

Domestic economy improved for the first time in two months.

~ Economic activities gradually normalize along with
widening vaccination ~

e-mail : keiki@mail.tdb.co.jp

(Companies researched: 24,516; Valid responses: 12,222; Response rate: 49.9%;
Survey start date: May 2002)

< Overview of September 2021: Turned upward >

The economic diffusion index (DI) in September 2021 was 39.9, up 0.7 points from the previous month, and improved for the first time in two months. A decrease in those newly infected and stock price rises, etc., proved a boon, and the domestic economy turned upward again.

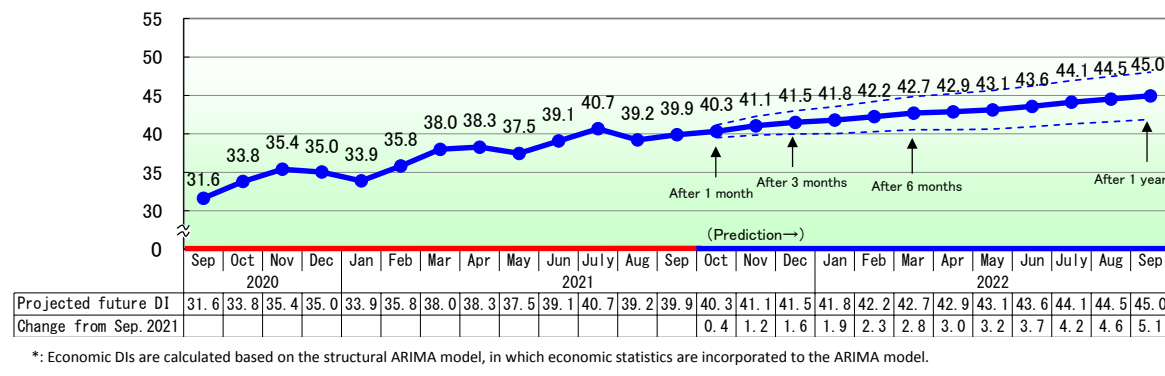
< Future outlook: Gradual recovery >

The economy is expected to gradually recover while bearing downside risks due to the spread of the infection.

By industry: The economy improved in seven industries such as service, but significantly worsened in the automobile-related sector of manufacturing.

By size: The economy improved in all sizes for the first time in two months. Stock price rises, etc., were an improvement factor for large companies.

By region: The economy improved in eight of the ten regions, with a positive factor being the nationwide decrease in those newly infected.



Economic Diffusion Index (Economic DI)1/2

	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Ratio to the Previous Month
Total	31.6	33.8	35.4	35.0	33.9	35.8	38.0	38.3	37.5	39.1	40.7	39.2	39.9	0.7
Large Firms	33.9	36.4	37.6	37.4	36.3	38.2	40.2	40.8	40.2	41.9	42.9	41.4	42.5	1.1
Small to Medium-sized Firms	31.1	33.3	34.9	34.5	33.4	35.3	37.5	37.7	36.9	38.5	40.2	38.8	39.4	0.6
Micro Firms	32.0	33.9	35.2	34.2	32.8	34.7	36.7	36.3	35.6	37.1	38.4	37.4	38.7	1.3

	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	30.3	34.4	38.7	35.4	30.9	33.8	35.0	37.5	37.7	39.1	38.5	37.0	38.1	1.1	
Finance	35.3	38.3	37.7	35.6	36.1	38.3	39.2	38.3	39.5	41.7	42.8	39.7	41.5	1.8	
Construction	40.4	41.1	41.8	40.9	39.4	40.6	41.6	41.4	40.0	41.6	42.7	42.5	43.7	1.2	
Real Estate	35.6	36.4	36.8	36.4	35.5	38.3	40.6	40.8	39.4	40.9	41.8	39.4	42.6	3.2	
Manufacturing	Food,BEverages,Livestock Feed	32.0	34.2	36.0	32.5	30.7	30.8	34.4	35.2	33.6	34.0	35.5	32.8	34.1	1.3
	Textile,Textile Products,Clothing	23.5	24.7	26.8	26.1	24.5	26.0	26.8	28.7	29.2	29.3	31.0	29.3	28.2	▲ 1.1
	Construction Materials,Furniture, Ceramics,Stone and Clay Products	31.3	35.1	35.4	36.0	37.3	37.2	37.8	39.3	38.6	40.1	42.5	41.2	42.7	1.5
	Pulp, Paper and Paper Products	24.1	26.2	29.2	29.3	27.6	29.4	33.0	34.3	33.5	34.9	37.2	36.6	36.2	▲ 0.4
	Publishing,Printing	20.4	21.9	22.7	21.8	20.2	22.2	26.0	27.2	24.2	27.1	27.4	25.6	27.1	1.5
	Chemical	31.1	34.4	37.7	39.3	38.0	40.9	43.3	44.2	44.3	44.5	46.3	45.0	41.9	▲ 3.1
	Steel,Nonferrous Metals,Mining	25.4	29.2	33.1	34.3	33.9	37.0	39.3	40.5	39.9	43.4	46.4	45.1	43.8	▲ 1.3
	General Machinery	26.5	29.1	31.7	33.5	33.6	36.9	41.2	42.1	42.2	43.7	45.9	46.6	46.2	▲ 0.4
	Electrical Machinery	28.9	33.0	34.8	35.5	36.1	39.6	42.6	43.2	42.8	45.0	46.8	45.9	45.8	▲ 0.1
	Transportation Machinery,Equipment	27.8	34.9	36.3	40.1	40.1	40.3	45.3	45.2	45.3	47.1	50.6	48.2	37.6	▲ 10.6
	Precision Machinery, Medical Instruments and Equipment	30.2	32.7	35.5	37.1	37.9	42.4	44.6	45.6	48.7	49.1	50.5	50.9	50.8	▲ 0.1
	Other	26.3	29.0	29.6	31.9	31.5	31.4	34.1	35.3	33.0	34.1	37.6	33.9	35.3	1.4
Total	27.8	31.0	33.3	33.9	33.4	35.6	38.5	39.5	39.0	40.6	42.7	41.5	40.7	▲ 0.8	
Wholesale	Food,BEverages	30.2	32.0	31.6	29.5	26.8	29.2	30.7	30.1	29.4	30.7	31.3	29.1	29.8	0.7
	Textile,Textile Products,Clothing	19.4	22.6	22.3	22.7	21.2	19.8	23.9	23.1	21.7	22.5	22.8	21.2	22.4	1.2
	Construction Materials, Furniture,Ceramics, Stone and Clay Products	31.7	33.9	35.9	36.1	34.7	34.8	36.7	37.2	36.5	36.3	37.8	37.7	39.6	1.9
	Paper Products,Stationery,Books	24.0	26.9	26.7	28.3	26.3	29.3	32.2	32.4	30.6	31.4	31.2	29.2	29.6	0.4
	Chemical	30.1	32.3	36.1	35.7	34.3	37.7	39.1	40.9	40.7	42.0	42.4	40.7	42.2	1.5
	Recycled Resources	30.2	32.9	38.7	44.4	45.6	42.4	45.4	55.1	53.4	52.0	53.7	51.4	51.8	0.4
	Steel,Nonferrous Metals, Mining Products	26.4	30.5	32.1	34.0	32.6	33.4	36.0	37.2	37.5	38.7	41.1	41.1	41.6	0.5
	Machinery,Equipment	30.6	33.1	34.6	34.4	34.6	36.7	39.5	40.1	39.0	40.7	43.1	41.3	41.8	0.5
	Other	27.6	30.6	33.0	31.6	29.0	31.3	34.4	34.1	32.2	35.5	36.6	33.0	34.4	1.4
	Total	28.9	31.5	33.0	32.8	31.6	33.3	35.8	36.2	35.3	36.8	38.3	36.6	37.6	1.0

Economic Diffusion Index (Economic DI)2/2

		Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Ratio to the Previous Month
Retail	Food,BEWerages	34.0	38.8	37.0	34.6	33.8	33.1	34.1	32.8	32.6	34.9	37.5	36.0	33.1	▲ 2.9
	Textile,Textile Products,Clothing	19.9	27.8	23.7	22.0	22.7	21.4	23.3	25.0	21.2	20.3	25.0	21.4	21.5	0.1
	Drugs,Sundries	32.6	33.3	29.8	31.3	30.2	32.5	31.1	35.8	29.3	31.4	32.5	33.3	34.6	1.3
	Furniture	38.5	37.5	38.9	35.4	34.4	36.7	38.9	42.7	40.6	39.8	36.9	34.6	32.2	▲ 2.4
	Electrical Household Appliances, Information Machinery and Equipment	30.6	34.2	33.3	29.5	28.3	36.3	34.4	37.8	30.8	35.8	37.7	33.8	33.8	0.0
	Motor Vehicles,Motor Vehicle Parts	32.4	34.6	40.2	37.2	35.7	37.6	37.0	38.3	38.6	40.7	40.5	36.8	37.2	0.4
	Special Merchandise	31.6	33.9	33.3	34.7	32.6	35.5	35.9	34.6	34.5	34.8	34.3	32.6	31.7	▲ 0.9
	Various Merchandise	37.0	37.6	37.3	39.2	38.7	36.2	37.3	32.2	31.1	33.0	35.6	27.3	33.0	5.7
	Other	33.3	33.3	34.8	33.3	30.3	33.3	35.0	40.5	25.0	33.3	35.7	37.0	35.4	▲ 1.6
Total		32.1	34.8	35.0	34.2	32.9	34.5	34.9	34.7	33.1	34.5	35.4	32.7	32.6	▲ 0.1
Transportation,Warehousing		28.1	30.1	32.5	31.5	30.0	31.7	33.9	34.5	33.7	34.5	36.3	36.0	35.8	▲ 0.2
Service	Restaurants	14.5	18.2	21.0	15.3	10.3	12.8	18.9	14.9	13.0	20.5	19.7	14.8	15.2	0.4
	Postal,Telecommunications	46.7	41.7	47.2	38.9	46.3	38.1	43.8	38.9	40.5	27.8	42.9	39.6	41.7	2.1
	Electricity,Gas,Water,Heat	42.5	40.4	40.0	38.6	42.5	39.5	47.1	40.4	41.2	45.0	40.8	44.4	45.8	1.4
	Leasing,Rentals	34.5	34.9	37.5	36.2	33.5	32.8	35.0	35.4	35.0	38.1	41.0	37.4	39.6	2.2
	Lodging, Hotels	12.4	27.2	28.8	11.9	3.4	4.4	10.9	8.6	5.6	11.6	13.0	10.0	10.4	0.4
	Recreation	22.4	23.7	29.0	27.0	24.0	25.8	33.1	25.8	29.5	29.2	34.8	29.2	29.0	▲ 0.2
	Broadcasting	33.3	34.4	38.6	42.2	36.3	42.6	51.0	42.7	42.7	42.2	42.2	38.9	39.2	0.3
	Maintenance,Guarding,Testing	36.5	38.5	38.5	38.6	36.3	37.5	40.4	39.2	40.8	42.7	41.9	41.6	44.0	2.4
	Advertising	20.4	21.1	22.3	22.5	20.2	24.7	26.5	25.6	23.4	27.5	27.5	26.8	29.5	2.7
	Information	38.9	40.1	41.6	41.2	41.3	43.6	45.5	45.2	44.9	46.8	48.2	46.7	48.5	1.8
	Labor Dispatching	26.7	29.2	34.3	31.5	31.6	33.6	34.1	35.8	35.5	36.2	41.9	38.4	41.9	3.5
	Special Services	40.0	40.7	42.5	41.0	38.8	42.9	43.6	43.5	41.5	43.4	47.3	44.4	45.5	1.1
	Medical,Welfare,Public Health	31.4	33.6	34.9	34.8	32.7	34.7	37.1	39.1	39.2	41.2	42.1	41.1	41.4	0.3
Education	34.0	34.7	34.0	34.0	33.3	34.0	32.1	35.7	37.1	38.7	40.3	37.5	39.0	1.5	
Other	31.1	31.6	31.4	32.6	30.9	34.2	34.5	34.8	35.2	35.8	37.4	34.7	39.2	4.5	
Total		33.9	35.1	36.8	35.7	33.9	36.5	38.5	37.9	37.5	39.7	41.5	39.1	41.1	2.0
Other		31.5	28.2	29.4	30.8	29.5	30.5	34.4	34.1	33.3	35.5	34.7	35.3	35.6	0.3

		Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Ratio to the Previous Month
Hokkaido		34.4	36.0	34.4	33.0	32.4	33.9	35.3	36.2	34.5	37.1	38.3	38.0	38.5	0.5
Tohoku		32.6	34.4	36.0	35.4	33.8	35.4	36.8	38.0	37.7	39.3	40.0	38.4	39.0	0.6
Kitakanto		30.6	33.2	36.6	35.9	34.9	37.2	39.2	39.7	39.5	41.2	42.7	41.5	40.4	▲ 1.1
Minamikanto		32.3	34.2	35.3	35.2	34.0	35.9	38.4	38.7	38.4	39.8	41.0	40.0	41.4	1.4
Hokuriku		30.0	31.8	34.7	35.0	32.7	34.6	38.2	38.6	37.1	39.2	40.6	39.1	40.4	1.3
Tokai		30.3	32.6	35.6	35.3	34.1	36.1	38.4	38.9	37.9	39.4	42.0	40.0	39.1	▲ 0.9
Kinki		29.5	32.4	34.1	33.9	33.1	35.5	37.4	37.0	36.2	38.1	40.3	38.7	39.3	0.6
Chugoku		32.0	34.3	35.5	34.8	34.5	36.2	37.7	37.8	36.0	37.9	39.0	38.2	38.7	0.5
Shikoku		32.6	33.9	35.3	35.4	33.8	35.4	37.5	36.4	35.8	37.6	38.2	36.9	38.3	1.4
Kyushu		34.2	36.9	37.7	36.9	35.3	37.0	39.0	39.5	37.5	38.3	40.5	37.4	39.1	1.7

Appendix

1. Research Subjects (Companies researched: 24,516; Valid responses: 12,222; Response rate: 49.9%)

1. Region

Hokkaido	590	Tokai	1,389
Tohoku	885	Kinki	2,109
kita Kanto	867	Chugoku	715
minamikanto	3,623	Shikoku	426
Hokuriku	633	Kyushu	985
		Total	12,222

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		80
Finance		124
Construction		2,010
Real Estate		402
Manufacturing (3,265)	Food, Beverages, Livestock Feed	393
	Textile, Textile Products, Clothing	130
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	245
	Pulp, Paper and Paper Products	109
	Publishing, Printing	199
	Chemical	452
	Steel, Nonferrous Metals, Mining	583
	General Machinery	515
	Electrical Machinery	343
	Transportation Machinery, Equipment	122
Precision Machinery, Medical Instruments and Equipment	79	
Others	95	
Wholesale (3,138)	Food, Beverages	421
	Textile, Textile Products, Clothing	190
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	355
	Paper Products, Stationery, Books	113
	Chemical	319
	Recycled Resources	37
	Steel, Nonferrous Metals, Mining Products	333
	Machinery, Equipment	997
	Others	373

Retail (531)	Food, Beverages	81
	Textile, Textile Products, Clothing	38
	Drugs, Sundries	26
	Furniture	15
	Electrical Household Appliances, Information Machinery and Equipment	39
	Motor Vehicles, Motor Vehicle Parts	96
	Special Merchandise	180
	Various Merchandise	48
Others	8	
Transportation, Warehousing		584
Service (2,037)	Restaurants	70
	Telecommunications	6
	Electricity, Gas, Water, Heat	20
	Leasing, Rentals	133
	Lodging, Hotels	48
	Recreation	73
	Broadcasting	20
	Maintenance, Guarding, Testing	222
	Advertising	112
	Information	528
	Labor Dispatching	72
	Special Services	340
	Medical, Welfare, Public Health	122
Education	38	
Others	233	
Others		51
Total		12,222

3. Size

Large Firms	2,040	16.7%
Small to Medium-sized Firms	10,182	83.3%
micro Firms	3,658	29.9%
Total	12,222	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 Sep 15 – 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 24,000 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.