

The domestic economy improved for three consecutive months

~ Driven by the heatwave boosting demand
across various industries
and nationwide construction needs ~

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

(Companies researched: 26,162; Valid responses: 10,701; Response rate: 40.9%; Survey start date: May 2002)

< Trend in August 2025: Upward Trend >

The Economic Diffusion Index (DI) in August 2025 increased by 0.5 points from the previous month to 43.3, improving for the third consecutive month.

Despite uncertainties surrounding U.S. tariff policies, the heatwave led to a surge in demand from upstream to downstream industries, along with nationwide construction activity, contributing to the continued upward trend in the domestic economy.

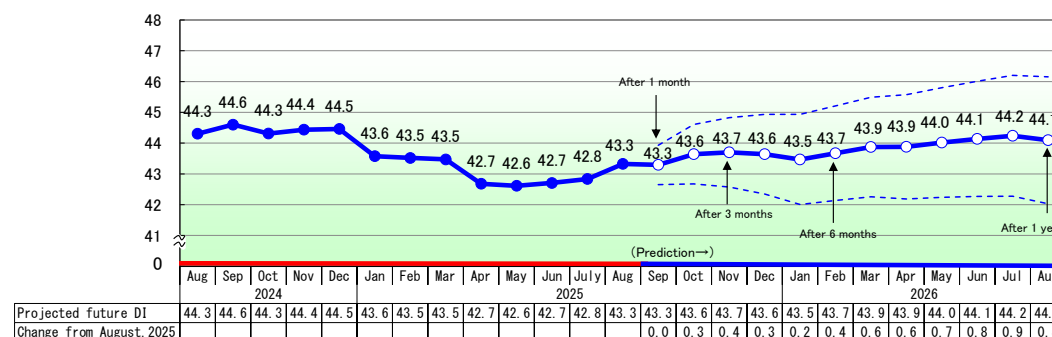
< Future outlook: Remain unchanged >

While monitoring the direction of real wages, the domestic economy is expected to remain unchanged for the time being.

By industry: Improvement in 9 out of 10 industries, with the summer holiday boom serving as a positive factor.

By scale: All sizes improved for the first time in 11 months, with "large firms" seeing growth for four consecutive months.

By region: 8 out of 10 regions showed improvement, with nationwide construction demand acting as a positive driver.



Economic Diffusion Index (Economic DI)1/2

	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Ratio to the Previous Month
Total	44.3	44.6	44.3	44.4	44.5	43.6	43.5	43.5	42.7	42.6	42.7	42.8	43.3	0.5
Large Firms	48.2	48.5	48.3	48.3	48.7	48.1	48.2	47.9	46.7	46.8	47.1	47.3	47.8	0.5
Small to Medium-sized Firms	43.6	43.9	43.6	43.7	43.7	42.8	42.7	42.7	42.0	41.9	41.9	42.0	42.6	0.6
Micro Firms	42.5	43.0	42.7	42.7	42.6	41.5	41.6	41.6	41.0	40.8	41.0	40.9	41.7	0.8

		Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Ratio to the Previous Month
Agriculture,Forestry,Fisheries		43.3	47.8	46.3	46.7	43.7	45.1	46.8	47.0	47.5	48.1	49.3	46.1	47.9	1.8
Finance		48.1	47.3	48.0	46.9	47.2	47.0	47.0	47.8	46.2	46.0	47.7	46.2	46.5	0.3
Construction		47.3	47.8	47.8	48.1	47.6	46.9	46.7	46.7	45.9	45.9	45.9	46.4	46.8	0.4
Real Estate		47.5	48.5	47.2	47.5	48.2	47.6	47.5	47.6	46.9	49.0	48.4	47.7	48.1	0.4
Manufacturing	Food,BEWerages,Livestock Feed	43.5	43.8	42.9	42.9	42.6	42.3	41.2	40.4	40.6	42.0	40.9	41.3	42.8	1.5
	Textile,Textile Products,Clothing	36.5	36.3	35.7	36.7	36.3	35.1	38.1	36.8	35.2	34.1	32.9	33.6	34.2	0.6
	Construction Materials,Furniture, Ceramics,Stone and Clay Products	39.5	39.5	38.9	39.2	40.8	38.8	40.1	38.4	38.6	36.8	39.3	40.0	39.0	▲ 1.0
	Pulp, Paper and Paper Products	36.7	37.3	37.8	36.5	38.8	35.8	36.8	37.9	38.1	34.9	35.3	35.6	38.0	2.4
	Publishing,Printing	34.4	34.5	33.2	34.2	33.6	33.5	33.9	32.9	33.3	32.9	32.0	32.6	33.2	0.6
	Chemical	42.6	43.6	43.9	43.4	42.5	42.5	42.8	41.6	42.4	41.5	41.4	42.4	43.3	0.9
	Steel,Nonferrous Metals,Mining	39.0	39.2	39.0	39.7	38.5	38.0	36.5	38.1	35.1	35.3	35.7	36.6	37.8	1.2
	General Machinery	41.9	41.2	42.3	41.9	41.3	40.9	40.1	39.1	37.5	37.8	38.4	37.5	38.5	1.0
	Electrical Machinery	42.5	42.9	44.1	42.8	43.5	43.0	43.1	43.4	40.9	39.9	41.6	42.8	42.0	▲ 0.8
	Transportation Machinery,Equipment	43.5	41.0	42.1	41.3	41.7	43.3	39.9	42.9	38.2	36.5	39.9	40.7	39.1	▲ 1.6
	Precision Machinery, Medical Instruments and Equipment	43.9	44.0	43.8	46.4	48.4	47.3	46.3	46.9	45.3	44.1	44.3	44.1	47.0	2.9
	Other	42.3	41.7	38.2	38.9	40.1	39.2	41.4	41.0	41.4	40.5	37.2	38.9	40.1	1.2
Total		40.7	40.8	40.8	40.8	40.7	40.1	39.8	39.6	38.5	38.1	38.4	38.9	39.6	0.7
Wholesale	Food,BEWerages	43.8	44.1	43.2	42.4	44.0	41.8	42.2	41.3	41.3	41.2	40.3	41.1	41.8	0.7
	Textile,Textile Products,Clothing	36.5	34.2	34.5	33.7	34.4	34.5	33.8	34.6	35.8	35.1	34.8	34.8	33.7	▲ 1.1
	Construction Materials, Furniture,Ceramics, Stone and Clay Products	38.2	37.5	38.6	39.2	38.9	39.3	38.0	38.9	38.2	39.0	38.2	37.4	37.6	0.2
	Paper Products,Stationery,Books	37.2	37.8	37.8	39.4	37.3	35.4	39.8	40.0	37.8	36.8	36.6	35.3	36.2	0.9
	Chemical	44.5	44.3	43.0	43.5	44.2	43.3	43.2	42.9	41.2	41.2	41.8	41.7	42.0	0.3
	Recycled Resources	40.5	36.8	38.9	38.5	40.3	36.5	42.1	36.2	35.8	35.1	36.6	36.0	37.0	1.0
	Steel,Nonferrous Metals, Mining Products	34.7	36.1	36.3	36.4	34.7	34.0	33.7	33.3	32.8	32.4	33.0	33.7	34.5	0.8
	Machinery,Equipment	44.0	44.5	44.0	43.9	44.5	43.2	43.6	43.7	42.3	42.2	42.6	42.3	43.1	0.8
	Other	41.8	41.5	41.7	42.1	42.3	40.7	41.1	41.5	40.8	40.7	40.1	40.2	40.5	0.3
	Total		41.3	41.4	41.2	41.3	41.5	40.3	40.6	40.7	39.8	39.7	39.6	39.5	40.0

Economic Diffusion Index (Economic DI)2/2

		Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Ratio to the Rrevious Month
Retail	Food,BEWerages	44.0	43.3	40.0	40.6	39.7	38.5	38.6	39.6	41.8	41.1	40.8	40.3	40.7	0.4
	Textile,Textile Products,Clothing	37.2	36.9	34.5	39.1	40.0	38.1	35.4	34.8	35.0	39.0	35.4	36.4	36.7	0.3
	Drugs,Sundries	40.3	41.0	40.4	42.5	41.5	42.0	39.1	40.6	35.4	35.9	36.1	39.7	41.1	1.4
	Furniture	30.7	31.3	33.3	34.7	36.4	31.3	34.5	28.2	36.3	33.9	31.8	32.0	35.2	3.2
	Electrical Household Appliances, Information Machinery and Equipment	46.1	45.3	43.8	38.8	42.6	43.0	42.3	42.3	41.4	39.6	43.0	42.3	42.4	0.1
	Motor Vehicles,Motor Vehicle Parts	39.0	38.9	42.3	39.3	39.5	39.6	38.9	42.9	40.5	38.2	40.8	38.0	40.1	2.1
	Special Merchandise	40.0	39.9	38.8	38.0	38.1	37.3	38.5	38.2	37.5	37.5	37.4	38.6	38.3	▲ 0.3
	Various Merchandise	43.9	41.3	39.6	42.4	39.6	38.8	39.5	39.5	36.0	35.8	36.3	38.5	38.5	0.0
	Other	37.8	44.0	39.3	45.6	44.4	37.5	41.2	39.3	43.3	45.2	44.8	46.9	49.0	2.1
	Total	40.5	40.3	39.7	39.4	39.5	38.6	38.6	39.2	38.6	38.3	38.6	38.9	39.4	0.5
Transportation,Warehousing		45.0	45.4	44.7	45.9	45.7	42.9	42.5	43.3	41.9	42.8	42.3	42.9	43.9	1.0
Service	Restaurants	52.5	49.3	46.2	47.5	49.5	45.5	43.6	45.1	46.2	43.5	44.6	45.6	46.8	1.2
	Postal,Telecommunications	50.0	40.7	57.4	53.0	57.6	50.0	48.6	53.3	48.7	50.0	47.4	51.9	47.9	▲ 4.0
	Electricity,Gas,Water,Heat	37.5	38.9	44.4	45.8	39.7	45.0	44.4	41.0	47.1	44.4	43.3	46.1	48.3	2.2
	Leasing,Rentals	50.2	48.4	49.7	49.5	51.0	51.1	49.8	52.2	48.7	49.8	48.0	49.3	49.7	0.4
	Lodging, Hotels	53.4	55.3	56.9	60.0	56.9	55.4	52.8	53.9	54.8	52.4	51.7	49.6	50.5	0.9
	Recreation	43.2	48.4	47.9	45.8	45.6	46.2	46.5	44.0	45.4	47.6	45.2	46.8	45.0	▲ 1.8
	Broadcasting	42.2	46.8	46.2	51.6	53.0	47.5	49.0	50.8	49.2	48.4	49.2	50.8	47.6	▲ 3.2
	Maintenance,Guarding,Testing	48.2	48.1	47.9	48.9	48.3	46.3	49.0	46.6	46.5	46.6	47.0	48.5	47.0	▲ 1.5
	Advertising	43.6	45.8	46.2	46.2	48.3	45.5	46.0	45.7	45.5	46.1	47.2	47.2	45.7	▲ 1.5
	Information	53.9	55.1	53.7	54.0	53.8	54.0	53.7	52.7	52.7	52.1	52.5	51.7	51.8	0.1
	Labor Dispatching	49.2	50.2	49.3	48.4	50.0	50.8	47.2	47.1	48.5	48.2	47.9	48.3	46.7	▲ 1.6
	Special Services	50.6	51.3	50.9	50.0	50.0	49.8	49.5	49.6	49.0	49.7	49.2	49.0	50.3	1.3
	Medical,Welfare,Public Health	44.2	44.6	44.2	41.9	43.6	42.4	41.9	42.5	42.0	41.4	40.4	38.0	39.5	1.5
	Education	47.7	48.7	46.9	47.0	49.0	46.0	43.9	46.8	42.2	44.9	43.4	40.6	39.9	▲ 0.7
	Other	48.6	47.9	47.2	47.7	48.3	46.6	47.1	46.8	46.4	45.5	47.3	47.3	46.5	▲ 0.8
	Total	49.8	50.4	49.8	49.9	50.2	49.2	49.0	48.7	48.4	48.2	48.3	48.3	48.2	▲ 0.1
Other		41.3	39.8	42.9	40.0	39.6	41.7	40.8	41.7	40.2	45.0	39.2	37.9	40.7	2.8

		Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Ratio to the Rrevious Month
Hokkaido		45.0	45.4	44.1	43.8	43.6	41.8	41.8	41.7	42.0	43.4	43.9	43.7	43.9	0.2
Tohoku		39.7	40.7	40.2	40.6	40.1	38.9	38.6	38.3	37.9	38.2	39.1	39.2	39.5	0.3
kitakanto		42.1	42.3	42.4	42.4	41.9	41.1	41.4	40.7	40.5	39.3	40.1	41.3	41.0	▲ 0.3
minamikanto		46.6	46.7	46.5	46.4	46.8	46.0	46.0	46.2	45.5	45.3	45.5	45.7	45.9	0.2
Hokuriku		41.8	42.6	42.2	42.2	41.7	40.5	41.0	40.6	40.2	40.4	40.0	40.9	41.0	0.1
Tokai		43.7	44.3	43.9	44.1	44.0	43.7	43.5	43.1	41.4	41.5	41.4	41.6	43.2	1.6
Kinki		43.5	44.0	43.8	43.8	44.2	43.1	43.2	43.5	42.7	42.2	42.1	41.5	42.7	1.2
Chugoku		43.9	44.0	43.6	44.5	44.1	43.0	42.6	42.9	41.4	41.4	40.9	41.3	42.1	0.8
Shikoku		40.5	40.7	41.2	41.3	40.1	40.1	40.3	41.4	39.6	40.6	39.7	39.9	40.6	0.7
Kyushu		47.3	46.9	46.4	47.2	47.6	46.4	46.3	45.7	44.8	44.8	44.5	44.4	44.4	0.0

Appendix

1.Research Subjects(Companies researched: 26,162; Valid responses: 10,701; Response rate: 40.9%)

1.Region

Hokkaido	477	Tokai	1,184
Tohoku	780	Kinki	1,706
kitaKanto	854	Chugoku	715
minamikanto	3,193	Shikoku	365
Hokuriku	541	Kyushu	886
		Total	10,701

2.Industry (10 Industries 51 Lines of business)

Agriculture,Forestry,Fisheries		111
Finance		171
Construction		1,627
Real Estate		461
Manufacturing (2,473)	Food,Beverages,Livestock Feed	279
	Textile,Textile Products,Clothing	114
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	180
	Pulp, Paper and Paper Products	79
	Publishing,Printing	164
	Chemical	318
	Steel,Nonferrous Metals,Mining	437
	General Machinery	423
	Electrical Machinery	260
	Transportation Machinery,Equipment	96
	Precision Machinery,Medical Instruments and Equipment	61
	Others	62
Wholesale (2,271)	Food,Beverages	303
	Textile,Textile Products,Clothing	143
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	241
	Paper Products,Stationery,Books	106
	Chemical	218
	Recycled Resources	41
	Steel,Nonferrous Metals,Mining Products	233
	Machinery,Equipment	727
	Others	259

Retail (841)	Food,Beverages	141
	Textile,Textile Products,Clothing	79
	Drugs,Sundries	62
	Furniture	27
	Electrical Household Appliances,Information Machinery and Equipment	59
	Motor Vehicles,Motor Vehicle Parts	121
	Special Merchandise	274
	Various Merchandise	61
	Others	17
Transportation,Warehousing		442
Service (2,268)	Restaurants	124
	Telecommunications	8
	Electricity,Gas,Water,Heat	20
	Leasing,Rentals	98
	Lodging, Hotels	98
	Recreation	97
	Broadcasting	21
	Maintenance,Guarding,Testing	287
	Advertising	109
	Information	488
	Labor Dispatching	82
	Special Services	414
	Medical,Welfare,Public Health	113
	Education	46
	Others	263
Others		36
Total		10,701

3.Size

Large Firms	1,581	14.8%
Small to Medium-sized Firms	9,120	85.2%
micro Firms	3,590	33.5%
Total	10,701	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 August 18 - 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 26,000 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

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

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

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.