

**Domestic economy improves for the first time in four months**

~ Efforts to move past COVID are accelerating thanks to strong tourism and entertainment coinciding with season demand ~

(Companies researched: 27,628; Valid responses: 11,428; Response rate: 41.4%; Survey start date: May 2002)

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

< Trends in March 2023: Turning upward >

The economic diffusion index (DI) in March 2023 was 43.9, up 1.8 points from the previous month, the first improvement in four months. Though some concerns still exist, the domestic economy turned upward, driven by consumption activity brought about by larger numbers of people going out in public.

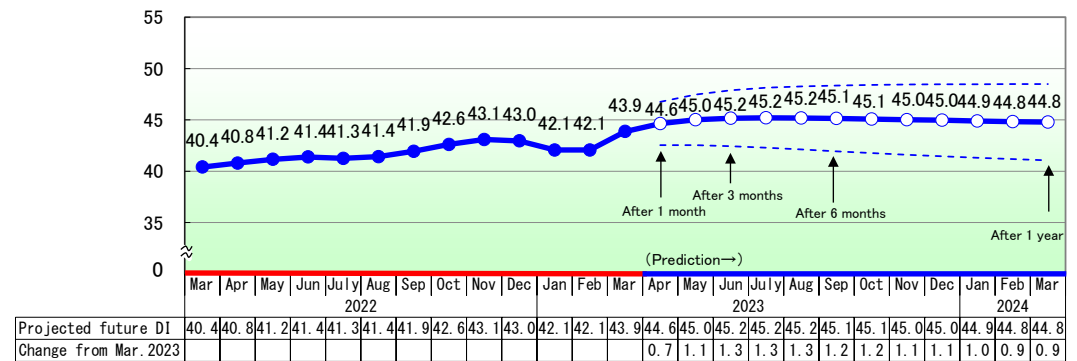
< Future outlook: Economy will largely trend flat >

Going forward, despite the existence of factors that may cause downward shifts such as soaring raw materials costs, economic trends are expected to largely trend flat.

**By industry: Improvement in all 10 industries. Realization of a virtuous cycle thanks to a more vitalized market made possible through more relaxed mask regulations and other factors.**

**By size: All scales improved for the first time in four months, driven by tourism and other factors.**

**By region: Improvement in all 10 regions, with local economies being boosted thanks to various factors, such as more people going out in public.**



\*: The economic forecast DI is calculated using the Forecast Combination method of the results of the ARIMA model and the structural equation model.

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

|                             | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Ratio to the Previous Month |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------------|
| Total                       | 40.4   | 40.8   | 41.2   | 41.4   | 41.3   | 41.4   | 41.9   | 42.6   | 43.1   | 43.0   | 42.1   | 42.1   | 43.9   | 1.8                         |
| Large Firms                 | 43.4   | 43.1   | 43.5   | 43.5   | 43.4   | 43.8   | 43.6   | 44.2   | 45.0   | 44.8   | 44.8   | 44.2   | 46.1   | 1.9                         |
| Small to Medium-sized Firms | 39.8   | 40.3   | 40.7   | 41.0   | 40.8   | 41.0   | 41.6   | 42.3   | 42.7   | 42.6   | 41.6   | 41.7   | 43.5   | 1.8                         |
| Micro Firms                 | 38.4   | 38.9   | 39.5   | 40.0   | 39.7   | 39.8   | 40.7   | 41.1   | 41.4   | 41.3   | 40.4   | 40.9   | 42.4   | 1.5                         |

|                                | Mar-22   | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Ratio to the Previous Month |       |
|--------------------------------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------------|-------|
| Agriculture,Forestry,Fisheries | 34.8   | 35.0   | 37.6   | 34.7   | 36.3   | 35.9   | 35.8   | 36.4   | 37.7   | 37.9   | 37.4   | 38.9   | 41.6   | 2.7                         |       |
| Finance                        | 42.5   | 41.1   | 42.7   | 42.3   | 41.9   | 41.7   | 43.6   | 43.2   | 44.5   | 44.3   | 44.8   | 43.3   | 44.0   | 0.7                         |       |
| Construction                   | 42.8   | 41.8   | 42.2   | 42.5   | 43.1   | 43.3   | 44.0   | 44.2   | 44.9   | 44.6   | 44.1   | 43.7   | 45.5   | 1.8                         |       |
| Real Estate                    | 42.8   | 43.2   | 44.7   | 45.9   | 44.7   | 44.8   | 45.3   | 44.0   | 45.6   | 44.8   | 46.1   | 46.3   | 47.5   | 1.2                         |       |
| Manufacturing                  | Food,BEWerages,Livestock Feed  | 34.2   | 36.4   | 37.6   | 37.8   | 36.7   | 36.1   | 35.5   | 38.2   | 38.8   | 38.3   | 38.1   | 37.0   | 41.1                        | 4.1   |
|                                | Textile,Textile Products,Clothing                                    | 33.0   | 34.6   | 33.8   | 34.4   | 36.1   | 32.6   | 36.2   | 35.7   | 36.5   | 37.9   | 37.7   | 39.0   | 38.6                        | ▲ 0.4 |
|                                | Construction Materials,Furniture, Ceramics,Stone and Clay Products   | 41.1   | 41.7   | 41.1   | 40.4   | 40.8   | 39.8   | 40.2   | 40.9   | 41.9   | 41.0   | 38.0   | 37.6   | 37.0                        | ▲ 0.6 |
|                                | Pulp, Paper and Paper Products                                       | 37.2   | 40.3   | 38.3   | 37.4   | 37.5   | 36.6   | 38.0   | 40.4   | 40.2   | 39.2   | 39.8   | 36.6   | 38.6                        | 2.0   |
|                                | Publishing,Printing  | 29.6   | 30.7   | 30.3   | 29.7   | 29.1   | 29.6   | 30.0   | 31.8   | 32.9   | 32.4   | 31.7   | 31.6   | 34.3                        | 2.7   |
|                                | Chemical   | 42.7   | 42.3   | 41.7   | 41.1   | 41.8   | 42.6   | 42.3   | 40.8   | 40.8   | 41.5   | 40.3   | 39.2   | 40.1                        | 0.9   |
|                                | Steel,Nonferrous Metals,Mining                                       | 42.6   | 42.1   | 40.9   | 41.2   | 42.9   | 42.7   | 43.0   | 43.9   | 43.6   | 43.1   | 41.7   | 41.0   | 41.9                        | 0.9   |
|                                | General Machinery  | 46.7   | 45.9   | 46.9   | 46.3   | 46.3   | 46.2   | 45.4   | 45.8   | 45.9   | 44.9   | 43.3   | 43.7   | 43.4                        | ▲ 0.3 |
|                                | Electrical Machinery   | 44.3   | 44.8   | 44.3   | 44.8   | 44.7   | 44.2   | 45.2   | 44.8   | 45.4   | 44.5   | 43.3   | 43.2   | 42.8                        | ▲ 0.4 |
|                                | Transportation Machinery,Equipment                                   | 40.0   | 38.1   | 37.6   | 36.8   | 40.3   | 41.2   | 40.2   | 42.2   | 42.1   | 41.0   | 38.7   | 39.6   | 41.2                        | 1.6   |
|                                | Precision Machinery, Medical Instruments and Equipment               | 47.1   | 46.8   | 48.2   | 48.8   | 48.5   | 46.5   | 46.2   | 46.1   | 46.1   | 46.3   | 46.5   | 49.0   | 46.8                        | ▲ 2.2 |
|                                | Other  | 35.4   | 37.3   | 39.2   | 38.1   | 37.8   | 38.2   | 37.5   | 35.4   | 35.9   | 37.0   | 39.1   | 36.1   | 40.8                        | 4.7   |
|                                | Total  | 40.9   | 41.2   | 41.0   | 40.8   | 41.3   | 41.0   | 41.1   | 41.6   | 41.9   | 41.5   | 40.4   | 40.0   | 41.0                        | 1.0   |
| Wholesale                      | Food,BEWerages   | 32.6   | 36.2   | 37.3   | 37.1   | 37.0   | 35.6   | 35.8   | 37.4   | 38.8   | 38.2   | 37.5   | 38.3   | 42.1                        | 3.8   |
|                                | Textile,Textile Products,Clothing                                    | 25.4   | 28.7   | 31.4   | 31.3   | 29.9   | 29.9   | 29.9   | 32.4   | 33.1   | 34.0   | 34.7   | 35.9   | 38.0                        | 2.1   |
|                                | Construction Materials, Furniture, Ceramics, Stone and Clay Products | 40.5   | 38.6   | 38.1   | 38.3   | 38.6   | 38.5   | 37.5   | 39.8   | 39.5   | 40.2   | 38.3   | 37.2   | 38.0                        | 0.8   |
|                                | Paper Products,Stationery,Books                                      | 34.6   | 33.8   | 34.2   | 32.8   | 33.0   | 33.5   | 34.5   | 37.1   | 37.0   | 33.8   | 34.8   | 35.6   | 37.3                        | 1.7   |
|                                | Chemical   | 43.5   | 42.3   | 42.3   | 41.6   | 43.5   | 43.0   | 43.4   | 42.6   | 43.8   | 43.5   | 42.8   | 41.7   | 43.5                        | 1.8   |
|                                | Recycled Resources   | 53.2   | 54.0   | 47.5   | 41.4   | 40.9   | 39.6   | 47.0   | 46.3   | 43.5   | 46.2   | 43.3   | 43.2   | 41.7                        | ▲ 1.5 |
|                                | Steel,Nonferrous Metals, Mining Products                             | 41.1   | 40.3   | 40.0   | 39.7   | 39.3   | 39.3   | 39.8   | 39.7   | 40.2   | 39.9   | 38.5   | 37.1   | 37.8                        | 0.7   |
|                                | Machinery,Equipment  | 41.9   | 42.5   | 42.0   | 42.9   | 43.1   | 42.6   | 43.3   | 44.1   | 44.1   | 43.8   | 43.0   | 43.3   | 45.2                        | 1.9   |
|                                | Other  | 35.5   | 37.3   | 37.8   | 38.1   | 37.7   | 37.7   | 38.2   | 39.0   | 39.6   | 40.9   | 40.0   | 40.9   | 42.3                        | 1.4   |
|                                | Total  | 38.6   | 39.2   | 39.4   | 39.4   | 39.5   | 39.2   | 39.6   | 40.6   | 41.0   | 41.0   | 40.1   | 40.1   | 41.9                        | 1.8   |

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

|                            |  | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Ratio to the Previous Month |
|----------------------------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------------|
| Retail                     | Food,BEWerages   | 38.6   | 37.7   | 41.8   | 42.7   | 40.3   | 39.9   | 40.2   | 39.6   | 43.2   | 42.2   | 42.3   | 40.6   | 42.7   | 2.1                         |
|                            | Textile,Textile Products,Clothing                                    | 30.6   | 33.6   | 33.9   | 33.6   | 37.7   | 33.6   | 34.9   | 38.7   | 38.1   | 35.4   | 34.2   | 35.7   | 39.7   | 4.0                         |
|                            | Drugs,Sundries   | 36.8   | 32.1   | 38.9   | 40.1   | 37.1   | 41.9   | 39.5   | 38.9   | 40.6   | 39.0   | 37.2   | 38.5   | 42.9   | 4.4                         |
|                            | Furniture  | 30.6   | 39.2   | 34.3   | 39.8   | 35.2   | 36.1   | 40.0   | 37.8   | 36.2   | 31.0   | 34.2   | 33.3   | 39.5   | 6.2                         |
|                            | Electrical Household Appliances, Information Machinery and Equipment | 33.0   | 33.7   | 34.7   | 34.0   | 36.7   | 32.7   | 37.1   | 35.1   | 35.3   | 37.2   | 36.3   | 37.5   | 40.2   | 2.7                         |
|                            | Motor Vehicles,Motor Vehicle Parts                                   | 34.7   | 35.1   | 37.1   | 36.4   | 32.4   | 35.9   | 38.8   | 37.6   | 37.2   | 35.3   | 38.2   | 38.7   | 40.8   | 2.1                         |
|                            | Special Merchandise  | 29.9   | 31.3   | 33.1   | 34.3   | 33.2   | 34.7   | 34.0   | 33.5   | 35.4   | 34.8   | 34.4   | 35.3   | 38.6   | 3.3                         |
|                            | Various Merchandise  | 34.0   | 36.4   | 39.9   | 37.8   | 40.2   | 38.0   | 36.1   | 41.3   | 41.4   | 42.6   | 42.5   | 41.0   | 43.6   | 2.6                         |
|                            | Other  | 43.9   | 34.7   | 41.0   | 39.7   | 36.9   | 42.3   | 32.1   | 36.5   | 44.9   | 41.1   | 42.3   | 44.8   | 41.1   | ▲ 3.7                       |
|                            | Total  | 33.3   | 34.0   | 36.4   | 36.7   | 35.7   | 36.3   | 36.7   | 36.8   | 38.2   | 37.4   | 37.5   | 37.7   | 40.6   | 2.9                         |
| Transportation,Warehousing |  | 35.4   | 36.6   | 37.2   | 37.1   | 37.8   | 37.3   | 38.2   | 40.7   | 41.6   | 41.6   | 38.9   | 38.0   | 41.2   | 3.2                         |
| Service                    | Restaurants  | 23.8   | 32.8   | 34.3   | 38.0   | 34.0   | 28.1   | 31.8   | 39.0   | 39.1   | 41.5   | 38.5   | 42.4   | 49.8   | 7.4                         |
|                            | Postal,Telecommunications  | 48.5   | 50.0   | 53.0   | 56.0   | 47.0   | 47.9   | 51.9   | 52.4   | 50.0   | 48.3   | 47.6   | 44.4   | 52.8   | 8.4                         |
|                            | Electricity,Gas,Water,Heat   | 33.3   | 35.7   | 40.6   | 34.3   | 37.7   | 35.9   | 36.1   | 31.1   | 32.3   | 36.7   | 32.4   | 32.1   | 39.7   | 7.6                         |
|                            | Leasing,Rentals  | 40.2   | 42.0   | 43.3   | 44.9   | 40.8   | 44.7   | 45.6   | 47.5   | 48.4   | 47.4   | 46.8   | 47.4   | 48.1   | 0.7                         |
|                            | Lodging, Hotels  | 18.1   | 28.3   | 33.0   | 33.3   | 30.3   | 38.0   | 37.4   | 53.3   | 54.8   | 52.2   | 48.3   | 48.0   | 59.5   | 11.5                        |
|                            | Recreation   | 35.1   | 35.6   | 38.9   | 41.6   | 40.7   | 40.1   | 42.2   | 45.0   | 43.8   | 43.2   | 42.1   | 44.1   | 50.9   | 6.8                         |
|                            | Broadcasting   | 44.4   | 43.9   | 43.3   | 41.7   | 43.0   | 38.3   | 46.1   | 43.1   | 41.7   | 39.5   | 40.7   | 41.1   | 42.6   | 1.5                         |
|                            | Maintenance,Guarding,Testing   | 42.3   | 43.1   | 42.5   | 44.2   | 42.2   | 43.4   | 42.8   | 42.8   | 43.6   | 45.6   | 42.9   | 42.6   | 45.3   | 2.7                         |
|                            | Advertising  | 36.4   | 36.9   | 34.8   | 37.3   | 34.3   | 36.7   | 39.3   | 40.9   | 40.3   | 39.7   | 40.2   | 41.4   | 43.7   | 2.3                         |
|                            | Information  | 51.1   | 50.8   | 50.8   | 52.0   | 51.5   | 52.7   | 53.0   | 52.3   | 53.0   | 53.6   | 53.2   | 53.8   | 55.5   | 1.7                         |
|                            | Labor Dispatching  | 44.4   | 45.7   | 47.6   | 45.7   | 46.5   | 49.8   | 47.4   | 48.8   | 46.5   | 50.0   | 48.5   | 47.9   | 47.3   | ▲ 0.6                       |
|                            | Special Services   | 46.9   | 48.1   | 48.1   | 49.6   | 48.7   | 48.3   | 49.4   | 49.0   | 48.8   | 48.7   | 48.5   | 49.2   | 50.1   | 0.9                         |
|                            | Medical,Welfare,Public Health  | 42.5   | 44.5   | 44.4   | 43.5   | 42.5   | 41.2   | 41.7   | 43.2   | 43.6   | 42.8   | 42.9   | 41.5   | 42.2   | 0.7                         |
|                            | Education  | 37.8   | 39.6   | 35.6   | 40.1   | 38.8   | 39.7   | 43.7   | 42.1   | 42.8   | 41.2   | 38.4   | 41.9   | 44.4   | 2.5                         |
| Other                      | 39.3   | 42.1   | 42.7   | 42.8   | 42.4   | 41.2   | 42.8   | 43.3   | 43.5   | 44.0   | 42.2   | 44.3   | 46.5   | 2.2    |                             |
| Total                      | 43.1   | 44.5   | 44.8   | 45.9   | 44.4   | 45.4   | 46.3   | 47.1   | 47.3   | 47.7   | 46.6   | 47.4   | 50.0   | 2.6    |                             |
| Other                      | 38.7   | 36.8   | 38.1   | 35.6   | 36.6   | 38.3   | 37.2   | 37.9   | 38.2   | 36.7   | 36.5   | 37.0   | 38.2   | 1.2    |                             |

|  |             | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Ratio to the Previous Month |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------------|
|  | Hokkaido    | 36.5   | 37.9   | 38.9   | 40.1   | 41.0   | 40.2   | 40.7   | 41.2   | 40.9   | 40.8   | 40.1   | 40.6   | 41.2   | 0.6                         |
|  | Tohoku      | 37.0   | 37.6   | 39.1   | 39.0   | 38.8   | 38.1   | 39.3   | 39.9   | 40.3   | 39.4   | 38.0   | 37.2   | 41.1   | 3.9                         |
|  | kitakanto   | 40.7   | 42.0   | 42.1   | 42.6   | 42.9   | 43.8   | 42.5   | 43.7   | 43.7   | 43.1   | 40.9   | 41.4   | 42.6   | 1.2                         |
|  | minamikanto | 42.1   | 42.4   | 42.7   | 43.2   | 42.6   | 43.3   | 43.6   | 43.8   | 44.4   | 44.7   | 44.1   | 43.9   | 45.7   | 1.8                         |
|  | Hokuriku    | 39.2   | 39.9   | 40.6   | 40.5   | 41.5   | 40.8   | 41.7   | 42.3   | 42.2   | 42.2   | 40.9   | 41.2   | 42.1   | 0.9                         |
|  | Tokai       | 40.2   | 40.2   | 40.1   | 39.5   | 39.5   | 39.7   | 40.4   | 41.1   | 41.4   | 41.7   | 41.0   | 41.1   | 42.8   | 1.7                         |
|  | Kinki       | 40.5   | 40.8   | 40.9   | 40.9   | 40.9   | 41.1   | 41.5   | 42.3   | 43.0   | 42.7   | 42.0   | 41.8   | 43.6   | 1.8                         |
|  | Chugoku     | 40.7   | 39.8   | 40.6   | 41.1   | 41.3   | 40.9   | 41.8   | 42.8   | 43.8   | 43.4   | 41.9   | 41.8   | 44.1   | 2.3                         |
|  | Shikoku     | 38.9   | 38.1   | 38.7   | 38.4   | 38.3   | 37.7   | 38.7   | 40.3   | 40.0   | 39.3   | 39.0   | 38.6   | 40.0   | 1.4                         |
|  | Kyushu      | 40.9   | 41.5   | 41.6   | 42.2   | 41.5   | 41.3   | 43.0   | 44.0   | 45.1   | 44.8   | 44.0   | 44.8   | 46.4   | 1.6                         |

## Appendix

### 1. Research Subjects (Companies researched: 27,628; Valid responses: 11,428; Response rate: 41.4%)

#### 1. Region

|             |       |         |        |
|-------------|-------|---------|--------|
| Hokkaido    | 536   | Tokai   | 1,241  |
| Tohoku      | 764   | Kinki   | 1,931  |
| kitaKanto   | 900   | Chugoku | 791    |
| minamikanto | 3,362 | Shikoku | 360    |
| Hokuriku    | 585   | Kyushu  | 958    |
|             |       | Total   | 11,428 |

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

|  |  |       |
|--|--|-------|
| Agriculture, Forestry, Fisheries                       |  | 105   |
| Finance  |  | 158   |
| Construction   |  | 1,772 |
| Real Estate  |  | 480   |
| Manufacturing<br>(2,875)                               | Food, Beverages, Livestock Feed                                      | 344   |
|  | Textile, Textile Products, Clothing                                  | 111   |
|  | Construction Materials, Furniture, Ceramics, Stone and Clay Products | 220   |
|  | Pulp, Paper and Paper Products                                       | 83    |
|  | Publishing, Printing   | 158   |
|  | Chemical   | 384   |
|  | Steel, Nonferrous Metals, Mining                                     | 524   |
|  | General Machinery  | 483   |
|  | Electrical Machinery   | 306   |
|  | Transportation Machinery, Equipment                                  | 108   |
| Precision Machinery, Medical Instruments and Equipment | 74   |       |
| Others   | 80   |       |
| Wholesale<br>(2,665)                                   | Food, Beverages  | 344   |
|  | Textile, Textile Products, Clothing                                  | 170   |
|  | Construction Materials, Furniture, Ceramics, Stone and Clay Products | 315   |
|  | Paper Products, Stationery, Books                                    | 92    |
|  | Chemical   | 258   |
|  | Recycled Resources   | 30    |
|  | Steel, Nonferrous Metals, Mining Products                            | 274   |
|  | Machinery, Equipment   | 849   |
|  | Others   | 333   |

|                             |  |        |
|-----------------------------|--|--------|
| Retail<br>(698)             | Food, Beverages  | 110    |
|                             | Textile, Textile Products, Clothing                                  | 60     |
|                             | Drugs, Sundries  | 52     |
|                             | Furniture  | 19     |
|                             | Electrical Household Appliances, Information Machinery and Equipment | 39     |
|                             | Motor Vehicles, Motor Vehicle Parts                                  | 112    |
|                             | Special Merchandise  | 236    |
|                             | Various Merchandise  | 55     |
| Others                      | 15   |        |
| Transportation, Warehousing |  | 505    |
| Service<br>(2,129)          | Restaurants  | 97     |
|                             | Telecommunications   | 6      |
|                             | Electricity, Gas, Water, Heat  | 13     |
|                             | Leasing, Rentals   | 105    |
|                             | Lodging, Hotels  | 104    |
|                             | Recreation   | 93     |
|                             | Broadcasting   | 18     |
|                             | Maintenance, Guarding, Testing                                       | 206    |
|                             | Advertising  | 113    |
|                             | Information  | 594    |
|                             | Labor Dispatching  | 88     |
|                             | Special Services   | 315    |
|                             | Medical, Welfare, Public Health                                      | 120    |
|                             | Education  | 36     |
| Others                      | 221  |        |
| Others                      |  | 41     |
| Total                       |  | 11,428 |

#### 3. Size

|                             |        |        |
|-----------------------------|--------|--------|
| Large Firms                 | 1,765  | 15.4%  |
| Small to Medium-sized Firms | 9,663  | 84.6%  |
| micro Firms                 | 3,669  | 32.1%  |
| Total                       | 11,428 | 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 17– 31 2023

### 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 27,000 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<br>No. of Employee: Over 300 | Capital: Below 300 million yen or<br>No. of Employee: Below 300 | No. of Employee: Below 20 |
| Wholesale Trade                     | Capital: More than 100 million yen and<br>No. of Employee: Over 100 | Capital: Below 100 million yen or<br>No. of Employee: Below 100 | No. of Employee: Below 5  |
| Retail Trade                        | Capital: More than 50 million yen and<br>No. of Employee: Over 50   | Capital: Below 50 million yen or<br>No. of Employee: Below 50   | No. of Employee: Below 5  |
| Service**                           | Capital: More than 50 million yen and<br>No. of Employee: Over 100  | Capital: Below 50 million yen or<br>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.