

While the number of infections increased,
seasonal demand was a positive factor

~ Digital demand such as DX, and expansion of rebound consumption,
will contribute to pushing up the economy hereafter. ~

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(Companies researched: 26,277; Valid responses: 11,935; Response rate: 45.4%;
Survey start date: May 2002)

< Overview of August 2022: Slightly improved >

The economic diffusion index (DI) in August 2022 was 41.4, up 0.1 from the previous month, and improving for the first time in two months. The domestic economy turned upward, albeit slightly, for the first time in two months, through steady seasonal demand and increased digital-related demand.

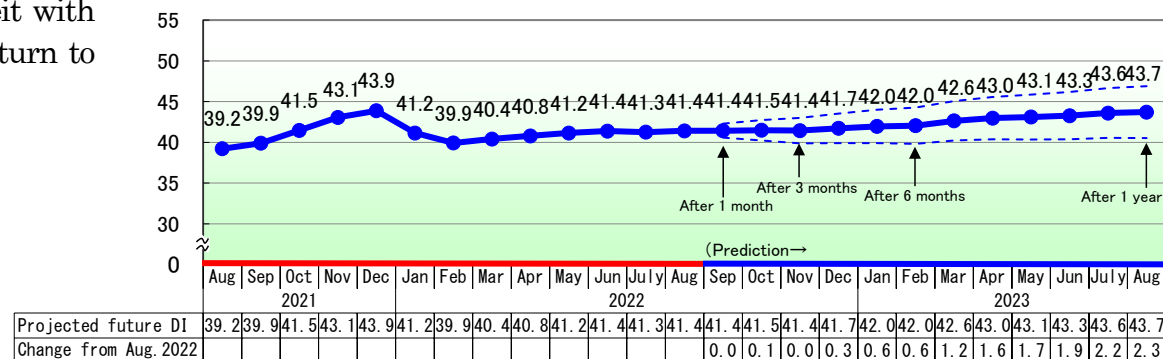
< Future outlook: Remained generally flat >

It is believed that the economy will gradually level off, albeit with some inherent downward pressure, as the economy tries to return to normal.

By industry: Although the digital-related industry shows strong performance, an increase in the number of infections was a negative factor.

By size: Improved for the first time in three months in all sizes, with brisk DX-related demand.

By region: Improved in 24 prefectures, but on the other hand, worsened in 22 prefectures. Regional polarization of business confidence.



*: 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

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Ratio to the Previous Month
Total	39.2	39.9	41.5	43.1	43.9	41.2	39.9	40.4	40.8	41.2	41.4	41.3	41.4	0.1
Large Firms	41.4	42.5	43.8	45.7	45.9	44.0	42.9	43.4	43.1	43.5	43.5	43.4	43.8	0.4
Small to Medium-sized Firms	38.8	39.4	41.0	42.5	43.5	40.6	39.3	39.8	40.3	40.7	41.0	40.8	41.0	0.2
Micro Firms	37.4	38.7	40.0	41.3	42.1	39.1	37.9	38.4	38.9	39.5	40.0	39.7	39.8	0.1

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Ratio to the Previous Month	
Agriculture, Forestry, Fisheries	37.0	38.1	41.1	42.6	38.2	38.7	36.4	34.8	35.0	37.6	34.7	36.3	35.9	▲ 0.4	
Finance	39.7	41.5	43.0	43.3	43.8	41.9	41.6	42.5	41.1	42.7	42.3	41.9	41.7	▲ 0.2	
Construction	42.5	43.7	44.7	45.4	45.2	43.3	42.5	42.8	41.8	42.2	42.5	43.1	43.3	0.2	
Real Estate	39.4	42.6	43.6	44.7	46.7	42.9	42.6	42.8	43.2	44.7	45.9	44.7	44.8	0.1	
Manufacturing	Food, BEverages, Livestock Feed	32.8	34.1	38.1	39.6	40.8	35.4	33.4	34.2	36.4	37.6	37.8	36.1	▲ 0.6	
	Textile, Textile Products, Clothing	29.3	28.2	30.2	31.4	34.1	31.6	31.7	33.0	34.6	33.8	34.4	36.1	▲ 3.5	
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	41.2	42.7	43.7	44.9	46.4	44.1	42.7	41.1	41.7	41.1	40.4	40.8	39.8	▲ 1.0
	Pulp, Paper and Paper Products	36.6	36.2	39.3	41.4	42.9	40.2	36.4	37.2	40.3	38.3	37.4	37.5	36.6	▲ 0.9
	Publishing, Printing	25.6	27.1	29.4	30.2	32.1	28.6	29.5	29.6	30.7	30.3	29.7	29.1	29.6	0.5
	Chemical	45.0	41.9	42.6	45.7	46.7	44.5	42.3	42.7	42.3	41.7	41.1	41.8	42.6	0.8
	Steel, Nonferrous Metals, Mining	45.1	43.8	44.2	45.9	46.4	44.6	43.8	42.6	42.1	40.9	41.2	42.9	42.7	▲ 0.2
	General Machinery	46.6	46.2	47.2	47.8	49.1	47.7	46.7	46.7	45.9	46.9	46.3	46.3	46.2	▲ 0.1
	Electrical Machinery	45.9	45.8	47.5	47.0	48.5	46.6	46.1	44.3	44.8	44.3	44.8	44.7	44.2	▲ 0.5
	Transportation Machinery, Equipment	48.2	37.6	37.7	43.4	45.6	41.6	39.9	40.0	38.1	37.6	36.8	40.3	41.2	0.9
	Precision Machinery, Medical Instruments and Equipment	50.9	50.8	50.4	49.8	53.0	52.0	49.5	47.1	46.8	48.2	48.8	48.5	46.5	▲ 2.0
	Other	33.9	35.3	35.5	36.9	41.1	35.9	36.1	35.4	37.3	39.2	38.1	37.8	38.2	0.4
Total	41.5	40.7	42.1	43.6	45.1	42.5	41.2	40.9	41.2	41.0	40.8	41.3	41.0	▲ 0.3	
Wholesale	Food, BEverages	29.1	29.8	33.0	36.9	38.2	32.7	30.1	32.6	36.2	37.3	37.1	37.0	35.6	▲ 1.4
	Textile, Textile Products, Clothing	21.2	22.4	24.5	27.4	29.3	27.6	24.9	25.4	28.7	31.4	31.3	29.9	29.9	0.0
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	37.7	39.6	39.9	42.6	42.4	40.0	39.7	40.5	38.6	38.1	38.3	38.6	38.5	▲ 0.1
	Paper Products, Stationery, Books	29.2	29.6	31.8	35.0	34.2	32.7	31.9	34.6	33.8	34.2	32.8	33.0	33.5	0.5
	Chemical	40.7	42.2	44.2	45.3	45.3	43.2	41.9	43.5	42.3	42.3	41.6	43.5	43.0	▲ 0.5
	Recycled Resources	51.4	51.8	53.4	52.9	52.8	45.8	50.5	53.2	54.0	47.5	41.4	40.9	39.6	▲ 1.3
	Steel, Nonferrous Metals, Mining Products	41.1	41.6	41.6	43.2	45.2	42.3	40.5	41.1	40.3	40.0	39.7	39.3	39.3	0.0
	Machinery, Equipment	41.3	41.8	42.6	44.4	44.7	42.8	42.4	41.9	42.5	42.0	42.9	43.1	42.6	▲ 0.5
	Other	33.0	34.4	37.8	39.7	40.1	36.3	33.7	35.5	37.3	37.8	38.1	37.7	37.7	0.0
	Total	36.6	37.6	39.1	41.3	41.8	39.0	37.7	38.6	39.2	39.4	39.4	39.5	39.2	▲ 0.3

Economic Diffusion Index (Economic DI)2/2

		Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Ratio to the Previous Month
Retail	Food,BEWerages	36.0	33.1	38.0	39.7	41.1	36.5	36.3	38.6	37.7	41.8	42.7	40.3	39.9	▲ 0.4
	Textile,Textile Products,Clothing	21.4	21.5	27.9	34.1	40.0	31.8	23.8	30.6	33.6	33.9	33.6	37.7	33.6	▲ 4.1
	Drugs,Sundries	33.3	34.6	45.8	37.5	38.4	36.0	32.1	36.8	32.1	38.9	40.1	37.1	41.9	4.8
	Furniture	34.6	32.2	35.6	34.5	42.9	35.6	29.8	30.6	39.2	34.3	39.8	35.2	36.1	0.9
	Electrical Household Appliances, Information Machinery and Equipment	33.8	33.8	34.6	35.9	35.5	32.3	30.2	33.0	33.7	34.7	34.0	36.7	32.7	▲ 4.0
	Motor Vehicles,Motor Vehicle Parts	36.8	37.2	35.9	37.8	36.5	35.0	33.5	34.7	35.1	37.1	36.4	32.4	35.9	3.5
	Special Merchandise	32.6	31.7	32.8	33.5	36.0	33.3	30.9	29.9	31.3	33.1	34.3	33.2	34.7	1.5
	Various Merchandise	27.3	33.0	35.9	38.0	37.5	36.2	32.6	34.0	36.4	39.9	37.8	40.2	38.0	▲ 2.2
	Other	37.0	35.4	31.7	37.9	43.3	40.0	40.0	43.9	34.7	41.0	39.7	36.9	42.3	5.4
	Total	32.7	32.6	34.8	36.0	37.7	34.4	31.9	33.3	34.0	36.4	36.7	35.7	36.3	0.6
Transportation,Warehousing	36.0	35.8	37.1	39.1	40.3	37.7	35.5	35.4	36.6	37.2	37.1	37.8	37.3	▲ 0.5	
Service	Restaurants	14.8	15.2	27.8	31.4	34.7	24.2	16.9	23.8	32.8	34.3	38.0	34.0	28.1	▲ 5.9
	Postal,Telecommunications	39.6	41.7	50.0	40.5	41.7	46.7	50.0	48.5	50.0	53.0	56.0	47.0	47.9	0.9
	Electricity,Gas,Water,Heat	44.4	45.8	42.6	38.9	39.7	40.0	37.5	33.3	35.7	40.6	34.3	37.7	35.9	▲ 1.8
	Leasing,Rentals	37.4	39.6	43.9	44.9	44.8	42.0	41.0	40.2	42.0	43.3	44.9	40.8	44.7	3.9
	Lodging, Hotels	10.0	10.4	22.6	30.2	29.5	12.9	12.8	18.1	28.3	33.0	33.3	30.3	38.0	7.7
	Recreation	29.2	29.0	34.0	36.7	38.4	33.3	31.2	35.1	35.6	38.9	41.6	40.7	40.1	▲ 0.6
	Broadcasting	38.9	39.2	49.1	48.1	46.9	45.8	47.6	44.4	43.9	43.3	41.7	43.0	38.3	▲ 4.7
	Maintenance,Guarding,Testing	41.6	44.0	44.3	45.3	45.7	42.3	40.2	42.3	43.1	42.5	44.2	42.2	43.4	1.2
	Advertising	26.8	29.5	32.4	36.8	37.7	32.7	31.5	36.4	36.9	34.8	37.3	34.3	36.7	2.4
	Information	46.7	48.5	50.5	51.2	52.5	50.1	50.2	51.1	50.8	50.8	52.0	51.5	52.7	1.2
	Labor Dispatching	38.4	41.9	39.7	44.3	43.3	45.1	41.5	44.4	45.7	47.6	45.7	46.5	49.8	3.3
	Special Services	44.4	45.5	47.9	49.2	50.3	47.2	46.2	46.9	48.1	48.1	49.6	48.7	48.3	▲ 0.4
	Medical,Welfare,Public Health	41.1	41.4	42.8	45.7	43.2	42.4	41.0	42.5	44.5	44.4	43.5	42.5	41.2	▲ 1.3
	Education	37.5	39.0	43.5	39.1	43.2	39.7	40.2	37.8	39.6	35.6	40.1	38.8	39.7	0.9
	Other	34.7	39.2	40.6	41.7	42.4	39.3	36.9	39.3	42.1	42.7	42.8	42.4	41.2	▲ 1.2
Total	39.1	41.1	43.6	45.3	46.1	42.8	41.4	43.1	44.5	44.8	45.9	44.4	45.4	1.0	
Other	35.3	35.6	38.0	39.6	40.5	36.3	37.3	38.7	36.8	38.1	35.6	36.6	38.3	1.7	

		Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Ratio to the Previous Month
	Hokkaido	38.0	38.5	40.8	40.8	41.1	38.6	37.0	36.5	37.9	38.9	40.1	41.0	40.2	▲ 0.8
	Tohoku	38.4	39.0	40.2	42.1	41.7	38.1	37.0	37.0	37.6	39.1	39.0	38.8	38.1	▲ 0.7
	Kitakanto	41.5	40.4	42.8	44.4	45.0	42.3	40.7	40.7	42.0	42.1	42.6	42.9	43.8	0.9
	Minamikanto	40.0	41.4	42.4	43.9	44.8	42.6	41.5	42.1	42.4	42.7	43.2	42.6	43.3	0.7
	Hokuriku	39.1	40.4	41.2	42.6	43.6	40.9	39.2	39.2	39.9	40.6	40.5	41.5	40.8	▲ 0.7
	Tokai	40.0	39.1	40.1	42.4	44.4	41.1	39.7	40.2	40.2	40.1	39.5	39.5	39.7	0.2
	Kinki	38.7	39.3	41.3	42.7	43.3	40.8	39.8	40.5	40.8	40.9	40.9	40.9	41.1	0.2
	Chugoku	38.2	38.7	41.2	42.3	42.9	40.7	40.0	40.7	39.8	40.6	41.1	41.3	40.9	▲ 0.4
	Shikoku	36.9	38.3	39.0	41.8	43.2	39.3	37.1	38.9	38.1	38.7	38.4	38.3	37.7	▲ 0.6
	Kyushu	37.4	39.1	42.0	44.3	44.5	41.3	39.5	40.9	41.5	41.6	42.2	41.5	41.3	▲ 0.2

Appendix

1. Research Subjects (Companies researched: 26,277; Valid responses: 11,935; Response rate: 45.4%)

1. Region

Hokkaido	579	Tokai	1,327
Tohoku	807	Kinki	2,026
kitaKanto	898	Chugoku	805
minamikanto	3,490	Shikoku	383
Hokuriku	611	Kyushu	1,009
		Total	11,935

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		154
Finance		180
Construction		1,913
Real Estate		412
Manufacturing (3,015)	Food, Beverages, Livestock Feed	360
	Textile, Textile Products, Clothing	111
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	237
	Pulp, Paper and Paper Products	98
	Publishing, Printing	174
	Chemical	415
	Steel, Nonferrous Metals, Mining	550
	General Machinery	482
	Electrical Machinery	324
	Transportation Machinery, Equipment	110
	Precision Machinery, Medical Instruments and Equipment	72
	Others	82
Wholesale (2,805)	Food, Beverages	369
	Textile, Textile Products, Clothing	171
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	327
	Paper Products, Stationery, Books	95
	Chemical	284
	Recycled Resources	37
	Steel, Nonferrous Metals, Mining Products	295
	Machinery, Equipment	901
	Others	326

Retail (641)	Food, Beverages	101
	Textile, Textile Products, Clothing	57
	Drugs, Sundries	35
	Furniture	18
	Electrical Household Appliances, Information Machinery and Equipment	55
	Motor Vehicles, Motor Vehicle Parts	111
	Special Merchandise	201
	Various Merchandise	50
	Others	13
Transportation, Warehousing		516
Service (2,252)	Restaurants	128
	Telecommunications	8
	Electricity, Gas, Water, Heat	13
	Leasing, Rentals	116
	Lodging, Hotels	83
	Recreation	81
	Broadcasting	20
	Maintenance, Guarding, Testing	225
	Advertising	103
	Information	690
	Labor Dispatching	97
	Special Services	336
	Medical, Welfare, Public Health	106
	Education	39
	Others	207
Others		47
Total		11,935

3. Size

Large Firms	1,912	16.0%
Small to Medium-sized Firms	10,023	84.0%
micro Firms	3,782	31.7%
Total	11,935	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 Aug 18 – 31 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 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	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.