

TANKAN Summary (September 1999)

102nd Short-Term Economic Survey of All Enterprises in Japan

169th Short-Term Economic Survey of Principal Enterprises in Japan

Not to be released before 8:50 a.m. on
Monday, October 4, 1999

October 4, 1999

Research and Statistics Department

Bank of Japan

Number of sample enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	3,871	5,404	9,275	94.4%
Large enterprises	777	652	1,429	97.5%
Medium-sized enterprises	1,112	1,826	2,938	94.4%
Small enterprises	1,982	2,926	4,908	93.4%
Principal Enterprises	381	312	693	100.0%
(Memo) Financial institutions	-	-	191	100.0%

Responding Period: August 31st to October 1st.

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

(yen per US dollar)

	FY1998			FY1999		
		1H	2H		1H	2H
June 1999 survey	128.24	134.55	121.54	116.78	117.01	116.57
Sept 1999 survey	-	-	-	115.17	116.88	113.58

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

	All Enterprises					
Manufacturing	-42	-34	-33	9	-27	6
Nonmanufacturing	-34	-30	-30	4	-25	5
All industries	-37	-32	-32	5	-26	6

(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					
	June 1999 survey		Sept 1999 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Manufacturing	-46	-29	-35	11	-27	8
Textiles	-76	-62	-68	8	-56	12
Pulp & paper	-73	-45	-55	18	-18	37
Chemicals	-35	-18	-19	16	-23	-4
Petroleum refining	-67	-67	-67	0	-44	23
Ceramics, stone & clay	-76	-47	-71	5	-59	12
Iron & steel	-75	-50	-63	12	-38	25
Nonferrous metals	-55	-30	-40	15	-30	10
Food & beverages	9	9	12	3	12	0
Processed metals	-23	15	-15	8	-15	0
Industrial machinery	-50	-41	-55	-5	-43	12
Electrical machinery	-36	-19	-14	22	-2	12
Shipbuilding & heavy machinery	-50	-50	-50	0	-50	0
Motor vehicles	-49	-28	-24	25	-21	3
Precision machinery	-30	-10	-30	0	-20	10
Basic materials	-59	-39	-47	12	-37	10
Processing	-35	-21	-24	11	-18	6
Nonmanufacturing	-27	-23	-19	8	-15	4
Construction	-44	-39	-37	7	-39	-2
Real estate	-6	-6	3	9	3	0
Wholesaling	-31	-22	-24	7	-14	10
Retailing	-44	-28	-33	11	-21	12
Transportation	-29	-25	-25	4	-22	3
Communications	16	0	0	-16	0	0
Electric & gas utilities	0	0	0	0	0	0
Services	-23	-25	-14	9	-11	3
Leasing	-20	-20	0	20	7	7
All industries	-38	-27	-28	10	-22	6

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

(%, % points)

	June 1999 survey			Sept 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises	Large enterprises	Medium-sized enterprises	Small enterprises
Manufacturing	-37	-37	-46	-22	-28	-40
1.Favorable	7	9	6	10	11	8
2.Not so favorable	49	45	42	58	50	44
3.Unfavorable	44	46	52	32	39	48
Nonmanufacturing	-28	-34	-34	-23	-31	-31
1.Favorable	7	8	7	7	8	8
2.Not so favorable	58	50	52	63	53	53
3.Unfavorable	35	42	41	30	39	39

(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					
		June 1999 survey		Sept 1999 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products:	Manufacturing	-46	-38	-38	8	-33	5
Diffusion index of "Excess demand" minus	Basic materials	-55	-46	-49	6	-40	9
"Excess supply"	Processing	-43	-34	-33	10	-31	2
Supply and demand conditions for products overseas:	Manufacturing	-27	-25	-22	5	-21	1
Diffusion index of "Excess demand" minus	Basic materials	-36	-33	-32	4	-29	3
"Excess supply"	Processing	-24	-22	-18	6	-18	0

Inventory level of finished goods and merchandise:	Manufacturing	31	21	29	-2	19	-10
Diffusion index of "Excessive or somewhat excessive"	Basic materials	35	26	31	-4	21	-10
minus "Insufficient or somewhat insufficient"	Processing	29	20	28	-1	18	-10
Wholesalers' inventory level:	Manufacturing	37	29	34	-3	28	-6
Diffusion index of "Excessive or somewhat excessive"	Basic materials	43	36	41	-2	34	-7
minus "Insufficient or somewhat insufficient"	Processing	35	27	29	-6	25	-4

Change in output prices:	Manufacturing	-31	-25	-25	6	-23	2
Diffusion index of "Rise" minus "Fall"	Basic materials	-23	-9	-10	13	-2	8
	Processing	-34	-31	-31	3	-31	0
Change in input prices:	Manufacturing	-9	-6	-3	6	0	3
Diffusion index of "Rise" minus "Fall"	Basic materials	1	4	13	12	16	3
	Processing	-13	-9	-9	4	-7	2

(% points)

		Small enterprises					
		June 1999 survey		Sept 1999 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products:	Manufacturing	-60	-56	-57	3	-53	4
Diffusion index of "Excess demand" minus	Basic materials	-67	-64	-66	1	-63	3
"Excess supply"	Processing	-55	-51	-50	5	-47	3
Supply and demand conditions for products overseas:	Manufacturing	-43	-42	-38	5	-37	1
Diffusion index of "Excess demand" minus	Basic materials	-51	-50	-48	3	-47	1
"Excess supply"	Processing	-39	-36	-33	6	-32	1

Inventory level of finished goods and merchandise:	Manufacturing	30	22	28	-2	20	-8
Diffusion index of "Excessive or somewhat excessive"	Basic materials	37	30	36	-1	26	-10
minus "Insufficient or somewhat insufficient"	Processing	23	15	22	-1	15	-7
Wholesalers' inventory level:	Manufacturing	45	40	43	-2	37	-6
Diffusion index of "Excessive or somewhat excessive"	Basic materials	55	49	52	-3	46	-6
minus "Insufficient or somewhat insufficient"	Processing	39	34	36	-3	31	-5

Change in output prices:	Manufacturing	-34	-34	-32	2	-32	0
Diffusion index of "Rise" minus "Fall"	Basic materials	-30	-25	-27	3	-24	3
	Processing	-37	-40	-35	2	-38	-3
Change in input prices:	Manufacturing	-7	-3	-3	4	2	5
Diffusion index of "Rise" minus "Fall"	Basic materials	-5	3	0	5	7	7
	Processing	-7	-5	-5	2	-1	4

3. Sales and Current Profits

Sales

		FY1998		FY1999	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-6.6	-	0.4	-0.3
	Domestic Sales	-7.5	-	1.2	-0.5
	Exports	-3.3	-	-2.5	0.4
	Nonmanufacturing	-11.4	-	-1.1	0.1
Medium-sized enterprises	Manufacturing	-8.0	-	1.9	0.0
	Nonmanufacturing	-6.2	-	1.7	-0.6
Small enterprises	Manufacturing	-7.5	-	-1.7	-0.8
	Nonmanufacturing	-3.9	-	-2.5	-1.8
All Enterprises	All industries	-7.7	-	-0.2	-0.5
Principal Enterprises	Manufacturing	-6.9	-	0.2	-0.2
	Nonmanufacturing	-10.0	-	-2.7	0.3

(Year-to-year growth rate, %)

1H FY1998	2H FY1998		1H FY1999		2H FY1999	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
-6.9	-6.3	-	-2.9	-0.3	3.6	-0.4
-9.2	-5.8	-	-1.2	-0.6	3.4	-0.5
1.6	-8.0	-	-8.7	0.8	4.2	0.0
-10.1	-12.5	-	-4.0	-0.1	1.6	0.3
-8.9	-7.1	-	-0.6	-0.4	4.2	0.4
-6.6	-5.7	-	-0.7	-1.4	4.0	0.1
-7.8	-7.3	-	-4.1	-1.1	0.6	-0.4
-4.5	-3.3	-	-3.3	-2.5	-1.8	-1.3
-7.6	-7.8	-	-2.7	-0.9	2.1	-0.1
-7.2	-6.5	-	-3.3	-0.1	3.6	-0.2
-8.0	-11.8	-	-6.3	0.0	0.8	0.4

Current Profits

		FY1998		FY1999	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-29.4	-	21.6	0.6
	Basic materials	-26.3	-	25.5	1.6
	Processing	-30.8	-	19.8	0.1
	Nonmanufacturing	-6.8	-	4.1	-2.3
Medium-sized enterprises	Manufacturing	-29.2	-	35.5	0.2
	Nonmanufacturing	4.9	-	23.1	-3.3
Small enterprises	Manufacturing	-39.1	-	58.2	-0.2
	Nonmanufacturing	-7.4	-	12.8	-2.2
All Enterprises	All industries	-16.1	-	17.6	-1.4
Principal Enterprises	Manufacturing excluding petroleum refining	-30.2	-	17.1	-1.5
	Nonmanufacturing excluding electric & gas utilities	-3.9	-	3.5	-0.5

(Year-to-year growth rate, %)

1H FY1998	2H FY1998		1H FY1999		2H FY1999	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
-26.2	-33.0	-	-14.3	6.2	65.9	-2.6
-26.3	-26.3	-	1.4	5.1	50.7	-0.7
-26.2	-36.2	-	-21.0	6.9	74.0	-3.5
-19.7	7.2	-	3.6	-1.2	4.4	-3.2
-35.5	-23.8	-	24.4	0.4	43.5	0.1
-8.0	14.1	-	33.9	-5.7	16.7	-1.7
-62.5	-19.5	-	93.6	3.8	44.4	-2.2
-9.0	-6.3	-	5.0	-4.2	18.1	-0.9
-23.0	-9.5	-	6.0	-0.2	26.9	-2.2
-25.4	-35.6	-	-24.4	5.1	70.1	-4.9
-13.8	6.9	-	6.1	3.2	1.2	-3.7

Ratio of Current Profit to Sales

		FY1998		FY1999	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	3.07	-	3.72	0.04
	Nonmanufacturing	2.10	-	2.21	-0.05
Medium-sized enterprises	Manufacturing	2.77	-	3.69	0.01
	Nonmanufacturing	1.25	-	1.52	-0.04
Small enterprises	Manufacturing	1.40	-	2.25	0.01
	Nonmanufacturing	1.71	-	1.98	-0.01
All Enterprises	All industries	1.97	-	2.32	-0.02
Principal Enterprises	Manufacturing excluding petroleum refining	3.01	-	3.53	-0.05
	Nonmanufacturing excluding electric & gas utilities	1.64	-	1.74	-0.02

(%, % points)

1H FY1998	2H FY1998		1H FY1999		2H FY1999	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
3.44	2.71	-	3.04	0.19	4.34	-0.10
1.92	2.27	-	2.08	-0.02	2.33	-0.09
2.39	3.14	-	2.99	0.03	4.33	-0.01
0.94	1.56	-	1.27	-0.05	1.75	-0.03
0.79	1.99	-	1.60	0.08	2.85	-0.05
1.46	1.95	-	1.58	-0.03	2.35	0.01
1.80	2.13	-	1.96	0.01	2.65	-0.06
3.45	2.58	-	2.70	0.13	4.28	-0.20
1.55	1.72	-	1.76	0.05	1.73	-0.07

(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	-	-9.8	1.3
	Nonmanufacturing	-3.6	-	-9.1	-3.2
	All industries	-5.8	-	-9.4	-1.6
Medium-sized enterprises	Manufacturing	-7.8	-	-16.3	3.5
	Nonmanufacturing	-0.8	-	-5.1	2.2
	All industries	-1.7	-	-6.5	2.3
Small enterprises	Manufacturing	-5.9	-	-29.1	5.5
	Nonmanufacturing	-2.1	-	-20.4	3.4
	All industries	-3.2	-	-22.8	3.9
All Enterprises	Manufacturing	-8.5	-	-14.3	2.2
	Nonmanufacturing	-2.2	-	-9.2	0.1
	All industries	-3.9	-	-10.6	0.6
Principal Enterprises	Manufacturing	-9.3	-	-10.1	-0.2
	Nonmanufacturing	-4.7	-	-2.6	-0.3
	All industries	-6.3	-	-5.1	-0.2

Production Capacity (Manufacturing)		(Net percentage of respondents who reported "Excessive capacity")					
		June 1999 survey		Sept 1999 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises		30	25	29	-1	26	-3
Medium-sized enterprises		30	26	26	-4	24	-2
Small enterprises		29	27	24	-5	21	-3
All Enterprises		29	26	26	-3	23	-3
Principal Enterprises		32	27	31	-1	28	-3

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

Overseas Production (Manufacturing)		(Year-to-year growth rate, %)			
		FY1998		FY1999	
			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	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Overseas investments	-	-	-	-
	Share of overseas investments	-	-	-	-
Principal Enterprises	Overseas investments	-	-	-	-
	Share of overseas investments	-	-	-	-

(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.

6. Employment

Employment Conditions		(Net percentage of respondents who reported "Excessive employment")					
		June 1999 survey		Sept 1999 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	Manufacturing	41	33	36	-5	32	-4
	Nonmanufacturing	21	16	21	0	16	-5
	All industries	32	25	30	-2	25	-5
Medium-sized enterprises	Manufacturing	35	29	30	-5	26	-4
	Nonmanufacturing	14	8	12	-2	8	-4
	All industries	23	17	19	-4	15	-4
Small enterprises	Manufacturing	30	26	24	-6	21	-3
	Nonmanufacturing	15	11	12	-3	8	-4
	All industries	21	17	18	-3	14	-4
All Enterprises	Manufacturing	33	28	29	-4	25	-4
	Nonmanufacturing	15	11	14	-1	9	-5
	All industries	23	18	20	-3	16	-4
Principal Enterprises	Manufacturing	41	34	41	0	35	-6
	Nonmanufacturing	20	16	20	0	16	-4
	All industries	32	26	32	0	26	-6

Number of Employees (All industries)		(Year-to-year growth rate, %)			
		Sept 1998	Dec 1998	Mar 1999	June 1999
Large enterprises		-0.1	-0.7	-1.5	-1.4
Medium-sized enterprises		-1.6	-1.2	-1.4	-1.2
Small enterprises		-1.6	-2.1	-2.9	-3.2
All Enterprises		-1.0	-1.3	-1.9	-1.8
Principal Enterprises		-2.0	-1.9	-2.2	-2.8

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 September 1998 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.

7. Corporate Finance

Financial Position (All industries)		(Diffusion index of "Easy" minus "Tight", % points)				
	June 1999 survey		Sept 1999 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Large enterprises	7	0	8	1	2	-6
Medium-sized enterprises	-12	-18	-10	2	-15	-5
Small enterprises	-18	-27	-17	1	-25	-8
All Enterprises	-12	-20	-11	1	-18	-7
Principal Enterprises	2	-5	3	1	-1	-4

Lending Attitude of Financial Institutions(All industries)		(Diffusion index of "Accommodative" minus "Severe", % points)				
	June 1999 survey		Sept 1999 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Large enterprises	-1	-5	6	7	2	-4
Medium-sized enterprises	-11	-15	-6	5	-11	-5
Small enterprises	-12	-17	-9	3	-15	-6
All Enterprises	-10	-14	-5	5	-10	-5
Principal Enterprises	-10	-13	-2	8	-5	-3

Change in Interest Rate on Loan (All industries)		(Diffusion index of "Rise" minus "Fall", % points)				
	June 1999 survey		Sept 1999 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Large enterprises	-14	15	4	18	22	18
Medium-sized enterprises	-5	14	5	10	19	14
Small enterprises	-4	11	7	11	17	10
All Enterprises	-5	12	6	11	19	13
Principal Enterprises	-17	18	5	22	24	19

Liquidity Ratio (All industries)		(months)			
	Sept 1998	Dec 1998	Mar 1999	June 1999	
Large enterprises	1.41	1.51	1.47	1.42	
Medium-sized enterprises	1.28	1.35	1.33	1.26	
Small enterprises	1.71	1.82	1.77	1.79	
All Enterprises	1.43	1.53	1.49	1.45	
Principal Enterprises	1.43	1.49	1.46	1.41	
(Seasonally adjusted)	1.43	1.51	1.42	1.43	

(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 ratio	FY1999 (Forecast)	Adjustment ratio
Financial institutions	< 191 >	-20.0	-	-1.4	-5.6
	Banks < 142 >	-4.4	-	-12.3	-4.6
	Securities companies < 24 >	-5.2	-	-3.1	-7.8
	Insurance companies < 25 >	-33.3	-	11.2	-6.3

Investments for Computerizing (special survey for June and December)		(Year-to-year growth rate, %)			
		FY1998	Adjustment ratio	FY1999 (Forecast)	Adjustment ratio
Financial institutions	< - >	-	-	-	-
	Banks < - >	-	-	-	-
	Securities companies < - >	-	-	-	-
	Insurance companies < - >	-	-	-	-

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

Liquidity Ratio

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

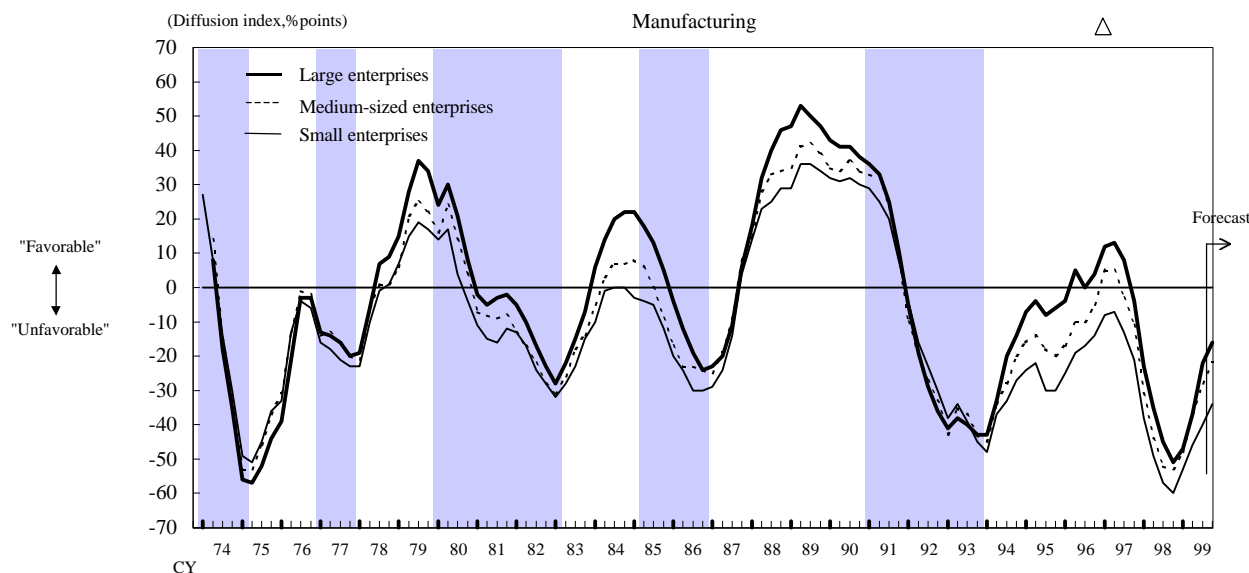
Reference Charts

[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.

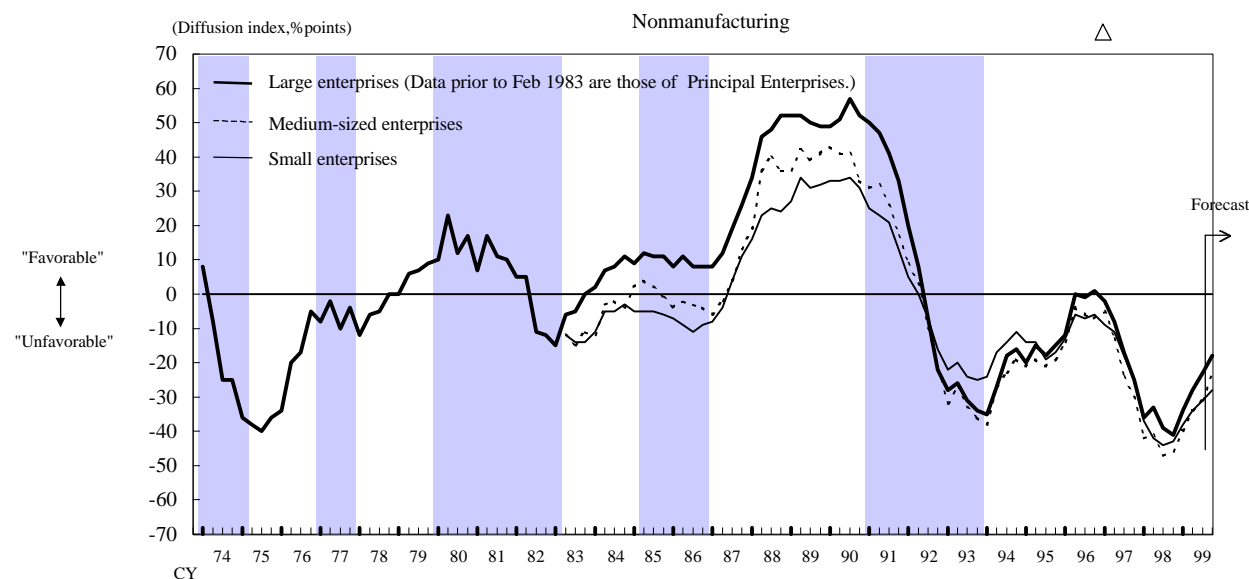


Peaks and Bottoms of Business Conditions

(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)

	September 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-22	-28	-40
Forecast	-16	-22	-34



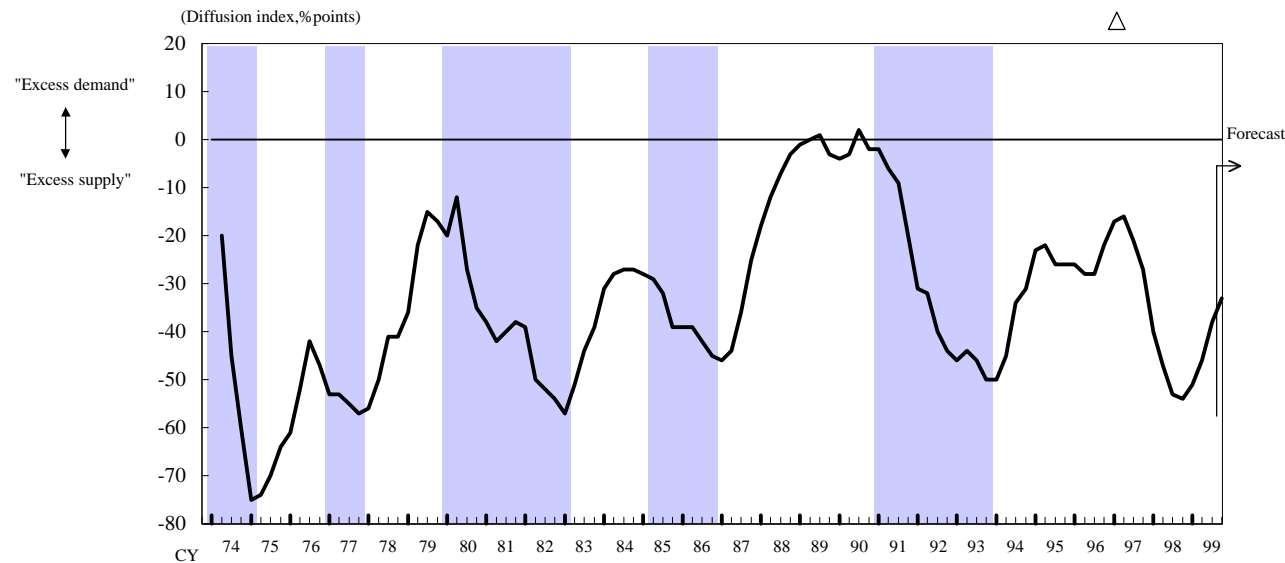
(Net percentage of respondents who reported "Favorable")

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)

	September 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-23	-31	-31
Forecast	-18	-23	-28

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

Supply and Demand Conditions for Products



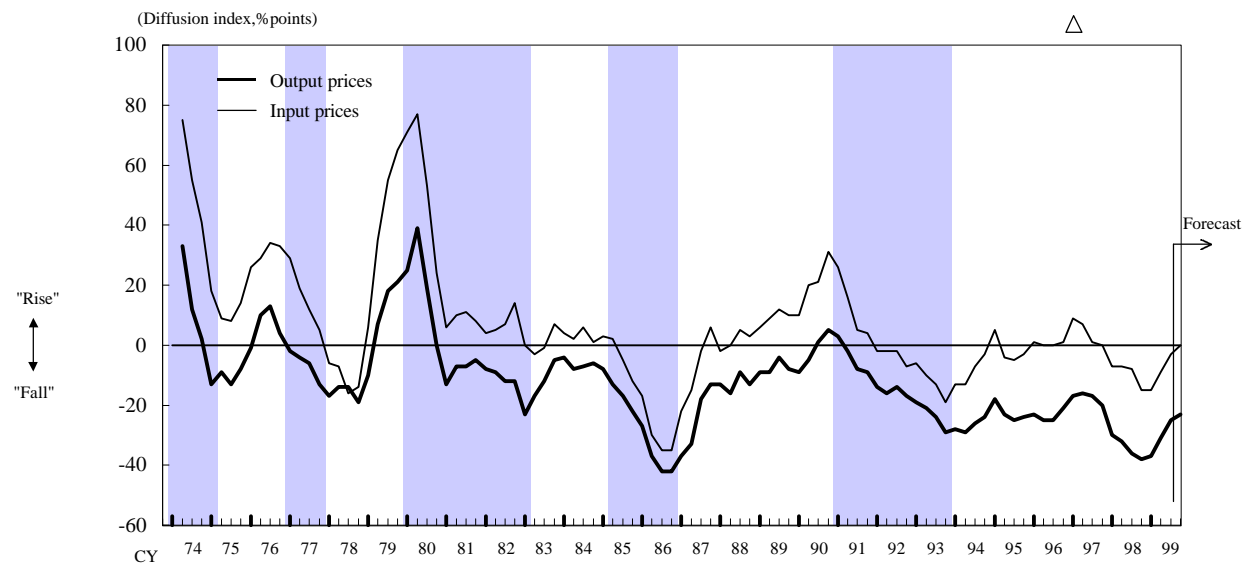
Peaks and Bottoms of Supply and Demand Conditions for Products

(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)

September 1999 survey	
Actual result	Forecast
-38	-33

Prices



Peaks and Bottoms of Prices

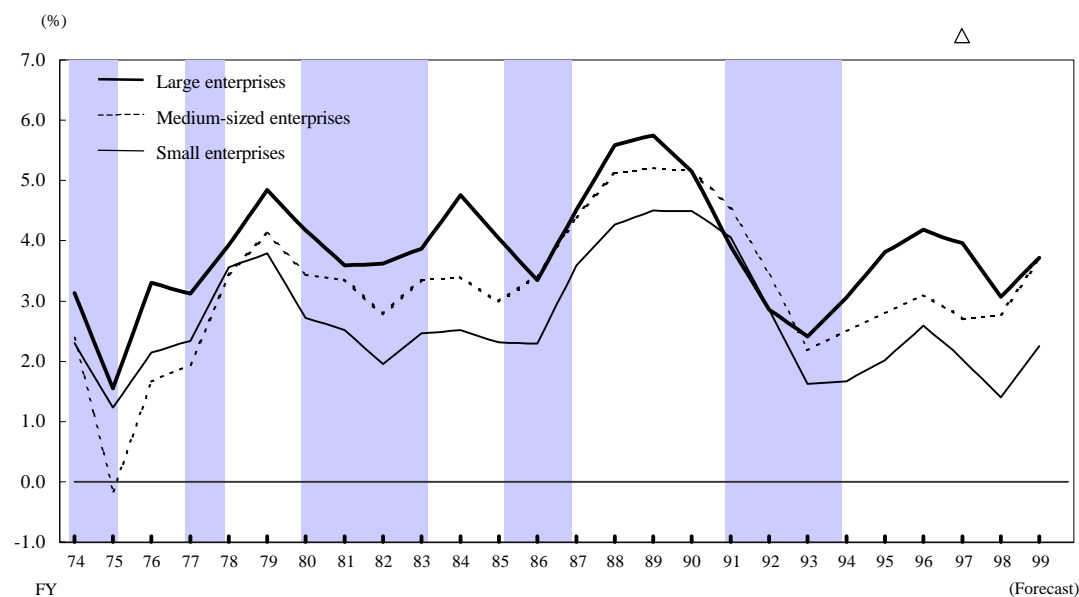
(Diffusion index of "Rise" minus "Fall", % points)

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)

September 1999 survey		
	Output prices	Input prices
Actual result	-25	-3
Forecast	-23	0

[Ratio of Current Profit to Sales]

Manufacturing



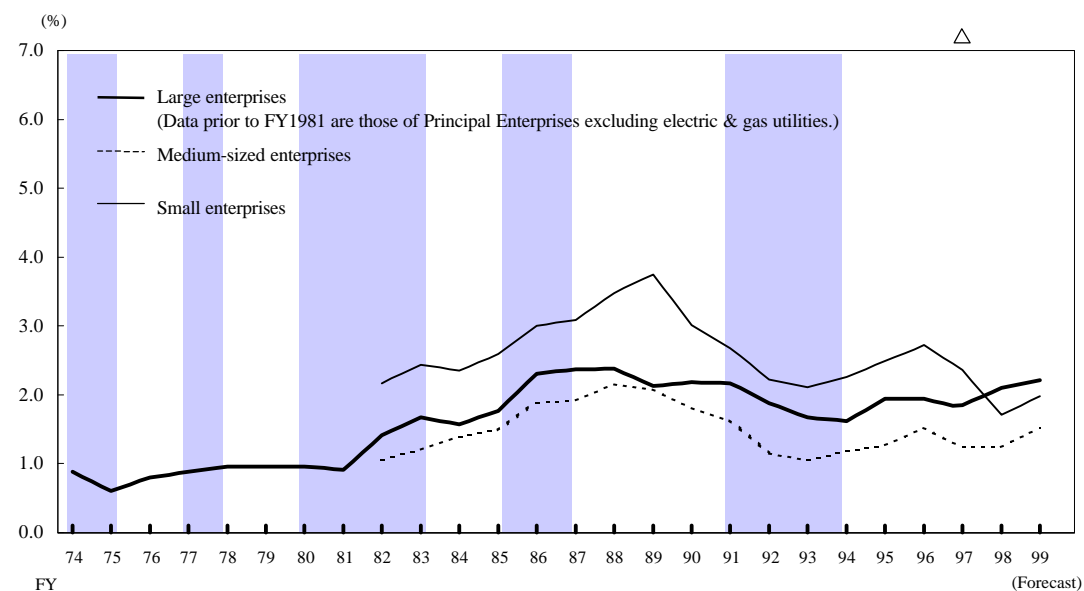
Peaks and Bottoms of Ratio of Current Profit to Sales

(%)

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)

	September 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 1998	3.07	2.77	1.40
FY 1999 (Forecast)	3.72	3.69	2.25

Nonmanufacturing

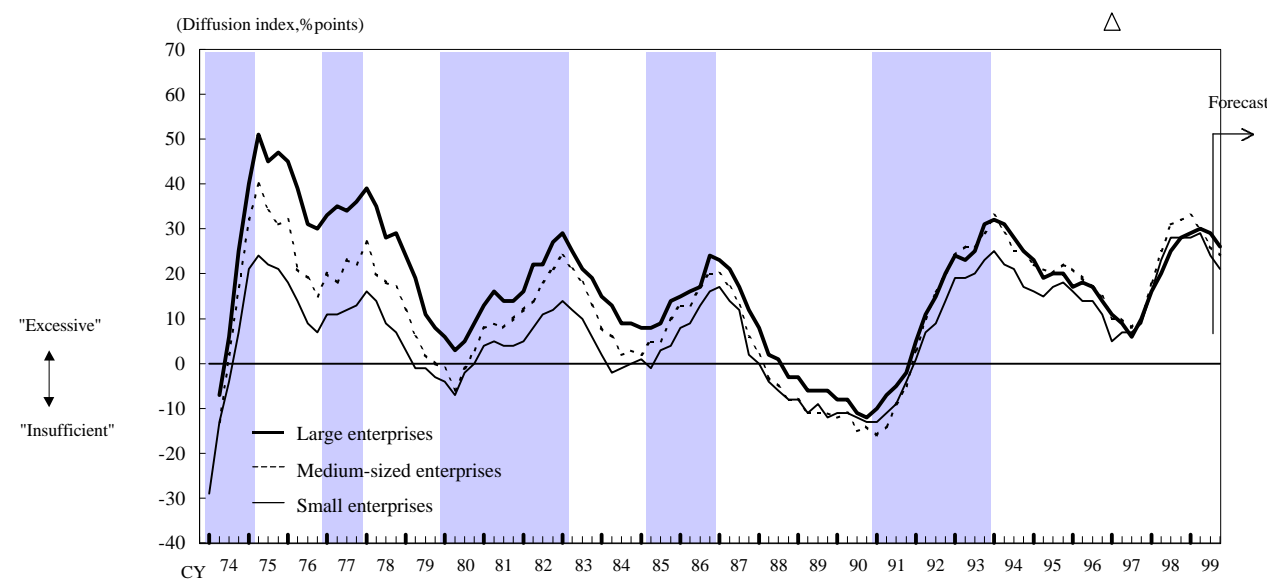


(%)

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)

	September 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 1998	2.10	1.25	1.71
FY 1999 (Forecast)	2.21	1.52	1.98

[Production Capacity (Manufacturing)]



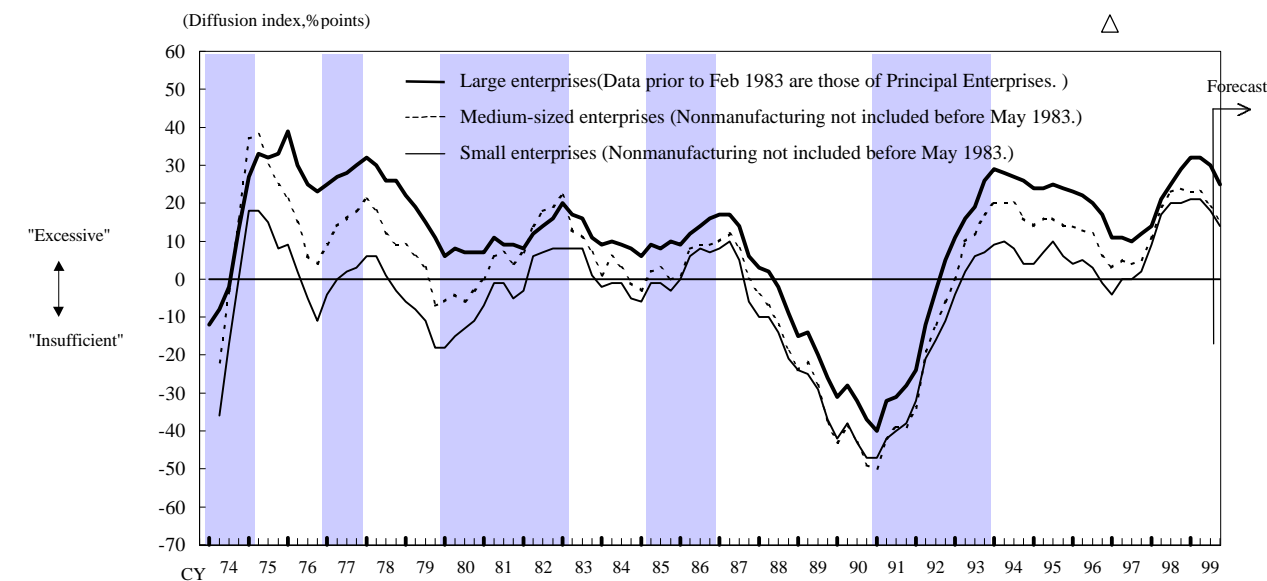
Peaks and Bottoms of Production Capacity

(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)	

	September 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	29	26	24
Forecast	26	24	21

[Employment Conditions (All industries)]



Peaks and Bottoms of Employment Conditions

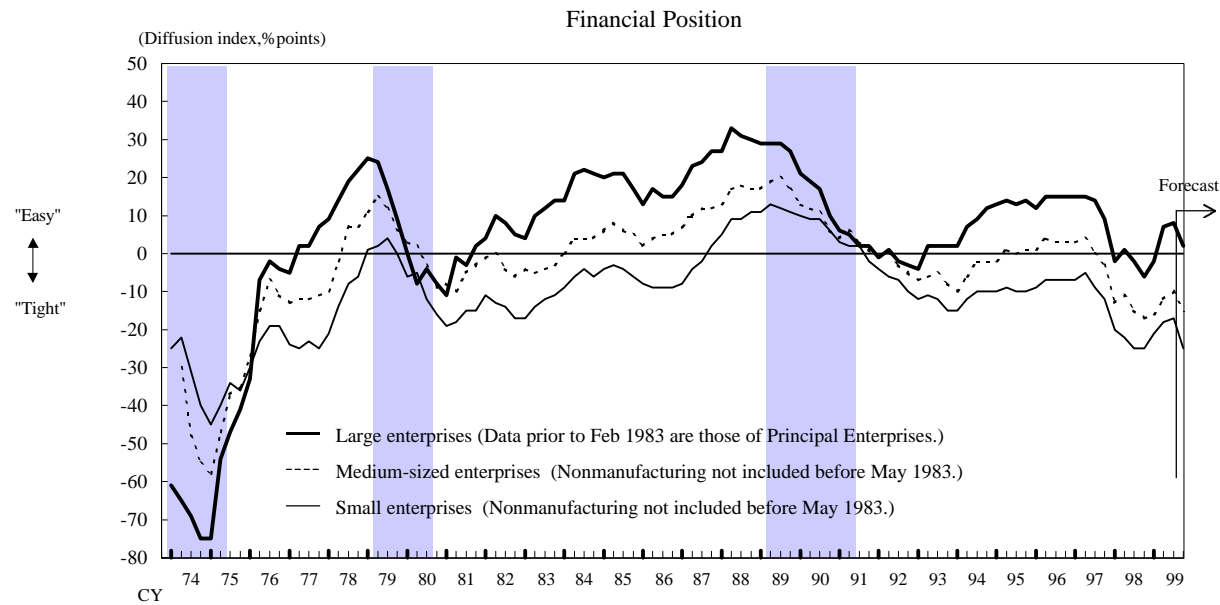
(Net percentage of respondents who reported "Excessive employment")

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)	

	September 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	30	19	18
Forecast	25	15	14

[Corporate Finance (All industries)]

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

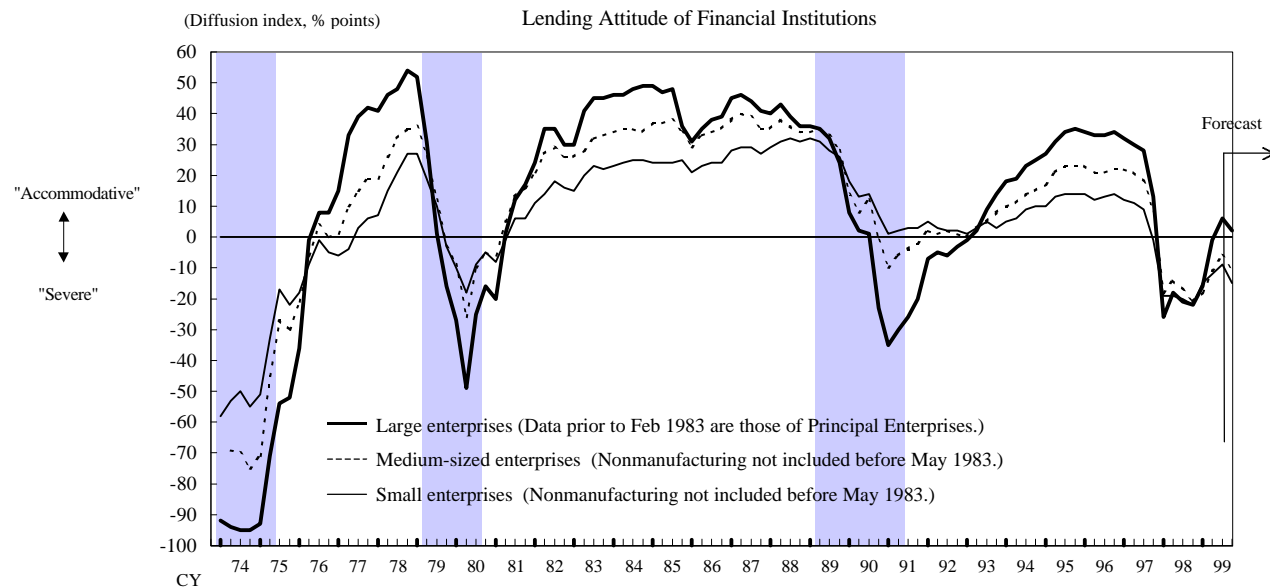


Peaks and Bottoms of Financial Position

(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)

	September 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	8	-10	-17
Forecast	2	-15	-25



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)

	September 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	6	-6	-9
Forecast	2	-11	-15