

TANKAN Summary (December 2007)
135th Short-term Economic Survey of Enterprises in Japan

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December 14, 2007
Research and Statistics Department
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,458	6,213	10,671	98.9%
Large Enterprises	1,237	1,214	2,451	99.1%
Medium-sized Enterprises	1,219	1,653	2,872	99.2%
Small Enterprises	2,002	3,346	5,348	98.6%
Financial institutions	-	-	208	100.0%

Responding Period: November 12 to December 13

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
Dec. 2007 Survey	-	-	-	116.07	118.37	113.79

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

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

	All Enterprises					
Manufacturing	9	9	9	0	5	-4
Nonmanufacturing	-1	-2	-3	-2	-7	-4
All industries	4	3	2	-2	-2	-4

- (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. 2007 Survey			Dec. 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	10	1	19	10	2	15	6	-3
1.Favorable	30	26	22	28	25	23	23	21	17
2.Not so favorable	63	58	57	63	60	56	69	64	63
3.Unfavorable	7	16	21	9	15	21	8	15	20
Nonmanufacturing	20	4	-10	16	2	-12	15	-3	-17
1.Favorable	27	19	15	25	18	14	22	13	11
2.Not so favorable	66	66	60	66	66	60	71	71	61
3.Unfavorable	7	15	25	9	16	26	7	16	28

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

2. Supply and Demand Conditions, Inventories, and Prices

(%points)

		Large Enterprises					
		Sept. 2007 Survey		Dec. 2007 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services:	Manufacturing	-7	-8	-8	-1	-11	-3
	Basic materials	-11	-10	-13	-2	-15	-2
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-6	-8	-6	0	-9	-3
	Nonmanufacturing	-16	-17	-16	0	-19	-3
Overseas Supply & Demand Conditions for Products:	Manufacturing	4	2	6	2	3	-3
Diffusion index of "Excess demand" minus "Excess supply"	Basic materials	0	-1	0	0	-3	-3
	Processing	6	4	8	2	5	-3

Inventory Level of Finished Goods & Merchandise:	Manufacturing	13	15	2		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	16	17	1		
	Processing	13	14	1		
Wholesalers' Inventory Level:	Manufacturing	12	12	0		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	14	16	2		
	Processing	9	11	2		

Change in Output Prices:	Manufacturing	2	0	3	1	2	-1
Diffusion index of "Rise" minus "Fall"	Basic materials	21	15	21	0	16	-5
	Processing	-6	-7	-6	0	-5	1
	Nonmanufacturing	1	1	5	4	6	1
Change in Input Prices:	Manufacturing	40	35	45	5	41	-4
Diffusion index of "Rise" minus "Fall"	Basic materials	47	35	53	6	46	-7
	Processing	38	34	42	4	40	-2
	Nonmanufacturing	25	22	29	4	31	2

(%points)

		Small Enterprises					
		Sept. 2007 Survey		Dec. 2007 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services:	Manufacturing	-22	-24	-21	1	-24	-3
	Basic materials	-31	-31	-31	0	-33	-2
Diffusion index of "Excess demand" minus "Excess supply"	Processing	-17	-20	-16	1	-19	-3
	Nonmanufacturing	-32	-34	-32	0	-34	-2
Overseas Supply & Demand Conditions for Products:	Manufacturing	-5	-5	-5	0	-6	-1
Diffusion index of "Excess demand" minus "Excess supply"	Basic materials	-11	-9	-11	0	-14	-3
	Processing	-3	-3	-2	1	-3	-1

Inventory Level of Finished Goods & Merchandise:	Manufacturing	15	15	0		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	18	17	-1		
	Processing	14	14	0		
Wholesalers' Inventory Level:	Manufacturing	17	17	0		
Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Basic materials	24	25	1		
	Processing	13	12	-1		

Change in Output Prices:	Manufacturing	-4	-1	-1	3	1	2
Diffusion index of "Rise" minus "Fall"	Basic materials	2	7	3	1	7	4
	Processing	-6	-6	-3	3	-2	1
	Nonmanufacturing	-13	-13	-10	3	-8	2
Change in Input Prices:	Manufacturing	52	52	57	5	59	2
Diffusion index of "Rise" minus "Fall"	Basic materials	52	53	57	5	60	3
	Processing	51	51	57	6	59	2
	Nonmanufacturing	33	34	40	7	46	6

3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.6	-	5.5	1.0
	Domestic Sales	3.5	-	4.1	0.1
	Exports	15.1	-	9.0	3.1
	Nonmanufacturing	4.2	-	3.7	0.9
	All industries	5.2	-	4.5	0.9
Medium-sized Enterprises	Manufacturing	6.9	-	3.3	0.3
	Nonmanufacturing	6.1	-	4.1	0.3
	All industries	6.3	-	3.9	0.3
Small Enterprises	Manufacturing	5.3	-	2.4	0.1
	Nonmanufacturing	2.2	-	0.1	0.0
	All industries	2.9	-	0.6	0.1
All Enterprises	Manufacturing	6.4	-	4.6	0.7
	Nonmanufacturing	4.0	-	2.7	0.5
	All industries	4.8	-	3.4	0.6

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

(Year-to-year % change)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Revision rate		Revision rate	(Forecast)	Revision rate
7.6	5.7	-	6.6	1.1	4.5	0.8
4.5	2.7	-	4.0	-0.4	4.2	0.5
16.3	13.9	-	13.2	4.7	5.2	1.6
5.2	3.4	-	4.7	1.2	2.8	0.7
6.2	4.3	-	5.5	1.2	3.5	0.7
7.7	6.2	-	3.7	0.5	2.9	0.2
5.7	6.5	-	4.7	0.5	3.6	0.0
6.2	6.4	-	4.4	0.5	3.4	0.1
5.8	4.9	-	2.9	0.5	1.9	-0.3
2.9	1.5	-	0.7	0.2	-0.5	-0.1
3.5	2.3	-	1.2	0.3	0.0	-0.2
7.3	5.6	-	5.5	0.9	3.8	0.5
4.6	3.5	-	3.5	0.8	2.0	0.3
5.5	4.2	-	4.2	0.8	2.6	0.4

Current Profits (Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	10.6	-	4.6	1.6
	Basic materials	7.3	-	0.2	1.3
	Processing	12.9	-	7.4	1.9
	Nonmanufacturing	10.7	-	0.1	1.3
	All industries	10.7	-	2.4	1.5
Medium-sized Enterprises	Manufacturing	14.2	-	-4.9	-1.9
	Nonmanufacturing	9.9	-	1.1	-0.7
	All industries	11.5	-	-1.3	-1.2
Small Enterprises	Manufacturing	7.9	-	-4.0	-3.8
	Nonmanufacturing	6.5	-	-1.5	-1.1
	All industries	6.9	-	-2.3	-1.9
All Enterprises	Manufacturing	10.8	-	2.4	0.6
	Nonmanufacturing	9.6	-	-0.1	0.4
	All industries	10.1	-	1.1	0.5

(Year-to-year % change)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Revision rate		Revision rate	(Forecast)	Revision rate
14.6	7.2	-	10.9	8.2	-1.3	-4.4
2.1	12.9	-	6.6	7.5	-5.9	-4.7
24.8	3.9	-	13.7	8.7	1.6	-4.3
15.9	5.5	-	3.7	7.3	-3.9	-5.0
15.3	6.4	-	7.3	7.8	-2.5	-4.7
14.5	14.0	-	-0.6	3.6	-8.5	-6.5
8.8	10.7	-	1.1	6.3	1.0	-5.2
11.1	11.9	-	0.4	5.2	-2.6	-5.7
10.6	5.6	-	-4.8	-2.9	-3.2	-4.5
19.6	-1.0	-	3.5	2.8	-5.0	-3.8
16.4	0.8	-	0.7	0.9	-4.5	-4.0
14.1	7.8	-	7.8	6.5	-2.5	-4.7
15.5	4.7	-	3.3	6.3	-3.3	-4.7
14.9	6.1	-	5.4	6.4	-2.9	-4.7

3. Sales and Current Profits(Continued)

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

		FY2006		FY2007	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	6.76	-	6.70	0.05
	Nonmanufacturing	4.29	-	4.14	0.02
	All industries	5.29	-	5.19	0.03
Medium-sized Enterprises	Manufacturing	5.07	-	4.67	-0.11
	Nonmanufacturing	2.66	-	2.58	-0.02
	All industries	3.27	-	3.11	-0.04
Small Enterprises	Manufacturing	3.90	-	3.66	-0.14
	Nonmanufacturing	2.48	-	2.44	-0.03
	All industries	2.80	-	2.72	-0.05
All Enterprises	Manufacturing	6.01	-	5.89	0.00
	Nonmanufacturing	3.40	-	3.31	0.00
	All industries	4.26	-	4.17	0.00

(% , %points)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Changes		Changes	(Forecast)	Changes
6.83	6.69	-	7.11	0.47	6.32	-0.35
4.67	3.94	-	4.62	0.26	3.69	-0.21
5.55	5.06	-	5.64	0.34	4.76	-0.27
4.82	5.31	-	4.62	0.14	4.72	-0.34
2.33	2.95	-	2.25	0.12	2.88	-0.16
2.98	3.54	-	2.86	0.13	3.34	-0.20
3.78	4.01	-	3.50	-0.12	3.80	-0.17
2.13	2.81	-	2.19	0.06	2.68	-0.10
2.50	3.07	-	2.49	0.02	2.93	-0.12
6.00	6.03	-	6.12	0.32	5.66	-0.31
3.41	3.39	-	3.41	0.18	3.22	-0.17
4.27	4.26	-	4.32	0.23	4.03	-0.22

Net Income (Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	14.9	-	16.3	2.8
	Basic materials	16.3	-	-3.3	0.7
	Processing	13.9	-	30.7	4.1
	Nonmanufacturing	15.9	-	5.4	-2.1
	All industries	15.4	-	11.1	0.6
Medium-sized Enterprises	Manufacturing	20.0	-	1.0	-1.8
	Nonmanufacturing	16.2	-	24.9	-1.1
	All industries	17.8	-	14.5	-1.4
Small Enterprises	Manufacturing	12.8	-	6.9	-6.1
	Nonmanufacturing	12.0	-	3.6	-3.0
	All industries	12.3	-	4.6	-4.1
All Enterprises	Manufacturing	15.3	-	13.5	1.4
	Nonmanufacturing	15.1	-	7.9	-2.1
	All industries	15.2	-	10.6	-0.4

(Year-to-year % change)

1H FY2006	2H FY2006		1H FY2007		2H FY2007	
		Revision rate		Revision rate	(Forecast)	Revision rate
30.3	0.4	-	8.7	8.3	25.5	-2.3
23.8	8.2	-	-8.9	7.1	3.6	-5.4
35.6	-4.7	-	21.8	8.9	41.5	-0.6
13.5	18.9	-	2.9	2.0	8.4	-6.3
21.8	8.4	-	6.0	5.3	17.4	-4.1
17.0	22.7	-	2.6	4.8	-0.4	-7.0
13.9	18.0	-	18.6	11.6	29.8	-8.4
15.3	19.9	-	11.4	8.7	17.1	-7.9
29.1	-1.4	-	-10.7	-6.7	26.8	-5.7
51.9	-3.7	-	0.8	4.1	5.3	-6.8
42.0	-3.1	-	-3.8	-0.2	11.0	-6.5
28.7	2.7	-	6.1	6.4	22.1	-3.3
18.4	12.0	-	4.6	3.6	11.1	-6.8
23.4	7.6	-	5.3	5.0	16.1	-5.2

4. Fixed Investment etc.

Fixed Investment including Land Purchasing Expenses*

(Year-to-year % change)

(Year-to-year % change)

		FY2006		FY2007		1H FY2006	2H FY2006	1H FY2007		2H FY2007	
			Revision rate	(Forecast)	Revision rate				Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	11.7	-	10.8	-1.1	13.1	10.5	6.7	-9.7	14.3	7.1
	Nonmanufacturing	9.1	-	10.2	3.3	7.9	10.0	6.4	-4.5	13.3	10.0
	All industries	10.0	-	10.5	1.7	9.9	10.2	6.5	-6.5	13.7	9.0
Medium-sized Enterprises	Manufacturing	9.2	-	4.1	0.0	13.6	5.5	-2.6	-6.2	10.2	5.5
	Nonmanufacturing	6.2	-	3.3	-1.8	16.7	-1.9	-0.8	-6.2	7.1	2.2
	All industries	7.1	-	3.6	-1.2	15.7	0.3	-1.4	-6.2	8.1	3.3
Small Enterprises	Manufacturing	25.9	-	-7.6	6.9	16.2	35.2	-0.7	6.0	-13.3	7.9
	Nonmanufacturing	1.4	-	-2.9	6.6	9.4	-6.1	5.2	9.5	-11.8	3.0
	All industries	8.8	-	-4.6	6.7	11.5	6.2	3.3	8.4	-12.4	4.8
All Enterprises	Manufacturing	13.4	-	6.9	0.1	13.7	13.2	4.2	-7.1	9.2	7.0
	Nonmanufacturing	7.2	-	6.8	2.9	9.7	5.2	4.9	-2.4	8.5	7.8
	All industries	9.4	-	6.8	1.9	11.1	7.9	4.6	-4.1	8.7	7.5

* Excludes Software Investment

Software Investment

(Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.0	-	6.5	8.2
	Nonmanufacturing	4.4	-	-7.0	-2.0
	All industries	4.9	-	-2.7	1.3
Medium-sized Enterprises	Manufacturing	-1.1	-	6.7	13.2
	Nonmanufacturing	-1.8	-	7.5	1.8
	All industries	-1.7	-	7.4	3.0
Small Enterprises	Manufacturing	-0.3	-	9.3	2.2
	Nonmanufacturing	-2.7	-	9.6	4.4
	All industries	-2.2	-	9.5	3.9
All Enterprises	Manufacturing	5.1	-	6.6	8.2
	Nonmanufacturing	2.4	-	-2.6	-0.6
	All industries	3.1	-	-0.1	1.8

Software and Fixed Investment excluding Land

Purchasing Expenses

(Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	10.9	-	11.7	-0.9
	Nonmanufacturing	7.3	-	7.7	0.0
	All industries	8.6	-	9.2	-0.4
Medium-sized Enterprises	Manufacturing	12.9	-	4.9	-0.6
	Nonmanufacturing	0.1	-	6.5	-1.4
	All industries	3.9	-	6.0	-1.1
Small Enterprises	Manufacturing	26.7	-	-7.5	4.4
	Nonmanufacturing	0.6	-	0.4	4.6
	All industries	8.7	-	-2.4	4.6
All Enterprises	Manufacturing	13.2	-	7.9	-0.2
	Nonmanufacturing	5.0	-	6.4	0.4
	All industries	7.9	-	6.9	0.2

Land Purchasing Expenses

(Year-to-year % change)

		FY2006		FY2007	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	29.3	-	-28.9	23.2
	Nonmanufacturing	32.4	-	25.4	59.7
	All industries	31.7	-	14.5	54.1
Medium-sized Enterprises	Manufacturing	-46.3	-	-17.2	57.1
	Nonmanufacturing	70.1	-	-16.5	-2.3
	All industries	38.0	-	-16.6	1.8
Small Enterprises	Manufacturing	13.2	-	-5.0	36.3
	Nonmanufacturing	4.8	-	-18.7	21.1
	All industries	6.7	-	-15.3	24.9
All Enterprises	Manufacturing	6.2	-	-18.7	32.1
	Nonmanufacturing	29.7	-	3.5	34.4
	All industries	24.4	-	-0.8	34.0

Production Capacity

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

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

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	-	31.2	7.4
Banks	-4.0	-	22.0	1.9
Shinkin banks & Other financial institutions for small businesses	1.7	-	54.8	0.9
Securities companies	46.4	-	12.7	0.5
Insurance companies	13.1	-	50.3	23.2
Non-deposit money corporations	-20.5	-	10.8	10.0
(Memo) All industries including Financial institutions	9.2	-	7.3	2.0
Nonmanufacturing including Financial institutions	7.0	-	7.6	3.1

* Excludes Software Investment

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

Financial institutions	5.5	-	28.8	-1.1
Banks	-6.1	-	17.0	-3.5
Shinkin banks & Other financial institutions for small businesses	39.8	-	-8.3	-4.1
Securities companies	17.8	-	71.4	2.4
Insurance companies	19.8	-	44.2	1.1
Non-deposit money corporations	26.8	-	22.1	1.9
(Memo) All industries including Financial institutions	3.6	-	5.4	1.1
Nonmanufacturing including Financial institutions	3.1	-	5.1	-0.7

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

Financial institutions	-29.5	-	34.5	90.9
Banks	-31.5	-	-79.6	22.2
Shinkin banks & Other financial institutions for small businesses	-41.8	-	30.0	9.2
Securities companies	-	-	-95.4	0.0
Insurance companies	-13.7	-	342.5	134.7
Non-deposit money corporations	-96.7	-	-19.0	-
(Memo) All industries including Financial institutions	21.2	-	0.4	35.9
Nonmanufacturing including Financial institutions	25.2	-	4.8	36.6

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

Financial institutions	7.1	-	29.8	-0.3
Banks	-1.1	-	29.7	-1.0
Shinkin banks & Other financial institutions for small businesses	23.0	-	37.1	-1.0
Securities companies	25.6	-	51.6	1.9
Insurance companies	19.2	-	20.0	-2.6
Non-deposit money corporations	-2.1	-	16.2	5.8
(Memo) All industries including Financial institutions	7.8	-	7.7	0.1
Nonmanufacturing including Financial institutions	5.1	-	7.6	0.3

6. Employment

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

		Sept. 2007 Survey		Dec. 2007 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	-7	-8	-7	0	-7	0
	Nonmanufacturing	-17	-21	-20	-3	-22	-2
	All industries	-12	-14	-13	-1	-14	-1
Medium-sized Enterprises	Manufacturing	-8	-10	-8	0	-12	-4
	Nonmanufacturing	-14	-18	-13	1	-18	-5
	All industries	-11	-15	-11	0	-15	-4
Small Enterprises	Manufacturing	-3	-6	-3	0	-7	-4
	Nonmanufacturing	-9	-13	-11	-2	-12	-1
	All industries	-6	-11	-8	-2	-10	-2
All Enterprises	Manufacturing	-6	-8	-6	0	-7	-1
	Nonmanufacturing	-12	-16	-13	-1	-15	-2
	All industries	-9	-13	-10	-1	-12	-2

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

	end of Dec. 2006	end of March 2007	end of June 2007	end of Sept. 2007
Large Enterprises	1.8	0.8	1.4	1.8
Medium-sized Enterprises	3.9	4.7	5.0	4.9
Small Enterprises	0.9	1.4	1.4	1.9
All Enterprises	2.0	2.0	2.3	2.6
All Enterprises & Financial institutions	2.0	2.0	2.3	2.6
Financial institutions	1.0	0.9	1.4	1.8

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	15.0	-	12.4	0.7	3.7	-0.2
Medium-sized Enterprises	11.7	-	6.3	2.2	3.6	1.2
Small Enterprises	2.3	-	2.1	-4.5	7.0	0.6
All Enterprises	9.1	-	7.0	-0.9	4.9	0.4
All Enterprises & Financial institutions	9.6	-	8.4	-0.9	4.6	0.5
Financial institutions	16.7	-	27.5	-0.3	2.0	2.1

7. Corporate Finance

Financial Position (All industries)

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

	Sept. 2007 Survey		Dec. 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	21		20
Medium-sized Enterprises	9		8	-1
Small Enterprises	-1		-3	-2
All Enterprises	6		6	0

Lending Attitude of Financial institutions (All industries)

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

	Sept. 2007 Survey		Dec. 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	23		23
Medium-sized Enterprises	15		14	-1
Small Enterprises	8		7	-1
All Enterprises	13		13	0

Change in Interest Rate on Loans (All industries)

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

	Sept. 2007 Survey		Dec. 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Large Enterprises	30	41	14	-16	26
Medium-sized Enterprises	38	48	22	-16	35	13
Small Enterprises	38	49	26	-12	37	11
All Enterprises	36	47	22	-14	33	11

Condition for CP Issuance (All industries)

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

	Sept. 2007 Survey		Dec. 2007 Survey	
	Actual result	Forecast	Actual result	Changes
	Large Enterprises	4		5

Ratio of Liquidity (All industries)

(Months)

	end of Dec. 2006	end of March 2007	end of June 2007	end of Sept. 2007
Large Enterprises	0.82	0.87	0.78	0.77
Medium-sized Enterprises	1.04	1.04	0.98	0.97
Small Enterprises	1.70	1.73	1.70	1.69
All Enterprises	1.09	1.13	1.05	1.04

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. 2007 Survey		Dec. 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	50	46	42	-8	41
Shinkin banks & Other financial institutions for small businesses	35	38	38	3	35	-3
Securities companies	-30	23	-26	4	8	34
Insurance companies	45	47	32	-13	28	-4
Non-deposit money corporations	8	8	-13	-21	8	21
Financial institutions	31	37	24	-7	29	5

Production Capacity

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

	Sept. 2007 Survey		Dec. 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	0	2	-1	-1	-2
Shinkin banks & Other financial institutions for small businesses	-3	0	0	3	0	0
Securities companies	-26	-22	-41	-15	-33	8
Insurance companies	-13	-13	-15	-2	-17	-2
Non-deposit money corporations	8	8	21	13	8	-13
Financial institutions	-6	-5	-7	-1	-8	-1

Employment Conditions

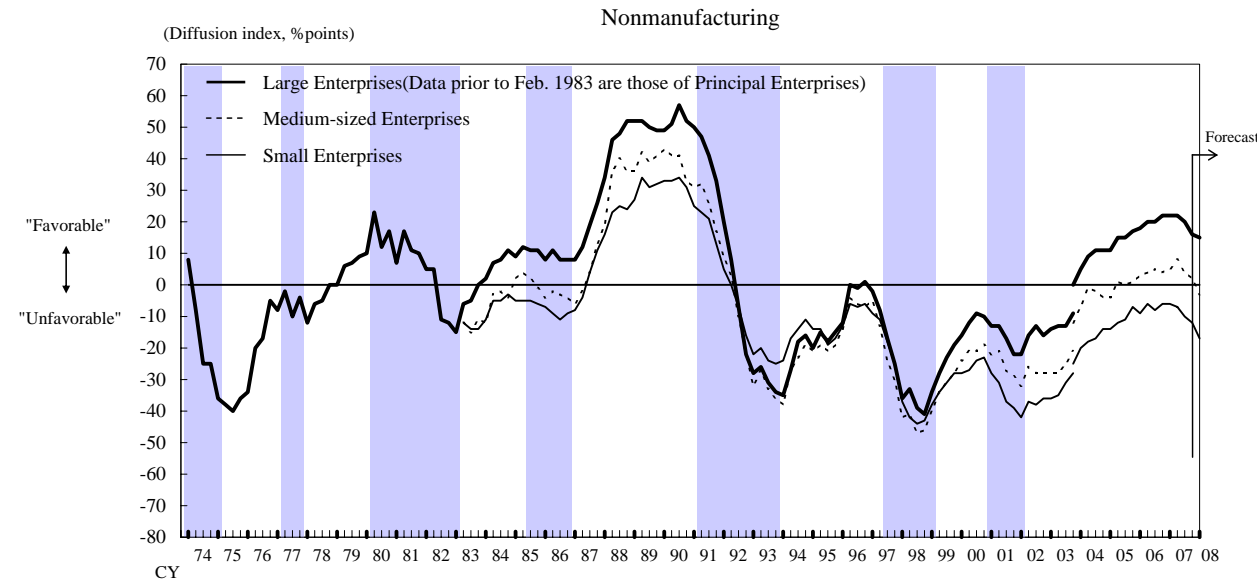
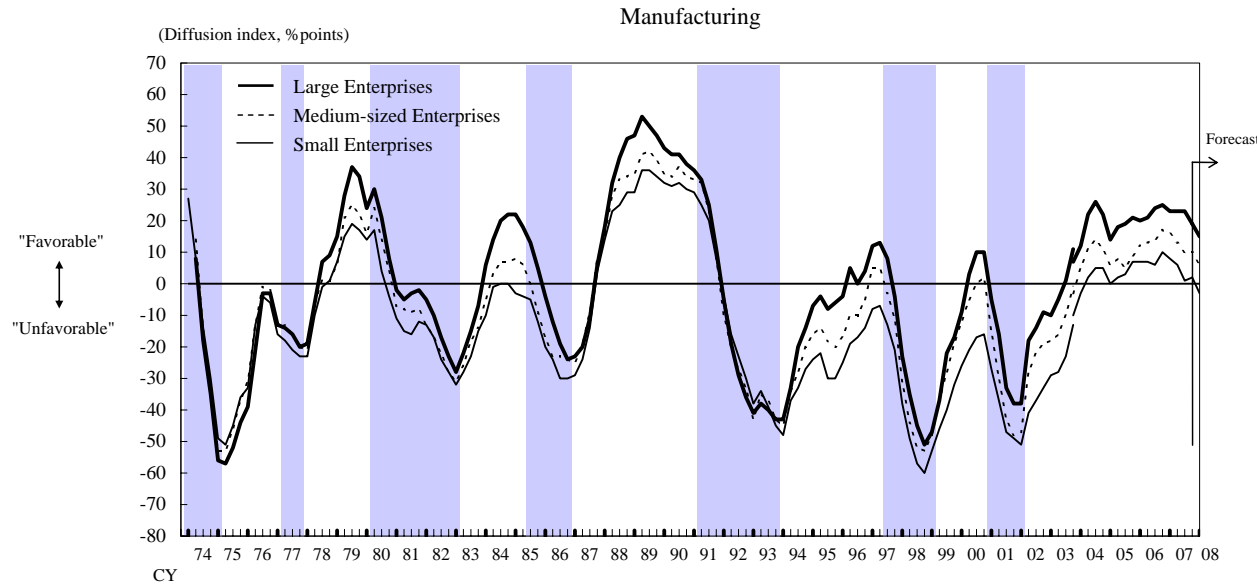
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

	Sept. 2007 Survey		Dec. 2007 Survey			
	Actual result	Forecast	Actual result	Changes	Forecast	Changes
	Banks	-18	-22	-24	-6	-25
Shinkin banks & Other financial institutions for small businesses	-6	-12	-12	-6	-15	-3
Securities companies	-37	-37	-34	3	-37	-3
Insurance companies	-45	-40	-47	-2	-36	11
Non-deposit money corporations	-13	5	9	22	0	-9
Financial institutions	-24	-24	-25	-1	-25	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)

	December 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	19	10	2
Forecast	15	6	-3

Peaks and Bottoms of Business Conditions (from May 1983)

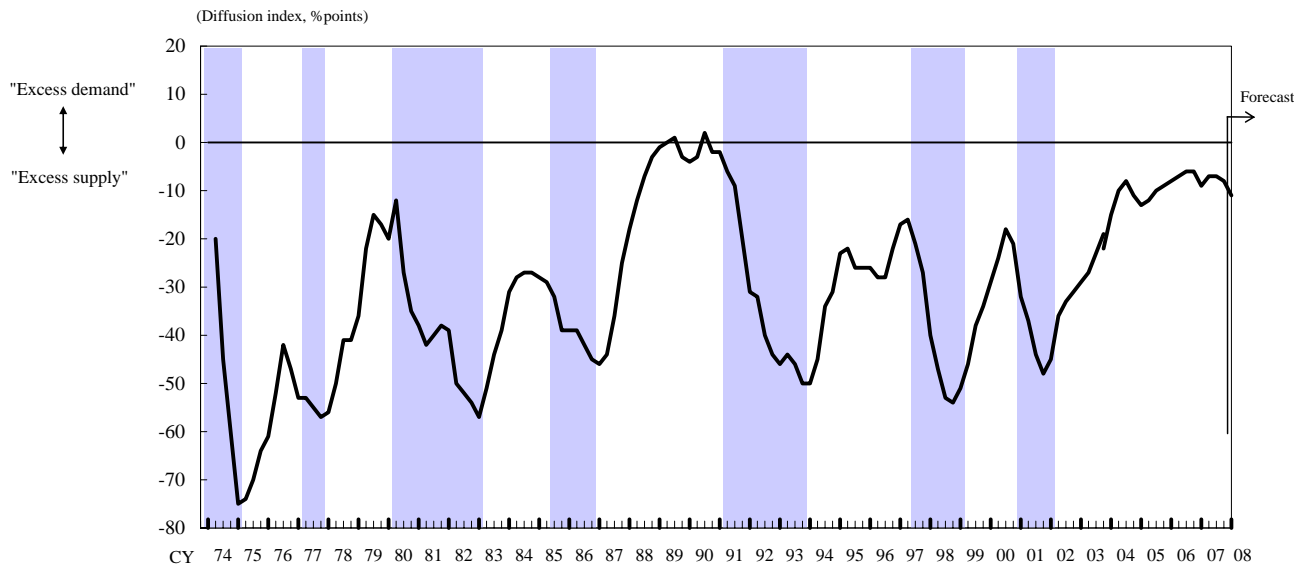
(Diffusion index of "Favorable" minus "Unfavorable", %points)

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)

	December 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	16	2	-12
Forecast	15	-3	-17

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

Domestic Supply and Demand Conditions for Products and Services



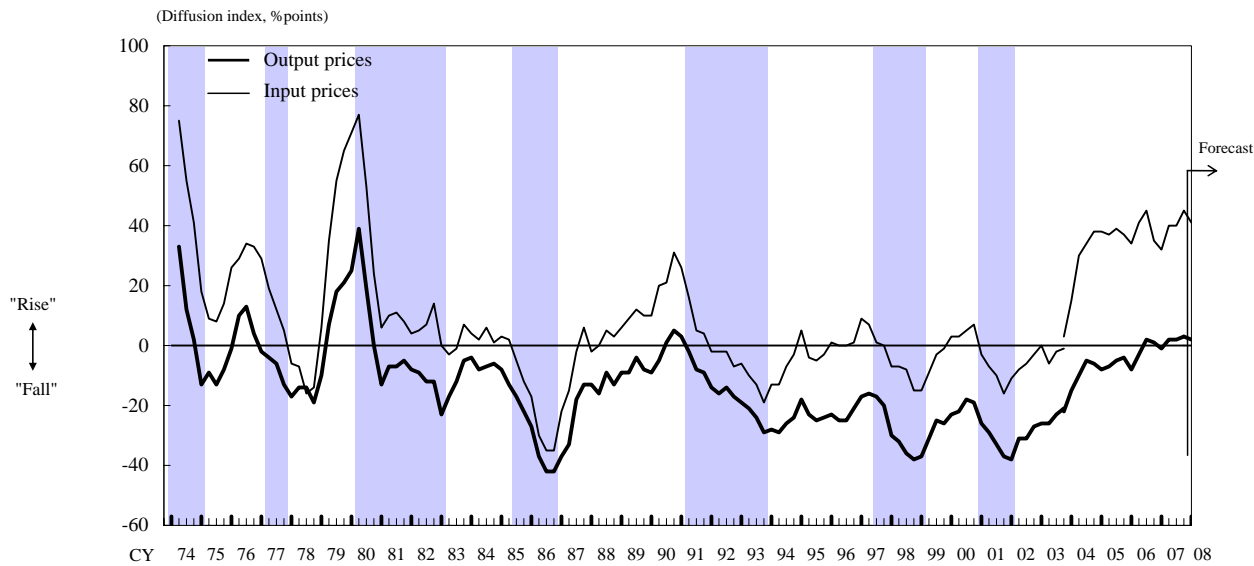
Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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 2007 survey	
Actual result	-8
Forecast	-11

Prices



Peaks and Bottoms of Prices (from May 1974)

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

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

December 2007 survey		
	Output Prices	Input Prices
Actual result	3	45
Forecast	2	41

[Ratio of Current Profit to Sales]

Manufacturing

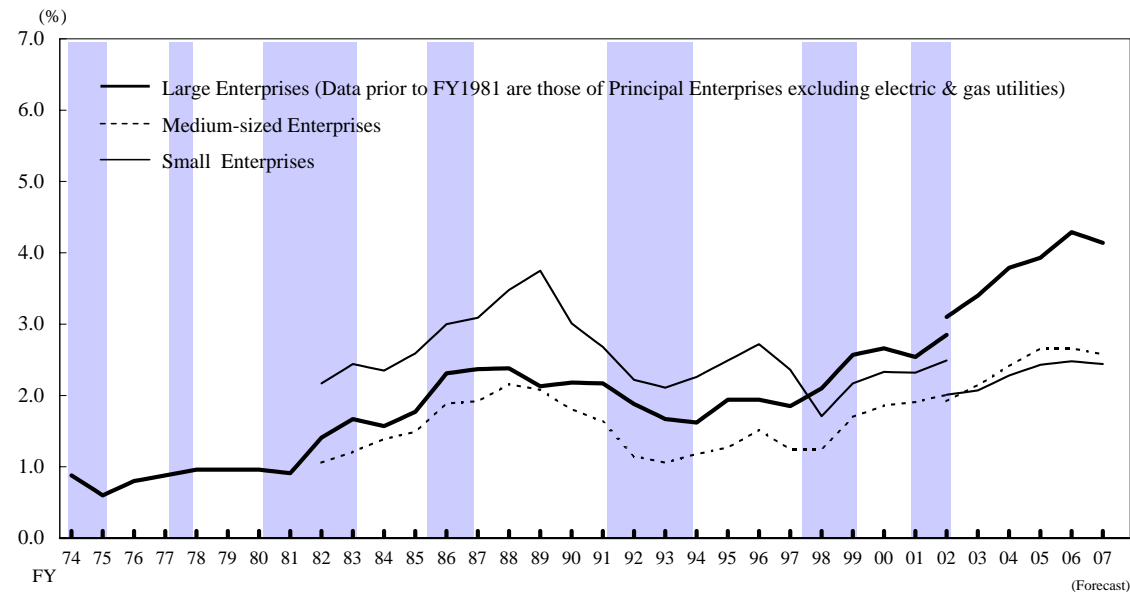


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974) (%)

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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2006	6.76	5.07	3.90
FY2007 (Forecast)	6.70	4.67	3.66

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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2006	4.29	2.66	2.48
FY2007 (Forecast)	4.14	2.58	2.44

[Developments of Fixed Investment including Land Purchasing Expenses]

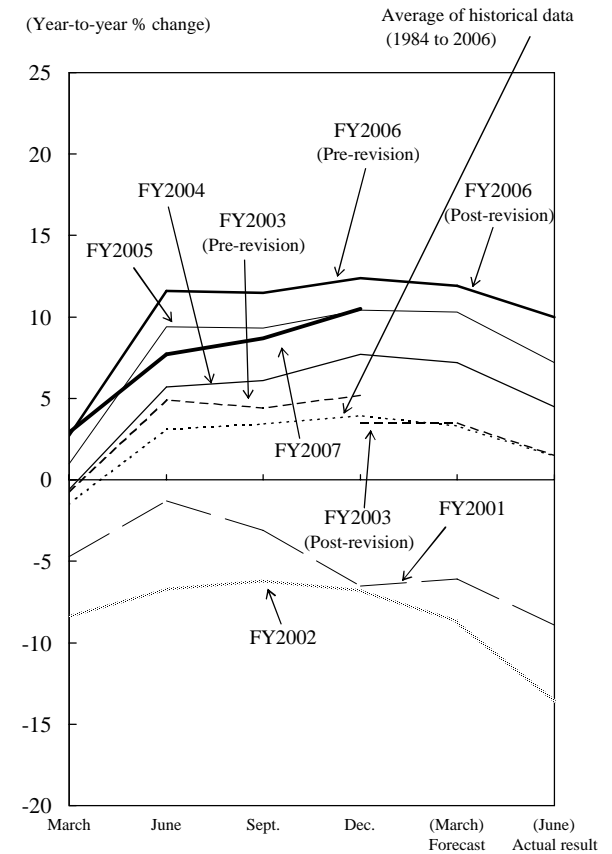
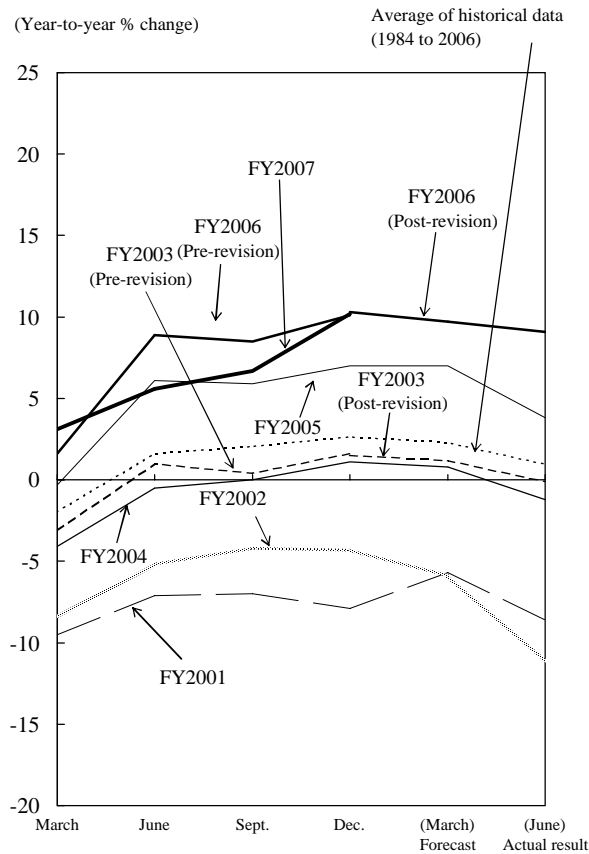
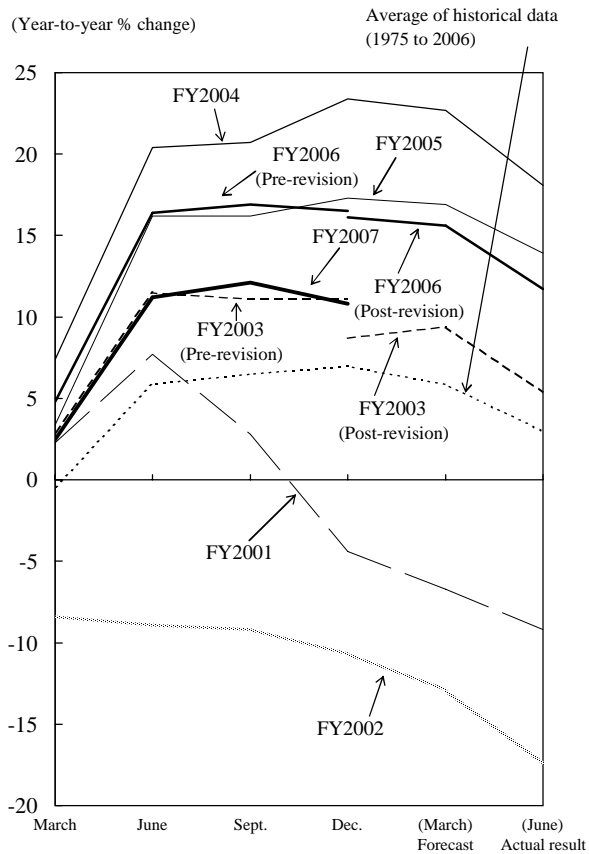
- Note:1. The graphs indicate the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is at the very left, and the last survey (June survey of the following year;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

Manufacturing

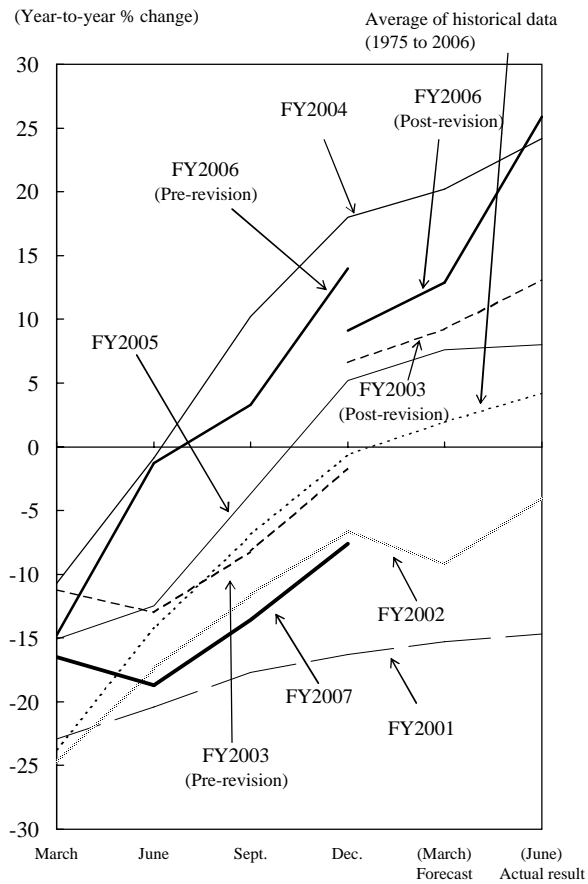
Nonmanufacturing

All industries

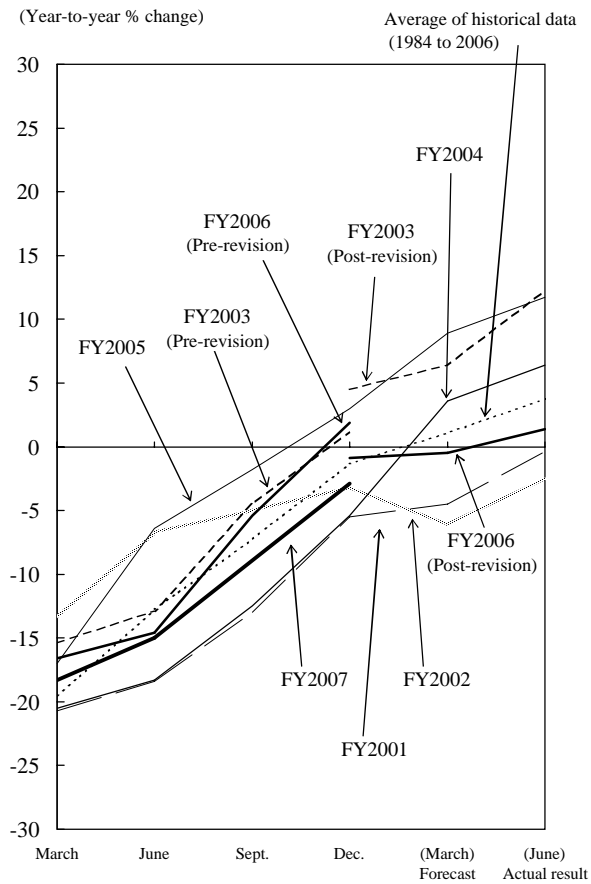


(2) Small Enterprises

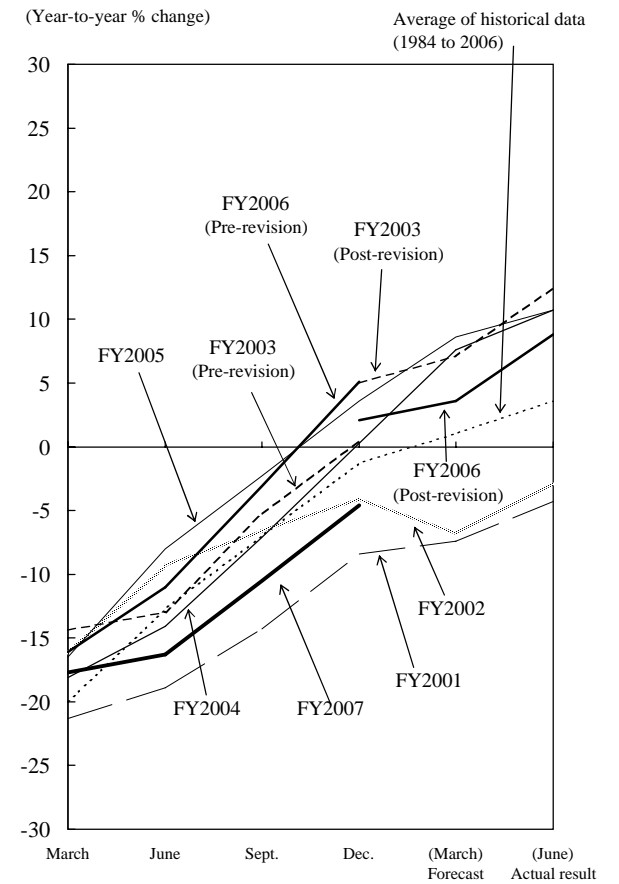
Manufacturing



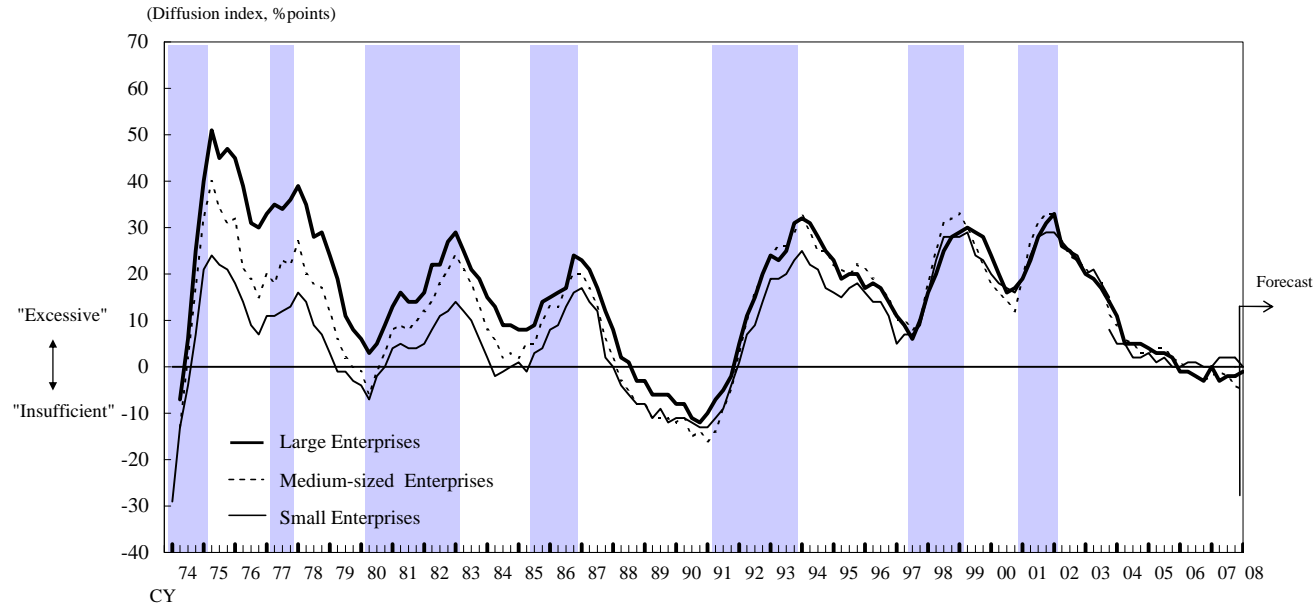
Nonmanufacturing



All industries



[Production Capacity (Manufacturing)]



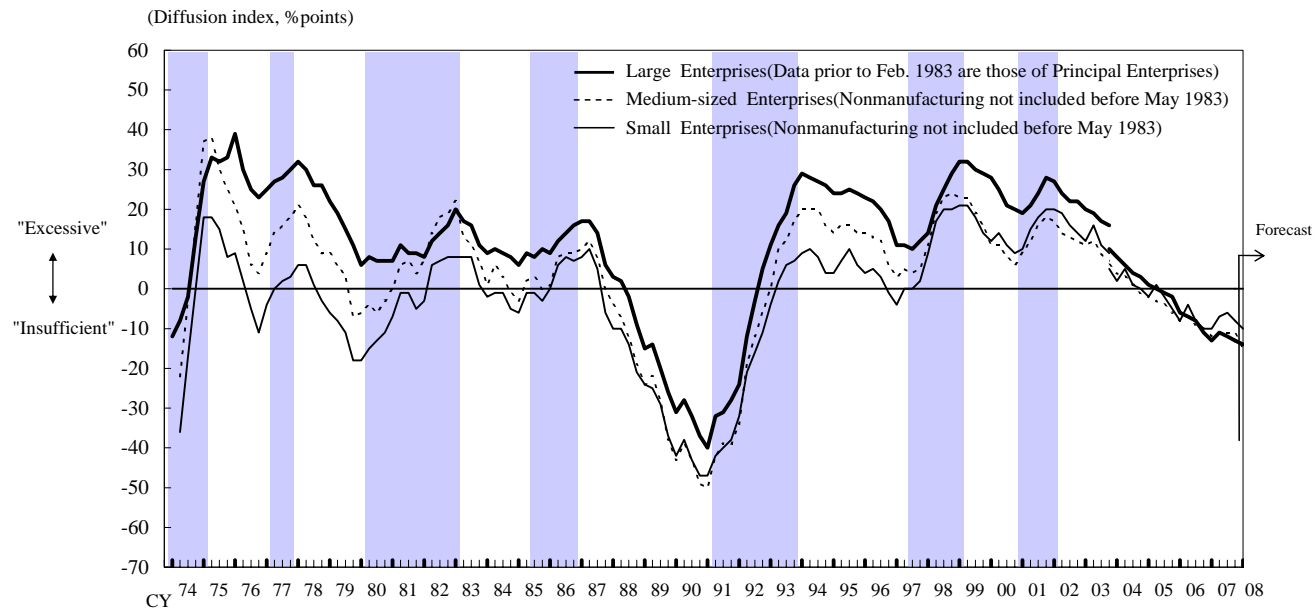
Peaks and Bottoms of Production Capacity (from May 1974)

(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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-2	-4	2
Forecast	-1	-5	0

[Employment Condition (All industries)]



Peaks and Bottoms of Employment Condition (from May 1983)

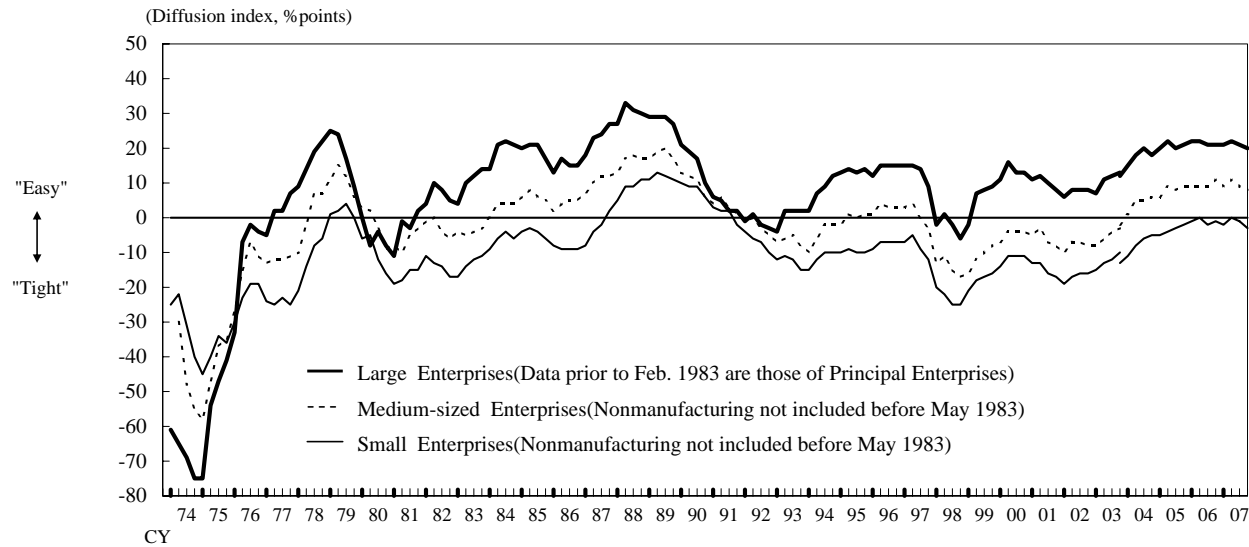
(Diffusion index of "Excessive employment" minus "Insufficient employment", %points)

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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-13	-11	-8
Forecast	-14	-15	-10

[Corporate Finance (All industries)]

Financial Position



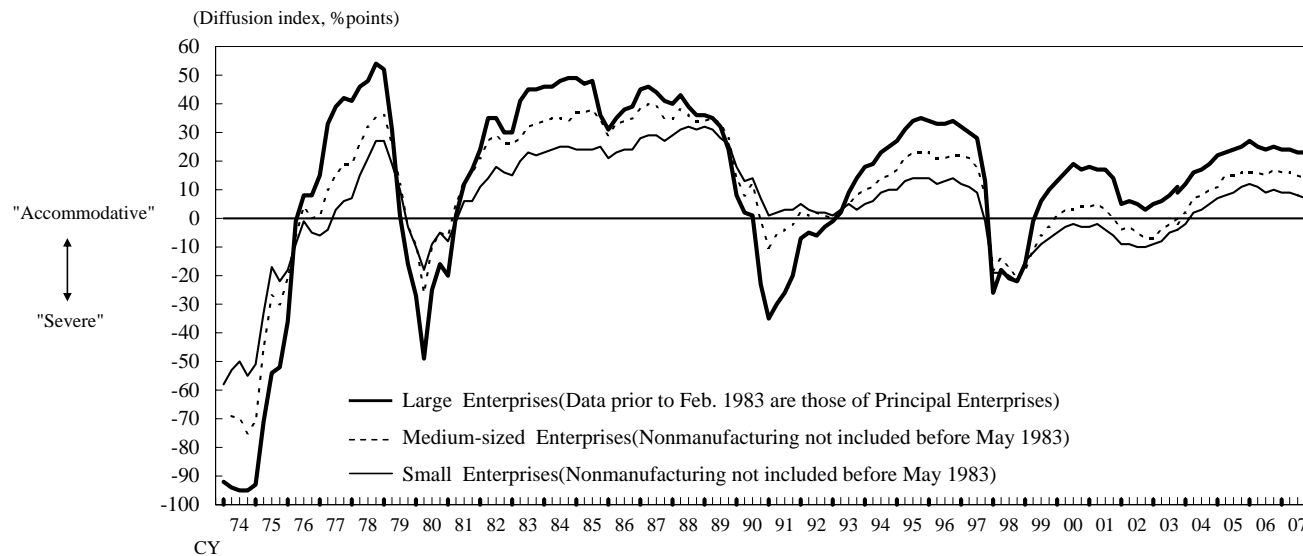
Peaks and Bottoms of Financial Position (from May 1983)

(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 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	20	8	-3

Lending Attitude of Financial institutions



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

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

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

	December 2007 survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	23	14	7