

TANKAN Summary (March 1999)

100th Short-Term Economic Survey of All Enterprises in Japan
167th Short-Term Economic Survey of Principal Enterprises in Japan

Sample Pattern

April 1999
Research and Statistics Department
Bank of Japan

Number of sample enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises				
Large enterprises				
Medium-sized enterprises				
Small enterprises				
Principal Enterprises				
(Memo) Financial institutions				

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

	FY1998		FY1999	
	1H	2H	1H	2H
Dec 1998 survey				
Mar 1999 survey				

(yen per US dollar)

*All figures are based on a revision of sample enterprises of All Enterprises Tankan in March 1999.
Changes in revision of actual result are calculated as differences between actual results of last survey and actual results of current survey.
Changes of forecast are calculated as differences between the forecast and actual results of current survey.

(Net percentage of respondents who reported "Favorable")

1. Business Conditions

	Large enterprises						Medium-sized enterprises						Small enterprises					
	Dec 1998 survey		Mar 1999 survey				Dec 1998 survey		Mar 1999 survey				Dec 1998 survey		Mar 1999 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																		
Textiles																		
Lumber & wood products																		
Pulp & paper																		
Chemicals																		
Petroleum & coal products																		
Ceramics, stone & clay																		
Iron & steel																		
Nonferrous metals																		
Food & beverages																		
Processed metals																		
Industrial machinery																		
Electrical machinery																		
Shipbuilding & heavy machinery																		
Motor vehicles																		
Precision machinery																		
Basic materials																		
Processing																		
Nonmanufacturing																		
Construction																		
Real estate																		
Wholesaling																		
Retailing																		
Transportation																		
Communications																		
Electric & gas utilities																		
Services																		
Leasing																		
All industries																		

All respondents of All Enterprises						
------------------------------------	--	--	--	--	--	--

(Notes) FY = fiscal year (April - March of the following year)
1H = first half (April - September)
2H = second half (October - March of the following year)

1. Business Conditions (Continued)

(Net percentage of respondents who reported "Favorable")

	Principal Enterprises					
	Dec 1998 survey		Mar 1999 survey			
	Actual result	Forecast	Actual result	Forecast		Changes
				Changes in revision	Changes	
Manufacturing						
Textiles						
Pulp & paper						
Chemicals						
Petroleum refining						
Ceramics, stone & clay						
Iron & steel						
Nonferrous metals						
Food & beverages						
Processed metals						
Industrial machinery						
Electrical machinery						
Shipbuilding & heavy machinery						
Motor vehicles						
Precision machinery						
Basic materials						
Processing						
Nonmanufacturing						
Construction						
Real estate						
Wholesaling						
Retailing						
Transportation						
Communications						
Electric & gas utilities						
Services						
Leasing						
All industries						

2. Supply and Demand Conditions for Products, Inventories, and Prices

(% points)

		Large enterprises					
		Dec 1998 survey		Mar 1999 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision	Changes	
Supply and demand conditions for products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing Basic materials Processing						
Supply and demand conditions for products overseas: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing Basic materials Processing						
Inventory level of finished goods and merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing Basic materials Processing						
Wholesalers' inventory level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing Basic materials Processing						
Change in output prices: Diffusion index of "Rise" minus "Fall"	Manufacturing Basic materials Processing						
Change in input prices: Diffusion index of "Rise" minus "Fall"	Manufacturing Basic materials Processing						

(% points)

		Small enterprises					
		Dec 1998 survey		Mar 1999 survey			
		Actual result	Forecast	Actual result	Forecast		Changes
					Changes in revision	Changes	
Supply and demand conditions for products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing Basic materials Processing						
Supply and demand conditions for products overseas: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing Basic materials Processing						
Inventory level of finished goods and merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing Basic materials Processing						
Wholesalers' inventory level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing Basic materials Processing						
Change in output prices: Diffusion index of "Rise" minus "Fall"	Manufacturing Basic materials Processing						
Change in input prices: Diffusion index of "Rise" minus "Fall"	Manufacturing Basic materials Processing						

3. Sales and Current Profits

Sales

		FY1998		FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing				
	Domestic Sales Exports Nonmanufacturing				
Medium-sized enterprises	Manufacturing				
	Nonmanufacturing				
Small enterprises	Manufacturing				
	Nonmanufacturing				
All Enterprises	All industries				
Principal Enterprises	Manufacturing				
	Nonmanufacturing				

(Year-to-year growth rate, %)

		1H FY1998		2H FY1998		1H FY1999		2H FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio

Current Profits

		FY1998		FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing				
	Basic materials Processing Nonmanufacturing				
Medium-sized enterprises	Manufacturing				
	Nonmanufacturing				
Small enterprises	Manufacturing				
	Nonmanufacturing				
All Enterprises	All industries				
Principal Enterprises	Manufacturing excluding petroleum refining				
	Nonmanufacturing excluding electric & gas utilities				

(Year-to-year growth rate, %)

		1H FY1998		2H FY1998		1H FY1999		2H FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio

Ratio of Current Profit to Sales

		FY1998		FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing				
	Nonmanufacturing				
Medium-sized enterprises	Manufacturing				
	Nonmanufacturing				
Small enterprises	Manufacturing				
	Nonmanufacturing				
All Enterprises	All industries				
Principal Enterprises	Manufacturing excluding petroleum refining				
	Nonmanufacturing excluding electric & gas utilities				

(%, % points)

		1H FY1998		2H FY1998		1H FY1999		2H FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio

(Notes) Adjustment ratios are calculated as the percentage change of the figures between present and previous surveys.

4. Fixed Investments

Fixed Investments		(Year-to-year growth rate, %)			
		FY1998		FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Manufacturing				
	Nonmanufacturing				
	All industries				
Medium-sized enterprises	Manufacturing				
	Nonmanufacturing				
	All industries				
Small enterprises	Manufacturing				
	Nonmanufacturing				
	All industries				
All Enterprises	Manufacturing				
	Nonmanufacturing				
	All industries				
Principal Enterprises	Manufacturing				
	Nonmanufacturing				
	All industries				

Production Capacity (Manufacturing)		(Net percentage of respondents who reported "Excessive capacity")				
		Dec 1998 survey		Mar 1999 survey		
		Actual result	Forecast	Actual result	Changes in revision	Forecast
Large enterprises						
Medium-sized enterprises						
Small enterprises						
All respondents of All Enterprises						
Principal Enterprises						

5. Overseas Activities (special survey for June and December)

Overseas Production (Manufacturing)		(Year-to-year growth rate, %)			
		FY1998		FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Overseas production				
	Share of overseas production				
Principal Enterprises	Overseas production				
	Share of overseas production				

Overseas Investments (Manufacturing)		(Year-to-year growth rate, %)			
		FY1998		FY1999	
		(Forecast)	Adjustment ratio	(Forecast)	Adjustment ratio
Large enterprises	Overseas investments				
	Share of overseas investments				
Principal Enterprises	Overseas investments				
	Share of overseas investments				

6. Employment

Employment Conditions		(Net percentage of respondents who reported "Excessive employment")					
		Dec 1998 survey		Mar 1999 survey			
		Actual result	Forecast	Actual result	Changes in revision	Forecast	Changes
Large enterprises	Manufacturing						
	Nonmanufacturing						
	All industries						
Medium-sized enterprises	Manufacturing						
	Nonmanufacturing						
	All industries						
Small enterprises	Manufacturing						
	Nonmanufacturing						
	All industries						
All respondents of All Enterprises	Manufacturing						
	Nonmanufacturing						
	All industries						
Principal Enterprises	Manufacturing						
	Nonmanufacturing						
	All industries						

Number of Employees (All industries)		(Year-to-year growth rate, %)			
		Mar 1998	Jun 1998	Sep 1998	Dec 1998
		Large enterprises			
Medium-sized enterprises					
Small enterprises					
All Enterprises					
Principal Enterprises					

Hiring New Graduates *(All industries)(special survey for December)		(Year-to-year growth rate, %)			
		FY1997	FY1998	FY1999	FY2000
		Large enterprises			
Medium-sized enterprises					
Small enterprises					
All Enterprises					
Principal Enterprises					

*Percentage change of scheduled figures against the actual figures of the previous year.

(Notes) 1. In principle, overseas production and investments of affiliates are aggregated.

2. Partly includes yen conversion estimates in the case of foreign currency dominated transaction.

3. Percentages share of overseas production = Value of overseas production / (Value of sales + Value of overseas production) * 100

Percentages share of overseas investments = Value of overseas investments / (Value of domestic investments + Value of overseas investments) * 100

7. Corporate Finance

Financial Position (All industries) (Diffusion index of "Easy" minus "Tight", % points)

	Dec 1998 survey		Mar 1999 survey		
	Actual result	Forecast	Actual result	Forecast	
			Changes in revision	Changes	
Large enterprises					
Medium-sized enterprises					
Small enterprises					
All respondents of All Enterprises					
Principal Enterprises					

Lending Attitude of Financial Institutions(All industries)

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

	Dec 1998 survey		Mar 1999 survey		
	Actual result	Forecast	Actual result	Forecast	
			Changes in revision	Changes	
Large enterprises					
Medium-sized enterprises					
Small enterprises					
All respondents of All Enterprises					
Principal Enterprises					

Change in Interest Rate on Loan (All industries)

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

	Dec 1998 survey		Mar 1999 survey		
	Actual result	Forecast	Actual result	Forecast	
			Changes in revision	Changes	
Large enterprises					
Medium-sized enterprises					
Small enterprises					
All respondents of All Enterprises					
Principal Enterprises					

Liquidity Ratio (All industries)

(months)

	Mar 1998	June 1998	Sept 1998	Dec 1998
Large enterprises				
Medium-sized enterprises				
Small enterprises				
All Enterprises				
Principal Enterprises (Seasonally adjusted)				

Liquidity Ratio

$$= \frac{\text{Quarter-end balance of cash, deposits, and short-term investment in securities}}{\text{Monthly average sales during the fiscal year which covers the related quarter}}$$

Appendix: Fixed Investments of Financial Institutions

Fixed Investments

(Year-to year growth rate, %)

	FY1998	Adjustment ratio	FY1999	Adjustment ratio
	(Forecast)		(Forecast)	
Financial institutions				
Banks				
Securities companies				
Insurance companies				

Investments for Computerizing (special survey for June and December)

(Year-to year growth rate, %)

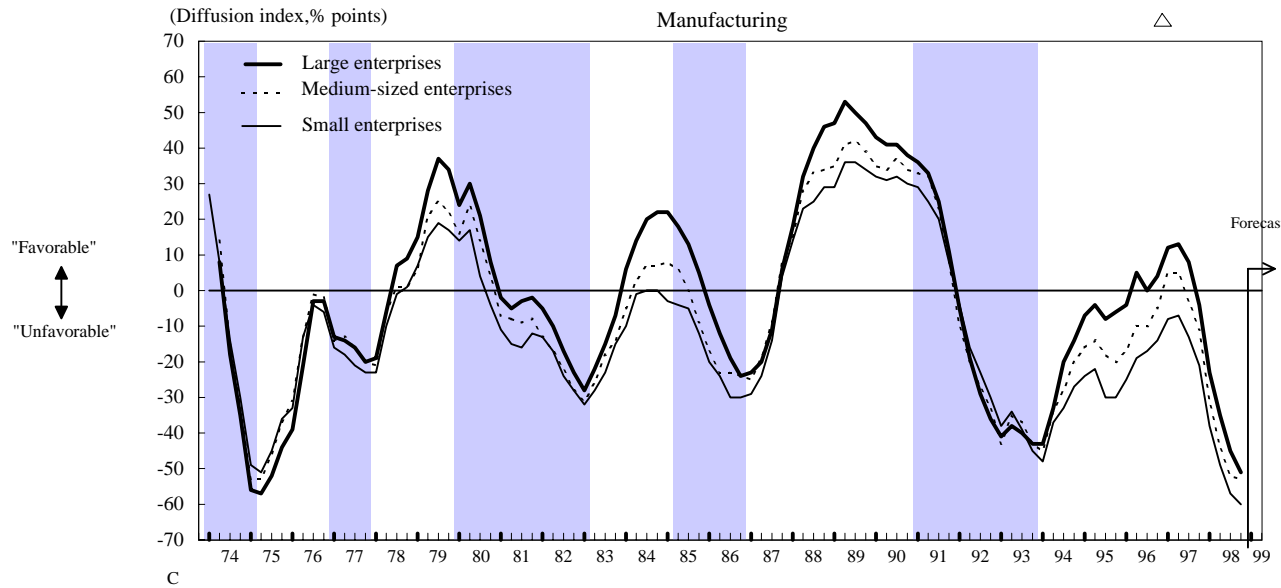
	FY1998	Adjustment ratio	FY1999	Adjustment ratio
	(Forecast)		(Forecast)	
Financial institutions				
Banks				
Securities companies				
Insurance companies				

Reference Charts

[Business Conditions]

Note: Shaded areas indicate periods of recession (according to the Economic Planning Agency), unless otherwise noted.

△ on right top of charts shows the recent peak. Since March 1999 figures are based on a revision of All Enterprises Tankan ; until December 1998 figures are calculated on the pre-revision basis.

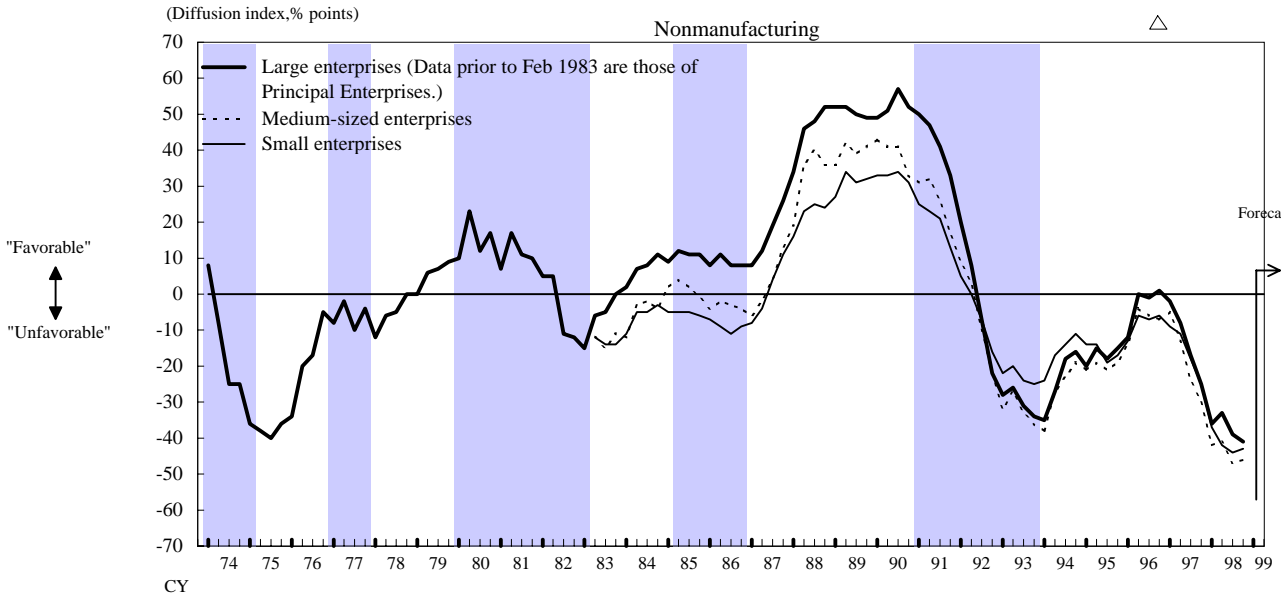


Peaks and Bottoms of Business Conditions

(Net percentage of respondents who reported "Favorable")

Manufacturing					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-57 (2/75)		-53 (2,5/75)		-51 (2/75)
-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)

	March 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result			
Forecast			



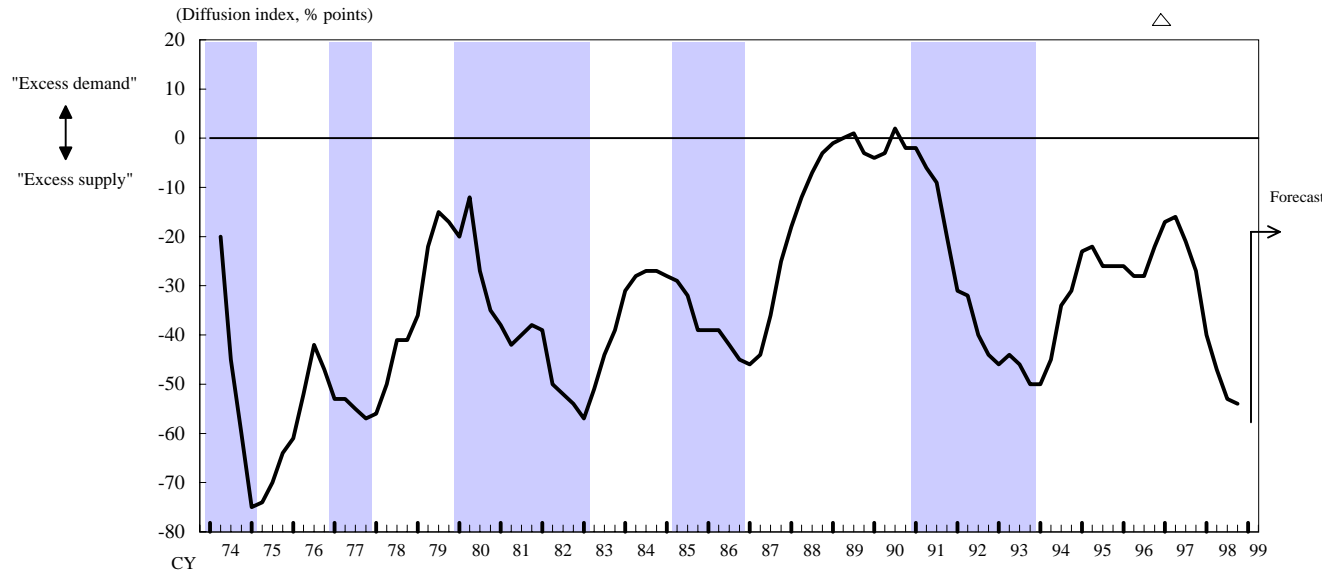
(Net percentage of respondents who reported "Favorable")

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)

	March 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result			
Forecast			

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

Supply and Demand Conditions for Products



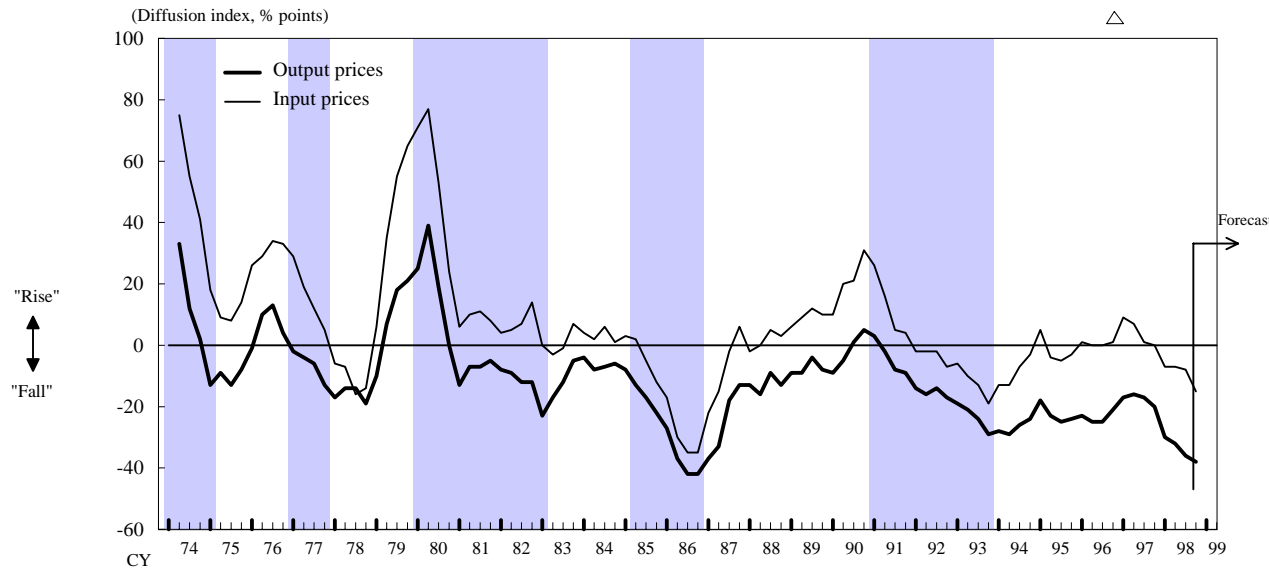
Peaks and Bottoms of Supply and Demand Conditions for Products

(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)

March 1999 survey	
Actual result	
Forecast	

Prices



Peaks and Bottoms of Prices

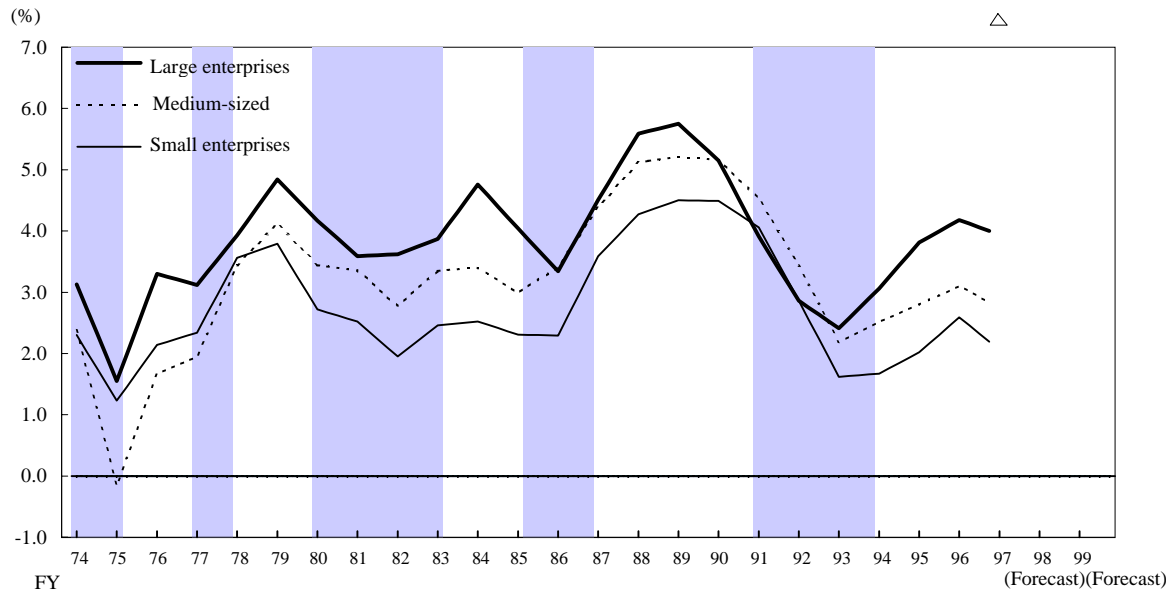
(Diffusion index of "Rise" minus "Fall", % points)

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)

March 1999 survey		
	Output prices	Input prices
Actual result		
Forecast		

[Ratio of Current Profit to Sales]

Manufacturing

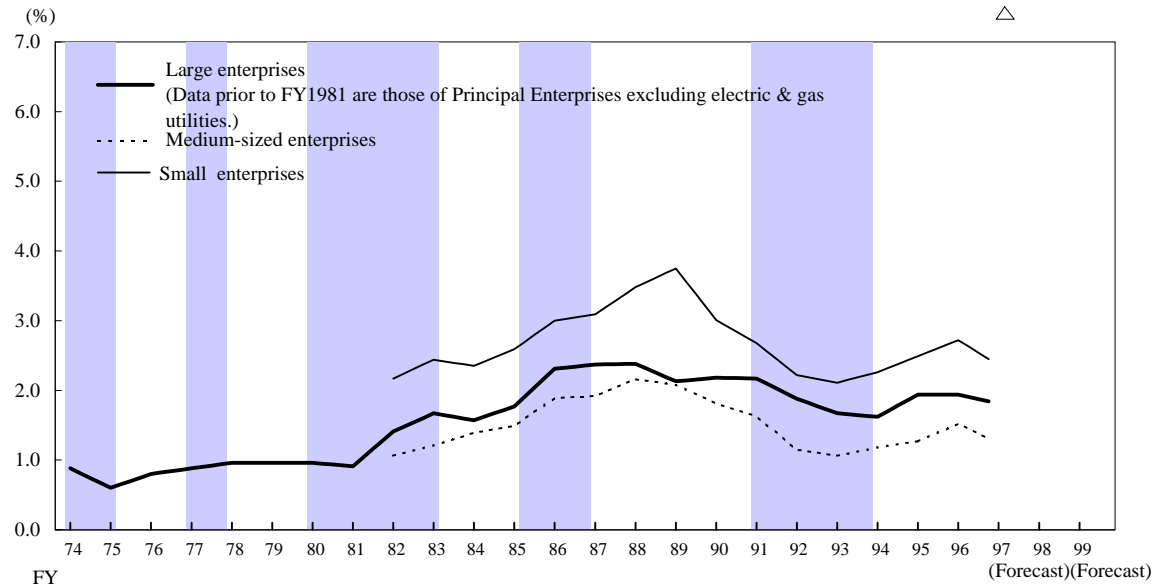


Peaks and Bottoms of Ratio of Current Profit to Sales (%)

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)

	March 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 1998 (Forecast)			
FY 1999 (Forecast)			

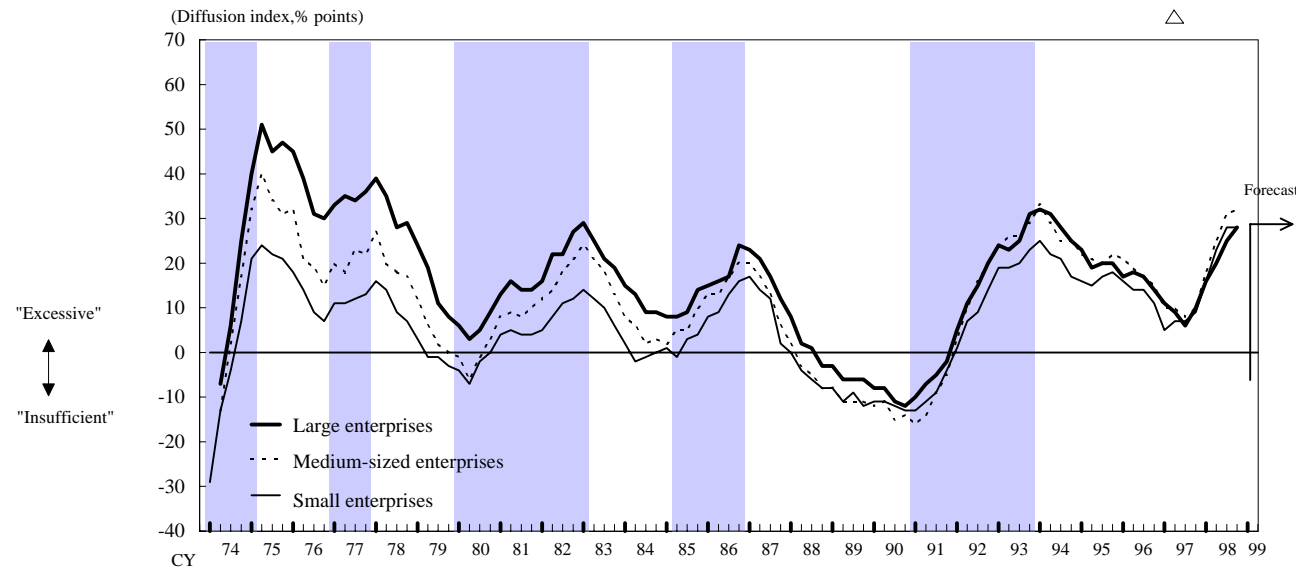
Nonmanufacturing



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)	2.16 (FY88)	1.06 (FY93)	2.44 (FY83)	2.35 (FY84)
2.38 (FY88)	1.62 (FY94)			3.75 (FY89)	2.11 (FY93)

	March 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
FY 1998 (Forecast)			
FY 1999 (Forecast)			

[Production Capacity (Manufacturing)]



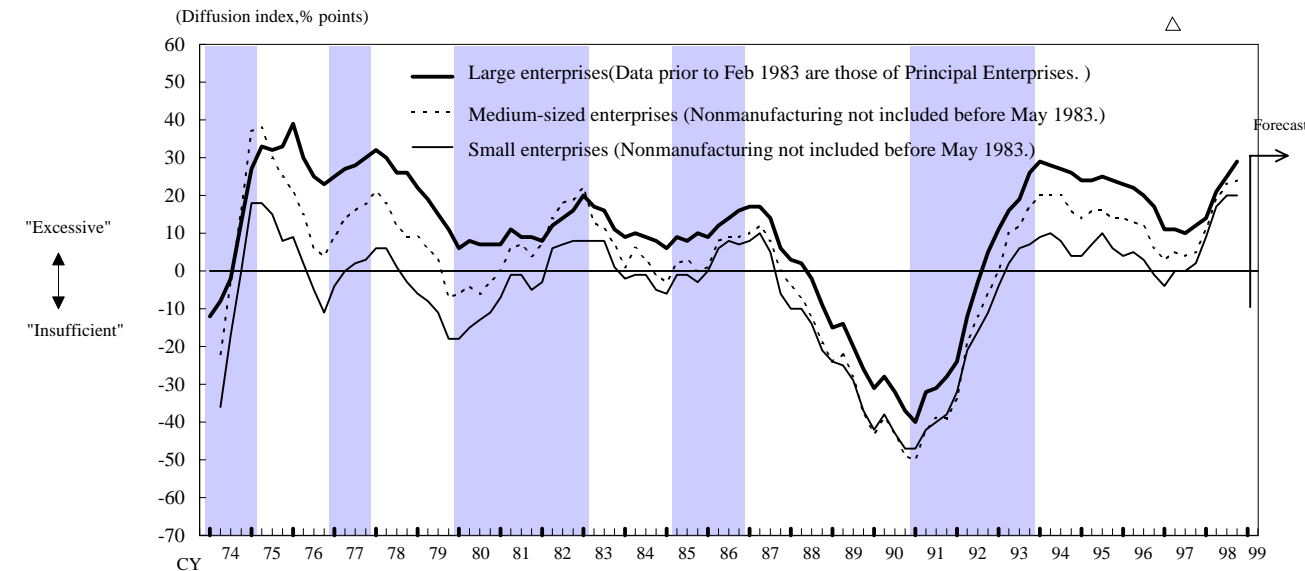
Peaks and Bottoms of Production Capacity

(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)		33 (2/94)		25 (2/94)	

	March 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result			
Forecast			

[Employment Conditions (All industries)]



Peaks and Bottoms of Employment Conditions

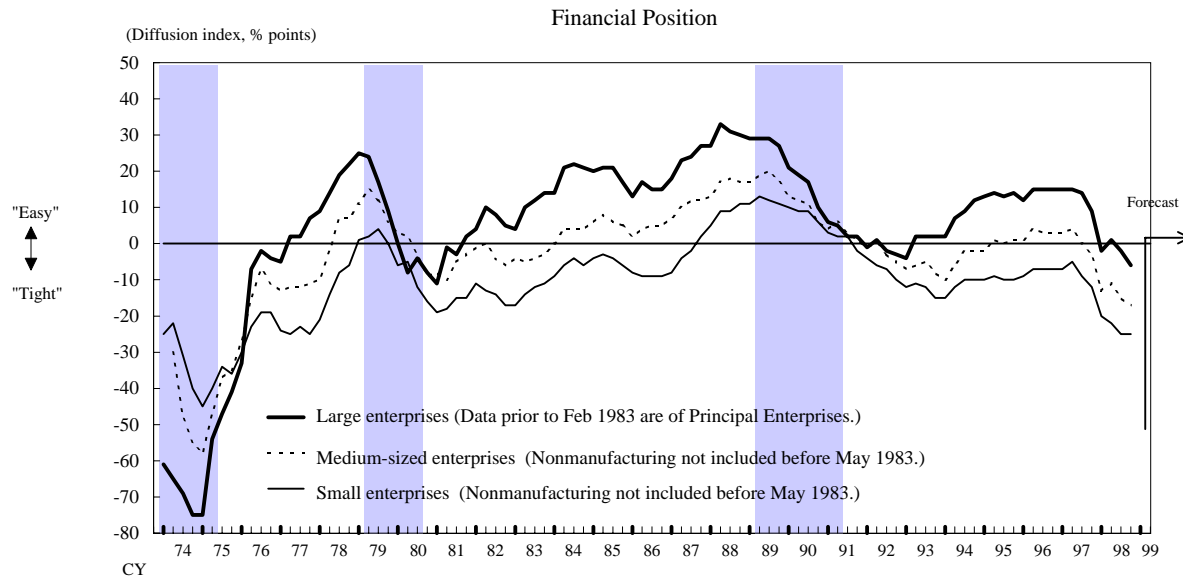
(Net percentage of respondents who reported "Excessive employment")

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)		20 (2,5,8/94)		10 (5/94,8/95)	

	March 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result			
Forecast			

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

[Corporate Finance (All Industries)]

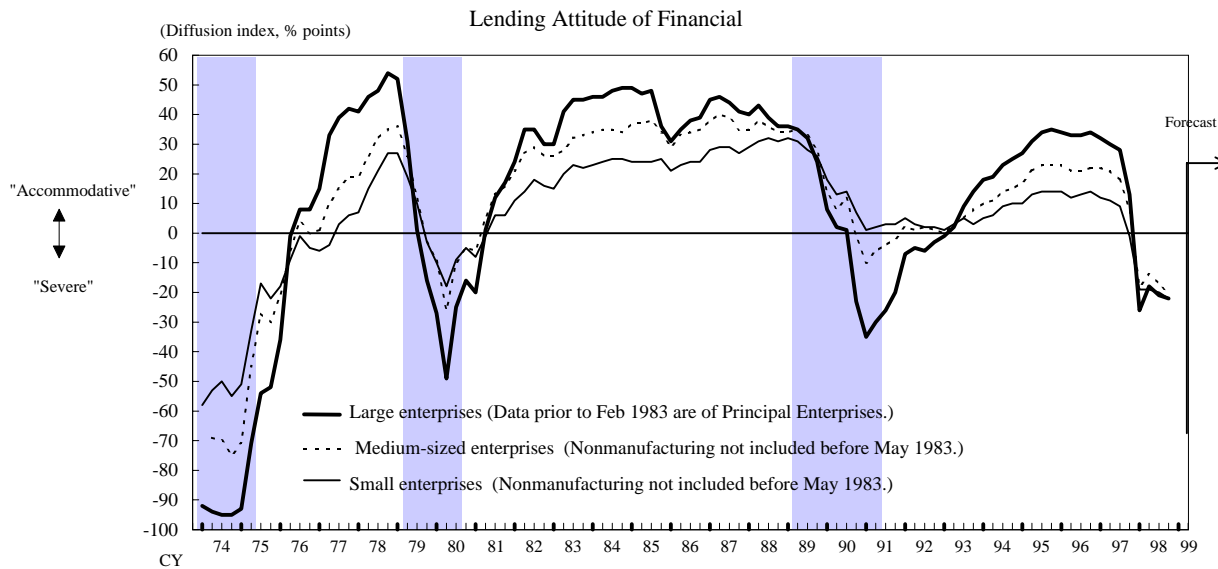


Peaks and Bottoms of Financial Position

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

All industries					
Large enterprises		Medium-sized enterprises		Small enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
22 (8/84)	13 (2/86)	8 (5/85)	2 (2/86)	-3 (5/85)	-9 (5,8,11/86)
33 (5/88)	-4 (2/93)	20 (8/89)	-10 (2/94)	13 (5/89)	-15 (11/93,2/95)

	March 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result			
Forecast			



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)	31 (2/86)	38 (8/85)	29 (2/86)	25 (8,11/84,11/85)	21 (2/86)
46 (5/87)	-35 (2/91)	40 (5/87)	-10 (2/91)	32 (8/88,2/89)	1 (2/91,2/93)

	March 1999 survey		
	Large enterprises	Medium-sized enterprises	Small enterprises
Actual result			
Forecast			