

Domestic economy turned positive for the first time in three months

～ Consumer spending-related economy remained at a low level, and
business confidence was viewed differently among business sectors ～

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

(Companies researched: 23,702; Valid responses: 11,073; Response rate: 46.7%;
Survey start date: May 2002)

< Overview of February 2021: Downturn trends have bottomed out >

The economic diffusion index (DI) in February 2021 was 35.8, up 1.9 points from the previous month for the first time in three months. The domestic economy turned positive for the first time in three months owing to expansion of production, etc., although things were viewed differently among business sectors.

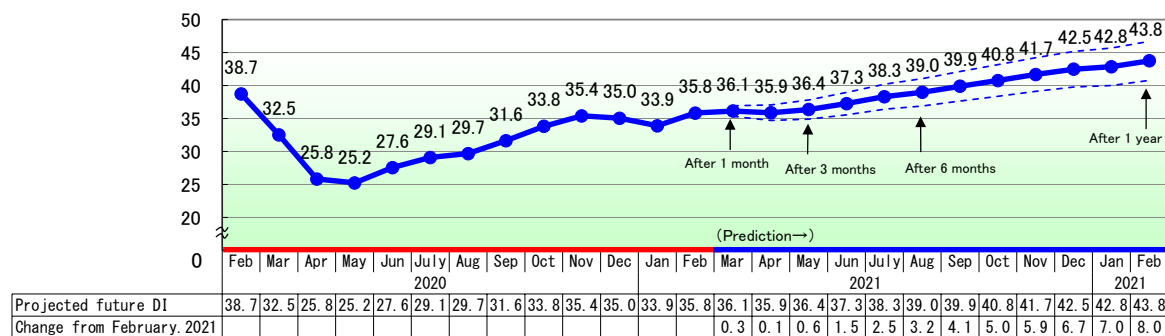
< Future outlook: Gradual upswing from spring onwards >

The economy is expected to gradually improve from spring onwards, albeit with downward risk associated with the infection status.

By industry : The economy picked up mainly in manufacturing, but continued to remain at a low level in services for individuals.

By size : The economy turned positive in all sizes for the first time in three months, and was pushed up by household consumption.

By region : The economy in all ten regions took an upturn for the first time in four months.



*: 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

	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Ratio to the Previous Month
Total	38.7	32.5	25.8	25.2	27.6	29.1	29.7	31.6	33.8	35.4	35.0	33.9	35.8	1.9
Large Firms	42.0	34.8	28.2	28.1	30.1	31.7	32.4	33.9	36.4	37.6	37.4	36.3	38.2	1.9
Small to Medium-sized Firms	38.0	32.0	25.3	24.6	27.0	28.5	29.1	31.1	33.3	34.9	34.5	33.4	35.3	1.9
Micro Firms	38.8	32.3	25.4	24.6	27.8	29.4	30.0	32.0	33.9	35.2	34.2	32.8	34.7	1.9

																Ratio to the
		Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Previous Month	
Agriculture,Forestry,Fisheries		37.9	32.8	28.2	25.1	29.6	31.4	31.0	30.3	34.4	38.7	35.4	30.9	33.8	2.9	
Finance		42.2	33.3	27.3	28.7	32.4	31.5	32.6	35.3	38.3	37.7	35.6	36.1	38.3	2.2	
Construction		47.8	41.5	33.9	33.5	36.3	37.5	38.4	40.4	41.1	41.8	40.9	39.4	40.6	1.2	
Real Estate		42.0	31.6	21.9	23.5	29.2	32.5	33.1	35.6	36.4	36.8	36.4	35.5	38.3	2.8	
Manufacturing	Food,BEWerages,Livestock Feed	34.5	28.4	24.8	24.6	27.2	29.6	30.5	32.0	34.2	36.0	32.5	30.7	30.8	0.1	
	Textile,Textile Products,Clothing	29.3	23.2	16.7	17.7	17.9	19.8	20.3	23.5	24.7	26.8	26.1	24.5	26.0	1.5	
	Construction Materials,Furniture, Ceramics,Stone and Clay Products	37.2	33.4	29.2	26.5	28.1	28.3	29.8	31.3	35.1	35.4	36.0	37.3	37.2	▲ 0.1	
	Pulp, Paper and Paper Products	32.0	29.2	24.0	21.4	19.3	21.0	22.9	24.1	26.2	29.2	29.3	27.6	29.4	1.8	
	Publishing,Printing	29.7	23.1	16.8	14.4	16.0	15.8	18.8	20.4	21.9	22.7	21.8	20.2	22.2	2.0	
	Chemical	35.8	32.1	27.5	25.3	25.9	27.3	27.8	31.1	34.4	37.7	39.3	38.0	40.9	2.9	
	Steel,Nonferrous Metals,Mining	32.9	29.0	23.6	21.5	20.8	22.3	23.6	25.4	29.2	33.1	34.3	33.9	37.0	3.1	
	General Machinery	35.4	31.1	25.3	23.6	23.5	24.6	25.0	26.5	29.1	31.7	33.5	33.6	36.9	3.3	
	Electrical Machinery	38.5	32.7	27.6	26.1	27.0	27.5	27.7	28.9	33.0	34.8	35.5	36.1	39.6	3.5	
	Transportation Machinery,Equipment	36.5	34.2	22.2	18.2	18.1	21.2	24.2	27.8	34.9	36.3	40.1	40.1	40.3	0.2	
	Precision Machinery, Medical Instruments and Equipment	39.0	34.8	27.2	26.3	28.6	28.1	29.6	30.2	32.7	35.5	37.1	37.9	42.4	4.5	
	Other	36.8	31.1	20.7	19.8	23.9	25.2	22.8	26.3	29.0	29.6	31.9	31.5	31.4	▲ 0.1	
Total		34.9	30.3	24.7	23.0	23.6	24.9	25.9	27.8	31.0	33.3	33.9	33.4	35.6	2.2	
Wholesale	Food,BEWerages	33.1	25.6	21.3	21.0	24.5	27.3	27.2	30.2	32.0	31.6	29.5	26.8	29.2	2.4	
	Textile,Textile Products,Clothing	22.0	16.4	10.3	11.4	15.8	18.2	18.0	19.4	22.6	22.3	22.7	21.2	19.8	▲ 1.4	
	Construction Materials, Furniture,Ceramics, Stone and Clay Products	38.5	34.4	27.9	27.7	29.6	30.2	30.4	31.7	33.9	35.9	36.1	34.7	34.8	0.1	
	Paper Products,Stationery,Books	33.5	27.5	22.0	19.1	19.0	21.9	23.2	24.0	26.9	26.7	28.3	26.3	29.3	3.0	
	Chemical	35.5	33.2	28.9	27.4	27.6	29.2	29.5	30.1	32.3	36.1	35.7	34.3	37.7	3.4	
	Recycled Resources	27.1	21.2	18.7	18.8	23.8	24.5	27.8	30.2	32.9	38.7	44.4	45.6	42.4	▲ 3.2	
	Steel,Nonferrous Metals, Mining Products	31.9	27.8	23.2	22.8	24.0	24.5	25.3	26.4	30.5	32.1	34.0	32.6	33.4	0.8	
	Machinery,Equipment	38.2	33.0	25.9	25.1	27.4	29.0	28.6	30.6	33.1	34.6	34.4	34.6	36.7	2.1	
	Other	31.5	26.5	21.4	19.8	23.1	25.1	25.4	27.6	30.6	33.0	31.6	29.0	31.3	2.3	
	Total		34.4	29.4	23.7	23.0	25.3	27.0	27.1	28.9	31.5	33.0	32.8	31.6	33.3	1.7

Economic Diffusion Index (Economic DI)2/2

		Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Ratio to the Previous Month
Retail	Food,BEWerages	36.7	25.8	26.3	27.4	30.8	30.7	29.1	34.0	38.8	37.0	34.6	33.8	33.1	▲ 0.7
	Textile,Textile Products,Clothing	24.2	16.2	11.4	8.8	23.6	24.7	24.0	19.9	27.8	23.7	22.0	22.7	21.4	▲ 1.3
	Drugs,Sundries	34.7	27.5	28.7	25.3	32.7	32.7	31.3	32.6	33.3	29.8	31.3	30.2	32.5	2.3
	Furniture	29.2	22.6	10.8	15.5	31.7	40.0	38.9	38.5	37.5	38.9	35.4	34.4	36.7	2.3
	Electrical Household Appliances, Information Machinery and Equipment	36.0	28.4	19.3	21.9	33.8	29.8	30.5	30.6	34.2	33.3	29.5	28.3	36.3	8.0
	Motor Vehicles,Motor Vehicle Parts	32.9	27.9	17.0	15.8	25.4	29.3	29.3	32.4	34.6	40.2	37.2	35.7	37.6	1.9
	Special Merchandise	34.7	27.4	20.2	19.9	27.7	30.2	30.0	31.6	33.9	33.3	34.7	32.6	35.5	2.9
	Various Merchandise	34.4	29.3	32.3	29.9	34.5	40.9	36.9	37.0	37.6	37.3	39.2	38.7	36.2	▲ 2.5
	Other	43.9	31.8	26.9	30.6	31.8	26.7	25.9	33.3	33.3	34.8	33.3	30.3	33.3	3.0
	Total	34.1	26.7	21.2	21.1	29.1	31.0	30.3	32.1	34.8	35.0	34.2	32.9	34.5	1.6
Transportation,Warehousing		34.0	27.7	22.4	22.7	21.5	24.2	25.4	28.1	30.1	32.5	31.5	30.0	31.7	1.7
Service	Restaurants	32.3	14.2	4.3	5.5	13.8	13.7	12.7	14.5	18.2	21.0	15.3	10.3	12.8	2.5
	Postal,Telecommunications	57.1	50.0	30.3	33.3	43.3	41.7	42.6	46.7	41.7	47.2	38.9	46.3	38.1	▲ 8.2
	Electricity,Gas,Water,Heat	46.7	40.5	28.4	32.4	34.4	34.9	42.5	42.5	40.4	40.0	38.6	42.5	39.5	▲ 3.0
	Leasing,Rentals	46.9	34.0	27.8	29.1	30.2	31.4	32.7	34.5	34.9	37.5	36.2	33.5	32.8	▲ 0.7
	Lodging, Hotels	23.2	7.0	1.5	2.9	4.8	5.1	6.0	12.4	27.2	28.8	11.9	3.4	4.4	1.0
	Recreation	35.7	17.0	5.6	9.3	11.5	17.5	22.9	22.4	23.7	29.0	27.0	24.0	25.8	1.8
	Broadcasting	38.9	29.8	22.9	22.5	26.7	25.6	34.5	33.3	34.4	38.6	42.2	36.3	42.6	6.3
	Maintenance,Guarding,Testing	42.6	36.0	27.5	26.6	29.9	33.2	34.1	36.5	38.5	38.5	38.6	36.3	37.5	1.2
	Advertising	34.1	21.3	11.3	10.7	14.3	19.0	18.0	20.4	21.1	22.3	22.5	20.2	24.7	4.5
	Information	54.2	43.9	33.7	34.0	35.8	37.2	37.9	38.9	40.1	41.6	41.2	41.3	43.6	2.3
	Labor Dispatching	42.5	34.1	21.0	20.0	25.3	24.6	25.4	26.7	29.2	34.3	31.5	31.6	33.6	2.0
	Special Services	45.8	40.4	31.4	32.2	35.0	36.7	36.1	40.0	40.7	42.5	41.0	38.8	42.9	4.1
	Medical,Welfare,Public Health	43.2	35.9	26.4	26.1	30.5	29.9	31.0	31.4	33.6	34.9	34.8	32.7	34.7	2.0
	Education	40.0	29.7	13.9	18.8	28.0	29.5	31.7	34.0	34.7	34.0	34.0	33.3	34.0	0.7
	Other	39.8	29.2	21.2	21.8	26.6	28.7	28.4	31.1	31.6	31.4	32.6	30.9	34.2	3.3
	Total	45.1	35.3	25.8	26.1	29.4	31.2	31.8	33.9	35.1	36.8	35.7	33.9	36.5	2.6
Other		39.2	29.8	24.4	26.2	27.1	29.3	28.8	31.5	28.2	29.4	30.8	29.5	30.5	1.0

	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Ratio to the Previous Month
Hokkaido	39.0	31.0	28.4	27.5	30.6	32.3	33.4	34.4	36.0	34.4	33.0	32.4	33.9	1.5
Tohoku	36.7	30.7	26.0	25.3	28.5	29.7	30.4	32.6	34.4	36.0	35.4	33.8	35.4	1.6
kitakanto	36.9	31.8	25.8	24.5	26.2	27.1	28.0	30.6	33.2	36.6	35.9	34.9	37.2	2.3
minamikanto	41.1	34.1	26.3	25.5	28.4	29.7	30.4	32.3	34.2	35.3	35.2	34.0	35.9	1.9
Hokuriku	35.6	29.7	24.9	25.1	26.5	27.5	28.5	30.0	31.8	34.7	35.0	32.7	34.6	1.9
Tokai	37.3	31.4	23.7	23.4	25.3	27.0	27.7	30.3	32.6	35.6	35.3	34.1	36.1	2.0
Kinki	36.3	30.4	23.9	23.8	25.9	27.8	28.1	29.5	32.4	34.1	33.9	33.1	35.5	2.4
Chugoku	39.0	33.8	27.0	25.7	27.2	29.4	29.7	32.0	34.3	35.5	34.8	34.5	36.2	1.7
Shikoku	39.5	36.4	30.8	28.5	30.3	30.5	31.5	32.6	33.9	35.3	35.4	33.8	35.4	1.6
Kyushu	41.5	35.3	27.5	27.4	29.7	32.5	31.8	34.2	36.9	37.7	36.9	35.3	37.0	1.7

Appendix

1. Research Subjects (Companies researched: 23,702; Valid responses: 11,073; Response rate: 46.7%)

Appendix

1. Region

Hokkaido	553	Tokai	1,215
Tohoku	759	Kinki	1,943
kitaKanto	829	Chugoku	637
minamikanto	3,324	Shikoku	366
Hokuriku	592	Kyushu	855
Total		11,073	

2. Industry (10 Industries 51 Lines of business)

Agriculture, Forestry, Fisheries		73
Finance		113
Construction		1,823
Real Estate		362
Manufacturing (3,049)	Food, Beverages, Livestock Feed	372
	Textile, Textile Products, Clothing	122
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	235
	Pulp, Paper and Paper Products	101
	Publishing, Printing	176
	Chemical	427
	Steel, Nonferrous Metals, Mining	519
	General Machinery	497
	Electrical Machinery	328
	Transportation Machinery, Equipment	101
	Precision Machinery, Medical Instruments and Equipment	77
	Others	94
Wholesale (2,911)	Food, Beverages	393
	Textile, Textile Products, Clothing	188
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	337
	Paper Products, Stationery, Books	94
	Chemical	284
	Recycled Resources	35
	Steel, Nonferrous Metals, Mining Products	304
	Machinery, Equipment	922
	Others	354

Retail (456)	Food, Beverages	65
	Textile, Textile Products, Clothing	32
	Drugs, Sundries	21
	Furniture	15
	Electrical Household Appliances, Information Machinery and Equipment	34
	Motor Vehicles, Motor Vehicle Parts	85
	Special Merchandise	147
	Various Merchandise	46
Others		11
Transportation, Warehousing		487
Service (1,752)	Restaurants	52
	Telecommunications	7
	Electricity, Gas, Water, Heat	19
	Leasing, Rentals	117
	Lodging, Hotels	34
	Recreation	60
	Broadcasting	18
	Maintenance, Guarding, Testing	183
	Advertising	102
	Information	459
	Labor Dispatching	60
	Special Services	294
	Medical, Welfare, Public Health	120
	Education	26
Others		201
Total		11,073

3. Size

Large Firms	1,930	17.4%
Small to Medium-sized Firms	9,143	82.6%
micro Firms	3,322	30.0%
Total	11,073	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 February 12 – 28 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

EconomicDI

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

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

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.