

Increased turnout of people boosted the economy,  
while yen depreciation risk suddenly emerged.

~ Record-high unit purchase price in all sizes, all ten regions and  
twenty-eight business sectors, concerns about decline in profitability ~

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(Companies researched: 24,854; Valid responses: 11,267; Response rate: 45.3%;  
Survey start date: May 2002)

< Overview of April 2022: Recovery for two months in a row >

The economic diffusion index (DI) in April 2022 was 40.8, up 0.4 points from the previous month, and improved for two consecutive months. The domestic economy recovered for two consecutive months with the upturn in indicators related to consumer spending due to increased turnout of people.

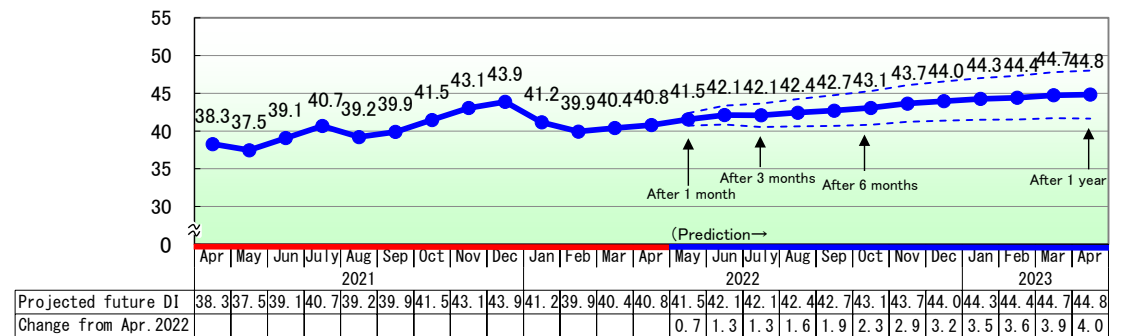
< Future outlook: Upward, but large downward risk >

It is believed that the economy will continue a mild upswing, although there is a concern about increased cost burden due to the weakened yen.

By industry: Improved in seven industries, albeit continuing increase in unit purchase price due to the rising cost of raw materials and rapid depreciation of the yen.

By size: Improved in SMEs for the second straight month, while the depreciation of the yen is a downward factor.

By region: Improved in seven of the ten regions, but the overseas situation affected regional economies.



\*: Economic DIs are calculated based on the structural ARIMA model, in which economic statistics are incorporated to the ARIMA model.

## Economic Diffusion Index (Economic DI)1/2

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Ratio to the Previous Month
Total	38.3	37.5	39.1	40.7	39.2	39.9	41.5	43.1	43.9	41.2	39.9	40.4	40.8	0.4
Large Firms	40.8	40.2	41.9	42.9	41.4	42.5	43.8	45.7	45.9	44.0	42.9	43.4	43.1	▲ 0.3
Small to Medium-sized Firms	37.7	36.9	38.5	40.2	38.8	39.4	41.0	42.5	43.5	40.6	39.3	39.8	40.3	0.5
Micro Firms	36.3	35.6	37.1	38.4	37.4	38.7	40.0	41.3	42.1	39.1	37.9	38.4	38.9	0.5

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Ratio to the Previous Month	
Agriculture,Forestry,Fisheries	37.5	37.7	39.1	38.5	37.0	38.1	41.1	42.6	38.2	38.7	36.4	34.8	35.0	0.2	
Finance	38.3	39.5	41.7	42.8	39.7	41.5	43.0	43.3	43.8	41.9	41.6	42.5	41.1	▲ 1.4	
Construction	41.4	40.0	41.6	42.7	42.5	43.7	44.7	45.4	45.2	43.3	42.5	42.8	41.8	▲ 1.0	
Real Estate	40.8	39.4	40.9	41.8	39.4	42.6	43.6	44.7	46.7	42.9	42.6	42.8	43.2	0.4	
Manufacturing	Food,BEverages,Livestock Feed	35.2	33.6	34.0	35.5	32.8	34.1	38.1	39.6	40.8	35.4	33.4	34.2	36.4	2.2
	Textile,Textile Products,Clothing	28.7	29.2	29.3	31.0	29.3	28.2	30.2	31.4	34.1	31.6	31.7	33.0	34.6	1.6
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	39.3	38.6	40.1	42.5	41.2	42.7	43.7	44.9	46.4	44.1	42.7	41.1	41.7	0.6
	Pulp, Paper and Paper Products	34.3	33.5	34.9	37.2	36.6	36.2	39.3	41.4	42.9	40.2	36.4	37.2	40.3	3.1
	Publishing,Printing	27.2	24.2	27.1	27.4	25.6	27.1	29.4	30.2	32.1	28.6	29.5	29.6	30.7	1.1
	Chemical	44.2	44.3	44.5	46.3	45.0	41.9	42.6	45.7	46.7	44.5	42.3	42.7	42.3	▲ 0.4
	Steel,Nonferrous Metals,Mining	40.5	39.9	43.4	46.4	45.1	43.8	44.2	45.9	46.4	44.6	43.8	42.6	42.1	▲ 0.5
	General Machinery	42.1	42.2	43.7	45.9	46.6	46.2	47.2	47.8	49.1	47.7	46.7	46.7	45.9	▲ 0.8
	Electrical Machinery	43.2	42.8	45.0	46.8	45.9	45.8	47.5	47.0	48.5	46.6	46.1	44.3	44.8	0.5
	Transportation Machinery,Equipment	45.2	45.3	47.1	50.6	48.2	37.6	37.7	43.4	45.6	41.6	39.9	40.0	38.1	▲ 1.9
	Precision Machinery,Medical Instruments and Equipment	45.6	48.7	49.1	50.5	50.9	50.8	50.4	49.8	53.0	52.0	49.5	47.1	46.8	▲ 0.3
	Other	35.3	33.0	34.1	37.6	33.9	35.3	35.5	36.9	41.1	35.9	36.1	35.4	37.3	1.9
Total	39.5	39.0	40.6	42.7	41.5	40.7	42.1	43.6	45.1	42.5	41.2	40.9	41.2	0.3	
Wholesale	Food,BEverages	30.1	29.4	30.7	31.3	29.1	29.8	33.0	36.9	38.2	32.7	30.1	32.6	36.2	3.6
	Textile,Textile Products,Clothing	23.1	21.7	22.5	22.8	21.2	22.4	24.5	27.4	29.3	27.6	24.9	25.4	28.7	3.3
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	37.2	36.5	36.3	37.8	37.7	39.6	39.9	42.6	42.4	40.0	39.7	40.5	38.6	▲ 1.9
	Paper Products,Stationery,Books	32.4	30.6	31.4	31.2	29.2	29.6	31.8	35.0	34.2	32.7	31.9	34.6	33.8	▲ 0.8
	Chemical	40.9	40.7	42.0	42.4	40.7	42.2	44.2	45.3	45.3	43.2	41.9	43.5	42.3	▲ 1.2
	Recycled Resources	55.1	53.4	52.0	53.7	51.4	51.8	53.4	52.9	52.8	45.8	50.5	53.2	54.0	0.8
	Steel,Nonferrous Metals,Mining Products	37.2	37.5	38.7	41.1	41.1	41.6	41.6	43.2	45.2	42.3	40.5	41.1	40.3	▲ 0.8
	Machinery,Equipment	40.1	39.0	40.7	43.1	41.3	41.8	42.6	44.4	44.7	42.8	42.4	41.9	42.5	0.6
	Other	34.1	32.2	35.5	36.6	33.0	34.4	37.8	39.7	40.1	36.3	33.7	35.5	37.3	1.8
Total	36.2	35.3	36.8	38.3	36.6	37.6	39.1	41.3	41.8	39.0	37.7	38.6	39.2	0.6	

## Economic Diffusion Index (Economic DI)2/2

		Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Ratio to the Previous Month
Retail	Food,BEWerages	32.8	32.6	34.9	37.5	36.0	33.1	38.0	39.7	41.1	36.5	36.3	38.6	37.7	▲ 0.9
	Textile,Textile Products,Clothing	25.0	21.2	20.3	25.0	21.4	21.5	27.9	34.1	40.0	31.8	23.8	30.6	33.6	3.0
	Drugs,Sundries	35.8	29.3	31.4	32.5	33.3	34.6	45.8	37.5	38.4	36.0	32.1	36.8	32.1	▲ 4.7
	Furniture	42.7	40.6	39.8	36.9	34.6	32.2	35.6	34.5	42.9	35.6	29.8	30.6	39.2	8.6
	Electrical Household Appliances, Information Machinery and Equipment	37.8	30.8	35.8	37.7	33.8	33.8	34.6	35.9	35.5	32.3	30.2	33.0	33.7	0.7
	Motor Vehicles,Motor Vehicle Parts	38.3	38.6	40.7	40.5	36.8	37.2	35.9	37.8	36.5	35.0	33.5	34.7	35.1	0.4
	Special Merchandise	34.6	34.5	34.8	34.3	32.6	31.7	32.8	33.5	36.0	33.3	30.9	29.9	31.3	1.4
	Various Merchandise	32.2	31.1	33.0	35.6	27.3	33.0	35.9	38.0	37.5	36.2	32.6	34.0	36.4	2.4
	Other	40.5	25.0	33.3	35.7	37.0	35.4	31.7	37.9	43.3	40.0	40.0	43.9	34.7	▲ 9.2
	Total	34.7	33.1	34.5	35.4	32.7	32.6	34.8	36.0	37.7	34.4	31.9	33.3	34.0	0.7
Transportation,Warehousing		34.5	33.7	34.5	36.3	36.0	35.8	37.1	39.1	40.3	37.7	35.5	35.4	36.6	1.2
Service	Restaurants	14.9	13.0	20.5	19.7	14.8	15.2	27.8	31.4	34.7	24.2	16.9	23.8	32.8	9.0
	Postal,Telecommunications	38.9	40.5	27.8	42.9	39.6	41.7	50.0	40.5	41.7	46.7	50.0	48.5	50.0	1.5
	Electricity,Gas,Water,Heat	40.4	41.2	45.0	40.8	44.4	45.8	42.6	38.9	39.7	40.0	37.5	33.3	35.7	2.4
	Leasing,Rentals	35.4	35.0	38.1	41.0	37.4	39.6	43.9	44.9	44.8	42.0	41.0	40.2	42.0	1.8
	Lodging, Hotels	8.6	5.6	11.6	13.0	10.0	10.4	22.6	30.2	29.5	12.9	12.8	18.1	28.3	10.2
	Recreation	25.8	29.5	29.2	34.8	29.2	29.0	34.0	36.7	38.4	33.3	31.2	35.1	35.6	0.5
	Broadcasting	42.7	42.7	42.2	42.2	38.9	39.2	49.1	48.1	46.9	45.8	47.6	44.4	43.9	▲ 0.5
	Maintenance,Guarding,Testing	39.2	40.8	42.7	41.9	41.6	44.0	44.3	45.3	45.7	42.3	40.2	42.3	43.1	0.8
	Advertising	25.6	23.4	27.5	27.5	26.8	29.5	32.4	36.8	37.7	32.7	31.5	36.4	36.9	0.5
	Information	45.2	44.9	46.8	48.2	46.7	48.5	50.5	51.2	52.5	50.1	50.2	51.1	50.8	▲ 0.3
	Labor Dispatching	35.8	35.5	36.2	41.9	38.4	41.9	39.7	44.3	43.3	45.1	41.5	44.4	45.7	1.3
	Special Services	43.5	41.5	43.4	47.3	44.4	45.5	47.9	49.2	50.3	47.2	46.2	46.9	48.1	1.2
	Medical,Welfare,Public Health	39.1	39.2	41.2	42.1	41.1	41.4	42.8	45.7	43.2	42.4	41.0	42.5	44.5	2.0
	Education	35.7	37.1	38.7	40.3	37.5	39.0	43.5	39.1	43.2	39.7	40.2	37.8	39.6	1.8
	Other	34.8	35.2	35.8	37.4	34.7	39.2	40.6	41.7	42.4	39.3	36.9	39.3	42.1	2.8
Total	37.9	37.5	39.7	41.5	39.1	41.1	43.6	45.3	46.1	42.8	41.4	43.1	44.5	1.4	
Other		34.1	33.3	35.5	34.7	35.3	35.6	38.0	39.6	40.5	36.3	37.3	38.7	36.8	▲ 1.9

		Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Ratio to the Previous Month
Hokkaido		36.2	34.5	37.1	38.3	38.0	38.5	40.8	40.8	41.1	38.6	37.0	36.5	37.9	1.4
Tohoku		38.0	37.7	39.3	40.0	38.4	39.0	40.2	42.1	41.7	38.1	37.0	37.0	37.6	0.6
kitakanto		39.7	39.5	41.2	42.7	41.5	40.4	42.8	44.4	45.0	42.3	40.7	40.7	42.0	1.3
minamikanto		38.7	38.4	39.8	41.0	40.0	41.4	42.4	43.9	44.8	42.6	41.5	42.1	42.4	0.3
Hokuriku		38.6	37.1	39.2	40.6	39.1	40.4	41.2	42.6	43.6	40.9	39.2	39.2	39.9	0.7
Tokai		38.9	37.9	39.4	42.0	40.0	39.1	40.1	42.4	44.4	41.1	39.7	40.2	40.2	0.0
Kinki		37.0	36.2	38.1	40.3	38.7	39.3	41.3	42.7	43.3	40.8	39.8	40.5	40.8	0.3
Chugoku		37.8	36.0	37.9	39.0	38.2	38.7	41.2	42.3	42.9	40.7	40.0	40.7	39.8	▲ 0.9
Shikoku		36.4	35.8	37.6	38.2	36.9	38.3	39.0	41.8	43.2	39.3	37.1	38.9	38.1	▲ 0.8
Kyushu		39.5	37.5	38.3	40.5	37.4	39.1	42.0	44.3	44.5	41.3	39.5	40.9	41.5	0.6

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## Survey of Corporate Attitudes towards Capital Investment for 2022

**60% of companies have a capital investment plan,  
only a slight increase from the previous year**

**- While digital investments advance, hesitation is also seen due to the weak yen and high cost of raw materials -**

According to the Teikoku Databank estimate<sup>1</sup>, real equipment investments by private companies for 2022 stood at 87 trillion yen, a likely increase for the second consecutive year, although the amount was still less than that before the spread of Covid infections (90.8 trillion yen for 2019). However, the domestic economy has considerable downside risks, such as increasing uncertainty due to the situation in Ukraine, and Covid-19, etc., escalating raw material prices and supply constraints, and the impact of the currently rapidly depreciating yen. There are also concerns about the impact on capital investment trends.

Therefore, Teikoku Databank has conducted a survey of corporate attitudes towards capital investment for 2022. This survey was conducted in conjunction with the April 2022 TDB Trends Research.

\*Survey period: April 15 – 30, 2022; Companies Surveyed: 24,854; Valid Responses: 11,267 (Response Rate: 45.3%) The survey of capital investment has been conducted every April since April 2017, and this is the 6th such survey.

\*Details of this survey can be found on the dedicated Economic Trend Survey HP (<http://www.tdb-di.com>).

### Survey results (Summary)

1. 58.9% of companies responded that they “have” plans to make capital investments in 2022. By size, 72.0% of large companies “have” plans to make capital investments, whereas 56.3% of SMEs and 43.7% of small companies have plans to do so. The estimated capital investment amount averaged 130.83 million yen for 2022 (125.72 million yen for 2021).

2. With respect to capital investment details (multiple answers), “replacement of equipment” was top (41.5%), followed by “maintenance and repair of existing equipment” (32.5%), “labor saving/rationalization” (26.2%), and “informatization-related (IT investments)” (24.5%). Particularly, 34.3% of companies selected either “informatization-related (IT investments)” or “DX (digital transformation)”. Digital investments are planned mainly by those companies with large numbers of employees.

3. As reasons for not making capital investments, “the future cannot be foreseen” (53.0%) ranked top, followed by “equipment in its current state is at the appropriate level” (26.4%), “profitability commensurate with investments cannot be secured” (20.8%), “the burden of borrowing is large” (13.3%), and “escalating raw material prices” (13.1%).

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<sup>1</sup> Simulate and estimated by the TDB macroeconomic forecasting model.

## Appendix

### 1. Research Subjects (Companies researched: 24,854; Valid responses: 11,267; Response rate: 45.3%)

#### 1. Region

Hokkaido	558	Tokai	1,207
Tohoku	731	Kinki	1,960
kitaKanto	849	Chugoku	717
minamikanto	3,319	Shikoku	386
Hokuriku	599	Kyushu	941
		<b>Total</b>	<b>11,267</b>

#### 2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		72
Finance		109
Construction		1,909
Real Estate		387
Manufacturing (2,991)	Food, Beverages, Livestock Feed	369
	Textile, Textile Products, Clothing	114
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	222
	Pulp, Paper and Paper Products	101
	Publishing, Printing	164
	Chemical	413
	Steel, Nonferrous Metals, Mining	541
	General Machinery	484
	Electrical Machinery	317
	Transportation Machinery, Equipment	104
Wholesale (2,756)	Food, Beverages	383
	Textile, Textile Products, Clothing	175
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	324
	Paper Products, Stationery, Books	98
	Chemical	263
	Recycled Resources	33
	Steel, Nonferrous Metals, Mining Products	284
	Machinery, Equipment	870
	Others	326

Retail (590)	Food, Beverages	80
	Textile, Textile Products, Clothing	58
	Drugs, Sundries	27
	Furniture	17
	Electrical Household Appliances, Information Machinery and Equipment	50
	Motor Vehicles, Motor Vehicle Parts	102
	Special Merchandise	200
	Various Merchandise	44
Others		12
Transportation, Warehousing		508
Service (1,902)	Restaurants	67
	Telecommunications	9
	Electricity, Gas, Water, Heat	14
	Leasing, Rentals	116
	Lodging, Hotels	43
	Recreation	73
	Broadcasting	19
	Maintenance, Guarding, Testing	217
	Advertising	99
	Information	491
	Labor Dispatching	69
	Special Services	317
	Medical, Welfare, Public Health	115
	Education	37
Others	216	
Others		43
<b>Total</b>		<b>11,267</b>

#### 3. Size

Large Firms	1,817	16.1%
Small to Medium-sized Firms	9,450	83.9%
micro Firms	3,541	31.4%
<b>Total</b>	<b>11,267</b>	<b>100.0%</b>

## 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 April 15 – 30 2022

### 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 24,000 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 <sub>6</sub>	N <sub>5</sub>	N <sub>4</sub>	N <sub>3</sub>	N <sub>2</sub>	N <sub>1</sub>	N <sub>0</sub>

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.