

## Domestic economy improved for the fourth straight month

~ Amidst 8th wave of COVID infections, economy is buoyed up  
by increases in inbound consumption and year-end demand~

(Companies researched: 26,953; Valid responses: 11,510; Response rate: 42.7%; Survey start date: May 2002)

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### < Trends in November 2022: Tendency toward improvement >

The economic diffusion index (DI) in November 2022 was 43.1, up 0.5 points from the previous month in its fourth consecutive month of improvement. Amidst the 8th wave of COVID-19, the domestic economy improved for the fourth consecutive month, with upturns in seasonal demand and tourism-related demand.

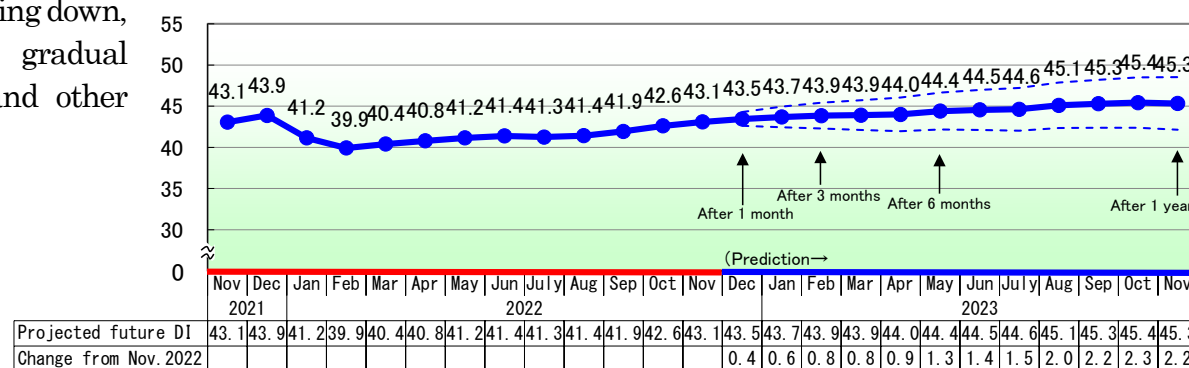
### < Future outlook: Continued trend toward gradual improvement >

Although there are concerns that the global economy is slowing down, Japan's economy is expected to show a trend toward gradual improvement centering around tourism-related demand and other service consumption.

By industry: improvements in all 10 industries, driven by year-end demand and favorable accommodation industry trend

By size: Businesses of all scales showed an improvement for the second consecutive month. Strong showings for seasonal merchandise and tourism related

By region: Six of 10 regions showed an improvement, favorably impacted by the increase in footfall



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

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Ratio to the Previous Month
Total	43.1	43.9	41.2	39.9	40.4	40.8	41.2	41.4	41.3	41.4	41.9	42.6	43.1	0.5
Large Firms	45.7	45.9	44.0	42.9	43.4	43.1	43.5	43.5	43.4	43.8	43.6	44.2	45.0	0.8
Small to Medium-sized Firms	42.5	43.5	40.6	39.3	39.8	40.3	40.7	41.0	40.8	41.0	41.6	42.3	42.7	0.4
Micro Firms	41.3	42.1	39.1	37.9	38.4	38.9	39.5	40.0	39.7	39.8	40.7	41.1	41.4	0.3

		Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Ratio to the Previous Month
Agriculture,Forestry,Fisheries		42.6	38.2	38.7	36.4	34.8	35.0	37.6	34.7	36.3	35.9	35.8	36.4	37.7	1.3
Finance		43.3	43.8	41.9	41.6	42.5	41.1	42.7	42.3	41.9	41.7	43.6	43.2	44.5	1.3
Construction		45.4	45.2	43.3	42.5	42.8	41.8	42.2	42.5	43.1	43.3	44.0	44.2	44.9	0.7
Real Estate		44.7	46.7	42.9	42.6	42.8	43.2	44.7	45.9	44.7	44.8	45.3	44.0	45.6	1.6
Manufacturing	Food,BEWerages,Livestock Feed	39.6	40.8	35.4	33.4	34.2	36.4	37.6	37.8	36.7	36.1	35.5	38.2	38.8	0.6
	Textile,Textile Products,Clothing	31.4	34.1	31.6	31.7	33.0	34.6	33.8	34.4	36.1	32.6	36.2	35.7	36.5	0.8
	Construction Materials,Furniture,Ceramics,Stone and Clay Products	44.9	46.4	44.1	42.7	41.1	41.7	41.1	40.4	40.8	39.8	40.2	40.9	41.9	1.0
	Pulp, Paper and Paper Products	41.4	42.9	40.2	36.4	37.2	40.3	38.3	37.4	37.5	36.6	38.0	40.4	40.2	▲ 0.2
	Publishing,Printing	30.2	32.1	28.6	29.5	29.6	30.7	30.3	29.7	29.1	29.6	30.0	31.8	32.9	1.1
	Chemical	45.7	46.7	44.5	42.3	42.7	42.3	41.7	41.1	41.8	42.6	42.3	40.8	40.8	0.0
	Steel,Nonferrous Metals,Mining	45.9	46.4	44.6	43.8	42.6	42.1	40.9	41.2	42.9	42.7	43.0	43.9	43.6	▲ 0.3
	General Machinery	47.8	49.1	47.7	46.7	46.7	45.9	46.9	46.3	46.3	46.2	45.4	45.8	45.9	0.1
	Electrical Machinery	47.0	48.5	46.6	46.1	44.3	44.8	44.3	44.8	44.7	44.2	45.2	44.8	45.4	0.6
	Transportation Machinery,Equipment	43.4	45.6	41.6	39.9	40.0	38.1	37.6	36.8	40.3	41.2	40.2	42.2	42.1	▲ 0.1
	Precision Machinery, Medical Instruments and Equipment	49.8	53.0	52.0	49.5	47.1	46.8	48.2	48.8	48.5	46.5	46.2	46.1	46.1	0.0
	Other	36.9	41.1	35.9	36.1	35.4	37.3	39.2	38.1	37.8	38.2	37.5	35.4	35.9	0.5
Total		43.6	45.1	42.5	41.2	40.9	41.2	41.0	40.8	41.3	41.0	41.1	41.6	41.9	0.3
Wholesale	Food,BEWerages	36.9	38.2	32.7	30.1	32.6	36.2	37.3	37.1	37.0	35.6	35.8	37.4	38.8	1.4
	Textile,Textile Products,Clothing	27.4	29.3	27.6	24.9	25.4	28.7	31.4	31.3	29.9	29.9	29.9	32.4	33.1	0.7
	Construction Materials, Furniture,Ceramics, Stone and Clay Products	42.6	42.4	40.0	39.7	40.5	38.6	38.1	38.3	38.6	38.5	37.5	39.8	39.5	▲ 0.3
	Paper Products,Stationery,Books	35.0	34.2	32.7	31.9	34.6	33.8	34.2	32.8	33.0	33.5	34.5	37.1	37.0	▲ 0.1
	Chemical	45.3	45.3	43.2	41.9	43.5	42.3	42.3	41.6	43.5	43.0	43.4	42.6	43.8	1.2
	Recycled Resources	52.9	52.8	45.8	50.5	53.2	54.0	47.5	41.4	40.9	39.6	47.0	46.3	43.5	▲ 2.8
	Steel,Nonferrous Metals, Mining Products	43.2	45.2	42.3	40.5	41.1	40.3	40.0	39.7	39.3	39.3	39.8	39.7	40.2	0.5
	Machinery,Equipment	44.4	44.7	42.8	42.4	41.9	42.5	42.0	42.9	43.1	42.6	43.3	44.1	44.1	0.0
	Other	39.7	40.1	36.3	33.7	35.5	37.3	37.8	38.1	37.7	37.7	38.2	39.0	39.6	0.6
	Total		41.3	41.8	39.0	37.7	38.6	39.2	39.4	39.4	39.5	39.2	39.6	40.6	41.0

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

		Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Ratio to the Previous Month
Retail	Food,BEWerages	39.7	41.1	36.5	36.3	38.6	37.7	41.8	42.7	40.3	39.9	40.2	39.6	43.2	3.6
	Textile,Textile Products,Clothing	34.1	40.0	31.8	23.8	30.6	33.6	33.9	33.6	37.7	33.6	34.9	38.7	38.1	▲ 0.6
	Drugs,Sundries	37.5	38.4	36.0	32.1	36.8	32.1	38.9	40.1	37.1	41.9	39.5	38.9	40.6	1.7
	Furniture	34.5	42.9	35.6	29.8	30.6	39.2	34.3	39.8	35.2	36.1	40.0	37.8	36.2	▲ 1.6
	Electrical Household Appliances, Information Machinery and Equipment	35.9	35.5	32.3	30.2	33.0	33.7	34.7	34.0	36.7	32.7	37.1	35.1	35.3	0.2
	Motor Vehicles,Motor Vehicle Parts	37.8	36.5	35.0	33.5	34.7	35.1	37.1	36.4	32.4	35.9	38.8	37.6	37.2	▲ 0.4
	Special Merchandise	33.5	36.0	33.3	30.9	29.9	31.3	33.1	34.3	33.2	34.7	34.0	33.5	35.4	1.9
	Various Merchandise	38.0	37.5	36.2	32.6	34.0	36.4	39.9	37.8	40.2	38.0	36.1	41.3	41.4	0.1
	Other	37.9	43.3	40.0	40.0	43.9	34.7	41.0	39.7	36.9	42.3	32.1	36.5	44.9	8.4
Total		36.0	37.7	34.4	31.9	33.3	34.0	36.4	36.7	35.7	36.3	36.7	36.8	38.2	1.4
Transportation,Warehousing		39.1	40.3	37.7	35.5	35.4	36.6	37.2	37.1	37.8	37.3	38.2	40.7	41.6	0.9
Service	Restaurants	31.4	34.7	24.2	16.9	23.8	32.8	34.3	38.0	34.0	28.1	31.8	39.0	39.1	0.1
	Postal,Telecommunications	40.5	41.7	46.7	50.0	48.5	50.0	53.0	56.0	47.0	47.9	51.9	52.4	50.0	▲ 2.4
	Electricity,Gas,Water,Heat	38.9	39.7	40.0	37.5	33.3	35.7	40.6	34.3	37.7	35.9	36.1	31.1	32.3	1.2
	Leasing,Rentals	44.9	44.8	42.0	41.0	40.2	42.0	43.3	44.9	40.8	44.7	45.6	47.5	48.4	0.9
	Lodging, Hotels	30.2	29.5	12.9	12.8	18.1	28.3	33.0	33.3	30.3	38.0	37.4	53.3	54.8	1.5
	Recreation	36.7	38.4	33.3	31.2	35.1	35.6	38.9	41.6	40.7	40.1	42.2	45.0	43.8	▲ 1.2
	Broadcasting	48.1	46.9	45.8	47.6	44.4	43.9	43.3	41.7	43.0	38.3	46.1	43.1	41.7	▲ 1.4
	Maintenance,Guarding,Testing	45.3	45.7	42.3	40.2	42.3	43.1	42.5	44.2	42.2	43.4	42.8	42.8	43.6	0.8
	Advertising	36.8	37.7	32.7	31.5	36.4	36.9	34.8	37.3	34.3	36.7	39.3	40.9	40.3	▲ 0.6
	Information	51.2	52.5	50.1	50.2	51.1	50.8	50.8	52.0	51.5	52.7	53.0	52.3	53.0	0.7
	Labor Dispatching	44.3	43.3	45.1	41.5	44.4	45.7	47.6	45.7	46.5	49.8	47.4	48.8	46.5	▲ 2.3
	Special Services	49.2	50.3	47.2	46.2	46.9	48.1	48.1	49.6	48.7	48.3	49.4	49.0	48.8	▲ 0.2
	Medical,Welfare,Public Health	45.7	43.2	42.4	41.0	42.5	44.5	44.4	43.5	42.5	41.2	41.7	43.2	43.6	0.4
	Education	39.1	43.2	39.7	40.2	37.8	39.6	35.6	40.1	38.8	39.7	43.7	42.1	42.8	0.7
Total		41.7	42.4	39.3	36.9	39.3	42.1	42.7	42.8	42.4	41.2	42.8	43.3	43.5	0.2
Other		39.6	40.5	36.3	37.3	38.7	36.8	38.1	35.6	36.6	38.3	37.2	37.9	38.2	0.3

		Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Ratio to the Previous Month
	Hokkaido	40.8	41.1	38.6	37.0	36.5	37.9	38.9	40.1	41.0	40.2	40.7	41.2	40.9	▲ 0.3
	Tohoku	42.1	41.7	38.1	37.0	37.0	37.6	39.1	39.0	38.8	38.1	39.3	39.9	40.3	0.4
	kitakanto	44.4	45.0	42.3	40.7	40.7	42.0	42.1	42.6	42.9	43.8	42.5	43.7	43.7	0.0
	minamikanto	43.9	44.8	42.6	41.5	42.1	42.4	42.7	43.2	42.6	43.3	43.6	43.8	44.4	0.6
	Hokuriku	42.6	43.6	40.9	39.2	39.2	39.9	40.6	40.5	41.5	40.8	41.7	42.3	42.2	▲ 0.1
	Tokai	42.4	44.4	41.1	39.7	40.2	40.2	40.1	39.5	39.5	39.7	40.4	41.1	41.4	0.3
	Kinki	42.7	43.3	40.8	39.8	40.5	40.8	40.9	40.9	40.9	41.1	41.5	42.3	43.0	0.7
	Chugoku	42.3	42.9	40.7	40.0	40.7	39.8	40.6	41.1	41.3	40.9	41.8	42.8	43.8	1.0
	Shikoku	41.8	43.2	39.3	37.1	38.9	38.1	38.7	38.4	38.3	37.7	38.7	40.3	40.0	▲ 0.3
	Kyushu	44.3	44.5	41.3	39.5	40.9	41.5	41.6	42.2	41.5	41.3	43.0	44.0	45.1	1.1

## Appendix

### 1. Research Subjects (Companies researched: 26,953; Valid responses: 11,510; Response rate: 42.7%)

#### 1. Region

Hokkaido	554	Tokai	1,263
Tohoku	760	Kinki	1,996
kitaKanto	859	Chugoku	783
minamikanto	3,423	Shikoku	381
Hokuriku	584	Kyushu	907
Total		11,510	

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

Agriculture, Forestry, Fisheries		123
Finance		171
Construction		1,816
Real Estate		408
Manufacturing (2,845)	Food, Beverages, Livestock Feed	338
	Textile, Textile Products, Clothing	112
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	215
	Pulp, Paper and Paper Products	94
	Publishing, Printing	160
	Chemical	386
	Steel, Nonferrous Metals, Mining	518
	General Machinery	450
	Electrical Machinery	312
	Transportation Machinery, Equipment	103
	Precision Machinery, Medical Instruments and Equipment	73
	Others	84
Wholesale (2,689)	Food, Beverages	348
	Textile, Textile Products, Clothing	168
	Construction Materials, Furniture, Ceramics, Stone and Clay Products	304
	Paper Products, Stationery, Books	95
	Chemical	280
	Recycled Resources	31
	Steel, Nonferrous Metals, Mining Products	281
	Machinery, Equipment	848
	Others	334

#### 3. Size

Large Firms	1,814	15.8%
Small to Medium-sized Firms	9,696	84.2%
micro Firms	3,658	31.8%
Total	11,510	100.0%

Retail (658)	Food, Beverages	103
	Textile, Textile Products, Clothing	59
	Drugs, Sundries	39
	Furniture	23
	Electrical Household Appliances, Information Machinery and Equipment	43
	Motor Vehicles, Motor Vehicle Parts	107
	Special Merchandise	211
	Various Merchandise	60
Others		13
Transportation, Warehousing		505
Service (2,254)	Restaurants	99
	Telecommunications	12
	Electricity, Gas, Water, Heat	16
	Leasing, Rentals	114
	Lodging, Hotels	73
	Recreation	111
	Broadcasting	16
	Maintenance, Guarding, Testing	199
	Advertising	122
	Information	646
	Labor Dispatching	95
	Special Services	310
	Medical, Welfare, Public Health	143
	Education	37
	Others	261
Others		41
Total		11,510

## 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 Nov 16 – 30 2022

### 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 26,000 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 <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

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

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

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.