

# TANKAN Summary (March 2001)

108th Short-Term Economic Survey of All Enterprises in Japan

175th Short-Term Economic Survey of Principal Enterprises in Japan

Not to be released before 8:50 a.m. on  
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April 2, 2001

Research and Statistics Department

Bank of Japan

Number of sample enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	3,821	5,171	8,992	95.3%
Large enterprises	770	657	1,427	97.3%
Medium-sized enterprises	1,102	1,756	2,858	95.5%
Small enterprises	1,949	2,758	4,707	94.6%
Principal Enterprises	380	307	687	99.6%
(Memo) Financial institutions	-	-	182	100.0%

Responding Period: February 23rd to March 30th.

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

( yen per US dollar )

	FY2000			FY2001		
		1H	2H		1H	2H
Dec 2000 survey	105.63	106.57	104.69	-	-	-
Mar 2001 survey	107.51	106.57	108.44	109.00	109.13	108.89

## 1. Business Conditions

(Net percentage of respondents who reported "Favorable")

	Large enterprises						Medium-sized enterprises						Small enterprises					
	Dec 2000 survey		Mar 2001 survey				Dec 2000 survey		Mar 2001 survey				Dec 2000 survey		Mar 2001 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	10	7	-5	-15	-8	-3	2	0	-15	-17	-21	-6	-16	-18	-27	-11	-32	-5
Textiles	-26	-30	-28	-2	-28	0	-51	-34	-63	-12	-50	13	-57	-59	-56	1	-59	-3
Lumber & wood products	0	-20	-40	-40	-40	0	-38	-38	-38	0	-34	4	-37	-43	-60	-23	-55	5
Pulp & paper	26	40	13	-13	13	0	10	10	3	-7	3	0	-12	-15	-26	-14	-31	-5
Chemicals	11	9	-1	-12	5	6	15	2	-2	-17	-3	-1	-1	-4	-13	-12	-14	-1
Petroleum & coal products	-25	-25	-13	12	-38	-25	0	18	18	18	18	0	15	0	9	-6	0	-9
Ceramics, stone & clay	4	-4	-8	-12	-22	-14	-12	-14	-23	-11	-25	-2	-27	-31	-34	-7	-45	-11
Iron & steel	-3	-4	-14	-11	-28	-14	5	-14	-13	-18	-32	-19	-16	-15	-29	-13	-32	-3
Nonferrous metals	33	33	20	-13	10	-10	40	36	0	-40	-5	-5	5	0	-13	-18	-30	-17
Food & beverages	5	9	3	-2	12	9	-3	-6	-9	-6	-14	-5	-22	-18	-27	-5	-16	11
Processed metals	11	7	-7	-18	-7	0	-9	-4	-12	-3	-17	-5	-15	-18	-26	-11	-34	-8
Industrial machinery	18	8	3	-15	-9	-12	1	3	-12	-13	-23	-11	-5	-6	-13	-8	-26	-13
Electrical machinery	30	22	-9	-39	-11	-2	24	13	-12	-36	-27	-15	10	3	-21	-31	-28	-7
Shipbuilding & heavy machinery	-30	-30	-30	0	-20	10	-58	-50	-58	0	-67	-9	-45	-41	-39	6	-34	5
Motor vehicles	12	6	7	-5	-6	-13	-1	-5	-11	-10	-21	-10	-11	-16	-20	-9	-33	-13
Precision machinery	-8	0	-11	-3	-23	-12	-3	-11	-7	-4	-25	-18	8	6	-6	-14	-20	-14
Basic materials	4	3	-6	-10	-10	-4	-5	-5	-17	-12	-19	-2	-26	-29	-36	-10	-40	-4
Processing	13	9	-5	-18	-7	-2	5	0	-13	-18	-22	-9	-10	-11	-21	-11	-27	-6
Nonmanufacturing	-10	-8	-13	-3	-11	2	-19	-17	-22	-3	-23	-1	-23	-25	-28	-5	-32	-4
Construction	-24	-24	-29	-5	-31	-2	-17	-22	-23	-6	-36	-13	-25	-31	-30	-5	-42	-12
Real estate	17	8	18	1	18	0	15	15	14	-1	18	4	-3	-13	-4	-1	-7	-3
Wholesaling	5	8	-11	-16	-8	3	-16	-13	-16	0	-21	-5	-26	-26	-32	-6	-34	-2
Retailing	-21	-14	-20	1	-13	7	-29	-22	-30	-1	-27	3	-44	-39	-46	-2	-42	4
Transportation	-11	-15	-21	-10	-18	3	-29	-28	-30	-1	-31	-1	-20	-23	-26	-6	-32	-6
Communications	18	18	18	0	18	0	50	17	56	6	44	-12	54	38	36	-18	29	-7
Electric & gas utilities	12	0	6	-6	6	0	10	10	20	10	10	-10	-8	-4	4	12	-14	-18
Services	1	6	5	4	0	-5	-14	-15	-18	-4	-21	-3	-17	-20	-20	-3	-25	-5
Leasing	11	11	11	0	-11	-22	0	-7	-4	-4	-19	-15	-15	-14	-19	-4	-20	-1
All industries	2	0	-9	-11	-9	0	-11	-11	-18	-7	-22	-4	-20	-23	-28	-8	-33	-5

	All Enterprises					
Manufacturing	-6	-8	-19	-13	-24	-5
Nonmanufacturing	-20	-21	-24	-4	-26	-2
All industries	-14	-15	-22	-8	-26	-4

(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 2000 survey		Mar 2001 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Manufacturing	4	4	-6	-10	-7	-1
Textiles	-29	-29	-32	-3	-32	0
Pulp & paper	27	36	18	-9	18	0
Chemicals	12	6	-2	-14	5	7
Petroleum refining	-25	-25	-13	12	-38	-25
Ceramics, stone & clay	0	12	0	0	-12	-12
Iron & steel	4	9	-13	-17	-21	-8
Nonferrous metals	30	35	21	-9	26	5
Food & beverages	6	6	6	0	15	9
Processed metals	7	0	-8	-15	-8	0
Industrial machinery	7	7	-5	-12	-15	-10
Electrical machinery	30	25	-4	-34	-4	0
Shipbuilding & heavy machinery	-50	-50	-33	17	-33	0
Motor vehicles	0	-3	-7	-7	-17	-10
Precision machinery	-20	0	-20	0	-30	-10
Basic materials	3	4	-6	-9	-7	-1
Processing	5	5	-6	-11	-9	-3
Nonmanufacturing	-4	-5	-9	-5	-9	0
Construction	-27	-25	-27	0	-34	-7
Real estate	9	6	16	7	10	-6
Wholesaling	4	2	-20	-24	-15	5
Retailing	-19	-19	-24	-5	-17	7
Transportation	-11	-15	-13	-2	-11	2
Communications	-14	-14	-14	0	-14	0
Electric & gas utilities	0	0	0	0	0	0
Services	17	16	14	-3	9	-5
Leasing	21	21	14	-7	7	-7
All industries	0	1	-7	-7	-9	-2

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

(% ,% points)

	Dec 2000 survey			Mar 2001 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises	Large enterprises	Medium-sized enterprises	Small enterprises
Manufacturing	10	2	-16	-5	-15	-27
1.Favorable	23	21	16	13	11	11
2.Not so favorable	64	60	52	69	63	51
3.Unfavorable	13	19	32	18	26	38
Nonmanufacturing	-10	-19	-23	-13	-22	-28
1.Favorable	13	11	9	12	10	8
2.Not so favorable	64	59	59	63	58	56
3.Unfavorable	23	30	32	25	32	36

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

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

(% points)

		Large enterprises					
		Dec 2000 survey		Mar 2001 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products and services:	Manufacturing	-21	-25	-32	-11	-33	-1
Diffusion index of "Excess demand" minus	Basic materials	-27	-29	-35	-8	-37	-2
"Excess supply"	Processing	-18	-24	-32	-14	-32	0
Supply and demand conditions for products overseas:	Manufacturing	-13	-17	-23	-10	-23	0
Diffusion index of "Excess demand" minus	Basic materials	-19	-22	-26	-7	-28	-2
"Excess supply"	Processing	-11	-14	-22	-11	-22	0

Inventory level of finished goods and merchandise:	Manufacturing	22	16	28	6	17	-11
Diffusion index of "Excessive or somewhat excessive"	Basic materials	23	16	30	7	19	-11
minus "Insufficient or somewhat insufficient"	Processing	21	15	27	6	16	-11
Wholesalers' inventory level:	Manufacturing	21	21	30	9	25	-5
Diffusion index of "Excessive or somewhat excessive"	Basic materials	25	24	32	7	27	-5
minus "Insufficient or somewhat insufficient"	Processing	20	20	30	10	25	-5

Change in output prices:	Manufacturing	-19	-20	-26	-7	-26	0
Diffusion index of "Rise" minus "Fall"	Basic materials	-3	-11	-21	-18	-17	4
	Processing	-25	-25	-29	-4	-30	-1
Change in input prices:	Manufacturing	7	3	-3	-10	-5	-2
Diffusion index of "Rise" minus "Fall"	Basic materials	24	11	0	-24	6	6
	Processing	-1	0	-5	-4	-9	-4

(% points)

		Small enterprises					
		Dec 2000 survey		Mar 2001 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products and services:	Manufacturing	-40	-42	-47	-7	-50	-3
Diffusion index of "Excess demand" minus	Basic materials	-52	-52	-56	-4	-59	-3
"Excess supply"	Processing	-32	-35	-41	-9	-44	-3
Supply and demand conditions for products overseas:	Manufacturing	-27	-27	-35	-8	-37	-2
Diffusion index of "Excess demand" minus	Basic materials	-39	-38	-45	-6	-46	-1
"Excess supply"	Processing	-20	-21	-30	-10	-31	-1

Inventory level of finished goods and merchandise:	Manufacturing	22	17	26	4	19	-7
Diffusion index of "Excessive or somewhat excessive"	Basic materials	28	23	33	5	26	-7
minus "Insufficient or somewhat insufficient"	Processing	18	13	20	2	14	-6
Wholesalers' inventory level:	Manufacturing	33	31	40	7	38	-2
Diffusion index of "Excessive or somewhat excessive"	Basic materials	45	43	49	4	47	-2
minus "Insufficient or somewhat insufficient"	Processing	25	23	33	8	32	-1

Change in output prices:	Manufacturing	-27	-27	-30	-3	-34	-4
Diffusion index of "Rise" minus "Fall"	Basic materials	-26	-25	-30	-4	-32	-2
	Processing	-29	-27	-31	-2	-35	-4
Change in input prices:	Manufacturing	6	7	2	-4	1	-1
Diffusion index of "Rise" minus "Fall"	Basic materials	11	10	3	-8	2	-1
	Processing	2	6	2	0	1	-1

### 3. Sales and Current Profits

#### Sales

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	4.1	-0.6	2.0	-
	Domestic Sales	4.0	-0.4	2.7	-
	Exports	4.3	-1.5	-0.1	-
	Nonmanufacturing	3.2	1.1	1.0	-
Medium-sized enterprises	Manufacturing	3.9	-0.9	1.9	-
	Nonmanufacturing	1.7	-1.7	3.0	-
Small enterprises	Manufacturing	2.4	-0.6	0.4	-
	Nonmanufacturing	0.1	0.5	0.2	-
All Enterprises	All industries	2.5	-0.3	1.6	-
Principal Enterprises	Manufacturing	5.0	-0.3	2.2	-
	Nonmanufacturing	0.1	-0.1	-0.4	-

(Year-to-year growth rate, %)

1H FY2000	2H FY2000		1H FY2001		2H FY2001	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
4.4	3.7	-0.9	1.9	-	2.2	-
3.9	4.1	-0.5	3.4	-	2.0	-
6.2	2.4	-2.4	-3.2	-	2.9	-
2.9	3.4	0.9	2.0	-	0.2	-
4.5	3.3	-1.6	1.8	-	2.0	-
2.0	1.4	-2.1	3.3	-	2.8	-
3.4	1.5	-1.0	0.3	-	0.5	-
0.1	0.0	0.3	0.4	-	0.0	-
2.6	2.3	-0.6	2.0	-	1.3	-
5.2	4.7	-0.5	2.2	-	2.1	-
0.1	0.1	-0.1	0.5	-	-1.3	-

#### Current Profits

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	25.3	-3.2	3.6	-
	Basic materials	16.9	-6.8	5.1	-
	Processing	29.7	-1.5	2.9	-
	Nonmanufacturing	3.3	-1.8	5.2	-
Medium-sized enterprises	Manufacturing	27.3	-0.2	6.6	-
	Nonmanufacturing	2.9	-7.0	20.3	-
Small enterprises	Manufacturing	16.5	-4.8	12.2	-
	Nonmanufacturing	0.8	-3.8	11.9	-
All Enterprises	All industries	11.0	-3.4	8.7	-
Principal Enterprises	Manufacturing excluding petroleum refining	31.6	-1.1	4.7	-
	Nonmanufacturing excluding electric & gas utilities	-3.0	-0.9	4.5	-

(Year-to-year growth rate, %)

1H FY2000	2H FY2000		1H FY2001		2H FY2001	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
37.5	16.1	-3.7	-5.9	-	12.1	-
27.5	8.9	-6.0	1.8	-	7.9	-
42.8	19.8	-2.6	-9.5	-	14.0	-
25.3	-14.3	-2.7	-4.9	-	17.1	-
65.4	6.7	-2.7	2.6	-	9.9	-
13.8	-4.7	-10.8	14.4	-	25.3	-
47.5	0.6	-8.7	8.2	-	15.2	-
8.0	-4.1	-2.6	16.8	-	8.2	-
27.7	-1.0	-5.0	1.6	-	15.2	-
44.6	22.3	-2.0	-5.6	-	13.4	-
5.4	-10.5	-1.5	-5.0	-	14.5	-

#### Ratio of Current Profit to Sales

		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	4.40	-0.12	4.47	-
	Nonmanufacturing	2.57	-0.07	2.68	-
Medium-sized enterprises	Manufacturing	4.13	0.03	4.32	-
	Nonmanufacturing	1.72	-0.10	2.01	-
Small enterprises	Manufacturing	2.83	-0.12	3.16	-
	Nonmanufacturing	2.18	-0.10	2.44	-
All Enterprises	All industries	2.71	-0.09	2.90	-
Principal Enterprises	Manufacturing excluding petroleum refining	4.19	-0.14	4.30	-
	Nonmanufacturing excluding electric & gas utilities	2.02	0.07	2.11	-

(%, % points)

1H FY2000	2H FY2000		1H FY2001		2H FY2001	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
4.34	4.46	-0.12	4.01	-	4.89	-
2.91	2.26	-0.08	2.71	-	2.64	-
3.93	4.33	-0.05	3.96	-	4.66	-
1.62	1.81	-0.18	1.79	-	2.21	-
2.49	3.15	-0.27	2.68	-	3.61	-
1.96	2.39	-0.07	2.28	-	2.59	-
2.70	2.71	-0.13	2.69	-	3.08	-
4.04	4.33	-0.14	3.76	-	4.80	-
2.19	1.86	0.05	2.05	-	2.16	-

(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, %)			
		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	14.6	-1.5	2.3	-
	Nonmanufacturing	-1.4	-3.8	-9.5	-
	All industries	4.5	-2.9	-4.7	-
Medium-sized enterprises	Manufacturing	12.9	-1.5	-10.0	-
	Nonmanufacturing	-6.8	-6.9	-7.5	-
	All industries	-4.6	-6.2	-7.9	-
Small enterprises	Manufacturing	11.2	-0.1	-22.9	-
	Nonmanufacturing	-6.7	0.5	-20.7	-
	All industries	-2.5	0.4	-21.3	-
All Enterprises	Manufacturing	13.8	-1.3	-3.9	-
	Nonmanufacturing	-4.8	-4.5	-10.5	-
	All industries	-0.2	-3.7	-8.6	-

Software Investment		(Year-to-year growth rate, %)			
		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-7.3	-	4.8	-
	Nonmanufacturing	-11.2	-	3.0	-
	All industries	-9.6	-	3.8	-
Medium-sized enterprises	Manufacturing	3.9	-	36.2	-
	Nonmanufacturing	-7.1	-	-0.8	-
	All industries	-6.6	-	1.2	-
Small enterprises	Manufacturing	8.7	-	27.9	-
	Nonmanufacturing	-6.1	-	4.3	-
	All industries	-3.9	-	8.2	-
All Enterprises	Manufacturing	-5.7	-	8.8	-
	Nonmanufacturing	-8.6	-	1.2	-
	All industries	-7.9	-	3.1	-

Software and Fixed Investments		(Year-to-year growth rate, %)			
		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	13.0	-	2.4	-
	Nonmanufacturing	-2.0	-	-8.8	-
	All industries	3.6	-	-4.2	-
Medium-sized enterprises	Manufacturing	12.7	-	-8.9	-
	Nonmanufacturing	-6.8	-	-7.1	-
	All industries	-4.7	-	-7.3	-
Small enterprises	Manufacturing	11.1	-	-22.0	-
	Nonmanufacturing	-6.7	-	-19.8	-
	All industries	-2.5	-	-20.4	-
All Enterprises	Manufacturing	12.6	-	-3.3	-
	Nonmanufacturing	-5.0	-	-9.8	-
	All industries	-0.7	-	-8.0	-

(Notice) The wrong data for the "Software Investment" and "Software and Fixed investments" are corrected (April 27,2001).

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

		Dec 2000 survey		Mar 2001 survey			
		Actual result	Forecast	Actual result	Forecast		
					Changes in revision	Changes	
Large enterprises	Manufacturing	17	16	19	2	17	-2
	Nonmanufacturing	3	3	5	2	4	-1
	All industries	11	10	13	2	11	-2
Medium-sized enterprises	Manufacturing	12	12	19	7	21	2
	Nonmanufacturing	3	1	3	0	2	-1
	All industries	7	6	10	3	10	0
Small enterprises	Manufacturing	16	15	19	3	18	-1
	Nonmanufacturing	5	4	5	0	5	0
	All industries	9	9	11	2	10	-1
All Enterprises	Manufacturing	15	15	19	4	18	-1
	Nonmanufacturing	4	3	5	1	4	-1
	All industries	9	8	10	1	10	0

## 5. Employment

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

		Dec 2000 survey		Mar 2001 survey			
		Actual result	Forecast	Actual result	Forecast		
					Changes in revision	Changes	
Large enterprises	Manufacturing	25	21	25	0	22	-3
	Nonmanufacturing	14	10	11	-3	10	-1
	All industries	20	16	19	-1	17	-2
Medium-sized enterprises	Manufacturing	13	12	17	4	21	4
	Nonmanufacturing	1	1	3	2	5	2
	All industries	6	6	9	3	10	1
Small enterprises	Manufacturing	13	11	16	3	17	1
	Nonmanufacturing	6	5	4	-2	7	3
	All industries	9	7	10	1	11	1
All Enterprises	Manufacturing	15	14	18	3	19	1
	Nonmanufacturing	5	4	5	0	7	2
	All industries	9	8	11	2	12	1
Principal Enterprises	Manufacturing	29	23	28	-1	22	-6
	Nonmanufacturing	13	11	12	-1	13	1
	All industries	22	18	21	-1	18	-3

Number of Employees (All industries) (Year-to-year growth rate, %)

	Mar 2000	June 2000	Sept 2000	Dec 2000
Large enterprises	-1.4	-1.7	-0.5	-0.6
Medium-sized enterprises	-0.5	0.2	0.2	-0.2
Small enterprises	-1.9	-0.2	-0.1	-0.2
All Enterprises	-1.3	-0.7	-0.2	-0.4
Principal Enterprises	-3.3	-3.4	-2.8	-2.4

Hiring New Graduates \*(All industries)

(special survey for December)	(Year-to-year growth rate, %)	
	FY2000	FY2001
Large enterprises	-	-
Medium-sized enterprises	-	-
Small enterprises	-	-
All Enterprises	-	-
Principal Enterprises	-	-

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

## 6. Corporate Finance

Financial Position (All industries)		(Diffusion index of "Easy" minus "Tight", % points)				
	Dec 2000 survey		Mar 2001 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision	Changes	
Large enterprises	13	7	11	-2	6	-5
Medium-sized enterprises	-4	-10	-5	-1	-10	-5
Small enterprises	-11	-20	-13	-2	-22	-9
All Enterprises	-5	-12	-6	-1	-14	-8
Principal Enterprises	9	5	6	-3	4	-2

### Lending Attitude of Financial Institutions(All industries)

		(Diffusion index of "Accommodative" minus "Severe", % points)				
	Dec 2000 survey		Mar 2001 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision	Changes	
Large enterprises	17	13	18	1	12	-6
Medium-sized enterprises	4	-1	4	0	0	-4
Small enterprises	-3	-8	-3	0	-9	-6
All Enterprises	3	-2	3	0	-3	-6
Principal Enterprises	8	4	9	1	5	-4

Change in Interest Rate on Loan (All industries)		(Diffusion index of "Rise" minus "Fall", % points)				
	Dec 2000 survey		Mar 2001 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision	Changes	
Large enterprises	28	28	-16	-44	-6	10
Medium-sized enterprises	29	32	-7	-36	-3	4
Small enterprises	25	28	2	-23	1	-1
All Enterprises	27	29	-4	-31	-1	3
Principal Enterprises	29	27	-25	-54	-8	17

Liquidity Ratio (All industries)		(months)		
	Mar 2000	June 2000	Sept 2000	Dec 2000
Large enterprises	1.45	1.28	1.10	1.08
Medium-sized enterprises	1.34	1.19	1.16	1.16
Small enterprises	1.87	1.78	1.86	1.79
All Enterprises	1.50	1.36	1.28	1.25
Principal Enterprises	1.40	1.22	1.00	0.98
(Seasonally adjusted)	1.37	1.25	0.99	0.98

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

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

Overseas Production and Investments(Manufacturing)		(Year-to-year growth rate, %)			
		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Overseas production	-	-	-	-
	Share of overseas production	-	-	-	-
	Overseas investments	-	-	-	-
	Share of overseas investments	-	-	-	-
Principal Enterprises	Overseas production	-	-	-	-
	Share of overseas production	-	-	-	-
	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.

## Appendix: Fixed Investments of Financial Institutions

		(Year-to-year growth rate, %)			
		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Fixed Investments of Financial institutions		10.2	-1.6	3.2	-
	Banks	17.4	-17.7	30.7	-
	Securities companies	-3.6	-17.8	55.0	-
	Insurance companies	5.9	20.0	-24.1	-
Software Investment of Financial institutions		42.8	-	19.9	-
	Banks	42.4	-	28.1	-
	Securities companies	67.2	-	21.8	-
	Insurance companies	33.4	-	-1.7	-

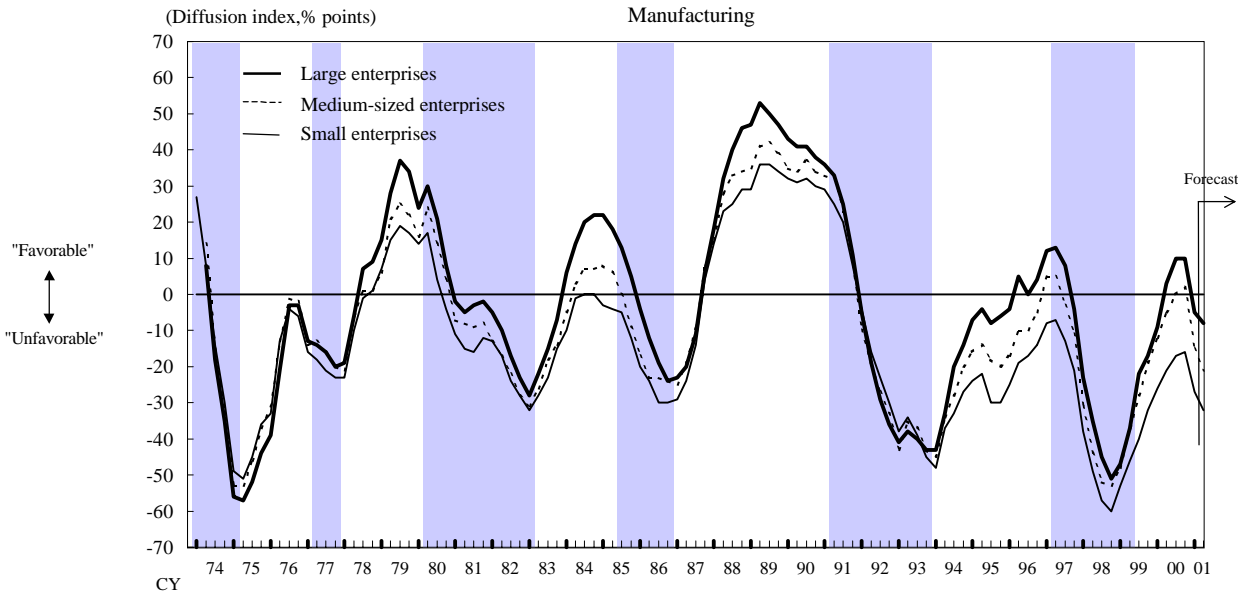
Software and Fixed Investments of Financial institutions		18.8	-	9.1	-
	Banks	26.1	-	30.6	-
	Securities companies	29.9	-	34.8	-
	Insurance companies	10.0	-	-20.1	-

(special survey for June and December)		(Year-to-year growth rate, %)			
		FY2000		FY2001	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Investments for Computerizing of Financial institutions		-	-	-	-
	Banks	-	-	-	-
	Securities companies	-	-	-	-
	Insurance companies	-	-	-	-

Reference Charts

[Business Conditions]

Note: Shaded areas indicate periods of recession (according to the Cabinet Office), unless otherwise noted.

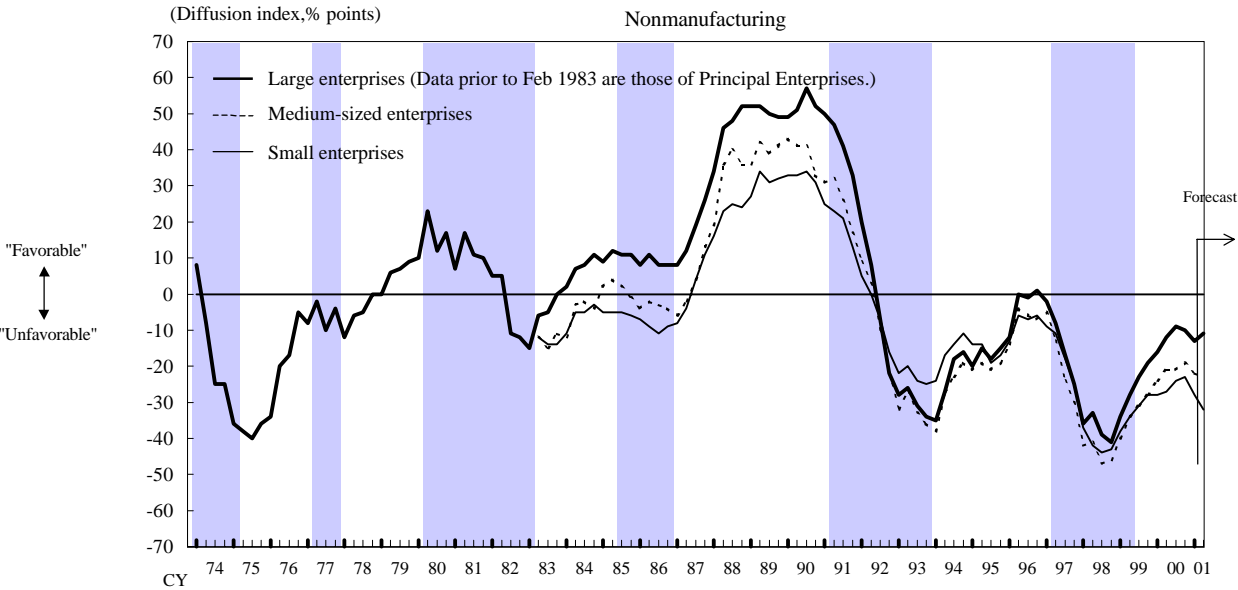


Peaks and Bottoms of Business Conditions

(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)
13 (6/97)	-51 (12/98)	5 (3,6/97)	-53 (12/98)	-7 (6/97)	-60 (12/98)

	March 2001 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-5	-15	-27
Forecast	-8	-21	-32

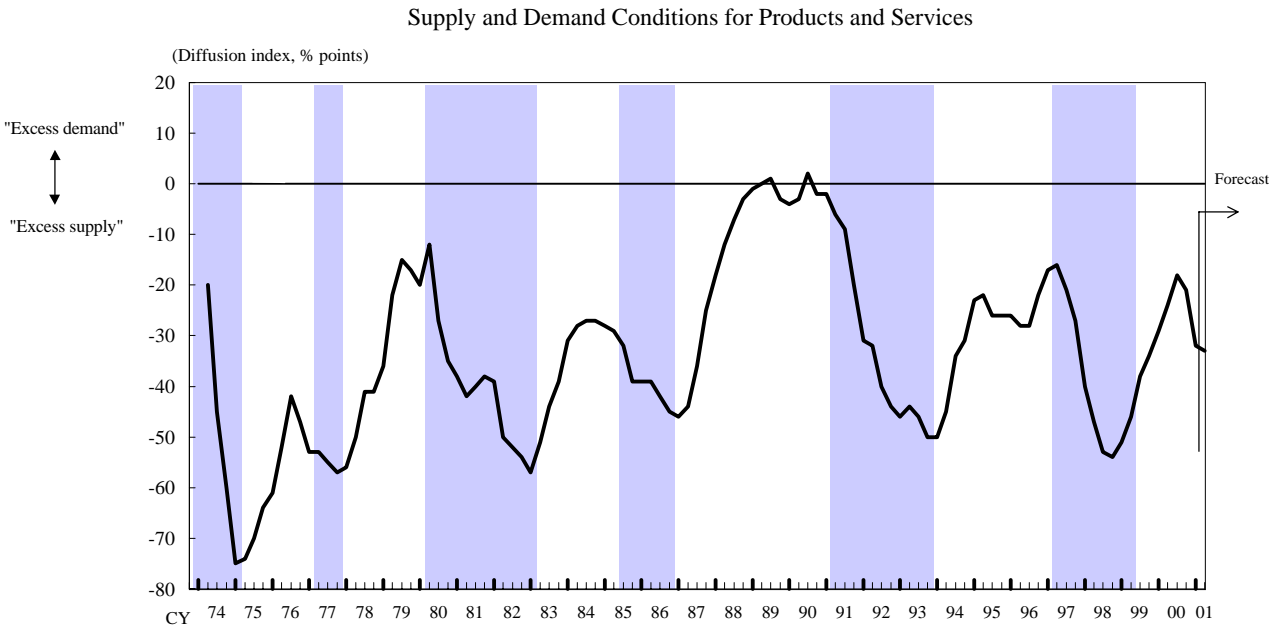


(Net percentage of respondents who reported "Favorable")

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)
1 (11/96)	-41 (12/98)	-4 (5/96)	-47 (9/98)	-6 (5,11/96)	-44 (9/98)

	March 2001 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-13	-22	-28
Forecast	-11	-23	-32

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



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

(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)
-16 (6/97)	-54 (12/98)

March 2001 survey	
Actual result	-32
Forecast	-33



Peaks and Bottoms of Prices

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

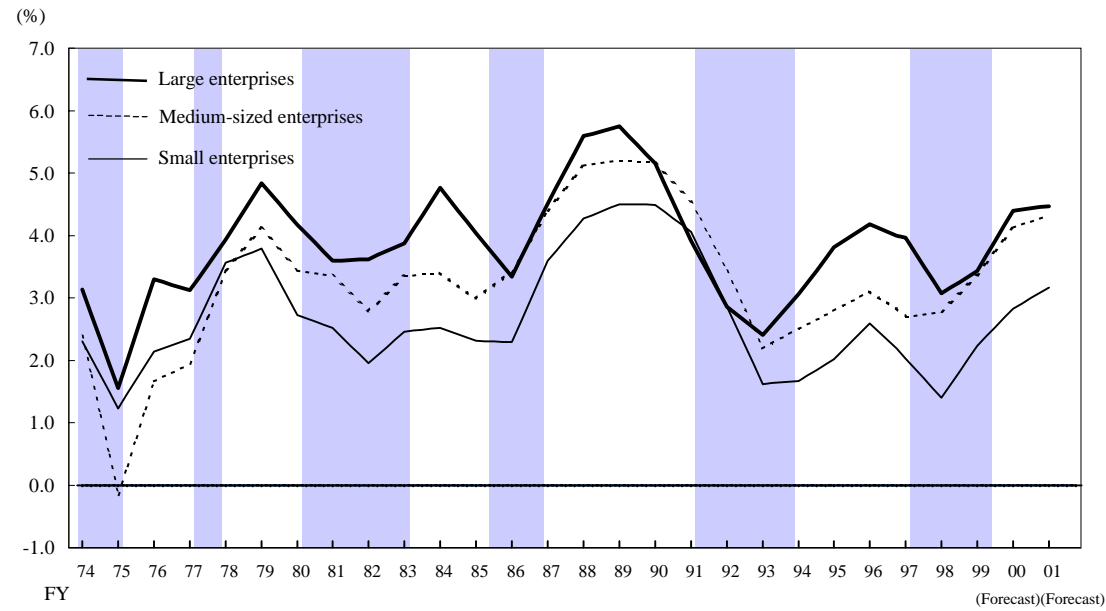
Large manufacturing enterprises			
Output prices		Input prices	
Peak	Bottom	Peak	Bottom
	-13 (2,8/75)		8 (8/75)
13 (8/76)	-19 (11/78)	34 (8/76)	-16 (8/78)
39 (5/80)	-23 (2/83)	77 (5/80)	4 (2/82)
-4 (2/84)	-42 (8,11/86)	14 (11/82)	-35 (8,11/86)
5 (11/90)	-29 (11/93,5/94)	31 (11/90)	-19 (11/93)
-16 (6/97)	-38 (12/98)	9 (3/97)	-15 (12/98,3/99)

	March 2001 survey	
	Output prices	Input prices
Actual result	-26	-3
Forecast	-26	-5

## [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.

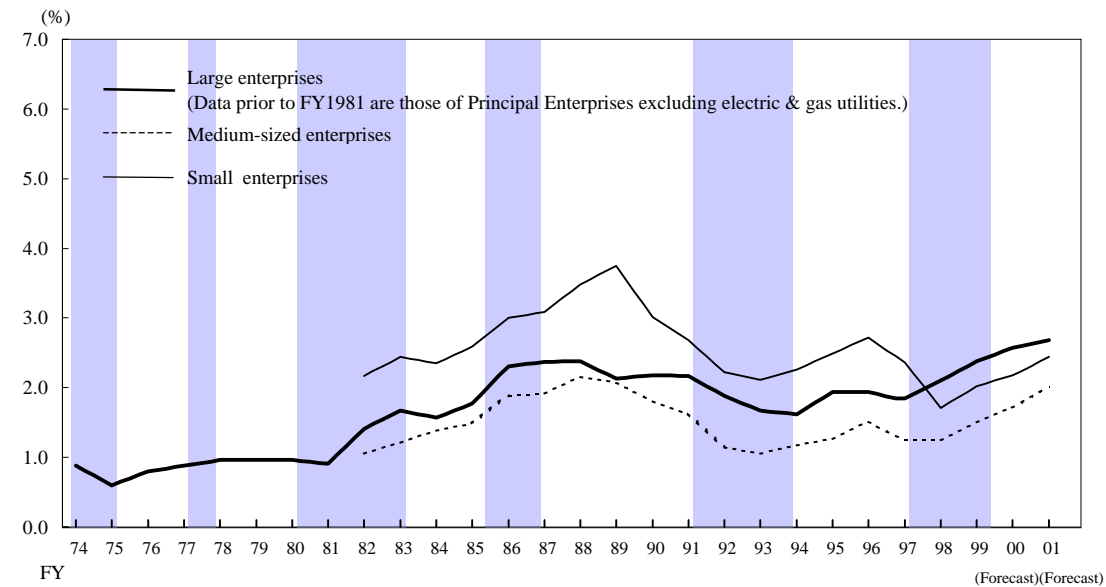


### Peaks and Bottoms of Ratio of Current Profit to Sales (%)

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)
4.18 (FY96)	3.07 (FY98)	3.10 (FY96)	2.70 (FY97)	2.59 (FY96)	1.40 (FY98)

	March 2001 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2000 (Forecast)	4.40	4.13	2.83
FY 2001 (Forecast)	4.47	4.32	3.16

### Nonmanufacturing

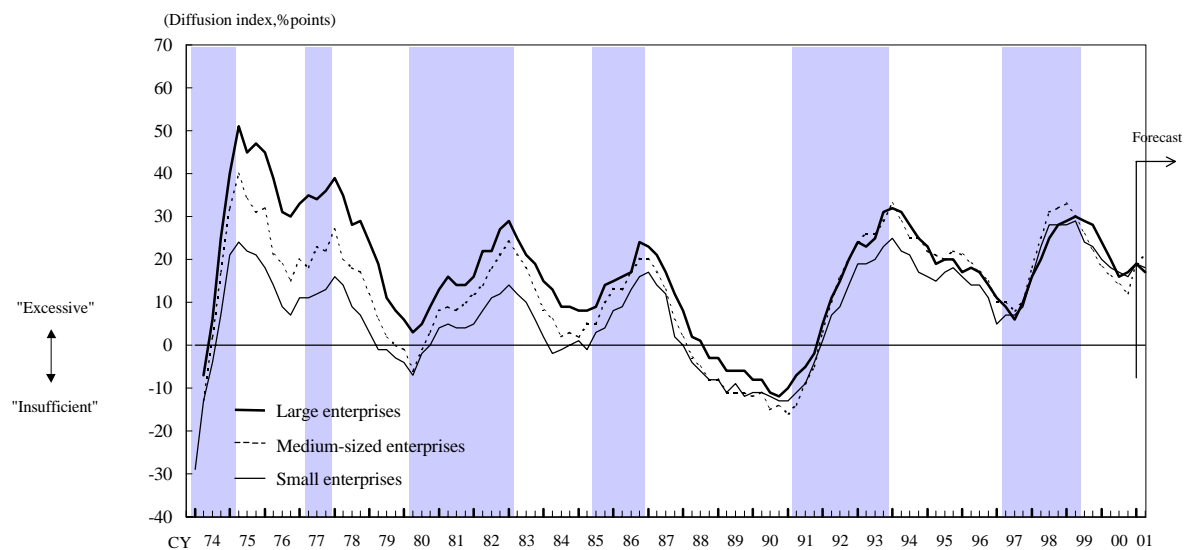


Nonmanufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	1.41 (FY82)		1.06 (FY82)		2.17 (FY82)
1.67 (FY83)	1.57 (FY84)	2.16 (FY88)	1.06 (FY93)	2.44 (FY83)	2.35 (FY84)
2.38 (FY88)	1.62 (FY94)	1.52 (FY96)	1.25 (FY97,98)	3.75 (FY89)	2.11 (FY93)
1.94 (FY95,96)	1.85 (FY97)			2.72 (FY96)	1.71 (FY98)

	March 2001 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2000 (Forecast)	2.57	1.72	2.18
FY 2001 (Forecast)	2.68	2.01	2.44



## [Production Capacity (Manufacturing)]



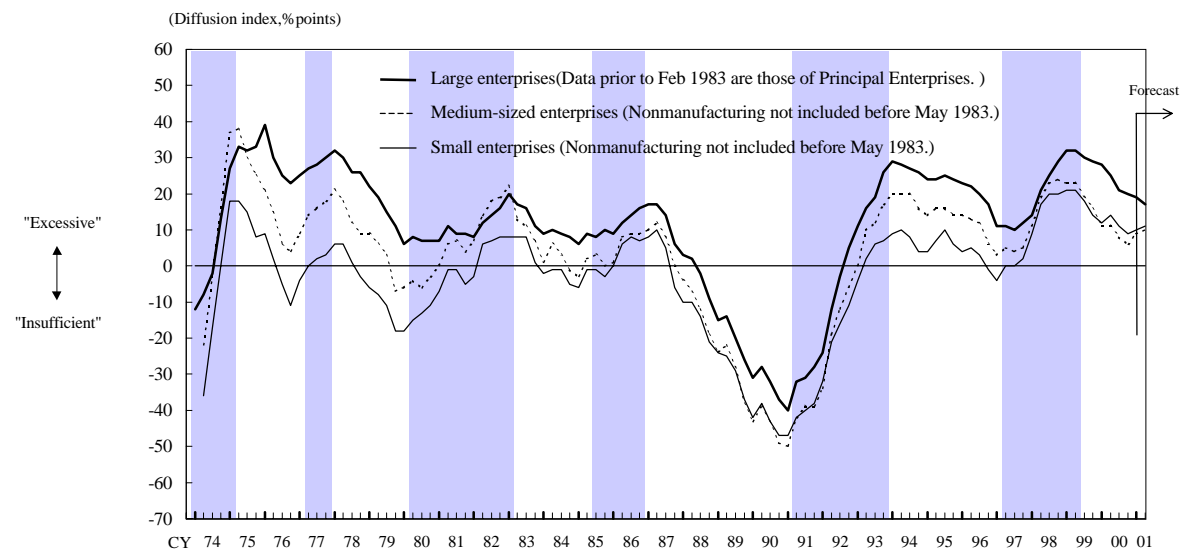
## Peaks and Bottoms of Production Capacity

(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)	6 (9/97)	33 (2/94)	8 (9/97)	25 (2/94)	5 (3/97)
30 (6/99)		33 (3/99)		29 (6/99)	

	March 2001 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	19	19	19
Forecast	17	21	18

## [Employment Conditions (All industries)]



## Peaks and Bottoms of Employment Conditions

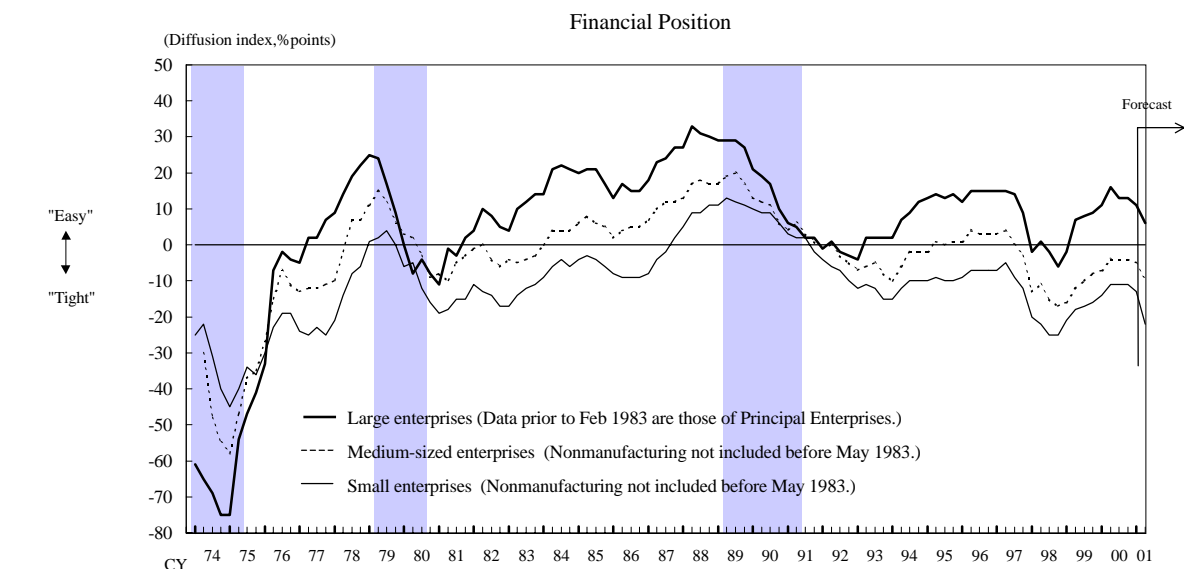
(Net percentage of respondents who reported "Excessive employment")

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)	10 (9/97)	20 (2,5,8/94)	3 (3/97)	10 (5/94,8/95)	-4 (3/97)
32 (3,6/99)		24 (12/98)		21 (3,6/99)	

	March 2001 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	19	9	10
Forecast	17	10	11

[Corporate Finance (All industries)]

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

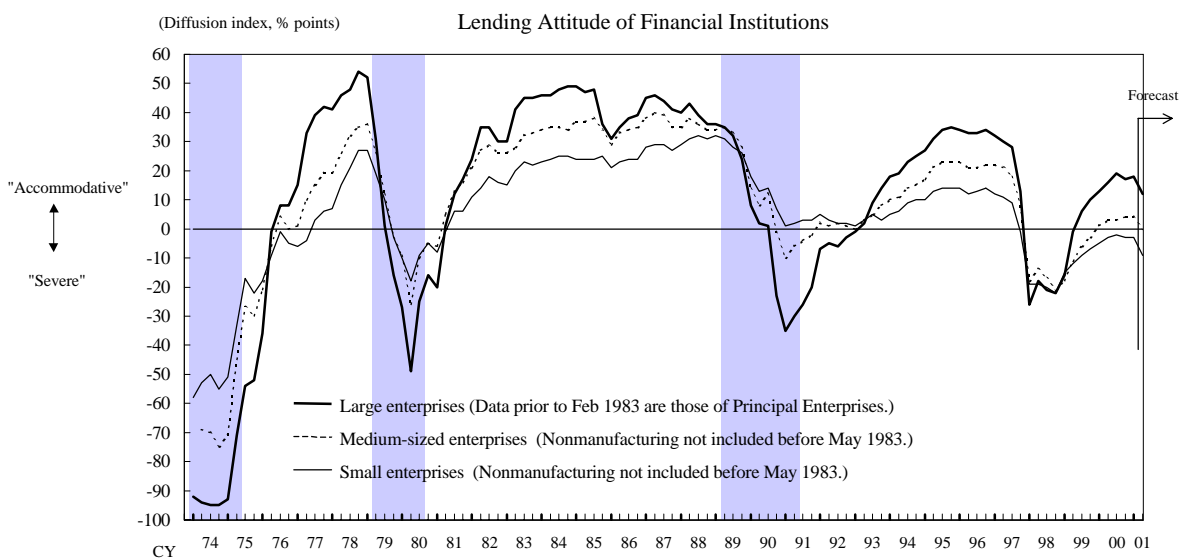


**Peaks and Bottoms of Financial Position**

(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 2001 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	11	-5	-13
Forecast	6	-10	-22



**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 2001 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	18	4	-3
Forecast	12	0	-9