

The domestic economy improved for the fourth consecutive month

~ Supported by summer consumer spending and demand for AI and semiconductor-related products ~

(Companies researched: 22,060; Valid responses: 10,560; Response rate: 47.9%; Survey start date: May 2002)

< Trend in August 2026: Improvement >

The Economic Diffusion Index (DI) for August 2026 increased by 1.0 point from the previous month to 44.6, marking the fourth consecutive monthly improvement.

Domestic economic conditions were supported by recovering sales and expanding demand for AI- and semiconductor-related products.

< Future outlook: Gradual recovery >

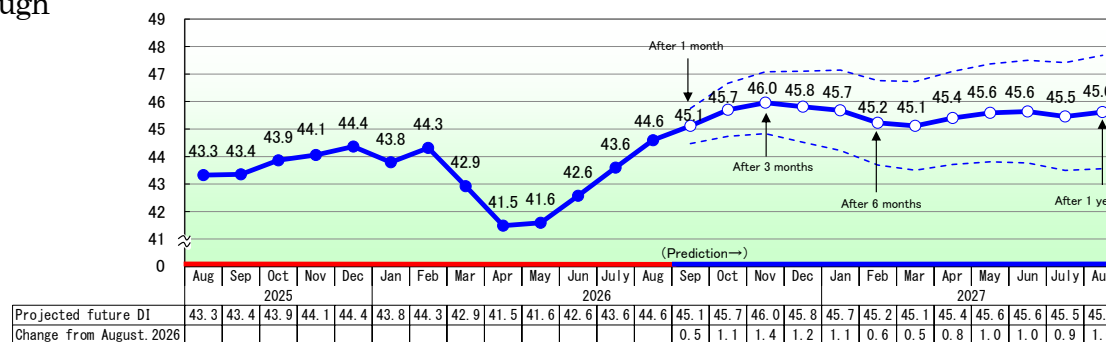
The economy is expected to continue improving gradually, although downside risks remain.

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By industry: 8 of the 10 industries improved, with manufacturing serving as the primary driver of stronger business sentiment.

By scale: All company sizes improved for the third consecutive month, supported by semiconductor-related demand and increased freight activity.

By region: 9 regions improved, while the 2026 Kumamoto Earthquake weighed on business sentiment in Kyushu.



*: 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

	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Ratio to the Previous Month
Total	43.3	43.4	43.9	44.1	44.4	43.8	44.3	42.9	41.5	41.6	42.6	43.6	44.6	1.0
Large Firms	47.8	48.2	48.0	48.5	48.7	48.7	48.8	47.3	45.8	45.9	46.9	47.8	48.7	0.9
Small to Medium-sized Firms	42.6	42.5	43.1	43.3	43.6	42.9	43.5	42.1	40.7	40.9	41.8	42.9	43.9	1.0
Micro Firms	41.7	41.5	42.2	42.1	42.8	42.0	42.6	41.0	39.3	39.2	40.0	41.1	41.9	0.8

	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Ratio to the Previous Month
Agriculture,Forestry,Fisheries	47.9	46.6	51.8	52.7	51.4	50.6	46.3	44.2	43.0	44.0	45.8	42.8	41.2	▲ 1.6
Finance	46.5	48.0	49.1	48.5	48.0	48.1	47.9	46.8	46.0	45.9	48.4	45.9	46.2	0.3
Construction	46.8	47.3	47.7	47.6	48.1	47.4	47.5	46.3	42.4	41.4	43.2	44.9	46.0	1.1
Real Estate	48.1	49.3	49.9	49.2	48.6	48.4	49.6	48.3	45.8	46.0	46.8	46.8	47.0	0.2
Manufacturing	Food,BEWerages,Livestock Feed	42.8	41.7	42.4	43.1	43.3	41.7	41.9	40.1	39.8	37.5	37.3	40.2	1.2
	Textile,Textile Products,Clothing	34.2	36.8	34.6	34.9	34.4	34.3	34.3	32.9	31.5	33.3	32.6	35.6	▲ 0.2
	Construction Materials,Furniture, Ceramics,Stone and Clay Products	39.0	38.7	40.1	40.0	41.1	40.3	40.7	37.5	36.6	36.7	38.9	38.3	2.6
	Pulp, Paper and Paper Products	38.0	38.4	40.0	37.9	38.1	38.7	38.0	38.4	37.8	37.4	39.7	39.3	1.7
	Publishing,Printing	33.2	32.4	32.6	33.4	33.3	34.1	34.8	34.2	32.6	32.0	32.6	34.2	▲ 0.7
	Chemical	43.3	42.3	43.2	43.7	44.6	44.0	44.7	41.6	41.0	43.1	45.8	47.3	0.7
	Steel,Nonferrous Metals,Mining	37.8	36.4	37.8	37.8	37.5	38.5	38.6	39.4	39.4	39.8	42.6	43.9	2.4
	General Machinery	38.5	37.8	40.3	39.7	39.7	40.8	43.6	43.1	41.8	42.8	46.0	50.0	0.6
	Electrical Machinery	42.0	44.1	44.0	44.6	45.2	45.2	46.8	44.9	44.8	46.1	48.4	50.9	1.2
	Transportation Machinery,Equipment	39.1	41.9	43.9	44.2	44.2	45.8	46.4	45.3	43.3	44.3	45.2	48.1	3.8
	Precision Machinery, Medical Instruments and Equipment	47.0	44.4	44.8	45.6	46.7	45.2	49.0	46.9	46.0	46.7	46.2	50.0	▲ 0.2
	Other Manufacturing	40.1	38.1	40.1	39.4	40.0	38.8	40.3	38.7	34.0	37.0	38.4	38.2	3.0
Total		39.6	39.2	40.3	40.3	40.7	40.8	41.8	40.5	39.8	40.4	42.2	44.3	1.3
Wholesale	Food,BEWerages	41.8	41.8	41.1	41.3	42.3	40.3	40.5	39.1	38.6	39.4	38.1	38.9	0.6
	Textile,Textile Products,Clothing	33.7	33.2	32.2	33.8	34.4	34.1	34.8	33.3	32.3	33.6	34.1	33.2	0.0
	Construction Materials, Furniture,Ceramics, Stone and Clay Products	37.6	38.1	39.2	39.6	38.4	37.4	37.5	38.3	34.9	34.9	35.1	36.2	1.2
	Paper Products,Stationery,Books	36.2	35.3	37.2	38.4	37.0	36.9	39.0	37.3	37.8	35.5	35.5	35.8	2.0
	Chemical	42.0	42.4	43.2	43.7	42.5	43.6	43.9	41.6	39.0	40.7	41.4	43.4	1.3
	Recycled Resources	37.0	37.3	40.8	41.2	42.1	39.7	43.4	41.7	41.7	42.9	43.6	44.4	▲ 4.2
	Steel,Nonferrous Metals, Mining Products	34.5	34.9	35.3	36.1	35.8	36.4	35.7	35.3	35.3	35.9	37.2	39.0	0.3
	Machinery,Equipment	43.1	42.8	43.4	43.6	43.9	43.4	44.4	43.0	42.0	42.6	44.1	44.9	1.7
	Other Wholesale	40.5	40.4	39.7	40.4	39.4	39.1	41.0	39.3	38.6	39.6	39.2	40.5	▲ 1.1
Total		40.0	40.0	40.3	40.8	40.6	40.2	41.0	39.8	38.6	39.3	39.7	40.8	0.8

Economic Diffusion Index (Economic DI)2/2

		Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Ratio to the Previous Month
Retail	Food,BEWerages	40.7	41.6	39.1	39.3	40.7	39.9	40.9	39.5	38.8	39.5	40.6	40.2	40.4	0.2
	Textile,Textile Products,Clothing	36.7	34.5	35.0	35.4	36.9	36.5	38.3	36.3	37.9	39.1	34.9	31.9	34.3	2.4
	Drugs,Sundries	41.1	39.2	35.7	39.1	40.3	39.2	38.9	41.2	37.2	36.0	38.1	38.5	38.6	0.1
	Furniture	35.2	36.1	36.5	34.0	35.1	32.7	34.7	31.3	34.0	33.9	32.7	35.8	33.3	▲ 2.5
	Electrical Household Appliances, Information Machinery and Equipment	42.4	42.6	43.5	41.2	44.4	44.8	41.9	42.2	42.8	44.4	45.5	43.7	46.3	2.6
	Motor Vehicles,Motor Vehicle Parts	40.1	38.8	40.2	38.6	41.5	39.5	40.5	39.2	38.3	37.9	36.3	38.7	40.4	1.7
	Special Merchandise	38.3	38.4	39.1	39.1	39.7	38.6	39.9	34.5	34.1	34.2	34.8	35.0	36.7	1.7
	Various Merchandise	38.5	37.8	39.9	39.6	37.6	38.5	41.1	39.5	36.6	37.1	37.9	38.8	39.3	0.5
	Other Retail	49.0	36.3	44.1	40.2	45.2	49.0	47.8	43.8	46.3	42.7	45.1	38.9	42.9	4.0
	Total	39.4	38.8	39.1	38.8	40.1	39.3	40.2	37.7	37.2	37.4	37.3	37.3	38.7	1.4
Transportation,Warehousing		43.9	43.2	44.2	45.5	46.2	43.8	43.8	38.5	37.8	39.7	40.6	41.9	43.8	1.9
Service	Restaurants	46.8	45.6	44.1	43.4	47.1	42.4	42.9	43.1	41.3	42.3	41.7	44.3	46.8	2.5
	Postal,Telecommunications	47.9	48.1	53.0	56.3	47.6	50.0	52.1	50.0	48.1	58.3	47.2	50.0	45.8	▲ 4.2
	Electricity,Gas,Water,Heat	48.3	48.1	46.5	45.6	45.4	44.2	46.5	40.7	35.8	39.8	39.2	40.8	39.2	▲ 1.6
	Leasing,Rentals	49.7	48.3	49.0	48.4	50.0	47.5	48.1	45.2	46.2	46.5	44.1	46.3	46.6	0.3
	Lodging, Hotels	50.5	51.8	53.8	57.3	52.9	49.1	46.3	52.1	49.3	50.9	46.4	46.6	47.3	0.7
	Recreation	45.0	48.4	46.8	46.5	45.8	47.1	47.0	45.4	47.8	46.9	47.8	46.9	45.6	▲ 1.3
	Broadcasting	47.6	48.4	46.5	46.7	45.6	45.7	49.2	49.1	45.6	42.5	46.3	45.2	42.4	▲ 2.8
	Maintenance,Guarding,Testing	47.0	47.0	47.4	47.8	48.5	48.3	48.9	47.6	46.1	44.7	45.8	47.7	47.9	0.2
	Advertising	45.7	46.4	46.3	46.2	47.4	45.9	45.0	45.4	42.7	42.9	43.5	42.8	44.5	1.7
	Information	51.8	52.3	52.1	52.7	53.6	53.6	53.3	52.4	51.5	50.7	51.0	50.0	50.5	0.5
	Labor Dispatching	46.7	46.7	47.6	48.4	48.5	46.4	46.9	45.4	46.3	45.9	46.5	47.1	48.3	1.2
	Special Services	50.3	50.3	50.7	50.5	50.2	49.5	49.8	48.5	47.9	46.9	47.9	48.8	49.4	0.6
	Medical,Welfare,Public Health	39.5	39.6	39.5	41.0	43.7	41.0	41.7	41.8	40.7	39.9	41.8	40.9	42.7	1.8
	Education	39.9	43.1	43.9	42.5	43.3	47.8	46.3	43.5	43.8	42.3	44.7	43.3	43.6	0.3
	Other Service	46.5	46.2	46.9	46.5	46.7	45.4	46.6	45.0	44.4	42.8	43.3	42.6	44.8	2.2
Total		48.2	48.5	48.6	48.9	49.4	48.4	48.6	47.8	46.9	46.2	46.5	46.7	47.5	0.8
Other		40.7	42.4	41.4	40.9	38.5	40.5	39.7	38.0	38.9	36.0	39.4	40.3	38.9	▲ 1.4

		Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Ratio to the Previous Month
Hokkaido		43.9	44.4	43.4	42.6	43.1	41.8	42.2	41.1	40.1	40.5	42.0	42.4	43.1	0.7
Tohoku		39.5	39.2	39.5	39.4	40.1	38.8	39.9	38.6	38.2	38.1	38.4	40.1	41.1	1.0
Kita-Kanto		41.0	41.3	41.9	42.1	42.7	43.1	43.0	41.9	40.1	41.0	41.4	43.1	44.2	1.1
Minami-Kanto		45.9	45.9	46.4	46.9	47.2	46.8	47.2	46.3	45.0	44.8	45.7	46.2	47.5	1.3
Hokuriku		41.0	41.4	41.6	41.7	42.1	41.3	41.8	41.2	40.2	39.4	41.5	42.2	43.6	1.4
Tokai		43.2	42.8	43.4	43.3	43.3	43.2	43.6	41.4	39.8	40.5	41.2	42.9	44.4	1.5
Kinki		42.7	42.5	43.3	43.2	43.6	42.6	43.5	41.7	39.9	40.3	41.5	42.6	43.4	0.8
Chugoku		42.1	42.1	42.7	43.3	43.5	42.0	43.3	41.5	39.3	39.3	40.7	42.0	42.4	0.4
Shikoku		40.6	41.2	42.0	43.1	42.1	41.9	42.7	40.4	38.8	37.8	39.4	40.2	43.1	2.9
Kyushu		44.4	44.6	45.5	45.3	45.8	45.6	45.7	43.8	42.2	42.0	43.0	43.9	43.5	▲ 0.4

Appendix

1. Research Subjects (Companies researched: 22,060; Valid responses: 10,560; Response rate: 47.9%)

1. Region

Hokkaido	433	Tokai	1,188
Tohoku	734	Kinki	1,580
kita Kanto	805	Chugoku	648
minamikanto	3,223	Shikoku	366
Hokuriku	512	Kyushu	1,071
		Total	10,560

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		116
Finance		152
Construction		1,661
Real Estate		461
Manufacturing (2,469)	Food, Beverages, Livestock Feed	278
	Textile, Textile Products, Clothing	107
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	180
	Pulp, Paper and Paper Products	80
	Publishing, Printing	164
	Chemical	319
	Steel, Nonferrous Metals, Mining	449
	General Machinery	407
	Electrical Machinery	261
	Transportation Machinery, Equipment	98
	Precision Machinery, Medical Instruments and Equipment	67
	Others	59
Wholesale (2,264)	Food, Beverages	285
	Textile, Textile Products, Clothing	127
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	260
	Paper Products, Stationery, Books	97
	Chemical	215
	Recycled Resources	41
	Steel, Nonferrous Metals, Mining Products	228
	Machinery, Equipment	733
	Others	278

Retail (805)	Food, Beverages	132
	Textile, Textile Products, Clothing	71
	Drugs, Sundries	57
	Furniture	28
	Electrical Household Appliances, Information Machinery and Equipment	63
	Motor Vehicles, Motor Vehicle Parts	120
	Special Merchandise	259
	Various Merchandise	61
Others		14
Transportation, Warehousing		455
Service (2,138)	Restaurants	113
	Telecommunications	4
	Electricity, Gas, Water, Heat	17
	Leasing, Rentals	93
	Lodging, Hotels	98
	Recreation	90
	Broadcasting	22
	Maintenance, Guarding, Testing	255
	Advertising	113
	Information	479
	Labor Dispatching	79
	Special Services	391
	Medical, Welfare, Public Health	108
	Education	34
	Others	242
Others		39
Total		10,560

3. Size

Large Firms	1,542	14.6%
Small to Medium-sized Firms	9,018	85.4%
micro Firms	3,595	34.0%
Total	10,560	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 August 18 2026 - August 31 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 23,000 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

$$= \frac{\text{Total of (Points for each category} \times \text{Number of responses for each category)}}{\text{Number of valid responses}N} \times \frac{1}{6} \times 100$$

$$\equiv \frac{\sum_{i=0}^6 i \times N_i}{N} \times \frac{1}{6} \times 100$$

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.