

# TANKAN Summary (June 1999)

101st Short-Term Economic Survey of All Enterprises in Japan  
168th Short-Term Economic Survey of Principal Enterprises in Japan

Not to be released before 8:50 a.m. on  
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5th July 1999  
Research and Statistics Department  
Bank of Japan

Number of sample enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	3,896	5,470	9,366	94.2%
Large enterprises	778	654	1,432	97.2%
Medium-sized enterprises	1,113	1,842	2,955	94.9%
Small enterprises	2,005	2,974	4,979	92.8%
Principal Enterprises	381	309	690	100.0%
(Memo) Financial institutions	-	-	192	100.0%

Responding Period: June 2nd to July 2nd.

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

	FY1998			FY1999		
		1H	2H		1H	2H
Mar 1999 survey	128.16	134.52	121.44	116.12	116.23	116.01
June 1999 survey	128.24	134.55	121.54	116.78	117.01	116.57

(yen per US dollar)

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

## 1. Business Conditions

(Net percentage of respondents who reported "Favorable")

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

All respondents of All Enterprises	-44	-38	-37	7	-32	5
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(Notes) 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					
	Mar 1999 survey		June 1999 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Manufacturing	-56	-43	-46	10	-29	17
Textiles	-83	-68	-76	7	-62	14
Pulp & paper	-91	-64	-73	18	-45	28
Chemicals	-43	-31	-35	8	-18	17
Petroleum refining	-50	-40	-67	-17	-67	0
Ceramics, stone & clay	-82	-65	-76	6	-47	29
Iron & steel	-92	-88	-75	17	-50	25
Nonferrous metals	-60	-40	-55	5	-30	25
Food & beverages	-18	-3	9	27	9	0
Processed metals	-31	-23	-23	8	15	38
Industrial machinery	-55	-50	-50	5	-41	9
Electrical machinery	-52	-29	-36	16	-19	17
Shipbuilding & heavy machinery	-67	-33	-50	17	-50	0
Motor vehicles	-42	-45	-49	-7	-28	21
Precision machinery	-60	-40	-30	30	-10	20
Basic materials	-67	-53	-59	8	-39	20
Processing	-47	-35	-35	12	-21	14
Nonmanufacturing	-34	-27	-27	7	-23	4
Construction	-54	-41	-44	10	-39	5
Real estate	-21	-18	-6	15	-6	0
Wholesaling	-39	-25	-31	8	-22	9
Retailing	-58	-33	-44	14	-28	16
Transportation	-30	-29	-29	1	-25	4
Communications	0	-17	16	16	0	-16
Electric & gas utilities	0	0	0	0	0	0
Services	-25	-23	-23	2	-25	-2
Leasing	-20	-20	-20	0	-20	0
All industries	-46	-36	-38	8	-27	11

<Memo> Percentage share of the number of respondents choosing each alternatives

(% ,% points)

	June 1999 survey(Actual result)		
	Large enterprises	Medium-sized enterprises	Small enterprises
Manufacturing	-37	-37	-46
1.Favorable	7	9	6
2.Not so favorable	49	45	42
3.Unfavorable	44	46	52
Nonmanufacturing	-28	-34	-34
1.Favorable	7	8	7
2.Not so favorable	58	50	52
3.Unfavorable	35	42	41

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

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

(% points)

		Large enterprises					
		Mar 1999 survey		June 1999 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Supply and demand conditions for products:	Manufacturing	-51	-47	-46	5	-38	8
Diffusion index of "Excess demand" minus	Basic materials	-62	-58	-55	7	-46	9
"Excess supply"	Processing	-46	-43	-43	3	-34	9
Supply and demand conditions for products overseas:	Manufacturing	-31	-30	-27	4	-25	2
Diffusion index of "Excess demand" minus	Basic materials	-43	-40	-36	7	-33	3
"Excess supply"	Processing	-27	-26	-24	3	-22	2

Inventory level of finished goods and merchandise:	Manufacturing	34	23	31	-3	21	-10
Diffusion index of "Excessive or somewhat excessive"	Basic materials	40	29	35	-5	26	-9
minus "Insufficient or somewhat insufficient"	Processing	31	19	29	-2	20	-9
Wholesalers' inventory level:	Manufacturing	41	32	37	-4	29	-8
Diffusion index of "Excessive or somewhat excessive"	Basic materials	45	38	43	-2	36	-7
minus "Insufficient or somewhat insufficient"	Processing	38	30	35	-3	27	-8

Change in output prices:	Manufacturing	-37	-31	-31	6	-25	6
Diffusion index of "Rise" minus "Fall"	Basic materials	-40	-22	-23	17	-9	14
	Processing	-36	-35	-34	2	-31	3
Change in input prices:	Manufacturing	-15	-12	-9	6	-6	3
Diffusion index of "Rise" minus "Fall"	Basic materials	-22	-8	1	23	4	3
	Processing	-12	-14	-13	-1	-9	4

(% points)

		Small enterprises					
		Mar 1999 survey		June 1999 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Supply and demand conditions for products:	Manufacturing	-61	-59	-60	1	-56	4
Diffusion index of "Excess demand" minus	Basic materials	-70	-67	-67	3	-64	3
"Excess supply"	Processing	-55	-54	-55	0	-51	4
Supply and demand conditions for products overseas:	Manufacturing	-46	-45	-43	3	-42	1
Diffusion index of "Excess demand" minus	Basic materials	-55	-54	-51	4	-50	1
"Excess supply"	Processing	-39	-38	-39	0	-36	3

Inventory level of finished goods and merchandise:	Manufacturing	32	21	30	-2	22	-8
Diffusion index of "Excessive or somewhat excessive"	Basic materials	43	31	37	-6	30	-7
minus "Insufficient or somewhat insufficient"	Processing	24	16	23	-1	15	-8
Wholesalers' inventory level:	Manufacturing	50	43	45	-5	40	-5
Diffusion index of "Excessive or somewhat excessive"	Basic materials	61	53	55	-6	49	-6
minus "Insufficient or somewhat insufficient"	Processing	41	36	39	-2	34	-5

Change in output prices:	Manufacturing	-37	-37	-34	3	-34	0
Diffusion index of "Rise" minus "Fall"	Basic materials	-40	-32	-30	10	-25	5
	Processing	-36	-41	-37	-1	-40	-3
Change in input prices:	Manufacturing	-11	-5	-7	4	-3	4
Diffusion index of "Rise" minus "Fall"	Basic materials	-14	-2	-5	9	3	8
	Processing	-9	-7	-7	2	-5	2

### 3. Sales and Current Profits

#### Sales

		FY1998		FY1999	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-6.6	2.1	0.7	2.7
	Domestic Sales	-7.5	2.2	1.7	3.2
	Exports	-3.3	1.7	-2.8	1.0
	Nonmanufacturing	-11.4	-0.8	-1.2	-1.1
Medium-sized enterprises	Manufacturing	-8.0	-0.3	1.9	-0.1
	Nonmanufacturing	-6.2	0.1	2.3	0.3
Small enterprises	Manufacturing	-7.5	1.1	-1.0	0.3
	Nonmanufacturing	-3.9	0.7	-0.7	-0.2
All Enterprises	All industries	-7.7	0.3	0.3	0.2
Principal Enterprises	Manufacturing	-6.9	-0.3	0.4	0.3
	Nonmanufacturing	-10.0	-2.9	-3.0	-3.0

(Year-to-year growth rate, %)

1H FY1998	2H FY1998	FY1999		FY1999	
			Adjustment ratio	(Forecast)	Adjustment ratio
-6.9	-6.3	1.8	-2.7	1.8	4.0
-9.2	-5.8	1.9	-0.6	2.9	3.9
1.6	-8.0	1.5	-9.4	-1.8	4.2
-10.1	-12.5	-2.8	-3.9	-1.4	1.3
-8.9	-7.1	-0.5	-0.2	-0.8	3.8
-6.6	-5.7	-0.7	0.7	-0.1	3.9
-7.8	-7.3	1.1	-3.0	-0.1	1.0
-4.5	-3.3	0.7	-0.8	-0.3	-0.6
-7.6	-7.8	-0.6	-1.8	-0.2	2.2
-7.2	-6.5	-0.7	-3.2	-0.7	3.9
-8.0	-11.8	-5.6	-6.4	-3.5	0.4

#### Current Profits

		FY1998		FY1999	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-29.4	9.5	20.8	9.1
	Basic materials	-26.3	21.1	23.5	21.3
	Processing	-30.8	4.8	19.6	4.0
	Nonmanufacturing	-6.8	7.7	6.6	5.8
Medium-sized enterprises	Manufacturing	-29.2	9.4	35.1	9.7
	Nonmanufacturing	4.9	9.6	27.3	1.7
Small enterprises	Manufacturing	-39.1	17.5	58.5	1.0
	Nonmanufacturing	-7.4	8.8	15.3	-4.5
All Enterprises	All industries	-16.1	9.1	19.2	4.5
Principal Enterprises	Manufacturing excluding petroleum refining	-30.2	6.6	19.2	5.6
	Nonmanufacturing excluding electric & gas utilities	-3.9	6.2	4.0	6.3

(Year-to-year growth rate, %)

1H FY1998	2H FY1998	FY1999		FY1999	
			Adjustment ratio	(Forecast)	Adjustment ratio
-26.2	-33.0	14.0	-19.4	-4.3	70.4
-26.3	-26.3	28.8	-3.5	7.2	51.8
-26.2	-36.2	7.4	-26.0	-9.6	80.4
-19.7	7.2	15.1	4.9	-1.0	7.9
-35.5	-23.8	17.6	23.8	-0.3	43.4
-8.0	14.1	16.3	42.1	-5.4	18.7
-62.5	-19.5	20.7	86.5	-8.5	47.6
-9.0	-6.3	16.4	9.6	-8.2	19.2
-23.0	-9.5	15.8	6.2	-3.9	29.7
-25.4	-35.6	11.8	-28.0	-11.1	79.8
-13.8	6.9	11.6	2.8	2.0	5.1

#### Ratio of Current Profit to Sales

		FY1998		FY1999	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	3.07	0.21	3.68	0.21
	Nonmanufacturing	2.10	0.17	2.26	0.14
Medium-sized enterprises	Manufacturing	2.77	0.24	3.68	0.33
	Nonmanufacturing	1.25	0.10	1.56	0.02
Small enterprises	Manufacturing	1.40	0.20	2.24	0.02
	Nonmanufacturing	1.71	0.12	1.99	-0.09
All Enterprises	All industries	1.97	0.16	2.34	0.09
Principal Enterprises	Manufacturing excluding petroleum refining	3.01	0.22	3.58	0.21
	Nonmanufacturing excluding electric & gas utilities	1.64	0.15	1.76	0.16

(%, % points)

1H FY1998	2H FY1998	FY1999		FY1999	
			Adjustment ratio	(Forecast)	Adjustment ratio
3.44	2.71	0.29	2.85	-0.18	4.44
1.92	2.27	0.36	2.10	0.01	2.42
2.39	3.14	0.48	2.96	0.01	4.34
0.94	1.56	0.23	1.32	-0.08	1.78
0.79	1.99	0.33	1.52	-0.15	2.90
1.46	1.95	0.26	1.61	-0.13	2.34
1.80	2.13	0.30	1.95	-0.07	2.71
3.45	2.58	0.30	2.57	-0.28	4.48
1.55	1.72	0.28	1.71	0.08	1.80

(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	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-9.4	3.2	-11.0	1.5
	Nonmanufacturing	-3.6	-2.6	-6.1	1.0
	All industries	-5.8	-0.5	-7.9	1.2
Medium-sized enterprises	Manufacturing	-7.8	1.0	-19.2	3.1
	Nonmanufacturing	-0.8	1.5	-7.2	5.6
	All industries	-1.7	1.4	-8.6	5.3
Small enterprises	Manufacturing	-5.9	7.1	-32.9	4.8
	Nonmanufacturing	-2.1	4.2	-23.1	6.0
	All industries	-3.2	5.0	-25.7	5.7
All Enterprises	Manufacturing	-8.5	3.5	-16.1	2.2
	Nonmanufacturing	-2.2	0.3	-9.3	3.7
	All industries	-3.9	1.1	-11.1	3.3
Principal Enterprises	Manufacturing	-9.3	-0.8	-9.9	-1.8
	Nonmanufacturing	-4.7	-1.3	-2.2	2.5
	All industries	-6.3	-1.2	-4.9	1.1

Production Capacity (Manufacturing)		(Net percentage of respondents who reported "Excessive capacity")				
		Mar 1999 survey		June 1999 survey		
		Actual result	Forecast	Actual result	Forecast	Changes
Large enterprises						
Medium-sized enterprises						
Small enterprises						
All respondents of All Enterprises						
Principal Enterprises						

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

Overseas Production (Manufacturing)		(Year-to-year growth rate, %)			
		FY1998		FY1999	
		(Preliminary Figures)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Overseas production	0.6	-5.6	2.9	-
	Share of overseas production	18.04	-0.61	18.37	-
Principal Enterprises	Overseas production	1.3	-4.4	2.9	-
	Share of overseas production	21.11	-0.44	21.52	-

Overseas Investments (Manufacturing)		(Year-to-year growth rate, %)			
		FY1998		FY1999	
		(Preliminary Figures)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Overseas investments	-8.8	-2.0	-8.5	-
	Share of overseas investments	25.81	-0.14	26.34	-
Principal Enterprises	Overseas investments	-10.4	-3.6	-9.2	-
	Share of overseas investments	29.72	-0.22	29.97	-

## 6. Employment

Employment Conditions		(Net percentage of respondents who reported "Excessive employment")					
		Mar 1999 survey		June 1999 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	
Large enterprises	Manufacturing	41	36	41	0	33	-8
	Nonmanufacturing	21	17	21	0	16	-5
	All industries	32	27	32	0	25	-7
Medium-sized enterprises	Manufacturing	38	34	35	-3	29	-6
	Nonmanufacturing	14	10	14	0	8	-6
	All industries	23	19	23	0	17	-6
Small enterprises	Manufacturing	31	30	30	-1	26	-4
	Nonmanufacturing	13	11	15	2	11	-4
	All industries	21	19	21	0	17	-4
All respondents of All Enterprises	Manufacturing	35	33	33	-2	28	-5
	Nonmanufacturing	15	11	15	0	11	-4
	All industries	24	21	23	-1	18	-5
Principal Enterprises	Manufacturing	42	37	41	-1	34	-7
	Nonmanufacturing	22	18	20	-2	16	-4
	All industries	33	29	32	-1	26	-6

Number of Employees (All industries)		(Year-to-year growth rate, %)			
		June 1998	Sept 1998	Dec 1998	Mar 1999
Large enterprises		-	-0.1	-0.7	-1.5
Medium-sized enterprises		-	-1.6	-1.2	-1.4
Small enterprises		-	-1.6	-2.1	-2.9
All Enterprises		-	-1.0	-1.3	-1.9
Principal Enterprises		-2.3	-2.0	-1.9	-2.2

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 FY2000 figures of hiring new graduates are based on a revision of sample enterprises ; until FY1999 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

4. The figures include respondents with no overseas affiliates.

## 7. Corporate Finance

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

	Mar 1999 survey		June 1999 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Large enterprises	-2	-5	7	9	0	-7
Medium-sized enterprises	-16	-21	-12	4	-18	-6
Small enterprises	-21	-30	-18	3	-27	-9
All respondents of All Enterprises	-17	-24	-12	5	-20	-8
Principal Enterprises	-7	-10	2	9	-5	-7

Lending Attitude of Financial Institutions(All industries)

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

	Mar 1999 survey		June 1999 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Large enterprises	-16	-18	-1	15	-5	-4
Medium-sized enterprises	-18	-22	-11	7	-15	-4
Small enterprises	-15	-23	-12	3	-17	-5
All respondents of All Enterprises	-17	-22	-10	7	-14	-4
Principal Enterprises	-29	-29	-10	19	-13	-3

Change in Interest Rate on Loan (All industries)

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

	Mar 1999 survey		June 1999 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Large enterprises	-6	14	-14	-8	15	29
Medium-sized enterprises	2	12	-5	-7	14	19
Small enterprises	4	12	-4	-8	11	15
All respondents of All Enterprises	2	12	-5	-7	12	17
Principal Enterprises	-5	16	-17	-12	18	35

Liquidity Ratio (All industries)

(months)

	June 1998	Sept 1998	Dec 1998	Mar 1999
Large enterprises	1.32	1.41	1.51	1.47
Medium-sized enterprises	1.26	1.28	1.35	1.33
Small enterprises	1.67	1.71	1.82	1.77
All Enterprises	1.37	1.43	1.53	1.49
Principal Enterprises	1.35	1.44	1.50	1.47
(Seasonally adjusted)	1.37	1.43	1.53	1.43

(Note) As for Principal Enterprises, since December 1998 figures are based on a revision of sample enterprises ; until September1998 figures are calculated on the pre-revision basis.

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

## Appendix: Fixed Investments of Financial Institutions

Fixed Investments

(Year-to-year growth rate, %)

		FY1998	Adjustment ratio	FY1999 (Forecast)	Adjustment ratio
Financial institutions	<192>	-20.0	-6.6	4.2	-0.1
Banks	<143>	-4.4	0.2	-8.5	0.6
Securities companies	< 24>	-5.2	-4.6	5.2	13.0
Insurance companies	< 25>	-33.3	-13.4	18.7	-1.5

Investments for Computerizing (special survey for June and December)

(Year-to-year growth rate, %)

		FY1998	Adjustment ratio	FY1999 (Forecast)	Adjustment ratio
Financial institutions	<192>	2.7	-8.0	2.2	-
Banks	<143>	5.1	-7.8	3.1	-
Securities companies	< 24>	1.1	-11.3	-7.5	-
Insurance companies	< 25>	-2.5	-7.3	3.0	-

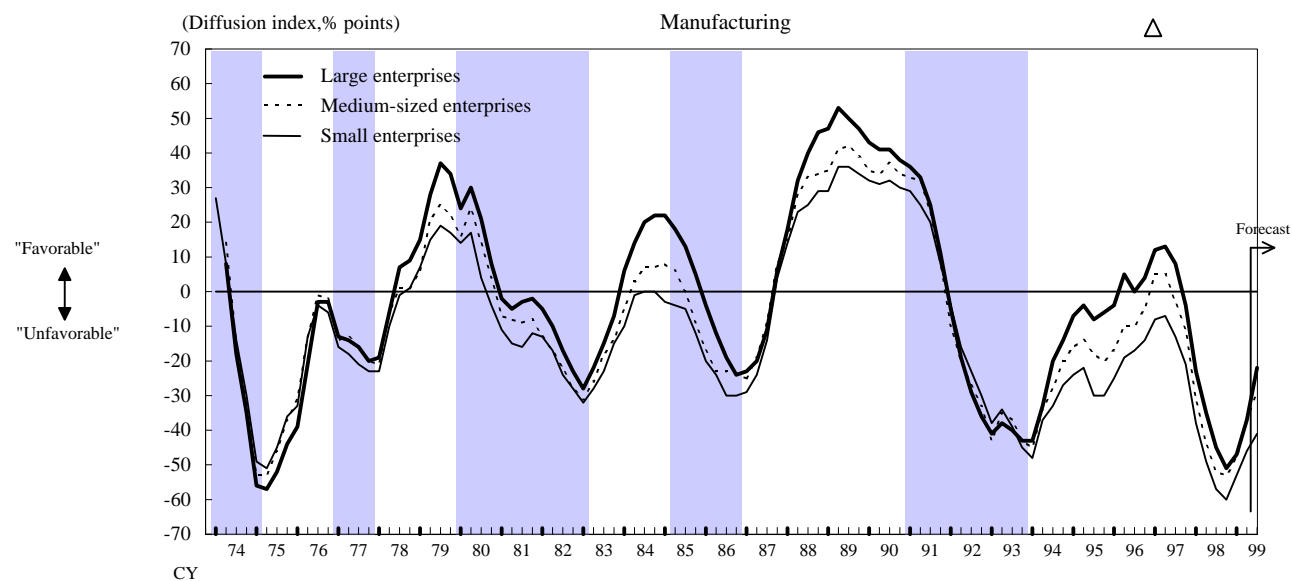
(Note) Figures in parentheses are the number of respective financial institutions.

## Reference Charts

### [Business Conditions]

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

△ on right top of 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.

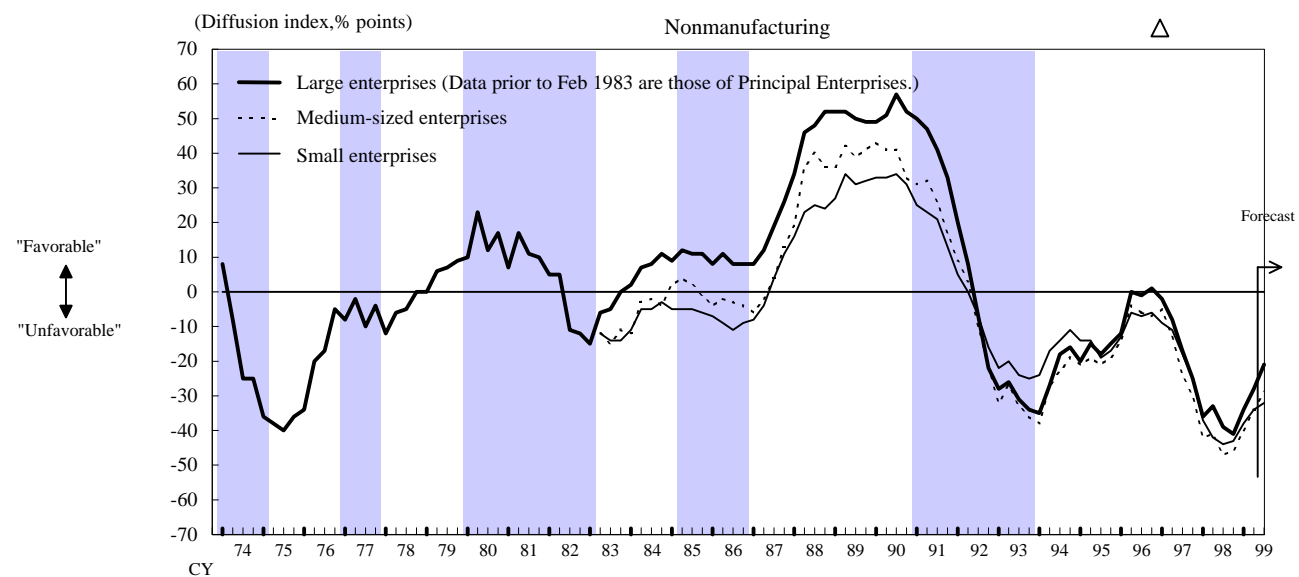


### Peaks and Bottoms of Business Conditions

(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)

	June 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-37	-37	-46
Forecast	-22	-29	-41



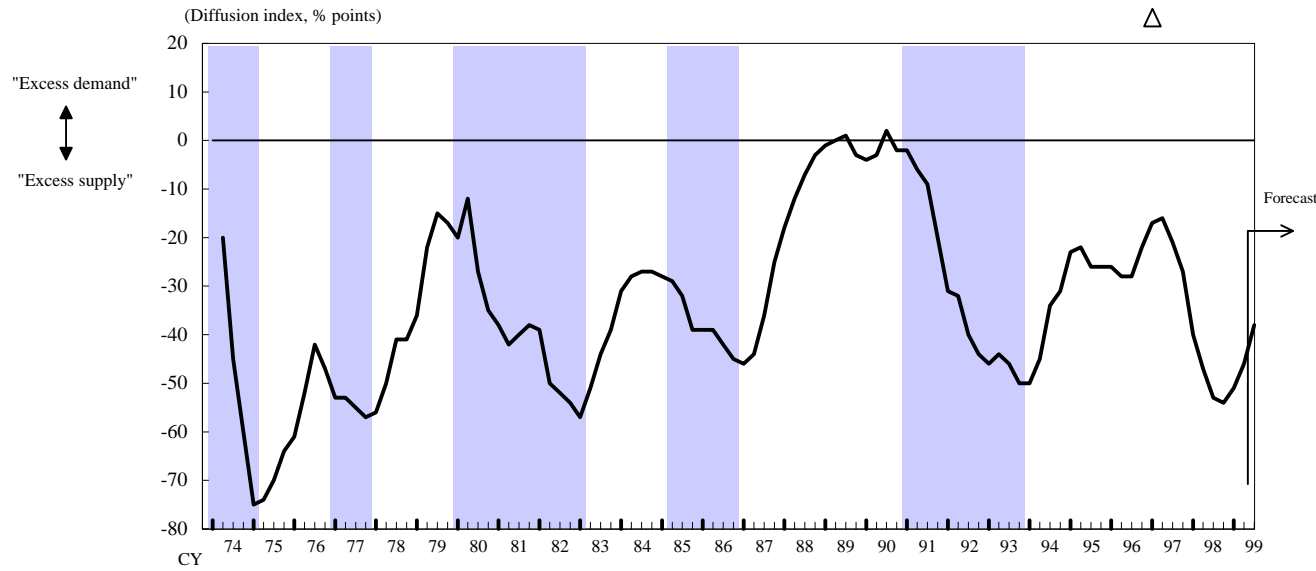
(Net percentage of respondents who reported "Favorable")

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)

	June 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-28	-34	-34
Forecast	-21	-29	-32

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

## Supply and Demand Conditions for Products



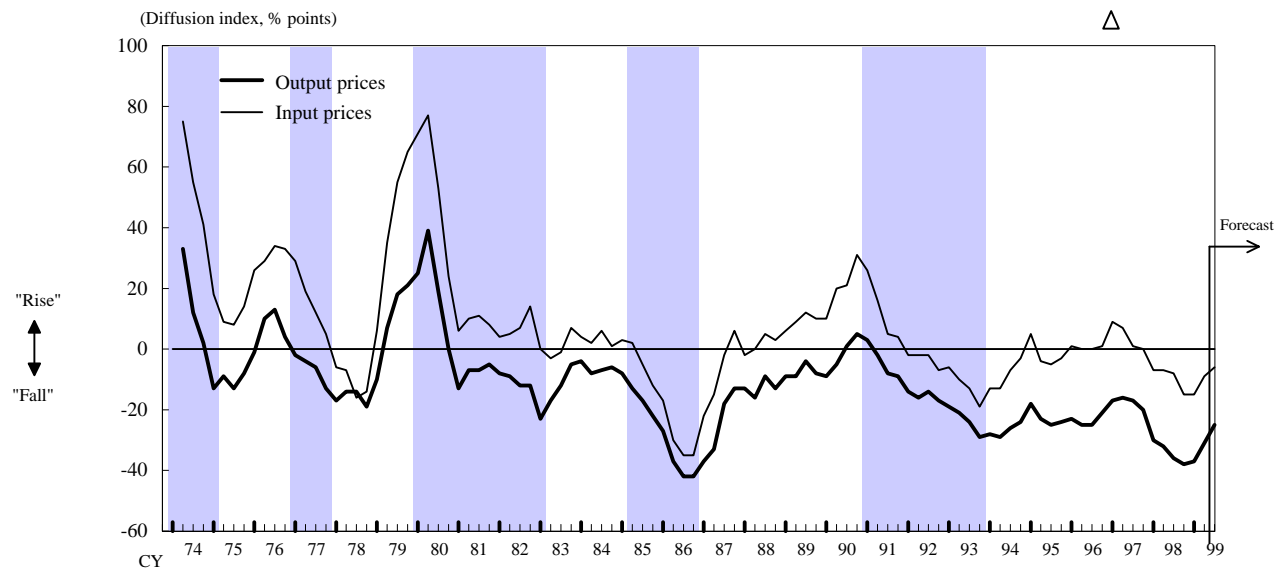
## Peaks and Bottoms of Supply and Demand Conditions for Products

(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)

June 1999 survey	
Actual result	-46
Forecast	-38

## Prices



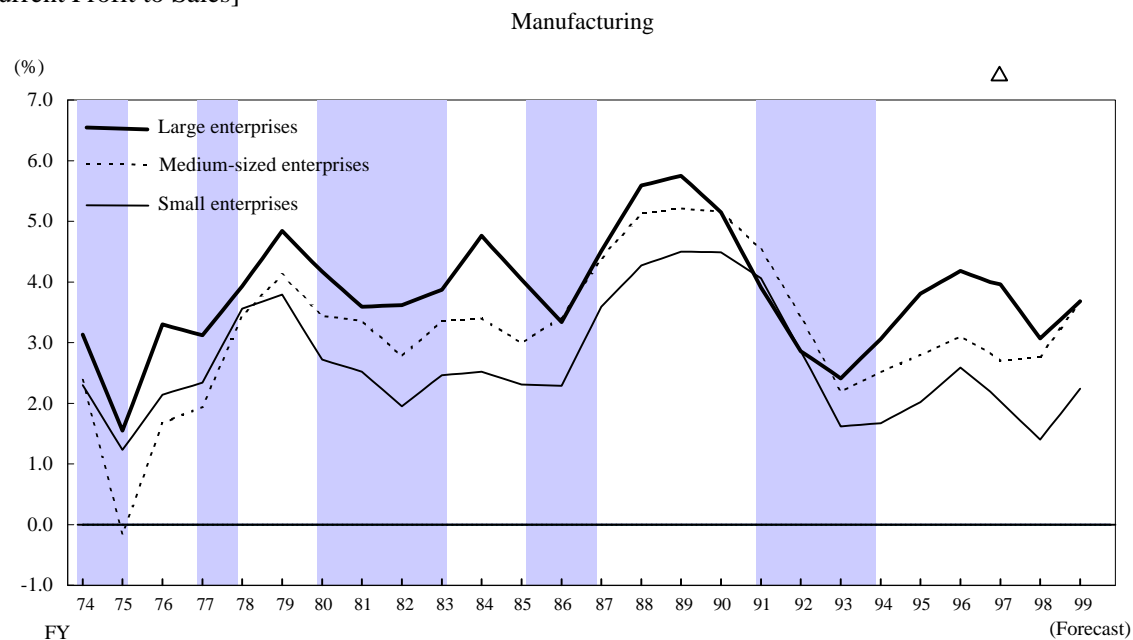
## Peaks and Bottoms of Prices

(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)

June 1999 survey		
	Output prices	Input prices
Actual result	-31	-9
Forecast	-25	-6

[Ratio of Current Profit to Sales]

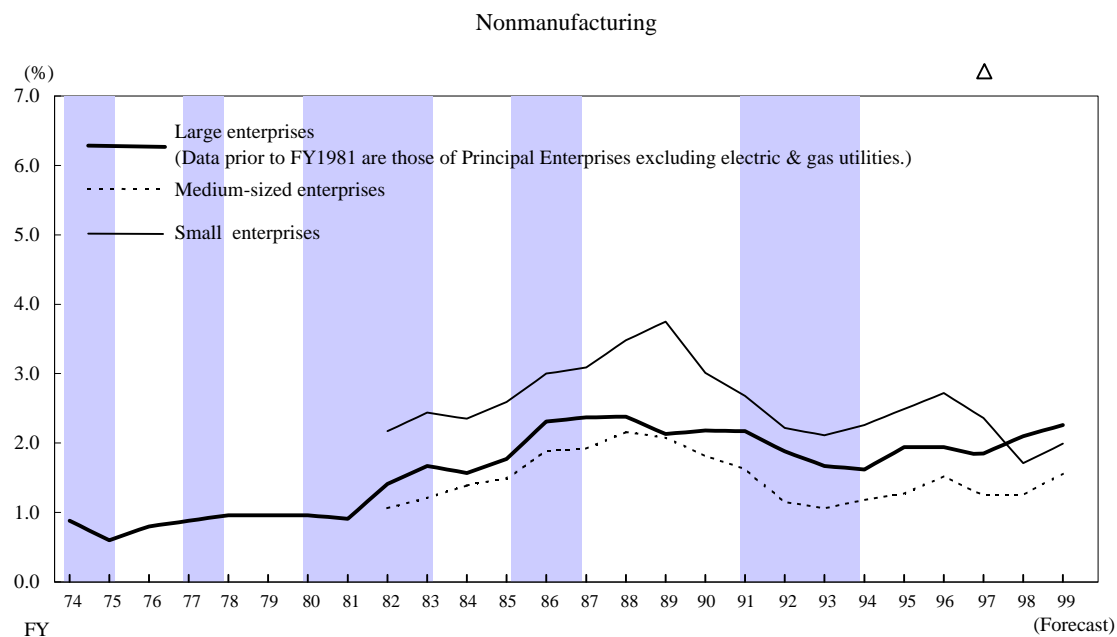


Peaks and Bottoms of Ratio of Current Profit to Sales

(%)

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)

	June 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 1998	3.07	2.77	1.40
FY 1999 (Forecast)	3.68	3.68	2.24

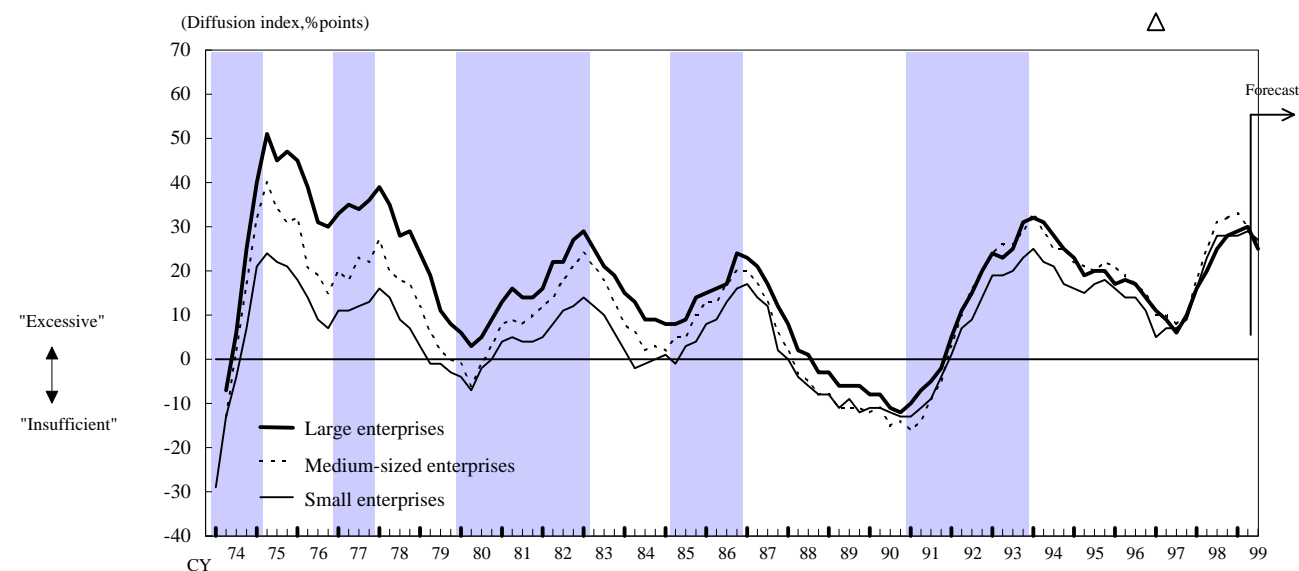


(%)

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)

	June 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 1998	2.10	1.25	1.71
FY 1999 (Forecast)	2.26	1.56	1.99

## [Production Capacity (Manufacturing)]



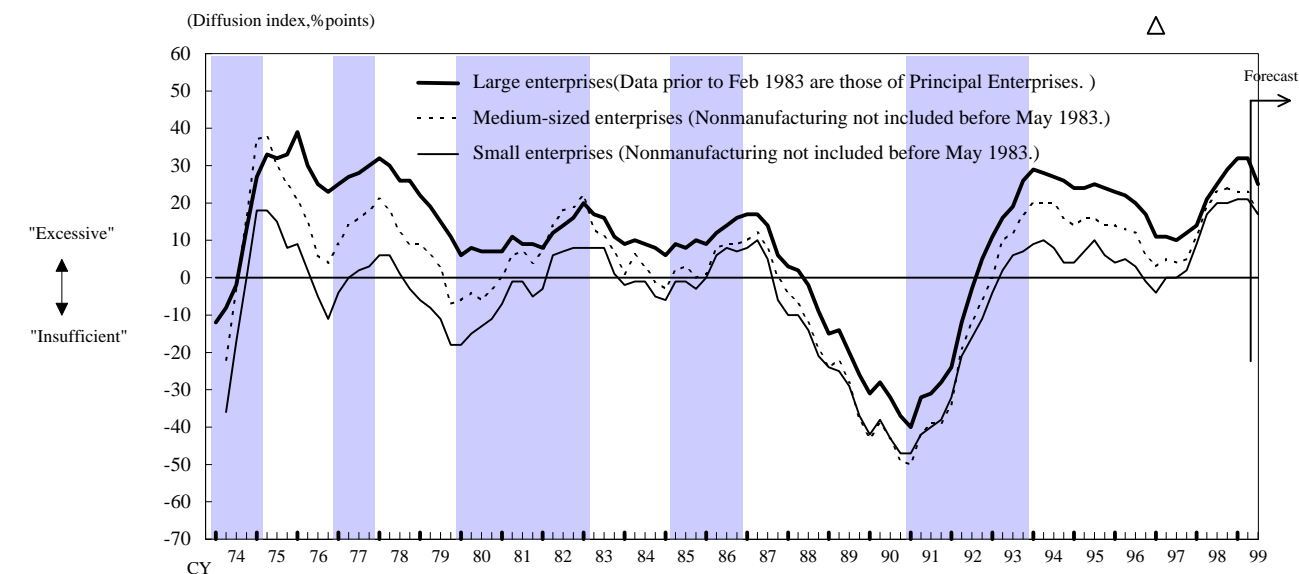
### Peaks and Bottoms of Production Capacity

(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)	

	June 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	30	30	29
Forecast	25	26	27

## [Employment Conditions (All industries)]



### Peaks and Bottoms of Employment Conditions

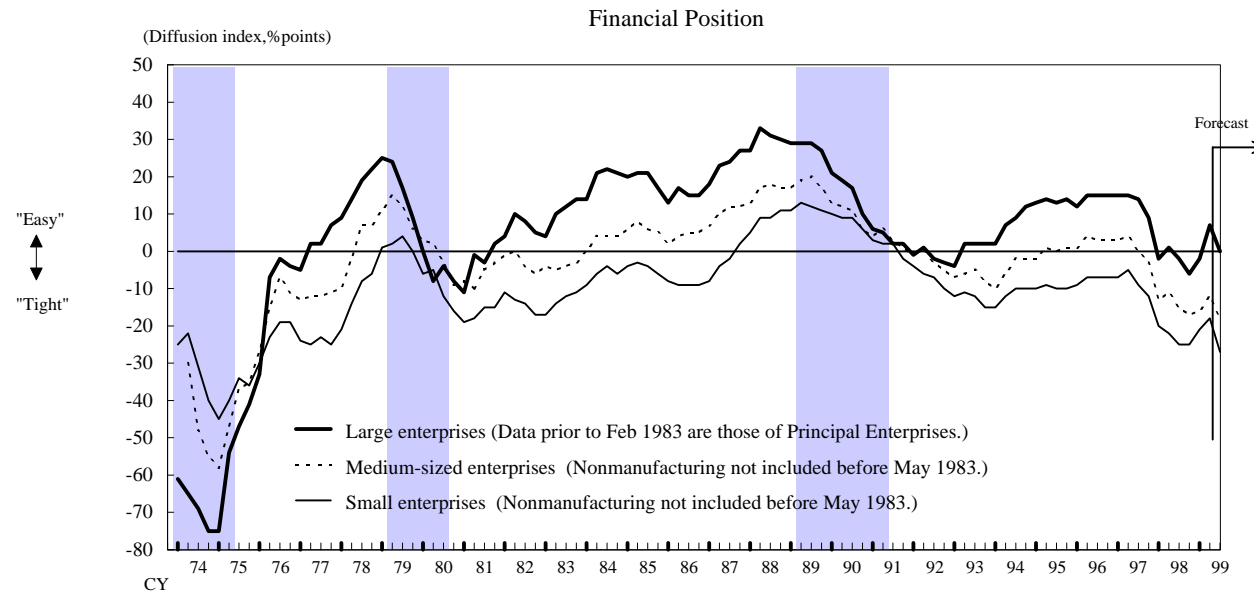
(Net percentage of respondents who reported "Excessive employment")

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)	

	June 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	32	23	21
Forecast	25	17	17

[Corporate Finance (All industries)]

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

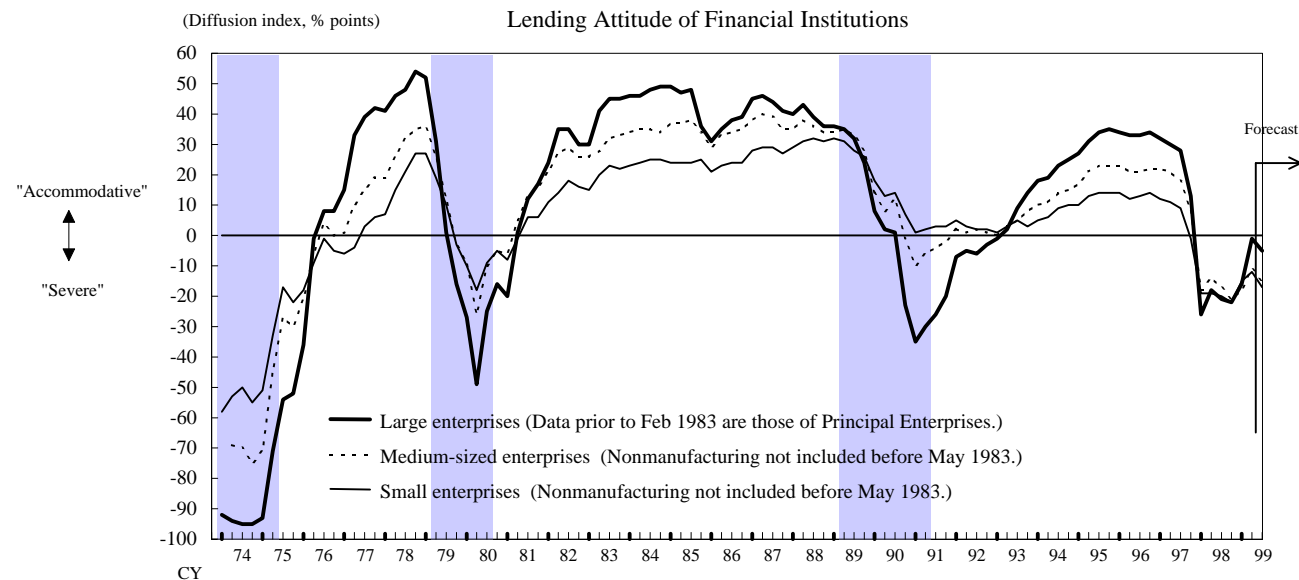


**Peaks and Bottoms of Financial Position**

(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)

	June 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	7	-12	-18
Forecast	0	-18	-27



**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)

	June 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-1	-11	-12
Forecast	-5	-15	-17