

# TANKAN Summary (September 2002)

114th Short-Term Economic Survey of All Enterprises in Japan

181st Short-Term Economic Survey of Principal Enterprises in Japan

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Research and Statistics Department

Bank of Japan

Number of sample enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	3,677	4,823	8,500	97.7%
Large enterprises	753	634	1,387	98.7%
Medium-sized enterprises	1,062	1,638	2,700	98.1%
Small enterprises	1,862	2,551	4,413	97.2%
Principal Enterprises	375	301	676	99.3%
(Memo) Financial institutions	-	-	172	100.0%

Responding Period: August 28th to September 30th.

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

(yen per US dollar)

	FY2001			FY2002		
		1H	2H		1H	2H
June 2002 survey	122.94	120.34	125.52	125.73	126.23	125.26
Sept 2002 survey	-	-	-	122.70	124.62	120.82

## 1. Business Conditions

(Net percentage of respondents who reported "Favorable")

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

	All Enterprises					
Manufacturing	-32	-26	-28	4	-27	1
Nonmanufacturing	-30	-30	-31	-1	-31	0
All industries	-32	-29	-30	2	-29	1

(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					
	June 2002 survey		Sept 2002 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Manufacturing	-23	-14	-18	5	-15	3
Textiles	-32	-35	-38	-6	-29	9
Pulp & paper	-10	-10	-10	0	-10	0
Chemicals	-11	-3	-9	2	-8	1
Petroleum refining	-43	-29	-14	29	14	28
Ceramics, stone & clay	-53	-35	-41	12	-47	-6
Iron & steel	-43	-13	-13	30	-9	4
Nonferrous metals	-37	-26	-31	6	-42	-11
Food & beverages	-7	-4	-10	-3	-7	3
Processed metals	-15	-15	-7	8	-7	0
Industrial machinery	-35	-22	-27	8	-17	10
Electrical machinery	-23	-21	-36	-13	-23	13
Shipbuilding & heavy machinery	-17	-17	-17	0	-17	0
Motor vehicles	-7	10	17	24	10	-7
Precision machinery	-30	-20	10	40	0	-10
Basic materials	-28	-18	-21	7	-19	2
Processing	-18	-11	-15	3	-10	5
Nonmanufacturing	-16	-9	-13	3	-12	1
Construction	-50	-43	-46	4	-44	2
Real estate	0	3	0	0	0	0
Wholesaling	-21	2	-5	16	-7	-2
Retailing	-15	-8	-13	2	-2	11
Transportation	-16	-11	-18	-2	-18	0
Communications	0	0	0	0	0	0
Electric & gas utilities	-7	-7	-7	0	-7	0
Services	-9	-16	-9	0	-12	-3
Leasing	29	29	21	-8	7	-14
All industries	-20	-12	-16	4	-14	2

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

(%, % points)

	June 2002 survey			Sept 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises	Large enterprises	Medium-sized enterprises	Small enterprises
Manufacturing	-18	-28	-41	-14	-22	-37
1.Favorable	9	9	6	11	10	8
2.Not so favorable	64	54	47	64	58	47
3.Unfavorable	27	37	47	25	32	45
Nonmanufacturing	-16	-26	-37	-13	-28	-38
1.Favorable	10	7	6	11	7	5
2.Not so favorable	64	60	51	65	58	52
3.Unfavorable	26	33	43	24	35	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					
		June 2002 survey		Sept 2002 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Supply and demand conditions for products and services:	Manufacturing	-36	-31	-33	3	-30	3
Diffusion index of "Excess demand" minus	Basic materials	-44	-40	-37	7	-35	2
"Excess supply"	Processing	-32	-28	-31	1	-29	2
Overseas supply and demand conditions for products:	Manufacturing	-22	-19	-19	3	-19	0
Diffusion index of "Excess demand" minus	Basic materials	-27	-25	-20	7	-23	-3
"Excess supply"	Processing	-20	-16	-20	0	-18	2

Inventory level of finished goods and merchandise:	Manufacturing	29	17	25	-4	16	-9
Diffusion index of "Excessive or somewhat excessive"	Basic materials	32	21	29	-3	17	-12
minus "Insufficient or somewhat insufficient"	Processing	28	16	23	-5	15	-8
Wholesalers' inventory level:	Manufacturing	31	23	27	-4	23	-4
Diffusion index of "Excessive or somewhat excessive"	Basic materials	39	30	31	-8	25	-6
minus "Insufficient or somewhat insufficient"	Processing	27	21	26	-1	22	-4

Change in output prices:	Manufacturing	-31	-26	-31	0	-28	3
Diffusion index of "Rise" minus "Fall"	Basic materials	-19	-11	-19	0	-8	11
	Processing	-34	-32	-35	-1	-35	0
Change in input prices:	Manufacturing	-8	-6	-6	2	-7	-1
Diffusion index of "Rise" minus "Fall"	Basic materials	-1	4	1	2	-1	-2
	Processing	-11	-9	-8	3	-9	-1

(% points)

		Small enterprises					
		June 2002 survey		Sept 2002 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Supply and demand conditions for products and services:	Manufacturing	-53	-51	-51	2	-51	0
Diffusion index of "Excess demand" minus	Basic materials	-61	-58	-63	-2	-59	4
"Excess supply"	Processing	-48	-45	-45	3	-45	0
Overseas supply and demand conditions for products:	Manufacturing	-37	-37	-36	1	-37	-1
Diffusion index of "Excess demand" minus	Basic materials	-46	-47	-44	2	-45	-1
"Excess supply"	Processing	-32	-30	-31	1	-32	-1

Inventory level of finished goods and merchandise:	Manufacturing	27	19	28	1	20	-8
Diffusion index of "Excessive or somewhat excessive"	Basic materials	35	27	36	1	27	-9
minus "Insufficient or somewhat insufficient"	Processing	21	16	23	2	16	-7
Wholesalers' inventory level:	Manufacturing	40	35	37	-3	35	-2
Diffusion index of "Excessive or somewhat excessive"	Basic materials	53	48	48	-5	47	-1
minus "Insufficient or somewhat insufficient"	Processing	31	27	30	-1	27	-3

Change in output prices:	Manufacturing	-37	-36	-36	1	-36	0
Diffusion index of "Rise" minus "Fall"	Basic materials	-33	-30	-33	0	-30	3
	Processing	-40	-39	-39	1	-41	-2
Change in input prices:	Manufacturing	0	1	0	0	1	1
Diffusion index of "Rise" minus "Fall"	Basic materials	4	6	4	0	5	1
	Processing	-4	-1	-2	2	-1	1

### 3. Sales and Current Profits

#### Sales

		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-5.7	-	0.8	-0.2
	Domestic Sales	-5.3	-	-0.2	-0.7
	Exports	-6.9	-	4.2	1.8
	Nonmanufacturing	-3.5	-	-1.0	-0.2
Medium-sized enterprises	Manufacturing	-6.7	-	2.1	0.1
	Nonmanufacturing	-2.1	-	-0.9	-1.6
Small enterprises	Manufacturing	-6.0	-	0.0	0.6
	Nonmanufacturing	-4.0	-	-1.0	-0.9
All Enterprises	All industries	-3.9	-	-0.5	-0.6
Principal Enterprises	Manufacturing	-5.6	-	0.4	-0.1
	Nonmanufacturing	-5.3	-	-2.8	-0.3

(Year-to-year growth rate, %)

1H FY2001	2H FY2001		1H FY2002		2H FY2002	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
-2.5	-8.6	-	-2.1	0.2	3.6	-0.5
-1.1	-9.1	-	-3.5	-0.5	3.1	-0.9
-7.1	-6.6	-	2.6	2.6	5.7	1.0
-0.6	-6.1	-	-3.4	-0.3	1.3	-0.1
-4.3	-8.9	-	-0.5	0.3	4.7	-0.1
-0.5	-3.6	-	-3.0	-1.9	1.2	-1.3
-3.7	-8.2	-	-2.8	0.5	2.7	0.6
-2.2	-5.7	-	-3.1	-1.4	0.9	-0.5
-1.5	-6.1	-	-2.8	-0.7	1.9	-0.5
-2.2	-8.7	-	-2.4	0.3	3.0	-0.4
-2.6	-7.7	-	-4.9	-0.3	-0.8	-0.3

#### Current Profits

		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-38.6	-	31.0	-2.3
	Basic materials	-27.6	-	8.1	-2.3
	Processing	-44.1	-	46.1	-2.3
	Nonmanufacturing	-7.9	-	7.0	-0.8
Medium-sized enterprises	Manufacturing	-35.6	-	17.9	0.7
	Nonmanufacturing	0.4	-	1.9	-5.9
Small enterprises	Manufacturing	-46.2	-	44.3	-2.4
	Nonmanufacturing	-4.4	-	3.4	-4.9
All Enterprises	All industries	-19.6	-	12.9	-2.8
Principal Enterprises	Manufacturing excluding petroleum refining	-36.6	-	34.0	-0.9
	Nonmanufacturing excluding electric & gas utilities	-11.1	-	11.1	-0.8

(Year-to-year growth rate, %)

1H FY2001	2H FY2001		1H FY2002		2H FY2002	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
-30.5	-45.5	-	-0.2	3.6	65.4	-5.9
-16.9	-36.9	-	-13.8	-3.2	32.8	-1.7
-37.3	-50.0	-	9.0	7.7	86.4	-7.8
-11.0	-4.5	-	-3.9	-1.3	18.2	-0.4
-41.5	-31.7	-	11.1	3.9	21.8	-0.9
4.6	-2.7	-	-13.7	-11.2	14.3	-2.4
-52.7	-41.7	-	32.8	-6.1	50.6	-0.5
-1.6	-6.5	-	-1.4	-7.7	7.0	-2.9
-17.6	-21.2	-	-2.7	-2.9	26.8	-2.6
-28.3	-43.3	-	4.4	6.6	64.5	-5.2
-15.6	-6.3	-	2.2	-0.5	19.4	-1.1

#### Ratio of Current Profit to Sales

		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	3.00	-	3.91	-0.08
	Nonmanufacturing	2.54	-	2.75	-0.01
Medium-sized enterprises	Manufacturing	3.24	-	3.75	0.02
	Nonmanufacturing	1.91	-	1.96	-0.09
Small enterprises	Manufacturing	1.72	-	2.48	-0.08
	Nonmanufacturing	2.32	-	2.42	-0.11
All Enterprises	All industries	2.40	-	2.72	-0.06
Principal Enterprises	Manufacturing excluding petroleum refining	3.06	-	4.11	-0.03
	Nonmanufacturing excluding electric & gas utilities	1.86	-	2.14	-0.02

(%, % points)

1H FY2001	2H FY2001		1H FY2002		2H FY2002	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
3.18	2.83	-	3.24	0.11	4.52	-0.26
2.63	2.45	-	2.62	-0.03	2.86	-0.01
2.39	4.08	-	2.67	0.09	4.74	-0.04
1.72	2.09	-	1.53	-0.16	2.36	-0.03
1.23	2.20	-	1.69	-0.11	3.23	-0.03
2.03	2.59	-	2.07	-0.14	2.75	-0.07
2.29	2.51	-	2.29	-0.06	3.12	-0.07
3.16	2.97	-	3.39	0.20	4.77	-0.23
1.84	1.89	-	1.99	-0.01	2.27	-0.03

(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	Adjustment ratio	FY2002 (Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-9.2	-	-9.2	-0.3
	Nonmanufacturing	-8.6	-	-4.2	1.1
	All industries	-8.9	-	-6.2	0.5
Medium-sized enterprises	Manufacturing	-10.9	-	-15.1	-1.9
	Nonmanufacturing	-2.0	-	0.1	-0.1
	All industries	-3.2	-	-1.7	-0.2
Small enterprises	Manufacturing	-14.7	-	-11.6	7.0
	Nonmanufacturing	-0.4	-	-5.0	1.8
	All industries	-4.3	-	-6.6	2.9
All Enterprises	Manufacturing	-10.5	-	-10.6	0.5
	Nonmanufacturing	-4.2	-	-2.4	0.7
	All industries	-5.9	-	-4.5	0.6

Software Investment		(Year-to-year growth rate, %)			
		FY2001	Adjustment ratio	FY2002 (Forecast)	Adjustment ratio
Large enterprises	Manufacturing	13.0	-	-9.8	-0.4
	Nonmanufacturing	7.7	-	-5.8	-2.9
	All industries	10.1	-	-7.6	-1.8
Medium-sized enterprises	Manufacturing	3.4	-	2.3	1.8
	Nonmanufacturing	-8.2	-	-3.2	0.0
	All industries	-7.5	-	-2.9	0.1
Small enterprises	Manufacturing	42.8	-	1.7	5.1
	Nonmanufacturing	26.5	-	2.3	1.3
	All industries	29.1	-	2.2	2.0
All Enterprises	Manufacturing	13.8	-	-8.0	0.1
	Nonmanufacturing	1.5	-	-3.6	-1.0
	All industries	4.8	-	-4.9	-0.7

Software and Fixed Investment		(Year-to-year growth rate, %)			
		FY2001	Adjustment ratio	FY2002 (Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-7.6	-	-9.2	-0.3
	Nonmanufacturing	-7.7	-	-4.3	0.8
	All industries	-7.7	-	-6.3	0.4
Medium-sized enterprises	Manufacturing	-10.5	-	-14.5	-1.8
	Nonmanufacturing	-2.4	-	-0.1	-0.1
	All industries	-3.4	-	-1.8	-0.2
Small enterprises	Manufacturing	-13.7	-	-11.2	6.9
	Nonmanufacturing	0.5	-	-4.7	1.8
	All industries	-3.3	-	-6.3	2.9
All Enterprises	Manufacturing	-9.1	-	-10.5	0.5
	Nonmanufacturing	-3.9	-	-2.5	0.6
	All industries	-5.3	-	-4.6	0.5

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

		June 2002 survey		Sept 2002 survey			
		Actual result	Forecast	Actual result		Forecast	
					Changes in revision		Changes
Large enterprises	Manufacturing	26	22	25	-1	24	-1
	Nonmanufacturing	7	4	7	0	6	-1
	All industries	18	14	17	-1	16	-1
Medium-sized enterprises	Manufacturing	27	25	24	-3	23	-1
	Nonmanufacturing	4	4	5	1	3	-2
	All industries	13	12	12	-1	11	-1
Small enterprises	Manufacturing	27	24	25	-2	23	-2
	Nonmanufacturing	10	8	9	-1	8	-1
	All industries	17	15	16	-1	14	-2
All Enterprises	Manufacturing	27	23	25	-2	23	-2
	Nonmanufacturing	8	6	7	-1	6	-1
	All industries	16	14	14	-2	13	-1

## 5. Employment

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

		June 2002 survey		Sept 2002 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Large enterprises	Manufacturing	28	24	27	-1	26	-1
	Nonmanufacturing	19	14	16	-3	12	-4
	All industries	24	19	22	-2	19	-3
Medium-sized enterprises	Manufacturing	25	20	22	-3	21	-1
	Nonmanufacturing	7	5	8	1	4	-4
	All industries	14	11	13	-1	11	-2
Small enterprises	Manufacturing	23	20	22	-1	18	-4
	Nonmanufacturing	15	11	12	-3	11	-1
	All industries	19	15	16	-3	14	-2
All Enterprises	Manufacturing	25	20	22	-3	20	-2
	Nonmanufacturing	13	10	11	-2	9	-2
	All industries	18	14	15	-3	14	-1
Principal Enterprises	Manufacturing	33	28	30	-3	28	-2
	Nonmanufacturing	15	16	16	1	14	-2
	All industries	25	22	24	-1	22	-2

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

	Sept 2001	Dec 2001	Mar 2002	June 2002
Large enterprises	0.5	-0.3	-2.1	-3.1
Medium-sized enterprises	0.6	0.5	2.8	1.4
Small enterprises	-1.5	-2.0	-1.1	-2.2
All Enterprises	0.0	-0.5	-0.2	-1.4
Principal Enterprises	-1.8	-2.5	-3.4	-5.9

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)

	June 2002 survey		Sept 2002 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	8	4	8	0	4	-4
Medium-sized enterprises	-7	-12	-7	0	-13	-6
Small enterprises	-17	-24	-16	1	-24	-8
All Enterprises	-10	-16	-9	1	-16	-7
Principal Enterprises	5	2	5	0	0	-5

Lending Attitude of Financial Institutions(All industries)

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

	June 2002 survey		Sept 2002 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	6	3	5	-1	-1	-6
Medium-sized enterprises	-3	-9	-5	-2	-11	-6
Small enterprises	-9	-16	-10	-1	-17	-7
All Enterprises	-4	-11	-6	-2	-12	-6
Principal Enterprises	-3	-5	-3	0	-9	-6

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

	June 2002 survey		Sept 2002 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	8	21	9	1	20	11
Medium-sized enterprises	9	22	13	4	20	7
Small enterprises	11	22	12	1	21	9
All Enterprises	10	22	12	2	20	8
Principal Enterprises	9	22	10	1	20	10

Liquidity Ratio (All industries) (months)

	Sept 2001	Dec 2001	Mar 2002	June 2002
Large enterprises	1.03	0.97	1.03	0.97
Medium-sized enterprises	1.15	1.14	1.16	1.08
Small enterprises	1.77	1.74	1.78	1.73
All Enterprises	1.22	1.18	1.23	1.16
Principal Enterprises	0.94	0.89	0.96	0.92
(Seasonally adjusted)	0.94	0.89	0.93	0.96

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	Adjustment ratio	FY2002	
				(Forecast)	Adjustment ratio
Large enterprises	Overseas production	-	-	-	-
	Share of overseas production	-	-	-	-
	Overseas investment	-	-	-	-
	Share of overseas investment	-	-	-	-
Principal Enterprises	Overseas production	-	-	-	-
	Share of overseas production	-	-	-	-
	Overseas investment	-	-	-	-
	Share of overseas investment	-	-	-	-

(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

= Value of overseas production / (Value of sales + Value of overseas production) \* 100

Percentages share of overseas investment

= Value of overseas investment / (Value of domestic investment + 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		(Year-to-year growth rate, %)	
			Adjustment ratio	FY2002 (Forecast)	Adjustment ratio
Fixed Investment of Financial institutions		-6.1	-	-24.1	-2.5
	Banks	25.9	-	-22.2	-3.1
	Securities companies	-2.1	-	-15.2	0.7
	Insurance companies	-32.5	-	-28.1	-1.9

Software Investment of Financial institutions		18.7	-	-7.8	0.0
	Banks	26.9	-	-16.3	2.2
	Securities companies	4.4	-	16.5	-1.3
	Insurance companies	4.0	-	7.1	-5.0

Software and Fixed Investment of Financial institutions		1.9	-	-18.0	-1.5
	Banks	26.3	-	-19.7	-0.9
	Securities companies	2.0	-	5.2	-0.7
	Insurance companies	-26.5	-	-19.8	-2.9

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

		FY2001		FY2002	
			Adjustment ratio	(Forecast)	Adjustment ratio
Investment 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.

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

### Peaks and Bottoms of Business Conditions

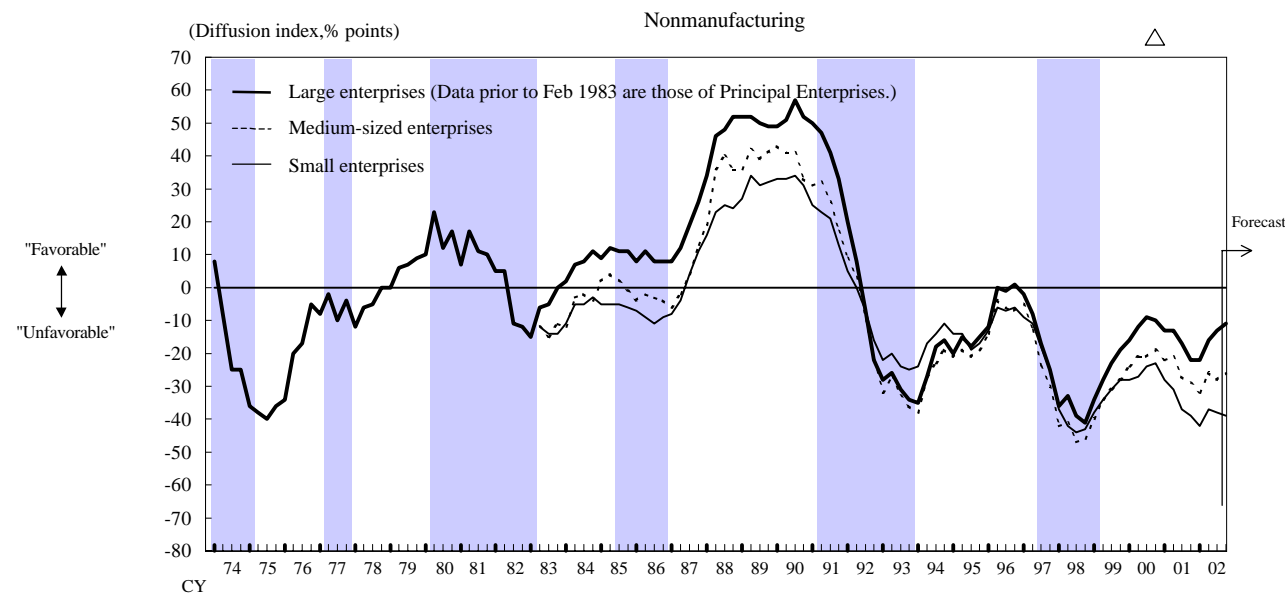
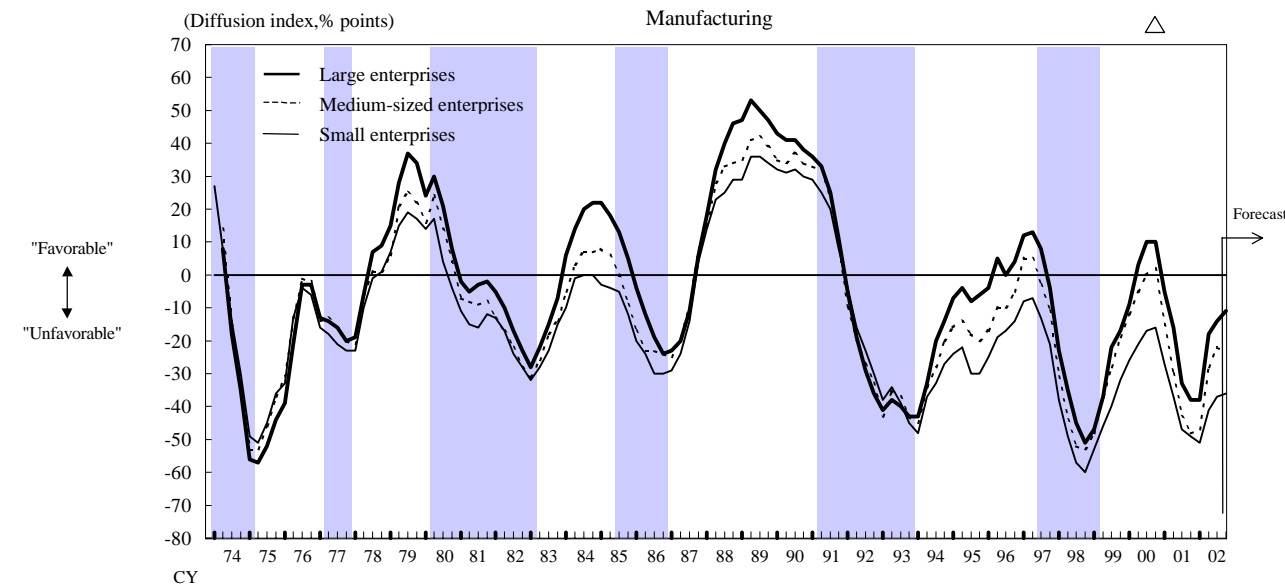
(Net percentage of respondents who reported "Favorable")

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)	

	September 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-14	-22	-37
Forecast	-11	-23	-36

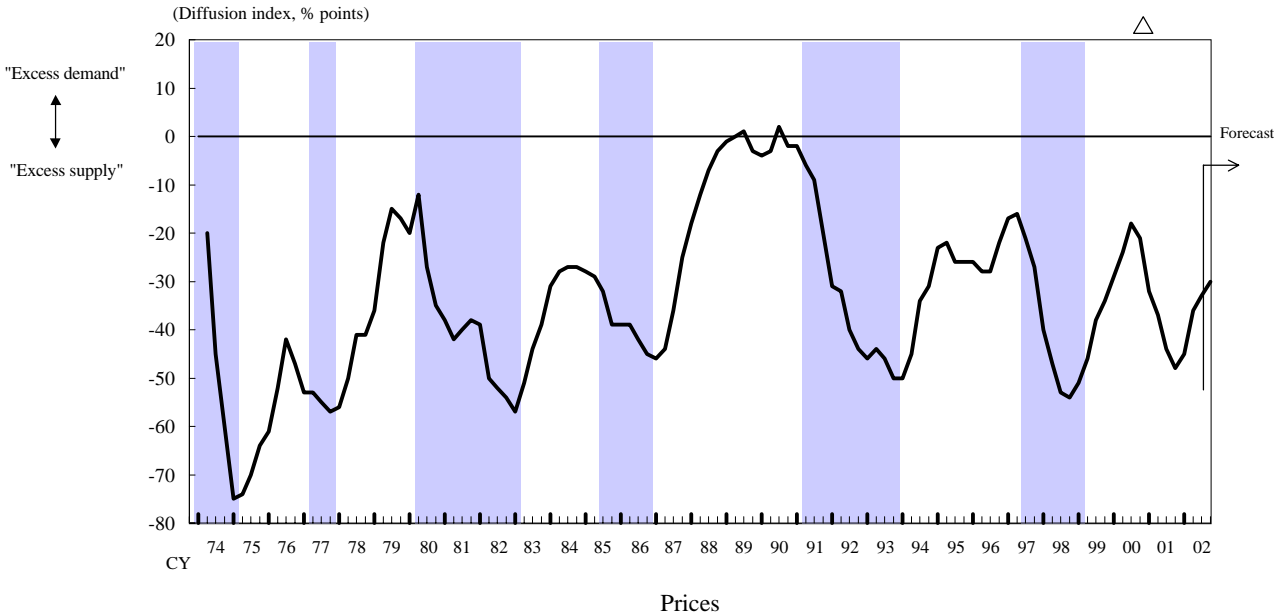
Nonmanufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (5/83)		-15 (8/83)		-14 (8,11/83)
12 (5/85)	8 (2,8,11/86,2/87)	4 (5/85)	-6 (2/87)	-3 (11/84)	-11 (8/86)
57 (8/90)	-35 (2/94)	43 (2/90)	-38 (2/94)	34 (5/89,8/90)	-25 (11/93)
1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

	September 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-13	-28	-38
Forecast	-11	-26	-39



[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)	

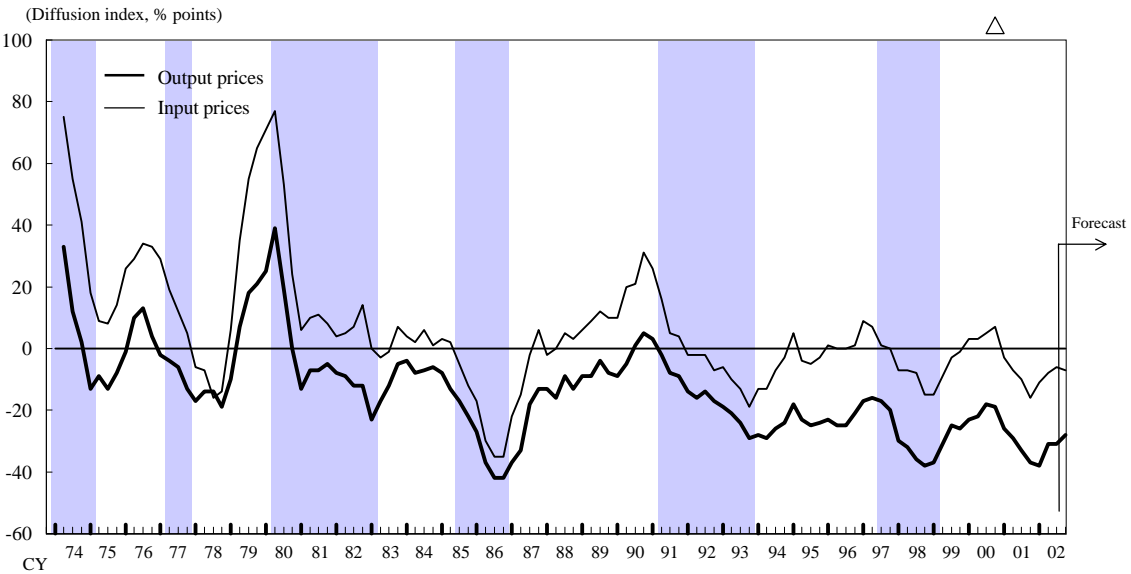
September 2002 survey	
Actual result	-33
Forecast	-30

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)	

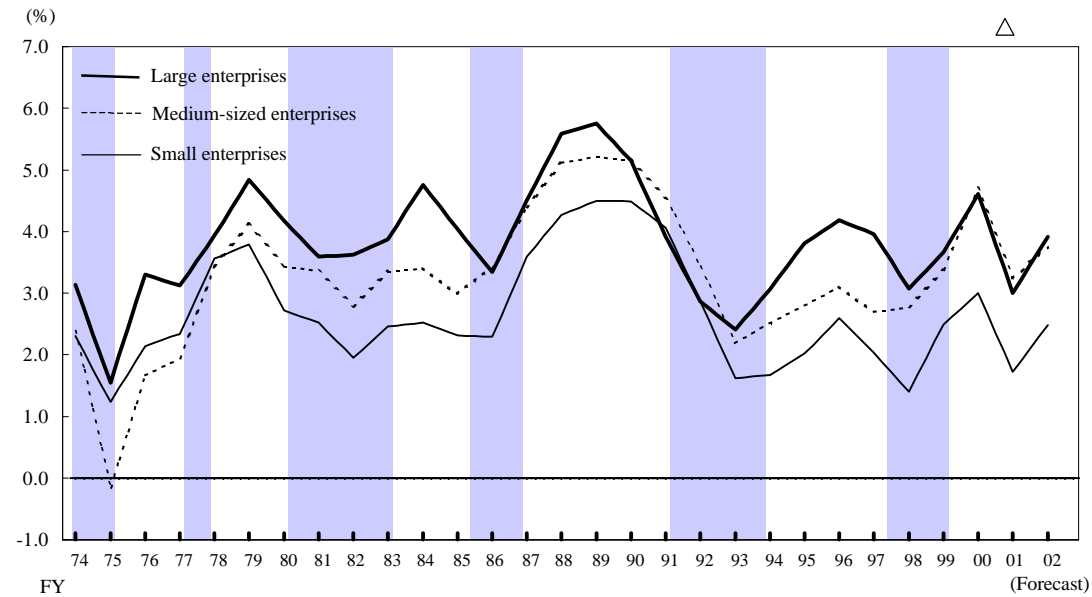
September 2002 survey		
	Output prices	Input prices
Actual result	-31	-6
Forecast	-28	-7



## [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.

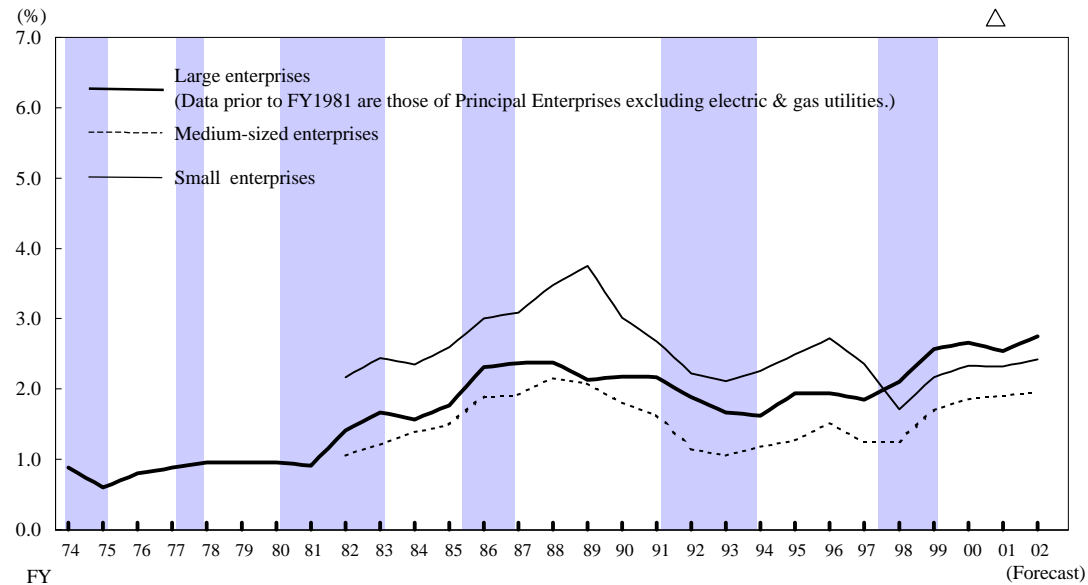


### Peaks and Bottoms of Ratio of Current Profit to Sales (%)

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)	

	September 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2001	3.00	3.24	1.72
FY 2002 (Forecast)	3.91	3.75	2.48

### Nonmanufacturing

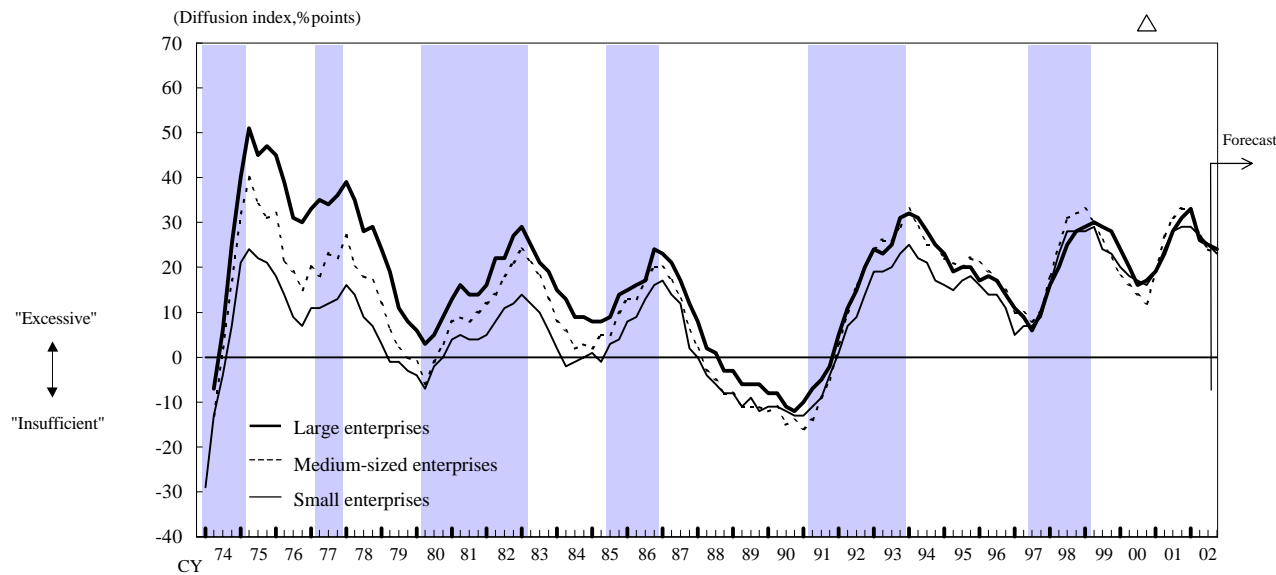


Nonmanufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	1.41 (FY82)		1.06 (FY82)		2.17 (FY82)
1.67 (FY83)	1.57 (FY84)	—	—	2.44 (FY83)	2.35 (FY84)
2.38 (FY88)	1.62 (FY94)	2.16 (FY88)	1.06 (FY93)	3.75 (FY89)	2.11 (FY93)
1.94 (FY95,96)	1.85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

	September 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2001	2.54	1.91	2.32
FY 2002 (Forecast)	2.75	1.96	2.42



## [Production Capacity (Manufacturing)]



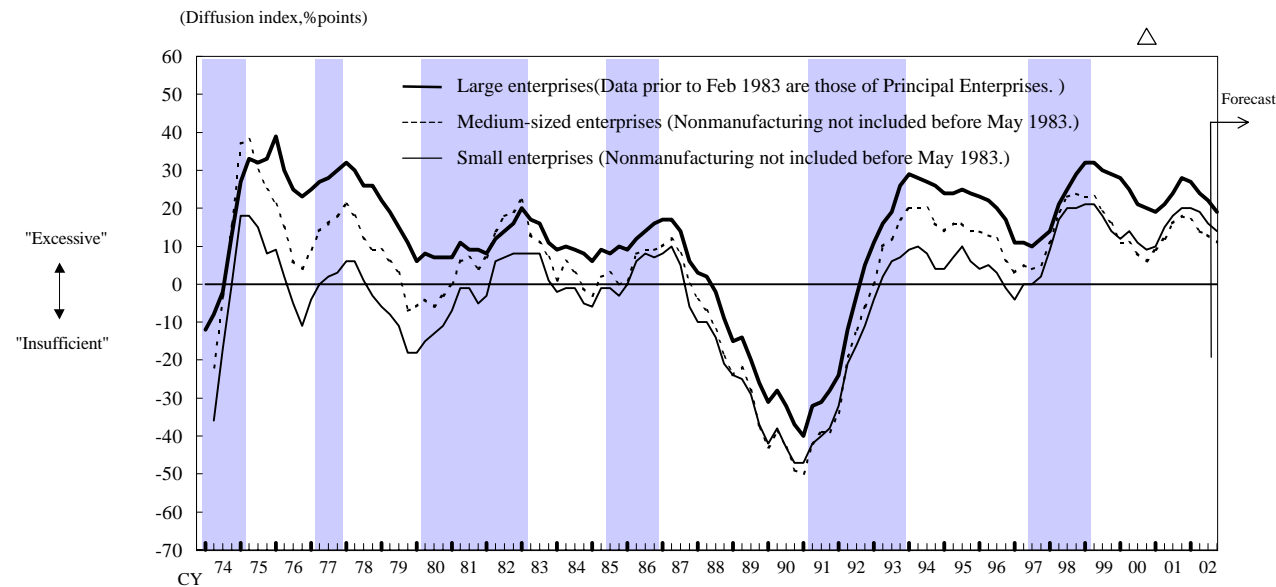
### Peaks and Bottoms of Production Capacity

(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)

	September 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	25	24	25
Forecast	24	23	23

## [Employment Conditions (All industries)]



### Peaks and Bottoms of Employment Conditions

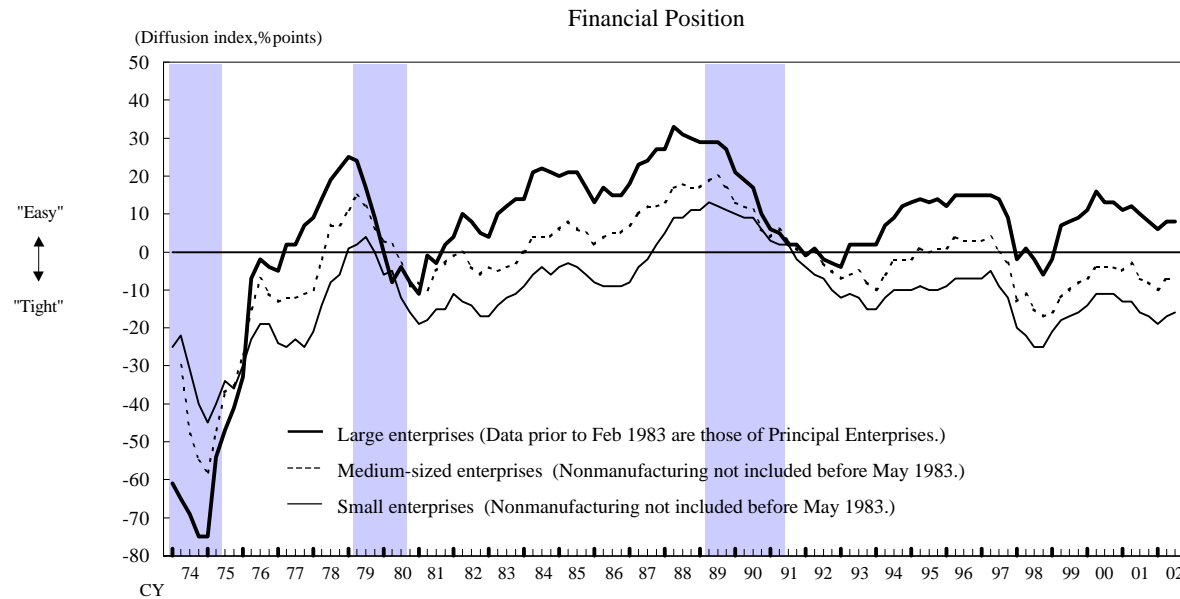
(Net percentage of respondents who reported "Excessive employment")

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)

	September 2002 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	22	13	16
Forecast	19	11	14

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

## [Corporate Finance (All industries)]

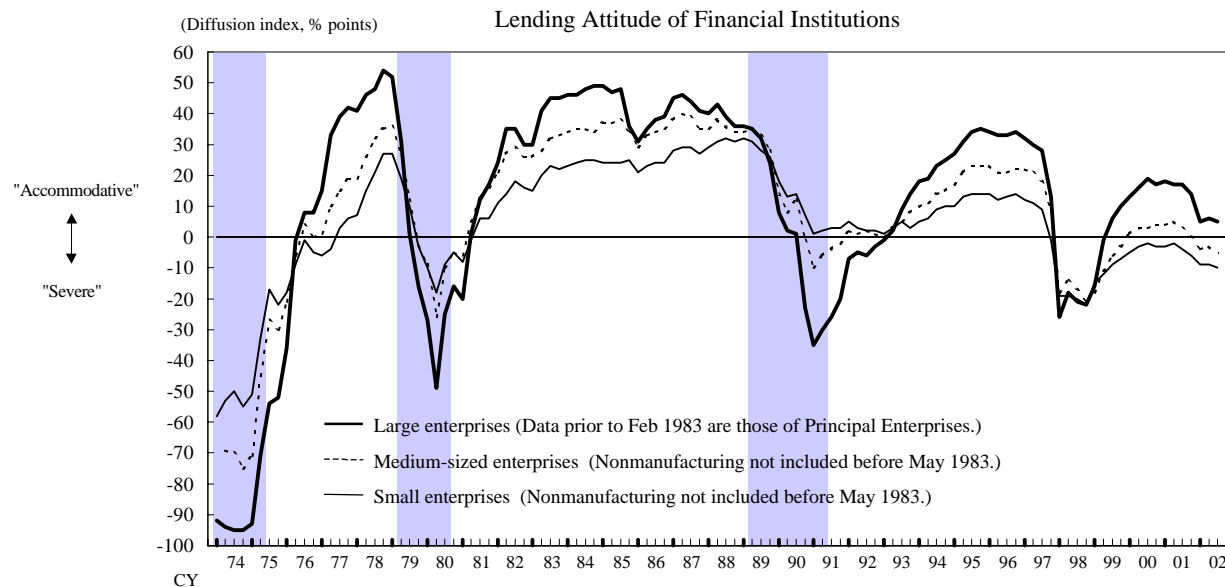


### Peaks and Bottoms of Financial Position

(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)

September 2002 survey			
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	8	-7	-16



### 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)

September 2002 survey			
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	5	-5	-10