

TANKAN Summary (March 2003)

116th Short-Term Economic Survey of All Enterprises in Japan

183rd 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	3,647	4,781	8,428	97.5%
Large enterprises	745	637	1,382	98.1%
Medium-sized enterprises	1,053	1,623	2,676	97.7%
Small enterprises	1,849	2,521	4,370	97.2%
Principal Enterprises	373	296	669	99.4%
(Memo) Financial institutions	-	-	172	100.0%

Responding Period: February 24th to March 31st.

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

(yen per US dollar)

	FY2002			FY2003		
		1H	2H		1H	2H
Dec 2002 survey	122.19	123.76	120.61	-	-	-
Mar 2003 survey	122.00	123.75	120.28	118.03	118.15	117.91

1. Business Conditions

(Net percentage of respondents who reported "Favorable")

	Large enterprises						Medium-sized enterprises						Small enterprises					
	Dec 2002 survey			Mar 2003 survey			Dec 2002 survey			Mar 2003 survey			Dec 2002 survey			Mar 2003 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	-9	-10	-10	-1	-8	2	-19	-24	-18	1	-20	-2	-33	-36	-29	4	-31	-2
Textiles	-25	-17	-28	-3	-18	10	-47	-43	-43	4	-45	-2	-51	-51	-44	7	-40	4
Lumber & wood products	-11	-11	-44	-33	-22	22	-27	-36	-28	-1	-33	-5	-43	-45	-42	1	-44	-2
Pulp & paper	14	6	-7	-21	-7	0	-36	-40	-40	-4	-44	-4	-31	-34	-20	11	-25	-5
Chemicals	0	-4	0	0	-2	-2	-9	-6	-9	0	-3	6	-17	-18	-15	2	-18	-3
Petroleum & coal products	-15	-14	-14	1	-14	0	-30	-10	10	40	-20	-30	-10	-28	-19	-9	-43	-24
Ceramics, stone & clay	-43	-43	-27	16	-32	-5	-40	-38	-33	7	-32	1	-54	-58	-56	-2	-61	-5
Iron & steel	-4	-4	7	11	4	-3	-24	-29	-29	-5	-36	-7	-47	-44	-32	15	-36	-4
Nonferrous metals	-30	-35	-35	-5	-25	10	-9	-9	-5	4	0	5	-27	-40	-19	8	-18	1
Food & beverages	-3	4	-2	1	5	7	-10	-10	-13	-3	-9	4	-24	-20	-28	-4	-22	6
Processed metals	7	7	-3	-10	4	7	-22	-30	-27	-5	-31	-4	-30	-38	-22	8	-34	-12
Industrial machinery	-14	-13	-1	13	-4	-3	-39	-40	-33	6	-27	6	-35	-37	-30	5	-32	-2
Electrical machinery	-29	-20	-29	0	-15	14	-12	-28	-13	-1	-18	-5	-34	-41	-31	3	-29	2
Shipbuilding & heavy machinery	-40	-30	-40	0	-50	-10	9	17	8	-1	8	0	-28	-45	-36	-8	-48	-12
Motor vehicles	28	13	16	-12	4	-12	1	-4	20	19	-7	-27	1	-6	19	18	-4	-23
Precision machinery	-11	-19	-7	4	-7	0	-17	-31	-11	6	-14	-3	-28	-32	-19	9	-15	4
Basic materials	-11	-12	-12	-1	-10	2	-27	-26	-24	3	-26	-2	-41	-43	-35	6	-37	-2
Processing	-8	-9	-9	-1	-6	3	-16	-23	-16	0	-18	-2	-29	-32	-26	3	-27	-1
Nonmanufacturing	-16	-15	-14	2	-13	1	-28	-29	-28	0	-28	0	-36	-41	-36	0	-42	-6
Construction	-42	-38	-39	3	-41	-2	-31	-31	-24	7	-32	-8	-44	-52	-43	1	-56	-13
Real estate	20	20	0	-20	-10	-10	-4	0	-7	-3	-10	-3	-22	-29	-20	2	-26	-6
Wholesaling	-15	-11	-12	3	-2	10	-24	-30	-32	-8	-28	4	-38	-42	-38	0	-44	-6
Retailing	4	3	3	-1	4	1	-30	-29	-28	2	-25	3	-46	-43	-49	-3	-49	0
Transportation	-20	-25	-17	3	-18	-1	-34	-33	-31	3	-37	-6	-35	-39	-31	4	-39	-8
Communications	10	10	30	20	20	-10	10	0	-15	-25	-43	-28	46	7	23	-23	0	-23
Electric & gas utilities	-6	-12	0	6	0	0	-10	-10	-10	0	0	10	-14	-14	-3	11	-15	-12
Services	-19	-19	-24	-5	-19	5	-29	-31	-28	1	-28	0	-28	-33	-29	-1	-34	-5
Leasing	-11	-22	0	11	-11	-11	-7	-20	-13	-6	-26	-13	-27	-39	-36	-9	-37	-1
All industries	-11	-12	-12	-1	-10	2	-24	-27	-24	0	-25	-1	-35	-39	-33	2	-38	-5

	All Enterprises					
Manufacturing	-24	-27	-22	2	-23	-1
Nonmanufacturing	-30	-34	-30	0	-34	-4
All industries	-28	-31	-26	2	-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					
	Dec 2002 survey		Mar 2003 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Manufacturing	-15	-17	-13	2	-9	4
Textiles	-35	-35	-32	3	-23	9
Pulp & paper	10	-10	-11	-21	-11	0
Chemicals	-3	-4	-3	0	-4	-1
Petroleum refining	-15	-14	0	15	0	0
Ceramics, stone & clay	-35	-29	-23	12	-18	5
Iron & steel	-8	-9	0	8	-9	-9
Nonferrous metals	-26	-37	-37	-11	-26	11
Food & beverages	-7	0	-13	-6	3	16
Processed metals	-7	-7	-7	0	0	7
Industrial machinery	-17	-17	0	17	-3	-3
Electrical machinery	-42	-37	-34	8	-22	12
Shipbuilding & heavy machinery	-50	-50	-50	0	-83	-33
Motor vehicles	21	14	10	-11	4	-6
Precision machinery	0	-10	10	10	20	10
Basic materials	-16	-18	-15	1	-13	2
Processing	-14	-15	-11	3	-6	5
Nonmanufacturing	-17	-12	-13	4	-9	4
Construction	-59	-49	-50	9	-47	3
Real estate	0	0	-10	-10	-17	-7
Wholesaling	-9	-2	-5	4	9	14
Retailing	-13	0	2	15	2	0
Transportation	-22	-18	-17	5	-13	4
Communications	0	0	0	0	0	0
Electric & gas utilities	0	-7	7	7	0	-7
Services	-21	-14	-21	0	-10	11
Leasing	21	7	14	-7	7	-7
All industries	-16	-14	-13	3	-9	4

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

(%, % points)

	Dec 2002 survey			Mar 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises	Large enterprises	Medium-sized enterprises	Small enterprises
Manufacturing	-9	-19	-33	-10	-18	-29
1.Favorable	14	11	9	11	12	10
2.Not so favorable	63	59	49	68	58	51
3.Unfavorable	23	30	42	21	30	39
Nonmanufacturing	-16	-28	-36	-14	-28	-36
1.Favorable	8	7	6	10	7	6
2.Not so favorable	68	58	52	66	58	52
3.Unfavorable	24	35	42	24	35	42

(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 2002 survey		Mar 2003 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Supply and demand conditions for products and services:	Manufacturing	-31	-30	-29	2	-29	0
Diffusion index of "Excess demand" minus	Basic materials	-33	-30	-29	4	-30	-1
"Excess supply"	Processing	-29	-29	-30	-1	-28	2
Overseas supply and demand conditions for products :	Manufacturing	-17	-19	-16	1	-15	1
Diffusion index of "Excess demand" minus	Basic materials	-18	-19	-14	4	-17	-3
"Excess supply"	Processing	-16	-19	-18	-2	-15	3

Inventory level of finished goods and merchandise:	Manufacturing	23	15	20	-3	15	-5
Diffusion index of "Excessive or somewhat excessive"	Basic materials	26	16	23	-3	18	-5
minus "Insufficient or somewhat insufficient"	Processing	23	15	19	-4	14	-5
Wholesalers' inventory level:	Manufacturing	25	23	23	-2	21	-2
Diffusion index of "Excessive or somewhat excessive"	Basic materials	26	24	26	0	25	-1
minus "Insufficient or somewhat insufficient"	Processing	25	24	22	-3	20	-2

Change in output prices:	Manufacturing	-27	-27	-26	1	-27	-1
Diffusion index of "Rise" minus "Fall"	Basic materials	-10	-8	-4	6	-8	-4
	Processing	-34	-34	-35	-1	-34	1
Change in input prices:	Manufacturing	-3	-7	0	3	-1	-1
Diffusion index of "Rise" minus "Fall"	Basic materials	7	-1	18	11	11	-7
	Processing	-8	-10	-7	1	-7	0

(% points)

		Small enterprises					
		Dec 2002 survey		Mar 2003 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Supply and demand conditions for products and services:	Manufacturing	-51	-51	-47	4	-48	-1
Diffusion index of "Excess demand" minus	Basic materials	-59	-59	-55	4	-57	-2
"Excess supply"	Processing	-46	-47	-41	5	-43	-2
Overseas supply and demand conditions for products :	Manufacturing	-34	-36	-31	3	-32	-1
Diffusion index of "Excess demand" minus	Basic materials	-41	-43	-39	2	-40	-1
"Excess supply"	Processing	-30	-31	-28	2	-29	-1

Inventory level of finished goods and merchandise:	Manufacturing	22	18	22	0	17	-5
Diffusion index of "Excessive or somewhat excessive"	Basic materials	28	22	27	-1	23	-4
minus "Insufficient or somewhat insufficient"	Processing	19	15	19	0	14	-5
Wholesalers' inventory level:	Manufacturing	37	35	34	-3	32	-2
Diffusion index of "Excessive or somewhat excessive"	Basic materials	47	44	44	-3	42	-2
minus "Insufficient or somewhat insufficient"	Processing	30	29	29	-1	26	-3

Change in output prices:	Manufacturing	-34	-36	-32	2	-34	-2
Diffusion index of "Rise" minus "Fall"	Basic materials	-28	-29	-24	4	-23	1
	Processing	-37	-41	-36	1	-41	-5
Change in input prices:	Manufacturing	4	5	10	6	12	2
Diffusion index of "Rise" minus "Fall"	Basic materials	10	11	20	10	19	-1
	Processing	1	2	4	3	7	3

3. Sales and Current Profits

Sales

		FY2002		FY2003	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	1.0	0.2	0.1	-
	Domestic Sales	-1.1	-0.2	0.1	-
	Exports	8.2	1.4	-0.1	-
	Nonmanufacturing	-2.4	-0.3	0.3	-
Medium-sized enterprises	Manufacturing	1.7	-0.2	2.8	-
	Nonmanufacturing	-0.8	0.5	1.8	-
Small enterprises	Manufacturing	0.1	0.5	1.3	-
	Nonmanufacturing	-1.8	0.0	-0.3	-
All Enterprises	All industries	-0.9	0.1	0.8	-
Principal Enterprises	Manufacturing	0.3	-0.2	-0.6	-
	Nonmanufacturing	-5.0	-0.4	-0.9	-

(Year-to-year growth rate, %)

1H FY2002	2H FY2002		1H FY2003		2H FY2003	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
-1.3	3.2	0.1	0.2	-	-0.1	-
-3.8	1.6	-0.5	0.7	-	-0.5	-
7.4	9.1	2.4	-1.3	-	1.2	-
-3.8	-1.0	-1.1	0.5	-	0.1	-
-0.2	3.6	0.0	3.2	-	2.4	-
-2.7	1.1	0.2	1.9	-	1.6	-
-2.2	2.3	0.6	1.8	-	0.9	-
-2.8	-0.8	-0.5	-0.1	-	-0.4	-
-2.6	0.7	-0.3	1.0	-	0.6	-
-1.7	2.3	-0.2	-0.3	-	-0.8	-
-6.5	-3.5	-0.8	-0.5	-	-1.2	-

Current Profits

		FY2002		FY2003	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	32.0	0.1	12.3	-
	Basic materials	8.1	1.4	13.9	-
	Processing	47.7	-0.5	11.5	-
	Nonmanufacturing	4.5	0.3	9.7	-
Medium-sized enterprises	Manufacturing	12.2	-3.4	19.3	-
	Nonmanufacturing	-1.7	-1.7	20.1	-
Small enterprises	Manufacturing	37.8	-3.6	30.0	-
	Nonmanufacturing	6.0	2.8	4.9	-
All Enterprises	All industries	11.3	-0.3	13.5	-
Principal Enterprises	Manufacturing excluding petroleum refining	37.6	0.7	11.7	-
	Nonmanufacturing excluding electric & gas utilities	8.7	-1.9	14.1	-

(Year-to-year growth rate, %)

1H FY2002	2H FY2002		1H FY2003		2H FY2003	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
11.5	54.5	0.4	9.8	-	14.3	-
-8.2	26.4	3.4	18.8	-	9.9	-
24.7	72.7	-1.0	5.3	-	16.4	-
5.6	3.5	0.0	5.9	-	13.8	-
15.4	10.4	-5.1	35.2	-	9.8	-
-4.8	0.8	-5.3	17.6	-	22.0	-
43.7	34.5	-6.2	43.1	-	22.3	-
10.7	2.4	1.4	1.9	-	7.4	-
7.2	14.8	-1.7	11.8	-	14.9	-
18.9	56.6	0.6	8.7	-	13.9	-
9.7	7.7	-1.8	10.9	-	17.3	-

Ratio of Current Profit to Sales

		FY2002		FY2003	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	3.93	0.00	4.41	-
	Nonmanufacturing	2.72	0.02	2.98	-
Medium-sized enterprises	Manufacturing	3.58	-0.12	4.16	-
	Nonmanufacturing	1.89	-0.04	2.23	-
Small enterprises	Manufacturing	2.37	-0.10	3.04	-
	Nonmanufacturing	2.50	0.06	2.63	-
All Enterprises	All industries	2.70	-0.01	3.04	-
Principal Enterprises	Manufacturing excluding petroleum refining	4.26	0.04	4.79	-
	Nonmanufacturing excluding electric & gas utilities	2.14	-0.02	2.47	-

(%, % points)

1H FY2002	2H FY2002		1H FY2003		2H FY2003	
	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
3.59	4.24	0.01	3.93	-	4.85	-
2.89	2.56	0.02	3.04	-	2.92	-
2.76	4.34	-0.24	3.62	-	4.66	-
1.68	2.09	-0.12	1.94	-	2.51	-
1.81	2.89	-0.21	2.55	-	3.51	-
2.32	2.68	0.05	2.36	-	2.89	-
2.52	2.86	-0.04	2.80	-	3.27	-
3.86	4.64	0.06	4.23	-	5.32	-
2.20	2.08	-0.01	2.45	-	2.48	-

(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, %)			
		FY2002		FY2003	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-12.9	-2.5	2.9	-
	Nonmanufacturing	-5.9	-1.7	-3.1	-
	All industries	-8.7	-2.0	-0.8	-
Medium-sized enterprises	Manufacturing	-14.4	-1.8	1.3	-
	Nonmanufacturing	-3.7	-1.4	-0.6	-
	All industries	-5.0	-1.4	-0.4	-
Small enterprises	Manufacturing	-9.2	-2.8	-11.2	-
	Nonmanufacturing	-6.1	-2.9	-15.4	-
	All industries	-6.8	-2.9	-14.4	-
All Enterprises	Manufacturing	-12.5	-2.4	0.2	-
	Nonmanufacturing	-4.9	-1.8	-4.1	-
	All industries	-6.9	-1.9	-3.1	-

Software Investment		(Year-to-year growth rate, %)			
		FY2002		FY2003	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-10.0	-4.5	4.4	-
	Nonmanufacturing	4.2	3.4	-5.3	-
	All industries	-2.3	-0.1	-1.2	-
Medium-sized enterprises	Manufacturing	7.3	-1.0	4.8	-
	Nonmanufacturing	-1.9	-1.6	3.4	-
	All industries	-1.3	-1.5	3.5	-
Small enterprises	Manufacturing	10.5	-4.1	-8.8	-
	Nonmanufacturing	-8.7	-13.9	-4.7	-
	All industries	-5.3	-12.1	-5.6	-
All Enterprises	Manufacturing	-7.2	-4.1	3.4	-
	Nonmanufacturing	-0.3	-1.2	-1.3	-
	All industries	-2.3	-2.0	0.0	-

Software and Fixed Investment		(Year-to-year growth rate, %)			
		FY2002		FY2003	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-12.6	-2.6	3.0	-
	Nonmanufacturing	-5.2	-1.4	-3.2	-
	All industries	-8.2	-1.8	-0.9	-
Medium-sized enterprises	Manufacturing	-13.8	-1.8	1.5	-
	Nonmanufacturing	-3.6	-1.4	-0.3	-
	All industries	-4.7	-1.4	-0.2	-
Small enterprises	Manufacturing	-8.7	-2.9	-11.1	-
	Nonmanufacturing	-6.2	-3.4	-15.0	-
	All industries	-6.8	-3.3	-14.1	-
All Enterprises	Manufacturing	-12.2	-2.5	0.5	-
	Nonmanufacturing	-4.6	-1.7	-3.9	-
	All industries	-6.6	-1.9	-2.9	-

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

		Dec 2002 survey		Mar 2003 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision	Changes	
Large enterprises	Manufacturing	23	21	20	-3	18	-2
	Nonmanufacturing	7	5	7	0	5	-2
	All industries	16	14	14	-2	12	-2
Medium-sized enterprises	Manufacturing	23	23	21	-2	21	0
	Nonmanufacturing	3	3	5	2	4	-1
	All industries	11	11	11	0	11	0
Small enterprises	Manufacturing	24	22	20	-4	19	-1
	Nonmanufacturing	9	8	9	0	9	0
	All industries	15	14	13	-2	14	1
All Enterprises	Manufacturing	23	22	20	-3	19	-1
	Nonmanufacturing	7	6	7	0	7	0
	All industries	14	13	13	-1	13	0

5. Employment

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

		Dec 2002 survey		Mar 2003 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision	Changes	
Large enterprises	Manufacturing	26	24	25	-1	23	-2
	Nonmanufacturing	16	11	15	-1	13	-2
	All industries	22	18	20	-2	19	-1
Medium-sized enterprises	Manufacturing	20	21	19	-1	18	-1
	Nonmanufacturing	6	5	6	0	5	-1
	All industries	12	11	11	-1	11	0
Small enterprises	Manufacturing	19	19	16	-3	15	-1
	Nonmanufacturing	10	11	10	0	12	2
	All industries	14	15	12	-2	14	2
All Enterprises	Manufacturing	21	21	19	-2	18	-1
	Nonmanufacturing	10	9	10	0	10	0
	All industries	14	14	13	-1	14	1
Principal Enterprises	Manufacturing	29	26	27	-2	25	-2
	Nonmanufacturing	17	15	16	-1	14	-2
	All industries	23	21	22	-1	20	-2

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

	Mar 2002	June 2002	Sept 2002	Dec 2002
Large enterprises	-2.1	-3.1	-4.0	-4.0
Medium-sized enterprises	2.8	1.4	1.5	0.7
Small enterprises	-1.1	-2.2	-3.3	-2.2
All Enterprises	-0.2	-1.4	-2.0	-2.0
Principal Enterprises	-3.4	-5.9	-6.1	-6.5

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

	FY2002	FY2003
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 2002 survey		Mar 2003 survey			
	Actual result	Forecast	Actual result	Forecast		
				Changes in revision	Changes	
Large enterprises	8	3	7	-1	4	-3
Medium-sized enterprises	-8	-15	-8	0	-14	-6
Small enterprises	-16	-25	-15	1	-23	-8
All Enterprises	-9	-17	-9	0	-16	-7
Principal Enterprises	4	-1	4	0	1	-3

Lending Attitude of Financial Institutions(All industries)

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

	Dec 2002 survey		Mar 2003 survey			
	Actual result	Forecast	Actual result	Forecast		
				Changes in revision	Changes	
Large enterprises	3	-3	5	2	1	-4
Medium-sized enterprises	-7	-13	-7	0	-12	-5
Small enterprises	-10	-19	-9	1	-16	-7
All Enterprises	-7	-14	-6	1	-12	-6
Principal Enterprises	-7	-12	-4	3	-8	-4

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

	Dec 2002 survey		Mar 2003 survey			
	Actual result	Forecast	Actual result	Forecast		
				Changes in revision	Changes	
Large enterprises	8	18	7	-1	16	9
Medium-sized enterprises	14	21	13	-1	19	6
Small enterprises	13	22	12	-1	18	6
All Enterprises	12	21	11	-1	18	7
Principal Enterprises	10	20	7	-3	15	8

Liquidity Ratio (All industries) (months)

	Mar 2002	June 2002	Sept 2002	Dec 2002
Large enterprises	1.03	0.97	0.97	0.95
Medium-sized enterprises	1.16	1.08	1.07	1.08
Small enterprises	1.78	1.73	1.72	1.71
All Enterprises	1.23	1.16	1.16	1.15
Principal Enterprises	0.96	0.92	0.92	0.90
(Seasonally adjusted)	0.93	0.96	0.92	0.90

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, %)

		FY2002		FY2003	
		(Forecast)	Adjustment ratio	(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, %)

		FY2002		FY2003	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Fixed Investment of Financial institutions		-38.6	-14.3	28.2	-
	Banks	-33.9	-8.4	28.9	-
	Securities companies	-21.2	-11.9	-5.2	-
	Insurance companies	-47.8	-24.0	32.4	-

Software Investment of Financial institutions		-16.8	-4.8	8.9	-
	Banks	-26.4	-3.8	18.9	-
	Securities companies	8.7	-10.4	-3.2	-
	Insurance companies	1.1	-3.2	-8.5	-

Software and Fixed Investment of Financial institutions		-30.4	-10.2	19.5	-
	Banks	-30.7	-6.4	24.4	-
	Securities companies	-1.9	-10.8	-3.8	-
	Insurance companies	-36.2	-17.3	17.0	-

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

		FY2002		FY2003	
		(Forecast)	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

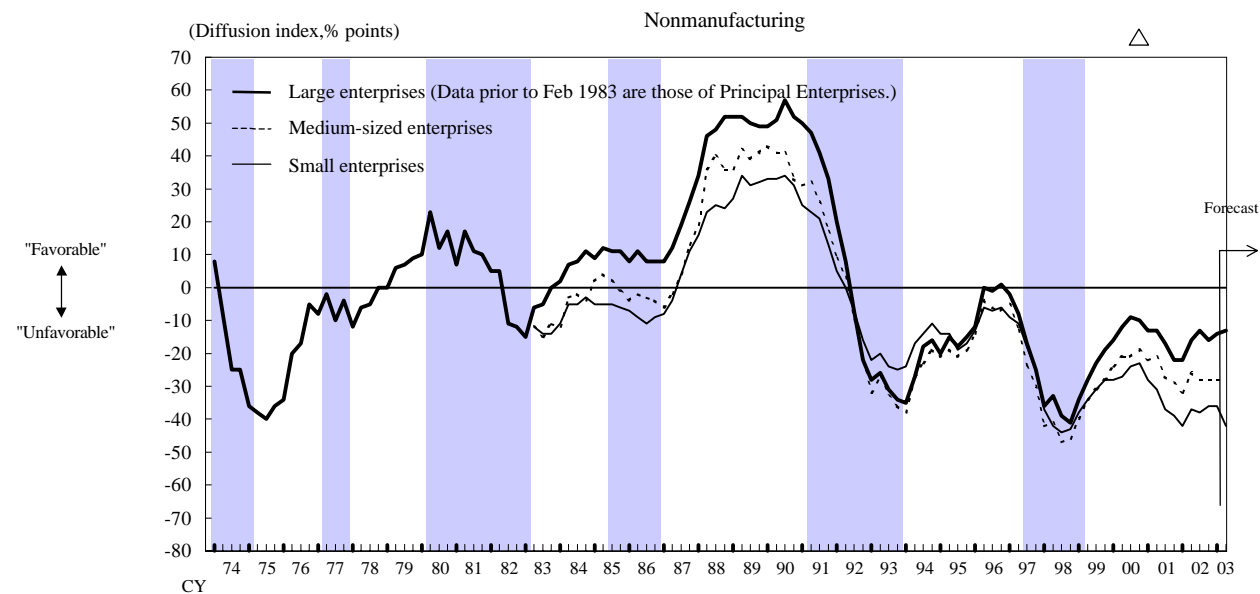
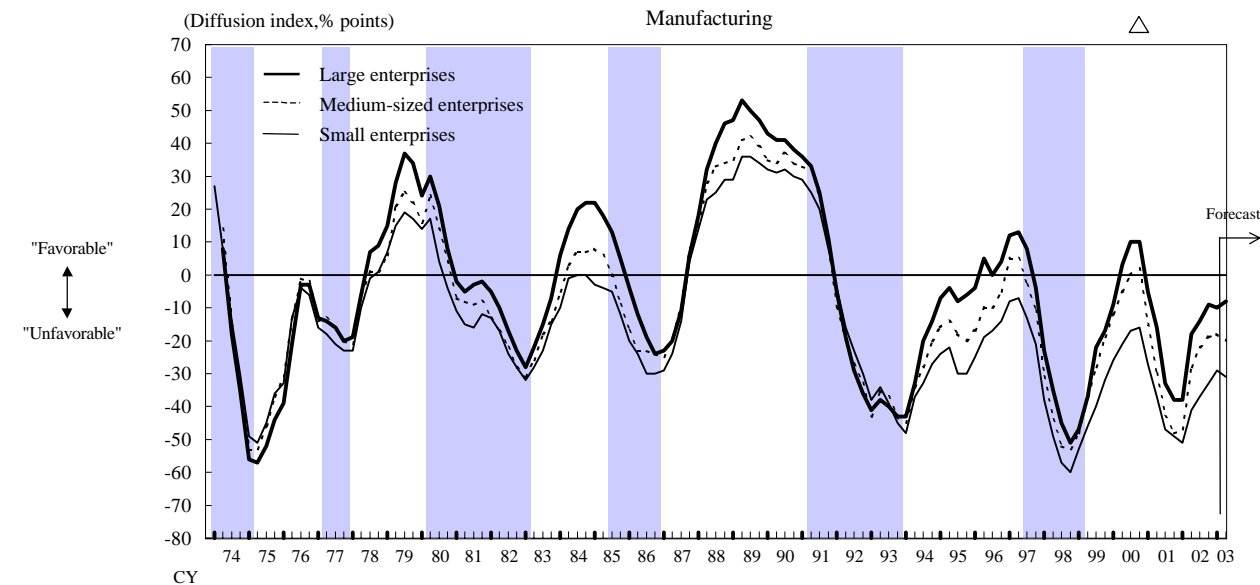
(Net percentage of respondents who reported "Favorable")

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)	

	March 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-10	-18	-29
Forecast	-8	-20	-31

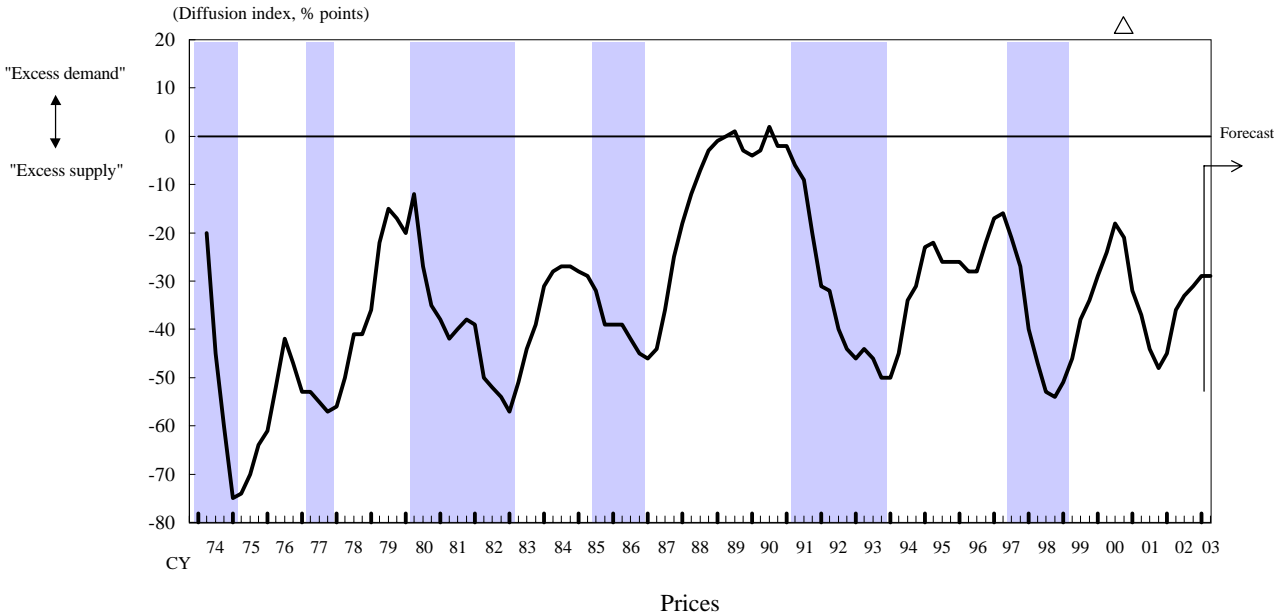
Nonmanufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (5/83)		-15 (8/83)		-14 (8,11/83)
12 (5/85)	8 (2,8,11/86,2/87)	4 (5/85)	-6 (2/87)	-3 (11/84)	-11 (8/86)
57 (8/90)	-35 (2/94)	43 (2/90)	-38 (2/94)	34 (5/89,8/90)	-25 (11/93)
1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

	March 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-14	-28	-36
Forecast	-13	-28	-42



[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)	

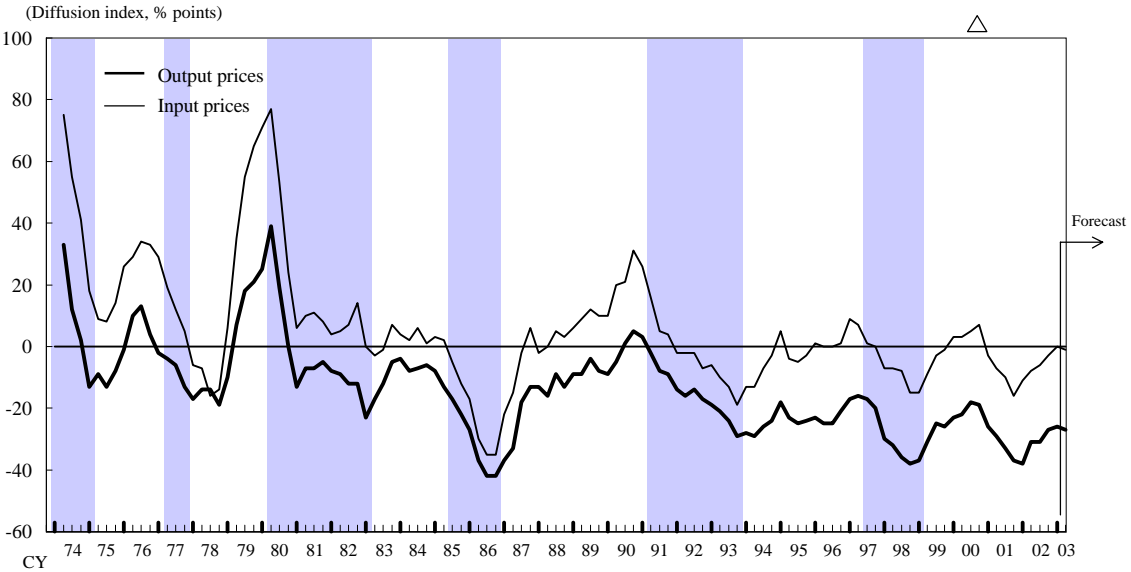
March 2003 survey	
Actual result	-29
Forecast	-29

Peaks and Bottoms of Prices

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

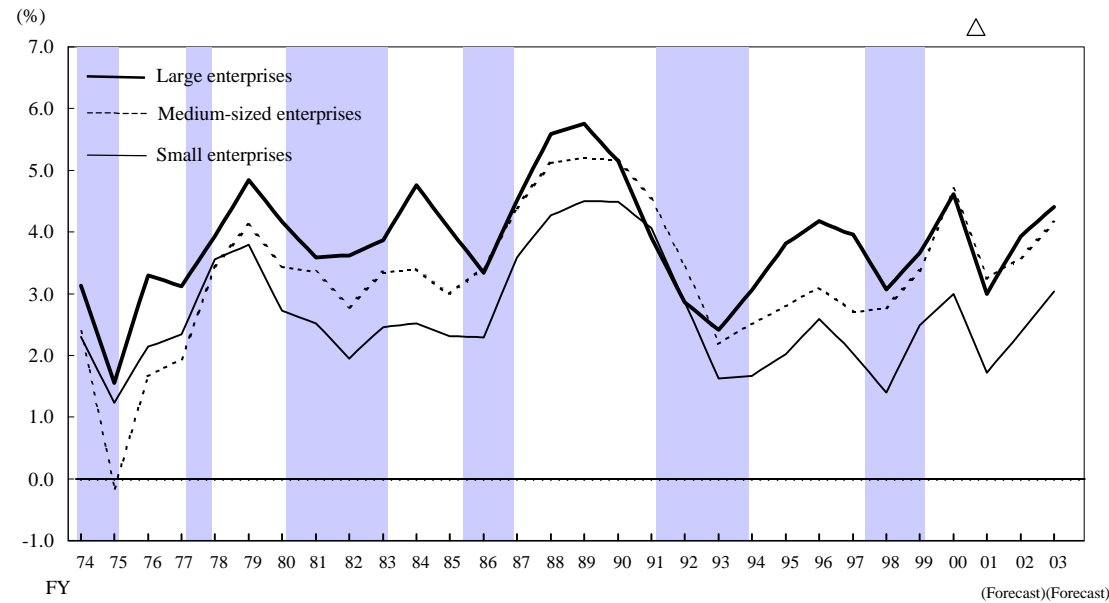
Large manufacturing enterprises			
Output prices		Input prices	
Peak	Bottom	Peak	Bottom
	-13 (2,8/75)		8 (8/75)
13 (8/76)	-19 (11/78)	34 (8/76)	-16 (8/78)
39 (5/80)	-23 (2/83)	77 (5/80)	4 (2/82)
-4 (2/84)	-42 (8,11/86)	14 (11/82)	-35 (8,11/86)
5 (11/90)	-29 (11/93,5/94)	31 (11/90)	-19 (11/93)
-16 (6/97)	-38 (12/98)	9 (3/97)	-15 (12/98,3/99)
-18 (9/00)		7 (12/00)	

March 2003 survey		
	Output prices	Input prices
Actual result	-26	0
Forecast	-27	-1



[Ratio of Current Profit to Sales]

Manufacturing



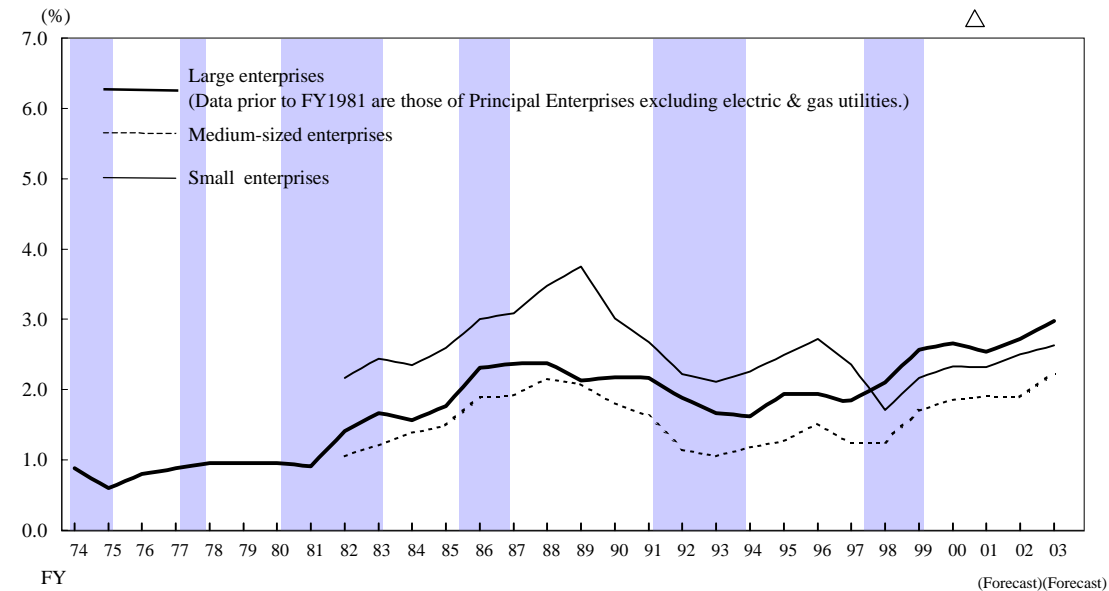
Note: There is no continuity between the figures before FY1997 and those after FY1998, as the calculation method of the All Enterprises TANKAN was changed from simple aggregates to population estimates from the March 1999 survey.

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)	

	March 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2002 (Forecast)	3.93	3.58	2.37
FY 2003 (Forecast)	4.41	4.16	3.04

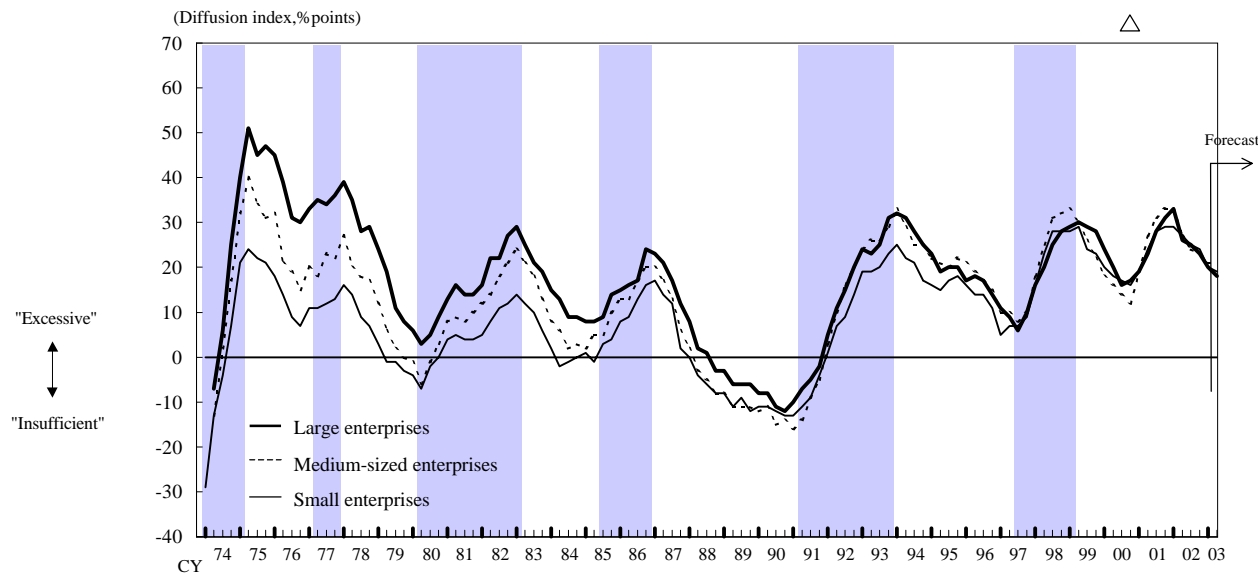
Nonmanufacturing



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)	

	March 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2002 (Forecast)	2.72	1.89	2.50
FY 2003 (Forecast)	2.98	2.23	2.63

[Production Capacity (Manufacturing)]



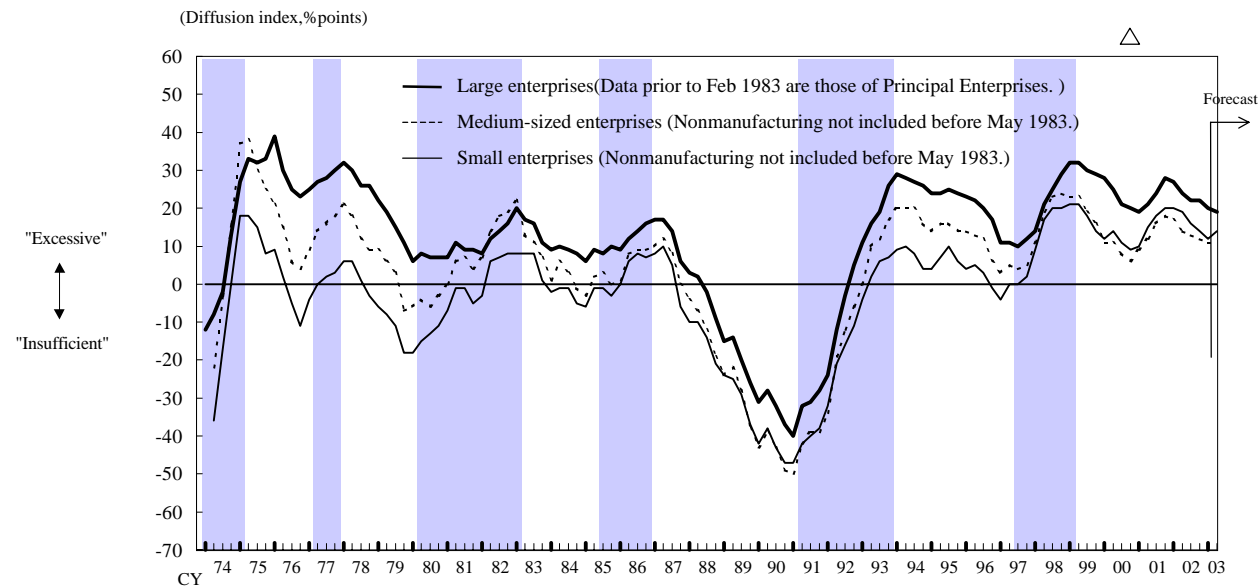
Peaks and Bottoms of Production Capacity

(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)

	March 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	20	21	20
Forecast	18	21	19

[Employment Conditions (All industries)]



Peaks and Bottoms of Employment Conditions

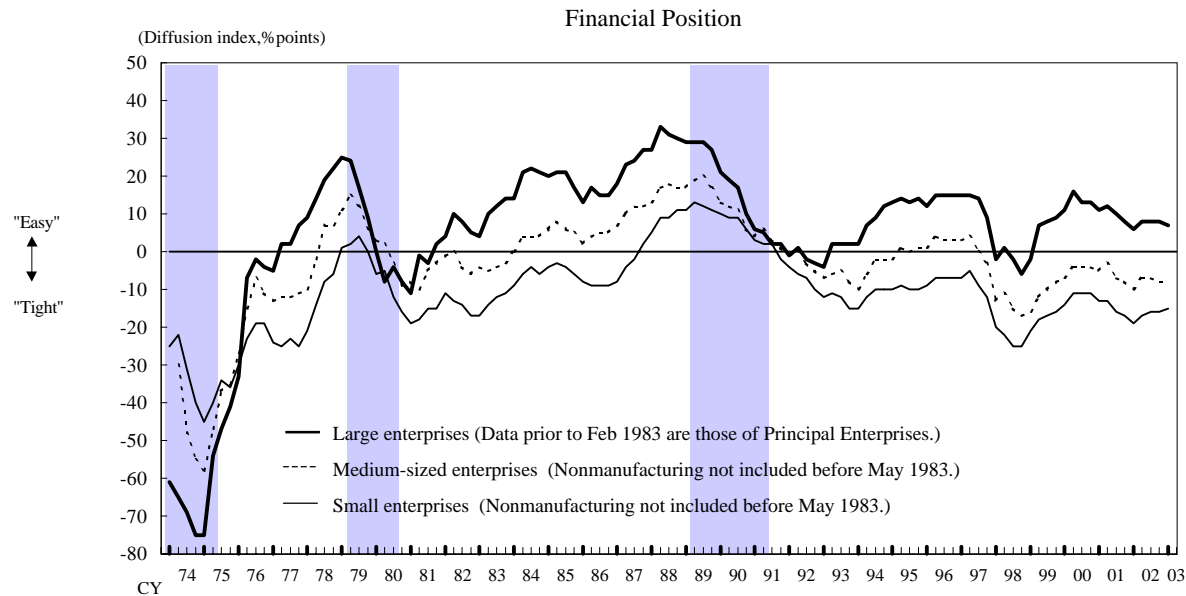
(Net percentage of respondents who reported "Excessive employment")

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)

	March 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	20	11	12
Forecast	19	11	14

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

[Corporate Finance (All industries)]

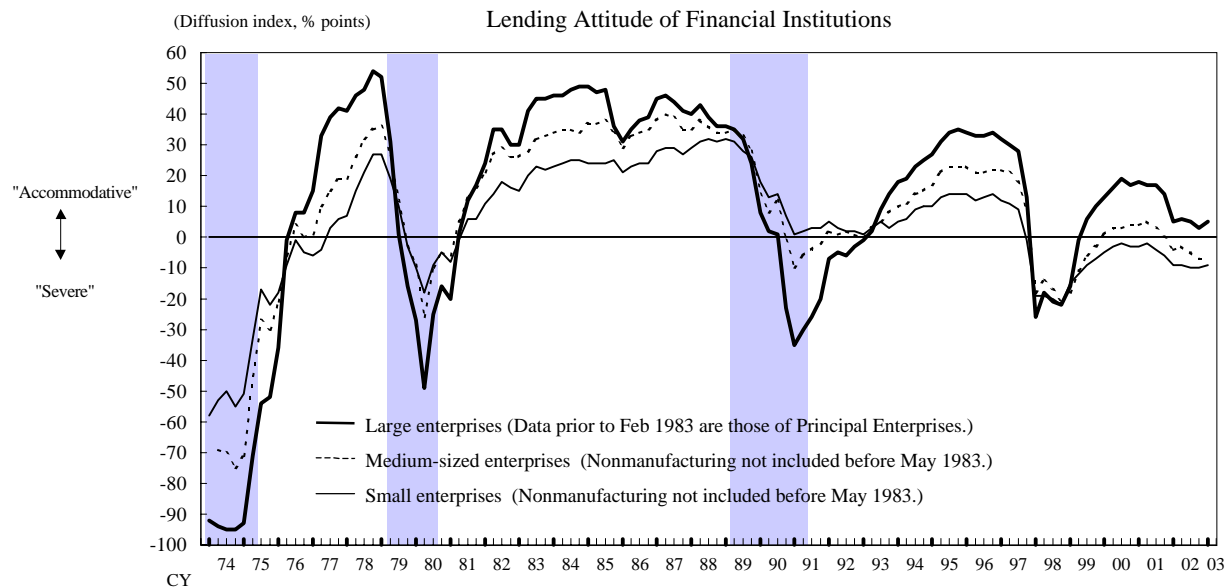


Peaks and Bottoms of Financial Position

(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)

	March 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	7	-8	-15



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)

	March 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	5	-7	-9