

# Tankan Summary (June 2018)

177th Short-Term Economic Survey of Enterprises in Japan

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July 2, 2018  
Research and Statistics Department  
Bank of Japan

Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,090	5,860	9,950	99.6%
Large Enterprises	1,009	918	1,927	99.5%
Medium-sized Enterprises	1,058	1,728	2,786	99.6%
Small Enterprises	2,023	3,214	5,237	99.6%
Financial institutions	-	-	210	99.5%

Responding Period: May 29 to June 29

Ref.: Average of predicted exchange rates expected by large manufacturing enterprises

	FY 2017		FY 2018		(yen per US dollar)	
	1H	2H	1H	2H	1H	2H
March 2018 Survey	110.67	110.95	110.40	109.66	109.63	109.68
June 2018 Survey	110.79	110.97	110.63	107.26	107.27	107.26

## 1. Business Conditions

(Diffusion index of "Favorable" minus "Unfavorable," % points)

	Large Enterprises						Medium-sized Enterprises						Small Enterprises								
	March 2018 Survey		June 2018 Survey				March 2018 Survey		June 2018 Survey				March 2018 Survey		June 2018 Survey						
	Actual result	Forecast	Actual result	Forecast		Changes		Actual result	Forecast	Actual result	Forecast		Changes		Actual result	Forecast	Actual result	Forecast		Changes	
Manufacturing	24	20	21	-3	21	0	19	14	20	1	16	-4	15	12	14	-1	12	-2			
Textiles	3	6	11	8	5	-6	-14	-13	-8	6	-5	3	-24	-26	-20	4	-21	-1			
Lumber & Wood products	24	12	13	-11	19	6	32	25	32	0	21	-11	-1	-3	-3	-2	-4	-1			
Pulp & Paper	4	4	8	4	4	-4	-19	-2	-12	7	0	12	-9	-12	-14	-5	-10	4			
Chemicals	26	17	22	-4	16	-6	29	18	35	6	24	-11	20	13	20	0	16	-4			
Petroleum & Coal products	44	19	31	-13	7	-24	37	21	42	5	21	-21	0	-4	-16	-16	-20	-4			
Ceramics, Stone & Clay	28	19	28	0	24	-4	20	18	20	0	24	-4	14	20	18	4	24	6			
Iron & Steel	10	8	9	-1	9	0	34	30	29	-5	23	-6	42	37	44	2	41	-3			
Nonferrous metals	32	18	26	-6	24	-2	29	29	29	0	23	-6	38	36	40	2	35	-5			
Food & Beverages	16	14	13	-3	15	2	3	5	7	4	7	0	2	4	-2	-4	3	5			
Processed metals	10	13	13	3	13	0	21	15	24	3	21	-3	26	25	18	-8	20	2			
General-purpose machinery	44	43	44	0	39	-5	42	31	39	-3	28	-11	28	16	36	8	25	-11			
Production machinery	52	51	53	1	52	-1	35	30	32	-3	35	3	28	30	33	5	24	-9			
Business oriented machinery	26	29	21	-5	26	5	30	26	32	2	28	-4	23	18	18	-5	24	6			
Electrical machinery	24	23	20	-4	29	9	27	16	20	-7	16	-4	14	10	12	-2	9	-3			
Shipbuilding & Heavy machinery, etc.	-4	-7	-7	-3	4	11	-15	-10	-5	10	-5	0	16	10	16	0	13	-3			
Motor vehicles	22	13	15	-7	13	-2	27	13	20	-7	17	-3	42	31	35	-7	25	-10			
Basic materials	22	14	20	-2	15	-5	18	15	20	2	16	-4	12	9	11	-1	10	-1			
Processing	25	23	22	-3	25	3	19	15	19	0	15	-4	17	14	16	-1	14	-2			
Nonmanufacturing	23	20	24	1	21	-3	21	16	20	-1	16	-4	10	5	8	-2	5	-3			
Construction	43	37	44	1	34	-10	32	23	37	5	26	-11	20	5	17	-3	9	-8			
Real estate	37	27	37	0	30	-7	30	19	30	0	20	-10	17	10	15	-2	11	-4			
Goods rental & Leasing	18	18	24	6	24	0	25	23	29	4	24	-5	30	21	24	-6	20	-4			
Wholesaling	19	16	21	2	18	-3	16	16	17	1	14	-3	4	1	2	-2	0	-2			
Retailing	11	10	0	-11	6	6	13	11	8	-5	11	3	-5	-1	-6	-1	-3	3			
Transport & Postal activities	16	14	19	3	16	-3	17	11	21	4	12	-9	5	3	9	4	3	-6			
Communications	33	33	20	-13	27	7	52	39	31	-21	26	-5	23	23	23	0	26	3			
Information services	29	28	26	-3	26	0	32	21	30	-2	25	-5	22	19	28	6	23	-5			
Electric & Gas utilities	3	-5	13	10	3	-10	32	15	22	-10	13	-9	30	17	20	-10	5	-15			
Services for businesses	44	35	43	-1	43	0	26	19	26	0	21	-5	16	11	17	1	11	-6			
Services for individuals	27	27	37	10	35	-2	15	16	15	0	13	-2	0	-1	1	1	-2	-3			
Accommodations, Eating & Drinking services	3	7	11	8	6	-5	7	12	8	1	13	5	-4	4	-5	-1	0	5			
All industries	23	20	22	-1	21	-1	20	15	20	0	16	-4	11	7	11	0	8	-3			

	All Enterprises			
Manufacturing	18	15	17	-2
Nonmanufacturing	15	11	15	-4
All industries	17	12	16	-3

Notes: 1. Response rate = The number of enterprises that responded to the question on Business Conditions / 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 actual result = "Actual result of the current survey" minus "Actual result of the previous survey"

Changes in forecast = "Forecast of the current survey" minus "Actual result of the current survey"

3. "Shipbuilding & Heavy machinery, etc." indicates Transportation machinery excluding Motor vehicles.

1. Business Conditions (Continued)

<Ref.> Percentage share of the number of respondents choosing each alternative

(%, % points)

	March 2018 Survey			June 2018 Survey					
	Actual result			Actual result			Forecast		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises	Large Enterprises	Medium-sized Enterprises	Small Enterprises	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Manufacturing	24	19	15	21	20	14	21	16	12
1. Favorable	29	29	29	26	29	28	24	23	25
2. Not so favorable	66	61	57	69	62	58	73	70	62
3. Unfavorable	5	10	14	5	9	14	3	7	13
Nonmanufacturing	23	21	10	24	20	8	21	16	5
1. Favorable	27	28	23	28	27	22	25	21	18
2. Not so favorable	69	65	64	68	66	64	71	74	69
3. Unfavorable	4	7	13	4	7	14	4	5	13

(Note) Business Conditions DI = Diffusion index of "Favorable" minus "Unfavorable"

2. Supply and Demand Conditions, Inventories, and Prices

(% points)

		Large Enterprises					
		March 2018 Survey		June 2018 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	0	-2	-2	-2	-1	1
	Basic materials	0	-4	-3	-3	-5	-2
	Processing	0	-1	-1	-1	0	1
	Nonmanufacturing	-5	-6	-5	0	-6	-1
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	4	4	4	0	3	-1
	Basic materials	1	-1	0	-1	0	0
	Processing	6	5	6	0	5	-1

(% points)

		Small Enterprises					
		March 2018 Survey		June 2018 Survey			
		Actual result	Forecast	Actual result	Changes	Forecast	Changes
Domestic Supply & Demand Conditions for Products and Services: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-9	-12	-10	-1	-11	-1
	Basic materials	-15	-16	-15	0	-17	-2
	Processing	-6	-9	-7	-1	-8	-1
	Nonmanufacturing	-13	-16	-14	-1	-15	-1
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-3	-4	-3	0	-4	-1
	Basic materials	-7	-9	-8	-1	-10	-2
	Processing	0	-1	0	0	0	0

Inventory Level of Finished Goods & Merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	6	4	6	0	5	0
	Basic materials	6	9	9	3	10	1
	Processing	7	5	5	-2	4	0
Wholesalers' Inventory Level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	3	3	3	0	3	0
	Basic materials	5	3	3	-2	2	-1
	Processing	3	3	3	0	3	0

Inventory Level of Finished Goods & Merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	8	10	10	2	11	1
	Basic materials	10	11	11	1	12	1
	Processing	7	8	8	1	9	1
Wholesalers' Inventory Level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	9	7	7	-2	7	-1
	Basic materials	13	13	13	0	13	0
	Processing	5	4	4	-1	4	-1

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	4	4	5	1	5	0
	Basic materials	18	11	16	-2	10	-6
	Processing	-4	0	-1	3	2	3
	Nonmanufacturing	4	5	5	1	5	0
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	26	22	30	4	24	-6
	Basic materials	36	25	37	1	27	-10
	Processing	21	21	25	4	22	-3
	Nonmanufacturing	16	16	16	0	18	2

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	3	6	5	2	8	3
	Basic materials	10	15	15	5	16	1
	Processing	-3	-1	-1	2	1	2
	Nonmanufacturing	1	2	4	3	3	-1
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	39	42	43	4	44	1
	Basic materials	44	46	49	5	48	-1
	Processing	36	38	38	2	40	2
	Nonmanufacturing	24	28	29	5	30	1

### 3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2017		FY2018	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	5.6	0.9	2.5	2.0
	Domestic Sales	4.8	0.8	2.8	2.1
	Exports	7.4	1.0	1.8	1.6
	Nonmanufacturing	5.9	1.2	1.4	1.9
	All industries	5.8	1.1	1.9	1.9
Medium-sized Enterprises	Manufacturing	4.3	0.4	3.3	1.4
	Nonmanufacturing	2.8	0.6	2.5	0.9
	All industries	3.1	0.5	2.7	1.0
Small Enterprises	Manufacturing	3.2	0.5	1.0	0.5
	Nonmanufacturing	2.4	0.9	-0.3	0.6
	All industries	2.6	0.8	0.0	0.6
All Enterprises	Manufacturing	5.0	0.8	2.3	1.6
	Nonmanufacturing	4.1	1.0	1.1	1.3
	All industries	4.4	0.9	1.5	1.4

(Note) Revision rates are calculated as the percentage change of the figures between the current and the previous survey.

(Year-to-year % change)

1H FY2017	2H FY2017		1H FY2018		2H FY2018	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
5.9	5.4	1.7	2.9	1.7	2.0	2.2
4.8	4.8	1.5	3.6	2.1	2.0	2.2
8.1	6.8	2.1	1.5	0.8	2.1	2.3
5.9	6.0	2.1	2.1	1.4	0.8	2.4
5.9	5.8	1.9	2.5	1.5	1.3	2.3
4.4	4.1	0.6	3.5	1.6	3.2	1.2
2.6	2.9	1.1	2.7	0.6	2.3	1.2
3.1	3.2	1.0	2.9	0.8	2.5	1.2
3.4	3.0	1.0	1.8	0.5	0.2	0.5
2.8	2.1	1.7	1.0	0.6	-1.5	0.6
3.0	2.3	1.5	1.2	0.6	-1.1	0.6
5.2	4.8	1.4	2.8	1.5	1.9	1.7
4.2	4.1	1.8	1.9	1.0	0.4	1.6
4.5	4.3	1.6	2.2	1.1	0.9	1.6

Current Profits (Year-to-year % change)

		FY2017		FY2018	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	20.8	0.9	-8.6	-4.8
	Basic materials	27.6	3.9	-7.1	-0.4
	Processing	17.9	-0.4	-9.3	-6.7
	Nonmanufacturing	14.3	8.6	-3.8	5.7
	All industries	17.3	4.8	-6.1	0.6
Medium-sized Enterprises	Manufacturing	1.6	0.8	1.1	3.9
	Nonmanufacturing	4.7	4.2	-1.5	2.0
	All industries	3.7	3.1	-0.7	2.6
Small Enterprises	Manufacturing	4.0	-0.8	-0.1	-1.4
	Nonmanufacturing	-0.5	7.9	-6.4	1.1
	All industries	0.7	5.3	-4.6	0.3
All Enterprises	Manufacturing	16.2	0.7	-6.6	-3.4
	Nonmanufacturing	9.1	7.6	-4.0	4.0
	All industries	12.0	4.6	-5.1	0.8

(Year-to-year % change)

1H FY2017	2H FY2017		1H FY2018		2H FY2018	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
52.5	-2.8	1.8	-14.9	-8.3	-1.3	-0.9
61.8	3.1	7.4	-13.0	-3.5	-0.5	2.8
48.7	-5.5	-0.8	-15.7	-10.3	-1.7	-2.6
16.9	11.5	14.4	-7.1	0.3	0.0	12.0
31.6	4.2	8.1	-10.9	-3.8	-0.6	5.5
20.0	-11.5	1.3	-10.2	2.0	11.9	5.3
7.1	2.9	7.7	-4.8	0.3	1.1	3.4
11.0	-1.8	5.7	-6.6	0.8	4.3	4.0
16.4	-5.8	-0.9	-5.6	-2.3	5.2	-0.7
-0.7	-0.4	13.6	-1.6	0.4	-10.2	1.7
4.0	-1.9	9.3	-2.8	-0.4	-6.1	1.0
43.6	-4.3	1.4	-13.4	-6.6	1.1	-0.1
11.6	6.8	12.9	-5.7	0.3	-2.2	7.9
23.6	2.0	7.9	-9.1	-2.7	-0.9	4.4

### 3. Sales and Current Profits (Continued)

Ratio of Current Profit to Sales (% , % points)

		FY2017		FY2018	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	8.52	0.00	7.60	-0.53
	Nonmanufacturing	6.67	0.45	6.32	0.22
	All industries	7.44	0.26	6.86	-0.09
Medium-sized Enterprises	Manufacturing	5.23	0.02	5.11	0.12
	Nonmanufacturing	3.85	0.13	3.70	0.04
	All industries	4.20	0.11	4.06	0.06
Small Enterprises	Manufacturing	4.71	-0.07	4.66	-0.09
	Nonmanufacturing	3.55	0.23	3.33	0.02
	All industries	3.82	0.16	3.64	-0.01
All Enterprises	Manufacturing	7.32	-0.01	6.68	-0.35
	Nonmanufacturing	5.08	0.32	4.82	0.13
	All industries	5.83	0.21	5.45	-0.03

(% , % points)

1H FY2017	2H FY2017		1H FY2018		2H FY2018	
		Changes	(Forecast)	Changes	(Forecast)	Changes
9.61	7.52	0.01	7.95	-0.86	7.27	-0.23
7.41	5.98	0.64	6.74	-0.08	5.93	0.51
8.33	6.62	0.37	7.24	-0.41	6.50	0.20
5.32	5.14	0.03	4.62	0.02	5.58	0.22
3.64	4.05	0.25	3.37	-0.01	4.00	0.08
4.06	4.32	0.19	3.69	0.00	4.40	0.12
4.81	4.63	-0.09	4.46	-0.12	4.86	-0.05
3.27	3.80	0.39	3.18	-0.01	3.47	0.04
3.63	3.99	0.28	3.49	-0.03	3.79	0.02
8.06	6.63	-0.01	6.79	-0.59	6.58	-0.12
5.29	4.88	0.49	4.90	-0.03	4.75	0.28
6.22	5.46	0.32	5.54	-0.21	5.36	0.14

Net Income (Year-to-year % change)

		FY2017		FY2018	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	33.7	-1.3	-6.3	-4.9
	Basic materials	29.1	-0.1	-1.4	-0.6
	Processing	35.9	-1.8	-8.5	-6.8
	Nonmanufacturing	25.9	10.3	0.3	10.8
	All industries	29.6	4.3	-3.0	2.7
Medium-sized Enterprises	Manufacturing	2.0	-2.4	7.4	2.8
	Nonmanufacturing	2.9	1.1	2.3	1.6
	All industries	2.6	0.0	3.9	2.0
Small Enterprises	Manufacturing	12.2	-1.5	3.1	-2.8
	Nonmanufacturing	3.0	5.1	-0.7	1.9
	All industries	5.5	3.1	0.4	0.4
All Enterprises	Manufacturing	27.3	-1.4	-4.0	-3.9
	Nonmanufacturing	16.5	7.7	0.4	7.3
	All industries	21.0	3.5	-1.5	2.2

(Year-to-year % change)

1H FY2017	2H FY2017		1H FY2018		2H FY2018	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
47.5	18.7	-3.9	-13.4	-6.4	3.2	-3.2
50.6	7.9	-1.5	-10.6	-3.0	11.2	2.1
46.2	24.1	-4.9	-14.7	-7.9	-0.3	-5.6
29.2	21.8	16.7	-7.0	1.9	9.6	22.3
37.7	20.3	5.7	-10.2	-2.2	6.5	8.8
22.2	-13.8	-4.4	-5.9	2.1	22.1	3.5
9.0	-2.4	2.7	-8.2	1.0	12.5	2.1
13.0	-6.1	0.5	-7.5	1.4	15.4	2.5
30.6	-4.3	-2.3	-9.6	-2.8	18.8	-2.9
-4.6	9.9	8.9	7.7	2.8	-7.4	1.1
5.1	6.0	5.8	1.7	1.1	-0.8	-0.1
42.9	11.3	-3.8	-12.3	-5.3	7.0	-2.4
18.8	13.9	12.2	-4.8	2.0	6.2	13.3
28.7	12.8	4.9	-8.2	-1.3	6.5	6.2

#### 4. Fixed Investment, etc.

Fixed Investment including Land Purchasing Expenses\* (Year-to-year % change)

		FY2017		FY2018	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	6.3	-1.0	17.9	11.3
	Nonmanufacturing	2.9	-1.0	11.2	9.2
	All industries	4.1	-1.0	13.6	10.0
Medium-sized Enterprises	Manufacturing	12.7	-0.1	16.7	0.9
	Nonmanufacturing	11.6	3.6	2.1	7.5
	All industries	12.0	2.1	7.8	4.6
Small Enterprises	Manufacturing	0.6	2.9	7.6	10.8
	Nonmanufacturing	-1.0	4.3	-21.2	9.6
	All industries	-0.5	3.8	-11.8	10.1
All Enterprises	Manufacturing	6.3	-0.2	16.0	9.2
	Nonmanufacturing	3.4	0.7	3.3	9.0
	All industries	4.4	0.4	7.9	9.0

\* Excludes software and R&D investment.

Software Investment (Year-to-year % change)

		FY2017		FY2018	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	4.8	3.4	9.0	7.2
	Nonmanufacturing	7.7	3.5	8.1	6.1
	All industries	6.8	3.5	8.4	6.4
Medium-sized Enterprises	Manufacturing	-1.7	3.0	30.4	9.0
	Nonmanufacturing	16.0	3.8	27.0	3.6
	All industries	12.8	3.6	27.6	4.4
Small Enterprises	Manufacturing	35.5	5.9	9.2	11.5
	Nonmanufacturing	-8.1	-2.0	18.4	9.8
	All industries	1.9	0.3	15.6	10.3
All Enterprises	Manufacturing	6.3	3.6	10.5	7.7
	Nonmanufacturing	7.5	3.1	11.8	5.9
	All industries	7.1	3.2	11.4	6.4

Land Purchasing Expenses (Year-to-year % change)

		FY2017		FY2018	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-10.8	12.5	-42.5	-15.1
	Nonmanufacturing	-14.6	12.5	-10.3	12.5
	All industries	-14.2	12.5	-13.8	9.9
Medium-sized Enterprises	Manufacturing	22.5	1.8	-65.8	27.2
	Nonmanufacturing	30.8	4.4	-32.1	18.7
	All industries	29.3	4.0	-37.7	19.4
Small Enterprises	Manufacturing	-22.4	16.0	-34.7	17.7
	Nonmanufacturing	6.0	5.5	-58.2	-0.6
	All industries	0.0	7.1	-54.4	3.1
All Enterprises	Manufacturing	-9.2	10.7	-45.8	2.3
	Nonmanufacturing	-2.3	8.7	-28.3	11.2
	All industries	-3.3	9.0	-30.6	10.2

R&D Investment (Year-to-year % change)

		FY2017		FY2018	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	1.6	0.8	3.4	2.9
	Nonmanufacturing	15.0	6.7	2.6	9.0
	All industries	2.5	1.2	3.4	3.3
Medium-sized Enterprises	Manufacturing	-2.9	0.2	5.2	1.1
	Nonmanufacturing	13.4	1.4	8.0	0.4
	All industries	-0.5	0.4	5.6	0.9
Small Enterprises	Manufacturing	8.4	1.4	4.1	3.0
	Nonmanufacturing	1.4	-1.7	27.7	14.1
	All industries	7.6	1.1	6.6	4.3
All Enterprises	Manufacturing	1.6	0.8	3.5	2.8
	Nonmanufacturing	14.4	5.9	3.8	8.4
	All industries	2.5	1.2	3.5	3.3

Software, R&D, and Fixed Investment excluding Land

Purchasing Expenses (Year-to-year % change)

		FY2017		FY2018	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	3.8	0.1	10.1	6.8
	Nonmanufacturing	5.7	-1.0	12.0	8.6
	All industries	4.6	-0.4	11.0	7.6
Medium-sized Enterprises	Manufacturing	9.3	0.0	18.2	0.9
	Nonmanufacturing	9.9	3.5	9.2	6.1
	All industries	9.7	1.9	13.1	3.7
Small Enterprises	Manufacturing	4.0	2.2	9.5	9.7
	Nonmanufacturing	-2.4	3.7	-13.1	10.5
	All industries	-0.1	3.2	-4.7	10.2
All Enterprises	Manufacturing	4.4	0.3	11.0	6.3
	Nonmanufacturing	4.8	0.4	7.2	8.5
	All industries	4.6	0.3	9.1	7.4

Production Capacity (Diffusion index of "Excessive capacity" minus "Insufficient capacity," % points)

		March 2018 Survey		June 2018 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	-4	-4	-6	-2	-3	3
	Nonmanufacturing	-3	-3	-3	0	-3	0
	All industries	-4	-3	-4	0	-3	1
Medium-sized Enterprises	Manufacturing	-5	-5	-5	0	-5	0
	Nonmanufacturing	-4	-6	-4	0	-6	-2
	All industries	-4	-5	-4	0	-5	-1
Small Enterprises	Manufacturing	-7	-7	-8	-1	-9	-1
	Nonmanufacturing	-5	-7	-5	0	-7	-2
	All industries	-6	-7	-6	0	-8	-2
All Enterprises	Manufacturing	-5	-6	-6	-1	-6	0
	Nonmanufacturing	-4	-6	-4	0	-6	-2
	All industries	-5	-5	-5	0	-6	-1

## 5. Fixed Investment of Financial institutions

Fixed Investment including Land Purchasing Expenses of Financial institutions\* (Year-to-year % change)

	FY2017		FY2018	
		Revision rate	(Forecast)	Revision rate
Financial institutions	-1.1	-6.8	3.6	-1.6
Banks	3.1	-10.3	15.2	-4.6
Financial institutions for cooperative organizations	-17.2	-3.2	-16.5	12.8
Financial products transaction dealers	-25.6	-9.5	3.1	1.3
Insurance companies	3.4	-5.6	-5.2	-0.5
Non-deposit money corporations	5.8	-1.1	8.0	-4.6
(Memo) All industries including Financial institutions	4.3	0.2	7.7	8.7
Nonmanufacturing including Financial institutions	3.2	0.4	3.3	8.5

\* Excludes software and R&D investment.

Software Investment of Financial institutions (Year-to-year % change)

	FY2017		FY2018	
		Revision rate	(Forecast)	Revision rate
Financial institutions	11.2	3.6	-3.4	-2.9
Banks	-16.4	-4.1	-1.1	-13.1
Financial institutions for cooperative organizations	1.4	-8.2	37.7	17.0
Financial products transaction dealers	-2.4	-17.7	33.9	-4.5
Insurance companies	19.0	-8.6	11.7	6.6
Non-deposit money corporations	102.6	80.8	-46.2	-4.3
(Memo) All industries including Financial institutions	8.5	3.4	6.4	3.4
Nonmanufacturing including Financial institutions	9.0	3.3	5.5	2.4

Land Purchasing Expenses of Financial institutions (Year-to-year % change)

	FY2017		FY2018	
		Revision rate	(Forecast)	Revision rate
Financial institutions	40.9	-11.1	-11.0	32.5
Banks	0.5	14.0	-51.0	73.4
Financial institutions for cooperative organizations	-3.3	-38.1	20.3	719.3
Financial products transaction dealers	1138.3	-2.4	23.8	23.8
Insurance companies	68.8	-8.5	-9.1	-1.8
Non-deposit money corporations	-	-	-	-
(Memo) All industries including Financial institutions	-2.6	8.4	-30.2	10.8
Nonmanufacturing including Financial institutions	-1.5	8.1	-27.8	11.8

Software, R&D, and Fixed Investment excluding Land Purchasing Expenses of Financial institutions (Year-to-year % change)

	FY2017		FY2018	
		Revision rate	(Forecast)	Revision rate
Financial institutions	5.5	-0.4	-0.5	-2.9
Banks	-9.0	-7.1	6.8	-9.6
Financial institutions for cooperative organizations	-14.5	-1.3	-6.9	7.5
Financial products transaction dealers	-12.4	-16.5	27.0	-4.4
Insurance companies	11.9	-7.6	6.9	4.7
Non-deposit money corporations	62.4	47.7	-31.3	-4.1
(Memo) All industries including Financial institutions	4.6	0.3	8.7	6.8
Nonmanufacturing including Financial institutions	4.9	0.3	6.5	7.3

## 6. Employment

Employment Conditions (Diffusion index of "Excessive employment" minus "Insufficient employment," % points)

		March 2018 Survey		June 2018 Survey			
		Actual result	Forecast	Actual result		Forecast	
					Changes		Changes
Large Enterprises	Manufacturing	-18	-15	-16	2	-17	-1
	Nonmanufacturing	-28	-27	-27	1	-28	-1
	All industries	-22	-21	-21	1	-21	0
Medium-sized Enterprises	Manufacturing	-29	-26	-25	4	-26	-1
	Nonmanufacturing	-37	-40	-36	1	-40	-4
	All industries	-34	-35	-32	2	-35	-3
Small Enterprises	Manufacturing	-32	-33	-29	3	-34	-5
	Nonmanufacturing	-41	-45	-39	2	-45	-6
	All industries	-37	-40	-35	2	-40	-5
All Enterprises	Manufacturing	-28	-27	-24	4	-28	-4
	Nonmanufacturing	-38	-40	-36	2	-41	-5
	All industries	-34	-34	-32	2	-36	-4

Number of New Graduates Hired (All industries)

(Surveyed only in June and December)

(Year-to-year % change)

	FY2017		FY2018		FY2019	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	2.7	-0.1	5.2	-1.1	5.8	-
Medium-sized Enterprises	5.3	0.5	4.1	-0.5	6.4	-
Small Enterprises	4.2	-1.8	5.9	-7.0	14.6	-
All Enterprises	3.9	-0.7	5.2	-3.5	9.5	-
All Enterprises & Financial institutions	3.8	-0.7	4.5	-3.4	8.3	-
Manufacturing	2.4	0.6	5.7	0.6	6.6	-
Nonmanufacturing	4.6	-1.2	5.0	-5.2	10.9	-
Financial institutions	2.2	-1.5	-3.8	-2.3	-8.0	-

7. Corporate Finance

Financial Position (All industries)

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

	March 2018 Survey		June 2018 Survey	
	Actual result	Forecast	Actual result	Changes
			Actual result	Changes
Large Enterprises	23		24	1
Medium-sized Enterprises	23		24	1
Small Enterprises	12		13	1
All Enterprises	17		18	1
Manufacturing	16		18	2
Nonmanufacturing	17		19	2

Lending Attitude of Financial institutions (All industries)

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

	March 2018 Survey		June 2018 Survey	
	Actual result	Forecast	Actual result	Changes
			Actual result	Changes
Large Enterprises	27		26	-1
Medium-sized Enterprises	29		29	0
Small Enterprises	22		21	-1
All Enterprises	25		25	0
Manufacturing	24		24	0
Nonmanufacturing	25		25	0

Change in Interest Rate on Loans (All industries)

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

	March 2018 Survey		June 2018 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes
			Actual result	Changes	Changes	
Large Enterprises	1	7	0	-1	6	6
Medium-sized Enterprises	-1	7	-2	-1	5	7
Small Enterprises	-5	3	-4	1	3	7
All Enterprises	-3	5	-3	0	4	7
Manufacturing	-2	6	-2	0	4	6
Nonmanufacturing	-3	5	-3	0	4	7

Conditions for CP Issuance (All industries) <Based on CP-Issuing Enterprises>

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

	March 2018 Survey		June 2018 Survey	
	Actual result	Forecast	Actual result	Changes
			Actual result	Changes
Large Enterprises	41		40	-1

8. Business Conditions of Financial institutions

Business Conditions

(Diffusion index of "Favorable" minus "Unfavorable," % points)

	March 2018 Survey		June 2018 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes
			Actual result	Changes	Changes	
Banks	7	5	5	-2	-1	-6
Financial institutions for cooperative organizations	0	-3	5	5	0	-5
Financial products transaction dealers	24	38	17	-7	24	7
Insurance companies	29	29	33	4	33	0
Non-deposit money corporations	29	19	29	0	29	0
Financial institutions	15	14	15	0	13	-2

Production Capacity

(Diffusion index of "Excessive capacity" minus "Insufficient capacity," % points)

	March 2018 Survey		June 2018 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes
			Actual result	Changes	Changes	
Banks	0	0	3	3	3	0
Financial institutions for cooperative organizations	5	0	2	-3	-5	-7
Financial products transaction dealers	-7	-7	-3	4	-3	0
Insurance companies	-7	-7	-2	5	-2	0
Non-deposit money corporations	0	-5	-5	-5	-10	-5
Financial institutions	-2	-3	0	2	-2	-2

Employment Conditions

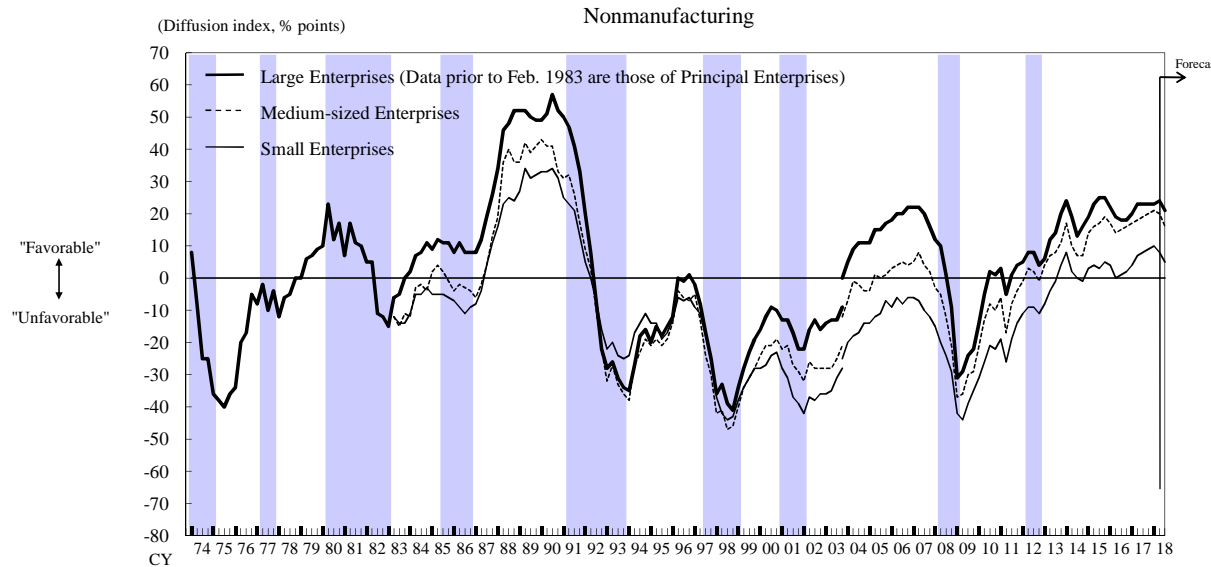
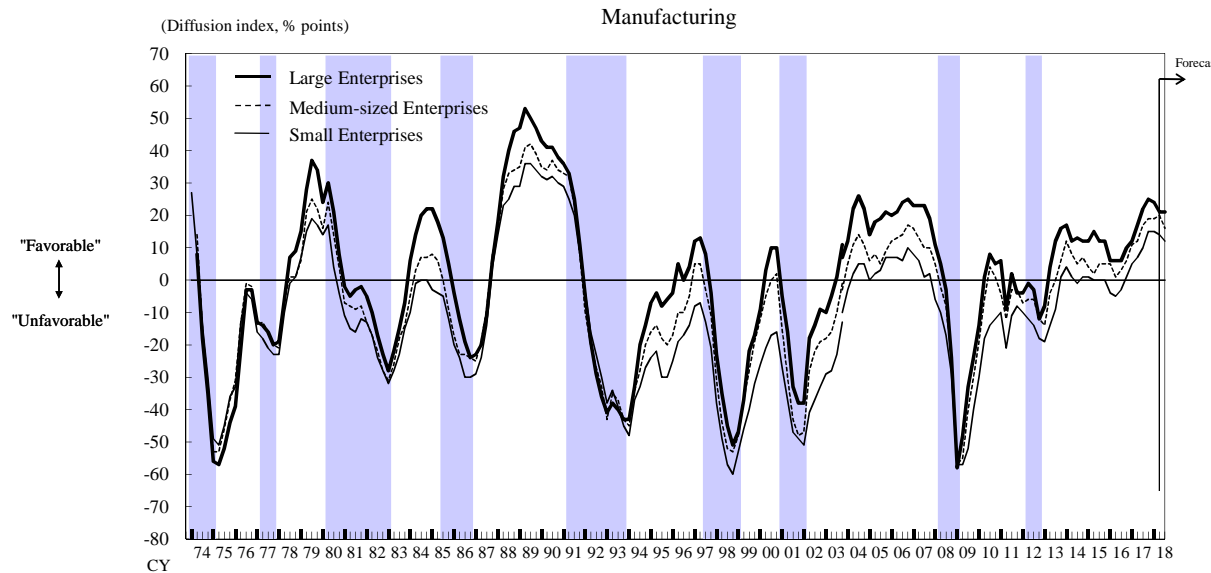
(Diffusion index of "Excessive employment" minus "Insufficient employment," % points)

	March 2018 Survey		June 2018 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes
			Actual result	Changes	Changes	
Banks	-4	-3	-1	3	-1	0
Financial institutions for cooperative organizations	-17	-18	-15	2	-20	-5
Financial products transaction dealers	-11	-14	-14	-3	-14	0
Insurance companies	-17	-10	-15	2	-12	3
Non-deposit money corporations	-14	-19	-14	0	-9	5
Financial institutions	-11	-10	-9	2	-9	0

(Reference Charts)

- Notes: 1. Unless otherwise noted, shaded areas indicate periods of recession (according to the Cabinet Office).
- 2. There is a discontinuity between the figures up to the December 2003 survey and those from the March 2004 survey (as for the December 2003 survey, the results of preliminary survey based on "Capital" are also shown).
- 3. The "Principal Enterprises" survey was discontinued after the December 2003 survey.

[Business Conditions]



Peaks and Bottoms of Business Conditions (from May 1974)

(Diffusion index of "Favorable" minus "Unfavorable," % points)

Manufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-57 (75/5)		-53 (75/2,5)		-51 (75/5)
-3 (76/8, 11)	-20 (77/11)	-1 (76/8)	-21 (78/2)	-4 (76/8)	-23 (77/11, 78/2)
37 (79/8)	-28 (83/2)	25 (79/8)	-31 (83/2)	19 (79/8)	-32 (83/2)
22 (84/11, 85/2)	-24 (86/11)	8 (85/2)	-25 (87/2)	0 (84/8, 11)	-30 (86/8, 11)
53 (89/5)	-43 (93/11, 94/2)	42 (89/8)	-45 (94/2)	36 (89/5,8)	-48 (94/2)
13 (97/6)	-51 (98/12)	5 (97/3, 6)	-53 (98/12)	-7 (97/6)	-60 (98/12)
10 (00/9, 12)	-38 (01/12, 02/3)	2 (00/12)	-48 (01/12)	-16 (00/12)	-51 (02/3)
26 (04/9)	-58 (09/3)	17 (06/12)	-57 (09/3)	10 (06/12)	-57 (09/3,6)
8 (10/9)	-12 (12/12)	4 (10/9)	-14 (13/3)	-8 (11/12)	-19 (13/3)

	June 2018 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	21	20	14
Forecast	21	16	12

Peaks and Bottoms of Business Conditions (from May 1983)

(Diffusion index of "Favorable" minus "Unfavorable," % points)

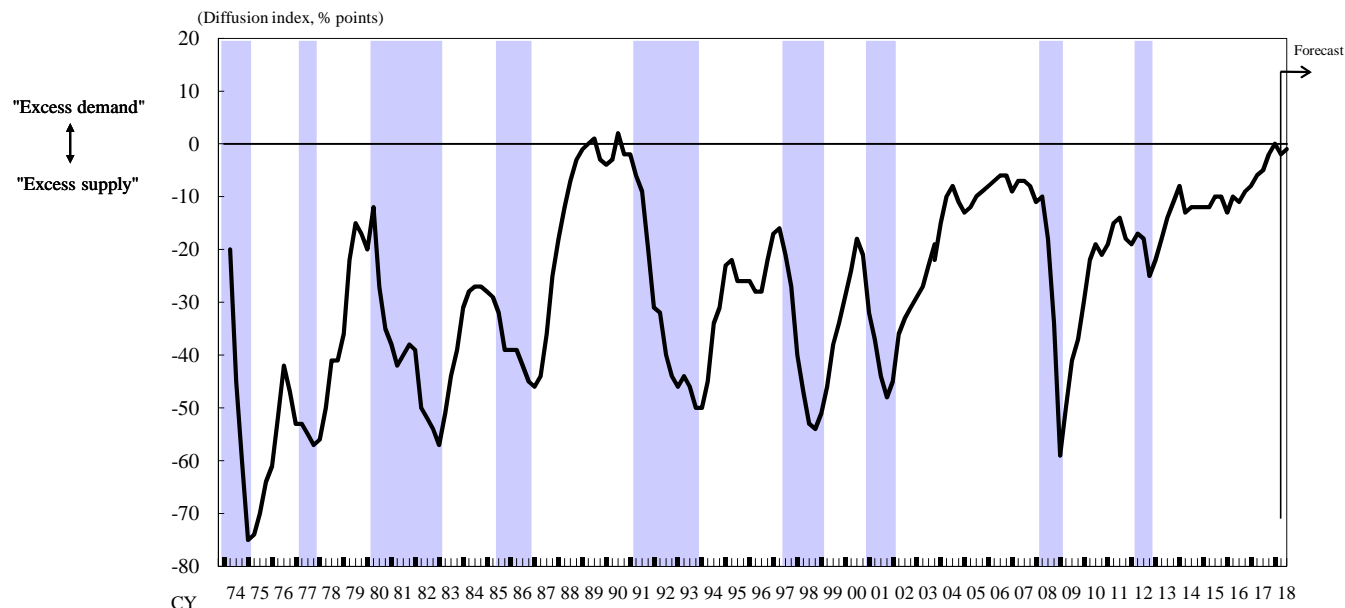
Nonmanufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (83/5)		-15 (83/8)		-14 (83/8, 11)
12 (85/5)	8 (86/2, 8, 11, 87/2)	4 (85/5)	-6 (87/2)	-3 (84/11)	-11 (86/8)
57 (90/8)	-35 (94/2)	43 (90/2)	-38 (94/2)	34 (89/5, 90/8)	-25 (93/11)
1 (96/11)	-41 (98/12)	-4 (96/5)	-47 (98/9)	-6 (96/5, 11)	-44 (98/9)
-9 (00/9)	-22 (01/12, 02/3)	-19 (00/12)	-32 (02/3)	-23 (00/12)	-42 (02/3)
22 (06/12, 07/3, 6)	-31 (09/3)	8 (07/6)	-37 (09/3)	-6 (06/6, 12, 07/3)	-44 (09/6)
8 (12/6, 9)	4 (12/12)	3 (12/6)	-1 (12/12)	-9 (12/6, 9)	-11 (12/12)

	June 2018 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	24	20	8
Forecast	21	16	5



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

## Domestic Supply and Demand Conditions for Products and Services



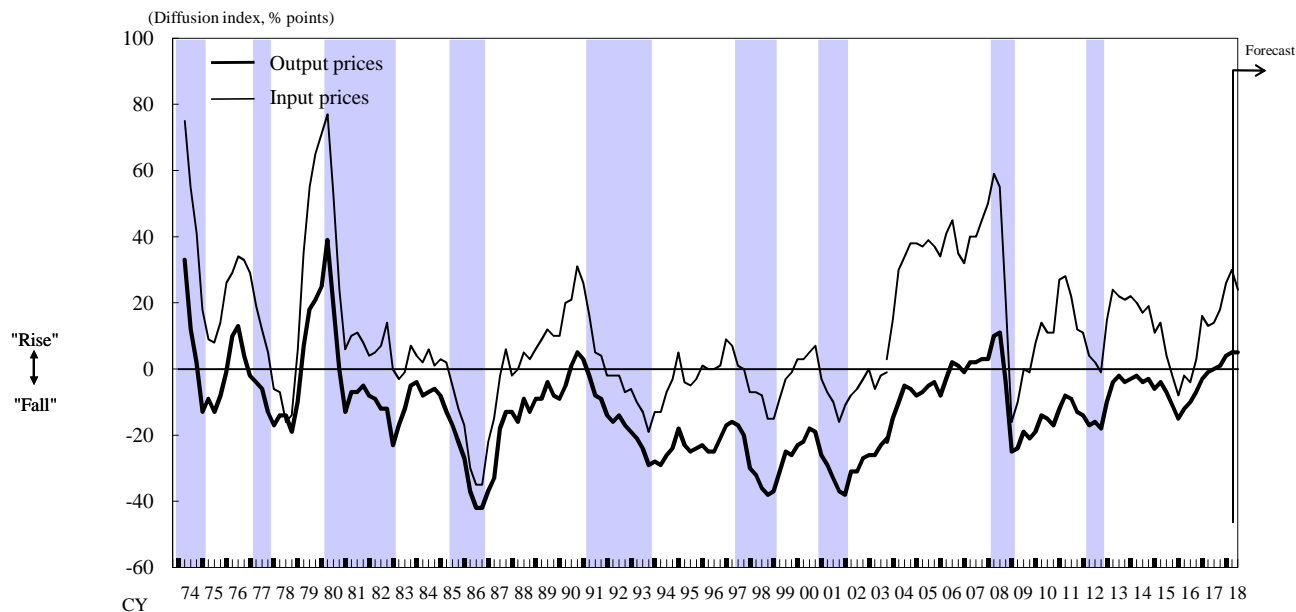
## Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(Diffusion index of "Excess demand" minus "Excess supply," % points )

Large Manufacturing Enterprises	
Peak	Bottom
	-75 (75/2)
-42 (76/8)	-57 (77/11)
-12 (80/5)	-57 (83/2)
-27 (84/8, 11)	-46 (87/2)
2 (90/8)	-50 (93/11, 94/2)
-16 (97/6)	-54 (98/12)
-18 (00/9)	-48 (01/12)
-6 (06/9, 12)	-59 (09/3)
-14 (11/9)	-25 (12/12)

June 2018 Survey	
Actual result	-2
Forecast	-1

## Prices



## Peaks and Bottoms of Prices (from May 1974)

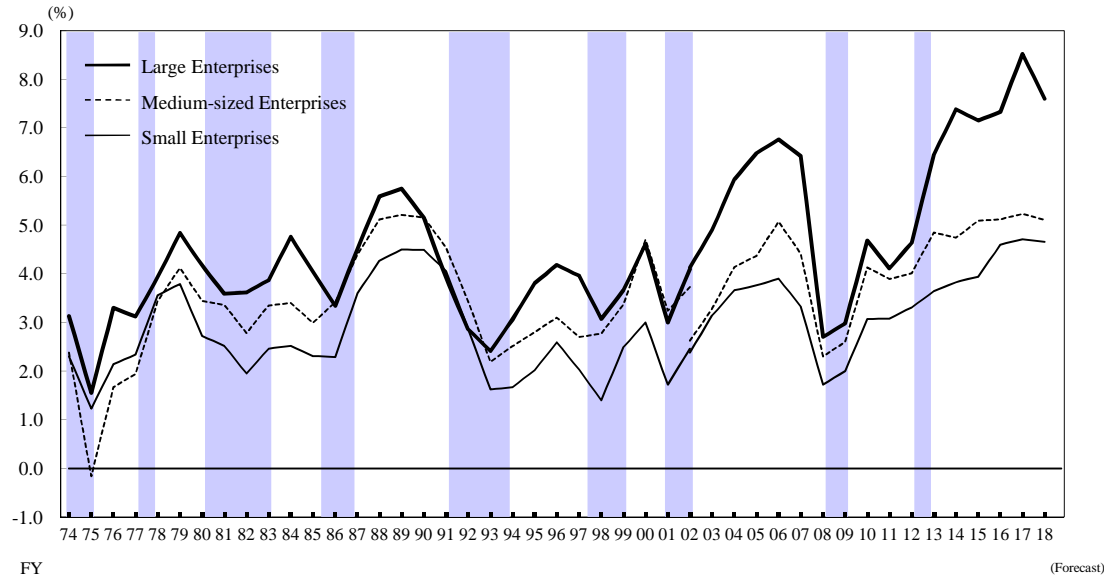
(Diffusion index of "Rise" minus "Fall," % points)

Large Manufacturing Enterprises			
Output Prices		Input Prices	
Peak	Bottom	Peak	Bottom
	-13 (75/2, 8)		8 (75/8)
13 (76/8)	-19 (78/11)	34 (76/8)	-16 (78/8)
39 (80/5)	-23 (83/2)	77 (80/5)	4 (82/2)
-4 (84/2)	-42 (86/8, 11)	14 (82/11)	-35 (86/8, 11)
5 (90/11)	-29 (93/11, 94/5)	31 (90/11)	-19 (93/11)
-16 (97/6)	-38 (98/12)	9 (97/3)	-15 (98/12, 99/3)
-18 (00/9)	-38 (02/3)	7 (00/12)	-16 (01/12)
11 (08/9)	-25 (09/3)	59 (08/6)	-16 (09/3)
-8 (11/6)	-18 (12/12)	28 (11/6)	-1 (12/12)

June 2018 Survey		
	Output Prices	Input Prices
Actual result	5	30
Forecast	5	24

[Ratio of Current Profit to Sales]

Manufacturing

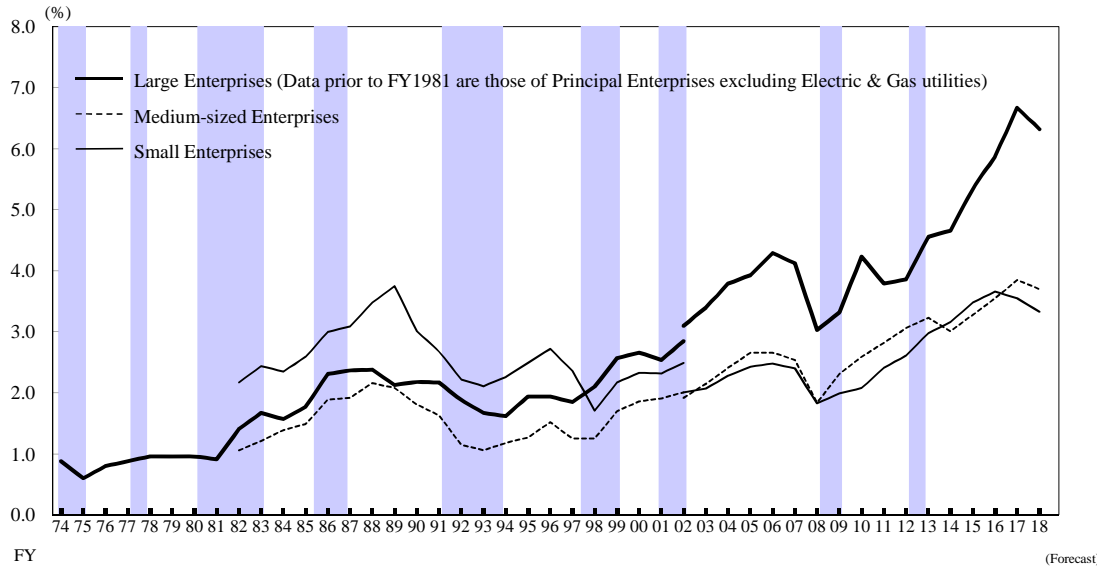


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974)

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 (FY01)	3.00 (FY01)	4.70 (FY00)	3.24 (FY01)	3.00 (FY00)	1.72 (FY01)
6.76 (FY06)	2.70 (FY08)	5.07 (FY06)	2.30 (FY08)	3.90 (FY06)	1.72 (FY08)

	June 2018 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2017	8.52	5.23	4.71
FY2018 (Forecast)	7.60	5.11	4.66

Nonmanufacturing



Peaks and Bottoms of Ratio of Current Profit to Sales (from 1982)

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)
4.29 (FY06)	3.03 (FY08)	2.66 (FY05,06)	1.84 (FY08)	2.48 (FY06)	1.83 (FY08)

	June 2018 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2017	6.67	3.85	3.55
FY2018 (Forecast)	6.32	3.70	3.33

[Developments of Fixed Investment including Land Purchasing Expenses]

Notes: 1. The graphs indicate the revision pattern of fixed investment. The horizontal axis represents the point of time when the survey is conducted for each fiscal year. Namely, the first survey for each year (March survey) is on the left, and the last survey (June survey of the following year; actual result) is on the right. The vertical axis represents the year-to-year percent change.  
 2. There is a discontinuity in the data in December 2017 due to the regular revision of the sample enterprises.  
 3. Excludes software and R&D investment.

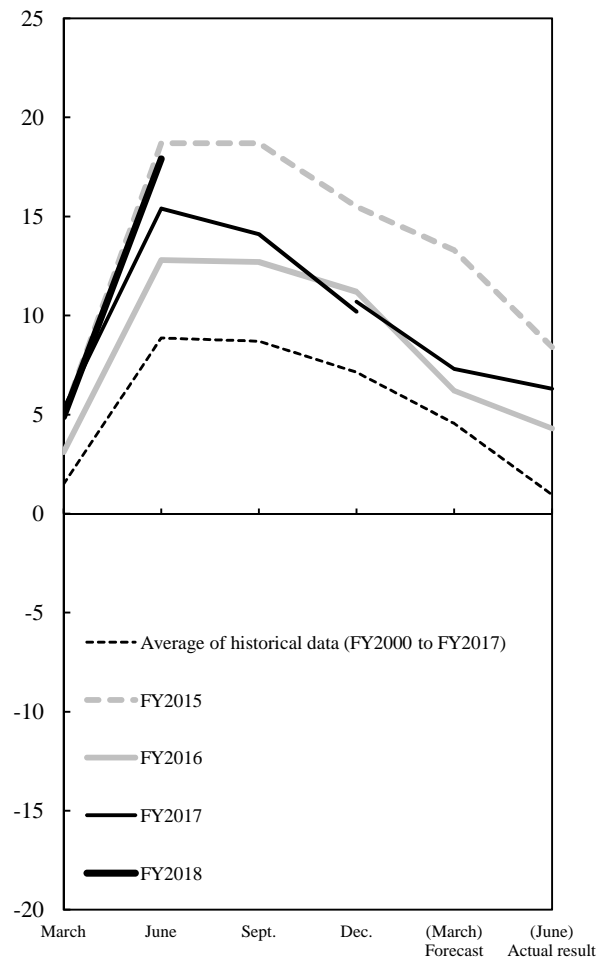
(1) Large Enterprises

Manufacturing

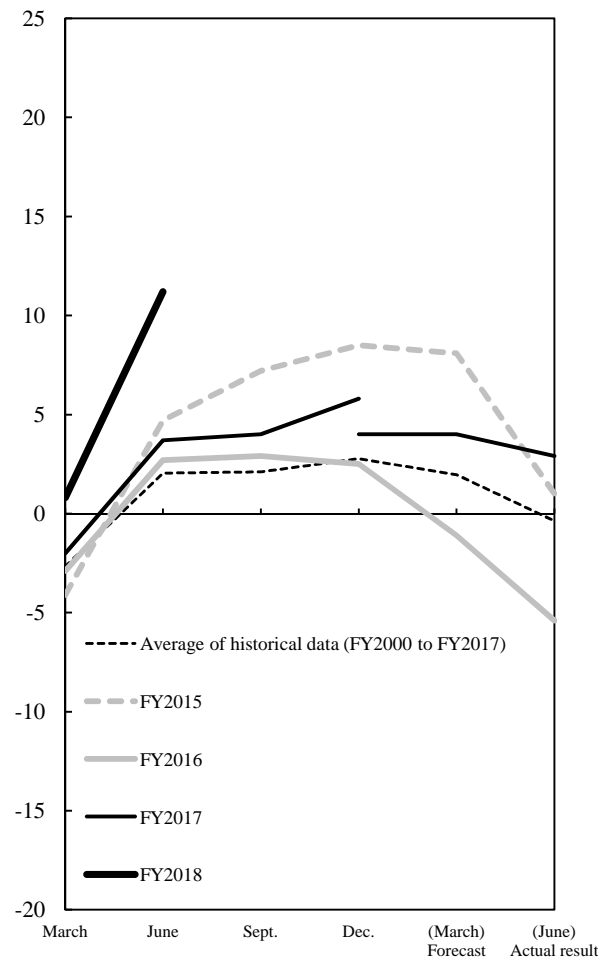
Nonmanufacturing

All industries

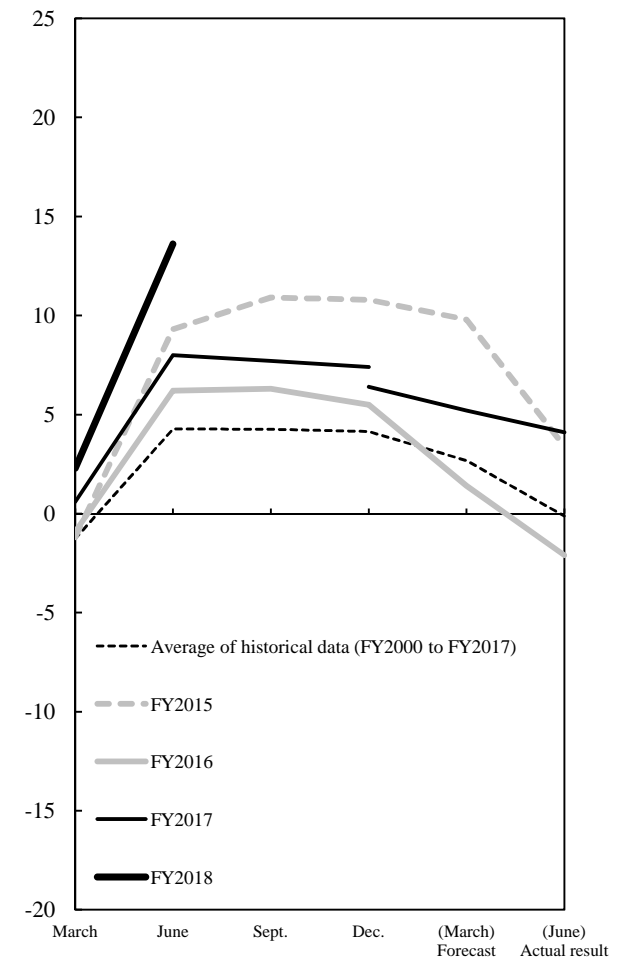
(Year-to-year % change)



(Year-to-year % change)



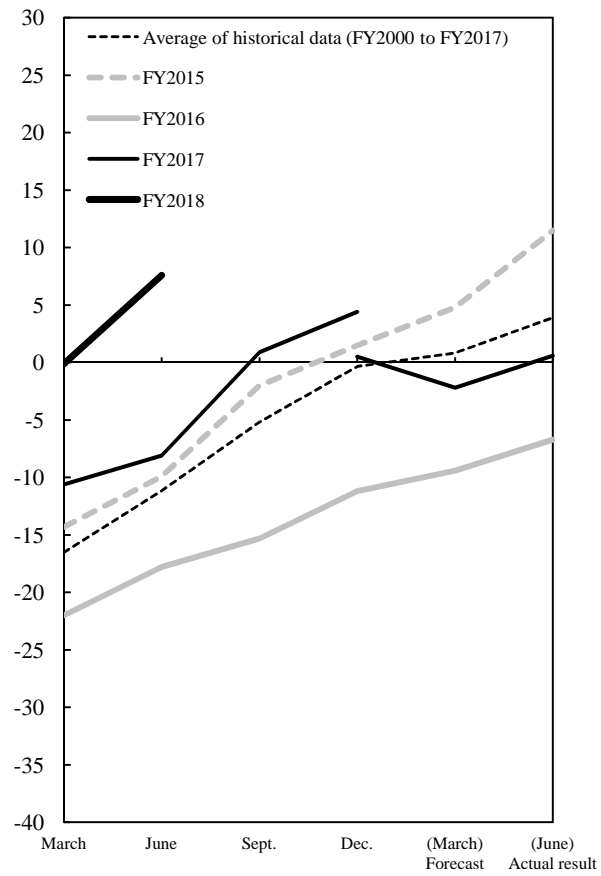
(Year-to-year % change)



(2) Small Enterprises

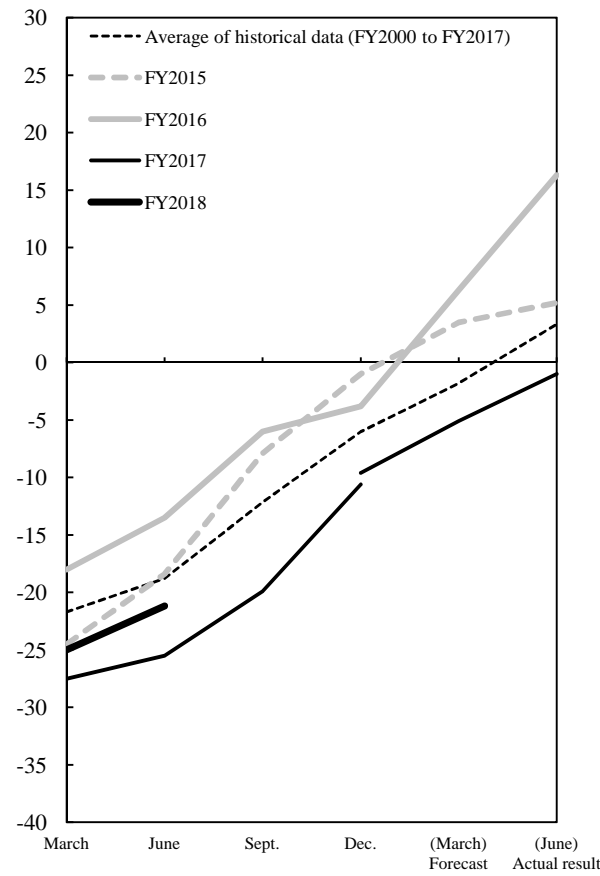
Manufacturing

(Year-to-year % change)



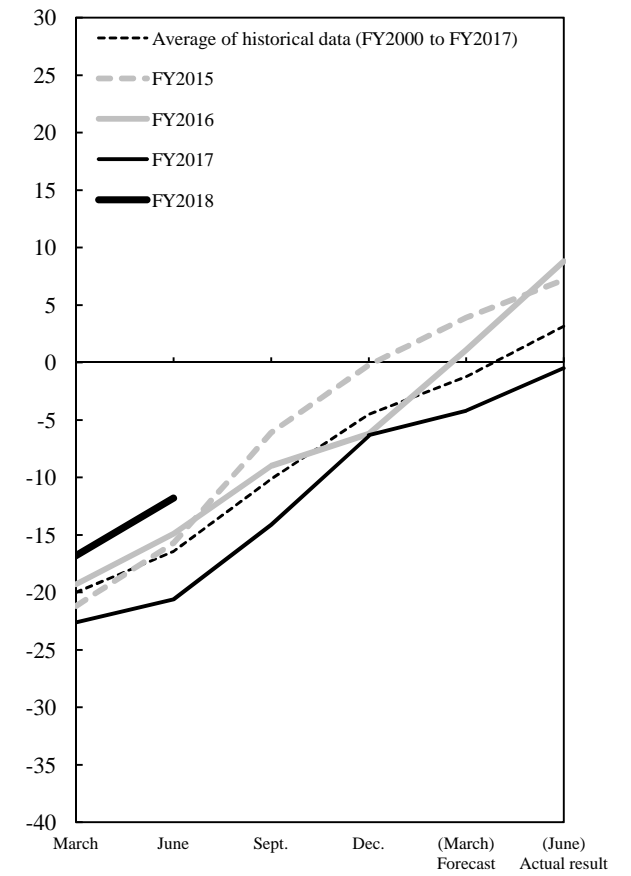
Nonmanufacturing

(Year-to-year % change)

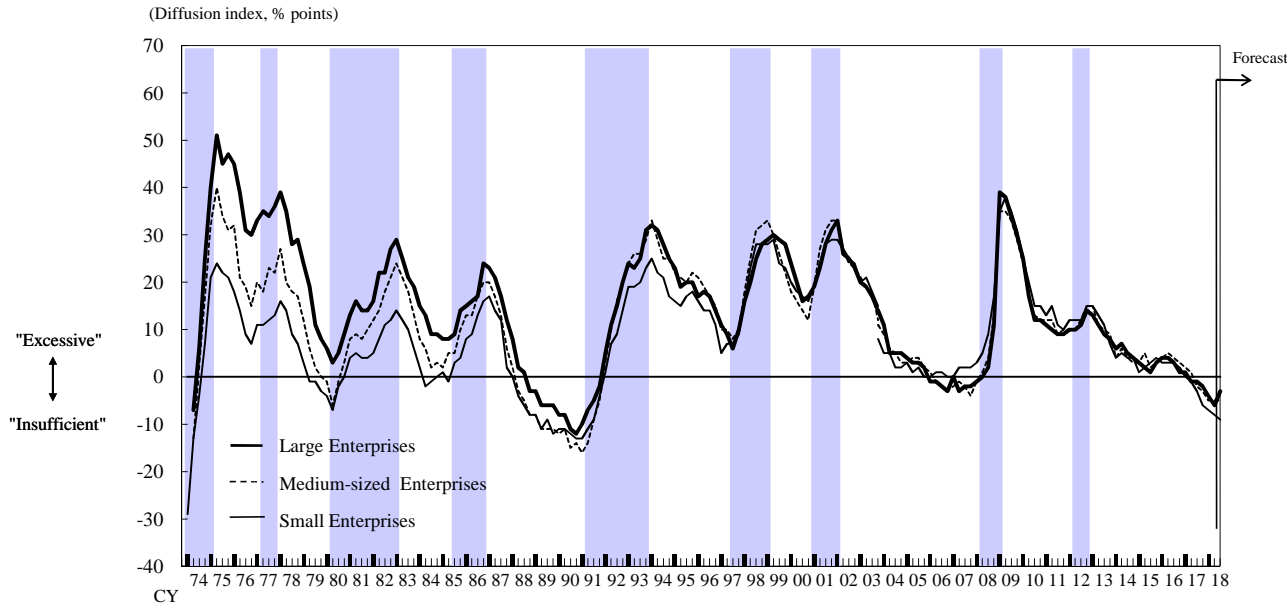


All industries

(Year-to-year % change)



[Production Capacity (Manufacturing)]

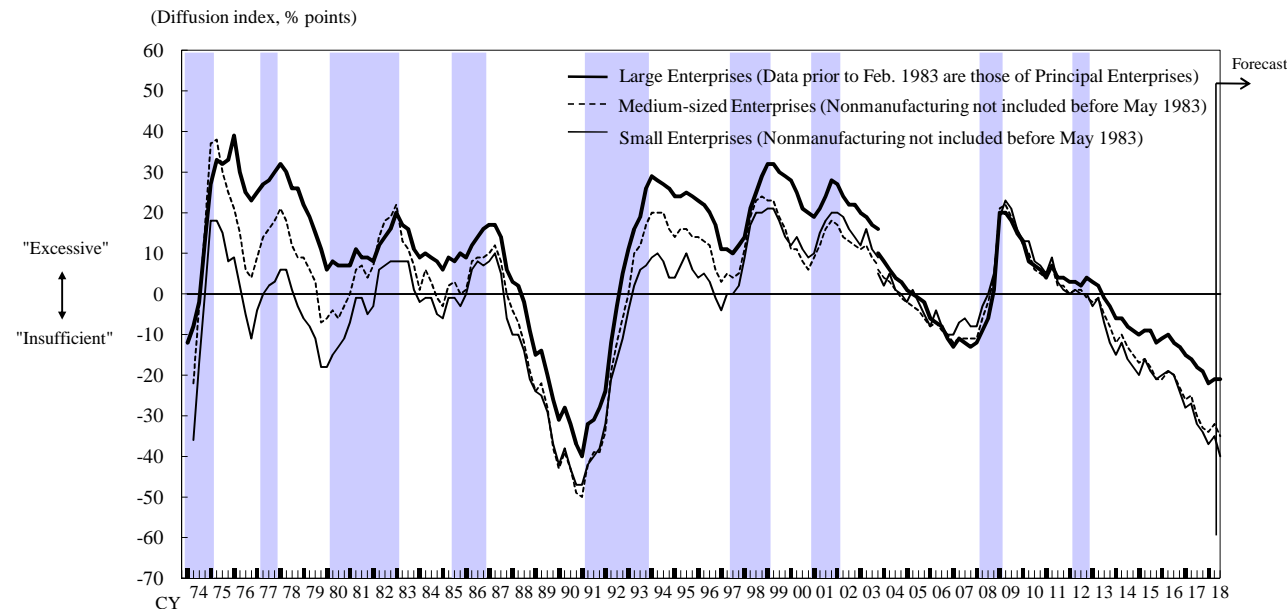


Peaks and Bottoms of Production Capacity (from May 1977)  
(Diffusion index of "Excessive capacity" minus "Insufficient capacity," % points)

Manufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
39 (78/2)	3 (80/5)	27 (78/2)	-6 (80/5)	16 (78/2)	-7 (80/5)
29 (83/2)	8 (85/2,5)	24 (83/2)	2 (84/8,85/2)	14 (83/2)	-2 (84/5)
24 (86/11)	-12 (90/11)	20 (86/11,87/2)	-16 (91/2)	17 (87/2)	-13 (90/11,91/2)
32 (94/2)	6 (97/9)	33 (94/2)	8 (97/9)	25 (94/2)	5 (97/3)
30 (99/6)	16 (00/9)	33 (99/3)	12 (00/12)	29 (99/6)	16 (00/12)
33 (02/3)	-3 (07/6)	33 (01/12,02/3)	-4 (07/12)	29 (01/12,02/3)	0 (06/12,07/3)
39 (09/3)	9 (11/9,12)	35 (09/3,6)	9 (11/9)	38 (09/6)	10 (11/12)
14 (12/12)		15 (12/12,13/3)		15 (12/12,13/3)	

	June 2018 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-6	-5	-8
Forecast	-3	-5	-9

[Employment Conditions (All industries)]

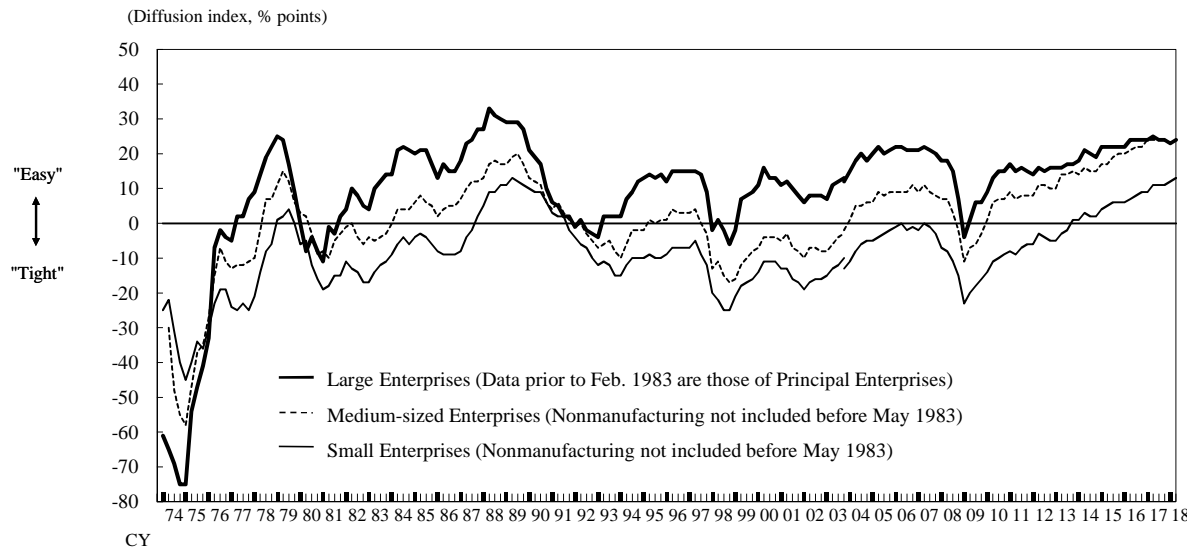


Peaks and Bottoms of Employment Conditions (from May 1986)  
(Diffusion index of "Excessive employment" minus "Insufficient employment," % points)

All industries					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
17 (87/2,5)	-40 (91/2)	12 (87/5)	-50 (91/2)	10 (87/5)	-47 (90/11,91/2)
29 (94/2)	10 (97/9)	20 (94/2,5,8)	3 (97/3)	10 (94/5,95/8)	-4 (97/3)
32 (99/3,6)	19 (01/3)	24 (98/12)	6 (00/12)	21 (99/3,6)	9 (00/12)
28 (01/12)	-13 (07/3,12)	18 (01/12)	-12 (07/3)	20 (01/12,02/3)	-10 (06/12,07/3)
20 (09/3,6)	3 (12/3,6)	22 (09/06)	0 (12/3)	23 (09/6)	0 (12/3)
4 (12/12)		1 (12/6,9)		1 (12/6)	

	June 2018 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-21	-32	-35
Forecast	-21	-35	-40

### Financial Position



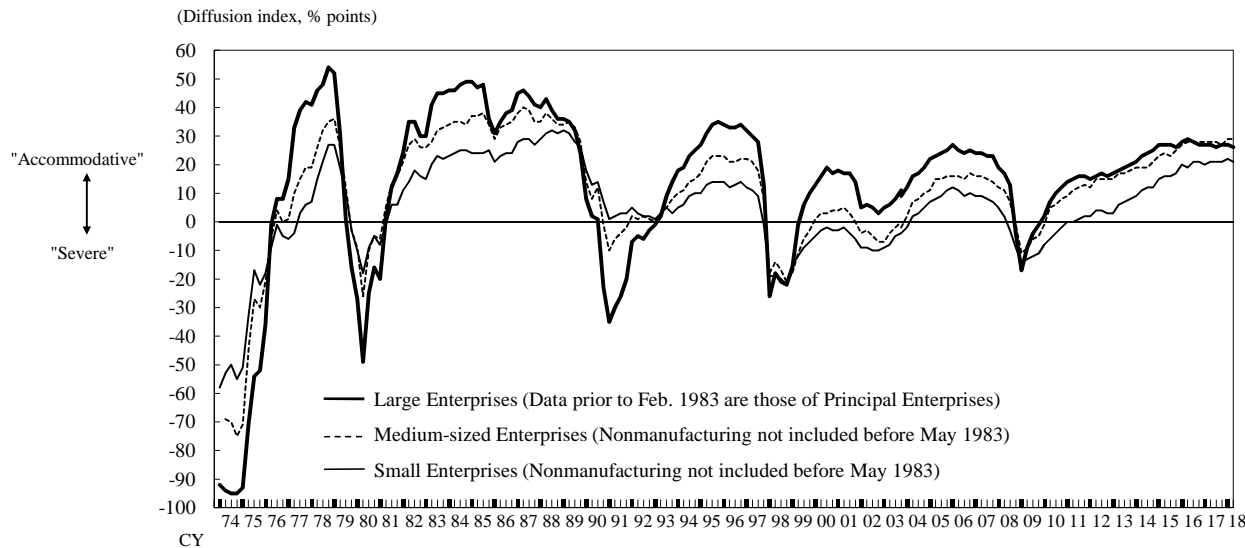
Peaks and Bottoms of Financial Position (from May 1983)

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

All industries					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
33 (88/5)	-6 (98/12)	24 (17/3,6,9,12)	-17 (98/12)	13 (89/5)	-25 (98/9,12)

	June 2018 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	24	24	13

### Lending Attitude of Financial institutions



Peaks and Bottoms of Lending Attitude of Financial institutions (from May 1983)

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

All industries					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
49 (84/11,85/2)	-35 (91/2)	40 (87/5)	-21 (98/12)	32 (88/8,89/2)	-22 (98/12)

	June 2018 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	26	29	21