

The domestic economy improved slightly for the fourth consecutive month

~ Although the special demand from the extreme heat subsided, strong construction demand, expanding digital investment, and travel-related activities supported the recovery ~

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(Companies researched: 25,546; Valid responses: 10,554; Response rate: 41.3%; Survey start date: May 2002)

< Trend in September 2025: Upward Trend >

The Economic Diffusion Index (DI) in September 2025 increased by 0.1 points from the previous month to 43.4, marking a slight improvement for the fourth consecutive month.

Although the special demand from the extreme heat subsided and downward pressure on corporate earnings intensified in some areas, the domestic economy recovered thanks to strong construction demand and expanding digital investment, continuing its upward trend.

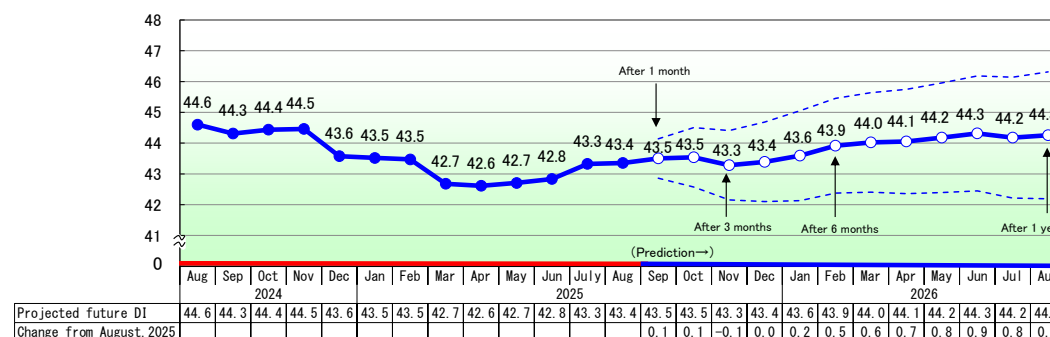
< Future outlook: Remain unchanged >

Looking ahead, the domestic economy is expected to remain flat for the time being, with attention focused on the trend of real household purchasing power.

By industry: Improvement Out of 10 industries, 5 showed improvement while 4 deteriorated, indicating a split in business sentiment.

By scale: Large firms improved for the fifth consecutive month, with the gap between company sizes reaching a record high.

By region: Out of 10 regions, 5 showed improvement while 3 deteriorated.



*: 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

	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Ratio to the Rrevious Month
Total	44.6	44.3	44.4	44.5	43.6	43.5	43.5	42.7	42.6	42.7	42.8	43.3	43.4	0.1
Large Firms	48.5	48.3	48.3	48.7	48.1	48.2	47.9	46.7	46.8	47.1	47.3	47.8	48.2	0.4
Small to Medium-sized Firms	43.9	43.6	43.7	43.7	42.8	42.7	42.7	42.0	41.9	41.9	42.0	42.6	42.5	▲ 0.1
Micro Firms	43.0	42.7	42.7	42.6	41.5	41.6	41.6	41.0	40.8	41.0	40.9	41.7	41.5	▲ 0.2

	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Ratio to the Rrevious Month
Agriculture,Forestry,Fisheries	47.8	46.3	46.7	43.7	45.1	46.8	47.0	47.5	48.1	49.3	46.1	47.9	46.6	▲ 1.3
Finance	47.3	48.0	46.9	47.2	47.0	47.0	47.8	46.2	46.0	47.7	46.2	46.5	48.0	1.5
Construction	47.8	47.8	48.1	47.6	46.9	46.7	46.7	45.9	45.9	45.9	46.4	46.8	47.3	0.5
Real Estate	48.5	47.2	47.5	48.2	47.6	47.5	47.6	46.9	49.0	48.4	47.7	48.1	49.3	1.2
Manufacturing	Food,BEWerages,Livestock Feed	43.8	42.9	42.9	42.6	42.3	41.2	40.4	40.6	42.0	40.9	41.3	42.8	▲ 1.1
	Textile,Textile Products,Clothing	36.3	35.7	36.7	36.3	35.1	38.1	36.8	35.2	34.1	32.9	33.6	34.2	2.6
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	39.5	38.9	39.2	40.8	38.8	40.1	38.4	38.6	36.8	39.3	40.0	39.0	▲ 0.3
	Pulp, Paper and Paper Products	37.3	37.8	36.5	38.8	35.8	36.8	37.9	38.1	34.9	35.3	35.6	38.0	0.4
	Publishing,Printing	34.5	33.2	34.2	33.6	33.5	33.9	32.9	33.3	32.9	32.0	32.6	33.2	▲ 0.8
	Chemical	43.6	43.9	43.4	42.5	42.5	42.8	41.6	42.4	41.5	41.4	42.4	43.3	▲ 1.0
	Steel,Nonferrous Metals,Mining	39.2	39.0	39.7	38.5	38.0	36.5	38.1	35.1	35.3	35.7	36.6	37.8	▲ 1.4
	General Machinery	41.2	42.3	41.9	41.3	40.9	40.1	39.1	37.5	37.8	38.4	37.5	38.5	▲ 0.7
	Electrical Machinery	42.9	44.1	42.8	43.5	43.0	43.1	43.4	40.9	39.9	41.6	42.8	42.0	2.1
	Transportation Machinery,Equipment	41.0	42.1	41.3	41.7	43.3	39.9	42.9	38.2	36.5	39.9	40.7	39.1	2.8
	Precision Machinery,Medical Instruments and Equipment	44.0	43.8	46.4	48.4	47.3	46.3	46.9	45.3	44.1	44.3	44.1	47.0	▲ 2.6
	Other	41.7	38.2	38.9	40.1	39.2	41.4	41.0	41.4	40.5	37.2	38.9	40.1	▲ 2.0
Total		40.8	40.8	40.8	40.7	40.1	39.8	39.6	38.5	38.1	38.4	38.9	39.6	▲ 0.4
Wholesale	Food,BEWerages	44.1	43.2	42.4	44.0	41.8	42.2	41.3	41.3	41.2	40.3	41.1	41.8	0.0
	Textile,Textile Products,Clothing	34.2	34.5	33.7	34.4	34.5	33.8	34.6	35.8	35.1	34.8	34.8	33.7	▲ 0.5
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	37.5	38.6	39.2	38.9	39.3	38.0	38.9	38.2	39.0	38.2	37.4	37.6	0.5
	Paper Products,Stationery,Books	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	44.3	43.0	43.5	44.2	43.3	43.2	42.9	41.2	41.2	41.8	41.7	42.0	0.4
	Recycled Resources	36.8	38.9	38.5	40.3	36.5	42.1	36.2	35.8	35.1	36.6	36.0	37.0	0.3
	Steel,Nonferrous Metals,Mining Products	36.1	36.3	36.4	34.7	34.0	33.7	33.3	32.8	32.4	33.0	33.7	34.5	0.4
	Machinery,Equipment	44.5	44.0	43.9	44.5	43.2	43.6	43.7	42.3	42.2	42.6	42.3	43.1	▲ 0.3
	Other	41.5	41.7	42.1	42.3	40.7	41.1	41.5	40.8	40.7	40.1	40.2	40.5	▲ 0.1
Total		41.4	41.2	41.3	41.5	40.3	40.6	40.7	39.8	39.7	39.6	39.5	40.0	0.0

Economic Diffusion Index (Economic DI)2/2

		Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Ratio to the Previous Month
Retail	Food,BEWerages	43.3	40.0	40.6	39.7	38.5	38.6	39.6	41.8	41.1	40.8	40.3	40.7	41.6	0.9
	Textile,Textile Products,Clothing	36.9	34.5	39.1	40.0	38.1	35.4	34.8	35.0	39.0	35.4	36.4	36.7	34.5	▲ 2.2
	Drugs,Sundries	41.0	40.4	42.5	41.5	42.0	39.1	40.6	35.4	35.9	36.1	39.7	41.1	39.2	▲ 1.9
	Furniture	31.3	33.3	34.7	36.4	31.3	34.5	28.2	36.3	33.9	31.8	32.0	35.2	36.1	0.9
	Electrical Household Appliances, Information Machinery and Equipment	45.3	43.8	38.8	42.6	43.0	42.3	42.3	41.4	39.6	43.0	42.3	42.4	42.6	0.2
	Motor Vehicles,Motor Vehicle Parts	38.9	42.3	39.3	39.5	39.6	38.9	42.9	40.5	38.2	40.8	38.0	40.1	38.8	▲ 1.3
	Special Merchandise	39.9	38.8	38.0	38.1	37.3	38.5	38.2	37.5	37.5	37.4	38.6	38.3	38.4	0.1
	Various Merchandise	41.3	39.6	42.4	39.6	38.8	39.5	39.5	36.0	35.8	36.3	38.5	38.5	37.8	▲ 0.7
	Other	44.0	39.3	45.6	44.4	37.5	41.2	39.3	43.3	45.2	44.8	46.9	49.0	36.3	▲ 12.7
	Total	40.3	39.7	39.4	39.5	38.6	38.6	39.2	38.6	38.3	38.6	38.9	39.4	38.8	▲ 0.6
Transportation,Warehousing		45.4	44.7	45.9	45.7	42.9	42.5	43.3	41.9	42.8	42.3	42.9	43.9	43.2	▲ 0.7
Service	Restaurants	49.3	46.2	47.5	49.5	45.5	43.6	45.1	46.2	43.5	44.6	45.6	46.8	45.6	▲ 1.2
	Postal,Telecommunications	40.7	57.4	53.0	57.6	50.0	48.6	53.3	48.7	50.0	47.4	51.9	47.9	48.1	0.2
	Electricity,Gas,Water,Heat	38.9	44.4	45.8	39.7	45.0	44.4	41.0	47.1	44.4	43.3	46.1	48.3	48.1	▲ 0.2
	Leasing,Rentals	48.4	49.7	49.5	51.0	51.1	49.8	52.2	48.7	49.8	48.0	49.3	49.7	48.3	▲ 1.4
	Lodging, Hotels	55.3	56.9	60.0	56.9	55.4	52.8	53.9	54.8	52.4	51.7	49.6	50.5	51.8	1.3
	Recreation	48.4	47.9	45.8	45.6	46.2	46.5	44.0	45.4	47.6	45.2	46.8	45.0	48.4	3.4
	Broadcasting	46.8	46.2	51.6	53.0	47.5	49.0	50.8	49.2	48.4	49.2	50.8	47.6	48.4	0.8
	Maintenance,Guarding,Testing	48.1	47.9	48.9	48.3	46.3	49.0	46.6	46.5	46.6	47.0	48.5	47.0	47.0	0.0
	Advertising	45.8	46.2	46.2	48.3	45.5	46.0	45.7	45.5	46.1	47.2	47.2	45.7	46.4	0.7
	Information	55.1	53.7	54.0	53.8	54.0	53.7	52.7	52.7	52.1	52.5	51.7	51.8	52.3	0.5
	Labor Dispatching	50.2	49.3	48.4	50.0	50.8	47.2	47.1	48.5	48.2	47.9	48.3	46.7	46.7	0.0
	Special Services	51.3	50.9	50.0	50.0	49.8	49.5	49.6	49.0	49.7	49.2	49.0	50.3	50.3	0.0
	Medical,Welfare,Public Health	44.6	44.2	41.9	43.6	42.4	41.9	42.5	42.0	41.4	40.4	38.0	39.5	39.6	0.1
	Education	48.7	46.9	47.0	49.0	46.0	43.9	46.8	42.2	44.9	43.4	40.6	39.9	43.1	3.2
	Other	47.9	47.2	47.7	48.3	46.6	47.1	46.8	46.4	45.5	47.3	47.3	46.5	46.2	▲ 0.3
	Total	50.4	49.8	49.9	50.2	49.2	49.0	48.7	48.4	48.2	48.3	48.3	48.2	48.5	0.3
Other		39.8	42.9	40.0	39.6	41.7	40.8	41.7	40.2	45.0	39.2	37.9	40.7	42.4	1.7

	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Ratio to the Previous Month
Hokkaido	45.4	44.1	43.8	43.6	41.8	41.8	41.7	42.0	43.4	43.9	43.7	43.9	44.4	0.5
Tohoku	40.7	40.2	40.6	40.1	38.9	38.6	38.3	37.9	38.2	39.1	39.2	39.5	39.2	▲ 0.3
Kita-Kanto	42.3	42.4	42.4	41.9	41.1	41.4	40.7	40.5	39.3	40.1	41.3	41.0	41.3	0.3
Minami-Kanto	46.7	46.5	46.4	46.8	46.0	46.0	46.2	45.5	45.3	45.5	45.7	45.9	45.9	0.0
Hokuriku	42.6	42.2	42.2	41.7	40.5	41.0	40.6	40.2	40.4	40.0	40.9	41.0	41.4	0.4
Tokai	44.3	43.9	44.1	44.0	43.7	43.5	43.1	41.4	41.5	41.4	41.6	43.2	42.8	▲ 0.4
Kinki	44.0	43.8	43.8	44.2	43.1	43.2	43.5	42.7	42.2	42.1	41.5	42.7	42.5	▲ 0.2
Chugoku	44.0	43.6	44.5	44.1	43.0	42.6	42.9	41.4	41.4	40.9	41.3	42.1	42.1	0.0
Shikoku	40.7	41.2	41.3	40.1	40.1	40.3	41.4	39.6	40.6	39.7	39.9	40.6	41.2	0.6
Kyushu	46.9	46.4	47.2	47.6	46.4	46.3	45.7	44.8	44.8	44.5	44.4	44.4	44.6	0.2

Appendix

1. Research Subjects (Companies researched: 25,546; Valid responses: 10,554; Response rate: 41.3%)

1. Region

Hokkaido	474	Tokai	1,155
Tohoku	779	Kinki	1,680
kitaKanto	820	Chugoku	701
minamikanto	3,154	Shikoku	368
Hokuriku	545	Kyushu	878
		Total	10,554

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		112
Finance		164
Construction		1,614
Real Estate		454
Manufacturing (2,448)	Food, Beverages, Livestock Feed	272
	Textile, Textile Products, Clothing	106
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	176
	Pulp, Paper and Paper Products	82
	Publishing, Printing	162
	Chemical	318
	Steel, Nonferrous Metals, Mining	442
	General Machinery	423
	Electrical Machinery	250
	Transportation Machinery, Equipment	91
	Precision Machinery, Medical Instruments and Equipment	66
	Others	60
Wholesale (2,244)	Food, Beverages	293
	Textile, Textile Products, Clothing	138
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	239
	Paper Products, Stationery, Books	100
	Chemical	218
	Recycled Resources	46
	Steel, Nonferrous Metals, Mining Products	233
	Machinery, Equipment	699
	Others	278

Retail (848)	Food, Beverages	137
	Textile, Textile Products, Clothing	74
	Drugs, Sundries	62
	Furniture	30
	Electrical Household Appliances, Information Machinery and Equipment	63
	Motor Vehicles, Motor Vehicle Parts	131
	Special Merchandise	271
	Various Merchandise	63
	Others	17
Transportation, Warehousing		423
Service (2,214)	Restaurants	125
	Telecommunications	9
	Electricity, Gas, Water, Heat	18
	Leasing, Rentals	89
	Lodging, Hotels	82
	Recreation	93
	Broadcasting	21
	Maintenance, Guarding, Testing	275
	Advertising	107
	Information	506
	Labor Dispatching	80
	Special Services	397
	Medical, Welfare, Public Health	111
	Education	46
	Others	255
Others		33
Total		10,554

3. Size

Large Firms	1,580	15.0%
Small to Medium-sized Firms	8,974	85.0%
micro Firms	3,529	33.4%
Total	10,554	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 September 16 - 30 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.