

# TANKAN Summary (June 2002)

113th Short-Term Economic Survey of All Enterprises in Japan

180th Short-Term Economic Survey of Principal Enterprises in Japan

Not to be released before 8:50 a.m. on  
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July 1, 2002

Research and Statistics Department  
Bank of Japan

Number of sample enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	3,699	4,851	8,550	97.5%
Large enterprises	753	636	1,389	98.7%
Medium-sized enterprises	1,064	1,652	2,716	97.4%
Small enterprises	1,882	2,563	4,445	97.1%
Principal Enterprises	376	302	678	99.7%
(Memo) Financial institutions	-	-	173	100.0%

Responding Period: May 30th to June 28th.

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

(yen per US dollar)

	FY2001			FY2002		
		1H	2H		1H	2H
Mar 2002 survey	121.71	120.31	123.12	124.21	124.34	124.08
June 2002 survey	122.94	120.34	125.52	125.73	126.23	125.26

## 1. Business Conditions

(Net percentage of respondents who reported "Favorable")

	Large enterprises						Medium-sized enterprises						Small enterprises					
	Mar 2002 survey		June 2002 survey				Mar 2002 survey		June 2002 survey				Mar 2002 survey		June 2002 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	-38	-27	-18	20	-11	7	-47	-38	-28	19	-21	7	-51	-51	-41	10	-35	6
Textiles	-45	-38	-30	15	-30	0	-64	-60	-53	11	-53	0	-63	-66	-56	7	-55	1
Lumber & wood products	-50	-40	-33	17	-33	0	-52	-44	-46	6	-34	12	-68	-57	-51	17	-51	0
Pulp & paper	-26	0	-13	13	-6	7	-62	-45	-36	26	-26	10	-43	-45	-35	8	-38	-3
Chemicals	-23	-19	-4	19	2	6	-37	-24	-20	17	-7	13	-37	-29	-34	3	-24	10
Petroleum & coal products	-38	-25	-43	-5	-29	14	-10	-20	0	10	10	10	-38	-24	-19	19	-10	9
Ceramics, stone & clay	-74	-65	-57	17	-43	14	-50	-58	-47	3	-37	10	-61	-70	-57	4	-56	1
Iron & steel	-67	-56	-44	23	-22	22	-58	-58	-39	19	-27	12	-65	-61	-58	7	-47	11
Nonferrous metals	-50	-35	-50	0	-35	15	-55	-45	-31	24	-26	5	-63	-47	-40	23	-26	14
Food & beverages	-4	-3	4	8	4	0	-23	-13	-7	16	-6	1	-33	-26	-25	8	-19	6
Processed metals	-39	-35	-21	18	-11	10	-45	-43	-40	5	-33	7	-54	-58	-42	12	-42	0
Industrial machinery	-44	-28	-32	12	-18	14	-62	-52	-48	14	-36	12	-53	-58	-45	8	-36	9
Electrical machinery	-59	-32	-18	41	-9	9	-54	-38	-19	35	-15	4	-60	-56	-42	18	-31	11
Shipbuilding & heavy machinery	-20	-40	-10	10	-20	-10	-16	0	-8	8	17	25	-35	-56	-25	10	-34	-9
Motor vehicles	-16	-17	-6	10	5	11	-24	-36	-18	6	-17	1	-39	-42	-25	14	-16	9
Precision machinery	-52	-44	-26	26	-18	8	-59	-56	-20	39	-24	-4	-49	-40	-34	15	-27	7
Basic materials	-42	-33	-25	17	-16	9	-51	-44	-36	15	-26	10	-57	-55	-48	9	-44	4
Processing	-37	-25	-15	22	-8	7	-45	-36	-25	20	-20	5	-48	-48	-36	12	-31	5
Nonmanufacturing	-22	-21	-16	6	-12	4	-32	-31	-26	6	-23	3	-42	-46	-37	5	-38	-1
Construction	-41	-46	-44	-3	-37	7	-24	-27	-26	-2	-30	-4	-44	-55	-45	-1	-51	-6
Real estate	9	9	9	0	9	0	4	-4	7	3	0	-7	-21	-24	-14	7	-14	0
Wholesaling	-25	-14	-17	8	-2	15	-44	-37	-29	15	-21	8	-48	-49	-40	8	-40	0
Retailing	-13	-6	1	14	5	4	-35	-34	-28	7	-24	4	-48	-50	-44	4	-39	5
Transportation	-41	-38	-29	12	-26	3	-45	-42	-39	6	-33	6	-45	-48	-39	6	-40	-1
Communications	18	18	18	0	18	0	10	10	-20	-30	10	30	7	0	31	24	30	-1
Electric & gas utilities	0	-6	0	0	-12	-12	0	0	-10	-10	-10	0	-14	-11	-14	0	-14	0
Services	-14	-15	-12	2	-12	0	-25	-28	-25	0	-25	0	-30	-35	-28	2	-28	0
Leasing	0	0	0	0	-11	-11	-6	-15	-7	-1	-9	-2	-34	-38	-31	3	-38	-7
All industries	-31	-24	-17	14	-11	6	-37	-34	-27	10	-23	4	-46	-49	-39	7	-37	2

	All Enterprises					
Manufacturing	-47	-42	-32	15	-26	6
Nonmanufacturing	-36	-38	-30	6	-30	0
All industries	-41	-40	-32	9	-29	3

(Notes) 1. Response rate = The number of enterprises responding to the question of Business Conditions (or that of financial institutions responding to the question of Fixed Investment) / 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					
	Mar 2002 survey		June 2002 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Manufacturing	-39	-27	-23	16	-14	9
Textiles	-50	-41	-32	18	-35	-3
Pulp & paper	-46	-18	-10	36	-10	0
Chemicals	-32	-24	-11	21	-3	8
Petroleum refining	-38	-13	-43	-5	-29	14
Ceramics, stone & clay	-53	-41	-53	0	-35	18
Iron & steel	-65	-48	-43	22	-13	30
Nonferrous metals	-47	-32	-37	10	-26	11
Food & beverages	-4	0	-7	-3	-4	3
Processed metals	-38	-46	-15	23	-15	0
Industrial machinery	-47	-29	-35	12	-22	13
Electrical machinery	-56	-33	-23	33	-21	2
Shipbuilding & heavy machinery	-17	-50	-17	0	-17	0
Motor vehicles	-14	-10	-7	7	10	17
Precision machinery	-50	-50	-30	20	-20	10
Basic materials	-45	-32	-28	17	-18	10
Processing	-34	-24	-18	16	-11	7
Nonmanufacturing	-21	-16	-16	5	-9	7
Construction	-49	-59	-50	-1	-43	7
Real estate	0	-10	0	0	3	3
Wholesaling	-30	-9	-21	9	2	23
Retailing	-20	-10	-15	5	-8	7
Transportation	-28	-18	-16	12	-11	5
Communications	0	0	0	0	0	0
Electric & gas utilities	-7	-7	-7	0	-7	0
Services	-16	-14	-9	7	-16	-7
Leasing	21	14	29	8	29	0
All industries	-31	-22	-20	11	-12	8

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

(%, % points)

	Mar 2002 survey			June 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises	Large enterprises	Medium-sized enterprises	Small enterprises
Manufacturing	-38	-47	-51	-18	-28	-41
1.Favorable	4	3	4	9	9	6
2.Not so favorable	54	47	41	64	54	47
3.Unfavorable	42	50	55	27	37	47
Nonmanufacturing	-22	-32	-42	-16	-26	-37
1.Favorable	8	7	5	10	7	6
2.Not so favorable	62	54	48	64	60	51
3.Unfavorable	30	39	47	26	33	43

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

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

(% points)

		Large enterprises					
		Mar 2002 survey		June 2002 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products and services:	Manufacturing	-45	-39	-36	9	-31	5
Diffusion index of "Excess demand" minus	Basic materials	-55	-46	-44	11	-40	4
"Excess supply"	Processing	-41	-37	-32	9	-28	4
Overseas supply and demand conditions for products:	Manufacturing	-32	-26	-22	10	-19	3
Diffusion index of "Excess demand" minus	Basic materials	-35	-29	-27	8	-25	2
"Excess supply"	Processing	-30	-24	-20	10	-16	4

Inventory level of finished goods and merchandise:	Manufacturing	33	20	29	-4	17	-12
Diffusion index of "Excessive or somewhat excessive"	Basic materials	37	23	32	-5	21	-11
minus "Insufficient or somewhat insufficient"	Processing	31	19	28	-3	16	-12
Wholesalers' inventory level:	Manufacturing	39	29	31	-8	23	-8
Diffusion index of "Excessive or somewhat excessive"	Basic materials	47	35	39	-8	30	-9
minus "Insufficient or somewhat insufficient"	Processing	36	25	27	-9	21	-6

Change in output prices:	Manufacturing	-38	-36	-31	7	-26	5
Diffusion index of "Rise" minus "Fall"	Basic materials	-32	-27	-19	13	-11	8
	Processing	-40	-40	-34	6	-32	2
Change in input prices:	Manufacturing	-11	-11	-8	3	-6	2
Diffusion index of "Rise" minus "Fall"	Basic materials	-3	-5	-1	2	4	5
	Processing	-15	-14	-11	4	-9	2

(% points)

		Small enterprises					
		Mar 2002 survey		June 2002 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products and services:	Manufacturing	-57	-57	-53	4	-51	2
Diffusion index of "Excess demand" minus	Basic materials	-64	-65	-61	3	-58	3
"Excess supply"	Processing	-53	-53	-48	5	-45	3
Overseas supply and demand conditions for products:	Manufacturing	-44	-42	-37	7	-37	0
Diffusion index of "Excess demand" minus	Basic materials	-51	-50	-46	5	-47	-1
"Excess supply"	Processing	-39	-37	-32	7	-30	2

Inventory level of finished goods and merchandise:	Manufacturing	31	22	27	-4	19	-8
Diffusion index of "Excessive or somewhat excessive"	Basic materials	37	28	35	-2	27	-8
minus "Insufficient or somewhat insufficient"	Processing	26	18	21	-5	16	-5
Wholesalers' inventory level:	Manufacturing	45	40	40	-5	35	-5
Diffusion index of "Excessive or somewhat excessive"	Basic materials	53	50	53	0	48	-5
minus "Insufficient or somewhat insufficient"	Processing	39	34	31	-8	27	-4

Change in output prices:	Manufacturing	-43	-43	-37	6	-36	1
Diffusion index of "Rise" minus "Fall"	Basic materials	-38	-36	-33	5	-30	3
	Processing	-46	-47	-40	6	-39	1
Change in input prices:	Manufacturing	-5	-3	0	5	1	1
Diffusion index of "Rise" minus "Fall"	Basic materials	-1	2	4	5	6	2
	Processing	-8	-7	-4	4	-1	3

### 3. Sales and Current Profits

#### Sales

		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-5.7	0.7	0.9	1.0
	Domestic Sales	-5.3	0.1	0.5	0.2
	Exports	-6.9	2.7	2.4	3.9
	Nonmanufacturing	-3.5	-2.1	-0.9	-2.6
Medium-sized enterprises	Manufacturing	-6.7	0.0	2.0	1.1
	Nonmanufacturing	-2.1	1.6	0.7	1.9
Small enterprises	Manufacturing	-6.0	-0.1	-0.6	0.2
	Nonmanufacturing	-4.0	-0.4	-0.1	-0.7
All Enterprises	All industries	-3.9	-0.1	0.2	-0.1
Principal Enterprises	Manufacturing	-5.6	-0.5	0.5	-0.6
	Nonmanufacturing	-5.3	-0.9	-3.0	-2.6

(Year-to-year growth rate, %)

1H FY2001	2H FY2001	1H FY2002		2H FY2002	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)
-2.5	-8.6	0.3	-2.3	0.0	4.1
-1.1	-9.1	-0.5	-3.0	-1.0	4.0
-7.1	-6.6	3.2	0.0	3.7	4.7
-0.6	-6.1	-2.6	-3.2	-3.8	1.4
-4.3	-8.9	-0.2	-0.8	1.1	4.7
-0.5	-3.6	1.1	-1.1	1.7	2.5
-3.7	-8.2	0.1	-3.3	-0.4	2.1
-2.2	-5.7	-0.4	-1.7	-0.8	1.4
-1.5	-6.1	-0.5	-2.1	-0.7	2.4
-2.2	-8.7	-0.9	-2.7	-1.7	3.5
-2.6	-7.7	-1.8	-5.0	-3.2	-1.1

#### Current Profits

		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-38.6	11.9	34.1	9.7
	Basic materials	-27.6	11.5	10.7	12.5
	Processing	-44.1	12.1	49.6	8.4
	Nonmanufacturing	-7.9	2.0	7.9	-1.8
Medium-sized enterprises	Manufacturing	-35.6	17.2	17.1	4.6
	Nonmanufacturing	0.4	12.9	8.3	3.3
Small enterprises	Manufacturing	-46.2	4.5	47.9	-2.4
	Nonmanufacturing	-4.4	9.5	8.8	1.4
All Enterprises	All industries	-19.6	8.5	16.1	2.8
Principal Enterprises	Manufacturing excluding petroleum refining	-36.6	9.5	35.4	6.2
	Nonmanufacturing excluding electric & gas utilities	-11.1	6.7	12.7	-2.7

(Year-to-year growth rate, %)

1H FY2001	2H FY2001	1H FY2002		2H FY2002	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)
-30.5	-45.5	19.8	-3.7	-4.5	75.8
-16.9	-36.9	11.7	-11.0	3.9	35.1
-37.3	-50.0	25.7	1.2	-8.8	102.1
-11.0	-4.5	6.9	-2.7	-11.0	18.7
-41.5	-31.7	30.9	6.9	-13.3	22.9
4.6	-2.7	17.5	-2.8	-1.6	17.1
-52.7	-41.7	7.8	41.4	-11.7	51.4
-1.6	-6.5	18.5	6.9	0.4	10.2
-17.6	-21.2	15.2	0.2	-6.4	30.2
-28.3	-43.3	22.5	-2.1	-9.5	74.2
-15.6	-6.3	13.8	3.6	-10.7	21.3

#### Ratio of Current Profit to Sales

		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	3.00	0.30	3.99	0.31
	Nonmanufacturing	2.54	0.10	2.76	0.02
Medium-sized enterprises	Manufacturing	3.24	0.47	3.73	0.13
	Nonmanufacturing	1.91	0.19	2.05	0.03
Small enterprises	Manufacturing	1.72	0.08	2.56	-0.07
	Nonmanufacturing	2.32	0.21	2.53	0.06
All Enterprises	All industries	2.40	0.19	2.78	0.07
Principal Enterprises	Manufacturing excluding petroleum refining	3.06	0.42	4.14	0.40
	Nonmanufacturing excluding electric & gas utilities	1.86	0.14	2.16	0.02

(%, % points)

1H FY2001	2H FY2001	1H FY2002		2H FY2002	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)
3.18	2.83	0.46	3.13	-0.15	4.78
2.63	2.45	0.22	2.65	-0.21	2.87
2.39	4.08	0.97	2.58	-0.42	4.78
1.72	2.09	0.29	1.69	-0.06	2.39
1.23	2.20	0.16	1.80	-0.24	3.26
2.03	2.59	0.41	2.21	0.03	2.82
2.29	2.51	0.35	2.35	-0.14	3.19
3.16	2.97	0.71	3.19	-0.11	5.00
1.84	1.89	0.27	2.00	-0.16	2.30

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

## 4. Fixed Investment

Fixed Investment		(Year-to-year growth rate, %)			
		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-9.2	-2.7	-8.9	-3.2
	Nonmanufacturing	-8.6	-3.1	-5.2	0.3
	All industries	-8.9	-3.0	-6.7	-1.1
Medium-sized enterprises	Manufacturing	-10.9	2.7	-13.4	3.7
	Nonmanufacturing	-2.0	0.7	0.1	2.1
	All industries	-3.2	1.0	-1.5	2.3
Small enterprises	Manufacturing	-14.7	0.8	-17.4	10.7
	Nonmanufacturing	-0.4	4.3	-6.7	12.3
	All industries	-4.3	3.4	-9.3	11.9
All Enterprises	Manufacturing	-10.5	-1.2	-11.1	-0.2
	Nonmanufacturing	-4.2	-0.1	-3.0	3.1
	All industries	-5.9	-0.4	-5.1	2.3

Software Investment		(Year-to-year growth rate, %)			
		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	13.0	9.4	-9.4	1.8
	Nonmanufacturing	7.7	-3.6	-3.0	-6.7
	All industries	10.1	1.9	-5.9	-3.2
Medium-sized enterprises	Manufacturing	3.4	-11.9	0.5	-14.1
	Nonmanufacturing	-8.2	5.3	-3.2	7.4
	All industries	-7.5	4.1	-3.0	5.7
Small enterprises	Manufacturing	42.8	8.3	-3.2	8.9
	Nonmanufacturing	26.5	-0.2	1.0	-7.7
	All industries	29.1	1.2	0.2	-5.3
All Enterprises	Manufacturing	13.8	7.3	-8.2	0.7
	Nonmanufacturing	1.5	0.8	-2.6	-0.9
	All industries	4.8	2.6	-4.2	-0.4

Software and Fixed Investment		(Year-to-year growth rate, %)			
		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-7.6	-1.7	-8.9	-2.8
	Nonmanufacturing	-7.7	-3.2	-5.1	-0.3
	All industries	-7.7	-2.6	-6.6	-1.3
Medium-sized enterprises	Manufacturing	-10.5	2.2	-13.0	3.0
	Nonmanufacturing	-2.4	1.0	-0.1	2.4
	All industries	-3.4	1.1	-1.6	2.5
Small enterprises	Manufacturing	-13.7	1.0	-17.0	10.6
	Nonmanufacturing	0.5	4.1	-6.4	11.1
	All industries	-3.3	3.3	-8.9	11.0
All Enterprises	Manufacturing	-9.1	-0.7	-10.9	-0.1
	Nonmanufacturing	-3.9	0.0	-3.0	2.8
	All industries	-5.3	-0.2	-5.1	2.1

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

		Mar 2002 survey		June 2002 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Large enterprises	Manufacturing	33	27	26	-7	22	-4
	Nonmanufacturing	7	5	7	0	4	-3
	All industries	21	17	18	-3	14	-4
Medium-sized enterprises	Manufacturing	33	29	27	-6	25	-2
	Nonmanufacturing	6	4	4	-2	4	0
	All industries	16	13	13	-3	12	-1
Small enterprises	Manufacturing	29	27	27	-2	24	-3
	Nonmanufacturing	10	9	10	0	8	-2
	All industries	18	17	17	-1	15	-2
All Enterprises	Manufacturing	31	28	27	-4	23	-4
	Nonmanufacturing	8	7	8	0	6	-2
	All industries	18	16	16	-2	14	-2

## 5. Employment

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

		Mar 2002 survey		June 2002 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Large enterprises	Manufacturing	36	29	28	-8	24	-4
	Nonmanufacturing	16	15	19	3	14	-5
	All industries	27	22	24	-3	19	-5
Medium-sized enterprises	Manufacturing	33	28	25	-8	20	-5
	Nonmanufacturing	6	6	7	1	5	-2
	All industries	17	14	14	-3	11	-3
Small enterprises	Manufacturing	28	27	23	-5	20	-3
	Nonmanufacturing	14	14	15	1	11	-4
	All industries	20	20	19	-1	15	-4
All Enterprises	Manufacturing	31	28	25	-6	20	-5
	Nonmanufacturing	12	11	13	1	10	-3
	All industries	20	18	18	-2	14	-4
Principal Enterprises	Manufacturing	38	31	33	-5	28	-5
	Nonmanufacturing	13	14	15	2	16	1
	All industries	27	23	25	-2	22	-3

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

	June 2001	Sept 2001	Dec 2001	Mar 2002
Large enterprises	-0.4	0.5	-0.3	-2.1
Medium-sized enterprises	-0.1	0.6	0.5	2.8
Small enterprises	-1.3	-1.5	-2.0	-1.1
All Enterprises	-0.6	0.0	-0.5	-0.2
Principal Enterprises	-1.5	-1.8	-2.5	-3.4

Number of New Graduates Hired \*(All industries)  
(special survey for December) (Year-to-year growth rate, %)

	FY2001	FY2002
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)

	Mar 2002 survey		June 2002 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	6	1	8	2	4	-4
Medium-sized enterprises	-10	-15	-7	3	-12	-5
Small enterprises	-19	-28	-17	2	-24	-7
All Enterprises	-11	-19	-10	1	-16	-6
Principal Enterprises	1	0	5	4	2	-3

Lending Attitude of Financial Institutions(All industries)

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

	Mar 2002 survey		June 2002 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	5	2	6	1	3	-3
Medium-sized enterprises	-4	-9	-3	1	-9	-6
Small enterprises	-9	-17	-9	0	-16	-7
All Enterprises	-5	-11	-4	1	-11	-7
Principal Enterprises	-4	-5	-3	1	-5	-2

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

	Mar 2002 survey		June 2002 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	13	18	8	-5	21	13
Medium-sized enterprises	9	17	9	0	22	13
Small enterprises	8	16	11	3	22	11
All Enterprises	10	16	10	0	22	12
Principal Enterprises	17	20	9	-8	22	13

Liquidity Ratio (All industries) (months)

	June 2001	Sept 2001	Dec 2001	Mar 2002
Large enterprises	1.00	1.03	0.97	1.03
Medium-sized enterprises	1.12	1.15	1.14	1.16
Small enterprises	1.75	1.77	1.74	1.78
All Enterprises	1.19	1.22	1.18	1.23
Principal Enterprises	0.93	0.95	0.90	0.97
(Seasonally adjusted)	0.96	0.95	0.89	0.94

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

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

Overseas Production and Investment (Manufacturing) (Year-to-year growth rate, %)

		FY2001		FY2002	
		(Preliminary Figures)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Overseas production	3.0	0.3	5.3	-
	Share of overseas production	20.33	0.17	21.03	-
	Overseas investment	-2.9	5.4	-1.4	-
	Share of overseas investment	28.09	2.05	29.71	-
Principal Enterprises	Overseas production	6.8	2.3	5.8	-
	Share of overseas production	24.24	0.70	25.23	-
	Overseas investment	5.0	9.4	-1.4	-
	Share of overseas investment	31.97	2.63	33.93	-

- (Notes) 1. In principle, overseas production and investment of affiliates are aggregated.  
 2. Partly includes yen conversion estimates in the case of foreign currency denominated transaction.  
 3. Percentages share of overseas production  
 $= \text{Value of overseas production} / (\text{Value of sales} + \text{Value of overseas production}) * 100$   
 Percentages share of overseas investment  
 $= \text{Value of overseas investment} / (\text{Value of domestic investment} + \text{Value of overseas investment}) * 100$   
 4. The figures include respondents with no overseas affiliates.

## Appendix: Fixed Investment of Financial Institutions

(Year-to-year growth rate, %)

		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Fixed Investment of Financial institutions		-6.1	-1.9	-22.2	-2.2
	Banks	25.9	-2.3	-19.6	-1.7
	Securities companies	-2.1	-2.5	-15.8	11.1
	Insurance companies	-32.5	-1.2	-26.7	-4.5

Software Investment of Financial institutions		18.7	0.5	-7.8	2.7
	Banks	26.9	-0.2	-18.1	-3.0
	Securities companies	4.4	0.4	18.0	6.1
	Insurance companies	4.0	3.5	12.8	18.1

Software and Fixed Investment of Financial institutions		1.9	-1.0	-16.8	-0.2
	Banks	26.3	-1.4	-19.0	-2.3
	Securities companies	2.0	-0.6	6.0	7.4
	Insurance companies	-26.5	-0.1	-17.5	1.7

(special survey for June and December) (Year-to-year growth rate, %)

		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Investment for Computerizing of Financial institutions		16.2	-7.0	-11.8	-
	Banks	23.0	-5.3	-18.3	-
	Securities companies	3.0	-13.5	4.3	-
	Insurance companies	0.1	-9.7	6.1	-

## Reference Charts

### [Business Conditions]

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

△ on right top of the charts shows the recent peak, October 2000, unless otherwise noted.

#### Peaks and Bottoms of Business Conditions

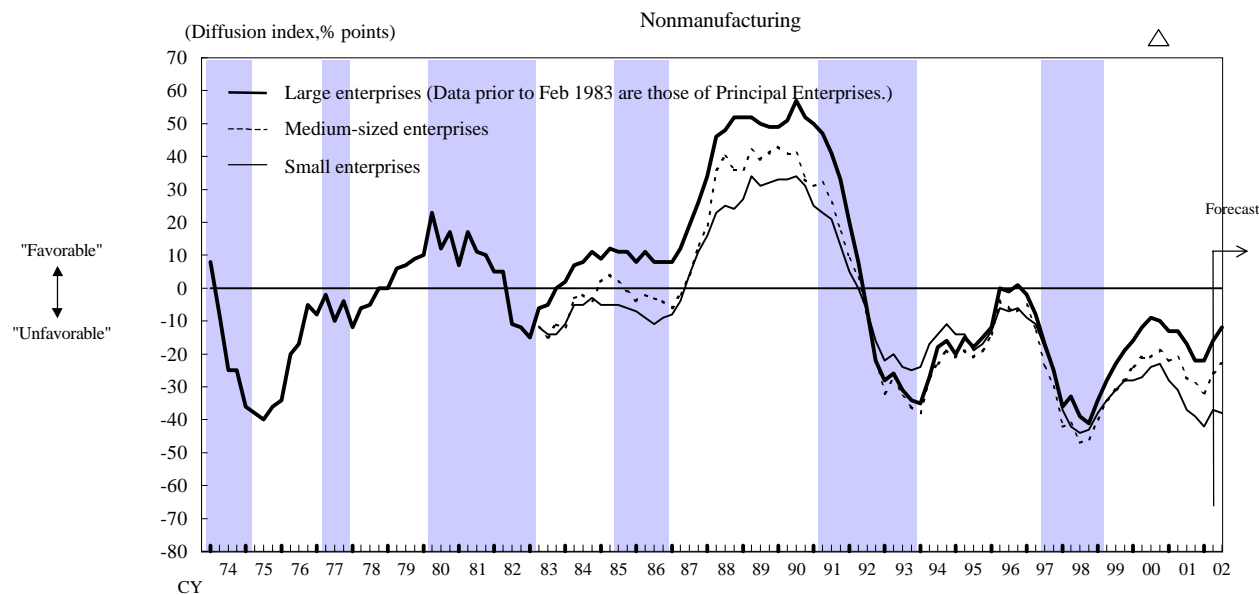
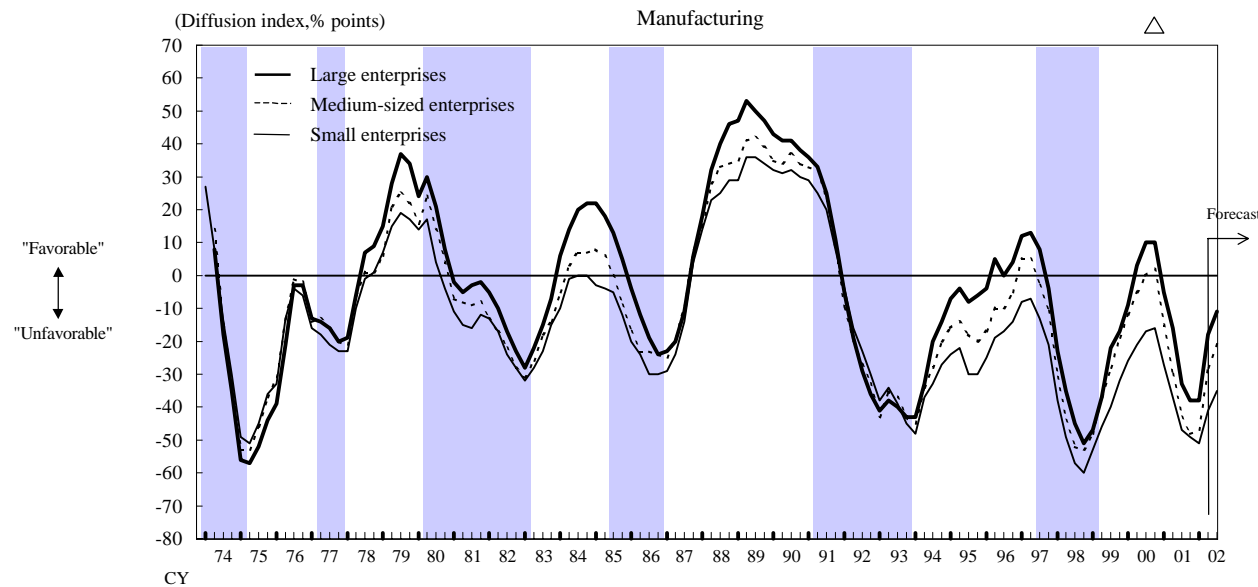
(Net percentage of respondents who reported "Favorable")

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)
10 (9,12/00)		2 (12/00)		-16 (12/00)	

	June 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-18	-28	-41
Forecast	-11	-21	-35

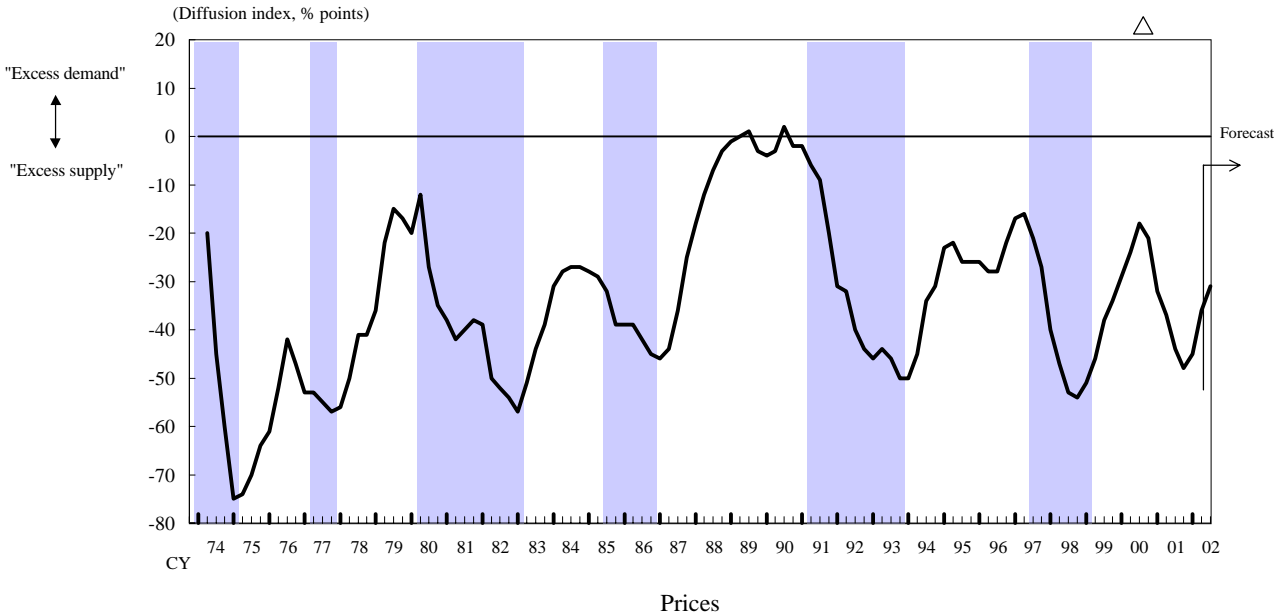
Nonmanufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (5/83)		-15 (8/83)		-14 (8,11/83)
12 (5/85)	8 (2,8,11/86,2/87)	4 (5/85)	-6 (2/87)	-3 (11/84)	-11 (8/86)
57 (8/90)	-35 (2/94)	43 (2/90)	-38 (2/94)	34 (5/89,8/90)	-25 (11/93)
1 (11/96)	-41 (12/98)	-4 (5/96)	-47 (9/98)	-6 (5,11/96)	-44 (9/98)
-9 (9/00)		-19 (12/00)		-23 (12/00)	

	June 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-16	-26	-37
Forecast	-12	-23	-38



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

Supply and Demand Conditions for Products and Services



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)
-18 (9/00)	

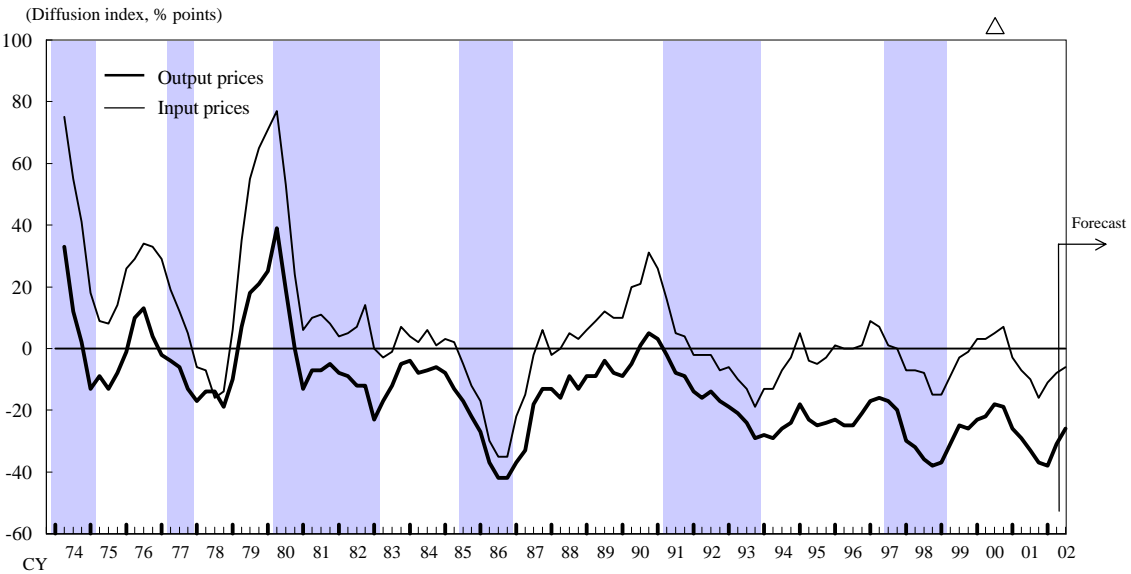
June 2002 survey	
Actual result	-36
Forecast	-31

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)
-18 (9/00)		7 (12/00)	

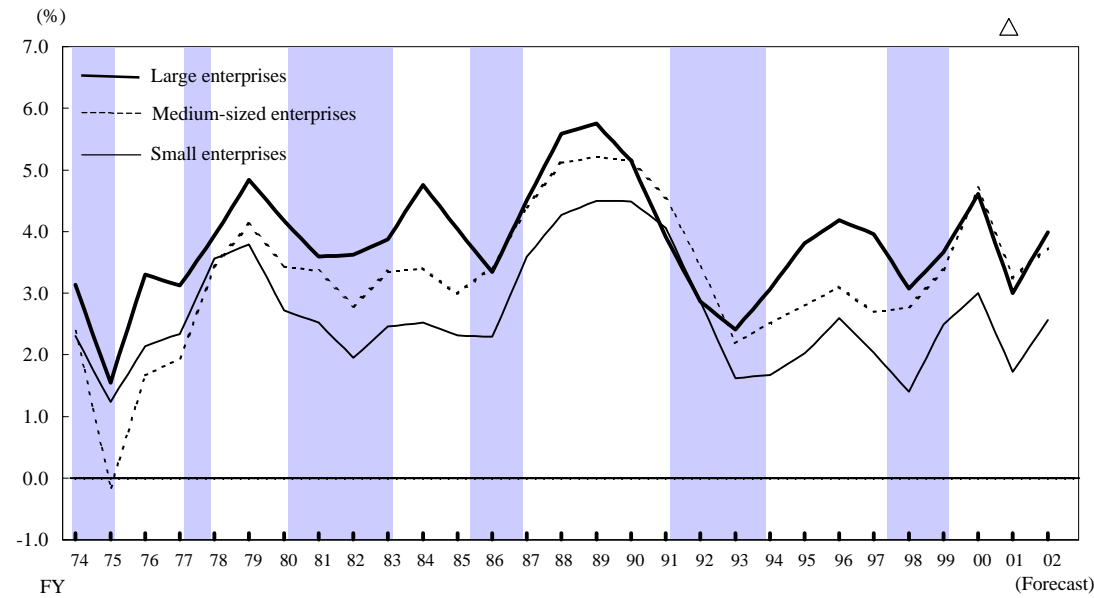
June 2002 survey		
	Output prices	Input prices
Actual result	-31	-8
Forecast	-26	-6



## [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.

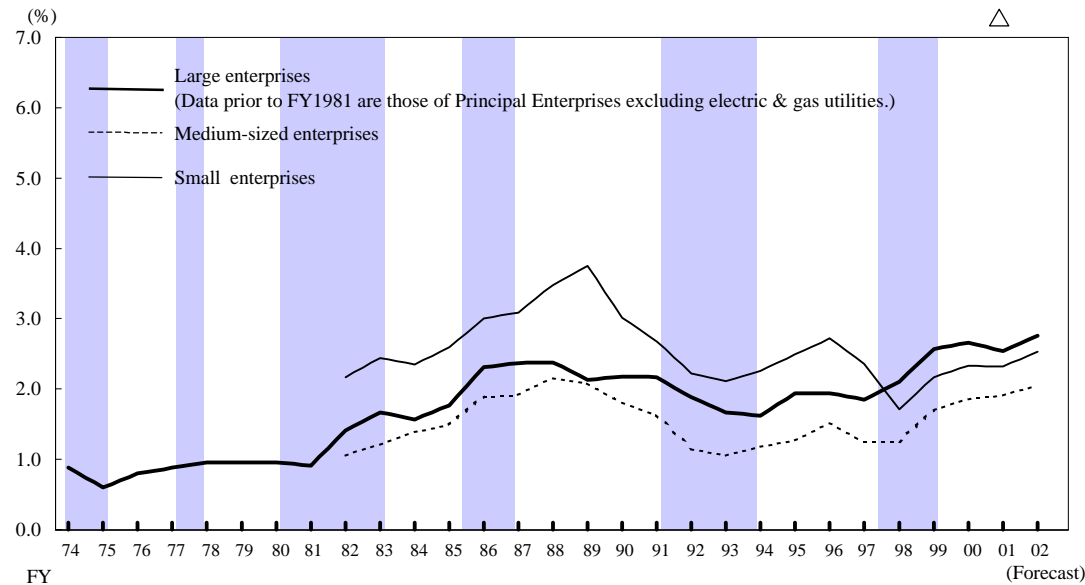


### Peaks and Bottoms of Ratio of Current Profit to Sales (%)

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)
4.61 (FY00)		4.70 (FY00)		3.00 (FY00)	

	June 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2001	3.00	3.24	1.72
FY 2002 (Forecast)	3.99	3.73	2.56

### Nonmanufacturing

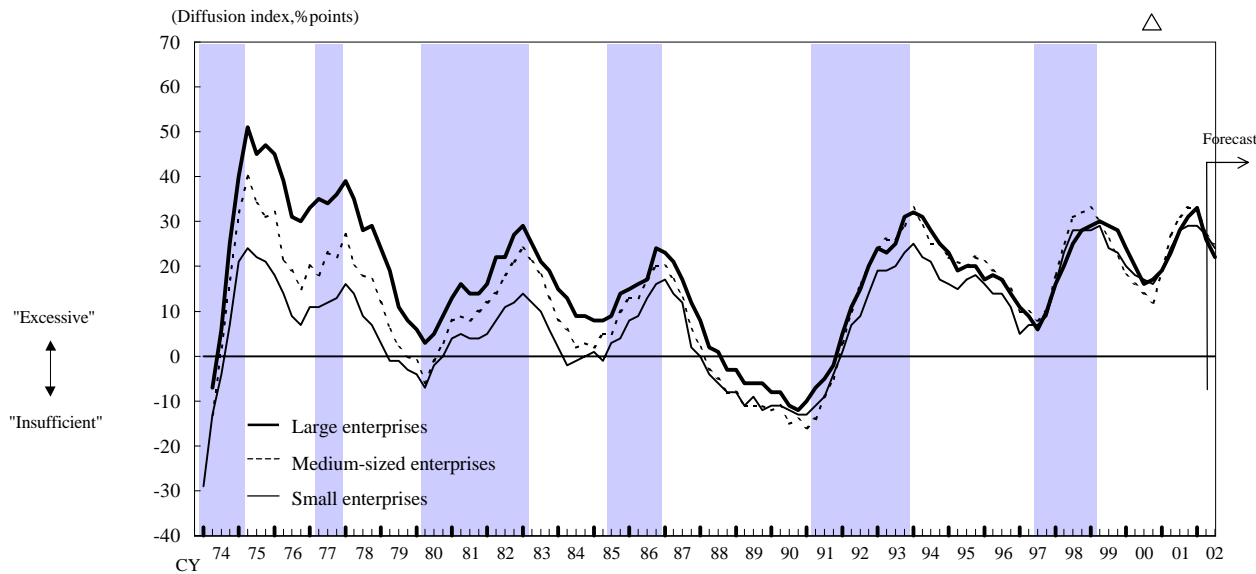


Nonmanufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	1.41 (FY82)		1.06 (FY82)		2.17 (FY82)
1.67 (FY83)	1.57 (FY84)	—	—	2.44 (FY83)	2.35 (FY84)
2.38 (FY88)	1.62 (FY94)	2.16 (FY88)	1.06 (FY93)	3.75 (FY89)	2.11 (FY93)
1.94 (FY95,96)	1.85 (FY97)	1.52 (FY96)	1.25 (FY97,98)	2.72 (FY96)	1.71 (FY98)
2.66 (FY00)				2.33 (FY00)	

	June 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2001	2.54	1.91	2.32
FY 2002 (Forecast)	2.76	2.05	2.53



## [Production Capacity (Manufacturing)]



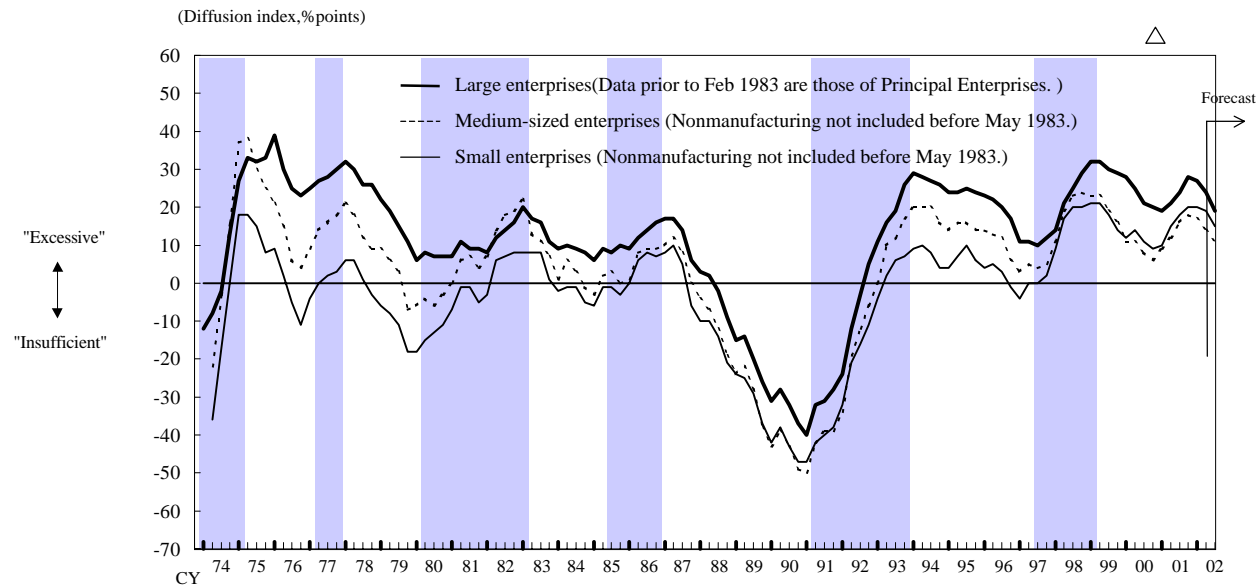
### Peaks and Bottoms of Production Capacity

(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)	16 (9/00)	33 (3/99)	12 (12/00)	29 (6/99)	16 (12/00)

	June 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	26	27	27
Forecast	22	25	24

## [Employment Conditions (All industries)]



### Peaks and Bottoms of Employment Conditions

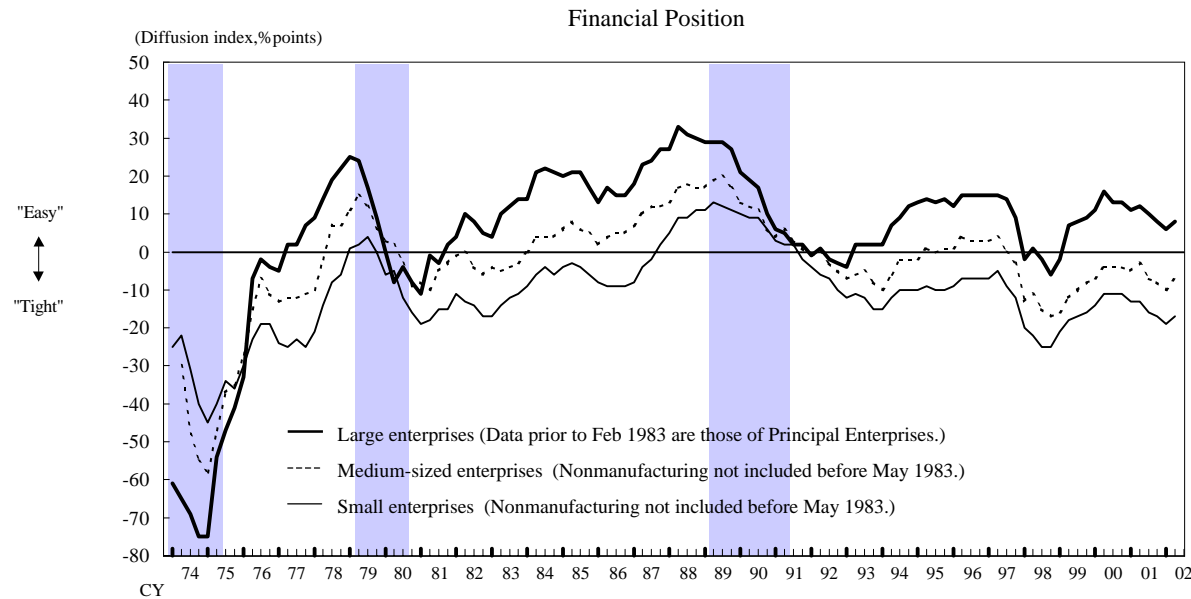
(Net percentage of respondents who reported "Excessive employment")

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)	19 (3/01)	24 (12/98)	6 (12/00)	21 (3,6/99)	9 (12/00)

	June 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	24	14	19
Forecast	19	11	15

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

## [Corporate Finance (All industries)]

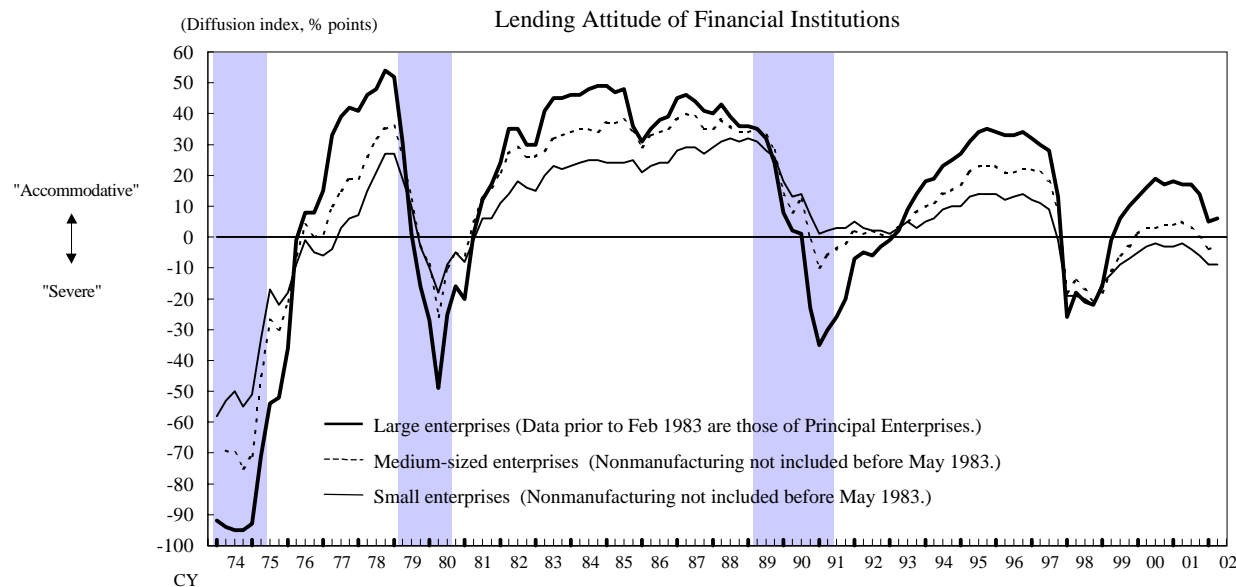


### Peaks and Bottoms of Financial Position

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

All industries					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
33 (5/88)	-6 (12/98)	20 (8/89)	-17 (12/98)	13 (5/89)	-25 (9,12/98)

	June 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	8	-7	-17



### 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)	-35 (2/91)	40 (5/87)	-21 (12/98)	32 (8/88,2/89)	-22 (12/98)

	June 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	6	-3	-9