

TDB Trends Research (Nationwide, Research & Summary for May 2022)

Recovery in indicators related to consumer spending due to increased numbers of people during consecutive national holidays

~ Stagnated production and shipping in manufacturing due to lockdown in China and difficulty in parts procurement, etc. ~

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(Companies researched: 25,141; Valid responses: 11,605; Response rate: 46.2%; Survey start date: May 2002)

< Overview of May 2022: Recovery trend continues >

The economic diffusion index (DI) in May 2022 was 41.2, up 0.4 points from the previous month, and improved for the third consecutive months. Although some factories affected by the overseas situation ceased operation, the domestic economy improved for three consecutive months, as indicated by consumer spending that continues to recover.

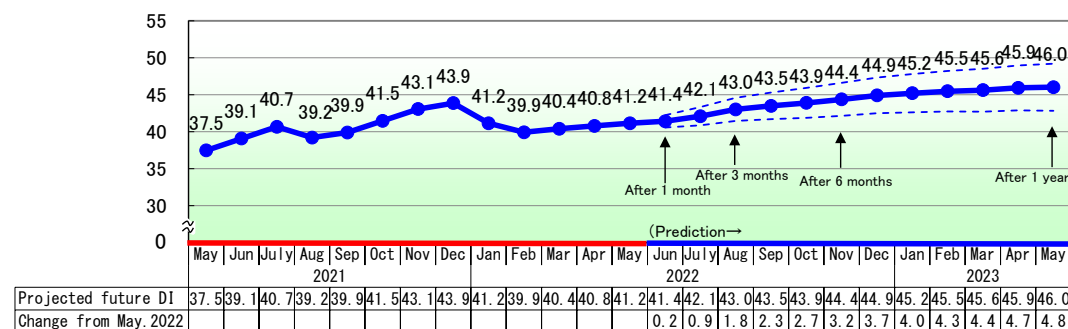
< Future outlook: Mild upswing, while facing large downward risk >

It is believed that the economy will continue a mild upswing trend, while facing many downside risks.

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

By size: Improved in all sizes for the first time in two months, with increased numbers of customers visiting stores.

By region: Improved in nine 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

	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Ratio to the Previous Month
Total	37.5	39.1	40.7	39.2	39.9	41.5	43.1	43.9	41.2	39.9	40.4	40.8	41.2	0.4
Large Firms	40.2	41.9	42.9	41.4	42.5	43.8	45.7	45.9	44.0	42.9	43.4	43.1	43.5	0.4
Small to Medium-sized Firms	36.9	38.5	40.2	38.8	39.4	41.0	42.5	43.5	40.6	39.3	39.8	40.3	40.7	0.4
Micro Firms	35.6	37.1	38.4	37.4	38.7	40.0	41.3	42.1	39.1	37.9	38.4	38.9	39.5	0.6

	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Ratio to the Previous Month
Agriculture,Forestry,Fisheries	37.7	39.1	38.5	37.0	38.1	41.1	42.6	38.2	38.7	36.4	34.8	35.0	37.6	2.6
Finance	39.5	41.7	42.8	39.7	41.5	43.0	43.3	43.8	41.9	41.6	42.5	41.1	42.7	1.6
Construction	40.0	41.6	42.7	42.5	43.7	44.7	45.4	45.2	43.3	42.5	42.8	41.8	42.2	0.4
Real Estate	39.4	40.9	41.8	39.4	42.6	43.6	44.7	46.7	42.9	42.6	42.8	43.2	44.7	1.5
Manufacturing	Food,BEWerages,Livestock Feed	33.6	34.0	35.5	32.8	34.1	38.1	39.6	40.8	35.4	33.4	34.2	36.4	1.2
	Textile,Textile Products,Clothing	29.2	29.3	31.0	29.3	28.2	30.2	31.4	34.1	31.6	31.7	33.0	34.6	▲ 0.8
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	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	33.5	34.9	37.2	36.6	36.2	39.3	41.4	42.9	40.2	36.4	37.2	40.3	▲ 2.0
	Publishing,Printing	24.2	27.1	27.4	25.6	27.1	29.4	30.2	32.1	28.6	29.5	29.6	30.7	▲ 0.4
	Chemical	44.3	44.5	46.3	45.0	41.9	42.6	45.7	46.7	44.5	42.3	42.7	42.3	▲ 0.6
	Steel,Nonferrous Metals,Mining	39.9	43.4	46.4	45.1	43.8	44.2	45.9	46.4	44.6	43.8	42.6	42.1	▲ 1.2
	General Machinery	42.2	43.7	45.9	46.6	46.2	47.2	47.8	49.1	47.7	46.7	46.7	45.9	1.0
	Electrical Machinery	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	45.3	47.1	50.6	48.2	37.6	37.7	43.4	45.6	41.6	39.9	40.0	38.1	▲ 0.5
	Precision Machinery,Medical Instruments and Equipment	48.7	49.1	50.5	50.9	50.8	50.4	49.8	53.0	52.0	49.5	47.1	46.8	1.4
	Other	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	39.0	40.6	42.7	41.5	40.7	42.1	43.6	45.1	42.5	41.2	40.9	41.2	▲ 0.2
Wholesale	Food,BEWerages	29.4	30.7	31.3	29.1	29.8	33.0	36.9	38.2	32.7	30.1	32.6	36.2	1.1
	Textile,Textile Products,Clothing	21.7	22.5	22.8	21.2	22.4	24.5	27.4	29.3	27.6	24.9	25.4	28.7	2.7
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	36.5	36.3	37.8	37.7	39.6	39.9	42.6	42.4	40.0	39.7	40.5	38.6	▲ 0.5
	Paper Products,Stationery,Books	30.6	31.4	31.2	29.2	29.6	31.8	35.0	34.2	32.7	31.9	34.6	33.8	0.4
	Chemical	40.7	42.0	42.4	40.7	42.2	44.2	45.3	45.3	43.2	41.9	43.5	42.3	0.0
	Recycled Resources	53.4	52.0	53.7	51.4	51.8	53.4	52.9	52.8	45.8	50.5	53.2	54.0	▲ 6.5
	Steel,Nonferrous Metals,Mining Products	37.5	38.7	41.1	41.1	41.6	41.6	43.2	45.2	42.3	40.5	41.1	40.3	▲ 0.3
	Machinery,Equipment	39.0	40.7	43.1	41.3	41.8	42.6	44.4	44.7	42.8	42.4	41.9	42.5	▲ 0.5
	Other	32.2	35.5	36.6	33.0	34.4	37.8	39.7	40.1	36.3	33.7	35.5	37.3	0.5
	Total	35.3	36.8	38.3	36.6	37.6	39.1	41.3	41.8	39.0	37.7	38.6	39.2	0.2

Economic Diffusion Index (Economic DI)2/2

		May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Ratio to the Previous Month
Retail	Food,BEWerages	32.6	34.9	37.5	36.0	33.1	38.0	39.7	41.1	36.5	36.3	38.6	37.7	41.8	4.1
	Textile,Textile Products,Clothing	21.2	20.3	25.0	21.4	21.5	27.9	34.1	40.0	31.8	23.8	30.6	33.6	33.9	0.3
	Drugs,Sundries	29.3	31.4	32.5	33.3	34.6	45.8	37.5	38.4	36.0	32.1	36.8	32.1	38.9	6.8
	Furniture	40.6	39.8	36.9	34.6	32.2	35.6	34.5	42.9	35.6	29.8	30.6	39.2	34.3	▲ 4.9
	Electrical Household Appliances, Information Machinery and Equipment	30.8	35.8	37.7	33.8	33.8	34.6	35.9	35.5	32.3	30.2	33.0	33.7	34.7	1.0
	Motor Vehicles,Motor Vehicle Parts	38.6	40.7	40.5	36.8	37.2	35.9	37.8	36.5	35.0	33.5	34.7	35.1	37.1	2.0
	Special Merchandise	34.5	34.8	34.3	32.6	31.7	32.8	33.5	36.0	33.3	30.9	29.9	31.3	33.1	1.8
	Various Merchandise	31.1	33.0	35.6	27.3	33.0	35.9	38.0	37.5	36.2	32.6	34.0	36.4	39.9	3.5
	Other	25.0	33.3	35.7	37.0	35.4	31.7	37.9	43.3	40.0	40.0	43.9	34.7	41.0	6.3
	Total	33.1	34.5	35.4	32.7	32.6	34.8	36.0	37.7	34.4	31.9	33.3	34.0	36.4	2.4
Transportation,Warehousing		33.7	34.5	36.3	36.0	35.8	37.1	39.1	40.3	37.7	35.5	35.4	36.6	37.2	0.6
Service	Restaurants	13.0	20.5	19.7	14.8	15.2	27.8	31.4	34.7	24.2	16.9	23.8	32.8	34.3	1.5
	Postal,Telecommunications	40.5	27.8	42.9	39.6	41.7	50.0	40.5	41.7	46.7	50.0	48.5	50.0	53.0	3.0
	Electricity,Gas,Water,Heat	41.2	45.0	40.8	44.4	45.8	42.6	38.9	39.7	40.0	37.5	33.3	35.7	40.6	4.9
	Leasing,Rentals	35.0	38.1	41.0	37.4	39.6	43.9	44.9	44.8	42.0	41.0	40.2	42.0	43.3	1.3
	Lodging, Hotels	5.6	11.6	13.0	10.0	10.4	22.6	30.2	29.5	12.9	12.8	18.1	28.3	33.0	4.7
	Recreation	29.5	29.2	34.8	29.2	29.0	34.0	36.7	38.4	33.3	31.2	35.1	35.6	38.9	3.3
	Broadcasting	42.7	42.2	42.2	38.9	39.2	49.1	48.1	46.9	45.8	47.6	44.4	43.9	43.3	▲ 0.6
	Maintenance,Guarding,Testing	40.8	42.7	41.9	41.6	44.0	44.3	45.3	45.7	42.3	40.2	42.3	43.1	42.5	▲ 0.6
	Advertising	23.4	27.5	27.5	26.8	29.5	32.4	36.8	37.7	32.7	31.5	36.4	36.9	34.8	▲ 2.1
	Information	44.9	46.8	48.2	46.7	48.5	50.5	51.2	52.5	50.1	50.2	51.1	50.8	50.8	0.0
	Labor Dispatching	35.5	36.2	41.9	38.4	41.9	39.7	44.3	43.3	45.1	41.5	44.4	45.7	47.6	1.9
	Special Services	41.5	43.4	47.3	44.4	45.5	47.9	49.2	50.3	47.2	46.2	46.9	48.1	48.1	0.0
	Medical,Welfare,Public Health	39.2	41.2	42.1	41.1	41.4	42.8	45.7	43.2	42.4	41.0	42.5	44.5	44.4	▲ 0.1
	Education	37.1	38.7	40.3	37.5	39.0	43.5	39.1	43.2	39.7	40.2	37.8	39.6	35.6	▲ 4.0
	Other	35.2	35.8	37.4	34.7	39.2	40.6	41.7	42.4	39.3	36.9	39.3	42.1	42.7	0.6
	Total	37.5	39.7	41.5	39.1	41.1	43.6	45.3	46.1	42.8	41.4	43.1	44.5	44.8	0.3
Other		33.3	35.5	34.7	35.3	35.6	38.0	39.6	40.5	36.3	37.3	38.7	36.8	38.1	1.3

		May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Ratio to the Previous Month
Hokkaido		34.5	37.1	38.3	38.0	38.5	40.8	40.8	41.1	38.6	37.0	36.5	37.9	38.9	1.0
Tohoku		37.7	39.3	40.0	38.4	39.0	40.2	42.1	41.7	38.1	37.0	37.0	37.6	39.1	1.5
kitakanto		39.5	41.2	42.7	41.5	40.4	42.8	44.4	45.0	42.3	40.7	40.7	42.0	42.1	0.1
minamikanto		38.4	39.8	41.0	40.0	41.4	42.4	43.9	44.8	42.6	41.5	42.1	42.4	42.7	0.3
Hokuriku		37.1	39.2	40.6	39.1	40.4	41.2	42.6	43.6	40.9	39.2	39.2	39.9	40.6	0.7
Tokai		37.9	39.4	42.0	40.0	39.1	40.1	42.4	44.4	41.1	39.7	40.2	40.2	40.1	▲ 0.1
Kinki		36.2	38.1	40.3	38.7	39.3	41.3	42.7	43.3	40.8	39.8	40.5	40.8	40.9	0.1
Chugoku		36.0	37.9	39.0	38.2	38.7	41.2	42.3	42.9	40.7	40.0	40.7	39.8	40.6	0.8
Shikoku		35.8	37.6	38.2	36.9	38.3	39.0	41.8	43.2	39.3	37.1	38.9	38.1	38.7	0.6
Kyushu		37.5	38.3	40.5	37.4	39.1	42.0	44.3	44.5	41.3	39.5	40.9	41.5	41.6	0.1

Appendix

1. Research Subjects (Companies researched: 25,141; Valid responses: 11,605; Response rate: 46.2%)

1. Region

Hokkaido	547	Tokai	1,348
Tohoku	793	Kinki	1,969
kitaKanto	886	Chugoku	736
minamikanto	3,368	Shikoku	393
Hokuriku	603	Kyushu	962
Total		11,605	

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		75
Finance		109
Construction		1,955
Real Estate		425
Manufacturing (3,049)	Food, Beverages, Livestock Feed	379
	Textile, Textile Products, Clothing	114
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	233
	Pulp, Paper and Paper Products	104
	Publishing, Printing	174
	Chemical	409
	Steel, Nonferrous Metals, Mining	550
	General Machinery	493
	Electrical Machinery	326
	Transportation Machinery, Equipment	110
Wholesale (2,841)	Precision Machinery, Medical Instruments and Equipment	75
	Others	82
	Food, Beverages	385
	Textile, Textile Products, Clothing	182
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	328
	Paper Products, Stationery, Books	99
	Chemical	285
	Recycled Resources	34
	Steel, Nonferrous Metals, Mining Products	285
	Machinery, Equipment	907
	Others	336

Retail (638)	Food, Beverages	92
	Textile, Textile Products, Clothing	58
	Drugs, Sundries	36
	Furniture	17
	Electrical Household Appliances, Information Machinery and Equipment	48
	Motor Vehicles, Motor Vehicle Parts	127
	Special Merchandise	196
	Various Merchandise	51
	Others	13
Transportation, Warehousing		508
Service (1,960)	Restaurants	68
	Telecommunications	11
	Electricity, Gas, Water, Heat	16
	Leasing, Rentals	122
	Lodging, Hotels	44
	Recreation	72
	Broadcasting	25
	Maintenance, Guarding, Testing	213
	Advertising	103
	Information	508
	Labor Dispatching	77
	Special Services	319
	Medical, Welfare, Public Health	117
	Education	36
	Others	229
Others		45
Total		11,605

3. Size

Large Firms	1,865	16.1%
Small to Medium-sized Firms	9,740	83.9%
micro Firms	3,646	31.4%
Total	11,605	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 May 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 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 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.