

## Domestic economy improved for the first time in two months

~ Consumer spending-related sector also on an upswing due to spread of vaccination ~

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(Companies researched: 23,737; Valid responses: 11,109; Response rate: 46.8%; Survey start date: May 2002)

### < Overview of June 2021: Upswing again >

The economic diffusion index (DI) in June 2021 was 39.1, up 1.6 points from the previous month, and improved for the first time in two months. In addition to recovery of the overseas economy, with an upswing in the consumer spending-related sector, the domestic economy improved for the first time in two months.

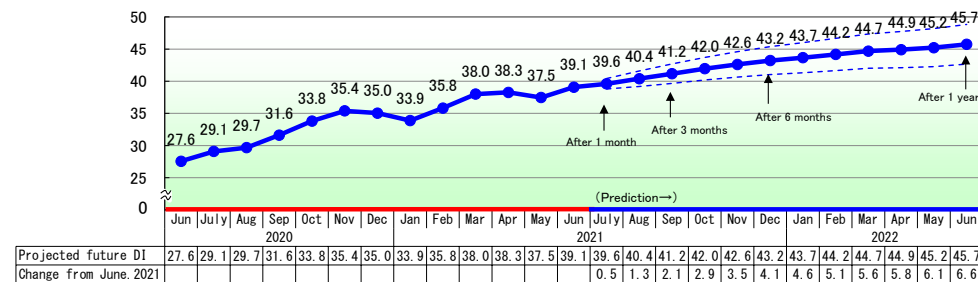
### < Future outlook: Moderate upswing >

Although the movement in the number of those infected is a matter of concern, the economy is expected to improve at a moderate pace.

**By industry:** The economy improved in all ten industries. The consumer spending-related sector was on the upswing as the state of emergency was lifted.

**By size:** The economy improved in all sizes for the first time in three months. Demand in a new field was generated.

**By region:** The economy improved in all ten regions for the first time in three months. The regional economy was boosted by IT-related and export.



\*: 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

	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Ratio to the Previous Month
Total	27.6	29.1	29.7	31.6	33.8	35.4	35.0	33.9	35.8	38.0	38.3	37.5	39.1	1.6
Large Firms	30.1	31.7	32.4	33.9	36.4	37.6	37.4	36.3	38.2	40.2	40.8	40.2	41.9	1.7
Small to Medium-sized Firms	27.0	28.5	29.1	31.1	33.3	34.9	34.5	33.4	35.3	37.5	37.7	36.9	38.5	1.6
Micro Firms	27.8	29.4	30.0	32.0	33.9	35.2	34.2	32.8	34.7	36.7	36.3	35.6	37.1	1.5

	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	29.6	31.4	31.0	30.3	34.4	38.7	35.4	30.9	33.8	35.0	37.5	37.7	39.1	1.4	
Finance	32.4	31.5	32.6	35.3	38.3	37.7	35.6	36.1	38.3	39.2	38.3	39.5	41.7	2.2	
Construction	36.3	37.5	38.4	40.4	41.1	41.8	40.9	39.4	40.6	41.6	41.4	40.0	41.6	1.6	
Real Estate	29.2	32.5	33.1	35.6	36.4	36.8	36.4	35.5	38.3	40.6	40.8	39.4	40.9	1.5	
Manufacturing	Food,BEWerages,Livestock Feed	27.2	29.6	30.5	32.0	34.2	36.0	32.5	30.7	30.8	34.4	35.2	33.6	34.0	0.4
	Textile,Textile Products,Clothing	17.9	19.8	20.3	23.5	24.7	26.8	26.1	24.5	26.0	26.8	28.7	29.2	29.3	0.1
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	28.1	28.3	29.8	31.3	35.1	35.4	36.0	37.3	37.2	37.8	39.3	38.6	40.1	1.5
	Pulp, Paper and Paper Products	19.3	21.0	22.9	24.1	26.2	29.2	29.3	27.6	29.4	33.0	34.3	33.5	34.9	1.4
	Publishing,Printing	16.0	15.8	18.8	20.4	21.9	22.7	21.8	20.2	22.2	26.0	27.2	24.2	27.1	2.9
	Chemical	25.9	27.3	27.8	31.1	34.4	37.7	39.3	38.0	40.9	43.3	44.2	44.3	44.5	0.2
	Steel,Nonferrous Metals,Mining	20.8	22.3	23.6	25.4	29.2	33.1	34.3	33.9	37.0	39.3	40.5	39.9	43.4	3.5
	General Machinery	23.5	24.6	25.0	26.5	29.1	31.7	33.5	33.6	36.9	41.2	42.1	42.2	43.7	1.5
	Electrical Machinery	27.0	27.5	27.7	28.9	33.0	34.8	35.5	36.1	39.6	42.6	43.2	42.8	45.0	2.2
	Transportation Machinery,Equipment	18.1	21.2	24.2	27.8	34.9	36.3	40.1	40.1	40.3	45.3	45.2	45.3	47.1	1.8
	Precision Machinery,Medical Instruments and Equipment	28.6	28.1	29.6	30.2	32.7	35.5	37.1	37.9	42.4	44.6	45.6	48.7	49.1	0.4
Other	23.9	25.2	22.8	26.3	29.0	29.6	31.9	31.5	31.4	34.1	35.3	33.0	34.1	1.1	
Total	23.6	24.9	25.9	27.8	31.0	33.3	33.9	33.4	35.6	38.5	39.5	39.0	40.6	1.6	
Wholesale	Food,BEWerages	24.5	27.3	27.2	30.2	32.0	31.6	29.5	26.8	29.2	30.7	30.1	29.4	30.7	1.3
	Textile,Textile Products,Clothing	15.8	18.2	18.0	19.4	22.6	22.3	22.7	21.2	19.8	23.9	23.1	21.7	22.5	0.8
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	29.6	30.2	30.4	31.7	33.9	35.9	36.1	34.7	34.8	36.7	37.2	36.5	36.3	▲ 0.2
	Paper Products,Stationery,Books	19.0	21.9	23.2	24.0	26.9	26.7	28.3	26.3	29.3	32.2	32.4	30.6	31.4	0.8
	Chemical	27.6	29.2	29.5	30.1	32.3	36.1	35.7	34.3	37.7	39.1	40.9	40.7	42.0	1.3
	Recycled Resources	23.8	24.5	27.8	30.2	32.9	38.7	44.4	45.6	42.4	45.4	55.1	53.4	52.0	▲ 1.4
	Steel,Nonferrous Metals,Mining Products	24.0	24.5	25.3	26.4	30.5	32.1	34.0	32.6	33.4	36.0	37.2	37.5	38.7	1.2
	Machinery,Equipment	27.4	29.0	28.6	30.6	33.1	34.6	34.4	34.6	36.7	39.5	40.1	39.0	40.7	1.7
	Other	23.1	25.1	25.4	27.6	30.6	33.0	31.6	29.0	31.3	34.4	34.1	32.2	35.5	3.3
Total	25.3	27.0	27.1	28.9	31.5	33.0	32.8	31.6	33.3	35.8	36.2	35.3	36.8	1.5	

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

		Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Ratio to the Previous Month
Retail	Food,BE,Werages	30.8	30.7	29.1	34.0	38.8	37.0	34.6	33.8	33.1	34.1	32.8	32.6	34.9	2.3
	Textile,Textile Products,Clothing	23.6	24.7	24.0	19.9	27.8	23.7	22.0	22.7	21.4	23.3	25.0	21.2	20.3	▲ 0.9
	Drugs,Sundries	32.7	32.7	31.3	32.6	33.3	29.8	31.3	30.2	32.5	31.1	35.8	29.3	31.4	2.1
	Furniture	31.7	40.0	38.9	38.5	37.5	38.9	35.4	34.4	36.7	38.9	42.7	40.6	39.8	▲ 0.8
	Electrical Household Appliances, Information Machinery and Equipment	33.8	29.8	30.5	30.6	34.2	33.3	29.5	28.3	36.3	34.4	37.8	30.8	35.8	5.0
	Motor Vehicles, Motor Vehicle Parts	25.4	29.3	29.3	32.4	34.6	40.2	37.2	35.7	37.6	37.0	38.3	38.6	40.7	2.1
	Special Merchandise	27.7	30.2	30.0	31.6	33.9	33.3	34.7	32.6	35.5	35.9	34.6	34.5	34.8	0.3
	Various Merchandise	34.5	40.9	36.9	37.0	37.6	37.3	39.2	38.7	36.2	37.3	32.2	31.1	33.0	1.9
	Other	31.8	26.7	25.9	33.3	33.3	34.8	33.3	30.3	33.3	35.0	40.5	25.0	33.3	8.3
Total		29.1	31.0	30.3	32.1	34.8	35.0	34.2	32.9	34.5	34.9	34.7	33.1	34.5	1.4
Transportation,Warehousing		21.5	24.2	25.4	28.1	30.1	32.5	31.5	30.0	31.7	33.9	34.5	33.7	34.5	0.8
Service	Restaurants	13.8	13.7	12.7	14.5	18.2	21.0	15.3	10.3	12.8	18.9	14.9	13.0	20.5	7.5
	Postal,Telecommunications	43.3	41.7	42.6	46.7	41.7	47.2	38.9	46.3	38.1	43.8	38.9	40.5	27.8	▲ 12.7
	Electricity,Gas,Water,Heat	34.4	34.9	42.5	42.5	40.4	40.0	38.6	42.5	39.5	47.1	40.4	41.2	45.0	3.8
	Leasing,Rentals	30.2	31.4	32.7	34.5	34.9	37.5	36.2	33.5	32.8	35.0	35.4	35.0	38.1	3.1
	Lodging, Hotels	4.8	5.1	6.0	12.4	27.2	28.8	11.9	3.4	4.4	10.9	8.6	5.6	11.6	6.0
	Recreation	11.5	17.5	22.9	22.4	23.7	29.0	27.0	24.0	25.8	33.1	25.8	29.5	29.2	▲ 0.3
	Broadcasting	26.7	25.6	34.5	33.3	34.4	38.6	42.2	36.3	42.6	51.0	42.7	42.7	42.2	▲ 0.5
	Maintenance,Guarding,Testing	29.9	33.2	34.1	36.5	38.5	38.5	38.6	36.3	37.5	40.4	39.2	40.8	42.7	1.9
	Advertising	14.3	19.0	18.0	20.4	21.1	22.3	22.5	20.2	24.7	26.5	25.6	23.4	27.5	4.1
	Information	35.8	37.2	37.9	38.9	40.1	41.6	41.2	41.3	43.6	45.5	45.2	44.9	46.8	1.9
	Labor Dispatching	25.3	24.6	25.4	26.7	29.2	34.3	31.5	31.6	33.6	34.1	35.8	35.5	36.2	0.7
	Special Services	35.0	36.7	36.1	40.0	40.7	42.5	41.0	38.8	42.9	43.6	43.5	41.5	43.4	1.9
	Medical,Welfare,Public Health	30.5	29.9	31.0	31.4	33.6	34.9	34.8	32.7	34.7	37.1	39.1	39.2	41.2	2.0
	Education	28.0	29.5	31.7	34.0	34.7	34.0	34.0	33.3	34.0	32.1	35.7	37.1	38.7	1.6
Other	26.6	28.7	28.4	31.1	31.6	31.4	32.6	30.9	34.2	34.5	34.8	35.2	35.8	0.6	
Total		29.4	31.2	31.8	33.9	35.1	36.8	35.7	33.9	36.5	38.5	37.9	37.5	39.7	2.2
Other		27.1	29.3	28.8	31.5	28.2	29.4	30.8	29.5	30.5	34.4	34.1	33.3	35.5	2.2

		Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Ratio to the Previous Month
Hokkaido		30.6	32.3	33.4	34.4	36.0	34.4	33.0	32.4	33.9	35.3	36.2	34.5	37.1	2.6
Tohoku		28.5	29.7	30.4	32.6	34.4	36.0	35.4	33.8	35.4	36.8	38.0	37.7	39.3	1.6
kitakanto		26.2	27.1	28.0	30.6	33.2	36.6	35.9	34.9	37.2	39.2	39.7	39.5	41.2	1.7
minamikanto		28.4	29.7	30.4	32.3	34.2	35.3	35.2	34.0	35.9	38.4	38.7	38.4	39.8	1.4
Hokuriku		26.5	27.5	28.5	30.0	31.8	34.7	35.0	32.7	34.6	38.2	38.6	37.1	39.2	2.1
Tokai		25.3	27.0	27.7	30.3	32.6	35.6	35.3	34.1	36.1	38.4	38.9	37.9	39.4	1.5
Kinki		25.9	27.8	28.1	29.5	32.4	34.1	33.9	33.1	35.5	37.4	37.0	36.2	38.1	1.9
Chugoku		27.2	29.4	29.7	32.0	34.3	35.5	34.8	34.5	36.2	37.7	37.8	36.0	37.9	1.9
Shikoku		30.3	30.5	31.5	32.6	33.9	35.3	35.4	33.8	35.4	37.5	36.4	35.8	37.6	1.8
Kyushu		29.7	32.5	31.8	34.2	36.9	37.7	36.9	35.3	37.0	39.0	39.5	37.5	38.3	0.8

## Appendix

### 1. Research Subjects (Companies researched: 23,737; Valid responses: 11,109; Response rate: 46.8%)

#### 1. Region

Hokkaido	537	Tokai	1,171
Tohoku	698	Kinki	1,824
kita Kanto	834	Chugoku	656
minamikanto	3,454	Shikoku	396
Hokuriku	576	Kyushu	963
		<b>Total</b>	<b>11,109</b>

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

Agriculture, Forestry, Fisheries		72
Finance		116
Construction		1,802
Real Estate		362
Manufacturing (3,011)	Food, Beverages, Livestock Feed	356
	Textile, Textile Products, Clothing	115
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	238
	Pulp, Paper and Paper Products	104
	Publishing, Printing	182
	Chemical	408
	Steel, Nonferrous Metals, Mining	519
	General Machinery	493
	Electrical Machinery	323
	Transportation Machinery, Equipment	109
	Precision Machinery, Medical Instruments and Equipment	72
Wholesale (2,895)	Others	92
	Food, Beverages	392
	Textile, Textile Products, Clothing	177
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	341
	Paper Products, Stationery, Books	103
	Chemical	274
	Recycled Resources	33
	Steel, Nonferrous Metals, Mining Products	303
Machinery, Equipment	921	
Others	351	

Retail (467)	Food, Beverages	65
	Textile, Textile Products, Clothing	37
	Drugs, Sundries	26
	Furniture	18
	Electrical Household Appliances, Information Machinery and Equipment	40
	Motor Vehicles, Motor Vehicle Parts	77
	Special Merchandise	149
	Various Merchandise	47
Others	8	
Transportation, Warehousing		506
Service (1,831)	Restaurants	69
	Telecommunications	6
	Electricity, Gas, Water, Heat	20
	Leasing, Rentals	126
	Lodging, Hotels	36
	Recreation	65
	Broadcasting	15
	Maintenance, Guarding, Testing	196
	Advertising	95
	Information	490
	Labor Dispatching	65
	Special Services	304
	Medical, Welfare, Public Health	117
Education	31	
Others	196	
Others		47
<b>Total</b>		<b>11,109</b>

#### 3. Size

Large Firms	1,886	17.0%
Small to Medium-sized Firms	9,223	83.0%
micro Firms	3,320	29.9%
<b>Total</b>	<b>11,109</b>	<b>100.0%</b>

## 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 June 17 – 30 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.