

TANKAN Summary (June 2003)

117th Short-Term Economic Survey of All Enterprises in Japan

184th Short-Term Economic Survey of Principal Enterprises in Japan

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July 1, 2003

Research and Statistics Department
Bank of Japan

Number of sample enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	3,610	4,733	8,343	97.9%
Large enterprises	741	633	1,374	98.9%
Medium-sized enterprises	1,044	1,607	2,651	98.1%
Small enterprises	1,825	2,493	4,318	97.5%
Principal Enterprises	371	294	665	99.2%
(Memo) Financial institutions	-	-	168	100.0%

Responding Period: May 30th to June 30th.

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

(yen per US dollar)

	FY2002			FY2003		
		1H	2H		1H	2H
Mar 2003 survey	122.00	123.75	120.28	118.03	118.15	117.91
June 2003 survey	122.37	123.74	121.06	117.88	117.97	117.79

1. Business Conditions

(Net percentage of respondents who reported "Favorable")

	Large enterprises						Medium-sized enterprises						Small enterprises					
	Mar 2003 survey		June 2003 survey				Mar 2003 survey		June 2003 survey				Mar 2003 survey		June 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	-10	-8	-5	5	-5	0	-18	-20	-16	2	-14	2	-29	-31	-28	1	-28	0
Textiles	-28	-18	-35	-7	-25	10	-43	-45	-41	2	-45	-4	-44	-40	-43	1	-39	4
Lumber & wood products	-44	-22	-33	11	-22	11	-28	-33	-29	-1	-23	6	-42	-44	-40	2	-42	-2
Pulp & paper	-7	-7	21	28	14	-7	-40	-44	-33	7	-30	3	-20	-25	-26	-6	-26	0
Chemicals	0	-2	3	3	-3	-6	-9	-3	-14	-5	-9	5	-15	-18	-22	-7	-23	-1
Petroleum & coal products	-14	-14	0	14	14	14	10	-20	-10	-20	-30	-20	-19	-43	-19	0	-48	-29
Ceramics, stone & clay	-27	-32	-35	-8	-35	0	-33	-32	-42	-9	-33	9	-56	-61	-55	1	-58	-3
Iron & steel	7	4	11	4	4	-7	-29	-36	5	34	6	1	-32	-36	-22	10	-22	0
Nonferrous metals	-35	-25	-35	0	-20	15	-5	0	-5	0	4	9	-19	-18	-7	12	-12	-5
Food & beverages	-2	5	4	6	5	1	-13	-9	-10	3	-5	5	-28	-22	-21	7	-16	5
Processed metals	-3	4	-7	-4	0	7	-27	-31	-29	-2	-26	3	-22	-34	-32	-10	-29	3
Industrial machinery	-1	-4	8	9	4	-4	-33	-27	-28	5	-24	4	-30	-32	-29	1	-27	2
Electrical machinery	-29	-15	-17	12	-9	8	-13	-18	-14	-1	-13	1	-31	-29	-26	5	-29	-3
Shipbuilding & heavy machinery	-40	-50	-50	-10	-60	-10	8	8	17	9	17	0	-36	-48	-39	-3	-43	-4
Motor vehicles	16	4	17	1	4	-13	20	-7	18	-2	8	-10	19	-4	15	-4	-5	-20
Precision machinery	-7	-7	-8	-1	4	12	-11	-14	4	15	4	0	-19	-15	-15	4	-15	0
Basic materials	-12	-10	-9	3	-9	0	-24	-26	-22	2	-20	2	-35	-37	-34	1	-35	-1
Processing	-9	-6	-3	6	-4	-1	-16	-18	-14	2	-12	2	-26	-27	-24	2	-24	0
Nonmanufacturing	-14	-13	-13	1	-12	1	-28	-28	-28	0	-28	0	-36	-42	-35	1	-37	-2
Construction	-39	-41	-30	9	-30	0	-24	-32	-19	5	-31	-12	-43	-56	-42	1	-50	-8
Real estate	0	-10	20	20	10	-10	-7	-10	0	7	-7	-7	-20	-26	-14	6	-21	-7
Wholesaling	-12	-2	-3	9	-4	-1	-32	-28	-27	5	-24	3	-38	-44	-39	-1	-38	1
Retailing	3	4	-5	-8	3	8	-28	-25	-29	-1	-27	2	-49	-49	-45	4	-42	3
Transportation	-17	-18	-13	4	-15	-2	-31	-37	-28	3	-30	-2	-31	-39	-29	2	-33	-4
Communications	30	20	20	-10	10	-10	-15	-43	13	28	0	-13	23	0	23	0	30	7
Electric & gas utilities	0	0	-6	-6	0	6	-10	0	-10	0	-10	0	-3	-15	-7	-4	-11	-4
Services	-24	-19	-24	0	-21	3	-28	-28	-32	-4	-30	2	-29	-34	-30	-1	-26	4
Leasing	0	-11	-11	-11	-11	0	-13	-26	-16	-3	-29	-13	-36	-37	-33	3	-31	2
All industries	-12	-10	-9	3	-8	1	-24	-25	-24	0	-22	2	-33	-38	-32	1	-33	-1

	All Enterprises					
Manufacturing	-22	-23	-20	2	-20	0
Nonmanufacturing	-30	-34	-30	0	-30	0
All industries	-26	-29	-26	0	-25	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					
	Mar 2003 survey		June 2003 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision		
Manufacturing	-13	-9	-7	6	-7	0
Textiles	-32	-23	-36	-4	-27	9
Pulp & paper	-11	-11	-11	0	-11	0
Chemicals	-3	-4	3	6	-5	-8
Petroleum refining	0	0	0	0	0	0
Ceramics, stone & clay	-23	-18	-29	-6	-24	5
Iron & steel	0	-9	4	4	-4	-8
Nonferrous metals	-37	-26	-37	0	-27	10
Food & beverages	-13	3	13	26	16	3
Processed metals	-7	0	-7	0	-7	0
Industrial machinery	0	-3	0	0	-2	-2
Electrical machinery	-34	-22	-17	17	-20	-3
Shipbuilding & heavy machinery	-50	-83	-67	-17	-83	-16
Motor vehicles	10	4	31	21	31	0
Precision machinery	10	20	-10	-20	30	40
Basic materials	-15	-13	-13	2	-14	-1
Processing	-11	-6	-2	9	-1	1
Nonmanufacturing	-13	-9	-9	4	-8	1
Construction	-50	-47	-35	15	-35	0
Real estate	-10	-17	0	10	-11	-11
Wholesaling	-5	9	2	7	4	2
Retailing	2	2	-2	-4	0	2
Transportation	-17	-13	-5	12	-4	1
Communications	0	0	0	0	-14	-14
Electric & gas utilities	7	0	0	-7	7	8
Services	-21	-10	-26	-5	-18	7
Leasing	14	7	7	-7	7	0
All industries	-13	-9	-8	5	-7	1

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

(%, % points)

	Mar 2003 survey			June 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises	Large enterprises	Medium-sized enterprises	Small enterprises
Manufacturing	-10	-18	-29	-5	-16	-28
1.Favorable	11	12	10	12	11	9
2.Not so favorable	68	58	51	71	62	54
3.Unfavorable	21	30	39	17	27	37
Nonmanufacturing	-14	-28	-36	-13	-28	-35
1.Favorable	10	7	6	8	6	6
2.Not so favorable	66	58	52	71	60	53
3.Unfavorable	24	35	42	21	34	41

(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 2003 survey		June 2003 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products and services:	Manufacturing	-29	-29	-27	2	-27	0
Diffusion index of "Excess demand" minus	Basic materials	-29	-30	-30	-1	-31	-1
"Excess supply"	Processing	-30	-28	-26	4	-24	2
Overseas supply and demand conditions for products:	Manufacturing	-16	-15	-16	0	-15	1
Diffusion index of "Excess demand" minus	Basic materials	-14	-17	-20	-6	-22	-2
"Excess supply"	Processing	-18	-15	-15	3	-13	2

Inventory level of finished goods and merchandise:	Manufacturing	20	15	21	1	15	-6
Diffusion index of "Excessive or somewhat excessive"	Basic materials	23	18	25	2	16	-9
minus "Insufficient or somewhat insufficient"	Processing	19	14	19	0	14	-5
Wholesalers' inventory level:	Manufacturing	23	21	23	0	21	-2
Diffusion index of "Excessive or somewhat excessive"	Basic materials	26	25	25	-1	24	-1
minus "Insufficient or somewhat insufficient"	Processing	22	20	22	0	20	-2

Change in output prices:	Manufacturing	-26	-27	-26	0	-26	0
Diffusion index of "Rise" minus "Fall"	Basic materials	-4	-8	-12	-8	-15	-3
	Processing	-35	-34	-31	4	-31	0
Change in input prices:	Manufacturing	0	-1	-6	-6	-9	-3
Diffusion index of "Rise" minus "Fall"	Basic materials	18	11	1	-17	-4	-5
	Processing	-7	-7	-8	-1	-10	-2

(% points)

		Small enterprises					
		Mar 2003 survey		June 2003 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Supply and demand conditions for products and services:	Manufacturing	-47	-48	-44	3	-45	-1
Diffusion index of "Excess demand" minus	Basic materials	-55	-57	-54	1	-54	0
"Excess supply"	Processing	-41	-43	-39	2	-39	0
Overseas supply and demand conditions for products:	Manufacturing	-31	-32	-31	0	-32	-1
Diffusion index of "Excess demand" minus	Basic materials	-39	-40	-38	1	-38	0
"Excess supply"	Processing	-28	-29	-26	2	-28	-2

Inventory level of finished goods and merchandise:	Manufacturing	22	17	24	2	18	-6
Diffusion index of "Excessive or somewhat excessive"	Basic materials	27	23	31	4	25	-6
minus "Insufficient or somewhat insufficient"	Processing	19	14	20	1	13	-7
Wholesalers' inventory level:	Manufacturing	34	32	35	1	32	-3
Diffusion index of "Excessive or somewhat excessive"	Basic materials	44	42	47	3	44	-3
minus "Insufficient or somewhat insufficient"	Processing	29	26	28	-1	25	-3

Change in output prices:	Manufacturing	-32	-34	-32	0	-34	-2
Diffusion index of "Rise" minus "Fall"	Basic materials	-24	-23	-26	-2	-27	-1
	Processing	-36	-41	-35	1	-38	-3
Change in input prices:	Manufacturing	10	12	6	-4	4	-2
Diffusion index of "Rise" minus "Fall"	Basic materials	20	19	9	-11	7	-2
	Processing	4	7	4	0	3	-1

3. Sales and Current Profits

Sales

		FY2002		FY2003	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	1.3	0.3	-1.0	-0.7
	Domestic Sales	-1.0	0.1	-0.4	-0.4
	Exports	9.3	1.0	-2.9	-1.9
	Nonmanufacturing	-2.7	-0.3	-0.6	-1.1
Medium-sized enterprises	Manufacturing	2.5	0.7	2.2	0.1
	Nonmanufacturing	0.4	1.2	1.5	1.0
Small enterprises	Manufacturing	1.6	1.5	1.4	1.6
	Nonmanufacturing	-1.7	0.1	-0.8	-0.5
All Enterprises	All industries	-0.5	0.5	0.2	-0.2
Principal Enterprises	Manufacturing	0.8	0.6	-2.1	-1.1
	Nonmanufacturing	-4.2	0.9	-2.2	-0.6

(Year-to-year growth rate, %)

1H FY2002	2H FY2002		1H FY2003		2H FY2003	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
-1.5	4.0	0.8	-0.9	-1.3	-1.1	-0.2
-3.9	1.9	0.3	0.1	-0.7	-0.8	-0.1
7.0	11.6	2.3	-4.1	-3.3	-1.7	-0.6
-4.7	-0.7	0.3	-0.6	-2.0	-0.6	-0.3
0.4	4.4	0.8	2.2	-0.3	2.2	0.6
-1.6	2.4	1.3	1.7	1.0	1.2	0.9
-1.2	4.3	1.9	1.8	1.1	1.0	2.1
-3.1	-0.4	0.4	-0.7	-0.8	-1.0	-0.2
-2.6	1.5	0.8	0.3	-0.6	0.0	0.2
-1.8	3.4	1.2	-1.8	-1.7	-2.3	-0.5
-6.5	-1.9	1.7	-1.8	-1.4	-2.5	0.2

Current Profits

		FY2002		FY2003	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	38.2	4.7	11.6	4.1
	Basic materials	12.9	4.5	13.5	4.1
	Processing	54.9	4.8	10.7	4.0
	Nonmanufacturing	9.1	4.4	3.9	-1.1
Medium-sized enterprises	Manufacturing	17.9	5.1	15.6	1.8
	Nonmanufacturing	5.7	7.5	11.7	-0.1
Small enterprises	Manufacturing	45.6	5.6	29.2	4.9
	Nonmanufacturing	5.7	-0.3	3.1	-2.0
All Enterprises	All industries	16.4	4.6	9.5	0.9
Principal Enterprises	Manufacturing excluding petroleum refining	46.1	6.2	8.5	3.0
	Nonmanufacturing excluding electric & gas utilities	17.9	8.7	5.7	0.4

(Year-to-year growth rate, %)

1H FY2002	2H FY2002		1H FY2003		2H FY2003	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
11.1	68.0	8.7	11.1	1.0	11.9	6.4
-7.6	36.1	7.7	16.6	-1.2	11.1	8.9
23.7	88.6	9.2	8.4	2.2	12.3	5.3
5.2	13.2	9.4	-11.0	-16.2	18.2	13.7
17.4	18.2	7.1	21.9	-8.3	12.0	9.1
-3.3	12.8	12.0	12.3	-3.0	11.2	2.1
46.5	45.1	7.8	41.5	0.8	22.3	7.8
6.1	5.4	2.9	0.1	-5.9	5.4	1.0
7.0	24.7	8.6	4.6	-6.6	13.2	7.0
18.9	73.9	11.0	8.9	0.2	8.3	5.1
9.8	25.8	17.2	-2.1	-11.7	12.3	11.5

Ratio of Current Profit to Sales

		FY2002		FY2003	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	4.10	0.17	4.62	0.21
	Nonmanufacturing	2.85	0.13	2.98	0.00
Medium-sized enterprises	Manufacturing	3.73	0.15	4.22	0.06
	Nonmanufacturing	2.01	0.12	2.21	-0.02
Small enterprises	Manufacturing	2.46	0.09	3.14	0.10
	Nonmanufacturing	2.49	-0.01	2.59	-0.04
All Enterprises	All industries	2.81	0.11	3.07	0.03
Principal Enterprises	Manufacturing excluding petroleum refining	4.51	0.25	5.00	0.21
	Nonmanufacturing excluding electric & gas utilities	2.31	0.17	2.50	0.03

(%, % points)

1H FY2002	2H FY2002		1H FY2003		2H FY2003	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
3.59	4.58	0.34	4.02	0.09	5.17	0.32
2.91	2.79	0.23	2.60	-0.44	3.32	0.40
2.79	4.61	0.27	3.33	-0.29	5.06	0.40
1.69	2.31	0.22	1.86	-0.08	2.54	0.03
1.83	3.06	0.17	2.54	-0.01	3.70	0.19
2.22	2.74	0.06	2.24	-0.12	2.92	0.03
2.52	3.08	0.22	2.62	-0.18	3.48	0.21
3.86	5.10	0.46	4.32	0.09	5.63	0.31
2.21	2.41	0.33	2.20	-0.25	2.78	0.30

(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, %)			
		FY2002	Adjustment		FY2003
			ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-17.4	-5.2	11.5	2.7
	Nonmanufacturing	-11.1	-5.5	1.0	-1.6
	All industries	-13.6	-5.4	4.9	0.1
Medium-sized enterprises	Manufacturing	-11.5	3.4	1.3	3.4
	Nonmanufacturing	-2.0	1.7	0.6	2.9
	All industries	-3.2	1.9	0.7	3.0
Small enterprises	Manufacturing	-4.0	5.8	-13.0	3.6
	Nonmanufacturing	-2.5	3.8	-12.9	6.9
	All industries	-2.9	4.3	-13.0	6.1
All Enterprises	Manufacturing	-14.2	-1.9	5.2	2.9
	Nonmanufacturing	-5.4	-0.5	-1.8	1.9
	All industries	-7.7	-0.8	-0.1	2.2

Software Investment		(Year-to-year growth rate, %)			
		FY2002	Adjustment		FY2003
			ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-7.8	2.4	-4.4	-6.2
	Nonmanufacturing	10.6	6.1	2.7	15.0
	All industries	2.2	4.6	-0.2	5.6
Medium-sized enterprises	Manufacturing	5.3	-1.8	14.3	7.1
	Nonmanufacturing	-4.5	-2.7	4.9	-1.3
	All industries	-3.9	-2.7	5.6	-0.7
Small enterprises	Manufacturing	7.0	-3.2	-9.0	-3.4
	Nonmanufacturing	-6.9	2.0	4.4	11.7
	All industries	-4.4	0.9	1.7	8.7
All Enterprises	Manufacturing	-5.8	1.6	-3.1	-4.8
	Nonmanufacturing	1.3	1.6	3.9	6.9
	All industries	-0.7	1.6	2.0	3.6

Software and Fixed Investment		(Year-to-year growth rate, %)			
		FY2002	Adjustment		FY2003
			ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-16.6	-4.6	10.0	1.9
	Nonmanufacturing	-9.7	-4.6	1.1	-0.4
	All industries	-12.4	-4.6	4.5	0.5
Medium-sized enterprises	Manufacturing	-11.0	3.2	1.7	3.5
	Nonmanufacturing	-2.2	1.4	0.8	2.6
	All industries	-3.2	1.6	0.9	2.7
Small enterprises	Manufacturing	-3.6	5.5	-12.9	3.3
	Nonmanufacturing	-2.7	3.7	-12.2	7.1
	All industries	-2.9	4.1	-12.4	6.2
All Enterprises	Manufacturing	-13.6	-1.6	4.5	2.4
	Nonmanufacturing	-5.0	-0.4	-1.4	2.2
	All industries	-7.2	-0.7	0.0	2.3

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

		Mar 2003 survey		June 2003 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Large enterprises	Manufacturing	20	18	19	-1	17	-2
	Nonmanufacturing	7	5	7	0	5	-2
	All industries	14	12	13	-1	11	-2
Medium-sized enterprises	Manufacturing	21	21	19	-2	18	-1
	Nonmanufacturing	5	4	3	-2	3	0
	All industries	11	11	10	-1	9	-1
Small enterprises	Manufacturing	20	19	21	1	19	-2
	Nonmanufacturing	9	9	10	1	8	-2
	All industries	13	14	15	2	13	-2
All Enterprises	Manufacturing	20	19	20	0	18	-2
	Nonmanufacturing	7	7	7	0	6	-1
	All industries	13	13	13	0	10	-3

5. Employment

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

		Mar 2003 survey		June 2003 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Large enterprises	Manufacturing	25	23	22	-3	20	-2
	Nonmanufacturing	15	13	16	1	12	-4
	All industries	20	19	19	-1	16	-3
Medium-sized enterprises	Manufacturing	19	18	17	-2	17	0
	Nonmanufacturing	6	5	8	2	5	-3
	All industries	11	11	12	1	9	-3
Small enterprises	Manufacturing	16	15	18	2	16	-2
	Nonmanufacturing	10	12	12	2	10	-2
	All industries	12	14	16	4	12	-4
All Enterprises	Manufacturing	19	18	18	-1	17	-1
	Nonmanufacturing	10	10	12	2	8	-4
	All industries	13	14	15	2	12	-3
Principal Enterprises	Manufacturing	27	25	24	-3	21	-3
	Nonmanufacturing	16	14	16	0	15	-1
	All industries	22	20	21	-1	18	-3

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

	June 2002	Sept 2002	Dec 2002	Mar 2003
Large enterprises	-3.1	-4.0	-4.0	-2.2
Medium-sized enterprises	1.4	1.5	0.7	0.7
Small enterprises	-2.2	-3.3	-2.2	-1.8
All Enterprises	-1.4	-2.0	-2.0	-1.1
Principal Enterprises	-5.9	-6.1	-6.5	-5.7

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)

	Mar 2003 survey		June 2003 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	7	4	11	4	8	-3
Medium-sized enterprises	-8	-14	-6	2	-11	-5
Small enterprises	-15	-23	-13	2	-21	-8
All Enterprises	-9	-16	-6	3	-13	-7
Principal Enterprises	4	1	9	5	5	-4

Lending Attitude of Financial Institutions(All industries)

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

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

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

	Mar 2003 survey		June 2003 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	7	16	3	-4	10	7
Medium-sized enterprises	13	19	8	-5	14	6
Small enterprises	12	18	9	-3	14	5
All Enterprises	11	18	8	-3	14	6
Principal Enterprises	7	15	1	-6	12	11

Liquidity Ratio (All industries) (months)

	June 2002	Sept 2002	Dec 2002	Mar 2003
Large enterprises	0.97	0.97	0.95	0.96
Medium-sized enterprises	1.08	1.07	1.08	1.09
Small enterprises	1.73	1.72	1.71	1.73
All Enterprises	1.16	1.16	1.15	1.16
Principal Enterprises	0.92	0.92	0.90	0.90
(Seasonally adjusted)	0.96	0.92	0.90	0.86

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	
		(Preliminary Figures)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Overseas production	7.1	2.8	3.5	-
	Share of overseas production	21.56	0.39	22.32	-
	Overseas investment	5.4	2.8	4.2	-
	Share of overseas investment	34.13	2.36	32.62	-
Principal Enterprises	Overseas production	2.3	-2.1	2.9	-
	Share of overseas production	25.43	-0.49	26.29	-
	Overseas investment	-0.1	0.1	0.2	-
	Share of overseas investment	38.97	2.03	36.14	-

(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	
			Adjustment ratio	(Forecast)	Adjustment ratio
Fixed Investment of Financial institutions		-41.6	-4.8	91.2	42.0
	Banks	-37.9	-6.0	35.4	-1.2
	Securities companies	-34.2	-16.5	16.4	2.6
	Insurance companies	-48.1	-0.6	203.2	127.7

Software Investment of Financial institutions		-16.4	0.5	8.3	0.0
	Banks	-24.3	2.9	12.7	-2.5
	Securities companies	11.4	2.5	-1.5	4.3
	Insurance companies	-5.8	-6.8	3.2	5.2

Software and Fixed Investment of Financial institutions		-32.1	-2.4	52.6	24.7
	Banks	-32.2	-2.0	24.8	-1.8
	Securities companies	-4.8	-2.9	2.9	3.8
	Insurance companies	-38.1	-2.9	131.2	91.8

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

		FY2002		FY2003	
			Adjustment ratio	(Forecast)	Adjustment ratio
Investment for Computerizing of Financial institutions		-23.5	-8.7	17.2	-
	Banks	-29.4	-8.1	24.0	-
	Securities companies	1.8	-7.5	1.1	-
	Insurance companies	-13.3	-11.5	5.1	-

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

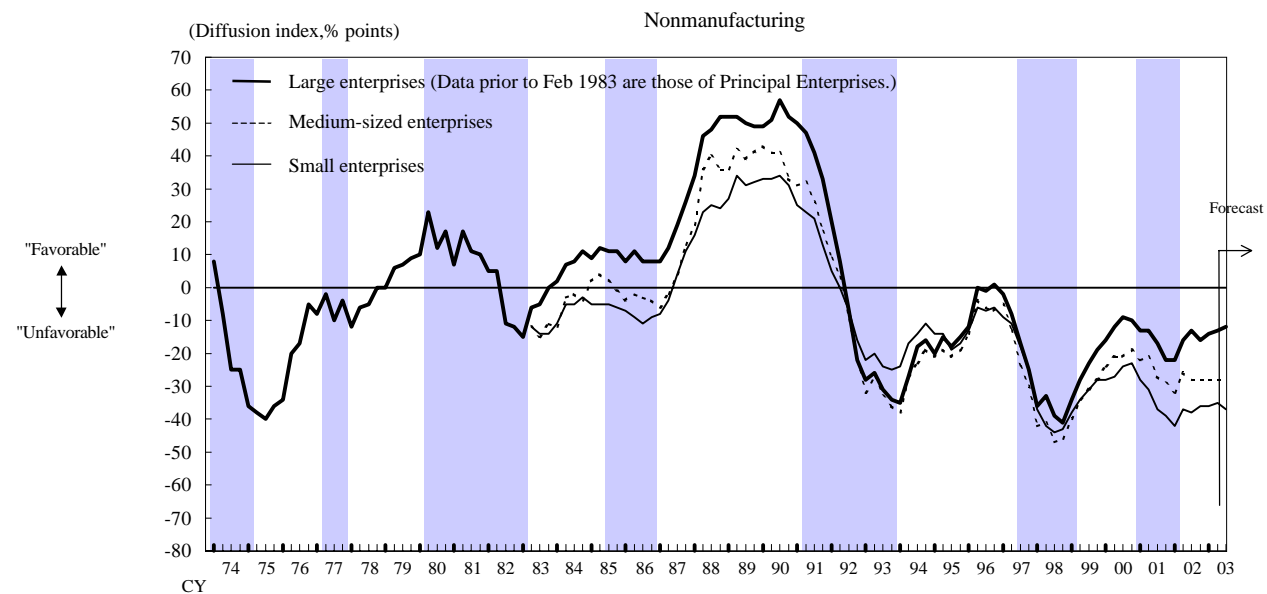
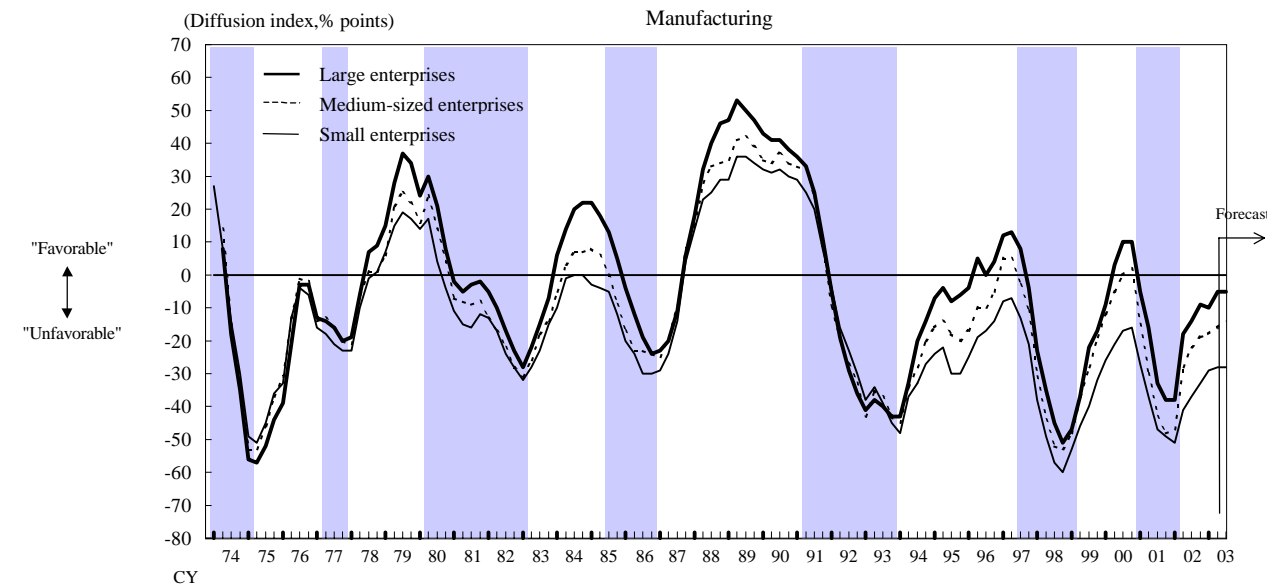
(Net percentage of respondents who reported "Favorable")

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)
10 (9,12/00)	-38 (12/01,3/02)	2 (12/00)	-48 (12/01)	-16 (12/00)	-51 (3/02)

	June 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-5	-16	-28
Forecast	-5	-14	-28

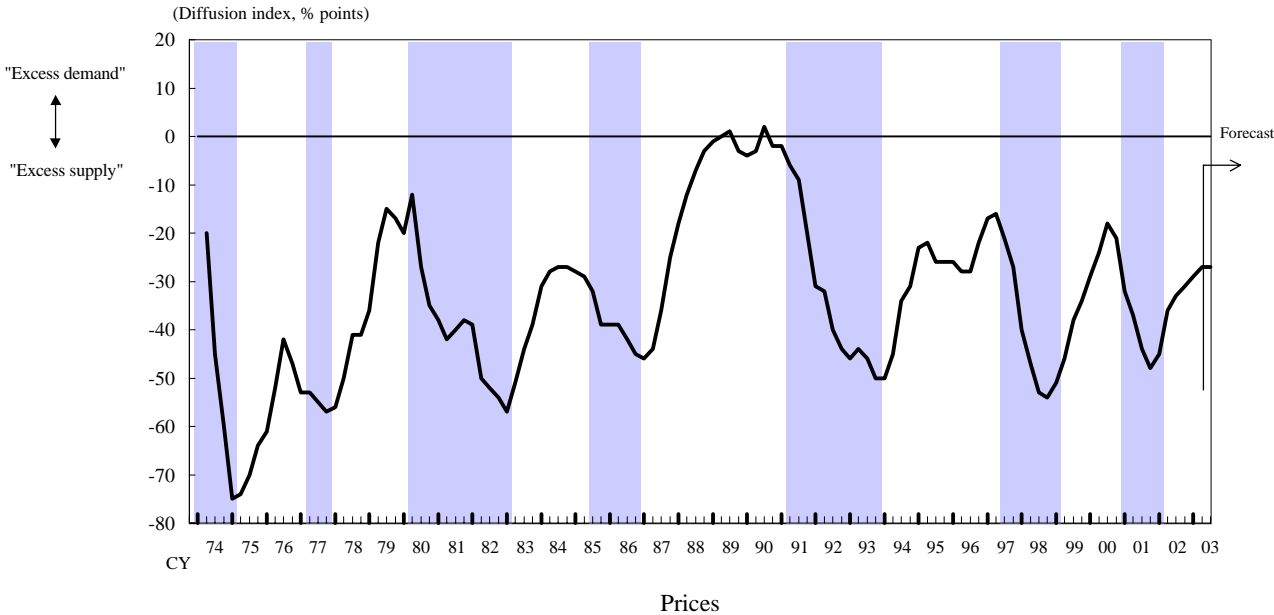
Nonmanufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (5/83)		-15 (8/83)		-14 (8,11/83)
12 (5/85)	8 (2,8,11/86,2/87)	4 (5/85)	-6 (2/87)	-3 (11/84)	-11 (8/86)
57 (8/90)	-35 (2/94)	43 (2/90)	-38 (2/94)	34 (5/89,8/90)	-25 (11/93)
1 (11/96)	-41 (12/98)	-4 (5/96)	-47 (9/98)	-6 (5,11/96)	-44 (9/98)
-9 (9/00)	-22 (12/01,3/02)	-19 (12/00)	-32 (3/02)	-23 (12/00)	-42 (3/02)

	June 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-13	-28	-35
Forecast	-12	-28	-37



[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)	-48 (12/01)

June 2003 survey	
Actual result	-27
Forecast	-27

Peaks and Bottoms of Prices

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

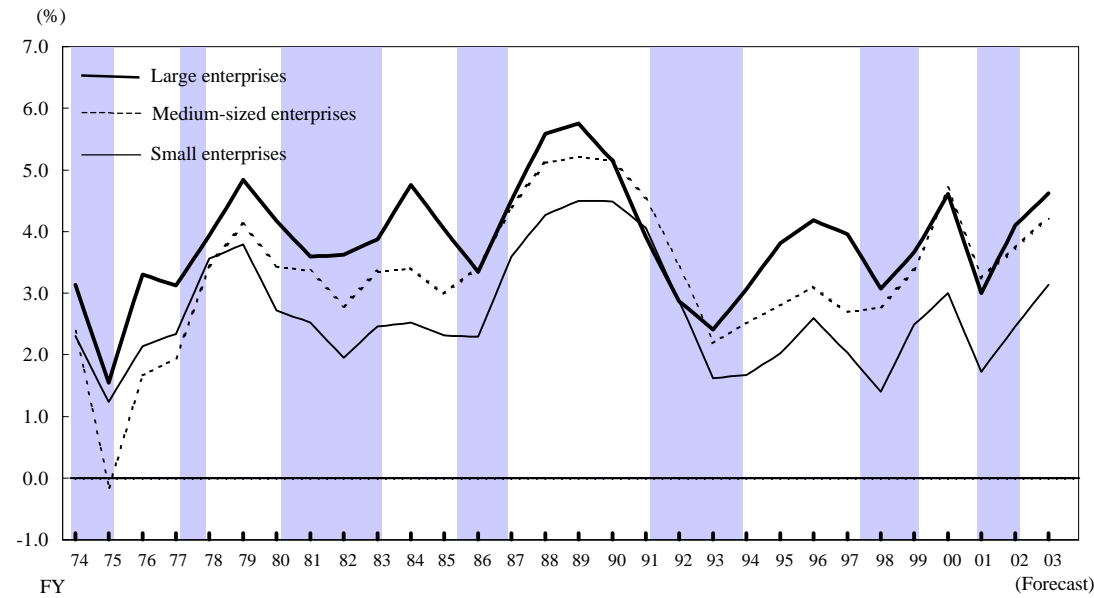
Large manufacturing enterprises			
Output prices		Input prices	
Peak	Bottom	Peak	Bottom
	-13 (2,8/75)		8 (8/75)
13 (8/76)	-19 (11/78)	34 (8/76)	-16 (8/78)
39 (5/80)	-23 (2/83)	77 (5/80)	4 (2/82)
-4 (2/84)	-42 (8,11/86)	14 (11/82)	-35 (8,11/86)
5 (11/90)	-29 (11/93,5/94)	31 (11/90)	-19 (11/93)
-16 (6/97)	-38 (12/98)	9 (3/97)	-15 (12/98,3/99)
-18 (9/00)	-38 (3/02)	7 (12/00)	-16 (12/01)

June 2003 survey		
	Output prices	Input prices
Actual result	-26	-6
Forecast	-26	-9

[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.

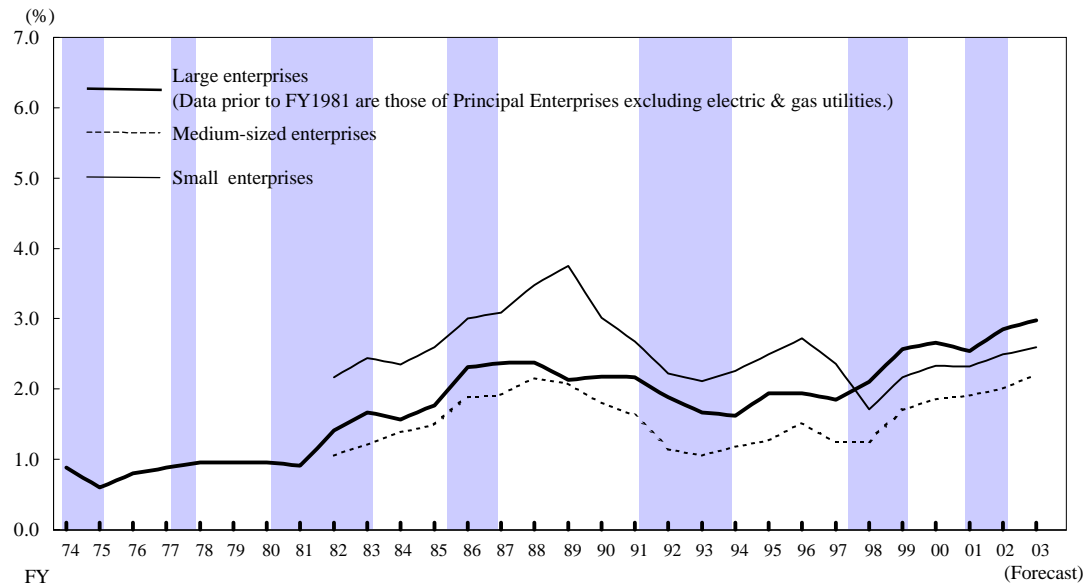


Peaks and Bottoms of Ratio of Current Profit to Sales (%)

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)	3.00 (FY01)	4.70 (FY00)	3.24 (FY01)	3.00 (FY00)	1.72 (FY01)

	June 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2002	4.10	3.73	2.46
FY 2003 (Forecast)	4.62	4.22	3.14

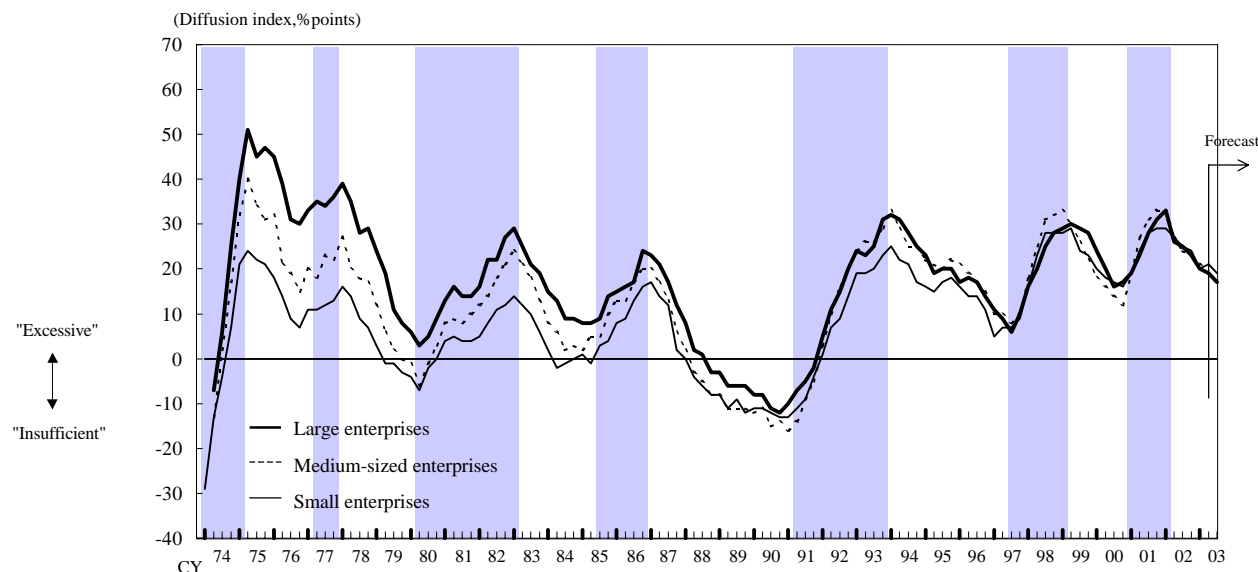
Nonmanufacturing



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)	2.54 (FY01)			2.33 (FY00)	2.32 (FY01)

	June 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2002	2.85	2.01	2.49
FY 2003 (Forecast)	2.98	2.21	2.59

[Production Capacity (Manufacturing)]



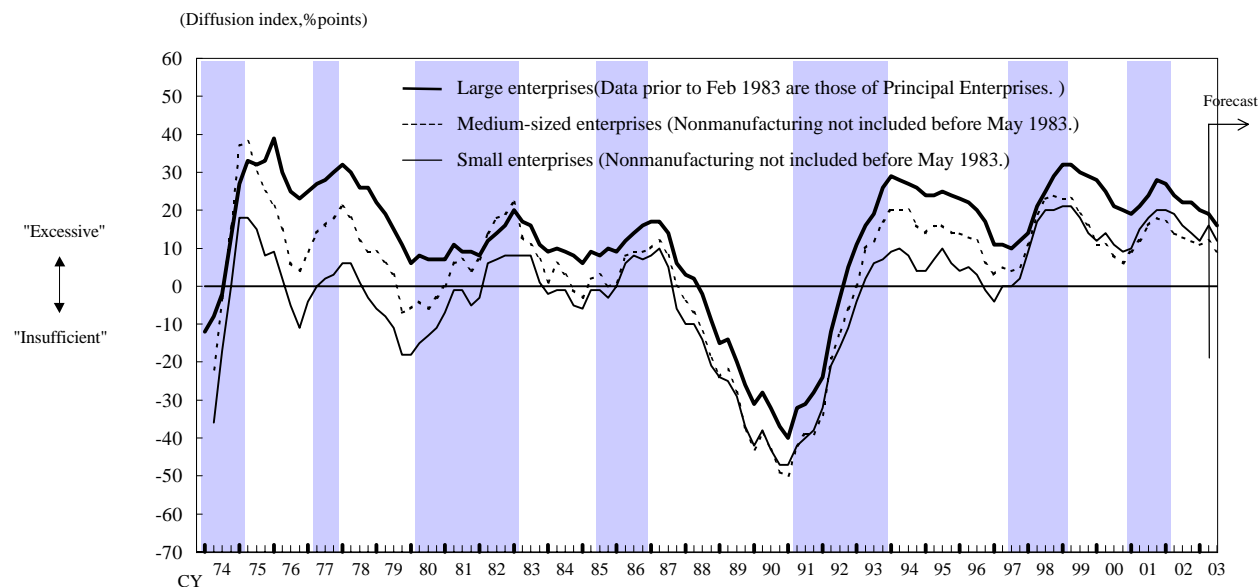
Peaks and Bottoms of Production Capacity

(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)
33 (3/02)		33 (12/01,3/02)		29 (12/01,3/02)	

	June 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	19	19	21
Forecast	17	18	19

[Employment Conditions (All industries)]



Peaks and Bottoms of Employment Conditions

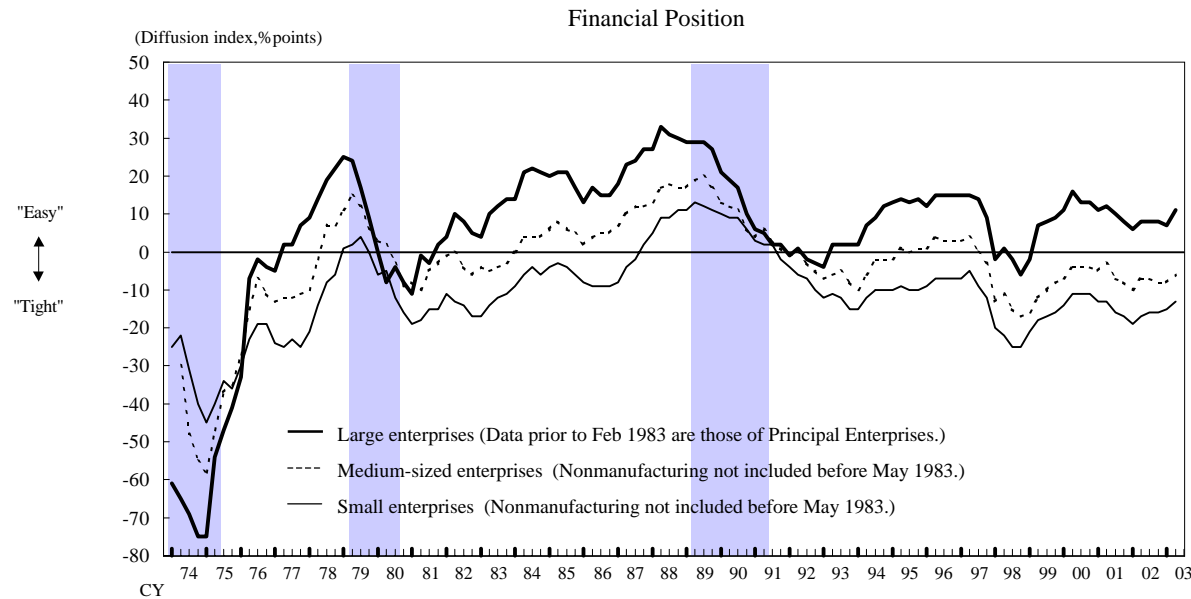
(Net percentage of respondents who reported "Excessive employment")

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)
28 (12/01)		18 (12/01)		20 (12/01,3/02)	

	June 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	19	12	16
Forecast	16	9	12

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

[Corporate Finance (All industries)]

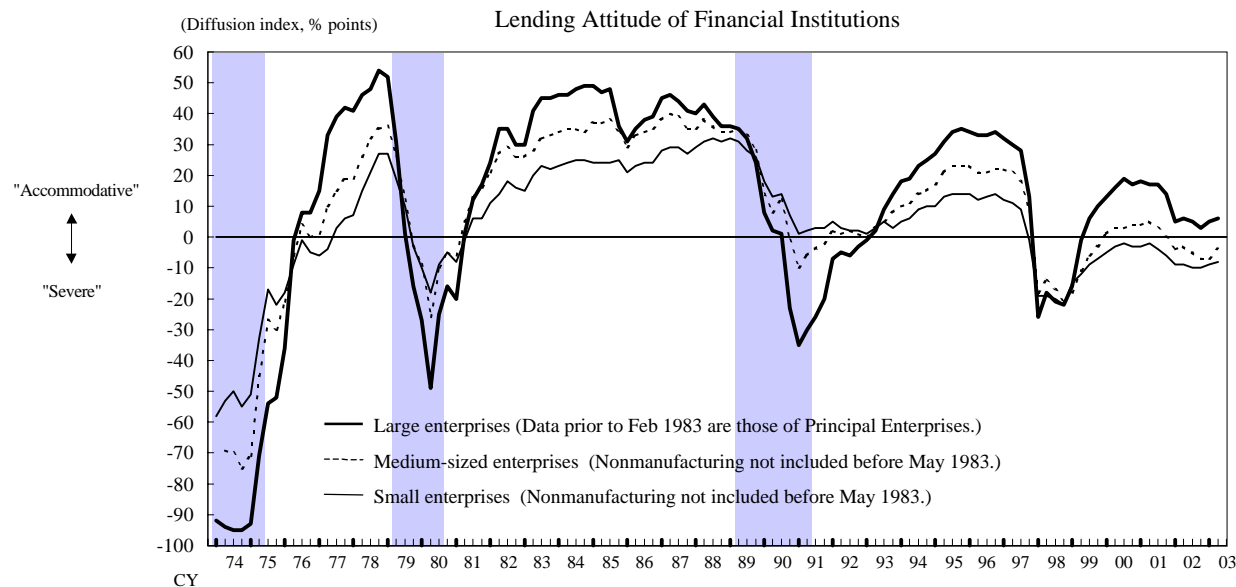


Peaks and Bottoms of Financial Position

(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 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	11	-6	-13



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 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	6	-4	-8