

The domestic economy weakened for the second consecutive month due to gradually rising prices

~ Consumer spending and the tourism industry were sluggish, construction and manufacturing were also weak ~

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(Companies researched: 26,815; Valid responses: 10,835; Response rate: 40.4%; Survey start date: May 2002)

< Trend in February 2025: Slight deterioration >

The Economic Diffusion Index (DI) in February 2025 declined by 0.1 points from the previous month to 43.5, showing a slight deterioration for the second consecutive month.

In the domestic economy, consumer spending slumped due to rising prices and the effects of the cold weather, and there was a noticeable deterioration in construction and manufacturing.

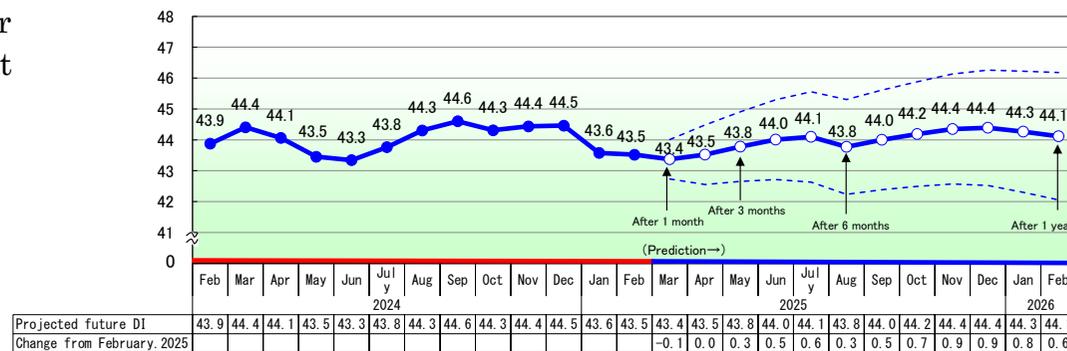
< Future outlook: Remain unchanged >

Going forward, although there are hopes for a recovery in consumer spending due to wage increases, the economy is expected to remain flat as export industries are burdened by overseas risks.

By industry: Worsened in 6 out of 10 industries due to weak consumer spending and rising fuel prices.

By scale: "Small to medium-sized firms" worsened for the second consecutive month, reflecting higher fuel prices.

By region: Deterioration and improvement were divided into 4 regions each.



*: 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

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Ratio to the Previous Month
Total	43.9	44.4	44.1	43.5	43.3	43.8	44.3	44.6	44.3	44.4	44.5	43.6	43.5	▲ 0.1
Large Firms	47.7	48.0	47.9	47.9	48.0	48.2	48.2	48.5	48.3	48.3	48.7	48.1	48.2	0.1
Small to Medium-sized Firms	43.2	43.8	43.4	42.6	42.5	42.9	43.6	43.9	43.6	43.7	43.7	42.8	42.7	▲ 0.1
Micro Firms	42.4	42.9	42.3	41.2	41.6	41.8	42.5	43.0	42.7	42.7	42.6	41.5	41.6	0.1

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	41.2	42.4	42.0	43.7	41.9	41.2	43.3	47.8	46.3	46.7	43.7	45.1	46.8	1.7	
Finance	47.7	49.2	48.8	48.0	47.6	48.5	48.1	47.3	48.0	46.9	47.2	47.0	47.0	0.0	
Construction	47.5	47.0	46.6	46.0	46.4	46.9	47.3	47.8	47.8	48.1	47.6	46.9	46.7	▲ 0.2	
Real Estate	48.3	49.3	49.3	47.7	48.0	48.2	47.5	48.5	47.2	47.5	48.2	47.6	47.5	▲ 0.1	
Manufacturing	Food,BEWerages,Livestock Feed	43.4	44.8	44.4	42.9	42.7	42.7	43.5	43.8	42.9	42.9	42.6	42.3	41.2	▲ 1.1
	Textile,Textile Products,Clothing	37.7	39.0	38.1	37.4	37.3	36.1	36.5	36.3	35.7	36.7	36.3	35.1	38.1	3.0
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	38.1	38.7	38.0	37.9	37.5	39.0	39.5	39.5	38.9	39.2	40.8	38.8	40.1	1.3
	Pulp, Paper and Paper Products	35.7	36.4	36.4	35.3	34.4	36.0	36.7	37.3	37.8	36.5	38.8	35.8	36.8	1.0
	Publishing,Printing	34.6	35.3	34.1	33.3	32.8	32.8	34.4	34.5	33.2	34.2	33.6	33.5	33.9	0.4
	Chemical	39.9	41.2	40.9	41.0	41.0	41.0	42.6	43.6	43.9	43.4	42.5	42.5	42.8	0.3
	Steel,Nonferrous Metals,Mining	38.3	38.3	38.0	36.5	36.4	37.4	39.0	39.2	39.0	39.7	38.5	38.0	36.5	▲ 1.5
	General Machinery	40.6	39.7	39.6	39.9	39.8	41.2	41.9	41.2	42.3	41.9	41.3	40.9	40.1	▲ 0.8
	Electrical Machinery	42.5	41.4	40.7	41.0	42.5	42.5	42.9	44.1	42.8	43.5	43.0	43.1	43.1	0.1
	Transportation Machinery,Equipment	39.3	41.6	40.2	41.0	42.1	44.2	43.5	41.0	42.1	41.3	41.7	43.3	39.9	▲ 3.4
	Precision Machinery,Medical Instruments and Equipment	43.3	45.5	42.9	41.9	46.5	44.5	43.9	44.0	43.8	46.4	48.4	47.3	46.3	▲ 1.0
	Other	44.7	45.5	42.5	41.3	43.0	40.8	42.3	41.7	38.2	38.9	40.1	39.2	41.4	2.2
Total	39.8	40.2	39.7	39.2	39.4	39.8	40.7	40.8	40.8	40.8	40.7	40.1	39.8	▲ 0.3	
Wholesale	Food,BEWerages	43.7	44.5	44.6	42.9	42.5	42.3	43.8	44.1	43.2	42.4	44.0	41.8	42.2	0.4
	Textile,Textile Products,Clothing	36.8	37.1	35.2	36.3	36.3	35.8	36.5	34.2	34.5	33.7	34.4	34.5	33.8	▲ 0.7
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	37.8	37.6	37.8	36.0	36.4	37.5	38.2	37.5	38.6	39.2	38.9	39.3	38.0	▲ 1.3
	Paper Products,Stationery,Books	38.2	40.1	38.4	36.4	35.2	36.3	37.2	37.8	37.8	39.4	37.3	35.4	39.8	4.4
	Chemical	42.2	43.2	41.8	42.9	41.4	43.4	44.5	44.3	43.0	43.5	44.2	43.3	43.2	▲ 0.1
	Recycled Resources	41.7	39.9	40.9	44.3	43.1	44.4	40.5	36.8	38.9	38.5	40.3	36.5	42.1	5.6
	Steel,Nonferrous Metals,Mining Products	34.9	35.3	36.5	34.7	34.6	36.2	34.7	36.1	36.3	36.4	34.7	34.0	33.7	▲ 0.3
	Machinery,Equipment	43.4	43.5	43.6	43.4	43.4	43.5	44.0	44.5	44.0	43.9	44.5	43.2	43.6	0.4
	Other	41.1	42.5	40.3	41.1	39.9	40.8	41.8	41.5	41.7	42.1	42.3	40.7	41.1	0.4
Total	40.9	41.4	41.0	40.5	40.1	40.7	41.3	41.4	41.2	41.3	41.5	40.3	40.6	0.3	

Economic Diffusion Index (Economic DI)2/2

		Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Ratio to the Previous Month
Retail	Food,BEWerages	43.8	45.3	44.7	43.2	42.6	41.3	44.0	43.3	40.0	40.6	39.7	38.5	38.6	0.1
	Textile,Textile Products,Clothing	40.2	36.5	40.4	40.2	36.3	36.9	37.2	36.9	34.5	39.1	40.0	38.1	35.4	▲ 2.7
	Drugs,Sundries	45.4	44.1	41.8	42.1	41.0	41.4	40.3	41.0	40.4	42.5	41.5	42.0	39.1	▲ 2.9
	Furniture	32.1	30.3	33.3	28.7	27.2	35.8	30.7	31.3	33.3	34.7	36.4	31.3	34.5	3.2
	Electrical Household Appliances, Information Machinery and Equipment	42.3	45.8	44.3	40.8	43.2	46.1	46.1	45.3	43.8	38.8	42.6	43.0	42.3	▲ 0.7
	Motor Vehicles,Motor Vehicle Parts	41.2	40.9	41.4	42.3	43.4	39.2	39.0	38.9	42.3	39.3	39.5	39.6	38.9	▲ 0.7
	Special Merchandise	37.7	40.2	40.2	38.7	38.6	39.7	40.0	39.9	38.8	38.0	38.1	37.3	38.5	1.2
	Various Merchandise	40.9	44.6	42.9	44.6	44.4	45.5	43.9	41.3	39.6	42.4	39.6	38.8	39.5	0.7
	Other	44.0	39.7	44.4	47.6	44.4	42.2	37.8	44.0	39.3	45.6	44.4	37.5	41.2	3.7
	Total	40.6	41.4	41.7	40.7	40.3	40.3	40.5	40.3	39.7	39.4	39.5	38.6	38.6	0.0
Transportation,Warehousing		41.9	43.1	43.1	43.3	43.4	42.6	45.0	45.4	44.7	45.9	45.7	42.9	42.5	▲ 0.4
Service	Restaurants	48.0	51.3	52.0	49.4	48.1	49.4	52.5	49.3	46.2	47.5	49.5	45.5	43.6	▲ 1.9
	Postal,Telecommunications	51.9	54.2	61.7	56.7	52.8	51.9	50.0	40.7	57.4	53.0	57.6	50.0	48.6	▲ 1.4
	Electricity,Gas,Water,Heat	43.6	43.6	46.9	40.7	41.7	43.6	37.5	38.9	44.4	45.8	39.7	45.0	44.4	▲ 0.6
	Leasing,Rentals	50.5	51.7	49.4	49.7	49.0	48.6	50.2	48.4	49.7	49.5	51.0	51.1	49.8	▲ 1.3
	Lodging, Hotels	55.3	60.6	60.4	55.1	52.1	53.8	53.4	55.3	56.9	60.0	56.9	55.4	52.8	▲ 2.6
	Recreation	46.3	47.2	46.3	46.2	44.6	47.5	43.2	48.4	47.9	45.8	45.6	46.2	46.5	0.3
	Broadcasting	47.1	47.4	52.8	45.1	45.6	47.2	42.2	46.8	46.2	51.6	53.0	47.5	49.0	1.5
	Maintenance,Guarding,Testing	46.7	46.7	46.0	47.5	46.1	47.3	48.2	48.1	47.9	48.9	48.3	46.3	49.0	2.7
	Advertising	47.0	45.5	47.5	46.1	43.6	43.9	43.6	45.8	46.2	46.2	48.3	45.5	46.0	0.5
	Information	55.7	55.3	55.4	54.5	54.1	54.1	53.9	55.1	53.7	54.0	53.8	54.0	53.7	▲ 0.3
	Labor Dispatching	50.6	49.8	50.6	48.6	48.5	49.2	49.2	50.2	49.3	48.4	50.0	50.8	47.2	▲ 3.6
	Special Services	51.4	52.4	51.7	49.9	50.5	51.8	50.6	51.3	50.9	50.0	50.0	49.8	49.5	▲ 0.3
	Medical,Welfare,Public Health	43.2	44.7	42.9	43.6	44.4	44.0	44.2	44.6	44.2	41.9	43.6	42.4	41.9	▲ 0.5
	Education	43.1	46.3	44.6	43.9	47.4	50.9	47.7	48.7	46.9	47.0	49.0	46.0	43.9	▲ 2.1
	Other	48.5	49.1	49.1	47.5	47.2	48.0	48.6	47.9	47.2	47.7	48.3	46.6	47.1	0.5
Total	50.4	51.0	50.9	49.7	49.2	50.0	49.8	50.4	49.8	49.9	50.2	49.2	49.0	▲ 0.2	
Other		41.2	41.1	42.1	37.8	37.5	40.1	41.3	39.8	42.9	40.0	39.6	41.7	40.8	▲ 0.9

		Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Ratio to the Previous Month
Hokkaido		41.8	42.4	42.8	42.4	42.8	44.1	45.0	45.4	44.1	43.8	43.6	41.8	41.8	0.0
Tohoku		38.8	39.3	39.2	38.6	39.2	39.1	39.7	40.7	40.2	40.6	40.1	38.9	38.6	▲ 0.3
Kitakanto		41.7	42.0	41.4	40.9	40.7	41.2	42.1	42.3	42.4	42.4	41.9	41.1	41.4	0.3
Minamikanto		46.6	47.2	46.6	45.8	45.6	46.1	46.6	46.7	46.5	46.4	46.8	46.0	46.0	0.0
Hokuriku		39.8	41.4	42.4	42.3	40.7	41.4	41.8	42.6	42.2	42.2	41.7	40.5	41.0	0.5
Tokai		43.1	43.7	43.2	43.0	43.3	43.9	43.7	44.3	43.9	44.1	44.0	43.7	43.5	▲ 0.2
Kinki		43.2	43.6	43.7	42.6	42.5	42.9	43.5	44.0	43.8	43.8	44.2	43.1	43.2	0.1
Chugoku		43.2	43.1	42.6	42.8	42.6	43.6	43.9	44.0	43.6	44.5	44.1	43.0	42.6	▲ 0.4
Shikoku		41.0	41.1	41.2	40.2	39.9	39.4	40.5	40.7	41.2	41.3	40.1	40.1	40.3	0.2
Kyushu		48.1	48.5	47.6	46.4	46.5	46.2	47.3	46.9	46.4	47.2	47.6	46.4	46.3	▲ 0.1

Appendix

1. Research Subjects (Companies researched: 26,815; Valid responses: 10,835; Response rate: 40.4%)

1. Region

Hokkaido	489	Tokai	1,159
Tohoku	791	Kinki	1,750
kitaKanto	866	Chugoku	736
minamikanto	3,198	Shikoku	377
Hokuriku	542	Kyushu	927
		Total	10,835

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		130
Finance		170
Construction		1,634
Real Estate		436
Manufacturing (2,530)	Food, Beverages, Livestock Feed	279
	Textile, Textile Products, Clothing	118
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	181
	Pulp, Paper and Paper Products	78
	Publishing, Printing	178
	Chemical	317
	Steel, Nonferrous Metals, Mining	440
	General Machinery	444
	Electrical Machinery	269
	Transportation Machinery, Equipment	94
	Precision Machinery, Medical Instruments and Equipment	72
	Others	60
Wholesale (2,304)	Food, Beverages	294
	Textile, Textile Products, Clothing	150
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	255
	Paper Products, Stationery, Books	114
	Chemical	213
	Recycled Resources	36
	Steel, Nonferrous Metals, Mining Products	225
	Machinery, Equipment	727
	Others	290

Retail (852)	Food, Beverages	137
	Textile, Textile Products, Clothing	80
	Drugs, Sundries	55
	Furniture	28
	Electrical Household Appliances, Information Machinery and Equipment	65
	Motor Vehicles, Motor Vehicle Parts	140
	Special Merchandise	285
	Various Merchandise	43
	Others	19
Transportation, Warehousing		423
Service (2,318)	Restaurants	128
	Telecommunications	12
	Electricity, Gas, Water, Heat	12
	Leasing, Rentals	97
	Lodging, Hotels	96
	Recreation	100
	Broadcasting	17
	Maintenance, Guarding, Testing	323
	Advertising	116
	Information	508
	Labor Dispatching	94
	Special Services	398
	Medical, Welfare, Public Health	109
Education	41	
Others	267	
Others		38
Total		10,835

3. Size

Large Firms	1,630	15.0%
Small to Medium-sized Firms	9,205	85.0%
micro Firms	3,658	33.8%
Total	10,835	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 February 14 - 28 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.