.6	-	-26.2	32.4
	Nonmanufacturing	4.7	-	21.8	14.4
	All industries	8.3	-	10.9	16.8

Production Capacity

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

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

5. Fixed Investment of Financial institutions

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

	FY2005		FY2006	
		Revision rate	(Forecast)	Revision rate
Financial institutions	8.0	-	22.3	2.1
Banks	43.6	-	4.5	-3.4
Shinkin banks & Other financial institutions for small businesses	23.5	-	24.4	-0.3
Securities companies	24.2	-	45.6	4.8
Insurance companies	-34.9	-	71.8	15.3
Non-deposit money corporations	6.5	-	-12.8	-9.4
(Memo) All industries including Financial institutions	8.9	-	10.8	2.1
Nonmanufacturing including Financial institutions	6.6	-	8.9	2.1

* Excludes Software Investment

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

	FY2005	Revision rate	FY2006	Revision rate
Financial institutions	12.0	-	26.7	11.5
Banks	18.8	-	0.2	3.1
Shinkin banks & Other financial institutions for small businesses	182.4	-	45.2	-2.9
Securities companies	7.9	-	32.3	-1.6
Insurance companies	-14.5	-	116.5	68.3
Non-deposit money corporations	-4.0	-	52.6	3.5
(Memo) All industries including Financial institutions	8.0	-	7.8	3.3
Nonmanufacturing including Financial institutions	11.9	-	9.0	3.5

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

	FY2005	Revision rate	FY2006	Revision rate
Financial institutions	73.7	-	-18.1	28.4
Banks	201.4	-	-67.4	13.0
Shinkin banks & Other financial institutions for small businesses	378.2	-	-27.2	9.0
Securities companies	-	-	-	0.0
Insurance companies	-41.0	-	152.5	42.7
Non-deposit money corporations	-	-	-97.1	-
(Memo) All industries including Financial institutions	10.8	-	9.2	17.2
Nonmanufacturing including Financial institutions	8.0	-	18.9	15.0

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

	FY2005	Revision rate	FY2006	Revision rate
Financial institutions	5.1	-	29.3	4.8
Banks	20.4	-	12.7	-1.0
Shinkin banks & Other financial institutions for small businesses	21.1	-	42.1	-2.1
Securities companies	12.7	-	36.1	0.5
Insurance companies	-27.7	-	77.3	28.5
Non-deposit money corporations	0.9	-	12.5	-3.4
(Memo) All industries including Financial institutions	8.7	-	10.6	1.3
Nonmanufacturing including Financial institutions	7.0	-	8.1	1.3

6. Employment

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

		Sept. 2006 Survey		Dec. 2006 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	-2	-6	-5	-3	-7	-2
	Nonmanufacturing	-13	-16	-15	-2	-19	-4
	All industries	-8	-11	-11	-3	-13	-2
Medium-sized Enterprises	Manufacturing	-5	-7	-7	-2	-8	-1
	Nonmanufacturing	-12	-16	-12	0	-17	-5
	All industries	-9	-12	-10	-1	-13	-3
Small Enterprises	Manufacturing	-7	-10	-8	-1	-9	-1
	Nonmanufacturing	-9	-11	-11	-2	-13	-2
	All industries	-8	-11	-10	-2	-11	-1
All Enterprises	Manufacturing	-5	-8	-6	-1	-8	-2
	Nonmanufacturing	-11	-13	-12	-1	-15	-3
	All industries	-8	-11	-10	-2	-13	-3

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

	end of Dec. 2005	end of Mar. 2006	end of June 2006	end of Sept. 2006
Large Enterprises	0.4	1.7	2.1	1.9
Medium-sized Enterprises	0.9	1.1	3.0	3.3
Small Enterprises	2.0	1.0	1.2	0.6
All Enterprises	1.2	1.3	1.9	1.6
All Enterprises & Financial institutions	1.2	1.3	1.9	1.7
Financial institutions	1.3	1.2	2.6	2.4

Number of New Graduates Hired (All industries)

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

	FY2005		FY2006		FY2007	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	15.3	-	14.5	0.1	9.5	1.3
Medium-sized Enterprises	10.4	-	10.3	0.0	1.6	1.8
Small Enterprises	3.1	-	5.8	-2.3	10.6	4.0
All Enterprises	8.8	-	9.9	-0.9	8.1	2.5
All Enterprises & Financial institutions	10.2	-	10.6	-0.8	9.3	2.7
Financial institutions	33.3	-	19.5	-0.2	24.2	4.8

7. Corporate Finance

Financial Position (All industries)

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

	Sept. 2006 Survey		Dec. 2006 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	21		21	0
Medium-sized Enterprises	9		11	2
Small Enterprises	-2		-1	1
All Enterprises	7		8	1

Lending Attitude of Financial institutions (All industries)

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

	Sept. 2006 Survey		Dec. 2006 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	24		25	1
Medium-sized Enterprises	15		17	2
Small Enterprises	9		10	1
All Enterprises	14		15	1

Change in Interest Rate on Loans (All industries)

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

	Sept. 2006 Survey		Dec. 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
Large Enterprises	42	44	33	-9	42	9
Medium-sized Enterprises	50	56	43	-7	48	5
Small Enterprises	46	60	45	-1	50	5
All Enterprises	46	55	41	-5	48	7

Condition for CP Issuance (All industries)

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

	Sept. 2006 Survey		Dec. 2006 Survey	
	Actual result	Forecast	Actual result	Changes
Large Enterprises	2		4	2

Ratio of Liquidity (All industries)

(Months)

	end of Dec. 2005	end of March 2006	end of June 2006	end of Sept. 2006
Large Enterprises	0.88	0.94	0.88	0.88
Medium-sized Enterprises	1.08	1.13	1.03	1.05
Small Enterprises	1.63	1.70	1.63	1.66
All Enterprises	1.12	1.17	1.10	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)

	Sept. 2006 Survey		Dec. 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
Banks	49	49	50	1	53	3
Shinkin banks & Other financial institutions for small businesses	29	29	44	15	38	-6
Securities companies	-4	36	0	4	40	40
Insurance companies	46	60	42	-4	49	7
Non-deposit money corporations	41	27	14	-27	18	4
Financial institutions	38	44	37	-1	44	7

Production Capacity

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

	Sept. 2006 Survey		Dec. 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
Banks	-2	-1	-2	0	0	2
Shinkin banks & Other financial institutions for small businesses	0	0	-3	-3	3	6
Securities companies	-24	-28	-28	-4	-32	-4
Insurance companies	-3	-2	-9	-6	-7	2
Non-deposit money corporations	0	5	5	5	0	-5
Financial institutions	-5	-4	-7	-2	-5	2

Employment Conditions

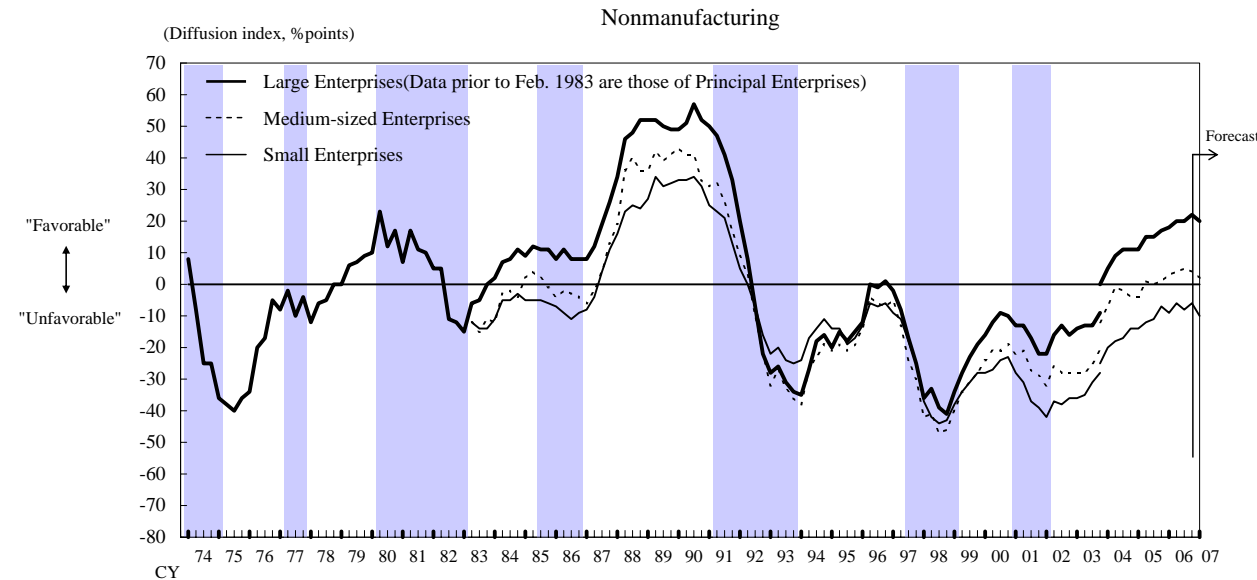
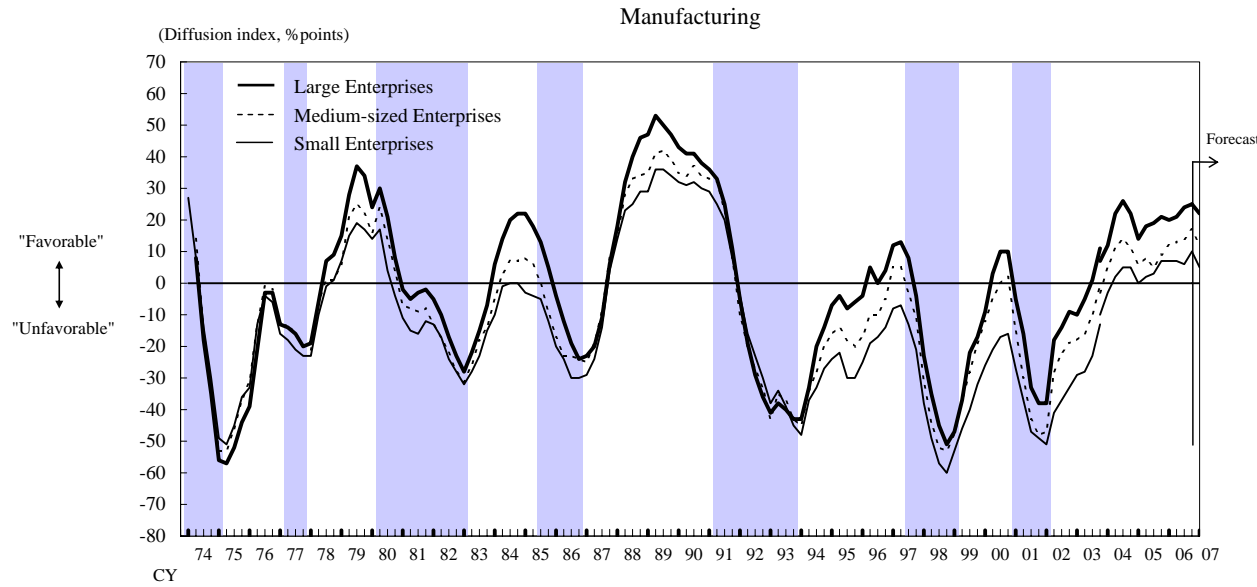
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	Sept. 2006 Survey		Dec. 2006 Survey			
	Actual result	Forecast	Actual result	Forecast	Changes	Changes
Banks	-23	-24	-27	-4	-31	-4
Shinkin banks & Other financial institutions for small businesses	0	-23	-9	-9	-17	-8
Securities companies	-52	-60	-44	8	-64	-20
Insurance companies	-44	-38	-47	-3	-40	7
Non-deposit money corporations	-13	-9	-22	-9	-13	9
Financial institutions	-27	-30	-30	-3	-33	-3

(Reference Charts)

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

[Business Conditions]



Peaks and Bottoms of Business Conditions (from May 1974)

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

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

	December 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	25	17	10
Forecast	22	12	5

Peaks and Bottoms of Business Conditions (from May 1983)

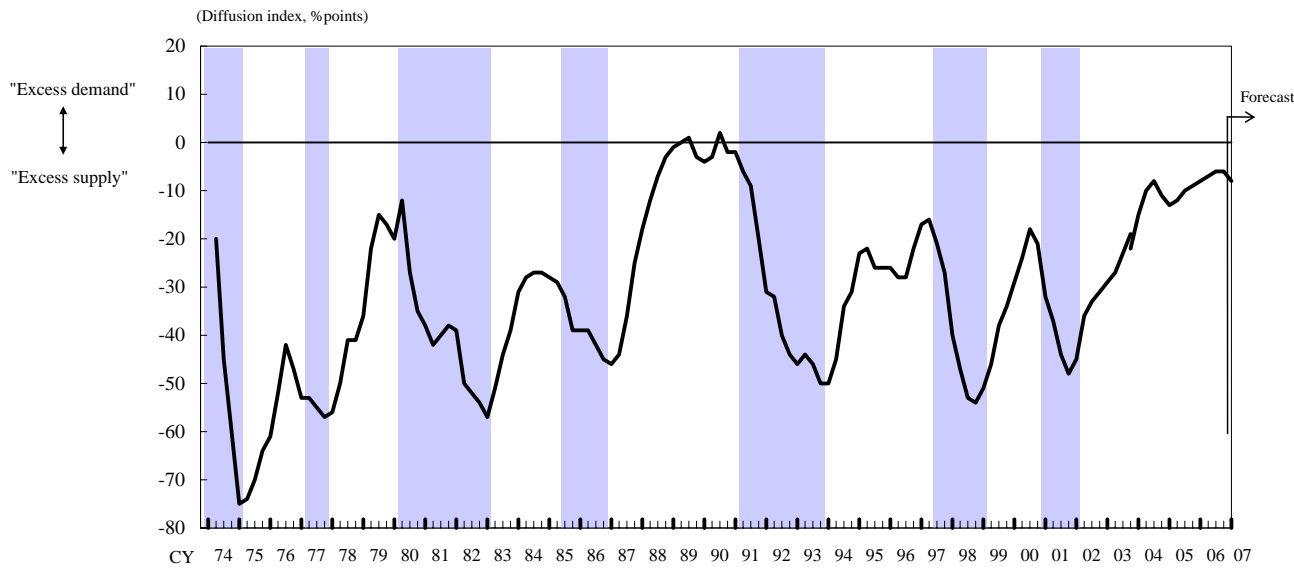
(Diffusion index of "Favorable" minus "Unfavorable", % points)

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)

	December 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	22	4	-6
Forecast	20	2	-10

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

Domestic Supply and Demand Conditions for Products and Services



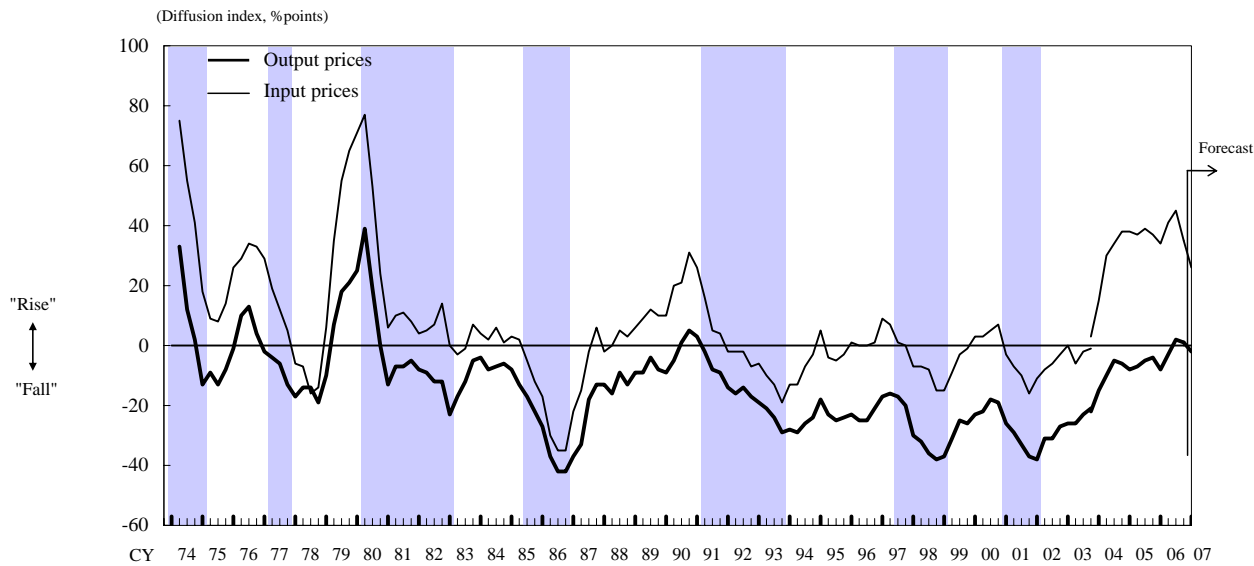
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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)

December 2006 survey	
Actual result	-6
Forecast	-8

Prices



Peaks and Bottoms of Prices (from May 1974)

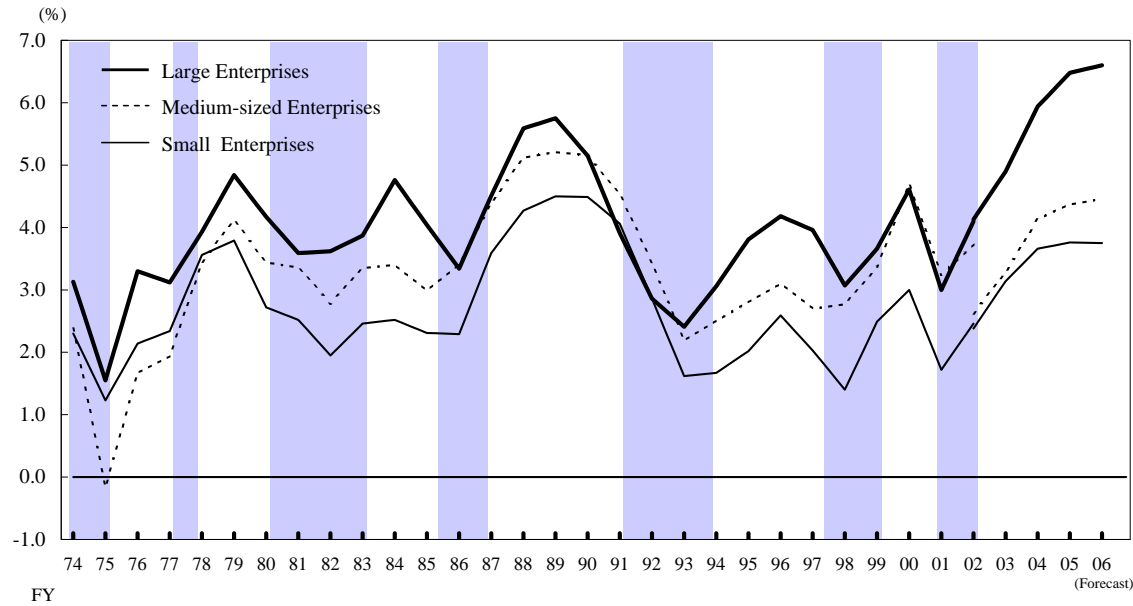
(Diffusion index of "Rise" minus "Fall", %points)

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)

December 2006 survey		
	Output Prices	Input Prices
Actual result	1	35
Forecast	-2	26

[Ratio of Current Profit to Sales]

Manufacturing

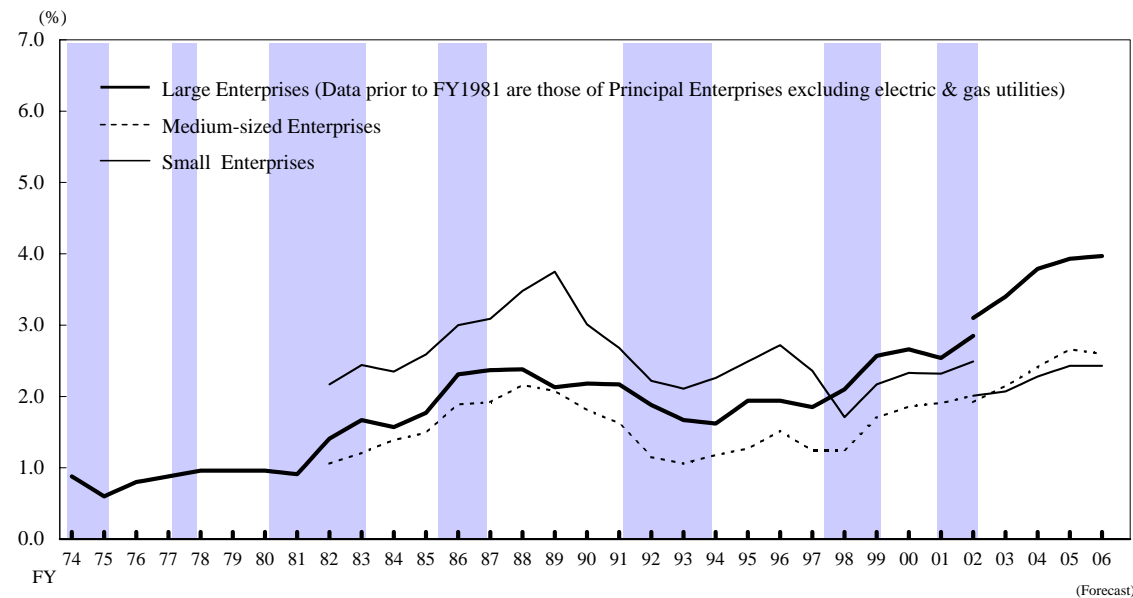


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974) (%)

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)

	December 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2005	6.48	4.37	3.76
FY2006 (Forecast)	6.60	4.46	3.75

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)

	December 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2005	3.93	2.66	2.43
FY2006 (Forecast)	3.97	2.60	2.43

[Developments of Fixed Investment including Land Purchasing Expenses]

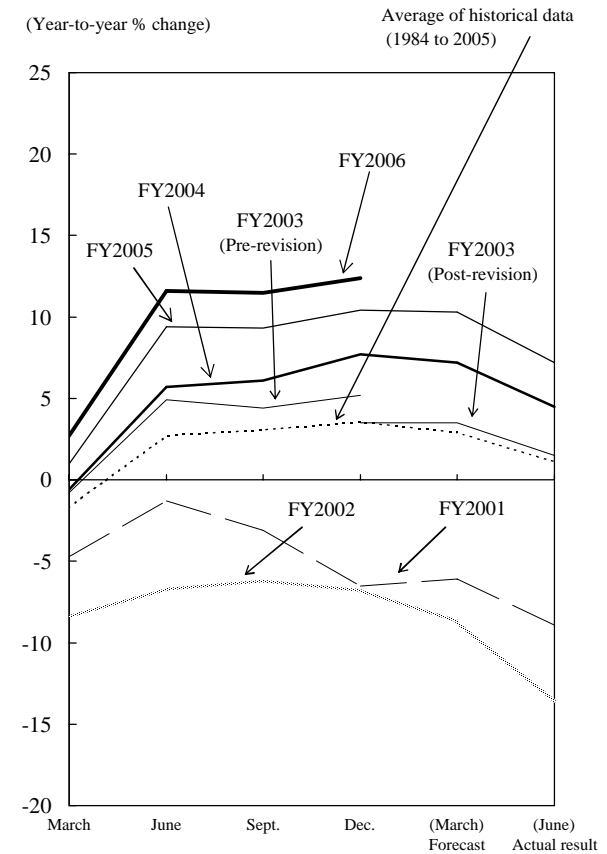
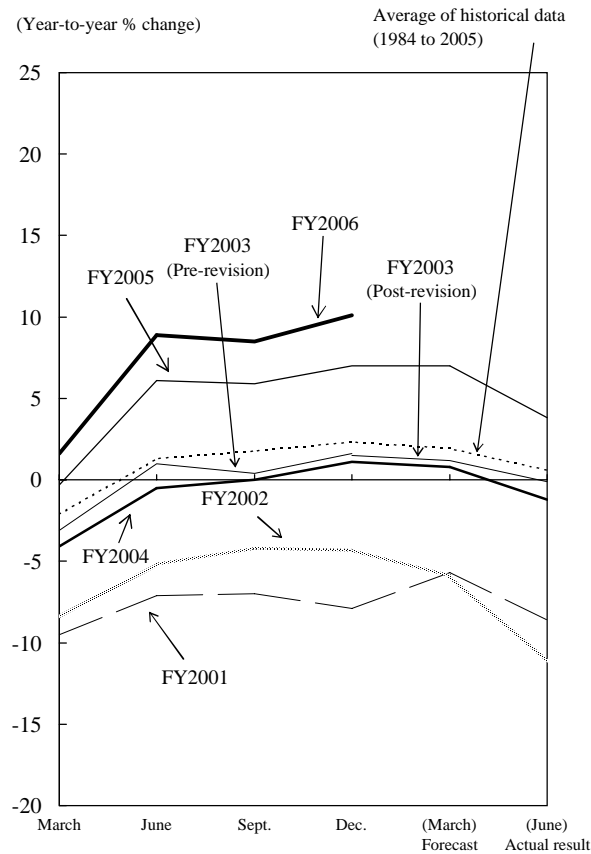
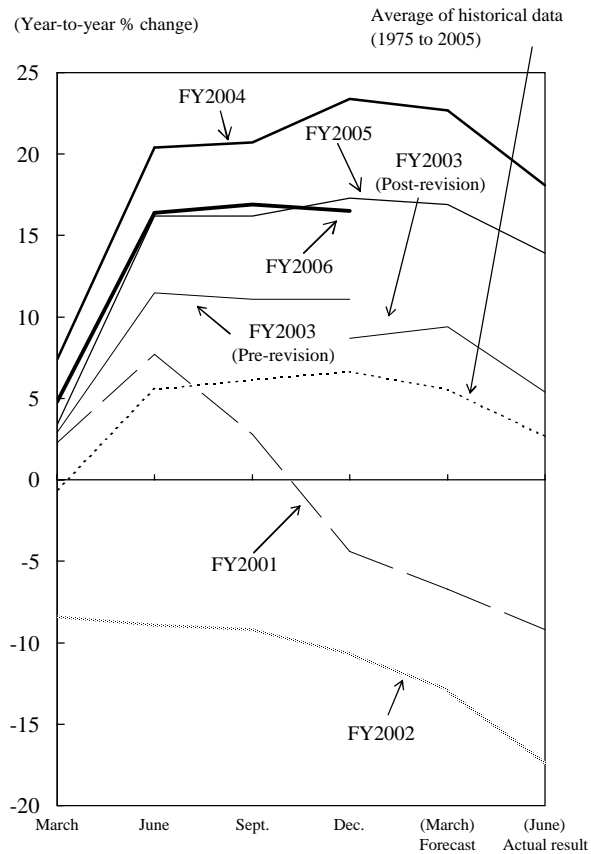
Note:1. This graph indicates the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year;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

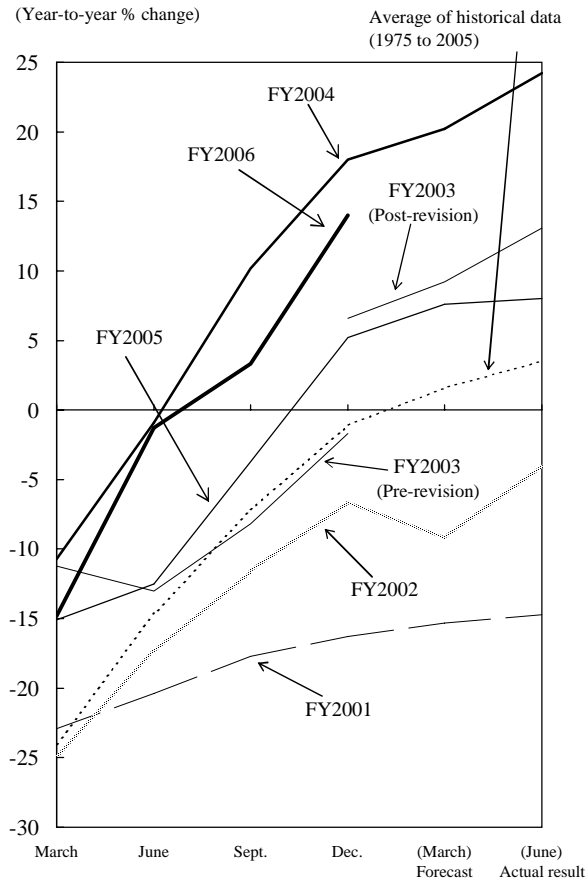
Nonmanufacturing

All industries

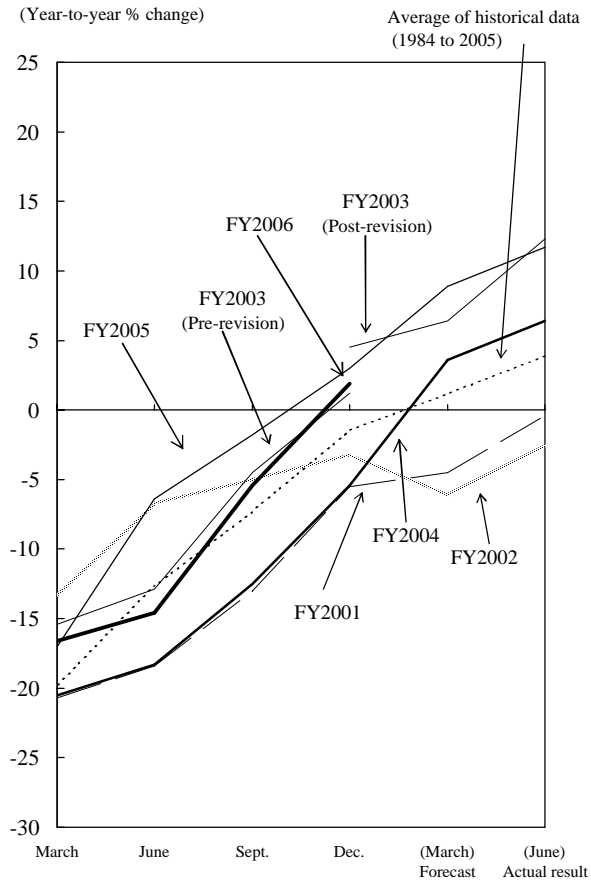


(2) Small Enterprises

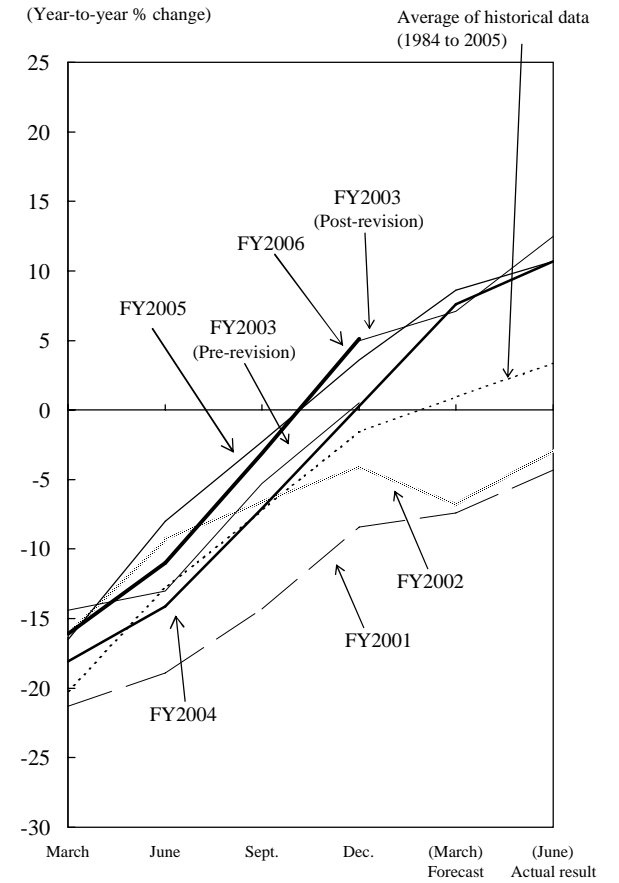
Manufacturing



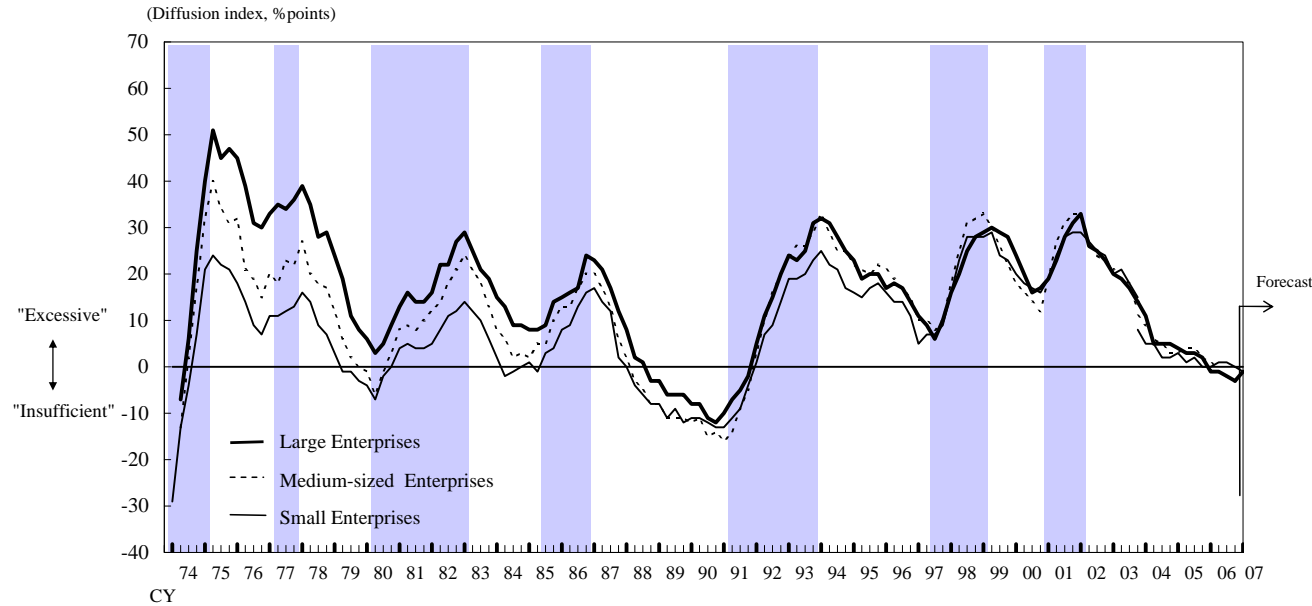
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



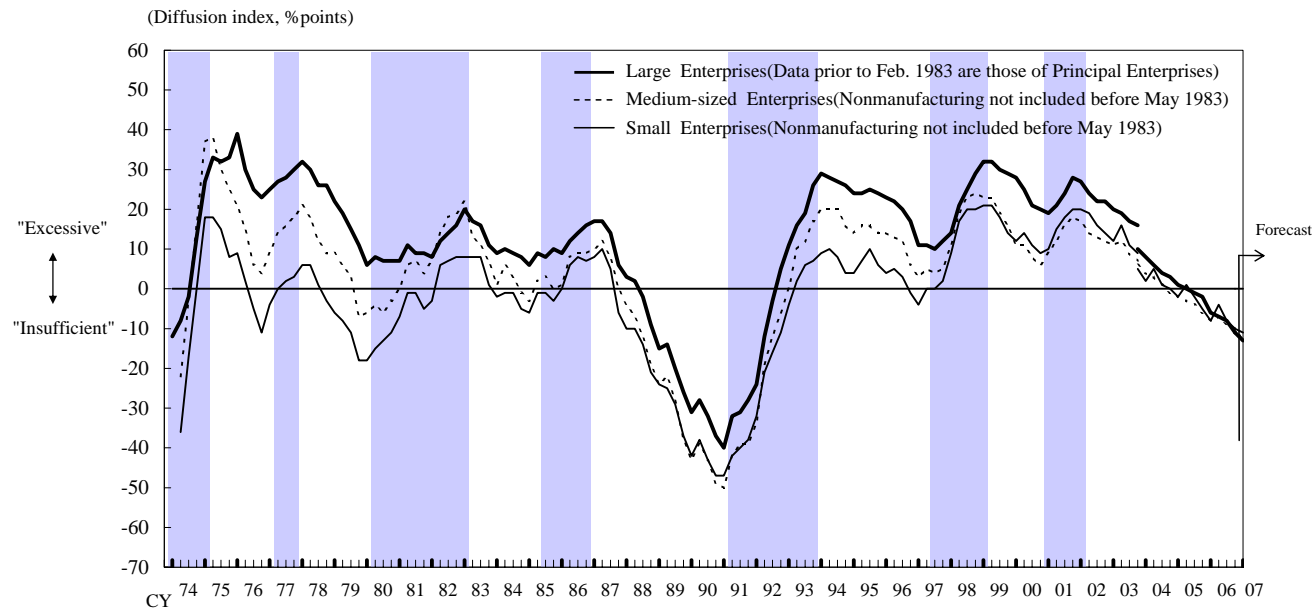
Peaks and Bottoms of Production Capacity (from May 1974)

(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)	

	December 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-3	-3	0
Forecast	-1	-2	-1

[Employment Condition (All industries)]



Peaks and Bottoms of Employment Condition (from May 1983)

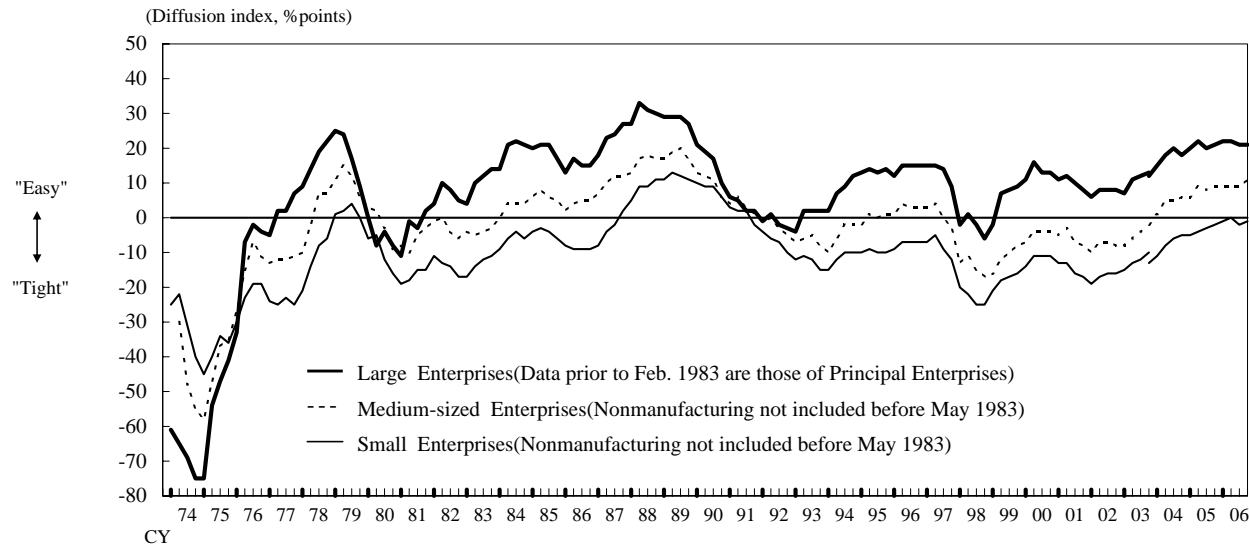
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

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)	

	December 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-11	-10	-10
Forecast	-13	-13	-11

[Corporate Finance (All industries)]

Financial Position



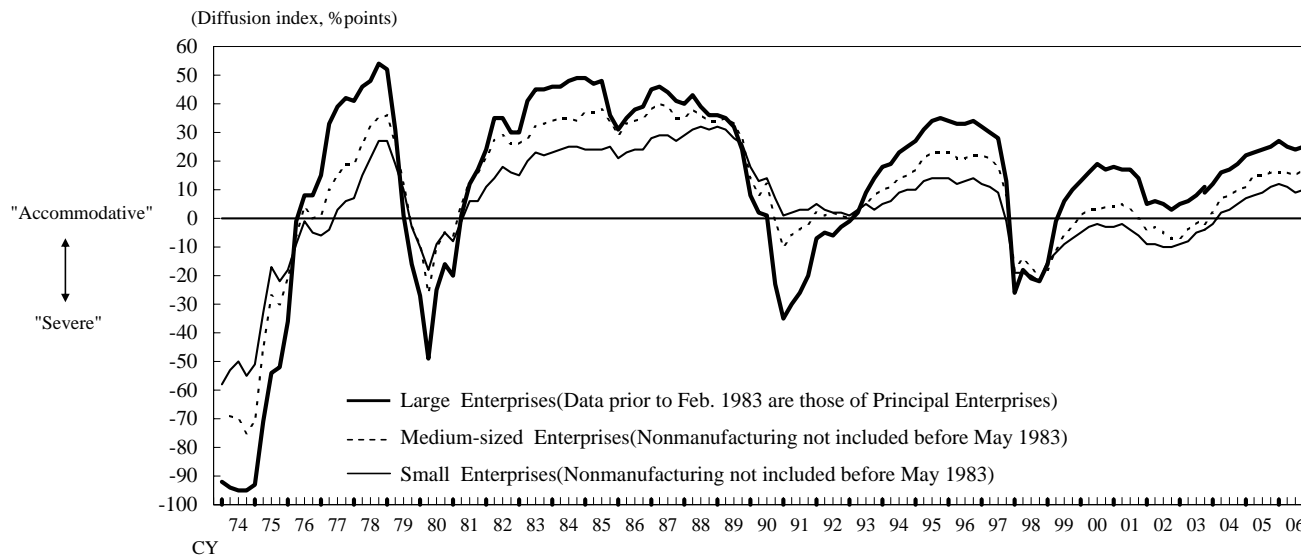
Peaks and Bottoms of Financial Position (from May 1983)

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

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

	December 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	21	11	-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)

	December 2006 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	25	17	10