

**A pick-up movement in domestic economy,
but differences in business categories**

~ A balance between preventing the spread of infection
and resuming economic activities is increasingly important ~

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(Companies researched: 23,695; Valid responses: 11,689; Response rate: 49.3%;
Survey start date: May 2002)

< Overview of August 2020: Ceased to fall >

The economic diffusion index (DI) in September 2020 was 31.6, up (1.9 points) from the previous month, increased for 4 consecutive months. There was an improvement in the domestic economy, although there was a difference in recovery depending on the business category.

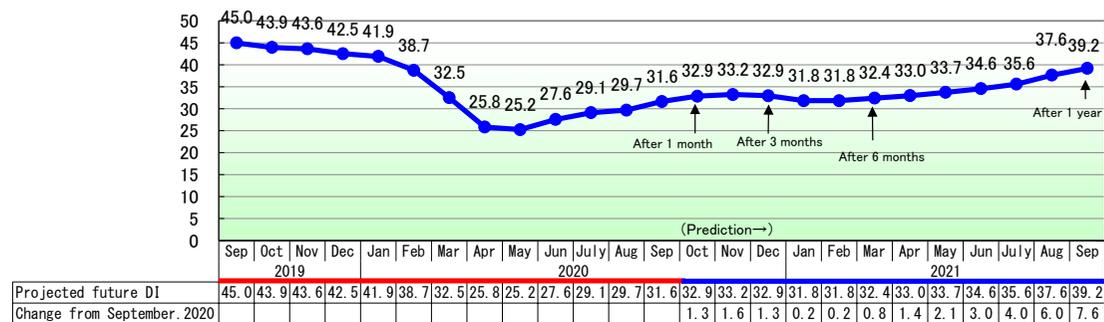
< Future outlook: Leveling-off >

The economy is expected to continue to be flat, while having both positive and negative factors.

By industry : Business confidence was positive in nine industries. Although many business categories improved, there are differences in the speed of recovery.

By size : Business confidence was positive in all sizes for 4 consecutive months, with new demand because of the spread of household consumption.

By region : Business confidence was positive in all ten regions for the first time in two months. Improvements in key industries prompted upward pressure.



Economic Diffusion Index (Economic DI)1/2

	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Ratio to the Previous Month
Total	45.0	43.9	43.6	42.5	41.9	38.7	32.5	25.8	25.2	27.6	29.1	29.7	31.6	1.9
Large Firms	48.0	47.1	47.0	45.7	45.3	42.0	34.8	28.2	28.1	30.1	31.7	32.4	33.9	1.5
Small to Medium-sized Firms	44.2	43.2	42.8	41.7	41.1	38.0	32.0	25.3	24.6	27.0	28.5	29.1	31.1	2.0
Micro Firms	45.1	43.9	43.5	42.1	41.4	38.8	32.3	25.4	24.6	27.8	29.4	30.0	32.0	2.0

	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	41.8	42.3	42.5	41.7	38.4	37.9	32.8	28.2	25.1	29.6	31.4	31.0	30.3	▲ 0.7	
Finance	45.8	45.4	46.8	44.5	44.8	42.2	33.3	27.3	28.7	32.4	31.5	32.6	35.3	2.7	
Construction	53.1	52.1	52.2	51.6	50.0	47.8	41.5	33.9	33.5	36.3	37.5	38.4	40.4	2.0	
Real Estate	48.0	45.9	46.0	44.2	45.9	42.0	31.6	21.9	23.5	29.2	32.5	33.1	35.6	2.5	
Manufacturing	Food,BEWerages,Livestock Feed	39.8	39.1	39.7	39.9	38.0	34.5	28.4	24.8	24.6	27.2	29.6	30.5	32.0	1.5
	Textile,Textile Products,Clothing	36.3	36.1	34.6	32.6	30.5	29.3	23.2	16.7	17.7	17.9	19.8	20.3	23.5	3.2
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	44.1	44.8	43.8	40.2	39.9	37.2	33.4	29.2	26.5	28.1	28.3	29.8	31.3	1.5
	Pulp, Paper and Paper Products	42.8	40.2	41.7	40.6	37.3	32.0	29.2	24.0	21.4	19.3	21.0	22.9	24.1	1.2
	Publishing,Printing	34.1	33.0	32.7	32.9	30.9	29.7	23.1	16.8	14.4	16.0	15.8	18.8	20.4	1.6
	Chemical	41.0	41.2	40.6	40.1	39.0	35.8	32.1	27.5	25.3	25.9	27.3	27.8	31.1	3.3
	Steel,Nonferrous Metals,Mining	40.4	39.8	38.1	37.6	36.3	32.9	29.0	23.6	21.5	20.8	22.3	23.6	25.4	1.8
	General Machinery	41.1	40.8	39.9	38.4	37.3	35.4	31.1	25.3	23.6	23.5	24.6	25.0	26.5	1.5
	Electrical Machinery	41.2	42.2	40.5	40.4	41.0	38.5	32.7	27.6	26.1	27.0	27.5	27.7	28.9	1.2
	Transportation Machinery,Equipment	42.3	43.5	41.2	40.9	39.4	36.5	34.2	22.2	18.2	18.1	21.2	24.2	27.8	3.6
	Precision Machinery, Medical Instruments and Equipment	42.0	41.3	42.0	39.9	40.4	39.0	34.8	27.2	26.3	28.6	28.1	29.6	30.2	0.6
Other	41.8	37.4	38.4	38.0	36.9	36.8	31.1	20.7	19.8	23.9	25.2	22.8	26.3	3.5	
Total	40.6	40.3	39.6	38.6	37.6	34.9	30.3	24.7	23.0	23.6	24.9	25.9	27.8	1.9	
Wholesale	Food,BEWerages	38.8	38.1	37.9	37.4	37.3	33.1	25.6	21.3	21.0	24.5	27.3	27.2	30.2	3.0
	Textile,Textile Products,Clothing	31.6	28.8	28.8	26.5	26.2	22.0	16.4	10.3	11.4	15.8	18.2	18.0	19.4	1.4
	Construction Materials, Furniture,Ceramics, Stone and Clay Products	46.0	45.1	43.4	43.1	42.8	38.5	34.4	27.9	27.7	29.6	30.2	30.4	31.7	1.3
	Paper Products,Stationery,Books	38.0	37.7	36.3	35.0	34.9	33.5	27.5	22.0	19.1	19.0	21.9	23.2	24.0	0.8
	Chemical	42.7	41.0	40.4	39.0	38.7	35.5	33.2	28.9	27.4	27.6	29.2	29.5	30.1	0.6
	Recycled Resources	30.6	34.8	29.0	33.3	30.8	27.1	21.2	18.7	18.8	23.8	24.5	27.8	30.2	2.4
	Steel,Nonferrous Metals, Mining Products	37.6	38.0	37.0	34.8	33.9	31.9	27.8	23.2	22.8	24.0	24.5	25.3	26.4	1.1
	Machinery,Equipment	44.6	42.7	42.3	41.7	41.2	38.2	33.0	25.9	25.1	27.4	29.0	28.6	30.6	2.0
	Other	40.7	37.9	37.6	37.1	36.7	31.5	26.5	21.4	19.8	23.1	25.1	25.4	27.6	2.2
Total	41.4	39.9	39.3	38.4	37.9	34.4	29.4	23.7	23.0	25.3	27.0	27.1	28.9	1.8	

Economic Diffusion Index (Economic DI)2/2

		Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Ratio to the Previous Month
Retail	Food,BEWerages	41.8	40.5	40.2	38.4	39.1	36.7	25.8	26.3	27.4	30.8	30.7	29.1	34.0	4.9
	Textile,Textile Products,Clothing	37.9	32.7	31.5	28.7	28.0	24.2	16.2	11.4	8.8	23.6	24.7	24.0	19.9	▲ 4.1
	Drugs,Sundries	40.6	35.8	37.3	40.2	37.7	34.7	27.5	28.7	25.3	32.7	32.7	31.3	32.6	1.3
	Furniture	53.0	33.3	26.9	31.8	31.9	29.2	22.6	10.8	15.5	31.7	40.0	38.9	38.5	▲ 0.4
	Electrical Household Appliances, Information Machinery and Equipment	45.0	34.3	32.3	38.1	38.2	36.0	28.4	19.3	21.9	33.8	29.8	30.5	30.6	0.1
	Motor Vehicles,Motor Vehicle Parts	41.4	34.5	31.4	31.9	36.7	32.9	27.9	17.0	15.8	25.4	29.3	29.3	32.4	3.1
	Special Merchandise	43.5	38.2	39.1	36.0	35.2	34.7	27.4	20.2	19.9	27.7	30.2	30.0	31.6	1.6
	Various Merchandise	43.1	36.5	36.5	36.2	37.4	34.4	29.3	32.3	29.9	34.5	40.9	36.9	37.0	0.1
	Other	40.5	48.1	40.7	47.9	48.1	43.9	31.8	26.9	30.6	31.8	26.7	25.9	33.3	7.4
Total		42.6	37.0	36.1	35.8	36.3	34.1	26.7	21.2	21.1	29.1	31.0	30.3	32.1	1.8
Transportation,Warehousing		46.0	44.9	45.1	42.6	39.5	34.0	27.7	22.4	22.7	21.5	24.2	25.4	28.1	2.7
Service	Restaurants	43.6	37.3	39.4	40.7	41.0	32.3	14.2	4.3	5.5	13.8	13.7	12.7	14.5	1.8
	Postal,Telecommunications	56.9	56.1	59.5	52.8	64.6	57.1	50.0	30.3	33.3	43.3	41.7	42.6	46.7	4.1
	Electricity,Gas,Water,Heat	51.3	51.2	52.2	47.4	52.4	46.7	40.5	28.4	32.4	34.4	34.9	42.5	42.5	0.0
	Leasing,Rentals	53.5	54.5	53.1	50.4	50.8	46.9	34.0	27.8	29.1	30.2	31.4	32.7	34.5	1.8
	Lodging, Hotels	47.2	41.3	42.0	39.1	38.5	23.2	7.0	1.5	2.9	4.8	5.1	6.0	12.4	6.4
	Recreation	38.7	38.2	40.7	37.5	39.4	35.7	17.0	5.6	9.3	11.5	17.5	22.9	22.4	▲ 0.5
	Broadcasting	43.1	42.9	41.7	38.2	38.1	38.9	29.8	22.9	22.5	26.7	25.6	34.5	33.3	▲ 1.2
	Maintenance,Guarding,Testing	48.6	49.1	47.3	46.6	46.4	42.6	36.0	27.5	26.6	29.9	33.2	34.1	36.5	2.4
	Advertising	40.3	40.4	39.6	37.8	40.0	34.1	21.3	11.3	10.7	14.3	19.0	18.0	20.4	2.4
	Information	57.7	57.4	57.8	56.2	56.5	54.2	43.9	33.7	34.0	35.8	37.2	37.9	38.9	1.0
	Labor Dispatching	53.2	53.3	50.9	46.2	49.2	42.5	34.1	21.0	20.0	25.3	24.6	25.4	26.7	1.3
	Special Services	51.8	51.5	50.8	49.9	50.3	45.8	40.4	31.4	32.2	35.0	36.7	36.1	40.0	3.9
	Medical,Welfare,Public Health	47.3	46.5	48.5	47.7	47.8	43.2	35.9	26.4	26.1	30.5	29.9	31.0	31.4	0.4
	Education	40.0	42.4	37.8	43.1	41.4	40.0	29.7	13.9	18.8	28.0	29.5	31.7	34.0	2.3
Other	48.4	47.9	47.9	45.6	46.2	39.8	29.2	21.2	21.8	26.6	28.7	28.4	31.1	2.7	
Total		51.0	50.6	50.4	48.8	49.5	45.1	35.3	25.8	26.1	29.4	31.2	31.8	33.9	2.1
Other		42.1	43.1	40.4	41.7	42.7	39.2	29.8	24.4	26.2	27.1	29.3	28.8	31.5	2.7

	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Ratio to the Previous Month
Hokkaido	46.6	45.7	45.0	43.8	42.4	39.0	31.0	28.4	27.5	30.6	32.3	33.4	34.4	1.0
Tohoku	43.2	41.9	42.2	40.9	38.8	36.7	30.7	26.0	25.3	28.5	29.7	30.4	32.6	2.2
kitakanto	42.2	40.9	40.0	40.0	39.4	36.9	31.8	25.8	24.5	26.2	27.1	28.0	30.6	2.6
minamikanto	46.1	45.5	45.5	44.3	44.5	41.1	34.1	26.3	25.5	28.4	29.7	30.4	32.3	1.9
Hokuriku	43.5	42.1	40.4	39.5	37.6	35.6	29.7	24.9	25.1	26.5	27.5	28.5	30.0	1.5
Tokai	45.2	43.6	42.7	41.8	40.6	37.3	31.4	23.7	23.4	25.3	27.0	27.7	30.3	2.6
Kinki	43.9	42.2	41.9	40.5	39.8	36.3	30.4	23.9	23.8	25.9	27.8	28.1	29.5	1.4
Chugoku	45.0	44.0	43.6	42.6	41.2	39.0	33.8	27.0	25.7	27.2	29.4	29.7	32.0	2.3
Shikoku	43.9	44.4	44.0	43.8	42.7	39.5	36.4	30.8	28.5	30.3	30.5	31.5	32.6	1.1
Kyushu	47.1	46.5	46.8	45.1	45.2	41.5	35.3	27.5	27.4	29.7	32.5	31.8	34.2	2.4

Appendix

1. Research Subjects (Companies researched: 23,695; Valid responses: 11,689; Response rate: 49.3%)

Appendix

1. Region

Hokkaido	555	Tokai	1,325
Tohoku	799	Kinki	1,938
kitaKanto	876	Chugoku	661
minamikanto	3,608	Shikoku	411
Hokuriku	626	Kyushu	890
		Total	11,689

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		66
Finance		129
Construction		1,895
Real Estate		375
Manufacturing (3,251)	Food, Beverages, Livestock Feed	387
	Textile, Textile Products, Clothing	127
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	244
	Pulp, Paper and Paper Products	110
	Publishing, Printing	197
	Chemical	462
	Steel, Nonferrous Metals, Mining	559
	General Machinery	533
	Electrical Machinery	351
	Transportation Machinery, Equipment	111
	Precision Machinery, Medical Instruments and Equipment	75
Others	95	
Wholesale (3,080)	Food, Beverages	398
	Textile, Textile Products, Clothing	194
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	367
	Paper Products, Stationery, Books	100
	Chemical	283
	Recycled Resources	37
	Steel, Nonferrous Metals, Mining Products	338
	Machinery, Equipment	997
	Others	366

Retail (461)	Food, Beverages	75
	Textile, Textile Products, Clothing	31
	Drugs, Sundries	23
	Furniture	16
	Electrical Household Appliances, Information Machinery and Equipment	37
	Motor Vehicles, Motor Vehicle Parts	88
	Special Merchandise	135
	Variou Merchandise	45
Others	11	
Transportation, Warehousing		518
Service (1,860)	Restaurants	55
	Telecommunications	10
	Electricity, Gas, Water, Heat	20
	Leasing, Rentals	131
	Lodging, Hotels	31
	Recreation	64
	Broadcasting	16
	Maintenance, Guarding, Testing	203
	Advertising	107
	Information	501
	Labor Dispatching	70
	Special Services	302
	Medical, Welfare, Public Health	127
Education	26	
Others	197	
Others		54
Total		11,689

3. Size

Large Firms	2,100	18.0%
Small to Medium-sized Firms	9,589	82.0%
micro Firms	3,424	29.3%
Total	11,689	100.0%

2. Research Items

- *Business Confidence (current, in 3 months, in 6 months, in 1 year)
- *Business Conditions (sales, purchasing and selling unit price, inventory, capacity utilization ratio, number of employees, overtime work hours)

3. Research Period and Methodology

Internet-based survey conducted September 15 – 30 2020

The explanation of the Economic Diffusion Index

Research Purpose/Researched Terms

TDB Economic Trend Research (started from May 2002) is a monthly statistical survey conducted for over 20,000 nationwide corporations on their general business activities including the current condition and future outlook of the industry business performance and operating climate. The primary purpose of such a survey is to assess the current state of Japan's economy.

Selection of the Subject Corporations

Companies of all sizes in all domestic industries are eligible to participate in the survey.

DI Calculation

The DI (Diffusion Index) is calculated by multiplying the number of responses for each assessment category by the number given in parentheses in the table below, to a seven-level assessment rated by companies.

Selection category	Extremely good	good	fairly good	neither good nor bad	fairly bad	bad	very bad
points	6	5	4	3	2	1	0
number of responses for each category	N ₆	N ₅	N ₄	N ₃	N ₂	N ₁	N ₀

Economic DI

$$= \frac{\text{Total of (Points for each category} \times \text{Number of responses for each category)}}{\text{Number of valid responses} N} \times \frac{1}{6} \times 100$$

$$= \frac{\sum_{i=0}^6 i \times N_i}{N} \times \frac{1}{6} \times 100$$

An economic DI of 50 is **the point separating good and bad**, so a DI over 50 means “good,” and below 50 means “bad.” (The numbers are rounded off to one decimal place.) No weight is given according to a company's size, and calculations are made on the basis of “one company, one vote.”

Size Classification

Industry	Large Firms	Small to Medium-Sized Firms (Micro Firms included)	Micro Firms
Manufacturing and Other Industries*	Capital: More than 300 million yen and No. of Employee: Over 300	Capital: Below 300 million yen or No. of Employee: Below 300	No. of Employee: Below 20
Wholesale Trade	Capital: More than 100 million yen and No. of Employee: Over 100	Capital: Below 100 million yen or No. of Employee: Below 100	No. of Employee: Below 5
Retail Trade	Capital: More than 50 million yen and No. of Employee: Over 50	Capital: Below 50 million yen or No. of Employee: Below 50	No. of Employee: Below 5
Service**	Capital: More than 50 million yen and No. of Employee: Over 100	Capital: Below 50 million yen or No. of Employee: Below 100	No. of Employee: Below 5

Note1: Large Firms refer to companies that rank in the top 3% in terms of sales volume according to the type of business, among small to medium-sized corporations excluding micro firms, which are defined in Small and Medium Enterprises Basic Act.

Note2: Small to Medium-Sized Firms refer to companies that rank in the bottom 50% in terms of sales volume according to the type of business, among those not categorized as small to medium-sized corporations in Small to Medium-Sized Enterprises Basic Act.