

**Domestic economy worsened
for the first time in three months**

~ The downturn in consumer spending
was the biggest downward factor, with increased costs
such as rising fuel prices also playing a role ~

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(Companies researched: 26,765; Valid responses: 11,014; Response rate: 41.2%; Survey start date: May 2002)

< Trend in January 2025: Deterioration >

The Economic Diffusion Index (DI) in January 2025 declined by 0.9 points from the previous month to 43.6, deteriorating for the first time in three months.

The domestic economy suffered significant downward pressure from sluggish consumer spending, marking the largest decline in two years since January 2023, when the negative effects of a series of price increases were felt.

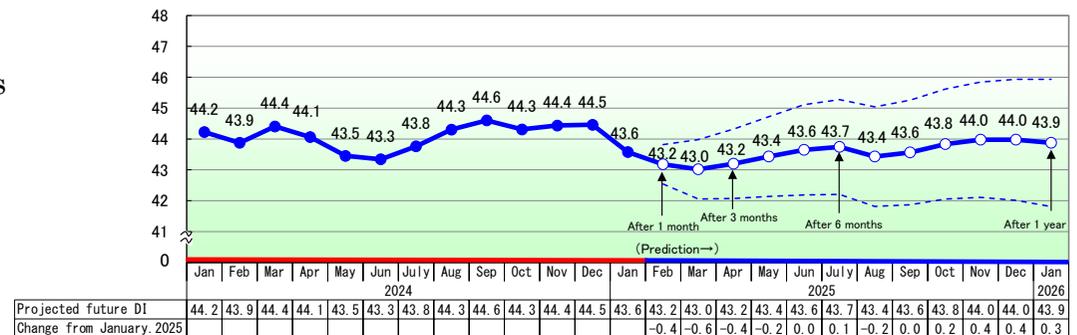
< Future outlook: Remain unchanged >

The economy is expected to remain flat going forward, despite various downside factors such as increased cost burdens on companies.

By industry: Worsened in 8 out of 10 industries, with sluggish consumption and rising fuel prices becoming negative factors.

By scale: All scales worsened, with "micro firms" falling significantly.

By region: Worsened in 9 out of 10 regions due to rising fuel prices and slump in the tourism industry.



*: 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

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Ratio to the Previous Month
Total	44.2	43.9	44.4	44.1	43.5	43.3	43.8	44.3	44.6	44.3	44.4	44.5	43.6	▲ 0.9
Large Firms	47.9	47.7	48.0	47.9	47.9	48.0	48.2	48.2	48.5	48.3	48.3	48.7	48.1	▲ 0.6
Small to Medium-sized Firms	43.6	43.2	43.8	43.4	42.6	42.5	42.9	43.6	43.9	43.6	43.7	43.7	42.8	▲ 0.9
Micro Firms	42.6	42.4	42.9	42.3	41.2	41.6	41.8	42.5	43.0	42.7	42.7	42.6	41.5	▲ 1.1

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	40.3	41.2	42.4	42.0	43.7	41.9	41.2	43.3	47.8	46.3	46.7	43.7	45.1	1.4	
Finance	47.7	47.7	49.2	48.8	48.0	47.6	48.5	48.1	47.3	48.0	46.9	47.2	47.0	▲ 0.2	
Construction	47.7	47.5	47.0	46.6	46.0	46.4	46.9	47.3	47.8	47.8	48.1	47.6	46.9	▲ 0.7	
Real Estate	48.1	48.3	49.3	49.3	47.7	48.0	48.2	47.5	48.5	47.2	47.5	48.2	47.6	▲ 0.6	
Manufacturing	Food,BEWerages,Livestock Feed	43.6	43.4	44.8	44.4	42.9	42.7	43.5	43.8	42.9	42.9	42.6	42.3	▲ 0.3	
	Textile,Textile Products,Clothing	37.9	37.7	39.0	38.1	37.4	37.3	36.1	36.5	36.3	35.7	36.3	35.1	▲ 1.2	
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	39.9	38.1	38.7	38.0	37.9	37.5	39.0	39.5	39.5	38.9	39.2	40.8	38.8	▲ 2.0
	Pulp, Paper and Paper Products	37.3	35.7	36.4	36.4	35.3	34.4	36.0	36.7	37.3	37.8	36.5	38.8	35.8	▲ 3.0
	Publishing,Printing	32.4	34.6	35.3	34.1	33.3	32.8	32.8	34.4	34.5	33.2	34.2	33.6	33.5	▲ 0.1
	Chemical	42.6	39.9	41.2	40.9	41.0	41.0	41.0	42.6	43.6	43.9	43.4	42.5	42.5	0.0
	Steel,Nonferrous Metals,Mining	39.7	38.3	38.3	38.0	36.5	36.4	37.4	39.0	39.2	39.0	39.7	38.5	38.0	▲ 0.5
	General Machinery	39.3	40.6	39.7	39.6	39.9	39.8	41.2	41.9	41.2	42.3	41.9	41.3	40.9	▲ 0.4
	Electrical Machinery	43.6	42.5	41.4	40.7	41.0	42.5	42.5	42.5	42.9	44.1	42.8	43.5	43.0	▲ 0.5
	Transportation Machinery,Equipment	41.6	39.3	41.6	40.2	41.0	42.1	44.2	43.5	41.0	42.1	41.3	41.7	43.3	1.6
	Precision Machinery,Medical Instruments and Equipment	43.9	43.3	45.5	42.9	41.9	46.5	44.5	43.9	44.0	43.8	46.4	48.4	47.3	▲ 1.1
Other	41.9	44.7	45.5	42.5	41.3	43.0	40.8	42.3	41.7	38.2	38.9	40.1	39.2	▲ 0.9	
Total	40.4	39.8	40.2	39.7	39.2	39.4	39.8	40.7	40.8	40.8	40.8	40.7	40.1	▲ 0.6	
Wholesale	Food,BEWerages	43.1	43.7	44.5	44.6	42.9	42.5	43.8	44.1	43.2	42.4	44.0	41.8	▲ 2.2	
	Textile,Textile Products,Clothing	36.9	36.8	37.1	35.2	36.3	36.3	36.5	34.2	34.5	33.7	34.4	34.5	0.1	
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	38.0	37.8	37.6	37.8	36.0	36.4	37.5	38.2	37.5	38.6	39.2	38.9	39.3	0.4
	Paper Products,Stationery,Books	39.6	38.2	40.1	38.4	36.4	35.2	36.3	37.2	37.8	37.8	39.4	37.3	35.4	▲ 1.9
	Chemical	44.4	42.2	43.2	41.8	42.9	41.4	43.4	44.5	44.3	43.0	43.5	44.2	43.3	▲ 0.9
	Recycled Resources	42.9	41.7	39.9	40.9	44.3	43.1	44.4	40.5	36.8	38.9	38.5	40.3	36.5	▲ 3.8
	Steel,Nonferrous Metals,Mining Products	37.3	34.9	35.3	36.5	34.7	34.6	36.2	34.7	36.1	36.3	36.4	34.7	34.0	▲ 0.7
	Machinery,Equipment	43.7	43.4	43.5	43.6	43.4	43.4	43.5	44.0	44.5	44.0	43.9	44.5	43.2	▲ 1.3
	Other	42.0	41.1	42.5	40.3	41.1	39.9	40.8	41.8	41.5	41.7	42.1	42.3	40.7	▲ 1.6
	Total	41.6	40.9	41.4	41.0	40.5	40.1	40.7	41.3	41.4	41.2	41.3	41.5	40.3	▲ 1.2

Economic Diffusion Index (Economic DI)2/2

		Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Ratio to the Previous Month
Retail	Food,BEWerages	45.5	43.8	45.3	44.7	43.2	42.6	41.3	44.0	43.3	40.0	40.6	39.7	38.5	▲ 1.2
	Textile,Textile Products,Clothing	36.3	40.2	36.5	40.4	40.2	36.3	36.9	37.2	36.9	34.5	39.1	40.0	38.1	▲ 1.9
	Drugs,Sundries	45.8	45.4	44.1	41.8	42.1	41.0	41.4	40.3	41.0	40.4	42.5	41.5	42.0	○ 0.5
	Furniture	34.0	32.1	30.3	33.3	28.7	27.2	35.8	30.7	31.3	33.3	34.7	36.4	31.3	▲ 5.1
	Electrical Household Appliances, Information Machinery and Equipment	41.8	42.3	45.8	44.3	40.8	43.2	46.1	46.1	45.3	43.8	38.8	42.6	43.0	○ 0.4
	Motor Vehicles,Motor Vehicle Parts	42.4	41.2	40.9	41.4	42.3	43.4	39.2	39.0	38.9	42.3	39.3	39.5	39.6	○ 0.1
	Special Merchandise	37.8	37.7	40.2	40.2	38.7	38.6	39.7	40.0	39.9	38.8	38.0	38.1	37.3	▲ 0.8
	Various Merchandise	42.7	40.9	44.6	42.9	44.6	44.4	45.5	43.9	41.3	39.6	42.4	39.6	38.8	▲ 0.8
	Other	40.3	44.0	39.7	44.4	47.6	44.4	42.2	37.8	44.0	39.3	45.6	44.4	37.5	▲ 6.9
	Total	40.8	40.6	41.4	41.7	40.7	40.3	40.3	40.5	40.3	39.7	39.4	39.5	38.6	▲ 0.9
Transportation,Warehousing		43.5	41.9	43.1	43.1	43.3	43.4	42.6	45.0	45.4	44.7	45.9	45.7	42.9	▲ 2.8
Service	Restaurants	50.3	48.0	51.3	52.0	49.4	48.1	49.4	52.5	49.3	46.2	47.5	49.5	45.5	▲ 4.0
	Postal,Telecommunications	56.1	51.9	54.2	61.7	56.7	52.8	51.9	50.0	40.7	57.4	53.0	57.6	50.0	▲ 7.6
	Electricity,Gas,Water,Heat	41.7	43.6	43.6	46.9	40.7	41.7	43.6	37.5	38.9	44.4	45.8	39.7	45.0	○ 5.3
	Leasing,Rentals	50.3	50.5	51.7	49.4	49.7	49.0	48.6	50.2	48.4	49.7	49.5	51.0	51.1	○ 0.1
	Lodging, Hotels	51.3	55.3	60.6	60.4	55.1	52.1	53.8	53.4	55.3	56.9	60.0	56.9	55.4	▲ 1.5
	Recreation	46.3	46.3	47.2	46.3	46.2	44.6	47.5	43.2	48.4	47.9	45.8	45.6	46.2	○ 0.6
	Broadcasting	44.1	47.1	47.4	52.8	45.1	45.6	47.2	42.2	46.8	46.2	51.6	53.0	47.5	▲ 5.5
	Maintenance,Guarding,Testing	47.3	46.7	46.7	46.0	47.5	46.1	47.3	48.2	48.1	47.9	48.9	48.3	46.3	▲ 2.0
	Advertising	46.2	47.0	45.5	47.5	46.1	43.6	43.9	43.6	45.8	46.2	46.2	48.3	45.5	▲ 2.8
	Information	56.1	55.7	55.3	55.4	54.5	54.1	54.1	53.9	55.1	53.7	54.0	53.8	54.0	○ 0.2
	Labor Dispatching	48.8	50.6	49.8	50.6	48.6	48.5	49.2	49.2	50.2	49.3	48.4	50.0	50.8	○ 0.8
	Special Services	50.5	51.4	52.4	51.7	49.9	50.5	51.8	50.6	51.3	50.9	50.0	50.0	49.8	▲ 0.2
	Medical,Welfare,Public Health	44.4	43.2	44.7	42.9	43.6	44.4	44.0	44.2	44.6	44.2	41.9	43.6	42.4	▲ 1.2
	Education	43.7	43.1	46.3	44.6	43.9	47.4	50.9	47.7	48.7	46.9	47.0	49.0	46.0	▲ 3.0
	Other	47.5	48.5	49.1	49.1	47.5	47.2	48.0	48.6	47.9	47.2	47.7	48.3	46.6	▲ 1.7
Total	50.2	50.4	51.0	50.9	49.7	49.2	50.0	49.8	50.4	49.8	49.9	50.2	49.2	▲ 1.0	
Other		41.3	41.2	41.1	42.1	37.8	37.5	40.1	41.3	39.8	42.9	40.0	39.6	41.7	○ 2.1

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Ratio to the Previous Month
Hokkaido	41.6	41.8	42.4	42.8	42.4	42.8	44.1	45.0	45.4	44.1	43.8	43.6	41.8	▲ 1.8
Tohoku	40.2	38.8	39.3	39.2	38.6	39.2	39.1	39.7	40.7	40.2	40.6	40.1	38.9	▲ 1.2
Kitakanto	40.9	41.7	42.0	41.4	40.9	40.7	41.2	42.1	42.3	42.4	42.4	41.9	41.1	▲ 0.8
Minamikanto	46.5	46.6	47.2	46.6	45.8	45.6	46.1	46.6	46.7	46.5	46.4	46.8	46.0	▲ 0.8
Hokuriku	40.0	39.8	41.4	42.4	42.3	40.7	41.4	41.8	42.6	42.2	42.2	41.7	40.5	▲ 1.2
Tokai	44.4	43.1	43.7	43.2	43.0	43.3	43.9	43.7	44.3	43.9	44.1	44.0	43.7	▲ 0.3
Kinki	43.6	43.2	43.6	43.7	42.6	42.5	42.9	43.5	44.0	43.8	43.8	44.2	43.1	▲ 1.1
Chugoku	44.3	43.2	43.1	42.6	42.8	42.6	43.6	43.9	44.0	43.6	44.5	44.1	43.0	▲ 1.1
Shikoku	42.2	41.0	41.1	41.2	40.2	39.9	39.4	40.5	40.7	41.2	41.3	40.1	40.1	○ 0.0
Kyushu	48.3	48.1	48.5	47.6	46.4	46.5	46.2	47.3	46.9	46.4	47.2	47.6	46.4	▲ 1.2

Appendix

1. Research Subjects (Companies researched: 26,765; Valid responses: 11,014; Response rate: 41.2%)

1. Region

Hokkaido	501	Tokai	1,201
Tohoku	785	Kinki	1,793
kitaKanto	871	Chugoku	748
minamikanto	3,238	Shikoku	385
Hokuriku	529	Kyushu	963
		Total	11,014

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		147
Finance		177
Construction		1,660
Real Estate		456
Manufacturing (2,575)	Food, Beverages, Livestock Feed	293
	Textile, Textile Products, Clothing	126
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	182
	Pulp, Paper and Paper Products	80
	Publishing, Printing	181
	Chemical	335
	Steel, Nonferrous Metals, Mining	449
	General Machinery	436
	Electrical Machinery	268
	Transportation Machinery, Equipment	94
	Precision Machinery, Medical Instruments and Equipment	69
Others	62	
Wholesale (2,394)	Food, Beverages	320
	Textile, Textile Products, Clothing	148
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	268
	Paper Products, Stationery, Books	113
	Chemical	217
	Recycled Resources	42
	Steel, Nonferrous Metals, Mining Products	236
	Machinery, Equipment	748
	Others	302

Retail (832)	Food, Beverages	143
	Textile, Textile Products, Clothing	81
	Drugs, Sundries	50
	Furniture	25
	Electrical Household Appliances, Information Machinery and Equipment	71
	Motor Vehicles, Motor Vehicle Parts	143
	Special Merchandise	257
	Various Merchandise	46
Others	16	
Transportation, Warehousing		434
Service (2,303)	Restaurants	123
	Telecommunications	9
	Electricity, Gas, Water, Heat	10
	Leasing, Rentals	93
	Lodging, Hotels	90
	Recreation	102
	Broadcasting	20
	Maintenance, Guarding, Testing	259
	Advertising	126
	Information	526
	Labor Dispatching	105
	Special Services	417
	Medical, Welfare, Public Health	107
Education	46	
Others	270	
Others		36
Total		11,014

3. Size

Large Firms	1,685	15.3%
Small to Medium-sized Firms	9,329	84.7%
micro Firms	3,737	33.9%
Total	11,014	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 January 20 - 31 2025

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 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.