

The domestic economy improved for the first time in two months

~ Manufacturing sectors such as semiconductors and automobiles were key drivers, while attention will remain on developments in the Middle East ~

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

(Companies researched: 23,568; Valid responses: 10,416; Response rate: 44.2%; Survey start date: May 2002)

< Trend in February 2026: Recovery >

The Economic Diffusion Index (DI) for February 2026 increased by 0.5 points from the previous month to 44.3, marking the first improvement in two months.

The domestic economy rebounded from a temporary slowdown, with manufacturing driving overall growth on the back of robust exports.

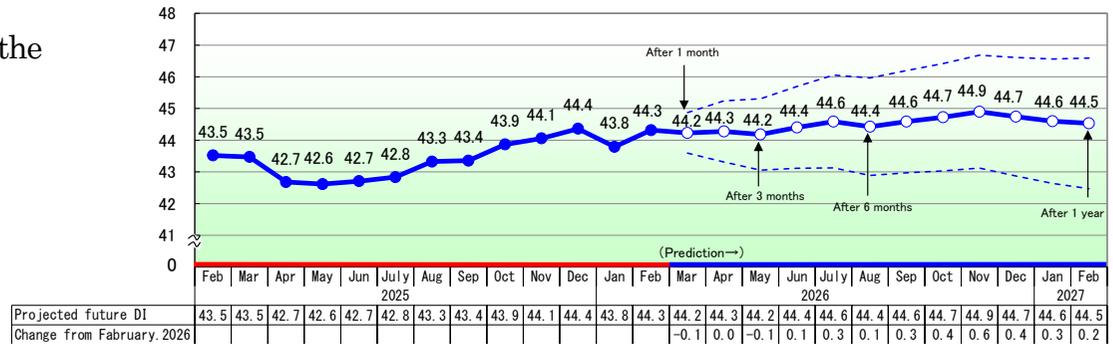
< Future outlook: Sideways Trend >

Amid conflicting policy expectations and emerging risk factors, the economy is expected to move broadly sideways.

By industry: 6 out of 10 industries improved, with the recovery in manufacturing lifting overall business sentiment.

By scale: All company sizes improved for the first time in two months, with manufacturing performing particularly well among "small to medium-sized firms".

By region: 9 regions recorded improvement, supported by vigorous production activity across areas.



Economic Diffusion Index (Economic DI)1/2

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Ratio to the Previous Month
Total	43.5	43.5	42.7	42.6	42.7	42.8	43.3	43.4	43.9	44.1	44.4	43.8	44.3	0.5
Large Firms	48.2	47.9	46.7	46.8	47.1	47.3	47.8	48.2	48.0	48.5	48.7	48.7	48.8	0.1
Small to Medium-sized Firms	42.7	42.7	42.0	41.9	41.9	42.0	42.6	42.5	43.1	43.3	43.6	42.9	43.5	0.6
Micro Firms	41.6	41.6	41.0	40.8	41.0	40.9	41.7	41.5	42.2	42.1	42.8	42.0	42.6	0.6

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	46.8	47.0	47.5	48.1	49.3	46.1	47.9	46.6	51.8	52.7	51.4	50.6	46.3	▲ 4.3	
Finance	47.0	47.8	46.2	46.0	47.7	46.2	46.5	48.0	49.1	48.5	48.0	48.1	47.9	▲ 0.2	
Construction	46.7	46.7	45.9	45.9	45.9	46.4	46.8	47.3	47.7	47.6	48.1	47.4	47.5	0.1	
Real Estate	47.5	47.6	46.9	49.0	48.4	47.7	48.1	49.3	49.9	49.2	48.6	48.4	49.6	1.2	
Manufacturing	Food,BEWerages,Livestock Feed	41.2	40.4	40.6	42.0	40.9	41.3	42.8	41.7	42.4	43.1	43.3	41.7	41.9	0.2
	Textile,Textile Products,Clothing	38.1	36.8	35.2	34.1	32.9	33.6	34.2	36.8	34.6	34.9	34.4	34.3	34.3	0.0
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	40.1	38.4	38.6	36.8	39.3	40.0	39.0	38.7	40.1	40.0	41.1	40.3	40.7	0.4
	Pulp, Paper and Paper Products	36.8	37.9	38.1	34.9	35.3	35.6	38.0	38.4	40.0	37.9	38.1	38.7	38.0	▲ 0.7
	Publishing,Printing	33.9	32.9	33.3	32.9	32.0	32.6	33.2	32.4	32.6	33.4	33.3	34.1	34.8	0.7
	Chemical	42.8	41.6	42.4	41.5	41.4	42.4	43.3	42.3	43.2	43.7	44.6	44.0	44.7	0.7
	Steel,Nonferrous Metals,Mining	36.5	38.1	35.1	35.3	35.7	36.6	37.8	36.4	37.8	37.8	37.5	38.5	38.6	0.1
	General Machinery	40.1	39.1	37.5	37.8	38.4	37.5	38.5	37.8	40.3	39.7	39.7	40.8	43.6	2.8
	Electrical Machinery	43.1	43.4	40.9	39.9	41.6	42.8	42.0	44.1	44.0	44.6	45.2	45.2	46.8	1.6
	Transportation Machinery,Equipment	39.9	42.9	38.2	36.5	39.9	40.7	39.1	41.9	43.9	44.2	44.2	45.8	46.4	0.6
	Precision Machinery,Medical Instruments and Equipment	46.3	46.9	45.3	44.1	44.3	44.1	47.0	44.4	44.8	45.6	46.7	45.2	49.0	3.8
	Other Manufacturing	41.4	41.0	41.4	40.5	37.2	38.9	40.1	38.1	40.1	39.4	40.0	38.8	40.3	1.5
Total	39.8	39.6	38.5	38.1	38.4	38.9	39.6	39.2	40.3	40.3	40.7	40.8	41.8	1.0	
Wholesale	Food,BEWerages	42.2	41.3	41.3	41.2	40.3	41.1	41.8	41.8	41.1	41.3	42.3	40.3	40.5	0.2
	Textile,Textile Products,Clothing	33.8	34.6	35.8	35.1	34.8	34.8	33.7	33.2	32.2	33.8	34.4	34.1	34.8	0.7
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	38.0	38.9	38.2	39.0	38.2	37.4	37.6	38.1	39.2	39.6	38.4	37.4	37.5	0.1
	Paper Products,Stationery,Books	39.8	40.0	37.8	36.8	36.6	35.3	36.2	35.3	37.2	38.4	37.0	36.9	39.0	2.1
	Chemical	43.2	42.9	41.2	41.2	41.8	41.7	42.0	42.4	43.2	43.7	42.5	43.6	43.9	0.3
	Recycled Resources	42.1	36.2	35.8	35.1	36.6	36.0	37.0	37.3	40.8	41.2	42.1	39.7	43.4	3.7
	Steel,Nonferrous Metals,Mining Products	33.7	33.3	32.8	32.4	33.0	33.7	34.5	34.9	35.3	36.1	35.8	36.4	35.7	▲ 0.7
	Machinery,Equipment	43.6	43.7	42.3	42.2	42.6	42.3	43.1	42.8	43.4	43.6	43.9	43.4	44.4	1.0
	Other Wholesale	41.1	41.5	40.8	40.7	40.1	40.2	40.5	40.4	39.7	40.4	39.4	39.1	41.0	1.9
	Total	40.6	40.7	39.8	39.7	39.6	39.5	40.0	40.0	40.3	40.8	40.6	40.2	41.0	0.8

Economic Diffusion Index (Economic DI)2/2

		Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Ratio to the Previous Month
Retail	Food,BEWerages	38.6	39.6	41.8	41.1	40.8	40.3	40.7	41.6	39.1	39.3	40.7	39.9	40.9	1.0
	Textile,Textile Products,Clothing	35.4	34.8	35.0	39.0	35.4	36.4	36.7	34.5	35.0	35.4	36.9	36.5	38.3	1.8
	Drugs,Sundries	39.1	40.6	35.4	35.9	36.1	39.7	41.1	39.2	35.7	39.1	40.3	39.2	38.9	▲ 0.3
	Furniture	34.5	28.2	36.3	33.9	31.8	32.0	35.2	36.1	36.5	34.0	35.1	32.7	34.7	2.0
	Electrical Household Appliances, Information Machinery and Equipment	42.3	42.3	41.4	39.6	43.0	42.3	42.4	42.6	43.5	41.2	44.4	44.8	41.9	▲ 2.9
	Motor Vehicles,Motor Vehicle Parts	38.9	42.9	40.5	38.2	40.8	38.0	40.1	38.8	40.2	38.6	41.5	39.5	40.5	1.0
	Special Merchandise	38.5	38.2	37.5	37.5	37.4	38.6	38.3	38.4	39.1	39.1	39.7	38.6	39.9	1.3
	Various Merchandise	39.5	39.5	36.0	35.8	36.3	38.5	38.5	37.8	39.9	39.6	37.6	38.5	41.1	2.6
	Other Retail	41.2	39.3	43.3	45.2	44.8	46.9	49.0	36.3	44.1	40.2	45.2	49.0	47.8	▲ 1.2
	Total	38.6	39.2	38.6	38.3	38.6	38.9	39.4	38.8	39.1	38.8	40.1	39.3	40.2	0.9
Transportation,Warehousing		42.5	43.3	41.9	42.8	42.3	42.9	43.9	43.2	44.2	45.5	46.2	43.8	43.8	0.0
Service	Restaurants	43.6	45.1	46.2	43.5	44.6	45.6	46.8	45.6	44.1	43.4	47.1	42.4	42.9	0.5
	Postal,Telecommunications	48.6	53.3	48.7	50.0	47.4	51.9	47.9	48.1	53.0	56.3	47.6	50.0	52.1	2.1
	Electricity,Gas,Water,Heat	44.4	41.0	47.1	44.4	43.3	46.1	48.3	48.1	46.5	45.6	45.4	44.2	46.5	2.3
	Leasing,Rentals	49.8	52.2	48.7	49.8	48.0	49.3	49.7	48.3	49.0	48.4	50.0	47.5	48.1	0.6
	Lodging, Hotels	52.8	53.9	54.8	52.4	51.7	49.6	50.5	51.8	53.8	57.3	52.9	49.1	46.3	▲ 2.8
	Recreation	46.5	44.0	45.4	47.6	45.2	46.8	45.0	48.4	46.8	46.5	45.8	47.1	47.0	▲ 0.1
	Broadcasting	49.0	50.8	49.2	48.4	49.2	50.8	47.6	48.4	46.5	46.7	45.6	45.7	49.2	3.5
	Maintenance,Guarding,Testing	49.0	46.6	46.5	46.6	47.0	48.5	47.0	47.0	47.4	47.8	48.5	48.3	48.9	0.6
	Advertising	46.0	45.7	45.5	46.1	47.2	47.2	45.7	46.4	46.3	46.2	47.4	45.9	45.0	▲ 0.9
	Information	53.7	52.7	52.7	52.1	52.5	51.7	51.8	52.3	52.1	52.7	53.6	53.6	53.3	▲ 0.3
	Labor Dispatching	47.2	47.1	48.5	48.2	47.9	48.3	46.7	46.7	47.6	48.4	48.5	46.4	46.9	0.5
	Special Services	49.5	49.6	49.0	49.7	49.2	49.0	50.3	50.3	50.7	50.5	50.2	49.5	49.8	0.3
	Medical,Welfare,Public Health	41.9	42.5	42.0	41.4	40.4	38.0	39.5	39.6	39.5	41.0	43.7	41.0	41.7	0.7
	Education	43.9	46.8	42.2	44.9	43.4	40.6	39.9	43.1	43.9	42.5	43.3	47.8	46.3	▲ 1.5
	Other Service	47.1	46.8	46.4	45.5	47.3	47.3	46.5	46.2	46.9	46.5	46.7	45.4	46.6	1.2
Total	49.0	48.7	48.4	48.2	48.3	48.3	48.2	48.5	48.6	48.9	49.4	48.4	48.6	0.2	
Other		40.8	41.7	40.2	45.0	39.2	37.9	40.7	42.4	41.4	40.9	38.5	40.5	39.7	▲ 0.8

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Ratio to the Previous Month
Hokkaido	41.8	41.7	42.0	43.4	43.9	43.7	43.9	44.4	43.4	42.6	43.1	41.8	42.2	0.4
Tohoku	38.6	38.3	37.9	38.2	39.1	39.2	39.5	39.2	39.5	39.4	40.1	38.8	39.9	1.1
Kita-Kanto	41.4	40.7	40.5	39.3	40.1	41.3	41.0	41.3	41.9	42.1	42.7	43.1	43.0	▲ 0.1
Minami-Kanto	46.0	46.2	45.5	45.3	45.5	45.7	45.9	45.9	46.4	46.9	47.2	46.8	47.2	0.4
Hokuriku	41.0	40.6	40.2	40.4	40.0	40.9	41.0	41.4	41.6	41.7	42.1	41.3	41.8	0.5
Tokai	43.5	43.1	41.4	41.5	41.4	41.6	43.2	42.8	43.4	43.3	43.3	43.2	43.6	0.4
Kinki	43.2	43.5	42.7	42.2	42.1	41.5	42.7	42.5	43.3	43.2	43.6	42.6	43.5	0.9
Chugoku	42.6	42.9	41.4	41.4	40.9	41.3	42.1	42.1	42.7	43.3	43.5	42.0	43.3	1.3
Shikoku	40.3	41.4	39.6	40.6	39.7	39.9	40.6	41.2	42.0	43.1	42.1	41.9	42.7	0.8
Kyushu	46.3	45.7	44.8	44.8	44.5	44.4	44.4	44.6	45.5	45.3	45.8	45.6	45.7	0.1

Appendix

1. Research Subjects (Companies researched: 23,568; Valid responses: 10,416; Response rate: 44.2%)

1. Region

Hokkaido	458	Tokai	1,126
Tohoku	769	Kinki	1,616
kitaKanto	795	Chugoku	690
minamikanto	3,108	Shikoku	359
Hokuriku	526	Kyushu	969
		Total	10,416

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		113
Finance		170
Construction		1,610
Real Estate		436
Manufacturing (2,453)	Food, Beverages, Livestock Feed	278
	Textile, Textile Products, Clothing	103
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	178
	Pulp, Paper and Paper Products	78
	Publishing, Printing	165
	Chemical	322
	Steel, Nonferrous Metals, Mining	441
	General Machinery	412
	Electrical Machinery	262
	Transportation Machinery, Equipment	97
Wholesale (2,256)	Precision Machinery, Medical Instruments and Equipment	64
	Others	53
	Food, Beverages	295
	Textile, Textile Products, Clothing	135
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	244
	Paper Products, Stationery, Books	100
	Chemical	207
	Recycled Resources	38
	Steel, Nonferrous Metals, Mining Products	235
	Machinery, Equipment	719
Others	283	

Retail (807)	Food, Beverages	134
	Textile, Textile Products, Clothing	70
	Drugs, Sundries	54
	Furniture	25
	Electrical Household Appliances, Information Machinery and Equipment	66
	Motor Vehicles, Motor Vehicle Parts	132
	Special Merchandise	253
	Various Merchandise	58
	Others	15
Transportation, Warehousing		423
Service (2,114)	Restaurants	110
	Telecommunications	8
	Electricity, Gas, Water, Heat	19
	Leasing, Rentals	90
	Lodging, Hotels	86
	Recreation	84
	Broadcasting	21
	Maintenance, Guarding, Testing	268
	Advertising	103
	Information	479
	Labor Dispatching	71
	Special Services	395
	Medical, Welfare, Public Health	106
Education	41	
Others	233	
Others		34
Total		10,416

3. Size

Large Firms	1,537	14.8%
Small to Medium-sized Firms	8,879	85.2%
micro Firms	3,477	33.4%
Total	10,416	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 13 2026 - February 28 2026

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 25,000 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	very 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.