

TANKAN Summary (March 1999)

100th Short-Term Economic Survey of All Enterprises in Japan

167th Short-Term Economic Survey of Principal Enterprises in Japan

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5th April 1999

Research and Statistics Department
Bank of Japan

Number of sample enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	3,923	5,510	9,433	93.9%
Large enterprises	781	655	1,436	96.2%
Medium-sized enterprises	1,116	1,860	2,976	94.6%
Small enterprises	2,026	2,995	5,021	92.9%
Principal Enterprises	383	311	694	100.0%
(Memo) Financial institutions	-	-	194	100.0%

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

	FY1998			FY1999		
		1H	2H		1H	2H
Dec 1998 survey	129.07	134.53	123.47	-	-	-
Mar 1999 survey	128.16	134.52	121.44	116.12	116.23	116.01

*All figures are based on a revision of sample enterprises of All Enterprises Tankan in March 1999.

Changes in revision of actual result are calculated as differences between actual results of last survey and actual results of current survey.

Changes of forecast are calculated as differences between the forecast and actual results of current survey.

(Net percentage of respondents who reported "Favorable")

	Large enterprises						Medium-sized enterprises						Small enterprises					
	Dec 1998 survey		Mar 1999 survey				Dec 1998 survey		Mar 1999 survey				Dec 1998 survey		Mar 1999 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Manufacturing	-49	-43	-47	2	-38	9	-52	-49	-48	4	-40	8	-56	-58	-53	3	-49	4
Textiles	-70	-50	-64	6	-50	14	-83	-67	-78	5	-59	19	-75	-77	-71	4	-69	2
Lumber & wood products	-89	-89	-89	0	-44	45	-87	-57	-63	24	-34	29	-70	-64	-56	14	-39	17
Pulp & paper	-81	-69	-75	6	-63	12	-50	-53	-42	8	-33	9	-39	-48	-40	-1	-37	3
Chemicals	-39	-32	-33	6	-25	8	-38	-39	-32	6	-18	14	-41	-39	-39	2	-20	19
Petroleum & coal products	-70	-60	-40	30	-30	10	-73	-73	-67	6	-67	0	-47	-53	-48	-1	-42	6
Ceramics, stone & clay	-78	-70	-74	4	-61	13	-61	-63	-60	1	-47	13	-65	-61	-61	4	-51	10
Iron & steel	-85	-77	-85	0	-81	4	-69	-63	-67	2	-70	-3	-80	-75	-78	2	-82	-4
Nonferrous metals	-65	-35	-70	-5	-45	25	-64	-64	-44	20	-48	-4	-70	-71	-55	15	-49	6
Food & beverages	-18	-5	-11	7	4	15	-27	-19	-18	9	-13	5	-28	-27	-25	3	-21	4
Processed metals	-52	-52	-57	-5	-39	18	-61	-50	-59	2	-47	12	-69	-65	-63	6	-55	8
Industrial machinery	-51	-46	-56	-5	-45	11	-62	-66	-71	-9	-63	8	-63	-73	-64	-1	-63	1
Electrical machinery	-48	-42	-49	-1	-36	13	-44	-49	-36	8	-29	7	-53	-56	-42	11	-42	0
Shipbuilding & heavy machinery	-30	-40	-30	0	-10	20	-17	-25	-34	-17	-50	-16	-52	-64	-62	-10	-70	-8
Motor vehicles	-53	-45	-37	16	-51	-14	-68	-55	-47	21	-59	-12	-63	-55	-56	7	-59	-3
Precision machinery	-46	-58	-56	-10	-41	15	-43	-47	-65	-22	-45	20	-44	-60	-52	-8	-49	3
Basic materials	-62	-50	-57	5	-45	12	-61	-56	-54	7	-43	11	-64	-64	-59	5	-52	7
Processing	-45	-40	-43	2	-35	8	-48	-47	-45	3	-39	6	-52	-54	-49	3	-47	2
Nonmanufacturing	-39	-33	-34	5	-27	7	-41	-41	-40	1	-33	7	-43	-45	-38	5	-37	1
Construction	-51	-43	-42	9	-34	8	-38	-32	-30	8	-30	0	-32	-36	-22	10	-27	-5
Real estate	-42	-42	-25	17	-17	8	-39	-31	-27	12	-23	4	-39	-40	-24	15	-24	0
Wholesaling	-39	-29	-34	5	-21	13	-53	-47	-51	2	-35	16	-48	-49	-45	3	-38	7
Retailing	-39	-31	-34	5	-20	14	-47	-41	-44	3	-33	11	-57	-54	-51	6	-45	6
Transportation	-52	-46	-54	-2	-43	11	-67	-58	-60	7	-55	5	-52	-59	-52	0	-50	2
Communications	-11	0	11	22	0	-11	42	34	37	-5	18	-19	25	35	16	-9	31	15
Electric & gas utilities	12	6	6	-6	6	0	-20	10	-10	10	0	10	-8	-8	12	20	4	-8
Services	-22	-27	-24	-2	-26	-2	-29	-39	-34	-5	-29	5	-31	-35	-35	-4	-31	4
Leasing	-22	-22	0	22	0	0	-25	-31	-19	6	-32	-13	-36	-36	-34	2	-39	-5
All industries	-44	-39	-42	2	-32	10	-46	-45	-43	3	-36	7	-48	-50	-45	3	-41	4

All respondents of All Enterprises	-47	-47	-44	3	-38	6
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1. Business Conditions (Continued)

(Net percentage of respondents who reported "Favorable")

	Principal Enterprises					
	Dec 1998 survey		Mar 1999 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Manufacturing	-56	-48	-56	0	-43	13
Textiles	-74	-63	-83	-9	-68	15
Pulp & paper	-82	-73	-91	-9	-64	27
Chemicals	-50	-44	-43	7	-31	12
Petroleum refining	-70	-60	-50	20	-40	10
Ceramics, stone & clay	-76	-76	-82	-6	-65	17
Iron & steel	-83	-79	-92	-9	-88	4
Nonferrous metals	-65	-40	-60	5	-40	20
Food & beverages	-18	-9	-18	0	-3	15
Processed metals	-54	-54	-31	23	-23	8
Industrial machinery	-53	-43	-55	-2	-50	5
Electrical machinery	-48	-29	-52	-4	-29	23
Shipbuilding & heavy machinery	-50	-67	-67	-17	-33	34
Motor vehicles	-52	-34	-42	10	-45	-3
Precision machinery	-60	-70	-60	0	-40	20
Basic materials	-66	-58	-67	-1	-53	14
Processing	-47	-38	-47	0	-35	12
Nonmanufacturing	-41	-34	-34	7	-27	7
Construction	-59	-54	-54	5	-41	13
Real estate	-45	-36	-21	24	-18	3
Wholesaling	-43	-34	-39	4	-25	14
Retailing	-58	-42	-58	0	-33	25
Transportation	-38	-32	-30	8	-29	1
Communications	-33	-17	0	33	-17	-17
Electric & gas utilities	0	0	0	0	0	0
Services	-27	-28	-25	2	-23	2
Leasing	-27	-27	-20	7	-20	0
All industries	-50	-42	-46	4	-36	10

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

(% points)

		Large enterprises					
		Dec 1998 survey		Mar 1999 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products:	Manufacturing	-53	-49	-51	2	-47	4
Diffusion index of "Excess demand" minus	Basic materials	-63	-57	-62	1	-58	4
"Excess supply"	Processing	-49	-46	-46	3	-43	3
Supply and demand conditions for products overseas:	Manufacturing	-34	-31	-31	3	-30	1
Diffusion index of "Excess demand" minus	Basic materials	-46	-43	-43	3	-40	3
"Excess supply"	Processing	-28	-26	-27	1	-26	1

Inventory level of finished goods and merchandise:	Manufacturing	38	25	34	-4	23	-11
Diffusion index of "Excessive or somewhat excessive"	Basic materials	46	31	40	-6	29	-11
minus "Insufficient or somewhat insufficient"	Processing	35	23	31	-4	19	-12
Wholesalers' inventory level:	Manufacturing	42	36	41	-1	32	-9
Diffusion index of "Excessive or somewhat excessive"	Basic materials	52	42	45	-7	38	-7
minus "Insufficient or somewhat insufficient"	Processing	39	33	38	-1	30	-8

Change in output prices:	Manufacturing	-37	-32	-37	0	-31	6
Diffusion index of "Rise" minus "Fall"	Basic materials	-40	-24	-40	0	-22	18
	Processing	-36	-35	-36	0	-35	1
Change in input prices:	Manufacturing	-15	-9	-15	0	-12	3
Diffusion index of "Rise" minus "Fall"	Basic materials	-19	-9	-22	-3	-8	14
	Processing	-13	-9	-12	1	-14	-2

(% points)

		Small enterprises					
		Dec 1998 survey		Mar 1999 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products:	Manufacturing	-63	-63	-61	2	-59	2
Diffusion index of "Excess demand" minus	Basic materials	-71	-71	-70	1	-67	3
"Excess supply"	Processing	-58	-58	-55	3	-54	1
Supply and demand conditions for products overseas:	Manufacturing	-45	-47	-46	-1	-45	1
Diffusion index of "Excess demand" minus	Basic materials	-55	-55	-55	0	-54	1
"Excess supply"	Processing	-40	-42	-39	1	-38	1

Inventory level of finished goods and merchandise:	Manufacturing	35	26	32	-3	21	-11
Diffusion index of "Excessive or somewhat excessive"	Basic materials	45	35	43	-2	31	-12
minus "Insufficient or somewhat insufficient"	Processing	28	21	24	-4	16	-8
Wholesalers' inventory level:	Manufacturing	53	47	50	-3	43	-7
Diffusion index of "Excessive or somewhat excessive"	Basic materials	65	59	61	-4	53	-8
minus "Insufficient or somewhat insufficient"	Processing	45	39	41	-4	36	-5

Change in output prices:	Manufacturing	-40	-40	-37	3	-37	0
Diffusion index of "Rise" minus "Fall"	Basic materials	-44	-40	-40	4	-32	8
	Processing	-37	-41	-36	1	-41	-5
Change in input prices:	Manufacturing	-9	-4	-11	-2	-5	6
Diffusion index of "Rise" minus "Fall"	Basic materials	-14	-3	-14	0	-2	12
	Processing	-6	-4	-9	-3	-7	2

3. Sales and Current Profits

Sales

		FY1998		FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-8.5	-3.7	0.1	-
	Domestic Sales	-9.5	-3.3	0.8	-
	Exports	-4.9	-5.2	-2.2	-
	Nonmanufacturing	-10.6	-4.7	-1.0	-
Medium-sized enterprises	Manufacturing	-7.7	-2.1	1.6	-
	Nonmanufacturing	-6.3	-2.5	2.1	-
Small enterprises	Manufacturing	-8.6	-1.5	-0.2	-
	Nonmanufacturing	-4.6	-0.1	0.2	-
All Enterprises	All industries	-8.0	-3.0	0.4	-
Principal Enterprises	Manufacturing	-6.5	-1.6	-0.2	-
	Nonmanufacturing	-7.2	-0.7	-3.0	-

(Year-to-year growth rate, %)

1H FY1998	2H FY1998		1H FY1999		2H FY1999	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
-9.0	-8.0	-5.2	-2.2	-	2.3	-
-11.4	-7.6	-4.7	-0.9	-	2.3	-
-0.3	-9.4	-7.0	-6.1	-	2.0	-
-11.4	-10.0	-5.6	-1.2	-	-0.8	-
-8.7	-6.7	-3.3	0.4	-	2.7	-
-7.5	-5.1	-3.7	1.8	-	2.4	-
-8.8	-8.3	-2.7	-1.8	-	1.4	-
-5.2	-4.0	-0.9	0.2	-	0.1	-
-8.8	-7.2	-4.0	-0.3	-	1.0	-
-7.2	-5.8	-3.1	-2.5	-	2.0	-
-8.0	-6.4	-1.4	-3.1	-	-2.9	-

Current Profits

		FY1998		FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-35.6	-16.5	21.3	-
	Basic materials	-39.1	-21.9	23.3	-
	Processing	-34.0	-14.1	20.5	-
	Nonmanufacturing	-13.4	-1.5	8.4	-
Medium-sized enterprises	Manufacturing	-35.3	-14.9	34.8	-
	Nonmanufacturing	-4.3	-1.6	37.2	-
Small enterprises	Manufacturing	-48.2	-11.2	84.3	-
	Nonmanufacturing	-14.9	-4.2	31.3	-
All Enterprises	All industries	-23.1	-7.6	24.5	-
Principal Enterprises	Manufacturing excluding petroleum refining	-33.6	-14.9	20.6	-
	Nonmanufacturing excluding electric & gas utilities	-9.6	0.4	3.9	-

(Year-to-year growth rate, %)

1H FY1998	2H FY1998		1H FY1999		2H FY1999	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
-30.5	-41.3	-29.3	-10.6	-	63.6	-
-35.7	-42.8	-31.3	3.1	-	47.1	-
-28.3	-40.6	-28.4	-15.8	-	71.0	-
-19.4	-6.9	-0.8	5.7	-	10.9	-
-35.4	-35.2	-22.9	24.0	-	44.0	-
-7.8	-1.9	-8.9	49.9	-	28.6	-
-65.9	-33.3	-14.5	124.1	-	67.3	-
-8.3	-19.5	-11.3	18.4	-	41.6	-
-24.5	-21.8	-13.7	12.6	-	35.4	-
-26.7	-41.4	-30.0	-16.4	-	72.3	-
-14.1	-4.6	1.3	1.2	-	6.6	-

Ratio of Current Profit to Sales

		FY1998		FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	2.86	-0.44	3.47	-
	Nonmanufacturing	1.93	0.06	2.12	-
Medium-sized enterprises	Manufacturing	2.53	-0.38	3.35	-
	Nonmanufacturing	1.15	0.02	1.54	-
Small enterprises	Manufacturing	1.20	-0.13	2.22	-
	Nonmanufacturing	1.59	-0.06	2.08	-
All Enterprises	All industries	1.81	-0.09	2.25	-
Principal Enterprises	Manufacturing excluding petroleum refining	2.79	-0.47	3.37	-
	Nonmanufacturing excluding electric & gas utilities	1.49	0.02	1.60	-

(%, % points)

1H FY1998	2H FY1998		1H FY1999		2H FY1999	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
3.32	2.42	-0.83	3.03	-	3.87	-
1.95	1.91	0.09	2.09	-	2.14	-
2.39	2.66	-0.68	2.95	-	3.73	-
0.95	1.33	-0.08	1.40	-	1.67	-
0.73	1.66	-0.23	1.67	-	2.75	-
1.48	1.69	-0.20	1.74	-	2.39	-
1.79	1.83	-0.21	2.02	-	2.45	-
3.33	2.28	-0.92	2.85	-	3.84	-
1.56	1.44	0.04	1.63	-	1.58	-

(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, %)			
		FY1998		FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-12.2	-4.4	-9.5	-
	Nonmanufacturing	-1.0	-2.1	-9.3	-
	All industries	-5.4	-3.0	-9.4	-
Medium-sized enterprises	Manufacturing	-8.7	-0.9	-20.8	-
	Nonmanufacturing	-2.3	-0.6	-10.7	-
	All industries	-3.1	-0.6	-12.0	-
Small enterprises	Manufacturing	-12.1	6.7	-31.4	-
	Nonmanufacturing	-6.1	1.7	-24.4	-
	All industries	-7.8	3.0	-26.2	-
All Enterprises	Manufacturing	-11.6	-2.1	-15.1	-
	Nonmanufacturing	-2.4	-0.9	-12.3	-
	All industries	-5.0	-1.2	-13.0	-
Principal Enterprises	Manufacturing	-8.6	-1.3	-9.7	-
	Nonmanufacturing	-3.5	-3.5	-5.0	-
	All industries	-5.3	-2.8	-6.6	-

Production Capacity (Manufacturing)		(Net percentage of respondents who reported "Excessive capacity")				
		Dec 1998 survey		Mar 1999 survey		
		Actual result	Forecast	Actual result	Changes in revision	Forecast
						Changes
Large enterprises		28	26	29	1	25
Medium-sized enterprises		32	30	33	1	30
Small enterprises		27	27	28	1	26
All respondents of All Enterprises		29	28	30	1	27
Principal Enterprises		26	24	30	4	27

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

Overseas Production (Manufacturing)		(Year-to-year growth rate, %)			
		FY1998		FY1999	
		(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, %)			
		FY1998		FY1999	
		(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 1998 survey		Mar 1999 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	
							Changes
Large enterprises	Manufacturing	39	37	41	2	36	-5
	Nonmanufacturing	17	12	21	4	17	-4
	All industries	30	26	32	2	27	-5
Medium-sized enterprises	Manufacturing	37	35	38	1	34	-4
	Nonmanufacturing	13	10	14	1	10	-4
	All industries	22	19	23	1	19	-4
Small enterprises	Manufacturing	32	31	31	-1	30	-1
	Nonmanufacturing	13	13	13	0	11	-2
	All industries	21	20	21	0	19	-2
All respondents of All Enterprises	Manufacturing	35	34	35	0	33	-2
	Nonmanufacturing	14	12	15	1	11	-4
	All industries	23	20	24	1	21	-3
Principal Enterprises	Manufacturing	39	37	42	3	37	-5
	Nonmanufacturing	18	15	22	4	18	-4
	All industries	29	28	33	4	29	-4

Number of Employees (All industries)		(Year-to-year growth rate, %)			
		Mar 1998	June 1998	Sept 1998	Dec 1998
Large enterprises		-	-	-0.1	-0.7
Medium-sized enterprises		-	-	-1.6	-1.2
Small enterprises		-	-	-1.6	-2.1
All Enterprises		-	-	-1.0	-1.3
Principal Enterprises		-2.1	-2.3	-2.0	-1.9

Hiring New Graduates *(All industries)(special survey for December)		(Year-to-year growth rate, %)			
		FY1997	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. As for Principal Enterprises, since December 1998 figures of number of employees are based on a revision of sample enterprises ; until September1998 figures are calculated on the pre-revision basis.

2. As for Principal Enterprises, since 2000 figures of hiring new graduates are based on a revision of sample enterprises ; until 1999 figures are calculated on the pre-revision basis.

(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

7. Corporate Finance

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

	Dec 1998 survey		Mar 1999 survey			
	Actual result	Forecast	Actual result	Forecast		
				Changes in revision	Changes	Changes
Large enterprises	-3	-11	-2	1	-5	-3
Medium-sized enterprises	-17	-27	-16	1	-21	-5
Small enterprises	-22	-35	-21	1	-30	-9
All respondents of All Enterprises	-18	-29	-17	1	-24	-7
Principal Enterprises	-7	-15	-7	0	-10	-3

Lending Attitude of Financial Institutions(All industries)

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

	Dec 1998 survey		Mar 1999 survey			
	Actual result	Forecast	Actual result	Forecast		
				Changes in revision	Changes	Changes
Large enterprises	-20	-28	-16	4	-18	-2
Medium-sized enterprises	-20	-28	-18	2	-22	-4
Small enterprises	-19	-28	-15	4	-23	-8
All respondents of All Enterprises	-20	-27	-17	3	-22	-5
Principal Enterprises	-36	-40	-29	7	-29	0

Change in Interest Rate on Loan (All industries)

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

	Dec 1998 survey		Mar 1999 survey			
	Actual result	Forecast	Actual result	Forecast		
				Changes in revision	Changes	Changes
Large enterprises	6	23	-6	-12	14	20
Medium-sized enterprises	3	16	2	-1	12	10
Small enterprises	-2	10	4	6	12	8
All respondents of All Enterprises	1	14	2	1	12	10
Principal Enterprises	9	26	-5	-14	16	21

Liquidity Ratio (All industries)

(months)

	Mar 1998	June 1998	Sept 1998	Dec 1998
Large enterprises	1.36	1.32	1.41	1.51
Medium-sized enterprises	1.29	1.26	1.28	1.35
Small enterprises	1.66	1.67	1.71	1.82
All Enterprises	1.40	1.37	1.43	1.53
Principal Enterprises	1.38	1.35	1.44	1.50
(Seasonally adjusted)	1.35	1.37	1.43	1.53

(Note) As for Principal Enterprises, since December 1998 figures are based on a revision of sample enterprises ; until September 1998 figures are calculated on the pre-revision basis.

Appendix: Fixed Investments of Financial Institutions

Fixed Investments

(Year-to-year growth rate, %)

		FY1998	Adjustment	FY1999	Adjustment
		(Forecast)	ratio	(Forecast)	ratio
Financial institutions	< 194 >	-14.4	-9.6	-2.7	-
Banks	< 144 >	-4.6	-10.6	-9.2	-
Securities companies	< 25 >	-0.6	-25.8	-11.2	-
Insurance companies	< 25 >	-23.0	-7.3	4.3	-

Investments for Computerizing (special survey for June and December)

(Year-to-year growth rate, %)

		FY1998	Adjustment	FY1999	Adjustment
		(Forecast)	ratio	(Forecast)	ratio
Financial institutions	< - >	-	-	-	-
Banks	< - >	-	-	-	-
Securities companies	< - >	-	-	-	-
Insurance companies	< - >	-	-	-	-

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

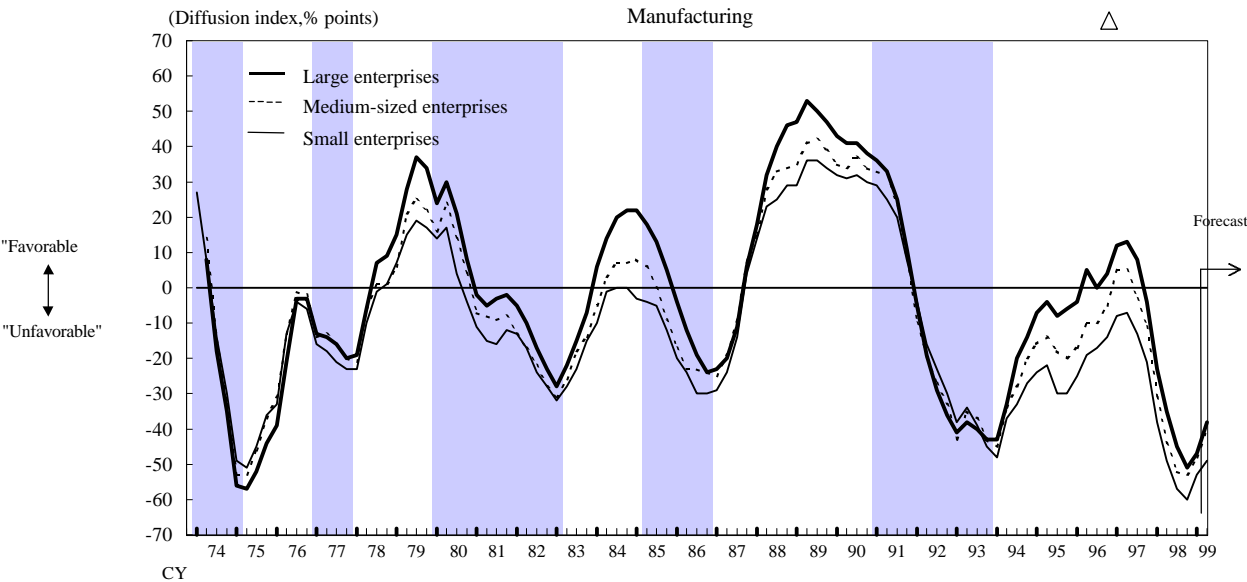
$$\text{Liquidity Ratio} = \frac{\text{Quarter-end balance of cash, deposits, and short-term investment in securities}}{\text{Monthly average sales during the fiscal year which covers the related quarter}}$$

Reference Charts

[Business Conditions]

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

△ on right top of charts shows the recent peak. Since March 1999 figures are based on a revision of All Enterprises Tankan ; until December 1998 figures are calculated on the pre-revision basis.

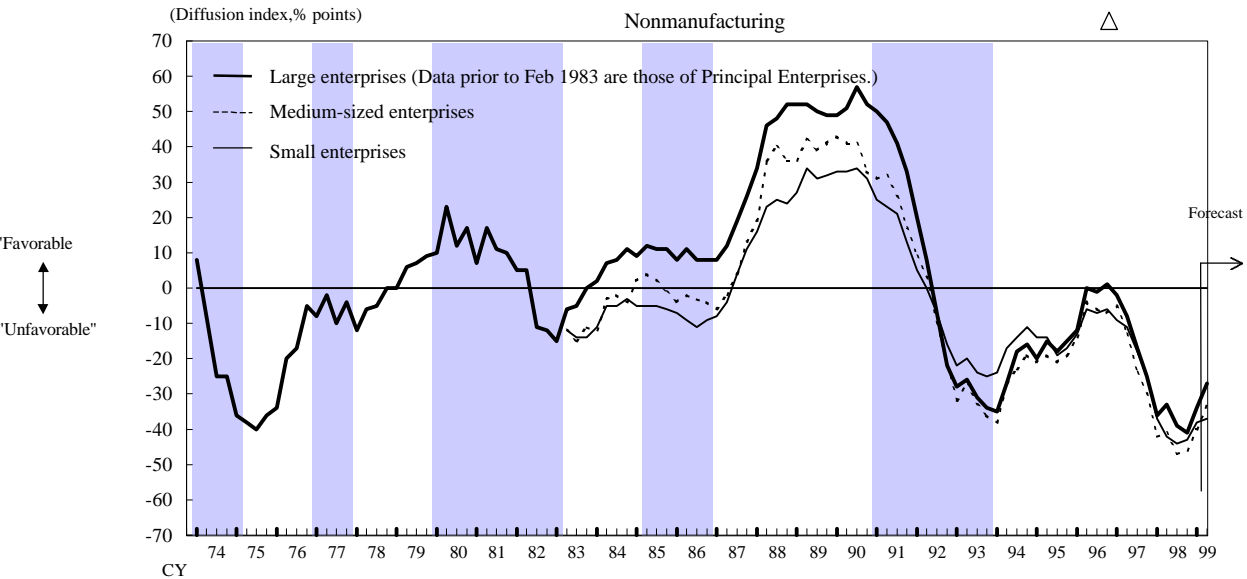


Peaks and Bottoms of Business Conditions

(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 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-47	-48	-53
Forecast	-38	-40	-49



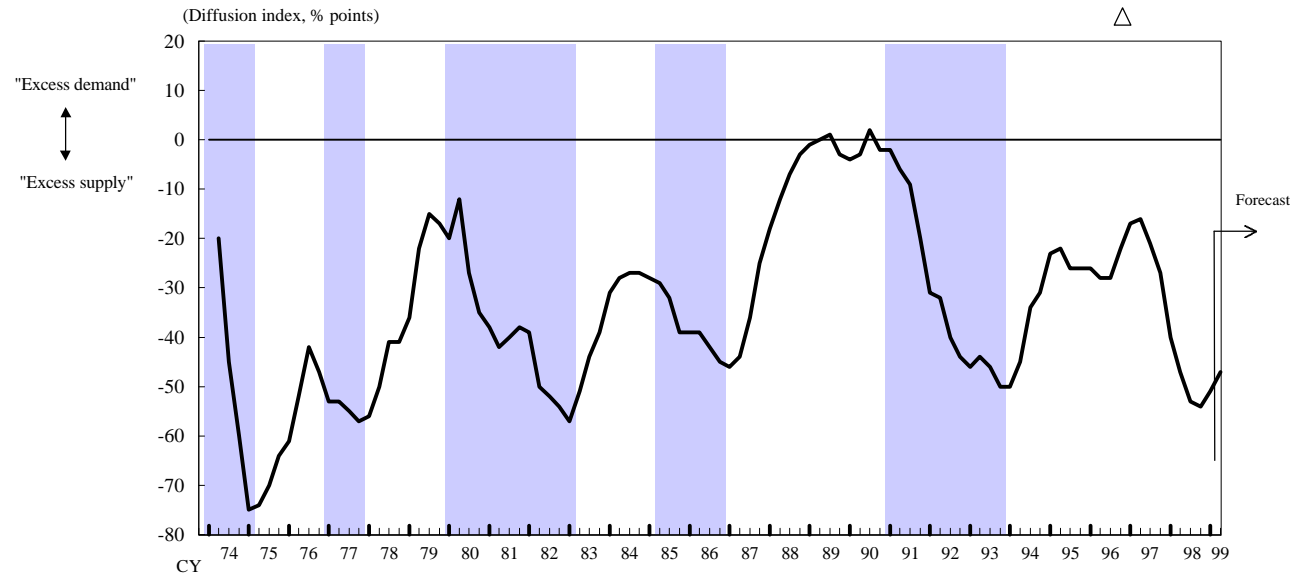
(Net percentage of respondents who reported "Favorable")

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 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-34	-40	-38
Forecast	-27	-33	-37

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

Supply and Demand Conditions for Products



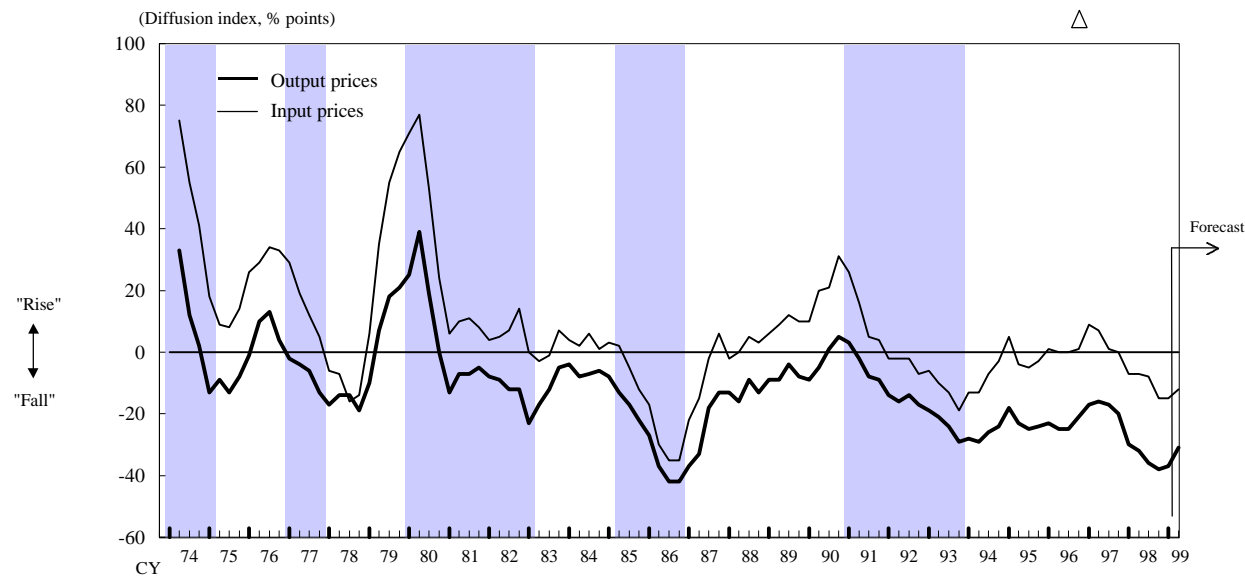
Peaks and Bottoms of Supply and Demand Conditions for Products

(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 1999 survey	
Actual result	-51
Forecast	-47

Prices



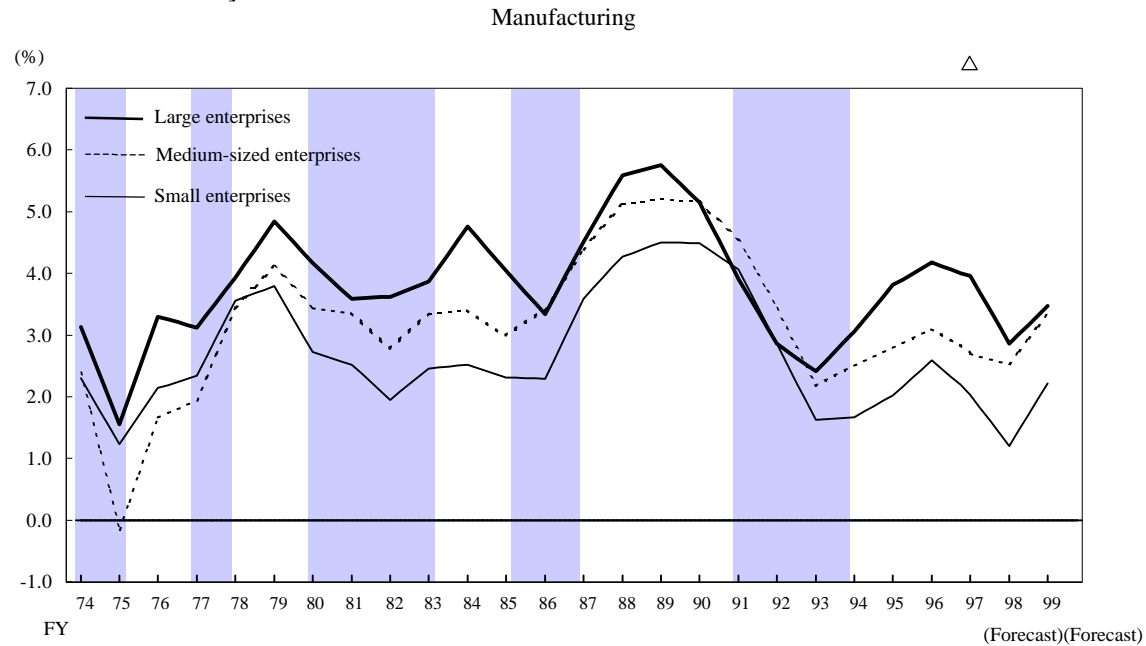
Peaks and Bottoms of Prices

(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 1999 survey		
	Output prices	Input prices
Actual result	-37	-15
Forecast	-31	-12

[Ratio of Current Profit to Sales]

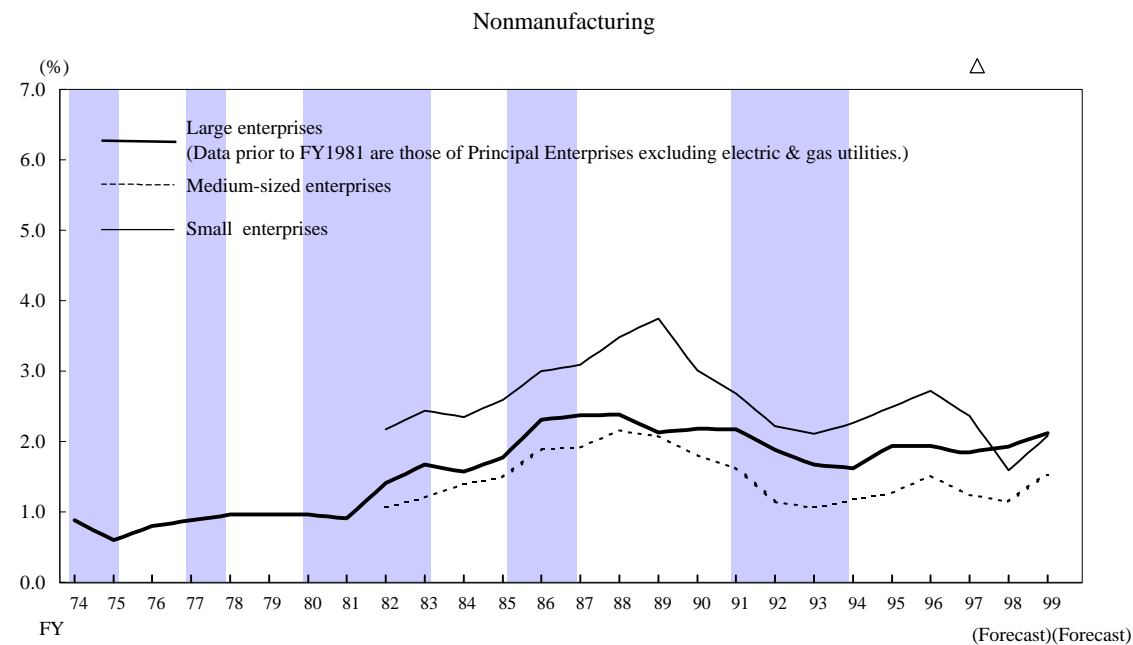


Peaks and Bottoms of Ratio of Current Profit to Sales

(%)

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 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 1998 (Forecast)	2.86	2.53	1.20
FY 1999 (Forecast)	3.47	3.35	2.22

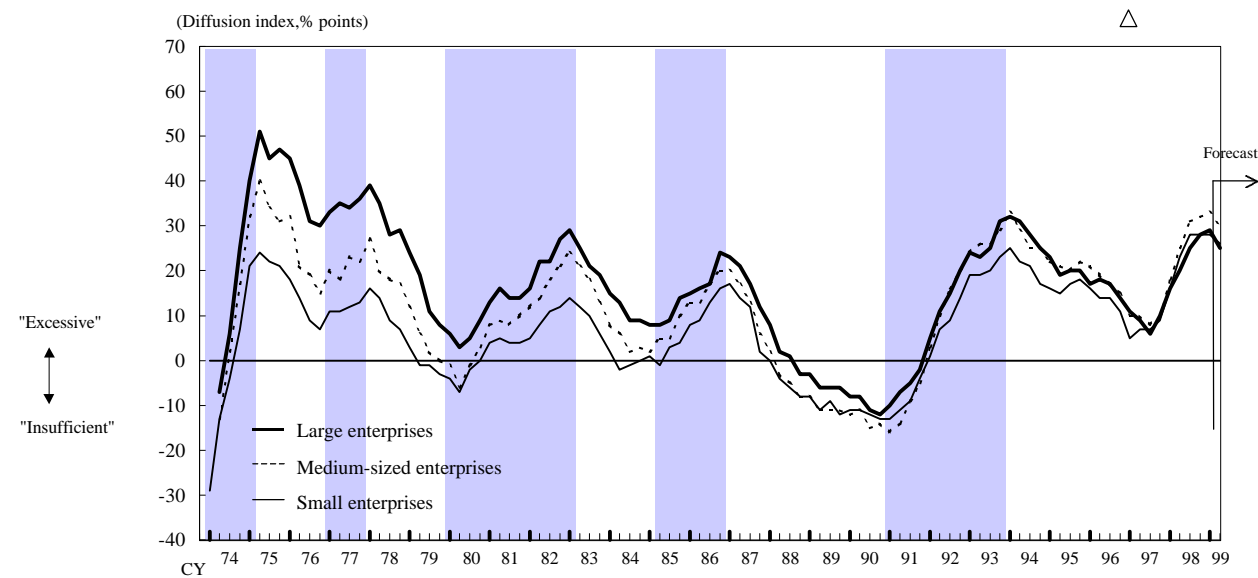


(%)

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 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 1998 (Forecast)	1.93	1.15	1.59
FY 1999 (Forecast)	2.12	1.54	2.08

[Production Capacity (Manufacturing)]



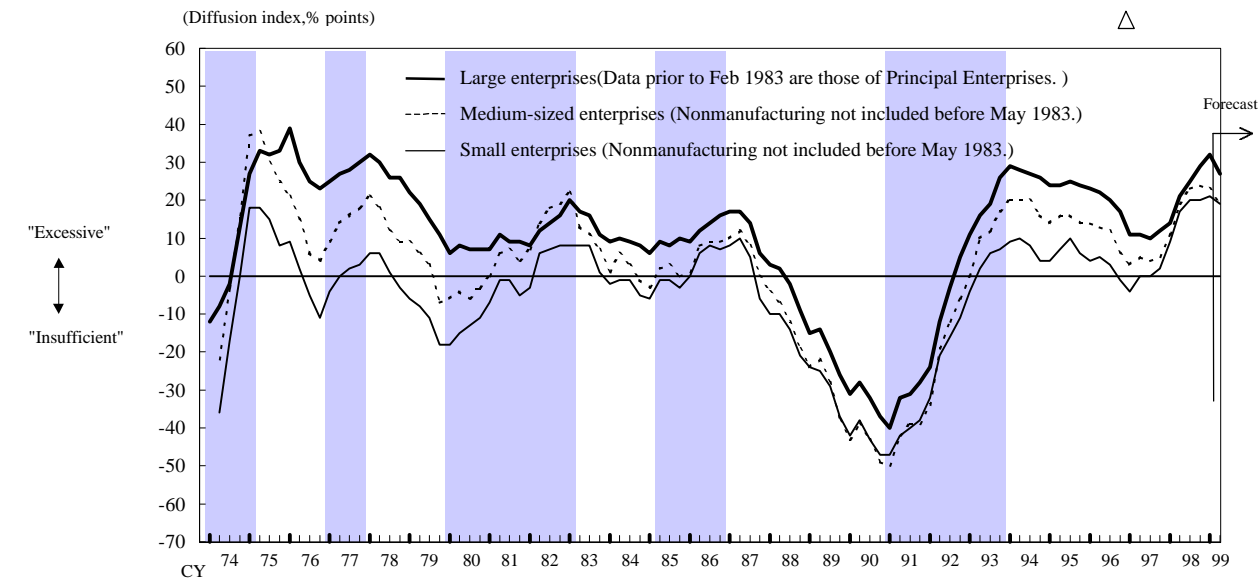
Peaks and Bottoms of Production Capacity

(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 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	29	33	28
Forecast	25	30	26

[Employment Conditions (All industries)]



Peaks and Bottoms of Employment Conditions

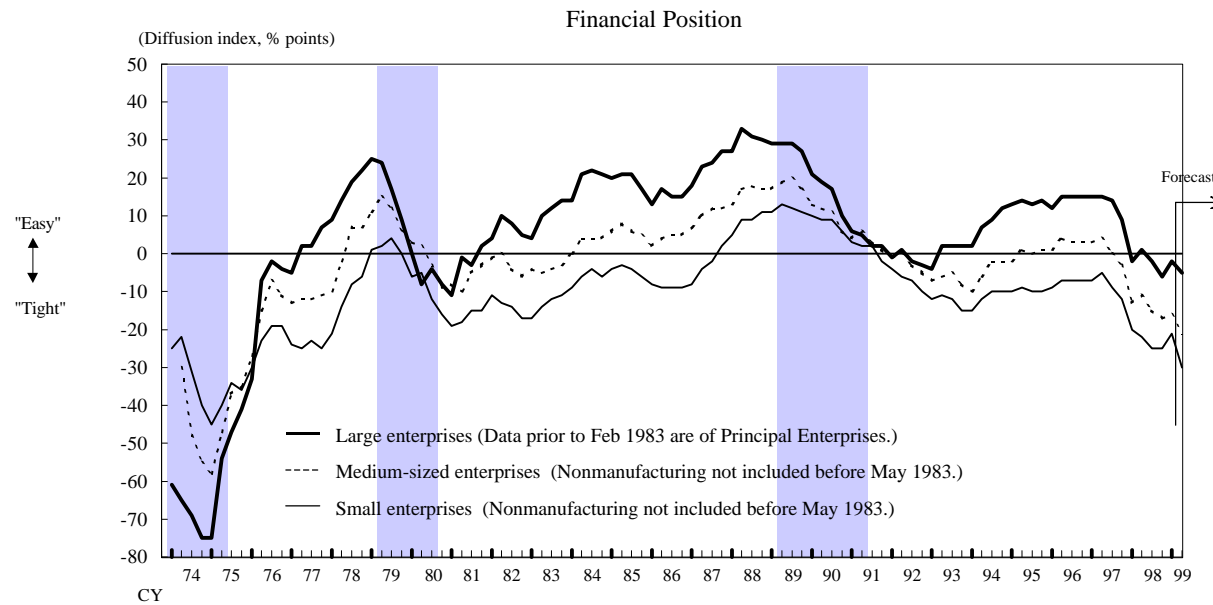
(Net percentage of respondents who reported "Excessive employment")

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 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	32	23	21
Forecast	27	19	19

[Corporate Finance (All industries)]

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

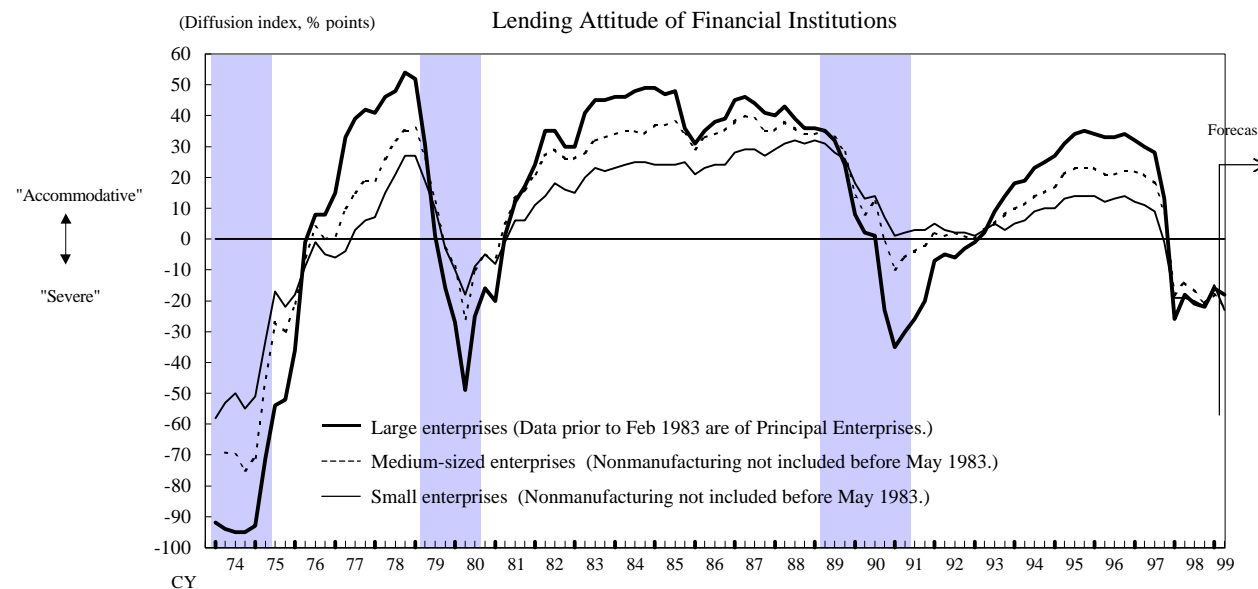


Peaks and Bottoms of Financial Position

(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 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-2	-16	-21
Forecast	-5	-21	-30



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 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-16	-18	-15
Forecast	-18	-22	-23