

Economic DI was 41.5, with a significant improvement in businesses related to consumer spending

~ Economic activities for both production and consumption are expected to gradually normalize. ~

e-mail : [keiki@mail.tdb.co.jp](mailto:keiki@mail.tdb.co.jp)

(Companies researched: 24,052; Valid responses: 11,332; Response rate: 47.1%; Survey start date: May 2002)

< Overview of October 2021: Improved >

The economic diffusion index (DI) in October 2021 was 41.5, up 1.6 points from the previous month, and improved for the second straight month. With a significant improvement in businesses related to consumer spending, etc., the domestic economy picked up for the second straight month.

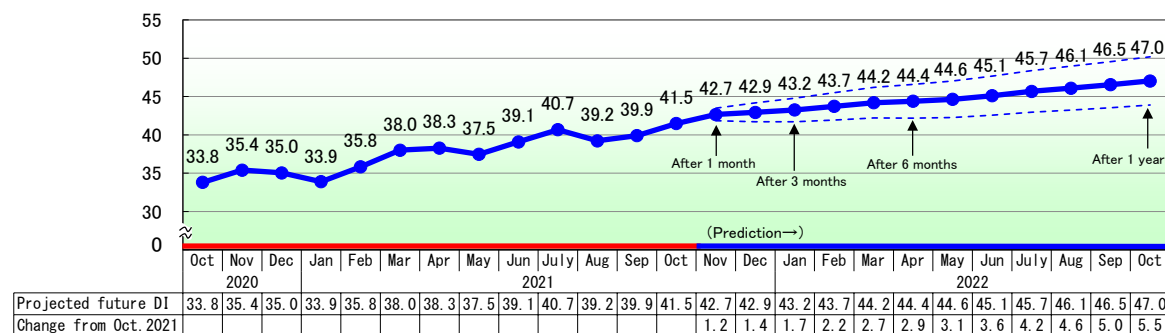
< Future outlook: Recovery trend >

While a move to normalize economic activities is expected, the economy is believed to be on a recovery trend.

By industry: Improved in all ten industries. While those related to consumer spending got a boost, the impact of supply restrictions continues.

By size: Improved in all sizes for the second straight month. The DI for SMEs has returned to the 40s for the first time in three months.

By region: Improved in all ten regions, with a favorable factor being an increase in the number of people turning out after cancellation of the state of emergency, etc.



\*: 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

	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Ratio to the Previous Month
Total	33.8	35.4	35.0	33.9	35.8	38.0	38.3	37.5	39.1	40.7	39.2	39.9	41.5	1.6
Large Firms	36.4	37.6	37.4	36.3	38.2	40.2	40.8	40.2	41.9	42.9	41.4	42.5	43.8	1.3
Small to Medium-sized Firms	33.3	34.9	34.5	33.4	35.3	37.5	37.7	36.9	38.5	40.2	38.8	39.4	41.0	1.6
Micro Firms	33.9	35.2	34.2	32.8	34.7	36.7	36.3	35.6	37.1	38.4	37.4	38.7	40.0	1.3

	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	34.4	38.7	35.4	30.9	33.8	35.0	37.5	37.7	39.1	38.5	37.0	38.1	41.1	3.0	
Finance	38.3	37.7	35.6	36.1	38.3	39.2	38.3	39.5	41.7	42.8	39.7	41.5	43.0	1.5	
Construction	41.1	41.8	40.9	39.4	40.6	41.6	41.4	40.0	41.6	42.7	42.5	43.7	44.7	1.0	
Real Estate	36.4	36.8	36.4	35.5	38.3	40.6	40.8	39.4	40.9	41.8	39.4	42.6	43.6	1.0	
Manufacturing	Food,BEWerages,Livestock Feed	34.2	36.0	32.5	30.7	30.8	34.4	35.2	33.6	34.0	35.5	32.8	34.1	38.1	4.0
	Textile,Textile Products,Clothing	24.7	26.8	26.1	24.5	26.0	26.8	28.7	29.2	29.3	31.0	29.3	28.2	30.2	2.0
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	35.1	35.4	36.0	37.3	37.2	37.8	39.3	38.6	40.1	42.5	41.2	42.7	43.7	1.0
	Pulp, Paper and Paper Products	26.2	29.2	29.3	27.6	29.4	33.0	34.3	33.5	34.9	37.2	36.6	36.2	39.3	3.1
	Publishing,Printing	21.9	22.7	21.8	20.2	22.2	26.0	27.2	24.2	27.1	27.4	25.6	27.1	29.4	2.3
	Chemical	34.4	37.7	39.3	38.0	40.9	43.3	44.2	44.3	44.5	46.3	45.0	41.9	42.6	0.7
	Steel,Nonferrous Metals,Mining	29.2	33.1	34.3	33.9	37.0	39.3	40.5	39.9	43.4	46.4	45.1	43.8	44.2	0.4
	General Machinery	29.1	31.7	33.5	33.6	36.9	41.2	42.1	42.2	43.7	45.9	46.6	46.2	47.2	1.0
	Electrical Machinery	33.0	34.8	35.5	36.1	39.6	42.6	43.2	42.8	45.0	46.8	45.9	45.8	47.5	1.7
	Transportation Machinery,Equipment	34.9	36.3	40.1	40.1	40.3	45.3	45.2	45.3	47.1	50.6	48.2	37.6	37.7	0.1
	Precision Machinery,Medical Instruments and Equipment	32.7	35.5	37.1	37.9	42.4	44.6	45.6	48.7	49.1	50.5	50.9	50.8	50.4	▲ 0.4
Other	29.0	29.6	31.9	31.5	31.4	34.1	35.3	33.0	34.1	37.6	33.9	35.3	35.5	0.2	
Total	31.0	33.3	33.9	33.4	35.6	38.5	39.5	39.0	40.6	42.7	41.5	40.7	42.1	1.4	
Wholesale	Food,BEWerages	32.0	31.6	29.5	26.8	29.2	30.7	30.1	29.4	30.7	31.3	29.1	29.8	33.0	3.2
	Textile,Textile Products,Clothing	22.6	22.3	22.7	21.2	19.8	23.9	23.1	21.7	22.5	22.8	21.2	22.4	24.5	2.1
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	33.9	35.9	36.1	34.7	34.8	36.7	37.2	36.5	36.3	37.8	37.7	39.6	39.9	0.3
	Paper Products,Stationery,Books	26.9	26.7	28.3	26.3	29.3	32.2	32.4	30.6	31.4	31.2	29.2	29.6	31.8	2.2
	Chemical	32.3	36.1	35.7	34.3	37.7	39.1	40.9	40.7	42.0	42.4	40.7	42.2	44.2	2.0
	Recycled Resources	32.9	38.7	44.4	45.6	42.4	45.4	55.1	53.4	52.0	53.7	51.4	51.8	53.4	1.6
	Steel,Nonferrous Metals,Mining Products	30.5	32.1	34.0	32.6	33.4	36.0	37.2	37.5	38.7	41.1	41.1	41.6	41.6	0.0
	Machinery,Equipment	33.1	34.6	34.4	34.6	36.7	39.5	40.1	39.0	40.7	43.1	41.3	41.8	42.6	0.8
	Other	30.6	33.0	31.6	29.0	31.3	34.4	34.1	32.2	35.5	36.6	33.0	34.4	37.8	3.4
Total	31.5	33.0	32.8	31.6	33.3	35.8	36.2	35.3	36.8	38.3	36.6	37.6	39.1	1.5	

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

		Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Ratio to the Previous Month
Retail	Food,BEWerages	38.8	37.0	34.6	33.8	33.1	34.1	32.8	32.6	34.9	37.5	36.0	33.1	38.0	4.9
	Textile,Textile Products,Clothing	27.8	23.7	22.0	22.7	21.4	23.3	25.0	21.2	20.3	25.0	21.4	21.5	27.9	6.4
	Drugs,Sundries	33.3	29.8	31.3	30.2	32.5	31.1	35.8	29.3	31.4	32.5	33.3	34.6	45.8	11.2
	Furniture	37.5	38.9	35.4	34.4	36.7	38.9	42.7	40.6	39.8	36.9	34.6	32.2	35.6	3.4
	Electrical Household Appliances, Information Machinery and Equipment	34.2	33.3	29.5	28.3	36.3	34.4	37.8	30.8	35.8	37.7	33.8	33.8	34.6	0.8
	Motor Vehicles,Motor Vehicle Parts	34.6	40.2	37.2	35.7	37.6	37.0	38.3	38.6	40.7	40.5	36.8	37.2	35.9	▲ 1.3
	Special Merchandise	33.9	33.3	34.7	32.6	35.5	35.9	34.6	34.5	34.8	34.3	32.6	31.7	32.8	1.1
	Various Merchandise	37.6	37.3	39.2	38.7	36.2	37.3	32.2	31.1	33.0	35.6	27.3	33.0	35.9	2.9
	Other	33.3	34.8	33.3	30.3	33.3	35.0	40.5	25.0	33.3	35.7	37.0	35.4	31.7	▲ 3.7
	Total	34.8	35.0	34.2	32.9	34.5	34.9	34.7	33.1	34.5	35.4	32.7	32.6	34.8	2.2
Transportation,Warehousing		30.1	32.5	31.5	30.0	31.7	33.9	34.5	33.7	34.5	36.3	36.0	35.8	37.1	1.3
Service	Restaurants	18.2	21.0	15.3	10.3	12.8	18.9	14.9	13.0	20.5	19.7	14.8	15.2	27.8	12.6
	Postal,Telecommunications	41.7	47.2	38.9	46.3	38.1	43.8	38.9	40.5	27.8	42.9	39.6	41.7	50.0	8.3
	Electricity,Gas,Water,Heat	40.4	40.0	38.6	42.5	39.5	47.1	40.4	41.2	45.0	40.8	44.4	45.8	42.6	▲ 3.2
	Leasing,Rentals	34.9	37.5	36.2	33.5	32.8	35.0	35.4	35.0	38.1	41.0	37.4	39.6	43.9	4.3
	Lodging, Hotels	27.2	28.8	11.9	3.4	4.4	10.9	8.6	5.6	11.6	13.0	10.0	10.4	22.6	12.2
	Recreation	23.7	29.0	27.0	24.0	25.8	33.1	25.8	29.5	29.2	34.8	29.2	29.0	34.0	5.0
	Broadcasting	34.4	38.6	42.2	36.3	42.6	51.0	42.7	42.7	42.2	42.2	38.9	39.2	49.1	9.9
	Maintenance,Guarding,Testing	38.5	38.5	38.6	36.3	37.5	40.4	39.2	40.8	42.7	41.9	41.6	44.0	44.3	0.3
	Advertising	21.1	22.3	22.5	20.2	24.7	26.5	25.6	23.4	27.5	27.5	26.8	29.5	32.4	2.9
	Information	40.1	41.6	41.2	41.3	43.6	45.5	45.2	44.9	46.8	48.2	46.7	48.5	50.5	2.0
	Labor Dispatching	29.2	34.3	31.5	31.6	33.6	34.1	35.8	35.5	36.2	41.9	38.4	41.9	39.7	▲ 2.2
	Special Services	40.7	42.5	41.0	38.8	42.9	43.6	43.5	41.5	43.4	47.3	44.4	45.5	47.9	2.4
	Medical,Welfare,Public Health	33.6	34.9	34.8	32.7	34.7	37.1	39.1	39.2	41.2	42.1	41.1	41.4	42.8	1.4
	Education	34.7	34.0	34.0	33.3	34.0	32.1	35.7	37.1	38.7	40.3	37.5	39.0	43.5	4.5
Other	31.6	31.4	32.6	30.9	34.2	34.5	34.8	35.2	35.8	37.4	34.7	39.2	40.6	1.4	
Total	35.1	36.8	35.7	33.9	36.5	38.5	37.9	37.5	39.7	41.5	39.1	41.1	43.6	2.5	
Other		28.2	29.4	30.8	29.5	30.5	34.4	34.1	33.3	35.5	34.7	35.3	35.6	38.0	2.4

		Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Ratio to the Previous Month
Hokkaido		36.0	34.4	33.0	32.4	33.9	35.3	36.2	34.5	37.1	38.3	38.0	38.5	40.8	2.3
Tohoku		34.4	36.0	35.4	33.8	35.4	36.8	38.0	37.7	39.3	40.0	38.4	39.0	40.2	1.2
Kitakanto		33.2	36.6	35.9	34.9	37.2	39.2	39.7	39.5	41.2	42.7	41.5	40.4	42.8	2.4
Minamikanto		34.2	35.3	35.2	34.0	35.9	38.4	38.7	38.4	39.8	41.0	40.0	41.4	42.4	1.0
Hokuriku		31.8	34.7	35.0	32.7	34.6	38.2	38.6	37.1	39.2	40.6	39.1	40.4	41.2	0.8
Tokai		32.6	35.6	35.3	34.1	36.1	38.4	38.9	37.9	39.4	42.0	40.0	39.1	40.1	1.0
Kinki		32.4	34.1	33.9	33.1	35.5	37.4	37.0	36.2	38.1	40.3	38.7	39.3	41.3	2.0
Chugoku		34.3	35.5	34.8	34.5	36.2	37.7	37.8	36.0	37.9	39.0	38.2	38.7	41.2	2.5
Shikoku		33.9	35.3	35.4	33.8	35.4	37.5	36.4	35.8	37.6	38.2	36.9	38.3	39.0	0.7
Kyushu		36.9	37.7	36.9	35.3	37.0	39.0	39.5	37.5	38.3	40.5	37.4	39.1	42.0	2.9

## Appendix

### 1. Research Subjects (Companies researched: 24,052; Valid responses: 11,332; Response rate: 47.1%)

#### 1. Region

Hokkaido	569	Tokai	1,262
Tohoku	819	Kinki	1,950
kitaKanto	850	Chugoku	642
minamikanto	3,331	Shikoku	386
Hokuriku	630	Kyushu	893
		<b>Total</b>	<b>11,332</b>

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

Agriculture, Forestry, Fisheries		69
Finance		117
Construction		1,893
Real Estate		369
Manufacturing (3,064)	Food, Beverages, Livestock Feed	359
	Textile, Textile Products, Clothing	122
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	221
	Pulp, Paper and Paper Products	104
	Publishing, Printing	187
	Chemical	424
	Steel, Nonferrous Metals, Mining	542
	General Machinery	505
	Electrical Machinery	318
	Transportation Machinery, Equipment	115
	Precision Machinery, Medical Instruments and Equipment	76
	Others	91
Wholesale (2,891)	Food, Beverages	384
	Textile, Textile Products, Clothing	187
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	349
	Paper Products, Stationery, Books	107
	Chemical	286
	Recycled Resources	29
	Steel, Nonferrous Metals, Mining Products	294
	Machinery, Equipment	927
	Others	328

Retail (512)	Food, Beverages	71
	Textile, Textile Products, Clothing	40
	Drugs, Sundries	28
	Furniture	15
	Electrical Household Appliances, Information Machinery and Equipment	41
	Motor Vehicles, Motor Vehicle Parts	86
	Special Merchandise	175
	Various Merchandise	46
	Others	10
Transportation, Warehousing		541
Service (1,830)	Restaurants	60
	Telecommunications	5
	Electricity, Gas, Water, Heat	18
	Leasing, Rentals	120
	Lodging, Hotels	42
	Recreation	73
	Broadcasting	18
	Maintenance, Guarding, Testing	205
	Advertising	103
	Information	468
	Labor Dispatching	68
	Special Services	291
Medical, Welfare, Public Health	111	
Education	31	
Others	217	
Others		46
<b>Total</b>		<b>11,332</b>

#### 3. Size

Large Firms	1,901	16.8%
Small to Medium-sized Firms	9,431	83.2%
micro Firms	3,376	29.8%
<b>Total</b>	<b>11,332</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 Oct 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 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 <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

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

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

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.