
Business Confidence Rises in Latest Tankan Survey

Description

Large Japanese manufacturers reported their highest level of business optimism in over four years, despite challenges linked to the war in Iran. This information comes from the Bank of Japan's quarterly Tankan survey, which assesses business sentiment among domestic companies.

The optimism index for large manufacturers rose to 17 in the first quarter of 2026, up from 15 in the previous quarter. This figure surpassed the 16 predicted by economists surveyed by Reuters. A reading above zero indicates that more businesses feel positive than negative about future conditions. This optimism is the highest since late 2021, as noted by data from LSEG.

Support for this positive outlook comes from strong profits that have offset rising energy costs, according to Carlos Casanova, an Asia economist at Swiss private bank UBP. Non-manufacturing companies also maintained a strong sentiment with an index of 36, matching the previous quarter and exceeding expectations of 33.

Following the survey's release, the Nikkei 225 index rose by 4.48%, amid hopes that the war in Iran might soon end. Frederic Neumann, chief Asia economist at HSBC, attributed the upbeat business sentiment to Japan's economy gaining momentum, bolstered by strong exports in early 2026.

However, experts caution that the survey may not fully reflect the conflict's ongoing effects, as it closed in March. Neumann noted that the situation remains uncertain, especially with energy costs and supply chain disruptions rising. Meanwhile, Japan is already responding to the crisis by releasing oil stockpiles and providing fuel subsidies to mitigate the impact of the closed Strait of Hormuz. Japan relies on imports for over 87% of its energy needs.

Vocabulary List:

1. **optimism** //ˈɒptə,mɪzəm// (noun): a hopeful feeling about future events
2. **survey** //ˈsɜː.veɪ// (noun): a set of questions to gather information
3. **index** //ˈɪn.dɛks// (noun): a number showing a change or level
4. **offset** //ˌɒfˈset// (verb): to reduce the effect of something else
5. **mitigate** //ˈmɪtɪ.ɡeɪt// (verb): to make something less bad or serious
6. **disruptions** //dɪsˈrʌp.ʃənz// (noun): sudden problems that stop normal activities

Comprehension Questions



Multiple Choice

1. What was the optimism index for large manufacturers in the first quarter of 2026?
Option: 15
Option: 17
Option: 16
Option: 18
2. Which survey assesses business sentiment among domestic companies in Japan?
Option: Tankan
Option: Nikkei
Option: LSEG
Option: HSBC
3. What was the previous quarter's optimism index for large manufacturers?
Option: 15
Option: 16
Option: 17
Option: 14
4. What is the current percentage of energy imports Japan relies on?
Option: 70%
Option: 80%
Option: 87%
Option: 90%
5. Who is an economist at Swiss private bank UBP?
Option: Frederic Neumann
Option: Carlos Casanova
Option: Mark Carney
Option: Ben Bernanke
6. How much did the Nikkei 225 index rise following the survey's release?
Option: 2.48%
Option: 3.48%
Option: 4.48%
Option: 5.48%



True-False

7. The optimism index for large manufacturers fell in the first quarter of 2026.
8. The survey indicated that non-manufacturing companies had a weaker sentiment than expected.
9. The survey closed in March 2026.
10. Experts believe the survey fully reflects the ongoing effects of the conflict.
11. Japan is responding to the energy crisis by releasing oil stockpiles.
12. The optimism index reading above zero indicates more businesses feel negative than positive.

Gap-Fill

13. The optimism index for large manufacturers rose to 17 in the first quarter of 2026, up from _____.
14. Support for this positive outlook comes from strong profits that have offset rising energy _____.
15. Following the survey's release, the Nikkei 225 index rose by _____.
16. Japan relies on imports for over _____ % of its energy needs.
17. The optimism is the highest since late _____.
18. The survey indicates that non-manufacturing companies maintained a strong _____.

Answer

Multiple Choice: 1. 17 2. Tankan 3. 15 4. 87% 5. Carlos Casanova 6. 4.48%

True-False: 7. False 8. False 9. True 10. False 11. True 12. False

Gap-Fill: 13. 15 14. costs 15. 4.48% 16. 87 17. 2021 18. sentiment



Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What are often targeted by cybercriminals to gain unauthorized access?
Option: Networks
Option: Vulnerabilities
Option: Firewalls
Option: Databases
2. What term describes a hopeful attitude towards the future?
Option: Pessimism
Option: Realism
Option: Optimism
Option: Cynicism
3. What does it mean to increase or intensify in severity?
Option: Regulate
Option: Escalate
Option: Diminish
Option: Moderate
4. What financial assistance is often provided by the government to help reduce costs?
Option: Grants
Option: Loans
Option: Subsidies
Option: Investments
5. What term refers to interruptions that can cause confusion or disorder?
Option: Consolidations
Option: Improvements
Option: Disruptions
Option: Stabilizations
6. What term is used to describe strained relations or conflicts between entities?
Option: Relaxations
Option: Tensions
Option: Harmonies
Option: Unities
7. What term is used to describe a sudden increase or rise?



- Option: Minimized
- Option: Dropped
- Option: Surged
- Option: Stagnated

8. What is the term for making a process easier or less difficult?

- Option: Obstructed
- Option: Complicated
- Option: Facilitated
- Option: Impeded

9. What term describes a substance that has been made liquid?

- Option: Solidified
- Option: Liquefied
- Option: Frozen
- Option: Gaseous

10. What verb means to counterbalance or compensate for something?

- Option: Increase
- Option: Offset
- Option: Reduce
- Option: Enhance

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Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. Natural disasters can lead to significant disruptions in _____ services.

12. The emergence of new technologies often changes _____ industries.

13. Political tensions can escalate due to _____ actions.

14. After the announcement, the stock prices surged to new _____ highs.

15. Organizations must identify their security vulnerabilities to _____ risks.

16. The report generated a sense of optimism about the _____ economy.

17. The new software facilitated _____ communication between teams.

18. Liquefied natural gas is often transported in _____ tankers.



19. Farmers often rely on government subsidies to _____ agricultural costs.
20. The stock market experienced a correction after a long period of _____ growth.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. The event was unprecedented in its scale and impact.
22. Hackers often exploit system weaknesses to gain unauthorized access.
23. The situation began to escalate after the controversial decision.
24. The stock market index reflects the performance of various companies.
25. The gains from investments may offset other financial losses.
26. Steps were taken to mitigate the effects of the disaster.
27. A market correction can often lead to new investment opportunities.
28. Sales surged during the holiday season, exceeding all expectations.
29. Heightened tensions amid the negotiations made progress difficult.
30. The military was deployed to assist in the disaster relief efforts.

Answer

Multiple Choice: 1. Vulnerabilities 2. Optimism 3. Escalate 4. Subsidies 5. Disruptions 6. Tensions 7. Surged 8. Facilitated 9. Liquefied 10. Offset

Gap-Fill: 11. essential 12. traditional 13. provocative 14. record 15. mitigate 16. global 17. efficient 18. specialized 19. offset 20. rapid

Matching sentence: 1. unprecedented 2. exploit 3. escalate 4. index 5. offset 6. mitigate 7. correction 8. surged 9. tensions 10. deployed

CATEGORY

- 1. Business - LEVEL5

POST TAG

- 1. business sentiment



2. ESL learning
3. esl news
4. Level 5
5. Tankan survey

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Date Created

2026/04/01

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