

TANKAN Summary (September 2007)

134th Short-term Economic Survey of Enterprises in Japan

Not to be released before 8:50 a.m.
on Monday, October 1, 2007

October 1, 2007

Research and Statistics Department
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,478	6,272	10,750	98.8%
Large Enterprises	1,242	1,217	2,459	99.2%
Medium-sized Enterprises	1,223	1,669	2,892	98.8%
Small Enterprises	2,013	3,386	5,399	98.5%
Financial institutions	-	-	208	100.0%

Responding Period: August 28 to September 28

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

	FY 2006			FY 2007		
		1H	2H		1H	2H
June 2007 Survey	116.01	114.80	117.12	114.40	114.58	114.23
Sept. 2007 Survey	-	-	-	115.20	116.10	114.33

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises						
	June 2007 Survey		Sept. 2007 Survey				June 2007 Survey		Sept. 2007 Survey				June 2007 Survey		Sept. 2007 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	23	22	23	0	19	-4	13	14	10	-3	10	0	6	4	1	-5	3	2	
Textiles	12	7	7	-5	5	-2	-21	-16	-25	-4	-21	4	-23	-22	-26	-3	-23	3	
Lumber & Wood products	9	31	-13	-22	5	18	9	-15	5	-40	-25	-34	6	-13	-14	-31	-18	-20	11
Pulp & Paper	-9	-3	-6	3	3	9	-16	-13	-18	-2	-21	-3	-19	-11	-18	1	-13	5	
Chemicals	24	24	28	4	19	-9	14	8	10	-4	6	-4	11	1	-2	-13	4	6	
Petroleum & Coal products	23	19	23	0	10	-13	16	16	21	5	15	-6	-10	-13	-9	1	-13	-4	
Ceramics, Stone & Clay	18	22	16	-2	16	0	9	7	-4	-13	2	6	-11	-22	-22	-11	-17	5	
Iron & Steel	38	35	34	-4	33	-1	48	43	46	-2	36	-10	38	30	36	-2	35	-1	
Nonferrous metals	29	23	24	-5	32	8	26	25	11	-15	17	6	31	21	18	-13	18	0	
Food & Beverages	12	4	7	-5	7	0	-2	-1	-5	-3	-3	2	-9	-1	-6	3	-2	4	
Processed metals	-2	-7	-13	-11	-11	2	25	27	21	-4	28	7	17	11	12	-5	7	-5	
Industrial machinery	49	45	46	-3	38	-8	38	33	32	-6	23	-9	28	21	23	-5	16	-7	
Electrical machinery	21	24	24	3	18	-6	7	13	8	1	7	-1	11	15	6	-5	11	5	
Shipbuilding & Heavy machinery etc.	23	23	29	6	39	10	36	36	43	7	34	-9	23	19	26	3	31	5	
Motor vehicles	25	20	29	4	29	0	19	14	17	-2	18	1	26	13	25	-1	14	-11	
Precision machinery	20	26	28	8	18	-10	32	38	30	-2	34	4	6	7	-2	-8	5	7	
Basic materials	21	21	19	-2	18	-1	9	9	1	-8	1	0	-1	-6	-8	-7	-5	3	
Processing	24	21	23	-1	20	-3	16	16	14	-2	14	0	11	9	8	-3	7	-1	
Nonmanufacturing	22	23	20	-2	21	1	8	7	4	-4	3	-1	-7	-10	-10	-3	-11	-1	
Construction	2	2	1	-1	2	1	-10	-14	-10	0	-14	-4	-17	-27	-21	-4	-28	-7	
Real estate	53	44	50	-3	42	-8	25	16	16	-9	11	-5	16	15	13	-3	12	-1	
Wholesaling	23	20	17	-6	19	2	10	11	3	-7	4	1	-7	-6	-10	-3	-9	1	
Retailing	11	21	8	-3	18	10	-6	-2	-9	-3	-3	6	-24	-19	-25	-1	-18	7	
Transportation	24	26	23	-1	22	-1	1	1	2	1	-1	-3	-1	-5	-2	-1	-6	-4	
Communications	37	31	35	-2	21	-14	23	32	20	-3	23	3	4	26	5	1	17	12	
Information services	41	52	49	8	50	1	22	29	18	-4	27	9	26	21	19	-7	17	-2	
Electric & Gas utilities	12	7	6	-6	4	-2	13	10	9	-4	9	0	-7	-4	-7	0	-7	0	
Services for businesses	35	33	30	-5	35	5	31	23	26	-5	9	-17	11	4	9	-2	0	-9	
Services for individuals	10	18	13	3	16	3	5	13	3	-2	5	2	-1	-7	-8	-7	-7	1	
Restaurants & Accommodations	11	6	12	1	6	-6	-2	5	0	2	-3	-3	-11	-9	-18	-7	-19	-1	
Leasing	30	20	23	-7	15	-8	18	11	13	-5	10	-3	15	7	14	-1	11	-3	
All industries	22	22	21	-1	20	-1	10	10	7	-3	6	-1	-2	-5	-5	-3	-6	-1	

	All Enterprises					
Manufacturing	13	12	9	-4	9	0
Nonmanufacturing	3	1	-1	-4	-2	-1
All industries	7	6	4	-3	3	-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)

	June 2007 Survey			Sept. 2007 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	23	13	6	23	10	1	19	10	3
1.Favorable	30	26	25	30	26	22	25	22	20
2.Not so favorable	63	61	56	63	58	57	69	66	63
3.Unfavorable	7	13	19	7	16	21	6	12	17
Nonmanufacturing	22	8	-7	20	4	-10	21	3	-11
1.Favorable	28	21	16	27	19	15	25	17	13
2.Not so favorable	66	66	61	66	66	60	71	69	63
3.Unfavorable	6	13	23	7	15	25	4	14	24

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		June 2007 Survey		Sept. 2007 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services:	Manufacturing	-7	-10	-7	0	-8	-1
	Basic materials	-6	-9	-11	-5	-10	1
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-8	-9	-6	2	-8	-2
	Nonmanufacturing	-16	-17	-16	0	-17	-1
Overseas Supply & Demand Conditions for Products:	Manufacturing	4	3	4	0	2	-2
Diffusion index of "Excess demand" minus "Excess supply"	Basic materials	3	0	0	-3	-1	-1
	Processing	4	5	6	2	4	-2

(%points)

		Small Enterprises					
		June 2007 Survey		Sept. 2007 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services:	Manufacturing	-21	-23	-22	-1	-24	-2
	Basic materials	-30	-31	-31	-1	-31	0
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-16	-18	-17	-1	-20	-3
	Nonmanufacturing	-31	-31	-32	-1	-34	-2
Overseas Supply & Demand Conditions for Products:	Manufacturing	-3	-4	-5	-2	-5	0
Diffusion index of "Excess demand" minus "Excess supply"	Basic materials	-8	-10	-11	-3	-9	2
	Processing	0	-3	-3	-3	-3	0

Inventory Level of Finished Goods & Merchandise:	Manufacturing	12	13	1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	11	16	5		
	Processing	14	13	-1		
Wholesalers' Inventory Level:	Manufacturing	12	12	0		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	13	14	1		
	Processing	12	9	-3		

Inventory Level of Finished Goods & Merchandise:	Manufacturing	16	15	-1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	20	18	-2		
	Processing	13	14	1		
Wholesalers' Inventory Level:	Manufacturing	16	17	1		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	22	24	2		
	Processing	12	13	1		

Change in Output Prices:	Manufacturing	2	-2	2	0	0	-2
Diffusion index of "Rise" minus "Fall"	Basic materials	23	17	21	-2	15	-6
	Processing	-9	-10	-6	3	-7	-1
	Nonmanufacturing	1	1	1	0	1	0
Change in Input Prices:	Manufacturing	40	35	40	0	35	-5
Diffusion index of "Rise" minus "Fall"	Basic materials	50	38	47	-3	35	-12
	Processing	36	34	38	2	34	-4
	Nonmanufacturing	22	23	25	3	22	-3

Change in Output Prices:	Manufacturing	-3	-2	-4	-1	-1	3
Diffusion index of "Rise" minus "Fall"	Basic materials	3	6	2	-1	7	5
	Processing	-6	-7	-6	0	-6	0
	Nonmanufacturing	-13	-11	-13	0	-13	0
Change in Input Prices:	Manufacturing	51	55	52	1	52	0
Diffusion index of "Rise" minus "Fall"	Basic materials	49	55	52	3	53	1
	Processing	52	55	51	-1	51	0
	Nonmanufacturing	32	35	33	1	34	1

3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.6	-	4.5	1.0
	Domestic Sales	3.5	-	4.1	0.7
	Exports	15.1	-	5.7	1.9
	Nonmanufacturing	4.2	-	2.8	0.5
	All industries	5.2	-	3.5	0.7
Medium-sized Enterprises	Manufacturing	6.9	-	3.0	0.5
	Nonmanufacturing	6.1	-	3.8	-0.3
	All industries	6.3	-	3.6	-0.1
Small Enterprises	Manufacturing	5.3	-	2.3	0.4
	Nonmanufacturing	2.2	-	0.0	0.0
	All industries	2.9	-	0.5	0.1
All Enterprises	Manufacturing	6.4	-	3.9	0.8
	Nonmanufacturing	4.0	-	2.2	0.2
	All industries	4.8	-	2.7	0.4

(Year-to-year % change)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
7.6	5.7	-	5.4	1.6	3.7	0.5
4.5	2.7	-	4.4	0.9	3.7	0.4
16.3	13.9	-	8.1	3.4	3.5	0.5
5.2	3.4	-	3.4	0.6	2.2	0.4
6.2	4.3	-	4.2	1.0	2.8	0.4
7.7	6.2	-	3.3	0.8	2.7	0.2
5.7	6.5	-	4.1	-0.6	3.6	0.0
6.2	6.4	-	3.9	-0.3	3.4	0.1
5.8	4.9	-	2.3	0.1	2.2	0.7
2.9	1.5	-	0.5	-0.2	-0.4	0.3
3.5	2.3	-	0.9	-0.1	0.2	0.4
7.3	5.6	-	4.6	1.3	3.3	0.5
4.6	3.5	-	2.7	0.1	1.7	0.3
5.5	4.2	-	3.3	0.5	2.2	0.3

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

Current Profits (Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	10.6	-	2.9	2.7
	Basic materials	7.3	-	-1.1	2.3
	Processing	12.9	-	5.4	2.9
	Nonmanufacturing	10.7	-	-1.2	0.5
	All industries	10.7	-	0.9	1.6
Medium-sized Enterprises	Manufacturing	14.2	-	-3.1	1.6
	Nonmanufacturing	9.9	-	1.8	-1.8
	All industries	11.5	-	-0.1	-0.5
Small Enterprises	Manufacturing	7.9	-	-0.2	-2.9
	Nonmanufacturing	6.5	-	-0.4	-0.6
	All industries	6.9	-	-0.4	-1.3
All Enterprises	Manufacturing	10.8	-	1.8	1.9
	Nonmanufacturing	9.6	-	-0.5	-0.1
	All industries	10.1	-	0.5	0.8

(Year-to-year % change)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
14.6	7.2	-	2.5	7.6	3.3	-1.6
2.1	12.9	-	-0.9	6.1	-1.3	-1.1
24.8	3.9	-	4.7	8.6	6.1	-1.8
15.9	5.5	-	-3.3	3.6	1.1	-2.5
15.3	6.4	-	-0.4	5.6	2.3	-2.0
14.5	14.0	-	-4.1	5.9	-2.2	-1.8
8.8	10.7	-	-4.9	-3.5	6.6	-0.7
11.1	11.9	-	-4.6	0.3	3.3	-1.1
10.6	5.6	-	-1.9	-3.8	1.3	-2.1
19.6	-1.0	-	0.7	2.2	-1.2	-2.5
16.4	0.8	-	-0.2	0.1	-0.5	-2.4
14.1	7.8	-	1.2	6.1	2.3	-1.7
15.5	4.7	-	-2.8	2.2	1.6	-2.1
14.9	6.1	-	-0.9	4.0	1.9	-1.9

3. Sales and Current Profits(Continued)

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

		FY2006		FY2007	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	6.76	-	6.65	0.10
	Nonmanufacturing	4.29	-	4.12	0.00
	All industries	5.29	-	5.16	0.05
Medium-sized Enterprises	Manufacturing	5.07	-	4.78	0.05
	Nonmanufacturing	2.66	-	2.60	-0.04
	All industries	3.27	-	3.15	-0.02
Small Enterprises	Manufacturing	3.90	-	3.80	-0.14
	Nonmanufacturing	2.48	-	2.47	-0.02
	All industries	2.80	-	2.77	-0.04
All Enterprises	Manufacturing	6.01	-	5.89	0.06
	Nonmanufacturing	3.40	-	3.31	-0.01
	All industries	4.26	-	4.17	0.01

(% , %points)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Changes	(Forecast)	Changes	(Forecast)	Changes
6.83	6.69	-	6.64	0.37	6.67	-0.13
4.67	3.94	-	4.36	0.12	3.90	-0.12
5.55	5.06	-	5.30	0.23	5.03	-0.13
4.82	5.31	-	4.48	0.22	5.06	-0.10
2.33	2.95	-	2.13	-0.06	3.04	-0.02
2.98	3.54	-	2.73	0.01	3.54	-0.04
3.78	4.01	-	3.62	-0.15	3.97	-0.12
2.13	2.81	-	2.13	0.05	2.78	-0.08
2.50	3.07	-	2.47	0.00	3.05	-0.09
6.00	6.03	-	5.80	0.26	5.97	-0.13
3.41	3.39	-	3.23	0.07	3.39	-0.08
4.27	4.26	-	4.09	0.14	4.25	-0.09

Net Income (Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	14.9	-	13.1	2.7
	Basic materials	16.3	-	-4.0	1.1
	Processing	13.9	-	25.6	3.7
	Nonmanufacturing	15.9	-	7.6	-0.6
	All industries	15.4	-	10.5	1.1
Medium-sized Enterprises	Manufacturing	20.0	-	2.8	1.5
	Nonmanufacturing	16.2	-	26.3	-3.5
	All industries	17.8	-	16.1	-1.6
Small Enterprises	Manufacturing	12.8	-	13.9	-4.1
	Nonmanufacturing	12.0	-	6.8	-7.8
	All industries	12.3	-	9.1	-6.6
All Enterprises	Manufacturing	15.3	-	11.9	1.8
	Nonmanufacturing	15.1	-	10.2	-2.7
	All industries	15.2	-	11.0	-0.5

(Year-to-year % change)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
30.3	0.4	-	0.4	7.2	28.5	-1.3
23.8	8.2	-	-14.9	2.9	9.6	-0.6
35.6	-4.7	-	11.8	9.8	42.4	-1.6
13.5	18.9	-	0.9	1.1	15.7	-2.4
21.8	8.4	-	0.7	4.3	22.4	-1.8
17.0	22.7	-	-2.1	5.1	7.1	-1.1
13.9	18.0	-	6.3	-8.4	41.7	-0.4
15.3	19.9	-	2.5	-3.1	27.2	-0.6
29.1	-1.4	-	-4.3	-8.3	34.5	-0.4
51.9	-3.7	-	-3.2	-14.8	13.0	-3.6
42.0	-3.1	-	-3.6	-12.4	18.6	-2.6
28.7	2.7	-	-0.3	5.2	26.2	-1.2
18.4	12.0	-	0.9	-3.1	19.2	-2.3
23.4	7.6	-	0.3	0.9	22.4	-1.8

4. Fixed Investment etc.

Fixed Investment including Land Purchasing Expenses*

(Year-to-year % change)

(Year-to-year % change)

		FY2006		FY2007 (Forecast)		1H FY2006	2H FY2006	1H FY2007 (Forecast)		2H FY2007 (Forecast)		
			Revision rate		Revision rate				Revision rate		Revision rate	
Large Enterprises	Manufacturing	11.7	-	12.1	0.8	13.1	10.5	-	18.2	-0.6	6.8	2.1
	Nonmanufacturing	9.1	-	6.7	1.0	7.9	10.0	-	11.4	0.0	2.9	1.8
	All industries	10.0	-	8.7	0.9	9.9	10.2	-	14.0	-0.2	4.3	1.9
Medium-sized Enterprises	Manufacturing	9.2	-	4.1	-1.2	13.6	5.5	-	3.8	-5.5	4.4	3.1
	Nonmanufacturing	6.2	-	5.2	1.5	16.7	-1.9	-	5.7	-7.2	4.8	11.1
	All industries	7.1	-	4.9	0.6	15.7	0.3	-	5.1	-6.7	4.7	8.4
Small Enterprises	Manufacturing	25.9	-	-13.6	6.2	16.2	35.2	-	-6.3	-8.3	-19.6	25.2
	Nonmanufacturing	1.4	-	-8.9	7.2	9.4	-6.1	-	-3.9	9.1	-14.4	4.9
	All industries	8.8	-	-10.5	6.9	11.5	6.2	-	-4.6	3.0	-16.4	11.5
All Enterprises	Manufacturing	13.4	-	6.8	1.2	13.7	13.2	-	12.2	-2.4	2.1	4.8
	Nonmanufacturing	7.2	-	3.8	1.9	9.7	5.2	-	7.5	0.1	0.6	3.7
	All industries	9.4	-	4.9	1.7	11.1	7.9	-	9.2	-0.8	1.2	4.1

* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2006		FY2007 (Forecast)	
			Revision rate		Revision rate
Large Enterprises	Manufacturing	6.0	-	-1.6	2.6
	Nonmanufacturing	4.4	-	-5.1	0.2
	All industries	4.9	-	-4.0	1.0
Medium-sized Enterprises	Manufacturing	-1.1	-	-5.8	-5.6
	Nonmanufacturing	-1.8	-	5.6	-1.9
	All industries	-1.7	-	4.3	-2.3
Small Enterprises	Manufacturing	-0.3	-	6.9	1.9
	Nonmanufacturing	-2.7	-	5.0	5.4
	All industries	-2.2	-	5.4	4.6
All Enterprises	Manufacturing	5.1	-	-1.4	1.9
	Nonmanufacturing	2.4	-	-2.0	0.1
	All industries	3.1	-	-1.8	0.6

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2006		FY2007 (Forecast)	
			Revision rate		Revision rate
Large Enterprises	Manufacturing	10.9	-	12.8	0.8
	Nonmanufacturing	7.3	-	7.7	-0.5
	All industries	8.6	-	9.6	0.0
Medium-sized Enterprises	Manufacturing	12.9	-	5.6	-1.9
	Nonmanufacturing	0.1	-	8.0	0.7
	All industries	3.9	-	7.2	-0.1
Small Enterprises	Manufacturing	26.7	-	-11.5	5.4
	Nonmanufacturing	0.6	-	-4.0	2.2
	All industries	8.7	-	-6.7	3.3
All Enterprises	Manufacturing	13.2	-	8.2	0.9
	Nonmanufacturing	5.0	-	6.0	0.1
	All industries	7.9	-	6.8	0.4

Land Purchasing Expenses

(Year-to-year % change)

		FY2006		FY2007 (Forecast)	
			Revision rate		Revision rate
Large Enterprises	Manufacturing	29.3	-	-42.3	9.9
	Nonmanufacturing	32.4	-	-21.5	37.6
	All industries	31.7	-	-25.7	32.4
Medium-sized Enterprises	Manufacturing	-46.3	-	-47.3	56.8
	Nonmanufacturing	70.1	-	-14.5	5.1
	All industries	38.0	-	-18.0	7.5
Small Enterprises	Manufacturing	13.2	-	-30.3	15.9
	Nonmanufacturing	4.8	-	-32.8	72.5
	All industries	6.7	-	-32.2	53.8
All Enterprises	Manufacturing	6.2	-	-38.5	15.9
	Nonmanufacturing	29.7	-	-23.0	33.4
	All industries	24.4	-	-26.0	30.2

Production Capacity

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

		June 2007 Survey		Sept. 2007 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Large Enterprises	Manufacturing	-3	-3	-2	1	-1	1
	Nonmanufacturing	-2	-3	-3	-1	-4	-1
	All industries	-2	-3	-2	0	-3	-1
Medium-sized Enterprises	Manufacturing	-1	-5	-2	-1	-4	-2
	Nonmanufacturing	-3	-4	-1	2	-3	-2
	All industries	-2	-5	-2	0	-3	-1
Small Enterprises	Manufacturing	2	-2	2	0	-1	-3
	Nonmanufacturing	1	-2	1	0	0	-1
	All industries	0	-2	2	2	-1	-3
All Enterprises	Manufacturing	0	-4	0	0	-2	-2
	Nonmanufacturing	-1	-3	-1	0	-1	0
	All industries	0	-3	0	0	-1	-1

5. Fixed Investment of Financial institutions

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

	FY2006		FY2007	
		Revision rate	(Forecast)	Revision rate
Financial institutions	1.2	-	22.2	-7.5
Banks	-4.0	-	19.7	-4.2
Shinkin banks & Other financial institutions for small businesses	1.7	-	53.4	2.8
Securities companies	46.4	-	12.2	-5.3
Insurance companies	13.1	-	22.0	-19.9
Non-deposit money corporations	-20.5	-	0.7	-0.8
(Memo) All industries including Financial institutions	9.2	-	5.2	1.4
Nonmanufacturing including Financial institutions	7.0	-	4.4	1.6

* Excludes Software Investment

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

Financial institutions	5.5	-	30.2	1.8
Banks	-6.1	-	21.2	0.3
Shinkin banks & Other financial institutions for small businesses	39.8	-	-4.4	1.1
Securities companies	17.8	-	67.4	5.5
Insurance companies	19.8	-	42.7	2.5
Non-deposit money corporations	26.8	-	19.8	1.3
(Memo) All industries including Financial institutions	3.6	-	4.2	0.9
Nonmanufacturing including Financial institutions	3.1	-	5.8	0.6

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

Financial institutions	-29.5	-	-29.5	-12.6
Banks	-31.5	-	-83.3	9.9
Shinkin banks & Other financial institutions for small businesses	-41.8	-	19.1	56.1
Securities companies	-	-	-95.4	0.0
Insurance companies	-13.7	-	88.6	-27.0
Non-deposit money corporations	-96.7	-	-100.0	-
(Memo) All industries including Financial institutions	21.2	-	-26.1	28.2
Nonmanufacturing including Financial institutions	25.2	-	-23.3	30.7

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

Financial institutions	7.1	-	30.2	-2.9
Banks	-1.1	-	31.0	-2.2
Shinkin banks & Other financial institutions for small businesses	23.0	-	38.5	-0.8
Securities companies	25.6	-	48.8	2.3
Insurance companies	19.2	-	23.2	-10.2
Non-deposit money corporations	-2.1	-	9.8	0.3
(Memo) All industries including Financial institutions	7.8	-	7.6	0.3
Nonmanufacturing including Financial institutions	5.1	-	7.2	-0.1

6. Employment

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

		June 2007 Survey		Sept. 2007 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	-6	-9	-7	-1	-8	-1
	Nonmanufacturing	-17	-19	-17	0	-21	-4
	All industries	-11	-14	-12	-1	-14	-2
Medium-sized Enterprises	Manufacturing	-6	-9	-8	-2	-10	-2
	Nonmanufacturing	-14	-17	-14	0	-18	-4
	All industries	-11	-14	-11	0	-15	-4
Small Enterprises	Manufacturing	-3	-7	-3	0	-6	-3
	Nonmanufacturing	-9	-13	-9	0	-13	-4
	All industries	-7	-11	-6	1	-11	-5
All Enterprises	Manufacturing	-5	-9	-6	-1	-8	-2
	Nonmanufacturing	-12	-16	-12	0	-16	-4
	All industries	-8	-13	-9	-1	-13	-4

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

	end of Sept. 2006	end of Dec. 2006	end of March 2007	end of June 2007
Large Enterprises	1.5	1.8	0.8	1.4
Medium-sized Enterprises	3.7	3.9	4.7	5.0
Small Enterprises	0.8	0.9	1.4	1.4
All Enterprises	1.8	2.0	2.0	2.3
All Enterprises & Financial institutions	1.8	2.0	2.0	2.3
Financial institutions	2.0	1.0	0.9	1.4

Number of New Graduates Hired (All industries)

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

	FY2006		FY2007		FY2008	
		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 2007 Survey		Sept. 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	22		21
Medium-sized Enterprises	11		9	-2
Small Enterprises	0		-1	-1
All Enterprises	8		6	-2

Lending Attitude of Financial institutions (All industries)

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

	June 2007 Survey		Sept. 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	24		23
Medium-sized Enterprises	16		15	-1
Small Enterprises	9		8	-1
All Enterprises	15		13	-2

Change in Interest Rate on Loans (All industries)

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

	June 2007 Survey		Sept. 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Large Enterprises	38	49	30	-8	41
Medium-sized Enterprises	47	56	38	-9	48	10
Small Enterprises	51	58	38	-13	49	11
All Enterprises	47	55	36	-11	47	11

Condition for CP Issuance (All industries)

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

	June 2007 Survey		Sept. 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	4		4

Ratio of Liquidity (All industries)

(Months)

	end of Sept. 2006	end of Dec. 2006	end of March 2007	end of June 2007
Large Enterprises	0.85	0.82	0.87	0.78
Medium-sized Enterprises	1.01	1.04	1.04	0.98
Small Enterprises	1.69	1.70	1.73	1.70
All Enterprises	1.10	1.09	1.13	1.05

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 2007 Survey		Sept. 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	51	50	50	-1	46
Shinkin banks & Other financial institutions for small businesses	35	35	35	0	38	3
Securities companies	34	52	-30	-64	23	53
Insurance companies	49	55	45	-4	47	2
Non-deposit money corporations	9	16	8	-1	8	0
Financial institutions	41	45	31	-10	37	6

Production Capacity

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

	June 2007 Survey		Sept. 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	2	0	0	-2	2
Shinkin banks & Other financial institutions for small businesses	-6	3	-3	3	0	3
Securities companies	-26	-30	-26	0	-22	4
Insurance companies	-19	-19	-13	6	-13	0
Non-deposit money corporations	8	0	8	0	8	0
Financial institutions	-8	-8	-6	2	-5	1

Employment Conditions

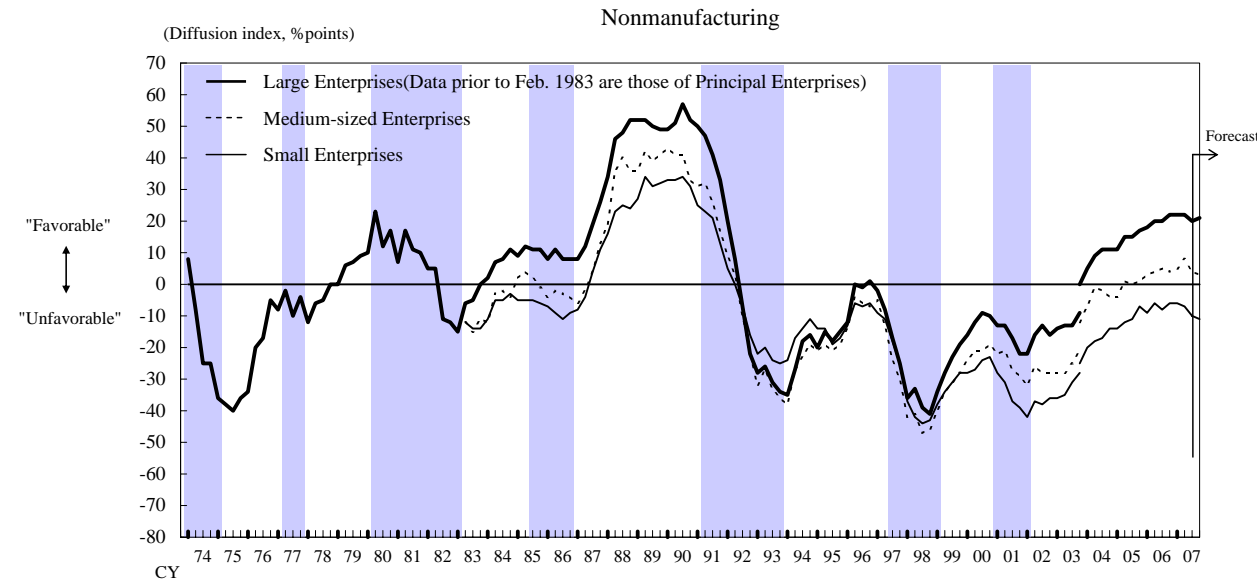
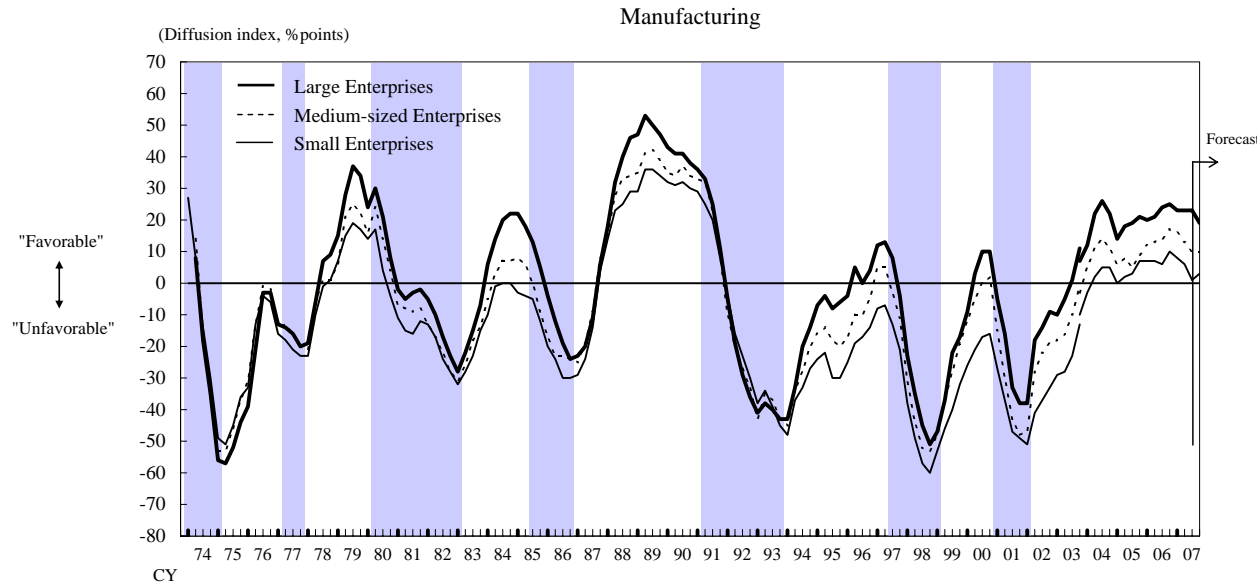
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	June 2007 Survey		Sept. 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	-22	-26	-18	4	-22
Shinkin banks & Other financial institutions for small businesses	-12	-18	-6	6	-12	-6
Securities companies	-44	-33	-37	7	-37	0
Insurance companies	-60	-40	-45	15	-40	5
Non-deposit money corporations	-4	0	-13	-9	5	18
Financial institutions	-30	-26	-24	6	-24	0

(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)

	September 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	23	10	1
Forecast	19	10	3

Peaks and Bottoms of Business Conditions (from May 1983)

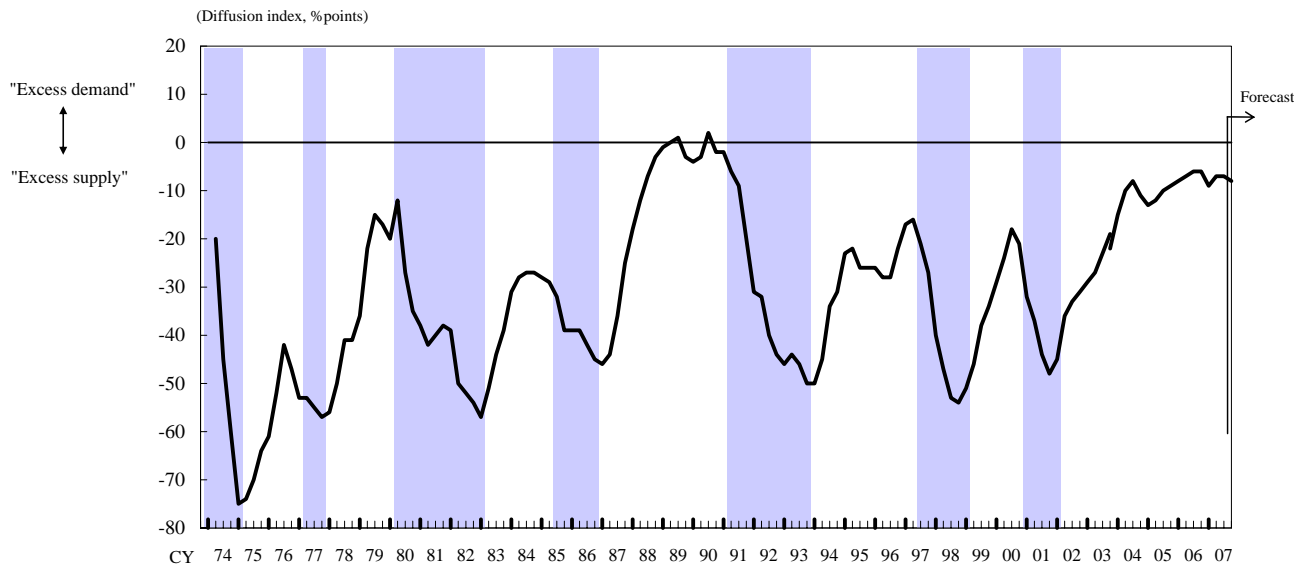
(Diffusion index of "Favorable" minus "Unfavorable", %points)

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

	September 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	20	4	-10
Forecast	21	3	-11

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

Domestic Supply and Demand Conditions for Products and Services



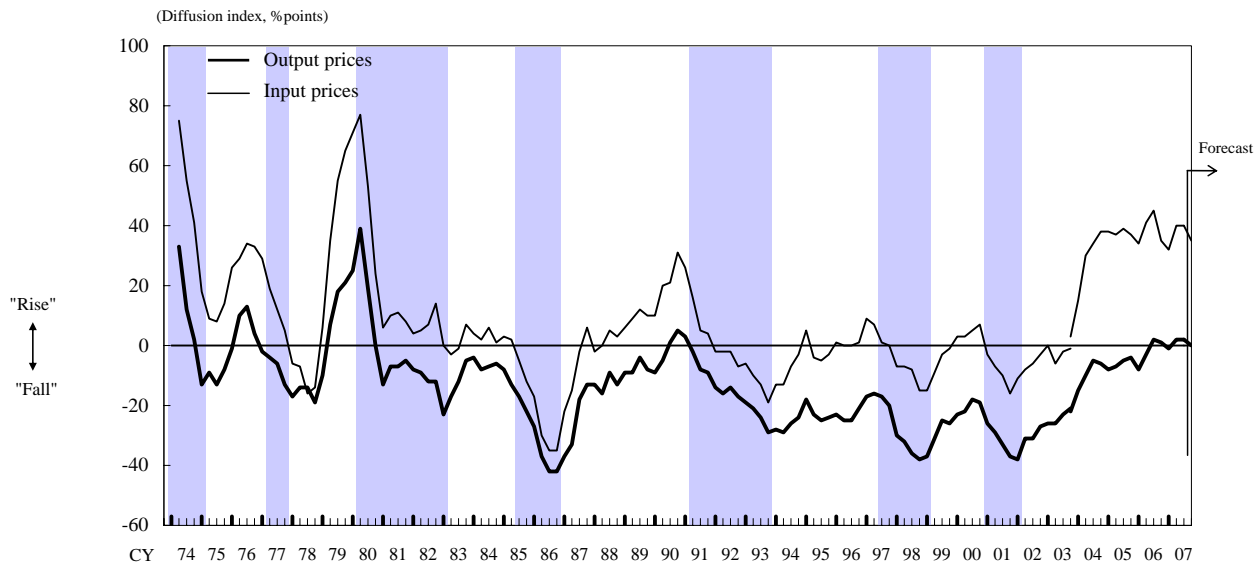
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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 2007 survey	
Actual result	-7
Forecast	-8

Prices



Peaks and Bottoms of Prices (from May 1974)

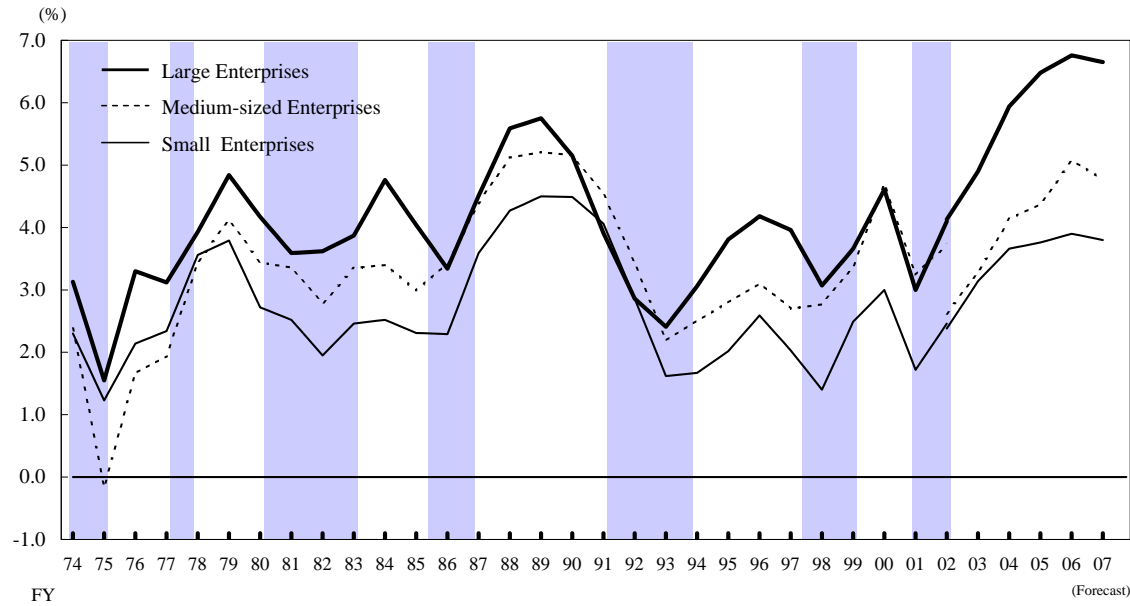
(Diffusion index of "Rise" minus "Fall", %points)

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)

September 2007 survey		
	Output Prices	Input Prices
Actual result	2	40
Forecast	0	35

[Ratio of Current Profit to Sales]

Manufacturing

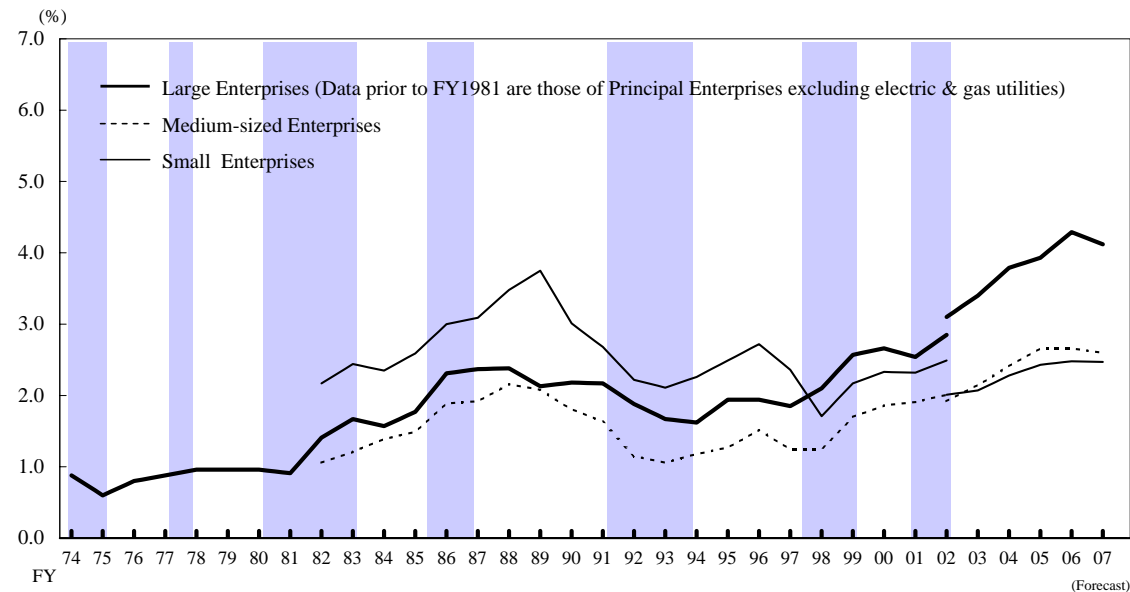


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974) (%)

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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2006	6.76	5.07	3.90
FY2007 (Forecast)	6.65	4.78	3.80

Nonmanufacturing



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

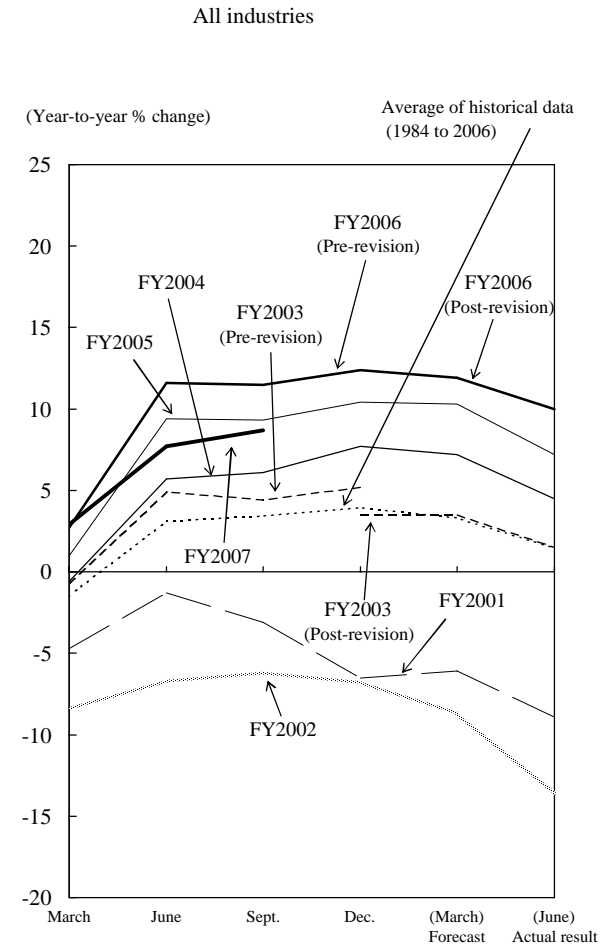
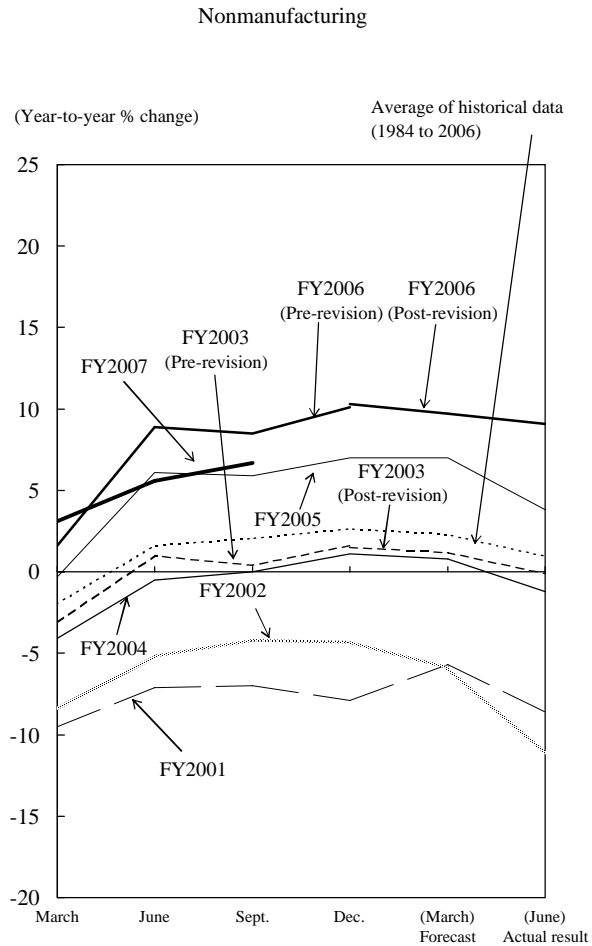
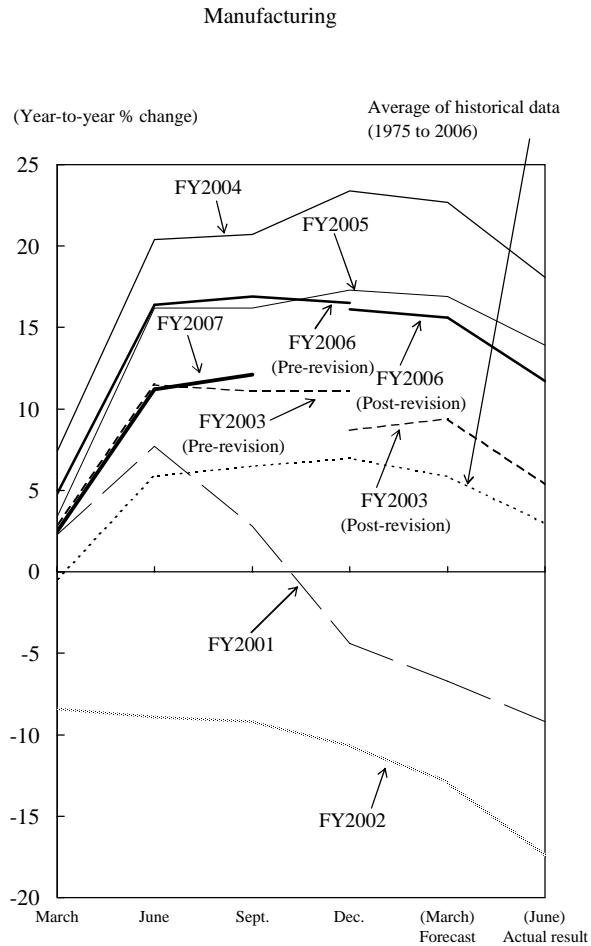
Nonmanufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	1.41 (FY82)		1.06 (FY82)		2.17 (FY82)
1.67 (FY83)	1.57 (FY84)	—	—	2.44 (FY83)	2.35 (FY84)
2.38 (FY88)	1.62 (FY94)	2.16 (FY88)	1.06 (FY93)	3.75 (FY89)	2.11 (FY93)
1.94 (FY95,96)	1.85 (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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2006	4.29	2.66	2.48
FY2007 (Forecast)	4.12	2.60	2.47

[Developments of Fixed Investment including Land Purchasing Expenses]

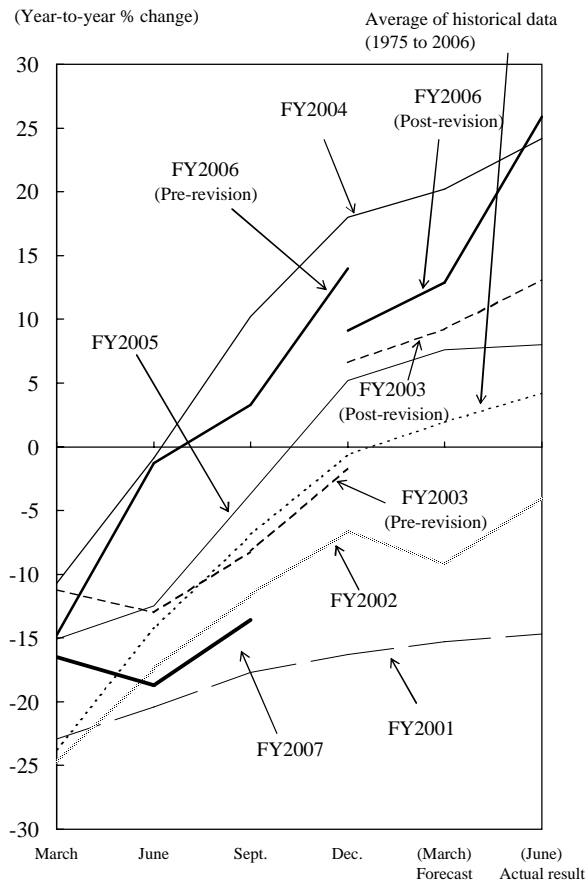
- Note:1. The graphs indicate the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year; actual result) is at the very right. The vertical axis represents the year-to-year percent change.
2. The graphs also show December 2006 survey figures that have been recalculated with sample enterprises after the March 2007 revision.
3. Excludes Software Investment.

(1) Large Enterprises

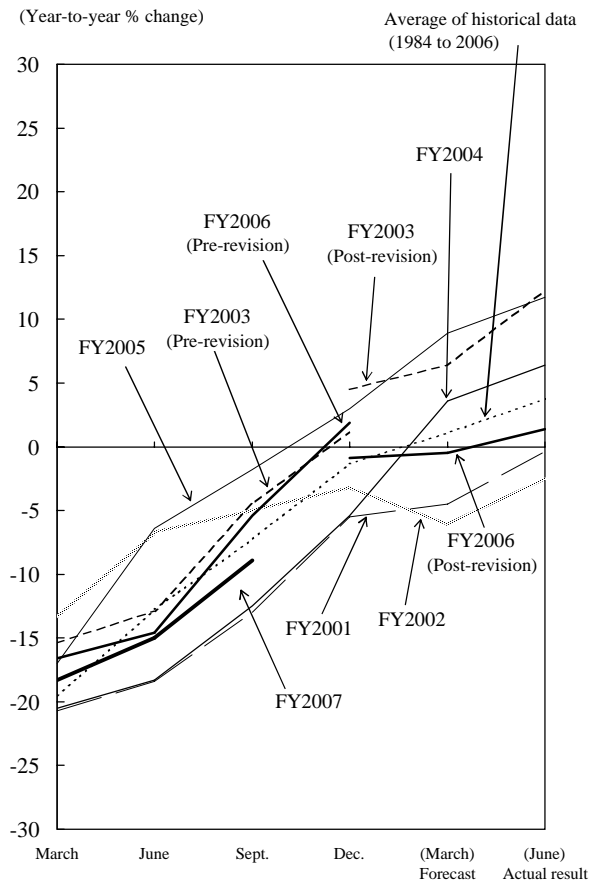


(2) Small Enterprises

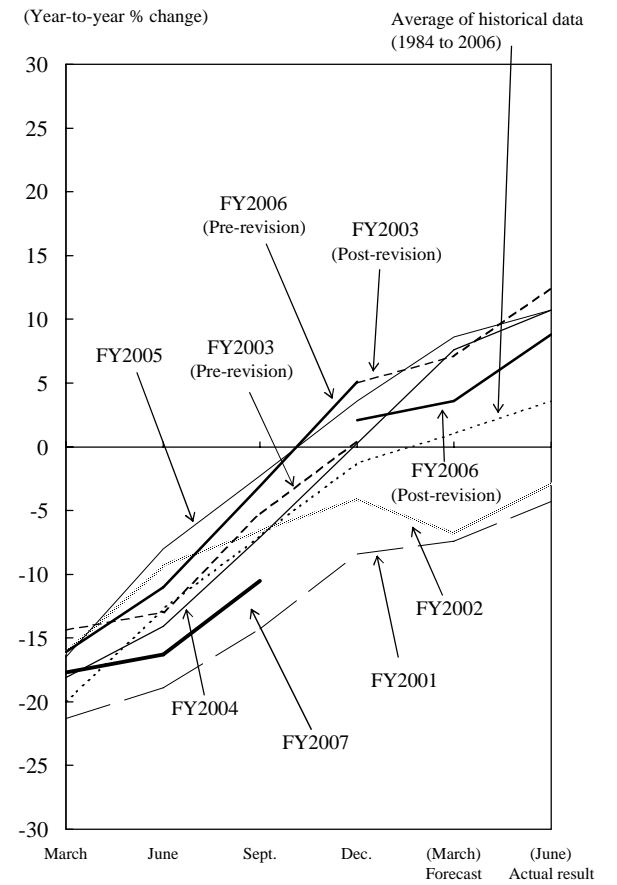
Manufacturing



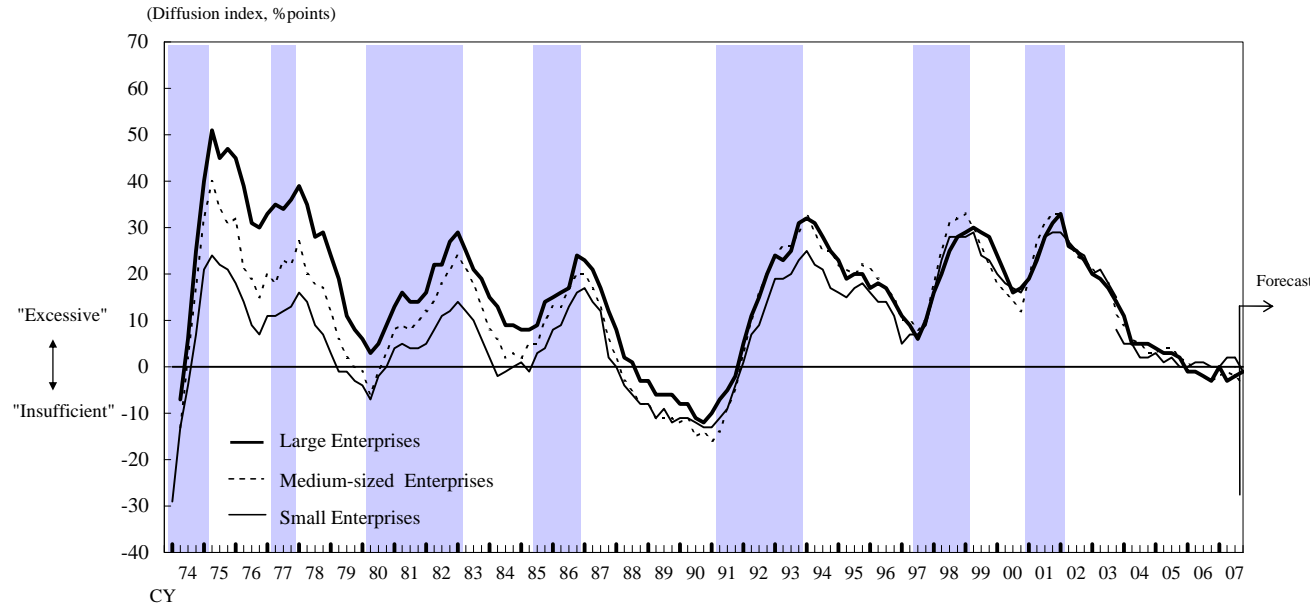
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



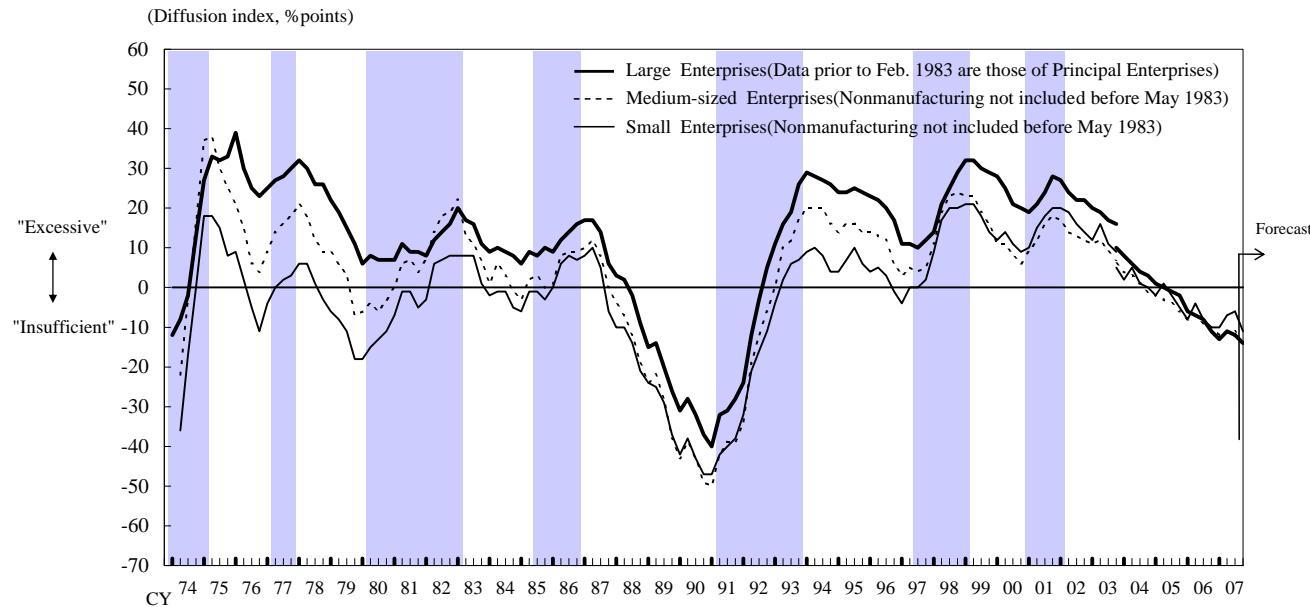
Peaks and Bottoms of Production Capacity (from May 1974)

(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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-2	-2	2
Forecast	-1	-4	-1

[Employment Condition (All industries)]



Peaks and Bottoms of Employment Condition (from May 1983)

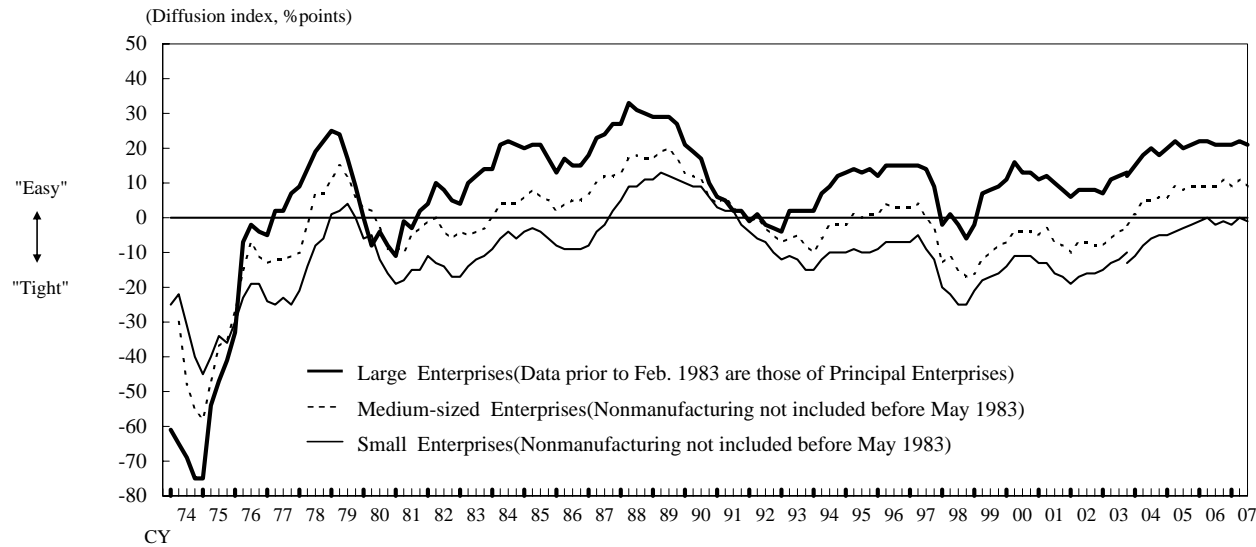
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-12	-11	-6
Forecast	-14	-15	-11

[Corporate Finance (All industries)]

Financial Position



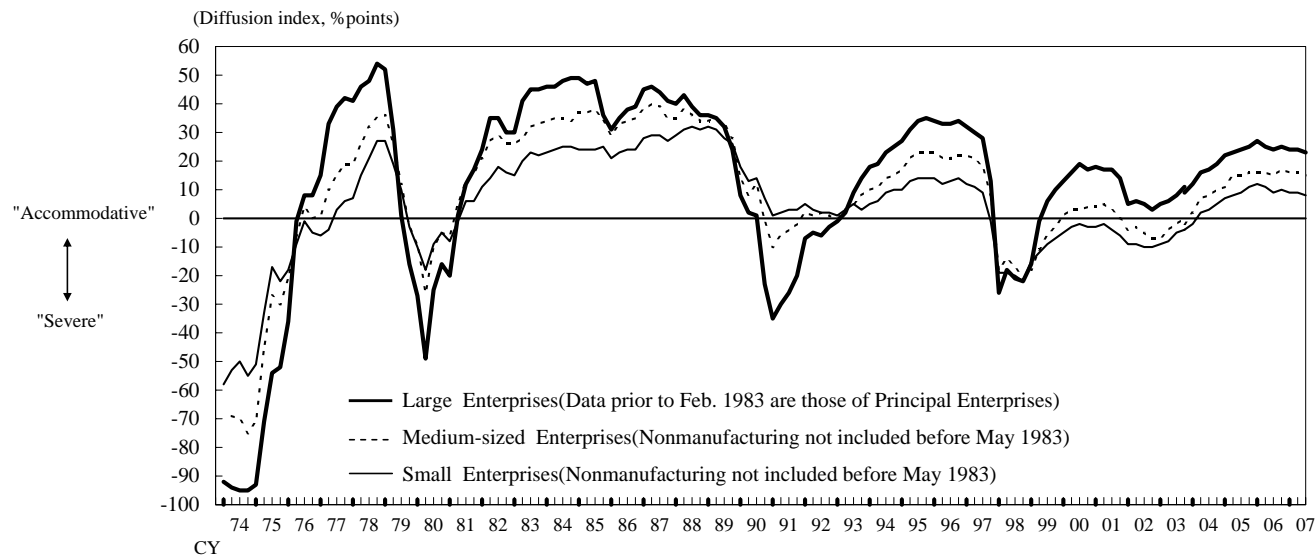
Peaks and Bottoms of Financial Position (from May 1983)

(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)

	September 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	21	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)

	September 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	23	15	8