

# Tankan Summary (June 2017)

173rd Short-Term Economic Survey of Enterprises in Japan

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July 3, 2017

Research and Statistics Department

Bank of Japan

## Number of Sample Enterprises

	Manufacturing	Nonmanufacturing	Total	Response rate
All Enterprises	4,358	6,367	10,725	99.6%
Large Enterprises	1,079	1,031	2,110	99.2%
Medium-sized Enterprises	1,144	1,842	2,986	99.6%
Small Enterprises	2,135	3,494	5,629	99.8%
Financial institutions	-	-	196	99.0%

Responding Period: May 30 to June 30

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

(yen per US dollar)

	FY 2016		FY 2017	
	1H	2H	1H	2H
March 2017 Survey	107.30	106.54	108.01	108.43
June 2017 Survey	108.29	106.57	109.89	108.31

## 1. Business Conditions

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

	Large Enterprises						Medium-sized Enterprises						Small Enterprises					
	March 2017 Survey		June 2017 Survey				March 2017 Survey		June 2017 Survey				March 2017 Survey		June 2017 Survey			
	Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast		Actual result	Forecast	Actual result	Forecast				
			Changes	Changes				Changes	Changes				Changes	Changes				
Manufacturing	12	11	17	5	15	-2	11	4	12	1	11	-1	5	0	7	2	6	-1
Textiles	0	-3	3	3	0	-3	-5	-20	-11	-6	-19	-8	-27	-29	-20	7	-25	-5
Lumber & Wood products	47	24	24	-23	18	-6	25	16	16	-9	16	0	0	-9	-6	-6	0	6
Pulp & Paper	3	-3	7	4	-3	-10	5	-10	12	7	2	-10	-19	-11	-17	2	-9	8
Chemicals	13	15	16	3	9	-7	16	9	17	1	11	-6	11	-2	12	1	8	-4
Petroleum & Coal products	6	12	25	19	0	-25	18	-5	22	4	13	-9	-4	-7	-6	-2	-9	-3
Ceramics, Stone & Clay	13	18	24	11	9	-15	17	15	11	-6	13	2	4	-6	7	3	7	0
Iron & Steel	0	7	16	16	19	3	6	-2	6	0	22	16	20	14	19	-1	23	4
Nonferrous metals	23	20	34	11	20	-14	20	16	22	2	22	0	20	19	24	4	25	1
Food & Beverages	20	14	21	1	15	-6	6	1	9	3	5	-4	3	6	12	9	13	1
Processed metals	15	7	10	-5	10	0	4	-3	5	1	6	1	13	10	20	7	17	-3
General-purpose machinery	25	20	29	4	29	0	17	10	19	2	25	6	5	7	16	11	12	-4
Production machinery	17	21	23	6	28	5	16	17	14	-2	28	14	16	8	15	-1	11	-4
Business oriented machinery	4	18	15	11	25	10	18	13	14	-4	12	-2	6	7	9	3	14	5
Electrical machinery	10	13	16	6	23	7	10	9	13	3	13	0	5	1	1	-4	2	1
Shipbuilding & Heavy machinery, etc.	-21	-18	-11	10	-11	0	5	-7	7	2	-7	-14	10	-1	16	6	0	-16
Motor vehicles	18	9	16	-2	11	-5	19	4	18	-1	16	-2	23	13	19	-4	14	-5
Basic materials	12	12	17	5	9	-8	12	3	12	0	10	-2	2	-4	3	1	4	1
Processing	12	12	17	5	18	1	11	5	12	1	11	-1	7	3	9	2	7	-2
Nonmanufacturing	20	16	23	3	18	-5	17	10	18	1	12	-6	4	-1	7	3	2	-5
Construction	43	30	48	5	40	-8	28	19	31	3	20	-11	15	0	16	1	7	-9
Real estate	35	28	35	0	28	-7	29	21	33	4	18	-15	15	10	14	-1	11	-3
Goods rental & Leasing	14	11	17	3	20	3	19	14	21	2	15	-6	17	9	18	1	14	-4
Wholesaling	11	7	13	2	9	-4	8	5	12	4	9	-3	-6	-6	0	6	-4	-4
Retailing	5	11	10	5	11	1	13	7	7	-6	4	-3	-8	-8	-9	-1	-8	1
Transport & Postal activities	12	6	19	7	8	-11	12	3	12	0	6	-6	5	-3	7	2	3	-4
Communications	31	31	25	-6	19	-6	19	9	28	9	24	-4	21	24	24	3	21	-3
Information services	28	22	24	-4	23	-1	28	19	29	1	27	-2	19	14	17	-2	14	-3
Electric & Gas utilities	5	-3	-3	-8	-3	0	23	14	21	-2	11	-10	10	10	17	7	13	-4
Services for businesses	30	23	33	3	31	-2	21	16	24	3	20	-4	7	3	11	4	6	-5
Services for individuals	30	27	35	5	25	-10	12	11	19	7	13	-6	-2	-5	3	5	1	-2
Accommodations, Eating & Drinking services	17	11	13	-4	11	-2	2	4	10	8	5	-5	-6	-6	4	10	-5	-9
All industries	16	14	20	4	16	-4	15	8	16	1	11	-5	5	-1	7	2	4	-3

	All Enterprises					
Manufacturing	8	5	11	3	9	-2
Nonmanufacturing	11	5	13	2	8	-5
All industries	10	4	12	2	8	-4

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 2017 Survey			June 2017 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	12	11	5	17	12	7	15	11	6
1. Favorable	19	23	23	22	22	24	19	19	20
2. Not so favorable	74	65	59	73	68	59	77	73	66
3. Unfavorable	7	12	18	5	10	17	4	8	14
Nonmanufacturing	20	17	4	23	18	7	18	12	2
1. Favorable	25	24	20	26	25	21	21	19	16
2. Not so favorable	70	69	64	71	68	65	76	74	70
3. Unfavorable	5	7	16	3	7	14	3	7	14

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

2. Supply and Demand Conditions, Inventories, and Prices

(% points)

		Large Enterprises					
		March 2017 Survey		June 2017 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	-8	-9	-6	2	-6	0
	Basic materials	-11	-11	-9	2	-10	-1
	Processing	-7	-7	-5	2	-5	0
	Nonmanufacturing	-10	-10	-8	2	-11	-3
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-4	-3	-2	2	-1	1
	Basic materials	-8	-8	-6	2	-8	-2
	Processing	-1	-1	1	2	3	2

(% points)

		Small Enterprises					
		March 2017 Survey		June 2017 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	-19	-22	-18	1	-19	-1
	Basic materials	-25	-28	-25	0	-24	1
	Processing	-15	-18	-13	2	-15	-2
	Nonmanufacturing	-17	-19	-17	0	-18	-1
Overseas Supply & Demand Conditions for Products: Diffusion index of "Excess demand" minus "Excess supply"	Manufacturing	-12	-12	-12	0	-11	1
	Basic materials	-18	-18	-16	2	-16	0
	Processing	-9	-9	-9	0	-8	1

Inventory Level of Finished Goods & Merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	8	8	8	0	8	0
	Basic materials	8	9	9	1	9	1
	Processing	9	8	8	-1	8	0
Wholesalers' Inventory Level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	8	7	7	-1	7	0
	Basic materials	11	10	10	-1	10	0
	Processing	7	4	4	-3	4	0

Inventory Level of Finished Goods & Merchandise: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	10	10	10	0	10	0
	Basic materials	12	13	13	1	13	1
	Processing	9	9	9	0	9	0
Wholesalers' Inventory Level: Diffusion index of "Excessive or somewhat excessive" minus "Insufficient or somewhat insufficient"	Manufacturing	15	15	15	0	15	0
	Basic materials	20	20	20	0	20	0
	Processing	10	10	10	0	10	0

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	-3	-2	-1	2	-2	-1
	Basic materials	9	7	8	-1	3	-5
	Processing	-8	-8	-5	3	-5	0
	Nonmanufacturing	3	2	4	1	2	-2
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	16	16	13	-3	13	0
	Basic materials	26	19	14	-12	17	3
	Processing	12	14	12	0	11	-1
	Nonmanufacturing	13	14	12	-1	14	2

Change in Output Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	-4	-3	-4	0	-3	1
	Basic materials	1	5	1	0	3	2
	Processing	-8	-8	-7	1	-7	0
	Nonmanufacturing	-4	-2	-3	1	-2	1
Change in Input Prices: Diffusion index of "Rise" minus "Fall"	Manufacturing	24	33	26	2	31	5
	Basic materials	27	33	25	-2	31	6
	Processing	22	32	25	3	30	5
	Nonmanufacturing	19	23	18	-1	23	5

### 3. Sales and Current Profits

Sales (Year-to-year % change)

		FY2016		FY2017	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-2.9	0.5	2.4	1.4
	Domestic Sales	-1.5	0.8	2.9	2.0
	Exports	-6.1	-0.4	1.1	0.1
	Nonmanufacturing	-3.8	1.3	2.6	2.5
	All industries	-3.4	0.9	2.5	2.1
Medium-sized Enterprises	Manufacturing	0.1	0.3	2.8	0.7
	Nonmanufacturing	0.9	0.5	2.6	0.5
	All industries	0.7	0.5	2.6	0.5
Small Enterprises	Manufacturing	-0.3	0.5	1.8	1.0
	Nonmanufacturing	0.8	1.3	0.2	1.5
	All industries	0.6	1.1	0.5	1.4
All Enterprises	Manufacturing	-2.0	0.5	2.3	1.2
	Nonmanufacturing	-1.2	1.1	1.8	1.7
	All industries	-1.5	0.9	2.0	1.5

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

(Year-to-year % change)

1H FY2016	2H FY2016		1H FY2017		2H FY2017	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
-6.1	0.2	1.0	3.2	1.5	1.7	1.4
-4.0	0.9	1.4	3.9	1.9	2.1	2.0
-10.7	-1.5	-0.1	1.7	0.4	0.6	-0.1
-6.9	-0.6	1.4	3.5	3.1	1.8	1.9
-6.6	-0.3	1.2	3.4	2.4	1.7	1.7
-1.2	1.3	0.5	3.1	0.7	2.6	0.7
0.0	1.8	1.0	3.2	0.4	1.9	0.5
-0.3	1.7	0.9	3.2	0.5	2.1	0.6
-1.9	1.2	1.0	3.0	0.8	0.6	1.2
-0.3	1.9	2.2	1.7	1.3	-1.2	1.7
-0.7	1.7	1.9	2.0	1.1	-0.8	1.6
-4.6	0.5	0.9	3.2	1.2	1.6	1.3
-3.3	0.7	1.6	2.9	1.8	0.9	1.5
-3.7	0.7	1.3	3.0	1.6	1.1	1.4

Current Profits (Year-to-year % change)

		FY2016		FY2017	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-0.5	12.4	-3.3	8.9
	Basic materials	8.1	12.7	1.5	14.3
	Processing	-3.9	12.2	-5.5	6.5
	Nonmanufacturing	5.7	9.8	-2.7	7.0
	All industries	2.8	11.0	-3.0	7.8
Medium-sized Enterprises	Manufacturing	0.5	0.4	-1.1	-0.5
	Nonmanufacturing	9.2	6.3	-5.9	0.4
	All industries	6.4	4.5	-4.4	0.1
Small Enterprises	Manufacturing	16.4	6.5	-3.4	1.9
	Nonmanufacturing	5.8	6.4	-9.5	3.0
	All industries	8.3	6.4	-8.0	2.7
All Enterprises	Manufacturing	1.6	10.0	-3.1	6.7
	Nonmanufacturing	6.4	8.3	-5.0	4.7
	All industries	4.4	9.0	-4.2	5.5

(Year-to-year % change)

1H FY2016	2H FY2016		1H FY2017		2H FY2017	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
-25.8	33.1	22.0	8.2	5.0	-11.9	12.7
-21.4	46.8	23.6	22.1	14.3	-13.0	14.4
-27.6	27.7	21.2	2.3	0.9	-11.3	11.9
-2.6	16.4	18.1	-2.5	2.4	-2.9	12.4
-13.7	24.3	20.0	1.9	3.5	-7.4	12.5
-8.0	8.6	0.5	-0.9	-1.5	-1.2	0.3
9.9	8.7	9.9	-8.8	-2.1	-3.6	2.2
3.7	8.6	6.9	-6.4	-1.9	-2.9	1.6
0.6	32.1	11.2	5.2	2.4	-9.9	1.6
7.3	4.6	11.9	-8.7	1.3	-10.3	4.5
5.6	10.7	11.7	-5.3	1.6	-10.2	3.7
-21.2	29.6	17.6	6.7	3.9	-10.4	9.4
1.5	11.4	14.7	-5.0	1.4	-5.0	8.1
-8.1	18.4	15.9	-0.8	2.4	-7.3	8.6

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

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

		FY2016		FY2017	
			Changes	(Forecast)	Changes
Large Enterprises	Manufacturing	7.33	0.78	6.92	0.48
	Nonmanufacturing	5.87	0.45	5.57	0.23
	All industries	6.47	0.59	6.12	0.33
Medium-sized Enterprises	Manufacturing	5.12	0.01	4.92	-0.06
	Nonmanufacturing	3.55	0.19	3.26	0.00
	All industries	3.91	0.15	3.64	-0.02
Small Enterprises	Manufacturing	4.60	0.26	4.37	0.04
	Nonmanufacturing	3.66	0.18	3.30	0.04
	All industries	3.86	0.19	3.53	0.04
All Enterprises	Manufacturing	6.48	0.56	6.14	0.31
	Nonmanufacturing	4.62	0.31	4.31	0.13
	All industries	5.21	0.39	4.89	0.19

(% , % points)

1H FY2016	2H FY2016		1H FY2017		2H FY2017	
		Changes	(Forecast)	Changes	(Forecast)	Changes
6.52	8.06	1.38	6.84	0.23	6.99	0.70
6.35	5.44	0.77	5.98	-0.04	5.18	0.48
6.42	6.51	1.02	6.33	0.07	5.92	0.57
4.74	5.47	0.00	4.55	-0.10	5.27	-0.02
3.25	3.83	0.31	2.87	-0.07	3.62	0.06
3.59	4.20	0.24	3.26	-0.07	4.00	0.05
4.10	5.06	0.46	4.19	0.06	4.54	0.02
3.52	3.78	0.33	3.17	0.00	3.43	0.09
3.65	4.05	0.36	3.39	0.01	3.67	0.08
5.79	7.12	1.01	5.99	0.15	6.28	0.47
4.72	4.52	0.51	4.36	-0.02	4.26	0.26
5.06	5.34	0.67	4.88	0.04	4.90	0.33

Net Income (Year-to-year % change)

		FY2016		FY2017	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	7.1	4.4	5.7	12.2
	Basic materials	43.5	6.7	-0.1	13.1
	Processing	-4.9	3.3	8.6	11.8
	Nonmanufacturing	23.9	7.6	3.8	8.5
	All industries	15.2	6.0	4.7	10.3
Medium-sized Enterprises	Manufacturing	10.3	-2.2	4.5	-1.3
	Nonmanufacturing	16.8	6.5	-5.6	0.3
	All industries	14.8	3.8	-2.6	-0.2
Small Enterprises	Manufacturing	22.1	5.1	8.5	4.4
	Nonmanufacturing	1.4	3.6	-3.3	1.7
	All industries	6.0	4.0	-0.3	2.4
All Enterprises	Manufacturing	9.1	3.7	5.9	9.5
	Nonmanufacturing	16.3	6.4	0.4	5.4
	All industries	13.2	5.3	2.6	7.0

(Year-to-year % change)

1H FY2016	2H FY2016		1H FY2017		2H FY2017	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
-19.0	62.2	4.7	1.3	4.6	10.3	20.6
-8.7	218.4	14.4	3.3	13.1	-3.4	13.1
-23.0	28.5	0.2	0.4	1.1	17.7	24.2
-7.3	109.7	14.5	2.3	1.7	5.7	17.8
-13.1	83.1	9.4	1.8	3.0	8.0	19.2
-8.4	35.6	-4.6	-2.4	-3.5	10.8	0.6
15.6	17.9	11.3	-9.3	-1.6	-2.3	2.0
7.2	22.6	6.1	-7.3	-2.2	1.5	1.5
4.0	43.4	8.8	12.7	4.6	4.9	4.1
8.1	-4.6	8.8	-8.9	0.5	2.4	2.8
7.1	5.0	8.8	-3.8	1.6	3.1	3.2
-15.9	55.9	4.0	2.2	3.8	9.7	15.5
-0.7	43.2	12.4	-2.3	0.9	3.3	10.4
-7.3	48.2	8.7	-0.5	2.1	5.9	12.5

#### 4. Fixed Investment, etc.

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

		FY2016		FY2017	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	4.3	-1.8	15.4	7.6
	Nonmanufacturing	-5.4	-4.3	3.7	1.2
	All industries	-2.1	-3.4	8.0	3.6
Medium-sized Enterprises	Manufacturing	6.3	7.7	10.8	2.5
	Nonmanufacturing	-3.1	3.6	15.9	1.6
	All industries	0.2	5.1	14.0	1.9
Small Enterprises	Manufacturing	-6.7	3.0	-8.1	6.0
	Nonmanufacturing	16.3	9.4	-25.5	12.4
	All industries	8.8	7.5	-20.6	10.2
All Enterprises	Manufacturing	2.6	0.5	10.7	6.5
	Nonmanufacturing	-0.7	-0.2	-1.2	3.1
	All industries	0.4	0.0	2.9	4.3

\* Excludes software and R&D investment.

Software Investment (Year-to-year % change)

		FY2016		FY2017	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-5.3	-3.5	5.1	-2.3
	Nonmanufacturing	8.8	2.8	4.9	7.0
	All industries	3.7	0.6	5.0	3.8
Medium-sized Enterprises	Manufacturing	-5.4	2.2	35.0	9.8
	Nonmanufacturing	-9.5	-3.5	6.2	1.8
	All industries	-8.9	-2.7	10.6	3.2
Small Enterprises	Manufacturing	-2.0	-10.1	30.4	5.1
	Nonmanufacturing	11.3	1.2	18.4	4.0
	All industries	7.3	-2.3	21.7	4.3
All Enterprises	Manufacturing	-5.1	-3.7	8.8	-0.8
	Nonmanufacturing	5.6	1.6	6.2	5.9
	All industries	2.1	-0.1	7.0	3.8

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

		FY2016		FY2017	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	44.7	18.9	-47.7	24.7
	Nonmanufacturing	-8.2	4.0	-30.7	-5.5
	All industries	-4.6	5.4	-32.5	-3.6
Medium-sized Enterprises	Manufacturing	19.3	21.6	-38.2	0.6
	Nonmanufacturing	27.0	13.7	-17.7	12.7
	All industries	25.9	14.8	-20.6	11.2
Small Enterprises	Manufacturing	53.9	15.1	-51.2	35.9
	Nonmanufacturing	-1.1	5.3	-46.2	10.5
	All industries	5.4	6.9	-47.1	14.0
All Enterprises	Manufacturing	42.6	17.8	-47.3	22.2
	Nonmanufacturing	-1.6	5.9	-33.1	1.3
	All industries	2.6	7.3	-35.0	3.2

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

		FY2016		FY2017	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	-0.8	-2.0	2.5	-0.3
	Nonmanufacturing	10.5	1.5	0.2	1.4
	All industries	0.1	-1.7	2.3	-0.1
Medium-sized Enterprises	Manufacturing	25.5	13.8	6.0	12.5
	Nonmanufacturing	29.2	-1.5	21.8	8.1
	All industries	25.9	11.6	8.1	11.8
Small Enterprises	Manufacturing	12.2	1.1	4.5	2.2
	Nonmanufacturing	38.3	0.8	18.4	7.1
	All industries	14.1	1.0	5.8	2.7
All Enterprises	Manufacturing	0.3	-1.4	2.7	0.2
	Nonmanufacturing	12.0	1.3	2.0	2.0
	All industries	1.3	-1.2	2.7	0.4

Software, R&D, and Fixed Investment excluding Land

Purchasing Expenses (Year-to-year % change)

		FY2016		FY2017	
			Revision rate	(Forecast)	Revision rate
Large Enterprises	Manufacturing	0.7	-2.2	8.5	2.9
	Nonmanufacturing	-3.1	-4.0	7.0	2.2
	All industries	-1.0	-3.0	7.8	2.6
Medium-sized Enterprises	Manufacturing	8.8	8.2	12.1	4.3
	Nonmanufacturing	-7.1	1.5	19.6	0.8
	All industries	-1.0	4.3	16.4	2.2
Small Enterprises	Manufacturing	-7.4	1.5	-2.1	4.5
	Nonmanufacturing	18.6	9.8	-20.0	12.1
	All industries	8.7	7.0	-14.2	9.2
All Enterprises	Manufacturing	0.6	-0.8	7.9	3.2
	Nonmanufacturing	0.0	-0.7	3.4	3.4
	All industries	0.3	-0.8	5.7	3.3

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

		March 2017 Survey		June 2017 Survey			
		Actual result	Forecast	Actual result		Forecast	
				Changes	Changes	Changes	Changes
Large Enterprises	Manufacturing	1	1	-1	-2	1	2
	Nonmanufacturing	-1	-1	-1	0	-2	-1
	All industries	0	0	-1	-1	-1	0
Medium-sized Enterprises	Manufacturing	2	-1	1	-1	-1	-2
	Nonmanufacturing	-4	-5	-4	0	-4	0
	All industries	-1	-3	-2	-1	-3	-1
Small Enterprises	Manufacturing	0	-3	-1	-1	-4	-3
	Nonmanufacturing	-4	-6	-4	0	-6	-2
	All industries	-3	-5	-3	0	-5	-2
All Enterprises	Manufacturing	0	-1	0	0	-2	-2
	Nonmanufacturing	-4	-5	-4	0	-5	-1
	All industries	-2	-4	-2	0	-3	-1

## 5. Fixed Investment of Financial institutions

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

	FY2016		FY2017	
		Revision rate	(Forecast)	Revision rate
Financial institutions	-4.1	-3.9	19.8	-1.6
Banks	-14.2	-5.2	25.8	-0.4
<i>Shinkin</i> banks & Other financial institutions for small businesses	23.7	-4.3	-4.6	2.3
Financial products transaction dealers	44.8	7.5	-40.4	-21.2
Insurance companies	-8.9	-3.5	43.4	-2.1
Non-deposit money corporations	5.7	-3.1	7.5	-5.5
(Memo) All industries including Financial institutions	0.3	-0.1	3.3	4.1
Nonmanufacturing including Financial institutions	-0.9	-0.4	-0.4	2.9

\* Excludes software and R&D investment.

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

	FY2016	Revision rate	FY2017	Revision rate
Financial institutions	8.8	-2.9	2.7	-4.9
Banks	6.9	-3.4	-11.3	-14.9
<i>Shinkin</i> banks & Other financial institutions for small businesses	14.3	5.6	0.8	17.9
Financial products transaction dealers	-7.2	-6.3	18.6	3.9
Insurance companies	19.5	-1.3	24.0	4.0
Non-deposit money corporations	18.6	-3.4	18.5	9.8
(Memo) All industries including Financial institutions	3.9	-0.9	5.8	1.3
Nonmanufacturing including Financial institutions	6.7	0.0	5.0	2.0

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

	FY2016	Revision rate	FY2017	Revision rate
Financial institutions	-26.1	-2.5	15.0	3.3
Banks	58.2	3.7	-30.3	26.5
<i>Shinkin</i> banks & Other financial institutions for small businesses	-27.4	-3.6	-59.0	-16.7
Financial products transaction dealers	-	76.2	-100.0	-
Insurance companies	-46.1	-6.4	89.2	1.6
Non-deposit money corporations	-100.0	-	-	-
(Memo) All industries including Financial institutions	2.1	7.2	-34.3	3.2
Nonmanufacturing including Financial institutions	-2.1	5.8	-32.4	1.4

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

	FY2016	Revision rate	FY2017	Revision rate
Financial institutions	3.4	-3.4	10.1	-3.5
Banks	-2.8	-4.2	3.3	-8.9
<i>Shinkin</i> banks & Other financial institutions for small businesses	26.1	-2.2	-0.3	6.2
Financial products transaction dealers	1.0	-3.5	5.2	-0.3
Insurance companies	7.5	-2.2	30.5	0.8
Non-deposit money corporations	11.9	-3.3	13.1	2.0
(Memo) All industries including Financial institutions	0.4	-0.9	5.9	3.0
Nonmanufacturing including Financial institutions	0.2	-0.9	3.9	2.8

## 6. Employment

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

		March 2017 Survey		June 2017 Survey			
		Actual result	Forecast	Actual result		Forecast	
					Changes		Changes
Large Enterprises	Manufacturing	-8	-9	-10	-2	-11	-1
	Nonmanufacturing	-22	-22	-21	1	-23	-2
	All industries	-15	-15	-16	-1	-18	-2
Medium-sized Enterprises	Manufacturing	-17	-17	-17	0	-20	-3
	Nonmanufacturing	-32	-33	-31	1	-34	-3
	All industries	-26	-27	-25	1	-29	-4
Small Enterprises	Manufacturing	-19	-19	-17	2	-24	-7
	Nonmanufacturing	-34	-37	-33	1	-39	-6
	All industries	-28	-30	-27	1	-33	-6
All Enterprises	Manufacturing	-16	-16	-16	0	-20	-4
	Nonmanufacturing	-31	-33	-30	1	-35	-5
	All industries	-25	-26	-25	0	-29	-4

Number of New Graduates Hired (All industries)

(Surveyed only in June and December)

(Year-to-year % change)

	FY2016		FY2017		FY2018	
		Revision rate	(Forecast)	Revision rate	(Forecast)	Revision rate
Large Enterprises	8.2	-0.8	3.4	-0.8	5.2	-
Medium-sized Enterprises	4.7	0.1	4.4	0.0	6.0	-
Small Enterprises	-1.4	-2.0	8.4	-5.7	11.8	-
All Enterprises	3.3	-1.1	5.7	-2.7	8.1	-
All Enterprises & Financial institutions	3.5	-1.0	5.3	-2.5	7.1	-
Manufacturing	6.0	-0.3	3.3	0.9	5.3	-
Nonmanufacturing	2.1	-1.4	6.7	-4.2	9.4	-
Financial institutions	5.5	-0.5	1.5	0.1	-6.5	-

## 7. Corporate Finance

### Financial Position (All industries)

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

	March 2017 Survey		June 2017 Survey	
	Actual result	Forecast	Actual result	Changes
			Actual result	Changes
Large Enterprises	24		25	1
Medium-sized Enterprises	24		24	0
Small Enterprises	9		11	2
All Enterprises	16		17	1
Manufacturing	15		16	1
Nonmanufacturing	17		18	1

### Lending Attitude of Financial institutions (All industries)

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

	March 2017 Survey		June 2017 Survey	
	Actual result	Forecast	Actual result	Changes
			Actual result	Changes
Large Enterprises	27		27	0
Medium-sized Enterprises	28		28	0
Small Enterprises	20		21	1
All Enterprises	24		24	0
Manufacturing	23		23	0
Nonmanufacturing	25		24	-1

### Change in Interest Rate on Loans (All industries)

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

	March 2017 Survey		June 2017 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes
			Actual result	Changes	Changes	
Large Enterprises	-4	4	-3	1	3	6
Medium-sized Enterprises	-9	1	-6	3	2	8
Small Enterprises	-12	0	-9	3	0	9
All Enterprises	-9	2	-7	2	1	8
Manufacturing	-9	2	-6	3	1	7
Nonmanufacturing	-10	0	-8	2	1	9

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

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

	March 2017 Survey		June 2017 Survey	
	Actual result	Forecast	Actual result	Changes
			Actual result	Changes
Large Enterprises	40		46	6

## 8. Business Conditions of Financial institutions

### Business Conditions

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

	March 2017 Survey		June 2017 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes
			Actual result	Changes	Changes	
Banks	7	-3	3	-4	1	-2
<i>Shinkin</i> banks & Other financial institutions for small businesses	5	-2	2	-3	0	-2
Financial products transaction dealers	20	14	23	3	23	0
Insurance companies	29	32	37	8	34	-3
Non-deposit money corporations	15	15	23	8	15	-8
Financial institutions	14	8	13	-1	11	-2

### Production Capacity

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

	March 2017 Survey		June 2017 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes
			Actual result	Changes	Changes	
Banks	0	0	0	0	0	0
<i>Shinkin</i> banks & Other financial institutions for small businesses	-3	-5	0	3	-2	-2
Financial products transaction dealers	-3	-3	-10	-7	-7	3
Insurance companies	-3	-8	-5	-2	-8	-3
Non-deposit money corporations	0	0	0	0	0	0
Financial institutions	-2	-3	-2	0	-3	-1

### Employment Conditions

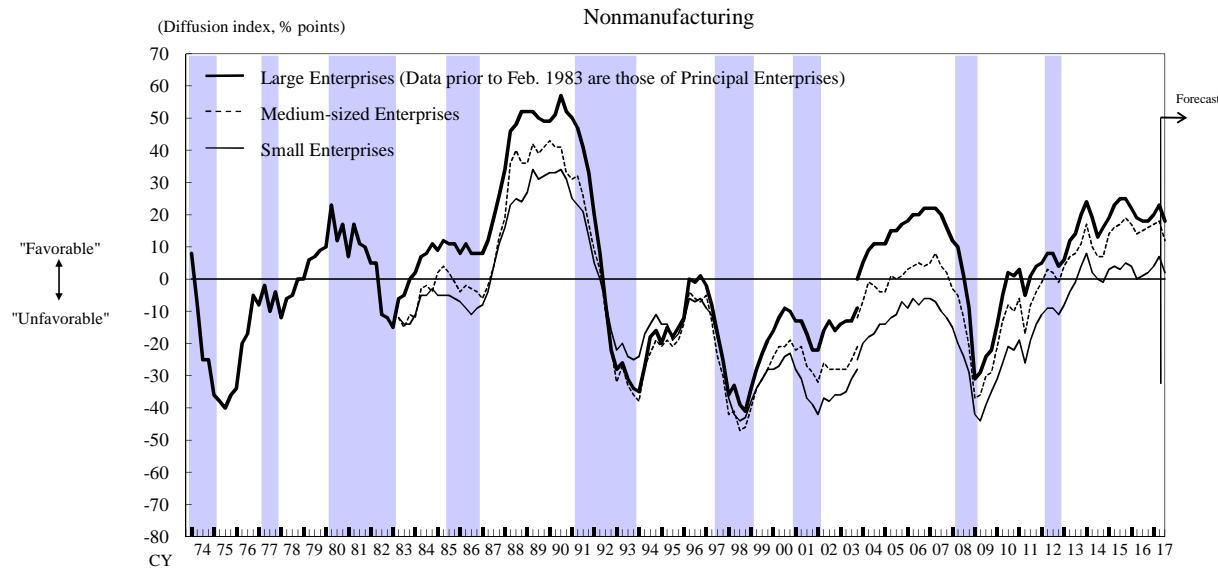
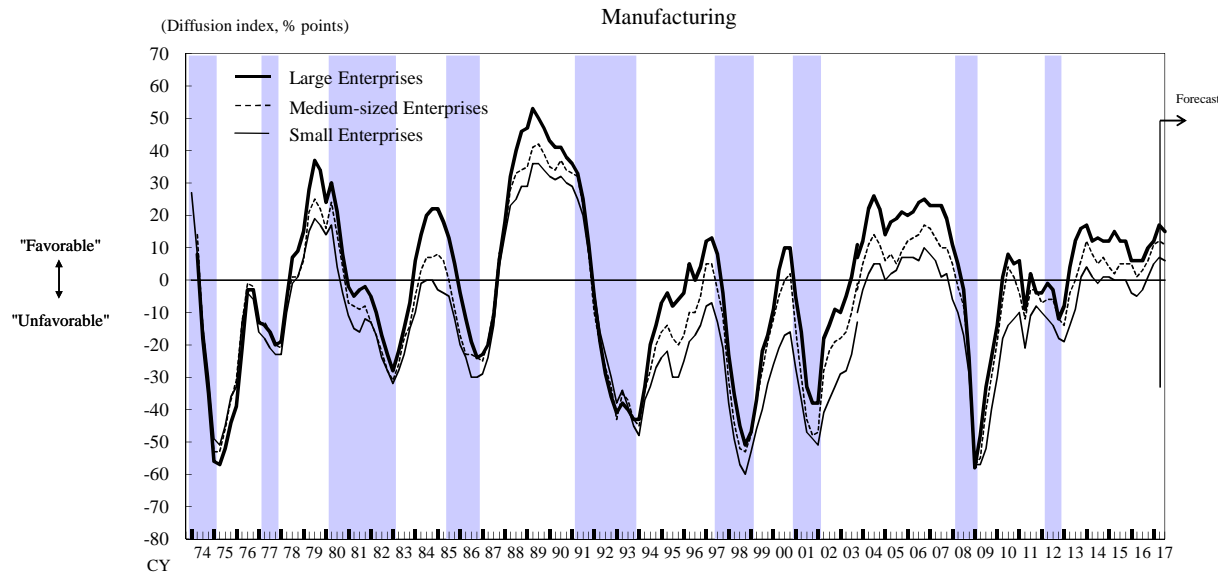
(Diffusion index of "Excessive employment" minus "Insufficient employment," % points)

	March 2017 Survey		June 2017 Survey			
	Actual result	Forecast	Actual result	Forecast		Changes
			Actual result	Changes	Changes	
Banks	-3	-3	-1	2	-3	-2
<i>Shinkin</i> banks & Other financial institutions for small businesses	-24	-6	-11	13	-11	0
Financial products transaction dealers	-24	-20	-20	4	-20	0
Insurance companies	-13	-10	-13	0	-10	3
Non-deposit money corporations	-15	-8	-8	7	-8	0
Financial institutions	-12	-8	-8	4	-9	-1

(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 2017 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	17	12	7
Forecast	15	11	6

Peaks and Bottoms of Business Conditions (from May 1983)

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

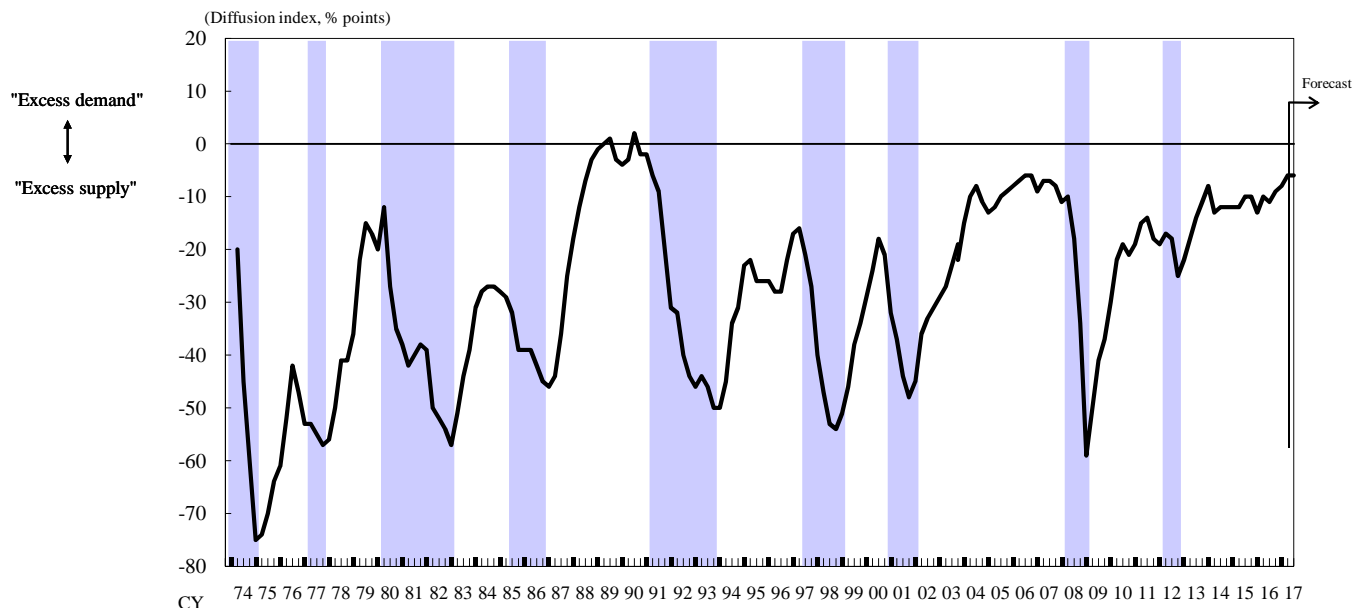
Nonmanufacturing					
Large Enterprises		Medium-sized Enterprises		Small Enterprises	
Peak	Bottom	Peak	Bottom	Peak	Bottom
	-6 (83/5)		-15 (83/8)		-14 (83/8, 11)
12 (85/5)	8 (86/2, 8, 11, 87/2)	4 (85/5)	-6 (87/2)	-3 (84/11)	-11 (86/8)
57 (90/8)	-35 (94/2)	43 (90/2)	-38 (94/2)	34 (89/5, 90/8)	-25 (93/11)
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 2017 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	23	18	7
Forecast	18	12	2



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

## Domestic Supply and Demand Conditions for Products and Services



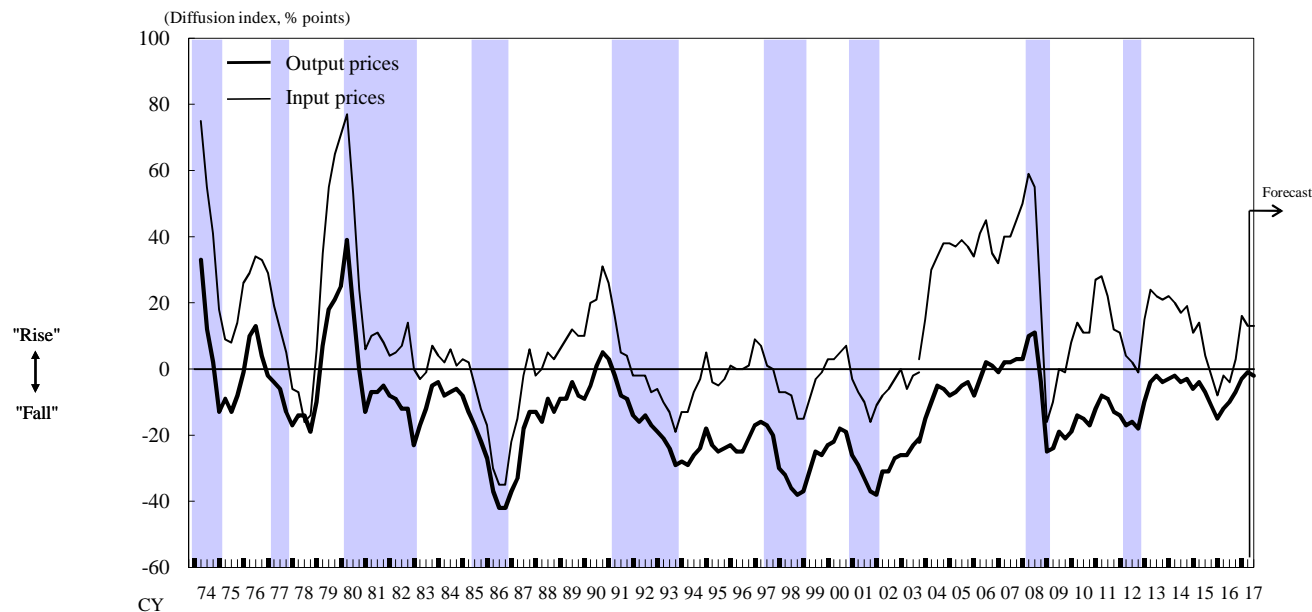
## Peaks and Bottoms of Domestic Supply and Demand Conditions for Products and Services (from May 1974)

(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 2017 Survey	
Actual result	-6
Forecast	-6

## Prices



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

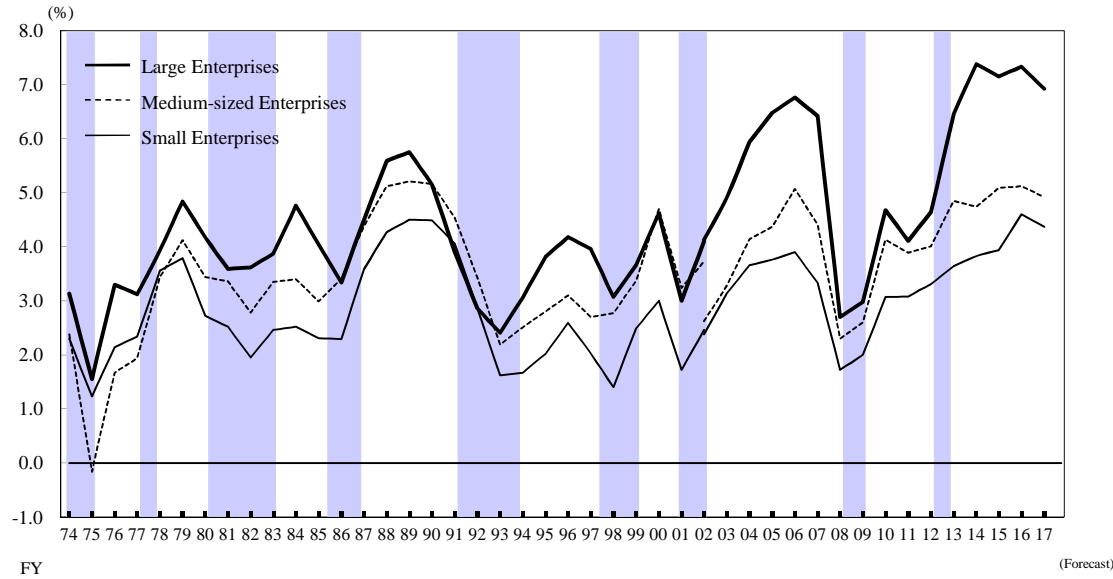
(Diffusion index of "Rise" minus "Fall," % points)

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 2017 Survey		
	Output Prices	Input Prices
Actual result	-1	13
Forecast	-2	13

[Ratio of Current Profit to Sales]

Manufacturing

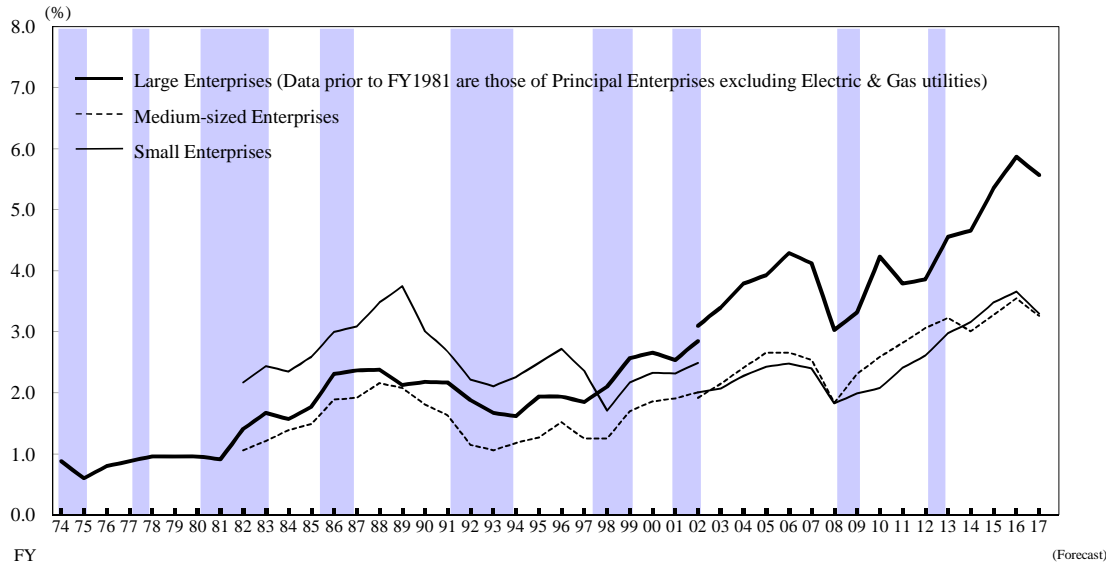


Peaks and Bottoms of Ratio of Current Profit to Sales (from 1974)

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 2017 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2016	7.33	5.12	4.60
FY2017 (Forecast)	6.92	4.92	4.37

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 2017 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
FY2016	5.87	3.55	3.66
FY2017 (Forecast)	5.57	3.26	3.30

[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 2014 due to the regular revision of the sample enterprises.  
 3. Excludes software and R&D investment.

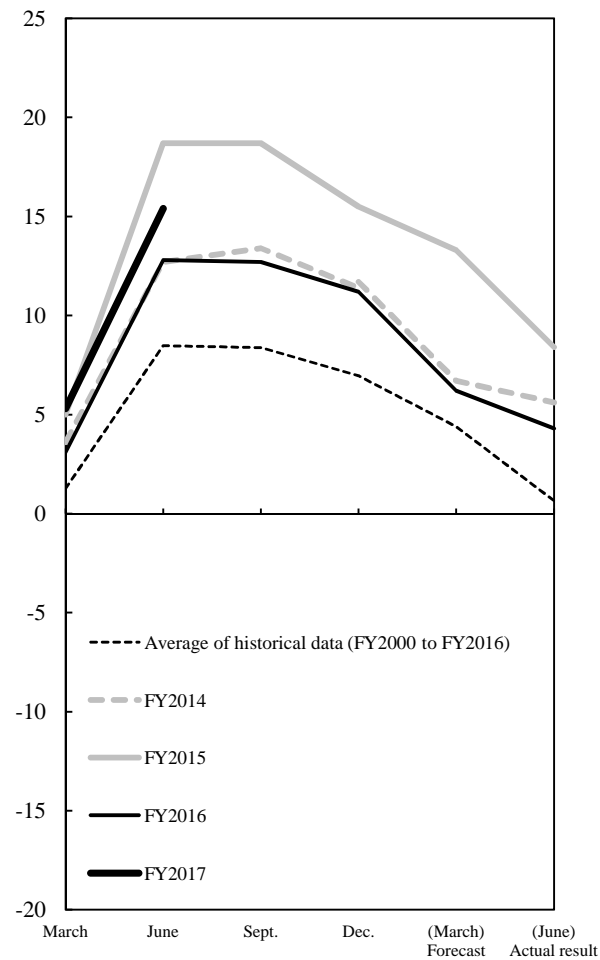
(1) Large Enterprises

Manufacturing

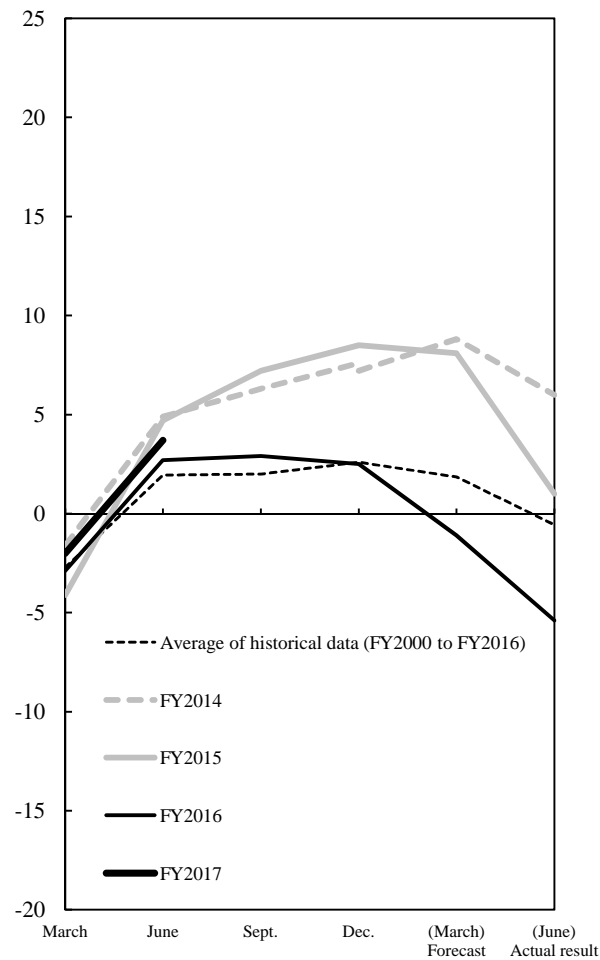
Nonmanufacturing

All industries

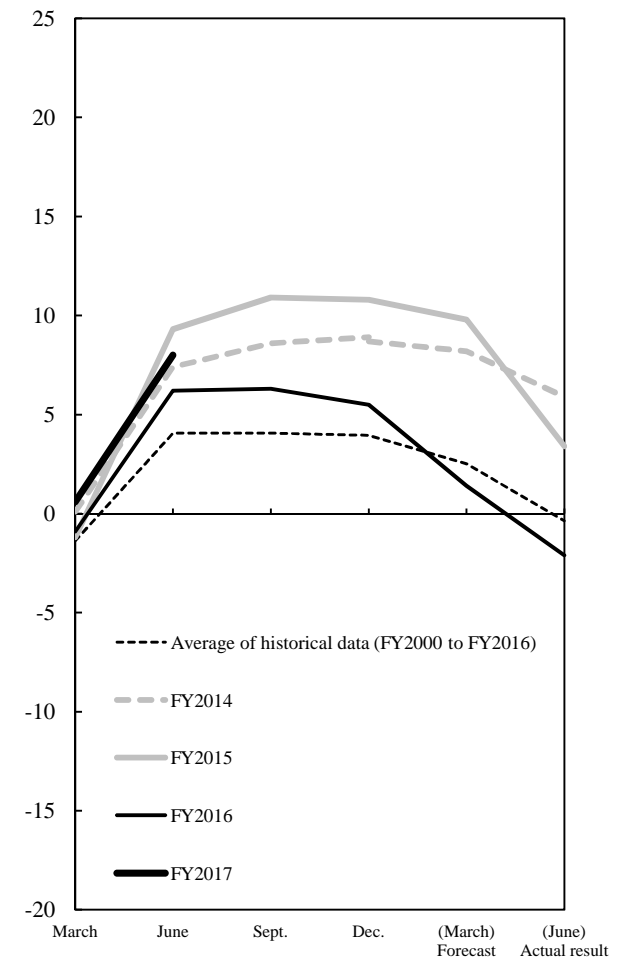
(Year-to-year % change)



(Year-to-year % change)



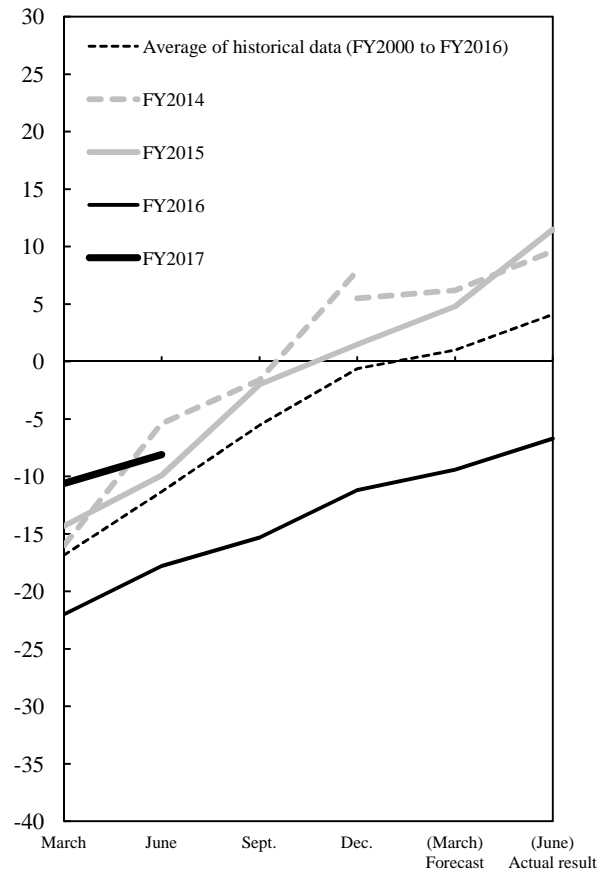
(Year-to-year % change)



(2) Small Enterprises

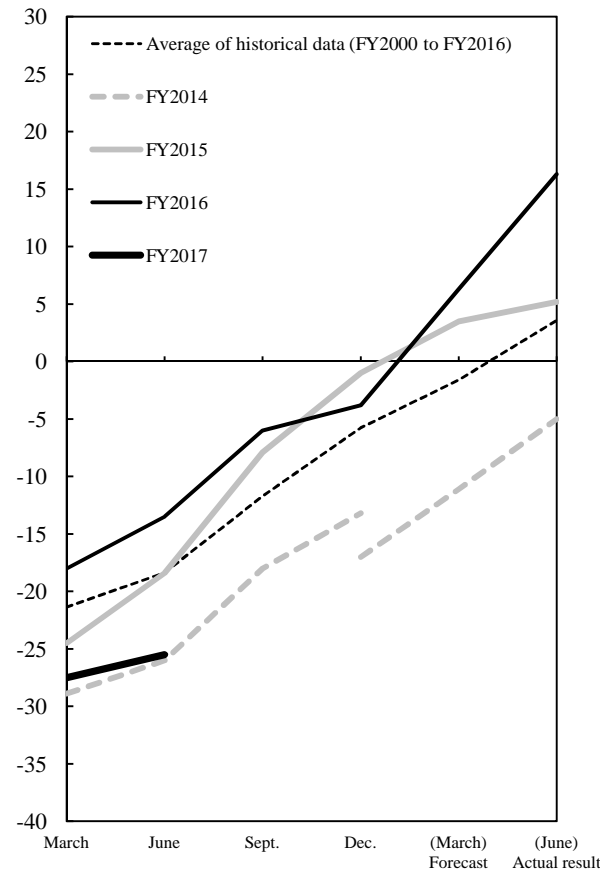
Manufacturing

(Year-to-year % change)



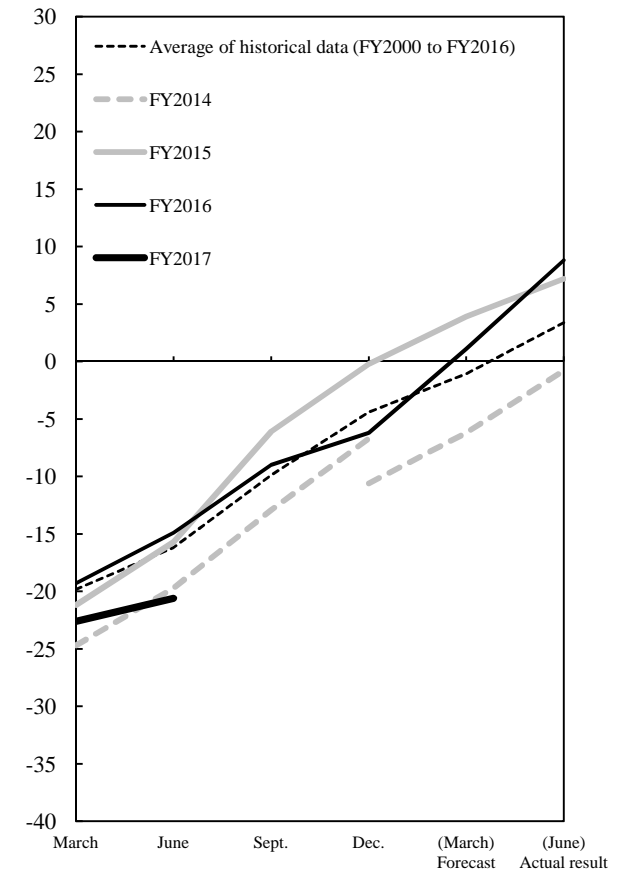
Nonmanufacturing

(Year-to-year % change)

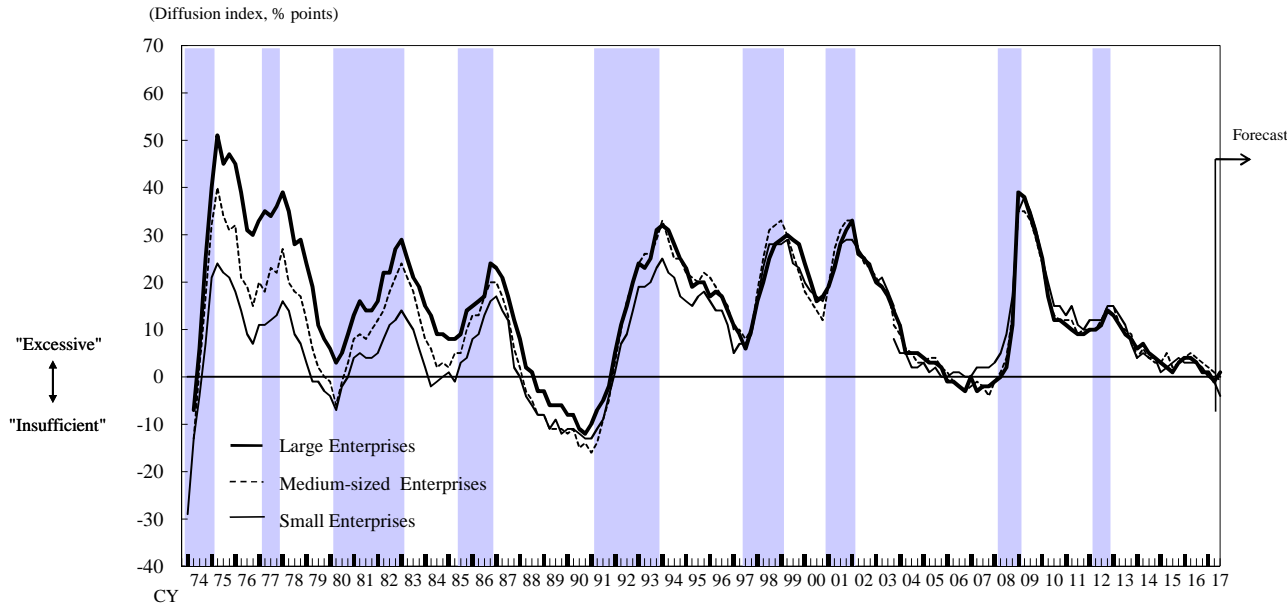


All industries

(Year-to-year % change)



[Production Capacity (Manufacturing)]

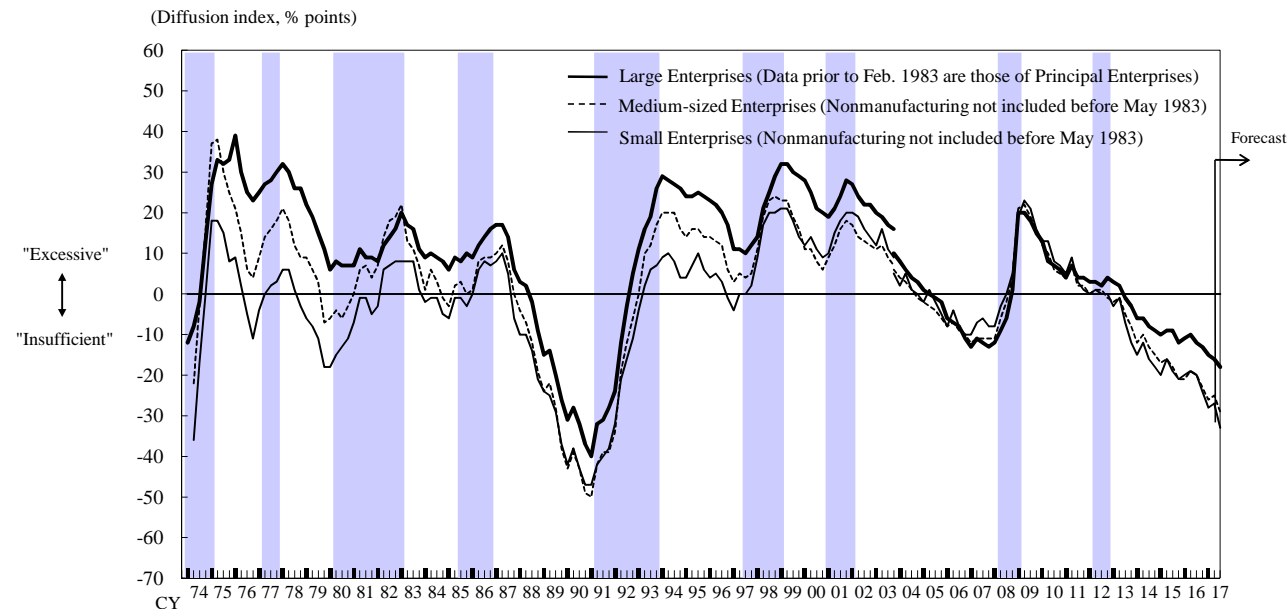


Peaks and Bottoms of Production Capacity (from May 1977)  
(Diffusion index of "Excessive capacity" minus "Insufficient capacity," % points)

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 2017 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-1	1	-1
Forecast	1	-1	-4

[Employment Conditions (All industries)]

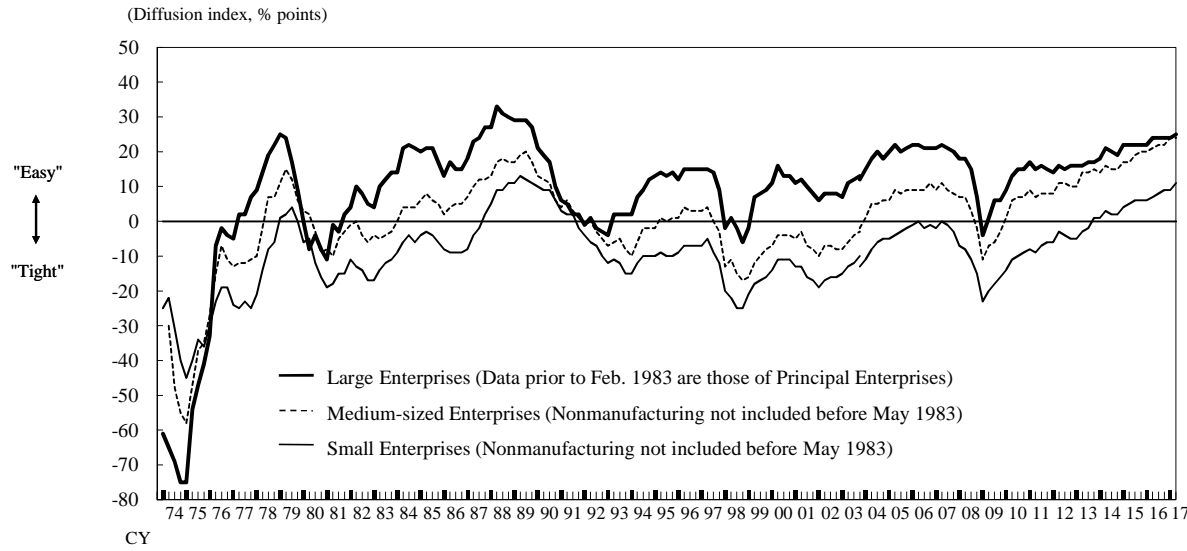


Peaks and Bottoms of Employment Conditions (from May 1986)  
(Diffusion index of "Excessive employment" minus "Insufficient employment," % points)

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 2017 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	-16	-25	-27
Forecast	-18	-29	-33

### Financial Position



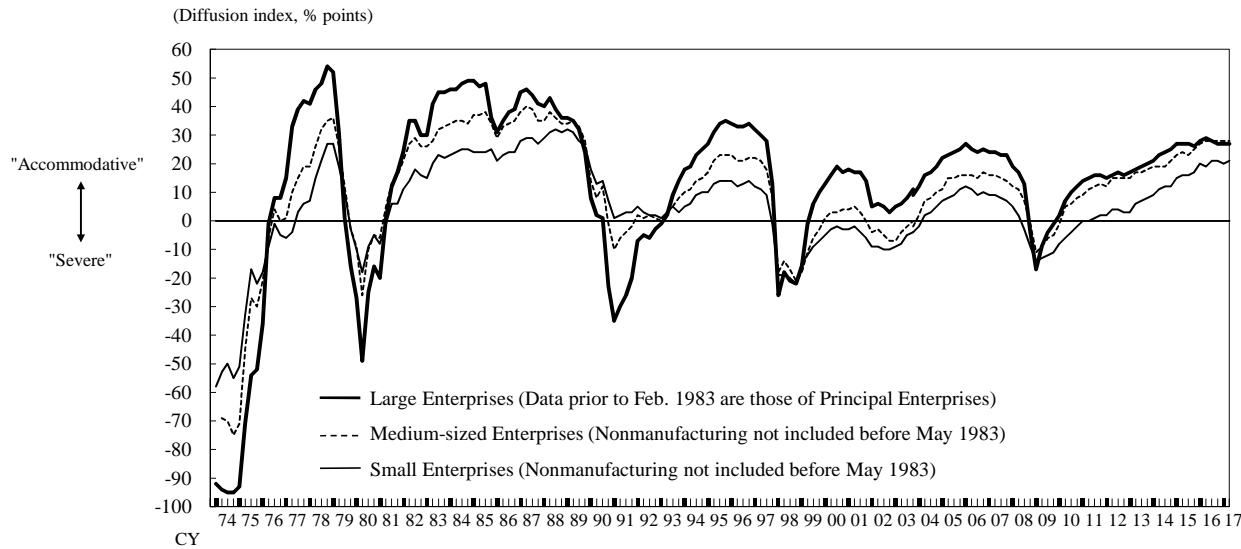
Peaks and Bottoms of Financial Position (from May 1983)

(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)	20 (89/8)	-17 (98/12)	13 (89/5)	-25 (98/9,12)

	June 2017 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	25	24	11

### 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 2017 Survey		
	Large Enterprises	Medium-sized Enterprises	Small Enterprises
Actual result	27	28	21