

## **Analysis on a Relation Between Enterprise Profit and Financial State by Using Data Mining Techniques**

Takashi WASHIO, Yasuo SHINNOU, Katsutoshi YADA, Hiroshi MOTODA, and Takashi OKADA

The knowledge on the relation between a financial state of an enterprise and its future profit will efficiently and securely reduce the negative risk and increase the positive risk on the decision making needed in the management of the enterprise and the investment in stock markets. Generally speaking, the relation is considered to have a highly complicated structure containing the influences from various financial factors characterizing the enterprise. Recent development of data mining techniques has significantly extended the power to model such a complicated relation in accurate and tractable manners. In this study, we assessed the feasibility to model the relation in the framework of data mining, and analyzed the characteristics of the model.