

Worsening for the first time in four months due to the state of emergency, etc.

~ The impact due to reducing people flow spreads to consumer spending
and a wide range of related industries ~

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

(Companies researched: 23,724; Valid responses: 11,242; Response rate: 47.4%;
Survey start date: May 2002)

< Overview of May 2021: Upswing is paused >

The economic diffusion index (DI) in May 2021 was 37.5, down 0.8 points from the previous month, and worsening for the first time in four months. Reducing people flow as a measure to prevent the spread of infection led to a deteriorated domestic economy for the first time in four months.

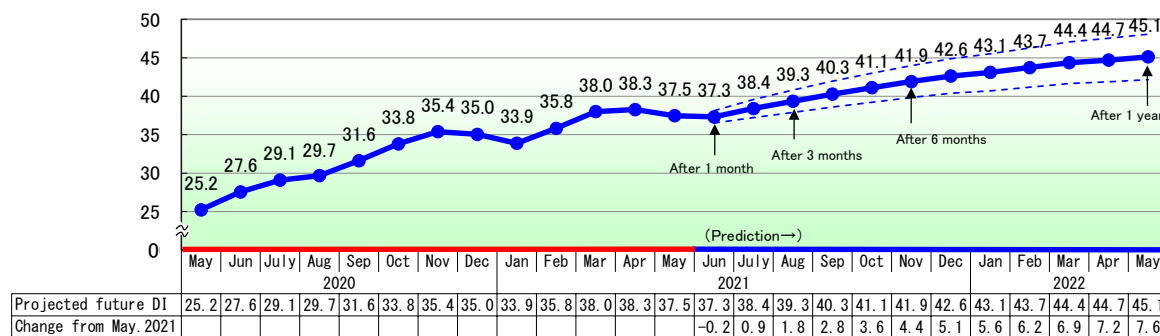
< Future outlook: Temporary worsening but gradually upswing >

Although the economy temporarily worsens, with many downside risks, it is believed it will gradually upswing.

By industry: The economy worsened in eight industries. Lacking materials and price increases in many industries were negative factors.

By size: The economy worsened for the first time in four months in “large enterprises”, “small and medium-sized enterprises”, and small enterprises”.

By region: The economy worsened in all ten regions. A “state of emergency”, etc., impacted a wider range of regions.



*: 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-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Ratio to the Previous Month
Total	25.2	27.6	29.1	29.7	31.6	33.8	35.4	35.0	33.9	35.8	38.0	38.3	37.5	▲ 0.8
Large Firms	28.1	30.1	31.7	32.4	33.9	36.4	37.6	37.4	36.3	38.2	40.2	40.8	40.2	▲ 0.6
Small to Medium-sized Firms	24.6	27.0	28.5	29.1	31.1	33.3	34.9	34.5	33.4	35.3	37.5	37.7	36.9	▲ 0.8
Micro Firms	24.6	27.8	29.4	30.0	32.0	33.9	35.2	34.2	32.8	34.7	36.7	36.3	35.6	▲ 0.7

	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Ratio to the Previous Month
Agriculture,Forestry,Fisheries	25.1	29.6	31.4	31.0	30.3	34.4	38.7	35.4	30.9	33.8	35.0	37.5	37.7	0.2
Finance	28.7	32.4	31.5	32.6	35.3	38.3	37.7	35.6	36.1	38.3	39.2	38.3	39.5	1.2
Construction	33.5	36.3	37.5	38.4	40.4	41.1	41.8	40.9	39.4	40.6	41.6	41.4	40.0	▲ 1.4
Real Estate	23.5	29.2	32.5	33.1	35.6	36.4	36.8	36.4	35.5	38.3	40.6	40.8	39.4	▲ 1.4
Manufacturing	Food,BEWerages,Livestock Feed	24.6	27.2	29.6	30.5	34.2	36.0	32.5	30.7	30.8	34.4	35.2	33.6	▲ 1.6
	Textile,Textile Products,Clothing	17.7	17.9	19.8	20.3	23.5	24.7	26.8	26.1	24.5	26.0	26.8	28.7	0.5
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	26.5	28.1	28.3	29.8	31.3	35.1	36.0	37.3	37.2	37.8	39.3	38.6	▲ 0.7
	Pulp, Paper and Paper Products	21.4	19.3	21.0	22.9	24.1	26.2	29.2	29.3	27.6	29.4	33.0	34.3	▲ 0.8
	Publishing,Printing	14.4	16.0	15.8	18.8	20.4	21.9	22.7	21.8	20.2	22.2	26.0	27.2	▲ 3.0
	Chemical	25.3	25.9	27.3	27.8	31.1	34.4	37.7	39.3	38.0	40.9	43.3	44.2	0.1
	Steel,Nonferrous Metals,Mining	21.5	20.8	22.3	23.6	25.4	29.2	33.1	34.3	33.9	37.0	39.3	40.5	▲ 0.6
	General Machinery	23.6	23.5	24.6	25.0	26.5	29.1	31.7	33.5	33.6	36.9	41.2	42.1	0.1
	Electrical Machinery	26.1	27.0	27.5	27.7	28.9	33.0	34.8	35.5	36.1	39.6	42.6	43.2	▲ 0.4
	Transportation Machinery,Equipment	18.2	18.1	21.2	24.2	27.8	34.9	36.3	40.1	40.1	40.3	45.3	45.2	0.1
	Precision Machinery,Medical Instruments and Equipment	26.3	28.6	28.1	29.6	30.2	32.7	35.5	37.1	37.9	42.4	44.6	45.6	3.1
	Other	19.8	23.9	25.2	22.8	26.3	29.0	29.6	31.9	31.5	31.4	34.1	35.3	▲ 2.3
	Total	23.0	23.6	24.9	25.9	27.8	31.0	33.3	33.9	33.4	35.6	38.5	39.5	▲ 0.5
Wholesale	Food,BEWerages	21.0	24.5	27.3	27.2	30.2	32.0	31.6	29.5	26.8	29.2	30.7	30.1	▲ 0.7
	Textile,Textile Products,Clothing	11.4	15.8	18.2	18.0	19.4	22.6	22.3	22.7	21.2	19.8	23.9	23.1	▲ 1.4
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	27.7	29.6	30.2	30.4	31.7	33.9	35.9	36.1	34.7	34.8	36.7	37.2	▲ 0.7
	Paper Products,Stationery,Books	19.1	19.0	21.9	23.2	24.0	26.9	26.7	28.3	26.3	29.3	32.2	32.4	▲ 1.8
	Chemical	27.4	27.6	29.2	29.5	30.1	32.3	36.1	35.7	34.3	37.7	39.1	40.9	▲ 0.2
	Recycled Resources	18.8	23.8	24.5	27.8	30.2	32.9	38.7	44.4	45.6	42.4	45.4	55.1	▲ 1.7
	Steel,Nonferrous Metals,Mining Products	22.8	24.0	24.5	25.3	26.4	30.5	32.1	34.0	32.6	33.4	36.0	37.2	0.3
	Machinery,Equipment	25.1	27.4	29.0	28.6	30.6	33.1	34.6	34.4	34.6	36.7	39.5	40.1	▲ 1.1
	Other	19.8	23.1	25.1	25.4	27.6	30.6	33.0	31.6	29.0	31.3	34.4	34.1	▲ 1.9
	Total	23.0	25.3	27.0	27.1	28.9	31.5	33.0	32.8	31.6	33.3	35.8	36.2	▲ 0.9

Economic Diffusion Index (Economic DI)2/2

		May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Ratio to the Previous Month
Retail	Food,BEWerages	27.4	30.8	30.7	29.1	34.0	38.8	37.0	34.6	33.8	33.1	34.1	32.8	32.6	▲ 0.2
	Textile,Textile Products,Clothing	8.8	23.6	24.7	24.0	19.9	27.8	23.7	22.0	22.7	21.4	23.3	25.0	21.2	▲ 3.8
	Drugs,Sundries	25.3	32.7	32.7	31.3	32.6	33.3	29.8	31.3	30.2	32.5	31.1	35.8	29.3	▲ 6.5
	Furniture	15.5	31.7	40.0	38.9	38.5	37.5	38.9	35.4	34.4	36.7	38.9	42.7	40.6	▲ 2.1
	Electrical Household Appliances, Information Machinery and Equipment	21.9	33.8	29.8	30.5	30.6	34.2	33.3	29.5	28.3	36.3	34.4	37.8	30.8	▲ 7.0
	Motor Vehicles,Motor Vehicle Parts	15.8	25.4	29.3	29.3	32.4	34.6	40.2	37.2	35.7	37.6	37.0	38.3	38.6	0.3
	Special Merchandise	19.9	27.7	30.2	30.0	31.6	33.9	33.3	34.7	32.6	35.5	35.9	34.6	34.5	▲ 0.1
	Various Merchandise	29.9	34.5	40.9	36.9	37.0	37.6	37.3	39.2	38.7	36.2	37.3	32.2	31.1	▲ 1.1
	Other	30.6	31.8	26.7	25.9	33.3	33.3	34.8	33.3	30.3	33.3	35.0	40.5	25.0	▲ 15.5
	Total	21.1	29.1	31.0	30.3	32.1	34.8	35.0	34.2	32.9	34.5	34.9	34.7	33.1	▲ 1.6
Transportation,Warehousing		22.7	21.5	24.2	25.4	28.1	30.1	32.5	31.5	30.0	31.7	33.9	34.5	33.7	▲ 0.8
Service	Restaurants	5.5	13.8	13.7	12.7	14.5	18.2	21.0	15.3	10.3	12.8	18.9	14.9	13.0	▲ 1.9
	Postal,Telecommunications	33.3	43.3	41.7	42.6	46.7	41.7	47.2	38.9	46.3	38.1	43.8	38.9	40.5	1.6
	Electricity,Gas,Water,Heat	32.4	34.4	34.9	42.5	42.5	40.4	40.0	38.6	42.5	39.5	47.1	40.4	41.2	0.8
	Leasing,Rentals	29.1	30.2	31.4	32.7	34.5	34.9	37.5	36.2	33.5	32.8	35.0	35.4	35.0	▲ 0.4
	Lodging, Hotels	2.9	4.8	5.1	6.0	12.4	27.2	28.8	11.9	3.4	4.4	10.9	8.6	5.6	▲ 3.0
	Recreation	9.3	11.5	17.5	22.9	22.4	23.7	29.0	27.0	24.0	25.8	33.1	25.8	29.5	3.7
	Broadcasting	22.5	26.7	25.6	34.5	33.3	34.4	38.6	42.2	36.3	42.6	51.0	42.7	42.7	0.0
	Maintenance,Guarding,Testing	26.6	29.9	33.2	34.1	36.5	38.5	38.6	36.3	37.5	40.4	39.2	40.8		1.6
	Advertising	10.7	14.3	19.0	18.0	20.4	21.1	22.3	22.5	20.2	24.7	26.5	25.6	23.4	▲ 2.2
	Information	34.0	35.8	37.2	37.9	38.9	40.1	41.6	41.2	41.3	43.6	45.5	45.2	44.9	▲ 0.3
	Labor Dispatching	20.0	25.3	24.6	25.4	26.7	29.2	34.3	31.5	31.6	33.6	34.1	35.8	35.5	▲ 0.3
	Special Services	32.2	35.0	36.7	36.1	40.0	40.7	42.5	41.0	38.8	42.9	43.6	43.5	41.5	▲ 2.0
	Medical,Welfare,Public Health	26.1	30.5	29.9	31.0	31.4	33.6	34.9	34.8	32.7	34.7	37.1	39.1	39.2	0.1
	Education	18.8	28.0	29.5	31.7	34.0	34.7	34.0	34.0	33.3	34.0	32.1	35.7	37.1	1.4
	Other	21.8	26.6	28.7	28.4	31.1	31.6	31.4	32.6	30.9	34.2	34.5	34.8	35.2	0.4
Total		26.1	29.4	31.2	31.8	33.9	35.1	36.8	35.7	33.9	36.5	38.5	37.9	37.5	▲ 0.4
Other		26.2	27.1	29.3	28.8	31.5	28.2	29.4	30.8	29.5	30.5	34.4	34.1	33.3	▲ 0.8

		May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Ratio to the Previous Month
Hokkaido		27.5	30.6	32.3	33.4	34.4	36.0	34.4	33.0	32.4	33.9	35.3	36.2	34.5	▲ 1.7
Tohoku		25.3	28.5	29.7	30.4	32.6	34.4	36.0	35.4	33.8	35.4	36.8	38.0	37.7	▲ 0.3
kitakanto		24.5	26.2	27.1	28.0	30.6	33.2	36.6	35.9	34.9	37.2	39.2	39.7	39.5	▲ 0.2
minamikanto		25.5	28.4	29.7	30.4	32.3	34.2	35.3	35.2	34.0	35.9	38.4	38.7	38.4	▲ 0.3
Hokuriku		25.1	26.5	27.5	28.5	30.0	31.8	34.7	35.0	32.7	34.6	38.2	38.6	37.1	▲ 1.5
Tokai		23.4	25.3	27.0	27.7	30.3	32.6	35.6	35.3	34.1	36.1	38.4	38.9	37.9	▲ 1.0
Kinki		23.8	25.9	27.8	28.1	29.5	32.4	34.1	33.9	33.1	35.5	37.4	37.0	36.2	▲ 0.8
Chugoku		25.7	27.2	29.4	29.7	32.0	34.3	35.5	34.8	34.5	36.2	37.7	37.8	36.0	▲ 1.8
Shikoku		28.5	30.3	30.5	31.5	32.6	33.9	35.3	35.4	33.8	35.4	37.5	36.4	35.8	▲ 0.6
Kyushu		27.4	29.7	32.5	31.8	34.2	36.9	37.7	36.9	35.3	37.0	39.0	39.5	37.5	▲ 2.0

Appendix

1. Research Subjects (Companies researched: 23,724; Valid responses: 11,242; Response rate: 47.4%)

1. Region

Hokkaido	525	Tokai	1,205
Tohoku	726	Kinki	1,893
kitaKanto	826	Chugoku	661
minamikanto	3,527	Shikoku	412
Hokuriku	593	Kyushu	874
		Total	11,242

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		77
Finance		118
Construction		1,868
Real Estate		360
Manufacturing (3,060)	Food, Beverages, Livestock Feed	365
	Textile, Textile Products, Clothing	117
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	237
	Pulp, Paper and Paper Products	102
	Publishing, Printing	179
	Chemical	421
	Steel, Nonferrous Metals, Mining	536
	General Machinery	500
	Electrical Machinery	337
	Transportation Machinery, Equipment	100
	Precision Machinery, Medical Instruments and Equipment	75
	Others	91
Wholesale (2,936)	Food, Beverages	385
	Textile, Textile Products, Clothing	197
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	363
	Paper Products, Stationery, Books	103
	Chemical	279
	Recycled Resources	34
	Steel, Nonferrous Metals, Mining Products	305
	Machinery, Equipment	926
	Others	344

Retail (465)	Food, Beverages	68
	Textile, Textile Products, Clothing	33
	Drugs, Sundries	25
	Furniture	16
	Electrical Household Appliances, Information Machinery and Equipment	40
	Motor Vehicles, Motor Vehicle Parts	76
	Special Merchandise	154
	Various Merchandise	45
	Others	8
Transportation, Warehousing		508
Service (1,800)	Restaurants	59
	Telecommunications	7
	Electricity, Gas, Water, Heat	17
	Leasing, Rentals	128
	Lodging, Hotels	39
	Recreation	65
	Broadcasting	16
	Maintenance, Guarding, Testing	177
	Advertising	104
	Information	475
	Labor Dispatching	62
	Special Services	295
	Medical, Welfare, Public Health	116
	Education	31
	Others	209
Others		50
Total		11,242

3. Size

Large Firms	1,894	16.8%
Small to Medium-sized Firms	9,348	83.2%
micro Firms	3,377	30.0%
Total	11,242	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 2021

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 20,000 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.