

[Attached Table]

Economic Model Simulation by RENGO-RIALS

(1) Outlook

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	
			Case A	Case B
Nominal GDP	0.5%	1.1%	2.3%	1.4%
Real GDP	1.7%	2.6%	2.2%	1.6%
Contribution of domestic demand	1.2%	2.4%	1.7%	1.0%
Contribution of external demand	0.5%	0.2%	0.4%	0.6%
Private final consumption	1.7%	2.1%	1.6%	0.6%
Private residential investment	1.7%	-1.7%	1.1%	-0.5%
Private non-residential investment	5.4%	7.2%	7.4%	6.3%
Private inventory investment (Contribution)	-0.3%	0.1%	-0.1%	-0.1%
Government final consumption	1.8%	1.6%	-0.3%	0.2%
Public fixed capital formation	-12.4%	-3.6%	-5.4%	-5.2%
Exports of goods and services	11.4%	7.4%	7.3%	7.3%
Imports of goods and services	8.7%	7.3%	5.4%	4.1%
GDP deflator	-1.2%	-1.5%	0.1%	-0.2%
Industrial production	4.1%	1.4%	3.3%	2.2%
Domestic corporate goods prices	-0.5%	2.0%	1.5%	1.3%
Consumer prices	-0.1%	0.0%	0.5%	0.2%
Labor force	-0.3%	0.3%	0.1%	0.1%
Employed persons	0.2%	0.6%	0.4%	0.2%
Unemployment rate (Fiscal year-end)	4.5%	4.4%	3.9%	4.1%
Ratio of active job openings (Fiscal year-end)	0.91	1.02	1.20	1.02
Nominal compensation of employees	-0.3%	1.5%	3.2%	0.8%
Total cash earnings (5 employees or more)	-0.3%	0.9%	2.7%	0.3%
Total hours actually worked (5 employees or more)	1,808	1,818	1,820	1,817
Labor's share (Nominal employee remuneration/Nominal GDP)	51.5%	51.7%	52.1%	51.4%
Current account (Trillion yen)	18.2	16.6	18.6	19.6
Ratio of current account to nominal GDP	3.7%	3.3%	3.6%	3.8%

(2) Assumptions for the outlook

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast
Nominal government final consumption	0.9%	1.4%	0.1%
Nominal public capital formation	-11.4%	-2.6%	-4.4%
Nominal 3-month interest rate	0.1%	0.1%	0.1%
Nominal exchange rate (¥/\$)	107.5	113.0	115.2
Real world economic growth rate (Calendar year)	5.3%	4.5%	4.4%
Crude oil price (\$/barrel)	45.1	60.8	63.3

Note 1. Concerning the assumption for the FY2006 wage revision, Case A assumes about 3% reflecting the periodical pay raise and increased labor productivity, while Case B assumes about 1% which is lower than the periodical pay raise.

Note 2. "Fiscal year-end" means the average for the period from January to March.

Note 3. The data of total cash pay and total actual work hours were taken from establishments employing 5 persons or more, not 30 persons or more in the previous standard.