

## The domestic economy worsened for the first time in eight months

~ A pullback after year-end special demand and weaker tourism exerted downward pressure on the economy ~

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(Companies researched: 23,859; Valid responses: 10,620; Response rate: 44.5%; Survey start date: May 2002)

### < Trend in January 2026: Standstill >

The Economic Diffusion Index (DI) in January 2026 declined by 0.6 points from the previous month to 43.8, deteriorating for the first time in eight months.

The domestic economy showed a temporary pause in its improvement trend, reflecting a pullback from year-end shopping and travel demand.

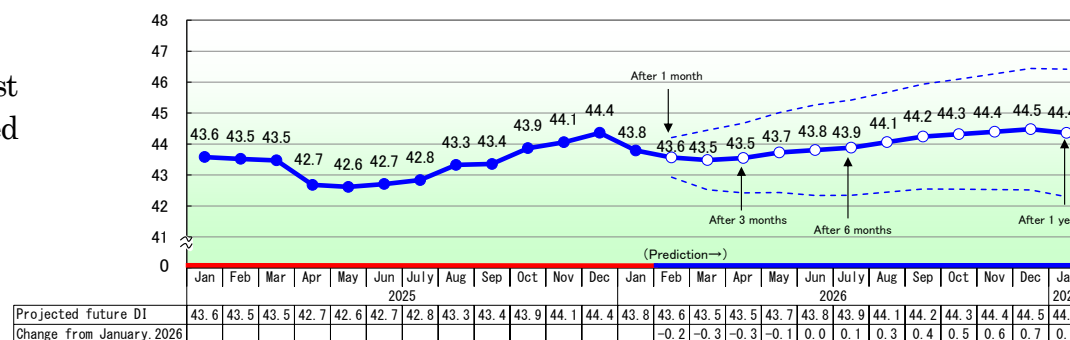
### < Future outlook: Remain unchanged >

Looking ahead, amid concerns over rising costs and higher interest rates, the domestic economy is expected to remain flat with heightened uncertainty.

By industry: 7 out of 10 industries worsened, with notable declines in consumer spending-related sectors.

By scale: While "large firms" remained flat, "small to medium-sized firms" and "micro firms" worsened.

By region: 9 regions worsened, pressured by cold waves, heavy snowfall, and a post-year-end and New Year demand slowdown.



## Economic Diffusion Index (Economic DI)1/2

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Ratio to the Previous Month
Total	43.6	43.5	43.5	42.7	42.6	42.7	42.8	43.3	43.4	43.9	44.1	44.4	43.8	▲ 0.6
Large Firms	48.1	48.2	47.9	46.7	46.8	47.1	47.3	47.8	48.2	48.0	48.5	48.7	48.7	0.0
Small to Medium-sized Firms	42.8	42.7	42.7	42.0	41.9	41.9	42.0	42.6	42.5	43.1	43.3	43.6	42.9	▲ 0.7
Micro Firms	41.5	41.6	41.6	41.0	40.8	41.0	40.9	41.7	41.5	42.2	42.1	42.8	42.0	▲ 0.8

		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Ratio to the Rrevious Month
Agriculture,Forestry,Fisheries		45.1	46.8	47.0	47.5	48.1	49.3	46.1	47.9	46.6	51.8	52.7	51.4	50.6	▲ 0.8
Finance		47.0	47.0	47.8	46.2	46.0	47.7	46.2	46.5	48.0	49.1	48.5	48.0	48.1	0.1
Construction		46.9	46.7	46.7	45.9	45.9	45.9	46.4	46.8	47.3	47.7	47.6	48.1	47.4	▲ 0.7
Real Estate		47.6	47.5	47.6	46.9	49.0	48.4	47.7	48.1	49.3	49.9	49.2	48.6	48.4	▲ 0.2
Manufacturing	Food,BEWerages,Livestock Feed	42.3	41.2	40.4	40.6	42.0	40.9	41.3	42.8	41.7	42.4	43.1	43.3	41.7	▲ 1.6
	Textile,Textile Products,Clothing	35.1	38.1	36.8	35.2	34.1	32.9	33.6	34.2	36.8	34.6	34.9	34.4	34.3	▲ 0.1
	Construction Materials,Furniture, Ceramics,Stone and Clay Products	38.8	40.1	38.4	38.6	36.8	39.3	40.0	39.0	38.7	40.1	40.0	41.1	40.3	▲ 0.8
	Pulp, Paper and Paper Products	35.8	36.8	37.9	38.1	34.9	35.3	35.6	38.0	38.4	40.0	37.9	38.1	38.7	0.6
	Publishing,Printing	33.5	33.9	32.9	33.3	32.9	32.0	32.6	33.2	32.4	32.6	33.4	33.3	34.1	0.8
	Chemical	42.5	42.8	41.6	42.4	41.5	41.4	42.4	43.3	42.3	43.2	43.7	44.6	44.0	▲ 0.6
	Steel,Nonferrous Metals,Mining	38.0	36.5	38.1	35.1	35.3	35.7	36.6	37.8	36.4	37.8	37.8	37.5	38.5	1.0
	General Machinery	40.9	40.1	39.1	37.5	37.8	38.4	37.5	38.5	37.8	40.3	39.7	39.7	40.8	1.1
	Electrical Machinery	43.0	43.1	43.4	40.9	39.9	41.6	42.8	42.0	44.1	44.0	44.6	45.2	45.2	0.0
	Transportation Machinery,Equipment	43.3	39.9	42.9	38.2	36.5	39.9	40.7	39.1	41.9	43.9	44.2	44.2	45.8	1.6
	Precision Machinery, Medical Instruments and Equipment	47.3	46.3	46.9	45.3	44.1	44.3	44.1	47.0	44.4	44.8	45.6	46.7	45.2	▲ 1.5
	Other	39.2	41.4	41.0	41.4	40.5	37.2	38.9	40.1	38.1	40.1	39.4	40.0	38.8	▲ 1.2
Total		40.1	39.8	39.6	38.5	38.1	38.4	38.9	39.6	39.2	40.3	40.3	40.7	40.8	0.1
Wholesale	Food,BEWerages	41.8	42.2	41.3	41.3	41.2	40.3	41.1	41.8	41.8	41.1	41.3	42.3	40.3	▲ 2.0
	Textile,Textile Products,Clothing	34.5	33.8	34.6	35.8	35.1	34.8	34.8	33.7	33.2	32.2	33.8	34.4	34.1	▲ 0.3
	Construction Materials, Furniture,Ceramics, Stone and Clay Products	39.3	38.0	38.9	38.2	39.0	38.2	37.4	37.6	38.1	39.2	39.6	38.4	37.4	▲ 1.0
	Paper Products,Stationery,Books	35.4	39.8	40.0	37.8	36.8	36.6	35.3	36.2	35.3	37.2	38.4	37.0	36.9	▲ 0.1
	Chemical	43.3	43.2	42.9	41.2	41.2	41.8	41.7	42.0	42.4	43.2	43.7	42.5	43.6	1.1
	Recycled Resources	36.5	42.1	36.2	35.8	35.1	36.6	36.0	37.0	37.3	40.8	41.2	42.1	39.7	▲ 2.4
	Steel,Nonferrous Metals, Mining Products	34.0	33.7	33.3	32.8	32.4	33.0	33.7	34.5	34.9	35.3	36.1	35.8	36.4	0.6
	Machinery,Equipment	43.2	43.6	43.7	42.3	42.2	42.6	42.3	43.1	42.8	43.4	43.6	43.9	43.4	▲ 0.5
	Other	40.7	41.1	41.5	40.8	40.7	40.1	40.2	40.5	40.4	39.7	40.4	39.4	39.1	▲ 0.3
	Total		40.3	40.6	40.7	39.8	39.7	39.6	39.5	40.0	40.0	40.3	40.8	40.6	40.2

## Economic Diffusion Index (Economic DI)2/2

		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Ratio to the Previous Month
Retail	Food,BEWerages	38.5	38.6	39.6	41.8	41.1	40.8	40.3	40.7	41.6	39.1	39.3	40.7	39.9	▲ 0.8
	Textile,Textile Products,Clothing	38.1	35.4	34.8	35.0	39.0	35.4	36.4	36.7	34.5	35.0	35.4	36.9	36.5	▲ 0.4
	Drugs,Sundries	42.0	39.1	40.6	35.4	35.9	36.1	39.7	41.1	39.2	35.7	39.1	40.3	39.2	▲ 1.1
	Furniture	31.3	34.5	28.2	36.3	33.9	31.8	32.0	35.2	36.1	36.5	34.0	35.1	32.7	▲ 2.4
	Electrical Household Appliances, Information Machinery and Equipment	43.0	42.3	42.3	41.4	39.6	43.0	42.3	42.4	42.6	43.5	41.2	44.4	44.8	0.4
	Motor Vehicles,Motor Vehicle Parts	39.6	38.9	42.9	40.5	38.2	40.8	38.0	40.1	38.8	40.2	38.6	41.5	39.5	▲ 2.0
	Special Merchandise	37.3	38.5	38.2	37.5	37.5	37.4	38.6	38.3	38.4	39.1	39.1	39.7	38.6	▲ 1.1
	Various Merchandise	38.8	39.5	39.5	36.0	35.8	36.3	38.5	38.5	37.8	39.9	39.6	37.6	38.5	0.9
	Other	37.5	41.2	39.3	43.3	45.2	44.8	46.9	49.0	36.3	44.1	40.2	45.2	49.0	3.8
	Total	38.6	38.6	39.2	38.6	38.3	38.6	38.9	39.4	38.8	39.1	38.8	40.1	39.3	▲ 0.8
Transportation,Warehousing		42.9	42.5	43.3	41.9	42.8	42.3	42.9	43.9	43.2	44.2	45.5	46.2	43.8	▲ 2.4
Service	Restaurants	45.5	43.6	45.1	46.2	43.5	44.6	45.6	46.8	45.6	44.1	43.4	47.1	42.4	▲ 4.7
	Postal,Telecommunications	50.0	48.6	53.3	48.7	50.0	47.4	51.9	47.9	48.1	53.0	56.3	47.6	50.0	2.4
	Electricity,Gas,Water,Heat	45.0	44.4	41.0	47.1	44.4	43.3	46.1	48.3	48.1	46.5	45.6	45.4	44.2	▲ 1.2
	Leasing,Rentals	51.1	49.8	52.2	48.7	49.8	48.0	49.3	49.7	48.3	49.0	48.4	50.0	47.5	▲ 2.5
	Lodging, Hotels	55.4	52.8	53.9	54.8	52.4	51.7	49.6	50.5	51.8	53.8	57.3	52.9	49.1	▲ 3.8
	Recreation	46.2	46.5	44.0	45.4	47.6	45.2	46.8	45.0	48.4	46.8	46.5	45.8	47.1	1.3
	Broadcasting	47.5	49.0	50.8	49.2	48.4	49.2	50.8	47.6	48.4	46.5	46.7	45.6	45.7	0.1
	Maintenance,Guarding,Testing	46.3	49.0	46.6	46.5	46.6	47.0	48.5	47.0	47.0	47.4	47.8	48.5	48.3	▲ 0.2
	Advertising	45.5	46.0	45.7	45.5	46.1	47.2	47.2	45.7	46.4	46.3	46.2	47.4	45.9	▲ 1.5
	Information	54.0	53.7	52.7	52.7	52.1	52.5	51.7	51.8	52.3	52.1	52.7	53.6	53.6	0.0
	Labor Dispatching	50.8	47.2	47.1	48.5	48.2	47.9	48.3	46.7	46.7	47.6	48.4	48.5	46.4	▲ 2.1
	Special Services	49.8	49.5	49.6	49.0	49.7	49.2	49.0	50.3	50.3	50.7	50.5	50.2	49.5	▲ 0.7
	Medical,Welfare,Public Health	42.4	41.9	42.5	42.0	41.4	40.4	38.0	39.5	39.6	39.5	41.0	43.7	41.0	▲ 2.7
	Education	46.0	43.9	46.8	42.2	44.9	43.4	40.6	39.9	43.1	43.9	42.5	43.3	47.8	4.5
	Other	46.6	47.1	46.8	46.4	45.5	47.3	47.3	46.5	46.2	46.9	46.5	46.7	45.4	▲ 1.3
	Total	49.2	49.0	48.7	48.4	48.2	48.3	48.3	48.2	48.5	48.6	48.9	49.4	48.4	▲ 1.0
Other		41.7	40.8	41.7	40.2	45.0	39.2	37.9	40.7	42.4	41.4	40.9	38.5	40.5	2.0

		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Ratio to the Previous Month
Hokkaido		41.8	41.8	41.7	42.0	43.4	43.9	43.7	43.9	44.4	43.4	42.6	43.1	41.8	▲ 1.3
Tohoku		38.9	38.6	38.3	37.9	38.2	39.1	39.2	39.5	39.2	39.5	39.4	40.1	38.8	▲ 1.3
Kita-Kanto		41.1	41.4	40.7	40.5	39.3	40.1	41.3	41.0	41.3	41.9	42.1	42.7	43.1	0.4
Minami-Kanto		46.0	46.0	46.2	45.5	45.3	45.5	45.7	45.9	45.9	46.4	46.9	47.2	46.8	▲ 0.4
Hokuriku		40.5	41.0	40.6	40.2	40.4	40.0	40.9	41.0	41.4	41.6	41.7	42.1	41.3	▲ 0.8
Tokai		43.7	43.5	43.1	41.4	41.5	41.4	41.6	43.2	42.8	43.4	43.3	43.3	43.2	▲ 0.1
Kinki		43.1	43.2	43.5	42.7	42.2	42.1	41.5	42.7	42.5	43.3	43.2	43.6	42.6	▲ 1.0
Chugoku		43.0	42.6	42.9	41.4	41.4	40.9	41.3	42.1	42.1	42.7	43.3	43.5	42.0	▲ 1.5
Shikoku		40.1	40.3	41.4	39.6	40.6	39.7	39.9	40.6	41.2	42.0	43.1	42.1	41.9	▲ 0.2
Kyushu		46.4	46.3	45.7	44.8	44.8	44.5	44.4	44.4	44.6	45.5	45.3	45.8	45.6	▲ 0.2

## Appendix

### 1.Research Subjects(Companies researched: 23,859; Valid responses: 10,620; Response rate: 44.5%)

#### 1.Region

Hokkaido	471	Tokai	1,159
Tohoku	764	Kinki	1,634
kitaKanto	810	Chugoku	704
minamikanto	3,196	Shikoku	362
Hokuriku	551	Kyushu	969
		Total	10,620

#### 2.Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		120
Finance		171
Construction		1,624
Real Estate		447
Manufacturing (2,453)	Food, Beverages, Livestock Feed	275
	Textile, Textile Products, Clothing	118
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	177
	Pulp, Paper and Paper Products	81
	Publishing, Printing	162
	Chemical	309
	Steel, Nonferrous Metals, Mining	435
	General Machinery	415
	Electrical Machinery	262
	Transportation Machinery, Equipment	99
	Precision Machinery, Medical Instruments and Equipment	62
	Others	58
Wholesale (2,310)	Food, Beverages	310
	Textile, Textile Products, Clothing	143
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	260
	Paper Products, Stationery, Books	97
	Chemical	223
	Recycled Resources	39
	Steel, Nonferrous Metals, Mining Products	236
	Machinery, Equipment	722
	Others	280

Retail (810)	Food, Beverages	131
	Textile, Textile Products, Clothing	73
	Drugs, Sundries	62
	Furniture	27
	Electrical Household Appliances, Information Machinery and Equipment	61
	Motor Vehicles, Motor Vehicle Parts	124
	Special Merchandise	255
	Various Merchandise	61
	Others	16
Transportation, Warehousing		447
Service (2,203)	Restaurants	118
	Telecommunications	8
	Electricity, Gas, Water, Heat	20
	Leasing, Rentals	99
	Lodging, Hotels	88
	Recreation	92
	Broadcasting	23
	Maintenance, Guarding, Testing	271
	Advertising	111
	Information	492
	Labor Dispatching	74
	Special Services	405
	Medical, Welfare, Public Health	109
	Education	45
	Others	248
Others		35
Total		10,620

#### 3.Size

Large Firms	1,577	14.8%
Small to Medium-sized Firms	9,043	85.2%
micro Firms	3,575	33.7%
Total	10,620	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 January 19 2026 - January 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 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	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 <sub>6</sub>	N <sub>5</sub>	N <sub>4</sub>	N <sub>3</sub>	N <sub>2</sub>	N <sub>1</sub>	N <sub>0</sub>

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.