

# TANKAN Summary (March 2000)

104th Short-Term Economic Survey of All Enterprises in Japan

171st Short-Term Economic Survey of Principal Enterprises in Japan

Not to be released before 8:50 a.m. on  
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April 3, 2000

Research and Statistics Department

Bank of Japan

Number of sample enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	3,879	5,326	9,205	95.3%
Large enterprises	775	652	1,427	97.1%
Medium-sized enterprises	1,110	1,802	2,912	95.7%
Small enterprises	1,994	2,872	4,866	94.5%
Principal Enterprises	381	312	693	100.0%
(Memo) Financial institutions	-	-	191	100.0%

Responding Period: February 25th to March 31st.

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

(yen per US dollar)

	FY1999			FY2000		
		1H	2H		1H	2H
Dec 1999 survey	112.37	116.94	107.93	-	-	-
Mar 2000 survey	111.96	116.85	107.15	104.36	104.61	104.11

## 1. Business Conditions

(Net percentage of respondents who reported "Favorable")

	Large enterprises							Medium-sized enterprises							Small enterprises						
	Dec 1999 survey			Mar 2000 survey				Dec 1999 survey			Mar 2000 survey				Dec 1999 survey			Mar 2000 survey			
	Actual result	Forecast	Actual result	Forecast		Changes		Actual result	Forecast	Actual result	Forecast		Changes		Actual result	Forecast	Actual result	Forecast		Changes	
				Changes in revision							Changes in revision							Changes in revision			
Manufacturing	-17	-9	-9	8	-5	4		-19	-19	-12	7	-12	0		-32	-30	-26	6	-24	2	
Textiles	-38	-25	-41	-3	-24	17		-51	-45	-43	8	-37	6		-62	-52	-53	9	-54	-1	
Lumber & wood products	22	0	11	-11	0	-11		-29	-21	-21	8	-38	-17		-28	-31	-40	-12	-36	4	
Pulp & paper	-25	-13	-13	12	-13	0		-9	-9	-7	2	-3	4		-21	-21	-18	3	-19	-1	
Chemicals	-5	-1	0	5	0	0		-4	-7	-4	0	0	4		-3	-3	3	6	1	-2	
Petroleum & coal products	-33	-33	-44	-11	-44	0		-64	-27	-50	14	-25	25		-20	-25	-14	6	-5	9	
Ceramics, stone & clay	-43	-26	-26	17	-22	4		-32	-37	-25	7	-18	7		-28	-28	-27	1	-33	-6	
Iron & steel	-48	-44	-45	3	-23	22		-45	-38	-37	8	-30	7		-57	-57	-48	9	-43	5	
Nonferrous metals	-28	-4	-14	14	-14	0		-22	-35	-12	10	-8	4		-30	-24	-16	14	-13	3	
Food & beverages	6	12	12	6	18	6		-3	-6	-6	-3	-4	2		-18	-13	-19	-1	-10	9	
Processed metals	-21	-11	-21	0	-10	11		-33	-19	-8	25	-15	-7		-36	-36	-30	6	-28	2	
Industrial machinery	-43	-26	-23	20	-9	14		-48	-42	-29	19	-17	12		-46	-37	-36	10	-23	13	
Electrical machinery	-1	8	10	11	15	5		5	3	15	10	9	-6		-13	-15	-4	9	-10	-6	
Shipbuilding & heavy machinery	-30	-40	-30	0	-30	0		-50	-75	-75	-25	-75	0		-62	-69	-44	18	-53	-9	
Motor vehicles	-17	-13	-2	15	-17	-15		-17	-20	-16	1	-28	-12		-24	-24	-9	15	-23	-14	
Precision machinery	-26	-15	-27	-1	-19	8		-16	-19	-13	3	-10	3		-23	-14	-22	1	1	23	
Basic materials	-23	-15	-17	6	-13	4		-29	-27	-22	7	-18	4		-36	-34	-32	4	-31	1	
Processing	-14	-7	-5	9	-2	3		-16	-16	-8	8	-10	-2		-29	-27	-22	7	-19	3	
Nonmanufacturing	-19	-16	-16	3	-11	5		-28	-24	-24	4	-17	7		-28	-27	-28	0	-26	2	
Construction	-27	-29	-28	-1	-31	-3		-25	-27	-25	0	-30	-5		-19	-27	-20	-1	-28	-8	
Real estate	9	17	0	-9	8	8		13	13	4	-9	11	7		-14	-15	-11	3	-8	3	
Wholesaling	-12	-4	-15	-3	0	15		-29	-22	-23	6	-15	8		-31	-25	-33	-2	-26	7	
Retailing	-27	-16	-19	8	-9	10		-37	-27	-29	8	-19	10		-45	-37	-42	3	-37	5	
Transportation	-29	-30	-28	1	-25	3		-36	-36	-41	-5	-37	4		-34	-33	-35	-1	-32	3	
Communications	16	17	25	9	25	0		20	30	40	20	40	0		36	36	44	8	44	0	
Electric & gas utilities	-6	0	12	18	18	6		0	10	20	20	10	-10		0	-4	4	4	0	-4	
Services	-9	-6	-4	5	6	10		-21	-23	-20	1	-14	6		-23	-21	-23	0	-19	4	
Leasing	-11	-22	-11	0	-11	0		-16	-21	-12	4	-19	-7		-30	-33	-26	4	-25	1	
All industries	-18	-13	-12	6	-7	5		-24	-22	-20	4	-15	5		-30	-27	-27	3	-25	2	

	All Enterprises					
Manufacturing	-26	-23	-18	8	-17	1
Nonmanufacturing	-27	-25	-26	1	-21	5
All industries	-26	-24	-23	3	-20	3

(Notes) 1. Response rate = The number of enterprises responding to the question of Business Conditions (or that of financial institutions responding to the question of Fixed Investments) / 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 revision of actual results = "Actual results of current survey" minus "Actual results of the previous survey".

Changes of forecast = "Forecast of current survey" minus "Actual results of current survey".

## 1. Business Conditions (Continued)

(Net percentage of respondents who reported "Favorable")

	Principal Enterprises					
	Dec 1999 survey		Mar 2000 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Manufacturing	-28	-18	-22	6	-14	8
Textiles	-62	-50	-59	3	-44	15
Pulp & paper	-27	-9	-27	0	-9	18
Chemicals	-13	-12	-9	4	-9	0
Petroleum refining	-44	-33	-56	-12	-44	12
Ceramics, stone & clay	-65	-24	-41	24	-18	23
Iron & steel	-46	-42	-46	0	-13	33
Nonferrous metals	-40	-15	-25	15	-15	10
Food & beverages	15	12	18	3	9	-9
Processed metals	-8	0	-8	0	0	8
Industrial machinery	-43	-31	-41	2	-21	20
Electrical machinery	-15	7	-2	13	3	5
Shipbuilding & heavy machinery	-50	-50	-50	0	-50	0
Motor vehicles	-14	-17	-10	4	-14	-4
Precision machinery	-30	-10	-30	0	-10	20
Basic materials	-37	-25	-31	6	-20	11
Processing	-19	-12	-13	6	-9	4
Nonmanufacturing	-19	-15	-17	2	-9	8
Construction	-37	-41	-41	-4	-41	0
Real estate	-3	9	0	3	9	9
Wholesaling	-22	-11	-25	-3	-3	22
Retailing	-40	-26	-25	15	-19	6
Transportation	-25	-24	-24	1	-24	0
Communications	0	0	11	11	11	0
Electric & gas utilities	0	0	0	0	0	0
Services	-5	-4	0	5	18	18
Leasing	-7	0	-7	0	0	7
All industries	-25	-17	-20	5	-12	8

<Memo> Percentage share of the number of respondents choosing each alternatives (Actual result)

(%, % points)

	Dec 1999 survey			Mar 2000 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises	Large enterprises	Medium-sized enterprises	Small enterprises
Manufacturing	-17	-19	-32	-9	-12	-26
1.Favorable	11	14	10	13	15	12
2.Not so favorable	61	53	48	65	58	50
3.Unfavorable	28	33	42	22	27	38
Nonmanufacturing	-19	-28	-28	-16	-24	-28
1.Favorable	8	9	8	9	9	8
2.Not so favorable	65	54	56	66	58	56
3.Unfavorable	27	37	36	25	33	36

(Note) Business Conditions DI = Percentage share of enterprises responding for "Favorable" minus "Unfavorable"

## 2. Supply and Demand Conditions for Products, Inventories, and Prices

(% points)

		Large enterprises					
		Dec 1999 survey		Mar 2000 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Supply and demand conditions for products:	Manufacturing	-34	-31	-29	5	-27	2
Diffusion index of "Excess demand" minus	Basic materials	-42	-38	-37	5	-33	4
"Excess supply"	Processing	-32	-29	-26	6	-24	2
Supply and demand conditions for products overseas:	Manufacturing	-17	-16	-15	2	-14	1
Diffusion index of "Excess demand" minus	Basic materials	-23	-20	-19	4	-20	-1
"Excess supply"	Processing	-14	-14	-12	2	-11	1

Inventory level of finished goods and merchandise:	Manufacturing	25	18	25	0	16	-9
Diffusion index of "Excessive or somewhat excessive"	Basic materials	28	20	28	0	18	-10
minus "Insufficient or somewhat insufficient"	Processing	25	17	23	-2	14	-9
Wholesalers' inventory level:	Manufacturing	29	25	24	-5	20	-4
Diffusion index of "Excessive or somewhat excessive"	Basic materials	34	30	32	-2	26	-6
minus "Insufficient or somewhat insufficient"	Processing	26	22	22	-4	17	-5

Change in output prices:	Manufacturing	-26	-23	-23	3	-25	-2
Diffusion index of "Rise" minus "Fall"	Basic materials	-8	-2	-5	3	-7	-2
	Processing	-33	-31	-29	4	-32	-3
Change in input prices:	Manufacturing	-1	2	3	4	2	-1
Diffusion index of "Rise" minus "Fall"	Basic materials	12	18	21	9	16	-5
	Processing	-6	-4	-4	2	-4	0

(% points)

		Small enterprises					
		Dec 1999 survey		Mar 2000 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Supply and demand conditions for products:	Manufacturing	-52	-50	-49	3	-47	2
Diffusion index of "Excess demand" minus	Basic materials	-62	-59	-59	3	-57	2
"Excess supply"	Processing	-46	-45	-43	3	-41	2
Supply and demand conditions for products overseas:	Manufacturing	-37	-36	-34	3	-33	1
Diffusion index of "Excess demand" minus	Basic materials	-47	-48	-45	2	-44	1
"Excess supply"	Processing	-30	-31	-27	3	-27	0

Inventory level of finished goods and merchandise:	Manufacturing	25	19	23	-2	17	-6
Diffusion index of "Excessive or somewhat excessive"	Basic materials	33	27	31	-2	24	-7
minus "Insufficient or somewhat insufficient"	Processing	19	14	18	-1	12	-6
Wholesalers' inventory level:	Manufacturing	40	36	36	-4	33	-3
Diffusion index of "Excessive or somewhat excessive"	Basic materials	50	46	47	-3	45	-2
minus "Insufficient or somewhat insufficient"	Processing	33	29	29	-4	25	-4

Change in output prices:	Manufacturing	-33	-32	-30	3	-31	-1
Diffusion index of "Rise" minus "Fall"	Basic materials	-30	-26	-26	4	-24	2
	Processing	-35	-36	-34	1	-35	-1
Change in input prices:	Manufacturing	-1	5	2	3	6	4
Diffusion index of "Rise" minus "Fall"	Basic materials	3	11	7	4	12	5
	Processing	-3	-1	-3	0	1	4

### 3. Sales and Current Profits

#### Sales

		FY1999		FY2000	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-0.6	-0.7	2.9	-
	Domestic Sales	0.1	-0.6	3.2	-
	Exports	-2.8	-1.1	1.7	-
	Nonmanufacturing	-5.7	-2.0	2.8	-
Medium-sized enterprises	Manufacturing	1.4	0.4	3.5	-
	Nonmanufacturing	-0.7	-2.3	2.5	-
Small enterprises	Manufacturing	-2.0	-0.2	2.3	-
	Nonmanufacturing	-3.1	-1.4	1.2	-
All Enterprises	All industries	-2.5	-1.6	2.5	-
Principal Enterprises	Manufacturing	-0.7	-0.5	2.7	-
	Nonmanufacturing	-5.0	-0.1	1.3	-

(Year-to-year growth rate, %)

1H FY1999	2H FY1999		1H FY2000		2H FY2000	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
-3.4	2.2	-0.8	2.8	-	2.9	-
-2.4	2.4	-0.7	3.4	-	3.0	-
-6.8	1.6	-1.4	0.8	-	2.6	-
-8.4	-3.1	-2.3	2.8	-	2.7	-
-0.5	3.1	-0.4	3.7	-	3.4	-
-2.6	1.3	-3.0	3.0	-	2.0	-
-3.9	-0.1	-0.4	2.6	-	2.0	-
-2.5	-3.6	-1.8	0.8	-	1.5	-
-4.5	-0.7	-2.0	2.6	-	2.4	-
-3.4	1.8	-0.8	2.8	-	2.7	-
-8.8	-1.2	-0.2	2.0	-	0.7	-

#### Current Profits

		FY1999		FY2000	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	11.1	-6.8	18.5	-
	Basic materials	15.7	-8.6	14.9	-
	Processing	8.9	-5.9	20.3	-
	Nonmanufacturing	6.9	0.7	5.8	-
Medium-sized enterprises	Manufacturing	22.9	0.1	21.7	-
	Nonmanufacturing	19.3	-3.4	22.9	-
Small enterprises	Manufacturing	56.8	-0.9	34.2	-
	Nonmanufacturing	14.3	1.0	11.5	-
All Enterprises	All industries	14.3	-2.1	15.7	-
Principal Enterprises	Manufacturing excluding petroleum refining	7.0	-2.9	19.1	-
	Nonmanufacturing excluding electric & gas utilities	5.9	0.1	2.6	-

(Year-to-year growth rate, %)

1H FY1999	2H FY1999		1H FY2000		2H FY2000	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
-12.2	39.9	-6.6	14.4	-	21.6	-
0.8	31.4	-7.4	15.0	-	14.8	-
-17.7	44.4	-6.2	14.2	-	24.9	-
13.1	1.9	1.8	1.6	-	9.7	-
2.5	37.7	-1.4	46.0	-	8.5	-
41.9	6.1	-7.2	20.1	-	25.0	-
105.9	37.6	-3.4	50.0	-	24.9	-
17.3	12.2	0.1	14.3	-	9.5	-
11.2	16.8	-2.9	14.9	-	16.3	-
-18.1	38.1	-4.0	13.4	-	23.4	-
14.7	-1.8	0.3	-7.9	-	13.4	-

#### Ratio of Current Profit to Sales

		FY1999		FY2000	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	3.43	-0.22	3.95	-
	Nonmanufacturing	2.38	0.07	2.45	-
Medium-sized enterprises	Manufacturing	3.36	-0.01	3.95	-
	Nonmanufacturing	1.51	-0.01	1.80	-
Small enterprises	Manufacturing	2.23	-0.02	2.93	-
	Nonmanufacturing	2.02	0.05	2.23	-
All Enterprises	All industries	2.31	-0.01	2.61	-
Principal Enterprises	Manufacturing excluding petroleum refining	3.27	-0.13	3.80	-
	Nonmanufacturing excluding electric & gas utilities	1.86	0.03	1.88	-

(%, % points)

1H FY1999	2H FY1999		1H FY2000		2H FY2000	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
3.13	3.71	-0.23	3.48	-	4.38	-
2.37	2.38	0.09	2.35	-	2.55	-
2.46	4.20	-0.04	3.46	-	4.41	-
1.37	1.63	-0.08	1.59	-	2.00	-
1.70	2.74	-0.08	2.48	-	3.35	-
1.75	2.27	0.04	1.99	-	2.45	-
2.10	2.51	-0.02	2.35	-	2.85	-
2.91	3.60	-0.15	3.23	-	4.32	-
2.00	1.73	0.02	1.80	-	1.95	-

(Note) Adjustment ratios are calculated as the percentage change of the figures between present and previous surveys.

## 4. Fixed Investments

Fixed Investments		(Year-to-year growth rate, %)			
		FY1999		FY2000	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-11.8	-1.0	4.9	-
	Nonmanufacturing	-11.2	-0.5	-3.8	-
	All industries	-11.4	-0.7	-0.6	-
Medium-sized enterprises	Manufacturing	-14.1	1.7	2.7	-
	Nonmanufacturing	-6.2	-2.3	0.2	-
	All industries	-7.1	-1.9	0.5	-
Small enterprises	Manufacturing	-23.7	2.3	-9.4	-
	Nonmanufacturing	-13.7	-0.5	-6.0	-
	All industries	-16.5	0.2	-6.8	-
All Enterprises	Manufacturing	-14.2	-0.1	2.3	-
	Nonmanufacturing	-9.4	-1.3	-2.3	-
	All industries	-10.7	-1.0	-1.1	-
Principal Enterprises	Manufacturing	-11.7	-1.3	2.1	-
	Nonmanufacturing	-4.3	-1.1	-3.2	-
	All industries	-6.8	-1.2	-1.5	-

Production Capacity (Manufacturing)		(Net percentage of respondents who reported "Excessive capacity")					
		Dec 1999 survey		Mar 2000 survey			
		Actual result	Forecast	Actual result	Forecast	Changes in revision	Changes
Large enterprises		28	25	24	-4	20	-4
Medium-sized enterprises		22	22	18	-4	17	-1
Small enterprises		23	20	20	-3	18	-2
All Enterprises		23	21	19	-4	18	-1
Principal Enterprises		31	27	27	-4	23	-4

## 5. Overseas Activities (special survey for June and December)

Overseas Production (Manufacturing)		(Year-to-year growth rate, %)			
		FY1999		FY2000	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Overseas production	-	-	-	-
	Share of overseas production	-	-	-	-
Principal Enterprises	Overseas production	-	-	-	-
	Share of overseas production	-	-	-	-

Overseas Investments (Manufacturing)		(Year-to-year growth rate, %)			
		FY1999		FY2000	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Overseas investments	-	-	-	-
	Share of overseas investments	-	-	-	-
Principal Enterprises	Overseas investments	-	-	-	-
	Share of overseas investments	-	-	-	-

## 6. Employment

Employment Conditions		(Net percentage of respondents who reported "Excessive employment")					
		Dec 1999 survey		Mar 2000 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	Manufacturing	36	31	34	-2	29	-5
	Nonmanufacturing	22	17	20	-2	16	-4
	All industries	29	25	28	-1	23	-5
Medium-sized enterprises	Manufacturing	26	23	21	-5	19	-2
	Nonmanufacturing	11	5	6	-5	4	-2
	All industries	16	12	11	-5	10	-1
Small enterprises	Manufacturing	20	19	18	-2	16	-2
	Nonmanufacturing	10	8	8	-2	9	1
	All industries	14	13	12	-2	12	0
All Enterprises	Manufacturing	25	23	22	-3	20	-2
	Nonmanufacturing	12	8	9	-3	8	-1
	All industries	18	14	14	-4	13	-1
Principal Enterprises	Manufacturing	40	35	37	-3	32	-5
	Nonmanufacturing	20	14	17	-3	13	-4
	All industries	31	26	28	-3	23	-5

Number of Employees (All industries)		(Year-to-year growth rate, %)			
		Mar 1999	June 1999	Sept 1999	Dec 1999
Large enterprises		-1.5	-1.4	-2.6	-2.2
Medium-sized enterprises		-1.4	-1.2	-1.1	0.2
Small enterprises		-2.9	-3.2	-2.8	-2.4
All Enterprises		-1.9	-1.8	-2.2	-1.5
Principal Enterprises		-2.2	-2.8	-3.2	-3.1

Hiring New Graduates \*(All industries)(special survey for December)

		(Year-to-year growth rate, %)		
		FY1998	FY1999	FY2000
Large enterprises		-	-	-
Medium-sized enterprises		-	-	-
Small enterprises		-	-	-
All Enterprises		-	-	-
Principal Enterprises		-	-	-

\*Percentage change of scheduled figures against the actual figures of the previous year.

(Notes) 1. In principle, overseas production and investments of affiliates are aggregated.

2. Partly includes yen conversion estimates in the case of foreign currency dominated transaction.

3. Percentages share of overseas production = Value of overseas production / (Value of sales + Value of overseas production) \* 100

Percentages share of overseas investments = Value of overseas investments / (Value of domestic investments + Value of overseas investments) \* 100

4. The figures include respondents with no overseas affiliates.

## 7. Corporate Finance

Financial Position (All industries) (Diffusion index of "Easy" minus "Tight", % points)

	Dec 1999 survey		Mar 2000 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	9	4	11	2	6	-5
Medium-sized enterprises	-8	-14	-7	1	-13	-6
Small enterprises	-16	-23	-14	2	-21	-7
All Enterprises	-9	-16	-8	1	-14	-6
Principal Enterprises	6	1	6	0	3	-3

Lending Attitude of Financial Institutions(All industries)

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

	Dec 1999 survey		Mar 2000 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	10	6	13	3	9	-4
Medium-sized enterprises	-3	-7	1	4	-4	-5
Small enterprises	-7	-12	-5	2	-10	-5
All Enterprises	-3	-7	0	3	-5	-5
Principal Enterprises	4	-1	5	1	2	-3

Change in Interest Rate on Loan (All industries) (Diffusion index of "Rise" minus "Fall", % points)

	Dec 1999 survey		Mar 2000 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	10	18	2	-8	18	16
Medium-sized enterprises	7	17	3	-4	15	12
Small enterprises	5	14	2	-3	13	11
All Enterprises	6	15	2	-4	14	12
Principal Enterprises	15	18	1	-14	18	17

Liquidity Ratio (All industries) (months)

	Mar 1999	June 1999	Sept 1999	Dec 1999
Large enterprises	1.47	1.42	1.47	1.48
Medium-sized enterprises	1.33	1.26	1.28	1.34
Small enterprises	1.77	1.79	1.80	1.87
All Enterprises	1.49	1.45	1.48	1.52
Principal Enterprises	1.46	1.41	1.45	1.45
(Seasonally adjusted)	1.42	1.43	1.45	1.47

Liquidity Ratio  
 = 
$$\frac{\text{Quarter-end balance of cash, deposits, and short-term investment in securities}}{\text{Monthly average sales during the fiscal year which covers the related quarter}}$$

## Appendix: Fixed Investments of Financial Institutions

Fixed Investments (Year-to-year growth rate, %)

		FY1999		FY2000	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Financial institutions	< 191 >	-18.1	-13.0	34.0	-
	Banks < 142 >	-24.5	-10.1	38.5	-
	Securities companies < 24 >	16.9	9.7	-0.7	-
	Insurance companies < 25 >	-13.3	-17.4	33.0	-

Investments for Computerizing (special survey for June and December)

(Year-to-year growth rate, %)

		FY1999		FY2000	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Financial institutions	< - >	-	-	-	-
	Banks < - >	-	-	-	-
	Securities companies < - >	-	-	-	-
	Insurance companies < - >	-	-	-	-

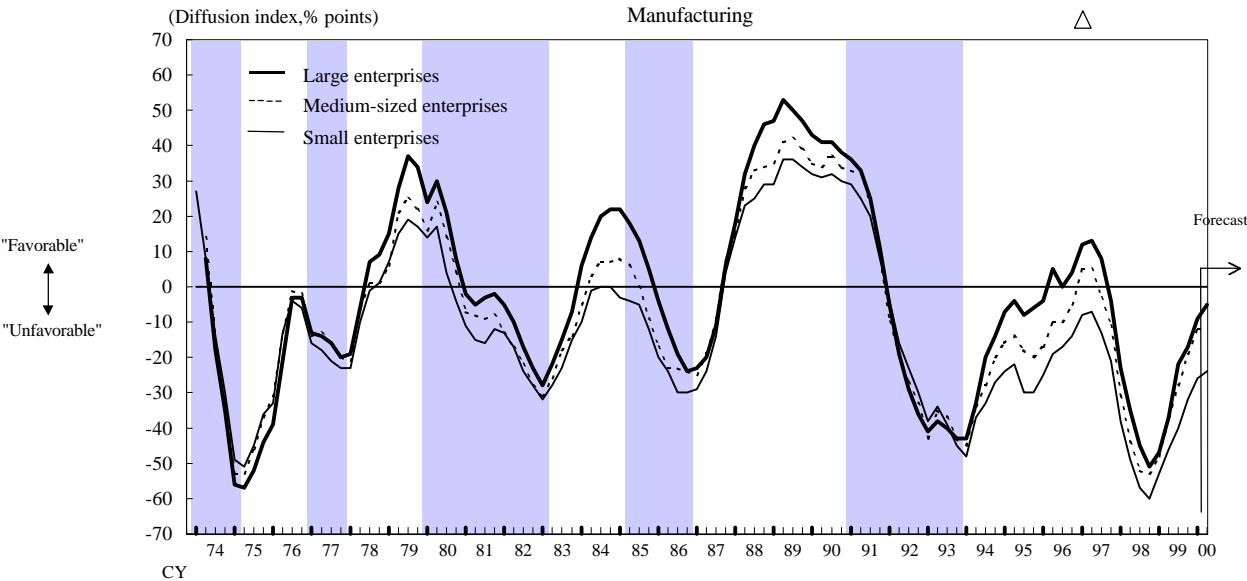
(Note) Figures in parentheses are the number of respective financial institutions.

Reference Charts

[Business Conditions]

Note: Shaded areas indicate periods of recession (according to the Economic Planning Agency), unless otherwise noted.

△ on right top of chart shows the recent peak, March 1997.

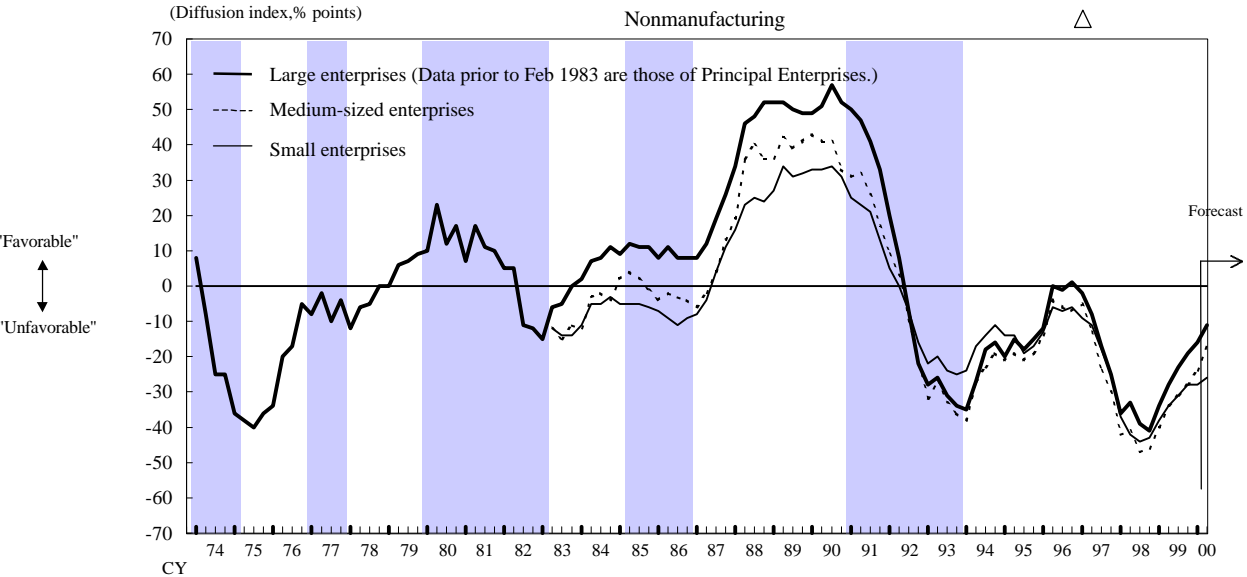


Peaks and Bottoms of Business Conditions

(Net percentage of respondents who reported "Favorable")

Manufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-57 (5/75)		-53 (2,5/75)		-51 (5/75)
-3 (8,11/76)	-20 (11/77)	-1 (8/76)	-21 (2/78)	-4 (8/76)	-23 (11/77,2/78)
37 (8/79)	-28 (2/83)	25 (8/79)	-31 (2/83)	19 (8/79)	-32 (2/83)
22 (11/84,2/85)	-24 (11/86)	8 (2/85)	-25 (2/87)	0 (8,11/84)	-30 (8,11/86)
53 (5/89)	-43 (11/93,2/94)	42 (8/89)	-45 (2/94)	36 (5,8/89)	-48 (2/94)

	March 2000 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-9	-12	-26
Forecast	-5	-12	-24

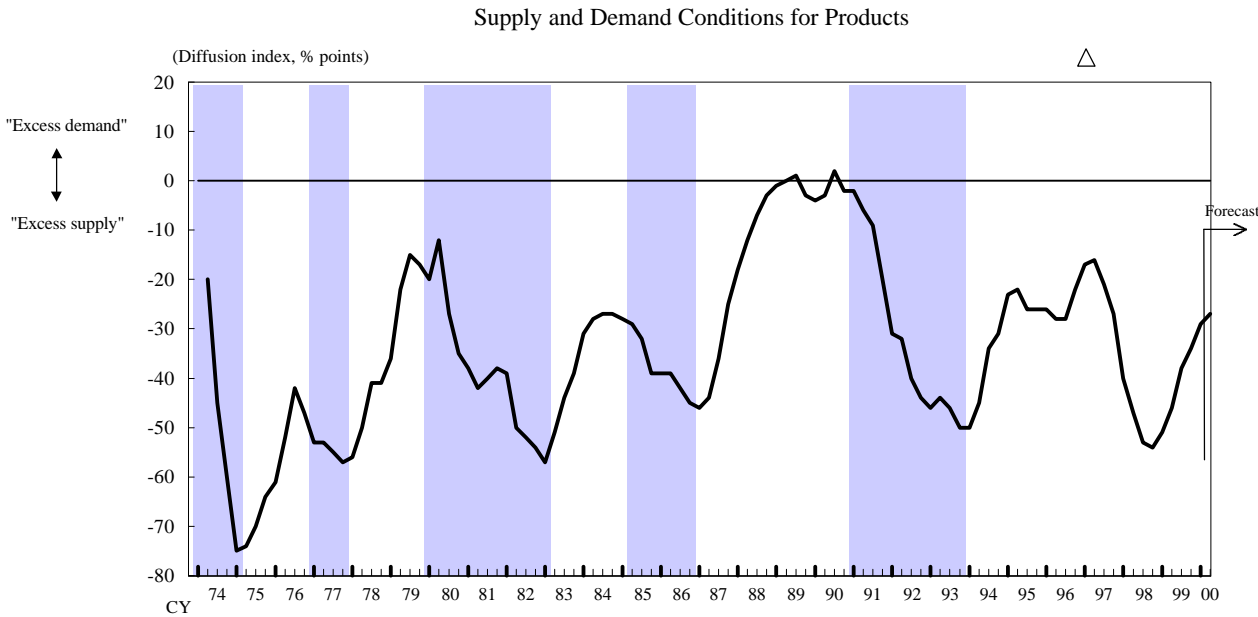


(Net percentage of respondents who reported "Favorable")

Nonmanufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (5/83)		-15 (8/83)		-14 (8,11/83)
12 (5/85)	8 (2,8,11/86,2/87)	4 (5/85)	-6 (2/87)	-3 (11/84)	-11 (8/86)
57 (8/90)	-35 (2/94)	43 (2/90)	-38 (2/94)	34 (5/89,8/90)	-25 (11/93)

	March 2000 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-16	-24	-28
Forecast	-11	-17	-26

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



Peaks and Bottoms of Supply and Demand Conditions for Products  
(Diffusion index of "Excess demand" minus "Excess supply", % points)

Large manufacturing enterprises	
Peak	Bottom
	-75 (2/75)
-42 (8/76)	-57 (11/77)
-12 (5/80)	-57 (2/83)
-27 (8,11/84)	-46 (2/87)
2 (8/90)	-50 (11/93,2/94)

March 2000 survey	
Actual result	-29
Forecast	-27



Peaks and Bottoms of Prices  
(Diffusion index of "Rise" minus "Fall", % points)

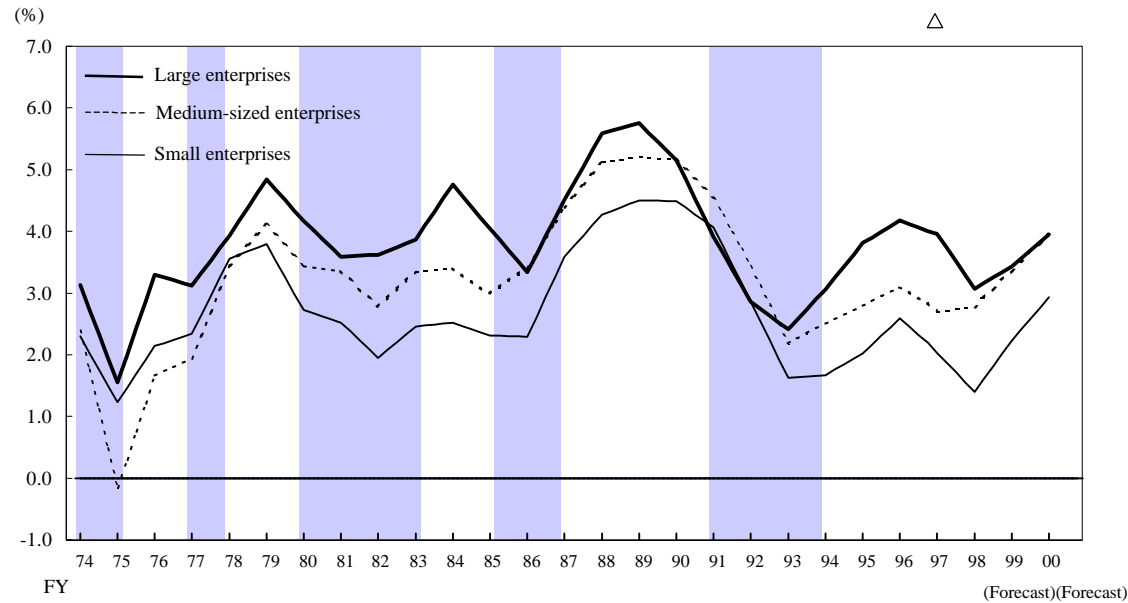
Large manufacturing enterprises			
Output prices		Input prices	
Peak	Bottom	Peak	Bottom
	-13 (2,8/75)		8 (8/75)
13 (8/76)	-19 (11/78)	34 (8/76)	-16 (8/78)
39 (5/80)	-23 (2/83)	77 (5/80)	4 (2/82)
-4 (2/84)	-42 (8,11/86)	14 (11/82)	-35 (8,11/86)
5 (11/90)	-29 (11/93,5/94)	31 (11/90)	-19 (11/93)

March 2000 survey		
	Output prices	Input prices
Actual result	-23	3
Forecast	-25	2

## [Ratio of Current Profit to Sales]

### Manufacturing

Note: There is no continuity between the figures before FY1997 and those after FY1998, as the calculation method of the All Enterprises TANKAN was changed from simple aggregates to population estimates from the March 1999 survey.

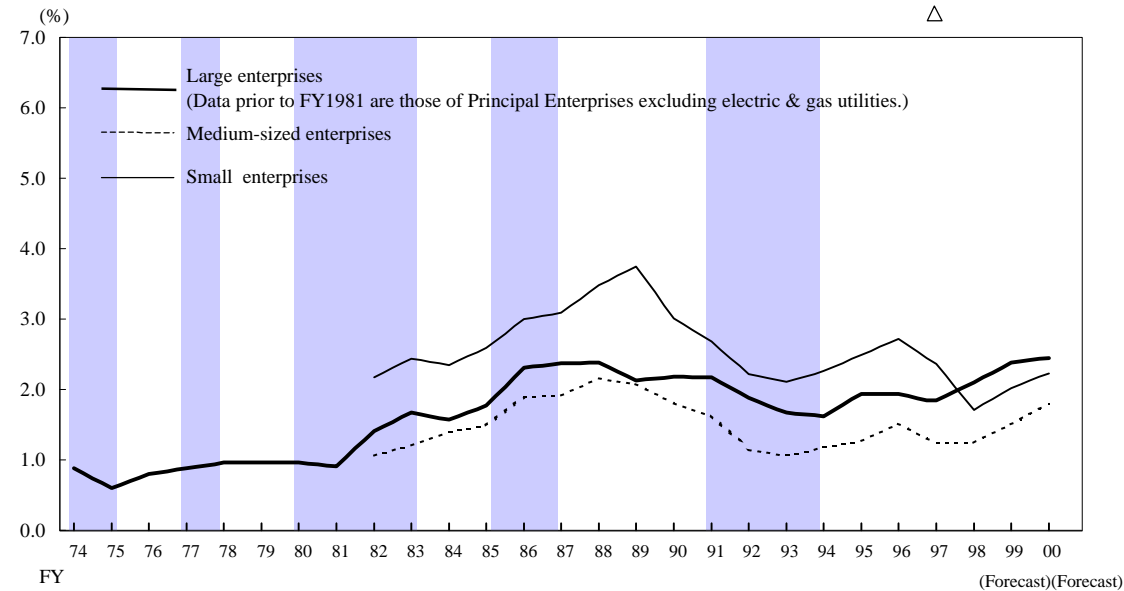


### Peaks and Bottoms of Ratio of Current Profit to Sales

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)

	March 2000 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 1999 (Forecast)	3.43	3.36	2.23
FY 2000 (Forecast)	3.95	3.95	2.93

### Nonmanufacturing

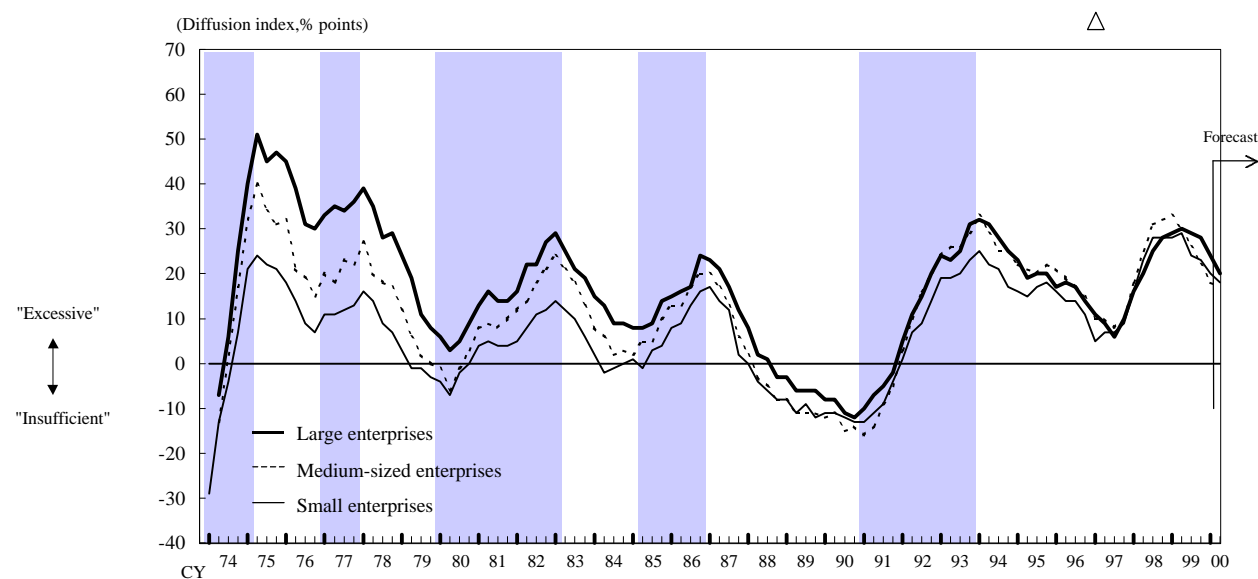


Nonmanufacturing (%)					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	1.41 (FY82)		1.06 (FY82)		2.17 (FY82)
1.67 (FY83)	1.57 (FY84)	2.16 (FY88)	1.06 (FY93)	2.44 (FY83)	2.35 (FY84)
2.38 (FY88)	1.62 (FY94)			3.75 (FY89)	2.11 (FY93)

	March 2000 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 1999 (Forecast)	2.38	1.51	2.02
FY 2000 (Forecast)	2.45	1.80	2.23



## [Production Capacity (Manufacturing)]



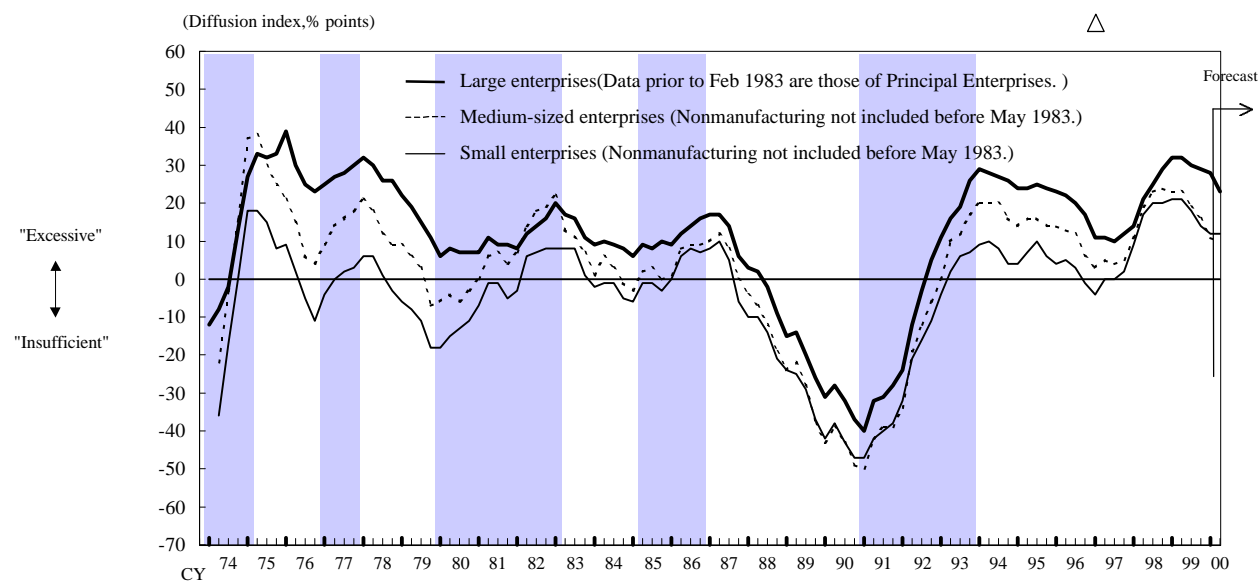
### Peaks and Bottoms of Production Capacity

(Net percentage of respondents who reported "Excessive capacity")

Manufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
51 (5/75)	30 (11/76)	40 (5/75)	15 (11/76)	24 (5/75)	7 (11/76)
39 (2/78)	3 (5/80)	27 (2/78)	-6 (5/80)	16 (2/78)	-7 (5/80)
29 (2/83)	8 (2,5/85)	24 (2/83)	2 (8/84,2/85)	14 (2/83)	-2 (5/84)
24 (11/86)	-12 (11/90)	20 (11/86,2/87)	-16 (2/91)	17 (2/87)	-13 (11/90,2/91)
32 (2/94)		33 (2/94)		25 (2/94)	

	March 2000 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	24	18	20
Forecast	20	17	18

## [Employment Conditions (All industries)]



### Peaks and Bottoms of Employment Conditions

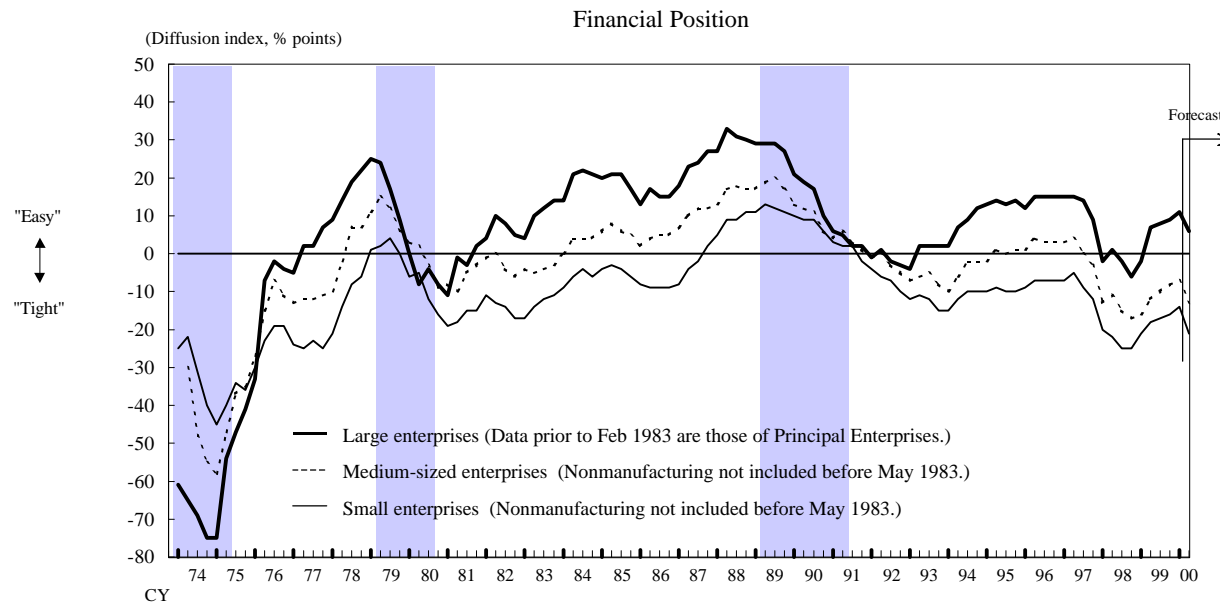
(Net percentage of respondents who reported "Excessive employment")

All industries					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
17 (5/83)	6 (2/85)	13 (5/83)	-3 (2/85)	8 (5,8/83)	-6 (2/85)
17 (2,5/87)	-40 (2/91)	12 (5/87)	-50 (2/91)	10 (5/87)	-47 (11/90,2/91)
29 (2/94)		20 (2,5,8/94)		10 (5/94,8/95)	

	March 2000 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	28	11	12
Forecast	23	10	12

[Corporate Finance (All industries)]

Note: Shaded areas indicate periods in which the official discount rate had been raised.

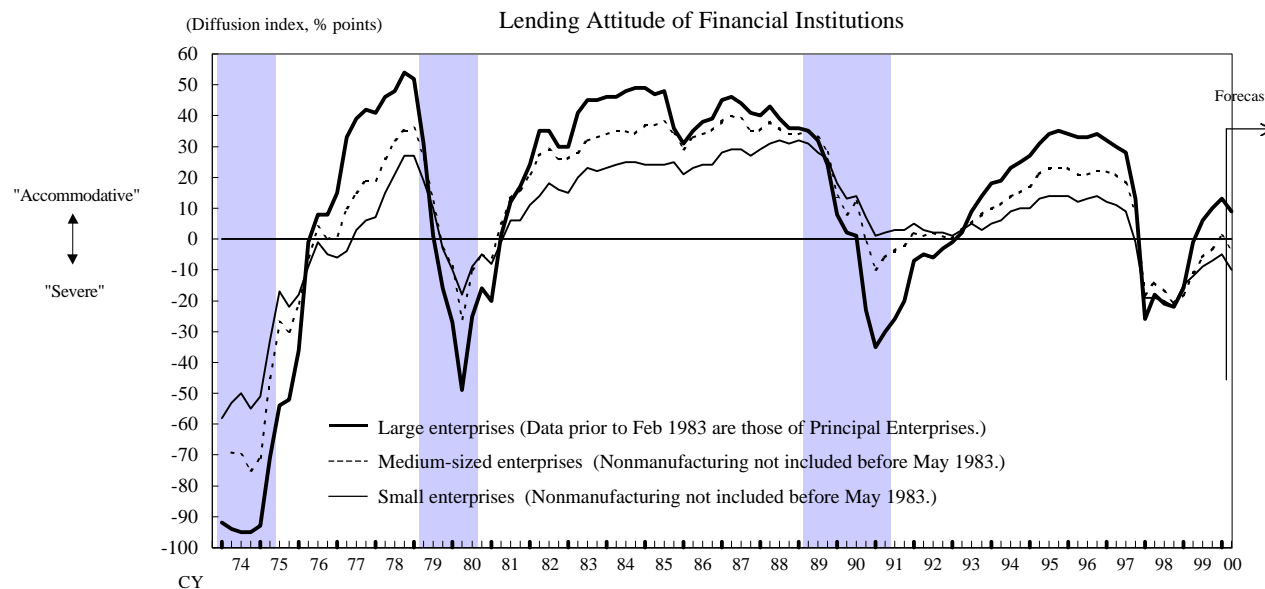


**Peaks and Bottoms of Financial Position**

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

All industries					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
22 (8/84)	13 (2/86)	8 (5/85)	2 (2/86)	-3 (5/85)	-9 (5,8,11/86)
33 (5/88)	-4 (2/93)	20 (8/89)	-10 (2/94)	13 (5/89)	-15 (11/93,2/95)

	March 2000 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	11	-7	-14
Forecast	6	-13	-21



**Peaks and Bottoms of Lending Attitude of Financial Institutions**

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

All industries					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
49 (11/84,2/85)	31 (2/86)	38 (8/85)	29 (2/86)	25 (8,11/84,11/85)	21 (2/86)
46 (5/87)	-35 (2/91)	40 (5/87)	-10 (2/91)	32 (8/88,2/89)	1 (2/91,2/93)

	March 2000 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	13	1	-5
Forecast	9	-4	-10