

## Domestic economy improved for the second straight month

~ The movement of people has gradually become more active  
after the state of emergency was lifted. ~

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(Companies researched: 23,703; Valid responses: 11,261; Response rate: 47.5%;  
Survey start date: May 2002)

### < Overview of March 2021: Upswing >

The economic diffusion index (DI) in March 2021 was 38.0, up 2.2 points from the previous month for the second straight month. The domestic economy has gradually become more active after the state of emergency was lifted, and improved for the second straight month.

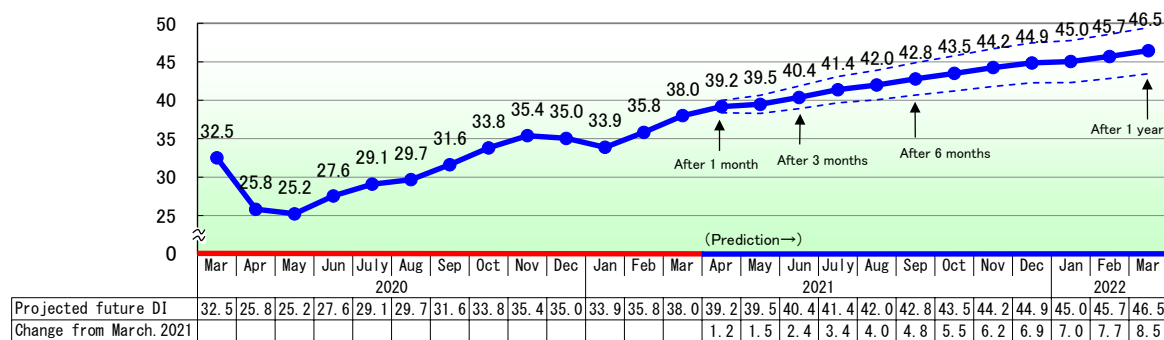
### < Future outlook: Moderate upswing >

The economy is expected to improve at a moderate pace, albeit with downward risk.

**By industry :** The economy turned positive in all ten industries, and continued an upswing mainly in semiconductor and automobile.

**By size :** The economy turned positive in all sizes for the second straight month. Household consumption remained strong.

**By region :** The economy improved in all ten regions for the second straight month. DI rose in 45 prefectures, compared to the same month last year.



\*: Economic DIs are calculated based on the structural ARIMA model, in which economic statistics are incorporated to the ARIMA model.

## Economic Diffusion Index (Economic DI)1/2

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Ratio to the Previous Month
Total	32.5	25.8	25.2	27.6	29.1	29.7	31.6	33.8	35.4	35.0	33.9	35.8	38.0	2.2
Large Firms	34.8	28.2	28.1	30.1	31.7	32.4	33.9	36.4	37.6	37.4	36.3	38.2	40.2	2.0
Small to Medium-sized Firms	32.0	25.3	24.6	27.0	28.5	29.1	31.1	33.3	34.9	34.5	33.4	35.3	37.5	2.2
Micro Firms	32.3	25.4	24.6	27.8	29.4	30.0	32.0	33.9	35.2	34.2	32.8	34.7	36.7	2.0

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	32.8	28.2	25.1	29.6	31.4	31.0	30.3	34.4	38.7	35.4	30.9	33.8	35.0	1.2	
Finance	33.3	27.3	28.7	32.4	31.5	32.6	35.3	38.3	37.7	35.6	36.1	38.3	39.2	0.9	
Construction	41.5	33.9	33.5	36.3	37.5	38.4	40.4	41.1	41.8	40.9	39.4	40.6	41.6	1.0	
Real Estate	31.6	21.9	23.5	29.2	32.5	33.1	35.6	36.4	36.8	36.4	35.5	38.3	40.6	2.3	
Manufacturing	Food,BEWerages,Livestock Feed	28.4	24.8	24.6	27.2	29.6	30.5	32.0	34.2	36.0	32.5	30.7	30.8	34.4	3.6
	Textile,Textile Products,Clothing	23.2	16.7	17.7	17.9	19.8	20.3	23.5	24.7	26.8	26.1	24.5	26.0	26.8	0.8
	Construction Materials,Furniture, Ceramics,Stone and Clay Products	33.4	29.2	26.5	28.1	28.3	29.8	31.3	35.1	35.4	36.0	37.3	37.2	37.8	0.6
	Pulp, Paper and Paper Products	29.2	24.0	21.4	19.3	21.0	22.9	24.1	26.2	29.2	29.3	27.6	29.4	33.0	3.6
	Publishing,Printing	23.1	16.8	14.4	16.0	15.8	18.8	20.4	21.9	22.7	21.8	20.2	22.2	26.0	3.8
	Chemical	32.1	27.5	25.3	25.9	27.3	27.8	31.1	34.4	37.7	39.3	38.0	40.9	43.3	2.4
	Steel,Nonferrous Metals,Mining	29.0	23.6	21.5	20.8	22.3	23.6	25.4	29.2	33.1	34.3	33.9	37.0	39.3	2.3
	General Machinery	31.1	25.3	23.6	23.5	24.6	25.0	26.5	29.1	31.7	33.5	33.6	36.9	41.2	4.3
	Electrical Machinery	32.7	27.6	26.1	27.0	27.5	27.7	28.9	33.0	34.8	35.5	36.1	39.6	42.6	3.0
	Transportation Machinery,Equipment	34.2	22.2	18.2	18.1	21.2	24.2	27.8	34.9	36.3	40.1	40.1	40.3	45.3	5.0
	Precision Machinery, Medical Instruments and Equipment	34.8	27.2	26.3	28.6	28.1	29.6	30.2	32.7	35.5	37.1	37.9	42.4	44.6	2.2
Other	31.1	20.7	19.8	23.9	25.2	22.8	26.3	29.0	29.6	31.9	31.5	31.4	34.1	2.7	
Total	30.3	24.7	23.0	23.6	24.9	25.9	27.8	31.0	33.3	33.9	33.4	35.6	38.5	2.9	
Wholesale	Food,BEWerages	25.6	21.3	21.0	24.5	27.3	27.2	30.2	32.0	31.6	29.5	26.8	29.2	30.7	1.5
	Textile,Textile Products,Clothing	16.4	10.3	11.4	15.8	18.2	18.0	19.4	22.6	22.3	22.7	21.2	19.8	23.9	4.1
	Construction Materials, Furniture,Ceramics, Stone and Clay Products	34.4	27.9	27.7	29.6	30.2	30.4	31.7	33.9	35.9	36.1	34.7	34.8	36.7	1.9
	Paper Products,Stationery,Books	27.5	22.0	19.1	19.0	21.9	23.2	24.0	26.9	26.7	28.3	26.3	29.3	32.2	2.9
	Chemical	33.2	28.9	27.4	27.6	29.2	29.5	30.1	32.3	36.1	35.7	34.3	37.7	39.1	1.4
	Recycled Resources	21.2	18.7	18.8	23.8	24.5	27.8	30.2	32.9	38.7	44.4	45.6	42.4	45.4	3.0
	Steel,Nonferrous Metals, Mining Products	27.8	23.2	22.8	24.0	24.5	25.3	26.4	30.5	32.1	34.0	32.6	33.4	36.0	2.6
	Machinery,Equipment	33.0	25.9	25.1	27.4	29.0	28.6	30.6	33.1	34.6	34.4	34.6	36.7	39.5	2.8
	Other	26.5	21.4	19.8	23.1	25.1	25.4	27.6	30.6	33.0	31.6	29.0	31.3	34.4	3.1
Total	29.4	23.7	23.0	25.3	27.0	27.1	28.9	31.5	33.0	32.8	31.6	33.3	35.8	2.5	

## Economic Diffusion Index (Economic DI)2/2

		Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Ratio to the Previous Month
Retail	Food,BEWerages	25.8	26.3	27.4	30.8	30.7	29.1	34.0	38.8	37.0	34.6	33.8	33.1	34.1	1.0
	Textile,Textile Products,Clothing	16.2	11.4	8.8	23.6	24.7	24.0	19.9	27.8	23.7	22.0	22.7	21.4	23.3	1.9
	Drugs,Sundries	27.5	28.7	25.3	32.7	32.7	31.3	32.6	33.3	29.8	31.3	30.2	32.5	31.1	▲ 1.4
	Furniture	22.6	10.8	15.5	31.7	40.0	38.9	38.5	37.5	38.9	35.4	34.4	36.7	38.9	2.2
	Electrical Household Appliances, Information Machinery and Equipment	28.4	19.3	21.9	33.8	29.8	30.5	30.6	34.2	33.3	29.5	28.3	36.3	34.4	▲ 1.9
	Motor Vehicles,Motor Vehicle Parts	27.9	17.0	15.8	25.4	29.3	29.3	32.4	34.6	40.2	37.2	35.7	37.6	37.0	▲ 0.6
	Special Merchandise	27.4	20.2	19.9	27.7	30.2	30.0	31.6	33.9	33.3	34.7	32.6	35.5	35.9	0.4
	Various Merchandise	29.3	32.3	29.9	34.5	40.9	36.9	37.0	37.6	37.3	39.2	38.7	36.2	37.3	1.1
	Other	31.8	26.9	30.6	31.8	26.7	25.9	33.3	33.3	34.8	33.3	30.3	33.3	35.0	1.7
	Total	26.7	21.2	21.1	29.1	31.0	30.3	32.1	34.8	35.0	34.2	32.9	34.5	34.9	0.4
Transportation,Warehousing		27.7	22.4	22.7	21.5	24.2	25.4	28.1	30.1	32.5	31.5	30.0	31.7	33.9	2.2
Service	Restaurants	14.2	4.3	5.5	13.8	13.7	12.7	14.5	18.2	21.0	15.3	10.3	12.8	18.9	6.1
	Postal,Telecommunications	50.0	30.3	33.3	43.3	41.7	42.6	46.7	41.7	47.2	38.9	46.3	38.1	43.8	5.7
	Electricity,Gas,Water,Heat	40.5	28.4	32.4	34.4	34.9	42.5	42.5	40.4	40.0	38.6	42.5	39.5	47.1	7.6
	Leasing,Rentals	34.0	27.8	29.1	30.2	31.4	32.7	34.5	34.9	37.5	36.2	33.5	32.8	35.0	2.2
	Lodging, Hotels	7.0	1.5	2.9	4.8	5.1	6.0	12.4	27.2	28.8	11.9	3.4	4.4	10.9	6.5
	Recreation	17.0	5.6	9.3	11.5	17.5	22.9	22.4	23.7	29.0	27.0	24.0	25.8	33.1	7.3
	Broadcasting	29.8	22.9	22.5	26.7	25.6	34.5	33.3	34.4	38.6	42.2	36.3	42.6	51.0	8.4
	Maintenance,Guarding,Testing	36.0	27.5	26.6	29.9	33.2	34.1	36.5	38.5	38.5	38.6	36.3	37.5	40.4	2.9
	Advertising	21.3	11.3	10.7	14.3	19.0	18.0	20.4	21.1	22.3	22.5	20.2	24.7	26.5	1.8
	Information	43.9	33.7	34.0	35.8	37.2	37.9	38.9	40.1	41.6	41.2	41.3	43.6	45.5	1.9
	Labor Dispatching	34.1	21.0	20.0	25.3	24.6	25.4	26.7	29.2	34.3	31.5	31.6	33.6	34.1	0.5
	Special Services	40.4	31.4	32.2	35.0	36.7	36.1	40.0	40.7	42.5	41.0	38.8	42.9	43.6	0.7
	Medical,Welfare,Public Health	35.9	26.4	26.1	30.5	29.9	31.0	31.4	33.6	34.9	34.8	32.7	34.7	37.1	2.4
	Education	29.7	13.9	18.8	28.0	29.5	31.7	34.0	34.7	34.0	34.0	33.3	34.0	32.1	▲ 1.9
	Other	29.2	21.2	21.8	26.6	28.7	28.4	31.1	31.6	31.4	32.6	30.9	34.2	34.5	0.3
Total	35.3	25.8	26.1	29.4	31.2	31.8	33.9	35.1	36.8	35.7	33.9	36.5	38.5	2.0	
Other	29.8	24.4	26.2	27.1	29.3	28.8	31.5	28.2	29.4	30.8	29.5	30.5	34.4	3.9	

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Ratio to the Previous Month
Hokkaido	31.0	28.4	27.5	30.6	32.3	33.4	34.4	36.0	34.4	33.0	32.4	33.9	35.3	1.4
Tohoku	30.7	26.0	25.3	28.5	29.7	30.4	32.6	34.4	36.0	35.4	33.8	35.4	36.8	1.4
kitakanto	31.8	25.8	24.5	26.2	27.1	28.0	30.6	33.2	36.6	35.9	34.9	37.2	39.2	2.0
minamikanto	34.1	26.3	25.5	28.4	29.7	30.4	32.3	34.2	35.3	35.2	34.0	35.9	38.4	2.5
Hokuriku	29.7	24.9	25.1	26.5	27.5	28.5	30.0	31.8	34.7	35.0	32.7	34.6	38.2	3.6
Tokai	31.4	23.7	23.4	25.3	27.0	27.7	30.3	32.6	35.6	35.3	34.1	36.1	38.4	2.3
Kinki	30.4	23.9	23.8	25.9	27.8	28.1	29.5	32.4	34.1	33.9	33.1	35.5	37.4	1.9
Chugoku	33.8	27.0	25.7	27.2	29.4	29.7	32.0	34.3	35.5	34.8	34.5	36.2	37.7	1.5
Shikoku	36.4	30.8	28.5	30.3	30.5	31.5	32.6	33.9	35.3	35.4	33.8	35.4	37.5	2.1
Kyushu	35.3	27.5	27.4	29.7	32.5	31.8	34.2	36.9	37.7	36.9	35.3	37.0	39.0	2.0

## Appendix

### 1. Research Subjects (Companies researched: 23,703; Valid responses: 11,261; Response rate: 47.5%)

#### 1. Region

Hokkaido	558	Tokai	1,237
Tohoku	751	Kinki	1,946
kita Kanto	847	Chugoku	644
minamikanto	3,421	Shikoku	372
Hokuriku	612	Kyushu	873
		Total	11,261

#### 2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		70
Finance		122
Construction		1,833
Real Estate		371
Manufacturing (3,099)	Food, Beverages, Livestock Feed	381
	Textile, Textile Products, Clothing	122
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	240
	Pulp, Paper and Paper Products	103
	Publishing, Printing	181
	Chemical	433
	Steel, Nonferrous Metals, Mining	530
	General Machinery	496
	Electrical Machinery	344
	Transportation Machinery, Equipment	100
	Precision Machinery, Medical Instruments and Equipment	80
Others	89	
Wholesale (2,972)	Food, Beverages	392
	Textile, Textile Products, Clothing	197
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	354
	Paper Products, Stationery, Books	101
	Chemical	281
	Recycled Resources	36
	Steel, Nonferrous Metals, Mining Products	308
	Machinery, Equipment	946
	Others	357

Retail (450)	Food, Beverages	68
	Textile, Textile Products, Clothing	30
	Drugs, Sundries	22
	Furniture	15
	Electrical Household Appliances, Information Machinery and Equipment	32
	Motor Vehicles, Motor Vehicle Parts	82
	Special Merchandise	149
	Various Merchandise	42
	Others	10
Transportation, Warehousing		499
Service (1,798)	Restaurants	59
	Telecommunications	8
	Electricity, Gas, Water, Heat	17
	Leasing, Rentals	131
	Lodging, Hotels	32
	Recreation	67
	Broadcasting	16
	Maintenance, Guarding, Testing	175
	Advertising	102
	Information	485
	Labor Dispatching	63
	Special Services	292
	Medical, Welfare, Public Health	118
Education	27	
Others	206	
Others		47
Total		11,261

#### 3. Size

Large Firms	1,962	17.4%
Small to Medium-sized Firms	9,299	82.6%
micro Firms	3,365	29.9%
Total	11,261	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 March 18 – 31 2021

### 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 <sub>6</sub>	N <sub>5</sub>	N <sub>4</sub>	N <sub>3</sub>	N <sub>2</sub>	N <sub>1</sub>	N <sub>0</sub>

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.