

TANKAN Summary (September 2003)

118th Short-Term Economic Survey of All Enterprises in Japan

185th Short-Term Economic Survey of Principal Enterprises in Japan

Not to be released before 8:50 a.m. on
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Research and Statistics Department

Bank of Japan

Number of sample enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	3,584	4,684	8,268	97.8%
Large enterprises	740	628	1,368	99.1%
Medium-sized enterprises	1,041	1,591	2,632	97.6%
Small enterprises	1,803	2,465	4,268	97.5%
Principal Enterprises	369	292	661	100.0%
(Memo) Financial institutions	-	-	168	100.0%

Responding Period: August 28th to September 30th.

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

(yen per US dollar)

	FY2002			FY2003		
		1H	2H		1H	2H
June 2003 survey	122.37	123.74	121.06	117.88	117.97	117.79
Sept 2003 survey	-	-	-	117.99	118.47	117.53

1. Business Conditions

(Net percentage of respondents who reported "Favorable")

	Large enterprises						Medium-sized enterprises						Small enterprises					
	June 2003 survey		Sept 2003 survey				June 2003 survey		Sept 2003 survey				June 2003 survey		Sept 2003 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	-5	-5	1	6	3	2	-16	-14	-10	6	-8	2	-28	-28	-23	5	-19	4
Textiles	-35	-25	-34	1	-14	20	-41	-45	-41	0	-41	0	-43	-39	-47	-4	-43	4
Lumber & wood products	-33	-22	-11	22	-11	0	-29	-23	-14	15	-23	-9	-40	-42	-26	14	-27	-1
Pulp & paper	21	14	21	0	29	8	-33	-30	-20	13	-13	7	-26	-26	-22	4	-16	6
Chemicals	3	-3	6	3	5	-1	-14	-9	-12	2	-6	6	-22	-23	-13	9	-11	2
Petroleum & coal products	0	14	-29	-29	-29	0	-10	-30	-10	0	-10	0	-19	-48	-19	0	-28	-9
Ceramics, stone & clay	-35	-35	-22	13	-26	-4	-42	-33	-32	10	-21	11	-55	-58	-55	0	-49	6
Iron & steel	11	4	15	4	19	4	5	6	11	6	0	-11	-22	-22	-9	13	-11	-2
Nonferrous metals	-35	-20	-35	0	-25	10	-5	4	-4	1	9	13	-7	-12	-4	3	-5	-1
Food & beverages	4	5	0	-4	6	6	-10	-5	-6	4	-4	2	-21	-16	-18	3	-12	6
Processed metals	-7	0	-7	0	4	11	-29	-26	-28	1	-17	11	-32	-29	-25	7	-21	4
Industrial machinery	8	4	15	7	14	-1	-28	-24	-14	14	-11	3	-29	-27	-13	16	-10	3
Electrical machinery	-17	-9	-5	12	3	8	-14	-13	-5	9	-7	-2	-26	-29	-25	1	-18	7
Shipbuilding & heavy machinery	-50	-60	-40	10	-60	-20	17	17	25	8	33	8	-39	-43	-35	4	-26	9
Motor vehicles	17	4	24	7	17	-7	18	8	12	-6	7	-5	15	-5	21	6	11	-10
Precision machinery	-8	4	0	8	0	0	4	4	7	3	4	-3	-15	-15	-7	8	-7	0
Basic materials	-9	-9	-6	3	-3	3	-22	-20	-18	4	-14	4	-34	-35	-30	4	-28	2
Processing	-3	-4	2	5	6	4	-14	-12	-7	7	-6	1	-24	-24	-18	6	-15	3
Nonmanufacturing	-13	-12	-13	0	-8	5	-28	-28	-25	3	-22	3	-35	-37	-31	4	-30	1
Construction	-30	-30	-26	4	-30	-4	-19	-31	-25	-6	-27	-2	-42	-50	-36	6	-43	-7
Real estate	20	10	20	0	20	0	0	-7	4	4	0	-4	-14	-21	-12	2	-11	1
Wholesaling	-3	-4	4	7	4	0	-27	-24	-20	7	-17	3	-39	-38	-35	4	-30	5
Retailing	-5	3	-14	-9	0	14	-29	-27	-32	-3	-22	10	-45	-42	-45	0	-40	5
Transportation	-13	-15	-17	-4	-12	5	-28	-30	-26	2	-25	1	-29	-33	-28	1	-29	-1
Communications	20	10	40	20	20	-20	13	0	0	-13	-12	-12	23	30	23	0	16	-7
Electric & gas utilities	-6	0	-6	0	12	18	-10	-10	0	10	0	0	-7	-11	-15	-8	-7	8
Services	-24	-21	-17	7	-10	7	-32	-30	-25	7	-24	1	-30	-26	-23	7	-20	3
Leasing	-11	-11	-11	0	-11	0	-16	-29	-15	1	-20	-5	-33	-31	-27	6	-28	-1
All industries	-9	-8	-6	3	-2	4	-24	-22	-20	4	-16	4	-32	-33	-28	4	-26	2

	All Enterprises					
Manufacturing	-20	-20	-15	5	-12	3
Nonmanufacturing	-30	-30	-27	3	-24	3
All industries	-26	-25	-21	5	-19	2

(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 2003 survey		Sept 2003 survey			
	Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Manufacturing	-7	-7	-3	4	1	4
Textiles	-36	-27	-36	0	-21	15
Pulp & paper	-11	-11	-11	0	11	22
Chemicals	3	-5	6	3	1	-5
Petroleum refining	0	0	-29	-29	-29	0
Ceramics, stone & clay	-29	-24	-12	17	-12	0
Iron & steel	4	-4	9	5	13	4
Nonferrous metals	-37	-27	-42	-5	-37	5
Food & beverages	13	16	19	6	25	6
Processed metals	-7	-7	-7	0	-7	0
Industrial machinery	0	-2	3	3	10	7
Electrical machinery	-17	-20	-2	15	2	4
Shipbuilding & heavy machinery	-67	-83	-83	-16	-83	0
Motor vehicles	31	31	41	10	28	-13
Precision machinery	-10	30	0	10	10	10
Basic materials	-13	-14	-11	2	-7	4
Processing	-2	-1	5	7	8	3
Nonmanufacturing	-9	-8	-8	1	-2	6
Construction	-35	-35	-32	3	-38	-6
Real estate	0	-11	7	7	4	-3
Wholesaling	2	4	7	5	10	3
Retailing	-2	0	-10	-8	0	10
Transportation	-5	-4	-7	-2	2	9
Communications	0	-14	0	0	-14	-14
Electric & gas utilities	0	7	0	0	7	7
Services	-26	-18	-21	5	-2	19
Leasing	7	7	7	0	7	0
All industries	-8	-7	-5	3	-1	4

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

(%, % points)

	June 2003 survey			Sept 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises	Large enterprises	Medium-sized enterprises	Small enterprises
Manufacturing	-5	-16	-28	1	-10	-23
1.Favorable	12	11	9	15	14	12
2.Not so favorable	71	62	54	71	62	53
3.Unfavorable	17	27	37	14	24	35
Nonmanufacturing	-13	-28	-35	-13	-25	-31
1.Favorable	8	6	6	10	8	7
2.Not so favorable	71	60	53	67	59	55
3.Unfavorable	21	34	41	23	33	38

(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 2003 survey		Sept 2003 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Supply and demand conditions for products and services:	Manufacturing	-27	-27	-23	4	-23	0
Diffusion index of "Excess demand" minus	Basic materials	-30	-31	-27	3	-28	-1
"Excess supply"	Processing	-26	-24	-21	5	-21	0
Overseas supply and demand conditions for products:	Manufacturing	-16	-15	-12	4	-12	0
Diffusion index of "Excess demand" minus	Basic materials	-20	-22	-17	3	-17	0
"Excess supply"	Processing	-15	-13	-10	5	-10	0

Inventory level of finished goods and merchandise:	Manufacturing	21	15	20	-1	14	-6
Diffusion index of "Excessive or somewhat excessive"	Basic materials	25	16	23	-2	17	-6
minus "Insufficient or somewhat insufficient"	Processing	19	14	19	0	12	-7
Wholesalers' inventory level:	Manufacturing	23	21	22	-1	19	-3
Diffusion index of "Excessive or somewhat excessive"	Basic materials	25	24	24	-1	21	-3
minus "Insufficient or somewhat insufficient"	Processing	22	20	21	-1	17	-4

Change in output prices:	Manufacturing	-26	-26	-23	3	-23	0
Diffusion index of "Rise" minus "Fall"	Basic materials	-12	-15	-11	1	-10	1
	Processing	-31	-31	-28	3	-28	0
Change in input prices:	Manufacturing	-6	-9	-2	4	-4	-2
Diffusion index of "Rise" minus "Fall"	Basic materials	1	-4	8	7	6	-2
	Processing	-8	-10	-5	3	-8	-3

(% points)

		Small enterprises					
		June 2003 survey		Sept 2003 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Supply and demand conditions for products and services:	Manufacturing	-44	-45	-41	3	-40	1
Diffusion index of "Excess demand" minus	Basic materials	-54	-54	-49	5	-49	0
"Excess supply"	Processing	-39	-39	-35	4	-35	0
Overseas supply and demand conditions for products:	Manufacturing	-31	-32	-27	4	-27	0
Diffusion index of "Excess demand" minus	Basic materials	-38	-38	-34	4	-37	-3
"Excess supply"	Processing	-26	-28	-22	4	-23	-1

Inventory level of finished goods and merchandise:	Manufacturing	24	18	23	-1	17	-6
Diffusion index of "Excessive or somewhat excessive"	Basic materials	31	25	31	0	25	-6
minus "Insufficient or somewhat insufficient"	Processing	20	13	17	-3	13	-4
Wholesalers' inventory level:	Manufacturing	35	32	30	-5	29	-1
Diffusion index of "Excessive or somewhat excessive"	Basic materials	47	44	41	-6	38	-3
minus "Insufficient or somewhat insufficient"	Processing	28	25	24	-4	22	-2

Change in output prices:	Manufacturing	-32	-34	-29	3	-29	0
Diffusion index of "Rise" minus "Fall"	Basic materials	-26	-27	-23	3	-22	1
	Processing	-35	-38	-32	3	-34	-2
Change in input prices:	Manufacturing	6	4	5	-1	7	2
Diffusion index of "Rise" minus "Fall"	Basic materials	9	7	10	1	12	2
	Processing	4	3	2	-2	4	2

3. Sales and Current Profits

Sales

		FY2002		FY2003	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	1.3	-	-0.8	0.2
	Domestic Sales	-1.0	-	-0.5	-0.1
	Exports	9.3	-	-1.7	1.2
	Nonmanufacturing	-2.7	-	-0.8	-0.2
Medium-sized enterprises	Manufacturing	2.5	-	2.4	0.2
	Nonmanufacturing	0.4	-	1.3	-0.2
Small enterprises	Manufacturing	1.6	-	1.6	0.2
	Nonmanufacturing	-1.7	-	-0.6	0.3
All Enterprises	All industries	-0.5	-	0.1	0.0
Principal Enterprises	Manufacturing	0.8	-	-2.1	0.0
	Nonmanufacturing	-4.2	-	-2.1	0.1

(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	-	-0.4	0.5	-1.2	-0.1
-3.9	1.9	-	0.3	0.1	-1.2	-0.3
7.0	11.6	-	-2.3	1.9	-1.2	0.5
-4.7	-0.7	-	-1.0	-0.4	-0.7	-0.1
0.4	4.4	-	2.3	0.1	2.5	0.4
-1.6	2.4	-	0.8	-0.9	1.6	0.4
-1.2	4.3	-	1.8	0.0	1.4	0.4
-3.1	-0.4	-	-1.0	-0.4	-0.2	0.8
-2.6	1.5	-	0.0	-0.3	0.2	0.2
-1.8	3.4	-	-1.4	0.4	-2.7	-0.4
-6.5	-1.9	-	-1.9	-0.1	-2.3	0.2

Current Profits

		FY2002		FY2003	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	38.2	-	15.4	3.5
	Basic materials	12.9	-	17.9	3.9
	Processing	54.9	-	14.2	3.2
	Nonmanufacturing	9.1	-	3.0	-0.9
Medium-sized enterprises	Manufacturing	17.9	-	17.0	1.2
	Nonmanufacturing	5.7	-	11.2	-0.5
Small enterprises	Manufacturing	45.6	-	26.9	-1.8
	Nonmanufacturing	5.7	-	5.8	2.6
All Enterprises	All industries	16.4	-	10.4	0.9
Principal Enterprises	Manufacturing excluding petroleum refining	46.1	-	12.0	3.1
	Nonmanufacturing excluding electric & gas utilities	17.9	-	5.9	0.1

(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	-	20.3	8.3	11.9	0.0
-7.6	36.1	-	22.5	5.0	14.5	3.1
23.7	88.6	-	19.3	10.0	10.7	-1.4
5.2	13.2	-	-12.3	-1.4	17.6	-0.6
17.4	18.2	-	27.0	4.2	11.3	-0.6
-3.3	12.8	-	9.5	-2.5	12.3	0.9
46.5	45.1	-	33.0	-6.0	23.4	0.9
6.1	5.4	-	1.6	1.5	8.9	3.4
7.0	24.7	-	6.1	1.4	13.7	0.5
18.9	73.9	-	18.2	8.4	7.7	-0.7
9.8	25.8	-	-3.3	-1.2	13.6	1.1

Ratio of Current Profit to Sales

		FY2002		FY2003	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	4.10	-	4.77	0.15
	Nonmanufacturing	2.85	-	2.96	-0.02
Medium-sized enterprises	Manufacturing	3.73	-	4.27	0.05
	Nonmanufacturing	2.01	-	2.20	-0.01
Small enterprises	Manufacturing	2.46	-	3.08	-0.06
	Nonmanufacturing	2.49	-	2.65	0.06
All Enterprises	All industries	2.81	-	3.10	0.03
Principal Enterprises	Manufacturing excluding petroleum refining	4.51	-	5.16	0.16
	Nonmanufacturing excluding electric & gas utilities	2.31	-	2.50	0.00

(%, % points)

1H FY2002	2H FY2002		1H FY2003		2H FY2003	
		Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
3.59	4.58	-	4.33	0.31	5.18	0.01
2.91	2.79	-	2.58	-0.02	3.31	-0.01
2.79	4.61	-	3.47	0.14	5.01	-0.05
1.69	2.31	-	1.83	-0.03	2.55	0.01
1.83	3.06	-	2.39	-0.15	3.73	0.03
2.22	2.74	-	2.28	0.04	2.99	0.07
2.52	3.08	-	2.67	0.05	3.49	0.01
3.86	5.10	-	4.67	0.35	5.62	-0.01
2.21	2.41	-	2.18	-0.02	2.80	0.02

(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 ratio	FY2003	Adjustment ratio
				(Forecast)	
Large enterprises	Manufacturing	-17.4	-	11.1	-0.4
	Nonmanufacturing	-11.1	-	0.4	-0.6
	All industries	-13.6	-	4.4	-0.5
Medium-sized enterprises	Manufacturing	-11.5	-	1.8	0.6
	Nonmanufacturing	-2.0	-	3.5	2.9
	All industries	-3.2	-	3.3	2.6
Small enterprises	Manufacturing	-4.0	-	-8.2	5.5
	Nonmanufacturing	-2.5	-	-4.5	9.7
	All industries	-2.9	-	-5.3	8.7
All Enterprises	Manufacturing	-14.2	-	5.9	0.7
	Nonmanufacturing	-5.4	-	1.0	2.8
	All industries	-7.7	-	2.2	2.3

Software Investment		(Year-to-year growth rate, %)			
		FY2002		FY2003	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-7.8	-	-4.1	0.3
	Nonmanufacturing	10.6	-	5.8	3.0
	All industries	2.2	-	1.7	1.9
Medium-sized enterprises	Manufacturing	5.3	-	13.4	-0.8
	Nonmanufacturing	-4.5	-	6.5	1.5
	All industries	-3.9	-	7.0	1.3
Small enterprises	Manufacturing	7.0	-	7.3	17.9
	Nonmanufacturing	-6.9	-	6.7	2.3
	All industries	-4.4	-	6.8	5.0
All Enterprises	Manufacturing	-5.8	-	-1.7	1.4
	Nonmanufacturing	1.3	-	6.2	2.3
	All industries	-0.7	-	4.0	2.1

Software and Fixed Investment		(Year-to-year growth rate, %)			
		FY2002		FY2003	
			Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing	-16.6	-	9.6	-0.3
	Nonmanufacturing	-9.7	-	0.8	-0.3
	All industries	-12.4	-	4.2	-0.3
Medium-sized enterprises	Manufacturing	-11.0	-	2.2	0.5
	Nonmanufacturing	-2.2	-	3.7	2.8
	All industries	-3.2	-	3.5	2.6
Small enterprises	Manufacturing	-3.6	-	-7.7	6.0
	Nonmanufacturing	-2.7	-	-4.0	9.4
	All industries	-2.9	-	-4.9	8.6
All Enterprises	Manufacturing	-13.6	-	5.3	0.7
	Nonmanufacturing	-5.0	-	1.3	2.8
	All industries	-7.2	-	2.3	2.3

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

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

5. Employment

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

		June 2003 survey		Sept 2003 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision		
Large enterprises	Manufacturing	22	20	20	-2	19	-1
	Nonmanufacturing	16	12	16	0	13	-3
	All industries	19	16	17	-2	16	-1
Medium-sized enterprises	Manufacturing	17	17	14	-3	14	0
	Nonmanufacturing	8	5	6	-2	2	-4
	All industries	12	9	9	-3	7	-2
Small enterprises	Manufacturing	18	16	14	-4	12	-2
	Nonmanufacturing	12	10	9	-3	9	0
	All industries	16	12	11	-5	10	-1
All Enterprises	Manufacturing	18	17	14	-4	13	-1
	Nonmanufacturing	12	8	9	-3	7	-2
	All industries	15	12	12	-3	10	-2
Principal Enterprises	Manufacturing	24	21	20	-4	16	-4
	Nonmanufacturing	16	15	17	1	16	-1
	All industries	21	18	19	-2	16	-3

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

	Sept 2002	Dec 2002	Mar 2003	June 2003
Large enterprises	-4.0	-4.0	-2.2	-1.8
Medium-sized enterprises	1.5	0.7	0.7	0.9
Small enterprises	-3.3	-2.2	-1.8	-1.6
All Enterprises	-2.0	-2.0	-1.1	-0.9
Principal Enterprises	-6.1	-6.5	-5.7	-4.2

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)				
	June 2003 survey		Sept 2003 survey			
	Actual result	Forecast	Actual result	Forecast		
				Changes in revision		Changes
Large enterprises	11	8	12	1	10	-2
Medium-sized enterprises	-6	-11	-4	2	-8	-4
Small enterprises	-13	-21	-12	1	-19	-7
All Enterprises	-6	-13	-6	0	-11	-5
Principal Enterprises	9	5	10	1	7	-3

Lending Attitude of Financial Institutions(All industries)

		(Diffusion index of "Accommodative" minus "Severe", % points)				
	June 2003 survey		Sept 2003 survey			
	Actual result	Forecast	Actual result	Forecast		
				Changes in revision		Changes
Large enterprises	6	3	8	2	5	-3
Medium-sized enterprises	-4	-8	-2	2	-5	-3
Small enterprises	-8	-14	-5	3	-11	-6
All Enterprises	-4	-9	-3	1	-6	-3
Principal Enterprises	-1	-5	2	3	0	-2

Change in Interest Rate on Loans (All industries)		(Diffusion index of "Rise" minus "Fall", % points)				
	June 2003 survey		Sept 2003 survey			
	Actual result	Forecast	Actual result	Forecast		
				Changes in revision		Changes
Large enterprises	3	10	14	11	23	9
Medium-sized enterprises	8	14	12	4	23	11
Small enterprises	9	14	13	4	24	11
All Enterprises	8	14	13	5	23	10
Principal Enterprises	1	12	16	15	21	5

Liquidity Ratio (All industries) (months)

	Sept 2002	Dec 2002	Mar 2003	June 2003
Large enterprises	0.97	0.95	0.96	0.97
Medium-sized enterprises	1.07	1.08	1.09	1.03
Small enterprises	1.72	1.71	1.73	1.66
All Enterprises	1.16	1.15	1.16	1.13
Principal Enterprises	0.92	0.90	0.90	0.93
(Seasonally adjusted)	0.93	0.90	0.87	0.95

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	Adjustment ratio	FY2003	
				(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	
			Adjustment ratio	(Forecast)	Adjustment ratio
Fixed Investment of Financial institutions		-41.6	-	78.7	-6.5
	Banks	-37.9	-	21.8	-10.0
	Securities companies	-34.2	-	16.5	0.0
	Insurance companies	-48.1	-	191.1	-4.0
Software Investment of Financial institutions		-16.4	-	8.8	0.4
	Banks	-24.3	-	15.0	2.0
	Securities companies	11.4	-	-1.5	0.0
	Insurance companies	-5.8	-	-1.1	-4.2

Software and Fixed Investment of Financial institutions		-32.1	-	46.2	-4.2
	Banks	-32.2	-	18.6	-4.9
	Securities companies	-4.8	-	2.9	0.0
	Insurance companies	-38.1	-	121.8	-4.0

(special survey for June and December)		(Year-to-year growth rate, %)			
		FY2002	Adjustment ratio	FY2003	Adjustment ratio
				(Forecast)	
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.

Peaks and Bottoms of Business Conditions

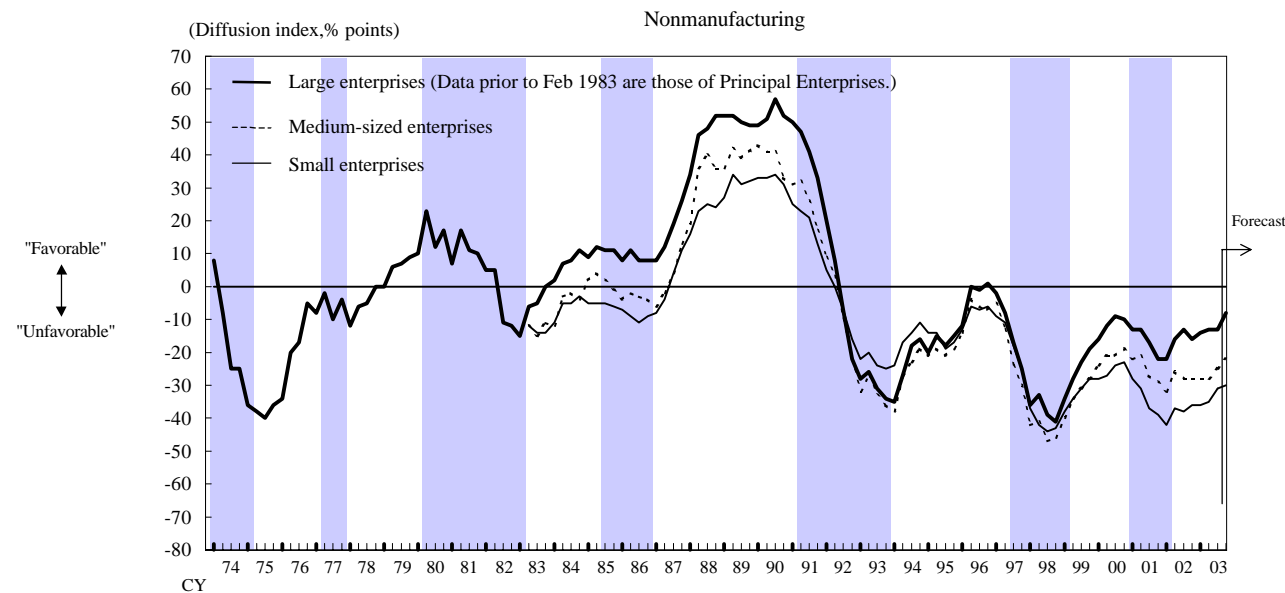
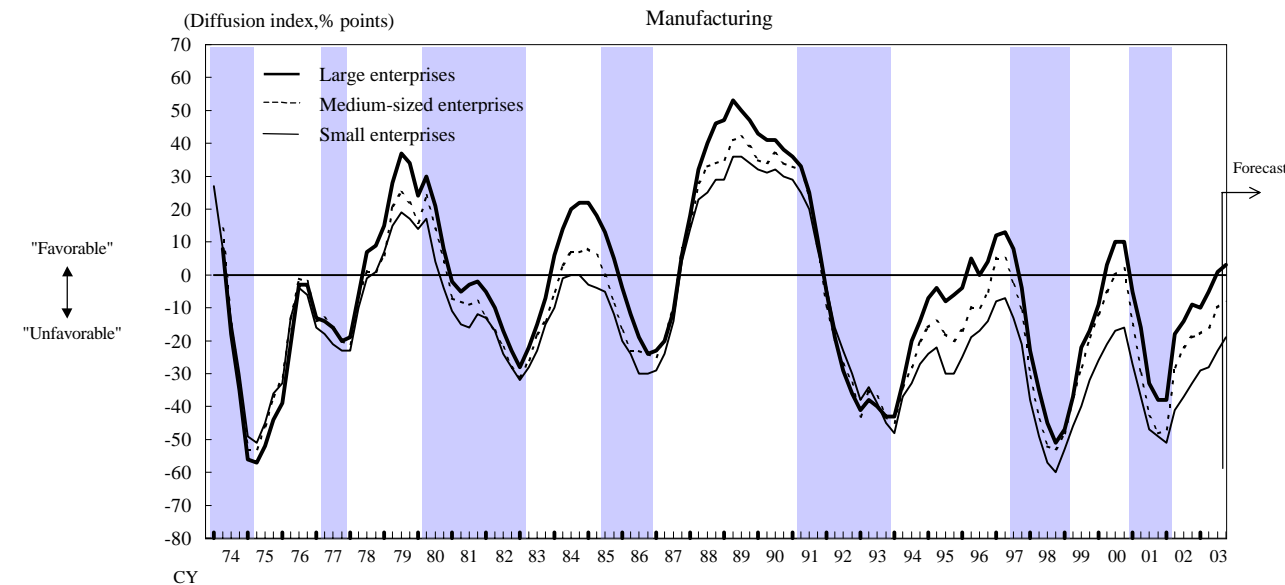
(Net percentage of respondents who reported "Favorable")

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)

	September 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	1	-10	-23
Forecast	3	-8	-19

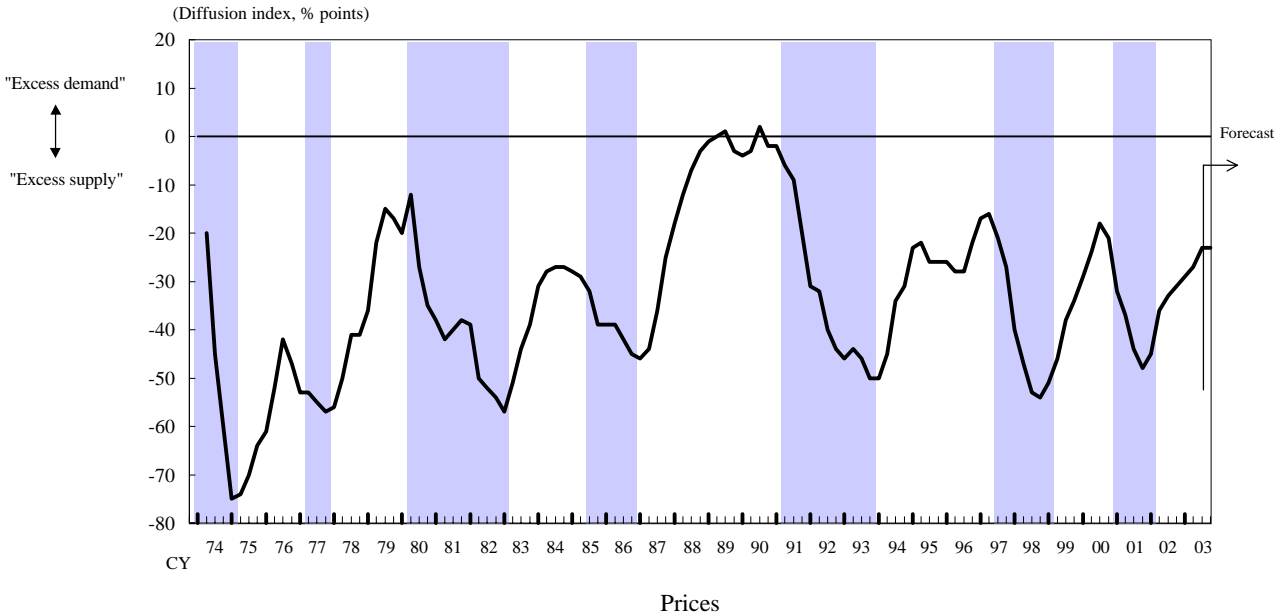
Nonmanufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (5/83)		-15 (8/83)		-14 (8,11/83)
12 (5/85)	8 (2,8,11/86,2/87)	4 (5/85)	-6 (2/87)	-3 (11/84)	-11 (8/86)
57 (8/90)	-35 (2/94)	43 (2/90)	-38 (2/94)	34 (5/89,8/90)	-25 (11/93)
1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

	September 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	-13	-25	-31
Forecast	-8	-22	-30



[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)

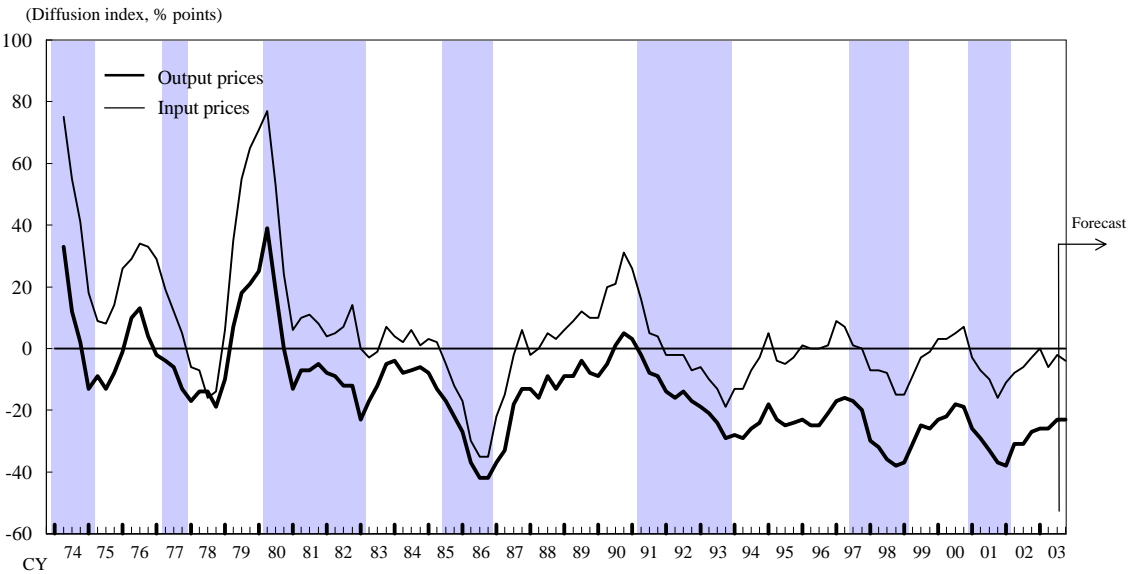
September 2003 survey	
Actual result	-23
Forecast	-23

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)

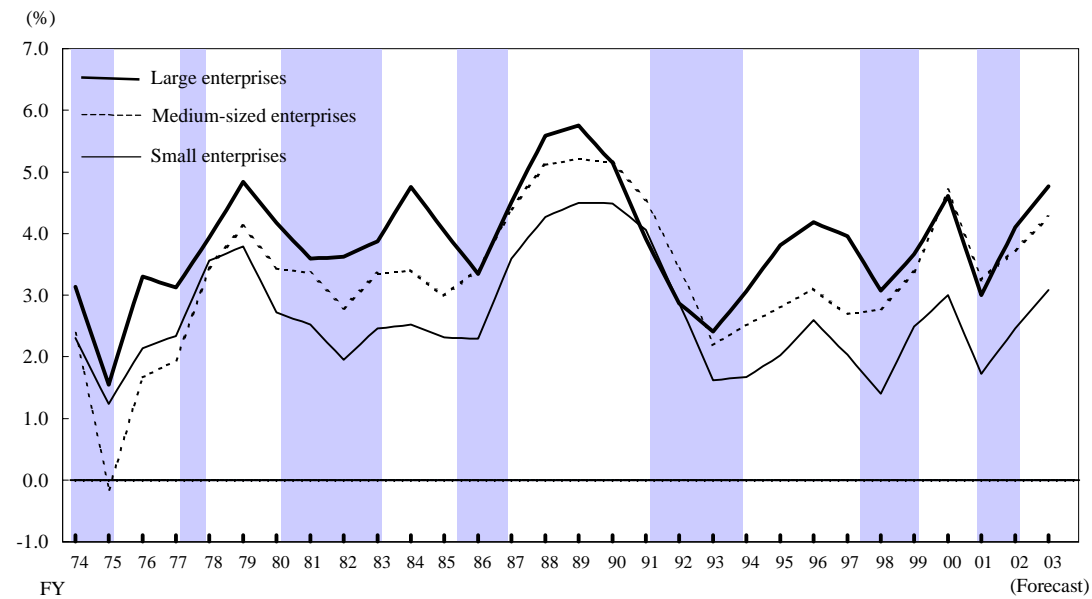
September 2003 survey		
	Output prices	Input prices
Actual result	-23	-2
Forecast	-23	-4



[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.

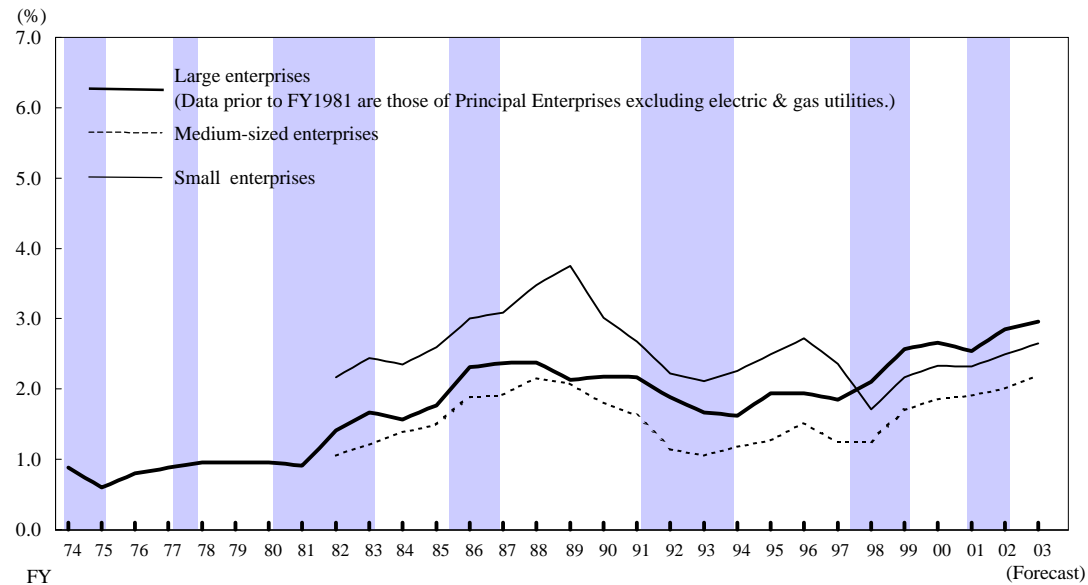


Peaks and Bottoms of Ratio of Current Profit to Sales (%)

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)

	September 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2002	4.10	3.73	2.46
FY 2003 (Forecast)	4.77	4.27	3.08

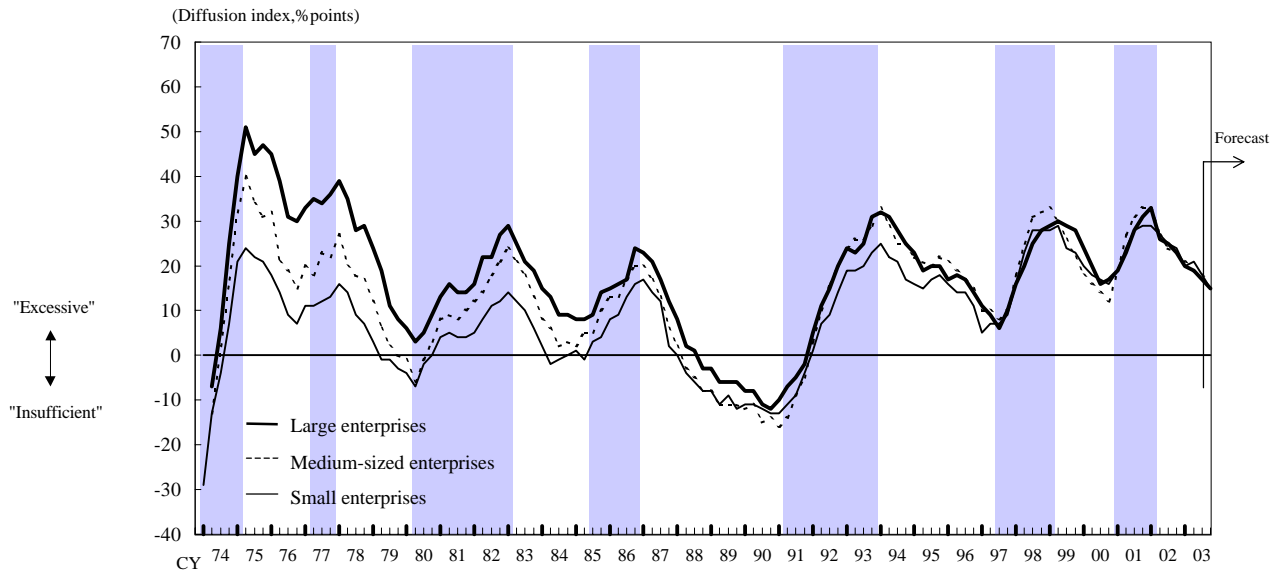
Nonmanufacturing



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)

	September 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 2002	2.85	2.01	2.49
FY 2003 (Forecast)	2.96	2.20	2.65

[Production Capacity (Manufacturing)]



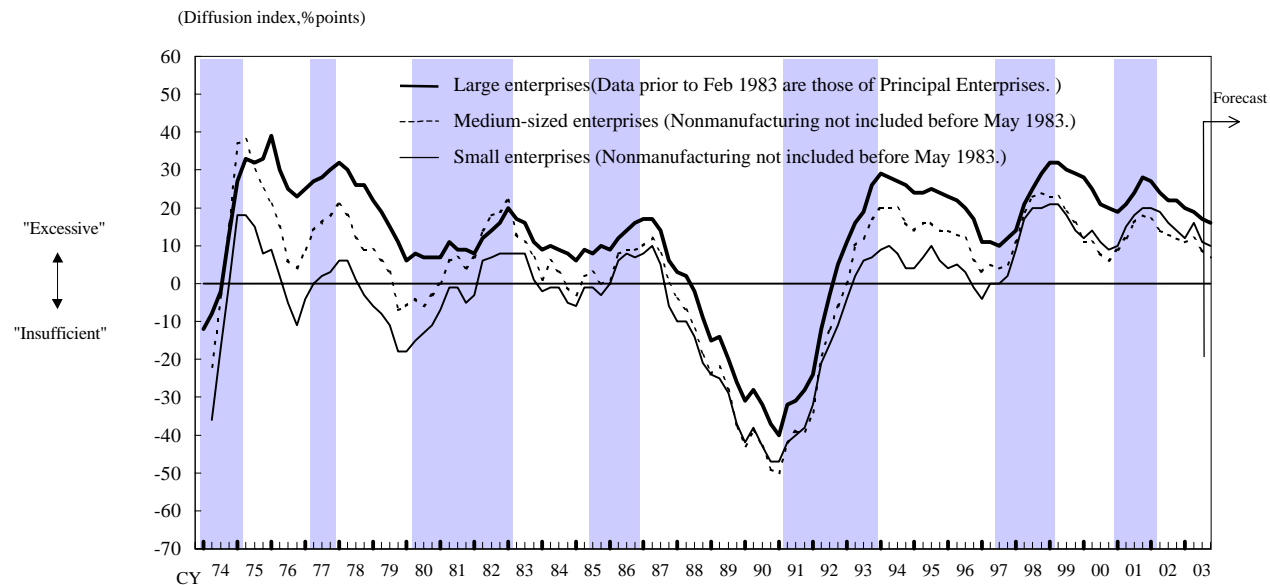
Peaks and Bottoms of Production Capacity

(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)	

	September 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	17	18	18
Forecast	15	15	15

[Employment Conditions (All industries)]



Peaks and Bottoms of Employment Conditions

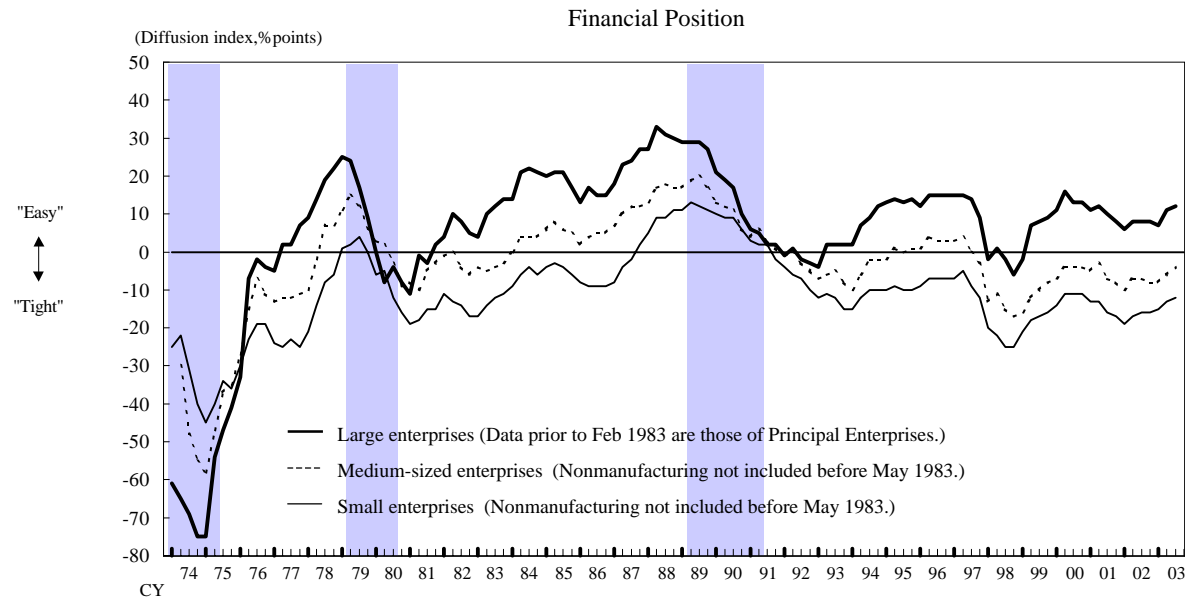
(Net percentage of respondents who reported "Excessive employment")

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)	

	September 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	17	9	11
Forecast	16	7	10

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

[Corporate Finance (All industries)]

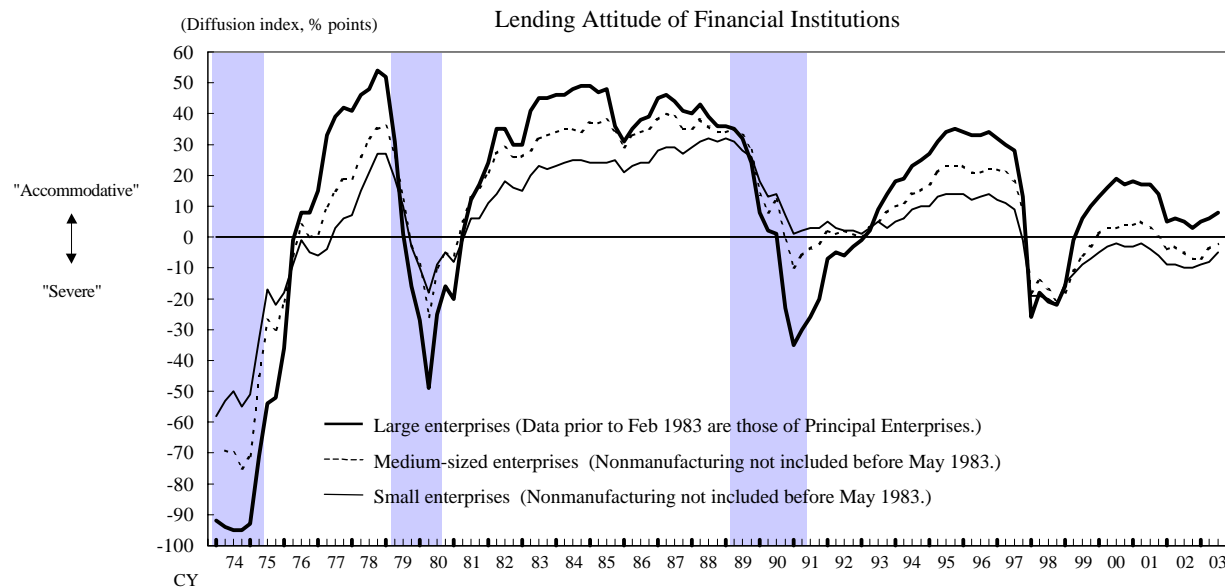


Peaks and Bottoms of Financial Position

(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 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	12	-4	-12



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 2003 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result	8	-2	-5