

The domestic economy saw its first improvement this year, albeit slightly

~ The outcome of Japan-U.S. negotiations regarding Trump's tariffs may have an impact on the economy ~

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

(Companies researched: 26,237; Valid responses: 10,435; Response rate: 39.8%; Survey start date: May 2002)

< Trend in June 2025: Slight Improvement >

The Economic Diffusion Index (DI) in June 2025 increased by 0.1 points from the previous month to 42.7, improving slightly for the first time in six months.

Despite sluggish consumer spending due to price hikes, early seasonal demand for air conditioners, pharmaceuticals, and cosmetics contributed to the first upward trend this year.

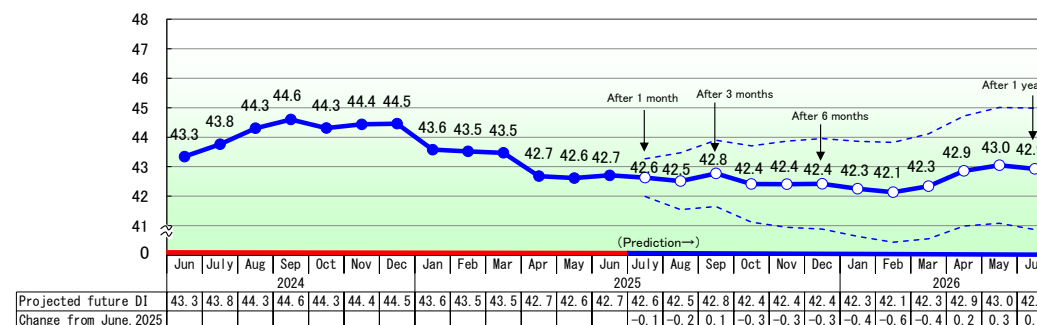
< Future outlook: Remain weak >

The domestic economy is expected to continue trending weakly for the time being amid rising uncertainty.

By industry: Improvement in 5 out of 10 industries, with early seasonal demand contributing positively.

By scale: "Large firms" improved for the second consecutive month, while "small to medium-sized firms" showed no upward trend for seven months.

By region: 6 out of 10 regions showed deterioration, though the rise in equipment operating rates served as a positive factor.



*: 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

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Ratio to the Rprevious Month
Total	43.3	43.8	44.3	44.6	44.3	44.4	44.5	43.6	43.5	43.5	42.7	42.6	42.7	0.1
Large Firms	48.0	48.2	48.2	48.5	48.3	48.3	48.7	48.1	48.2	47.9	46.7	46.8	47.1	0.3
Small to Medium-sized Firms	42.5	42.9	43.6	43.9	43.6	43.7	43.7	42.8	42.7	42.7	42.0	41.9	41.9	0.0
Micro Firms	41.6	41.8	42.5	43.0	42.7	42.7	42.6	41.5	41.6	41.6	41.0	40.8	41.0	0.2

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Ratio to the Rprevious Month
Agriculture,Forestry,Fisheries	41.9	41.2	43.3	47.8	46.3	46.7	43.7	45.1	46.8	47.0	47.5	48.1	49.3	1.2
Finance	47.6	48.5	48.1	47.3	48.0	46.9	47.2	47.0	47.0	47.8	46.2	46.0	47.7	1.7
Construction	46.4	46.9	47.3	47.8	47.8	48.1	47.6	46.9	46.7	46.7	45.9	45.9	45.9	0.0
Real Estate	48.0	48.2	47.5	48.5	47.2	47.5	48.2	47.6	47.5	47.6	46.9	49.0	48.4	▲ 0.6
Manufacturing	Food,BEWerages,Livestock Feed	42.7	42.7	43.5	43.8	42.9	42.9	42.6	42.3	41.2	40.4	40.6	40.9	▲ 1.1
	Textile,Textile Products,Clothing	37.3	36.1	36.5	36.3	35.7	36.7	36.3	35.1	38.1	36.8	35.2	34.1	▲ 1.2
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	37.5	39.0	39.5	39.5	38.9	39.2	40.8	38.8	40.1	38.4	38.6	39.3	2.5
	Pulp, Paper and Paper Products	34.4	36.0	36.7	37.3	37.8	36.5	38.8	35.8	36.8	37.9	38.1	34.9	0.4
	Publishing,Printing	32.8	32.8	34.4	34.5	33.2	34.2	33.6	33.5	33.9	32.9	33.3	32.9	▲ 0.9
	Chemical	41.0	41.0	42.6	43.6	43.9	43.4	42.5	42.5	42.8	41.6	42.4	41.5	▲ 0.1
	Steel,Nonferrous Metals,Mining	36.4	37.4	39.0	39.2	39.0	39.7	38.5	38.0	36.5	38.1	35.1	35.3	0.4
	General Machinery	39.8	41.2	41.9	41.2	42.3	41.9	41.3	40.9	40.1	39.1	37.5	37.8	0.6
	Electrical Machinery	42.5	42.5	42.5	42.9	44.1	42.8	43.5	43.0	43.1	43.4	40.9	39.9	1.7
	Transportation Machinery,Equipment	42.1	44.2	43.5	41.0	42.1	41.3	41.7	43.3	39.9	42.9	38.2	36.5	3.4
	Precision Machinery,Medical Instruments and Equipment	46.5	44.5	43.9	44.0	43.8	46.4	48.4	47.3	46.3	46.9	45.3	44.1	0.2
	Other	43.0	40.8	42.3	41.7	38.2	38.9	40.1	39.2	41.4	41.0	41.4	40.5	▲ 3.3
Total		39.4	39.8	40.7	40.8	40.8	40.8	40.7	40.1	39.8	39.6	38.5	38.1	0.3
Wholesale	Food,BEWerages	42.5	42.3	43.8	44.1	43.2	42.4	44.0	41.8	42.2	41.3	41.3	40.3	▲ 0.9
	Textile,Textile Products,Clothing	36.3	35.8	36.5	34.2	34.5	33.7	34.4	34.5	33.8	34.6	35.8	34.8	▲ 0.3
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	36.4	37.5	38.2	37.5	38.6	39.2	38.9	39.3	38.0	38.9	39.0	38.2	▲ 0.8
	Paper Products,Stationery,Books	35.2	36.3	37.2	37.8	37.8	39.4	37.3	35.4	39.8	40.0	37.8	36.8	▲ 0.2
	Chemical	41.4	43.4	44.5	44.3	43.0	43.5	44.2	43.3	43.2	42.9	41.2	41.2	0.6
	Recycled Resources	43.1	44.4	40.5	36.8	38.9	38.5	40.3	36.5	42.1	36.2	35.8	35.1	1.5
	Steel,Nonferrous Metals,Mining Products	34.6	36.2	34.7	36.1	36.3	36.4	34.7	34.0	33.7	33.3	32.8	33.0	0.6
	Machinery,Equipment	43.4	43.5	44.0	44.5	44.0	43.9	44.5	43.2	43.6	43.7	42.3	42.2	0.4
	Other	39.9	40.8	41.8	41.5	41.7	42.1	42.3	40.7	41.1	41.5	40.8	40.7	▲ 0.6
Total		40.1	40.7	41.3	41.4	41.2	41.3	41.5	40.3	40.6	40.7	39.8	39.7	▲ 0.1

Economic Diffusion Index (Economic DI)2/2

		Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Ratio to the Rrevious Month
Retail	Food,BEWerages	42.6	41.3	44.0	43.3	40.0	40.6	39.7	38.5	38.6	39.6	41.8	41.1	40.8	▲ 0.3
	Textile,Textile Products,Clothing	36.3	36.9	37.2	36.9	34.5	39.1	40.0	38.1	35.4	34.8	35.0	39.0	35.4	▲ 3.6
	Drugs,Sundries	41.0	41.4	40.3	41.0	40.4	42.5	41.5	42.0	39.1	40.6	35.4	35.9	36.1	0.2
	Furniture	27.2	35.8	30.7	31.3	33.3	34.7	36.4	31.3	34.5	28.2	36.3	33.9	31.8	▲ 2.1
	Electrical Household Appliances, Information Machinery and Equipment	43.2	46.1	46.1	45.3	43.8	38.8	42.6	43.0	42.3	42.3	41.4	39.6	43.0	3.4
	Motor Vehicles,Motor Vehicle Parts	43.4	39.2	39.0	38.9	42.3	39.3	39.5	39.6	38.9	42.9	40.5	38.2	40.8	2.6
	Special Merchandise	38.6	39.7	40.0	39.9	38.8	38.0	38.1	37.3	38.5	38.2	37.5	37.5	37.4	▲ 0.1
	Various Merchandise	44.4	45.5	43.9	41.3	39.6	42.4	39.6	38.8	39.5	39.5	36.0	35.8	36.3	0.5
	Other	44.4	42.2	37.8	44.0	39.3	45.6	44.4	37.5	41.2	39.3	43.3	45.2	44.8	▲ 0.4
	Total	40.3	40.3	40.5	40.3	39.7	39.4	39.5	38.6	38.6	39.2	38.6	38.3	38.6	0.3
Transportation,Warehousing		43.4	42.6	45.0	45.4	44.7	45.9	45.7	42.9	42.5	43.3	41.9	42.8	42.3	▲ 0.5
Service	Restaurants	48.1	49.4	52.5	49.3	46.2	47.5	49.5	45.5	43.6	45.1	46.2	43.5	44.6	1.1
	Postal,Telecommunications	52.8	51.9	50.0	40.7	57.4	53.0	57.6	50.0	48.6	53.3	48.7	50.0	47.4	▲ 2.6
	Electricity,Gas,Water,Heat	41.7	43.6	37.5	38.9	44.4	45.8	39.7	45.0	44.4	41.0	47.1	44.4	43.3	▲ 1.1
	Leasing,Rentals	49.0	48.6	50.2	48.4	49.7	49.5	51.0	51.1	49.8	52.2	48.7	49.8	48.0	▲ 1.8
	Lodging, Hotels	52.1	53.8	53.4	55.3	56.9	60.0	56.9	55.4	52.8	53.9	54.8	52.4	51.7	▲ 0.7
	Recreation	44.6	47.5	43.2	48.4	47.9	45.8	45.6	46.2	46.5	44.0	45.4	47.6	45.2	▲ 2.4
	Broadcasting	45.6	47.2	42.2	46.8	46.2	51.6	53.0	47.5	49.0	50.8	49.2	48.4	49.2	0.8
	Maintenance,Guarding,Testing	46.1	47.3	48.2	48.1	47.9	48.9	48.3	46.3	49.0	46.6	46.5	46.6	47.0	0.4
	Advertising	43.6	43.9	43.6	45.8	46.2	46.2	48.3	45.5	46.0	45.7	45.5	46.1	47.2	1.1
	Information	54.1	54.1	53.9	55.1	53.7	54.0	53.8	54.0	53.7	52.7	52.7	52.1	52.5	0.4
	Labor Dispatching	48.5	49.2	49.2	50.2	49.3	48.4	50.0	50.8	47.2	47.1	48.5	48.2	47.9	▲ 0.3
	Special Services	50.5	51.8	50.6	51.3	50.9	50.0	50.0	49.8	49.5	49.6	49.0	49.7	49.2	▲ 0.5
	Medical,Welfare,Public Health	44.4	44.0	44.2	44.6	44.2	41.9	43.6	42.4	41.9	42.5	42.0	41.4	40.4	▲ 1.0
	Education	47.4	50.9	47.7	48.7	46.9	47.0	49.0	46.0	43.9	46.8	42.2	44.9	43.4	▲ 1.5
	Other	47.2	48.0	48.6	47.9	47.2	47.7	48.3	46.6	47.1	46.8	46.4	45.5	47.3	1.8
	Total	49.2	50.0	49.8	50.4	49.8	49.9	50.2	49.2	49.0	48.7	48.4	48.2	48.3	0.1
Other		37.5	40.1	41.3	39.8	42.9	40.0	39.6	41.7	40.8	41.7	40.2	45.0	39.2	▲ 5.8

		Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Ratio to the Rrevious Month
Hokkaido		42.8	44.1	45.0	45.4	44.1	43.8	43.6	41.8	41.8	41.7	42.0	43.4	43.9	0.5
Tohoku		39.2	39.1	39.7	40.7	40.2	40.6	40.1	38.9	38.6	38.3	37.9	38.2	39.1	0.9
kitakanto		40.7	41.2	42.1	42.3	42.4	42.4	41.9	41.1	41.4	40.7	40.5	39.3	40.1	0.8
minamikanto		45.6	46.1	46.6	46.7	46.5	46.4	46.8	46.0	46.2	45.5	45.3	45.5		0.2
Hokuriku		40.7	41.4	41.8	42.6	42.2	42.2	41.7	40.5	41.0	40.6	40.2	40.4	40.0	▲ 0.4
Tokai		43.3	43.9	43.7	44.3	43.9	44.1	44.0	43.7	43.5	43.1	41.4	41.5	41.4	▲ 0.1
Kinki		42.5	42.9	43.5	44.0	43.8	43.8	44.2	43.1	43.2	43.5	42.7	42.2	42.1	▲ 0.1
Chugoku		42.6	43.6	43.9	44.0	43.6	44.5	44.1	43.0	42.6	42.9	41.4	41.4	40.9	▲ 0.5
Shikoku		39.9	39.4	40.5	40.7	41.2	41.3	40.1	40.1	40.3	41.4	39.6	40.6	39.7	▲ 0.9
Kyushu		46.5	46.2	47.3	46.9	46.4	47.2	47.6	46.4	46.3	45.7	44.8	44.8	44.5	▲ 0.3

Appendix

1.Research Subjects(Companies researched: 26,237; Valid responses: 10,435; Response rate: 39.8%)

1.Region

Hokkaido	451	Tokai	1,176
Tohoku	759	Kinki	1,662
kitaKanto	808	Chugoku	693
minamikanto	3,155	Shikoku	347
Hokuriku	519	Kyushu	865
		Total	10,435

2.Industry (10 Industries 51 Lines of business)

Agriculture,Forestry,Fisheries		112
Finance		175
Construction		1,551
Real Estate		428
Manufacturing (2,437)	Food,Beverages,Livestock Feed	281
	Textile,Textile Products,Clothing	107
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	166
	Pulp, Paper and Paper Products	83
	Publishing,Printing	154
	Chemical	317
	Steel,Nonferrous Metals,Mining	438
	General Machinery	422
	Electrical Machinery	255
	Transportation Machinery,Equipment	91
	Precision Machinery,Medical Instruments and Equipment	67
	Others	56
Wholesale (2,240)	Food,Beverages	294
	Textile,Textile Products,Clothing	136
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	242
	Paper Products,Stationery,Books	112
	Chemical	214
	Recycled Resources	41
	Steel,Nonferrous Metals,Mining Products	219
	Machinery,Equipment	715
	Others	267

Retail (850)	Food,Beverages	146
	Textile,Textile Products,Clothing	72
	Drugs,Sundries	60
	Furniture	22
	Electrical Household Appliances,Information Machinery and Equipment	64
	Motor Vehicles,Motor Vehicle Parts	130
	Special Merchandise	278
	Various Merchandise	62
	Others	16
Transportation,Warehousing		426
Service (2,182)	Restaurants	114
	Telecommunications	13
	Electricity,Gas,Water,Heat	15
	Leasing,Rentals	90
	Lodging, Hotels	87
	Recreation	94
	Broadcasting	21
	Maintenance,Guarding,Testing	279
	Advertising	113
	Information	484
	Labor Dispatching	86
	Special Services	385
	Medical,Welfare,Public Health	109
	Education	43
	Others	249
Others		34
Total		10,435

3.Size

Large Firms	1,556	14.9%
Small to Medium-sized Firms	8,879	85.1%
micro Firms	3,519	33.7%
Total	10,435	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 June17 - 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 27,000 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.